FIRST HALF 2019 RESULTS

30 July 2019

CONTENTS

01/ AT A GLANCE

Order Intake	Backlog	Revenues	Adjusted EBITDA Margin	Adjusted Net Profit
€2,085m	€8,535m	€1,266m	9.2%	€25m

02/ ORDER INTAKE

High order intake for Services in the first half of the year

(in millions of EUR)

	2016 Q1-Q4	2017 Q1-Q4	2018 Q1-Q4	2019 Q1 - Q2	2019 Q1 - Q2 *ex-Solaris*
Order Intake [1]	2,677	1,514	2,902	2,085	1,897

Additionally to the order intake registered in the first quarter *(see Appendix A)*, the main contracts signed and included in the order backlog in the second quarter of 2019 are:

Order Intake Q22019

Announced projects


🚇 S London (UK)


S SAR (Saudi Arabia)


S RENFE (Spain)

\+

Other orders and adjustments

- Smaller Vehicle supply contracts
- Contracts for Components, Equipment, Signalling, Systems and Other
- Portfolio adjustments (changes in contract scope and foreign currency translation adjustments)

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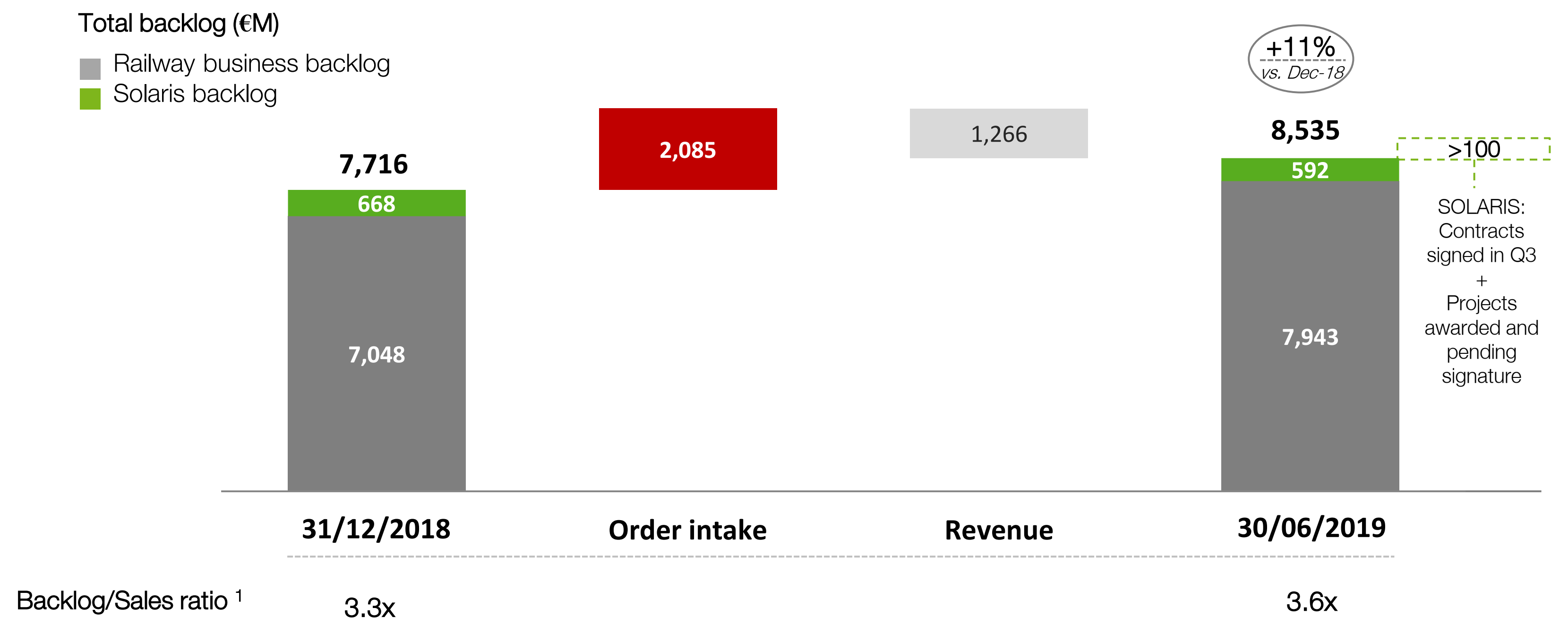
[1] Includes firm backlog in the year and potential modifications to orders from prior years, calculated as follows: (Backlog at end of reporting period – Backlog at beginning of period + Revenue).
Order intake does not include options included in several signed projects and projects in the backlog.
Breakdown of order intake for the first half of 2019 in Appendix A.

