MOTA-ENGIL SGPS, S.A.

Earnings Release 9M2015

A World of Inspiration

19 November 2015

Key highlights

- Consolidation of EGF in the 3Q15, according to plan
- Entry in Mexico's electricity generation business with a current capacity of 288 MW and additional potential up to 2,000 MW
- Agreement to sell the ports and logistics business achieved during 3Q15, with closing expected to take place in next months
- Turnover reached €1,793 Mn, reflecting the increased contribution both from Europe and Latin America
- EBITDA margin of 14%, impacted by Africa's lower margin, which already reached 20%, in line with medium long term guidance
- Backlog in September 2015 at €4.3 Bn, of which 48% in Latin America
- Net debt of €1,555 Mn mostly impacted by EGF related debt consolidation and acquisition, whose impact was €233 Mn in the 3Q15
- De-listing process of Mota-Engil Africa ongoing and expected to be completed on 10th December
- Company's focus on strategy execution has allowed a resilient delivery, notwithstanding a challenging year in terms of operational performance

Net income of €16 Mn

P&L (€ Mn)

	9M15	9M14	YoY	3Q15	YoY
Turnover	**1,793**	**1,789**	***0%***	**719**	***8%***
EBITDA	**252**	**313**	***(20%)***	**107**	***(10%)***
Margin	*14%*	*18%*	*(3 p.p.)*	*15%*	*(4 p.p.)*
EBIT	**112**	**195**	***(43%)***	**35**	***(53%)***
Margin	*6%*	*11%*	*(5 p.p.)*	*5%*	*(6 p.p.)*
Net financial income	(79)	(85)	*7%*	(37)	*(8%)*
Associates	35	(12)	*n.m.*	27	*n.m.*
EBT	**68**	**99**	***(31%)***	**26**	***(28%)***
Net income	**37**	**73**	***(49%)***	**9**	***(69%)***
Attributable to:					
Non-controlling interests	21	23	*(8%)*	5	*(43%)*
Group	**16**	**50**	***(68%)***	**3**	***(81%)***

- Turnover of €1,793 Mn, from which 61% outside Europe
- EBITDA margin of 14% impacted by worse performance in Africa
- EBIT margin decreased to 6%, reflecting higher non-cash costs related to EGF consolidation of €14 Mn and to a non-recurrent provision for real estate assets in Central Europe of €24 Mn
- Net financial income reflects higher interest expenses, following the increase in net debt in 3Q15
- Associates driven by strong contribution from Ascendi, mainly related to the accounting in 3Q15 of €24 Mn related to a capital gain, following the deal with Ardian

EBITDA at healthy levels

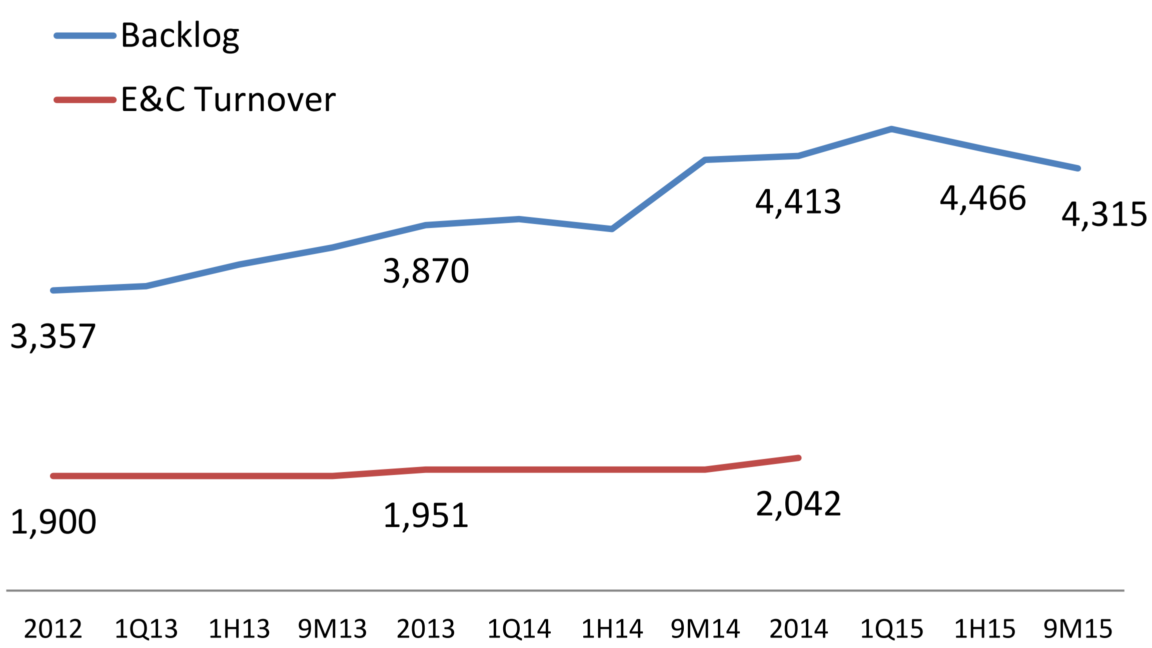
P&L breakdown (€ Mn)

