



SPAFID CONNECT

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Oggetto : BOARD OF DIRECTORS APPROVES
ADDITIONAL PERIODIC FINANCIAL
INFORMATION AS AT 30 SEPTEMBER
2019

Testo del comunicato

BOARD OF DIRECTORS APPROVES ADDITIONAL PERIODIC
FINANCIAL INFORMATION AS AT 30 SEPTEMBER 2019

PRESS RELEASE

BOARD OF DIRECTORS APPROVES ADDITIONAL PERIODIC FINANCIAL INFORMATION AS AT 30 SEPTEMBER 2019

Growth in motorway revenues: +2.13%
Growth in construction sector revenues: +75%

Motorway concessions sector

- **Italy:**
 - +2.13%¹ motorway sector revenues (EUR 885.9 million)
 - +2.16%² traffic along the motorway network controlled by SIAS ("light vehicles" +1.41%, "heavy vehicles" +4.42%)
- **Brazil³:**
 - +13.1%⁴ toll revenues of the motorway sector managed by Ecorodovias (2,133.5 million reais)
 - +15.1%⁵ traffic along the motorway network ("light vehicles" +9.4%, "heavy vehicles" +21.5%)
 - Approximately 437 km increase to the network managed following the awarding of the tender for the BR364/365 concession, for a total network of 3,087 km.

Construction sector

- **Itinera:**
 - Value of production equal to **EUR 705.3⁶** million (+75%)
 - Backlog: **EUR 4.9** billion - of which 64% abroad and new orders in first nine months of 2019 totals approximately EUR 0.6 billion
 - The group's overall pipeline of activities including tenders under preparation or awaiting completion totals approximately **EUR 3.9** billion

Net financial indebtedness

As at 30 September 2019, the adjusted net financial indebtedness totalled EUR 1,097.3 million (an improvement of EUR 172.3 million⁷ compared to 30 June 2019).

Tortona, 14 November 2019. The Board of Directors of ASTM has examined and approved the additional periodic financial information as at 30 September 2019.

¹ +1.1% net of the changes in revenues in January-February on the Piacenza-Cremona-Brescia stretch, the concession for which took effect on 1 March 2018.

² +0.34% (+1.72% heavy vehicles, -0.12% light vehicles) net of the changes in traffic in January-February on the Piacenza-Cremona-Brescia stretch, the concession for which took effect on 1 March 2018.

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

⁴ +2.6% on a like-for-like basis, with the exception of the traffic of the licensees Eco135 and Eco050 (MGO), subject to tolls since 1 April and 1 June 2019 respectively.

⁵ -0.3% on a like-for-like basis, with the exception of (i) the traffic of the licensees Eco135 and Eco050 (MGO), subject to tolls since 1 April and 1 June 2019 respectively, and (ii) the effects of "suspended axes", including (for the first nine months of 2018) the effects of the truck drivers' strikes that affected the period between 21 May and 3 June 2018.

⁶ Amounts including intergroup eliminations – ASTM Group.

⁷ Amount includes the financial receivable – totalling EUR 244.1 million – accrued by the subsidiary SALT and related to the "terminal value" for the "A12 Sestri Levante-Viareggio-Lucca and Fornola-La Spezia" stretch, the concession expired on 31 July 2019.

MOTORWAY CONCESSIONS SECTOR – PERFORMANCE INDICATORS

Revenue

In the first nine months of 2019 the revenues of the “motorway sector” totalled EUR 885.9 million (EUR 867.4 million in the first nine months of 2018), with a **2.13% growth**.

<i>(amounts in thousands of EUR)</i>	1.1.19-30.09.19	1.1.18-30.09.18	Changes	Changes %
Net toll revenues	861,573	843,145	18,428	2.19%
Rental income and other accessory revenues	24,303	24,284	19	0.08%
Total	885,876	867,429	18,447	2.13%

The increase in “net toll revenue” - equal to EUR 18.4 million (+2.19%) - is attributable (i) for EUR 9.8 million (+1.16%) to the difference in revenues of the licensee Autovia Padana (the concession for which took effect on 1 March 2018 and whose motorway revenues, therefore, in the first nine months of 2018 were limited to the March-September period), (ii) for EUR 5 million (+0.60%) to the growth in traffic volumes and (iii) for EUR 3.6 million (+0.43%) to the recognition as from 1 January 2019 of toll adjustments.

