



ferrovial

1Q 2019 Results

7 May 2019

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1Q 2019 Highlights



**Strong growth
from our
main infra assets**

- MLs performance boosted by new connections
- Record traffic at Heathrow (17.9mn pax)
- 407ETR: traffic highly impacted by severe weather conditions
- Ausol held for sale

Construction

- €345mn provision related to US projects

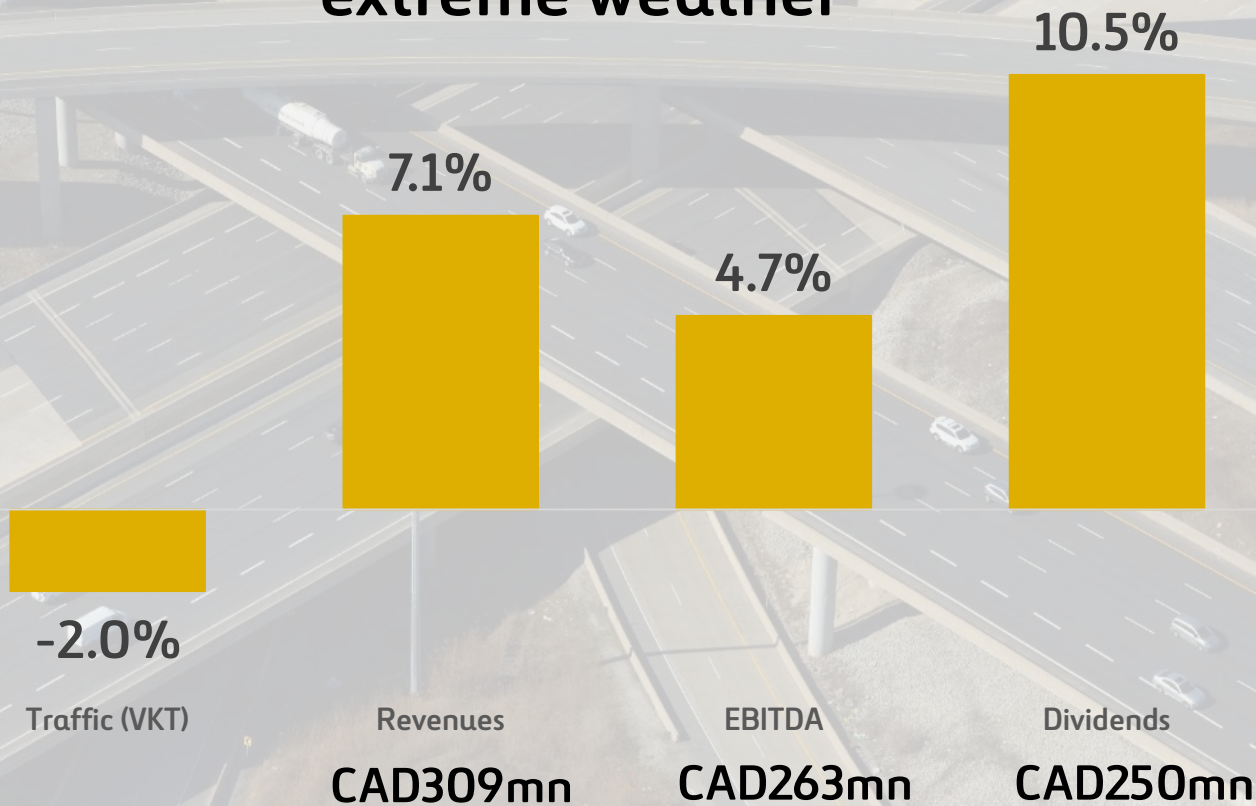
Services

- Services divestment on track (Amey non included)

407 ETR

Equity method, Ferrovial stake 43%
Toronto, Canada

Solid results despite extreme weather



407 ETR

Equity method, Ferrovial stake 43%

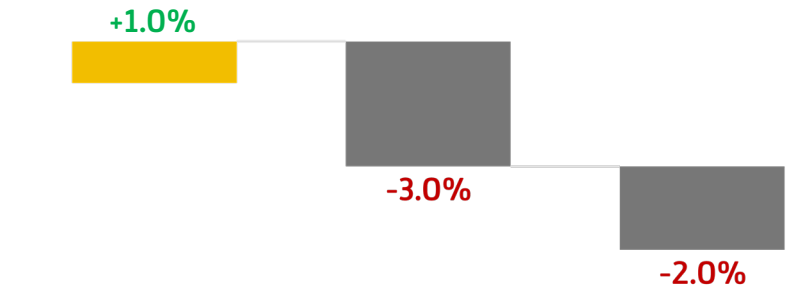
Toronto, Canada

(CAD mn)

