



BROADSPECTRUM

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Broadspectrum

Development Update

Investor Presentation
26 February 2018

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Agenda



- > Overview of BroadSpectrum and strategic rationale
- > Main actions since acquisition
- > 2017 performance and future targets

Broadspectrum – A transformational acquisition



ferrovial
services

(ex. Broadspectrum)



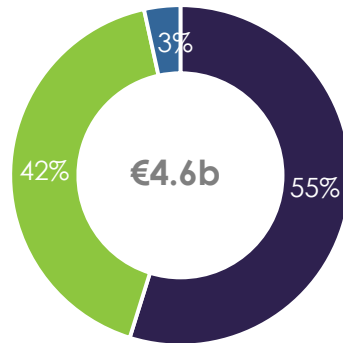
ferrovial
services

2017 Revenue

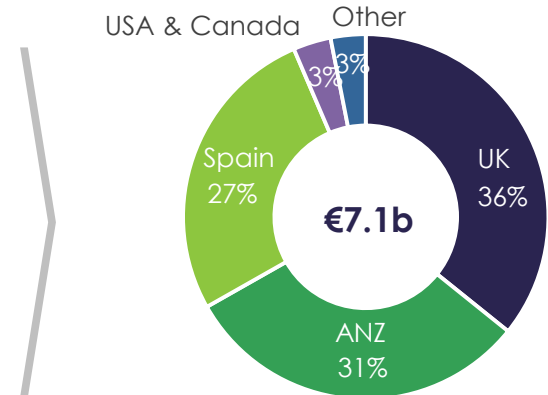
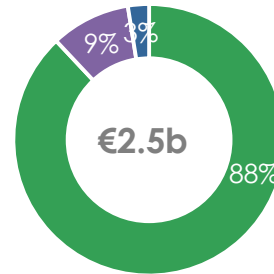
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Geographies

- UK
- Spain
- ANZ
- USA & Canada
- Other

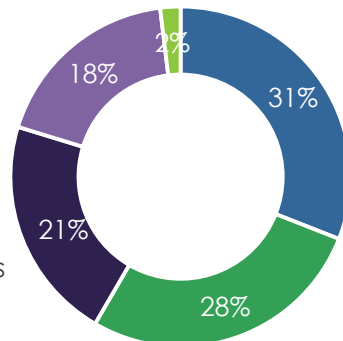


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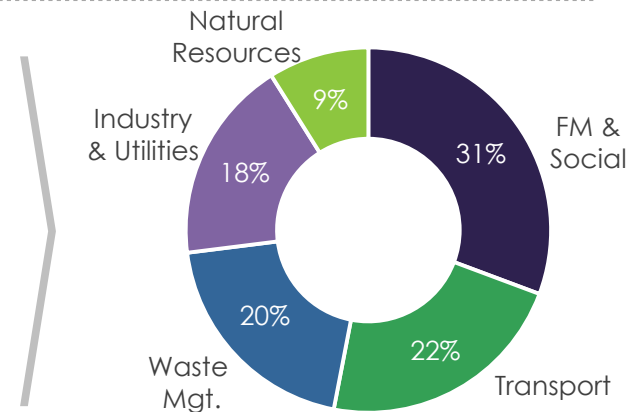
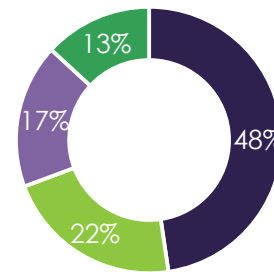


Sectors

- FM & Social
- Transport
- Waste Mgt.
- Industry & Utilities
- Natural Resources



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Confirmed strategic rationale after the integration





