

Confidential

Bond holders Call Q2 2017

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Agenda

MACCAFERRI

1. Introduction
2. Highlights
3. Segment Overview
4. Financials
5. Appendix

- Total revenue for LTM June 2017 was equal to € 487.2 M, +4,7.0% vs. FY 2016. Solid Q2 confirms positive trend of Q1, in particular in EMEA (good performance of Spain, Italy, Russia, BMUS) and in APAC (Indonesia and India).
- H1 2017 total revenue is higher than H1 2016 of +10,4%, thanks also to the positive FX impact and to the general recover in almost all geographical areas, in particular in EMEA, Russia, India, Nafta and South East Asia. LATAM (with the Brazil exception) performed better than previous year. China is the only region registering a decrease in sales in Q2, but with good opportunities to recover in the second half of the year.
- LTM June EBITDA 2017 increased to € 40.4 M, +1,3 % vs. FY 2016, with a decrease of marginality from 8,6% to 8.3%; the increase of €0,5 M is mainly due to higher sales volumes, partially offset by the decrease in marginality because of the different product mix.
- LTM Operating free cash flow (EBITDA 40.4 – Capex 9,5 – Change Working Capital -1) was equal to € 31.9M vs € 16 M of FY 2016.
- Net CAPEX in line with previous year.
- Net LTM leverage was equal to 185.6 Mio EUR, or 4.6x LTM EBITDA, almost in line with same period of previous year.

Significant events in Q2

- In June Officine Maccaferri added a new credit line of € 10 M, committed for 36/48 months.

- **EMEA:** Also Q2 of this area has been positively affected by the good performance of Italy, Spain, Russia (YTD record sales in Rubles) and BMUS.
Italy: Q2 confirm the positive trend of the first quarter both in terms of sales and marginality.
- **LATAM:** in Brazil market stagnation continues due to political instability. Lack of projects and negative product mix are the main causes of the weak performance of the Brazilian subsidiaries. The negative trend of Brazil is partially offset by the exceptional performance of Argentina, the recovery of Peru and Costa Rica. Reduction of overhead costs due to restructuring plan put in place in Brazil since the beginning of 2016.
- **APAC:** overall performance better than previous year thanks to Indonesia, Malaysia and India (which has partially recovered the slow departure because of adverse weather conditions). China has registered a negative Q2 but with positive future outlook to recover the shortfall.
- **NAFTA:** Q2 confirms the positive performance of the US subsidiary after some years of lackluster performance. Mexico in delay compared to 2016 due projects rescheduling to Q3.

2. Highlights

MACCAFERRI

Millions €	Q2 2016	Q2 2017	H1 2016	H1 2017	2016	LTM
Total revenues	113.5	123.7	209.0	230.8	465.5	487.2
<i>growth (%)</i>		9.0%		10.4%		4.7%
Opex	(105.0)	(114.1)	(197.9)	(219.2)	(425.6)	(446.9)
EBITDA	8.6	9.6	11.1	11.6	39.9	40.4
<i>margin (%)</i>	7.5%	7.8%	5.3%	5.0%	8.6%	8.3%
<i>growth (%)</i>		12.5%		4.5%		1.3%
Total net capex	(1.1)	(1.8)	(1.9)	(2.5)	(9.0)	(9.5)
<i>incidence on total revenues (%)</i>	-1.0%	-1.5%	-0.9%	-1.1%	-1.9%	-2.0%
Net cash flow from operating activities	(10.6)	(0.2)	(41.2)	(37.1)	6.6	10.7
<i>growth (%)</i>		-98.3%		10.0%	*	62.6%

* Net cash flow YE 2016 updated with the YE figures from Audited Financial statement

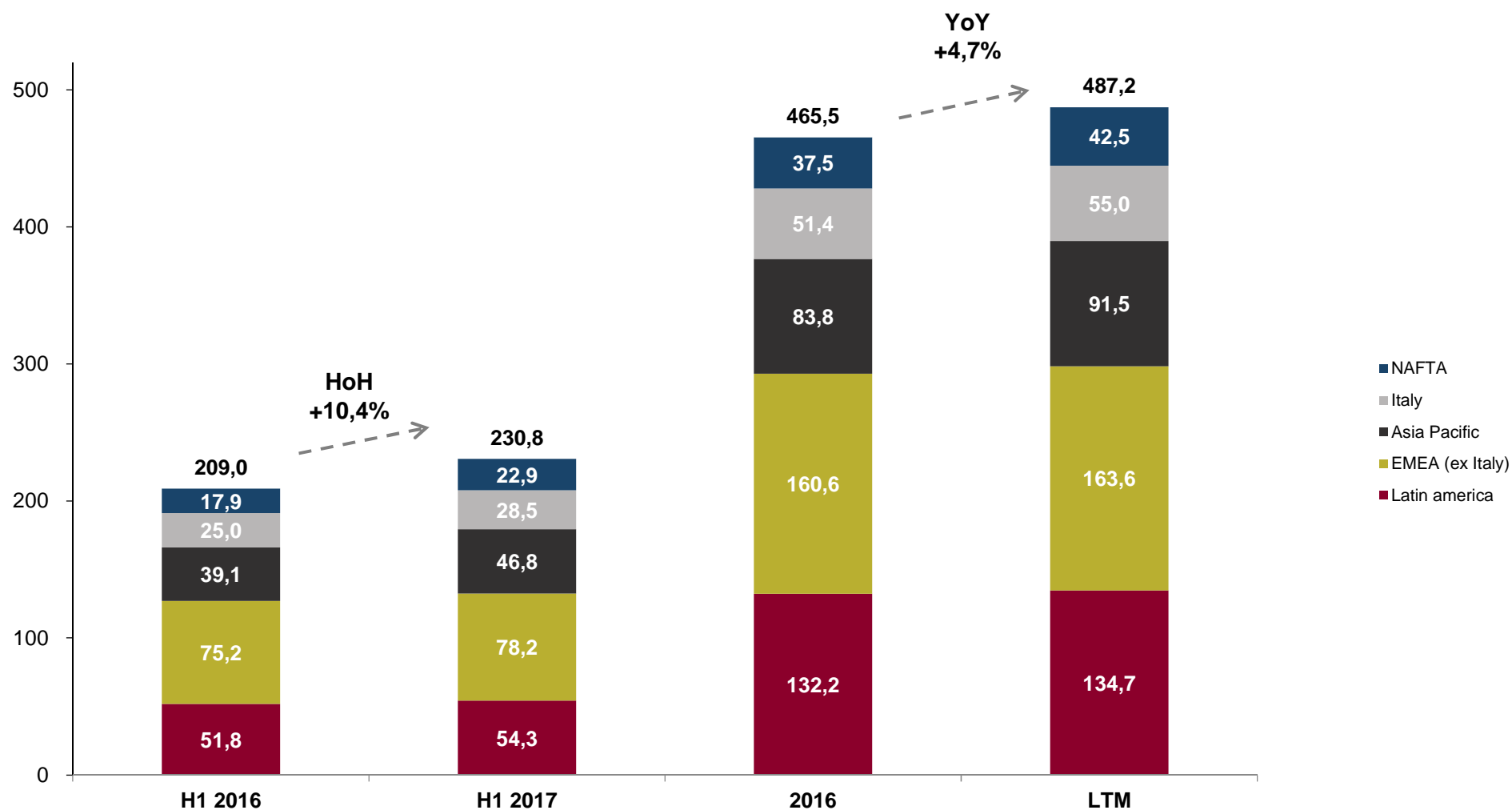
Millions €	June 30, 2016	June 30, 2017	Δ 2017 vs 2016
Total net working capital	112.4	111.3	(1.0)
Inventories	92.3	95.4	3.0
Trade receivables	108.2	122.8	14.6
Advance from customers	(3.7)	(4.3)	(0.6)
Trade payables	(72.3)	(87.1)	(14.9)
Other net working capital items	(12.1)	(15.4)	(3.3)

