



# RESULTS 1H16

July 29<sup>th</sup>, 2016

## **CONFERENCE CALL DETAILS**

**The Company will host a conference call for investors and analysts today at 11:00 (CET).  
Please find below conference call telephone numbers:**

**Spain: +34 917 900 868**

**UK: +44 (0) 203 147 4600**

**USA: +1 866 388 1927**

**Access to the live event:**

**<http://event.onlineseminarsolutions.com/r.htm?e=1211007&s=1&k=3EC133E0BBD28E2225CAE0B43B346AA3>**

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

**Replay dial number:**

**Spain: +34 917 896 320**

**UK: +44 (0) 203 367 9460**

**US: +1 877 642 3018**

**Access code: 301990#**

**Conference call Webcast replay over the Internet:**

**<http://event.onlineseminarsolutions.com/r.htm?e=1211007&s=1&k=3EC133E0BBD28E2225CAE0B43B346AA3>**

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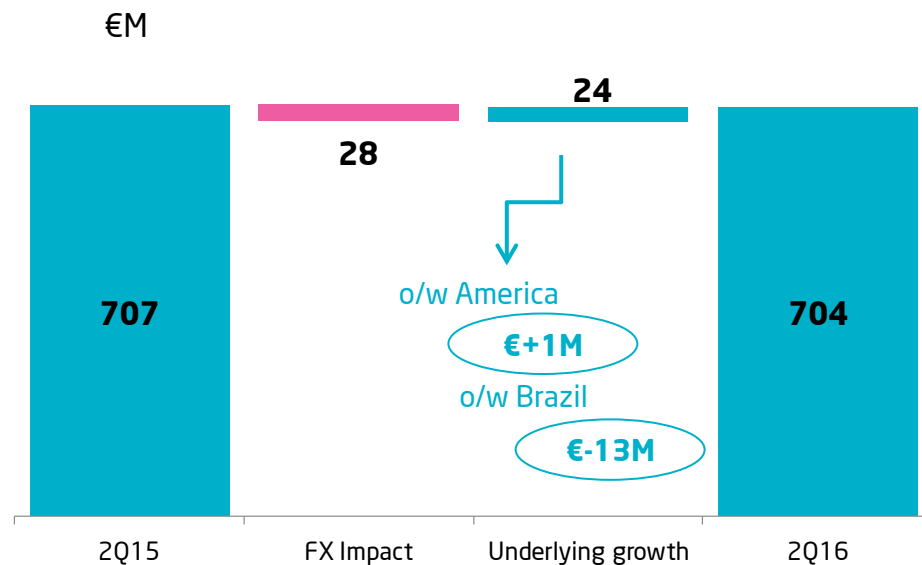
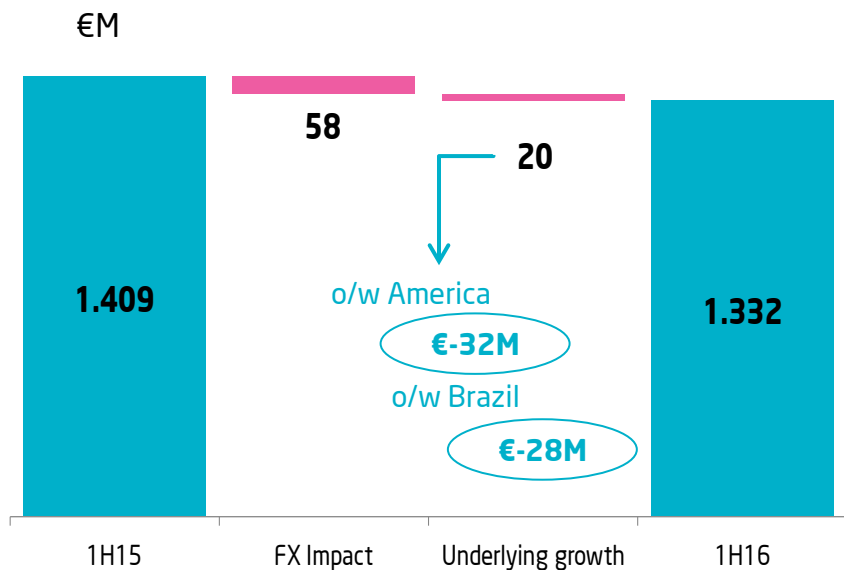
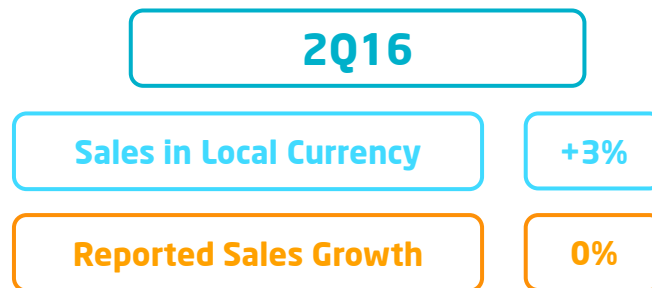
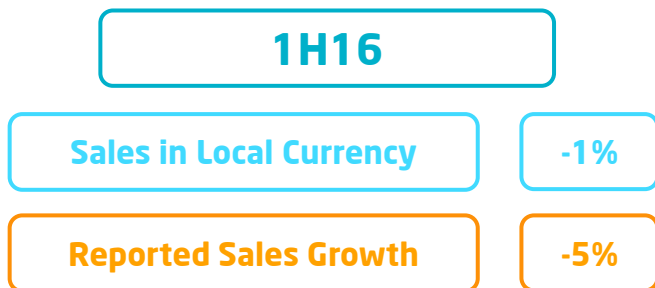
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## MAIN HEADLINES

