



FY2018 RESULTS



27 February 2019

Contents

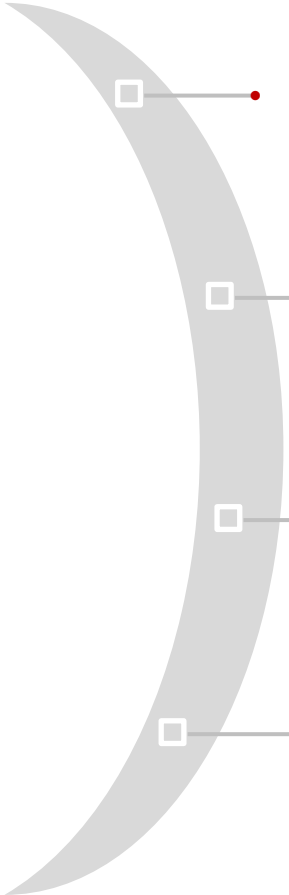


- Introduction
- Order intake and backlog
- Consolidated statement of profit or loss
- Consolidated balance sheet
- Stock market information
- Outlook
- Appendices

Introduction

> Main milestones in 2018



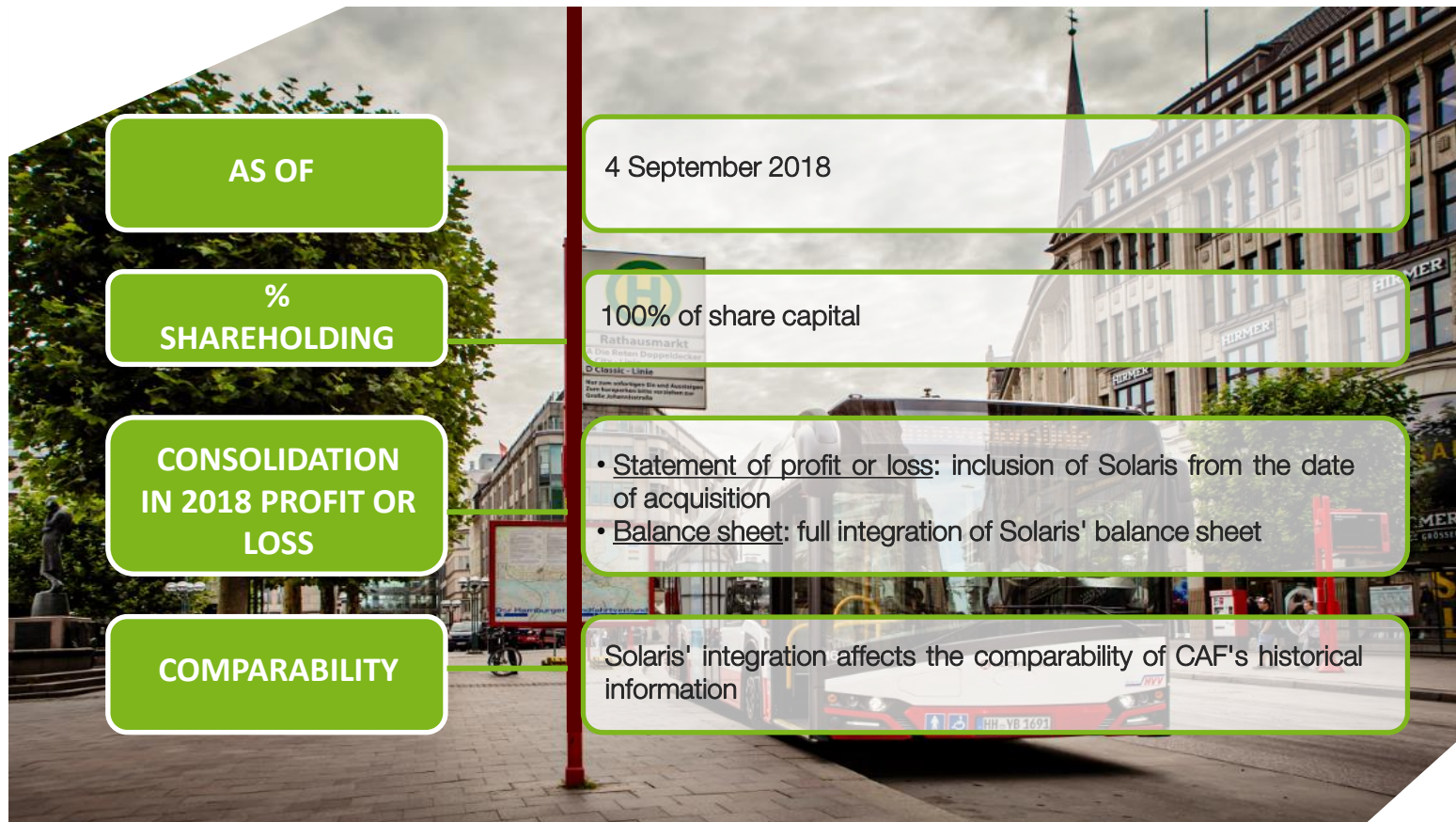
- 
- A large, light grey, curved arc is positioned on the left side of the slide, serving as a decorative element for the list.
- • Acquisition of Polish bus manufacturer Solaris Bus & Coach
 - • Confirmation of the upbeat industry outlook
 - • Start-up of activity at new CAF plant in the UK
 - • Considerable order intake in ancillary businesses (e.g. refurbishment, equipment)

Introduction

> Scope of consolidation



CAF acquired Solaris Bus & Coach Group on 4 September 2018, accounting for this company in its financial statements using the full consolidation method as of that date.



2018 targets surpassed

- Record order intake
- All-time high backlog
- Solid growth in activity
- Higher profit
- Strong cash generation

(in millions of euros and %)

The logo for CAF, consisting of the letters 'CAF' in a bold, red, stylized font. The 'C' is large and rounded, with the 'A' and 'F' stacked to its right. The background of the slide features a blurred image of a modern building with a curved facade and a blue sky.

	2018	2017	Chg. %
Backlog	7,716	6,265	23%
Order Intake	2,902	1,514	92%
Revenue	2,048	1,477	39%
EBITDA margin	9.8%	12.2%	-
EBIT margin	7.0%	9.9%	-
Net attributable profit	43	42	2%
Working capital	40	247	(84%)
NFD/EBITDA	1.6x	1.2x	-
Market capitalisation as of 31 December	1,241	1,172	6%

Order intake



Record order intake in the year

(in millions of euros)

	2015	2016	2017	2018				Q1-Q4
	Q1-Q4	Q1-Q4	Q1-Q4	Q1	Q1-2Q	Q1-Q3	Q1-Q4	Q1-Q4 <i>ex-Solaris</i>
Order intake ¹	902	2,677	1,514	143	407	740	2,902	2,672
<i>book-to-bill</i>	0.7	2.0	1.0					1.4

Average order intake 2015-2018 (*ex-Solaris*) → €1,941 M

Order intake Q42018

Main projects

NIR (UK)	Riga (Latvia)	Wales & Borders (UK)
Medellin (Colombia)	Parramatta (Australia)	Amsterdam (Netherlands)
Trenitalia (Italy)	NS (Netherlands)	SRO (Saudi Arabia)

Other orders and adjustments

Smaller Vehicle supply contracts

Contracts for components, equipment, systems and other

Portfolio adjustments (changes in contract scope and foreign currency translation adjustments)



¹ Includes firm backlog in the year and potential modifications to orders from prior years, calculated as follows: (Backlog at end of reporting period – Backlog at beginning of period + Revenue). Does not include the backlog acquired from Solaris.

Order intake does not include options included in several signed projects and projects in the backlog.

Breakdown of order intake for the year in Annex A.

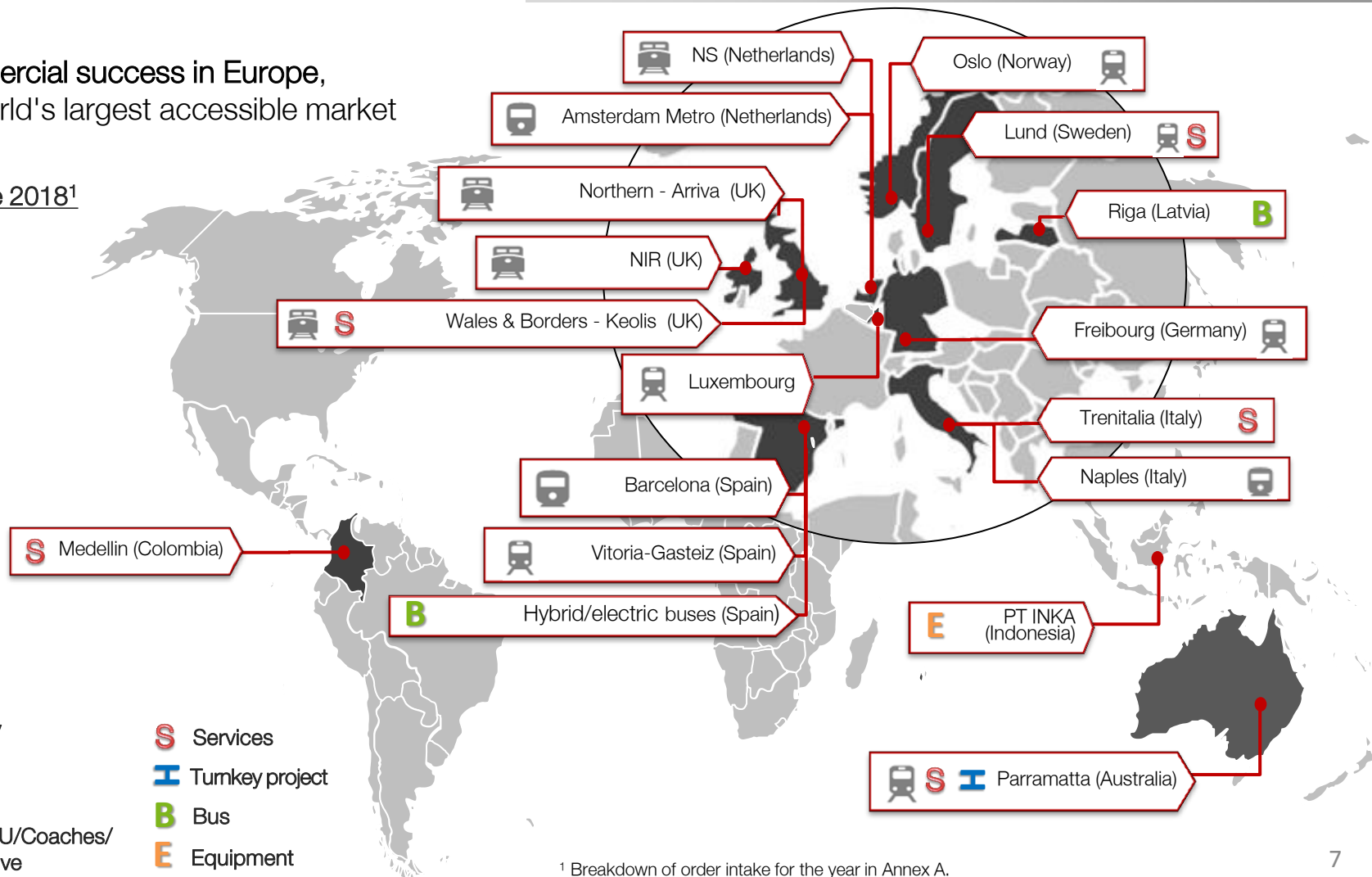
Order intake



(continued)

Commercial success in Europe,
the world's largest accessible market

Order intake 2018¹



¹ Breakdown of order intake for the year in Annex A.

