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EARNINGS, FERROVIAL, TRAFFIC

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Revenues up 12% to €1,379 million

Ferrovial reported €75 million in EBITDA in the first quarter

- The company has a sound financial position due to a record €5,886 million in liquidity and a net cash position of €1,645 million, excluding infrastructure projects.
- After a strong start to the year, the main assets were affected by COVID-19 but their financial and liquidity position is enough to service their debt in 2020.
- Ferrovial received €129 million in dividends from its main assets.
- The Board of Directors decided to distribute the first dividend, which represents a fixed guaranteed price of EUR 0.312, or 71 rights per new share

Madrid, 7/05/2020.- Ferrovial obtained €75 million in EBITDA in the first quarter, contrasting with €-231 in the year-ago quarter. Revenues amounted to €1,379 million, a 12% increase, due to higher contributions from Construction and Toll Roads. The accounts also reflected the impact of the COVID-19 health crisis in the second half of March. The company reported a net loss of €-111 million, mainly as a result of the impact of COVID-19. The bottom line was affected by a negative contribution from the Airports division, which is equity-accounted, a €-39 million provision for the restructuring programme of the "Horizon 24" strategic plan, the negative result recorded in discontinued activities; and the effect of COVID-19.

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Ferrovial has a sound financial position with which to face the current situation, with record liquidity. Excluding infrastructure projects, liquidity stood at €5,886 million at the end of March, including €283 million in available credit lines. Net cash excluding infrastructure projects amounted to approximately €1,645 million (including discontinued operations).

The Board of Directors decided to distribute the first dividend approved by the Shareholders' Meeting. The first scrip dividend represents a fixed guaranteed price of EUR 0.312, or 71 rights per new share. With regard to the second dividend, the Board decided to await greater visibility on macroeconomic performance and the impact on the company's operations.

The company collected €129 million in dividends from the assets in which it holds a stake. 407 ETR distributed CAD 312.5 million, of which Ferrovial collected €90 million, while Heathrow distributed GBP 100 million, €29 million to Ferrovial. In addition, €6 million were received from other Toll Roads assets and €3 million from projects in the Services division.

Net cash flow in the first quarter amounted to €14 million, contrasting with a cash burn of €326 million in the year-ago quarter.

Impact of COVID-19 and measures adopted in response

After a solid start to the year, the Toll Roads division experienced a decline in traffic in the last two weeks of March as a result of the lockdown measures imposed in Europe and North America to halt the spread of the virus. Heavy vehicle traffic was resilient while light vehicle traffic declined due to school closures and the increase in teleworking. In this context, the company is reviewing spending plans in all concession assets and is considering a range of control measures, depending on how long the current situation lasts.

The Airports division was also affected by COVID-19. The reduction in traffic at Heathrow as well as Aberdeen, Glasgow and Southampton (AGS) airports triggered a series of actions such as curtailing operations, redesigning the organization and canceling executive bonuses. Discussions are underway with the Government to implement additional measures. Nevertheless, Heathrow has the necessary resources to continue operating for at least the next 12 months, even in the absence of passengers.

The impact on the Construction division was limited and confined basically to Spain. To mitigate the possible effects, plans were implemented to cut expenditure, adjust project calendars to recover lost working hours, and claim cost offsets due to force majeure.

The crisis had an impact on the Services business in Spain, which the company plans to mitigate through the flexibility measures adopted by the various governments.

At the corporate level, the company is advancing with the cost cuts proposed in the Horizon 24 plan, which envisages reducing expenditure by €50 million per year starting in 2021. Ferrovial booked a provision of €39 million as a result.

New contracts

During the first quarter, the company signed several contracts in its Construction and Services divisions, including Ferrovial Agroman's participation in two lots of the UK's high-speed rail project (HS2), and a number of construction and building deals for Webber in Texas worth USD 255 million. Amey signed a services contract with the UK Ministry of Justice and a road maintenance contract in Scotland.

Traffic growth and robust performance by the main assets

Traffic on Canadian toll road 407 ETR, which grew by 1.1% in January and February, experienced a 39.4% downturn in March because of restrictions on mobility. This affected both revenues (CAD 288 million) and EBITDA (CAD 239 million).

Texan toll roads NTE, LBJ and NTE 35W registered solid performance; despite the over 20% decline in traffic in March, the first two increased revenues by 2.4% and the latter by 39%, in local currency terms. The Managed Lanes projects also increased EBITDA in the period, notably so in the case of NTE 35W (+56%).

Heathrow Airport attained 14.6 million passengers, resulting in GBP 593 million in revenues and GBP 315 million in adjusted EBITDA.

Business units

Toll Road revenues increased by 6.9% in the first quarter to €133 million due to the higher contribution by the US managed lanes, particularly NTE 35 W. Close to 70% of this division's revenues came from the United States. EBITDA increased by 7.3% in like-for-like terms, to €93 million.

The **Construction** division's revenues also improved in the period, mainly due to progress with some projects in the United States. There was an 11.9% like-for-like increase in revenues, 87% of which were obtained outside Spain. Webber performed particularly well, boosting revenues by 42.5% in like-for-like terms. The United States and Poland were the markets that contributed the most between January and March. The Construction backlog amounted to €11,018 million.

In the **Airports** division, Heathrow saw traffic fall by 18.3% in the first quarter as a result of border closures. This resulted in a decline in both revenues (-12.7%) and EBITDA (-22.4%). The AGS airports were also affected by the health crisis, as well as the collapse of Flybe and the cancelation of some routes. As a result, the division's contribution amounted to €-73,9 million.

Assets available for sale:

Services revenues amounted to €1,738 million while EBITDA amounted to €77 million. Although Spain was the market where the effects of COVID-19 were greatest, the EBITDA margin in Spain was over

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10%, supported by waste treatment and industrial maintenance contracts. The division's total backlog amounted to €16,597 million.

Ferrovial remains committed to divesting this division, although this operation will foreseeably be delayed as a result of the current market situation, with the exception of the sale of Broadspectrum, which has already been cleared by the Australian Competition & Consumer Commission. That transaction is expected to be completed in the first nine months of this year.

About Ferrovial

Ferrovial, a leading global infrastructure operator, is committed to developing sustainable solutions. It is a member of Spain's blue-chip IBEX 35 index and is also included in the Dow Jones Sustainability Index and FTSE4Good; all its operations are conducted in compliance with the principles of the UN Global Compact, which the company adopted in 2002.

KEY FIGURES
(million euro)

	Mar. 2020	Mar. 2019	Change
Revenues	1,379	1,229	12%
EBITDA	75	-231	n.m.
EBIT*	26	-275	n.m.
Net income	-111	-98	n.m.

	Mar. 2019	Dec. 2018	Change
Consolidated net debt**	-3,001	-2,957	-1.5%
Net cash position, excluding infrastructure projects**	1,645	1,631	1%
Construction backlog	11,018	11,424	-2%
Services backlog	16,597	17,656	-1.6%

* EBIT after impairments and fixed asset disposals

** Including discontinued operations