



**ferrovial**

**9M 2018 Results**

**30 October 2018**

# Disclaimer

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# 9M 2018 Highlights

**Excellent growth from  
our infrastructure assets**

- **Better performance than expected (2017 CMD)**
- **Traffic increased across the board**
- **Double digit EBITDA growth in main assets**
- **Higher dividends from 407ETR & LHR**

**Construction**

- **Construction EBIT margin 2.1%**
- **Expected improvement in Q4 but cost pressure main point of uncertainty**

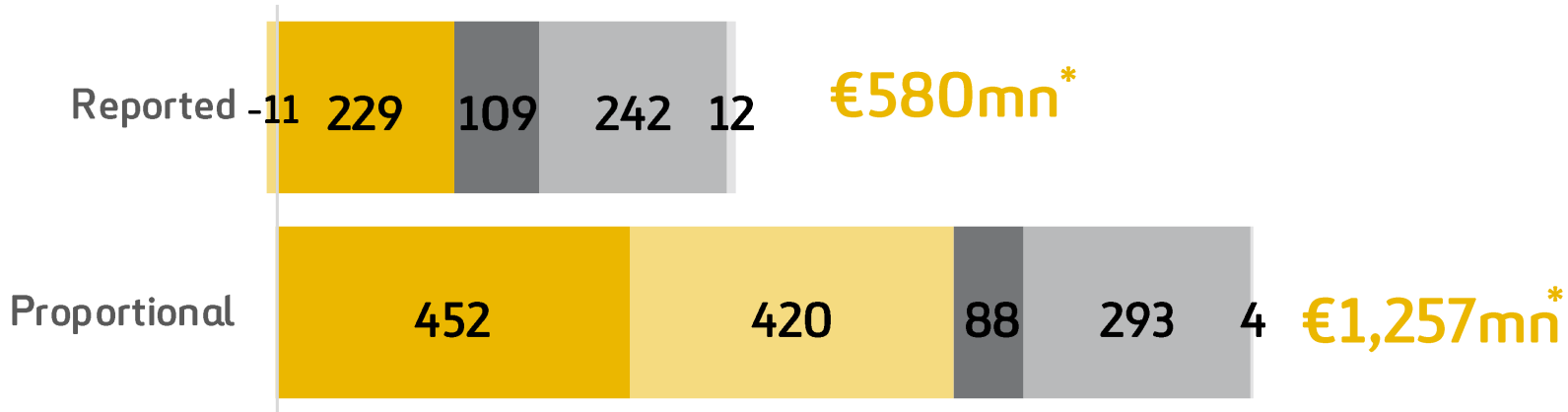
**Services  
in line with expectations**

- **Services impacted by Amey (BHM provision) & Australia (end of immigration contracts)**
- **FS Spain EBITDA +3.5%** driven by treatment & industrial maintenance activities.
- **€87mn dividends from projects & €108mn from asset disposals**



# Proportional EBITDA

(€ mn)



**c.70%** contribution from Infrastructure assets

■ Toll Roads 
 ■ Airports 
 ■ Construction 
 ■ Services (ExBHM) 
 ■ Other

\*excluding the impact of BHM provision



## Speeding up

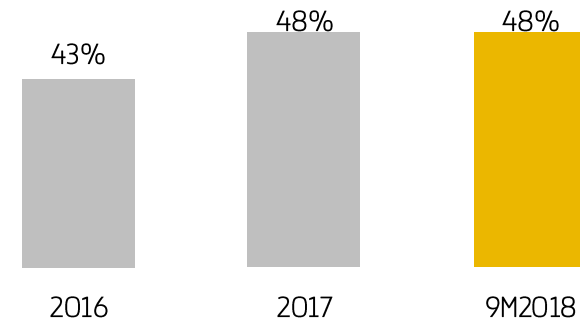
- Double digit EBITDA growth
- c.50% EBITDA from US assets
- Higher dividends from toll roads (€213mn)
  - FER received €202mn from 407ETR (+8.9% at 100% CADmn)
  - Rest of toll roads contributed €11mn to FER
- Opening of NTE35W Managed Lane (July 2018)
  - Performance above expectations
  - EUR13mn contribution to Cintra's EBITDA

\* %LFL: change vs 9M 2017 excluding perimeter & FX changes.