The item “rental income and other accessory revenues” is mainly attributable to the royalties received from service areas.

The following table shows the net toll revenue for the individual licensees:

Licensee	Motorway stretch	1/1-30/9/2019	1/1-30/9/2018	Changes	Changes %
<i>(amounts in thousands of EUR)</i>					
SATAP S.p.A.	A4 (Torino-Milano) Stretch	204,829	201,289	3,540	1.76%
SATAP S.p.A.	A21 (Torino-Piacenza) Stretch	134,346	133,680	666	0.50%
SAV S.p.A.	A5 (Quincinetto-Aosta) Stretch	53,460	52,585	875	1.66%
Autostrada dei Fiori S.p.A.	A10 (Savona-Ventimiglia) Stretch	124,020	123,148	872	0.71%
Autostrada dei Fiori S.p.A.	A6 (Torino-Savona) Stretch	55,649	55,012	637	1.16%
SALT p.A.	A12 (Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia) Stretch	146,967	147,691	(724)	-0.49%
SALT p.A.	A15 (La Spezia-Parma) Stretch	81,519	79,105	2,414	3.05%
Asti-Cuneo S.p.A.	A33 (Asti-Cuneo) Stretch	14,691	14,327	364	2.54%
Autovia Padana S.p.A. (*)	A21 (Piacenza-Cremona-Brescia) Stretch	46,092	36,308	9,784	n/a
Total		861,573	843,145	18,428	2.19%

(*) The concession granted to the subsidiary Autovia Padana took effect as at 1 March 2018; as a result, the comparative data relating to 30 September 2018 includes the traffic as of 1 March 2018.

Traffic performance

The overall traffic performance in the first nine months of 2019 showed growth of **2.16%** compared to the same period in the previous year, benefiting from the calculation - for the entire period - of the traffic data relating to the licensee Autovia Padana. The like-for-like comparison (net of the changes in traffic in January-February on the Piacenza-Cremona-Brescia stretch, the concession for which took effect on 1 March 2018) nevertheless shows a growth in traffic equal to approximately 0.34% (+1.72% for “heavy vehicles” and -0.12% for “light vehicles”).

Investments in motorway assets

The investments in motorway assets made in the period total EUR 177.4 million. In the first 9 months, the works for the construction of the first lot of the “Corridoio plurimodale Tirreno – Brennero” (the “Tibre”) continued on the A15 Stretch. The Group's licensees are going ahead investing constantly in their own motorway network, with particular attention to improving quality and safety standards, in compliance not only with conventional obligations but, mostly, with the industrial approach to business that has always distinguished the Group.

Regulatory framework

As reported in previous communications, with Resolution no. 16 of 18 February 2019, the Transport Regulatory Authority (hereinafter also referred to as ART) decided to initiate the consultation procedure intended to define a new toll rate system.

The Group licensees initially appealed this Resolution, highlighting ART's inability to determine new rate systems for the motorway concessions already in place. Despite this, the companies, though contesting the aforesaid ability in general terms, with a view to fair collaboration, simultaneously took part in the public consultation launched by ART, offering their contribution and also highlighting the critical aspects that, in their opinion, determined the unlawfulness of the subsequent deeds. Following the public consultation proceedings, in the administrative court, the Group's Licensees extended the original appeal with additional reasons, intended to contest the various additional aspects of unlawfulness of the resolutions with which ART defined the rate system in detail, specifically referring to the individual concessions.

Lastly, the Group's Licensees reserve the right to make a claim, at any appropriate forum, for any damage caused by the issue of the aforesaid measures deemed unlawful.

