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# 3Q18

## Results Report

November 14<sup>th</sup>, 2018

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# 1 Executive Summary

## 1.1. Main figures

<b>Grupo ACS</b>		<b>Key operating &amp; financial figures</b>		
<i>Euro Million</i>	<b>9M17</b>	<b>9M18</b>	<b>Var.</b>	
<b>Turnover</b>	<b>25,758</b>	<b>27,091</b>	<b>+5.2%</b>	
<b>Backlog</b>	<b>65,309</b>	<b>70,329</b>	<b>+7.7%</b>	
<i>Months</i>	22	22		
<b>EBITDA <sup>(1)</sup></b>	<b>1,712</b>	<b>1,806</b>	<b>+5.5%</b>	
<i>Margin</i>	6.6%	6.7%		
<b>EBIT <sup>(1)</sup></b>	<b>1,235</b>	<b>1,350</b>	<b>+9.3%</b>	
<i>Margin</i>	4.8%	5.0%		
<b>Attributable Net Profit</b>	<b>603</b>	<b>691</b>	<b>+14.6%</b>	
<b>EPS</b>	<b>1.93 €</b>	<b>2.22 €</b>	<b>+14.8%</b>	
<b>Net Investments</b>	<b>258</b>	<b>214</b>	<b>-17.2%</b>	
Investments	611	679		
Disposals	353	465		
<b>Total Net Debt</b>	<b>1,416</b>	<b>(128)</b>	<b>n.a</b>	
Businesses' Net Debt	1,212	(315)		
Project Financing	203	187		

Data presented according to ACS Group management criteria.

(1) It includes Net Results from Joint Ventures, not fully consolidated in the Group.

- Sales in the period accounted for € 27,091 million, an increase of 5.2%. All activities showed a good performance despite the significant effect of Euro's revaluation against the main foreign currencies. Adjusted by currency effects, sales grew by 11.4%.
- Backlog accounted for € 70,329 million, growing by 10.2% adjusted by exchange rate impact. This growth is mainly underpinned by the strong growth rates in the United States and Canada.
- The Group's EBITDA accounted for € 1,806 million, increasing by 5.5%. EBITDA margin slightly increased by 6.7% .
- EBIT reached € 1,350 million and grew by 9.3%. EBIT margin stood at 5,0%, rising by 20 p.b.

<b>Grupo ACS</b>		<b>Main figures details</b>	
<i>Euro Million</i>	<b>9M17</b>	<b>9M18</b>	<b>Var.</b>
<b>Backlog</b>	<b>65,309</b>	<b>70,329</b>	<b>+7.7%</b>
Direct	61,151	65,971	+7.9%
Proportional*	4,158	4,358	+4.8%
<b>Work Done</b>	<b>27,229</b>	<b>28,338</b>	<b>+4.1%</b>
Direct	25,758	27,091	+5.2%
Proportional*	1,470	1,247	-15.2%
<b>EBITDA</b>	<b>1,712</b>	<b>1,806</b>	<b>+5.5%</b>
Direct	1,647	1,684	+2.2%
Proportional*	65	122	+88.7%
<b>EBIT</b>	<b>1,235</b>	<b>1,350</b>	<b>+9.3%</b>
Direct	1,170	1,228	+4.9%
Proportional*	65	122	+88.7%

\* Refers to the proportional stake of the operating Joint Ventures and projects not fully consolidated in the Group

- The Group's attributable Net Profit reached € 691 million which represents 14.6% increase, 20.9% when adjusted to the exchange rate variation impact. All activities showed solid growth rates, despite the impact derived from currency effects, both in Construction and Industrial Services. Net Profit in the current period included € 123 Million from Abertis' impact since June.

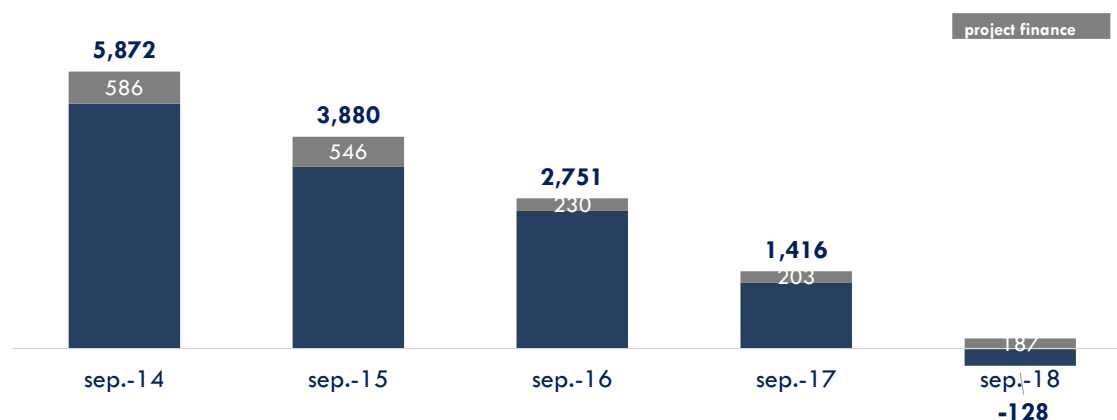
<b>GRUPO ACS</b>		<b>Net Profit</b>	
<i>Euro Million</i>	<b>9M17</b>	<b>9M18</b>	<b>Var.</b>
Net Profit Construction	282	366	+29.6%
Net Profit Industrial Services	252	260	+3.3%
Net Profit Services	30	25	-17.1%
Net Profit Corporation	40	41	+3.0%
<b>Net Profit</b>	<b>603</b>	<b>691</b>	<b>+14.6%</b>

NOTE: Services' Net Profit included the capital gain from Sintax's sale in 2017. Clece's Net Profit standalone grew by 7.8% in the given period.

- The Group maintained a € 128 million net cash position, € 1,544 million less than 12 months ago, backed by a strong operating cash generation.
- The bridge financing linked to Abertis' acquisition was not included as part of the net debt as the transaction was not yet completed. The closing of the transaction concluded at October-end.
- Excluding non-recourse debt (project finance) net cash position reached € 315 million.

## Grupo ACS

## Indebtedness evolution



Data in Euro Million

## 1.2. Relevant facts

### a) Dividends

- Last February, € 0.449 per share interim dividend was paid. On December 19<sup>th</sup>, 2017, exercising the powers granted by resolution of the Company's General Shareholders' Meeting held on May 4<sup>th</sup>, 2017, the Board of Directors adopted the distribution of the interim dividend for 2017, through the scrip dividend system.
- Likewise, the Company's General Shareholders' Meeting held on May 8<sup>th</sup>, 2018 adopted the distribution of a complementary dividend worth € 0.936 per share, which was paid in July 2018 through the scrip dividend system.

### b) Corporate Governance

- On February 28<sup>th</sup>, 2018 ACS Group Board of Directors agreed to appoint Mr. José Eladio Seco Domínguez as Coordinating Director, in place of Mrs. Catalina Miñarro Brugarolas. It also decided to cease the board member Mr. Agustín Batuecas Torrego as member of the Appointments Committee.
- On July 25<sup>th</sup>, 2018 ACS Group Board of Directors, subsequent to favourable report from the Remuneration Committee, agreed to set a stock option plan for their executives (Stock Option Plan 2018), to a maximum of 12,586,580 shares at a given price of € 37.170 per share (modifiable in case of dilution). Options will be exercisable by halves and in equal proportions, cumulative to the beneficiary's choice, and during the fourth and fifth year following July 1st, 2018 – also included -. For the shares to be exercisable by the beneficiaries, two different criteria have been set (a financial and a non-financial one) with various weightings, which are detailed in the relevant fact.

For further information, please [Click here](#) to see the complete relevant fact.

### c) Loans, credits and other financial operations

- On April 4<sup>th</sup>, 2018, the rating agency Standard and Poor's (S & P) assigned long-term corporate credit rating BBB and short-term credit rating A-2 to ACS Servicios, Comunicaciones y Energía S.L. (subsidiary wholly owned by ACS Actividades de Construcción y Servicios S.A.).
- On April 12<sup>th</sup>, 2018, ACS Servicios, Comunicaciones y Energía, SL, subsidiary of ACS Group, issued Green Bonds for a total amount of € 750 million, to a term of eight years and with 1.875% annual interest, in order to refinance a large part of its financial debt. Previously, those Green Bonds were also assigned BBB / A-2 rating.

### d) Mergers, acquisitions and transfer of shares

- On February 6<sup>th</sup>, 2018, ACS Group reached an agreement for the sale of its stake in Saeta Yield S.A, through its subsidiary Cobra, with an irrevocable acceptance of the takeover bid launched by a company controlled by Brookfield Asset Management. The transaction was completed by period end.
- On October 18<sup>th</sup>, 2017, HOCHTIEF A.G. launched a competitive offer on Abertis to the initial one launched by Atlantia Spa (hereinafter, Atlantia) in May of that same year. The price offered was € 18.76 per share, both in cash and in HOCHTIEF's shares.

Subsequently, on March 23<sup>th</sup>, 2018 ACS, HOCHTIEF, and Atlantia signed an agreement to jointly invest in a holding company that would then acquire Abertis. HOCHTIEF would commit to modify its initial offer so that the entire offer would be in cash at a given price of € 18.36 per share, once adjusted by the dividend paid by Abertis in 2018.

Likewise, the agreement considered Atlantia acquiring a maximum stake of 24.1% in HOCHTIEF at a price of € 143.04 and a simultaneous 10% capital increase in HOCHTIEF at the same price, so that ACS Group would maintain its stake in a minimum of 50.2%.

The takeover bid ended on May 8<sup>th</sup> and was settled by May 15<sup>th</sup>. After July 25<sup>th</sup>, 2018 Abertis' Extraordinary Shareholders Meeting approved the company's exclusion from the Stock Exchange, coming into effect on August 6<sup>th</sup>. The shares acquired during the takeover bid, together with subsequent purchases, until September 30<sup>th</sup> 2018, made the stake in Abertis' capital rise up to 98.65%, at period-end.

At the end of the period, the investment in Abertis was included in ACS Group balance sheet as follows:

- o As Investment in associates (Equity Method): the stake in Abertis held by ACS Group as of September 30<sup>th</sup>, amounted to 49.32% (29.59% directly and 19.73% indirectly through HOCHTIEF). The corresponding liability was accounted as *Bridge Financing linked to Abertis' Acquisition*, which, for reporting purposes, is not considered as part of the Group's net debt.
- o As Assets Held for Sale: the stake in Abertis, which will be transferred to Atlantia as agreed, stood at 49.32% (proportional to 50% plus one share of all Abertis' shares acquired as of 30<sup>th</sup> September, 2018 by HOCHTIEF). This part of the acquisition funding, at period end, was recorded under *Liabilities linked to Assets Held for Sale*.

