

Revenue up 6.3% to €2,965 million

## Ferrovial boosts EBITDA by 89% to €251 million in the first half of the year

- The company has a sound financial position, with €6.510 million in liquidity and a net cash position, excluding infrastructure projects, of €1,859 million
- The Managed Lanes projects in Texas made a rapid recovery: NTE and NTE 35W ended the period with traffic above 2019 levels
- Construction reported a 2.4% EBIT margin on 6.3% growth in revenue, in like-for-like terms, while winning major international contracts
- The Construction backlog stood at €9,724 million, the Services backlog at €12,836 million
- The company presented 38 projects for Next Generation EU (NGEU) funding in the capacity of promoter, representing a total investment of over €5,000 million

**Madrid, 27/07/2021.-** Ferrovial, the sustainable infrastructure and mobility company, reported €251 million in EBITDA in the first six months of 2021. That is an 89% increase in like-for-like terms on the €136 million reported in the same period of 2020. Revenue increased by 6.3% in like-for-like terms to €2,965 million due to growth in Construction and Toll Roads revenues.

The period's figures were impacted by the restrictions on air traffic. Between January and June, the company booked a net loss of €-177 million, down from €-384 million in the same period of last year.

With a sound financial position, the company remains focused on protecting and enhancing its liquidity position, currently €6,510 million, while net cash excluding infrastructure projects amounted to €1,859 million, including discontinued operations and the impact of divesting non-core Construction assets.

Between January and June, Ferrovial collected €65 million in dividends from projects in which it is invested, including mainly €48 million from two of its managed lanes projects in Texas (NTE and LBJ). The Board of 407 Express Toll Route in Canada will continue to monitor the situation with a view to the possible resumption of dividends in the coming quarters. The Construction backlog amounted to €9,724 million; that figure does not include recently awarded major projects such as Sydney Metro and the I-35 in San Antonio. The Services backlog stands at €12,836 million.

### Impact of COVID-19

Since the beginning of the pandemic, Ferrovial has shown that its priority is ensuring the health and safety of both its employees and the people who use its infrastructure, and it has implemented a number of measures to achieve this. Meanwhile, in terms of finances, the company is focused on preserving and enhancing its sound liquidity position. The healthcare crisis caused by COVID-19 has had a greater impact on infrastructure assets as a result of mobility restrictions and lockdowns. Nevertheless, it has not had a significant impact on contracting activities.

### Main events in the period

The main new contracts obtained in the period include the I-35 expansion in San Antonio, Texas, worth USD 1,500 million (equivalent to approximately €1,273 million), and the contract to upgrade a section of I-16/I-75 in Macon, Georgia (USA). That project, worth close to USD 229 million (equivalent to about €192 million) enhances the company's position in its main revenue pool. The company was also recently awarded a project in Sydney Metro worth €620 million.

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During the period, Ferrovial was selected to develop projects in some of its other core markets, such as the design and construction of Norwich Western Link, a dual carriageway of close to 6 kilometers in length located in Norfolk (United Kingdom) and worth GBP 107 million (equivalent to over €125 million).

The company also carried out divestments in the period, including the sale of Budimex Nieruchomości, the real estate arm of Polish subsidiary Budimex, to CP Developer for approximately €330 million after transaction expenses. Upon completion, the deal had a positive impact on Ferrovial's consolidated accounts in the amount of €131 million.

Ferrovial also agreed the sale of some non-strategic assets, such as the Figueras prison (€41 million) and a 22% stake in URBICSA (€17 million), Nalanda Global (€17 million) and SCC, Webber's recycled aggregate business (USD 140 million). These deals are pending the necessary authorizations; except for URBICSA which was completed during the semester. Ferrovial also divested 49% of the Norte Litoral toll road and 48% of the Via do Infante toll road for a total of €171 million, of which €70 million are outstanding.

Outside the reporting period, today the company announced the agreement to sell its Environment business in Spain and Portugal to PreZero, a Schwarz Group company, as part of the divestment of Ferrovial Services. The deal represents an enterprise value of €1,133 million, including equity and debt. It will provide a capital gain of approximately €317 million, based on an equity value of €950 million at the time of signature, which may vary slightly due to accounting adjustments between the time of signature and completion.

Ferrovial also applied for funding under the Next Generation EU program: 38 projects in which it is the promotor, and 24 in which it is a partner. The 38 projects represent a total investment of over €5,000 million. They range from urban refurbishment and comprehensive upgrades to industry parks, through the circular economy, production of renewable energy from waste and digitalization, to connectivity in transport corridors and urban mobility.

