



TECNICAS REUNIDAS

FIRST QUARTER 2020 RESULTS PRESENTATION

MAY 25TH 2020

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CEO



UNPRECEDENTED CONTEXT

COVID pandemic



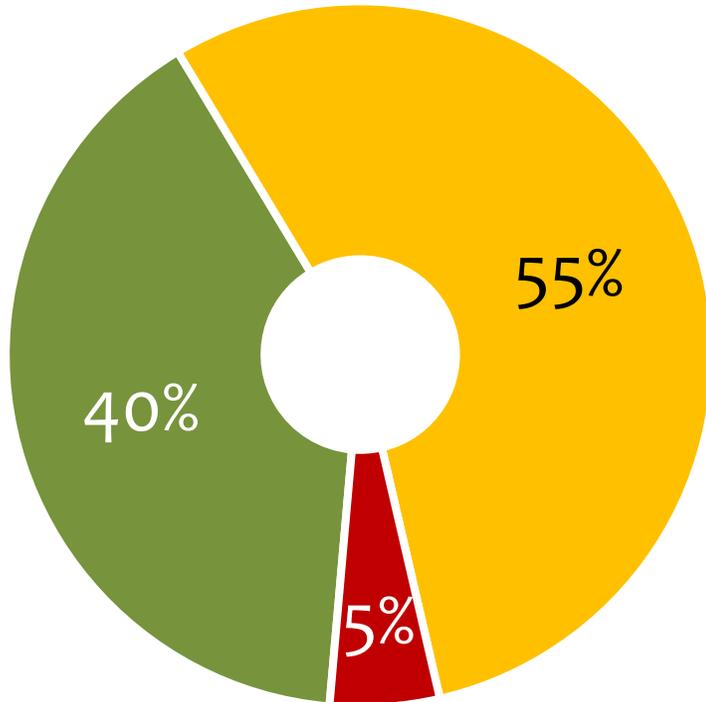
- Oil price collapse
- World recession

TR STRENGTHS TO FACE IT

1. Solid backlog
2. Continuity in project execution
3. Optimisation and efficiency program
4. Strong financial position
5. Ongoing pipeline

- **Solid backlog**
- Continuity in execution
- Optimization and efficiency
- Strong financial position
- Q1 2020 results
- Pipeline and outlook

€10.9 Bn Backlog > 2x annual sales



■ Upstream ■ Downstream ■ Power



- First tier industrial customers
- Solid project fundamentals
- Project rescheduling, without cancellations
- Earnings visibility

- Solid backlog
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CONTINUITY IN PROJECT EXECUTION

Impact

Mitigation

Engineering

- Engineering and home office task forces work disruption

- Smart work for 5,000 engineers with **high productivity**

Procurement

- Delays in fabrication, inspections, logistics availability and customs

- Successful virtual inspections
- Change of routes
- Alternative sourcing

Construction

- Difficulties in labour mobilization with productivity impact
- Subcontractors strength for addressing the scenario

- Quarantines and demobilisation at sites
- **Project schedule extension**
- Contractual coverage
- **Cash management**

Flexibility and coordination with clients and suppliers

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TR-ansforma



Initiative launched at the end of 2019 to consolidate margins and increase competitiveness

Corporate costs reduction

- Overhead costs reduction
- Third party services reduction
- Further standardisation of procedures

Efficient procurement and subcontracting

- Improvement of cash flow management
- Joint work with suppliers & subcontractors for efficiencies and savings
- Surplus material optimization

Engineering and project management

- Cost reduction in field engineering
- Cost reduction in workforce on site
- Cost reduction in engineering at home office

