

PRESS RELEASE

CONSOLIDATED FINANCIAL RESULTS AT JUNE 30, 2020

PROGETTO ITALIA BECOMES REALITY: INTEGRATION WITH ASTALDI IN 2020

NET FINANCIAL POSITION EXPECTED TO IMPROVE BY YEAR-END¹

SOLID, DIVERSIFIED CONSTRUCTION ORDER BACKLOG AT € 33.8 BILLION INCLUDING THE CONTRIBUTION OF ASTALDI

OUTLOOK 2020¹

- **Medium-long term growth drivers confirmed**
- **Group average book to bill 1x revenues for year**
- **Acquisition of Astaldi accretive to Group's financial results**

RESULTS AT JUNE 30, 2020

- **New orders acquired and to be finalized equal to € 1.9 billion year-to-date**
- **Over € 11 billion of tenders awaiting outcome**
- **Adj.² revenues € 2.2 billion (€ 2.7 billion)³**
 - **>85% of revenues from works related to projects that contribute to sustainable development goals (SDGs)⁴**
 - **>55% of revenues from works related to projects aimed at reducing carbon emissions**
- **Net debt € 1.1 billion, in line with June 30, 2019 (€ 1.1 billion)**

Milan, July 29, 2020 – The Board of Directors of Webuild (MTA:WBD) approved today the consolidated half-year financial report at June 30, 2020 and examined the “**adjusted¹ consolidated data**” for the purpose of a better comparison on a homogenous base.

REFERENCE FRAMEWORK

During the first six months of 2020, there was a sudden decline in the global economy due to the COVID-19 pandemic. Among the measures adopted by the various governments of the affected countries to contain the virus, there was the closure of various non-essential production activities (lockdown) in addition to the restriction of movement. This had a serious impact on economic activity and the production system.

¹ The objectives, set at a time of great uncertainty in light of the spread of the coronavirus and the global effort to contain it, may be susceptible to changes linked to the unpredictable course of a further possible development of the pandemic.

² The mentioned data are adjusted income statement data and they consist of reported data that include results from the non-controlled joint ventures (Work Under Management) related to Lane Industries Inc., as well as the effects of the settlement agreement with Società Italiana per Condotte d'Acqua S.p.A. in A.S. (“Condotte”). For more details, see the table attached to the press release.

³ The figures in brackets refer to data at 30 June 2019

⁴ SGD: (Sustainable Development Goals) United Nation's Sustainable Development Goals to be accomplished by 2030

In light of the emergency, the Group promptly adopted all the necessary measures to manage and contain any possible spread of the virus. Despite the slowing down and, in some cases, suspension of activities, we were able to continue the management of ongoing projects.

The Group's priorities have been and continue to be the protection of the health of its employees and partners, the maintenance of business continuity and the mitigation of any financial impact.

In this context, the Group has continued to operate, carrying out projects of strategic and social relevance, and playing a fundamental role in the relaunch of Italy's infrastructure investments. In particular:

- The construction of the **bridge for Genoa** continued. The construction site saw important organisational efforts made since March 2020 to mitigate the negative impact of the emergency. The work carried out by more than 1,000 people safely completed in record time the bridge all the while maintaining a high quality of work.
- The **investment in Astaldi**, a fundamental step for Progetto Italia, also continued. The operation has been a complex process, lasting about two years. It achieved its first major milestone in April when creditors met to discuss the proposal involving the company as a direct going concern. They subsequently approved it with a vote representing 69.4% of the debt held. The process ended with the Court of Rome's July 17, 2020 ruling, irrevocable and with immediate effect, on the homologation of Astaldi's composition with creditors on a going-concern basis. The ruling will result in Webuild becoming Astaldi's majority shareholder within the end of 2020, creating one of Europe's biggest companies in the sector with a construction order backlog of € 33.8 billion, about 70,000 workers globally, and nearly 110 ongoing projects in the world. It will also have a record of more than 13,500 km of rail and metro lines, 80,000 km of roads and highways, nearly 1,000 km of bridges, 313 dams and hydroelectric plants.
- There was also the start of a new construction site for the **Ionian Highway**, worth € 980 million, a key project for the development of mobility in southern Italy, as well as the restart of work on **Genoa's Nodo Ferroviario** (railway hub), an important project worth € 120 million that will contribute to the recovery of the Liguria region.

