

Application Study European Construction Corporates



In December 2015, Scope Ratings (Scope) published its methodology for European construction corporates, which now forms the basis of this application study to assess the credit quality of 10 such corporates. In this report, Scope also provides its outlook on developments expected for the industry.

Scope expects the European construction sector to recover further, thanks to an improving economy and several local initiatives such as the 'Juncker Plan' and 'TEN-T Connecting Europe'. We believe Spanish companies will most likely benefit from these positive developments, owing to better business risk profiles since 2008, which are aided especially by the greater geographical reach into regions with higher growth potential. We believe, as European construction markets are expected to grow slower than emerging markets, the sector will need to develop and maintain a stronger global perspective. However, future growth will be hampered by staffing shortages as (i) construction is generally unappealing to workers and (ii) the set of skills needed in the industry has broadened significantly in recent years. This lack of qualified workforce is expected to force out many regionally focused, micro and small companies. With these smaller companies expected to exit the market, we expect further consolidation in a sector that aims for greater size to gain economies of scale and geographical diversification, which will ultimately strengthen the position of European constructors in worldwide bidding processes.

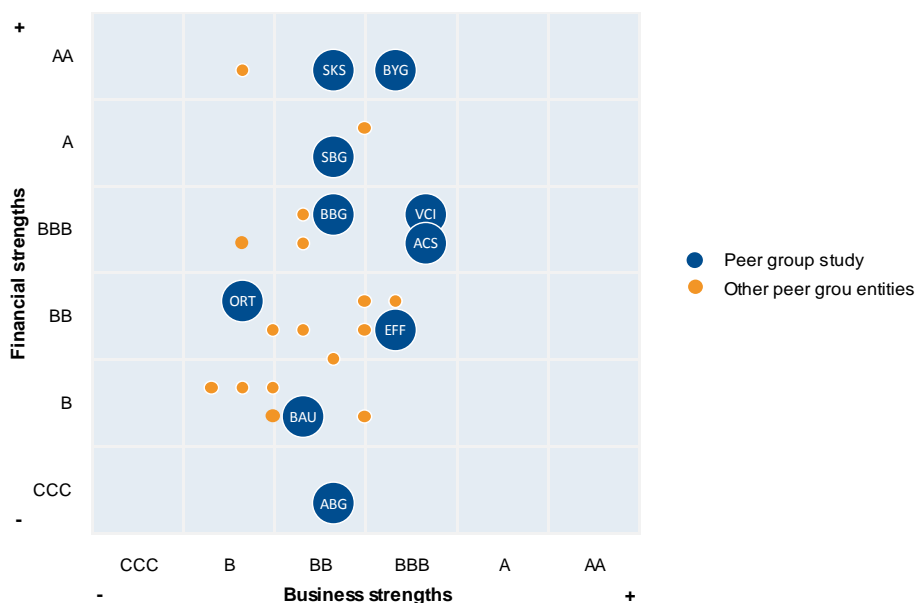
Credit quality of assessed corporates

Scope follows a peer group of 28 European construction corporates, of which 10 shall be introduced in this application study. The peer group covers all construction sub-segments, as well as corporates of different sizes, ranging from small to very large incumbents. Some of these companies have not been rated by Scope; in those cases, Scope judges their credit quality based on publicly available information in order to derive an indicative credit assessment.

The credit quality of the assessed corporates varies widely. While large multinational and multisegment construction corporates can attain an A rating, small constructors with a focus on one region, and one or two segments, are mostly rated non-investment grade.

Figure 1 shows Scope's indicative credit quality assessment of selected European construction corporates

Figure 1: Indicative credit assessment of selected corporates in wider peer group



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Related Research

[Rating Methodology: European Construction Corporates](#),
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The European construction industry

Two-tier universe

The European construction industry is a two-tier universe, pitting a few very large incumbents (Vinci SA, ACS SA, Bouygues SA) against a swath of smaller companies. Micro or small enterprises (fewer than 50 employees) account for almost two-thirds of the total market. The industry plays an important role in the European economy. It generates almost 10% of GDP and provides 20 million jobs. Construction is also a major consumer of intermediate products (raw materials, chemicals, electrical and electronic equipment, etc.) and related services.

Scope defines construction corporates as companies which generate the majority of their revenue and EBITDAR from the construction of residential and non-residential buildings, civil engineering (such as transport infrastructure, energy- or environment-related construction activities), industrial construction (such as power plants, oil platforms), related services, and the management of concessions.

Clients of construction companies are typically government agencies or large corporates which define the parameters of the project and decide which bidding fits best. Although lower offer prices often win contracts, lower maintenance needs in the long term and high project efficiency are also considered.

Cyclicality

During 2008-2012, fiscal austerity added to subdued economic growth in Europe; this, along with governments' role in construction, led to a seven-year slowdown in the industry. Compared to other industries, the slump for construction also lasted longer, and it ended up one of the hardest hit. As construction projects require a considerable amount of confidence and financing from clients, cyclicality is substantial.

Figure 2: Development of construction output in Europe (2000 = 100)

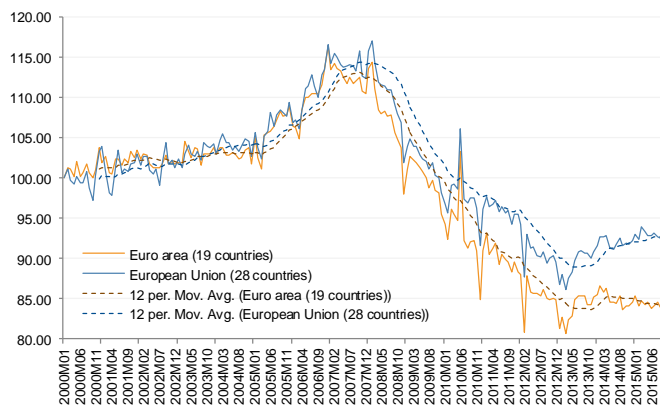
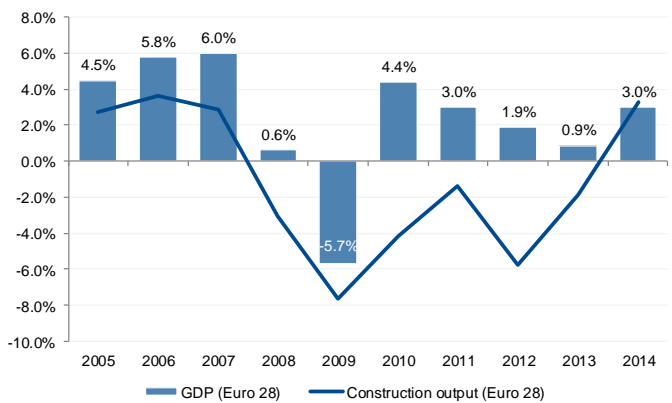


Figure 3: GDP and construction output growth Euro 28



Source: Eurostat

The industry's exposure to economic trends that affect the downside volatility of cash flows is considered to be relatively high. Downside volatility can arise from either (i) volume risks from a high exposure to buildings and industrial construction, and a large share of public/government customers, and (ii) risks from price fluctuations on materials, labour and energy.

As a result of the industry's cyclicality, most market participants tend to extend operations outside their domiciled country. This is because different construction cycles in different regions mitigate the industries' inherent volatility to a certain extent and allow (especially European) construction corporates to benefit from stronger growth prospects outside Europe. Scope believes construction investments follow general economic cycles, but with a time lag, which particularly applies to large-scale projects.

Compared to other segments, concession-related activities tend to generate relatively predictable, long-term and high-margin income, and can partially mitigate the impact of the industry's cyclicality. However, as these activities are more capital-intensive, higher leverage is a common result.

Market entry barriers

Scope believes market fragmentation reflects the relatively low entry barriers, as initial investments are comparatively low, and proprietary technologies not needed to enter local markets. This applies in particular to the building segment. However, the European construction industry, declining and with some high-profile insolvencies since 2007, has not favoured new entrants.

A company's scale – one of the main rating drivers considered in Scope's methodology – could also constitute an entry barrier, as size often goes hand in hand with protective features like:

- (i) Access to third-party capital and letters of credit: often required for larger projects and considered a competitive advantage during difficult market conditions and bidding wars.
- (ii) Reputation and track record: both favour well-established companies in the bidding for public works; new entrants often relegated to sub-contracts in their specific fields of expertise or to smaller construction projects.

However, an independent inspection of the construction work before its payment gives smaller competitors the chance to take part in bidding wars, as price and quality are more important in this industry than the strength of a provider's brand. Hiring equipment, rather than buying, could also further empower entrants.

