

## 9M 2014 Results Presentation

Rome - November 11, 2014



# Agenda

- Update on Disposals
- Update on Special Issues
- New Orders & Backlog
- 9M 2014 Results
- Appendix



Turkey | Third Bridge on Bosphorus



Italy | New Hospital in Venice-Mestre

# Update on Disposals

- ◆ On November 10 2014, Astaldi's BoD has given a **mandate to start the process of valorization of its concession assets**, also through the **set up of a new Investment Vehicle**, to which Astaldi will contribute a selected concession portfolio. The capital of the new Investment Vehicle will be **open for entry to Institutional Investors**.
  
- ◆ In order to guarantee the best market valuation, the assets to be contributed represent a mix of:
  - Mature assets
  - Close to construction completion assets
  - Geography
  - Sectors of activity

# Update on Disposals

## ◆ BENEFITS

- Free up financial resources, with a sizable cash-in and positive effects in terms of:
  - Strong deleveraging at corporate level.
  - Strengthening of the financial structure.
  - Equity Commitment – Available financial resources to be invested in new commercial activities.
- New Investment Vehicle to act as preferred equity provider for new green-field projects.
- Crystallization of Astaldi's concession assets value

## ◆ TIMING

- 2015-year end – Finalization of the deal

# Update on Special Issues

## ◆ Italy – New wave of investments in infrastructures opens for new opportunities.

- EUR 3.9 billion assigned by the « Sblocca Italia » Law
- EUR 560 million (Astaldi share) booked in Q3 2014 for Verona-Vicenza stretch of the Verona-Padua HS / HC railway line, worth EUR 3 billion (37.49% Astaldi).
- Further opportunities in transportation new tenders.

## ◆ Venezuela – Restart of payments in August 2014.

- USD 61 million equivalent & EUR 16 million collected to date.
- Negotiations with the Client are pursuing on a positive note. The Client has agreed to postpone the delivery date for the Puerto Cabello-La Encrucijada railway project to 2019.
- Additional payments are expected.





## ◆ Russia – Construction activities are pursuing regularly.

- Approx. EUR 640 million backlog relating to projects based in St. Petersburg are pursuing regularly and has not been affected by the political turmoil and the current Ukraine-related sanctions.
- Negotiation ongoing for the signature of the construction contract for Sections 7-8 of the M-11 Moscow-St. Petersburg high-speed motorway.