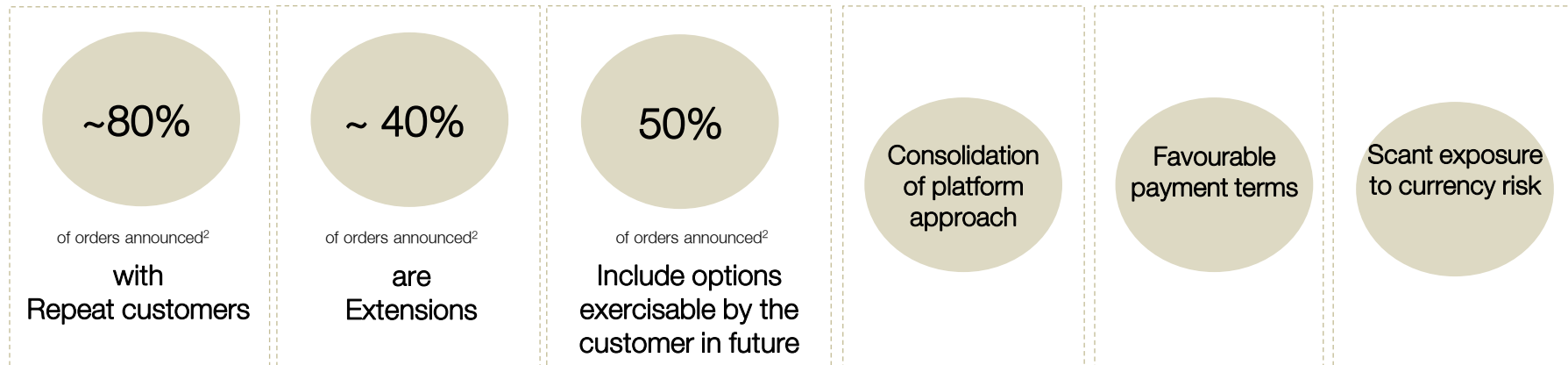
Order intake



(continued)

High recurrence and increasing diversification of orders

Profile of order intake in 2018¹



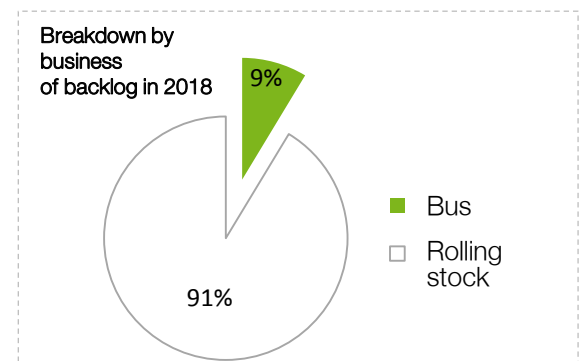
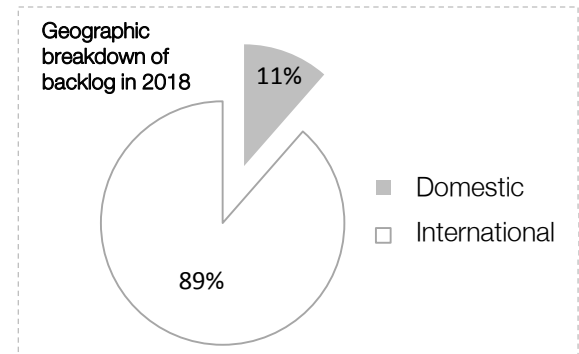
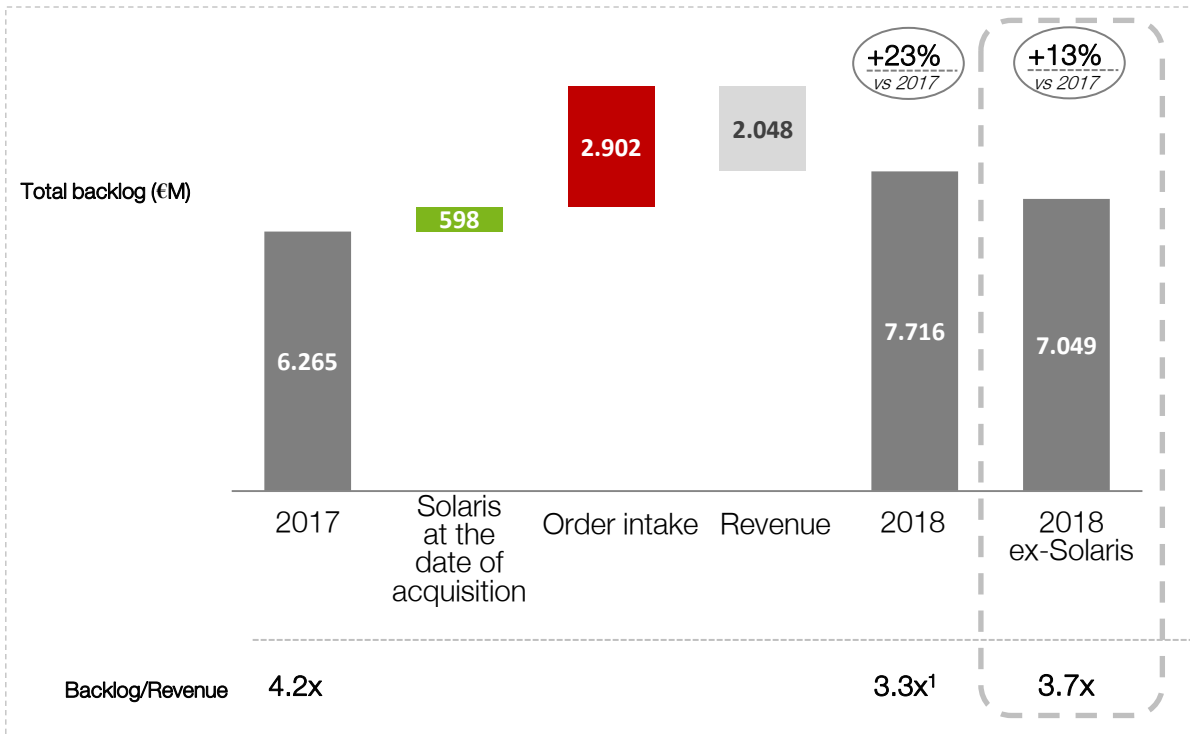
¹ See breakdown of order intake in Annex A.

² No. of orders.

Backlog



All-time high backlog for the third straight year



¹ Considering FY 2018 revenue of Solaris (EUR 458 million). Projects in the bus business have a far shorter maturity period than railway projects, so the backlog/revenue ratio is lower (by around 1-2x), resulting in a lower backlog/revenue ratio for the CAF Group.

Backlog



2018 backlog **does not include:**

- i) orders worth approximately **EUR 1,000 million signed in 2019**, and
- ii) rolling stock and bus projects **c. EUR 300 million awarded and pending signature**



Liege

Signed

- Tram D'Ardent consortium: CAF, Colas and DIF
- 20 trams
- Signalling systems
- Telecommunications systems
- Power systems
- Share in systems maintenance operations for 27 years



New South Wales

Signed

- Momentum Trains Pty Ltd consortium: CAF, Pacific Partnership and DIF
- 29 regional units
- Two simulators
- Construction and fit out of a maintenance facility
- ~EUR 500 million



RATP

Signed

- Refurbishment
- 43 units
- EUR 121 million



S E B Renfe, SAR, ADIF and others

Awarded

- Renfe: commuter train maintenance
- SAR: maintenance of units
- ADIF: renewal and maintenance of CTCs
- Other rolling stock and buses (Warsaw, Saint-Etienne, Parma, Katowice and Oslo, among others)