Substitution risk

General substitution risk is seen as low, bolstered by an ongoing need for new buildings or their refurbishment, with the global population and workforce expected to grow until the end of the 21st century¹. The degree of substitution risks from existing competitors depends on a constructor's segment exposure and size, and is generally seen high as companies do not need specific technologies to deliver the vast majority of project types. However, rivalry is eased by companies diversifying across different, specialised market segments. Diversification outside the construction industry is quite rare, often limited to small divisions dealing in real estate development, renewable energies and utilities. Only Bouygues SA stands out in this regard, as a conglomerate with operations in telecommunications and media as well.

Investment grade rating

For a construction company to be rated investment grade according to Scope's criteria, it would typically expect: a large scale combined with strong competitive positioning, a stable presence in different geographic regions, and broad segment diversification. The cash flows of investment grade companies tend to be highly predictable and less volatile than the economic cycle due to multi-year projects and a solid backlog position. These companies benefit from stable profitability and strong financial measures.

Non-investment grade

In contrast, a small size, weak competitive position compared to international peers, and weak geographical and segment diversification can indicate a non-investment grade rating. The cash flows of non-investment grade companies tend to be less predictable, more volatile and often experience a long-term contraction of business. Furthermore these companies often have volatile profitability and weaker financial measures.

¹ UN, NASA

Outlook

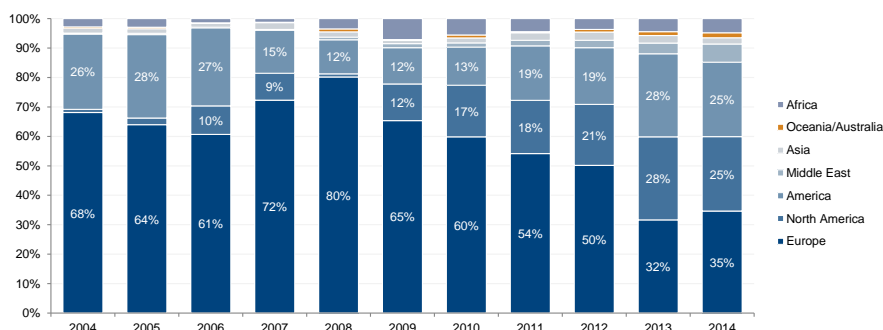
Further recovery of the sector

Scope believes the European turnaround in construction output took place in 2013-2014, when the EU and European Investment Bank (EIB) provided support for infrastructure projects. Major eurozone economies will continue to grow in 2016, with a pace of growth only slightly higher than in 2015. Recovery will be supported by a mix of favourable factors, including low oil prices, a relatively weak euro, generally neutral fiscal stance and a generous ECB policy. A loose monetary policy aids the flow of cheap credit into the private sector, especially for 'peripheral' economies still saddled with substantial debts; whereas governments will continue enjoying low funding costs induced by the ECB's quantitative easing since March 2015. As such, we expect the construction industry to recover further in line with GDP growth, driven especially by the construction of residential buildings and civil engineering. The latter will benefit from the EUR 315bn 'Juncker Plan', also aiming for infrastructure investments; the EUR 24bn 'TEN-T Connecting Europe' initiative; and China's USD 40bn 'One Belt One Road'. For the latter, however, it is questionable if European constructors will be able to participate in the respective bidding processes.

Spanish companies most likely to benefit from recovery

Spanish construction companies are especially likely to benefit from the ongoing recovery, given the improvement in business risk profiles from better geographical diversification in recent years, especially into Latin America and the Middle East (Figure 2), which show higher growth potential than the eurozone economies. We believe, as European construction markets are expected to grow slower than emerging markets, the sector will need to develop and maintain a stronger global perspective.

Figure 4 – Geographical diversification of Spanish construction corporates



Source: EIC

Future growth hampered by staffing shortages

One of the main issues in the construction industry is the sourcing of new employees: two-thirds of the labour force will retire by 2020. While the need for skills has risen significantly in recent years, construction is generally unappealing to workers. The lack of workforce is therefore expected to force out many regionally focused, micro and small companies in future. The European Commission's 'Construction 2020 Action Plan', launched in 2013, has taken first steps in tackling these issues, and this includes dealing with the low number of qualified workers.

Next round of consolidation overdue

With smaller companies expected to exit the market, along with continued growth in the industry, we expect further consolidation in a sector that aims for greater size to increase economies of scale and geographical diversification, which will strengthen the position of European constructors in worldwide bidding processes.

Consolidation will benefit from the relatively low costs of capital that empowers market participants to reach targets of market leadership or diversification by M&A activity. In term of revenues, the 31 corporates considered in the wider peer group for this study seem to have fared relatively better than the industry as a whole, pointing to some consolidation over the past seven years (Strabag > Züblin 2005 / FCC > Alpine 2006 / ACS > Hochtief 2011 // Zech > Imtech 2015).

Credit outlook 2016

We believe larger construction corporates are likely to improve their business risk profile by further diversifying activities across the globe, in addition to an ongoing recovery of the respective domestic markets. The business risk outlook for smaller competitors (revenue below EUR 1bn) is more subdued, as it will be harder for them to compete with larger constructors on domestic markets, and diversification into other regions is limited by (i) capital available and (ii) potential setbacks as the achievable foothold is very small. This increases risk of overly harsh exposures to a respective construction cycle. However, a further recovery or continuing rebound of peripheral eurozone housing markets also leaves some room for smaller constructors to improve.

The financial risk profile benefits from low interest rates and good access to capital markets, e.g. bond issuances of Spanish constructors has increased nine-fold to EUR 4.7bn since 2011. Consequently, companies should be able to improve debt protection, while leverage is expected to remain at current levels. A further reduction of debt would, however, mitigate risks arising from a likely rebound of interest rates and still-fragile growth in the global economies.

Peer group

Scope's rating methodology on European construction corporates has been applied to 10 companies, selected from a wider peer group of 31 European construction corporates.

10 European corporates covered in this report

Companies in the peer group focus on all kinds of construction segments, including building, civil engineering and industrial. They range from small, national corporates to large, international construction companies such as Vinci SA, ACS SA and Skanska AB. All companies have covered roughly 20% of European construction output in the last two years.

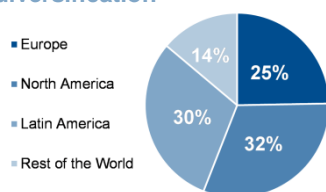
Figure 5 – Corporates in this report

	Country of origin	Revenues 2014 (EUR m)	Revenues 2013 (EUR m)	Estimated Market Share (Europe)
Abengoa SA ('ABG')	Spain	7,152	7,253	0.23%
Actividades de Construcción y Servicios S.A. ('ACS')	Spain	34,907	35,145	1.79%
Bauer AG ('BAU')	Germany	1,417	1,417	0.13%
Bilfinger SE ('BBG')	Germany	7,697	7,561	1.24%
Bouygues Construction and Colas ('BYG')	France	24,237	24,066	3.13%
Eiffage SA ('EFF')	France	13,899	14,247	2.43%
Grupo Ortiz S.A. ('ORT')	Spain	0,412	0,392	0.04%
Skanska AB ('SKS')	Sweden	15,754	15,781	1.80%
Strabag SE ('SBG')	Austria	12,450	12,518	2.07%
Vinci SA ('VCI')	France	39,194	40,994	6.03%
		157,252	159,374	18.89%

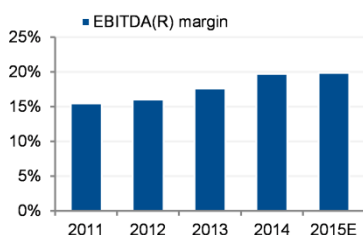
Of the companies in Figure 5, Grupo Ortiz is rated by Scope. Therefore the credit quality assessment for the other nine entities was performed using limited information, meaning these analyses are only indicative. Scope assessed the public information available in the past four years, and in some cases used private information and company forecasts.

