



ferrovial

1Q2020 Results

7 May 2020

Disclaimer

This presentation is not a set of Interim Accounts as per IAS 34. Q1 financial information included in this presentation has been impacted by the COVID-19 outbreak, mainly in the second half of March. However, at this stage, given the uncertainty about the speed and extent of the resumption in activity, it is not possible to predict how the health crisis will affect Ferrovial Group's 2020 financial statements, especially in relation to impairment tests of assets, fair value of discontinued activities or provisions for onerous contracts. Ferrovial will continue to monitor closely trading conditions and further evidence on wider economic impacts.

This presentation may contain forward-looking statements about the Company. These statements are based on financial projections & estimates and their underlying assumptions, statements regarding plans, objectives and expectations, which refer to estimates regarding, among others, future growth in the different business lines and the global business, market share, financial results and other aspects related to the activity and situation of the Company. Such forward-looking statements do not represent, by its nature, any guarantees of future performance and are subject to risks and uncertainties, and other important factors that could cause actual developments or results to differ from those expressed in these forward-looking statements. Other than in accordance with its legal or regulatory obligations, the Company does not undertake to update or revise any forward-looking statement to reflect any changes in events, conditions or circumstances on which any statement is based.

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1Q2020 overview – AN UNPRECEDENTED GLOBAL HEALTH CRISIS

COVID-19 operating impact

- **Toll Roads:** Negative traffic in 2H of March following Gov. measures
 - ✓ Main impact on light traffic. Heavy traffic shows more resilience
- **Airports:** strong impact on traffic in 2H of March in Heathrow & AGS
- **Construction & Services:** limited impact in Spain

Strong financial position

- **Record high liquidity at FER:**
 - ✓ €5.9bn, including c.€300mn available lines ex-infra
 - ✓ Net cash position ex-infra EUR1.6bn
- **Strong liquidity in main infrastructure assets**

Measures taken

- **Health & Safety of employees and clients as a priority**
- **Contributing to face current pandemic:**
 - ✓ Essential services (maintaining hospitals, operating ambulances...)
 - ✓ App development to support potential positive cases
 - ✓ Creation of “Ferrovial together Covid-19” fund, to financially contribute to alleviate the impact of COVID-19

Operational efficiencies

- **Reducing operating expenses & restructuring**
 - ✓ Streamlining operations (Heathrow, AGS)
 - ✓ “Horizon24” restructuring according to plan



Toll Roads – TRAFFIC IMPACTED BY COVID-19 ACROSS THE BOARD

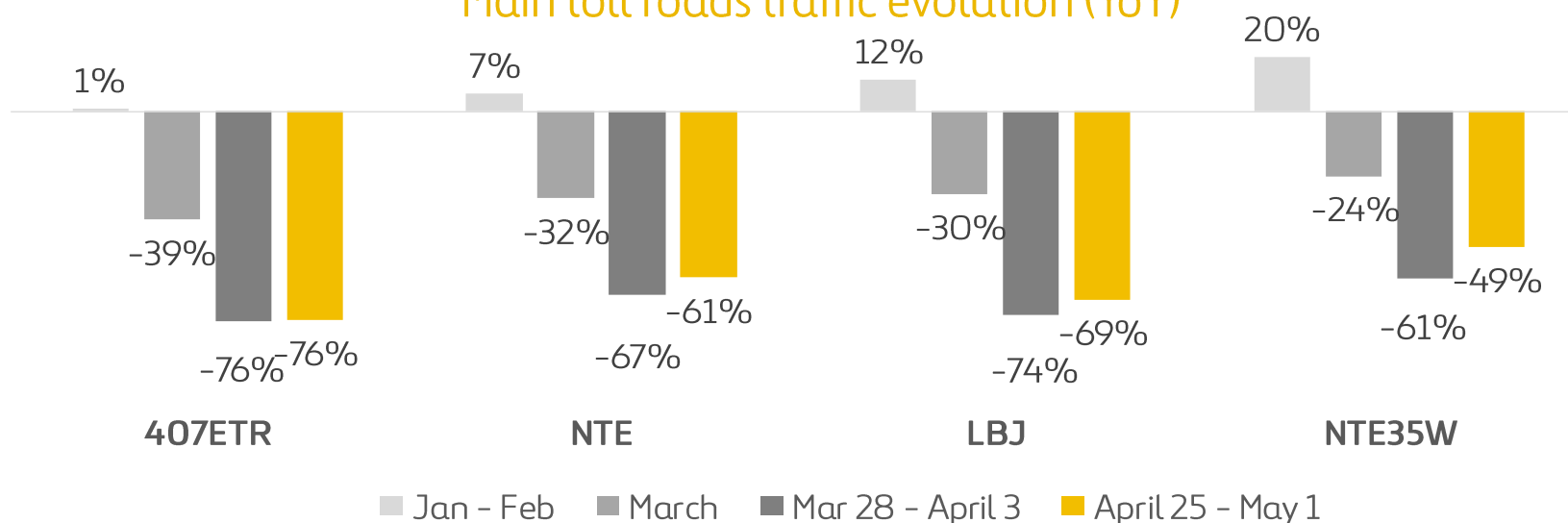
(EURmn)

