



ASTALDI

COMPANY PRESENTATION

FY 2017 Results

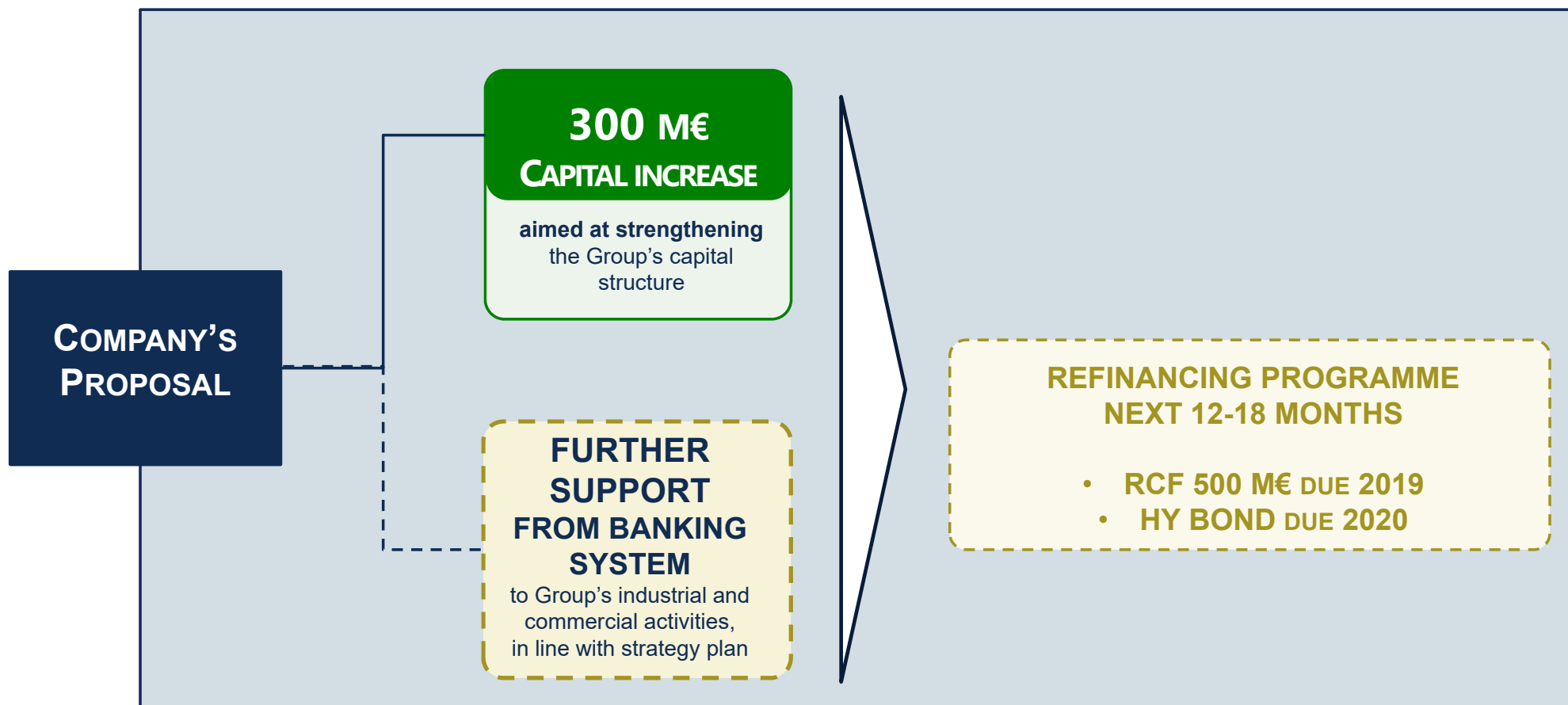
March 15, 2018



Agenda

- Capital and Financial Strengthening Program**
- FY 2017 Results
- Appendix

Capital and Financial Strengthening Program – Key Features



A photograph of a modern building at night, viewed from a low angle looking up. The building has a glass facade that is illuminated from within, creating a warm glow. The sky is a deep blue. The image is framed by a white diagonal line on the left side.

