



2016 Results presentation

March 1st 2017

Executive Summary

1. Positive 2016 results

✓ [Net Profit € 751 mn +3.5%]

2. 2012-2016 transformation process

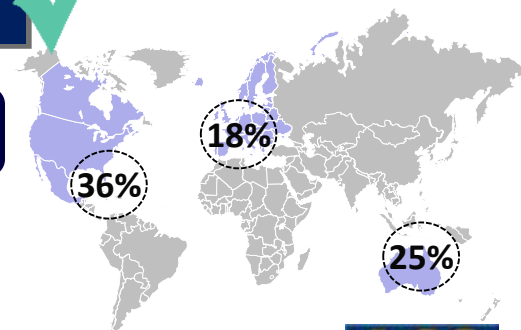
➤ Operating improvement [EBIT margin +30pb] [FFO € 1,397 mn +20%]

➤ Financial improvement [Net Debt € 1,214 mn (-54%)yoy 0,6x EBITDA]

3. Ready to grow and face future challenges

➤ Robust project backlog [Backlog € 66,526 mn +13%]

➤ Excellent geographical positioning



Key operating figures 2016

| | | Var. 15/16 | Var. PRO-FORMA* |
|--------------------------------|--------------------|---------------|-----------------|
| Sales | € 31,975 mn | -4.0% | -2.7% |
| EBITDA | € 2,023 mn | -5.5% | -2.6% |
| EBIT | € 1,445 mn | +1.7% | +6.0% |
| Net Attributable Profit | € 751 mn | +3.5% | +4.3% |
| Backlog | € 66,526 mn | +12.9% | +11.5% |

* Eliminating renewables assets and FX impact

Key financial figures 2016

Var. 15/16

Net Debt

€ 1,214 mn

-53.7%

Net financial expenses

€ 340 mn

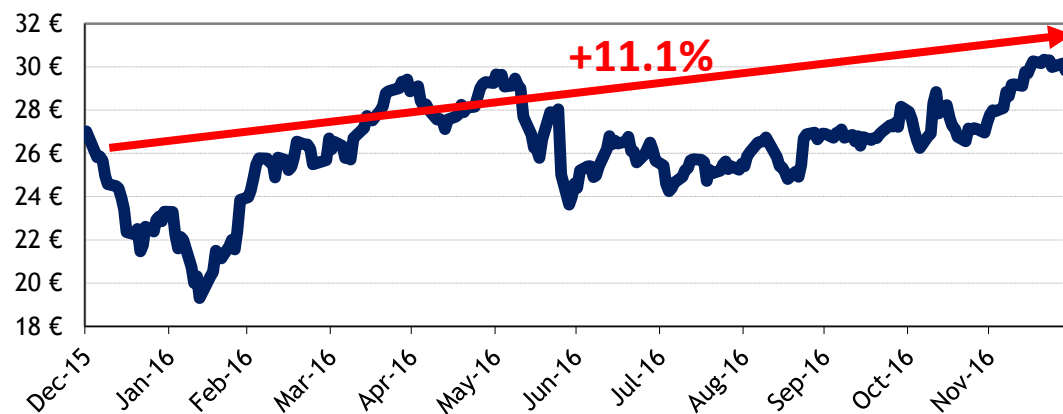
-28.4%

EPS

€ 2.44

+3.7%

Share evolution and return for shareholders



| | |
|--------------------------------|----------------|
| TSR (Total Shareholder Return) | 15.4% |
| DPS (Dividend per Share) | € 1.152 |
| DY (Dividend yield) | 3.8% |

