



March 1<sup>st</sup> 2018

# 2017 Results Presentation

# Executive summary

**SOLID 2017 RESULTS**

**Net Profit 802 €mn**

**+17% comparable\***

**STRONG CASH GENERATION**

**Net FFO 1,492 €mn**

**+43%**

**NET DEBT REDUCTION AT A HISTORICAL LOW**

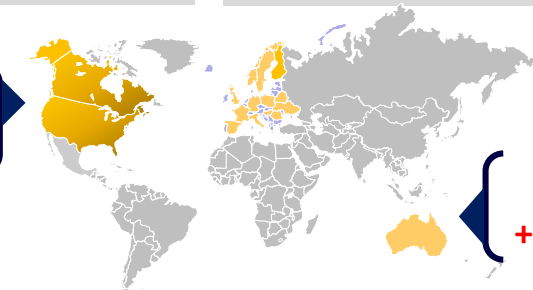
**Net Debt 153 €mn end of 2017**

**-87% vs 2016**

**0.1x EBITDA**

**GROWING BACKLOG IN STRATEGIC MARKETS**

**23.4 €bn**  
**+18% comp\***



**17.8 €bn**  
**+14% comp\***

**PROMOTING GROWTH AND LONG TERM VALUE CREATION**

**PPP market 2018-21 > 200 €bn**

**+ excellent competitive position**

\* Adjusted by FX and excluding Urbaser in 2016

# 2017 Key operating figures

Figures in € million

		Var.	Var. Comparable <sup>1</sup>
<b>SALES</b>	<b>34,898</b>	<b>+9.1%</b>	<b>+10.7%</b>
<b>EBITDA</b>	<b>2,279</b>	<b>+12.6%</b>	<b>+13.9%</b>
<b>EBIT</b>	<b>1,626</b>	<b>+12.5%</b>	<b>+14.2%</b>
<b>NET PROFIT</b>	<b>802</b>	<b>+6.8%</b>	<b>+17.0%</b>
<b>NET FFO<sup>2</sup></b>	<b>1,492</b>	<b>+42.8%</b>	<b>n/a</b>
<b>BACKLOG</b>	<b>67,082</b>	<b>+0.8%</b>	<b>+8.8%</b>

(1) Adjusted by FX and excluding Urbaser in 2016

(2) FFO: Net funds from operations

# Net Debt and evolution 2011- 2017

Figures in € million

**Net cash position (ex Project finance)**

**42**

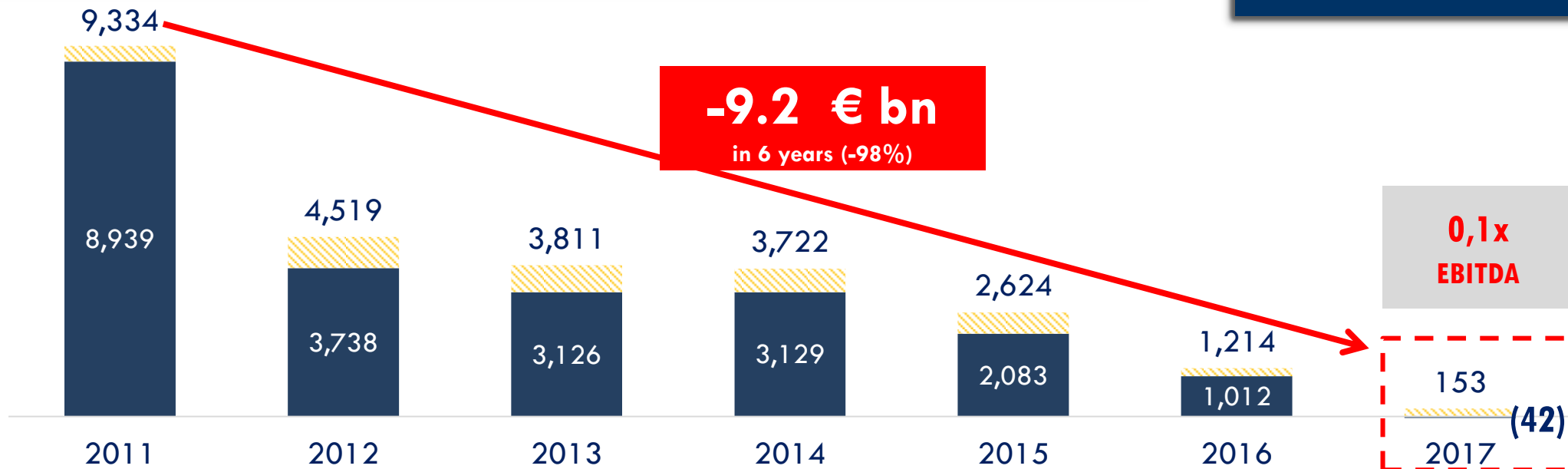
**Project Finance (non-recourse)**

**195**

**Net Debt at 2017 year end**

**153**

Reduction of  
**1,061 €mn** in 2017



Project finance debt

Net Debt ex Project Finance

2017 - Result Presentation



# Geographic diversification

**SALES 2017**

**€ 34,898 mn**

**+9.1%**

**(+10.7% ex FX)**

**45% o/sales**  
**15,483 mn€**  
**+5.6%**








**20% o/sales**  
**6,966 mn€**  
**+0.8%**

**29% o/sales**  
**10,226 mn€**  
**+22.6%**

**5% o/sales**  
**1,754 mn€**  
**-0.8%**

**1% o/sales**  
**470 mn€**  
**+64.4%**

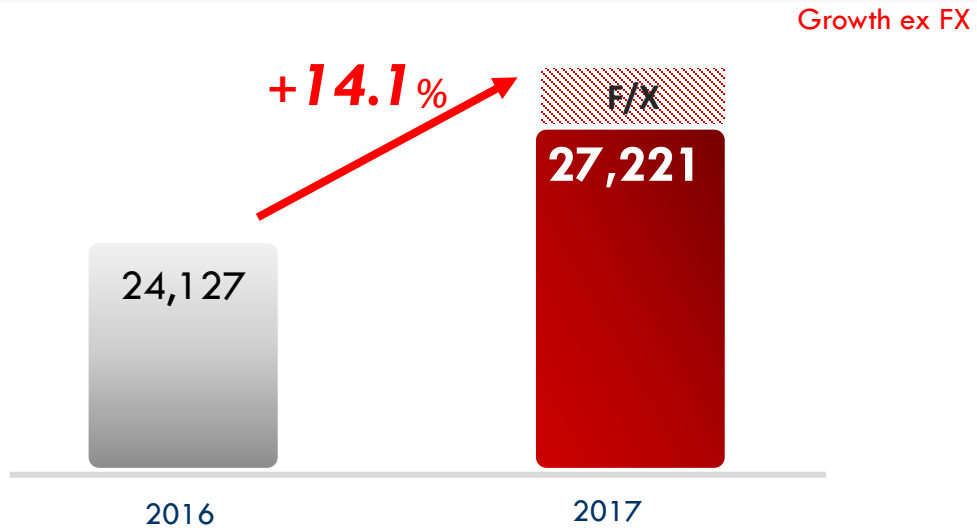
**TOP 5 Country**    sales    weight /sales

	EEUU	13.3 €bn	38%
	Australia	7.0 €bn	20%
	Spain	4.4 €bn	13%
	Hong Kong	1.4 €bn	4%
	Canada	1.2 €bn	3.5%
	Mexico	0.9 €bn	3%
	Germany	0.9 €bn	3%

