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For a world on the move

1H2020 Results

30 July 2020

Picture : NTE, Texas (US)

Disclaimer

1H2020 financial information included in this presentation has been impacted by the COVID-19 outbreak, mainly since 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.

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1H2020 overview – STRONG FINANCIAL POSITION IN THE MIDST OF COVID-19

COVID-19 operating impact

- **Toll Roads:** traffic impacted but improving as restrictions ease & economy reopens
- **Airports:** strong impact on traffic in Heathrow & AGS
- **Construction:** Keeping high production rates (US, Poland) though with additional costs

Strong financial position

- **Ferrovial: Record high liquidity** (€7.5bn) & **net cash position ex-infra EUR1.7bn**
  - **Measures to increase liquidity:** €780mn corporate bond issue, revolving credit facility drawn, ECB Pandemic Emergency Purchase Programme
- **Main infra assets: Strong liquidity**
- **Cash Flow: Solid ACF from Construction & Services**

Operational efficiencies

- **Reducing operating expenses, reviewing capex plans & restructuring**
  - ✓ Streamlining operations (Heathrow, AGS)
  - ✓ "Horizon24" restructuring advancing according to plan
  - ✓ Overheads streamlining & saving initiatives across the Group

M&A

- **Budimex: 5% stake sold for c.€58mn.**
- **Broadspectrum: sale closed**
  - ✓ Sold for AUD465mn (€288mn inc. transaction costs) Equity Value to Ventia
  - ✓ 50% stake in TW Power Services sale closed in July (€12mn)*

* no impact in 1H2020

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COVID-19 – IMPACT AS OF JUNE 2020

P&L

- **Airports:** traffic drops (-60%/-66%) & restructuring provisions
  - ✓ HAH: £37mn provision, £85mn fixed assets impairment
  - ✓ AGS: £2mn provision
- **Toll Roads**: traffic drops (NTE -29%; LBJ-32%; NTE35W -17%)
- **Construction:** additional costs; EBIT impact -€44mn
- **Services** (discontinued act.): lower industrial activity & mobility restrictions; EBITDA impact -€72mn

CASH FLOW

- **Lower dividends from infra assets**

€mn	JUN-20	JUN-19
407 ETR	89	146
HAH	29	58
AGS	0	11
Other projects	14	28
Total	**133**	**244**

- HAH: no dividends during waiver period (2020-21) or until RAR < 87.5%.

FER STRATEGY

Group's priorities during the pandemic:

- Maintain the safety of the workplace and to **protect the health of employees and clients.**
- **Protect the company's liquidity** and its financial position to face the current environment
- **Support of the Community** (FER Juntos COVID-19 fund)

MITIGATING MEASURES

- **Cost reduction (H24):** -€50mn p.a 2021-24E, -€25mn 2020E throughout the company. Additional measures:
- **Toll Roads:** revision of Opex & Capex plans (proportional impact: c.-€33mn in 2020E)
- **Airports:** €302mn proportional impact. Savings at 100%:
  - ✓ HAH: Opex at least -£300mn & Capex –c.£650mn in 2020E
  - ✓ AGS: Opex -£27mn & Capex -£23mn in 2020E
- **Construction: -**€3mn proportional cost reduction in 2020E, compensation claims progressing (force majeure or change in law)
- **Services:** -c.€28mn cost reduction (proportional impact) in 2020E, without ERTEs and furloughs*

In relation with the above and for further information on the COVID-19 impacts, please see the note 2 (COVID-19 Impact) of Interim Consolidated Financial Statements June 2020.
* EBITDA impact includes +€25mn of costs reduction from the flexibility measures provided by Spanish and British Governments including temporary layoffs and furloughs