In addition, during the first half of 2020, the Group consolidated its position among the leading companies in sustainability by receiving from the main rating agencies that evaluate environmental, social and governance practices (ESG - Environmental Social Governance):

- the "A" rating from MSCI ESG Research,
- the "Advanced" level by Vigeo Eiris,

confirming the validity of the sustainability strategy adopted, based on a long-term vision and oriented towards creating shared value for shareholders, investors, employees, customers and communities. Responsible conduct is one of the strategic levers for Webuild which, together with the core business focused on the creation of infrastructure for sustainable mobility, hydroelectric energy, water and green buildings, places the Group in a privileged market position for its own ability to contribute concretely to the advancement of the Sustainable Development Goals (SDGs) defined by the United Nations, and to the fight against climate change. The integration of ESG issues into the Group's business strategies was also enhanced with the recent adoption of a new remuneration policy, which links the provision of long-term wage incentives (LTI 2020-2022 Plan) to the achievement of specific objectives of sustainability.

ADJUSTED¹ CONSOLIDATED INCOME STATEMENT DATA AT JUNE 30, 2020

The results for the first half of 2020 were impacted by the restrictions imposed by clients and governments that resulted in a decline in production, first in Italy and Europe, then, in the following months, Latin America and in the Middle East. In some cases, the activities during the few weeks of downtime used this period to adapt the construction sites to the new measures required by government or local authorities. This resulted in an overall reduction in production and margins.

Except for a few exceptions, operations have restarted, although not all of them have returned to production levels before the lockdown. A return to full production is expected in the second half of 2020.

Revenues are equal to € 2,213.1 million, compared to the first half of 2019 (€ 2,709.9 million). The main contributions to the revenues for the period come from major projects including those of U.S. subsidiary Lane, the Milan-Genoa high-speed/high-capacity railway, works in Ethiopia, works in Australia for the design, construction and maintenance of the Perth light rail transit line and for the civil and electromechanical works for the Snowy 2.0 hydroelectric plant, works in Saudi Arabia including the design and construction of a line for the Riyadh metro, as well as the project to build the Rogun dam in Tajikistan.

EBITDA in the first half of 2020 is equal to € 110.9 million (€ 238.6 million), while **EBIT** is equal to € 35.3 million (€ 137.8 million).

In recent months, discussions have been held with clients to agree on some contractual aspects with particular reference to the definition of delays resulting from standstill construction sites and related inefficiencies. They also concern starting the process of recognising additional costs resulting from the crisis that have almost entirely weighed on the Webuild Group.

Net financial costs show net financial charges for €48.6 million compared to € 26.8 million in the first half of 2019. This item includes:

- financial charges for € 76.8 million (€ 58.0 million);
- net exchange rate loss equal to € 14.5 million (positive for € 9.0 million) mainly due to the trend of currencies from countries in Latin America that were heavily affected by the health crisis; partially offset by
- financial income of € 42.6 million (€ 22.2 million).

The increase in financial charges is mainly due to the assessment of some outstanding financial receivables at June 30, 2020.

Gain/loss on investments contributed with a negative result of € 10.5 million (positive for € 10.8 million).

Pre-tax result is negative and stands at € 23.9 million, down compared to the previous period (positive for € 121.8 million).

Income taxes amount to € 26.6 million (€ 47.3 million). The decrease in taxes is mainly due to the reduction in the pre-tax result and to the results of various subsidiary companies in the countries in which they operate.

In the first half of 2020, the **loss attributable to minority interests** is € 2.2 million.

CONSOLIDATED BALANCE SHEET DATA AT JUNE 30, 2020

The net financial position of the Group's ongoing operations at June 30, 2020 is negative and equal to € 1,098.5 million compared to € 1,103.7 million as of June 30, 2019 and € 631.4 million at the end of 2019.

The change compared to 2019 is mainly attributable to the absorption of cash due to an increase in working capital during the first half of 2020 following the spread of COVID-19 which generated a slowdown in production and collection of payments from clients.

Gross debt is equal to € 3,107.5 million, an increase of approximately € 837.4 million compared to December 31, 2019 (€ 2,270.1 million) mainly due to the full use of the Revolving Credit Facility lines with a simultaneous increase cash available at Corporate level which at June 30, 2020 amounted to € 750 million.

Gross debt, net of Beyond S.r.l. (the company established in 2019 as part of Progetto Italia), equal to approximately € 149.7 million, would amount to € 2,957.8 million.

