

## ACS wins € 282 million during 2019 first quarter, an increase of 12.9 %

- Sales increased by 6.8%, up to € 9,263 million**
- Backlog stood at € 75,399 million, +13.1% more**
- EBITDA rose by 10.9%, reaching € 761 million**

Grupo ACS		Key operating & financial figures		
Euro Million	3M18	3M19	Var.	Var comp*
Turnover	8,671	9,263	+6.8%	+4.0%
EBITDA	686	761	+10.9%	+10.9%
EBIT	482	501	+3.9%	+4.0%
Attributable Net Profit	249	282	+12.9%	+13.0%
Backlog	66,677	75,399	+13.1%	+8.8%
Net Investments	161	544		
Total Net Debt	(359)	(897)		

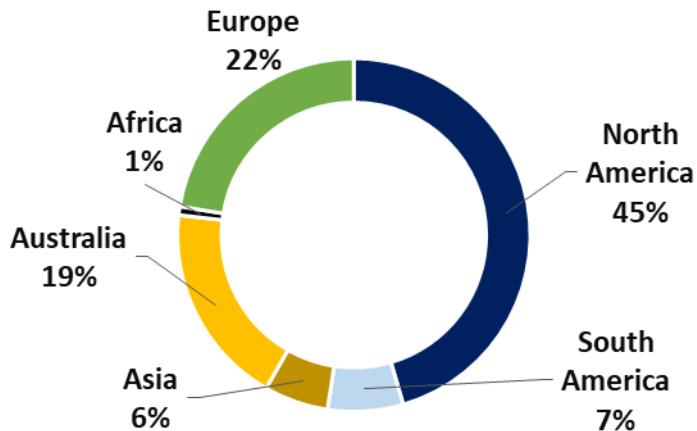
\* In a like to like basis, excluding the effect of exchange rate variations.

### Consolidated Results

ACS Group sales in 2019 first quarter accounted for € 9,263 million, representing an increase of 6.8%, and 4.0% when adjusted to exchange rate variations. The North American, Australian and Spanish markets continue demonstrating solid growth.

Sales' geographical distribution showed the broad diversification of the Group, with North America accounting for 45% of sales, Europe 22%, Australia 19%, Asia 6%, South America 7%, and Africa the remaining 1%. Sales in Spain accounted for 17% of total.

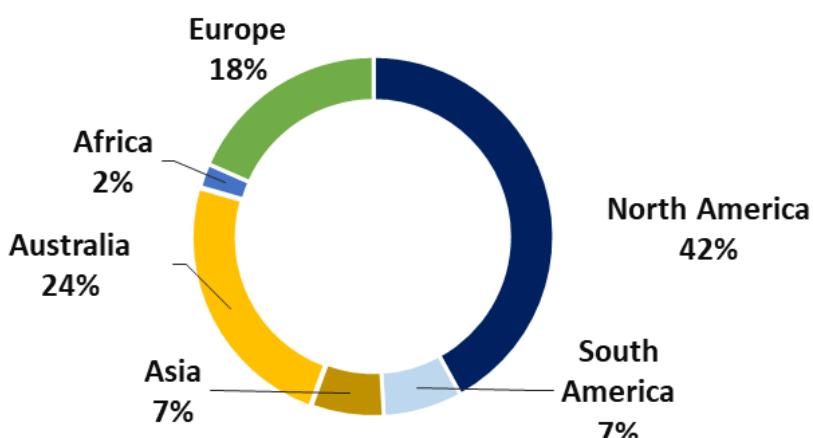
**Sales Breakdown**



Backlog at quarter-end amounted to € 75,399 million, growing by 13.1%, and by 8.8% when adjusted to the exchange rate variations. To mention, the good performance in the North American markets, both in the United States and Canada, with a year-on-year growth rate over 25% and 20%, respectively.

Backlog's geographical distribution is similar to current sales.

**Backlog Breakdown**



Total EBITDA accounted for € 761 million, increasing by 10.9%, placing its margin in 8.2%, 30 b.p. higher than last year.

Likewise, EBIT reached € 501 million after increasing by 3.9%, 4.0% in a like to like basis. Sales margin rose up to 5.4%.

## 1Q19 RESULTS

The Group's attributable net profit stood at € 282 million, meaning 12.9 % increase.

