FY16 Results Presentation

March 14, 2017

ASTALDI

Agenda

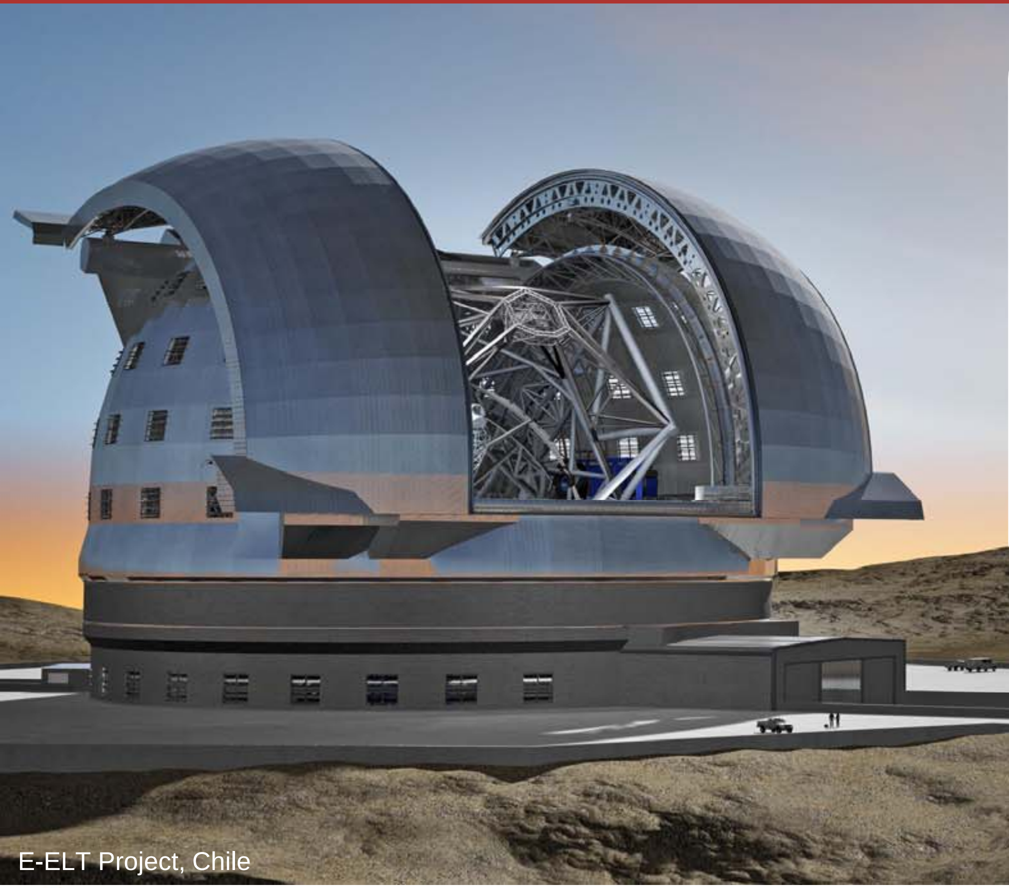
2016 Highlights

Q4 & FY16 results

Appendix

Fit for the Future – our Strategy Plan

Sustainable growth strategy and improved financial strength facilitated by business restructuring



E-ELT Project, Chile

Sustainable growth

Operational discipline

Financial strength

- ✓ Focus on EPC contracts
- ✓ New approach to concessions
- ▪ Maintain geographic diversification

- ▪ Debt reduction
  - ✓ Asset disposals
  - ✓ Working capital task force
  - ▪ Investments compatible with improving financial strength

Strong progression made during 2016 on “Fit for the Future” Plan

Healthy top-line growth, strong margins and order book position Astaldi favourably

