MASTERS IN
FINANCE

MASTERS FINAL WORK
PROJECT

EQUITY RESEARCH:
VINCI SA

BRUNO FIGUEIREDO

JUNE 2023

Lisbon School of Economics & Management
Universidade de Lisboa

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Abstract

Vinci is a global player with a diversified portfolio of businesses, including infrastructure construction, real estate development, concessions and energy. Currently, it is the biggest construction company in the world, with a market capitalization of € 64.8 bn and runs operations in 131 countries, conducted by more than 4,000 business units. By YE2022, Vinci had a record total revenue of €62.5 bn and an EBITDA of €9.5 bn.

Vinci has a STRONG BUY recommendation at a medium risk, with a Price Target for YE2023 of €125.46 and an upside potential of 18%, against its closing price of the 9th of June of 2023, €106.70.

The differences between the price target and the current market price can be explained due to: (i) uncertainties regarding the current economic environment; (ii) fears on the stability of the financial system; (iii) investors preference for debt markets, conceptually safer than equity markets; (iv) geopolitical tensions and instability.

Vinci's strategy of betting in stable and predictable cash flows hedge the company against volatile events and grants the control on margins. Moreover, this strategy places Vinci as a leader in a transforming industry, that has a clear trend to decrease its dependency from the earnings volatility to a concessions-like business model, which is also in the business core of the energy industry towards green transition, highly supported by current political agendas.

Vinci also has a strong commitment with shareholders through a dividend payout ratio of ~50%, which represents an annual increase of 4.9% CAGR for the forecasted period of 2023-28, supported by its robust business model.

JEL classification: G10
Keywords: Vinci SA; Equity Research; Construction; Concessions; Energy; Real Estate

Resumo

A Vinci é uma empresa global com um diversificado portfólio de negócios, incluindo construção de infraestruturas, desenvolvimento de imóveis, concessões e energia. Atualmente, é a maior empresa de construção do mundo com um valor de mercado de 64,8 mil milhões de euros e desenvolve operações em 131 países, conduzidos por mais de 4.000 unidades de negócio. No final de 2022, a Vinci contabilizou uma receita recorde total de 62,5 mil milhões de euros e um EBITDA de 9,5 mil milhões.

A recomendação de investimento para a Vinci é de COMPRA FORTE a um risco médio, com um preço-alvo de 125,46 euros por ação, representando um potencial de valorização de 18% contra o preço de fecho de 9 de Junho de 2023, de 106,70 euros.

As diferenças entre o preço-alvo e o valor atual de mercado, podem ser explicadas por: (i) incertezas relativamente ao ambiente económico atual; (ii) receios sobre a estabilidade do sistema financeiro; (iii) preferência dos investidores pelo mercado de dívida, conceptualmente mais seguro do que o mercado de capitais; (iv) instabilidade e tensões geopolíticas.

A Vinci tem a sua estratégia direcionada para a aposta em fluxos de caixa estáveis e previsíveis, protegem a empresa contra eventos voláteis e garantem o controlo sobre as margens operacionais. Adicionalmente, a estratégia adotada coloca a Vinci como líder de uma indústria em transformação, que atravessa uma tendência clara de diminuição da dependência de resultados com origem em atividades de maior volatilidade, para um modelo de negócios semelhante ao modelo das concessões, tal como é também o conceito central do setor energético em vigor, num percurso de encontro à transição energética e altamente suportado pelas agendas políticas de hoje em dia.

Em complemento, a Vinci assume um forte compromisso com os seus acionistas através de um rácio de pagamento de dividendos de ~50%, o que, de acordo com as projeções, representará um crescimento anual dos dividendos de 4,9% para o período 2023-28, suportado pela robustez do plano de negócios da empresa.

Classificação JEL: G10
Palavras-Chave: Vinci SA; Equity Research; Construção; Concessões; Energia; Imobiliário

Acknowledgments

“The only person you are destined to become is the person you decide to be.”
- Ralph Waldo Emerson

“Pain is temporary. It may last a minute, an hour, a day or even a year but eventually it will subside (…) If I quit, however, it lasts forever.”
- Lance Armstrong

“Gratitude is not only the greatest of virtues but the parent of all others.”
- Marcus Tullius Cicero

Because there are extraordinary people that inspired me to become a better person and to be here today:
To my mother, grandmother and brother, of whom I am very proud of;
To all my family to whom I owe everything;
To my lifetime friends with whom I grew up together and who have fulfilled my life;
To my new friends who have made my life in Lisbon so much cheerful;
To all the professors who have inspired me with their passion;
To the ones that made part of my professional path and influenced me through their role model behavior and attitude;
To my team at EDP, which have been extremely supportive and with whom I have been able to learn so much;
To ISEG for being such a respectful institution and for encouraging so many of us to pursuit knowledge and wisdom;
To my supervisor, Paulo Francisco, for all the support provided and for all the patience he had,

My deepest thanks,
Bruno Figueiredo

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Abbreviations

A ACS - Actividades de Construcción y Servicios, S.A.

B bn – billion
BoD - Board of Directors
bps - Basis points
BV - Book Value

C CAC - Cotation Assistée en Continu
CAGR - Compound Annual Growth Rate
CAPEX - Capital Expenditures
CAPM - Capital Asset Pricing Model
CBOE - Chicago Board Options Exchange
CDS - Credit Default Swaps
CEO - Chief Executive Officer
CFO - Cashflow from operating activities
CGE - Compagnie Générale des Eaux
CGdE - Compagnie Générale d'Electricité
CO2 - Carbon dioxide
CR - Cyber risk
CRH Group - Cement Roadstone Holdings Group
CRP - Country Risk Premium
CSR Committee - Corporate Social Responsability Committee
CV - Curriculum Vitae

D DCF - Discounted Cash Flows
DDM - Dividend Discount Model

E EBIT - Earnings Before Interests and Taxes
EBITDA - Earnings Before Interests, Taxes, Depreciations and Amortizations
EIA - Energy Information Administration
EMR - Economic and market risks
ENV - ENvironmental risks
EPC - Engineering, Procurement and Construction
ERP - Equity Risk Premium
ESG - Environmental, Social and Corporate Governance
EUR - Euro
EV - Enterprise Value

F FCFE - Free Cash Flow to Equity
FCFF - Free Cash Flow to the Firm
FR - France
FY - Fiscal Year/Full Year

G G20 - Group of Twenty
GB - Green bond
GDP - Gross Domestic Product
GIF - Global Infrastructure Facility
GTM - Grands travaux de Marseille Group

I IC - Invested Capital
IMF - International Monetary Fund

K KPI - Key Performance Indicator

L LatAm - Latin America

M MWh - Megawatt per hour
MTF - Multilateral Trading Facilities

N NA - North America
NPT - Net Profit Margin
NWC - Net Working Capital

O OECD - Organization for Economic Cooperation and Development
OMA - Grupo Aeroportuario Centro Norte, Mexico
OR - Operational risks
OTC - Over-the-Counter

P P - Price
PPA - Power Purchase Agreement
PR - Political and regulatory risks
PT – Price Target

R RFR - Risk-Free Rate
ROCE - Return on Capital Employed
ROE - Return on Equity
RoE - Rest of Europe
RoW - Rest of World
ROIC - Return on Invested Capital

S SA - South America
SGE - Société Générale D'Enterprise
SGM – Shareholders General Meeting
SLB - Sustainability-linked bond
SLL - Sustainability-linked loans
SPT - Sustainability Performance Targets

U UAV - Unmanned aerial vehicle
US - United States

W WACC - Weighted Average Cost of Capital
WWII - World War II

Y YE - Year end
YoY - Year-on-year

Vinci: A player ahead of competition

1. Research Snapshot

We issue a **STRONG BUY** recommendation for Vinci shares, with a **YE2023 Price Target** of **€125.46** and an **upside potential of 18%** with a **medium risk**, in comparison with the closing price of €106.70 on the 9th of June of 2023.

In a difficult market context, Vinci is able to benefit from its strategy of betting in **stable and predictable cash flows** generation through concessions and energy business lines, which were responsible for 81% of the EBITDA formulation in 2022. The alignment of the company's business plan with the green transition agenda is a huge driver to boost growth through new and attractive investment opportunities, that can be carried out supported by the strong cash generation that Vinci has.

Strong margins

Vinci is being able to present a strong **EBITDA margin** of 15% on average since 2017, fueled mainly by the solid margins on the concessions business segment. In 2022, the company's global EBITDA margin was of 15.2%, on a clear evidence of the company's strong resilience against a difficult moment of high inflation pressures, constraints on the supply chain and disruptions caused by the Ukraine war. Moreover, the company had an outstanding ability to improve margins on the construction and energy segments by 30 and 60 bps, respectively.

For 2023, EBITDA margin should face a new set of challenges caused by a possible soft landing of the economy, where the consequences of the sharp rise of the interest rates are starting to act, having, ultimately, the potential to highly affect consumption power in economy and the construction industry itself. The drag of the Ukraine war also has the potential to keep pressure on the supply chains, which can potentially delay projects and increase its costs.

In any case, the inflation linked contract agreements from concessions and energy business lines will play a key role on the 2023's EBITDA and may, once again, justify the bet that Vinci is making on them.

Commitment with growth, financial strength and shareholder return

Vinci has an ambitious business plan in which forecasts a high level of capital deployment into new CAPEX, financed mainly by the **strong cashflow generation** from its operations. Moreover, it has a strong financing policy that also support the investments to be done, designed to optimize leverage and keep control over the debt ratio over time. Adding to it, Vinci has a robust liquidity policy, delineated to resist to extreme adverse market conditions, supported by strong credit lines, available up to ~€8 bn. Shareholders can also be confident on their returns, with the company having a public commitment to distribute ~50% of its net income annually. According to the projections, the strong cashflow generation will allow dividends to growth at a 4.9% CAGR, from ~€2.4 bn in 2022 to €3.15 bn by 2028.

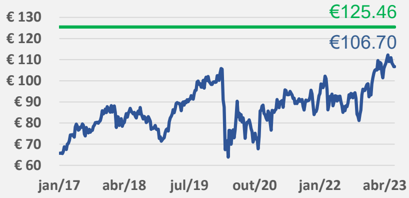
Green transition as the key driver

Vinci's business plan is designed to be a leader on the green transition, which is on top of the priorities of almost all of the world's political agendas of today and presents itself as the opportunity of the decade. Furthermore, political will is being backed by strong actions and a huge number of concessions-like agreements opportunities, where Vinci has unquestionable experience and knows how to optimize its profitability and the cashflow generation, making it the biggest key driver for the company.

Bruno Figueiredo
Master in Finance, Equity Research - MFW, June 2023

Price Target YE2023: €125.46
Current Price: €106.70 (9 June 2023)
Upside potential: 18%
Annualized return: 33%

Figure 1 – Historical stock price vs PT



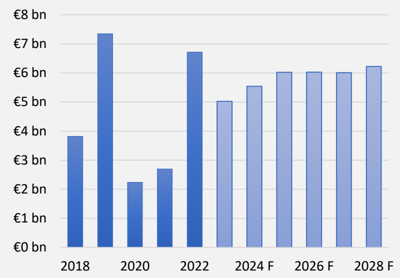
Source: *Yahoo Finance / Author analysis*

Figure 2 – Financial highlights

		2022	2023 F	2024 F	2028 F
Revenues	€ bn	62,514	68,365	73,213	89,482
EBITDA	€ bn	9,472	10,374	11,393	14,799
EBIT	€ bn	6,481	6,765	7,597	10,312
EBT	€ bn	6,154	5,935	6,739	9,410
Net profit	€ bn	4,417	4,106	4,662	6,510
EBITDA margin	%	15.2%	15.2%	15.6%	16.5%
NPM	%	7.1%	6.0%	6.4%	7.3%
Assets	€ bn	111,991	117,778	123,573	149,282
Equity	€ bn	29,409	31,588	34,106	46,502
Debt	€ bn	32,100	32,194	32,522	36,361
Liabilities	€ bn	82,582	86,189	89,467	102,780
Invested capital	€ bn	61,509	63,782	66,628	82,863
Debt/IC	%	52.2%	50.5%	48.8%	43.9%
Debt/Equity	x	1.09	1.02	0.95	0.78
Leverage	x	3.81	3.73	3.62	3.21
Asset Turnover	x	0.56	0.58	0.59	0.60
ROA	%	3.94%	3.5%	3.8%	4.4%
ROE	%	15.02%	13.0%	13.7%	14.0%
ROIC	%	7.29%	7.3%	7.9%	8.6%
ROCE	%	10.91%	11.0%	11.8%	12.8%
CFO	€ bn	9,387	8,877	9,419	12,541
CFO to Debt	%	29.2%	27.6%	29.0%	34.5%
Net Debt to EBITDA	x	2.06	1.71	1.49	0.82
EBITDA interest coverage	x	12.6	14.3	15.1	18.2

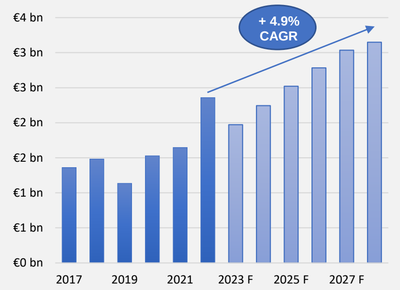
Source: *Author analysis*

Figure 3 – CAPEX



Source: *Author analysis*

Figure 4 – Dividends



Source: *Author analysis*

2. Business Description

The company

Vinci is a global player with a diversified portfolio of businesses, including building and infrastructure construction, real estate development, highways, airports and other public infrastructure concessions, energy facilities construction and management, networks and other services. The company is **deeply committed with sustainability principles and green transition**, having the ambition to lead an accelerated transformation of living environments, energy, infrastructure and mobility, while delivering long-term value to its stakeholders.

Headquartered in Paris, France, Vinci is the **largest construction** company **in Europe** since 2000 and is listed in **Euronext Paris** since 1911, making part of Euro Stoxx 50. By YE2022, Vinci had operations in **131 countries** conducted by more than **4,000 business units**, through more than **270,000 workers**, a total **revenue** of **€62.5 billion** and an **adjusted EBITDA** of **€9.5 billion**, achieving an **EBITDA margin** of **15.2%**.

In addition, Vinci disclosed that more than **600 concessions projects** were under study at the **YE2022**, has successfully concluded the negotiations for a **major airport concession** in Mexico and **construction** portfolio is showing high resilience to support the volatile economic context, induced by inflation pressures, interest rates increase and the Ukraine war.

Vinci's history

Vinci (former SGE) was founded in 1899 in Paris as a **civil engineering** company, primarily involved in infrastructure development such as roads, bridges and tunnels, with a clear ambition to lead the industrialization that characterized the first decades of 20th century. By 1910, it was already the second largest construction company in France and it had given the first steps into the **energy business** and power generation. Throughout the first half of the century, SGE kept its growth and expanded its business areas into national defense projects, ensuring their growth pace even during the world wars. Although, in 1946, through the outcome of the war, SGE faced a huge drawback and saw its energy business been nationalized by the French government, by laws that were in place until 1999.

After WWII, SGE focused massively into civil engineering projects and become the **leader** of the construction industry in France. In 1966, the company has seen its controlling interests being acquired by CGdE, a former electricity company that placed extra efforts to expand its activities into construction. This acquisition was the beginning of a series of **mergers** and **restructurings** that affected SGE until 2000.

Worth mentioning that SGE kept its **knowledge** and construction **expertise** throughout the restructurings and, by 1980, it had an extensive portfolio of operations to manage, including **toll road concessions** and **international** projects.

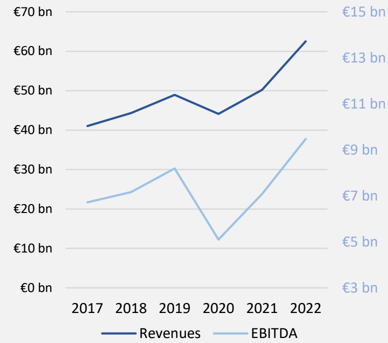
In 1988, SGE was sold to CGE, which become Vivendi in 1997 and was the last owner of the today's Vinci. Vivendi played a **fundamental role** to give the company an **European dimension**, consolidating its construction, concessions and roads business, while started the process to **recover** the position in the **energy industry** that SGE once had.

The **transition from SGE to Vinci** began in the late 90's through a reorganization process of CGE, that aimed to center its business core into a media company, Vivendi. SGE began then its restructuring process towards independence with a spin off in April 2000, and by the end of 2000, Vivendi was completely out of SGE. SGE was renamed of Vinci in May 2000. Soon after, in 13th July 2000, the company acquired GTM, placing Vinci as the **largest company** of the sector in **Europe**.

Figure 5 – Geographical presence

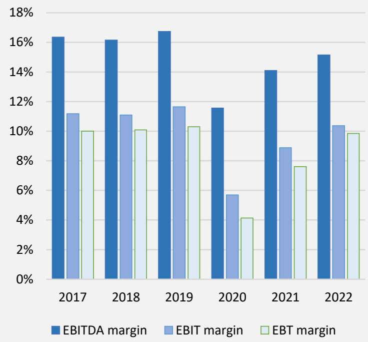
Source: *Vinci, Website*

Figure 6 – Revenues and EBITDA



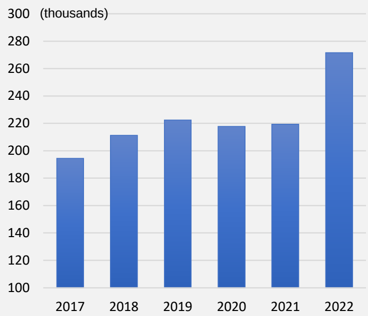
Source: *Author analysis*

Figure 7 – Margins



Source: *Author analysis*

Figure 8 – Number of employees



Source: *Author, Annual Reports*

In recent years, the company has continued to **push boundaries** in the industry, having **innovation** as one of the key areas to consolidate its leadership position, while relies in the use of digital technology to improve management platforms and tools, 3D models development and real-time project tracking. In terms of recent projects, Vinci has been involved in a number of **high valued projects**, as is the case of "Grand Paris Express", the biggest infrastructure project in Europe, the new Istanbul airport, which is set to be one of the largest airports in the world and, in addition to all the CAPEX that the company is deploying into solar and wind farms, it is dedicated to find **new solutions to store energy efficiently**, such as battery systems and hydrogen fuel cells.

Figure 9 – Grand Paris Express project

New stations to be built:	68
Automated lines, km:	200
Jobs generated:	115,000
Vinci's role:	
- Extension of line 14	
- Build from scratch line 15, 16, 17 and 18	
Consortium	
Total value of the project:	**€28.1 bn**
Date of completion	2030

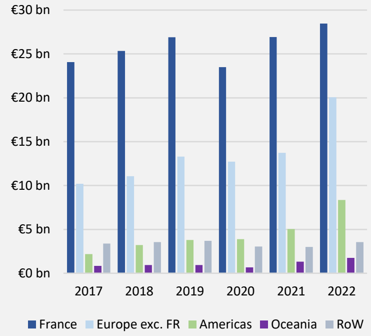
Source: *Vinci, Website*

Business lines and sources of revenues

In 2022, **54% of Vinci's revenues** had origin at the **international level**, making it the first time that Vinci international revenues were higher than home country revenues, in a decreasing local dependency trend, in line with Vinci's priorities. For this outcome, the acquisition of Cobra IS to ACS at the end of 2021, was crucial due to its vast geographical dispersion, highly implemented in Iberian and Latin American markets. **32%** of the total revenues of the group had origin in **Europe** excluding France, while **22%** came from other parts of the world, **from Oceania to US**.

Regarding its business segmentation, Vinci is a diversified player with **4 different core segments: construction, concessions, energy and real estate**. From those, two of them have higher revenues at an international base than from France: construction and energy, with 55 and 67%, respectively.

Figure 10 – Revenues by region



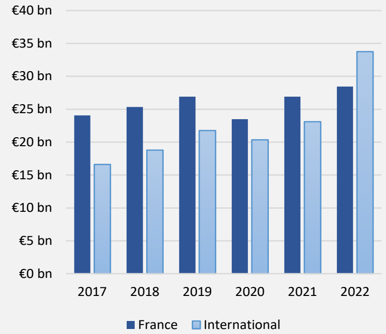
Source: *Author, Annual Reports*

- **Construction**

  Vinci's construction segment operates in the global construction market, providing a comprehensive range of services mainly **focused on public services**. This segment is responsible for the construction of several different types of **infrastructure** projects such as transportation systems, tunnels, bridges and other public facilities, while also provides services in the private domain such as commercial and residential buildings.

  Since 2017, this segment has been experiencing a growth of **5.8% YoY** and in 2022, it contributed with 47% to Vinci's total revenue and 17% to its adjusted EBITDA. Currently, construction has operations in more than 100 countries through its 1,350 business units and its business plan focuses on creating value by having a strong focus on highly efficient and innovative infrastructure projects and optimizing synergies between segments, while **increasing margins** by **targeting major projects** around the globe.

Figure 11 – Revenues FR vs International



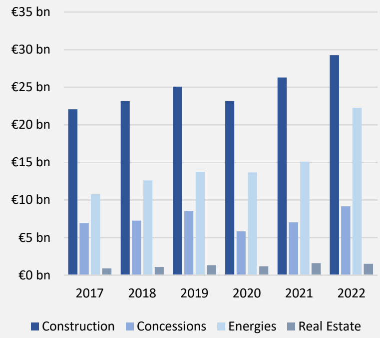
Source: *Author, Annual Reports*

- **Concessions**

  The concessions segment of Vinci's business is involved in the **development, financing, construction and operation** of public infrastructure and services, including airports, highways, stadiums and public transportation systems. This segment generates revenue through long-term contracts with public entities, which typically extend over several decades, having as a core concept to its business model the creation of long-term, **predictable and stable recurring cash-flows** in exchange of the extremely high CAPEX that it demands. At YE2022, Vinci was running 69 concessions, of which 68 (vs 57 in 2017) were operating rights guaranteed by public tenders, while, the other one, London Gatwick airport, is owned by the company and do not have any concession term associated (Vinci had none in 2017). Also, the average maturity of the operating rights end in 2040, with the company showing ability to renew them and increase their tenors, while keep expanding.

  In addition, concessions are a major priority to the company's business plan and in 2022 it contributed with 63% to the adjusted EBITDA, despite having only 14.7% of weight on revenues. Moreover, its EBITDA margin was of 67.5%, while the EBIT margin is only of 45.5%, which demonstrates the weight that depreciations assume in the business. Historically, concession revenues were able to record a growth of **5.7% YoY** since 2017, despite being **highly impacted** by the pandemic. The removal of the last restrictions throughout the world, ensure confidence that they will grow at a faster speed in 2023.

Figure 12 – Revenues breakdown per segment



Source: *Author, Annual Reports*

- **Energy**

  Vinci's energy segment is involved in the **design, construction, and maintenance** of energy infrastructure, including nuclear, thermal, and renewable energy facilities. The segment provides a broad range of services, including engineering and construction services, as well as operations and maintenance. The energy segment aims to be a **leader on energy transition** and is focused on delivering safe, reliable, and efficient energy solutions to clients around the world.

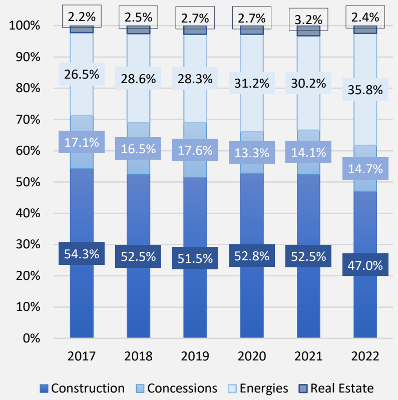
  Despite the existing and historical connections to brown energy, Vinci is employing increased efforts to become fully green and is committing high levels of CAPEX in solar and wind farms throughout the world, increasing its exposure to non-European markets like Brazil. Most of non-maintenance business has **long-term PPAs** and/or is on the **regulated** activities field, ensuring Vinci long-term contracts on the form of concessions-like agreements, being able to generate **regular and stable cash-flows**.

  In 2022, energy segment was responsible for 36% of the revenues and 18% of the adjusted EBITDA, being a business that is in a growing trend of **9.3% YoY**, excluding Cobra IS acquisition, which reported for the first time in 2022. As of today, Vinci energies and Cobra IS are present in almost 60 countries.

- **Real estate**

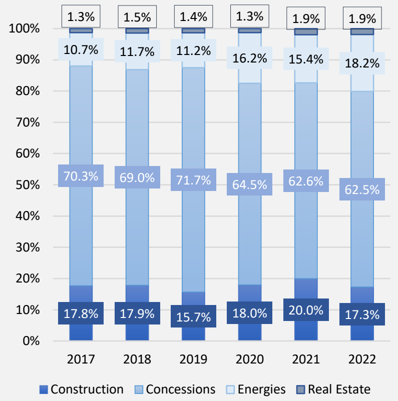
  Vinci's real estate segment operates in the **development, construction and management** of real estate properties, including commercial and residential buildings, being involved in all of the operational stages, from land acquisition to project delivery and its management. This segment is focused on creating value by delivering high-quality, efficient and sustainable properties that meet the evolving needs of clients and communities. Despite the fast growth it has been recording of **11.2% YoY** since 2017, it must be noted that it represents only 2.4% of the total revenues and 1.9% of the adjusted EBITDA, being a business that is being driven by the common **synergies** between all of the other segments and to capture the most innovative features of each, in order to present advanced and futuristic solutions in terms of living-environment.

Figure 13 – Revenues contribution per segment*



Source: *Author analysis*

Figure 14 – EBITDA contribution per segment*



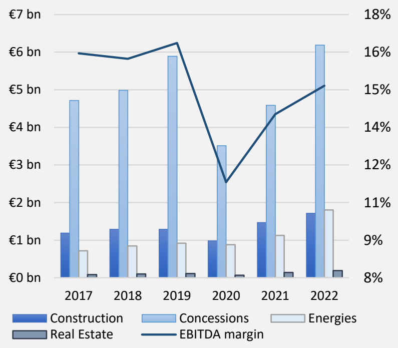
Source: *Author analysis*

**Refers only to Revenues/EBITDA from the main segments, slightly (and immaterially) different than the global Revenue/EBTIDA*

Financial Highlights

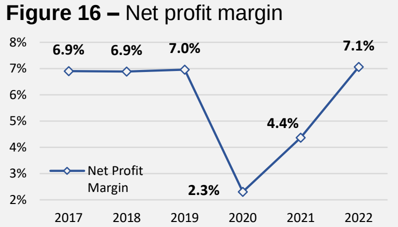
For the YE2022, Vinci's revenues were of **€62.5 bn**, which represents an increase of **24.4%** relative to 2021 revenues. In addition, Vinci had the ability to increase in 2022 its EBITDA margin from **14.1%** to **15.2%**, in a better alignment with the margins before Covid pandemic. Net profit margin also had in 2022 the best year since 2017, with a **7.1%** ratio against **4.4%** in 2021, having reported earnings of **€4.4 bn** and of **€2,2 bn**, respectively (101% increase YoY). **Cash flow from operations** also increased **20.3%** in 2022, from **€7.8 bn** to **€9.4 bn**, which wraps up a profitable year for Vinci.

Figure 15 – EBITDA breakdown and global EBITDA margin



Source: *Author analysis*

Figure 16 – Net profit margin



Source: *Author analysis*

Key drivers of profitability

Vinci's profitability is driven by a combination of **internal factors** and **external factors**.

Internal factors, which include the diversified range of business lines of the company and its strong market position, allow the company to leverage its position through the maximization of **synergies** and to take advantage of **cross-selling** opportunities, which helps to boost profitability. Moreover, the company's ability to apply its expertise on a global scale, leveraged on its own reputation, gives them a **premium advantage** to win new projects and contracts. Also, the efforts that Vinci is placing in innovation and sustainability are an important driver of profitability, focused on the improvement of **efficiencies** and in **costs reduction**, while meeting the expectation of developing greener solutions, in line with a global economic and social consciousness trend towards sustainability principles.

On the other hand, an analysis on the **external factors** allow to conclude that there are several important drivers that can deeply impact Vinci's profitability, with governmental action plans towards green transition assuming the highest relevance among them. And regarding to this, both **Europe** and **US** are putting in place **ambitious plans** that are **highly-likely** to drive extra growth for the big three segments of Vinci: construction, concessions and energy.

It is fair to say, that given the small exposure of Vinci to US, the **European** programs are the ones that can potentially drive relevant and further growth to Vinci in the short-run, while **US** programs can be attractive to further investment in the country and increase the company's exposure to it.

EU: infrastructure renewal and a break down on Russian fossil fuels dependency

EU is supporting infrastructure renewal, through a package of several programs that complement each other, but the most relevant to Vinci is the "**Connecting Europe Facility**", which aims to support the development of high-performing, sustainable and interconnected networks in Europe, and represent a funding instrument up to the total amount of **€25.8 bn** until 2027.

To the energy sector, there are two main programs in place: the "**REPowerEU**" and, more recently, the **European Green Industry Plan**. REPowerEU is a program that was launched in 2022, mainly driven by the Russian invasion of Ukraine, to speed up the energy transition in Europe and to **decrease European dependency on Russian fossil fuels**. It aims to provide funds to new energy projects, aligned with the European green agenda and has an implicit target to achieve an additional investment in energy of **€210 bn** until 2027. REPowerEU is also complemented with the Green Deal Industrial Plan, which derives from the European Green Deal program initiated in 2021 and aims to boost net-zero industry emissions, through a package of **€250 bn** accessible in funds to invest. The latter is important to Vinci given the pressures that Europe will face through the **increase in the demand** of energy generated by green facilities.

US: similar but even larger plans

On the other hand, US has two major plans in place, which are the "**Bipartisan Infrastructure Investment and Job Act**" to infrastructures renewal and the "**Inflation Reduction Act**" to the energy industry. The first consists of a law that allows the government to deeply invest in infrastructure renewal, to the total amount of **$550 bn** until 2026 and further **$650 bn** in pre-approved funds, until 2029. The second program, "IRA", is similar to the European energy programs in place, having in addition the possibility to achieve a **tax equity credit** benefit that is conceded to the companies that invest in green generation in US, having a higher level of attractiveness to investors than the European programs. There are also some other advantages in favor of the US program, like government investment, the funding process or related covenants that places US as an attractive country to invest.

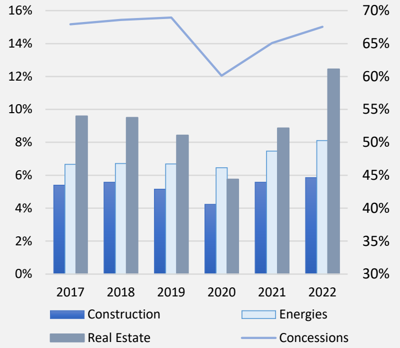
Altogether, it is restated that the western world presents solid opportunities to drive investment, growth and profitability to Vinci. Adding to this, the change in the **society mindset** is acting as a powerful force to move to renewables and the exponential growth on the use of electrical consumption is adding pressure on the energy demand.

Other drivers of profitability

Despite some restrictions still in place (e.g. Covid vaccination certification), the **end of the pandemic** emergency policies and the removal of the majority of the restrictions throughout the world is a clear opportunity to Vinci, especially for its concessions business and encourages mobility, being expected that the segment revenues will return to similar pre-covid levels, adjusted for the capacity acquired in the meantime, adding support to higher profitability projections. However, it must be pointed out that a **softening** in the general economy is expected for 2023, which will presumably affect public consumption with an expected low degree of impact. In practice, this means that a **conservative approach** assumes a recover of the revenues to pre-covid levels for Vinci concessions, adding a penalty considering a macro environment of lower demand.

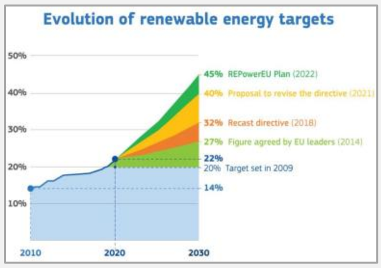
On the other hand, constraints in the value chain, changes in interest rates, relevant volatility affecting commodities price, pressures on raw materials and changes in equipment prices can deeply affect Vinci's revenues, although, the efforts that governments are putting in place to

Figure 17 – EBITDA margin per segment



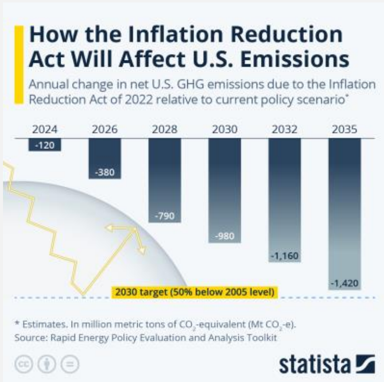
Source: *Author analysis*

Figure 18 – REPowerEU targets



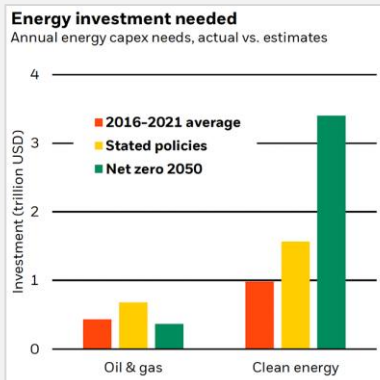
Source: *European Commission*

Figure 19 – Inflation Reduction Act ambition



Source: *Statista*

Figure 20 – Energy investment needed to green transition



Source: *BlackRock*

face the challenges of the today's economy, the expectation is that none of these become a particular issue in the forecasted period, adding **support to higher profitability** estimates. Some of these topics are analyzed with higher detail in market overview section.

Moreover, Vinci sees **acquisitions** as a way to add future growth, as done in 2021 with the acquisition of Cobra IS from ACS Group and, in 2022, with the acquisition of the controlling interests of the Mexican airport operator OMA.

Strategy

Vinci's macro strategic vision aims to consolidate its **leadership** position in its construction and concessions segments, where it develops activities by focusing in innovation, operational excellence and sustainable development. The company's ambition is to optimize synergies from its diversified business model, maximize value creation from its integrated value chain and ensure conditions to become a leader in the **energy and infrastructure transition** to a greener society through sustainable infrastructure, smart mobility solutions and digital transformation.

This central vision relies on the defined strategy for each of its business lines:

- **Vinci concessions**
  Aims to diversify, renew and internationalize the group's mix of concessions by answering to a change in a structural demand for mobility through large investments that have to be done to adapt transport infrastructure to low-carbon uses. This positioning reinforces the company's commitment with the green agenda, while also deliver long-term value in infrastructure concessions. The development of a new concession, leverage the company's integrated expertise and combines not only the construction of the infrastructure, but also the impact it has on the ecosystem, scaling synergies across all of the company segments;

- **Vinci energy**
  With two different branches, Vinci aims to develop both in different ways. On one hand, Vinci has a long track record that testifies their high expertise in terms of energy infrastructure and maintenance, which allowed Vinci to report considerable growth in this segment for the last 20 years. On the other hand, Vinci is strategically developing its activity into renewal energy through construction of wind and solar farms, and aims to keep the expansion of its activity into new markets, increasing their portfolio with new EPCs projects. Together, both of the activities are seen as essential, not only to meet the green agenda that the group pursuits, but also to be able to innovate, taking advantage of the differentiated expertise spread in the group;

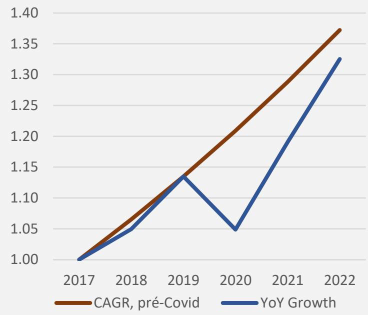
- **Vinci construction**
  As a market leader, Vinci has the resources to develop efficient solutions for increasingly complex projects. The structure of construction segment falls into 3 main domains: major projects, networks of specialist subsidiaries and networks of local subsidiaries, in a business model designed to achieve an optimal market coverage and to increase international capacity. The accumulated expertise it has is fundamental to the success of the other two business lines.

Altogether, Vinci has an outstanding capacity to be in front of the most innovative solutions in the market and to lead energy transition in all of the sectors.