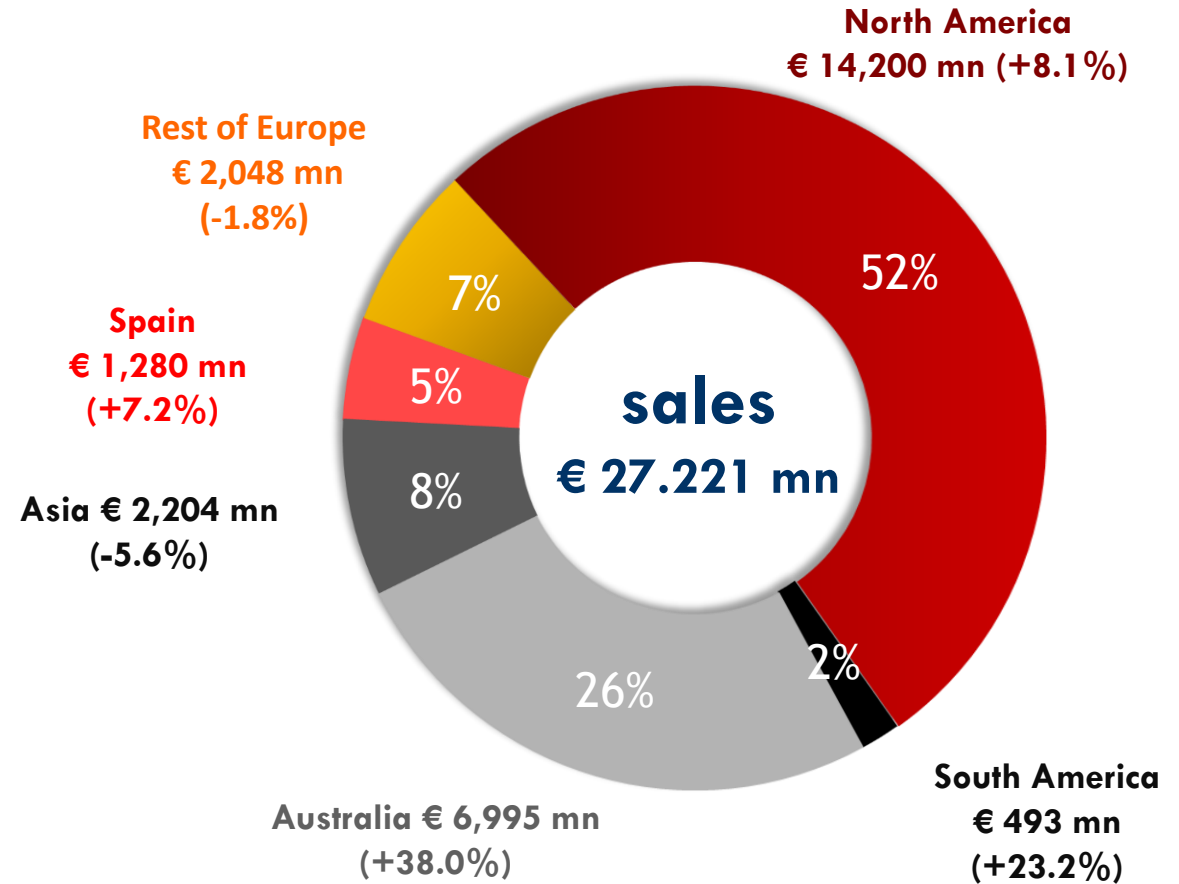
**Annual growth**

# CONSTRUCTION

## Sales evolution €mn



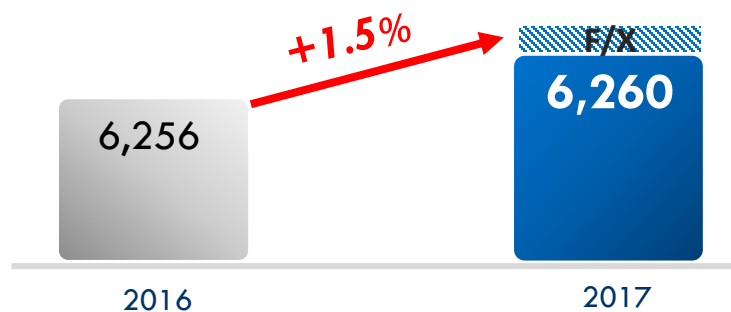
- ✓ **Solid growth in USA**  
(+11% in local currency)
- ✓ **CIMIC's sales rebound**  
(+24% in local currency)



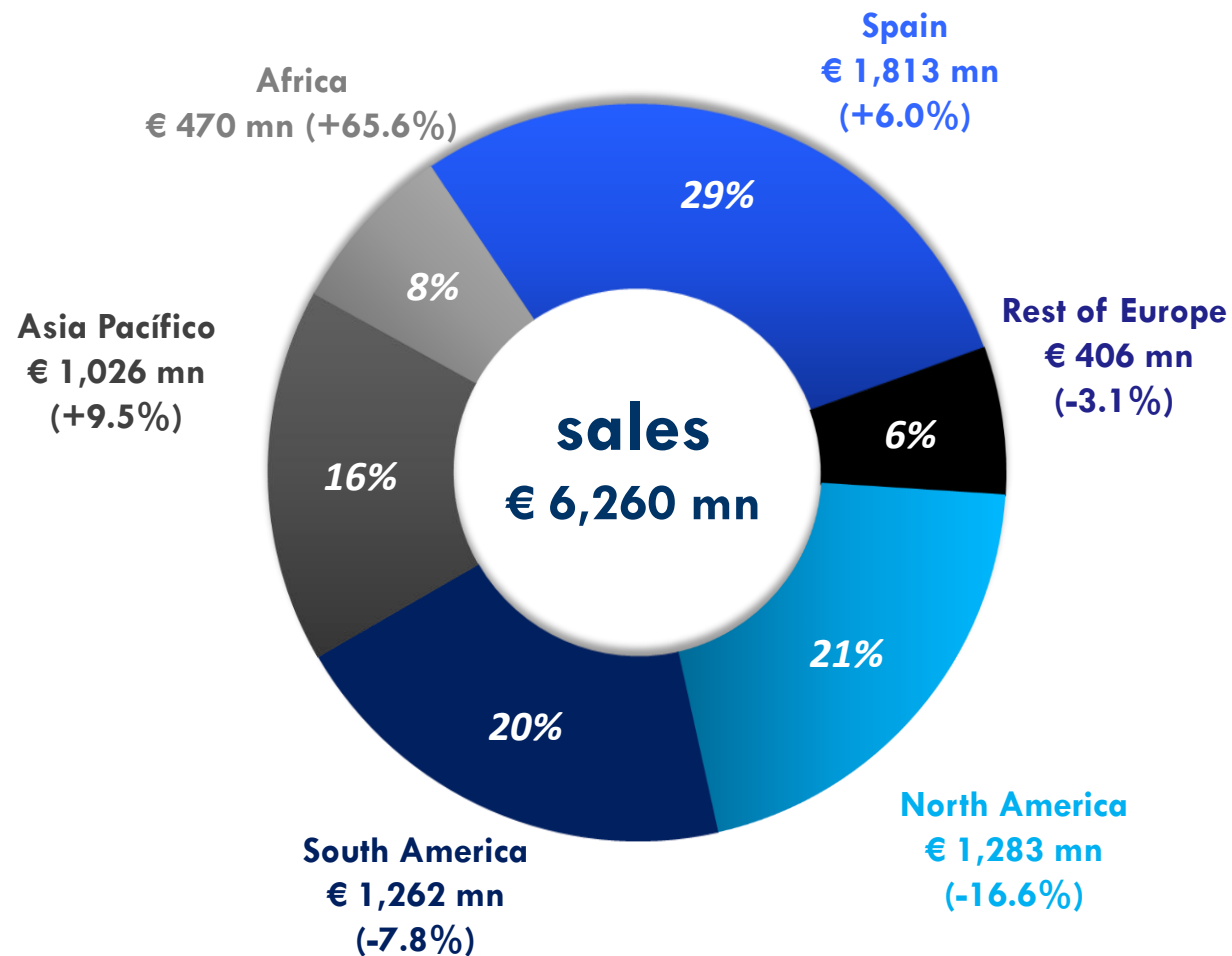
# INDUSTRIAL SERVICES

## Sales evolution €mn

Growth ex FX

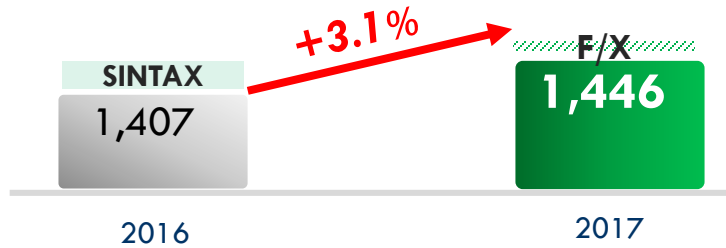


- ✓ Domestic market recovery
- ✓ Strong growth in Asia Pacific



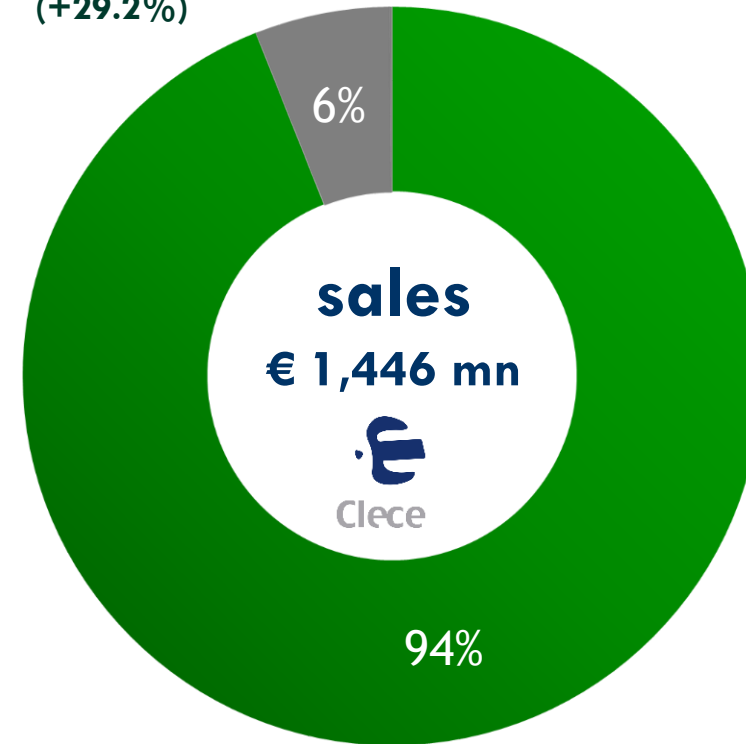
# SERVICES

## Sales evolution €mn



✓ **Solid position in Spain** with increasing exposure to the european market

Rest of Europe  
€ 85 mn  
(+29.2%)



Spain  
€ 1,361 mn  
(+1.5%)

