



**NINE MONTHS 2017**  
**RESULTS PRESENTATION**  
November 10<sup>th</sup> 2017

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## RESOURCE UTILIZATION

- Unexpected cancellation of awarded projects
- Delays in project sanctioning
- Good prospects in immediate opportunities
- Decision to maintain core Engineering and Project Management capabilities for fast and proper works' start
- Limited period of workforce underutilization: *we need to be ready*

## PROJECT PORTFOLIO

- 2018 portfolio of projects either in very early or late stages of completion

## COST RECOVERY

- Uncertainty of recovery of extra costs of some projects in their late stages in a period of crisis

	2017	2018	
Revenues, €B	4.9 – 5.0	4.3 – 4.6	Decrease due mainly to delays and cancellations
EBIT Margin	2.0%	1.5 to 2.5%	Progressive improvement along 2018
Awards	~ €5B	--	Strong pipeline foreseen for 2018

Commitment to shareholder remuneration policy

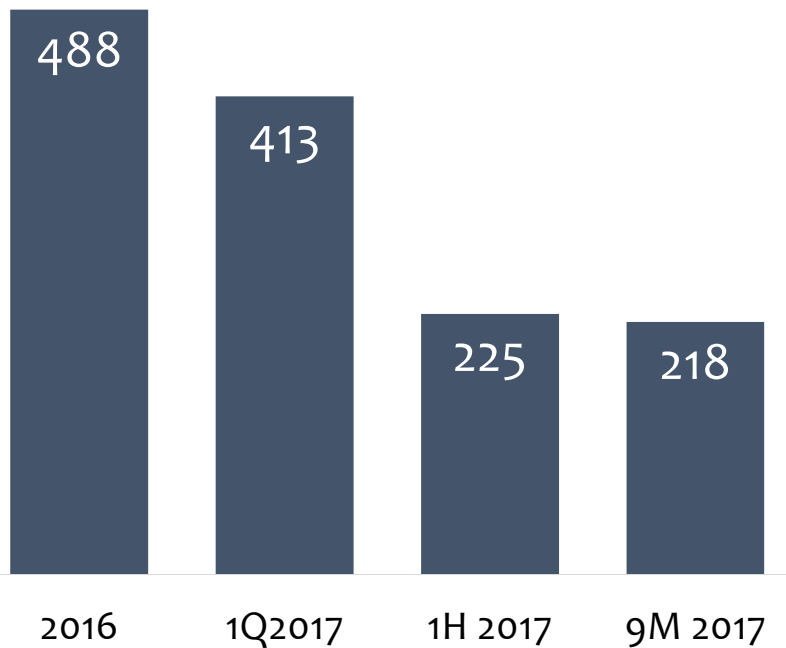
## PROFIT AND LOSS

€ Million	9M 17	9M 16	Var.	2016
Revenues	3,883	3,438	13%	4,793
EBITDA	105	154	-32%	211
EBIT	88	139	-37%	192
Margin	2.3%	4.0%		4.0%
Net financial results	(7)	1		4
Profit before taxes	78	138	-43%	193
Taxes	(23)	(37)		(53)
Net profit	56	101	-45%	140

## Impacts in margins:

- Delays in project sanctioning and unexpected cancellation of awards results in under activity
- Uncertainty of recovery of extra costs in this crisis scenario

M€



- Demanding contractual terms in the Middle East
- Customers' cash constraints
- Lower down payment balance due to less awards
- TR's customers are among the most large, renowned and recurring investors

# STRONG FRANCHISE

Leading the execution of some of the most complex and strategic projects

~30 B\$  
of overall investment

## Refining

Duqm (Oman)  
Al Zour (Kuwait)  
Ras Tanura (Saudi Arabia)  
STAR (Turkey)  
RAPID (Malaysia)  
Jazan (Saudi Arabia)  
Talara (Peru)  
Minatitlán (Mexico)  
Sturgeon (Canada)  
Antwerp (Belgium)

## Petchem

West Lake (USA)  
Heroya Yara (Norway)

