



Via G.V. Bona, 65
00156 Rome
Italy
Phone: +39 06 41 7661
Web Site: www.astaldi.com/en

SECTOR	Industrials	ORDER BACKLOG	Construction: EUR 12,676 mln O&M EUR 2,454 mln Concessions: EUR 9,192 mln Total: EUR 24,322 mln
INDUSTRY	Engineering and Construction		
SUB-INDUSTRY	Infrastructure Construction		
MAIN SHAREHOLDERS	Fin.Ast. S.r.l. (52.76%) Fidelity (7.46%)	BOOK-TO-BILL RATIO	1.30x (vs 1.60x in 2016)
KEY PEOPLE	Paolo Astaldi, Chairman Filippo Stinellis, CEO	SALES BACKLOG RATIO	7.95x (vs 9.11x in 2016)
NEXT RELEVANT DATES	06/26: Shareholders meeting 06/30: Deadline offers 3rd Bridge 09/30: Deadline launch capital increase	NUMBER OF EMPLOYEES	10,491 (1,180 in Italy, 9,311 abroad)

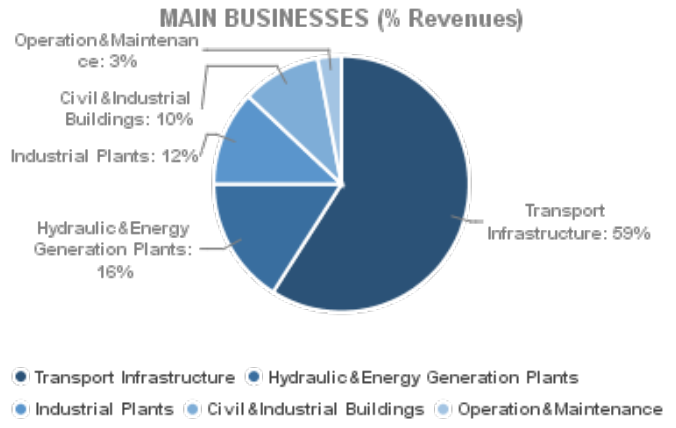
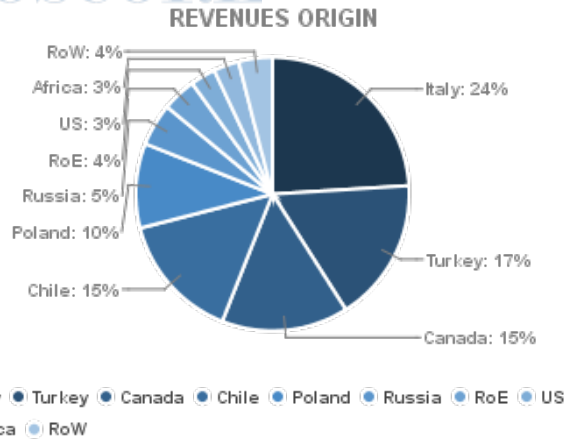
For more information: www.promoscore.it +39 081 0170 617
Author: *Alessandro Sica* alessandro.sica@bancapromos.it
Managing Supervisor: *Paolo Cozzolino* paolo.cozzolino@bancapromos.it

QUICK LOOK

Astaldi S.p.A. is an Italian company active, for more than 95 years, in the civil engineering and construction industry. The Group, listed on the STAR segment of the Milan Stock Exchange since 2002, has built works in more than 40 countries around the world, currently has roughly 100 active work sites in over 30 countries in 4 different continents.