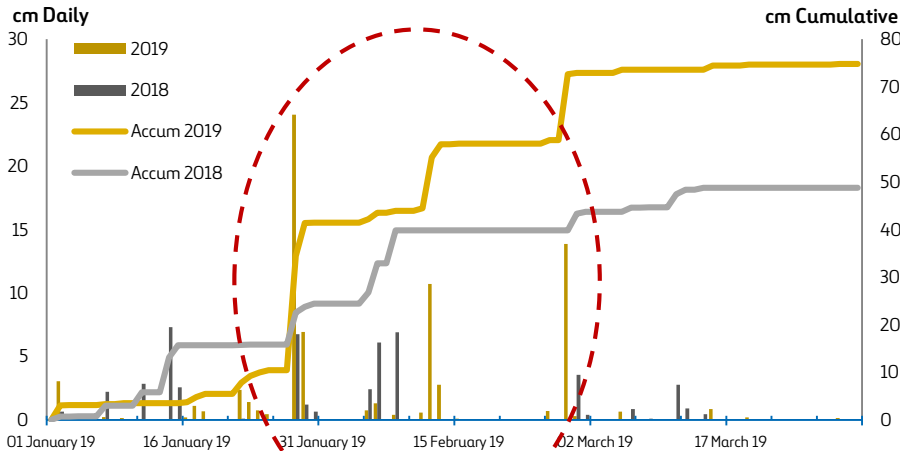
Severe winter weather causes major traffic disruption

	January	February	March
Monthly VKT performance (YoY)	-2.0%	-4.6%	0.4%

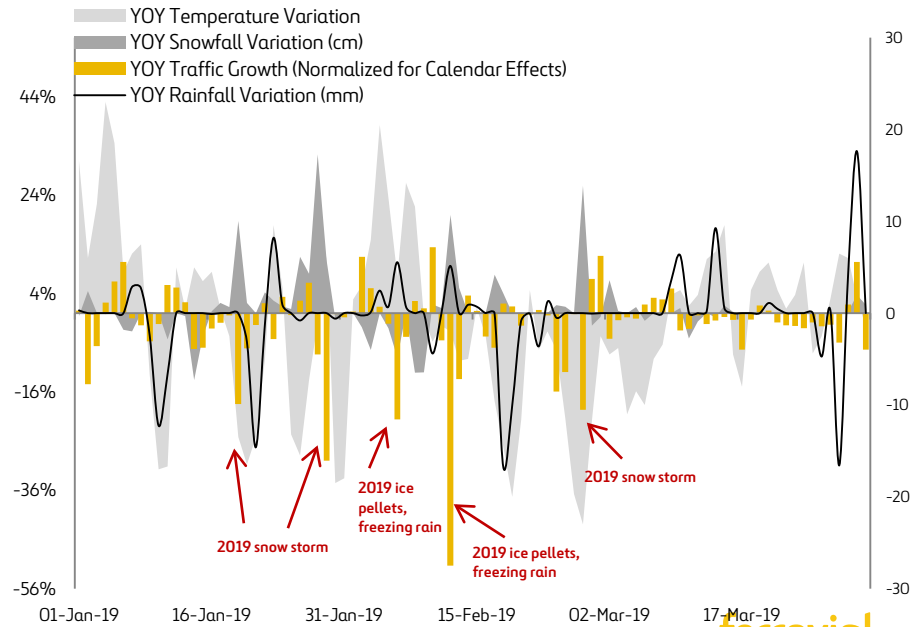
- 2019 January: **record single day snowfall** on a workday (24cm)
- 2019 February: 18mm **freezing rain** all falling within workdays
- 5 major winter **school closures**, school bus cancellation (none in 2018)



