



**First Half 2016 Financial Results**  
**27 July 2016**

 **Financial Update**

**Massimo Ferrari**

*General Manager Finance & Corporate Group CFO*



 **Business Update and Outlook**

**Pietro Salini**

*Chief Executive Officer*



-  **H1-2016 results in line with budget & expectations**
-  **On track to achieve 2016 guidance**
-  **Successfully launched €600mn 5-year bond issue**
-  **Awarded approx. €7 billion of new orders YTD**
-  **Total backlog exceeding €38 billion**
-  **More than €31 billion of construction Backlog**

- 🌀 **Comparable consolidation scope:** In order to present the Group's performance for the first half of 2016 consistently with the corresponding period of the previous year, the consolidated income statement H1 2015, has been restated combining it with Lane Group's for the same period
- 🌀 **Management view:** For management purposes, the figures are represented for both six-month periods “adjusting” the IFRS data to reflect on a proportional basis the financial results of the joint ventures non controlled by Lane Group
- 🌀 **US GAAP:** Lane Group's figures at 31 June 2015 are taken from its consolidated financial statements drawn up under US GAAP

€/million	Management view			
	1H 2016	1H 2015	Change	
<b>Revenues</b>	<b>2,736</b>	<b>2,715</b>	<b>0.8%</b>	▶ Revenue contribution in line with budget/forecast
<b>EBITDA</b>	<b>253</b>	<b>221</b>	<b>14.2%</b>	▶ EBITDA & EBIT margins better than expectations
<i>Ebitda margin</i>	9.2%	8.2%		
<b>EBIT</b>	<b>129</b>	<b>113</b>	<b>14.5%</b>	▶ Financial expenses reflect higher debt due to Lane acquisition
<i>Ebit margin</i>	4.7%	4.2%		
Net financing costs	(45)	(31)		▶ Lower tax rate than previous year
Net gain on investments	(3)	1		
<b>EBT</b>	<b>81</b>	<b>83</b>	<b>-2.3%</b>	▶ Discontinued operations impacted by €14mn one-off due to the release of the forex exchange equity reserve related to the Todini sale
Taxation	(32)	(35)		
<i>Tax rate</i>	39.1%	42.6%		▶ Minorities mainly due to Qatar and Lane projects
Discontinued operations	(20)	(5)		
Minorities	(18)	(10)		
<b>Net Profit</b>	<b>11</b>	<b>33</b>		

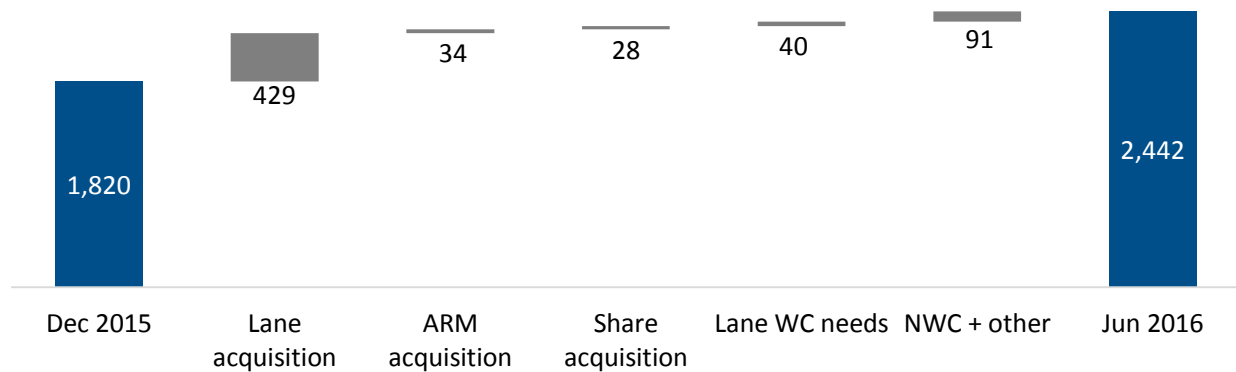
  

€/million	June 2016	
Net Equity	1,230	▶ Net debt increase mainly due to Lane acquisition and NWC seasonality
Net Debt	(836)	

