



MOTA-ENGIL

Um Mundo de Inspiração

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ANOS

MOTA-ENGIL

FUNDADA EM 1946

Earnings Release

1Q2016

24 May 2016



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Key highlights



- Turnover up 5.4% YoY to €510 Mn, mainly driven by Latin America
- EBITDA margin of 13.4%, in line with 1Q15, but yet impacted by challenging environment namely in E&C in Europe and Africa
- Net profit of €64 Mn positively impacted by the net capital gain of the Logistics and Ports business
- Electricity generation business in Mexico ongoing, confirming Mota-Engil as the first private player in the country since the opening of the wholesale market last February
- Backlog in March 2016 of €4.0 Bn, reflecting a resilient E&C backlog to sales ratio of 1.9 years
- Net debt of €1,244 Mn, down 14.5% QoQ benefiting from excellent performance of working capital in 1Q16 and from the Ports and Logistics business disposal

Turnover up 5.4% YoY



P&L (€ Mn)

	1Q16	1Q15	YoY
Turnover	510	483	5%
EBITDA	68	65	4%
<i>Margin</i>	13%	14%	(0 p.p.)
EBIT	21	33	(37%)
<i>Margin</i>	4%	7%	(3 p.p.)
Net financial income	49	(18)	<i>n.m.</i>
Associates	0	4	<i>n.m.</i>
EBT	70	19	267%
Net income	67	8	<i>n.m.</i>
Attributable to:			
Non-controlling interest	3	5	(30%)
Group	64	3	<i>n.m.</i>

- Turnover of €510 Mn, from which 64% outside Europe
- EBITDA margin resilient at 13%
- EBIT impacted by EGF's D&A, that amounted to €14 Mn in 1Q16
- Net financial income benefited from the net capital gain from the sale of the Ports and Logistics business amounting to €63 Mn
- Indaqua and Ascendi accounted as "Assets held for sale", thus no longer contributing to income from "Associates"

EBITDA margin of 13%



P&L breakdown (€ Mn)

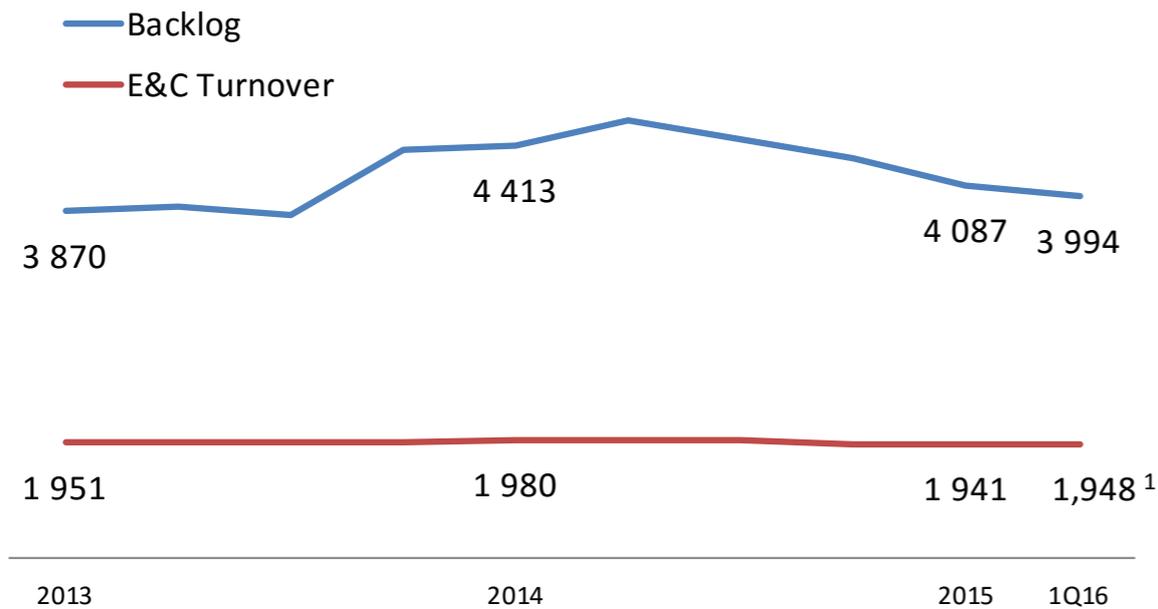
	1Q16	1Q15	YoY
Turnover	510	483	5%
Europe	208	197	6%
Africa	168	187	(11%)
Latin America	157	123	28%
Other and interc.	(23)	(23)	1%
EBITDA	68	65	4%
<i>Margin</i>	<i>13%</i>	<i>14%</i>	<i>(0 p.p.)</i>
Europe	22	15	42%
<i>Margin</i>	<i>11%</i>	<i>8%</i>	<i>3 p.p.</i>
Africa	33	34	(4%)
<i>Margin</i>	<i>20%</i>	<i>18%</i>	<i>1 p.p.</i>
Latin America	12	11	15%
<i>Margin</i>	<i>8%</i>	<i>9%</i>	<i>(1 p.p.)</i>
Other and interc.	1	5	(80%)