Geographic diversification

Var. 15/16

Sales 2016

€ 31,975 mn

-4.0%

46%

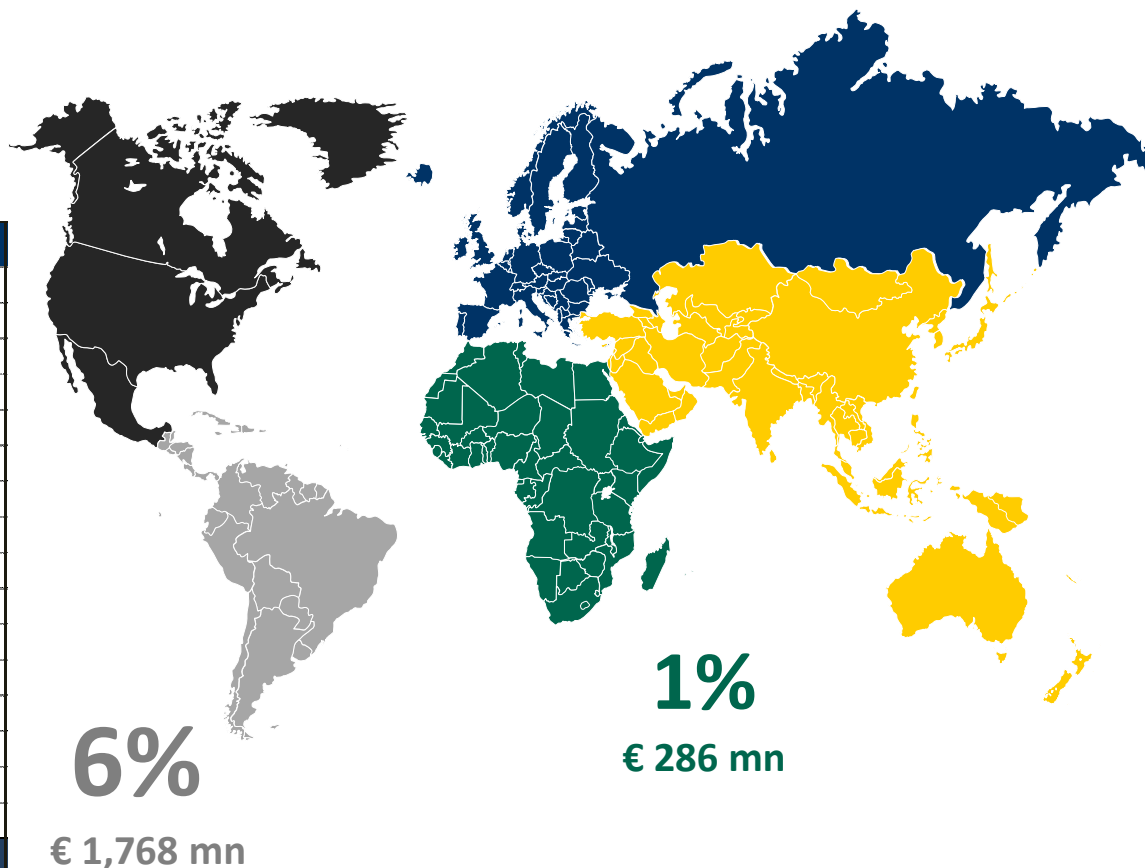
€ 14,669 mn

21%

€ 6,910 mn

26%

€ 8,342 mn



6%

€ 1,768 mn

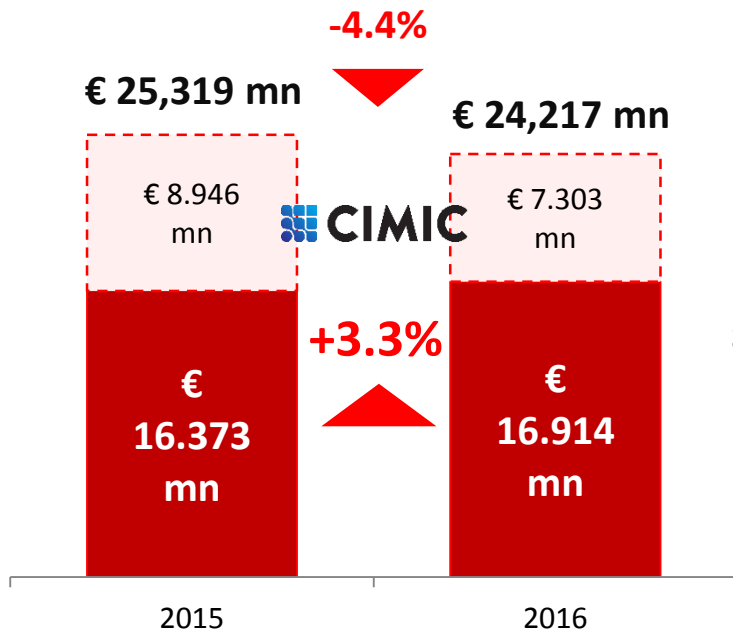
1%

€ 286 mn

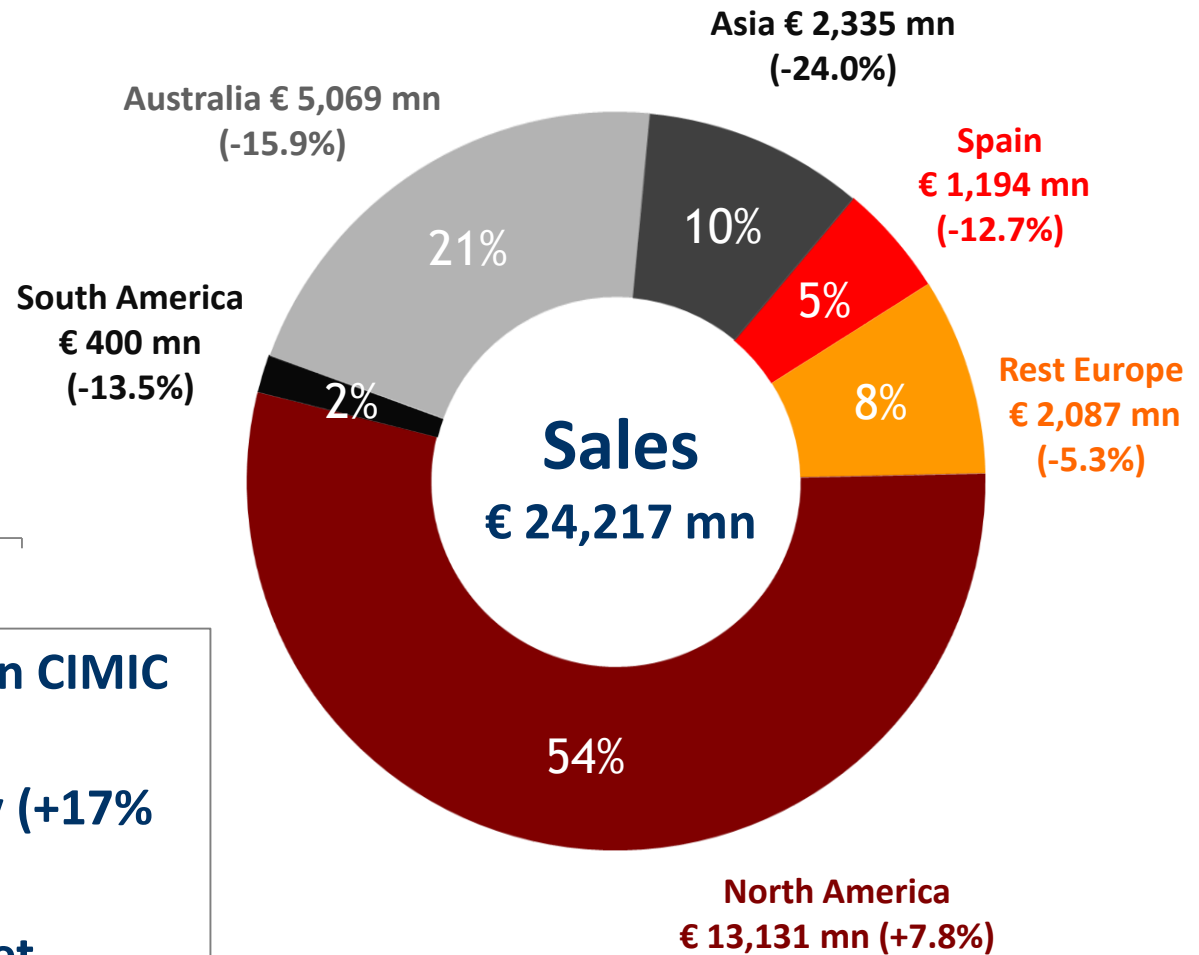
| Country | Sales 2016 (€ mn) | |
|----------------|-------------------|-------------|
| United States | 12,225 | 38.2% |
| Australia | 5,096 | 15.9% |
| Spain | 4,293 | 13.4% |
| Hong Kong | 1,602 | 5.0% |
| Mexico | 1,394 | 4.4% |
| Canada | 1,050 | 3.3% |
| Germany | 941 | 2.9% |
| Saudi Arabia | 649 | 2.0% |
| Poland | 492 | 1.5% |
| Indonesia | 397 | 1.2% |
| Brazil | 372 | 1.2% |
| Chile | 364 | 1.1% |
| United Kingdom | 362 | 1.1% |
| Peru | 322 | 1.0% |
| Portugal | 253 | 0.8% |
| Rest | 2,165 | 6.8% |
| TOTAL | 31,975 | 100% |

Sales breakdown

CONSTRUCTION



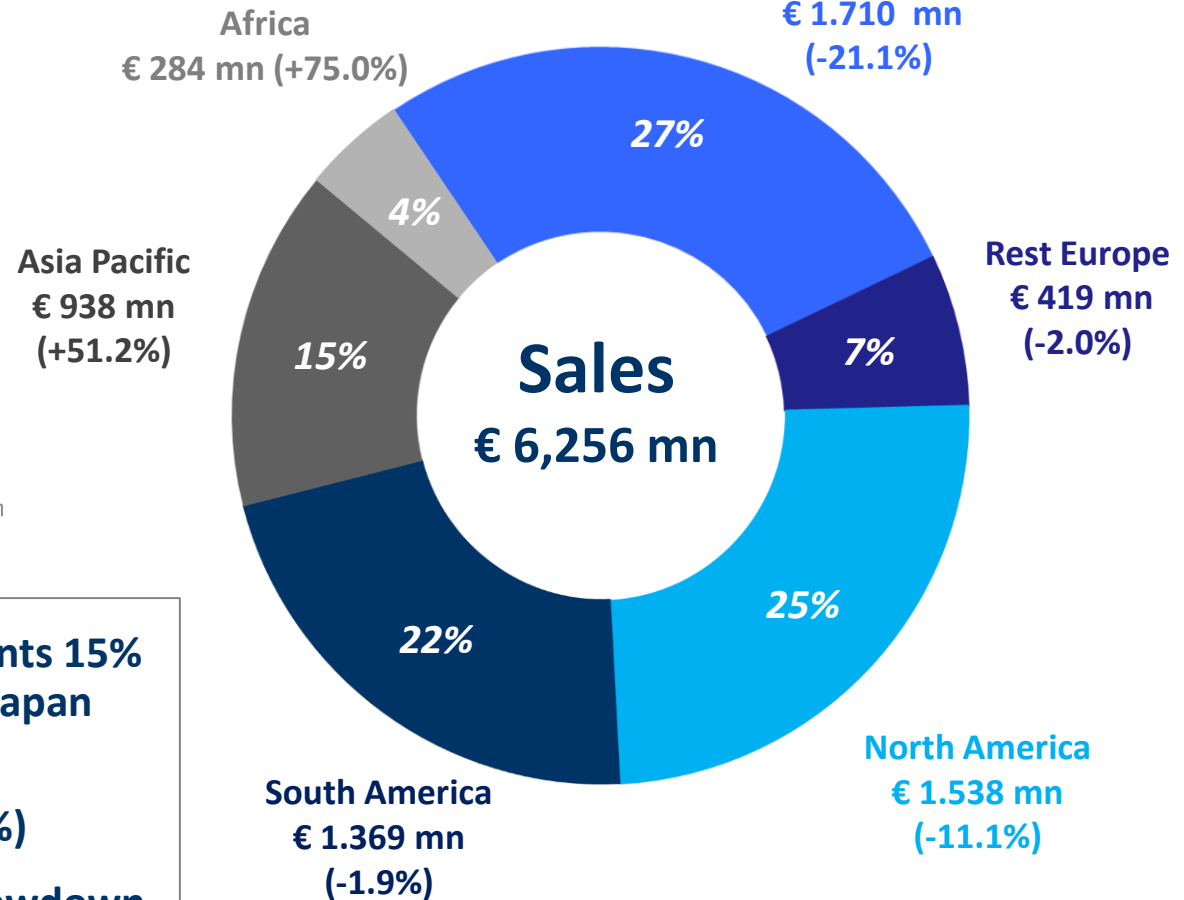
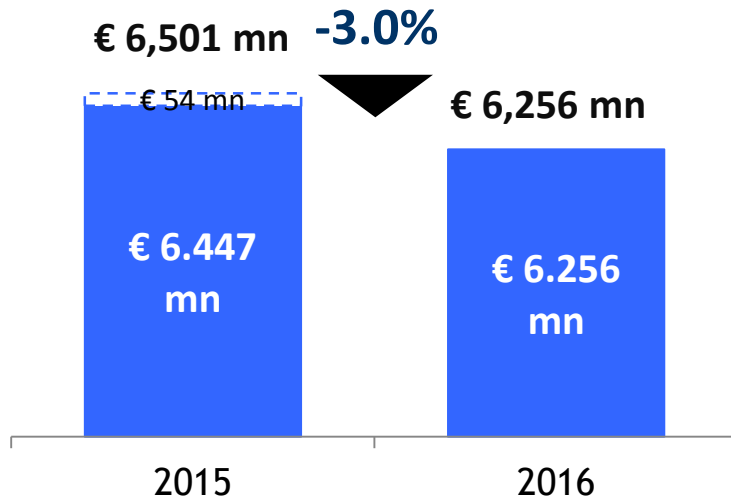
- Impact from sales slowdown in CIMIC (termination of large LNG projects)
- CIMIC shows signs of recovery (+17% 2H vs 1H)
- Strong growth in the US market (+8.5%)



Sales breakdown

INDUSTRIAL SERVICES

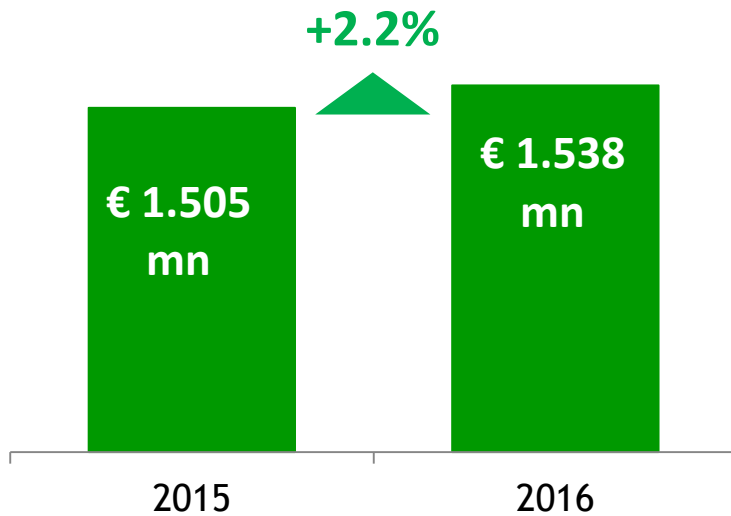
Divestments renewables



- Strong growth in Asia, which represents 15% of the sales, mainly in Saudi Arabia, Japan and UAE (United Arab Emirates)
- 73% of the sales outside Spain (+4.9%)
- Impact from the domestic activity slowdown and the €/MXN Exchange rate

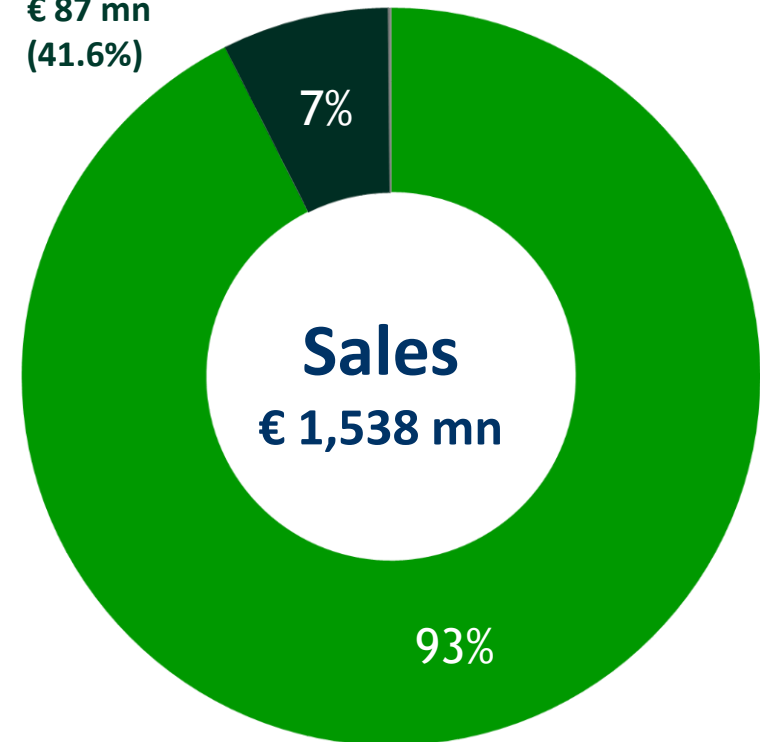
Sales breakdown

SERVICES



Spain
€ 1.908 mn
(+0%)

