



# **RESULTS PRESENTATION 2018 AND STRATEGIC VISION**

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**RESULTS**



**PRIORITY AREAS  
FOR 2019**

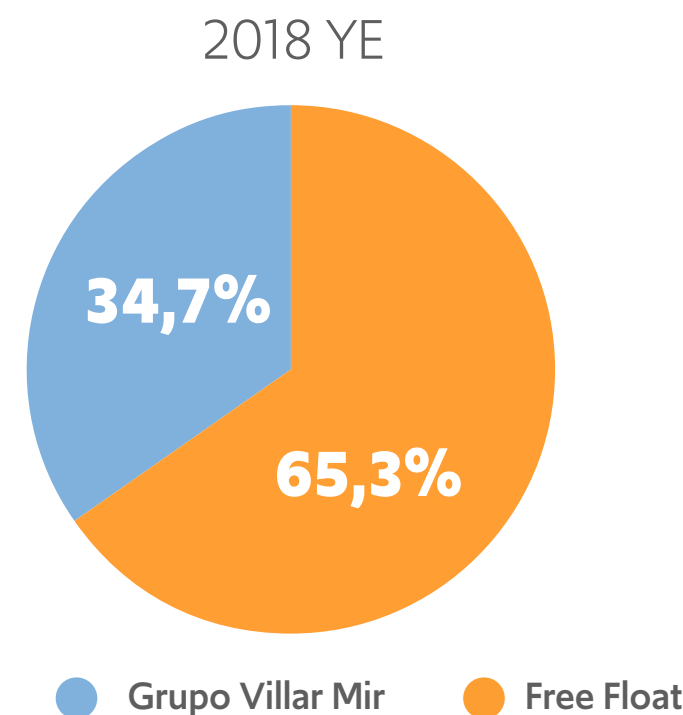
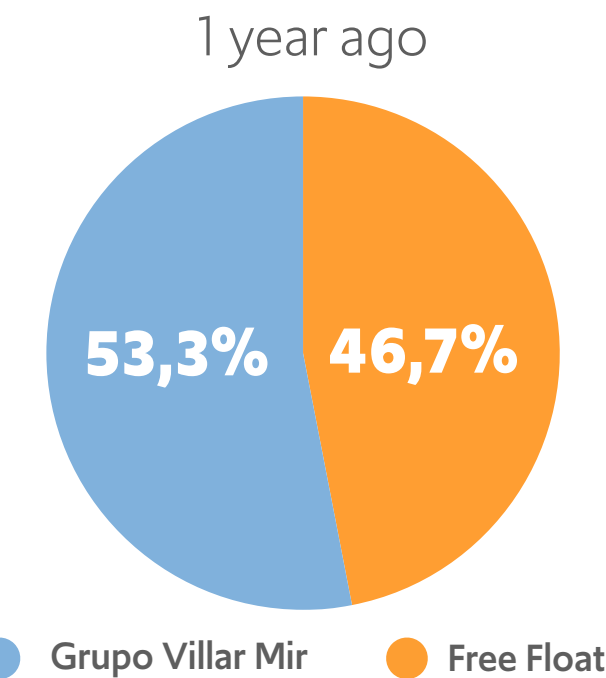
**STRATEGIC VISION**



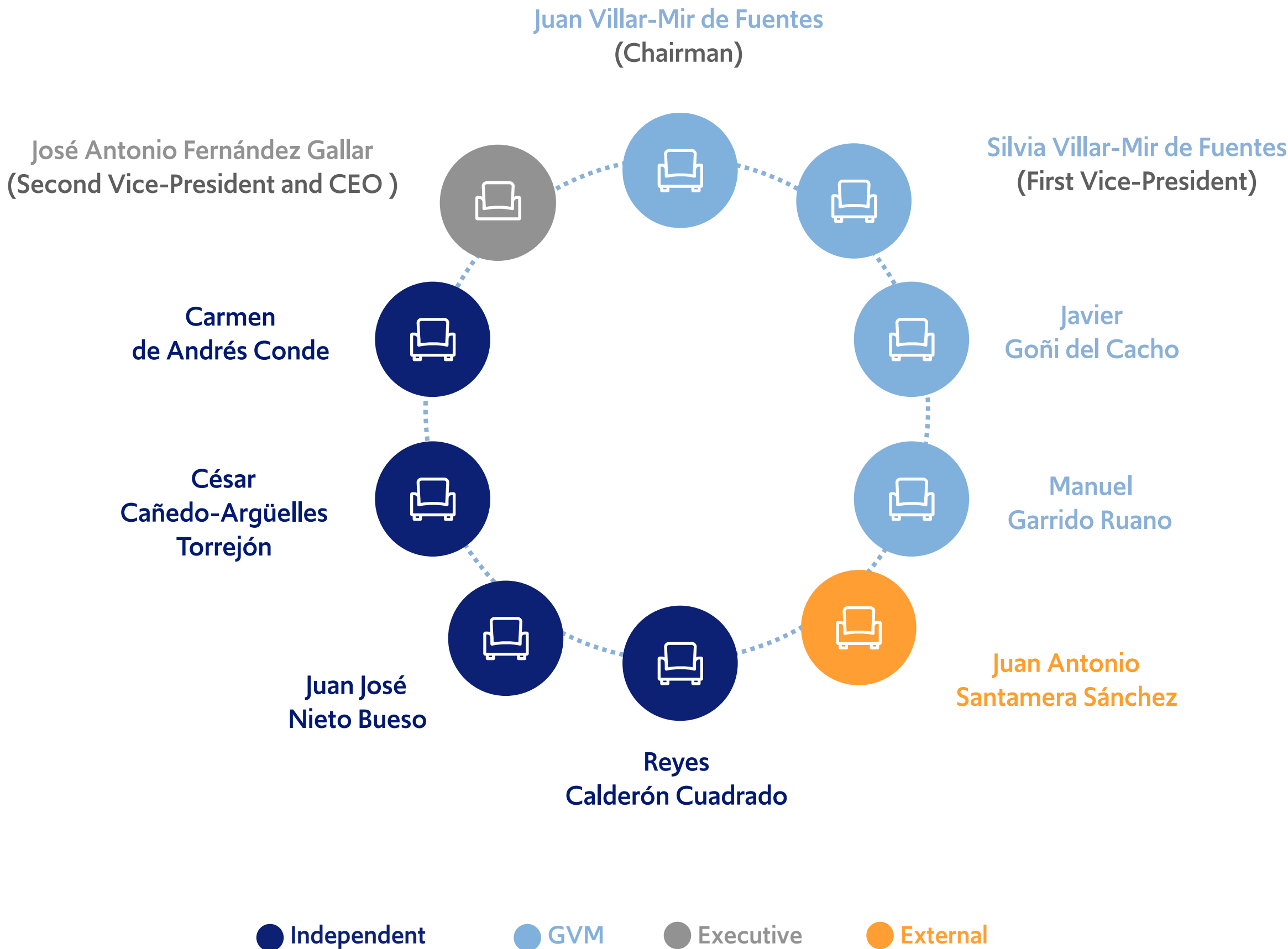


# MORE SOLID AND INDEPENDENT CORPORATE GOVERNANCE

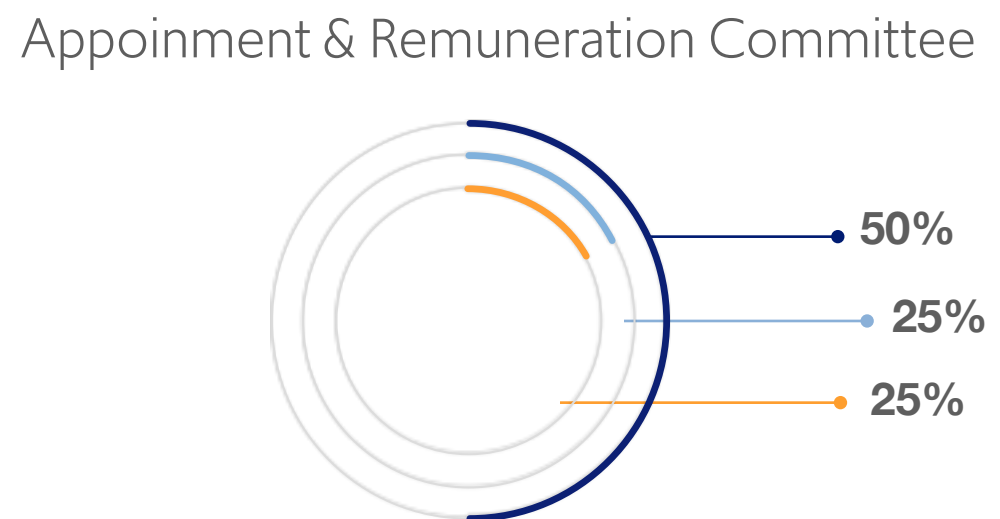
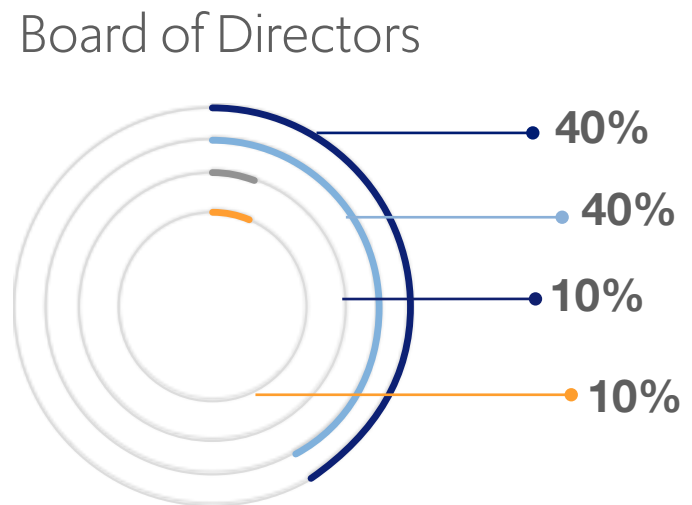
## ▶ Board of Directors