Grupo ACS		Net Profit breakdown		
Euro Million		3M18	3M19	Var.
Infrastructure	103	131	+26.9%	
Construction	103	88	-14.6%	
Abertis contribution	0	43	n.a	
Industrial Services	125	129	+3.5%	
Services	8	9	+12.1%	
<b>Net Profit from activities</b>	<b>236</b>	<b>270</b>	<b>+14.1%</b>	
Corporation	13	12	-8.7%	
<b>TOTAL Net Profit</b>	<b>249</b>	<b>282</b>	<b>+12.9%</b>	

Infrastructures Net profit grew by 26.9 %, after bringing in Abertis in June 2018, which contribution in 2019 was worth € 43 million.

On its side, Construction activity includes Dragados with a Net profit of € 37 million, and HOCHTIEF which has reduced its contribution to the Group from 72% to 50% after selling to Atlantia an important stake in 2018 last quarter.

Industrial Services Net profit grew by 3.5%, underpinned by the boost of renewable energies investment in the Spanish market.

Likewise, Net profit in Services reached € 9 million growing by 12.1%.

### ***Financial situation***

At first-quarter-end ACS Group reported a net debt balance of € 897 million, growing by € 538 million in the last twelve months due to Abertis' acquisition (completed as of 2018 end) and investment growth in concessionary projects

In fact, the Group's total net investment during 2019 first quarter rose up to € 544 million, multiplying by three its figure in a like to like basis.

- Net operating CAPEX increased up to € 142 million and mainly corresponded to the acquisition of machinery for mining, civil works, and industrial facilities' projects.
- Net financial investment and in projects and grew up to € 402 million, highlighting Industrial Services area with an investment of € 311 million, mainly in renewable energies' concessionary projects.

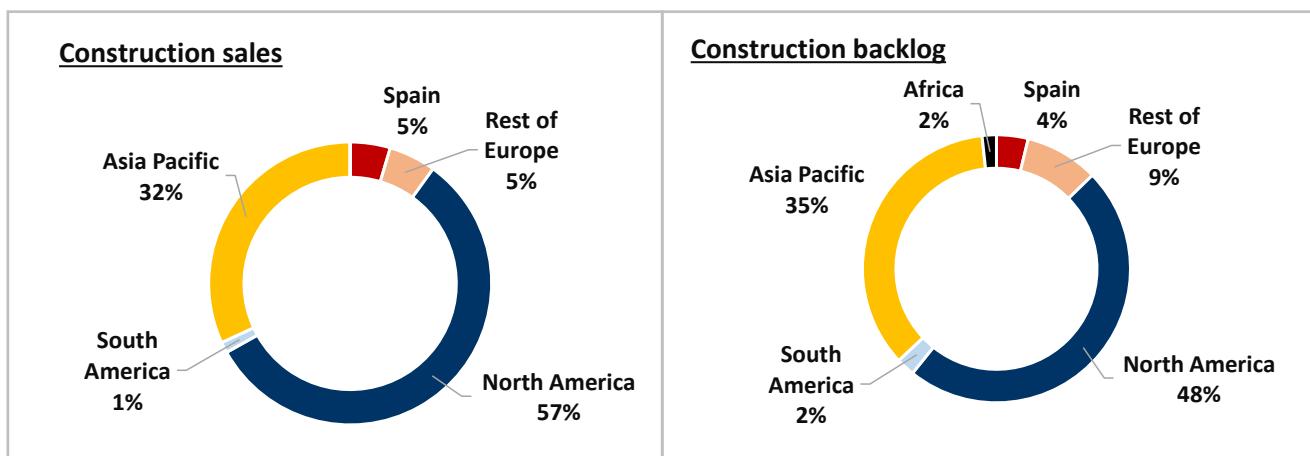
<b>Grupo ACS</b>		<i>Investments breakdown</i>		
<i>Euro million</i>	<b>Net Op. CAPEX</b>	<b>Investment</b>	<b>Divestment</b>	<b>TOTAL</b>
Construction	126	102	(1)	<b>227</b>
Industrial Services	11	311	(17)	<b>306</b>
Services	4	0	0	<b>4</b>
Corporation	0	7	0	<b>7</b>
<b>TOTAL</b>	<b>142</b>	<b>420</b>	<b>(18)</b>	<b>544</b>

## Results per Area of Activity

### *Construction*

Sales in Construction in 2019 first quarter accounted for € 6,854 million, showing an increase of 8.0%, 4.2% when adjusted by exchange rate variation impact.

