

2017

Results Presentation



OHL

28th February 2018

- 1 Transformational sale of OHL Concesiones, driving execution of Asset Rotation Plan to €2.6bn**
- 2 Turning point in core Construction business in terms of cash generation and EBITDA improvement**
- 3 Proven capacity to win new profitable construction projects (€2.3bn in new awards) despite the challenging environment**
- 4 Lower than expected cash needs from Legacy Projects, and successful de-risking agreements reached in key projects**
- 5 Debt structure simplification and improved credit profile already partially recognized by rating agencies**
- 6 Asset-light business model going forward, focused on efficient and sustainable Construction business led by new CEO**
- 7 Updated Business Plan to be presented to market in April 2018**

Transformational deal | Sale of OHL Concesiones to IFM



Transaction Highlights

Sale of 100% shares of
OHL Concesiones



Total amount of the
transaction

€2,235m

Estimated Price
after adjustments

€2,775m EV¹

€50m Est. Capital Gains

✓ **Crystallization of unrecognized value in concessions**

✓ **Allows repayment of Recourse Gross Debt**

Closing expected during March 2018

ASSETS INCLUDED IN THE TRANSACTION PERIMETER



Successful deal sets the stage for refocusing on core Construction activity

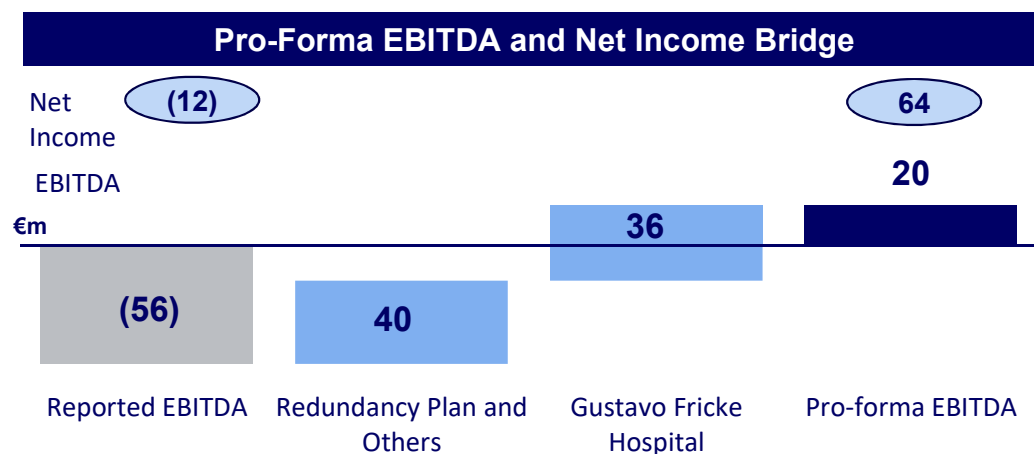
1. Enterprise Value (EV) net of project finance debt and subject to adjustments of net debt, exchange rates and equity funding in greenfield projects.

Key Operating Performance Figures (ex-OHL Concesiones)

		2016	2017	% YoY
P&L	Turnover	3,342	3,216	(3.8%)
	EBITDA	(576)	(56)	90.2%
	Pro Forma. EBITDA ¹	(56)	20	135.7%
	EBIT	(706)	(133)	81.2%
	Net Profit	(432)	(12)	97.2%

		2016	2017	% YoY
Construction Backlog	Total	5,881	5,568	(5.3%)
	Awards in the Period	2,310	2,342	1.4%

- **OHL Concesiones** classified as Discontinued Operations, deconsolidated for the year; 2016 figures re-stated.
- **Turnover is down 3.8%** as a result of delays in the start of works for concessions in LatAm, and early stage of sizeable US projects.
- **Pro Forma EBITDA €20m and Net Profit €64m, excluding -€76m of one-off impacts:**
 - i. Redundancy Plan and others -€40m
 - ii. Legacy losses in Gustavo Fricke Hospital (Chile) -€36m
- **Pro Forma EBITDA shows +€76m improvement** vs 2016, excluding one-off impacts.
- **Healthy backlog** in terms of presence in core markets, balanced mix of projects, profitability, and positive cash flow.
- **Pro Forma EBITDA margin < 1% affected by:**
 - i. Lower than expected contribution from LatAm concession contracts and sizeable US projects still in early stages.
 - ii. Losses recognized in Industrial division.
 - iii. Still oversized overhead costs.



