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## **CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. NOTICE OF SIGNIFICANT EVENT**

Pursuant to the provisions of article 17 of Regulation (EU) No 596/2014, of 16 April 2014, on Market Abuse, and article 228 of the consolidated text of the Securities Market Act, approved by Legislative Royal Decree 4/2015, of October 23, and supplementary regulations, the company Construcciones y Auxiliar de Ferrocarriles, S.A., (“CAF” or “the Company”), hereby reports the following Notice of Significant Event:

It is announced that CAF has entered into an agreement to acquire 100% of the shares of the Swedish rolling stock maintenance company EuroMaint.

EuroMaint is currently one of the top maintenance companies in the Swedish railway sector, with a significant share of the Swedish market in the fleet maintenance business of passenger trains, locomotives and yellow machines, and carries out its operations in 18 workshops and facilities spread throughout the country. The Swedish Company employs around 1,000 people and generated revenues of approximately 150 million euros in the past year.

This transaction will strengthen CAF Group's positioning at a European level in the maintenance and supply of components, which is an activity with longer average execution times that provides greater sales stability in the medium and long term. Moreover, the incorporation of EuroMaint will enhance the possibility of obtaining synergies both in the area of purchases and in the manufacture and supply of railway equipment and components of the Group.

The agreement with funds advised by private equity firm Orlando Nordics AB has been signed at around 80 million euros, with a final price that will be specified, after the relevant adjustments, at the closing of the transaction, expected by July 19.

A related press release is attached.

In Beasain, on 23 May 2019.



May 23<sup>rd</sup>, 2019

## **CAF ACQUIRES THE SWEDISH COMPANY EUROMAINT, STRENGTHENING ITS POSITION ON ROLLING STOCK MAINTENANCE**

CAF Group has taken a new step in its growth and diversification strategy, following the agreement reached for the acquisition of 100% of the shares of EuroMaint Group, the Swedish market leader in the segment of rolling stock maintenance. With the incorporation of this new company to the Group, CAF reinforces its growing activity in the rail services area and also strengthens its solid presence in the Nordic markets, where the Company has developed a significant number of projects.

EuroMaint is currently one of the top maintenance companies in the Swedish railway sector, with a significant share of the Swedish market in the fleet maintenance business of passenger trains, locomotives and yellow machines. Its main activity comprises maintenance of large fleets as well as the supply of a wide range of railway components to the main Swedish operators. EuroMaint carries out its operations in 18 workshops and facilities spread throughout the country, which provides a clear leadership position and a clear opportunity to grow in the market.

As of today, the Swedish company employs around 1,000 people and generated revenues of approximately 150 million euros in the past year. Additionally, it will contribute to CAF Group with an important order book, which might be increased thanks to its strong positioning in the area.

This transaction will strengthen CAF Group's positioning at a European level in the maintenance and supply of components, which is an activity with longer average execution times that provides greater sales stability in the medium and long term. Likewise, EuroMaint's strong client portfolio will contribute to generate new opportunities for the development of other types of projects in the Nordic region. Moreover, the incorporation of EuroMaint will enhance the possibility of obtaining synergies both in the area of purchases and in the manufacture and supply of railway equipment and components of the Group.

This is a new step for CAF Group, following the acquisition of Solaris in 2018, aligned with the development of the Company's Strategic Plan for 2020. Among other objectives, this plan is committed to continue growing in the rolling stock and services business and the diversification of its activity, strengthening accordingly its position as one of the reference providers of transportation and mobility solutions and services.

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## Expanding CAF Rail Services

May 23<sup>rd</sup>, 2019

# CAF will integrate EuroMaint, the Swedish rail services leader



# 01/ EUROMAINT



Leading rail maintenance services company in Sweden,  
devoted to fleet and component maintenance and spares supply

## General overview

- EuroMaint was born as a spin-off of a public company (Statens Järnvägar) in 2001 and acquired by funds advised by Orlando Nordics AB in 2016.
- It is the leader of the Swedish market in rail maintenance services with a significant market share in the fleet maintenance business of passenger trains, freight locomotives and yellow machines.
- It offers a full services portfolio for the complete rolling stock spectrum divided into:
  - **Fleet Maintenance:** Big projects with recurrence in blue chip clients
  - **Components & Materials:** supply and maintenance services.
- EuroMaint operates **18 facilities and workshops**, strategically located throughout the main railway corridors of Sweden. It has a workforce of c.1,000 employees.
- EuroMaint had SEK c.1,550m revenues in 2018 (c.€150m).

## Workshop footprint





# 01/ EUROMAINT



EuroMaint covers the full range of maintenance services for the whole rolling stock spectrum



	Full service solution	Rolling stock maintenance	Component overhaul	Rolling stock modifications	Refurbishment	Mobile team services	Material supply	Digital solutions
Passenger (Main line)	○	●	●	○	○	○	●	○
Passenger (Regional/Commuter)	●	●	●	○	○	○	●	○
Freight	○	●	●	○	○	●	●	○
Yellow machines	○	●	●	○	○	●	●	○

Level of presence in the market



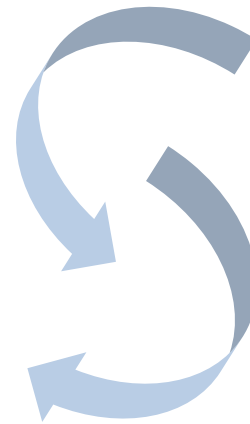
# 01/ EUROMAINT



Its leadership in Sweden brings a good opportunity to capture business from the Nordic markets

Relevant market share per segment

Strong order book that provides long term visibility



Excellent positioning in the market



# 02/ RAIL SERVICES AT CAF



Global presence in services and excellence in execution

*Over 50 years providing service solutions*



- Presence in 34 countries through 97 projects
- Activity in 107 depots



- 10,292 cars in Maintenance or Warranty



- 2,532 employees in total



## Service Solutions Portfolio:

Maintenance

Overhaul

Modernization  
& Accidents

Spare Parts

Digital

Depots &  
Workshops

Consulting &  
Support

# 03/ STRATEGIC POSITIONING



EuroMaint fits perfectly into the CAF Group strategy by strengthening the services segment

## 2017-2020 Strategic Plan



- Services references in Sweden
- Local facilities in strategic locations
- Strong relationships/positioning with relevant Swedish customers

- Engineering capacity to improve efficiency and execute complex projects
- Synergies in Procurement
- Technology, equipment and spare parts

- Opportunity in Nordic countries based on EuroMaint footprint and CAF references



## VALUE CREATION



# 04/ TRANSACTION DETAILS

- Acquisition of 100% of EuroMaint Group and its subsidiaries.
- Enterprise Value of EuroMaint estimated to be c.€80 million.
- Closing expected by July 2019

# 05/ LEGAL NOTICE



The purpose of this information is purely informative.

The document reports on a pending acquisition operation. The aforementioned operation is subjected to prior approval of the related competition authority.

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