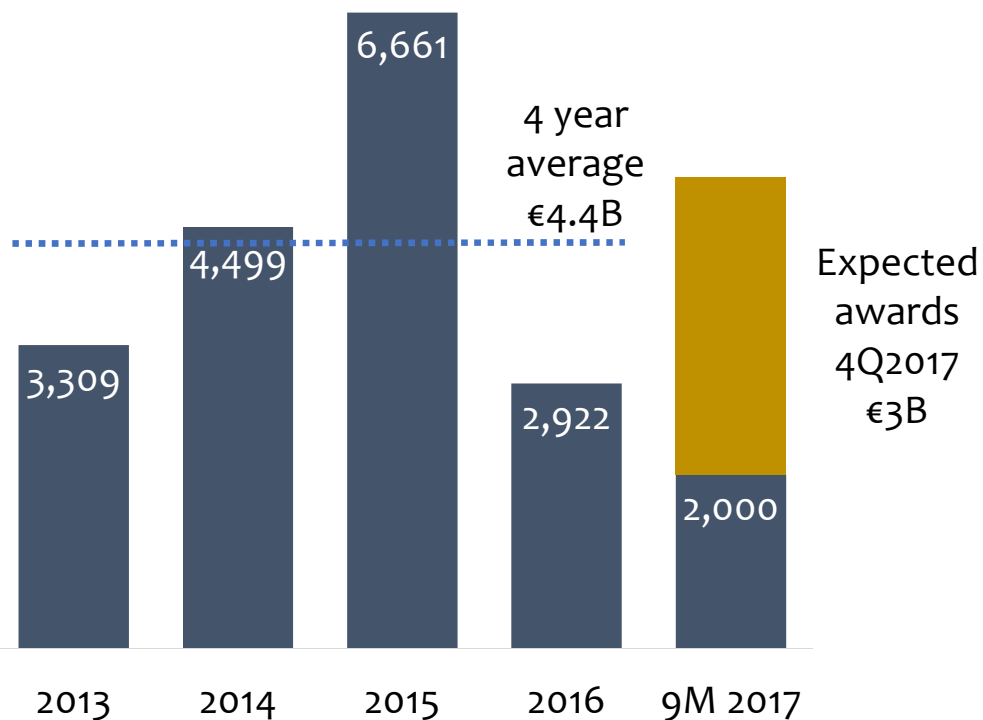
## Upstream & Nat Gas

Fadhili (Saudi Arabia)  
GT5 (Kuwait)  
Gasco (UAE)  
IGCC (Saudi Arabia)  
Touat (Algeria)  
Hail (UAE)

## Power & Water

Tierra Mojada (Mexico)  
Teeside (U Kingdom)  
Turów (Poland)  
Kilpilahti (Finland)  
Fort Hills (Canada)

M€



- Excellence in execution is a prerequisite for projects' inflow
- 2017 awards among the most strategic projects in the sector
- Well positioned in immediate opportunities for this year
- Strong pipeline for 2018



## 2017 awards among the most strategic projects in the sector



0.5 B\$

### Tierra Mojada CCGT

- Turnkey contract for a combined cycle project in Guadalajara, Mexico
- The project will help to increase the share of clean natural gas generation in the Mexican power mix
- Contract scope: designing, procurement, construction and commission of a new 875 MW CCGT
- Contract Value: USD 500 million
- Fisterra Energy is an energy company fully owned by Blackstone. Focused on energy investments in Europe, Latin America and Middle East. Blackstone AUM over USD360 billion



2.8 B\$

### Duqm Refinery

- Turnkey contract for a new grassroots refinery in Oman
- The project is part of the Omani government plan for the industrial development of the country
- Contract scope: engineering, supply, construction and commissioning of the main refining units
- Overall Contract Value: USD 2,750 M.
- TR's stake: 65%
- The sponsor, DRPIC, is a Joint Venture between the Oman Oil Company and Kuwait Petroleum International



<http://www.saudiaramco.com/en/home/news-media/news/oil-and-gas-agreements.html>

**Saudi Aramco signs agreements for oil and gas megaprojects worth nearly US\$4.5 billion.** DHAHRAN, November 09, 2017

Saudi Aramco today signed agreements with several oil and gas service contractors for oil and gas megaprojects designed to enhance the company's energy sustainability, diversify the economy, expand gas production, and localize domestic content. The agreements are valued at nearly \$4.5 billion in total.

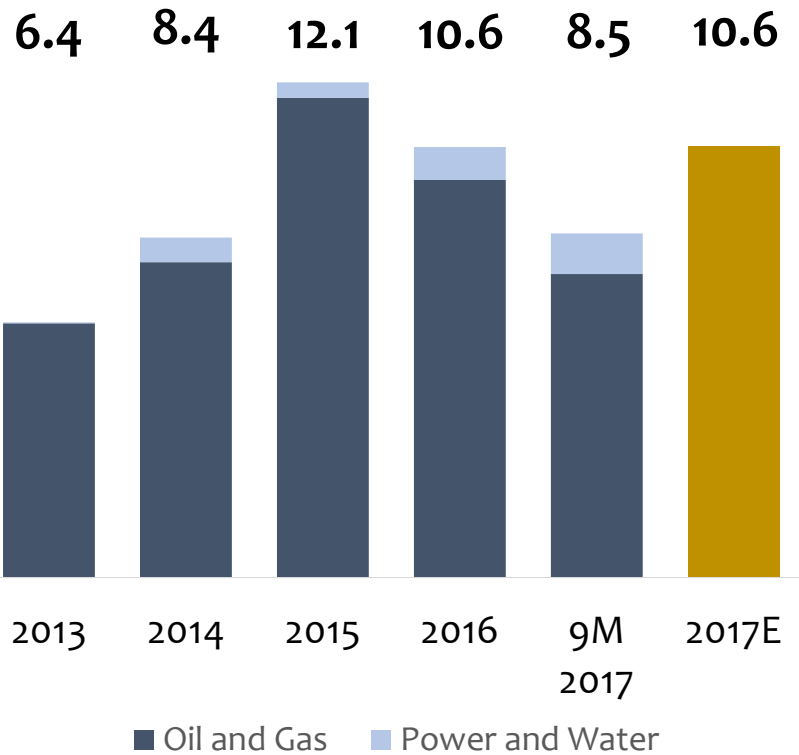
Eight agreements were signed, including three agreements with Madrid-based Técnicas Reunidas under the Gas Compression Program in the Southern Area. The project will improve and sustain gas production from Haradh and Hawiyah fields for the next 20 years by bringing an additional 1 billion standard cubic feet per day (scfd). The Hawiyah Gas Plant (HGP) Expansion Project will provide additional gas processing facilities to process raw sweet gas, to efficiently meet the Kingdom's energy demand.

