

MAIRE TECNIMONT ANNOUNCES ITS H1 2019 CONSOLIDATED FINANCIAL RESULTS

- **EBITDA: €107.1 million (+6.8%)**
- **Commercial Pipeline equal to €44.5 billion**
- **The development in the Green Chemistry business continues**
 - **Ramp up of the mechanical recycling and compounding plant**
- **2019 Guidance is confirmed**

Milan, 25 July 2019 –Maire Tecnimont S.p.A.'s Board of Directors today has reviewed and approved the Interim Financial Report as at 31 June 2019 which reports a Net Income of €53.0 million.

CONSOLIDATED HIGHLIGHTS

(in Euro millions)	H1 2019	H1 2018	Change %	H1 2019 Pre-IFRS 16*
Revenues	1,682.6	1,830.6	-9.1%	1,682.6
Business Profit ⁽¹⁾	146.1	138.1	+6.2%	133.1 ⁽²⁾
<i>Business Margin</i>	8.7%	7.5%	+120bp	7.9%
EBITDA	107.1	100.3	+6.8%	92.9 ⁽²⁾
<i>EBITDA Margin</i>	6.4%	5.5%	+90bp	5.5%
Pre-Tax Income	77.0	88.4	-12.8%	78.0 ⁽³⁾
<i>Tax Rate</i>	31.3%	32.2%		31.0%
Consolidated Net Income	53.0	59.9	-11.4%	53.9 ⁽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 H1 2018, H1 2019 numbers have been restated excluding the application of the IFRS 16 accounting principles as follows:

(2) €14.2 million of leasing payments at the Business Profit and EBITDA level;

(3) €12.1 million of amortization, positively impacting EBIT, and €3.1 million in financial charges related to the leasing obligations.

(4) Approx. €0.9 million net positive effect, after taxes, of restatements (2) and (3).

(in Euro millions)	30.6.2019	31.12.2018	Change
(Net Debt)/Net Cash*	(118.7)	93.8	(212.5)

* Net of €60.5 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 €16.3 million to be recovered in India (€16.2 at 31/12/18), and excluding trade receivables equivalent to financial credits for €38.3 million in June 2019.

ORDER INTAKE AND BACKLOG

(in Euro millions)	H1 2019	H1 2018	Change
Order Intake	1,472.6	1,536.7	(64.1)

(in Euro millions)	30.6.2019	31.12.2018	Change
Backlog	6,636.0	6,612.0	24.0

FINANCIAL HIGHLIGHTS BY BUSINESS UNIT

(in Euro millions)	H1 2019	% on Revenues	H1 2018	% on Revenues	H1 2019 Pre-IFRS 16*	% on Revenues
Hydrocarbons						
Revenues	1,615.2		1,743.2		1,615.2	
Business Profit	141.7	8.8%	134.6	7.7%	128.6	8.0%
EBITDA	105.2	6.5%	99.7	5.7%	91.4	5.7%
Green Energy						
Revenues	67.5		87.4		67.5	
Business Profit	4.9	7.3%	3.5	4.0%	4.5	6.7%
EBITDA	1.9	2.8%	0.5	0.6%	1.5	2.2%

*To help the comparison with H1 2018, H1 2019 numbers have been restated excluding the application of the IFRS 16 accounting principles and have been modified as follows: a €13.1 million negative impact on Business Profit and €13.8 million on EBITDA in the Hydrocarbons BU and a €0.4 million negative impact on Business Profit and EBITDA in the Green Energy BU.

ORDER INTAKE BY BUSINESS UNIT

(in Euro millions)	H1 2019	H1 2018	Change
Hydrocarbons	1,363.2	1,491.9	(128.7)
Green Energy	109.4	44.7	64.7

BACKLOG BY BUSINESS UNIT

(in Euro millions)	30.6.2019	31.12.2018	Change
Hydrocarbons	6,282.7	6,364.8	(82.1)
Green Energy	353.3	247.1	106.2

The changes reported refer to the restated (pre-IFRS 16) H1 2019 versus H1 2018, unless otherwise stated.

