



SR 408/SR 417 Interchange, Florida – U.S.



Business update

Pietro Salini

Chief Executive Officer



Financial Update

Massimo Ferrari

General Manager Finance
& Corporate Group CFO



A Leading Global Pure Construction Player

Growth



Primary Geographical footprint:

- ✓ USA
- ✓ Australia
- ✓ Middle east

Primary sector footprint:

- ✓ Water
- ✓ Metro/Rail

US strategy refocusing



Lane: step-change strategy further concentrating on large & complex infrastructure

Lane Repositioning

Asset Portfolio Optimization



Dynamic management of Group's asset portfolio

Enhancing value from smart portfolio management

Efficiency actions



Risk Management and Organization Streamlining

Overhead costs optimization

Centralization of processes/functions

Focus on

Risk profile optimization

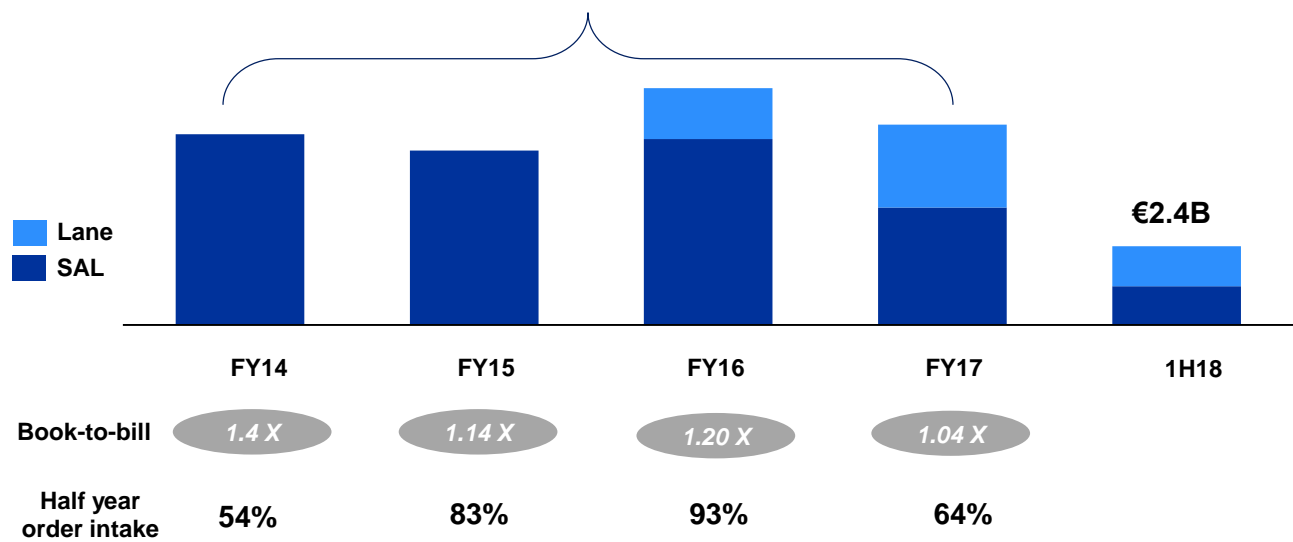
Cash generation

Sound financial structure

Solid orders intake through the cycle

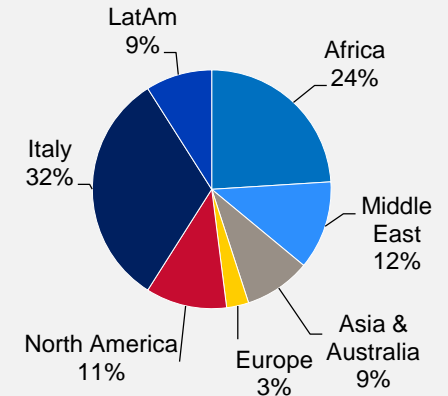
1 Total New Orders Cumulative FY14-FY17 **ca. €25B**

2 Book to bill Average FY14-FY17 **1.16x**

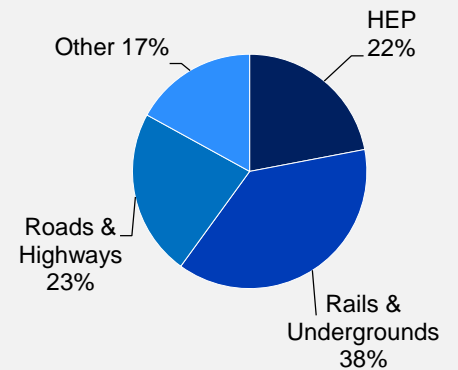


- Book-to-bill comfortably over 1.1 x over time
- Order dynamics over the years has shown undefined pattern for large orders
- Soft order intake over the last 12 months. Boost expected in 2H18