- 1 2Q16 Revenues up +3% in local currency driven by T&D (+15% in local currency)
- 2 Order Intake growth accelerates (+11% in 2Q16 versus +2.1% in 1Q16 in local currency)
- 3 1H16 EBITDA reached €100m in 1H16 vs €20m in 1H15
- 4 2Q16 Recurrent EBIT Margin 5.9% vs -4.0% in 2Q15 backed by better direct margin, efficiency plans and lower impact from onerous projects
- 5 Positive FCF in the quarter of €2M (underlying of -23 M€ adjusted by factoring) vs €-85M in 2Q15 due to better operating performance
- 6 Net Debt down by -6% vs December 2015 to €659.3M and flat vs March 2016
- 7 Brazil turning around: good progress of EBIT margin and 4 onerous projects (out of 7) already closed
- 8 Net Income posted €30.7M
- 9 FY16 guidance for Revenues, Margins and FCF remains unchanged

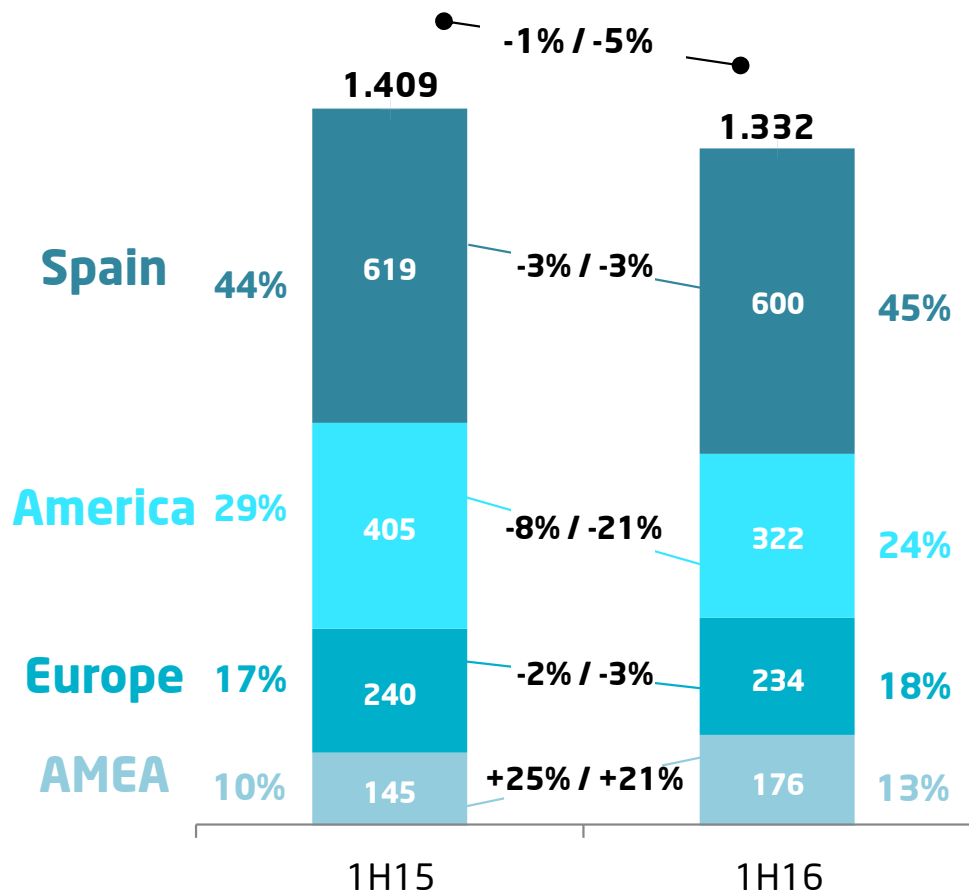
# 2Q16 UP +3% IN LOCAL CURRENCY



# REVENUES BY REGION

*Revenues (€M)*

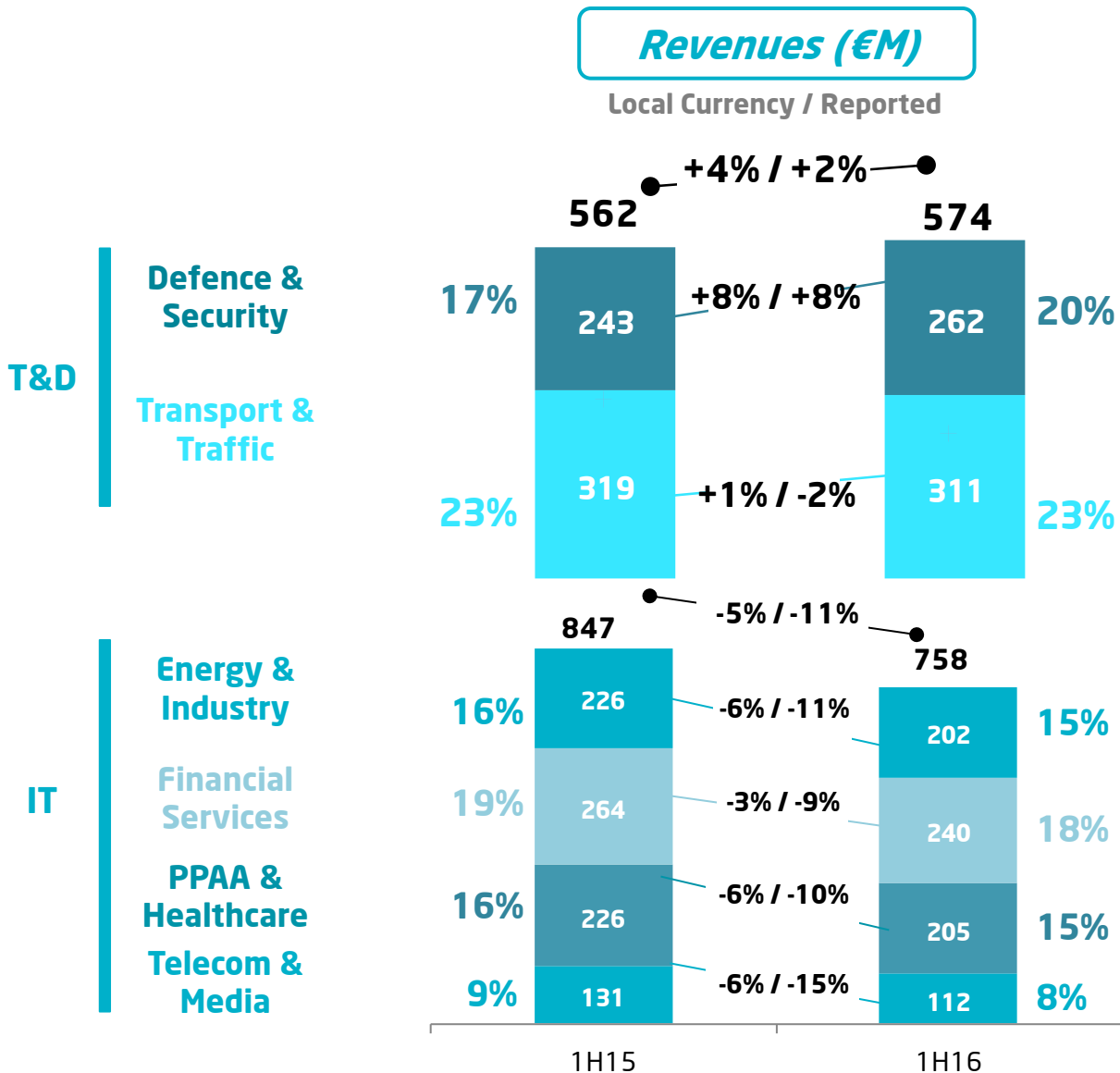
Local Currency / Reported



## 2Q16 Revenues

- Strong performance of Defence & Security (+42%), Energy & Industry (+6%) and Financial Services (+3%)
- +1% up in local currency because of T&D
- Revenue growth in The Dominican Republic, Chile & Peru
- +20% up in local currency because of T&D (c.75% of the sales in the region)
- +8% up in local currency

# REVENUES BY VERTICAL



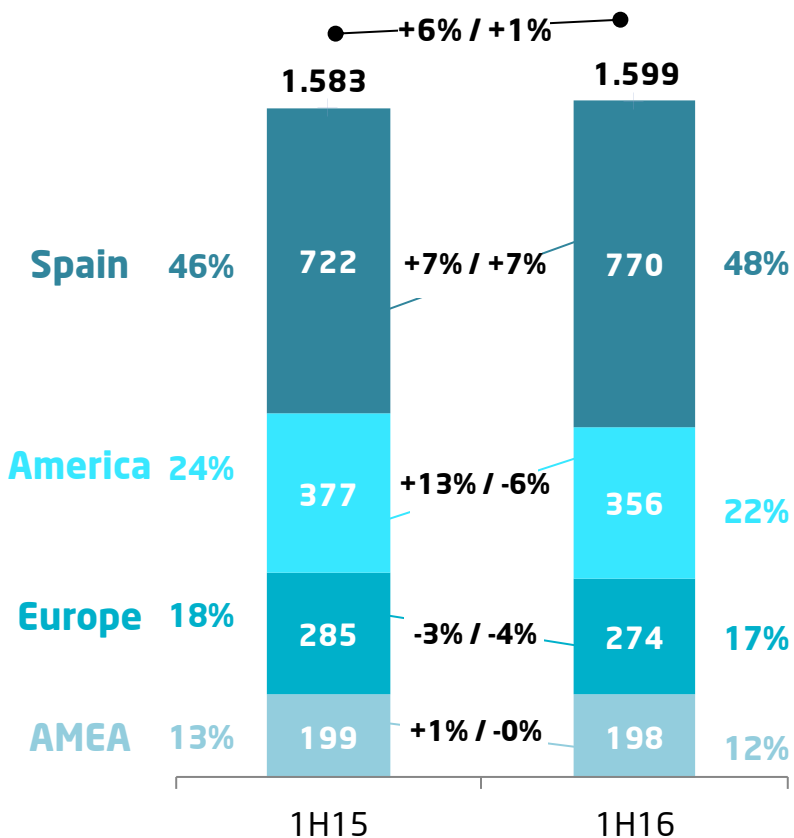
Spain    Int. (LC)