Toll Roads – TRAFFIC RECOVERING AS LOCKDOWNS ARE EASED

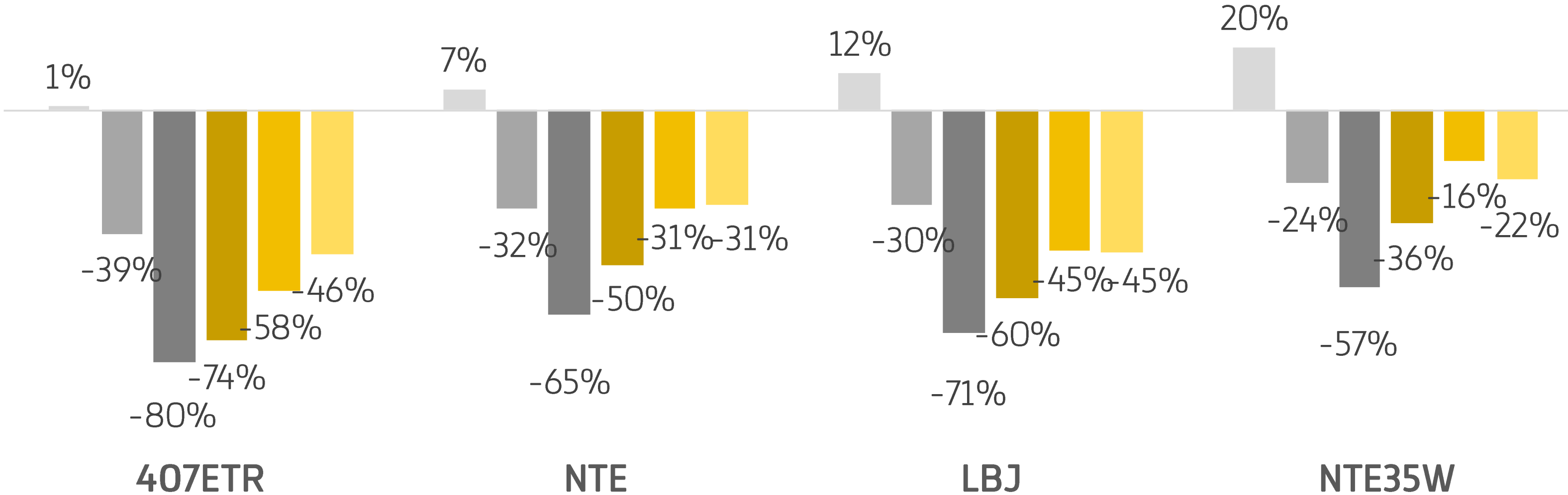
(EURmn)

Results / contribution from Toll Roads

	1H2020	% CH LFL*
Revenues	227	-13.4%
Reported EBITDA	152	-18.1%
EBITDA margin	67.1%	
Equity Accounted**	27	-71.0%

- **Revenues:** COVID-19 impact on traffic, partially offset by higher proportion of heavy vehicles & tariffs
- **Heavy traffic more resilient**
- **US:** 64% of revenues & 75% of EBITDA

Main toll roads traffic evolution (YoY)



Texas traffic recovery negatively impacted by coronavirus cases upswing

* % CH LFL: change vs 1H2019 excluding perimeter & FX changes
** Net income from Equity accounted assets

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(CADmn)

407 ETR – TRAFFIC IMPACTED BY LONGER LOCKDOWN

1H2020 performance

	1H2020	% CH
Revenues	417	-40.3%
EBITDA	332	-45.6%
EBITDA mg	79.6%	

Quarterly performance

	1Q 2020	2Q 2020
Traffic (VKT)	-13.4%	**-70.2%**
Revenue growth	-6.9%	**-66.8%**
EBITDA growth	-9.2%	**-73.1%**

- **1H 2020:** COVID traffic impact partially offset by toll rates, although seasonal tolls (summer) not applied.
- **Gradual but steady increase in traffic** during phased economy reopening (one of the slowest processes of N.America)
  - ✓Mid July -47% vs. bottom (-80% April).
- **June 24th, GTHA started gradually to move into stage 2,** though State of Emergency was extended until July 29th
  July 24th: GTHA (exc. Toronto & Peel), **entered Stage 3**