On October 29<sup>th</sup>, 2018 the closing of the operation was accomplished through a SPV (Abertis Holdco S.A.) with equity contribution of € 6,909 million, where Atlantia holds 50% stake plus one share, ACS has 30% stake, and HOCHTIEF flaunts 20% stake minus one share.

Likewise, a second company was created (Abertis Participaciones S.A.U.), where Abertis Holdco holds 100% stake and to where HOCHTIEF has transferred its whole stake from Abertis' share

capital (98.7%), worth € 16,520 million. To this effect, the SPV Abertis Holdco raised bank debt amounting to € 9,824 million.

The agreement in itself included Atlantia acquiring a significant stake in HOCHTIEF. Therefore, on October 29<sup>th</sup>, ACS sold to Atlantia a total sum of 16,852,995 shares in HOCHTIEF at a given price of € 143.04 per share, receiving in exchange € 2,411 million.

Simultaneously, ACS Group subscribed a capital increase in HOCHTIEF worth 6,346,707 shares at the same price, € 143.04 per share, meaning a full disbursement of € 908 million. ACS Group current stake in HOCHTIEF stands at 50.4%, while Atlantia's reaches 23.86%.

Annex 4.4 includes a pro forma balance sheet reflecting the closing of the operation.

- On November 8<sup>th</sup> ACS sold MásMóvil's convertible debt into 4,800,000 shares, for € 406.5 million plus 700,000 shares of the company, net of expenses. The transaction implied a capital gain for ACS of € 5.5 million and approximately € 278 million since the integration of Yoigo in MásMovil in 2016.

### **e) Other**

- On July 6<sup>th</sup>, 2018 ACS Group announced the award to a consortium half integrated by ACS Infrastructure (100% ACS Group indirect subsidiary) and half by the North American company Fluor of a concession contract to build and operate North America's longest cable-stayed bridge, with an investment raising over € 2.6 billion. The border bridge will connect Detroit city in the US and Windsor city in Canada.

## 2 Consolidated Financial Statements

### 2.1 Income Statement

Grupo ACS			Income statement		
Euro Million	9M17		9M18		Var.
<b>Net Sales</b>	<b>25,758</b>	<b>100.0 %</b>	<b>27,091</b>	<b>100.0 %</b>	<b>+5.2%</b>
Other revenues*	227	0.9 %	342	1.3 %	+50.7%
<b>Total Income</b>	<b>25,985</b>	<b>100.9 %</b>	<b>27,433</b>	<b>101.3 %</b>	<b>+5.6%</b>
Operating expenses	(18,523)	(71.9 %)	(19,749)	(72.9 %)	+6.6%
Personnel expenses	(5,750)	(22.3 %)	(5,877)	(21.7 %)	+2.2%
<b>Operating Cash Flow (EBITDA)</b>	<b>1,712</b>	<b>6.6 %</b>	<b>1,806</b>	<b>6.7 %</b>	<b>+5.5%</b>
Fixed assets depreciation	(454)	(1.8 %)	(424)	(1.6 %)	-6.8%
Current assets provisions	(23)	(0.1 %)	(32)	(0.1 %)	+40.7%
<b>Ordinary Operating Profit (EBIT)</b>	<b>1,235</b>	<b>4.8 %</b>	<b>1,350</b>	<b>5.0 %</b>	<b>+9.3%</b>
Impairment & gains on fixed assets	(35)	(0.1 %)	10	0.0 %	-128.4%
Other operating results	(78)	(0.3 %)	(75)	(0.3 %)	-4.0%
<b>Operating Profit</b>	<b>1,122</b>	<b>4.4 %</b>	<b>1,285</b>	<b>4.7 %</b>	<b>+14.6%</b>
Financial income	153	0.6 %	119	0.4 %	-22.2%
Financial expenses	(352)	(1.4 %)	(321)	(1.2 %)	-9.0%
<b>Ordinary Financial Result</b>	<b>(200)</b>	<b>(0.8 %)</b>	<b>(202)</b>	<b>(0.7 %)</b>	<b>+1.0%</b>
Foreign exchange results	(24)	(0.1 %)	(7)	(0.0 %)	
Changes in fair value for financial instruments	7	0.0 %	91	0.3 %	
Impairment & gains on financial instruments	169	0.7 %	(77)	(0.3 %)	
<b>Net Financial Result</b>	<b>(49)</b>	<b>(0.2 %)</b>	<b>(195)</b>	<b>(0.7 %)</b>	<b>+300.9%</b>
Results on equity method	18	0.1 %	168	0.6 %	n.s.
<b>PBT of continued operations</b>	<b>1,091</b>	<b>4.2 %</b>	<b>1,258</b>	<b>4.6 %</b>	<b>+15.3%</b>
Corporate income tax	(279)	(1.1 %)	(329)	(1.2 %)	+17.9%
<b>Net profit of continued operations</b>	<b>812</b>	<b>3.2 %</b>	<b>929</b>	<b>3.4 %</b>	<b>+14.4%</b>
Minority interest	(209)	(0.8 %)	(238)	(0.9 %)	+14.0%
<b>Net Profit Attributable to the Parent Company</b>	<b>603</b>	<b>2.3 %</b>	<b>691</b>	<b>2.6 %</b>	<b>+14.6%</b>

\* Includes, apart from other revenues, the Joint Ventures Net Results, which are those companies that are executing projects but managed with partners



## 2.1.1 Sales and Backlog

- Sales during the period accounted for € 27,091 million, increasing by 5.2%, 11.4% more when adjusted to currency effects related to euro's revalorization.
- Sales breakdown by geographical areas demonstrated the diversification of the Group's revenue sources, where North America represented 45.1% of total sales, Asia Pacific 27.3%, Spain 14.1% and the remaining regions 13.5%.

<b>Grupo ACS</b>					
<b>Sales per Geographical Areas</b>					
<i>Euro Million</i>	<b>9M17</b>	<b>%</b>	<b>9M18</b>	<b>%</b>	<b>Var.</b>
Spain	3,263	12.7 %	3,825	14.1%	+17.2%
Rest of Europe	1,915	7.4 %	1,787	6.6%	-6.7%
North America	11,282	43.8 %	12,224	45.1%	+8.4%
South America	1,485	5.8 %	1,566	5.8%	+5.4%
Asia Pacific	7,421	28.8 %	7,385	27.3%	-0.5%
Africa	391	1.5 %	304	1.1%	-22.4%
<b>TOTAL</b>	<b>25,758</b>		<b>27,091</b>		<b>+5.2%</b>

<b>Sales per Geographical Area</b> <i>(inter area of activity adjustments excluded)</i>									
<i>Euro Million</i>	<b>Construction</b>			<b>Industrial Services</b>			<b>Services</b>		
	<b>9M17</b>	<b>9M18</b>	<b>%</b>	<b>9M17</b>	<b>9M18</b>	<b>%</b>	<b>9M17</b>	<b>9M18</b>	<b>%</b>
Spain	880	966	+9.8%	1,397	1,823	+30.5%	1,007	1,049	+4.2%
Rest of Europe	1,532	1,427	-6.9%	323	287	-11.1%	60	72	+20.0%
North America	10,356	11,301	+9.1%	926	924	-0.2%	0	0	n.a.
South America	348	279	-19.7%	1,138	1,287	+13.1%	0	0	n.a.
Asia Pacific	6,659	6,900	+3.6%	762	484	-36.4%	0	0	n.a.
Africa	0	0	n.a.	391	304	-22.4%	0	0	n.a.
<b>TOTAL</b>	<b>19,775</b>	<b>20,874</b>	<b>+5.6%</b>	<b>4,936</b>	<b>5,109</b>	<b>+3.5%</b>	<b>1,067</b>	<b>1,121</b>	<b>+5.1%</b>

- In Construction, it is worth noting the recovery of the Spanish activity which experienced an increase of 9.8%, and the growth in North America which stood at 9.1%, despite the significant impact of the US dollar depreciation, which once adjusted made it grow by 15.6%. Activity in Asia Pacific rose by 11.6%, adjusted to the Australian dollar depreciation impact.
- In Industrial Services, sales in Spain grew by 30.5% with a positive evolution in all areas, mainly in EPC activity due to the execution of PV projects. South America grew by 13.1% primarily underpinned by Brazil and Chile. Activity in the rest of Europe decreased due to the termination of projects in the North Sea.
- Clece's sales increased by 5.1% with relevant growth both in the domestic and international markets.

<b>Grupo ACS</b>					
<b>Backlog per Geographical Areas</b>					
<i>Euro Million</i>	<b>Sep-17</b>	<b>%</b>	<b>Sep-18</b>	<b>%</b>	<b>Var.</b>
Spain	6,468	9.9 %	7,123	10.1%	+10.1%
Rest of Europe	5,774	8.8 %	5,521	7.9%	-4.4%
North America	22,353	34.2 %	29,598	42.1%	+32.4%
South America	4,976	7.6 %	5,231	7.4%	+5.1%
Asia Pacific	25,029	38.3 %	22,203	31.6%	-11.3%
Africa	709	1.1 %	653	0.9%	-7.9%
<b>TOTAL</b>	<b>65,309</b>		<b>70,329</b>		<b>+7.7%</b>

- Group's total backlog stood at € 70,329 million growing by 7.7% when compared to last year's figures, and when adjusted to currency effects, backlog grew by 10.2%

<b>Backlog per Geographical Area</b>									
<i>Euro Million</i>	<b>Construction</b>			<b>Industrial Services</b>			<b>Services</b>		
	<b>Sep-17</b>	<b>Sep-18</b>	<b>%</b>	<b>Sep-17</b>	<b>Sep-18</b>	<b>%</b>	<b>Sep-17</b>	<b>Sep-18</b>	<b>%</b>
Spain	2,494	2,469	-1.0%	2,082	2,414	+15.9%	1,892	2,240	+18.4%
Rest of Europe	5,018	4,756	-5.2%	633	547	-13.6%	124	218	+76.1%
North America	20,667	27,795	+34.5%	1,687	1,803	+6.9%	0	0	n.a.
South America	1,938	1,432	-26.1%	3,038	3,799	+25.1%	0	0	n.a.
Asia Pacific	23,933	21,420	-10.5%	1,096	783	-28.5%	0	0	n.a.
Africa	93	278	+199.7%	616	375	-39.2%	0	0	n.a.
<b>TOTAL</b>	<b>54,142</b>	<b>58,150</b>	<b>+7.4%</b>	<b>9,152</b>	<b>9,721</b>	<b>+6.2%</b>	<b>2,015</b>	<b>2,458</b>	<b>+21.9%</b>

- Construction backlog raised by 7.4%, 9.5% adjusted to currency impact. It is worth noting the positive evolution of the backlog in North America, both in the US and Canada, which grew by 32% when adjusted to exchange rate effect. As for Pacific Asia, backlog was mainly affected by the exchange rate impact. Nonetheless, there is a favourable trend in this region thank to the large contract awards that have been included in the backlog during this last quarter.
- Industrial Services experienced 12.2% backlog growth, adjusted to currency effects, with strong growth rates in the majority of the regions. It is worth highlighting the domestic backlog recovery by 15.9% backed by the recent demand of renewable energy, as well as a solid growth in South America with strong contract awards related to water treatment plants in different countries during last year's second half.
- To conclude, Clece's backlog increased by 21.9% owing to the positive evolution of the contracting activity.

