

Revenues increased by 4.7% to €6,341 million

## Ferrovial reports €409 million EBITDA compared to last year's €121 million

- The company has a solid financial position based on a record €7,964 million in liquidity and a net cash position of €1,991 million, excluding infrastructure projects, supported by operating cash flow from Construction and Services
- The main assets have recovered from last April's low and have ample liquidity to service their debt
- Ferrovial collected €458 million in dividends, including the first distribution by the LBJ toll road in Texas
- The company divested assets worth €501 million, including Broadspectrum, the stake in the Norte Litoral and Via do Infante toll roads in Portugal, and 5% of Budimex.
- Construction showed a clear recovery, attaining a 2.3% EBIT margin

**Madrid, 25/02/2021.-** Ferrovial, the sustainable transport infrastructure and mobility company, reported €409 million in EBITDA in 2020, up from €121 million the previous year, a 238% increase. Revenues increased by 4.7% to €6,341 million, driven by good performance in the Construction division. The year's figures reflect the impact of COVID-19 on traffic and on operating results.

The results for the year include €-447 million contributed by the Airports business (equity-accounted), a €-22 million provision for the corporate restructuring program, discontinued operations, and the court decision on Autema. As a result, the company reported a net loss of €-410 million in 2020, compared with €268 million profit in 2019.

The results evidence Ferrovial's solid financial position, characterized by record liquidity of €7,964 million and net cash of €1,991 million, excluding infrastructure projects but including discontinued operations, supported by operating cash flow from Construction and Services.

Ferrovial collected €458 million in dividends from projects last year. Canadian toll road 407 ETR distributed CAD 562.5 million (€160 million to Ferrovial) and Heathrow airport distributed GBP 100 million (€29 million to Ferrovial). The LBJ toll road in Texas distributed its first dividend, USD 229 million, of which Ferrovial collected €109 million. The combined Construction and Services backlog totals €23,156 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 seven years, which will be equivalent to a dividend of approximately €0.51 per share.

Shareholders will also be asked to vote, on a consultative basis, on the plan to reduce greenhouse gas emissions, and to commission the Board of Directors to submit a Report on Ferrovial's Climate Strategy to the Shareholders' Meeting for a consultative vote from 2022 onwards. The report will be published at the same time as the notice of the Shareholders' Meeting.

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### Impact of COVID-19 and measures adopted in response

The company took a number of steps during the year to strengthen liquidity, issuing €780 million 6-year and €500 million 8-year corporate bonds, as well as drawing approximately €274 million against syndicated revolving credit lines. It also issued €575 million and €516 million in ECP, at negative rates, under the European Central Bank's Pandemic Emergency Purchase Programme.

Among the measures adopted to address the COVID-19 situation, Ferrovial reviewed spending plans on all assets and also capex plans, and postponed all non-essential expenditure.

At corporate level, the company implemented a new operating model that will provide for cost savings of €50 million per year from 2021, after achieving €26 million in 2020. In the year as a whole, additional cost savings related to COVID-19 amounted to €23 million.

### Main events in the period

The year saw a number of milestones, including refinancing of LBJ's tax-exempt private activity bond (USD 622 million), which attracted strong interest from investors. Ferrovial acquired an additional 15% of I-77, located in North Carolina, raising its stake to 65.1%. The deal cost USD 78 million, plus an earn-out based on the asset's performance through 2024 that is estimated at USD 2.7 million.

In line with its strategy of rotating mature assets, the company sold its stake in Portuguese toll roads Norte Litoral (49%) and Via do Infante (48%) to DIF Capital Partners for €172 million but will continue to operate those roads under contract. Ferrovial also divested 5% of Budimex, its Polish subsidiary, retaining a 50.1% controlling stake. The transaction had a positive effect on cash in the amount of €58 million. After year-end, Budimex reached an agreement on 22 February for the conditional sale of its real estate business. The agreed price is €331 million (PLN 1,531 million); if the deal is completed, it is expected to have a positive impact on Budimex's consolidated financial statements in the amount of €152 million before tax. The deal is conditional as the parties have the right to withdraw in certain cases.

With the sale of 50% of TW Power Services for AUD 20 million in July, Ferrovial concluded the sale of Broadpectrum to Ventia for AUD 465 million. These are the first transactions in the ongoing divestment of the Services business, to which the company remains committed.

The main new projects awarded in 2020 include a USD 70 million contract to extend and upgrade the FM 1960 road in Harris County, north of Houston, a USD 115 million contract to upgrade IH 35 in Laredo, Texas, and a €288 million deal to expand Oporto Metro, in Portugal. Other contracts that Ferrovial obtained last year include reconstruction of Warszawa Zachodnia railway station, in western Warsaw, worth €433 million, and construction of the control tower and six ancillary buildings at Jorge Chávez International Airport in Lima, Peru.