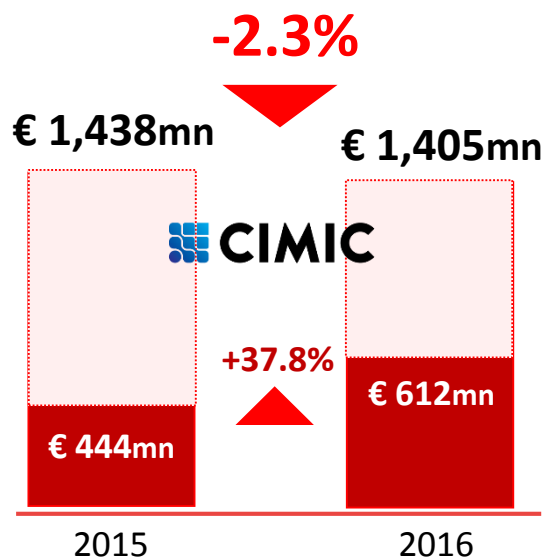
Rest Europe
€ 87 mn
(41.6%)



- **Urbaser sale in December 2016**
(contribution until its sale; reclassified as discontinued operations)
- **Solid positioning in Spain with a growing exposure to the european market**

Operating results - EBITDA

CONSTRUCTION

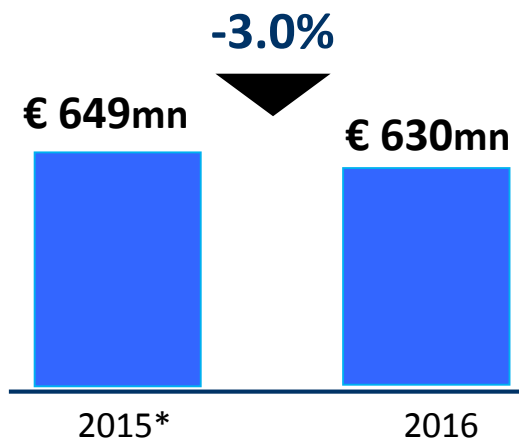


| Year | Margin |
|------|--------|
| 2015 | 5.7% |
| 2016 | 5.8% |

- Affected by the downturn in CIMIC
- Margin EBITDA ex-CIM improves by 90bp up to 3.5%

INDUSTRIAL SERVICES

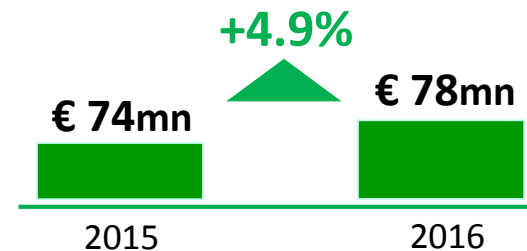
* Ex renewables



| Year | Margin |
|-------|--------|
| 2015* | 10.0% |
| 2016 | 10.1% |

- Affected by:
 - MXN depreciation
 - Slowdown in support services in Spain

SERVICES



| Year | Margin |
|------|--------|
| 2015 | 4.9% |
| 2016 | 5.0% |

- Slight margin increase in Clece

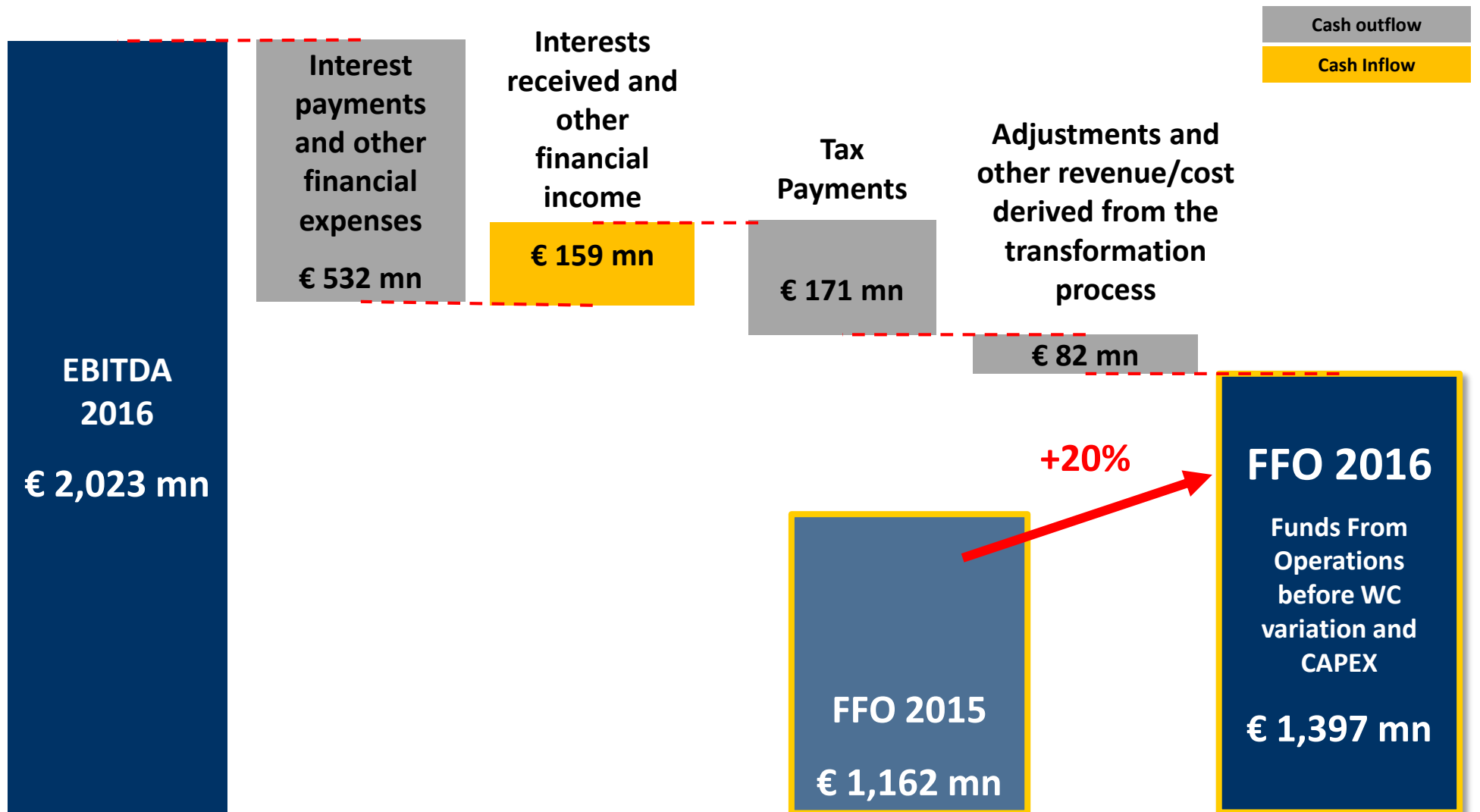
Net Profit

€ million

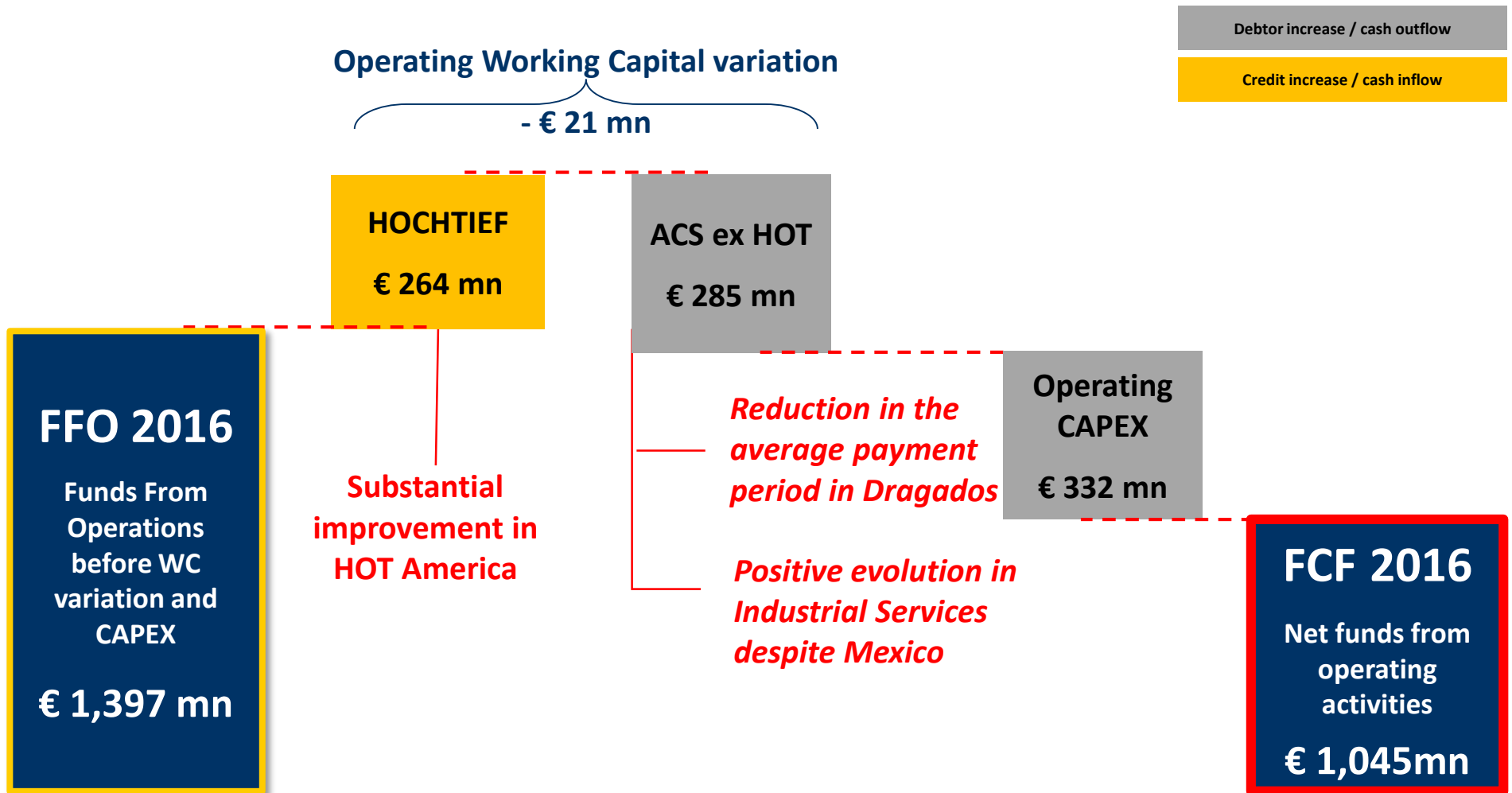
| | 2015 | 2016 | Var. |
|--|------------|------------|---------------|
| Net Profit Construction | 304 | 311 | +2.2% |
| Net Profit Industrial Services ⁽¹⁾ | 314 | 305 | -3.0% |
| Net Profit Services | 73 | 84 | +14.9% |
| Net Recurring Profit from activities | 691 | 699 | +1.2% |
| Renewable energy assets contribution | 6 | 0 | |
| Corporation | 28 | 51 | |
| Net Attributable Profit | 725 | 751 | +3.5% |

