



Geotech Group Transaction

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ACCIONA has acquired Geotech Group, a successful privately-owned construction specialist in Australia. The transaction values Geotech at AU\$262m¹ (EV) (€188m)

As part of the transaction, Geotech and ACCIONA's construction pipeline in Australia² are merging to create ACCIONA Geotech, the group's platform for growth in the region

The transaction **significantly strengthens ACCIONA's construction business in Australia**, a key strategic market that is poised for strong growth

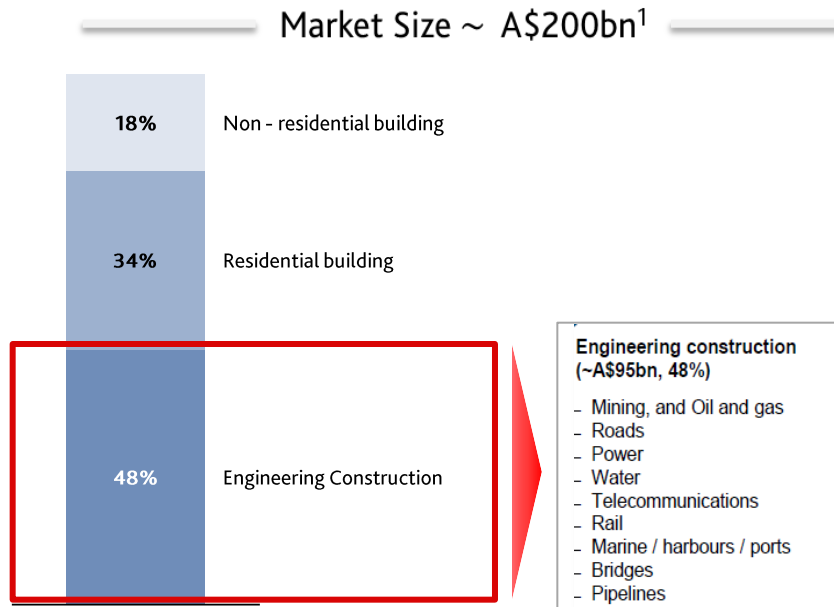
Geotech's **key management shareholders will retain a significant stake** in ACCIONA Geotech and will hold leading management roles in the new organization

The integration of Geotech means a **step-change in ACCIONA's Australian growth plans**

¹ EV on a debt free and cash free basis

² Existing contracted backlog of ACCIONA Construction Australia and New Zealand as of closing is excluded from the transaction perimeter

Sizeable market



Sound Infrastructure Business Drivers

- Renewed government **focus on infrastructure** and AU\$125bn² is to be invested into new projects over the next decade
- Australian **population to grow 26%** by 2030
 - Sydney & Melbourne representing 40% of this growth
- **Public transport to rise by 89%** across all capital cities³

Competitive dynamics

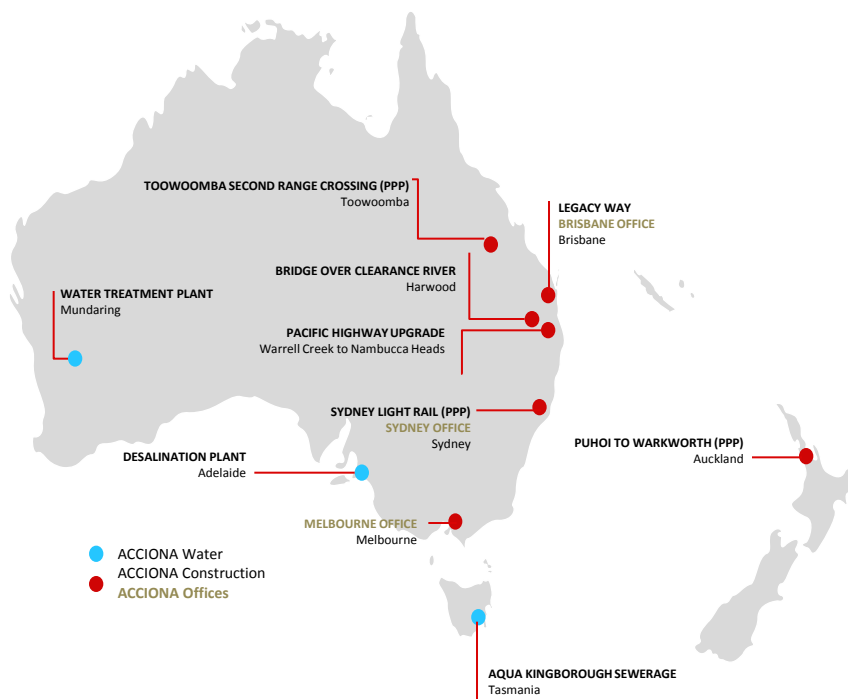
- **Increasing scale of projects** and Government pipeline
 - Influencing the competitive playing field with the **growing presence of International contractors**
- Market consolidation in recent years to **build local scalable capabilities** in order to attend major project pipeline
- Increase **push for local content**, barriers to entry still exist to operate without local presence

¹ Average annual work delivered (both for Public and Private Sector). Source: ABS – July 2016

