



# abertis

commitment & delivery

**2015 Results**

10 February 2016 - Madrid



# **Strategic Update**

2015 Results

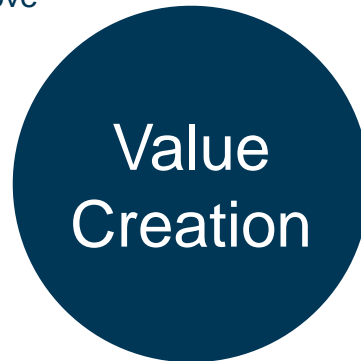
Outlook for this Year

Conclusions



### Focus

- Cellnex IPO
  - Value crystallization above expectations
  - ~€2.7Bn capital gains
- Airports full exit
  - Attractive sale IRRs






### Growth

- Control of Chilean Assets
  - Autopista del Sol, Autopista Los Libertadores and Autopista Central (Jan 2016) 
- Tunnels of Barcelona 
- Plan de Relance 
- Arteris buy-out (pending) and State concession extensions 



### Efficiencies

- 2<sup>nd</sup> efficiency plan  
- Liability management programs 



### Shareholder Remuneration

- Share buy-back (8.25% treasury stock)
- 10% CAGR 2015-2017

**Commitment and Delivery**



Strategic Update

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## P&L

Strong traffic performance

5% L-f-L EBITDA growth

Discretionary Free Cash Flow of €3,162Mn

Cellnex IPO – Significant capital gains (around €2.7Bn)

Overall provisions

Significant net profit: €1,880Mn (+7% L-f-L)

## Balance Sheet

Expansion of current asset base (Chile, Tunnels of Barcelona, Arteris)

Contract Amendments (Plan de Relance, Brazil Federal Roads)

Investments of €811Mn in existing asset base (higher future revenues)

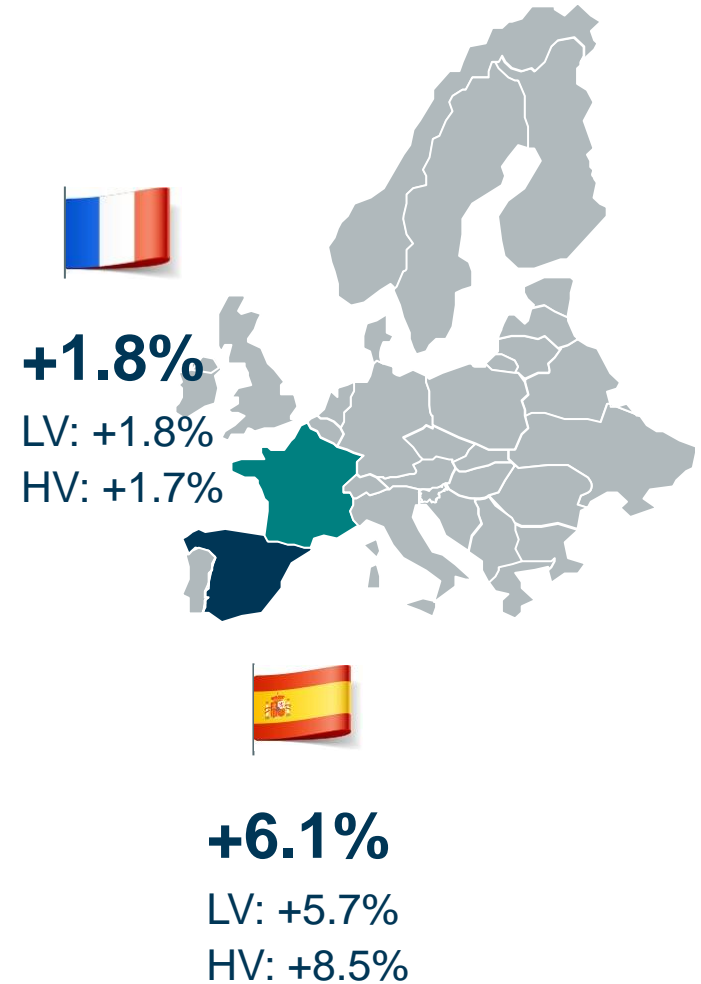
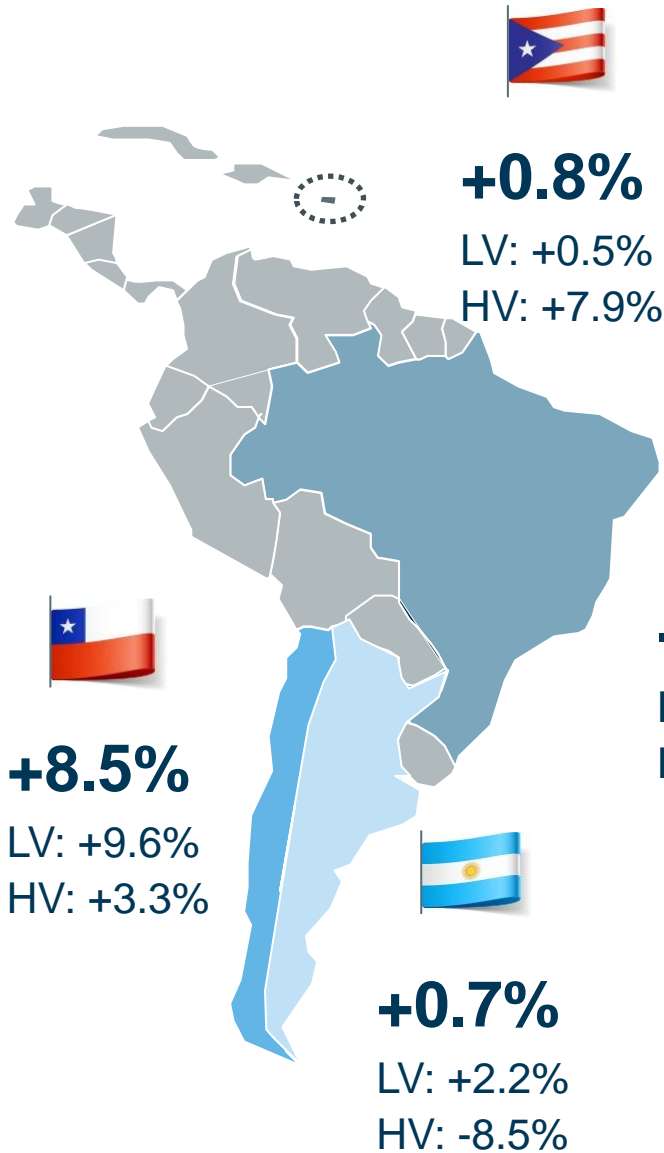
Conservative B/S derisking (AP7 traffic, Autema, Radiales)