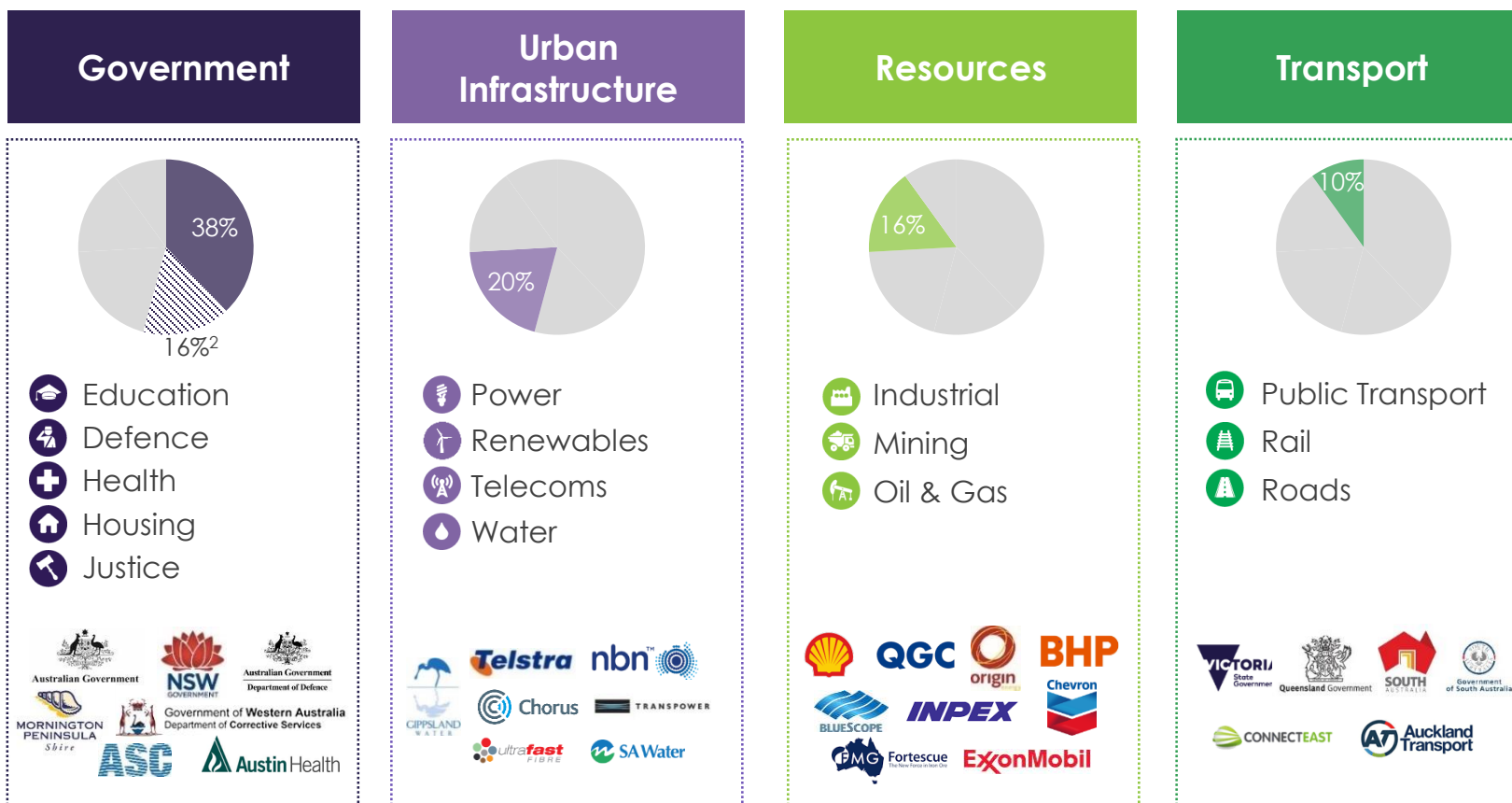
Major player in ANZ delivering core services across different markets



BRS ANZ

2017 Figures

Orderbook A\$6.5b	Revenue A\$3.3b	% EBITDA 5.4%	Oper. CF ¹ A\$216m	Employees 14,500	Contracts 95
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1. 2017 Pre-tax Operating cash flow. Cumulative Pre-tax Operating cash flow generated from June 2016 to December 2017: A\$423m

