Brisa Concessão Rodoviária

FY 2019 Results

17th February 2020
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Financial statements reported for the year end 2019 were prepared according to International Financial Reporting Standards (IFRS) and have not yet been audited.

BRISA Concessão Rodoviária, S.A.

Head-Office: Quinta da Torre da Aguilha, Edifício BRISA, São Domingos de Rana
Share capital: EUR 75 000 000
Registered in the Commerce Registry Office of Cascais under register and corporate tax number 502790024
Main Highlights

2019 Results
  Traffic Evolution
  Operating Performance
  CAPEX
  Financial Results
  Net Profit
  Liquidity Position
  Debt Amortisation Profile
  Covenants and protective financial structure

Guidance

Wrap-up

Annex: P&L and Balance Sheet
Main Highlights

1 Traffic growth remained solid

- Organic growth: 4.4%
- Calendar & other effects: -0.7%
- Total (v.km): 3.7%

Traffic in BCR network increased 3.7%, driven by organic growth.

2 High operational efficiency

- EBITDA reached €M 520 reflecting the strong growth in revenues coupled with decreasing operating costs.
- EBITDA Margin:
  - 2018: 78.2%
  - 2019: 79.5%

3 Interest expenses down 14%

- 2018: 2.3%
- 2019: 2.1%
- WACD decreased to 2.1% as a consequence of the €M 300 bond redemption back in April 2018.

4 Prudent financial management

- Solid liquidity position:
  - Cash position of €M 232 and €M 400 in committed credit lines
- Smooth debt amortisation profile, with low refinancing risk
- Significant deleverage, with ND/EBITDA at 3.36x
- Investment grade rating (above sovereign):
  - A- (stable outlook) by Fitch
  - Baa2 (positive outlook) by Moody’s
Main Highlights

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Annex: P&L and Balance Sheet
Traffic increased 3.7% in 2019.

Traffic grew 3.7% during 2019, supported by a 4.4% increase in organic growth. Traffic was negatively impacted by calendar effects, truck drivers strike in August and unfavorable weather conditions in the 4Q2019.

In 2019 traffic growth remained solid. During summer months, traffic already exceeded prior historical peak levels.
Heavy vehicle traffic with a higher growth rate than light vehicles
Positive performance across all network

As was the case in recent years, all motorways presented positive ADT growth rates in 2019.
2019 Results
Operating Performance (Toll Revenues and EBITDA)

<table>
<thead>
<tr>
<th>€M</th>
<th>2018</th>
<th>2019</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>616.2</td>
<td>653.8</td>
<td>6.1%</td>
</tr>
<tr>
<td>Toll revenues</td>
<td>592.6</td>
<td>622.9</td>
<td>5.1%</td>
</tr>
<tr>
<td>Service areas</td>
<td>17.9</td>
<td>25.0</td>
<td>39.6%</td>
</tr>
<tr>
<td>Other income</td>
<td>5.7</td>
<td>5.8</td>
<td>1.9%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>134.2</td>
<td>133.9</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Supplies and services</td>
<td>131.3</td>
<td>130.8</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>1.6</td>
<td>1.7</td>
<td>6.1%</td>
</tr>
<tr>
<td>Other expenses</td>
<td>1.3</td>
<td>1.4</td>
<td>0.8%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>482.0</td>
<td>519.9</td>
<td>7.9%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>78.2%</td>
<td>79.5%</td>
<td>1.3 pp</td>
</tr>
</tbody>
</table>

Toll Revenues Breakdown

- Operating Income up by 6.1%, supported by traffic performance and new contracts related with service areas
- EBITDA reached €M 519.9 in 2019, with EBITDA margin up 1.3 p.p. to 79.5%, backed by strong growth in operating revenues and decreasing operating expenses.

EBITDA up 7.9% YoY, reaching €M 519.9 in 2019
CAPEX increased to €M 66, with several works underway:

- **Major repairs**: mainly related to pavement works on A1, A2, Circular Sul de Braga and A6 and to viaducts rehabilitation on A1, A2, A3 and A4
- **Widening works**: underway on A4-Águas Santas (A4/A3)/Ermesinde sub-stretch

Despite significant increase in CAPEX, cash-flow generation (measured by ‘EBITDA-CAPEX’) increased by 4.7%.

