

First Half 2017 Financial Results

26 July 2017



Business Update

Pietro Salini
Chief Executive Officer





Financial Update

Massimo Ferrari
General Manager Finance
& Corporate Group CFO



First Half 2017 Key Messages

- 
- Infrastructure market still healthy and growing
 - A strong pipeline of commercial activity
 - Improving the risk profile

- 
- New orders: €4 billion, of which Lane €1.9 billion (+59%)
 - Consolidated revenues growth: +12%
 - EBITDA growth +14%; EBIT growth +12%
 - June 2017 net debt: €785 million, improved by €51 million (€836 million)
 - Lane backlog record level at €3.02 billion
 - Lane revenues growth: +27%, representing 26% of total Group

All comparison refers to the same period of 2016

On track on all our main projects

Riyadh metro, Line 3 - SAUDI ARABIA



Red Line North, Doha Metro - QATAR



Copenhagen Cityringen Metro - DENMARK



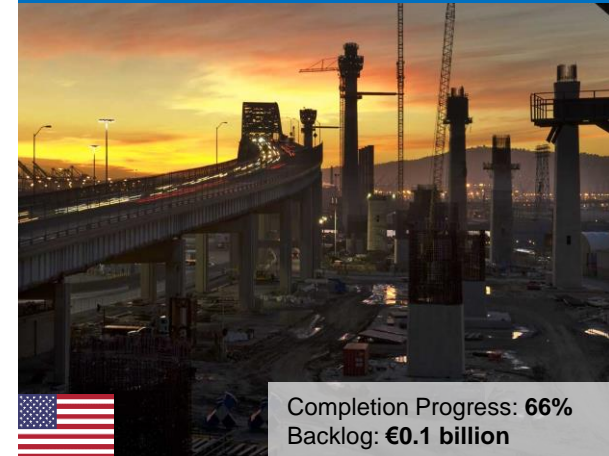
Grand Ethiopian Renaissance Dam Project



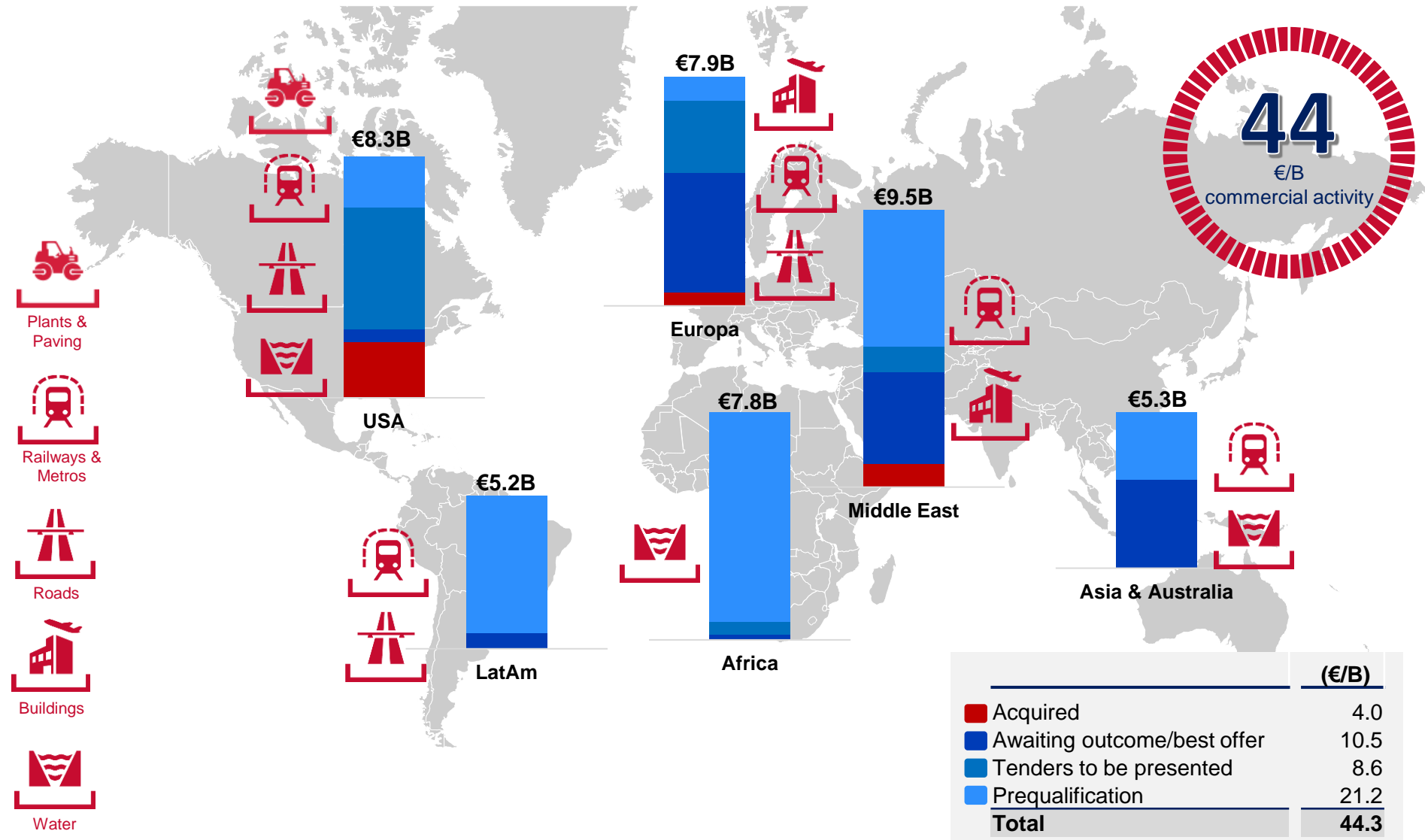
Rogun Dam - TAJIKISTAN



New Gerald Desmond Bridge - California, USA



A strong pipeline of commercial activity



First half 2017 New orders

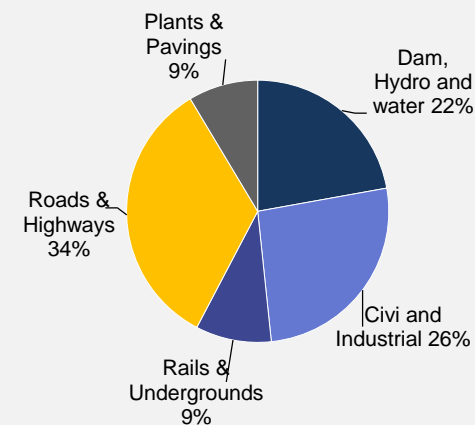
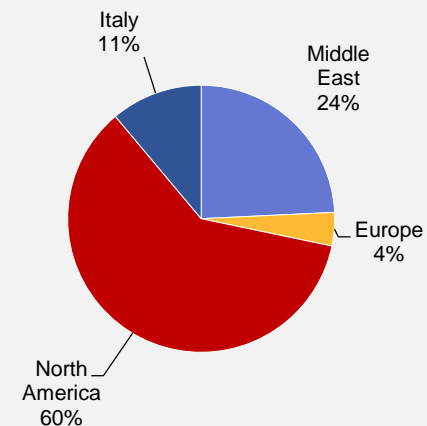


Project	Country	Consolidation Value (€/M)
Napoli – Bari HSR	Italy	238
Al Faisaliah Redevelopment Project	Saudi Arabia	172
Meydan One Mall	Dubai, EAU	402
variation orders		951
other minors		276
Subtotal Salini Impregilo		2,039
Northeast Boundary Tunnel	USA	502
I-395 Express Lanes project	USA	295
Three Rivers Protection	USA	164
Florida Turnpike project	USA	155
I 70 Reconstruction	USA	103
Unionport Bridge	USA	91
Al Maktoum Airport Expansion	Dubai, EAU	109
Other minor projects	USA	239
Plants & Pavings	USA	258
Subtotal Lane		1,916
Total Salini Impregilo Group		3,955