Consolidated Financial Results as at 30 June 2019

Maire Tecnimont Group **Revenues** were **€1,682.6 million**, down 8.1%. Volumes reflect the non-linear progress of projects in the backlog, depending on the planned schedules of activities for each project. In particular, this semester's production, on one hand, shows that the main EPCs awarded over the past years are in an advanced phase, not yet compensated by new acquisitions that are still in their initial phases. On the other hand, it reflects the type of contracts that were recently acquired, mainly Engineering, Procurement, Construction Management and Commissioning, that generate lower volumes. Revenues in the following quarters are expected to increase in line with the projects' planned schedules.

Restated **Business Profit** was **€133.1 million**, down 3.6%. The restated **Business Margin** was **7.9%**, up versus 7.5%.

G&A costs were **€37.3 million**, representing 2.2% of revenues, slightly up, but substantially in line with December 2018.

Restated **EBITDA** was **€92.9 million** (reported was **€107.1 million**, up 6.8%), down 7.4%, due to lower volumes in the semester. The restated margin was 5.5%, in line with previous period.

Amortization, Depreciation, Write-downs and Provisions were **€11.9 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 NextChem in the First Semester 2019 and the provisions on receivables related to old real estate initiatives currently under disposal.

Restated **EBIT** was **€80.9 million**, down 15.7%, due to the increase of the previous item.

Restated **Net Financial Charges** were **€2.9 million**, improving by €4.7 million. The H1 2019 data is mainly impacted by the positive contribution of the net valuation of derivatives equal to €2.8 million, such valuation was negative for €1.7 million in H1 2018. Net financial charges, excluding the derivatives component, are in line with the previous quarters.

Restated **pre-tax Income** was **€78.0 million**, down 11.7%. Estimated taxes of €24.2 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 **€53.9 million**, down 10.1%.

Net Debt (net of the above-mentioned value in the table footnote) at 30 June 2019 was **€118.7 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 about to be 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 €21.6 million.

Consolidated Shareholders' Equity was **€393.8 million**, up €51.2 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 stated 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 **€1,615.2 million**, down 7.3%, due to the same reasons commented above.

Restated **Business Profit** was **€128.6 million**, down 4.5%, leading to a restated **Business Margin** of **8.0%** (vs.7.7%). Restated **EBITDA** was **€91.4 million**, with a marginality in line with the same period last year.

Green Energy BU

Revenues were **€67.5 million**, down 22.8%, 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 **€4.5 million**, up 28.6%. The restated **Business Margin** was **6.7%** vs. 4.0%. Restated **EBITDA** was **€1.5 million**, up €1 million.

Order Intake and Backlog

Thanks to **€1,472.6 million** of new orders generated during the period, the Group's **Backlog** at June 30, 2019 was **€6,635.9 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 18 July 2019, Maire Tecnimont announced the acquisition of Protomation through its affiliate Stamicarbon, as part of the Group's Digital Transformation roadmap. Protomation is a Dutch specialist IT company dedicated to developing software applications and state-of-the-art operator training simulators (OTS) for the chemical process industry, with an extensive track record of collaboration with fertilizer producers.

Outlook

The Group continues to maintain a high backlog at the end of the first semester of 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. The forecast for the slightly higher revenues in 2019 and for a marginality in line with the one related to EPC projects is thus confirmed.

The market environment is expected to witness an increase of investments in the downstream sector, in particular in plants that transform oil and gas into petrochemicals, and in the revamping of existing refineries in order to adapt the type and quality of their final products to the new market requirements, which are strongly influenced by recent environmental laws.

In this context, the Group expects to maintain a high level of backlog thanks to the well-recognized technological expertise in the petrochemical and fertilizer sectors, and to its primary competencies in the refining and gas treatment sectors. These competitive advantages are continuously being developed and expanded to include adjacent technologies in synergy with the existing ones, leveraging a flexible business model that can offer even more innovative products and services.

This outlook is supported by a highest ever commercial pipeline that is expected to generate new contracts in the traditional areas where the Group operates, as well as in new geographies that are economically stable and rich in raw materials.

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 in the first half of 2019 in the most efficient and advanced plastic mechanical recycling plant in Europe. The plant is located in Italy, ready to be a reference plant with an industrial scale size to support important domestic and international market opportunities.