3. Segment Overview

Total Revenues by Geographic Area

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Millions €

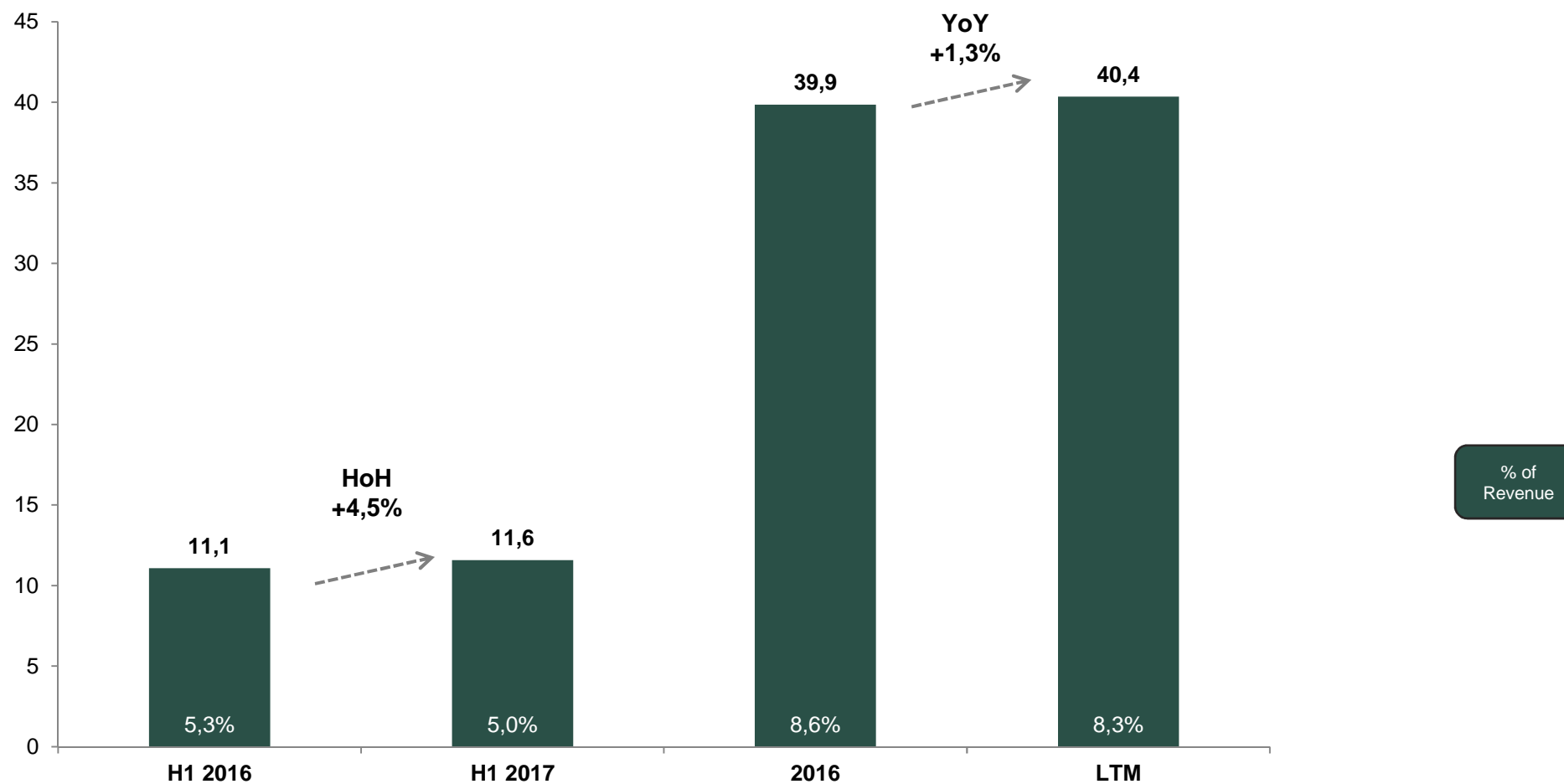


3. Segment Overview

EBITDA

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Millions €



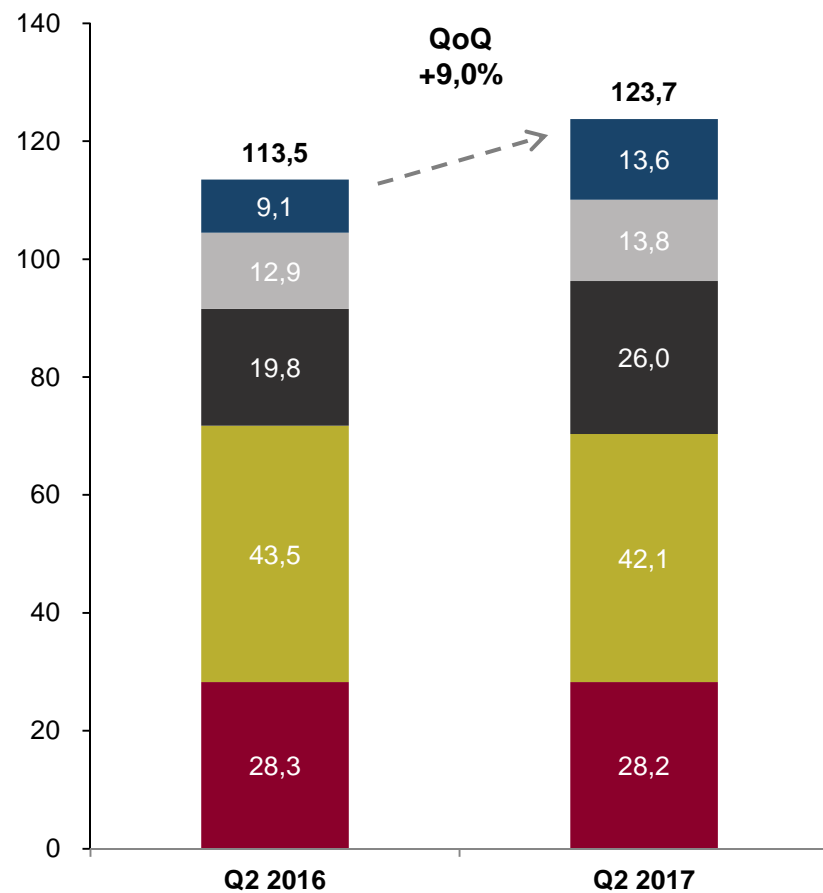