Results / contribution from Toll Roads

	1Q2020	% CH LFL*
Revenues	133	+6.9%
Reported EBITDA	93	+7.3%
EBITDA margin	69.8%	
Equity Accounted**	36	-19.1%

- **Revenues up:** higher contribution from US MLs & despite COVID-19 impacting traffic across the board
- **Heavy traffic decreasing at half-to-2/3 rate of light traffic**
- **US:** 68% of revenues & c.80% of EBITDA

Main toll roads traffic evolution (YoY)



Traffic slightly better on the back of limited reopening

407 ETR – SOLID FINANCIAL POSITION

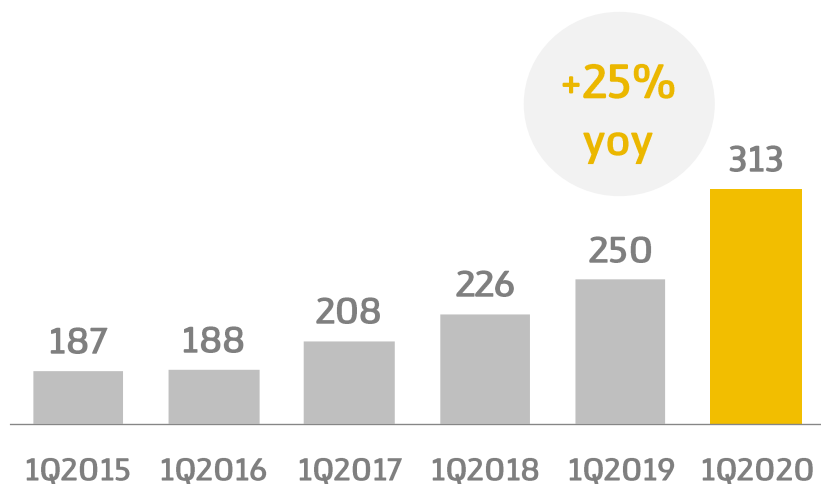
1Q2020 performance

	1Q2020	% CH
Revenues	288	-6.9%
EBITDA	239	-9.2%
EBITDA mg	82.9%	

Liquidity position

- No default ratio
- Dividend lock up ratio 1.35x
- Liquidity remains strong, approx. CAD1.5bn (inc. CAD800mn full drawdown of the SBCF*)

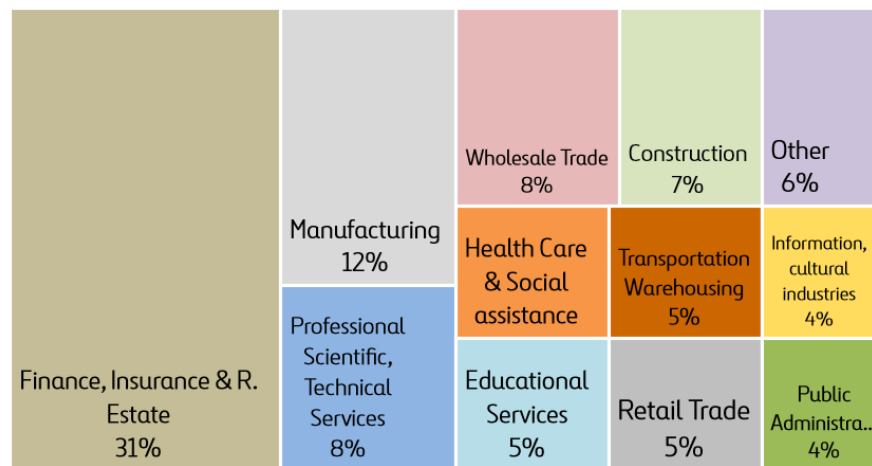
Dividends



- **2Q 2020 dividend:** The Board will continue to monitor the current pandemic during 2Q and will review any potential dividend distribution to Shareholders, as appropriate

Strong diversification of Toronto economy

Greater Toronto Area – GDP Composition by Industry (2019)



Source: Conference Board of Canada

*SBCF: Senior Bank Credit Facilities.