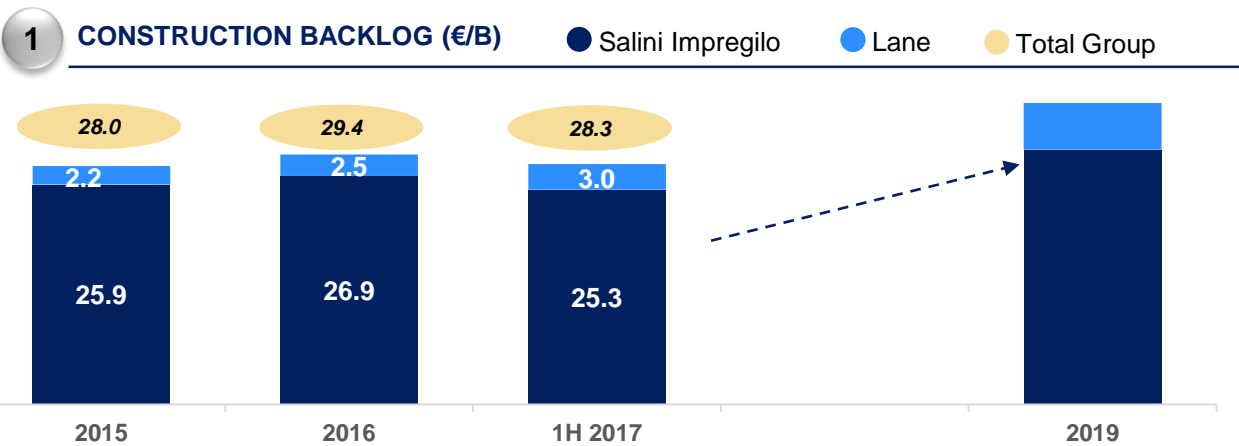


Fisia Italmimpianti expected to sign soon the \$255M contract awarded in Saudi Arabia in JV with a Spanish partner (Fisia 50%)

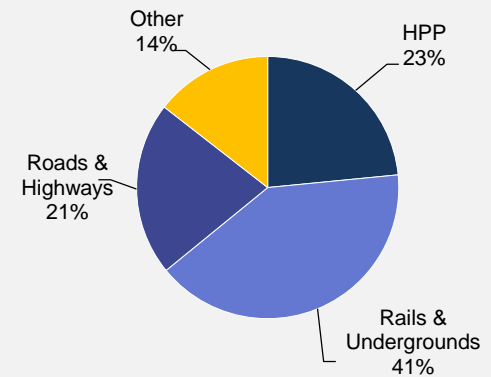
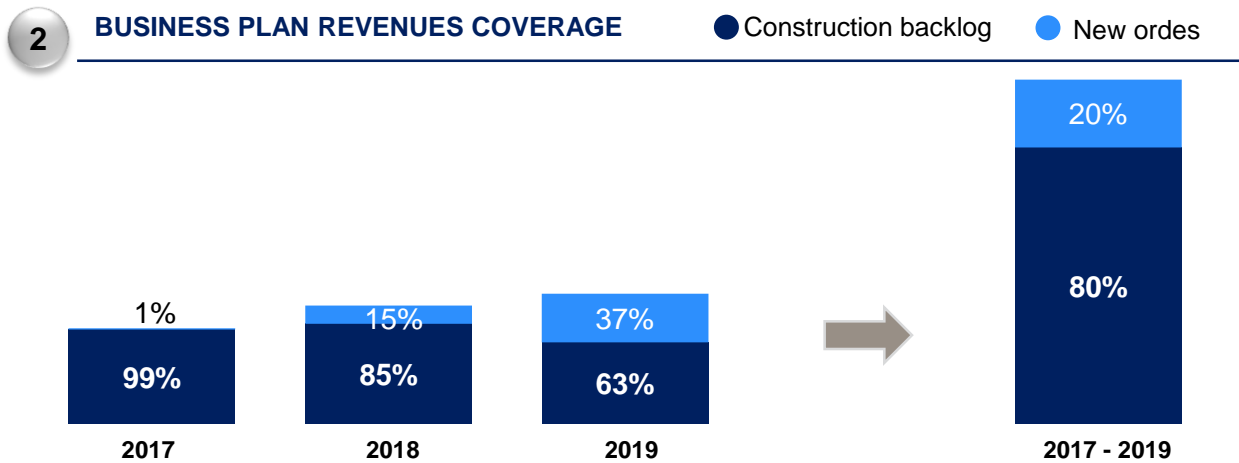
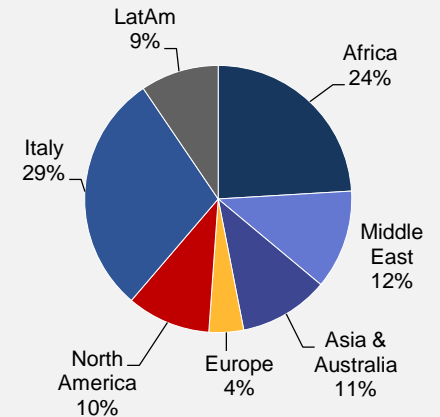
NEW ORDERS DISTRIBUTION



