New Gerald Desmond Bridge in Long Beach, California

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FY 2018 Financial Results

18 March 2019

Agenda

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Business evolution

Pietro Salini

Chief Executive Officer

Financial Update

Massimo Ferrari

General Manager Finance
& Corporate Group CFO

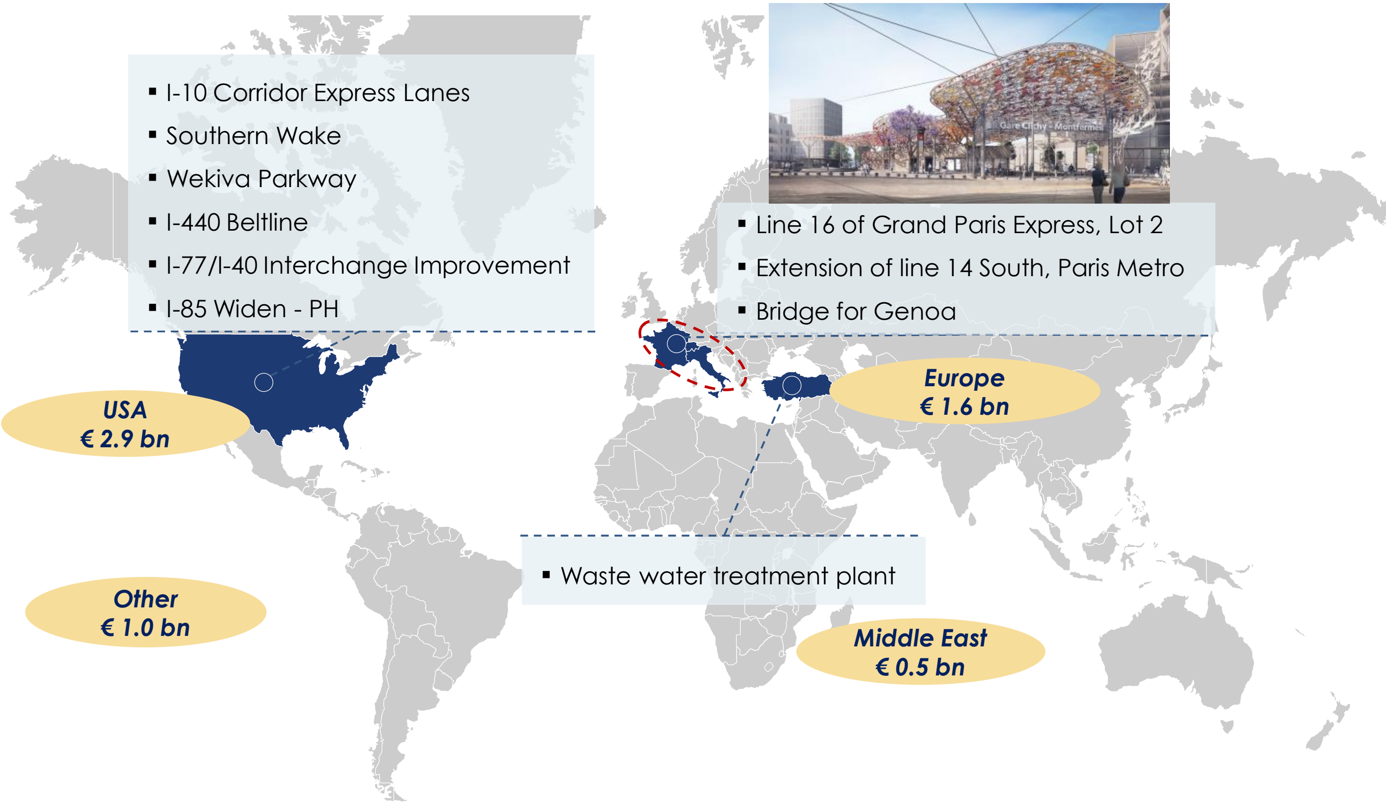
Q&A

Business evolution: a solid basis for building our future

- New Orders, Backlog & Revenues: effective de-risking accomplished
- Solid order intake
- Improving quality of assets through clean up: further write- down of our exposure in Venezuela
- Strong improvement in net income
- Gross debt in line with 2017

- Main economic and financial results for 2019 are expected to be in line with 2018
- Three-year Business Plan, which will take into account consolidation and re-launch of Italian infrastructure sector and related investment opportunities, will be presented during 2019

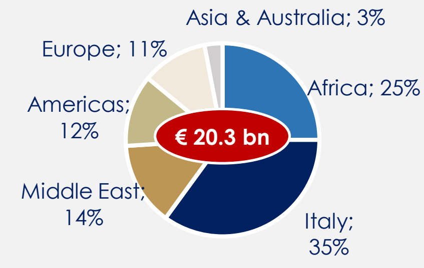
New Orders & Backlog: effective de-risking accomplished



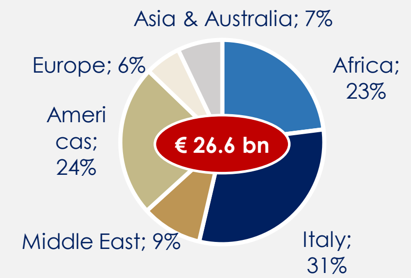
2018 New Orders Distribution

	(€/M)
Salini Impregilo	2,954
Lane Construction	2,919
Fisia Italimpianti	81
Total Salini Impregilo	**5,955**

Construction Backlog 2014



Construction Backlog 2018



- **€ 6 billion** of **new orders** acquired worldwide in 2018**; Book to bill ~ 1.0 x**
- **Quality of backlog significantly improved** overtime through effective de-risking process applied to projects selection
- **Increase of new orders acquired in low risk countries** (US, Australia & Europe) from 24% in 2014 to > than **65% in 2018**