EBITDA and cash flow improvement in Construction despite headwinds

1. Pro Forma EBITDA: reported EBITDA excluding extraordinary one-off impacts in 2016 and 2017 for Legacy Projects losses, cost of Redundancy Plan and others.

Key Highlights

2017 Revenues	YoY Growth	2017 EBITDA	2016 ¹ EBITDA	YoY Growth
€2,661m	(4.1%)	€55m	(€44m)	n.a.

- EBITDA Margin in regular business improves reaching 2.1% in 2017 (vs -1.6% in 2016) and despite:
 - i) Sales down 4.1% and
 - ii) delays in the start of the works for concessions unrelated to our performance and early stage of new projects in US
- EBITDA increased +€99m in the year excluding one-off legacy impacts.
- Successful year in terms of new awards, €2,342m, despite impact from Caa1 rating; 64% in the US; x0.9 book-to-bill ratio.
- Gross Margin at project level in regular business c.6.6%

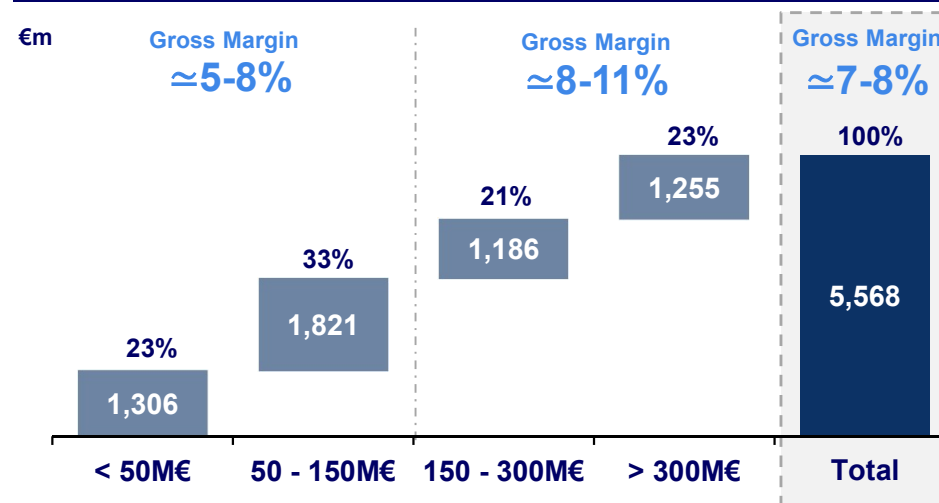
Top new awards in 2017: €2,3bn

Country	Project	Amount
USA	Project I – 405	€679m
USA	New York Canarsie Tunnel Rehab.	€312m
USA	NY Outfall Replacement	€66m
Peru	Carretera Moquegua Omate	€48m
Saudi Arabia	Taller de Meca	€43m
USA	O'Hare Airport- Deicing facility	€43m
Other		€1,151m
Total Awards²		€2,342m

Well balanced and healthy Backlog

- ✓ €5.6bn Backlog; represents 25 months of revenues
- ✓ 93% diversified in Core Regions
- ✓ 23% is works for concessions to be executed until 2020
- ✓ Average Gross Margin ≈ 7-8%
- ✓ Balanced mix of Project Sizes

