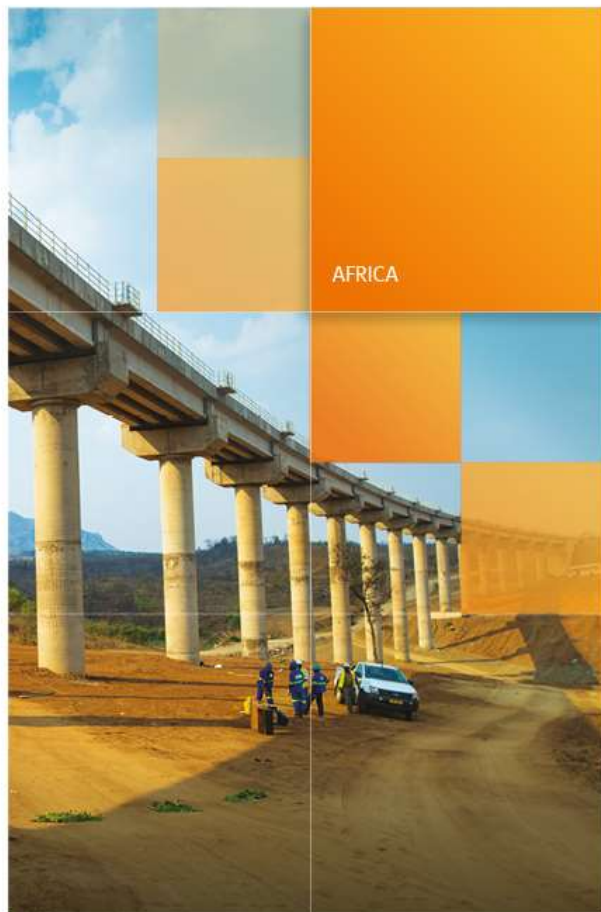


# Investor Presentation

October 2018



MOTAENGIL





MOTA-ENGIL

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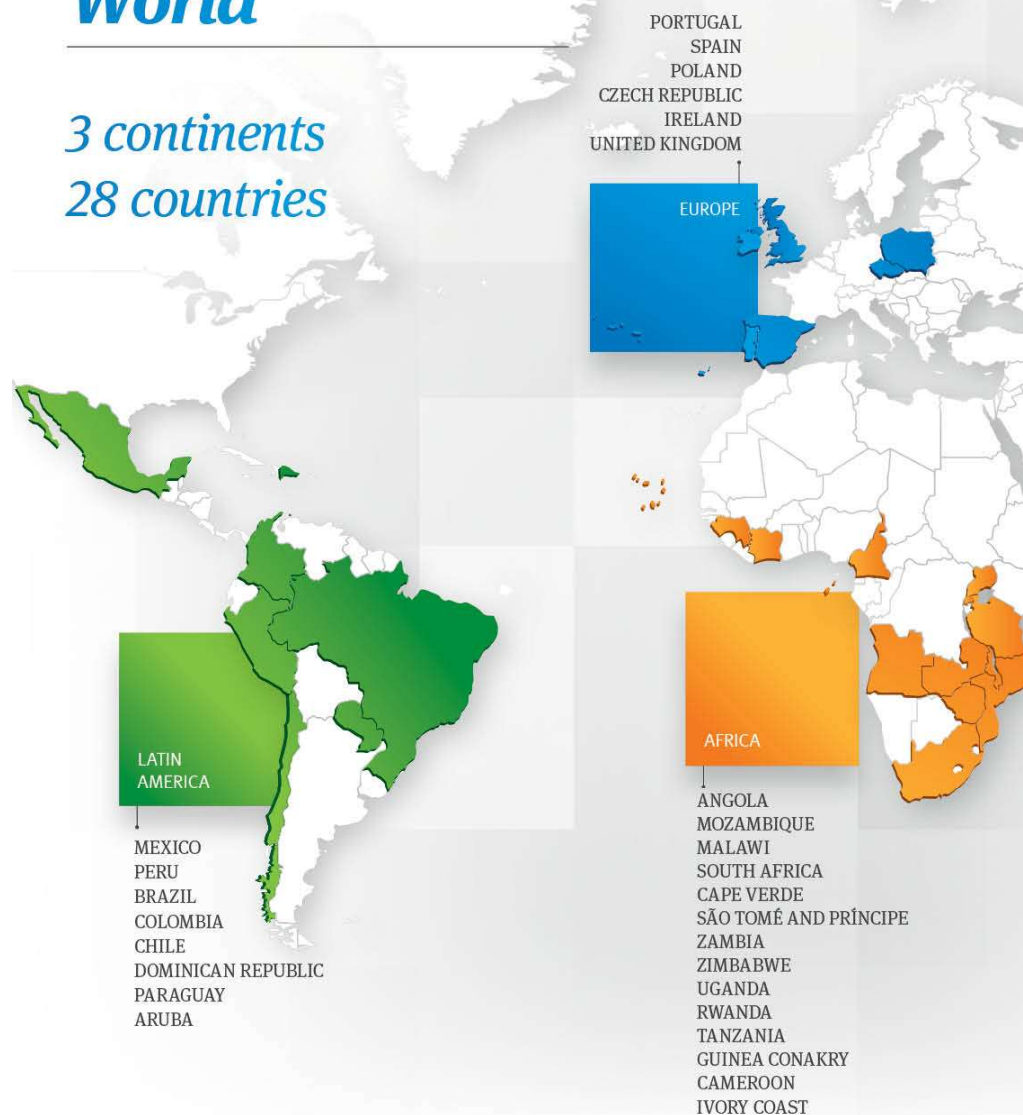
## Snapshot:

- **Mota & Cia was founded in 1946 by Mr. Manuel António da Mota**  
In Portugal but with operations only in Angola
  - **The company won its first contract in Portugal in 1975**
  - **In 1987 Mota & Cia become listed in Portuguese stock exchange**
  - **In 2000, the Mota Family acquired Engil, merged Mota & Cia and Engil and became leader in Portugal** not only in construction but also in waste management
  - **In the last ten years Mota-Engil has grown more than eight times outside Portugal with Africa and Latam as the main focus** on the internationalization strategy
  - **Leader in Portugal | European Top 30**
-

The Mota-Engil Group

# The Mota-Engil World

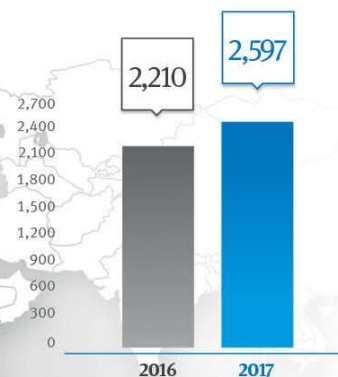
3 continents  
28 countries



## Main Indicators

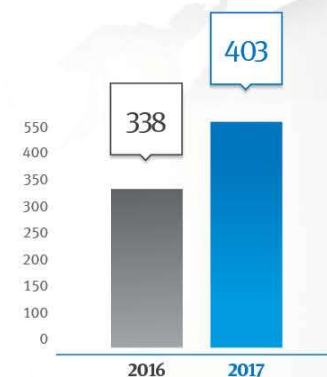
### Turnover

(MILLION EURO)