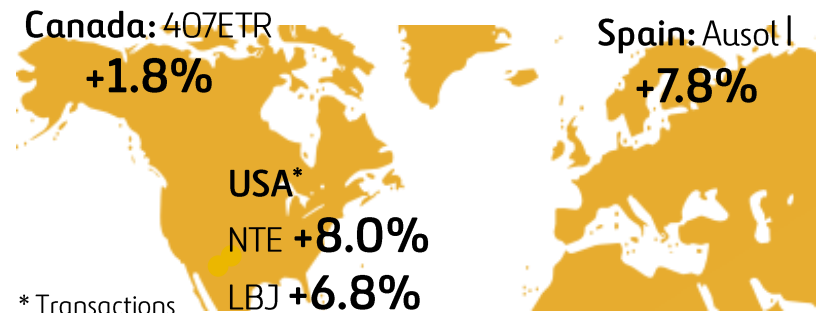
### TOLL ROADS RESULTS

	9M 2018	% CH LFL*
Revenues	339	+16.6%
EBITDA	229	+16.0%

### USA CONTRIB. TO CONSOLIDATED EBITDA



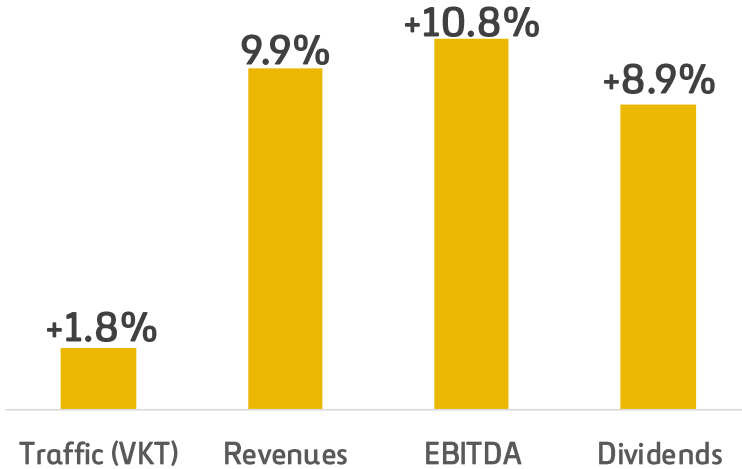
### TRAFFIC EVOLUTION



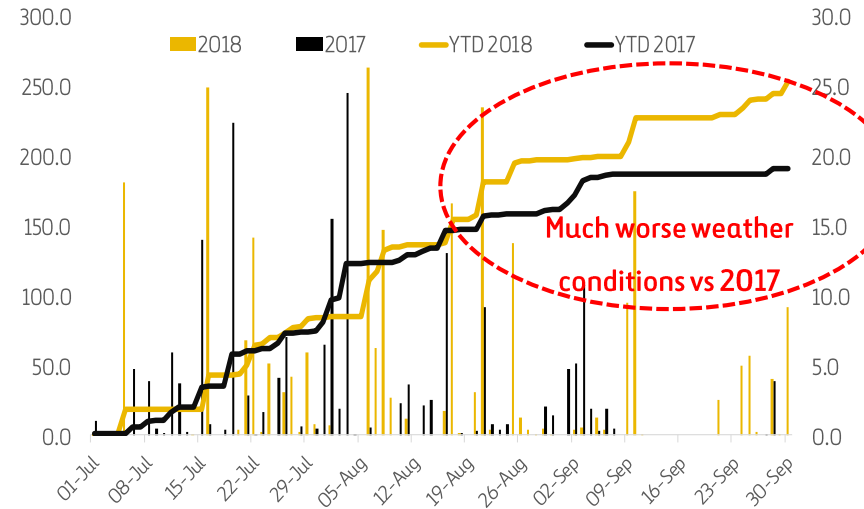
# 407 ETR

## Solid performance despite worse weather conditions in 3Q2018

### 9M 2018 PERFORMANCE VS 9M 2017



### DAILY AVERAGE PRECIPITATION

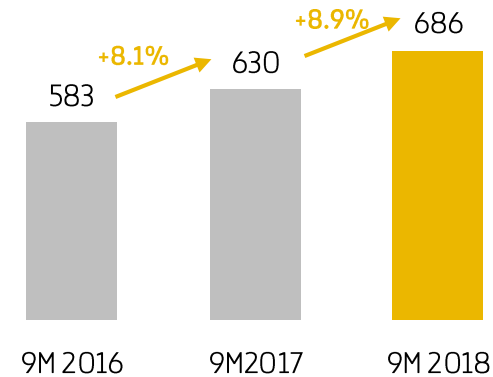


### STRONG ECONOMIC GROWTH

- GDP +2.3% (G.Toronto & Hamilton area)
- Total population +1.9%
- Personal Disposable Income +5.2%
- Inflation +2.7%

