



RESULTS 1Q18

May 14th, 2018

CONFERENCE CALL DETAILS

LIVE EVENT:

**The Company will host a conference call for investors and analysts today at 12:00 (CET).
Please find below conference call telephone numbers:**

Spain: +34 911 140 101

UK: +44 207 194 3759

US: +1 646 722 4916

Access code: 65955942#

Access to the live event:

<http://event.onlineseminarsolutions.com/r.htm?e=1658814&s=1&k=342820CD0A91771B8C50F88B118789A9>

WEBCAST REPLAY:

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

Spain: +34 910 387 490

UK: +44 203 364 5147

US: +1 (646) 722 4969

Conference Number: 418754723#

Access to the Webcast Replay:

<http://event.onlineseminarsolutions.com/r.htm?e=1658814&s=1&k=342820CD0A91771B8C50F88B118789A9>

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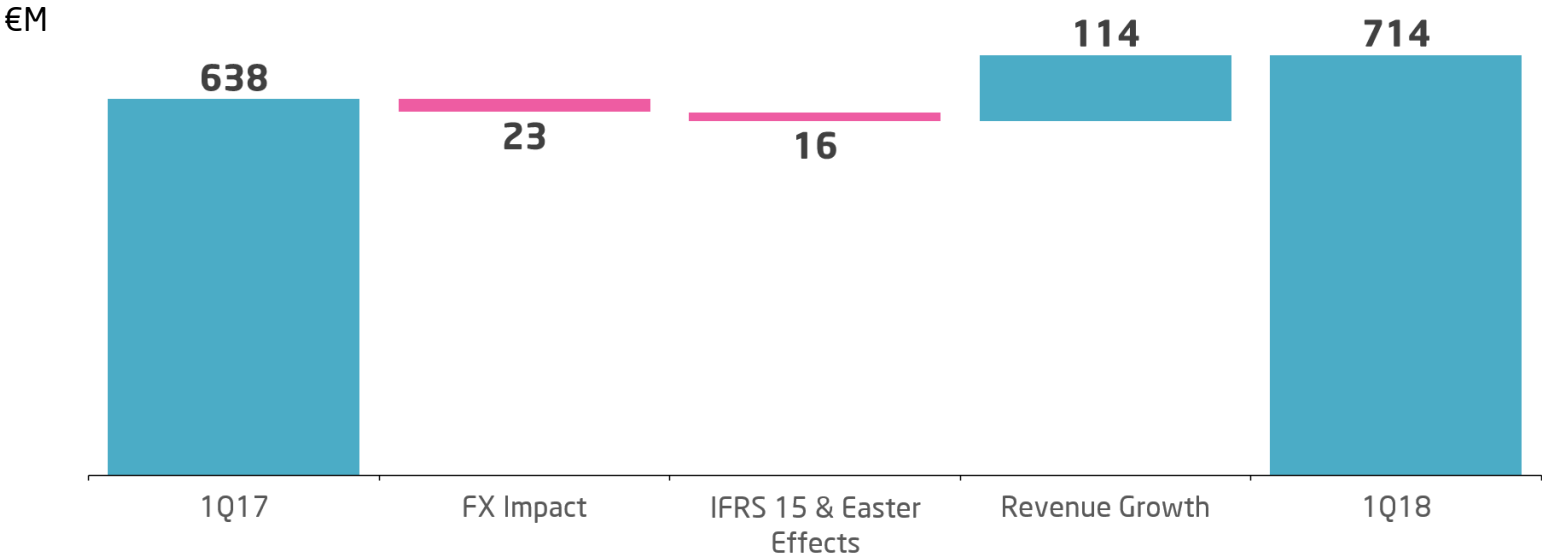
MAIN HEADLINES

- 1 1Q18 Order Intake up +26% in local currency, with both T&D and IT posting growth.
- 2 1Q18 Revenues up +15% in local terms, backed by the IT business, Defence & Security and ATM, although negatively affected by FX, Easter and IFRS 15.
- 3 1Q18 EBITDA amounted to €48m (+1% vs 1Q17). Ex Tecnom restructuring costs, EBITDA would have increased +15%.
- 4 1Q18 EBIT reached €26m (€32m excluding Tecnom restructuring costs) vs €33m in 1Q17. EBIT margin was 3.6% in 1Q18 vs 5.2% in 1Q17. EBIT Margin, excluding Tecnom restructuring costs, Easter and IFRS 15 impacts would have reached 6.3% (€46m).
- 5 1Q18 FCF generation totalled €-6m vs €-5m in 1Q17, counteracting the increase in CAPEX (€14m in 1Q18 vs €5m in 1Q17).
- 6 Net Debt/EBITDA LTM up to 2.3x. Ex-acquisitions, it would have decreased to 1.3x.
- 7 1Q18 Net Income totalled €11m vs €21m in 1Q17.

