



SPAFID CONNECT

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Informazione
Regolamentata

Nome utilizzatore : ANSALDON07 - Razeto Andrea

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Oggetto : Ansaldo STS_Board of Director approves interim consolidated report at 31 March 2018

Testo del comunicato

Vedi allegato.

Genoa, 9 May 2018

Direction and coordination of Hitachi Ltd

Press Office:

Tel. +39 010 6552068 - Fax +39 010 6552939

www.ansaldo-sts.com

THE BOARD OF DIRECTORS APPROVES INTERIM CONSOLIDATED REPORT AT 31 MARCH 2018

- **Order backlog at EUR 6,315.5 million (-2.1%);**
- **New Orders at EUR 225.4 million (-15.3%);**
- **Revenue of EUR 318.5 million (+6.5%);**
- **EBIT at EUR 26.2 million (+1.2%);**
- **Net Result of EUR 21.5 million (+7.6%);**
- **Net Financial Position, positive net cash, at EUR (332.3) million (+1.6%).**

The Board of Directors of Ansaldo STS (STS.MI) has examined and approved the Interim Consolidated Management Report of the Group at 31 March 2018.

The Chief Executive Officer and General Manager, Andy Barr, said: *"The Company performance in the first quarter of this year is in line with our expectations. We are focussing on the delivery of our major projects to ensure we continue this trend and to reach our target"*.

Order Backlog is EUR 6,315.5 million (EUR 6,454.0 million at 31 March 2017); **New Orders** at 31 March 2018 amount to EUR 225.4 million, decreased compared with EUR 266.1 million at 31 March 2017, also due to the shifting of some important opportunities.

Revenue is EUR 318.5 million, an increase of EUR 19.4 million compared with the 2017 first three months value of EUR 299.1 million. Specifically, the improved performance is due to the higher progress of the projects in Italy and in the Asia-Pacific area.

Operating Income (EBIT) is EUR 26.2 million, with an increase of EUR 0.3 million compared with 31 March 2017; **Return on Sales (ROS)** is 8.2% compared with 8.7% in the same period of the previous year. In particular the period is characterized by higher production volumes and higher Research and Development investments.

Starting from 1st January 2018 it is adopted the new IFRS15 accounting standard for the revenue recognition; specifically, for 2018 first quarter the total variation in terms of revenues and EBIT, if the new rule had not been applied, is estimated at around EUR 1.5 million which would confirm the ROS at around 8.7%, practically in line with the first quarter of the previous year.

Net Result is EUR 21.5 million (EUR 20.0 million at 31 March 2017).

PRESS RELEASE

Consolidated results for the March 2018

Ansaldo STS

Key consolidated figures (EUR million)	31.03.2018	31.03.2017	% Change	31.12.2017
New Orders	225.4	266.1	-15.3%	1,500.8
Backlog	6,315.5	6,454.0	-2.1%	6,457.5
Revenue	318.5	299.1	6.5%	1,361.0
EBIT	26.2	25.9	1.2%	100.8
R.O.S	8.2%	8.7%	-0.5 p.p.	7.4%
Tax Rate	25.5%	30.9%	-5.4 p.p.	34.5%
Net Result	21.5	20.0	7.6%	64.9
Net Working Capital	132.4	151.4	-12.6%	127.2
Net Financial Position (positive net cash)	(332.3)	(327.0)	1.6%	(357.5)
Free Operating Cash Flow	(22.3)	(11.0)	-103.1%	30.6
R&D	11.1	7.9	39.9%	41.3
Headcount (no.)	4,210	4,084	3.1%	4,228
EPS	0.11	0.10	10.0%	0.32

Net Working Capital moves from EUR 127.2 million at 31 December 2017 to EUR **132.4** million at 31 March 2018 (EUR 151.4 million at 31 March 2017). The change is related to the increase in total net inventories, partially offset by the reduction in trade receivables and the increase in trade payables.

