

ferrovial

9M 2019 Results

30 October 2019



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9M 2019 Highlights

Toll roads: Outstanding 3Q 2019 performance

- 407ETR traffic increased by +1.5% in 3Q 2019
- CAD1.05bn (+14%) FY19 dividend distributed by 407ETR
- MLs strong performance boosted by new connections
- FER reached financial close of NTE 3C Managed Lane

Heathrow: Solid growth despite strikes

- On track to 9th consecutive year of growth. 61mn pax (+0.7%)
- Adj EBITDA +6.3%

Construction

- Provision for future losses (1Q 2019)
- Focus on execution



Toll Roads

€ mn

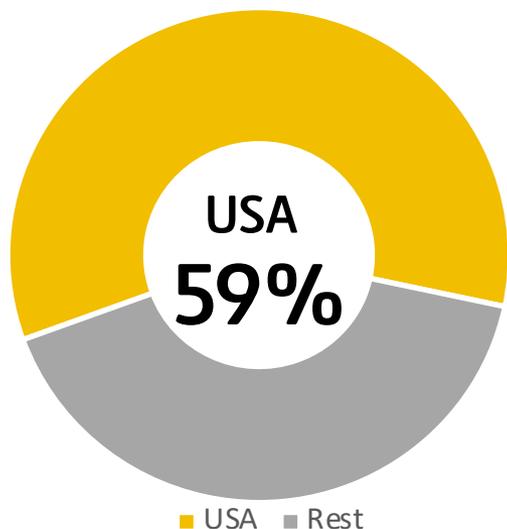
RESULTS

	9M 2019	% CH LFL**
Revenues	461	31,8%
EBITDA	332	40,6%
Margin	72,1%	

** %LFL: change vs 9M2018 excluding perimeter & FX changes.

CONTRIB. TO EBITDA*

* Exc. headquarters

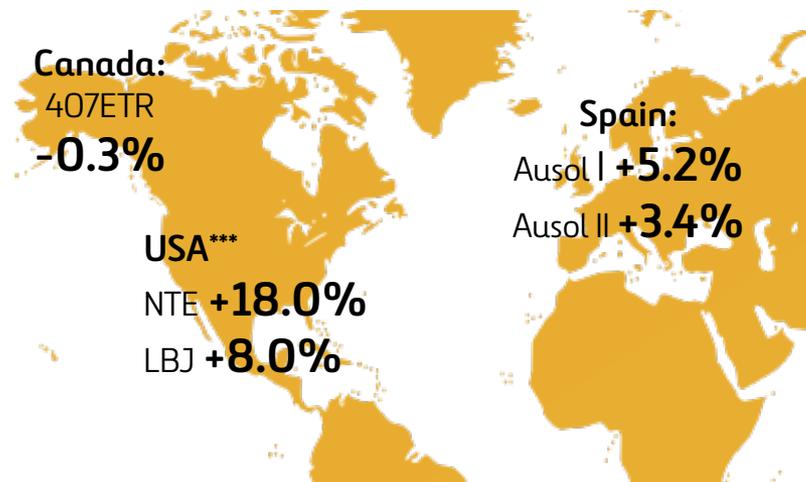


AUSOL SOLD FOR €447MN (65% EQUITY)

- 100% equity value equivalent to €688mn
- Call/put option for remaining 15%
- Capital gains approx. €474mn including FV adjustment for the remaining stake