🚊 Tram/LRV
🚇 Metro
🚆 EMU/DMU/Coaches/Locomotive
S Services
E Signalling and other equipment
I Turnkey project
B Bus

03/ BACKLOG

Intense order intake raised the CAF Group backlog to a new all-time high



- The backlog at 30 June 2019 **does not include** projects for an estimated value over **€100m signed by Solaris in the Q3 or awarded to Solaris and pending signature (excluding future options)**

- Electric city buses for Milan
- Fuel cell city buses for Bolzano
- Electric city buses for Warsaw

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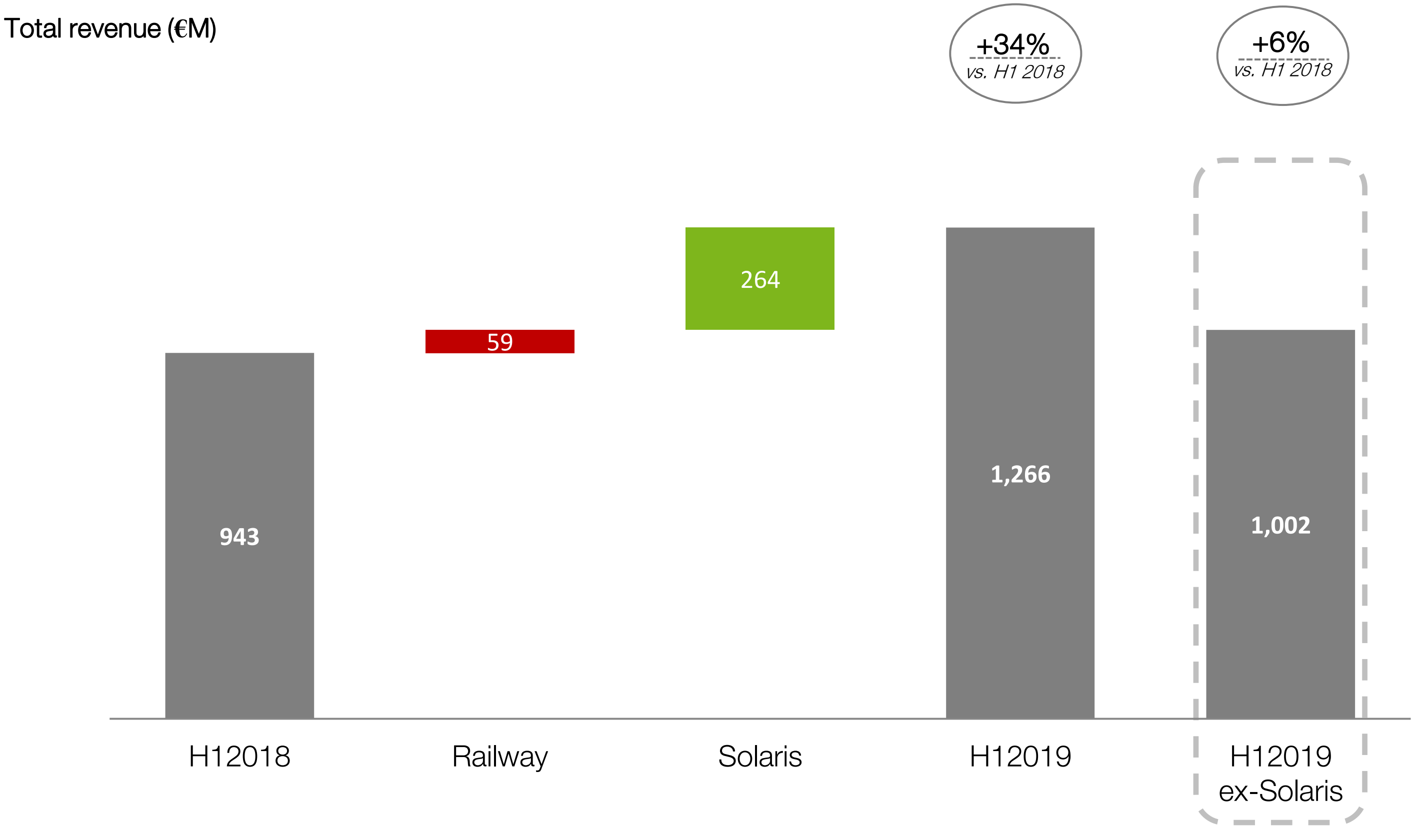
[1] Ratio obtained considering the backlog in each period and FY 2018 revenues of Railway business and Solaris (€458m).