ONE-OFF	WHAT	IMPACTS
<b>Changes in the perimeter</b>	Cellnex IPO and Tunels	Cellnex sale proceeds and book gains; equity accounting thereafter Tunnels full consolidation impact on net debt
<b>AP7 Agreement</b>	Dispute on traffic guarantee	Full provision of traffic guarantee since 2006. Impact on P&L and B/S. No Cash impact. Lawsuit filed in Spain's Supreme Court
<b>Provisions</b>	Balance sheet write-downs to cover potential risks	Arteris write-down. Autema and Alazor provisions. Impact on P&L and B/S. No Cash impact
<b>FX</b>	Exchange rates volatility throughout the year	Brazilian Real devaluation
<b>Financials</b>	Liability Management	Upfront costs for HIT and SANEF

**One-offs should be excluded for a better comparison**

# 2015 Results

## Traffic in Our Major Markets



€ Mn	2015*	2014**	L-F-L***
<b>Revenues</b>	4,378	4,453	+5%
Operating Expenses	-1,686	-1,544	
<b>EBITDA</b>	2,692	2,909	+5%
<b>Comparable EBITDA</b>	2,807	2,672	
Depreciation	-857	-859	
Amortization of revalued assets (PPA)	-278	-304	
Provisions	-1,622		
<b>EBIT</b>	-65	1,746	+12%
Cost of debt	-743	-770	
Other financial results	-373	44	
Share of profit of associates	-41	21	
<b>Profit before taxes</b>	-1,221	1,042	
Income tax	2	-356	
Minorities	378	-150	
Discontinued operations (mainly Cellnex)	2,721	119	
<b>Net Profit</b>	1,880	655	+7%

\* The 2015 figures are net from the AP-7 traffic guarantee impacts while during 2014 AP-7 contributed €198Mn to revenues

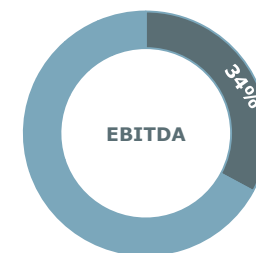
\*\* Restated without Cellnex and following the 2015 accounting criteria

\*\*\* For details on the L-f-L reconciliation please refer to the Annex



## 2015 Results

### Spain Toll Roads – Key Highlights



€ Mn	2015	2014	L-F-L
<b>Traffic</b>	6.1%	2.0%	
LV	5.7%	1.1%	
HV	8.5%	7.9%	
<b>Revenues</b>	1,200	1,334	+6.0%
Opex	-287	-239	
<b>EBITDA</b>	913	1,095	+8.1%
<b>Operating Capex</b>	23	20	
<b>Growth Capex</b>	28	36	

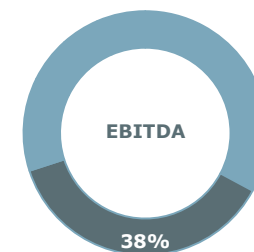
- AP7 traffic guarantee no longer accounted for in revenues and EBITDA (vs. €198Mn during 2014)
- Best traffic performance since 2001 but ~29% below peak (room for upside) – Sequential acceleration through the year
- Upfront costs of efficiencies impact margins
- Consolidation of Tunnels of Barcelona (since December)

## 2015 Results

### France Toll Roads – Key Highlights



€ Mn	2015	2014	L-F-L
<b>Traffic</b>	1.8%	2.4%	
LV	1.8%	2.6%	
HV	1.7%	1.7%	
<b>Revenues</b>	1,601	1,558	+2.0%
Opex	-568	-540	
<b>EBITDA</b>	1,033	1,018	+3.8%
<b>Operating Capex</b>	36	41	
<b>Growth Capex</b>	125	91	



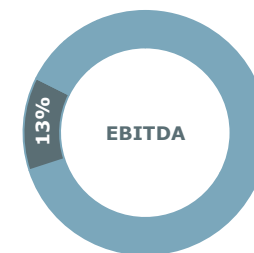
- Solid traffic performance although Q4 impacted by Paris terror attacks, the UN Climate Summit and strikes
- Green light for Plan de Relance (capex for years) – impact on depreciation
- 2015 tariff freeze and Redevance Domaniale impacts to be compensated through tariffs from 2016 onwards
- Liability Management programs to improve cost of debt in coming years

## 2015 Results

### Brazil Toll Roads – Key Highlights



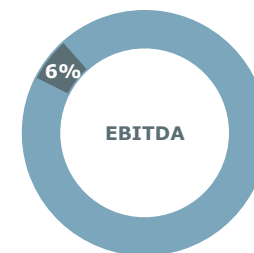
€ Mn	2015	2014	L-F-L
<b>Traffic</b>	-2.3%	3.1%	
LV	1.0%	6.0%	
HV	-8.4%	-1.9%	
<b>Revenues</b>	<b>706</b>	<b>845</b>	<b>-0.5%</b>
Opex	-362	-412	
<b>EBITDA</b>	<b>344</b>	<b>433</b>	<b>-4.5%</b>
<b>Operating Capex</b>	<b>24</b>	<b>45</b>	
<b>Growth Capex</b>	<b>386</b>	<b>536</b>	



- Traffic impacted by economic slowdown and truckers' strikes
- Q4 revision on the provision of the repavement cycle impacts opex (non-cash)
- Devaluation of the Brazilian real (-18.3%) with €67Mn impact on consolidated EBITDA
- Focus on capex commitments with positive effects on tariffs. New Federal infrastructure plan under discussion (~€1.2Bn) @ a WACC of ~9.8% real unlevered post-tax

## 2015 Results

### Chile Toll Roads – Key Highlights



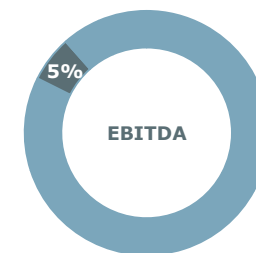
€ Mn	2015	2014	L-F-L
<b>Traffic</b>	8.5%	4.8%	
LV	9.6%	6.5%	
HV	3.3%	-2.2%	
<b>Revenues</b>	234	205	+9.4%
Opex	-65	-49	
<b>EBITDA</b>	169	156	+9.5%
<b>Operating Capex</b>	5	2	
<b>Growth Capex</b>	7	1	

- Good traffic performance
- Full control of assets (Sol, Libertadores) although no impact on consolidation method
- Slight appreciation of the Chilean peso
- Ongoing discussions on extensions

