ferrovial

1H 2018 Results

26 July 2018

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1H 2018 Highlights

Excellent growth from our infrastructure assets

- **Better performance than expected (2017 CMD)**
- **Traffic increased across the board**
- **Double digit EBITDA growth in main assets**
- **Higher dividends from 407ETR, LHR**

Construction & Services in line with expectations

- **Construction EBIT margin 1.9%**
- **Services impacted by Amey** (BHM provision) **& Australia** (end of immigration contracts)

Proportional reporting

(€ mn)

Proportional EBITDA would've reached €787mn
excluding the impact of BHM provision

68% contribution from Infrastructure assets

REPORTED VS PROPORTIONAL

	REPORTED	PROPORTIONAL
Revenues	5,935	6,432
% Ch	-2.1%	-3.0%
EBITDA	122	550
% Ch	-73.9%	-36.5%
EBIT	-34	269
% Ch	-112.5%	-51.6%

PROPORTIONAL EBITDA

	1H 2018	1H 2017	% CH	% CH LFL
Toll Roads	277	280	-1.1%	7.8%
Airports	259	259	0.0%	2.5%
Construction	52	81	-35.5%	-35.3%
Birmingham	-237	-4	n.s.	n.s.
Services ex-BHM	191	248	-23.0%	-20.3%
Others	7	2	n.s.	n.s.
Total	**550**	**865**	-36.5%	-33.6%
Total ex-BHM	**787**	**870**	-9.6%	-5.4%

Toll roads

(€ mn)

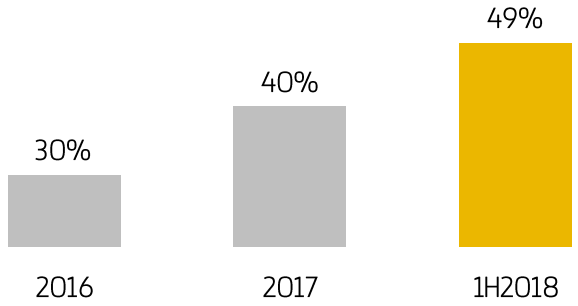
Speeding up

- **Solid financial results LFL**
- **Growing contribution from USA**
- **Higher dividends from toll roads (€138mn)**
  - FER received €130mn from 407ETR (+9% LfL 100% CADmn)
  - Rest of toll roads contributed €7.3mn to FER
- **Opening of NTE35W Managed Lane** (July 2018)
  - Corridor has had fastest traffic recovery from pre-construction levels
  - Improves NTE1-2 connectivity

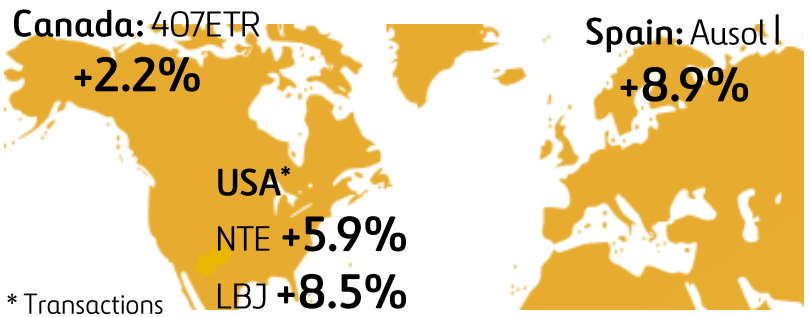
TOLL ROADS RESULTS

	1H 2018	% CH LFL*
Revenues	208	+14.8%
EBITDA	136	+11.4%

USA CONTRIB. TO CONSOLIDATED EBITDA**



TRAFFIC EVOLUTION



* %LFL: change vs 1H 2017 excluding perimeter & FX changes.
** Excluding Headquarters