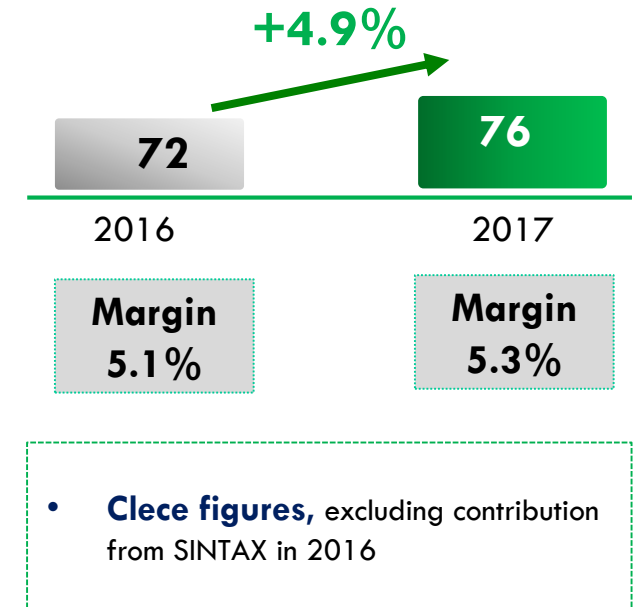
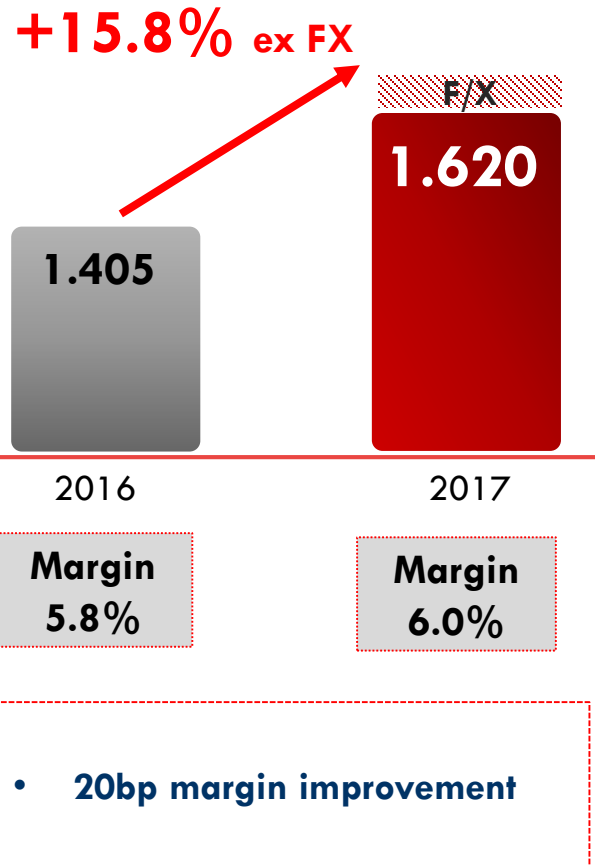


# Operating results - EBITDA

## CONSTRUCTION

## INDUSTRIAL SERVICES

## SERVICES



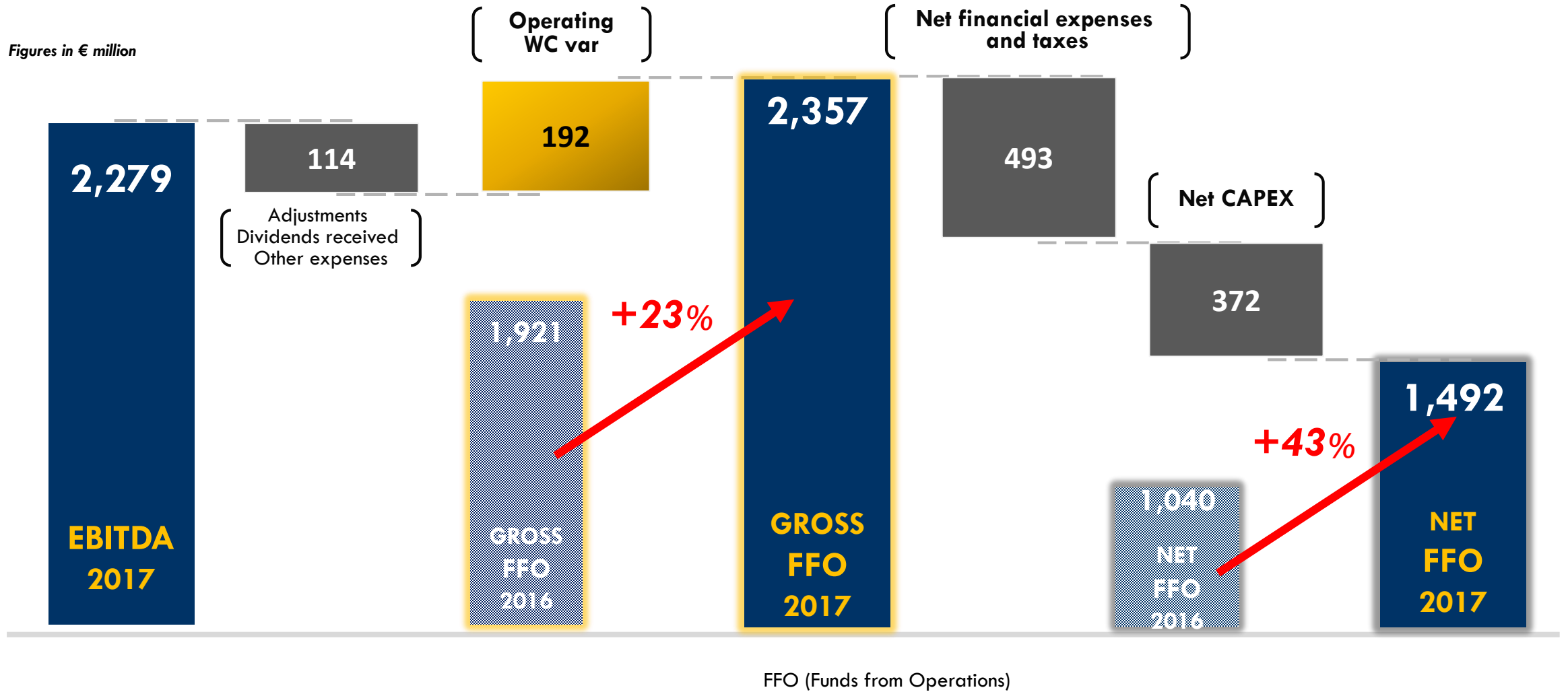
# Net Profit by activities

Figures in € million

	2016	2017	Var.
<b>Construction Net Profit</b>	<b>311</b>	<b>387</b>	<b>+24.4%</b>
<b>Industrial Services Net Profit</b>	<b>305</b>	<b>319</b>	<b>+4.6%</b>
<b>Services Net Profit</b>	<b>26</b>	<b>37</b>	<b>+38.4%</b>
<b>Corporation</b>	<b>52</b>	<b>59</b>	
<b>Net Profit ex Urbaser <sup>(1)</sup></b>	<b>694</b>	<b>802</b>	<b>+15.5%</b>
<b>Urbaser</b>	<b>57</b>	<b>0</b>	
<b>Attributable Net Profit</b>	<b>751</b>	<b>802</b>	<b>+6.8%</b>

(1) Adjusted by FX, Net Profit grows by 17%

# Operating Cash Flow



# Net operating investments detail (CAPEX)

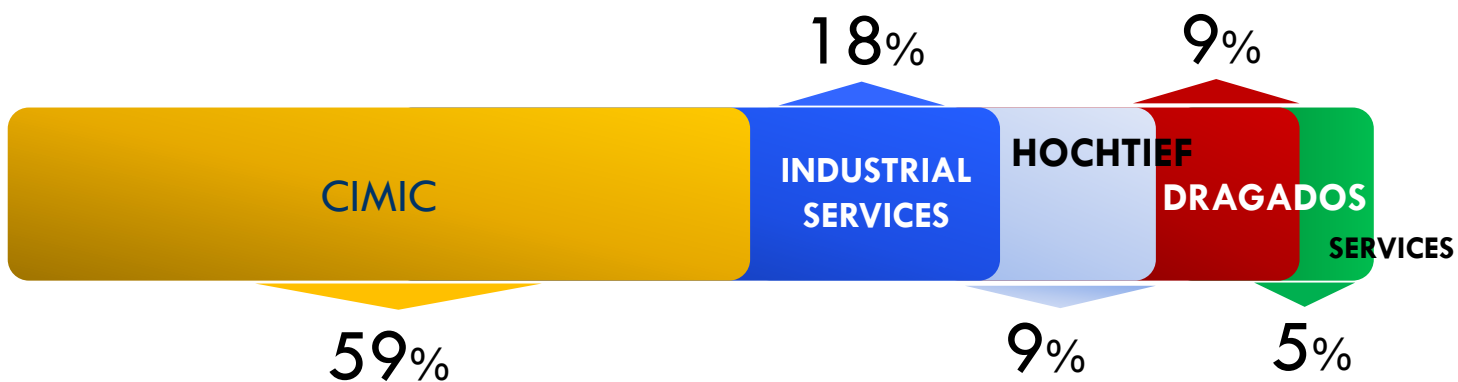
**OPERATING NET CAPEX**

**€ 372 mn**

CONSTRUCTION		INDUSTRIAL SERVICES		SERVICES	
€ 284 mn		€ 65 mn		€ 21 mn	
Investments € 426 mn	Divestments € 142 mn	Investments € 88 mn	Divestments € 23 mn	Investments € 28 mn	Divestments € 7 mn

