

MAIRE TECNIMONT ANNOUNCES ITS 9M 2019 CONSOLIDATED FINANCIAL RESULTS

- **Revenues: €2.4 billion**
- **EBITDA: €168.7 million**
- **Working Capital and Net Financial Position have improved**
- **Highest ever commercial pipeline equal to €46.0 billion**
- **Finalized agreement to dispose the Alba/Bra hospital project (Green Energy BU)**
- **Guidance 2019**
 - **Updated Revenues: about €3.4 billion (from €3.8 billion)**
 - **Confirmed EBITDA: about €210 million (ex-IFRS 16), with the marginality up from 5.5% to 6.2%**
 - **Confirmed Net Cash: €80-100 million**

Milan, 24 October 2019 – Maire Tecnimont S.p.A.'s Board of Directors today has reviewed and approved the Interim Financial Report as at 30 September 2019 which reports a Consolidated Net Income of €82.5 million.

CONSOLIDATED HIGHLIGHTS

(in Euro millions)	9M 2019	9M 2018	Change %	9M 2019 Pre-IFRS 16*
Revenues	2,420.3	2,732.9	-11.4%	2,420.3
Business Profit ⁽¹⁾	230.0	205.2	+12.1%	209.6 ⁽²⁾
<i>Business Margin</i>	9.5%	7.5%	+200bp	8.7%
EBITDA	168.7	149.6	+12.8%	147.1 ⁽²⁾
<i>EBITDA Margin</i>	7.0%	5.5%	+150bp	6.1%
Pre-Tax Income	119.8	132.2	-9.4%	121.0 ⁽³⁾
<i>Tax Rate</i>	31.2%	32.2%	-100bps	31.0%
Consolidated Net Income	82.5	89.6	-8.0%	83.5 ⁽⁴⁾
Group Net Income	80.5	83.7	-3.7%	81.6 ⁽⁴⁾

(1) "Business Profit" is the industrial margin before the allocation of general and administrative costs and research and development expenses.

* To help the comparison with 9M 2018, 9M 2019 numbers have been restated excluding the application of the IFRS 16 accounting principles as follows:

- (2) €20.4 million of leasing payments at the Business Profit level and €21.6 million at EBITDA level;
 (3) €18.3 million of amortization, positively impacting EBIT, and €4.6 million in financial charges related to the leasing obligations.
 (4) Approx. €1.0 million net positive effect, after taxes, of restatements (2) and (3).

(in Euro millions)	30.9.2019	31.12.2018	Change
(Net Debt)/Net Cash*	(75.6)	93.8	(169.4)

* Net of €61.6 million (€36.3 million at 31/12/18) of Non-Recourse Debt related to the construction and management under concession of the Alba/Bra hospital (Green Energy BU) and for the MyReplast acquisition, and €17.1 million to be recovered in India (€16.2 million at 31/12/18), and excluding trade receivables equivalent to financial credits for €38.3 million in September 2019, and excluding the IFRS 16 impacts on 30 September 2019.

ORDER INTAKE AND BACKLOG

(in Euro millions)	9M 2019	9M 2018	Change
Order Intake	1,589.6	2,702.6	(1,113.0)

(in Euro millions)	30.9.2019	31.12.2018	Change
Backlog	6,062.9	6,612.0	(549.1)

FINANCIAL HIGHLIGHTS BY BUSINESS UNIT

(in Euro millions)	9M 2019	% on Revenues	9M 2018	% on Revenues	9M 2019 Pre-IFRS 16*	% on Revenues
Hydrocarbons						
Revenues	2,326.5		2,602.4		2,326.5	
Business Profit	222.9	9.6%	197.8	7.6%	203.2	8.7%
EBITDA	166.3	7.1%	146.5	5.6%	145.4	6.2%
Green Energy						
Revenues	93.8		130.6		93.8	
Business Profit	7.1	7.6%	7.4	5.7%	6.4	6.8%
EBITDA	2.4	2.6%	3.1	2.4%	1.7	1.8%

*To help the comparison with 9M 2018, 9M 2019 numbers have been restated excluding the application of the IFRS 16 accounting principles and have been modified as follows: a €19.7 million negative impact on Business Profit and €20.9 million on EBITDA in the Hydrocarbons BU and a €0.7 million negative impact on Business Profit and EBITDA in the Green Energy BU.

