



RESULTS 1H18

July 27th, 2018

CONFERENCE CALL DETAILS

LIVE EVENT:

The Company will host a conference call for investors and analysts today at 12:30 (CEST).
Please find below conference call telephone numbers:

Spain: +34 911 140 101

France: +33 170 710 159

UK: +44 207 194 3759

US: +1 646 722 4916

Access code: 30584782#

Access to the live event:

<http://event.onlineseminarsolutions.com/r.htm?e=1794996&s=1&k=3F66998B739A7329CAF186615E3BF6BE>

WEBCAST REPLAY:

A recording of the conference call will be available for 30 days on the following telephone numbers:

Replay dial number:

Spain: +34 910387491

UK: +44 2033645147

US: +1 (646) 7224969

Access Code: 418776808#

Access to the Webcast Replay:

<http://event.onlineseminarsolutions.com/r.htm?e=1794996&s=1&k=3F66998B739A7329CAF186615E3BF6BE>

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MAIN HEADLINES

- 1 1H18 Order Intake up +11% in local currency, with both T&D and IT posting growth.
- 2 1H18 Revenues increased by +9% in local currency, backed by the acquisitions, the Energy & Industry vertical and Air Traffic Management.
- 3 1H18 EBITDA amounted to €117m (+8% vs 1H17). Ex Tecnomcom restructuring costs, EBITDA would have increased +20%.
- 4 1H18 EBIT reached €73m (€86m excluding Tecnomcom restructuring costs) vs €77m in 1H17. EBIT margin was 5.0% in 1H18 vs 5.6% in 1H17. EBIT Margin, excluding Tecnomcom restructuring costs, would have reached 5.9%.
- 5 FCF generation amounted to €-61m in 1H18 (vs €-31m in 1H17), affected by the seasonality of the second quarter and the difficult comparison vs 2Q17.
- 6 Net Debt/EBITDA LTM up to 2.4x. Ex-acquisitions, it would have stood at 1.5x.
- 7 1H18 Net Income totalled €37m vs €38m in 1H17.
- 8 Tecnomcom restructuring process is over. Operating synergies are being delivered as expected.

