



ISSUER RATING
LongTerm

OUTLOOK
Stable

Initiation date 11/02/2025
Rating Date 23/12/2025

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Rating Action and Rationale

- EthiFinance Ratings affirms Cox ABG Group, S.A.'s long-term rating at BB+, maintaining its Stable outlook.
- Cox ABG Group S.A. (Cox) is a Spain-based, parent company of a vertically-integrated utilities group specialising in operating water desalination and energy generation and transmission concessions across the Middle East, North Africa, and Latin America.
- To assess Cox's financial profile, we apply a proportional weighting of credit metrics that reflects the respective EBITDA contributions of the AssetCo (concessions) and ServiceCo (EPC and O&M) segments. Accordingly, the 'standard cyclicality' table is applied to the ServiceCo activities, while the 'infrastructure' table is used for the AssetCo portfolio, given the adherence to regulated tariffs and long-term contractual arrangements that help minimise cash-flow volatility.
- Our assessment of Cox's financial risk profile is based on our infrastructure benchmark ratios, reflecting the group's concessions-based model, which is supported by fixed and inflation-linked tariffs. For the calculation of credit ratios, we consider reported EBITDA set against both recourse and non-recourse debt, while adding debt-like items and applying a haircut to some illiquid short-term financial assets.
- Our rating affirmation reflects our expectation of a structural shift in Cox's business model toward a greater contribution from concessions relative to EPC activities in terms of EBITDA generation. This transition will be primarily driven by the recently announced acquisition (late August 2025) of Iberdrola Mexico's generation portfolio for a cash consideration of €3.33bn (\$3.8bn). The AssetCo segment exhibits lower cyclicality and stronger long-term earnings visibility than ServiceCo, which supports the rating. Our rating also benefits from the high diversification of the concessions portfolio, both geographically (Brazil, Mexico, Morocco, Chile...) and by asset type (Bioethanol, water desalination, solar PV...).
- While this debt-funded transformative acquisition marks a milestone in Cox's transformation into an integrated water and energy infrastructure utilities group with recurring, high-margin EBITDA, the expected bond issuance of up to €2.3bn (USD-denominated), combined with an ambitious €6.8bn CapEx program (80% debt-funded), is likely to exert material pressure on key credit metrics. Leverage is projected to rise significantly over 2026–28, with net adjusted leverage ratio deteriorating from 2.6x at end-2025 to 7.5x at end-2026, alongside a gradual weakening of capitalisation (equity/TFD averaging below 20%). Higher indebtedness from 2026 is also expected to lead to a substantial increase in interest expenses, driving interest coverage down from 6.1x at end-2025 to an average of 2.9x over 2026–28.
- Our long-term rating is primarily constrained by the weak credit profile of the ServiceCo segment, which depresses the group's overall profitability metrics and, by extension, its credit ratios, particularly given the high leverage of the AssetCo portfolio, along with IBE MEX acquisition debt financing. While the company has to date (until mid-2025) maintained a favorable net adjusted leverage position of 2.3x on average, with a moderate capacity to cover interest expenses at an average of 4.3x, its business strategy is expected to involve a move to a more aggressive financial policy as it transitions to a Capex-driven business model, although partly mitigated by the recently announced asset rotation policy, which is related to some participations at minority level.
- Under our methodology, Cox operates across both the engineering and utilities sectors, the latter including water and energy concessions. From an ESG risk perspective, the engineering segment carries a medium exposure with a sector heatmap score of between 3 and 4, while the utilities segment exhibits strong alignment with ESG factors, reflected in a score of between 1 and 2. This sectoral composition supports a favourable overall ESG sector positioning, which results in a positive impact on the industry risk profile of the company. Additionally, our assessment of the company's ESG policy is positive (company ESG score between 1.0 and 1.5), resulting in a half-notch uplift to the group's financial profile sub-rating.

Issuer Description

Founded in 2014 and headquartered in Spain, Cox is the parent company of a globally integrated group, specializing in the water and energy utilities sector. The group's activities span operating active concessions, engineering, procurement and construction services (EPC), and operation and maintenance (O&M) services for large-scale infrastructure projects. Operating across six strategic countries/regions - Mexico, Brazil, Central Arc, Chile, Spain, and the MENA region - Cox manages a diversified portfolio of assets, including water desalination plants, and energy generation and transmission projects through long-term concession agreements.

The group's current corporate structure was shaped by the transformative acquisition of several productive units from Abengoa in 2023, marking the beginning of a new growth phase. Since then, Cox has been operating under a dual-structure model:

- **Asset Co**, which oversees concession assets generating long-term, recurring revenues,
- **Service Co**, which provides engineering, procurement, and O&M services.

In line with its strategic roadmap to expand AssetCo operations and strengthen its base of sustainable, concessions-backed revenues streams, Cox announced in August 2025 the full acquisition of Iberdrola México (IBE MEX) for an enterprise value of \$4.2bn. This transaction forms part of Iberdrola's ongoing asset rotation strategy and marks its full exit from the Mexican market, following an initial asset sale to Mexico Infrastructure Partners (MIP) in February 2024 for an EV of \$6.2bn. For Cox, this transaction represents a milestone in its transformation into an integrated water and energy infrastructure utilities group, combining recurring EBITDA generation with an upcoming asset rotation strategy of participations at minority level.

