

2014 – 2017 Strategic Plan

Madrid Stock Exchange

Company Overview



Spain

Mexico

Jamaica

Panama

Colombia

Peru

Brazil

Chile

Argentina

- ✓ Founded in 1959
- ✓ Manages development and maintenance services related to infrastructure for utilities and telecommunications companies
- ✓ Focus on LatAm
- ✓ Strategic partner of our clients, with key positioning in the “last mile”
- ✓ 90% of our clients are leaders in their sectors

Telefonica

Claro

entel

Digicel

مديتيل Méditel

edelnor

endesa

EDESUR

celpe
Grupo Neoenergía

coelba
Grupo Neoenergía

Light

gasNatural
fenosa

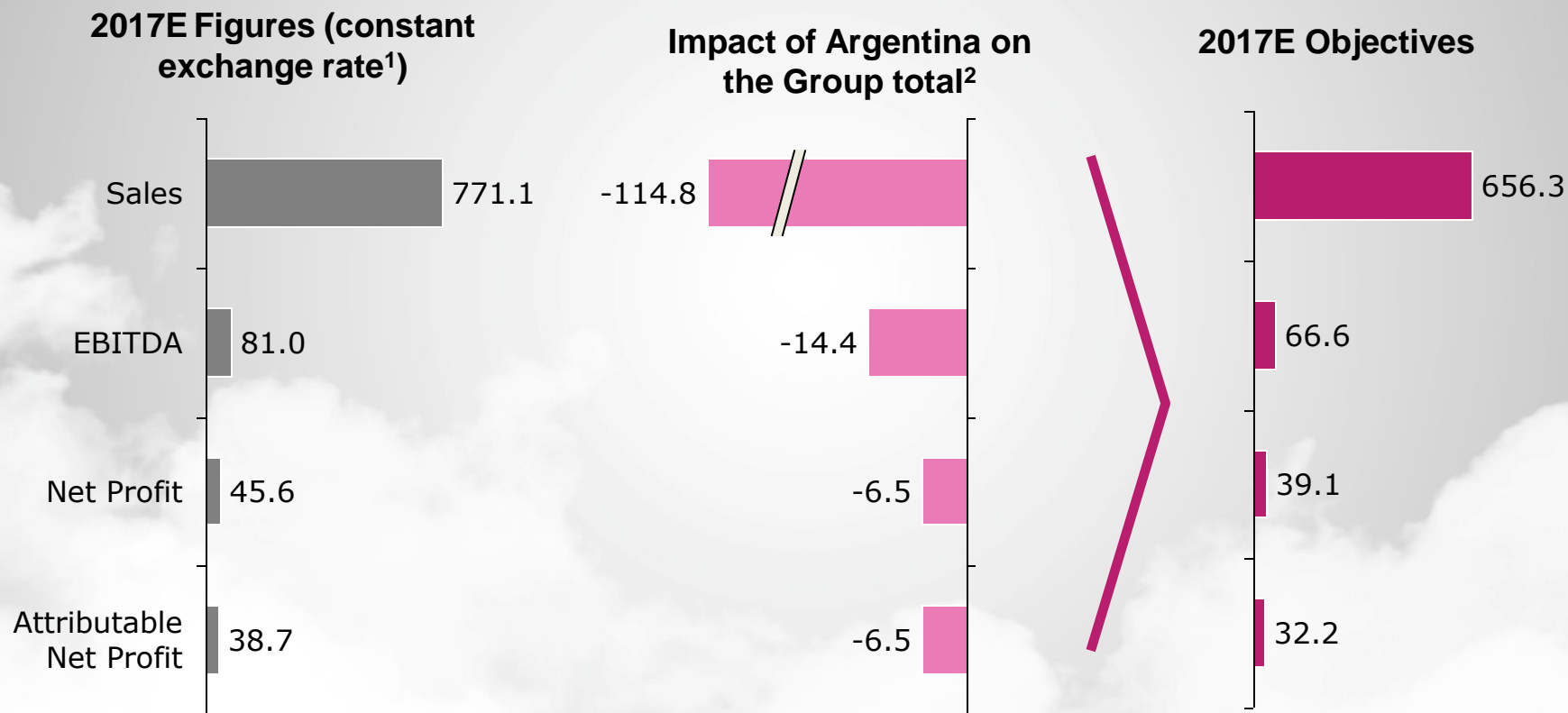
Edenor

Distriluz

AMERICAN TOWER
CORPORATION

Impact of Argentina

Millions of Euros

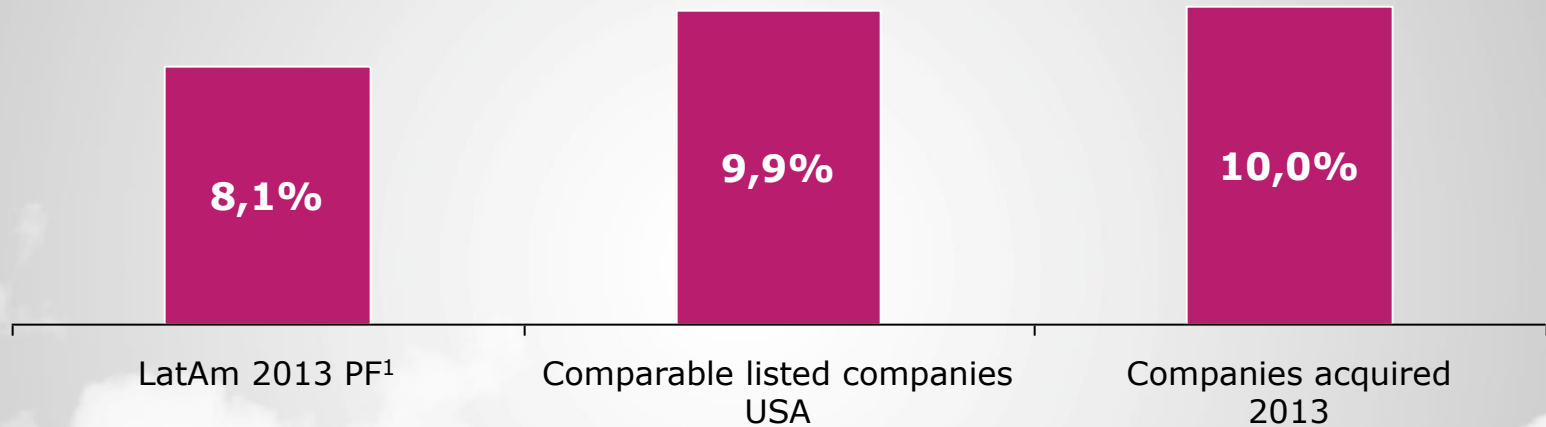


(1) Financial figures of the Group use constant exchange rates for all foreign exchange conversions (average exchange rate for the month of December 2013. Source: Oanda)

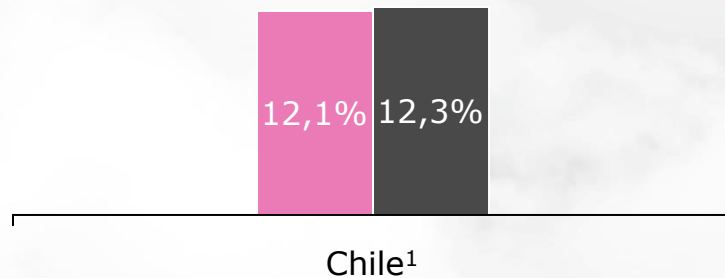
(2) Impact on financial figures of the Group using Bloomberg forward curve for foreign exchange conversion of the business in Argentina