ACS Group international sales in the Construction area amounted to € 6,540 million, which represented 95% of total sales in this area, being North America and Australia the most important markets. Domestic sales represented 5% of total.



Construction EBITDA accounted for € 515 million, with a sales margin of 7.5%, after growing 15.3%, and improving by 50 b.p. compared to last year's same period.

Net profit reached over € 99 million, 4.1% less due to HOCHTIEF minorities increase after selling 23.86% of the company. This result reported € 11 million coming from Abertis' net contribution through HOCHTIEF attributable to ACS.

Construction Backlog, by March 2019, rose up to € 62,802 million, growing 14.2%; 9% after being adjusted to the exchange rate. The good evolution of the

## **1Q19 RESULTS**

backlog during this first quarter which grew by 18.9% compared to last year's same period. International Backlog represented 96% of total volume in the Construction area.

Amongst the most important awards achieved during 2019 first quarter, these are the most significant:

- Project for the building of Old Oak Common Station and extending and upgrading Euston Station (London), as required for the new High Speed railway (London, United Kingdom)
- Mining contract at Debswana Diamond Company's Jwaneng Mine Cut 9 project in Botswana
- Construction of a plant and tunnel for the treatment of water pollution (Los Angeles, United States)
- Project for delivery and maintenance of a new regional rail fleet and construction of a new maintenance facility in Dubbo, New South Wales (Australia)
- Project (PPP) for the expansion of the Centerm terminal of the Port of Vancouver (Canada)
- Construction of Christchurch Metro Sports Facility, the largest aquatic and indoor recreation and community venue in New Zealand.
- Reconstruction and improvement works of the Newark Bay Bridge in New Jersey (United States)
- New contract for services on the Woodside Energy Limited operated Karratha Gas Plant (KGP) (Australia)
- Building of warehouse and offices for Amazon in Seville (Spain)
- Contract extension for mining services in Melak in East Kalimantan (Indonesia)
- Project for the expansion of the Triangle Expressway Southeast in North Carolina (United States)
- Project for Northern Road upgrade between Eaton Road and Littlefields Road (New South Wales, Australia)
- Design and construction of the Wagga Wagga Health Service Redevelopment Project (New South Wales, Australia)
- Construction of infrastructures to the gas gathering in the Surat basin (Queensland, Australia)

### ***Abertis***

Abertis' reported a positive evolution during 2019 first quarter in its highways' activity owing to solid increase in traffic rates registered in Spain (+5.1%), France (+1.6%), Chile (+1.7%), Brazil (+2.2%), and Italy (1.2%).

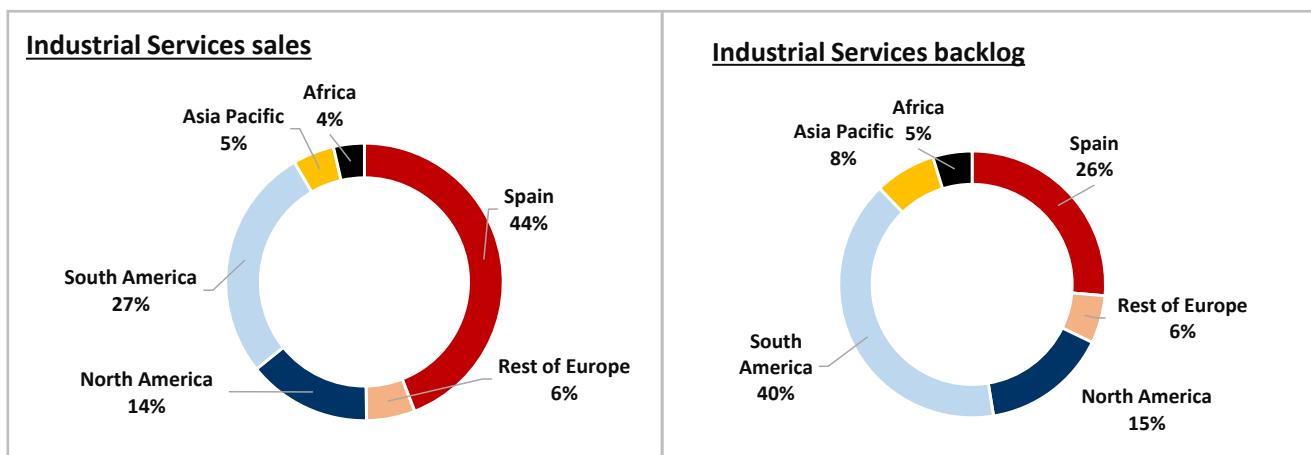
EBITDA, in comparable terms, grew by 10% compared to the first quarter of previous years. In nominal terms, EBITDA increased 3%.