Medium-sized player; large revenues, adequate EBITDAR

Exposed to infrastructure, but good geographical diversification



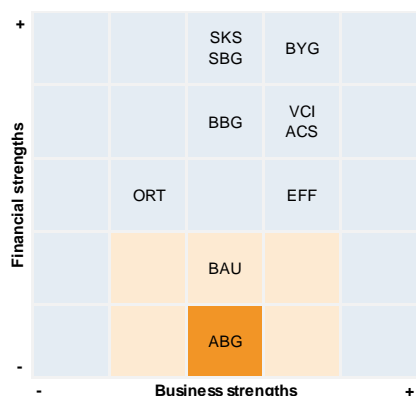
Excellent profitability



A high leverage

Stretched liquidity risks going concern status

Risk map



Source: Scope Ratings

Abengoa SA

Business risk profile

Abengoa SA ('Abengoa') is a Spanish company founded in 1941 and headquartered in Seville, Spain. Abengoa is involved in diversified construction projects relating to energy and the environment. The company also manages similar proprietary concession assets. Abengoa also produces biofuels and develops related technology. With this mix of activities, Scope assesses industry risk at BB.

With revenues of EUR 7,152m and EBITDAR of EUR 1,412m in 2014, Abengoa is a relatively large construction company with 0.2% of the European construction market.

Abengoa operates (mostly) in the construction and engineering of infrastructure (63% of revenues in 2014), and in industry-related activities like materials and utilities (37%). This high exposure to infrastructure was offset in 2014 by very good geographical diversification across North America (32% of 2014 revenues), Latin America (30%) and other markets outside the European Union (14%). For Europe, Abengoa's home market of Spain has the same revenue share as all its other European markets combined, both with 12%. Overall, Abengoa's diversification is considered adequate.

EBITDAR margin was high at 20%, with continuous growth in the last three years – among the strongest in the peer group.

In line with the company's historical data, backlog was fairly low at only 1.1x of revenues at YE 2014. The constantly low backlog is due to a low share of long-term contracts, which is also typical for concession-type businesses.

Financial risk profile

Abengoa's leverage, as measured by its debt/EBITDAR multiple, was up to 11.2x in 2014 from 9.5x in 2013. This was due to an increase in the company's debt by EUR 3.6bn (+30% YoY) which was not fully compensated by the rise in EBITDAR (+10% YoY).

Debt protection, as measured by the EBITDAR fixed-charge multiple, was down to 1.9x in 2014 from 2.2x in 2013, reverting to the weak levels of debt protection as shown in recent years.

Abengoa's liquidity ratio dropped to 64% in 2014 from 209% in 2013, as cash flow from operations (CFO) and available liquid assets shrunk, while short-term debt climbed. The company's stretched liquidity creates risks on continuing as a going concern, especially as the company filed for preliminary creditor protection resulting from the failed equity increase of EUR 350m in November 2015. However, if Abengoa can reach an agreement with its creditors by March 2016, including the plan to dispose assets worth EUR 1.2bn, the company should overcome their stretched liquidity as well as further reduce its leverage.

Overall, if debt reduction succeeds, we believe Abengoa in the coming 24 months should improve credit quality, which will benefit strongly from the expected stability in the business risk profile.

Key financial data (EUR m)

	2011	2012	2013	2014	2015E
Revenues	7,154	7,803	7,253	7,152	7,283
EBITDAR	1,108	1,252	1,280	1,412	1,449
Cash flow from operations	1,353	443	712	19	191
Funds from operations	506	491	491	542	715
Debt	10,478	11,937	12,114	15,777	14,863
Cash and Cash equivalents	3,738	2,494	2,952	1,811	2,523
EBITDAR margin	15%	16%	18%	20%	20%
Backlog/Revenues	1.1x	0.9x	0.9x	1.1x	1.2x
debt/EBITDAR	9.5x	9.5x	9.5x	11.2x	10.3x
EBITDAR fixed-charge cover	1.8x	2.1x	2.2x	1.9x	2.1x
Liquidity (%)	307%	249%	209%	64%	114%

Sources: Abengoa S.A., Scope Ratings

Actividades de Construcción y Servicios SA

Business risk profile

Actividades de Construcción y Servicios SA ('ACS') was founded in 1983 and carries out diversified construction activities through Dragados, Hochtief and Iridium. The company is also involved in installing and maintaining industrial infrastructure and environment-related activities. With this mix of activities, Scope assesses industry risk at BB.

With revenues of EUR 34,907m in 2014, ACS is a very large construction corporate. In 2014, EBITDAR was a large EUR 2,485m. ACS's estimated European market share of 1.8% makes it one of the largest construction companies in the euro area.

Activities are diversified across all construction segments, which include the construction of civil works and non-residential buildings, transport concession activities, mining, renewable energy generation and environmental activities. The group installs and maintains infrastructure for industrial companies. In addition, the company is involved in real estate, through its construction of residential buildings.

The group operates primarily in Spain, which made up 37% of its revenues in 2014. Though the rest of its European operations made up 12%, it is very well diversified across the Asia Pacific (28%) and the Americas (23%).

However, ACS's EBITDAR margin dropped to 7% in 2014 from 10% in 2013, driven by provisions for recovering trade and other receivables on behalf of its subsidiary CIMIG Group Limited (formerly Leighton, with operations in Australia, Southeast Asia and the Middle East)

ACS's backlog is deemed adequate at 1.8x revenues in 2014.

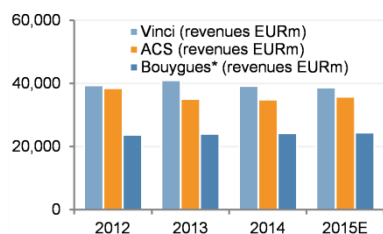
Financial risk profile

ACS's weaknesses lie in its high financial leverage: Debt/EBITDAR multiple of 5.5 x in 2014, up from 3.6x in 2013 due to EBITDAR falling to a four-year low, as well as the slight increase in total debt. Funds from operations (FFO) were also under pressure in 2014, decreasing to a four-year low of EUR 1,395m from EUR 1,959m in 2013, and reducing FFO/net debt to 11%.

With fixed charges kept constant, the EBITDAR fixed-charge multiple retreated to 1.8x in 2014 compared to 2.4x in 2013, providing very weak protection to investors. The company liquidity at 194% remained among the weakest in the industry, in line with ACS's historical levels.

In successfully reducing net debt by around EUR 2bn in the last 12 months, ACS has vastly improved its financial risk profile. Together with the improving EBITDAR fixed-charge coverage, we rate ACS as investment grade.

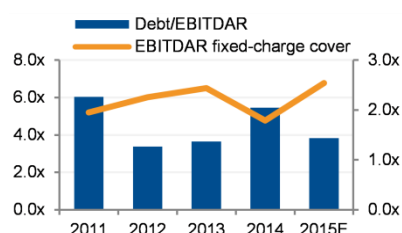
One of the largest European construction companies



*Construction business

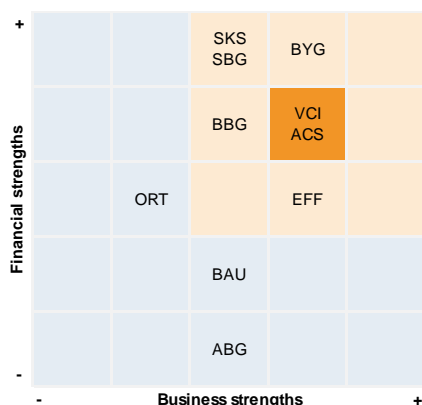
Well diversified in terms of segments and geographies

Weak debt protection



Investment-grade company

Risk map



Source: Scope Ratings

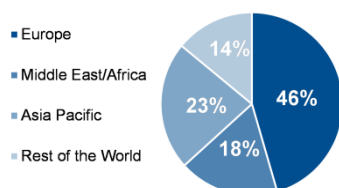
Key financial data (EUR m)

	2011	2012	2013	2014	2015E
Revenues	28,269	38,505	35,145	34,907	35,796
EBITDAR	2,978	3,772	3,509	2,485	3,289
Cash flow from operations	1,287	1,300	1,086	824	2,287
Funds from operations	2,172	1,507	1,959	1,395	1,875
Debt	17,965	12,757	12,800	13,584	12,586
Cash and Cash equivalents	4,155	4,528	3,924	5,167	9,693
EBITDAR margin	11%	10%	10%	7%	9%
Backlog/Revenues	2.3x	1.7x	1.7x	1.8x	1.9x
debt/EBITDAR	6.0x	3.4x	3.6x	5.5x	3.8x
EBITDAR fixed-charge cover	2.0x	2.3x	2.4x	1.8x	2.5x
Liquidity (%)	178%	297%	274%	194%	507%

Sources: Actividades de Construcción y Servicios S.A., Scope Ratings

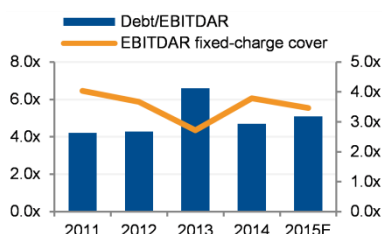
Small-sized company

Diversification moderate by segment, excellent by geography



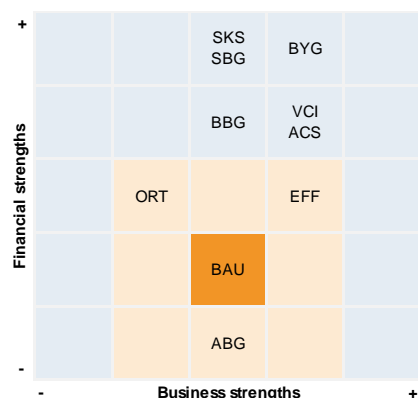
Stable profitability; but low visibility of future development

Stable and sufficient debt protection



Stretched liquidity

Risk map



Source: Scope Ratings

Bauer AG

Business risk profile

Bauer AG ('Bauer') was founded in 1790 and is headquartered in Schrobenhausen, Germany. The company operates in several segments, which include building, civil engineering and industrial. Apart from construction itself, the company makes materials and equipment that supply the construction industry. With this mix of activities, Scope assesses industry risk at BB.