Workday average snow



Weather impact on 1Q ETR trip growth



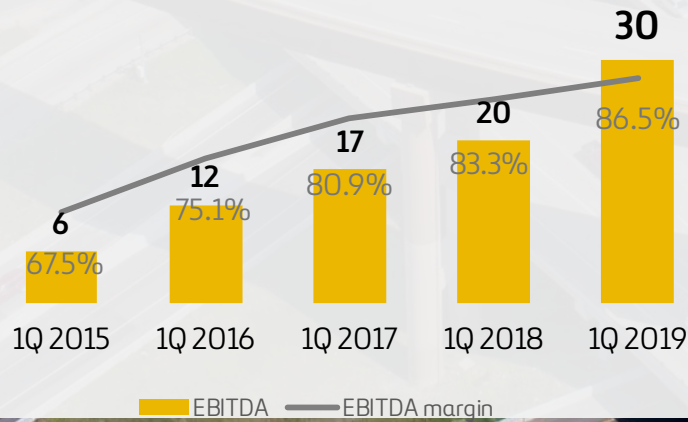
Managed Lanes

Global Consolidation
Texas, USA
(USD mn)

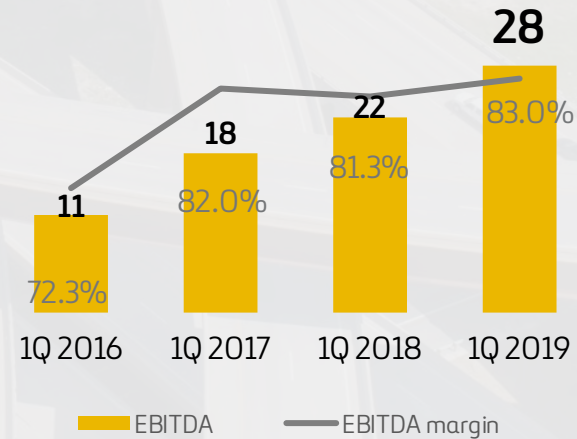
Outstanding performance continues

	NTE	LBJ
REVENUES	+43.5%	+23.5%
EBITDA	+48.9%	+26.2%
TRAFFIC*	+20.8%	+5.5%

NTE – EBITDA



LBJ – EBITDA



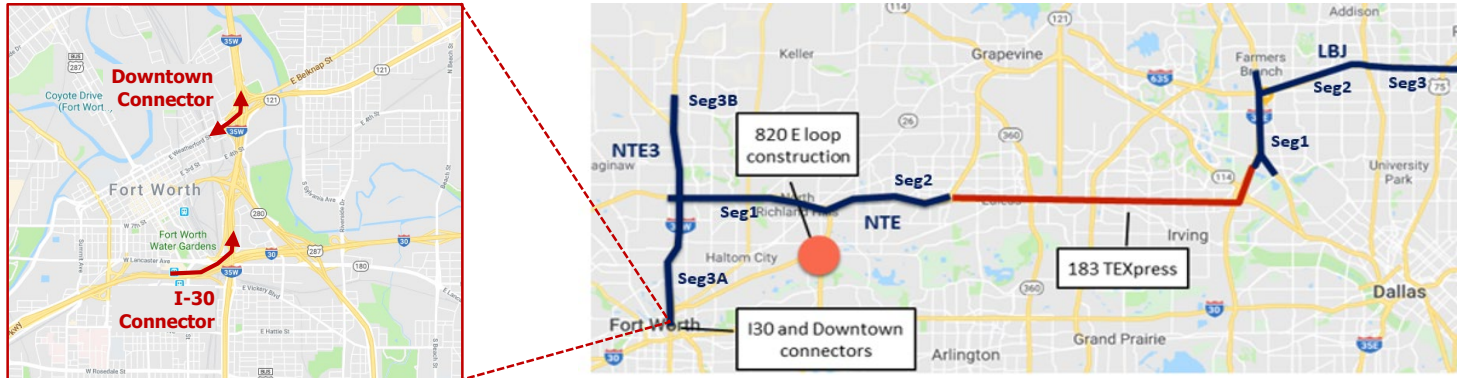
* Transactions

Dallas connectivity

Texas, USA

■ Growing ML network

- ✓ The Dallas-Ft. Worth managed lane **network added several key links** in the previous year. Notable links include 183 TEXpress which connects directly to both the NTE and LBJ. Both roads have seen increases in traffic following the end of construction and the opening of the managed lanes along 183.
- ✓ **NTE 35W** increased connectivity to Ft. Worth with the opening of the Downtown Connector to Ft. Worth and direct flyover access from I-30. Traffic on these links is expected to ramp-up in the coming year.