TRAFFIC EVOLUTION

*** Transactions



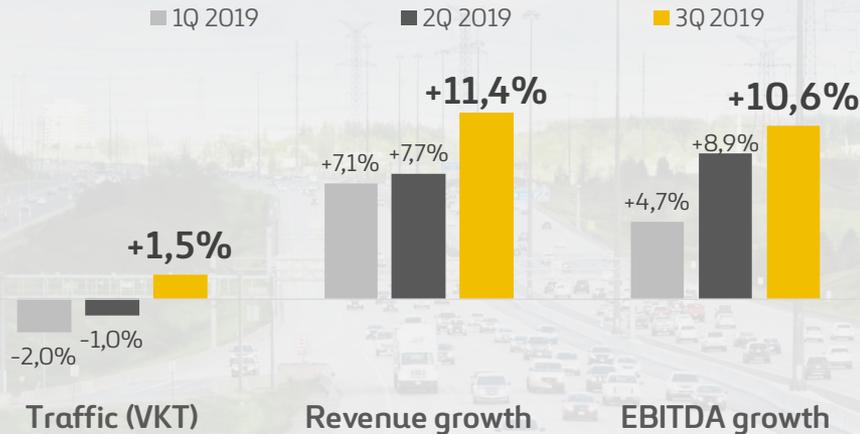
407 ETR - Outstanding 3Q 2019

CADmn

Equity method, Ferrovial stake 43%

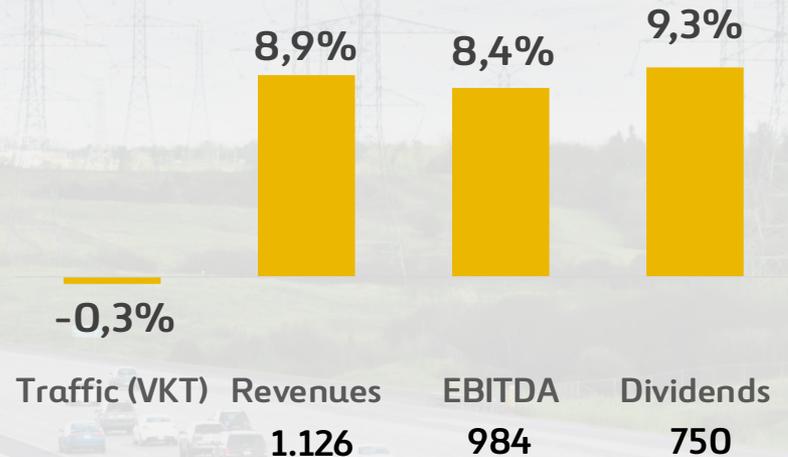
Toronto, Canada

Quarterly performance



- **3Q 2019 EBITDA mg 88.6%** exc. the extraordinary impact from contract costs related to toll sites on 407ext II.

9M 2019 performance



- **EBITDA growth** excluding contract cost & one-off 2018: **+9.1%**

Traffic recovery



- **Traffic YTD (-0.3%)** impacted by inclement weather in 1Q & higher precipitation in 2Q; offset by higher construction activity on alternate routes and one extra work day.

Dividend Evolution YoY

- **4Q 2019 Div. approved: CAD300mn.**



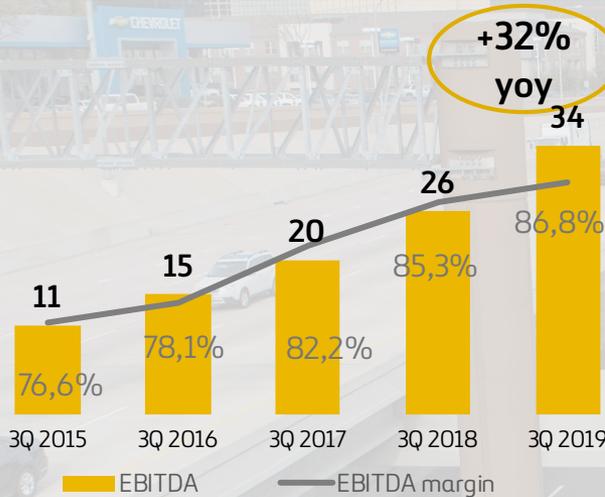
Managed Lanes – Strong performance continues

Global Consolidation

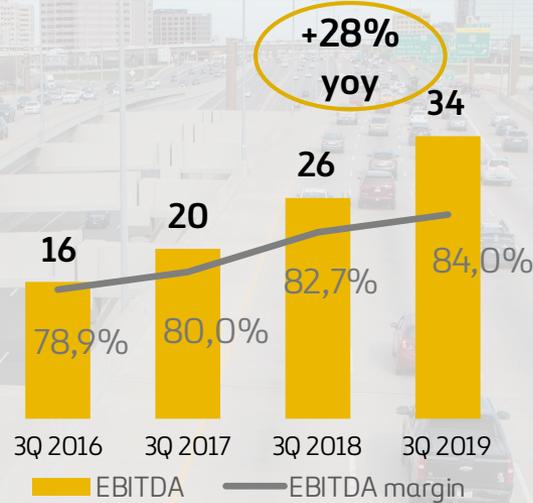
Texas, US

(USD mn)