HIGHLIGHTS

- OWNERSHIP AND MANAGEMENT** - As of December 31, 2017 the share capital of Astaldi S.p.A. is split between Fin.Ast. S.r.l. (*owned by the Astaldi family, with 52.76%*), FMR LLC (*Fidelity, with 7.46%*), treasury shares (*0.55%*) and market (*39.23%*). Paolo Astaldi (*1960*) is since 2010 Chairman of the firm (*where he entered in 1985*) whereas Filippo Stinellis (*1963*) is since 2016 CEO of the Group (*where he entered in 1996*).
- MARKET POSITION** - Astaldi is the 2nd largest Italian contractor, one of the top 20 in Europe and one of the top 100 global operators in terms of revenue. The Group ranks 3rd worldwide for bridge construction and 4th for hydroelectric plants, 10th in the mining sector, 13th in the mass transit/rail sector and healthcare buildings sector and 15th in the motorway sector.
- GEOGRAPHICAL DIVERSIFICATION** - As of 12/31/2017 24.3% of operating revenues was from Italy, 35.7% from rest of Europe, 36.7% from America, 3.2% from Africa and 0.1% from Asia. High risk countries where Astaldi operates (*5% of revenues*) are Algeria, El Salvador, Honduras, Nicaragua, Qatar, Saudi Arabia, and Venezuela.
- SECTOR DIVERSIFICATION** - As of 12/31/2017 97% of operating revenues was from Construction (*59% Transport Infrastructure, 15.9% Hydraulic and Energy Generation plants, 9.9% Civil and Industrial Buildings, 12.2% Industrial Plants*) and the remaining 3% was from Operation & Maintenance.
- INCOMING CHALLENGES** - On 05/16/2018 Astaldi and IHI Corporation (*a Japanese group with which Astaldi has cooperated in the past*) have announced an industrial partnership aimed at achieving commercial synergies (*especially in Far East and North America*). Moreover, IHI will acquire an 18% stake in Astaldi (*13% of voting rights*) with an investment of EUR 112.5 mln (*Fin.Ast. will hold 35% of the capital and 50.2% of votes*), provided that Astaldi will sell its 33% stake in the Third Bosphorus Bridge for at least EUR 185 mln.
- STRATEGY** - The 2018-2022 Strategic Plan involves: 1) sustainable growth (*focus on EPC contracts, expansion of O&M business, capital light approach*); 2) de-risking (*repositioning in countries with a medium-low risk profile*); 3) financial strengthening (*inclusive of a share capital increase for EUR 300 mln in 3Q18 covered for 15.5% by the Astaldi family and for 37.5% by IHI*). The execution of the underwriting agreement relative to the remaining 47% of the offering is subject to certain conditions (*concession assets disposal, suspension/modification of the covenants of certain bank loans, no downgrading by Moody's or S&P, etc.*). On 05/22/2018 S&P downgraded Astaldi's rating to CCC from CCC+.



FIGURES

INCOME STATEMENT

(in EUR mln)	Dec 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013
Operating revenue (Turnover)	3.060,73	2.989,52	2.839,26	2.652,56	2.519,68
Costs of goods sold	369,8	449,13	456,64	1.823,63	1.620,5
Gross profit	2.690,93	2.540,39	2.382,63	828,93	899,18
Gross margin (%)	87,92%	84,98%	83,92%	31,25%	35,69%
Costs of employees	633,86	616,2	548,25	420,01	320,72
EBITDA	366,38	365,12	340,72	307	325,68
EBITDA margin (%)	11,97%	12,21%	12,00%	11,57%	12,93%
Depreciation & Amortization	49,4	58,21	74,78	69,81	85,1
Operating P/L [=EBIT]	316,97	306,91	265,94	237,19	240,57
EBIT margin (%)	10,36%	10,27%	9,37%	8,94%	9,55%
P/L before tax [=EBT]	-115,84	129,1	112,69	130,73	138,59
EBT margin (%)	-3,79%	4,32%	3,97%	4,93%	5,50%
P/L for period [=Net income]	-101,18	72,46	80,88	81,56	75,21