Revenues de-risking: US confirmed as our first single country market

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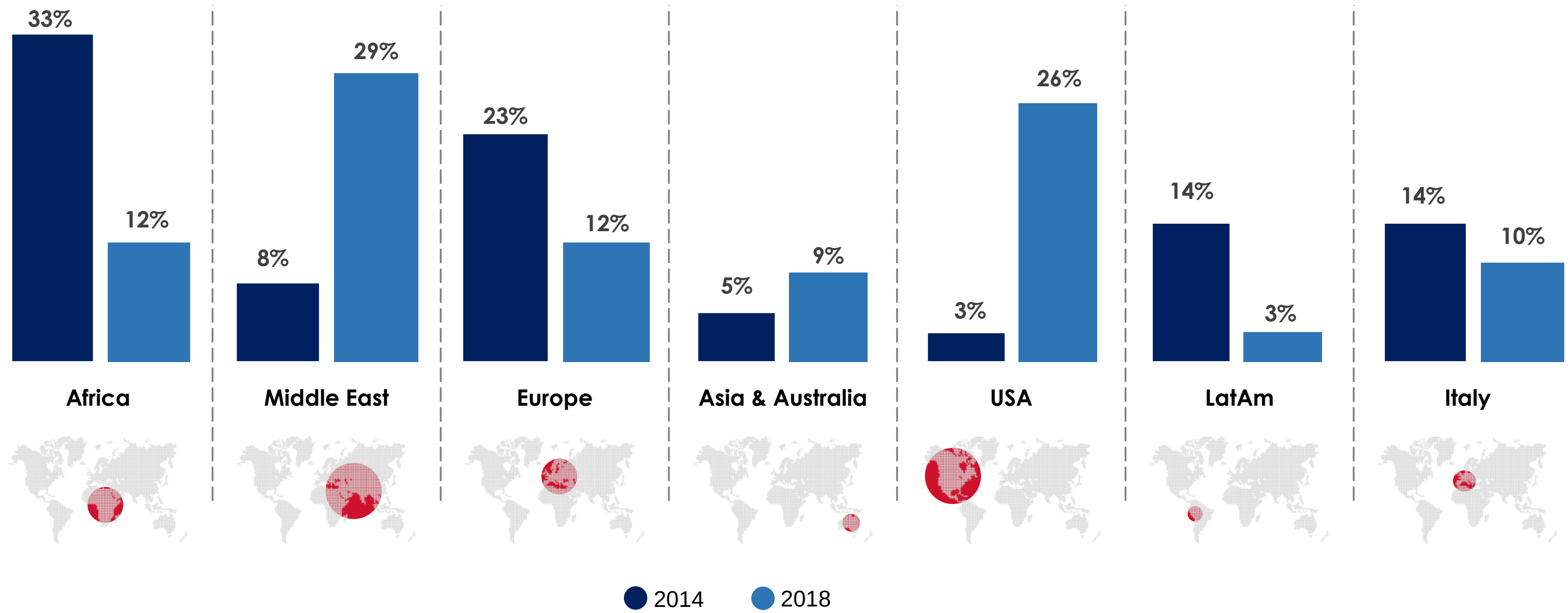
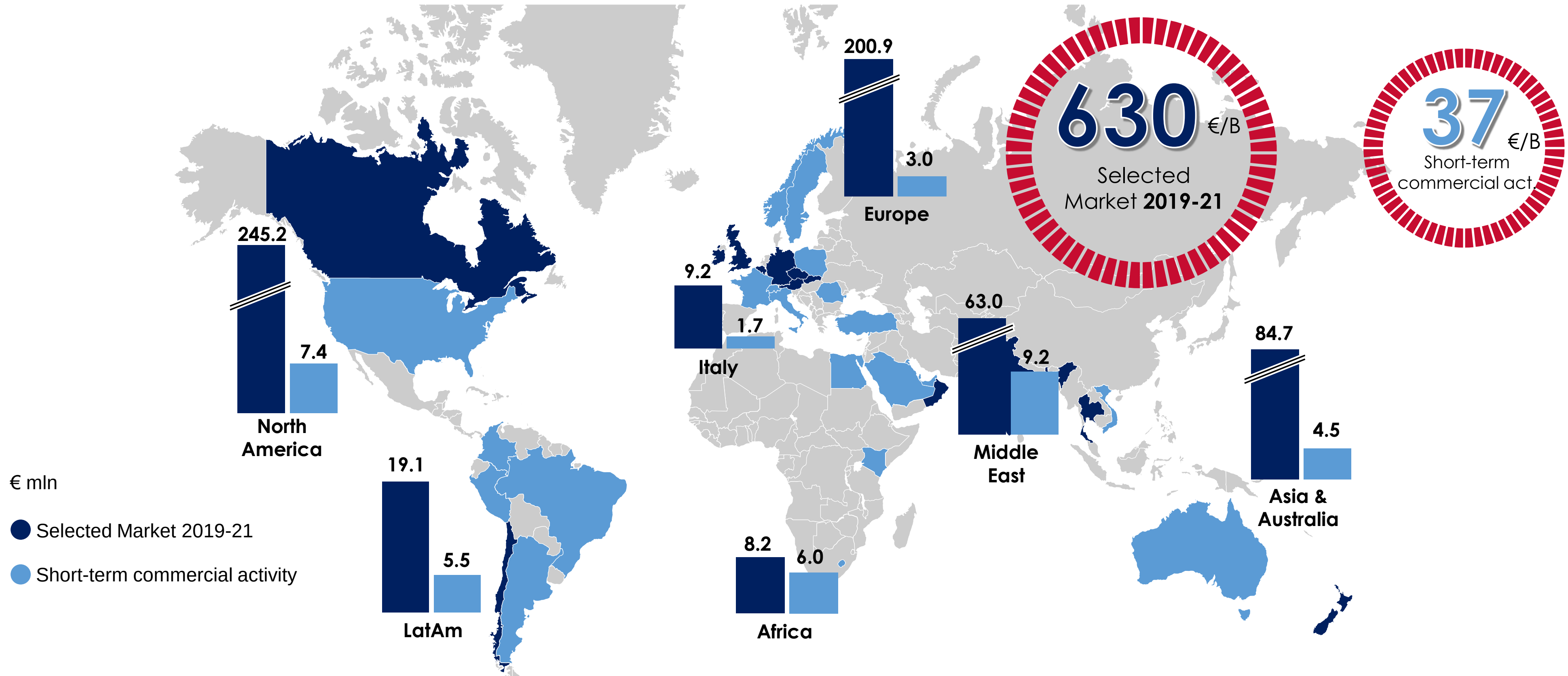
Geographical Revenue Distribution



