

**Confidential**

# Bond holders Call YE 2017

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Author A. Esposito, F. Pettazzoni, C. Suzzi – Investor Relations

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# Agenda

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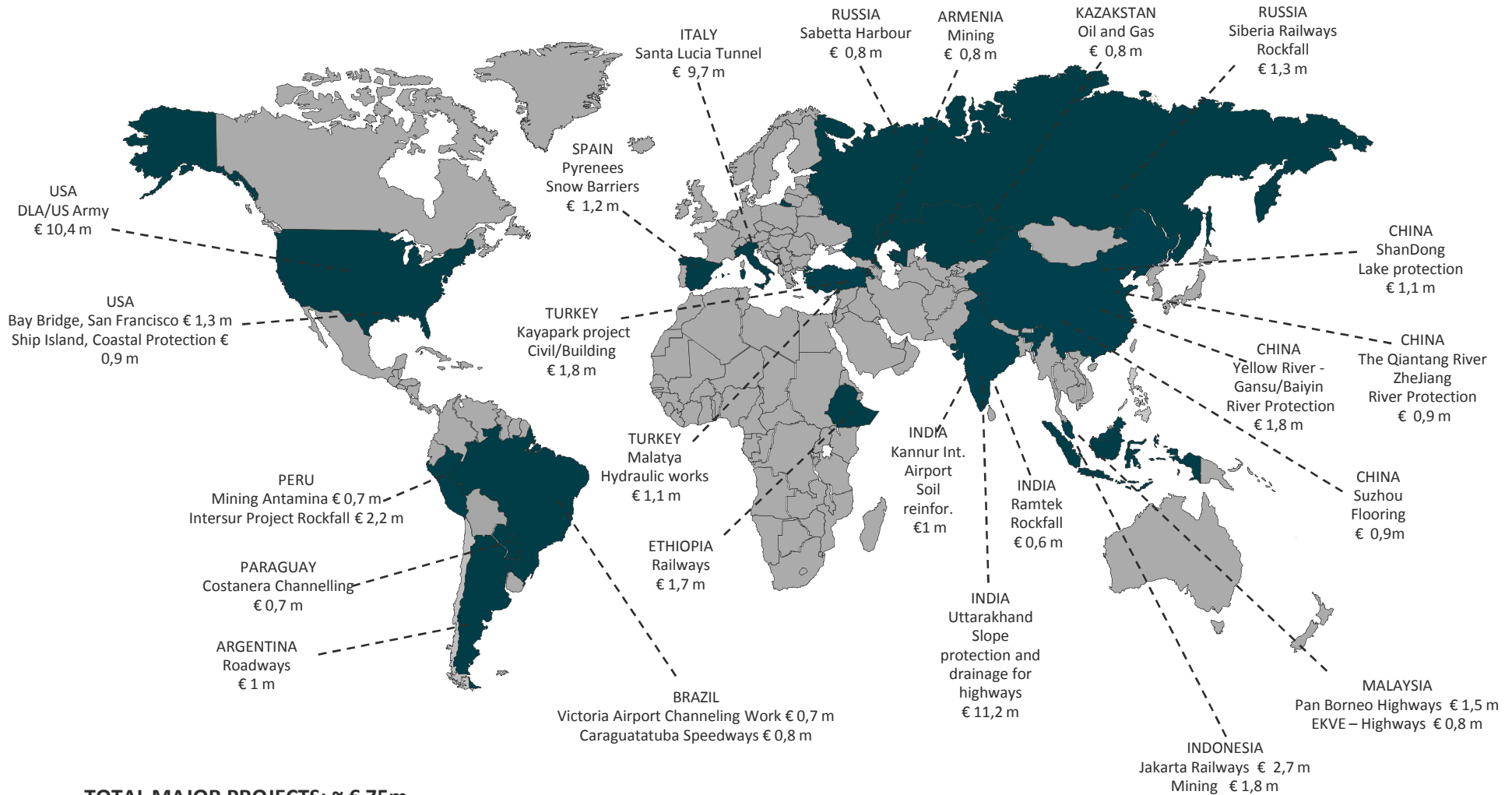
1. Introduction
2. Highlights
3. Segment Overview
4. Financials
5. Appendix

# 1. Introduction - Q4 2017

- Total revenue for Q4 2017 totaled € 144,6 M, increasing 6% vs. Q4 2016 and 19.3% Q3 2017. Q4 2017 sales achieved the record performance of the last 4 years, even overcoming Q4 2016 that included Bolivia Project sales of € 12,7 M. The positive performance has been driven by EMEA (mainly Italy, Spain, Russia, UK), APAC (Indonesia and India) and LATAM (Argentina, Costa Rica and Peru) together with the positive contribution of the new business lines Defense & Security and Tunnelling.
- Record performance in terms of EBITDA of Q4 2017, that totaled € 21,0 M with an increase of 28,5% vs Q4 2016. EBITDA margin increased to 14,5% from 12,0% of Q4 2016, mainly due to the larger absorption of fixed costs and the worldwide implementation of cost rationalization initiatives.
- Operating free cash flow generation (EBITDA € 21,0 – Net Capex 9,0 + Change Working Capital 56,6) was equal to €+68,6 M mainly due to the operating profit and the decrease of working capital.

- Total revenue for whole Year 2017 totaled € 496,5 M, with a 6,7% increase vs. FY 2016. The increase was mainly due to a generalized positive performance in almost all geographical areas and to the successful launch of new important product offers.
- EBITDA increased to € 44,0 M (€ 45,0 M net of F/X impact), with a 10,4% increase vs. FY 2016. EBITDA margin increased to 8,9% from 8,6% of 2016.
- Operating free cash flow generation (EBITDA € 44,0 M + Net Capex € 0,1 M + Change Working Capital € 30,7M ) was equal to € 74,8 M.
- Net leverage was equal to € 122,3 M, or 2.8x EBITDA, largely thanks to the effective management of working capital.
- General market conditions in key geographies can be summarized as follows:
  - EMEA: 2017 performance was positively affected by Italy, Spain, UK and Middle East, and partially offset by lackluster Central Europe and Turkey. The turnover increase has been driven by the new business unit Tunnelling. Russia scored a positive performance despite of currency trend.
  - LATAM: The good performances of Argentina and Peru in terms of revenues more than offsets the lack of Bolivia Project (€ 21,6 M in 2016). Weak Brazil performance remains affected by political instability and government infrastructure spending.
  - APAC: Positive performance for India, Indonesia and Malaysia, while China negatively affected by the increase in raw material prices with a consequent reduction in marginality.
  - NAFTA: Excellent performance of USA, mainly thanks also to the positive trend of geotechnical products and Defense and Security offering. USA performance more than offsets the weak Mexican results after the very good 2016 year.