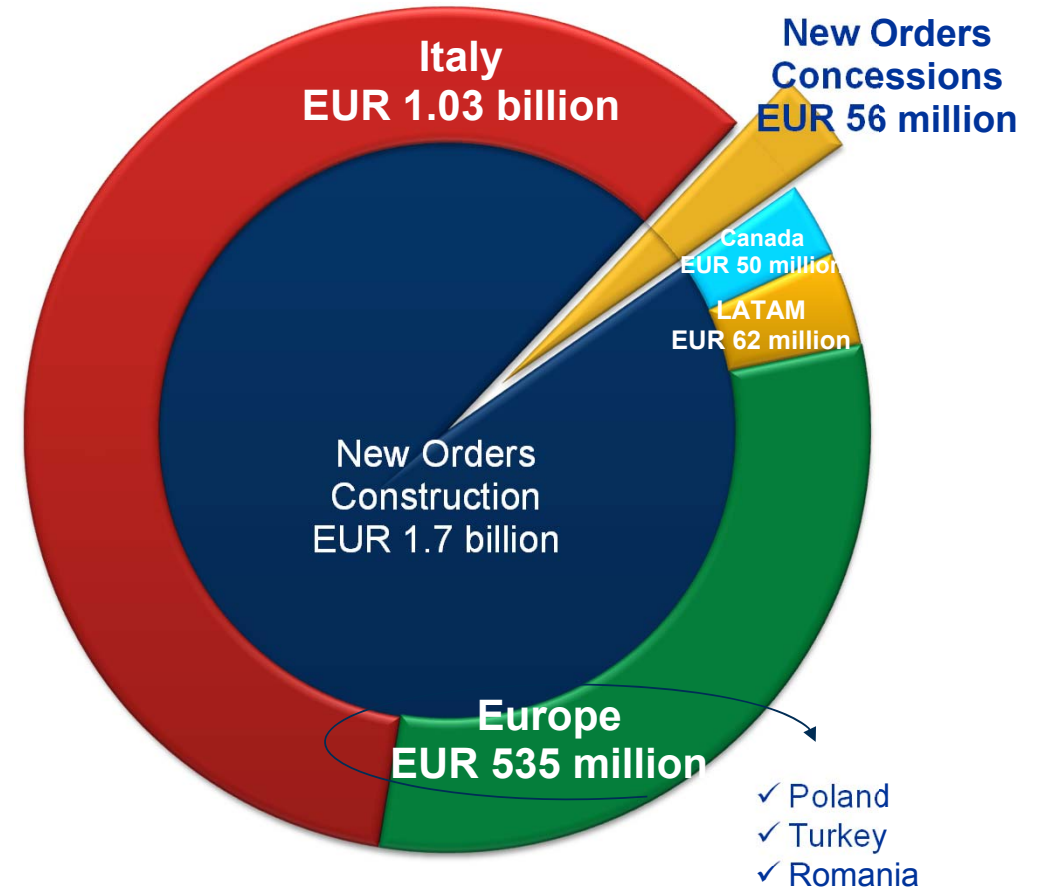


# New Orders & Backlog – New Orders

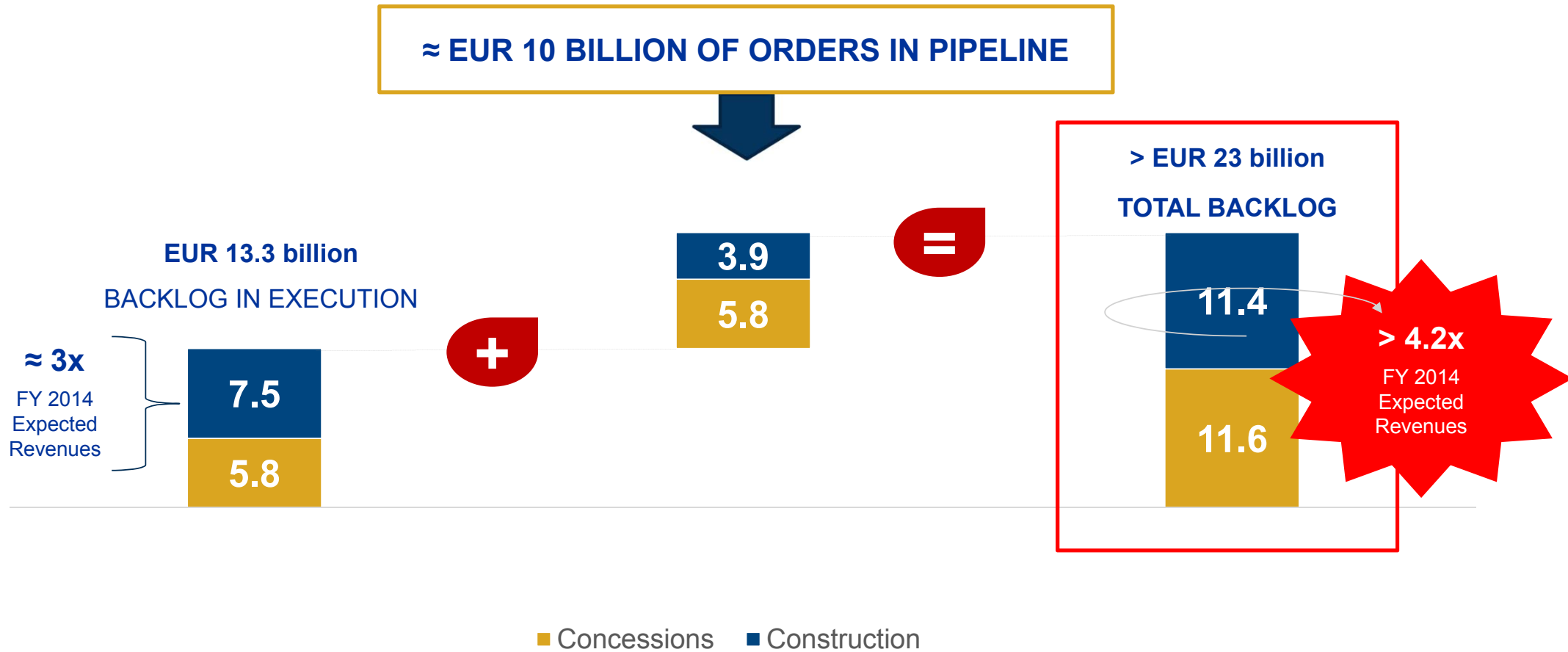
> EUR 1.7 BILLION OF NEW ORDERS

COUNTRY – PROJECT	CONTRACT VALUE (EUR / MILLION) ASTALDI SHARE	
	CONSTRUCTION	CONCESSION
 Italy – HS / HC Verona-Padua railway line Ph. 1 (Verona-Vicenza stretch)	560	--
 Poland – NR-8 & NR-5	272	--
 Turkey – Gebze-Orhangazi-Izmir motorway Ph. 2A	58	56
 Canada – Various contracts / addendum	50	--
Other contracts / addendum	738 (*)	--
<b>TOTAL NEW ORDERS</b>	<b>1,678</b>	<b>56</b>

(\*) Of which the Americas EUR 62 million, Europe EUR 205 million, Italy EUR 471 million.







# New Orders & Backlog – Backlog



## New Orders & Backlog – New Orders Expected in the Short-Term

**≈ EUR 5 BILLION OF ORDERS TO BE BOOKED IN THE SHORT-TERM**



COUNTRY – PROJECT	CONTRACT VALUE (EUR / MILLION – ASTALDI SHARE)		STATUS
	CONSTRUCTION	CONCESSION	
 Turkey – Gebze-Orhganzi-Izmir highway & Bridge Ph. 2B	≈ 360	≈ 1,100	Ph. 2B (300km), to be financed Ph. 1 (55km & Bridge) & Ph. 2A (25km), under construction
 Turkey – Etlik Integrated Health Campus in Ankara	~ 450	≈ 1,200	Concession contract signed at the end of October
 Chile – West Metropolitan Hospital in Santiago	> 150	≈ 500	Financing in progress
