

407 ETR RESULTS JANUARY – MARCH 2019



407 ETR is located in Toronto (Canada). Ferrovial owns a 43.2% stake of the asset and it is equity accounted.

Revenues +7.1%
Dividends +10.5%

TRAFFIC PERFORMANCE

	Mar-19	Mar-18	Var.
Avg trip length (km)	20.79	20.68	0.5%
Traffic/trips (mn)	27.26	27.96	-2.5%
VKTs (mn)	567	578	-2.0%
Avg revenue per trip (CAD)	11.25	10.24	9.9%

VKT (Vehicle Kilometres Travelled)

Traffic (kilometres travelled) -2.0% vs 1Q 2018 due to extreme weather. Traffic was impacted by more winter weather events involving freezing rain and snowfall, resulting in school closures and school bus cancellations impacting workdays traffic (no school closures due to weather in 1Q 2018). Despite weather conditions, the average trip length increased by +0.5%.

	January	February	March
Monthly VKT performance 2019	-2.0%	-4.6%	+0.4%

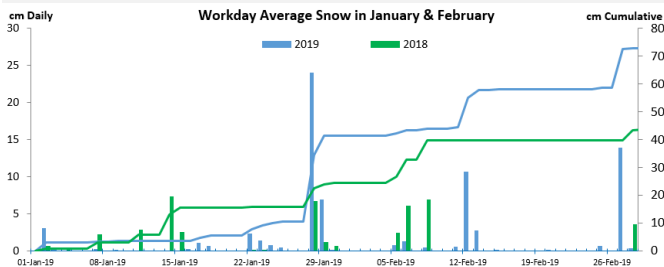
Winter 2019 has been quite severe with a total amount of 33mn tones of salt spread in 1Q 2019 (+25% vs previous 5 years average). Winter operations took place on 66 out of 90 days.

Extreme weather

2019 January: record single day snowfall on a workday (24cm)

2019 February: 18 mm freezing rain all falling within Workdays

5 major winter school closures, school bus cancellations (none in 2018)



407 ETR FINANCIAL RESULTS

(CAD mn)	Mar-19	Mar-18	Var.
Revenues	309	289	7.1%
EBITDA	263	251	4.7%
EBITDA margin	85.0%	87.0%	
EBIT	237	225	5.1%
EBIT margin	76.6%	78.1%	
Financial results	-107	-94	-14.4%
EBT	130	132	-1.5%
Corporate income tax	-34	-35	1.4%
Net Income	95	97	-1.5%

Revenues +7.1% in local currency in 1Q 2019.

- Toll revenues** (93% of total): +7.4% to CAD287mn, mainly due to tariff increases effective since February 1st, 2019.

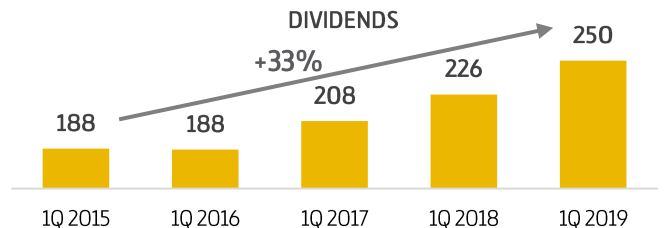
- Fee revenues** (7% of total) CAD22mn (+3.8%), mainly due to an increase in the annual lease fee rate, coupled with higher volumes of transponders in circulation and higher net interest fee revenue.

OPEX +24%, (+2.9% underlying opex, excluding one off in 2018) attributable to one-time recovery of indirect taxes relating to prior year.

EBITDA +4.7%, with an 85.0% EBITDA margin (vs. 87.0% 1Q 2018). Excluding the one-time recovery aforementioned, EBITDA performance would be +7.9%, with an 85% EBITDA margin vs 84.4% in 1Q 2018.

DIVIDENDS

In 1Q 2019, 407 ETR distributed dividends of CAD250mn, **10.5% vs. 1Q 2018**. At the April Board meeting, 2Q 2019 dividend payment was approved in the amount of CAD250mn (**+10.5% vs. 2Q 2018**).



BOND ISSUES & REPAYMENT

407 ETR issued two bonds on 6 March 2019:

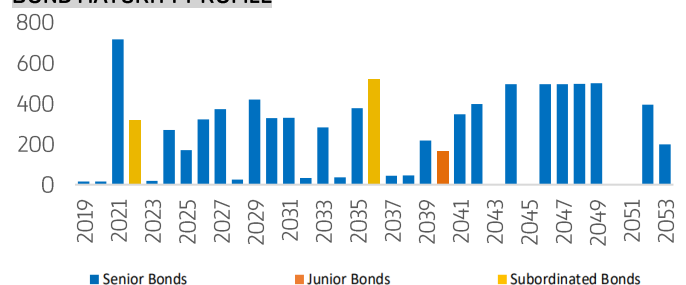
- CAD300mn bond maturing in March 2030 (coupon 3.14%)
- CAD500mn bond maturing in March 2049 (coupon 3.67%)

In addition, 407 ETR announced the early payment of a CAD300mn Senior Medium-Term Notes, Series 10-A2, maturing in June 2020.