■ NTE 3 Strong traffic performance

- ✓ Corridor traffic has quickly recovered; 1Q19 volumes are **40% above pre-construction levels**
- ✓ **Quick adoption** of managed lane facilitated by driver familiarity with managed lanes

■ Rush-hour demand for NTE driving tolls higher

- ✓ Demand for the NTE has **exceeded contractual thresholds on several occasions** in 1Q19, causing tolls on Segment 2 to rise beyond the soft cap (\$0.90/mi) during each high-demand event.

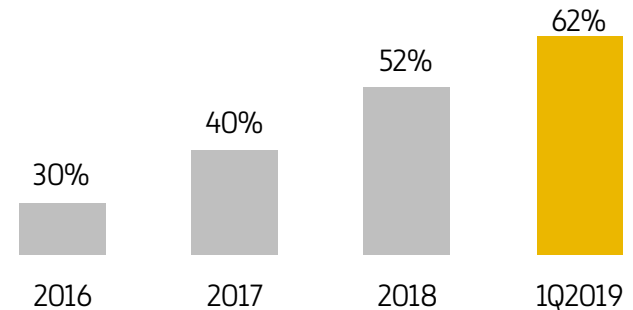
Toll Roads

(€ mn)

US keeps growing

- **>60% EBITDA from US assets**
- **+c.45% EBITDA growth (LfL)**
 - NTE 35W contribution: €11mn (mg 74.8%)
 - Significant growth at NTE & LBJ
- **+10.5% higher 4Q7ETR dividends**
 - 2Q2019 dividend **+10.5%** (CAD250mn).
- **Ausol classified as held for sale at the end of the 1Q2019**

USA CONTRIB. TO CONSOLIDATED EBITDA*

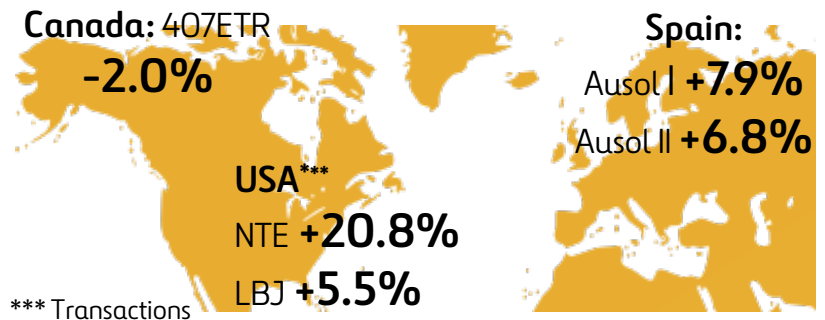


* Exc. headquarters

TOLL ROADS RESULTS

	1Q2019	% CH LFL**
Revenues	134	35.5%
EBITDA	93	44.6%
Margin	69.6%	

TRAFFIC EVOLUTION



*** Transactions

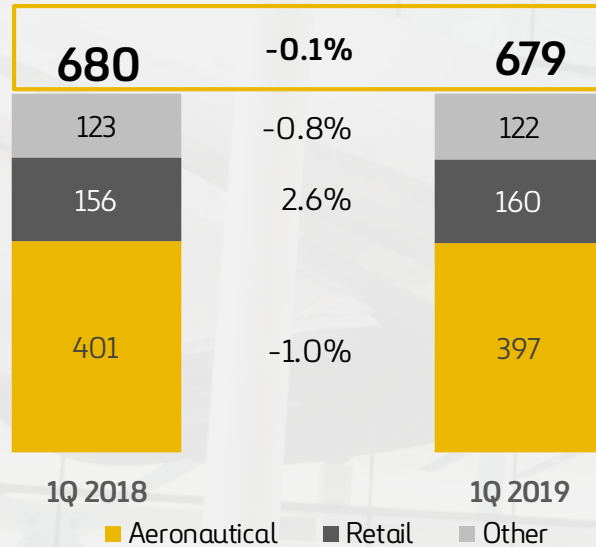
** %LFL: change vs 1Q2018 excluding perimeter & FX changes.

Another traffic record (+1.4%) with lower aeronautical tariff per pax (-2.4%)

- ✓ **New routes boost UK connectivity** - Over 210 global destinations now connected via a direct flight.
- ✓ **Global appetite to invest in Heathrow** - €650mn bond >4x oversubscribed.
- £1bn in private finance to fund expansion entirely privately.