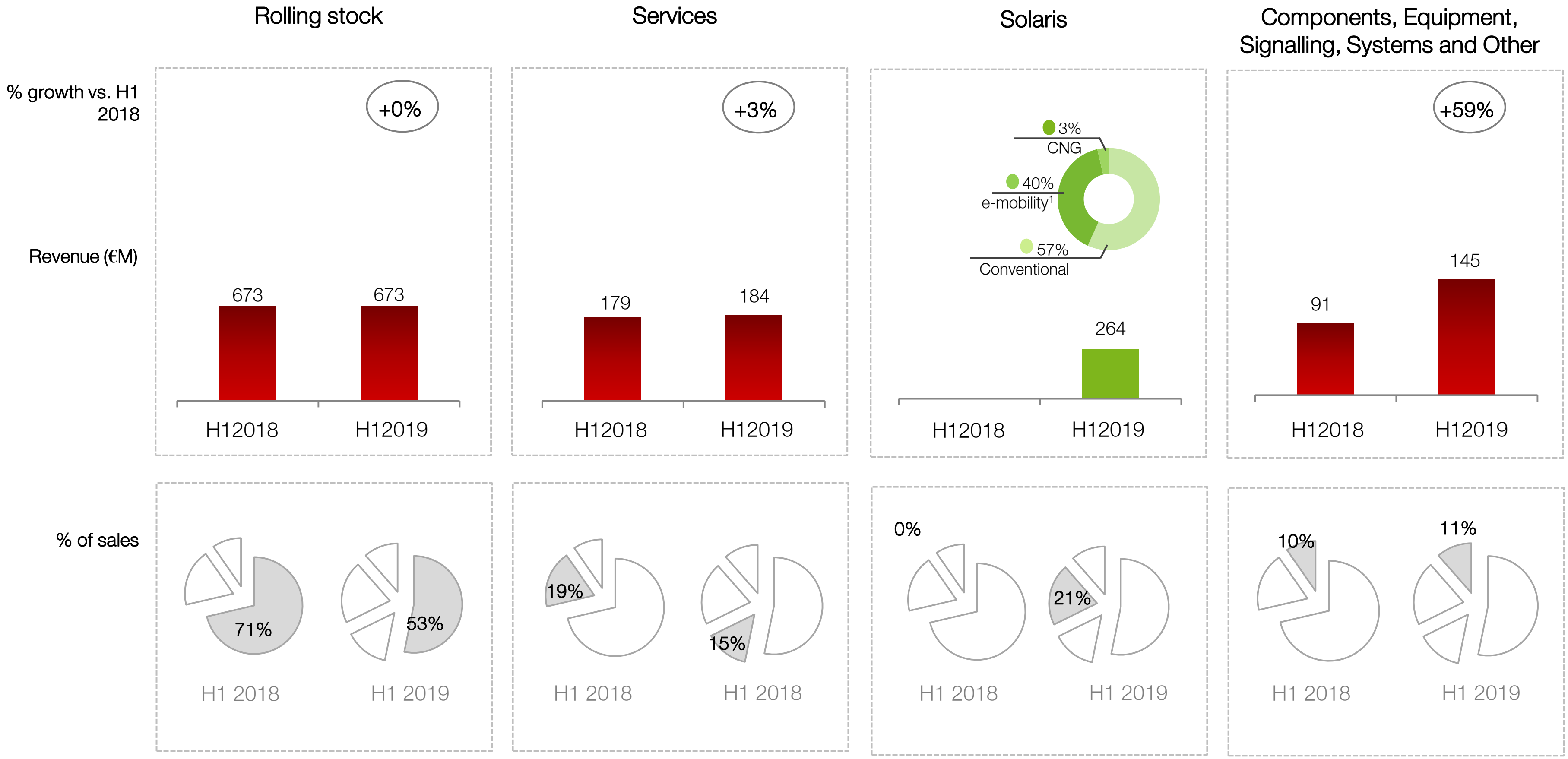
04/ CONSOLIDATED STATEMENT OF PROFIT OR LOSS - Revenues

New surge in sales, thanks to the railway and non-railway sector



04/ CONSOLIDATED STATEMENT OF PROFIT OR LOSS - Revenues

Buses, railway systems and traction equipment invigorate specially sales in H1 2019



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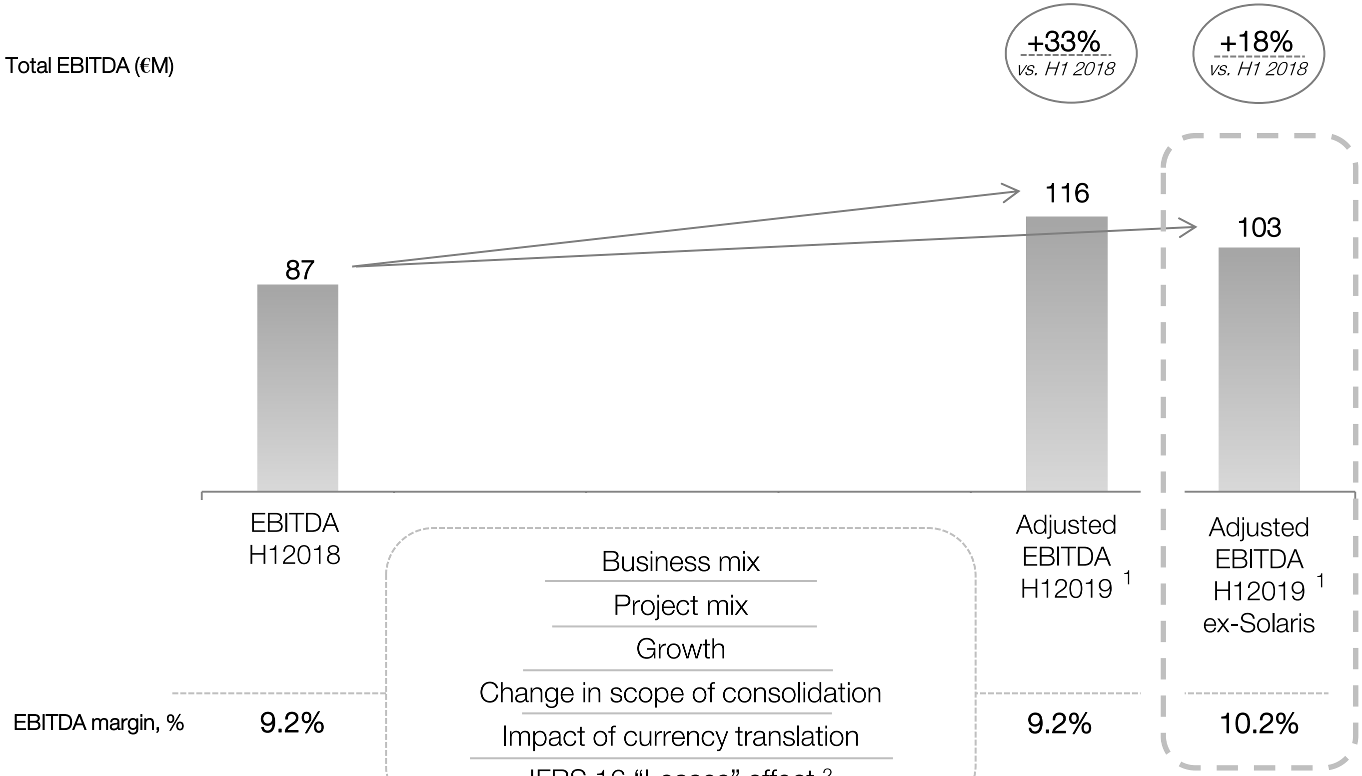
[1] The e-mobility range includes electric buses, hybrid buses and trolleybuses.