Management and strategic

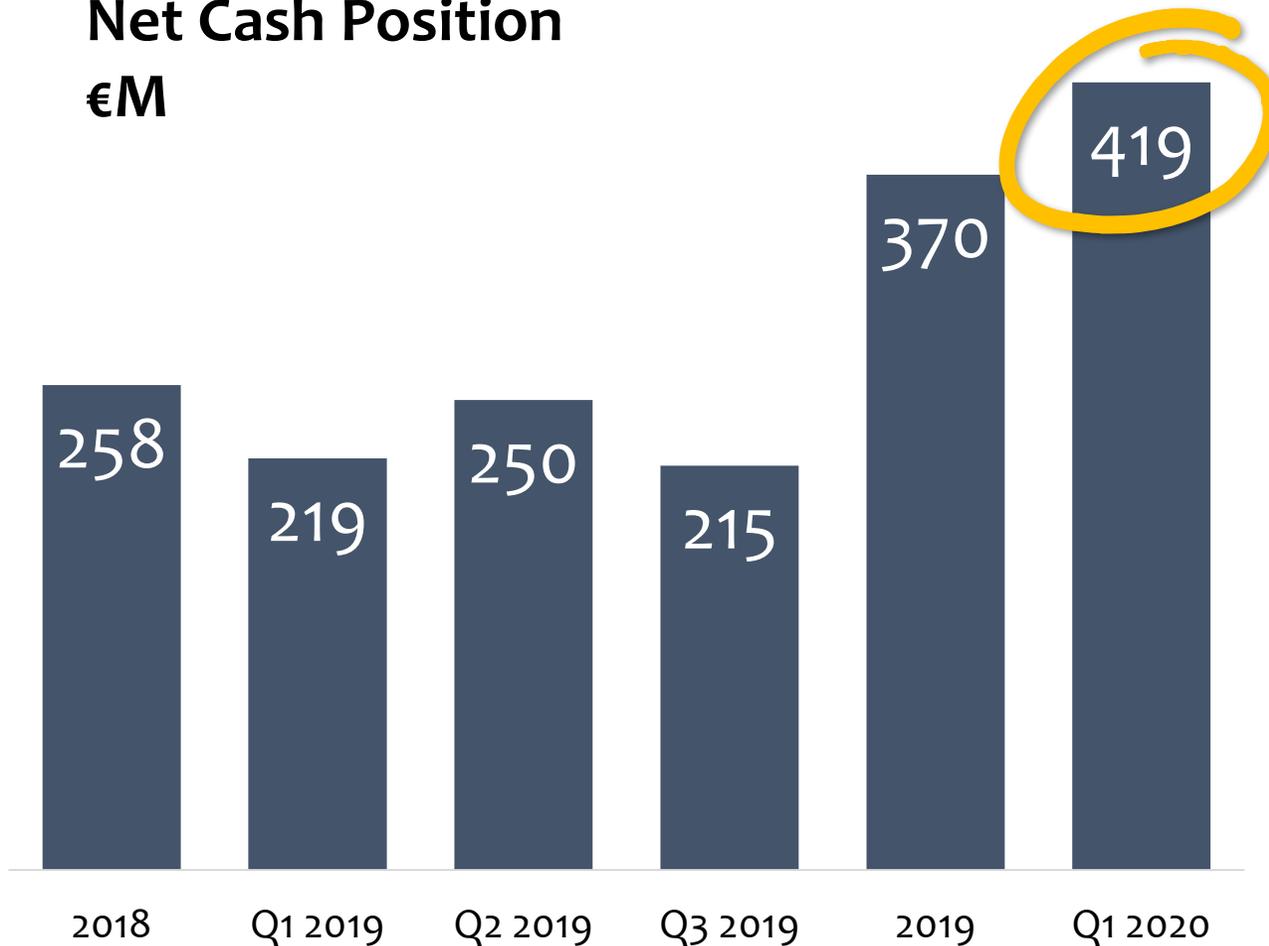
- Reinforced Talent Management scheme
- Strengthening Planning, Cost Control & Risk Management

CONTENT

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Net Cash Position

€M



- Strong **net cash** position
- Robust balance sheet and liquidity position to face uncertainties
 - € 1,234 million total liquidity:
 - € 1,082 million gross cash
 - € 242 million credit lines
 - € 904 million total financing:
 - € 662 million drawn
 - € 242 million undrawn

CONTENT

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PROFIT AND LOSS

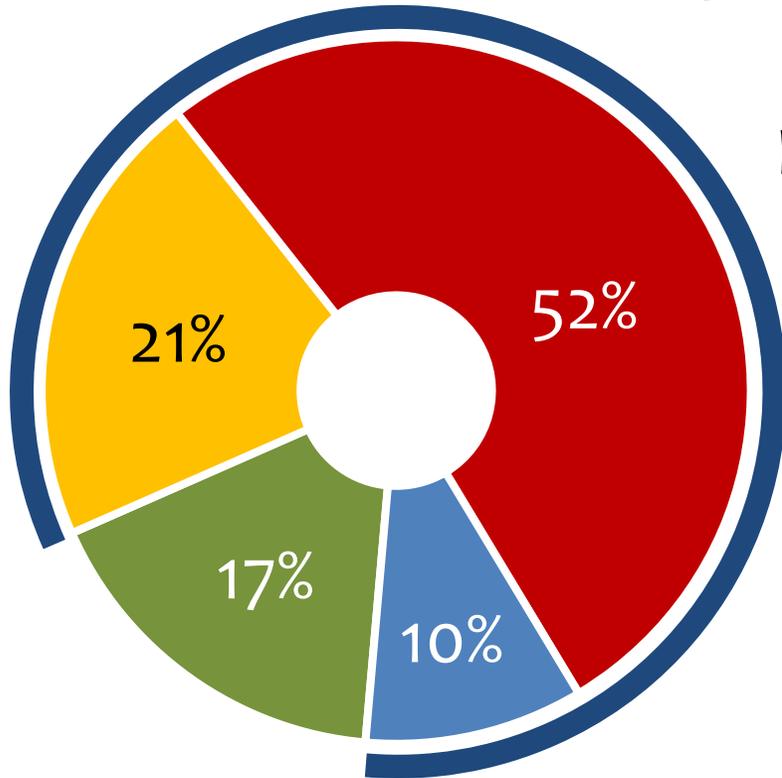
€ Million	Q1 2020	Q1 2019	Var.
Revenues	1,181	915	+29%
EBIT	23.7	10.6	+124%
Margin	2.0%	1.2%	
Net financial results	-11.3	-3.6	
Profit before taxes	12.4	5.7	+117%
Taxes	-3.7	-2.0	
Net profit	8.7	3.7	+135%

CONTENT

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83%

in non-oil
production
industries



■ Oil ■ Gas ■ Downstream ■ Power

40 US\$B in
opportunities

- No pipeline cancellations
- Delays in decision making process
- 65% in Middle East
- Increase of feasibility studies and FEEDs signals future investments

- ✓ TR is well positioned:
 - Solid backlog
 - Continuity in project execution
 - Cost optimization and efficiency plan in place
 - Strong financial position
 - Ongoing pipeline with delayed awards

- ✓ Facing the future with prudent optimism

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