The circular economy is one of the three pillars of NextChem's strategy, while the other two are "Greening the Brown" (mitigating the negative environmental consequences of the oil and gas transformation) and "Green-Green" (developing alternative fuel and plastic products using renewable sources), where NextChem owns proprietary technologies or exclusive agreements to develop third-party technologies, to be further commercially in the rest of 2019.

Webcast Conference Call

The H1 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 "H1 2019 Financial Results" banner on the Home Page or through the following url:

<https://services.choruscall.eu/links/mairetecnimont190725.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 2019 Half Year Report 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.

Institutional Relations and Communication

Carlo Nicolais, Tommaso Verani
public.affairs@mairetecnimont.it

**Media Relations
Image Building**

Alfredo Mele, Alessandro Zambetti,
Tel +39 02 89011300
mairetecnimont@imagebuilding.it

Investor Relations

Riccardo Guglielmetti
Tel +39 02 6313-7823
investor-relations@mairetecnimont.it

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

Maire Tecnimont Group
CONSOLIDATED INCOME STATEMENT

<i>(Euro thousands)</i>	30 June 2019	30 June 2018	Δ %
Revenues	1,653,752	1,819,565	
Other operating revenues	28,892	11,009	
Total revenues	1,682,644	1,830,574	-8.1%
Raw materials and consumables	(434,065)	(503,430)	
Service costs	(861,338)	(979,557)	
Personnel expense	(228,941)	(195,707)	
Other operating expenses	(51,235)	(51,591)	
Total Costs	(1,575,578)	(1,730,286)	-8.9%
EBITDA	107,066	100,289	6.8%
Amortization, depreciation and write-downs	(22,173)	(4,143)	
Write-down of current assets	(1,854)	0	
Provision for risks and charges	(18)	(162)	
EBIT	83,020	95,984	-13.5%
Financial income	10,533	10,303	
Financial expenses	(17,713)	(18,844)	
Investment income/(expense)	1,200	929	
Income before tax	77,040	88,372	-12.8%
Income taxes, current and deferred	(24,010)	(28,496)	
Net income	53,030	59,876	-11.4%
Group	50,765	55,341	-8.3%
Minorities	2,265	4,535	
Basic earnings per share	0.154	0.168	
Diluted earnings per share	0.154	0.168	

Maire Tecnimont Group
CONSOLIDATED BALANCE SHEET 1/2

<i>(Euro thousands)</i>	30 June 2019	31 December 2018
Assets		
Non-current assets		
Property, plant and Equipment	42,171	33,700
Goodwill	294,440	291,754
Other intangible assets	65,413	64,232
Right-of-use - Leasing	156,957	0
Investments in associates	16,516	20,449
Financial Instruments - Derivatives	8,283	1,084
Other non-current financial assets	43,942	27,792
Other Non-current Assets	106,643	85,432
Deferred tax assets	34,073	44,801
Total non-current assets	768,438	569,243
Current assets		
Inventories	11,349	6,968
Advance payments to suppliers	487,498	338,146
Contract Assets	1,884,697	1,515,979
Trade receivables	432,154	425,768
Current tax assets	112,145	94,901
Financial Instruments - Derivatives	24,023	7,071
Other current financial assets	7,724	6,351
Other current assets	154,850	135,548
Cash and cash equivalents	417,150	650,008
Total current assets	3,531,589	3,180,740
Non-current assets classified as held for sale	0	0
Elimination of assets to and from assets/liabilities held for sale	0	0
Total Assets	4,300,027	3,749,983