04/ CONSOLIDATED STATEMENT OF PROFIT OR LOSS - Ebitda

The result accompanies the growth in sales



- Business mix
- Project mix
- Growth
- Change in scope of consolidation
- Impact of currency translation
- IFRS 16 “Leases” effect [2]

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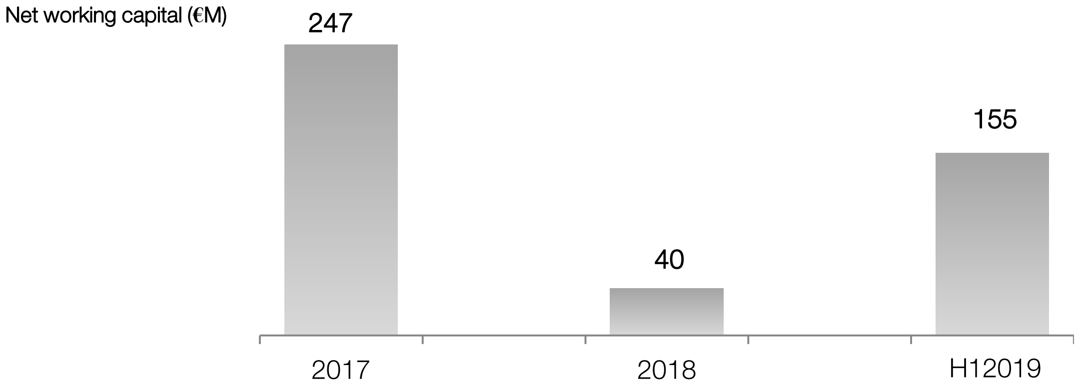
[1] It measures the Group's Recurring EBITDA and is calculated by eliminating any significant non-recurring element from the EBITDA or any exceptional event that is not supposed to happen again in the coming years *(See page 22 of this presentation and note 2.d) of the Consolidated Interim Report for more information).*

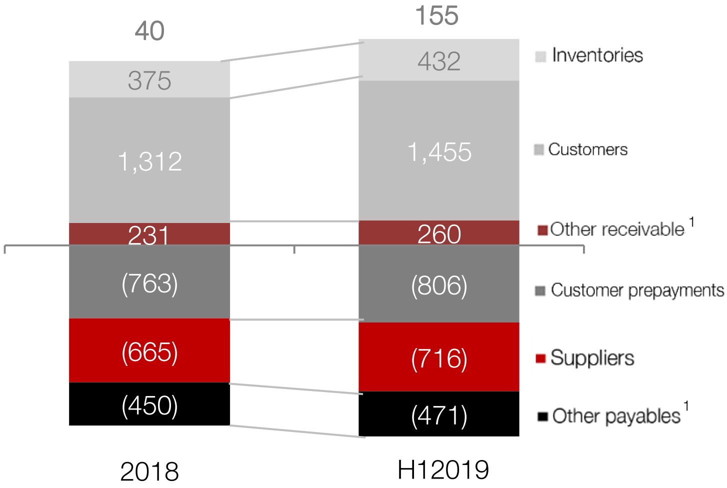
[2] The CAF Group adopted IFRS 16 “Leases” since 1 January 2019. The impact is an increase in "Depreciation and amortisation" of EUR 6.2 million and in finance costs of EUR 1.3 million. The total impact on EBITDA is an increase of EUR 7.5 million.

05/ CONSOLIDATED BALANCE SHEET – Working Capital

The project execution cycle increases the Group's net working capital at the end of the semester