3. Segment Overview

QUARTER PERFORMANCE

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Millions €

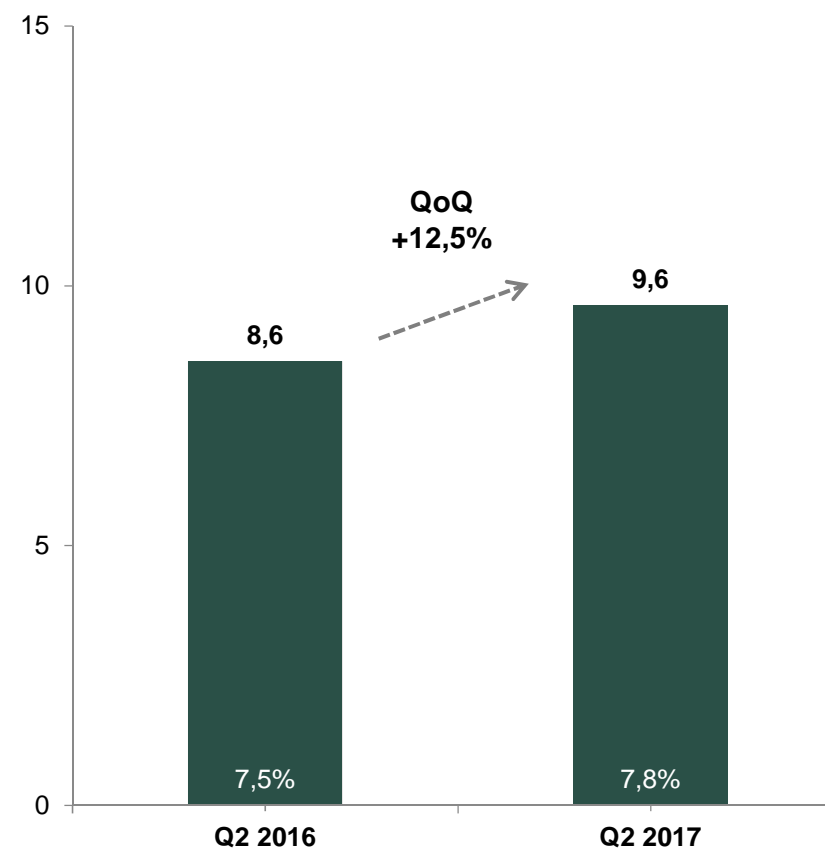
TOTAL REVENUE BY GEOGRAPHICAL AREA



■ Latin america ■ EMEA (ex Italy) ■ Asia Pacific ■ Italy ■ NAFTA

Millions €

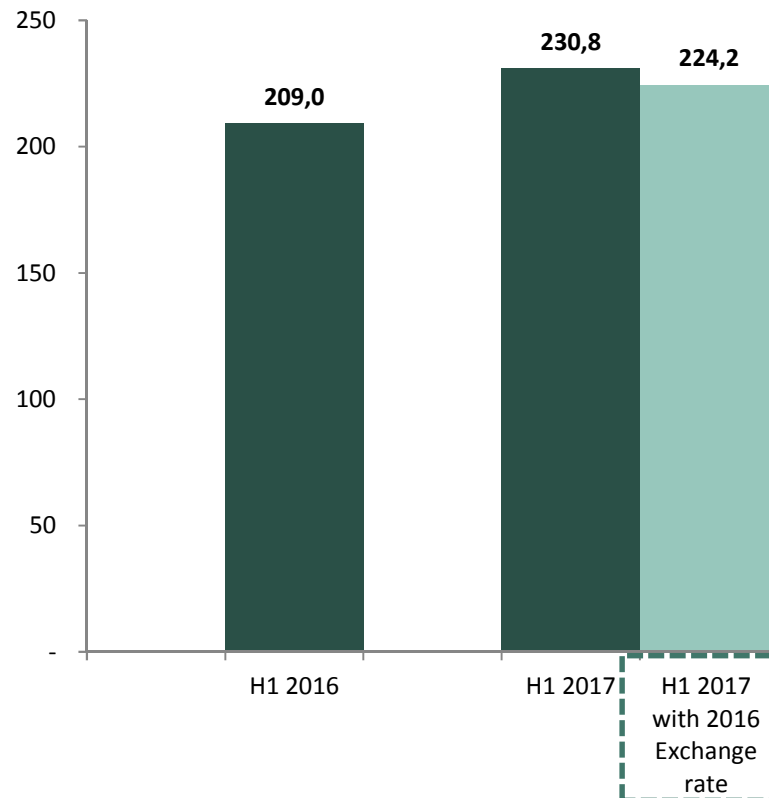