The Net Financial Position / Shareholders' Equity ratio (based on the net financial position of ongoing operations), on a consolidated basis, is equal to 0.78 at June 30, 2020.

NEW ORDERS AND COMMERCIAL PIPELINE

The total order backlog amounts to € 33.9 billion, of which € 27.4 billion is related to construction and € 6.3 billion to concessions.

New orders acquired and to be finalized, year-to-date, amounted to approximately € 1.9 billion. In addition, Webuild is the best bidder for an additional € 0.2 billion in tenders.

In the first half of 2020, the Group's commercial activities, despite the market slowdown amid the COVID-19 pandemic, marked a substantial increase in the amount of offers compared to the same period the previous year. In the first months of the year, there was a constant shift forward in the tender dates for a total of up to € 10 billion worth of opportunities this year to 2021 (mainly in Europe and the United States).

At the geographic level, supply volumes were concentrated in Europe, the Asia Pacific and the United States. Performance in Australia has been significant, with the amount of tenders in which the Group has participated in the first half of the year already double the entire value registered for 2019. This is also due to the fact that there have been no major disruptions to business opportunities from the pandemic in that country.

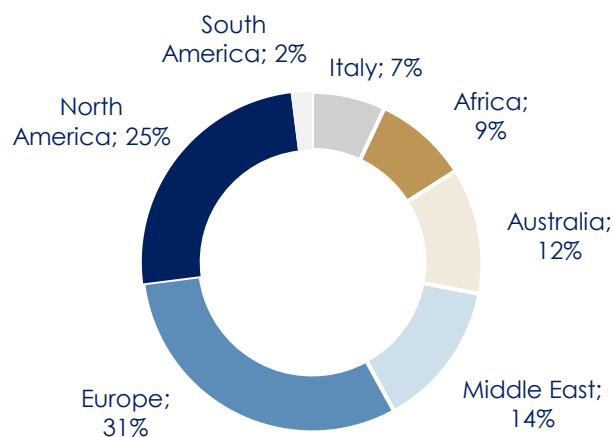
With the widespread delay or suspension in the awarding of contracts by many clients due to COVID-19, the number and value of "awaiting outcomes" are growing, reaching more than € 11 billion.

Start-up activities also continued for the construction of the Dallas-Houston high-speed line in Texas. In May 2020, the Texas Thirteenth Court of Appeal ruled in favour of Texas Central, a high-speed train development company, confirming its status as an operating railway and its right to expropriate land along the railway route and access properties to carry out investigations relating to the design of the work, which will be 379 km long. In addition, the environmental impact statement on the project was also published in the same month, a fundamental step for completing the authorisation process.

The total pipeline for the Group's commercial activities is € 39.6 billion.

The following is a breakdown by category and geographical area of the commercial pipeline:

Short Term commercial activity	(€/bn)
Awaiting outcome/best offer	11.6
Tenders to be presented	7.6
Prequalifications	13.0
Main Monitoring Initiatives	7.4
Total Webuild Group	39.6



OUTLOOK 2020

The extraordinary impact associated with the COVID-19 pandemic started to have indirect effects on the production of the Group's operating sites in the first months of the year in Italy and Europe, and in the following months in Latin America and the Middle East.

The medium-long term growth drivers that are based on the following strategic pillars remain confirmed:

- Progetto Italia: completion of the Astaldi operation with acquisition of control by the end of 2020;
- Geographical diversification: increase in the Group's presence in key geographic areas, such as Italy, North America and Australia and growth in new high-potential areas, such as Europe and the Nordic countries;
- Sectoral Focus: focus on complex infrastructure projects where the Group has the greatest expertise such as Sustainable Mobility, Clean Hydro Energy and Clean Water;
- Continue the process of cost rationalisation: optimisation of structural costs and projects with greater operational efficiency and cost synergies from integrations.

For the second half of 2020 it is reasonable to foresee:

- Group average book to bill 1x revenues for the year;
- The completion of the Astaldi acquisition, which is expected to contribute positively to year-end economic and financial results;
- Net financial position improving

The objectives set at a time of great uncertainty may be susceptible to changes linked to the unpredictable trend of a further possible development of the COVID-19 pandemic.