Strong cash-flow generation
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### 2019 Results

#### Financial Results

<table>
<thead>
<tr>
<th>€M</th>
<th>2018</th>
<th>2019</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net financial results</td>
<td>-66.6</td>
<td>-60.6</td>
<td>-</td>
</tr>
<tr>
<td>Financial income</td>
<td>0.0</td>
<td>0.0</td>
<td>-</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>66.6</td>
<td>60.6</td>
<td>-8.9%</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>50.1</td>
<td>43.1</td>
<td>-14.0%</td>
</tr>
<tr>
<td>IFRIC12</td>
<td>6.2</td>
<td>7.9</td>
<td>26.6%</td>
</tr>
<tr>
<td>Other financial expenses</td>
<td>10.3</td>
<td>9.7</td>
<td>-5.9%</td>
</tr>
</tbody>
</table>

- **Weighted average cost of debt** maintained its downward trend, reaching 2.1% in 2019.
- **Financial expenses** down 8.9%, driven by a 14% decrease in **interest costs** mainly due to the €M 300 bond redemption back in April 2018.

**Interest expenses decreased 14%. WACD at 2.1% in 2019**

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#### Net Financial Results (€M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Financial Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>-66.6</td>
</tr>
<tr>
<td>2019</td>
<td>-60.6</td>
</tr>
</tbody>
</table>

Net Financial Results improved, benefitting from the redemption of a €M 300 bond back in April 2018.

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#### Debt Structure

- **35%** Floating rate
- **65%** Fixed rate

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*Weighted average cost of debt*
# 2019 Results

## Net Profit

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>482.0</td>
<td>519.9</td>
<td>7.9%</td>
</tr>
<tr>
<td>(-) Depreciation &amp; prov.</td>
<td>175.3</td>
<td>163.7</td>
<td>-6.6%</td>
</tr>
<tr>
<td>EBIT</td>
<td>306.7</td>
<td>356.2</td>
<td>16.1%</td>
</tr>
<tr>
<td>Net financial results</td>
<td>-66.6</td>
<td>-60.6</td>
<td>-</td>
</tr>
<tr>
<td>Financial income</td>
<td>0.0</td>
<td>0.0</td>
<td>-</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>66.6</td>
<td>60.6</td>
<td>-8.9%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>240.1</td>
<td>295.6</td>
<td>23.1%</td>
</tr>
<tr>
<td>(-) Income tax</td>
<td>73.3</td>
<td>91.1</td>
<td>24.2%</td>
</tr>
<tr>
<td>Net profit</td>
<td>166.8</td>
<td>204.5</td>
<td>22.6%</td>
</tr>
</tbody>
</table>

- Depreciations and provisions decreased 6.6%, as consequence of the adoption of a traffic related calculation method for the amortization of the assets related to the concession right
- Net profit increased by 22.6%, reaching €M 204.5, backed by toll and service areas revenue increase coupled with i) a disciplined operating cost management, ii) lower depreciations and provisions and iii) lower financial expenses

Net profit increased in 2019
Debt redemptions up to 2021 (€M)

2019 Liquidity position

✅ BCR has plenty of funds and facilities in place to meet it’s forthcoming debt maturities:

1. **Cash position of €M 232** as of December 2019

2. **Strong cash flow generation**
   - €M 288 in 2018
   - €M 293 in 2019

3. **€M 400 in committed credit lines** (all with highly rated international banks)
   - €M 200 with maturity up to 2026
   - €M 275 undrawn (as of December 2019)

4. **Smooth debt amortisation profile**, with highest annual debt redemption lower than €M 340

Solid liquidity position with low refinancing risk

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1 Measured as CF from operations minus CAPEX payments and financial expenses

2 Reimbursed in early 2020
BCR actively managed and smoothened its debt maturity profile

Debt amortisation profile (€M)

1) June/December: EIB Amortisation of €M 39 (€M 19.5 in each semester)
2) December: Reduction of €M 75 in drawdowns under committed credit lines
3) December: Renegotiation of an existing committed credit line with extension of maturity up to December 2026 and maximum amount of €M 200. Of the €M 125 drawn in late December under this agreement, €M 50 were already reimbursed in early 2020 and the remainder will be reimbursed in Dec 2020