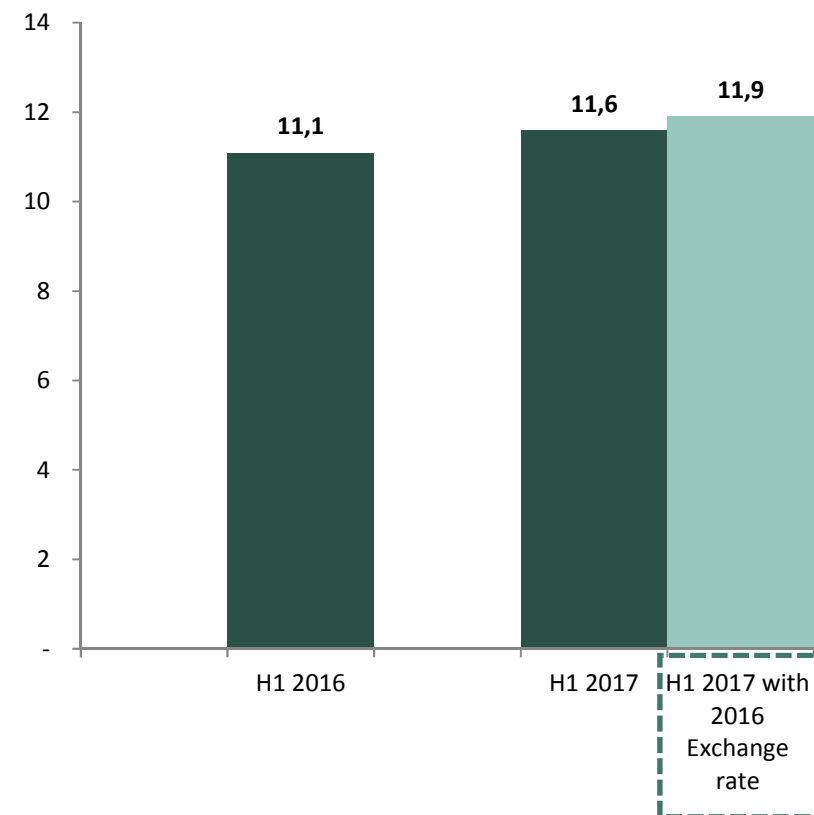
EBITDA



% of Revenue

Total Revenue and EBITDA - Exchange Rate Effect

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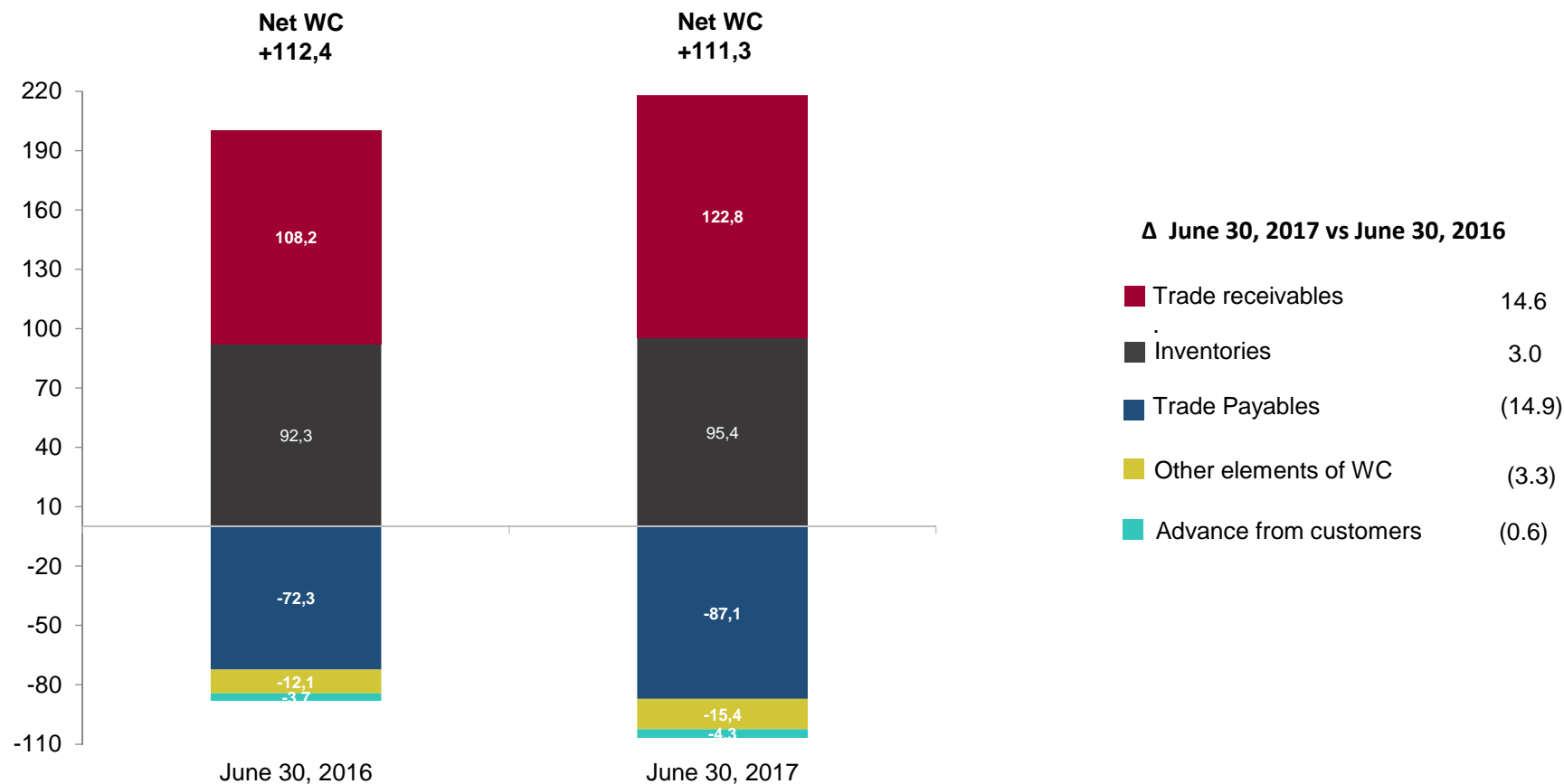
Millions € **Total revenue 2017 adj for F/X rate 2016***Millions €* **EBITDA 2017 adj for F/X rate 2016**