EBITDA Margins

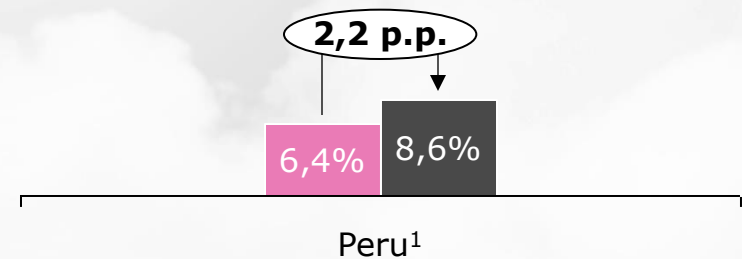
EBITDA Margin (%) references



EBITDA Margin (%) Chile: Aligned with Group target



EBITDA Margin (%) Peru: Relevant improvement between 2013 and 2014



2013PF 2014E

(1) EBITDA Margin Pre management fee

2014 – 2017 Strategic Plan

EZENTiS

Current Position and Priorities

Financial Figures

	2012R	2013PF
Final Portfolio	197	407
Sales	158	203
LatAm Sales	132	186
EBITDA	8	11
EBITDA Margin	5.2%	5.4%
Net Bank Debt	27	23 ¹

Millions of Euros

Priorities

- ✓ Balance and develop the business in Spain
- ✓ Grow efficiently and increase productivity
- ✓ Take advantage of growth opportunities in LatAm (organic and inorganic)
- ✓ Complete the growth platform with a consolidated business model in the 6 biggest countries in LatAm
- ✓ Focus on strengthening the balance sheet, reducing debt and improving equity and working capital

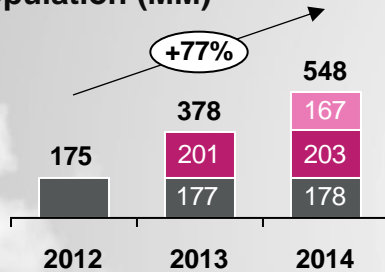
Market opportunity → strengthen our balance sheet

(1) Actual figure as of 31 December 2013

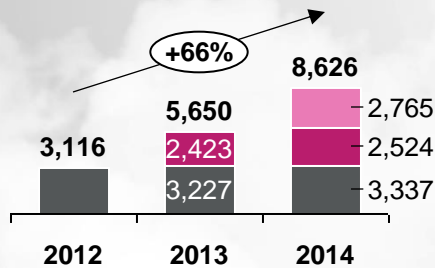
Geographic Footprint and High Growth Sectors

GEOGRAPHY

Population (MM)



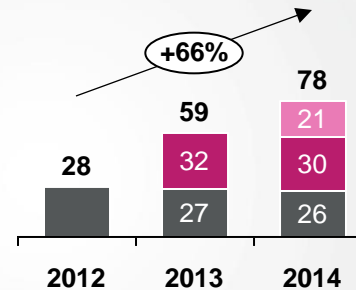
GDP (Bill. USD PPP)



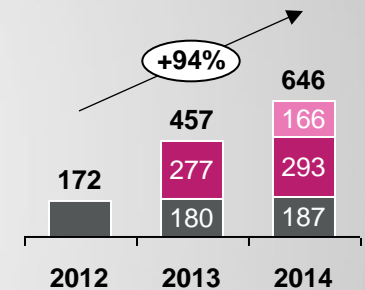
- 2012 Presence (Spain, Argentina, Chile, Peru, Jamaica, Panama and Morocco)
- Growth in 2013 (Brazil)
- Growth in 2014 - 2017 (Mexico and Colombia)
- % CAGR

TELECOMMUNICATIONS

Fixed Lines (MM)

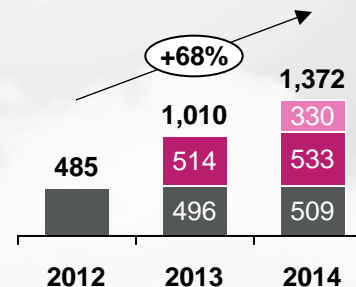


Mobile Lines (MM)