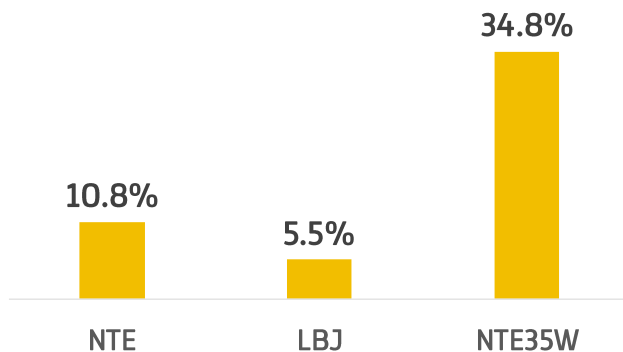
Managed Lanes – HEAVY VEHICLES SHOWING MORE RESILIENCE

1Q2020 performance

	EBITDA growth	EBITDA mg
NTE	+1.6%	85.8%
LBJ	+0.9%	81.9%
NTE35W	+56.0%	84.2%

- **Heavy traffic:** higher weight over total revenues, in March YOY (c. +20% to +40%)
- **Tariffs growth (Avg rev. per transaction):**

Tariffs 1Q2020 vs 1Q2019



Dividends

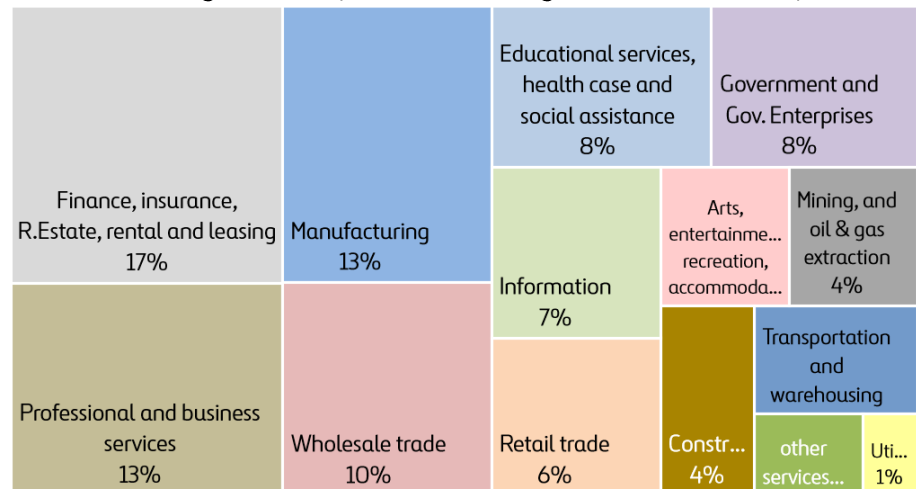
LBJ & NTE dividend: Dividends will depend on operational performance

Liquidity position

- No default ratio
- Dividend lock-up ratio of 1.2x at NTE & LBJ and 1.3x at NTE 35W
- Reserves acc. for following year debt service & additional liquidity facilities: Cash & reserve acc. >4x for 2020

DFW economy diversification

Oil & gas industry has limited weight on DFW economy



Source: U.S. Bureau of Economic Analysis (BEA) – GDP Composition by Industry (2018)

HAH – SIGNIFICANT IMPACT ON BUSINESS BUT HIGH LEVELS OF LIQUIDITY

(£ mn)

Operational performance

14.6mn PAX (-18.3% 1Q 2020)

- Cargo increased for vital supply lines
- Protecting health & safety of pax.
- Protecting LT value: initiatives with airlines & retailers

Strong Liquidity

£3.2bn cash & committed facilities

- Liquidity strong (12-month liquidity horizon)
- Committed to investment grade credit ratings in medium term

Dividends

£100mn (in line with 1Q2019)

Financial performance (Heathrow SP)

	1Q2020	% CH
Revenue	593	-12.7%
EBITDA	315	-22.4%
EBITDA mg	53.1%	

- Additionally, £82mn exceptional charge:
 - £30mn provision transformation program
 - £52mn capitalized costs write-off