Agenda

- ❑ Capital and Financial Strengthening Program
- ❑ **FY 2017 Results**
- ❑ Appendix

- ❑ **New orders inflows consistent vs. strategy plan**
 - ❑ Booked 3.7 B€ new orders in 2017 referred to low risky countries/sectors – book-to-bill ratio at 1.3x
 - ❑ Conversion of approx. 700 M€ concession backlog into O&M contracts
 - ❑ Further 534 M€ already booked in 2018

- ❑ **Venezuela updated impairment test confirms write-down done**

- ❑ **3.1 B€ revenue, +2% y/y**
 - ❑ Revenue – USD/€ FX impact on volumes, but not margins, as well as completion of relevant works

- ❑ **EBITDA margin at 12%**
 - ❑ Underlying EBIT margin confirm a solid momentum

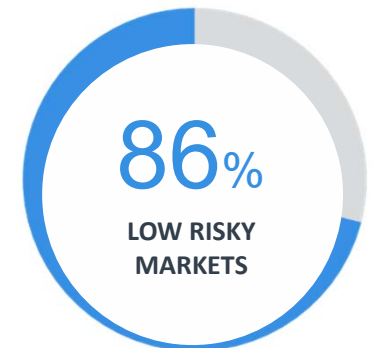
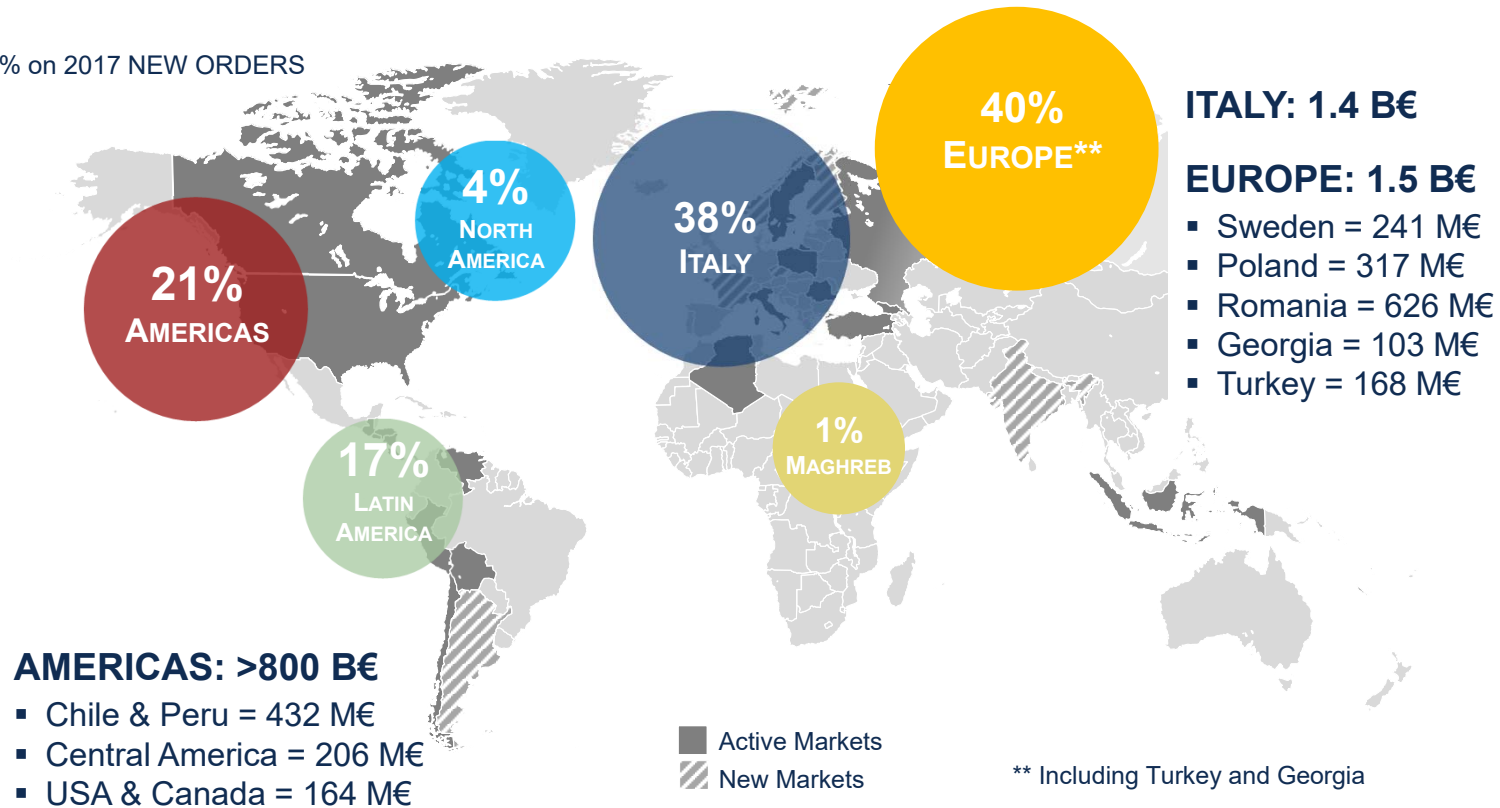
- ❑ **Net working capital improvement in Q4**