 Russia – M-11 Moscow-St. Petersburg high-speed motorway	≈ 900	--	Negotiation on construction contracts in progress
<b>TOTAL</b>	<b>≈ 1,860</b>	<b>≈ 2,800</b>	<b>ORDERS TO BE BOOKED IN SHORT-TERM</b>



# 9M 2014 Results vs. FY 2014 Targets

## FY 2014 TARGETS CONFIRMED

9M 2014 RESULTS		FY 2014 TARGETS
Total Order Backlog: > EUR 23 billion	→	Order Backlog: > 2013 levels
Revenues, y/y: EUR 1.8 billion, +7.4%	→	Revenues: ≈ +10% y/y
EBIT, % on revenues: EUR 171 million, 9.2%	→	EBIT margin: > 9%
Net Profit, y/y: EUR 60.5 million, +13.1%	→	Net Profit: ≈ +10%
Net Financial Position: EUR (1.1) billion	→	Net Financial Position: EUR (900) million ÷ EUR (1) billion

## 9M 2014 Results – P&L Main Items

MAIN ITEMS (EUR / million)	9M 2014	9M 2013 <sup>(*)</sup>	Y/Y CHANGE (%)
<b>Total Revenues</b>	<b>1,851.8</b>	<b>1,725.0</b>	<b>+7.4%</b>
<b>EBITDA</b>	<b>218.4</b>	<b>218.2</b>	<b>+0.1%</b>
<i>EBITDA Margin</i>	<i>11.8%</i>	<i>12.6%</i>	
<b>EBIT</b>	<b>171.0</b>	<b>170.3</b>	<b>+0.4%</b>
<i>EBIT Margin</i>	<i>9.2%</i>	<i>9.9%</i>	
Net Financial Charges	(90.4)	(81.9)	+10.3%
Income from Equity Participations	17.9	7.2	n.m.
<b>EBT</b>	<b>98.5</b>	<b>95.5</b>	<b>+3.1%</b>
<b>Net income</b>	<b>60.5</b>	<b>53.5</b>	<b>+13.1%</b>

(\*) Restated as per IFRS-11.

