Headquarter of Angelini pharmaceutical group in Rome, Italy

ASTALDI

Q1 2017 results

10 May 2017


Naples underground (Toledo Station), Italy

Agenda

- **Highlights**
- Q1 2017 results

Fitter for the Future – Strategy Plan 2017-21

Sustainable growth

UPGRADED
revenue growth targets

Operational discipline

IMPROVED cash
conversion of EBITDA

Financial strength

DECREASED debt and
cost of financing

Organizational Discipline

IMPROVED business SUSTAINABILITY

A higher earnings quality business

A solid start to 2017

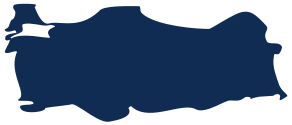
Delivering in line with *Fitter for the Future* Strategy Plan

- **Strong commercial performance**
  - New construction orders of €1bn – construction backlog at €10.3bn
  - The sale of Santiago Hospital has started the process of converting concession backlog into O&M backlog

- **Positive developments at Turkish concession assets**
  - Third Bosphorus Bridge and GOI Motorway concession assets cashed-in minimum guaranteed revenue

- **Positive financial trends**
  - Efficient working capital management delivering results
    - Seasonal increase in working capital of €114m in Q1 vs. average increase of over €230m in Q1 of the last three years
  - Healthy Q1 Net Financial Position of €1.2bn (€1.1bn at FY16) – positive effects of working capital management
  - Cash-in from the sale of Chacayes hydro plant (€42m) and Western Metropolitan Hospital in Santiago de Chile (€10m)
    - Positive net effect on net debt of €16m
  - Improved liquidity mix – increased undrawn committed lines to €200m vs. FY 2016

Strong commercial performance: €1bn new orders secured



Turkey

1. **€627m EPC contract** – Kirazli-Halkalı section of Istanbul Underground (15% stake)
2. **€392m BOT contract** – Menemen-Aliağa-Çandarlı Motorway, of which €332m EPC contract (33% stake)

Romania

1. **€776m total value** – Frontieră-Curtici-Simeria railway, Lots 2A and 2B (42% stake)
2. **€600m total value** – Frontieră-Curtici-Simeria railway, Lot 3 (49.5% stake)

North America

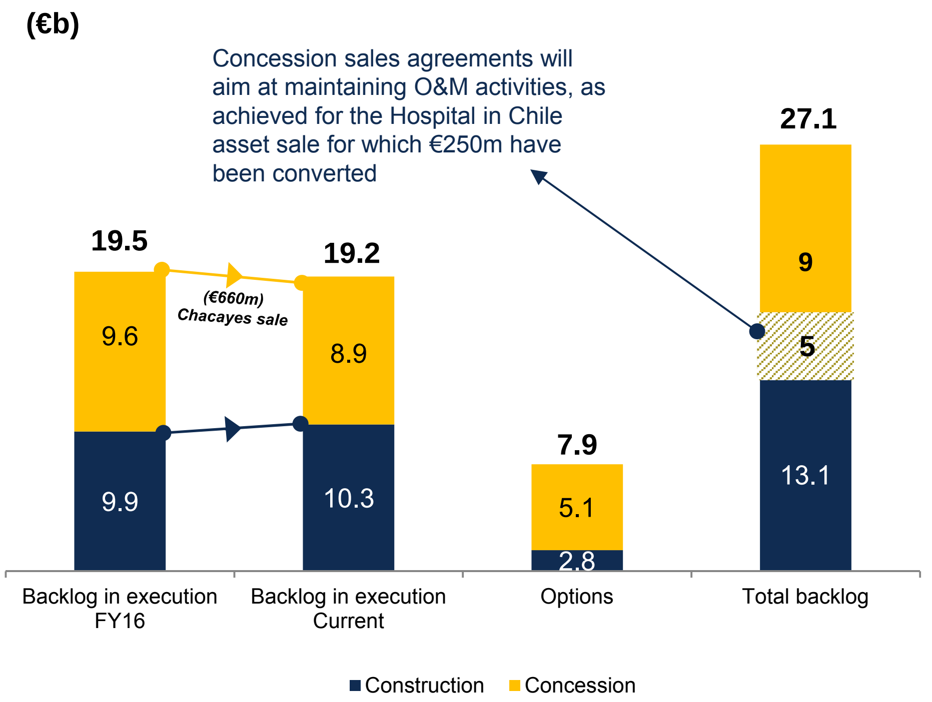
1. **€52m of new orders** – 85% in transport infrastructure