## Argentina and Puerto Rico – Key Highlights



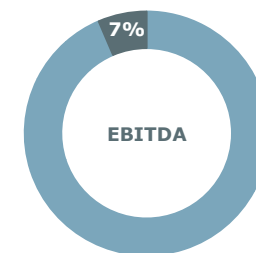
€ Mn	2015	2014	L-F-L
<b>Traffic</b>	0.7%	-1.4%	
LV	1.6%	-0.8%	
HV	-6.8%	-6.4%	
<b>Revenues</b>	<b>334</b>	<b>254</b>	<b>+18.7%</b>
Opex	-279	-205	
<b>EBITDA</b>	<b>142</b>	<b>109</b>	<b>+14.6%</b>
<b>Operating Capex</b>	<b>3</b>	<b>3</b>	
<b>Growth Capex</b>	<b>7</b>	<b>3</b>	



- **Argentina**
  - Political changes create upside
  - Recent tariff revisions (52% in January)
- **Puerto Rico**
  - Debt refinancing completed (average maturity of approximately 13 years)
  - Ongoing discussions with the administration for future investments
  - Traffic growth despite concerns about the macroeconomic outlook

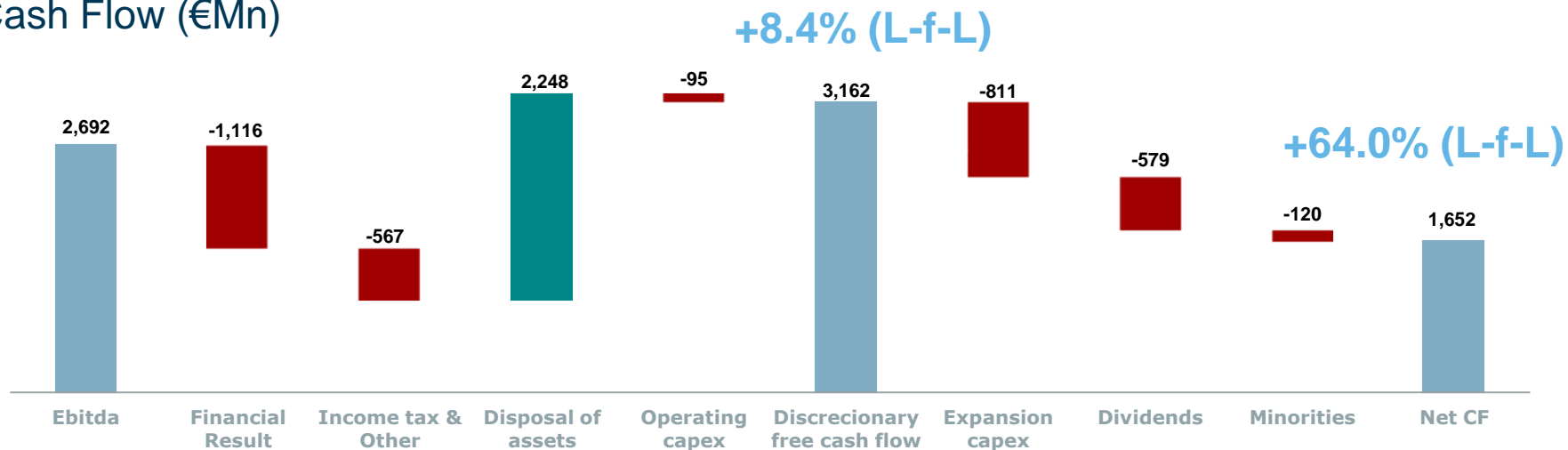


€ Mn	2015	2014	L-F-L
<b>Revenues</b>	215	188	+1.6%
Opex	-36	-41	
<b>EBITDA</b>	179	147	+1.0%
<b>Operating Capex</b>	3	6	
<b>Growth Capex</b>	250	145	

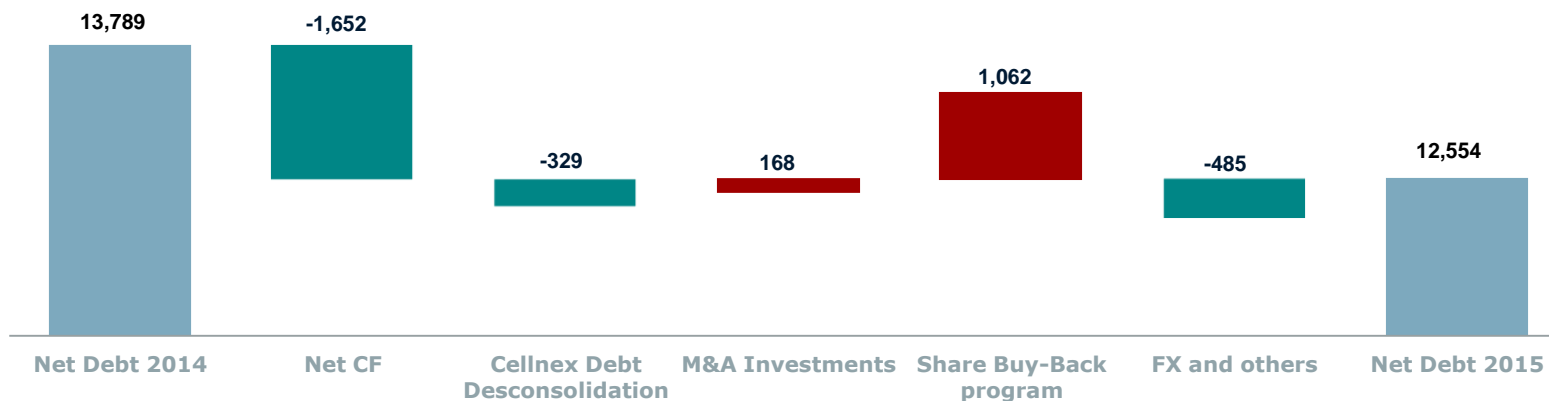


- €1,477Mn backlog (+5% vs. 2014)
- FX evolution (namely US Dollar) positively impacts EBITDA
- Acquisition of new capacity to offset effect of reduced transponder availability from Amazonas 4A satellite
- Capex program for the launch of new satellites (Hispasat 1F, Amazonas 5 and IS34)

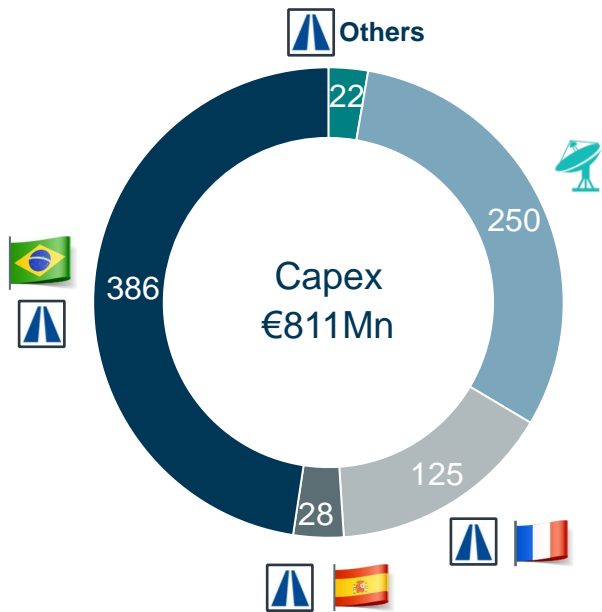
### Cash Flow (€Mn)



