

SERVICES

CITIES AND INFRASTRUCTURES

Ferrovial Services is an international leader both in terms of the implementation of the circular economy and the maintenance and management of public and private infrastructures, mainly in the transport, power, health and industrial activity sectors.

CASH FLOW
(BEFORE TAXES)

358

million euros

ESSENTIAL
SERVICES

27,000

employees

FREQUENCY RATE

-14%

compared to 2019

WASTE MANAGED

9,7

million tonnes



Valdemingómez
biogas treatment
plant

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n February 2019, Ferrovial announced its strategic decision to class Ferrovial Services as a discontinued activity available for sale, with a view to steering its activities towards the development of transport infrastructure investments. Following the agreement reached with Ventia Services Group for the sale of Broadspectrum in December 2019, the sale of all Services operations was completed in Australia and New Zealand on 30 June 2020 for 288 million euros. Subsequently, it sold its 50% share in TW Power Services to another shareholder in the company, Worley, for 12 million euros.

The remainder of disinvestments in all regions in which Ferrovial Services operates (Spain and Portugal, the UK, North America, Chile and Qatar) remain ongoing, although all these processes are being affected, to differing extents, by the macroeconomic uncertainty caused by COVID-19.

BACKGROUND

In **Spain**, the pandemic has had an adverse impact on the services associated with economic activity, such as transport, leisure and industrial production, while the demand for health-associated products has increased substantially. Furthermore, in 2020 there has been greater demand for cost optimization amongst customers in addition to a slowdown in public and private tendering processes; for the large part, Ferrovial Services has offset this by obtaining extensions on major contracts, such as SERMAS, A Coruña and Almería city councils and the Andalusian Health Service. The company has demonstrated great resilience and adaptation capacity.

In the **United Kingdom**, Amey has satisfactorily overcome the operational challenges brought on by the health crisis, preserving the continuity of essential services and enhancing its liquidity thanks to the measures approved by the British government, including the deferred payment of VAT. Furthermore, the company has simplified the structure of support functions to optimize its operational efficiency and it has restructured its activities with a view to strengthening its position in the maintenance of transport infrastructures (roads and railways) and facility management activities with major customers, such as the Ministry of Defence. At the same time, Amey has confirmed divestment plans in both the waste treatment business and utilities services (suppliers of water, gas and electricity).

In the case of Ferrovial Services Internacional, the biggest impact that COVID-19 has had on services has affected the industrial repair and maintenance of crude-oil infrastructures in North America, due to the fall in demand for refined oil products. This has been offset, to a large extent, by the organic growth in the road maintenance business in the USA and Canada and the mining services in Chile.

VALUE CREATION

The development of a culture of zero tolerance of occupational risks has resulted in a further reduction in frequency rate of 14% in 2020, following the roll out of new projects adapted to different activities. A solid example of integrated safety is +VIAL, a cross-cutting program designed to minimize the number of accidents suffered by road maintenance workers, in addition to the users of these infrastructures.

In addition to strengthening training and prevention, Ferrovial Services uses innovation to protect its employees and users. Within other technologies, the company has developed a system for the automated deployment of signals and beacons on roads, without the need for drivers to depart their truck and expose themselves to traffic risks. Another line being developed is the use of virtual and augmented reality as a tool for enhancing knowledge of and improving self-protection.

Occupational safety

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Operational efficiency and digitalization

The company has simplified the support structure in all geographical areas through cost reduction programmes with positive results. At the same time, in 2020, its commitment to the technification of services has been stepped up, including smart waste collection management, with volumetric sensors to optimize collection routes depending on how full containers are and using new tools to digitally manage processes as part of operations.

The application of new technologies has also provided an opportunity for strengthening collaboration with customers and enhancing interaction with residents. Some examples of this can be seen in REMAD, an online system for exchanging second-hand items rather than dumping them, rolled out at all recycling centres in Madrid, or DUGUD, a mobile app that promotes recycling at the origin, allowing users to accumulate points when they hold their card up to the reader placed on the container and that can be exchanged for discounted services.

DIGITAL STREET LIGHTING USING NB-IOT TECHNOLOGY

In Spain, of the 9 million street lights currently in use, around 25 to 30% have already been replaced with LED lights, entailing savings of between 65 and 85%; now, thanks to a new solution developed by Ferrovial Services, Telefónica and Tellink, a further 10% stands to be saved through the individual remote management of street lights. This technology makes it possible to control all lights from a single control point, making it possible to turn them on and off, adjust light levels and the consumption of each light. This system has already been rolled out in Alcantarilla (Murcia) and Gozón (Asturias), and it is due to be implemented in other towns and cities in the coming months.

DECARBONIZATION AND WASTE AS A SOURCE OF GREEN ENERGY

The circular economy is a fundamental pillar of Ferrovial Services' value proposition, with waste considered a source of energy, in addition to a raw material or resource that can be given a new use. In line with European directives, the percentage of waste recovered must reach 65% by 2035, while the percentage sent to dumps must account for no more than 10%. One example of the recovery of biogas from waste can be seen at the Valdemingómez biomethanization plant in Madrid, the only industrial plant in Spain to transform biogas into a renewable natural gas (biomethane) and inject it as clean energy into the gas network. This plant injects around 100,000 MWh into the network per year, enough energy for 20,000 homes or 500 city buses in Madrid.

Sustainable growth

Notable progress has been made steering the recovery of waste towards treatment plants as a new industry 4.0. Ferrovial Services is involved in pilot projects at a very advanced stage in Spain and Portugal, with dual advanced robotic systems that are offering substantial improvements both in recovery rates and the quality of the recovered material. At the same time, the installation of sensors and data analytics in integrated digitalization projects at plants makes it possible to create dashboards to manage operations and maintain facilities in a more efficient and safe manner.

Sustainable growth has also been seen in energy efficiency, with a portfolio of more than 260 million euros; this has been reflected in average energy savings of more than 60% in public lighting and approximately 30% in buildings, making it possible to reduce emissions by more than 135,000 tCO₂ since 2009 in Spain alone. Ferrovial Services offers this solution as a form of supporting competitiveness, helping customers to use resources more efficiently.

In relation to the renovation of the project portfolio, the company has been awarded significant infrastructure projects, including the main highway and road network (more than 600 kilometres) in South West Scotland for 465 million euros, in addition to new contracts with the Departments for Transport in Florida, Texas, Georgia, Alaska and Washington D.C.