



# OVERVIEW PRESENTATION

**DECEMBER 2016**



# **Who are We?**

Our Strategy

Value Creation

Outlook for this Year

## Who are we? Our story

- > Abertis is the **leading international group** of toll-road operators. We manage thousands of kilometers of high quality, high capacity roads around the world.
- > Our top priority is the safety of our drivers. We are **continually investing** in **technology** and **smart engineering** to make sure our customers have a smooth experience using our roads: **safe, comfortable, fast and convenient**.
- > We have grown by being **good partners to governments**: we are **committed to the long term**, and we deliver a high quality product.
- > Our **profits** come **from operating the roads**, not from speculating on public services. We take a hundred year view of our business.
- > We bring together **financial capability** and **industrial expertise**: we have the capacity for **large-scale financing**, and we have the **know-how** to manage infrastructure.
- > We want to be **part of the solution** to public problems associated with increasing road travel, such as congestion and climate change.
- > As the global leader in our sector, **we aim to set standards for the industry**. Nobody is better placed than Abertis to set the pace on quality and innovation.



## The World Leader in Toll Roads...

A map of Europe showing the outlines of the continent. Several circular icons with national flags are placed over the map to indicate the company's presence in those countries. The flags shown are for the United Kingdom, Ireland, France, Croatia, Spain, and Italy.

 Assets in 13 countries  
~8,000 km under management  
31 fully consolidated concessions  
Electronic Tolling Technology services worldwide

 ...and a reference in the satellite industry  
Presence in Europe and Latin America  
7 satellites  
57% of Hispasat

## Strong Results and Cash Flow

- > €4.4Bn of revenues in 2015 (+5% L-f-L)
- > €2.7Bn of EBITDA in 2015 (+5% L-f-L)
- > €3.2Bn of discretionary FCF in 2015(+8% L-f-L)

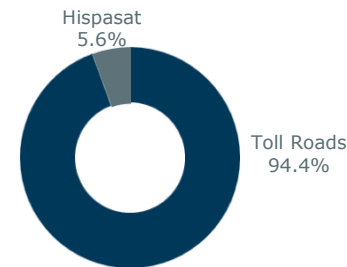
## Solid Balance Sheet (9M 2016)

- > €31Bn assets under management
- > €3.1Bn cash and equivalents
- > €14.2Bn net debt (4.4X EBITDA)
- > BBB/BBB+ rating (S&P/Fitch)

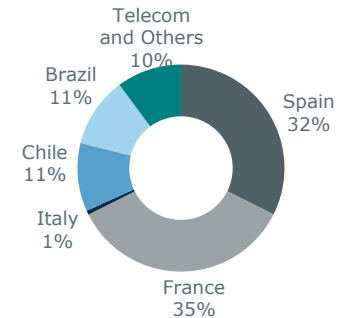
~€13Bn Market Cap

## EBITDA Composition (9M 2016)

By Business



By Market



9M EBITDA growth = 8% L-f-L

A focused company with a geographic diversification

A Rock-Solid Company

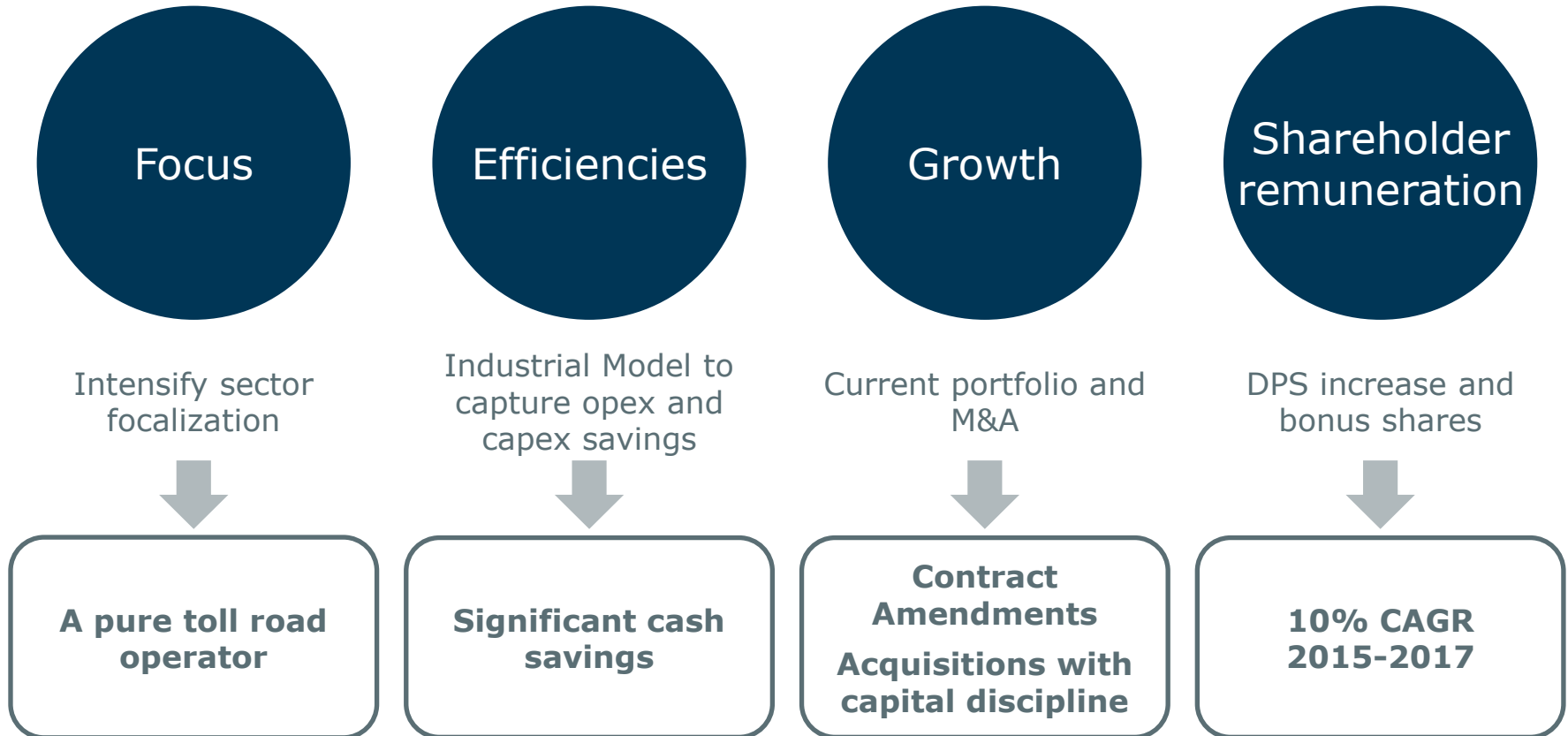
Who are We?