Mix of projects by size in Backlog



1. 2016 EBITDA excluding (€476m) one off impact of Legacy project losses

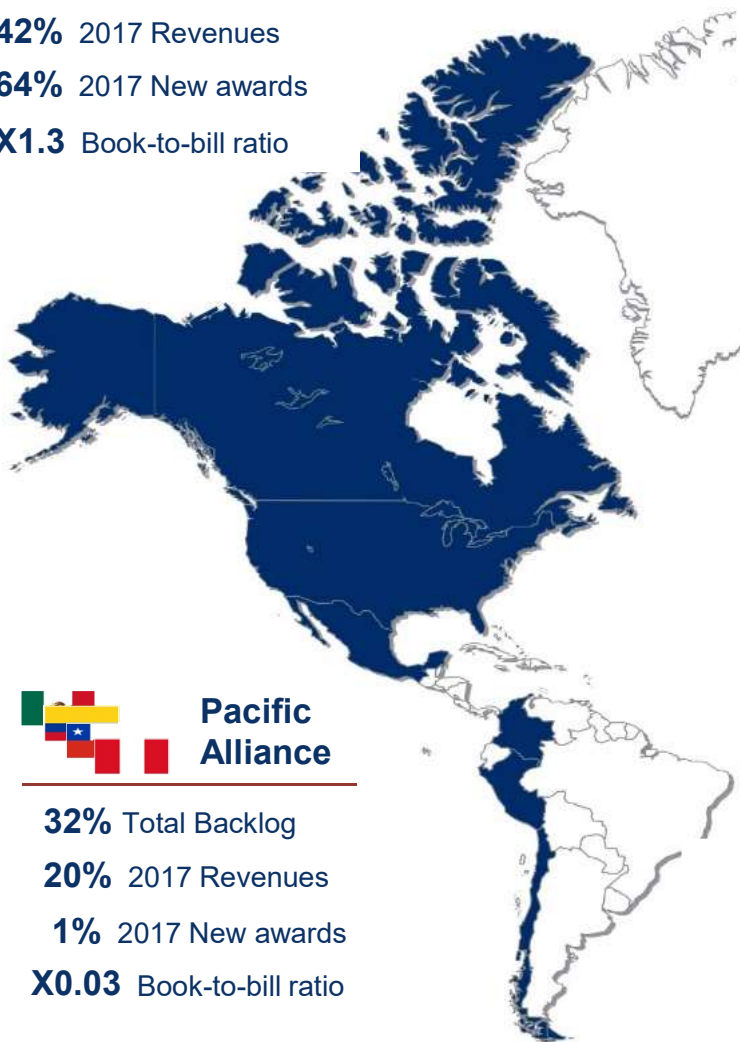
2. Not included in the backlog figure are the recent award of the Forensic Hospital in Ireland for €62m, and Lund-Arlov railway in Sweden for €106m (equity method).

Robust Construction Backlog diversified across core markets



USA

37% Total Backlog
42% 2017 Revenues
64% 2017 New awards
X1.3 Book-to-bill ratio



Pacific Alliance

32% Total Backlog
20% 2017 Revenues
1% 2017 New awards
X0.03 Book-to-bill ratio



Europe

24% Total Backlog
28% 2017 Revenues
31% 2017 New awards
X1.0 Book-to-bill ratio



Other Regions

7% Total Backlog
10% 2017 Revenues
4% 2017 New awards

Top 10 contracts in Backlog by size

Country	Project	Amount
USA	I-405	€605m
Chile	Américo Vespucio Oriente	€315m
USA	NY Canarsie Tunnel Rehab.	€284m
México	Atizapán-Atlacomulco	€271m
Chile	Curicó Hospital	€219m
Chile	Valparaíso Port	€176m
Colombia	Río Magdalena	€151m
Norway	Follo Line EPC Ski	€134m
Chile	Nogales-Puchuncaví	€119m
Perú	Evitamiento Chimbote	€114m

