



Cash improvement by 153 million, EBITDA reaches 19 million and the gross margin of the regular business stands at 6%

OHL closes the fourth quarter of 2018 with positive cash, EBITDA and a positive gross margin

- **Backlog and new contracts.** Backlog for this activity totals 5,877 billion euro in 2018. It will provide an average gross margin of 6.5%. New contracts amount to 3,116 billion, led by projects in the US (33%) and Europe (33%).
- **Structural cost reduction plan.** In 2018, structural expenses declined by 17.5%.
- **Liquidity position.** Totals 1,033.3 million at year-end.
- **2019 Outlook.** Sales will be in the vicinity of 2.5-3.0 billion, EBITDA will be over 45 million and the Backlog between 5.5 and 6.5 billion.
- **Strategic vision.** Transformation of a construction company into a global provider of infrastructure services, boosting the complementary business between divisions and becoming a benchmark in Real Estate Developments, Promotion of Concessions, Industrial and Services, Construction and Engineering.

28 / 02 / 2019. The year 2018 was marked, after the sale of OHL Concesiones, by the beginning of a period of transformation and resizing of OHL, led by a new management team that has been focused on the recovery of profitability and cash generation.

The rewards of this trust have begun to be seen in the **fourth quarter of 2018**. In the said period, **EBITDA reached 19 million euro**, giving greater visibility to the profitability of the recurring business once the failed projects are isolated. **Sales reached 906 million** in the last quarter of 2018.

The efforts made in relation to cash control have allowed us to close the year with **Liquidity of 1,033.3 million euro**, which is a good starting point to face 2019.

Focused on the structural cost reduction plan announced in 2018, structural expenses totaled 198 million euro (6.7% of sales), in 2018, 17.5% less than in 2017 (when they reached 7.2%). In 2019, and because of the measures implemented during the last quarter, the company estimates that structural costs will be less than 150 million.

Focusing on the backlog and contracting, the first closed the year at 5.877 billion, representing 24.1 months of sales; 37.6% of the projects come from the USA, 26.2% from Europe and 21.5% from Latin America. New contracts, meanwhile, totaled 3.116 billion, led by projects in the US (33%) and Europe (33%).

2018 Results

At the operating level, the 2018 income statement presents a sales figure of 2,954.4 billion euro, with a slight decrease compared to 2017. 73.2% of the total turnover comes from abroad. EBITDA stood at -448.5 million, improving by 19 million compared to the close of the third quarter.

The net attributable profit stood at -1,529.8 million euro, affected by significant operations and non-recurring effects, as well as -595.7 million in value adjustments, an accounting movement with no effect on the net equity of the Group.

Reduction and simplification of debt

After the close on April 12, 2018 of the sale and transfer of 100% of the share capital of OHL Concesiones to the IFM fund, OHL has significantly reduced its debt and substantially improved its liquidity profile.

At the close of the transaction, the Group received a net amount of 1.991 billion, which allowed us to:

- Reduce the company's gross debt by 54.7% compared to the same period of the previous year eliminating practically all of the bank debt and maintaining a comfortable profile of long-term debt amounting to 666 million euro in bonds maturing in 2020, 2022 and 2023.
- Distribute an interim dividend for the year 2018 in the amount of 100 million euro (0.348981 euro per share) on June 6th.
- Significantly increase the company's liquidity amounting to 1,033.3 million euro at December 31, 2018.

Key Figures	2018	2017	Var.(%)
Sales	2,954.4	3,172.1	-6.9%
EBITDA	-448.5	-66.5	n.s
% of Sales	-15.2%	-2.1%	
EBIT	-513.5	-139.9	n.s
% of Sales	-17.4%	-4.4%	
Net attributable earnings	-1,529.8	-12.1	n.s
% of Sales	-51.8	-0.4%	

Euros Mln

Priorities for 2019

2019 will be a year of transition for OHL, with greater visibility of recovery and with clear cash generation objectives. With regard to the income statement, sales are expected to be around 2.5-3.0 billion, EBITDA above 45 million euro and Backlog at levels between 5.5 and 6.5 billion.

The company will maintain its focus on having profitable backlog with positive EBITDA and cash generation, following the path initiated in the fourth quarter of 2018.

Strategic vision

OHL is active in three geographical areas: Europe, North America and Latin America, with the aim of being a global provider of infrastructure services, taking advantage of its experience and enhancing the integration of its current capabilities through five areas of activity and based on the construction business:

- **Real Estate Developments**, experts in the development of singular and mixed-use real estate projects, providing skills and unique experience.
- **Promotion of Concessions**, with the objective of reaching 30% of the backlog and focusing on minority participation with concession groups and infrastructure investors: from the study, development and operation to the rotation of the projects, providing experience and knowledge.
- **Industrial and Services**, focusing on the specialization of services as differential value and integrating and strengthening all companies specialized in providing services with competitive structural costs and a highly specialized staff.
- **Construction**, as the main cash generator through a diversified, sustainable portfolio with a gross margin of between 8-10%.
- **Engineering**, enhancing the current technical services for its evolution towards an engineering oriented to complete the offer of services in infrastructures and contribute more competitive technical solutions.

In the 2019-2021 horizon, OHL, with the cash generation from its construction business, the current available liquidity and the continuity of its divestment policy of non-strategic assets and asset management, faces the future with confidence, which it hopes will result in a better perception of the company by the market.