Shareholder's Structure

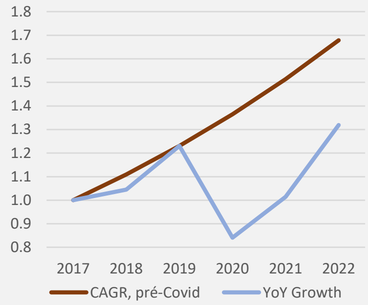
As of 2022YE, Vinci had 589,387,330 ordinary shares outstanding, each with a nominal value of €2.5, fully paid-up and all of the same class. Each share offers the same voting rights, the same dividend and can be traded on the regulated market of **Euronext Paris**. It may be also

Figure 21 – Covid effect on growth rate - Construction



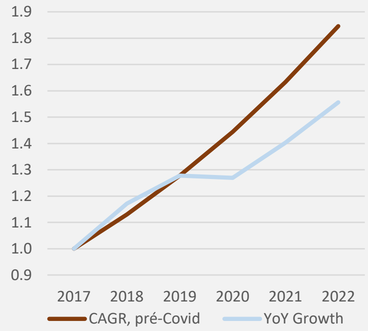
Source: *Author analysis*

Figure 22 – Covid effect on growth rate - Concessions



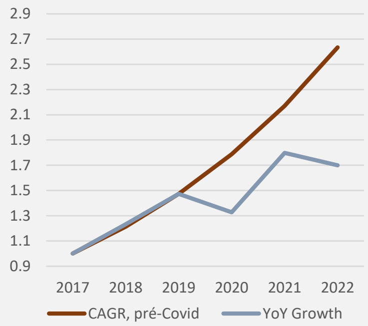
Source: *Author analysis*

Figure 23 – Covid effect on growth rate - Energy



Source: *Author analysis*

Figure 24 – Covid effect on growth rate - Real Estate



Source: *Author analysis*

traded through several MTFs, as CBOE Options Exchange, as well as in OTC markets. Vinci is also included in four of the principal responsible investment indices:

- Euronext Vigeo Europe 120 Index
- Carbon Disclosure Leadership Index
- Euronext ESG 80
- CAC 40 ESG

At the moment, 72.8% of the shares are owned by **institutional investors** around the world, with 24% being from North America, 14% from Europe excluding France, 13% from France, 16% from UK and 6% from the rest of the world. **Employees** have one of the biggest stakes with 9.9% of the shares. With a free-float of 85.9%, the biggest stake from a shareholder belongs to **Qatari Holding LLC** with 3.3% of the shares, having right to have one permanent representative in the Board of Directors, appointed in 2018 and in office until 2026.

Dividend Policy

Vinci's dividend policy is aligned with its long-term financial objectives, while also considering the company's liquidity, financial position and the investment opportunities available. The company aims to distribute an attractive dividend to its shareholders and historically pays them through two distributions. Also, the **dividend payout ratio** has an average value of **50%** of the Vinci's net income for the past 10 years.

For 2022, a total dividend of €4.00 was approved in the Shareholders' General Meeting that took place on 13th April 2023, with a final dividend of €3.00 to be paid in cash on 27th April 2023, having the ex-dividend date of 25th April 2023. €1.00 was already paid in November 2022 by an interim dividend.

This represents an increase of 38% in comparison with 2021's dividend and the payout ratio for the year is of 55%, in line with the historical average. **Dividend yield** is of **4.3%**, considering the December closing price for the stock, of €93.29.

3. Management and ESG

Governance Model

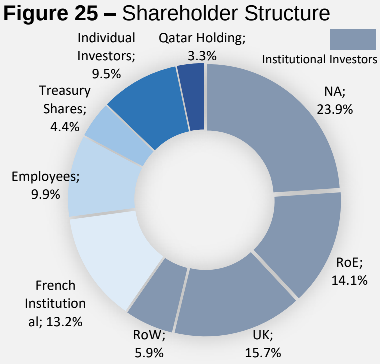
Vinci has adopted practices in compliance with the recommendations of the Afep-Medef Corporate Governance Code, which set guidelines and recommendations that aim to promote good corporate governance practices among French listed companies for one or two-tier board structure. Vinci has a **two-tier** board structure, with a **Board of Directors** and an **Executive Committee**. The Board of Directors is responsible for defining the company's strategy and ensuring its implementation, while the Executive Committee is responsible for the day-to-day management of the company. **Xavier Huillard** is the **Chairman** of the bord and the **CEO** of Vinci since May 2010, recently reappointed on both positions for four more years, until 2026.

The Board of Directors

Vinci's board of directors is responsible for the company's overall management, supervision, and strategic direction. The board is composed of **15 members**, including 9 independent directors and 4 directors representing the company's employees, with 2 of the latter being appointed by Vinci's European Work Council and its Social and Economic Committee.

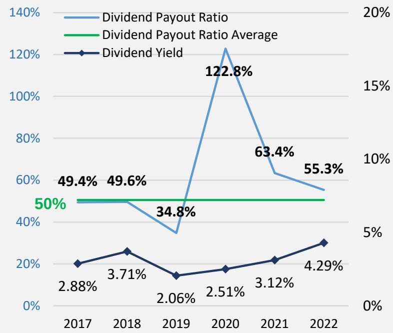
The **chairman** of the BoD is appointed by the shareholders, which also vote the approval of the remaining board, with the exception for the two directors representing employees. The BoD has the responsibility for **appointing** and **supervising** the CEO.

Figure 25 – Shareholder Structure



Source: *Vinci website*

Figure 26 – Dividend Payout Ratio



Source: *Author analysis*

Figure 27 – Board of Directors

Name	Gender	Years of Service	Independency	Term
Xavier Huillard **(Chairman)**	M	16	No	2026 SGM
Yannick Assouad **(Lead Director)**	F	9	Yes	2025 SGM
Benoit Bazin	M	2	Yes	2024 SGM
Robert Castaigne	M	15	No	2023 SGM
Graziella Gavezotti	F	9	Yes	2025 SGM
Caroline Grégoire Sainte Marie	F	3	Yes	2023 SGM
Claude Laruelle	M	0	Yes	2026 SGM
Marie-Christine Lombard	F	8	Yes	2026 SGM
René Medori	M	4	Yes	2026 SGM
Roberto Migliardi	M	0	No	2026
Dominique Muller	F	3	No	2023 SGM
Ana Paula Pessoa	F	7	Yes	2023 SGM
Alain Saïd	M	0	No	2026
Pascale Sourisse	F	15	No	2023 SGM
Qatar Holding LLC	-	7	Yes	2026 SGM
Abdullah Hamad Al Attiyah **(Permanent representative)**	M	4	Yes	-

Number of directors	15
Average age	61
Average tenure	7 years
Directors representing employees	2
Directors representing shareholders	1
Term of office	4 years

Source: *Annual Report 2022*

By YE2022, the BoD had an **independency** rate of 75%, a gender **parity** of 54% in favor of women and 73% with French nationality. Overall, the average age of each member of the board is of 61 years old and the average **tenure** is of 7 years. Each member of the board, except the ones representing employees, must hold a minimum of 1,000 shares and they all need to have proved expertise in at least one relevant field to the company.

Vinci has also established an Executive Committee, composed by the CEO and key senior executives that report **directly** to the BoD. In addition, the board is supported by other four **specialized committees**, having the responsibility of reviewing and advising them on various matters related to financial reporting, risk management, corporate governance, and executive compensation.

- **Audit Committee**
  Composed by 4 directors, with an independency rate of 75% and at least 3 of them are appointed by the BoD. Required to have high expertise in financial, accounting and auditing and their CV's are published for public consultation. Their duties are focused on the accuracy and fair presentation of the financial statements and the effectiveness of internal procedures. It is chaired by René Medori, re-appointed in 2022.

- **Strategy and CSR Committee**
  Comprise 7 directors, have an independency rate of 80% excluding employees' representatives and at least 3 of them are appointed by the BoD. Their main responsibility is to help the board to review the group's overall strategy, including strategic investments and divestments or any transaction that have the potential to materially impact group's risk and its financial position. The committee is led by Benoit Bazin since April 2022.

- **Remuneration Committee**
  Has 4 directors, an independency rate of 67% and 3 of them are appointed by the BoD. It focuses on the employee and executive side, making recommendations regarding remuneration, pension and insurance plans, including benefits and compensation. It is chaired by Marie-Christine Lombard, reappointed in 2022.

- **Appointments and Corporate Governance Committee**
  Composed by 5 directors, with an independency rate of 80% and at least 3 of them are appointed by BoD. Their duties are to ensure that governance model is being correctly applied and have to issue recommendations on applications to the board, while also have to provide opinions on appointment, renewal or dismissal of other committees and their members, including the chair. It is chaired by Yannick Assouad, reappointed in 2022.

Several other sub-committees were created to guarantee the global implementation of the governance model, as is the case of the group's **Ethic and Vigilance Committee**, being fair to say that the BoD have a critical role in ensuring that the company operates in a transparent and responsible manner, while driving its long-term growth.

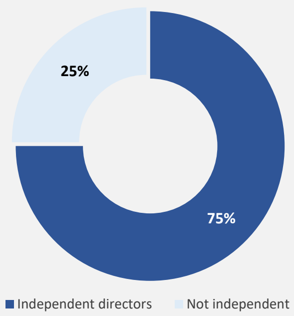
The Executive Commission

The Executive Committee also plays a critical role by supporting the CEO's **responsibility for managing** the overall business of Vinci and it operates under its direction, being responsible for **implementing** the overall strategy approved by the board and managing the **operational** aspects of the company. The committee is composed by 12 highly experienced professionals with a deep understanding of the industry and the company, ensuring a well-deployed strategy.

Figure 28 – Corporate Governance

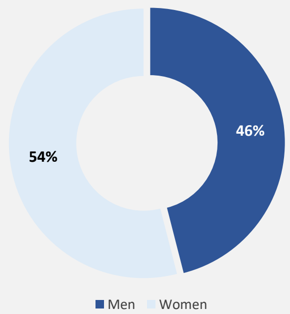
Source: *Vinci, ESG presentation, March 2022*

Figure 29 – Independent directors, YE2022



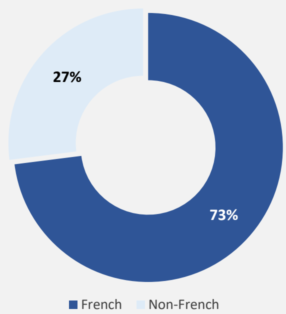
Source: *Annual Report 2022*

Figure 30 – Gender, YE2022



Source: *Annual Report 2022*

Figure 31 – Internationalization, YE2022



Source: *Annual Report 2022*

Currently, the Executive Committee of Vinci consists of the following members:

- Xavier Huillard, Chairman and CEO;
- Pierre Coppey, Vice-President of Vinci and Chairman of Vinci Autoroutes;
- Christian Labeyrie, Vice-President and Chief Financial Officer of Vinci;
- Pierre Anjolras, Chairman of Vinci Construction;
- José María Lacabex, CEO of Cobra IS;
- Arnaud Grison, CEO of Vinci Energies;
- Nicolas Notebaert, CEO of Vinci Concessions;
- Pierre Duprat, Vice-President, Corporate Communications, Vinci;
- Christophe Rausas, Vice-President, Business Development, Vinci;
- Patrick Richard, General counsel of Vinci, secretary of BoD;
- Isabelle Spiegel, Environment Director, Vinci;
- Jocelyne Vassoille, Vice-President, Human Resources, Vinci.

Both the CEO and the Executive Committee have been critical to Vinci's achievement of major targets, including the acquisition of the ACS energy business Cobra IS, the expansion of Vinci to a global presence and to the development of highly expertized business units. Moreover, since Xavier Huillard took office, Vinci has developed significant changes in its organizational structure, embraced sustainability and environmental issues, while the Executive Committee act guided by the company's **governance framework** that is assessed and **recognized by independent assessors** every three years.

Remuneration Policy

In terms of remuneration, Vinci has the remuneration committee that has designed policies to ensure that the interests of the directors are aligned with those of the shareholders. Among other policies, the **maximum** aggregate amount that can be paid to BoD members set at **€1.6 million** per year, while the executive company officers serving the board (as is the case of the CEO) are limited to the maximum of **€6.8 million**. The remuneration system integrates a **short-term fixed** component, a **short-term variable** and also a **long-term variable** component, with the last two being dependent on personal and company's performance, including ESG performance. In addition, the long-term component is awarded in shares instead of being paid in cash. Even with the limitations, the Vinci's CEO remuneration is higher than its French and international peers median.

In summary, Vinci presents a strong governance model that reassures the confidence in the execution of their strategic targets, benefiting also from their highly expertized board and executive committee members, **ensuring that a behavior of misconduct is very unlikely to happen**.

Human Rights, ESG and Sustainability

Vinci stands for the defense of the United Nations "Guiding Principles on Business and Human Rights", ensuring that any of the group's companies is involved in human rights abuse. Its strategy was developed having in mind the eight fundamental conventions of the **International Labour Organisation** and the **OECD's Guidelines for Multinational Enterprises**, which gave the company the main framework to Vinci's current position. Moreover, Vinci keeps monitoring potential risks to which third parties may be exposed in connection to its operations, as is the example given in Qatar, where Vinci made a close monitorization of the employment and working conditions, particularly for employees of temporary employment agencies and subcontractors.

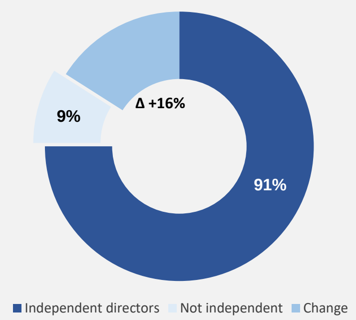
Vinci has been also paying increasing attention to **environmental, social, and governance** issues in recent years and has publicly committed itself with several targets.

Figure 32 – Experience of the BoD

Name	Experience
Xavier Huillard **(Chairman)**	Executive management / Technical or functional management / Construction, property development / Aerospace and aviation / Telecoms, energy / Transport
Yannick Assouad **(Lead Director)**	Executive management / Technical or functional management / Aerospace and aviation / Digital
Benoit Bazin	Executive management / Financial management / Technical or functional management / Manufacturing / Services
Robert Castaigne	Financial management / Technical or functional management / Telecoms, energy / Manufacturing
Graziella Gavezotti	Executive management / Digital / Services
Caroline Grégoire Sainte Marie	Executive management / Financial management / Construction, property development
Claude Laruelle	Executive management / Financial management / Technical or functional management / Construction, property development / Services
Marie-Christine Lombard	Executive management / Financial management / Transport / Digital / Services
René Medori	Executive management / Financial management / Construction, property development / Telecoms, energy / Manufacturing
Roberto Migliardi	Telecoms, energy
Dominique Muller	Technical or functional management / Construction, property development
Ana Paula Pessoa	Financial management / Digital / Services
Alain Saïd	Telecoms, energy
Pascale Sourisse	Executive management / Technical or functional management / Aerospace and aviation / Telecoms, energy / Digital
Qatar Holding LLC	-
Abdullah Hamad Al Attiyah **(Permanent representative)**	Executive management / Technical or functional management / Construction, property development / Telecoms, energy

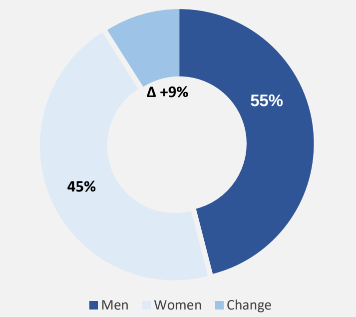
Source: *Annual Report 2022*

Figure 33 – Changes approved on SGM of April 2023, Independent directors



Source: *Annual Report 2022*

Figure 34 – Changes approved on SGM of April 2023, Gender



Source: *Annual Report 2022*

Vinci's **environmental** targets include reducing greenhouse gas emissions and energy consumption, increasing the use of renewable energy, improving waste management and also a commitment with sustainable water management and preserving biodiversity. This strategy is reflected in Vinci's **sustainability** targets, detailed below.

In terms of **social responsibility**, the company has implemented several programs to promote diversity and inclusion, such as an unconscious bias training for managers and initiatives to increase the representation of women in leadership positions. Vinci also provides benefits and programs to its employees to ensure their well-being and work-life balance, while also have initiatives to support local communities through partnerships with schools and/or charities.

Regarding **governance**, Vinci has been recognized for its efforts in promoting transparency, accountability, and ethical behavior. The company's code of ethics and business conduct outlines its commitment to upholding ethical standards and complying with laws and regulations. Vinci has also implemented a "whistleblower" system, allowing employees to report any suspected unethical or illegal behavior anonymously.

Overall, Vinci is an active promoter of ESG and has been awarded and recognized for it, including by being named to the **Dow Jones Sustainability Index** for the 7th consecutive year, by receiving an "A" rating from the **Carbon Disclosure Project** for its efforts in tackling climate change and by making part the principal responsible investment indices, such as the **Euronext ESG 80** and **Euronext Vigeo Europe 120**.

In terms of metrics, Vinci has publicly committed with the following through their **sustainability report** published in 2022:

- Reduction of its direct emissions by 40% until 2030 (scope 1 and 2) and 50% on the concessions business;
- Reduction indirect emissions (scope 3) by 20% over the same period;
- Net zero emissions by 2030 in the Europeans airports;
- Net zero emissions by 2050 in the rest of the world;
- Halve the quantity of water consumed per unit of traffic by 2030 in Vinci Concessions;
- Increase in the use of low-carbon concrete to 90% by 2030;
- Over 50% of Vinci Real Estate revenues generated through urban recycling projects by 2030;
- Zero net land take by 2030 by Vinci Real Estate;
- Zero use of phytosanitary products by 2030.

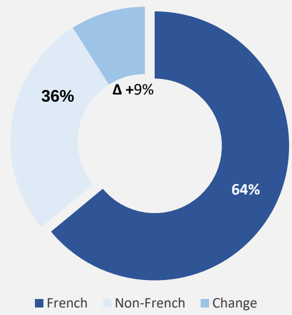
In addition, Vinci is investing in a **low-carbon hydrogen** product, which is expected to be the key link in the energy transition.

Moreover, rating agencies also rate Vinci's ESG as a 3 score, which, on a scale from 1 to 5, 3 means that the governance model is relevant and do not affect credit rating. Sustainalitycs, an international issuer of second party opinions, classifies Vinci with 27 points, which means that Vinci's framework has a comprehensive level of sustainability principles.

Adding to it, ESG matters when it comes to **funding** and Vinci already is a regular issuer of **green bonds**, which forces the company to publish a green allocation & impact report on the proceeds. However, they still not being financed through sustainability-linked bonds/loans.

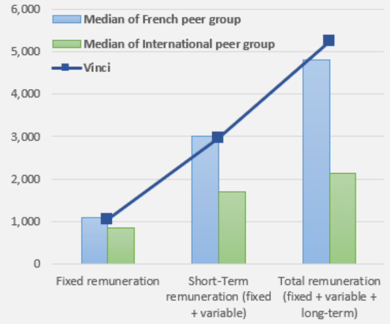
The difference between them is that SLLs are linked to ESG KPIs targets (SPTs) and the proceeds can be **freely applied** in its operations. On the other hand, GB proceeds are seen as funding for a project or a basket of projects and can't be used for general corporate purposes, having to be **allocated** to a green project as is the case of renewables infrastructure.

Figure 35 – Changes approved on SGM of April 2023, Internationalization



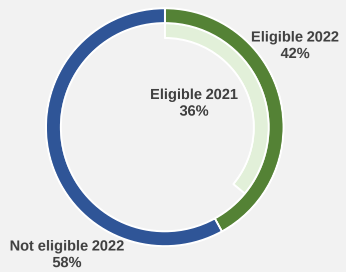
Source: *Annual Report 2022*

Figure 36 – Remuneration policy, comparison



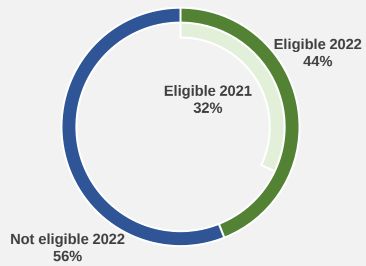
Source: *Annual Report 22(Mercer data)*

Figure 37 – Revenue in 2022 aligned with the first 2 objectives of European Taxonomy*



Source: *Annual Reports*
**Climate change mitigation and Climate change adaptation*

Figure 38 – CAPEX in 2022 aligned with the first 2 objectives of European Taxonomy



Source: *Annual Reports*

4. Industry Overview and Competitive

World Economic Outlook

World GDP growth

The global economy is facing some **heavy headwinds** and it is expected that some turmoil still in place in the near future, with a **soft-landing** being projected to 2023, without compromise **economy** as a whole, **employment** or **financial stability**. The current environment was induced by high levels of **inflation**, driven mainly by the supportive Government programs to face Covid pandemic, that were necessary to keep the economy afloat and ensure economic and social stability, having a negative trade-off cost, which revealed to be highly impactful on post-pandemic **demand**. Also, the delays in the removal of the restrictions in some fundamental exporting countries, like China, induced extra pressures on the **supply** chain, which contributed to the amplification of inflation and, on the other hand, the **invasion** of Ukraine by Russia, led to the economic devastation of one and the economic isolation of the other, respectively, which were two of the most important exporters in the world. Nevertheless, the central banks took effective measures and had **increased interest rates** at a record pace which cooled down the demand. Also, most of the supply constraints were surpassed and, slowly, the economy seems to be moving into a full realignment, in line with the soft-landing projections, with the inflation decreasing at a fast pace and an overall expectation that interest rates start to decline at 2023YE or at the beginning of 2024. It must be mentioned that **governments** and **central banks** are having **crucial roles** in the economic **stability**, especially more recently through the extremely fast answers that were given in the presence of a possible and huge financial turmoil, driven by US regional banks and Credit Suisse **failures**.

Having this in mind and despite all the challenges that economy faces, the IMF predicts a real GDP growth of 2.8%, 0.6% and 1.6% for, respectively, the World, Europe and North America for 2023, in line with the prediction of a soft-landing theory and, for the following years, a trajectory moving to the terminal real growth rate projected of 3%, 1.6% and 2.1%, respectively.

World population growth

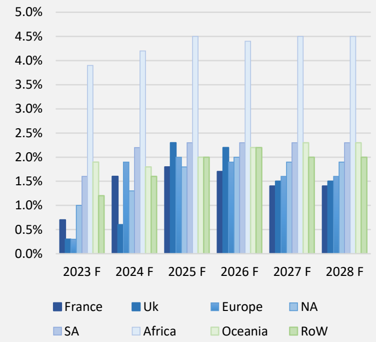
World population reached 8 billion by November 2022 and it is expected that it reaches 9 billion in 2037, at a CAGR of 0.8%, a lower rate than the one of the last 12 years. (0.8% vs 1.1%). Still, it is predicted that populational growth will tend to stay higher in poorest countries of the world.

Demand for infrastructure and energy

Demand for infrastructure is currently being driven by **2 key factors**: energy transition and urbanization. The first is, as it indicates, also the main driver for energy.

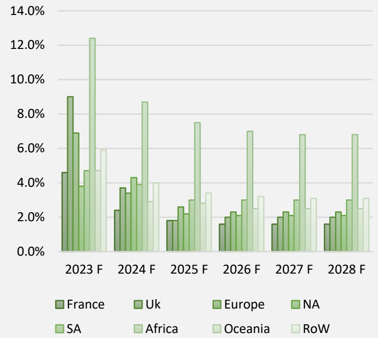
Climate change and **energy transition** are in the **top** of the **priorities** of the political agenda to the majority of the biggest countries in the world and impact heavily infrastructure and energy demand. According to experts, the minimum annual investment that is required to meet the **Paris Agreement** objectives by 2030 is of $3.8 trillion dollars in infrastructure, while, in 2022, only less than $1 trillion per year is being invested, leaving a yearly gap of almost $3 trillion dollars. Even though, companies are facing more opportunities of funding and at the current pace, the infrastructure financing gap is expected to be at max of $15 trillion dollars by 2040. However, the gap represents an increased the **risk of failure** to meet the carbon-neutrality goal by 2050.

Figure 39 – GDP growth projections per region



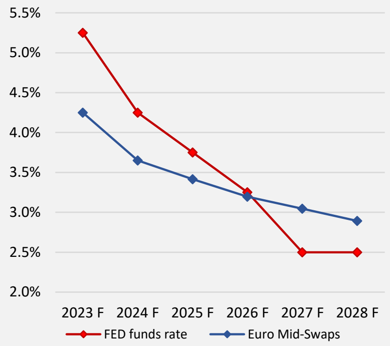
Source: *IMF, website*

Figure 40 – Inflation projections per region



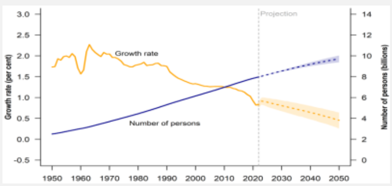
Source: *IMF, website*

Figure 41 – Forecasted reference rates*



Source: *CME and Bloomberg*
**FED Funds Rate projections from CME at March 2023, Euro projections from Mid-Swaps of 14th April 2023 (equivalent to Euribor projections)*

Figure 42 – World population estimates



Source: *United Nations*

In the same way, energy sector also faces underfunding, where energy transition to meet Paris Agreement require an accumulated global investment of $44 trillion until 2030, while the total investment in 2022 was of only $1.3 trillion dollars, one fourth of what it needs to be to sustain the **1.5ºC climate target**.

It is worth mention that different analysts make different analyzes and estimate different needs of investment, however, all of them agree with the current **underfunding** position.

Overall, the main idea that must be highlighted is that **sustainability** is a huge driver for demand on both sectors, that requires massive amounts of **CAPEX** to be deployed, not only through new construction but also for replacement or dismantlement of unfitted infrastructures, towards a sustainable world, which is being already heavily supported by the political agenda. Adding to it and regarding energy, electricity consumption in the world is growing at a fast pace, with the US Energy Information Administration projecting that needs for energy supply will grow by 50% until 2050, to serve the world consumption that will be required by then.

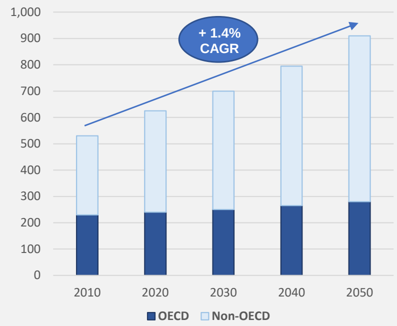
Urbanization is also a central theme that drives demand, especially in the construction/infrastructure industry. On one hand, the **migration** of people from small villages to big cities add extra pressure on the available infrastructures capacity and this is not expected to change over the next decades. On the other hand, the adoption of new technologies, especially the ones related with **mobility** questions, lead to different needs that cannot be provided by current infrastructure in place. These particularly complex problems require high capacity to adapt and replace infrastructure, at the greatest level of efficiency. To answer this problem, the concept of **Smart Cities** emerged. Smart cities relate to the fact that cities should be more efficient in terms of energy, waste and traffic logistics, aiming for a greener and circular economy and better suited to embrace future needs. Some analysts expected that investment in smart cities will grow at ~20% CAGR and that they will reach $7 trillion by 2050.

Overcoming the funding needs

Plenty of the infrastructure and energy investment that is designed for the future is in form of concessions, through **long-term contracts** signed with public entities. Those contracts ensure investors recurrent and stable cash-flows in the future, protect them of inflation by inflation-linked contracts and guarantee a minimum margin to the companies through a system of tariffs, with the latter being designed to compensate the constructor for supporting higher operating and investment costs induced by sustainability questions and keeping the same prices. However, the major issues to the investors are the **payback** period, since concessions business often have to support years of negative cash-flows before being profitable, **cost overruns**, which can go up to 70% in extreme cases and **delays** in construction that can go up to some years which, altogether, compromises the investor expected returns.

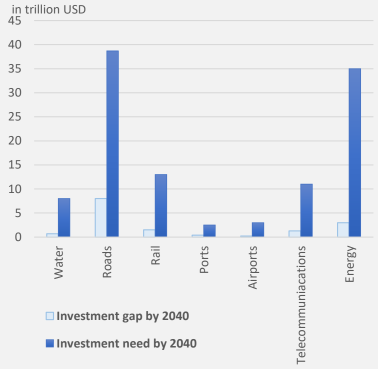
To overcome these issues, the main organizations on the industry believe that there is the need to place a greater focus and emphasis in the **project development phase**, through more detailed and transparent communication, which will ensure investors the confidence that they need to pursuit the long-term returns that the industry can provide. In addition, GIF, which is a global collaboration platform and a G20 initiative that provides funding to the industry, is currently being challenged to support with higher amounts of funding than it is funding nowadays the project preparation phase. Altogether, the main idea is that the funding problem is a reality that has the attention of all type of players in the industry and that increased efforts are being placed to overcome it.

Figure 43 – Global energy consumption projections (in quadrillion British thermal units)



Source: *EIA*

Figure 44 – Global infrastructure needs of investment and gaps, by sector



Source: *Global Infrastructure Hub*

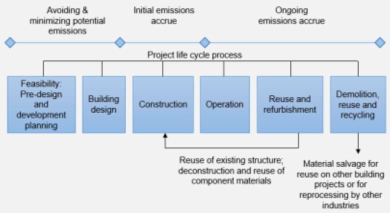
Figure 45 – ESG demands reporting activities, which benefits companies

5 benefits of ESG reporting

- Fundraising
- Positioning
- Top line growth (supported by political agenda)
- Cost savings
- Employee retention

Source: *Author analysis, summary*

Figure 46 – Construction phases



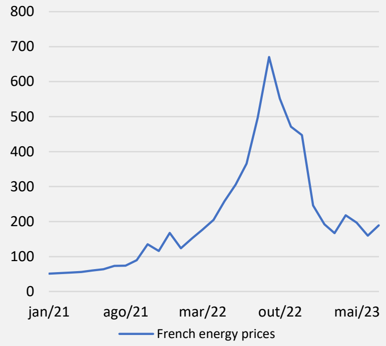
Source: *Author research & analysis, summary*

Supply outlook

With the end of Covid restrictions throughout the world and particularly in China, **supply chains** felt a relief and they are today more **aligned** with the **demand** side, backed by the increase in interest rates which is cooling the latter down too. The rise of the **energy prices** including electricity, oil and gas prices, was a topic of major concern in 2022, but currently, prices have returned to **sustainable levels** and experts believe that is how they will stay, which adds stability and confidence in future projections. This is extremely relevant to the construction industry since raw material extraction and construction phases are highly sensible and dependent on its prices, and any deviation from a sustainable level can impact a company through a decrease in profitability, if the risks are not correctly hedged.

In addition, the measures that western countries placed to find alternatives to Russian energy and materials are being effective and the economy seems to be able to adapt to a new era.

Figure 47 – French energy spot prices, monthly data, EUR/MWh



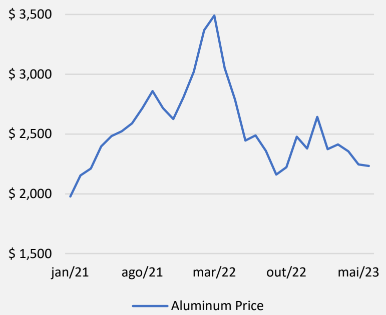
Source: *Trading economics, website*

Relation between world economic outlook, demand and supply

The challenges that the world faces today, in an environment of inflation and increasing interest rates, have the potential to put several companies and the economy itself under stress, given the pressure and the **financing constraints** that people in general and governments might have, to be able to keep its investments/spendings plans. As an example, investment plans on infrastructure or energy can be **delayed** or **cancelled** which will lead to a decrease in **profitability** in the related industries. It is worth mention that inflation also affects CAPEX and the price of governmental projects, which adds extra risk to their execution. Finally, the increase of the interest rates affects the **interests** that companies have to pay on their debts, decreasing the company's potential **earnings** and adding pressure on its margins, while also have the potential to affect the **payback period** of its investments, especially of new concessions investments, which are financed through debt issued by longer maturities and, currently, at higher costs.

In any case, the analysts' expectations are that even with the soft-landing, the degree that it may hit the economy should not condition the existing major plans, the economy itself or cause any social and alarming issue, as could be the case in a scenario of growing unemployment rates. Moreover, the expectations of a decrease of the interest rates by YE2023 or by the beginning of 2024, supports the idea of a controlled soft-landing followed by a new growth phase. In addition, the climate emergency and Paris Agreement add extra pressure on the energy transition program, which is expected to stay heavily supported by the political agenda and keep on schedule, without any material step-backs foreseen.

Figure 48 – Aluminum spot prices, monthly data, USD



Source: *Investing.com, website*

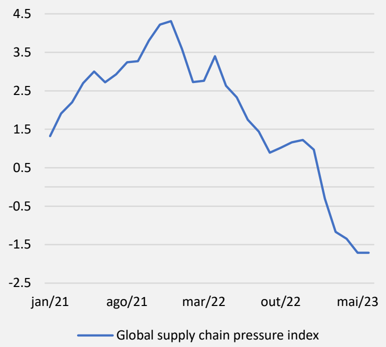
Controllable factors that drive profitability

Without repeating any of the above, there are **2 other fundamental drivers of profitability**: new technologies and management of the preparation phase and disclosure of information to investors.

On one hand, **new technologies** can be either in the form of technological advancements or material advancements. **Material advancement** is already under way and there are a few examples which have already been put into practice and tested, such as the following ones:

- Carbon-fiber reinforced concrete, which is a type of concrete strengthened by carbon-fiber yarn, leading to less concrete usage for the same strength;
- Biochar cladding, which uses bioplastic from forest and farm waste to make cladding for buildings;
- Carbon-sequestering concrete, which instead of using calcium-based cement, the concrete relies on waste slag from the steel industry plus carbon captured from industrial plants, leading to concrete which captures more CO2 than it emits.

Figure 49 – Global supply chain pressure index (GSCPI)



Source: *Federal Reserve Bank of New York*

Also, with the **technological advancements** there are a lot of new technologies that are already used in the construction industry:

- Wearable technologies that monitor the workers on the sites;
- Virtual and augmented reality which can show the finished project to the client;

- Drones and UAVs that scout the construction site;
- 3D printing and many others that are being developed day-in and day-out.

Overall technological developments lead to lower **costs** for the industry and to better **efficiency**, both of which will further fuel profitability.

On the other hand, companies that have a greater ability to minimize errors on the preparation phase and to deliver proper disclosures on their investments and plans, executing them in line with the forecasted deadlines and commitments that are disclosed, will be able to benefit from a **better degree of confidence** deposited by investors, both on debt as on the capital sides, which will maximize the number of opportunities and projects they can brace, while maximizing their margins and firm value as well.

M&A activity

M&A activity is also extremely relevant for global players in the construction and energy industries and are a factor of **competitive advantage**.

In the construction industry, M&A activity is crucial to expand the geographic reach of companies, diversify their services and improve **operational efficiency** through economies of scale, costs control, supply chain optimization and synergies maximization. Additionally, M&A can facilitate access to **new expertise** that can enhance the competitiveness and profitability of construction firms.

Similarly, M&A activities in the energy industry, allow the optimization of supply chains and improve cost structures, while allow companies to enter into new markets and reduce local risks through **diversification**. Moreover, portfolio diversification is also a matter of extremely importance to energy companies, having in top of mind that there are major risks that must considered to each case as, for instance, the risk that hydro production facilities face by climate change, which can heavily impact its generation output.

Competition

Summary of the industry activities

Construction industry tends to have an oligopolistic market structure, divided in **3 main segments**: infrastructure construction, residential and concessions. There are some competitors as is the case of Vinci, that expanded their activity into the energy sector, where they are able to generate value through lower costs of construction on wind and solar farms, while they are able to generate regular and stable cash-flows from these investments. In addition, companies in the industry tend to have a **vertical integration** system, where they are able to explore the vast application of their resources, while maximizing their own synergies between business lines.