Our strong backlog ensures BP execution



CONSTRUCTION BACKLOG JUNE 2017



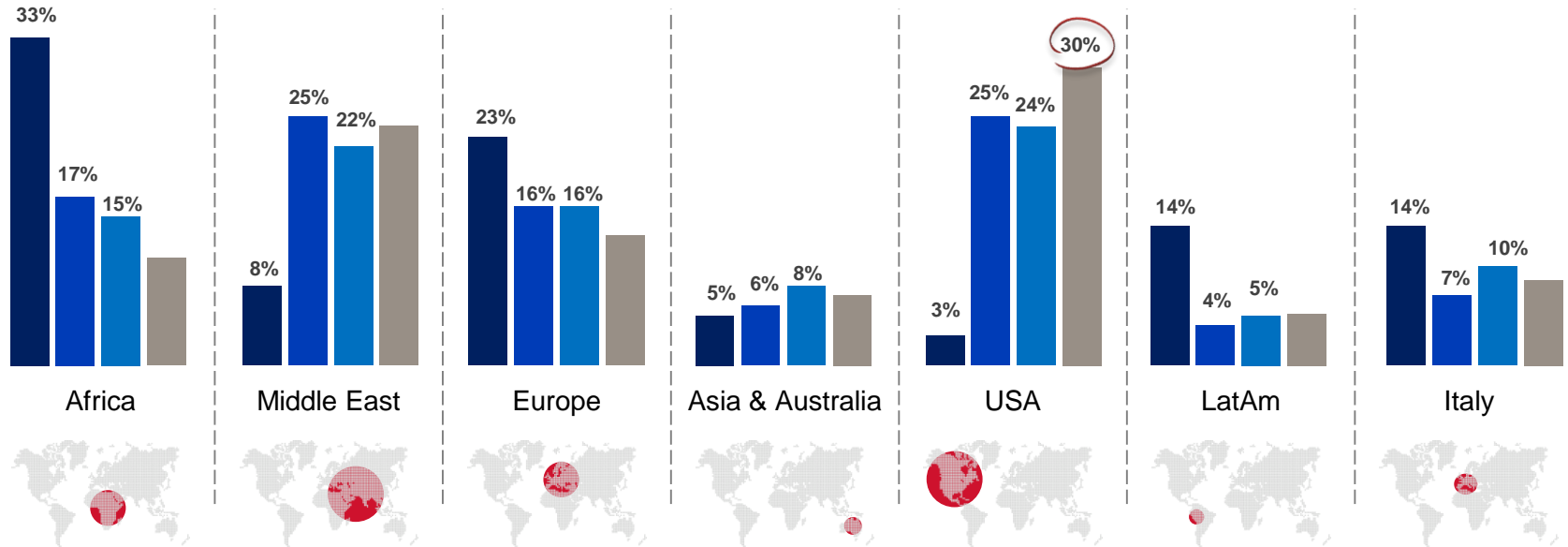
- More than 80% of 17-19 BP revenues & EBIT guaranteed by contracts already awarded

Improving the risk profile

1

GEOGRAPHICAL REVENUE DISTRIBUTION

● 2014 ● 2016 ● 1H 2017 ● 2017E



US confirmed as our first single country market



expected to reach 30% in 2017

2

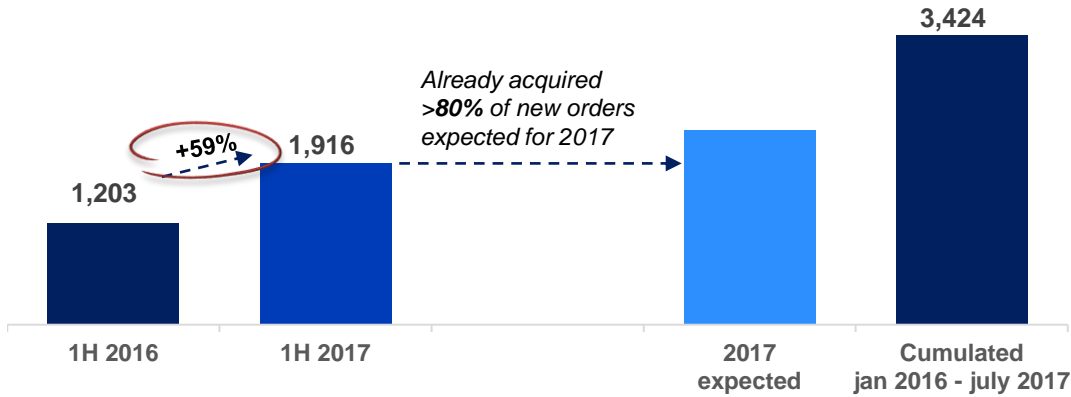
TOP 10 PROJECTS CONCENTRATION

Top 10 projects revenues share decreased from 66% in 2014 to 49% in first half 2017



