

State-of-the-art solutions

FERROVIAL SERVICES IS ONE OF THE LARGEST AND MOST DIVERSIFIED MULTINATIONAL SERVICE COMPANIES FOR INFRASTRUCTURE AND CITIES. IT OFFERS CUTTING-EDGE SOLUTIONS IN CONSULTING, WASTE TREATMENT, ENERGY EFFICIENCY, TRANSPORTATION INFRASTRUCTURE MAINTENANCE AND URBAN MOBILITY.

The customers of Ferrovial Services, most of which are public authorities, are now looking to optimize their costs and investments against a backdrop of budgetary constraints while also keeping their operations socially and environmentally friendly. The United Kingdom, Australia and Spain account for 92% of sales at the division, although it is also present in the United States, Canada, Chile, Poland, Portugal and Qatar.

In the United Kingdom, lower levels of public spending and cost pressures have prompted the division to restructure and walk away from unprofitable contracts. Operating margins are below historical levels and this situation is expected to in the near future due to the prevailing market uncertainty.

In Australia, the improved outlook for the natural resources and transportation businesses and the healthy state of the economy should drive future growth. Following the conclusion of the immigration center contracts in October 2017, the company has embarked on an ambitious internal restructuring and cost-cutting process.

In Spain, the lower public bidding has been managed with the extension of significant contracts and with the diversification towards high added value activities, requiring the company to work harder at

optimizing its operating processes due to rising levels of competition.

VALUE CREATION

Active management of a diversified business portfolio

Ferrovial Services does business across six broad categories of services. This operational diversification has enabled Ferrovial to position itself as a go-to operator for customers, offering integrated solutions geared toward improving the efficiency and functionality of cities while responding to social needs.

Highlights for 2018 included the efforts made by the company to streamline its portfolio by removing businesses that offer only limited growth potential. Here, the company managed to generate EUR108.2 million in cash by selling the stakes held by Broadpectrum in Ratch-Australia Corporation Limited and Amey's interests in various environmental and road projects.

Refinancing agreements in project companies were also signed in the year, enabling the company to receive a total of EUR95.3 million in dividends.

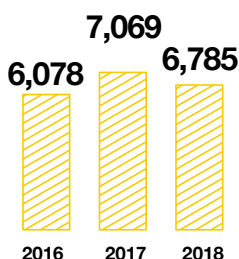
The most significant contracts in 2018 were:

- Acquisition of the contracts belonging to the rail business portfolio of Carillion in the United Kingdom (EUR180 million).
- Operation of 11 oil extraction platforms for Shell-QGC in Australia (EUR411 million, five years).
- Bicing: management of 7,000 shared-use bicycles in Barcelona, Spain, in partnership with PBSC (EUR121 million, 10 years).
- Road maintenance in Ottawa and York, Canada, (EUR180 million, 7 years).

Focus on operational efficiency

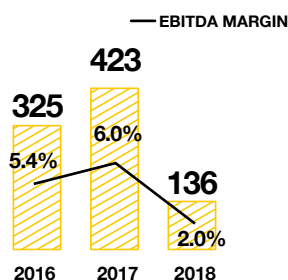
The occupational safety of its more than 74,500 employees is a key strategic priority for Ferrovial. Its occupational safety and health plan has managed to bring down the accident ratio by 13.04%.

REVENUES (M€)



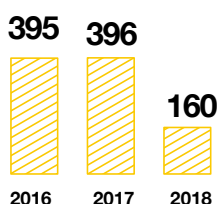
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EBITDA (M€)



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OPERATING CASH FLOW (M€) before taxes



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In 2018, the company continued to abandon or restructure loss-incurring contracts and those generating poor returns. The infrastructure maintenance agreement in Birmingham (United Kingdom) has required it to post a provision of EUR235 million. Further examples included the company's withdrawal from an urban services agreement in Liverpool (United Kingdom) and the improvement of 300 basis points in profit margins on the road maintenance agreements in North America.

Initiatives to streamline overheads include the implementation of the Fit for Growth program in Australia, leading to the departure of 250 employees and a 20% saving on information systems costs.

Integrated high value-added solutions

In 2018, Amey commissioned two waste-to-energy facilities in North Yorkshire and Milton Keynes. The power generated by both plants is enough to supply 51,000 homes for a whole year.

During 2018, Zity carsharing service reached 162,000 users, in partnership with Renault. Zity manages 500 electric vehicles powered by renewable energy. The 9.5 million kilometers traveled by users in 2018 were enough to prevent more than 1,100 tCO₂.

Ferrovial Services implemented its new Innovation Plan in 2018, covering 60 projects to improve efficiency and cushion the environmental impact. For instance, the ZRR for Municipal Waste robotics project has generated a 4% increase in the recovery of waste at selection and sorting plants. 🎧



VIDEO: THE CENTURY OF CITIES.

Mobility will be autonomous, electrical, digital and on demand.



VIDEO: GREEN CITIES.

Cities will be greener, more circular and with more citizen participation.



ZERO WASTE TO LANDFILL PROJECT

Ferrovial Servicios has developed the Zero Waste to Landfill project, initiative that has managed to ensure that no waste generated in the Ford manufacturing plant in Almussafes (Valencia) ends up in the landfill, and therefore can have a second life.

This project has managed to stop the plant from sending 15,000 tons of waste per year to the landfill. Ferrovial Servicios carries out the integral waste management of this plant, which annually produces approximately 400,000 vehicles. [Watch video.](#)



WASTE FOR WATTS FOR 23,000 HOMES

Ferrovial Servicios operates the only plant in Spain that produces renewable natural gas from organic waste that is injected into the gas network. The plant, located in the Valdemingómez Technology Park in Madrid, manages a total of 148,000 MWh thermal energy per year, of which 57% is used for the production of electricity, while the remaining 43% is injected into the network as gas. With all this energy transformed into electricity, the annual domestic consumption of some 23,000 homes could be supplied. This installation prevents the emission of more than 16,000 tons of CO₂ per year, promoting energy self-sufficiency and placing the municipality of Madrid at the forefront of innovation.