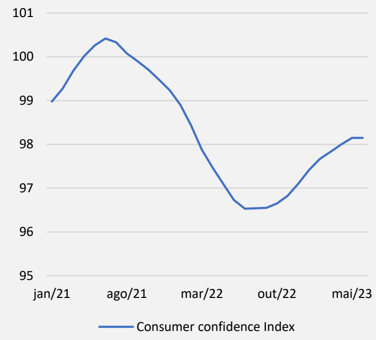
Main competitors

The selection of peers was done bearing in mind **Vinci's annual report** and the peers they state, while also some others were added by analysis of Bloomberg data, having in consideration their main activity and its suitability to Vinci's business lines as also their market caps and geographic presence. In the end, the following peers were selected for each industry:

- **Construction**

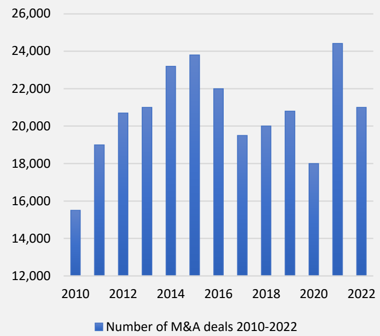
  Strabag (Austria), ACS (Spain), Eiffage and Bouygues (France), Holcim (Switzerland), Balfour Beatty, Morgan Sindall and CRH Group (UK)

Figure 50 – OECD Consumer Confidence Index



***Source:** OECD*

Figure 51 – Number of M&A deals between 2010 and 2022



***Source:** Statista, website*

Figure 52 – Selected peers

Peers	Sector	Country	Market Cap (bn EUR)*
Strabag	Construction	Austria	4,063
ACS	Construction	Spain	9,537
Eiffage	Construction	France	9,720
Bouygues	Construction	France	12,018
Holcim	Construction	Switzerland	36,306
Balfour Beatty	Construction	UK	2,478
Morgan Sindall	Construction	UK	940
CRH Group	Construction	UK	33,580
Elecnor	Energy	Spain	1,022
Acciona	Energy	Spain	9,707
EDP	Energy	Portugal	19,922
RWE	Energy	Germany	30,007
Orsted	Energy	Denmark	34,319
E.ON	Energy	Germany	31,296

**Exchange rate of 14th April 2023*

***Source:** Author analysis*

- **Energy**

  Elecnor (Spain), Acciona (Spain) – selected peers

  EDP (Portugal), RWE (Germany), Orsted (Denmark), E.ON (Germany) – all of these were considered in the first approach to define peers, however, their business model and their margins are significantly different than the ones of Vinci and, therefore, were excluded.

- **Concessions**

  Atlantia/Mundys (Italy) and Brisa (Portugal) – both of them focus on toll roads, which is aligned with Vinci's concessions business. However, there is some lack of suitability when margins where compared, with huge deviations between the 3 of them. Also, some of the selected peers for construction are exploring concessions business as well. As so, in the end, when regarding peers comparison, both concessions and construction were analyzed together.

Competitive Position

Strategy

The **uncertainty** that characterizes the economy today encourages the industry players to assume a **defensive position** in the market. The increase in interest rates also raise some concerns regarding the best capital structure each should have to face the near-times at the lowest cost of debt that is possible to achieve, while also taking advantage of opportunities to grow. Aligned with this and across the economy, industries are making efforts to deleverage and construction industry is no exception to it. However, given the believe in future economic stability and considering the opportunities that infrastructure and energy presents, companies are reporting ambitious plans and are willing to deploy capital into new projects, in a **trade-off between debt and selective investment that is now subject to stricter criteria**.

The alignment between their strategies is extended to other fields, where the industry is aiming to optimize **synergies** and operational **costs**, and to maximize their **productivity** considering the economic context of today and its risks. Moreover, all of the peers seem to understand the **sustainability** questions that arise today and are considering them into their strategy, despite having different levels of sustainability adoption among themselves.

Nevertheless, construction companies design different strategies in alignment with the segment they consider to be a priority, which has influence on the decision of **capital allocation** for each segment and on the growth that is projected to the future.

Companies that prioritize **concessions**, which requires a high level of invested capital, focus their strategy on opportunities to add stable and recurring cashflows on the long-term. Similarly, companies that are betting on the **energy** segment, follow an identical philosophy.

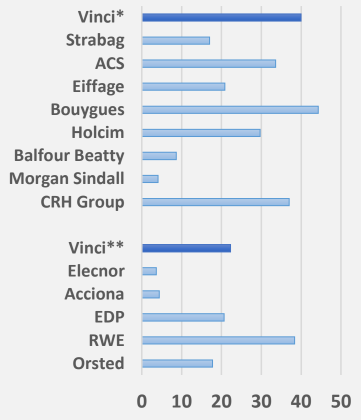
On the other hand, players that prioritize **infrastructure** aim for shorter cycles of investment and for higher margins instead of volume. To achieve these goals, companies focus more on geographical diversification, aim to have multiple expertise in terms of construction, to improve operational efficiencies and to improve financial strength.

Regarding players that have **residential** construction as their main segment, they focus on offering new home communities that appeal to a broader range of homebuyers and in operational efficiencies, having NWC has a key measure that implies a high level of inventory control. Since Vinci is not focused on residential market, it will be left out of the analysis.

Pricing

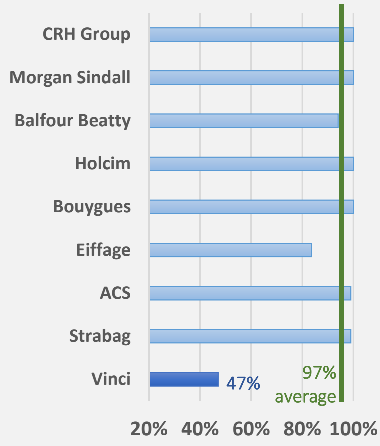
In terms of pricing, projects can vary widely depending on where they are built. Some of the reasons for this is because the price of raw materials can vary significantly from region to region, since most of them are not cheap to transport at free will and there might be also high

Figure 54 – Vinci revenues vs peers, in billion EUR, YE2022



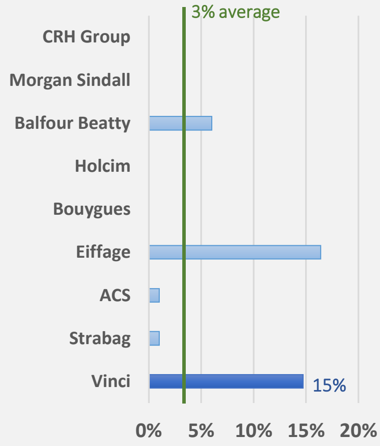
Source: *Author analysis*
**Vinci construction, concessions and REIT revenues*
***Vinci energy revenues*

Figure 53 – Construction revenues, comparison with peers, in % of total revenues, YE2022



Source: *Annual Reports, 2022*

Figure 55 – Concession revenues, comparison with peers, in % of total revenues



Source: *Annual Reports, 2022*

differences in terms of labor costs, environmental regulations and machinery prices from country to country.

To evaluate the industry as a whole, a Porter's Five Forces and a SWOT analysis were performed.

Porter's Five forces

- **Industry rivalry – High**
  Oligopolistic market with high competition, with players geographically dispersed, supported by high technical skills that have been incorporated. All of them seem to be capable to answer to extreme specifications that each project may require, which lead to price as differentiation factor.

- **Threats of new entrants – Low**
  Industry has extremely high capital requirements, face huge fixed costs and is not easy to exit from it. Moreover, most of the equipment and machinery is not liquid, since it is not easy to sell and it is not fitted to be incorporated by other industries. Adding to it, most of the equipment is hard to move. In addition, regulations on environmental levels are a barrier to the entry.

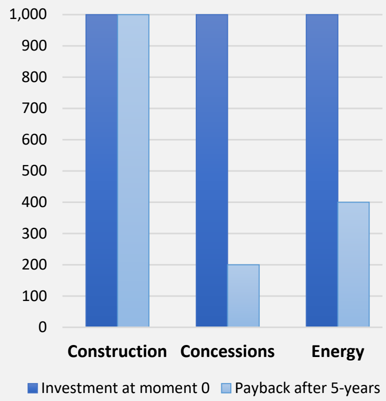
- **Bargaining power of suppliers – Low to Medium**
  The majority of the biggest companies have a high level of vertical integration in the industry, which decreases the dependency on suppliers. However, in some cases, due to the quantities that are required, the lack of future prospects that may justify acquisitions to fulfill the need for a specific project, the transportation and energy costs that are associated, own production may not be the cheapest option or even an option at all, which add a modest bargaining power to suppliers. Aligned with this idea, suppliers on a maturity stage and well implemented in the market, may offer better supplying agreements than the returns that an own production site could offer. In any case, their bargaining power is between low to medium.

- **Bargaining power of buyers – High**
  Despite the lack of substitutes, the high level of competitiveness in the industry and considering that price is the differentiation factor, the bargaining power of the buyers is considered to be high. Thus, when the demand in the industry decreases, companies are forced to be less selective and to decrease margins to face the high fixed cost structure that they have.

- **Threats of substitutes – Low**
  Hard to find substitutes for the majority of the materials, however, innovation can be a threat.

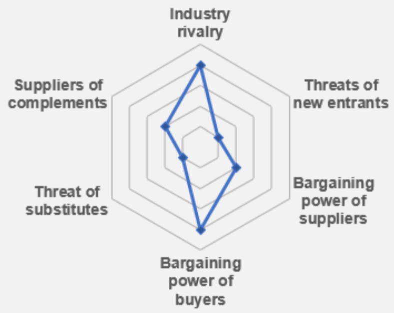
- **Suppliers of complements – Low to Medium**
  Construction industry delivers the final project ready to be used and it includes all the products that could be considered as complementary. However, the extreme specifications of each project may require highly trained expertise in a vast number of fields, which may unqualify companies for a certain project or force them to work together in consortiums.

Figure 56 – Illustrative representation of the payback level after 5-years on investments per segment, on average, per 1,000 EUR



Source: *Author analysis*

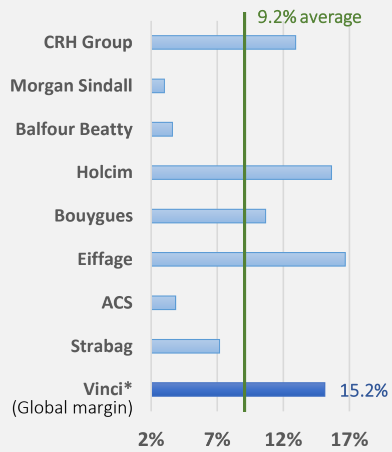
Figure 57 – Porter's Five Forces



Note: Scale of 1 to 5, where 1 means the lowest impact on the business activity and 5 the max

Source: *Author analysis*

Figure 58 – Peers margin, construction



Source: *Author analysis*

SWOT analysis on Vinci

Strengths	Weaknesses
• Geographical diversification; • Market leader in Europe; • Business lines diversification; • Economies of scale and synergies; • Vertical integration; • Expertise; • Cashflows predictability to ensure investors' confidence; • Ring-fenced finance; • Governance model; • Leader in sustainability among peers.	• High fixed costs structure; • Degree of dependency on governmental spending; • Still have a brown energy branch.
Opportunities	**Threats**
• Connecting Europe Facility, REPowerEU, European Green Industry Plan, Bipartisan Infrastructure Law and US Inflation Reduction Act programs; • Urbanization renewal needs; • Development of activities in emerging markets; • Mergers and synergies; • Innovation and integration of new technologies; • Higher degree of incorporation of sustainable finance through SLL's.	• Political risks, enhanced in emerging markets; • Excessive financial exposure; • Macroeconomic risks; • Volatility in energy and commodities prices; • Interest rates risk; • Forex risk; • Environmental legislation; • Shortage of labor; • Rising competition.

5. Investment Summary

Vinci has a **STRONG BUY** recommendation with a **Price Target for YE2023** of **€125.46** and an **upside potential of 18%**, against its closing price of the 9th of June of 2023, €106.70. The recommendation is evaluated as having a **medium risk**.

The differences between the price target and the current market price can be explained due to: (i) **uncertainties** regarding the soft-landing, unemployment and global economic growth projections; (ii) **fears** on the stability of the financial system; (iii) **debt markets** still highly attractive and are, conceptually, **safer** than equity markets, which is especially important given the volatility in the last year and a half on the economy and the current level of interest rates; (iv) geopolitical tensions and **instability**.

Vinci's business model and its strategy of betting in **stable and predictable inflation-linked cash flows**, hedge the company against a majority of volatility risks and grants the control of margins, protecting the company earnings against extreme erosion events. Moreover, this strategy places Vinci as a leader in a transforming industry, that has a clear trend to decrease its dependency from the earnings volatility to a concessions-like business model, which is also in the business core of the energy industry, toward the green transition, highly supported by current political agendas.

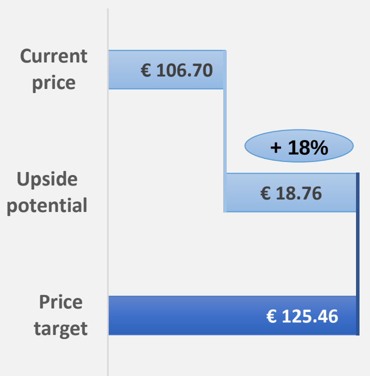
In addition, Vinci has a strong commitment with shareholders through a **dividend payout ratio** of **~50%**, which represents an annual increase of 4.9% CAGR for the forecasted period of 2023-28, supported by its robust business model.

Valuation methods

Vinci was evaluated through different **absolute** methodologies, that returned similar conclusions on the price target to be recommended, ranging between **€125.46 to €131.36**.

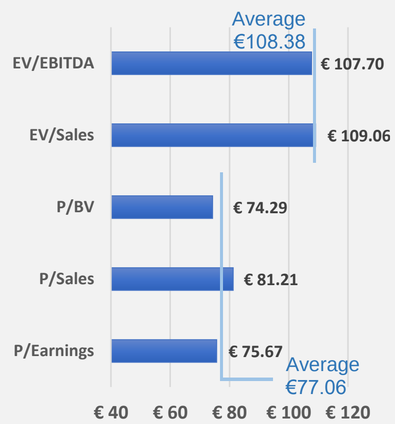
On the other hand, **relative** valuation returned a different range of values, placed between **€74.29 to €109.06**, which might be explained for the structural differences that the company has to its peers and for its leading role in the industry, being the company that is better placed to succeed in the near future. As so, this **recommendation is based entirely in absolute valuations** instead of the relative ones.

Figure 59 – Price target, YE2023



Source: *Author analysis*

Figure 60 – Relative valuation



Source: *Author analysis*

Investment risks

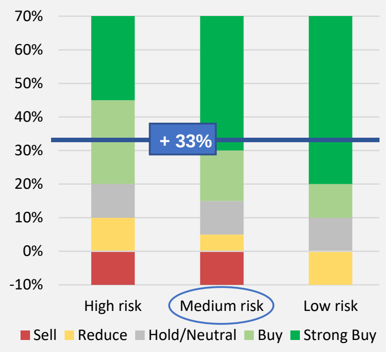
Construction is seen as **highly depend** on macroeconomic cycles and, therefore, as having a high risk based on external factors. However, the **concessions-like business model** and the needs for infrastructure investment in developed countries, already supported by strong political plans, is changing the scope of the industry to a less dependent model and, as so, a **less risky** industry, placing it on a **medium risk** category. In any case, the investor must be aware of certain risks that can't be controlled by the management before making the decision of investing or not.

Disruptive political policies can change the industry framework and destroy any expectation of profitability, on top of the expenses already incurred in. This can be the case if any of the main developed countries elect someone who walks away from the Paris agreement, killing all the investment opportunities that are foreseen. Political extremism may also play a huge role on profitability, since it may disrupt the own society, economy or investment prospects. It can also affect industries as tourism, impact mobility or, in last case, provoke mass movements to run out of a country. Other possibility would be the expropriation or nationalization of installed infrastructures managed on a concessions-like basis, which can disrupt the normal cashflows and highly impact the entire business plan of a company, especially on emerging countries where the probability of such evented is amplified.

On the other hand, plenty of the concessions-like business in both the construction and energy industries is based on mobility and consumption, respectively. A **hard recession** of the economy would fuel unemployment, which would always be a huge driver that would plunge both consumption and mobility. In this case, matters to say that even in the cases where EBITDA margin is protected by contractual agreements, the expected income would, indeed, decrease, such as the expected earnings.

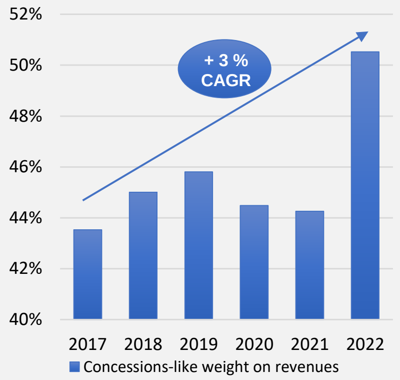
The last pair of risks to pay attention to are the **Environmental** and the **ESG risks**. Natural disasters can increase expenditures that lower earnings and force the reallocation of funds that were predicted to be used somewhere else, while can also have a huge impact on the availability of commodities and their prices, lowering the company earnings. ESG risks, by its turn, can have a meaningful impact on the firm's reputation and on its ability to access future contracts, putting growth under severe stress.

Figure 61 – Recommendation: annualized returns vs business risk



Source: *Author analysis*

Figure 62 – Concessions-like segments, weight on total revenues



Source: *Author analysis*

6. Valuation

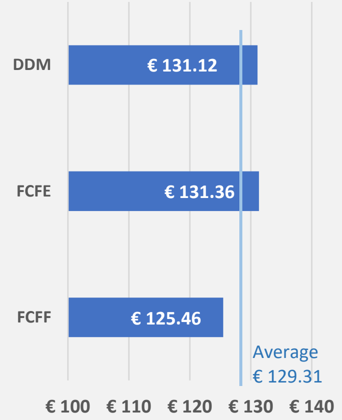
The target price is the result of a combinations of 4 different approaches: **discounted cash flows to the firm and to equity**, **dividend discount model and market multiples**. The absolute valuations (DCF through FCFF and FCFE) are the main models used to assess a valuation and the present recommendation, while the dividend discount model assumes a lower degree of importance than the others mentioned. Finally, the market multiples are also assessed, bearing in mind that there is the believe that there are significant structural differences between Vinci and peers, which make the relative valuation the least relevant method of the ones that were used.

WACC method

The first method used to estimate Vinci's equity fair value was through a DCF, with a detailed projection of the financials for the period of 2023 to 2028, with the latter representing a mature stage on the company's life, used as the base to the calculation of the terminal value and the stable growth rate to perpetuity. This method resulted on a price target for Vinci of **€125.46, meaning an upside potential of 18% from the current stock price of €106.70**.

The main **variables that impact** the valuation are: (i) forecasted business segment **revenues**; (ii) forecasted **margins**; (iii) **CAPEX** and **NWC**; (iv) **WACC** and **terminal WACC**; (v) terminal and sustainable **growth** rate.

Figure 63 – Absolute valuations



Source: *Author analysis*

Forecasted business segment revenues

Revenues growth is estimated by the **historical growth**, adjusted for each business segment in line with the Vinci's priorities and slowly **converging** to a terminal growth rate that is forecasted by the projected **long-run GDP growth** for each country/region, with the last period assumed to be a maturity stage on the life cycle of the company. The weight that each region is expected to have on sales also impact the revenues growth rate for each period.

Construction is expected to grow at 5.2% CAGR between 2023 and 2028, which seems aligned with the present construction portfolio of the company and the current environment of uncertainty on the economy, while does not represent a significant backdrop from the historical growth, at 5.8% CAGR from 2017 to 2022.

Similarly, **concessions** are projected to grow at 7.4% CAGR, in a slower pace than the post-Covid period where it grew 25.3%. This projection already assumes that a high level of degree has been recovered from the plunge induced by Covid restrictions, while gives room to Vinci convert the high CAPEX it has been deploying in the segment into higher capacity and higher revenues, in line with the company's priorities. In result, the forecasted revenues have a lower decreasing rate towards the terminal growth rate than construction and real estate.

At the image of concessions, total revenues from **energy** segment are predicted to grow at a rate of 6.9% CAGR, in line with the company's ambition. Historically, energy line grew 15.7% since 2017, mainly supported by Cobra IS acquisition.

On the other hand, **real estate** sales are expected to grow at 4.6% CAGR, far from the historical 11.2% recorded, in a reflection of a higher maturity stage on the life of this business line. In addition, it also reflects the impact of the increase of the interest rates and the decrease in the purchase power of customers, which partly offsets the growth potential of this recently developed segment.

Forecasted EBITDA margins

Margins were estimated for each business segment, having in account **historical** EBITDA margins and the **Vinci's business plan** for the future.

Construction margin is estimated to slowly increase YoY, from the 5.9% of 2022 to 6.7% in 2028, in line with Vinci's expectations and in approach to the average of the industry. Adding to it, the company has been increasing its margin on the sector since 2017, adding confidence on the defined metric. The same *rationale* is applied to Vinci's Energies EBITDA margin, which has been increasing towards the industry average of 9%.

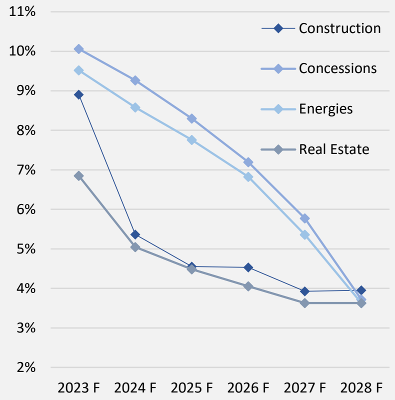
Concessions, Cobra IS and Real Estate, are left with the average of the historical margins, which seems aligned with the company's business plan.

CAPEX and Net Working Capital

Given the opportunities that the industries where Vinci operates present and the ambitious business plan that the company is developing, CAPEX is estimated to stay high for the forecasted period and aligned with the **historical average** in terms of sales per segment. An exception is made to energies, where the company assumes that wants to lead the green transition and wants to grow its weight on the company's EBITDA, being ready to deploy higher levels of capital as done in 2022. For that, an initial higher rate of CAPEX is considered for 2023, which slowly meets the normalized rate on the terminal period, assumed to be a maintenance rate. Real Estate CAPEX is also normalized, having in mind that the segment is in a higher maturity phase on its life cycle.

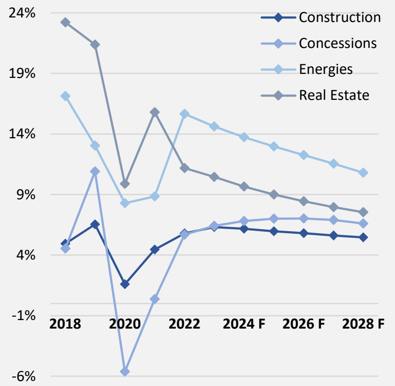
On the other hand, net working capital is forecasted having in account all the changes that affect the weights of the different segments on the forecasted EBITDAs.

Figure 64 – Forecasted growth rate of revenues per segment



Source: *Author analysis*

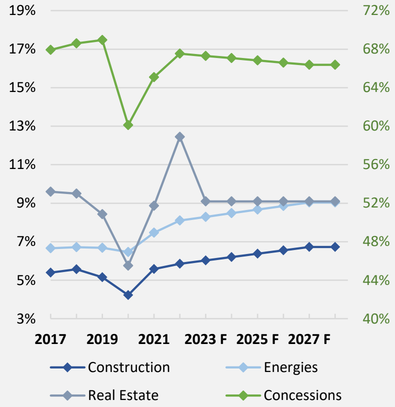
Figure 65 – Forecasted evolution of CAGR on revenues, based on 2017 data*



Source: *Author analysis*

**When energy revenues are adjusted of Cobra IS acquisition, projected CAGR is in line with post-2020 CAGR.*

Figure 66 – Forecasted EBITDA margins per segment



Source: *Author analysis*

WACC and terminal WACC rates

The current capital structure of the company was defined by the current **market value** of Vinci's equity and debt, while the terminal capital structure was defined by the peers' average ratio of their current capital structure, also at market values. The *rationale* is that in the future, Vinci will be able to release higher cash-flows from its investments of today, while also moves into a higher maturity stage of its life cycle, in a better alignment with its peers in the industry, which supports the utilization of a WACC for the forecasted periods and a terminal WACC for the long-run. Also, Vinci's capital structure was adjusted by the **weighted revenues** of its segments, resulting on a debt to invested capital ratio of **31.4%** and **40.9%** to, respectively, the current and the terminal capital structure. Regarding the latter, it seems to have a better alignment with the company's business plan long-term goals, its sources of funding and the desired control on leverage.

Cost of equity was estimated to be of **9.3%** through the CAPM model, which comprises an ERP of 6.03%, a CDS of 0.35%, a RFR of 2.459% and a Beta of 1.078. The RFR was considered to be the yield of the 5-year maturity German Bunds, consistent with the periods that are forecasted, while also met the timeframe that is predicted to be necessary to the industry embrace the majority of the current opportunities available. Regarding ERP, it was calculated through the historical total returns of the Euronext 100 index since 2018, adjusted by the same RFR and, in addition, the geographical dispersion of the firm's activities lead to the inclusion of a CRP, represented by the 5-year CDS spread of each country, being weighted by revenues. Beta was calculated through a regression of the monthly total returns data on Vinci's stock vs Euronext 100 since 2018, adjusted by Blume's. Other techniques were also assessed but the one that was described seems to be the one that better fits the company's reality.

On the other hand, **cost of debt** for Vinci was defined as being of **3.822%**, equivalent to the company yields on the secondary markets to a EUR senior unsecured debt (most common debt for Vinci), for a maturity of 10 years, calculated through interpolation of the yields on the outstanding bonds.

Altogether, it results in a **WACC** and **terminal WACC** rate of, respectively, **7.24%** and **6.60%**. In a footnote, it is worth to mention that the use of a 10-year German Bund (as common practice in the market) instead of the 5-year used for the reasons explained above, wouldn't have any material impact in valuation, since its yield is of 2.433%, which would result in an equivalent WACC and terminal WACC rates, with no difference on their values when rounded to two decimals, being of 7.24% and 6.60%, respectively.

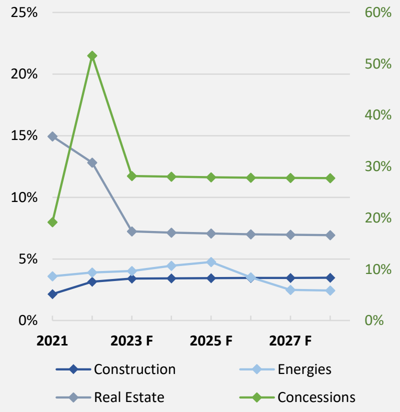
Terminal growth rates

Perpetuity stage is represented by a normalized FCFF in maturity and the terminal growth rate was calculated by the **stable growth model** (firm approach), being equal to the reinvestment rate multiplied by ROIC. The terminal value is responsible for 83% of the company's valuation.

For the FCFE method, a different terminal growth rate was applied, calculated by the stable equity reinvestment rate multiplied by the ROE, which places the residual value as responsible for 80% of Vinci's valuation through this methodology.

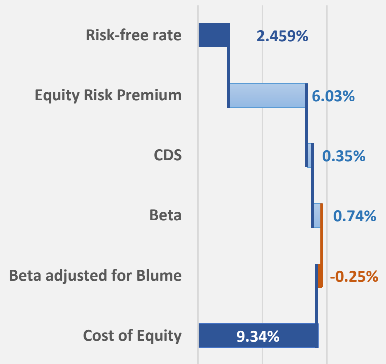
On the other hand, for the terminal growth rate on the DDM, two different approaches were considered: **dividends growth** by its average in normalized periods and the **PRAT model** (sustainable growth rate). The latter results from the multiplication of the retained earnings by ROE and returned 6.98%, while the first method returned a 6.4%. Given the high value presented by the PRAT model, a more conservative approach was preferred and the terminal growth rate assumed was of 6.4%. By this method, the terminal value was responsible for 87% of the company's valuation by the DDM.

Figure 67 – Forecasted CAPEX per segment, in percentage of segment revenues



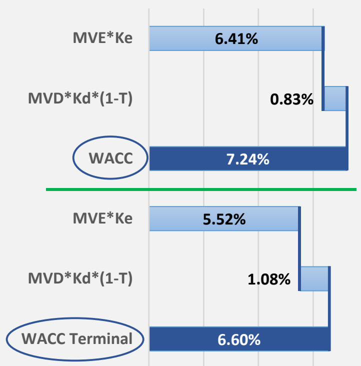
Source: *Author analysis*

Figure 68 – Cost of Equity calculation



Source: *Author analysis*

Figure 69 – WACC and terminal WACC calculation, approach to the capital structure of the peers



Source: *Author analysis*

**Terminal WACC calculated by the capital structure of the peers.*

Flow-to-Equity method

The Flow-to-Equity method seems to have some degree of suitability to valuate Vinci, even considering that the debt ratio to invested capital present minor changes on a YoY basis. The DCF from this methodology returned a **price target of €131.36** for 2023YE, a higher but close value to the FCFF approach, giving support to it. In addition, the cash-flows follow the same pattern of the FCFF method, where the company releases higher cash-flows on a higher maturity stage of the life cycle of the company, aligned with all the assessments made so far.

Dividend Discount Model

This model was also computed through a two-stage process and it retrieves a **price target** for 2023YE of **€131.12**. The first stage derives from net income and the second stage assumes a sustainable level of growth on dividends to perpetuity, calculated through the dividends growth on normalized periods. In opposition to the cash-flows, dividends assume a regular grow, being in line with what is being projected.

Relative valuations

In addition to the absolute valuations, a market-based approach was assessed by analysis of Vinci's peers, bearing in mind the different segments where the company operates and, therefore, **weighting** the results of the analysis **by Vinci's revenues**. The following results have then emerged:

- **EV/EBITDA:** peers average equal to 6.7x. The price target that results is of €107.70;
- **EV/Sales**: peers average is of 1.0x and results in a price target of €109.06;
- **Price/BV**: peers average equal to 1.5x and a price target of €74.29;
- **Price/Sales:** peers average equal to 0.8x, resulting in a price target of €81.21;
- **Price/Earnings:** peers average equal to 10.1x, which returns a price target of €75.67€.

Despite the value that relative valuation methodology has, it is understood that it **is not comprehensive of the aggregated value of the business** and the synergies that are added by each business line and, therefore, it is not considered to be methodology to give a price recommendation on Vinci.

7. Financial Analysis

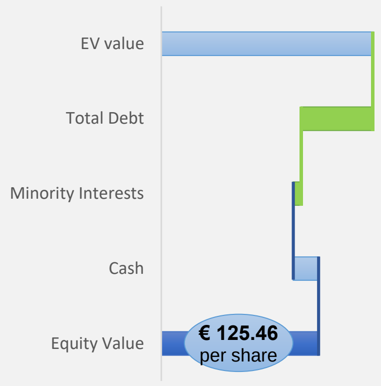
A bet on growth opportunities and long-term contracted cashflows generation

Vinci's strategy is to increase the predictability of its cashflows generation through long-term contracted agreements, increasing the stake of concessions-like contracts as a source of its revenues, while improving margins on other business segments. This strategy is based on a robust and challenging investment plan, which aims to **increase** the company **exposure** to **concessions** and **energy** industries, while diluting the company's risk through a global diversification of its investments and reinforce the company's ability to benefit from the current political policies in place around the world to meet green transition. Historically, Vinci has increased its CAPEX relative to sales from 8.6% in 2018 to 10.7% in 2022, representing a CAGR on the nominal CAPEX of 15.1%. As a result, the weight from concessions-like industries on revenues have also been increasing, having expanded from 43.5% in 2017 to 50.5% in 2022, in a clear alignment with the company's strategy.

A strong commitment with solvency and responsible capital structure management

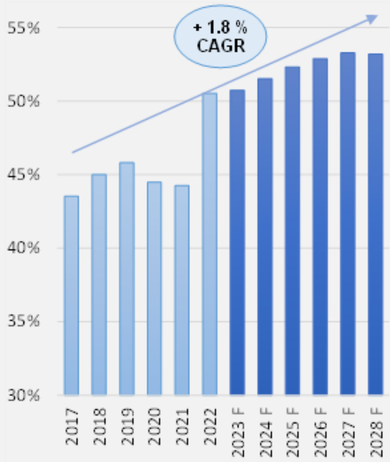
Vinci is being able to invest high amounts in CAPEX mainly supported by a **strong CFO generation** that allowed the company to decrease its debt to invested capital at book values from 54% in 2017 to 52% in 2022, even with a pandemic in between. **CFO to debt** has been also increasing, from 0.2x to 0.29x on the same period, while **Net Debt to EBITDA** slightly

Figure 70 – FCFF price target formation



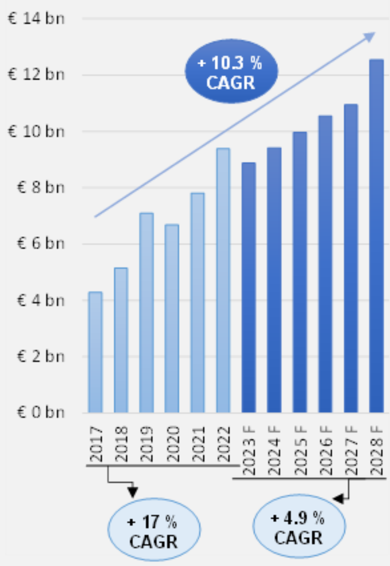
Source: *Author analysis*

Figure 71 – Forecasted evolution of concessions-like weights on revenues



Source: *Author analysis*

Figure 72 – Historical and forecast of CFO generation



Source: *Author analysis*

improved from a 2.2x to 2.1x in the period. In the same line, **EBIT interest coverage** has also slightly raised from 8.5x to 8.6x. On the other hand, the capital structure at book values is expected to meet the peers average, in line with the deleveraging path that has been done, to a target of 44%, while improving at the same time the company's solvency ratios.

Margins outlook and forecast

EBITDA margin is an extremely relevant indicator for the industry and Vinci has been able to increase it for construction and energy industries, from 5.4% and 6.7% in 2017, to 5.9% and 8.1% in 2022, respectively. On the other hand, concessions business faced a small backdrop when compared to 2017, mainly due to the uncompleted recovery from Covid pandemic plunge, having decreased from 67.9% to 67.5% in 2022. It must be pointed out that a further decrease in concessions margin must be considered on a conservative scenario, since the company is still actively looking for new projects to invest, in a period of higher competition and higher maturity stage on the life cycle of the industry itself, to a 66,4% value, representative of the average of the EBITDA margin for the period, including 2020 which was highly impacted by Covid (60.1%). Regarding **EBIT margin**, it has been under control during the period, at a stable 11% and, for all the above, it is believed that it will be kept for the future.

Changing profitability and improving resilience against economic volatility

Vinci is being able to manage its net profit margin, having recorded a small increase of 0.2% since 2017, to a value of 7.1% in 2022. However, it is not immune to stress periods and in 2020, due to the pandemic and restrictions, it fell to 2.3%. Currently, bearing in mind the economic context and also the upward pressure on the interest costs, it is expected that the ratio will slightly decrease in 2023, starting a new upward trend toward the terminal rate. For the terminal period, **NPT is projected to be of 7.3%**, slightly above the current value.

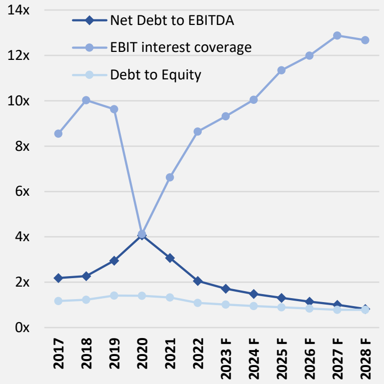
On the other hand, **ROIC** and **ROCE** are expected to increase from 7.3% and 10.9% in 2022 to, respectively, 8.6% and 12.8% in 2028, due to an optimization of the cash flows that will be generated in the future through the investments of today. Regarding to **ROE**, it has been decreasing since 2017, from 15.4% to 15% in 2022, mainly driven by a lower asset turnover, while leverage stays around the same level of 3.8x. However, considering the last three periods, leverage is in a decreasing trend while asset turnover has been increasing. The same trends are expected to persist for the future, resulting on an expected decrease of ROE from the current 15% to 14% in 2028, driven by the same factors.

Strong liquidity and robust cashflow generation

Vinci's **cash ratio** increased from 22.7% in 2017 to 26.2% in 2022, in result of a prudent policy to keep enough cash available to face its short-term commitments. Thus, Vinci has an available **credit line** of ~€8 billion of which only ~€1 billion was withdrawn at 2022YE. Altogether, Vinci's policy is to have available cash to **cover financial debt** for at least the next **24 months**, as recommended by the rating agencies where Vinci is, on average, rated of A-. The same policy is applied for the forecasted periods, adding to it the result from the cashflow statement.