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## Our road to value – 2015-2017 Strategic Plan



## 2010

- > 5 non-synergic business units
- > Presence in 8 countries (toll roads)
- > Non-controlling stakes
- > 47% of EBITDA outside Spain

## 9M 2016

- > 2 business units
- > Presence in 13 countries (toll roads)
- > Controlling shareholder of the main operations
- > ~ 70% of EBITDA outside Spain

### In 2011 Abertis initiated a strategic plan focused on toll roads

#### Acquisitions



#### Disposals (airports, car parks, logistics, non core stakes)



### Latest developments towards becoming a pure toll road operator

- 
  - > Cellnex IPO
    - > Value crystallization above expectations
    - > ~€2.7Bn capital gains
- 
  - > Airports full exit (MBJ: €177Mn)
    - > Attractive sale IRRs
- 
  - > Acquisition of Autopista Central (Chile) & A4 Holding (Italy)
    - > Fully consolidated (100% & 51.4% stakes respectively)

**Consolidating Our International Leadership in Toll Roads**



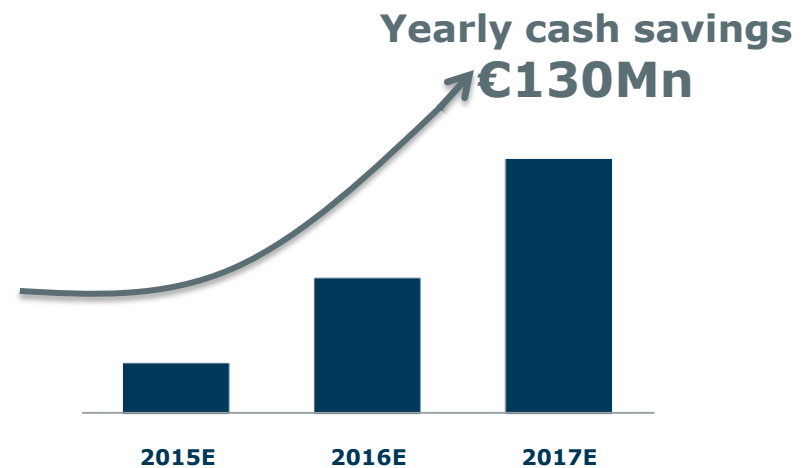
**Efficiency Plan I  
2011-2014**

**Initial Target  
€570Mn cumulative  
cash savings**






**Final outcome  
€741Mn cumulative  
cash savings**

**Efficiency Plan II  
2015-2017**



**Significant cash efficiencies**

- > 2nd efficiency plan   
- > Liability management programs

# Our Strategy

## "Golden Rules" for any project

### Industrial Role

- Group's best practices
- Industrial fees to Abertis
- Core investments with professional minority investors

### Financial Discipline

- IRR 250-450 bps over  $K_e$  (risk-adjusted)
- Sustainable capital structures by project

### Dividends






- Sustainable dividend policy

### Financial Strength

- Corporate Investment Grade rating
- Non-recourse debt by project

## Growth – Capex in Existing Asset Base

## Latest developments

	MAIN PROJECTS	IMPACTS
	<p><b>Full control and consolidation of Chilean assets</b></p> <ul style="list-style-type: none"> <li>➢ Autopista del Sol and A. Los Libertadores (from 50% to 100% stake) – Jul/15</li> <li>➢ Autopista Central (from 50% to 100% stake) – Jan/16</li> </ul>	<ul style="list-style-type: none"> <li>➢ Increased EBITDA backlog</li> <li>➢ Full consolidation</li> <li>➢ Addition of ~€220Mn revenue and ~€160Mn EBITDA (2016)</li> </ul>
	<p><b>Plan de Relance</b></p> <ul style="list-style-type: none"> <li>➢ €590Mn investments over the next 5 years</li> <li>➢ Attractive IRR</li> </ul>	<ul style="list-style-type: none"> <li>➢ SANEF (+2 years) and SAPN (+3 years and 8 months) extensions</li> <li>➢ Potential traffic upsides with new capex</li> </ul>
	<p><b>Túnel de Barcelona i Cadí</b></p> <ul style="list-style-type: none"> <li>➢ Stake increased to 50.01%</li> <li>➢ ~13% equity IRR (nominal post tax)</li> </ul>	<ul style="list-style-type: none"> <li>➢ Full control and full consolidation</li> <li>➢ Addition of ~€41Mn EBITDA (2016)</li> </ul>
	<p><b>Incremental investments (projects improvements) in the current capex plan</b></p> <p><b>Arteris buy-out (achieved in May)</b></p> <ul style="list-style-type: none"> <li>➢ Stake increased to 43.38%</li> <li>➢ Non-listed in the stock market anymore</li> </ul>	<ul style="list-style-type: none"> <li>➢ State Concessions extensions (Autovias and Intervias). Federal concessions tariff increases higher than inflation (average of 19% increase for 2016)</li> <li>➢ Increase of EBITDA backlog and new financing strategies</li> </ul>
	<p><b>Metropistas</b></p> <ul style="list-style-type: none"> <li>➢ Implementation and operation of new tolling gantries</li> <li>➢ One time up-front payment in the amount of \$100Mn to the PRTA</li> <li>➢ Subsequent deferred payment in the amount of \$15Mn.</li> </ul>	<ul style="list-style-type: none"> <li>➢ 10-years extension of the concession contract from 2051 to 2061</li> <li>➢ Increase Metropistas `revenue share (DTL)</li> </ul>

**Competitive Processes, Bilateral Agreements,  
Brownfield or Yellowfield, Only Toll Roads**

## Existing Markets

- Generates efficiencies and synergies
- Takes advantage of knowledge of the country
- Includes primary and secondary markets



