ASTALDI

“Fitter for the Future”

Strategic Update 2017-21

Naples underground (Toledo Station), Italy

Chairman’s remarks

Global strategic overview
Significant market opportunity

Global strategic overview

Izmit Bay Bridge, Turkey

Good progress made in 2016 on execution of the Strategy Plan

Will continue in 2017 as we look to develop the business and capital structure in line with the strategy

Key drivers for the business remain: Sustainable Growth, Drivers for de-risking and Financial Strength

Geographic focus of the business continue to shift towards opportunities in most attractive global markets

Significant market opportunity

Worldwide infrastructure spending is expected to grow from $4 trillion per year in 2012 to more than $9 trillion per year by 2025[1]

In Canada, the Government has committed to developing a 10-year infrastructure spending plan that will include the doubling of current federal infrastructure investment to $10 billion over each of 2016 and 2017[3]

In the US, infrastructure spending is expected to grow by approx. 3% per year on average, taking the total from $700bn in 2014 to more than $975bn per year by 2025[2]

In Europe, infrastructure investment requirements remain high with the EU Investment Plan for Europe identifying €13bn in transport infrastructure investment throughout 2016[4]

(1) PWC, Capital project and infrastructure spending outlook 2025 (2) PWC, Future infrastructure spending in the US 2015 , (3) Government of Canada, 2016-2017 Report of Plans and Priorities (4) BAML, European Listed Infrastructure report, 1 Feb. 2017

Rome Subway Line C (Station-museum San Giovanni), Italy


Muskrat Falls hydroelectric plant, Canada

Chief Executive Officer

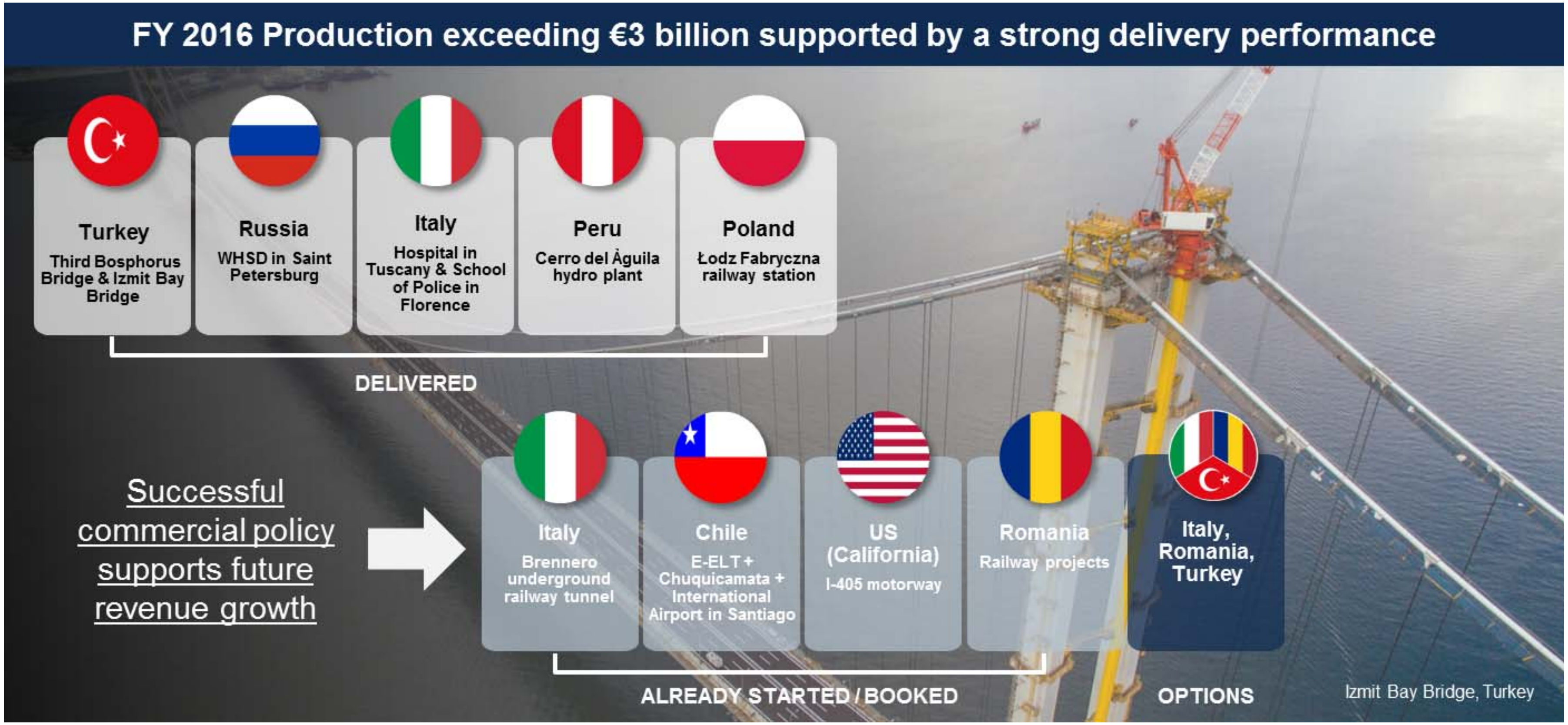
Strategic update
Financial targets

Fit for the Future – Strategy Plan 2016-20

Objective	FY16 achievement
Focus on EPC contracts	• > 60% of revenues coming from EPC contracts positively affecting margins and working capital
New approach to concessions	• New concession agreements for Arturo Merino Benitez International Airport and Western Metropolitan Hospital in Santiago (Chile) decrease concession share and increase construction exposure materially
Geographic diversification	• €3.6bn new construction orders heavily skewed toward low risk geographies, including USA and Europe
Debt reduction	• Net Debt lowered to €1.1bn by Dec 16 vs €1.4bn at June 16
Asset disposals	• Asset sales delivery ahead of target
Working capital task force	• Working capital down to €805m in 2016 vs €1bn at June 2016)

