

PRESS NOTE

WEBUILD: FUTURE GROWTH EXPECTED WITH PROGETTO ITALIA, RELAUNCH DECREE

NEW THREE-YEAR INDUSTRIAL PLAN READY WHEN SITUATION NORMALISES

MILAN, July 30, 2020 – “Our results for the first months of 2020 show the achievements we made under Progetto Italia, which is becoming a reality, an opportunity for extraordinary growth that will bring about a very positive future for our Group. The combined effect of the Astaldi aggregation and the stimulus from the so-called “Decreto Rilancio” will completely neutralise the impact caused by COVID-19. We expect a significant improvement in our combined net financial position by year-end. We will keep expanding in markets that have very interesting potential for the Group, such as Europe, Australia, the Middle East and North America. Our focus will be on projects that support clients in their efforts to achieve sustainable objectives,” Webuild Chief Executive Pietro Salini said in comments made on the Group’s financial results at June 30, 2020.

“The Rome Tribunal came out with a ruling on the homologation of Astaldi’s composition with creditors, an important step in the process that will lead to a capital increase within 120 days following the approval. The Group’s acquisition of Astaldi will bring to more than 6.4 billion euros the order backlog, and will create a group with aggregate revenues of more than 6.3 billion euros (with an increase of about 15% from the previous year). This does not include all the impacts from which we will benefit in terms of synergies and reorganisation. In addition to acquiring greater scale, the operation will lead to a stronger net equity and, what is more important, provide a net contribution to liquidity.”

“We have come out of this period with a good level of liquidity thanks to the management of available credit lines that allowed us to have about 750 million euros available at the company level. Once the external situation normalises itself, we will present a three-year industrial plan. In these months we have applied strict safety measures to allow our construction sites to continue working. These measures – such as social distancing - obviously had an impact on productivity. But the Group’s underlying profitability remained solid, thanks also to our well spread geographical presence.

Massimo Ferrari, General Manager Corporate and Finance, said it was worth emphasising the financial impact of Art. 207 of Decreto Rilancio. “This decree allows for contractual advance payments of up to 30%. The decree favours contractor that have already benefitted from advances already planned under contract or have already started work on a project without having yet received an advance. It is expected that this decree will have a significant impact on the second half of the year in terms of cash flow for the Group. We estimate that the potential impact will be 1.6 billion that would carry to a net positive financial position.

“Thanks to an intense commercial activity, we foresee a comprehensive recovery in our operations in terms of production and margins. Before the end of the year, we expect the approval and presentation Astaldi’s capital increase. The acquisition will help the group grow in operational and financial terms. At that moment, we will present a business plan for the next three years for the new Group. We are also taking into consideration complimentary activities that would stabilise cash flow. One of these is road and highway maintenance. In Italy, there are more than 7,000 kilometres of highways and more than 20,000 of state roads that need to be maintained and repaired. The market is valued at one billion euros. We would look at creating a company to coordinate work done by local businesses. We already have in mind something like some business units of our competitors for Progetto Italia. That could help us develop this new model of business. The idea could also be applied to the hospitals, prisons and schools. We would start in Italy but the need for maintenance is global.

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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