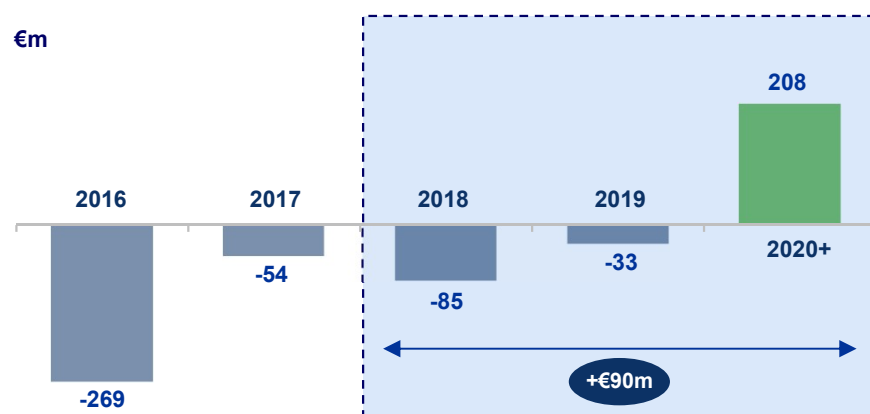
€5.6bn
 Construction Backlog

93%
 in Core Regions

Status of Legacy Projects

- **De-risking agreements reached in the two main Legacy Projects:**
 - Marmaray project (Turkey): works subcontracted to local firms
 - CHUM Hospital (Canada): Phase 2 contract assigned to local contractor.
- **Burned €54m of cash in 2017 (vs €64m forecast),** despite unexpected €28m cash outflow in Hospital Gustavo Fricke.
- Expected to generate a **net cash inflow of €90m** until final completion/resolution, consuming €118m in the period 2018-2019.
- **Legacy Projects** contribute €265m to 2017 revenues.

Expected Cash-Flows from Legacy Projects (project level)



Claims related to Legacy Projects recognized in BS

€m	2014	2015	2016	2017
Legacy Claims recognized in OEPC	964	664	425	402
Provisions	(464)	(323)	(205)	(205)
Legacy Claims (net) in OEPC	500	341	220	197

-61%

Impact of new IFRS 15 in Construction Receivables

€m	TOTAL
Amounts to be billed for work performed (OEPC)	896
Provisions	(205)
Net Value of OEPC (incl. legacy)	691
2017 annual sales	2.661
Ratio (months of sales)	3.1
IFRS 15 initial application effect¹	(288)
Pro-forma NV of OEPC after IFRS 15 initial application	403
Pro-forma Ratio (months of sales)	1.8

Amounts to be Billed for Work Performed (OEPC) will represent 1.8 months of Construction sales after initial application of new IFRS 15 on 1st January 2018

1. The total estimated impact of IFRS 15 initial application -to be recognized with a charge to Shareholders' Equity- on 1st January 2018 is € 455m, and relates to: € 288m of OEPC, € 98m of Non -Current Financial Assets (guarantees executed at Sidra Hospital in Qatar), and € 69m of Other Receivables.

OHL Industrial

2017 Revenues	YoY Growth	2017 EBITDA	YoY Growth
€270m	10.8%	(€40m)	6.5%

- **Downsizing in progress:** integration into Construction and abandonment of unprofitable businesses (Oil&Gas and Power).
- **New awards** in 2017 total only €145m (in photovoltaic and O&M) as we focus on niche, low-risk, profitable projects.
- EBITDA affected by **losses recognized** in the **finalization of Oil&Gas and power projects**.
- **Backlog falls to € 312m** (-29% vs. 2016), or € 180m if we exclude the Molins Cement Plant.

Backlog by sector

Sector	Amount	%backlog
Mining & Cement	€164 m	52%
Operations & Maintenance	€87m	28%
Photovoltaic	€21m	7%
Power	€21m	7%
Oil & Gas	€11m	3%
Other	€8m	2%
Total Backlog	€312m	100%

- **Molins Cement Plant (€ 132m)** represents **80% of M&C backlog**.
- **Backlog diversified in small-sized niche projects.**

OHL Services

2017 Revenues	YoY Growth	2017 EBITDA	YoY Growth
€238m	22.3%	€4m	44.0%

- **Revenues up +22,3%** driven by the Facility Management activity in Spain.
- Despite pricing pressure given **strong competition in the sector**, EBITDA margin improves 20 bps to 1.5%.
- **New awards of € 237m and Backlog of € 356m**, in line with 2016, representing 18 months of revenues.