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

REVENUES UP +12% IN REPORTED TERMS

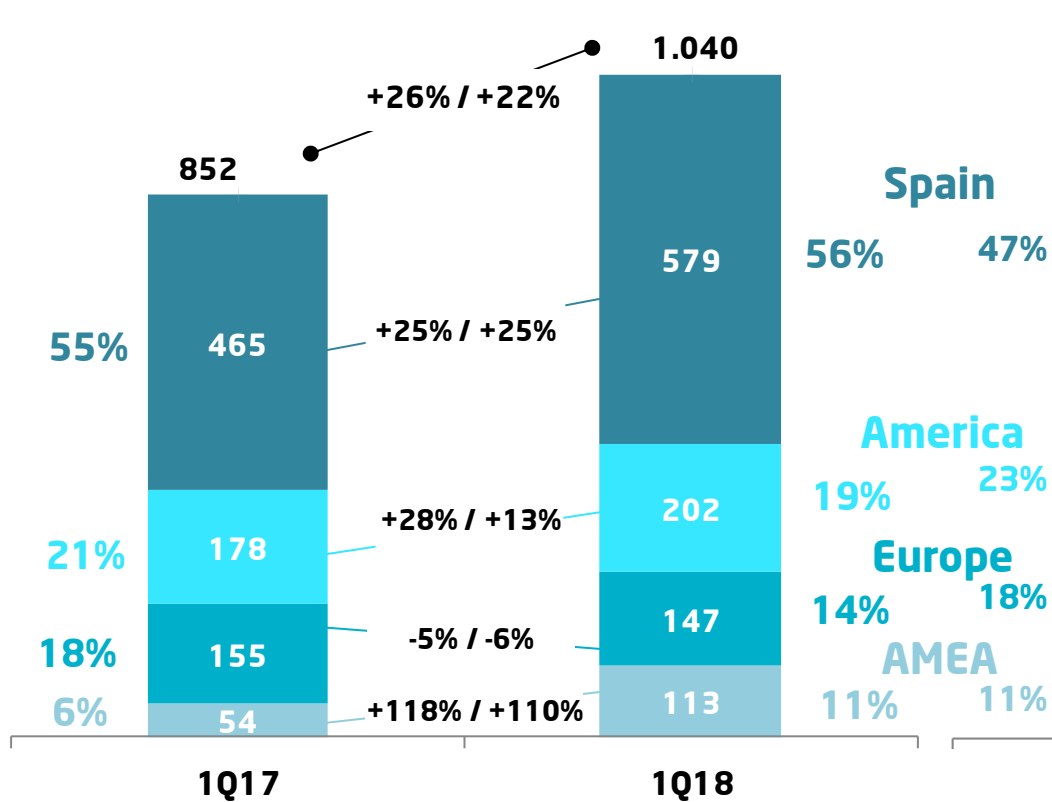
1Q18 Sales Growth	
Reported	+12%
Local Currency	+15%
Local Currency Ex FX and Easter & IFRS Effects	+18%



REVENUES AND ORDER INTAKE BY REGION

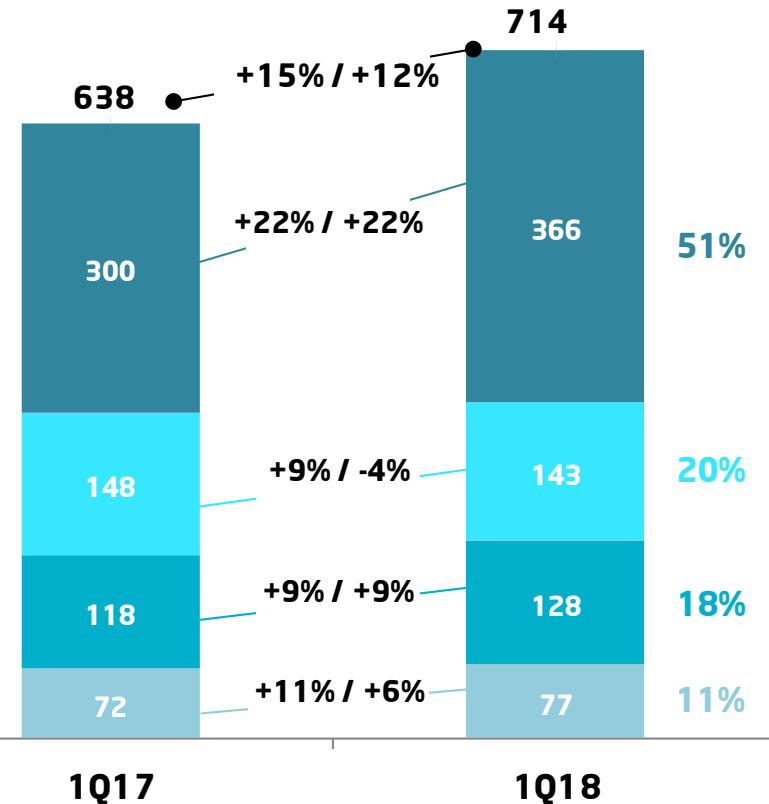
Order Intake (€M)

Local Currency / Reported



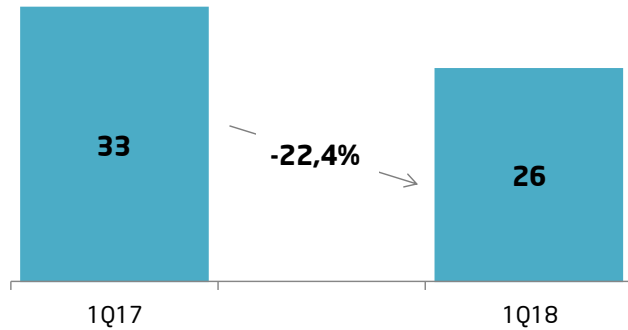
Revenues (€M)