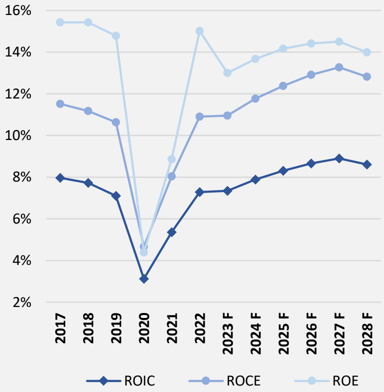
Regarding CFO generation, it must be pointed out that it has been growing at an impressive rate of 17% CAGR, mainly supported by acquisitions on the period. For the forecasted timeframe, CFO results from the financials assumptions assumed, bearing in mind that in the future more CAPEX will have to be deployed to maintenance than to fuel growth, meaning that future CAPEX will have lower impact on the increase of cashflows generated by new investments. Altogether, CFO is predicted to grow at a 4.9% CAGR on the period, being a solid source of the company to ensure investors a solid and attractive returns.

Figure 73 – Net debt to EBITDA forecast



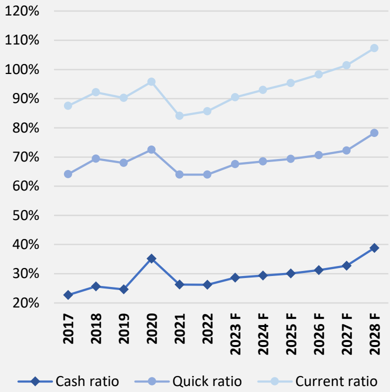
Source: *Author analysis*

Figure 74 – ROIC, ROCE and ROE forecast



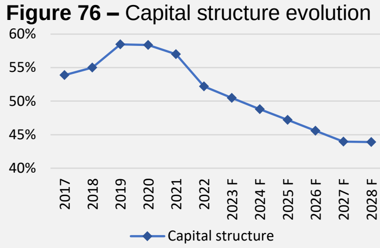
Source: *Author analysis*

Figure 75 – Cash, quick and current ratio forecast



Source: *Author analysis*

Figure 76 – Capital structure evolution



Source: *Author analysis*

8. Investment Risks

Vinci, as any other company, faces different risks that are addressed in this section and that can have a material impact in its business activities and results.

Economic and market risks (EMR)

Infrastructure construction, concessions and energy are, at some extent, related with macroeconomic environment. Despite the macroeconomic conditions, roads and bridges still have to be done, private investments on infrastructures still in the agenda and citizens still have mobility needs as also to consume energy, the same for companies. However, with an **economic slowdown (EMR1)**, the growth pace can decrease or even flat, which will affect negatively the company, since it may not be able to keep the business plan and might be forced to restructure to a certain degree some business segment. Some business units might be dismantled or sold at discount. This could be the case on a severe recession, increasing the uncertainty about the future.

Inflation risk (EMR2) is also one of the risks that the company has to monitor, since it has the potential to deeply affect margins through higher expenditures that may not be perfectly hedged by the contract agreements. Also, demand can decrease, highly impacting revenues and earnings.

Interest rate risk (EMR3) is other factor to have in attention, because its increase lowers the demand for projects, increases the cost of debt and burns liquidity of individual and collective entities. Nowadays, it is believed that the current reference interest rates are pivoting, starting a decreasing path toward the terminal rate, while Vinci was able to keep a strong liquidity.

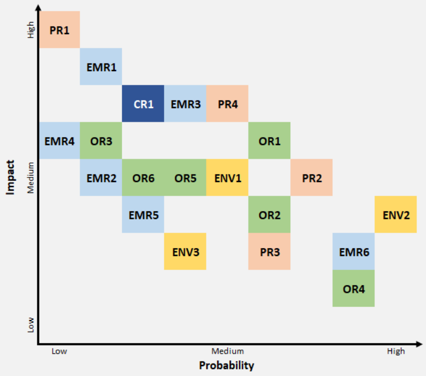
Liquidity risk (EMR4) is analyzed from two different perspectives: the company perspective to face its financial commitments and to fund day-to-day operations, and the capacity of the governments to support the programs that are in place, which are the main source of growth of to the industries where Vinci operates. From the perspective of the company and given the available liquidity today, this risk would only be a motive of concern in case of a deep recession, where the company could face external pressures to decrease debt and/or to decrease outstanding liabilities/debt to suppliers, as would be the case of having to pay for confirming's without being able to make new ones or, in a different way, the company may be forced to pay in advance to suppliers to support their activity to still exist and avoid disruptions on the supply chain. From the government perspective, an excessive debt in conjunction with a lack of liquidity would assume a different position and could freeze investment plans as also decrease or kill profitability on the existing ones. Overall, both of the scenarios could only occur with a deep recession that would force the governments to cut spending and, therefore, to suspend their commitment with Paris agreement for 2030.

Exchange rate risks (EMR5) add extra pressure on the financials of the companies, if not hedged. Exchange rate risks can be in the form of transaction, translation or investment risks. Regarding to these, Vinci protects itself from them, hedging the traded value on other currencies, the balance sheet value and expected cashflows. It must be mentioned that there are operational errors that can arise on the hedging execution, which, combined with market imperfections, have the potential to harm the company financials to some extent.

Commodities price risk (EMR6) is also a very important risk that need to be carefully handled because they can decrease margins or event make them negative in a certain project. Moreover, there is not a perfecting hedging for all the situations and material differences can arise. To mitigate the risk, Vinci includes price revisions clauses on contracts and benefits from having its own production sources.

Operational risks (OR)

Figure 77 – Risk Matrix



EMR1 - Economic Slowdown
EMR2 - Inflation risk
EMR3 - Interest rate risk
EMR4 - Liquidity risk
EMR5 - Exchange rate risk
EMR6 - Commodity price risk
OR1 - Operational Diffilcuties (Labor shortages)
OR2 - Global Shortages (Supply side power)
OR3 - Fierce Competition
OR4 - Operational errors (Design and/or construction errors)
OR5 - Acquisitions and Disposals: financial data reliability, hidden liabilities or difficulty to integrate corporate governance model
PR1 - Potical instability: expropriation and nationalism
PR2 - Risk of changes in the industry legislation
PR3 - Risk of legal and regulatory non-compliance
PR4 - Risk of changes in tax policy
CR1 - Cyberattack, fraud, leakage of data, cyberespionage
ENV1 - Extreme weather events
ENV2 - Increasing scarcity of resources
ENV3 - Damage of the environmental quality

Source: *Author analysis*

Labor shortage (OR1) is one of the biggest operational risks to take into account and can severely affect execution plans and even delay projects. Moreover, the employee turnover in the industry is one of the highest across the economy, which adds difficulty to achieve higher operational efficiencies through the learning curve process and increases the injury/fatality risk. Altogether, if a company does not have the ability to retain labor or to replace the ones that leave and give them a proper training, it can face severe consequences, as the loss of reputation.

Constraints in supply chains (OR2) were a reality post-Covid, being one of the main drivers of inflation and being responsible for project delays and for extra pressure on the companies' margins. Vinci tries to defend its position by having their own production sites but is far from being risk-free. Moreover, the war in Ukraine putted extra pressure and provoked scarcity in some materials that are essential in construction. Adding to it, a high concentration of industrial metal supply relied on Russia, specifically aluminum and copper, which have now seen their supply chains disrupted by the war. Shortages on the supply chains and disruptions can lead to delays to finish projects, increasing costs for the companies and deferring revenues.

Fierce competition (OR3) is a big risk in developed countries where the main players are concentrated and encourage price competition, which leads to a decrease on the operating margins and on profitability ratios in order to get a contract agreement. Moreover, in moments of lower demand for construction projects, the need to support the high fixed costs structure that firms have, can lead to pricing wars, unhealthy for the entire system. To hedge this risk, to some extent, Vinci benefits from the synergies between its business segments and from its worldwide presence, allowing the company to choose the projects with the better margins and to avoid such level of war. As a result, Vinci is being able to avoid huge levels of stress on its financials, while also meeting growth, even during the most difficult moments of the economy.

Operational errors (OR4) arise from the complexity of the overall operations that are executed. Given its size, its assumed that they occur with frequency despite the majority should not comprise any material impact to the company. However, a wrong approach to this risk can lead to a big material monetary or reputational loss to the company, as is the case of errors on the design phase, which can lead to a pricing to the customer a lot lower than the costs that are necessary to incur.

Acquisitions and disposals (OR5) are an operational risk due to the complexity of the firm's activities, which account with more than 4,000 business units. Moreover, a targeted acquisition can face lack of reliable financial data, can have hidden liabilities or might be difficult to integrate on the acquired the corporate governance model. Adding to it, a bad valuation on the business to acquire or to sell, can result in a significant loss to the company.

Political and regulatory risks (PR)

Political instability (PR1) is one of the major risks. In a world where radicalization is winning followers, there is available room to nationalizations due to political will, disrupting business plans and may lead to companies' restructuration. On emerging countries, the risk is amplified due to the amount of corruption, increased possibilities of rebellion against the government and due to the non-democratic conduction of the government. The tensions between countries can also result in sanctions that impact supply chains and/or revenues or might even force to dismantle business units.

Changes in legislation (PR2) The construction sector is becoming more restrictive. Changes on emission rules, labor laws, worries about decarbonization and onsite working conditions gain traction in many nations, which lead to increased costs.

Legal and regulatory non-compliance (PR3) The risk of not being able to meet legal requirements can have material impact on the company, such for the costs that the company may have to incur as on its reputation. Also, the non-compliance of some requirements can be restrictive for future contracts with a certain entity, which penalizes the opportunities that a company may have.

Changes in tax policy (PR4) can have an impact on the bids that the company presents to customers, affect margins and also valuations on acquisitions and disposals. Grey areas on legislation may also impact financials and carry reputational risks.

Cyber risks and fraud (CR1) were increased by the war in Ukraine, particularly in relation to strategic assets and activities of vital importance for some countries. Also, the remote work allows remote control of execution sites, which expose the group to attacks on the information systems, data leaks and cyberespionage. Each one of these can lead to a reputational and financial loss, as also to non-compliance of a certain regulatory framework.

Environmental risks (ENV)

Extreme weather events (ENV1) are happening more frequently and can lead to delays on construction and also damage installations and equipment, deeply affecting costs and results. On the other hand, it also impacts and deteriorates health and safety conditions for employees and can affect the group's image and its reputation for deficient quality.

Increasing scarcity of resources (ENV2) are a reality in the world of today, where some minerals, rare materials and fossil fuels are becoming scarcer. Many regions are also feeling pressure on their water availability, which is essential to construction. Overall, the scarcity of resources can impact financials through increase in their costs and impact the reputation of the company if not managed efficiently.

Damage of the environmental quality (ENV3) can lead to a huge reputational loss and to contract cancelation. Moreover, many of the urban sites under construction had some type of construction before, which could have been dismantled without the today's concern over environmental quality and, as so, the site can be degraded or polluted, which may not be reflected in the pricing to customers, decreasing the company's profitability.

Sensitivity analysis

Considering the risks that were mentioned, it was performed a sensitivity analysis on the price target to assess how it is affected by different combinations of risks and to assess the deviation that it can assume from the price recommendation. Since the financials have been worked out on a conservative approach, an upside scenario should also be considered and is reflected hereafter.

Revenues and WACC/beta

Most of the mentioned risks impact negatively the forecasted revenues to some extent. This impact will also be analyzed in light of the estimated WACC and deviations from WACC's central value.

Figure 78 – Sensitivity analysis between sales and WACC

	WACC								
Sales deviation	6.44%	6.64%	6.84%	7.04%	**7.24%**	7.44%	7.64%	7.84%	8.04%
-1.00%	111.68	111.52	111.37	111.21	**111.05**	110.90	110.75	110.60	110.45
-0.80%	114.47	114.31	114.15	113.99	**113.83**	113.67	113.52	113.37	113.21
-0.60%	117.30	117.14	116.98	116.82	**116.66**	116.50	116.34	116.19	116.03
-0.40%	120.19	120.02	119.86	119.70	**119.54**	119.38	119.22	119.06	118.91
-0.20%	123.13	122.96	122.80	122.63	**122.47**	122.31	122.15	121.99	121.83
0.00%	**126.13**	**125.96**	**125.79**	**125.62**	**125.46**	**125.29**	**125.13**	**124.97**	**124.81**
0.20%	129.18	129.01	128.84	128.67	**128.50**	128.34	128.17	128.01	127.85
0.40%	132.29	132.11	131.94	131.77	**131.60**	131.43	131.27	131.10	130.94
0.60%	135.45	135.28	135.10	134.93	**134.76**	134.59	134.42	134.26	134.09
0.80%	138.68	138.50	138.32	138.15	**137.98**	137.81	137.64	137.47	137.30
1.00%	141.96	141.78	141.61	141.43	**141.25**	141.08	140.91	140.74	140.57

Source: *Author analysis*

A negative deviation of 1% per year on sales have an impact of -11% on the price recommendation, to a price target of €111.05. On the other hand, deviations from the estimated WACC do not result on substantial changes on the price target, independently of the sales level. This is the expected result because the WACC is responsible for only ~17% of the discounted cashflows present value, with the terminal WACC being responsible for ~83%.

Figure 79 – Sensitivity analysis between sales and terminal WACC

		Terminal WACC								
		6.40%	6.45%	6.50%	6.55%	**6.60%**	6.65%	6.70%	6.75%	6.80%
Sales deviation	-1.00%	117.80	116.06	114.35	112.68	**111.05**	109.45	107.88	106.35	104.84
	-0.80%	120.74	118.96	117.21	115.50	**113.83**	112.19	110.58	109.01	107.47
	-0.60%	123.74	121.91	120.12	118.37	**116.65**	114.97	113.33	111.72	110.14
	-0.40%	126.80	124.93	123.09	121.29	**119.53**	117.81	116.13	114.48	112.86
	-0.20%	129.92	128.00	126.11	124.27	**122.47**	120.70	118.98	117.28	115.63
	0.00%	**133.10**	**131.12**	**129.19**	**127.30**	**125.46**	**123.65**	**121.88**	**120.14**	**118.45**
	0.20%	136.33	134.31	132.33	130.40	**128.50**	126.65	124.83	123.06	121.32
	0.40%	139.63	137.56	135.53	133.54	**131.60**	129.70	127.84	126.02	124.24
	0.60%	143.00	140.87	138.79	136.75	**134.76**	132.82	130.91	129.04	127.22
	0.80%	146.43	144.24	142.11	140.02	**137.98**	135.99	134.03	132.12	130.25
	1.00%	149.92	147.68	145.49	143.35	**141.26**	139.21	137.21	135.25	133.34

Source: *Author analysis*

In this case, a change of 1% in sales would still have a negative impact on the price of 11%, but now a change of 5 bps on the terminal WACC would also have an impact in the opposite direction of 1.4% on the FCFF valuation. The combination of both factors could lead to a max impact of 19% on the price.

On a different approach, the impact of the changes on the forecasted revenues was analyzed in conjunction with a sensitivity analysis on beta, which affects the terminal rate.

Figure 80 – Sensitivity analysis between beta and sales

	Scenarios	Pessimistic	Basis	Optimistic		
		-1% Sales	Neutral	+1% Sales	WACC	Terminal WACC
Beta	0.88	140.65	159.07	179.48	6.36%	5.85%
	0.93	132.29	149.54	168.59	6.58%	6.03%
	0.98	124.63	140.82	158.67	6.80%	6.22%
	1.03	117.57	132.82	149.59	7.02%	6.41%
	1.08	**111.05**	**125.46**	**141.25**	**7.24%**	**6.60%**
	1.13	105.02	118.65	133.58	7.46%	6.79%
	1.18	99.42	112.35	126.48	7.68%	6.98%
	1.23	94.20	106.49	119.90	7.89%	7.17%
	1.28	89.33	101.04	113.79	8.11%	7.35%

Source: *Author analysis*

An optimistic scenario that would consider an increase of the forecasted revenues by 1% per year, for the same current and terminal WACC, would be reflected by an upside on the price target of 12.6%, to the value of €141.25. In this case, as the beta impacts the terminal WACC too, an increase on its value (meaning a higher risk relative to the equity risk premium of the Euronext 100), would negatively impact the price target. E.g.: an increase of 9.3% on beta to 1.18, on a pessimistic scenario, would mean a decrease in price target of ~21% in comparison with base case, to a value of €99.42.

Terminal WACC and terminal growth

A change of 5 bps in the terminal growth rate, set at 1.79% in the base case, lead to an impact of ~1.2% on the price target. When the deviations from the terminal WACC's central value are added, it impacts the price target by 1.4% to 1.5%, for each 5 bps of difference on the terminal WACC. Combined, a decrease of 20 bps on the terminal growth and an increase of the same amount to the terminal WACC, would result in a decrease of the price target by 9.8%, to the value of €113.16.

In any case, it must be noticed that a 5 bps change in the terminal growth will impact less the price target than the same change on the estimated terminal WACC.

Figure 81 – Sensitivity analysis between terminal WACC and terminal Growth

Terminal Growth \ Terminal WACC	6.40%	6.45%	6.50%	6.55%	6.60%	6.65%	6.70%	6.75%	6.80%
1.59%	126.75	124.92	123.14	121.39	**119.67**	117.99	116.35	114.74	113.16
1.64%	128.29	126.43	124.60	122.82	**121.07**	119.36	117.69	116.05	114.44
1.69%	129.86	127.96	126.10	124.28	**122.51**	120.76	119.06	117.39	115.75
1.74%	131.46	129.52	127.63	125.78	**123.97**	122.19	120.45	118.75	117.08
1.79%	**133.10**	**131.12**	**129.19**	**127.30**	**125.46**	**123.65**	**121.88**	**120.14**	**118.45**
1.84%	134.77	132.76	130.79	128.86	**126.98**	125.14	123.33	121.57	119.84
1.89%	136.48	134.43	132.42	130.46	**128.53**	126.65	124.82	123.02	121.25
1.94%	138.23	136.13	134.09	132.08	**130.12**	128.21	126.33	124.50	122.70
1.99%	140.02	137.88	135.79	133.74	**131.74**	129.79	127.88	126.01	124.18

Source: *Author analysis*

Monte Carlo simulation

In a complement to the sensitivity analysis, a Monte Carlo simulation has been done, considering a simultaneous range of changes on the following drivers: (i) sales deviation; (ii) EBITDA margin; (iii) WACC; (iv) terminal WACC; (v) terminal growth; (vi) CAPEX.

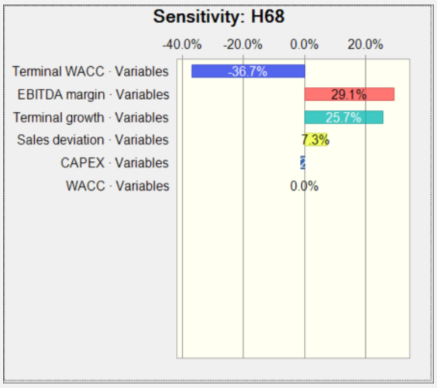
The results show a mean price of €129.51, 3.2% higher than the price target that resulted from FCFF and a median consistent with the FCFF price recommendation, of €125.95, adding credibility and confidence to the present recommendation.

According to Monte Carlo, the certainty to produce each type of recommendation is as follows:

- **Sell**: 21.4%, to a price lower or equal to €103.67;
- **Reduce**: 7.1%, to a price range of €103.67 to €109.66;
- **Hold**: 7.71%, to a price range of €109.66 to €115.41;
- **Buy**: 10.81%, to price range of €115.41 to €123.64;
- **Strong Buy**: 52.98%, to a price equal or higher than €123.64.

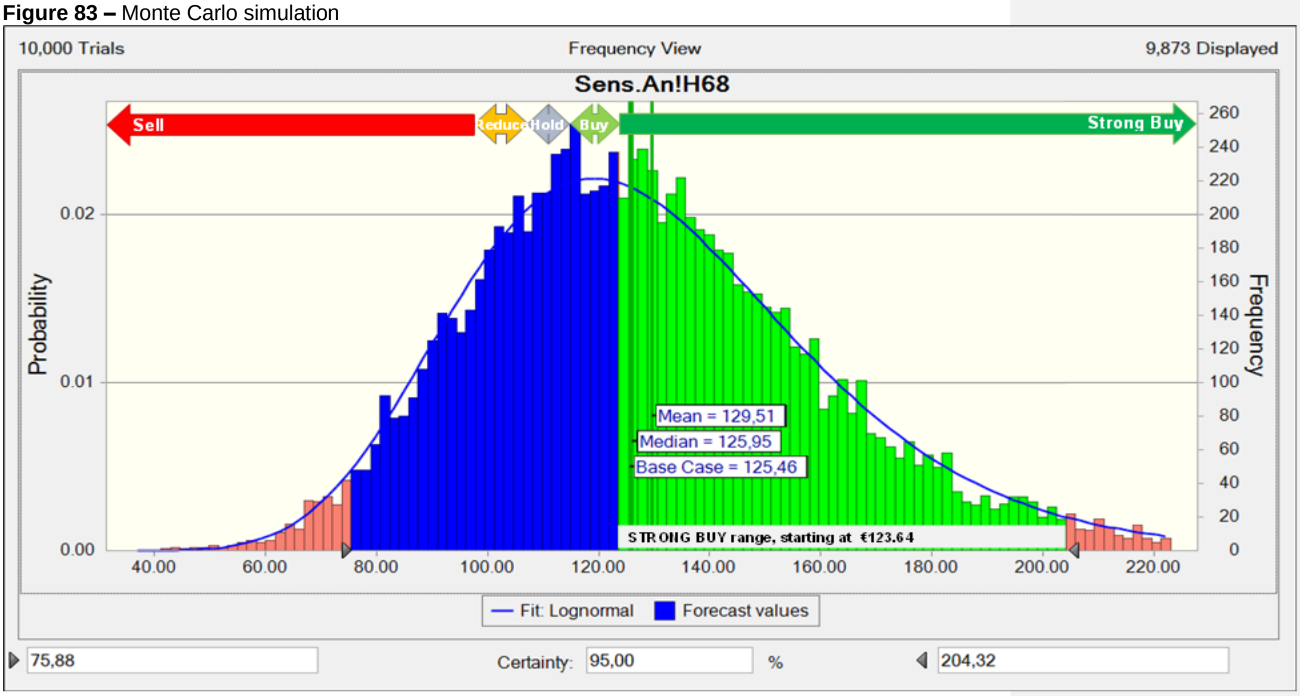
The driver that impacts the most Monte Carlo simulation is a change on the terminal WACC, followed by changes on EBITDA margins and changes on the terminal growth.

Figure 82 – Monte Carlo simulation sensitivity



Source: *Author analysis*

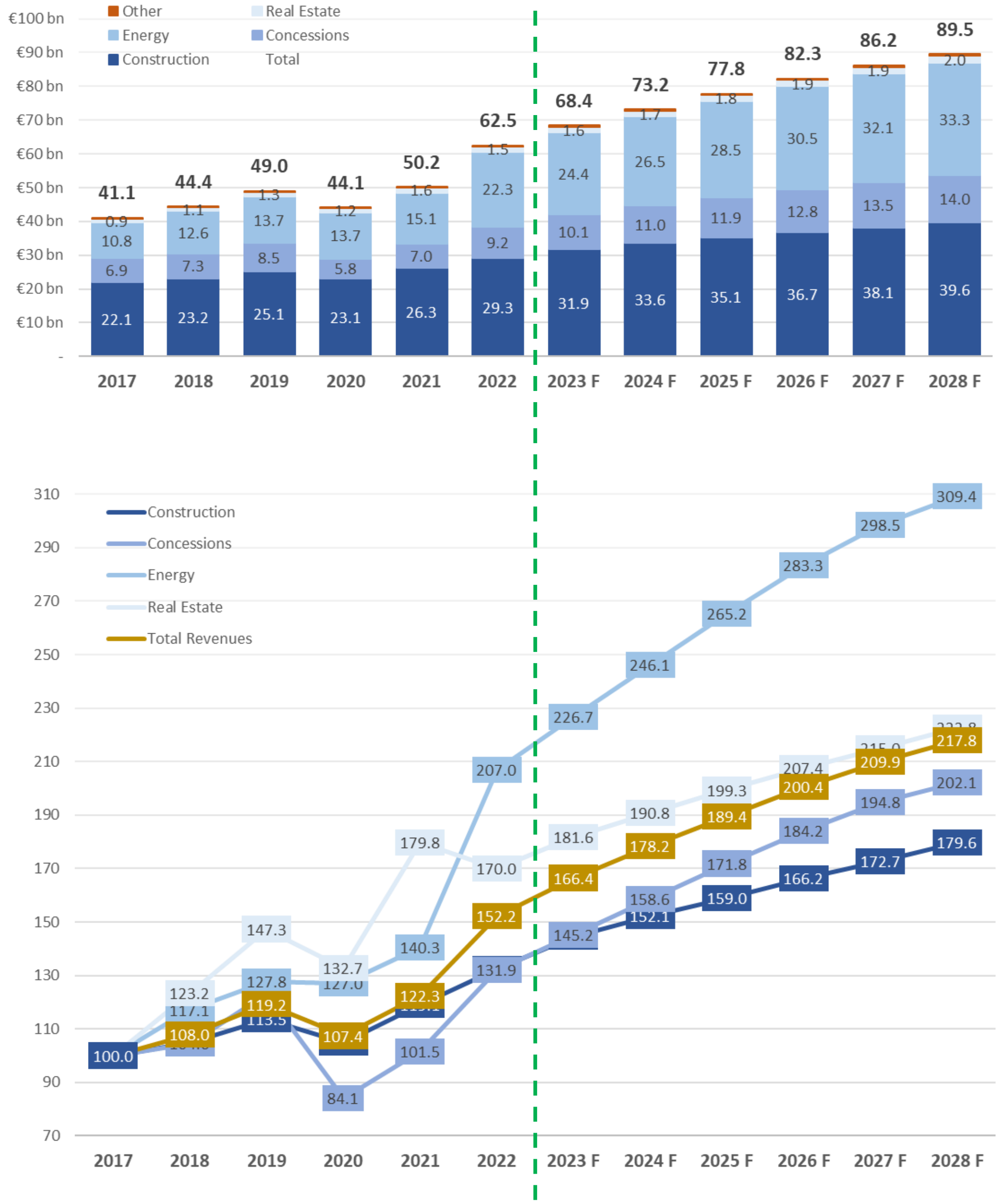
Figure 83 – Monte Carlo simulation



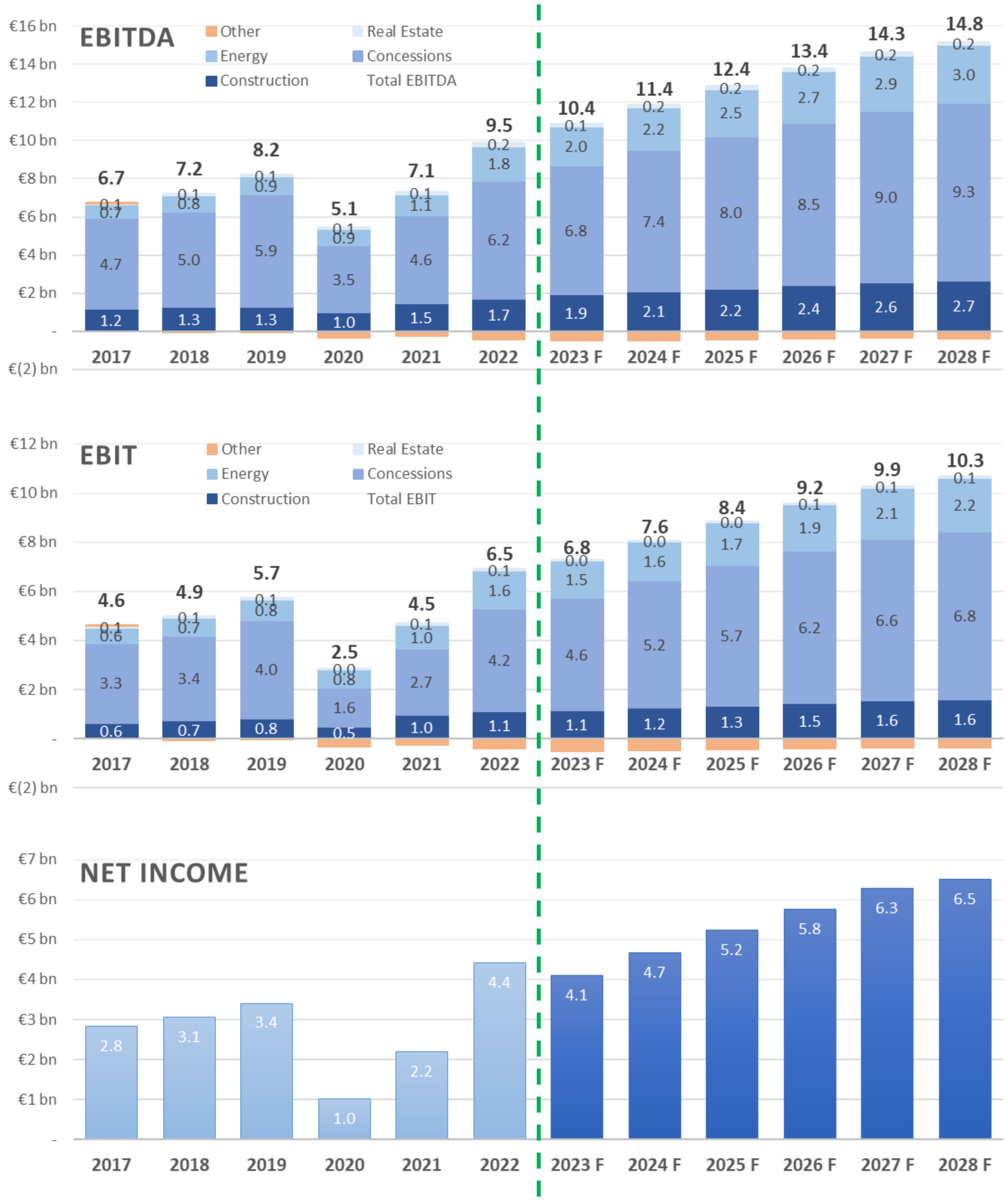
Source: *Author analysis*

Appendices

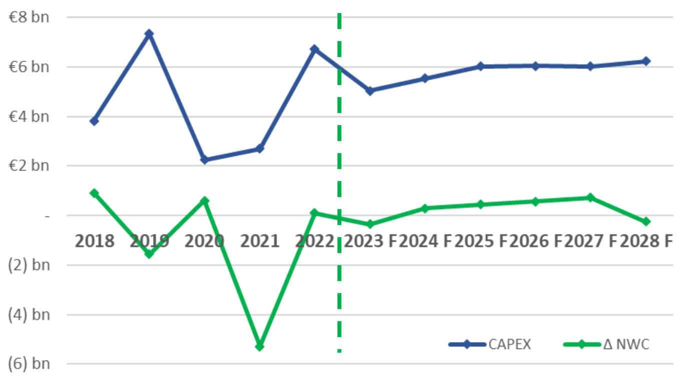
Appendix 1: Revenues nominal evolution and evolution with base of 100