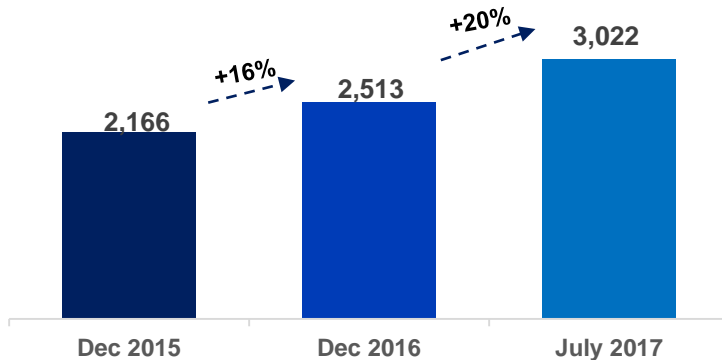
expected to improve to 45% in FY17

LANE NEW ORDERS (€/M)

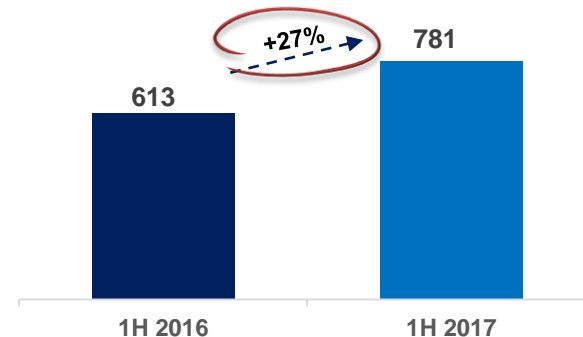


- 1 Lane new orders: +59% growth vs. 1H16
- 2 Already acquired more than 80% of new orders expected for FY17
- 3 Lane has acquired more than €3.4 billion of new orders since SAL acquisition
- 4 Lane backlog has grown 20% in the first half 2017, reaching its record high of €3 billion
- 5 Lane H2 revenues expected to accelerate due to seasonal factors (plants & pavings business)

LANE BACKLOG EVOLUTION (€/M)



LANE REVENUE EVOLUTION (€/M)





2016 - 2019
Business Plan
Targets
Confirmed



Financial Update

Massimo Ferrari
General Manager Finance
& Corporate Group CFO



1H 2017 Group P&L

(€/M)	Management View		
	1H 2017	1H 2016	change
Revenue	3,060	2,730	12.1%
EBITDA	284	249	14.1%
<i>EBITDA margin</i>	9.3%	9.1%	
EBIT	137	122	12.2%
<i>EBIT margin</i>	4.5%	4.5%	
Net financing costs	(37)	(47)	-21.7%
Profit (loss) on exchange rates	(49)	2	
Net gains on investments	2	(3)	
EBT	53	74	-28.0%
Taxes	(21)	(32)	-34.5
Tax rate %	39%	43%	
Results from continuing operations	33	42	-23.3%
Results from discontinued operations	(1)	(13)	
Minorities	(15)	(18)	-18.7%
Group Net Result	17	11	48.3%