Local Currency / Reported

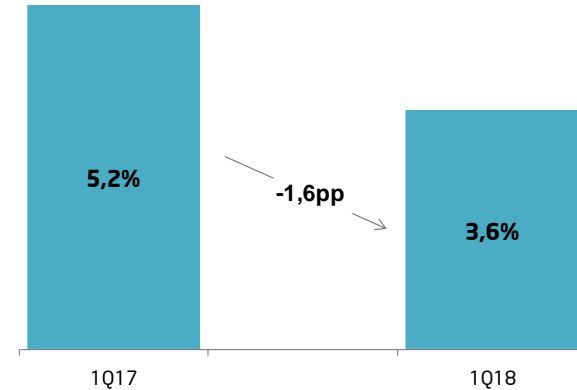


EBIT MARGIN EVOLUTION

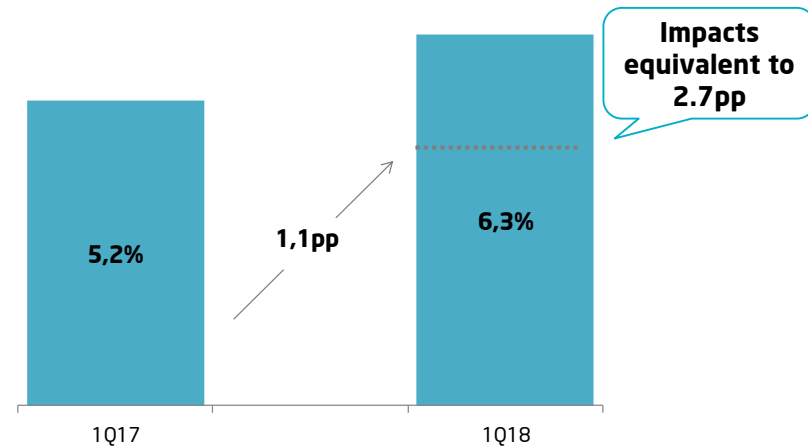
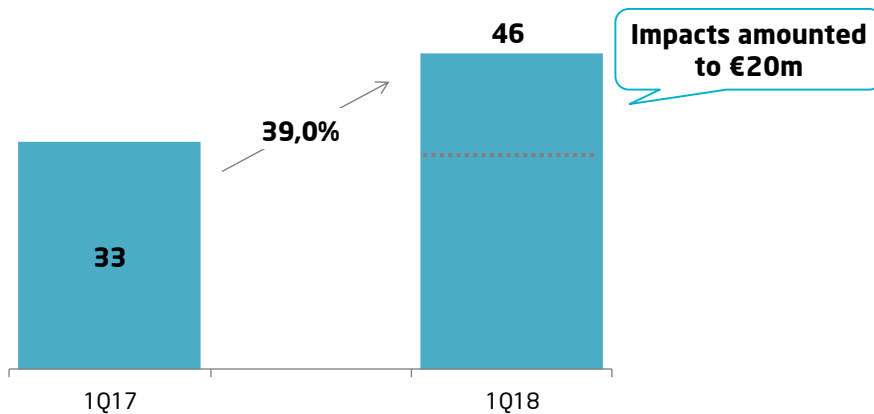
1Q18 EBIT (€M) Evolution



1Q18 EBIT Margin Evolution



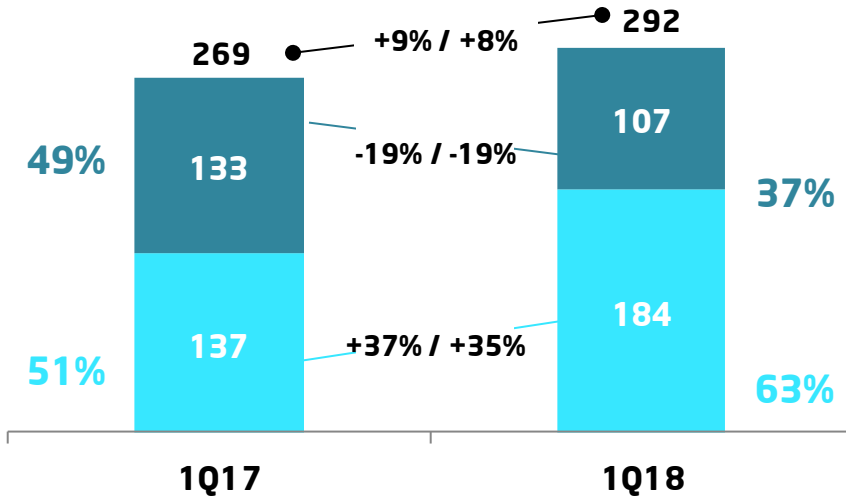
1Q18 EBIT (€M) and EBIT Margin Evolution excluding the impacts of Tecnomat restructuring costs, IFRS and Easter



T&D ORDER INTAKE AND REVENUES

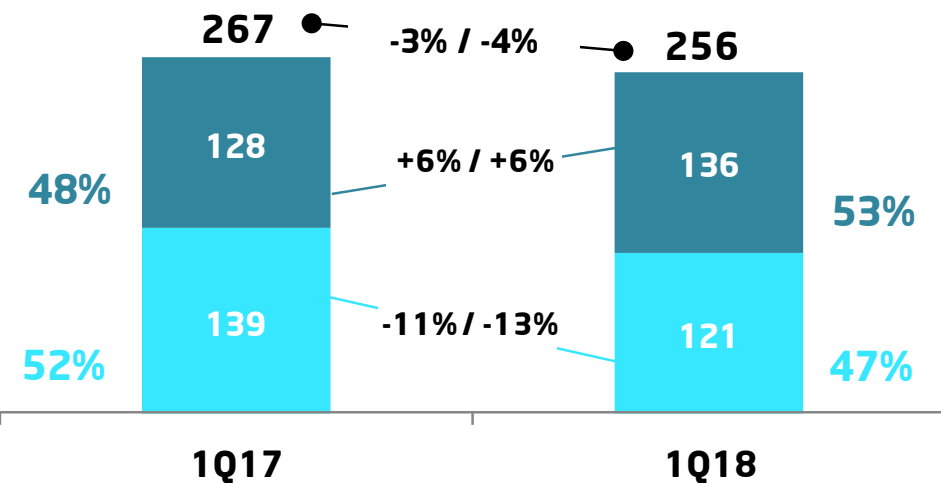
1Q18 Order Intake (€M)