Key Highlights

2017 Revenues	YoY Growth	2017 EBITDA	YoY Growth
€48m	(63.1%)	€2m	(93.0%)

- Top-line impacted by the change in the consolidation method of Mayakoba. Comparable sales figure similar to 2016.
- Recent disposals in Mayakoba and Canalejas have partially crystallized the high value of these landmark projects:

Net Book Value of Assets: € 369 m

Asset	Net Value	% Part.	Status
Mayakobá	54	<49%	Hotels under operation
Ciudad Mayakobá	165	100%	90-95% residential sales completed
Canalejas	71	17.5%	Under Construction; Sales started Dec.2017
Old War Office ¹	79	49%	Pre-construction phase

Value Realization

MAYAKOBÁ

Sold: 80%-51% Hotels&Golf

Net proceeds: €189m²

Capital gain: €3m

CANALEJAS

Sold: 17.5%

Net proceeds: €78m²

Capital gain: €32m



Further asset rotation expected in Mayakobá during 1H2018

1 Equity commitments pending of aprox. €76m.
 2 €8m in Mayakoba and €3m in Canalejas pending to be collected according to contractual terms.

Organic FCF generation by activity

Impact on Net Recourse Debt by Activity

	€m		2017	2016	Var.
1	Construction		46	281	(235)
		Legacy	54	269	(215)
		Regular Business	(8)	12	(20)
2	Industrial		94	24	70
3	Services		(4)	5	(8)
4	Developments		23	46	(23)
5	Corporate		111	146	(34)
	Net Recourse Debt impact		271	501	(230)

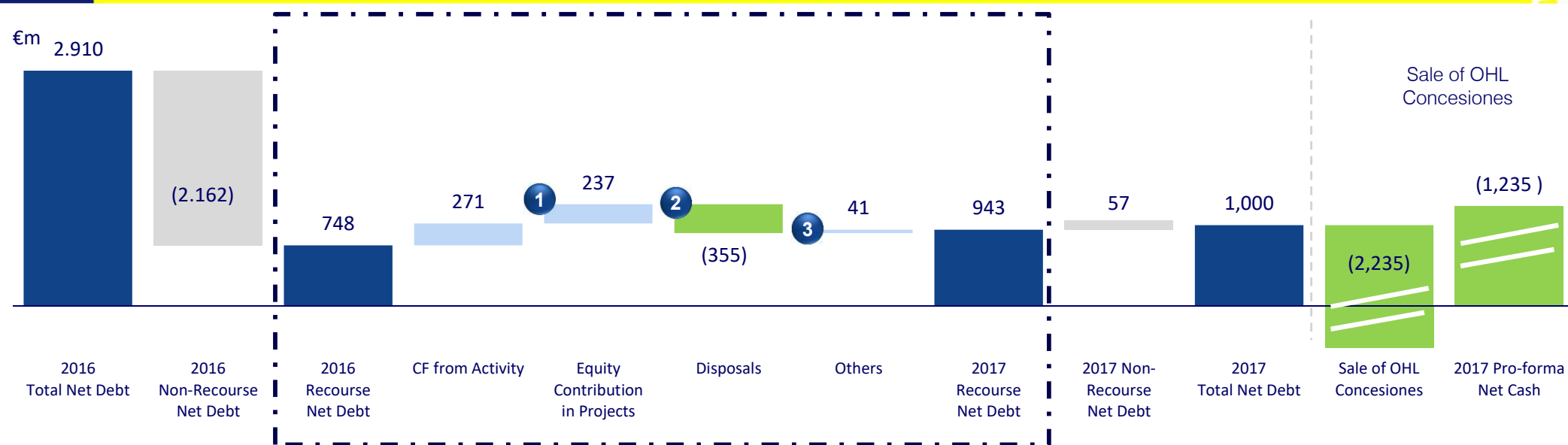
Commentary

- Legacy projects** performing better than expected with €54m cash outflow vs. €64m forecast.

