



SPAFID CONNECT

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Oggetto : Board of Directors approves additional
periodic financial reporting as at 31 march
2019

Testo del comunicato

Si trasmette il comunicato relativo all'oggetto.

PRESS RELEASE

BOARD OF DIRECTORS APPROVES ADDITIONAL PERIODIC FINANCIAL REPORTING AS AT 31 MARCH 2019

Highway traffic growth: +10%

Construction sector revenue doubled

Motorway concessions sector

- *Italy:*
 - +7.09%¹ motorway sector revenue (EUR 258.9 million)
 - +10.19%² traffic on the motorway network controlled by SIAS ("light vehicles" +9.67%, "heavy vehicles" +11.52%)

- *Brazil*³:
 - R\$ 680.5 million motorway sector revenues managed by Ecorodovias
 - +0.6%⁴ traffic on the motorway network
 - toll collection started on 1 April 2019 for the motorway licensee ECO 135, a 364-kilometre arterial road in the State of Minas Gerais

Construction sector

- *Itinera:*
 - Value of production doubled amounting to EUR 210 million
 - Backlog: EUR 4.8 billion – of which 64.9% abroad
 - Total *pipeline* of group activities including tenders pending award and tenders being presented equal to approximately EUR 3.4 billion

Tortona, 14 May 2019. The Board of Directors of ASTM met today, examined and approved the additional periodic financial reporting as at 31 March 2019.

¹ +3.14% on like-for-like basis, net of changes in revenue from the Piacenza-Cremona-Brescia stretch, the concession for which is held by the subsidiary Società di Progetto Autovia Padana S.p.A. ("Autovia Padana") and effective as of 1 March 2018.

² +3.0% on like-for-like basis (+2.21% heavy vehicles, +3.31% light vehicles), net of changes in traffic on the Piacenza-Cremona-Brescia stretch, the concession for which is held by Autovia Padana and effective as of 1 March 2018.

³ The group operates on the Brazilian market through its jointly held subsidiary Ecorodovias Infraestrutura e Logística SA.

⁴ +0.6% on a like-for-like basis, -1.9% taking into account the effects of toll rates on "suspended axles".

MOTORWAY CONCESSIONS SECTOR – PERFORMANCE INDICATORS

Revenue

In the first three months of 2019, revenue from the "motorway sector" amounts to EUR 258.9 million (EUR 241.8 million in the first three months of 2018), **up 7.09%** (+3.14% on like-for-like basis).

(amounts in thousands of EUR)	Q1 2019	Q1 2018	Change	% change
Net toll revenue	251,383	234,098	17,285	7.38%
Rental income and other accessory revenues	7,519	7,667	(148)	-1.93%
Total	258,902	241,765	17,137	7.09%

The increase in "net toll revenue" - equal to EUR 17.3 million (+7.38%) - was due (i) EUR 9.6 million (+4.09%) to the revenue of the licensee Società di Progetto Autovia Padana S.p.A. (whose concession became effective on March 1, 2018 and whose motorway revenue were, therefore, consolidated only for the month of March in the first quarter of 2018), (ii) EUR 6.8 million (+2.89%) to the growth of traffic volumes, and (iii) EUR 0.9 million (+0.40%) to the recognition of toll adjustments starting from 1 January 2019.

"Rental income and other accessory revenue" mainly derives from *service area royalties*.

The following table shows the net toll revenue for each licensee:

Licensee	Motorway stretch	Q1 2019	Q1 2018	Change	% change
<i>(amounts in thousands of EUR)</i>					
SATAP S.p.A.	A4 (Torino-Milano) stretch	66,640	64,569	2,071	3.21%
SATAP S.p.A.	A21 (Torino-Piacenza) stretch	41,153	40,458	695	1.72%
SAV S.p.A.	A5 (Quincinetto-Aosta) stretch	16,795	16,153	642	3.98%
ADF S.p.A.	A10 (Savona-Ventimiglia) stretch	33,916	33,353	563	1.69%
ADF S.p.A.	A6 (Torino-Savona) stretch	15,453	14,461	992	6.86%
SALT p.A.	A12 (Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia) stretch	38,840	38,052	788	2.07%
SALT p.A.	A15 (La Spezia-Parma) stretch	19,689	17,954	1,735	9.66%
Asti-Cuneo S.p.A.	A33 (Asti-Cuneo) stretch	4,562	4,339	223	5.14%
Subtotal on like-for-like basis		237,048	229,339	7,709	3.36%
Autovia Padana S.p.A. (*)	A21 (Piacenza-Cremona-Brescia) stretch	14,335	4,759	9,576	n/a
Total		251,383	234,098	17,285	7.38%

(*) The subsidiary Autovia Padana S.p.A. effectively took over the concession from 1 March 2018; consequently, the comparative data for the first quarter of 2018 include only the month of March.

Traffic performance

Overall traffic performance in the first three months of 2019, compared with the same period of 2018, saw growth of **10.19%** (+3.00% on like-for-like basis) as shown in the tables below:

(millions vehicle/km)	1/1-31/3/2019			1/1-31/3/2018			Change		
	Light	Heavy	Total	Light	Heavy	Total	Light	Heavy	Total
January	495	187	682	496	182	678	-0.31%	2.99%	0.57%
February	462	187	649	458	182	640	1.07%	2.37%	1.44%
March	570	211	781	524	208	732	8.68%	1.38%	6.61%
Subtotal on like-for-like basis	1,527	585	2,112	1,478	572	2,050	3.31%	2.21%	3.00%
Autovia Padana (*)	147	85	232	48	29	77	n/a	n/a	n/a
Total 1/1 – 31/3	1,674	670	2,344	1,526	601	2,127	9.67%	11.52%	10.19%

(*) The subsidiary Autovia Padana S.p.A. effectively took over the concession from 1 March 2018; consequently, the comparative data for the first quarter of 2018 include only the month of March.

As shown by the table above, the first quarter 2019 traffic figures benefitted from the inclusion for the entire quarter of the traffic data relative to the licensee Autovia Padana, whose concession became effective as of 1 March 2018. A comparison on a like-for-like basis (excluding data for Autovia Padana) shows, in any case, a significant increase in traffic of around 3% (+3.31% for "light vehicles" and +2.21% for "heavy vehicles").

Investments in motorway assets

Investments in motorway assets made in the period amounted to EUR 49.3 million.

Regulatory framework

Starting 1 January 2019, the licensees of the Group were authorised to apply the requested toll adjustments, which are detailed as follows:

- +1.86% for SALT p.A. - A15 stretch
- +0.71% for Autostrada dei Fiori S.p.A. – A10 stretch
- +2.22% for Autostrada dei Fiori S.p.A. – A6 stretch
- +0.10% for Autovia Padana

Starting from September 2018, following the publication of Decree Law 109 (Genova Decree Law), converted by Law 130 of 16 November 2018, the Transport Regulatory Authority (ART) identified new tariff models for the motorway sector based on the price cap method, with determination of the productivity indicator X every five years. Consequently, with Resolution 16/2019 of 18 February 2019, ART (i) initiated a procedure aimed at establishing the new toll system for each of the concessions concerned and (ii) called a public consultation, with the procedure to be completed by 28 June 2019.

Following the opening of the above-mentioned consultation procedure, in addition to making a series of critical comments on the subject, most of the Group's licensees lodged an administrative appeal against Resolution 16/2019, contesting, inter alia, the jurisdiction of ART with regard to various aspects of the impugned resolution.