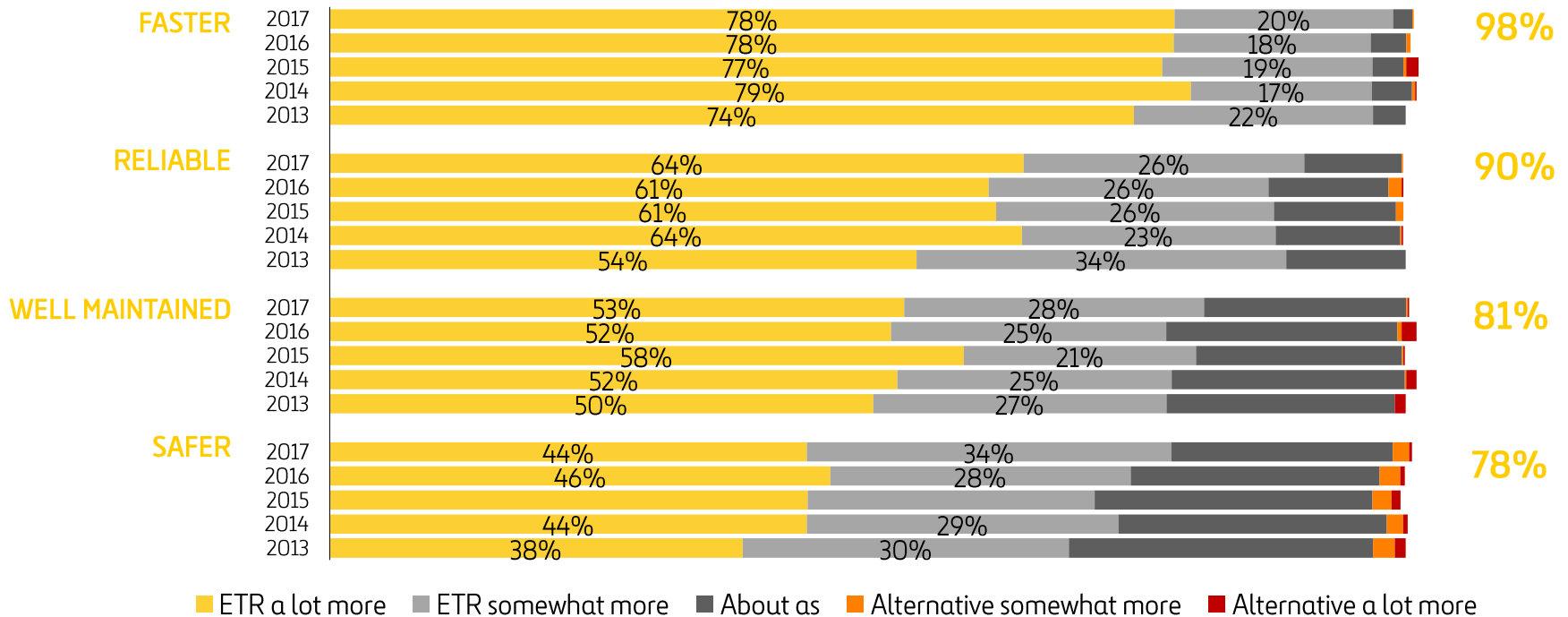
Economic Data Source: Conference Board of Canada (CBOC) Municipal Database

### DIVIDENDS



## 98% of customers consider 407 as the faster alternative

would you say 407ETR is ..... than your alternative route?