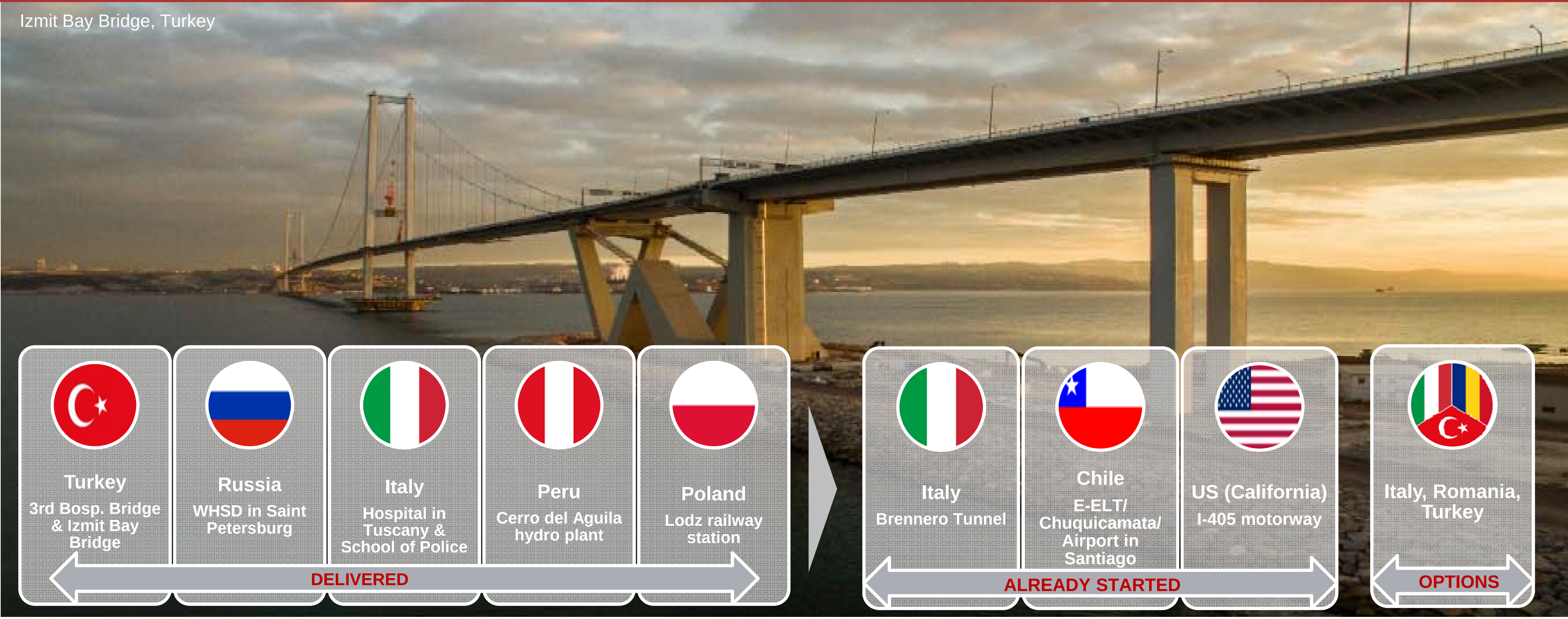
- **FY revenues exceeded €3.0bn, +5.2% yoy**
  - Achieved controlled revenue growth
- **Comfortably met margin targets**
  - FY EBITDA margin 12.6%
  - FY EBIT margin 10.6%
- **Healthy order book in execution at €19.5bn**
- **€4.5bn new orders secured in 2016**
- **Construction book-to-bill ratio 1.25x**

- **FY net debt less than €1.1bn, in line with expectations**
- **NWC reflects positive effects** of new commercial strategy
  - NWC €805m, 12.1% qoq reduction

- **Asset disposal programme on track**
  - Cashed-in sale of A4 Holding,Italy
  - Agreed sale of Milan Line 5, Italy
  - Agreed sale of Chacayes Hydro Plant, Chile
- **New strategic partnership** for West Metropolitan Hospital, Chile; de-consolidates €100m debt
- Successful **renegotiation of Muskrat Falls**, new contract value raised to CAD1830m
- Covenant terms improved

Strong delivery performance

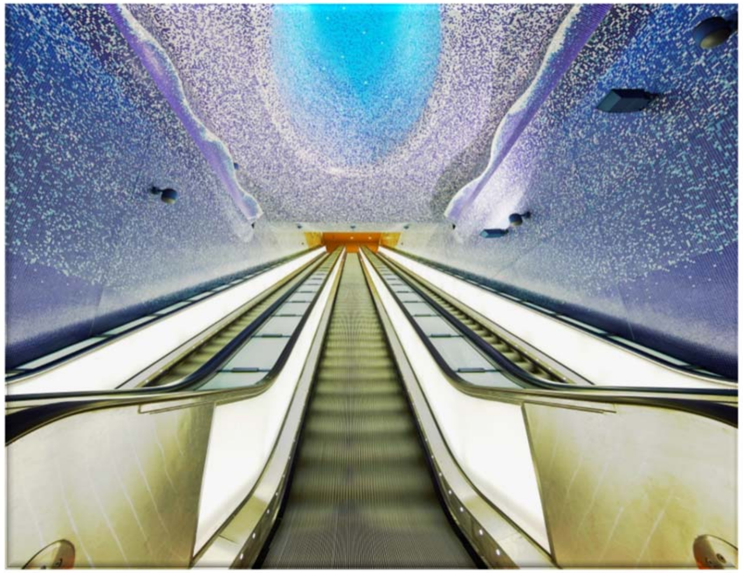
Production exceeding €3 billion supported by a strong delivery performance