## ▶ Shareholding Structure



## ▶ Composition



● Independent ● GVM ● Executive ● External

Restructuring of the Board of Directors to guarantee a solid corporate governance




**MANAGEMENT TEAM**









# TALENT MANAGEMENT & RETENTION

## Solid fundamentals to implement the Strategy Plan...

-  More efficient structure focused on our 4 core business segments
-  Proven track record and know-how in our core activities
-  Management team fully aligned with the pillars of the Strategic Plan

## ...with a clear objective to retain and attract the best talent

-  Identifying key personnel
-  Adjustment of remuneration structure and variable linked to the share price and objectives
-  Career plans
-  International program for young talents



## 2018: REINFORCED CAPITAL STRUCTURE AFTER THE SALE OF OHL CONCESIONES

		2017 <sup>(1)</sup>	2018	Var. %
P&L	Sales	3.172	<b>2.954</b>	(7%)
	EBITDA	(67)	<b>(449)</b>	(574%)
	EBIT	(140)	<b>(514)</b>	(267%)
ORDER BOOK	Construction <sup>(2)</sup>	5.568	<b>5.241</b>	(6%)
	Industrial	312	<b>260</b>	(17%)
	Services	356	<b>376</b>	6%
	Total	6.236	<b>5.877</b>	(6%)
BALANCE SHEET	Recourse Net Debt	943	<b>(347)</b>	(137%)
	Total Assets	12.208	<b>4.151</b>	(66%)

(Mn€)

In 2018:

- Impact from the sale of OHL Concesiones
- Slight decrease in Sales
- Amount of new backlog awards in line with previous years
- EBITDA impacted by the revision of estimated sales for construction projects
- Corporate downsizing after the sale of OHL Concesiones
- Strong liquidity position having achieved year-end target leverage

**A year in which we completed the sale of OHL Concesiones and the review of construction projects, with an extraordinary cash consumption but with a strong liquidity position at year-end of €1.033m**

1. Restated

2. Includes a €522m negative adjustment related to construction works for Aleática concessions for which contracts have not yet been formalized



## ACTIVITY NORMALIZATION IN Q4 2018

P&L		
	9M 2018	4Q 2018
Sales	2.049	906
Gross profit	(317)	54
% Margin	(15%)	6%
EBITDA	(468)	19
% Margin	(23%)	2%
(Mn€)		

CASH CONSUMPTION		
	9M 2018	4Q 2018
Construction	405	(189)
Legacy	58	31
Other	347	(220)
Industrial	79	5
Services	9	(8)
Developments	19	5
Corporate	70	34
<b>Total</b>	<b>582</b>	<b>(153)</b>
(Mn€)		

## Visible results from measures adopted

- Positive performance of the Sales €906m in Q4
- Profitable regular business in Q4 with a 6% gross margin and positive EBITDA slightly higher than 2%
- Significant improvement of performance in Q4 with €153m of cash generation, supported by successful working capital management, resulting in a solid liquidity position of €1.033m at year-end



# IMPROVEMENT IN PROFITABILITY IN EACH DIVISION

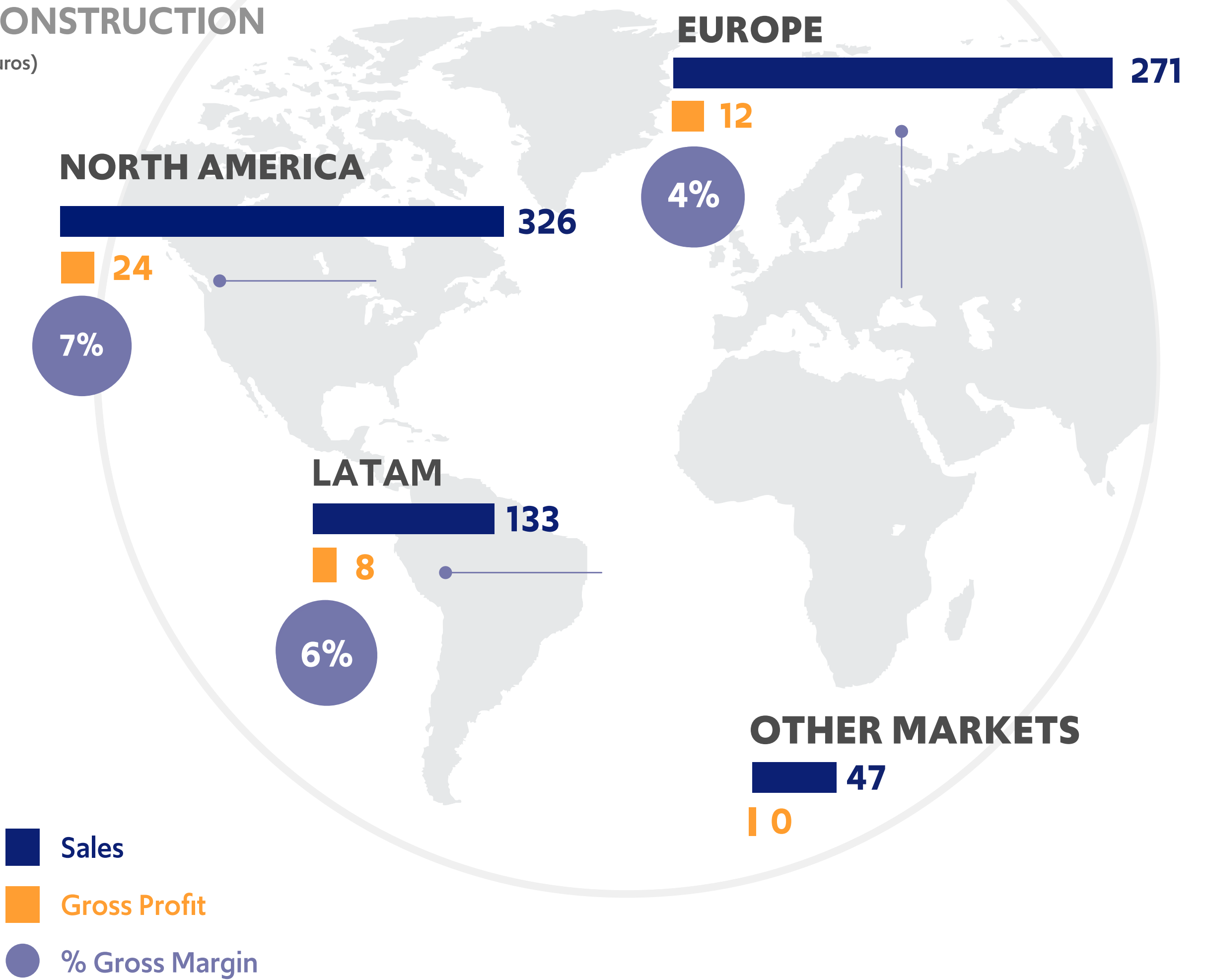
2018 BY DIVISION				
		2017	2018	4T18
CONSTRUCTION	Sales	2.661	2.496	777
	Gross Margin	5,2%	(7,4%)	5%
	EBITDA	71	(282)	24
INDUSTRIAL	Sales	270	190	55
	Gross Margin	(5,6%)	(26,6%)	15%
	EBITDA	(37)	63	4
SERVICES	Sales	238	264	69
	Gross Margin	3,4%	1,8%	2%
	EBITDA	4	1	1

(Mn€)



## Q4 2018 CONSTRUCTION

(Mn Euros)