Ecorodovias

With reference to Ecorodovias Infraestrutura e Logística S.A., one of the major motorway operators in Brazil, which is under the group's joint control and is listed on Novo Mercado Bovespa ("Ecorodovias"), the Company recorded the following results for **the first quarter of 2019**:

- **traffic volume growth of +0.6%¹**;
- **"motorway sector revenue" totalled R\$ 680.5² million (R\$ 695 million in the first quarter of 2018)**;

In addition, on 1 April 2019, the licensee **"Eco135"** (which is managing 364 km of motorways in the State of Minas Gerais for 30 years), a subsidiary of Ecorodovias, officially started toll collection at its six toll plazas, with payment possible manually, via transponder and by debit card.

¹ +0.6% on a like-for-like basis, -1.9% taking into account the effects of toll rates on "suspended axles".

² The change in revenue was due R\$ 30.8 million to the effects of tolls on "suspended axles", which will be subject to contractual rebalancing.

CONSTRUCTION SECTOR – PERFORMANCE INDICATORS

Itinera Group

The Itinera Group – through which the ASTM Group operates in the construction sector – is one of the world's leading players in large infrastructure construction projects and in civil and industrial building projects. In addition to the domestic market, the Group's main areas of operation are Central and Northern Europe (Denmark, Sweden, Romania, Austria), the USA, Brazil, the Gulf countries (UAE, Kuwait, Oman) and Southern Africa (Kenya, Botswana).

In the first three months of 2019:

- the **value of production** doubled and amount to approximately EUR **210.3**¹ million (EUR 107.3 million in the first three months of 2018). The change compared to the first quarter of 2018 is mainly attributable to a considerable **increase in volume of activity** in the main construction projects currently underway, especially on orders in the United States, Brazilian and Middle Eastern markets.
- the **backlog** amounted to approximately EUR **4.8**² billion, with **65%** relating to overseas projects;
- **net financial indebtedness** as at 31 March 2019 amounted to EUR **51.1** million (EUR 1.4 million as at 31 December 2018). The change reflects, among other things, the effects of the first-time adoption of IFRS 16, which requires the recognition of a financial liabilities for leased assets, including operating leases (rents and leases), totalling about EUR 9 million;
- The company's overall pipeline, covering pre-qualifications carried out and tenders under preparation or awaiting completion, totals approximately EUR **3.4** billion, of which about 13% in the United States and Northern Europe, 9% for projects in Eastern Europe, 29% for projects in Italy and 49% in the Middle East and Africa.

¹ Amount gross of intercompany eliminations

² Data resulting from the conversion exchange rates at 31 March 2019 for contracts in currencies other than the euro.

GROUP FINANCIAL DATA

The international accounting standard "IFRS 16 – Leases" was applied as from 1 January 2019; the standard establishes a single model for the recognition and measurement of lease contracts for the lessee, which provides for the leased asset, including operating assets, to be recognised as an asset but with a balancing entry under financial liabilities. In the first-time adoption, the Group has chosen to apply the "simplified retrospective method", recognising the cumulative effect of applying the standard in equity as at 1 January 2019¹, and therefore not modifying the comparative figures for the previous year.

The application of this standard has led to the recognition in adjusted net financial indebtedness as at 31 March 2019 (under the items "Other current financial payables" and "Other long-term payables") of additional financial payables of approximately EUR 23 million.

The breakdown of **adjusted net financial indebtedness** is provided below:

<i>(amounts in thousands of EUR)</i>	31/03/2019	31/12/2018	Change
A) Cash and cash equivalents	1,102,218	1,087,633	14,585
B) Securities held for trading	-	-	-
C) Liquidity (A) + (B)	1,102,218	1,087,633	14,585
D) Financial receivables	529,470	510,362	19,108
E) Bank short-term borrowings	(108,785)	(100,191)	(8,594)
F) Current portion of medium/long-term borrowings	(328,650)	(338,735)	10,085
G) Other current financial liabilities	(62,042)	(62,761)	719
H) Short-term borrowings (E) + (F) + (G)	(499,477)	(501,687)	2,210
I) Current net cash (C) + (D) + (H)	1,132,211	1,096,308	35,903
J) Bank long-term borrowings	(812,589)	(793,691)	(18,898)
K) Hedging derivatives	(32,219)	(35,730)	3,511
L) Bonds issued	(1,537,740)	(1,537,183)	(557)
M) Other non-current liabilities	(20,892)	(2,607)	(18,285)
N) Long-term borrowings (J) + (K) + (L) + (M)	(2,403,440)	(2,369,211)	(34,229)
O) Net financial indebtedness²⁾ (I) + (N)	(1,271,229)	(1,272,903)	1,674
P) Non-current financial receivables	139,434	136,952	2,482
Q) Discounted value of the payable due to ANAS – Central Insurance Fund	(134,890)	(132,830)	(2,060)
R) Adjusted net financial indebtedness (O) + (P) + (Q)	(1,266,685)	(1,268,781)	2,096