### Net Debt (€Mn)



Expansion Capex



MAIN PROJECTS	IMPACTS
<ul style="list-style-type: none"> <li>• Contrat de Plan</li> <li>• Overall improvements to existing asset base</li> </ul>	<ul style="list-style-type: none"> <li>• Tariffs (Contrat de Plan)</li> <li>• Traffic induction</li> </ul>
<ul style="list-style-type: none"> <li>• Serra do Cafezal new lanes (Regis)</li> <li>• Florianópolis Beltway (Litoral Sul)</li> <li>• BR-101 new lanes (Fluminense)</li> <li>• Pavement and signage</li> <li>• SP-318 new lanes (Autovias)</li> </ul>	<ul style="list-style-type: none"> <li>• Tariff increases at Regis Bittencourt</li> <li>• Amendments negotiations for tariff increase</li> <li>• Negotiations for additional capex compensation</li> <li>• Traffic induction</li> <li>• Capex for years at Autovias</li> </ul>
<ul style="list-style-type: none"> <li>• Hispasat 1F</li> <li>• Amazonas 5</li> <li>• IS34 (Condosat 55)</li> </ul>	<ul style="list-style-type: none"> <li>• New frequencies, capacity expansion and potential new commercial agreements</li> </ul>

**More than €800Mn invested on the existing portfolio with positive impact on future revenues**



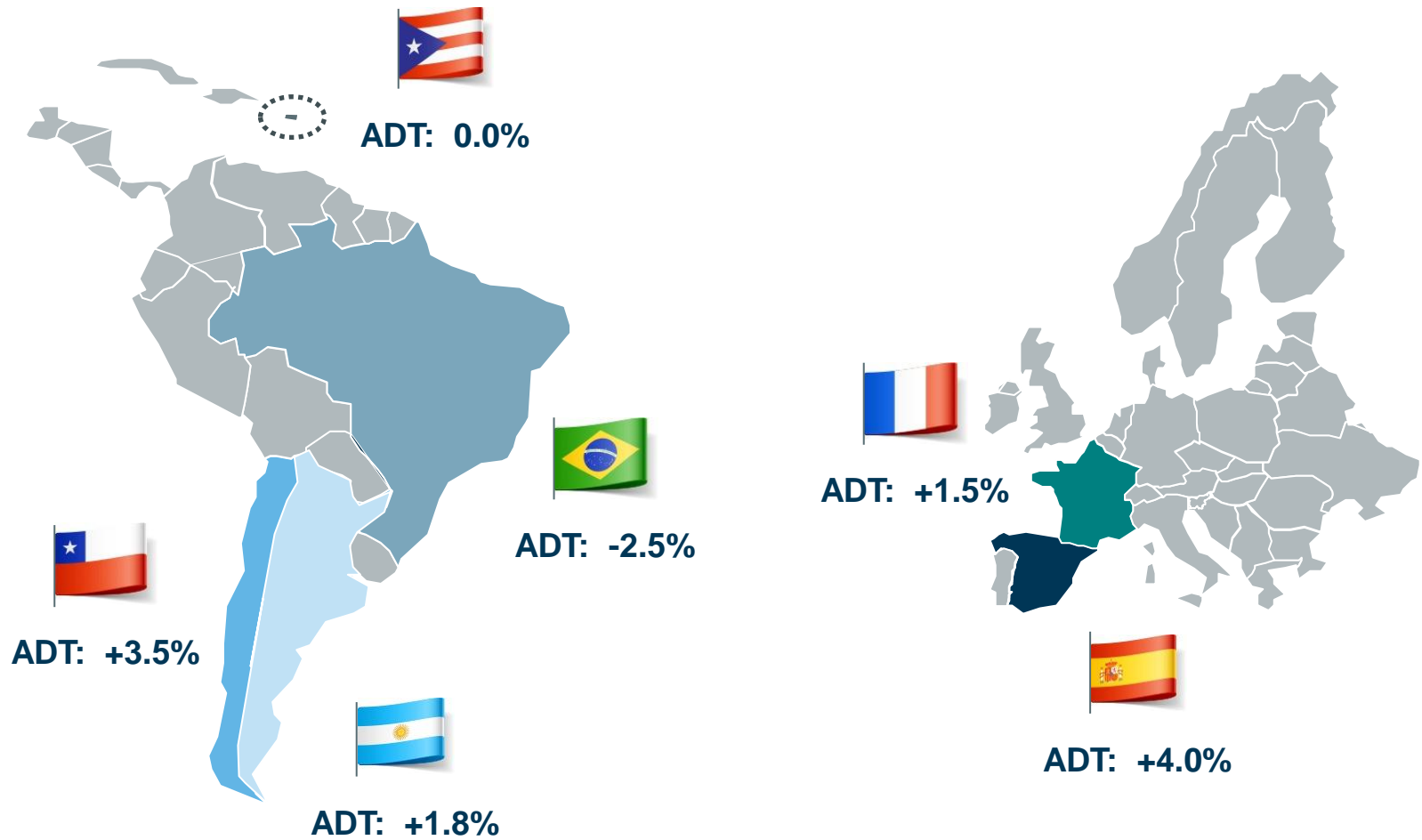


Strategic Update

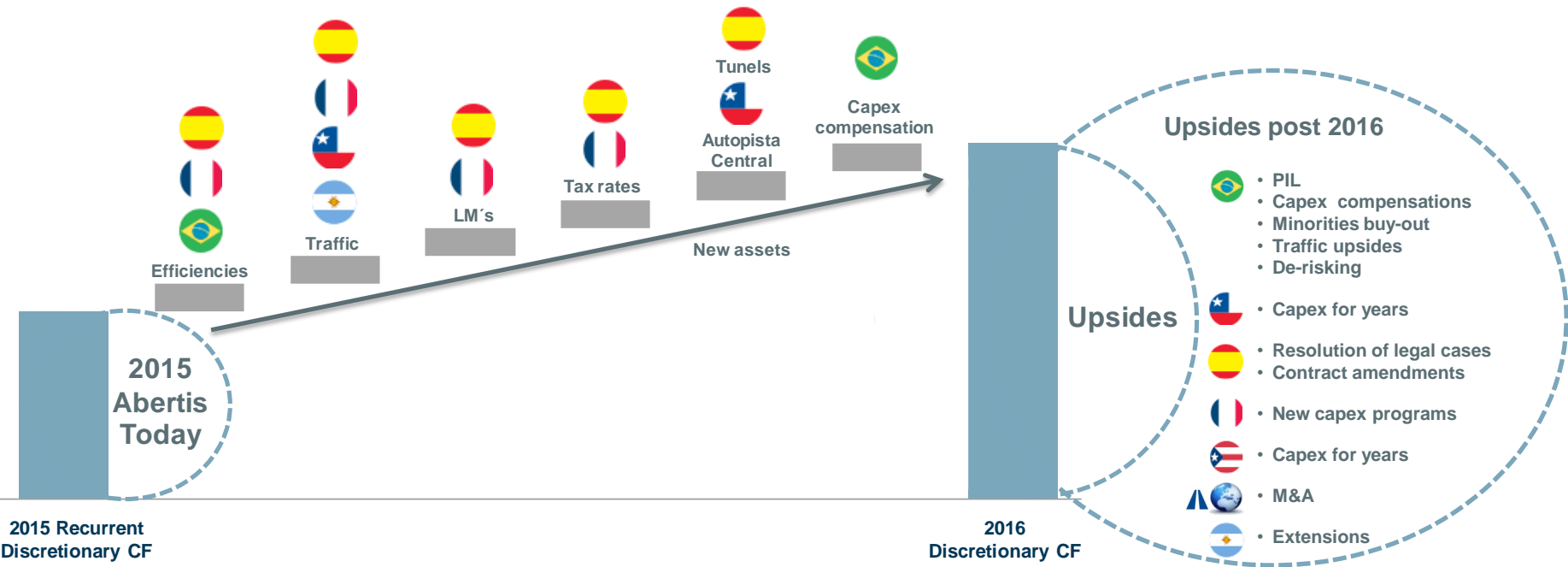
2015 Results

**Outlook for this Year**

Conclusions

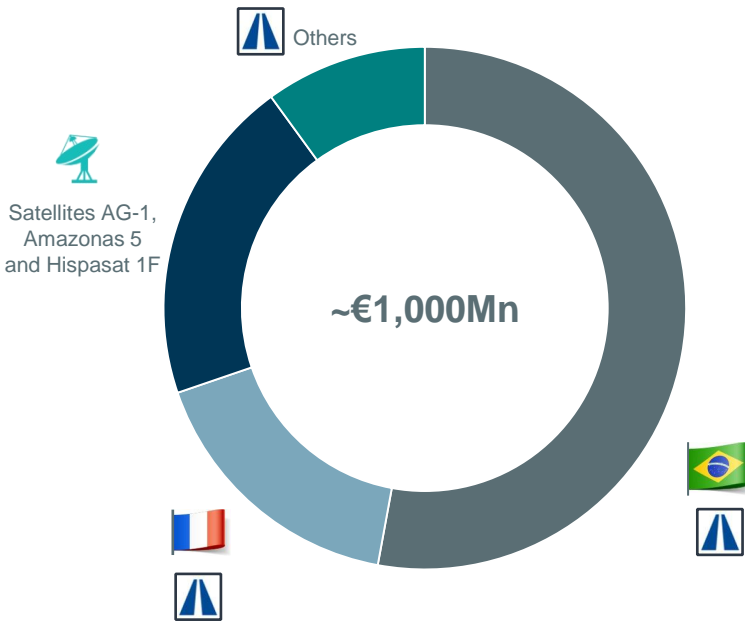


Discretionary Cash Flow & Upsides

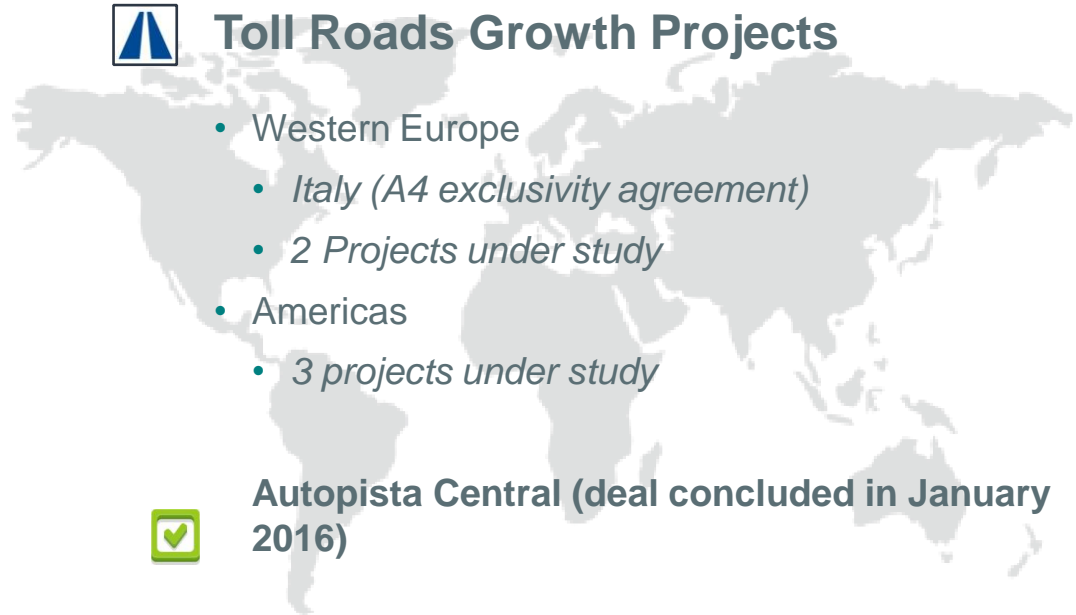


**Significant value creation potential – there's upside**

### Capex program



### Toll Roads Growth Projects



**Autopista Central** (deal concluded in January 2016)



**Potential new capex on existing asset base: ~€2bn** (visibility within the next 2 years)

## Acquisition of Autopista Central Example



Abertis Chilean assets (length and maturity)

