ferrovial

For a world on the move

9M2020 Results

29 October 2020

Picture : 407ETR (Toronto)

Disclaimer

This report is not a set of Interim Accounts as per IAS 34. 9M2020 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.

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.

This presentation may contain financial information which may have not been audited, reviewed or verified by an independent firm. The information contained herein should therefore be considered as a whole and in conjunction with all other publicly available information regarding the Company.

Neither this presentation nor any of the information contained herein constitutes an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, or any advice or recommendation with respect to such securities

9M 2020 overview

Strong financial position

- **Record high liquidity further increased** (€7.5bn). **Net cash ex-infra €1.7bn**
- **Outstanding ACF from Construction & better performance from Services**
- **LBJ completed refinancing of PABs ($622mn)**

COVID-19 operating impact

- **Toll Roads:** traffic impacted but improved when restrictions eased
- **Airports:** strong impact on traffic
- **Construction:** high production levels (US, Poland); improving EBIT margin (1.0%)

Operational efficiencies

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

Divestments

- **Norte Litoral & Algarve toll roads:** agreement to sell for €171mn
- **Budimex:** 5% stake sold for €57mn
- **Broadspectrum:** sale closed (AUD465mn Eq Value) to Ventia & AUD20mn to WP

COVID-19 – IMPACT AS OF SEPTEMBER 2020

P&L

- **Airports:** traffic drops & restructuring provisions
  - ✓ HAH: -68.9% traffic, £103mn provision, £85mn fixed assets impairment
  - ✓ AGS: -73.1% traffic, £2mn provision
- **Toll Roads**: traffic drops (407 ETR -44.5%, NTE -28%; LBJ-36%; NTE35W -16%)
- **Construction:** -€44mn at EBIT. Bottom up analysis from project level incl. additional costs from stoppages, loss of productivity, supplier delays, mobility restrictions & increased labor costs*
- **Services** (discontinued act.): EBITDA impact -€99mn; Bottom up analysis from contract level including delays in non-essential works, lower industrial activity, mobility restrictions impact, offset by furlough schemes*

MITIGATING MEASURES

- **Corporate cost reduction:** -€50mn p.a 2021-24E, -€26mn 2020E throughout the Company. In addition, 2020 would see -€21m of additional Opex savings related to Covid
- **Toll Roads:** Opex & Capex revision (c.-€35mn 2020E proport.)
- **Airports:** Opex & Capex revision for 2020E at 100%:
  - ✓ HAH: Opex at least –£300mn & Capex –c.£650mn***
  - ✓ AGS: Opex -£34mn & Capex -£23mn
- **Construction:** Opex **-**€3mn (proportional 2020E), compensation claims continue progressing (force majeure or change in law) though not expected in the short term
- **Services:** -€111mn cost reduction (proport 2020E), including temporary flexibility measures provided by Spanish and UK Gov**

FER STRATEGY

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 further strengthen its financial position to face the current environment
- **Support of the Community** (FER Juntos COVID-19 fund)

Focus remains: **Create value for our stakeholders by developing and operating innovative, efficient and sustainable infrastructure with high concessional value**

CASH FLOW

- **Lower dividends from infra assets**

€mn	SEP-20	SEP-19
407ETR	159	222
HAH	29	86
AGS	0	17
Other projects	18	18
Total infra assets****	207	343

- HAH: no permitted dividends until RAR below 87.5%

*Current estimated impact cannot be considered as an indication of future performance
** Flexibility measures provided by Spanish and UK Gov include temporary layoffs & furloughs for 2020E -€52mn (-€44mn as of 9M 2020)
***Savings included in HAH YE estimate
**** Includes only dividends from Airports & Toll Roads. Does not include Services €10mn dividends.

ferrovial

Toll Roads – STEADY TRAFFIC RECOVERY FROM APRIL LOWS

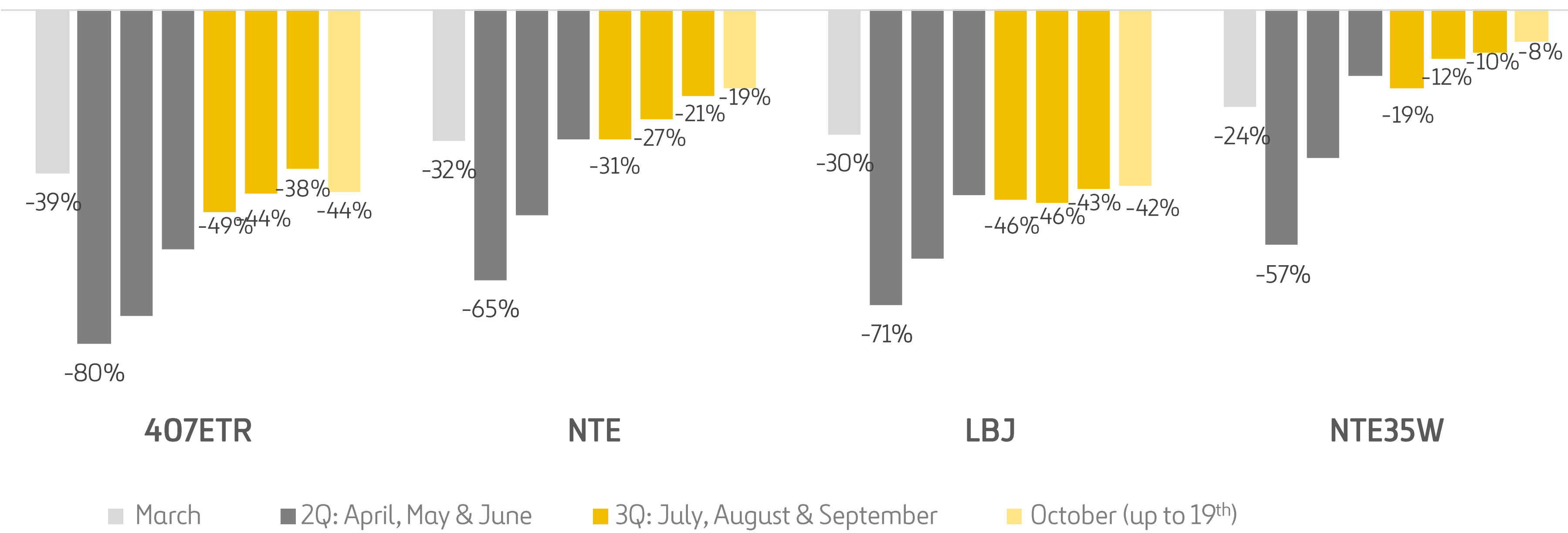
(EURmn)

