



THIRD QUARTER 2017 RESULTS



25 October, 2017

- Order Intake
- Backlog
- Consolidated Statement of Profit or Loss
- Outlook

Order Intake



Order Intake mainly originated in Europe and US

(in millions of EUR) ¹

| | 2014 Q1-Q4 | 2015 Q1-Q4 | 2016 Q1-Q4 | 2017 | | |
|--------------|---------------|---------------|---------------|------|-------|------------------|
| | | | | Q1 | Q1-Q2 | Q1-Q3 |
| Order Intake | 1,895 | 902 | 2,677 | 232 | 454 | 547 ² |

The main contracts signed and included in the backlog for the third quarter of 2017 are:



Cosenza (Italia)



Kansas (USA)



Seattle (USA)

These contracts are added to those already included in the first half of the year. It is important to mention that these contracts show renewed trust of CAF customers, such as Utrecht and Kansas.

In addition to the former order intake stated, after the closing of the third quarter, CAF has signed an extension for the tram of Stockholm and a contract of trams for De Lijn operator (Belgium), with a total value over EUR 130 million.

The order intake contains other contracts related to other businesses and maintenance contracts or extensions of existing contracts, as well as new orders for MiiRA and other core business lines. Additionally, adjustments to projects in progress (mainly gains, losses and translation adjustments) are also included.

¹ Order Intake obtained as: (Period end backlog – Period start backlog + Period sales +/- Other adjustments)

² This figure does not include options contemplated in signed projects.

(continuación)

Cosenza (Italy)

Calabria region has signed with CAF the contract for the supply of Urbos 100 trams. These new units will come into service within the municipality of Consenza, in Italy.

The project comprises:

- The supply of 4 five-car units



Seattle (United States)

Seattle Department of Transport (SDOT) has awarded CAF with a contract for the supply of streetcars based on the Urbos platform and 100% low floor. These new vehicles will be equipped with the Onboard Energy Storage System, which is supplied by CAF Power & Automation, allowing them to run on the catenary-free sections of the network.

The project comprises:

- The supply of 10 three-car units, 100% low-floor, with onboard Energy Storage System
- Supply of spare parts, special tools and testing equipment
- The option to request up to additional 10 vehicles and their relevant spare parts



Order Intake



(continued)

Kansas (United States)

Kansas City Transport Authority in United States has approved the purchase of additional streetcars from CAF to add to the four streetcars previously supplied which are in revenue service since 2016. This decision was made in view of the increasing number of passengers in the streetcar network connecting River Market to Union Station.

This project extension includes:

- The supply of 2 three-car units



Stockholm (Sweden)

On 24 October 2017 CAF signed an agreement with SL AB (Storstockholms Lokaltrafik), which oversees the transport network in Stockholm, to expand the project for the supply of trams for the city beyond the 22 units manufactured by CAF already circulating around the Scandinavian capital.

The project extension includes:

- The supply of 12 units

These units are added to the 8 three-car units signed during the first half of the year



Order Intake



(continued)

De Lijn (Belgium)

On 25 October 2017 CAF has signed with De Lijn, the Flemish Transportation Company (Belgium), the supply of new trams.

The project comprises:

- The supply of 48 units
- The option to request up to approximately 98 additional units