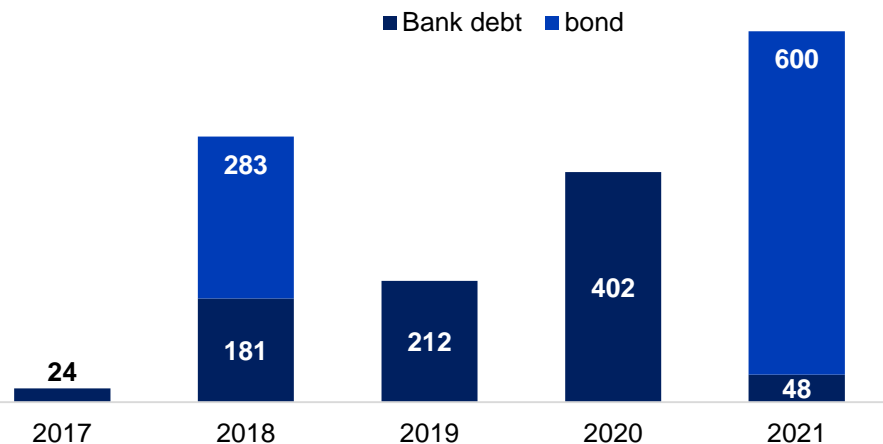
Profit (loss) on exchange rates (€/M)	H1 2017
Venezuela	17.3
Ethiopia	16.2
Headquarter	8.1
Other minor	7.3
total	48.9

No monetary impact
on cash flow

Minorities (€/M)	H1 2017	H1 2016
Lane Industries Inc.	5.3	3.0
Riyadh metro	4.3	0
Red Line, Qatar	1.2	3.9
Qatar Stadium	(0.9)	4.1
Other minor	5.1	7.0
total	15	18

Reducing gross debt and extending debt maturity

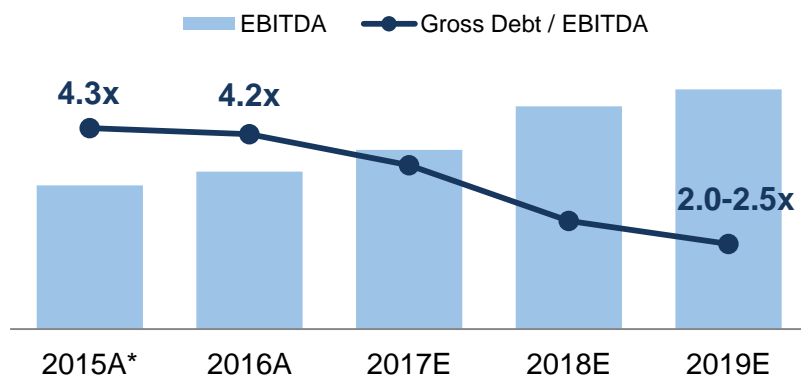
DEBT MATURITY PROFILE (€/M)



NET FINANCIAL POSITION (€/M)

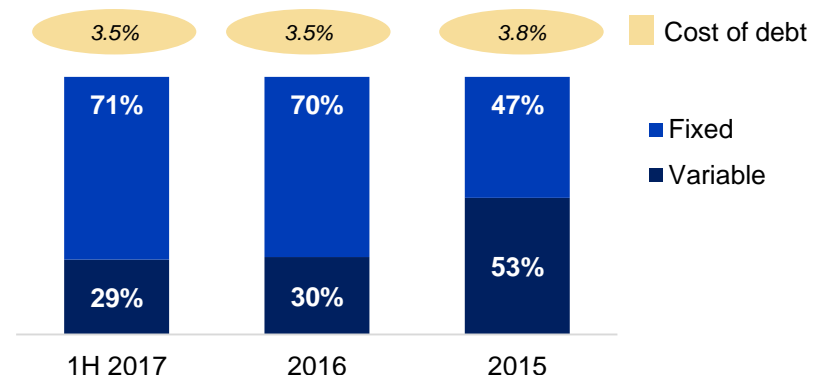
	Jun-17	Jun-16	Dec-16
Cash & Cash Equivalents	1,332	1,177	1,603
Other Financial Assets	357	433	386
Total Cash & Other Financial Assets	1,689	1,610	1,989
Bank Loan	(1,427)	(1,577)	(1,265)
Bond	(886)	(708)	(887)
Leasing	(152)	(156)	(175)
SPV Net debt	(6)	4	(5)
Total Gross Debt	(2,471)	(2,438)	(2,332)
Net Derivatives	(3)	(8)	(7)
Net Financial Position	(785)	(836)	(351)

GROSS DEBT / EBITDA (€/M)



(*) 2015 pro-forma, including Lane acquisition

M/LT CORPORATE DEBT BREAKDOWN (€/M)



Assets optimization: H2 positive impact

H2 2017 disposals realized:

Sale value: €12M

Capital Gain: €6M

NFP effect: €23M



1

IMPREGILO PARKING GLASGOW – UK

- **Buyer:** Semperian (Glasgow) Limited
- **Concession duration:** 2005 – 2035 (30 years)