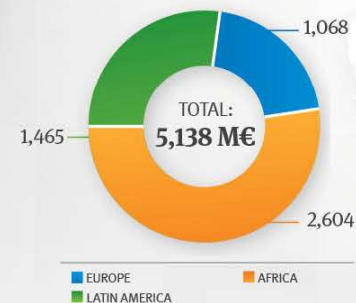
### EBITDA

(MILLION EURO)



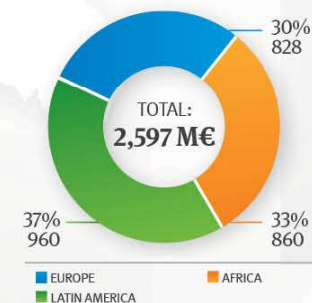
### 2017 Order Book

(MILLION EURO)



### Turnover 2017

(MILLION EURO)



# Activities

Mota-Engil is engaged in a wide range of activities associated with the design, construction, management and operation of infrastructures, and boasts a long and recognised experience, accompanied by a high level of technical know-how in the development of various areas such as:

## Engineering and Construction

- Infrastructures
- Civil construction
- Real estate
- Other business areas



## Transport Concessions

- Highways
- Motorways
- Bridges
- Railways
- Underground



## Waste Management

- Collection
- Processing
- Recovery
- Waste-to-Energy



## Energy

- Production
- Management



## Multiservices

- Maintenance
- Landscaping



## Mining

- Prospecting
- Extracting
- Exploration



## Logistics

- Rail freight





# Mota-Engil's share

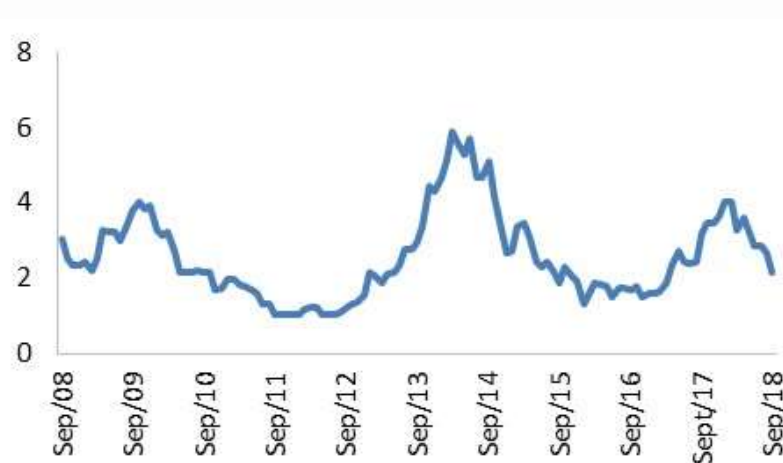


- Mota Family has long term commitment and fully supports strategy
- Mota Family has an equity stake of 64%
- Market capitalization: €504 Mn (21 September 2018)
- Payout policy: 50%-75%

Ten year relative return<sup>1</sup>



Ten year share price performance<sup>1</sup> (€)



<sup>1</sup>Source: Bloomberg.

# Distinctive capabilities



Skilled Human  
Capital



Leading  
positions



Long standing  
experience



Execution and  
logistics focus



Equipment  
asset base



Risk  
management

**Across regions and businesses**

# Regional segments overview



## 2017 EBITDA contribution

	Europe	Africa	Latin America
<b>Turnover</b> (€ Mn/YoY)	828/-2%	860/+22%	960/+32%
<b>EBITDA</b> (€ Mn/YoY)	141/+28%	164/-10%	109/+146%
<b>EBITDA margin</b>	17%	19%	11%
<b>EBITDA contribution</b>	34%	39%	27%
	Portugal	Angola <sup>1</sup>	Peru
	Poland	Mozambique	Mexico <sup>1</sup>
	Other	Malawi	Brazil <sup>1</sup>
		Other	Colombia
			Other

<sup>1</sup>Angola, Mexico and Brazil with equity partners with 49%.

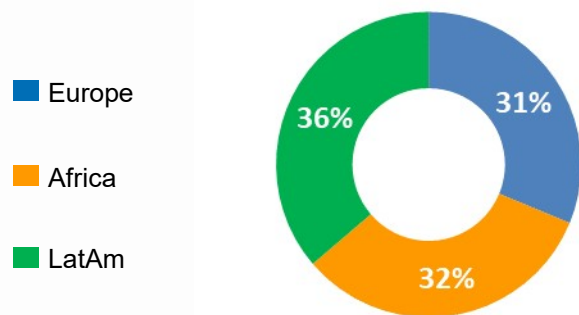


## Diversified geographic exposure

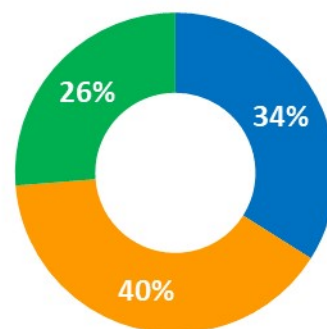


- Turnover reflects diversified exposure to Europe, Africa and Latin America and continuous growth, according to the internationalization strategy
- EBITDA reflects resilient margins in Africa and positive evolution in both Europe and Latin America
- Backlog in a all-time high and with good prospects in the pipeline

