



## 407 ETR RESULTS JANUARY – SEPTEMBER 2018

407 ETR is located in Toronto (Canada). Ferrovial owns a 43.2% stake of the asset and it is equity accounted.

**EBITDA +10.8%**

**Dividends +8.7%**

### 407 ETR TRAFFIC PERFORMANCE

|                            | Sep-18 | Sep-17 | Var. |
|----------------------------|--------|--------|------|
| Avg trip length (km)       | 21.75  | 21.58  | 0.8% |
| Traffic/trips (mn)         | 94,525 | 93,612 | 1.0% |
| VKTs (mn)                  | 2,056  | 2,020  | 1.8% |
| Avg revenue per trip (CAD) | 10.86  | 9.92   | 9.5% |

VKT (Vehicle Kilometres Travelled)

**Traffic (kilometres travelled) +1.8%**, with more trips (+1.0%) and an increase in the average distance travelled (+0.8%), mainly due to overall economic growth and longer trips given the construction works on the alternate highways and roads.

### 407 ETR FINANCIAL RESULTS

| (CAD mn)             | Sep-18     | Sep-17     | Var.        |
|----------------------|------------|------------|-------------|
| Revenues             | 1,034      | 940        | 9.9%        |
| EBITDA               | 908        | 820        | 10.8%       |
| EBITDA margin        | 87.8%      | 87.1%      |             |
| EBIT                 | 828        | 741        | 11.7%       |
| EBIT margin          | 80.1%      | 78.8%      |             |
| Financial results    | -307       | -257       | 19.2%       |
| EBT                  | 521        | 484        | 7.8%        |
| Corporate income tax | -138       | -128       | 7.5%        |
| <b>Net Income</b>    | <b>383</b> | <b>355</b> | <b>7.9%</b> |

**Revenues at 407 ETR +9.9%** in local currency in 9M 2018.

- **Toll revenues** (94% of total): +10.5% to CAD967mn, mainly due to tariff increases applied since February 2018 & traffic improvement.
- **Fee revenues** (6% of total) CAD67mn (+11.5%), mainly on higher late payment charges, higher transponder lease fee revenues due to an increase in transponders in circulation and higher fixed fee from the opening of phase 2a in early 2018.

**EBITDA +10.8%**, with an 87.8% EBITDA margin (vs. 87.1% 9M 2017).

### 407 ETR Tariffs

The new tariff structure (from Feb 1<sup>st</sup> 2018) includes different tariffs by direction of travel, area, day & time of travel; and includes an additional Zone Tariffs for light vehicles:

| CAD (¢/km)  | EASTBOUND |        |        |        | WESTBOUND |        |        |        |
|---|-----------|--------|--------|--------|-----------|--------|--------|--------|
|   | Zone 1    | Zone 2 | Zone 3 | Zone 4 | Zone 1    | Zone 2 | Zone 3 | Zone 4 |
| AM Peak Period (Mon-Fri: 6-7am, 9-10am)           | 39.33     | 39.57  | 39.21  | 36.38  | 37.08     | 38.49  | 39.21  | 39.21  |
| AM Pk Hrs (Mon-Fri: 7-9am)                        | 47.09     | 46.66  | 46.24  | 41.39  | 42.18     | 43.78  | 44.6   | 46.24  |
| PM Peak Period (Mon-Fri: 2.30-3.30pm, 6-7pm)      | 38.11     | 41.05  | 42.17  | 40.68  | 42.55     | 42.55  | 42.17  | 37.75  |
| PM Pk Hrs (Mon-Fri: 3.30-6pm)                     | 43.30     | 49.21  | 50.55  | 48.76  | 51.00     | 48.34  | 47.91  | 42.89  |
| <b>Midday Rate</b>                                |           |        |        |        |           |        |        |        |
| Weekdays (10am-2:30pm)                            | 33.81     | 33.81  | 33.81  | 33.81  | 33.81     | 33.81  | 33.81  | 33.81  |
| Weekend & holidays (11am-7pm)                     | 30.83     | 30.83  | 30.83  | 30.83  | 30.83     | 30.83  | 30.83  | 30.83  |
| <b>Off Peak Rate</b>                              |           |        |        |        |           |        |        |        |
| Weekdays (7pm-6am), Weekend & holidays (7pm-11am) | 23.38     | 23.38  | 23.38  | 23.38  | 23.38     | 23.38  | 23.38  | 23.38  |

Figures in CADmn unless otherwise specified.