ORDER INTAKE BY BUSINESS UNIT

(in Euro millions)	9M 2019	9M 2018	Change
Hydrocarbons	1,473.4	2,640.7	(1,167.3)
Green Energy	116.2	61.9	54.3

BACKLOG BY BUSINESS UNIT

(in Euro millions)	30.9.2019	31.12.2018	Change
Hydrocarbons	5,685.7	6,364.8	(679.1)
Green Energy	377.2	247.2	130.0

The changes reported refer to the restated (pre-IFRS 16) 9M 2019 versus 9M 2018, unless otherwise stated.

Consolidated Financial Results as at 30 September 2019

Maire Tecnimont Group **Revenues** were **€2,420.3 million**, down 11.4%. Volumes reflect the non-linear progress of projects in the backlog, depending on the planned schedules for each project. In particular, Q3 volumes reflect the final stages of the main EPCs awarded over the past years, not yet compensated by new acquisitions that are still in their initial phases, and the temporary phasing of some EPC projects. Volumes also reflect the type of contracts that were recently acquired, mainly Engineering, Procurement, Construction Management and Commissioning, that generate lower volumes. Revenues in the last quarter of 2019 are expected to increase in line with the projects' planned schedules.

Restated **Business Profit** was **€209.6 million**, up 2.2%. The restated **Business Margin** was **8.7%**, up versus 7.5%, as a result of the temporary change in the backlog mix.

G&A costs were **€57.8 million**, or 2.4% of revenues, up compared to the first nine months of 2018, but substantially in line with the first semester of 2019.

Restated **EBITDA** was **€147.1 million** (**€168.7 million** including the IFRS 16 impact, up +12.8%), down 1.7%, due to lower volumes in the period. The restated margin was **6.1%**, up from 5.5%, for the same reasons detailed above.

Amortization, Depreciation, Write-downs and Provisions were **€16.8 million**, up compared to the same period of 2018, mainly due to the amortization of new assets related to the Group's activities, the

amortization of plants and machineries following the acquisition of MyReplast Industries by the subsidiary NextChem in 2019 and the provisions on receivables related to old real estate initiatives.

Restated **EBIT** was **€130.3 million**, down 8.9%, due to the increase of the previous item.

Restated **Net Financial Charges** were **€9.3 million**, improving by €1.6 million. The 9M19 data is mainly impacted by the positive contribution of the net valuation of derivatives equal to €1.1 million; such valuation was negative for €1.9 million in 9M 2018.

Restated **pre-tax Income** was **€121.0 million**, down 8.5%. Estimated taxes of €37.5 million have been provisioned.

The effective tax rate was approx. 31.0%, down compared to 32.2% and to the average normalized tax rate of the last few quarters, taking into account the various jurisdictions where Group operations have been carried out.

Restated **Consolidated Net Income** was **€83.5 million**, down 6.8%.

Net Debt (net of the above-mentioned value in the table footnote) at September 30, 2019 was **€75.6 million**, down compared to €93.8 million of Net Cash at 31 December 2018. This change is mainly due to the expected change in working capital as a result of the normal progress of the projects, in particular EPCs that are substantially completed, as well as the type of the recently acquired contracts. Operating cash flows are also impacted by a dividend payment of €39.1 million and cash taxes equal to €32.7 million.

Consolidated Shareholders' Equity was **€413.4 million**, up €60.1 million vs. December 31, 2018, thanks to the income for the period, and to a positive change of the derivatives' Cash Flow Hedge reserve related to the positive mark to market of the derivatives hedging the projects' flows, net of the fiscal effect and of the translation of the financial statements reported in a foreign currency, and taking into account a dividend payment of €39.1 million related to 2018.

Performance by Business Unit

Hydrocarbons BU

Revenues were **€2,326.5 million**, down 10.6%, due to the same reasons commented above.

Restated **Business Profit** was **€203.2 million**, up 2.7%, leading to a restated **Business Margin** of **8.7%**, up vs. 7.6%. Restated **EBITDA** was **€145.4 million**, with a marginality of 6.2%, up vs. 5.6%.