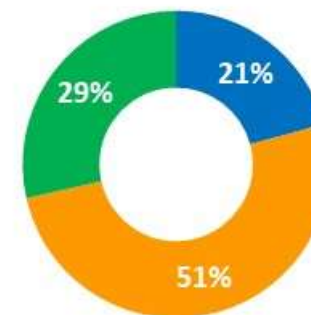
Turnover  
2017: €2,597 Mn



EBITDA  
2017: €405 Mn



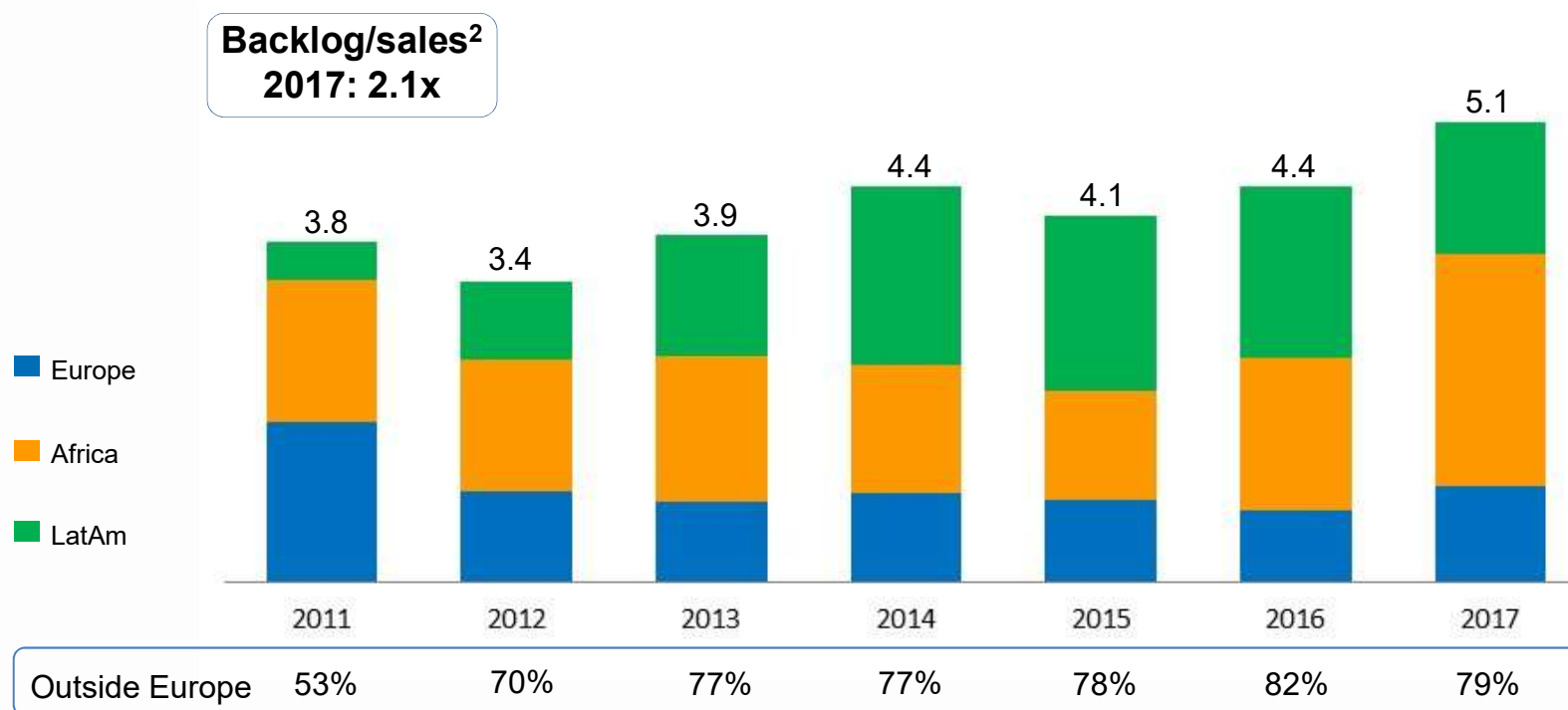
Backlog  
2017: €5,138 Mn



## Strong backlog position



### Backlog evolution (€ Bn)<sup>1</sup>



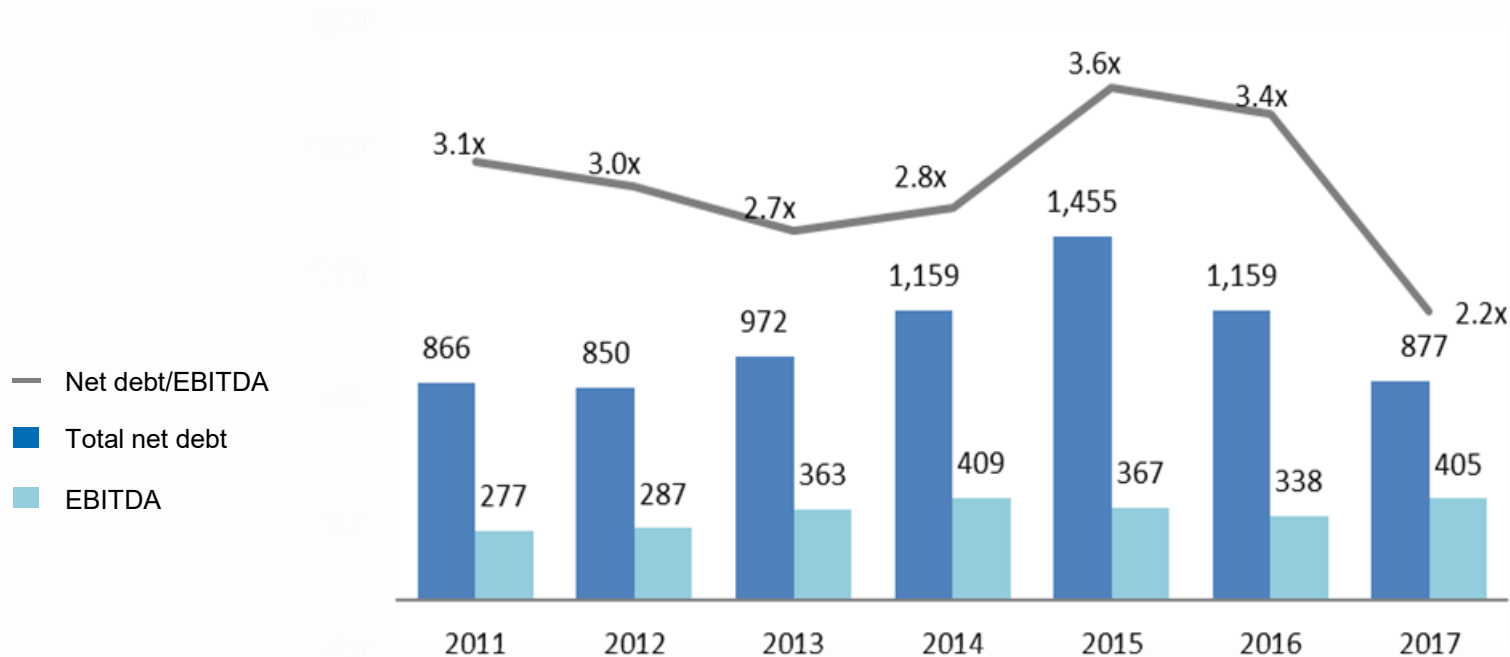
**Mota-Engil has been able to increase Turnover and to reinforce the Backlog, thus assuring a sustainable growth and a positive outlook for the coming years**

<sup>1</sup>Contracts already financed. Excludes future revenues from concessions (motorways and EGF). <sup>2</sup> E&C ratio.