Working capital / sales ratio, %	16.7%	2%	6.5%



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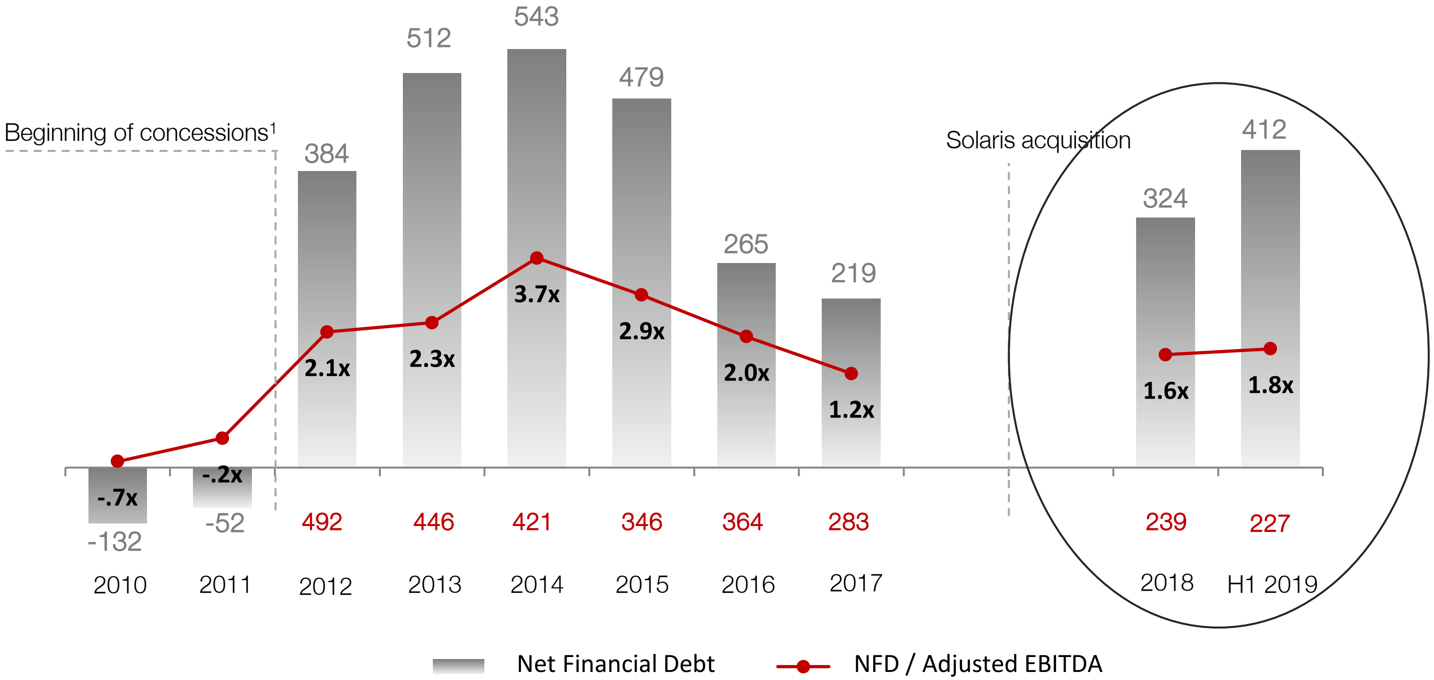
[1] Includes the following balance sheet items:
- "Other receivables": Other debtors, Current tax assets, Current asset derivatives and Other current assets
- "Other payables": Current provisions, Other payables excluding customer prepayments, Current tax liabilities and Current liability derivatives.

05/ CONSOLIDATED BALANCE SHEET – Net Financial Debt

The NFD/EBITDA ratio remains stable over the first six months of the year



Gross debt - concessions
(in millions of EUR)

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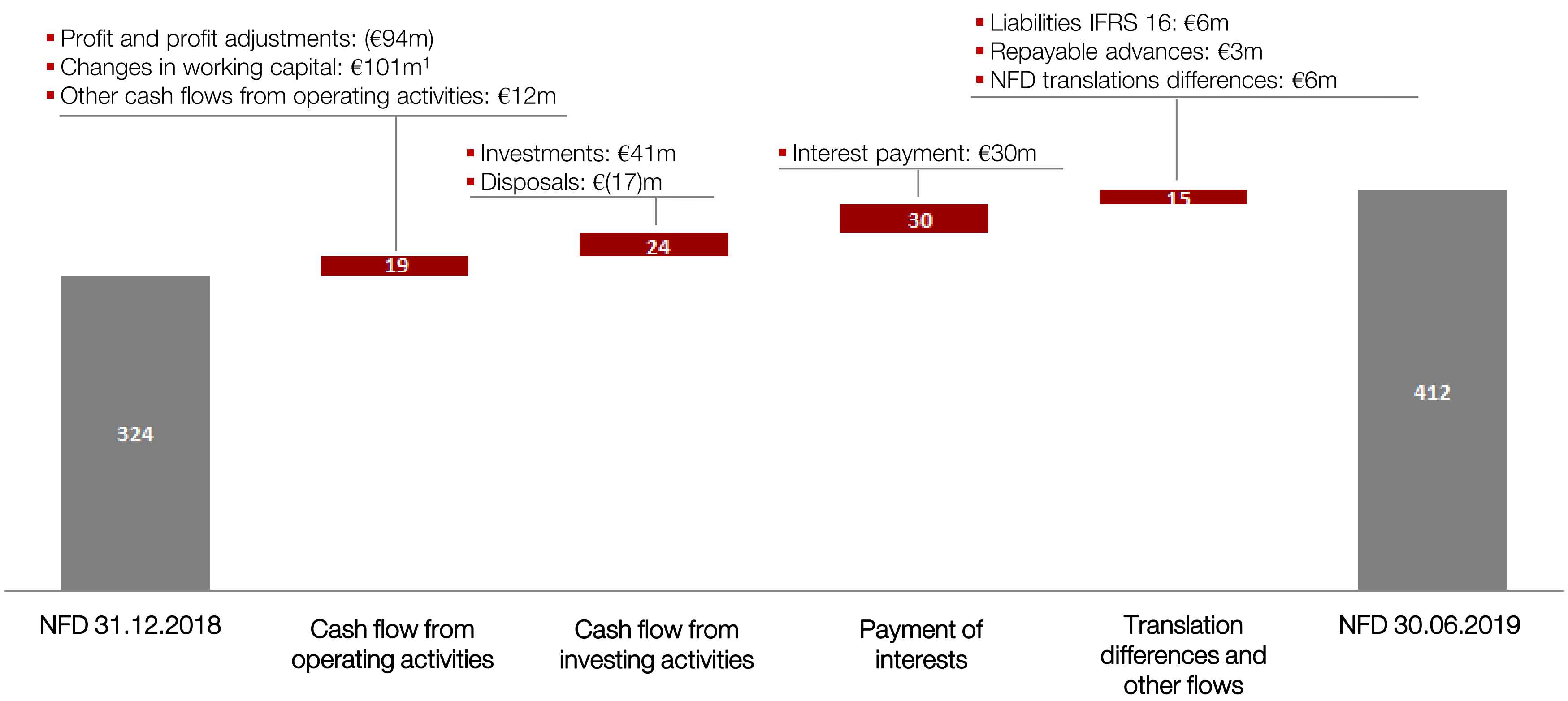
[1] PPP-5000 in Brazil and L12 in Mexico