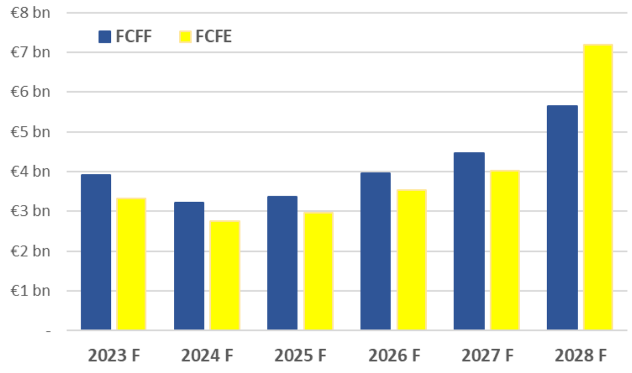
Appendix 2: EBITDA, EBIT and Net Income



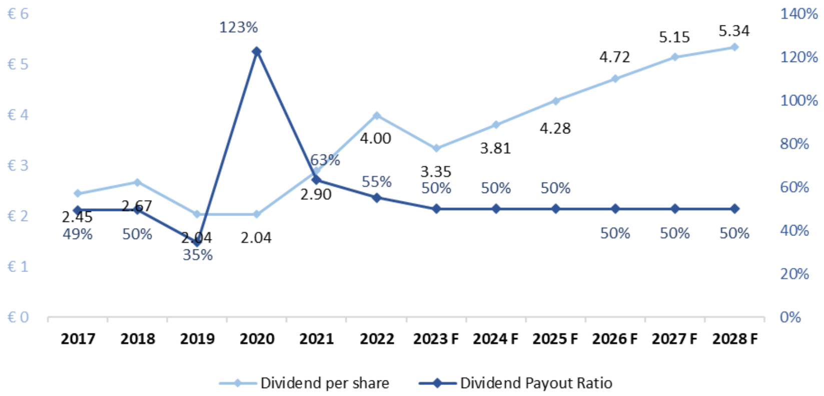
Appendix 3: CAPEX and NWC evolution

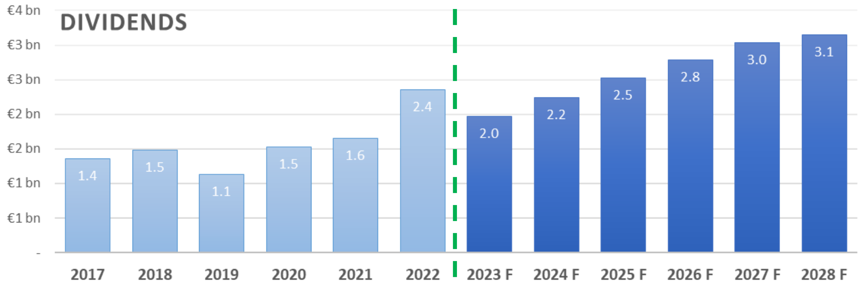


Appendix 4: Free Cash Flow to the Firm and to Equity evolution



Appendix 5: Shareholder Return Policy





Appendix 6: Statement of Financial Position

Millions EUR, 31 December	Historical Data						Forecast					
	2017	2018	2019	2020	2021	2022	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F
Non-Current Assets												
Concession intangible assets, net	26,539	27,118	26,869	25,886	25,329	28,224	28,974	29,886	30,946	32,137	33,426	34,758
Goodwill, net	8,600	9,792	11,647	11,619	16,099	17,360	17,360	17,360	17,360	17,360	17,360	17,360
Concessions	3,150	3,263	4,716	4,670	4,794	5,332	5,332	5,332	5,332	5,332	5,332	5,332
Vinci Energies	3,559	4,281	4,549	4,591	4,694	5,287	5,287	5,287	5,287	5,287	5,287	5,287
Cobra IS	-	-	-	-	4,156	4,156	4,156	4,156	4,156	4,156	4,156	4,156
Construction	-	166	215	197	213	-	-	-	-	-	-	-
Other	1,891	2,082	2,167	2,161	2,242	2,585	2,585	2,585	2,585	2,585	2,585	2,585
Other intangible assets, net	417	632	7,410	6,846	8,421	9,045	9,045	9,045	9,045	9,045	9,045	9,045
Patents and licences	212	209	208	203	206	206	206	206	206	206	206	206
Software	68	76	101	89	174	161	161	161	161	161	161	161
Other intangible assets (includes London Gatwick airport)	137	347	7,101	6,553	8,041	8,677	8,677	8,677	8,677	8,677	8,677	8,677
Property, plant & equipment, net (includes Rights-of-use)	4,421	5,359	10,189	9,760	10,303	10,805	11,473	12,306	13,251	13,892	14,276	14,681
Concessions	1,439	1,544	4,596	4,130	4,067	3,954	3,868	3,831	3,833	3,866	3,923	3,993
Vinci Energies	436	569	1,277	1,324	1,392	1,477	1,514	1,610	1,754	1,933	2,030	2,130
Cobra IS	-	-	-	-	264	600	1,010	1,461	1,929	2,021	1,913	1,806
Construction	2,532	3,083	3,858	3,628	3,724	3,866	4,168	4,483	4,800	5,122	5,441	5,760
Real Estate	14	162	458	677	856	908	912	921	934	950	969	991
of which are Rights-of-Use	-	-	1,822	1,917	2,084	2,064	2,010	2,035	2,124	2,232	2,324	2,406
Concessions	-	-	307	283	310	297	283	273	264	259	255	254
Vinci Energies	-	-	710	779	827	853	788	759	763	793	827	865
Cobra IS	-	-	-	-	85	70	133	215	312	388	433	456
Construction	-	-	674	698	685	601	571	558	558	567	584	605
Real Estate	-	-	131	157	177	243	235	229	226	225	225	227
Withou RoU	4,421	5,358	8,367	7,842	8,219	8,741	9,462	10,271	11,127	11,660	11,952	12,274
Concessions	1,439	1,544	4,289	3,847	3,757	3,657	3,584	3,558	3,569	3,607	3,668	3,740
Vinci Energies	436	569	567	545	565	624	727	851	991	1,140	1,203	1,266
Cobra IS	-	-	-	-	179	530	877	1,246	1,617	1,633	1,480	1,350
Construction	2,532	3,083	3,184	2,930	3,039	3,265	3,597	3,924	4,242	4,554	4,858	5,155
Real Estate	14	162	327	520	679	665	678	692	708	726	744	764
Investements in companies accounted for under the equity method	1,573	1,674	1,870	1,035	950	1,014	1,014	1,014	1,014	1,014	1,014	1,014
Other non-current financial assets	1,102	1,332	1,525	2,237	2,450	2,588	2,786	2,936	3,070	3,194	3,289	3,414
Assets held for sale	-	-	-	-	569	627	-	-	-	-	-	-
Derivative financial instruments	621	511	1,051	1,250	575	376	897	960	1,020	1,079	1,131	1,173
Deferred tax assets	255	317	370	493	767	883	701	750	797	843	883	917
Total Non Current Assets	**43,527**	**46,736**	**60,931**	**59,126**	**65,463**	**70,921**	**72,249**	**74,257**	**76,504**	**78,564**	**80,424**	**82,362**
Current Assets												
Inventories and work in progress	1,056	1,173	1,434	1,428	1,591	1,785	2,479	3,219	4,022	4,889	5,785	6,004
Trade and other receivables	12,432	13,584	14,523	12,493	15,832	18,092	19,578	20,744	21,812	22,823	23,645	24,540
Other current assets	5,093	5,085	5,300	5,719	6,036	7,402	8,105	8,692	9,250	9,797	10,276	10,665
Current tax assets	406	280	166	266	238	259	294	326	359	392	424	441
Other current financial assets	38	37	53	30	100	84	89	92	95	97	99	102
Derivative financial instruments - current	261	258	210	201	291	115	166	221	280	345	412	427
Cash management financial assets	184	245	287	137	200	755	399	427	454	481	503	522
Cash and cash equivalents	6,807	7,960	8,257	11,765	11,065	12,578	14,419	15,594	16,708	18,102	19,605	24,219
Cash equivalents (considered to be part of NWC)	2,658	3,595	3,083	5,646	3,042	4,227	4,619	4,944	5,251	5,550	5,810	6,030
Cash	4,150	4,364	5,174	6,119	8,022	8,351	9,799	10,650	11,458	12,552	13,795	18,189
Bank overdrafts	(1,105)	(1,178)	(911)	(339)	(876)	(1,083)	(1,208)	(1,320)	(1,430)	(1,542)	(1,646)	(1,708)
Net cash and cash equivalents	5,703	6,781	7,346	11,426	10,188	11,495	13,210	14,274	15,278	16,560	17,959	22,511
Total Current Assets	**26,276**	**28,621**	**30,229**	**32,039**	**35,353**	**41,070**	**45,529**	**49,316**	**52,981**	**56,927**	**60,748**	**66,921**
TOTAL ASSETS	**69,803**	**75,357**	**91,159**	**91,165**	**100,815**	**111,991**	**117,778**	**123,573**	**129,485**	**135,491**	**141,172**	**149,282**
Equity												
Share capital	1,478	1,494	1,513	1,471	1,481	1,473	1,473	1,473	1,473	1,473	1,473	1,473
Share premium	9,886	10,339	10,879	11,527	12,242	12,719	12,719	12,719	12,719	12,719	12,719	12,719
Treasury shares	(1,751)	(2,323)	(3,083)	(2,111)	(1,973)	(2,088)	(2,088)	(2,088)	(2,088)	(2,088)	(2,088)	(2,088)
Consolidated reserves	6,509	7,767	9,252	10,753	9,956	9,872	12,069	14,042	16,287	18,809	21,592	24,628
Currency translation reserves	(276)	(213)	(18)	(723)	(304)	(240)	-	-	-	-	-	-
Net income attributable to owners of the parent	2,747	2,983	3,260	1,242	2,597	4,259	3,946	4,490	5,043	5,568	6,071	6,300
Amounts recognized directly in equity	(782)	(861)	(1,364)	(1,148)	(1,117)	(56)	-	-	-	-	-	-
Equity attributable to owners of the parent	**17,812**	**19,185**	**20,438**	**21,011**	**22,881**	**25,939**	**28,118**	**30,636**	**33,434**	**36,480**	**39,767**	**43,032**
Equity attributable to non-controlling interests	572	633	2,604	2,162	1,889	3,470	3,470	3,470	3,470	3,470	3,470	3,470
Total Equity	**18,383**	**19,818**	**23,042**	**23,173**	**24,771**	**29,409**	**31,588**	**34,106**	**36,904**	**39,950**	**43,237**	**46,502**
Non-Current Liabilities												
Non-current provisions	1,053	1,135	1,341	1,140	1,137	961	1,132	1,299	1,472	1,655	1,835	1,904
Provisions for employee benefits	1,481	1,519	1,911	1,535	1,459	1,149	1,149	1,149	1,149	1,149	1,149	1,149
LT Debt	16,642	19,611	26,375	26,684	24,969	23,630	24,711	24,960	25,259	25,563	25,851	27,802
Bonds	14,130	16,588	23,300	23,136	22,212	20,425	21,422	21,637	21,897	22,161	22,410	24,101
Other loans and borrowings	2,512	3,023	3,075	3,548	2,757	3,205	3,289	3,322	3,362	3,403	3,441	3,701
Derivative financial instruments	288	206	473	434	422	1,939	1,805	1,594	1,335	1,032	682	708
Non-current lease liabilities	-	-	1,358	1,407	1,574	1,580	1,507	1,522	1,584	1,661	1,725	1,786
Lease adjustment	-	-	-	-	-	-	38	38	38	38	38	38
Other non-current liabilities	192	345	451	669	992	894	944	974	997	1,013	1,018	1,057
Deferred tax liabilities	1,735	1,676	2,701	2,655	3,225	4,162	4,552	4,874	5,181	5,480	5,740	5,957
Liabilities directly associated with assets held for sale	-	-	-	-	214	327	-	-	-	-	-	-
Total non-current liabilities	**21,391**	**24,491**	**34,610**	**34,524**	**33,992**	**34,643**	**35,837**	**36,410**	**37,015**	**37,590**	**38,038**	**40,402**
Current Liabilities												
Current provisions	4,322	4,452	4,741	4,973	6,123	6,599	7,238	7,774	8,286	8,790	9,234	9,584
Trade payables	8,198	8,240	8,514	8,876	12,027	13,088	14,206	15,099	15,926	16,718	17,376	18,035
Other current liabilities	12,339	13,362	14,839	14,668	16,736	20,315	21,880	23,072	24,139	25,130	25,898	26,879
Current tax liabilities	225	282	292	221	360	607	621	620	611	595	570	592
Current lease liabilities	-	-	504	501	524	522	503	513	540	571	599	620
Derivative financial instruments - current	114	76	399	319	513	440	470	490	508	523	533	554
ST Debt - Current borrowings	4,830	4,635	4,217	3,909	5,769	6,368	5,435	5,489	5,555	5,622	5,685	6,115
Total current liabilities	**30,029**	**31,048**	**33,507**	**33,468**	**42,052**	**47,939**	**50,353**	**53,058**	**55,566**	**57,951**	**59,897**	**62,378**
Total Liabilities	**51,420**	**55,539**	**68,117**	**67,992**	**76,044**	**82,582**	**86,189**	**89,467**	**92,580**	**95,541**	**97,934**	**102,780**
TOTAL EQUITY + LIABILITIES	**69,803**	**75,357**	**91,159**	**91,165**	**100,815**	**111,991**	**117,778**	**123,573**	**129,485**	**135,491**	**141,172**	**149,282**

Appendix 7: Income Statement

Millions EUR, 31 December	Historical Data						Forecast					
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023 F**	**2024 F**	**2025 F**	**2026 F**	**2027 F**	**2028 F**
Revenues	**41,077**	**44,354**	**48,950**	**44,118**	**50,230**	**62,514**	**68,365**	**73,213**	**77,814**	**82,311**	**86,215**	**89,482**
Construction	22,072	23,165	25,051	23,149	26,282	29,252	31,856	33,567	35,095	36,687	38,127	39,635
Concessions	6,945	7,261	8,544	5,839	7,046	9,162	10,084	11,018	11,932	12,791	13,530	14,033
Energy	10,759	12,603	13,749	13,661	15,097	16,748	18,316	19,876	21,401	22,830	24,064	24,939
Cobra IS	-	-	-	-	-	5,520	6,072	6,605	7,135	7,653	8,052	8,345
Real Estate	896	1,104	1,320	1,189	1,611	1,523	1,627	1,710	1,786	1,859	1,926	1,996
Other revenues & eliminations intragroup, net	406	219	287	279	195	309	409	438	465	492	515	535
Weights												
Construction, in % of Total Revenues	53.7%	52.2%	51.2%	52.5%	52.3%	46.8%	46.6%	45.8%	45.1%	44.6%	44.2%	44.3%
Concessions, in % of Total Revenues	16.9%	16.4%	17.5%	13.2%	14.0%	14.7%	14.8%	15.0%	15.3%	15.5%	15.7%	15.7%
Energy, in % of Total Revenues	26.2%	28.4%	28.1%	31.0%	30.1%	35.6%	35.7%	36.2%	36.7%	37.0%	37.3%	37.2%
Real Estate, in % of Total Revenues	2.2%	2.5%	2.7%	2.7%	3.2%	2.4%	2.4%	2.3%	2.3%	2.3%	2.2%	2.2%
Other revenues & eliminations intragroup, net, in % of Total Revenues	1.0%	0.5%	0.6%	0.6%	0.4%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Operating expenses	(34,339)	(37,115)	(40,177)	(38,088)	(42,288)	(52,078)	(57,642)	(61,476)	(65,078)	(68,605)	(71,646)	(74,367)
Other recurring items	(17)	(73)	(31)	(347)	(259)	(343)	(348)	(345)	(336)	(323)	(305)	(316)
EBITDA, adjusted	**6,718**	**7,166**	**8,194**	**5,101**	**7,080**	**9,472**	**10,374**	**11,393**	**12,401**	**13,383**	**14,265**	**14,799**
By segment												
Construction	*1,191*	*1,291*	*1,292*	*979*	*1,466*	*1,713*	*1,921*	*2,082*	*2,238*	*2,404*	*2,565*	*2,666*
Concessions	*4,717*	*4,982*	*5,890*	*3,510*	*4,586*	*6,187*	*6,786*	*7,389*	*7,975*	*8,519*	*8,979*	*9,313*
Energy	*717*	*846*	*919*	*883*	*1,092*	*1,304*	*1,472*	*1,647*	*1,827*	*2,006*	*2,175*	*2,254*
Cobra IS	-	-	-	-	*35*	*501*	*550*	*598*	*646*	*692*	*728*	*754*
Real Estate	*86*	*105*	*111*	*68*	*143*	*190*	*148*	*156*	*162*	*169*	*175*	*182*
Other (Holding companies)	*7*	*(58)*	*(19)*	*(342)*	*(244)*	*(422)*	*(503)*	*(480)*	*(447)*	*(407)*	*(357)*	*(370)*
Weights, in % of EBITDA												
% of Construction	17.7%	18.0%	15.8%	19.2%	20.7%	18.1%	18.5%	18.3%	18.1%	18.0%	18.0%	18.0%
% of Concessions	70.2%	69.5%	71.9%	68.8%	64.8%	65.3%	65.4%	64.9%	64.3%	63.7%	62.9%	62.9%
% of Energy	10.7%	11.8%	11.2%	17.3%	15.4%	13.8%	14.2%	14.5%	14.7%	15.0%	15.2%	15.2%
% of Cobra IS	0.0%	0.0%	0.0%	0.0%	0.5%	5.3%	5.3%	5.3%	5.2%	5.2%	5.1%	5.1%
% of Energy and Cobra IS	*10.7%*	*11.8%*	*11.2%*	*17.3%*	*15.9%*	*19.1%*	*19.5%*	*19.7%*	*19.9%*	*20.2%*	*20.3%*	*20.3%*
% of Real Estate	1.3%	1.5%	1.4%	1.3%	2.0%	2.0%	1.4%	1.4%	1.3%	1.3%	1.2%	1.2%
% of Other (Holding companies)	0.1%	-0.8%	-0.2%	-6.7%	-3.4%	-4.5%	-4.8%	-4.2%	-3.6%	-3.0%	-2.5%	-2.5%
Weights, in % of EBITDA	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*						
EBITDA margin												
Construction	5.4%	5.6%	5.2%	4.2%	5.6%	5.9%	6.0%	6.2%	6.4%	6.6%	6.7%	6.7%
Concessions	67.9%	68.6%	68.9%	60.1%	65.1%	67.5%	67.3%	67.1%	66.8%	66.6%	66.4%	66.4%
Energy	6.7%	6.7%	6.7%	6.5%	7.2%	7.8%	8.0%	8.3%	8.5%	8.8%	9.0%	9.0%
Cobra IS	0.0%	0.0%	0.0%	0.0%	0.0%	9.1%	9.1%	9.1%	9.1%	9.0%	9.0%	9.0%
Vinci Energy and Cobra IS	*6.7%*	*6.7%*	*6.7%*	*6.5%*	*7.5%*	*8.1%*	*8.3%*	*8.5%*	*8.7%*	*8.9%*	*9.0%*	*9.0%*
Real Estate	9.6%	9.5%	8.4%	5.8%	8.9%	12.4%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
Other (Holding companies)	1.7%	-26.5%	-6.6%	-122.6%	-125.1%	-136.6%	-123.1%	-109.7%	-96.2%	-82.7%	-69.3%	-69.3%
EBITDA margin	*16.4%*	*16.2%*	*16.7%*	*11.6%*	*14.1%*	*15.2%*	*15.2%*	*15.6%*	*15.9%*	*16.3%*	*16.5%*	*16.5%*
Depreciations and amortization	**(2,128)**	**(2,242)**	**(3,040)**	**(3,171)**	**(3,219)**	**(3,613)**	**(3,609)**	**(3,796)**	**(4,017)**	**(4,198)**	**(4,340)**	**(4,487)**
Construction	(546)	(546)	(669)	(721)	(697)	(794)	(784)	(836)	(890)	(946)	(1,003)	(1,060)
Concessions	(1,466)	(1,553)	(1,994)	(2,010)	(1,993)	(2,106)	(2,176)	(2,216)	(2,270)	(2,336)	(2,412)	(2,492)
Energy	(102)	(119)	(306)	(347)	(347)	(419)	(353)	(365)	(389)	(422)	(442)	(464)
Cobra IS	-	-	-	-	(60)	(111)	(182)	(266)	(355)	(380)	(368)	(354)
Real Estate	(14)	(25)	(71)	(93)	(124)	(184)	(114)	(113)	(113)	(114)	(115)	(117)
EBIT, adjusted	**4,590**	**4,924**	**5,703**	**2,512**	**4,464**	**6,481**	**6,765**	**7,597**	**8,384**	**9,185**	**9,925**	**10,312**
By segment, from "full year results" & "Annual Reports"												
Construction	*645*	*745*	*826*	*470*	*968*	*1,100*	*1,137*	*1,247*	*1,348*	*1,458*	*1,562*	*1,606*
Concessions	*3,251*	*3,429*	*3,989*	*1,586*	*2,683*	*4,171*	*4,610*	*5,173*	*5,705*	*6,183*	*6,568*	*6,821*
Energy	*615*	*727*	*827*	*773*	*985*	*1,142*	*1,118*	*1,282*	*1,438*	*1,584*	*1,732*	*1,790*
Cobra IS	-	-	-	-	-	*411*	*369*	*333*	*291*	*312*	*360*	*400*
Real Estate	*72*	*80*	*80*	*23*	*70*	*79*	*34*	*42*	*49*	*55*	*60*	*65*
Other (Holding companies)	*7*	*(58)*	*(19)*	*(342)*	*(244)*	*(422)*	*(503)*	*(480)*	*(447)*	*(407)*	*(357)*	*(370)*
Weights in % of EBIT												
% of Construction	14.1%	15.1%	14.5%	18.7%	21.7%	17.0%	16.8%	16.4%	16.1%	15.9%	15.7%	15.6%
% of Concessions	70.8%	69.6%	69.9%	63.1%	60.1%	64.4%	68.1%	68.1%	68.0%	67.3%	66.2%	66.1%
% of Energy	13.4%	14.8%	14.5%	30.8%	22.1%	17.6%	16.5%	16.9%	17.2%	17.2%	17.5%	17.4%
% of Cobra IS	0.0%	0.0%	0.0%	0.0%	0.0%	6.3%	5.5%	4.4%	3.5%	3.4%	3.6%	3.9%
% of Energy and Cobra IS	*13.4%*	*14.8%*	*14.5%*	*30.8%*	*22.1%*	*24.0%*	*22.0%*	*21.2%*	*20.6%*	*20.6%*	*21.1%*	*21.2%*
% of Real Estate	1.6%	1.6%	1.4%	0.9%	1.6%	1.2%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%
% of Other (Holding companies)	0.2%	-1.2%	-0.3%	-13.6%	-5.5%	-6.5%	-7.4%	-6.3%	-5.3%	-4.4%	-3.6%	-3.6%
Weights in % of EBIT	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
EBIT margin												
Construction	2.9%	3.2%	3.3%	2.0%	3.7%	3.8%	3.6%	3.7%	3.8%	4.0%	4.1%	4.1%
Concessions	46.8%	47.2%	46.7%	27.2%	38.1%	45.5%	45.7%	47.0%	47.8%	48.3%	48.5%	48.6%
Energy	5.7%	5.8%	6.0%	5.7%	6.5%	6.8%	6.1%	6.4%	6.7%	6.9%	7.2%	7.2%
Cobra IS	0.0%	0.0%	0.0%	0.0%	0.0%	7.4%	6.1%	5.0%	4.1%	4.1%	4.5%	4.8%
Vinci Energy and Cobra IS	*5.7%*	*5.8%*	*6.0%*	*5.7%*	*6.5%*	*7.0%*	*6.1%*	*6.1%*	*6.1%*	*6.2%*	*6.5%*	*6.6%*
Real Estate	8.0%	7.2%	6.1%	1.9%	4.3%	5.2%	2.1%	2.5%	2.8%	3.0%	3.1%	3.2%
Other (Holding companies)	1.7%	-26.5%	-6.6%	-122.6%	-125.1%	-136.6%	-123.1%	-109.7%	-96.2%	-82.7%	-69.3%	-69.3%
EBIT margin	*11.2%*	*11.1%*	*11.7%*	*5.7%*	*8.9%*	*10.4%*	*9.9%*	*10.4%*	*10.8%*	*11.2%*	*11.5%*	*11.5%*
Non-recurring operating items	**(41)**	**(4)**	**(39)**	**(52)**	**(26)**	**8**	**-**	**-**	**-**	**-**	**-**	**-**
Cost of gross financial debt	(537)	(491)	(592)	(609)	(674)	(750)	(726)	(756)	(739)	(766)	(771)	(814)
Financial income from cash investments	56	29	41	21	17	136	65	74	80	86	93	101
Other financial income (expense)	40	17	(71)	(47)	40	279	(169)	(176)	(172)	(178)	(179)	(189)
Financial income (expense)	**(441)**	**(445)**	**(622)**	**(635)**	**(617)**	**(335)**	**(830)**	**(858)**	**(830)**	**(858)**	**(857)**	**(902)**
EBT	**4,108**	**4,475**	**5,042**	**1,825**	**3,821**	**6,154**	**5,935**	**6,739**	**7,554**	**8,327**	**9,068**	**9,410**
Income tax expense	(1,271)	(1,418)	(1,634)	(807)	(1,625)	(1,737)	(1,829)	(2,077)	(2,328)	(2,566)	(2,794)	(2,900)
Net income	**2,837**	**3,057**	**3,408**	**1,018**	**2,196**	**4,417**	**4,106**	**4,662**	**5,226**	**5,761**	**6,274**	**6,510**
Net income attributable to non-controlling interests (negative sign)*	(90)	(74)	(148)	226	402	(157)	(161)	(172)	(183)	(193)	(202)	(210)
Net income attributable to owners of the parent	**2,747**	**2,983**	**3,260**	**1,244**	**2,598**	**4,260**	**3,946**	**4,490**	**5,043**	**5,568**	**6,071**	**6,300**

Appendix 8: Historical Cash Flow Statement

Millions EUR, 31 December	Historical Data					
	2017	**2018**	**2019**	**2020**	**2021**	**2022**
Consolidated net income for the period (including non-controlling interests)	**2,837**	**3,057**	**3,408**	**1,018**	**2,196**	**4,417**
Depreciations and amortizations	2,128	2,242	3,040	3,171	3,219	3,613
Net increase/decrease in provisions and impairments	(4)	(16)	90	218	206	-
Share based payments and other restatements	53	21	64	89	84	162
Gain or loss on disposals	(44)	(88)	(67)	(147)	(27)	(68)
Change in fair value of financial instruments	15	(39)	(4)	33	(54)	(236)
Share of profit/loss of companies accounted for under the equity method and dividends received from unconsolidated companies	(152)	(104)	(218)	142	(18)	(42)
Cost of net financial debt recognized	481	462	551	589	658	614
Capitalised borrowing costs	(86)	(56)	(41)	(40)	(47)	(29)
Financial expense on leases	-	-	40	42	43	48
Current and deferred tax expense recognized	1,271	1,418	1,634	807	1,625	1,737
CFO before tax and financing costs	**6,500**	**6,898**	**8,497**	**5,919**	**7,884**	**10,215**
Changes in operating working capital requirement and current provisions	(286)	(266)	428	2,330	1,579	392
Income taxes paid	(1,647)	(1,222)	(1,547)	(1,054)	(1,213)	(1,603)
Net interests paid	(470)	(444)	(458)	(590)	(557)	(563)
Dividends received from companies accounted for under the equithy method	184	176	170	71	112	92
Other long-term advances received	-	-	-	-	-	854
Net cash flows (used in)/from operating activities	**4,280**	**5,142**	**7,090**	**6,675**	**7,806**	**9,387**
Purchases of property, plant and equipment and intangible assets	*(865)*	*(1,095)*	*(1,365)*	*(1,117)*	*(1,214)*	*(2,621)*
Proceeds from sales of property, plant and equipment and intangible assets	*120*	*109*	*117*	*124*	*137*	*165*
Operating investments (net of disposals)	(745)	(986)	(1,249)	(994)	(1,077)	(2,456)
Investments in concession fixed assets (net of grants received)	*(1,055)*	*(986)*	*(1,031)*	*(1,043)*	*(849)*	*(880)*
Financial receivables (PPP contracts and others)	*45*	*8*	*(34)*	*(42)*	*33*	*44*
Growth investments in concessions and PPPs	(1,010)	(977)	(1,065)	(1,085)	(815)	(836)
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)	*(946)*	*(1,570)*	*(3,611)*	*(302)*	*(5,258)*	*(2,131)*
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)	*16*	*81*	*43*	*25*	*9*	*23*
Net effect of other changes in scope of consolidation	*(7)*	-	-	-	-	-
Cash and cash equivalents of acquired companies	-	-	-	*35*	*1,322*	*140*
Net financial investments	(937)	(1,489)	(3,568)	(242)	(3,927)	(1,967)
Other	(355)	(165)	(90)	(85)	(82)	(59)
Net cash flows (used in)/from investing activities	**(3,046)**	**(3,617)**	**(5,972)**	**(2,406)**	**(5,902)**	**(5,318)**
Share capital increases and decreases and repurchases of other equity instruments	443	469	560	669	739	491
Transactions on treasury shares	(647)	(639)	(903)	(336)	(602)	(1,100)
Non-controlling interests in share capital increases and decreases of subsidiaries	1	-	394	(1)	-	-
Acquisitions/disposals of non-controlling interests (without acquisition or loss of control)	(22)	(25)	(21)	(20)	(19)	(53)
Dividends paid	(1,248)	(1,443)	(1,772)	(721)	(1,558)	(1,892)
- to shareholders of VINCI SA	*(1,197)*	*(1,391)*	*(1,504)*	*(694)*	*(1,528)*	*(1,830)*
- to non-controlling interests	*(51)*	*(53)*	*(267)*	*(27)*	*(30)*	*(62)*
Proceeds from new long-term borrowings	4,112	4,163	4,626	2,349	1,791	2,786
Repayments of long-term borrowings	(3,258)	(2,707)	(2,335)	(2,136)	(2,195)	(3,653)
Repayments of lease liabilities and financial expense on leases	-	-	(575)	(607)	(631)	(661)
Change in cash management assets and other current financial debts	(581)	135	(630)	760	(785)	1,245
Net cash flows (used in)/from financing activities	**(1,200)**	**(48)**	**(656)**	**(42)**	**(3,259)**	**(2,836)**
Other changes	42	(398)	102	(147)	117	74
Change in net cash	**75**	**1,079**	**564**	**4,080**	**(1,238)**	**1,306**
Net cash and cash equivalents at beginning of period	5,628	5,703	6,782	7,346	11,426	10,188
Net cash and cash equivalents at end of period	**5,703**	**6,782**	**7,346**	**11,426**	**10,188**	**11,495**

Appendix 9: Forecasted Cash Flow Statement

Millions EUR, 31 December	Forecast					
	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F
Earnings before interests and taxes	**6,765**	**7,597**	**8,384**	**9,185**	**9,925**	**10,312**
Depreciations and amortizations, excluding RoU	3,609	3,796	4,017	4,198	4,340	4,487
Income tax	(1,829)	(2,077)	(2,328)	(2,566)	(2,794)	(2,900)
Change in financial instruments (assets)	(774)	(272)	(257)	(250)	(215)	(187)
Change in financial instruments (liabilities)	(105)	(190)	(242)	(288)	(339)	46
Change in operating assets	(2,884)	(2,493)	(2,429)	(2,425)	(2,196)	(1,504)
Change in operating liabilities	2,683	2,085	1,895	1,782	1,426	1,640
Change in short and long-term provisions and other long-term liabilities	859	733	709	703	629	458
Change in deferred taxes, assets	148	(82)	(80)	(80)	(72)	(50)
Change in deferred and other taxes, liabilities	404	322	297	284	235	239
Net cash flows (used in)/from operating activities	**8,877**	**9,419**	**9,967**	**10,544**	**10,939**	**12,541**
CAPEX - Changes in PP&E and intangible assets, after Dep & Amort	(5,027)	(5,541)	(6,022)	(6,030)	(6,013)	(6,223)
Proceeds from sales of property, plant and equipment and intangible assets	627	-	-	-	-	-
Payments related to sales of property, plant and equipment and intangible assets	(327)	-	-	-	-	-
Net cash flows (used in)/from investing activities	**(4,727)**	**(5,541)**	**(6,022)**	**(6,030)**	**(6,013)**	**(6,223)**
Dividends paid	(1,768)	(1,973)	(2,245)	(2,522)	(2,784)	(3,036)
Payments to minorities	(161)	(172)	(183)	(193)	(202)	(210)
Net borrowings	148	303	365	371	350	2,381
Change in bank overdrafts used	(125)	(111)	(110)	(112)	(104)	(62)
Financial expenses	(895)	(932)	(911)	(944)	(950)	(1,003)
Financial income	65	74	80	86	93	101
Repayments of lease liabilities	(601)	(608)	(634)	(666)	(694)	(718)
New lease liabilities	547	633	723	774	786	801
Change in cash management assets and other current financial debts	356	(28)	(27)	(26)	(23)	(19)
Net cash flows (used in)/from financing activities	**(2,435)**	**(2,815)**	**(2,942)**	**(3,232)**	**(3,527)**	**(1,766)**
Other changes	-	-	-	-	-	-
Change in net cash	**1,715**	**1,064**	**1,004**	**1,282**	**1,399**	**4,552**
Net cash and cash equivalents at beginning of period	11,495	13,210	14,274	15,278	16,560	17,959
Net cash and cash equivalents at end of period	**13,210**	**14,274**	**15,278**	**16,560**	**17,959**	**22,511**

Appendix 10: Common-Size Statement of Financial Position

in % of total assets, 31 December	Historical Data						Forecast					
	2017	2018	2019	2020	2021	2022	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F
Non-Current Assets												
Concession intangible assets, net	38.0%	36.0%	29.5%	28.4%	25.1%	25.2%	24.6%	24.2%	23.9%	23.7%	23.7%	23.3%
Goodwill, net	12.3%	13.0%	12.8%	12.7%	16.0%	15.5%	14.7%	14.0%	13.4%	12.8%	12.3%	11.6%
Concessions	*4.5%*	*4.3%*	*5.2%*	*5.1%*	*4.8%*	*4.8%*	*4.5%*	*4.3%*	*4.1%*	*3.9%*	*3.8%*	*3.6%*
Vinci Energies	*5.1%*	*5.7%*	*5.0%*	*5.0%*	*4.7%*	*4.7%*	*4.5%*	*4.3%*	*4.1%*	*3.9%*	*3.7%*	*3.5%*
Cobra IS	-	-	-	-	*4.1%*	*3.7%*	*3.5%*	*3.4%*	*3.2%*	*3.1%*	*2.9%*	*2.8%*
Construction	-	*0.2%*	*0.2%*	*0.2%*	*0.2%*	-	-	-	-	-	-	-
Other	*2.7%*	*2.8%*	*2.4%*	*2.4%*	*2.2%*	*2.3%*	*2.2%*	*2.1%*	*2.0%*	*1.9%*	*1.8%*	*1.7%*
Other intangible assets, net	0.6%	0.8%	8.1%	7.5%	8.4%	8.1%	7.7%	7.3%	7.0%	6.7%	6.4%	6.1%
Patents and licences	*0.3%*	*0.3%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.1%*	*0.1%*
Software	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.2%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*
Other intangible assets (includes London Gatwick airport)	*0.2%*	*0.5%*	*7.8%*	*7.2%*	*8.0%*	*7.7%*	*7.4%*	*7.0%*	*6.7%*	*6.4%*	*6.1%*	*5.8%*
Property, plant & equipment, net (includes Rights-of-use)	6.3%	7.1%	11.2%	10.7%	10.2%	9.6%	9.7%	10.0%	10.2%	10.3%	10.1%	9.8%
Concessions	*2.1%*	*2.0%*	*5.0%*	*4.5%*	*4.0%*	*3.5%*	*3.3%*	*3.1%*	*3.0%*	*2.9%*	*2.8%*	*2.7%*
Vinci Energies	*0.6%*	*0.8%*	*1.4%*	*1.5%*	*1.4%*	*1.3%*	*1.3%*	*1.3%*	*1.4%*	*1.4%*	*1.4%*	*1.4%*
Cobra IS	-	-	-	-	*0.3%*	*0.5%*	*0.9%*	*1.2%*	*1.5%*	*1.5%*	*1.4%*	*1.2%*
Construction	*3.6%*	*4.1%*	*4.2%*	*4.0%*	*3.7%*	*3.5%*	*3.5%*	*3.6%*	*3.7%*	*3.8%*	*3.9%*	*3.9%*
Real Estate	*0.0%*	*0.2%*	*0.5%*	*0.7%*	*0.8%*	*0.8%*	*0.8%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*
of which are Rights-of-Use	-	-	*2.0%*	*2.1%*	*2.1%*	*1.8%*	*1.7%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*
Concessions	-	-	*0.3%*	*0.3%*	*0.3%*	*0.3%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*
Vinci Energies	-	-	*0.8%*	*0.9%*	*0.8%*	*0.8%*	*0.7%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*
Cobra IS	-	-	-	-	*0.1%*	*0.1%*	*0.1%*	*0.2%*	*0.2%*	*0.3%*	*0.3%*	*0.3%*
Construction	-	-	*0.7%*	*0.8%*	*0.7%*	*0.5%*	*0.5%*	*0.5%*	*0.4%*	*0.4%*	*0.4%*	*0.4%*
Real Estate	-	-	*0.1%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*
Withou RoU	*6.3%*	*7.1%*	*9.2%*	*8.6%*	*8.2%*	*7.8%*	*8.0%*	*8.3%*	*8.6%*	*8.6%*	*8.5%*	*8.2%*
Concessions	*2.1%*	*2.0%*	*4.7%*	*4.2%*	*3.7%*	*3.3%*	*3.0%*	*2.9%*	*2.8%*	*2.7%*	*2.6%*	*2.5%*
Vinci Energies	*0.6%*	*0.8%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.7%*	*0.8%*	*0.8%*	*0.9%*	*0.8%*
Cobra IS	-	-	-	-	*0.2%*	*0.5%*	*0.7%*	*1.0%*	*1.2%*	*1.2%*	*1.0%*	*0.9%*
Construction	*3.6%*	*4.1%*	*3.5%*	*3.2%*	*3.0%*	*2.9%*	*3.1%*	*3.2%*	*3.3%*	*3.4%*	*3.4%*	*3.5%*
Real Estate	*0.0%*	*0.2%*	*0.4%*	*0.6%*	*0.7%*	*0.6%*	*0.6%*	*0.6%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*
Investements in companies accounted for under the equity method	2.3%	2.2%	2.1%	1.1%	0.9%	0.9%	0.9%	0.8%	0.8%	0.7%	0.7%	0.7%
Other non-current financial assets	1.6%	1.8%	1.7%	2.5%	2.4%	2.3%	2.4%	2.4%	2.4%	2.4%	2.3%	2.3%
Assets held for sale	-	-	-	-	0.6%	0.6%	-	-	-	-	-	-
Derivative financial instruments	0.9%	0.7%	1.2%	1.4%	0.6%	0.3%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Deferred tax assets	0.4%	0.4%	0.4%	0.5%	0.8%	0.8%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Total Non Current Assets	**62.4%**	**62.0%**	**66.8%**	**64.9%**	**64.9%**	**63.3%**	**61.3%**	**60.1%**	**59.1%**	**58.0%**	**57.0%**	**55.2%**
Current Assets												
Inventories and work in progress	1.5%	1.6%	1.6%	1.6%	1.6%	1.6%	2.1%	2.6%	3.1%	3.6%	4.1%	4.0%
Trade and other receivables	17.8%	18.0%	15.9%	13.7%	15.7%	16.2%	16.6%	16.8%	16.8%	16.8%	16.7%	16.4%
Other current assets	7.3%	6.7%	5.8%	6.3%	6.0%	6.6%	6.9%	7.0%	7.1%	7.2%	7.3%	7.1%
Current tax assets	0.6%	0.4%	0.2%	0.3%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%
Other current financial assets	0.1%	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Derivative financial instruments - current	0.4%	0.3%	0.2%	0.2%	0.3%	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.3%
Cash management financial assets	0.3%	0.3%	0.3%	0.2%	0.2%	0.7%	0.3%	0.3%	0.4%	0.4%	0.4%	0.3%
Cash and cash equivalents	9.8%	10.6%	9.1%	12.9%	11.0%	11.2%	12.2%	12.6%	12.9%	13.4%	13.9%	16.2%
Cash equivalents (considered to be part of NWC)	*3.8%*	*4.8%*	*3.4%*	*6.2%*	*3.0%*	*3.8%*	*3.9%*	*4.0%*	*4.1%*	*4.1%*	*4.1%*	*4.0%*
Cash	*5.9%*	*5.8%*	*5.7%*	*6.7%*	*8.0%*	*7.5%*	*8.3%*	*8.6%*	*8.8%*	*9.3%*	*9.8%*	*12.2%*
Bank overdrafts	*(1.6%)*	*(1.6%)*	*(1.0%)*	*(0.4%)*	*(0.9%)*	*(1.0%)*	*(1.0%)*	*(1.1%)*	*(1.1%)*	*(1.1%)*	*(1.2%)*	*(1.1%)*
Net cash and cash equivalents	*8.2%*	*9.0%*	*8.1%*	*12.5%*	*10.1%*	*10.3%*	*11.2%*	*11.6%*	*11.8%*	*12.2%*	*12.7%*	*15.1%*
Total Current Assets	**37.6%**	**38.0%**	**33.2%**	**35.1%**	**35.1%**	**36.7%**	**38.7%**	**39.9%**	**40.9%**	**42.0%**	**43.0%**	**44.8%**
TOTAL ASSETS	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Equity												
Share capital	2.1%	2.0%	1.7%	1.6%	1.5%	1.3%	1.3%	1.2%	1.1%	1.1%	1.0%	1.0%
Share premium	14.2%	13.7%	11.9%	12.6%	12.1%	11.4%	10.8%	10.3%	9.8%	9.4%	9.0%	8.5%
Treasury shares	(2.5%)	(3.1%)	(3.4%)	(2.3%)	(2.0%)	(1.9%)	(1.8%)	(1.7%)	(1.6%)	(1.5%)	(1.5%)	(1.4%)
Consolidated reserves	9.3%	10.3%	10.1%	11.8%	9.9%	8.8%	10.2%	11.4%	12.6%	13.9%	15.3%	16.5%
Currency translation reserves	(0.4%)	(0.3%)	(0.0%)	(0.8%)	(0.3%)	(0.2%)	-	-	-	-	-	-
Net income attributable to owners of the parent	3.9%	4.0%	3.6%	1.4%	2.6%	3.8%	3.4%	3.6%	3.9%	4.1%	4.3%	4.2%
Amounts recognized directly in equity	(1.1%)	(1.1%)	(1.5%)	(1.3%)	(1.1%)	(0.1%)	-	-	-	-	-	-
Equity attributable to owners of the parent	**25.5%**	**25.5%**	**22.4%**	**23.0%**	**22.7%**	**23.2%**	**23.9%**	**24.8%**	**25.8%**	**26.9%**	**28.2%**	**28.8%**
Equity attributable to non-controlling interests	0.8%	0.8%	2.9%	2.4%	1.9%	3.1%	2.9%	2.8%	2.7%	2.6%	2.5%	2.3%
Total Equity	**26.3%**	**26.3%**	**25.3%**	**25.4%**	**24.6%**	**26.3%**	**26.8%**	**27.6%**	**28.5%**	**29.5%**	**30.6%**	**31.2%**
Non-Current Liabilities												
Non-current provisions	1.5%	1.5%	1.5%	1.3%	1.1%	0.9%	1.0%	1.1%	1.1%	1.2%	1.3%	1.3%
Provisions for employee benefits	2.1%	2.0%	2.1%	1.7%	1.4%	1.0%	1.0%	0.9%	0.9%	0.8%	0.8%	0.8%
LT Debt	23.8%	26.0%	28.9%	29.3%	24.8%	21.1%	21.0%	20.2%	19.5%	18.9%	18.3%	18.6%
Bonds	*20.2%*	*22.0%*	*25.6%*	*25.4%*	*22.0%*	*18.2%*	*18.2%*	*17.5%*	*16.9%*	*16.4%*	*15.9%*	*16.1%*
Other loans and borrowings	*3.6%*	*4.0%*	*3.4%*	*3.9%*	*2.7%*	*2.9%*	*2.8%*	*2.7%*	*2.6%*	*2.5%*	*2.4%*	*2.5%*
Derivative financial instruments	0.4%	0.3%	0.5%	0.5%	0.4%	1.7%	1.5%	1.3%	1.0%	0.8%	0.5%	0.5%
Non-current lease liabilities	-	-	1.5%	1.5%	1.6%	1.4%	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%
Lease adjustment	-	-	-	-	-	-	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Other non-current liabilities	0.3%	0.5%	0.5%	0.7%	1.0%	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%
Deferred tax liabilities	2.5%	2.2%	3.0%	2.9%	3.2%	3.7%	3.9%	3.9%	4.0%	4.0%	4.1%	4.0%
Liabilities directly associated with assets held for sale	-	-	-	-	0.2%	0.3%	-	-	-	-	-	-
Total non-current liabilities	**30.6%**	**32.5%**	**38.0%**	**37.9%**	**33.7%**	**30.9%**	**30.4%**	**29.5%**	**28.6%**	**27.7%**	**26.9%**	**27.1%**
Current Liabilities												
Current provisions	6.2%	5.9%	5.2%	5.5%	6.1%	5.9%	6.1%	6.3%	6.4%	6.5%	6.5%	6.4%
Trade payables	11.7%	10.9%	9.3%	9.7%	11.9%	11.7%	12.1%	12.2%	12.3%	12.3%	12.3%	12.1%
Other current liabilities	17.7%	17.7%	16.3%	16.1%	16.6%	18.1%	18.6%	18.7%	18.6%	18.5%	18.3%	18.0%
Current tax liabilities	0.3%	0.4%	0.3%	0.2%	0.4%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%
Current lease liabilities	-	-	0.6%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Derivative financial instruments - current	0.2%	0.1%	0.4%	0.3%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
ST Debt - Current borrowings	6.9%	6.2%	4.6%	4.3%	5.7%	5.7%	4.6%	4.4%	4.3%	4.1%	4.0%	4.1%
Total current liabilities	**43.0%**	**41.2%**	**36.8%**	**36.7%**	**41.7%**	**42.8%**	**42.8%**	**42.9%**	**42.9%**	**42.8%**	**42.4%**	**41.8%**
Total Liabilities	**73.7%**	**73.7%**	**74.7%**	**74.6%**	**75.4%**	**73.7%**	**73.2%**	**72.4%**	**71.5%**	**70.5%**	**69.4%**	**68.8%**
TOTAL EQUITY + LIABILITIES	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Appendix 11: Common-Size Income Statement