## 2.1.2 Operating Results

<b>Grupo ACS</b>		<b>Operating Results</b>		
<i>Euro Million</i>	<b>9M17</b>	<b>9M18</b>	<b>Var.</b>	
<b>EBITDA</b>	<b>1,712</b>	<b>1,806</b>	<b>+5.5%</b>	
<i>EBITDA Margin</i>	6.6%	6.7%		
Depreciation	(454)	(424)	-6.8%	
<i>Construction</i>	(409)	(375)		
<i>Industrial Services</i>	(27)	(31)		
<i>Services</i>	(18)	(17)		
<i>Corporation</i>	(1)	(1)		
Current assets provisions	(23)	(32)	+40.7%	
<b>EBIT</b>	<b>1,235</b>	<b>1,350</b>	<b>+9.3%</b>	
<i>EBIT Margin</i>	4.8%	5.0%		

- EBITDA accounted for € 1,806 million, showing an increase of 5.5% compared to 2017 same term, slightly higher than sales growth. Adjusted by currency impact, EBITDA grew by 12.3%.
- EBIT reached € 1,350 million, growing by 9.3% from the prior period and improving its margin over sales as a result of lower amortizations in the Construction activity. Adjusted by currency impact, EBIT grew by 16.4%.

## 2.1.3 Financial Results

- The ordinary financial result increased by 1.0% due to a lower financial income versus the prior corresponding period, which included certain non-recurrent items in the Construction activity.
- Financial expenses dropped by 9.0% mainly due to the significant reduction of the Group's average gross debt and the improvement in the financing conditions.

<b>Grupo ACS</b>		<b>Financial Results</b>		
<i>Euro Million</i>	<b>9M17</b>	<b>9M18</b>	<b>Var.</b>	
Financial income	153	119	-22.2%	
Financial expenses	(352)	(321)	-9.0%	
<b>Ordinary Financial Result</b>	<b>(200)</b>	<b>(202)</b>	<b>+1.0%</b>	
<i>Construction</i>	(99)	(116)	+17.3%	
<i>Industrial Services</i>	(45)	(48)	+4.8%	
<i>Services</i>	(6)	(4)	-27.2%	
<i>Corporation</i>	(50)	(34)	-31.5%	

- Regarding the net financial result, the "Changes in fair value for financial instruments" item included the revalorization of the option over MásMóvil shares during the period in which offset other extraordinary results accounted in the item "Impairment & gains on financial instruments". The comparable term included capital gains derived from Sintax sale, Iridium's concessions, and the revision of the value of certain financial assets.

Grupo ACS		Financial Results	
Euro Million	9M17	9M18	Var.
<b>Ordinary Financial Result</b>	<b>(200)</b>	<b>(202)</b>	<b>+1.0%</b>
Foreign exchange results	(24)	(7)	
Changes in fair value for financial instruments	7	91	
Impairment & gains on financial instruments	169	(77)	
<b>Net Financial Result</b>	<b>(49)</b>	<b>(195)</b>	<b>+300.9%</b>

## 2.1.4 Results from Associates

- The Results from Associates (Results on Equity Method) amounted to € 168 million, mainly due to Abertis' contribution since June and the remaining companies by Iridium's Equity Method.
- The contribution of Abertis to ACS Group's Results on Equity Method since June stood at € 146 million arising from the proportional share of Abertis' result, the impact of the amortization of provisional PPA (Purchase Price Allocation), as well as the estimated financial and transaction expenses derived from the mentioned acquisition, net tax effect. The impact on ACS attributable net profit amounted to € 123 million, net of HOCHTIEF's minority interests.

## 2.1.5 Net Profit Attributable to the Parent Company

Grupo ACS		Net Profit breakdown	
Euro Million	9M17	9M18	Var.
Construction <sup>(1)</sup>	282	366	+29.6%
Industrial Services	252	260	+3.3%
Services <sup>(2)</sup>	30	25	-17.1%
Corporation <sup>(3)</sup>	40	41	+3.0%
<b>TOTAL Net Profit</b>	<b>603</b>	<b>691</b>	<b>+14.6%</b>

(1) Includes contribution from Abertis corresponding to the indirect stake held by HOCHTIEF, net from minorities

(2) Services' Net Profit includes the capital gain from Sintax's sale in 2017. Clece's Net Profit standalone grew by 7.8%.

(3) Includes contribution from Abertis corresponding to the direct stake held by ACS

- ACS Group reported Net Profit as of September 2018 reached € 691 million, 14.6% higher compared to the prior year.
- The effective corporate tax rate stood at 34%.

## 2.2 Consolidated Balance Sheet

<b>Grupo ACS</b>		<b>Consolidated balance sheet</b>			
<i>Euro Million</i>	<b>dic.-17</b>		<b>sep.-18</b>		<b>Var.</b>
<b>FIXED and NON-CURRENT ASSETS</b>	<b>11,247</b>	<b>35.3 %</b>	<b>18,657</b>	<b>38.6 %</b>	<b>+65.9%</b>
Intangible Fixed Assets	4,264		4,184		-1.9%
Tangible Fixed Assets	1,606		1,628		+1.4%
Equity Method Investments	1,569		9,359		+496.5%
Non current financial assets	1,704		1,329		-22.0%
Long Term Deposits	8		8		-0.8%
Financial instrument debtors	52		58		+11.7%
Deferred Taxes Assets	2,043		2,090		+2.3%
<b>CURRENT ASSETS</b>	<b>20,634</b>	<b>64.7 %</b>	<b>29,677</b>	<b>61.4 %</b>	<b>+43.8%</b>
Non Current Assets Held for Sale	411		8,986		n.a.
Inventories	1,020		1,078		+5.7%
Accounts receivables	10,753		10,696		-0.5%
Other current financial assets	1,559		1,979		+26.9%
Financial instrument debtors	393		39		-90.1%
Other Short Term Assets	178		212		+18.8%
Cash and banks	6,319		6,687		+5.8%
<b>TOTAL ASSETS</b>	<b>31,881</b>	<b>100.0 %</b>	<b>48,334</b>	<b>100.0 %</b>	<b>+51.6%</b>
<b>NET WORTH</b>	<b>5,164</b>	<b>16.2%</b>	<b>3,652</b>	<b>7.6 %</b>	<b>-29.3%</b>
Equity	3,959		2,955		-25.3%
Value change adjustments	(216)		(260)		+20.6%
Minority Interests	1,421		957		-32.7%
<b>NON-CURRENT LIABILITIES</b>	<b>7,903</b>	<b>24.8%</b>	<b>8,891</b>	<b>18.4 %</b>	<b>+12.5%</b>
Subsidiaries	4		3		-15.1%
Long Term Provisions	1,567		1,716		+9.5%
Long Term Financial Liabilities	5,161		5,965		+15.6%
Bank loans and debt obligations	4,810		5,661		+0.0%
Project Finance	147		163		+0.0%
Other financial liabilities	203		140		+0.0%
Financial Instruments Creditors	48		33		-31.7%
Long term deferred tax liabilities	1,020		1,063		+4.3%
Other Long Term Accrued Liabilities	104		110		+6.5%
<b>CURRENT LIABILITIES</b>	<b>18,813</b>	<b>59.0%</b>	<b>35,791</b>	<b>74.1 %</b>	<b>+90.2%</b>
Liabilities from Assets Held for Sale	221		8,766		n.a.
Short Term Provisions	903		991		+9.8%
Short Term Financial Liabilities	2,879		10,866		+277.4%
Bank loans and debt obligations	2,676		2,476		-7.5%
Project Finance	48		24		+0.0%
Bridge financing linked to Abertis acquisition	0		8,284		+0.0%
Other financial liabilities	155		82		+0.0%
Financial Instruments Creditors	68		32		-53.1%
Trade accounts payables	14,279		14,764		+3.4%
Other current payables	464		372		-19.9%
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>31,881</b>	<b>100.0%</b>	<b>48,334</b>	<b>100.0 %</b>	<b>+51.6%</b>

## 2.2.1 Non-Current Assets

- Intangible assets which amounted to € 4,184 million included goodwill from past strategic transactions, of which € 1,389 million came from HOCHTIEF's acquisition in 2011 and € 743 million from ACS's merger with Dragados in 2003.
- The investment account balance held by Equity Method included various holdings from HOCHTIEF's associated companies, the Group's stake in Abertis, energy assets from Cobra, and several concessions from Iridium.

## 2.2.2 Abertis accounting

- 49.32% of Abertis Infraestructuras, S.A. capital (proportional to 50% minus one share of all shares acquired by HOCHTIEF) is accounted as *Equity Method Investments*. The counterpart in the liability is recorded in a provisional account as *Bridge Financing linked to the acquisition of Abertis*.
- The total amount of such Equity Method Investment amounted to € 8,385 million and corresponded to 29.6% direct stake held by ACS, and 19.7% to indirect stake through HOCHTIEF. In essence, this amount corresponded to 49.32% of the carrying amount from the investment (€ 8,255 million) plus Abertis' contribution during the period.
- The remaining shares of Abertis acquired by HOCHTIEF and which belong to Atlantia were recorded as Assets Held for Sale for an amount of € 8,255 million. This part of the acquisition funding is recorded under *Liability linked to Assets Held for Sale*, for the same amount.

## 2.2.3 Working Capital

<b>Grupo ACS</b>		<i>Working Capital evolution</i>				
<i>Euro Million</i>	<b>Sep-17</b>	<b>Dec-17</b>	<b>Mar-18</b>	<b>Jun-18</b>	<b>Sep-18</b>	
Construction	(1,969)	(2,691)	(3,259)	(3,629)	(3,436)	
Industrial Services	(865)	(977)	(897)	(844)	(678)	
Services	28	(33)	(18)	(34)	(27)	
Corporation	108	332	(11)	35	8	
<b>TOTAL</b>	<b>(2,698)</b>	<b>(3,369)</b>	<b>(4,185)</b>	<b>(4,472)</b>	<b>(4,133)</b>	

- In the last 12 months, net working capital increased its credit balance by € 1,435 million. This variation is due to the implementation, at the beginning of the period, of IFRS 15 accounting standard, which has led to the reduction of its balance in approximately € 1,500 million.
- On September 30<sup>th</sup> 2018, commercial discount balance and securitization amounted to € 1,729 million.