Strong progression made during 2016 on “Fit for the Future” plan

FY 2016 Financial Targets achieved

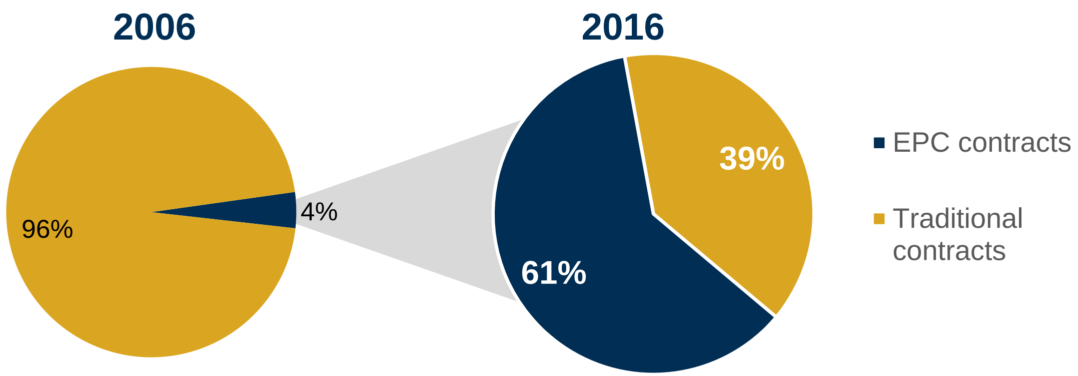
	COMPANY GUIDELINES		
Revenues	>€3bn	✓	CONFIRMED
EBITDA Margin	~12%	✓	CONFIRMED
EBIT Margin	~10%	✓	CONFIRMED
Net Debt	~€1.1bn	✓	CONFIRMED


Naples underground

Delivery during 2016: reduced capital intensity

Focus on EPC contracts and a new approach to concessions

EPC contracts % of revenues



- Awarded **new construction contracts for €3.6bn**[1] in 2016:
  - I-405 Highway, US
  - E-ELT ESO Project, Chile
  - Chuquicamata Mining Project, Chile
  - Brennero Tunnel, Italy
  - Muskrat Falls, Canada (contract increase)
- **>60% EPC contracts positively affect working capital**

- **New concession approach** based on Astaldi lowering share in the concession SPV, but gaining higher share in construction process

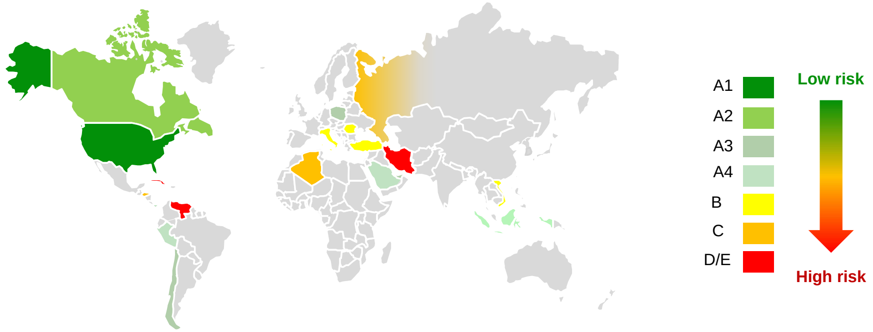
- **Arturo Merino Benitez International Airport in Santiago, Chile** – 15% share in the SPV, but 50% share of construction works (via an EPC contract using the concession formula)
- **Western Metropolitan Hospital in Santiago, Chile** – entry of new financial partner for the concession part of the contract; Astaldi maintains 100% of construction

Note: (1) Astaldi shares: I-405 Highway USD480m, E-ELT ESO Project €235m, Chuquicamata Mining Project USD460m, Brennero Tunnel €425m, Muskratt Falls €500

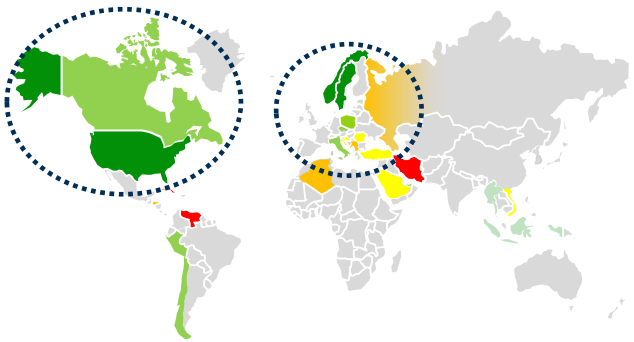
Delivery during 2016: de-risked geographic exposure

Geographic diversification benefits as Astaldi shifts focus

May 2016



Today



Higher concentration of projects in 'less risky' countries

- Shift to raise exposure to lower risk geographies well-underway
- New construction contracts for €3.6bn awarded in 2016, plus early 2017 wins, all in lower risk geographies:
  - **USA**: I-405 Highway
  - **Europe**: new contract in Sweden, Brennero Tunnel in Italy, Naples-Bari high speed railway in Italy
  - **Chile**: E-ELT ESO Project, Chuquicamata Mining Project
  - **Canada**: Muskrat Falls Hydro Project

2016 NEW CONSTRUCTION ORDERS

- **Improvement in risk profiles of home geographies:** Italy, Central Europe, South America

Source: Coface country risk assessments, latest available data (Q4 2016).