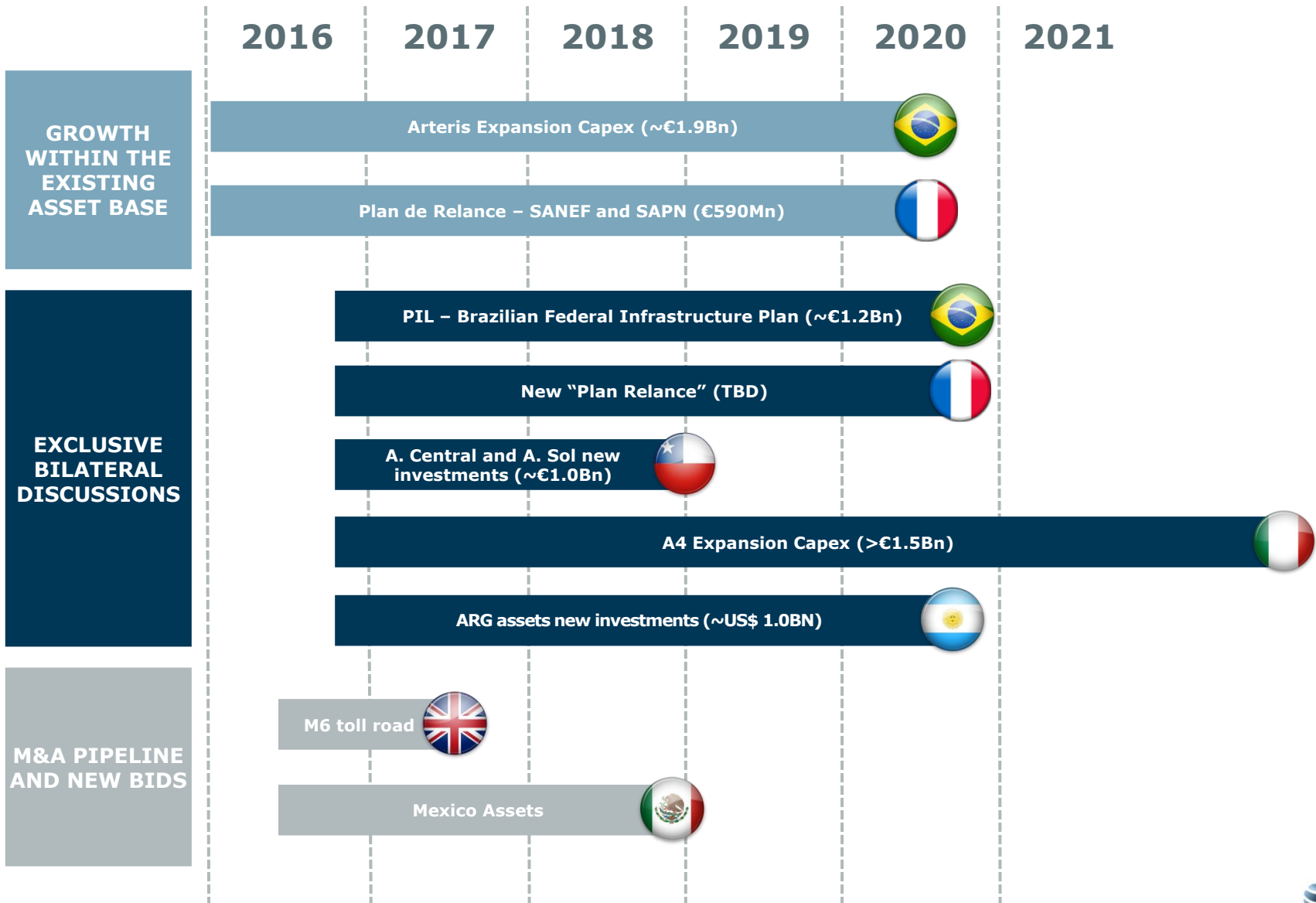
## New Markets

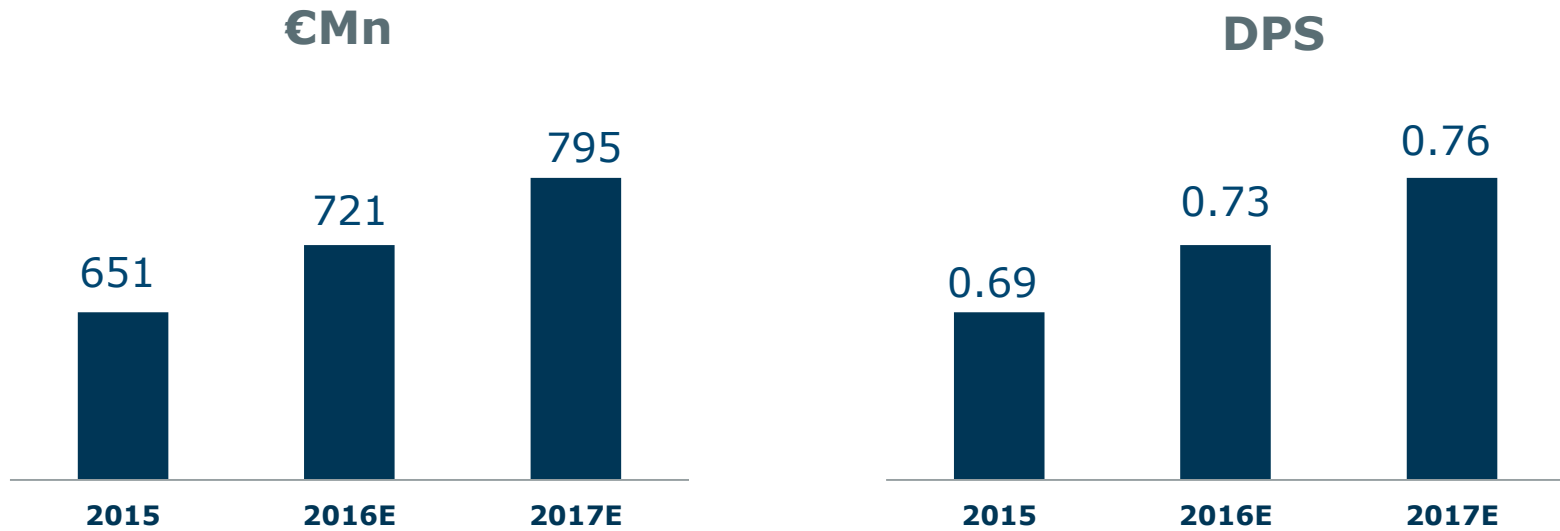
- Apply industrial know-how
- Export best practices
- Increase geographic diversification



**A proven track record**  
**Focus in brownfield projects in countries with solid legal framework**

**Competitive Processes, Bilateral Agreements,  
Brownfield or Yellowfield, Only Toll Roads**





Share buy-back: Tender offer achieved to buy 6.5% capital. 8.25% treasury stock (Post-Tender Offer)

10% CAGR 2015-2017 (€2.1Bn dividends for the period)

**Value Oriented Shareholder Remuneration**

Who are We?