NTE – EBITDA

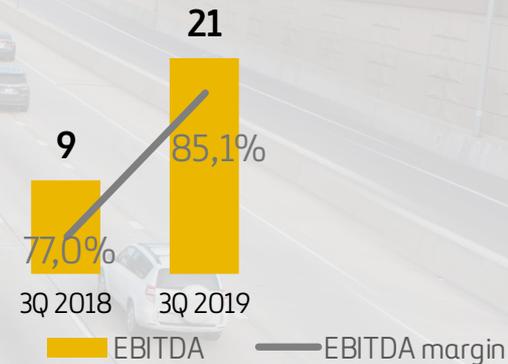


LBJ – EBITDA



NTE 35W – EBITDA*

3Q 2019 more than double 3Q 2018



*Excluding the impact of NTE3C success fee.
NTE 35W full opening 20th July 2018

- **Traffic growth in Q3 2019**, helped by a strong local economy & the expansion of the regional ML network in 2018.
 - **NTE (+12.8%)** benefited from opening last year of NTE35W & SH183.
 - **LBJ (+13.8%)** impacted by SH183 opening & end of construction at US-75 & President George Bush Turnpike.
 - **NTE35W (+44%)** as a result of returning demand to corridor & increasing share of that traffic choosing MLs

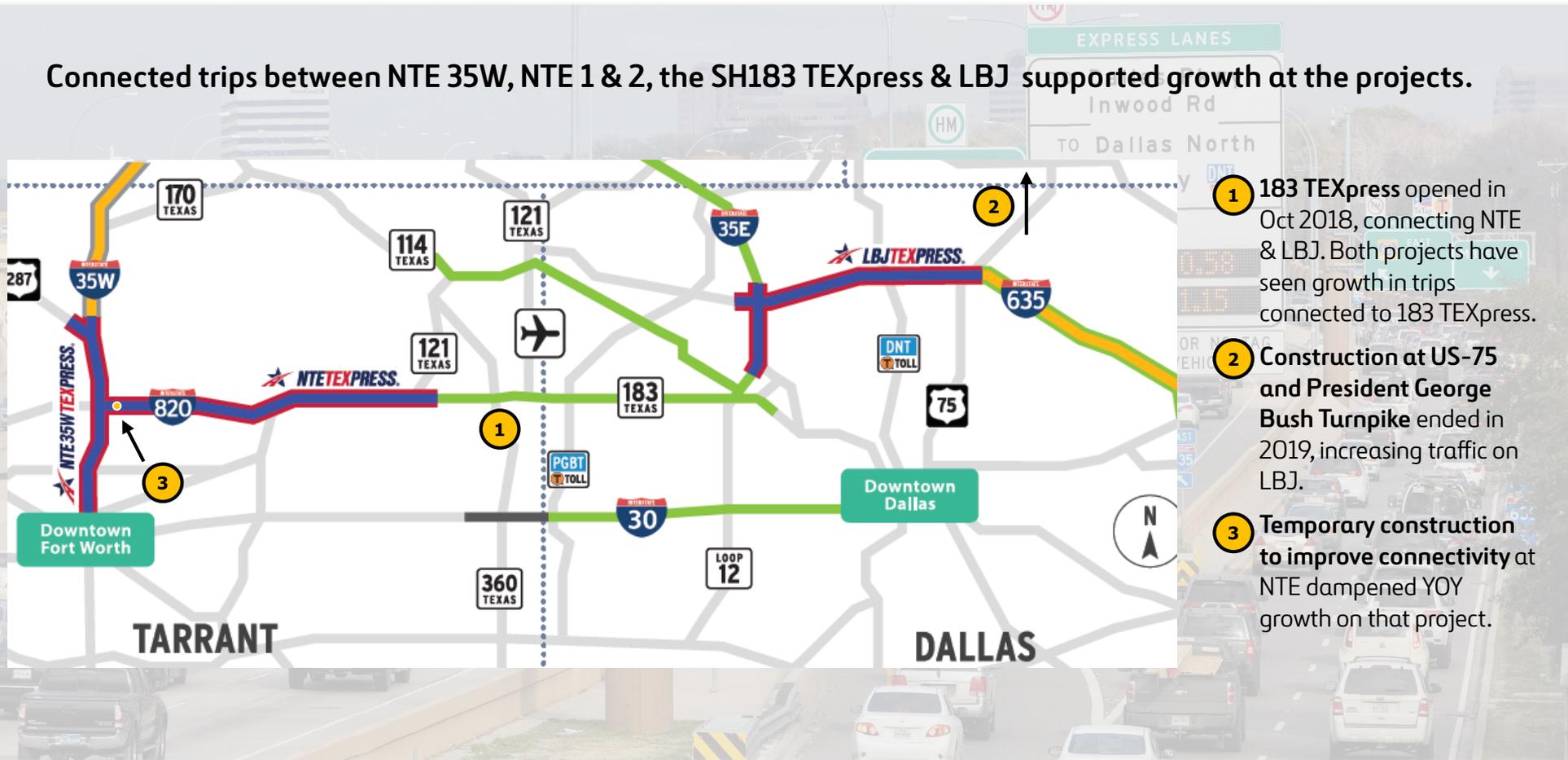
Managed Lanes - Improving connectivity

Global Consolidation

Texas, US

(USD mn)

Connected trips between NTE 35W, NTE 1 & 2, the SH183 TEXpress & LBJ supported growth at the projects.