Results / contribution from Toll Roads

	9M2020	% CH LFL*
Revenues	298	-19.9%
EBITDA	197	-22.4%
Margin	66.0%	
Equity Accounted**	44	-65.9%

- **Revenues:** COVID-19 impact on traffic, partially offset by higher toll rates & heavy vehicles
- **Heavy traffic more resilient**
- **US:** 74% of revenues & 88% of EBITDA
- Results impacted by Autema reclassification as intangible asset

Main toll roads traffic evolution (YoY)



* % CH LFL: change vs 9M2019 excluding perimeter & FX changes
** Net income from Equity accounted assets

ferrovial

Equity method, FER 43%
Toronto, Canada
(CADmn)

407 ETR – STEADY TRAFFIC IMPROVEMENT, 3Q DIVIDEND PAID

9M2020

	9M2020	% CH
Traffic (VKT mn)	1,136	-44.5%
Revenues	683	-39.3%
EBITDA	559	-43.2%
EBITDA mg	81.8%	

Quarterly performance

	1Q	2Q	3Q
Traffic (VKT)	-13.4%	-70.2%	**-43.9%**
Revenue growth	-6.9%	-66.8%	**-37.7%**
EBITDA growth	-9.2%	-73.1%	**-39.4%**

- **9M 2020:** COVID-19 traffic impact partially offset by toll rates, although seasonal tolls (summer) not applied.
- **Gradual but steady increase in traffic** during phased economy reopening
  - ✓Oct*-45% vs. -80% April (bottom).

Restrictions to Mobility

- COVID-19 cases strongly increased from mid-August lows. **Province has declared a 2nd wave**
- **Oct 10th Toronto entered a "modified Stage 2":** Reducing limits for social gatherings & public events, prohibiting indoor restaurants/ bars, closing indoor gyms, casinos, cinemas, limiting tour guides... etc
- **Schools, universities, colleges and places of worship will remain open. In person attendance is voluntary**

Dividends

- **CAD250mn distributed in 3Q2020** (CAD312.5mn in 1Q)
- 407 ETR Board to monitor pandemic & review a potential dividend distribution in 4Q 2020

*As of October 19th, 2020

ferrovial

(USDmn)

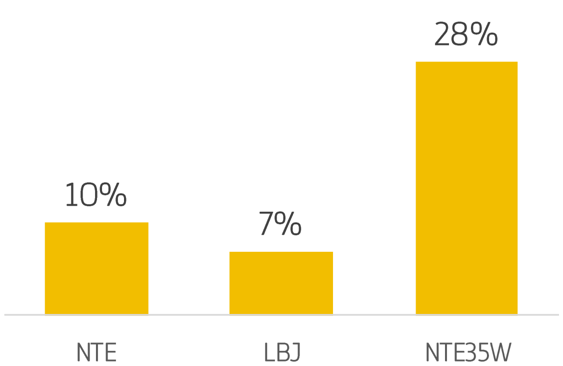
Managed Lanes – TRAFFIC DROPS MITIGATED BY VEHICLE MIX & TOLL RATES

9M2020

% change	NTE	LBJ	NTE35W
Transactions	-28.0%	-36.3%	-16.2%
Revenues	-20.6%	-31.8%	7.5%
EBITDA	-22.1%	-37.6%	77.0%
EBITDA mg	84.8%	76.2%	83.3%

- **Traffic:** impacts from restrictions & social distancing partially offset by traffic mix & toll rates
- **Heavy vehicles showing resilience**
- Avg. revenue per transaction: positively impacted by **higher proportion of heavy vehicles** (toll multiplier 2x - 5x)

Avg rev. per transaction



Restrictions to Mobility

- Region has shifted from quick re-opening on May 15th to increased restrictions following upswing in cases in June.
- Since then restrictions have been slowly lifting.
  - ✓ Businesses: Since September 21st, most of them can operate with a max capacity of 75%
  - ✓ Schools: several DFW districts with online classes since late Aug & in-person since Oct 5th (Oct 19th in FW)