# 1. Main Projects 2017



## 2. Highlights

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Millions €	Q4 2016	Q4 2017	YE 2016	YE 2017
<b>Total revenues</b>	<b>136,4</b>	<b>144,6</b>	<b>465,5</b>	<b>496,5</b>
<i>growth (%)</i>		6,0%		6,7%
<b>Opex</b>	<b>(120,0)</b>	<b>(123,5)</b>	<b>(425,6)</b>	<b>(452,5)</b>
<b>EBITDA</b>	<b>16,4</b>	<b>21,0</b>	<b>39,9</b>	<b>44,0</b>
<i>margin (%)</i>	12,0%	14,5%	8,6%	8,9%
<i>growth (%)</i>		28,5%		10,4%
<b>Total net capex</b>	<b>(9,1)</b>	<b>(9,3)</b>	<b>(9,0)</b>	<b>0,1</b>
<i>incidence on total revenues (%)</i>	-6,6%	-6,4%	-1,9%	0,0%
<b>Net cash flow from operating activities</b>	<b>48,7</b>	<b>65,3</b>	<b>6,6</b>	<b>32,0</b>
<i>growth (%)</i>		34,0%		385,6%

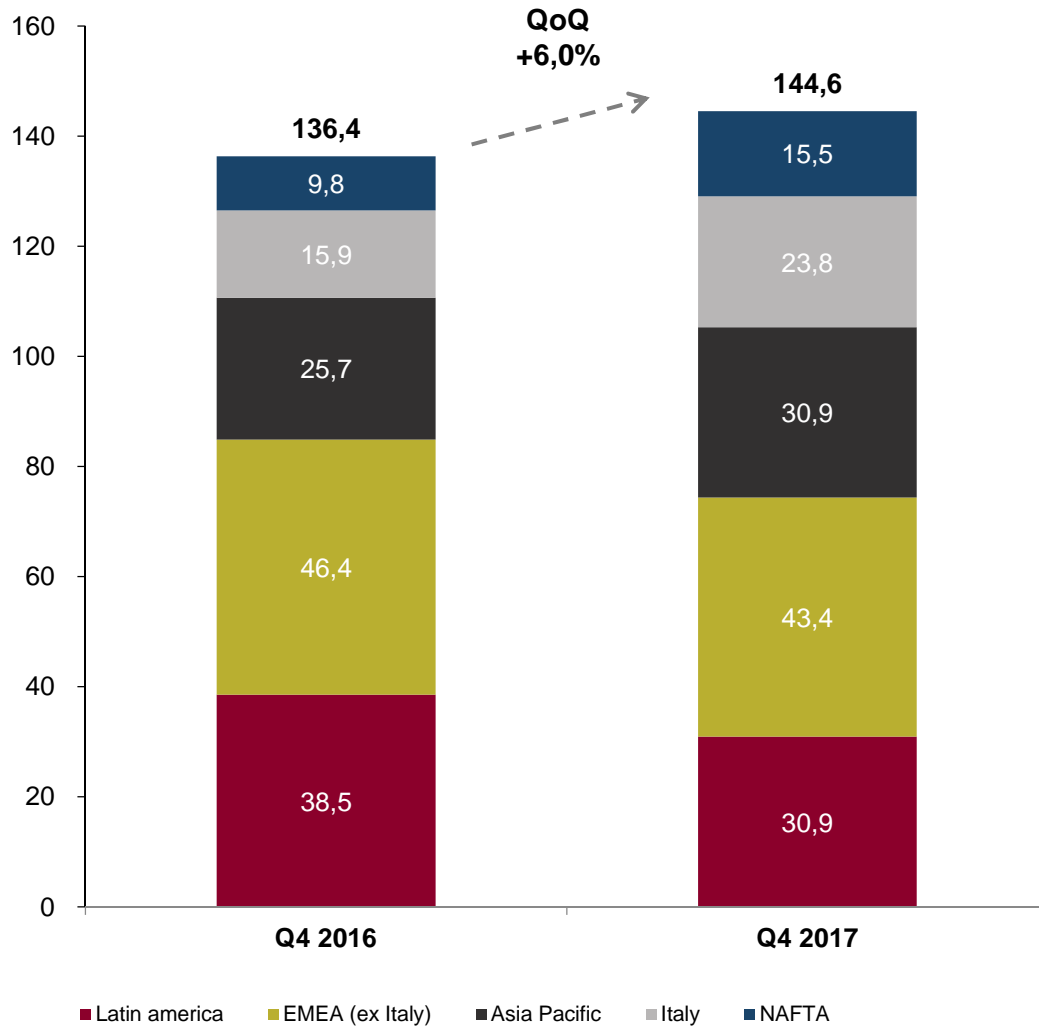
Millions €	December 31, 2016	December 31, 2017	Δ 2017 vs 2016
<b>Total net working capital</b>	<b>83,6</b>	<b>52,9</b>	<b>(30,7)</b>
Inventories	85,2	89,2	4,0
Trade receivables	109,7	119,8	10,2
Advance from customers	(3,1)	(11,5)	(8,4)
Trade payables	(71,5)	(96,5)	(25,0)
Other net working capital items	(36,7)	(48,1)	(11,5)