Positive contribution to the exchange rate effect on revenues has been generated mainly by Brazilian Real, Indian Rupia, South African Rand, Russian Ruble and US Dollar. Negative contribution on Ebitda has been generated mainly by GB Pounds.

4. Financials Working Capital

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Millions €



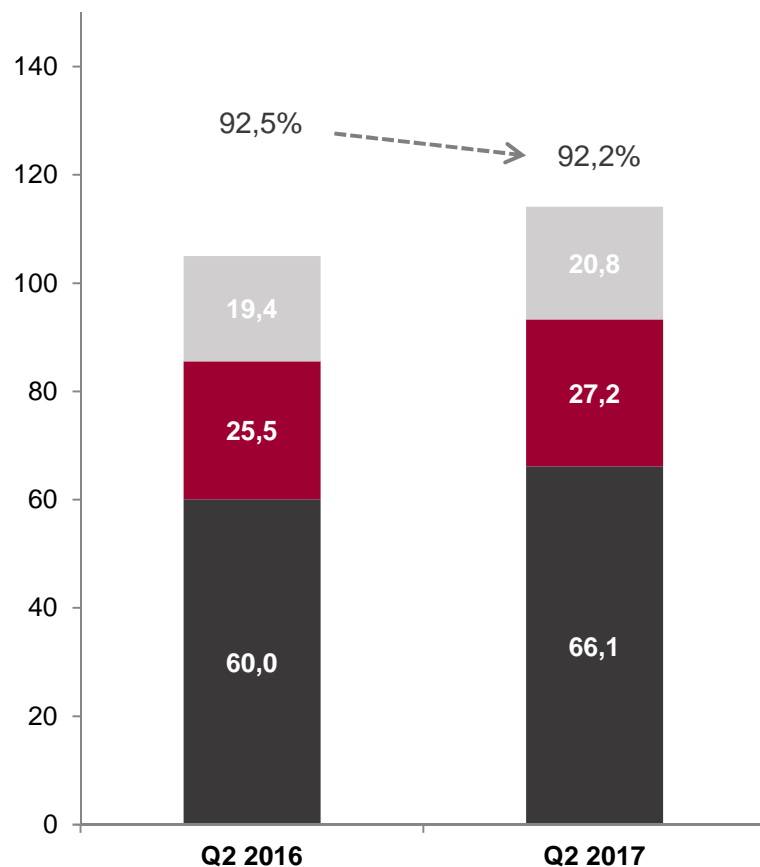
Decrease of average working days of about 9 days maintaining working capital almost in line with previous year and lower than March 2017. The increase in Trade receivables and payables is mainly due to the increase in turnover. Inventories are slightly higher than previous year but lower than March 2017.

4. Financials

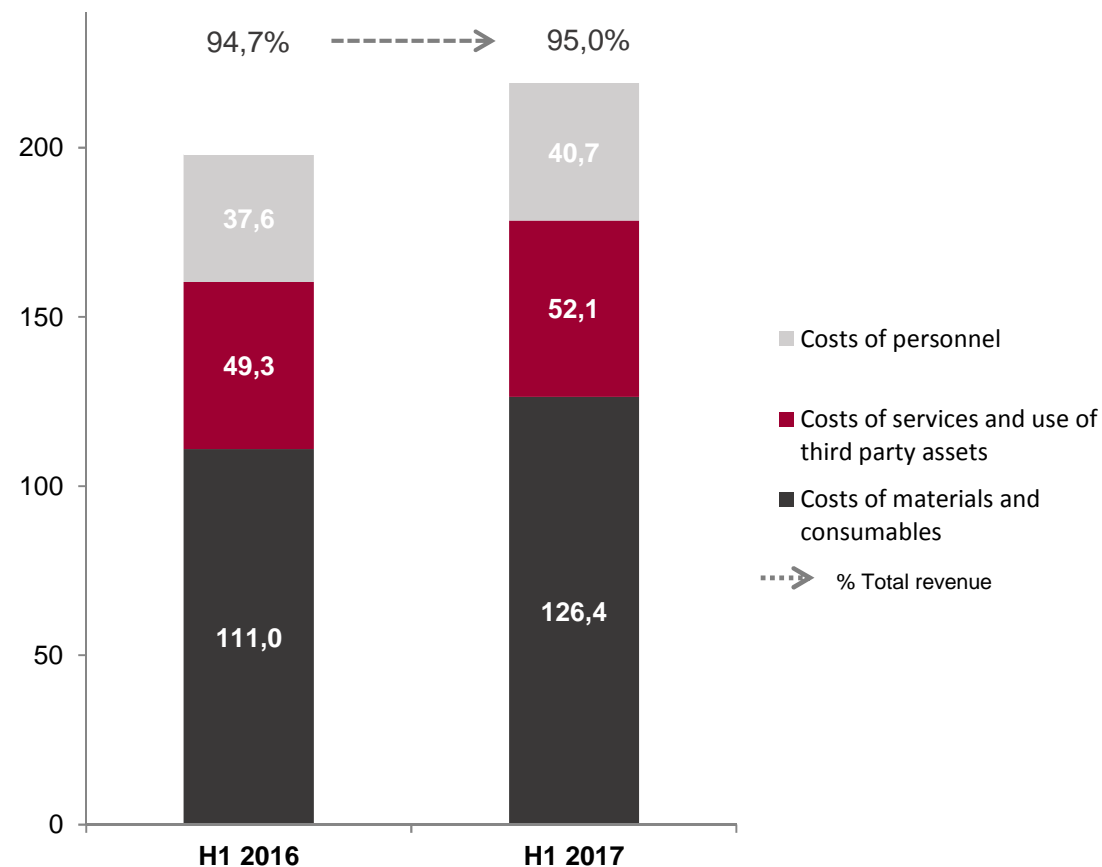
Operative Expenses (OPEX)