Financial position

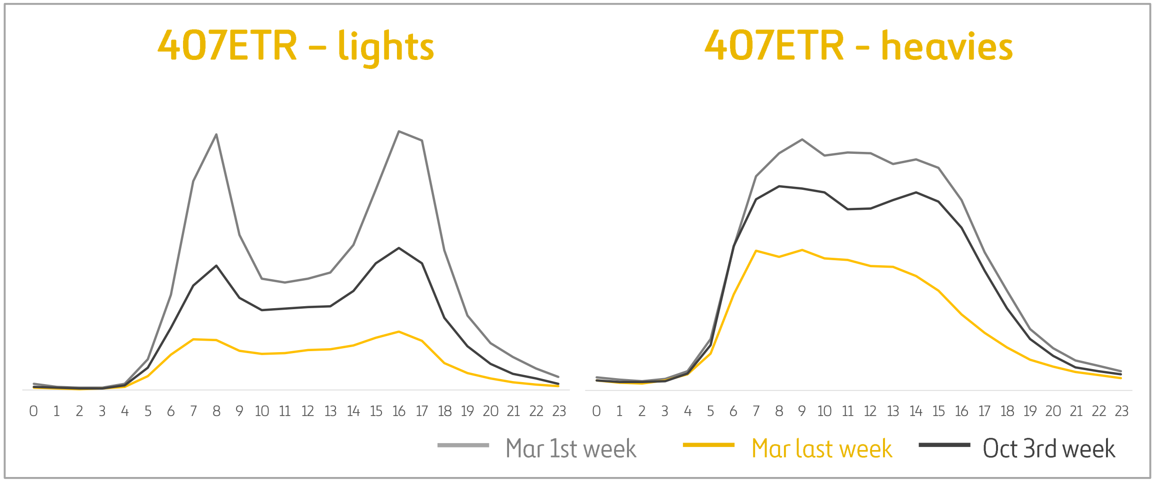
- **LBJ refinanced PABs** ($622mn proceeds). Lower cost of debt:
  - ✓ New PABs 2.92% yield to maturity vs 7-7.5% old PABs' coupon
  - ✓ Interest payments to be substantially reduced (c.$22mn p.a.)
- Strong financial position, all DSCR over lock-up levels (1.2x NTE & LBJ, 1.3x NTE35W)

Dividends

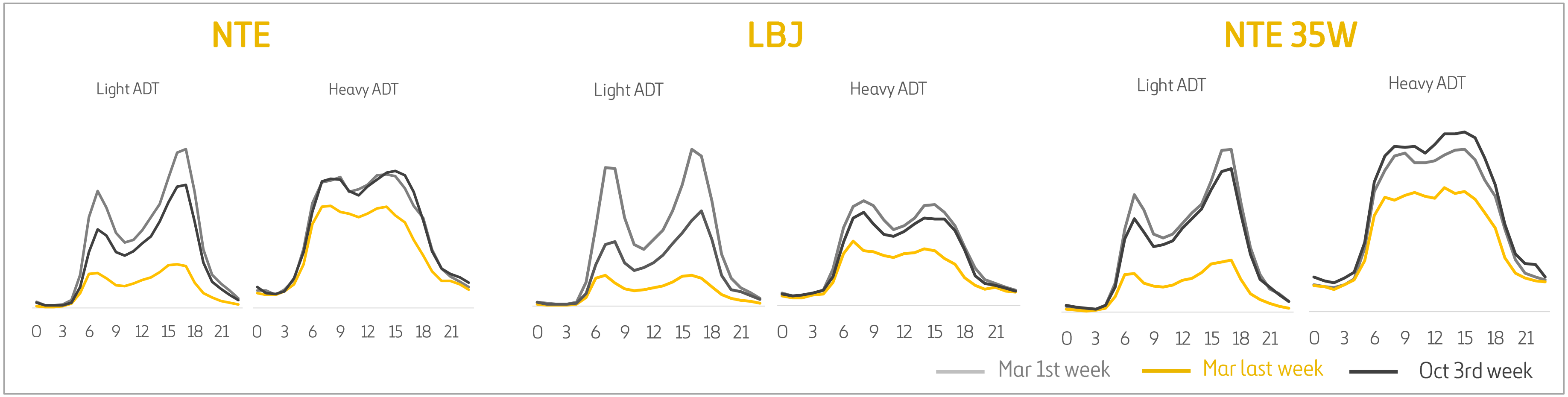
- LBJ & NTE dividend: Dividends to be decided by toll road Boards, will depend widely on operational performance

TOLL ROADS – TRAFFIC PATTERNS RETURN AS ECONOMIES RE-OPEN

TORONTO



DALLAS - FORT WORTH



Traffic Levers – WORKING FROM HOME

WFH observed behavior**

- **60% of work force could theoretically work from home**
- **Pre COVID-19:** 5-10% worked from home
- **During COVID-19:** WFH reached over 60% in April and remains at c. 40% in September with restrictions still in place
- **Post COVID-19:** traffic expected to recover with more remaining WFH and lower share of public transit than pre-COVID-19

407 ETR trips vs Ontario WFH%***

DFW leads in employees returning to the office

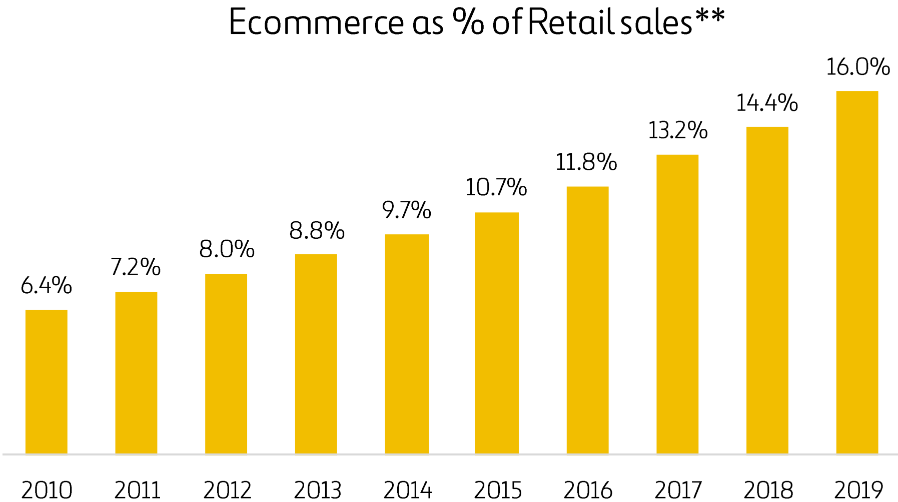
- **Dallas leads US back-to-work trends with over 40% office occupancy**. With recovery, employees return to their workplaces more than other US cities
- **Texas regulation limits current office occupancy to 75%**