Dragados	€ 32 mn
HOCHTIEF	€ 36 mn
CIMIC*	€ 216 mn

\*Mainly contract mining machinery and TBMs for civil work projects



# Detail on Financial and Project net investments

## Net financial divestments

**€ 63 mn**

Investments in financial assets and concessional projects

**€ 371 mn**

Divestments in financial assets and concessional projects

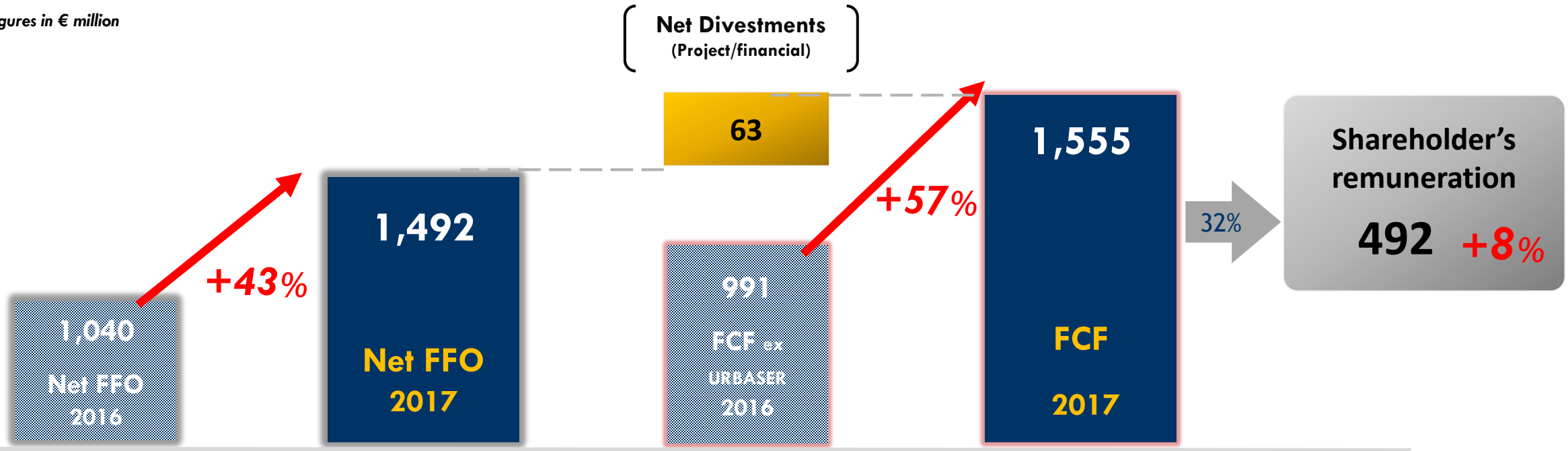
**€ 434 mn**

- *Renewable energy* € 126 mn
- *Transmission lines Brazil* € 87 mn
- *HOCHTIEF (various)* € 52 mn
- *Energy Projects (Cobra)* € 35 mn
- *UGL minorities acquisition* € 20 mn
- *Iridium concessions* € 48 mn
- *Other* € 3 mn

- *Sale of Iridium concessions* € 177 mn
- *Sale of wind parks in Portugal* € 116 mn
- *Sale of Sintax* € 55 mn
- *HOCHTIEF Europe (PPPs & other)* € 37 mn
- *DRAGADOS (Financial assets)* € 19 mn
- *Other* € 30 mn

# Free Cash Flow

Figures in € million

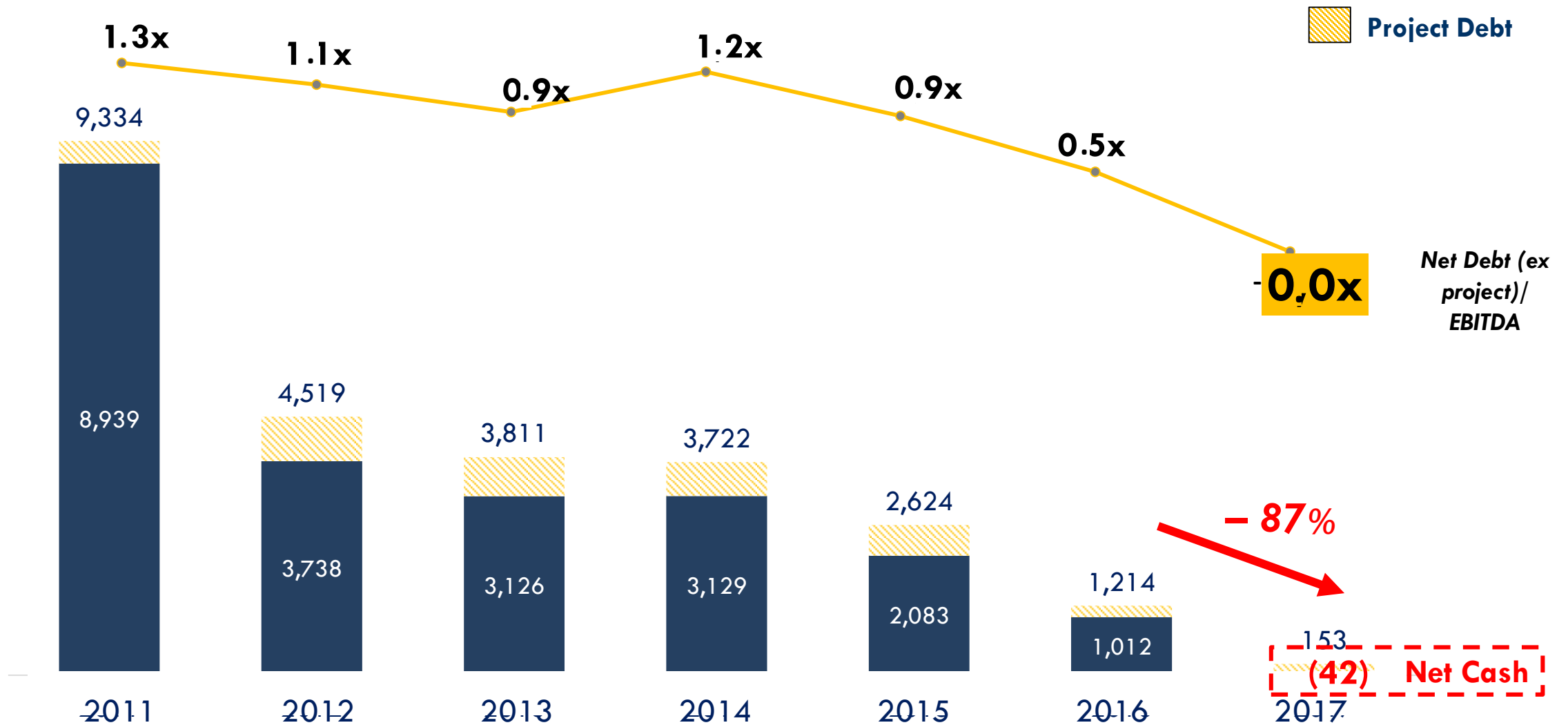


FCF = Free Cash Flow

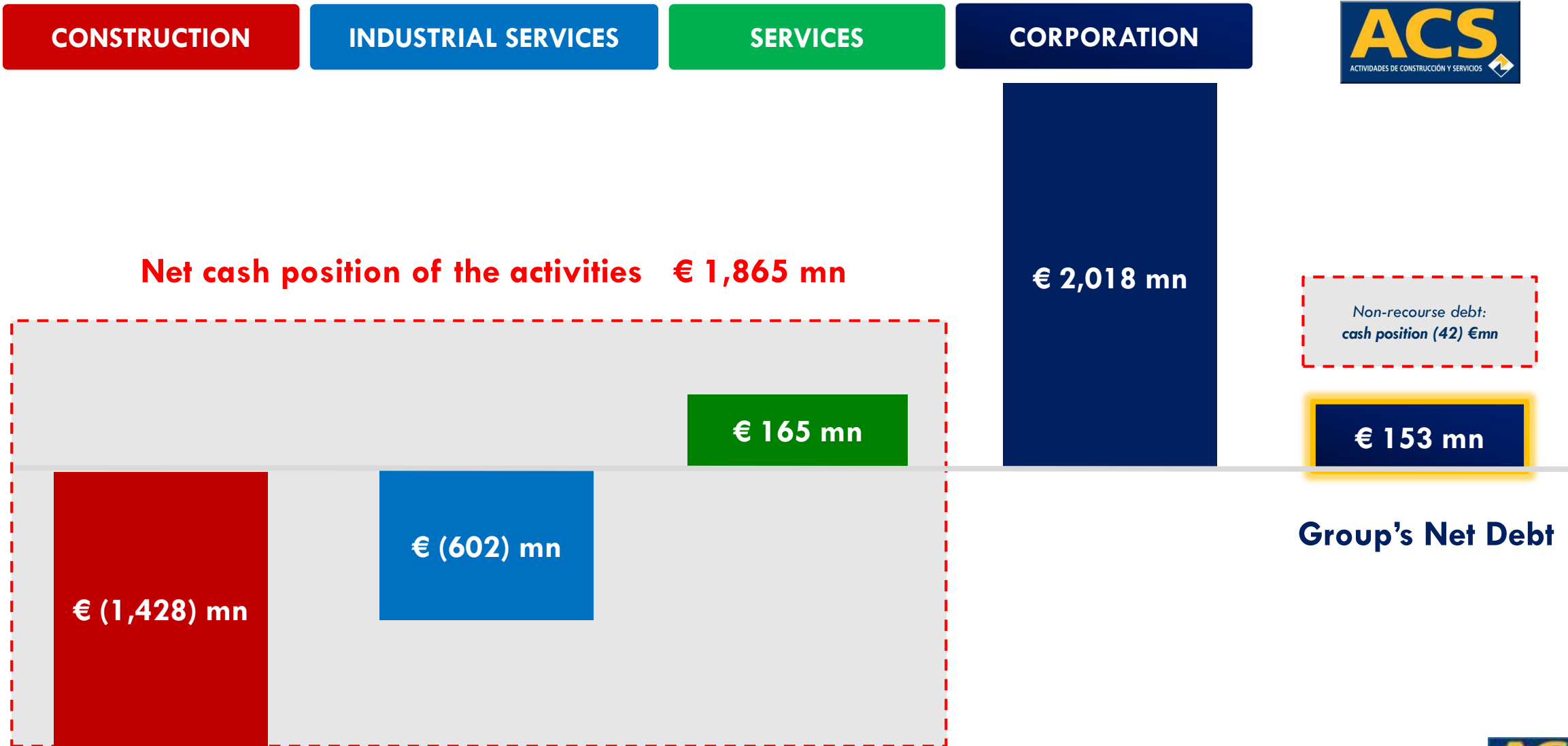
- ✓ Significant increase in free cash flow
- ✓ Increase in shareholder's remuneration

