

EARNINGS, FERROVIAL, TRAFFICRevenues up 12.2% to €2,914 million**Ferrovial reports €128 million in EBITDA in the first half**

- The company has a solid financial position due to a record €7,508 million in liquidity and a net cash position of €1,668 million, excluding infrastructure projects.
- The main assets were affected by COVID-19, but traffic has recovered steadily since it bottomed in April. Their financial and liquidity position enable them to comfortably service their debt.
- Ferrovial received €133 million in dividends from its main assets.
- In the first half of 2020, the company completed the sale of Australian subsidiary Broadspectrum to Ventia for 465 million Australian dollar (about €288 million, including transaction costs) and divestment of 5% of Budimex for 58 million euros.
- The company, which is committed to fighting the pandemic, has donated €8.7 million through its “Ferrovial Together COVID-19” fund for healthcare equipment, vaccine research and food aid.

Madrid, 30/07/2020.- Ferrovial obtained €128 million in EBITDA in the first half of 2020, contrasting with -€118 million in the same period of 2019. Revenues increased by 12.2% in like-for-like terms to €2,914 million on the back of growth in Construction revenues and in spite of lower revenues in the Toll Roads division. Traffic and operating profit numbers reflect the impact of COVID-19.

In this context, the company reported a net loss of -€379 million in the first half. That figure is the outcome of equity-accounted earnings from the Airports division, a €39 million provision for the cost-cutting program under the “Horizon 2020” business plan, discontinued operations and the impact of COVID-19.

In addition to safeguarding the health of its employees and clients, Ferrovial is focused on maintaining a sound financial position in order to weather the current macroeconomic situation. It has taken a number of steps to further enhance its liquidity position, such as a €780 million bond issue. The company has a record liquidity position of €7,508 million, including €695 available in credit lines. Net cash excluding infrastructure projects amounted to €1,668 million (including discontinued operations).

The company's firm commitment to combating the pandemic has materialized in several initiatives, including the establishment of the “Ferrovial Together COVID-19” fund. The fund has distributed €8.7 million to institutions working to fight the pandemic in the social and healthcare dimensions and in research, in Spain, the United Kingdom, the United States, Chile, Peru, Colombia, Poland and Portugal.

The company collected €133 million in dividends from the assets in which it holds a stake. Canadian toll road 407 ETR distributed CAD 312.5 million, of which Ferrovial collected €89 million, while Heathrow distributed GBP 100 million, of which Ferrovial collected €29 million. The company also collected €8 million from other toll roads and €6 million from projects in the Services division.

Impact of COVID-19 and measures adopted in response

As a result of the restrictions imposed on movements, the **Toll Roads** division experienced a sharp decline in traffic, which bottomed in April. Traffic has begun to progressively recover since then. Heavy vehicle traffic proved more resilient during the period. In this context, Ferrovial reviewed spending plans in all concession assets and will carry out a range of measures, which include postponing non-essential capital expenditure.

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The **Airports** division was also affected by the health crisis in the period. Specifically, traffic through Heathrow shrank by 60.2% between January and June, while passenger numbers at Aberdeen, Glasgow and Southampton (AGS) airports fell by 65.7%. Nevertheless, a rapid response – which included curtailing operations, redesigning the organization and canceling executive bonuses – made it possible to maintain a good financial position. Heathrow has the necessary resources to continue operating until at least June 2021, even in the absence of passengers.

The impact of the pandemic on the **Construction** has been distributed unevenly by regions; Poland and the United States were the territories that maintain the highest pace of production. The division is taking steps such as cost reductions and preparing claims for indemnity in connection with the impact of force majeure on project execution.

The health crisis impacted the **Services** division mainly during the months of lockdown, particularly in maintenance services and those related to transport because of the restrictions on movement, as well as waste treatment because of reduced industrial activity. Ferrovial plans to mitigate this situation using the flexibility mechanisms provided by governments.

Divestments and new contracts

The sale of Broadspectrum, the Australian services subsidiary, to Ventia for 465 million Australian dollar (about €288 million, including transaction costs) was completed in the first half; this operation is part of the process of divesting the Services division that commenced in February 2019. That figure does not include the value of Ferrovial's 50% stake in a joint venture, which was sold to Worley for €12 million in July and, consequently, is not reflected in the figures for the first half. Ferrovial remains committed to divesting this division, although this operation will foreseeably be delayed as a result of the current market situation.

During the period, Ferrovial also divested 5% of Budimex, its Polish subsidiary, retaining a 50.1% controlling stake. The transaction had a positive effect on cash in the amount of €58 million.

Other milestones in the first half of 2020 were the award of a contract to build the control tower and six ancillary buildings at Jorge Chávez Airport in Lima, Peru, and a contract to rebuild a 12-kilometer segment of State Highway Loop 12 (SL12) in Dallas, worth USD 301 million. In this semester, the company has joined the consortium for the design and development of Lots C2 and C3 of the new railway for Britain HS2, and has been selected for the expansion of the Porto Metro. Amey was also awarded a road maintenance contract in Scotland for 400 million pounds and another with the British Ministry of Justice for 632 million pounds.

Traffic growth and robust performance by the main assets

Traffic on Canadian toll road 407 ETR rose at the beginning of the year, but ended the first half down 44.9%, with the result that revenues amounted to CAD 417 million and EBITDA to CAD 332 million. Although the pandemic is expected to continue impacting traffic in the area, 407 ETR has experienced a modest though firm recovery as lockdown has been lifted and businesses reopen.

The NTE, LBJ and NTE 35W highways in Texas saw revenues and EBITDA impacted by the COVID-19 and the measures imposed to prevent its propagation, after a solid performance in the first quarter. Traffic on those roads declined by 29%, 32.1% and 17.5%, respectively. Higher tolls and increased heavy vehicle traffic partly offset the decline.

Heathrow airport handled 15.4 million passengers in the period, resulting in GBP 712 million in revenues and GBP 222 million in adjusted EBITDA.

Business units

Construction division revenues increased by 15.2% in like-for-like terms to €2,681 million due to progress with some projects in the United States and Poland. International markets accounted for 88% of total revenues. Webber performed particularly well, with revenues up 35.8% in like-for-like terms. Budimex reported robust results, with revenues up 7.5% and an EBIT margin of 4.1%. The Construction backlog amounted to €11,371 million.

Revenues in the **Toll Roads** division shrank by 13.4% in the first half of 2020 in like-for-like terms, to €227 million, as a result of lower traffic. The United States accounts for 64% of this division's revenues. EBITDA fell by 18.1% in like-for-like terms to €152 million.

As for **Airports**, traffic through Heathrow declined by -60.2% in the first half, which reduced both revenues (-51.3%) and EBITDA (-75.5%). 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 -€253 million.

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)

	Jun. 2020	Jun. 2019	Change
Revenues	2,914	2,603	12.2%
EBITDA	128	-118	n.m.
EBIT*	32	-213	n.m.
Net income	-379	-6	n.m.

	Jun. 2020	Dec. 2019	Chg.**
Consolidated net debt**	-2.863	-2,957	-3.2%
Net cash position, excluding infrastructure projects**	1,668	1,631	2.3%
Construction backlog	11.371	11,424	1.7%
Services backlog	12.841	17,656	-1.4%

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* EBIT after impairments and fixed asset disposals

** Including discontinued operations

*** In like-for-like terms