BALANCE SHEET

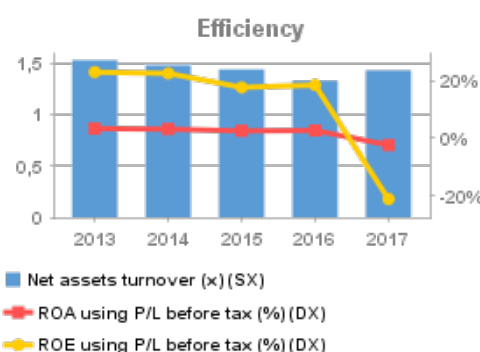
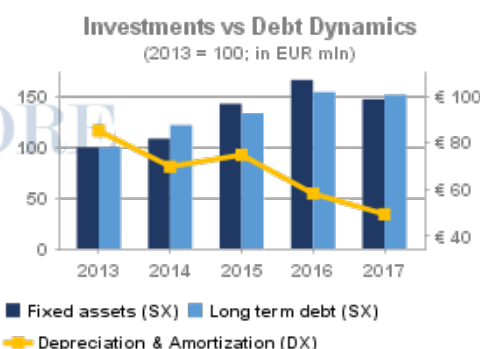
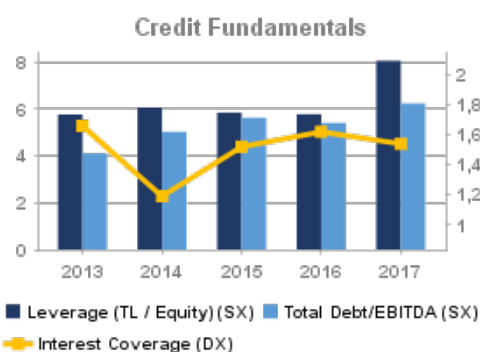
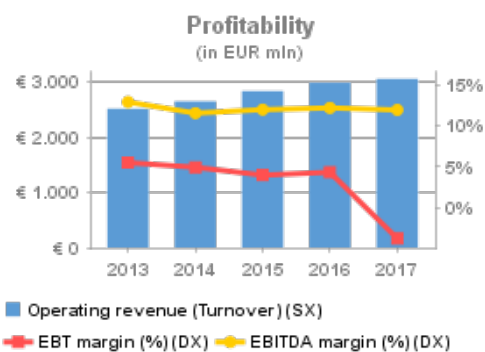
(in EUR mln)	Dec 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013
ASSETS					
Other current assets	3.197,33	2.533	2.322,53	2.177,83	2.172,37
Cash & cash equivalent	576,7	507,32	612,42	531,61	375,18
Stock	48,91	50,01	70,68	64,87	61,71
Debtors	413,88	668,78	692,99	888	960,39
CURRENT ASSETS	3.660,12	3.251,79	3.086,2	3.130,7	3.194,47
Intangible fixed assets	79,19	74,03	47,11	32,56	58,97
Tangible fixed assets	178,93	207,56	210,12	223,11	203,98
Other fixed assets	1.057,35	1.203,71	1.017,46	712,24	628,56
FIXED ASSETS	1.315,47	1.485,3	1.274,68	967,91	891,51
TOTAL ASSETS	4.975,59	4.737,08	4.360,89	4.098,61	4.085,97
LIABILITIES & EQUITY					
Loans	825,97	491,21	636,92	374,11	376,58
Creditors	1.164,88	1.030,93	938,06	962,96	1.016,7
Other current liabilities	839,42	968,3	816,37	964,46	1.043,11
CURRENT LIABILITIES	2.830,27	2.490,44	2.391,36	2.301,53	2.436,4
Long term debt	1.459,18	1.485,31	1.281,14	1.171,12	961,01
NON-CURRENT LIABILITIES	1.595,87	1.548,16	1.332,5	1.217,03	1.045,65
SHAREHOLDERS FUNDS	549,44	698,48	637,03	580,06	603,92
TOTAL SHAREH. FUNDS & LIAB.	4.975,59	4.737,08	4.360,89	4.098,61	4.085,97