### 3. Segment Overview

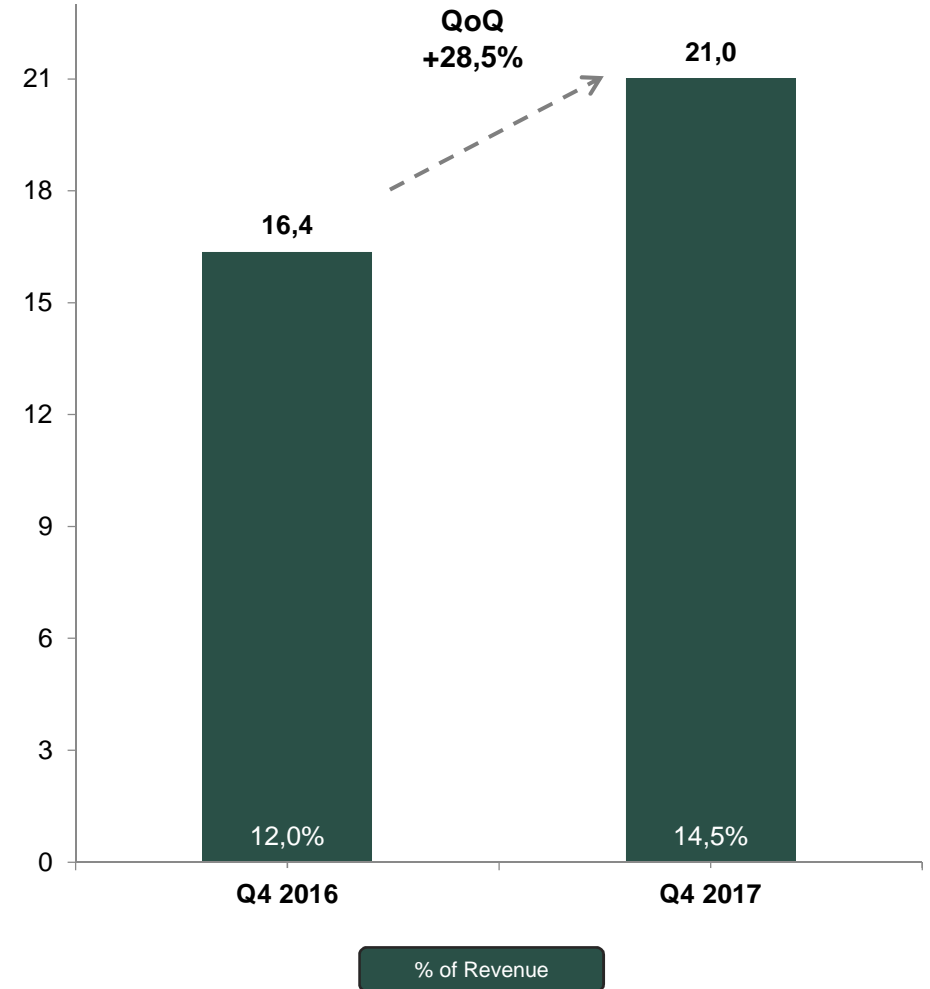
# QUARTER PERFORMANCE



Millions €  
TOTAL REVENUE BY GEOGRAPHICAL AREA



Millions €  
EBITDA



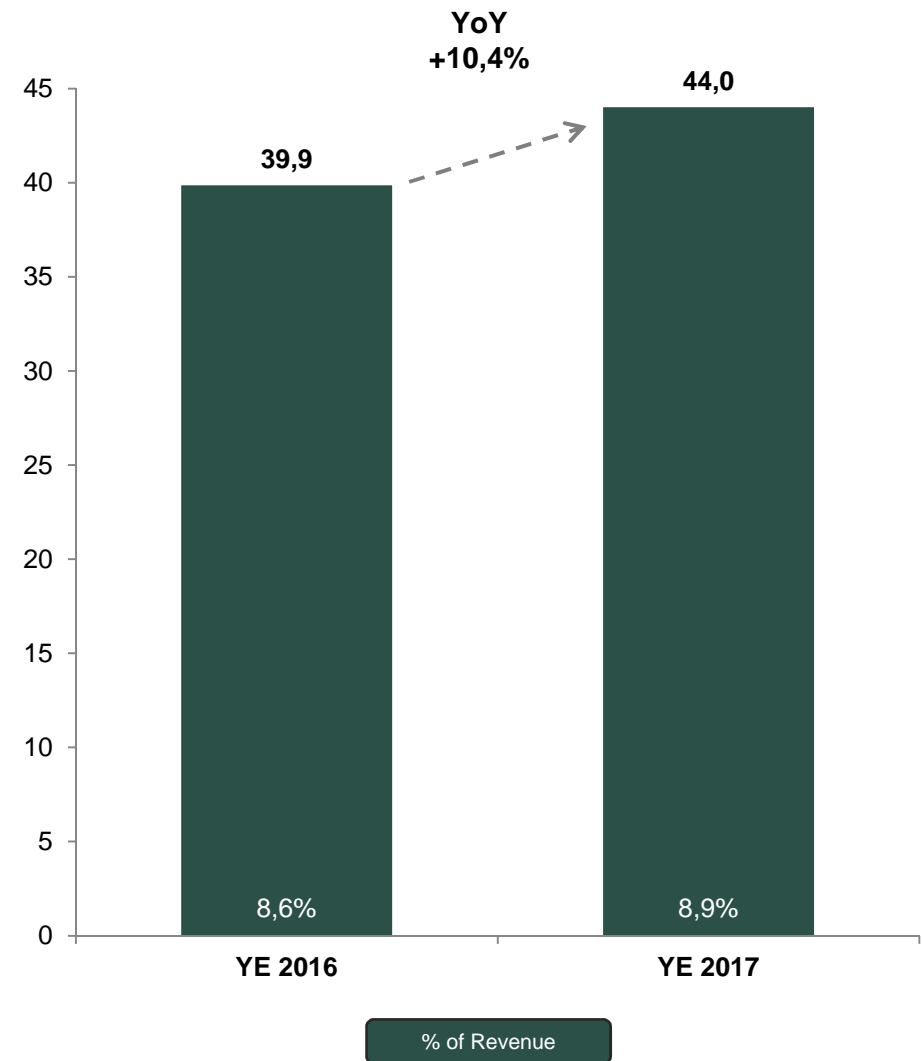
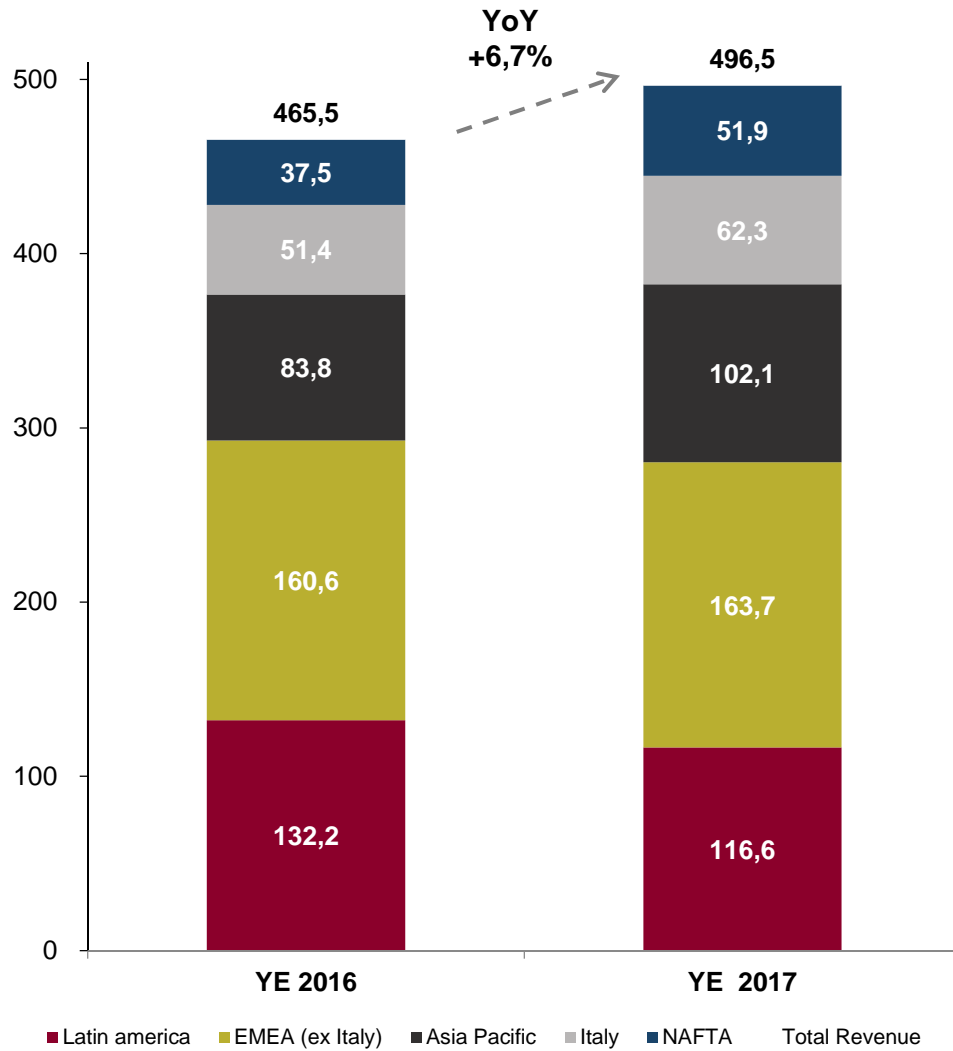