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### **North, South and Satellite Gas Compression Plants**

The program scope includes installing gas compression facilities, liquid separation stations and transmission lines to Haradh and Hawiyah Gas Plant along with expanding the existing gas gathering pipeline network. The execution of all three contracts will be awarded to Técnicas Reunidas (TR) on an LSTK basis. Engineering and Procurement services will be carried out from the contractor's headquarters in Madrid, Spain."

B€

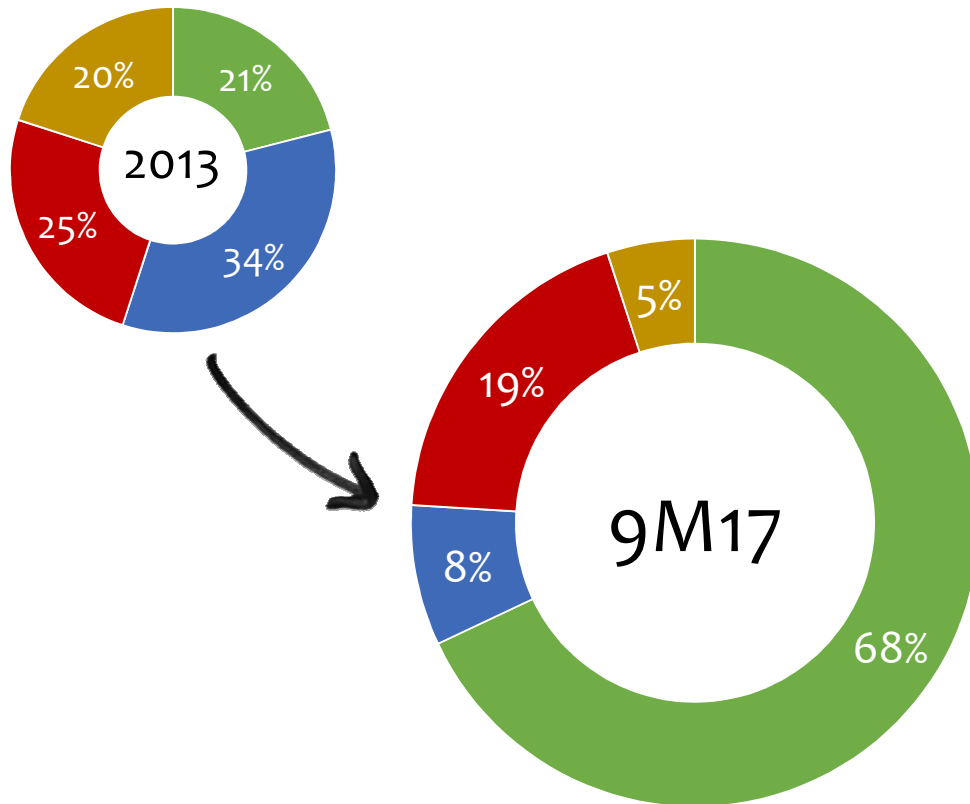


- Expected backlog at year end: near historically highest levels



13%

Average annual increase in backlog 2013-2017E



■ Middle East ■ Europe ■ Latam ■ RoW

- Strong presence in most resilient market: Middle East
- Well positioned in immediate opportunities in Middle East and Central Asia
- Recurrent customers: a consequence of good execution

## MARKET

- Solid investment drivers in oil, gas and petrochemicals
- Immediate outcome of tenders where we are well positioned
- Concentration of significant bids during the coming months

## COMPANY

- 2013-2017: strengthening of industrial position
- Reference EPC contractor for large and complex projects
- Intensification of efficiency measures to enhance profitability



Average annual  
increase in sales  
2013-2017E



**TECNICAS REUNIDAS**