Local Currency / Reported



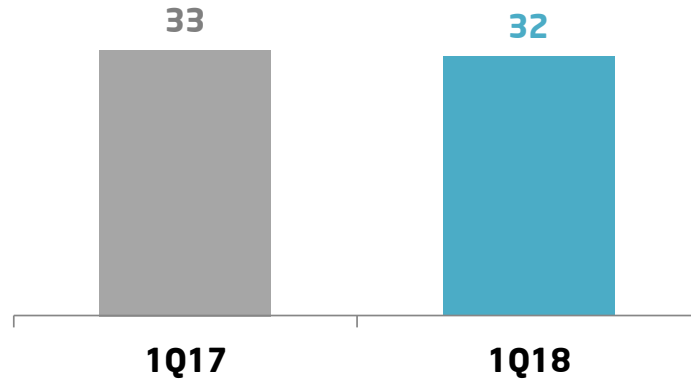
1Q18 Revenues (€M)

Local Currency / Reported

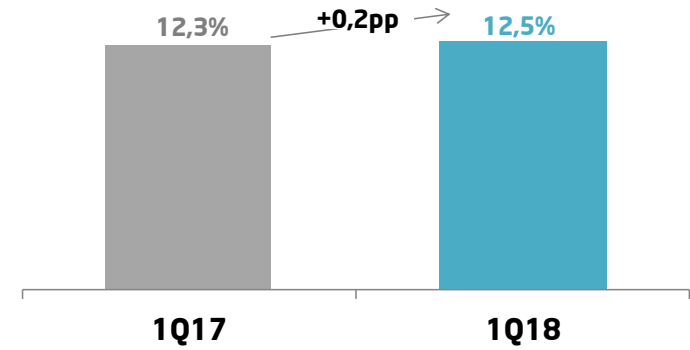


T&D MARGIN AND EBIT EVOLUTION

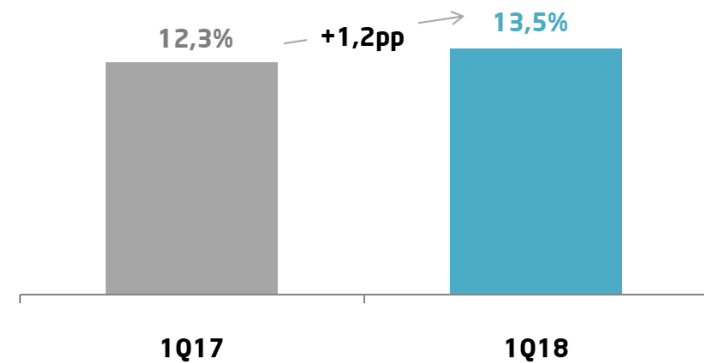
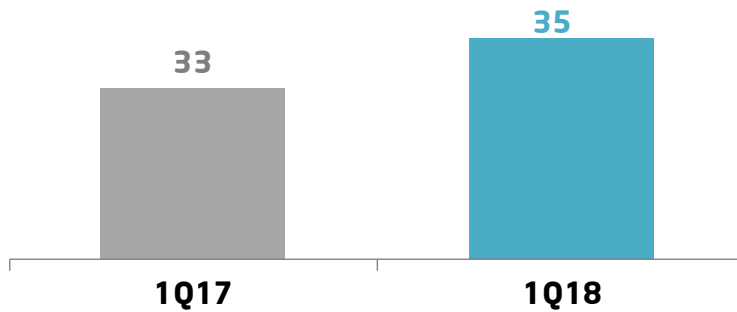
1Q18 EBIT (€M)



1Q18 EBIT Margin (%)



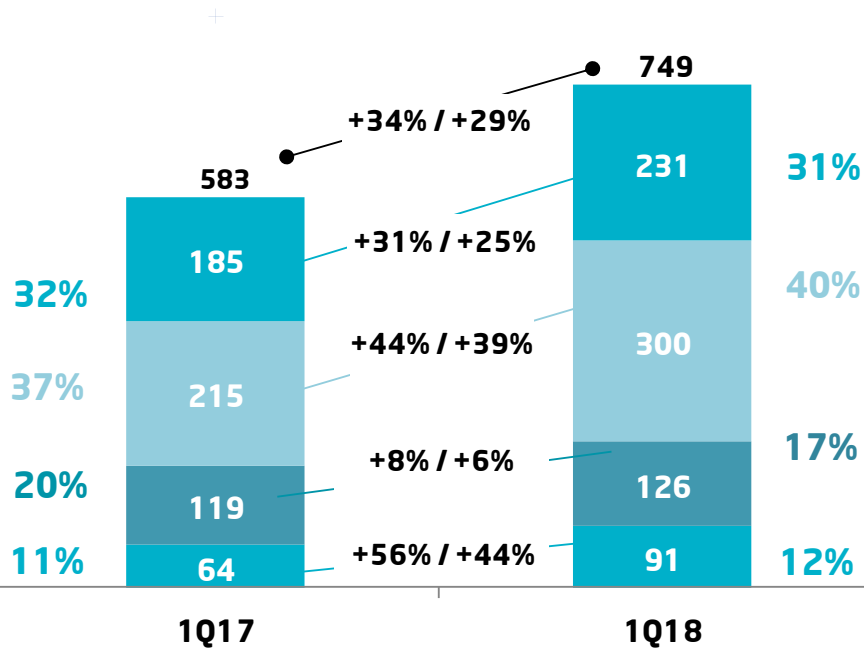
T&D 1Q18 EBIT (€M) and EBIT Margin Evolution excluding the impacts of IFRS and Easter