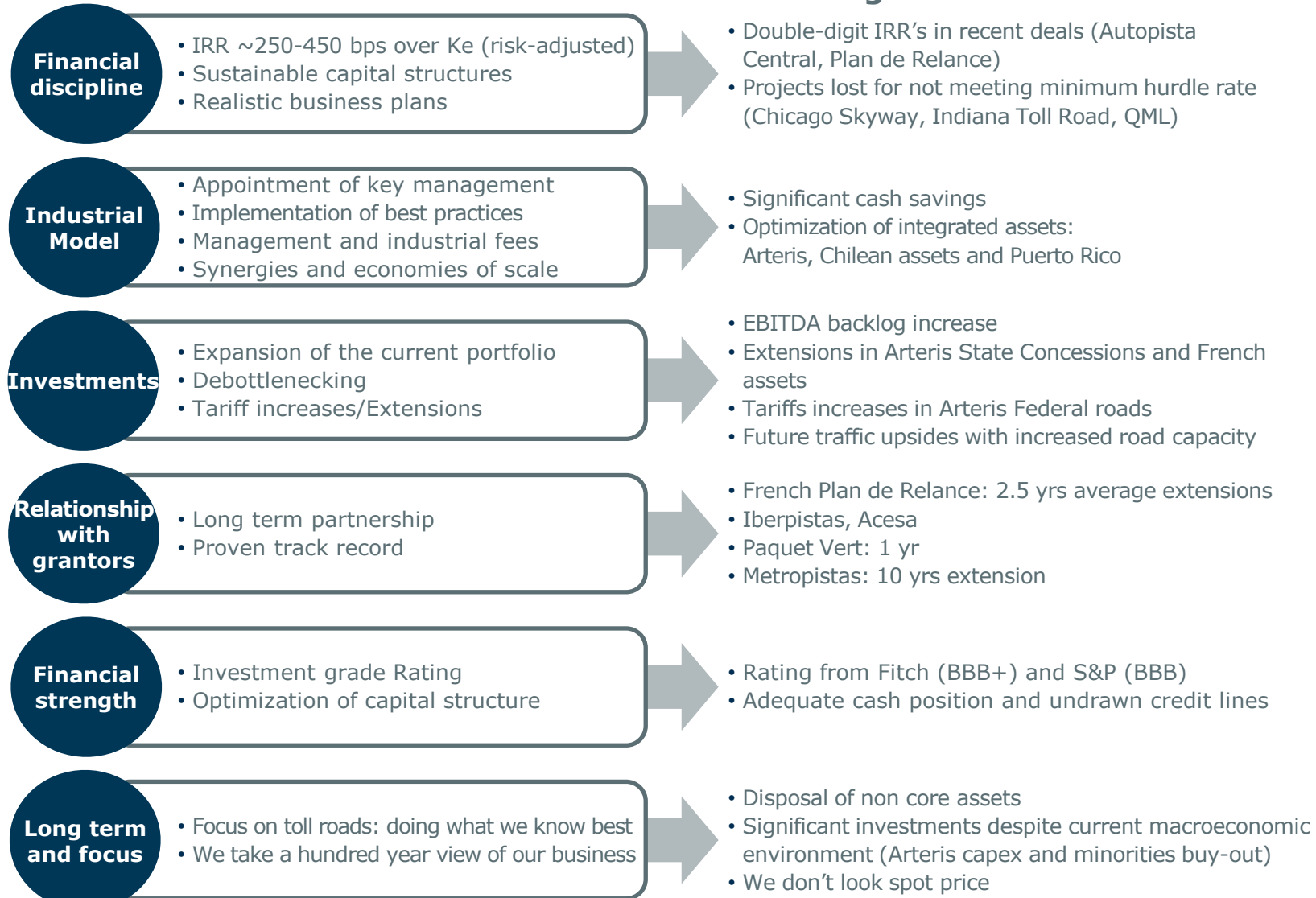
Our Strategy

**Value Creation**

Outlook for this Year

Annex

**Tangible results:**



**Value Creation**



# Value Creation Our Business Model



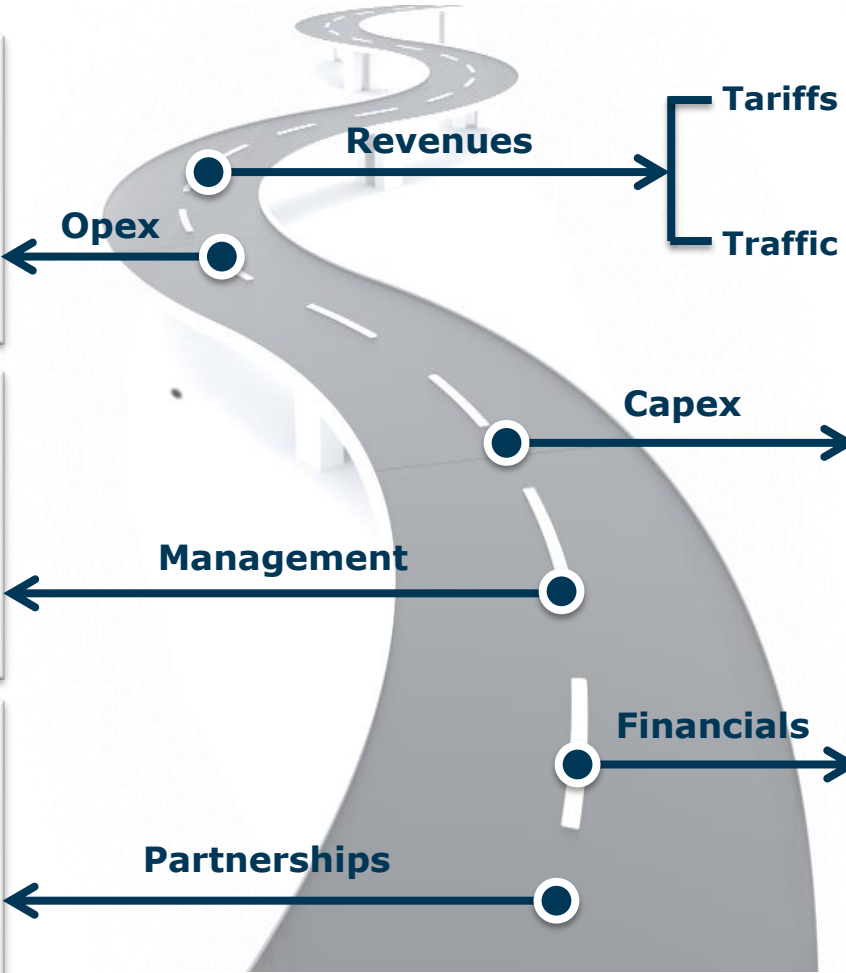
- Opex committee
- Industrial model
- Back-office integration
- Competition and procurement via online auction
- Synergies



- Senior team
- Organization simplification
- Focused on efficiency
- Benchmarking and cost management
- Centralized Corporate services



- Strategic local partners (industrial and financial)
- Negotiation with grantors
- Social responsibility initiatives
- Institutional relations
- Historical partners for the infrastructure sector




- 31 different contracts models
- Wide range of readjustments mechanisms
- 50 yrs of market trends knowledge
- Traffic studies know-how
- Proprietary tolling technology and expertise (free-flow, ETC, manual, ticketing)



- Capex committee
- Outsourcing with competition and electronic auctions
- Brownfield and yellow fields
- Engineering intelligence
- Pavement labs
- Periodic road maintenance



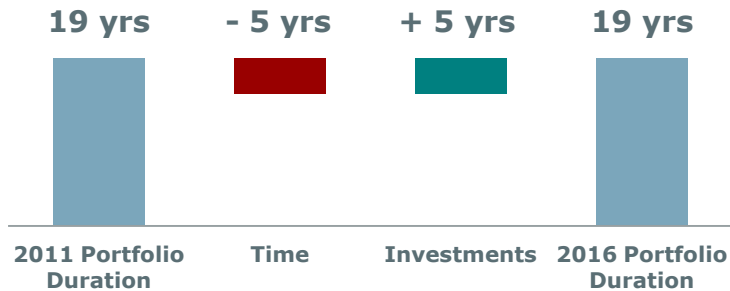
- Capital Market access
- Liability management
- Strong cash position and approved credit lines
- Risk management and hedging
- Investment grade ratings

**Know-how and Expertise Built over 50 Years  
This Model Differentiates Us**

# Value Creation Investments EBITDA Replacement and Portfolio Extension

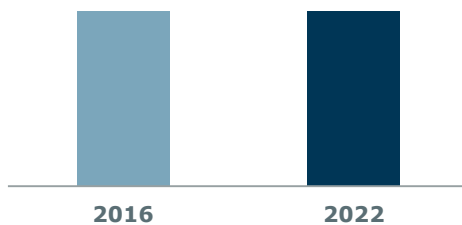
**A shortening concession life?  
2016 duration = 2011 duration!**

**Toll Roads Portfolio Duration  
(based on proportional EBITDA backlog)**



**Investments have fully offset 5 years of time elapsed...**

**Total EBITDA (Proportional)**



**2011-2016 main toll road investments**

- ✓ • Metropistas Acquisition (45%) 
- ✓ • Autopista Los Andes Acquisiton (100%)
- ✓ • Autopista Los Libertadores Acquisiton (41.4%) 
- Autopista del Sol Acquisiton (41.4%) 
- Arteris Acquisiton 
- Túnels de Barcelona i Cadí (35%)
- ✓ • Arteris Tag Along Offer (Increase Stake) 
- C-32 and C-33 expansion capex 
- ✓ • Metropistas to reach 51% stake
- ✓ • Rutas del Pacifico to reach 100% stake 
- Autopista Central to reach 50% stake 
- Autopista del Sol to reach 100% stake
- ✓ • Autopista Los Libertadores to reach 100% stake 
- Plan de Relance 
- Túnels de Barcelona i Cadí to reach 50.01% stake
- ✓ • Autopista Central to reach 100% stake 
- ✓ • Metropistas' investments = 10 years extension 
- ✓ • A4 Holding Acquisition (51.4%) 

**+ ~3Bn of organic expansion capex**

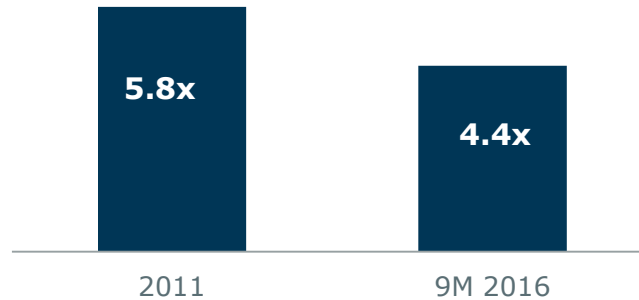
**Abertis Continues To Add more Backlog Than  
The One It Loses Through Time**