HAH response to COVID-19

Operating costs to be reduced by at least 30% in 2020

March costs -5.4%

- Shrinking & redesigning organization
- Operations from a single runway & Terminals 2 & 5
- Cancelled executive pay & frozen recruitment
- Removed all non-essential costs

Capex revision for 2020

£1.1bn

c.£500mn

AGS – TOUGH QUARTER ON COVID & FLYBE COLLAPSE

(£ mn)

Operational performance

	1Q2020	% CH
Traffic	2.1	-23.9%
Glasgow	1.3	-21.9%
Aberdeen	0.5	-19.5%
Southampton	0.2	-40.0%

- 2.1mn Pax. (-23.9%) mainly due to:
 - COVID-19 impact
 - Collapse of Thomas Cook & Flybe

Liquidity

- Drawdown of £38mn undrawn facilities in March
- Cash position £61mn in March

Financial performance

	1Q2020	% CH
Revenue	35	-16.1%
EBITDA	5	-55.4%
EBITDA mg	14.7%	

AGS response to COVID-19

Opex -20% & Capex -74% in 2020

- Shrinking operations & redesigning the organization
- Reduction of employee's compensation
- Removal of non-essential cost
- Discussions with Govt: re reduction in cost base
- Govt furloughs: employees & outsourced costs
- All non-essential capex deferred/cancelled.
Minimum maintenance capex at all three airports

Construction – LIMITED IMPACT FROM COVID-19. BETTER CF GENERATION

(€ mn)

Operating & financial performance

- **Results as expected in budget with better cash flow performance** due to cash generation in Poland, thanks to prepayments and shorter DSO in general.
 - **Revenues (+11.9% LfL)** mainly on the acceleration of projects in the US.
 - Limited COVID-19 impact in Spain: slight execution decrease & higher costs including H&S.
- **1Q Margin 0.9% as expected**
 - To update on margins as COVID-19 situation evolves

1Q2020 main figures

	1Q2020	1Q2019	% CH LFL
Revenues	1,243	1,093	11.9%
EBITDA	34	-320	n.s.
EBITDA %	2.7%	-29.3%	
EBIT	12	-332	n.s.
EBIT %	0.9%	-30.4%	
Order book	11,018	11,424	-2%