- ❑ **Asset disposal on track – Update on three main assets on sale**

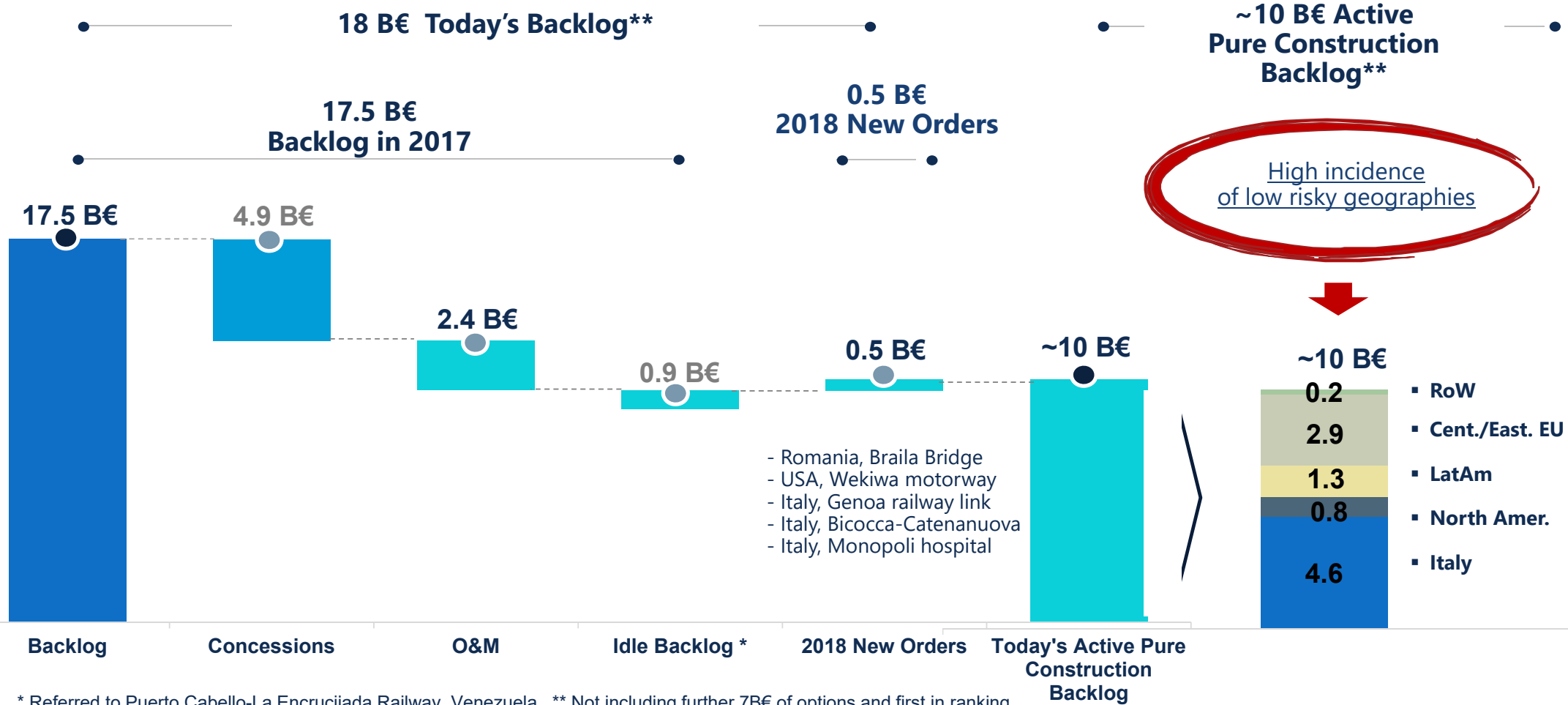
FY 2017 new orders inflows consistent vs. strategy plan

- ❑ Booked 3.7 B€ of new orders referred to low risky countries/sectors
 - ❑ Book-to-bill ratio at 1.3x
 - ❑ Conversion of approx. 700 M€ concession backlog into O&M contracts

% on 2017 NEW ORDERS

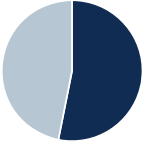


Today's Backlog at 18 B€, with 10 B€ of pure construction



* Referred to Puerto Cabello-La Encrucijada Railway, Venezuela. ** Not including further 7B€ of options and first in ranking