**Other consortium partners in projects**

**Strong Track Record Managing Partnerships**

**Net Debt  
EBITDA  
4.4x**



## Net Debt (9M 2016)

**Total:**

**~€14.2Bn**

**at HoldCo:**

**~€4.6Bn**

**Liquidity  
€6.5Bn**

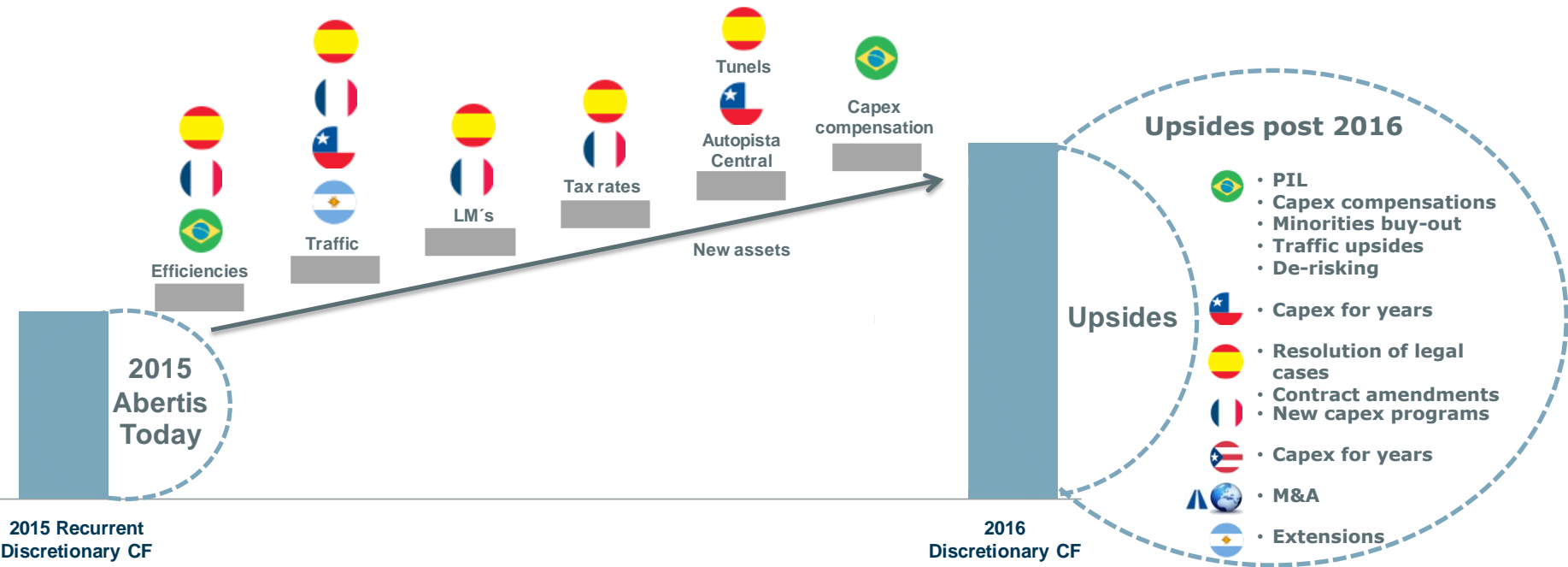
- › €3.1Bn consolidated cash
- › €3.4Bn undrawn Group credit lines

**Investment  
Grade  
Stable  
Outlook**

- › Rating S&P BBB (Stable outlook)
- › Rating Fitch BBB+ (Stable outlook)

**Discretionary Free Cash Flow Yield ~13%**

# Value Creation Discretionary Cash Flow & Upsides



**Significant Value Creation Potential  
There is Upside**

# Value Creation

## Acquisition of Autopista Central Example



- > Chile's premium toll road asset:
  - > Highest ADT in the country
  - > 2031 expiration
  - > 61 km crossing the center of Santiago
  - > Free-flow and dynamic tolling
- > Attractive equity IRR: ~13% local (Acquisition price: €948Mn for 50% of Equity)
  - > Conservative traffic assumptions
  - > No synergies priced-in
- > Impact on Abertis:
  - > ~€220Mn Revenues
  - > ~€160Mn in EBITDA
  - > Net Debt: Price paid + ~€400Mn net debt consolidated
- > Upside from implementation of best-in-class industrial know-how (synergies and efficiencies)

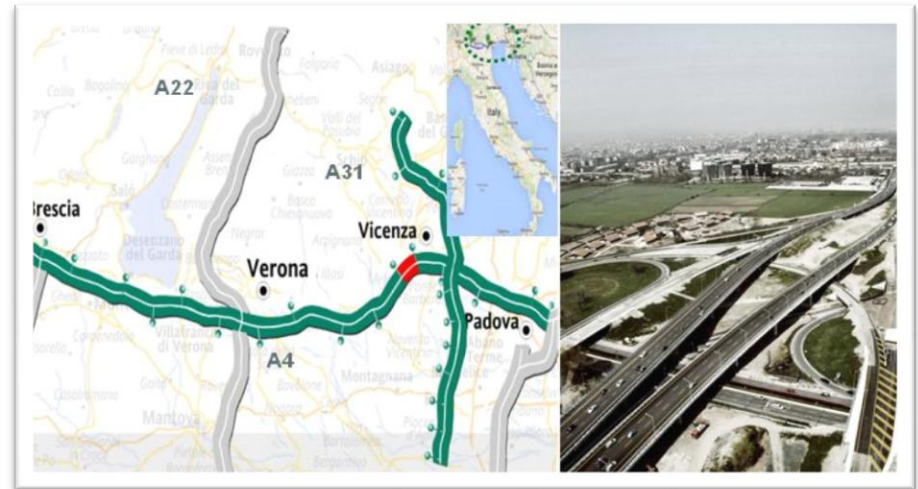
**Abertis Chilean assets (length and maturity)**



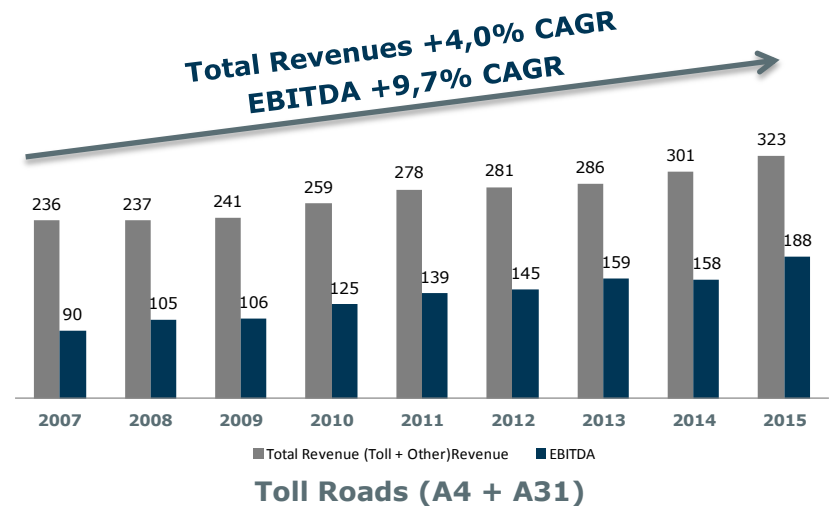
**Smart Growth in the Existing Asset Base**

# Value Creation Acquisition of A4 Holding

- > One of the busiest toll roads in Italy:
  - > 236 kilometers in operation (A4 motorway with 146 km and A31 motorway with 90 km)
  - > 2026 expiration\*
  - > Exposure to one of the wealthiest regions of the country (Lombardy & Veneto region)
  
- > Attractive equity IRR: ~11% nominal post-tax
  - > Acquisition price: €594Mn for 51.4% stake (€589Mn all-in fully payable in 2023 and €5Mn paid at closing of acquisition).
  - > EV: €1,160Mn (5.8x 2016 EV/EBITDA)
  - > RAB system with guaranteed returns
    - > ~ Double digit returns (nominal pre-tax)
  
- > Impact on Abertis:
  - > ~€544Mn Revenues (2016E)
  - > ~€200Mn EBITDA (2016E)
  - > €583Mn Net Debt (As of 1<sup>st</sup> September 2016)
  
- > Platform for future growth and opportunities to deploy Abertis' industrial role
  
- > "Valdastico Project" (A31 Nord)
  - > Part of it has been agreed by regional authorities and central government in Italy. Detailed design and execution is expected to occur over the next years



A4 + A31 is part of an international corridor in Northern Italy representing a fundamental highway that connects the traffic from Germany and Austria to Northern Italy (Milan to Venice) and the Balkan countries



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## From a Strong 2015 to a Promising 2016