2. Immigration contracts



Growth platform in the Americas



BRS Americas

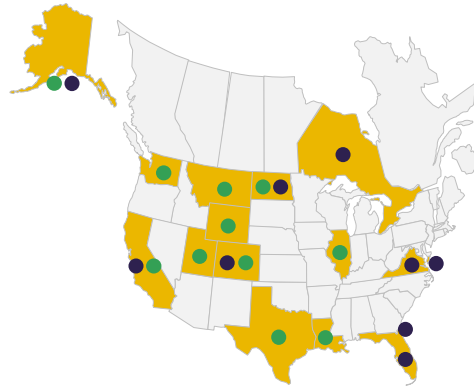
2017 Figures

Orderbook €895m	Revenue €306m	% EBITDA 2.7%	Oper. CF ¹ €20m
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USA & Canada

Chile

Current operations and end-markets



- Oil & Gas
- Transport

Client profile



- Mining (BRS)
- Mining (Steel)

Client profile



Revenue

€242m

€64m

Addressable market size²

€10.5b

€1.1b

1. 2017 Pre-tax Operating cash flow. Cumulative Pre-tax Operating cash flow generated from June 2016 to December 2017: €25m

2. Current end-markets



Key developments since acquisition – Preparation for a new growth stage



Exit Immigration contracts

- ▶ Successful contract delivery and transition-out

New operating structure

- ▶ ANZ sector-based structure
- ▶ Simplified & performance driven organisation

Improved performance

- ▶ Optimisation of contracts portfolio
- ▶ Overheads efficiency program

Robust growth road map

- ▶ Growth delivery in key sectors (Transport, Resources, Defence)
- ▶ New target markets

Differential Ferrovial capabilities

- ▶ Continuous support and collaboration with Ferrovial
- ▶ Development of value-added capabilities (Asset Management)

Total net debt reduction¹ of c.A\$250m since acquisition



Strategic plan in place to achieve profitable growth



	2017 Actual	2018 Guidance	2022 Target
Revenue (A\$b)	3.3	2.8-3.0	CAGR 18-22 4.0%-6.0%
EBITDA Margin (% Revenue)	5.4%	3.0%-4.0%	%EBITDA 5.0%-6.0%
Op. Cash Conversion ^{1,2} (A\$m; % EBITDA)	216	60%-80%	Cash Conversion 85%-95%
Capex (% Revenue)	0.6%	~1.5%	%Capex 1.0%-2.0%

1. 2017 Pre-tax Operating cash flow. Cumulative Pre-tax Operating cash flow generated from June 2016 to December 2017: A\$423m