Finally, it is important to underline the financial effects deriving from Article 207 of Legislative Decree No. 34/2020 (the so-called "Decreto Rilancio") with amendments by Law No. 77 of July 17, 2020 approved by the Italian Parliament. It allows for obtaining contractual advance payments of up to 30% within the limits of, and in accordance with, the annual resources allocated to each individual intervention. The advances also favour contractors who have already benefitted from contractually provided advances or who have already started without receiving an advance.

The Group, as soon as the external context normalises, will present a three-year Industrial Plan.

Massimo Ferrari, in his capacity as Director in charge of the preparation of the company's accounting documents, declares, pursuant to Section 2 of Article 154 bis of the Italian Uniform Financial Code, that the information contained in this press release corresponds to the accounting documents, books and entries.

Webuild, the new group born in 2020 from Salini Impregilo, is a leading global player in the construction of large, complex projects for sustainable mobility, clean hydro energy, clean water, green buildings, supporting clients in achieving sustainable development goals (SDGs). The Group is the expression of 114 years of engineering experience applied in 50 countries on five continents with 50,000 direct and indirect employees from more than 100 nationalities. Recognized for five years by Engineering News-Record (ENR) as the world leader in water infrastructure (such as dams, hydraulic tunnels, water and wastewater management, and water treatment and desalination plants), it ranks since 2018 among the top 10 in the environment sector and it is also leader in sustainable mobility (especially metro and rail lines, in addition to roads and bridges). A signatory of the United Nations Global Compact, the Group's expertise is displayed in projects such as the M4 metro line in Milan, Grand Paris Express, Cityringen in Copenhagen, Sydney Metro Northwest, Red Line North Underground in Doha, Line 3 of the Riyadh Metro and the high-speed railways in Italy. Other projects include the new Genoa Bridge and the new Gerald Desmond Bridge in Long Beach, California, the expansion of the Panama Canal, the Snowy 2.0 hydroelectric power station in Australia, the Rogun hydroelectric dam in Tajikistan, the Anacostia River and Northeast Boundary tunnels in Washington, D.C. and the Al Bayt 2022 World Cup stadium in Qatar. In 2019, new orders totalled €8.1 billion, with a total backlog reaching €36.2 billion. Some 85% of the backlog for construction orders involves projects tied to the sustainable development goals of the United Nations (SDGs), while 60% concerns the reduction of greenhouse emissions. Webuild, subject to direction and coordination by Salini Costruttori SpA, is headquartered in Italy and is listed on the Milan Stock Exchange (Borsa Italiana: WBD; Reuters: WBD.MI; Bloomberg: WBD:IM).

More information at www.webuildgroup.com



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The consolidated reclassified schedules of the income statement and statement of financial position of the Webuild Group at June 30, 2020 are attached.

Webuild Group
Reclassified statement of profit or loss adjusted
Interim financial report June 30, 2020