(1) Not including the contribution from the renewable assets sold in 2015

Operating Cash Flow



Free Cash Flow from Operations

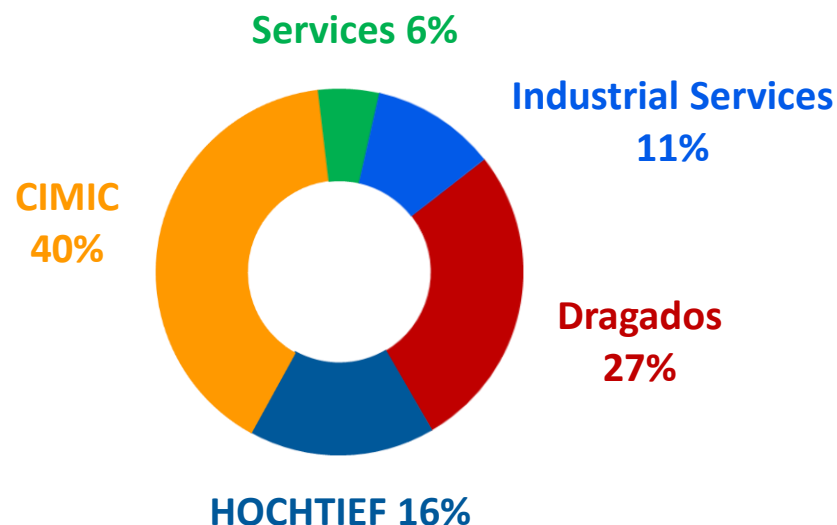


Net Operating CAPEX breakdown

Net operating CAPEX € 332 mn

| Construction | | Industrial Services | | Services | |
|-------------------------|-------------------------|------------------------|-----------------------|------------------------|-----------------------|
| € 277 mn | | € 36 mn | | € 18 mn | |
| Investments € 377 mn | Divestments € 100 mn | Investments € 40 mn | Divestments € 4 mn | Investments € 22 mn | Divestments € 4 mn |

| | |
|----------|----------|
| Dragados | € 90 mn |
| HOCHTIEF | € 55 mn |
| CIMIC | € 132 mn |



Net Financial and Project Investments breakdown

Net Divestments

€ 854 mn

Net Investments in concessional assets
€ 16 mn

Net Financial Divestments

€ 870 mn

Investments
€ 131 mn

Divestments
€ 115 mn

Investments
€ 975 mn

Divestments
€ 1,845 mn

Construction

€ 33 mn

Net Investment

Industrial Services

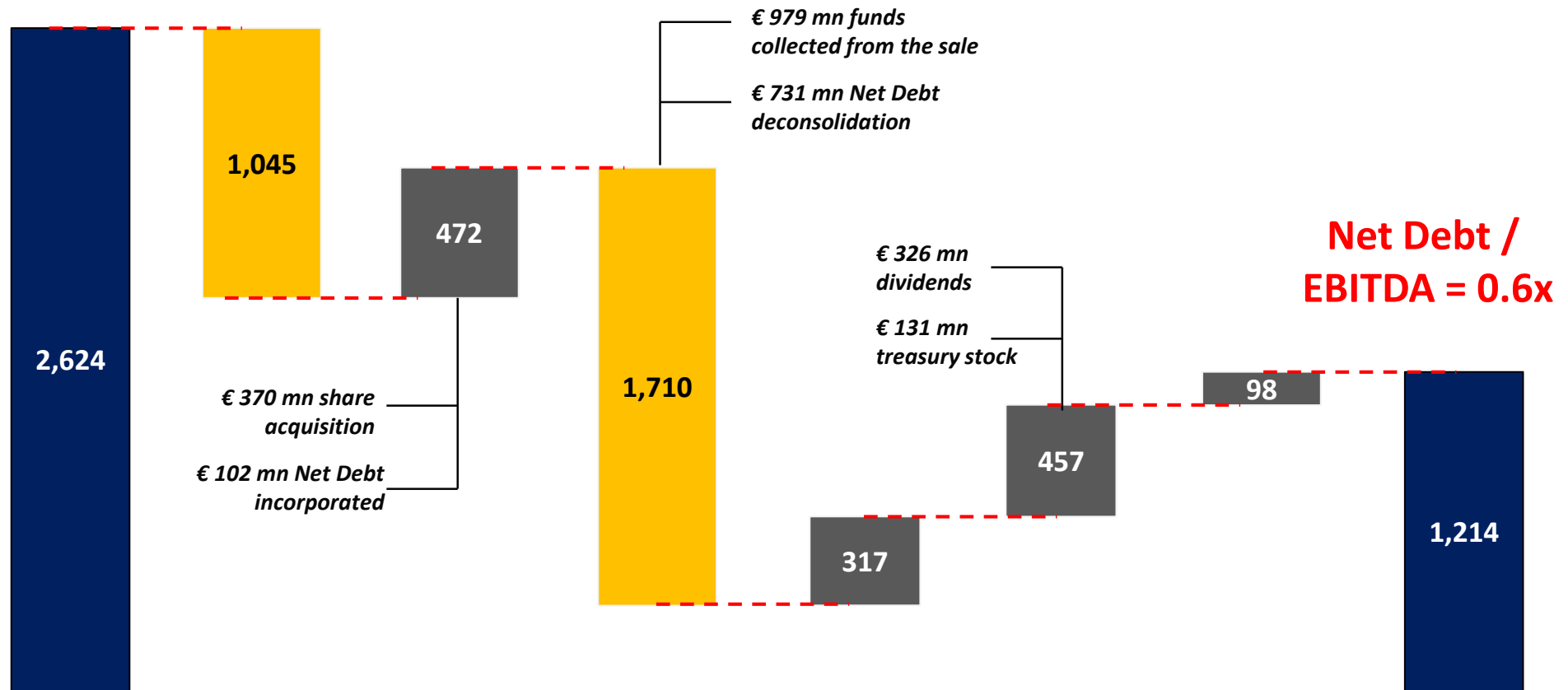
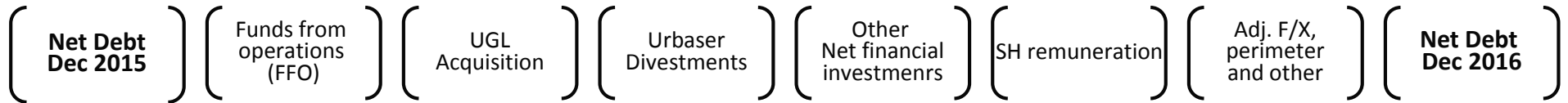
€ 17 mn

Net Divestments

- *Urbaser sale** *Disposal* € 1,144 mn
- *CIMIC Transaction* *Net Investment* € 623 mn
 - *Sedgman/Devine* *Investment* € 87 mn
 - *UGL* *Investment* € 370 mn
 - *NextGen* *Disposal* € 122 mn
 - *Treasury stock* *Investment* € 287 mn
- *Iberdrola* *Disposal* € 471 mn
- *Others* *Net Investment* € 122 mn