	DPS paid 2017	Annual increase
	€ 1.196	+4%
	€ 2.60	+30%
	\$ 1.74	+24%

# Net debt reduction at a historical low

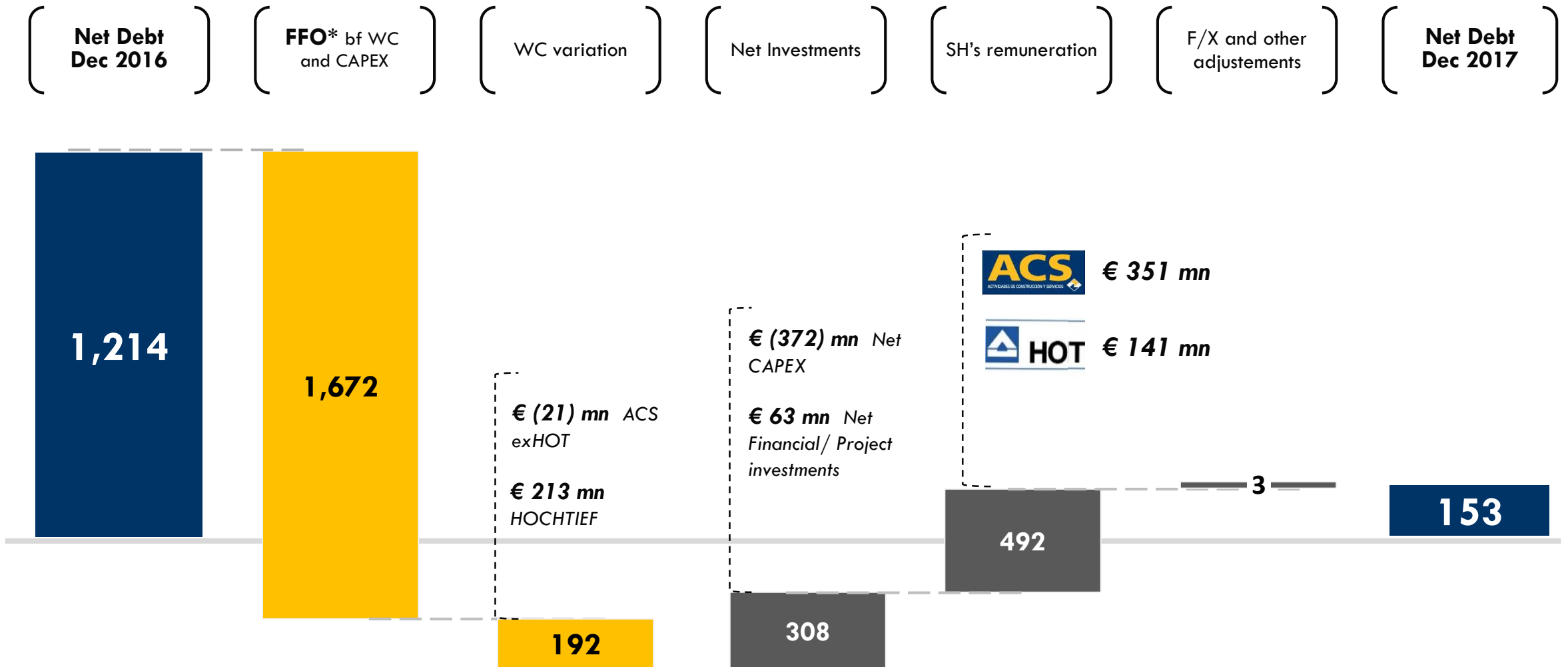


# Net Debt structure by activity





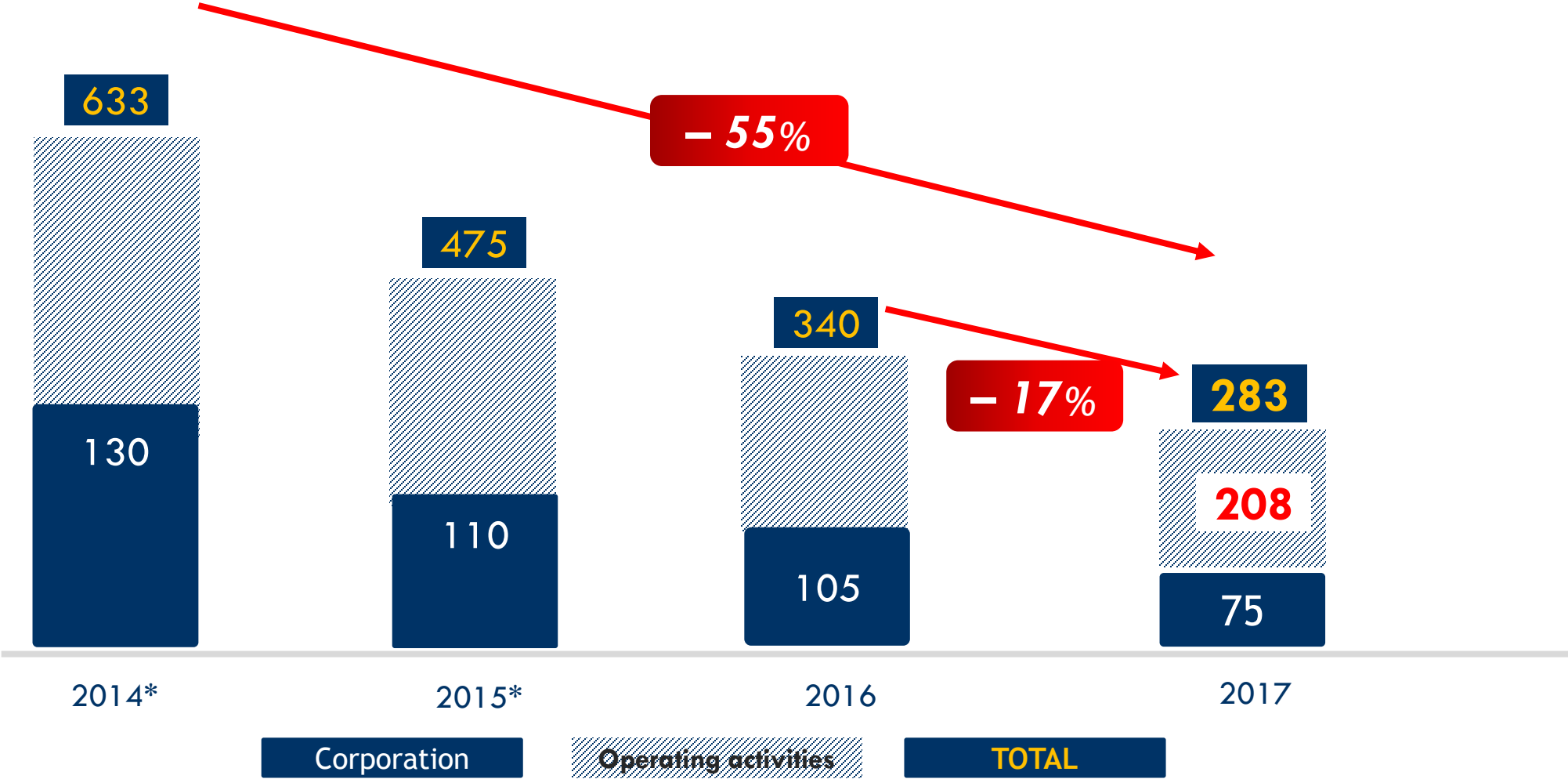