Despite consistent toll rate increases in the last years; customer satisfaction:

- ✓ consistently improving in the last years
- ✓ record levels in 2017

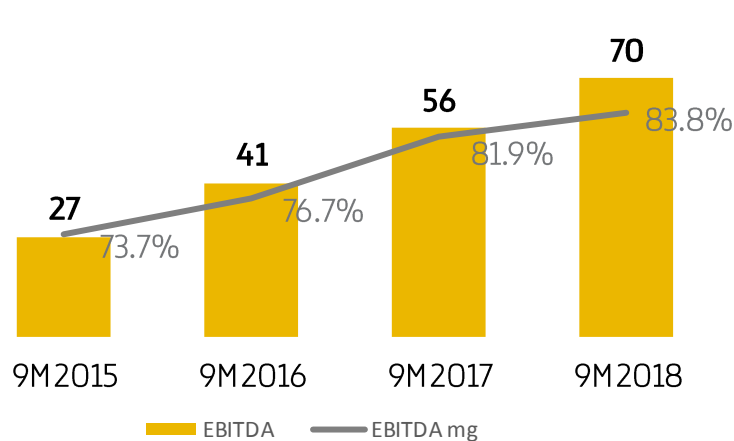
## Outstanding performance continues

**+21.0%** REVENUES **+24.7%**

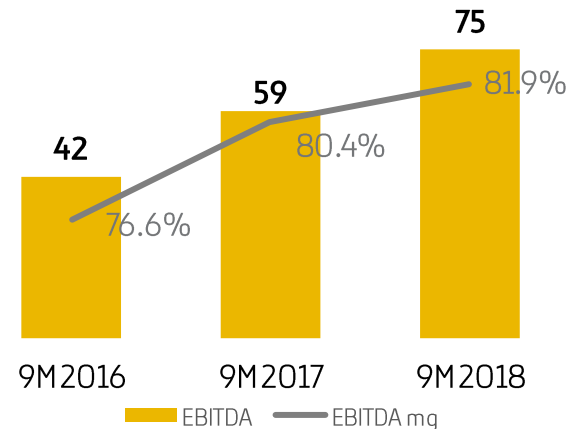
**+23.8%** EBITDA **+27.0%**

**+8.0%** TRAFFIC\* **+6.8%**

**NTE – EBITDA EVOLUTION**



**LBJ – EBITDA EVOLUTION**



## Strong margin improvement

**NTE (+193bps) & LBJ (+147bps)**

\* Transactions



# Managed Lanes

Macroeconomic indicators show the economic strength of the region

## EMPLOYMENT

**+3.5%**

DFW payrolls 2018/2017

## POPULATION

**+1.6%**

DFW-Arlington has the largest growth in US in 2017

## REAL GDP

**+c.4%**

DFW Real GDP growth between 3% - 5% in 2010-2017 (exc. 2016, -1.5%)

## HOUSEHOLD INCOME

**+5.6%**

Real DFW median in 2017. DFW median was higher than in Texas & the US in 2011-2017