Bauer's revenues in 2014 were EUR 1,417m, which is comparatively small, but growing (+11% since 2011). EBITDAR was also small at EUR 171m, but was at its highest in four years. Its market share is just 0.1%.

Bauer's activities focus on building tower foundations and dam projects; drilling, mining and environmental activities (water, environment and waste); as well as rail tunnels, underground railways and metro systems. Alongside construction activities, the company makes materials and equipment for the construction industry.

Geographically speaking, Bauer's 2014 revenues are well diversified across Europe (46%, Germany: 27%), Asia Pacific (23%), the Middle East and Africa (18%), and the Americas (14%). Except for Europe, Bauer's presence in all regions is rather limited owing to its small overall revenues.

EBITDAR margin in 2014 was adequate at 12%, supported by effects on proportional sales. Profitability was relatively stable, except for the hiccup in 2013 when material costs jumped. We believe the potential joint venture with Schlumberger should further improve Bauer's revenue base and profitability going forward, thus stabilising the business risk profile.

The backlog of Bauer stood at 0.5x revenue in YE 2014, very weak compared to peers. However, Bauer benefits from the end of the seven-year crisis and stagnation for European construction companies, with backlogs dropping for the first time to EUR 1bn in Q3 2015 (0.7x of 2014 revenues).

Financial risk profile

Bauer's Debt/EBITDAR multiple in 2014 was adequate at 4.7x, down from 6.6x in 2013 when EBITDAR dipped. FFO has considerably decreased since 2011, down to EUR 98m in 2014 compared to EUR 122m in 2011. This has heavily influenced Bauer's FFO/net debt ratio: down to 16% from 24% in 2011. However, Bauer's leverage is still one of lowest among the wider peer group.

Debt protection was adequate in 2014, as measured by a 3.8x EBITDAR fixed-charge multiple, back to more historical levels from the 2.7x in 2013.

The liquidity ratio for Bauer was comparatively low for the industry at 57%, but recovering from the 22% in the prior year. From Scope's point of view this increases the company's dependence on external financing, and is judged as credit-negative.

Key financial data (EUR m)

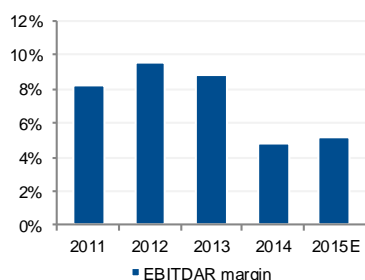
	2011	2012	2013	2014	2015E
Revenues	1,282	1,346	1,417	1,417	1,508
EBITDAR	164	164	124	171	162
Cash flow from operations	8	166	38	115	106
Funds from operations	147	152	122	98	66
Debt	694	701	817	802	824
Cash and Cash equivalents	25	45	57	42	41
EBITDAR margin	13%	12%	9%	12%	11%
Backlog/Revenues	---	0.6x	0.5x	0.5x	0.7x
debt/EBITDAR	4.2x	4.3x	6.6x	4.7x	5.1x
EBITDAR fixed-charge cover	4.0x	3.7x	2.7x	3.8x	3.5x
Liquidity (%)	13%	119%	22%	57%	36%

Sources : Bauer AG, Scope Ratings

Medium-sized company saddled with energy-related exposures

Strategy shift will not weaken the moderate diversification

Profitability not expected to recover in 2016



Strong financial risk profile

Bilfinger SE

Business risk profile

Bilfinger SE ('Bilfinger'), formerly known as Bilfinger Berger SE, was founded in 1880 in Mannheim, Germany. Bilfinger is primarily involved in industrial construction, power- and water-related construction projects as well as non-residential building. Beyond the construction activities analysed for this study, the company is also involved in real estate development. With this mix of activities, Scope assesses industry risk at BB.

With revenues of EUR 7,697m and an estimated market share of 1.2% in 2014, Bilfinger is classed as a medium-sized construction company. However, Bilfinger's EBITDAR in 2014 was hit by its exposure to energy production services in Germany, down by 45% to EUR 368m, with recovery not expected for 2016.

Bilfinger is well diversified across businesses, with construction activities in all segments. For industrial clients, the company designs, constructs, prepares, maintains and repairs facilities in various industries. Bilfinger's services also include work on power plants, pipelines, water treatment, sanitation and sludge systems. Finally, the company also operates non-residential building and real estate activities. We believe diversification will not be impacted negatively by the sale of its loss-making energy division, targeted for 2016.

From a geographical perspective, Bilfinger considerably focused revenue sources in 2014 on Europe (81%, Germany: 37%). The firm also derives 13% of revenues from the Americas, 4% from Asia and 3% from Africa. However, overall geographical diversification is deemed to be very weak, owing to a focus on one of the most saturated regions in the world.

The company's EBITDAR margin is low, and quickly deteriorating, with a four-year low of 5% in 2014 compared to 9% in 2013. With the backlog constantly shrinking, and before its energy division is sold, Scope expects margins will not recover in 2016.

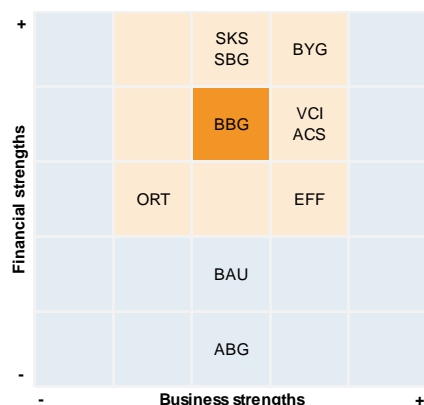
Financial risk profile

Overall, Bilfinger has a strong financial risk profile. Leverage increased to 2.7x Debt/EBITDAR in 2014, up from 1.4x in 2013, though still low among peers. Total debt was unchanged, but EBITDAR and FFO plunged to levels well below those of previous years.

For similar reasons, debt protection weakened to 2.3x EBITDAR fixed-charge cover in 2014 (4.0x in 2013). Debt protection levels are good and could recover as soon as Bilfinger improves its margins.

The liquidity measure for Bilfinger, though abundant among peers, decreased in 2014 to 3,361% from 4,437% in 2013, caused mainly by the slump in the company's cash flow from operations (CFO).