# ORDER INTAKE UP +6% IN 1H16 IN LOCAL CURRENCY

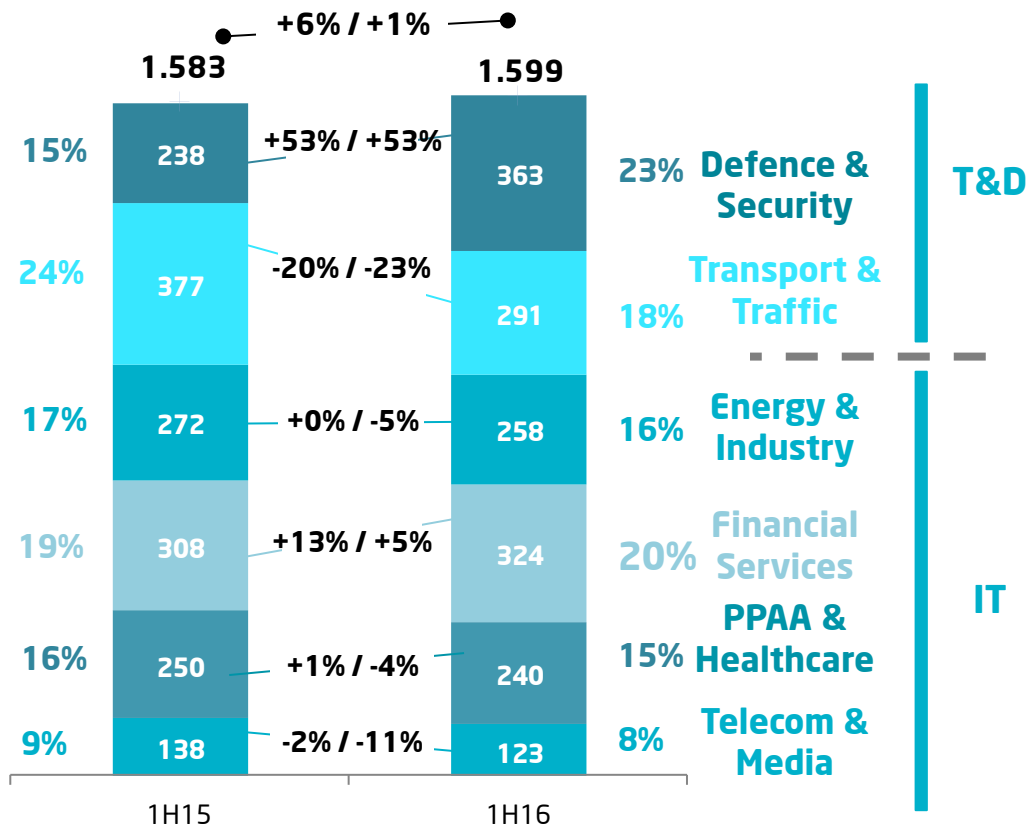
## Order Intake by Region (€M)

Local Currency / Reported



## Order Intake by Vertical (€M)

Local Currency / Reported





# TWO QUARTERS LEFT TO COMPLETE THE PERSONNEL COST OPTIMIZATION PLAN

## Number of Employees

- **SPAIN - up to 1,750**  
- Sep 15-June 16: ~ 80%
- **LATAM - 1,700** ✓  
- 1,721 as of 31/12/2015

## P&L

- Provision of €160M accounted in 3Q15 as non-recurrent cost for Spain
- Expected annual savings calendar of €120M

## Cash Flow

- Expected cash cost of €150-160M between 2015-2018

*% Of completion*



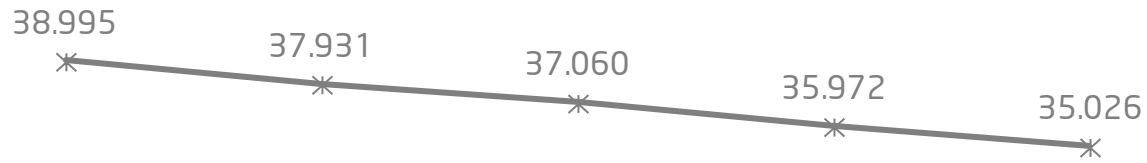
2015	2016	2017	2018
€20M ✓	€90M	€120M	€120M

2015	2016	2017	2018
€70-80M ✓	€45-55M	0	Remaining
← €78M		→ €26M in 1H16	

(\*) As of 30/06/2016

# HEADCOUNT DECREASING

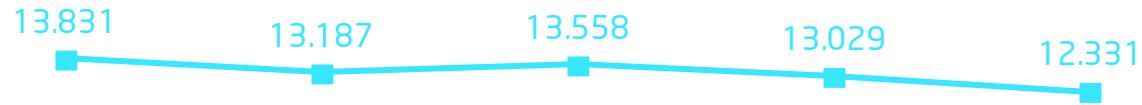
## Total Headcount



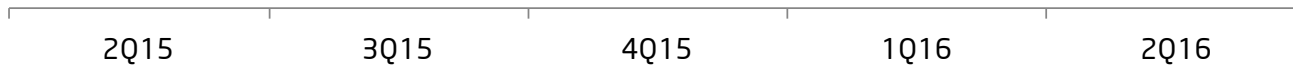
## Spain



## America



## Europe AMEA



# BRAZIL STARTING TO TURN AROUND

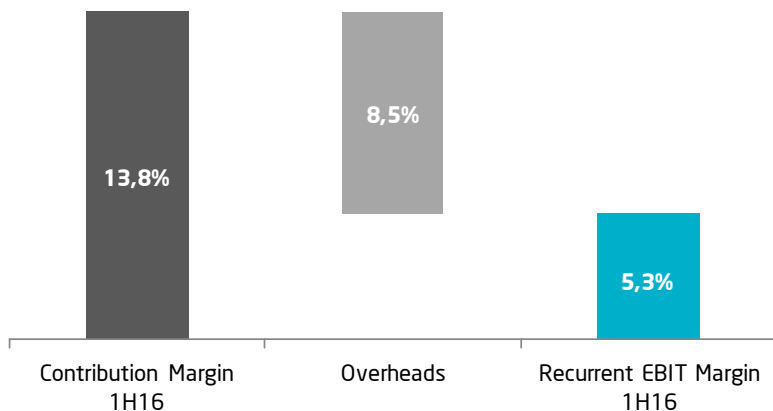
(local currency)	1H15	1H16	Variation
Order Intake	392M	436M	+11%
Revenues	489M	410M	-16%
EBIT*	-118M	-15M	NA
EBIT Margin*	-24%	-4%	+20 pp