Italy

1. **€66.5m of new orders**

Backlog shift towards construction

Backlog mix shifting towards construction



Strategic repositioning towards EPC

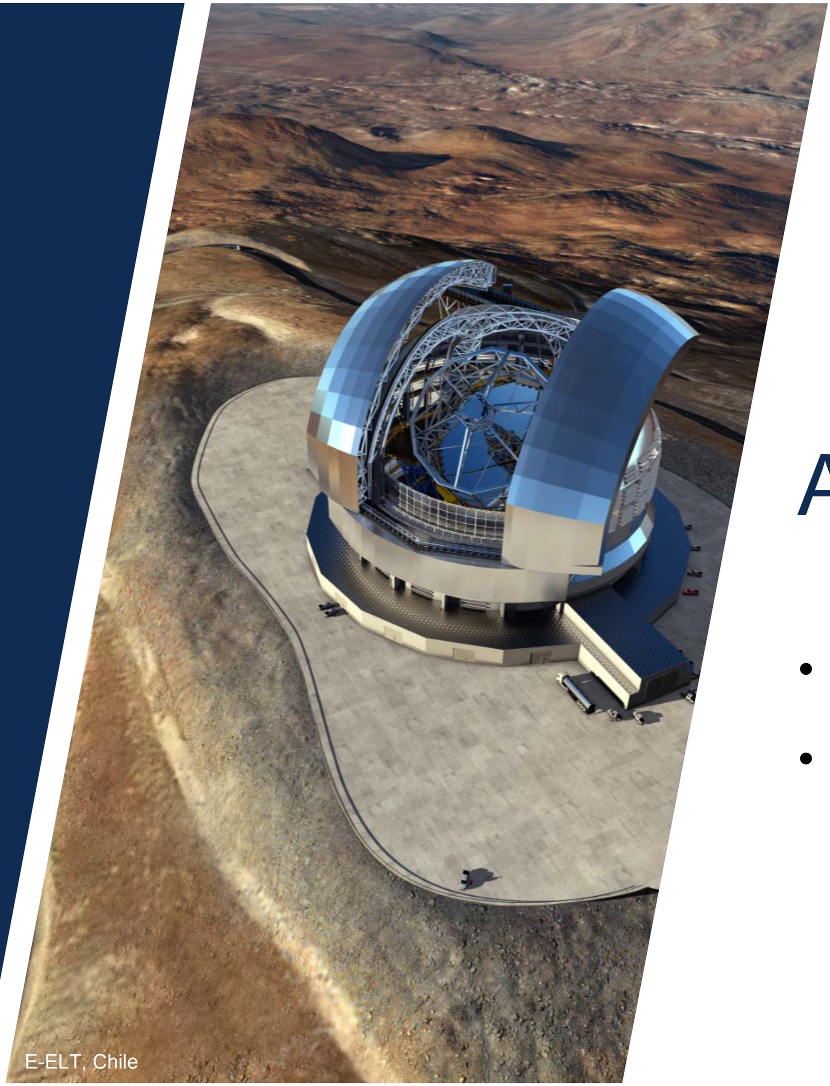
- **Order backlog of €19.2bn in execution**
  - 54% in construction
- **Concession backlog reduced by €660m since FY16,** due to sale of Chacayes hydro plant (Chile)
- Order backlog reflects strategic repositioning towards EPC contracts and away from capital-intensive concession contracts
- Backlog mix will be further diversified by the conversion of Concession backlog in O&M backlog

Turkish concession assets: positive developments

Minimum guaranteed revenue collected at two major Turkish concession assets

- Third Bosphorus Bridge and Gebze-Orhangazi-Izmir Motorway – both opened to traffic last summer and now fully operational
- Minimum guaranteed revenues calculated according to base rates denominated in USD (indexed to US inflation rate), to the guaranteed number of vehicles, and to the actual kilometres opened to traffic to date
- Minimum guaranteed revenues were collected for the 1st operational period:
  - Sept-Dec 2016: ~€173m for Third Bosphorus Bridge
  - July-Dec 2016: ~€218m for GOI Motorway
- Now that the first financial cycle has been successfully completed, activities towards the disposal of Turkisk assets can start