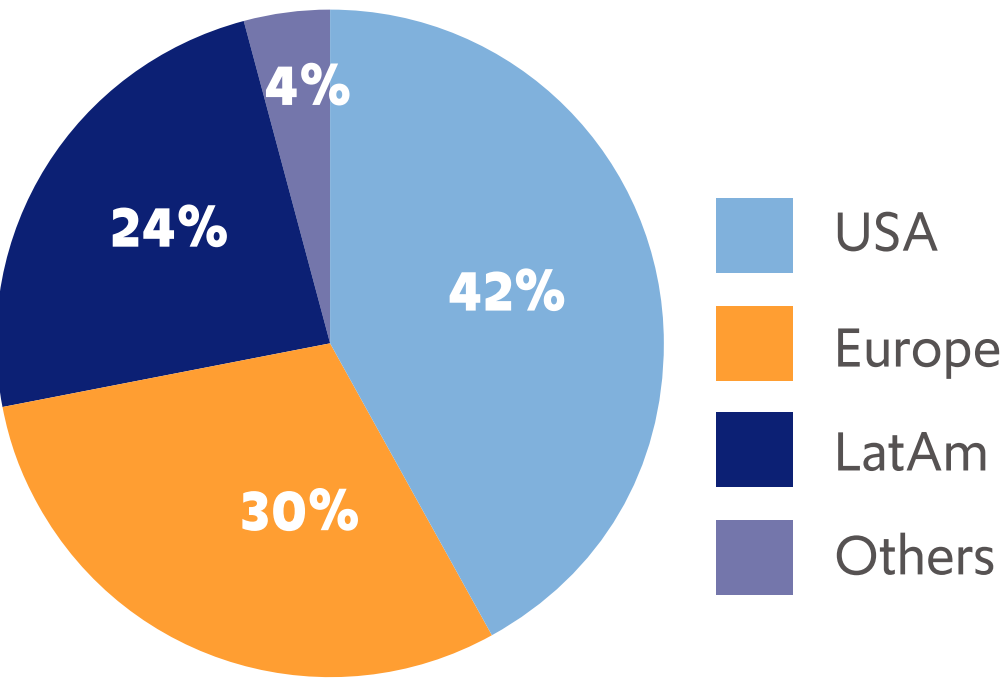




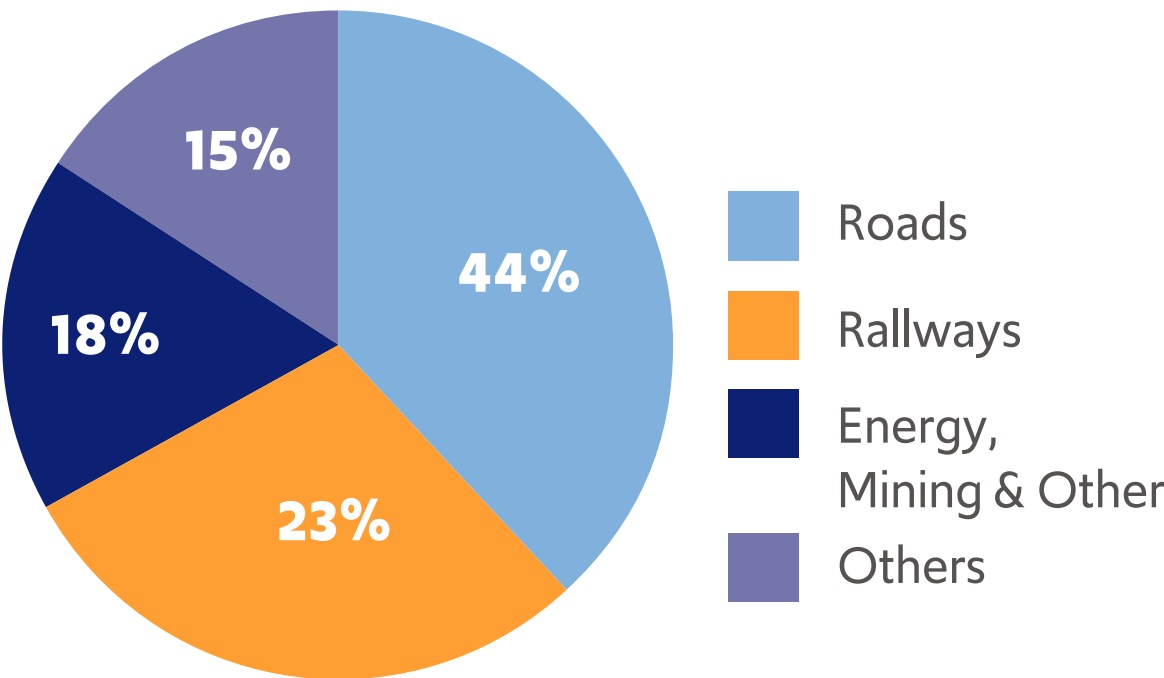
# HEALTHY & DIVERSIFIED CONSTRUCTION BACKLOG WITH A STRONG PRESENCE IN OUR THREE CORE REGIONS



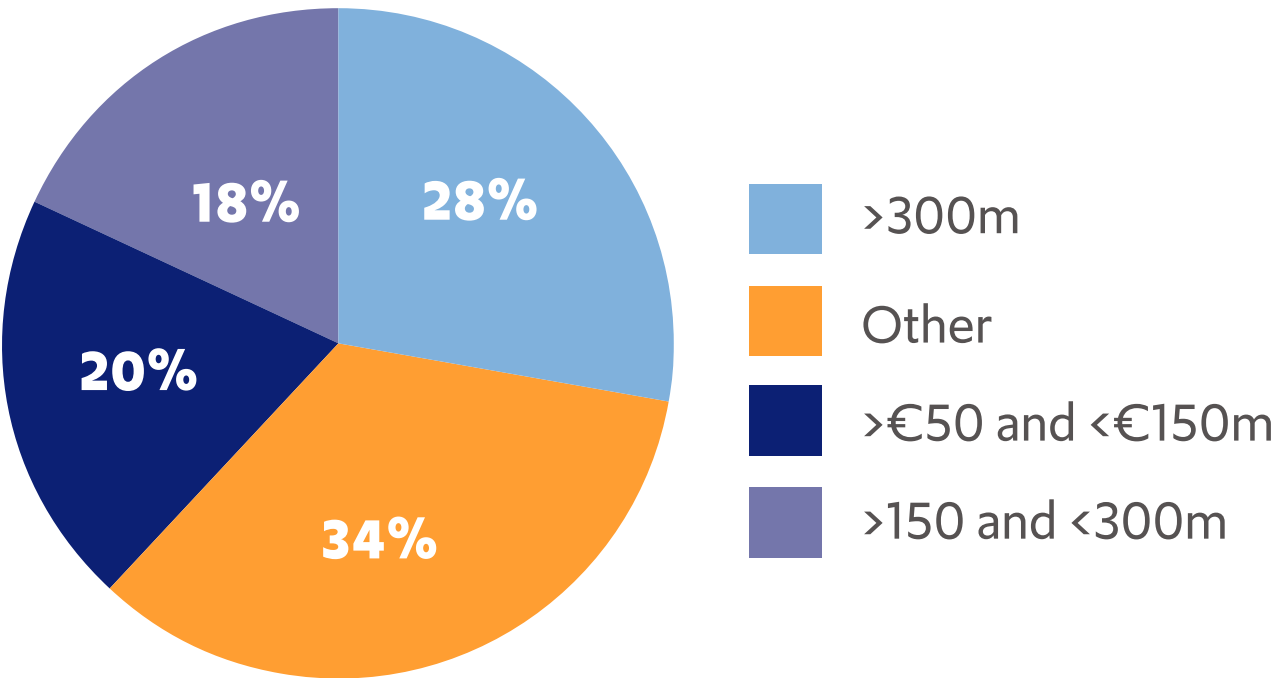
## BREAKDOWN BY GEOGRAPHY



## BREAKDOWN BY SECTOR



## BREAKDOWN BY SIZE



## KEY PROJECTS

COUNTRY	PROJECT	AMOUNT
USA	I-405	537
Chile	Americo Vespucio Oriente	325
Colombia	Río Magdalena	289
USA	Throgs Neck Bridge	213
Mexico	Atizapán - Atlacomulco	210
USA	Canarsie tunnel rehabilitation	198
Norway	Follo Line Project	157
Chile	Curicó Hospital	147
Slovakia	Motorway D1 Hubová - Ivachnová	123

(Mn€)

## SIGNIFICANT AWARDS

COUNTRY	PROJECT	AMOUNT
USA	Throgs Neck Bridge	213
Czech Rep.	Sudomerice-Votice Railway	172
USA	A-36622 ESI-33 Station Improvement	100
USA	Rehabilitation of Riverside Drive Viaduct	84
Spain	Caleido Tower	79
Spain	LAV Angiorza Platform	78
Other		1.965
<b>Total</b>		<b>2.691</b>

(Mn€)

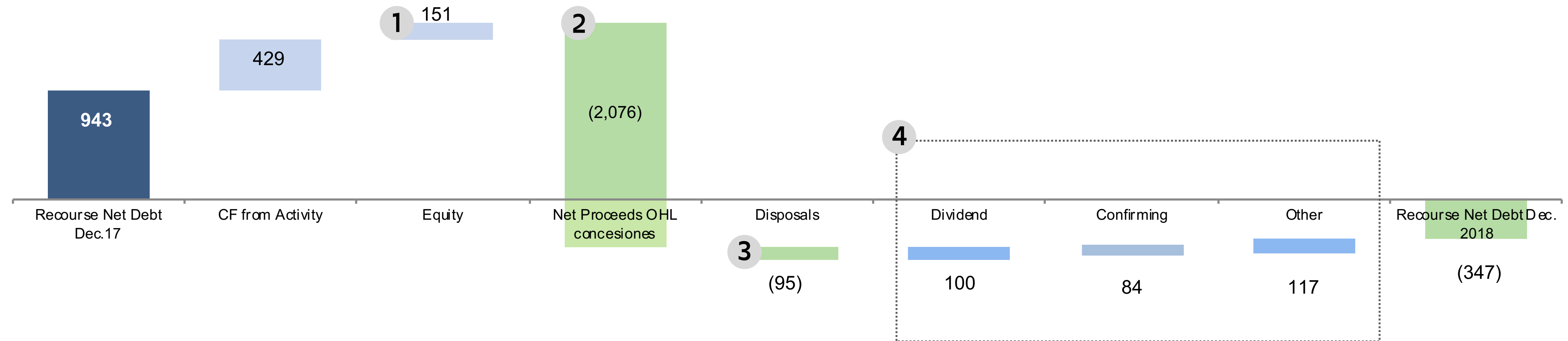
- Healthy backlog with **6 - 8% gross margin** in the regular business
- **New and consistent revenue recognition approach** across all Group segments
- Strict **control y monitoring** of projects since the **bidding phase**
- **Greater visibility and control** over **profitability** and potential **deviations**
- **Sustained level** of new awards

€2.7bn of new wards in 2018 despite a challenging market environment



## RECOURSE NET DEBT EVOLUTION

(Mn€)



### 1 EQUITY INVESTMENTS Mn€

OWO	59
Canalejas	75
Others	16
<b>Total</b>	<b>151</b>

### 2 NET PROCEEDS OHL CONC. Mn€

IFM Loan	(150)
Equity OHL Concesiones	65
Proceeds	(1,991)
<b>Total</b>	<b>(2,076)</b>