### 407 ETR DIVIDENDS

In 3Q 2018, 407 ETR distributed dividends of CAD233.75mn, **+8.7% vs. 3Q 2017**. At the October Board meeting, 4Q 2018 dividend payment was approved in the amount of CAD233.75mn (+8.7% vs. 4Q 2017). In 2018, 407 ETR distributed dividends of **CAD920mn, +8.9% vs. 2017**.

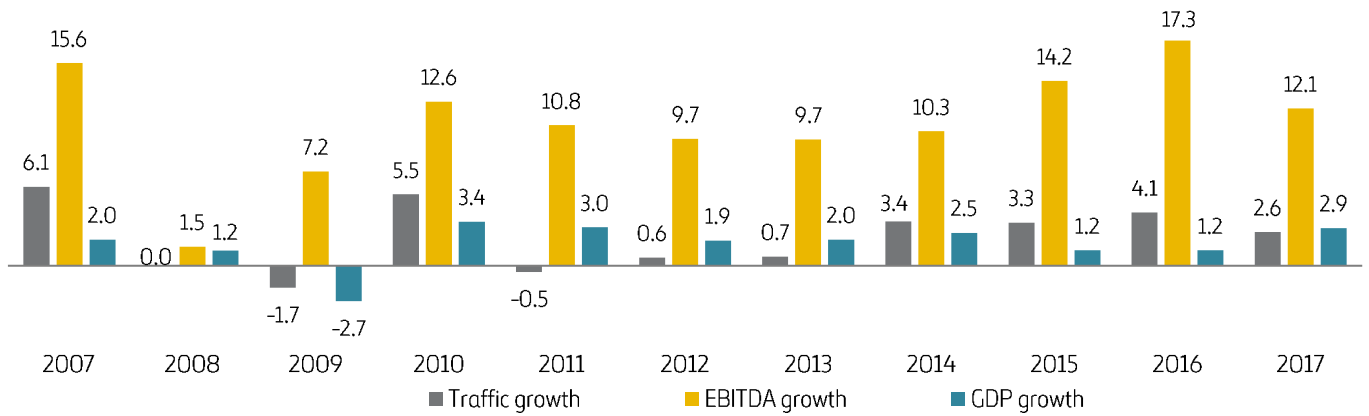
| (CAD mn)     | 2018       | 2017       | 2016       | 2015       | 2014       | 2013       |
|--------------|------------|------------|------------|------------|------------|------------|
| 1Q           | 226.3      | 207.5      | 187.5      | 188        | 175        | 100        |
| 2Q           | 226.3      | 207.5      | 187.5      | 188        | 175        | 130        |
| 3Q           | 233.8      | 215.0      | 207.5      | 188        | 175        | 200        |
| 4Q           | 233.8      | 215.0      | 207.5      | 188        | 205        | 250        |
| <b>Total</b> | <b>920</b> | <b>845</b> | <b>790</b> | <b>750</b> | <b>730</b> | <b>680</b> |

