

Rafael del Pino highlights Ferrovial's strong financial position with which to weather the effects of the pandemic

- Chairman, CEO and rest of Board take 20% cut in fixed compensation
- Flexible dividend policy approved, and sale of Services division to continue

Madrid, 17/04/2020 – Rafael del Pino, Chairman of Ferrovial, emphasized the company's strong financial position during the company's Shareholders' Meeting, which was held telematically because of the current health crisis. The shareholders approved all the items on the agenda, including the financial statements; the appointment/re-appointment of directors, including the CEO; and the 'Ferrovial Flexible Dividend' program. Its final execution, timing and amount will be decided by the Board of Directors taking into account the evolution of the impact of COVID-19 on the business.

Referring to the health crisis caused by COVID-19, Del Pino said it is having a significant impact on our economy, our society and, inevitably, on Ferrovial's activity and business. "We must be very cautious at the moment, since it is very difficult to predict the pace at which traffic and construction projects will return to normal." In this connection, the Board agreed to a 20% cut in remuneration for the Chairman, CEO and rest of Board while the crisis persists. The cut refers to fixed remuneration in the case of the Chairman and CEO, and also to variable remuneration in the case of the other directors. The Chairman mentioned the company's pro bono contribution to combating the pandemic, including the creation of the 'Ferrovial Juntos COVID-19' fund, to which the group will contribute up to €10 million; the recent donation of 300,000 masks to the Madrid Regional Government falls under this initiative.

Rafael del Pino noted that the company returned to profit in 2019 due to solid performance by its infrastructure assets. Of the €729 million in dividends that Ferrovial received, Canadian toll road 407 ETR contributed €309 million, while €166 million came from the first dividend paid by North Tarrant Express (NTE), one of the Managed Lanes projects in Texas. Heathrow contributed €145 million in 2019.

Del Pino highlighted the main contracts obtained in 2019, including the Silvertown tunnel, in London, and the NTE 35W 3C highway, in Texas. He also referred to a number of milestones in 2019, such as refinancing the NTE, in Texas, and the inauguration of the Toowoomba Bypass, in Queensland, Australia.

During the year, Ferrovial designed a five-year plan, Horizon 24, to focus on the development, construction and management of sustainable infrastructure assets with high concessional value in order to maximize returns for shareholders. In this line, the company is moving forward with the divestment of the Services division, although the operation may suffer delays as a result of the current market situation. The sale of Broadspectrum has already been agreed and is expected to be completed in 2020.

Ferrovial was one of the top performers in the IBEX-35 in 2019. Whereas the Spanish index gained 12%, Ferrovial's share appreciated by 52% to €26.97 (including share buybacks, total shareholder return was 57.2%). Consequently, the company ended the year with a market capitalization of €19,829 million.

"In 2020, Ferrovial faces the challenge of the greatest global pandemic that humanity has experienced in the last 100 years. We have high-quality assets, a great team of professionals, a solid balance sheet and sufficient liquidity, enabling us to look to the future with determination and optimism," concluded the Chairman.

Traffic performance, solid assets and a strategy focused on sustainable infrastructure

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Ignacio Madridejos, CEO of Ferrovial, emphasized the good performance of the company's assets, particularly the Managed Lanes, which registered double-digit growth in revenues and EBITDA. Moreover, a record 81 million passengers passed through Heathrow.

The CEO also discussed business performance and order intake in new markets. Madridejos noted that, in terms of geographic distribution, applying a proportionate consolidation approach, North America accounts for 33% of revenues, the United Kingdom for 23%, Spain for 17% and Poland for 16%.

He discussed the Horizon 24 Plan, which focuses on sustainable infrastructure, targeting 11% annual growth in EBITDA over the next five years, with plans to move into the mobility, electrification and water businesses. Under the Plan, the company's main markets will be the United States, Canada, the United Kingdom, Spain, Poland, Chile, Colombia and Peru, and it is retooling its operating model to “gain in agility, efficiency and innovation,” said Madridejos.

He devoted the final part of his speech to the effects to date of COVID-19 on the company, such as the temporary suspension of some Construction projects and Services contracts, as well as the impact on toll road and airport traffic. Toll road traffic overall was down about 70% in the last week of March.

Nevertheless, the CEO emphasized Ferrovial's current position, with a “record level of liquidity” – about €6,000 million, as well as the strong financial position of its main infrastructure assets.

Ignacio Madridejos also noted the company's commitment to fighting climate change, which is a key component of Ferrovial's strategy, in terms both of reducing the emissions from the company's activities and of presenting solutions for mobility and more sustainable infrastructures.

Meeting Resolutions

The shareholders approved the 2019 financial statements and a shareholder remuneration program (Ferrovial Flexible Dividend) which will be implemented via two scrip dividends in similar terms to the previous six years.

Based on the average closing price of Ferrovial's share between 10 and 14 February, it will be equivalent to a dividend of approximately €0.75 per share. The shareholders also authorized a capital reduction to cancel existing treasury stock and the own shares to be repurchased under a buyback program (capped at 25 million shares or €360 million), although the duration and scale of the program will be decided by the Board of Directors taking into account the evolution of the impact of COVID-19 on the business.

They also voted to re-appoint independent directors Hanne Sørensen and Philip Bowman and ratified the appointment of Ignacio Madridejos, as CEO, and of Juan Hoyos and Gonzalo Urquijo, as independent directors.

The meeting also authorized the Board to continue divesting the assets of the Services division and appointed EY as auditors for the period 2020-2022. The sale of the remaining Services division assets may take place in one or more transactions and may refer to all or just some of its assets, including the possibility of a flotation on the stock market or another regulated market.

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.