Venezuela updated impairment test confirms write-down done

<h2>Situation update</h2>	<ul style="list-style-type: none"> • Activities stopped since 2015 • No material fixed costs currently incurred since • One contract formally still in place, but no activity is expected • Prudential partial write-down of asset exposure towards the country 				
<h2>Accounting approach</h2>	<h3>Methodology²</h3> <table border="0"> <tr> <td data-bbox="584 679 913 842"> <p>Market benchmarks</p> <ul style="list-style-type: none"> • Venezuela CDS • Venezuela bond returns • Historical sovereign debt defaults (1983–2016) </td> <td data-bbox="920 679 1205 842"> <p>DCF</p> <ul style="list-style-type: none"> • Various scenarios to reflect timing / amounts collected </td> </tr> </table> <p style="text-align: center;">~53% impairment</p>	<p>Market benchmarks</p> <ul style="list-style-type: none"> • Venezuela CDS • Venezuela bond returns • Historical sovereign debt defaults (1983–2016) 	<p>DCF</p> <ul style="list-style-type: none"> • Various scenarios to reflect timing / amounts collected 	<h3>Reclassification of exposure</h3> <div style="display: flex; align-items: center; justify-content: center;"> <div style="text-align: center;"> <p>Moved to fixed assets €203mm</p> </div>  <div style="text-align: center;"> <p>Write down €230mm</p> </div> </div> <p style="text-align: center;">Total (WIP+TR) exposure to Venezuela as of Sep-17A: €433mm</p>	
<p>Market benchmarks</p> <ul style="list-style-type: none"> • Venezuela CDS • Venezuela bond returns • Historical sovereign debt defaults (1983–2016) 	<p>DCF</p> <ul style="list-style-type: none"> • Various scenarios to reflect timing / amounts collected 				
<h2>Receivables are recoverable</h2>	<p>✓ Certainty</p> <ul style="list-style-type: none"> • Exposure as of December 31 2016 acknowledged by Venezuela Government through IFE 	<p>✓ Collectability</p> <ul style="list-style-type: none"> • Intra-government agreement provides for settlement through ICC² in Paris • Receivables under intra-government agreement have priority vs. others subject to local laws 	<p>✓ Timing of payment</p> <ul style="list-style-type: none"> • Expectation that Venezuela will resume payments by 2020-2021 following oil price recovery 		

Note: (1) Small project closure revenues recorded until 2017

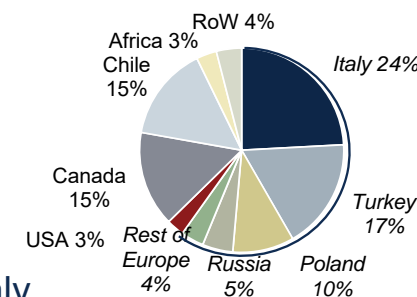
(2) International Chamber of Commerce

FY 2017 revenue and margins

**3.1 B€ Revenue
+2% y/y**

- ❑ Revenue growth driven by low risky geographies/sectors
 - ❑ Italy, Poland, Canada, and Chile
 - ❑ O&M revenue at 86 M€
- ❑ Y/Y revenue affected by:
 - ❑ USD/€ FX on volume but not margins
 - ❑ Completion of relevant works in Turkey, Algeria, Peru, and Italy