- Europe's activity in 1Q16 impacted by lower profitability in the E&C activity which contracted YoY, leading to lower dilution of fixed costs
- Turnover in Africa mainly reflects slower activity in Angola and Malawi on the back of a challenging environment, but EBITDA margin in line with guidance
- Latin America turnover up 28% YoY, reflecting backlog execution, while EBITDA margin was impacted by the early stage of some new and relevant projects

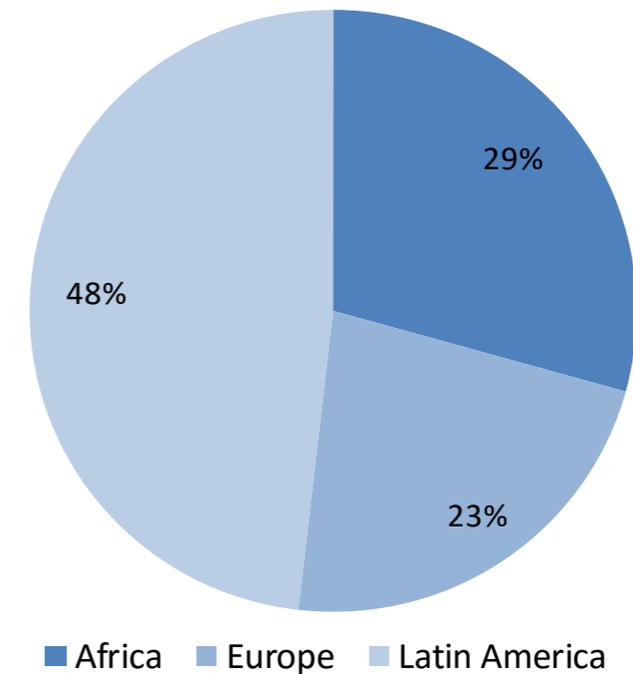
Total backlog of €4 Bn



Total backlog evolution (€ Mn)



Backlog by region



- Total backlog at 31 March 2016 stood at €4 Bn, of which 77% outside Europe
- Backlog to sales² ratio healthy at 1.9x
- Recent award of a seven year waste collection and treatment contract worth c.€400 Mn with Luanda's Provincial Government, in Angola, not included in backlog
- Pipeline visibility for new projects, mainly in Africa and in Latin America supports medium and long term growth outlook

¹E&C turnover of the last twelve months; ²This ratio is calculated as follows: E&C backlog/E&C turnover of the last twelve months.

