



DOMINION

Q1 2024 Results analysis

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1. Introduction

1.1. Context

Macroeconomics has been marked by a series of events and trends that have impacted financial markets, providing investors and companies with a complex and challenging landscape. In terms of economic growth, mixed signs were observed in different regions of the world. Inflation has been another protagonist this quarter. As the economy recovers and demand strengthens, inflationary pressures are observed in several countries. Additionally, geopolitical events and trade tensions continued to be a factor of uncertainty and concern for all.

DOMINION is adequately positioned to face these scenarios thanks to its geographical and business diversification. The phenomena that have had an impact on operations and results are related to the increase in interest rates and currency movements.

Regarding monetary policy, many central banks maintained an accommodative stance to support economic recovery and stimulate inflation. However, there were signs that some could begin to adjust their policies as the economy approached full employment levels and inflation showed signs of picking up. These movements in interest rates are expected to come later than expected, presumably in the month of June.

With all this, DOMINION presents results that demonstrate the good evolution of all businesses thanks to the strategies implemented in the strategic plan presented last year, which aim to focus activity on businesses with higher margin profiles and divest all those activities with lower margins or that are non-taxonomic

1.2. Inorganic and non-recurrent effects

Inorganic effect on turnover:

The inorganic effect for the quarter was -9.6 million euros.

The additional revenue contributed by Gesthidro (2 months) since its acquisition took place at the end of February 2023. This effect ends this quarter.

Conversely, during the third quarter of 2023, the B2B2C business underwent restructuring aimed at maintaining or improving its profitability levels. The decision to divest physical retail outlets entails a reduction in device sales and thus an inorganic decrease in turnover, which will continue until the middle of this year.

Payments for Corporate operations:

During this quarter, commitments made in the form of earn-outs were fulfilled:

- In January, €67 million was disbursed for the acquisition of INCUS's shareholding in the renewable energy business, as agreed at the end of 2022.
- Payments for earn-outs totaling approximately €8 million were also addressed, corresponding to Bygging India (acquisition in 2019) and small environmental services companies.

Other payment commitments:

On March 26th, the company proceeded to purchase 2.6 million of its own shares with the purpose of being acquired, in the coming weeks, by the management team, as part of a plan designed by the company for the participation of its top executives in DOMINION's share capital. This purchase involved a disbursement of €11.7 million.

2. Economic financial information

2.1. Turnover

(Millions of €)	Q1 2023	%	Q1 2024
Consolidated Turnover	281.5	0.6%	283.1

DOMINION closes the first quarter of the year with a turnover reaching €283 million, representing a growth of 0.6% compared to the figure of the previous year.

Of this growth, +5.2% is organic growth, surpassing the guidance established in the strategic plan.

Inorganic growth has subtracted -3.4%, due to reduced device sales following the decision to close stores carried out in the second half of 2023, which will continue to have an inorganic effect during the first half of this year.

The FOREX effect at the end of the period has been negative at -1.2%.

2.2. Operative Margins

(Millions of €)	Q1 2023	%	Q1 2024
Consolidated Turnover	281.5	0.6%	283.1
Contribution Margin	40.5	2.6%	41.5

Operating margins continue to be strong, as observed in previous quarters. The contribution margin increases by 2.6% compared to the same period of the previous fiscal year.

The operational margin improvement continues in line with the previous quarter, indicating that the focus on activities with higher margin profiles is materializing, as well as the reduction of activities with lower margins, such as the inorganic decrease in device sales.

2.3. EBITDA

(Millions of €)	Q1 2023	%	Q1 2024
Consolidated Turnover	281.5	0.6%	283.1
Contribution Margin	40.5	2.6%	41.5
EBITDA	33.8	2.9%	34.8
% EBITDA on turnover	12%		12.3%

An EBITDA of €34.8 million is achieved, 2.9% higher than the previous fiscal year.

This growth, higher than that of revenue and contribution margin, demonstrates operational leverage, with the company's central structure stable, and profitability maintained at high levels.

EBITDA as a percentage of sales reaches 12.3% and improves by three basis points in profitability despite the context in which we find ourselves.

2.4. Depreciation & Amortization

(Millions of €)	Q1 2023	%	Q1 2024
Consolidated Turnover	281.5	0.6%	283.1
Contribution Margin	40.5	2.6%	41.5
EBITDA	33.8	2.9%	34.8
% EBITDA on turnover	12%		12.3%
Depreciation & Amortization	14.8		15.4

The amount of depreciation remains stable with a small increase of €0,6 million euros, primarily linked to the depreciation of mobile devices in the renting business and the IFRS 16 effect.

2.5. Financial expenses

(Millions of €)	Q1 2023	%	Q1 2024
Consolidated Turnover	281.5	0.6%	283.1
Contribution Margin	40.5	2.6%	41.5
EBITDA	33.8	2.9%	34.8
% EBITDA on turnover	12%		12.3%
Depreciation & Amortization	14.8		15.4
EBIT	19.0	2.2%	19.4
% EBIT on turnover	6.8%		6.9%
Financial Expenses	-8.1		-10.2

The financial result for the first quarter of 2024 was -€10.2 million.

There is a net increase of €2 million in financial expenses, as a result of the current interest rate environment and an increase in the debt position due to the payment commitments addressed during this first quarter and the financing of the renewable projects portfolio.