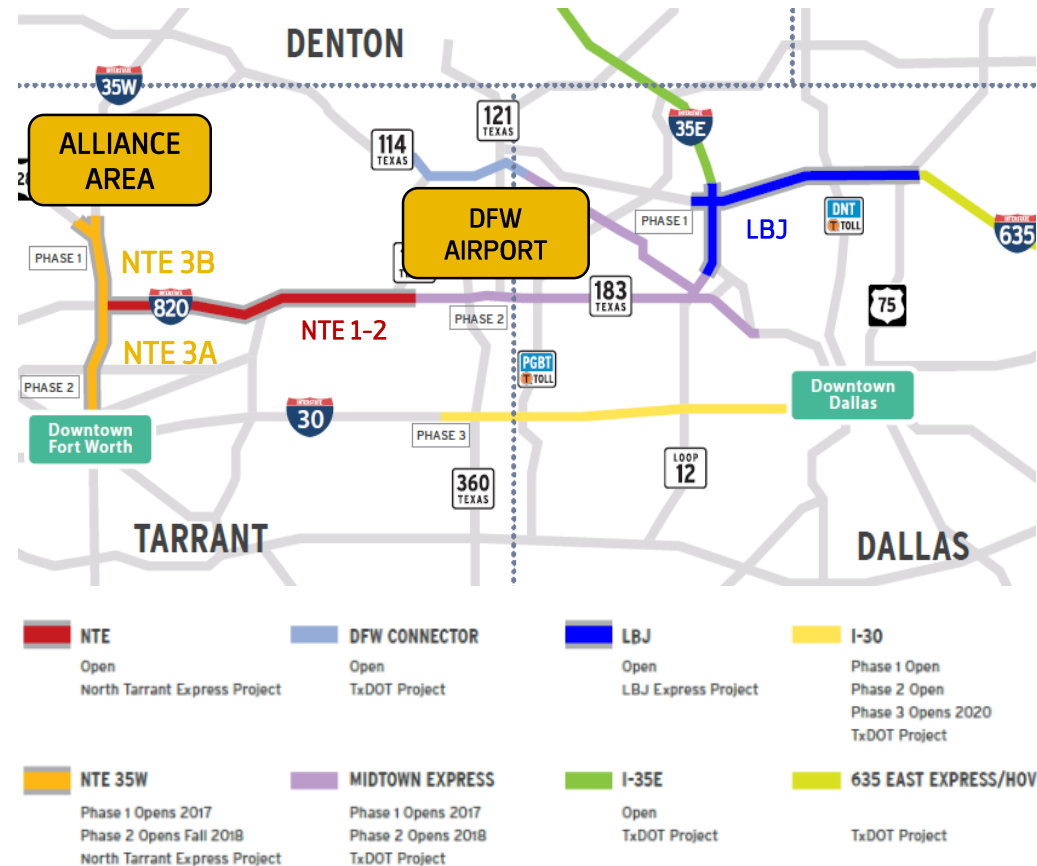
# NTE35W

Texas, USA

- ML fully opened July 19<sup>th</sup> 2018
- Global Consolidation (53.67%)
- Total project investment \$1.3bn
- Equity injected by FER: €231mn
- Length 10.2 miles
- Concession period until 2061

## Accelerated ramp-up

- Opening 3 months ahead schedule
- Strong traffic performance
  - ✓ Faster traffic recovery in the corridor vs. NTE
  - ✓ Higher capture rates
  - ✓ NTE 3B has more than tripled (+250%) since opening in August 2017
- I30 & Downtown connectors opening by the end of 2018 should continue to support this trend.
- Improves NTE1-2 connectivity
- Relevant logistic development in the area



# Airports

(GBP mn)  
Equity Method  
UK

## Heathrow - Strong traffic & retail figures

### HEATHROW

(FER stake 25%)

Revenues **+1.5%** **+5.7%** **+0.8%**

59%

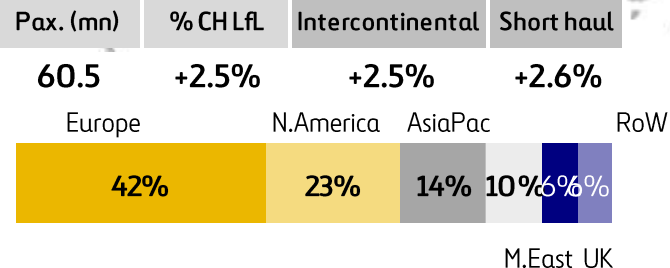
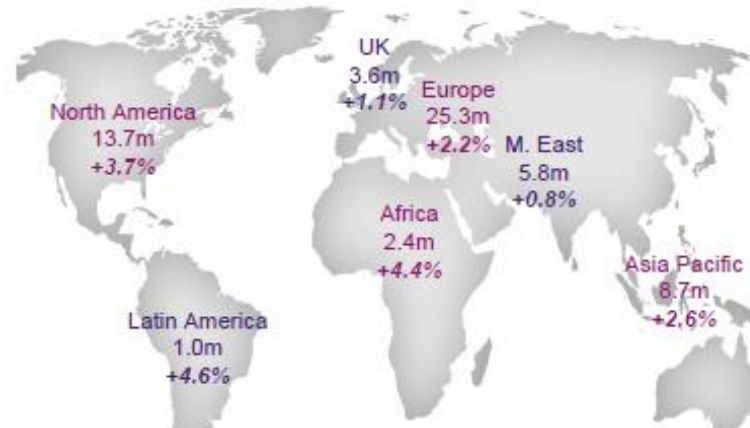
24%

17%

■ Aeronautic ■ Retail ■ Others

- **Revenues:** **+2.3%**
- ✓ **Aeronautical revenue +1.5%**, on traffic growth offset by some recoverable yield dilution (airlines employing cleaner and quieter aircraft).
- **Adj EBITDA:** **+1.9%**
- **Dividends:** GBP341mn
- **Higher inflation increases RAB:** natural deleverage & higher Eq. value.