2. Total Broadspectrum net debt (including ANZ and Americas) at May 2016 A\$670m vs. A\$420m at December 2017

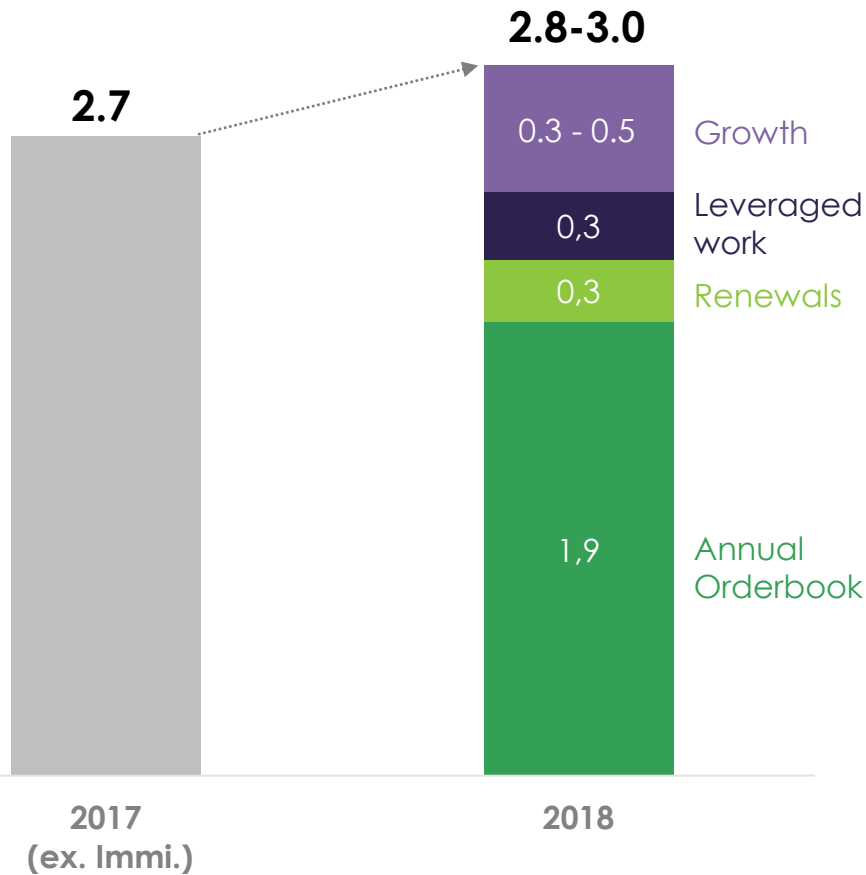


Delivering growth in 2018



Revenue by 'development status'

A\$b



- ▶ A\$600m of annual revenue of bidding opportunities (currently preferred & submitted)
- ▶ A\$775m of annual revenue of additional identified opportunities "to get" in 2018

