



**Results Presentation**

**9M 2018**

**14 November 2018**

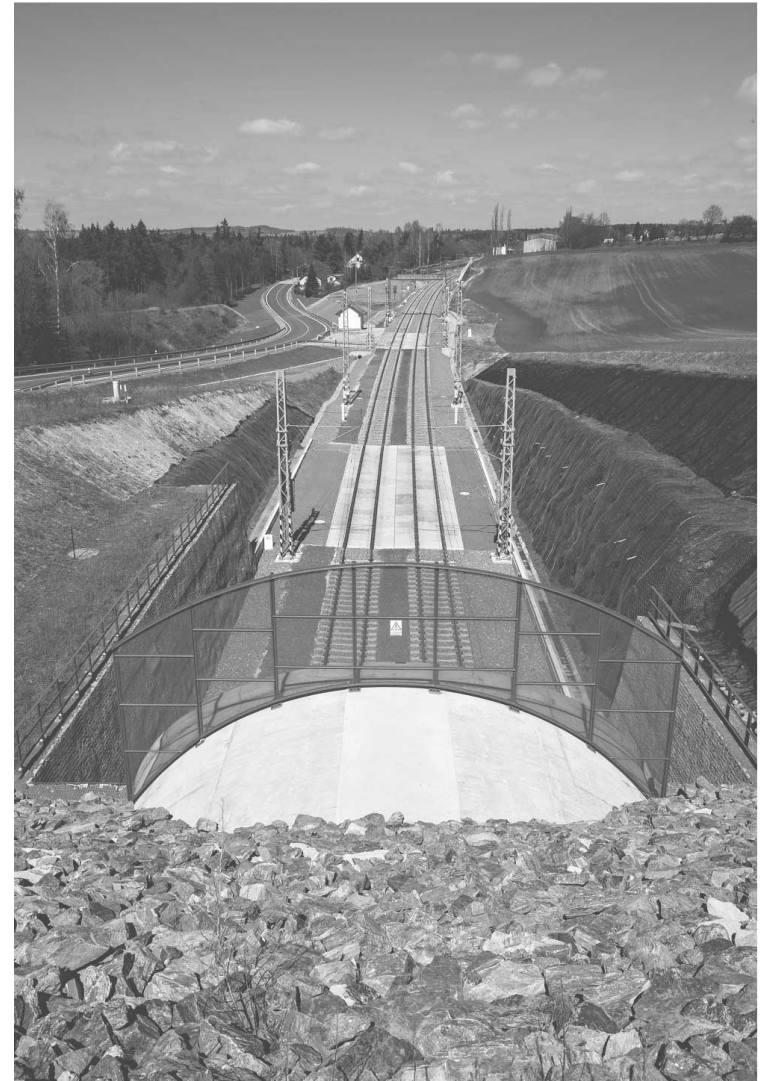




## 9M 2018 Results Presentation

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- What have we accomplished in the last 3 months?
  - What does this starting point imply?
  - The “future” is now
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## What have we accomplished in the past 3 months?

### ➤ Straight decisions to gain visibility over the business we manage

#### ① Review of the Backlog, applying a **consistent** approach -> **Backlog ave. Gross Margin ≈ 6.5%** ✓

##### Consistent approach across all projects in Backlog

- Claims and change orders will be recognized when very highly probable to be collected -> gross margin and CF upside
- Estimated losses until final completion of loss making projects have been fully recognized in september 2018
- Additional accruals made for CHUM Hospital to cover potential future issues
- Backlog of €5.1bn:
  - \* 80% of backlog with GM > 7%
  - \* 20% of backlog with GM = 0
- Risk management at bid stage, control over cost & working capital during execution will be the principles from now on
- Future margins non affected by past losses

**Average GM ≈ 6.5%**

##### To gain Visibility on Profitability of the Projects

- ✓ Positive margins from next quarter on
- ✓ Gain visibility on the profitability of the business -> establish a clear baseline to measure improvements
- ✓ Better control of any possible deviations -> anticipate and react on time to potential problems in the projects

## What have we accomplished in the past 3 months?

➤ Straight decisions to gain visibility over the business we manage

- ② **Sound cost cutting measures designed and implement: to start 2019 with overhead costs below € 160m euros (30% down from € 240m YE17)**



- ③ **Focus on cash and debt control: *preserve existing cash* and new financing sources**



- ✓ Ongoing review of 2019-2020 prospects in terms of cash consumption at project level and Corporate level
- ✓ Ongoing analysis of ideal capital structure for the future
- ✓ Incorporating new financial entities to our banking and bonding pool
- ✓ New processes in place to gain control over cash flow
- ✓ Stabilize ratings

## What does this starting point imply?

➤ OHL currently stands on

- Strong liquidity position: € 1bn liquidity position and € 345m net recourse cash
- No meaningful short-term debt maturity
- Solid and healthy Backlog of € 5.1bn with average gross margin ≈ 6.5% representing over 2 years of Revenues
- Proven capacity to replace production with € 1.8bn new awards during 9M2018
- Cost cutting plan in place to reach overhead costs levels below € 160M by 01/01/2019
- New Executives fully committed and confident with the sustainability of the business
- Accelerating measures and Clear Roadmap to work towards one single direction: profitability and cash generation

## The future is now

### ➤ What to expect in next quarters

- ☐ Positive gross margins in construction backlog
- ☐ Complete control over backlog profitability
- ☐ Consistent approach in managing the business
- ☐ Stick to 2020 plan goals:

Sales	€2.5-3.0bn
Gross Margin	≈8%
Overhead costs	≈4%
EBITDA	≈5%
- ☐ Better control and visibility over cash consumption
- ☐ Gradual improvements towards profitability and cash generation goals

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