05/ CONSOLIDATED BALANCE SHEET – Net Financial Debt

The project execution cycle increases the Group's net financial debt

(in millions of EUR)



- Profit and profit adjustments: (€94m)
- Changes in working capital: €101m[1]
- Other cash flows from operating activities: €12m

- Investments: €41m
- Disposals: €(17)m

- Interest payment: €30m

- Liabilities IFRS 16: €6m
- Repayable advances: €3m
- NFD translations differences: €6m

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[1] Changes to working capital without considering the effects of currency translation

06/ CORPORATE OPERATIONS - EuroMaint

July 2019 – Closing of the acquisition of the Swedish EuroMaint, a company of reference in the train fleet maintenance business. As a result, the CAF Group achieves a position of leadership in railway services in Sweden

General Information

- Company founded in 2001
- ~1,000 employees
- 18 facilities and workshops in Sweden
- ~€150m income

Workshops

Range of Services

● Leader
◐ Medium
○ Growing

	Full service solution	Rolling stock maintenance	Component overhaul	Rolling stock modifications	Refurbishment	Mobile team services	Material supply	Digital solutions
Passenger (Main line)	○	●	●	◐	○	◐	●	◐
Passenger (Regional/ Commuter)	●	●	●	◐	○	○	●	◐
Freight	○	●	●	◐	○	●	●	○
Yellow machines	○	●	●	◐	○	●	●	○

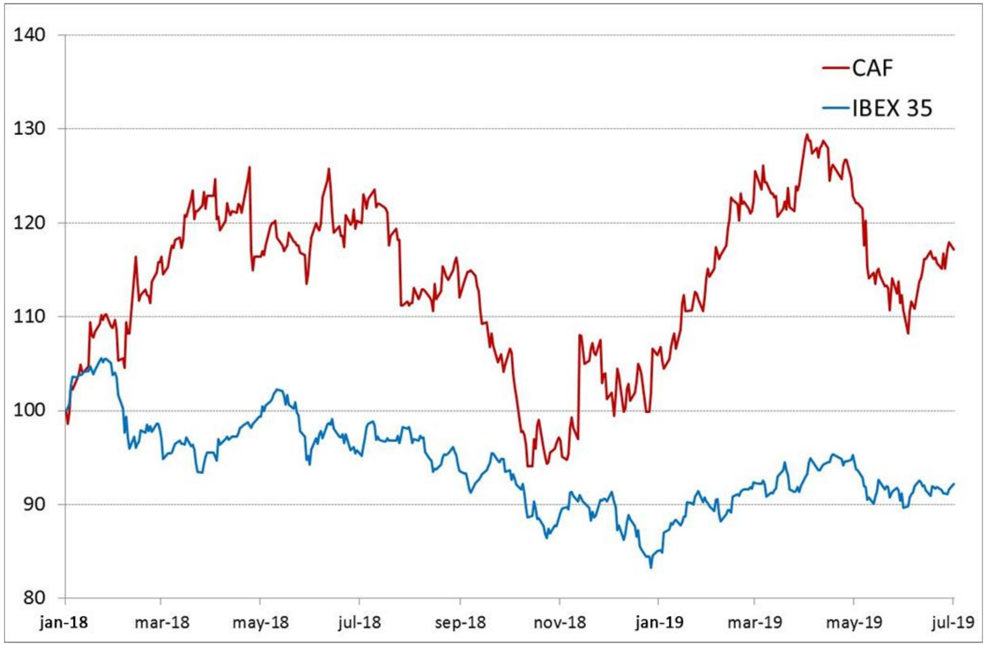
Market/Clients

- Recurring base of customers with high business visibility
- Customers: Main operators (SJ, Green Cargo, A-train, MTR, etc.)
- Swedish market offers high volume of recurring business and a launchpad for the rest of Scandinavia

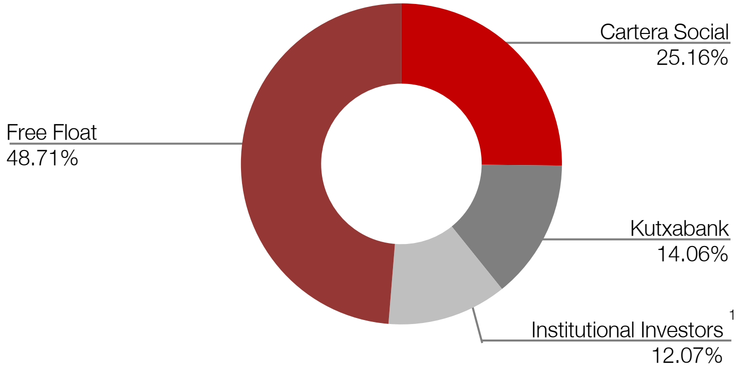
07/ STOCK MARKET INFORMATION

Share performance above main reference index

Base 100= 02/01/2018



Shareholder structure	31/12/2018



Stock market information	2019 *(until 30/06)*
Market capitalisation at close (Euros)	1,381,514,225
Nº of shares	34,280,750
Last share price (Euros)	40.3
Maximum share price (Euros)	44.9
Minimum share price (Euros)	35.3
Traded volume (thousands of shares)	4,354
Cash traded (thousands of Euros)	177,741

