



Results Presentation

9M 2018

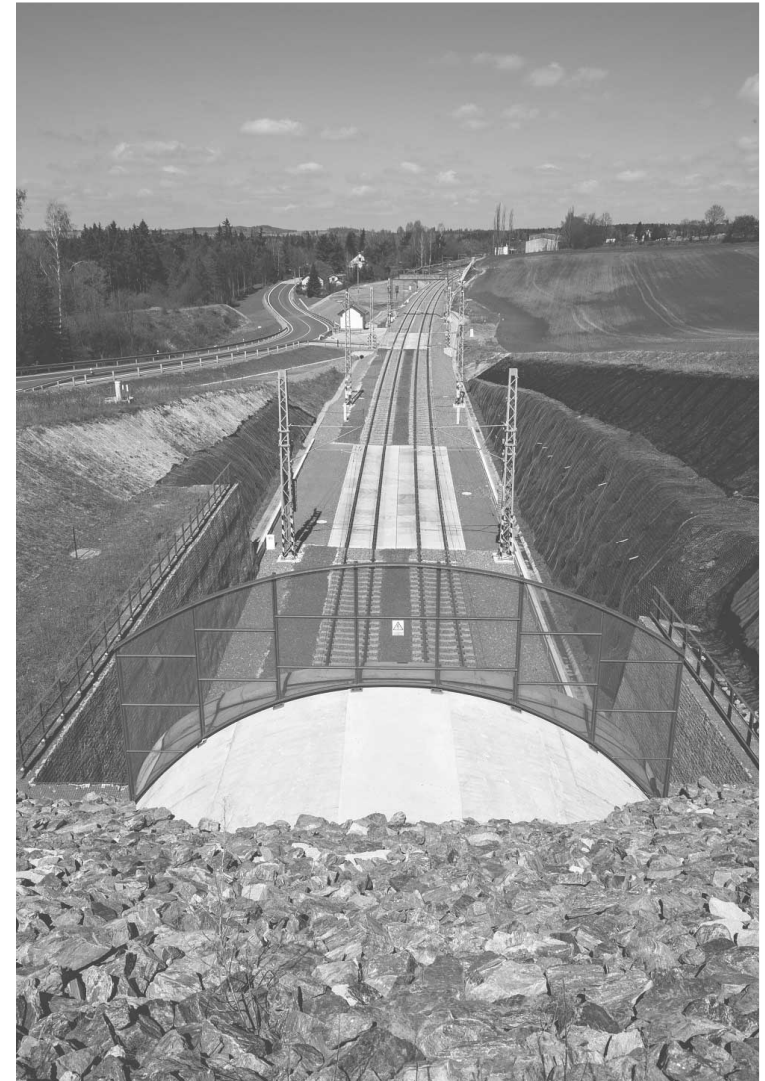
14 November 2018





9M 2018 Results Presentation

- What have we accomplished in the last 3 months?
 - What does this starting point imply?
 - The “future” is now
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What have we accomplished in the past 3 months?

➤ Straight decisions to gain visibility over the business we manage

① **Review of the Backlog, applying a *consistent* approach -> *Backlog ave. Gross Margin ≈ 6.5%***



Consistent approach across all projects in Backlog

- Claims and change orders will be recognized when very highly probable to be collected -> gross margin and CF upside
 - Estimated losses until final completion of loss making projects have been fully recognized in september 2018
 - Additional accruals made for CHUM Hospital to cover potential future issues
 - Backlog of €5.1bn:
 - * 80% of backlog with GM > 7%
 - * 20% of backlog with GM = 0
- Average GM ≈ 6.5%**
- Risk management at bid stage, control over cost & working capital during execution will be the principles from now on
 - Future margins non affected by past losses

To gain Visibility on Profitability of the Projects

- ✓ Positive margins from next quarter on
- ✓ Gain visibility on the profitability of the business -> establish a clear baseline to measure improvements
- ✓ Better control of any possible deviations -> anticipate and react on time to potential problems in the projects

What have we accomplished in the past 3 months?

➤ Straight decisions to gain visibility over the business we manage

② **Sound cost cutting measures designed and implement: to start 2019 with overhead costs below € 160m euros (30% down from € 240m YE17)**



③ **Focus on cash and debt control: *preserve existing cash* and new financing sources**



- ✓ Ongoing review of 2019-2020 prospects in terms of cash consumption at project level and Corporate level
- ✓ Ongoing analysis of ideal capital structure for the future
- ✓ Incorporating new financial entities to our banking and bonding pool
- ✓ New processes in place to gain control over cash flow
- ✓ Stabilize ratings

What does this starting point imply?

➤ OHL currently stands on

- Strong liquidity position: € 1bn liquidity position and € 345m net recourse cash
- No meaningful short-term debt maturity
- Solid and healthy Backlog of € 5.1bn with average gross margin ≈ 6.5% representing over 2 years of Revenues
- Proven capacity to replace production with € 1.8bn new awards during 9M2018
- Cost cutting plan in place to reach overhead costs levels below € 160M by 01/01/2019
- New Executives fully committed and confident with the sustainability of the business
- Accelerating measures and Clear Roadmap to work towards one single direction: profitability and cash generation

The future is now

➤ What to expect in next quarters

- Positive gross margins in construction backlog
- Complete control over backlog profitability
- Consistent approach in managing the business
- Stick to 2020 plan goals:

Sales	€2.5-3.0bn
Gross Margin	≈8%
Overhead costs	≈4%
EBITDA	≈5%
- Better control and visibility over cash consumption
- Gradual improvements towards profitability and cash generation goals

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