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407 ETR

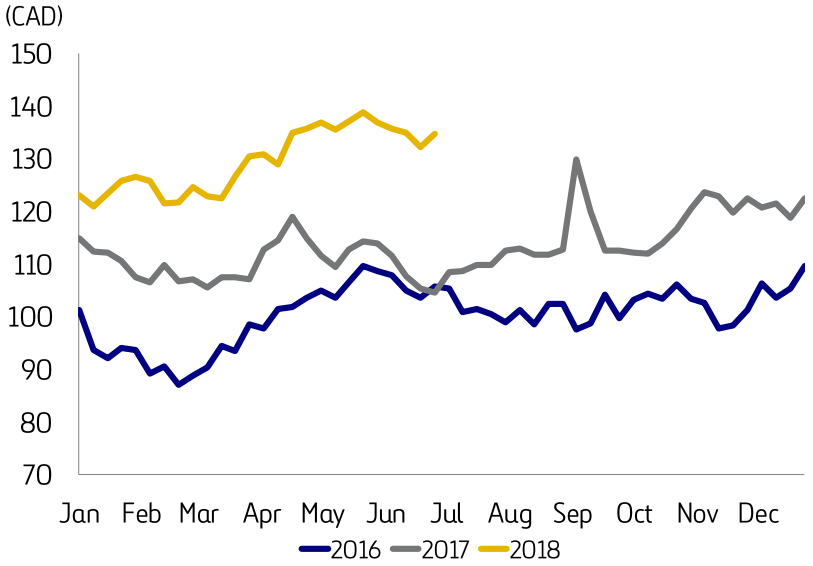
(CAD mn)
Equity method, Ferrovial stake 43%
Toronto, Canada

Solid performance despite 20% higher oil prices

1H 2018 RESULTS

	1H 2018	% CH
Revenues	651	**+10.0%**
EBITDA	570	**+11.4%**
EBITDA mg	87.5%	
Traffic (VKTs'000)	1,292,106	**+2.2%**
Dividends	453	**+9.0%**

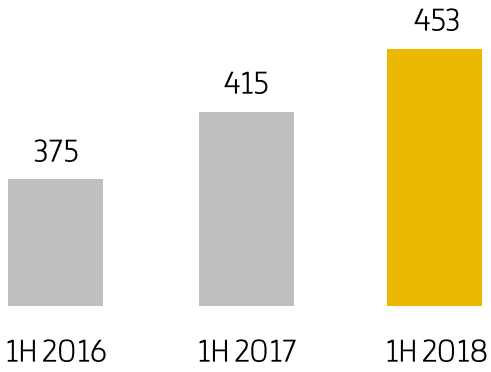
TORONTO GAS PRICES



STRONG ECONOMIC GROWTH

- GDP +2.5% (G.Toronto & Hamilton area)
- Total population +1.7%
- 1.6% unemployment
- Personal Disposable Income +5.8%
- Retail sales +3.5%
- Inflation +2.4%

DIVIDENDS



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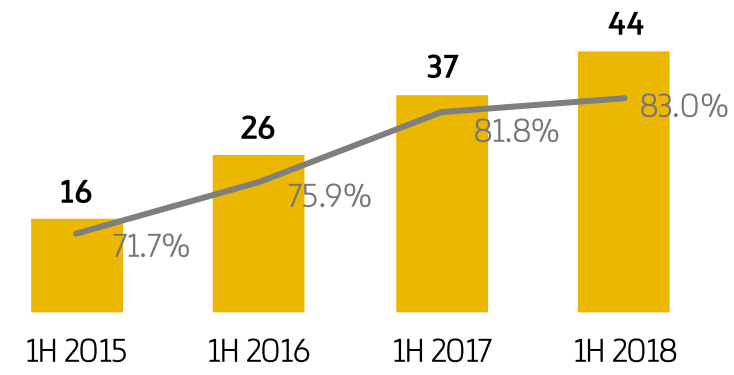
Managed Lanes