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[1] Includes investors with holdings of over 3% or 1% in the case of investors with head offices in tax havens

08/ OUTLOOK

The outlook for the Group remains upbeat

- Growth with the addition of new businesses to the Group

- Upward trend in profit, underpinned by:
  - Increase in activity in European manufacturing plants
  - Favourable profile of the backlog
  - Contribution of new businesses added to the Group
  - Digitalisation of operating processes in manufacturing and the provision of services

- Ambition to maintain the high backlog level, based on stable volume of open tenders above EUR 7,000 million.

APPENDICES

A/ Breakdown of order intake in H1 2019

B/ Consolidated balance sheet

C/ Consolidated statement of profit or loss

A/ BREAKDOWN OF ORDER INTAKE IN H1 2019

Orders announced and upcoming in H1 2019

Date	Project	Country	Description	Customer:	Type	Additional options	Business							Amount (€M)
							Rolling stock			Other businesses				
								No. units	Platform		Business	Scope	Characteristics	
Q1	RATP	France	Refurbishment commuter trains	Not new	Base contract	No				✓	Services	Refurbishment	43 units	121
Q1	Liege	Belgium	Project integrated with supply of trams	New	Base contract	No	✓	20	Urbos	✓	Services, Signalling and Systems	Integrated maintenance, built-in signalling and track and systems	27 years	-
Q1	New South Wales	Australia	Project integrated with supply of regional units	Not new	Base contract	No	✓	29	Civity	✓	Systems	Driving simulators, and maintenance facility construction and outfitting	-	> 500
Q1	Trenitalia	Italy	Maintenance of HS units	Not new	Base contract	Yes				✓	Services	Integrated maintenance	6 years	120
Q1	De Lijn	Belgium	Supply trams	Not new	Extension	Yes	✓	23	Urbos					44
Q1	ADIF	Spain	Signalling	Not new	Base contract	No				✓	Signalling	Renovation and assistance with maintenance	20 years	16
Q2	Maintenance SAR	Saudi Arabia	Maintenance of push-pull units	New	Base contract	No				✓	Services	Maintenance of push-pull units	3 years	-
Q2	Maintenance RENFE	Spain	Maintenance of different RENFE fleets	New	Base contract	Yes				✓	Services	Maintenance of the fleet of commuter trains in Madrid and regional middle-distance trains	4 years	-
Q2	Docklands	United Kingdom	Supply of automatic metro-type units and maintenance services	New	Base contract	No	✓	43	-	✓	Services	Technical support services and supply of spare parts	35 years	-

B/ CONSOLIDATED BALANCE SHEET

(in millions of EUR)

Consolidated Balance Sheet	30/06/2019	31/12/2018	% change
Assets			
Intangible Assets	316	308	3%
Property, Plant & Equipment, net	412	365	13%
Investments accounted for using the equity method	18	18	(0%)
Non-Current Financial Assets	530	537	(1%)
Non-Current Hedging Derivatives	12	11	9%
Deferred Tax Assets	152	149	2%
Other Non-Current Assets	4	3	33%
Non-Current Assets	1,444	1,391	4%
Inventories	432	375	15%
Trade receivables for sales and services	1,455	1,312	11%
Other receivables	230	205	12%
Current tax assets	10	14	(29%)
Other Current Financial Assets	97	94	3%
Current Hedging Derivatives	11	6	83%
Other Current Assets	9	6	50%
Cash & Cash Equivalents	585	603	(3%)
Current Assets	2,829	2,615	8%
Total Assets	4,273	4,006	7%
Equity & Liabilities			
Total Equity	724	757	(4%)
Long-Term Provisions	46	7	557%
Non-Current Bank Borrowings and Liabilities	815	766	6%
Other Non-Current Financial Liabilities	89	48	85%
Non-Current Hedging Derivatives	173	177	(2%)
Deferred Tax Liabilities	13	11	18%
Other Non-Current Liabilities	88	82	7%
Non-Current Liabilities	1,223	1,092	12%
Short-Term Provisions	228	225	1%
Current Bank Borrowings and Liabilities	279	255	9%
Other Financial Liabilities	55	23	139%
Current Hedging Derivatives	44	64	(31%)
Trade and Other Payables	1,714	1,583	8%
Other Current Liabilities	6	6	0%
Current Liabilities	2,326	2,157	8%
Total Equity & Liabilities	4,273	4,006	7%

Intangible assets

The balance includes EUR 103 million of goodwill and EUR 132 million of commercial relationships, customer portfolio and trademarks arising from the acquisitions of BWB, Solaris and Rifer.

Property, plant and equipment, net

The investment in Material in 2019 comes to EUR 13.8 million; worth particular note is the construction of the new test tracks in Corella, in addition to productive investments in the Beasain and Poland plants relating to the production of rail vehicles and buses, respectively. This item increases to EUR 54 million following the entry into force of IFRS 16 on leases.

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(continued)

Non-current financial assets

These refer mainly to assets linked to concession contracts in Brazil and Mexico. The drop in the first half of 2019 was partially the result of amounts received under the framework of these contracts.