Top 10 Projects Concentration

- Top 10 projects revenues share decreased from 66% in 2014 to **48%** in 2018

~50% of selected opportunities concentrated in USA and Australia



- **€ 630 bln** of opportunities **in selected markets worldwide** (2019-21)
- Multidomestic approach (in USA, Australia and France) due to **strong local presence** and seek selective opportunistic countries
- **€ 37 billion** of short term commercial activity, of which **€3.5 billion acquired and to be finalized** in short term

Short-term commercial activity	**(€/B)**
Awaiting outcome/best offer	9.6
Private negotiations	8.8
Tenders to be presented	6.5
Pre-qualifications	12.4

Preserved financial solidity while improving group's asset quality

Asset clean-up

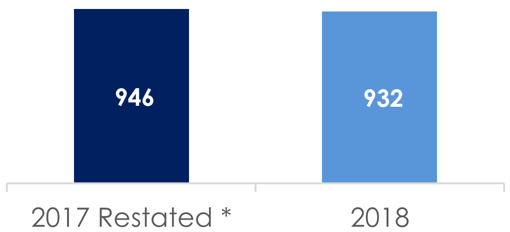
Significantly improved Group's asset quality through balance sheet clean up

- Reimbursement of the advance payments held by GUPC for some US$ 217m; settled the entire cash out upfront
- Further write-down of Venezuela's asset for some €165.5m, remaining exposure €159.9m;
- Other write-downs:
    - Polska financial receivables for some € 18m;
    - Yuma financial receivables for some € 11m;

Maintaining Group sound financial and equity structure

- **Solid Equity structure** notwithstanding asset impairments
- **Gross debt in line with 2017;** 2018 one-off cash out:
    - Reimbursement of the advance payments held by GUPC for some US$ 217m; settled the entire cash out upfront
    - Financial debt repayment related to YUMA concessions (approx. € 47mn) in order to allow the going concern of the operations

Group Net Equity



Gross debt

Preparing to act as leader in the consolidation of the Italian infrastructure industry

(*) The statement of financial position figures at 31 December 2017 have been restated to reflect application of IFRS 15

Salini Impregilo as a reference player in the Italian infrastructure industry

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1 Infrastructure industry relevant for Italy[1]

Total revenue	People employed	Companies
~34 bln = ~6.3% GDP	**~170,000**	**~7,000**

2 Italian crisis main factors

- **Depression** of the **Italian market since 2008**, mainly driven by **reduced** public (-40%[2]) and private **investments** (-25%[2])
- **High fragmentation:** most players **too small** to successfully **compete in Italy and abroad**
- **Poor performance**

3 Salini Impregilo's industrial rationale of the operation

- Become **reference player** for key Italian infrastructures
- **Ensure execution continuity** and **delivery of critical infrastructures** for the country
- Leverage on **commercial synergies** to reinforce **global footprint**
- Leverage on **economies of scale** and **cost synergies**
- **Provide future** to over 170,000 families in the country
- Become **financially robust player**, with **greater investment capabilities** and **stronger resilience** to potential downturns

4 Launch of the aggregation of the Italian infrastructure industry

- Offer to take a 65% in the new **Astaldi** via €225m of capital increase
- Expected closing date by mid 2020 subject, among others, to the approval of Astaldi's arrangement with creditors and the support of a long term investor
- Offer for 100% **of GLF Constr. Co. and Seli Overseas S.p.A.:**
- Offer for 80% of **Cossi Costruzioni S.p.A.:**

Despite the adverse industry context, **Salini Impregilo** has become a **relevant player** in the industry worldwide and is the **only Italian industrial partner** able to sustain a **potential consolidation and re-launch to the sector**