() Pursuant to ESMA Recommendation*

As at 31 March 2019, "**adjusted net financial indebtedness**" totalled EUR 1,267 million. Despite (i) the significant programme of motorway investments made during the period, (ii) the increase in net indebtedness in the construction sector linked to greater production volumes and associated investments, and (iii) the effects of accounting for lease/rental agreements in accordance with IFRS 16, the positive trend in operating cash flow in the quarter meant it was possible to maintain adjusted net financial indebtedness essentially in line with the figure at 31 December 2018.

The **financial resources available** as at 31 March 2019 are broken down as follows:

(amounts in millions of EUR)

• Cash and cash equivalents and Current financial receivables	1,632
• Investment funds ²⁾	18
• Loan from Cassa Depositi e Prestiti (in favour of SATAP S.p.A.)	290
• Syndicated loan (in favour of SIAS S.p.A.) for the purposes of Autovia Padana S.p.A. capex	127
• "Uncommitted" credit lines (in favour of ASTM S.p.A. and its consolidated subsidiaries)	640
• Back up committed facilities (pertaining to SIAS S.p.A.)	80
• Back up committed facilities (pertaining to ASTM S.p.A.)	30
• Committed cash credit lines (Itinera Group)	8
	Subtotal
	1,175
	Total financial resources as at 31 March 2019
	2,825

¹ In accordance with paragraphs C7-C13 of IFRS 16

² The amount relating to investment funds is included in the adjusted net financial position under the item "non-current financial receivables".

ALTERNATIVE PERFORMANCE INDICATORS

The ASTM Group uses alternative performance indicators in its financial reporting; said indicators, while being widely used, are neither defined nor specified in the accounting standards applicable to the preparation of the annual financial statements or the periodic financial reporting. In accordance with Consob Communication no. 92543/2015 and ESMA/2015/1415 guidelines, the definition of such indicators is provided below.

- **"Net toll revenue"**: toll revenue net of the fee/surcharge payable to ANAS.
- **"Value of production"**: the value of production in the construction industry includes revenue from works and planning and the change in contract work in progress
- **"Backlog"**: the portfolio of orders already obtained but not yet fulfilled in the construction sector.
- **"Adjusted net financial indebtedness"**: is the indicator of the net invested capital portion covered by net financial liabilities and corresponds to "Current and non-current financial liabilities", net of "Current financial assets", "Insurance policies", "Investment funds", "Receivables for the takeover value" and "Financial receivables from minimum guaranteed amounts (IFRIC 12)". Note that the "Adjusted net financial indebtedness" differs from the net financial position prepared in accordance with the ESMA recommendation of 20 March 2013, as it includes the "Present value of the amount due to ANAS – Central Insurance Fund (FCG)" and "Non-current financial receivables". The adjusted net financial indebtedness statement contains an indication of the value of the net financial position prepared in accordance with the aforementioned ESMA recommendation.

The manager in charge of drawing up the corporate accounting documents, Ms. Lucia Scaglione, declares - pursuant to Paragraph 2, Article 154 bis of Legislative Decree 24.02.1998 - that the accounting disclosure contained in this press release corresponds to the Company's documentary records, ledgers and accounting entries.

ASTM S.p.A.

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