(USD mn)
Global Consolidation
Texas, USA

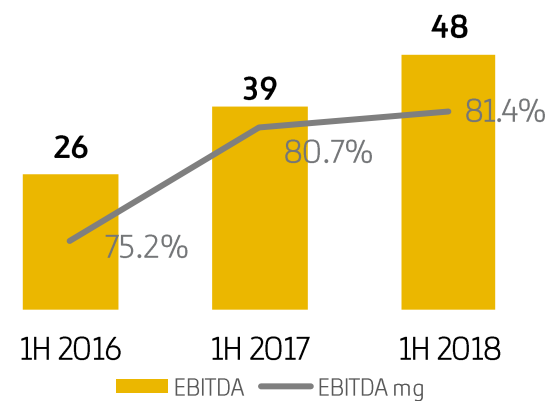
Outstanding performance continues

+18.0%	REVENUES	+24.2%
+19.8%	EBITDA	+25.5%
+5.9%	TRAFFIC *	+8.5%

NTE



LBJ



* Transactions

Managed Lanes

Macroeconomic indicators to support future growth

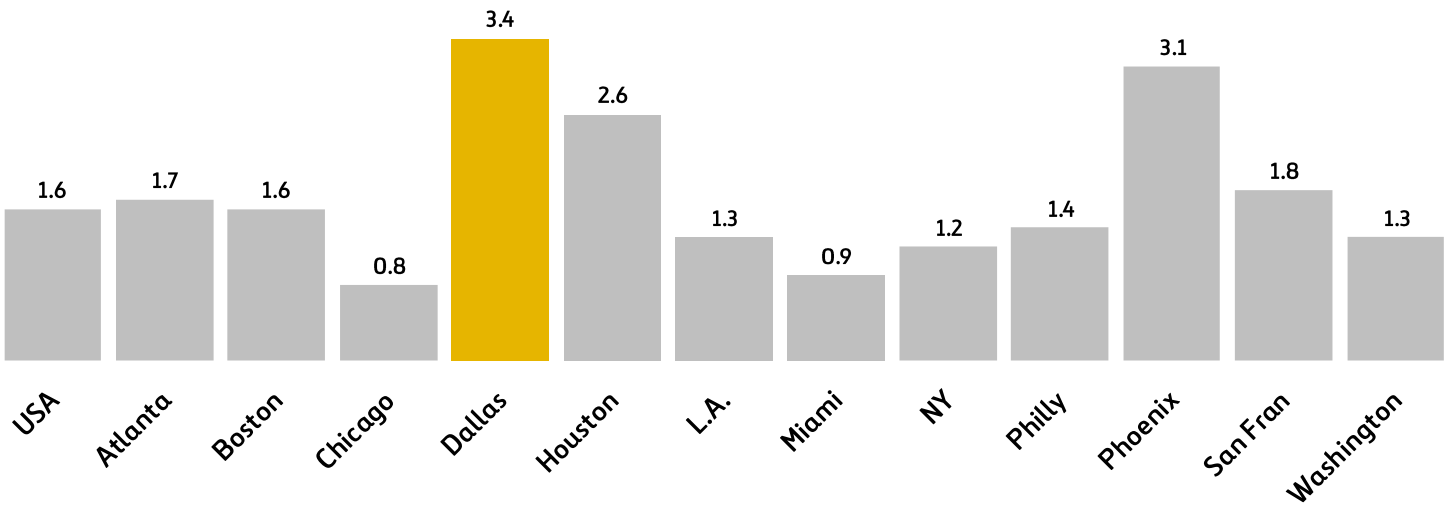
EMPLOYMENT
+3.6%

DFW payrolls 2018/2017

POPULATION
+1.6%

DFW 2018/2017
(1.7x USA average)