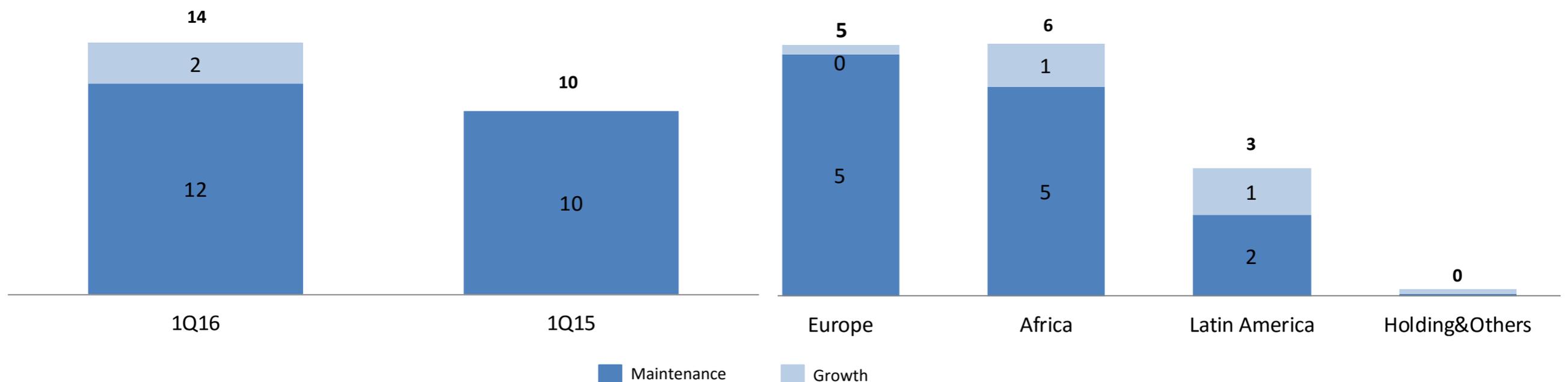
Net capex of €14 Mn



- Total net capex of €14 Mn, of which €5 Mn channeled to the activity in Europe, namely EGF
- Africa accounted to c.40% of total capex, mostly allocated to maintenance activities
- Notwithstanding accelerated activity in Latin America, capex in the region amounted to €3 Mn in line with 1Q15
- Committed to optimising existent fixed asset resources with expected capex for 2016 of €125 Mn to €150 Mn, of which €80 Mn related to EGF and partially subsidised

Net capex (€ Mn)

Capex in 1Q16 by region (€ Mn)



Strong FCF improvement in 1Q16



Cash-flow (€ Mn)

	1Q16	1Q15
Net debt start position	1,455	1,159
EBITDA	68	65
Change in working capital	22	(154)
Operating cash-flow	90	(88)
Maintenance capex	(11)	(13)
Net Financials	49	(18)
Corporate tax	(3)	(11)
Free cash-flow bf growth capex	125	(131)
Growth capex	(2)	4
Dividends	(1)	0
Changes in m/l term & perimeter	73	11
Financial assets	16	0
Change in debt position	(211)	116
Net debt end position	1,244	1,274
Net debt/EBITDA ¹	3.4x	3.2x

- Excellent working capital evolution, fuelled by Latin America
- In Africa working capital remained stable QoQ , with receivables showing a decrease of €74 Mn
- Net capital gain of €63 Mn accounted in net financials
- Changes in m/l term & perimeter mainly reflect the sale of the Logistics and Ports business
- Financial assets include €16 Mn of Angolan's Government bonds
- Net debt/EBITDA¹ of 3.4x reflecting a positive trend

¹Mota-Engil's last twelve months EBITDA. Net debt 2016 deducted from the financial assets held by Africa, received in 2015 and 2016.

Working capital improvement in 1Q16



Balance sheet (€ Mn)

	Mar.16	Dec.15	Mar.16-Dec.15
Fixed assets	1,446	1,490	(44)
Financial investments	193	181	12
Long term receivables	86	87	(1)
Non-current Assets held for sale (net)	354	580	(226)
Working capital	453	475	(22)
	2,532	2,814	(281)
Equity	621	693	(72)
Provisions	125	123	2
Long term payables	542	543	(0)
Net debt ¹	1,244	1,455	(211)
	2,532	2,814	(281)
Invested Capital	1,865	2,148	(283)

- Indaqua and Ascendi accounted as “Non-Current Assets held for sale”, while the Ports and Logistics business is no longer consolidated since February 2016
- Working capital decrease of €22 Mn in 1Q16
- Long-term payables mainly related to EGF, namely investment subsidies and regulatory liabilities, amounting to €388 Mn