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Millions €



Millions €

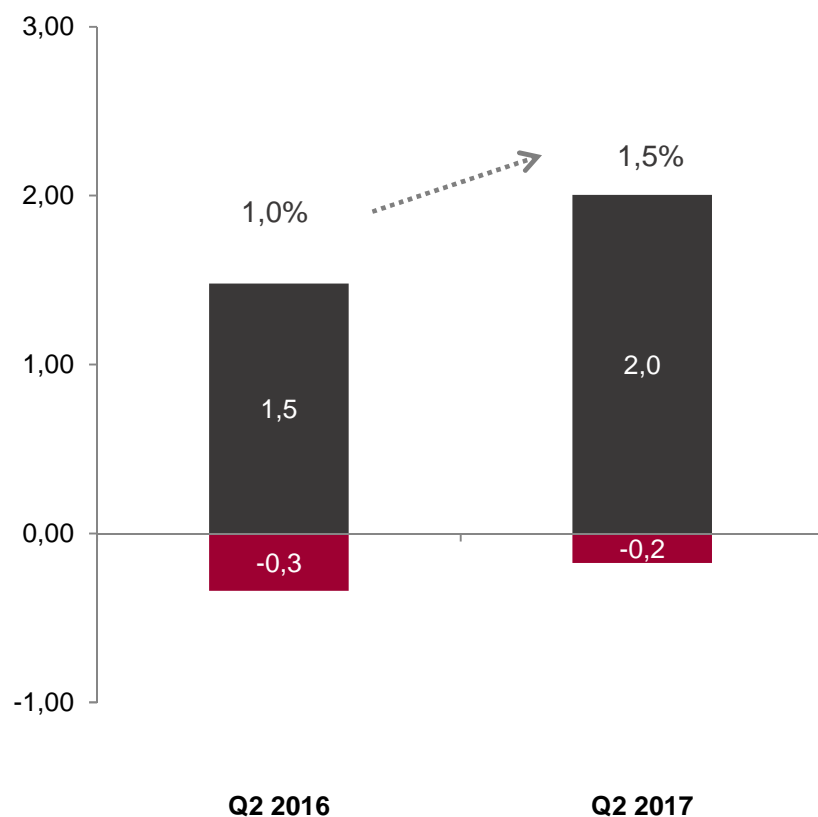


Costs incidence almost stable. Increase in total costs mainly due to variable costs due to the increase in turnover.

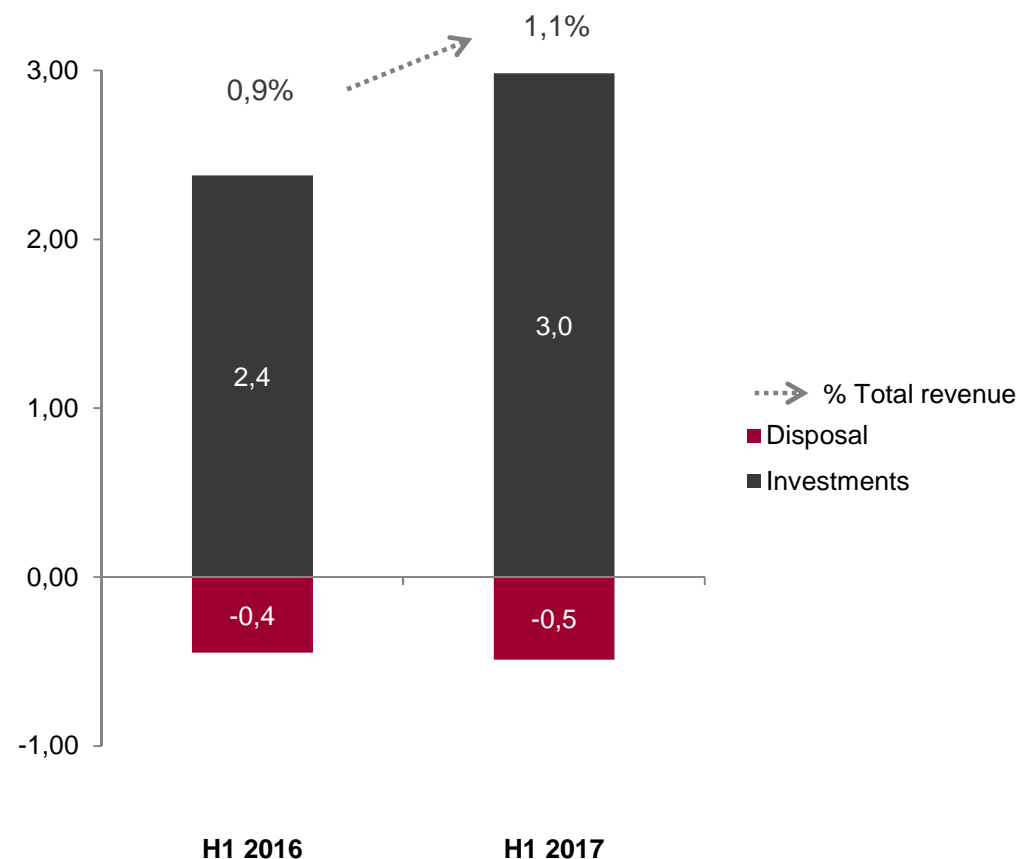
4. Financials Capital Expenses (CAPEX)