	9M15	9M14	YoY	3Q15	YoY
Turnover	**1,793**	**1,789**	***0%***	**719**	***8%***
Europe	756	649	*16%*	302	*15%*
Africa	593	840	*(29%)*	214	*(25%)*
Latin America	508	375	*35%*	218	*53%*
Other and interc.	(63)	(76)	*17%*	(15)	*25%*
EBITDA	**252**	**313**	***(20%)***	**107**	***(10%)***
Margin	*14%*	*18%*	*(3 p.p.)*	*15%*	*(4 p.p.)*
Europe	82	69	*19%*	38	*18%*
Margin	*11%*	*11%*	*0 p.p.*	*13%*	*(1 p.p.)*
Africa	119	217	*(45%)*	48	*(37%)*
Margin	*20%*	*26%*	*(6 p.p.)*	*23%*	*(4 p.p.)*
Latin America	48	34	*40%*	22	*66%*
Margin	*9%*	*9%*	*0 p.p.*	*10%*	*1 p.p.*
Other and interc.	3	(7)	*n.m.*	(1)	*60%*

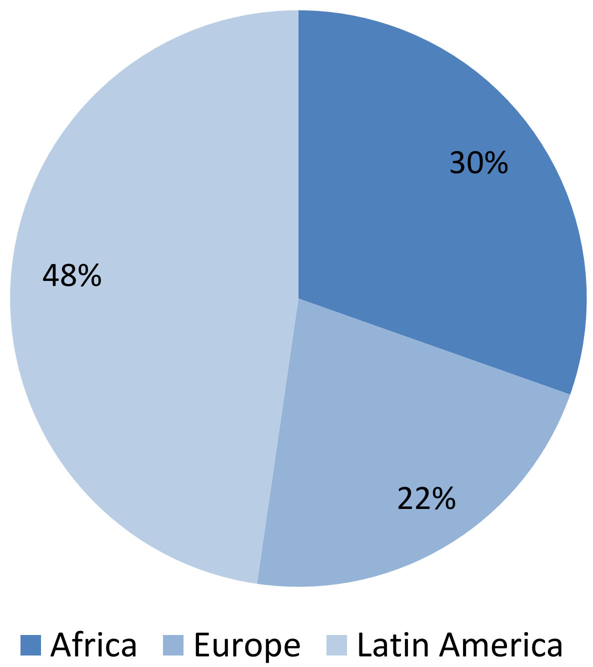
- Turnover impacted by continued recovery in Europe and growth acceleration in Latin America
- Activity in Africa still challenging, but showing a significant improvement QoQ, as expected
- EBITDA margin of 14% affected by lower profitability in Africa, but also benefited from higher profitability in 3Q15 in the remaining regions
- EBITDA margin in Africa (20%) in line with medium long term guidance

Total Backlog of €4.3 Bn

Total backlog evolution (€ Mn)



Total backlog by region



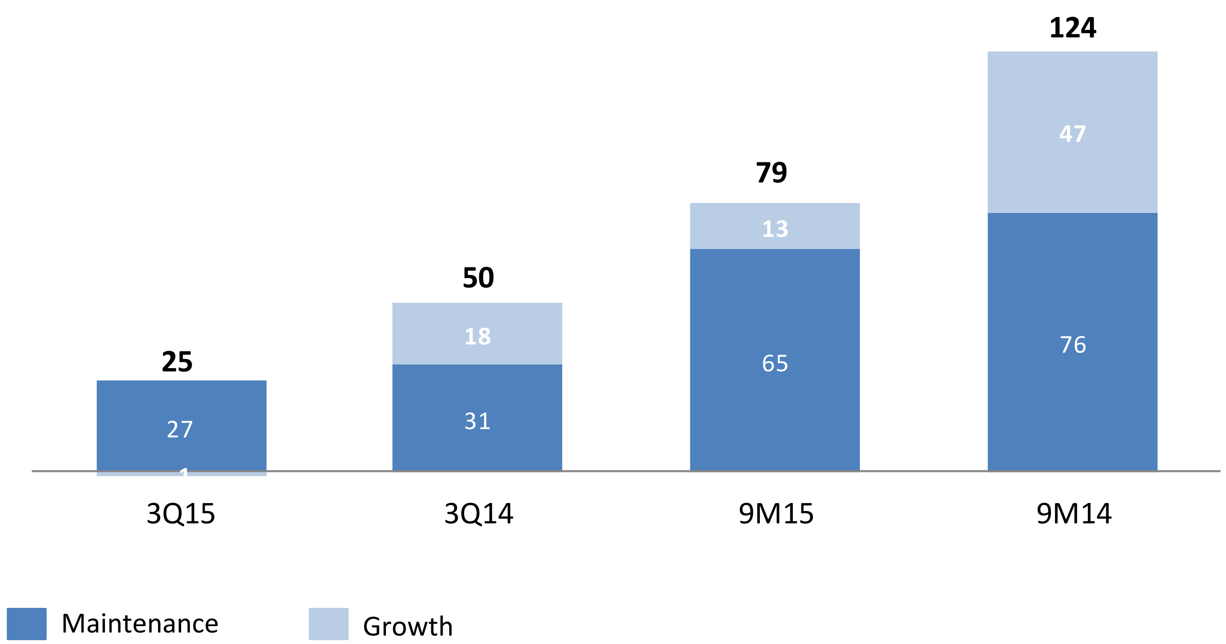
- Total backlog at September reached €4.3 Bn impacted by project execution that more than off set the contribution of new contracts awarded during 3Q15
- Total backlog continues to be sustained by Africa and Latin America, which accounted for 78% of the total
- Backlog to sales[1] ratio healthy at 2.2x

[1]From this quarter onwards this ratio is calculated as follows: E&C backlog/E&C turnover of the last twelve months.