Debt Breakdown

Gross debt: €M 1,974

Bonds: 72%, EIB: 22%, Other: 6%
2019 Results
Covenants and self-protective financial structure

Net Debt (€M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>YE17</td>
<td>1981</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YE18</td>
<td>1844</td>
<td>-5.5%</td>
<td>-5.5%</td>
</tr>
<tr>
<td>YE19</td>
<td>1742</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net Debt / EBITDA$^1$ (active restriction)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA (€M)</th>
<th>Net Debt / EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>YE17</td>
<td>441</td>
<td>4.51</td>
</tr>
<tr>
<td>YE18</td>
<td>482</td>
<td>3.84</td>
</tr>
<tr>
<td>YE19</td>
<td>520</td>
<td>3.36</td>
</tr>
</tbody>
</table>

$^1$ Inputs for this ratio may slightly differ from reported figures due to the adjustments made in order to reflect the CTA ratio definitions

Net Debt / EBITDA decreased from 3.84x to 3.36x due to:
- Net Debt decrease (-5.5%), after distributions of €M 191.3
- EBITDA increase of 7.9%

Significant deleverage
- Significant headroom to lock-up
- Substantial level of headroom to lock-up levels
Main Highlights

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- Financial Results
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Guidance

Wrap-up

Annex: P&L and Balance Sheet
# Guidance

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<tr>
<th>Toll Revenues</th>
<th>OPEX</th>
<th>Cash-Flow (EBITDA-CAPEX)</th>
</tr>
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<tr>
<td><strong>2020</strong></td>
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<tr>
<td>Guidance: +3%</td>
<td>Guidance: <em>In line with inflation</em></td>
<td>Guidance: ≥ €M 460</td>
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## Targets for 2020

- **2019 Results**: 17 February 2020
- **2020 Guidance**:
  - In line with inflation
  - ≥ €M 460
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Guidance

Wrap-up

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## Wrap-up

### Strong operating performance

**EBITDA increased 7.9%**

- Traffic growth remained solid, increasing 3.7% in 2019 supported by organic growth
- EBITDA reached €M 519.9 and EBITDA margin 79.5%, boosted by a strong increase in operating revenues and decreasing operating expenses

### Financial Costs reduced

**WACD at 2.1%**

- Financial expenses down 8.9%, driven by a 14% decrease in interest expenses
- Weighted Average Cost of Debt decreased by 0.2 p.p., continuing its downward trend

### Prudent financial management

**Strong liquidity and low refinancing risk**

- Strong liquidity position:
  - €M 232 in cash
  - €M 400 in committed credit lines
- Smooth debt amortisation profile
- Significant headroom to covenant lock-up levels
- Solid Investment Grade Rating:
  - A- (stable outlook) by Fitch and Baa2 (positive outlook) by Moody’s

### Guidance

**Targets for 2020**

- Toll Revenues: +3%
- OPEX: In line with inflation
- Cash-flow (EBITDA – CAPEX): ≥ €M 460
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Guidance

Wrap-up

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## Annex

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</table>

Increase in profitability led by strong top line, cost control and lower financial expenses
<table>
<thead>
<tr>
<th>€M</th>
<th>YE18</th>
<th>YE19</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current</td>
<td>2 339.7</td>
<td>2 253.7</td>
<td>-3.7%</td>
</tr>
<tr>
<td>Intangibles</td>
<td>2 256.6</td>
<td>2 165.6</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Other</td>
<td>83.0</td>
<td>88.1</td>
<td>6.1%</td>
</tr>
<tr>
<td>Current</td>
<td>285.0</td>
<td>277.2</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>244.3</td>
<td>231.9</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Other</td>
<td>40.7</td>
<td>45.3</td>
<td>11.3%</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>212.3</td>
<td>225.9</td>
<td>6.4%</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td>2 412.3</td>
<td>2 305.0</td>
<td>-4.5%</td>
</tr>
<tr>
<td>M/Long-term financial debt</td>
<td>1 874.3</td>
<td>1 768.4</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Short-term financial debt</td>
<td>182.9</td>
<td>182.5</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Other</td>
<td>355.1</td>
<td>354.1</td>
<td>-0.3%</td>
</tr>
</tbody>
</table>

Solid balance sheet