### HEATHROW TRAFFIC BY AREA

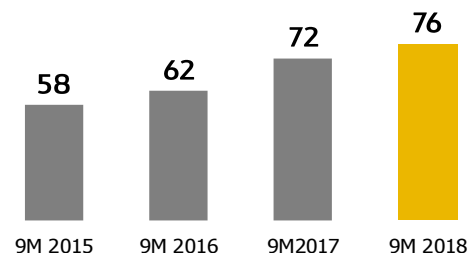


### AGS

(FER stake 50%)

**EBITDA +5.8%** despite adverse weather affecting traffic (-1.4%) & on the back of favorable retail yield

### AGS EBITDA



# Construction

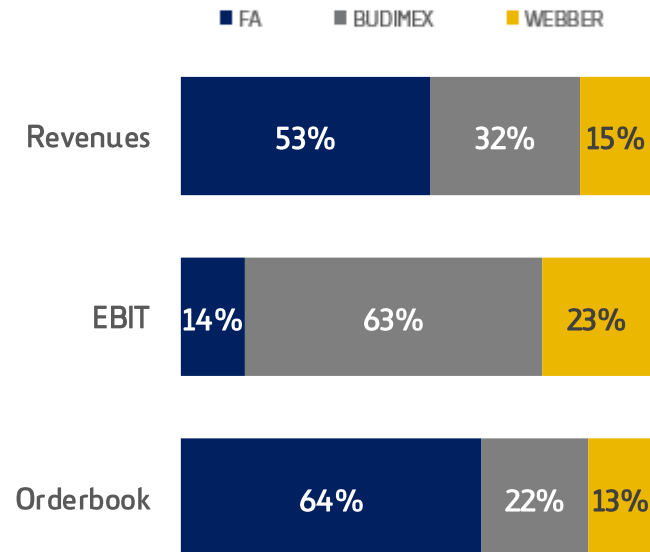
(€ mn)

## Expected improvement in Q4 but cost pressure has increased

### 9M 2018 RESULTS

	9M 2018	% Ch	% CH LFL
Revenues	3,837	+13.0%	+15.9%
EBITDA	109	-33.7%	-33.6%
EBITDA %	2.8%		
EBIT	79	-41.1%	-41.4%
EBIT %	2.1%		
Orderbook	11,485	+3.0%	+2.1%

### DIVISIONAL CONTRIBUTION



Margins should improve in Q4 but fall short of 3% for the year

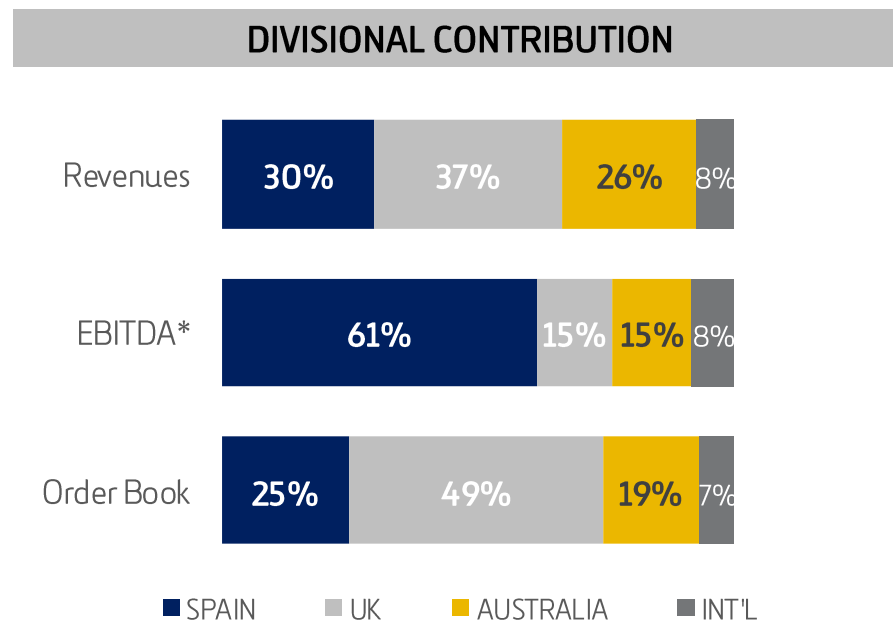
## Performance in line with expectations