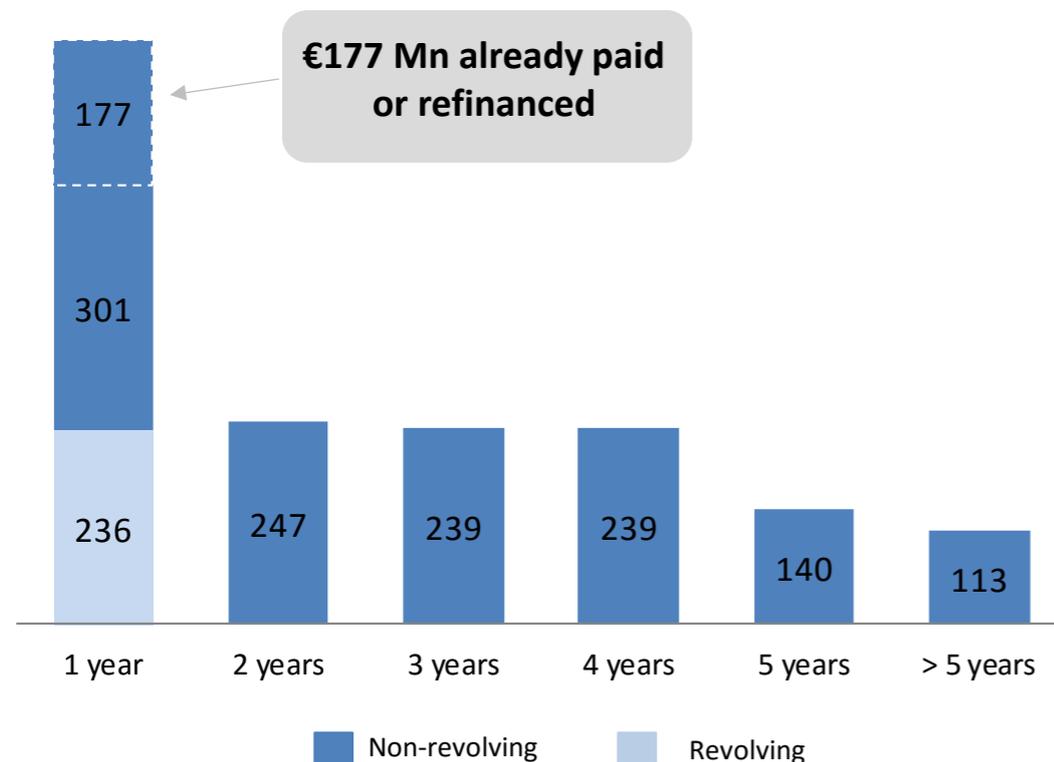
¹Net debt 2016 deducted from the financial assets held by Africa.