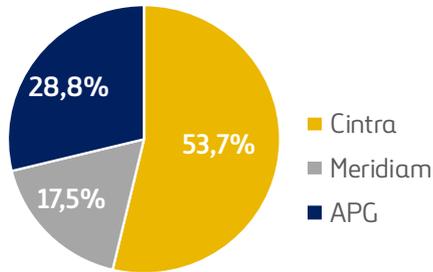


- 1** 183 TEXpress opened in Oct 2018, connecting NTE & LBJ. Both projects have seen growth in trips connected to 183 TEXpress.
- 2** Construction at US-75 and President George Bush Turnpike ended in 2019, increasing traffic on LBJ.
- 3** Temporary construction to improve connectivity at NTE dampened YOY growth on that project.

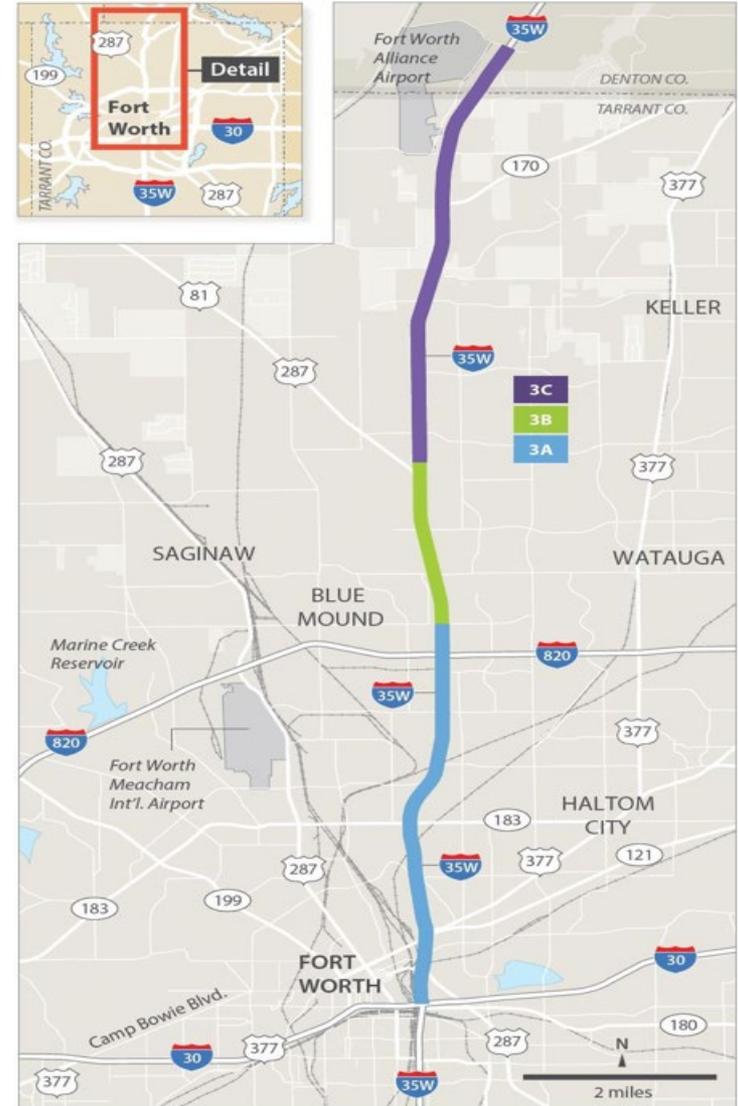
NTE 3C

Global consolidation, 53.7% stake
Texas, USA

- In **August 2019** NTE Mobility Partners Segments 3 reached **financial close** for the Segment 3C Change Order (NTE 3C)
- NTE 3C is a **6.7mile northbound extension of NTE 35W 3A & 3B** (in full operation since 2018) that will be **completed by end of 2023**
- **Duration:** Concession term ends **2061**
- **> \$900mn total investment; FER's equity investment: \$86mn.**