Strong progress made during 2016

Strong delivery performance

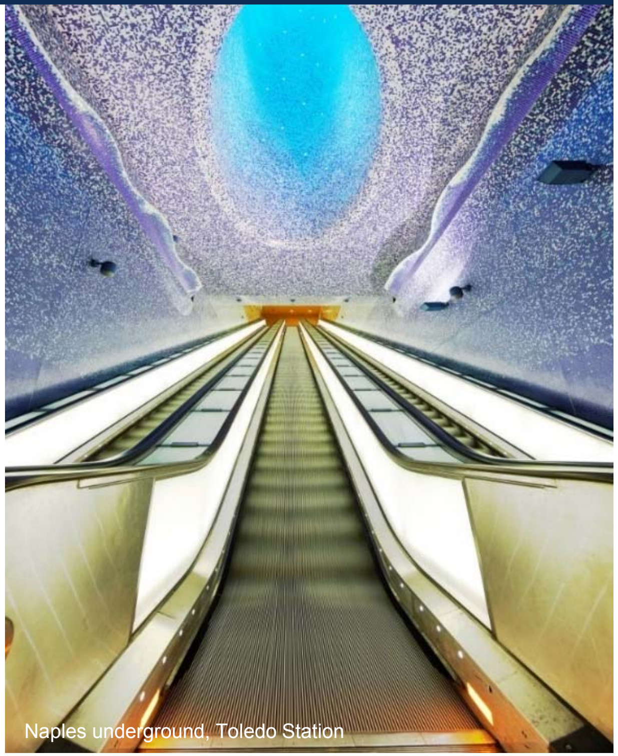


Strong progression made during 2016 on “Fit for the Future” Plan

FY 2016 Financial Targets achieved

Company guidelines

Revenues	>€3bn	✓	CONFIRMED
EBITDA Margin	~12%	✓	CONFIRMED
EBIT Margin	~10%	✓	CONFIRMED
Net Debt	~€1.1bn	✓	CONFIRMED
Working Capital	~€800m	✓	CONFIRMED
Capex	€110m concession €48m construction	✓	CONFIRMED


Naples underground, Toledo Station

Fitter for the Future – Strategy Plan 2017-21

Sustainable growth

- EPC contracts: improve quality, lever partnerships
- Strengthening of O&M activities: conversion of concession backlog into O&M contracts
- Improved visibility on future revenue streams

UPGRADED revenue growth targets

Drivers for de-risking

- Accelerated shift towards developed markets
- Improved project cash flow
- Reduction in capex

IMPROVED cash conversion of EBITDA

Financial strength

- Swifter delivery of concession asset disposals
- Ongoing focus on gross and net debt reduction
- Target reduction in group financing costs

DECREASED debt and cost of financing

Organization

Maximising operating effectiveness: specialization, integration, NWC task force

IMPROVED business SUSTAINABILITY

A higher earnings quality business


Third Bridge on Bosphorus, Turkey

ASTALDI

Sustainable growth

Continued drive to secure EPC contracts

Specialized EPC contractor with fully integrated offer

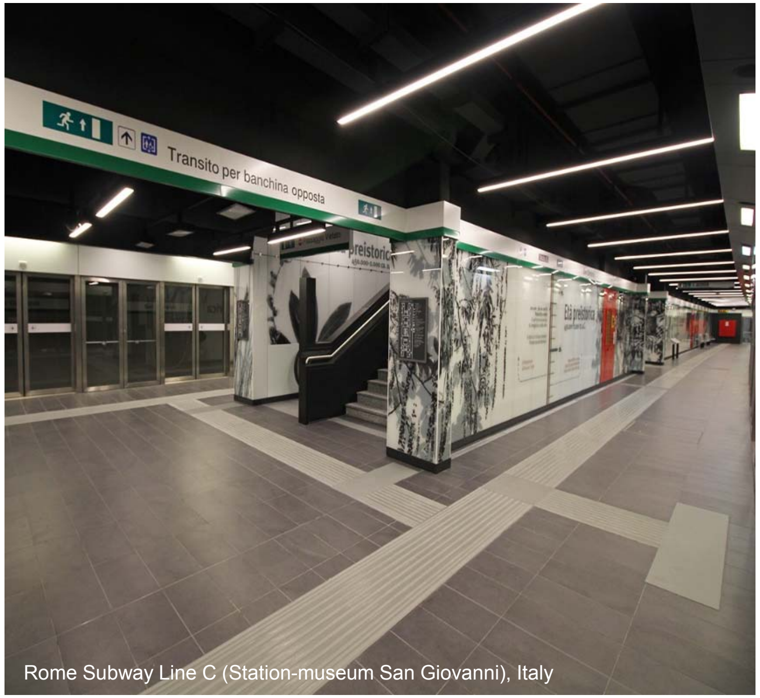
Enviable track record for success on large, complex projects

World class technical and engineering skills to create innovative solutions

Sustainable, visible growth
Above sector average margins
Advance payments aiding cashflow

Revenue split 2016A

Going forward over $^{2}/_{3}$ of revenues coming from EPC contracts



Rome Subway Line C (Station-museum San Giovanni), Italy

Leveraging our areas of competitive strength

EPC Contracts – Focus on highly attractive opportunities

Focus on quality tenders – not competing solely on price

Multiple selection criteria

EPC contracts support margin development and cashflow profile

Transport Infrastructure	Water & Power	Civil & Industrial Buildings	Plants
			
No. 3 global contractor in bridges **No. 14** global contractor in mass transit & rail **No. 19** global contractor in highways	**No. 5** global contractor in hydro plants	**No. 19** global contractor in healthcare buildings	
Current major projects			
I-405 motorway (USA) Gebze-Orhangazi-Izmir motorway (Turkey) Brennero underground railway tunnel (Italy) **Naples-Bari HS railway (Italy)**	Muskrat Falls hydro plant (Canada) Upper Cisokan Pumped Storage Power Plant (Indonesia)	Etlik Integrated Health Campus in Ankara (Turkey) E-ELT (Chile) West Metropolitan Hospital in Santiago (Chile)	Hospitals (Italy) Railway lines (Italy)