€/million

	Dec 2015		June 2016	
Cash & Cash Equivalents	1,411	79%	1,177	73%
Other Financial Assets	380	21%	433	27%
<b>Total Cash &amp; Other Financial Assets</b>	<b>1,791</b>	<b>100%</b>	<b>1,610</b>	<b>100%</b>
<b>Gross Debt</b>				
Bank Loan	(1,284)	71%	(1,577)	64%
Bond	(406)	22%	(708)	29%
Leasing	(129)	7%	(156)	6%
<b>Total Gross Debt</b>	<b>(1,820)</b>	<b>100%</b>	<b>(2,442)</b>	<b>100%</b>

M/L bank debt	853
no corporate bank debt	356
Overdraft	299
Other	48
<b>Bank loan</b>	<b>1,577</b>

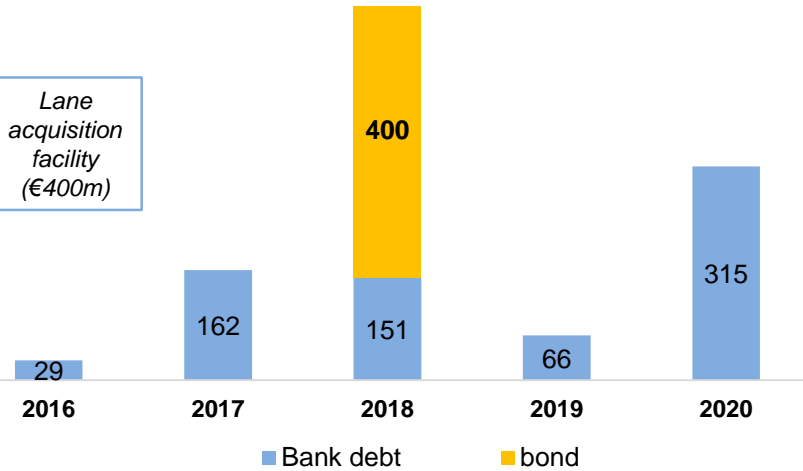


▶ More than €1 Billion of gross debt related to M&A activity

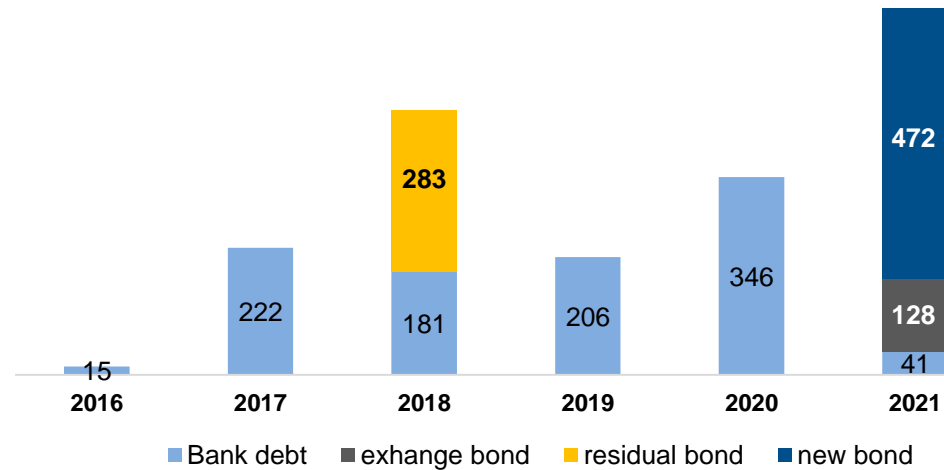
▶ Of which € 667 million related to Impregilo Acquisition

# Extending debt maturity and reducing cost

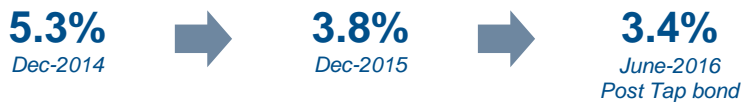
**Debt maturity profile before capital structure optimization**



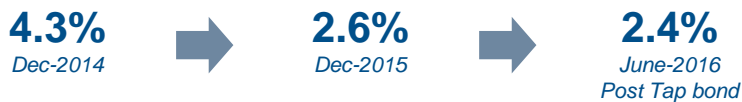
**Debt maturity profile after capital structure optimization**



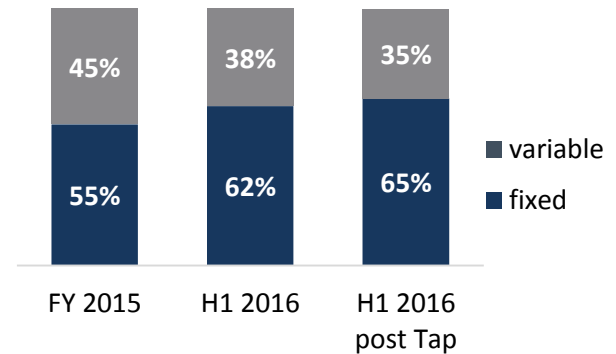
## Significantly Reduced Average Total Debt Cost