407ETR appeal process

- FER withdraws appeal to exercise ROFR for 5% stake sold by SNC Lavalin.
  - ✓ Preserving liquidity position in current environment (investment of CAD1.6bn)
  - ✓ Tactical decision to maintain solid Balance Sheet & focus on potential new opportunities with high value creation
  - ✓ No change in control

Dividends

- **No dividend payment in 2Q2020**
- 407 ETR Board to monitor current pandemic & review any potential intermediate dividend distribution

Rating & liquidity

- **Stable view by rating agencies**
  - ✓ S&P: 'A' (senior debt), 'A-' (junior debt), & 'BBB' (subordinated debt). Outlook stable. (May 15th)
  - ✓ DBRS: "A" (senior debt), "A low" (junior debt) & "BBB" (subordinated debt) & stable outlook, (Dec 2019). "A" Ratings (407's new Issues). (May 22nd)
- **Enough liquidity** to satisfy 2020 & 2021 financial obligations

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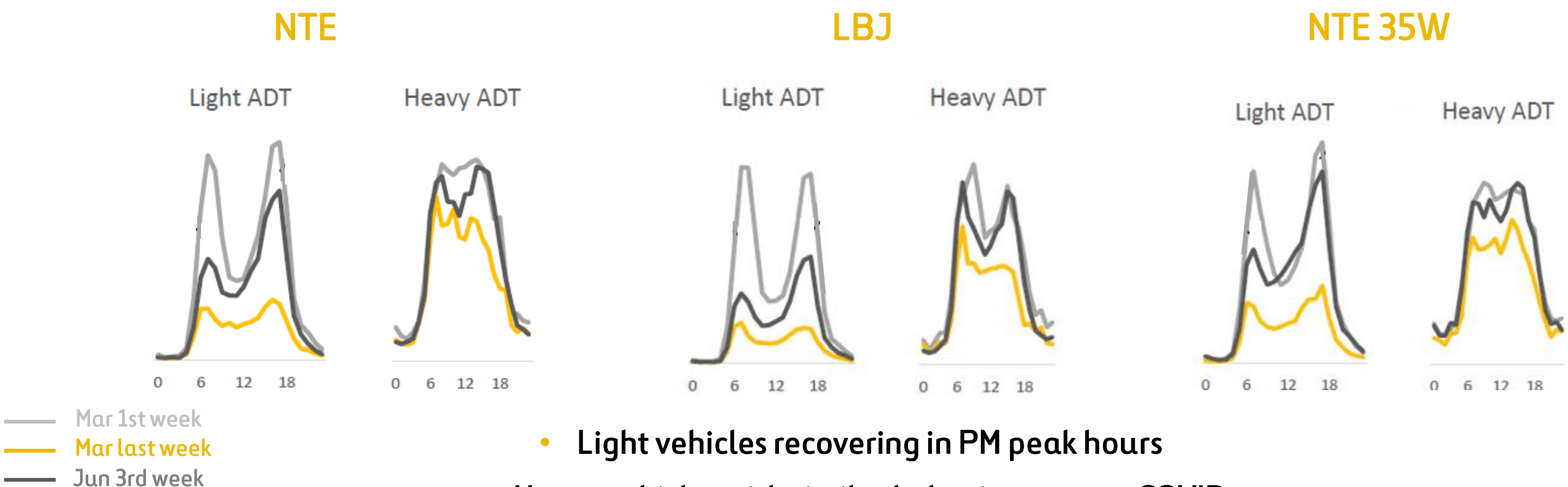
Managed Lanes – DIFFERENT TRAFFIC PATTERNS

Traffic distribution by hours – moving back to pre-COVID situation



- **Light vehicles recovering in PM peak hours**
- **Heavy vehicles with similar behaviour to pre-COVID**

NTE35W located in a logistic hub

E-commerce represents **27% of retail sales** (April 2020*)

*Source: BOFA – US Department of Commerce

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(USDmn)