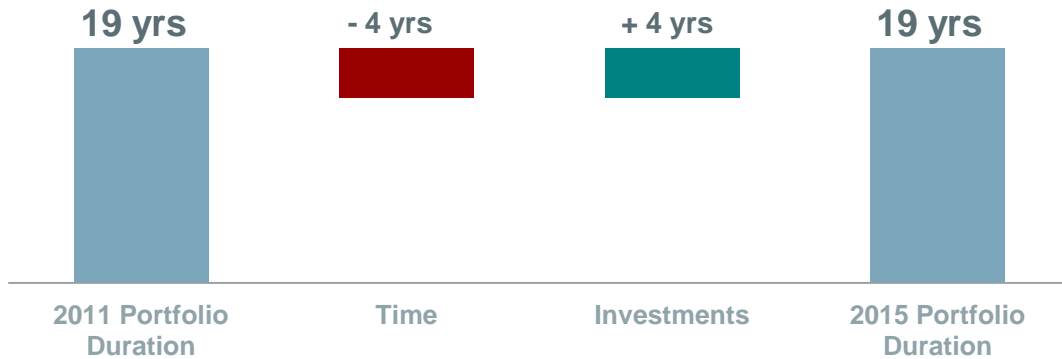


- Chile's premium toll road asset:
  - Highest ADT in the country
  - 2031 expiration
  - 61 km crossing the center of Santiago
  - Free-flow and dynamic tolling
- Attractive equity IRR: ~13% local (Acquisition price: €948Mn for 50% of Equity)
  - Conservative traffic assumptions
  - No synergies priced-in
- Impact on Abertis:
  - ~€220Mn Revenues
  - ~€160Mn in EBITDA
  - Net Debt: Price paid + ~€400Mn net debt consolidated
- Upside from implementation of best-in-class industrial know-how (synergies and efficiencies)

Smart growth in the existing asset base

Growth: EBITDA replacement and portfolio extension

**Toll Roads Portfolio Duration**  
(based on proportional EBITDA backlog)

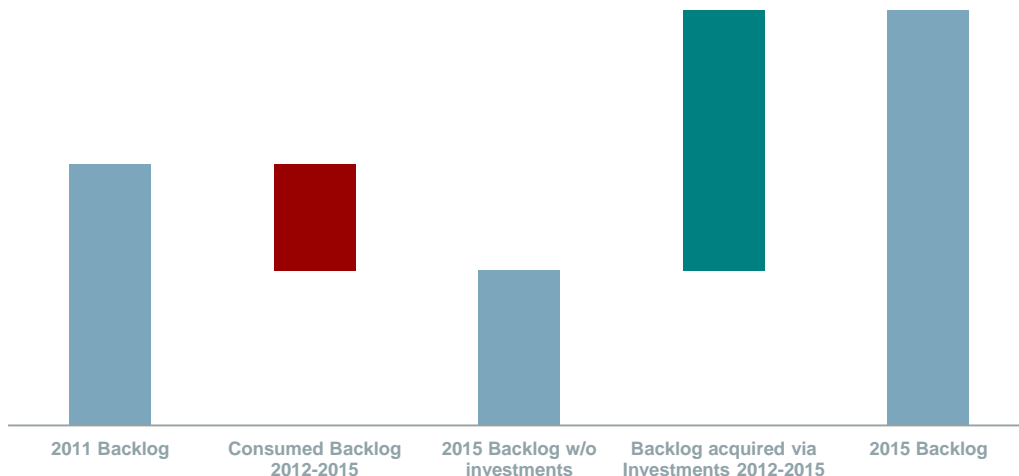


**A shortening concession life?**

2015 duration = 2011 duration!

**Investments have fully offset 4 years of time elapsed**

**Toll Roads 2015 Proportional EBITDA Backlog (€Mn)**



**Investments generate future EBITDA**

2015 EBITDA backlog post investments = 1.6x backlog pre-investments

**Abertis continues to add more backlog than it loses through time**

Key expectations at current perimeter and FX

Revenues

Driven by solid traffic growth and tariff increases

~€4.7Bn

EBITDA

New efficiency programs begin to show

~€3.1Bn

Net Debt

Investing for growth

~€14Bn

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**Strong 2015  
results**

- Positive traffic performance
- A year of significant non-recurrent effects
- Record net profit of €1,880Mn
- Solid L-f-L growth
- Derisked Balance Sheet
- Good progress on Strategic Plan

**Promising 2016  
outlook**

- Continued traffic recovery
- Clear Cash Flow upsides not priced in today's share value
- Value-creating investment commitments
- Attractive and tangible growth pipeline with financial discipline

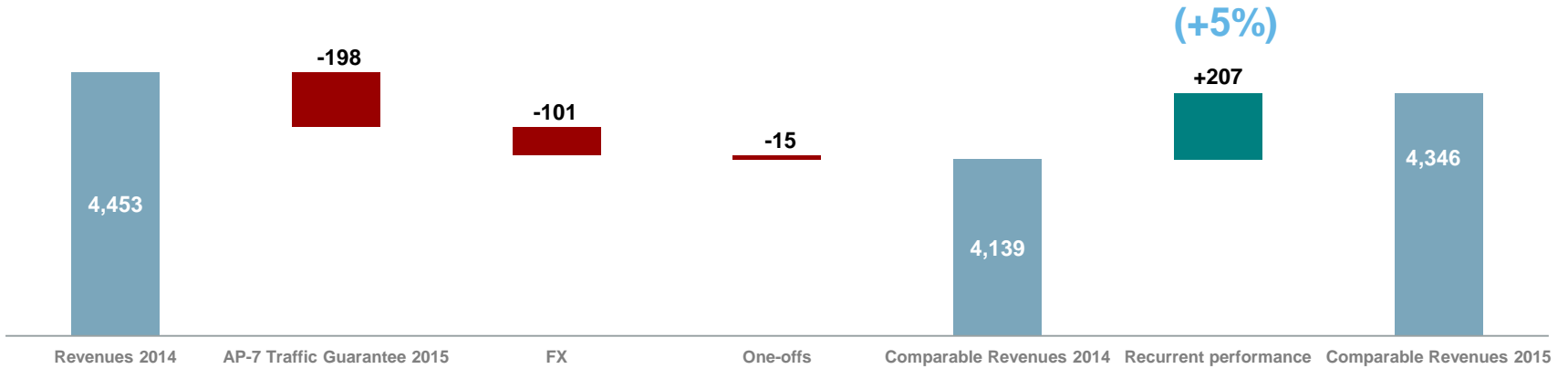
**We deliver our commitments: there is only upside!**