Green Energy BU

Revenues were **€93.8 million**, down 28.1%, due to the end of a few contracts for large-scale plants in the renewable energy sector, not yet replaced by new acquisitions, and due to the final phase of a project in the hospital sector. At the same time, our subsidiary NextChem, active in the Circular Economy, started its operations after its first investment in the advanced mechanical plastic recycling plant. Restated **Business Profit** was **€6.4 million**, down 13.5%. The restated **Business Margin** was **6.8%** vs. 5.7%. Restated **EBITDA** was **€1.7 million**, down vs. €3.1 million.

Order Intake and Backlog

Thanks to **€1,589.6 million** of new orders generated during the first Nine Months, the Group's **Backlog** at September 30, 2019 was **€6,062.9 million**.

In particular, the main projects awarded to the Group include the following:

- A reimbursable EP contract for Exxon Mobil for the implementation of new innovative process units in Baytown petrochemical complex
- An EPC contract awarded by a subsidiary of ENI to realize the upgrading of the Luanda refinery in Angola
- An EPC project from ANWIL, for the implementation of a new granulation unit in Poland to produce various types of fertilizers
- A licensing, Process Design Package (PDP) and Proprietary Equipment supply for a Urea plant for ShchekinoAzot in Russia

Subsequent Events

- On October 18th, 2019 an agreement was reached for the disposal of the subsidiary MGR Verduno 2005 S.p.A. ("MGR") to a primary infrastructure investment fund. MGR owns the concession to manage the Alba/Bra hospital, located in Verduno (Piedmont). Construction of the hospital ended on September 21st, 2019. This agreement is subject to the required legal disclosures and to the financing banks' approval.

Outlook

The Group continues to maintain a high backlog at the end of September 2019. Thanks to the contracts already signed with international clients since the beginning of the current year, the Group will experience an improved industrial performance in the following quarters, in line with the projects' planned schedules. 2019 revenues are thus expected to be slightly lower than in 2018, due to the new order intake, which is still in the initial engineering phase, and due to the type of the recently acquired contracts, which mainly relate to services for Engineering, Procurement, Construction Management and Commissioning, which generate lower revenues. On the other hand, the higher percentage of these type of contracts is expected to lead to higher margins than last year, which was characterized by a higher percentage of EPCs.

The market environment is expected to continue favoring a high level of investments in the downstream sector. This is confirmed by an all-time high commercial pipeline, both in the traditional geographical areas where the Group operates, and in new areas characterized by stable economies and raw materials availability.

As for the Green Acceleration Project, Maire Tecnimont is currently active in the Circular Economy sector, through its subsidiary NextChem, thanks to the investment made this year in the most efficient and advanced plastic mechanical recycling plant in Europe. The plant is located in Italy, and has already become a reference plant with an industrial scale size to support expected important domestic and international market opportunities.

Webcast Conference Call

The 9M 2019 financial results will be presented today at 5:30pm CEST during an audio-webcast conference call held by the top management.

The conference call may be followed as a webcast by connecting to the website (www.mairetecnimont.com) and clicking on the "9M 2019 Financial Results" banner on the Home Page or through the following url:

<https://services.choruscall.eu/links/mairetecnimont191024.html>

Alternatively, you may participate in the conference call by calling one of the following numbers:

Italy: +39 02 805-8811

UK: +44 121 281-8003

USA: +1 718 705-8794

The presentation given by the top management will be available at the start of the conference call in the "Investors/Results and Presentations/Financial Results" section of Maire Tecnimont's website (<https://www.mairetecnimont.com/en/investors/results-and-presentations/financial-results>). The presentation shall also be made available on the 1info storage mechanism (www.1info.it).

Dario Michelangeli, as Executive for Financial Reporting, declares - in accordance with paragraph 2, Article 154-bis of Legislative Decree No. 58/1998 ("Consolidated Finance Act") - that the accounting information included in this press release corresponds to the underlying accounting records.

The Interim Report at September 30, 2019 will be available to the public at the registered office in Rome, at the operative office in Milan, at Borsa Italiana S.p.A., on the Company's website www.mairetecnimont.com (in the "Investors/Results and Presentations/Financial Results" section, and on the authorized storage device "1info" (www.1info.it), according to the timing allowed by law.