## Committed to decrease net debt/EBITDA



### Net debt<sup>1</sup> and EBITDA evolution (€ Mn)



**Despite the increase of activity, net debt and gearing have recently been decreasing**

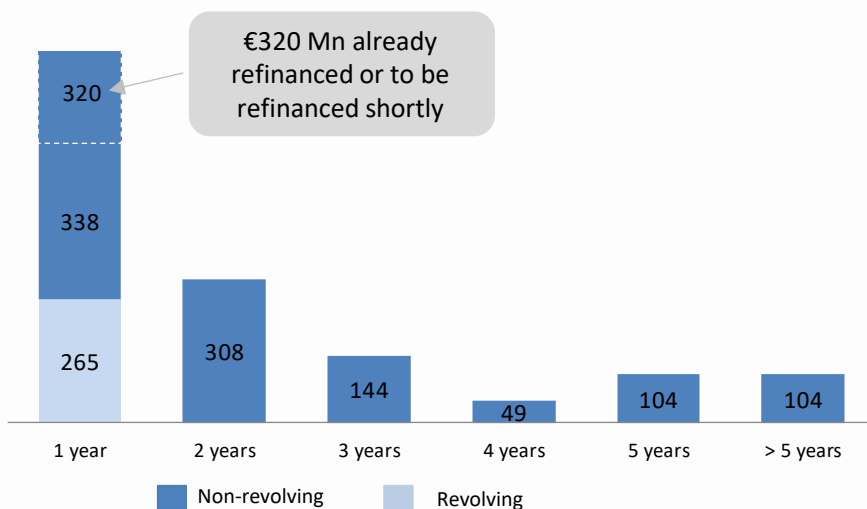
<sup>1</sup>Excludes leasing and factoring. Sovereign Angolan bonds considered as "cash and cash equivalents".

# Average cost of debt down to 5.1%

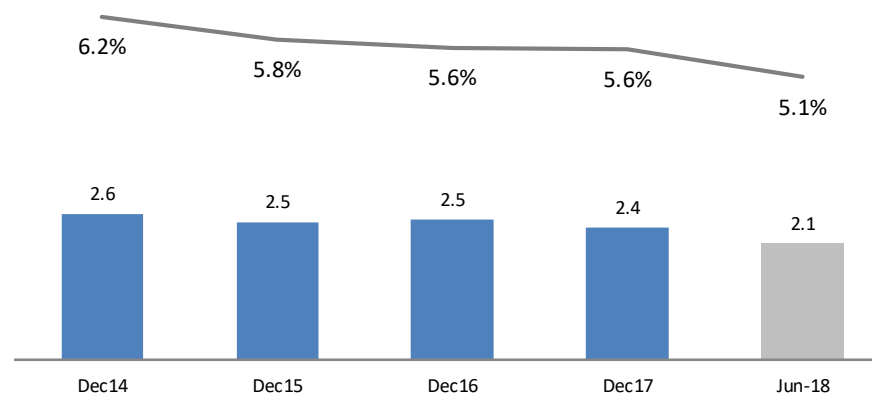


- Net debt<sup>1</sup> amounted to €1,002 Mn
- Leasing amounted to €202 mn, up €37 mn in the 1H18, of which €33 Mn related to long term contracts
- Average cost of debt of 5.1%, down from 5.6% in December 2017

Gross debt maturity<sup>2</sup>, June 2018 (€ Mn)



Average cost of debt and average debt life (years)

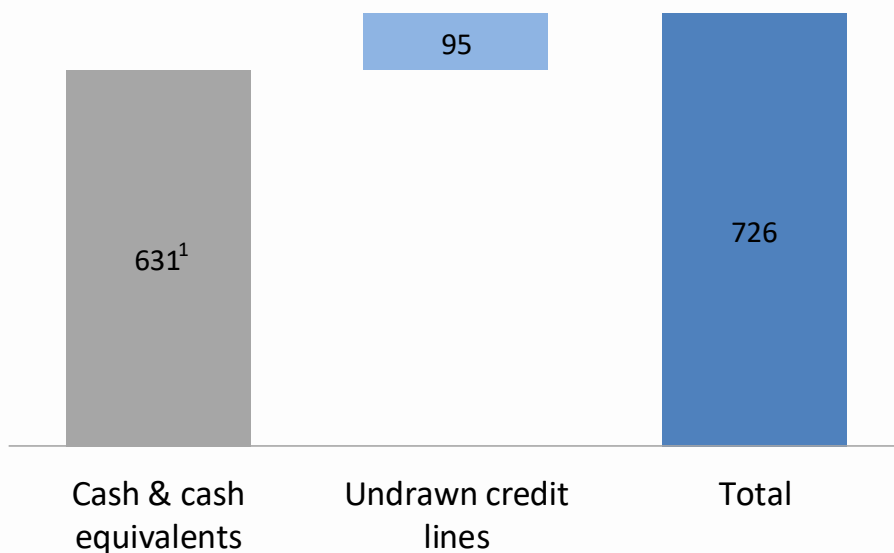


<sup>1</sup>Excluding leasing, factoring and the sale of receivables covered by the Cosac Portugal/Angola credit line amounting to €202 mn, €82 mn and €150 mn, respectively, and including €150 mn of Angolan sovereign bonds; <sup>2</sup>Excluding leasing and factoring.

# Total liquidity position of €726 Mn



## Liquidity position, June 2018 (€ Mn)



- Total liquidity position corresponding to c.44% of total gross debt, and to c.1.1x of the non-revolving financing needs with one year maturity
- Organic cash flow generation and disposal of non-core assets will contribute to maintain a strong balance sheet

<sup>1</sup> Sovereign Angolan bonds considered as "cash and cash equivalents" (150M€).



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# *Projects that drive the future*

EUROPE

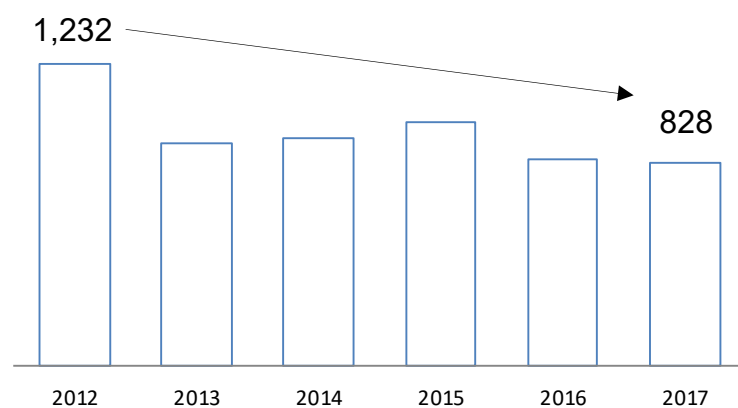
Portugal / Vasco da Gama Bridge

# At a glance



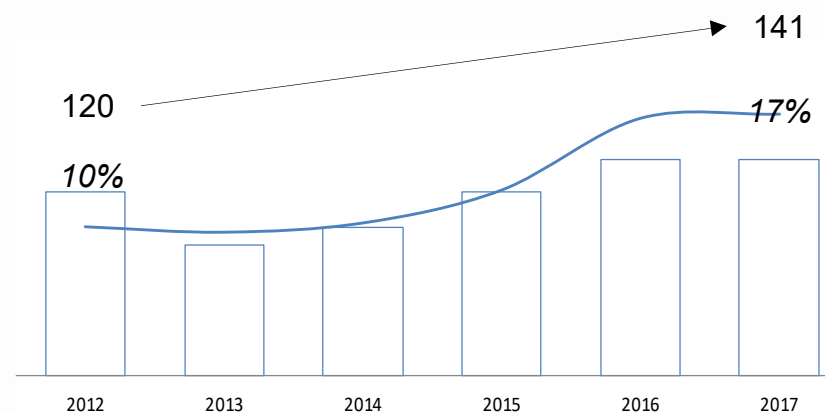
Turnover (€ Mn)