2018 Guidance confirmed (Revenues, EBIT and FCF pre working capital)

REVENUES UP +6% IN REPORTED TERMS

1H18 Sales Growth

Reported

+6%

Local Currency

+9%

2Q18 Sales Growth

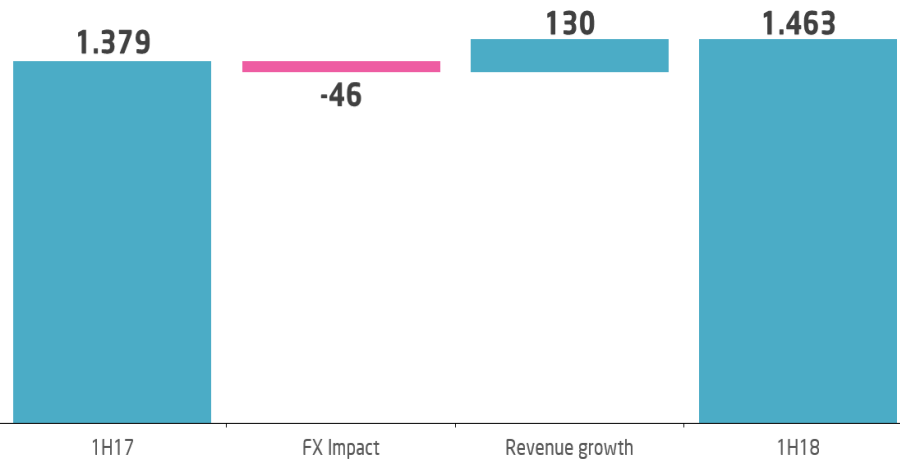
Reported

+1%

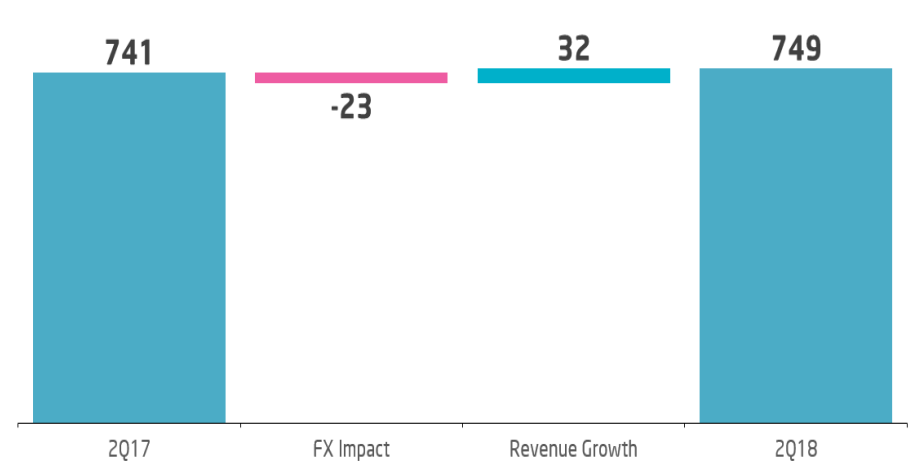
Local Currency

+4%

€m



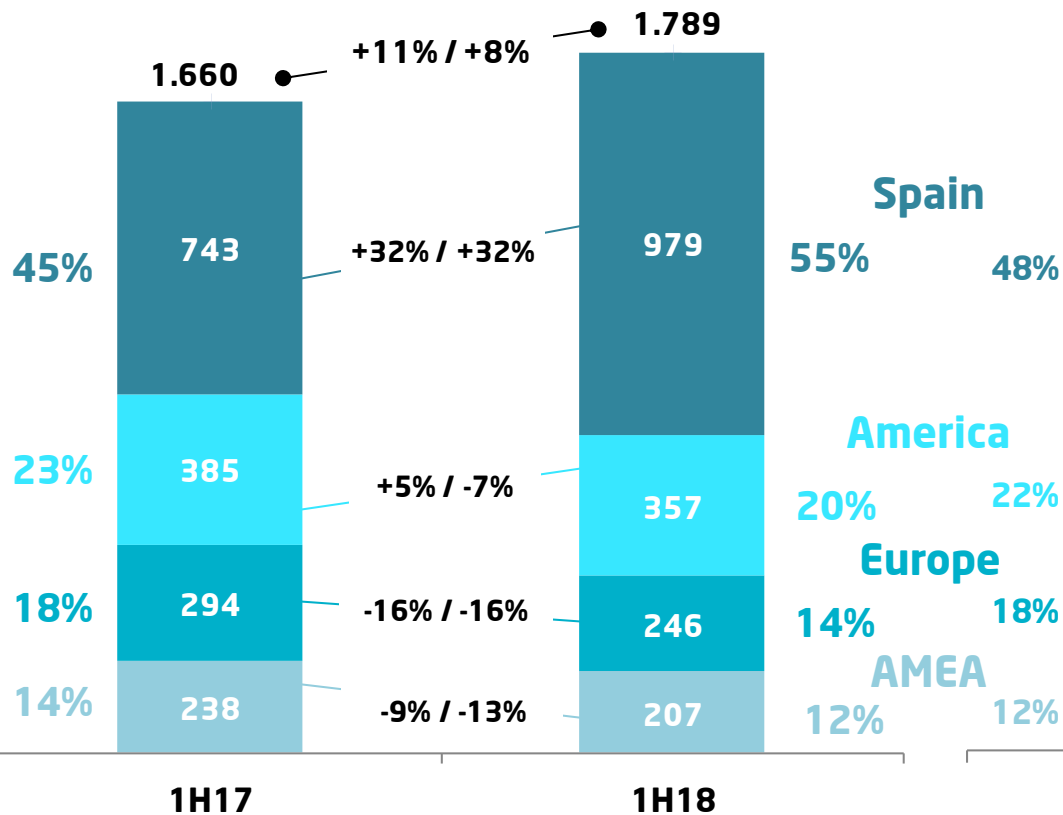
€m



REVENUES AND ORDER INTAKE BY REGION

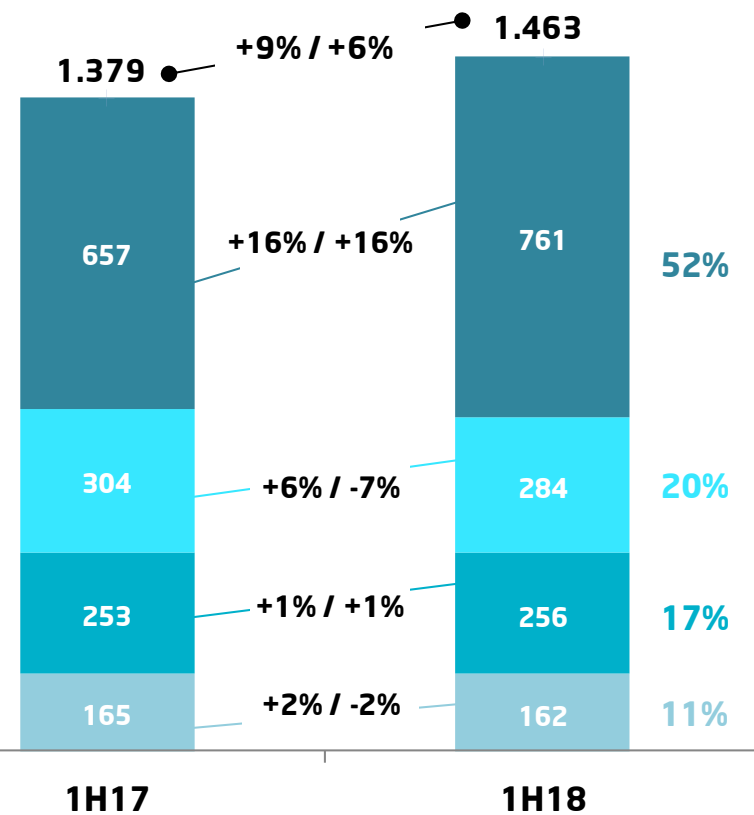
Order Intake (€m)

Local Currency / Reported



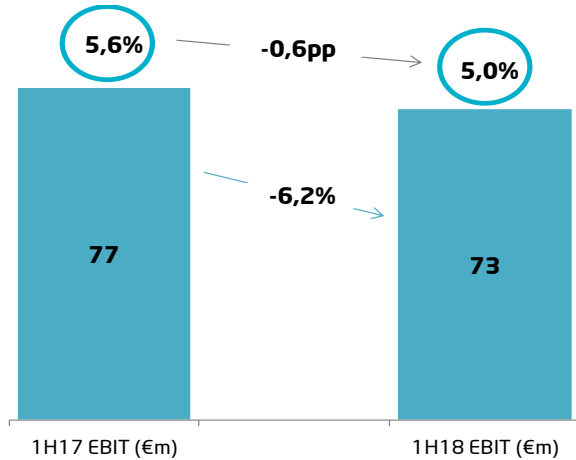
Revenues (€m)