### 3. Segment Overview

# YEARLY PERFORMANCE

Millions €  
TOTAL REVENUE BY GEOGRAPHICAL AREA

Millions €  
EBITDA

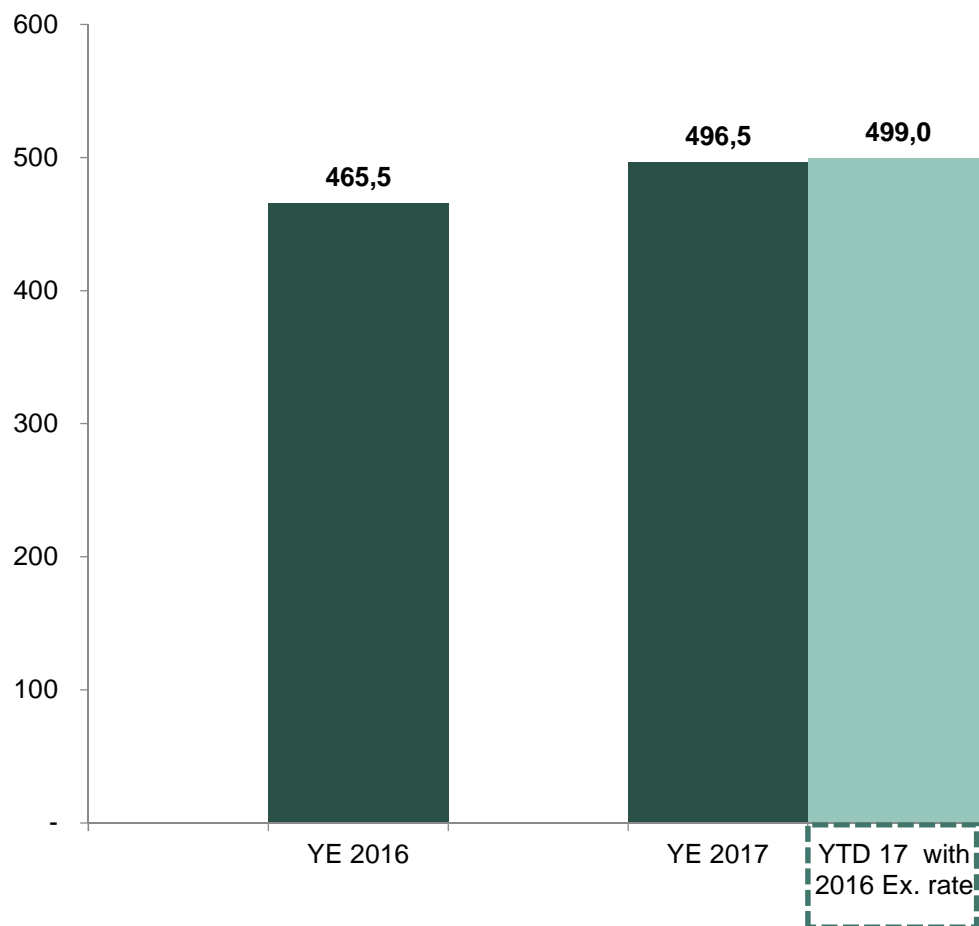


### 3. Segment Overview

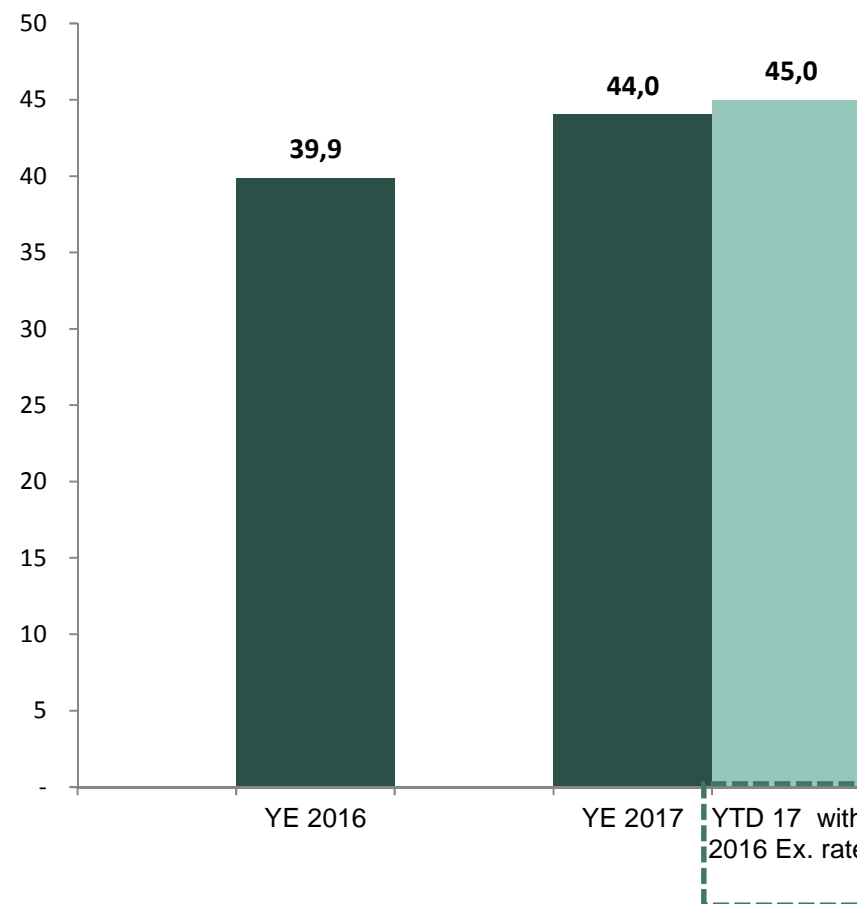
## Total Revenue and EBITDA – Exchange Rate Effect