IT ORDER INTAKE AND REVENUES

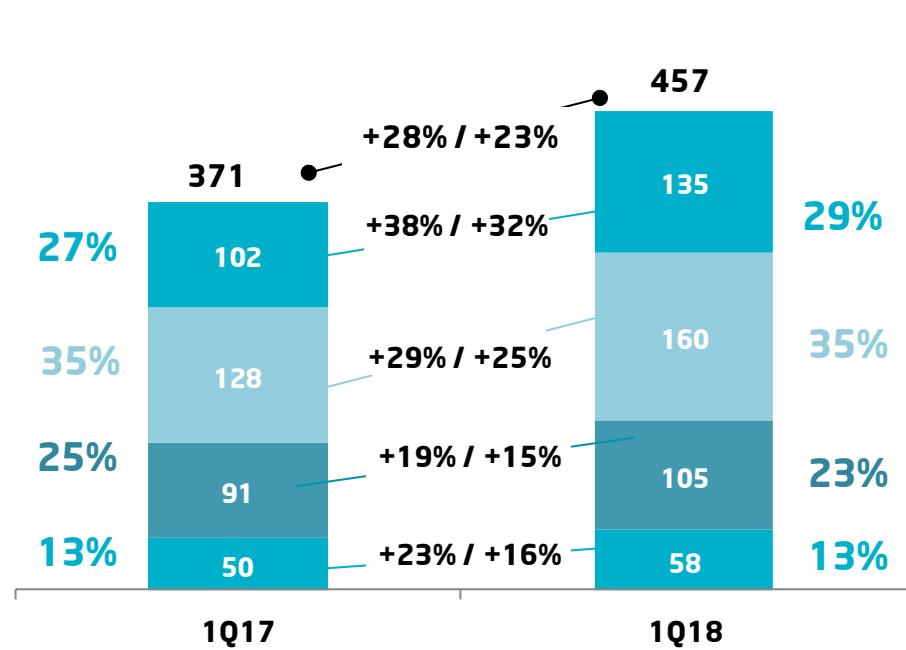
1Q18 Order Intake (€M)

Local Currency / Reported



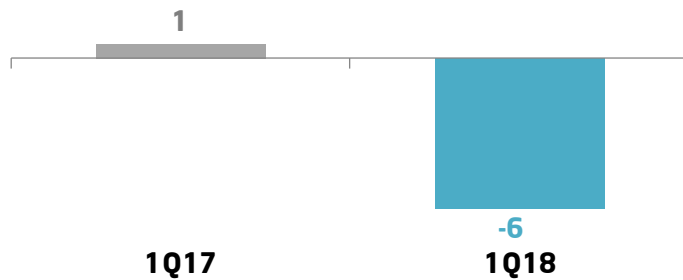
1Q18 Revenues (€M)

Local Currency / Reported

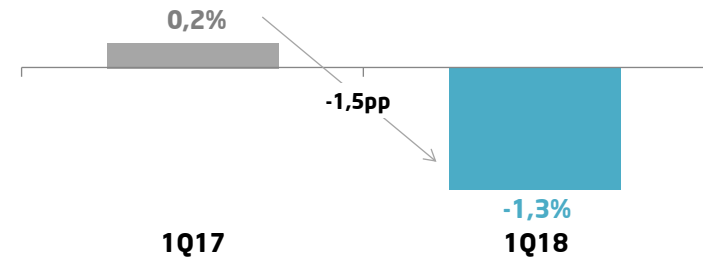


IT MARGIN AND EBIT EVOLUTION

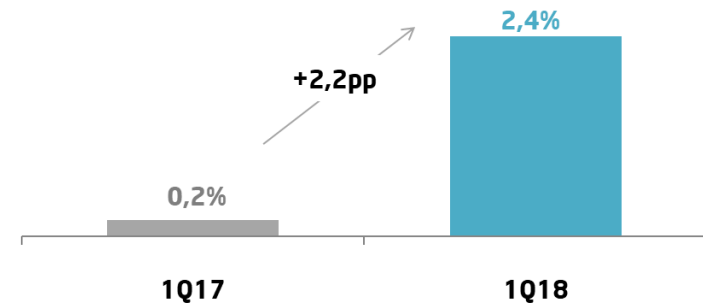
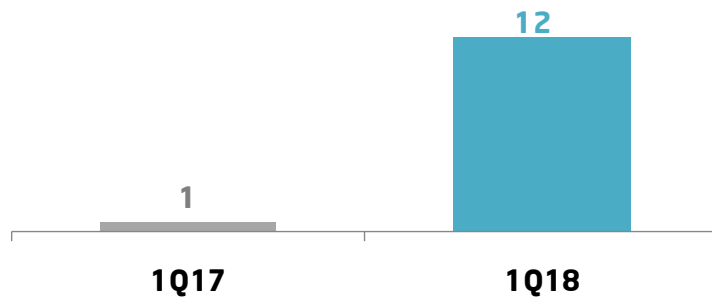
1Q18 EBIT (€M)



1Q18 EBIT Margin (%)



TI 1Q18 EBIT (€M) and EBIT Margin Evolution excluding the impacts of TecnoCom restructuring costs, IFRS and Easter



BRAZIL AND IT DIVISION OPERATING MARGIN

BRAZIL

(local currency)	1Q17	1Q18	Variation
Order Intake	197,9	261,0	+32%
Revenues	187,0	194,4	+4%
EBIT	1,0	9,8	+916%
EBIT Margin	0,5%	5,1%	+4.5pp