[1]Source: ISTAT 2016

[2]Source: ISTAT March 2018

Financial Update

Massimo Ferrari

General Manager Finance
& Corporate Group CFO

FY18 Operating Results

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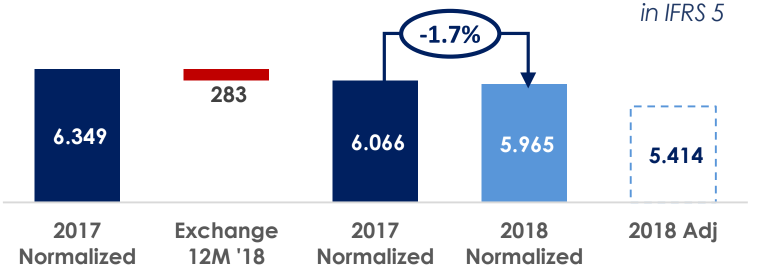
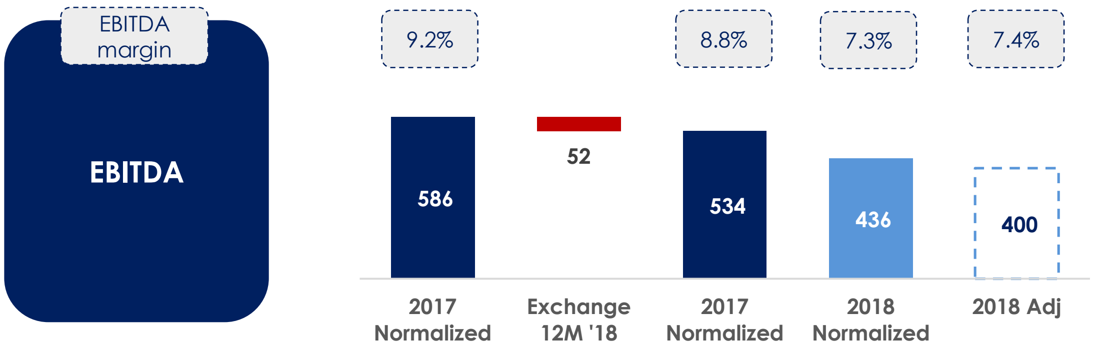
Normalized [1] — *Plants & Pavings line by line*

Adjusted [2] — *Plants & Pavings in IFRS 5*

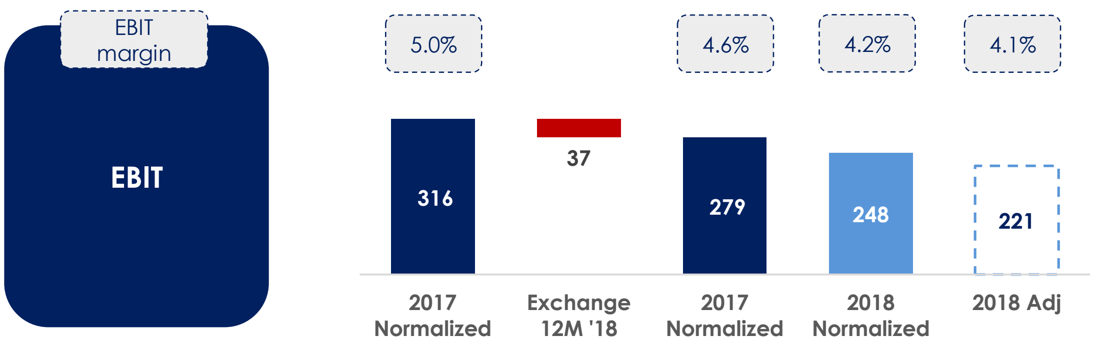
Revenues



EBITDA



EBIT



- In December 2018 the disposal of Lane's unit Plants and Paving was completed
- Revenues, EBITDA and EBIT impacted by the delays on key Italian and Ethiopian projects
- Margins also affected by a higher weight of US business, currently characterized by lower margins
- 12M 17 margin benefited of one-off items (approx. 30mn of EBITDA and 10mn of EBIT)

[1] [2] **For the details regarding Adjusted data and Normalized data refer to income statement in the appendix**

Strong improvement below EBIT line

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- Significant **reduction in bank charges** and refinancing amortized costs offsetting one-off asset impairment
- Neutral impact from exchange rate variation on a long-run basis
- Strong improvement in net income driven by the **capital gain on Plants & Paving** disposal (ca. €95), positive forex and reduction trend in minorities

(€/M)	2017 adj	2018 adj	*Var*
EBIT	**275**	**221**	*(54)*
Net Financial income	**65**	**56**	*(9)*
Net Financial expenses	**(135)**	**(142)**	*(7)*
Net exchange rate (losses)	**(123)**	**13**	*136*
Net Financial income (costs)	**(193)**	**(73)**	*120*
Gain (losses) on investments	**96**	**(16)**	*(112)*
Net financing costs and net gains on investments	**(97)**	**(89)**	*8*
EBT	**178**	**131**	*(47)*
Income taxes	**(85)**	**(79)**	*6*
Profit (loss) from discontinued operations	**41**	**115**	*74*
Non controlling interests	**(27)**	**13**	*40*
Net Income (loss)	**107**	**180**	*73*

Net Financial charges (€/M)	**2017 adj**	**2018 adj**	**Var**
Bank charges	(35.4)	(28.1)	*7.3*
Bond charges	(41.4)	(41.4)	*0.1*
Leasing	(5.4)	(4.0)	*1.4*
Refinancing amortized cost	(14.7)	(2.0)	*12.7*
Bond charges capitalization	(4.1)	(4.3)	*(0.2)*
Subtotal	**(101.0)**	**(79.8)**	***21.2***
Other	(33.8)	(62.1)	*(28.3)*
Financial charges	**(134.9)**	**(141.9)**	***(7.0)***

Includes one-off asset impairments of ca. € 29 mln

Net gain on investments (€/M)	**2017 adj**	**2018 adj**
AUSOL *	90.1	(7.3)
Others	5.8	(8.7)

* Autopista del Sol: gain on investments in 2017 reflected the revaluation of the Group's stake in Autopista del Sol in Argentina, by €83 million