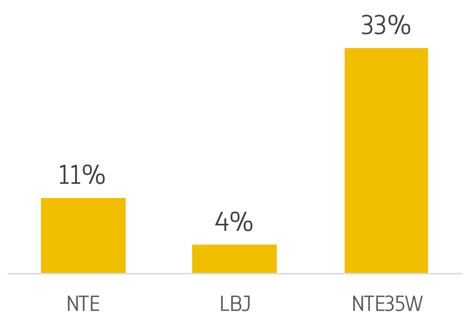
Managed Lanes – TRAFFIC DROPS MITIGATED BY VEHICLE MIX & PRICING

1H2020 performance

% change	NTE	LBJ	NTE35W
Transactions	-29.0%	-32.1%	-17.5%
Revenues	-21.0%	-28.9%	9.3%
EBITDA	-22.8%	-32.3%	14.7%
EBITDA mg	84.3%	78.9%	82.8%

- **Traffic** impacted by restrictions & social distancing measures, partially offset by traffic mix & tariffs
  - ✓ Schools reopening expected in Sept
- **Heavy vehicles showing more resilience**
  - ✓ NTE35W with positive performance and NTE & LBJ decreasing <-13%

Avg rev. per transaction



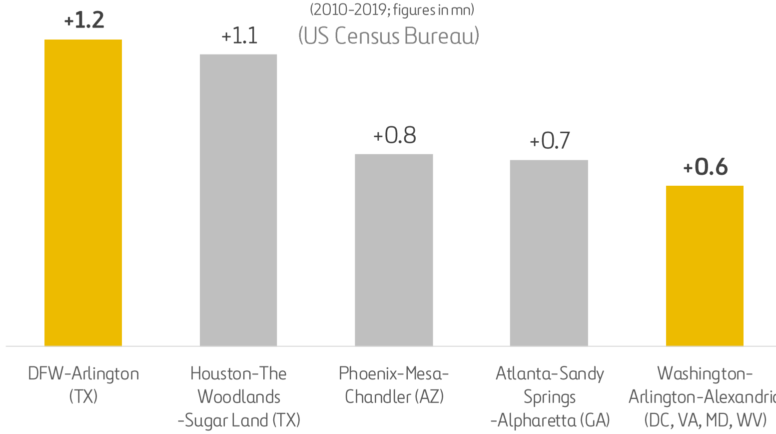
- Avg. tariff increases positively impacted by **higher proportion of heavy vehicles** (toll multiplier 2x - 5x)

Financial position & dividends

- Strong financial position. No default ratio. Dividend lock-up ratio of 1.2x DSCR (NTE, LBJ) & 1.3x (NTE35W)
- LBJ refinancing: positive feedback from rating agencies. PABs refinancing process expected for 2H 2020
- LBJ & NTE dividend: Dividends to be decided by toll roads Boards, will depend widely on operational performance

DFW – higher population growth in US

Top 5 Metropolitan areas in numeric growth
(2010-2019; figures in mn)
(US Census Bureau)



- **Attractive area:** lower cost of living, lower taxes & diversified economy
- Texas FED survey: **surge in retail & services in June 2020**

Heathrow – SIGNIFICANT IMPACT ON BUSINESS BUT HIGH LEVELS OF LIQUIDITY

(£ mn)

Operational performance

15.4mn PAX (-60.2% 1H2020; -96.2% in 2Q)

- COVID-secure technology to protect pax & test-on-arrivals pilot
- Airlines begin restating services (c.70% airlines now flying)
- Terminal consolidation/single runway
- Cargo supporting Britain's emergency response

Financial performance (Heathrow SP)

	1H2020	% CH
Revenue	712	-51.3%
Adj EBITDA	222	-75.5%
EBITDA mg	31.2%	

- Additionally, £122mn exceptional charge:
  - £37mn provision transformation program
  - £85mn capitalized costs write-off

Strong Liquidity

£2.7bn cash & committed facilities

- Sufficient liquidity to meet all forecast needs until at least June 2021 in a no revenue scenario, or well into 2022 under HAH's traffic forecast
- Heathrow finance: **2020/21 waiver approved by bondholders** (8 July)
  - ✓ ICR covenant Dec 2020 (tested June 2021)
  - ✓ RAR covenants amended to 95% (Dec 2020) & 93.5% (Dec 2021)
  - ✓ No dividends to be paid until RAR returns <87.5%