This press release, and the "Outlook" section in particular, contains forecasts. The declarations are based on current estimates and projections of the Group concerning future events and, by their nature, are subject to risk and uncertainty. Actual results may differ significantly than the estimates made in such declarations due to a wide range of factors, including the continued volatility and further decline of the capital and finance markets, raw material price changes, altered economic conditions and growth trends and other changes in business conditions, in addition to other factors, the majority of which outside the control of the Group.

Maire Tecnimont S.p.A.

Maire Tecnimont S.p.A., a company listed on the Milan Stock Exchange, is at the head of an international industrial group leader in the transformation of natural resources (plant engineering in downstream oil & gas, with technological and execution competences). Through its subsidiary NextChem it operates in the field of green chemistry and the technologies to support the energy transition. Maire Tecnimont Group operates in about 45 countries, numbering around 50 operative companies and a workforce of approximately 6,300 employees, along with approximately 3,000 professionals in the electro-instrumental division. For more information: www.mairetecnimont.com.

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The Consolidated Income Statement, Balance Sheet and Cash Flow Statement are presented below.

**Maire Tecnimont Group
CONSOLIDATED INCOME STATEMENT**

<i>(Euro thousands)</i>	30 September 2019	30 September 2018	Δ %
Revenues	2,386,794	2,716,660	
Other operating revenues	33,503	16,290	
Total revenues	2,420,297	2,732,949	-11.4%
Raw materials and consumables	(621,355)	(751,729)	
Service costs	(1,208,908)	(1,444,884)	
Personnel expense	(342,923)	(304,534)	
Other operating expenses	(78,366)	(82,210)	
Total Costs	(2,251,552)	(2,583,356)	-12.8%
EBITDA	168,745	149,594	12.8%
Amortization, depreciation and write-downs	(33,255)	(6,342)	
Write-down of current assets	(1,796)	0	
Provision for risks and charges	(0)	(162)	
EBIT	133,694	143,091	-6.6%
Financial income	13,174	14,048	
Financial expenses	(28,232)	(26,042)	
Investment income/(expense)	1,190	1,126	
Income before tax	119,826	132,221	-9.4%
Income taxes, current and deferred	(37,349)	(42,591)	
Net income	82,477	89,630	-8.0%
Group	80,542	83,665	-3.7%
Minorities	1,934	5,966	
Basic earnings per share	0.245	0.255	
Diluted earnings per share	0.245	0.255	

**Maire Tecnimont Group
CONSOLIDATED BALANCE SHEET 1/2**

<i>(Euro thousands)</i>	30 September 2019	31 December 2018
Assets		
Non-current assets		
Property, plant and Equipment	42,731	33,700
Goodwill	296,130	291,754
Other intangible assets	65,794	64,232
Right-of-use - Leasing	150,815	0
Investments in associates	16,541	20,449
Financial Instruments - Derivatives	7,294	1,084
Other non-current financial assets	42,464	27,792
Other Non-current Assets	121,283	85,432
Deferred tax assets	38,179	44,801
Total non-current assets	781,231	569,243
Current assets		
Inventories	9,732	6,968
Advance payments to suppliers	528,053	338,146
Contract Assets	1,883,574	1,515,979
Trade receivables	474,425	425,768
Current tax assets	129,976	94,901
Financial Instruments - Derivatives	20,673	7,071
Other current financial assets	7,108	6,351
Other current assets	89,674	135,548
Cash and cash equivalents	467,828	650,008
Total current assets	3,611,042	3,180,740
Non-current assets classified as held for sale	89,286	0
Elimination of assets to and from assets/liabilities held for sale	(13,263)	0
Total Assets	4,468,296	3,749,983