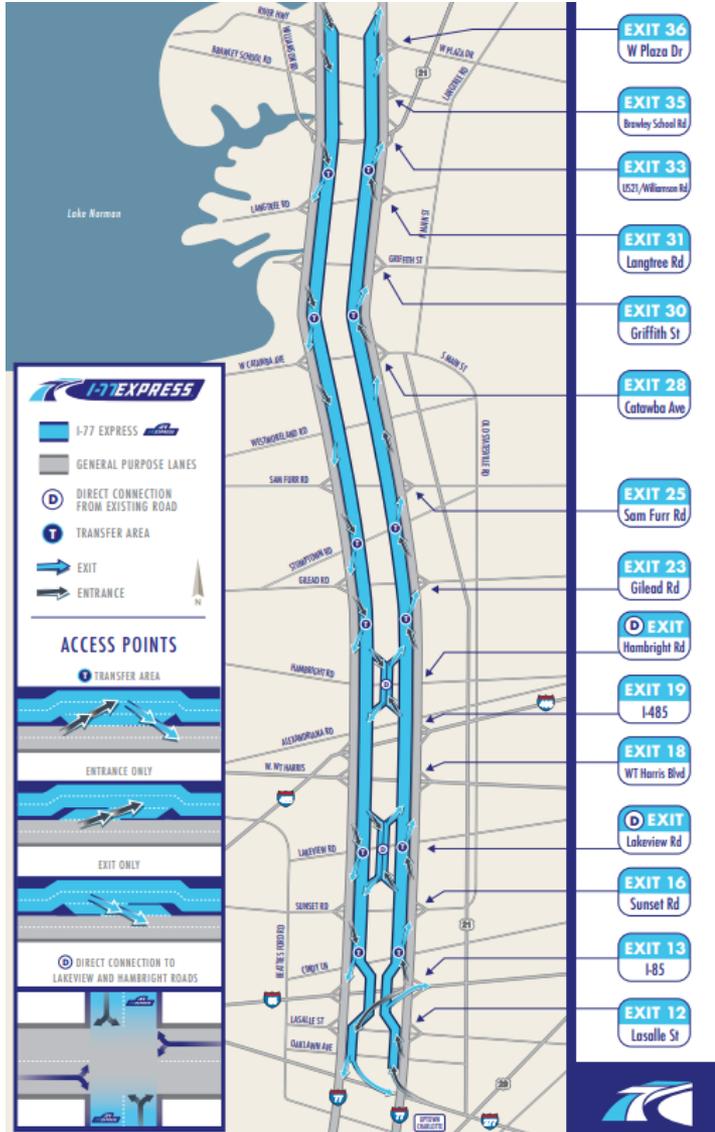


Segment	Length (miles)	Open to Tolling	Comment
3A	6.2	Northern portion opened April 5, 2018 while remainder opened July 19, 2018	Opened five months ahead of schedule
3B	4.0	First phase opened July 21, 2017 while remainder opened October 31, 2017	Originally built by TxDOT
3C	6.7	Anticipated July 2023	Being built as change order under existing Facility Agreement



I-77: traffic +44% in first four months of operation

Global consolidation, 50.1% stake
Charlotte, North Carolina, USA



430,000	15,000	2.2 mn	52%	\$6/month
Different vehicles have used I-77	Unique vehicles every weekday	Total trips on I-77	% of users with transponder	Average monthly bill

- Express lanes opening has improved speeds across entire corridor*
- Highway volumes have quickly recovered pre-construction levels
- Discounted promotional rate applied until full opening (~25%)
- Full opening expected end of 2019

50.1% Stake	2014-69 Concession	\$650mn Investment	
\$248mn Equity	\$100mn Bonds	\$90mn Public funds	\$189mn TIFIA

I-77 connects the major employment centre of downtown Charlotte with the growing residential communities of Northern Mecklenburg and southern Iredell counties

* Northern portion opened 1st June 2019
 - 15 mi express lanes between Hambright Road in Huntersville & Exit 36 in Mooresville.
 - 5 segments in each direction, & numerous entry and exit point
 Peak travel periods are from 6:30 AM to 9:00 AM and from 3:00 PM to 7:00 PM).