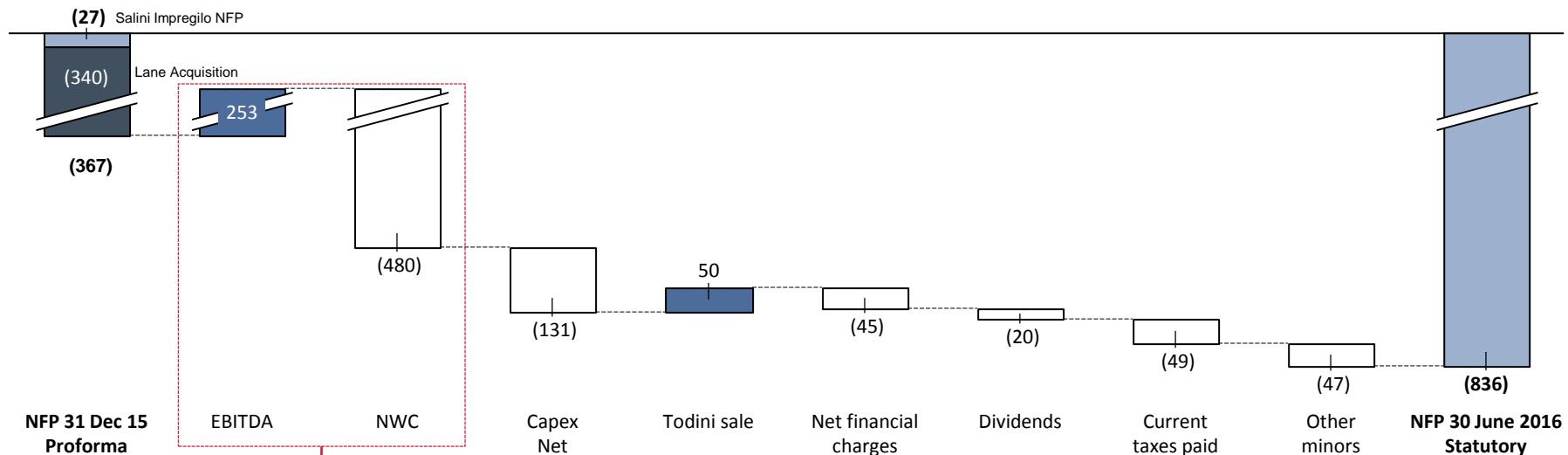


## Average Bank Debt Cost



## M/LT Corporate Debt Breakdown





NFP 31 Dec 15  
Proforma

<b>EBITDA</b>	<b>253</b>
Stocks	5
Work in progress	(350)
Advances from Clients	(55)
Receivables from Clients	(344)
Payables to suppliers	331
Other assets	(67)
<b>TOTAL NWC</b>	<b>(480)</b>
<b>Operating cash flow</b>	<b>(227)</b>



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 **Business Update and Outlook**

**Pietro Salini**

*Chief Executive Officer*

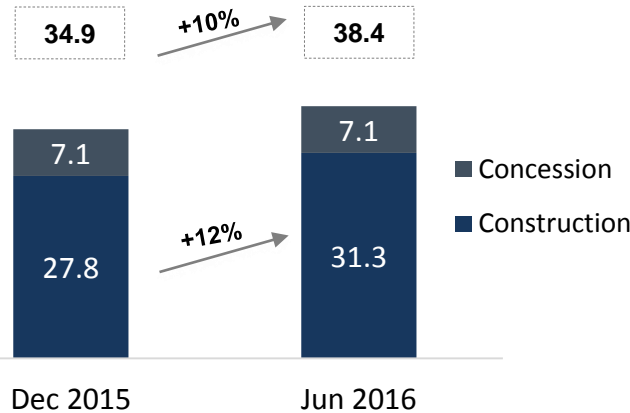


# Backlog Evolution

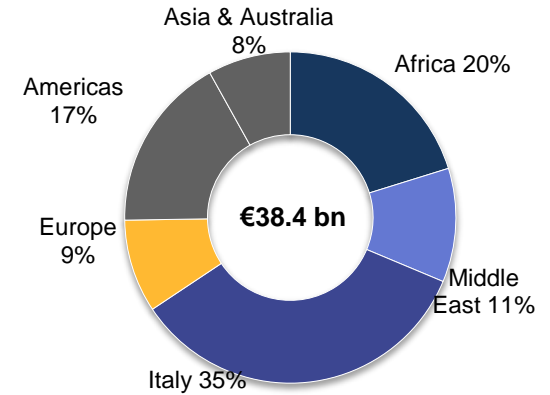
One of the highest Backlog to Revenues ratio in the industry