Cox operates across four main business lines:

- **Water:** The group has developed over 30 desalination plants with a production capacity exceeding 1 million m³/day, with 120 completed projects in water purification, wastewater reuse, and hydraulic infrastructure. These include major contributions to irrigation systems, urban water networks, and hydroelectric facilities, collectively serving millions worldwide.
- **Energy:** With more than 13 GW of installed and under-construction capacity, Cox possesses broad expertise across open- and combined-cycle power generation, as well as renewable technologies such as solar thermal, photovoltaic, wind, and biomass.
- **Transmission and Infrastructure:** The group has a strong track record in power transmission, railway electrification, and industrial infrastructure development, having built more than 31,000 km of transmission lines and over 330 substations for third parties.
- **Services:** The group handles day-to-day operation and maintenance across renewable and conventional power assets, along with water treatment facilities. The focus is on keeping plants running reliably and meeting performance targets.

Listed since November 2024 on the Bolsa de Madrid (Spanish Stock Exchange), Cox has a free float of 12% and a market capitalisation of €765m as of 8 December 2025.

For 2024, the company reported revenues of €702m (+21% vs FY23), with EBITDA of €183m (vs €103m in FY23), equivalent to an EBITDA margin of 26.1%. The EthiFinance Ratings adjusted NFD/EBITDA ratio stood at 2.0x. For FY25, the company expects to achieve revenue of €2.7bn for EBITDA of €720m (proforma of IBE MEX acquisition) and a net reported leverage of 4.0x.

Fundamentals

Business Risk Profile

Industry Risk Assessment

- **The concessions-based utilities sector is characterized by high profitability margins, significant barriers to entry, and low cash flow volatility**

Water and energy utilities operating under a concessions-based model typically demonstrate sustainably high profitability, with EBIT margins often exceeding 30% once assets are operational. These operators benefit from regulated, inflation-linked tariffs embedded in long-term concessions agreements (generally 20 to 30 years) that secure stable and predictable cash flow.

In water desalination concessions, energy costs account for 30–50% of operating expenses, exerting pressure on margins. As such, operators with access to low-cost or renewable energy sources benefit from a structural cost advantage, translating into superior profitability relative to peers. Despite cost sensitivities, the sector's earnings volatility remains low, supported by the prevalence of regulated tariff mechanisms, typically based on fixed-price structures per MWh and long-term off-take arrangements, such as power purchase agreements (PPAs) and water purchase agreements (WPAs).

The industry is characterized by high barriers to entry, reflecting its capital-intensive nature, the technical expertise and track record required to qualify for tenders, and a complex regulatory environment governed by stringent environmental, health, and quality regulations. Operators must also demonstrate the capacity to manage large-scale and technically complex networks across diverse urban, climatic, and socio-economic environments. Concessions-related capital expenditure is typically financed through project finance structures, with debt covering 70% to 80% of total investment. Project finance debt is secured at the level of special purpose vehicles (SPVs) through non-recourse features. This structure effectively excludes less experienced entrants lacking the financial engineering capabilities necessary to design ring-fenced project vehicles and to comply with public-private accounting standards, such as IFRIC 12.

The sector's long-term growth prospects remain robust, supported by structural demand for renewable energy and water infrastructure. Over the past decade, utility-scale solar projects have expanded significantly, with solar PV accounting for 74% of global renewable capacity additions in 2023, up from 46% in 2016, and surpassing wind for the first time in 2022 (Source: International Energy Agency). Global energy demand continues to rise, driven by policy frameworks targeting GHG emission reductions and the progressive phase-out of fossil fuels. Similarly, water demand is structurally inelastic and largely independent of macroeconomic cycles, underpinning a geographically diversified tendering pipeline, particularly in water-scarce regions such as the Middle East, where desalination and wastewater treatment capacity expansion remains a strategic policy priority. In parallel, developing economies are increasingly liberalizing water sectors and promoting public-private partnerships (PPPs) to attract private investment.

- **ESG-friendly sector which supports the transition to renewable energy**

While our assessment of ESG-related risks within the engineering & construction sector carries a medium score (sector heatmap score between 3 and 4), the water and energy utilities sector exhibits an ESG-friendly assessment (score between 1 and 2), resulting in a positive impact (up notching) on our industry rating. Integrated water management plays a pivotal role in addressing global water scarcity, improving access to clean water, and supporting agricultural and industrial productivity. Nevertheless, the sector's environmental footprint remains material, driven by high energy consumption, carbon intensity, and ecological risks related to brine disposal, which can adversely impact coastal ecosystems. Conversely, renewable energy generation through wind, hydro, and solar provides a clear environmental benefit, facilitating the transition to clean energy and reducing dependence on fossil fuels and nuclear-based power generation. From a governance perspective, the sector continues to enhance transparency and regulatory alignment, although exposure to corruption risks and inefficiencies in large-scale project execution persist. These factors moderate the otherwise favourable ESG risk profile, underscoring the need for continued governance reinforcement and operational oversight.