Millions € - TOTAL REVENUEUS 2017 adj for F/X rate 2016



Millions € - EBITDA 2017 adj for F/X rate 2016

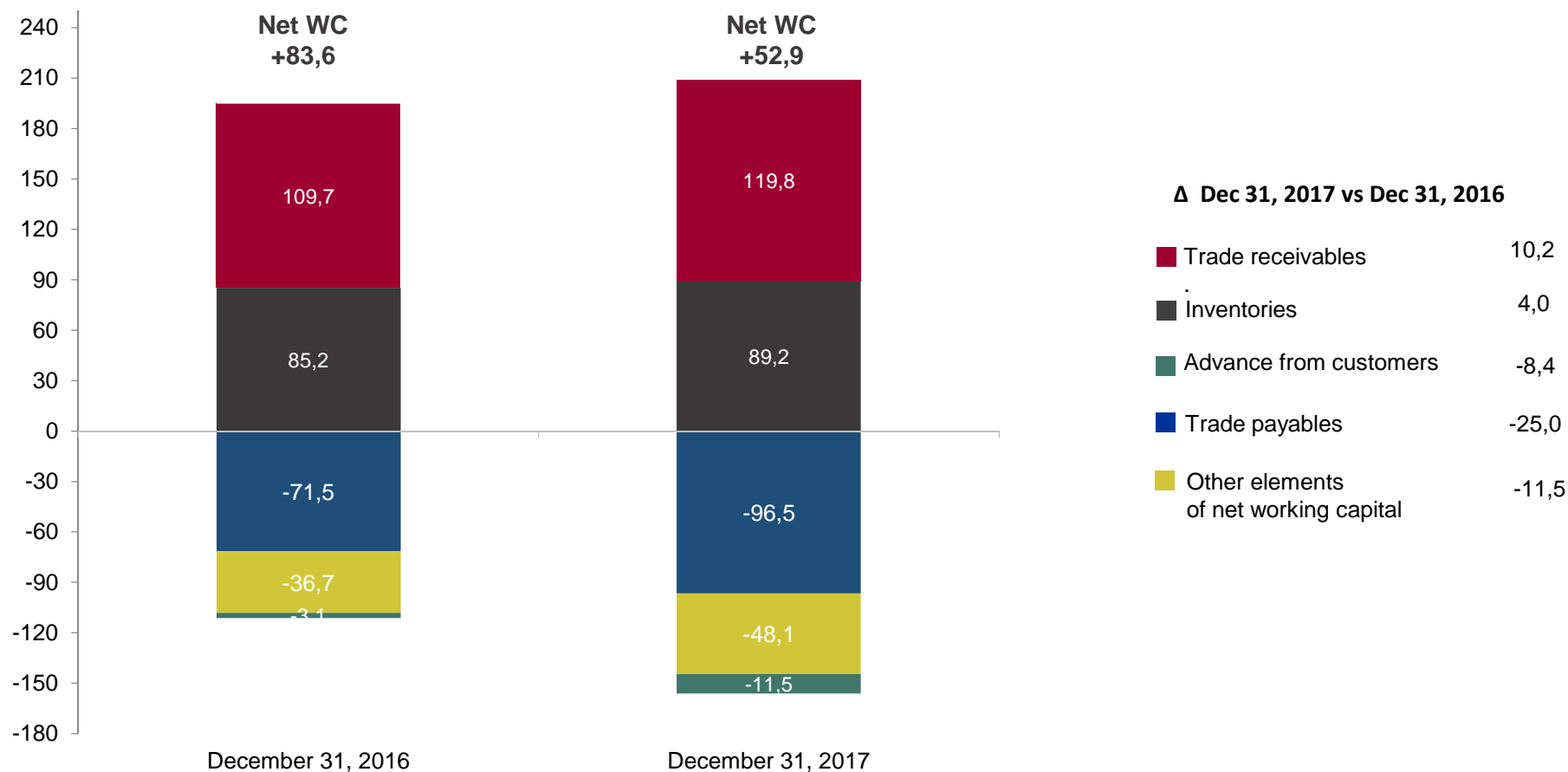


Negative contribution to the exchange rate effect has been generated mainly by Argentinian Peso, China Renminbi, Mexican Peso, Malaysian Ringgit, Great Britain Pound and Turkish Lira.

## 4. Financials Working Capital

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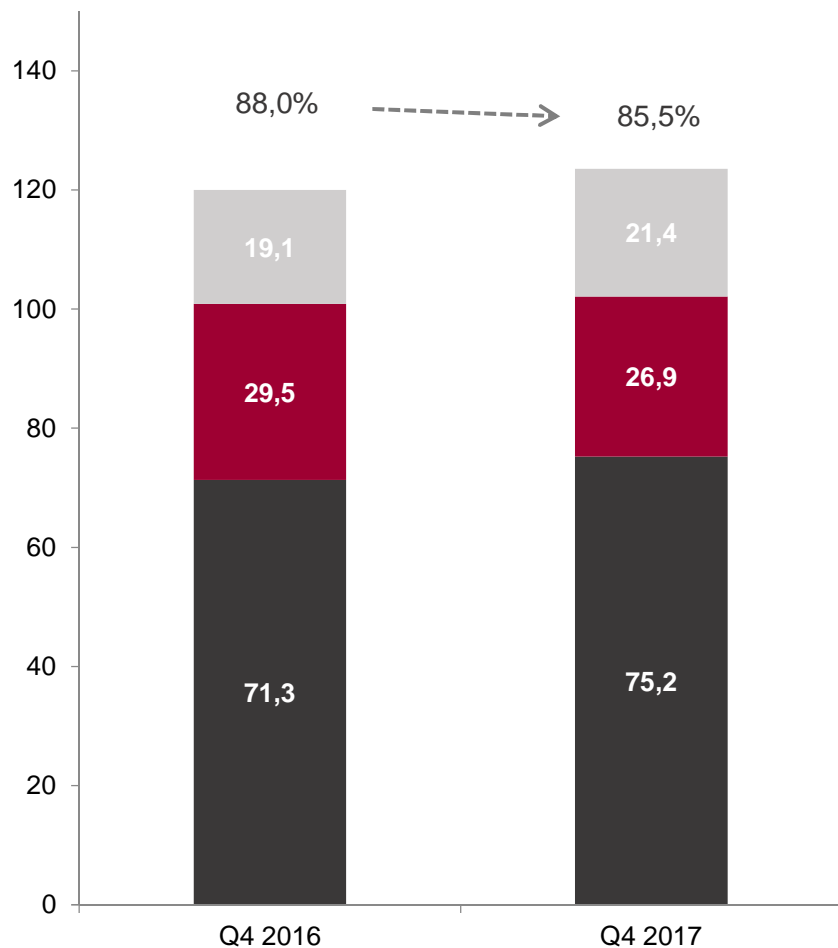
Millions €