HAH response to COVID-19 on track

At least £300mn cost savings in 2020

- £100mn cost efficiencies YTD (Q2 costs -24.6%), including:
  - Company-wide pay reduction
  - Utilising the furlough scheme
  - Restructuring of the organisation
  - Renegotiating suppliers contracts
  - Stopping all non-essential costs
- Capex reduction by over £650mn for 2020

Heathrow – LOOKING AHEAD

2020 Outlook

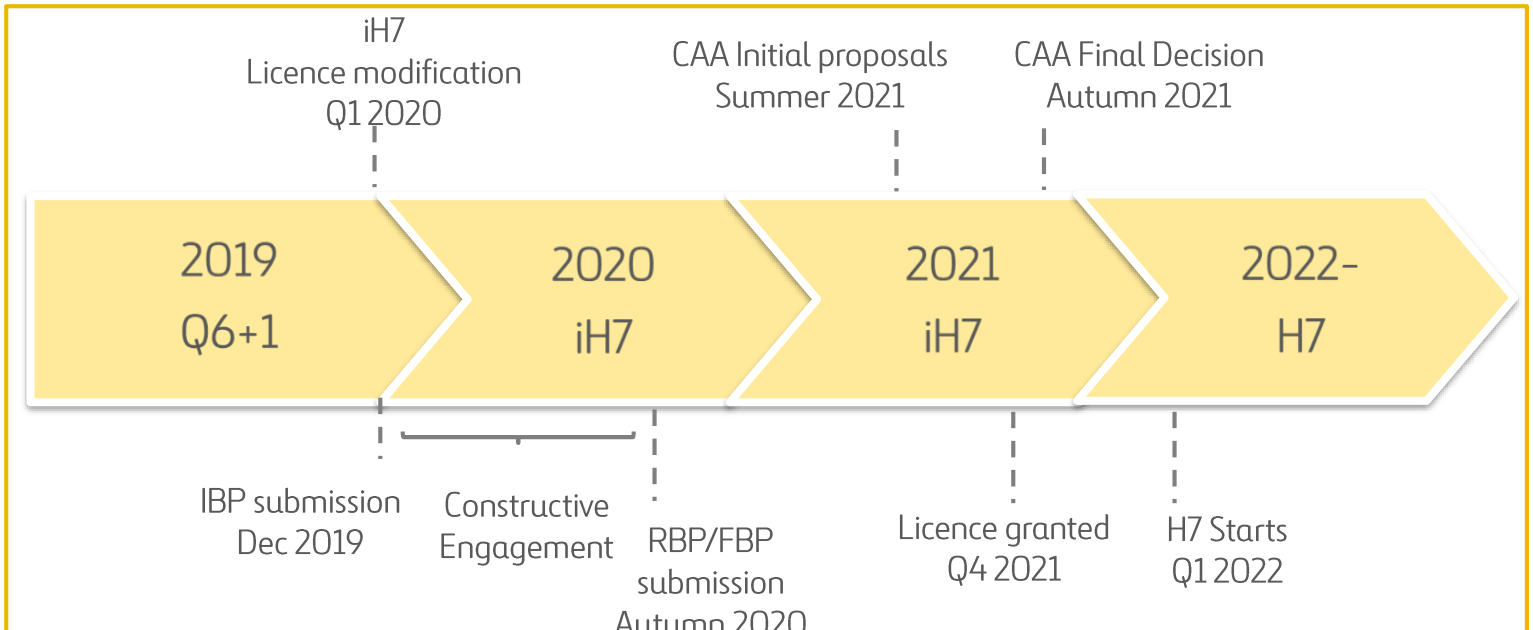
- **Forecast in line with June 2020 investor report:**
- Expected traffic : 29.2mn pax, -63.9% vs 2019
- Full traffic recovery not expected until post 2022
- Adj. EBITDA (Heathrow SP) £357mn, -81.4% 2019