Competitive Positioning

- **Business model evolving towards an integrated water and energy infrastructure utility company with profitability margin at the upper range of the sector**

Since the acquisition of Abengoa's assets in 2023, Cox has pursued a strategic repositioning aimed at generating EBITDA primarily from operating water and energy concessions ("AssetCo"), a segment that was non-existent in 2022, while reducing dependence on the "ServiceCo" segment, which includes EPC and O&M legacy services, which are structurally lower-margin given their high operating cost base and lower need for CapEx. In FY23, AssetCo generated revenues of €174.6m, accounting for 98% of consolidated EBITDA, whereas ServiceCo, despite contributing €406m in revenues, reported a negative operating profit and only a 2% EBITDA contribution. In FY24, Cox derived 33% of its

revenues from AssetCo operating concessions, with the Brazilian bioethanol and sugar plant in Sao Joao representing a key strategic asset. The plant is one of Cox's largest directly owned productive assets and contributes materially to consolidated revenues through its substantial production capacity of 129,000 m³ per year of hydrated ethanol. It serves as a base-load asset within the group's energy portfolio, mitigating the seasonality of EPC revenues and supporting the progressive ramp-up of water concessions. The plant also produces electricity and heat from biomass, reducing production-related energy costs while exporting surplus power under PPAs and supplying ethanol to established offtake markets. Brazil's transport fuel mix remains highly dependent on biofuels, supported by long-standing government investment aimed at ensuring supply autonomy and price stability, thereby insulating the economy from crude oil price volatility.

FY24 Revenue breakdown by operating concession/Asset (€m)				
Concession	Country	Segment	Sales	%
SAO JOAO	Brazil	Bioenergy	97.1	41.8%
SPP1	Algeria	Solar thermal energy	54.8	23.6%
SEDA & AEB	Morocco	Water desalination	52.1	22.4%
ACCRA	Ghana	Water desalination	23.4	10.1%
KHI SOLAR ONE	South Africa	Solar thermal energy	3.1	1.3%
San Javier	Chile	Solar PV	1.6	0.7%
Total			232	100.0%

Source: Cox, EthiFinance

The scope of the recently announced full acquisition of IBE MEX includes 15 operating power plants with 2.6 GW of capacity (1,368 MW of combined cycle and cogeneration plants and 1,232 MW of wind and photovoltaic assets), as well as commercial activity and the portfolio of projects under development, which Cox intends to bring into operation in the future. With this acquisition, Cox is set to evolve into a pure-play infrastructure operator, whereby we expect 80–85% of EBITDA to be derived from regulated water and energy concessions across its six strategic countries/regions: Mexico, Brazil, Chile, Spain, Central ARC (Panama, Guatemala, Colombia, Ecuador), and MENA (Middle East and North Africa).

Despite its smaller scale relative to Spanish peers such as Acciona and Aqualia, Cox achieved a leading EBITDA margin of 35% in FY24 (vs 25% for Aqualia and 8% for Acciona). This margin outperformance reflects Cox's operational concession portfolio, whereas peers such as Acciona continue to carry projects under construction, which temporarily depress margins. A comparable peer, GS Inima (rated BBB by EthiFinance Ratings), active across the full water lifecycle and operating desalination assets in MENA and LATAM, posted an EBITDA margin of 27% for FY24, also constrained by projects under construction.

A key competitive advantage for Cox within the water utilities sector lies in its strategic alliance with AMEA Power, a UAE-based independent power producer (IPP) and Cox shareholder (3.76%). AMEA Power's 20-year regional presence and 2.6 GW renewable energy portfolio (in operation and under construction) position both groups to jointly capture water concession opportunities—estimated at over 2.1 million m³/day currently under tender, by combining technical expertise, regional know-how, and complementary capabilities in energy and water infrastructure.

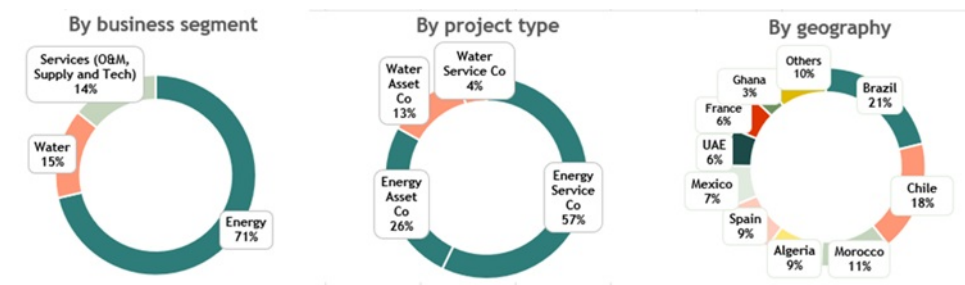
During its Capital market day (CMD), Cox has emphasized its long-term concessions operations across its key strategic regions and outlined its new asset rotation strategy, following the announced acquisition of IBE MEX. This shift will position the group to control and operate desalination and energy generation and transmission assets, thereby broadening its revenue base and enhancing long-term growth visibility.