- 4 out of the 7 onerous projects already closed/finished
- Remaining onerous projects on track
- Order intake reversing the downward trend of 1Q16 (-18%)
- 1H16 EBIT Margin excluding labor contingencies would have reached 4%

(\*) 1H15 data: Excluding extraordinary costs

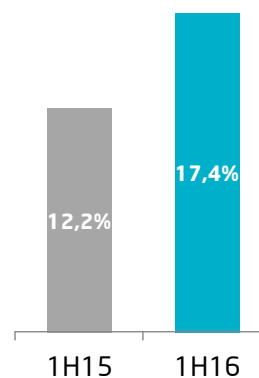
# MARGIN IMPROVEMENT BECAUSE OF BETTER DIRECT MARGIN IN CURRENT PROJECTS AND EFFICIENCY PLANS

*Recurrent EBIT Margin 1H16*

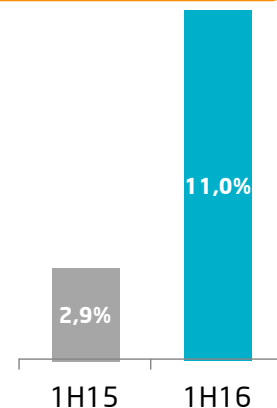


*Contribution Margin by Divisions*

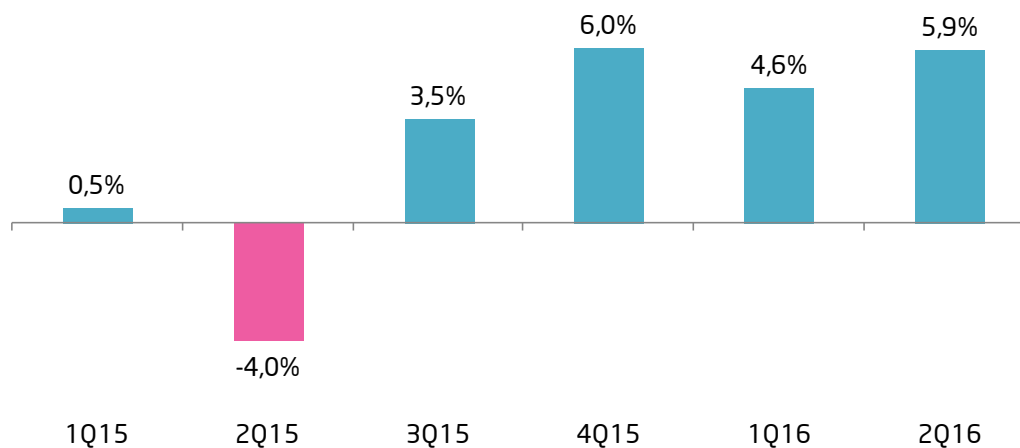
*T&D*



*IT*

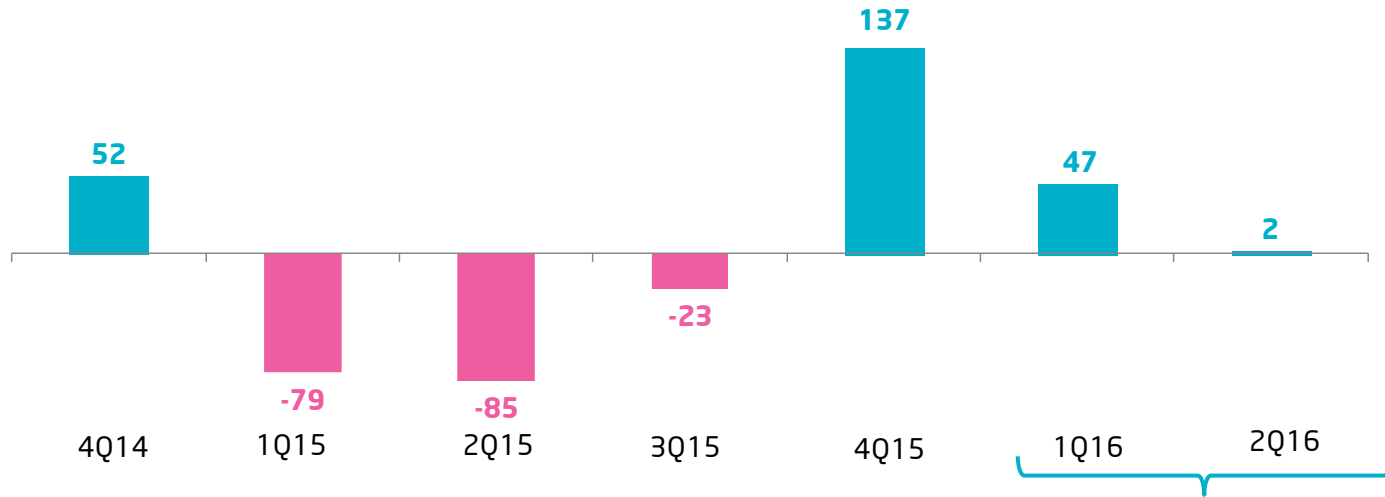


*Quarterly Recurrent EBIT margin evolution*

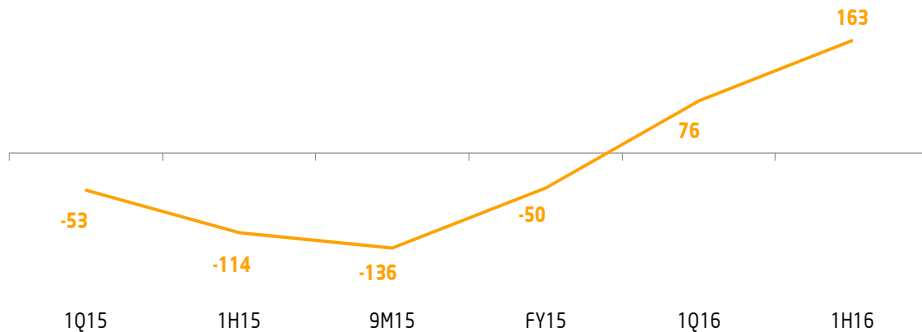


# STRONG FCF GENERATION

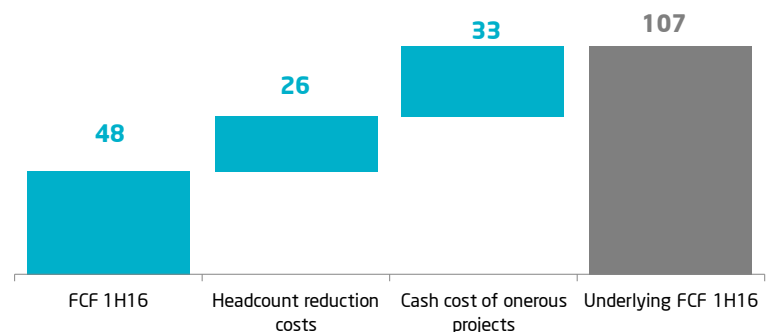
*Quarterly FCF (€M)*



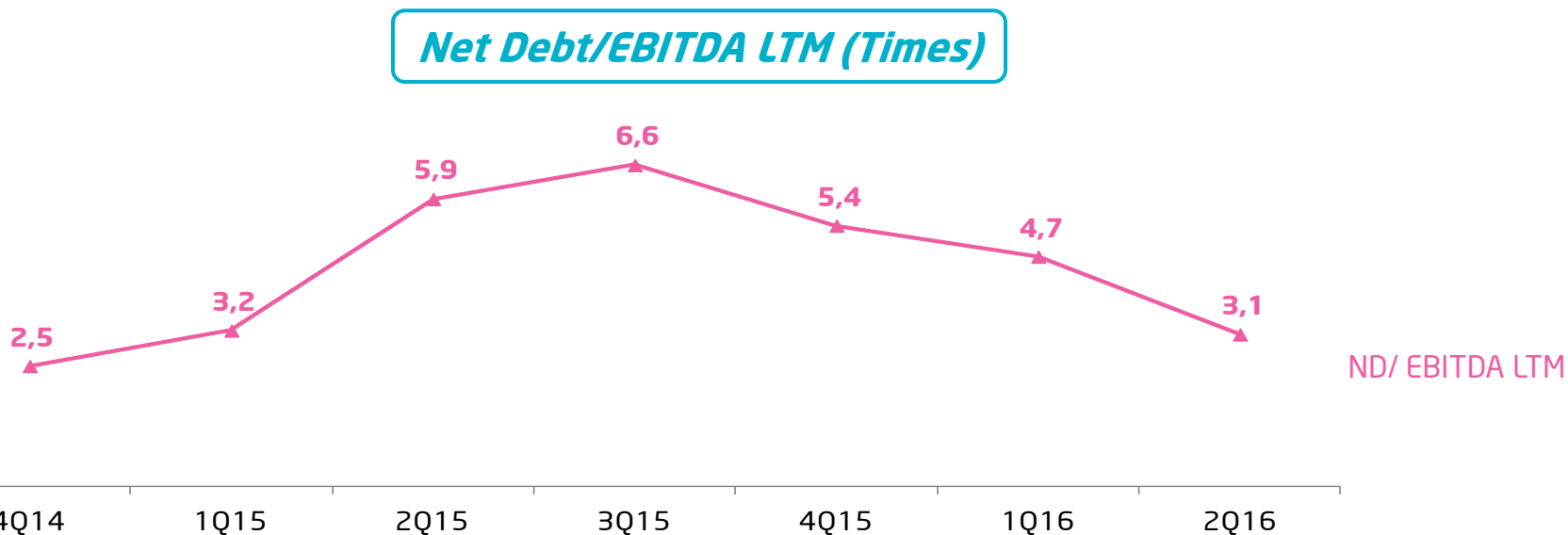
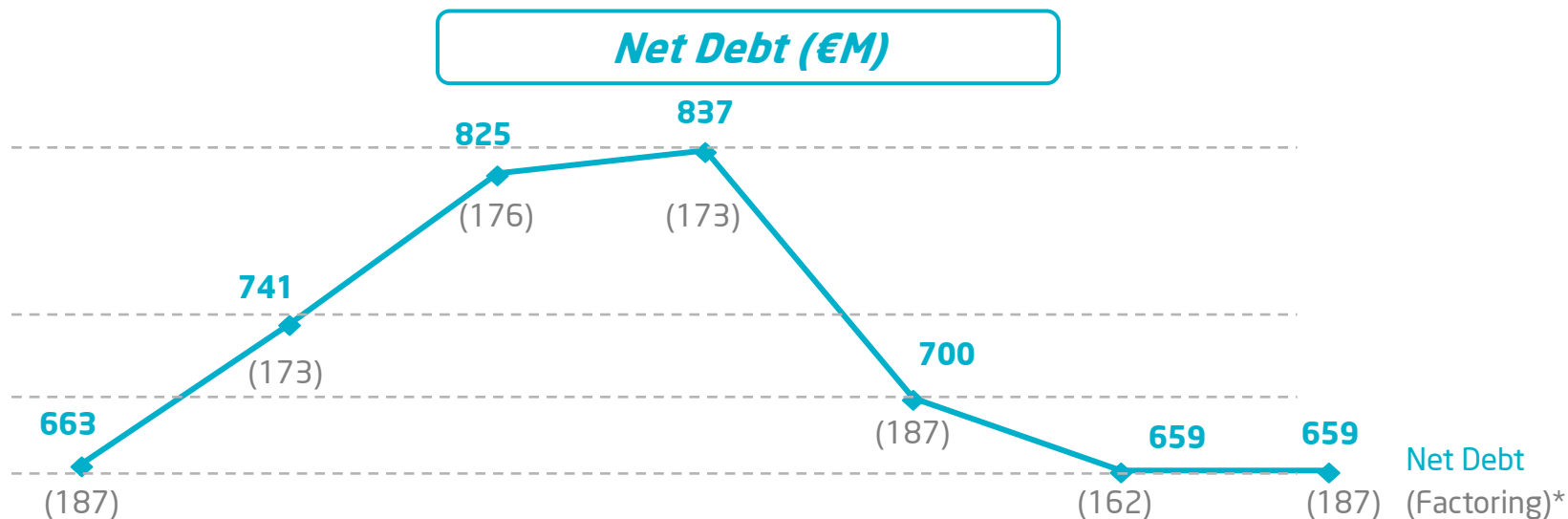
*Accumulated FCF LTM (€M)*