- ◆ **Revenues** – Relevant increase in production in foreign markets (Russia, Canada, Turkey, Poland, Romania, USA)
  - The Americas, +45.6% & Europe, +32.5%
- ◆ **EBIT margin at 9.2%** sustainable over the L/T
- ◆ **Net Financial Charges** include higher costs linked to the bond and increased guarantees on contracts
- ◆ **Income from Equity Participations at EUR 17.9 million**, mainly referring to:
  - Venice-Mestre hospital
  - Brescia-Padua highway
  - Milan Subway Line 5
  - Third Bridge on Bophorus

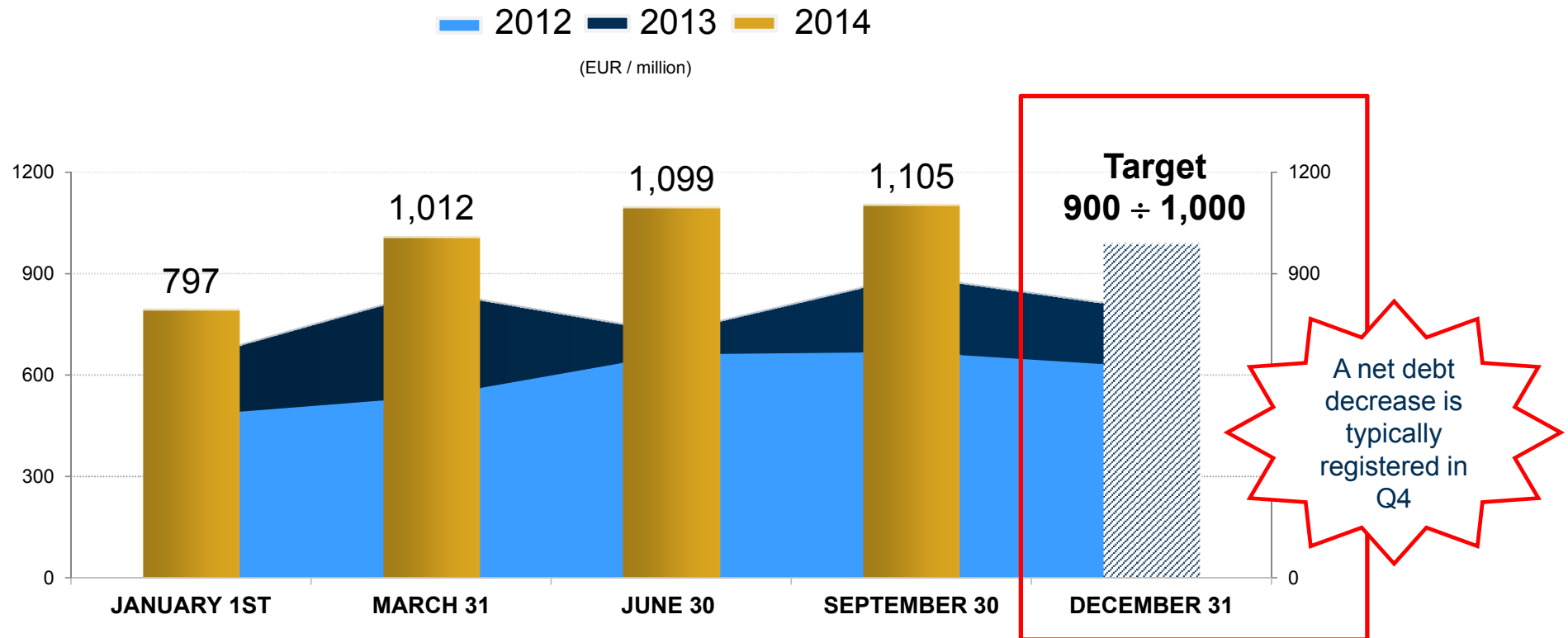
## 9M 2014 Results – BS Main Items

MAIN ITEMS (EUR / million)	9M 2014	FY 2013 <sup>(*)</sup>	9M 2013 <sup>(*)</sup>
Total Non-Current Assets	755.2	718.8	717.4
Working Capital	972.4	704.2	806.4