Risk map



Source: Scope Ratings

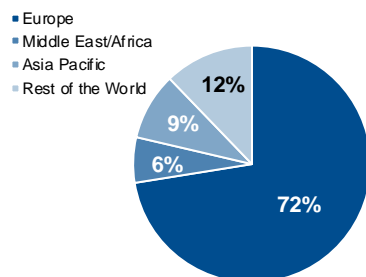
Key financial data (EUR m)

	2011	2012	2013	2014	2015E
Revenues	8,209	8,344	7,561	7,697	7,861
EBITDAR	679	796	667	368	410
Cash flow from operations	281	232	210	65	124
Funds from operations	372	367	243	143	184
Debt	621	1,282	935	1,005	1,045
Cash and cash equivalents	847	1,087	669	403	237
EBITDAR margin	8%	10%	9%	5%	5%
Backlog/revenues	1.0x	0.9x	0.9x	0.7x	0.6x
Debt/EBITDAR	0.9x	1.6x	1.4x	2.7x	2.5x
EBITDAR fixed-charge cover	5.1x	5.7x	4.0x	2.3x	2.5x
Liquidity	8541%	656%	4437%	3361%	372%

Sources: Bilfinger SE, Scope Ratings

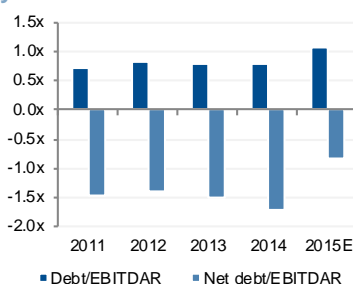
Among top three European construction corporates

Business focuses largely on Europe, but on many segments

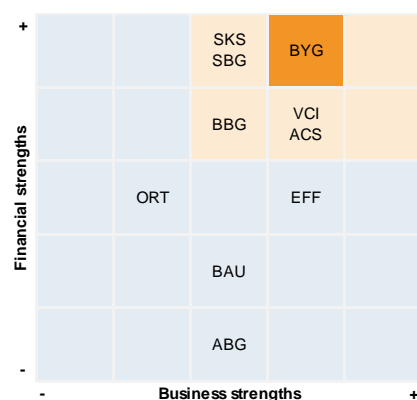


Moderate, but stable, EBITDAR margin; improving backlog

Net cash and EBITDAR greater than gross debt for past four years



Risk map



Source: Scope Ratings

Bouygues Construction and Colas

Business risk profile

Bouygues Construction is a segment of the Bouygues group and a global leader in construction activities and related services. The division constructs non-residential buildings, both public and private; infrastructure, such as airports, subway systems; as well as energy and telecommunication networks. Bouygues Construction's business includes also Colas, a company that operates in all areas of transport-infrastructure construction and maintenance. Scope assesses the industry risk of Bouygues Construction and Colas (collectively, 'Bouygues') at BB.

With revenues of EUR 24,237m and an estimated market share of 3.1% in 2014, Bouygues Construction and Colas together form the second largest European construction corporate and are likely to keep this position in the medium term. EBITDAR for the segments combined was also very large at EUR 1,955m in 2014.

Bouygues is very well diversified across construction segments. Bouygues Construction is involved in public and private non-residential buildings and residential buildings. Bouygues Construction and Colas are together involved in the construction of transport infrastructure.

From a geographical perspective, Bouygues relied on the French market for 53% of its revenues in 2014. For other regions, Europe (excluding France) made up 19% of revenues, Americas at 11%, Asia-Pacific at 6%, and Middle East and Africa at 3%. Increased diversification in high-growth markets also proves promising for the group's road and construction activities. We expect Bouygues' geographical diversification to improve.

The company's 8% EBITDAR margin in 2014 was moderate for the industry, stable compared to the 8% recorded in 2011, 2012 and 2013. Our view is that the EBITDAR margin will remain at 8% given the challenging operating conditions. At 1.1x of sales, backlog was low, but constantly increasing. Indeed, in absolute terms, the backlog was EUR 26.8bn (2013: EUR 22.7bn).

Financial risk profile

With most of the debt held at group level, divisions have in the past four years held cash in excess of total debt (net cash). Provided long-term debt stays at the current level, net cash will naturally increase as debt is repaid and segments keep generating positive net cash flows.

Debt protection increased as EBITDAR strengthened, being excellent with a 30.4x EBITDAR fixed-charge cover in 2014 (28.9x in 2013).

Liquidity was also excellent at 1,074% in 2014, down from 1,134% in 2013, as the combined divisions generated positive cash flows and held cash in excess of short-term debt. Liquidity will remain at an excellent level for the construction business.

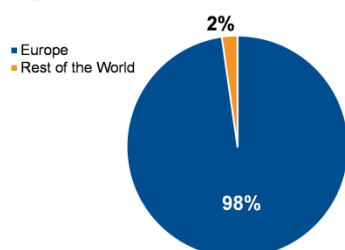
Key financial data (EUR m)

	2011	2012	2013	2014	2015E
Revenues	22,440	23,745	24,066	24,237	24,461
EBITDAR	1,821	1,887	1,869	1,955	1,989
Cash flow from operations	1,313	1,143	1,242	836	1,007
Funds from operations	1,510	1,477	1,529	1,338	1,418
Debt	1,304	1,599	1,489	1,586	2,124
Cash and cash equivalents	3,996	4,280	4,320	4,952	3,771
EBITDAR margin	8%	8%	8%	8%	8%
Backlog/revenues	n/a	0.6x	0.9x	1.1x	1.1x
Debt/EBITDAR	0.7x	0.8x	0.8x	0.8x	1.1x
EBITDAR fixed-charge cover	30.4x	27.8x	28.9x	30.4x	28.9x
Liquidity	1285%	1105%	1137%	1074%	620%

Sources: Bouygues Construction and Colas, Scope Ratings

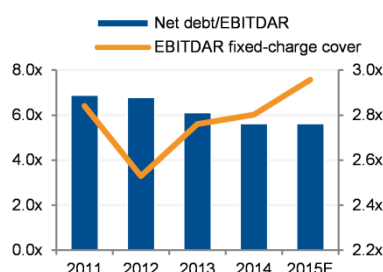
Large company with strong competitive position in Europe

Focus on Europe, however servicing a wide range of segments



Comparatively high profitability

High leverage and rather weak debt protection



Eiffage SA

Business risk profile

Eiffage SA ('Eiffage') was founded in 1920 and is based in Asnières-sur-Seine, France. Eiffage has operations in non-residential building, road and rail construction, concessions, energy facility construction, drainage works, and industry-related construction. Scope assesses industry risk of Eiffage at BB.

Eiffage is a large construction corporate with revenues of EUR 13,899m in 2014 and an EBITDAR of EUR 2,273m. Eiffage is one of the 10 largest construction companies in Europe, with its 2.4% market share evidencing a strong competitive position.

Eiffage is very well diversified across all construction segments and beyond. Activities include non-residential building and civil engineering, urban development, maintenance and facility management, road and rail construction, and large infrastructure concessions. Eiffage also performs construction services for the energy, metal and steel industries.

Geographical diversification is relatively weak, with 98% of revenues generated in Europe. Eiffage's risk profile would benefit from greater global diversification. And with only 2% of revenues generated outside of Europe, we see international expansion as the area where the company can improve the most.

EBITDAR margin improved to 16% in 2014 from 15% in 2013, which is good compared to peers. In the medium term, management aim for a 4% EBIT margin for the contracting division, which is helped by exceptionally low rates, but not enough to change our medium-term assessment of Eiffage's credit quality. At 0.8x of revenues in 2014, the backlog reported by Eiffage was low for the industry.

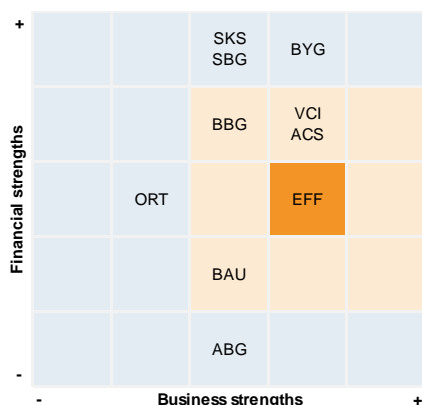
Financial risk profile

With Debt/EBITDAR of 7.5x in 2014, Eiffage's leverage is deemed high. Although this is up from 7.1x in 2013, Scope believes this is mitigated by an increase in cash, such that net debt has improved: Net debt/EBITDAR was 5.6x in 2014 from 6.9x in 2011. In Scope's view, leverage measures could meaningfully improve in the long run.

With a 2.8x EBITDAR fixed-charge multiple in 2014, debt protection is rather weak. This is stable from the prior year and in line with past figures. Free cash flows after dividends are expected to considerably improve, although ultimately depend on the size of acquisitions and dividend increases going forward. Our assessment of Eiffage's fixed-charge cover is unlikely to significantly improve.

At 241% in 2014, Eiffage's liquidity measure is up from the 188% in 2013, supported by an increase in cash due to rising levels of short-term debt since 2012.