### Traffic performance

The Texan toll roads recovered rapidly once mobility restrictions eased, and they reported solid performance despite the heavy rainfall in May. Both the NTE and NTE 35W logged double-digit growth (+28.2% and +31.1%, respectively) exceeding pre-pandemic levels. LBJ also registered an improvement, with traffic up 9.2% in the period. Highway 407 in Canada rebounded after mobility restrictions were partly eased in late June. Nevertheless, traffic was down -14.7% due to the restrictions imposed in Ontario. The I-77 in North Carolina saw traffic rise 21.4%, regaining pre-pandemic levels by the end of June.

In the Airports division, Heathrow handled 3.9 million passengers, a decline of 75.1% as a result of the reduction in international flights and of border closures in response to COVID-19. Nevertheless, London's hub airport has sufficient liquidity to honor its payment obligations from the end of the quarter through 2025, based on HAH's base case traffic projections, or until October 2022, in an extreme scenario of zero revenue.

### Business units

**Toll Road** revenue increased by 30.8% in like-for-like terms to €236 million due to good performance by the Managed Lanes, which experienced a rapid recovery. The United States accounts for 77.3% of this division's revenue. EBITDA rose by 46% like-for-like to €161 million.

In the **Airports** division, the decline in traffic at Heathrow reduced revenue by 51.1% and adjusted EBITDA by 114.9%. The AGS airports were significantly affected by the decline in traffic, with revenue down 41% and EBITDA amounting to €-14 million. AGS extended its refinancing arrangements to 2024.

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**Construction** registered solid performance. The division obtained €66 million in EBIT and an EBIT margin of 2.4%. Its backlog amounted to €9,724 million, not including some projects such as the I-35 in San Antonio and construction of a section of Sydney Metro. The division increased revenue by 6.3% in like-for-like terms to €2,710 million due to good progress with its projects in the United States and Spain. International business, notably in Poland and the United States, accounted for 84% of revenue. Ferrovial Construction performed well, reporting double-digit growth in revenue: +15.4% like-for-like. Budimex achieved an EBIT margin of 8.3% due to an extraordinary €15 million contribution from the sale of its real estate business. Excluding that impact, the EBIT margin would have been 6.2%, up from 2.8% in the same period last year. Webber increased revenue by 1% in like-for-like terms.

#### **Assets available for sale**

Ferrovial remains committed to fully divesting its Services business. The process is ongoing, despite the delays caused by the macroeconomic uncertainty derived from COVID-19. The division's overall revenue amounted to €2,706 million in the period, while EBITDA amounted to €222 million. The Services backlog stood at €12,836 million.

#### **ESG developments in the period**

Based on a proposal by the Appointments and Remuneration Committee, the Board of Directors of Ferrovial appointed Alicia Reyes and Hildegard Wortmann as independent directors by co-optation, with the result that women account for 30% of the Board and 75% of the independent directors.

The Shareholders' Meeting approved, on a consultative basis, the company's Greenhouse Gas Emissions Reduction Plan. The Shareholders' Meeting will also be consulted annually on the Company's Climate Strategy Report. Both resolutions were adopted with more than 96% voting in favor.

The company published its Code of ethics for suppliers on its website; the code sets out the basic principles governing suppliers in their commercial relations with Ferrovial.

In the first half of 2021, Ferrovial strengthened its position in the main sustainability indexes, such as DJSI, FTSE4Good, CDP, Vigeo, Stoxx, ISS ESG and GRESB. It was also inducted into the Bloomberg Gender-Equality Index.

The AGS regional airports in the UK adopted a sustainability plan, which targets carbon neutrality by the middle of the 2030s.

#### **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 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.

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	Jun. 2021	Jun. 2020	Chg.**
Revenue	2,965	2,937	6.3%
EBITDA	251	136	88.9%
EBIT*	135	27	n.m.
Net income	-177	-384	n.m.

  

	Jun. 2021	Dec. 2020	Change
Consolidated net debt**	-2,808	-2,541	-10.5%
Net cash position, excluding infrastructure projects**	1,854	1,991	-6.6%

  

Construction backlog***	9,724	10,129	-5.8%
Services backlog***	12,836	12,018	-3.9%

\* EBIT before impairments and fixed asset disposals

\*\* Including discontinued operations

\*\*\* In like-for-like terms