Local Currency / Reported

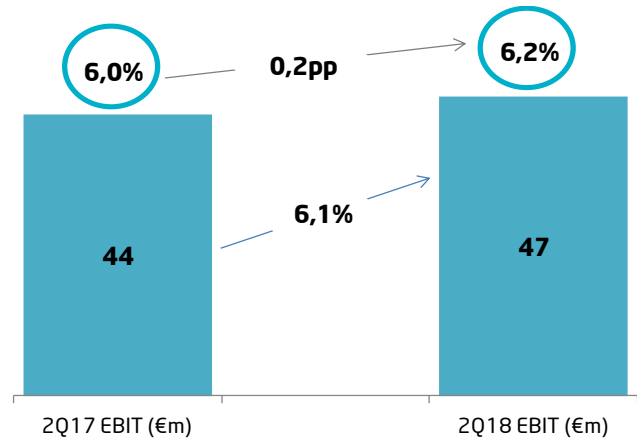


EBIT AND MARGIN EVOLUTION

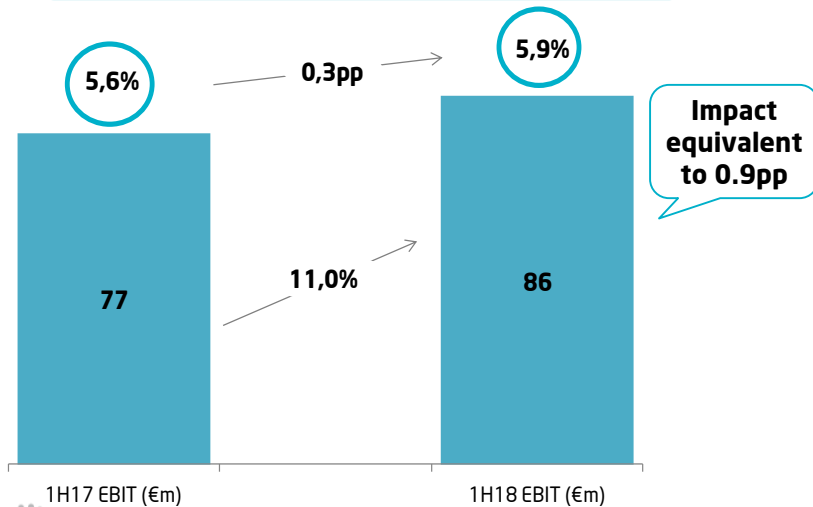
1H18 EBIT and Margin Evolution



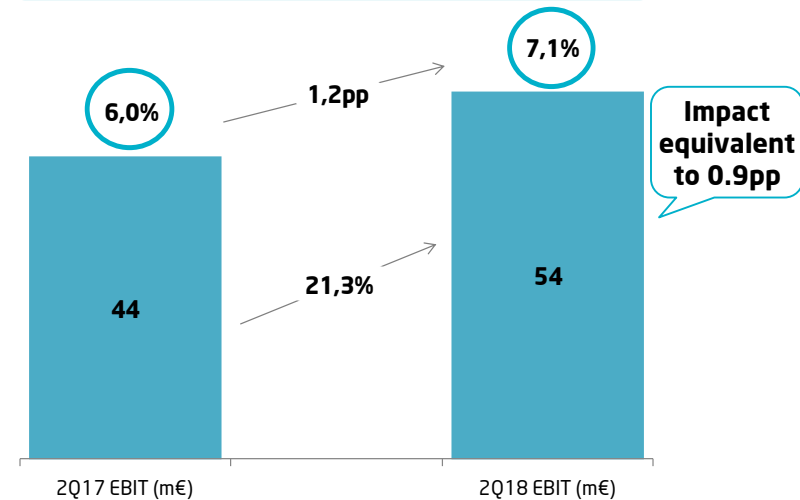
2Q18 EBIT and Margin Evolution



**1H18 EBIT and Margin Evolution
ExTecnocom restructuring costs**



**2Q18 EBIT and Margin Evolution
ExTecnocom restructuring costs**



WE HAVE STARTED TO DELIVER OUR EFFICIENCY PLAN FOCUSED ON THE IT DIVISION

1 **Lean & Automation** Apply full end-to-end Lean approach, fostering a culture of continuous improvement and placing automation at the core of our operations

2 **Delayering** Reduce management layers to increase agility and accountability while maximising efficiency

3 **Pyramid Optimisation** Reshape our production and delivery pyramid

4 **Global Production** Increase off-shoring by leveraging our existing capabilities in Latin America

“PLAN IT”

First step in order to improve our profitability in the IT division

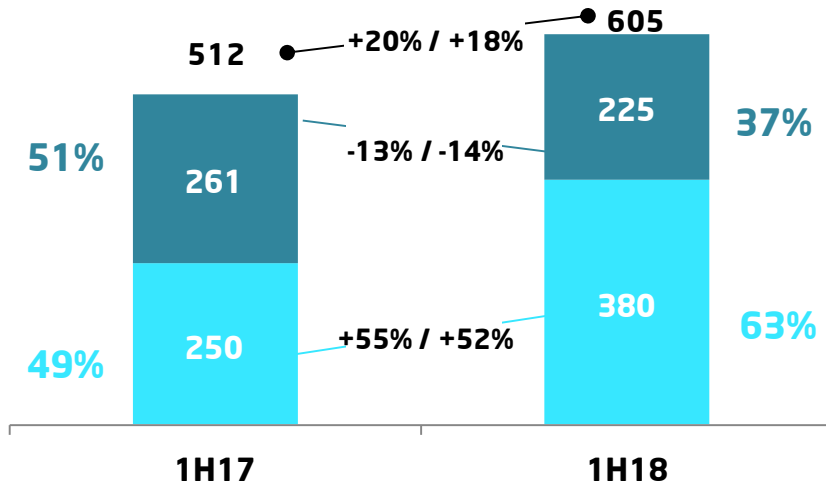
	2018	2019	2020	1H18
Costs	€21m	€1m	€0m	€7m
Synergies	€24m	€41m	€42m	€5m

“Plan IT” helps us achieve Guidance 2020: EBIT > 10% (p.a. growth)

T&D ORDER INTAKE AND REVENUES

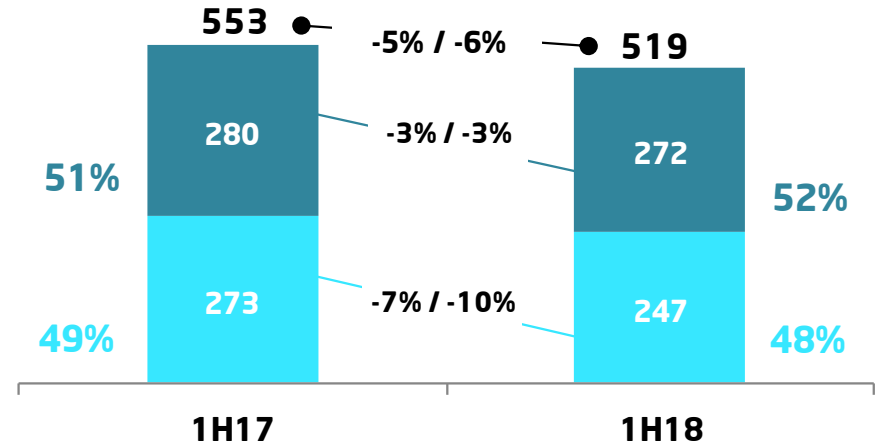
1H18 Order Intake (€m)

Local Currency / Reported



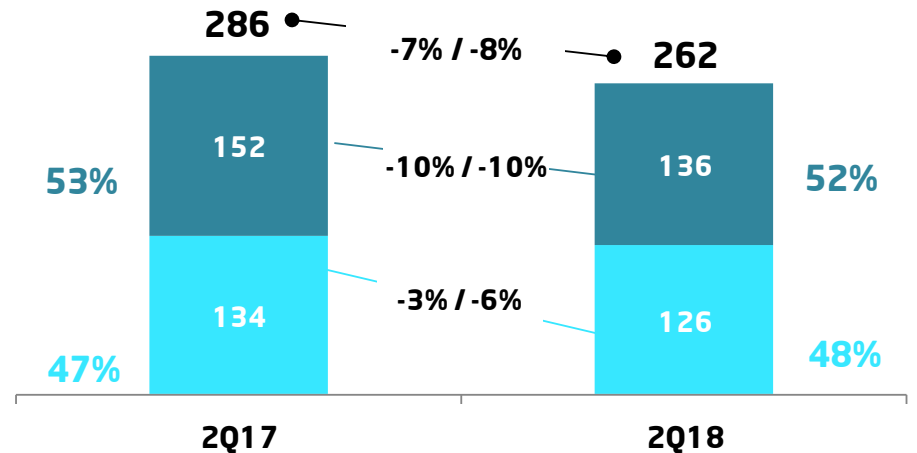
1H18 Revenues (€m)