Other information

[A21 Torino-Alessandria-Piacenza stretch and A5 Torino-Ivrea-Quincinetto stretches, A4/A5 Ivrea-Santhià link road, Torino-Pinerolo fork and Sistema Autostradale Tangenziale Torinese](#)

On 20 September 2019 the Ministry of Infrastructures and Transport published the European call for tenders for identification of the new licensee, with the requirement that applications be submitted by 18 November 2019. In particular, the purpose of the call for tenders is to award the concession for the management of the motorway stretches managed by SATAP S.p.A. “A21 Torino-Alessandria-Piacenza” (of which the concession expired on 30 June 2017) and by ATIVA S.p.A. “A5 Torino-Ivrea-Quincinetto”, the link road “A4/A5 Ivrea-Santhe”, the “Torino-Pinerolo” fork and the “Sistema Autostradale Tangenziale Torinese” (of which the concession expired on 31 August 2016), in addition to the works to make existing infrastructure safe, as well as their planning, construction and management.

[A12 Sestri Levante-Livorno stretches, A11/A12 Viareggio-Lucca, A15 fork towards La Spezia and A10 Ventimiglia-Savona stretch](#)

With reference to the motorway stretches A12 Sestri Levante-Livorno, A11/A12 Viareggio-Lucca, A15 fork towards La Spezia (for which the concession expired on 31 July 2019), preliminary activities have begun for the public tender to reassign the expired concession. In particular, on 13 September 2019 the Transport Regulatory Authority published resolution no. 119/2019 with which it approved the elements for the definition of the concession scheme relating to the aforesaid expired motorway stretches and to the A10 Ventimiglia-Savona stretch (for which the concession will expire on 30 November 2021) and of the related toll rate system, and sent them to the Ministry of Infrastructures and Transport for the decisions pertaining to it.

Ecorodovias

With reference to Ecorodovias Infraestrutura e Logística S.A., one of the main operators of Brazilian motorways of which the group has jointly-held control and which is listed on the Novo Mercado Bovespa ("Ecorodovias"), the Company recorded the following figures in the **first nine months of 2019**:

- **traffic volume growth** of +15,1%¹;
- **13.1%² growth in toll revenues**, totalling 2,133.5 million reais.

Tender to manage stretches of the "BR 364-365" motorways

As reported in previous communications, in September 2019 Ecorodovias Infraestrutura e Logística S.A. won the tender for the management of stretches of the "BR-364/GO" and "BR-365/MG" motorways in Brazil, for a length of **437 km** from the city of Jataí to the city of Uberlândia, connecting the states of Goiás and Minas Gerais. In particular, the "BR 364/GO" motorway stretch runs for 193 km from the city of Jataí (in the state of Goiás) to the interconnection with the "BR 365/MG" motorway, the concession for which is 244 km long and goes to the city of Uberlândia (in the state of Minas Gerais). The two arteries represent one of the most important routes for the transport of grain from the large agricultural areas of the centre-west part of the country to the Port of Santos and for the supply of food and industrial products for the States of Goiás and Minas Gerais.

The final award and the signing of the 30-year concession contract will take place upon expiry of the deadlines for possible appeals, as provided for in the tender procedure.

The new award strengthens the role of Ecorodovias in the motorway sector and will bring the network managed in Brazil to a total of 3,087 km, allowing the Group to implement its strategic plan, which focuses on core motorway infrastructure management activities and on extending the duration of its own concessions in the portfolio.

Leniency agreement

With respect to the police investigation no. 5002963-29.2015.404.7013, incorporated into criminal case no. 5003165-06.2019.4.04.7000 at the 23rd Federal Lower Court of Curitiba - regarding offences committed before the entry of the ASTM Group into the share capital of the Brazilian investee company by some former managers and executives of Ecorodovias and of its subsidiaries Ecovia Caminho do Mar and Rodovia das Cataratas – Ecocataratas - it is noted that Ecorodovias has informed the market and its shareholders of the successful signing of a leniency agreement ("acordo de leniência") with the Public Federal Ministry of the State of Paraná negotiated with the support of a leading Brazilian law firm, which envisages the closure of the investigations involving Ecorodovias and its subsidiaries following the payment by the companies of an overall indemnity equal to BRL 400 million³, of which BRL 30 million⁴ is to be paid as a penalty and the remaining amount of BRL 370 million⁵ in the form of works and a toll reduction.