	1st Half 2019 Adjusted			1st Half 2020 Adjusted			
	Webuild Group	Joint ventures not controlled by Lane (*)	Adjusted	Webuild Group	Joint ventures not controlled by Lane (*)	Condotte out-of-court agreement (**)	Adjusted
(€/000)							
Revenue							
Revenue from contracts with customers	2,362,788	127,963	2,490,751	1,936,417	179,929	-	2,116,346
Other income	219,165	-	219,165	96,764	-	-	96,764
Total revenue and other income	2,581,953	127,963	2,709,916	2,033,181	179,929	-	2,213,110
Operating expenses							
Purchases	(298,667)	-	(298,667)	(260,380)	-	-	(260,380)
Subcontracts	(929,788)	-	(929,788)	(691,653)	-	-	(691,653)
Services	(636,405)	-	(636,405)	(532,558)	-	-	(532,558)
Personnel expenses	(397,512)	-	(397,512)	(391,981)	-	-	(391,981)
Other operating expenses	(77,656)	(131,294)	(208,950)	(69,482)	(171,131)	15,000	(225,613)
Total operating expenses	(2,340,028)	(131,294)	(2,471,322)	(1,946,054)	(171,131)	15,000	(2,102,185)
Gross operating profit (EBITDA)	241,925	(3,331)	238,594	87,127	8,798	15,000	110,925
EBITDA %	9.4%	-2.6%	8.8%	4.3%	4.9%	-	5.0%
Impairment losses (*)	798	-	798	(27,118)	-	20,284	(6,834)
Provisions, amortisation and depreciation	(101,574)	-	(101,574)	(68,829)	-	-	(68,829)
Operating profit (loss) (EBIT)	141,149	(3,331)	137,818	(8,820)	8,798	35,284	35,262
R.o.S. %	5.5%	-2.6%	5.1%	-0.4%	4.9%	-	1.6%
Financing income (costs) and gains (losses) on equity investments							
Financial income	22,174	-	22,174	42,629	-	-	42,629
Financial expenses	(58,009)	-	(58,009)	(76,773)	-	-	(76,773)
Net exchange gains (losses)	8,998	-	8,998	(14,487)	-	-	(14,487)
Net financing income (costs)	(26,837)	-	(26,837)	(48,631)	-	-	(48,631)
Net gains (losses) on equity investments	7,510	3,331	10,841	(1,726)	(8,798)	-	(10,524)
Net financing income (costs) and net gains (losses) on equity investments	(19,327)	3,331	(15,996)	(50,357)	(8,798)	-	(59,155)
Profit (loss) before taxes (EBT)	121,822	-	121,822	(59,177)	-	35,284	(23,893)
Income taxes	(47,290)	-	(47,290)	(26,577)	-	-	(26,577)
Profit (loss) from continuing operations	74,532	-	74,532	(85,754)	-	35,284	(50,470)
Profit (loss) from discontinued operations	(187)	-	(187)	-	-	-	-
Profit (loss) before non-controlling interests	74,345	-	74,345	(85,754)	-	35,284	(50,470)
Non-controlling interests	(11,057)	-	(11,057)	2,211	-	-	2,211
Profit (loss) for the period attributable to the owners of the parent company	63,288	-	63,288	(83,543)	-	35,284	(48,259)

(*) The Group monitors the key figures of Lane Group for management purposes adjusting the IFRS figures prepared for consolidation purposes to present the results of the non-subsidiary joint ventures consolidated on a proportionate basis. These figures show the status of contracts managed directly by Lane Group or through non-controlling investments in joint ventures

(**) The figures shown are adjusted economic data of the effects of the Settlement Agreement with Società Italiana per Condotte d'Acqua S.p.A. in A.S. ("Condotte") which, during the first half of 2020, entailed the recognition of a total amount of € 81 million to Condotte, of which € 66 million through the waiver of the Consortium's receivables from Condotte itself and € 15 million through cash payments. Considering that, at December 31, 2019, a bad debt provision of € 46 million had been posted, the overall effect of the settlement agreement is a charge of € 35 million, of which € 20 million as a loss on receivables - resulting from the waiver to the credit of 66 million net of the use of the aforementioned fund - and € 15 million classified under various management charges, as a transaction charge

(***) Starting from 2019, the Group has decided to present "Impairment losses" separately in the statement of profit or loss for their better presentation. Therefore, the 2019 first half comparative figure has been restated accordingly

Webuild Group
Reclassified statement of profit or loss
Interim financial report June 30, 2020

(€/000)	1st Half 2019	1st Half 2020
Revenue		
Revenue from contracts with customers	2,362,788	1,936,417
Other income	219,165	96,764
Total revenue and other income	2,581,953	2,033,181
Operating expenses		
Purchases	(298,667)	(260,380)
Subcontracts	(929,788)	(691,653)
Services	(636,405)	(532,558)
Personnel expenses	(397,512)	(391,981)
Other operating expenses	(77,656)	(69,482)
Total operating expenses	(2,340,028)	(1,946,054)
Gross operating profit (EBITDA)	241,925	87,127
EBITDA %	9.4%	4.3%
Impairment losses (*)	798	(27,118)
Provisions, amortisation and depreciation	(101,574)	(68,829)
Operating profit (loss) (EBIT)	141,149	(8,820)
R.o.S. %	5.5%	-0.4%
Financing income (costs) and gains (losses) on equity investments		
Financial income	22,174	42,629
Financial expenses	(58,009)	(76,773)
Net exchange gains (losses)	8,998	(14,487)
Net financing income (costs)	(26,837)	(48,631)
Net gains (losses) on equity investments	7,510	(1,726)
Net financing income (costs) and net gains (losses) on equity	(19,327)	(50,357)
Profit (loss) before taxes (EBT)	121,822	(59,177)
Income taxes	(47,290)	(26,577)
Profit (loss) from continuing operations	74,532	(85,754)
Profit (loss) from discontinued operations	(187)	-
Profit (loss) before non-controlling interests	74,345	(85,754)
Non-controlling interests	(11,057)	2,211
Profit (loss) for the period attributable to the owners of the par	63,288	(83,543)