Local Currency / Reported



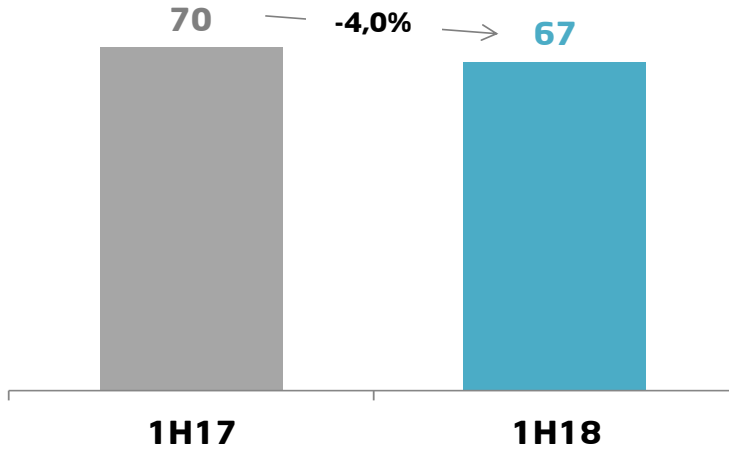
2Q18 Revenues (€m)

Local Currency / Reported

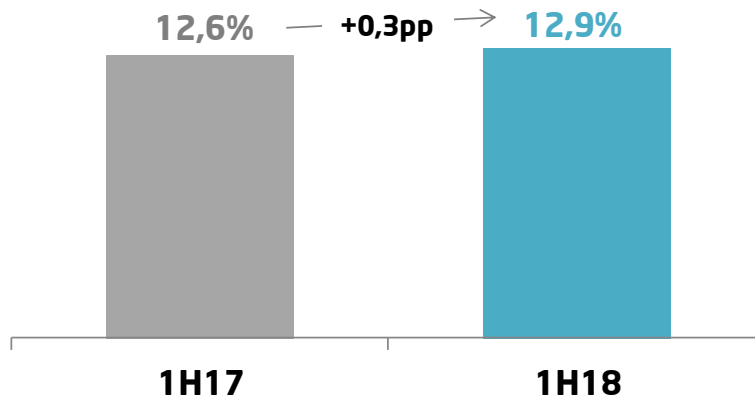


T&D EBIT AND MARGIN EVOLUTION

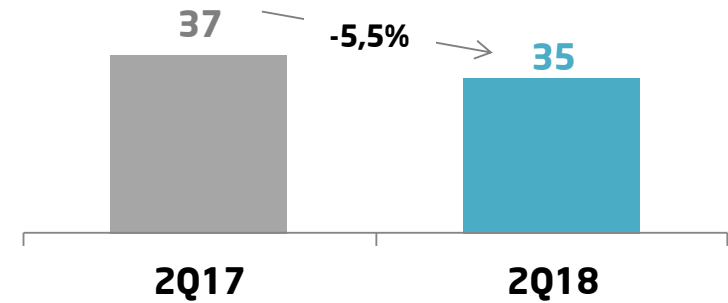
1H18 EBIT (€m)



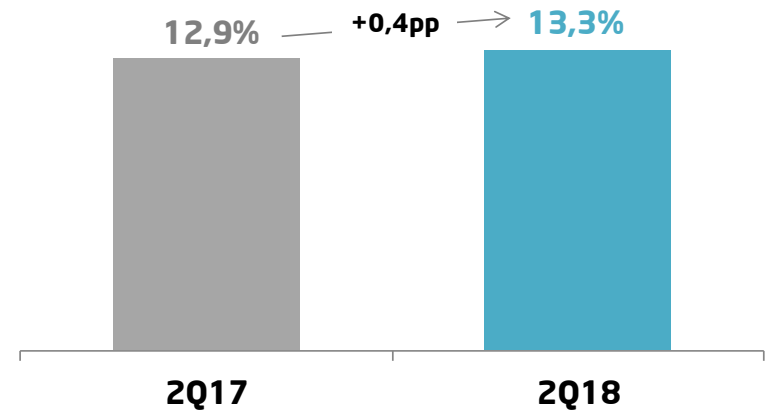
1H18 EBIT Margin (%)



2Q18 EBIT (€m)



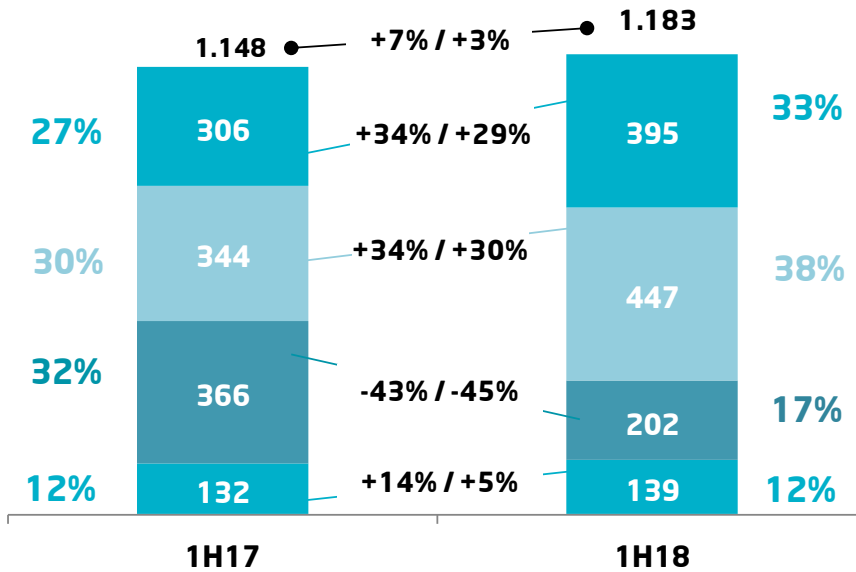
2Q18 EBIT Margin (%)



IT ORDER INTAKE AND REVENUES

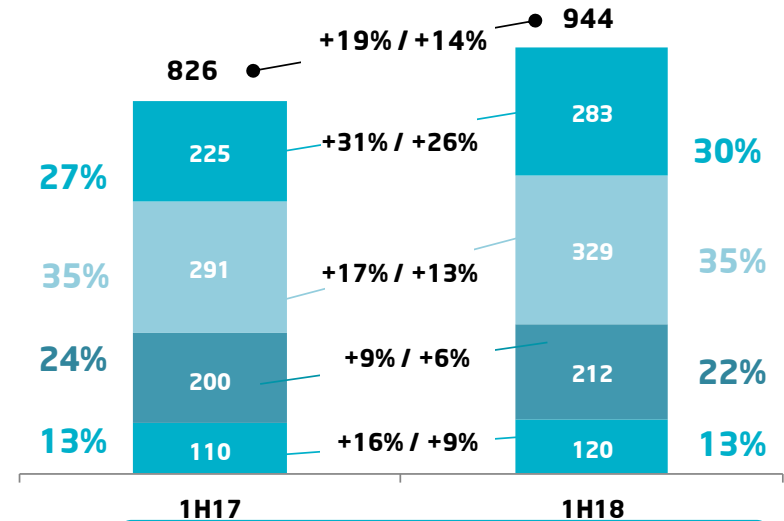
1H18 Order Intake (€m)