### 3 DISPOSALS Mn€

Mayakoba	(60)
ZPSV	(35)
<b>Total</b>	<b>(95)</b>

### 4 OTHERS Mn€

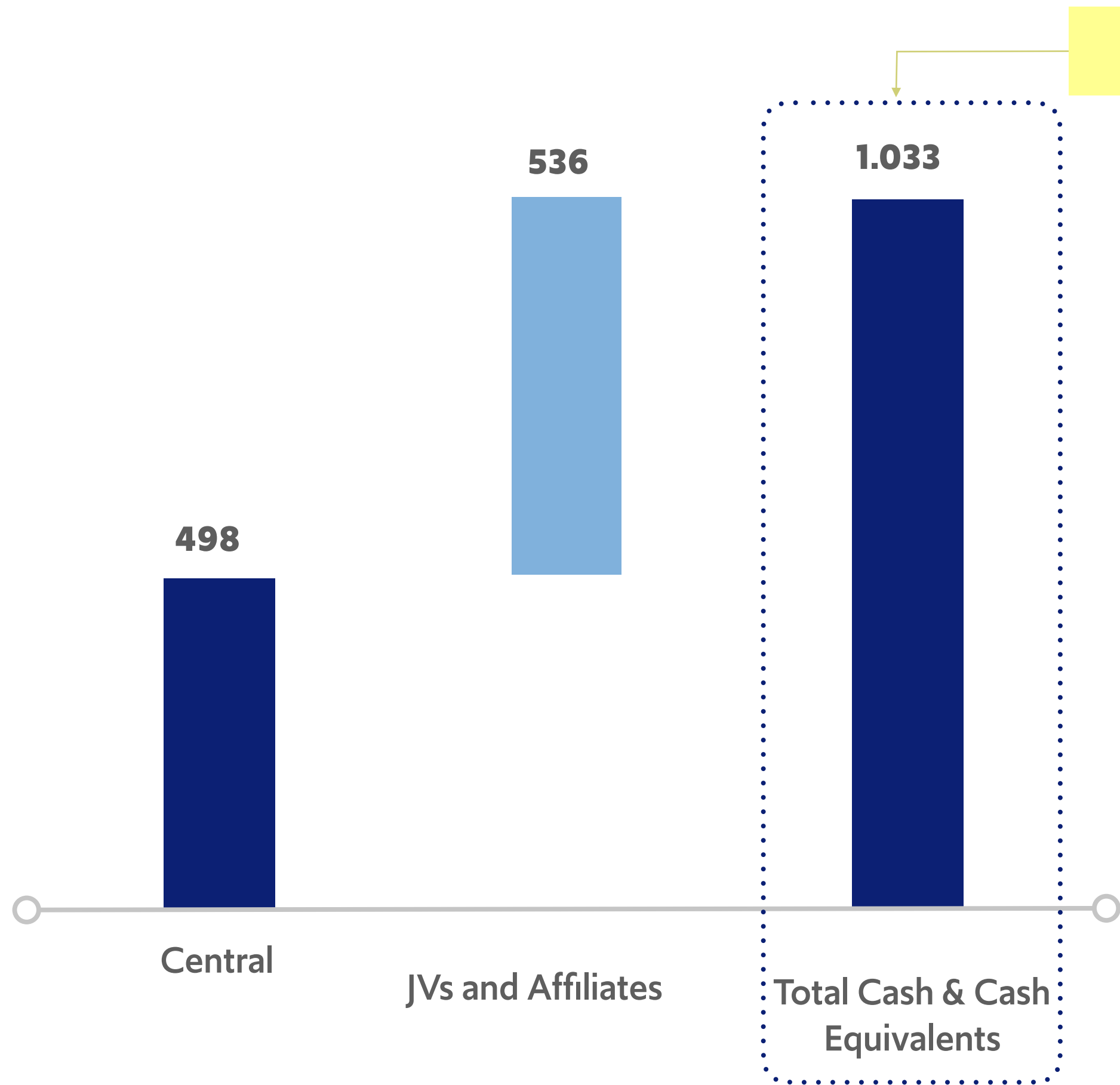
Dividend	100
Confirming	84
Concesiones derivative	92
Otros	25
<b>Total</b>	<b>301</b>

The sale of OHL Concesiones and other assets has allowed us to reinforce our liquidity position and end the year with a net cash position

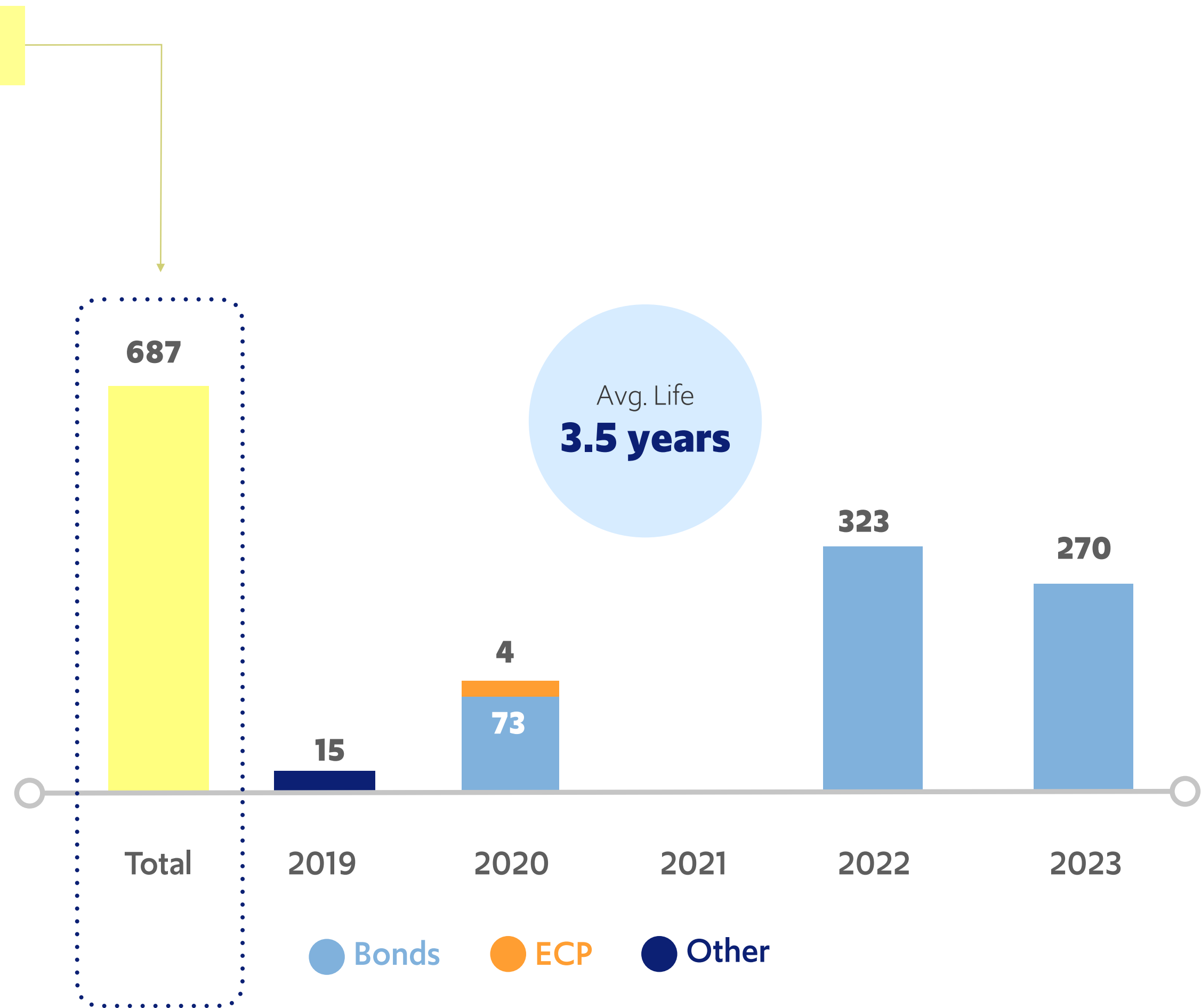


# STRONG LIQUIDITY POSITION WITH NO SIGNIFICANT DEBT MATURITIES IN 2019

AVAILABLE LIQUIDITY DEC. 2018



GROSS RECOURSE DEBT MATURITY PROFILE



Strong liquidity position that provides us with flexibility when facing future decisions



# 2018: A STARTING POINT TO UNDERTAKE A PHASE OF TRANSITION IN 2019

## 2018 HIGHLIGHTS

Activity cash consumption **×**  
Q1 2018 €293m

Collective **×**  
Redundancy Procedure

Cumulative activity **×**  
cash consumption  
1H18 €424m

Activity cash **×**  
consumption 9M18 €582m  
c.€388m loss recognition **×**  
at project level

Activity cash consumption **×**  
FY2018 €429m

March

April

May

June

July

September

December

✓ Sale of OHL Concesiones & Mayakoba Hotels

✓ Debt repayment (€930m)

✓ Payment of €100m dividend

✓ Appointment Independent Directors

✓ Appointment new Management Team

✓ Backlog review

✓ Acceleration of cost reduction program

✓ Positive EBITDA in Q4 with solid cash conversion

✓ Strong liquidity position

## Starting point for 2019

Regular business backlog  
with 6-8% gross margin

Visibility regarding future **cast outflows**

Overhead costs of c.€150m at the  
beginning of 2019 (vs. €240m in 2017)

Prudent and conservative **financial policy**

Organizational **redesign**

Independent corporate **governance** model  
reflecting the current shareholding structure