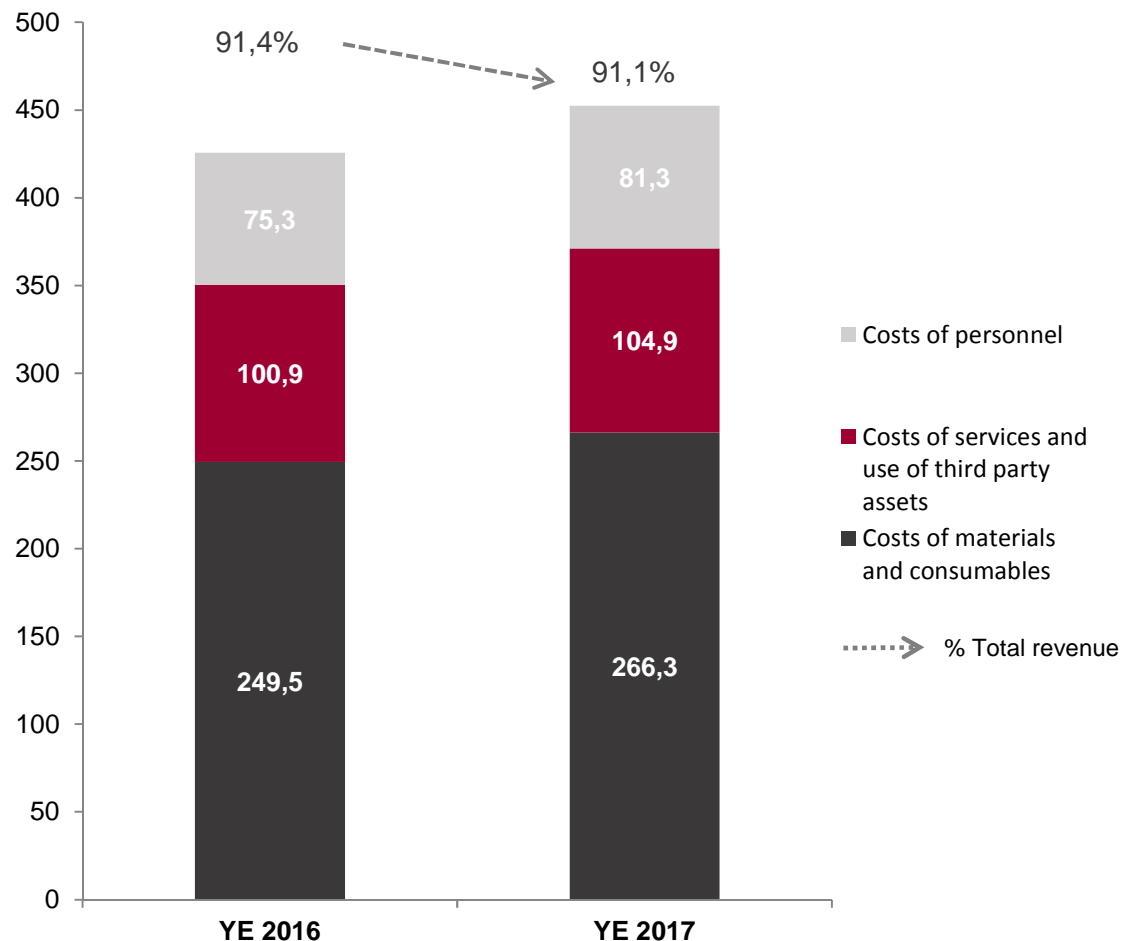
Working capital significantly decrease from December 2016 mainly thanks to the tight control of trade receivables and inventories despite the increase in turnover and to the increase in trade payables.