FY18 Group net income: > than 65% FY17 Group net income

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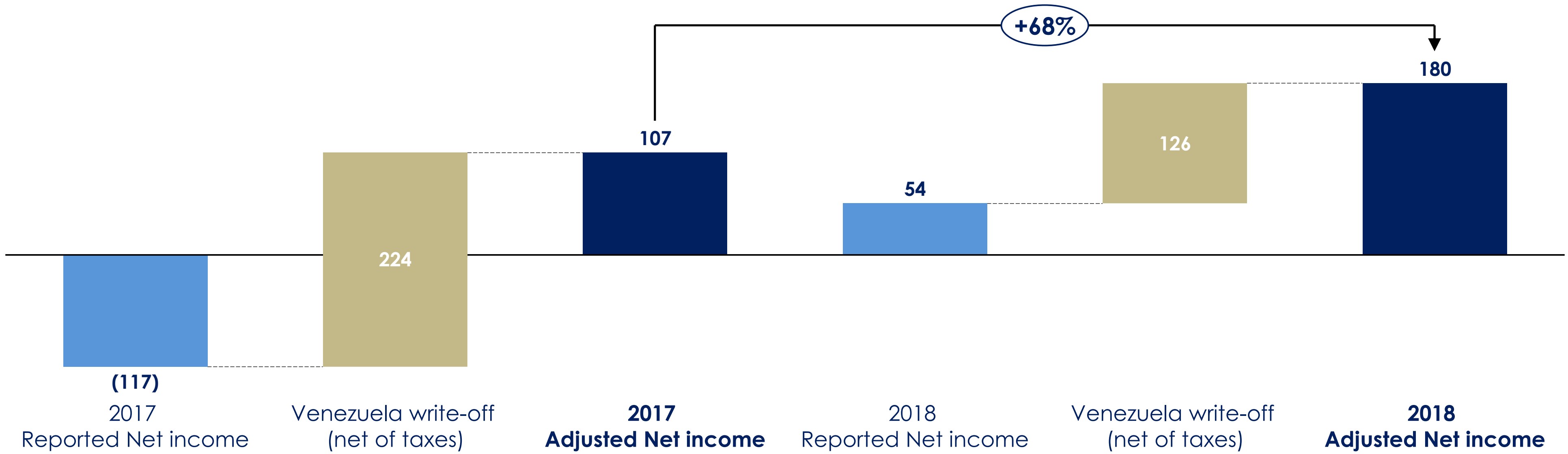
Net income bridge (€/M)

Total write down Venezuela*	**ca. €480m** 75% of the gross exposure
Venezuela exposure post-write down	**ca. €160m** 25% of the gross exposure



(*) Includiing some €41m wrote - down previously to 2017

Gross debt in line with 2017

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Net Financial Position

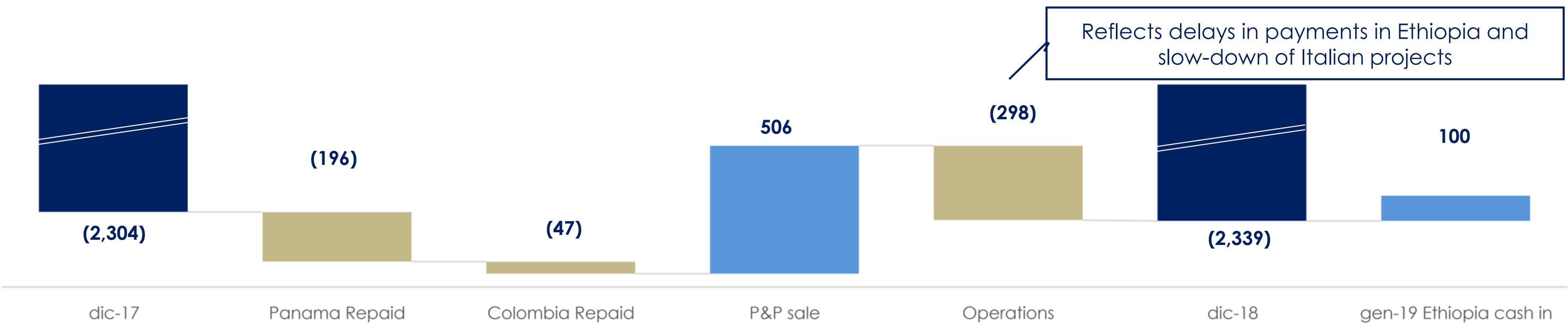
(€/M)	2017 adj	2018 adj
Total Cash & Other Financial Assets	**1,603**	**1,478**
Bank Loan and other financing	(768)	(1,117)
Bond	(1,387)	(1,101)
Leasing	(130)	(99)
SPV Net Debt	(19)	(21)
Total Gross Debt	**(2,304)**	**(2,339)**
Net derivatives	(1)	1
Net financial indebtedness - continuing operations	(703)	(860)
Held for sale	-	-
Net Financial Position	**(703)**	**(860)**

(*) EBITDA adjusted for cash purposes reflecting cash impact of WUM

2018 Net Financial Position affected by:

- reimbursement of the advance payments held by GUPC for some € 196m; settled upfront the entire cash out
- write-down of financial asset for €58.2m, of which Venezuela € 32m
- total cash-ins of € 505.6 million generated by the sale of the Plants & Paving division
- cash absorption from Working Capital due to delays in payments in Ethiopia - of which a part (ca. € 100 million) has already been paid in the first months of 2019 – and slow-down of key Italian projects

Gross Debt Bridge (€/M)