- ▶ In line with historical average of 15% of annual orderbook

- ▶ Strong historical renewals rate of +90%

- ▶ In line with historical average of 55%-65% of total revenue

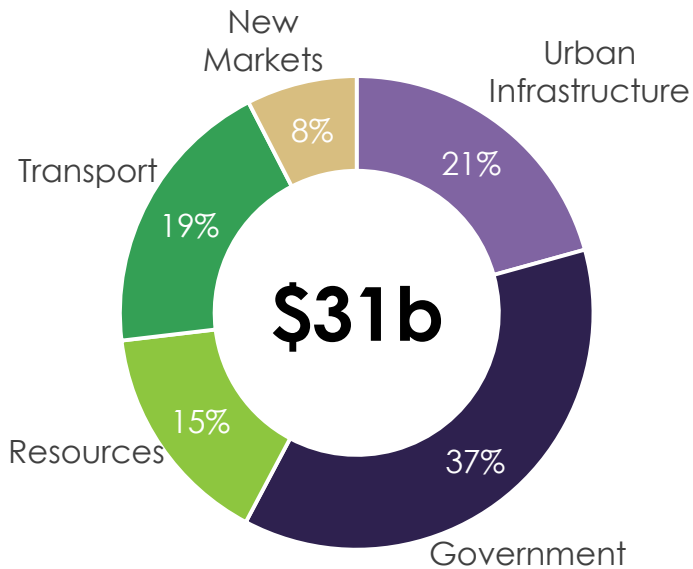


Extensive pipeline underpinning mid-term targets



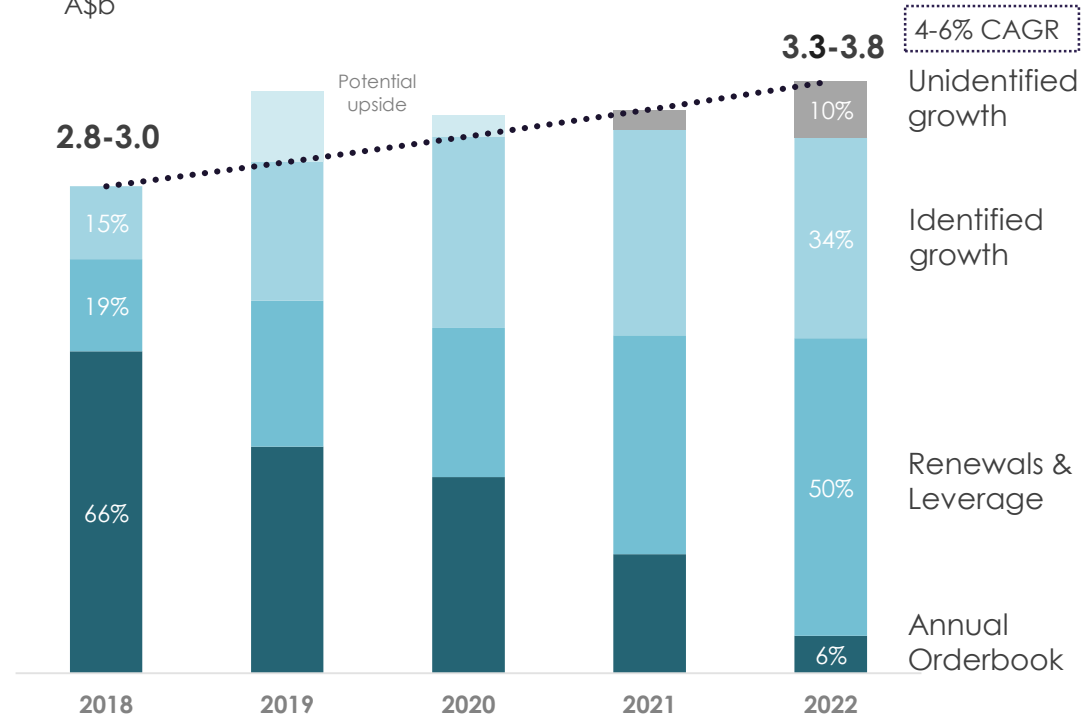
Pipeline breakdown¹

A\$b



2018-22 Target Revenue breakdown²

A\$b



Current Orderbook & Pipeline provides visibility of c.97%³ 2018-22 total revenue

1. Pipeline as at December 2017
 2. 2019-22 revenue assumptions based on historical averages
 3. Based on the 5.0% 2018-22 CAGR midpoint



Main growth drivers per sector



	Growth rationale	Pipeline¹ (A\$b)	Target Revenue CAGR 18-22	Key competitors
Government	<ul style="list-style-type: none"> ▶ Defence Investment Plan A\$195bn 2018-26 ▶ Top Defence provider; strong client positioning ▶ Further outsourcing in social, education and health 	11.4	4.0%-6.0%	<ul style="list-style-type: none"> ▶ Spotless ▶ Programmed ▶ ISS
Urban Infrastructure	<ul style="list-style-type: none"> ▶ Water capital works programs ▶ Development renewables market (33GWh target 2020) ▶ Fibre roll-out programs winding-down; growth in OM & wireless 	6.4	3.0%-5.0%	<ul style="list-style-type: none"> ▶ Downer ▶ UGL ▶ Ventia
Resources	<ul style="list-style-type: none"> ▶ Sustained recovery of commodity prices ▶ Increased production of CSG ▶ LNG maintenance turnaround wave 2019-22 	4.7	4.5%-6.5%	<ul style="list-style-type: none"> ▶ Monadelphous ▶ Downer ▶ UGL ▶ RCR Tomlinson
Transport	<ul style="list-style-type: none"> ▶ A\$75bn infrastructure investment 2018-22 ▶ Development of asset management solutions (rail & roads) ▶ Target new forms of contracts – PPP, franchising 	5.9	5.0%-7.0%	<ul style="list-style-type: none"> ▶ Downer ▶ UGL ▶ Ventia ▶ Fulton Hogan