¹ -0.3% on a like-for-like basis, with the exception of (i) the traffic of the licensees Eco135 and Eco050 (MGO), subject to tolls since 1 April and 1 June 2019 respectively, and (ii) the effects of "suspended axles", including (for the first nine months of 2018) the effects of the truck drivers' strikes that affected the period between 21 May and 3 June 2018.

² +2.6% on a like-for-like basis, with the exception of the traffic of the licensees Eco135 and Eco050 (MGO), subject to tolls since 1 April and 1 June 2019 respectively.

³ EUR 88.3 million at the exchange rate as at 30 September: 4.5288 Eur/Reais.

⁴ EUR 6.6 million at the exchange rate as at 30 September: 4.5288 Eur/Reais.

⁵ EUR 81.7 million at the exchange rate as at 30 September: 4.5288 Eur/Reais.

CONSTRUCTION SECTOR – PERFORMANCE INDICATORS

Itinera Group

The Itinera Group is a world player in the construction of major infrastructure works - roads, motorways, railways, underground railways, bridges, viaducts, dams and civil and industrial construction works.

The Group's main operating areas, besides Italy, cover central and northern Europe (Denmark, Sweden, Romania and Austria), the US, Brazil, Gulf nations (UAE, Kuwait and Oman), and Southern Africa (Kenya and Botswana).

Highlights of the first nine months of 2019 include:

- **growth** in the value of production for **EUR 303.3 million**, totalling an amount equal to **EUR 705.3 million**¹ (EUR 402 million in the first nine months of 2018). The change compared to the corresponding period in 2018 is mainly due to a general **growth in business volumes** of the main works in progress, with particular reference to the jobs carried out in the US, Brazilian and Middle Eastern markets;
- the **backlog** amounts to approximately EUR **4.9 billion**², of which about **64%** refer to overseas projects. New orders in the first nine months of 2019 equal approximately EUR 0.6 billion;
- The **net financial indebtedness** as at 30 September 2019 totalled EUR 94.3 million (EUR 78 million as at 30 June 2019); the change is mainly due to the resources absorbed by operating and investment activities;
- the company's overall **pipeline** of activities, covering pre-qualifications carried out and tenders under preparation or awaiting completion, totals approximately EUR **3.9 billion**, of which about 29% in the United States, 20% in Eastern Europe, 42% in Italy and 9% in the Middle East and Africa.

¹ Amount including intergroup eliminations – ASTM Group.

² Data resulting from the conversion exchange rates as at 30 September 2019 for contracts in currencies other than the euro.

GROUP FINANCIAL DATA

The “adjusted” net financial indebtedness breaks down as follows:

<i>(amounts in thousands of EUR)</i>	30/09/2019	30/06/2019	Changes
A) Cash and cash equivalents	1,162,159	1,029,703	132,456
B) Securities held for trading	-	-	-
C) Liquidity (A) + (B)	1,162,159	1,029,703	132,456
D) Financial receivables	593,194	553,249	39,945
E) Bank short-term borrowings	(160,603)	(140,071)	(20,532)
F) Current portion of medium/long-term borrowings	(328,022)	(324,537)	(3,485)
G) Other current financial liabilities	(92,815)	(77,337)	(15,478)
H) Short-term borrowings (E) + (F) + (G)	(581,440)	(541,945)	(39,495)
I) Current net cash (C) + (D) + (H)	1,173,913	1,041,007	132,906
J) Bank long-term borrowings	(933,504)	(718,353)	(215,151)
K) Hedging derivatives	(26,054)	(29,475)	3,421
L) Bonds issued	(1,538,878)	(1,538,306)	(572)
M) Other long-term payables	(32,312)	(29,004)	(3,308)
N) Long-term borrowings (J) + (K) + (L) + (M)	(2,530,748)	(2,315,138)	(215,610)
O) Net financial indebtedness^(*) (I) + (N)	(1,356,835)	(1,274,131)	(82,704)
P) Non-current financial receivables ¹	398,537	141,470	257,067
Q) Discounted value of the payable due to ANAS – FCG	(139,011)	(136,951)	(2,060)
R) “Adjusted” net financial indebtedness (O) + (P) + (Q)	(1,097,309)	(1,269,612)	172,303