Current assets

The balance of Inventories has increased mainly as a result of the increase in works performed yet to be invoiced by Solaris.

The increase under Trade Receivables is mainly attributable to the temporary accumulation of rail projects in the delivery phase.

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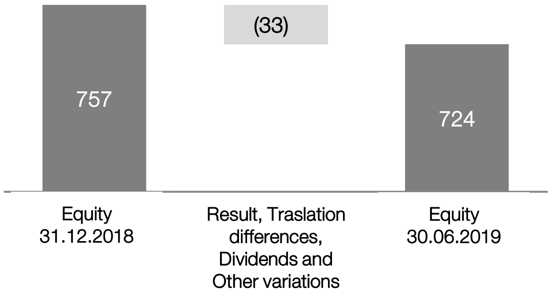
(continued)

Equity

Changes in the year arise mainly from the generation of profit, translation differences and the payment of dividends.



Non-current liabilities

The increase in Bank borrowings under non-current liabilities was mainly the result of the increase in long-term debt arranged to refinance bank loans.

The increase in Other Current Financial Liabilities can be attributed to the entry into force of IFRS 16, with payment commitments under lease agreements in currently in force recognised in Liabilities.

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Total Equity & Liabilities	**4,273**	**4,006**	**7%**

(continued)

Current liabilities

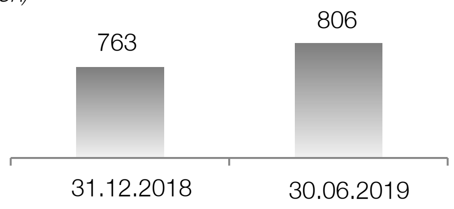
Current financial debt increases as a result of the commercial paper issues.

Other Financial Current Liabilities include the pending payment of the dividend approved in the Annual General Meeting of the Controlling entity and the short-term maturities in lease agreements recognised following the entry into force of IFRS 16.

Trade and Other Payables rose due to the higher amount of Payables to suppliers, outstanding remuneration and the increase in Customer prepayments related in new order intake.

Customer prepayments

(in millions of EUR)



C/ CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(in millions of EUR)

Statements of Profit & Loss	H1 2019	H1 2018	% change
Revenue	1,266	943	34%
Other Income (*)	16	9	78%
Procurements and changes in inventories	(667)	(469)	42%
Staff costs	(314)	(260)	21%
Other operating expenses	(185)	(135)	37%
Adjusted EBITDA	116	87	33%
% margin	9.2%	9.2%	-
D&A	(39)	(20)	95%
Impairments and gains/losses on disposals	(0)	0	-
Adjusted EBIT	77	67	15%
% margin	6.1%	7.1%	-
Other adjustments	(39)	0	-
EBIT	38	67	-
% margin	3,0%	7.1%	-
Financial income	6	4	50%
Financial costs	(36)	(31)	16%
Exchange differences	(4)	(3)	33%
Other financial gains and losses (**)	(0)	(0)	-
Financial result	(34)	(30)	13%
Result of companies accounted for using the equity method	(1)	(1)	0%
Profit before tax	4	36	-
Income tax	(17)	(19)	(10%)
Adjusted Net Income	25	18	46%
% margin	2.0%	1.9%	-
Net Income	(13)	18	-
% margin	(1.0%)	1.9%	-
Profit attributable to non-controlling interests	(1)	(1)	-
Adjusted Profit attributable to the Parent	25	18	46%
Profit attributable to the Parent	(13)	18	-

(*) Considers Other Operating income and in-house work on non-current assets

(**) Considers Impairment and gains and losses on disposals of financial instruments and Change in fair value of financial instruments

Revenue increased by 34%. This was driven mainly by the contribution of sales from the bus business (not consolidated in the first half of 2018) and, to a lesser extent, the greater contribution of turnkey projects and the supply of components. The international market represented 89.6% of sales.

Procurements and Changes in inventories increased by 42%, mostly due to the inclusion of Solaris in the Group.

Staff costs lagged the growth in activity and consist of the Solaris Group's personnel costs.

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(in millions of EUR)

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% margin	9.2%	9.2%	-
D&A	(39)	(20)	95%
Impairments and gains/losses on disposals	(0)	0	-
Adjusted EBIT	77	67	15%
% margin	6.1%	7.1%	-
Non-recurring items	(39)	0	-
EBIT	38	67	-
% margin	3,0%	7.1%	-
Financial income	6	4	50%
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(continued)

The contribution of all business led to an increase in **adjusted EBITDA** of 33% compared to the same period in 2018. This increase is attributable mostly to growth in activity and to the contribution of Solaris to the Group.

The **adjusted EBIT** is more than 15% up year-on-year. The growth in depreciation can be attributed to the inclusion of Solaris in the scope (EUR 13m) and the impact of the application of IFRS 16 (EUR 6m).

The **Non-recurring Items** includes a non-recurring item related to the provision of EUR 38.5 million for the penalty derived from the administrative decision of CADE (the competition regulatory authority in Brazil), not considered in the adjusted ratios shown. CAF rejects the assessment of the facts carried out by CADE and will file the corresponding appeal in the Brazilian courts. This decision does not present **any cash impact** at the moment, and there is a **reasonable possibility of reducing the amount and even cancelling the entire fine once the judicial procedure is finished, the duration of which is estimated in several years.**

The **Financial result** has worsened, due to the increase in gross debt at the Group as a result of the acquisition of Solaris.

LEGAL NOTICE

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