2.6. Net profit

(Millions of €)	Q1 2023	%	Q1 2024
Consolidated Turnover	281.5	0.6%	283.1
Contribution Margin	40.5	2.6%	41.5
EBITDA	33.8	2.9%	34.8
% EBITDA on turnover	12%		12.3%
Depreciation & Amortization	14.8		15.4
EBIT	19.0	2.2%	19.4
% EBIT on turnover	6.8%		6.9%
Financial Expenses	-8.1		-10.2
EBT	10.9		9.2
Taxes	0.3		0.2
Minority Shareholders	0.8		-0.1
Net Comparable Profit	12.1	-23%	9.3
% Result on turnover	4.3%		3.3%
Discontinued Operations	-		-2.0
Net Attributable Profit	12.1	-40%	7.3

"Comparable Net Result": it refers to the Net Result attributable before discontinued operations.

DOMINION achieves an attributable net profit of 7.3 million euros. This result includes:

- Higher financial expenses due to the interest rate environment and payment commitments in the first quarter.
- Lower corporate tax expense due to the application of negative taxable bases and temporary differences.
- A negative result from discontinued operations. Discontinued operations include the results of the Danish high metal structures company, Steelcon, and the financial expenses related to the Cerritos wind farm in Mexico.

Business segment highlights

2.7. Sustainable Services

Sustainable Services	Q1 2023		Q1 2024
Turnover	193.3€	+0.2%	193.6M€
CM	21.7€	+7.2%	23.3 M€

Sustainable Services closes the fiscal year with a turnover of €193.6 million. While globally this represents almost stable revenue, organically the growth is +6.1%.

The inorganic effect of the year is concentrated in this business segment; Gesthidro (+€0.6 million) and the inorganic/one-off effect of lower device sales following the restructuring of the B2B2C business (-€10.2 million in 1Q). It should be noted that the lower device sales do not have a significant impact on margins, and their comparative effect will continue until mid-year.

Regarding profitability evolution, the segment achieves a contribution margin of 12%, representing an improvement of almost 1% compared to the same period in 2023, thanks to the orientation towards businesses with higher profitability, such as Environmental Services. Additionally, contributing to this improvement in profitability is the decline in activities with reduced or zero margins, such as mobile device sales or lower value-added services.

Sustainable Services maintains its defensive character, with a recurrence rate of approximately 85%, a figure that provides visibility to this business segment. During this first quarter of 2024, the excellent performance, both in execution and profitability, of the telecommunications business stands out, both in Latin America and Europe (Germany).

This segment maintains a significant weight in terms of turnover (69%) and contribution margin (59%).

2.8. 360° Projects

360° Projects	Q1 2023		Q1 2024
Turnover_	84.8€	+1.5%	86.1M€
CM_	16.8€	-4.5%	16.1 M€

360° Projects achieves a turnover of €86.1 million, growing by 1.5% compared to the same quarter of the previous year. This growth increases to +3.2% in organic terms, due to the impact of exchange rates.

We are in a transitional quarter within the framework of renewable projects, closing Dominican executions and preparing for the start of executions in Italy, and therefore, less intense in terms of billing. While the rest of the projects operate at regular activity levels, with some qualitatively highlighted milestones such as the successful design and construction of our first data center in Chile.

In terms of contribution margin, project margins remain high, specifically at 18.7%, well above the strategic guidance of 15%.

The portfolio has remained stable during this quarter, with new additions in the area of Industrial Infrastructure standing out.

2.9. Stakes in Infrastructures

Status	Project	Location	Technology	MWp	Ownership
In generation	Santa Rosa	Argentina	Biomass	18	100% (Global C.)
	Santa Rosa	Ecuador	Photovoltaic	4	100% (Global C.)
	Valdorros	España	Photovoltaic	4	100% (Global C.)
	El Soco	República Dominicana	Photovoltaic	79	50% (Equity Method)
Held for sale	Cerritos	Mexico	Wind	66	100% (Global C.)
In construction	LATAM		Photovoltaic	281	Equity Method
	EUROPE		Photovoltaic	3	Global C.
In the pipeline	EUROPE and LATAM		Photovoltaic	2.769	Global C.
Status	Project	Location	Typology	Ownership	
In operation	Antofagasta	Chile	Hospital	15% (Equity Method)	
In construction	Buin Paine	Chile	Hospital	10% (Equity Method)	

The Infrastructure Participation segment closes the first quarter of 2024 with a turnover of €3.4 million and contributes €2.1 million in EBITDA to the traditional business, derived from 100% owned and generated infrastructures.

The "under construction" infrastructures, executed during 2023 in the Dominican Republic, are in the process of connection and, therefore, entry into COD (Commercial Operation Date) and generation, a preliminary step for the divestment of 50% of each of them. Additionally, the Cerritos wind farm is also in the process of connection prior to its upcoming complete divestment.

3. Other Information

3.1.Shareholder structure

Significant shareholders at Q1 2024 are:

Shareholder	Percentage
ACEK Desarrollo y Gestión Industrial S.L.	15.2%
Mikel Barandiarán Landin (CEO)	5.8%
Antonio María Pradera Jauregui (Presidente)	5.7%
Indumenta Pueri S.L.	5.6%
Corporacion Financiera Alba	5.6%
Elidoza Promocion de Empresas	5.6%
Mahindra & Mahindra	4.2%

This implies a free float of 51%.