# 2017 Net Debt evolution



Figures in € mn

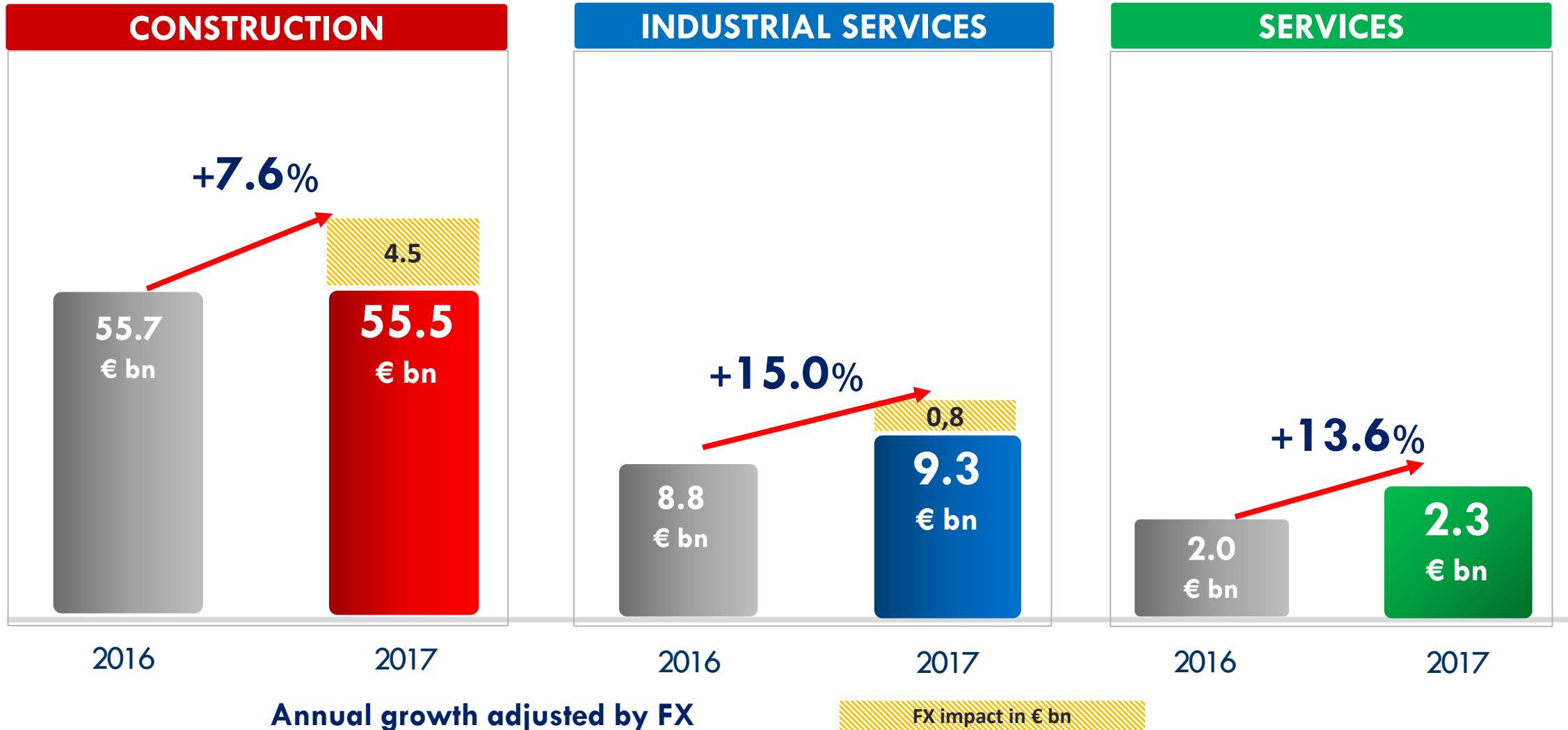
\*Funds from Operation

# 2014 – 2017 Net financial expenses evolution

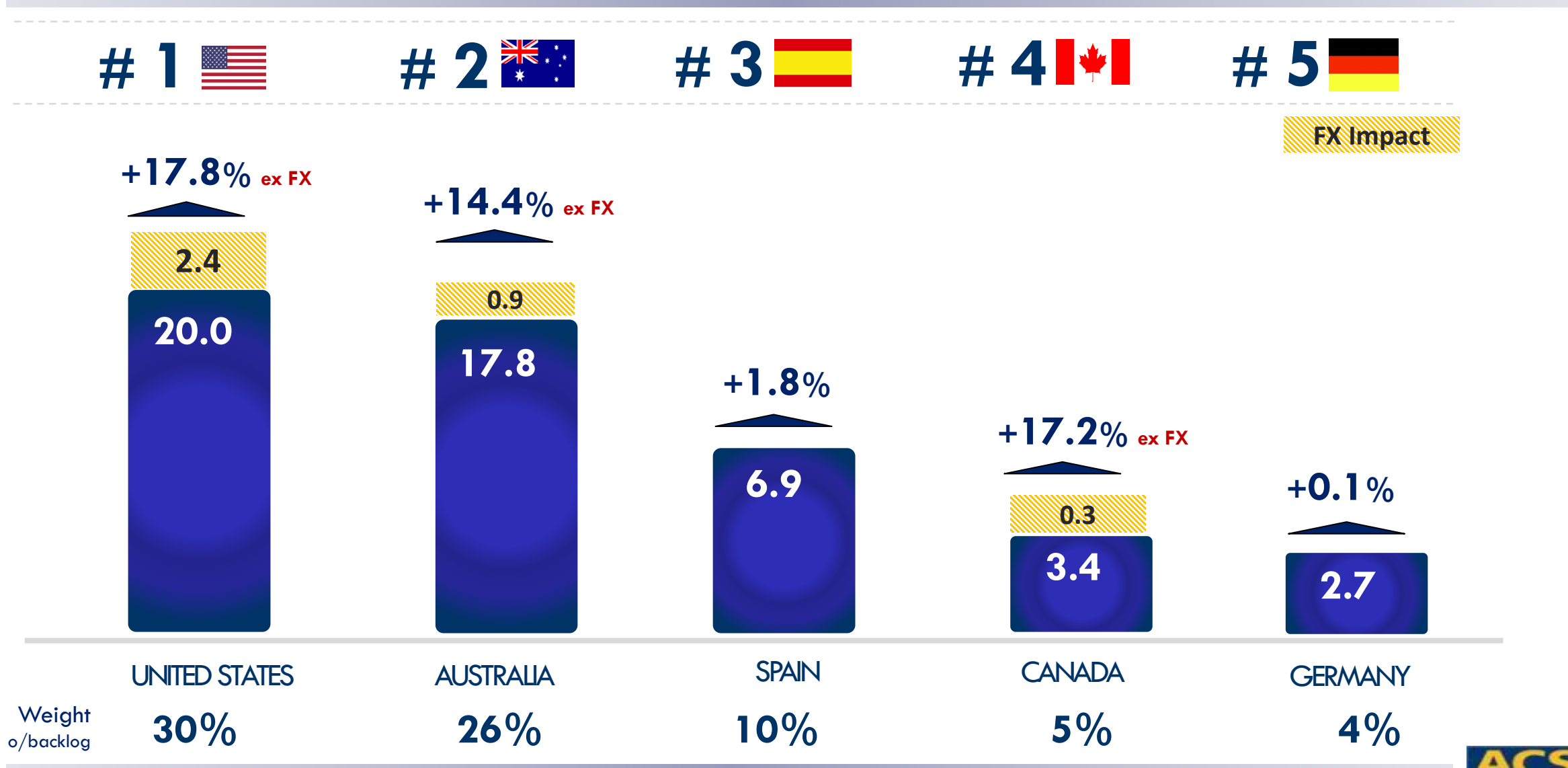


(\*) Restated data excluding Urbaser.