>71% of 16-19 revenues guaranteed by actual backlog

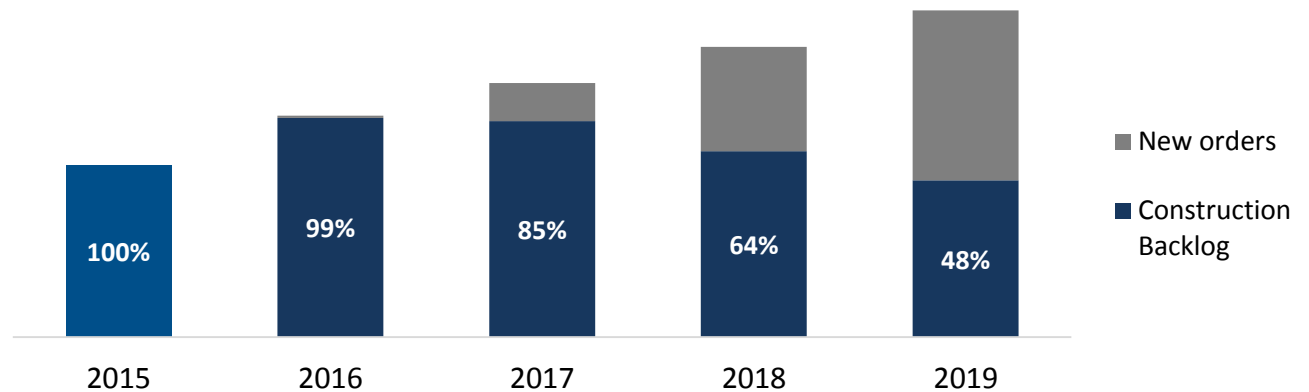
## Total Backlog Increase (€/billion)



## June 2016 Total Backlog



## Business Plan Revenues Coverage



# New Orders & Commercial Activity YTD

More than €6.8 billion of new orders awarded in 2016

Book to bill >1.1x ensures healthy growth in the coming years

38% of win rate YTD

## New Orders

€/mn

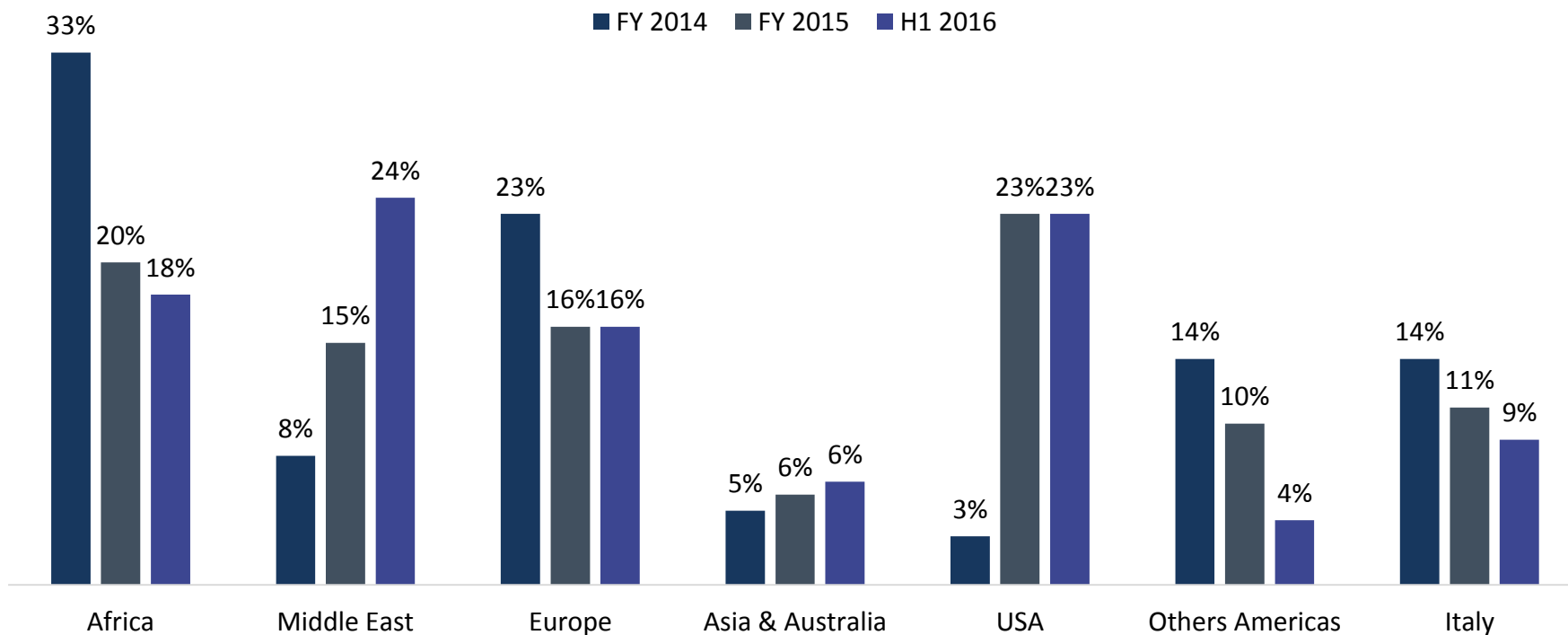
USA	Purple Line	543
USA	Mid South GAH	135
USA	Plants&Paving	275
	Other	250
<b>LANE</b>		<b>1,203</b>
Ethiopia	Koyscha dam	2,499
Australia	Perth Rail Line	790
Kuwait	South AL Mutlaa	467
Tajikistan	Rogun HPP – Lot 1	1,751
	Other	112
<b>Salini Impregilo</b>		<b>5,619</b>
<b>Total Awarded to Date</b>		<b>6,822</b>