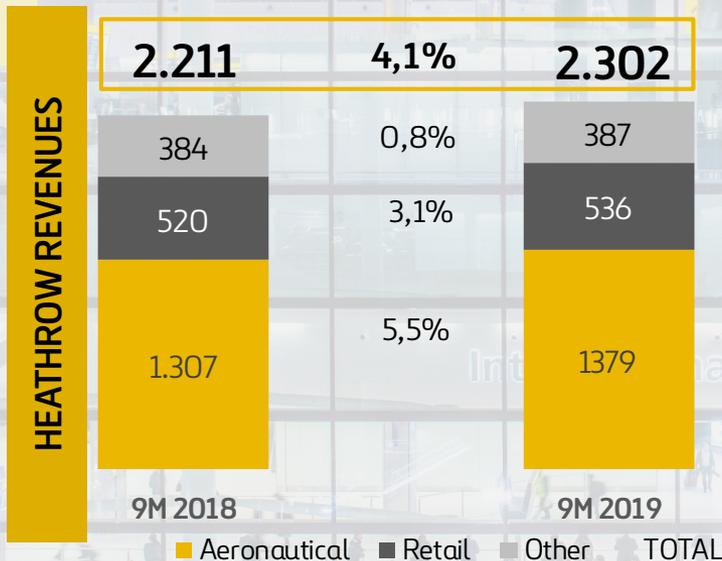
Heathrow

Equity consolidated, 25% stake
London, UK
(GBP mn)

On track for 9th consecutive year of traffic growth
Retail revenues +3.1%

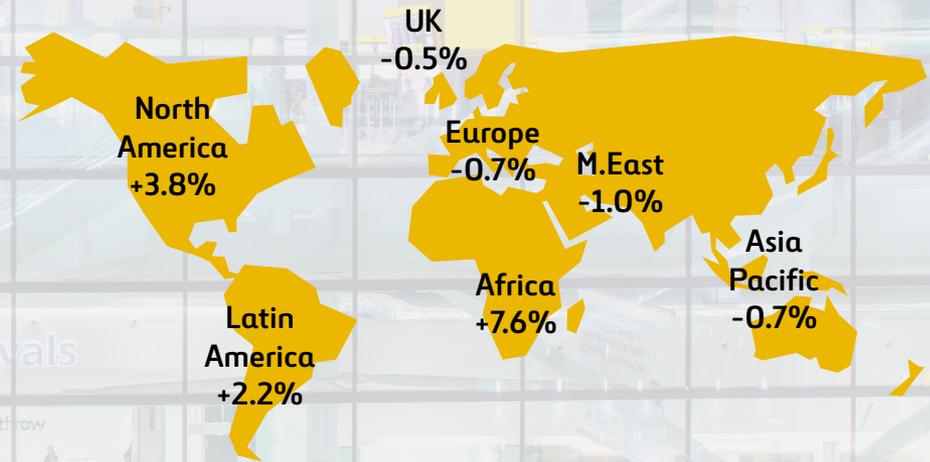
MAIN FIGURES HEATHROW SP

EBITDA: +6.3% (+3.6% exIFRS16)



HEATHROW TRAFFIC BY AREA

61mn passengers (+0.7%)



82% of passengers rating their experiences as either
“Excellent” or “very good”

Net zero Carbon in **Heathrow 2.0** targets

Carbon neutral airport operations from 2020

Zero carbon airport operations by 2050

Carbon neutral growth from the new runway

Sustainable expansion

- Construction to **mitigate environmental impact** (i.e. pioneering offsite manufacturing)
- Capacity to be released according to legally binding, **strict environmental limits**.
- **Independent Scrutiny Panel** to validate monitoring & ensure compliance.
- Increasing to **6.5h ban on scheduled night flights** and **halving the number of “late runners”**.

AIR NOISE



- Fewer people impacted with noise than in 2013.
- Noise Insulation Policy for eligible residents.

AIR QUALITY



- Heathrow Ultra Low Emissions Zone.
- Expanded infrastructure for charging electric and hybrid vehicles
- Surface Access Proposals implementation.