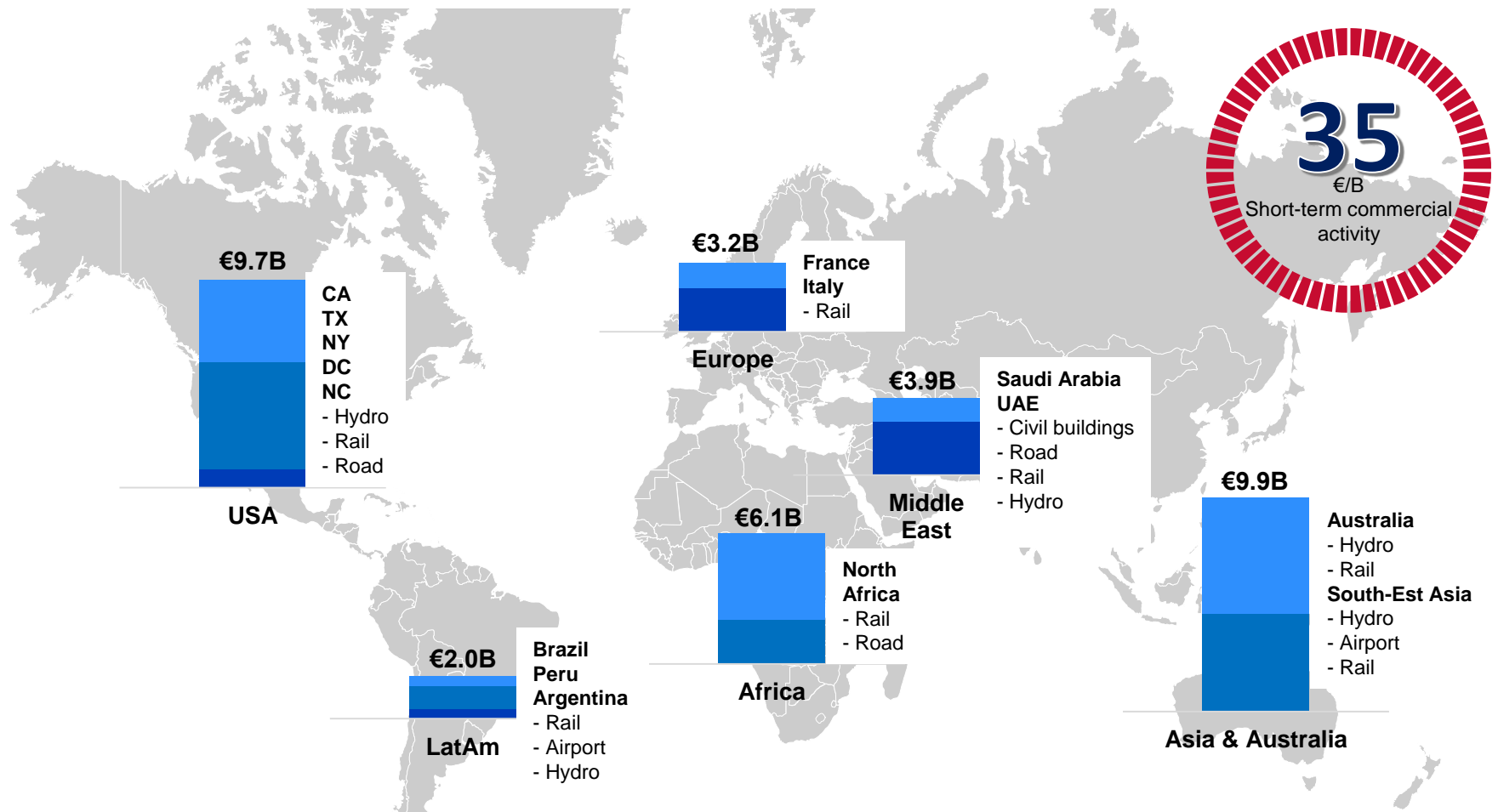
3 Construction Backlog Jun-18



26.5 billion



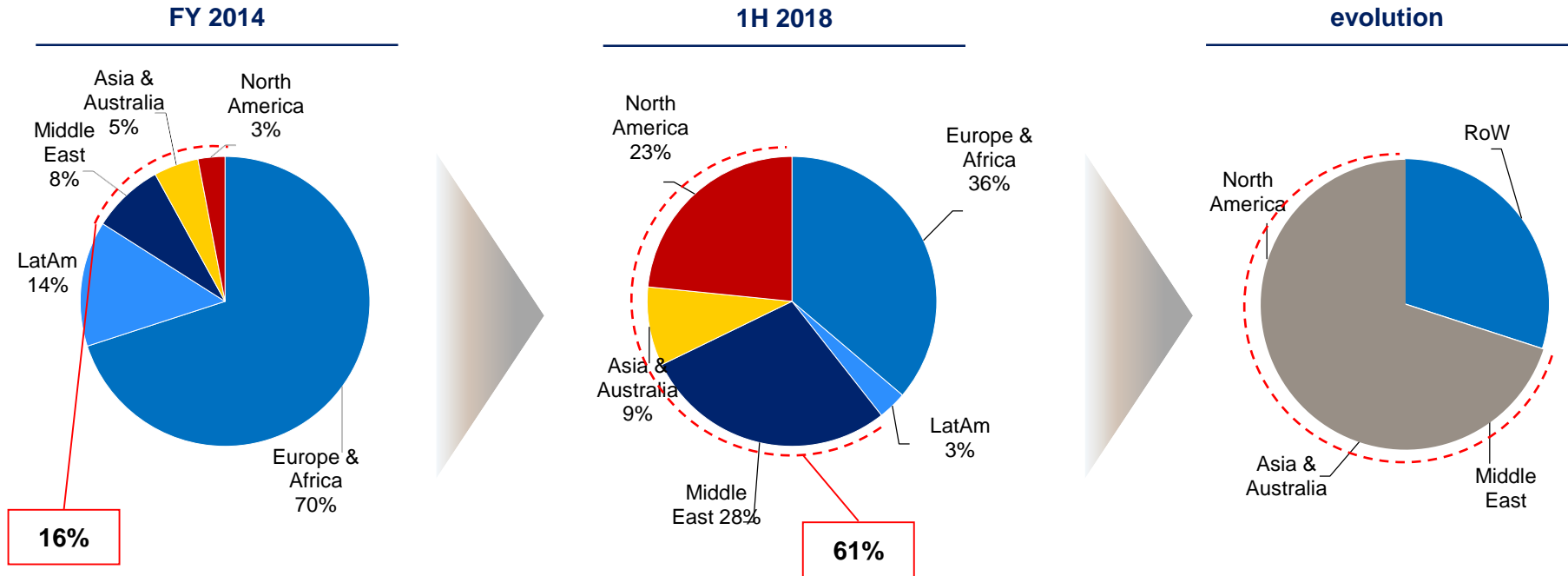
Boost of commercial activity in H2 2018



- **€35 billion** of new orders opportunities in H2 2018, of which approx. **€14 billion of private negotiations**
- **US & Asia/Australia** driving acquisition pipeline

	(€/B)
■ Awaiting outcome/best offer	5.0
■ Private negotiations	13.7
■ Tenders to be presented within 2018	16.0

Geographical Revenues Distribution



- **Multidomestic Strategy: becoming domestic in US, Middle East, Asia & Australia**

Australia – Our new forthcoming domestic market

1 2018 Civil Engineering – Sector Performance

€ 61 bn

Annual Investment
(including Federal, State and Territory)

+4%

Y-o-Y Growth rate

+4%

% on GDP

Source: CRESME Simco Edilbox, June 2017

- Australian Government has established a **A\$75 billion road and rail investments fund** to finance infrastructure projects through 2018 to 2027.

2 Upcoming important tenders we participate in Australia

- The total value of these works exceed **A\$10 billion**.



Railways & Metros

Cross- River Rail (Brisbane)

Salini Impregilo is part of a consortium that is shortlisted to build the 10.2-kilometer-long rail line that will pass through the center of Brisbane.



Roads

WestConnex, M4 to M5 Link (Sydney)

Salini Impregilo leads a consortium shortlisted to design and build the AUD\$3.5-billion Rozelle Interchange, part of WestConnex, the biggest road development in Australia.



Water

Hydro Projects

Salini Impregilo joint venture entered the shortlist for a very important hydro electric project

Main KPIs

Our **experience** in Australia dates back to the **1970s** when the Salini Impregilo Group built Melbourne's Metro.

Track record: 7 projects in 4 States (Queensland, Victoria, New South Wales, Western Australia)

- 8.5 km of railways
- 15.6 km of metros
- 13 metro and railway stations in 3 main Australian cities: Perth, Sydney and Melbourne
- 1 dam 2.3 km long and 4,000,000 m3 in volume.