# PRIORITY AREAS FOR 2019

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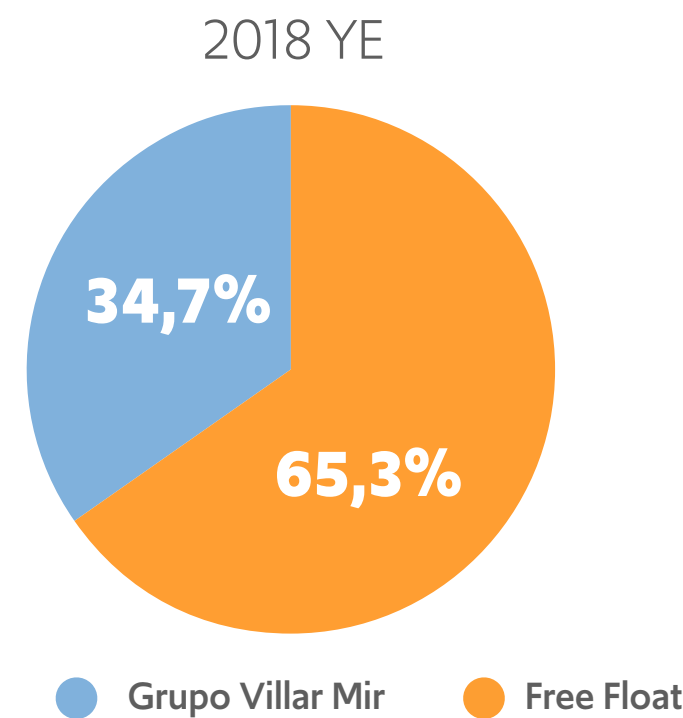
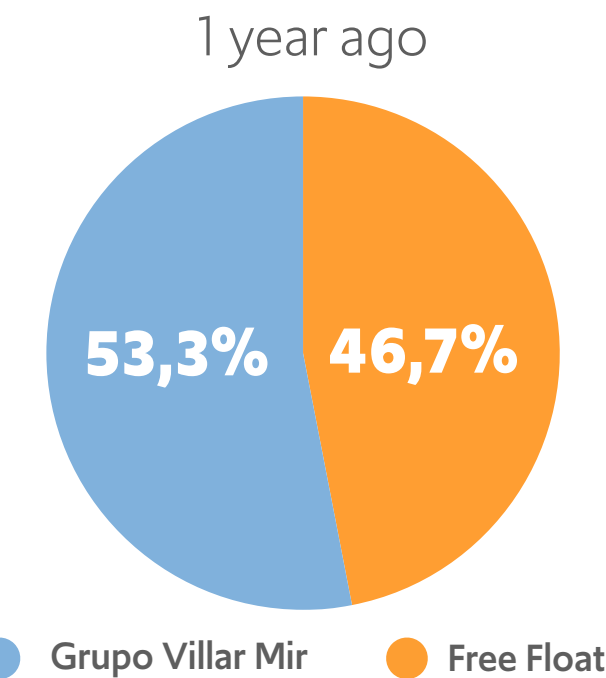
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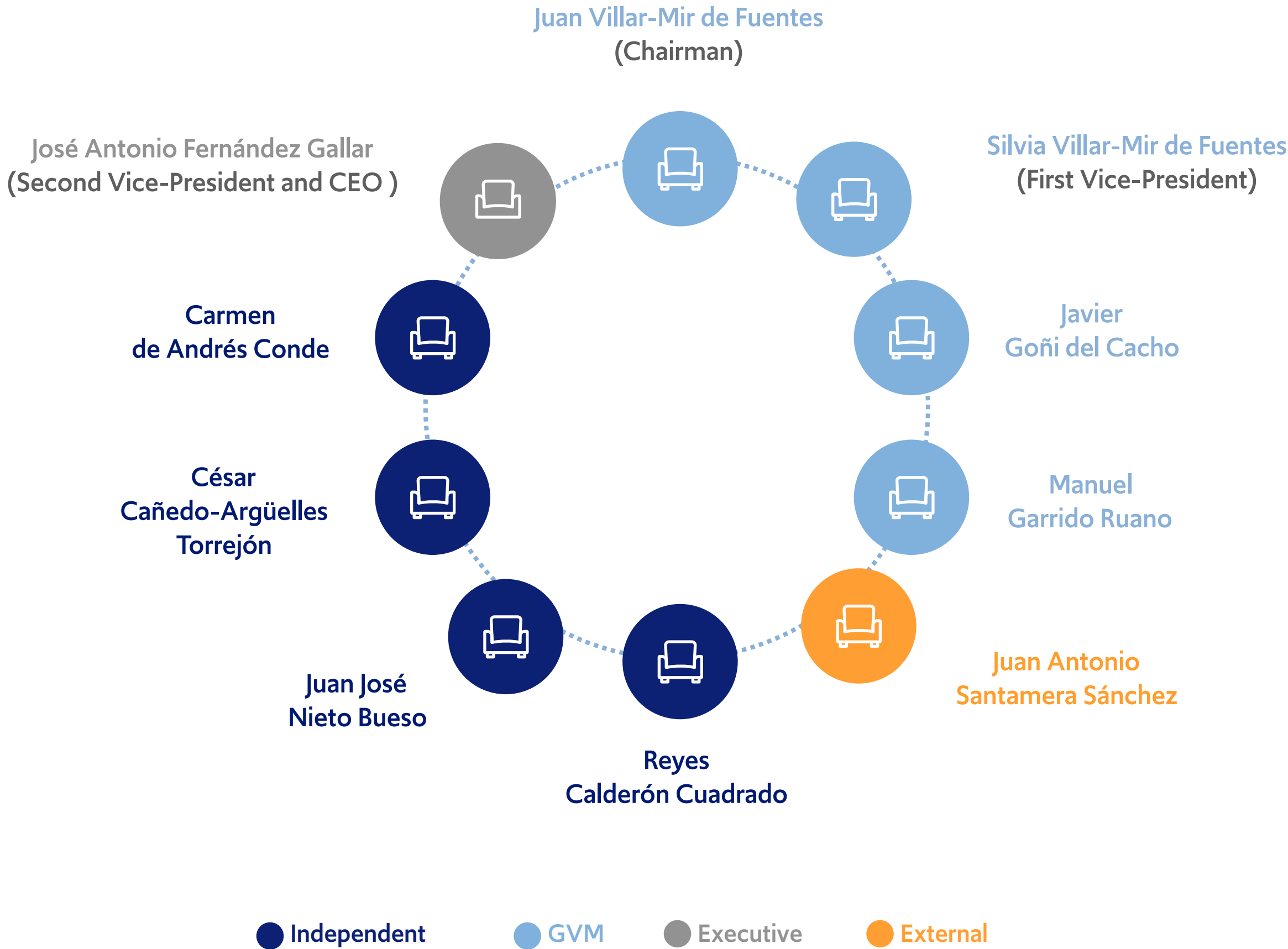


# MORE SOLID AND INDEPENDENT CORPORATE GOVERNANCE

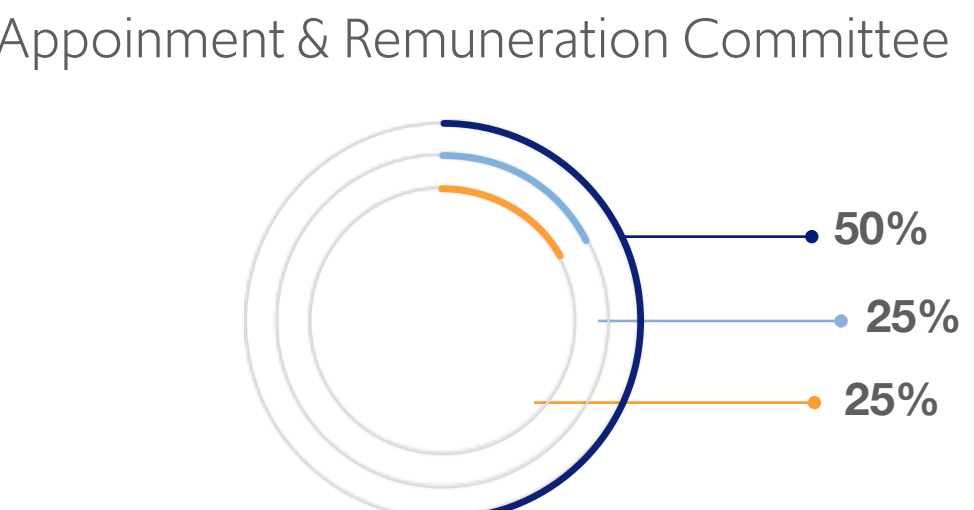
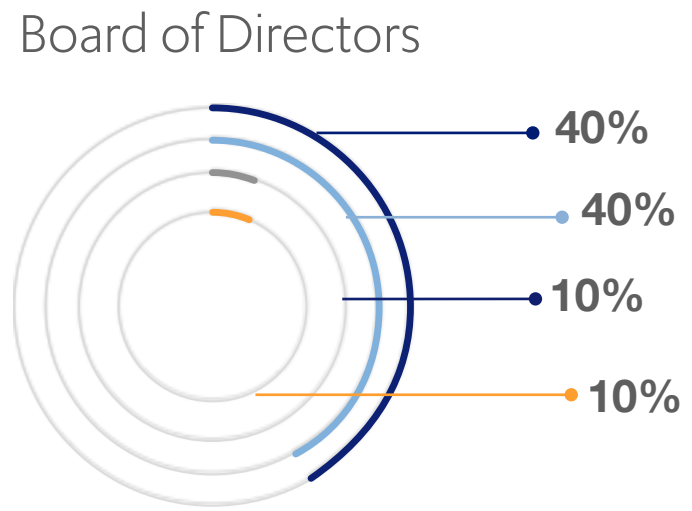
## Board of Directors



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### ...with a clear objective to **retain** and **attract** the best **talent**



Identifying key personnel



Adjustment of remuneration structure and variable linked to the share price and objectives