Regular construction activity showing positive organic FCF of €8m in 2017, after deducting -€149m of overhead costs of the Construction division (implying a c.6.6% cash margin at project level).
- 2017 figure in Industrial negatively impacted by a combination of: (i) the organic consumption of downpayments received in Dec-2016, and (ii) the delay into 2018 of milestone payments scheduled for 4Q2017.
- Good performance of Services, generating €4m of organic FCF.
- Developments performing positively despite sale of stake in Mayakobá hotels, improving cash flow consumption to €23m.
- Corporate cash outflow mostly comprised by Headquarter overheads (~€47m) and financing costs and others (~€64m), both **to be substantially reduced post IFM deal**, based on gross debt repayment and other cost-cutting initiatives.

In 2017 Core Construction activity turns into positive organic FCF generation

Net Recourse Debt evolution



1

EQUITY INVESTMENTS	€m
Rio Magdalena	92
AVO	21
Nogales-Puchuncavi	17
Other Equity Investments	35
OHL Concesiones downstreaming	165
Mayakoba	34
OWO	15
OHL Desarrollos	49
Other E&C Business	23
Total Equity Investments	237

2

DISPOSALS	€m
Mayakoba (80%-51%)	(179)
Canalejas (17,5%)	(68)
Recourse Activity	(247)
Abertis (2,5%)	(57)
Autovía Aragón (75%)	(51)
OHL Concesiones upstreaming	(108)
Total Disposals	(355)

3

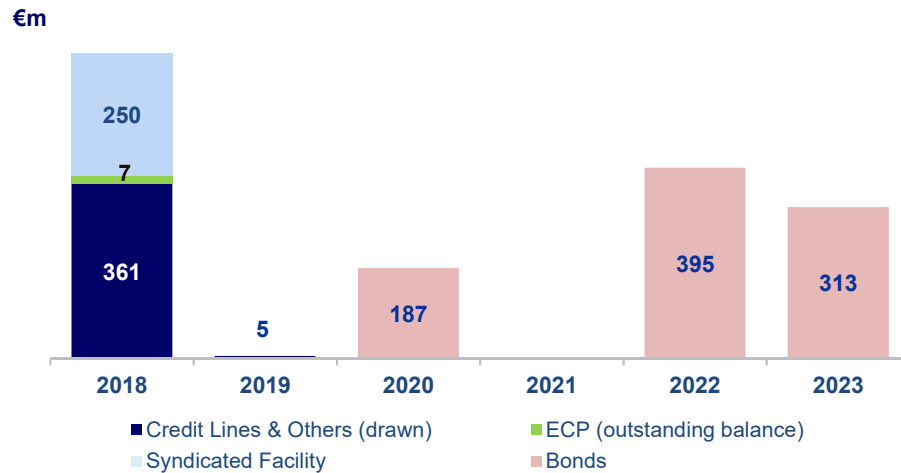
OTHERS	€m
Redundancy program	28
FX hedge	(40)
Treasury Stock	2
Recourse Activity	(10)
Bank Guarantees from Cemonasa	16
Overheads and Others	35
OHL Concesiones downstreaming	51
Total Others	41

The sale of OHL Concesiones will enable OHL to achieve a significant positive Net Cash position

Strong Liquidity Position to Secure a Solid Capital Structure that supports our repositioning in Construction