Recent Projects

Sydney Metro Northwest SVC



- **Sydney Metro Northwest: new metropolitan train line north-west of Sydney**
- **Australia's first fully automated high-speed train system.**
- **Building 8 new stations and 4,000 parking lots.**

Forrestfield Airport Link, Perth



- **Forrestfield-Airport Link: connecting Perth eastern suburbs with the existing suburban rail network & airport.**
- **By 2021 the line is expected to generate 20,000 passenger trips on the network every day.**

Refocusing our US activities: transforming Lane

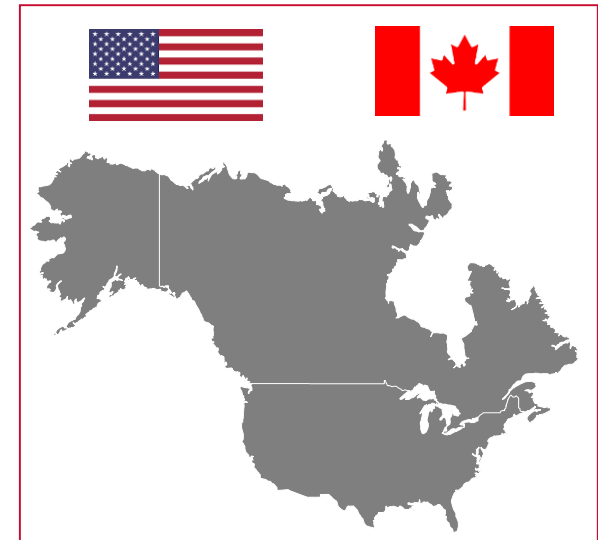
- **Lane becoming the North American hub for the Group in the large infrastructure sector**

- Structure reorganization & efficiencies
- Focus on infrastructure rich States: NY, TX, CA, FL
- New engineers hired

- **Disposal of P&P, market update during Summer**

- **Focus on special projects:**

- Texas bullet train project
- \$15bn overall investment for a 240 mile High Speed Rail between Dallas and Houston
- Feasibility project completed





Beauty contest on course: market update during Summer

Asset perimeter

Run rate Revenues ca. \$700M

Financial debt Debt free

Current trading multiples of listed companies

- US Construction materials: 2018 EV/EBITDA: 9x median

Lane's Plants & Paving

- Primary Hot Mixed Asphalt private producer in US with over 6 million tons produced per year
- Quality Asset Base Composed of 43 HMA plants, 1 Concrete Beam Plant, 12 Sand and Gravel Pits and 9 Quarries

Selected Plants





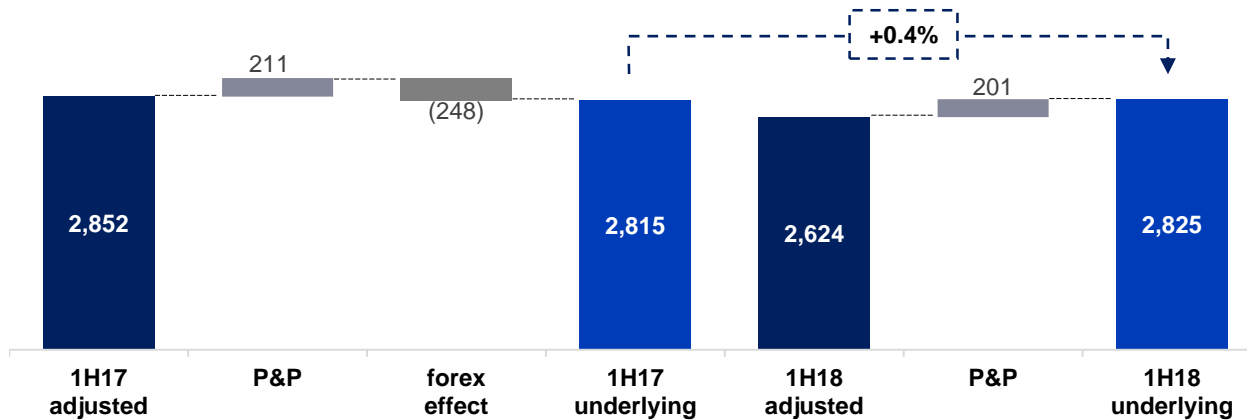
Financial Update

Massimo Ferrari

General Manager Finance
& Corporate Group CFO

1H18 underlying performance: comparable vs. 1H17

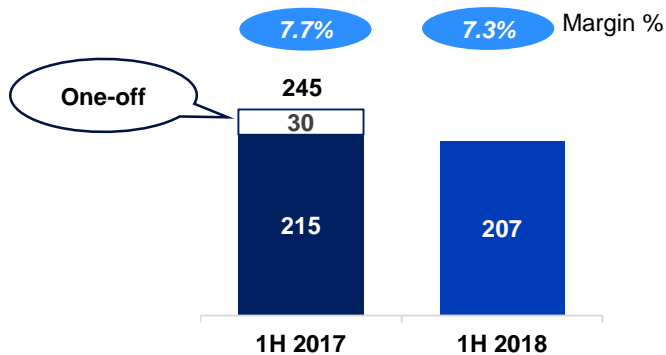
1 Revenues Bridge (€/M)