TOTAL NONFARM EMPLOYMENT (YOY%) – USA & 12 LARGEST METROPOLITAN AREAS



U.S. Bureau of Labor Statistics

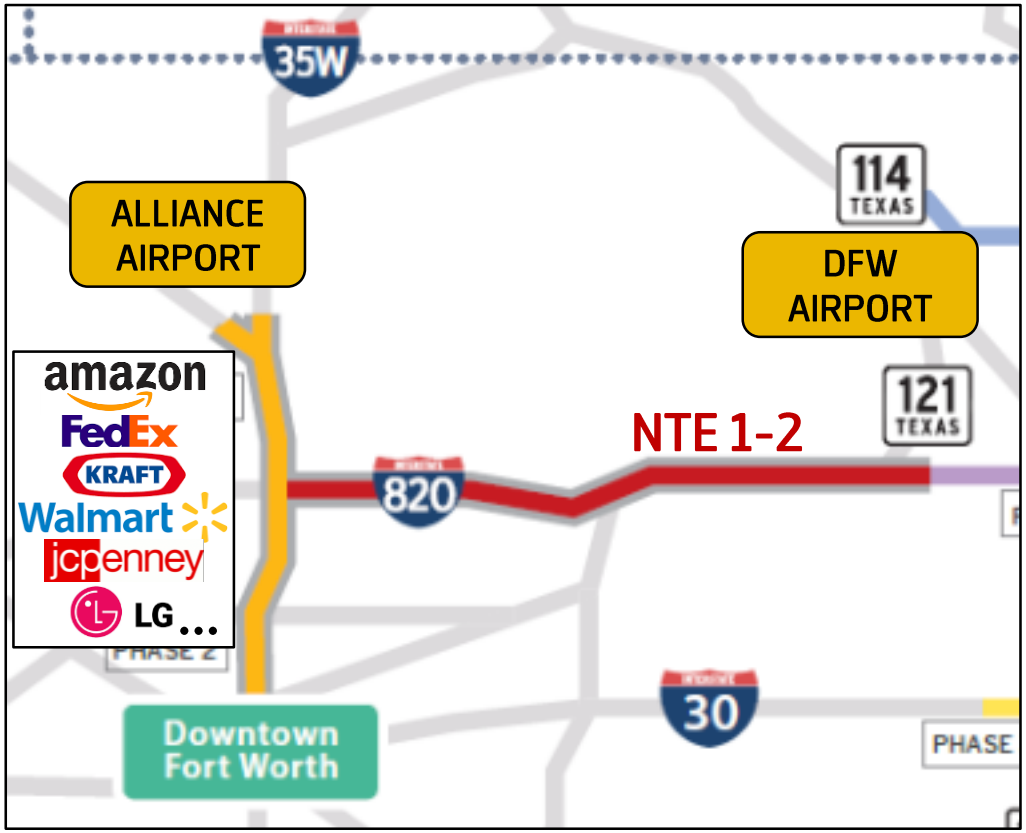
NTE35W

Ferrovial stake 54%, Global Consolidation
Texas, USA

Managed Lanes fully opened July 19th 2018

Area to support strong growth:

- **Alliance Airport** recently expanded
- **Logistic centres** (Amazon, FedEx, Kraft, Walmart, JC Penney, LG.. Etc)
- **Alliance residential and commercial real estate development**



- Ferrovial stake: 53.67%
- Length 10.2 miles
- Concession period remaining: until 2061 (43Y)
- Total investment: $1.3bn

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Airports

(GBP mn)
Equity Method
UK

Strong services standard with outstanding traffic figures

HEATHROW
(FER stake 25%)

All-time high traffic: 38.1mn +2.5%

Revenues: +2.3% **Adj EBITDA:** +1.6%

Lower aero revenue per passenger incentivizes cleaner & quieter aircraft

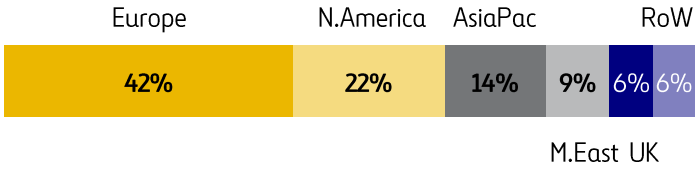
Yield dilution recoverable in 2Y

AIRPORTS TRAFFIC

(Passenger mn)

	1H 2018	% CH LfL
Heathrow	38.1	+2.5%
Intercontinental	19.8	+2.5%
Short haul	18.3	+2.6%

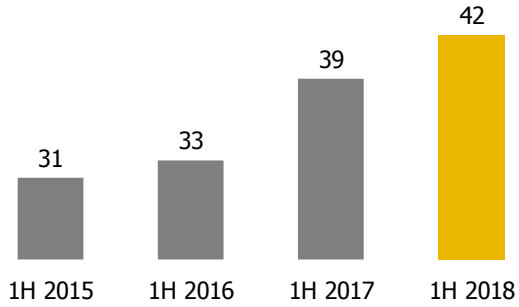
HEATHROW TRAFFIC BY AREA



AGS
(FER stake 50%)