## 2.2.4 Net Worth

Grupo ACS		Net Worth	
Euro Million	Dec-17	Sep-18	Var.
Shareholders' Equity	3,959	2,955	-25.3%
Adjustment s from Value Changes	(216)	(260)	+20.6%
Minority Interests	1,421	957	-32.7%
<b>Net Worth</b>	<b>5,164</b>	<b>3,652</b>	<b>-29.3%</b>

- ACS Group Net worth accounted for € 3,652 million by September 30<sup>th</sup> 2018, showing a decrease of 29.3% since December 2017. This is due to IFRS 9 and 15 new accounting standards at the beginning of the period. Nonetheless, after the closing of Abertis' operation, Pro forma Net worth would raise by € 6,063 million, 17.4% higher than 2017 financial year-end (see Annex 4.4).

## 2.2.5 Net Debt

Net Debt (€ mn)	Construction	Industrial Services	Services	Corporation / Adjustments	Grupo ACS
<i>September 30, 2018</i>					
LT loans from credit entities	1,258	154	193	1,297	2,902
ST loans from credit entities	574	218	189	1	982
<b>Debt with Credit Entities</b>	<b>1,832</b>	<b>372</b>	<b>382</b>	<b>1,298</b>	<b>3,885</b>
Bonds	2,108	749	0	1,395	4,253
Non Recourse Financing	177	10	0	0	187
Other financial liabilities	280	35	2	(95)	222
<b>Total Gross Financial Debt</b>	<b>4,398</b>	<b>1,166</b>	<b>385</b>	<b>2,598</b>	<b>8,546</b>
ST* & other financial investments	1,067	267	140	514	1,987
Cash & Equivalents	5,057	1,530	94	6	6,687
<b>Total cash and equivalents</b>	<b>6,124</b>	<b>1,796</b>	<b>234</b>	<b>519</b>	<b>8,674</b>
<b>NET FINANCIAL DEBT / (NET CASH POSITION)</b>	<b>(1,727)</b>	<b>(630)</b>	<b>150</b>	<b>2,079</b>	<b>(128)</b>
<i>NET FINANCIAL DEBT previous year</i>	<i>(360)</i>	<i>(544)</i>	<i>223</i>	<i>2,096</i>	<i>1,416</i>

- The Group had a Net Cash position of € 128 million, improving by € 1,544 compared to last year's same period backed by the solid cash generation.
- The implementation of IFRS 9 accounting standard entailed the inclusion of total investment in MásMóvil as a short term financial asset, at market value, which as of September 30<sup>th</sup> 2018, amounted to € 472 million. The past November 8<sup>th</sup> the convertible credit was sold, in consequence exposure to MásMóvil has been reduced to 700,000 shares.
- The Bridge Financing, linked to Abertis' acquisition, amounting to € 8,255 million for reporting purposes was not included in the net debt, as the transaction was not completed at period-end. Pro forma net debt at period-end after having completed the transaction would stand at € 916 million (see Annex 4.4).

## 2.3 Net Cash Flows

Grupo ACS							Net Cash Flow	
Euro Million	9M17			9M18			Var	
	TOTAL	HOT	ACS exHOT	TOTAL	HOT	ACS exHOT	TOTAL	ACS exHOT
<b>Cash Flow from Operating Activities before Working Capital</b>	<b>1,294</b>	<b>852</b>	<b>442</b>	<b>1,549</b>	<b>817</b>	<b>732</b>	<b>+19.7%</b>	<b>+65.7%</b>
Operating working capital variation	(785)	(389)	(395)	(1,011)	(298)	(713)		
Net CAPEX	(319)	(226)	(93)	(373)	(279)	(94)		
<b>Net Operating Cash Flow from continuing activities</b>	<b>190</b>	<b>237</b>	<b>(47)</b>	<b>165</b>	<b>240</b>	<b>(75)</b>	<b>-13.0%</b>	<b>+59.5%</b>
Financial Investments/Disposals	61	(41)	101	263	44	218		
Other Financial Sources	(6)	(2)	(4)	(96)	(94)	(3)		
<b>Free Cash Flow</b>	<b>245</b>	<b>195</b>	<b>51</b>	<b>332</b>	<b>191</b>	<b>141</b>	<b>+35.3%</b>	<b>+177.7%</b>
Dividends paid	(240)	(97)	(143)	(274)	(121)	(153)		
Intra group Dividends	0	(120)	120	0	(156)	156		
Treasury Stock	(161)	0	(161)	(265)	0	(265)		
<b>Total Cash Flow generated / (Consumed)</b>	<b>(156)</b>	<b>(22)</b>	<b>(133)</b>	<b>(206)</b>	<b>(85)</b>	<b>(121)</b>	<b>+32.7%</b>	<b>-9.3%</b>

<b>Net Debt variation in the Balance Sheet</b>	(480)	(363)	(118)	281	24	257
<b>Debt variation from perimeter changes and adjustments</b>	(108)	17	(125)	(518)	(133)	(385)
<b>Debt variation from currency effects</b>	(61)	8	(69)	(7)	(15)	9

### 2.3.1 Operating Activities

- Cash Flow from Operating Activities, before working capital, amounted to € 1,549 million, improving by 19.7% versus last year's due to the positive performance across activities.
- Operating working capital had an impact of € 1,011 million cash outflow in the first nine months of 2018, as a result of the seasonality of the period. However, during the last quarter variation has been virtually zero. Indeed, variation during the last 12 months remained stable.

### 2.3.2 Investments

Grupo ACS				Investments breakdown			
Euro Million	Operating Investments	Operating divestments	NET CAPEX	Project / Financial Investments	Financial Divestments	Net Project / Financial investments	Total Net Investments
<b>Construction</b>	335	(34)	<b>302</b>	63	(69)	<b>(6)</b>	<b>296</b>
<i>Dragados</i>	41	(19)	<b>23</b>	3	(0)	<b>3</b>	<b>26</b>
<i>Hochtief</i>	294	(15)	<b>279</b>	16	(60)	<b>(45)</b>	<b>234</b>
<i>Iridium</i>	0	0	<b>0</b>	45	(9)	<b>36</b>	<b>36</b>
<b>Services</b>	19	(1)	<b>18</b>	12	0	<b>12</b>	<b>30</b>
<b>Industrial Services</b>	54	(1)	<b>53</b>	186	(347)	<b>(162)</b>	<b>(109)</b>
<b>Corporation &amp; others</b>	0	0	<b>0</b>	9	(13)	<b>(4)</b>	<b>(3)</b>
<b>TOTAL</b>	<b>409</b>	<b>(36)</b>	<b>373</b>	<b>270</b>	<b>(429)</b>	<b>(159)</b>	<b>214</b>

- ACS Group total investments rose up to € 679 million, while divestments stood at € 465 million, resulting in a net balance from investment activities of € 214 million.
- Additionally, in February 2018, € 100 million were collected corresponding to Urbaser's sale differed part in 2016. This amount was accounted at that time but was not included in its corresponding cash flow statement.
- Net operating CAPEX amounted to € 373 million and mainly corresponded to the acquisition of machinery for the Group's several projects in Mining, Civil Works, and Industrial Facilities.
- The main financial investments corresponded to concessional projects that are currently being developed by Industrial Services such as renewable energy plants and transmission lines.



- The main financial divestment in the period corresponded to the sale of SaetaYield which amounted to € 241 million and was recorded under Industrial Services area.

### **2.3.3 Other Cash Flows**

- Dividends paid worth € 153 million mainly corresponded to ACS Group scrip dividends paid in cash in February and July 2018.
- Likewise, € 265 million were devoted to the acquisition of treasury stock for 2018 and 2019 scrip dividends' payment.

## 3 Evolution of Areas of Activity

### 3.1 Construction

<b>Construction</b>		<i>Key figures</i>	
<i>Euro Million</i>	<b>9M17</b>	<b>9M18</b>	<b>Var.</b>
<b>Turnover</b>	<b>19,775</b>	<b>20,874</b>	<b>+5.6%</b>
<b>EBITDA</b>	<b>1,197</b>	<b>1,281</b>	<b>+7.0%</b>
<i>Margin</i>	6.1%	6.1%	
<b>EBIT</b>	<b>777</b>	<b>885</b>	<b>+13.9%</b>
<i>Margin</i>	3.9%	4.2%	
<b>Net Profit</b>	<b>282</b>	<b>366</b>	<b>+29.6%</b>
<i>Margin</i>	1.4%	1.8%	
<b>Backlog</b>	<b>54,142</b>	<b>58,150</b>	<b>+7.4%</b>
<i>Months</i>	23	23	
<b>Awards</b>	<b>23,965</b>	<b>24,433</b>	<b>+2%</b>
<b>Working Capital</b>	<b>(1,969)</b>	<b>(3,436)</b>	<b>+74.5%</b>

- Sales in Construction reached € 20,874 million, showing an increase of 12.3%, adjusted by the exchange rate effect. This evolution is mainly due to the strong growth in the US, the positive evolution in Asia Pacific and a higher demand in the domestic market.
- Construction EBITDA accounted for € 1,281 million. Margin over sales remained stable at 6.1%. EBIT accounted for € 885 million, growing by 13.9%. The depreciation of assets derived from the acquisition of HOCHTIEF (PPA) rose up to € 39.5 million in the period, 27% lower than that of the comparable term.
- Net Profit reached over € 366 million, showing an increase of 29.6%, supported by a solid operating performance across businesses in the area. This result includes € 42 million net contribution from Abertis attributable to ACS Group since June.

<b>Construction</b>		<i>Sales per geographical areas</i>	
<i>Euro Million</i>	<b>9M17</b>	<b>9M18</b>	<b>Var.</b>
Spain	880	966	+9.8%
Rest of Europe	1,532	1,427	-6.9%
North America	10,356	11,301	+9.1%
South America	348	279	-19.7%
Asia Pacific	6,659	6,900	+3.6%
Africa	0	0	n.a.
<b>TOTAL</b>	<b>19,775</b>	<b>20,874</b>	<b>+5.6%</b>

- Sales in Asia Pacific grew by 11.6% and in North America by 15.6%, both adjusted by currency effects.

<b>Construction</b>		<i>Backlog per geographical areas</i>		
Euro Million	Sep-17	Sep-18	Var.	
Spain	2,494	2,469	-1.0%	
Rest of Europe	5,018	4,756	-5.2%	
North America	20,667	27,795	+34.5%	
South America	1,938	1,432	-26.1%	
Asia Pacific	23,933	21,420	-10.5%	
Africa	93	278	+199.7%	
<b>TOTAL</b>	<b>54,142</b>	<b>58,150</b>	<b>+7.4%</b>	

- Backlog at the end of the period stood at € 58,150 million. Backlog adjusted by the revalorization of the euro against the main currencies grew by 9.5%.