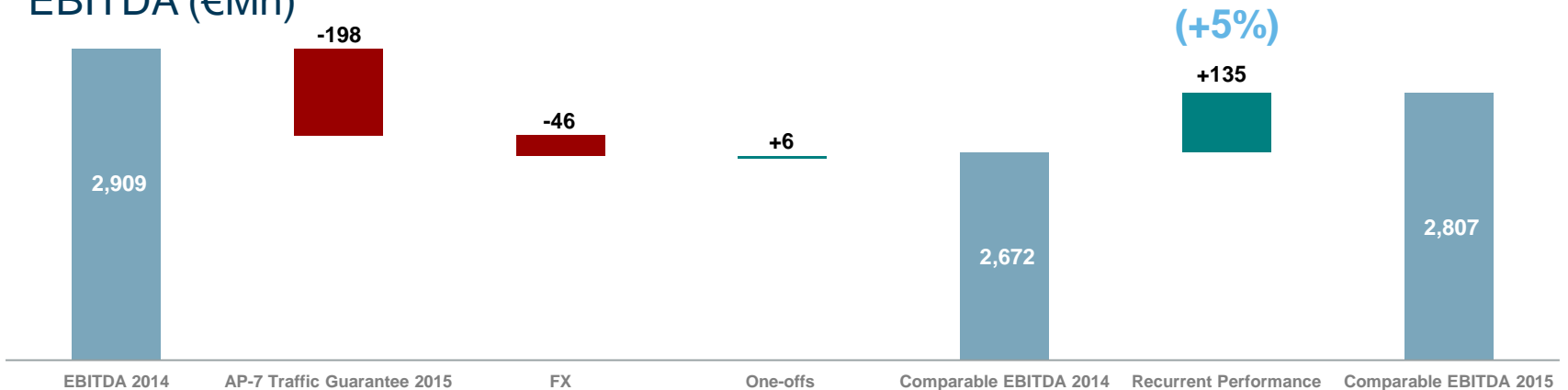


# Annex

## Revenues (€Mn)

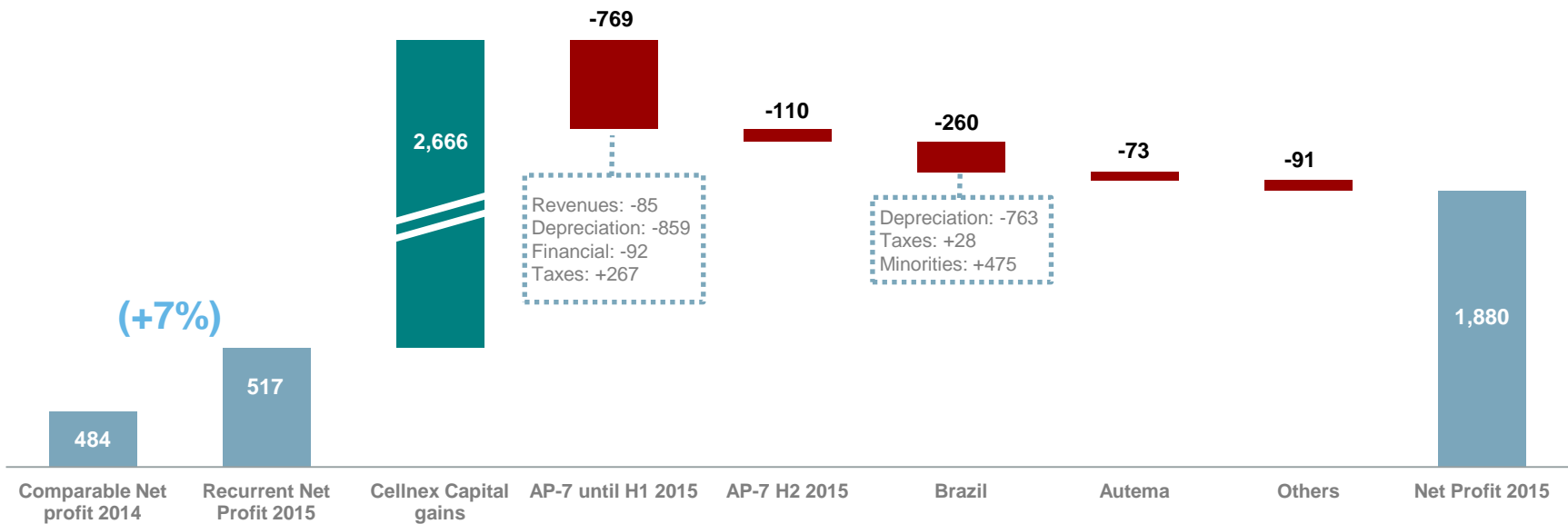


## EBITDA (€Mn)



**Robust recurrent business performance**

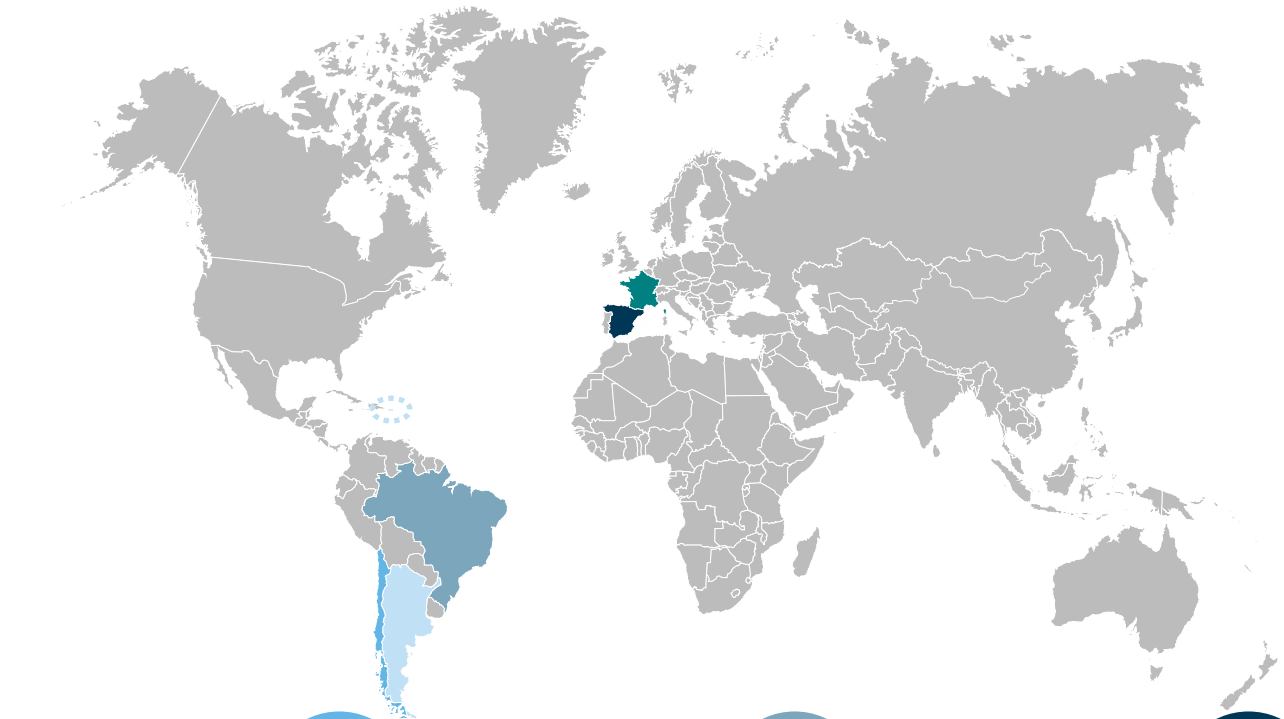
## Net Profit (€Mn)