CAGR -8%



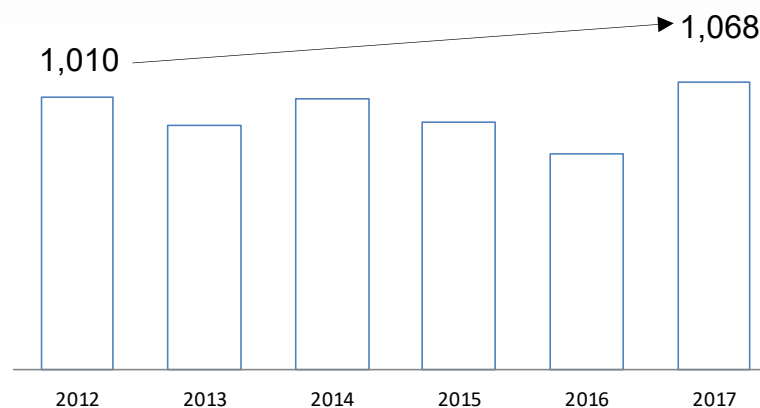
EBITDA (€ Mn) and margin (%)

CAGR 3%



Backlog<sup>1</sup> (€ Mn)

CAGR 1%



<sup>1</sup>Contracts already signed and financed. Excludes future revenues from concessions (highways and EGF).

# Leadership as an advantage for upcoming investment cycle



## Positioning

- Market leader in Portugal in the E&C
- Leadership in Portugal in waste collection, with a c.50% share in the privatised market and with 68% in waste treatment, following EGF acquisition
- Top 30 in Europe in E&C
- Top 10 in E&C in Poland, being present in Central Europe for 20 years
- Presence in Ireland for ten years

## Strategy

- Organic growth in current markets
- Leverage on competencies, know-how and Human Capital to strengthen business internationalization, namely the E&S activity

## Growth opportunities

- Portugal's Government Plan "Portugal 2020", partially financed by EU funds, such as railway works
- Poland's continues to be a beneficiary from EU funds for road and railway infrastructures
- International opportunities in E&S, namely in Latin America and Africa, leveraging on the Group's competitive advantages in Waste Management / Waste-to-Energy



# *The African Solution for Africa's Challenges*

AFRICA

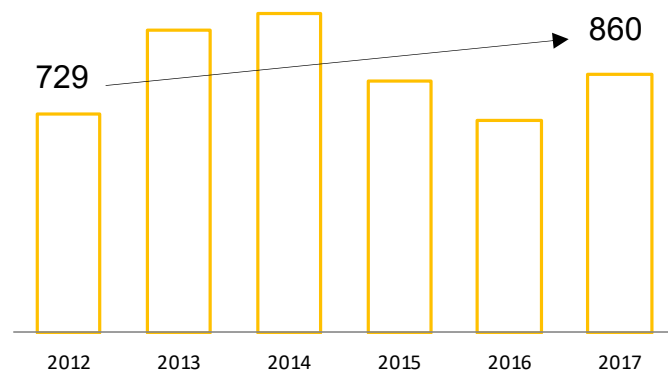
Malawi / Nacala Corridor

# At a glance



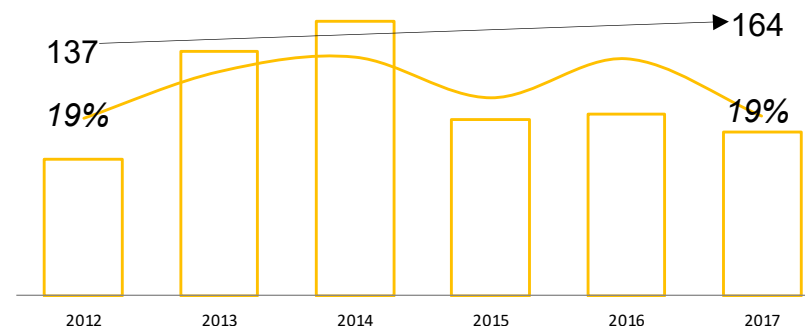
Turnover (€ Mn)

CAGR 3%



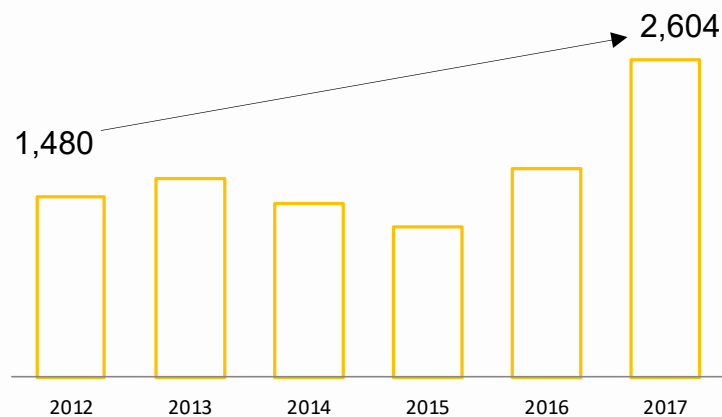
EBITDA (€ Mn) and margin (%)

CAGR 4%



Backlog<sup>1</sup> (€ Mn)

CAGR +12%



<sup>1</sup>Contracts already signed and financed.