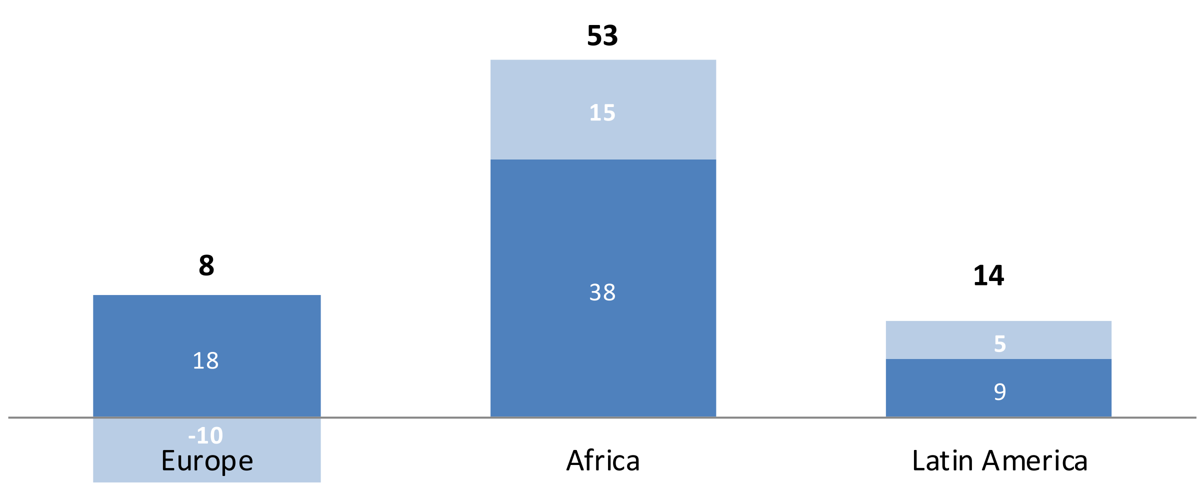
Capex well controlled in line with strategy

- Total net capex reached €79 Mn, down from €124 Mn in 9M14, reflecting the strategy to optimize invested capital, namely in the context of a slower activity in Africa
- Africa still accounted for 67% of total capex, which was mainly channelled to maintenance activities related to SADC and Angola
- Notwithstanding acceleration of project execution in Latin America, capex only accounted for 18% of the total, as the Group is able to subcontract services in that region
- Europe net capex includes divestments amounting to €10 Mn in the E&C activity in Portugal, of which €5 Mn related to the sale of land and buildings and €5 Mn related to sales of fixed assets to Africa region

Net capex (€ Mn)



Capex in 9M15 by region (€ Mn)



Positive operating cash flow

Cash-flow (€ Mn)

	9M15	9M14
Net debt start Position	**1,159**	**972**
EBITDA	252	313
Change in working capital	(211)	(330)
Operating cash-flow	**41**	**(17)**
Maintenance capex	(65)	(76)
Net Financials	(79)	(85)
Corporate tax	(31)	(26)
Free cash-flow bf growth capex	**(134)**	**(204)**
Growth capex	(13)	(47)
Dividends	(38)	(58)
Changes in m/l term & perimeter	(239)	34
Financial assets	28	-
Change in debt position	**397**	**275**
Net debt end position	**1,555**	**1,246**
Net debt/EBITDA [1]	3.8x	3.0x

- Operating cash flow maintained the positive trend in the 9M15, notwithstanding a challenging year
- Excluding EGF, change in working capital would have been negative in €149 Mn, mainly negatively affected by Africa
- M/L term perimeter contribution mostly reflects EGF consolidation with an impact of €200 Mn
- Net debt/EBITDA[1] of 3.8x, but with the commitment to achieve a threshold of 3.0x

[1]Mota-Engil's last twelve months EBITDA, including EGF annualized EBITDA (3Q15 EBITDA x 4) and net debt related to EGF 's acquisition and consolidation (deducted from the financial assets held by Africa)

EGF consolidation in 3Q15

Balance sheet (€ Mn)

	Sep.15	Jun.15	Dec.14	Sep.-Dec.
Fixed assets	1,292	1,032	1,036	256
Financial investments	341	334	282	59
Long term receivables	260	235	228	31
Non-current Assets held for sale (net)	216	30	30	186
Working capital	659	563	448	211
	2,768	*2,193*	*2,024*	*744*
Equity	680	616	578	102
Provisions	128	123	125	2
Long term payables	405	156	162	243
Net debt [1]	1,555	1,298	1,159	397
	2,768	*2,193*	*2,024*	*744*
Invested Capital	2,235	1,914	1,736	499