Better ACF evolution

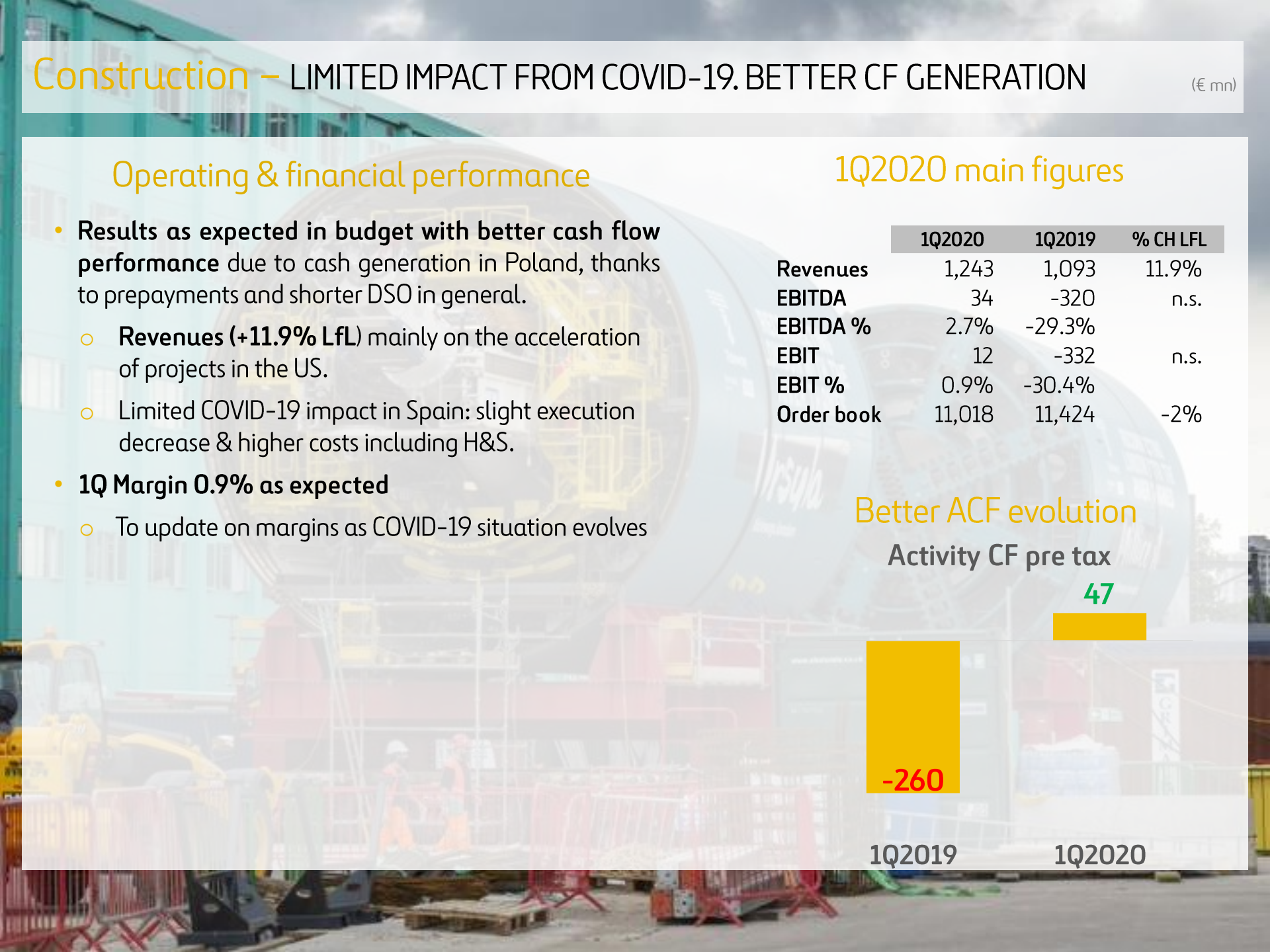
Activity CF pre tax

47

-260

1Q2019

1Q2020



Services (discontinued activity) – BRS DIVESTMENT: ONE STEP FORWARD

(€ mn)

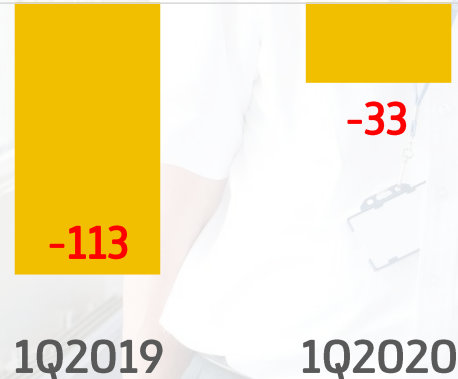
Broadspectrum disposal to Ventia

- ACCC* authorization received
- Only FIRB authorization pending

Divestment process ready to restart
with reopening of economies

Better ACF evolution

Activity CF pre tax



Discontinued activities

Given the current situation of uncertainty by COVID-19, it has been **decided to keep the Division's result to zero**, except for those activities that are generating losses (Amey & FS International) where a **FV provision equivalent to the losses (-€16mn)** has been recognized.

FER will continue monitoring closely the evolution of COVID-19 on discontinued activities FV as far as a higher evidence about the impact of the outbreak in these activities is obtained.

*Australia's competition regulator and national consumer law champion.

Consolidated P&L

(Lfl figures; €mn)

P&L (EUR mn)	1Q2020	1Q2019
REVENUES	1,379	1,229
Construction Provision (1Q 2019)	0	-345
EBITDA	75	-231
Period depreciation	-49	-33
Disposals & impairments	0	-11
EBIT	26	-275
Infrastructure projects	-59	-64
Exinfrastructure projects	-2	3
FINANCIAL RESULTS	-62	-61
Equity-accounted affiliates	-35	55
EBT	-71	-281
Corporate income tax	-10	63
CONSOLIDATED PROFIT FROM CONTINUING OPERATIONS	-81	-218
NET PROFIT FROM DISCONTINUED OPERATIONS	-16	74
CONSOLIDATED NET INCOME	-97	-144
Minorities	-13	46
NET INCOME ATTRIBUTED	-111	-98

In accordance with IFRS 5, Services activity has been reclassified as discontinued since Dec 2018