- **A strong diversification across geography and asset type, albeit at the cost of an upcoming exposure to the Mexican market**

In FY24, the EPC segment accounted for 67% of consolidated revenues, reflecting Cox's continued role in engineering and procurement across water, transmission, and generation projects. Construction activities are largely outsourced to local partners to optimize costs and mitigate execution risks, except in the transmission segment, where in-house construction capabilities enable greater cost control and project efficiency with limited downside exposure.

International operations represented 91% of total revenues in 2024, demonstrating broad geographic diversification across Brazil, Chile, and Morocco. However, following the integration of IBE MEX's assets, Mexico (rated in the BBB category by international and local rating agencies) is set to become the group's largest market introducing both scale and concentration effects.

FY24 revenues breakdown:



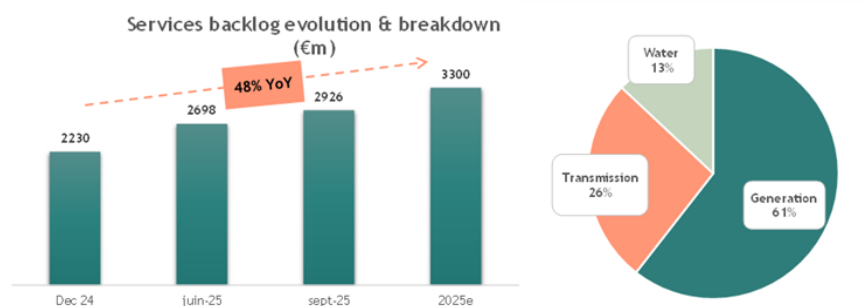
Source: Cox, EthiFinance

EBITDA breakdown:

EBITDA breakdown. Millions of €.								
	2023		2024		1H 2024		1H 2025	
	EPC/ Services (Service Co)	Projects/ Concessions (Asset Co)	EPC/ Services (Service Co)	Projects/ Concessions (Asset Co)	EPC/ Services (Service Co)	Projects/ Concessions (Asset Co)	EPC/ Services (Service Co)	Projects/ Concessions (Asset Co)
Water	-1.0	29	-9.0	45	-5.0	24.0	-4.0	22.0
Energy	9.0	75.0	44.0	89	31.0	28.0	28.0	35.0
Services	2.0	-	8.0	-	7.0	-	8.0	-
- O&M	1.0	-	99.0	-	9.0	-	9.0	-
- Supply	2.0	-	-	-	-1.0	-	-1.0	-
- Tech	-1.0	-	-1.0	-	-1.0	-	-	-
Governance	-11.0	-	6.0	-	-4.0	-	-7.0	-
Total	-1.0	104.0	49.0	134.0	29.0	52.0	25.0	57.0

Under EthiFinance Ratings forward-looking base case, Mexico is projected to account for 60–65% of 2026 revenues (vs. 7% in FY24) and 65–70% of FY26 EBITDA (vs. 4% in FY24). While the acquisition is transformative, integrating approximately 2.6 GW of operating solar, wind, and thermal capacity, it will materially increase Cox's exposure to foreign exchange risk. In addition, sovereign and regulatory risk in Mexico remains a key credit consideration, as policy uncertainty or political shifts could weaken long-term contractual and regulatory visibility in the energy sector.

The ServiceCo segment is characterized by structurally low and volatile profitability, in contrast to the AssetCo business, which generates the bulk of the group's EBITDA with stable margins ranging between 50% and 60% over FY23 to 1H25. The ServiceCo segment was loss-making in FY23, but reached break-even in 1H24, delivering an EBITDA margin of 14%, followed by 10.4% for FY24 and 6% in 1H25. The volatility in ServiceCo margins stems primarily from the turnkey nature of EPC contracts, which are fixed-price and procurement-heavy. Under these structures, revenues recognition aligns with material delivery, while margin realization is back-loaded until contractual milestones are achieved. As a result, profitability does not scale proportionally with revenues growth. Furthermore, under IFRS 9, interest income capitalized into revenue generates accounting uplifts without immediate EBITDA contribution, as this primarily increase receivables rather than cash earnings.



Source: Cox, EthiFinance

The ServiceCo backlog stood at €2.9bn as of end-September 2025 and is projected to reach around €3.3bn by year-end, equivalent to 7.0x the segment's FY24 revenues. Of this total, 87% corresponds to engineering services and 13% to O&M activities. The 48% year-on-year increase reflects the sustained growth momentum of the EPC business. The aggregate backlog carries an estimated EBITDA margin of around 10%. Nevertheless, the sizeable backlog underpins solid internal execution capacity, which is strategically important as it supports the construction and operational ramp-up of concession assets, thereby reinforcing the group's vertical integration and long-term value creation potential.