() Pursuant to ESMA Recommendation*

In the third quarter of 2019 the “adjusted net financial indebtedness” improved approximately EUR 172.3 million. The change, compared to 30 June 2019, is mainly attributable (i) to the positive performance of the operating cash flow seen in the summer period, (ii) to the accrual, by SALT, of the financial receivable equal to EUR 244.1 million relating to the “terminal value” for the stretch “A12 Sestri Levante-Viareggio-Lucca and Fornola-La Spezia”, the concession expired on 31 July 2019, partially offset (a) by the purchase of SIAS shares as part of the “Public Tender Offer” through the subscription of a specific loan (EUR 199 million), (b) by the purchase of treasury shares (EUR 4.5 million) and (c) by the outflows related to the investment programme of motorway infrastructure, in addition to the growth in production volumes achieved and the related construction sector investments.

The financial resources available as at 30 September 2019 are broken down as follows:

(amounts in millions of EUR)

• Current cash and financial receivables	1,755
• Investment funds ²	19
• Loan from Cassa Depositi e Prestiti (in favour of SATAP S.p.A.)	290
• Pool loan (in favour of SIAS S.p.A.) intended for the capex of Autovia Padana	121
• “Uncommitted” credit lines (in favour of ASTM S.p.A. and its consolidated companies)	540
• Takeover Financing Agreement	35
• Credit line - exercise of right to withdrawal	100
• Committed back up facilities (pertaining to SIAS S.p.A.)	80
• Back up committed facilities (pertaining to ASTM S.p.A.)	30
	Subtotal
	1,196
	Total financial resources as at 30 September 2019
	2,970

¹ The item “non-current financial receivables” includes an amount equal to EUR 377.3 million attributable to the “terminal value” relating for EUR 133.2 million to the A21 Torino-Piacenza stretch (the concession for which expired on 30 June 2017) and for EUR 244.1 million to the A12 Sestri Levante-Viareggio-Lucca and Fornola-La Spezia stretch (the concession for which expired on 31 July 2019).

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

ALTERNATIVE PERFORMANCE MEASURES - APM

In periodic financial reporting, the ASTM Group uses alternative performance measures, which, albeit widely used, are not defined or specified by the accounting principles applicable for the preparation of financial statements or interim financial reporting. In accordance with CONSOB Communication no. 92543/2015 and ESMA/2015/1415 guidelines, the definition of these indicators is given below.

- **"Net toll revenue"**: represents the toll revenues net of the fee/additional fee payable to ANAS.
- In 2019, **"Motorway sector revenues"** include, for the entire period in question, revenues related to the Piacenza-Cremona-Brescia stretch, the concession for which took effect on 1 March 2018. Therefore, in the first nine months of 2018, the revenues were limited to the March-September period. Consequently, the changes in revenues from the "motorway sector" (equal to +2.13%), net of the changes in revenues in January-February on the Piacenza-Cremona-Brescia stretch – the concession for which took effect on 1 March 2018 – amount to +1.1%.
- **"Value of production"**: the value of production in the construction sector refers to revenue for works and planning and changes in works to order
- **"Backlog"**: the orders acquired by the construction sector, but not yet performed.
- **"Adjusted net financial indebtedness"**: is the indicator of the net invested capital portion covered by net financial liabilities and is determined by "Current and non-current financial liabilities", net of "Current financial assets", "Insurance policies", "Investment funds", "Receivables for the terminal 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 "Discounted value of the payable 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 documentation, Mr Alberto Pernigotti, hereby declares – pursuant to Paragraph 2, Article 154 bis of the Legislative Decree 24.02.1998 – that the accounting disclosure contained in this press release corresponds to the Company's documentary records, books and accounting entries.

ASTM S.p.A.

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