in % of total revenues, 31 December	Historical Data						Forecast					
	2017	2018	2019	2020	2021	2022	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F
Revenues	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Construction	53.7%	52.2%	51.2%	52.5%	52.3%	46.8%	46.6%	45.8%	45.1%	44.6%	44.2%	44.3%
Concessions	16.9%	16.4%	17.5%	13.2%	14.0%	14.7%	14.8%	15.0%	15.3%	15.5%	15.7%	15.7%
Energy	26.2%	28.4%	28.1%	31.0%	30.1%	26.8%	26.8%	27.1%	27.5%	27.7%	27.9%	27.9%
Cobra IS	-	-	-	-	-	8.8%	8.9%	9.0%	9.2%	9.3%	9.3%	9.3%
Real Estate	2.2%	2.5%	2.7%	2.7%	3.2%	2.4%	2.4%	2.3%	2.3%	2.3%	2.2%	2.2%
Other revenues & eliminations intragroup, net	1.0%	0.5%	0.6%	0.6%	0.4%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Operating expenses	(83.6%)	(83.7%)	(82.1%)	(86.3%)	(84.2%)	(83.3%)	(84.3%)	(84.0%)	(83.6%)	(83.3%)	(83.1%)	(83.1%)
Other recurring items	(0.0%)	(0.2%)	(0.1%)	(0.8%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)	(0.4%)	(0.4%)	(0.4%)	(0.4%)
EBITDA, adjusted	**16.4%**	**16.2%**	**16.7%**	**11.6%**	**14.1%**	**15.2%**	**15.2%**	**15.6%**	**15.9%**	**16.3%**	**16.5%**	**16.5%**
By segment												
Construction	*2.9%*	*2.9%*	*2.6%*	*2.2%*	*2.9%*	*2.7%*	*2.8%*	*2.8%*	*2.9%*	*2.9%*	*3.0%*	*3.0%*
Concessions	*11.5%*	*11.2%*	*12.0%*	*8.0%*	*9.1%*	*9.9%*	*9.9%*	*10.1%*	*10.2%*	*10.3%*	*10.4%*	*10.4%*
Energy	*1.7%*	*1.9%*	*1.9%*	*2.0%*	*2.2%*	*2.1%*	*2.2%*	*2.2%*	*2.3%*	*2.4%*	*2.5%*	*2.5%*
Cobra IS	-	-	-	-	*0.1%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*
Real Estate	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.3%*	*0.3%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*
Other (Holding companies)	*0.0%*	*(0.1%)*	*(0.0%)*	*(0.8%)*	*(0.5%)*	*(0.7%)*	*(0.7%)*	*(0.7%)*	*(0.6%)*	*(0.5%)*	*(0.4%)*	*(0.4%)*
Depreciations and amortization	**(5.2%)**	**(5.1%)**	**(6.2%)**	**(7.2%)**	**(6.4%)**	**(5.8%)**	**(5.3%)**	**(5.2%)**	**(5.2%)**	**(5.1%)**	**(5.0%)**	**(5.0%)**
Construction	(1.3%)	(1.2%)	(1.4%)	(1.6%)	(1.4%)	(1.3%)	(1.1%)	(1.1%)	(1.1%)	(1.1%)	(1.2%)	(1.2%)
Concessions	(3.6%)	(3.5%)	(4.1%)	(4.6%)	(4.0%)	(3.4%)	(3.2%)	(3.0%)	(2.9%)	(2.8%)	(2.8%)	(2.8%)
Energy	(0.2%)	(0.3%)	(0.6%)	(0.8%)	(0.7%)	(0.7%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)
Cobra IS	-	-	-	-	(0.1%)	(0.2%)	(0.3%)	(0.4%)	(0.5%)	(0.5%)	(0.4%)	(0.4%)
Real Estate	(0.0%)	(0.1%)	(0.1%)	(0.2%)	(0.2%)	(0.3%)	(0.2%)	(0.2%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)
EBIT, adjusted	**11.2%**	**11.1%**	**11.7%**	**5.7%**	**8.9%**	**10.4%**	**9.9%**	**10.4%**	**10.8%**	**11.2%**	**11.5%**	**11.5%**
By segment, from "full year results" & "Annual Reports"												
Construction	*1.6%*	*1.7%*	*1.7%*	*1.1%*	*1.9%*	*1.8%*	*1.7%*	*1.7%*	*1.7%*	*1.8%*	*1.8%*	*1.8%*
Concessions	*7.9%*	*7.7%*	*8.1%*	*3.6%*	*5.3%*	*6.7%*	*6.7%*	*7.1%*	*7.3%*	*7.5%*	*7.6%*	*7.6%*
Energy	*1.5%*	*1.6%*	*1.7%*	*1.8%*	*2.0%*	*1.8%*	*1.6%*	*1.8%*	*1.8%*	*1.9%*	*2.0%*	*2.0%*
Cobra IS	-	-	-	-	-	*0.7%*	*0.5%*	*0.5%*	*0.4%*	*0.4%*	*0.4%*	*0.4%*
Real Estate	*0.2%*	*0.2%*	*0.2%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*
Other (Holding companies)	*0.0%*	*(0.1%)*	*(0.0%)*	*(0.8%)*	*(0.5%)*	*(0.7%)*	*(0.7%)*	*(0.7%)*	*(0.6%)*	*(0.5%)*	*(0.4%)*	*(0.4%)*
Non-recurring operating items	**(0.1%)**	**(0.0%)**	**(0.1%)**	**(0.1%)**	**(0.1%)**	**0.0%**	-	-	-	-	-	-
Cost of gross financial debt	(1.3%)	(1.1%)	(1.2%)	(1.4%)	(1.3%)	(1.2%)	(1.1%)	(1.0%)	(0.9%)	(0.9%)	(0.9%)	(0.9%)
Financial income from cash investments	0.1%	0.1%	0.1%	0.0%	0.0%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Other financial income (expense)	0.1%	0.0%	(0.1%)	(0.1%)	0.1%	0.4%	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)
Financial income (expense)	**(1.1%)**	**(1.0%)**	**(1.3%)**	**(1.4%)**	**(1.2%)**	**(0.5%)**	**(1.2%)**	**(1.2%)**	**(1.1%)**	**(1.0%)**	**(1.0%)**	**(1.0%)**
EBT	**10.0%**	**10.1%**	**10.3%**	**4.1%**	**7.6%**	**9.8%**	**8.7%**	**9.2%**	**9.7%**	**10.1%**	**10.5%**	**10.5%**
Income tax expense	(3.1%)	(3.2%)	(3.3%)	(1.8%)	(3.2%)	(2.8%)	(2.7%)	(2.8%)	(3.0%)	(3.1%)	(3.2%)	(3.2%)
Net income	**6.9%**	**6.9%**	**7.0%**	**2.3%**	**4.4%**	**7.1%**	**6.0%**	**6.4%**	**6.7%**	**7.0%**	**7.3%**	**7.3%**
Net income attributable to non-controlling interests (negative sign)*	(0.2%)	(0.2%)	(0.3%)	0.5%	0.8%	(0.3%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)
Net income attributable to owners of the parent	**6.7%**	**6.7%**	**6.7%**	**2.8%**	**5.2%**	**6.8%**	**5.8%**	**6.1%**	**6.5%**	**6.8%**	**7.0%**	**7.0%**

Appendix 12: Common-Size Historical Cash Flow Statement

in % of CFO, 31 December	Historical Data					
	2017	**2018**	**2019**	**2020**	**2021**	**2022**
Consolidated net income for the period (including non-controlling interests)	**66.3%**	**59.5%**	**48.1%**	**15.3%**	**28.1%**	**47.1%**
Depreciations and amortizations	49.7%	43.6%	42.9%	47.5%	41.2%	38.5%
Net increase/decrease in provisions and impairments	(0.1%)	(0.3%)	1.3%	3.3%	2.6%	-
Share based payments and other restatements	1.2%	0.4%	0.9%	1.3%	1.1%	1.7%
Gain or loss on disposals	(1.0%)	(1.7%)	(0.9%)	(2.2%)	(0.3%)	(0.7%)
Change in fair value of financial instruments	0.4%	(0.8%)	(0.1%)	0.5%	(0.7%)	(2.5%)
Share of profit/loss of companies accounted for under the equity method and dividends received from unconsolidated companies	(3.6%)	(2.0%)	(3.1%)	2.1%	(0.2%)	(0.4%)
Cost of net financial debt recognized	11.2%	9.0%	7.8%	8.8%	8.4%	6.5%
Capitalised borrowing costs	(2.0%)	(1.1%)	(0.6%)	(0.6%)	(0.6%)	(0.3%)
Financial expense on leases	-	-	0.6%	0.6%	0.6%	0.5%
Current and deferred tax expense recognized	29.7%	27.6%	23.0%	12.1%	20.8%	18.5%
CFO before tax and financing costs	**151.9%**	**134.2%**	**119.8%**	**88.7%**	**101.0%**	**108.8%**
Changes in operating working capital requirement and current provisions	(6.7%)	(5.2%)	6.0%	34.9%	20.2%	4.2%
Income taxes paid	(38.5%)	(23.8%)	(21.8%)	(15.8%)	(15.5%)	(17.1%)
Net interests paid	(11.0%)	(8.6%)	(6.5%)	(8.8%)	(7.1%)	(6.0%)
Dividends received from companies accounted for under the equithy method	4.3%	3.4%	2.4%	1.1%	1.4%	1.0%
Other long-term advances received	-	-	-	-	-	9.1%
Net cash flows (used in)/from operating activities	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Purchases of property, plant and equipment and intangible assets	*(20.2%)*	*(21.3%)*	*(19.3%)*	*(16.7%)*	*(15.6%)*	*(27.9%)*
Proceeds from sales of property, plant and equipment and intangible assets	*2.8%*	*2.1%*	*1.7%*	*1.9%*	*1.8%*	*1.8%*
Operating investments (net of disposals)	(17.4%)	(19.2%)	(17.6%)	(14.9%)	(13.8%)	(26.2%)
Investments in concession fixed assets (net of grants received)	*(24.6%)*	*(19.2%)*	*(14.5%)*	*(15.6%)*	*(10.9%)*	*(9.4%)*
Financial receivables (PPP contracts and others)	*1.1%*	*0.2%*	*(0.5%)*	*(0.6%)*	*0.4%*	*0.5%*
Growth investments in concessions and PPPs	(23.6%)	(19.0%)	(15.0%)	(16.3%)	(10.4%)	(8.9%)
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)	*(22.1%)*	*(30.5%)*	*(50.9%)*	*(4.5%)*	*(67.4%)*	*(22.7%)*
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)	*0.4%*	*1.6%*	*0.6%*	*0.4%*	*0.1%*	*0.2%*
Net effect of other changes in scope of consolidation	*(0.2%)*	-	-	-	-	-
Cash and cash equivalents of acquired companies	-	-	-	*0.5%*	*16.9%*	*1.5%*
Net financial investments	(21.9%)	(29.0%)	(50.3%)	(3.6%)	(50.3%)	(21.0%)
Other	(8.3%)	(3.2%)	(1.3%)	(1.3%)	(1.1%)	(0.6%)
Net cash flows (used in)/from investing activities	**(71.2%)**	**(70.3%)**	**(84.2%)**	**(36.0%)**	**(75.6%)**	**(56.7%)**
Share capital increases and decreases and repurchases of other equity instruments	10.4%	9.1%	7.9%	10.0%	9.5%	5.2%
Transactions on treasury shares	(15.1%)	(12.4%)	(12.7%)	(5.0%)	(7.7%)	(11.7%)
Non-controlling interests in share capital increases and decreases of subsidiaries	0.0%	-	5.6%	(0.0%)	-	-
Acquisitions/disposals of non-controlling interests (without acquisition or loss of control)	(0.5%)	(0.5%)	(0.3%)	(0.3%)	(0.2%)	(0.6%)
Dividends paid	(29.2%)	(28.1%)	(25.0%)	(10.8%)	(20.0%)	(20.2%)
- to shareholders of VINCI SA	*(28.0%)*	*(27.1%)*	*(21.2%)*	*(10.4%)*	*(19.6%)*	*(19.5%)*
- to non-controlling interests	*(1.2%)*	*(1.0%)*	*(3.8%)*	*(0.4%)*	*(0.4%)*	*(0.7%)*
Proceeds from new long-term borrowings	96.1%	81.0%	65.2%	35.2%	22.9%	29.7%
Repayments of long-term borrowings	(76.1%)	(52.6%)	(32.9%)	(32.0%)	(28.1%)	(38.9%)
Repayments of lease liabilities and financial expense on leases	-	-	(8.1%)	(9.1%)	(8.1%)	(7.0%)
Change in cash management assets and other current financial debts	(13.6%)	2.6%	(8.9%)	11.4%	(10.1%)	13.3%
Net cash flows (used in)/from financing activities	**(28.0%)**	**(0.9%)**	**(9.3%)**	**(0.6%)**	**(41.7%)**	**(30.2%)**
Other changes	1.0%	(7.7%)	1.4%	(2.2%)	1.5%	0.8%
Change in net cash	**1.8%**	**21.0%**	**8.0%**	**61.1%**	**(15.9%)**	**13.9%**
Net cash and cash equivalents at beginning of period	131.5%	110.9%	95.7%	110.1%	146.4%	108.5%
Net cash and cash equivalents at end of period	**133.2%**	**131.9%**	**103.6%**	**171.2%**	**130.5%**	**122.5%**

Appendix 13: Common-Size Forecasted Cash Flow Statement

in % of CFO, 31 December	Forecast					
	2023 F	**2024 F**	**2025 F**	**2026 F**	**2027 F**	**2028 F**
Earnings before interests and taxes	**76.2%**	**80.7%**	**84.1%**	**87.1%**	**90.7%**	**82.2%**
Depreciations and amortizations, excluding RoU	40.7%	40.3%	40.3%	39.8%	39.7%	35.8%
Income tax	(20.6%)	(22.0%)	(23.4%)	(24.3%)	(25.5%)	(23.1%)
Change in financial instruments (assets)	(8.7%)	(2.9%)	(2.6%)	(2.4%)	(2.0%)	(1.5%)
Change in financial instruments (liabilities)	(1.2%)	(2.0%)	(2.4%)	(2.7%)	(3.1%)	0.4%
Change in operating assets	(32.5%)	(26.5%)	(24.4%)	(23.0%)	(20.1%)	(12.0%)
Change in operating liabilities	30.2%	22.1%	19.0%	16.9%	13.0%	13.1%
Change in short and long-term provisions and other long-term liabilities	9.7%	7.8%	7.1%	6.7%	5.8%	3.7%
Change in deferred taxes, assets	1.7%	(0.9%)	(0.8%)	(0.8%)	(0.7%)	(0.4%)
Change in deferred and other taxes, liabilities	4.6%	3.4%	3.0%	2.7%	2.1%	1.9%
Net cash flows (used in)/from operating activities	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
CAPEX - Changes in PP&E and intangible assets, after Dep & Amort	(56.6%)	(58.8%)	(60.4%)	(57.2%)	(55.0%)	(49.6%)
Proceeds from sales of property, plant and equipment and intangible assets	7.1%	-	-	-	-	-
Payments related to sales of property, plant and equipment and intangible assets	(3.7%)	-	-	-	-	-
Net cash flows (used in)/from investing activities	**(53.2%)**	**(58.8%)**	**(60.4%)**	**(57.2%)**	**(55.0%)**	**(49.6%)**
Dividends paid	(19.9%)	(20.9%)	(22.5%)	(23.9%)	(25.4%)	(24.2%)
Payments to minorities	(1.8%)	(1.8%)	(1.8%)	(1.8%)	(1.9%)	(1.7%)
Net borrowings	1.7%	3.2%	3.7%	3.5%	3.2%	19.0%
Change in bank overdrafts used	(1.4%)	(1.2%)	(1.1%)	(1.1%)	(0.9%)	(0.5%)
Financial expenses	(10.1%)	(9.9%)	(9.1%)	(9.0%)	(8.7%)	(8.0%)
Financial income	0.7%	0.8%	0.8%	0.8%	0.9%	0.8%
Repayments of lease liabilities	(6.8%)	(6.5%)	(6.4%)	(6.3%)	(6.3%)	(5.7%)
New lease liabilities	6.2%	6.7%	7.3%	7.3%	7.2%	6.4%
Change in cash management assets and other current financial debts	4.0%	(0.3%)	(0.3%)	(0.2%)	(0.2%)	(0.2%)
Net cash flows (used in)/from financing activities	**(27.4%)**	**(29.9%)**	**(29.5%)**	**(30.7%)**	**(32.2%)**	**(14.1%)**
Other changes	-	-	-	-	-	-
Change in net cash	**19.3%**	**11.3%**	**10.1%**	**12.2%**	**12.8%**	**36.3%**
Net cash and cash equivalents at beginning of period	129.5%	140.2%	143.2%	144.9%	151.4%	143.2%
Net cash and cash equivalents at end of period	**148.8%**	**151.5%**	**153.3%**	**157.1%**	**164.2%**	**179.5%**

Appendix 14: Key Financial Ratios

	Historical Data						Forecasted Period					
	2017	2018	2019	2020	2021	2022	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F
Annual growth ratios												
Sales	-	7.98%	10.36%	-9.87%	13.85%	24.46%	9.36%	7.09%	6.29%	5.78%	4.74%	3.79%
Assets	-	7.96%	20.97%	0.01%	10.59%	11.09%	5.17%	4.92%	4.78%	4.64%	4.19%	5.75%
Operating assets	-	9.62%	3.29%	3.45%	5.44%	19.72%	9.20%	8.22%	7.39%	6.87%	5.81%	3.79%
Operating liabilities	-	4.82%	8.98%	0.94%	23.07%	14.79%	8.20%	5.94%	5.13%	4.62%	3.58%	3.79%
Total debt	-	12.92%	26.17%	0.14%	1.03%	-2.24%	0.29%	1.02%	1.40%	1.45%	1.32%	7.27%
Own equity	-	7.71%	6.53%	2.80%	8.90%	13.36%	22.89%	8.95%	9.13%	9.11%	9.01%	8.21%
Net income	-	7.75%	11.48%	-70.13%	115.72%	101.14%	-7.04%	13.55%	12.09%	10.24%	8.89%	3.77%
Profitability ratios												
Net Profrit Margin	6.91%	6.89%	6.96%	2.31%	4.37%	7.07%	6.01%	6.37%	6.72%	7.00%	7.28%	7.28%
Sales/Total Assets	58.8%	58.9%	53.7%	48.4%	49.8%	55.8%	58.0%	59.2%	60.1%	60.8%	61.1%	59.9%
Total Assets / Equity	3.797	3.802	3.956	3.934	4.070	3.808	3.729	3.623	3.509	3.391	3.265	3.210
ROA	4.06%	4.06%	3.74%	1.12%	2.18%	3.94%	3.49%	3.77%	4.04%	4.25%	4.44%	4.36%
ROE	15.43%	15.43%	14.79%	4.39%	8.87%	15.02%	13.00%	13.67%	14.16%	14.42%	14.51%	14.00%
NOPAT	3,176	3,407	3,946	1,738	3,088	4,484	4,681	5,256	5,801	6,355	6,866	7,134
Invested Capital	39,855	44,064	55,496	55,674	57,607	61,509	63,744	66,590	69,842	73,368	77,098	82,825
ROIC	7.97%	7.73%	7.11%	3.12%	5.36%	7.29%	7.34%	7.89%	8.31%	8.66%	8.91%	8.61%
NOP	4,590	4,924	5,703	2,512	4,464	6,481	6,765	7,597	8,384	9,185	9,925	10,312
Invested Capital	39,855	44,064	53,634	53,766	55,509	59,407	61,734	64,555	67,719	71,136	74,773	80,419
ROCE (ROIC before taxes)	11.52%	11.17%	10.63%	4.67%	8.04%	10.91%	10.96%	11.77%	12.38%	12.91%	13.27%	12.82%
NI/EBT	69.1%	68.3%	67.6%	55.8%	57.5%	71.8%	69.2%	69.2%	69.2%	69.2%	69.2%	69.2%
EBT/EBIT	89.5%	90.9%	88.4%	72.7%	85.6%	95.0%	87.7%	88.7%	90.1%	90.7%	91.4%	91.3%
EBIT/EBITDA	68.3%	68.7%	69.6%	49.2%	63.1%	68.4%	65.2%	66.7%	67.6%	68.6%	69.6%	69.7%
EBITDA margin	16.35%	16.16%	16.74%	11.56%	14.10%	15.15%	15.17%	15.56%	15.94%	16.26%	16.55%	16.54%
EBIT margin	11.17%	11.10%	11.65%	5.69%	8.89%	10.37%	9.90%	10.38%	10.77%	11.16%	11.51%	11.52%
EBT margin	10.00%	10.09%	10.30%	4.14%	7.61%	9.84%	8.68%	9.20%	9.71%	10.12%	10.52%	10.52%
Efficiency ratios												
Sales/Average Fixed Assets	-	0.98	0.91	0.73	0.81	0.92	0.96	1.00	1.03	1.06	1.08	1.10
Sales/Average PP&E and Concessions	-	2.80	2.82	2.43	2.82	3.35	3.44	3.54	3.60	3.65	3.68	3.68
Sales/Average Total Assets (Total Assets Turnover)	-	0.61	0.59	0.48	0.52	0.59	0.60	0.61	0.61	0.62	0.62	0.62
Receivables Turnover	-	3.4	3.5	3.3	3.5	3.7	3.6	3.6	3.7	3.7	3.7	3.7
Days of Sales Outstanding	-	107	105	112	103	99	101	101	100	99	98	98
Inventory Turnover	-	32.3	29.9	25.8	27.3	30.1	26.1	20.8	17.4	14.9	13.0	12.2
Days Inventory Outstanding	-	11	12	14	13	12	14	18	21	25	28	30
Payables Turnover	-	4.39	3.55	2.93	2.96	3.24	3.19	3.09	3.00	2.91	2.80	2.67
Days of Payables Outstanding	-	83	78	86	93	90	90	90	90	90	90	90
Cash Conversion Cycle	-	35	39	40	24	21	25	28	31	34	37	38
Dupont Model												
NPM	6.91%	6.89%	6.96%	2.31%	4.37%	7.07%	6.01%	6.37%	6.72%	7.00%	7.28%	7.28%
Asset Turnover	58.8%	58.9%	53.7%	48.4%	49.8%	55.8%	58.0%	59.2%	60.1%	60.8%	61.1%	59.9%
Leverage	3.797	3.802	3.956	3.934	4.070	3.808	3.729	3.623	3.509	3.391	3.265	3.210
ROE	15.43%	15.43%	14.79%	4.39%	8.87%	15.02%	13.00%	13.67%	14.16%	14.42%	14.51%	14.00%
Liquidity												
Cash Ratio	22.67%	25.64%	24.64%	35.15%	26.31%	26.24%	28.64%	29.39%	30.07%	31.24%	32.73%	38.83%
Quick Ratio	64.07%	69.39%	67.99%	72.48%	63.96%	63.98%	67.52%	68.49%	69.32%	70.62%	72.21%	78.17%
Current Ratio	87.50%	92.18%	90.22%	95.73%	84.07%	85.67%	90.42%	92.95%	95.35%	98.23%	101.42%	107.28%
CFO to Debt	0.20	0.21	0.22	0.21	0.24	0.29	0.28	0.29	0.30	0.32	0.32	0.34
CFO to CAPEX	-	1.35	0.97	2.98	2.90	1.40	1.77	1.70	1.66	1.75	1.82	2.02
Solvency ratios												
Liabilities Ratio	73.7%	73.7%	74.7%	74.6%	75.4%	73.7%	73.2%	72.4%	71.5%	70.5%	69.4%	68.8%
Debt to Assets	30.8%	32.2%	35.6%	35.7%	32.6%	28.7%	27.3%	26.3%	25.5%	24.7%	24.0%	24.4%
Equity to Assets	26.3%	26.3%	25.3%	25.4%	24.6%	26.3%	26.8%	27.6%	28.5%	29.5%	30.6%	31.2%
Debt to Equity (x)	1.17	1.22	1.41	1.40	1.33	1.09	1.02	0.95	0.89	0.84	0.78	0.78
Net Debt to EBITDA	2.18	2.27	2.95	4.07	3.08	2.06	1.71	1.49	1.31	1.15	1.00	0.82
ST Debt to Total Debt	22.5%	19.1%	14.5%	13.6%	19.2%	21.5%	18.4%	18.5%	18.5%	18.5%	18.5%	18.5%
CFO to Debt	0.20	0.21	0.22	0.21	0.24	0.29	0.28	0.29	0.30	0.32	0.32	0.34
EBITDA interest coverage	12.5	14.6	13.8	8.4	10.5	12.6	14.3	15.1	16.8	17.5	18.5	18.2
EBIT interest coverage	8.5	10.0	9.6	4.1	6.6	8.6	9.3	10.0	11.3	12.0	12.9	12.7

Appendix 15: Forecasting Assumptions on the Income Statement – *Rationale*

	Explanations
Net Income Statement	
Revenues	**Analyzed per segment and according with business plan priorities, considering 2028 a mature phase, where growth on revenues meet GDP forecasted growth. "Sales" sheet.**
Construction	-
Concessions	-
Energy	-
Cobra IS	-
Real Estate	-
Other revenues & eliminations intragroup, net	Average of sales
Operating expenses	By difference, between Revenues and EBITDA + Other recurring items
Other recurring items	Average of sales
EBITDA, adjusted	**EBTIDA margin per segment, based on historical margins and peers margins**
Construction	Average EBITDA Margin and business plan, increase to aproach peers EBITDA margin
Concessions	Higher competition and a more mature stage on concessions industry was considered, resulting on a slowly decrease of margins to meet the average of the period, including Covid 19 period margins
Vinci Energies	Vinci has been increasing margins on energy and the acquisition of Cobra IS will bring further improvements. EBITDA margin will approach the margin of the best suitable competitor, Elecnor, given the similarity of business lines and geographies where they are present
Cobra IS	Equal to the above
Real Estate	EBITDA margin equal to the average of the period
Other (Holding companies)	EBITDA margin equal to the average of the period
Depreciations and amortization	Calculated for each segment, based on historical values, "CAPEX and D&A" sheet
EBIT, adjusted	**EBITDA forecasted minus D&A**
Construction	-
Concessions	-
Energy	-
Cobra IS	-
Real Estate	-
Other (Holding companies)	-
Non-recurring operating items	**Zero**
Cost of gross financial debt	Debt schedule
Financial income from cash investments	Assumed to be the result of cash investments based on cash and cash equivalents on n-1
Other financial income (expense)	Assumed to be costs on debt besides interest costs, average in % of total financial costs, debt schedule
Financial income (expense)	**Result by difference**
EBT	**Result by difference**
Income tax expense	Fixed at the average of the period
Net income	**Result by difference**
Net income attributable to non-controlling interests (negative sign)*	Average of the period, assuming no change is made in NC Interests
Net income attributable to owners of the parent	**Result by difference**

Appendix 16: Forecasting Assumptions on the Financial Position – *rationale*

Balance Sheet Statement	
Non-Current Assets	
Concession intangible assets, net	In % of Historical CAPEX in Concession Intangible Assets, in % of Concession sales, "CAPEX" sheet
Goodwill, net	Equal to 2022, constant
Other intangible assets, net	Equal to 2022, constant
Property, plant & equipment, net (includes Rights-of-use)	By segment
Concessions	In % of Historical CAPEX in Concessions' PP&E, in % of Concession sales, "CAPEX" sheet
Vinci Energies	Starts with CAGR from Vinci Energies + Cobra IS historical CAPEX, slowly decreasing to maintenance CAPEX. Both are defined by historical CAPEX, "CAPEX" sheet
Cobra IS	Equal to Vinci Energies
Construction	CAGR until 2019, before Covid - assumed to be regular CAPEX, mostly maintenance CAPEX
Real Estate	CAPEX of 2022 in % of sales, assumed to be a more matured phase on the business
Rights-of-use	Historical average in % of each segment PP&E, before including Rights-of-Use
Investements in companies accounted for under the equity method	Equal to 2022, constant
Other non-current financial assets	In percentage of sales, average
Assets held for sale	Zero
Derivative financial instruments	In percentage of sales, average
Deferred tax assets	In percentage of sales, average
Total Non Current Assets	**Result**
Current Assets	
Inventories and work in progress	Average in % of sales, considering the peer analysis and the sales split between segment
Trade and other receivables	Average in % of sales, considering the peer analysis and the sales split between segment
Other current assets	Average in % of sales
Current tax assets	Average in % of sales
Other current financial assets	Average in % of sales
Derivative financial instruments - current	Average in % of sales
Cash management financial assets	Average in % of sales
Cash and cash equivalents	Results from cash flow
Cash equivalents	In % of sales, considered to be a reserve readily available and considered on the NWC
Cash	For difference
Bank overdrafts	In % of sales
Net cash and cash equivalents	Results from cash flow
Total Current Assets	**Result**
Equity	
Share capital	Equal to 2022, constant
Share premium	Equal to 2022, constant
Treasury shares	Equal to 2022, constant
Consolidated reserves	Group equity items + Net Income from the previous year
Currency translation reserves	Zero
Net income attributable to owners of the parent	Net income of the year
Amounts recognized directly in equity	Zero
Equity attributable to owners of the parent	**Result**
Equity attributable to non-controlling interests	Equal to 2022, constant
Total Equity	**Result**
Non-Current Liabilities	
Non-current provisions	Average in % of sales
Provisions for employee benefits	Equal to 2022, constant
LT Debt	An analyze will be made according to peers, then an optimal Invested Capital structure will be applied, which will go the balance sheet, "Debt Schedule" Sheet
Bonds	Result, having in mind that the same ST/LT ratio will be kept
Other loans and borrowings	Result, in % of total debt
Derivative financial instruments	Average in % of sales, considering a progressive correction for the 2022 value (higher value due to the volatility in commodities market)
Non-current lease liabilities	Equal to Right-of-Use changes, detailed in CAPEX and D&A
Other non-current liabilities	Average in % of sales
Deferred tax assets	Average in % of sales
Liabilities directly associated with assets held for sale	Zero
Total non-current liabilities	**Result**
Current Liabilities	
Current provisions	Average in % of sales
Trade payables	Average in % of sales
Other current liabilities	Average in % of sales, considering the peer analysis and the sales split between segment
Current tax liabilities	Average in % of sales
Current lease liabilities	Equal to Right-of-Use changes, detailed in CAPEX and D&A
Derivative financial instruments - current	Average in % of sales
ST Debt - Current borrowings	Result, having in mind that the same ST/LT ratio will be kept
Total current liabilities	**Result**
Total Liabilities	**Result**