CONSOLIDATED BALANCE SHEET 2/2

<i>(Euro thousands)</i>	30 September 2019	31 December 2018
Shareholders' Equity		
Share capital	19,921	19,921
Share premium reserve	272,921	272,921
Other reserves	6,331	2,808
Valuation reserve	(293)	(15,553)
Total Shareholders' Equity and reserves	298,879	280,097
Retained earnings/(accumulated losses)	(9,695)	(81,060)
Net income	80,542	110,575
Total Group Shareholders' Equity	369,727	309,612
Minorities	43,657	33,021
Total Shareholders' Equity	413,383	342,633
Non-current liabilities		
Financial debt - non-current portion	195,994	206,410
Provisions for risks and charges - beyond 12 months	19,271	16,436
Deferred tax liabilities	26,303	21,623
Post-employment and other employee benefits	11,695	11,005
Other non-current liabilities	135,344	135,490
Financial Instruments - Derivatives	846	6,139
Other non-current financial liabilities	218,019	202,634
Non-current financial Leasing liabilities	129,228	0
Total non-current Liabilities	736,699	599,736
Current liabilities		
Short-term debt	255,622	195,911
Short-term financial Leasing liabilities	22,190	0
Provisions for risk and charges - within 12 months	16,203	40,707
Tax payables	37,764	26,998
Financial Instruments - Derivatives	12,917	25,493
Other current financial liabilities	330	330
Client advance payments	667,752	637,837
Contract Liabilities	348,130	335,598
Trade payables	1,818,562	1,478,301
Other Current Liabilities	78,317	66,439
Total current liabilities	3,257,787	2,807,614
Liabilities directly associated with non-current assets classified as held for sale	73,690	0
Elimination of liabilities to and from assets/liabilities held for sale	(13,263)	0
Total Shareholders' Equity and Liabilities	4,468,296	3,749,983

**Maire Tecnimont Group
CONSOLIDATED CASH FLOW STATEMENT**

<i>(Euro thousand)</i>	30 September 2019	30 September 2018
Cash and cash equivalents at the beginning of the year (A)	650,008	630,868
Operations		
Net Income of Group and Minorities	82,477	89,630
Adjustments:		
- Amortisation of intangible assets	11,592	3,991
- Depreciation of non-current tangible assets	3,400	2,350
- Depreciation of Right-of-use - Leasing	18,264	-
- Provisions	1,796	162
- (Revaluations)/Write-downs on investments	(1,190)	(1,126)
- Financial Charges	28,232	11,996
- Financial (Income)	(13,174)	-
- Income and deferred tax	37,349	42,591
- Capital (Gains)/Losses	46	220
- (Increase)/Decrease inventories/supplier advances	(195,604)	(130,886)
- (Increase)/Decrease in trade receivables	(49,244)	101,021
- (Increase)/Decrease in contract assets receivables	(375,492)	(294,394)
- Increase/(Decrease) in other liabilities	18,385	36,563
- (Increase)/Decrease in other assets	(71,347)	15,806
- Increase/(Decrease) in trade payables/advances from clients	363,795	192,312
- Increase/(Decrease) in payables for contract liabilities	12,532	(107,389)
- Increase/(Decrease) in provisions (including post-employment benefits)	(19,128)	2,569
- Income taxes paid	(32,666)	(32,643)
Cash flow from operations (B)	(179,977)	(67,228)
Investments		
(Investment)/Disposal of non-current tangible assets	(3,959)	(1,802)
(Investment)/Disposal of intangible assets	(7,236)	(7,295)
(Investment)/Disposal in associated companies	2,222	(1,005)
(Increase)/Decrease in other investments	(546)	0
(Investments)/Disposal of companies net of cash and cash equivalents acquired	(14,296)	-
Cash flow from investments (C)	(23,814)	(10,102)
Financing		
Repayments of principal of financial Leasing liabilities	(17,089)	-
Payments of financial charges on financial Leasing liabilities	(4,554)	-
Increase/(Decrease) in short-term debt	57,831	31,061
Repayments of long-term debt	(7,073)	(64,201)
Proceeds from long-term debt	40,960	-
Increase in securities/bonds	(211)	162,674
Change in other financial assets and liabilities	(3,854)	7,353
Dividends	(39,108)	(42,064)
Treasury Shares-Buyback	(3,163)	(27,706)
Cash flow from financing (D)	23,740	67,117
Increase/(Decrease) in Cash and Cash Equivalents (B+C+D)	(180,053)	(10,213)
Cash and cash equivalents at year end (A+B+C+D)	469,955	620,655
of which: Cash and cash equivalents of Discontinued Operations	2,127	-
CASH AND CASH EQUIVALENTS REPORTED IN THE FINANCIAL STATEMENTS	467,828	620,655