Risk map



Source: Scope Ratings

Key financial data (EUR m)

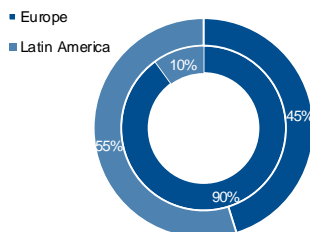
	2011	2012	2013	2014	2015E
Revenues	13,850	14,117	14,247	13,899	13,883
EBITDAR	1,987	2,025	2,197	2,273	2,288
Cash flow from operations	1,344	1,029	770	1,095	1,222
Funds from operations	1,065	891	930	1,048	1,127
Debt	16,112	15,727	15,536	17,078	15,300
Cash and cash equivalents	2,402	1,956	2,097	4,265	2,395
EBITDAR margin	14%	14%	15%	16%	16%
Backlog/revenues	1.0x	0.9x	0.8x	0.8x	0.9x
Debt/EBITDAR	8.1x	7.8x	7.1x	7.5x	6.7x
EBITDAR fixed-charge cover	2.8x	2.5x	2.8x	2.8x	3.0x
Liquidity	299%	253%	188%	241%	145%

Sources: Eiffage SA, Scope Ratings

Established, small-sized company in Spanish market

Diverse revenue mix through sectors and end-markets served

Improving, but still weak, geographical diversification

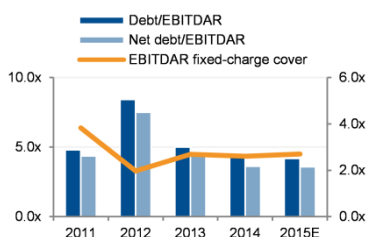


2011 - inner circle
H12015 - outer circle

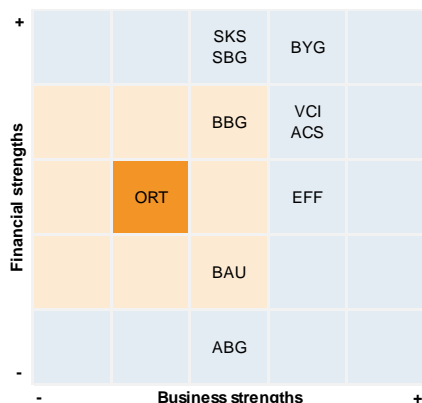
Profitability in line with peers

High backlog provides good visibility of future revenues

Improved credit metrics in 2014



Risk map



Source: Scope Ratings

Ortiz Construcciones y Proyectos S.A.

Business risk profile

Ortiz Construcciones y Proyectos S.A. ('Ortiz') is an established, family-owned Spanish construction company headquartered in Madrid, Spain. The company has a long-standing track record over 50 years, which has enabled the company to build a good reputation and to establish strong relationships in the Spanish market. Since 2010, the group has undergone a process of internationalisation, especially in Latin America. Scope assesses industry risk of Ortiz at BB.

With revenues of EUR 412m, and a market share in Europe estimated at below 0.1% in 2014, Ortiz is a small construction company compared to European peers.

Ortiz's activities encompass a number of sectors, among them construction and energy, providing 52.4% and 29.4% of revenues in 2014; services, concessions and real estate accounted for 18.2%. This revenue mix helps the company compensate for the strong contraction in domestic demand, while benefiting from higher growth dynamics in the international energy market.

In 2014, 56% of Ortiz's total revenues were generated in Spain. Even so, Scope acknowledges that the group's efforts to diversify into other markets, such as Latin America, have been effective, as shown by the sustained rise of revenues to 44% in 2014 from 10% in 2011. This trend continued in H1 2015, with 55% of turnover being generated outside of Spain. The positive development of its internationalisation process mitigates the slower-than-expected revenue generation in Spain.

Due to the company's size, internationalisation is at risk of not reaching critical size in markets outside Europe. However, we acknowledge Ortiz's efforts to build reputation and to establish strong relationships in Latin America, especially in Columbia, in order to retain and create business.

Ortiz has improved the EBITDAR margin to 16% in 2014 from 14% in 2013, profiting from recovery in the construction sector, despite pressure from larger competitors.

The backlog representing 7.5x revenue in 2014 provides high revenue visibility for the next years.

Financial risk profile

The group's Debt/EBITDAR stood at 4.3x as of December 2014, while Ortiz's EBITDAR fixed-charge cover was 2.8x. These metrics are expected to remain at similar levels in 2015, i.e. 4.2x and 2.9x respectively, thus staying adequate for the company's current rating.

The group's liquidity should enable Ortiz to redeem its financial obligations in the short term.

Key financial data (EUR m)

	2011	2012	2013	2014	2015E
Revenues	510	499	392	412	429
EBITDAR	67	38	55	65	65
Cash flow from operations	14	86	-42	15	32
Funds from operations	19	9	27	25	23
Debt	320	324	276	277	272
Cash and cash equivalents	30	35	32	42	39
EBITDAR margin	13%	8%	14%	16%	15%
Backlog/revenues	4.7x	4.7x	5.6x	7.5x	7.2x
Debt/EBITDAR	4.8x	8.4x	5.0x	4.3x	4.2x
EBITDAR fixed-charge cover	3.8x	2.0x	2.7x	2.8x	2.9x
Liquidity	157%	210%	39%	139%	159%

Sources: Ortiz Construcciones y Proyectos S.A., Scope Ratings

Large construction company; visible market share in Europe

Skanska AB

Business risk profile

Skanska AB ('Skanska') was founded in 1887 as Aktiebolaget Skanska Cementgjuteriet, a concrete manufacturing company. It is headquartered in Stockholm, Sweden. The company has operations in construction and infrastructure development, as well as in the development of residential and commercial properties. Scope assessed industry risk of Skanska to be in the strong B area. A Swedish company, Skanska operates in the Nordic countries, the US, the UK and Eastern Europe. Skanska used to have operations in Latin America, but decided to exit the market in 2014.

With revenues of EUR 15,754m and EBITDAR of EUR 765m in 2014, Skanska AB is a very large construction company. It held a market share of 1.8% in Europe and 1.6% in North America. Growth is expected in Skanska's major markets, which should support Skanska's revenues and EBITDAR going forward.

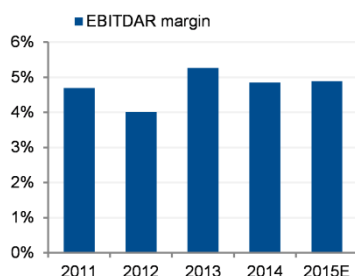
Adequate segment diversification

Skanska is adequately diversified across construction segments, with 87% of 2015 revenues generated in construction, mostly for non-residential building and civil construction. The customer structure of Skanska's construction revenues is fairly fragmented, except for an overexposure to governments, which are all highly rated. We deem Skanska's diversification as adequate.

Geographical diversification limited to Europe and the US

In terms of geographies, Skanska only operates in Europe and the US, where it sourced 46% and 34% of its 2014 revenues respectively. The US has represented an increasing share of revenues, and is also weighted heavily in the company backlog. We do not expect Skanska to enter the Asian, Middle Eastern or African markets, which limits the potential for greater diversification.

Comparatively low profitability



With a backlog of only 1.3x revenues in YE 2014 and an EBITDAR margin of 5%, Skanska has lower visibility of future revenues and profitability than many of its peers. As growth is expected to slow in Skanska's major markets, we anticipate its backlog to deteriorate. Skanska managed to reach its profitability and return targets for 2015 in 2014, which we expect the company to maintain until new targets are chosen.

Very low leverage

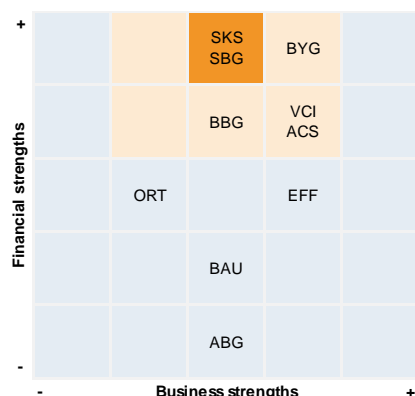
Financial risk profile

Despite a low EBITDAR margin, Skanska's Debt/EBITDAR multiple was very low at 1.8x in 2014, indicating a very low leverage. The latter is also evidenced by the excellent FFO-to-net-debt ratio of 83% in 2014. Skanska's EBITDAR is expected to grow faster than revenues in the medium term, if the decrease of US margins in 2015 is overcome in 2016. But even if Skanska were to reduce its gross and net financial debts, there would be little room for improvement given the already excellent profile of the company on this aspect.

Outstanding debt protection and strong liquidity

Similarly, EBITDAR fixed-charge cover was excellent at 12.3x. Skanska's liquidity measure was also strong at 512% in 2014.