# Backlog breakdown by business areas

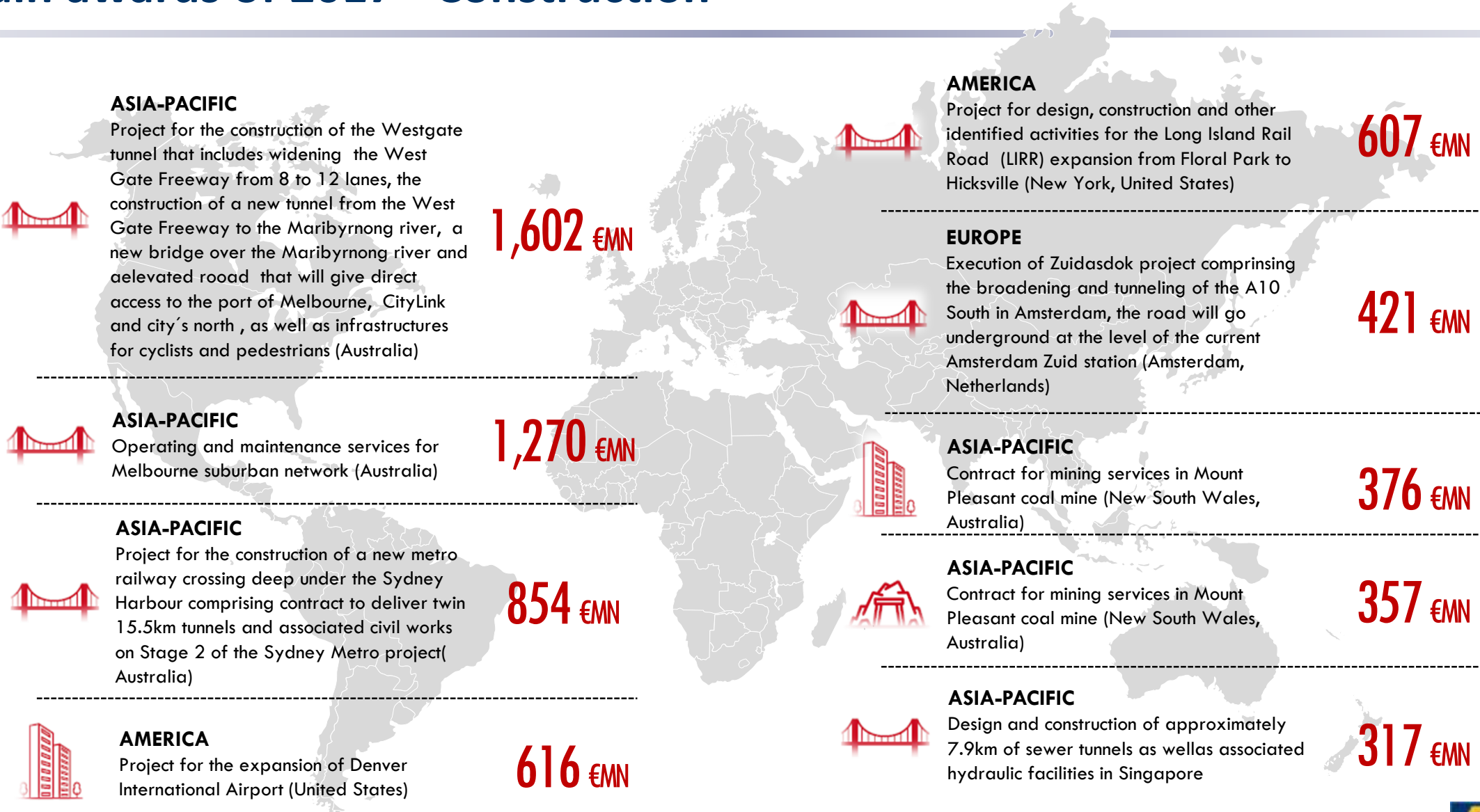


# Strategic position in solid markets with growth potential



NOTA: figures in billions. Growth adjusted by F/X

# Main awards of 2017 - Construction



# Main awards of 2017 – Industrial Services



## SPAIN

Project for the EPC construction of photovoltaic plants in Spain with a total installed capacity of 1,550 MW

1,100 €MN



## AMERICA

Works for the modernization of the Talara refinery consisting of the execution of auxiliary units and complementary works (Peru)

780 €MN



## AMERICA

Project for the construction of a sour gas compression platform in the Ku-Maloob-Zaap oilfield in the Bya of Campeche (Mexico)

607 €MN



## EUROPE

Project Dolwin 6 consisting in construction of a platform for an HVDC offshore converter in the German North Sea (Germany)

336 €MN



## AMERICA

Contract for the installation and maintenance of the photovoltaic plants of Santa María and Orejana with an installed capacity of 166 MW and 125 MW respectively in Chihuahua and Sonora (Mexico)

247 €MN



## ASIA- PACIFICO

EPC project for the construction of a photovoltaic plant in Matsuzaka with an installed capacity of 100MW (Japan)

197 €MN



## AMERICA

Desalination plant construction for Spence mine in Chile

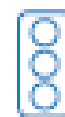
165 €MN



## AMERICA

Design, construction, operation and maintenance of the Gamboa water treatment plant (Panama)

110 €MN

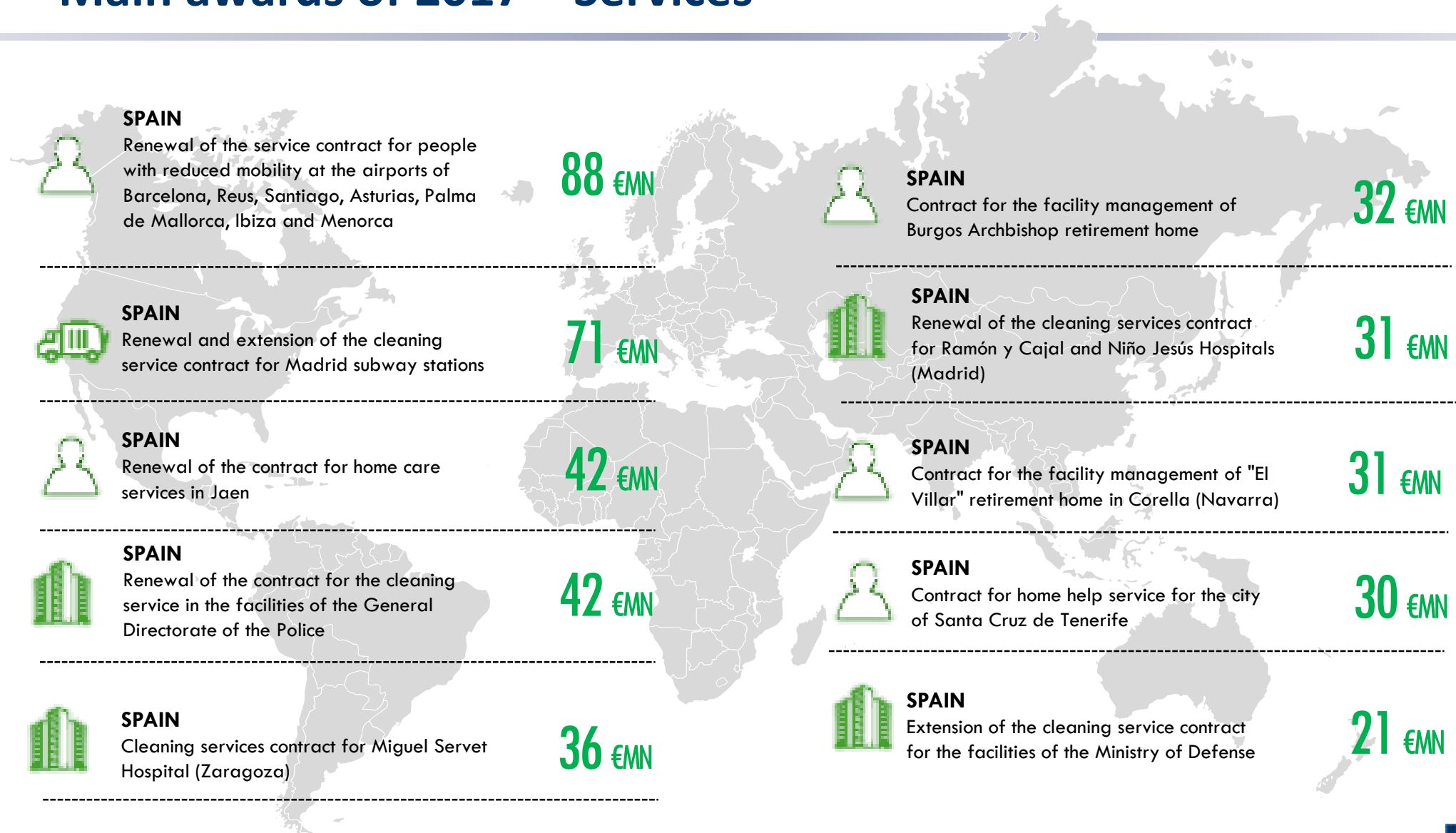


## AMERICA

Maintenance services for the highway section between Matehuala and Saltillo in the state of Nuevo León (Mexico)

98 €MN

# Main awards of 2017 – Services



# 2017 Results: Targets achieved

TARGETS 2017		ACHIEVEMENTS 2017
<b>Comparable Net Profit</b> <b>5 - 8% growth</b>	➤	<b>+15.5%</b> (ex.Urbaser)*
<b>Total production</b> <b>Average growth ~10%</b>	➤	<b>+11%</b> (ex.FX)
<b>Improvement in Operating margins</b>	➤	<b>+ 20pb</b> EBITDA and EBIT margin
<b>Improvement in Financial results</b>	➤	<b>- 17%</b> Financial results
<b>Increase in Shareholder's return</b>	➤	<b>+4% DPS</b>
<b>Debt reduction</b>	➤	<b>1,061 mn</b>
<b>Investment grade achieved</b>	➤	Rating <b>BBB</b>