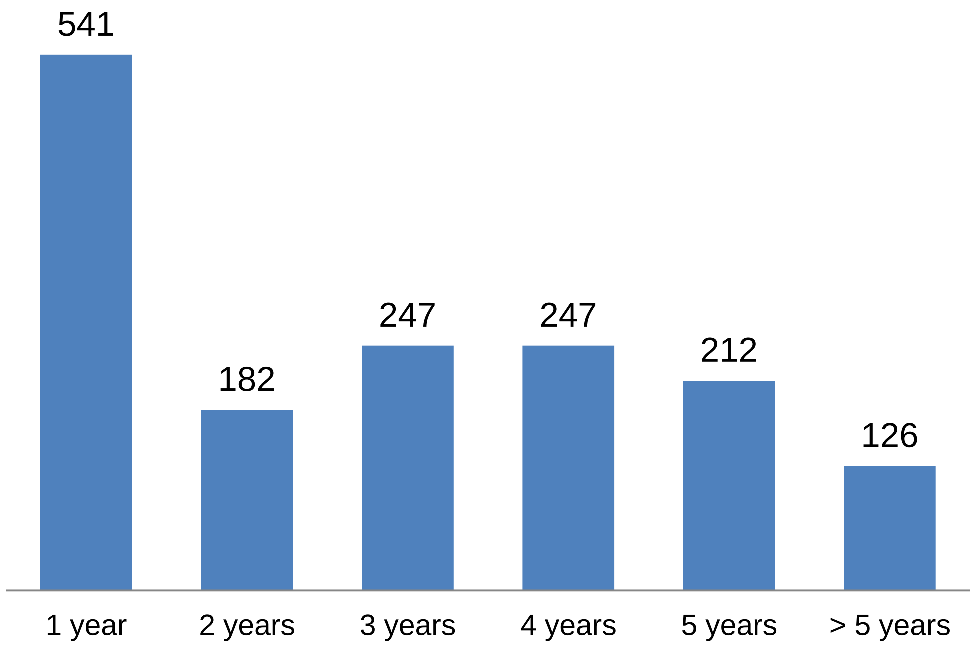
- Increase in fixed assets due to EGF consolidation in 3Q15
- Non-current Assets held for sale (net) evolution reflects the reclassification of the ports and logistics assets (net of liabilities) that will be sold
- Excluding EGF, working capital would have been €597 Mn, up €34 Mn QoQ
- Africa working capital up only €7 Mn QoQ, despite acceleration in activity in 3Q15 and challenging environment
- Long-Term payables mainly related to EGF, namely investment subsidies

[1] Net debt deducted from the financial assets held by Africa

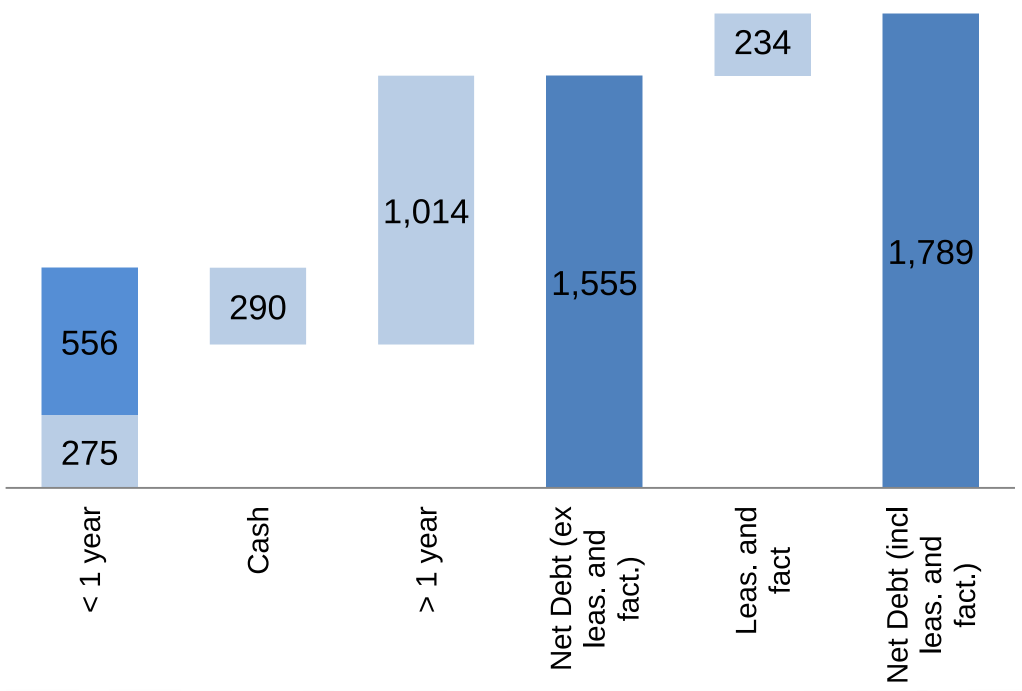
Net debt impacted by EGF

- Net debt, including leasing and factoring, amounted to €1,789 Mn, of which €90 Mn corresponds to the consolidation of EGF and €165 Mn to the debt related to EGF's acquisition
- EGF related non-recourse net debt of €193 Mn
- Leasing and factoring of €234 Mn, with leasing accounting to 75% of the total
- Average cost of debt of 5.72% and average debt life extended to 2.63 years, helped by July's bond issue and EGF debt structure (6.1% and 2.04 years, respectively in June 2015)
- Comfortable liquidity position of €545 Mn, from which €255 Mn in undrawn credit lines