Appendix 17: Forecasting Assumptions on the Revenues

Nominal GDP Growth

	Forecasted real growth of GDP*							Forecasted inflation*						
	2022 E	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	2022 E	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F
Construction														
France	2.5%	0.7%	1.6%	1.8%	1.7%	1.4%	1.4%	5.8%	4.6%	2.4%	1.8%	1.6%	1.6%	1.6%
Uk	3.6%	0.3%	0.6%	2.3%	2.2%	1.5%	1.5%	9.1%	9.0%	3.7%	1.8%	2.0%	2.0%	2.0%
Europe	1.9%	0.3%	1.9%	2.0%	1.9%	1.6%	1.6%	9.8%	6.9%	3.4%	2.6%	2.3%	2.3%	2.3%
North America	1.8%	1.0%	1.3%	1.8%	2.0%	1.9%	1.9%	7.9%	3.8%	4.3%	2.2%	2.1%	2.1%	2.1%
South America	3.6%	1.6%	2.2%	2.3%	2.3%	2.3%	2.3%	9.4%	4.7%	3.9%	3.0%	3.0%	3.0%	3.0%
Africa	3.7%	3.9%	4.2%	4.5%	4.4%	4.5%	4.5%	14.5%	12.4%	8.7%	7.5%	7.0%	6.8%	6.8%
Oceania	3.6%	1.9%	1.8%	2.0%	2.2%	2.3%	2.3%	6.5%	4.7%	2.9%	2.8%	2.5%	2.5%	2.5%
Rest of the world (Western Hemisphere)	2.3%	1.2%	1.6%	2.0%	2.2%	2.0%	2.0%	9.7%	5.9%	4.0%	3.4%	3.2%	3.1%	3.1%
Concessions and Vinci Energies														
*Developed countries, average***														*Developed countries*
Adjustment for concession and energy industries														
														Americas Adjustment (to concessions only)

*Source: https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD

**Since Vinci activities in concessions and Energies are mainly developed in developed countries, the terminal rate will be the result of the average nominal GDP growth rate of those countries. Given the expansion to new countries, this growth rate is more appropriate than the individual country's growth

	Forecasted nominal GDP growth							Speed of decay, in relative terms					
	2022 E	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F
Construction													
France	8.4%	5.3%	4.0%	3.6%	3.3%	3.0%	3.0%	57.4%	81.3%	88.8%	94.4%	100.0%	100.0%
Uk	13.0%	9.3%	4.3%	4.1%	4.2%	3.5%	3.5%	39.0%	91.7%	93.6%	92.5%	100.0%	100.0%
Europe	11.9%	7.2%	5.4%	4.7%	4.2%	3.9%	3.9%	58.7%	82.0%	91.0%	96.1%	100.0%	100.0%
North America	9.8%	4.8%	5.7%	4.0%	4.1%	4.0%	4.0%	86.2%	72.1%	100.0%	98.2%	100.0%	100.0%
South America	13.3%	6.4%	6.2%	5.4%	5.4%	5.4%	5.4%	87.4%	89.8%	100.0%	100.0%	100.0%	100.0%
Africa	18.7%	16.8%	13.3%	12.3%	11.7%	11.6%	11.6%	27.4%	76.7%	89.7%	98.6%	100.0%	100.0%
Oceania	10.3%	6.7%	4.8%	4.9%	4.8%	4.9%	4.9%	66.6%	101.9%	100.0%	101.9%	100.0%	100.0%
Rest of the world (Western Hemisphere)	12.2%	7.2%	5.7%	5.5%	5.5%	5.2%	5.2%	71.6%	92.9%	95.7%	95.6%	100.0%	100.0%
Concessions and Vinci Energies													
*Developed countries, average***	10.8%	6.7%	4.8%	4.1%	4.0%	3.6%	3.6%	57.5%	83.1%	93.2%	95.0%	100.0%	100.0%
Adjustment for concession and energy industries		Adjustment for energy and concessions business lines						19.2%	35.6%	55.9%	71.3%	100.0%	100.0%
	11.6%	5.6%	5.9%	4.7%	4.8%	4.7%	4.7%	86.9%	82.3%	100.0%	99.3%	100.0%	100.0%
		Adjustment for american concessions						29.0%	35.3%	60.0%	74.4%	100.0%	100.0%

Revenues forecast

	Initial growth rate*	Historical Revenues						Forecasted Revenues					
		2017	2018	2019	2020	2021	2022	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F
Construction													
France	6.3%	11,955	12,678	13,342	11,568	12,751	13,064	13,640	14,135	14,614	15,082	15,538	16,007
Uk	42.6%	2,113	1,915	2,245	2,021	2,909	4,109	5,234	5,590	5,927	6,311	6,534	6,764
*Europe***	11.0%	3,141	3,068	3,628	4,129	3,716	4,124	4,406	4,635	4,847	5,051	5,250	5,456
*North America****	18.5%	1,745	2,347	2,776	2,926	3,168	3,756	3,982	4,304	4,478	4,670	4,859	5,055
*South America*****	13.3%	436	587	694	732	792	939	999	1,060	1,117	1,177	1,241	1,307
Africa	14.0%	987	1,094	937	686	1,069	892	1,011	1,134	1,268	1,416	1,580	1,764
Oceania	20.2%	847	952	937	686	1,332	1,769	1,946	2,035	2,134	2,231	2,340	2,453
Rest of the world (Western Hemisphere)	10.2%	847	525	492	401	544	599	639	674	710	748	787	828
Construction Revenues		**22,072**	**23,165**	**25,051**	**23,149**	**26,282**	**29,252**	**31,856**	**33,567**	**35,095**	**36,687**	**38,127**	**39,635**
YoY growth			5.0%	8.1%	-7.6%	13.5%	11.3%	*8.9%*	*5.4%*	*4.6%*	*4.5%*	*3.9%*	*4.0%*
Concessions													
Developed countries	10.9%	6,945	6,971	8,205	5,612	6,698	8,607	9,427	10,242	11,039	11,785	12,428	12,879
America average	24.1%	-	290	339	227	348	555	657	776	894	1,006	1,102	1,153
Concession Revenues		**6,945**	**7,261**	**8,544**	**5,839**	**7,046**	**9,162**	**10,084**	**11,018**	**11,932**	**12,791**	**13,530**	**14,033**
YoY growth			4.6%	17.7%	-31.7%	20.7%	30.0%	*10.1%*	*9.3%*	*8.3%*	*7.2%*	*5.8%*	*3.7%*
Vinci Energies	**10.7%**	**10,759**	**12,603**	**13,749**	**13,661**	**15,097**	**16,748**	**18,316**	**19,876**	**21,401**	**22,830**	**24,064**	**24,939**
YoY growth			17.1%	9.1%	-0.6%	10.5%	10.9%	*9.4%*	*8.5%*	*7.7%*	*6.7%*	*5.4%*	*3.6%*
Cobra IS	**10.0%**	-	-	-	-	-	**5,520**	**6,072**	**6,605**	**7,135**	**7,653**	**8,052**	**8,345**
YoY growth								*10.0%*	*8.8%*	*8.0%*	*7.3%*	*5.2%*	*3.6%*
Real Estate	**11.2%**	**896**	**1,104**	**1,320**	**1,189**	**1,611**	**1,523**	**1,627**	**1,710**	**1,786**	**1,859**	**1,926**	**1,996**
YoY growth			23.2%	19.6%	-9.9%	35.5%	-5.5%	*6.9%*	*5.0%*	*4.5%*	*4.1%*	*3.6%*	*3.6%*
TOTAL REVENUES		**40,672**	**44,133**	**48,664**	**43,838**	**50,036**	**62,205**	**67,956**	**72,775**	**77,349**	**81,819**	**85,700**	**88,947**
Other revenues & eliminations intragroup, net		406	219	287	279	195	309						
In % of total sales	0.6%	1.0%	0.5%	0.6%	0.6%	0.4%	0.5%						
Forecast								409	438	465	492	515	535
TOTAL REVENUES TO BE CONSIDERED		**41,078**	**44,352**	**48,951**	**44,117**	**50,231**	**62,514**	**68,365**	**73,213**	**77,814**	**82,311**	**86,215**	**89,482**

*Initial growth rate will be the most proper one and better representative of the Vinci activity in each region.

This means it can be the same of 2022, post-covid, pre-covid, the full average of the period or the expected growth by Vinci to some business line, after considering all the analyzes that was done so far

**Europe revenues from construction were aggregated since the activity is being developed mainly in westerns countries

***NA is responsible for 80% of America's sales

****South America has a lower growth rate than developed countries for 2023

Appendix 18: Forecasting Assumptions on CAPEX and Depreciations & Amortizations

CAPEX Forecast

Millions EUR, 31 December	Historical Data						Forecast							
	2017	2018	2019	2020	2021	2022	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	Metric	Terminal Guidance
							0	1	2	3	4	5		
CAPEX Forecast		**3,822**	**7,345**	**2,240**	**2,696**	**6,715**	**5,027**	**5,541**	**6,022**	**6,030**	**6,013**	**6,223**	**15.1%**	
PP&E CAPEX	**-**	**1,969**	**4,074**	**874**	**1,279**	**1,930**	**2,229**	**2,449**	**2,636**	**2,401**	**2,208**	**2,291**	**2.9%**	
Concessions	-	381	3,280	274	320	471	518	561	599	633	665	689		
Vinci Energies	-	255	74	79	91	180	221	262	301	333	258	268	22.7%	10.8%
Cobra IS	-	-	-	-	192	399	489	571	633	281	86	90	22.7%	10.8%
Total to Energy	-	255	74	79	283	578	710	833	934	615	345	357	22.7%	
Construction	-	1,169	544	270	481	825	945	996	1,041	1,088	1,131	1,176	**3.0%**	
Real Estate	-	163	178	250	196	56	56	59	62	64	66	69		
Concession intangible assets CAPEX	**-**	**1,853**	**1,050**	**849**	**960**	**4,179**	**2,250**	**2,459**	**2,663**	**2,855**	**3,019**	**3,132**		
CAPEX per sales for concessions														
Concessions Sales	-	7,261	8,544	5,839	7,046	9,162	10,084	11,018	11,932	12,791	13,530	14,033		
Concessions Historical CAPEX in PP&E, in %	-	5.3%	38.4%	4.7%	4.5%	5.1%	5.1%	5.1%	5.0%	5.0%	4.9%	4.9%	4.9%	
Concessions Historical CAPEX, in % of Conc	-	25.5%	12.3%	14.5%	13.6%	45.6%	22.3%	22.3%	22.3%	22.3%	22.3%	22.3%	22.3%	
Concessions, total	**-**	**30.8%**	**50.7%**	**19.2%**	**18.2%**	**50.8%**	**27.5%**	**27.4%**	**27.3%**	**27.3%**	**27.2%**	**27.2%**		
Real Estate CAPEX	-	0.0%	0.0%	0.0%	0.0%	0.0%								
Real Estate CAPEX	-	163	178	250	196	56	56	59	62	64	66	69	**3.5%**	
Real Estate Sales	-	896	1,104	1,320	1,189	1,611	1,627	1,710	1,786	1,859	1,926	1,996		
CAPEX per sales	-	18.2%	16.1%	18.9%	16.5%	3.5%								
Rights-of-Use CAPEX	**-**	**-**	**2,221**	**517**	**457**	**606**	**547**	**633**	**723**	**774**	**786**	**801**		
Concessions	-	-	374	38	70	77	71	71	71	72	73	74	2.0%	
Vinci Energies	-	-	865	240	163	285	170	199	232	267	282	296	23.4%	
Cobra IS	-	-	-	-	97	6	103	146	189	191	173	158	11.7%	
Construction	-	-	822	178	82	98	141	154	167	179	191	202	3.9%	
Real Estate	-	-	160	61	45	140	62	63	65	66	68	70	9.1%	
Total CAPEX per segment	**-**	**3,821**	**7,346**	**2,239**	**2,697**	**6,715**	**5,027**	**5,541**	**6,022**	**6,030**	**6,013**	**6,223**		
Concessions	-	2,234	4,704	1,161	1,350	4,727	2,840	3,091	3,333	3,560	3,757	3,895		
Vinci Energies	-	255	939	319	254	465	391	461	533	600	540	564		
Cobra IS	-	-	-	-	289	405	592	717	822	472	260	248		
Construction	-	1,169	1,365	448	564	924	1,086	1,150	1,208	1,267	1,322	1,378		
Real Estate	-	163	337	310	241	195	118	122	126	130	134	138		
Fixed assets per segment, excluding goodw	**30,960**	**32,476**	**37,058**	**35,645**	**35,632**	**39,029**	**40,447**	**42,192**	**44,197**	**46,029**	**47,702**	**49,439**		
Concessions	27,978	28,662	31,465	30,016	29,396	32,178	32,842	33,717	34,780	36,003	37,349	38,751		
Vinci Energies	436	569	1,277	1,324	1,392	1,477	1,514	1,610	1,754	1,933	2,030	2,130		
Cobra IS	-	-	-	-	264	600	1,010	1,461	1,929	2,021	1,913	1,806		
Construction	2,532	3,083	3,858	3,628	3,724	3,866	4,168	4,483	4,800	5,122	5,441	5,760		
Real Estate	14	162	458	677	856	908	912	921	934	950	969	991		
Sales per segment	**40,672**	**44,133**	**48,664**	**43,838**	**50,036**	**62,205**	**67,956**	**72,775**	**77,349**	**81,819**	**85,700**	**88,947**		
Concessions	6,945	7,261	8,544	5,839	7,046	9,162	10,084	11,018	11,932	12,791	13,530	14,033		
Vinci Energies	10,759	12,603	13,749	13,661	15,097	16,748	18,316	19,876	21,401	22,830	24,064	24,939		
Cobra IS	-	-	-	-	-	5,520	6,072	6,605	7,135	7,653	8,052	8,345		
Construction	22,072	23,165	25,051	23,149	26,282	29,252	31,856	33,567	35,095	36,687	38,127	39,635		
Real Estate	896	1,104	1,320	1,189	1,611	1,523	1,627	1,710	1,786	1,859	1,926	1,996		
Ratio sales per fixed assets per segment	**1.31**	**1.36**	**1.31**	**1.23**	**1.40**	**1.59**	**1.68**	**1.72**	**1.75**	**1.78**	**1.80**	**1.80**		
Concessions	0.25	0.25	0.27	0.19	0.24	0.28	0.31	0.33	0.34	0.36	0.36	0.36		
Vinci Energies	24.68	22.15	10.77	10.32	10.85	11.34	12.09	12.34	12.20	11.81	11.85	11.71		
Cobra IS	-	-	-	-	-	9.20	6.01	4.52	3.70	3.79	4.21	4.62		
Construction	8.72	7.51	6.49	6.38	7.06	7.57	7.64	7.49	7.31	7.16	7.01	6.88		
Real Estate	64.00	6.81	2.88	1.76	1.88	1.68	1.78	1.86	1.91	1.96	1.99	2.01		
CAPEX in % of sales	**-**	**8.7%**	**15.1%**	**5.1%**	**5.4%**	**10.8%**	**7.4%**	**7.6%**	**7.8%**	**7.4%**	**7.0%**	**7.0%**		
Construction CAPEX per construction revenues	-	5.0%	5.5%	1.9%	2.1%	3.2%	3.4%	3.4%	3.4%	3.5%	3.5%	3.5%		
Concessions CAPEX per concession revenues	-	30.8%	55.1%	19.9%	19.2%	51.6%	28.2%	28.1%	27.9%	27.8%	27.8%	27.8%		
Energy CAPEX per energy revenues	-	2.0%	6.8%	2.3%	3.6%	3.9%	4.0%	4.4%	4.7%	3.5%	2.5%	2.4%		
Real Estate CAPEX per real estate revenues	-	14.8%	25.6%	26.1%	15.0%	12.8%	7.2%	7.1%	7.1%	7.0%	7.0%	6.9%		

Depreciations & Amortizations

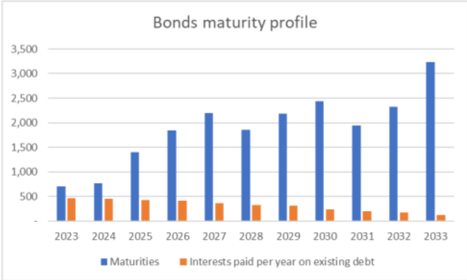
Millions EUR, 31 December			Historical Data						Forecast				
	2017	2018	2019	2020	2021	2022	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	Metric
Gross, Net Value and D&A													
Gross PP&E, w/o RoU	**5,406**	**6,283**	**9,467**	**9,037**	**9,402**	**10,061**	**10,970**	**11,912**	**12,907**	**13,528**	**13,868**	**14,243**	
Concessions	1,798	1,818	4,846	4,425	4,295	4,193	4,175	4,145	4,157	4,202	4,272	4,356	
Vinci Energies	526	674	644	639	655	738	845	989	1,152	1,325	1,398	1,471	
Cobra IS	-	-	-	-	197	572	1,019	1,448	1,879	1,898	1,720	1,569	
Construction	3,066	3,616	3,634	3,423	3,520	3,830	4,210	4,593	4,965	5,331	5,686	6,034	
Real Estate	16	174	343	549	735	728	721	737	754	772	792	813	
D&A	**(985)**	**(924)**	**(1,100)**	**(1,194)**	**(1,183)**	**(1,320)**	**(1,508)**	**(1,640)**	**(1,780)**	**(1,867)**	**(1,916)**	**(1,969)**	
Concessions	(359)	(274)	(557)	(578)	(538)	(536)	(591)	(587)	(588)	(595)	(605)	(617)	14.2%
Vinci Energies	(90)	(105)	(77)	(94)	(90)	(114)	(118)	(138)	(161)	(185)	(195)	(205)	14.0%
Cobra IS	-	-	-	-	(18)	(42)	(142)	(202)	(262)	(265)	(240)	(219)	14.0%
Construction	(534)	(533)	(450)	(493)	(481)	(565)	(613)	(669)	(723)	(776)	(828)	(879)	14.6%
Real Estate	(2)	(12)	(16)	(29)	(56)	(63)	(44)	(45)	(46)	(47)	(48)	(49)	6.0%
Gross concession intangible assets	**27,634**	**28,383**	**28,198**	**27,216**	**26,677**	**29,656**	**30,474**	**31,433**	**32,549**	**33,801**	**35,156**	**36,558**	
D&A	(1,095)	(1,265)	(1,329)	(1,330)	(1,348)	(1,432)	(1,500)	(1,547)	(1,602)	(1,664)	(1,731)	(1,800)	4.9%
Gross other intangible assets	**465**	**685**	**7,472**	**6,911**	**8,506**	**9,284**	**9,284**	**9,284**	**9,284**	**9,284**	**9,284**	**9,284**	
D&A	(48)	(53)	(62)	(65)	(85)	(239)	-	-	-	-	-	-	0.0%
Gross Rights-of-Use	**-**	**-**	**2,370**	**2,499**	**2,689**	**2,687**	**2,611**	**2,643**	**2,758**	**2,898**	**3,018**	**3,125**	
Concessions	-	-	399	369	400	387	368	354	344	336	332	330	
Vinci Energies	-	-	924	1,016	1,067	1,110	1,023	987	991	1,030	1,074	1,123	
Cobra IS	-	-	-	-	110	91	173	279	404	503	561	591	
Construction	-	-	877	910	884	782	742	725	725	737	758	786	
Real Estate	-	-	170	205	228	316	305	298	294	292	293	295	
D&A	**-**	**-**	**(548)**	**(582)**	**(605)**	**(623)**	**(601)**	**(608)**	**(634)**	**(666)**	**(694)**	**(718)**	
Concessions	-	-	(92)	(86)	(90)	(90)	(85)	(82)	(79)	(77)	(76)	(76)	23.0%
Vinci Energies	-	-	(214)	(237)	(240)	(257)	(236)	(227)	(228)	(237)	(247)	(259)	23.0%
Cobra IS	-	-	-	-	(25)	(21)	(39)	(64)	(92)	(115)	(128)	(135)	22.8%
Construction	-	-	(203)	(212)	(199)	(181)	(171)	(167)	(167)	(170)	(175)	(181)	23.0%
Real Estate	-	-	(39)	(48)	(51)	(73)	(70)	(69)	(68)	(67)	(67)	(68)	23.0%
Net values													
PP&E	**4,421**	**5,359**	**8,367**	**7,843**	**8,219**	**8,741**	**9,462**	**10,271**	**11,127**	**11,660**	**11,952**	**12,274**	
Concessions	1,439	1,544	4,289	3,847	3,757	3,657	3,584	3,558	3,569	3,607	3,668	3,740	
Vinci Energies	436	569	567	545	565	624	727	851	991	1,140	1,203	1,266	
Cobra IS	-	-	-	-	179	530	877	1,246	1,617	1,633	1,480	1,350	
Construction	2,532	3,083	3,184	2,930	3,039	3,265	3,597	3,924	4,242	4,554	4,858	5,155	
Real Estate	14	162	327	520	679	665	678	692	708	726	744	764	
Concession intangible assets	**26,539**	**27,118**	**26,869**	**25,886**	**25,329**	**28,224**	**28,974**	**29,886**	**30,946**	**32,137**	**33,426**	**34,758**	
Other intangible assets	**417**	**632**	**7,410**	**6,846**	**8,421**	**9,045**	**9,045**	**9,045**	**9,045**	**9,045**	**9,045**	**9,045**	
Rights-of-Use	**-**	**-**	**1,822**	**1,917**	**2,084**	**2,064**	**2,010**	**2,035**	**2,124**	**2,232**	**2,324**	**2,406**	
Concessions	-	-	307	283	310	297	283	273	264	259	255	254	
Vinci Energies	-	-	710	779	827	853	788	759	763	793	827	865	
Cobra IS	-	-	-	-	85	70	133	215	312	388	433	456	
Construction	-	-	674	698	685	601	571	558	558	567	584	605	
Real Estate	-	-	131	157	177	243	235	229	226	225	225	227	
Total PP&E, including RoU	**4,421**	**5,359**	**10,189**	**9,760**	**10,303**	**10,805**	**11,473**	**12,306**	**13,251**	**13,892**	**14,276**	**14,681**	
Concessions	1,439	1,544	4,596	4,130	4,067	3,954	3,868	3,831	3,833	3,866	3,923	3,993	
Vinci Energies	436	569	1,277	1,324	1,392	1,477	1,514	1,610	1,754	1,933	2,030	2,130	
Cobra IS	-	-	-	-	264	600	1,010	1,461	1,929	2,021	1,913	1,806	
Construction	2,532	3,083	3,858	3,628	3,724	3,866	4,168	4,483	4,800	5,122	5,441	5,760	
Real Estate	14	162	458	677	856	908	912	921	934	950	969	991	
D&A	**(2,128)**	**(2,242)**	**(3,039)**	**(3,171)**	**(3,221)**	**(3,614)**	**(3,609)**	**(3,796)**	**(4,017)**	**(4,198)**	**(4,340)**	**(4,487)**	
PP&E, D&A	**(985)**	**(924)**	**(1,100)**	**(1,194)**	**(1,183)**	**(1,320)**	**(1,508)**	**(1,640)**	**(1,780)**	**(1,867)**	**(1,916)**	**(1,969)**	
Concessions	(359)	(274)	(557)	(578)	(538)	(536)	(591)	(587)	(588)	(595)	(605)	(617)	
Vinci Energies	(90)	(105)	(77)	(94)	(90)	(114)	(118)	(138)	(161)	(185)	(195)	(205)	
Cobra IS	-	-	-	-	(18)	(42)	(142)	(202)	(262)	(265)	(240)	(219)	
Construction	(534)	(533)	(450)	(493)	(481)	(565)	(613)	(669)	(723)	(776)	(828)	(879)	
Real Estate	(2)	(12)	(16)	(29)	(56)	(63)	(44)	(45)	(46)	(47)	(48)	(49)	
Concession intangible assets, D&A	**(1,095)**	**(1,265)**	**(1,329)**	**(1,330)**	**(1,348)**	**(1,432)**	**(1,500)**	**(1,547)**	**(1,602)**	**(1,664)**	**(1,731)**	**(1,800)**	
Other intangible assets, D&A	**(48)**	**(53)**	**(62)**	**(65)**	**(85)**	**(239)**	**-**	**-**	**-**	**-**	**-**	**-**	
Rights-of-Use, D&A	**-**	**-**	**(548)**	**(582)**	**(605)**	**(623)**	**(601)**	**(608)**	**(634)**	**(666)**	**(694)**	**(718)**	
Concessions	-	-	(92)	(86)	(90)	(90)	(85)	(82)	(79)	(77)	(76)	(76)	
Vinci Energies	-	-	(214)	(237)	(240)	(257)	(236)	(227)	(228)	(237)	(247)	(259)	
Cobra IS	-	-	-	-	(25)	(21)	(39)	(64)	(92)	(115)	(128)	(135)	
Construction	-	-	(203)	(212)	(199)	(181)	(171)	(167)	(167)	(170)	(175)	(181)	
Real Estate	-	-	(39)	(48)	(51)	(73)	(70)	(69)	(68)	(67)	(67)	(68)	
Total D&A	**(2,128)**	**(2,242)**	**(3,039)**	**(3,171)**	**(3,221)**	**(3,614)**	**(3,609)**	**(3,796)**	**(4,017)**	**(4,198)**	**(4,340)**	**(4,487)**	
Concessions	(1,502)	(1,592)	(2,040)	(2,059)	(2,061)	(2,297)	(2,176)	(2,216)	(2,270)	(2,336)	(2,412)	(2,492)	
Vinci Energies	(90)	(105)	(290)	(330)	(330)	(372)	(353)	(365)	(389)	(422)	(442)	(464)	
Cobra IS	-	-	-	-	(43)	(63)	(182)	(266)	(355)	(380)	(368)	(354)	
Construction	(534)	(533)	(653)	(705)	(680)	(746)	(784)	(836)	(890)	(946)	(1,003)	(1,060)	
Real Estate	(2)	(12)	(55)	(77)	(107)	(136)	(114)	(113)	(113)	(114)	(115)	(117)	

Appendix 19: Forecasting Assumptions on Debt

Existing Debt

in billion EUR, 31 December

Redemption rate	Years	Bond maturity profile	Redemptions	Interests paid per year	Amount Outstanding	Duration
3.35%	1	2023	700	470	20,192	7.04y
3.68%	2	2024	769	450	19,423	
6.70%	3	2025	1,400	423	18,023	
8.83%	4	2026	1,845	412	16,178	
10.54%	5	2027	2,201	359	13,977	
8.86%	6	2028	1,850	327	12,127	
10.46%	7	2029	2,185	312	9,942	
11.67%	8	2030	2,438	241	7,504	
9.33%	9	2031	1,950	199	5,554	
11.13%	10	2032	2,325	176	3,229	
15.46%	11	2033	3,229	124	-	
10.33%		**Total**	**20,892**	**3,493**		



Forecasting debt issuance and interest costs

Millions EUR, 31 December	Historical Data						Forecast					
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023 F**	**2024 F**	**2025 F**	**2026 F**	**2027 F**	**2028 F**
Invested Capital (with leases)	**39,855**	**44,064**	**55,496**	**55,674**	**57,607**	**61,509**	**63,782**	**66,628**	**69,880**	**73,406**	**77,136**	**82,863**
Invested Capital (without leases)	**39,855**	**44,064**	**53,634**	**53,766**	**55,509**	**59,407**	**61,734**	**64,555**	**67,719**	**71,136**	**74,773**	**80,419**
Equity	18,383	19,818	23,042	23,173	24,771	29,409	31,588	34,106	36,904	39,950	43,237	46,502
Long-Term Debt	16,642	19,611	26,375	26,684	24,969	23,630	24,711	24,960	25,259	25,563	25,851	27,802
Short-Term Debt	4,830	4,635	4,217	3,909	5,769	6,368	5,435	5,489	5,555	5,622	5,685	6,115
Long-Term Lease Liabilities	-	-	1,358	1,407	1,574	1,580	1,545	1,560	1,622	1,699	1,763	1,824
Short-Term Lease Liabilities	-	-	504	501	524	522	503	513	540	571	599	620
Total Lease Liabilities**	-	-	1,862	1,908	2,098	2,102	2,048	2,073	2,162	2,270	2,362	2,444
Cash	4,150	4,364	5,174	6,119	8,022	8,351	9,799	10,650	11,458	12,552	13,795	18,189
Total Debt (without leases)	21,472	24,246	30,592	30,593	30,738	29,998	30,146	30,449	30,814	31,186	31,536	33,917
of which is related with current outstanding bonds						20,892	20,192	19,423	18,023	16,178	13,977	12,127
ST Debt of current outstanding bonds						700	769	1,400	1,845	2,201	1,850	2,185
Bonds in % of total debt	65.8%	68.4%	76.2%	75.6%	72.3%	68.1%	71.1%	**Average*				
Other LT loans in % of total debt	11.7%	12.5%	10.1%	11.6%	9.0%	10.7%	10.9%	**Average*				
Short-term in % of total debt	22.5%	19.1%	13.8%	12.8%	18.8%	21.2%	18.0%	**Average*				
Debt/IC	53.9%	55.0%	57.0%	56.9%	55.4%	50.5%						
Terminal Debt/IC, without leases												42.2%
Forecast to convergence							48.8%	47.2%	45.5%	43.8%	42.2%	42.2%
Terminal Debt/IC, final, with leases	53.9%	55.0%	58.5%	58.4%	57.0%	52.2%	50.5%	48.8%	47.2%	45.6%	43.9%	43.9%
Similar, but to the other years							51.2%	52.8%	54.5%	56.2%	57.8%	57.8%
Total Debt, forecast							30,146	30,449	30,814	31,186	31,536	33,917
Bonds outstanding						20,892	21,422	21,637	21,897	22,161	22,410	24,101
Other LT loans							3,289	3,322	3,362	3,403	3,441	3,701
Long-term debt							24,711	24,960	25,259	25,563	25,851	27,802
Short-term debt							5,435	5,489	5,555	5,622	5,685	6,115
Repayments per year (Equal to N-1 Short-Term Debt)						5,769	6,368	5,435	5,489	5,555	5,622	5,685
Bonds repayment							700	769	1,400	1,845	2,201	1,850
New issuances (Equal to the difference)						5,029	6,516	5,738	5,855	5,927	5,973	8,066
New bond issuances							1,230	984	1,660	2,109	2,450	3,542
New issuances of other debt						5,029	5,286	4,754	4,195	3,818	3,523	4,524
New issuances, 10 years tenor												
10 years Yield from the secondary market							3.822%					
Euribor 12m, April23						2.500%	3.651%					
Midswaps 1, 2, 3,4, 5 and 6 years at 26/March/2023								3.415%	3.196%	3.046%	2.893%	2.861%
Normal spreads over Euribor/Mid-swap*						90	17					
Average						54						
Interest rates on new debt							4.186%	3.950%	3.731%	3.581%	3.428%	3.396%
Interests on new debt							211	209	177	150	131	120
Interests on new bonds debt							-	51	90	152	228	312
Interests on existing bonds						561	470	450	423	412	359	327
Lease liabilities												
Cost on lease liabilities, millions	-	-	40	42	43	48						
Lease liabilities	-	-	1,862	1,908	2,098	2,102	2,010	2,035	2,124	2,232	2,324	2,406
In % of lease liabilities	0.0%	0.0%	2.1%	2.2%	2.0%	2.3%	2.3%					
Projected cost on lease liabilities, millions							46	46	48	51	53	55
Other costs on debt, 2022					19%	141						
Other costs on debt, projection							169	176	172	178	179	189
Costs on debt before other costs							726	756	739	766	771	814
Total cost of debt						**750**	**895**	**932**	**911**	**944**	**950**	**1,003**
Cost of the debt per year***	**-**	**2.03%**	**1.94%**	**1.99%**	**2.19%**	**2.50%**	**2.97%**	**3.06%**	**2.95%**	**3.03%**	**3.01%**	**2.96%**

**Value for 2023 is of Euribor 12m at 26/March/2023*
https://www.investing.com/rates-bonds/eur-6-years-irs-interest-rate-swap
https://www.euribor-rates.eu/en/current-euribor-rates/4/euribor-rate-12-months/
***Given the imateriality in terms of total debt, it is not considered in the IC structure that defines terminal debt*
****The interests increase in time because of the replacement of lower coupon bonds with higher coupon bonds*

Appendix 20: Forecasting Assumptions on Income Statement

Forecast

	Historical Data						Forecast										
	2017	2018	2019	2020	2021	2022	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	Average	Alternative approach	Peers	Final Metric	Comments
							1	2	3	4	5	6					
Net Income Statement																	
EBITDA margin, by segment	**16.4%**	**16.2%**	**16.7%**	**11.6%**	**14.1%**	**15.2%**	**15.2%**	**15.6%**	**15.9%**	**16.3%**	**16.5%**	**16.5%**	15.0%				
Construction	5.4%	5.6%	5.2%	4.2%	5.6%	5.9%	6.0%	6.2%	6.4%	6.6%	6.7%	6.7%	5.3%	-	10.1%	6.7%	*Differences in the business justify the difference in margins, however, Vinci has the intention to improve margins and for that an improvement is considered*
Concessions	67.9%	68.6%	68.9%	60.1%	65.1%	67.5%	67.3%	67.1%	66.8%	66.6%	66.4%	66.4%	66.4%	60.0%	68.8%	66.4%	*Market is tighter and competition is being agressive. To keep growth, margins may have to decrease. Conservative approach*
Vinci Energies	6.7%	6.7%	6.7%	6.5%	7.2%	7.8%	8.0%	8.3%	8.5%	8.8%	9.0%	9.0%	6.9%	9.0%	19.8%	9.0%	*Recent investments will return cashflows, improving margins. Conservative approach*
Cobra IS	0.0%	0.0%	0.0%	0.0%	0.0%	9.1%	9.1%	9.1%	9.1%	9.0%	9.0%	9.0%	9.1%	9.0%	19.8%	9.0%	*Recent investments will return cashflows, improving margins. Conservative approach*
Real Estate	9.6%	9.5%	8.4%	5.8%	8.9%	12.4%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	-	-	9.1%	*Average of the period*
Other (Holding companies)	1.7%	-26.5%	-6.6%	-122.6%	-125.1%	-136.6%	-123.1%	-109.7%	-96.2%	-82.7%	-69.3%	-69.3%	-69.3%	-	-	-69.3%	*Average of the period*
COGS (used only for efficiency ratios, in % of revenues minus adjusted EBITDA)	96.7%	96.8%	95.7%	94.8%	95.4%	95.9%	96.0%	96.0%	96.1%	96.2%	96.3%	96.3%	95.9%	96.3%	-	96.3%	
COGS in value	33,233	35,991	38,985	36,983	41,183	50,855	55,644	59,366	62,866	66,297	69,259	71,889					
Other recurring items	0.0%	-0.2%	-0.1%	-0.8%	-0.5%	-0.5%	-0.5%	-0.5%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-	-	-0.4%	
D&A, PP&E	***"CAPEX and D&A" spreadsheet***																
D&A, Concession Intangible Assets	***"CAPEX and D&A" spreadsheet***																
D&A, Other Intangible Assets	***"CAPEX and D&A" spreadsheet***																
Cost of gross financial debt	**Debt schedule**																
Financial income from cash investments	56	29	41	21	17	136	65	74	80	86	93	101					
Cash and cash equivalents, n-1	6,807	7,960	8,257	11,765	11,065	12,578	14,419	15,594	16,708	18,102	19,605	24,219					*N-1 avoid excel errors and still fit in the rational*
Financial income from cash investments, in % of cash and cash equivalents	-	0.4%	0.5%	0.3%	0.1%	1.2%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.3%	-	0.5%	
EBT	4,108	4,475	5,042	1,825	3,821	6,154	5,935	6,739	7,554	8,327	9,068	9,410					
Tax	(1,271)	(1,418)	(1,634)	(807)	(1,625)	(1,737)	(1,829)	(2,077)	(2,328)	(2,566)	(2,794)	(2,900)					
Tax rate	30.9%	31.7%	32.4%	44.2%	42.5%	28.2%	30.8%	30.8%	30.8%	30.8%	30.8%	30.8%	35.0%	30.8%	-	30.8%	*Average of non-Covid period*
Net income attributable to shareholders	90	74	148	-	-	157	161	172	183	193	202	210					*Excluding 2020 and 2021, where minorities had to deliver money, which is not considered here*
in % of sales	*0.2%*	*0.2%*	*0.3%*	*0.0%*	*0.0%*	*0.3%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*-*	*-*	*0.2%*	
Dividend payout ratio	49.4%	49.6%	34.8%	122.8%	63.4%	55.3%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.5%		-	50.0%	*Excluding 2020 and 2021, where minorities had to deliver money, which is not considered here*