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

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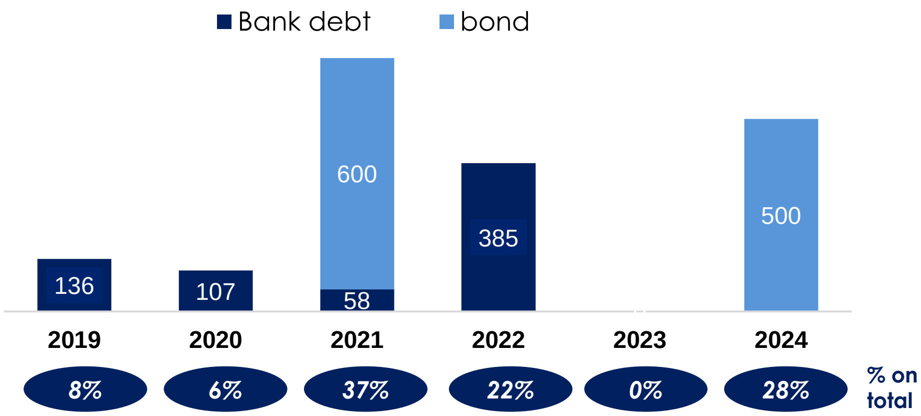
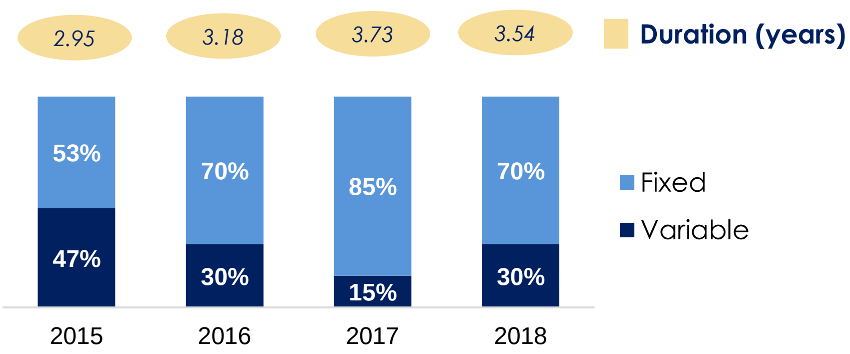
1 M/L Corporate Debt [€/M]



- Extending durations up to > than 3.5 years
- Cost of debt reduced to 2.5%
- Ca. 70% of corporate debt secured at fixed rate

2 Increasing Fix-rate M/LT Corporate Debt Portion

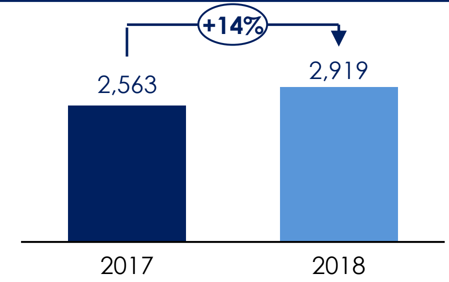


3 Progressively Reduced Average Corporate Debt

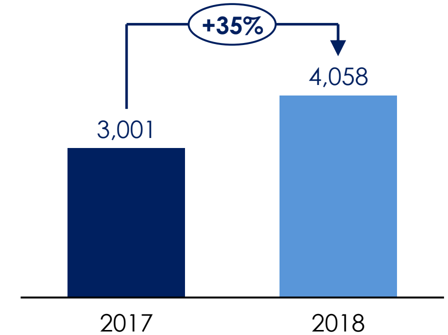
Refocusing our US activities: transforming Lane

- **Completed in December 2018 the disposal of Plants & Paving Division for $574 million;** Asset sold at 11x EBITDA (vs SAL trading 4.2x)
- Total new orders acquired and variation orders €2.9 billion; **achieved best in class book to bill: 1.9x ;**
- Total Lane Backlog approx. €4.1billion (+35% vs 2017)
- **Completed the Overhead Restructuring of over $50 million** with reallocation to direct, layoffs and general expenses reduction with full effect starting from 2019

1 **New Orders (€m)**



2 **Backlog (€m)**



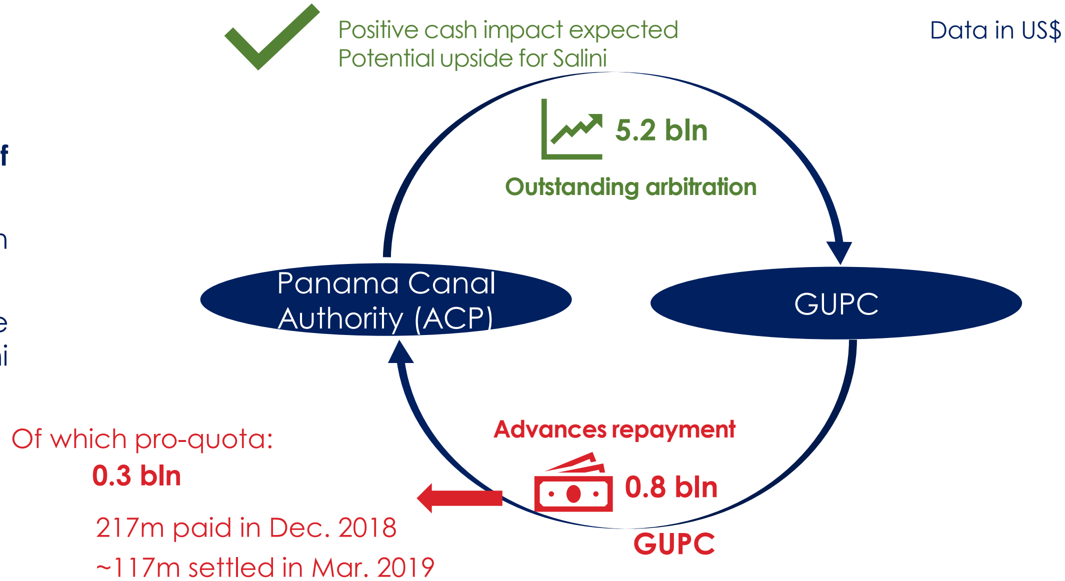
Lane becoming the North American hub for the Group in the large infrastructure sector

- **New Business Model** – Large Road, Rail and Tunnel Projects >$100 million
- **Focus on 5 Core Markets**, Virginia, Carolinas, Florida and Texas and 2 Growth Markets, California and New York Metropolitan Area
- Strong Command and Control Corporate and 5 Areas Lean Field Organization; **Confirmed 3% of EBIT margin target on the long run**
- Focus on Special Mega Projects: Texas High Speed Rail $15 billion investment for a 240 mile High Speed Rail between Dallas and Houston – **Outcome expected in 2019**