SOLD

concession



2

ROYAL WOLVERHAMPTON RADIOLOGY CENTRE - BIRMINGHAM, UK

- **Buyer:** Semperian (Glasgow) Limited
- **Concession duration:** 2002 – 2032 (30 years)

SOLD

concession



3

OTHER ASSETS – ITALY

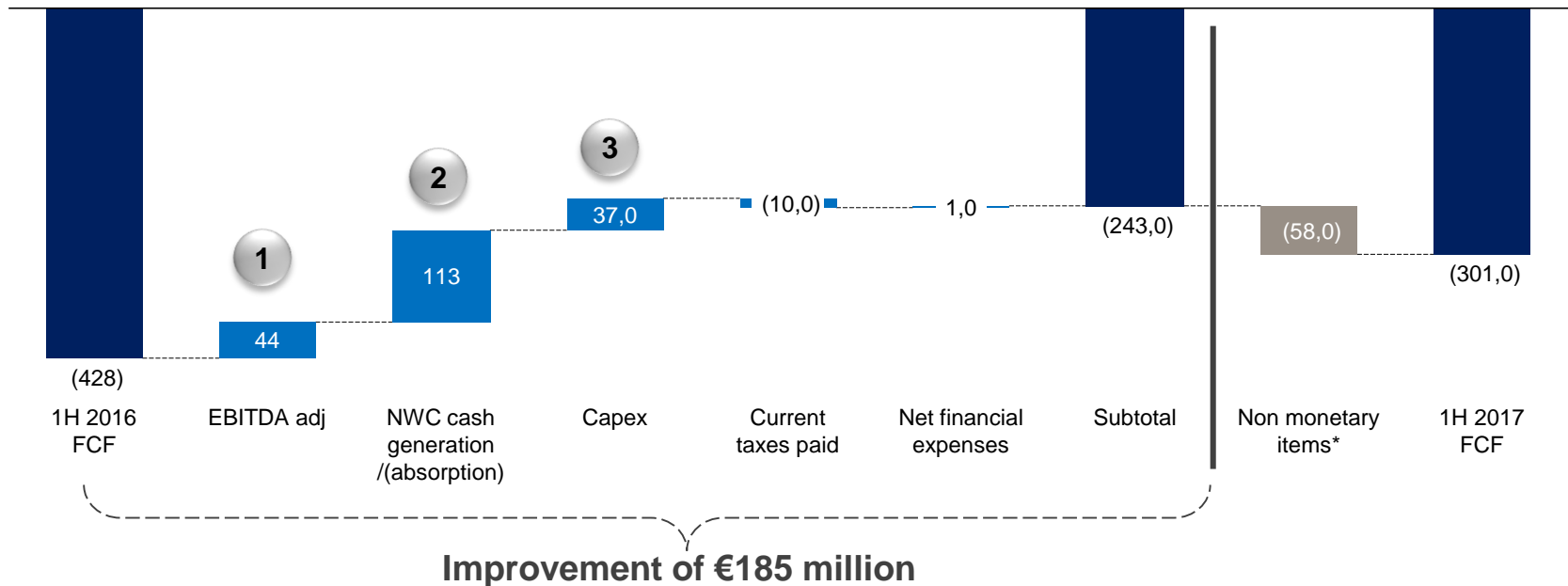
- **Share of contracts**
- **Concessions**

ONGOING /
SIGNED

Business
branch

Cash flow comparison 1H17 – 1H16

OPERATING FREE CASH FLOW BEFORE DIVIDENDS AND INVESTMENTS 1H 2016 VS 1H 2017 [€/M]



Operating free cash flow before dividends and investments improvement over 1H 2016 leveraging on:

- 1 Better operating results
- 2 Less absorption from net working capital;
- 3 Lower Capex in respect of 1H 2016.

