

Infrastructure assets exhibit strong operational and financial performance

Ferrovial reports profit up to €268 million in 2019

- Driven by a larger contribution from the Toll Roads business, revenues exceeded €6,050 million, of which 83% came from other countries. EBITDA amounted to €121 million, affected by a provision in the Construction division.
- The principal assets maintained their strong performance: EBITDA increased at 407 ETR (+8.1%), Heathrow Airport (+4.6%) and Texan toll roads NTE (+32.6%) and LBJ (+23.7%), in local currency terms in all cases.
- As for asset rotation, 65% of Ausol was sold, providing a net capital gain of €474 million.
- Traffic continued to perform well: NTE (+ 14.7%), LBJ (+ 9.1%), NTE 35W (+ 25.3% in 4Q19 vs. 4Q18) and Heathrow (+ 1%), while traffic on 407 ETR was stable year-on-year due to extreme weather conditions.
- 407 ETR distributed CAD 1,050 million in dividends, Heathrow GBP 500 million and NTE USD 292 million. The net cash position excluding infrastructure amounted to €1,631 million. LBJ will distribute its first dividend this year.

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Madrid, 27/02/2020.- Ferrovial improved earnings in 2019, reporting €268 million in profit on €6,054 million in revenues, 5,5% growth year-on-year. Those figures were driven by positive performance by infrastructure assets, which increased dividends. They also reflect capital gains on the sale of 65% of Ausol and 11.75% of Ruta del Cacao. Last year the company reported a net loss of €-448 million.

At a meeting today, the Board of Directors gave notice of the Ordinary Shareholders' Meeting. Motions to be laid before the shareholders include approving a shareholder remuneration program (flexible dividend) in similar terms to the previous six years, which will be equivalent to a dividend of approximately €0,75 per share.

The company's main infrastructure assets continued to perform well, particularly the managed lanes projects in Texas, which registered double-digit growth in revenues and EBITDA.

EBITDA totaled €121 million, affected by a provision booked in the Construction division in first quarter of 2019. The international market accounted for 83% of revenues.

The net cash position, excluding infrastructure but including Services, increased year-on-year to €1,631 million, while the group's consolidated net debt was cut to €2,957 million.

Revenues from stakes in assets increased by 17% to €729 million, including notably dividends from Toll Roads, with NTE distributing a dividend for the first time. The Texan toll road distributed USD 292 million, of which Ferrovial received €166 million. 407 ETR increased its dividend by 14% and distributed CAD 1,050 million, while Heathrow distributed GBP 500 million; Ferrovial collected €309 million and €145 million, respectively.

The Board of Directors of 407 ETR declared a dividend of CAD 312.5 million in the first quarter of 2020, 25% more than in the same period of 2019. The LBJ toll road is expected to pay its first dividend this year.

During the year, Ferrovial divested 65% of Ausol, booking a capital gain of €474 million after taxes. Divestments in 2019 totaled €484 million, since they also included the sale of 11.75% of Ruta del

Cacao. Additionally, the sale of Broadspectrum to Ventia was announced, for an equity value of €303 million; this deal is expected to be completed in the first nine months of 2020.

Main refinancing transactions

During the period, the company completed refinancing the NTE in Texas for almost USD 1,300 million, which enabled it to advance with its strategy of reducing funding costs and maximizing the efficiency of its assets' funding structure. 407 ETR issued two bonds, maturing in 2030 and 2049.

Ferrovial also attained financial completion in 2019 of the project to build and operate segment 3C of NTE 35W, which represents an investment of over USD 900 million. This infrastructure is scheduled to open in 2023. The works will increase a 60% the NTE 35W, which will become the biggest managed lanes project of Ferrovial in Texas.