Following the acquisition of IBE MEX, Cox will integrate 15 operating assets while retaining the existing local management team, ensuring operational continuity. The asset portfolio is at an early stage of its lifecycle, with an average age of 7 years and a remaining useful life of 20 years, implying no near-term need for modernisation CapEx. Through this transaction, Cox has consolidated its presence in a fragmented market by acquiring one of Mexico's leading power suppliers with an estimated 25% market share. The portfolio generates predictable cash flow, supported by fixed and pass-through tariff structures covering around 90% of 2025 generation contracts. In addition, given the historical presence of the group in the country, the acquisition should create synergies with upcoming desalination concessions in the pipeline in the country through potential advantage on electric supply due to vertical integration.

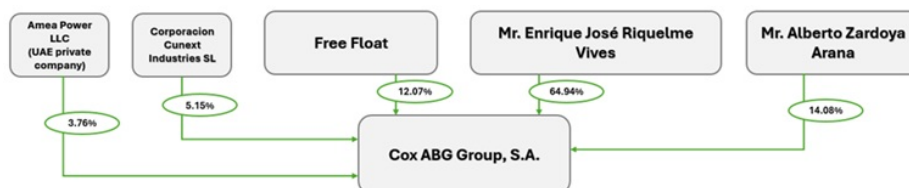
IBE MEX operating capacity		
Technology	Installed capacity (MW)	%
CCGT (Thermal)	1166	45%
Solar PV	643	25%
Wind	590	23%
Cogeneration	202	8%
Total	2601	100%

Source: Cox, EthiFinance

EthiFinance views the acquisition as a transformative transaction in the LATAM energy sector, positioning Cox as a diversified infrastructure operator with a higher proportion of regulated, concessions-based earnings. This strategic shift from an EPC-driven model to a water and energy utilities platform with high-margin, long-term assets is expected to strengthen cash flow visibility and support our credit rating.

Shareholder Structure and Governance

• Shareholder structure (As of 30 June 2025)



Source: Cox, EthiFinance

• Listed company with a shareholding structure that remains controlled by the founding shareholder

Cox maintains a concentrated ownership structure, with its founder and executive chairman, Enrique José Riquelme Vives, holding a 65% controlling stake as of end-June 2025. The second-largest shareholder, Alberto Zardoya Arana, owns 14.1%, while the remaining equity is dispersed among minority shareholders, including a free float of about 12%. The November 2024 IPO attracted participation from local and international investors such as AMEA Power, Corporación Cunext, and Attijariwafa Bank, which took minority stakes.

The company's governance framework is composed of a 12-member board, of which 9 are independent, providing a sound counterbalance to concentrated ownership. The separation of the chair and CEO roles further strengthens governance by helping towards an effective balance of power.

• Experienced management with strong knowledge of the sector and a clearly defined growth strategy

Cox's management team, led by CEO Ignacio Moreno (appointed in September 2023) and chairman Enrique Riquelme Vives, has transformed the group from a small EPC-oriented company with no concessions asset-base into a diversified global infrastructure operator spanning water and energy utilities across generation, supply, and transmission. Over the past two years, the group has executed a clear growth strategy marked by a number of milestones:

- (i) the acquisition of Abengoa's assets in August 2023 following its bankruptcy;
- (ii) the IPO on the Spanish Stock Exchange in November 2024; and
- (iii) the announced acquisition of IBE MEX for an enterprise value of \$4.2bn, expected to close by mid-2026.

EthiFinance Ratings views management's strategy of acquiring operating, cash-generative assets, such as those of IBE MEX, as credit supportive on the long-term, given their anticipated contribution of 80% to 85% to total AssetCo EBITDA generation (from a previously expected 67% for 2025). However, we expect the planned debt-funded structure (up to 90% at the level of Cox's consolidated group) of this transaction to weaken credit metrics in the short term, notably by significantly increasing net leverage and reducing interest coverage, pointing to a more aggressive financial

policy for our forecast period.

- **Positive company ESG score**

Based on the group's ESG disclosures, EthiFinance's internal ESG score for Cox improved in 2024 to a range of (1.0 – 1.5), resulting in a half-notch uplift in the group's financial profile sub-rating and reflecting an overall strengthening of its ESG positioning. Governance remains the strongest pillar, supported by a high board independence ratio of 75% and the separation of executive and oversight roles. The social pillar also showed year-on-year improvement, with better performance across key indicators such as employee turnover, average training hours, and the proportion of women in management. On the environmental front, Cox achieved reductions of 8% in energy intensity and 5% in GHG emissions intensity. 2024 serves as the baseline year for ESG performance monitoring; accordingly, detailed milestones and target tracking are set to be disclosed from the 2025 ESG report onward.