# 4. Financials Operative Expenses (OPEX)

Millions €



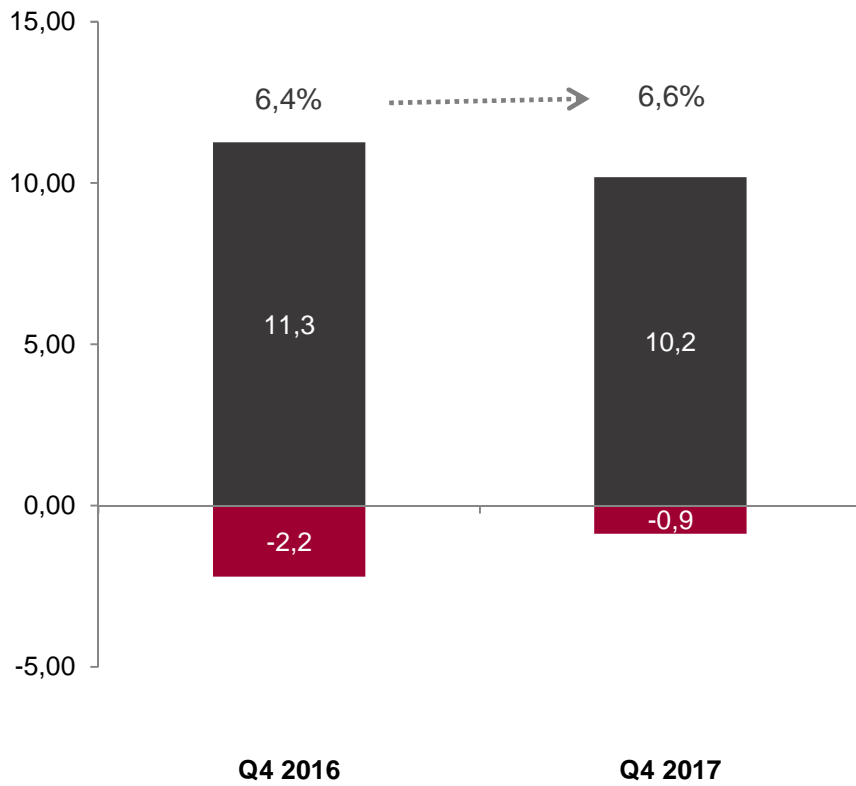
Millions €



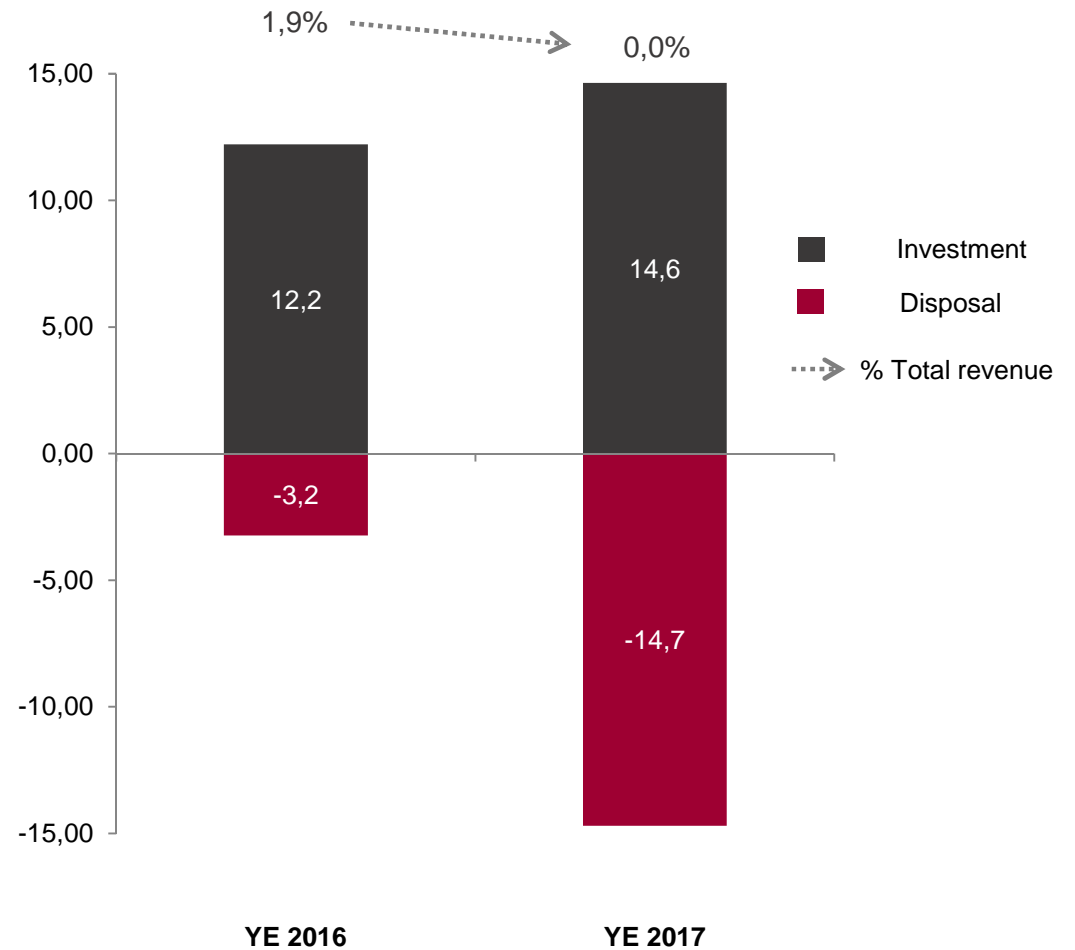
Costs rationalization and higher sales volumes drove to decrease of the costs on sales ratio.

# 4. Financials Capital Expenses (CAPEX)

Millions €

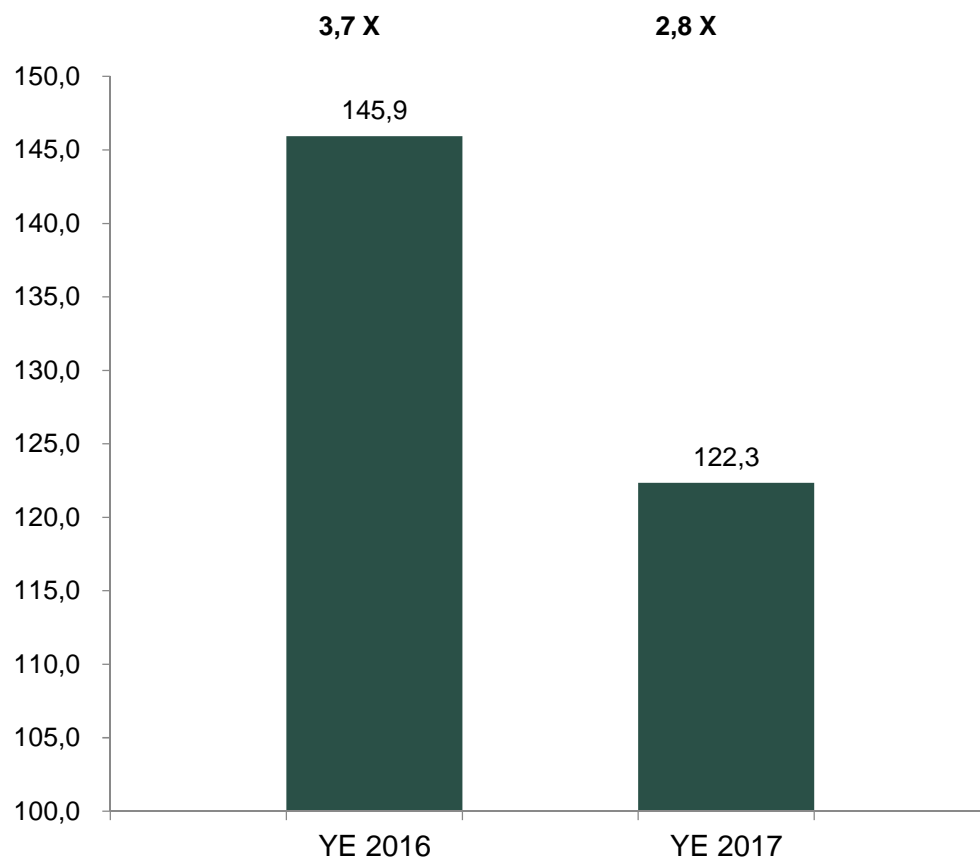


Millions €



The increase in Investments is mainly due to acquisition of Plant and Machinery assets and maintenance. The disposal is mainly due to Land and Building.

Millions €



0,0 X Net Leverage Ratio  
(Net Debt / EBITDA)

Net Debt

**BANK CREDIT FACILITIES**

values €/M

Area	31st Dec 2017		31st Dec 2016	
	Granted	Used	Granted	Used
Italy	52,2	2,5	35,5	7,4
Other	32,2	3,4	23,5	8,7
<b>Total</b>	<b>84,5</b>	<b>5,9</b>	<b>59,0</b>	<b>16,1</b>

**CASH AND CASH EQUIVALENT DETAIL**

values €/M

Area	31st Dec 2017	31st Dec 2016
EMEA	10,5	9,9
Latin America	11,5	14,5
Asia Pacific	6,0	6,9
NAFTA	6,7	2,8
Italy	30,7	12,5
<b>Total</b>	<b>65,4</b>	<b>46,6</b>

## 4. Financials

# Net Financial Debt

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Thousand €

<b>Net Financial Indebtness</b>	<b>December 31, 2017</b>	<b>December 31, 2016</b>
<i>(Euro/000)</i>		
Non-current portion of banks loans and other financial liabilities	(13,626)	(8,155)
Non-current bonds	(190,000)	(190,000)
Current portion of banks loans and other financial liabilities	(16,116)	(23,394)
<b>Gross Financial Indebtness</b>	<b>(219,742)</b>	<b>(221,549)</b>
Other current financial assets (1)	32,000	29,000
Cash and cash equivalents	65,406	46,619
<b>Net Financial Indebtness</b>	<b>(122,336)</b>	<b>(145,930)</b>