² Over AU\$125bn from 2015-2020. Source: Australian Government

³ Estimated growth 2011 – 2031. Source: Infrastructure Australia – Feb 2016

Key projects in Australia



Main highlights

- Australia is one of ACCIONA Infrastructure's most successful markets
- Relevant positioning in large-scale, complex projects that require sizeable players with specialist capabilities
- Construction backlog stands at AU\$1.4bn and 2016 revenues at AU\$465m
- Currently working on tenders for projects valued at over AU\$10bn

Australia: key strategic growth market for ACCIONA Infraestructure

**Stronger strategic
positioning &
acceleration of
growth plans**

- **Enhanced offering** – access to mid-size project market (AU\$60-200m) and high-margin recurring business
- **Scale** – ability to scale up significantly in the Australian and New Zealand market, becoming a local Tier I contractor
- **Strategic positioning in high-growth rail sector** – rail as core competency of Geotech
- **Increased competitiveness** – improved Self-Performance capabilities /contractor-subcontractor integration
- **Local presence / global reach** – combination of strong local footprint and global experience, reputation and capabilities
- **Management systems excellence** – strong track-record, consistent profitability

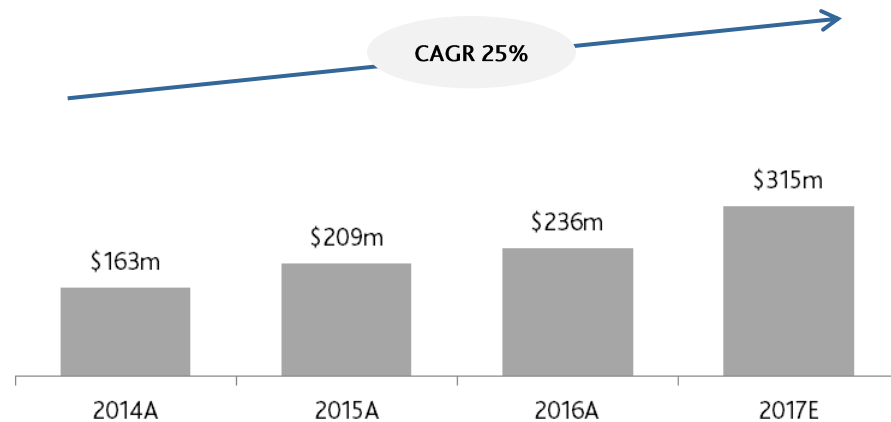
6 | Geotech Group Overview



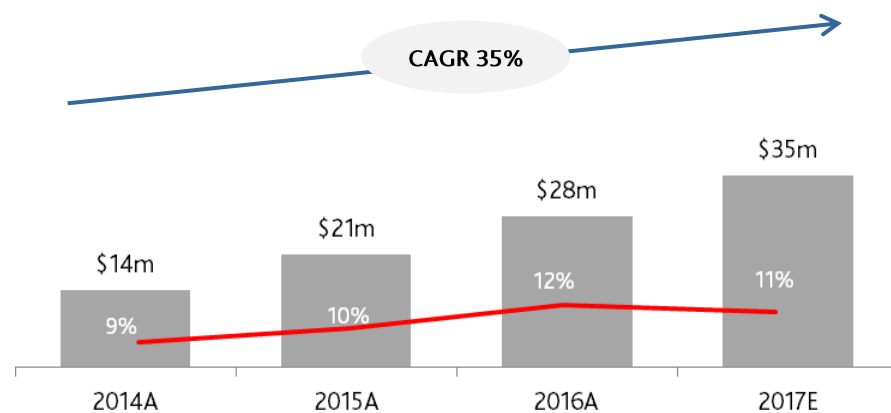
Geotech

- Established in 1972, by Gerry Noonan, the Geotech Group is a leading provider of technically complex construction services in Australia
- Specific strengths in heavy & light rail infrastructure and ground engineering
- Focus primarily as a specialist subcontractor
- Acquired in FY2000 by Bede & Andre Noonan, and Darren Loidl, taking the company's revenues from AU\$5m in 2000 to AU\$315m in 2017E¹
- Very successful track-record of profitable growth
- Management & governance structures consistent with the standards of a listed company
- Headquartered in Melbourne with offices also in Sydney and Brisbane

Revenue¹ (AU\$m)



EBITDA (AU\$m) and EBITDA margin (%)¹



¹Geotech financial year ends in June
Source: Geotech

7 | Transaction structure



ACCIONA incorporates a new Australian acquisition vehicle - ACCIONA Geotech

ACCIONA assigns to Acciona Geotech three projects under tender¹ and undertakes that Acciona Geotech will be its sole vehicle for all future civil construction projects in Australia and New Zealand

Following a series of transactions, ACCIONA holds an 82.4% stake in ACCIONA Geotech. The cash consideration amounts to AU\$197m²