Net Financial Position (positive net cash) is EUR **(332.3)** million, decreased compared with the value, still positive, of EUR (357.5) million at 31 December 2017 and increased compared with EUR (327.0) million at 31 March 2017.

Free Operating Cash Flow (FOCF) before strategic investments shows an absorbed cash flow of EUR **22.3** million compared with a still absorbed cash flow of EUR 11.0 million at 31 March 2017.

Main Orders:

Country	Project	Customer	Value (EUR million)
Saudi Arabia	Riyadh O&M (PNU)	Princess Noura Bint Abdulrahman University	34
France	OCTYS L6	RATP	18
USA	Los Angeles replacement of track circuit	LACMTA	15
Australia	Rio Tinto – Variation orders	Rio Tinto	13
Various EU / Asia	Components	Various	23
Various EU / Asia	Service & Maintenance	Various	16
USA	Components	Various	12

ATTACHMENTS:

**Consolidated Income Statement
Ansaldo STS**

<i>(EUR million)</i>	31.03.2018	31.03.2017	31.12.2017
Revenue	318.5	299.1	1,361.0
Purchasing and personnel expenses	(294.3)	(271.7)	(1,247.2)
Amortisation and depreciation	(3.8)	(4.5)	(19.0)
Other net operating income (expense)	3.4	0.3	5.8
Changes in work in progress, semi-finished and finished goods	2.4	2.7	0.3
EBIT Adjusted	26.2	25.9	100.8
Restructuring costs	-	-	-
Operating Income (EBIT)	26.2	25.9	100.8
Net financial income (expense)	2.7	3.1	(1.8)
Income taxes	(7.4)	(8.9)	(34.2)
Profits/(Losses) from non-current assets for sale	-	-	-
Net Result	21.5	20.0	64.9
<i>Profit per share (Basic and Diluted)</i>	<i>0.11</i>	<i>0.10</i>	<i>0.32</i>

Consolidated Balance Sheet
Ansaldo STS

<i>(EUR million)</i>	31.03.2018	31.03.2017	31.12.2017
Non-current assets	316.2	307.4	305.1
Non-current liabilities	(60.4)	(60.3)	(60.8)
	255.8	247.1	244.3
Inventories	119.7	128.8	111.0
Contract work in progress	443.4	383.3	379.6
Trade receivables	719.3	715.7	736.6
Trade payables	(426.6)	(452.4)	(413.6)
Progress payments and advances from customers	(720.9)	(592.9)	(683.0)
Provisions for risks and charges	(15.8)	(13.8)	(16.0)
Other net assets/(liabilities)	13.3	(17.3)	12.6
Net working capital	132.4	151.4	127.2
Net invested capital	388.2	398.5	371.5
Group equity	720.4	725.3	728.9
Third parties equity	0.1	0.2	0.1
Equity	720.5	725.5	729.0
Assets held for sale	-	-	-
Net Financial Position (positive net cash)	(332.3)	(327.0)	(357.5)

Consolidated Cash Flow Statement
Ansaldo STS

<i>(EUR million)</i>	<u>31.03.2018</u>	<u>31.03.2017</u>
Opening cash and cash equivalents	<u>327.3</u>	<u>305.6</u>
Gross cash flow from operating activities	32.6	38.9
Change in working capital	(22.7)	(7.4)
Changes in other operating assets and liabilities	(29.8)	(39.9)
Cash flow generated by (used in) operating activities	<u>(19.9)</u>	<u>(8.4)</u>
Cash flow used in ordinary investing activities	(2.4)	(2.6)
Free Operating Cash-flow	<u>(22.3)</u>	<u>(11.0)</u>
Strategic investments	-	-
Other changes in investing activities	0.1	0.2
Cash flow generated by (used in) investing activities	<u>(2.3)</u>	<u>(2.4)</u>
Cash flow from financing activities	0.3	(0.7)
Cash flow generated by (used in) financing activities	<u>0.3</u>	<u>(0.7)</u>
Exchange rate gain and losses, net	(2.9)	(0.1)
Closing cash and cash equivalents	<u>302.5</u>	<u>294.0</u>

Renato Gallo, the Manager in charge of preparing the Company's financial reporting, hereby declares, pursuant to Article 154-bis, paragraph 2 of the Consolidated Law on Finance, that the accounting information contained in this press release accurately represents the figures contained in the Company's accounting records.