Gebze-Orhangazi-Izmir motorway, Turkey



Agenda

- Highlights
- **Q1 2017 results**

Q1 2017 results: income statement

Solid operating performance

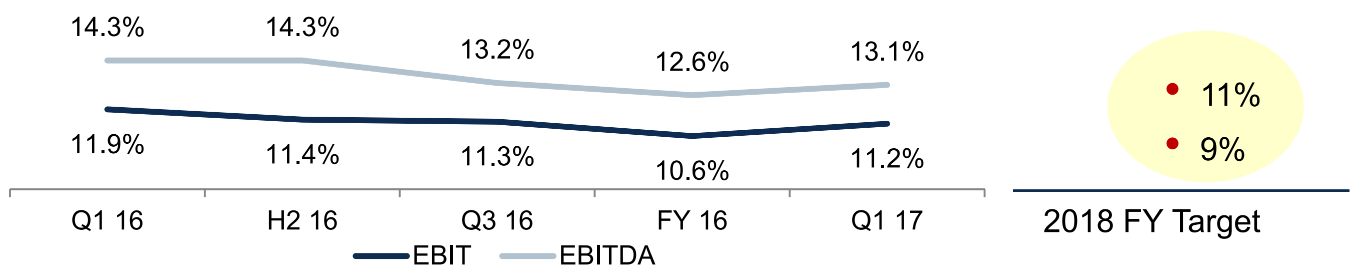
Summary P&L (€m)	**Q1 17**	**FY 16**	**Q1 16**
Total revenues	**651.4**	**3,004.3**	**632.6**
EBITDA	85.0	379.9	90.4
EBITDA margin	13.1%	12.6%	14.3%
EBIT	72.8	317.0	75.0
EBIT margin	11.2%	10.6%	11.9%
Group net income	**25.1**	**72.5**	**23.9**

Note: Q1 16 results restated as per IFRS treatment of discontinued operations.

Results in line with Strategy Plan

- Q1 revenue +3% yoy driven by contribution from Canada and Chile
- Margin development in line with strategic backlog geographical repositioning towards lower-risk, lower-margin countries but with an improved financial structure
- EBITDA margin at 13.1%, EBIT margin at 11.2%
- Financial charges of €40m in line with last year (€39m in Q1 16)
- Tax rate at 25%

Margin development (%)



Q1 2017 results: balance sheet

Positive trends in working capital and net financial position

Key metrics (€m)	**Q1 17**	**FY 16**	**Q1 16**	**FY 15**	**Q1 17 vs. Q1 16**
Fixed assets	1,049.8	1,007.4	902.9	958.0	+16.3%
Net working capital	919.1	804.9	965.3	689.5	-4.8%
Net invested capital	1,946.5	1,791.0	1,842.4	1,625.6	+5.7%
Net financial position	(1,215.6)	(1,088.7)	(1,232.9)	(982.7)	-1.4%
Net total equity (*)	727.1	698.5	604.0	637.0	+20.4%

- Net working capital €919m (from €804.9m at FY 16)
- Quarterly seasonality effect significantly reduced, thanks to more efficient working capital management
- Net financial position at €1.2bn (€1.1bn at FY 16), largely driven by seasonal increase in working capital
- Resulting net debt/equity ratio of 1.7x
- Positive Q1 net working capital trend does not include the collection of advance payments from new orders booked in the period which is planned for H1 2017
- Increasing number of orders includes advance payments beginning to improve self-financing capacity

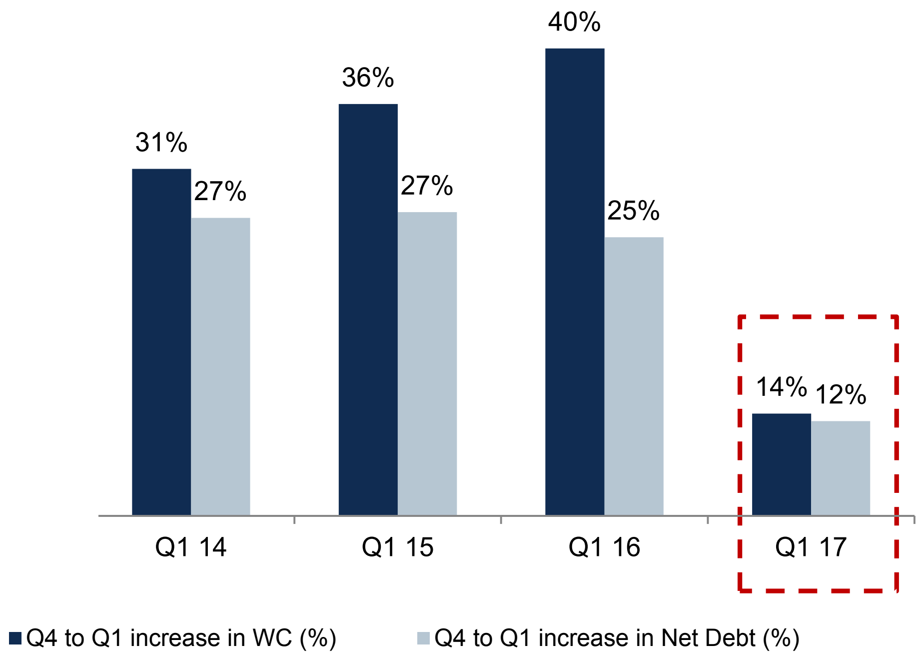
(*) Net of own shares.