### Strong 2015 results

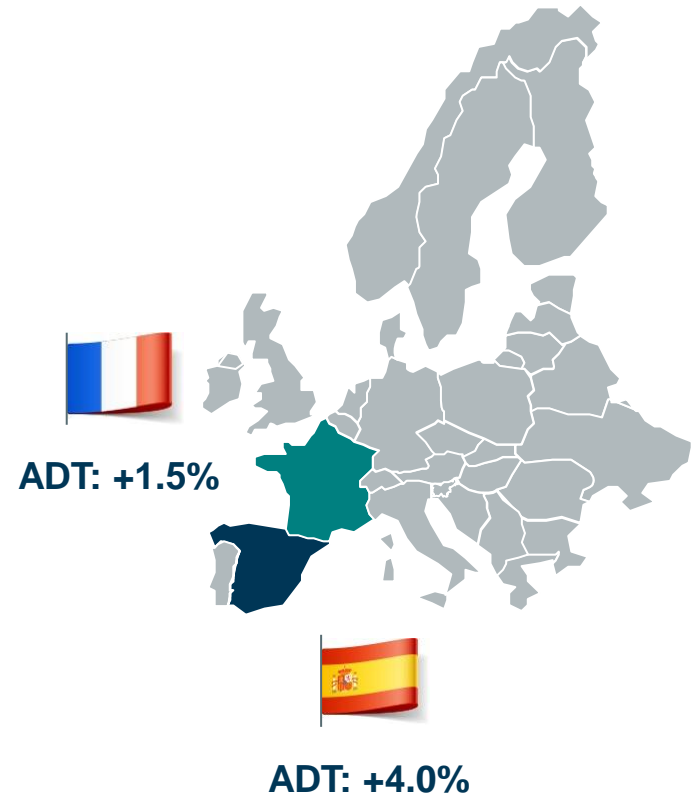
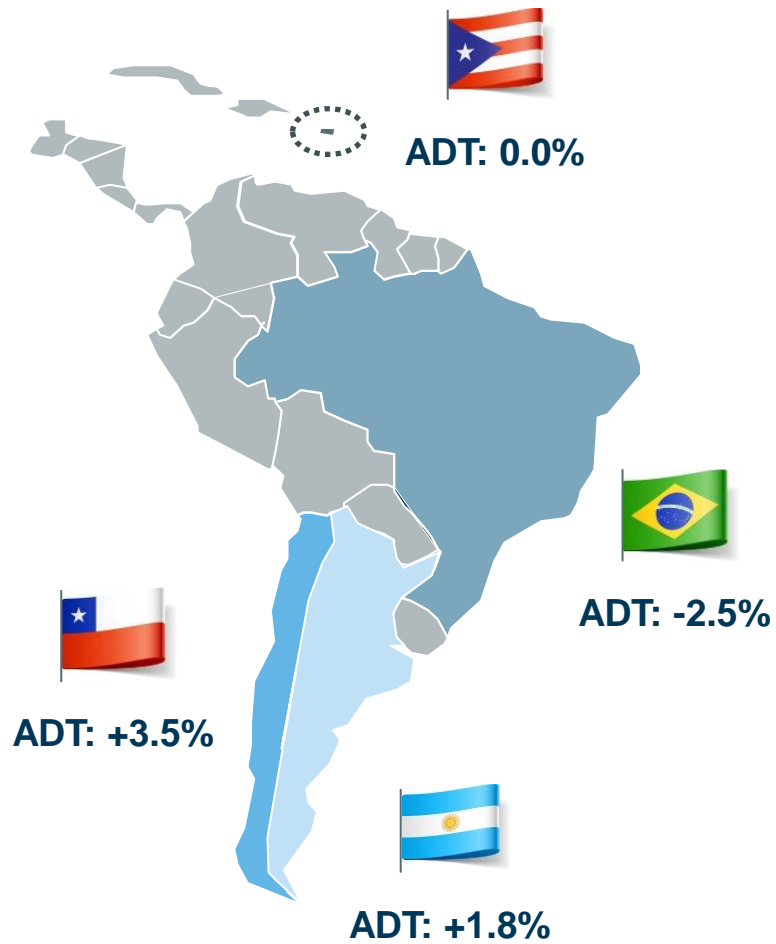
- Positive traffic performance
- A year of significant non-recurrent effects
- Record net profit of €1,880Mn
- Solid L-f-L growth
- Derisked balance sheet
- Good progress on Strategic Plan

### Promising 2016 outlook

- Continued traffic recovery
- Clear cash flow upsides not priced in today's share value
- Value-creating investment commitments
- Attractive and tangible growth pipeline with financial discipline

**We Deliver Our Commitments: There is Only Upside!**

# 2016 Outlook Traffic Assumptions



Key Expectations at Current Perimeter & FX

Revenues

Driven by solid traffic growth and tariff increases

~€4.7Bn

EBITDA

New efficiency programs begin to show

~€3.1Bn

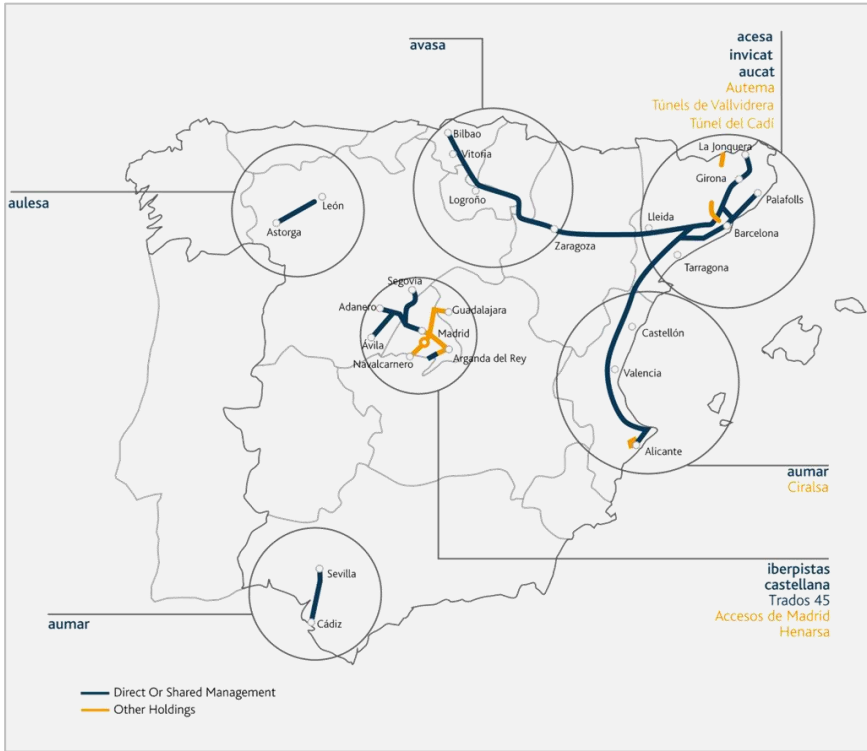
Net Debt

Investing for growth

~€14Bn

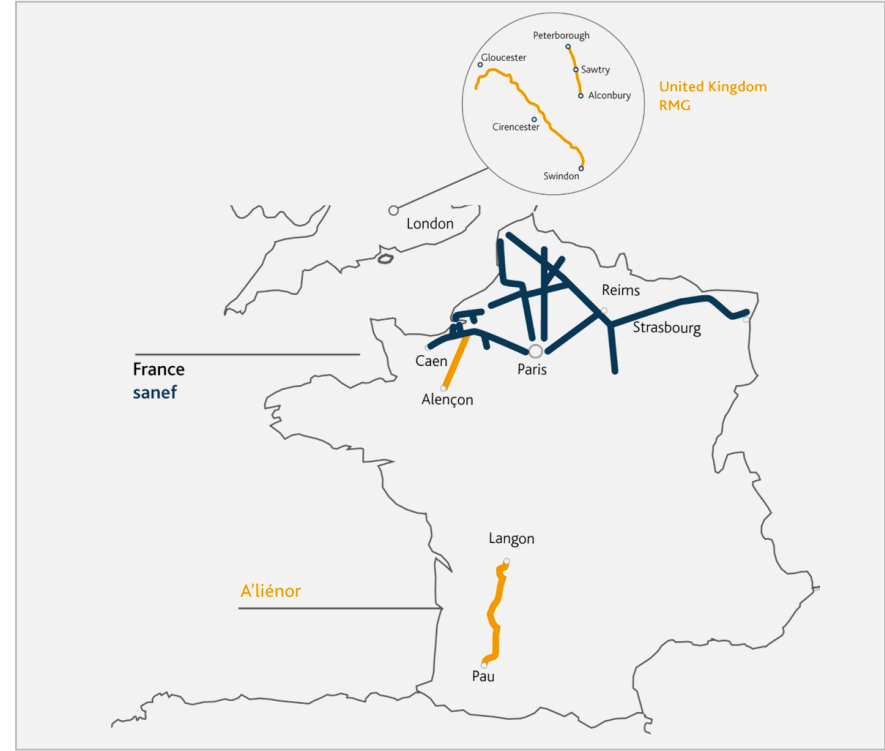
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**Annex**