Gross Recourse Debt maturity profile

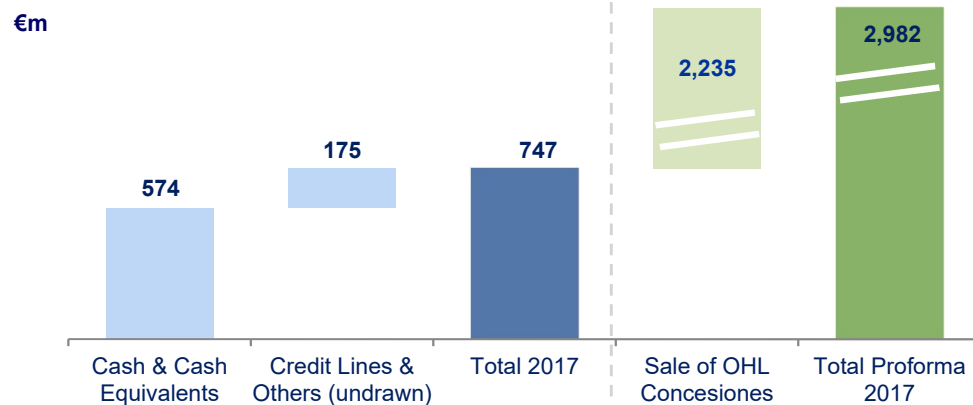


Pro-forma Capital Structure

€m

	2017 Pro-Forma
Banking Debt	616
ECP	7
Eurobonds	895
Gross Recourse Debt	1,518
Gross Non Recourse Debt	57
Cash & Equivalents	(574)
Funds from OHL Conc. Sale	(2,235)
Pro-forma Net Debt / (Cash)	(1,235)

€0.75bn Recourse Liquidity available



- Enhanced Liquidity position with the sale of OHL Concesiones

Key points in the financial agenda

- 1 Fund expected cash burn from execution of legacy projects
- 2 Repay existing gross debt cutting down financing costs
- 3 Secure guarantee/bonding lines to support the construction business
- 4 New target of Net Debt <0 @YE
- 5 Upon satisfaction of above priorities, analyze potential dividend quantum

Rating Upgrade by Moodys from Caa1 to B3

Important measures adopted...

- 1 Reduction of potential impact from Legacy Projects
- 2 Successful Assets Rotation Policy
- 3 Reduction of Overhead and structure costs
- 4 Strict control and monitoring to improve Cash-Flow generation
- 5 Financial structure simplification
- 6 Gross Recourse Debt containment

...with favourable rating impact



VERY SUPPORTIVE PERCEPTION ON THE SALE OF OHL CONCESSIONES

MOODY'S

Rating:  B3

Rating raised one notch & remains under review for further upgrades

"... The upgrade was based on our view that OHL's liquidity will substantially strengthen to at least adequate levels upon closing of the sale..."

"...At the same time, the review for upgrade reflects our expectation of the group to use a major portion of the proceeds towards recourse debt reduction and to establish a zero net debt or even net cash position at the recourse level..."

"...the group's structure will be simplified to a pure construction company by removing significant complexity and non-recourse debt associated with the concessions business..."

Rating upgrade and credit opinion, Dec-2017

FitchRatings

Rating: B+

"...the successful sale of 100% of OHL Concesiones business will be credit positive as the proceeds are expected to repay all outstanding recourse debt..."

"...the new OHL will be a pure construction player focused on its home markets..."

Sale of OHL Concesiones, Oct-2017

- 1 Legacy projects risk already accounted for; cost saving initiatives in place; downsizing of Industrial division in progress
- 2 Asset-light business model with operations streamlining: focus on Construction business in core geographies
- 3 Prioritize cash generation, profitability and efficiency versus growth, together with sound risk control mechanisms and further overhead cost reduction
- 4 New approach to concession projects as a Construction-related activity, looking for partnerships and minority stakes to reduce CAPEX needs
- 5 Target of Net Leverage below zero at year end
- 6 Potential for Rating improvement

... guaranteeing sustainability of a pure Construction business



OHIL

Appendix

Income Statement & Cash-Flow Statement Overview

Income Statement (€m)