Delivery during 2016: healthy revenue growth

Sustainable growth strategy delivers revenues +5.2% yoy

In line with target range

*"Our revenues will **exceed €3 billion** by December 2016"*

	Target	FY 16 Actual
Revenues	>€3bn	> €3bn ✓

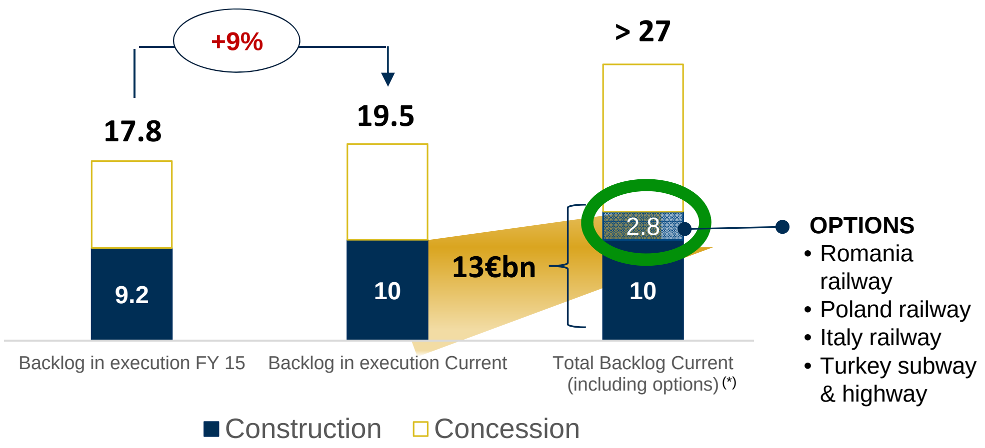
Achievements to date

- Careful selection of quality projects secured robust +5.2% year-on-year revenue growth
- Revenue growth accelerating in Q4 16 to +8.3% year-on-year
- Management reached a successful agreement with Nalcor for Muskrat Falls, Canada
  - Contract size revised materially, +CAD$700m to CAD$1.8bn
  - New delivery timetable agreed

Delivering during 2016: robust order backlog

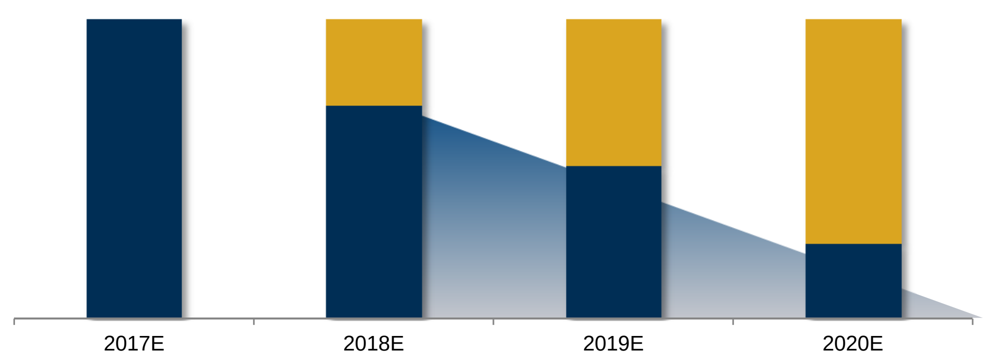
Construction backlog provides excellent visibility over earnings

Current total order backlog (€bn)



- **Backlog in execution grows +9% at €19.5bn**
- **Total order backlog remains robust at >€27bn**
- **€3.6bn construction new orders booked in 2016**
  - Book-to-bill ratio construction at 1.25x

revenues coverage (Strategic Plan 16-20E)



- **Total construction backlog of €13bn** guarantees high visibility over planned revenues

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Note: (*) Options, signed contracts and contracts pending to date, that express acquired rights subject to the occurrence of various conditions (financial closing, approval of various qualified bodies, etc.)

Delivering during 2016: comfortably met margin targets

Strong operational discipline aids margins

In line with target range

*"EBITDA and EBIT margins expected to be **broadly in line** with Strategy Plan target due to **new projects in start-up phase**"*

	Strategy Plan targets	FY 16 Actual
EBITDA margin	~12% 2016-18E	12.6%
Core EBIT margin	~8% 2016-18E	7.6%
EBIT margin	~10% 2016-18E	10.6%

Achievements to date

- **EBITDA margin of 12.6% and EBIT margin of 10.6%** over full year benefit from margin release of completed projects in Turkey, Russia, Italy

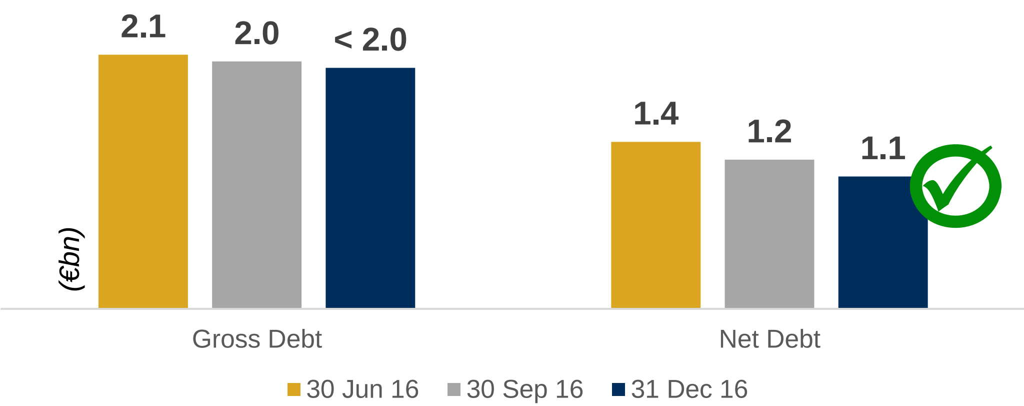
WHSD IN SAINT PETERSBURG, RUSSIA

Delivery during 2016: strengthened balance sheet

Cash generation, working capital management and asset disposals driving net debt reduction