Net debt maturity, September 2015 (€ Mn)



Debt (€ Mn)



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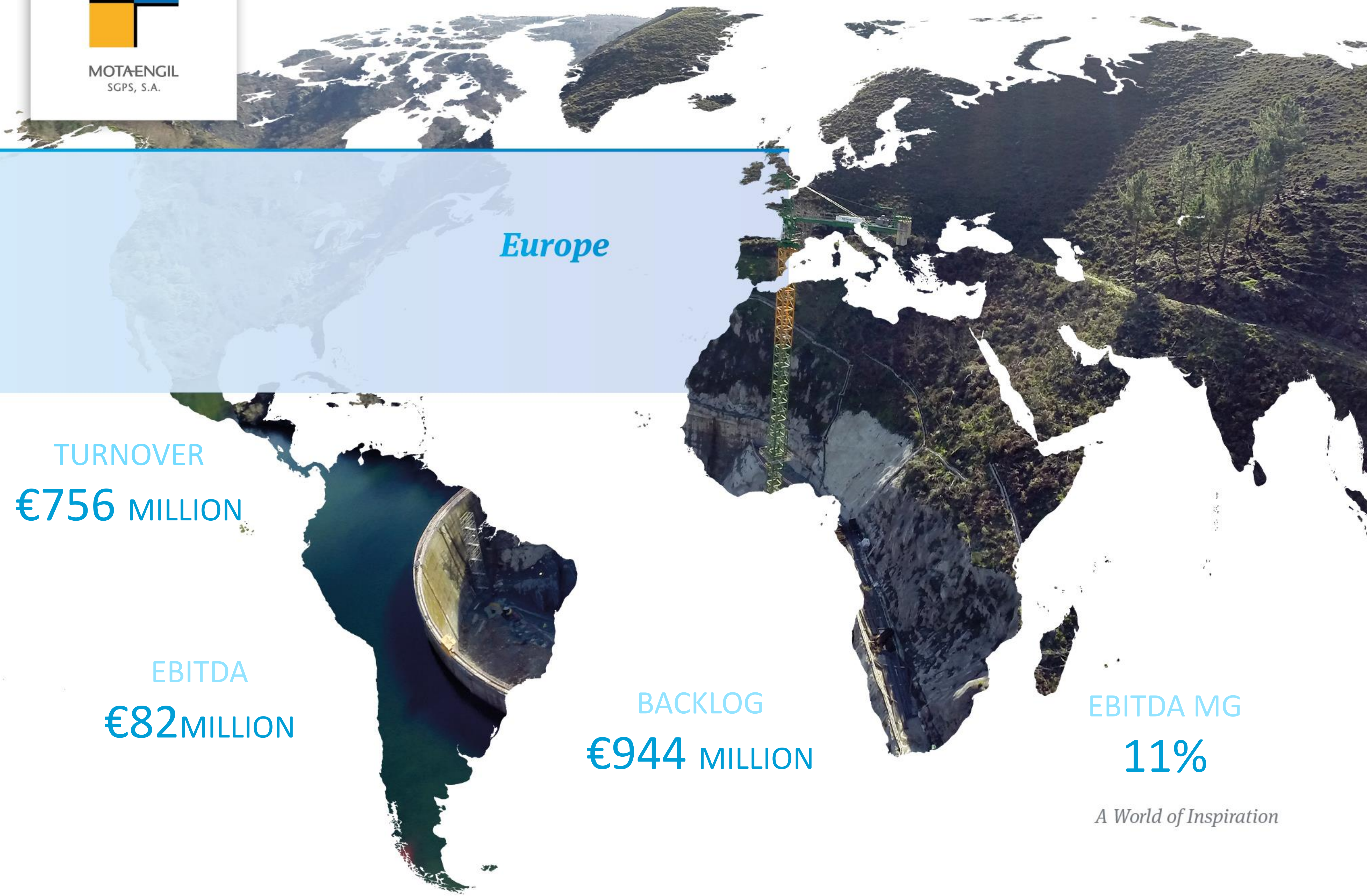

Europe

TURNOVER
€756 MILLION

EBITDA
€82MILLION

BACKLOG
€944 MILLION

EBITDA MG
11%

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EBITDA margin of 11%

Key financials (€ Mn)