Net debt down €219 Mn QoQ

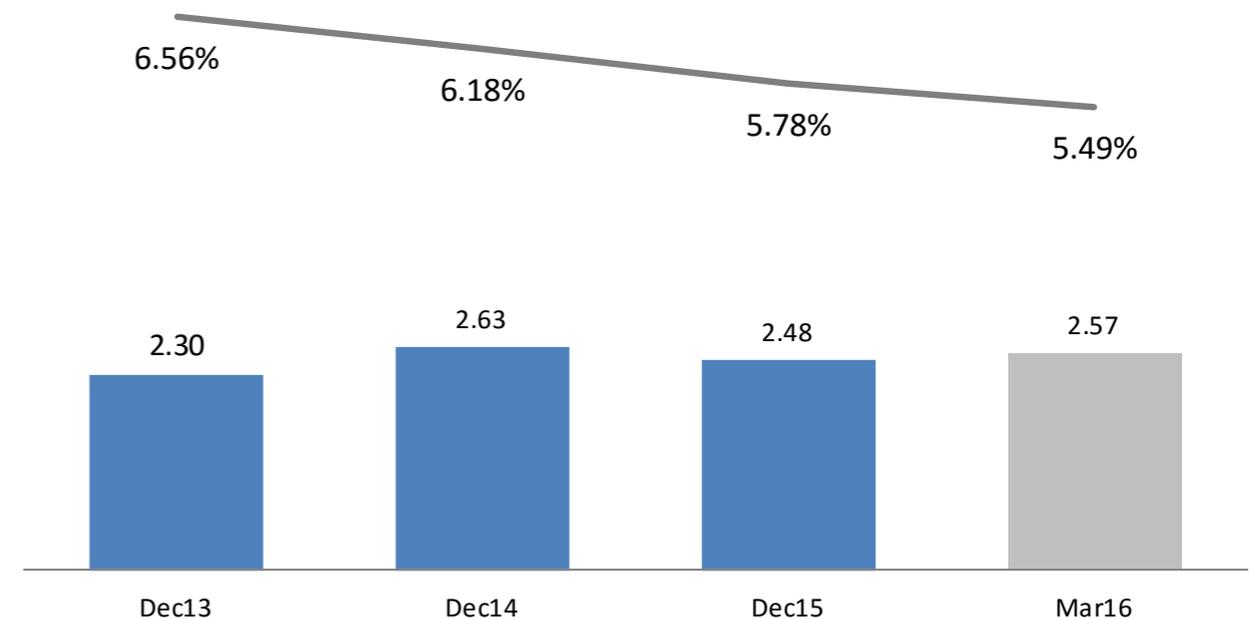


- Net debt, including leasing and factoring, amounted to €1,451 Mn, down €219 Mn QoQ
- Non-recourse net debt of €130 Mn totally related to EGF
- Leasing of €142 Mn and factoring of €65 Mn
- Gross debt at March 2016 already paid or refinanced amounts to €177 Mn
- Average cost of debt of 5.49% and average debt life extended to 2.57 years, from 2.48 years in December 2015

Gross debt maturity, March 2016 (€ Mn)



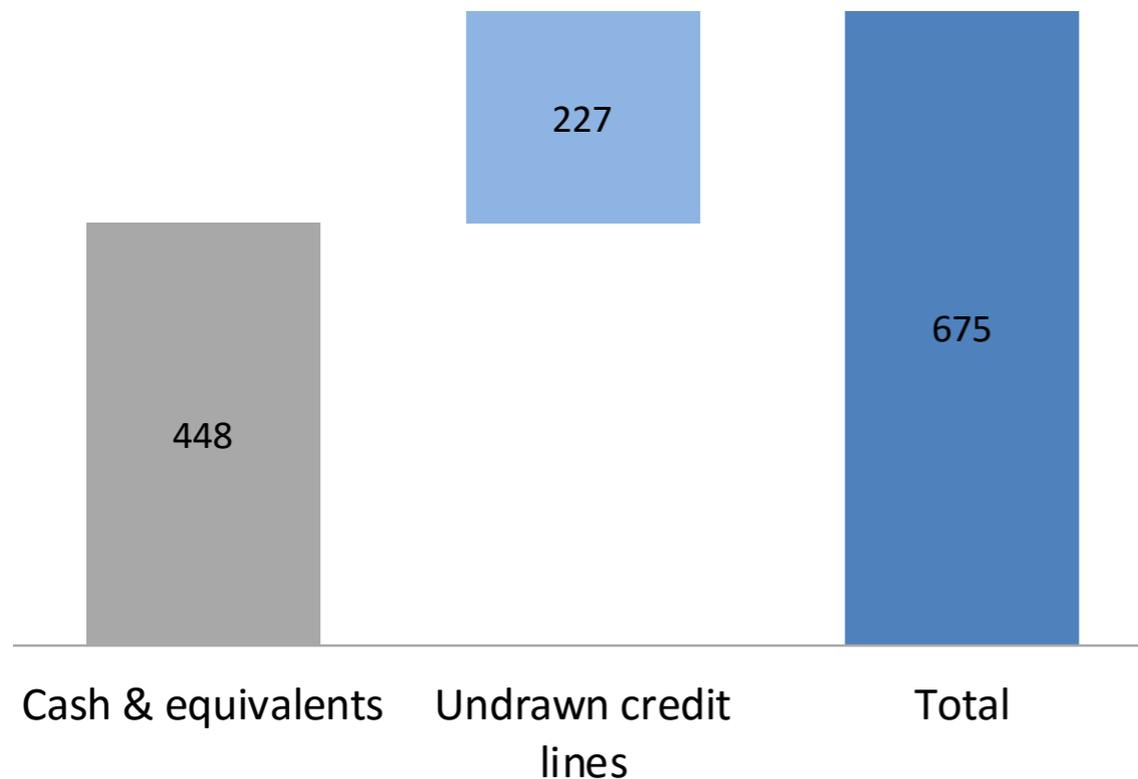
Average cost of debt and average debt life (years)