In line with stated target

*"Net debt planned **to move toward ~€1.1bn by year end**"*



Achievements

- **Q3 and Q4 saw positive NWC trend**
  - Reflects initiatives to improve cash flow, increasing advance payments and bridge agreement in Canada
  - Q4 NWC of €805m -12.1% qoq
- **FY net debt €1.1bn, meeting stated targets**

Target Net Debt / EBITDA ratio of <2.0x

Delivery during 2016: discussion to divest concession assets continue

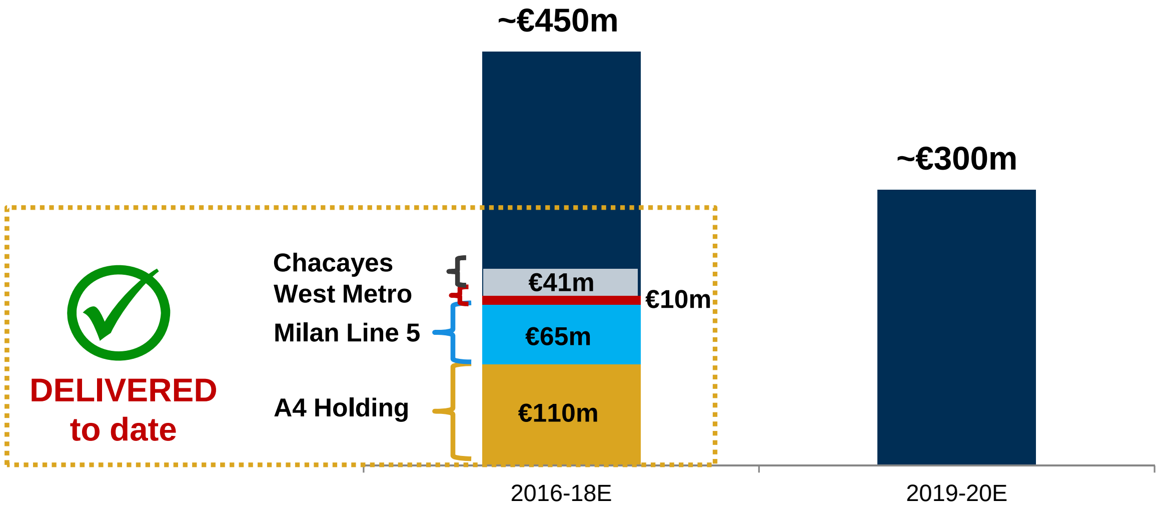
	CONCESSION	EXIT TIMING 2016	1H2017	2H2017	2018	2019	2020	NEGOTIATION STATUS
✓	**A4 HOLDING** *14.3% stake*	●						▪ Signed in 1H 2016 ▪ Cashed-in in September 2016
✓	**MILAN SUBWAY LINE 5** *38.7% stake*		●	●				▪ Signed in 2H 2016 ▪ Cash-in in 1H 2017
2017	**WESTERN METROPOLITAN HOSPITAL** *100%stake*		●					▪ Signed in Jan 2017 ▪ Cash-in in 1Q 2017 + deconsolidation of €100m of non-recourse debt
2017	**CHACAYES HYDRO PLANT** *27.3% stake*	●	●					▪ Signed in March 2017 ▪ Cash-in in 1H 2017
2017	**TUSCANY HOSPITALS** *35% stake*		●	●				▪ Offers received
IN PROGRESS	**3rd BRIDGE ON BOSPHORUS** *33.3% stake*				●			▪ Project completed and opened to traffic in August 2016 – ramp-up phase by 2017 ▪ Firstly disposal of ca. 50% of the value (semi-equity share) by 2017
IN PROGRESS	**MESTRE HOSPITAL** *37% stake*				●			▪ Start-up negotiation in 2017
IN PROGRESS	**GOI MOTORWAY** *18.9% stake*					●		▪ Phase 1 started operations in 1H 2016 ▪ Highway construction expected to be completed by 1H 2019 and disposal in 2H 2019
IN PROGRESS	**ETLIK INTEGRATED HEALTH CAMPUS IN ANKARA** *51% stake*				●			▪ Entry of an investment fund in the concession SPV during the construction phase while Astaldi maintains construction activities – as per model used for the hospital in Santiago (Chile)

Asset disposals support debt reduction

Delivering on disposal plan; working towards divestment of concession assets

In line with stated target

- **Anticipated disposal proceeds over plan period**



Disposals achieved

A4 Holding
€110m
- Signed in 1H 2016
- Cash-in September 2016

Milan Line 5
€64.5m
- Signed in 2H 2016
- Cash-in in 1H 2017

West Metro Hospital
€10m
- Signed in Jan 17
- De-consolidates €100m debt

Chacayes Hydro Plant
€41m
- Signed in March 17
- Cash-in in 1H 2017

2017
- **Tuscany hospitals**

2018-2019
- **Bosphorus bridge**
- **Mestre Hospital**
- **GOI motorway**

- Disposals set to continue
- In discussions for Tuscany Hospitals
- Working toward disposals of concession assets in Turkey