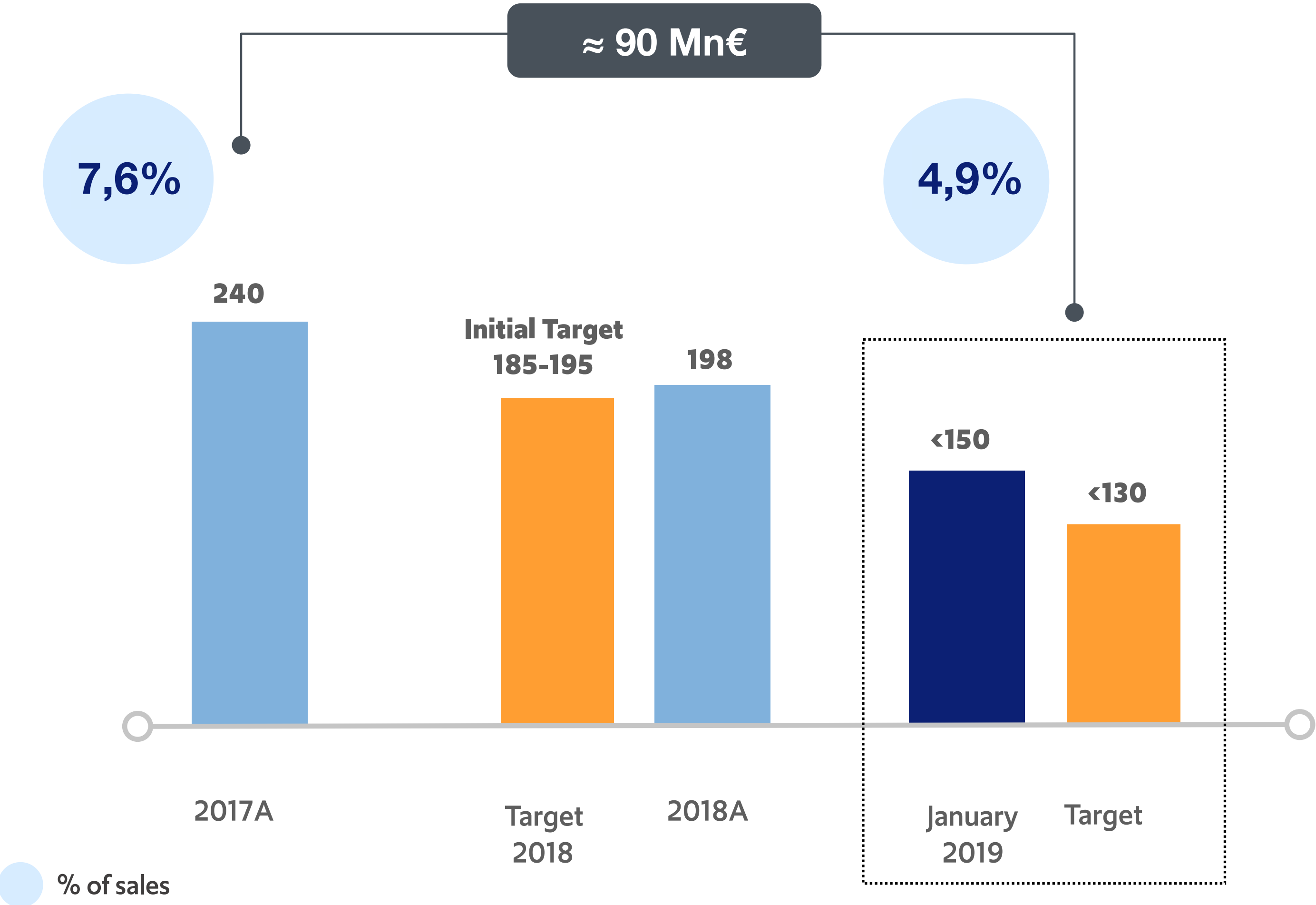
Career plans



International program for young talents



# REDUCTION OF OVERHEAD COSTS TO COMPETITIVE LEVELS



- ✓ Acceleration of cost reduction program
- ✓ Significant decrease in overhead costs of ~38%
- ✓ Elimination of overlapping roles
- ✓ Commitment to reduce overheads under €130m
- ✓ More efficient structure adjusted to our business model

High priority given and consecution to the reduction of overhead costs.  
Starting 2019 with a level of the 4,9% over sales that will be reduced to levels of €130m



# PROFITABLE AND PREDICTABLE BACKLOG

**STARTING POINT WITH A WELL-MANAGED BACKLOG AND A THOROUGH ANALYSIS OF LEGACY PROJECTS...**

Backlog

Gross Margin 0%

Gross Margin ≈ 6%

Backlog €5,877m

One-off adjustment in Q3 2018

Expected Cash Outflows from Legacy Projects (€m)

- Monitoring and control of cash consumption of the legacy projects until works completion
- More conservative criteria and market confidence recovery

**...WITH 2019 AS A TRANSITION YEAR BUT WITH CLEAR OBJECTIVES AIMED AT CASH FLOW GENERATION ...**

(Mn Euros)		2019 E
P&L	Sales	2,5-3 Bn€
	EBITDA	>45m
BACKLOG	Total	5.5-6.5 Bn€
BALANCE	Recourse Net Debt	Between -150 Mn€ y -200 Mn€

- Transition year with positive signs of cash flow generation
- Maintain a solid liquidity position at year-end including the impact from cash outflows related to Legacy Projects

**....AND WITH ENOUGH MEANS TO APPROACH 2020-2021 PROVIDING GREATER CERTAINTY AND CONFIDENCE IN THE SHORT TERM**

2.5-3.0 Bn€  
Annual sales

≈4%  
EBITDA

≈70%  
Cash Conversion

1.0 Bn€  
Liquidity

≈300Mn€  
Non-core Assets

Manage collection of debt & claims

Exercise of transparency with a realist approach in order to recover the confidence of our investors



## 2019: BEGINNING A TRANSITION YEAR WITH VISIBLE SIGNS OF RECOVERY

In 2019:

- ✓ Maintain focus on **our core business activities** and **geographies**
- ✓ **Profitable backlog with positive EBITDA** and cash flow generation, continuing with the positive trend of Q4 2018
- ✓ **Efficient contract management** in order to maximize cash flow generation
- ✓ Achieve target of reducing **overhead costs** (4% over sales)
- ✓ **Cash outflow of c.€160m** from Legacy Projects
- ✓ **Effective management** of collections and disposal of non-core assets

From 2019 to 2021:

- ✓ 2019-2021 will be a period of normalization in EBITDA and cash generation of the regular business
- ✓ **Whit:**
  - €1.0bn of available liquidity
  - Cash generation of the regular business
  - Disposal of non-core assets (~€300m)
- Company will have enough flexibility and resources to face cash consumption on the period**
- ✓ In 2021 OHL will have a sustainable and cash-generative regular business to face the future

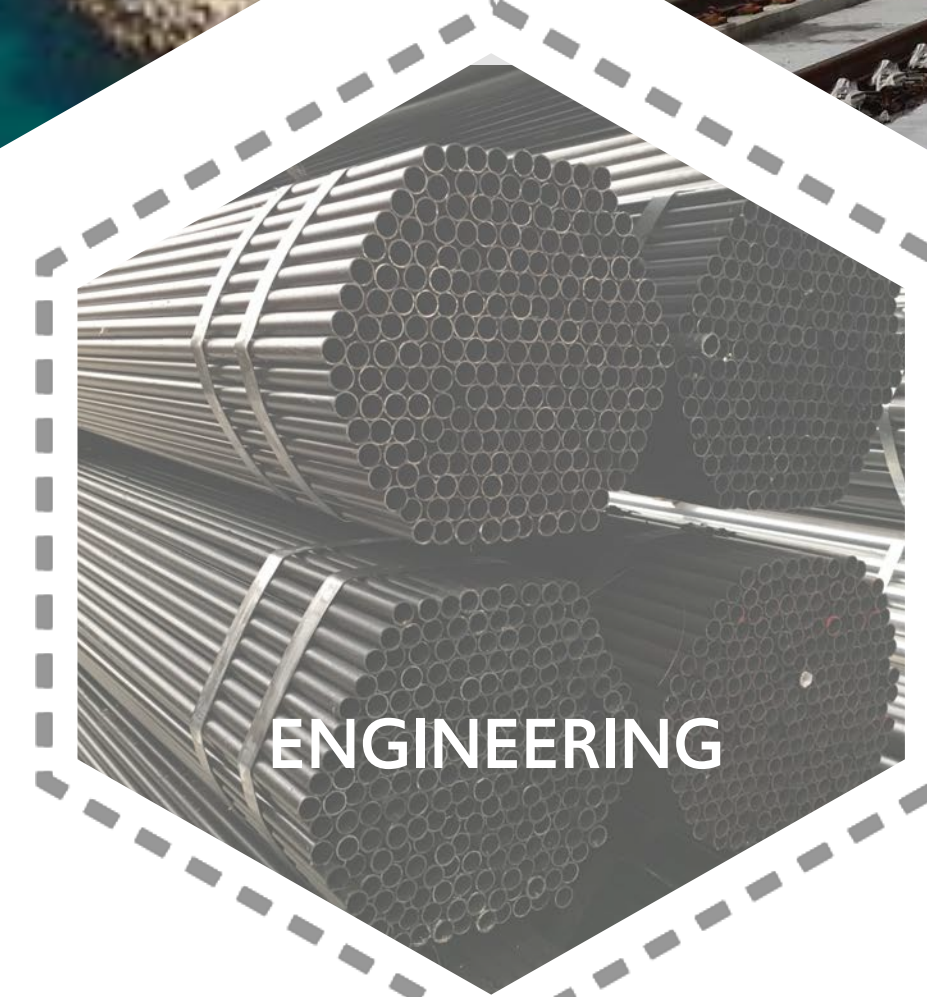
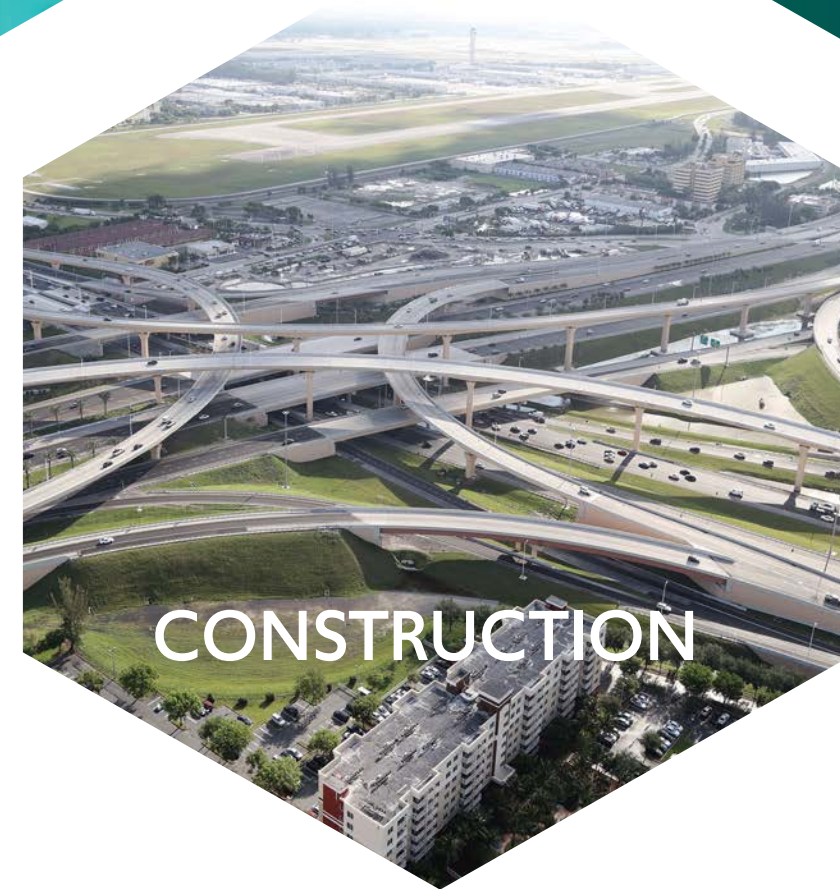