Source: 2015 ENR Global Contractor Lists – ranking based on 2015 consolidated revenues

Well-positioned to win multi-criteria tenders, improving earnings quality

EPC Contracts – Quality tenders: EPC case study

- Awarded tender for Naples-Cancello section of the Naples-Bari high-speed railway line in Italy, worth €397m in early 2017
  – Astaldi's share of consortium 40%
- **Highly competitive** tender process, against ~10 international players
- **Ideal contract for Astaldi's expertise**
  – Multiple assessment criteria including price, technical abilities, environmental controls and security, project management and organisational capabilities
- Astaldi consortium awarded the contract despite offering the smallest price discount
- **Achieved best overall score** on account of peer group-leading operational and technical expertise

Naples-Afragola high-speed railway station (part of HS Naples-Bari railway), Italy

EPC Contracts - Better leverage successful partnership model

Strong execution track record enables Astaldi to secure partnerships in developed markets with the most highly qualified international firms

Case study: I-405 Highway $1.2bn contract

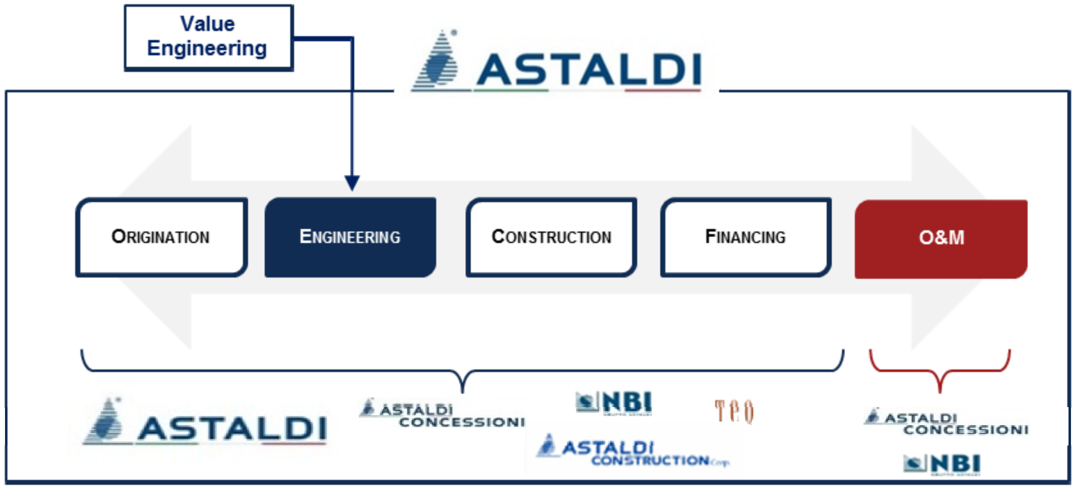
Astaldi partnered with OHL USA, Inc., a trusted partner to local agencies, stakeholders and subcontractors in Southern California, where the company has 14 projects totalling >$500m and is a known leader in the construction of highways, toll roads and roadways with 3,700 miles already built

Secure growth options by leveraging complementary skill sets

Image rendering of I-405 motorway, US (California)

Ambition to fully exploit value chain potential

Business model captures new product sectors along with traditional activities



Combining strategic levers to meet commercial targets

- Quality or value engineering
- Partnerships
- Facility management

Maximising our diversified offer

CONSTRUCTION				CONCESSION	
Transport Infrastructure	Water & Energy	Civil & Industrial Building	Plan Design & Engineering	Concession Participations	O&M






Operation and maintenance

- Captive business originated from existing concession contracts, especially in healthcare
- Complementary services, such as: housing, healthcare technologies, IT
- Operating model already implementable for:
  - 7 hospitals, for a total of 6,700 beds
  - 1 mining plant

- Stable source of revenues, higher margins compared to the average
- Low capital intensive
- **Average contractual terms: ~ 20 years**

Converting concession backlog into high visibility revenues, with stable margin and low capital intensity

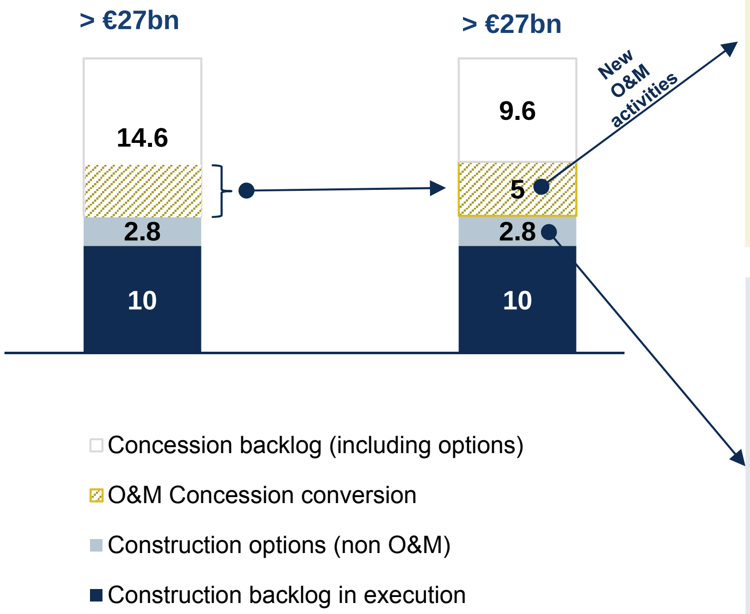
Develop revenue synergies from O&M activities

Converting the concession backlog into a more stable revenue opportunity

Targeting 10% revenues from O&M

High margin, low capital intensity, good visibility

FY 2016 Total backlog (€ bn)



From conversion of concessions, agreements already in place:

7 hospitals with 6,700 beds, in Italy and Turkey
1 mining plant

Average contract life ~20 years

Construction - First in ranking/contractual increase options:

Romania (railways)
Poland (railways)
Italy (railways)
Chile (healthcare)
Turkey (metro & highways)

Of which: **€600M booked in 1Q2017**

O&M activity supports earnings quality and visibility

Leverage capital light concessions to support growth in O&M

Keep O&M activities in-house after sale of concession operations where possible

Case study: Western Metropolitan Hospital in Santiago, Chile

Astaldi signed an agreement with a leading global investor and asset manager specialising in transport and hospital infrastructure.