MAIN FIGURES HEATHROW SP

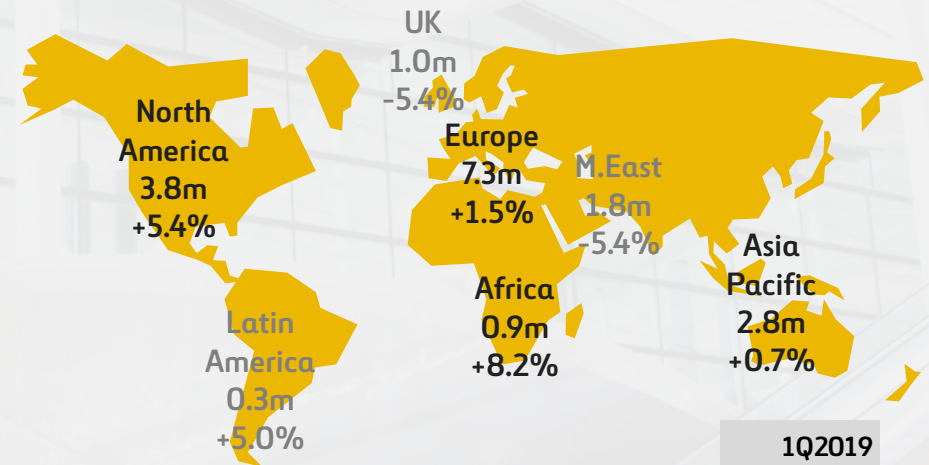
- **Revenues:** -0.1%
- **Costs^(*):** -1.8%
- **EBITDA:** +1.0%



- **Dividends:** **GBP100mn** (€29mn for FER)
GBP113mn in 1Q2018

HEATHROW TRAFFIC BY AREA

17.9 million passengers (+1.4%)



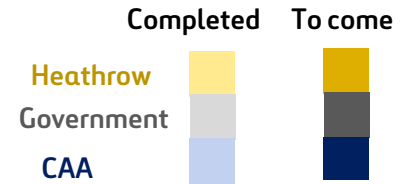
	1Q2019
Long haul traffic growth	2.1%
Short haul traffic growth	0.6%

OTHER HIGHLIGHTS

- ✓ **82.6%** of pax rate their experience “Excellent” or “Very good”
- ✓ Award-winning service: **T5 Best Airport Terminal** in the world (Skytrax)

Heathrow

Expansion – expected calendar



CAA consultations and policy updates

Heathrow consultation 1 launched

CAA consultation and final report to Secretary of State on airline engagement

Airspace & Future Operations consultation



2017

2018

2019

2020

2021

- Government consultation on draft National Policy Statement ('NPS')
- NPS consultation 2
- Parliamentary scrutiny

NPS 'designated' by Government

Heathrow Innovation Partners short list

Heathrow statutory consultation

Heathrow Initial Business Plan ('IBP')

Heathrow submits Development Consent Order (DCO) application

Government decision to grant DCO

Commercial deal on airline charges to apply (2020-21) prior to the start of H7

Construction

€345mn provision for estimated future costs in US projects

US contracts main impacts:

- Boom in construction / surge in subcontractor prices
- Hike in raw material prices
- Delays in design approvals, that imply prices cannot be signed off with subcontractors.

Still cost pressure in Budimex

- (EBIT mg 2.3% vs 5.3% in 1Q18 excluding Real Estate)

1Q 2019 RESULTS

	1Q 2019	% Ch	% CH LFL
Revenues	1,093	+4.4%	+2.4%
EBITDA	-325	n.s.	n.s.
EBITDA %	-29.7%		
EBIT	-332	n.s.	n.s.
EBIT %	-30.4%		
Order book	11,299	+3.0%	+1.6%

Figures ex IFRS-16 impact

Services

Discontinued activity

Services divestment on track

In order to analyze the performance of the Services division, the results of the Services activity & sub-activities are shown below prior to their classification as held for sale

1Q 2019 RESULTS

(€ mn)

	1Q2019	% CH	% CH LFL
Revenues	1,814	+16.3%	+15.5%
EBITDA	75	+146.5%	+145.3%
EBITDA %	4.2%		
Order book	19,398	-0.1%	-2.6%

- **UK: €7mn EBITDA**
 - Revenues +36.1% (Lfl) on Carillion contracts contribution
 - 1.0% EBITDA mg
- **SPAIN: €47mn EBITDA (+3.0% vs 1Q18)**
 - 9.7% EBITDA mg
- **INTERNATIONAL: €12mn EBITDA**
 - 7.5% EBITDA mg
- **AUS: €9mn EBITDA**
 - 2.3% EBITDA mg

✓ Information memorandum completed.