Weekly office occupancy*	Wed 30/9
Dallas Metro	**40.3%**
Houston Metro	34.2%
Los Angeles metro	33.5%
Austin metro	32.9%
Philadelphia metro	28.3%
Washington D.C. metro	24.0%
Chicago metro	20.9%
San Jose metro	18.1%
New York Metro	16.2%
San Francinsco metro	14.5%

* Source: Kastle Systems Back-to-work Barometer
** Source: GaTech for theoretical potential, American Community Survey, Maryland University, Dallas Fed & SHRM for pre-COVID-19, Maryland University, Stanford, Dallas Fed & SHRM for during Covid,
*** Source WFH %: Leger Survey

Traffic Levers – E-COMMERCE

Ecommerce growth has been a constant & with COVID-19 it has accelerated



- 2014 to 2019, e-commerce sales ratios nearly tripled globally*.
- In 2Q 2020, **e-commerce penetration in US reached 20.8% of retail sales****
- eCommerce penetration **post COVID-19 could rise to 25-30%*****

Other impacts from e-commerce

- ✓ **Pattern changes**: Shift of trips from off-peak and weekends to peak period
- ✓ **More individual purchases** and deliveries per capita/per business
- ✓ Items purchased online transported by **larger vehicles** (trucks), doing frequent stops/more congestion
- ✓ Generation of new road trips due to:
  - Deliveries to households with no car, or mobility impaired
  - Additional trips due to **failed deliveries and items returned**
- ✓ Difficulty in bundling trips and optimizing routes in case of **shorter delivery timeframes** (1h deliveries, etc.)

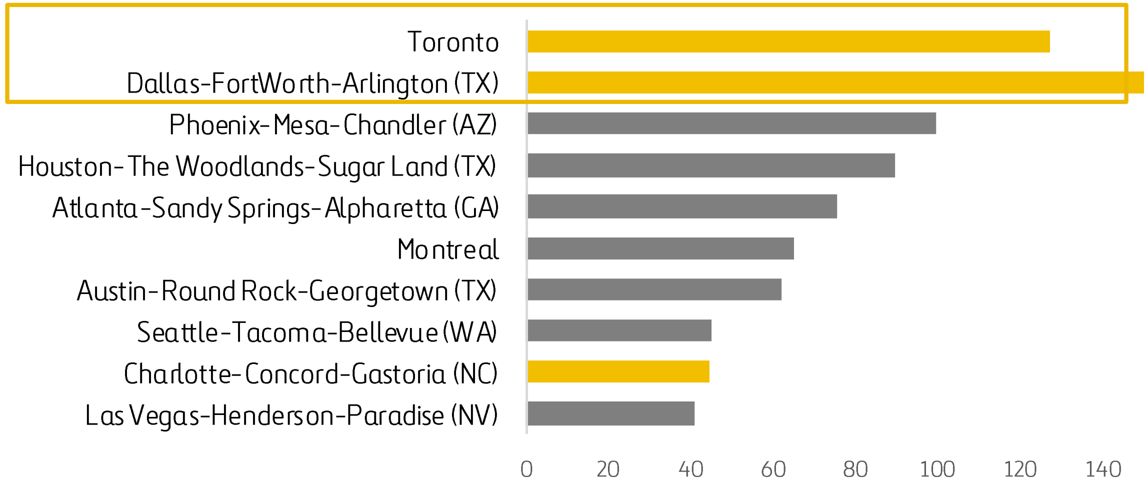
* Source: World Economic Forum “The Future of the Last-Mile Ecosystem”, January 2020
** Source: Digital Commerce 360 analysis of US Department of Commerce – US e-commerce
*** Source: KPMG study - US e-commerce

Traffic Levers – DEMOGRAPHIC TRENDS - POPULATION

GTA & DFW: the 2 fastest growing metropolitan areas in N. America*

- **Toronto**: strong diversified economy, booming tech sector, strong immigration
- **DFW**: lower cost of living, lower taxes, diversified economy, #2 in Forbes "Best places for business & careers", #1 in new jobs created in 2019