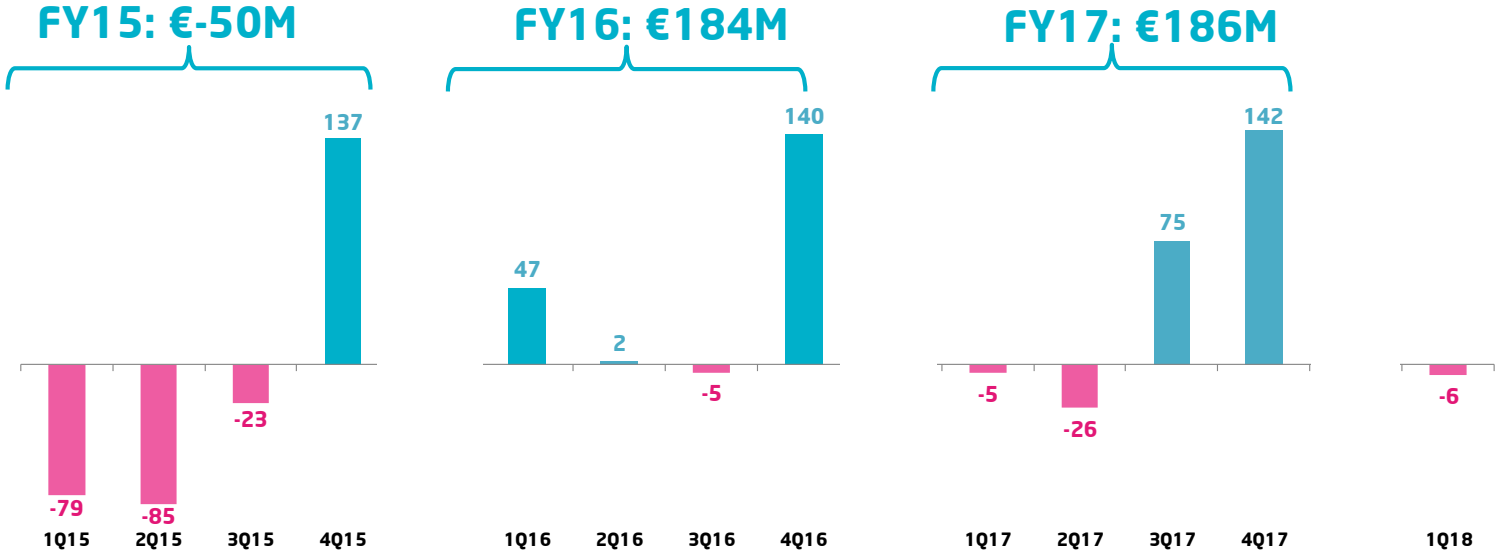
IT DIVISION

	1Q17	1Q18
Operating Margin	1,4%	1,5%
Other Operating Income & Expenses (€M) ¹	-4,7	-12,8
EBIT Margin	0,2%	-1,3%

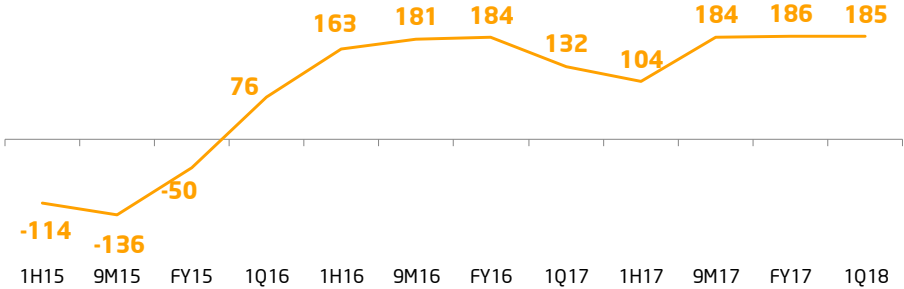
1. Other Operating Income & Expenses includes: staff reorganization, integration and acquisition costs, amortization of intangible assets (PPA from acquisitions) and equity based compensation, among others.

FCF GENERATION

Quarterly FCF (€M)