<b>Construction</b>														
Euro Million	Dragados			Iridium			HOCHTIEF (ACS contr.)			Adjustments		Total		
	9M17	9M18	Var.	9M17	9M18	Var.	9M17	9M18	Var.	9M17	9M18	9M17	9M18	Var.
<b>Sales</b>	<b>3,175</b>	<b>3,388</b>	<b>+6.7%</b>	<b>66</b>	<b>83</b>	<b>+25.5%</b>	<b>16,534</b>	<b>17,402</b>	<b>+5.3%</b>	<b>0</b>	<b>0</b>	<b>19,775</b>	<b>20,874</b>	<b>+5.6%</b>
<b>EBITDA</b>	<b>217</b>	<b>229</b>	<b>+5.5%</b>	<b>7</b>	<b>11</b>	<b>+53.2%</b>	<b>973</b>	<b>1,041</b>	<b>+7.0%</b>	<b>(0)</b>	<b>0</b>	<b>1,197</b>	<b>1,281</b>	<b>+7.0%</b>
Margin	6.8%	6.8%		n.a	n.a		5.9%	6.0%				6.1%	6.1%	
<b>EBIT</b>	<b>159</b>	<b>175</b>	<b>+10.3%</b>	<b>(4)</b>	<b>(0)</b>	<b>+95.5%</b>	<b>676</b>	<b>750</b>	<b>+10.8%</b>	<b>(54)</b>	<b>(39)</b>	<b>777</b>	<b>885</b>	<b>+13.9%</b>
Margin	5.0%	5.2%		n.a	n.a		4.1%	4.3%				3.9%	4.2%	
Net Financial Results	(40)	(50)		(1)	(17)		(14)	(59)		0	0	(55)	(126)	
Equity Method	0	1		10	23		4	65		(1)	(1)	13	88	
Other Results & Fixed Assets	(7)	(2)		(2)	(2)		(59)	(20)		0	(0)	(68)	(24)	
<b>EBT</b>	<b>112</b>	<b>124</b>	<b>+10.9%</b>	<b>2</b>	<b>4</b>	<b>+65.4%</b>	<b>607</b>	<b>736</b>	<b>+21.2%</b>	<b>(55)</b>	<b>(40)</b>	<b>667</b>	<b>824</b>	<b>+23.6%</b>
Taxes	(28)	(34)		2	2		(188)	(208)		17	12	(198)	(228)	
Minorities	(1)	(3)		0	(0)		(202)	(239)		17	12	(187)	(230)	
<b>Net Profit</b>	<b>82</b>	<b>87</b>	<b>+5.9%</b>	<b>4</b>	<b>6</b>	<b>+38.3%</b>	<b>217</b>	<b>289</b>	<b>+33.0%</b>	<b>(21)</b>	<b>(16)</b>	<b>282</b>	<b>366</b>	<b>+29.6%</b>
Margin	2.6%	2.6%		n.a	n.a		1.3%	1.7%				1.4%	1.8%	
<b>Backlog</b>	<b>11,274</b>	<b>12,869</b>	<b>+14.2%</b>	-	-		<b>42,868</b>	<b>45,281</b>	<b>+5.6%</b>			<b>54,142</b>	<b>58,150</b>	<b>+7.4%</b>
Months	31	33					21	22				23	23	

Note: The column "Adjustments" includes the PPA adjustments, the PPA depreciation and the tax and minorities from both.

- Dragados increased its sales by 6.7% and EBITDA margin remained stable at 6.8%. Net Profit increased by 5.9% up to € 87 million.
- HOCHTIEF showed solid growth across its operating figures, despite the negative currency effect. HOCHTIEF 's contribution to ACS net profit, after deducting minority interests, amounted to € 289 million, 33.0% higher compared to the same period of the previous year, being proportional to its average stake in the period which stood at 71.79% as of September 2018.

<b>HOCHTIEF</b>														
Euro Million	America			Asia Pacific			Europe			Holding		Total		
	9M17	9M18	Var.	9M17	9M18	Var.	9M17	9M18	Var.	9M17	9M18	9M17	9M18	Var.
<b>Sales</b>	<b>8,644</b>	<b>9,501</b>	<b>+9.9%</b>	<b>6,581</b>	<b>6,768</b>	<b>+2.8%</b>	<b>1,227</b>	<b>1,056</b>	<b>-13.9%</b>	<b>81</b>	<b>77</b>	<b>16,534</b>	<b>17,402</b>	<b>+5.3%</b>
<b>EBIT</b>	<b>197</b>	<b>230</b>	<b>+16.5%</b>	<b>485</b>	<b>521</b>	<b>+7.5%</b>	<b>35</b>	<b>42</b>	<b>+19.2%</b>	<b>(41)</b>	<b>(43)</b>	<b>676</b>	<b>750</b>	<b>+10.8%</b>
Margin	2.3%	2.4%		7.4%	7.7%		2.9%	4.0%		0.0%	0.0%	4.1%	4.3%	
Net Financial Results	(10)	(9)		(41)	(72)		19	3		18	19	(14)	(59)	
Equity Method	0	0		4	7		(0)	0		0	58	4	65	
Other Results & Fixed Asset	1	1		(32)	(12)		(28)	(10)		0	(0)	(59)	(20)	
<b>EBT</b>	<b>189</b>	<b>222</b>	<b>+17.9%</b>	<b>416</b>	<b>444</b>	<b>+6.9%</b>	<b>26</b>	<b>35</b>	<b>+35.8%</b>	<b>(23)</b>	<b>34</b>	<b>607</b>	<b>736</b>	<b>+21.1%</b>
Taxes	(45)	(54)		(132)	(137)		(9)	(7)		(2)	(9)	(188)	(208)	
Minorities	(28)	(32)		(89)	(94)		1	0		(0)	(0)	(117)	(126)	
<b>Net Profit</b>	<b>115</b>	<b>136</b>	<b>+17.8%</b>	<b>195</b>	<b>213</b>	<b>+9.7%</b>	<b>18</b>	<b>28</b>	<b>+59.2%</b>	<b>(25)</b>	<b>26</b>	<b>303</b>	<b>403</b>	<b>+33.0%</b>
Margin	1.3%	1.4%		3.0%	3.2%		1.4%	2.7%				1.8%	2.3%	

- Amongst HOCHTIEF's different areas of activity, it is worth highlighting:
  - a) Growth in America where sales went up by 9.9% and net profit raised by 17.8%, despite currency negative impacts. The main factors backing this positive behaviour are Turner and Flatiron's good performance, the growth in demand, and measures introduced to improve operating efficiency.
  - b) In Europe, the positive margins' trend and results shown in the last terms are confirmed.
  - c) Asia Pacific (CIMIC), experienced 11.4% activity growth in the local market. The improvement in the operating margins enabled a net profit growth of 9.7% in nominal terms and over 12.6% adjusted by exchange rate effects.
  - d) Corporation Net Profit included Abertis' net contribution in the period due to HOCHTIEF's 19.1% stake, amounting to € 58 million.

## 3.2 Industrial Services

Industrial Services		Key Figures	
<i>Euro Million</i>	9M17	9M18	Var.
<b>Turnover</b>	<b>4,936</b>	<b>5,109</b>	<b>+3.5%</b>
<b>EBITDA</b>	<b>498</b>	<b>513</b>	<b>+3.0%</b>
<i>Margin</i>	10.1%	10.0%	
<b>EBIT</b>	<b>461</b>	<b>474</b>	<b>+2.7%</b>
<i>Margin</i>	9.3%	9.3%	
<b>Net Profit</b>	<b>252</b>	<b>260</b>	<b>+3.3%</b>
<i>Margin</i>	5.1%	5.1%	
<b>Backlog</b>	<b>9,152</b>	<b>9,721</b>	<b>+6.2%</b>
<i>Months</i>	17	18	
<b>Net Investments</b>	<b>5,484</b>	<b>5,586</b>	<b>+1.9%</b>
<b>Working Capital</b>	<b>(865)</b>	<b>(678)</b>	<b>-21.6%</b>

- Sales in Industrial Services accounted for € 5,109 million, increasing by 3.5%, and over 8.7% when adjusted by currency effects. This growth is backed by both the positive evolution of Maintenance activities and EPC projects.

Industrial Services		Sales per geographical areas	
<i>Euro Million</i>	9M17	9M18	Var.
Spain	1,397	1,823	+30.5%
Rest of Europe	323	287	-11.1%
North America	926	924	-0.2%
South America	1,138	1,287	+13.1%
Asia Pacific	762	484	-36.4%
Africa	391	304	-22.4%
<b>TOTAL</b>	<b>4,936</b>	<b>5,109</b>	<b>+3.5%</b>

Industrial Services		Turnover breakdown by activity		
Euro Million	9M17	9M18	Var.	
<b>Support Services</b>	<b>2,661</b>	<b>2,815</b>	<b>+5.8%</b>	
<i>Networks</i>	445	529	+19.0%	
<i>Specialized Products</i>	1,592	1,650	+3.6%	
<i>Control Systems</i>	624	636	+1.9%	
<b>EPC Projects</b>	<b>2,251</b>	<b>2,292</b>	<b>+1.8%</b>	
<b>Renewable Energy: Generation</b>	<b>30</b>	<b>7</b>	<b>-76.1%</b>	
<i>Consolidation Adjustments</i>	(6)	(4)		
<b>TOTAL</b>	<b>4,936</b>	<b>5,109</b>	<b>+3.5%</b>	
<b>International</b>	<b>3,540</b>	<b>3,286</b>	<b>-7.2%</b>	
<i>% over total sales</i>	71.7%	64.3%		

- Backlog grew by 6.2% up to € 9,721 million affected by the negative impact from the exchange rate effects; not considering this impact, backlog grew by 12.2%. International backlog represents 75.2% of the total amount.
- It is worth noting the excellent performance in South America reflected in its 25.1% growth, mainly due to energy projects awarded in Brazil, Peru and Chile, as well as the rebound of the Spanish backlog in the renewable sector.
- Backlog in North America grew by 6.9%, virtually coming from Mexico with new order intakes from Oil&Gas sector, mainly during the first half of the year.

Industrial Services		Backlog per geographical areas		
Euro Million	Sep-17	Sep-18	Var.	
Spain	2,082	2,414	+15.9%	
Rest of Europe	633	547	-13.6%	
North America	1,687	1,803	+6.9%	
South America	3,038	3,799	+25.1%	
Asia Pacific	1,096	783	-28.5%	
Africa	616	375	-39.2%	
<b>TOTAL</b>	<b>9,152</b>	<b>9,721</b>	<b>+6.2%</b>	

Industrial Services		Backlog per activity		
Euro Million	Sep-17	Sep-18	Var.	
<b>Support Services</b>	<b>5,172</b>	<b>5,227</b>	<b>+1.1%</b>	
<i>Networks</i>	513	496	-3.3%	
<i>Specialized Products</i>	3,266	3,292	+0.8%	
<i>Control Systems</i>	1,392	1,438	+3.3%	
<b>EPC Projects</b>	<b>3,981</b>	<b>4,494</b>	<b>+12.9%</b>	
<b>Renewable Energy: Generation</b>	<b>0</b>	<b>0</b>	<b>-</b>	
<b>TOTAL BACKLOG</b>	<b>9,152</b>	<b>9,721</b>	<b>+6.2%</b>	
<b>International</b>	<b>7,070</b>	<b>7,308</b>	<b>+3.4%</b>	
<i>% over total backlog</i>	77.2%	75.2%		

- Operating results grew in line with sales, resulting in stable margins.
- Net profit accounted for € 260 million, 3.3% higher versus the prior corresponding term.