Strong liquidity position



Liquidity position, March 2016 (€ Mn)



- Total liquidity position of €675 Mn, which almost totals non-revolving debt maturities until 2017
- Continued improvement of receivables collection
- Further asset sales, namely Indaqua and Ascendi will further de-leverage Mota-Engil's balance sheet



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MOTAENGIL
SGPS, S.A.

Europe

TURNOVER
€208 MILLION

EBITDA
€22 MILLION

BACKLOG
€900 MILLION

EBITDA MG
11%

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EBITDA up 42% YoY



Key financials (€ Mn)

	1Q16	1Q15	YoY
Turnover	208	197	6%
E&C	113	123	(8%)
E&S	96	74	29%
Waste	62	18	245%
Logistics	28	52	(46%)
Energy & Maintenance	5	5	13%
Other, elim. and interc.	(1)	(1)	(78%)
EBITDA	22	15	42%
Margin	11%	8%	3 p.p.
E&C	(3)	5	(167%)
Margin	(3%)	4%	(7 p.p.)
E&S	25	10	142%
Margin	27%	14%	12 p.p.
Waste	22	4	448%
Margin	36%	23%	13 p.p.
Logistics	2	6	(60%)
Margin	9%	12%	(3 p.p.)
Energy & Maintenance	0	1	(28%)
Margin	8%	12%	(5 p.p.)
Other, elim. and interc.	0	0	n.m.

- E&C turnover impacted by activity slowdown in Portugal and weaker execution pace in Central Europe
- E&C EBITDA margin reflected profitability constrains in one contract in Czech Republic and another one in Portugal
- E&S turnover benefited from €44 Mn from EGF, while the Logistics and Ports business was only consolidated until February 2016
- Increase in E&S EBITDA margin to 27% driven by EGF operations

Profitability expected to continue sustained



Organic waste processing plant, EGF

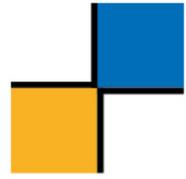


Nysa bypass, Poland



- E&S turnover and profitability expected to be resilient benefiting from EGF's contribution
- EGF's regulatory framework currently being discussed

- Activity in E&C in Portugal still depressed with backlog representing 36% of the Region backlog
- Recent project awards expected to contribute throughout the year to maintain top-line activity in line with 2015 in E&C Central Europe