### 407 ETR credit rating

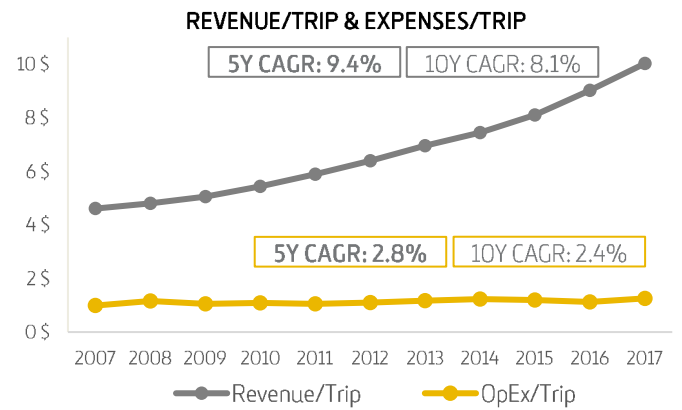
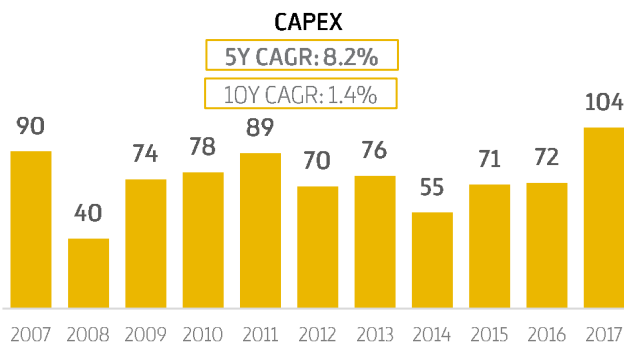
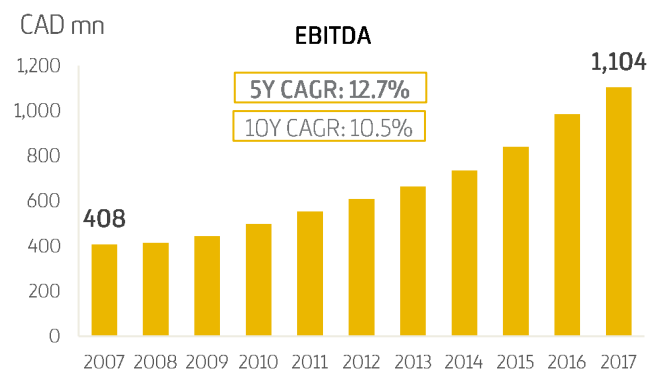
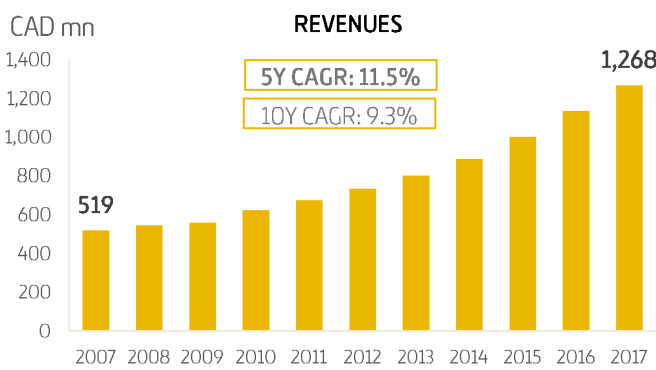
- **S&P**: issued on 31 May 2018, 407 ETR remained at "A" (Senior Debt), "A-" (Junior Debt) & "BBB" (Subordinated Debt), with stable outlook.
- **DBRS**: issued on 17 November 2017, 407 ETR remained at "A" (Senior Debt), "A low" (Junior Debt) & "BBB" (Subordinated Debt), with stable outlook.

Find further information on 407 ETR 9M 2018 results in the following [link](#)

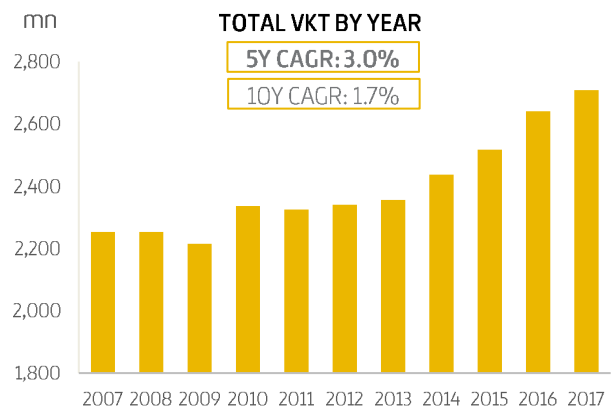
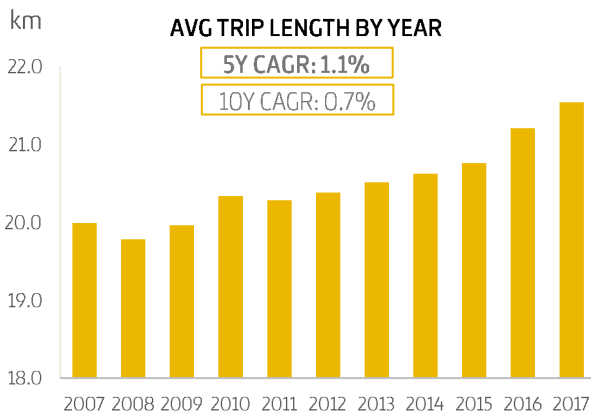
**Traffic, EBITDA & GDP growth (%)**