CREDIT RATING

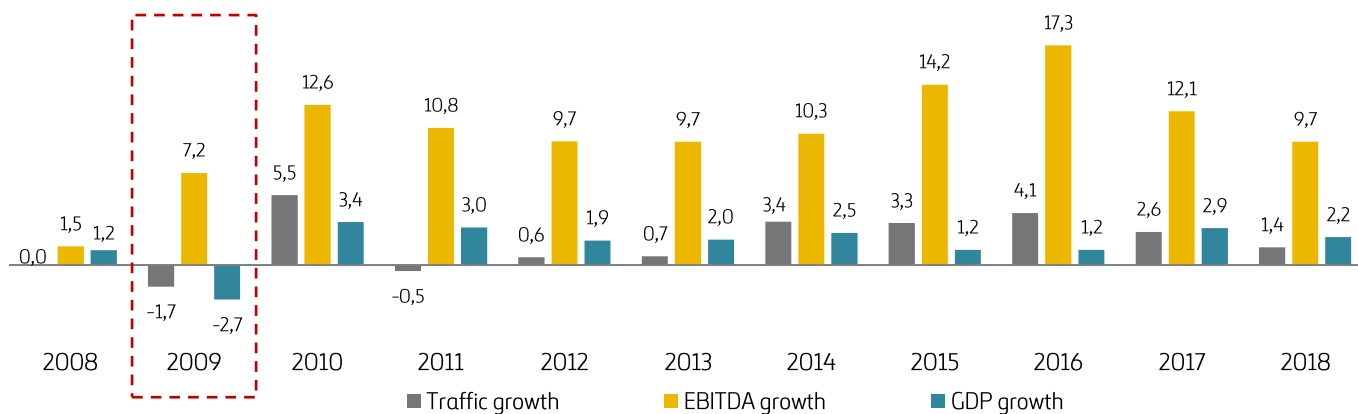
- S&P:** "A" (Senior Debt), "A-" (Junior Debt) & "BBB" (Subordinated Debt), with stable outlook, issued on 31 May 2018.
- DBRS:** "A" (Senior Debt), "A low" (Junior Debt) & "BBB" (Subordinated Debt), with stable outlook, issued on 3 December 2018.

BOND MATURITY PROFILE

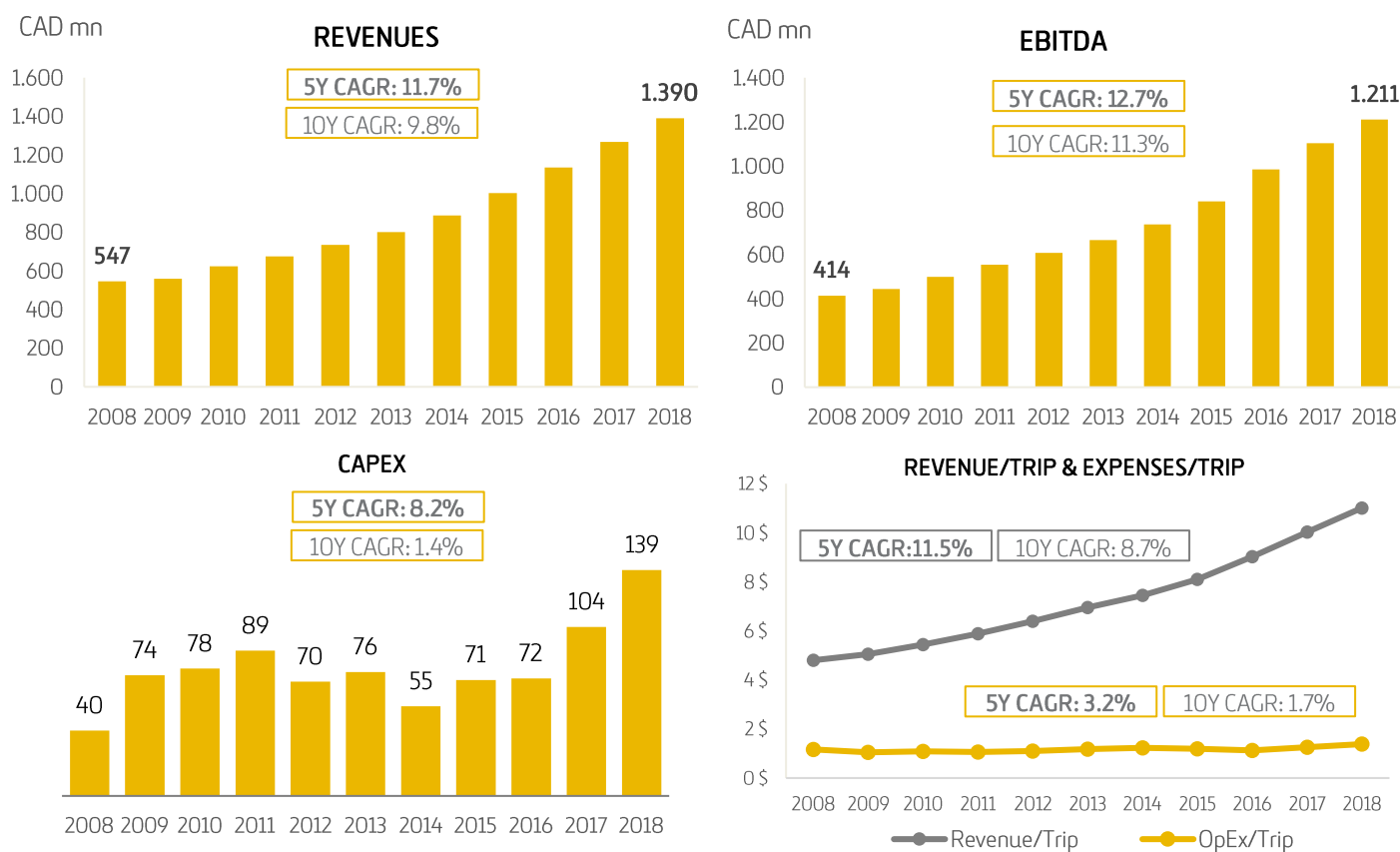


Find further information on 407 ETR 1Q 2019 results in the following [link](#)

Traffic, EBITDA & GDP growth (%)



407 ETR'S FINANCIAL INDICATORS



407 ETR'S TRAFFIC PERFORMANCE