(*) mainly due to exchange rates effects

GUIDANCE 2017*



> 1.1x

BOOK-TO-BILL



~ € 100 mln

GROSS DEBT REDUCTION



> 10%

REVENUE GROWTH



> 5%

EBIT margin

Business Plan 2016 – 2019 Targets Reconfirmed

() at constant exchange rates*

Financial Appendix

Income statement

(€/M)	1H 2017	1H 2016 Restated	Change
Revenue	2,857.1	2,562.6	294.5
Other revenue	73.2	70.9	2.2
Revenue	2,930.3	2,633.5	296.8
Total costs	(2,653.8)	(2,395.1)	(258.7)
EBITDA	276.5	238.4	38.0
<i>EBITDA%</i>	9.4%	9.1%	
Amortization and Depreciations	(146.9)	(126.7)	(20.2)
EBIT	129.6	111.8	17.8
<i>Return on Sales %</i>	4.4%	4.2%	
Net Financial income (costs)	(85.8)	(45.0)	(40.8)
Gain (losses) on investments	9.6	7.4	2.2
Net financing costs and net gains on investments	(76.2)	(37.5)	(38.6)
EBT	53.4	74.2	(20.8)
Income taxes	(20.8)	(31.8)	10.9
Profit (loss) from continuing operations	32.6	42.4	(9.9)
Profit (loss) from discontinued operations	(1.3)	(13.2)	11.9
Profit (loss) before Non controlling interest	31.3	29.2	2.0
Non controlling interests	(14.7)	(18.0)	3.4
Profit (loss)	16.6	11.2	5.4

The income statement data for 6 months of 2016 were restated to reflect the different classification of assets held for sale and the different EBITDA calculation methodology excluding the provisions and write-downs from that indicator.

Statement of financial position

(€/M)	Jun. 2017	Dec. 2016
Non-current assets	1,103.6	1,173.3
Goodwil	162.6	175.2
Non-current assets (liabilities) held for sale	9.3	6.0
Fixed Asset	1,275.4	1,354.5
Inventories	253.1	270.6
Contract work in progress	2,578.4	2,367.3
Progress payments and advances on contract work in progress	(2,526.1)	(2,455.6)
Receivables (*)	2,402.2	2,357.3
Liabilities (*)	(2,237.3)	(2,337.4)
Other current assets	660.0	591.3
Other current liabilities	(326.6)	(356.3)
Working capital	803.8	437.0
Net tax assets	174.9	118.3
Provisions for risks	(100.5)	(105.8)
Post-employment benefits and employee benefits	(93.4)	(91.9)
Net invested capital	2,060.2	1,712.1
Equity attributable to the owners of the parent	1,126.3	1,205.0
Non-controlling interests	149.1	156.3
Equity	1,275.4	1,361.3
Net financial position	784.8	350.8
Total financial resources	2,060.2	1,712.1

(*) This item includes € 2.1 million of receivables and € 8.1 million of payables (receivables for € 2.0 million and payables of € 7.3 million at December 31, 2016) classified in the net financial position, referred to the net receivables/payables financial position of the Group towards Consortiums and Consortium Companies (SPV) that function through cost transfers and are not included within the Group's consolidation scope. The net receivables/payables position is included in the net financial position based on the actual liquidity or indebtedness owned by the SPV.

Net financial position

(€/M)	Jun. 2017	Dec. 2016
Non-current financial assets	122.9	62.5
Current financial assets	234.4	323.4
Cash and cash equivalents	1,331.6	1,602.7
Total cash and cash equivalents and other financial assets	1,688.9	1,988.6
Bank and other loans	(829.7)	(866.4)
Bonds	(870.1)	(868.1)
Financial Lease Payables	(98.7)	(119.7)
Total non-current indebtedness	(1,798.5)	(1,854.2)
Bank overdrafts and current portion of loans	(597.1)	(398.6)
Current portion of bonds	(16.2)	(18.9)
Current portion of Lease Payables	(53.1)	(55.3)
Total current indebtedness	(666.4)	(472.8)
Derivative assets	0.1	0.2
Derivative liabilities	(2.8)	(7.2)
Net financial position with unconsolidated SPEs (*)	(6.0)	(5.3)
Total other financial assets (liabilities)	(8.8)	(12.4)
Net financial indebtedness - continuing operations	(784.8)	(350.8)
Net financial indebtedness - discontinued operations	(10.4)	-
Net financial indebtedness including discontinued operations	(795.1)	(350.8)

(*) This item acknowledges the net credit/debit position of the Group towards Consortiums and Consortium Companies ("SPVs") functioning through cost transfers and not included in the consolidation scope of the Group. The net credit standing and debt position is included in the item in the amount corresponding to the actual liquidity or indebtedness owned by the SPV. The receivables and payables that compose the balance of the item are respectively included among the commercial credit and commercial debts.

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 or on request from its head office.



Thank you