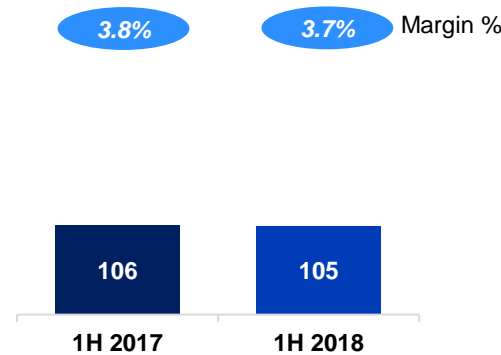
- At constant forex rate and constant perimeter 1H18 revenues in line with 1H17 (+0,4%)

- Revenues affected by:
 - Seasonality pattern
 - New Orders revenue transformation

2 EBITDA (€/M)



3 EBIT (€/M)



- 1H17 impacted by one-off items:

- €30M at EBITDA level

- 1H18 include:

- €5M of non recurring costs

Underlying performance consider the result of Plants & Paving business line by line. In addition for comparable purpose, 1H17 revenues, EBITDA and EBIT in currencies other than the euro are restated using the average exchange rate of 1H18.

Strong improvement below EBIT line

[€/million]	1H 2017 adjusted	1H 2018 adjusted	change	
EBIT	137	116	-15%	(21)
Financial income	36	24	-34%	(12)
Financial charges	(73)	(54)	-26%	19
Net financing costs	(37)	(30)	-18%	7
1 Profit (loss) on exchange rates	(49)	15	-131%	64
Net gains on equity investments	2	4	91%	2
Net financing costs, forex & net gains on equity investm.	(84)	(11)	-87%	73
EBT	53	105	97%	52
Taxes	(20)	(41)	100%	(21)
Tax rate %	38%	39%		
Results from discontinued operations	(6)	(9)	61%	(4)
Minorities	(16)	10	-164%	26
Group Net Result	11	65	484%	54

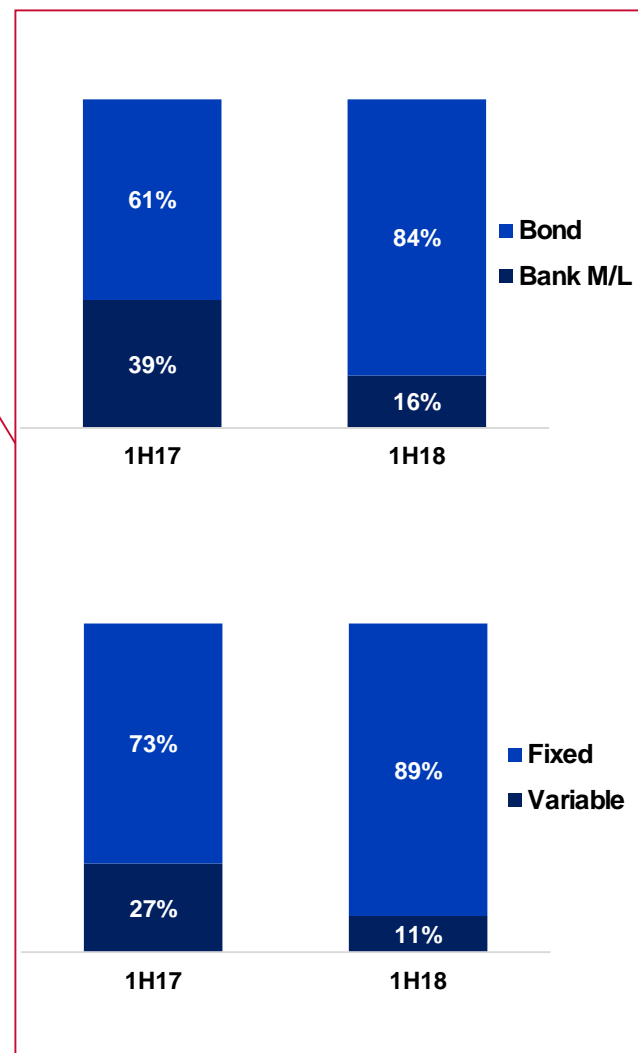
- Significant reduction of financial charges
- Strong improvement in net income driven by lower financial costs, minorities, positive forex
- Neutral impact from exchange rate variation on a long-run basis
- Reduction trend of minorities

1 Profit (loss) on exchange rates (€/M)	1H 2017	1H 2018
Ethiopia	(16.2)	7.9
Venezuela	(17.3)	1.3
Headquarter	(7.8)	7.0
Nigeria	1.9	(0.0)
Other minor	(9.5)	(1.2)
total	(48.9)	15.0

