

Rueil Malmaison, 1 April 2021

## VINCI to acquire ACS' energy business

- **A major strategic move to create a global player in energy contracting and to develop renewables projects**
- **Around 45,000 people for an additional revenue of more than €6 billion, mainly in Spain and Latin America, with EBIT<sup>1</sup> margin of 6+%**
- **Strong geographical and business fit with VINCI's activities**
- **An identified potential of c. 15 GW of renewables projects (mainly in solar PV and onshore wind)**
- **Enterprise value of €4.2 billion, leading to a purchase price at closing of c. €4.9 billion<sup>2</sup>, to be paid fully in cash**
- **Additional contingent payments of up to €0.6 billion over time, subject to achieving predetermined milestones of ready-to-build<sup>3</sup> renewables GW**
- **VINCI and ACS will negotiate a 51%-49% partnership agreement for the acquisition of mature renewables assets, to be developed, built and connected to the grid by the acquired company in the future**

Today, VINCI announces the signing of an agreement to acquire ACS's energy business (the "Company").

The scope of the acquisition consists in:

- most of the ACS Industrial Services' contracting business. With a workforce of around 45,000 employees in c. 50 countries, it offers a breadth of support services – spanning network, specialized facilities, control systems – as well as an integrated offer to realize EPC projects, mainly for the energy sector. It is a global powerhouse with footprint in Spain, Mexico, Brazil, Peru and Chile. Over the past 3 years, its average revenues were above €6 billion with EBIT margin of 6+% on average;
- eight greenfield concessions<sup>4</sup> projects under development and/or construction, mainly in the electrical transmission field;
- ACS's renewables development platform. This platform has a long and recognized track-record of developing renewables concessions projects, with notably 4.4 GW developed over the past three years. VINCI and the Company have identified new opportunities for the short and medium term, of c.15 GW, mainly in solar PV and onshore wind, as well as c.8 GW of upcoming offshore wind projects.

<sup>1</sup> EBIT: operating income from ordinary activities

<sup>2</sup> Assuming a closing at year-end 2021, after taking into account c. €0.7bn of net cash items, working capital and other adjustments

<sup>3</sup> Developed, fully financed and every required permits and licenses obtained (i.e., before construction phase)

<sup>4</sup> Including 5 transmission lines, 1 irrigation plant, 1 open cycle power plant and 1 offshore wind farm

The transaction is consistent with VINCI's strategy to build a global player in energy contracting, to develop a platform for renewables projects, to broaden the portfolio of concessions and extend its average maturity:

- The Company has activities and a geographic presence that are complementary with VINCI's. It has a long track-record in complex energy EPC projects, with a longstanding footprint in Spain and Latin America;
- VINCI's contracting/concession/O&M business model, combined with the Company's projects development platform should enable VINCI to become a major player in the renewables field;
- VINCI's balance sheet strength will give the Company additional financial flexibility to develop, build and manage renewables assets;
- The Company will enhance VINCI's contribution to the climate transition.

The transaction price is based on an enterprise value of €4.2 billion. It leads to an estimated purchase price at closing of c. €4.9 billion, assuming a closing at year-end 2021 and after taking into account around €0.7 billion of net cash items, working capital and other adjustments. In addition, ACS would receive additional payments of €40 million for each ready-to-build GW developed by the Company over a period of maximum 8.5 years after closing, up to 15 GW – i.e., a cumulative maximum contingent payment over time of €600 million.

The acquisition will be financed through VINCI's available cash and credit lines. It will not have a significant impact on VINCI's balance sheet strength. The earnings per share accretion is expected to be mid- to high-single-digit, from the first year after closing.

Moreover, VINCI and ACS also intend to build a partnership through the setting up of a joint venture, with the right to acquire at market terms 'mature renewables assets', i.e. fully developed, built and connected to the grid by the Company in the future. This JV<sup>5</sup> would be 51%-owned and fully consolidated by VINCI.

The acquisition is subject to customary regulatory approvals, including merger control, and is anticipated to close around the end of year 2021.

Xavier Huillard, Chairman and CEO of VINCI, commented: *"This acquisition is a unique opportunity for VINCI to create a global player in energy contracting and to develop renewables projects, remarkably fitting its strategy. The Group is delighted to welcome an outstanding management team and a skilled workforce of around 45,000 people. Synergies derived from complementary geographies, technical expertise and integrated business model, will be a significant asset to win new projects and to seize greenfield renewables energy opportunities. We will capitalize on ACS IS recognized track record to enhance VINCI's contribution to the climate transition and pursue our environmental ambition together".*

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<sup>5</sup> In the absence of final agreement on the setting up of the joint venture, ACS will have the right to acquire 49% of mature assets developed and build by the Company under the same valuation framework.

The Group will comment this strategic transaction today at 2.00pm CET, in a conference call dedicated to financial analysts and investors (see connection details below). Ahead of this call, the presentation will be available on our website (Investors/ Financial information/Presentations).

**Conference call: 1 April 2021 at 2.00pm CET**

To take part, please dial one of the following numbers

French number: +33 (0)1 72 72 74 03      PIN: 83208457#

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Playback number (available within two hours):

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**About VINCI**

VINCI is a global player in concessions and construction, employing more than 217,000 people in some 100 countries. We design, finance, build and operate infrastructure and facilities that help improve daily life and mobility for all. Because we believe in all-round performance, we are committed to operating in an environmentally, socially responsible and ethical manner. And because our projects are in the public interest, we consider that reaching out to all our stakeholders and engaging in dialogue with them is essential in the conduct of our business activities. Based on that approach, VINCI's ambition is to create long-term value for its customers, shareholders, employees, partners and society in general.

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