Risk map



Source: Scope Ratings

Key financial data (EUR m)

	2011	2012	2013	2014	2015E
Revenues	13,150	14,865	15,781	15,754	16,671
EBITDAR	617	596	830	765	723
Cash flow from operations	27	-10	723	523	549
Funds from operations	174	234	344	340	189
Debt	989	1,529	1,518	1,375	1,339
Cash and cash equivalents	595	672	821	965	1,290
EBITDAR margin	5%	4%	5%	5%	4%
Backlog/revenues	1.4x	1.3x	1.1x	1.2x	1.0x
Debt/EBITDAR	1.6x	2.6x	1.8x	1.8x	1.9x
EBITDAR fixed-charge cover	9.2x	7.5x	10.4x	12.3x	11.2x
Liquidity	226%	185%	464%	512%	340%

Sources: Skanska AB, Scope Ratings

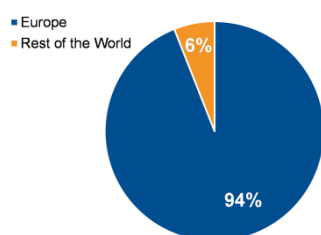
Strabag SE

Business risk profile

Strabag SE ('Strabag') is an European construction company founded in 1835 and based in Villach, Austria. The company focuses on the whole supply chain of 'pure' construction, including civil engineering, buildings and industrial. As such Scope assesses industry risk of Strabag to be weak at BB.

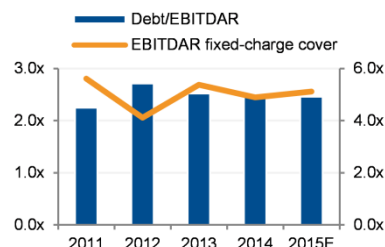
Medium-sized company; strong foothold in Europe

Weak geographic diversification limiting growth of business



Low but stable profitability

Strong financial risk profile



Excellent liquidity

Strabag generated relatively large revenues in 2014 of EUR 12,450m, but achieved just a comparatively low EBITDAR at EUR 755m. With an estimated market share of 2.1% in Europe, Strabag is among the top five constructors in its core market.

Strabag is very well diversified across segments, with non-residential and civil engineering operations; road and railway construction, and related concession contracts; energy- and environment-related construction, as well as industry-related construction. Finally, the company is involved in residential and real estate construction.

Strabag's geographic diversification, however, is quite narrow, with 94% of 2014 revenues concentrated in Europe. As such, Strabag is overly exposed to the comparatively weaker construction industry in Europe, and follows its cyclical path, which is hampered by geopolitical tension, e.g. in Russia. Strabag's exposure to Poland (6% of 2014 revenues) is not seen negatively, as we do not expect the Polish government to hinder market growth.

With a backlog of 1.2x of revenues at YE 2014, and a 6% EBITDAR margin, Strabag's visibility and profitability are lower than many peers. In addition the company's backlog dropped by 11% to EUR 13.8bn in Q3 2015 as a result of its Russian exposure, as well as cooling demand in the Nordics, Germany, Hungary and Slovakia.

Financial risk profile

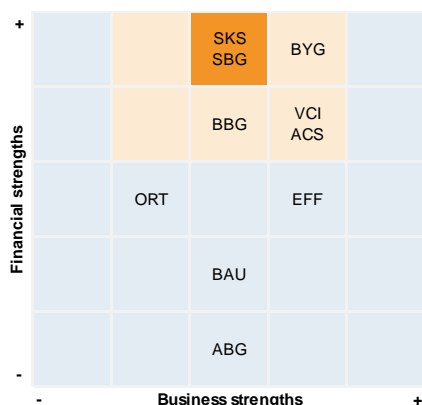
Strabag's leverage, as measured by its Debt/EBITDAR multiple, was low in 2014 at 2.5x.

The company's leverage is not just one of the lowest among peers, but also the most stable. Thus, Scope believes in Strabag's ability to adjust leverage on its operating business, even with the economic clouds looming in 2016. As a result, we expect that leverage will not significantly increase going forward.

The company's debt protection was strong, with an EBITDAR fixed-charge cover of 4.9x in 2014. Scope expects the fixed-charge cover to improve in 2016, thanks to Strabag's ability to benefit from currently low interest rates in Europe.

Liquidity was excellent in 2014 at 1,089%.

Risk map



Source: Scope Ratings

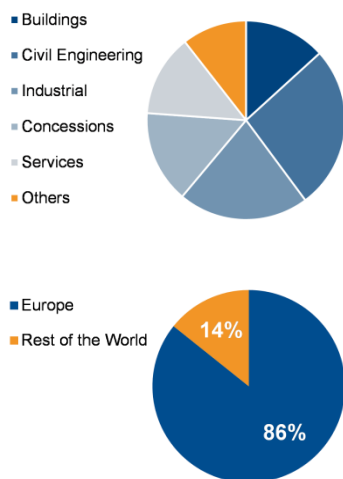
Key financial data (EUR m)

	2011	2012	2013	2014	2015E
Revenues	13,848	13,037	12,518	12,450	12,790
EBITDAR	885	710	786	755	784
Cash flow from operations	501	269	694	805	696
Funds from operations	704	509	513	620	656
Debt	1,991	1,925	1,979	1,864	1,927
Cash and cash equivalents	1,700	1,375	1,712	1,924	1,555
EBITDAR margin	6%	5%	6%	6%	6%
Backlog/revenues	1.1x	1.0x	1.1x	1.2x	1.1x
Debt/EBITDAR	2.2x	2.7x	2.5x	2.5x	2.5x
EBITDAR fixed-charge cover	5.6x	4.1x	5.4x	4.9x	5.1x
Liquidity	968%	947%	1192%	1089%	665%

Sources: Strabag SE, Scope Ratings

Largest European construction company; dominates market

Less diversified across geographies than segments



High profitability

Low visibility of future revenues

Large share of concessions mitigates high leverage

Adequate debt protection

Excellent liquidity

Vinci SA

Business risk profile

VINCI SA ('Vinci') was founded in 1899 and is headquartered in Rueil-Malmaison, France. Vinci is broadly diversified, operating in all segments of the construction industry. Scope assesses industry risk of Vinci to be strong at BB.

Vinci is the largest construction company in the peer group, with revenues of EUR 39,194m and an EBITDAR of EUR 6,268m in 2014. The company has an estimated market share of 6.0% in Europe. As Vinci is the largest European company in construction and concessions, we do not expect this position to change despite currently challenging conditions in the sector, especially in France, Vinci's core market.

Vinci is well diversified across different business segments, with activities in non-residential building and civil construction (Vinci Construction); roads, transport and concessions (including Eurovia and Vinci Concessions); and energy-, environment- and industry-related construction and services (Vinci Energy). Vinci is already well diversified by segment and end-markets. The strategic vision of the company – to focus on airports while moving capital from the parking portfolio – is inspired in terms of growth potential and margins. The broader focus on concessions than contracting is also welcome, given the latter's more dire prospects. In contracting, the emphasis is on energy as well as specialised niche markets with global prospects.

With a considerable exposure of 2014 revenues to Europe (86%, France: 62%), Vinci is less diversified across geographies than by segment. However, in absolute figures than in relative terms, Vinci has a significant footprint across continents. The group strategy of international expansion, which aims to increase revenues generated outside of France to 50% by the 2020s, from 38% in 2014 (42% by YE 2015), is generally seen positively by Scope. Also, it remains to be seen as to how much this international expansion will take place outside Western Europe for their strategy to pay off.

Vinci's EBITDAR margin was 17% in 2014, and exhibited high profitability compared to peers. The company's backlog, however, was lower than peers at 0.7x of revenues at YE 2014.

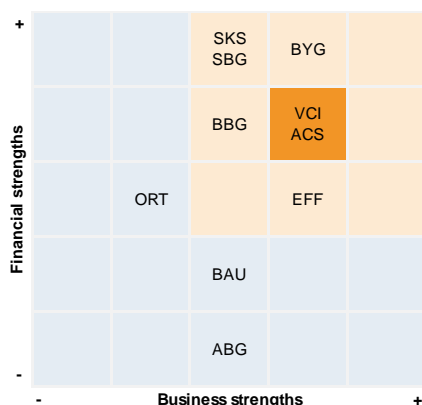
Financial risk profile

With a large share of EBITDAR derived from concession activities, Vinci could afford a higher leverage compared to similar-sized peers. Debt/EBITDAR was also adequate at 3.4x in 2014.

EBITDAR fixed-charge cover stood at a strong 7.8x in 2014, up from 7.0x in 2013.

Liquidity was in line with the wider peer group at 304% in 2014, down from 372% in the prior year.

