

Ferrovial adopts Horizon 24 Plan to focus on sustainable infrastructure

- The plan targets profitability based on 11% annual EBITDA growth over the next five years
- The company expects to receive more than 4,000 million in dividends from the infrastructure portfolio
- Ferrovial is expanding into the mobility, electrification and water businesses
- The USA, Canada, the United Kingdom, Spain, Poland, Chile, Colombia, and Peru are the main markets
- CO2 emissions will be reduced by 32% compared with the 2009 baseline
- A new operating model to gain agility, efficiency, and innovation

Madrid, 29/01/2020. - Ferrovial has adopted the Horizon 24 Plan, a strategy for 2020-2024 in which the company will focus on the development, construction, and operation of sustainable infrastructure. The plan pursues profitability based on 11% annual EBITDA growth. The objective is excellence in the development and management of sustainable infrastructure through innovation, efficiency, and the selection of businesses and markets.

Ferrovial will focus on its main geographies: United States, Canada, United Kingdom, Spain, Poland, Chile, Colombia, and Peru, and will consider opportunities to enter new countries in Asia and Latin America. In terms of their contribution to EBITDA, Canada, and the United States will be the largest markets by the end of 2024. The projections for 2020-2024, during which the Toll Roads division will be the primary growth driver, include 11% annual EBITDA growth. Dividends from the infrastructure portfolio will total more than 4,000 million euros. The company remains focused on shareholder remuneration. The plan is based firmly on disruptive, incremental innovation and a culture of health and safety.

The commitment to sustainability is materialized in the form of a gradual roadmap to decarbonization by reducing CO2 emissions by 32% in 2030 compared with the 2009 baseline. Ferrovial will implement a new operating model to be a more agile, efficient, and innovative company.

“Ferrovial is preparing to take advantage of the transformations of all types that our society is experiencing in order to lead a new industry cycle in sustainable infrastructure, where we are acknowledged leaders. This unique situation offers great opportunities, and Horizon 24 is an ambitious proposal for the future to ensure that Ferrovial is better prepared to adapt to the new competitive environment and generate value for all our stakeholders,” said Ignacio Madríguez, CEO of Ferrovial.

The plan arose from reflection on the technological, demographic, mobility, and sustainability transformations that are affecting the industry, coupled with worldwide infrastructure needs that are calculated to amount to around 3.7 billion dollars per year through 2035.

The plan, by business lines

Cintra will drive the group's growth by proactively developing the Managed Lanes business, which has a high concession value. Its main market will be the United States. It envisages 830 million euro in committed investments and forecasts 3,280 million euro in dividends from equity holdings.

The plan identifies a potential pipeline worth 10 billion euros for Cintra over the next five years. Outside the United States, it will consider opportunities in countries such as Canada, Spain, Poland, the United Kingdom, Chile, Colombia, and Peru, along with new geographies in Asia and Latin America.

The Construction division will play a key role in developing the new concession business. While targeting higher returns (3.5% EBIT margin), Ferrovial Agroman will enhance its key operational processes of design,

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bidding and oversight, focused on its strategic markets. The objective is for 25% of its revenue to come from projects developed by other Ferrovial divisions.

Ferrovial Airports will concentrate on improving competitiveness, leveraging its operational expertise in the airport business and managing its portfolio dynamically (which includes Heathrow, Glasgow, Aberdeen and Southampton airports), and it will also explore a new growth model.

New business

Within its commitment to innovation, Ferrovial will expand its scope of operations to activities that complement its existing businesses. Mobility, which has been a separate business unit since 2019, will expand its Zity carsharing service to other European cities following its success in Madrid and its imminent launch in Paris in partnership with Renault. This area will also continue to develop the Wondo mobility platform.

The business plan also contemplates a clear commitment to electrification. Building on its current portfolio, comprising Transchile and Centella, Ferrovial will focus on developing greenfield concessions in Latin America. Another growth path identified by Ferrovial for the next few years is public-private projects in the water industry, where it has two companies with a solid track record: Cadagua and PLW Waterworks.

New operating model

The business plan envisages the design of a new organization model to improve transparency, ensure the company is able to adapt to the new industry cycle, and enhance process rationalization and efficiency, digitalization, and sources of innovation. It proposes to cut general expenses by 50 million euros per year. By simplifying processes, eliminating overlaps, creating shared services, integrating activities and improving cooperation between business units, as well as promoting innovation, entrepreneurship, and digitalization, Ferrovial will become a more agile, efficient and innovative organization, one that is better able to adapt to new countries and businesses and changes in the industry.

Moreover, starting this year, Ferrovial will integrate the Sustainable Development Goals into its business strategy. Ferrovial ranks as a world leader in the Dow Jones Sustainability Index and is a prominent member of other indexes such as CDP, FTSE4Good, STOXX Global ESG, and MSCI Global Sustainability Index.

About Ferrovial

Ferrovial, a leading global infrastructure operator, is committed to developing sustainable solutions. The company has 96,000 employees and operates in over 20 countries. Its main business areas are: Services, Toll Roads, Construction and Airports. It is a member of Spain's blue-chip IBEX 35 index and is also included in the Dow Jones Sustainability Index and FTSE4Good; all its operations are conducted in compliance with the principles of the UN Global Compact, which the company adopted in 2002.