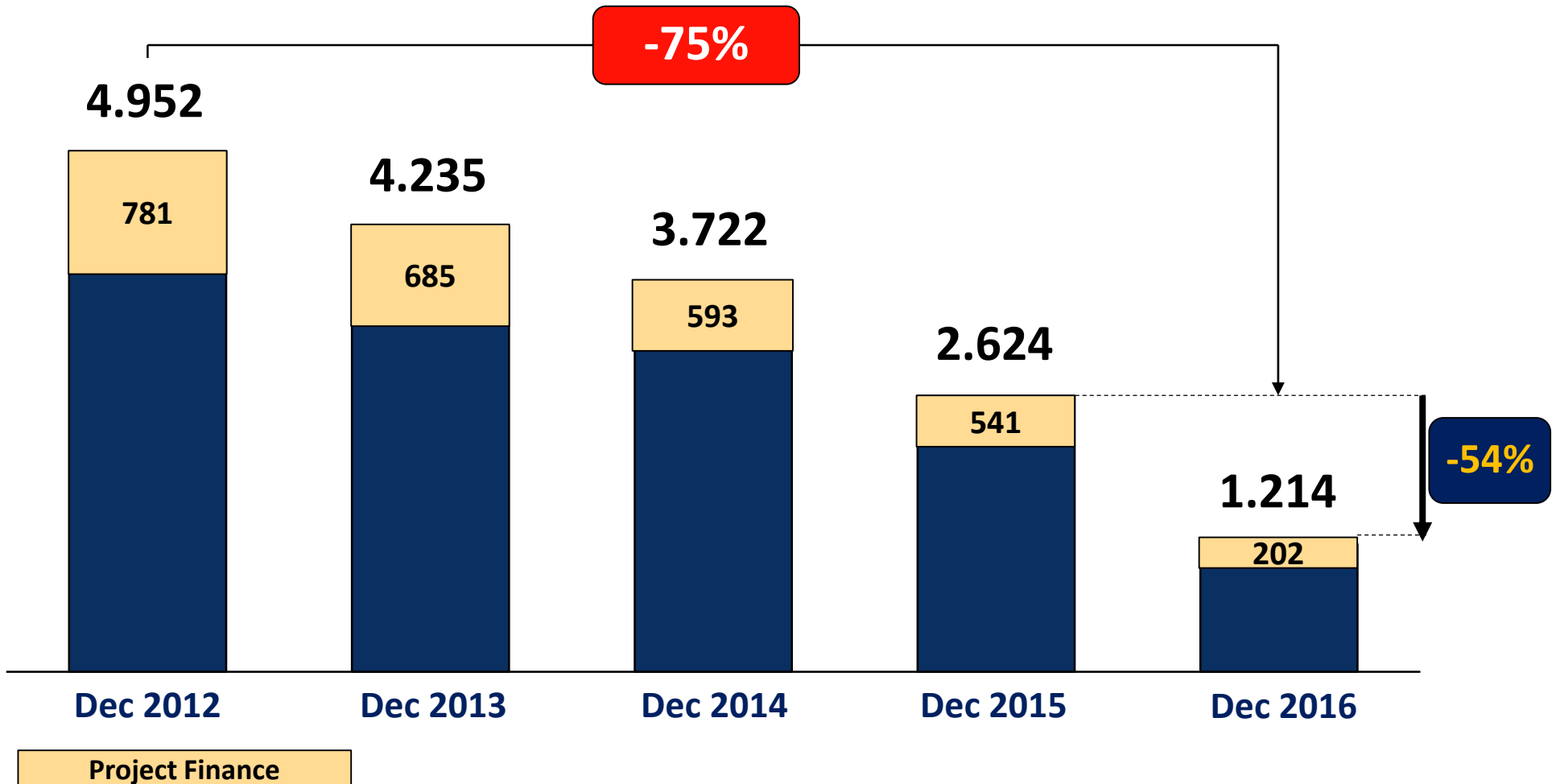
* Not including € 20 mn from the dividends distributed in mid year