## Commercial Activity

€/mn

<b>Tenders awaiting outcome</b>	<b>7,182</b>
<i>of which " Best Offer"</i>	<i>1,533</i>
<b>Tender in Preparation</b>	<b>8,953</b>
<b>Expected commercial activity to year end</b>	<b>16,153</b>

## Revenues by geography



- ▶ Improved revenues geographic distribution, with lower incidence of revenue from the African continent
- ▶ US has become our first single country market

 **Delivery H1 2016**



**Completed in 2016**

**New Panama Canal**



**Completed in 2016**

**Athens Opera House - Greece**



**Completed in 2016**

**GIBE III HPP - Ethiopia**



 **Outlook 2016**

€/million	H1 2016 Management view	FY 2016 Guidance	Outlook 2016
<b>Revenues</b>	<b>2,736</b>	<b>6,100</b>	▶ On track to achieve 2016 guidance Better mix expected in H2
<b>EBITDA</b>	<b>253</b>		
<i>Ebitda margin</i>	9.2%	~9%	▶ On track to achieve 2016 guidance
<b>EBIT</b>	<b>129</b>		
<i>Ebit margin</i>	4.7%		▶ Cost efficiencies contributing to reduce G&A expenses
Net financing costs	(45)	>100	▶ To be in line/slightly better than guidance
Net gain on investments	(3)		
<b>EBT</b>	<b>81</b>		
Taxation	(32)		▶ Tax rate expected to improve at around 40% for FY16, 5% better than expectation
<i>Tax rate</i>	39.1%	~45%	▶ Discontinued operations expected at € 20 million for FY16, No more one-off expected in H2
Discontinued operations	(20)		
Minorities	(18)		▶ Minorities to continue to remain in line with H1
<b>Net Profit</b>	<b>11</b>		▶ Net profit to significantly increase in H2
<b>Net Financial Position</b>	<b>(836)</b>	<b>In line with 2015 (excluding Lane Acquisition)</b>	▶ NFP expected to be in line with the guidance

This presentation may contain forward-looking objectives and statements about Salini Impregilo's financial situation, operating results, business activities and expansion strategy.

These objectives and statements are based on assumptions that are dependent upon significant risk and uncertainty factors that may prove to be inexact. The information is valid only at the time of writing and Salini Impregilo does not assume any obligation to update or revise the objectives on the basis of new information or future or other events, subject to applicable regulations.

Additional information on the factors that could have an impact on Salini Impregilo's financial results is contained in the documents filed by the Group with the Italian Securities Regulator and available on the Group's website at [www.salini-impregilo.com](http://www.salini-impregilo.com) or on request from its head office.



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