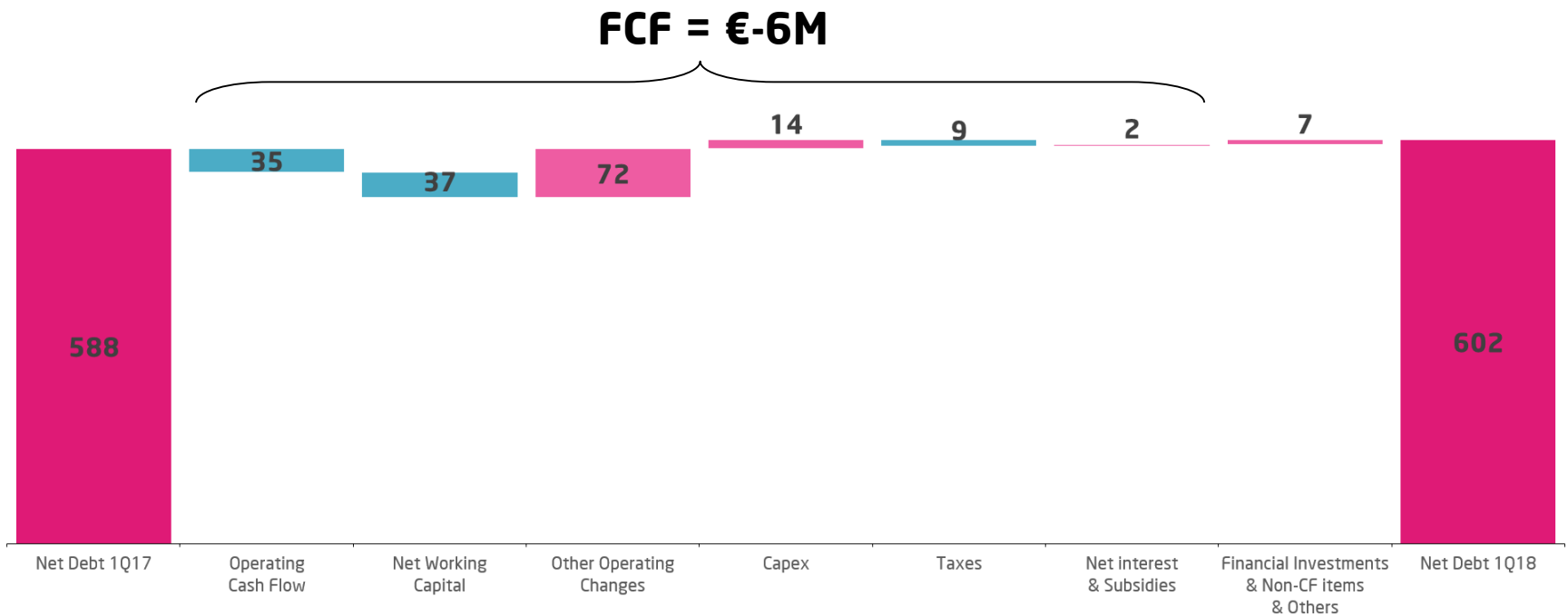


Accumulated FCF LTM (€M)