Net Debt Evolution

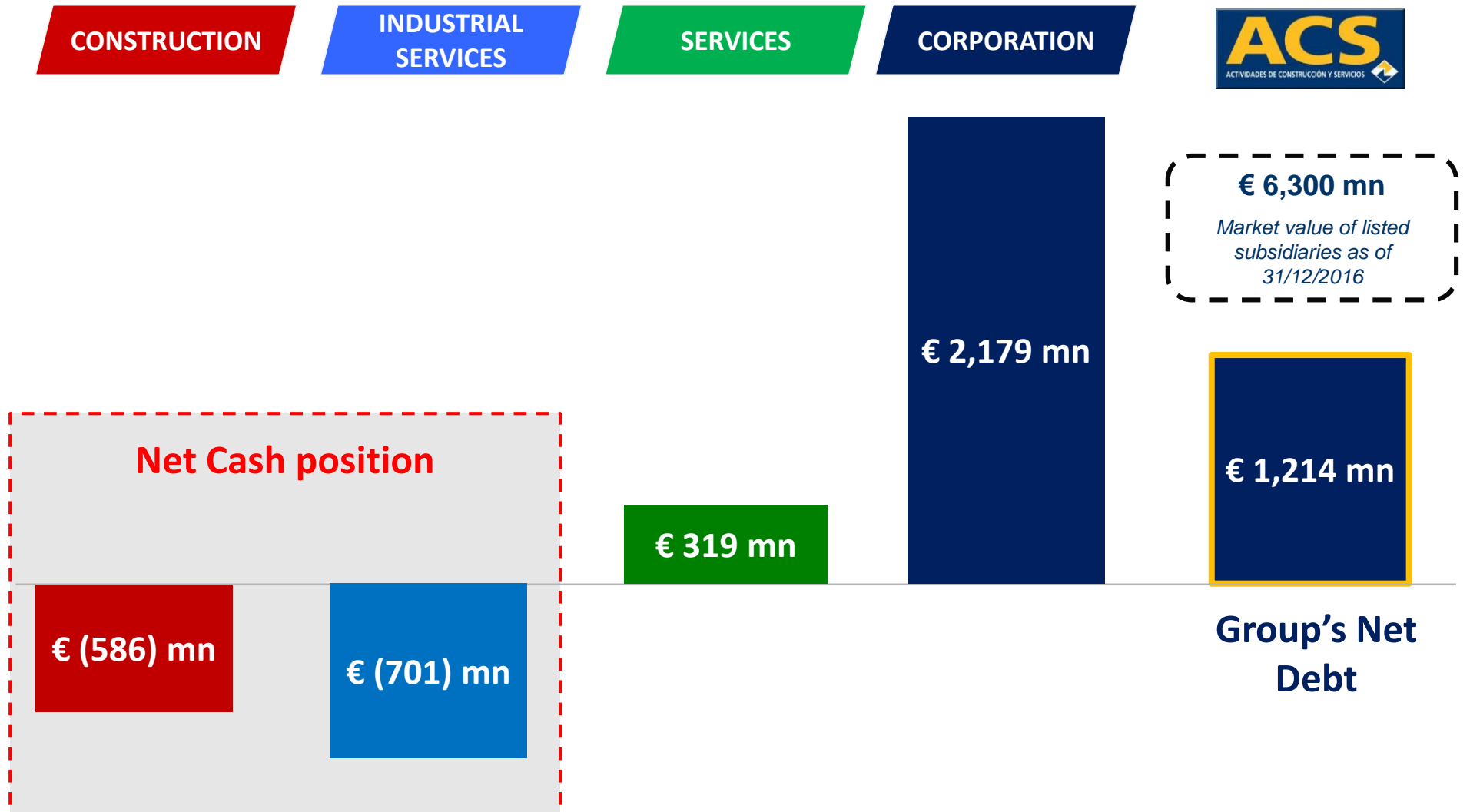


Drastic de-leverage

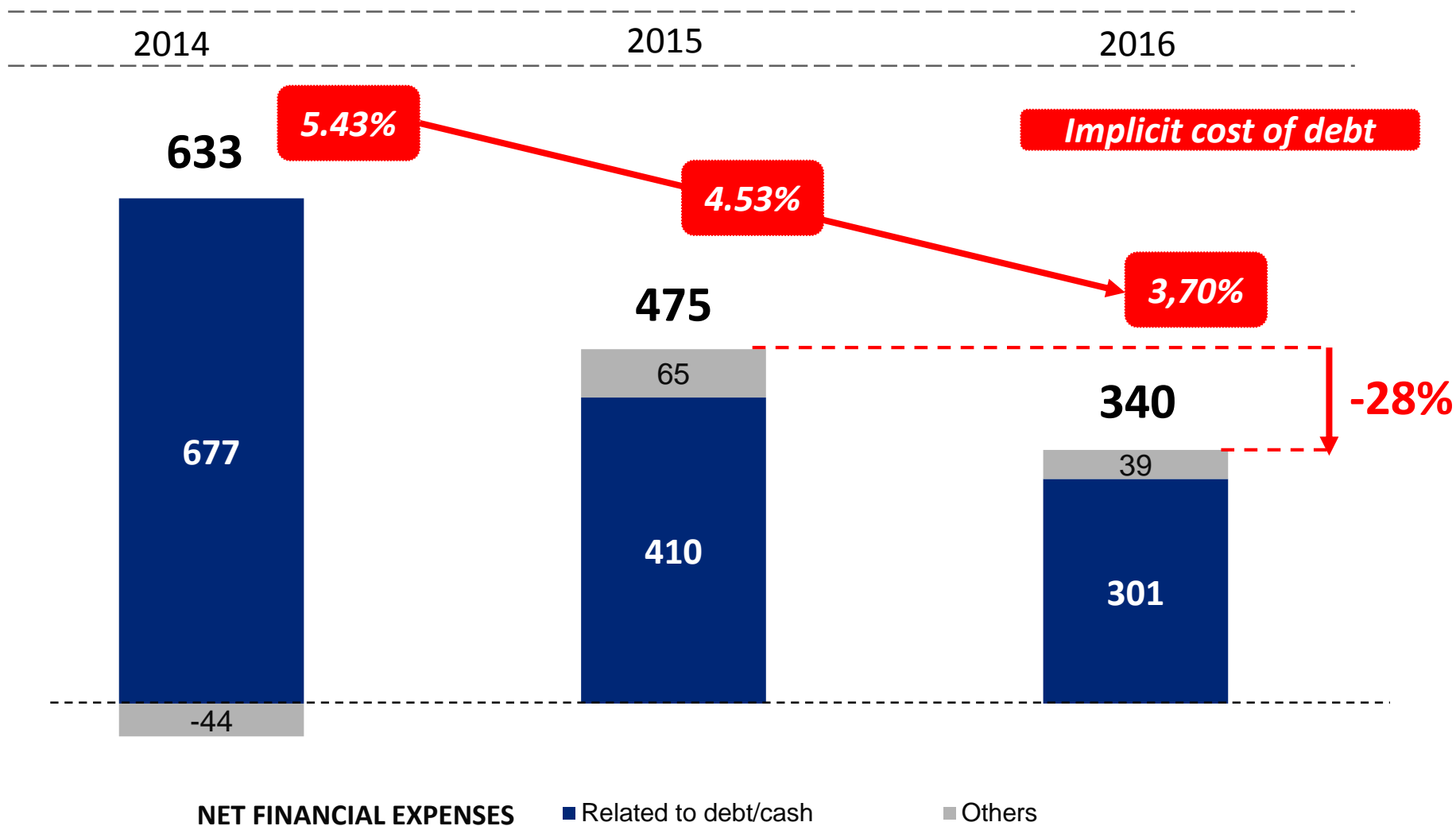
Net Debt / 2016 EBITDA = 0.6x



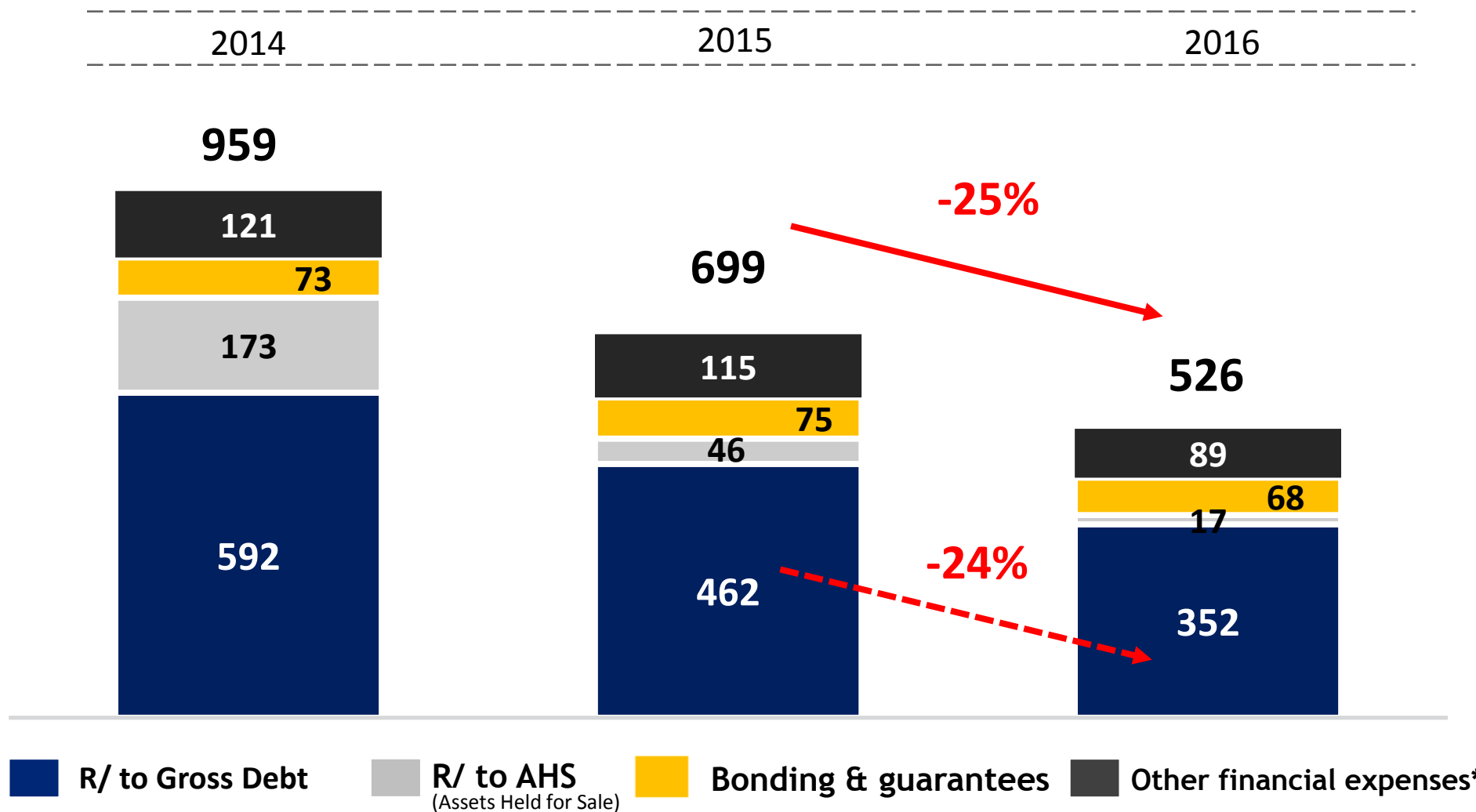
Net Debt structure breakdown by activity



Significant net financial expenses reduction



Financial expenses breakdown evolution



*Bank fees and other debt restructuring associated costs, Derivative instruments costs, Commercial discount and factoring

Strategic consolidation of the business model

Key 2016 business acquisitions

SEDGMAN

- **Mineral processing:** A\$ 379mn sales
- Strategic rationale: Extension of services in the contract mining sector to strengthen the current positioning

- Price: **A\$ 118 mn**
- EV/EBITDA: **4.9x**

Takeover
100%



UGL

- **Industrial Services:** A\$ 1.9bn . A\$ 4.9bn backlog. 6,800 employees
- Strategic rationale: Activity diversification

- Price: **A\$ 516 mn**
- EV/EBITDA: **7.3x**

Takeover
100%




MAGMAHON

- **Contract mining:** : A\$ 347 mn sales. A\$ 1.5bn backlog. 1,529 employees
- Strategic rationale: Operating synergies with Thiess

- Price: **A\$ 138 mn**
- EV/EBITDA: **3.4x**

Takeover
100%

WIP

Strategic consolidation of the business model

Key 2016 business disposals



- **Urban services and waste treatment:** € 1,6bn sales. 16% margin EBITDA. € 8.1bn backlog.
- Strategic rationale: Non core activity, capital intensive

- Price: € 1,164 mn
(+ earnout € 235mn)
- Capital gain: € 357mn
- PE : 23.2x - (27.9x)

SALE



- **Logistic services:** € 131mn sale. 6% margin EBITDA.
- Strategic rationale: Non core activity

- Price: € 55 mn
- PER: 24.5x

SALE in
2017



- **Telecommunication.**
- Strategic rationale: Non core activity
- CIMIC held a stake of 29%