Astaldi maintains 100% construction and O&M services. The contract involves construction and operation for 20 years of a 523 bed hospital

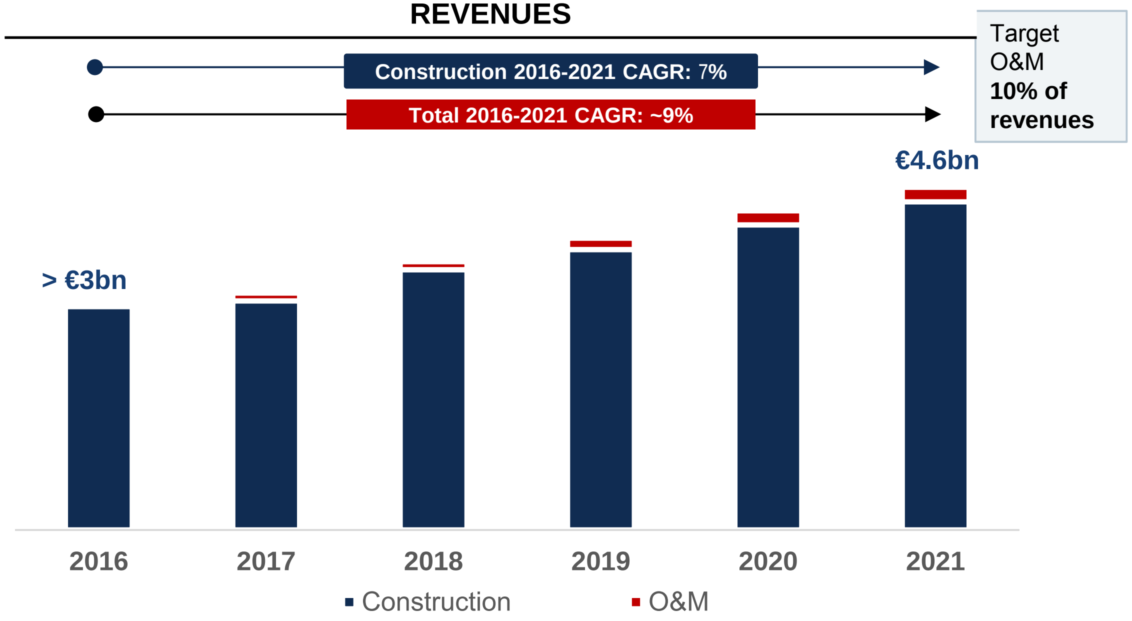
Lower capital invested

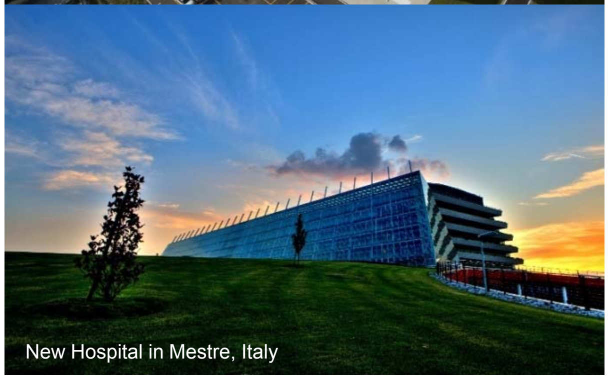
Lower committment for Astaldi from lower share in SPV, greater share in construction

Western Metropolitan Hospital in Santiago, Chile

O&M activity – additional driver for growth

- Organic growth of the construction business
- Further significant contribution from O&M activities





Further revenue growth supported by the O&M activity

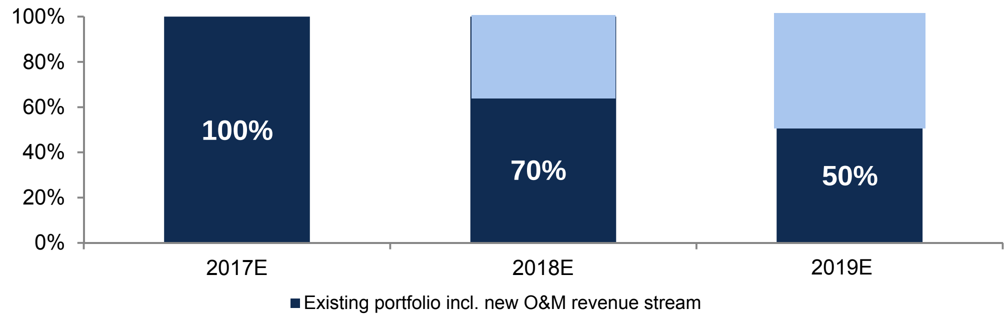
Improved sustainable growth drives revenue upgrade

Upgrade to plan revenue targets driven by:

- Focus on high quality EPC contracts
- Incremental revenue opportunities from O&M contracts
- Quality earnings – less capital-intensive, more visibility, higher cash component

	2016A	Plan targets CAGR 16-21
Backlog Construction	€10bn	7.0%
Revenues	€3bn	~9%
Book-to-bill	1.25x	1.2x