Significant reduction of financial charges of 26%

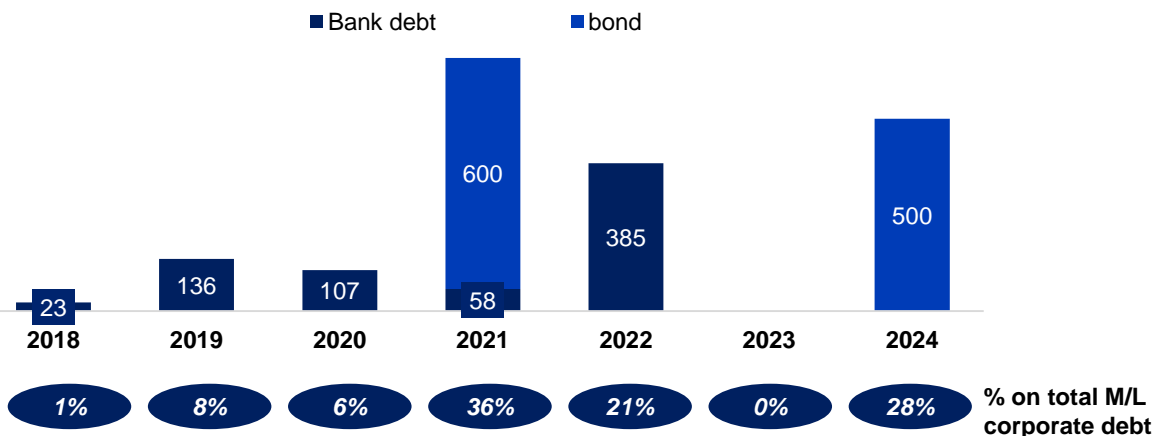
[€/million]	1H 2017 adjusted	1H 2017 adjusted	change	
Bank charges	(21)	(12)	-40%	8
Bond charges	(20)	(24)	22%	(4)
Leasing	(3)	(2)	-30%	1
Other	(24)	(12)	-50%	12
sub total	(67)	(51)	-25%	17
Refinancing amortized cost	(4)	(1)	-74%	3
Bond charges capitalization	(2)	(2)	20%	(0)
sub total	(6)	(3)	-41%	2
financial charges	(73)	(54)	-26%	19

- Decreasing financial expenses: lower bank charges also related to the refinancing carried out in October 17.
- Further decrease of financial charges expected after repayment of the €283M bond expiring in august 2018 (already covered by refinancing agreement)



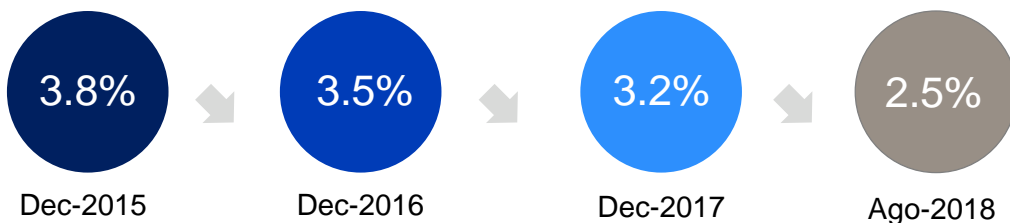
85% of debt maturity starting from 2021; Cost of debt reduced to 2.5%

1 M/L Corporate Debt [€/M]

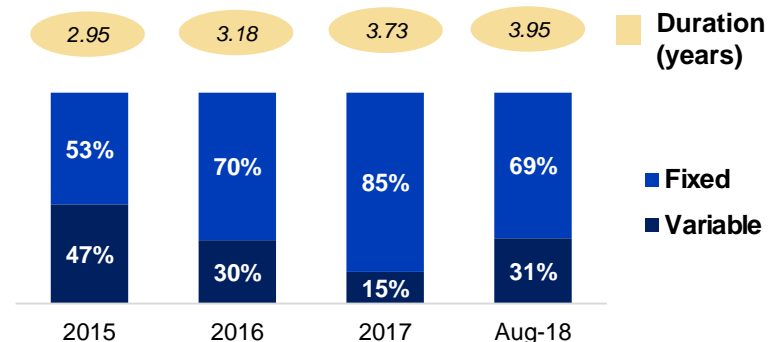


- Successfully completed refinancing of €1.1 billion corporate debt
- Extending durations up to ca. 4 years
- Cost of debt reduced to 2.5%
- Ca. 70% of corporate debt secured at fixed rate
- €283M bond maturing in August is already covered by the refinancing announced last October.