	2016	2017	Var. %
Turnover	3.342	3.216	(3,8%)
EBITDA	(576)	(56)	90,2%
EBIT	(706)	(133)	81,2%
Financial Profit /(Loss)	(35)	(47)	
Equity-accounted affiliates & JVs	(149)	(46)	
Profit Before Taxes	(890)	(225)	74,7%
Corporate Tax	32	7	
Profit from Discontinued Operations	622	498	
Consolidated Net Income	(235)	280	219,0%
Minorities	(197)	(292)	
Attributable Net Income	(432)	(12)	97,2%

Cash-Flow Statement (€m)

	2016	2017	Var. %
EBITDA	(576)	(56)	(90,2%)
Adjustments	(199)	(110)	(44,7%)
Financial results	(155)	(41)	(73,4%)
Equity accounted results	(149)	(45)	(69,8%)
Taxes	32	7	(78,1%)
Minorities	3	0	(100%)
Results from disposal of financial instruments	99	(1)	(101,0%)
Changes in provisions and others	(29)	(30)	3,4%
Changes in working capital	454	(61)	n.a.
Cash flow from operating activities	(321)	(228)	28,9%
Cash flow from investment activities	28	18	(35,7%)
Minorities	(9)	(29)	222,2%
Other	(285)	155	n.a.
Discontinued Operations	322	(108)	n.a.
Change in net non-recourse debt	(76)	15	n.a.
Change in net recourse debt	369	195	(47,1%)
Cash flow from financing activities	293	210	(28,3%)

Balance Sheet Overview

Assets (€m)

	2016	2017	Var. %
Non-Current Assets	8.589	1.665	(80,6%)
Intangible Fixed Assets	287	244	(15,0%)
Tangible Fixed Assets in Concessions	6.440	67	(99,0%)
Tangible Fixed Assets	257	212	(17,5%)
Real Estate Investments	67	73	9,7%
Equity-Accounted Investments	514	303	(41,0%)
Non-Current Financial Assets	403	501	24,3%
Deferred-Tax Assets	622	265	(57,4%)
Current Assets	4.331	10.543	143,4%
Non-Current Assets Held for Sale	492	8.023	n.a.
Stocks	212	152	(28,1%)
Trade Debtors and Other Accounts Receivable	2.103	1.754	(16,6%)
Other Current Financial Assets	664	140	(78,9%)
Otros Current Assets	43	39	(7,9%)
Cash and Cash Equivalents	818	434	(46,9%)
TOTAL ASSETS	12.920	12.209	(2,4%)

Liabilities and Net Shareholders Equity (€m)

	2016	2017	Var. %
Net Shareholders Equity	4.043	4.183	3,5%
Shareholders' Equity	3.028	2.918	(3,6%)
Capital	179	179	-
Issue Premium	1.265	1.265	-
Reserves	2.016	1.485	(26,3%)
Results for the Year Attributed to the Parent Company	(432)	(12)	(97,2%)
Valuation Adjustments	(588)	(751)	(27,7%)
Parent Company Shareholders' Equity	2.440	2.167	(11,2%)
Minority Interests	1.603	2.017	25,8%
Non-Current Liabilities	5.454	1.124	(79,4%)
Subsidies	2	2	(4,8%)
Non-Current Provisions	199	50	(74,9%)
Non-Current Financial Debt ¹	3.777	894	(76,3%)
Other Non-Current Financial Liabilities	53	4	(91,7%)
Deferred-Tax Liabilities	1.246	140	(88,8%)
Other Non-Current Liabilities	176	34	(80,5%)
Current Liabilities	3.424	6.901	101,6%
Non-Current Liabilities Held for Sale	220	4.142	n.a.
Current Provisions	298	225	(24,4%)
Current Financial Debt ¹	615	681	10,6%
Other Current Financial Liabilities	7	5	(33,8%)
Trade Creditors and Other Accounts Payable	1.915	1.615	(15,7%)
Other Current Liabilities	368	234	(36,4%)
TOTAL LIABILITIES AND NET SHAREHOLDERS' EQUITY	12.920	12.209	(5,5%)

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