Financial Risk Profile

Sales and Profitability

- Strong growth in ServiceCo revenues and backlog

Profitability. millions of EUR				
	FY23	FY24	1H25 ⁽¹⁾	24v23%
Turnover	581	702	498	21.0%
Gross Margin	77.0%	80.6%	60.2%	3.6pp
EBITDA	103	183	81	77.4%
EBITDA Margin	17.8%	26.1%	16.3%	8.3pp
EBIT	61	115	51	88.9%
EBIT Margin	10.5%	16.4%	10.2%	5.9pp
Financial expenses	(41)	(32)	(22)	22.3%
EBT	20	83	29	325.3%

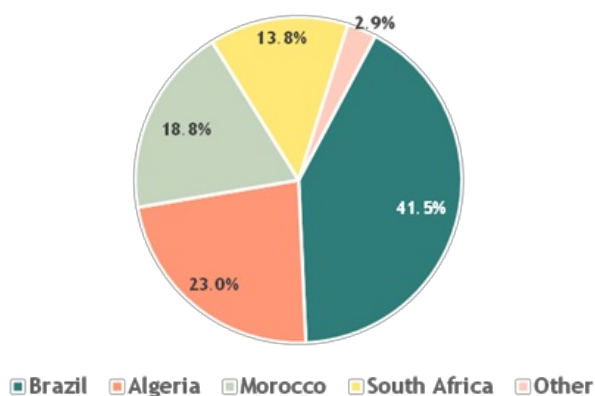
(1) 1H25 figures are based on company reported and unaudited figures

In FY24, Cox delivered strong revenues growth of 21%, driven by the ramp-up in both EPC and O&M (ServiceCo) and concessions (AssetCo) activities following the integration of Abengoa's assets and the completion of 2024 services backlog. Brazil remained the group's main EBITDA contributor, supported by the São João bioethanol plant, which benefits from lower energy costs due to biomass-based electricity generation. Concessions accounted for 73% of FY24 EBITDA, while 77% of revenues stemmed from EPC/O&M (ServiceCo), highlighting the structurally lower profitability of the EPC segment. Of the €134m EBITDA generated by concessions, 80% was derived from energy assets, with water-related EBITDA generated only from the Agadir desalination plant in Morocco and the Accra plant in Ghana.

The EBITDA margin increased to 26.1% in FY24 from 17.8% in FY23. However, profitability was weighed down by losses in Spain, where EBITDA was a negative €41.3m (vs -€5.6m in FY23), reflecting the concentration of headquarters and shared-service costs that are not covered by local revenues. For example, Cox Global Services S.L., the Spanish service platform, reported €21.1m in contracting costs within ServiceCo.

Group profitability remains constrained by the low-margin EPC segment, which recorded EBITDA margins of 10% in FY24 and 6% in 1H25, compared with substantially higher margins of 57% and 50% in the AssetCo portfolio over the same periods. Following the integration of IBE MEX into the portfolio, we expect the consolidated EBITDA margin to stabilise within a 22–26% range, in line with IBE MEX's FY24 margin of 22%.

Breakdown of FY24 EBITDA by geography (in%)



Source: Cox, EthiFinance

Leverage and Coverage

- Historical credit ratios above the thresholds for our current rating, resulting from a strong credit profile

Net debt and interest coverage calculations. Millions of EUR			
	FY23	FY24	1H25 ⁽¹⁾
LT debt	214	251	301
At the level of concessions (SPVs)	163	206	238
At the corporate level	51	45	63
ST debt	66	113	101
At the level of concessions (SPVs)	56	84	41
At the corporate level	10	30	60
Total Financial Debt (Reported)	280	364	402
Employee Benefits	1	0	1
Other debt adj. (Judicial settlements and debt related to Abengoa)	32	51	43
Confirming without recourse	-	1	6
Debt at minority level	55	83	79
Syndicated guarantee facility fee	10	11	9
Total Financial Debt (Adjusted)	378	510	540
Cash & cash equivalents (-)	(98)	(187)	(229)
O/w restricted cash (+)	44	46	37
Net Financial Debt (Adjusted)	325	369	348
LTM EBITDA at year-end	103	183	184
Adj NFD / LTM EBITDA	3.1x	2.0x	1.9x
Debt interest expenses	(41)	(32)	(22)
LTM EBITDA / Interest	2.5x	5.7x	8.3x

(1) 1H25 figures are based on company reported and unaudited figures

Over the analysis period, recourse debt at the corporate level represented an average of 25% of total gross debt. As of end-June 2025, Cox had drawn €24m from its green revolving credit facility (RCF), of up to €32.5m, and €34m under its green MARF notes (up to €50m), together constituting the bulk of recourse debt at the parent level. In July 2025, the company issued a five-year U.S. private placement (USPP) totaling \$115m at a fixed rate of 6.9%. Project finance (PF) debt at the level of SPVs remains the predominant component of total gross debt. The largest single PF relates to the Moroccan desalination plant, amounting to €143.5m and maturing in 2044. Project debt maturities are unequally amortized throughout the coming years, with a portion of c. €124m falling due by 2028, limiting refinancing risk and easing pressure on liquidity. Each PF financing is typically denominated in local currencies (BRL, MAD, ZAR, DZD), naturally hedged by corresponding local-currency cash flows, although the company remains exposed to exchange rate negative swings between the USD and EUR and some local currencies, which occurred in 1H25 with a negative FX impact of €9m (against a positive €6.9m in 1H24). In addition, the vast majority of the Mexican offtake contracts are denominated in USD, therefore, the FX risk related to IBE MEX is limited.