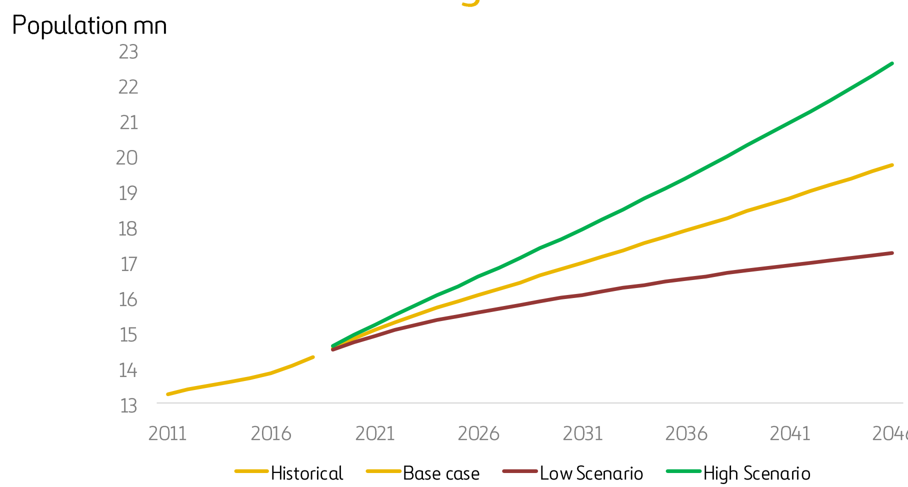
Population growth on 12 months ending July 2019 ('000s people)



Population growth is expected to remain strong**

Under all 3 scenarios, Ontario's population is projected to grow

- **Base case: +38% (over 5.4mn)**
- **Low scenario: +20.4% (2.9mn)**
- **High scenario: +57.9% (8.3mn)**



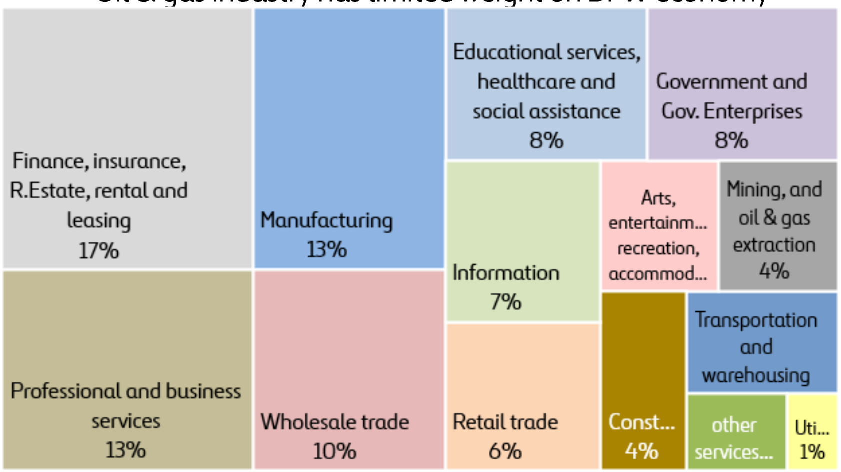
* Source: Ryerson University's CUR, based on estimates by U.S. Census Bureau and Statistics Canada
** Source: Canadian Ministry of Finance (2019)

ferrovial

Traffic Levers – ECONOMIC DIVERSIFICATION – THE KEY TO A STRONG ECONOMY

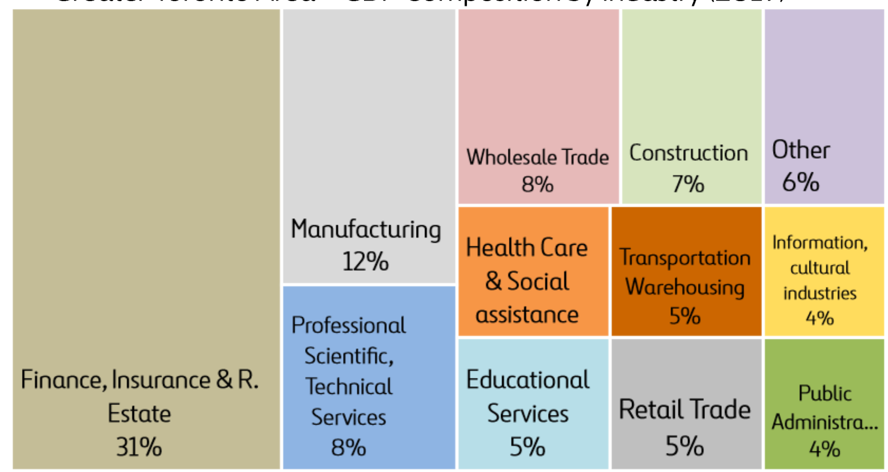
DFW*

Oil & gas industry has limited weight on DFW economy



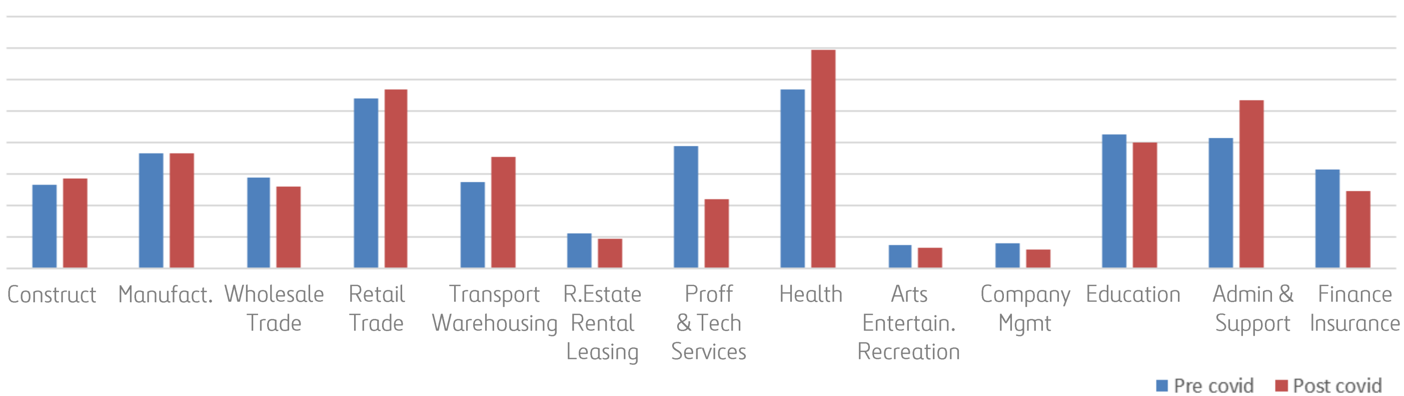
Toronto**

Greater Toronto Area – GDP Composition by Industry (2019)