Focus on Turkish Concessions

Delivering on disposal plan; working towards divestment of concession assets

- IZMIT BAY BRIDGE - The 4th largest longest suspended bridge worldwide

- THIRD BRIDGE ON BOSPHORUS – The largest and longest hybrid bridge in the world

- **Gebze-Orhangazi-Izmir Motorway Phase 1 in operation starting from June 2016** – further 30 kms opened to traffic in March 2017 (Phase 2A fully completed)
- **Third Bridge on Bosphorus started operation end of August 2016**
- **Barriers/free-flow tolling and collection systems are working efficiently on both assets**
- **Concession contracts are based on a minimum guarantee with a fixed rate in USD**
- **Billing process to collect minimum guarantee has started – cash in expected in April 2017**

Delivery during 2016: reorganisation improving Group control

Astaldi's best-practice approach to enforcing operational discipline

Aim and method

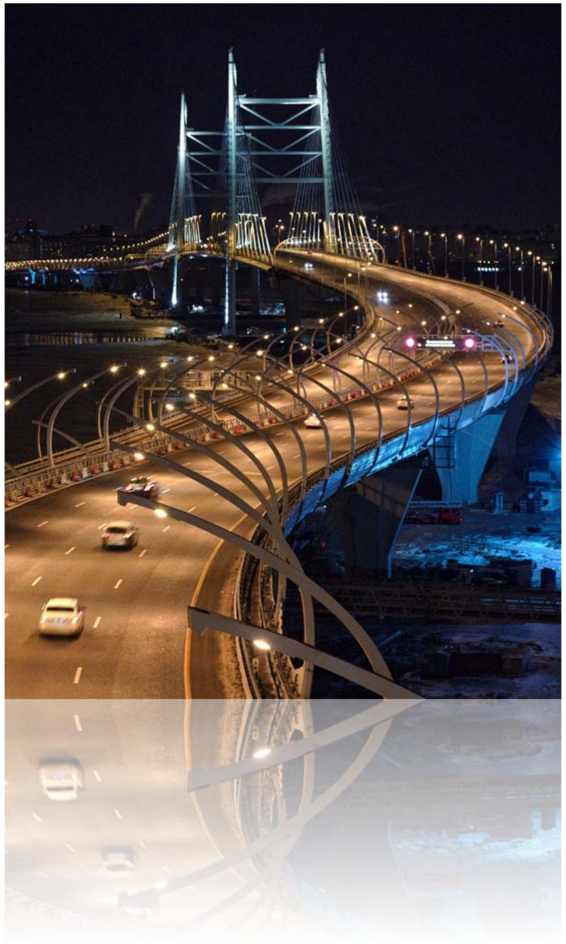
- **Recognised need to adjust Astaldi's approach toward risk and control management**
  - A **significant shift** in Astaldi's **culture**
  - Cleaner organisational structure with **improved accountability**
  - **Sharing of best-in-class "know-how"** applied to portfolio expansion
  - **Standardisation** of contract processes, e.g. risk approach, procurement policies
  - **Improvement in portfolio sustainability**

Outcomes

- **Strengthening of core Company processes**
  - Project Control
  - Engineering Design
  - Procurement
  - Tenders
- **Set up of specific task forces for**
  - Asset disposal
  - Working Capital

Agenda – Next Steps

1. APRIL 2017 – Update Strategic Plan
2. 21 APRIL 2017 – GSM
3. 10 MAY 10 2017 – Q1 2017 Results Presentation



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Q4 & FY16 results

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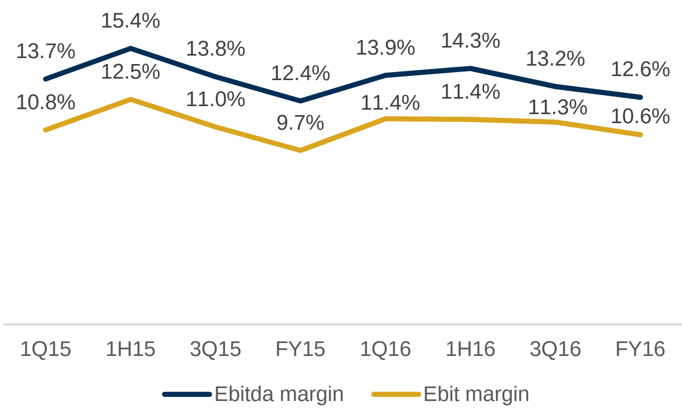
Q4 & FY 2016 results: income statement

Strong revenue growth and healthy margin development

€m	FY 2016	FY 2015	Var. (%)
Total revenues	3,004.3	2,854.9	5.2%
Contribution from JVs & associates	87.8	53.0	65.9%
EBITDA	379.9	355.2	6.9%
EBIT	317.0	276.3	14.7%
Net financial charges	(187.9)	(164.8)	14.0%
Results from continuing operations	97.4	78.3	24.5%
Results from discountinued operations	(24.8)	1.2	
Net income	72.4	80.9	-10.4%