Visiblity over revenue potential remains strong

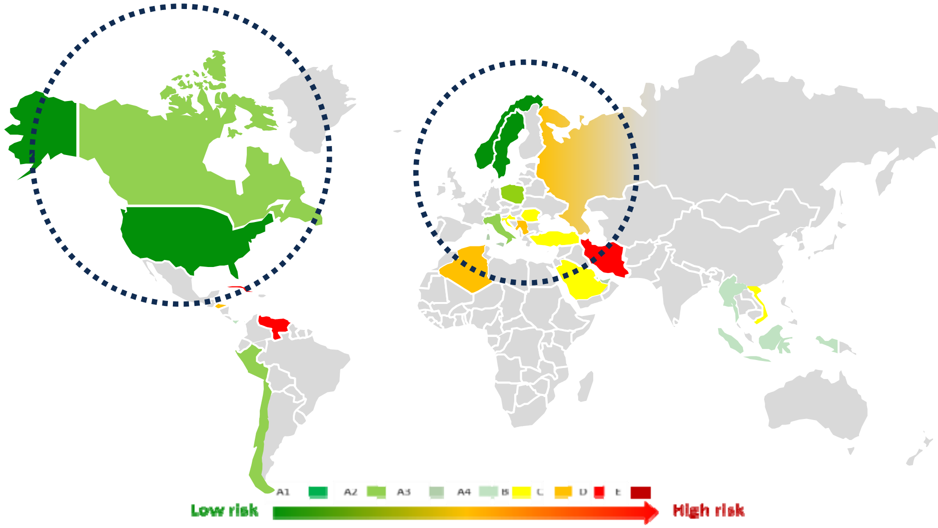



New Hospital in Naples, Italy

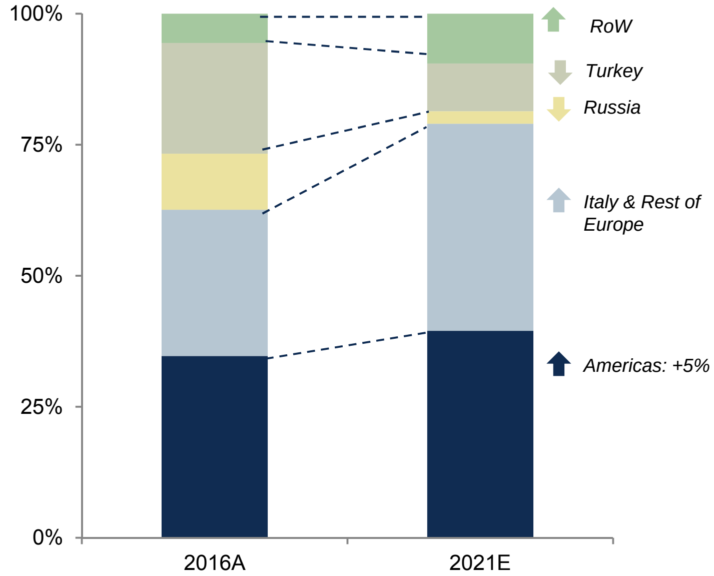
Drivers for de-risking

Accelerated shift towards developed markets

Shift in construction backlog already underway



Revenues weighted towards lower risk geographies over plan period



Source: Coface 2017 country risk assessments.

Increase contribution of lower risk countries to revenues

Growing our footprint in target markets

Targeting U.S., Canada, Europe, and Chile

Markets offer solid investment plans for infrastructure development

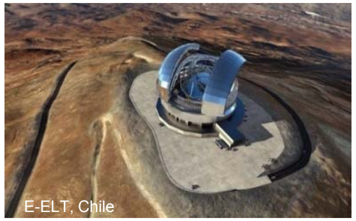
Lower margin scope mitigated by better financing terms and improved cash-flow

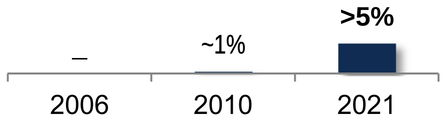
BACKLOG WEIGHT ON TOTAL BACKLOG

NORTH AMERICA


I-405 Motorway, US (California)

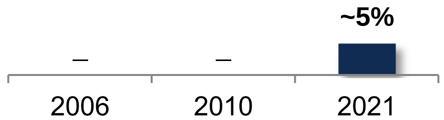
CHILE


E-ELT, Chile



NORTHERN EUROPE


Lodz-Fabryczna railway station, Poland



Increase of lower risk countries in backlog

Strong, continued focus on NWC reduction

Projects in developed markets have a more efficient cashflow profile

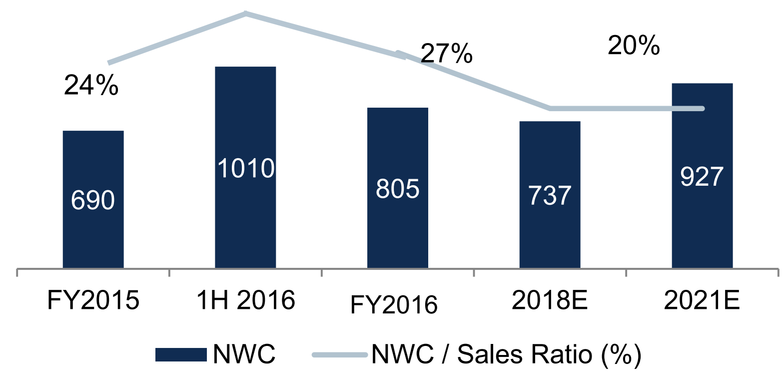
Focus on operational discipline to continue progression toward normalisation of advance payments (EPC)

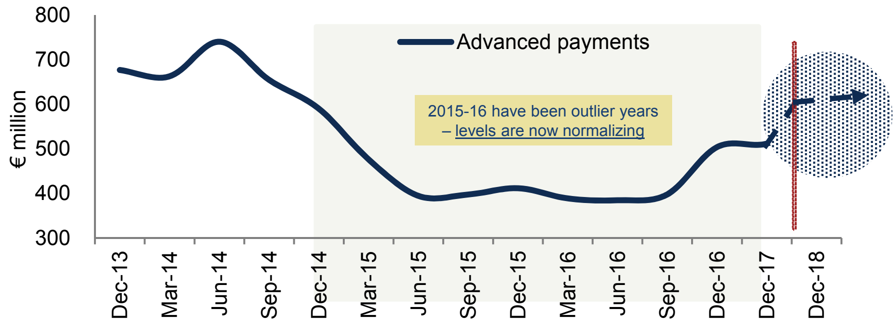
2017 Target level of ~€600m of advanced payments