Client Diversification in DFW Managed Lanes***

No dominant sector within our client base



* Source: U.S. Bureau of Economic Analysis (BEA) – GDP Composition by Industry (2018)
** Source: Conference Board of Canada
*** Source: Internal information

ferrovial

Heathrow – SIGNIFICANT IMPACT ON BUSINESS BUT FINANCES REMAIN ROBUST (GBPmn)

Operational performance

19mn PAX (-68.9% 9M2020, 3Q -84.1%)

- Traffic increasingly volatile (quarantine measures)
- Slot waiver extension for Winter Season
- Over 80% of incumbent airlines flying and 77% of outlets open across T2 and T5
- UK Government has established a Global Travel Taskforce
  - Commitment from transport secretary to implement testing regime by 1st December
  - Expected to half quarantine with a negative test

Finances remain robust

£2.4bn cash & committed facilities

- Sufficient liquidity to meet all forecast needs for at least 12 months in a no revenue scenario, or into 2023 under HAH's traffic forecast
- SP Investment Grade credit rating status maintained
- Events subsequent to the September closing:
  - Appetite for Heathrow's debt: c.£1.4bn Class A Heathrow SP debt through debt capital markets
  - Strengthening capital structure through Subordinated Debt: ADI Finance 2, facility of £750mn, 7Y tenor
  - 2021 funding plan complete

9M 2020 (Heathrow SP)

	9M2020	% CH
Revenue	951	-58.7%
Adj. EBITDA	259	-82.2%
EBITDA mg	27.2%	

- Additionally, £188mn exceptional charge:
  - £103mn provision transformation program
  - £85mn capitalized costs write-off

HAH response to COVID-19 on track

At least £300mn* cost savings in 2020E

- Over £200mn cost efficiencies YTD (Q3 costs -30%), including:
  - 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

*Savings included in HAH YE estimate

Heathrow – LOOKING AHEAD

High uncertainty regarding traffic projections while health concerns remain

Outlook

- Traffic –c.72% in 2020. In 2021 -54% vs 2019 (37mn pax)
- No covenant breach expected in 2021
- Full details to be provided in December Investor Report

Expansion

- HAH hearing of the appeal at the Supreme Court took place in October. Decision expected in Q1 2021
- Government can amend ANPS

Regulatory developments

- Given asymmetric risks with COVID-19, Heathrow requested to enforce regulatory framework mechanism and adjust RAB to allow Heathrow to recover excess losses in 2020-21 over an extended period of time
- On 8 Oct. the CAA published a consultation on H6 reopening framework
  - Conversations with the CAA still ongoing
- On 23 June the CAA published a consultation on H7 framework. RBP submission late this year

ferrovial

AGS – TOUGH QUARTER BUT SWIFT MANAGEMENT RESPONSE

(GBPmn)

Operational performance

	9M2020	% CH
Traffic	**2.8**	**-73.1%**
Glasgow	1.7	-75.0%
Aberdeen	0.8	-63.0%
Southampton	0.3	-80.3%

- Traffic increasingly volatile (quarantine measures)
- Oil & Gas traffic resilience in Aberdeen
- Southampton heavily impacted by Flybe's collapse

Financial performance

	9M2020	% CH
Revenue	57	-66.1%
EBITDA	-13	-117.5%
EBITDA mg	-22.9%	

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

Liquidity

- Drawdown of £38mn in 1Q 2020
- Cash & equiv. £35mn & net external debt £726mn in September
- Waiver agreed on June 15 for June & December 2020 (Dec. waiver is subject to compliance with some liquidity conditions)
- Ongoing dialogues between AGS, shareholders and lenders to support the Company in the coming months

AGS response to COVID-19

Opex -£34mn & Capex -£23mn in 2020

- Costs efficiencies in Q3 (opex pre-exceptionals –34%)
  - 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

ferrovial

Construction – HIGH PRODUCTION RATES & BETTER CF

(EURmn)

Operating & financial performance

- **High production levels** (esp US & Poland) though with additional costs. Revenues: +14.2% LfL, with acceleration of US projects

  COVID-19 impacts –€44mn (in line with 1H):
  - Additional costs on lockouts and loss of efficiencies in critical paths, while keeping production pace
  - Claims (*force majeure* / change in law) ongoing - Zero claims recovery registered in 9M figures

  Excluding COVID-19, EBIT at €88mn

- **EBIT mg at 1.0% 9M 2020** (3.2% 3Q standalone)
  - Budimex EBIT mg at 8.6% in 3Q on R.Estate & Construction