Tram/LRV



Metro



EMU/DMU/ coaches /Locomotive

S Services

I Turnkey project

E Equipment

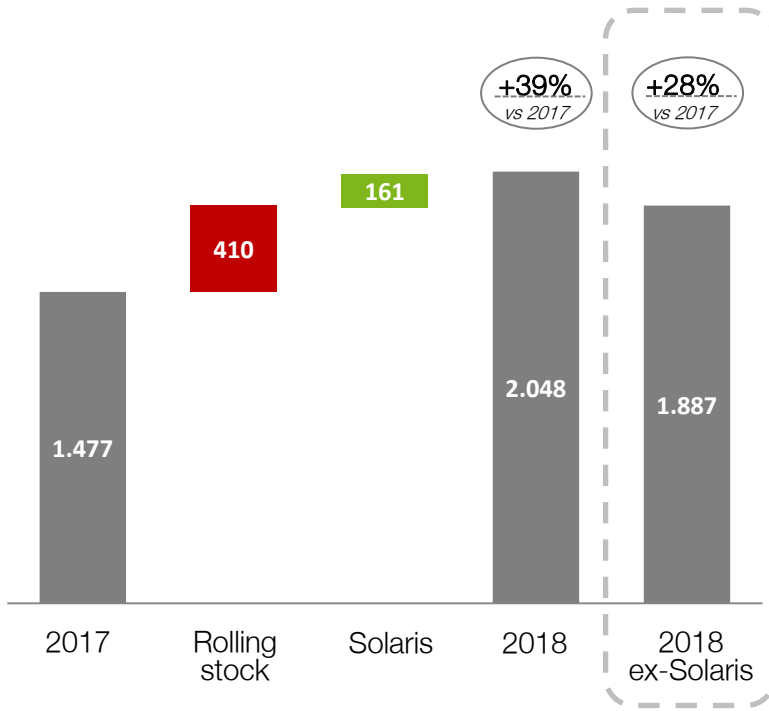
B Bus

Consolidated statement of profit or loss

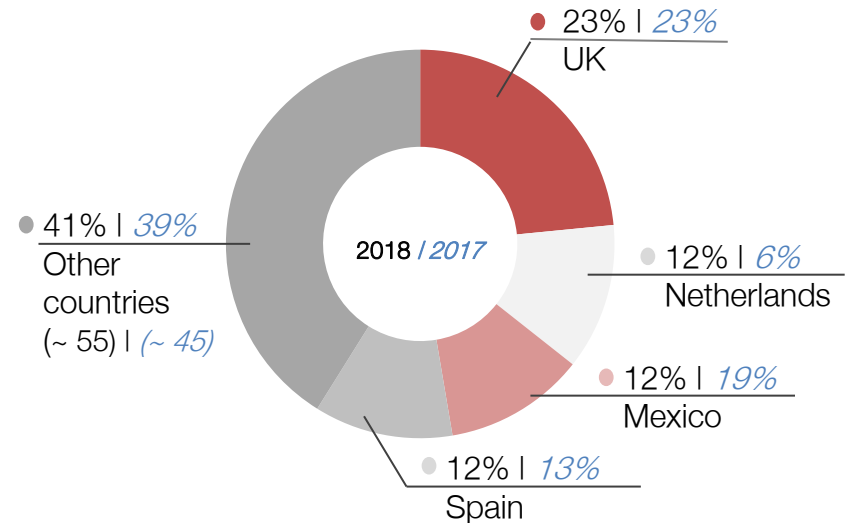
> Revenue



Record revenue



More geographically diversified revenue mix



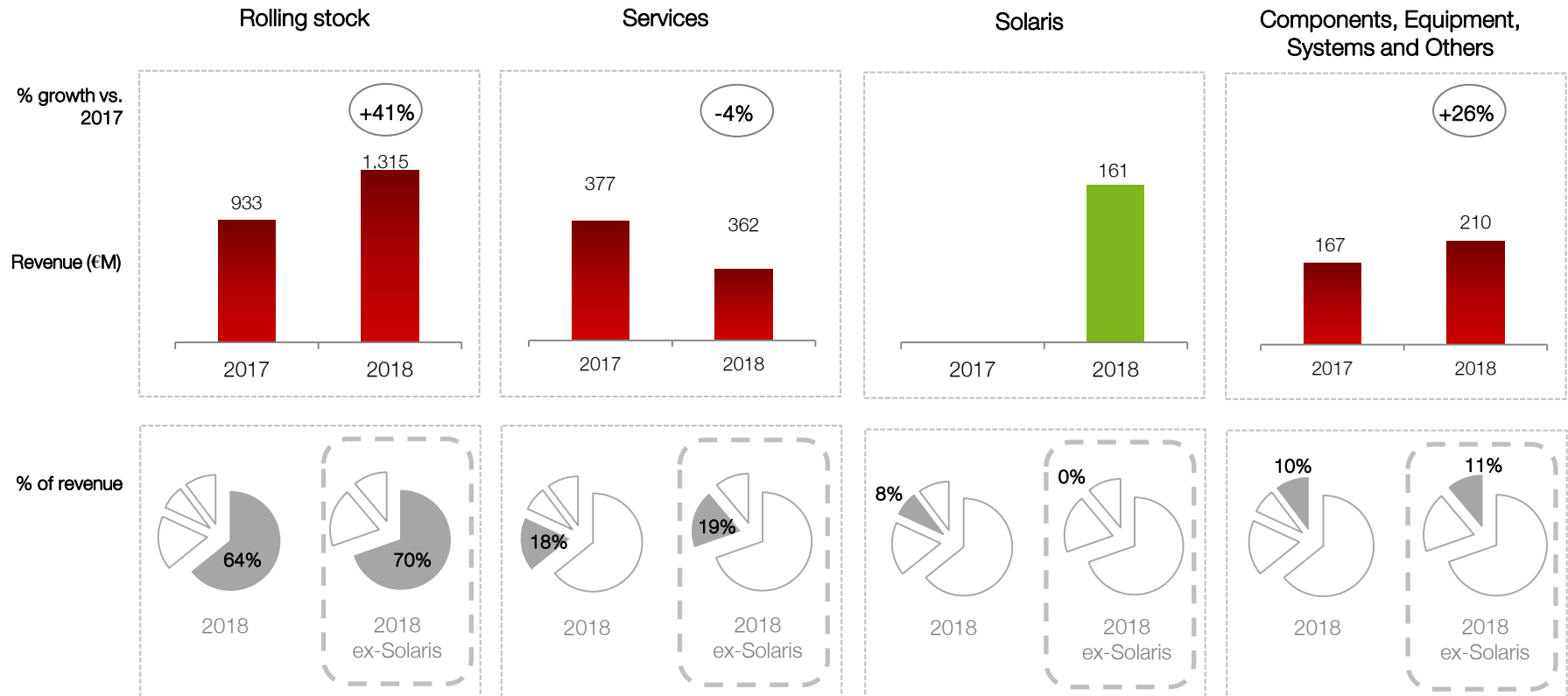
Consolidated statement of profit or loss

> Revenue



(continued)

Growth in virtually the entire portfolio



Consolidated statement of profit or loss

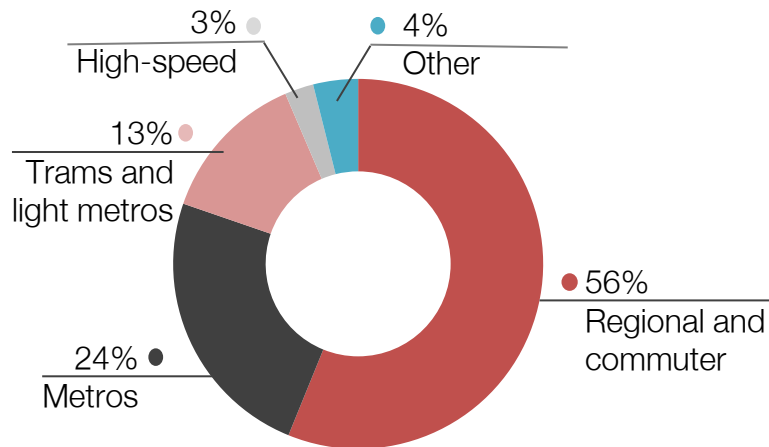
> Revenue



(continued)

Regional trains
still make up more than half of train sales

Train sales



More than 40 projects in progress

Key projects in progress

		(no. of cars)
	EMUs and DMUs Northern-Arriva <i>Civity UK</i>	<ul style="list-style-type: none"> EMUs: (12x4) + (31x3) DMUs: (25x2) + (30x3)
	Cars and EMUs Transpeninne-First Group <i>Civity UK</i>	<ul style="list-style-type: none"> 66 cars EMUs: 12x5
	EMUs NS <i>Civity</i>	(68x3) + (50x4)
	Maryland LRV	26 five-car LRVs
	Quito Metro <i>Inneo</i>	18x6
	Boston LRV	24 three-car LRVs

Consolidated statement of profit or loss

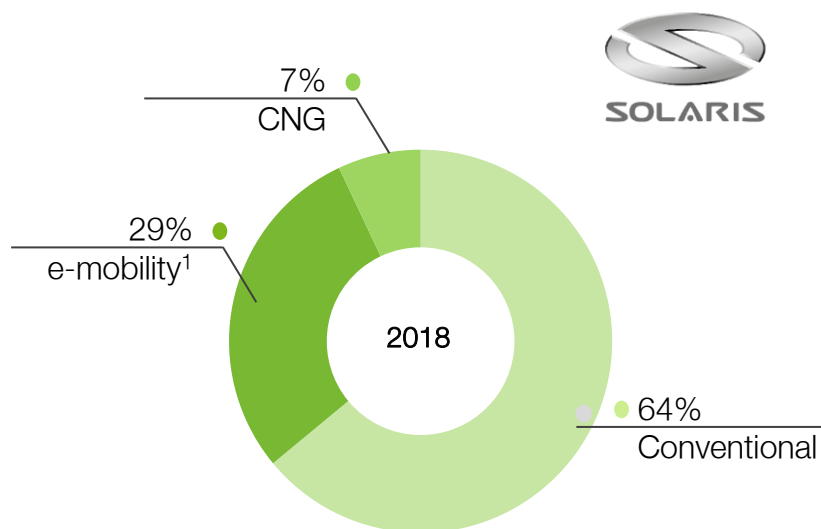
> Revenue



(continued)

The range of e-mobility buses is gradually replacing conventional buses

No. of buses sold in 2018



Key projects delivered in 2018

City	Country	Type
Warsaw	Poland	Electric
Milan and Bergamo	Italy	Electric
Liege and Mons	Belgium	Hybrid
Vilnius	Lithuania	Conventional and trolleybus
Dusseldorf	Germany	Conventional

Solaris Bus & Coach	2017	2018	2020 target
% e-mobility business (no. units)	20%	29%	45%

¹ The e-mobility range includes electric buses, hybrid buses and trolleybuses.

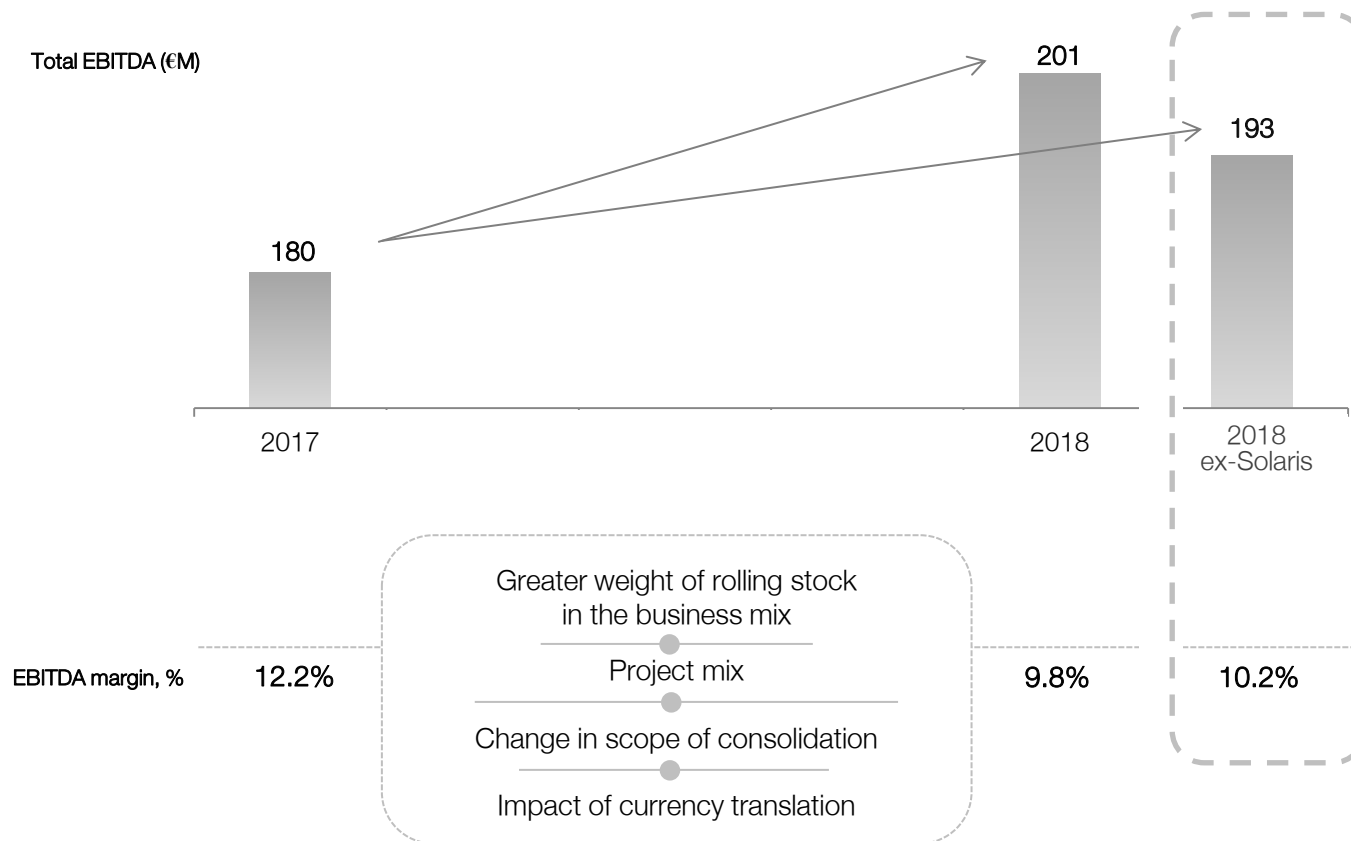
Consolidated statement of profit or loss