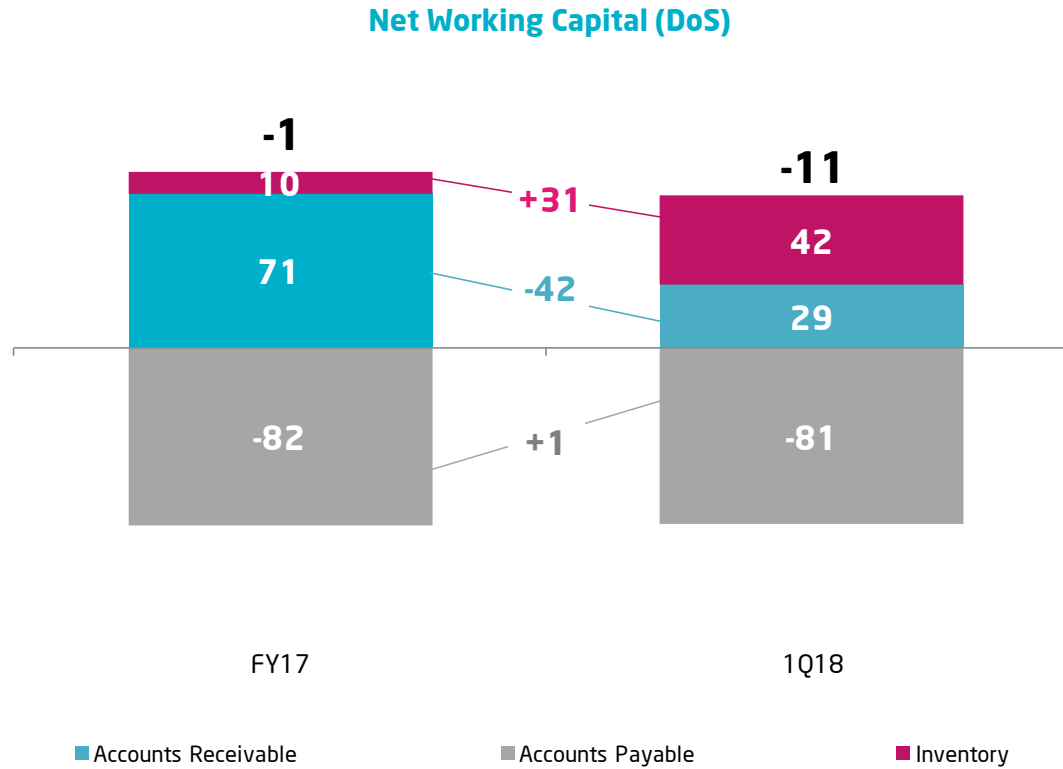


NET DEBT BRIDGE

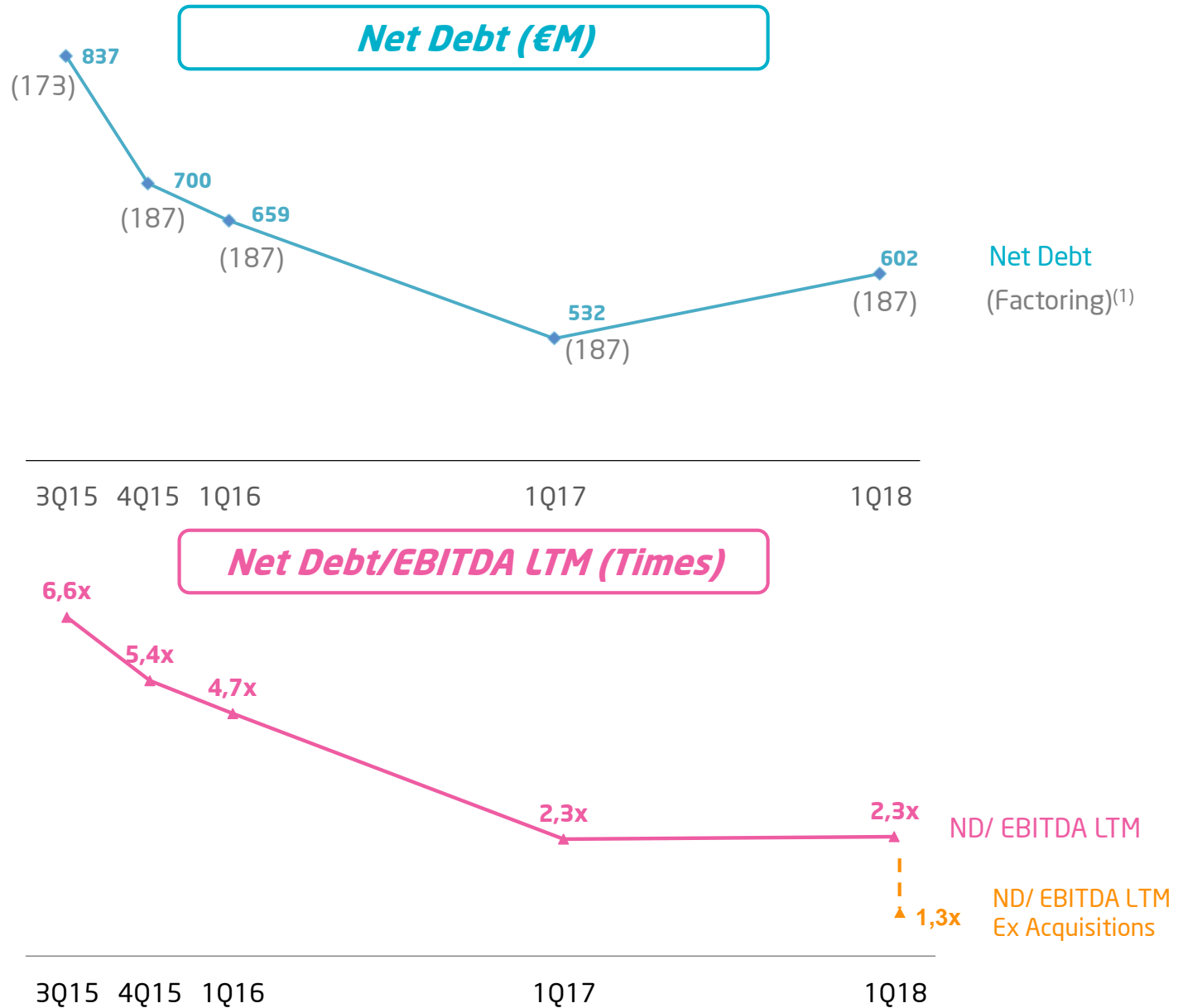
Net Debt Bridge - Cash Flow (€M)



NET WORKING CAPITAL EVOLUTION



NET DEBT EVOLUTION

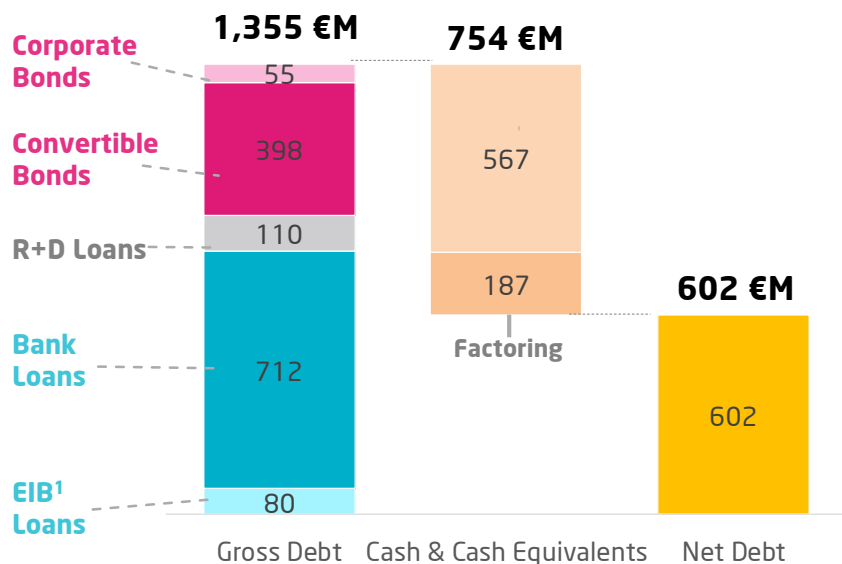


(1) Non-recourse factoring

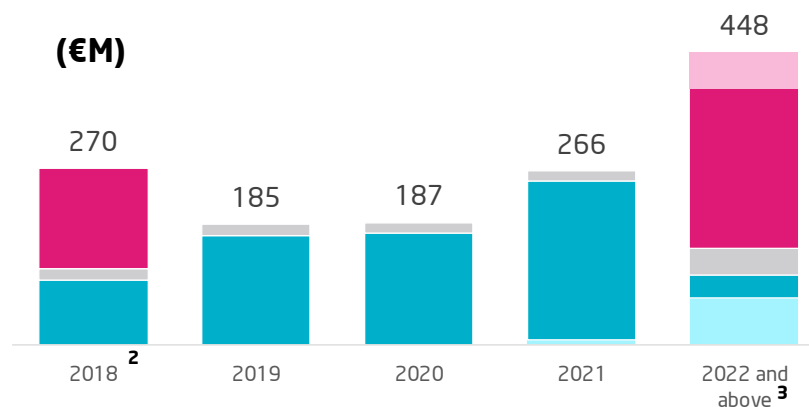
DEBT STRUCTURE : DIVERSIFIED DEBT STRUCTURE

	1Q18		2017	
	Total	% total	Total	% total
L/T Debt	1.038	77%	1.016	79%
S/T Debt	317	23%	271	21%
Gross Debt	1.355	100%	1.287	100%
Cost of Gross Debt	2,0%		2,2%	
Cash & Others	754	n.m.	699	n.m.
Net Debt	602	n.m.	588	n.m.
Cost of Net Debt	3,2%		3,0%	

Gross and Net Debt Structure



Gross Debt Maturity Profile



Other available credit facilities: 198 €M

1. European Investment Bank 2. Including 153€M Convertible Bond 3. Including 245€M Convertible Bond with 2023 maturity



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