# Annex: Toll Roads Overview Europe



## Spain

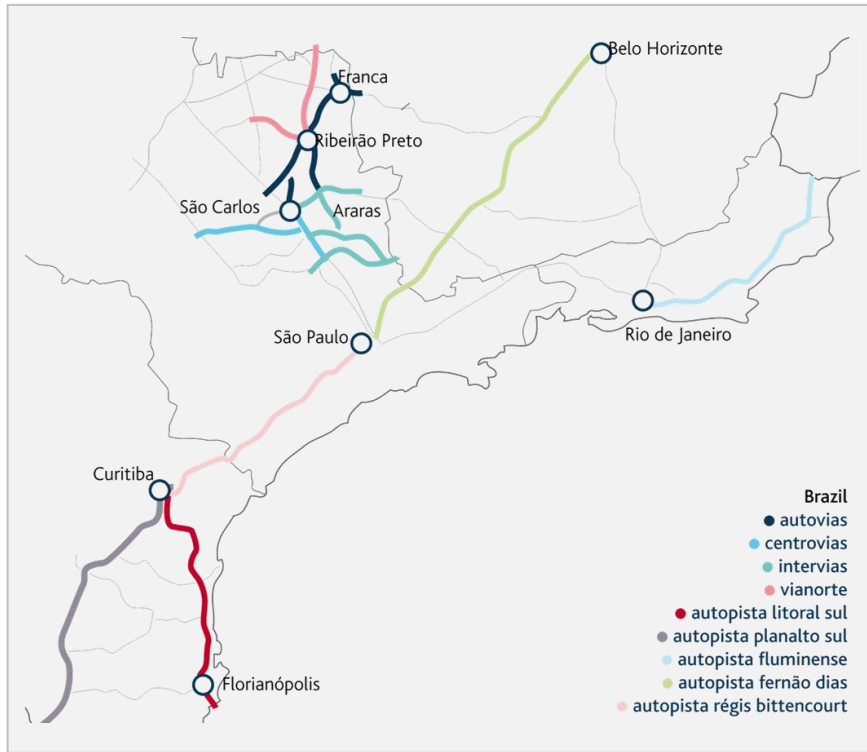
- > #1 Operator
- > 1,559 Km Direct Management
  - > EBITDA 2015: €0.9Bn
  - > Stake: 100%



## France

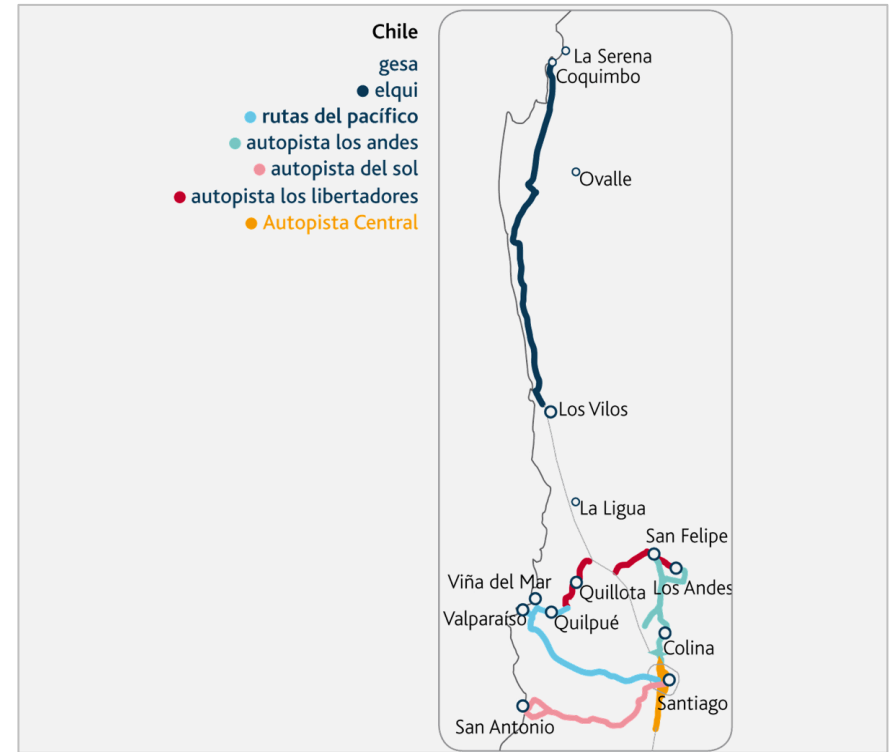
- > #3 Operator
- > 1,761 Km Direct Management
- > EBITDA 2015: €1Bn
- > Stake: 52.5%

# Annex: Toll Roads Overview Brazil & Chile



## Brazil

- #1 Operator (in Km)
- 3,250Km Direct Management
- 9 concessions fully consolidated
  - EBITDA 2015: €0.35Bn
- 51% of Participes en Brasil (85% of Arteris)



## Chile

- #1 Operator
- 771 Km Direct Management
- 6 concessions fully consolidated in 2016
- EBITDA 2015: €0.2Bn
- Stake: 80%

## Annex: 9M 2016 Results

### Income Statement

€ Mn	2015	9M 2016	L-F-L (9M 16 vs. 9M 15)
<b>Revenues</b>	4,378	3,612	+6.0%
Redundancies	-82		
Operating Expenses	-1,605	-1,205	
<b>EBITDA</b>	2,692	2,407	+7.6%
<b>Comparable EBITDA</b>	2,807	2,233	
Depreciation	-857	-656	
Amortization of revalued assets (PPA)	-278	-276	
Provisions	-1,622		
<b>EBIT</b>	-65	1,476	+12.0%
Cost of debt	-743	-548	
Other financial results	-373	211	
Share of profit of associates	-41	6	
<b>Profit before taxes</b>	-1,221	1,145	
Income tax	2	-282	
Minorities	378	-145	
Discontinued operations (mainly Cellnex)	2,721	0	
<b>Net Profit</b>	1,880	718	+10.1%

## Annex: 9M 2016 Results

### Cash Flow Statement

CF (€ Mn)	2015	9M 2016	L-F-L (9M 16 vs. 9M 15)
<b>EBITDA</b>	2,692	2,407	+7.6%
Financial Result	-1,116	-337	
Income tax expense	2	-282	
Adjust. Non cash effects	1,679	-316	
<b>Gross operating cash flow</b>	3,257	1,472	
Operating capex	-95	-53	
<b>Discretionary cash flow</b>	3,162	1,420	+16.0%
Dividends	-579	-312	
Payments to minorities	-120	-119	
<b>Free cash flow II</b>	2,463	989	
Expansion capex – organic	-811	-631	
<b>Net Free cash flow</b>	1,652	358	



## Annex: 9M 2016 Results

### Balance Sheet

BALANCE (€ MN)	2015	9M 2016	CHG
Non-current assets	22,114	26,455	+19.6%
Current assets	3,625	4,716	+30.1%
Assets held for sale	0	61	
<b>Total assets</b>	<b>25,739</b>	<b>31,232</b>	<b>+21.3%</b>
Shareholder's equity	5,349	6,540	+22.3%
Non-current liabilities	17,253	20,113	+16.6%
Current liabilities	3,137	4,525	+44.2%
Liabilities held for sale	0	55	
<b>Total equity and liabilities</b>	<b>25,739</b>	<b>31,232</b>	<b>+21.3%</b>