## 3.3 Services

Services		Key figures	
<i>Euro Million</i>	9M17	9M18	Var.
<b>Turnover</b>	<b>1,067</b>	<b>1,121</b>	<b>+5.1%</b>
<b>EBITDA</b>	<b>54</b>	<b>59</b>	<b>+9.5%</b>
<i>Margin</i>	5.1%	5.3%	
<b>EBIT</b>	<b>35</b>	<b>40</b>	<b>+14.6%</b>
<i>Margin</i>	3.3%	3.6%	
<b>Net Profit</b>	<b>30</b>	<b>25</b>	<b>-17.1%</b>
<i>Margin</i>	2.8%	2.2%	
<b>Backlog</b>	<b>2,015</b>	<b>2,458</b>	<b>+21.9%</b>
<i>Months</i>	17	20	
<b>Net Investments</b>	<b>1,087</b>	<b>1,302</b>	
<b>Working Capital</b>	<b>28</b>	<b>(27)</b>	

- Sales in Services increased by 5.1%, growing both the domestic and international markets.
- EBITDA accounted for € 59 million, growing by 9.5% with an improvement in margin over sales of 20 b.p. EBIT increased by 14.6% up to € 40 million with a margin improvement of 30 b.p.
- Net profit on the comparable term included the capital gain from Sintax sale in February 2017. Whilst in 2018 the figure only included Clece's contribution, which net profit growth stood at 7.8% during the period.
- Services backlog reached € 2,458 million, equivalent to over 20 months of production and increasing by 21.9% compared to the prior term due to the international expansion and the organic growth in Spain.

Services		Backlog per geographical areas	
<i>Euro Million</i>	Sep-17	Sep-18	Var.
Spain	1,892	2,240	+18.4%
Rest of Europe	124	218	+76.1%
<b>TOTAL</b>	<b>2,015</b>	<b>2,458</b>	<b>+21.9%</b>

## 4 Annex

### 4.1 Main figures per area of activity\*

<b>TURNOVER</b>					
<i>Euro Million</i>	<b>9M17</b>		<b>9M18</b>		<b>Var.</b>
Construction	19,775	77 %	20,874	77 %	+5.6%
Industrial Services	4,936	19 %	5,109	19 %	+3.5%
Services	1,067	4 %	1,121	4 %	+5.1%
Corporation / Adjustments	(20)		(13)		
<b>TOTAL</b>	<b>25,758</b>		<b>27,091</b>		<b>+5.2%</b>

<b>EBITDA</b>					
<i>Euro Million</i>	<b>9M17</b>		<b>9M18</b>		<b>Var.</b>
Construction	1,197	68 %	1,281	69 %	+7.0%
Industrial Services	498	28 %	513	28 %	+3.0%
Services	54	3 %	59	3 %	+9.5%
Corporation / Adjustments	(37)		(47)		
<b>TOTAL</b>	<b>1,712</b>		<b>1,806</b>		<b>+5.5%</b>

<b>EBIT</b>					
<i>Euro Million</i>	<b>9M17</b>		<b>9M18</b>		<b>Var.</b>
Construction	777	61 %	885	63 %	+13.9%
Industrial Services	461	36 %	474	34 %	+2.7%
Services	35	3 %	40	3 %	+14.6%
Corporation / Adjustments	(39)		(49)		
<b>TOTAL</b>	<b>1,235</b>		<b>1,350</b>		<b>+9.3%</b>

<b>NET PROFIT</b>					
<i>Euro Million</i>	<b>9M17</b>		<b>9M18</b>		<b>Var.</b>
Construction	282	50 %	366	56 %	+29.6%
Industrial Services	252	45 %	260	40 %	+3.3%
Services	30	5 %	25	4 %	-17.1%
Corporation / Adjustments	40		41		
<b>TOTAL</b>	<b>603</b>		<b>691</b>		<b>+14.6%</b>

<b>AWARDS</b>					
<i>Euro Million</i>	<b>9M17</b>		<b>9M18</b>		<b>Var.</b>
Construction	23,965		24,433		+2.0%
Industrial Services	5,484		5,586		+1.9%
Services	1,087		1,302		+19.7%
Corporation / Adjustments	0		(0)		n.a
<b>TOTAL</b>	<b>30,536</b>		<b>31,320</b>		<b>+2.6%</b>

<b>BACKLOG</b>					
<i>Euro Million</i>	<b>Sep-17</b>		<b>Sep-18</b>		<b>Var.</b>
		months		months	
Construction	54,142	23	58,150	23	+7.4%
Industrial Services	9,152	17	9,721	18	+6.2%
Services	2,015	17	2,458	20	+21.9%
<b>TOTAL</b>	<b>65,309</b>	<b>22</b>	<b>70,329</b>	<b>22</b>	<b>+7.7%</b>

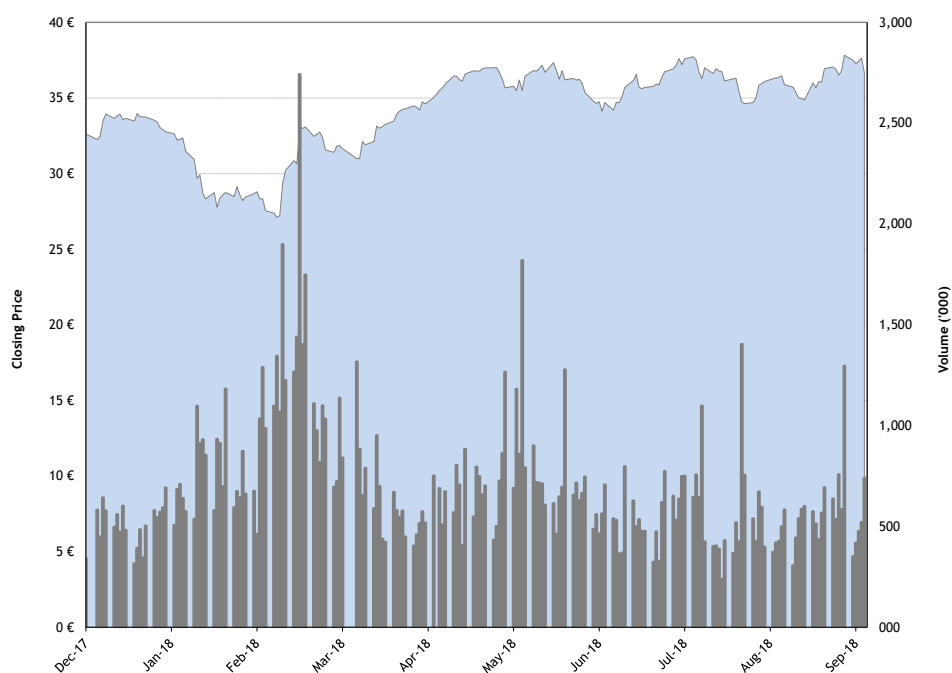
  

<b>NET DEBT</b>					
<i>Euro Million</i>	<b>Sep-17</b>		<b>Sep-18</b>		<b>Var.</b>
Construction	(360)		(1,727)		n.a
Industrial Services	(544)		(630)		+15.9%
Services	223		150		-32.6%
Corporation / Adjustments	2,096		2,079		-0.8%
<b>TOTAL</b>	<b>1,416</b>		<b>(128)</b>		<b>-109.0%</b>

\* Percentages are calculated according to the sum of the data for each activity

## 4.2 Share data

ACS Shares Data (YTD)	9M17	9M18
Closing price	31.36 €	36.68 €
Performance	16.52%	16.98%
Period High	36.75 €	38.36 €
High date	19-Jun	27-Jul
Period Low	28.34 €	26.67 €
Low date	31-Jan	7-Mar
Average in the period	32.50 €	33.80 €
Total volume ('000)	148,781	133,826
Daily average volume ('000)	771	701
Total traded effective (€ mn)	4,836	4,523
Daily average effective (€ mn)	25.06	23.68
Number of shares (mn)	314.66	314.66
Market cap (€ mn)	9,866	11,542





### 4.3 Exchange Rate Effect

#### EXCHANGE RATE EFFECT

EXCHANGE RATE EFFECT (€ vs. currency)	Average Exchange Rate			
	Sep-17	Sep-18	difference	%
1 US Dollar	1.1238	1.1932	0.0695	+6.2%
1 Australian Dollar	1.4599	1.5803	0.1203	+8.2%
1 Mexican Peso	21.0818	22.5717	1.4898	+7.1%
1 Brazilian Real	3.5624	4.3217	0.7593	+21.3%

EXCHANGE RATE EFFECT (€ vs. currency)	Closing Exchange Rate			
	Sep-17	Sep-18	difference	%
1 US Dollar	1.1812	1.1576	(0.0236)	-2.0%
1 Australian Dollar	1.5079	1.6048	0.0969	+6.4%
1 Mexican Peso	21.5450	21.7000	0.1550	+0.7%
1 Brazilian Real	3.7342	4.6986	0.9644	+25.8%

EXCHANGE RATE EFFECT Euro million	Grupo ACS			
	USD	AUD	Others	Total
Backlog	496	(1,435)	(721)	(1,661)
Sales	(700)	(580)	(322)	(1,601)
Ebitda	(15)	(67)	(34)	(116)
Ebit	(13)	(44)	(29)	(87)
Net Profit	(3)	(14)	(22)	(38)

EXCHANGE RATE EFFECT	Construction			
<i>Euro Million</i>	USD	AUD	Others	Total
Backlog	477	(1,427)	(165)	(1,115)
Sales	(682)	(578)	(83)	(1,343)
Ebitda	(16)	(67)	(3)	(86)
Ebit	(14)	(44)	(2)	(61)
Net Profit	(6)	(13)	(2)	(22)

EXCHANGE RATE EFFECT	Industrial Services			
<i>Euro Million</i>	USD	AUD	Others	Total
Backlog	19	(8)	(555)	(544)
Sales	(18)	(2)	(238)	(257)
Ebitda	1	(0)	(31)	(30)
Ebit	1	(0)	(27)	(26)
Net Profit	3	(0)	(20)	(16)

EXCHANGE RATE EFFECT	Services			
<i>Euro Million</i>	USD	AUD	Others	Total
Backlog	0	0	(1)	(1)
Sales	0	0	(1)	(1)
Ebitda	0	0	0	0
Ebit	0	0	0	0
Net Profit	0	0	0	0

#### 4.4 Pro forma Balance Sheet

Pro forma consolidated balance sheet where taken into consideration Abertis' transaction which was completed with the transfer to the SPV and the sale of shares in HOCHTIEF to Atlantia.