EBITDA +8.7% despite adverse weather affecting traffic (-0.8%) & on the back of favourable retail yield

AGS EBITDA



Heathrow

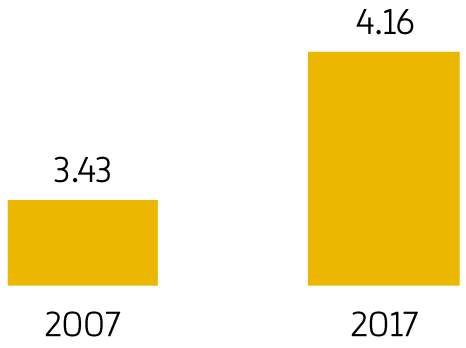
Equity method, 25% stake

UK

$13.8bn invested* to improve passenger experience

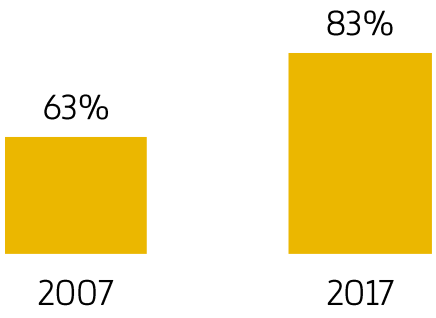
OVERALL SCORE

ASQ score (out of 5)



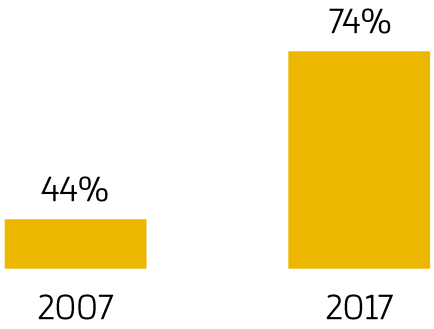
PUNCTUALITY

Departing 15 mins of schedule



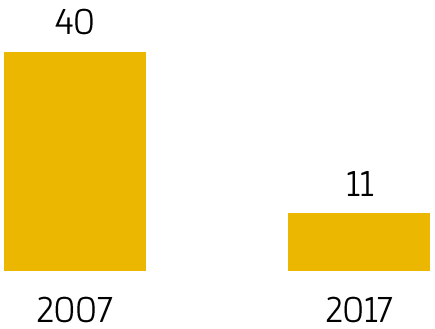
SECURITY

Security as Great/Excellent



BAGGAGE

Baggage Misconnect (per 1000 bags)



* Amount invested since 2006 to 2017

Heathrow

RUNWAY 3 process on track

3,500m new runway NW of Airport

740,000 Total fight movement capacity

130mn passengers per year

Up to 180,000 jobs to be created across UK

Up to $285bn in economic benefits to be generated across the UK

Construction

(€ mn)

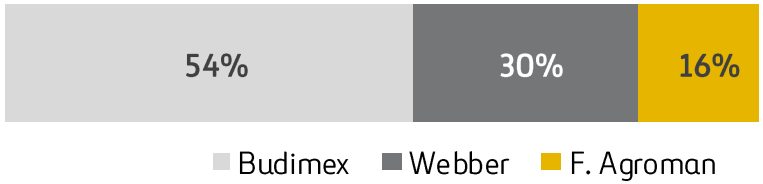
Performance in line with expectations

tighter margins in Poland

RESULTS

	1H 2018	% Ch	% CH LFL
Revenues	2,437	+12.3%	+16.6%
EBITDA	64	-37.5%	-37.2%
EBITDA mg	2.6%		
EBIT	47	-46.4%	-46.5%
EBIT mg	1.9%		
Order book	11,090	-0.5%	-0.7%

EBITDA BY AREA



Year end forecast EBIT margin of 3%

based on provision releases, mainly expected in 4Q

Services

Performance on its way to expected 2018 guidance

EBITDA mg 4.7% ex-BHM provision

UK: 1.5% EBITDA mg ex BHM

- Ex one-offs, EBITDA mg 3.1%

Australia EBITDA mg 2.9%*

Spain: EBITDA mg 10.4%.