## 5. Appendix

	2017	% of Total Revenue	2016	% of Total Revenue	Q4 2017	% of Total Revenue	Q4 2016	% of Total Revenue
<i>(Euro/000)</i>								
Revenue from sales and services	478,699	96.4%	451,353	97.0%	139,085	96.2%	133,861	98.2%
Other revenue	17,842	3.6%	14,140	3.0%	5,477	3.8%	2,492	1.8%
<b>Total revenue</b>	<b>496,541</b>	<b>100.0%</b>	<b>465,493</b>	<b>100.0%</b>	<b>144,562</b>	<b>100.0%</b>	<b>136,353</b>	<b>100.0%</b>
Costs of materials and consumables	(265,136)	(53.4%)	(248,696)	(53.4%)	(74,886)	(51.8%)	(71,333)	(52.3%)
Costs of services and use of third party assets	(104,918)	(21.1%)	(100,885)	(21.7%)	(26,859)	(18.6%)	(29,549)	(21.7%)
Costs of personnel	(81,348)	(16.4%)	(75,262)	(16.2%)	(21,439)	(14.8%)	(19,119)	(14.0%)
Other operating costs	(1,124)	(0.2%)	(788)	(0.2%)	(355)	(0.2%)	10	0.0%
<b>Total Operating costs</b>	<b>(452,526)</b>	<b>(91.1%)</b>	<b>(425,630)</b>	<b>(91.4%)</b>	<b>(123,539)</b>	<b>(85.5%)</b>	<b>(119,991)</b>	<b>(88.0%)</b>
<b>EBITDA</b>	<b>44,015</b>	<b>8.9%</b>	<b>39,863</b>	<b>8.6%</b>	<b>21,023</b>	<b>14.5%</b>	<b>16,362</b>	<b>12.0%</b>
Amortization, depreciation and write downs	(19,168)	(3.9%)	(17,514)	(3.8%)	(7,042)	(4.9%)	(4,440)	(3.3%)
Accrual to provision for risks and charges	(872)	(0.2%)	(784)	(0.2%)	(726)	(0.5%)	(314)	(0.2%)
<b>Total Amortiz., deprec., write downs and prov.</b>	<b>(20,041)</b>	<b>(4.0%)</b>	<b>(18,297)</b>	<b>(3.9%)</b>	<b>(7,769)</b>	<b>(5.4%)</b>	<b>(4,754)</b>	<b>(3.5%)</b>
<b>Operating income</b>	<b>23,975</b>	<b>4.8%</b>	<b>21,566</b>	<b>4.6%</b>	<b>13,254</b>	<b>9.2%</b>	<b>11,608</b>	<b>8.5%</b>
Financial income	4,662	0.9%	3,337	0.7%	1,885	1.3%	1,017	0.7%
Financial expenses	(18,736)	(3.8%)	(16,862)	(3.6%)	(5,702)	(3.9%)	(4,770)	(3.5%)
Gains/(losses) on exchange rate	(3,727)	(0.8%)	(1,858)	(0.4%)	(682)	(0.5%)	955	0.7%
<b>Net expenses and losses from financial activities</b>	<b>(17,802)</b>	<b>(3.6%)</b>	<b>(15,383)</b>	<b>(3.3%)</b>	<b>(4,499)</b>	<b>(3.1%)</b>	<b>(2,798)</b>	<b>(2.1%)</b>
Net non-recurring expenses and charges	(2,265)	(0.5%)	(3,048)	(0.7%)	(431)	(0.3%)	(336)	(0.2%)
<b>Income before taxes</b>	<b>3,909</b>	<b>0.8%</b>	<b>3,134</b>	<b>0.7%</b>	<b>8,324</b>	<b>5.8%</b>	<b>8,474</b>	<b>6.2%</b>
(Income taxes)/tax benefit	(2,256)	(0.5%)	(1,675)	(0.4%)	(2,931)	(2.0%)	(1,697)	(1.2%)
<b>Net Income / (Losses) for the period</b>	<b>1,653</b>	<b>0.3%</b>	<b>1,459</b>	<b>0.3%</b>	<b>5,393</b>	<b>3.7%</b>	<b>6,777</b>	<b>5.0%</b>
Attributable to non-controlling interests	(1,435)	0.3%	(1,412)	0.3%	(765)	(0.5%)	(935)	(0.7%)
Attributable to equity holders of the parent	(218)	0.0%	(47)	0.0%	(4,628)	(3.2%)	(5,842)	(4.3%)



# 5. Appendix

## CONSOLIDATED BALANCE SHEET

	December 31, 2017	December 31, 2016
<i>(Euro/000)</i>		
Intangible assets	33,373	29,834
<i>of which goodwill</i>	19,705	19,457
Property, plant and equipment	103,542	123,048
Investment in subsidiaries, associates, joint ventures and other companies	1,204	441
Other non-current assets	30,738	25,696
<i>of which deferred tax assets</i>	26,657	21,781
<b>Total non-current assets</b>	<b>168,857</b>	<b>179,019</b>
Cash and cash equivalents	65,406	46,619
Other current financial assets	32,000	29,000
Trade receivables	119,816	109,654
Inventories	89,195	85,238
Current tax receivables	17,259	15,112
Other current non-financial assets	17,870	16,434
<b>Total current assets</b>	<b>341,545</b>	<b>302,057</b>
<b>Total assets</b>	<b>510,402</b>	<b>481,076</b>
<b>Shareholders' equity and liabilities</b>		
Share capital	33,400	33,400
Reserves	21,778	37,572
Profit / (Loss) for the Year Group	218	47
<b>Equity attributable to equity holders of the parent</b>	<b>55,396</b>	<b>71,019</b>
<b>Equity attributable to non-controlling interests</b>	<b>35,400</b>	<b>37,286</b>
<b>Total shareholders' equity</b>	<b>90,796</b>	<b>108,305</b>
Non-current portion of banks loans and other financial liabilities	13,626	8,155
Non-current bonds	190,000	190,000
Employees' termination indemnity	1,252	1,463
Provisions for risks and charges	7,038	7,018
Deferred tax liabilities	7,341	6,908
<b>Total non-current liabilities</b>	<b>219,257</b>	<b>213,543</b>
Current portion of banks loans and other financial liabilities	16,116	23,394
Advance from customers	11,502	3,134
Trade payables	96,497	71,507
Current tax payables	8,568	6,405
Other current non-financial liabilities	67,666	54,787
<b>Total current liabilities</b>	<b>200,350</b>	<b>159,227</b>
<b>Total liabilities</b>	<b>419,607</b>	<b>372,770</b>
<b>Total shareholders' equity and liabilities</b>	<b>510,402</b>	<b>481,076</b>

<i>(Euro/000)</i>	<i>2017</i>	<i>2016</i>
Net cash flow from operating activities	32,001	6,590
Net cash flow used in investing activities	(6,185)	(12,895)
Net cash flow from/(used in) financing activities	(5,885)	1,041
Net effect of foreign currencies exchange rate variation and of movement in Equity attributable to non-controlling interests	(1,144)	2,686
<b>Cash and cash equivalent at the beginning of the period</b>	<b>46,619</b>	<b>49,198</b>
Changes in cash and cash equivalent	18,787	(2,578)
<b>Cash and cash equivalent at the end of the period</b>	<b>65,406</b>	<b>46,620</b>