Local Currency / Reported



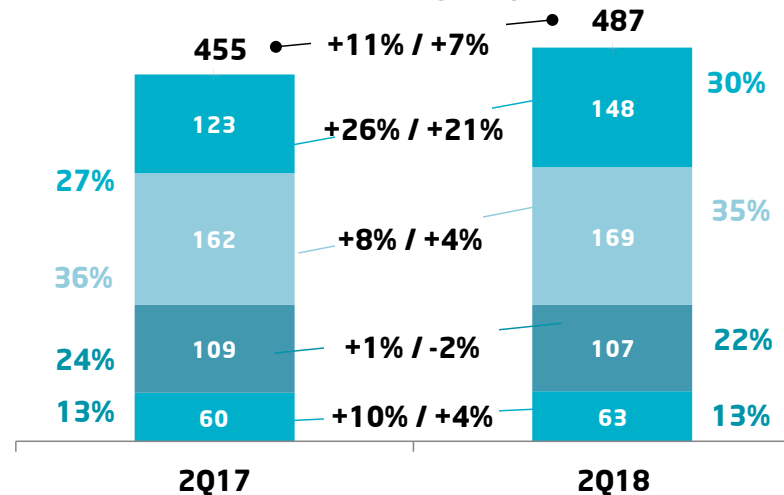
1H18 Revenues (€m)

Local Currency / Reported



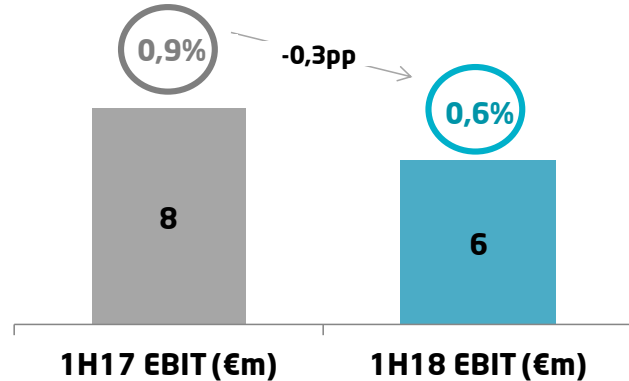
2Q18 Revenues (€m)

Local Currency / Reported

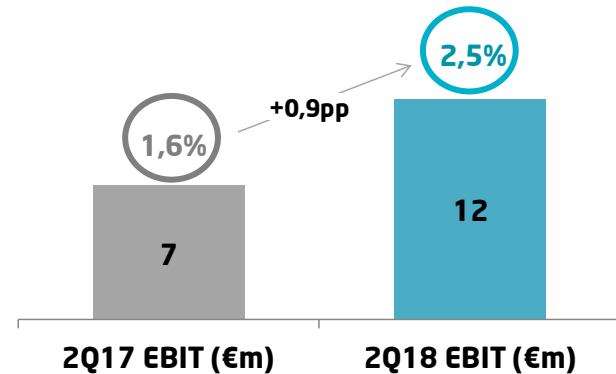


IT EBIT AND MARGIN EVOLUTION

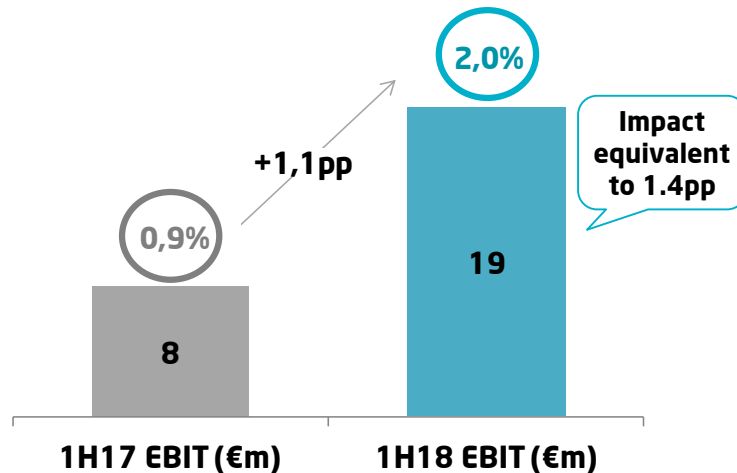
1H18 EBIT and Margin Evolution



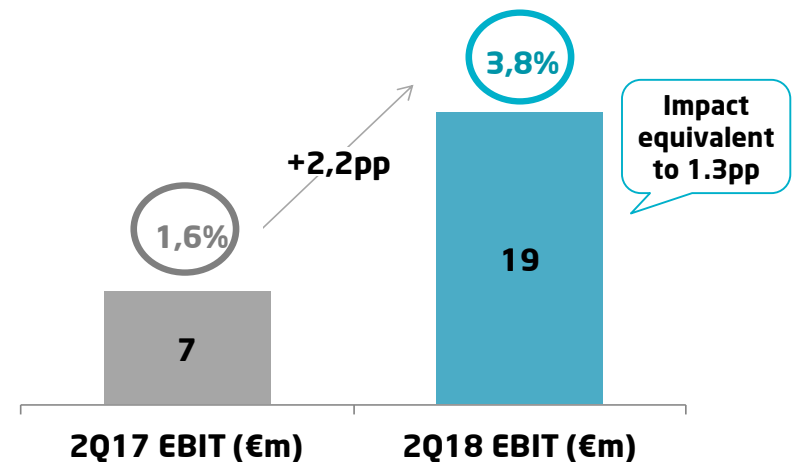
2Q18 EBIT and Margin Evolution



1H18 EBIT and Margin Evolution excluding the impacts of Tecnomcom restructuring costs



2Q18 EBIT and Margin Evolution excluding the impacts of Tecnomcom restructuring costs



BRAZIL AND IT DIVISION OPERATING MARGIN

BRAZIL

(local currency)	1H17	1H18	Variation
Order Intake	473.0	465.6	-2%
Revenues	373.5	394.8	+6%
EBIT	-13.5	18.4	
EBIT Margin	-3,6%	4,7%	+8.3pp