**2017 REVENUE
BY GEOGRAPHY**



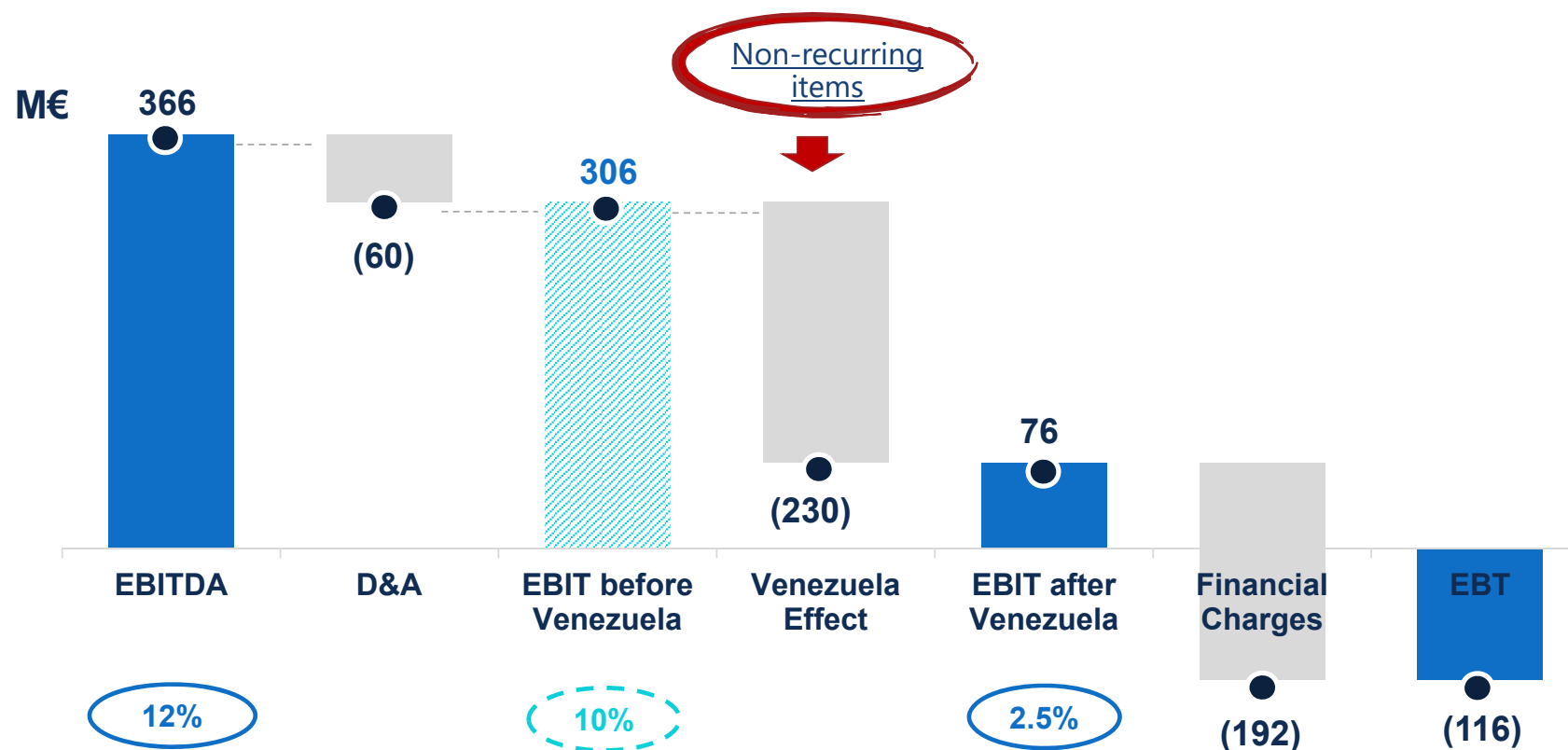
**EBITDA Margin:
12%**

- ❑ Solid EBITDA margin at 12%
- ❑ Production cost % on revenues dropped to 67.7% from 68.4% in 2016, with better cost production performance due to execution in JVs vs. direct execution