# STRATEGY VISION





## Capacities and experience contrasted throughout the life cycle of the infrastructures

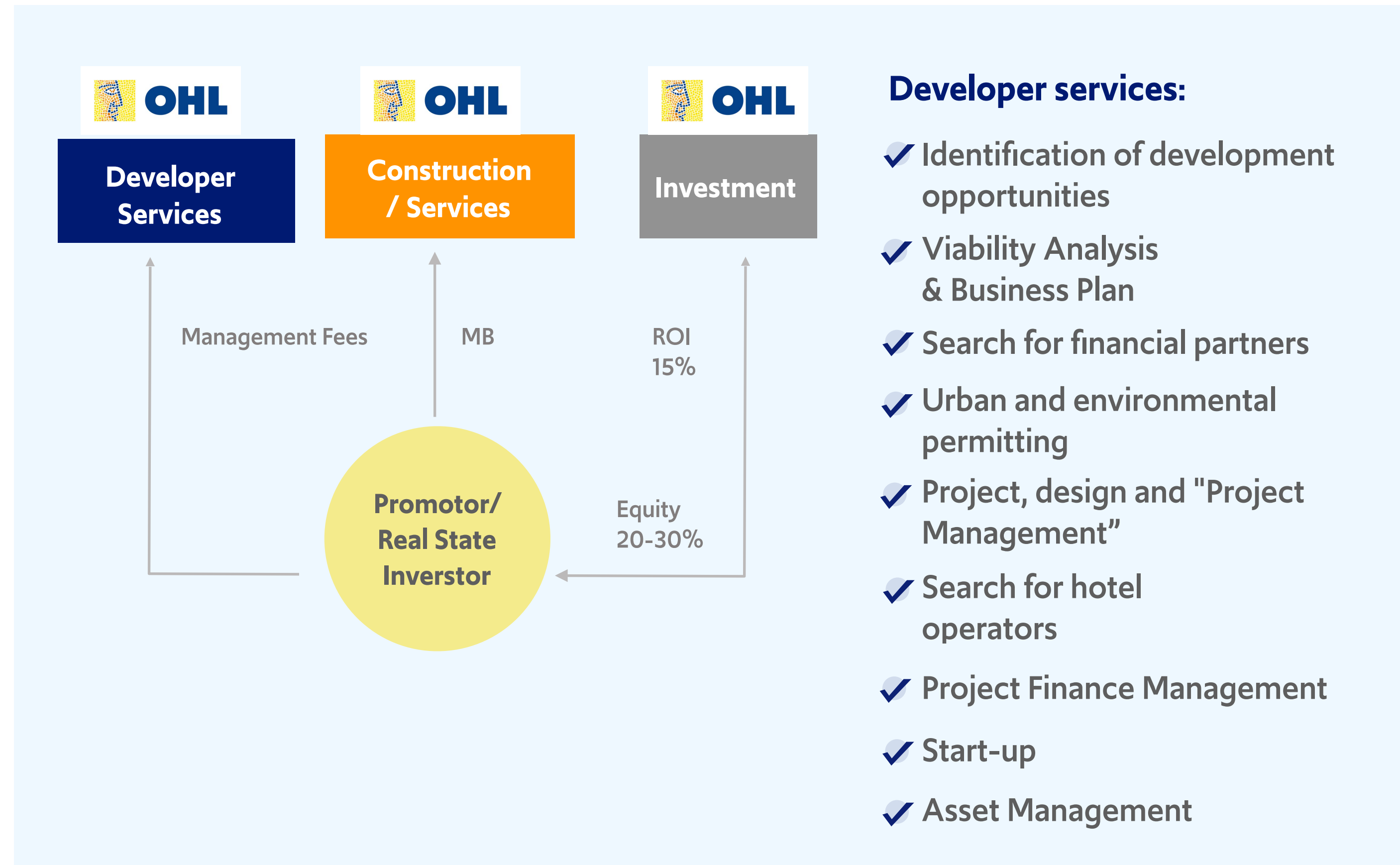


Generate value through the integration of services and own capabilities



## REAL STATE DEVELOPMENTS

Experts in the development of unique real estate projects and the management of the entire life cycle, **providing our capabilities and unique experience**



- ✓ We have our own capabilities that can be integrated into the life cycle of the project generating a high value
- ✓ There is an increasing demand in the investment community for specialized services in the development of high-quality mixed-use and hotel complexes and urban regeneration projects
- ✓ We are committed to a non-capital intensive business model
- ✓ Enhancement of complementary business  
Engineering  
Construction  
Services



## REAL STATE DEVELOPMENTS

The only company in the sector with know-how does not develop singular and mixed-use projects

### URBAN DEVELOPMENTS HIGH-QUALITY MIXED-USE DEVELOPMENT



#### CENTRO CANALEJAS, MADRID

High-quality mixed-use development. Seven historic buildings in Madrid's city center at the junction Alcalá and Sevilla, Plaza de Canalejas and Carrera de San Jerónimo streets. It will be comprised of the first and only Four Seasons Hotel in Spain, Four Seasons Private residences, an exclusive shopping area and parking garage .



#### OLD WAR OFFICE

This is the first project to be executed by the company in London, on the premises of the former British War Office and operations center. The actions undertaken will serve to restore and reconvert this historic building, built between 1898 and 1906, into an exclusive hotel equipped with 125 suites operated by the Raffles chain and 85 apartments.