<b>Grupo ACS</b>		<b>Proforma Balance Sheet</b>			
<i>Euro Million</i>	sep.-18	Sale of ABE to SPV	Sale of HOT to ATL & ΔK HOT	TOTAL IMPACT	sep.-18 prof
<b>FIXED and NON-CURRENT ASSETS</b>	<b>18,657</b>	<b>(4,830)</b>	<b>0</b>	<b>(4,830)</b>	<b>13,827</b>
Intangible Fixed Assets	4,184				4,184
Tangible Fixed Assets	1,628				1,628
Equity Method Investments	9,359	(4,830)		(4,830)	4,530
Non current financial assets	1,329				1,329
Long Term Deposits	8				8
Financial instrument debtors	58				58
Deferred Taxes Assets	2,090				2,090
<b>CURRENT ASSETS</b>	<b>29,677</b>	<b>(8,255)</b>	<b>0</b>	<b>(8,255)</b>	<b>21,422</b>
Non Current Assets Held for Sale	8,986	(8,255)			731
Inventories	1,078				1,078
Accounts receivables	10,696				10,696
Other current financial assets	1,979				1,979
Financial instrument debtors	39				39
Other Short Term Assets	212				212
Cash and banks	6,687				6,687
<b>TOTAL ASSETS</b>	<b>48,334</b>	<b>(13,085)</b>	<b>0</b>	<b>(13,085)</b>	<b>35,249</b>
<b>NET WORTH</b>	<b>3,652</b>	<b>0</b>	<b>2,411</b>	<b>2,411</b>	<b>6,063</b>
Equity	2,955		1,774	1,774	4,729
Value change adjustments	(260)		1	1	(259)
Minority Interests	957		635	635	1,592
<b>NON-CURRENT LIABILITIES</b>	<b>8,891</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,891</b>
Subsidies	3				3
Long Term Provisions	1,716				1,716
Long Term Financial Liabilities	5,965				5,965
Bank loans and debt obligations	5,661				5,661
Project Finance	163				163
Other financial liabilities	140				140
Financial Instruments Creditors	33				33
Long term deferred tax liabilities	1,063				1,063
Other Long Term Accrued Liabilities	110				110
<b>CURRENT LIABILITIES</b>	<b>35,791</b>	<b>(13,085)</b>	<b>(2,411)</b>	<b>(15,495)</b>	<b>20,296</b>
Liabilities from Assets Held for Sale	8,766	(8,255)		(8,255)	511
Short Term Provisions	991				991
Short Term Financial Liabilities	10,866	(4,830)	(2,411)	(7,240)	3,626
Bank loans and debt obligations	2,476	3,455	(2,411)	1,044	3,520
Project Finance	24				24
Bridge financing linked to Abertis acquisition	8,284	(8,284)		(8,284)	0
Other financial liabilities	82				82
Financial Instruments Creditors	32				32
Trade accounts payables	14,764				14,764
Other current payables	372				372
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>48,334</b>	<b>(13,085)</b>	<b>0</b>	<b>(13,085)</b>	<b>35,249</b>

## 4.5 Main Awards of the Period

*In blue the new awards corresponding to the last quarter*

### 4.5.1 Construction

Project	Type of Project	Region	€ mn
Construction of the new international bridge Gordie Howe between Windsor (Canada) and Detroit (United States), as well as the ports of entry in each country (PPP)	Roads	America	1,052.0
Construction of the new light railway line in Montreal, Canada. (PPP)	Railways	America	896.6
Construction of 6.5 km of automated people mover at the Los Angeles International Airport (United States) (PPP)	Civil Works	America	629.0
Contract for the execution of hydro generating station and spillways civil works on the Peace River in northeast British Columbia (Canada)	Hydraulic	America	571.4
PPP project for the Waikeria Corrections and Treatment Facility construction (New Zealand)	Building	Asia Pacific	422.9
Building of the new headquarters of the California Natural Resources Agency in Sacramento (United States)	Building	America	422.0
Construction of a new 12 story hospital tower on the main campus of MetroHealth Medical Center in Cleveland, Ohio (United States)	Building	America	365.0
Rehabilitation and improvement works of the Coney Island Hospital in New York (United States)	Building	America	319.0
Contract for mining services at QCoal Northern Hub in Bowen Basin (Queensland, Australia)	Contract mining	Asia Pacific	304.0
Construction of the new Finch West light railway line in Toronto, Canada	Railways	America	291.5
Extension of the contract for mining services in the El Encuentro open pit (Chile)	Contract mining	America	258.3
Works for Australia's National Broadband Network consisting of a construction of primarily fiber to the curb technology (FTTC) in different areas of Melbourne, Brisbane and Sydney (Australia)	Services	Asia Pacific	251.3
Works for the construction of metropolitan railway infrastructure Metro Tunnel in Melbourne (Australia)	Railways	Asia Pacific	249.3
Works for the construction of the tunnel and infrastructure of the N103 highway within the North-South Transportation Corridor project in Singapore	Railways	Asia Pacific	244.9
Contract for extension of Copenhagen's underground network to Sydhaven (Denmark)	Civil Works	Europe	230.0
Improvements WORKS along I-16 between I-95 and I-516 which includes widening from 4 lanes to 6 lanes, and reconstruction of the I-16 at I-95 interchange to increase operational efficiency (Georgia, United States)	Roads	America	222.8
Project for the design and construction of 22 km of the S-6 bypass between Lebork-Trojmiasto in Poland	Civil Works	Europe	193.9
Project for the construction of the high-speed railway line between Mondragón and Elorrio (Guipúzcoa, Spain)	Railways	Spain	193.8
Three-year contract extension to provide coal mining services in Wahana mine (Indonesia)	Contract mining	Asia Pacific	173.6
Contract for the construction of different mining infrastructures for the South Flank project in the Pilbara region (Australia)	Civil Works	Asia Pacific	167.5
Project for the construction of the new bridge to replace the old North Washington Street Bridge (Washington, United States)	Roads	America	151.2

Project	Type of Project	Region	€ mn
Three-year contract extension to provide coal mining services in Satuia mine (Indonesia)	Contract mining	Asia Pacific	148.8
Contract for mining services at the Rocky's Reward nickel mine (Australia)	Contract mining	Asia Pacific	143.5
Construction of A-1 express road in the section between Iodskie border-Razasawa (Poland)	Roads	Europe	139.6
Repair and rehabilitation works in Catskill aqueduct in New York (United States)	Hydraulics	America	136.2
Repair and rehabilitation works in Catskill aqueduct in New York (United States)	Hydraulic	America	136.2
Widening works for SR 821 (HEFT) from I-75 to south of Miramar Parkway, in Miami-Dade and Broward Counties (Florida, United States)	Roads	America	122.6
Design and construction of a replacement Hospital at the James Haley Veterans Hospital in Tampa (Florida, United States)	Building	America	121.0
Three-year contract extension to provide coal mining services in Dawson South mine (Australia)	Contract mining	Asia Pacific	120.7
Extension of the contract for mining services at Leinster Underground Mine in Western Australia	Contract mining	Asia Pacific	116.9
New 15-month contract to extend the scope of mining services at Mt Artur coal mine (Australia)	Contract mining	Asia Pacific	115.3
Construction of a 28km four-lane expressway in the provinces of Cavite and Laguna in the Philippines	Civil Works	Asia Pacific	113.9
EPC project and maintenance contract for Tailern Bend Solar Farm in the South of Australia	Civil Works	Asia Pacific	107.9
Extension of the contract for mining services in the Curragh coal mine (Queensland, Australia)	Contract mining	Asia Pacific	104.1
Project for the construction of the West Park Institute including sports facilities, three-story main building, administration building and ancillary buildings in Roseville (California, United States)	Building	America	101.0
Contract extension to provide project, engineering, and maintenance services to ATOM company ( industrial equipment supplier) in Australia	Other Civil Works	Asia Pacific	94.7
Modernization works at Terminal 2 of Fort Lauderdale-Hollywood International Airport (Florida, United States)	Building	America	94.0
30-month contract extension to provide coal mining services in Senakin mine (Indonesia)	Services	Asia Pacific	93.0
Project for the design and construction of 17km of S61 road in Poland	Civil Works	Europe	91.1
Construction of a new ambulatory care facility for Denver Health (Colorado , United States)	Building	America	89.0
Contract for maintenance services in different areas of the natural resources sector in Australia	Services	Asia Pacific	88.7
Contract to build three additional segments of the Winston-Salem Northern Beltway in North Carolina (United States)	Civil Works	America	80.0
Works for the construction of the A-67 highway in the section between Sierrapando-Barreda and improvement of the links of Sierrapando, Barreda and Torrelavega (Cantabria, Spain)	Roads	Spain	76.3
Works for the construction of the A-67 highway in the section between Sierrapando-Barreda and improvement of the links of Sierrapando, Barreda and Torrelavega (Cantabria, Spain)	Roads	Spain	76.3
Contract to operate and maintain the Lawn Hill processing plant, concentrate pipeline and Karumba Port facility in Queensland (Australia)	Contract mining	Asia Pacific	71.4

Project	Type of Project	Region	€ mn
Extension of the contract for mining services in Prominent Hill (Australia)	Contract mining	Asia Pacific	71.0
Works for the construction of Palmas Altas's mall in Sevilla (Spain)	Building	Spain	68.3
Construction of a mixed used development that comprises of a 38-storey tower with 736 apartments, a hotel, retail outlets and car parks in Noida( India)	Building	Asia Pacific	67.8
Building of Thomas Comprehensive Cancer Care Center in Cincinnati (Ohio, United States)	Building	America	59.0
Construction of Quellón Hospital with a capacity of 57 beds in the Chiloé province (Chile)	Building	America	58.7
Improvement and enlargement works at Isabela Lake dam (California, United States)	Hydraulic	America	57.5
Maintenance contract for Western Australia road network (Australia)	Roads	Asia Pacific	54.8
Design and construction of the Gunyama Park Aquatic and Recreation Centre in Sydney (Australia)	Building	Asia Pacific	54.7
Works for the Ancud's Hospital construction with a surface of 18,876 sqm in Chile	Building	America	53.6
Works for the execution of the A-21 highway between Sigüés and Tiermas (Zaragoza, Spain)	Roads	Spain	50.9
Construction of a new seven story tower with capacity for 126 bed inpatient for the Baylor Scott & White Medical Center in Irving (Texas, United States)	Building	America	45.0
Improvement works in SR93 and SR60 (Florida, United States)	Roads	America	44.7
Building of Zaragoza Tower with 285 apartments (Spain)	Building	Spain	44.0
Construction of the Benito Menni healthcare complex in Ciempozuelos (Madrid, Spain)	Building	Spain	42.1
Contract for improvement works on the City of South San Francisco's Water Quality Control Plant Wet Weather and Digester in California (United States)	Hydraulic	America	41.0
Enhancement works for a depot in Exeter (United Kingdom)	Building	Europe	40.0
Works for the construction of the new ICL Cargo Terminal in the Port of Barcelona (Spain)	Building	Spain	31.1