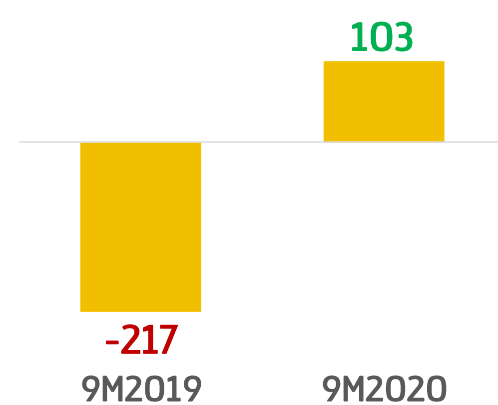
- **Better-than-expected ACF** on:
  - Budimex: Better underlying performance (esp R.Estate) & collections terms, advanced payments on higher awards
  - Proceeds from 5% BDX divestment (€57mn)

- **Outlook 2020**
  - 2020E EBIT mg expected to be above 1%
  - Working towards not cash consumption at FY 2020E

9M2020

	9M2020	9M2019	% CH LFL
Revenues	4,262	3,760	14.2%
EBITDA	114	-297	n.s.
EBITDA %	2.7%	-7.9%	
EBIT	44	-348	n.s.
EBIT %	1.0%	-9.3%	
Order book	10,605	11,424	-3.1%

Strong ACF evolution



ACF: pre-tax activity cash flow

ferrovial

Services – RESILIENT OPERATING PERFORMANCE THROUGHOUT COVID-19

(discontinued activity)

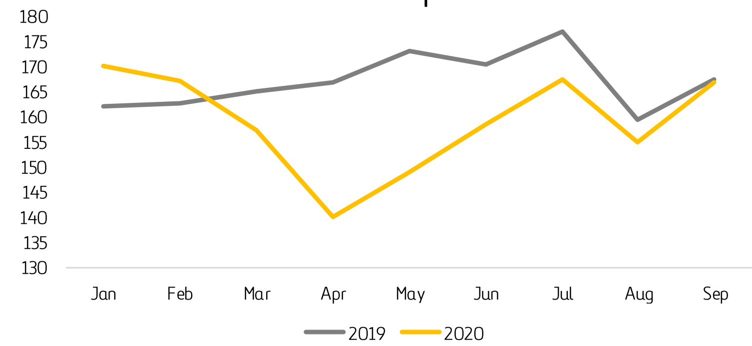
(EURmn)

9M 2020

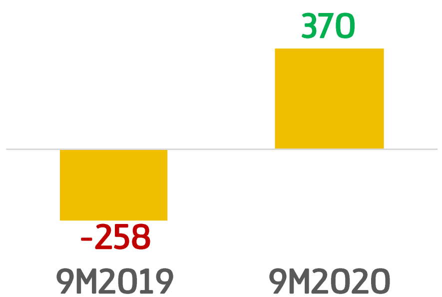
With COVID-19, authorities more committed to ensure **essential services & reduce environmental impact of human activities -** good prospects for services industry.

Strong support from authorities: tax deferrals, better collections & furloughs/ERTE programs.

Sept 2020 revenues in Spain at **same level as 2019** despite COVID-19



Strong ACF evolution



- 9M 2019 includes -GBP130mn for termination of BHM contract (no additional payments in 9M 2020)
- 9M 2020 impacted by Broadspectrum sale (+€300mn)

Broadspectrum disposal closed

- Sold for AUD465mn Eq value (€288mn inc. transaction costs). -€64mn net non-cash impact on FER P&L (mainly FX translation differences)
- Sale of 50% stake in TWPS closed July (€12mn)

Services Division Sale

- Transactions for subsets advancing
- Ferrovial remains committed to the divestment of Services division - Work in progress

ACF: pre-tax activity cash flow

ferrovial

Consolidated P&L

(LfL figures; EURmn)

P&L (EUR mn)	9M2020	9M2019
REVENUES	**4,569**	**4,241**
Construction Provision (1Q 2019)		-345
EBITDA	**241**	**20**
Period depreciation	**-155**	**-127**
Disposals & impairments	-36	-24
EBIT	**50**	**-131**
Infrastructure projects	-190	-194
Exinfrastructure projects	-17	41
FINANCIAL RESULTS	**-207**	**-153**
Equity-accounted affiliates	-314	115
EBT	**-472**	**-169**
Corporate income tax	0	-9
CONSOLIDATED PROFIT FROM CONTINUING OPERATIONS	**-472**	**-177**
NET PROFIT FROM DISCONTINUED OPERATIONS	**-25**	**41**
CONSOLIDATED NET INCOME	**-496**	**-136**
Minorities	**-2**	**32**
NET INCOME ATTRIBUTED	**-498**	**-104**

Revenues: (+11.1% LfL); Construction (+14.2% LfL)

EBITDA: impacted by -EUR39mn provision for restructuring plan. New operating model to help achieve cost reductions of €50mn p.a. since 2021 (€26mn in 2020) & -EUR46mn reduction caused by the change in Autema from financial to intangible asset

Disposals and impairments: Autema additional impairment (-€43mn)

Financial Result:

- **Higher expenses: I-77 opening & LBJ refinancing costs**, partially offset by NTE refinancing savings (2019) & Ausol deconsolidation

Equity accounted results:

- **407ETR**: €25mn (vs €111mn 9M2019)
- **HAH**: -€321mn (vs -€26mn 9M2019)
- **AGS**: -€44mn (vs +€9mn 9M2019)

NP from discontinued operations: -€25mn including:

- -€44mn Amey's FV adj
- -€64mn net impact from BRS divestment
- +€83mn FS España
- No additional profit or impairment recognized in FSI

Consolidated net income:

- -€61mn Fair Value adj for derivatives
- -€39mn restructuring provision
- -€25mn discontinued activities
- -€69mn impact from Autema