	9M15	9M14	YoY	3Q15	YoY
Turnover	**756**	**649**	*16%*	**302**	*15%*
E&C	480	411	*17%*	177	*0%*
E&S	279	242	*15%*	127	*47%*
Waste	109	59	*85%*	70	*230%*
Logistics	156	150	*4%*	52	*(2%)*
Energy	13	33	*(60%)*	4	*(64%)*
Other, elim. and interc.	(3)	(3)	*0%*	(1)	*(62%)*
EBITDA	**82**	**69**	***19%***	**38**	***18%***
Margin	***11%***	***11%***	***0 p.p.***	***13%***	***(1 p.p.)***
E&C	30	31	*(%)*	7	*n.m.*
Margin	*6%*	*7%*	*(1 p.p.)*	*4%*	*(7 p.p.)*
E&S	52	38	*36%*	31	*115%*
Margin	*19%*	*16%*	*3 p.p.*	*25%*	*8 p.p.*
Waste	33	13	*154%*	25	*419%*
Margin	*30%*	*22%*	*8 p.p.*	*35%*	*13 p.p.*
Logistics	19	22	*(16%)*	6	*(23%)*
Margin	*12%*	*15%*	*(3 p.p.)*	*12%*	*(3 p.p.)*
Energy	1	3	*(60%)*	0	*(69%)*
Margin	*8%*	*8%*	*0 p.p.*	*10%*	*(2 p.p.)*
Other, elim. and interc.	0	0	*n.m.*	0	*n.m.*

- E&C activity in Central Europe more than offset Portugal's challenging environment
- E&C EBITDA impacted by profitability in Portugal in 3Q15 due to lower dilution of fixed costs as a result of a contraction in activity
- Waste activity contributed to 39% of the E&S turnover, with EGF having an impact of €48 Mn in 3Q15
- Healthy E&S EBITDA margin even excluding EGF contribution in the 3Q15

Profitability expected to continue sustained

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EGF's organic waste valorisation center

- E&S profitability expected to continue to be resilient
- Sale of the ports and logistics business to be completed in the next months, leading to a cash inflow of €275 Mn
- Plans to leverage on EGF competencies towards internationalization of the business, namely in Latin America

A-1 Motorway Stryków-Tuszyn construction works

- Backlog in E&C of €748 Mn, of which 54% in Central Europe
- Outlook for activity evolution in Portugal still subdued, but Central Europe should offer upside in activity in the medium term
- Profitability improvement in Central Europe expected to continue positive trend

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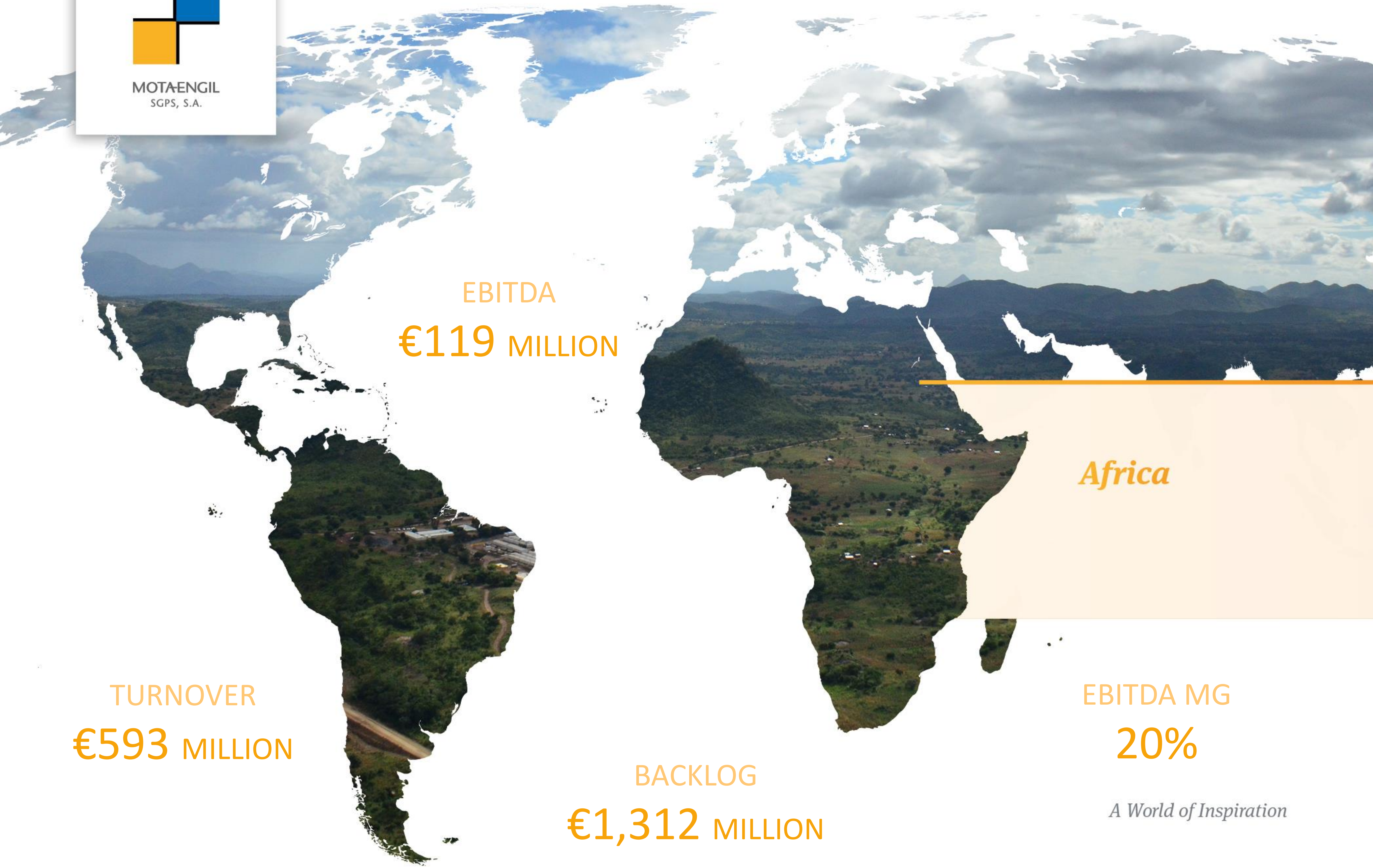