* Before Venezuela write-down effect

Underlying margins confirm a solid momentum

- EBITDA and Underlying EBIT margin* in line with FY targets



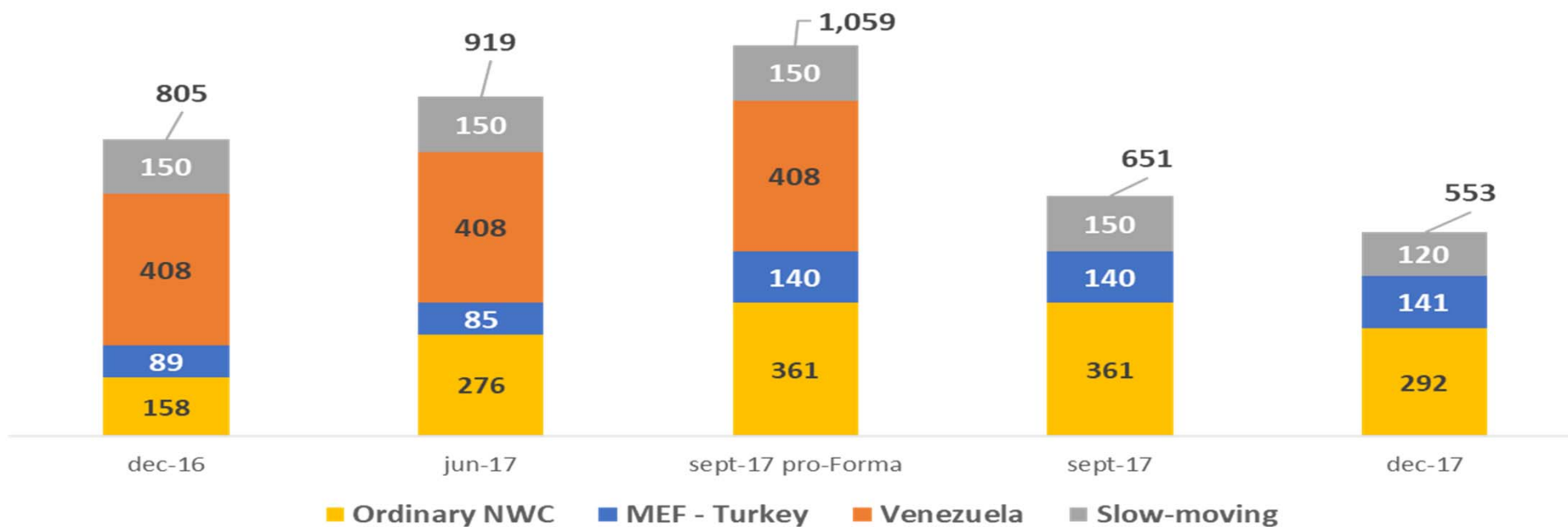
* Before Venezuela write-down effect

(%) % on revenue

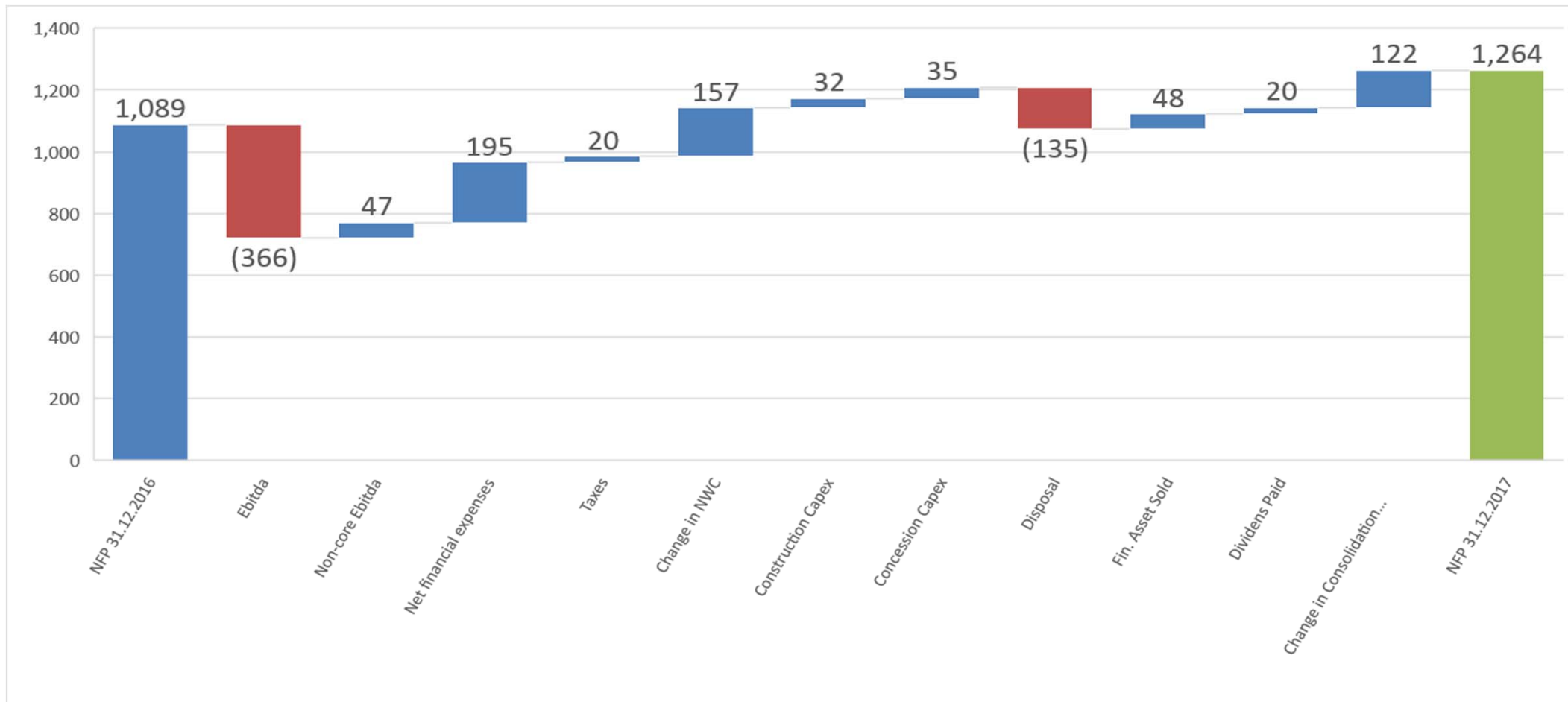
Net working capital improvement in Q4

- Ordinary Items**
 - Good project cashflow performance mainly in USA, Canada, and Italy
 - New build-up of advances on new contracts in Romania, Sweden, and Georgia

- Slow-moving Items**
 - Cash-in from slow-moving items in Italy
 - Remaining slow-moving items in Romania, and Algeria



Net Financial Position



Asset Disposal on Track – Update on three main assets on sale



❑ Third Bosphorus Bridge

- Disposal process on track
- Shareholder loan 182 M€ and equity 167 M€ at Dec-17
- Non-Binding Offers received
- Final phase launched in March 2018
- Target closing: at the turn of H1 2018



❑ VSFP (Veneta Sanitaria Finanza di Progetto)