In line with EthiFinance Ratings' methodology, our debt adjustments include minority PF debt (non-recourse), confirming without recourse, RCF amortizable fees, and other debt-like items related to judicial settlements mainly arising from the Abengoa asset acquisition. Cash adjustments exclude funds restricted by financing clauses or other conditions, as reported by the company. Based on these adjustments, net adjusted debt stood at €369m at end-2024 and €348m at end-June 2025, corresponding to a net adjusted leverage ratio of 2.0x at end-2024, a level we consider solid for an infrastructure and EPC operator.

For the 2026-28 forecast period, we expect Cox to invest €2.3bn of bond proceeds for the acquisition of IBE MEX and to execute an ambitious investment plan of €6.8bn, which is expected to be 80% debt-funded. As such, we forecast the net adjusted debt to increase significantly to €5.8bn at end-2026, €7.7bn by 2027, and €9bn by 2028. The net adjusted leverage ratio is poised to deteriorate accordingly to 7.5x at end-2026 before stabilising around 6.4x for 2027 and 2028.

The PF debt is located across emerging markets and carries a mix of fixed and floating interest rates, ranging from 3.8% for Algeria's SPP1 energy concession to 12.2% for South Africa's Khi Solar One. Our calculation of interest costs includes debt at minority-held SPVs, reflecting the full financing burden associated with the underlying projects. The interest coverage ratio strengthened materially, improving from 2.5x in FY23 to 5.7x in FY24, a level we view as adequate for the current rating. However, the upcoming acquisition and CapEx debt financing package, including a new issuance of a €2.3bn bond in the US bond market, is likely to weigh on the interest coverage ratio due to higher interest expenses. As such, we expect the interest coverage ratio to be down to 2.7x on average throughout our forecast period of 2026-28.

Cash Flow Analysis

- Low operating cash flow generation, reflecting the heavy growth of Cox and strong exposure to EPC

Cash flow, millions of EUR				
	FY23	FY24	1H25 ⁽¹⁾	24vs23
Funds From Operations (FFO)	56.5	39.1	2.1	-30.9%
+/- WK changes	(31)	(25)	(35)	19.5%
Operational Cash Flow	25.7	14.3	(32)	-44.5%
Net Investment Cash Flow	115	(49)	(43)	-142.8%
IFRS 16 lease repayments	(8)	(9)	(6)	-18.4%
Free Cash Flow	133	(44)	(82)	-133.0%
+/- changes in capital	-	163	(8)	NA
- Dividends	-	-	-	NA
Cash Flow Generated Internally	133	119	(90)	-10.4%
+/- debt variation	(37)	(28)	41	25.1%
+/- changes in exchange rates	-	(3)	(3)	NA
Cash Variation	96	89	(52)	-7.4%
Cash at the start of the period	2	98	187	5064.4%
Cash at the end of the period	98	187	135	90.8%

Cox has been operating mainly as a contractor rather than an infrastructure operator. This reflects the low conversion rate of EBITDA into operating cash flow due to cash outflow at the level of working capital which has been negative in FY23, FY24 and 1H25. This is mainly caused by receivables build-up (48% increase between FY23 and 1H25) due to project phasing and a strong portfolio of projects under work-in-progress status. The cash flow generated internally was driven in FY23 by the significant net cash position of the Abengoa assets acquired under a bankruptcy liquidation operation, for which Cox paid a small upfront payment of €7.7m and €22.7m of earn-outs. In FY24, the €163m of proceeds from the IPO in November 2024 have helped sustain the cash generated internally. During our forecast period, we expect the latter to be significantly negative on average due to the ambitious investment plan implemented by the company.

Capitalisation

- A healthy capitalisation ratio amidst a strong growth phase, but one expected to weaken following the integration of IBE MEX

Between FY23 and 1H25, Cox's total assets increased by 41%, driven by the capitalisation of project assets and the build-up of receivables related to concessions under construction and EPC activities. These receivables represented 43% of total assets in FY24 and 53% in 1H25. As outlined in the cash-flow analysis section above, this concentration reflects a long cash-conversion cycle, with significant funds tied up in working capital, increasing reliance on short-term financing instruments and drawdowns under the RCF. While revenues recognition ahead of cash collection is typical for EPC operators, Cox remains exposed to liquidity strain, counterparty risk and cash-flow volatility.

In FY24, Cox's equity base increased by 205%, driven primarily by €163m in IPO proceeds and €42m in retained earnings. As a result, the capitalisation ratio strengthened to 65.1% (vs 28.7% in FY23). However, from 2026 onward, we expect this ratio to fall to an average of around 17% throughout our forecast period, reflecting the substantial debt burden associated with the acquisition financing of IBE MEX as well as the additional debt required to fund CapEx.

Liquidity

- A 'Good' liquidity assessment reflecting significant CapEx pressure on internally generated free cash flow

Under our methodology, Cox's liquidity profile is 'Good', reflecting the sizeable €6.8bn investment plan scheduled for 2026–28. Under a scenario of restricted access to external financing, we expect the company to be able to cover its upcoming 24-month debt maturities through internally generated cash flow. However, the refinancing profile is assessed as 'Weak', given the high sensitivity of the company's current financial profile to adverse refinancing conditions, such as restrictive covenants or unfavourable terms.