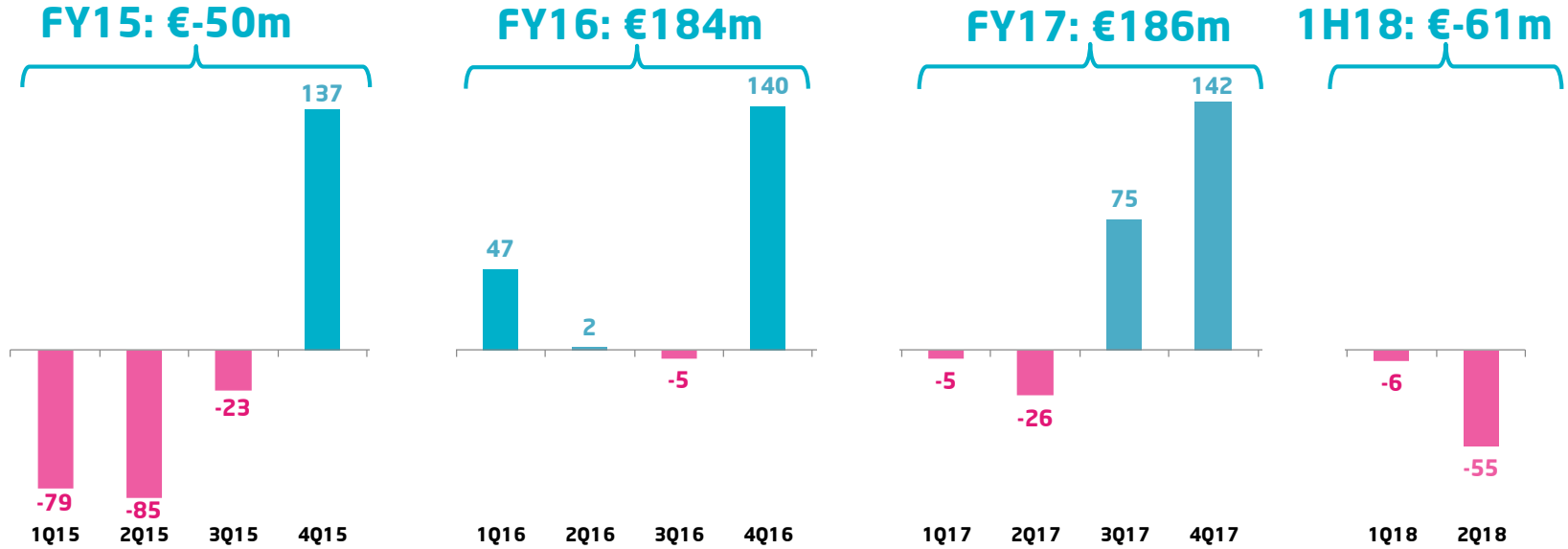
IT DIVISION

	1H17	1H18
Operating Margin	2,3%	3,4%
Other Operating Income & Expenses (€m) ¹	-11,1	-26,1
EBIT Margin	0,9%	0,6%

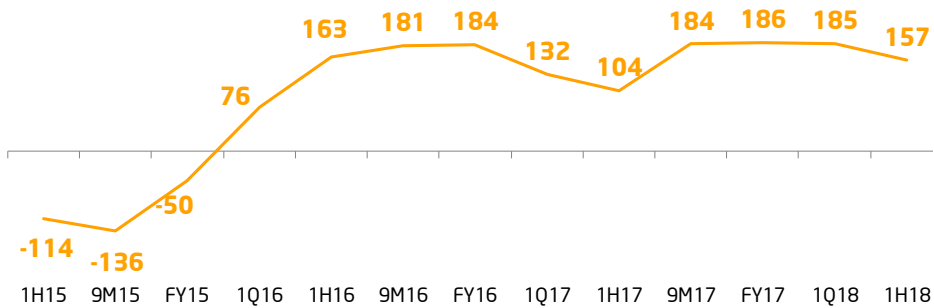
1. Other Operating Income & Expenses includes: staff reorganization, integration and acquisition costs, amortization of intangible assets (PPA from acquisitions) and equity based compensation, among others.

FCF GENERATION

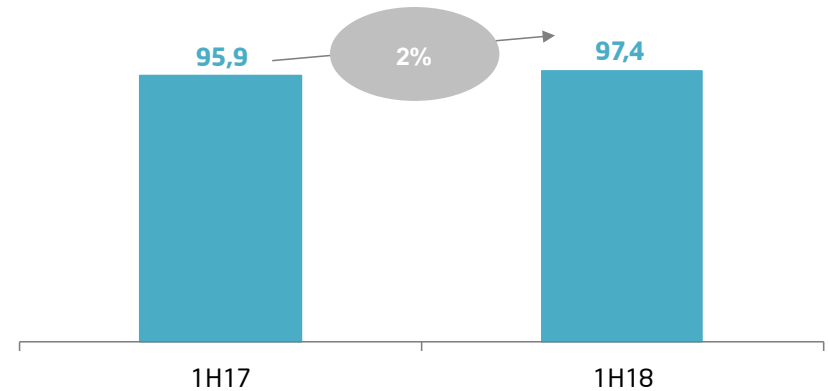
Quarterly FCF (€m)



Accumulated FCF LTM (€m)