*Underlying FCF 1H16 (€M)*

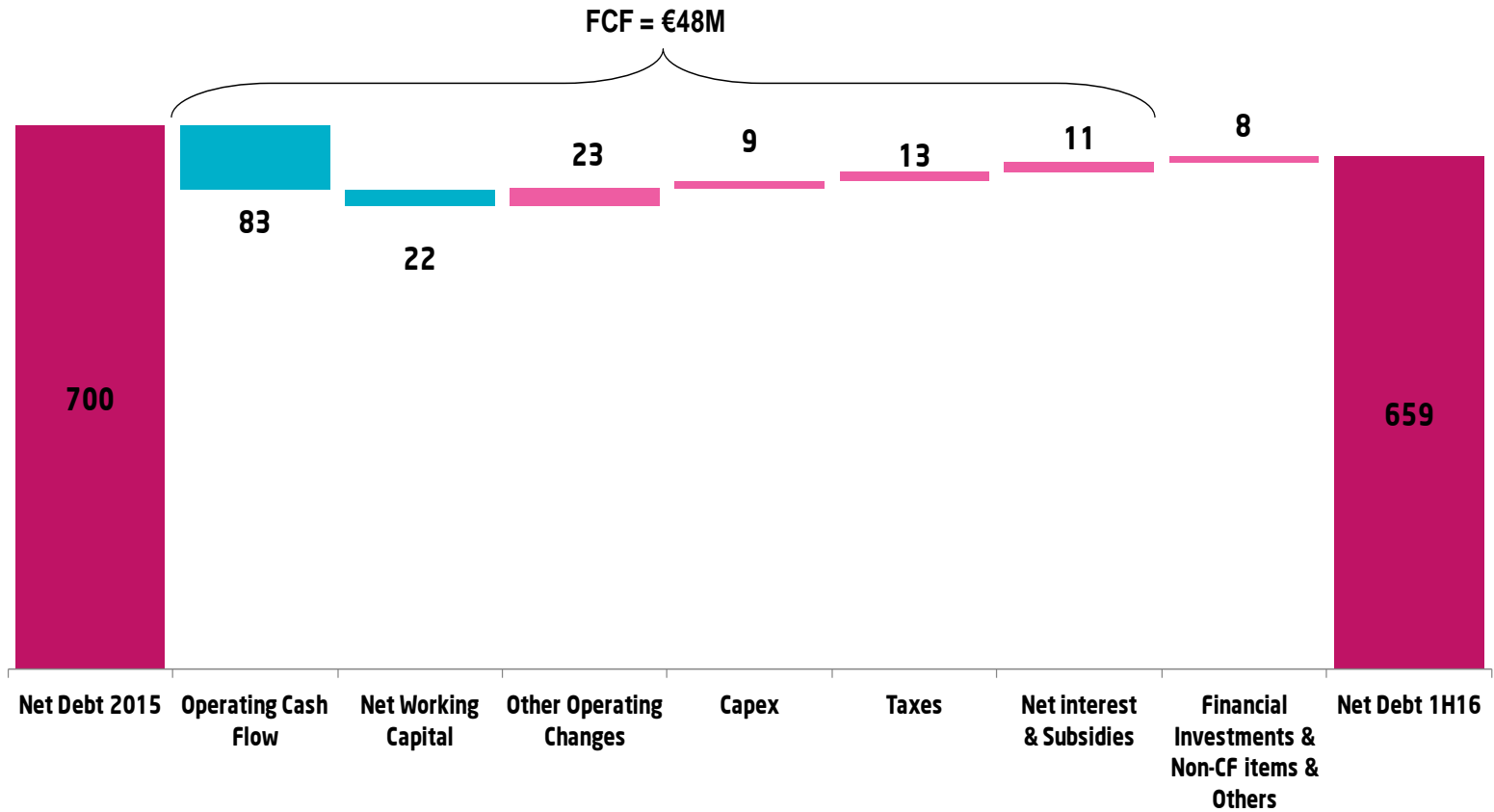


# NET DEBT REDUCTION



(\*) Non-recourse factoring

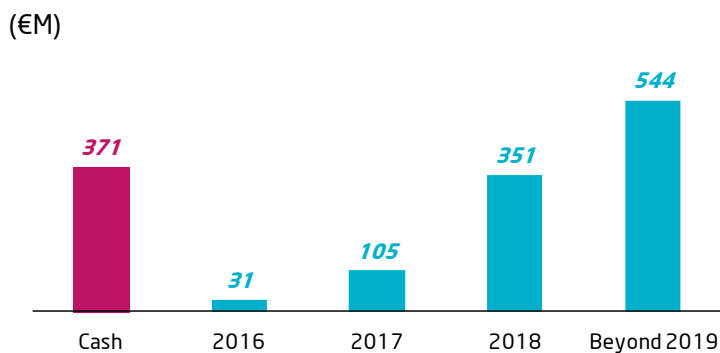
# NET DEBT BRIDGE



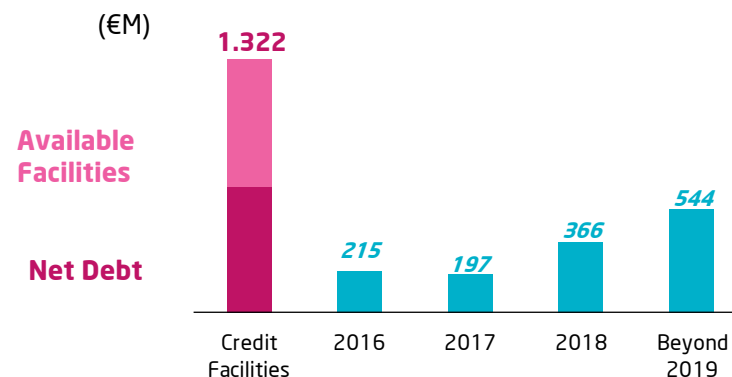
# DEBT STRUCTURE

(€M)	1H16		2015	
	Total	% of total	Total	% of total
L/T Debt	958	93%	962	92%
S/T Debt	72	7%	79	8%
Gross Debt	1,031	100%	1,041	100%
Cash & Others	371	n.m.	342	n.m.
<b>Net Debt</b>	<b>659</b>	<b>n.m.</b>	<b>700</b>	<b>n.m.</b>