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Millions €



Millions €



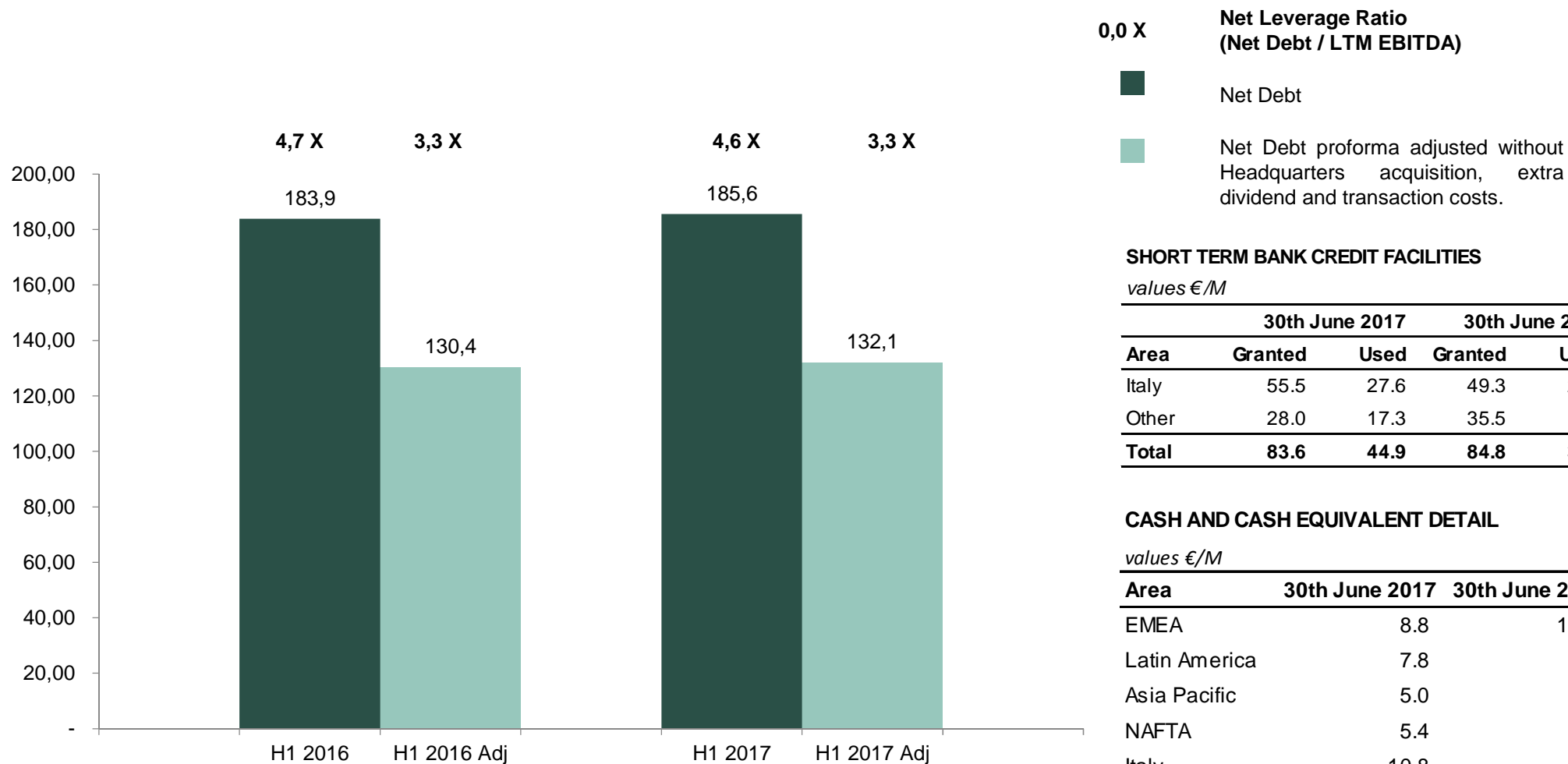
The increase in Capital Expenses is mainly due to investment in Plant and Machinery assets.

4. Financials

Net Debt

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Millions €



SHORT TERM BANK CREDIT FACILITIES

values €/M

Area	30th June 2017		30th June 2016	
	Granted	Used	Granted	Used
Italy	55.5	27.6	49.3	23.7
Other	28.0	17.3	35.5	12.2
Total	83.6	44.9	84.8	36.0

CASH AND CASH EQUIVALENT DETAIL

values €/M

Area	30th June 2017	30th June 2016
EMEA	8.8	10.2
Latin America	7.8	6.8
Asia Pacific	5.0	5.9
NAFTA	5.4	3.2
Italy	10.8	2.7
Total	37.9	28.8