EBITDA
€119 MILLION

Africa

TURNOVER
€593 MILLION

BACKLOG
€1,312 MILLION

EBITDA MG
20%

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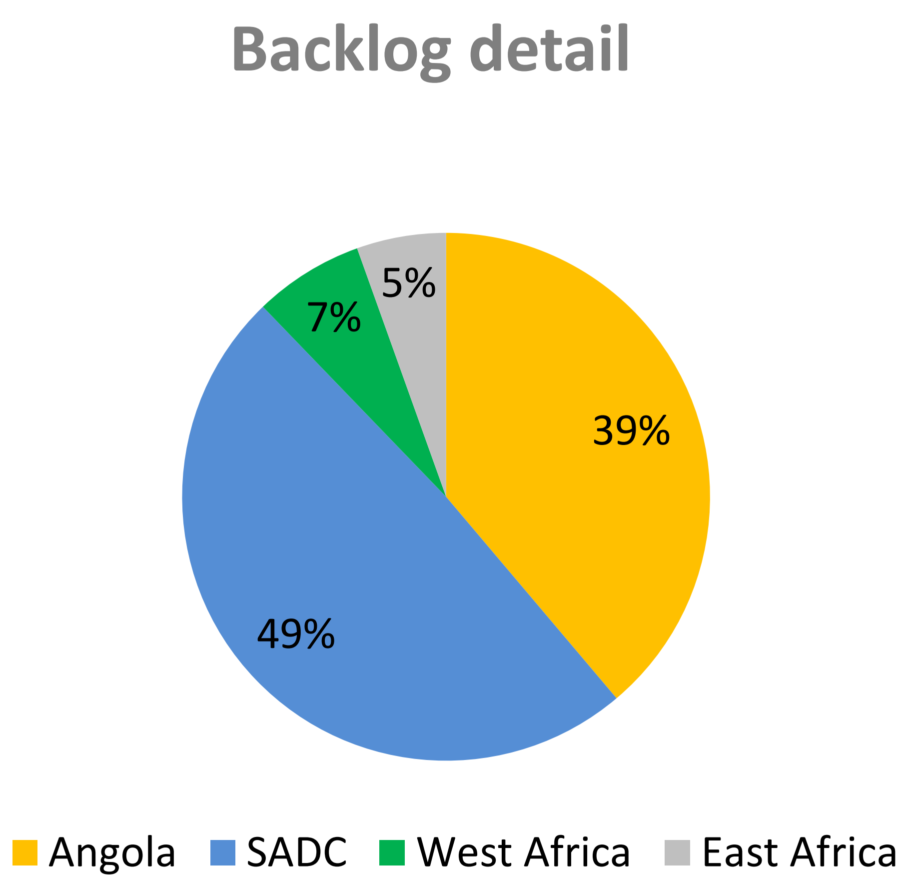
A challenging year, but healthy profitability



- Turnover of €593 Mn, from which 52% and 42% in SADC and Angola, respectively
- In 3Q15 activity accelerated 11% QoQ due to more intense activity mainly in Mozambique
- EBITDA margin of 20% in 9M15 and reaching 23% in 3Q15, reflecting higher activity and focus on cost optimization
- Backlog of €1.3 Bn spread among 11 countries, with Angola and Mozambique representing 58% of the total

Several projects ongoing

Calueque dam, Angola

- Several projects to contribute to activity evolution until year end, such as Luanda's roads rehabilitation and the Calueque dam projects in Angola and several projects in Mozambique
- Continued strong focus on working capital evolution in Angola, which to date has not shown significant deterioration
- Actions in place to maximize profitability given the current context, by managing project execution pace, optimise costs and invested capital