Effective WC management reducing seasonality effects

Strategy Plan initiatives delivering results

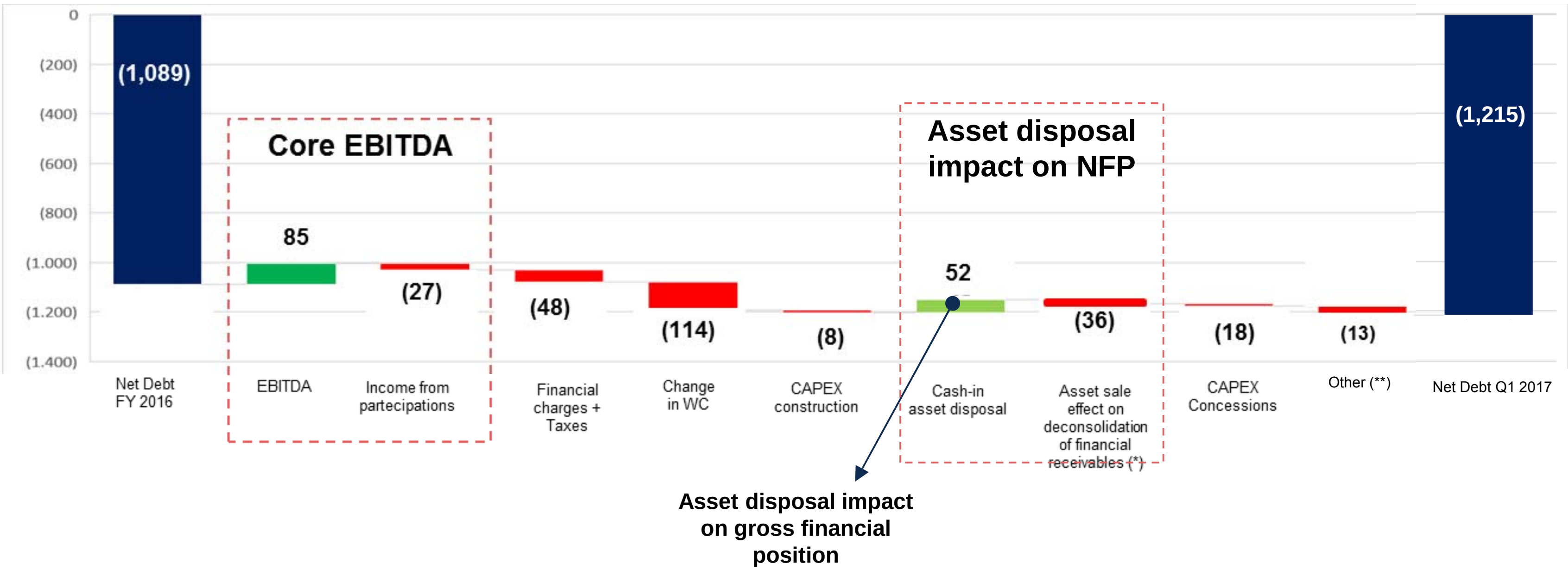
- Q1 17 increase in WC of €114m
  - 60% lower than historic average increase over Q1
- Specific initiatives include:
  - Progressive geographical repositioning in less risky areas
  - Higher proportion of EPC contracts with advance payments
  - Dedicated working capital task force
- Strategic target: to improve cash conversion of EBITDA strengthening financial position

Q1 seasonal increase in WC far below prior years



Net Debt evolution in Q1 2017

Net debt evolution in Q1 17 (€m)



(*) Chacayes + West Metropolitan Hospital in Santiago (**) Mainly referred to asset sale effect on deconsolidation of West Metropolitan Hospital

Financial strategy: debt maturity and liquidity

Delivery on Strategy Plan may create refinancing options

- Ongoing evaluation of market conditions
- Target to extend maturities beyond 2021
- Aim to lock-in attractive rates

Actively managing liquidity

- Good performance of cash management has allowed:
  - To maintain stable the Gross Debt at Q1 17 vs. FY 16 notwithstanding the seasonal increase of working capital
  - To increase undrawn committed lines to approx. €200m vs. FY 2016, with the aim of improving liquidity mix

Guidance 2017

	2016A	2017E	Plan targets 2018E
Revenues	€3.0bn	+5% YoY to ~€3.15bn	~€3.6bn
EBITDA Margin	12.6%	11% - 12%	~11%
EBIT Margin	10.6%	9% - 10%	~9%
Working Capital	€805m	<€800m	~€740m
Net Debt	€1.1bn	~€1bn	~€900m

Next steps

May 26
First stone ceremony
for E-ELT, Chile

June ‘17
Opening to the public
of Naples-Afragola HS
railway station, Italy

August 2
H1 2017 Results