

Ferrovial sells its Environmental Services business in Spain and Portugal to PreZero (Schwarz Group) for €1,133 million

- The transaction is the result of Ferrovial's strategy to refocus on developing, building and managing sustainable infrastructure
- Closing of the transaction is subject to customary closing conditions and regulatory approvals and is expected in 2H2021
- The rest of Ferrovial's Services division is still available for sale

Madrid, 27/07/2021. - Ferrovial has reached an agreement to sell its Environmental Services business in Spain and Portugal to PreZero, an enterprise of Schwarz Group, as part of the process of divesting Ferrovial Services. The transaction, which involves the sale of the environmental services, waste collection, waste treatment, and recycling business in Spain and Portugal, represents an enterprise value of €1,133 million (including equity and debt). The sale is expected to provide Ferrovial with a capital gain of approximately €317 million assuming an equity value of €950 million at the time of the signing, which could slightly vary between signing and closing.

Final completion of the deal is subject to customary closing conditions and obtaining clearance from the European authorities and is expected for 2H2021.

Ferrovial's Environmental Services business reported in 2020 €1,018 million in revenue, c. €130 million in EBITDA, and it had a backlog of €2,177 million at the end of 2020. The company has 16,000 employees. It delivers essential treatment and recycling services for public- and private-sector clients through 140 plants under management, where it processes 5,6 million tons of waste every year. It also engages in street cleaning, source-sorted waste collection and green area maintenance in more than 600 municipalities throughout Spain, serving over 15 million people.

PreZero, an enterprise of Schwarz Group, is an international environmental service provider with 13,000 employees at over 280 locations in Europe and North America. Providing waste disposal, sorting, processing and recycling services, the company unites all the expertise along the value chain under one roof

"This deal is consistent with Ferrovial's strategic roadmap, which is focused on developing sustainable infrastructure. New technology, changes in citizens' habits, and the demands of society make it necessary to adopt this approach to continue creating value for our shareholders, our stakeholders, and the communities in which we operate. We are also very pleased to leave our Environmental Services business in Spain and Portugal in the hands of PreZero, an international enterprise in waste and recycling management with the highest ESG standards" said Ignacio Madríguez, CEO of Ferrovial.

"The planned acquisition is the next step in PreZero's expansion, with which we intend to further expand our activities in Southern Europe. Ferrovial is excellently established in the field of environmental management and ideally complements PreZero's portfolio. In the process, we anticipate valuable synergies and an additional starting point for the further development of the circular economy in Europe", explains Thomas Kyriakis, CEO of PreZero.

Corporate Communications

newsroom.ferrovial.com
@ferrovial

José Luis Cobas
+34 915 866 314
+34 629 471 839
jlcobas@ferrovial.com

Paula Lacruz
+34 91 586 25 26
+34 626 12 93 00
placruz@ferrovial.com



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New strategic vision

Ferrovial did a strategic review of all the businesses with the aim of focusing the company's future on the infrastructure, the prime source of value and returns for its shareholders. As a result, it put up for sale all its Services businesses.

In that same line, this year, Ferrovial adopted the Horizon 24 Plan, a strategy for 2020-2024 in which the company will focus on infrastructure, adding mobility, water, and electrification. The plan pursues profitability, targeting 11% annual growth in EBITDA, and focuses on excellence in developing and managing sustainable infrastructure through innovation, efficiency, and the selection of businesses and markets.

The sale of the Environmental Services business in Spain and Portugal is another step in the process of divesting Ferrovial Services, following the sale of Broadpectrum with operations in Australia and New Zealand on 20 June 2020. Divestment of the remainder of Ferrovial Services is ongoing in United Kingdom, Spain, Chile, and United States, the main markets where the company has activities in this business.

About PreZero

PreZero is an international environmental service provider with 13,000 employees at over 280 locations in Europe and North America. Providing waste disposal, sorting, processing and recycling services, the company unites all the expertise along the value chain under one roof. PreZero therefore positions itself as an innovation driver in the industry with the goal of creating a world in which closed loops prevent resources from being wasted. Zero waste, 100 percent recyclables.

PreZero is part of the Schwarz Group, one of the leading food retail companies in Germany and Europe. PreZero has its headquarters in Neckarsulm, Baden-Württemberg.

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.