## Present for 72 years in Africa



### Positioning

- Long lasting experience in Africa, where activity initiated in 1946 in Angola
- Currently present in 15 countries, being leader in Mozambique and Malawi
- Strong installed asset base, namely equipment and fully vertically integrated
- Leader in sub-Saharan market in the infrastructures sector

### Strategy

- Focus on large infrastructure projects
- Recent Expansion to new markets in sub-Saharan region and in E&S
- Expansion in the value chain, growing from a contractor to a solutions provider
- Develop and train key local human resources

### Growth opportunities

- Government/supranational programmes financed by multilaterals to decrease infrastructure gap
- Private investments namely in the Power, Oil&Gas, Mining, Logistics
- Multinational private clients (ex: Vale) as a base to act on a global scale





# *A growing New World*

LATIN  
AMERICA

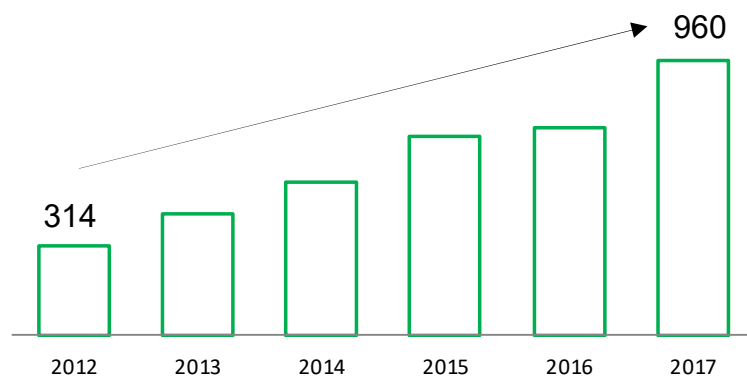
Mexico / Perote - Xalapa  
Highway

# At a glance



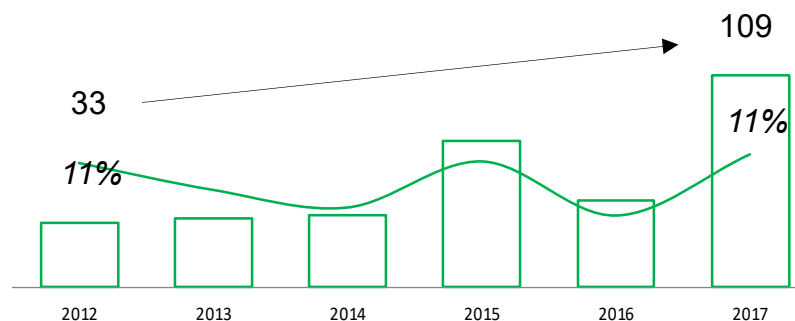
Turnover (€ Mn)

**CAGR +25%**



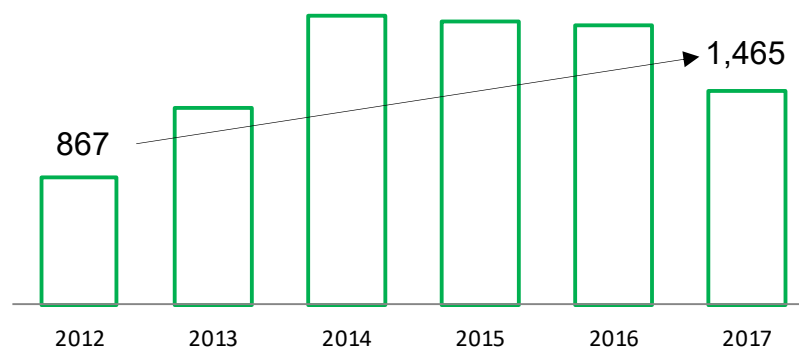
EBITDA (€ Mn) and margin (%)

**CAGR +27%**



Backlog<sup>1</sup> (€ Mn)

**CAGR +11%**



<sup>1</sup>Contracts already signed and financed. Excludes future revenues from concessions (highways).

## A regional player with more than 20 years in the region



<b>Positioning</b>	<ul style="list-style-type: none"><li>▪ Regional Player with presence in 9 countries</li><li>▪ Presence in the Region since 1998 Peru (actually in the Top 4 of the market)</li><li>▪ Mexico is the biggest market in E&amp;C with presence in E&amp;S, Energy and road concessions</li><li>▪ Entry in 2015 in the Energy business through Generadora Fénix (300 MW)</li><li>▪ Recent expansion to new markets</li></ul>
<b>Strategy</b>	<ul style="list-style-type: none"><li>▪ Focus on large infrastructure projects</li><li>▪ Partnerships with local companies (Ex: ME Mexico and ECB), including in the financial front</li><li>▪ Concession activity acts as a promoter of the construction activity, with an asset rotation policy focus</li><li>▪ Business diversification to waste management</li></ul>
<b>Growth opportunities</b>	<ul style="list-style-type: none"><li>▪ Public investment to be fuelled by new Infrastructure Plans in the near future</li><li>▪ Mota-Engil know-how of more than 20 years is a competitive advantage to leverage on PPP and APP opportunities</li><li>▪ Reinforcement of Public Investments in the Environment and Energy sector as an opportunity to diversify investments</li></ul>



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# Strategic pillars 2016-2020



## Cash-flow generation

Selectivity of projects –  
profitability and cash-  
flow

Rotation and  
monetisation of assets

Capex and working  
capital optimisation

Divestment of non-  
strategic assets

## Sustainable growth

Higher weight of  
resilient activities

Focus on current  
strategic markets

Projects with scale and  
higher profitability

Focus on utilities  
businesses  
(waste and energy)

## Controlled risk

Regional and markets  
balance

Diversification of the  
client and supplier  
base

Funding sources  
diversification

Focus on risk  
assessment and  
management



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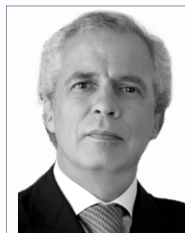
Financials

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# Executive Committee



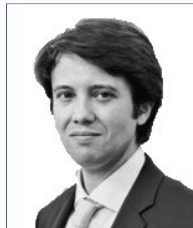
**Gonçalo Moura Martins**  
*CEO and Chairman Africa*

- Degree in Law
- With Mota-Engil since 1990, holding several management positions



**José Pedro Freitas**  
*CFO*

- Degree in Economics
- Since 2009 in senior positions in the Group



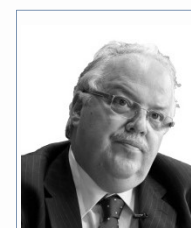
**Carlos Mota Santos**  
*Chairman Europe and Latin America*

- Degree in Civil Engineering
- With the Group since 2006 in senior positions



**Martinho de Oliveira**  
*CEO Europe (E&C)*

- Degree in Civil Engineering
- With the Group for 30 years



**Ismael Gaspar**  
*CEO ME Capital*

- Degree in Civil Engineering
- With the Group for 30 years



**Manuel Mota**  
*CEO Africa*

- Degree in Civil Engineering
- More than 8 years of experience in the Group, namely in Central Europe and in Africa's division



**João Parreira**  
*CEO Latin America*

- Degree in Law
- Working for Mota-Engil since 2008, being the CEO of LatAm region since 2012



**Eduardo Pimentel**  
*CEO E&S*

- Degree in Civil Engineering
- CEO of Mota-Engil E&S and working in the Group for 25 years



**Luís Silva**  
*Strategy and Planning and Control*

- Degree in Economics
- With the Group for 27 years

# Profit & Loss



## P&L (€ Mn)

	Europe	Africa	LatAm	1H18	1H17	YoY
Turnover	406	362	486	1,251	1,196	5%
EBITDA	47	82	42	176	186	(5%)
<i>EBITDA margin</i>	12%	23%	9%	14%	16%	(2 p.p.)
EBIT				90	97	(7%)
Net financials				(10)	(47)	79%
Net monetary position <sup>1</sup>				(9)	-	n.m.
Associates				2	1	63%
EBT				73	51	41%
Minority interests				35	35	1%
Net income				6	5	24%

<sup>1</sup>The caption "net monetary position" reflects partially the accounting of Angola as a hyperinflationary economy (IAS29).