FREE CASH FLOW TO FIRM

(in EUR mln)	Dec 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013
CFO	-220,85	-101,12	-13,3	129,61	7,7
Capex	-32,05	-32,64	-40,33	-61,66	-27,9
Interest Paid	206,37	189,34	175,49	199,76	145,16
Tax Rate	0,24	0,31	0,31	0,31	0,31
FCFF	-96,06	-3,87	66,75	204,99	79,38

Source: Astaldi Group Financial Statements (audited by KPMG S.p.A.) - KPMG Corporate Tax Rate Survey

Note: "Other fixed assets" includes "Investment property", "Equity investments", "Non-current financial assets", "Deferred tax assets", "Other non-current assets"



• **RESULTS** - The Astaldi Group has a weak liquidity position in the context of a highly leveraged financial structure (*with significant need for short-term debt rollover*) and a slow recollection of receivables in Algeria and Romania (*EUR 122 mln, collection expected in H2 2018*). Results for FY 2017 have been negatively affected by the impairment of the Venezuelan exposure for EUR 230 mln: given the estimated collection timing, their value (*net of impairment*) has been included by Astaldi among non-current assets (*item "Other fixed assets"*).

• **INDUSTRY OVERVIEW** - The construction industry is highly competitive, cyclical, and dependent on the investment policies of public authorities. Astaldi considers its direct competitors to be international construction companies such as OHL, Bouygues, Skanska, ACS, and Salini-Impregilo (*even though it often participates in joint ventures with such firms*). According to Fitch (*11/21/2017*), Astaldi's "business profile and engineering capabilities compare favourably with higher-rated entities such as OHL or Salini in some sub-segments" whilst "its high leverage is similar to that of its smaller peer Aldesa".

Revenues Dynamics (2013=100)					
Company	Dec 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013
ASTALDI	121,47	118,65	112,68	105,27	100,00
ACS	90,44	83,29	90,76	91,17	100,00
OHL	74,03	101,50	114,18	100,09	100,00
SALINI IMPREGILO	262,87	253,25	203,97	180,52	100,00

EBITDA margin %					
Company	Dec 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013
ASTALDI	11,97	12,21	12,00	11,57	12,93
ACS	6,53	5,80	6,28	6,80	7,57
OHL	-1,67	4,80	18,53	23,58	26,59
SALINI IMPREGILO	9,50	9,56	10,75	10,45	11,24

Profit margin %					
Company	Dec 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013
ASTALDI	-3,79	4,32	3,97	4,93	5,50
ACS	4,02	4,39	3,86	2,20	4,53
OHL	-6,65	-1,69	8,32	8,94	13,74
SALINI IMPREGILO	-1,11	3,37	3,87	2,99	6,94

Interest cover					
Company	Dec 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013
ASTALDI	1,54	1,62	1,52	1,19	1,66
ACS	4,84	2,56	1,85	1,54	1,55
OHL	-1,50	0,19	1,62	1,62	2,24
SALINI IMPREGILO	0,23	2,06	2,75	2,03	2,39

Net Financial Debts / Ebitda					
Company	Dec 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013
ASTALDI	4,66	4,02	3,83	3,30	2,96
ACS	0,05	1,47	1,12	2,11	1,48
OHL	-19,08	14,28	4,25	5,23	4,54
SALINI IMPREGILO	1,44	1,19	0,69	1,43	-1,50