**The highest Net Profit ever, despite prudent approach**

# Results 2015

## Geographical Debt Distribution



### RoW

- Net Debt: 808
- Net Debt/EBITDA: 5.7x
- Cash: 38
- Avg. Cost: 6.1%
- Avg. Maturity: 12.5



### Chile

- Net Debt: 498
- Net Debt/EBITDA: 2.9x
- Cash: 353
- Avg. Cost: 4.4%
- Avg. Maturity: 5.6



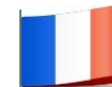
### Brazil

- Net Debt: 1,305
- Net Debt/EBITDA: 3.8x
- Cash: 114
- Avg. Cost: 12.4%
- Avg. Maturity: 3.6



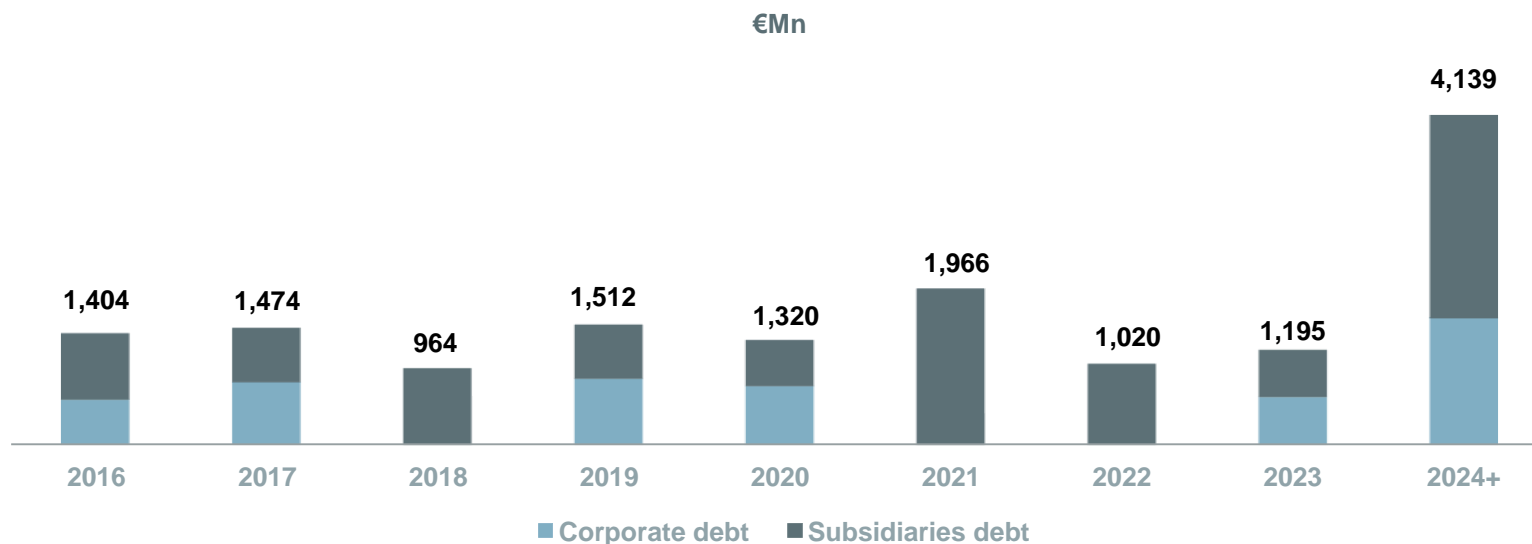
### Spain

- Net Debt: 4,580
- Net Debt/EBITDA: 4.5x
- Cash: 1,475
- Avg. Cost: 3.8%
- Avg. Maturity: 5.7



### France

- Net Debt: 5,376
- Net Debt/EBITDA: 5.2x
- Cash: 229
- Avg. Cost: 4.3%
- Avg. Maturity: 6.1



€Mn	2015	2014	€Mn	2015	2014
Gross Debt	14,776	16,032	Avg. Cost	5.1%	5.2%
Net Debt	12,554	13,789	Avg. Maturity	6.1	6.0
Net Debt/EBITDA	4.7x	4.7x	Non-recourse Debt	66%	67%
Cash – Consolidated	2,222	2,242	Fixed Rates	88%	84%

€ MN	2015	2014	CHG
<b>Revenues</b>	4,378	4,453	-1.7%
Personnel expenses	-681	-574	18.5%
Manageable operating expenses	-358	-385	-7%
Non-manageable operating expenses	-648	-584	+10.8%
<b>EBITDA</b>	2,692	2,909	-7.5%
Depreciation	-2,757	-1,163	
<b>EBIT</b>	-65	1,746	-103.7%
Financial Result	-1,116	-726	
Share of profit of associates	-41	21	
<b>Profit before taxes</b>	-1,221	1,042	
Income tax	2	-356	
Minorities	378	-150	
Discontinued operations	2,721	119	
<b>Net Profit</b>	1,880	655	+187%



CF (€ MN)	2015	2014	CHG
<b>EBITDA</b>	2,692	2,909	-7%
Financial Result	-1,116	-726	
Income tax expense	2	-356	
Adjust. Non cash effects	1,679	-110	
<b>Gross operating cash flow</b>	3,257	1,717	+90%
Operating capex	-95	-125	
<b>Discretionary cash flow</b>	3,162	1,592	+99%
Dividends	-579	-577	
Payments to minorities	-120	-155	
<b>Free cash flow II</b>	2,463	860	
Expansion capex – organic	-811	-812	
<b>Net Free cash flow</b>	1,652	47	

BALANCE (€ MN)	2015	2014	CHG
Non-current assets	22,114	23,777	-7.0%
Current assets	3,625	3,647	-0.6%
Assets held for sale	0	316	
<b>Total assets</b>	<b>25,739</b>	<b>27,470</b>	<b>-7.2%</b>
Shareholder's equity	5,349	5,993	-10.7%
Non-current liabilities	17,253	18,552	-7.0%
Current liabilities	3,137	3,079	1.9%
Liabilities held for sale	0	116	
<b>Total equity and liabilities</b>	<b>25,739</b>	<b>27,740</b>	<b>-7.2%</b>