# Balance sheet

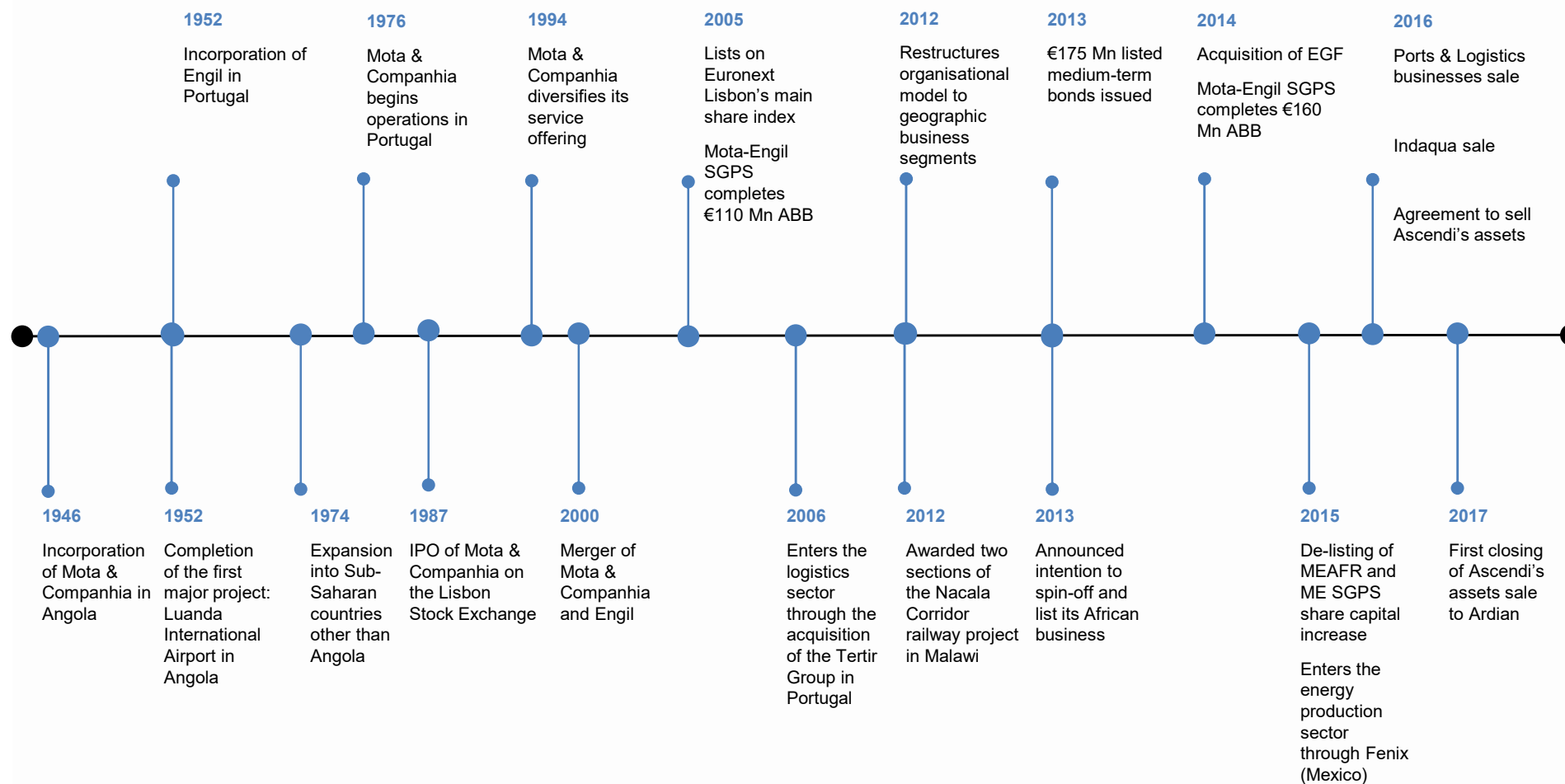


## Balance Sheet (€ Mn)

	Jun.18	Jun.18 <sup>(*)</sup>	Dec.17	Jun.18- Dec.17
Fixed assets	1,251	1,193	1,263	(12)
Financial investments	270	254	233	37
Long term receivables	121	121	140	(19)
Non-current assets held for sale	92	92	91	1
Working capital	221	237	177	44
	1,955	1,897	1,905	50
Equity	490	432	596	(106)
Provisions	95	95	96	(1)
Long term payables	369	369	335	33
Net debt <sup>1</sup>	1,002	1,002	877	124
	1,955	1,897	1,905	50

<sup>1</sup>Net debt considers Angola's sovereign bonds denominated in US\$ and US\$ linked as "cash and cash equivalents".

# Mota-Engil past main milestones



# Flagship projects - Europe



## **Vasco da Gama Bridge, Portugal**

- Construction of the 2<sup>nd</sup> Biggest Bridge in Europe (17 km)
- 1<sup>st</sup> PPP in Portugal
- Construction between 1994 - 1998



## **Alto do Lindoso Dam, Portugal (€369 Mn)**

- Construction of a vault type concrete dam with double bend in Lima River
- 110 meters high, 21 meters thick and 297 meters crown development
- Concluded in 1992, remaining a milestone in the Company's major projects



## **Section of expressway S17, Poland (€158 Mn)**

- Construction of a section of the two-lane expressway S17, which connects Warsaw and Lublin
- Works included a 24 km length stretch, as well as a network of access roads, 10 km of noise barriers, 7 bridges, 13 overpasses and 4 interchanges
- Concluded in 24 months

# Flagship projects - Africa



## **Section 3 and 5 of Nacala Corridor Project, Malawi (€700 Mn):**

- Construction of 2 sections of the Nacala Railway Corridor, connecting the coal mines in Moatize and the port of Nacala (in Mozambique) through Malawi
- Civil works, earthworks, supply of ballast and sleepers and assembly of the railway superstructure
- Completed in 2H14