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Latin America

EBITDA MG
9%

BACKLOG
€2,058 MILLION

TURNOVER
€508 MILLION

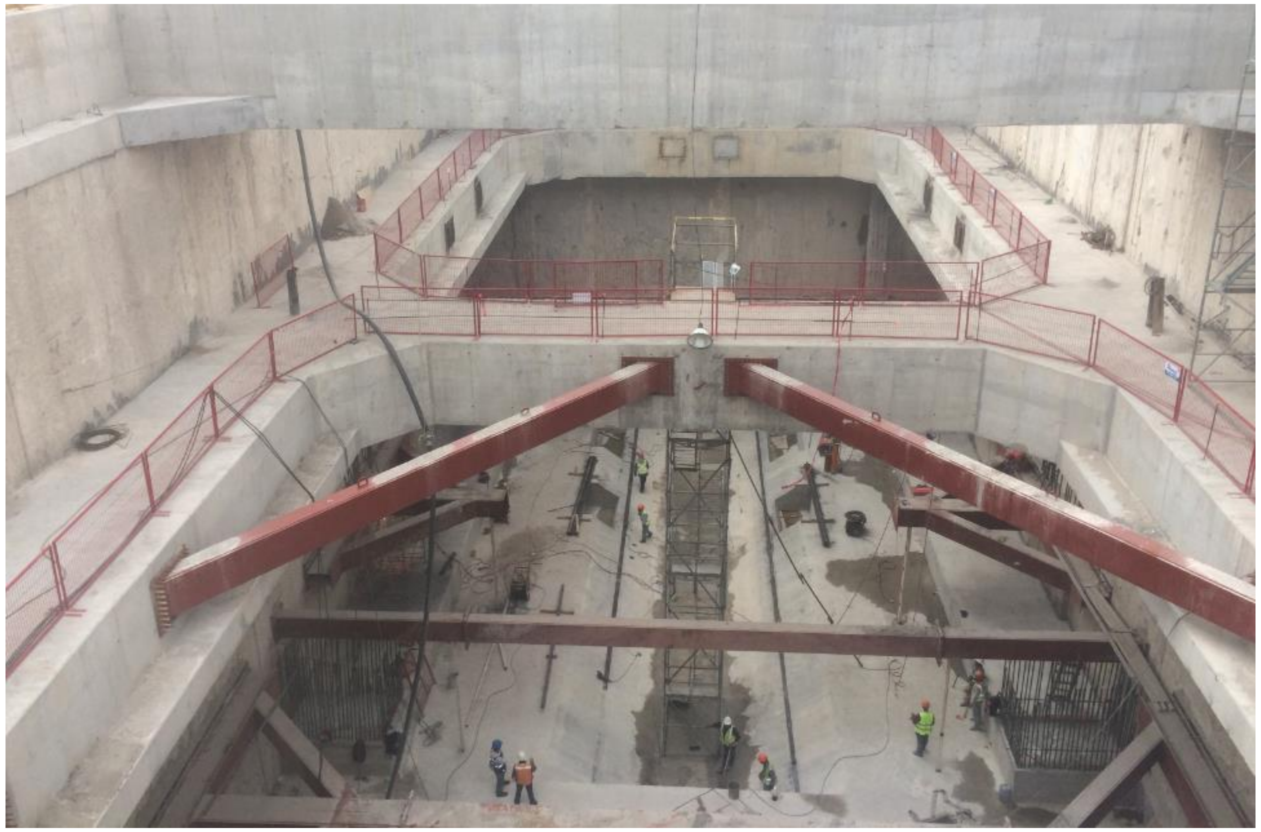
EBITDA
€48 MILLION

Backlog being executed

- Turnover increased 35% YoY to €508 Mn in 9M15 and 32% QoQ in 3Q15, reflecting good progress in project execution
- Mexico represented 48% of total turnover, almost tripling YoY
- EBITDA margin remained stable at 9% in 9M15, having reached 10% in 3Q15 with the positive contribution of Peru, Mexico and Brazil
- Backlog amounted to €2.1 Bn, 59% of which in Mexico, which is currently the country with the strongest order book
- Financial closing of the concession Cardel-Poza Rica already achieved and of both concessions Tuxpan-Tampico and Gran Canal expected to materialize in the next months

Positive outlook remains

Guadalajara's metro works, Mexico



- Several major projects being executed according to plan, such as the Guadalajara's metro project
- Financial close of several concessions in Mexico and Colombia ongoing, which will drive future revenues and cash flow
- A significant pipeline of projects still remains in the region, mainly in Mexico in several sectors, such as in oil&gas
- Entry in Mexico's liberalized electricity generation sector, starting with the operation of hydro plants with a capacity of c.300 MW, but with a potential to reach 2,000 MW through a CCGT

Results overview

Regional segments

Europe

Africa

Latin America

Final remarks

Final remarks

- Challenging year in terms of operational performance, but management strongly committed to deliver on delineated strategy
- Strategic decisions leveraging Mota-Engil profile: acquisition of EGF, disposal of the ports and logistics business and entry in the electricity generation business in Mexico
- Europe E&C continues to recover from the bottom, mainly from stronger contribution in Central Europe, while the E&S resilient contribution also benefited from EGF activity
- Africa still challenging, but profitability has been sustained throughout the year
- Backlog execution in Latin America at good pace, with a strong backlog reassuring positive activity outlook
- Committed to continue extending debt maturities and to optimize the capital structure
- The disposal of a minimum stake of around 40% in Ascendi is ongoing, which will help streamlining the corporate structure and further strengthen the capital structure and will, as well, allow for a potential partnership in order to expand operations abroad, leveraging the E&C activity

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Operating and financial information related to Africa segment disclosed by Mota-Engil in this presentation differs from that disclosed by Mota-Engil Africa NV, a listed company in Amsterdam Stock Exchange.

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