

SOFICO improves its cash flow at the end of the 2020 fiscal year and is positioning itself as a support for Walloon recovery in 2021

20 January 2021

At the close of a turbulent year – marked by the completion of ambitious projects and the economic slow-down caused by the health crisis – SOFICO has improved its cash-flow position, as of 31 December 2020. The company is ideally positioned to support Walloon recovery and tackle the 2021 fiscal year, which will see the accelerated deployment of the “Infrastructure and mobility for all plan 2020–2026” (PIMPT).

Cash-flow position as of 31 December

As of 31 December 2020, SOFICO’s net cash-flow position amounted to €49.5 million¹, as opposed to €6 million as of 31 December 2019.

Cash flow has significantly improved compared to the previous fiscal year, following quality performance in two key parameters: (i) the collection of revenue for the mileage tax for heavy-goods vehicles and (ii) payments related to the speed of work on sites, which were both affected by the lockdowns during the 2020 health crisis.

Activity on the financial markets

In order to better align the maturity of its liabilities with the duration of the infrastructural assets financed (“asset-liability management”), SOFICO has extended the maturity of its short-term debts. During the 2020 fiscal year, in light of the volatility of the financial markets, the company was able to convert 80% of its MTN (“Medium Term Notes”) financing programme from the short term (annual maturity) to the long term. This refinancing involved bond issues totalling €152 million during the 2020 fiscal year, with an average maturity of 20.3 years.

¹ Unaudited accounts as of 31 December 2020. The annual accounts for the 2020 fiscal year, as audited by the board of auditors, will be published in May 2021, following their approval at the company’s general shareholders’ meeting.

Forecasts for 2021

The company will continue its refinancing in 2021 by issuing long-term bonds. The total debt to be issued as part of the MTN programme was increased from €190 million in 2020 to €220 million in 2021, in order to finance the accelerated deployment of the "Infrastructure and mobility for all plan 2020–2026" (PIMPT). As a result, the company is ideally positioned to continued its activities in 2021 and thus support economic recovery in Wallonia.

Flagship activities during the past fiscal year

In spite of the Coronavirus crisis, SOFICO was able to continue to launch, and occasionally expand, projects concerning its various activities in 2020.

In particular, it has continued the construction of two missing links in the trans-European transport network:

- **On the waterway: the large gauge (9,000 tons) for the Ampsin-Neuville lock site.** Works to construct the "small" lock (225 x 12.5 metres) for the site continued in 2020. Once it is operational in the second half of 2021, it will allow navigation for the construction of the lock with large clearance (225 x 25 metres).
- **On the road network: The construction of the final phase of the Couvin or E420 motorway bypass,** which involves constructing a tunnel (which can already be driven through) under the railway line at Frasnes-lez-Couvin, continued **in 2020**. This project is expected to be completed in the second quarter of 2021.

When it comes to the structuring road network, SOFICO's priority is to provide infrastructure that combines safety, comfort and fluidity. The endeavours of recent years have been continued in 2020, in particular, by combining projects that aim to replace the upper layers on our roads (preventative maintenance to prevent more in-depth interventions) and subsequent repairs that have become necessary. For 2020, in particular, these include:

- the completion of the repairs on the Pommerœul bridge on the E42/A16;
- the end of the repair project on the motorway between Obourg and Jemappes in the direction of France on the E42–E19/A7;
- the completion of the four-lane conversion on the motorway between Alleur and Loncin on the E40/A3;
- the continued development of a direct link between Exit 8A "Louvain-la-Neuve" and the P+R car park on the E411/A4;

- the restoration of the road surface between Wavre and Louvranges in the Namur direction on the E411/A4;
- the continued repair of the Tenneville crossing on the N4, as well as the completion of the repairs and securing of the road between Arlon and Steinfort;
- the continued reconstruction of the Goulet de la Darse bridge in Hautrage.

The second half of 2020 is marked by the launch of **SOFICO's Plan to relaunch road works**, which includes many projects that have already been completed or started. These works, which began very shortly after the validation of the Plan on 10 July 2020, all stem from the PIMPT. For example, we can mention:

- the repair of the road surface between Peruwelz and Vaulx in the Tournai direction on the E42/A16;
- the repair of the road surface between Sprimont and Tilff in the Liège direction on the E25/A26;
- the repair of the road surface between Chainieux and Lambermont on the E42/A27;
- securing the E429/A8 through the creation of a roundabout at interchange 25, "Hoves/Petit-Engnien" (expected to be completed by summer 2021);
- securing the road between Andenne and Namur on the N90 (which will be completed in 2021);
- the repair of the road surface between Marche and Baillonville on the N63 (which will be completed in 2021).

In conjunction with the major investments made in the infrastructure of the structuring road network, SOFICO continued **to implement "smart motorways"** in 2020, **by developing projects pertaining to smart-transport systems**. These dynamic traffic-management projects make it possible to more effectively manage the existing infrastructure, in order to ensure more fluid journeys through better information about users:

- To this end, the renewal of the PEREX Centre's SAGT (Traffic-management-assistance information system), which was launched in early 2020, will permit a greater understanding of activities in the network and, as a result, faster assistance for any event during the course of 2021.
- The implementation of TRADEMEX projects (which aim to anonymously collect information about users' journeys based on the type of vehicle) and C-Roads (a European pilot project that involves a dialogue between infrastructure and vehicles) has been continued.

In 2020, **the modernisation of road lighting continued on the structuring network**, through the implementation of the Lighting 4.0 plan. This plan aims to replace all sodium lighting with LEDs. The brightness of these will be regulated with programmed sensors, or, in some places, instantaneously. Their brightness can also be controlled remotely from the PEREX centre, based on traffic, time,

weather conditions, presence of road works or even accidents. These LED lights are more environmentally friendly, cheaper and also offer better colour rendering and less blurry lighting, which further improves visibility and safety for users. Approximately 21,000 lights have been modernised to date (equalling lighting for more than 700 kilometres of road) and nearly 45,000 posts have been audited.

SOFICO also continued to implement its renewable energy agenda during the prior fiscal year. As part of the competitive dialogue that was initiated to develop the **IBE (Low-emissions infrastructure) project, SOFICO selected five candidates after a qualitative selection process in 2020.** The IBE project aims to use any available space in the road network, SOFICO river infrastructure and the Walloon river sector to produce an optimal amount of renewable energy (via wind turbines, solar panels, biomass, etc.). Dialogue has started with the selected candidates.

As part of its concessions programme, which aims to equip waterfalls with dams with **removable hydroelectricity stations, it should be noted that, in 2020, the Grosses Battes (Ourthe), Chanxhe (Ourthe) and Anseremme (Haute-Meuse) stations were being installed,** with a view to being fully operational in 2021.

Finally, as it pertains to its telecommunications activities and, more specifically, its management of the Walloon fibre-optics network, SOFICO launched a **strategic-deployment plan in 2020. This aims to equip economic zones in Wallonia with a THD (very high speed) connection.** The aim is to wire 154 new areas, in less profitable zones, within five years. With 257 zones in total, SOFICO will therefore cover nearly 90% (87%) of zones in Wallonia.

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