Abertis' contribution to ACS Group profit has been accounted as Equity Method and rises up to € 43 million during 2019 first quarter; from which € 32 million

corresponded to ACS direct participation and the remaining € 11 million, to the indirect stake via HOCHTIEF, after excluding minority interests.

### ***Industrial Services***

Sales in Industrial Services reached € 2,024 million, increasing by 3.4%. The solid recovery of the domestic market and Industrial Maintenance activities' growth were the main reasons for this positive change.



EBITDA accounted for € 239 million, 3.4% more than in the same period 2018, with a sales margin of 11.8%

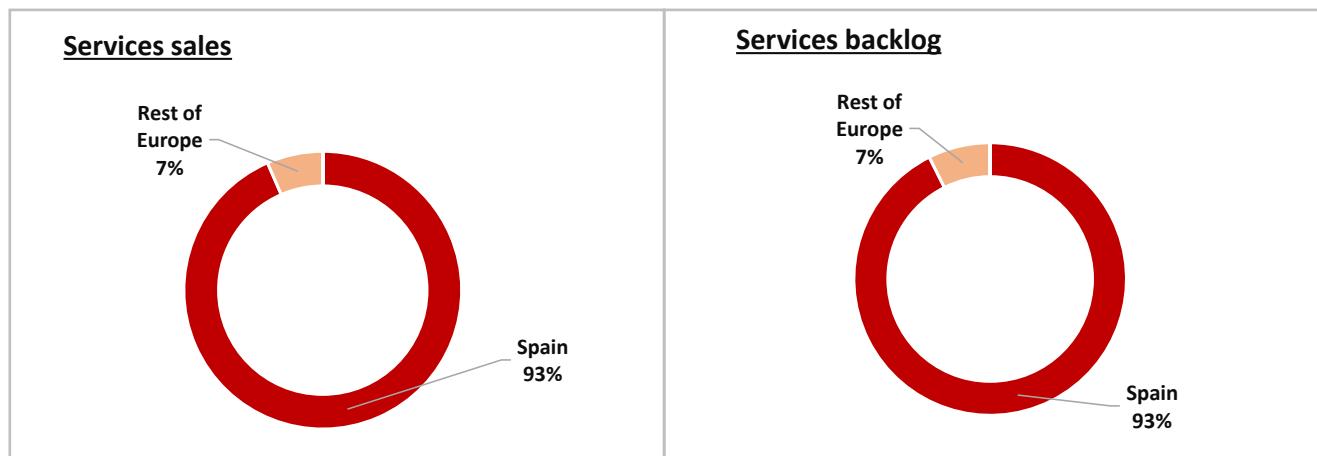
Equally, Net profit reached € 129 million, 3.5% higher compared to last year.

Industrial Services increased its Backlog by 6.0% up to € 9,828 million in 2019 first-quarter, with 74% rate of international contracts. Excluding exchange rate variations, Backlog grew by 12.2%. Amongst the most important awards achieved during 2019 first quarter, it can be found:

- Works for basic engineering, detailed engineering, equipment and material supply, construction and implementation of two 5,000 tons-per-day sulphuric acid plants in Jorf Lasfar industrial site (Morocco)
- Contract for the delivery of the Communication Systems for the Finch West Light Rail Transit Project in Toronto (Canada)
- Delivery of the OMCS head-end system for the M4-M5 Link Tunnels for WestConnex project (Australia)

### **Services**

Sales in Service to Citizens (CLECE) accounted for € 389 million, rising by 4.6%.



EBITDA accounted for € 23 million, growing by 7.6%. Margin over sales stood at 5.8 %, 10 b.p. better than in 2018.

Net profit reached € 9 million.

Services Backlog reached € 2,769 million, equivalent to 22 months of activity.

Amongst the most important awards achieved during 2019 first quarter, these are the most significant:

- Renewal of the contract for Home Help service in Durham County Council (United Kingdom)
- New awards of the cleaning service of the Cadiz hospital for the Andalusian Health Service (Spain)

**Madrid, 14<sup>th</sup> May, 2019**