Appendix 21: Forecasting Assumptions on Financial Position

Forecast

	Historical Data						Forecast										
	2017	2018	2019	2020	2021	2022	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	Average	Alternative approach	Peers	Final Metric	Comments
Balance Sheet Statement																	
Non-Current Assets																	
Other non-current financial assets	1,102	1,332	1,525	2,237	2,450	2,588	2,786	2,936	3,070	3,194	3,289	3,414					
in % of sales	*2.7%*	*3.0%*	*3.1%*	*5.1%*	*4.9%*	*4.1%*	*4.1%*	*4.0%*	*3.9%*	*3.9%*	*3.8%*	*3.8%*	*3.8%*	-	-	*3.8%*	*Average*
Derivative financial instruments	621	511	1,051	1,250	575	376	897	960	1,020	1,079	1,131	1,173					
in % of sales	*1.5%*	*1.2%*	*2.1%*	*2.8%*	*1.1%*	*0.6%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	-	-	*1.3%*	*Excluding 2021, where the higher value of derivatives is considered to be an outlier*
Deferred tax assets	255	317	370	493	767	883	701	750	797	843	883	917					
in % of sales	*0.6%*	*0.7%*	*0.8%*	*1.1%*	*1.5%*	*1.4%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	-	-	*1.0%*	*Average*
Current Assets																	
Inventories and work in progress	1,056	1,173	1,434	1,428	1,591	1,785	2,479	3,219	4,022	4,889	5,785	6,004					
in % of sales	*2.6%*	*2.6%*	*2.9%*	*3.2%*	*3.2%*	*2.9%*	*3.6%*	*4.4%*	*5.2%*	*5.9%*	*6.7%*	*6.7%*	*2.9%*	-	*6.7%*	*6.7%*	*Through peers analysis and Vinci's Business Plan, an increase in inventories can be assumed*
Trade and other receivables	12,432	13,584	14,523	12,493	15,832	18,092	19,578	20,744	21,812	22,823	23,645	24,540					
in % of sales	*30.3%*	*30.6%*	*29.7%*	*28.3%*	*31.5%*	*28.9%*	*28.6%*	*28.3%*	*28.0%*	*27.7%*	*27.4%*	*27.4%*	*29.9%*	*22.7%*	*46.3%*	*27.4%*	*Weighted average in % of Vinci's EBITDA weights, considering peers, such for construction (22.7%) as for energy (46.3%)*
Other current assets	5,093	5,085	5,300	5,719	6,036	7,402	8,105	8,692	9,250	9,797	10,276	10,665					
in % of sales	*12.4%*	*11.5%*	*10.8%*	*13.0%*	*12.0%*	*11.8%*	*11.9%*	*11.9%*	*11.9%*	*11.9%*	*11.9%*	*11.9%*	*11.9%*	-	*1.1%*	*11.9%*	*Average in % of sales, given the lack of better information on the peers, the average assumes higher relevance*
Current tax assets	406	280	166	266	238	259	294	326	359	392	424	441					
in % of sales	*1.0%*	*0.6%*	*0.3%*	*0.6%*	*0.5%*	*0.4%*	*0.4%*	*0.4%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.6%*	*0.5%*	-	*0.5%*	*Average in % of sales, 2017 has a higher value that was excluded*
Other current financial assets	38	37	53	30	100	84	89	92	95	97	99	102					
in % of sales	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.2%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	-	-	*0.1%*	*Average in % of sales*
Derivative financial instruments - current	261	258	210	201	291	115	166	221	280	345	412	427					
in % of sales	*0.6%*	*0.6%*	*0.4%*	*0.5%*	*0.6%*	*0.2%*	*0.2%*	*0.3%*	*0.4%*	*0.4%*	*0.5%*	*0.5%*	*0.5%*	-	-	*0.5%*	*Average in % of sales*
Cash management financial assets	184	245	287	137	200	755	399	427	454	481	503	522					
in % of sales	*0.4%*	*0.6%*	*0.6%*	*0.3%*	*0.4%*	*1.2%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	-	-	*0.6%*	*Average in % of sales, value of 2022 assumed to be related with commodities*
Bank overdrafts	1,105	1,178	911	339	876	1,083	1,208	1,320	1,430	1,542	1,646	1,708					
in % of sales	*2.7%*	*2.7%*	*1.9%*	*0.8%*	*1.7%*	*1.7%*	*1.8%*	*1.8%*	*1.8%*	*1.9%*	*1.9%*	*1.9%*	*1.9%*	-	-	*1.9%*	*Average in % of sales*
Cash equivalents (considered to be part of NWC)	2,658	3,595	3,083	5,646	3,042	4,227	4,619	4,944	5,251	5,550	5,810	6,030					
in % of sales	*6.5%*	*8.1%*	*6.3%*	*12.8%*	*6.1%*	*6.8%*	*6.8%*	*6.8%*	*6.7%*	*6.7%*	*6.7%*	*6.7%*	*7.7%*	*6.7%*	-	*6.7%*	*Average in % of sales, excluding 2020. Vinci kept cash when facing Covid uncertainty*
Non-Current Liabilities																	
Non-current provisions	1,053	1,135	1,341	1,140	1,137	961	1,132	1,299	1,472	1,655	1,835	1,904					
in % of sales	*2.6%*	*2.6%*	*2.7%*	*2.6%*	*2.3%*	*1.5%*	*1.7%*	*1.8%*	*1.9%*	*2.0%*	*2.1%*	*2.1%*	*2.4%*	*2.1%*	-	*2.1%*	*Average in % of sales, excluding pre-Covid (higher values)*
Provisions for employee benefits	1,481	1,519	1,911	1,535	1,459	1,149	1,149	1,149	1,149	1,149	1,149	1,149					
Yields forecasted						*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*					*Kept constant*
LT Debt - "Debt Schedule" spreadsheet							24,711	24,960	25,259	25,563	25,851	27,802	***42.2%***	***38.6%***	***48.1%***	***42.2%***	***Total debt through peers capital structure, adjusted by the terminal weighted revenues. Do not consider leases (immateriality). The split between LT Debt and ST Debt is made after, "debt schedule"***
Bonds Outstanding	14,130	16,588	23,300	23,136	22,212	20,425	21,422	21,637	21,897	22,161	22,410	24,101					
Other loans and borrowings	2,512	3,023	3,075	3,548	2,757	3,205	3,289	3,322	3,362	3,403	3,441	3,701					
Derivative financial instruments	288	206	473	434	422	1,939	1,805	1,594	1,335	1,032	682	708					
in % of sales	*0.7%*	*0.5%*	*1.0%*	*1.0%*	*0.8%*	*3.1%*	*2.6%*	*2.2%*	*1.7%*	*1.3%*	*0.8%*	*0.8%*	*1.2%*	*0.8%*	-	*0.8%*	*Progressive correction of the volatility in 2022*
Non-current lease liabilities	-	-	1,358	1,407	1,574	1,580	1,507	1,522	1,584	1,661	1,725	1,786					
In % of total lease liabilities	-	-	*72.9%*	*73.7%*	*75.0%*	*75.2%*	*75.0%*	*74.8%*	*74.6%*	*74.4%*	*74.2%*	*74.2%*	*74.2%*	-	-	*74.2%*	*Average in % of total lease liabilities*
Lease liability adjustment						*38*											
Other non-current liabilities	192	345	451	669	992	894	944	974	997	1,013	1,018	1,057					
in % of sales	*0.5%*	*0.8%*	*0.9%*	*1.5%*	*2.0%*	*1.4%*	*1.4%*	*1.3%*	*1.3%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	-	-	*1.2%*	*Average in % of sales*
Deferred tax assets	1,735	1,676	2,701	2,655	3,225	4,162	4,552	4,874	5,181	5,480	5,740	5,957					
	4.2%	*3.8%*	*5.5%*	*6.0%*	*6.4%*	*6.7%*	*6.7%*	*6.7%*	*6.7%*	*6.7%*	*6.7%*	*6.7%*	*5.4%*	*6.2%*	-	*6.7%*	*Since 2019 that the ratio in terms of sales has been increasing, the 2022 value is applied*
Current Liabilities																	
Current provisions	4,322	4,452	4,741	4,973	6,123	6,599	7,238	7,774	8,286	8,790	9,234	9,584					
in % of sales	*10.5%*	*10.0%*	*9.7%*	*11.3%*	*12.2%*	*10.6%*	*10.6%*	*10.6%*	*10.6%*	*10.7%*	*10.7%*	*10.7%*	*10.7%*	-	-	*10.7%*	*Average in % of sales*
Trade payables	8,198	8,240	8,514	8,876	12,027	13,088	14,206	15,099	15,926	16,718	17,376	18,035					
in % of sales	*20.0%*	*18.6%*	*17.4%*	*20.1%*	*23.9%*	*20.9%*	*20.8%*	*20.6%*	*20.5%*	*20.3%*	*20.2%*	*20.2%*	*20.2%*	-	-	*20.2%*	*Average in % of sales*
Other current liabilities	12,339	13,362	14,839	14,668	16,736	20,315	21,880	23,072	24,139	25,130	25,898	26,879					
in % of sales	*30.0%*	*30.1%*	*30.3%*	*33.2%*	*33.3%*	*32.5%*	*32.0%*	*31.5%*	*31.0%*	*30.5%*	*30.0%*	*30.0%*	*31.6%*	*5.7%*	*9.9%*	*30.0%*	*Average in % of sales, considering the peers analysis and the sales split between segment. Includes employee benefits, payments in advance and other WCR*
																	Vinci has a huge value compared to peers and so a defensive approach will be used and the minimum value in % of sales of the historical period will be considered
Current tax liabilities	225	282	292	221	360	607	621	620	611	595	570	592					
in % of sales	*0.5%*	*0.6%*	*0.6%*	*0.5%*	*0.7%*	*1.0%*	*0.9%*	*0.8%*	*0.8%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	-	-	*0.7%*	*Average in % of sales*
Current lease liabilities	-	-	504	501	524	522	503	513	540	571	599	620					
Remaining of lease liabilities	-	-	-	-	-	-	*25.0%*	*25.2%*	*25.4%*	*25.6%*	*25.8%*	*25.8%*	*25.8%*			*25.8%*	*Average in % of total lease liabilities*
Derivative financial instruments - current	114	76	399	319	513	440	470	490	508	523	533	554					
in % of sales	*0.3%*	*0.2%*	*0.8%*	*0.7%*	*1.0%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	-	-	*0.6%*	*Average in % of sales*
ST Debt - Current borrowings	4,830	4,635	4,217	3,909	5,769	6,368	5,435	5,489	5,555	5,622	5,685	6,115					*Given by debt schedule*

Appendix 22: Cost of Equity estimation – CAPM

	Approach	Date	Yield
Risk-free rate	Euro 5-year Government Bond Yield (Equal to the German Bund 5-year Yield)	14/April/2023	2.459%
Beta	Regression on Euronext 100 Monthly data, 5.25-years	14/April/2023	1.117
Beta adjusted by Blume	Blume's Technique		1.078
Equity Risk Premium	Euronext 100 Total Returns - Risk-free rate	14/April/2023	6.03%
Country Default Swaps	Bloomberg data, weighted by revenues	14/April/2023	0.352%
Cost of Equity for each segment	Rf+Beta*(ERP+CDS)		
Global Cost of Equity	Weighted by Revenues		9.339%

	Vinci Beta	Vinci Beta**	Strabag Beta	ACS Beta	Eiffage Beta	Bouygues Beta	Holcim Beta	Balfour Beta	MorgSind Beta	CRH Beta	Elecnor Beta	Acciona Beta
Euronext 100	1.1167	-	-	-	-	-	-	-	-	-	-	-
CAC 40	1.0560	1.0560	-	-	1.3095	0.9219	-	-	-	-	-	-
DAX	0.9323	-	0.7765	-	-	-	-	-	-	-	-	-
IBEX	0.9779	-	-	1.1503	-	-	-	-	-	-	0.5817	0.7355
UKX	1.2968	-	-	-	-	-	-	1.0279	1.7235	1.0931	-	-
S&P 500	0.8012	-	-	1.0343	-	-	-	-	-	-	-	-
TSX (Canada)	1.0333	-	-	-	-	-	-	-	-	-	-	-
IBOV	0.4017	-	-	-	-	-	-	-	-	-	-	-
Mexico	0.7271	-	-	-	-	-	-	-	-	-	-	-
South Africa Bloomberg Index	0.3462	-	-	-	-	-	-	-	-	-	-	-
ASX (Australia)	1.2630	-	-	-	-	-	-	-	-	-	-	-
PSI 20	0.9455	-	-	-	-	-	-	-	-	-	-	-
Switzerland	1.1347	-	-	-	-	-	1.4028	-	-	-	-	-
Austria	-	-	0.6255	-	-	-	-	-	-	-	-	-
FTMIB (Italy)	-	-	-	-	-	-	-	-	-	-	-	-
Average construction industry	1.1476	1.0560	0.7010	1.0923	1.3095	0.9219	1.4028	1.0279	1.7235	1.0931	-	-
Average utilities	0.6586	-	-	-	-	-	-	-	-	-	0.5817	0.7355

**Peers not regressed, since they have way different structures than peers named by Vinci (Elecnor and Acciona)*
***CAC 40 only*

CDS Spreads at 14/04/2023, source: Bloomberg terminal

In the third step, Euronext will be considered as the base index, all the other regions will be added by CDS spreads

CDS spreads*	bps	%
5y CDS Spread of France	29.3492	0.29%
5y CDS Spread of US	49.4300	0.49%
5y CDS Spread of UK	30.4200	0.30%
5y CDS Spread of Portugal	52.0400	0.52%
5y CDS Spread of Germany	16.6205	0.17%
5y CDS Spread of Sweden	18.5300	0.19%
10y CDS Spread of Norway	26.9600	0.27%
5y CDS Spread of Switzerland	23.0000	0.23%
5y CDS Spread of Netherlands	18.5700	0.19%
10y CDS Spread of Belgium	37.9700	0.38%
5y CDS Spread of Australia	28.3524	0.28%
5y CDS Spread of Brazil	220.1401	2.20%
5y CDS Spread of Mexico	116.9899	1.17%
10y CDS Spread of South Africa	373.9611	3.74%
5y CDS Spread of Nordic Countries (to energy)	22.7450	0.23%
5y CDS Spread, Americas Average (to concessions)	128.8533	1.29%

**Bloomberg does not provide data relative to 5y for every country*

Third approach - Regression with Euronext and CDS spread for the others

	2022	% of segment Rev's	Risk-Free Rate, Govt Bonds*	rf %	Market Return	Market Premium	CDS's, implied yields*	Weighted adjusted sales	Weighted Rf	Weighted Market Premium	Beta from the regression of the stock on each market	Weighted Beta	Cost of equity and weighted CDSs	Cost of equity for the segment
Construction Sales per region	**29,252**	100.0%	*14/04/2023, closing yields*				-	**100.00%**	**2.46%**	**6.03%**		**1.1167**	**9.68%**	**9.68%**
Europe (Euronext)	4,723	16.1%	EU05Y	2.459%	8.49%	6.03%	-	100.00%	2.46%	6.03%	1.1167	1.1167	-	
5y CDS Spread of France	13,064	44.7%	-	-	-	-	0.29%	-	-	-	-	-	0.13%	
5y CDS Spread of US	3,756	12.8%	-	-	-	-	0.49%	-	-	-	-	-	0.06%	
5y CDS Spread of UK	4,109	14.0%	-	-	-	-	0.30%	-	-	-	-	-	0.04%	
5y CDS Spread of Australia	1,769	6.0%	-	-	-	-	0.28%	-	-	-	-	-	0.02%	
5y CDS Spread of Brazil	939	3.2%	-	-	-	-	2.20%	-	-	-	-	-	0.07%	
5y CDS Spread of South Africa	892	3.0%	-	-	-	-	3.74%	-	-	-	-	-	0.11%	
Concessions	**9,162**	100.0%	*14/04/2023, closing yields*				-	**100.00%**	**2.46%**	**6.03%**		**1.1167**	**9.61%**	**9.61%**
Europe (Euronext)	188	2.1%	EU05Y	2.459%	8.49%	6.03%	-	100.00%	2.46%	6.03%	1.1167	1.1167	-	
5y CDS Spread of France	6,485	70.8%	-	-	-	-	0.29%	-	-	-	-	-	0.21%	
5y CDS Spread of UK	1,013	11.1%	-	-	-	-	0.30%	-	-	-	-	-	0.03%	
5y CDS Spread of Portugal	921	10.1%	-	-	-	-	0.52%	-	-	-	-	-	0.05%	
5y CDS Spread, Americas Average	555	6.1%	-	-	-	-	1.29%	-	-	-	-	-	0.08%	
Energy:	**16,748**	100.0%	*14/04/2023, closing yields*				-	**100.00%**	**2.46%**	**6.03%**		**1.1167**	**9.45%**	**9.45%**
Europe (Euronext)	2,644	15.8%	EU05Y	2.459%	8.49%	6.03%	-	100.00%	2.46%	6.03%	1.1167	1.1167	-	
5y CDS Spread of France	7,366	44.0%	-	-	-	-	0.29%	-	-	-	-	-	0.13%	
5y CDS Spread of Germany	2,680	16.0%	-	-	-	-	0.17%	-	-	-	-	-	0.03%	
5y CDS Spread of Nordic Countrie:	670	4.0%	-	-	-	-	0.23%	-	-	-	-	-	0.01%	
5y CDS Spread of US	1,173	7.0%	-	-	-	-	0.49%	-	-	-	-	-	0.03%	
5y CDS Spread of Switzerland	845	5.0%	-	-	-	-	0.23%	-	-	-	-	-	0.01%	
5y CDS Spread of Netherlands	761	4.5%	-	-	-	-	0.19%	-	-	-	-	-	0.01%	
5y CDS Spread of Belgium	609	3.6%	-	-	-	-	0.38%	-	-	-	-	-	0.01%	
Cobra IS	**9.45%**	*The same*												
Real Estate	**1,523**	100.0%	*14/04/2023, closing yields*					**100.00%**	**2.46%**	**6.03%**		**1.1167**	**9.52%**	**9.52%**
Europe (Euronext)	24	1.6%	EU05Y	2.459%	8.49%	6.03%	-	100.00%	2.46%	6.03%	1.1167	1.1167	-	
5y CDS Spread of France	1,499	98.4%	-	-	-	-	0.29%	-	-	-	-	-	0.29%	

Weights on Revenues	**100%**	**Risk-Free**	**Market Premium**	**Beta**	**CDSs**	**Ke**	**Weighted Beta**	**Weighted Ke**	
Construction	47%	2.5%	6.0%	1.1167	0.4%	9.68%	0.5251	4.6%	
Concessions	15%	2.5%	6.0%	1.1167	0.4%	9.61%	0.1645	1.4%	
Energies	36%	2.5%	6.0%	1.1167	0.2%	9.45%	0.3997	3.4%	
Real Estate	2%	2.5%	6.0%	1.1167	0.3%	9.52%	0.0273	0.2%	
		2.459%	**6.03%**	**1.1167**	**0.35%**		**1.1167**	**9.6%**	
							1.0778	**9.3%**	***Blume adjustment***

Appendix 23: Cost of Debt estimation

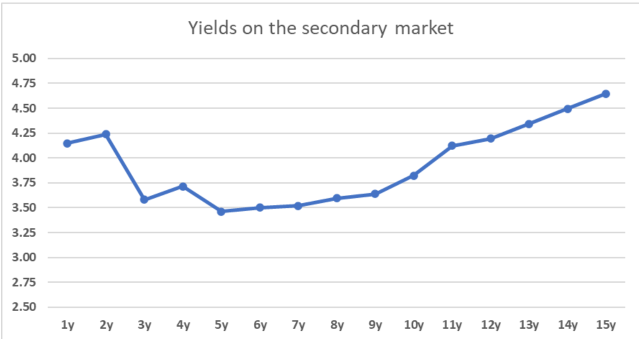
Selected yield (10y) **After 12y, extrapolation*

Interpolation	1y	2y	3y	4y	5y	6y	7y	8y	9y	10y	11y	12y	13y	14y	15y
Yields	4.149	4.238	3.581	3.713	3.462	3.501	3.519	3.596	3.640	3.822	4.122	4.194	4.345	4.495	4.645

EUR Senior Debt Unsecured Curve

Bond	ISIN	Yield	Time to Maturity
Vinci SA	FR0013384005	4.361	11.79
Autoroutes du Sud de la France SA	FR001400F8Z8	3.718	9.66
Vinci SA	FR001400D8K2	3.715	9.39
Autoroutes du Sud de la France SA	FR001400CH94	3.699	9.27
Vinci SA	FR0014004FR9	3.554	8.61
Cie Financiere et Industrielle des Autoroutes SA	FR0013512621	3.598	7.97
Autoroutes du Sud de la France SA	FR0013404571	3.607	7.72
Vinci SA	FR0013367638	3.508	7.31
Autoroutes du Sud de la France SA	FR0013310455	3.533	6.62
Vinci SA	FR0013397452	3.480	5.59
Vinci SA	FR0014000PF1	3.038	5.45
Autoroutes du Sud de la France SA	FR0011637750	3.816	5.69
Cie Financiere et Industrielle des Autoroutes SA	FR0013201134	3.525	5.49
Autoroutes du Sud de la France SA	FR0013346137	3.465	5.03
Cie Financiere et Industrielle des Autoroutes SA	FR0013286788	3.400	4.31
Autoroutes du Sud de la France SA	FR0010511758	3.955	4.46
Autoroutes du Sud de la France SA	FR0013231099	3.482	3.56
Autoroutes du Sud de la France SA	FR0013169885	3.602	2.88
Autoroutes du Sud de la France SA	FR0013251170	3.628	2.81
Vinci SA	FR0013367620	3.152	2.23
Autoroutes du Sud de la France SA	FR0011430982	4.535	1.94
Cie Financiere et Industrielle des Autoroutes SA	FR0013201126	3.592	1.85
Autoroutes du Sud de la France SA	FR0010807503	4.354	1.49
Autoroutes du Sud de la France SA	FR0011276906	4.511	1.24
Autoroutes du Sud de la France SA	FR0011694033	3.407	0.52
Exclusions			
Autoroutes du Sud de la France SA*	FR0011472034	4.364	5.09

**Short liquidity, small value outstanding*



Appendix 24: WACC and terminal WACC estimation

Maket Value of Debt	
Interest expenses (2022)	750
Duration of existing debt bonds	7.04
Yield of a new 10y issuance	3.822%
Book Value of Debt, leases included	32,100
Total Market Value of Debt	**29,206**

$$\text{MV of Debt} = \text{Interest Expense}_t \times \left[\frac{1 - \frac{1}{(1+r_d)^n}}{r_d}\right] + \frac{\text{Book Value of Debt}}{(1+r_d)^n}$$

WACC through Market Value of Invested Capital

Number of shares:	589
Price:	108.32
Market Value of Equity:	63,842
Market Value of Debt:	29,206
Market Value of the Invested Capital:	**93,048**
MVE / MVIC:	**68.6%**
MVD / MVIC:	**31.4%**
Tax rate:	30.8%

Cost of Equity:	9.3%
Cost of Debt (10y new senior issuance, Euribor+Spread)	3.822%
Tax rate	30.8%
Preferred stocks	-
Capital Stucture	
MVE / MVIC	68.6%
MVD / MVIC	31.4%
WACC	**7.24%**

Terminal WACC - Targeted structure

Terminal Capital Structure - Peers MVE and MVD of today	MVD/IC of Peers	Revenues split 2028 F
Construction related	35.7%	62.6%
Energy	49.7%	37.4%
Vinci Capital Structure, D/IC		40.9%
Vinci Capital Structure, E/IC		59.1%

Through terminal capital structure	
Equity / IC	59.1%
Debt / IC	40.9%

Cost of Equity:	9.3%
Cost of Debt	3.8%
Tax rate	30.8%
Preferred stocks	-
Capital Stucture	
Equity / IC	59.1%
Debt / IC	40.9%
WACC	**6.599%**

Appendix 25: Terminal growth estimation

Growth forecast

	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	Terminal Rate	
CAPEX	5,027	5,541	6,022	6,030	6,013	6,223		
D&A	(3,609)	(3,796)	(4,017)	(4,198)	(4,340)	(4,487)		
Net CAPEX	1,418	1,745	2,005	1,832	1,673	1,736		
Var NWC	(355)	296	441	565	723	(252)		
EBIT(1-t)	4,681	5,256	5,801	6,355	6,866	7,134		
Reinvestment rate	22.7%	38.8%	42.2%	37.7%	34.9%	20.8%		
ROIC	7.34%	7.89%	8.31%	8.66%	8.91%	8.61%	2.73%	
g (firm approach)	**1.67%**	**3.06%**	**3.50%**	**3.27%**	**3.11%**	**1.79%**	**1.79%**	*
Debt ratio	27.3%	26.3%	25.5%	24.7%	24.0%	24.4%		
Net Income	4,106	4,662	5,226	5,761	6,274	6,510		
Equity reinvestment rate	18.81%	32.25%	34.89%	31.34%	29.03%	17.25%	3.82%	
g (equity approach)	**2.44%**	**4.41%**	**4.94%**	**4.52%**	**4.21%**	**2.41%**	**2.41%**	*
Retained earnings	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%		
ROE	13.00%	13.67%	14.16%	14.42%	14.51%	14.00%	6.98%	
g (PRAT model)	**6.50%**	**6.84%**	**7.08%**	**7.21%**	**7.25%**	**7.00%**	**6.98%**	**
g (dividend growth)	**-16.32%**	**13.81%**	**12.32%**	**10.40%**	**9.04%**	**3.77%**	**6.40%**	***

**Last period assumed as being normalized, that's the rate that is going to be used*
**Last period assumed as being normalized, that's the rate that is going to be used*
***Sustainable growth rate is stable, but quite high, a more defensive approach will be used*
****The average of the last two periods assumed to be the normalization of the growth, slightly lower than sustainable growth rate, and will be applied*

Appendix 26: Free Cash Flow to the Firm

Millions EUR, 31 December	Forecast					
Free Cash Flow Calculation	**2023 F**	**2024 F**	**2025 F**	**2026 F**	**2027 F**	**2028 F**
EBIT	**6,765**	**7,597**	**8,384**	**9,185**	**9,925**	**10,312**
EBIT*(1-Tax Rate)	4,681	5,256	5,801	6,355	6,866	7,134
Depreciations and amortizations	3,609	3,796	4,017	4,198	4,340	4,487
Variations in Net Working Capital	355	(296)	(441)	(565)	(723)	252
CAPEX	(5,027)	(5,541)	(6,022)	(6,030)	(6,013)	(6,223)
Other investments/divestments	300	-	-	-	-	-
Free Cash Flow to the Firm	**3,918**	**3,215**	**3,354**	**3,958**	**4,470**	**5,650**

Million EUR	Aux	Forecast						
		2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	Terminal Value
Periods to discount, aux		0	1	2	3	4	5	6
Free Cash Flow to the Firm								
FCFF		3,918	3,215	3,354	3,958	4,470	5,650	5,751
WACC discount	1	1.00	0.93	0.87	0.81	0.76	0.71	0.68
Discounted FCFF			2,998	2,917	3,209	3,380	3,984	3,920
PV of FCFF	16,488							
PV of Residual Value	81,530							
Enterprise Value	98,018							
Total Debt, including leases	32,100							
Minority Interests	3,470							
Cash	11,495							
Equity Value	73,943							
Price per Share (€)	**125.46**							

Appendix 27: Free Cash Flow to Equity

Millions EUR, 31 December	Forecast					
Free Cash Flow Calculation	**2023 F**	**2024 F**	**2025 F**	**2026 F**	**2027 F**	**2028 F**
Net Income	**3,946**	**4,490**	**5,043**	**5,568**	**6,071**	**6,300**
Depreciations and amortizations	3,609	3,796	4,017	4,198	4,340	4,487
Variations in Net Working Capital	355	(296)	(441)	(565)	(723)	252
CAPEX	(5,027)	(5,541)	(6,022)	(6,030)	(6,013)	(6,223)
Other long-term investments/divestments	300	-	-	-	-	-
Net borrowing	148	303	365	371	350	2,381
Free Cash Flow to Equity	**3,331**	**2,753**	**2,962**	**3,542**	**4,025**	**7,197**

Million EUR	Aux	Forecast						
		2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	Terminal Value
Periods to discount, aux		0	1	2	3	4	5	6
Free Cash Flow to Equity								
FCFE		3,331	2,753	2,962	3,542	4,025	7,197	7,370
Discounted Cost of Equity	1	1.00	0.91	0.84	0.77	0.70	0.64	0.59
Discounted FCFF			2,518	2,478	2,710	2,816	4,605	4,314
PV of FCFE	15,127							
PV of Residual Value	62,296							
Equity Value	77,423							
Price per Share (€)	**131.36**							

Appendix 28: Dividend Discount Model

Millions EUR, 31 December	Historical Data						Forecast					
	2017	2018	2019	2020	2021	2022	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F
Total dividends	1,358	1,481	1,133	1,528	1,646	2,358	1,973	2,245	2,522	2,784	3,036	3,150
Total dividends paid	1,358	1,481	1,133	1,528	1,646	589	-	-	-	-	-	-
Total dividends to be paid	-	-	-	-	-	1,768	1,973	2,245	2,522	2,784	3,036	3,150
Dividend per Share	2.45	2.67	2.04	2.04	2.90	4.00	3.35	3.81	4.28	4.72	5.15	5.34
Dividend per Share already paid	2.45	2.67	2.04	2.04	2.90	1.00	-	-	-	-	-	-
Dividend per Share to be paid	-	-	-	-	-	3.00	3.35	3.81	4.28	4.72	5.15	5.34
Dividend Payout Ratio	49.4%	49.6%	34.8%	122.8%	63.4%	55.3%	50%	50%	50%	50%	50%	50%

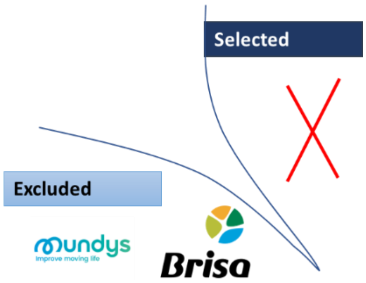
Million EUR	Aux	Forecast						
		2023 F	2024 F	2025 F	2026 F	2027 F	2028 F	Terminal Value
Periods to discount, aux		0	1	2	3	4	5	6
Dividends		1,973	2,245	2,522	2,784	3,036	3,150	3,352
Discount - Cost of Equity	1	1.00	0.91	0.84	0.77	0.70	0.64	0.59
Discounted Dividends			2,053	2,109	2,130	2,124	2,016	1,962
PV of Dividends	10,432							
PV of Terminal Value	66,851							
Sum of PV's	77,283							
Price per Share (€)	**131.12**							

Appendix 29: Industry peers selection

Construction Peers

- Pointed by Vinci on its Annual Report as the main peers for construction, all of them fit into the criteria;
- Some of them are also betting in concessions segment to grow and also develop activities in a wide range of geographies, being fitted to be considered as valid competitors;
- In terms of Market Cap, there's no player that can be considered a true rival of Vinci, given the gap between the company and the peers.

Concession Peers



- Huge differences on the margins of the analyzed peers in comparison with Vinci's margins;
- Because some of the construction peers also bet in concessions, the assumed peers for concessions are the same that were considered for construction.

Energy Peers

- Business model and margins from excluded peers are significantly different than the ones of Vinci and, therefore, were left out;
- Elecnor seems to be the better fitted peer to Vinci Energies, being present in the same geographies and also sharing the same cost structure.

in Millions, local currency

	Construction										Energy			
	Vinci	Strabag	ACS	Eiffage	Bouygues	Holcim	Balfour Beatty	Morgan Sindall	CRH Group	Average	Vinci	Elecnor	Acciona	Average
As of 14/04/2023														
Price per share	108.32	39.60	30.70	101.95	32.25	57.90	3.73	17.58	39.52			11.75	176.95	
Number of shares	589.4	102.6	310.7	95.3	372.7	615.9	587.4	47.3	752.1			87.0	54.9	
Market Cap	**63,842**	**4,063**	**9,537**	**9,720**	**12,018**	**35,662**	**2,193**	**832**	**29,723**			**1,022**	**9,707**	
Total Debt, including lease liabilities	32,100	1,016	10,997	15,936	15,970	14,910	738	175	10,955			1,010	7,928	
Cash & Cash Equivalents	24,219	2,702	10,417	4,823	5,736	9,824	1,179	432	5,936			385	2,663	
Net Debt	7,881	-	580	11,113	10,234	5,086	-	-	5,019			624	5,265	
Minority Interests	3,470	22	828	1,248	1,720	940	5	-	646			26	1,419	
Enterprise Value	**68,254**	**4,041**	**9,288**	**19,585**	**20,532**	**39,808**	**2,188**	**832**	**34,096**			**1,621**	**13,553**	
Cost of Debt (peers through Bloomberg data)	3.822%	4.22%	4.32%	4.01%	3.65%	4.11%	5.05%	4.64%	4.32%			3.21%	3.12%	
Duration (peers through Bloomberg data)	7.04	1.28	4.87	4.01	8.80	5.57	18.15	-	6.88			8.10	3.18	
Interests paid 2022 (Yahoo Finance data)	750	34	484	356	320	532	36	5	441			61	257	
Book value of Debt	32,100	1,016	10,997	15,936	15,970	14,910	738	175	10,955			1,010	7,928	
Market Value of Debt	**29,206**	**1,006**	**11,036**	**14,906**	**14,021**	**14,515**	**723**	**175**	**10,766**			**1,213**	**7,957**	
Invested Capital	**93,048**	**5,069**	**20,573**	**24,626**	**26,040**	**50,177**	**2,917**	**1,007**	**40,489**			**2,235**	**17,664**	
MVD / IC	**31.4%**	**19.8%**	**53.6%**	**60.5%**	**53.8%**	**28.9%**	**24.8%**	**17.4%**	**26.6%**	**35.7%**		**54.3%**	**45.0%**	**49.7%**
Revenues	62,514	15,299	33,615	20,867	44,322	29,189	7,629	3,612	32,723			3,614	4,351	
Net Income	4,417	596	808	1,355	1,131	3,528	287	61	2,684			116	795	
Equity	29,409	4,072	7,028	6,796	12,789	20,614	1,376	496	22,337			634	5,557	
EBITDA	9,472	1,277	1,299	3,482	4,729	4,564	275	108	4,229			310	1,581	
EPS	7.49	5.81	2.60	14.21	3.03	5.73	0.49	1.29	3.57	**4.91**		1.33	14.49	**7.91**
P/E	14.45	6.81	11.80	7.17	10.63	10.11	7.64	13.67	11.07	**10.37**		8.82	12.21	**10.51**
P/S	1.02	0.27	0.28	0.47	0.27	1.22	0.29	0.23	0.91	**0.55**		0.28	2.23	**1.26**
P/BV	2.17	1.00	1.36	1.43	0.94	1.73	1.59	1.68	1.33	**1.47**		1.61	1.75	**1.68**
EV/Sales	1.09	0.26	0.28	0.94	0.46	1.36	0.29	0.23	1.04	**0.66**		0.45	3.11	**1.78**
EV/EBITDA	7.21	3.17	7.15	5.62	4.34	8.72	7.96	7.69	8.06	**6.66**		5.23	8.57	**6.90**

Appendix 30: Relative valuation

Valuation through peers	Market Cap	EV	PPS	Weight of industry	Final PPS
Construction related segments					
MC through P/E	45,820	-	77.74		49.91
MC through Sales ratio	34,421	-	58.40		37.50
MC through BV	43,227	-	73.34		47.09
Average of PPS			*69.83*	*64%*	*44.83*
EV through Sales ratio	-	41,378	70.21		45.07
EV through EBITDA	-	63,066	107.00		68.70
Average of PPS			*88.60*	*64%*	*56.89*
Energy segment					
MC through P/E	46,444	-	78.80		28.21
MC through Sales ratio	78,575	-	133.32		47.72
MC through BV	49,407	-	83.83		30.01
Average of PPS			*98.65*	*36%*	*35.31*
EV through Sales ratio	-	111,380	188.98		67.65
EV through EBITDA	-	65,382	110.93		39.71
Average of PPS			*149.95*	*36%*	*53.68*
Consolidated Price					
MC through P/E					78.12
MC through Sales ratio					85.22
MC through BV					77.10
EV through Sales ratio					112.72
EV through EBITDA					108.41

PPS through average of MC:	**80.15**
PPS through average of EV:	**110.57**

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Recommendation System

Level of Risk	SELL	REDUCE	HOLD/NEUTRAL	BUY	STRONG BUY
High Risk	0%≤	>0% & ≤10%	>10% & ≤20%	>20% & ≤45%	>45%
Medium Risk	-5%≤	>-5% & ≤5%	>5% & ≤15%	>15% & ≤30%	>30%
Low Risk	-10%≤	>-10% & ≤0%	>0% & ≤10%	>10% & ≤20%	>20%