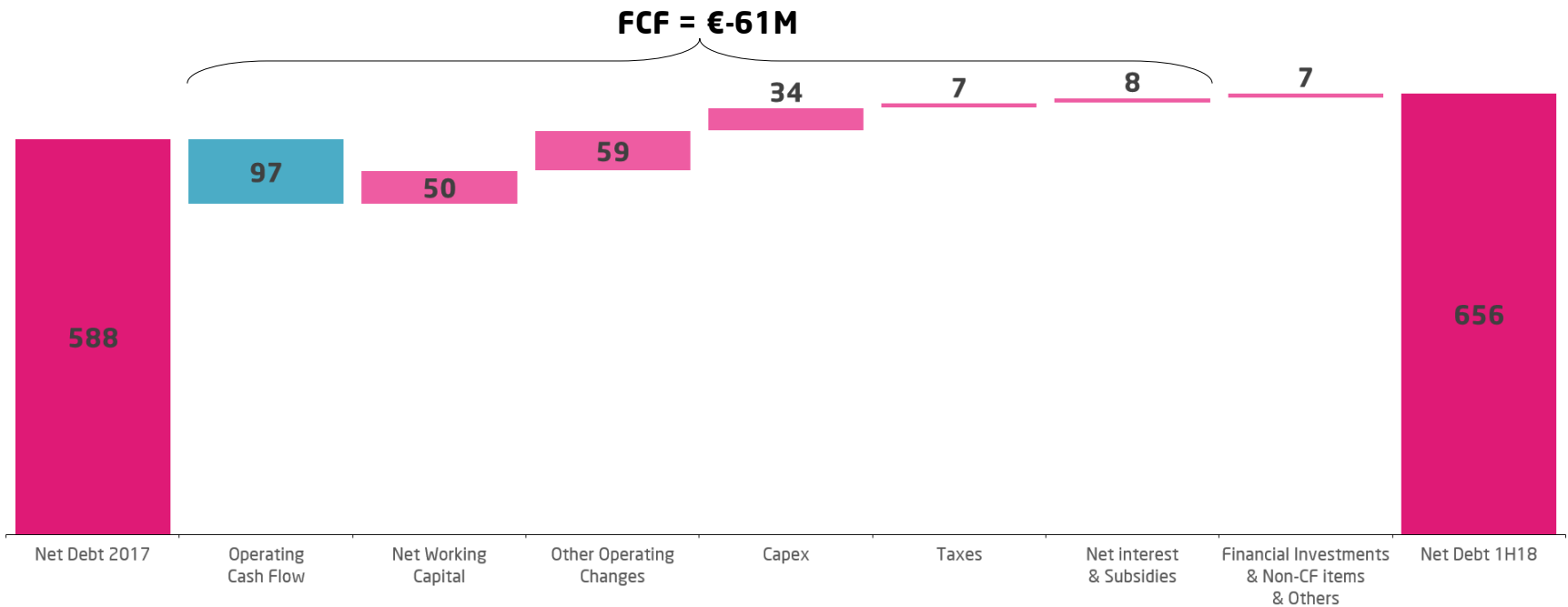


OPERATING FCF BEFORE WC (€m)



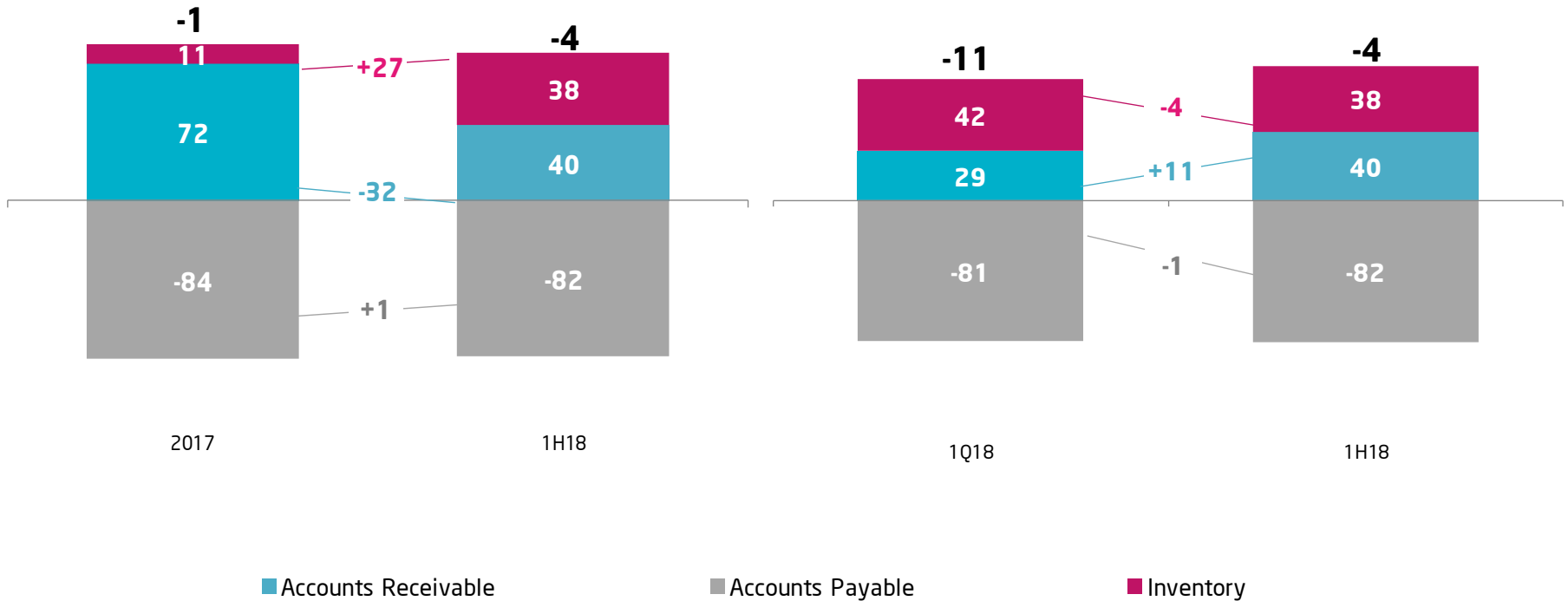
NET DEBT BRIDGE

Net Debt Bridge - Cash Flow (€m)