Total Funds	(27.0)	(30.6)	(33.6)
<b>NET INVESTED CAPITAL</b>	<b>1,700.6</b>	<b>1,392.4</b>	<b>1,490.3</b>
NFP <sup>(**)</sup>	(1,107.8)	(800.2)	(898.4)
<b>NET EQUITY</b>	<b>592.8</b>	<b>592.2</b>	<b>591.9</b>

(\*) Restated as per IFRS-11. (\*\*) Gross of own shares.

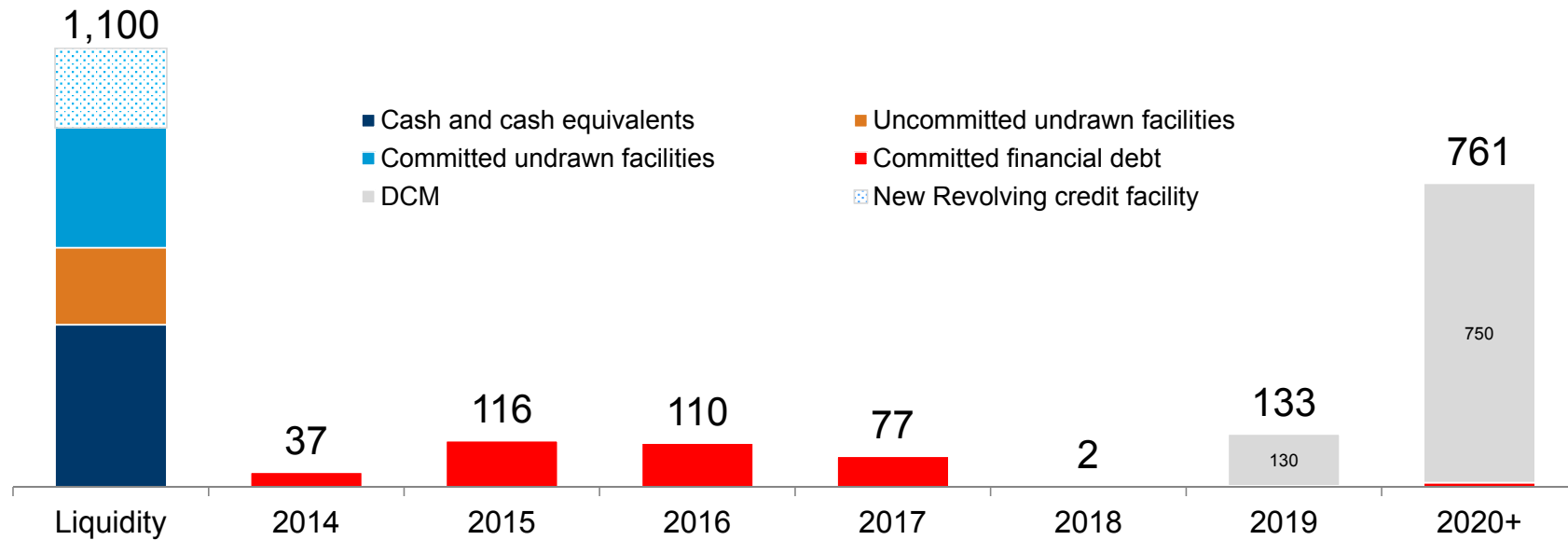
- ◆ **CAPEX for the period at EUR 41.4 million**, mainly referring to Canada, Russia, Chile, Romania.
- ◆ **Concessions Investments for the period at EUR 105 million.**
  - EUR 53 million equity investments for Turkish projects
  - EUR 52 million semi-equity investments for Milan Subway Line 5 and Third Bridge on Bosphorus
- ◆ **Working Capital** – increase for the period due to work in progress in Poland, Turkey, Algeria, Canada and Italy