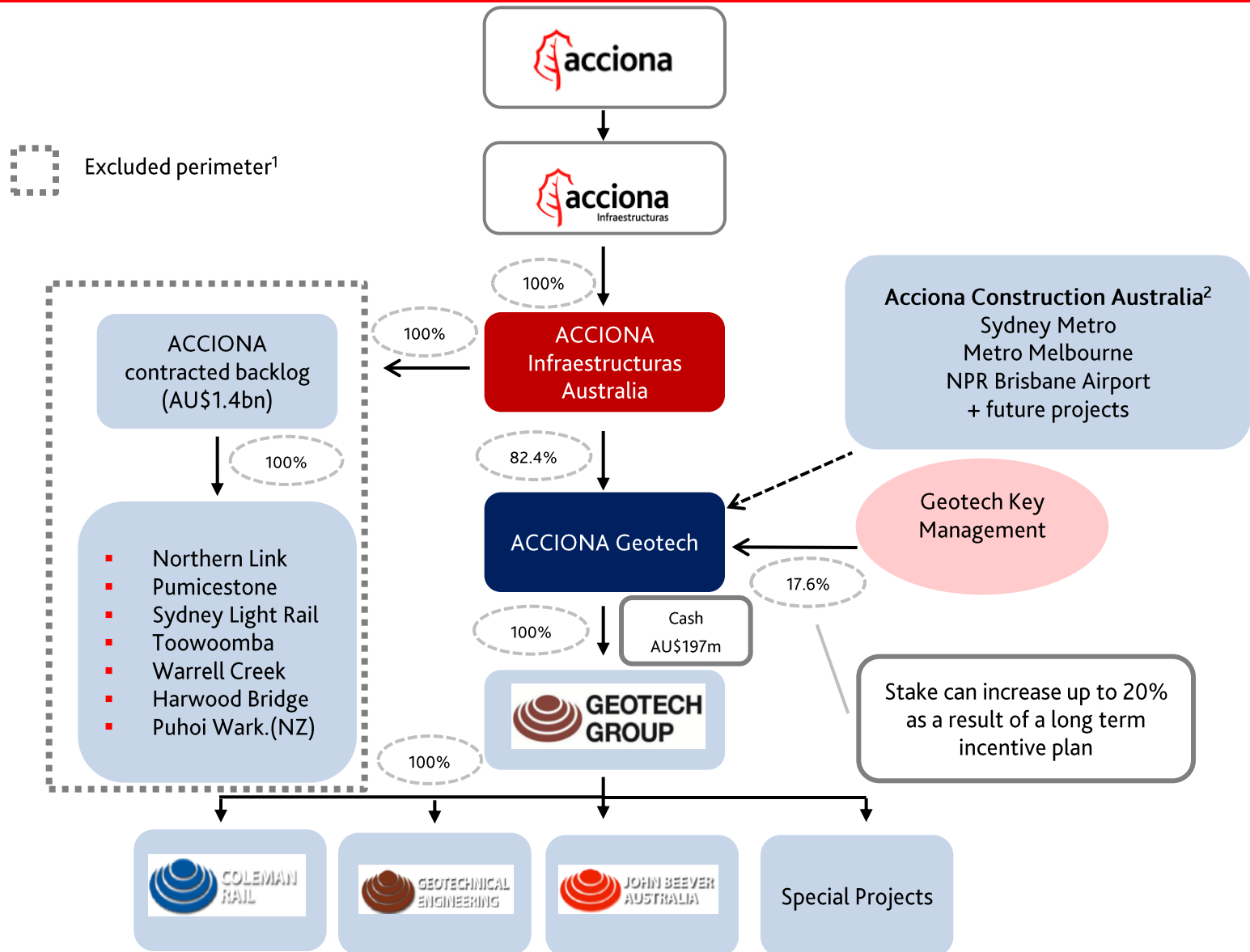
The remaining stake in ACCIONA Geotech is held by key management shareholders – Bede Noonan, Andre Noonan and Darren Loidl

Key management shareholders' 17.6% stake can increase up to 20% as a result of a long term incentive plan based on the future performance of ACCIONA Geotech

¹ Sydney Metro, Metro Melbourne, NPR Brisbane – Brisbane Airport runway

² Final consideration subject to customary balance sheet adjustments

8 | ACCIONA Geotech - simplified structure



¹ Existing contracted backlog of ACCIONA Construction Australia and New Zealand as of closing is excluded from the transaction perimeter

² These contracts are contributed through the "Special Projects" vehicle

The acquisition of Geotech is a **major step in accelerating ACCIONA's ambition of becoming a Tier I player in the Australian construction market**

Geotech brings along a profitable and distinct construction specialist in Australia that will strengthen ACCIONA's local footprint, product offering and self-performance capabilities

Geotech's management team and their full commitment to the development of ACCIONA's construction activities in Australia is a key part of the transaction

Management team remain significant shareholders of ACCIONA Geotech and will retain key leadership roles

Geotech transaction consideration is included in the €900m gross capex guidance for 2017

Appendix

	FY2015A AU\$ 000'	FY2016A AU\$ 000'	FY2017E AU\$ 000'
Revenues	209,283	236,450	314,916
EBITDA	20,792	28,285	35,435
<i>EBITDA margin</i>	9.9%	12.0%	11.3%
EBIT	18,610	25,952	32,512
<i>EBIT margin</i>	8.9%	11.0%	10.3%



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