



RENCO GROUP - FINANCE OVERVIEW

2nd Quarter 2018

YEAR TO DATE

UNAUDITED FIGURES



RENCO GROUP - FINANCE OVERVIEW

2st Quarter 2018

1. DIRECTORS' REPORT ON THE OPERATIONS
2. PRODUCTION VALUE & EBITDA
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1. DIRECTORS' REPORT ON THE OPERATIONS

Performance of the Group and Main Corporate Events

2nd Quarter 2018

The results of the Renco Group in the first half of 2018 were influenced by two aspects: the postponement of both the EPC project for the construction of the new Yerevan Power Plant and the start of construction works on the "TAP Italia" site.

The main new acquisitions concern the design of a new city in Mozambique ("City Gas") in the area where the world's largest gas fields were discovered; the construction of the new "Guardia di Finanza Academy" in Bergamo (Italy); the construction of a luxury villa in Almaty (Kazakhstan); the supply and installation of "Lifeboats" for the ENI platforms in Congo.

In June Renco was also appointed as "Promoter" for the Project Financing related to the construction of new "Marche Nord" hospital in Pesaro (Italy).

Regarding the "Yerevan Power Plant" Project Financing, the project has been questioned by the new government and a negotiating table has been recently opened between the parties. Renco is confident in a good result in negotiating due to the contract signed in 2017 by the previous government.

Below a brief analysis of the main economic and financial indicators of the period:

Value of production: 106.1 million Euros, in line with the trend of the first Quarter. We expect this trend to increase in the second half of the year, due to both the likely start of the TAP Italia construction works and the seasonal nature of the Asset Management division, which will achieve its best results in the third and fourth quarters;

Ebitda: 13.8 million Euro, equal to 13% of the value of production, substantially in line with the first quarter results;

Net financial position: compared to the values at the end of 2017, there is a significant increase mainly due to the investments made during the first and second quarters and to the physiological expansion of working capital on job in progress, which should decrease in the last quarter;

Backlog: the production acquired and not yet produced, amounting to approximately €727 million, is indicative of the brilliant future of the Renco Group for the years to come.

2. PRODUCTION VALUE & EBITDA

Business Unit & Geographical Area

2nd Quarter 2018

	PRODUCTION VALUE	EBITDA	EBITDA %
SERVICE	26,3	6,6	25,3%
ASSET MANAGEMENT	22,5	8,0	35,4%
INFRASTRUCTURES	14,3	-0,9	-6,2%
INDUSTRIAL PLANTS	49,1	9,4	19,1%
GENERAL EXPENSES		-7,4	
CONSOLIDATION ADJUSTMENTS	-6,0	-1,8	
TOTAL RENCO GROUP	106,1	13,8	13,0%

GEOGRAPHICAL AREA	PRODUCTION VALUE	EBITDA	EBITDA %
RUSSIA & CIS	16,9	4,1	23,9%
AFRICA	29,1	2,7	9,1%
EUROPE	59,5	12,4	20,9%
MIDDLE EAST & OTHER COUNTRIES	6,6	1,9	29,5%
HEADQUARTER EXPENSES		-5,5	
CONSOLIDATION ADJUSTMENTS (2)	-6,0	-1,8	
TOTAL RENCO GROUP	106,1	13,8	13,0%

3. BACKLOG

Business Unit & Geographical Area

2nd Quarter 2018

BUSINESS UNIT	BACKLOG
SERVICE	56,2
ASSET MANAGEMENT	260,1
INFRASTRUCTURES	90,0
INDUSTRIAL PLANTS	320,5
TOTAL RENCO GROUP	726,8

GEOGRAPHICAL AREA	BACKLOG
RUSSIA & CIS	377,1
AFRICA	114,3
EUROPE	187,9
MIDDLE EAST & OTHER COUNTRIES	47,5
TOTAL RENCO GROUP	726,8

3. BACKLOG

Details

 2nd Quarter 2018

BUSINESS UNIT	JOB	COUNTRY	CLIENT	EURO EQUIVALENT (€/Mil.)	YEAR END	PRODUCTION VALUE YTD 2018	TO BE PRODUCED (€/Mil.)
INDUSTRIAL PLANTS	TAP ALBANIA	ALBANIA	TAP	86,8	2020	18,6	35,9
	TAP GRECECE	GRECIA	TAP	60,9	2020	12,6	22,4
	TAP ITALY	ITALIA	TAP	67,0	2020	6,0	44,4
	TAP GREECE/ALBANIA INTERNAL JOBS	ALBANIA/ GRECIA	JV RENCO TERNA	11,4	2020	1,5	2,8
	SARIR	LIBIA	EMI FRANCE	50,0	2021	0,6	14,6
	SERGNANO	ITALIA	SNAM RETE GAS	19,9	2021	1,0	3,4
	MINERBIO	ITALIA	SNAM RETE GAS	14,2	2021	2,7	2,8
	POWER PLANT YEREVAN	ARMENIA	ARMPower	185,2	2020	1,6	183,6
	P&I LIFEBOATS	CONGO	ENI CONGO	7,9	2019		7,9
	OTHERS			3,0		0,4	2,6
INFRASTRUCTURE	CIVIL WORKS TAP ALBANIA	ALBANIA	JV RENCO TERNA	8,7	2018	3,5	4,3
	CIVIL WORKS ASSISI	ITALIA	F.NE BAS. S.FRANCESCO	5,5	2018		4,5
	CIVIL WORKS POWER PLANT YEREVAN	ARMENIA	ARMPower	10,0	2018		10,0
	CAMP TCO	KAZAKHSTAN	TENGIZ CHEVROIL (TCO)	24,6	2022		1,0
	ALMATY MULTIFUNCTIONAL BUILDING	KAZAKHSTAN	DARIN CONSTRUCTION	39,9	2018	0,2	0,2
	LER ORKEN	ITALIA	SCHNEIDER ELECTRIC	4,3	2018	1,4	2,9
	ALMATY VILLA	KAZAKHSTAN	PRIVATE INVESTOR	4,5	2019	0,4	4,1
	GUARDIA DI FINANZA ACADEMY	ITALIA	GDF	30,0	2021		30,0
	MASTER PLAN CITY GAS	MOZAMBIQUE	ENH LOGISTIC	1,4	2019		1,4
	OTHERS			1,0		0,6	0,4
GROUP BUILDINGS			59,9		8,3	31,2	
SERVICES	ENI CONGO SERVIZI	CONGO	ENI CONGO	57,1	2019 (+1+1)	10,5	18,0
	ACCORDO QUADRO GE	MONDO	GE	40,0	2020	5,0	24,9
	MANUTENZIONE ENI IRAQ	IRAQ	ENI IRAQ B.V.	10,6	2020	1,5	7,9
	ACCOROD QUADRO FIRCROFT	KAZAKISTAN	FIRCROFT	19,5	2018	5,3	1,3
	OTHERS			8,0		4,0	4,0
ASSET MANAGEMENT	MANAGEMENT TCO CAMP	KAZAKHSTAN	TENGIZ CHEVROIL (TCO)	41,9	2021	3,0	38,9
	MANAGEMENT RENCO PROPERTIES	VARIOUS		240,6		19,4	221,2
GRAND TOTAL				1.113,8			726,8

4. NET FINANCIAL POSITION

2nd Quarter 2018

NET FINANCIAL POSITION	€/Mil.
CASH & CASH EQUIVALENT	-63,8
NET DEBT ASSOCIATED COMPANIES	-15,4
BANK LOANS	111,5
BOND	44,3
OTHER FINANCIAL DEBTS	0,8
NET FINANCIAL POSITION	77,4