Modifiers

Controversies

Over the course of our analysis, we have not identified any controversy with a material impact on our rating.

Country Risk

Cox operates primarily in emerging markets under long-term contracts with public or semi-public counterparties, which inherently exposes the company to sovereign credit risk in each jurisdiction. This exposure is driven by local economic, political, and regulatory conditions—particularly relevant in Brazil, which accounted for 41.5% of FY24 EBITDA, and in Mexico, where 65% to 70% of FY26e EBITDA is expected to be generated. However, this risk is mitigated by Cox's solid operational track record in both countries, as well as by long-term, fixed-charge and highly predictable supply contracts with a diversified client base across its Mexican concessions portfolio. These features enhance cash flow visibility and resilience, reducing the sensitivity of the company's credit profile to macroeconomic volatility. Accordingly, we do not consider a country-risk modifier to the anchor rating to be warranted at this stage.

Financial projections

Our key assumptions are based on the management business plan and our own assumptions following our discussions with the management team. In this regard, our main financial projections are the following :

- Post-acquisition revenues of €3.9bn in FY26, mainly driven by the integration of IBE MEX assets and the €2.9bn ServiceCo backlog at end-September 2025. A 59% revenues growth between 2026 and 2028, driven by the significant CapEx plan.
- An EBITDA margin of 21% on average throughout our forecast period (2025-28).
- A CapEx plan of €6.8bn between 2026 and 2028, linked to generation and water concessions in strategic regions.
- Asset rotation proceeds of €360m between 2027 and 2028, linked to minority held assets located mainly in the Middle East.

Main Financial Figures

Main financial figures, millions of EUR							
	FY23	FY24	2025e	FY26e	FY27e	FY28e	24v23%
Turnover	581	702	1,029	3,890	5,611	6,175	21.0%
EBITDA	103	183	201	778	1,201	1,420	77.4%
EBITDA Margin	17.8%	26.1%	19.5%	20.0%	21.4%	23.0%	8.3pp
EBIT	61	115	103	486	780	957	88.9%
EBIT Margin	10.5%	16.4%	10.0%	12.5%	13.9%	15.5%	5.9pp
EBT	20	83	70	211	350	400	325.3%
Total Assets	995	1,389	3,685	7,215	10,852	13,286	39.6%
Equity	109	332	369	910	1,292	1,543	206.0%
Adj Total Financial Debt ⁽¹⁾	379	510	686	6,044	8,523	10,279	34.8%
Adj Net Financial Debt ⁽¹⁾	325	369	538	5,844	7,739	9,084	13.8%
Equity/ Adj TFD ⁽¹⁾	28.7%	65.1%	53.8%	15.1%	15.2%	15.0%	36.4pp
Adj NFD/ EBITDA ⁽¹⁾	3.1x	2.0x	2.7x	7.5x	6.4x	6.4x	-1.1x
Funds From Operations	56	39	67	429	642	714	-30.9%
FFO/ Adj NFD ⁽¹⁾	17.4%	10.6%	12.4%	7.3%	8.3%	7.9%	-6.8pp
EBITDA/Interest	2.5x	5.7x	6.1x	2.8x	2.8x	2.5x	3.2x

⁽¹⁾ The adjusted net debt includes employee benefit obligations, debt at minority level, confirming without recourse and other debt adjustments related to judicial settlements, while

it excludes restricted cash

Credit Rating

Credit Rating	
Business Risk Profile	BBB+
<i>Industry risk assessment</i>	<i>A+</i>
<i>Industry's ESG</i>	<i>Positive</i>
<i>Competitive Positioning</i>	<i>BBB</i>
<i>Governance</i>	<i>BB</i>
Financial Risk Profile	BB-
<i>Cash flow and leverage</i>	<i>BB-</i>
<i>Capitalisation</i>	<i>CCC</i>
<i>Company's ESG</i>	<i>Positive</i>
Anchor Rating	BB+
<i>Modifiers</i>	<i>-</i>
Rating	BB+

Rating Sensitivity

- **Positive long-term factors (↑)**

We could consider an upgrade of the long-term rating in the event of a material improvement in the company's financial profile. A trigger for such an improvement could be a net adjusted leverage equal to or below 5.4x, and an interest coverage ratio equal to or above 3.3x, on a sustained basis.

- **Negative long-term factors (↓)**

We could downgrade the long-term rating if the company's credit metrics deteriorate beyond our expectations. Such a deterioration could occur if the net adjusted leverage is equal to or above 8.0x, and an interest coverage ratio equal to or below 2.3x, on a sustained basis.

Sources of information

The credit rating assigned in this report has been requested by the rated entity, which has also taken part in the process. It is based on private information as well as public information. The main sources of information are:

1. Annual Audit Reports.
2. Corporate Website.
3. Information published in the Official Bulletins.
4. Rating book provided by the Company.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
 - Corporate Rating Methodology - General : <https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203>
 - Corporate Rating Methodology - General : <https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203>
- The rating scale used in this report is available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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