## **New Luanda Bay, Angola (€300 Mn):**

- Rehabilitation of the coastline area of the Luanda Bay
- Project involved the construction of modern road infrastructures, green spaces, cultural, sports and shopping areas
- Project concluded in 2012



## **Vale's mining contract, Mozambique (US\$445 Mn):**

- Works in Vale's Moatize coal mining project
- Project includes mining services involving drilling, explosives supply, loading and transport of barren and coal
- To be concluded in 2022



# Flagship projects - Latin America



## **Perote-Xalapa Project, Mexico (€180 Mn):**

- Highway construction connecting Mexico City to the coastal city of Veracruz, where the most important Atlantic port of the country is located
- Extension of 60 km with several special works of art
- Concluded in 2012



## **Tailings Storage Facility – Toromocho Project, Peru (US\$147 Mn):**

- Construction of an earth dam
- Over 5 Mn m3 of fill material at an altitude of approximately 4,600 meters
- Concluded in 2013



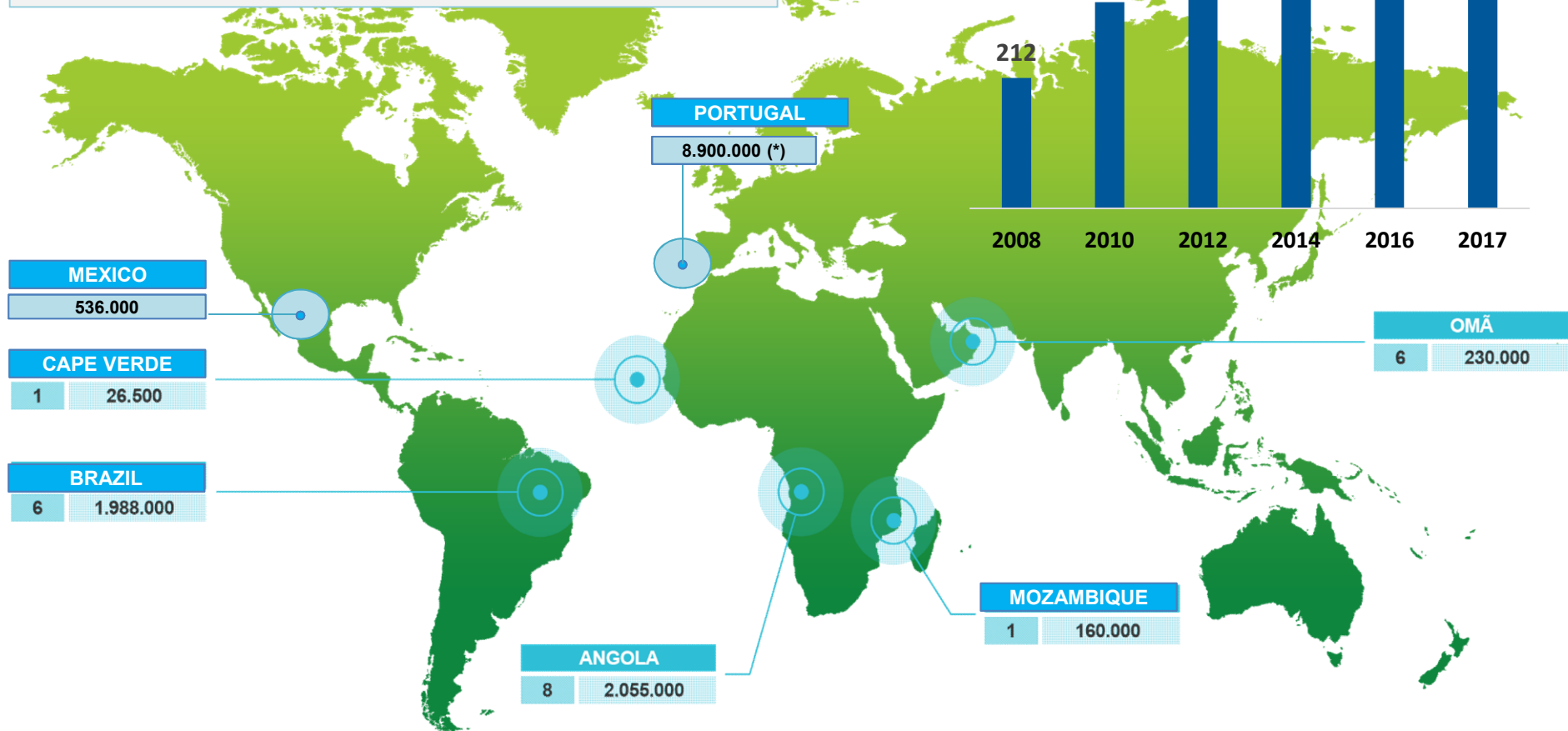
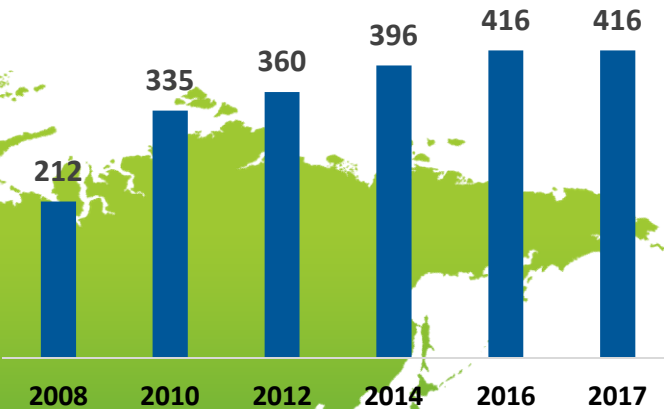
## **Carajás railway, Brazil (€243 Mn):**

- Contract with the Brazilian company Vale for the duplication of Blocks A2, A3 and A4 of Carajás railway
- Works include an extension of 150 km, including 12 bridges and 10 viaducts
- Block A2 completed in December 2016 and Blocks A3 and A4 in June 2017

Mota-Engil has 14 million clients in Environment with a turnover > 400M€

With the New Contract (2017) signed in Ivory Coast, Mota-Engil will grow to 18.5 million clients.

**Turnover (M€)**  
(Mota-Engil Environment)



(\*) Clients of SUMA & EGF

## Presence in Portugal (EGF) and Mexico (Fénix) in the Energy Production business

### Portugal (EGF):

- Energetic Valorisation
- Biogas (Landfill)
- Organic Valorisation



### Mexico (Fénix):

- Mini-hydro (installed capacity of 300MW)



# Disclaimer



This presentation used sources deemed credible and reliable but is not guaranteed as to accuracy or completeness. It also contains forward looking information that expresses management's best assessments but might prove inaccurate. The information contained in this presentation is subject to many factors and uncertainties and therefore subject to change without notice. The company declines any responsibility to update, revise or correct any of the information hereby contained. This presentation does not constitute an offer or invitation to purchase securities of Mota-Engil.



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