HAH Derivatives: Heathrow hedges inflation to protect equity value, dividend flows & gearing ratios*

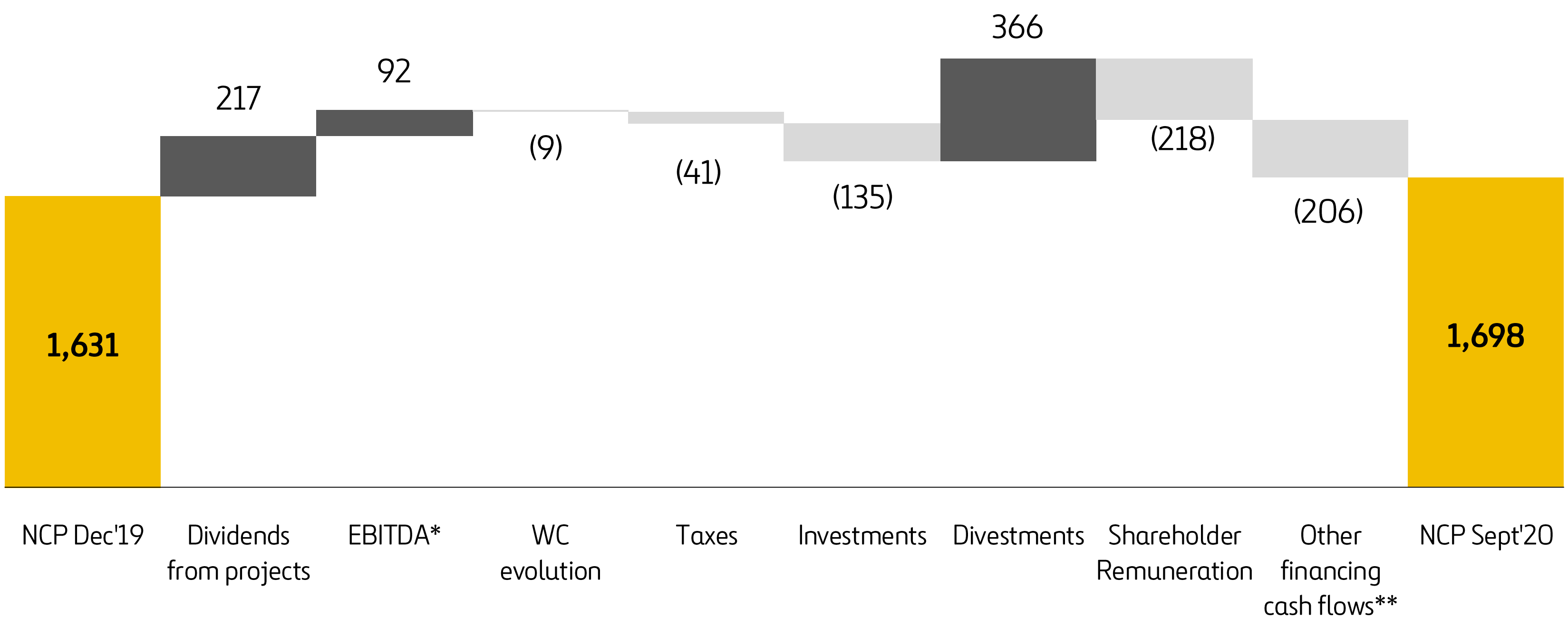
- **Nominal Rate Bond Issued & swapped to Inflation:** Heathrow pays a fixed real rate + variable inflation, which hedges inflation linked assets & returns
- **Value creation: lower financial expenses:** Breakeven RPI locked in (3.5% 2018) vs much lower realized inflation
- **Negative MtM** on real rates 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)

Including discontinued activities (NCP €203mn)

(EURmn)



* 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 9M 2020 vs cash consumption 9M 2019:

Net debt variation +€67mn in 9M 2020 vs -€574mn in 9M 2019

ferrovial

Final remarks

- **TRAFFIC IMPACTED BY COVID-19 BUT REOPENING LEADS TO RETURNING TRENDS**
  - ✓ **Toll Roads**: traffic aligned with reopening, revenues helped by traffic mix & toll rates
  - ✓ **UK airports**: Quarantines affecting traffic, testing ready to improve flow.
    - o Consultation on potential reopener of regulatory settlement ongoing
  - ✓ **Construction**: strong performance & CF generation

- **UNIQUE FEATURES OF OUR ASSETS**
  - ✓ **Good Locations**: diversified economies, population growth, e-commerce & mobility needs
  - ✓ **Long duration** of all our main assets
  - ✓ **Pricing flexibility** to adapt to changing traffic patterns

- **FOCUS:**
  - ✓ Develop & operate **INNOVATIVE, EFFICIENT & SUSTAINABLE INFRASTRUCTURES**
  - ✓ Strong **LIQUIDITY** for investment opportunities with economic reopening
  - ✓ Increase **OPERATING EFFICIENCIES**
  - ✓ Create **VALUE FOR OUR STAKEHOLDERS**

2nd DIVIDEND

€0.20 per share, buyback program ongoing

Q&A

ferrovial

INVESTOR RELATIONS DEPARTMENT - C/ Príncipe de Vergara, 135 - 28002 MADRID (Spain)
T: +34 91 586 27 30 F: +34 91 586 28 69 e-mail: ir@ferrovial.es
website: www.ferrovial.com

FTSE4Good

CDP DRIVING SUSTAINABLE ECONOMIES

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

MSCI 2015 Constituent MSCI Global Sustainability Indexes

Member 2015/2016 STOXX ESG LEADERS INDICES