Risk map



Source: Scope Ratings

Key financial data (EUR m)

	2011	2012	2013	2014	2015E
Revenues	37,851	39,418	40,994	39,194	39,161
EBITDAR	5,689	5,851	6,121	6,268	6,001
Cash flow from operations	3,938	3,865	3,648	3,633	3,899
Funds from operations	3,844	3,902	3,642	3,791	3,592
Debt	21,854	21,357	21,962	22,293	21,413
Cash and cash equivalents	7,372	6,337	5,605	6,411	5,207
EBITDAR margin	15%	15%	15%	17%	15%
Backlog/revenues	0.8x	0.8x	0.7x	0.7x	0.7x
Debt/EBITDAR	3.8x	3.7x	3.6x	3.4x	3.6x
EBITDAR fixed-charge cover	6.3x	6.4x	7.0x	7.8x	8.3x
Liquidity	370%	336%	372%	304%	289%

Sources: Vinci SA, Scope Ratings

Appendix I - Key credit metrics

	Abengoa	ACS	Bauer AG	Bilfinger Berger SE	Bouygues Construction + COLAS	Eiffage	Grupo Ortiz	Skanska AS	Strabag SE	Vinci SA
Competitive positioning										
Total revenues (EURm)	f-3 7,154 f-2 7,803 f-1 7,253 f 7,152 f+1 7,283	28,269 38,505 35,145 34,907 35,796	1,282 1,346 1,417 1,417 1,508	8,209 8,344 7,561 7,697 7,861	22,440 23,745 24,066 24,237 24,461	13,850 14,117 14,247 13,899 13,883	510 499 392 412 429	13,150 14,865 15,781 15,754 16,671	13,848 13,037 12,518 12,450 12,790	37,851 39,418 40,984 39,194 39,161
EBITDAR (EURm)	f-3 1,108 f-2 1,252 f-1 1,280 f 1,412 f+1 1,449	3,772 3,509 2,485 3,289	164 124 171 162	679 796 368 410	1,821 1,887 1,869 1,955 1,989	1,987 2,025 2,197 2,273 2,288	38 55 65 65	617 596 830 765 723	885 710 786 785 784	5,689 5,851 6,121 6,634 6,001
Indicative market share (%)	0.23%	1.79%	0.13%	1.24%	3.13%	2.43%	0.04%	1.80%	2.07%	6.03%
Diversification										
Product diversification	Engineering & construction: 63%, Industrial: 30%, Concessions: 7%	Construction: 74%, Environment: 7%, Industrial: 19%	Construction: 43%, Equipment: 39%, Resources: 18%	Services (Industrial & Power): 66%, Building and Industrial: 34%	Roads: 37%, Construction: 35%, Telecoms: 13%, Py development: 8%, Media 7%	Civil engineering: 23%, Buildings: 2%, Electrical installations: 2%, Public infrastructure: 1%, Real estate: 3%, Buildings: 6%	Construction: 52%, Energy: 29%, Services: 15%, Real estate: 3%, Concessions: 1%	Construction: 87%, Development: 14%	Germany: 46%, RoE: 50%, RoW: 4%	Construction: 40%, Energy: 24%, Eurovia: 21%, Concessions: 14%
Geographic diversification	NA: 32%, LatAm: 30%, Europe: 24%, RoW: 13%	Spain: 37%, Apac: 28%, Americas: 23%, RoE: 12%	Germany: 27%, East Asia: 23%, RoE: 19%, MESA: 18%, America: 14%	Germany: 37%, RoEurope: 44%, RoW: 20%	France: 64%, RoW: 36%	France: 85%, RoW: 15%	Spain: 56%, International: 44%	US: 34%, Europe: 23%, Sweden-Nordic: 43%	Germany: 46%, RoE: 50%, RoW: 4%	France: 62%, RoE: 24%, Apac: 5%, Africa: 4%, Amer: 5%
Profitability										
EBITDAR margin (%)	f-3 15.5% f-2 16.0% f-1 17.7% f 18.7% f+1 19.9%	10.5% 9.8% 10.0% 7.1% 9.2%	12.8% 12.2% 8.7% 12.1% 10.7%	8.3% 9.5% 8.8% 4.8% 5.2%	8.1% 7.9% 7.8% 8.1% 8.1%	14.3% 14.3% 15.4% 16.4% 16.5%	13.1% 7.7% 14.1% 15.7% 15.2%	4.7% 4.0% 5.3% 4.9% 4.3%	6.4% 5.4% 6.3% 6.1% 6.1%	15.0% 14.8% 14.9% 16.9% 15.3%
Backlog (EURm)/total revenues (w/ concessions)	f-3 1.1x f-2 0.9x f-1 0.9x f 1.1x f+1 1.2x	2.3x 1.7x 1.7x 1.8x 1.9x	0.0x 0.6x 0.5x 0.5x 0.7x	1.0x 0.9x 0.9x 0.7x 0.6x	0.0x 0.6x 0.9x 1.1x 1.1x	1.0x 0.9x 0.8x 0.8x 0.9x	4.7x 4.7x 5.6x 7.5x 7.2x	1.4x 1.3x 1.1x 1.2x 1.0x	1.1x 1.0x 1.1x 1.2x 1.1x	0.8x 0.8x 0.7x 0.7x 0.7x
Financial measures										
debt/EBITDAR (x)	f-3 9.5x f-2 9.5x f-1 9.5x f 11.2x f+1 10.3x	6.0x 3.4x 5.5x 5.5x 3.8x	4.2x 4.3x 6.6x 4.7x 5.1x	0.9x 1.6x 1.4x 2.7x 2.5x	0.7x 0.8x 0.8x 0.8x 1.1x	8.1x 7.8x 7.1x 7.5x 6.7x	4.8x 8.4x 5.0x 4.3x 4.2x	1.6x 2.6x 1.8x 1.8x 1.9x	2.2x 2.7x 2.5x 2.5x 2.5x	3.8x 3.7x 3.6x 3.4x 3.6x
EBITDAR fixed-charge cover (x)	f-3 1.8x f-2 2.1x f-1 2.2x f 1.9x f+1 2.1x	2.0x 2.3x 2.4x 1.8x 2.5x	4.0x 3.7x 2.7x 3.8x 3.5x	5.1x 5.7x 4.0x 2.3x 2.5x	30.4x 27.8x 28.9x 30.4x 28.9x	2.8x 2.5x 2.8x 2.8x 3.0x	3.8x 2.0x 2.7x 2.8x 2.9x	9.2x 7.5x 10.4x 12.3x 11.2x	5.6x 4.1x 5.4x 4.9x 5.1x	6.3x 6.4x 7.0x 7.8x 8.3x
Liquidity										
Indicative liquidity ratio (%)	f-3 306.5% f-2 249.2% f-1 208.6% f 64.0% f+1 114.2%	177.7% 296.7% 274.0% 193.7% 507.2%	12.9% 119.3% 21.8% 57.4% 36.4%	8,540.9% 656.2% 4,436.8% 3,361.1% 372.0%	1,284.6% 1,105.4% 1,137.0% 1,073.9% 620.4%	299.4% 252.7% 188.4% 241.0% 144.9%	157.4% 210.1% 38.9% 139.1% 159.1%	226.0% 184.7% 464.2% 512.5% 339.5%	968.1% 946.6% 1,191.6% 1,089.2% 665.1%	370.1% 335.6% 371.8% 303.6% 288.9%

Appendix II - Peer group

	Country of origin
Abengoa S.A.	Spain
Abertis Infraestructuras S.A.	Spain
ACCIONA S.A.,	Spain
Actividades de Construccion y Servicios S.A. ('ACS')	Spain
Astaldi SpA	Italy
Babcock International Group PLC	United Kingdom
Bauer AG	Germany
Bilfinger SE	Germany
Bouygues Construction and Colas	France
Eiffage SA	France
Ellaktor SA	Greece
Fomento De Construcciones Y Contratas S.A.	Spain
Ferrovial S.A.	Spain
Grupo Aldesa S.A.	Spain
Grupo Isolux Corsán S.A.	Spain
Grupo Ortiz S.A.	Spain
Grupo SANJOSE	Spain
Obrascón Huarte Lain, S.A.	Spain
Petrofac Services Limited	United Kingdom
Royal BAM Group nv	Netherlands
Sacyr S.A.	Spain
S.A. de Obras y Servicios, COPASA	Spain
Salini Impregilo S.p.A.	Italy
Skanska AB	Sweden
Strabag SE	Austria
Technip S.A.	France
Técnicas Reunidas S.A.	Spain
Vinci SA	France



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