- Price: A\$ 181 mn
- EV/EBITDA: n.a

SALE

Global leadership consolidation

Var. 15/16

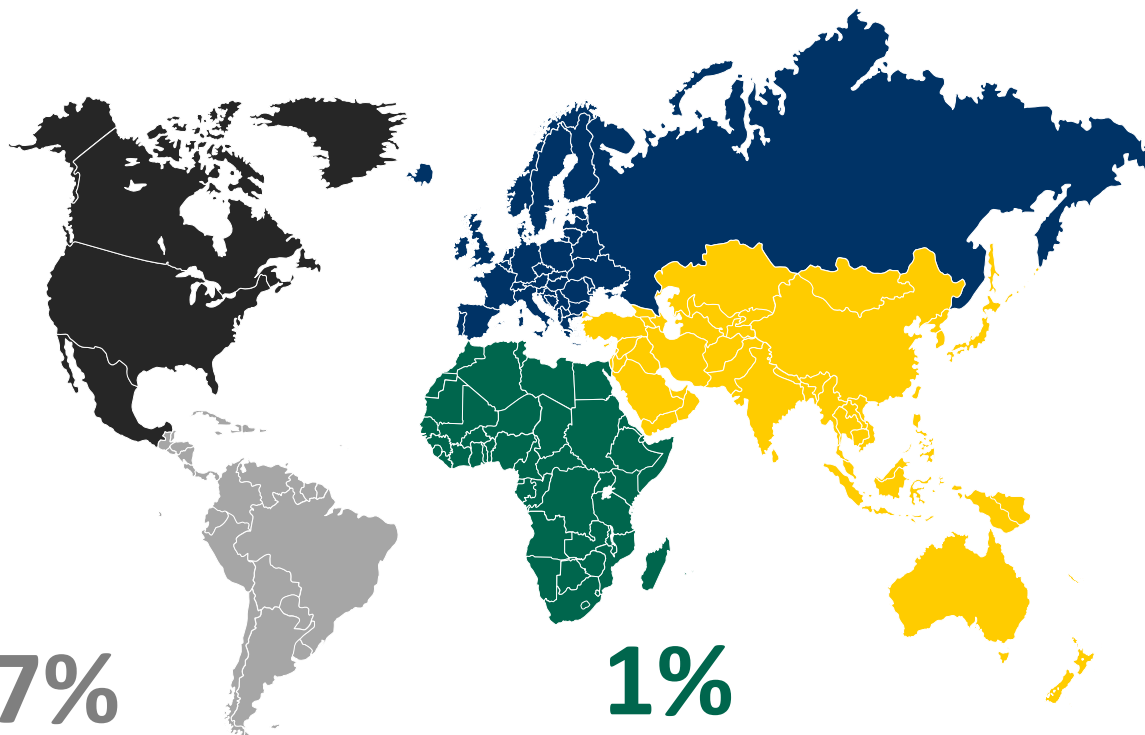
Backlog 2016

€ 66,526 mn

+12.9%

36%

€ 23,896 mn



18%

€ 12,021 mn

38%

€ 25,270 mn

7%

€ 4,389 mn

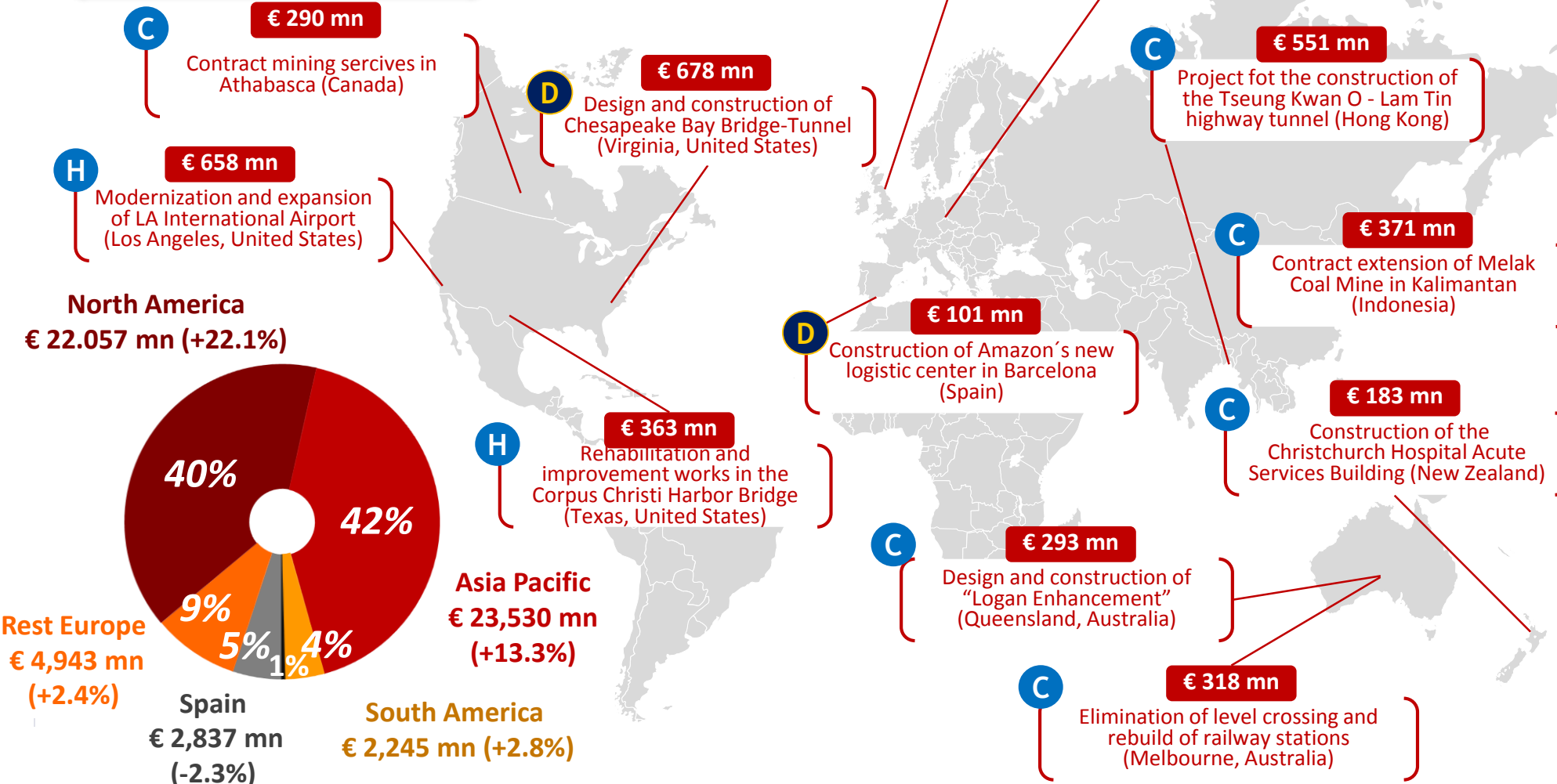
1%

€ 950 mn

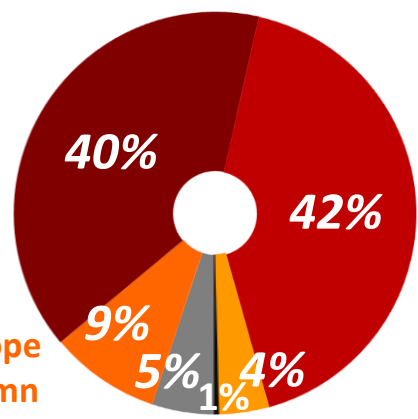
Backlog and Awards

CONSTRUCTION

Backlog
€ 55,769 mn +14.1%



North America
€ 22,057 mn (+22.1%)



Rest Europe
€ 4,943 mn (+2.4%)

Spain
€ 2,837 mn (-2.3%)

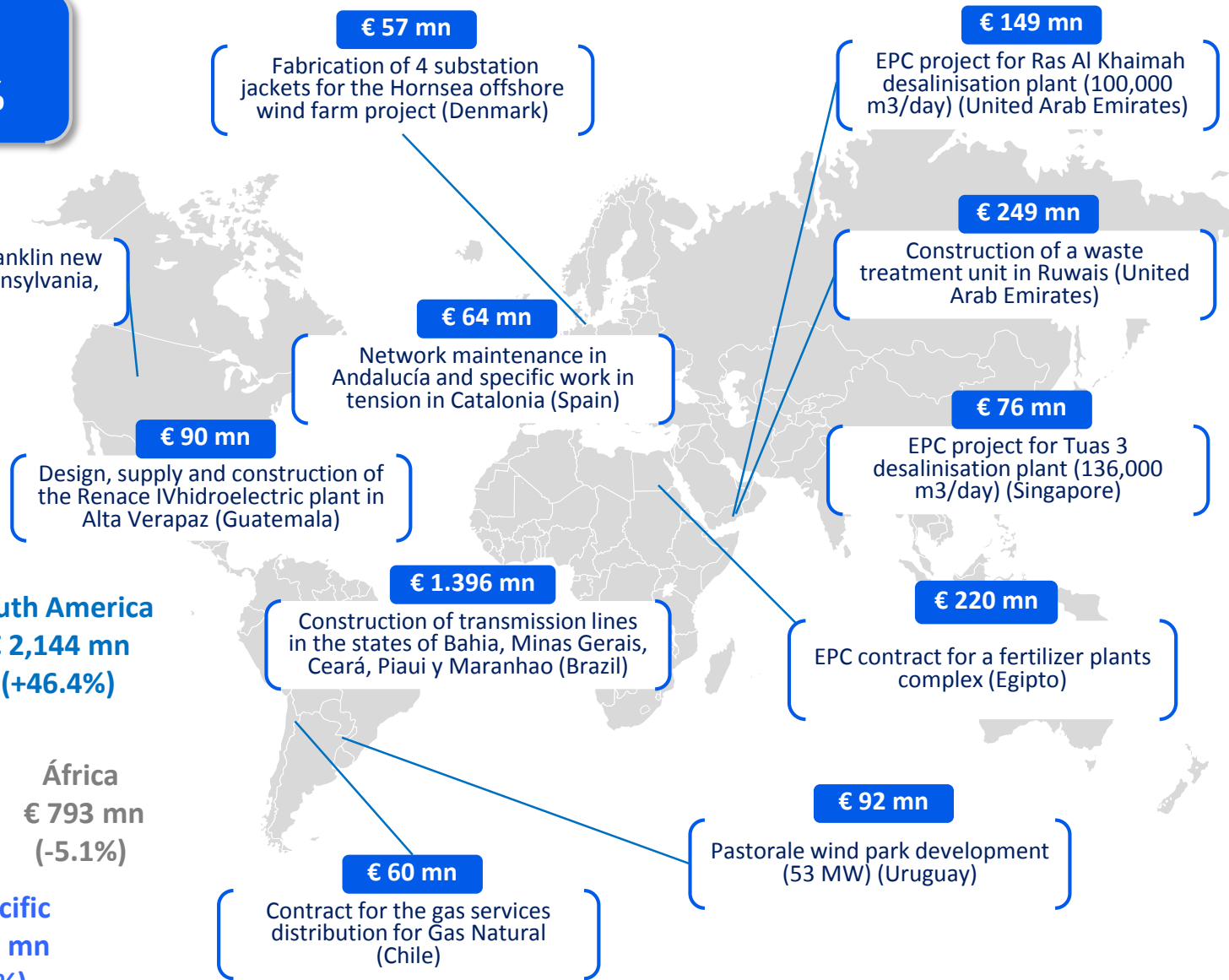
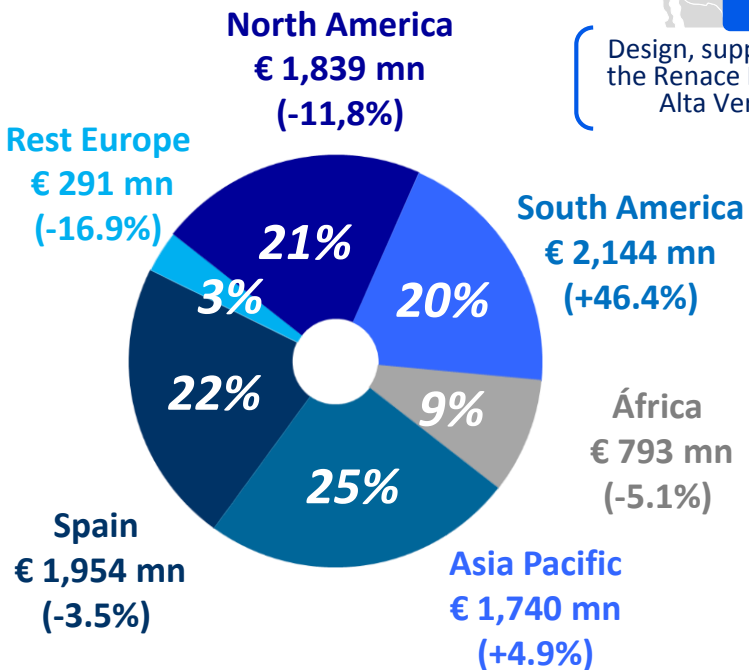
South America
€ 2,245 mn (+2.8%)

Asia Pacific
€ 23,530 mn (+13.3%)