> EBITDA



EBITDA growth

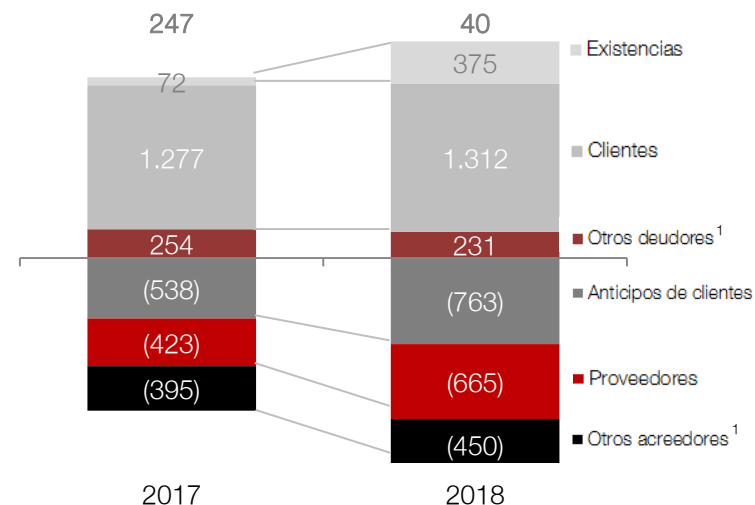
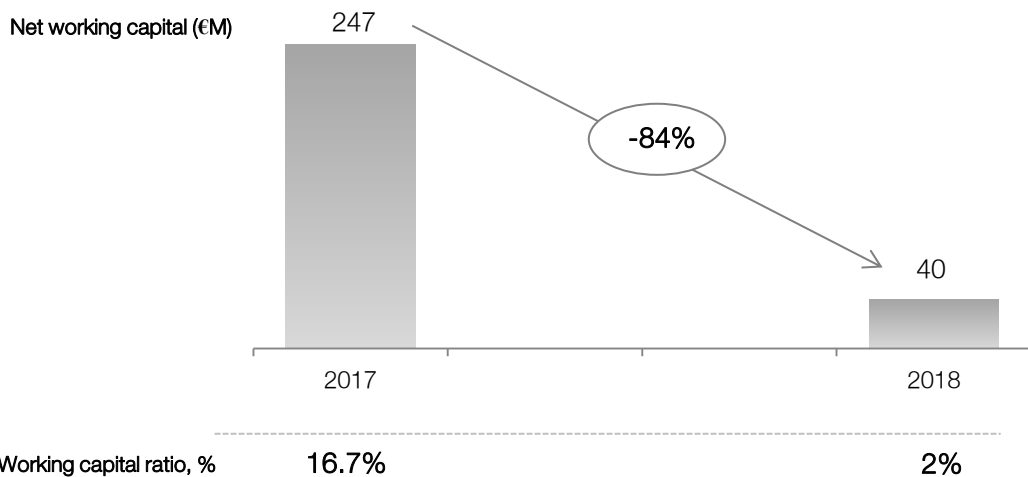
with the railway business maintaining a **double-digit** EBITDA margin



Consolidated balance sheet > Working capital



Amid growing sales in the year, **working capital decreased** thanks to the portfolio's improved payment conditions



¹ Includes the following balance sheet items:

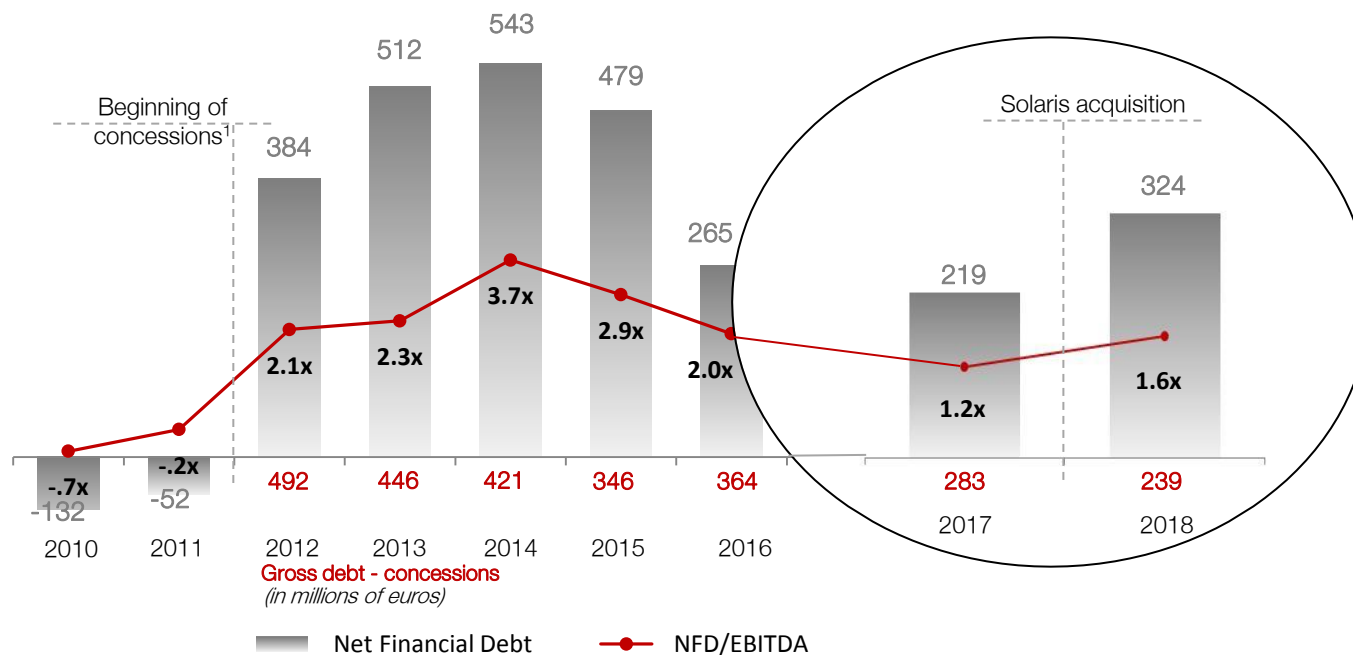
- "Other receivables": Other receivables, Current tax assets, Current asset derivatives and Other current assets
- "Other payables": Current provisions, Other payables excluding customer prepayments, Current tax liabilities and Current liability derivatives.

Consolidated balance sheet

> Financial position



Despite the acquisition of Solaris, the NFD/EBITDA ratio was largely unchanged



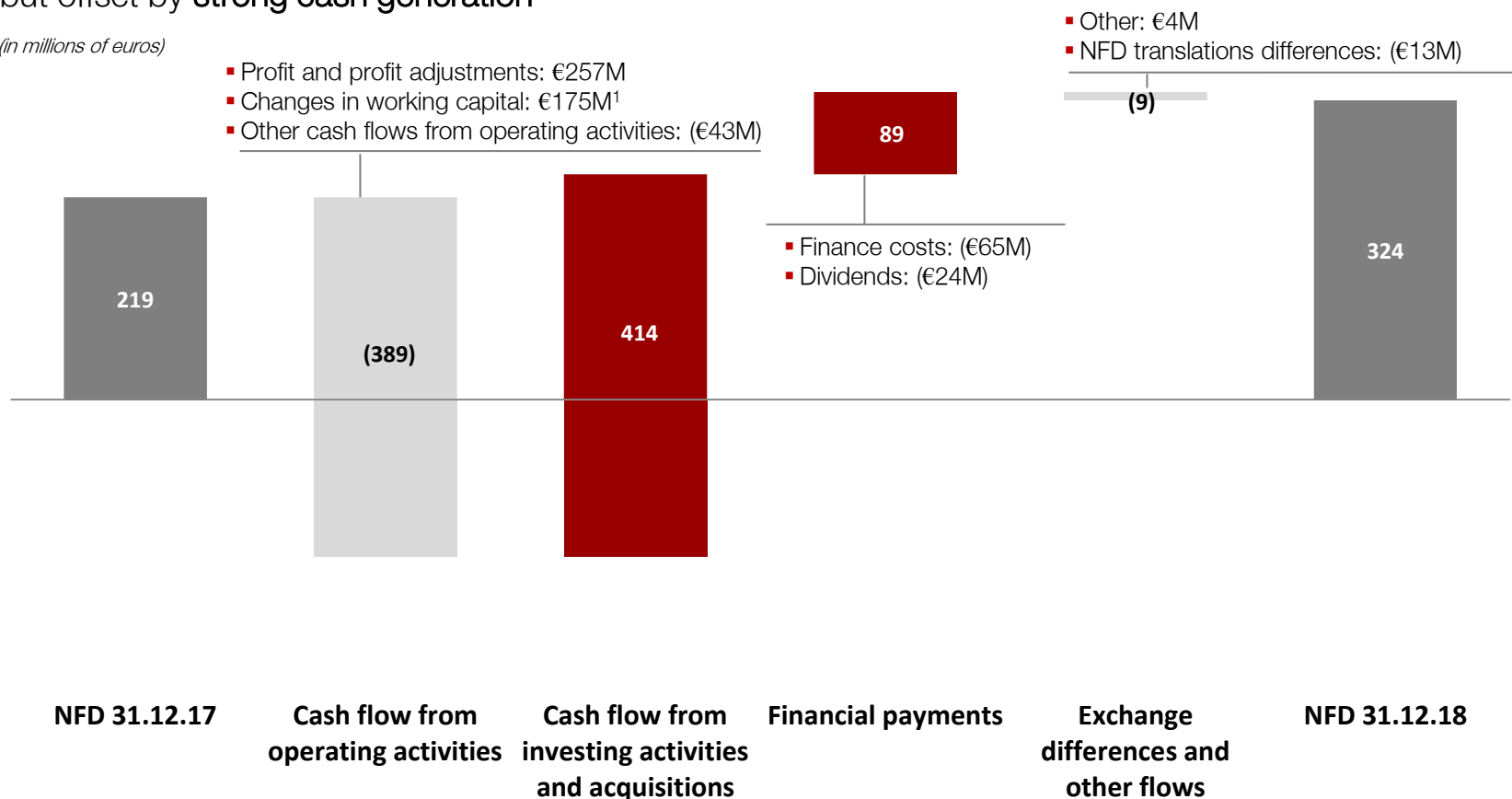
Consolidated balance sheet

> Net financial debt



Growth in debt due mainly to the investment to acquire Solaris, but offset by strong cash generation