(\* ) Adjusted by FX, Net profit increases by 17%

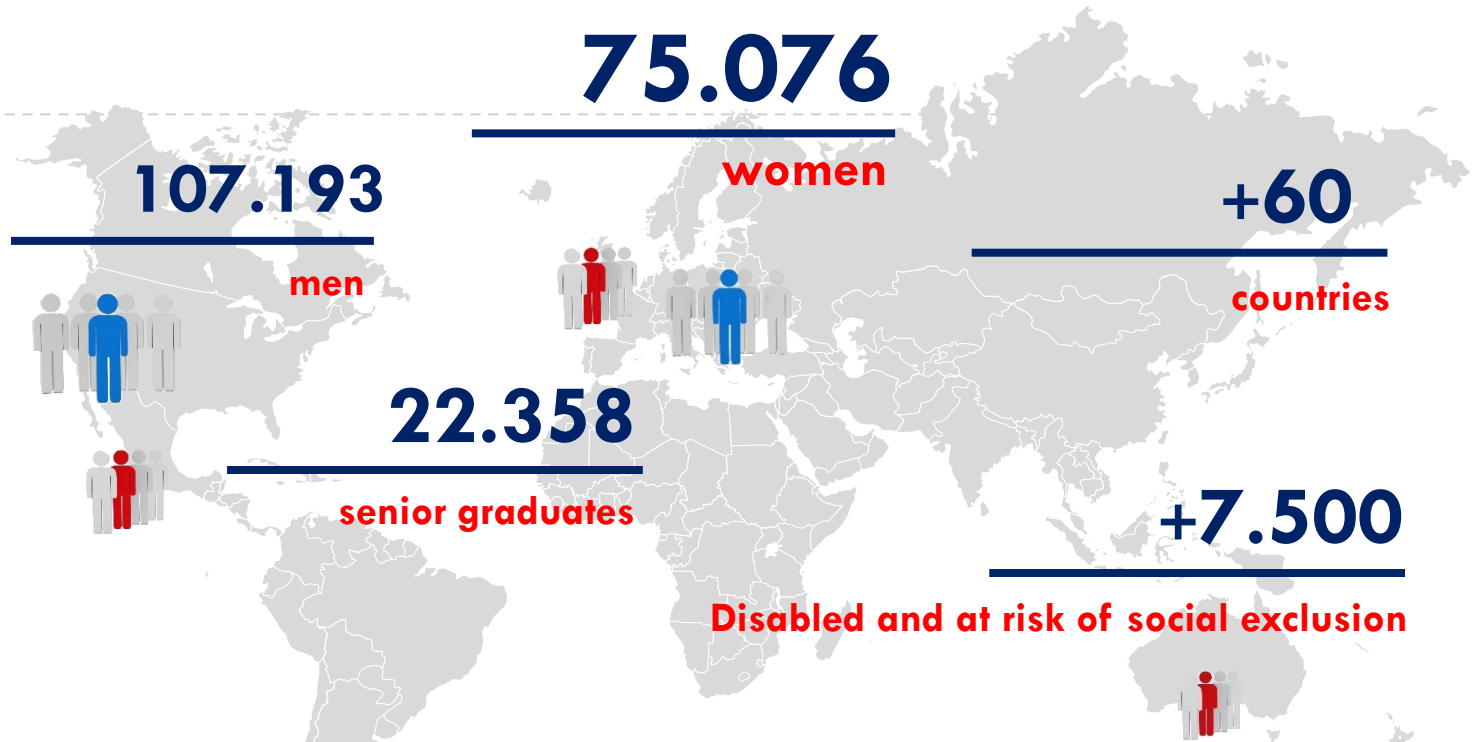


# Thanks to the effort of our more than 180 thousand people

**ACS**

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

**182.269** people



**cobra**

**ACS**  
ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

**DRAGADOS**



**CIMIC**

**HOCHTIEF**

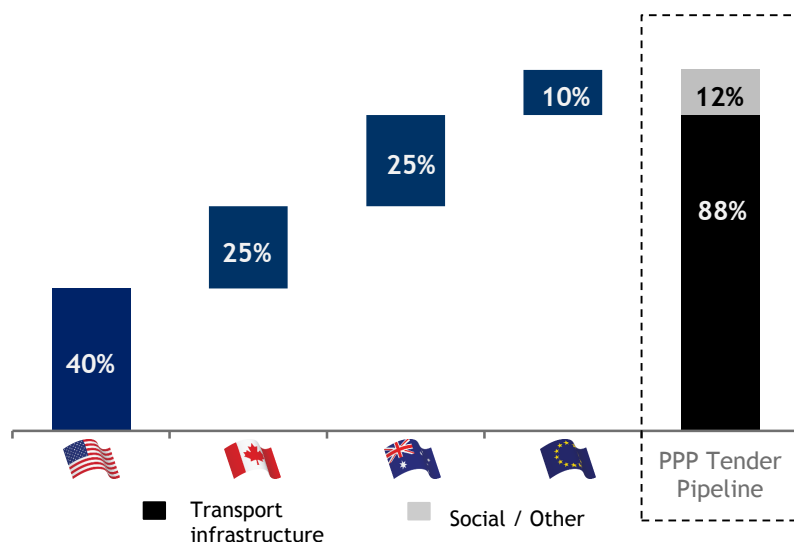
Clece

**ACS**  
ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

# Identified opportunities in the PPP market

**ATTRACTIVE MARKET** of  
greenfield PPP in developed  
countries  
**€ 200 bn** identified

Greenfield PPP pipeline identified (2018–2021)



## USA



- ✓ **Government Infrastructure Plan USD 1.500 bn**, mainly in transport infrastructure, approved in Feb-2018
- ✓ **Tax reform** para incentivar la inversión en infraestructuras

## CANADA



- ✓ **Government Infrastructure Plan CAD 180 bn**, transport, environment, leisure, social equipment and housing
- ✓ **Creation of an infrastructure bank** to promote investment in PPP projects

## EUROPE



- ✓ **Germany: PPP development program (11 roads) EUR 14 bn**
- ✓ **Spain: Roads extraordinary investment plan EUR 5 bn**

## AUSTRALIA



- ✓ **Government Infrastructure Plan AUD 65 bn**

# Selected and recently awarded PPP projects

USA

**6** projects **+ USD 7 bn**

Under development / awarded

LA International airport **Automated People Mover** (California) — USD 1,9 bn

**Angels Flight LA** (California)

**I595 Express** (Florida) — USD 1.7 bn

**Porstmouth** (Ohio) — USD 0,6 bn

**SH288 TOLL LANES** (Texas) — USD 1 bn

**US 181 Harbour Bridge** (Texas)  
— USD 1 bn



**GRUPO ACS**

**Market leader in North America**

**3** projects **+ USD 1,9 bn**

Prequalified in concessions

LA International airport **Car Rental Facility** (California) — USD 1,1 bn

**I75 road** (Michigan) — USD 0,6 bn

**Phoenix Metropolitan Area Freeway lighting** (Arizona) — USD 0,2 bn

CANADA

**9** projects **+ CAD 17 bn**

Under concession

**A-30** (Quebec) — CAD 2 bn

**Highway 427** (Ontario) — CAD 0,4 bn

**Ottawa Phase II** (Ontario) — CAD 0,5 bn

**FTG South Fraser** (British Columbia) — CAD 0,8 bn

**Windsor Essex** (Ontario) — CAD 1,4 bn

**Capital city link** (Alberta) — CAD 1,6 bn

**Light RT Ottawa** (Ontario) — CAD 2,1 bn

**Champlain Bridge** (Quebec) — CAD 2,3 bn

**5Eglinton Crosstown LRT** (Ontario) — CAD 5,8 bn

**3** projects **+ CAD 5,2 bn** selected

**International bridge Gordie Howe** (Ontario) — CAN 2,4 bn

**Light train Finch West** (Toronto) — CAN 1,2 bn

**Hamilton LRT** (Ontario) — CAN 1,5 bn



# Other selected PPPs

## EUROPE



LONDON (UK) - € 1.000mn

### Silvertown Tunnel

Design, construction, financing and maintenance of a new toll tunnel under the River Thames in East London

BARCELONA (SPAIN) - € 1.000mn

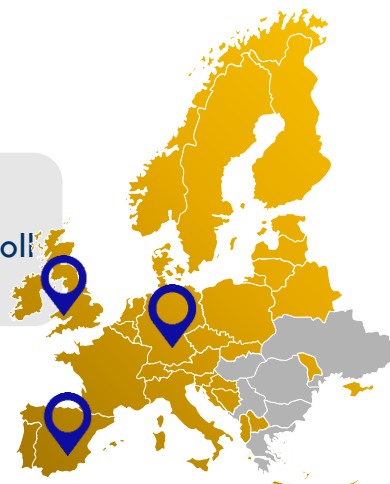
### Barcelona Underground

Reactivation of construction of 4 substations

BERLIN (ALEMANIA) - € 250mn

### Federal Ministry of Health

EUR 250m Construction, EUR 100m Operations (06/2017), in JV (50% share); reconstruction of 64.000m<sup>2</sup> GFA; operation & maintenance for 25 years



## AUSTRALIA



### Cross River Rail.

Railway in Brisbane — AUD 4,0 bn

### WestConnex (51%)

Ring road in Sydney — AUD 9,3 bn





## Legal Disclaimer

*This document contains forward-looking statements on the intentions, expectations or forecasts of Grupo ACS or its management at the time the document was drawn up and in reference to various matters including, among others, its customer base, its performance, the foreseeable growth of its business lines and its overall turnover, its market share, the results of Grupo ACS and other matters relating to the Group's activities and current position. These forward-looking statements or forecasts can in some cases be identified by terms such as "expectation", "anticipation", "proposal", "belief" or similar, or their corresponding negatives, or by the very nature of predictions regarding strategies, plans or intentions.*

*Such forward-looking statements or forecasts in no way constitute, by their very nature, guarantees of future performance but are conditional on the risks, uncertainties and other pertinent factors that may result in the eventual consequences differing materially from those contained in said intentions, expectations or forecasts.*

*ACS, Actividades de CONSTRUCTION y SERVICIOS, S.A. does not undertake to publicly report on the outcome of any revision it makes of these statements to adapt them to circumstances or facts occurring subsequent to this presentation including, among others, changes in the business of the company, in its strategy for developing this business or any other possible unforeseen occurrence. The points contained in this disclaimer must be taken fully into account by all persons or entities obliged to take decisions or to draw up or to publish opinions on securities issued by Grupo ACS and, in particular, by the analysts and investors reading this document. All the aforesaid persons are invited to consult the public documentation and information that Grupo ACS reports to or files with the bodies responsible for supervising the main securities markets and, in particular, with the National Securities Market Commission (CNMV in its Spanish initials).*

*This document contains financial information drawn up in accordance with International Financial Reporting Standards (IRFS). The information has not been audited, with the consequence that it is not definitive information and is thus subject to possible changes in the future.*