Quarterly margin development



- **FY revenue +5.2% yoy**
- **Profits from JVs** has grown to €87.8m for the FY period, +66% yoy mainly benefiting from newly commissioned Turkish assets
- **FY margins** benefit from the completion of works in Turkey, Russia and Italy
- **Financial charges of €187.8m** (from €164.8m in FY 16A) have risen due to higher average gross debt and higher cost of guarantees
- Effective tax rate 24.5%
- **Results from continuing operations** posts a sound +24.5% growth yoy
- **Net income of €72.4m** (from €80.9m in FY 15), reflecting negative impact of discontinued operations

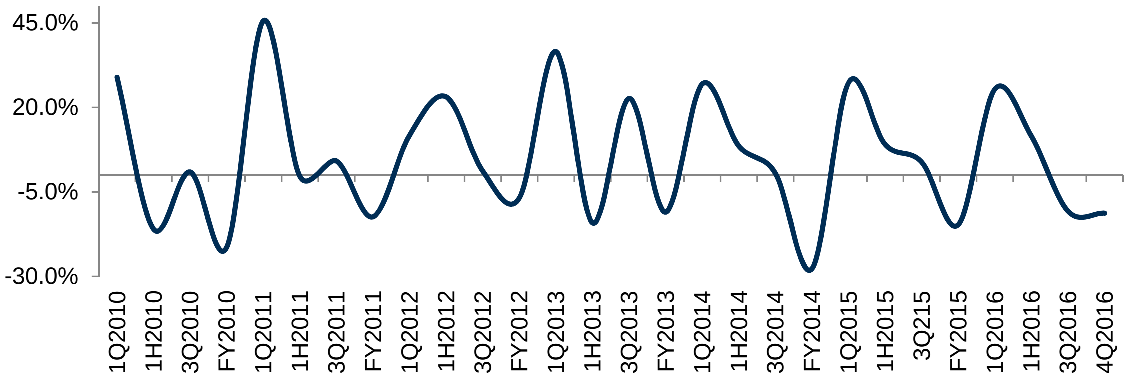
- Quarterly margin trend converge towards planned target levels
- Agreement for Muskrat Falls, Canada, has secured income generation for works undertaken, although margins remain sterilised

Q4 & FY 2016 results: balance sheet

Efficient management of working capital and divestments contributing to net debt reduction

€m	31.12.2016	30.09.2016	30.06.2016	31.12.2015
Total fixed assets	1,007.4	948.2	980.5	958,0
Net working capital	804.8	915.9	1,010.2	689,5
Net invested capital	1,791.0	1,839.5	1,968.5	1,625,6
Cash and cash equivalents	506.5	389.0	327.0	612,4
Gross debt	(1,983.1)	(2,036.6)	(2,092.3)	(1,950.9)
Net debt net of own shares	(1,088.7)	(1,226.9)	(1,374.1)	(982.7)
Total net equity	698.5	608.3	590.0	637.0

Seasonality of financial development (% NFP, QoQ)