Ansaldo STS confirms that the Management will hold a conference call for investors and analysts at **04.00 pm (CEST) 09 May 2018**.

The presentation in support of the conference call will be available in advance on the Company website at www.ansaldo-sts.com and in the Investor Relations section at the following address <http://www.ansaldo-sts.com/en/investor-relations/presentations>, and on the storage system, which is accessible from the website <http://www.emarketstorage.com>

To take part in the **conference call**:

Italy: +39 02 802 09 11; UK: +44 1 212 81 8004; USA: +1 718 705 8796

The replay of the conference call, by access code 922#, will be available for 48 hours starting from the end of the call.

The access numbers are:

Italy: +39 02 72495; UK: +44 1 212 818 005; USA: +1 718 705 8797

Note:

The Management of Ansaldo STS also assesses the business and financial performance of the Group based on a number of indicators not provided for by IFRS-EU. As required by CESR recommendation CESR/05 - 178b the components of each of the indicators are defined below:

EBIT: earnings before interest and tax is added, with no adjustments. It excludes income and expenses relating to the operations of unconsolidated subsidiaries and securities, and gains/losses on any sales of consolidated shareholdings, which are recorded under “financial income and expenses”, or in the case of income/expenses relating to shareholdings accounted for using the equity method, under the item “effect of the accounting for shareholdings using the equity method”.

Free Operating Cash Flow (FOCF): this is the sum of the cash flows generated by/used in operations, cash flow generated by/used to invest in or to dispose of tangible and intangible assets and shareholdings, net of cash flows from the purchase/sale of shareholdings that, due to their nature or size, are considered “strategic investments”. The re-classified cash flow shows how the FOCF is created for the years compared.

Economic Value Added (VAE): is the difference between EBIT net of income taxes and the cost of the average invested capital of the current reporting period and the corresponding period of the previous year measured on the basis of the weighted average cost of capital (WACC).

Net Working Capital: is Working Capital less provisions for current risks and charges, and other current assets and liabilities.

Net invested Capital: is the sum of non-current assets, non-current liabilities and Net Working Capital.

Net financial debt (cash) / Net debt (cash) or net financial position: the calculation scheme complies with the provisions in paragraph 127 of the recommendations CESR/05-054b implementing EC Regulation no. 809/2004.

New orders: the sum of the contracts agreed with customers during the reporting period which meet the contractual requirements to be recorded in the orders book.

Order backlog: is the difference between new orders and revenue for the period (including any change to contract work in progress). This difference is added to the backlog for the previous period.

Headcount: is the number of employees recorded in the register on the last day of the reporting period.

Return on Sales (R.O.S.): the ratio of EBIT to revenue.

Return on Equity (R.O.E.): ratio between the net result and average amount of equity in the two years compared.

Research and Development Expenses: total expense incurred for research and development activity, both expensed and sold. Research expense taken to profit or loss usually relates to “general technology”, i.e., aimed at gaining scientific knowledge and/or techniques applicable to various new products and/or services. Sold research expense represents that commissioned by customers and for which there is a specific sales order and which is to be treated exactly like an ordinary order (sales contract, profitability, invoicing, advances, etc.) for accounting and management purposes.

External Relations:

Ansaldo STS
Andrea Razeto, tel. +39 010 6552068
andrea.razeto@ansaldo-sts.com

Investor Relations:

Ansaldo STS
Roberto Corsanego, tel. +39 010 6552076
roberto.corsanego@ansaldo-sts.com

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