NWC dedicated task force to improve management of payables

NWC “savings” support higher cash conversion of EBITDA

A healthier working capital cycle





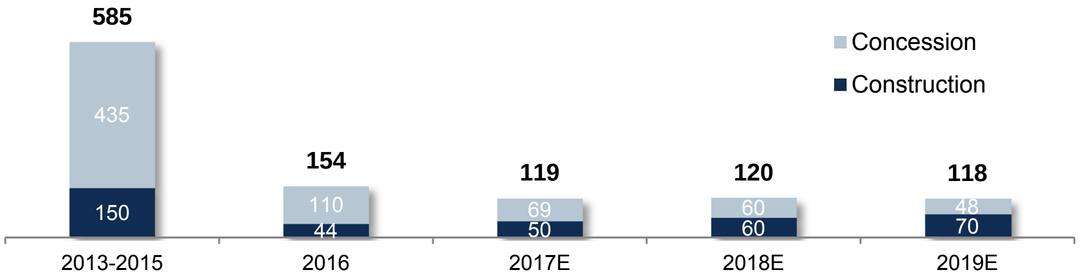
Target NWC/sales ratio of ~20%

CAPEX rationalization

Focus on EPC

Capital light approach to concessions

CAPEX evolution (€m)



Strong reduction in capital expenditure

Naples underground (San Pasquale station), Italy

Improved cash conversion of EBITDA

Lower cash absorption through capital light concession projects and NWC reduction

EBITDA from construction activity for 2017-2021 period (€m)

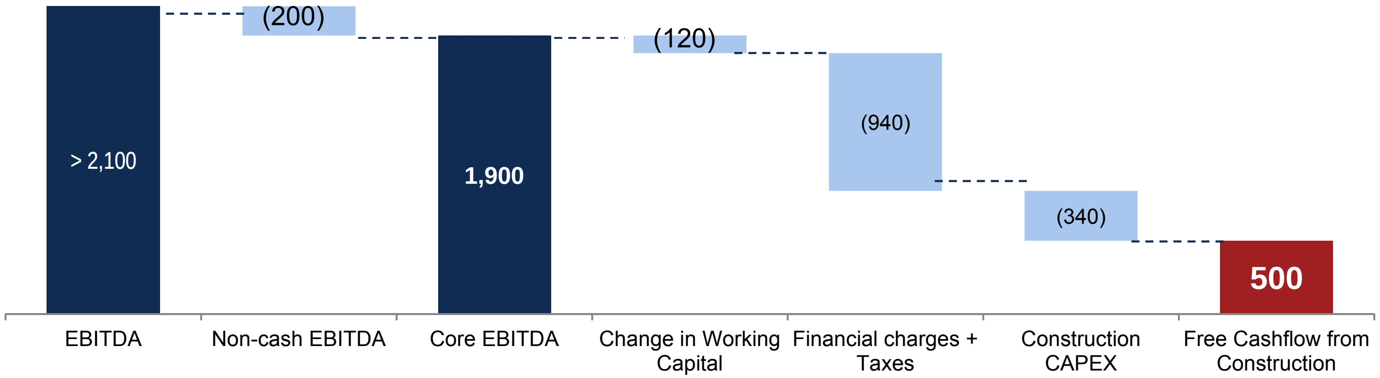



Image rendering of Arturo Merino Benitez International Airport in Santiago, Chile

Improved cash conversion of EBITDA

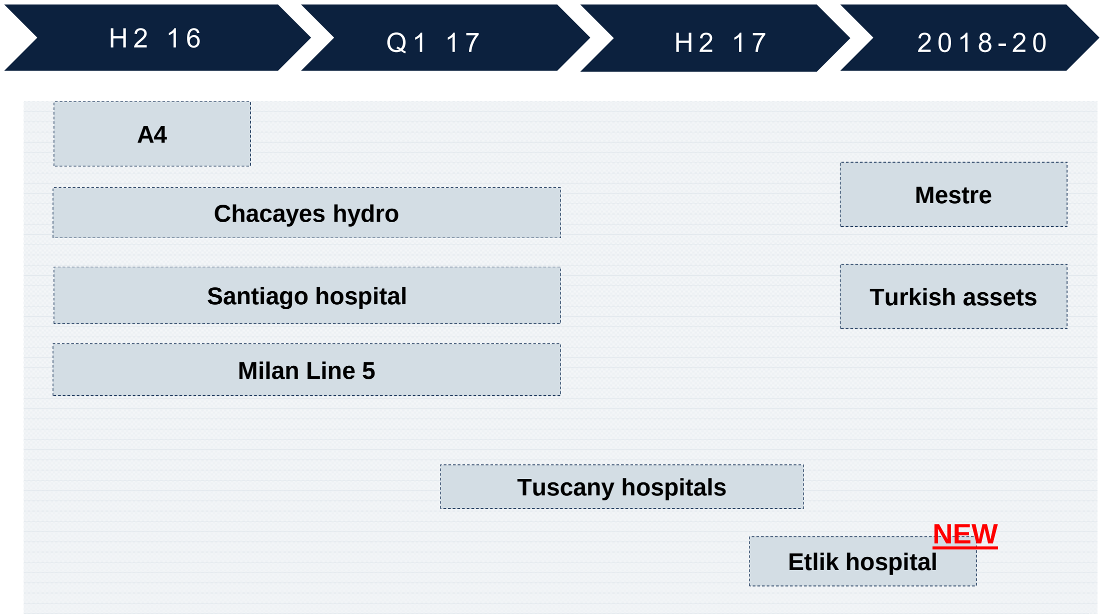
- Shift towards developed markets strengthens revenue mix
- New contracts significantly improve project cash flow dynamics
- Ongoing operating effectiveness further streamlines cost structure
- Results in improved cash conversion of EBITDA