Expansion

- HAH proceeding with appeal to the Supreme Court
- Government can amend ANPS
- Project delayed by at least two years

Regulatory developments

- **On 23 June the CAA published a consultation on H7 framework**
  - **CAA to explore frameworks to mitigate COVID-19 forecasting uncertainty,** including pax volume risk sharing & H7 duration
  - **Working on capital efficiency incentives for H7**



AGS – TOUGH QUARTER BUT QUICK MANAGEMENT RESPONSE

(£ mn)

Operational performance

	1H2020	% CH
Traffic	**2.2**	**-65.7%**
Glasgow	1.4	-67.6%
Aberdeen	0.6	-56.1%
Southampton	0.2	-72.2%

- 2.2mn Pax. (-65.7%) mainly due to:
  - COVID-19 impact
  - Collapse of Thomas Cook & Flybe
- Oil&gas traffic resilience
- Quick response to backfill Flybe's routes
- AGS provided island lifeline services

Financial performance

	1H2020	% CH
Revenue	43	-58.9%
EBITDA	-6	-114.2%
EBITDA mg	-15.0%	

- Including one-offs:
  - -£2mn restructuring provision in 1H2020 after Flybe collapse & COVID-19

Liquidity

- Drawdown of £38mn as of June
- Cash & equiv. £43mn & external debt £713mn in June
- Waiver agreed on June 15 for June & December 2020 (Dec. waiver is subject to compliance with some liquidity conditions)

AGS response to COVID-19

Opex -£27mn & Capex -£23mn in 2020

- Costs efficiencies in 2Q (opex pre-exceptionals –c.40%)
  - Shrinking operations & redesigning the organization
  - Removal of non- essential cost
  - Govt furloughs: employees & outsourced costs
  - Rates waiver ratified by Scottish Parliament
  - Contract renegotiations & volume related savings
- All non-essential capex removed. Minimum levels of maintenance capex are expected at all three airports

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Construction – HIGH PRODUCTION RATES & BETTER CF

(€ mn)

Operating & financial performance

- **Keeping high production levels (especially in US & Poland) although with additional costs**
  - **Revenues (+15.2% LfL**) mainly on acceleration of US projects

- **EBIT highly impacted by COVID-19 &** internal fees in onerous projects

  COVID-19 impacts (estimated–€44mn) include:
  - Additional costs due to lockouts while keeping production pace
  - Increase in provision for losses in onerous contracts
  - Prudent zero claims recovery estimation YTD until high level of progress with Clients

  Excluding this impact EBIT would have reached €38mn

  FER will update on EBIT margin expectations as COVID-19 evolves

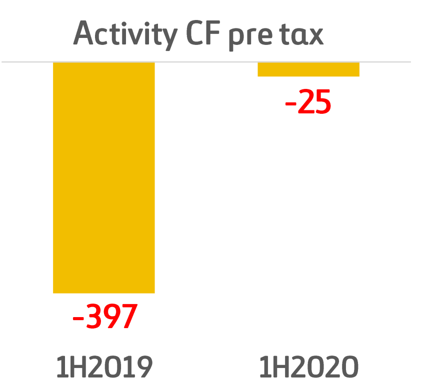
- **BUDIMEX: 5% stake sold in 1H 2020 for c.€58mn**

- **Good ACF performance despite COVID-19**
  - Budimex:
    - ✓Better performance
    - ✓Better collections terms
    - ✓Advanced payments
  - €40mn application from US Construction last year provision; €56mn in 1H2019.