2 Progressively Reduced Average Corporate Debt



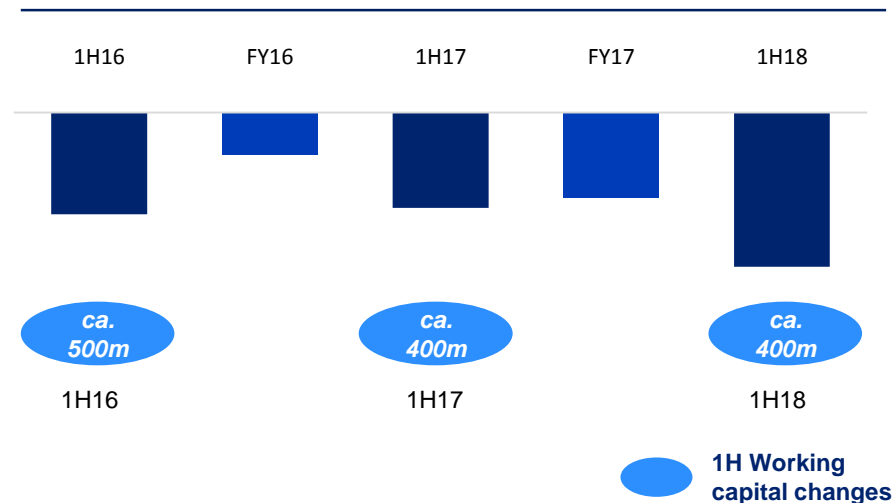
3 Increasing Fix-rate M/LT Corporate Debt Portion



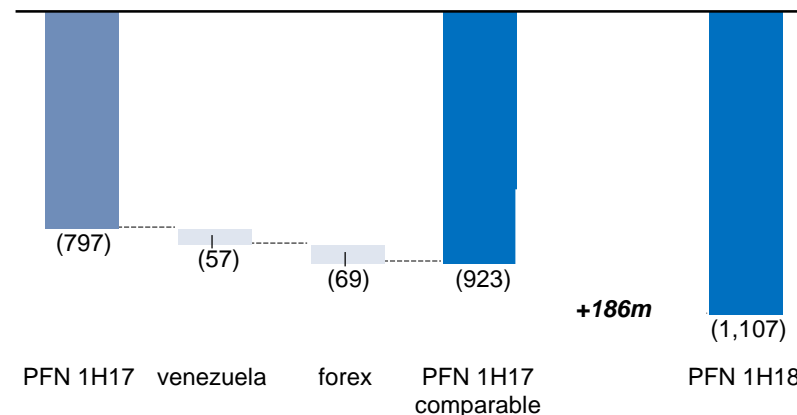
NFP reflecting typical first-half NWC seasonality

€/M	Jun-17	Dec-17	Jun-18
Total Cash & Other Financial Assets	1.689	1.603	1.399
Bank Loan	(1.427)	(768)	(967)
Bond	(886)	(1.387)	(1.391)
Leasing	(152)	(130)	(120)
SPV Net Debt	(6)	(19)	(28)
Total Gross Debt	(2.471)	(2.304)	(2.506)
Net Derivatives	(3)	(1)	1
Net Financial Position continuative business	(786)	(703)	(1.107)
held for sale	(10)	0	0
Net Financial Position	(797)	(703)	(1.107)

Net Financial Position evolution [€/M]



- Gross debt in line with our expectation
- NFP (and Working Capital) affected by half year pattern
- Inverse trend expected in 2H18