		Plan targets	
	2016A	2018E	2021E
EBITDA (€m)	€380m	~ €400m	> €460m
EBITDA margin	12.6%	~11%	~10%
EBIT (€m)	€317m	~€320m	~ €360m
EBIT margin	10.6%	~9%	~8%
Core EBIT (€m)	€229m	~€280m	~€330m
Core EBIT margin	7.6%	~8%	>7%
NWC (€m)	€805m	~ €740m	~ €930m
NWC % revenue	27%	~20%	~20%

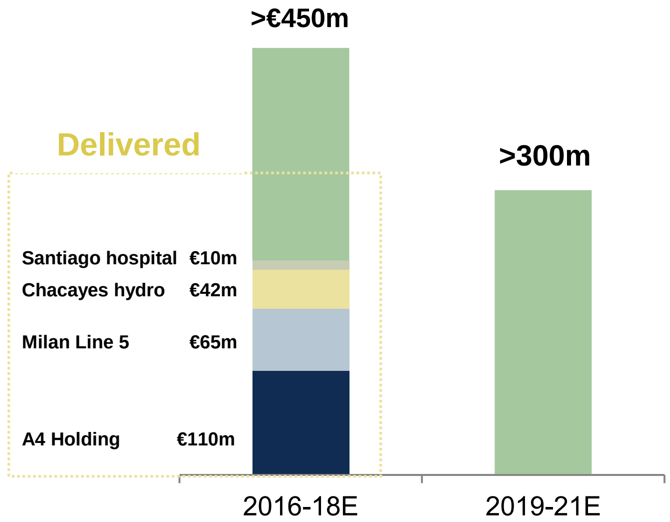

New School for Police Officers in Florence, Italy

Financial strength

Swifter delivery of concession asset disposals supports financial strength



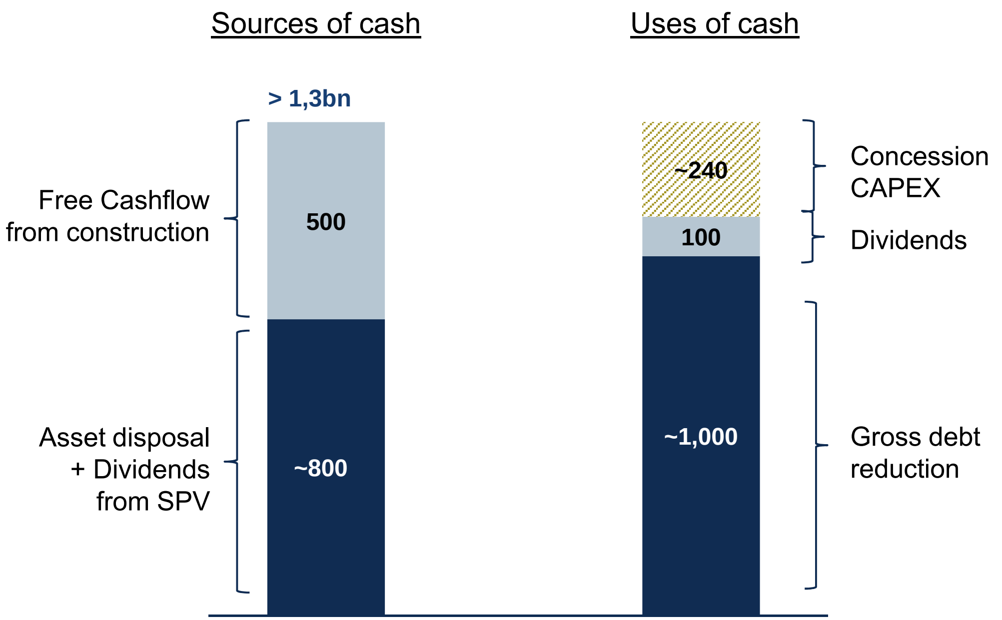
Anticipated disposal proceeds over plan period (€m)



~€250m already delivered out of >€750m disposal plan

Cash-flow and asset disposals to reduce debt

Sources & Uses of cash over plan period (€m)

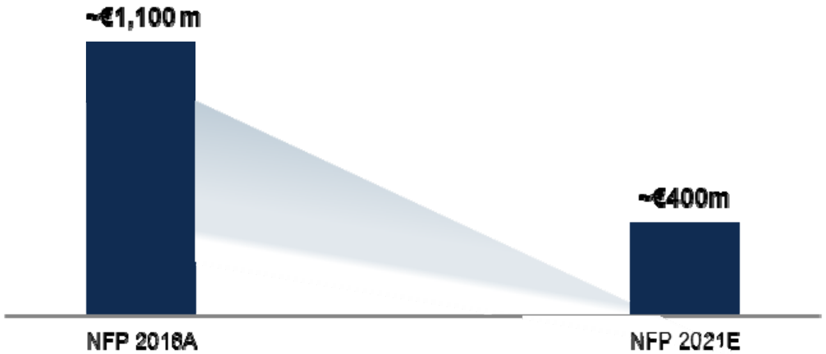


Etlik Integrated Health Campus in Ankara, Turkey

Gross debt reduction over plan period driven by NWC action and asset disposal

Financial strategy to lower funding costs

NFP evolution (€m)