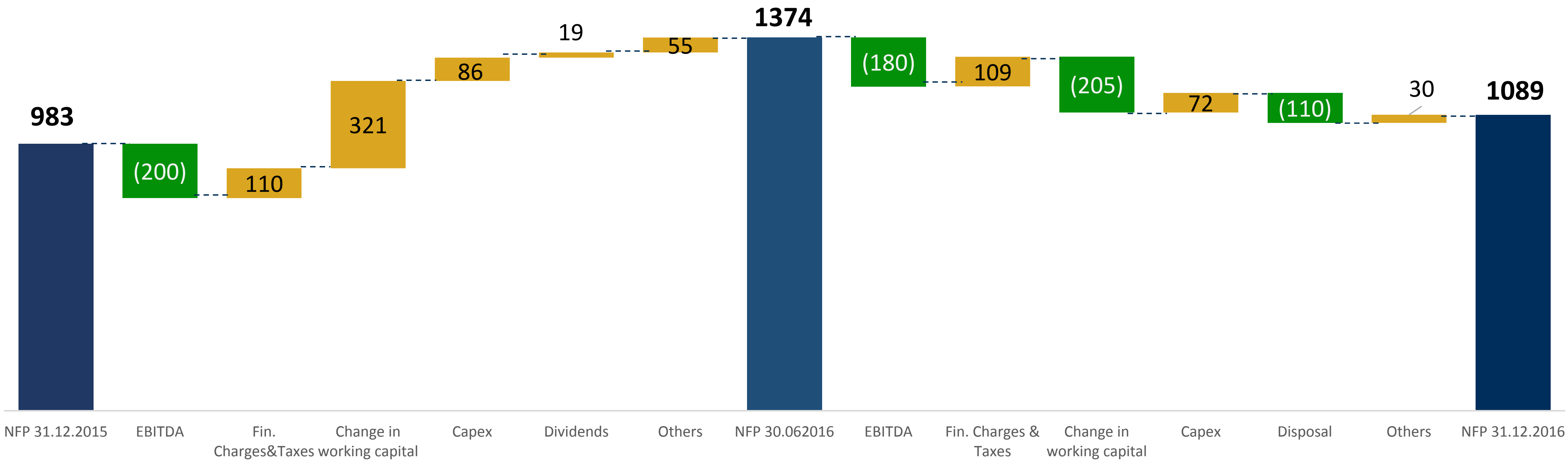


- **Working capital of €805m, -20.3%** vs H2 16 shows ongoing reduction trend
  - Reflecting positive effects of commercial strategy
  - Positive cash-flow from operations
- **Gross debt position showed another slight improvement** at less than €2.0bn, -5.2% vs H2 16
- **Net debt at €1.1bn**, -20.7% vs H2 16
  - Improvement thanks to working capital discipline
  - Cash-in of €110m relating to disposal of A4 Holding a key driver of debt reduction
- Quarterly change in net financial position reflects seasonal trend

Main drivers of debt reduction

Improving trends continued in recent months

Net debt evolution (€m)

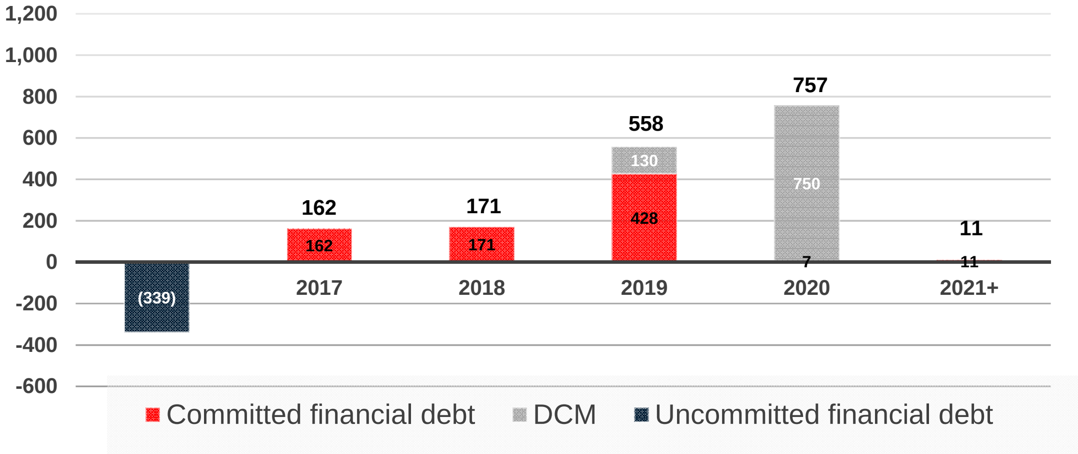


Debt Profile as of FY 2016

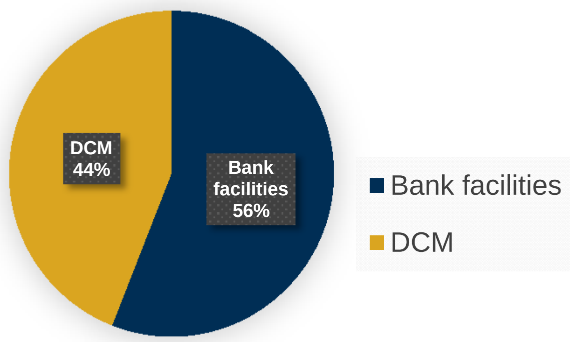
- Current debt profile results from the implementation (over the course of last couple of years) of a financial strategy aimed to:
  - Sustain planned investments
  - Diversify sources of financing
  - Extend maturities and achieve higher flexibility for debt repayment

DEBT MATURITY SCHEDULE[1] AND BREAKDOWN

(as of Dec. 31 2016 - EUR / 000,000)



FINANCING MIX



Note: (1) The debt maturity schedule does not take into consideration the effects of potential refinancing on committed lines. There are ongoing refinancing activities aimed at the roll-over of over 1/3 of 2017 maturities . Uncommitted credit facilities have been historically rolled-over regularly. App. 60% are provided by banks which have long-standing committed relationships with the Group.

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Order Backlog

Top 10 Biggest Projects[1]

Country	Project	% Completion	Exp. Year of Completion	Total Production (€m)	Residual Backlog (€m)
Canada	Muskrat Falls hydroelectric project	60%	2019	1,311.2	530.8
Italy	Jonica National Road (Lot "DG41")	1%	> 2019	1,112.0	1,095.4
Turkey	Gebze-Orhangazi-Izmir motorway	64%	2019	815.7	296.8
Italy	Verona-Padova high-speed railway	0%	> 2019	770.4	770.4
Italy	Milan Subway, Line 4	26%	> 2019	765.1	564.9
Italy	"Quadrilatero" motorway links project	30%	> 2019	517.2	359.5
Russia	M11 Moscow-St. Petersburg motorway	27%	2018	483.3	353.2
Chile	Ext. Chuquicamata	5%	> 2019	455.5	433.9
Turkey	Etlik Health Integrated Campus in Ankara	19%	2019	443.0	357.8
Italy	Brennero Railway	0%	> 2019	422.1	421.9

Note: (1) Excludes Venezuela **(€1,932m)**, where operations have been frozen.

For further info: www.astaldi.com