(in millions of euros)

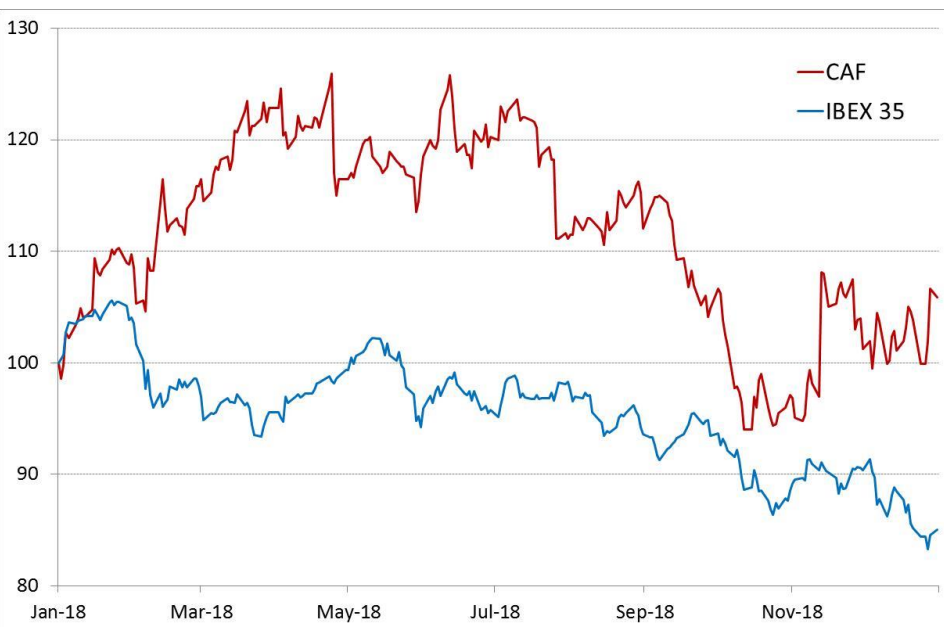


¹ Changes to working capital without considering the effects of currency translation

Stock market information

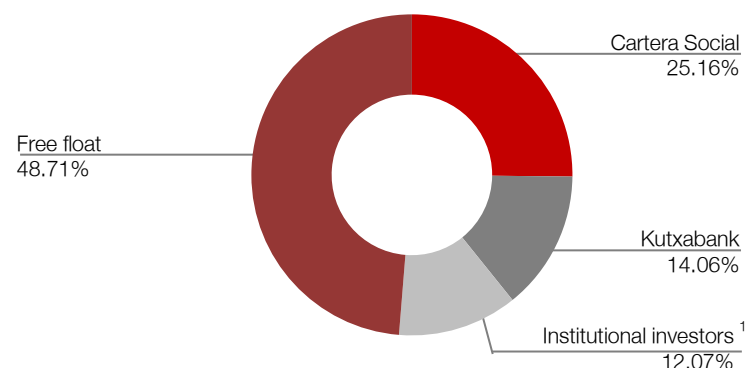


Base 100= 02/01/2018



Shareholder structure

31/12/2018



Stock Market Information

2018

Net profit per share (euros)	1,27
Market capitalisation at close (euros)	1.240.963.150
No. of shares	34.280.750
Last market price (euros)	36,2
Maximum market price (euros)	43,6
Minimum market price (euros)	31,3
Volume traded (no. of shares)	10.772.915
Free-Float Rotation	65%
Cash traded (euros)	411.249.755
Dividend per share distribution proposal	0,765

¹ Includes investors with holdings over 3% or 1% in the case of investors with head offices in tax havens



OUTLOOK

CAF on track to deliver

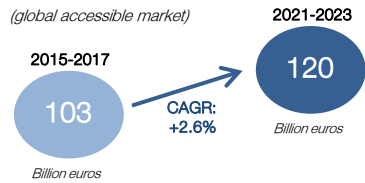
GROWTH IN THE COMING YEARS

underpinned by more diverse product and service mixes
and the constant pursuit of greater efficiency

Outlook > Railway market



The railway industry looks set to continue growing in the coming years

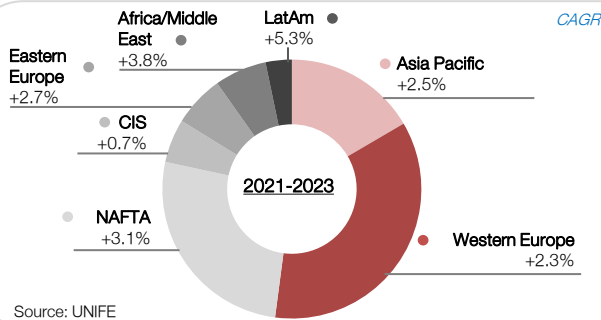


- Western Europe is the world's largest accessible market
- Demand for new rolling stock will be the main driver
- Turnkey projects should show the highest growth

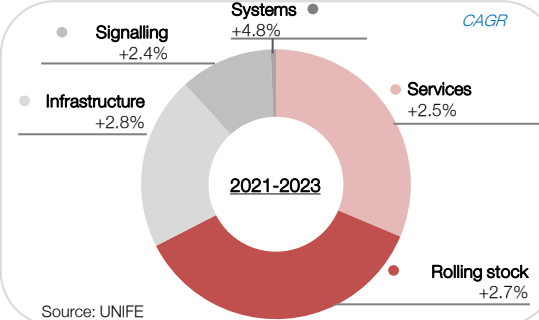
Source: UNIFE



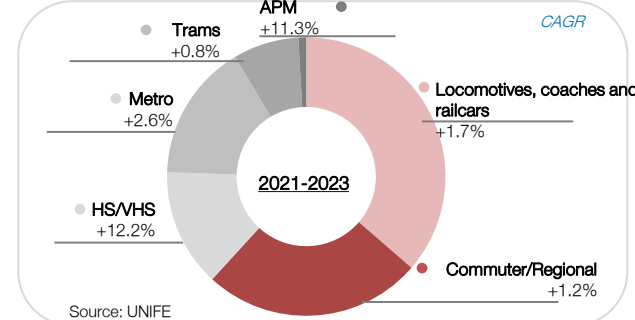
Accessible market BY GEOGRAPHY



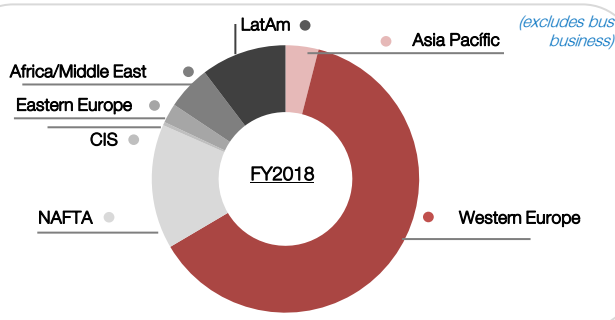
Accessible market 2021-2023 BY BUSINESS



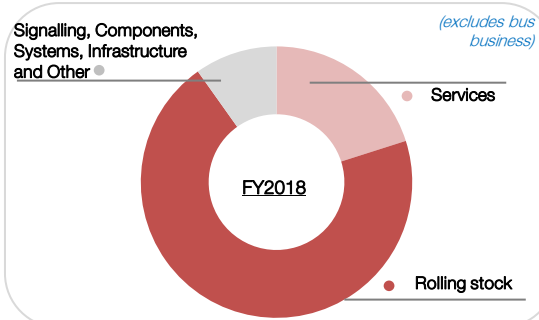
Accessible market BY TYPE OF ROLLING STOCK



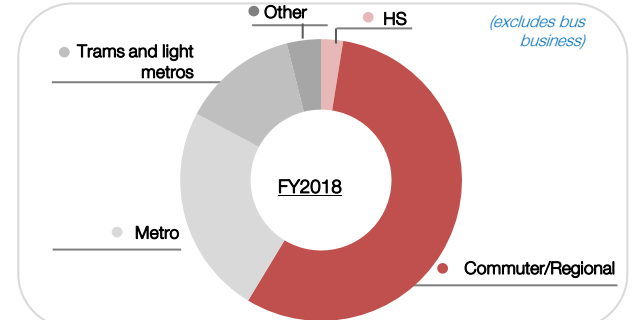
CAF revenue BY GEOGRAPHY



CAF revenue BY BUSINESS



CAF revenue by TYPE OF ROLLING STOCK



Outlook

> Bus market

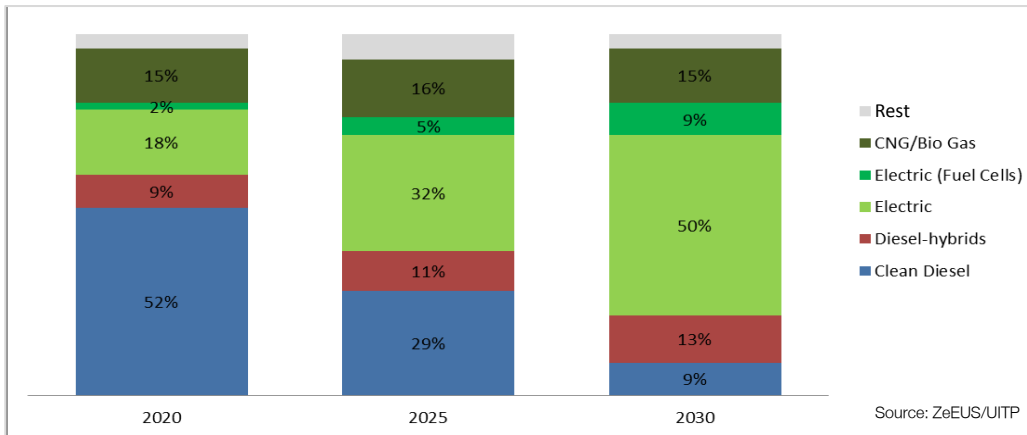


The shift in demand from urban buses to e-mobility solutions is gathering pace



- Operations in more than 700 cities in 32 countries
- Solaris has the widest e-mobility solutions portfolio
- An therefore it is well positioned to attend the evolution in the market demand in coming years