# Annex: 9M 2016 Results Geographical Debt Distribution



**Toll Roads**

**Hispasat**

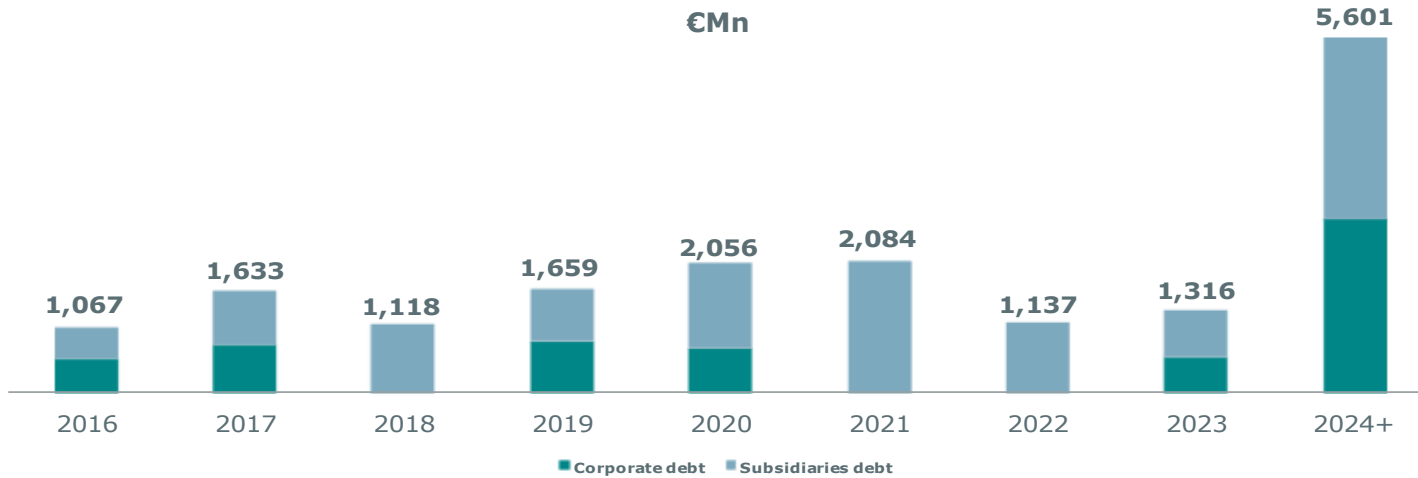
**Holding**



€ Mn									
Gross debt	595	5,464	814	1,494	1,548	785	0	390	6,214
<b>Net debt</b>	<b>555</b>	<b>5,100</b>	<b>571</b>	<b>857</b>	<b>1,446</b>	<b>754</b>	<b>-4</b>	<b>338</b>	<b>4,616</b>
<b>Average cost of debt</b>	<b>2.7%</b>	<b>4.2%</b>	<b>2.3%</b>	<b>4.9%</b>	<b>12.5%</b>	<b>6.2%</b>	<b>nm</b>	<b>2.2%</b>	<b>3.5%</b>
<i>Fixed rate debt</i>	62%	97%	73%	88%	54%	90%	nm	76%	95%
Average maturity (yr)	4.6	5.5	3.7	5.9	3.1	8.9	nm	3.8	* 6.0
Cash and equivalents	40	364	243	637	103	32	4	52	1,598
<b>Net Debt/EBITDA</b>	<b>0.5</b>	<b>4.7</b>	<b>2.9</b>	<b>2.5</b>	<b>4.7</b>	<b>8.5</b>	<b>nm</b>	<b>1.8</b>	<b>nm</b>

These figures do not take into account the assignment for the intercompany debt

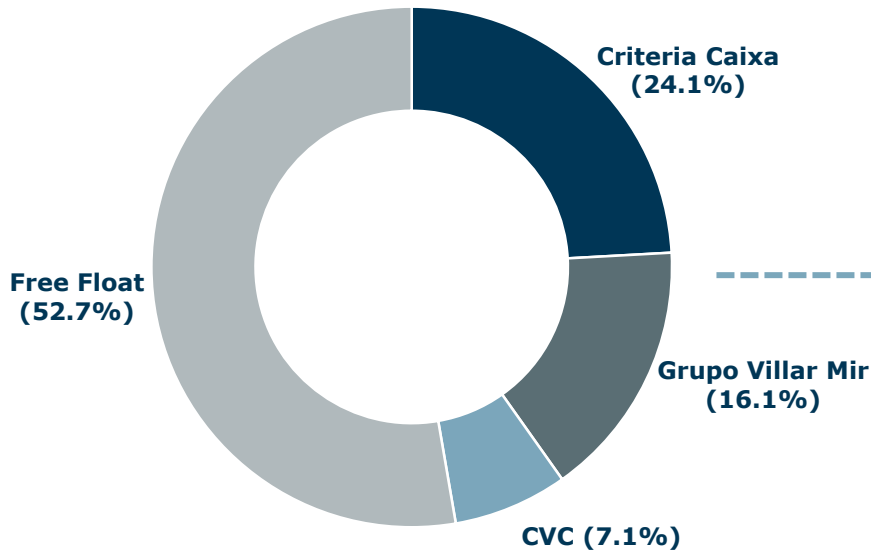
# Annex: 9M 2016 Results Debt Profile



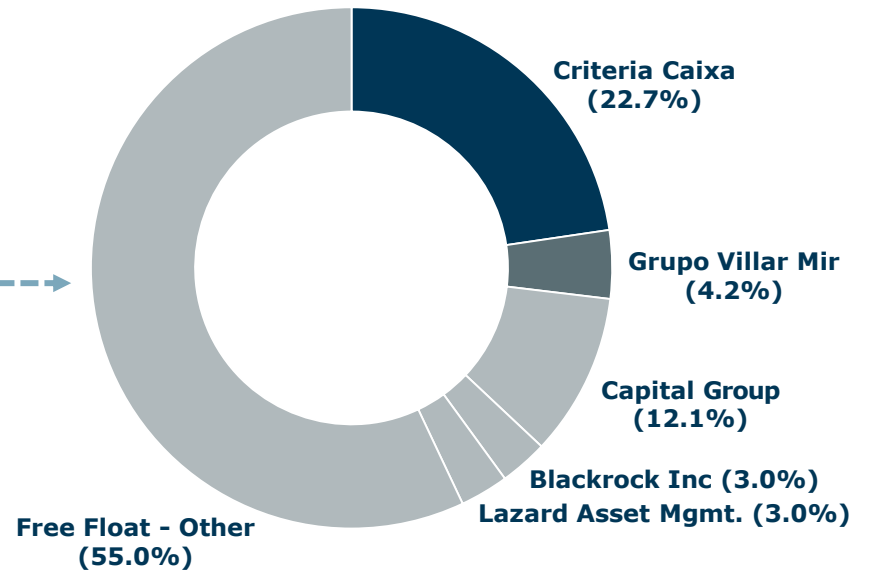
€Mn	2015	9M 2016	€Mn	2015	9M 2016
<b>Gross Debt</b>	14,776	17,305	<b>Avg. Cost</b>	5.1%	4.9%
<b>Net Debt</b>	12,554	14,219	<b>Avg. Maturity</b>	6.1	5.5
<b>Net Debt/EBITDA</b>	4.7x	4.4x	<b>Non-recourse Debt</b>	66%	64%
<b>Cash – Consolidated</b>	2,222	3,086	<b>Fixed Rates</b>	88%	89%

## Shareholding Structure

### Structure at Sep 15



### Current Structure\*



**Total Free Float (73.1%)**