### Revenues (-10.1%) affected by:

- Reduced activity in the UK.  
EBITDA mg 2.0% (Ex-BHM)
- Ending of the RPC contract (immigration contracts in Australia)
- FS Spain: Revs +3.2% & EBITDA +3.5% (mg 10.2%) driven by treatment & industrial maintenance activities.

**Profitability impacted** by the -EUR236mn BHM provision

9M 2018 RESULTS			
	9M 2018	% CH	% CH LFL
Revenues	4,884	-10.1%	-7.1%
EBITDA	6	-98.1%	-98.1%
EBITDA %	0.1%		
EBITDA ex-BHM	242	-22.9%	-20.7%
EBITDA % ex-BHM	4.9%		
Order book	19,298	-0.2%	+2.1%

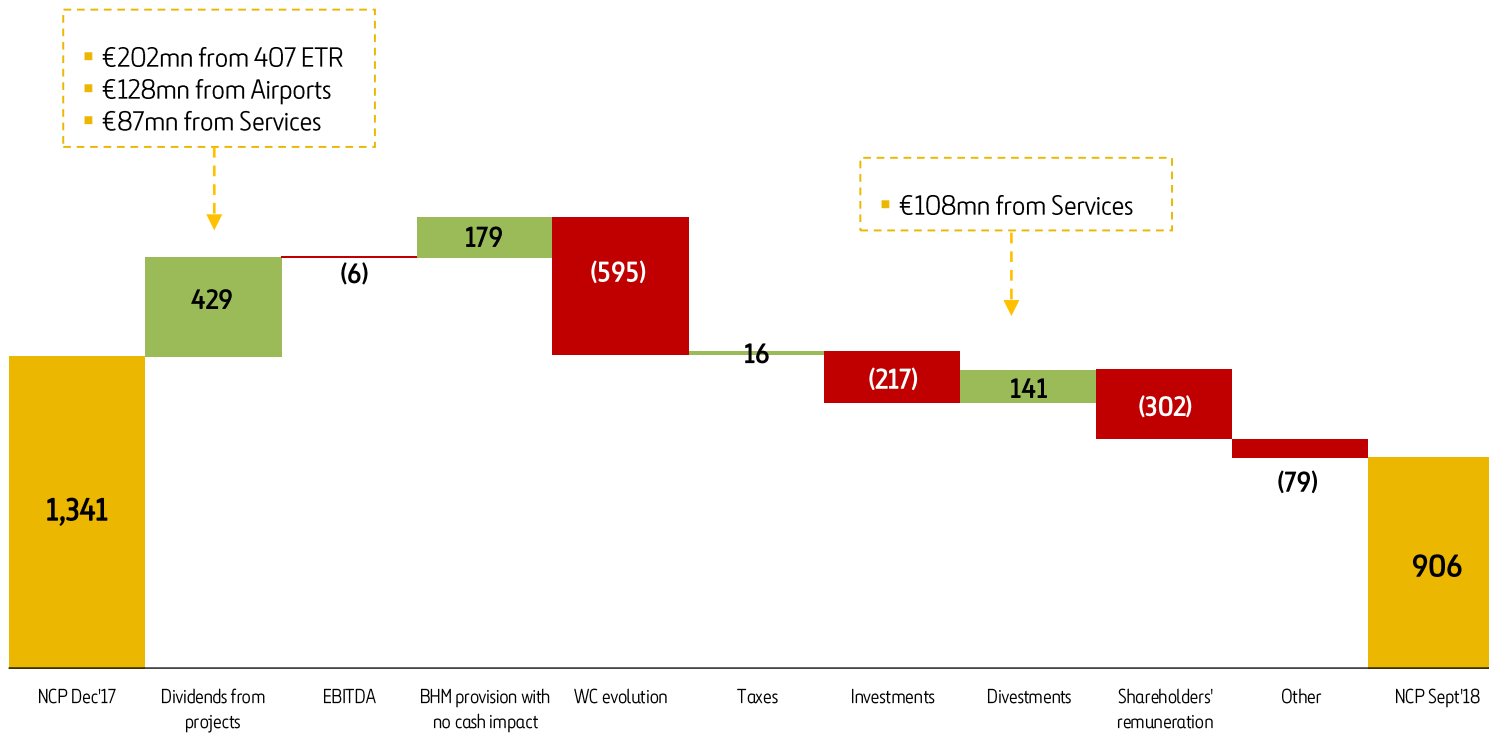


\* Adjusted for the €236mn Birmingham Provision

# Net debt

(€ mn)

## Net cash, ex-infra: €906mn

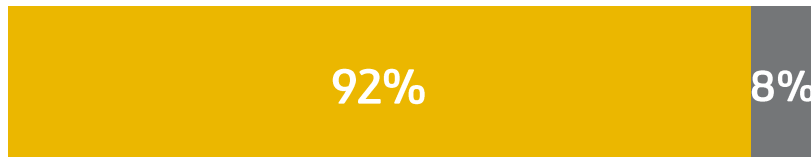


# Interest rates risk – P&L impact

Hypothetical impact of 100bps interest rate increase:

## CONSOLIDATED GROSS DEBT

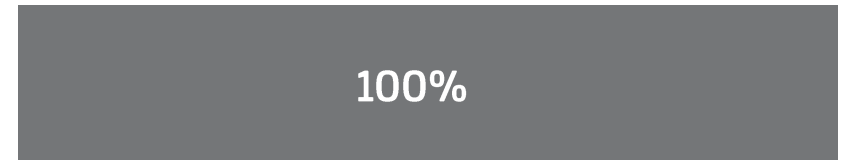
€8,977mn



■ Fixed ■ Variable

## CONSOLIDATED GROSS CASH

€5,101mn



**+100bps on interest rates:**

**+€43mn net positive impact**

- +€7mn higher financial expenses
- +€50mn higher financial income

# Delivering today ...

- **Strong performance from Infrastructure assets**
  - Assets performed better than expected in 2017 CMD
  - Growing dividends from Infrastructure
  - RW3 approval
  - Full opening of NTE35W

## ... looking forward

**Reducing risks in  
contracting**