Appendix

Income statement

	1H 2017 Adjusted (*)			1H 2018 Adjusted		
	Restated					
	Salini Impregilo Group Restated	JV not controlled by Lane	Total Adjusted	Salini Impregilo Group	JV not controlled by Lane	Total Adjusted
Revenue						
Revenue	2,596,381	130,142	2,726,523	2,370,029	109,553	2,479,582
Other income	124,997	-	124,997	144,599	-	144,599
Revenue	2,721,378	130,142	2,851,520	2,514,628	109,553	2,624,182
Costs						
Purchasing costs	(466,925)	-	(466,925)	(421,595)	-	(421,595)
Subcontracts	(709,992)	-	(709,992)	(746,265)	-	(746,265)
Service costs	(744,295)	-	(744,295)	(667,593)	-	(667,593)
Personnel expenses	(440,320)	-	(440,320)	(403,409)	-	(403,409)
Other operating costs	(88,131)	(122,511)	(210,641)	(73,412)	(102,059)	(175,471)
Total costs	(2,449,664)	(122,511)	(2,572,175)	(2,312,274)	(102,059)	(2,414,333)
EBITDA	271,714	7,631	279,345	202,354	7,494	209,848
EBITDA %	10.0%	5.9%	9.8%	8.0%	6.8%	8.0%
Amortisation, depreciation, impairment losses and provisions	(142,321)	-	(142,321)	(93,794)	0	(93,794)
EBIT	129,393	7,631	137,024	108,560	7,494	116,055
R.o.S. %	4.8%	5.9%	4.8%	4.3%	6.8%	4.4%
Financing income (costs) and gains (losses) on investments						
Net Financial income	35,984	-	35,984	23,742	-	23,742
Net Financial expenses	(72,875)	-	(72,875)	(53,821)	-	(53,821)
Net exchange rate gains (losses)	(48,887)	-	(48,887)	15,002	-	15,002
Net Financial income (costs)	(85,777)	-	(85,777)	(15,077)	-	(15,077)
Gain (losses) on investments	9,644	(7,631)	2,013	11,343	(7,494)	3,849
Net financing costs and net gains on investments	(76,133)	(7,631)	(83,764)	(3,734)	(7,494)	(11,228)
Earnings before taxes (EBT)	53,260	-	53,260	104,826	-	104,826
Income taxes	(20,378)	-	(20,378)	(40,882)	-	(40,882)
Profit (loss) from continuing operations	32,882	-	32,882	63,944	-	63,944
Profit (loss) from discontinued operations	(5,761)	-	(5,761)	(9,262)	-	(9,262)
Profit (loss) before Non controlling interests	27,121	-	27,121	54,682	-	54,682
Non controlling interests	(16,006)	-	(16,006)	10,258	-	10,258
Net Income (loss)	11,115	-	11,115	64,940	-	64,940

(*) Reclassified IFRS data for 1H17 are restated in accordance to IFRS 5 and IFRS 15

Statement of financial position

<i>values in thousands EUR</i>	31 December	30 June 2018
	2017	
	Restated (*)	
Non-current assets	1,202,009	959,341
Goodwil	155,179	73,462
Non-current assets (liabilities) held for sale	5,683	354,522
Provisions for risks	(94,382)	(93,613)
Post-employment benefits and employee benefits	(85,724)	(81,166)
Net tax assets	298,708	337,313
<i>Inventories</i>	240,976	207,817
<i>Contract work in progress</i>	1,490,076	1,547,114
<i>Progress payments and advances on contract work in progress</i>	(1,587,499)	(1,239,617)
<i>Receivables (**)</i>	1,881,809	1,940,870
<i>Liabilities (**)</i>	(2,144,810)	(2,262,691)
<i>Other current assets</i>	616,426	674,261
<i>Other current liabilities</i>	(330,289)	(333,328)
Working capital	166,690	534,427
Net invested capital	1,648,163	2,084,286
Equity attributable to the owners of the parent	814,490	866,625
Non-controlling interests	131,061	110,202
Equity	945,551	976,827
Net financial indebtedness	702,612	1,107,458
Total financial resources	1,648,163	2,084,286

(*) Restated in accordance to IFRS 15

(**) This item shows liabilities of €28.3 million classified in net financial indebtedness and related to the Group's net amounts due to unconsolidated consortia and consortium companies (SPEs) operating under a cost recharging system. The balance reflects the Group's share of cash and cash equivalents or debt of the SPEs. In 2017 the Group's exposure to "SPVs" was € 18.6 million in liabilities.

Net financial position

<i>values in thousands EUR</i>	31 december 2017	30 June 2018
Non-current financial assets	188,468	205,580
Current financial assets	94,308	129,138
Cash and cash equivalents	1,320,192	1,064,326
Total cash and cash equivalents and other financial assets	1,602,968	1,399,044
Bank and other loans	(457,468)	(436,227)
Bonds	(1,084,426)	(1,086,276)
Financial Lease Payables	(81,310)	(69,866)
Total non-current indebtedness	(1,623,204)	(1,592,369)
Bank overdrafts and current portion of loans	(311,002)	(531,104)
Current portion of bonds	(302,935)	(305,042)
Current portion of Lease Payables	(48,567)	(50,364)
Total current indebtedness	(662,504)	(886,510)
Derivative assets	226	734
Derivative liabilities	(1,480)	(45)
Net financial position with unconsolidated SPEs *	(18,618)	(28,312)
Total other financial assets (liabilities)	(19,872)	(27,623)
Net financial indebtedness - continuing operations	(702,612)	(1,107,458)
Net financial indebtedness - discontinued operations	-	-
Net financial indebtedness including discontinued operations	(702,612)	(1,107,458)

(*) This item shows the Group's net amounts due from/to unconsolidated consortia and/or consortium companies (SPEs) operating under a cost recharging system. The balance reflects the Group's share of cash and cash equivalents or debt of the SPEs. The items making up these balances are presented under trade receivables and trade payables, respectively, in the consolidated financial statements.

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