One-off cash out

Panama arbitration

- **Rejected** GUPC's request to postpone **the repayment of the advances**
- 100% of advances have been settled: with **no impact** on Group's **solid financial structure**
- The arbitration will **not affect** the outcome of the **outstanding arbitration** cases involving GUPC and Salini Impregilo for a total request of **US$ 5.2 billion**
- Court decision estimated by 2020-2023



Yuma Concession

- Yuma Concesionaria S.A. (in which the Group holds a 48.3% stake) holds the concession for the construction and management of Sector 3 of the Ruta del Sol motorway in Colombia.
- The banks that had granted Yuma a bridge loan for a total of COP 450,000 million (equivalent to about € 152 million) for the realization of the project refused to extend it beyond January 15, 2018.
- As a consequence of the development, Salini Impregilo paid € 47 million as at December 2018 to the banks as at December 2018
- Undergoing negotiations to restart work
- Further write-down of Yuma receivables for some € 11m

Appendix

Income statement

Salini Impregilo Group
Reclassified statement of profit or loss

12M 2017 Normalized

(€/mln)	Salini Impregilo Group	Unconsolidated JVs	Impairment Venezuela	Total Adjusted	Plants & Pavings Results	Exchange 12M 2018	Normalized View
Revenue							
Revenue from contracts with customers	5.287	240	0	5.527	548		
Other income	274	0	0	274	0		
Total revenue and other income	**5.561**	**240**	**0**	**5.801**	**548**	**(283)**	**6.066**
Costs							
Purchasing costs	(930)	0	0	(930)	(186)		
Subcontracts	(1.582)	0	0	(1.582)	(134)		
Service costs	(1.489)	0	0	(1.489)	(40)		
Personnel expenses	(864)	0	0	(864)	(127)		
Other operating costs	(173)	(236)	0	(410)	(2)		
Total costs	**(5.038)**	**(236)**	**0**	**(5.274)**	**(489)**	**231**	**(5.532)**
EBITDA	**523**	**4**	**0**	**527**	**59**	**(52)**	**534**
EBITDA %	*9,4%*	*1,7%*		*9,1%*	*10,7%*		*8,8%*
Amortisation, depreciation, impairment losses and provisions	(545)	0	292	(253)	(18)	16	(255)
EBIT	**(22)**	**4**	**292**	**275**	**41**	**(37)**	**279**
EBIT %	*-0,4%*	*1,7%*		*4,7%*	*7,5%*		*4,6%*
Financing income (costs) and gains (losses) on investments							
Net Financial income	*65*	*0*	*0*	*65*			
Net Financial expenses	*(135)*	*0*	*0*	*(135)*			
Net exchange rate gains (losses)	*(123)*	*0*	*0*	*(123)*			
Net Financial income (costs)	**(193)**	**0**	**0**	**(193)**			
Gain (losses) on investments	100	(4)	0	96			
Net financing costs and net gains on investments	**(93)**	**(4)**	**0**	**(97)**			
Earnings before taxes (EBT)	**(115)**	**0**	**292**	**178**			
Income taxes	(17)	0	(68)	(85)			
Profit (loss) from continuing operations	**(132)**	**0**	**224**	**93**			
Profit (loss) from discontinued operations	41	0	0	41			
Profit (loss) before Non controlling interests	**(90)**	**0**	**224**	**134**			
Non controlling interests	(27)	0	0	(27)			
Net Income (loss)	**(117)**	**0**	**224**	**107**			

Income statement

Salini Impregilo Group
Reclassified statement of profit or loss

(€/mln)	12M 2018 Normalized					
	Salini Impregilo Group	Unconsolidated JVs	Impairment Venezuela	Total Adjusted	Plants & Pavings Results	Normalized View
Revenue						
Revenue from contracts with customers	4.864	217	0	5.081	550	
Other income	334	0	0	334	0	
Total revenue and other income	**5.198**	**217**	**0**	**5.414**	**550**	**5.965**
Costs						
Purchasing costs	(862)	0	0	(862)	(211)	
Subcontracts	(1.659)	0	0	(1.659)	(139)	
Service costs	(1.346)	0	0	(1.346)	(42)	
Personnel expenses	(774)	0	0	(774)	(121)	
Other operating costs	(144)	(230)	0	(373)	(2)	
Total costs	**(4.784)**	**(230)**	**0**	**(5.014)**	**(515)**	**(5.529)**
EBITDA	**413**	**(13)**	**0**	**400**	**35**	**436**
EBITDA %	*8,0%*	*-6,0%*		*7,4%*	*6,4%*	*7,3%*
Amortisation, depreciation, impairment losses and provisions	(345)	0	165	(180)	(9)	(188)
EBIT	**68**	**(13)**	**165**	**221**	**27**	**248**
R.o.S. %	*1,3%*	*-6,0%*		*4,1%*	*4,9%*	*4,1%*
Financing income (costs) and gains (losses) on investments						
Net Financial income	*56*	*0*	*0*	*56*	*0*	*56*
Net Financial expenses	*(142)*	*0*	*0*	*(142)*	*0*	*(142)*
Net exchange rate gains (losses)	*13*	*0*	*0*	*13*	*0*	*13*
Net Financial income (costs)	**(73)**	**0**	**0**	**(73)**	**0**	**(73)**
Gain (losses) on investments	(29)	13	0	(16)	0	(16)
Net financing costs and net gains on investments	**(102)**	**13**	**0**	**(89)**	**0**	**(89)**
Earnings before taxes (EBT)	**(34)**	**0**	**165**	**131**	**27**	**158**
Income taxes	(39)	0	(40)	(79)	(7)	(86)
Profit (loss) from continuing operations	**(73)**	**0**	**126**	**52**	**20**	**72**
Profit (loss) from discontinued operations	115	0	0	115	(20)	95
Profit (loss) before Non controlling interests	**41**	**0**	**126**	**167**	**0**	**167**
Non controlling interests	13	0	0	13	0	13
Net Income (loss)	**54**	**0**	**126**	**180**	**0**	**180**