CONSOLIDATED BALANCE SHEET 2/2

<i>(Euro thousands)</i>	30 June 2019	31 December 2018
Shareholders' Equity		
Share capital	19,921	19,921
Share premium reserve	272,921	272,921
Other reserves	10,175	2,808
Valuation reserve	8,019	(15,553)
Total Shareholders' Equity and reserves	311,036	280,097
Retained earnings / (accumulated losses)	(11,216)	(81,060)
Net income	50,765	110,575
Total Group Shareholders' Equity	350,585	309,612
Minorities	43,203	33,021
Total Shareholders' Equity	393,788	342,633
Non-current liabilities		
Financial debt - non-current portion	239,069	206,410
Provisions for risks and charges - beyond 12 months	19,047	16,436
Deferred tax liabilities	18,570	21,623
Post-employment and other employee benefits	11,733	11,005
Other non-current liabilities	138,421	135,490
Financial Instruments - Derivatives	2,962	6,139
Other non-current financial liabilities	210,567	202,634
Non-current financial Leasing liabilities	134,658	0
Total non-current Liabilities	775,026	599,736
Current liabilities		
Short-term debt	250,566	195,911
Short-term financial Leasing liabilities	22,707	0
Provisions for risk and charges - within 12 months	12,259	40,707
Tax payables	33,632	26,998
Financial Instruments - Derivatives	17,159	25,493
Other current financial liabilities	330	330
Client advance payments	720,609	637,837
Contract Liabilities	352,313	335,598
Trade payables	1,649,773	1,478,301
Other Current Liabilities	71,865	66,439
Total current liabilities	3,131,213	2,807,614
Liabilities directly associated with non-current assets classified as held for sale	0	0
Elimination of liabilities to and from assets / liabilities held for sale	0	0
Total Shareholders' Equity and Liabilities	4,300,027	3,749,983

**Maire Tecnimont Group
CONSOLIDATED CASH FLOW STATEMENT**

<i>(Euro thousand)</i>	30 June 2019	30 June 2018
Cash and cash equivalents at the beginning of the year (A)	650,008	630,868
Operations		
Net Income of Group and Minorities	53,030	59,876
Adjustments:		
- Amortisation of intangible assets	7,843	2,571
- Depreciation of non-current tangible assets	2,210	1,572
- Depreciation of Right-of-use - Leasing	12,121	-
- Provisions	1,872	162
- (Revaluations)/Write-downs on investments	(1,200)	(929)
- Financial Charges	17,713	8,541
- Financial (Income)	(10,532)	-
- Income and deferred tax	24,010	28,496
- Capital (Gains)/Losses	1	2
- (Increase)/Decrease inventories/supplier advances	(152,640)	(57,479)
- (Increase)/Decrease in trade receivables	(6,822)	52,251
- (Increase)/Decrease in contract assets receivables	(370,046)	(166,796)
- Increase/(Decrease) in other liabilities	8,469	22,124
- (Increase)/Decrease in other assets	(43,265)	21,746
- Increase/(Decrease) in trade payables/advances from clients	246,782	12,522
- Increase/(Decrease) in payables for contract liabilities	16,715	(6,121)
- Increase/(Decrease) in provisions (including post-employment benefits)	(24,771)	(5,611)
- Income taxes paid	(21,605)	(5,547)
Cash flow from operations (B)	(240,116)	(32,621)
Investments		
(Investment)/Disposal of non-current tangible assets	(2,203)	(1,222)
(Investment)/Disposal of intangible assets	(4,425)	(5,273)
(Investment)/Disposal in associated companies	2,258	1,242
(Increase)/Decrease in other investments	(313)	(0)
(Investments)/Disposal of companies net of cash and cash equivalents acquired	(12,098)	-
Cash flow from investments (C)	(16,783)	(5,253)
Financing		
Repayments of principal of financial Leasing liabilities	(11,142)	-
Payments of financial charges on financial Leasing liabilities	(3,053)	-
Increase/(Decrease) in short-term debt	50,176	39,603
Repayments of long-term debt	(6,684)	(175,000)
Proceeds from long-term debt	39,343	20,347
Increase in securities/bonds	(211)	162,674
Change in other financial assets and liabilities	(3,855)	8,989
Dividends	(39,108)	(42,064)
Treasury Shares-Buyback	(1,426)	(24,883)
Cash flow from financing (D)	24,041	(10,333)
Increase/(Decrease) in Cash and Cash Equivalents (B+C+D)	(232,858)	(48,207)
Cash and cash equivalents at year end (A+B+C+D)	417,150	582,662
of which: Cash and cash equivalents of Discontinued Operations	-	-
CASH AND CASH EQUIVALENTS REPORTED IN THE FINANCIAL STATEMENTS	417,150	582,662