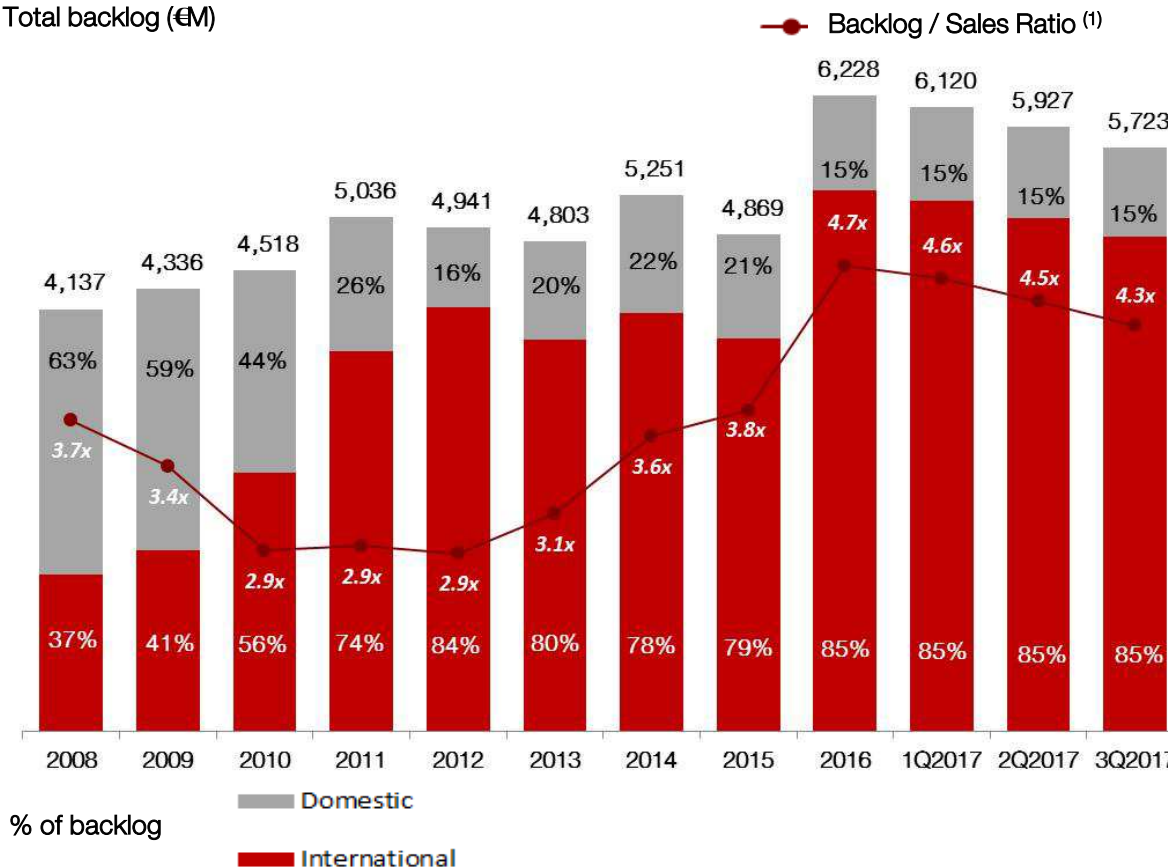


Backlog



Current backlog guarantees long term activity

Total backlog (€M)



The order backlog at 30 September 2017 reached EUR 5,723 million, equivalent to 4.3x annual revenue of 2016.

This backlog does not include **firm contracts signed** beyond 30 September 2017 with a total value over EUR 130 million:

- Additional units for tram of Stockholm
- Tram units for De Lijn

In addition, CAF has also been **awarded contracts yet to be signed** worth approximately EUR 300 million, including the recent award of the project for the West Midlands (United Kingdom) franchise for approximately EUR 200 million.

¹ Backlog / sales ratio of each quarter of 2017 calculated against total annual revenue of 2016.

Consolidated Statement of Profit or Loss



(in thousands of EUR)

| | 3Q2017 | 3Q2016 | % change |
|--|-----------|----------|----------|
| Revenue | 1,051,837 | 962,552 | 9% |
| EBITDA | 129,547 | 104,158 | 24% |
| D&A and Impairments | (25,818) | (22,632) | 14% |
| EBIT | 103,729 | 81,526 | 27% |
| Financial result | (58,909) | (39,093) | 51% |
| Profit before Tax | 44,820 | 42,433 | 6% |
| Income Tax | (16,473) | (15,433) | 7% |
| Net Profit after income tax | 28,347 | 27,000 | 5% |
| Profit attributable to non-controlling interests | 129 | 486 | (73%) |
| Profit attributable to the Parent | 28,218 | 26,513 | 6% |

Revenue as of 30 September 2017 amounts to EUR 1,051,837 thousand, that is, EUR 89,285 thousand (9%) higher compared to the figure for the nine months period ended on 30 September 2016. The increase was due to the recovery in industrial activity compared to the previous year.

Exports accounted for 86.4% of total revenue.

Metro units for **Medellin and Santiago de Chile** and commuter trains for **CPTM and the network between Mexico D.F. and Toluca**, as well as the projects for the British franchises, **Northern and Transpennine** together with **Caledonian Sleepers**, are the main manufacturing projects in progress in the nine months period ended on 30 September 2017.

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The **EBITDA** margin as of 30 September 2017 amounted to EUR 129,547 thousand, compared to EUR 104,158 thousand in the same period of 2016, that is, 24% higher. This increase is attributable to the project mix in progress and the increase in industrial activity compared to the same period of 2016.

The **Financial Result** as of 30 September 2017 totalled a loss of EUR 58,909 thousand, 51% higher than the same period of 2016, due mainly to higher exposure to fluctuations of the Brazilian real compared to the same period of 2016.

Profit before tax as of 30 September 2017 reached a profit of EUR 44,820 thousand, that is, 6% higher than the profit for the same period of 2016.

Net profit after income tax as of 30 September 2017 amounted to a profit of EUR 28,347 thousand, an increase of 5% as compared to the profit for the same period of 2016.

Profit attributed to the parent company for the nine months ended 30 September 2017 reached a profit of EUR 28,218 thousand, 6% higher compared to the profit for the same period of 2016.

Outlook



Company maintains its perspectives¹:

- Double-digit Compound annual growth rate (*CAGR*) in 2017-2018 sales, underpinned by record-high order intake in 2016.
- Upward trend of profit in the next years driven by:
 - a) Increased activity, especially in European manufacturing plants
 - b) Order intake margin in line with historical margin
 - c) Order backlog with lower execution risk
 - d) Operational excellence and efficiency programmes, which are already beginning to show the first signs of savings:
 - Improvement in manufacturing and industrialisation management
 - Optimisation of suppliers' performance in terms of quality and deliveries
 - Improved management and Globalisation of purchasing
 - Efficient inventory management
- Ambition to maintain current historic order backlog, based on stable value of open tenders of €5.5 – €6.0 billion



¹ Projections as laid out in "2016 Results Presentation" document made public on 27 February 2017.

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