Traffic growth and robust performance by the main assets

Toll road and airport traffic continued to increase in Europe and America, supported by economic performance in those regions: NTE (+ 14.7%), LBJ (+ 9.1%), NTE 35W (+ 25.3% in 4Q19 vs. 4Q18) and Heathrow (+ 1%). Traffic on 407 ETR was practically stable as a result of extreme weather conditions, partly offset by the performance of the economy and by construction work on alternative routes. But for the weather effect, traffic would have increased by 0.7%. This asset increased revenues by 8.3% to CAD 1,505 million and EBITDA by 8.1% to CAD 1,309 million.

The managed lanes projects in Texas continued to increase their contribution to revenues and EBITDA, having achieved double-digit growth. NTE reported USD 153 million in revenues and USD 129 million in EBITDA (+32% and +33%, respectively). LBJ obtained USD 127 million in EBITDA (vs. USD 103 million the previous year) on 21.7% growth in revenues to USD 153 million.

Heathrow Airport attained 81 million passengers, another record, resulting in GBP 3,070 million in revenues (+3.4%) and GBP 1,921 million in EBITDA (+4.6%).

Business units

Toll Roads experienced significant growth in revenues (+28.5%) due to the larger contribution from the managed lanes in the US and growth in traffic on practically all the company's assets, with the improvement strengthening across the board. More than 60% of revenues were from the US. This division also achieved double-digit growth in EBITDA (+33.5% like for like).

In the **Airports** division, HAH set another record as it handled close to 81 million passengers in 2019. It also achieved record occupancy – an 80% load factor – while retaining scope for growth in this metric. The AGS regional airports increased revenues by 1.8% despite the reduction in passenger numbers in 2019 as a result of financial problems at Thomas Cook, the closure of Ryanair bases, and the reduction in Flybe's operations in Manchester and Belfast. The Denver airport upgrade project concluded with surplus cash, which was distributed among the joint venture partners; Ferrovial collected €21 million.

The **Construction** division registered €5,413 million in revenues, stable year-on-year. 86% of that figure was obtained outside Spain, with Poland and North America as the main contributors. The backlog topped €11,400 million, civil engineering being the largest single component. The division's results were affected by a €345 million provision in the first quarter of 2019 for potential losses on certain projects in the United States due to increased costs of outsourced services and raw materials and the longer time being taken to approve the design phase.

Assets available for sale:

Services reported €6,995 million in revenues and €309 million in EBITDA, excluding NIIF 16 impact. The International area increased EBITDA by over 26%, supported particularly by North America and Chile. Spain also improved profitability as the margin reached 10.7%, supported by waste treatment and industrial maintenance contracts.

Proposal to the Shareholders' Meeting

At a meeting today, the Board of Directors gave notice of the Ordinary Shareholders' Meeting to be held on 16 and 17 April, at first and second call, respectively. Motions to be laid before the shareholders include approving the 2019 financial statements and a shareholder remuneration program (flexible dividend) in similar terms to the previous six years, which will be implemented via two scrip dividends.

Based on the average closing price of Ferrovial's share between 10 and 14 February, that is equivalent to the payment of a dividend of approximately €0,75 per share. The Board also proposed that the shareholders authorize a capital reduction to cancel existing treasury stock and shares to be repurchased under a buyback program (up to at most 25 million shares or €360 million).

The Board also proposed the re-appointment of directors Hanne Sørensen and Philip Bowman and the ratification and appointment of Ignacio Madrdejos, Juan Hoyos and Gonzalo Urquijo. It will also propose the appointment of E&Y as account auditors for 2020-2022.

About Ferrovial

Ferrovial, a leading global infrastructure operator, is committed to developing sustainable solutions. 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.

KEY FIGURES
(million euro)

	2019	2018	Change
Revenues	6,054	5,737	5.5%
EBITDA	121	479	-74,7%
EBIT	401	434	-7,4%
Net income	268	-448	159,8%

	2019	2018	Change
Consolidated net debt	-2,957	-3,649	-19%
Net cash position, excluding infrastructure projects	1,631	1,236	32%

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Construction backlog	11,424	10,965	4.2%
Services backlog	17,656	19,411	-9%