### WORLD REFERENCE IN LUXURY AND ENVIRONMENTAL SUSTAINABILITY RESORTS



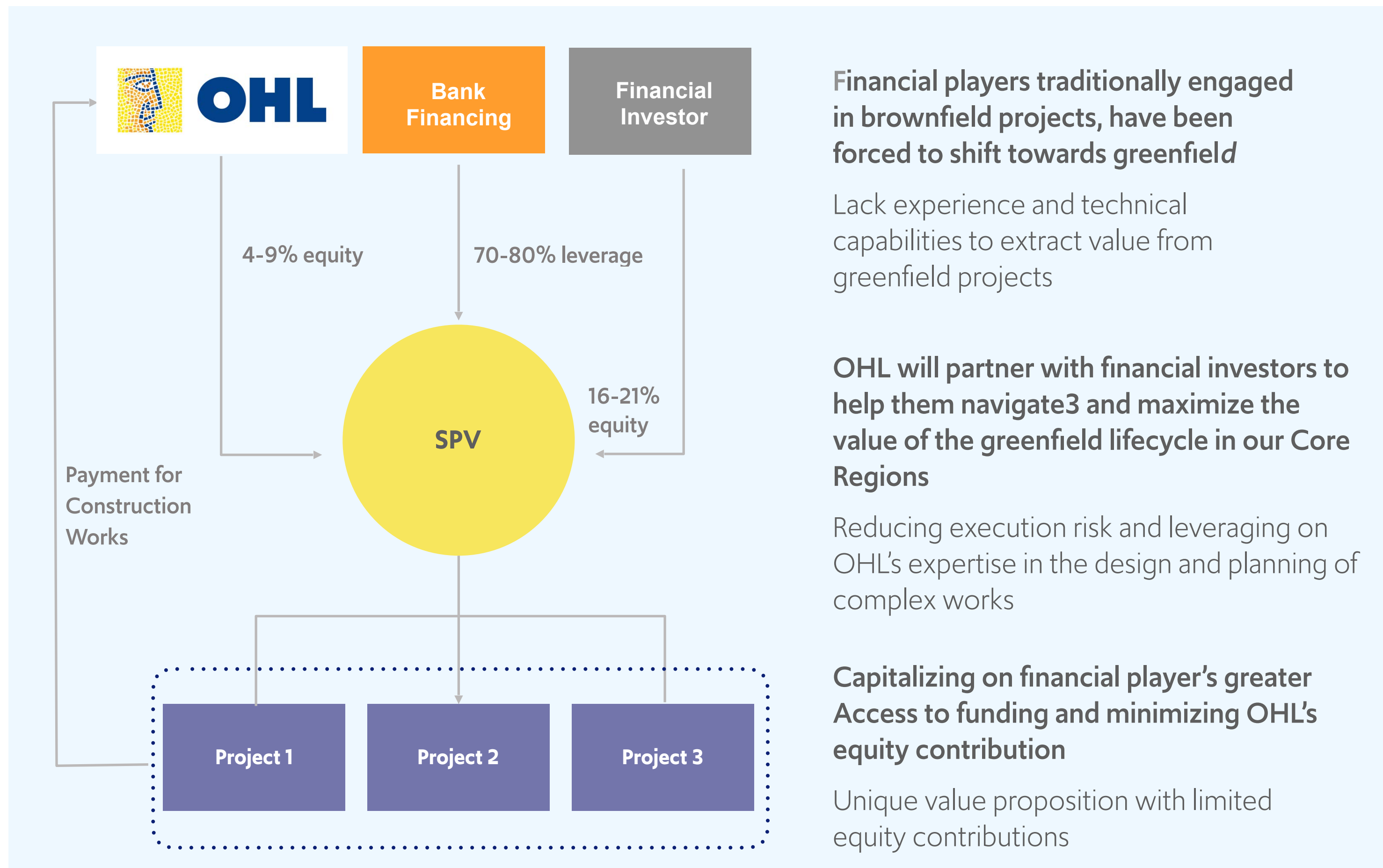
#### MAYAKOBA / CIUDAD MAYAKOBA

This is the first population nucleus planned for Quintana Roo, a residential project that intends to respond to the huge demographic growth in Playa del Carmen. The project, characterized by different types of homes, also includes various services: shopping areas, public open spaces and facilities, among others. Mayakoba Coastal tourism development of the highest quality and first world level. It includes four hotel complexes in operation: Rosewood, Banyan, Fairmont and Andaz. Includes the El Camaleón golf course. (Disinvest)



## CONCESSIONS DEVELOPMENT

Partner with concessional groups and infrastructures investors in the **study, development, operation and asset rotation**, adding value through our experience and a team with proven international expertise



After the sale of OHL Concesiones we have maintained an international team with expertise and technical capability to maximize the value of Concessions Projects:

- Greenfield Concessions development
- Development of Concessions' financial models
- Currently managing 9 Concessions Projects (ports, hospitals and buildings)
- Brownfield projects asset rotation policy

**Promotion of complimentary businesses:**

- Engineering
- Construction with double digit profitability
- Operation & Maintenance Services

**Limited equity contribution**

**Objective: 30% of the portfolio to be driven by Concessions Projects and Infrastructure Development**



**CONCESSIONS** DEVELOPMENT



**PORTS**



**Roda de Bará Port (Tarragona)**



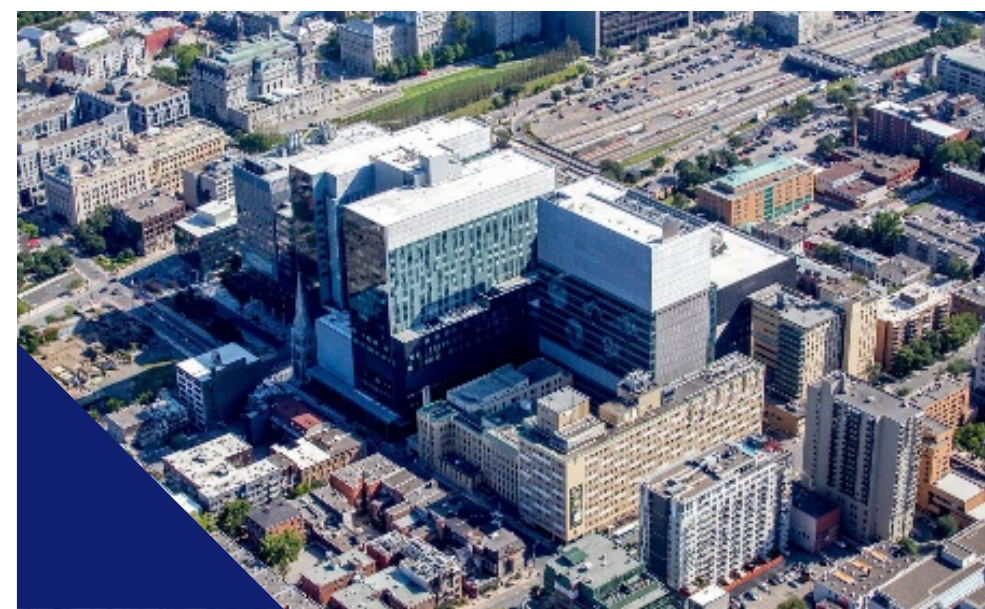
**Urola Port (Zumaya)**



**HOSPITALS**



**Burgos Hospital**



**Montreal University Hospital**



**Toledo Hospital**



**OTHERS**



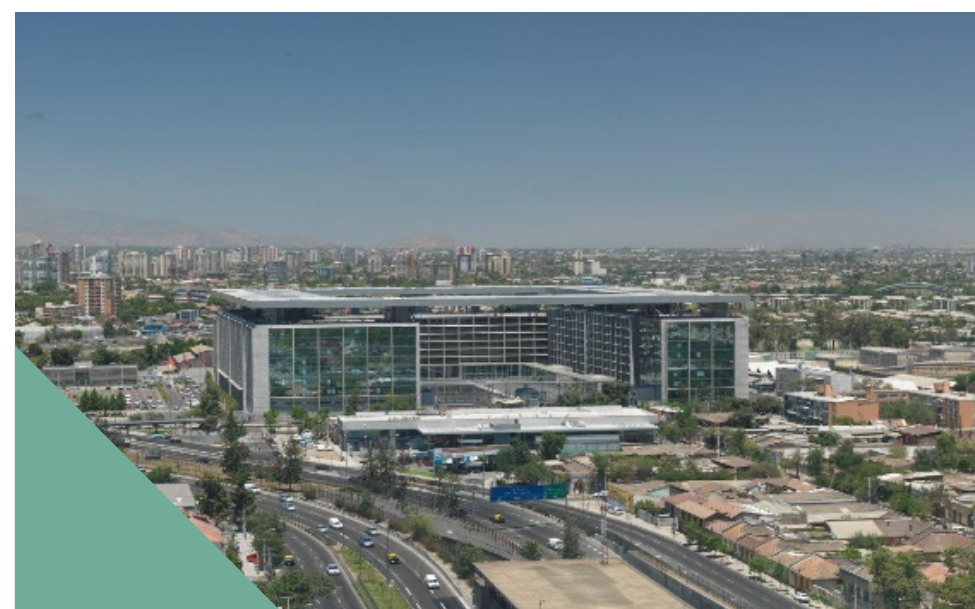
**Navarra Channel**



**Sant Andreu Police HQ (Barcelona)**



**Horta Police HQ (Barcelona)**



**Santiago de Chile Court**



# SERVICES & INDUSTRIAL

Businesses specialized in the **Services Industry** merged into a new solo Business Unit





## CONSTRUCTION

### Prioritizing towards:

- Cash Flow Generation
- Profitability
- Efficiency improvements



### Supported by:

- Risk Management and Control tools
- Additional reduction of Overhead Costs





## ENGINEERING

### Capability to participate in the proposal and technical valuation of an Infrastructure project entire Lifecycle: **DESIGN-CONSTRUCTION-CONCESSION**

Develop the actual **Technical Services** towards an Engineering Office creating an Engineering Business Unit that will render **Engineering Services** not only internally but to external Clients, with the following advantages:

- ✓ Visibility of the Infrastructure plans and future investments by participating in the early proposals and technical viability studies
- ✓ Propose Value Engineering Solutions that minimize the investment and optimize the construction methods
- ✓ Create a centralized Knowledge Hub
- ✓ Be part of Joint Ventures as an Independent Party



## STRATEGY VISION CONCLUSIONS

### Transformation from a Construction Company to a Supplier to an integral of Infrastructure Services

#### Structured in five Business Units :



##### Real Estate Development

Adding our capabilities and unique expertise



##### Concession Development

As a source of profitable Portfolio



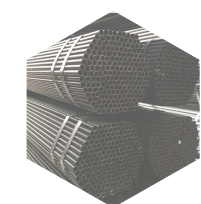
##### Services & Industrial

Merging and growing the Specialized Services Business s



##### Construction

With a profitability focus, cash flow generation and contracting margins between 8-10%



##### Engineering

With own capabilities that will add value in the entire lifecycle of the Infrastructure



#### Strengthening :

Risk Management in Projects

Overhead Costs follow-up and control

Cash Flow control and active management of payments

Austerity focus in management and EBITDA growth

#### Three main geographic areas:



North America



Europe



Latin America

Onboarding a highly experienced Human Capital with proven capabilities



## LEGAL NOTICE

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*Any declaration made in this presentation that may differ from previous past figures made in reference to, but not limited to; the operational development, business strategies and future goals, are to be interpreted only as future estimates, and as such, they imply known and unknown risks, uncertainties and other factors that could cause OHL's results, behavior and achievements, or the results and conditions of its activities, to be substantially different to those and to its future estimates.*

*This presentation and the future estimations contained here within, are given on this date and OHL expressly declines from any obligation or compromise to give any update or revision of the information contained here within, any change in its expectations or modification in the facts, conditions and circumstances in which these future estimates were founded.*