✓ Amey is not included in the transaction perimeter.

Consolidated P&L - Accounting impacts

- **IFRS 16 (Leases) first application:** Reclassification between EBITDA, amortisation and Financial result with no significant impact at EBIT and Net Income level.

✓ EBITDA impact: €6mn

(EUR mn)	MAR-19	MAR-18	VAR.	LIKE FOR LIKE
Toll Roads	93	62	51.2%	44.6%
Airports	-4	-4	-23.1%	-28.1%
Construction	-325	26	n.s.	n.s.
Others	1	5	n.a.	n.a.
Total EBITDA ex-IFRS 16	-236	89	n.s.	n.s.
IFRS 16	6			
Total EBITDA	-230			

- **Services as discontinued activity:** IFRS 5 says that an entity shall not amortise non current asset while it is classified as held for sale. Positive impact in 1Q 2019 Services Net Income of +€64mn.
- **Ausol toll road has been reclassified as “Asset held for sale” at the end of 1Q 2019.** This reclassification has led to a net debt reduction of EUR439mn.

Consolidated P&L

(€ mn)

P&L (EUR mn)	MAR-19	MAR-18
REVENUES	1,229	1,146
Construction Provision	-345	
EBITDA ex-IFRS 16	-236	89
EBITDA	-230	
Period depreciation	-33	-27
Disposals & impairments	-11	-10
EBIT	-273	52
Infrastructure projects	-64	-53
Exinfrastructure projects	3	-9
FINANCIAL RESULTS	-61	-62
Equity-accounted affiliates	55	78
EBT	-279	69
Corporate income tax	62	2
CONSOLIDATED PROFIT FROM CONTINUING OPERATIONS	-217	70
NET PROFIT FROM DISCONTINUED OPERATIONS	73	-223
CONSOLIDATED NET INCOME	-144	-153
Minorities	46	-8
NET INCOME ATTRIBUTED	-98	-161

* In accordance with IFRS 5, Services activity has been reclassified as discontinued since December 2018, also re-expressing the income statement of 1Q2018.

- **Revenues:** higher contribution from US toll roads
- **EBITDA ex-IFRS 16 impacted by -€345mn (at 100%) Construction provision.**
- **EBITDA:** IFRS 16 (leases reclassification) improved EBITDA by €6mn
- **Depreciation:** increased by (+20.9%) vs 1Q2018
- **Disposals, Impairments:** -€11mn from further impairments at Autema
- **Financial Result:** slightly lower vs 1Q2018.
 - **Higher expenses at infra level** reflecting the entry into operation of the NTE35W.
 - **Positive evolution at ex-infra level** mainly explained by the hedges provided by equity swaps: Improvement on the increase of the share price at the close of 1Q19 vs. 1Q18 (€20.88 vs. €16.97).
- **Equity accounted results:**
 - **407ETR** contribution: €31mn (vs €29mn)
 - **HAH** contribution: €28mn (vs €52mn) impacted by derivatives mark to market gain smaller vs the gain recorded in 1Q2018.
 - **AGS** contribution: -€3mn in line with 1Q2018
- **Taxes:** impacted by the contribution related to equity accounted companies which is already net of tax effect.
- **NP discontinued Operations:** Services positively impacted by IFRS 5* (no amortization). 1Q 2018 impacted by the BMH provision (-€236mn).
- **Net income:** -€98mn impacted by -€212mn Construction provision at net profit level.

Ex-infra Cash Flow – sources & uses

(€ mn)



Net cash, ex-infra:** €910mn

* WC evolution excluding the non-cash provision impact (€345mn)

**Including the net cash position from assets held for sale (€98mn)

... looking forward

**Focused on
construction risks.
Services as
discontinued activity**

**Capital allocation
focused on infra
projects,
mainly in North
America**

**NTE & LBJ to pay
dividends in
2019 - 2020**

Q&A



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