Decreased debt and improved cash flow creates group refinancing options

2017 envisaged refinancing program of existing debt

Target: reduction of cost of debt

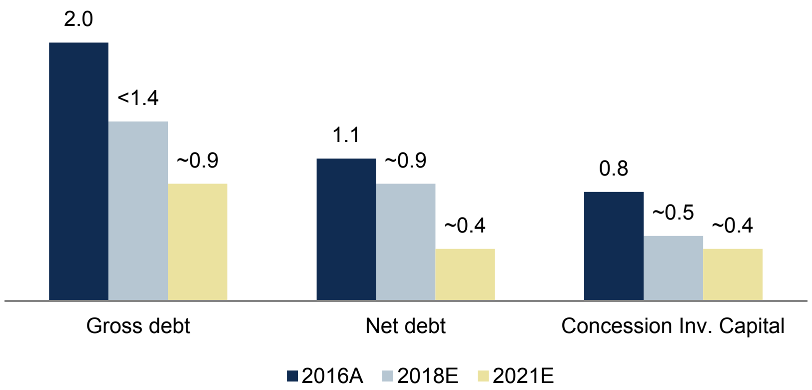

Western High Speed Diameter in Saint Petersburg, Russia

Maintaining strong focus on reducing debt

- New debt targets driven by
  - Higher EBITDA cash conversion
  - Swifter delivery on asset disposals
- Represents a 65% reduction in net debt during the plan versus 50% reduction previously
- Possibility to take advantage of low interest environment to reduce group finance costs

		Plan targets	
	2016	**2018**	**2021**
Gross debt	**€2.0bn**	**< €1.4bn**	**~ €900m**
Net debt	**€1.1bn**	**~€900m**	**~€400m**
Concession Inv. capital	**€837m**	**~€500m**	**~€400m**

Evolution of key capital metrics 2016 – 2021E (€bn)



Lodz Fabryczna railway station, Poland

Organization

Maximising operating effectiveness

Centralisation of management approach and risk controls

Specialist offering capability provided on a global basis by Business Services Division

Increased integration to strengthen and standardize processes

Major cultural shift underway

- **Restructured reporting lines**
  - Strengthening of O&M activities, delivering revenue
  - Fully exploiting value chain potential
- **Centralised knowledge hub**
  - Ensuring global, commercial excellence
- **Dedicated working capital task force**

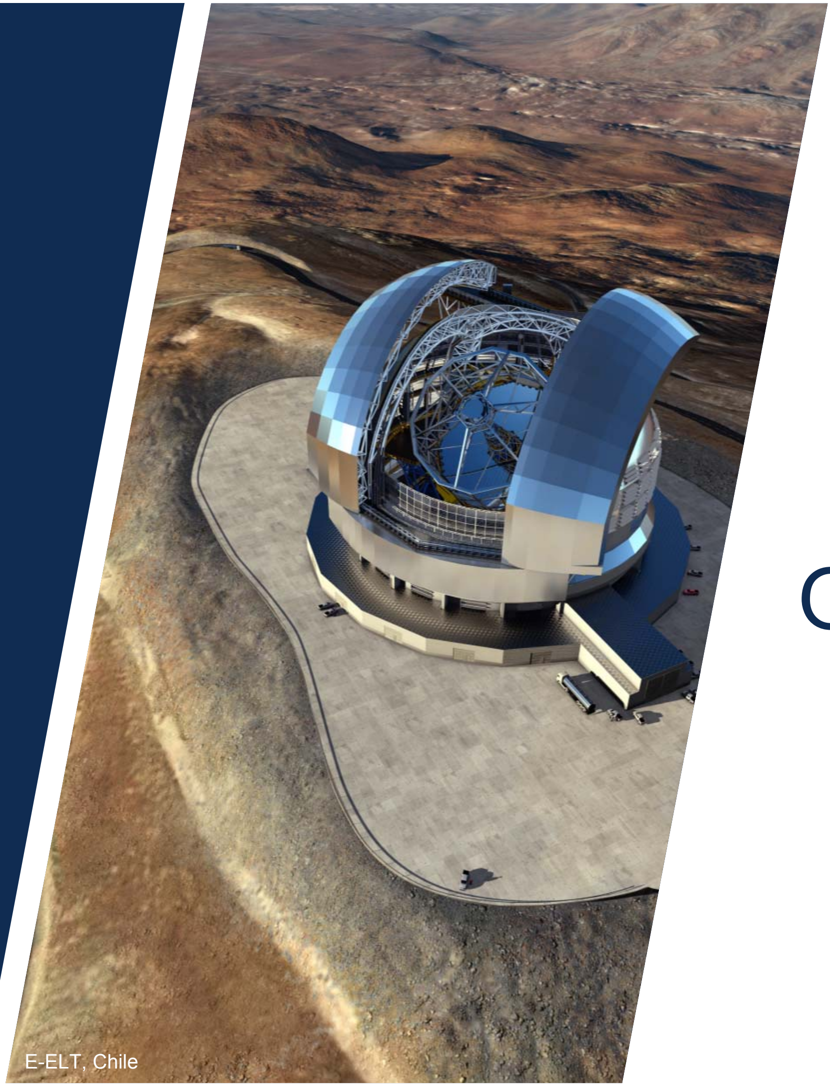
Supports growth of new orders

Delivers sustainable backlog development

Helps NWC efficiency

Focus on HR & HSE to support cultural change and business growth

Clear actions to deliver new specialized resources and integration benefits



E-ELT, Chile

Outcomes

Fitter for the Future – Financial Targets 2017-21

Working towards 2021 targets

	2018	2021	CAGR 16-21
Revenue	~€3.6bn	~€4.6bn	~9%
Book-to-bill	1.2x average through period		
Construction backlog	> €12m	~ €14bn	~ 7%
EBITDA	~ €400m	> €460m	
EBITDA margin	~11%	~10%	
EBIT	~ €320m	~ €360m	
EBIT margin	~9%	~8%	
Core EBIT	~€280m	~€330m	
Core EBIT margin	~8%	>7%	
NWC/sales	~20%	~20%	
Asset disposals	>€500m to be delivered		
Net debt	~€900m	~€400m	

Strong progress in 2016, with much more to come…

Higher growth potential

- Continued focus on EPC contracts
- New revenue stream from O&M activities

Sustainable growth

Improved cash conversion

- Accelerated shift toward developed geographies
- Extraction of further operational efficiencies

Drivers for de-risking

Financial strategy to lower financing costs

- Swifter timetable set for delivery of disposals
- Ongoing NWC reduction

Financial strength

A higher earnings quality business

ASTALDI

“Fitter for the Future”

Strategic Update 2017-21