## 4.5.2 Industrial Services

Project	Type of Project	Region	€ mn
Construction of a 300 MW Combined Cycle plant of natural gas, integrated with a seawater reverse osmosis desalination plant located in Duqm (Oman)	Integrated projects	Asia Pacific	148.0
Contract for two Jackets for the Tyra Future Development Project in the North Sea (Denmark)	Integrated projects	Europe	82.6
Development of the Kurayoshi photovoltaic park with an installed capacity of 42MW (Japan)	Integrated projects	Asia Pacific	60.7
Works for the installation of electricity transmission lines (HVDC) and associated electrical substations in Central Asia.	Specialized Products	Asia Pacific	96.7
Works for the development of Mexsolar I and II photovoltaic plants with an installed capacity of 70.35MW (Mexico)	Integrated projects	America	52.6
Works for the installation of the intelligent transport system and operation and maintenance of the control system for the M4-M5 project (main tunnel) within the WestConnex in Sydney (Australia)	Specialized Products	Asia Pacific	44.0
EPC project for the construction of Kesennuma photovoltaic plant in Japan	Integrated projects	Asia Pacific	39.9
Remedial works to the Changuinola hydroelectric plant (Panama)	Specialized Products	America	38.9
Services for works and support for the maintenance of medium and low voltage networks in Argentina	Networks	America	27.5
Contract for the operation and maintenance of the sewerage network and complementary facilities in Madrid (Spain)	Networks	Spain	26.7

## 4.5.3 Services

Project	Type of Project	Region	€ mn
New contract for cleaning services in the east area of Spain for the railway company Renfe	Services for buildings	Spain	95.0
Contract for the integral management of the retirement home of San Cristóbal de la Laguna in Tenerife (Spain)	Services for citizens	Spain	68.1
Extension of the contract for the cleaning service in different hospitals in the Valencian Community (Spain)	Services for citizens	Spain	67.6
New contract for management and exploitation of the Areeiro retirement home (Lisboa, Portugal)	Services for citizens	Spain	65.0
Extension of the contract for the cleaning service in different hospitals in Canarias (Spain)	Services for citizens	Spain	40.0
New contract for the management of a retirement home in Salamanca (Spain)	Services for citizens	Spain	36.0
Contract for the management of the retirement home of the Avda Carondelet in Madrid (Spain)	Services for citizens	Spain	35.0
Expansion of the cleaning service contract in facilities of the Ministry of Defense (Spain)	Services for buildings	Spain	30.6
New contract for the home help service in Hampshire County Council (UK)	Services for citizens	Spain	27.0
Contracto for the management of a retirement home in Cerdanyola (Spain)	Services for citizens	Spain	24.5
New contract for the home help service in London Borough of Cansdem Care and Retablement (London, United Kingdom)	Services for citizens	Spain	19.2
Renewal of maintenance contract for green spaces and urban trees in Melilla (Spain)	Services for the city and the environment	Spain	15.1

## 9 ACS Group organizational structure

ACS Group is a world benchmark company in the infrastructure industry. This sector contributes to a great extent to the economic and social development of the world's different regions in an increasingly competitive, demanding and global market.

Main Group areas:

### a) Construction

This area includes activities performed by Dragados, Hochtief (including CIMIC), and Iridium and it is oriented towards the development of different projects such as Civil Works, Building and activities related to the Mining sector (carried out by CIMIC, mainly in Asia Pacific ). The geographic regions with the highest exposure to this area are North America, Asia Pacific and Europe. The Group mainly operates in developed environments and in geopolitical, macroeconomic, and legal safe markets.

### b) Industrial Services

This area is devoted to applied industrial engineering, construction developing activities, operation and maintenance of energy services, industrial and mobility infrastructures through an extensive group of companies headed by Grupo Cobra and Dragados Industrial. This area is present in more than 50 countries, with a predominant exposure to the Mexican and Spanish market despite the rapid growth in new Asian countries and Latin American countries.

### c) Services

This area is only represented by Clece's facility management activity, which comprises building maintenance, public places and organizations, as well as care assistance. This area is mainly based in Spain, but it is slowly making headway in the European market.



## 10 Glossary

ACS Group presents its results in accordance with the International Financial Reporting Standards (IFRS). However, the group makes use of some alternative measures of performance (APM) to provide additional information that promote comparability and understanding of its financial information, and facilitates decision making and evaluation of the performance of the group. Below are the most outstanding APMs.

CONCEPT	DEFINITION and COHERENCE	sep-18	sep-17
<b>Market capitalisation</b>	<b>Num of shares at period close x price at period close</b>	<b>11,542</b>	<b>9,866</b>
<b>Earnings per share</b>	<b>Net Profit of the period / Average num of shares of the period</b>	<b>2.22</b>	<b>1.93</b>
Net Attributable profit	Total Income - Total Expenses of the period - Minority interests result	691	603
Average num. of shares of the period	Daily average outstanding shares in the period adjusted by treasury stock	311.5	312.1
<b>Backlog</b>	<b>Value of the contracts awarded and pending to be executed.</b> In section 1.1, a breakdown is made between a direct and proportional portfolio (referring to proportional participation in joint operating companies and projects not consolidated globally in the Group)	<b>70,329</b>	<b>65,309</b>
<b>Gross Operating Profit (EBITDA)</b>	<b>Operating Profit excluding (1) D&amp;A y (2) non recurrent operating results and/or which dont imply a cash flow + Net Results from Joint Ventures</b>	<b>1,806</b>	<b>1,712</b>
(+) Operating Profit	Operating income - Operating expenses	1,163	1,057
(-) 1.D&A	Operating provisions and fix asset depreciation	(456)	(477)
(-) 2. Non recurrent operating results and/or which dont imply a cash flow	Impairment & gains on fixed assets + other operating results	(65)	(113)
(+) Net profit from Joint Ventures	Profit before Taxes from foreign joint ventures consolidated by Equity method. It is similar to the UTEs regime in Spain, thus it is included in the EBITDA in order to standardize the accounting criteria with the Group's foreign companies	122	65
<b>Net Financial Debt / EBITDA</b>	<b>Net Financial Debt / Annualized EBITDA</b>	<b>-0.1x</b>	<b>0.6x</b>
Net Financial Debt (1)-(2)	Gross external financial debt + Net debt with group companies - Cash & Equivalents	(128)	1,416
(1) Deuda Financiera Bruta	Bank debt + Obligations and other negotiable securities + Project finance and non recourse debt + Financial lease + Other l/t non bank debt + Debt with group companies	8,546	8,599
(2) Cash & Equivalents	Temporary Financial investments + L/T deposits + Cash & Equivalents	8,674	7,183
Annualized EBITDA	EBITDA of the period / num of month within the period x 12 months	2,408	2,283
<b>Net Cash Flow</b>	<b>(1) Cash Flow from operating activities + (2) Cash Flow from investing activities + (3) Other Cash flows</b>	<b>(206)</b>	<b>(156)</b>
<b>1. Cash Flow from operating activities</b>	<b>Adjusted Net Profit attributable + Operating working capital variation</b> <i>ex discontinued operations</i>	<b>538</b>	<b>509</b>
Adjusted Net Profit attributable	Net profit attributable (+/-) adjustments of concepts which dont imply an operating cash flow	1,549	1,294
Operating working capital variation	Working capital variation of the period (+/-) ajustments of non operating concepts (Ej: dividends, interests, taxes, etc)	(1,011)	(785)
<b>2. Cash Flow from investing activities</b>	<b>Net investments (paid/collected)</b> <i>ex discontinued operations</i>	<b>(110)</b>	<b>(258)</b>
(-) Payments from investments	Payments for operating, project and financial investments. This figure may differ from that shown in section 2.3.2 for reasons of deferral (accruals) <i>ex discontinued operations</i>	(675)	(612)
(+) Collections from divestments	Collections from operating, project and financial divestments. This figure may differ from that shown in section 2.3.2 for reasons of deferral (accruals) <i>ex discontinued operations</i>	565	354
<b>3. Other Cash Flows</b>	<b>Treasury stock sale/acquisition + Dividend payments + Other financial sources +</b> <i>Cash generated from discontinued operations</i>	<b>(634)</b>	<b>(406)</b>
Ordinary Financial Result	Financial Income - Financial expenses	(202)	(200)
Net Financial Result	Ordinary financial result + Foreign exchange results + Impairment non current assets results + Results on non current assets disposals	(195)	(49)
Working Capital	Stock + Total accounts receivables - Total accounts payables - other current liabilities	(4,133)	(2,698)

**NOTE: All financial indicators and APMs are calculated under the principles of coherence and homogeneity allowing comparability between periods and in compliance with the applicable accounting rules and standards**

Data in million of euros



CONCEPT	USE
<b>Market capitalisation</b>	Value of the company in the stock exchange market
<b>Earnings per share</b>	Indicates the part of the net profit that corresponds to each share
<b>Backlog</b>	An indicator of the Group's commercial activity. The value divided by the average duration of the projects is an approximation to the revenues to be received in the following periods
<b>Gross Operating Profit (EBITDA)</b>	Measure of comparable performance to evaluate the evolution of the Group's operating activities excluding depreciation and provisions (more variable items according to the accounting criteria used). This AMP is widely used to evaluate the operational performance of companies as well as part of ratios and valuation multiples and measurement of risks
<b>Net Financial Debt / EBITDA</b>	<b>Comparable ratio of the Group's indebtedness level. It measures the repayment capacity of the financing in number of years.</b>
Net Financial Debt (1)-(2)	Total net debt level at the end of the period. In section 1, it is included a breakdown of the net debt of the projects (Project Finance) and the net debt of the business
(1) Deuda Financiera Bruta	Level of gross financial debt at period end
(2) Cash & Equivalents	Current liquid assets available to cover the repayment needs of financial liabilities
Annualized EBITDA	
<b>Net Cash Flow</b>	Cash generated / consumed of the period
1. Cash Flow from operating activities	Cash generated by operating activities. Its value is comparable to the Group's EBITDA by measuring the conversion of operating income into cash generation
2. Cash Flow from investing activities	Funds consumed / generated by investment needs or divestments collections in the period
3. Other Cash Flows	
Ordinary Financial Result	Medida de evaluación del resultado procedente del uso de activos y pasivos financieros. Este concepto incluye tanto ingresos y gastos directamente relacionados con deuda financiera neta como otros ingresos y gastos financieros no relacionados con la misma
Net Financial Result	
Working Capital	

## DISCLAIMER

This document contains forward-looking statements on the intentions, expectations or forecasts of ACS Group 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 ACS Group 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.

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