5. Appendix

MACCAFERRI

CONSOLIDATED INCOME STATEMENT

	HI 2017	% of Total Revenue	HI 2016	% of Total Revenue	LTM	% of Total Revenue	YE 2016	% of Total Revenue	Q2 2017	% of Total Revenue	Q2 2016	% of Total Revenue
<i>(Euro/000)</i>												
Revenue from sales and services	219,627	95.2%	199,632	95.5%	471,348	96.7%	451,353	97.0%	120,413	97.3%	109,084	96.1%
Other revenue	11,133	4.8%	9,386	4.5%	15,887	3.3%	14,140	3.0%	3,334	2.7%	4,440	3.9%
Total revenue	230,760	100.0%	209,017	100.0%	487,235	100.0%	465,493	100.0%	123,747	100.0%	113,525	100.0%
Costs of materials and consumables	(126,373)	(54.8%)	(110,986)	(53.1%)	(264,083)	(54.2%)	(248,696)	(53.4%)	(66,136)	(53.4%)	(60,044)	(52.9%)
Costs of services and use of third party assets	(51,420)	(22.3%)	(48,507)	(23.2%)	(103,797)	(21.3%)	(100,885)	(21.7%)	(26,754)	(21.6%)	(24,992)	(22.0%)
Costs of personnel	(40,726)	(17.6%)	(37,619)	(18.0%)	(78,369)	(16.1%)	(75,262)	(16.2%)	(20,826)	(16.8%)	(19,435)	(17.1%)
Other operating costs	(658)	(0.3%)	(823)	(0.4%)	(622)	(0.1%)	(788)	(0.2%)	(408)	(0.3%)	(501)	(0.4%)
Total Operating costs	(219,177)	(95.0%)	(197,935)	(94.7%)	(446,872)	(91.7%)	(425,630)	(91.4%)	(114,124)	(92.2%)	(104,972)	(92.5%)
EBITDA	11,583	5.0%	11,082	5.3%	40,363	8.3%	39,863	8.6%	9,623	7.8%	8,552	7.5%
Amortization, depreciation and write downs	(8,378)	(3.6%)	(8,301)	(4.0%)	(17,591)	(3.6%)	(17,514)	(3.8%)	(4,282)	(3.5%)	(4,097)	(3.6%)
Accrual to provision for risks and charges	(209)	(0.1%)	(318)	(0.2%)	(675)	(0.1%)	(784)	(0.2%)	(147)	(0.1%)	(222)	(0.2%)
Total Amortiz., deprec., write downs and prov.	(8,586)	(3.7%)	(8,618)	(4.1%)	(18,266)	(3.7%)	(18,297)	(3.9%)	(4,430)	(3.6%)	(4,318)	(3.8%)
Operating income	2,996	1.3%	2,464	1.2%	22,098	4.5%	21,566	4.6%	5,194	4.2%	4,234	3.7%
Financial income	1,679	0.7%	1,728	0.8%	3,288	0.7%	3,337	0.7%	907	0.7%	962	0.8%
Financial expenses	(8,354)	(3.6%)	(8,179)	(3.9%)	(17,037)	(3.5%)	(16,862)	(3.6%)	(4,132)	(3.3%)	(4,372)	(3.9%)
Gains/(losses) on exchange rate	(1,907)	(0.8%)	(2,072)	(1.0%)	(1,693)	(0.3%)	(1,858)	(0.4%)	(1,722)	(1.4%)	(965)	(0.8%)
Net expenses and losses from financial activities	(8,582)	(3.7%)	(8,523)	(4.1%)	(15,442)	(3.2%)	(15,383)	(3.3%)	(4,947)	(4.0%)	(4,375)	(3.9%)
Net non-recurring expenses and charges	(1,663)	(0.7%)	(1,660)	(0.8%)	(3,052)	(0.6%)	(3,048)	(0.7%)	(850)	(0.7%)	(950)	(0.8%)
Income before taxes	(7,249)	(3.1%)	(7,719)	(3.7%)	3,604	0.7%	3,134	0.7%	(603)	(0.5%)	(1,090)	(1.0%)
(Income taxes)/tax benefit	1,560	0.7%	1,288	0.6%	(1,403)	(0.3%)	(1,675)	(0.4%)	492	0.4%	80	0.1%
Net Income / (Losses) for the period	(5,689)	(2.5%)	(6,431)	(3.1%)	2,201	0.5%	1,459	0.3%	(111)	(0.1%)	(1,010)	(0.9%)
Attributable to non-controlling interests	295	(0.1%)	611	(0.3%)	(1,096)	(0.2%)	(1,412)	(0.3%)	235	0.2%	394	0.3%
Attributable to equity holders of the parent	(5,984)	(2.6%)	(7,042)	(3.4%)	1,105	0.2%	47	0.0%	(346)	(0.3%)	(1,404)	(1.2%)

5. Appendix

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	June 30, 2017	December 31, 2016
<i>(Euro/000)</i>		
Intangible assets	28,012	29,834
<i>of which goodwill</i>	<i>18,498</i>	<i>19,457</i>
Property, plant and equipment	115,080	123,048
Investment in subsidiaries, associates, joint ventures and other companies	511	441
Other non-current assets	29,576	25,696
<i>of which deferred tax assets</i>	<i>25,376</i>	<i>21,781</i>
Total non-current assets	173,178	179,019
Cash and cash equivalents	37,878	46,619
Other current financial assets	32,000	29,000
Trade receivables	122,753	109,654
Inventories	95,385	85,238
Current tax receivables	13,796	15,112
Other current non-financial assets	23,949	16,434
Total current assets	325,761	302,057
Total assets	498,939	481,076
Shareholders' equity and liabilities		
Share capital	33,400	33,400
Reserves	27,579	37,572
Profit / (Loss) for the Year Group	(5,984)	47
Equity attributable to equity holders of the parent	54,995	71,019
Equity attributable to non-controlling interests	35,859	37,286
Total shareholders' equity	90,855	108,305
Non-current portion of banks loans and other financial liabilities	9,786	8,155
Non-current bonds	190,000	190,000
Employees' termination indemnity	1,205	1,463
Provisions for risks and charges	6,908	7,018
Deferred tax liabilities	6,900	6,908
Total non-current liabilities	214,799	213,543
Current portion of banks loans and other financial liabilities	55,658	23,394
Advance from customers	4,292	3,134
Trade payables	87,131	71,507
Current tax payables	5,222	6,405
Other current non-financial liabilities	40,982	54,787
Total current liabilities	193,285	159,227
Total liabilities	408,084	372,770
Total shareholders' equity and liabilities	498,939	481,076

5. Appendix

	For the six month period ended June 30,		For the three month period from April to June 30,	
<i>(Euro/000)</i>	<i>2017</i>	<i>2016</i>	<i>Q2 2017</i>	<i>Q2 2016</i>
Net cash flow from operating activities	(37,080)	(41,206)	(181)	(10,550)
Net cash flow used in investing activities	(2,586)	(4,384)	(1,403)	(1,534)
Net cash flow from/(used in) financing activities	29,737	23,448	7,753	8,933
Net effect of foreign currencies exchange rate variation and of movement in Equity attributable to non-controlling interests	1,188	1,750	826	1,393
Cash and cash equivalent at the beginning of the period	46,619	49,198	30,883	30,563
Changes in cash and cash equivalent	(8,741)	(20,392)	6,995	(1,759)
Cash and cash equivalent at the end of the period	37,878	28,806	37,878	28,806