(*) Starting from 2019, the Group has decided to present "Impairment losses" separately in the statement of profit or loss for their better presentation. Therefore, the 2019 first half comparative figure has been restated accordingly

Webuild Group
Reclassified statement of financial position
Interim financial report June 30, 2020

(€/000)	30 June 2019	31 December 2019	30 June 2020
Non-current assets	1,337,170	1,305,277	1,337,741
Goodwil	75,144	76,062	76,292
Non-current assets (liabilities) held for sale	5,683	11,976	-
Provisions for risks	(71,235)	(137,922)	(129,815)
Post-employment benefits and employee benefits	(59,955)	(61,868)	(70,305)
Net tax assets	286,130	333,352	377,896
Inventories	182,739	156,368	157,874
Contract assets	1,735,685	2,040,450	1,998,152
Contract liabilities	(1,113,380)	(1,186,076)	(1,240,977)
Receivables (**)	2,061,707	1,824,875	1,934,970
Liabilities (**)	(2,651,870)	(2,588,844)	(2,238,022)
Other current assets	642,484	684,995	609,099
Other current liabilities	(315,194)	(323,077)	(313,437)
Working capital	542,171	608,691	907,659
Net invested capital	2,115,108	2,135,568	2,499,468
Equity attributable to the owners of the parent	895,837	1,395,395	1,269,044
Non-controlling interests	115,551	108,750	131,876
Equity	1,011,388	1,504,145	1,400,920
Net financial indebtedness	1,103,720	631,423	1,098,548
Total financial resources	2,115,108	2,135,568	2,499,468

(**) This item shows liabilities of € 23.6 million and assets of € 37.1 million classified in net financial indebtedness and related to the Group's net amounts due from/to consortia and consortium companies (SPEs) operating under a cost recharging system and not included in the consolidation scope. The balance reflects the Group's share of cash and cash equivalents or debt of the SPEs. The Group's exposure to the SPEs was shown under "Liabilities" for € 23.9 million and "Assets" for € 2.3 million at 31 December 2019

Webuild Group
Net financial indebtedness
Interim financial report June 30, 2020

(€/000)	30 June 2019	31 December 2019	30 June 2020
Non-current financial assets	247,068	378,272	424,403
Current financial assets	238,347	241,249	237,901
Cash and cash equivalents	812,317	1,020,858	1,331,827
Total cash and cash equivalents and other financial assets	1,297,732	1,640,379	1,994,131
Bank and other loans and borrowings	(537,989)	(751,256)	(731,129)
Bonds	(1,090,008)	(1,091,890)	(745,491)
Lease liabilities	(98,267)	(98,709)	(93,411)
Total non-current indebtedness	(1,726,264)	(1,941,855)	(1,570,031)
Current portion of bank loans and borrowings and curren	(590,704)	(231,640)	(995,001)
Current portion of bonds	(6,291)	(13,295)	(481,520)
Current portion of lease liabilities	(63,799)	(61,673)	(60,924)
Total current indebtedness	(660,794)	(306,608)	(1,537,445)
Derivative assets	-	268	1,268
Derivative liabilities	(1,694)	(2,012)	(7)
Net financial position with unconsolidated SPEs (**)	(12,700)	(21,595)	13,536
Total other financial assets (liabilities)	(14,394)	(23,339)	14,797
Net financial indebtedness - continuing operations	(1,103,720)	(631,423)	(1,098,548)
Net financial indebtedness - discontinued operations	-	-	-
Net financial indebtedness including discontinued operations	(1,103,720)	(631,423)	(1,098,548)
Total gross indebtedness	(2,399,758)	(2,270,058)	(3,107,476)
- of which Beyond	-	(85,089)	(149,648)
Total gross indebtedness net of Beyond	(2,399,758)	(2,184,969)	(2,957,827)

(**) This item shows the Group's net amounts due from/to unconsolidated consortia and consortium companies operating under a cost recharging system and not included in the consolidation scope. The balance reflects the Group's share of cash and cash equivalents or debt of the SPEs. The balances are shown under trade receivables and payables in the condensed interim consolidated financial statements