Notes

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1. The Normalized data consists of statutory data prepared with the inclusion of the results of Lane Group non-subsidiary JVs and for the extraordinary write-down of assets in Venezuela and includes the Plants & Paving division results consolidated line by line. Furthermore, the figures as at 31 December 2017, for the purpose of a better comparison, were normalized by the exchange rate effect

2. The adjusted data consists of statutory data prepared with the inclusion of the results of Lane Group non-subsidiary JVs and for the extraordinary write-down of assets in Venezuela

Income statement

Salini Impregilo Group
Reclassified statement of profit or loss

(€/000)	12M 2017 Restated (*)	12M 2018
Revenue		
Revenue from contracts with customers	5,286,834	4,864,142
Other income	274,056	333,518
Revenue	**5,560,890**	**5,197,660**
Costs		
Purchasing costs	(930,201)	(861,756)
Subcontracts	(1,581,662)	(1,658,505)
Service costs	(1,488,632)	(1,346,115)
Personnel expenses	(863,808)	(774,416)
Other operating costs	(173,207)	(143,603)
Total costs	**(5,037,509)**	**(4,784,396)**
EBITDA	**523,381**	**413,264**
EBITDA %	*9.4%*	*8.0%*
Amortisation, depreciation, impairment losses and provisions	(544,982)	(345,170)
EBIT	**(21,602)**	**68,095**
R.o.S. %	*-0.4%*	*1.3%*
Financing income (costs) and gains (losses) on investments		
Net Financial income	*64,822*	*55,754*
Net Financial expenses	*(134,886)*	*(141,918)*
Net exchange rate gains (losses)	*(122,838)*	*13,306*
Net Financial income (costs)	**(192,902)**	**(72,857)**
Gain (losses) on investments	99,928	(29,450)
Net financing costs and net gains on investments	**(92,974)**	**(102,307)**
Earnings before taxes (EBT)	**(114,576)**	**(34,213)**
Income taxes	(17,009)	(39,274)
Profit (loss) from continuing operations	**(131,584)**	**(73,486)**
Profit (loss) from discontinued operations	41,284	114,802
Profit (loss) before Non controlling interests	**(90,300)**	**41,315**
Non controlling interests	(26,933)	12,882
Net Income (loss)	**(117,233)**	**54,197**

(*) The reclassified IFRS statement of profit or loss figures for 2017 have been restated to comply with IFRS 5 and the new IFRS 15.

Statement of financial position

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Salini Impregilo Group
Reclassified statement of financial position

(€/000)	**31 December 2017 Restated (*)**	**31 December 2018**
Non-current assets	1,202,009	1,153,553
Goodwil	155,179	74,713
Non-current assets (liabilities) held for sale	5,683	5,683
Provisions for risks	(94,382)	(84,213)
Post-employment benefits and employee benefits	(85,724)	(57,025)
Net tax assets	298,709	259,066
Inventories	*240,976*	*192,304*
Contract work in progress	*1,490,076*	*1,512,866*
Progress payments and advances on contract work in progress	*(1,587,499)*	*(1,149,588)*
Receivables (**)	*1,881,809*	*1,929,563*
Liabilities (**)	*(2,144,809)*	*(2,363,438)*
Other current assets	*616,426*	*640,269*
Other current liabilities	*(330,289)*	*(322,061)*
Working capital	**166,690**	**439,915**
Net invested capital	**1,648,164**	**1,791,692**
Equity attributable to the owners of the parent	**814,491**	**835,710**
Non-controlling interests	131,061	96,354
Equity	**945,552**	**932,064**
Net financial indebtedness	**702,612**	**859,628**
Total financial resources	**1,648,164**	**1,791,692**

(*) The statement of financial position figures at 31 December 2017 have been restated to reflect application of IFRS 15

(**) This item shows liabilities of € 24.7 million and assets of € 1.1 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 €18.6 million at 31 December 2017.

Net financial position

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Salini Impregilo Group
Net financial indebtedness

(€/000)	**31 December 2017**	**31 December 2018**
Non-current financial assets	188,468	235,692
Current financial assets	94,308	135,280
Cash and cash equivalents	1,320,192	1,107,340
Total cash and cash equivalents and other financial assets	**1,602,968**	**1,478,311**
Bank and other loans	(457,468)	(617,895)
Bonds	(1,084,426)	(1,088,158)
Financial Lease Payables	(81,310)	(55,530)
Total non-current indebtedness	**(1,623,204)**	**(1,761,583)**
Bank overdrafts and current portion of loans	(311,002)	(499,362)
Current portion of bonds	(302,935)	(13,295)
Current portion of Lease Payables	(48,567)	(43,206)
Total current indebtedness	**(662,504)**	**(555,863)**
Derivative assets	226	602
Derivative liabilities	(1,480)	0
Net financial position with unconsolidated SPEs (*)	(18,618)	(21,096)
Total other financial assets (liabilities)	**(19,872)**	**(20,494)**
Net financial indebtedness - continuing operations	**(702,612)**	**(859,628)**
Net financial indebtedness - discontinued operations	0	0
Net financial indebtedness including discontinued operations	**(702,612)**	**(859,628)**
Total gross indebtedness	**(2,304,327)**	**(2,338,541)**

(*) 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.

Safe Harbour

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.

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Thank you