Forecast demand for urban buses in Europe



SOLARIS range of solutions

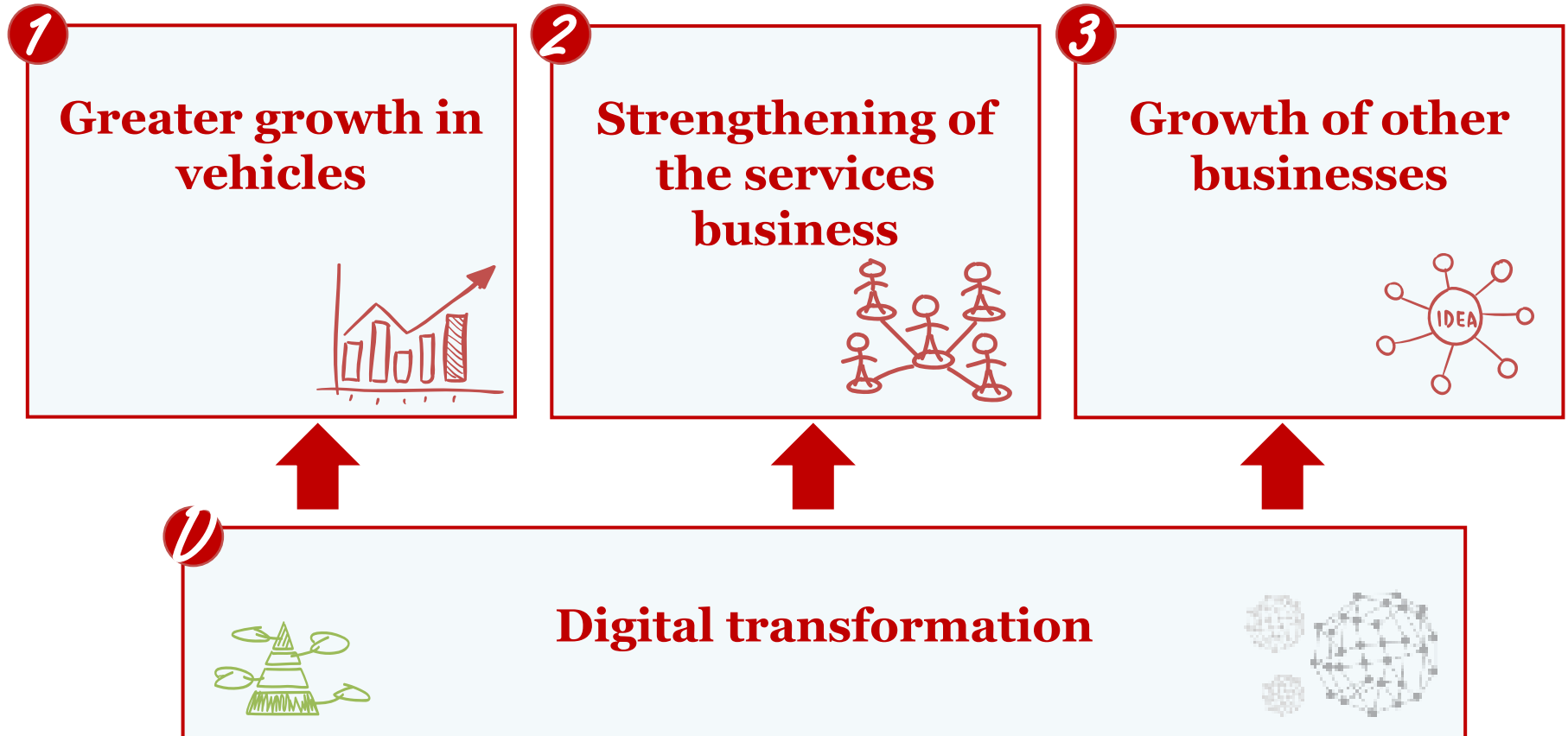
Urbino CNG (CNG Urban bus)	
Urbino Electric (Fuel cell)	
Urbino Electric (Zero-emission Urban bus)	
Urbino Hybrid (Hybrid Urban bus)	
Urbino (Diesel Urban bus)	

Outlook

> Strategic plan 2020

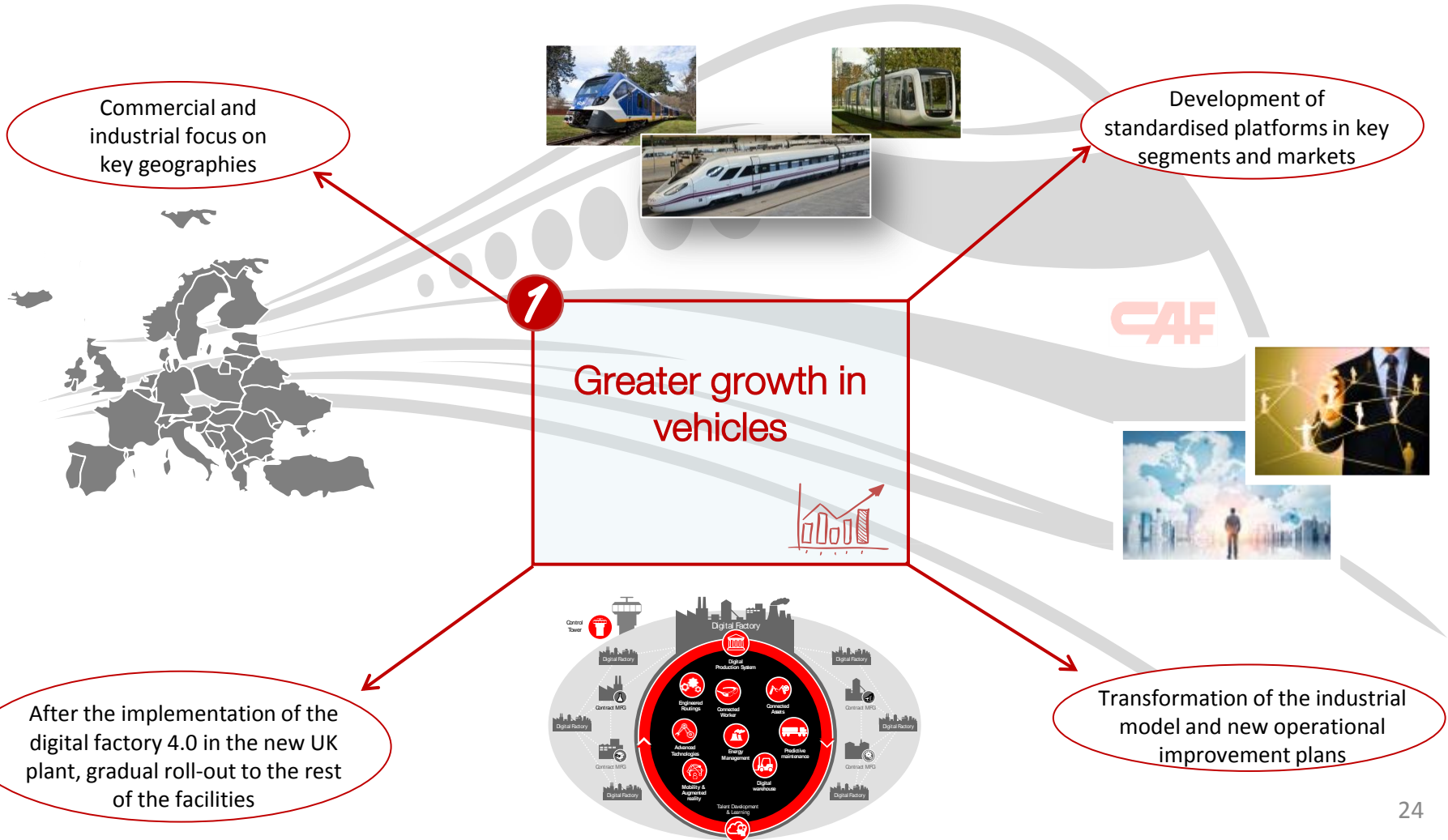


New digital tools will boost the strategic lines of growth underway for the 2017-2020 period and transform the organisation