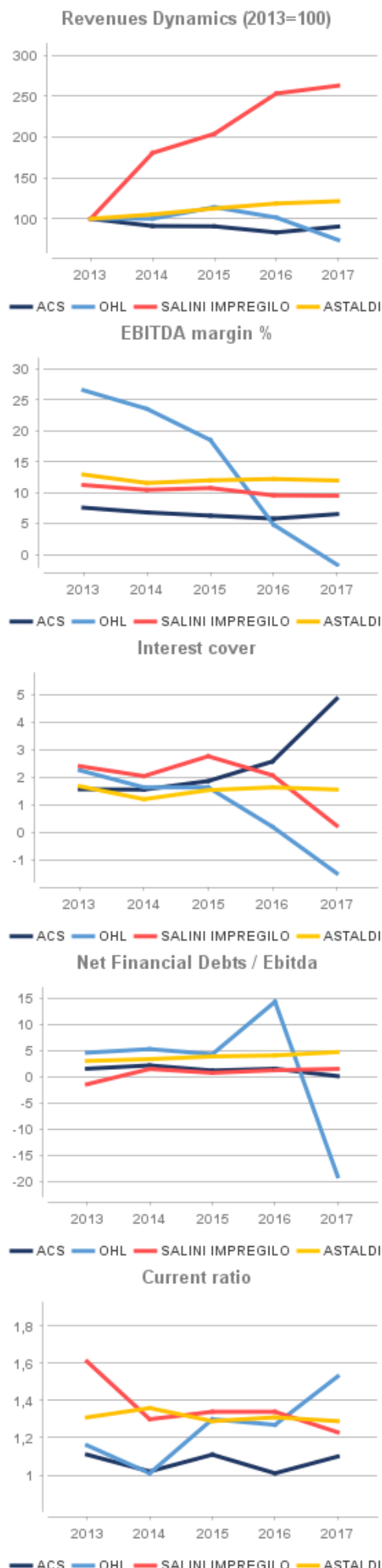
Current ratio					
Company	Dec 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013
ASTALDI	1,29	1,31	1,29	1,36	1,31
ACS	1,10	1,01	1,11	1,02	1,11
OHL	1,53	1,27	1,30	1,01	1,16
SALINI IMPREGILO	1,23	1,34	1,34	1,30	1,61

Solvency ratio (Asset based) %					
Company	Dec 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013
ASTALDI	11,04	14,75	14,61	14,15	14,78
ACS	16,20	14,93	14,73	12,46	13,80
OHL	34,27	31,29	31,47	24,54	23,99
SALINI IMPREGILO	12,41	14,58	16,66	17,79	35,19

Net assets turnover					
Company	Dec 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013
ASTALDI	1,43	1,33	1,44	1,48	1,53
ACS	2,70	2,51	2,23	2,46	2,32
OHL	0,64	0,49	0,46	0,43	0,43
SALINI IMPREGILO	2,09	1,67	1,73	1,79	1,26

ROA using P/L before tax %					
Company	Dec 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013
ASTALDI	-2,33	2,73	2,58	3,19	3,39
ACS	4,44	4,27	3,87	1,99	4,43
OHL	-1,84	-0,61	2,84	2,87	4,59
SALINI IMPREGILO	-0,77	2,12	2,51	1,88	4,05

Source: Bureau Van Dijk, Financial Statements



INVESTMENT CASE

Tereos Finance Group - Sr. - Euro - Fix - 4.125% - June 2023 (FR0013183571)

YTM	4.40%	BOND RATING	Moody's:S&P BB (Stable) at 07/06/2016 Fitch: BB (Stable) at 06/17/2016
G-SPREAD	429 bps vs EUR France Sovereign Curve (I14)	COUNTRY RATING (Italy)	Moody's: Aa2 (Pos) S&P Aaa (Stable) Fitch: AA (Stable)
I-SPREAD	395 bps vs Euro Swaps Curve (S45)	BBG PD (1Y)	0.034%
MODIFIED DURATION	3.58	S&P RECOVERY RATING	2 (85%) at 06/18/2018
CDS EUR SR 2Y	2500	Z SCORE / Z' SCORE	1.13 / 1.30 (*)
CDS EUR SR 5Y	1920	TIMELINESS OF RESULTS REPORTING	Suboptimal
LIQUIDITY RISK	Moderate to Relevant		
OUTST. / MIN. PIECE	EUR 600 mln / 100k		
LEVEL OF CORPORATE DISCLOSURE	Suboptimal		