1. Pipeline as at December 2017

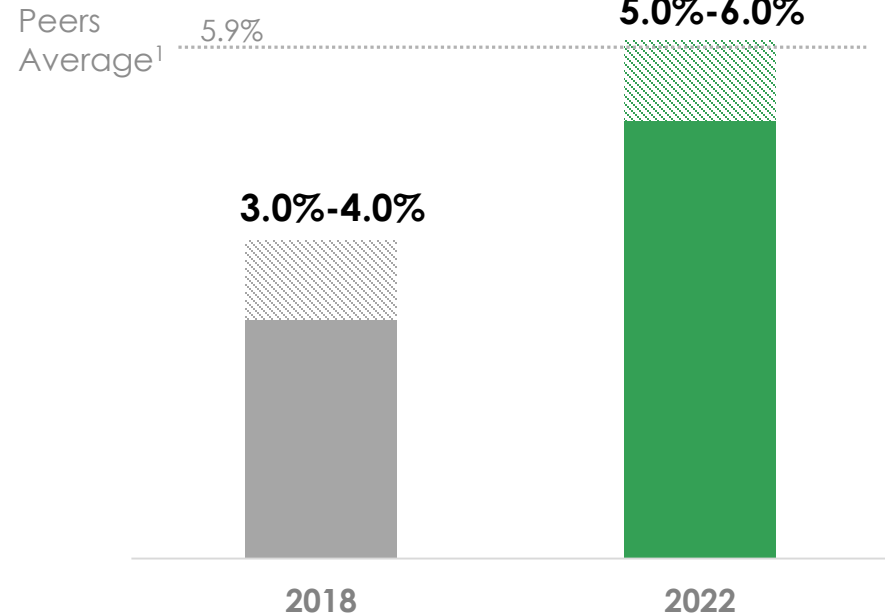


Increasing profitability through operating discipline and cost management



- ✓ Contract margin improvement plans
- ✓ Resizing corporate structure
- ✓ Increased mix of value-adding services
- ✓ Improved governance & risk management (i.e. bidding)
- ✓ Leaders development programs

% EBITDA (BRS vs. comparable peers)



Target of 5.0%-6.0% EBITDA margin in line with market peers



Collaborating with Ferrovial to develop differentiating capabilities



Government

- ▶ Energy Efficiency programs
- ▶ Complex FM projects

Urban Infra

- ▶ Cadagua JV (Design & Operations)
- ▶ Utilities Asset Management (AM)

Resources

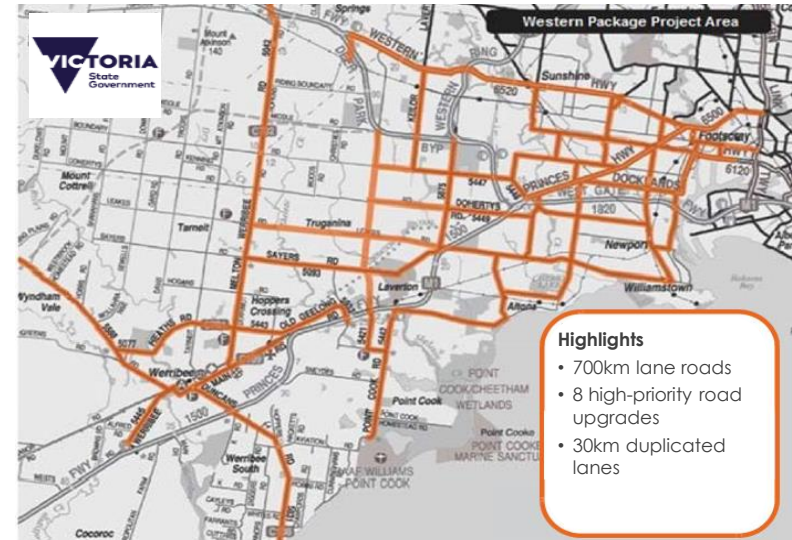
- ▶ Centre of Excellence for Resources

Transport

- ▶ Amey JV Roads & Rail (Design & AM)
- ▶ Streetlighting projects

Melbourne Western Roads Upgrade Program

- ▶ Client: Victoria State Government
- ▶ Location: Melbourne (Victoria)
- ▶ Consortia: Netflow (Cintra+Plenary) + BRS/Amey + WBHO
- ▶ Contract: c.A\$700m orderbook; 22 year concession
- ▶ Scope: asset management, rehabilitation and maintenance services



Final remarks



- > Growth potential in core attractive markets
- > Operating levers to drive performance improvement
- > Opportunity to add value leveraging Ferrovial capabilities