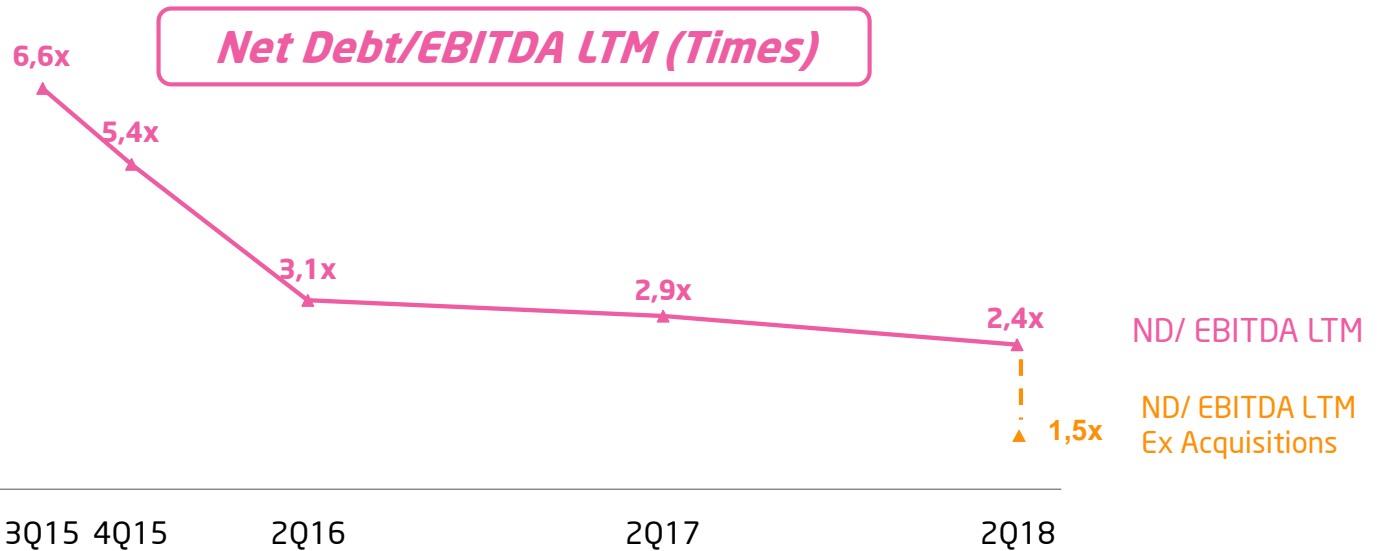
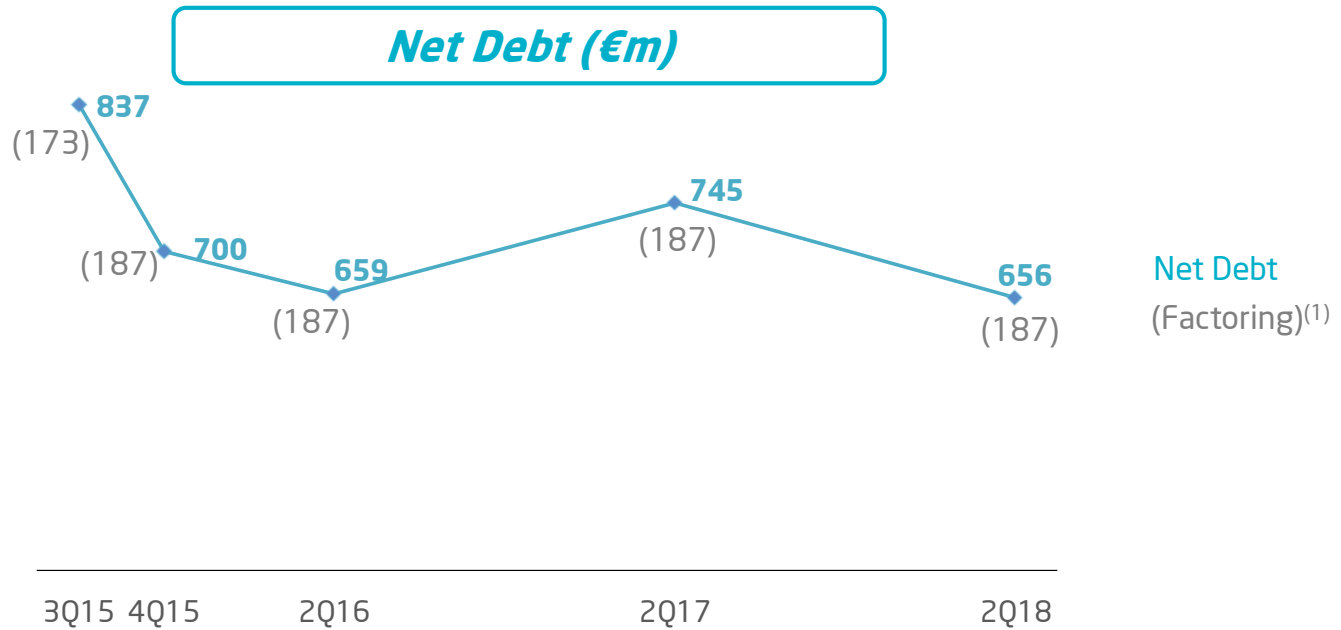


NET WORKING CAPITAL EVOLUTION

Net Working Capital (DoS)



NET DEBT EVOLUTION

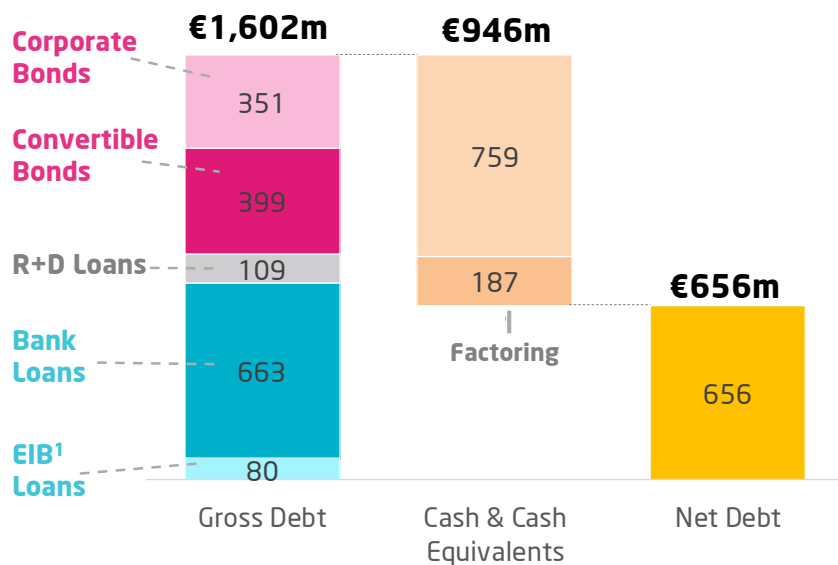


(1) Non-recourse factoring

DEBT STRUCTURE

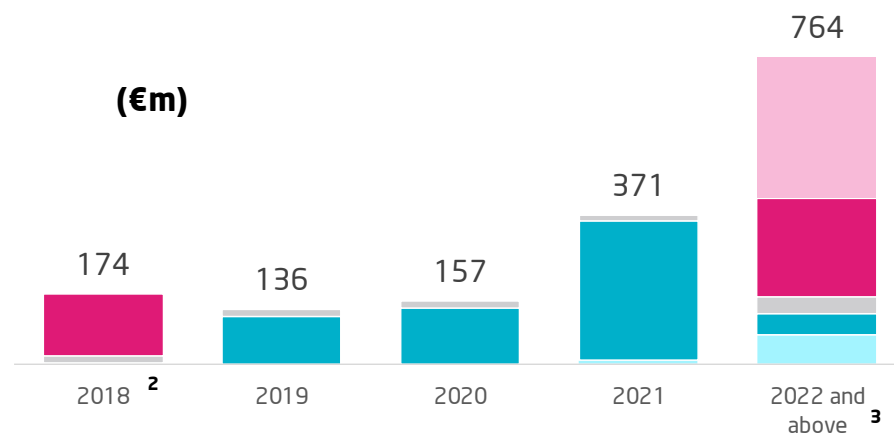
	1H18		2017	
	Total	% total	Total	% total
L/T Debt	1.326	83%	1.016	79%
S/T Debt	276	17%	271	21%
Gross Debt	1.602	100%	1.287	100%
Cost of Gross Debt	2,1%		2,2%	
Cash & Others	946	n.m.	699	n.m.
Net Debt	656	n.m.	588	n.m.
Cost of Net Debt	3,8%		3,0%	

Gross and Net Debt Structure



Gross Debt Maturity Profile

Other available credit facilities: €200m





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