1H2020 main figures

	1H2020	1H2019	% CH LFL
Revenues	2,681	2,308	15.2%
EBITDA	41	-317	n.s.
EBITDA %	1.5%	-13.7%	
EBIT	-6	-346	n.s.
EBIT %	-0.2%	-15.0%	
Order book	11,371	11,424	1.7%

Better ACF evolution



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Services (discontinued activity) – SOLID ACF GENERATION

(€ mn)

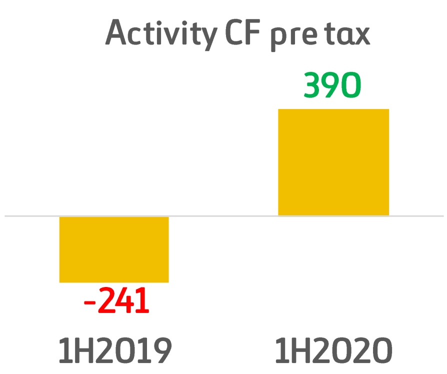
Broadspectrum disposal closed

- Sold for AUD465mn (€288mn inc. transaction costs) Eq. Value to Ventia
- BRS net cash position: AUD123mn (€78mn)
- -€64mn net non-cash impact on FER P&L (mainly foreign currency translation differences)

- Sale of 50% stake in TWPS closed in July (€12mn) with no impact in 1H2020

Ferrovial committed to the sale of Services Division

Better ACF evolution



Discontinued activities

- **-€59mn in 1H2020**
  - -€44mn Amey's FV adj
  - -€64mn net impact from BRS divestment
  - +€49mn FS España
  - No additional profit or impairment recognized in FSI

- FER to continue monitoring closely the evolution of COVID-19 on Fair Value

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Consolidated P&L

(LfL figures; €mn)

P&L (EUR mn)	1H2020	1H2019
REVENUES	**2,914**	**2,603**
Construction Provision (1Q 2019)	0	-345
EBITDA	**128**	**-118**
Period depreciation	**-96**	**-74**
Disposals & impairments	0	-21
EBIT	**32**	**-213**
Infrastructure projects	-126	-129
Exinfrastructure projects	6	28
FINANCIAL RESULTS	**-120**	**-101**
Equity-accounted affiliates	-226	76
EBT	**-315**	**-238**
Corporate income tax	2	51
CONSOLIDATED PROFIT FROM CONTINUING OPERATIONS	**-313**	**-187**
NET PROFIT FROM DISCONTINUED OPERATIONS	**-59**	**137**
CONSOLIDATED NET INCOME	**-373**	**-50**
Minorities	**-7**	**44**
NET INCOME ATTRIBUTED	**-379**	**-6**

Revenues: (+12.2% LfL); Construction (+15.2% LfL)

EBITDA: impacted by -EUR39mn provision for restructuring plan (within Horizon 24). New operating model to help achieve cost reductions of €50mn p.a. since 2021 (€25mn in 2020)

Financial Result: higher than 1H2019 on:
Higher expenses **from** opening I-77, partially offset by NTE refinancing & Ausol deconsolidation
Ex-infra: negative impact from equity swaps hedges, given negative share price performance vs. positive in 2019

Equity accounted results:
- **407ETR**: €14mn (vs €62mn 1H2019)
- **HAH**: -€222mn (vs -€2mn 1H2019)
- **AGS**: -€31mn (vs +€4mn 1H2019)

NP from discontinued operations:
- -€44mn Amey's FV adj
- -€64mn net impact from BRS divestment
- +€49mn FS España
- No additional profit or impairment recognized in FSI

Consolidated net income:
- -€49mn Fair Value adj for derivatives (-€32mn in 1H2029)