- **Revenues: (+12.0% Lfl)** with higher contribution from Construction (+11.9% Lfl) and Toll Roads in line with 1Q 2019
- **EBITDA: impacted by the -EUR39mn provision related to the restructuring plan carried out by the Company as part of the initiatives outlined in our “Horizon 24” plan.** A new operating model will help to achieve cost reductions of EUR50mn per year since 2021 (and partially since 2020)
- **Financial Result:** in line with 1Q2019. Higher expenses given opening I-77, partially offset by refinancing of NTE & Ausol deconsolidation. On the ex-infrastructure side, negative impact from equity swaps hedges, due to the negative performance of the share price vs. positive performance in 2019.
- **Equity accounted results:**
 - **407ETR:** €29mn (vs €23mn 1Q2019)
 - **HAH:** -€54mn (vs €28mn 1Q2019)
 - **AGS:** -€17mn (vs -€3mn 1Q2019)
- **NP from discontinued operations:** Given the current situation of uncertainty by COVID-19, it has been decided to keep the Division's result to zero, except for those activities that are generating losses (Amey & FS International) where a FV provision equivalent to the losses (-EUR16mn) has been recognized.
- **Consolidated net income:**
 - €4mn Fair value adj for derivatives (€4mn in 1Q2020)
 - -€39mn Impact from provision related to the restructuring plan

Net Debt evolution (ex-infrastructure)

(€mn)

Including discontinued activities (NCP €109mn)



* EBITDA excludes contribution from projects but it includes EBITDA from Services.

Net cash generation in Q1 2020 vs cash consumption Q1 2019:

Net debt variation +€14mn in 1Q2020 vs -€326mn in 1Q2019

Horizon 24 – A NEW OPERATING MODEL

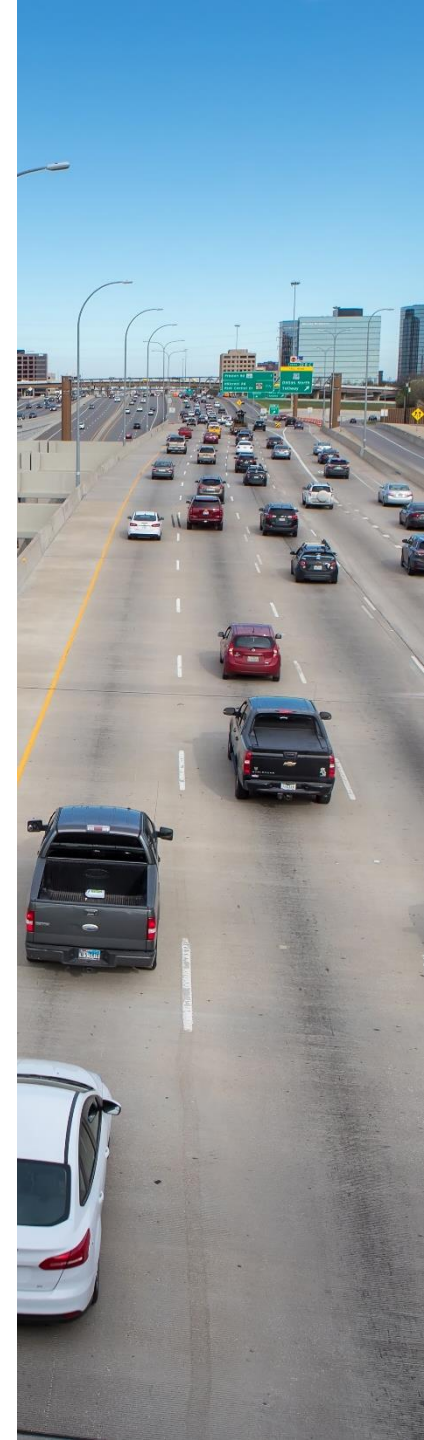
A more agile, innovative and efficient organization

Restructuring advancing:

€39mn provision registered in 1Q 2020

c.€20mn expected saving in 2020

€50mn annual savings from 2021



Shareholder remuneration

Ferrovial scrip dividend approved on the back of better-than-budgeted activity cash flow & solid financial position

- First scrip dividend:
 - €0.312 fixed guaranteed price
 - 71 rights required for a new share
- Second scrip dividend to be decided upon COVID-19 evolution & business performance

A white semi-truck with a trailer is driving on a highway. The truck is in the foreground, moving towards the right. In the background, another white semi-truck is visible, along with a car. The scene is set under a large gantry structure, likely a toll booth or a weigh station, with a sunset sky in the background. The text "Q&A" is overlaid in the center of the image.

Q&A

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