Outlook

> Strategic plan 2020



Outlook

> Strategic plan 2020

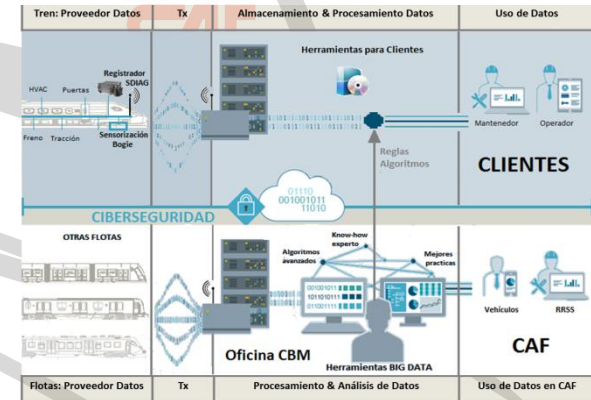


Proactive search for railway public-private partnership projects

Involvement in initiatives of service start-ups

2

Strengthening of the services business



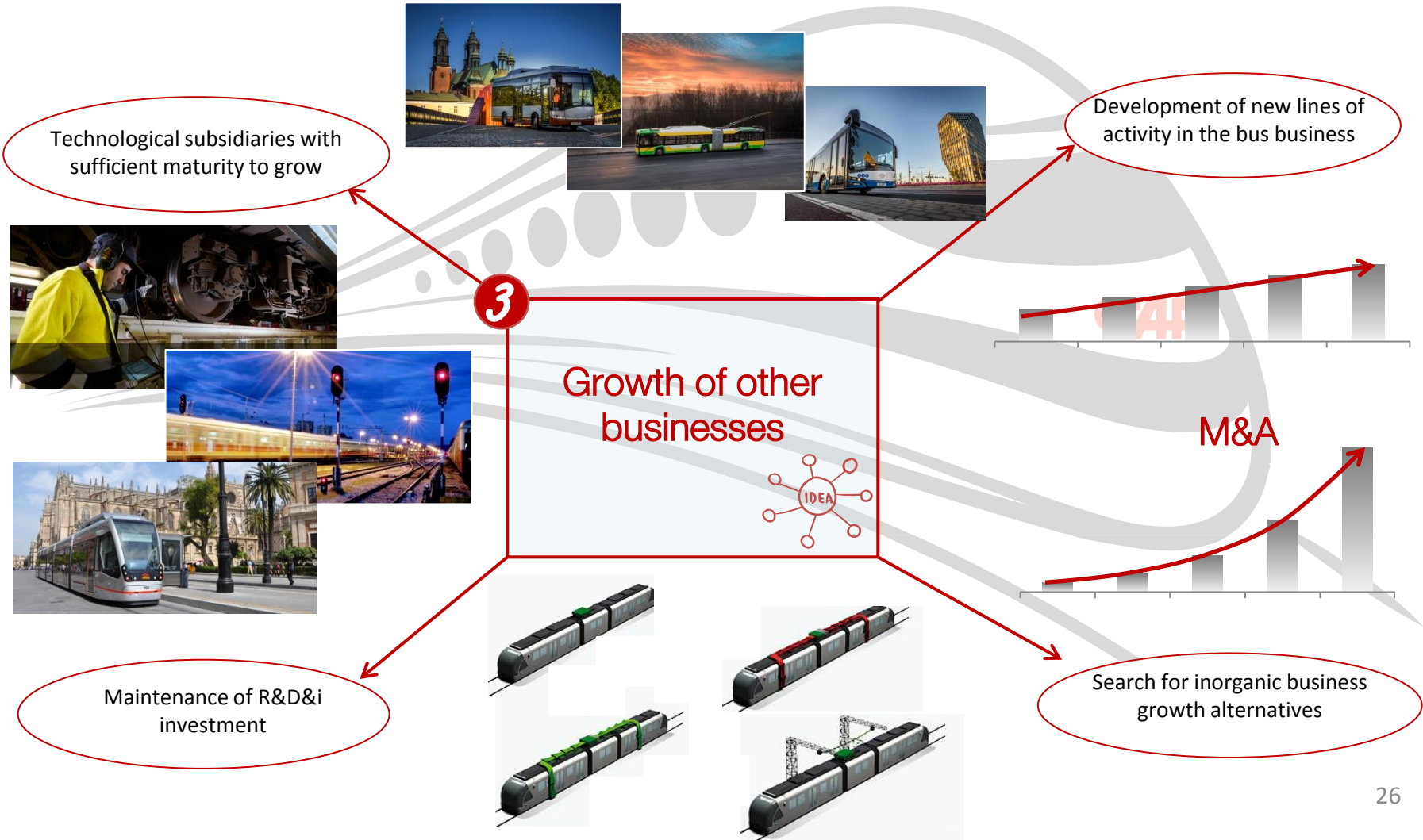
Accelerated development of the refurbishment business

Search for new digital businesses



Outlook

> Strategic plan 2020



Outlook

> Strategic plan 2020



The favourable outlook for the Group remains upbeat

- Growth with the incorporation of new businesses to the Group

- Upward trend in profit, underpinned by:

- Increase in activity in European manufacturing plants

- Favourable profile of the backlog

- Contribution of the new businesses added to the Group

- Digitalisation of operating processes in manufacturing and the provision of services

- Ambition to maintain the level backlog, based on stable volume of open tenders above EUR 7,000 million



APPENDICES

- A/ Breakdown of order intake in 2018
- B/ Consolidated financial position
- C/ Consolidated statement of profit or loss
- D/ Additional information

A/ Breakdown of order intake in 2018

Announced order intake and in backlog in 2018

Date	Project	Country	Description	Client	Type	Extension options	Vehicles		Business			Value (M€)		
							# unit	Platform	Business	Rest of businesses	Scope		Comments	
1Q-3Q	Vitoria-Gasteiz	Spain	Tram supply	Not new	Basis contract and extension	Yes	✓	6	Urbos		-		22	
1Q to 4Q	Hybrid-Electric buses	Spain	Bus supply	New	Basis contract	No		-		✓	Buses	77 units	Hybrid - Electric	-
1Q	Naples	Italy	Metro supply	Not new	Extension	Yes	✓	2	Inneo		-			-
2Q	Barcelona	Spain	Metro supply	Not new	Basis contract	No	✓	10	Inneo		-			>75
2Q	Freiburg	Germany	Tram supply	Not new	Extension	Yes	✓	5	Urbos		-			60
2Q	Lund	Sweden	Tram supply and maintenance	New	Basis contract	Yes	✓	7	Urbos	✓	Services	Comprehensive maintenance	10 years	
2Q	Luxemburg	Luxemburg	Tram supply	Not new	Extension	No	✓	12	Urbos		-			>40
3Q	Northern - Arriva	United Kingdom	DMU supply	Not new	Extension	No	✓	3	Civity UK		-			-
3Q	Oslo	Norway	Tram supply	New	Basis contract	Yes	✓	87	Urbos		-			>220
3Q	PT Inka	Indonesia	Traction equipment and control system supply	New	Basis contract	No	✓			✓	Control, traction and components	Control systems, traction chain and axles, wheels and reduction gears	31 units	50
4Q	Amsterdam	The Netherlands	Metro supply	Not new	Basis contract	Yes	✓	30	Inneo		-			-
4Q	Trenitalia	Italy	Coaches retrofit	Not new	Basis contract	Yes	✓			✓	Services	Retrofit	670 coaches	36
4Q	NIR	United Kingdom	DMU supply	Not new	Extension	No	✓	21	-		-			56
4Q	Medellin	Colombia	Metro retrofit	Not new	Basis contract	No	✓			✓	Services	Retrofit	42 units	80
4Q	Riga	Latvia	Bus supply	Not new	Extension	No	✓			✓	Buses	88 units	Convencional	35
4Q	Wales & Borders	United Kingdom	DMU supply and maintenance	new	Basis contract	No	✓	77	Civity UK	✓	Services	Comprehensive maintenance	12 years	-
4Q	Parramatta	Australia	Turnkey project	Not new	Basis contract	Yes	✓	13	Urbos	✓	Service, signalling and systems	Comprehensive maintenance, wayside signalling and systems	8 years	300
4Q	SRO maintenance	Saudi Arabia	Push-pull unit maintenance	Not new	Basis contract	No	✓			✓	Services	Comprehensive maintenance	12 units. 3 years	-
4Q	NS	The Netherlands	EMU supply	Not new	Extension	Yes	✓	88	Civity		-			400

B/ Consolidated financial position



(in millions of euros)

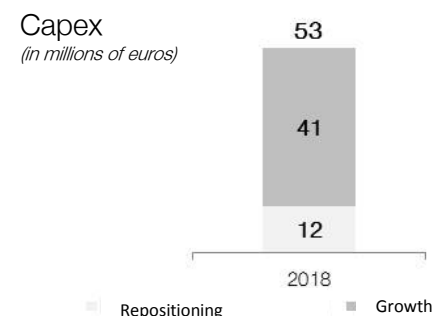
Consolidated Balance Sheet	31/12/2018	31/12/2017	% change
Assets			
Intangible Assets	308	71	337%
Property, Plant & Equipment, net	365	245	49%
Investments accounted for using the equity method	18	20	(8%)
Non-Current Financial Assets	548	577	(5%)
Deferred Tax Assets	149	145	0
Other Non-Current Assets	3	0	-
Non-Current Assets	1.391	1.056	32%
Inventories	375	72	424%
Trade receivables for sales and services	1.312	1.277	3%
Other receivables	205	198	3%
Current tax assets	14	10	36%
Other Current Financial Assets	100	127	(21%)
Other Current Assets	6	3	96%
Cash & Cash Equivalents	603	372	62%
Current Assets	2.615	2.059	27%
Total Assets	4.006	3.115	29%
Equity & Liabilities			
Total Equity	757	760	0%
Long-Term Provisions	7	7	(3%)
Non-Current Bank Borrowings and Liabilities	766	626	23%
Other Non-Current Financial Liabilities	59	70	(16%)
Deferred Tax Liabilities	177	154	15%
Other Non-Current Liabilities	82	56	47%
Non-Current Liabilities	1.092	913	20%
Short-Term Provisions	225	228	(1%)
Current Bank Borrowings and Liabilities	255	46	452%
Other Current Financial Liabilities	88	93	(6%)
Trade and Other Payables	1.583	1.075	47%
Other Current Liabilities	6	0	1740%
Current Liabilities	2.157	1.443	50%
Total Equity & Liabilities	4.006	3.115	29%

Intangible assets

The balance includes EUR 102 million of goodwill and EUR 135 million of commercial relationships, customer portfolio and trademarks arising from the acquisitions of BWB, Solaris and Rifer.

Property, Plant & Equipment, net

Investment in property, plant and equipment in 2018 amounted to EUR 53 million, led by the plant in Newport (Wales) and the acquisition of Solaris (EUR 106 million at the date of acquisition).



B/ Consolidated financial position



(in millions of euros)

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(continued)

Non-current financial assets

These refer mainly to assets linked to concession contracts in Brazil and Mexico. The decline in the year was partially the result of amounts received under the framework of these contracts.

Current assets

The balance of Inventories increased due to the addition of Solaris to the Group (EUR 166 million at the date of acquisition) and the inclusion of amounts to be billed for work performed under this line item.

Slight increase in Trade receivables for sales and services amid the sharp growth of activity driven by more favourable payment terms in contracts.

Increase in Cash & Cash Equivalents arising from contracts signed at the end of the year.

B/ Consolidated financial position



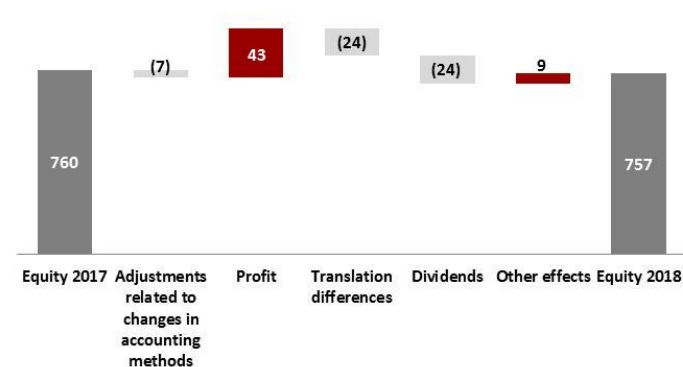
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Total Assets	4.006	3.115	29%
Equity & Liabilities			
Total Equity	757	760	0%
Long-Term Provisions	7	7	(3%)
Non-Current Bank Borrowings and Liabilities	766	626	23%
Other Non-Current Financial Liabilities	59	70	(16%)
Deferred Tax Liabilities	177	154	15%
Other Non-Current Liabilities	82	56	47%
Non-Current Liabilities	1.092	913	20%
Short-Term Provisions	225	228	(1%)
Current Bank Borrowings and Liabilities	255	46	452%
Other Current Financial Liabilities	88	93	(6%)
Trade and Other Payables	1.583	1.075	47%
Other Current Liabilities	6	0	1740%
Current Liabilities	2.157	1.443	50%
Total Equity & Liabilities	4.006	3.115	29%

(continued)

Equity

Changes in the year arose mainly from the generation of profit, translation differences and dividends paid.