### Traffic performance

Traffic in the **Toll Roads** division recovered from its low point last April as lockdowns eased and the economy reopened. However, the improvement was impacted by the upswing in COVID-19 cases towards the end of the year and the measures imposed to slow the spread of the disease. Heavy vehicle traffic proved to be more resilient because of the growth in e-commerce. After a solid start to the year, traffic on Canadian toll road 407 ETR declined by 45.3% as a result of the measures imposed in Ontario. The Texan toll roads, where traffic is highest, experienced a decline: 26.1% on NTE, 37.6% on LBJ, and 14.3% on NTE 35W. Nevertheless, NTE 35W proved particularly robust, boosting EBITDA by 49.9% on just 8.1% revenue growth in the period.

In the **Airports** division, Heathrow handled 22.1 million passengers in 2020, a 72.7% decline, resulting in GBP 1,175 million in revenues and GBP 270 million in adjusted EBITDA. Heathrow's rapid response to the situation, by restructuring its organization, renegotiating contracts and cutting non-essential costs, provided it with sufficient liquidity to cover all its payment obligations through at least March 2022 in the unlikely event of obtaining zero revenues, or until 2023 assuming HAH's traffic projections.

### Business units

**Construction** increased revenue by 11.4% in like-for-like terms to €5,862 million due to the contribution from projects in the US and good performance by Budimex. Overseas markets accounted for 87% of total revenues. All this division's subsidiaries registered growth in revenues, including a notable +29.2% like-for-like increase at Webber. The division's operating cash flow amounted to €293 million before tax, with an EBIT margin of 2.3%. The Construction backlog reached €10,129 million at year-end. The division registered strong production in the year and improved margins despite the impact of COVID-19

Revenues in the **Toll Roads** division declined by 19.2% like-for-like to €405 million as a result of the reduction in traffic. The United States accounts for 74.4% of this division's revenues. EBITDA declined by 22.9% like-for-like to €251 million.

In the **Airports** division, the decline in traffic reduced Heathrow's revenues by 61.7% and its adjusted EBITDA by 85.9%. The AGS airports were significantly affected by the decline in traffic, with revenues down 67.4% and EBITDA down 126.1%.

### Assets available for sale

Ferrovial remains committed to fully divesting its Services business, and the process is ongoing. The first milestone in this process was the sale of Broadspectrum, completed in July. The division's overall revenues amounted to €5,081 million in 2020, while EBITDA amounted to €186 million. The Services backlog stood at €13,027 million.

### Proposal to the Shareholders' Meeting

At a meeting today, the Board of Directors gave notice of the Ordinary Shareholders' Meeting to be held on 8 and 9 April, at first and second call, respectively. Motions to be laid before the shareholders include approving the 2020 financial statements and a shareholder remuneration program (flexible dividend) in similar terms to the previous seven years, implemented in the form of two scrip dividends. The Meeting will be asked to empower the Board to implement the shareholder remuneration by setting the date and any conditions not established by the Shareholders' Meeting itself.

Based on the average closing price of Ferrovial's share between 2 and 5 February, that is equivalent to a dividend of approximately €0.51 per share. The Board also proposes that the shareholders authorize a capital reduction to cancel existing treasury stock and own shares to be repurchased under a buyback program approved by the Board (up to at most 22 million shares or €320 million).

### Climate Strategy

The Board of Directors believes that shareholders should play a more active role in defining and monitoring the company's climate strategy. To that end, this year's Shareholders' Meeting will be asked to vote, on a consultative basis, on the Greenhouse Gas Emission Reduction Plan 2020-2030 and the projection for 2050. Going forward, the Ordinary Shareholders' Meeting each year will also vote, on a consultative basis, on the company's Climate Strategy Report. That report, aligned with the recommendations of the Taskforce for Climate-Related Financial Disclosures (TCFD), will describe the



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greenhouse gas emission (carbon footprint) performance with respect to the levels envisaged in the Emission Reduction Plan, and the actions to achieve the Plan's objectives. Attaining the goals of the climate strategy will contribute to long-term value creation.

### **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 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)

	2020	2019	Chg.
Revenues	6,341	6,054	4.7%
EBITDA	409	121	238%.
EBIT*	211	-60	n.m.
Net income	-410	268	n.m.

  

	2020	2019	Chg.
Consolidated net debt**	-2,541	-2,957	-14.1%
Net cash position, excluding infrastructure projects**	1,991	1,631	22.1%

  

Construction backlog	10,129	11,424	-11.3%
Services backlog	13,027	13,592	-4.2%

\* EBIT after impairments and fixed asset disposals

\*\* Including discontinued operations