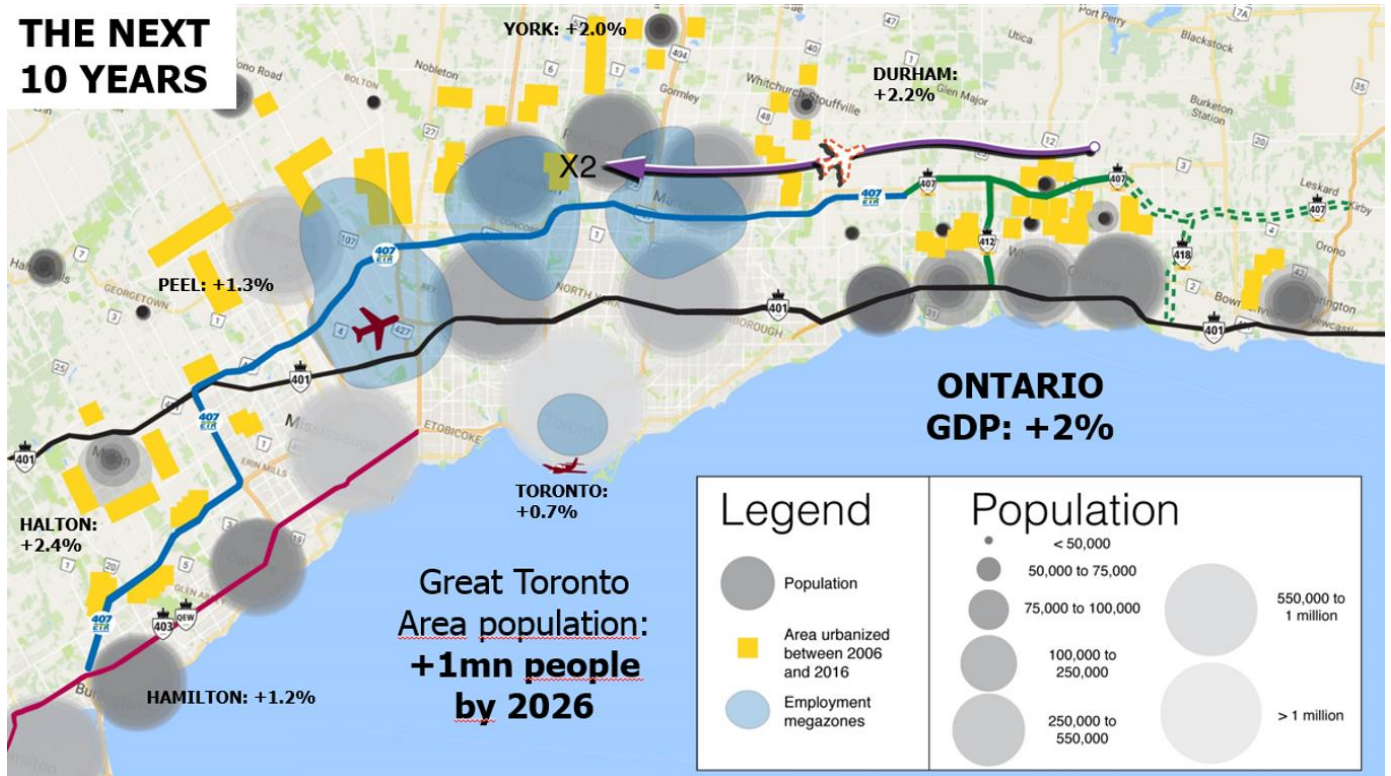
**407 ETR'S FINANCIAL INDICATORS**



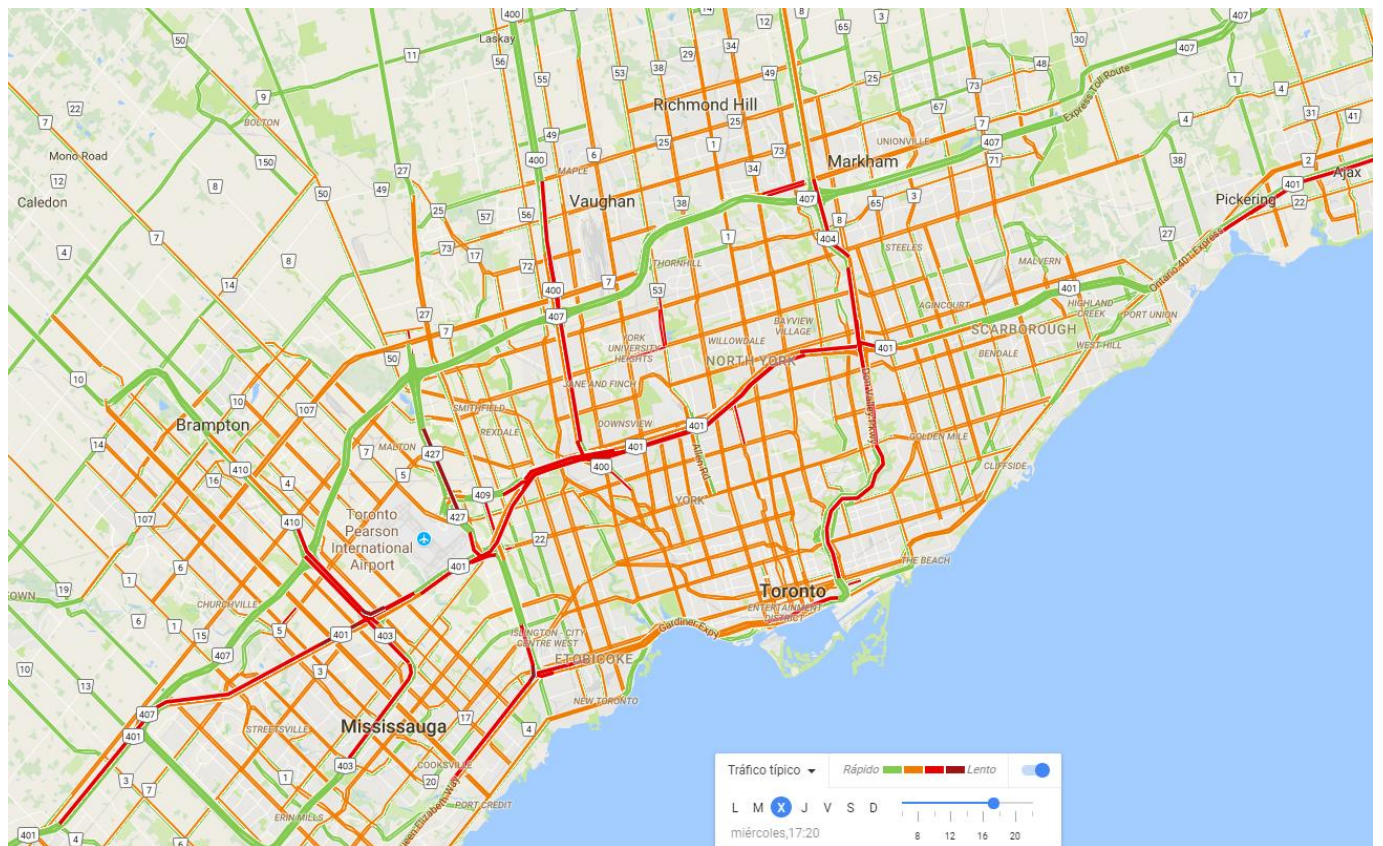
**407 ETR'S TRAFFIC PERFORMANCE**



FUTURE EXPECTED GROWTH



407 ETR TRAFFIC LEVELS vs ALTERNATIVE ROUTES



Typical traffic on a Wednesday at 5:20 p.m. (Source: Google)