SURFACE ACCESS



- 25% reduction in staff car trips by 2030 & 50% by 2040.
- At least 50% of journeys made to airport by public transport by 2030 & at least 55% by 2040.

CARBON



- Carbon neutral airport operations by 2020.
- Zero carbon airport operations by 2050.
- Carbon neutral growth from the new runway.

Construction

- **9M 2019 results in line with 1H 2019 (-€348mn EBIT), with Budimex & Webber presenting a positive performance and profitability similar to recent quarters.**
- **FA, in the 3Q standalone, -€24mn mainly on:**
 - ✓ **Overhead costs allocated to onerous contracts in the US (1Q 2019 provision).**
 - ✓ **Ongoing costs in some projects close to finalization, expected to be offset with income from claims, based on our rights in the contract. (no potential income from those claims included in the results).**

9M 2019 RESULTS

	9M 2019	% Ch	% CH LFL
Revenues	3.760	-3,2%	-5,1%
EBITDA	-320	n.s.	n.s.
EBITDA %	-8,5%		
EBIT	-348	n.s.	n.s.
EBIT %	-9,3%		
Order book	11.365	+3,6%	+1,5%

Services (discontinued activity)

Services divestment progressing

- Taking longer because the **transaction** is more likely to be **based on subsets** of the original perimeter.
 - ✓ Ferrovial could potentially **retain several PFI projects** (Infrastructure type)
- Two separate sale processes:
 - ✓ **Spain + Australia + RotW**
 - ✓ **Amey**

Birmingham agreement signed (no impact on Ferrovial P&L)

- **Amey to pay GBP215mn settlement**
- **Operations could be extendable until 31 Mar 2020.**

Consolidated P&L

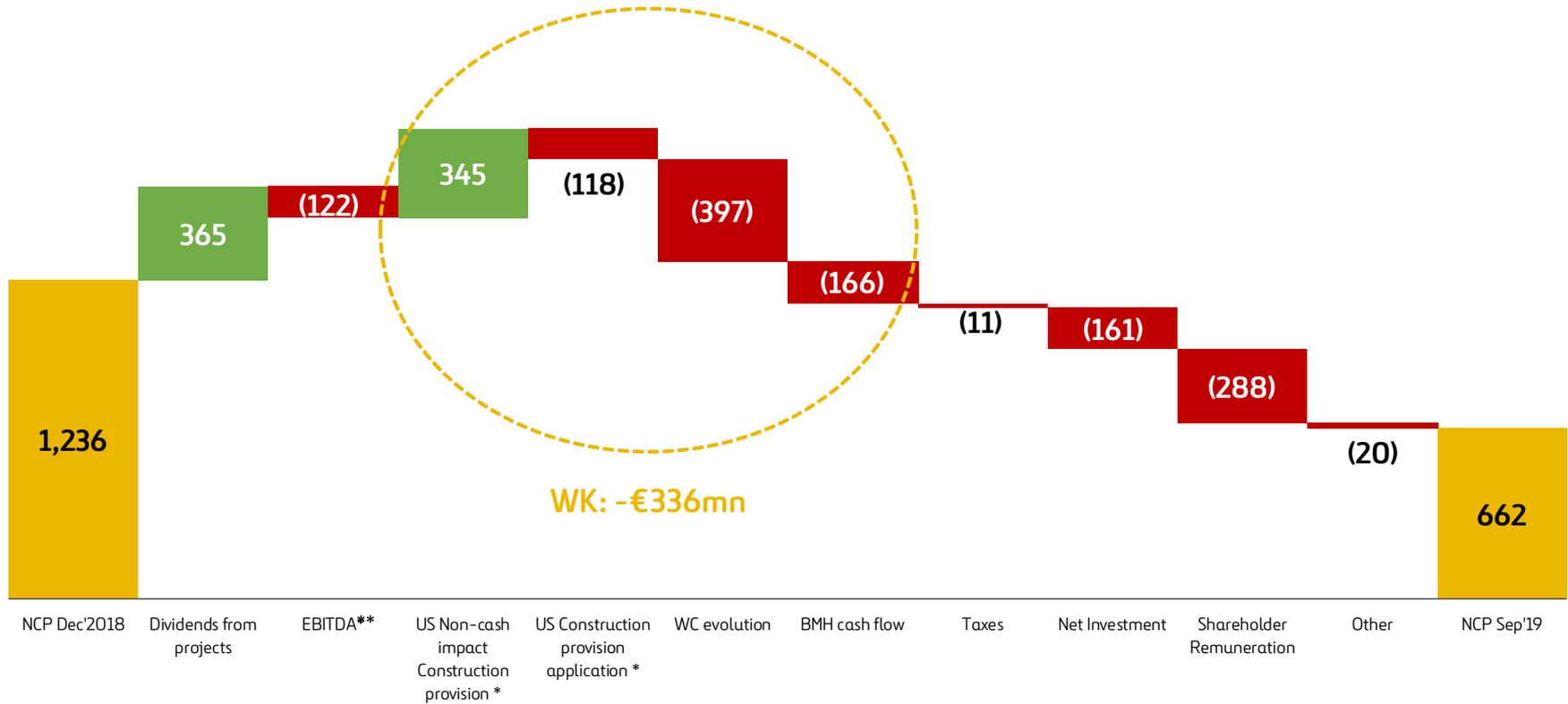
P&L (EUR mn)	9M 2019	9M 2018
REVENUES	4.292	4.300
Construction Provision	-345	
EBITDA ex-IFRS 16	3	349
EBITDA	33	
Period depreciation	-127	-98
Disposals & impairments	-24	-16
EBIT	-117	235
Infrastructure projects	-194	-173
Exinfrastructure projects	41	12
FINANCIAL RESULTS	-153	-161
Equity-accounted affiliates	115	206
EBT	-155	279
Corporate income tax	-9	-22
CONSOLIDATED PROFIT FROM CONTINUING OPERATIONS	-164	257
NET PROFIT FROM DISCONTINUED OPERATIONS	28	-160
CONSOLIDATED NET INCOME	-136	97
Minorities	32	-38
NET INCOME ATTRIBUTED	-104	59