# 9M 2014 Results – Net Debt



# 9M 2014 Results – Improved Liquidity

- ◆ New revolving financing facility of EUR 500 million due 2019
  - Refinances EUR 325 million line due 2016
  - Extends average maturity of debt
  - Improves available liquidity of the Group



# APPENDIX



# International Backlog in Execution

## International Backlog (Major Construction Contracts) – Percentage Completed (as of September 30 2014)

	%	Year ending					Backlog (EUR/'000)
		2014	2015	2016	2017	+2018	
NR-8, Marki-Radzymin & Wisniewo-Mezenin (Poland)	0%				□		186
NR-5 Lot 3	0%				□		84
Saida-Moulay Slissen railway (Algeria)	69%		□				223
Puerto Cabello-La Encrucijada Railway (Venezuela)	60%					□	665
Chaguaramas-Cabruta Railway (Venezuela)	55%					□	138
Gebze-Orhangazi-Izmir Motorway Ph. 1&2A EPC (Turkey)(*)	67%		□				120
S. Juan de Los-Morros-S. Fernando de Apure railway (Venezuela)	45%					□	372
Chuquicamata mining project - Cont. #1 (Chile)	62%			□			53
Bucharest Subway Line 5 (Romania)	44%				□		65
Saida-Tiaret railway (Algeria)	41%			□			153
Cerro del Aguila hydroelectric project (Peru)	54%			□			117
Warsaw railway project (Poland)	46%		□				73
Chuquicamata mining project - Cont. #2 (Chile)	39%		□				87
WHSD in St. Petersburg (Russia)	42%			□			591
Third Bridge on Bosphorus EPC (Turkey) (*)	41%		□				360
John Paul II International Airport in Krakow-Balice (Poland)	25%		□				53
Bucharest Subway Line 4 (Romania)	20%			□			120
Muskrat Falls hydroelectric project (Canada)	16%				□		642

(\*) Represents the percentage of completion of the only EPC (Engineering, Procurement, Construction) contract related to the concession contract.

# Italian Backlog in Execution

## Italian Backlog (Major Construction Contracts) – Percentage Completed (as of September 30 2014)

	Percentage Completed	Year ending					Backlog (EUR/'000)
		2014	2015	2016	2017	+2018	
Rome Subway Line C (1st Functional Lot)	95%		□				29
Rome Subway Line C (Lot T-3)						□	185
Rome Subway Line C (Lot T-2)						□	219
Turin railway hub	99%	□					4
Verona-Padua H-S/H-C railway, Verona-Vicenza stretch	0%					□	562
Milan Subway Line 5 Ph. 2 EPC (*)	88%		□				52
Four Hospitals in Tuscany EPC (*)	95%		□				9
Bologna Centrale H-S railway station	96%	□					19
School of Police Officers in Florence	91%	□					20
"Infralegrea" Project in Naples	78%			□			31
New Hospital in Naples	35%		□				91
Milan Subway Line 4 EPC (*)	18%					□	393
Jonica National Road, Lot DG-41	1%					□	> 780

(\*) Represents the percentage of completion of the only EPC (Engineering, Procurement, Construction) contract related to the concession contract.

## 2013 P&L Restated as per IFRS-11

EUR / 000	31/12/2013 (*)
Revenues	2,381,413
Other operating revenues	126,947
<b>Total revenues</b>	<b>2,508,360</b>
Costs of production	(1,826,863)
<b>Added value</b>	<b>681,496</b>
Labour costs	(320,512)
Other operating costs	(38,830)
<b>EBITDA</b>	<b>322,155</b>
Amortization	(71,161)
Provisions	(4,463)
Depreciation	(14,074)
(Capitalization of internal construction costs)	1,652
<b>EBIT</b>	<b>234,108</b>
Net financial charges	(111,538)
Income from equity participations	7,386
<b>Pre-tax profit</b>	<b>129,956</b>
Taxes	(54,817)
<b>Profit from continuing operations</b>	<b>75,139</b>
Net income from operations related to disposal groups	(4,575)
<b>Profit (loss) for the period</b>	<b>70,564</b>
Profit (loss) for the year	(3,227)
<b>Group Net Income</b>	<b>67,337</b>

(\*) Restated as per IFRS-11.

## Appendix – Contacts



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