- Disposal process ongoing
- Agreed with other shareholders the O&M model

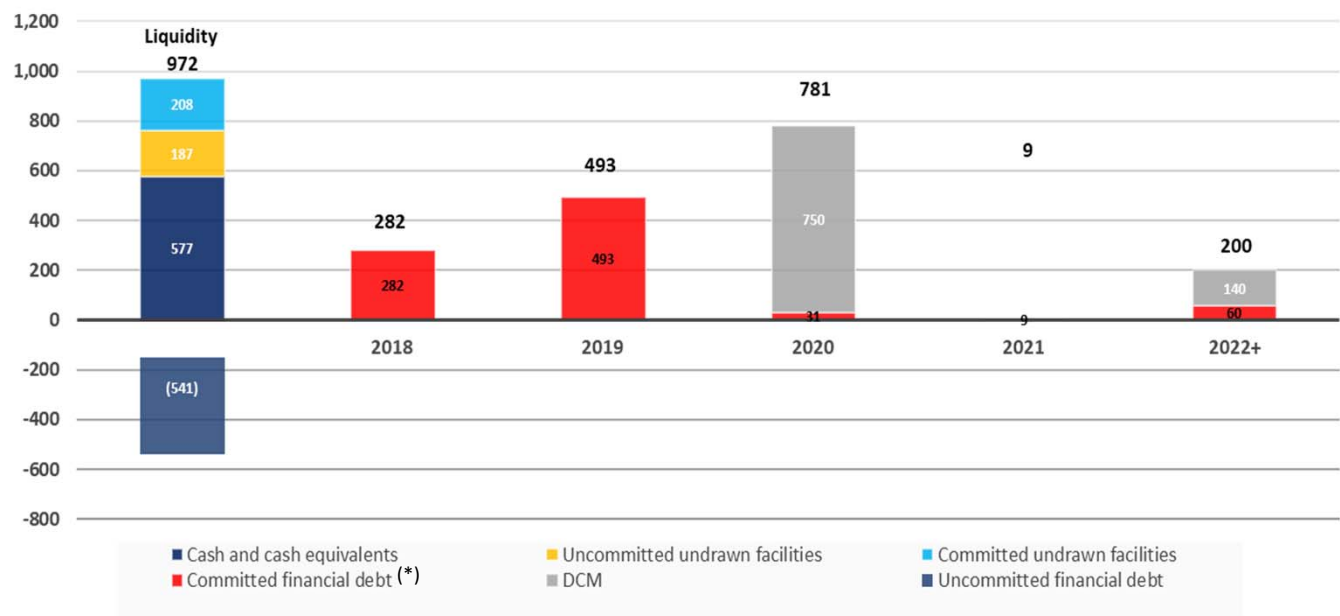


❑ Gebze-Orhangazi-Izmir motorway

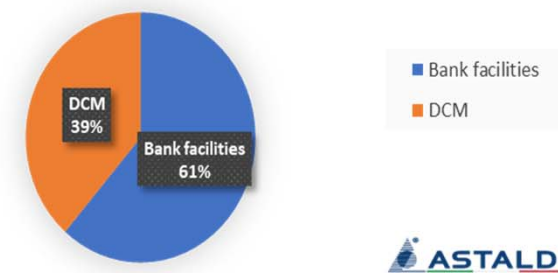
- Disposal process started
- Sale planned for 2019 at the end of the construction phase

Liquidity and Maturity Schedule as of December 2017

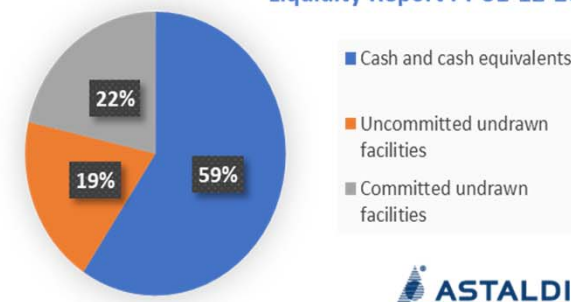
DEBT SCHEDULE MATURITY
(as of Decembre 31 2017 - EUR / 000,000)



Financing Mix FY 31-12-2017



Liquidity Report FY 31-12-2017



(*) does include the “no recourse debt” (around 7M€ per year).

2018 figures does also include EUR 46 M bridge financing to a project finance in Turkey (financial close 1st half 2018).