In accordance with IFRS 5, Services activity has been reclassified as discontinued since December 2018, also re-expressing the income statement of 9M2018.

- **Revenues:** flat (-0.2%) lower contribution from Construction (-3.2%) offset by higher contribution from Toll Roads (+36%).
- **EBITDA ex-IFRS 16 impacted by -€345mn (at 100%) Construction provision.** IFRS 16 (leases reclassification) improved EBITDA by €31mn
- **Depreciation:** increased by (+29%) vs 9M 2018
- **Disposals, Impairments:** -€24mn from further impairments at Autema
- **Financial Result:** lower than 9M 2018.
 - **Infra level:** Higher expenses reflecting entry into operation of NTE35W, partially offset by higher interest rates with positive impact on gross cash position.
 - **Ex-infra level:** Positive evolution mainly due to higher interest rates with positive impact on gross cash position & equity swaps hedges linked to payment plans, with no CF impact.
- **Equity accounted results:**
 - **407ETR** contribution: €111mn (vs €98mn)
 - **HAH** contribution: -€26mn (vs €78mn)
 - **AGS** contribution: €9mn (vs €6mn)
- **Taxes:** impacted by write-down of previous years' deferred tax assets in Spain given the potentially long time to recover them & contribution related to eq. accounted companies which is already net of tax effect.
- **NP from discontinued Operations:** An adjustment in carrying value has taken place in Sep'19, resulting on a NP from discontinued operations of €28mn vs. NP of €135mn in Jun'19. Results from discontinued operations were increasing the book value compared to Dec'18 mainly because there is no amortization charge following IFRS 5. 9M 2018 impacted by BMH provision (-€237mn).
- **Net income from continuing operations:** includes a series of impacts:
 - Impact from Construction division provision at NP: -€212mn.
 - Fair value adj for derivatives: -€77mn (+€30mn in 9M2018):
 - Impairment at Autema: -€18mn (-€21mn in 9M 2018).

Net Debt evolution (ex-infrastructure)

Including discontinued activities



*Related to the provision registered in 1Q2019 corresponding to the three contracts in US

**EBITDA excludes contribution from projects but it includes EBITDA from Services

Final remarks...

+14%

407ETR

FY2019 dividend growth

9

Consecutive year of traffic growth

Heathrow

New record high supported by higher pax satisfaction

+60%

Price above consensus valuation

Ausol

Market appetite for infrastructure

+40.5%

EBITDA growth

NTE

MLs continue booming

€662mn

Net Cash Position

ex-infra level

Strong position before divestments proceeds

Focus on

Construction risks

&

separate perimeters

for Services divestment process

Ferrovial: solutions to congestion



Q&A



ferrovial

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