Non Current liabilities

The increase in bank borrowings under Non-Current Bank Borrowings was mainly the result of the increase in long-term debt arranged to fund the Solaris acquisition.

B/ Consolidated financial position



(in millions of euros)

(continued)

Consolidated Balance Sheet	31/12/2018	31/12/2017	% change
Assets			
Intangible Assets	308	71	337%
Property, Plant & Equipment, net	365	245	49%
Investments accounted for using the equity method	18	20	(8%)
Non-Current Financial Assets	548	577	(5%)
Deferred Tax Assets	149	145	0
Other Non-Current Assets	3	0	-
Non-Current Assets	1.391	1.056	32%
Inventories	375	72	424%
Trade receivables for sales and services	1.312	1.277	3%
Other receivables	205	198	3%
Current tax assets	14	10	36%
Other Current Financial Assets	100	127	(21%)
Other Current Assets	6	3	96%
Cash & Cash Equivalents	603	372	62%
Current Assets	2.615	2.059	27%
Total Assets	4.006	3.115	29%
Equity & Liabilities			
Total Equity	757	760	0%
Long-Term Provisions	7	7	(3%)
Non-Current Bank Borrowings and Liabilities	766	626	23%
Other Non-Current Financial Liabilities	59	70	(16%)
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Total Equity & Liabilities	4.006	3.115	29%

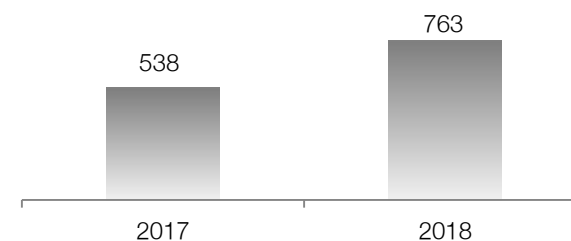
Current liabilities

Current financial debt increased due to the addition of commercial paper programme as a funding source, the debt of Solaris and the scheduled maturity of corporate debt.

Trade and Other Payables rose due to the higher amount of payables to suppliers (increased activity) and the sharp increase in Customer prepayments related to new order intake.

Customer prepayments

(in millions of euros)



C/ Consolidated statement of profit or loss



(in millions of euros)

Statements of Profit or Loss	2018	2017	% change
Revenue	2.048	1.477	39%
Other Income (*)	36	17	112%
Procurements and changes in inventories	(1.017)	(620)	64%
Staff costs	(518)	(446)	16%
Other operating expenses	(348)	(247)	40%
EBITDA	201	180	12%
% margin	9,8%	12,2%	
D&A	(47)	(35)	35%
Impairments and gains/loses on disposals	(11)	0	(7.222%)
EBIT	144	146	(1%)
% margin	7,0%	9,9%	
Finance income	8	7	4%
Finance costs	(64)	(69)	(6%)
Exchange differences	(7)	(18)	(62%)
Other financial gains and losses (**)	0	0	(59%)
Financial result	(63)	(79)	(20%)
Result of companies accounted for using the equity method	(0)	1	(168%)
Profit before tax	81	68	19%
Income tax	(41)	(25)	64%
Net Income	40	43	(7%)
% margin	1,9%	2,9%	
Profit attributable to non-controlling interests	4	0	(3.541%)
Profit attributable to the controlling entity	43	42	2%

(*) Considers Other Operating income and in-house work on non-current assets

(**) Considers Impairment and gains and losses on disposals of financial instruments and Change in fair value of financial instruments

Revenue increased by 39%. This was driven mainly by **stronger industrial activity** and the contribution of sales from the **bus business** in the last four months of the year, which are recognised in revenue and profit or loss on delivery of the units.

88% of sales correspond to **foreign market**.

Regional trains form the Northern franchise in the UK, *Civity* units for NS in the Netherlands, electric units and cars for the Transpennine franchise in the UK and units for the Quito metro in Ecuador made up the **main manufacturing projects** being carried out in 2018.

C/ Consolidated statement of profit or loss



(in millions of euros)

(continued)

Statements of Profit or Loss	2018	2017	% change
Revenue	2.048	1.477	39%
Other Income (*)	36	17	112%
Procurements and changes in inventories	(1.017)	(620)	64%
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Procurements and changes in inventories increased by 64%, mostly due to the increase in industrial activity (trains and buses).

Staff costs lagged the growth in activity and consist of activities added to the Group from their acquisition.

The contribution of all business led to an increase in **EBITDA** and is attributable to the mix of projects in progress, the higher industrial activity in 2018 and the efficiency measures implemented.

The lower **EBIT** compared to **EBITDA** was the result of the redefinition of technological developments underway following the integration of Solaris and higher amortisation charges for intangible assets arising from the acquisitions of Solaris, BWB and Rifer.

C/ Consolidated statement of profit or loss



(in millions of euros)

(continued)

Statements of Profit or Loss	2018	2017	% change
Revenue	2.048	1.477	39%
Other Income (*)	36	17	112%
Procurements and changes in inventories	(1.017)	(620)	64%
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Profit attributable to the controlling entity	43	42	2%

(*) Considers Other Operating income and in-house work on non-current assets

(**) Considers Impairment and gains and losses on disposals of financial instruments and Change in fair value of financial instruments

The **Finance result** improved thanks, above all, to the completion of projects in countries with high working capital funding costs and a smaller impact of exchange differences.

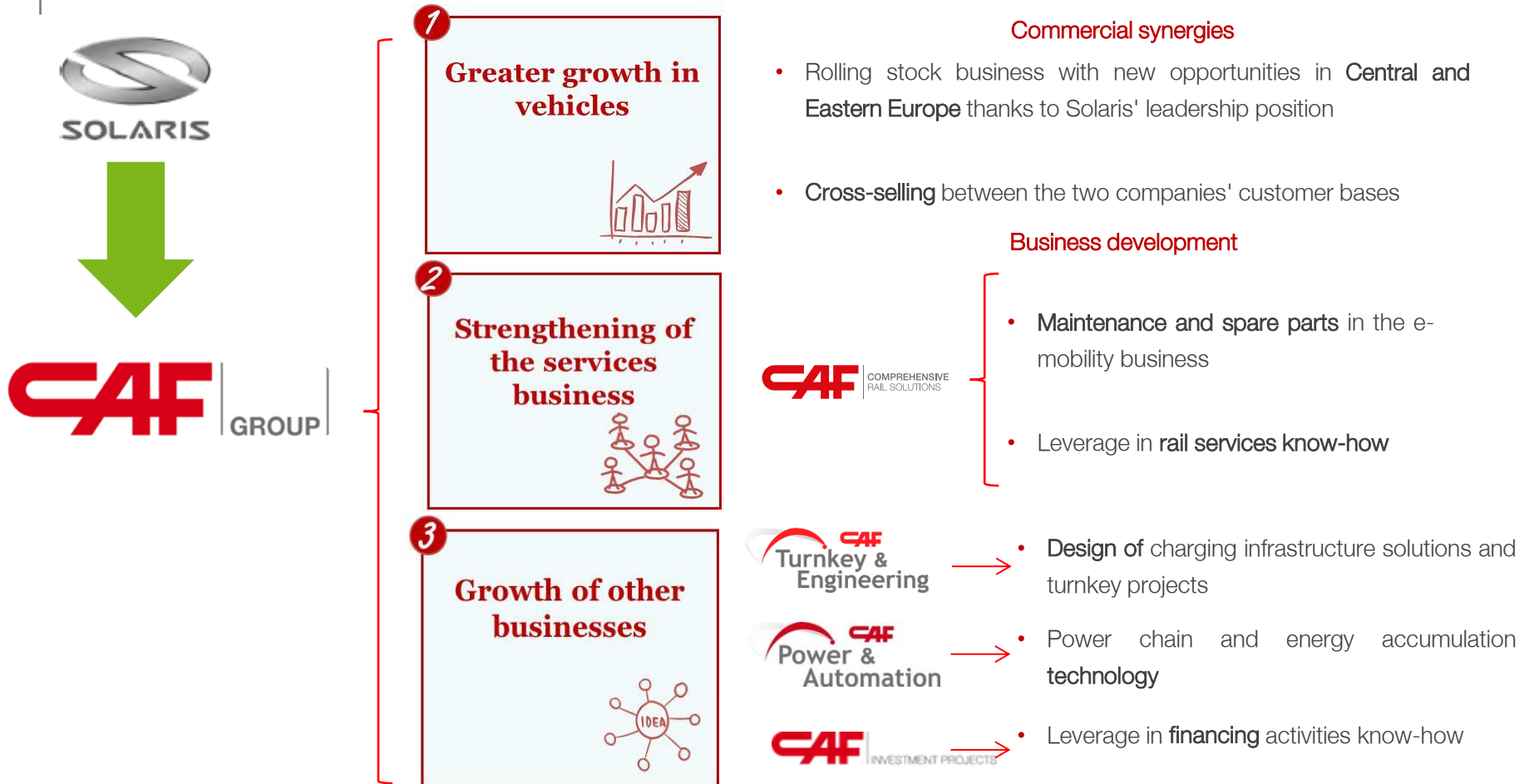
The temporary accounting adjustment applied to **Income tax**, owing to the application of the new regional corporate income tax (CIT) law approved where the Group has its office for tax purposes, resulted in a reduction of EUR 14 million in Net Income. This modification did not have any impact on cash or dividends. Stripping out this impact, net profit would have increased by 23% from 2017.

D/ Additional information

> Solaris Bus & Coach



Solaris' integration in the group gives rise to **considerable synergies to be realised**



D/ Additional information

> Plant in United Kingdom



New CAF plant in Newport (Wales, UK), on stream since September 2018

- ✓ Seven contracts won since 2015 worth over EUR 2,200 million
- ✓ Production capacity of 12 cars per month
 - Plot of land of 46,000m², plus 15,000m² of built surface area
 - Investment: GBP 33 M
 - Additional plot of 13,500m² reserved for potential future capacity enlargement
 - 225 employees, which will increase in accordance with future needs
- ✓ Railway connection and future test track connection
- ✓ Home to Digital Factory 4.0 tools
- ✓ Planned manufacturing for three projects in the backlog to 2022



- DMUs for Northern Arriva
- DMUs for West Midlands
- DMUs for Keolis W&B

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