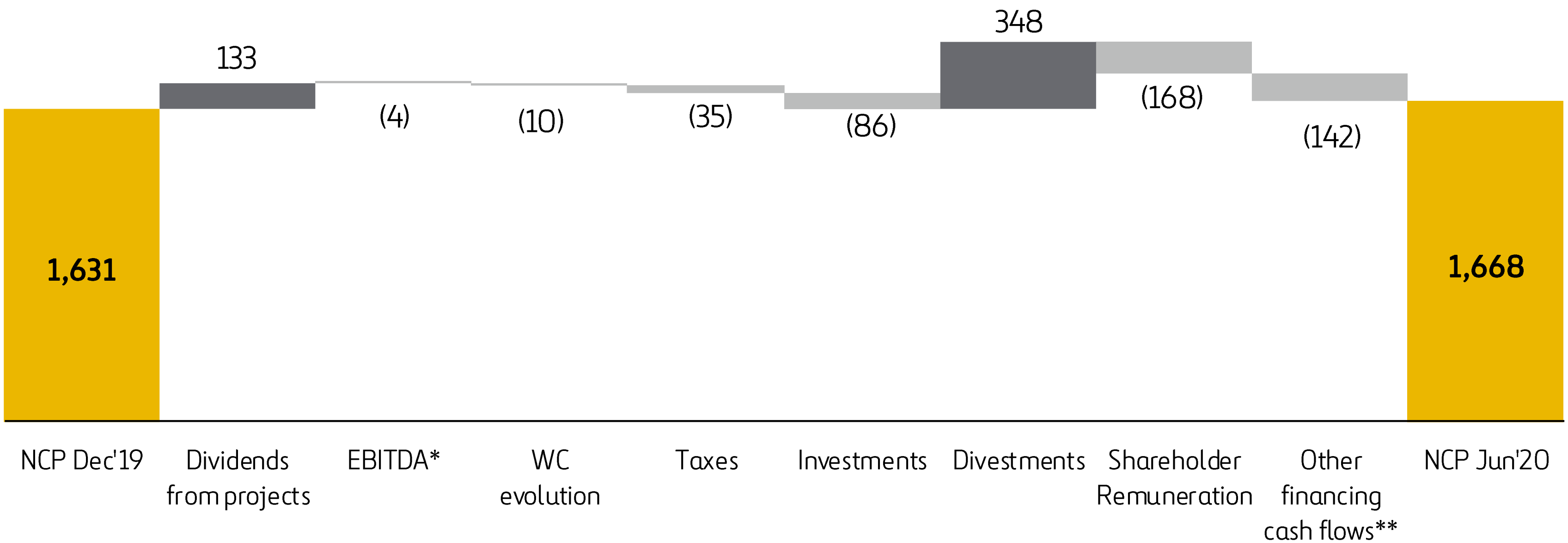
HAH Derivatives: Heathrow hedges inflation to protect equity value, dividend flows & gearing ratios*
- **Nominal Rate Bond Issued & swapped to Inflation:** Heathrow pay a fixed real rate + variable inflation, which hedges inflation linked assets & returns
- **Value creation: lower financial expenses:** Breakeven RPI locked in (3.5% 2018) vs lower realized inflation (today at c.1.1%)
- **Negative MtM** on real rates fall. IFRIC considering hedge in line with IFRS9

- (*) CTA (common terms agreement) and commitment with the rating agencies to have at least 75% fixed financing (real or nominal) for current regulatory period;
- In accordance with IFRS 5, Services activity has been reclassified as discontinued since Dec 2018

Net Debt evolution (ex-infrastructure)

(€mn)

Including discontinued activities (NCP €221mn)



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

** Other financing CF includes €78mn cash-out from BRS divestment

Net cash generation in 1H 2020 vs cash consumption 1H 2019:

Net debt variation +€37mn in 1H2020 vs -€754mn in 1H2019

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Final remarks

- **TRAFFIC IMPACTED BY COVID-19 BUT REOPENING LEADS TO QUICK RECOVERY**
  - ✓ Focus on pace of recovery – Visibility remains low
  - ✓ DFW & Toronto: diversified economies, growth prospects, high e-commerce presence & mobility needs

- **UNIQUE FEATURES OF OUR ASSETS**
  - ✓ **Location**: strong growth areas with limited additional capacity
  - ✓ Long **duration**
  - ✓ **Pricing flexibility:** positive performance in prices during Covid-19

- **Uncertain times require**:
  - ✓ Maintain and increase **LIQUIDITY** (today at record levels)
  - ✓ Focus on improving **OPERATING EFFICIENCIES**

OUR STRATEGY: HORIZON24

Develop & operate innovative, efficient and sustainable infrastructure while creating value for our stakeholders

Q&A

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