**Capital allocation  
focused on infra  
projects, mainly in  
the US**

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





# Q&A



# Construction & Services results

(EURmn)

## SERVICES

	9M 2018	9M 2017	% CH LFL
Revenues	4,884	5,430	-7.1%
EBITDA	6	309	-98.1%
EBITDA margin	0.1%	5.7%	
Order book*	19,298	19,329	2.1%

### SPAIN

Revenues	1,455	1,410	3.2%
EBITDA	149	143	3.5%
EBITDA margin	10.2%	10.2%	
Order book*	4,781	4,992	-4.2%

### UK

Revenues	1,786	1,949	-7.2%
EBITDA	-200	50	n.s.
EBITDA margin	-11.2%	2.6%	
Order book*	9,547	8,895	7.5%

### AUSTRALIA

Revenues	1,274	1,732	-20.3%
EBITDA	37	103	-61.1%
EBITDA margin	2.9%	6.0%	
Order book*	3,635	3,981	-4.8%

### INT'L

Revenues	369	339	13.1%
EBITDA	20	12	73.8%
EBITDA margin	5.5%	3.5%	
Order book*	1,335	1,460	9.3%

## CONSTRUCTION

	9M 2018	9M 2017	% CH LFL
Revenues	3,837	3,394	15.9%
EBIT	79	135	-41.4%
EBIT margin	2.1%	4.0%	
Order book*	11,485	11,145	2.1%

### F. AGROMAN

Revenues	2,039	1,773	18.4%
EBIT	11	30	-66.3%
EBIT margin	0.5%	1.7%	
Order book*	7,360	7,507	-3.5%

### BUDIMEX

Revenues	1,218	1,035	17.8%
EBIT	50	87	-42.3%
EBIT margin	4.1%	8.4%	
Order book*	2,578	2,467	7.2%

### WEBBER

Revenues	579	586	4.8%
EBIT	18	18	12.5%
EBIT margin	3.2%	3.0%	
Order book*	1,547	1,171	27.6%



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