Non core business disposals and dividends underway

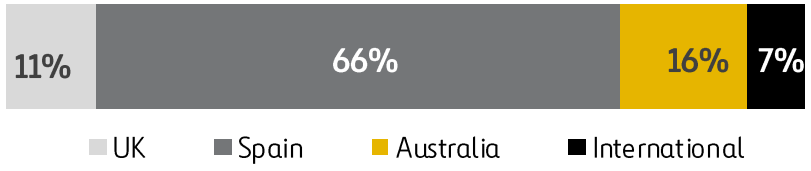
(€ mn)

RESULTS

	1H 2018	% CH	% CH LFL
Revenues	3,238	-11.4%	-7.8%
EBITDA	-83	-139.3%	-140.6%
EBITDA mg	-2.6%		
EBITDA ex-BHM	153	-29.1%	-26.7%
EBITDA mg ex-BHM	4.7%		
Order book	19,084	-1.3%	+0.3%

EBITDA BY AREA*

* Adjusted for the €237mn Birmingham Provision



* RPC (Regional processing centres) contracts ended October 2017

CF & Net debt evolution

(€ mn)

Net cash, ex-infra: €906mn 30 June 2018
vs. €1,341mn Dec 2017

Main drivers of this change included :

- **Dividends & capital reimbursements from projects: +€307mn** (vs +€259mn 1H 2017)
  - €130mn from 407 ETR
  - €87mn from Airports
  - €81mn from Services
- **Larger investments:** -€135mn (vs -€126mn 1H 2017)
- **Fewer divestments:** +€48mn (vs +€167mn 1H 2017, 3.9% Budimex, 51% of Norte Litoral)
- **Higher shareholder remuneration** -€197mn (vs-€129mn 1H 2017)
- **Working capital** at -€482mn (vs -€529mn 1H 2017)

Delivering today …

- **Strong performance from Infrastructure assets**
  - Assets performed better than expected in 2017 CMD
  - Growing dividends from Infrastructure
  - RW3 approval
  - Full opening of NTE35W
- **Construction & Services expected to improve margins at year-end**

… looking forward

Mitigating risks in contracting

Capital allocation focused on infra projects, mainly in the US

NTE & LBJ to pay dividends in 2019 - 2020

Q&A

Construction & Services results

(EURmn)

SERVICES

	1H 2018	1H 2017	% CH LFL
Revenues	3,238	3,654	-7.8%
EBITDA	-83	212	-140.6%
EBITDA margin	-2.6%	5.8%	
Order book*	19,084	19,329	0.3%
SPAIN			
Revenues	968	933	3.8%
EBITDA	101	98	3.2%
EBITDA margin	10.4%	10.5%	
Order book*	4,945	4,992	-0.9%
UK			
Revenues	1,162	1,329	-10.4%
EBITDA	-220	31	n.s.
EBITDA margin	-18.9%	2.4%	
Order book*	9,347	8,895	4.6%
AUSTRALIA			
Revenues	862	1,164	-19.3%
EBITDA	25	77	-64.9%
EBITDA margin	2.9%	6.6%	
Order book*	3,505	3,981	-9.6%
INT'L			
Revenues	245	229	14.2%
EBITDA	11	7	59.5%
EBITDA margin	4.5%	3.0%	
Order book*	1,287	1,460	5.1%

CONSTRUCTION

	1H 2018	1H 2017	% CH LFL
Revenues	2,437	2,169	16.6%
EBIT	47	87	-46.5%
EBIT margin	1.9%	4.0%	
Order book*	11,090	11,145	-0.7%
F. AGROMAN			
Revenues	1,306	1,168	16.3%
EBIT	2	25	-90.5%
EBIT margin	0.2%	2.1%	
Order book*	7,288	7,507	-4.3%
BUDIMEX			
Revenues	732	624	17.2%
EBIT	29	51	-42.3%
EBIT margin	4.0%	8.2%	
Order book*	2,464	2,467	4.7%
WEBBER			
Revenues	399	377	16.7%
EBIT	15	12	42.5%
EBIT margin	3.7%	3.1%	
Order book*	1,338	1,171	11.0%

* Order book change vs Dec 2017

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