- Maneuver approval within April 2018**
- Third Bridge on Bosphorus sale planned at the turn of H1 2018**
- VSFP sale at the turn of H1 2018**

Agenda

- ❑ **Capital and Financial Strengthening Program**
- ❑ **FY 2017 Results**
- ❑ **Appendix**



FY 2017 Reclassified Consolidated Income Statement

	31/12/2017		31/12/2016	
Revenue	2,888,319	94.4%	2,851,826	94.9%
Other operating revenue	172,414	5.6%	152,429	5.1%
Total Revenue	3,060,733	100.0%	3,004,255	100.0%
Production costs	(2,072,980)	-67.7%	(2,054,253)	-68.4%
Added value	987,752	32.3%	950,003	31.6%
Personnel expenses	(633,865)	-20.7%	(616,203)	-20.5%
Other operating costs	(34,708)	-1.1%	(41,702)	-1.4%
Share of profits / (losses) of joint ventures and associates	47,196	1.5%	87,760	2.9%
EBITDA	366,376	12.0%	379,858	12.6%
Amortisation and depreciation	(49,404)	-1.6%	(58,210)	-1.9%
Provisions	(5,097)	-0.2%	(3,999)	-0.1%
Impairment losses	(235,529)	-7.7%	(676)	0.0%
EBIT	76,345	2.5%	316,973	10.6%
Net financial expense	(192,180)	-6.3%	(187,877)	-6.3%
Pre-tax profit / (loss)	(115,835)	-3.8%	129,096	4.3%
Tax expense	18,108	0.6%	(31,654)	-1.1%
Profit / (Loss) from continuing operations	(97,727)	-3.2%	97,442	3.2%
Profit / (Loss) from discontinued operations		0.0%	(24,811)	-0.8%
Profit / (Loss) for the year	(97,727)	-3.2%	72,631	2.4%
(Profit) / Loss attributable to non-controlling interests	(3,448)	-0.1%	(174)	0.0%
Profit attributable to owners of the Parent	(101,175)	-3.3%	72,457	2.4%

FY 2017 Reclassified Consolidated Balance Sheet

	31/12/2017	31/12/2016
Intangible assets	79,187	74,026
Property, plant and equipment and investment property	179,073	208,251
Equity investments	390,527	523,631
Other net non-current assets	463,403	149,378
Non-current assets held for sale	179,964	69,973
Liabilities directly associated with non-current assets held for sale		(17,888)
TOTAL Non-current assets (A)	1,292,154	1,007,371
Inventories	48,906	50,008
Contract work in progress	1,704,498	1,555,110
Trade receivables	29,055	57,327
Amounts due from customers	447,798	666,449
Other assets	238,408	199,632
Tax assets	82,565	94,537
Payments on account from customers	(520,777)	(492,856)
Subtotal	2,030,453	2,130,206
Trade payables	(62,326)	(61,352)
Amounts due to suppliers	(1,056,770)	(934,748)
Other liabilities	(358,096)	(329,245)
Subtotal	(1,477,191)	(1,325,346)
Net Operating working capital (B)	553,262	804,861
Employee benefits	(7,145)	(7,506)
Non-current portion of provisions for risks and charges	(21,781)	(13,709)
Total Provisions (C)	(28,925)	(21,215)
Net invested capital (D) = (A) + (B) + (C)	1,816,490	1,791,017
Cash and cash equivalents	576,401	506,470
Current loan assets	50,733	25,227
Current portion of financial assets from concession activities	10,194	
Securities	303	848
Current financial liabilities	(818,883)	(499,897)
Non-current financial liabilities	(1,391,415)	(1,472,330)
Non-recourse financial debt	(81,425)	(10,839)
Net financial position of disposal groups	183,763	76,743
Net financial debt (E)	(1,470,328)	(1,373,778)
Financial assets from concession activities	120,945	4,390
Non-current loan assets	82,335	276,856
Total financial liabilities (F)	(1,267,049)	(1,092,532)
Equity attributable to owners of the Parent	(518,740)	(692,384)
Equity attributable to non-controlling interests	(30,702)	(6,101)
Equity (G) = (D) - (F)	549,442	698,485

Top 10 Biggest Projects¹

Country	Project	Total Production Astaldi share value (€/000)	Stage of completion (%) Dec. 2017	Order backlog Astaldi share value (€/000)	Ending Year
 Italy	Jonica National Road (Lot "DG41")	956,0	3%	929,0	> 2020
 Italy	Verona-Padova high-speed railway	911,0	0%	911,0	> 2020
 Italy	Milan Subway, Line 4	804,7	37%	504,9	> 2020
 Italy	Brennero Railway	415,7	6%	390,0	> 2020
 Italy	Rome Subway, Line C	996,1	63%	367,6	> 2020
 USA	I405 Los Angeles	416,6	13%	361,4	> 2020
 Turkey	Etilik Health Integrated Campus in Ankara	443,0	36%	282,6	2019
 Chile	Arturo Merino Benitez International Airport in Santiago de Chile	400,1	34%	264,8	2020
 Chile	Hospital Barros Lucos	264,7	0%	264,7	> 2020
 Chile	Chuquicamata CC13	416,0	37%	264,1	2020