Backlog and Awards

INDUSTRIAL SERVICES

Backlog
€ 8,762 mn +4.0%

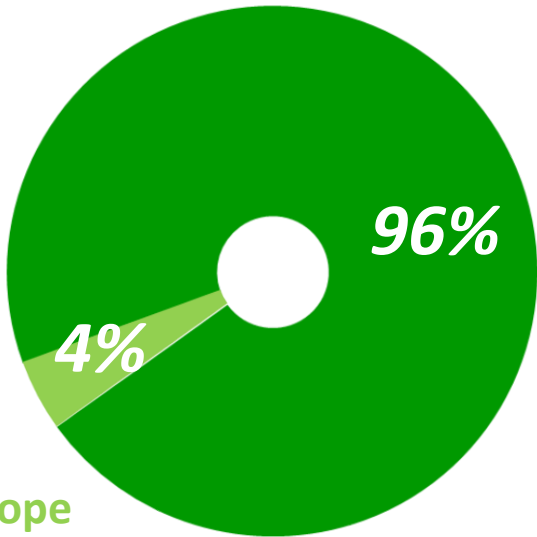


Backlog and Awards

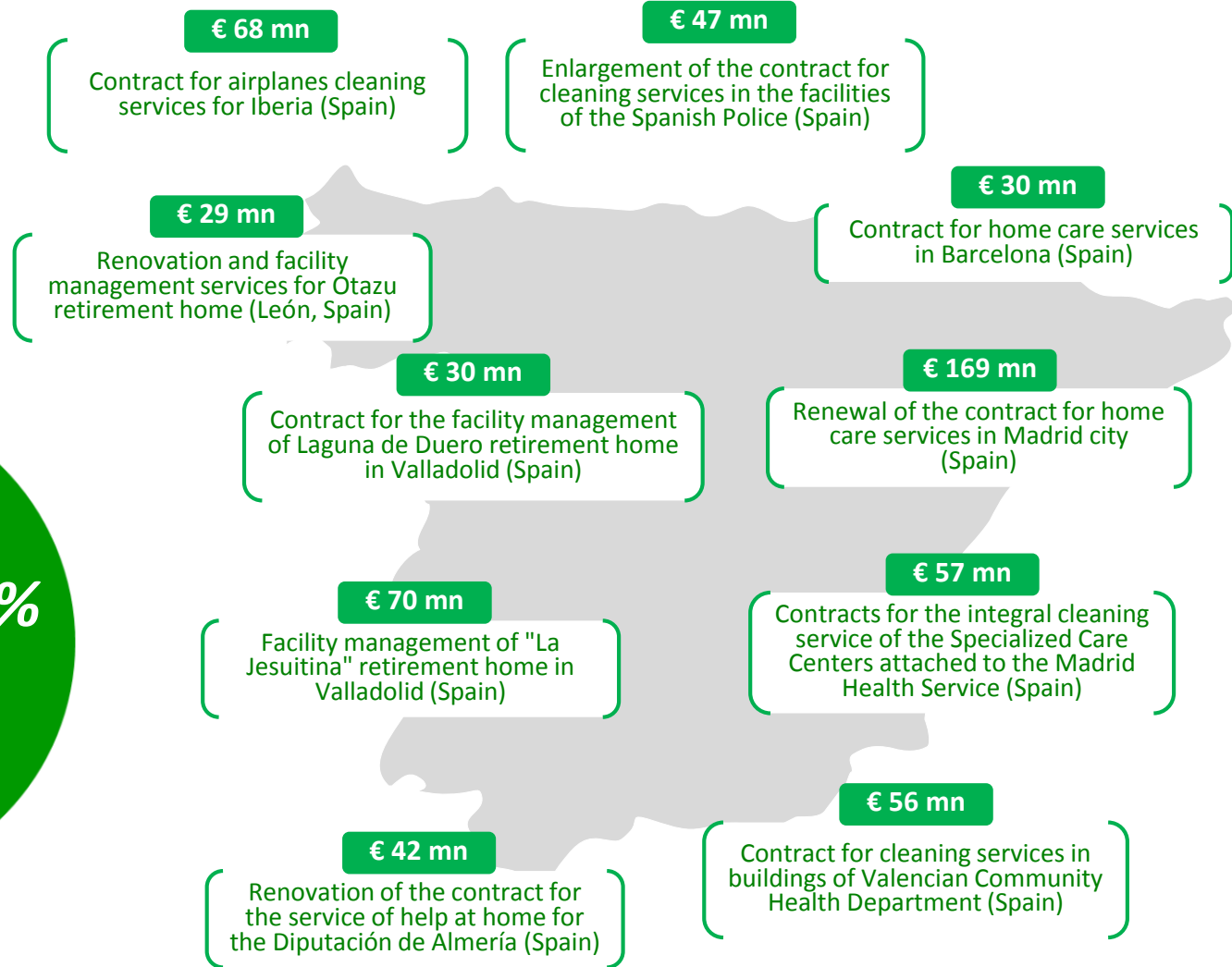
Services

Backlog
€ 1,995 mn +21.2%

Spain
€ 1,908 mn
(+16.5%)



Rest Europe
€ 87 mn



Excellent positioning in strategic markets with growth potential



Excellent positioning in strategic markets with growth potential

Backlog
€ 16.3 bn



Sales
€ 5.1 bn

**En Australia*

€ 293 mn

Design and construction of "Logan Enhancement" (Queensland)

€ 103 mn

Upgrade works in a section of Bruce Highway (Queensland)

€ 135 mn

Construction of phase II of the Gold Coast light rail, Southport - Helensvale (Queensland)

€ 62 mn

Works for installation and connection of ultra-fast broadband (New Zealand)

€ 318 mn

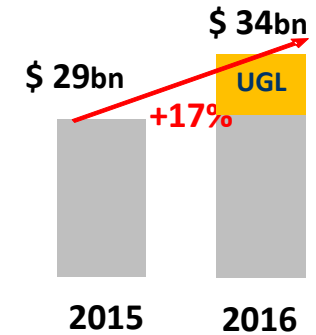
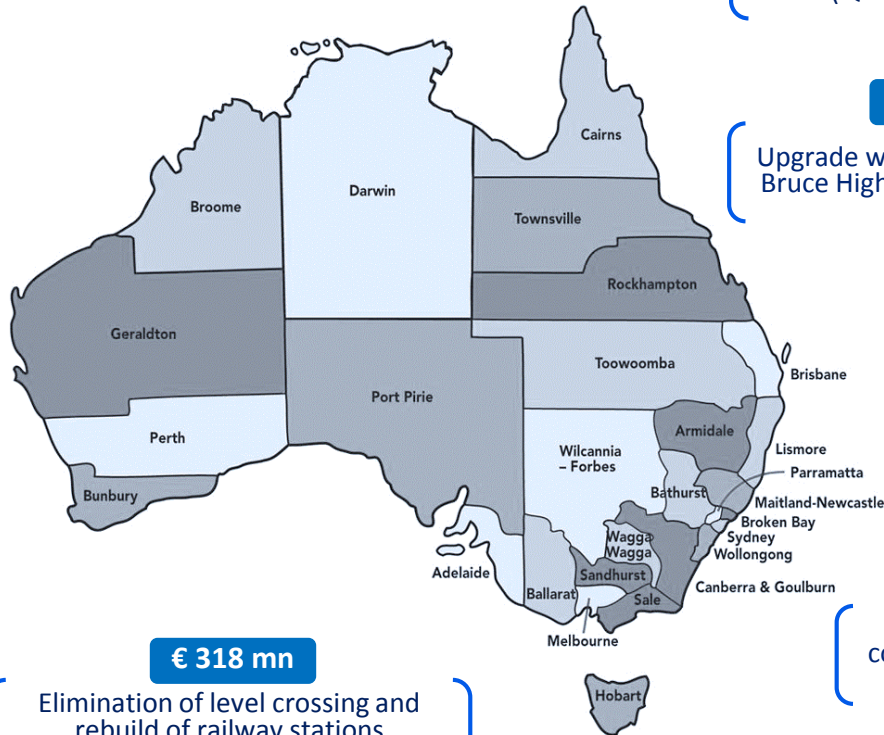
Elimination of level crossing and rebuild of railway stations (Melbourne)

€ 120 mn

Network integrity and facilities management supply services to over 40,000 exchange and network assets across Australia.

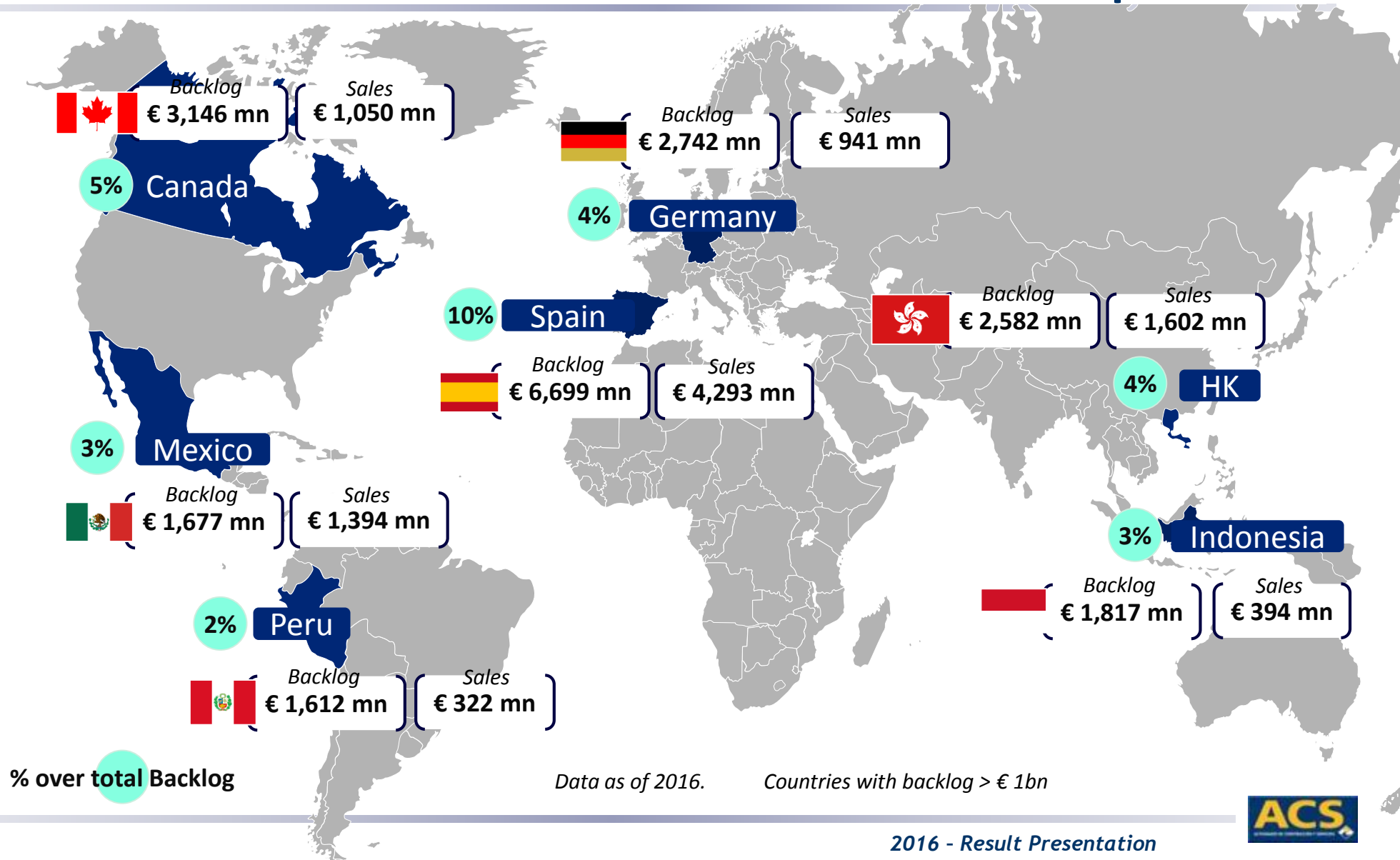
€ 85 mn

Contract extension with Telstra for the delivery of Wideband Services across Australia



BACKLOG CIMIC

Excellent positioning in strategic markets with growth potential



Ready to grow and face future challenges

Growth

Leading position in markets with growth potential

Healthy and efficient financial structure

Strong investment capability thank to a robust cash generation and low leverage position

New challenges

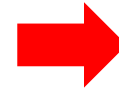
Investment and development of more advanced infrastructure in an ever increasing globalized world

An ever more competitive and demanding sector which requires a flexible and evolutive business model

Objetives



Maintain a solid competitive and strategic positioning



Sustainable growth



Continue with the Group's transformation process



Improve operating and financial efficiency



Further improvement in the Group's financial structure



Raise market value



Increase total shareholder return



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