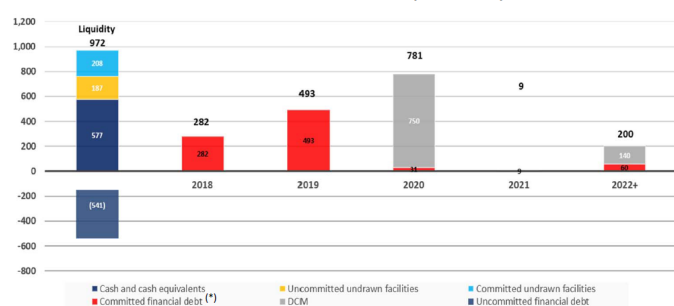
MAIN EXTERNAL RISK / RETURN FACTORS

Sugar Prices	↓	Mkt Regulation	↓
GDP Dynamic Eu/Br	↓	BRL/USD	↓
Oil/Commodities Price	↓	Sostitutive Products	↓

(*) Private Firms Model

Source: Bloomberg, Financial Statements

Astaldi Debt Distribution (EUR mln)



- **OPTIONAL REDEMPTION** - The issuer may redeem all or a part of the aforementioned notes outstanding according to the following schedule (*on and after; plus accrued and unpaid interest and additional amounts, if any*): 12/01/2016 at 103.563, 12/01/2017 at 101.781, 12/01/2018 and thereafter at 100.
- **CHANGE OF CONTROL** - Upon the occurrence of a change of control, each bondholder may require the issuer to repurchase the notes at 101 plus accrued and unpaid interest.
- **COVENANTS** - The indenture will limit, inter alia, the ability of the issuer and its restricted subsidiaries to: (i) incur or guarantee certain additional indebtedness and issue preferred stock; (ii) make certain restricted payments or investments; (iii) create certain liens; (iv) engage in certain transactions with affiliates; (v) create restrictions on the payment of dividends or other distributions, loans to and the transfer of assets to the Issuer or any restricted subsidiary; (vi) merge with other entities.
- **REFINANCING** - Within its program of financial strengthening (*over EUR 2 bln manoeuvre inclusive of the share capital increase, the rollover of existing credit facilities for over EUR 350 mln, concession asset disposals for around EUR 790 mln, such as the Third Bosphorus Bridge*), Astaldi aims at bringing its rating back to single B area in order to refinance (*between the end of 2018 and the beginning of 2019*) the EUR 750 mln bond due in 2020.

RISK FACTORS

- **COUNTRY RISK** - The Astaldi Group has three railway projects in Venezuela with Instituto de Ferrocarriles del Estado (*IFE*). Considering the longstanding negative situation of the Country and its consequent slow-down in payments, the works were substantially stopped in 2015 and as of 12/31/2017 the Group has wrote-off its total exposure from EUR 433 mln to EUR 203 mln.
- **CURRENCY RISK** - With reference to each operational order, the company uses to hedge, taking into account the specific volatility of each currency, a percentage of its foreign exchange risk over all the length of works. If this is not possible, the time horizon of each hedge is equal to 12 months. Hedges are made through plain vanilla derivatives (*forwards, cylinders and knock-in forwards*).
- **INTEREST RATE RISK** - As for its floating rate indebtedness, the company puts in place hedging agreements (*typically at zero cost*) through plain vanilla derivatives (*Interest Rate Swaps, Collars, Caps*) pursuant to a Cash Flow Hedge logic.

COMPANY UPDATE

- In April 2018, Astaldi has announced its entrance in the Indian market thanks to the awarding of a contract, in a joint venture, for the construction of three lots of the Mumbai Metro Rail Project. The total value of the works amounts to EUR 168 mln which, for Astaldi share, means EUR 84 mln.
- In May 2018, the Astaldi Group has been awarded an EPC contract worth USD 350 mln (*EUR 120 mln of which refers to Astaldi's stake*) for the construction of the Land Transport Intermodal Hub at Mexico City's new International Airport. The contract is the Group's first step in the

Mexican market and plays on a partnership with a local contractor (*Arendal*).



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