Cost of Net Debt	3.1%		4.2%	

## Gross Debt Maturity Profile



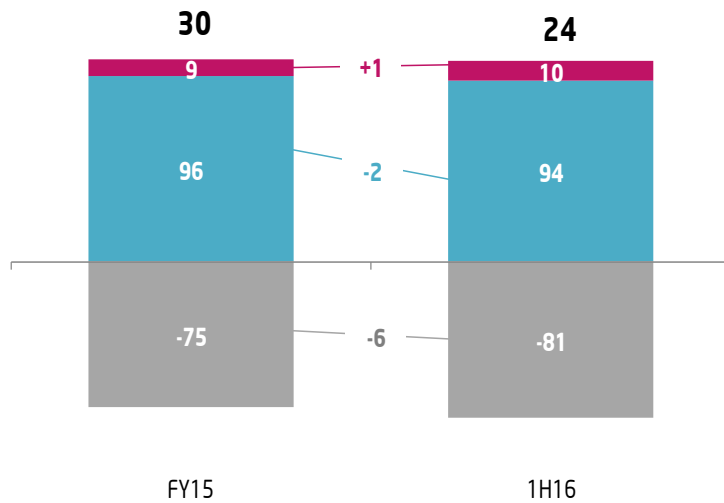
## Available Credit Facilities



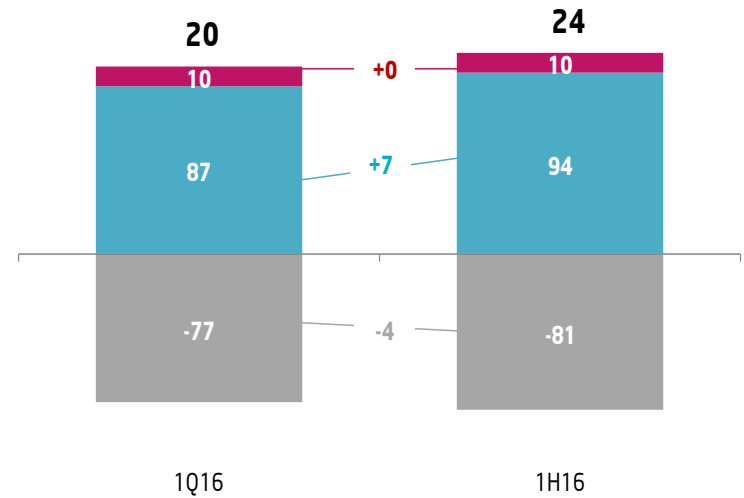


# NET WORKING CAPITAL EVOLUTION

Net Working Capital (DoS) - FY15 vs 1H16



Net Working Capital (DoS) - 1Q16 vs 1H16



■ Accounts Receivable

■ Accounts Payable

■ Inventory



## **Investor Relations**

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