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EBITDA
€33 MILLION

TURNOVER
€168 MILLION

BACKLOG
€1,171 MILLION

Africa

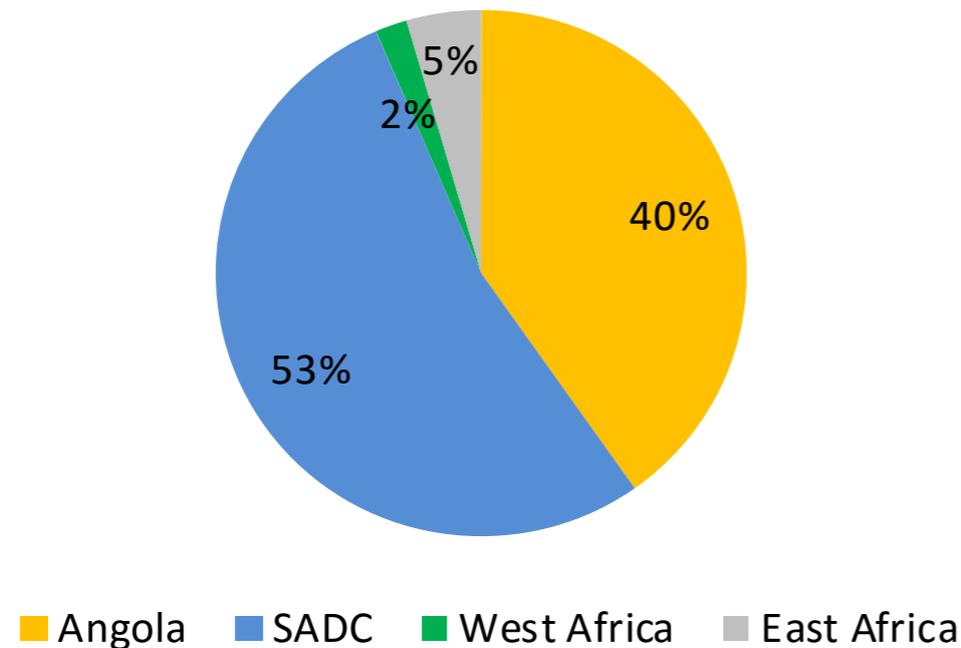
EBITDA MG
20%

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EBITDA margin of 20%



Backlog by sub-region



- Turnover of €168 Mn, down 11% YoY, mainly due to Angola and Malawi, more than offsetting Mozambique's positive evolution
- Despite slower activity, EBITDA margin reached 20%
- Backlog of €1.2 Bn, broadly in line QoQ
- Working capital in Angola down €41 Mn and receivables down €67 Mn QoQ
- Angola's balance sheet mostly exposed to US dollar fluctuations, rather than to Kwanza currency

Working capital is the key focus

Soyo bridge, Angola



- Activity will continue to be impacted by the negative macro context, mainly in Angola
- Several projects to begin during this year, such as the water distribution works in Angola
- Projects in the pipeline in Angola with financing obtained by the client, thus mitigating credit and forex risks
- Working capital management will continue to be management's key focus
- Considering macroeconomic evolution, top-line is expected to decrease, mainly due to Angola, while EBITDA is expected to meet the medium long term guidance



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EBITDA MG
8%

BACKLOG
€1,923 MILLION

*Latin
America*

TURNOVER
€157 MILLION

EBITDA
€12 MILLION

Turnover up 28% YoY



- Turnover reached €157 Mn, driven by all major countries and notwithstanding project execution in Mexico being impacted by Guadalajara's light train project works design changes and authorizations
- Electricity business contributed to €9 Mn in turnover in 1Q16, notwithstanding hydro plants not operating at full efficiency potential
- EBITDA up 15% YoY to €12 Mn
- EBITDA margin of 8%, impacted by the early stage of some new and relevant projects
- Mexico accounted for 59% of the region backlog, which amounted to €1.9 Bn in 31 March 2016
- Entry into new countries in 1Q16, namely in Paraguay and in Dominican Republic with a Bus Corridor project and a Housing construction project, respectively
- Financial closing of the concession Tuxpan-Tampico in 1Q16
- Entrance in the power activity reflects important asset and business diversification

Profitability expected to continue sustained

Vale's Carajás railway works, Brazil



- Activity will accelerate throughout the year, mainly in Mexico
- Although with a continued cautious stance in Brazil, activity is expected to continue holding up well, based on private clients
- Hydro plants operating as expected, while CCGT Purchasing Power Agreement expected to be finalised by year end
- Analysing opportunities in the waste treatment activity in order to leverage on EGF's know-how



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- Top line and EBITDA showed a positive evolution, despite continued difficult context in some relevant countries
- Backlog resilience reflects the Company's effectiveness in supporting short and medium term growth
- A strong backlog and attractive pipeline of projects, mainly in Africa and Latin America are expected to ensure growth going forward
- Cash flow generation at the forefront of management's main priorities to ensure sustainable growth and shareholder value creation
- Planned asset sales ongoing as expected, with proceeds to be used to deleverage
- Committed to continue extending debt maturities and diversifying funding sources

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