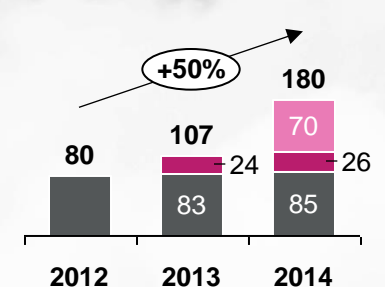


ELECTRICITY AND GAS

Electricity Consumption (TWh)



Gas Consumption (Mtoe)

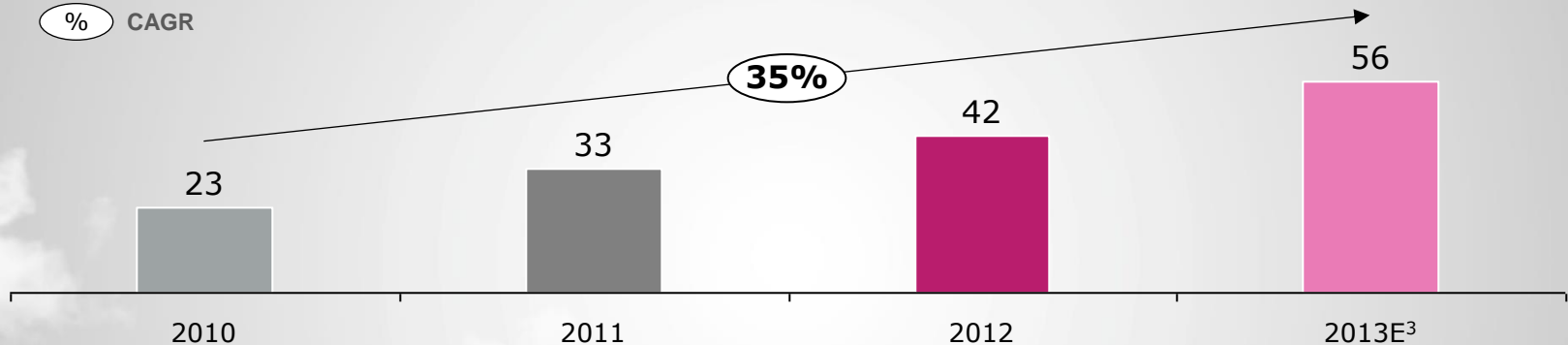


Positioning in Sectors with Annual Investment of €56,000MM in LatAm

Investment in Telecommunications and Energy Infrastructure in LatAm^{1,2}

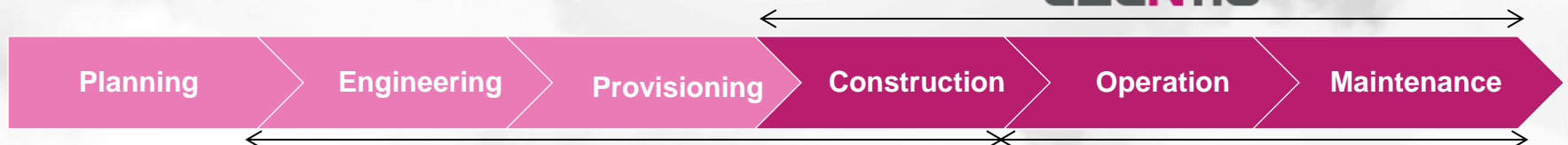
Billions of Euros

○ % CAGR



Positioning of EZENTiS in infrastructure management

EZENTiS



Infrastructure Deployment (EPC)

- ✓ Market Base: Investments of the year
- ✓ Market function of CAPEX
- ✓ Contracts by project

Operation and Maintenance (O&M)

- ✓ Market Base: Infrastructure plant
- ✓ Market function of OPEX
- ✓ Recurring multiannual contracts

⁽¹⁾ Investment with private participation in Argentina, Brazil, Chile, Colombia, Mexico and Peru. Source: World Bank

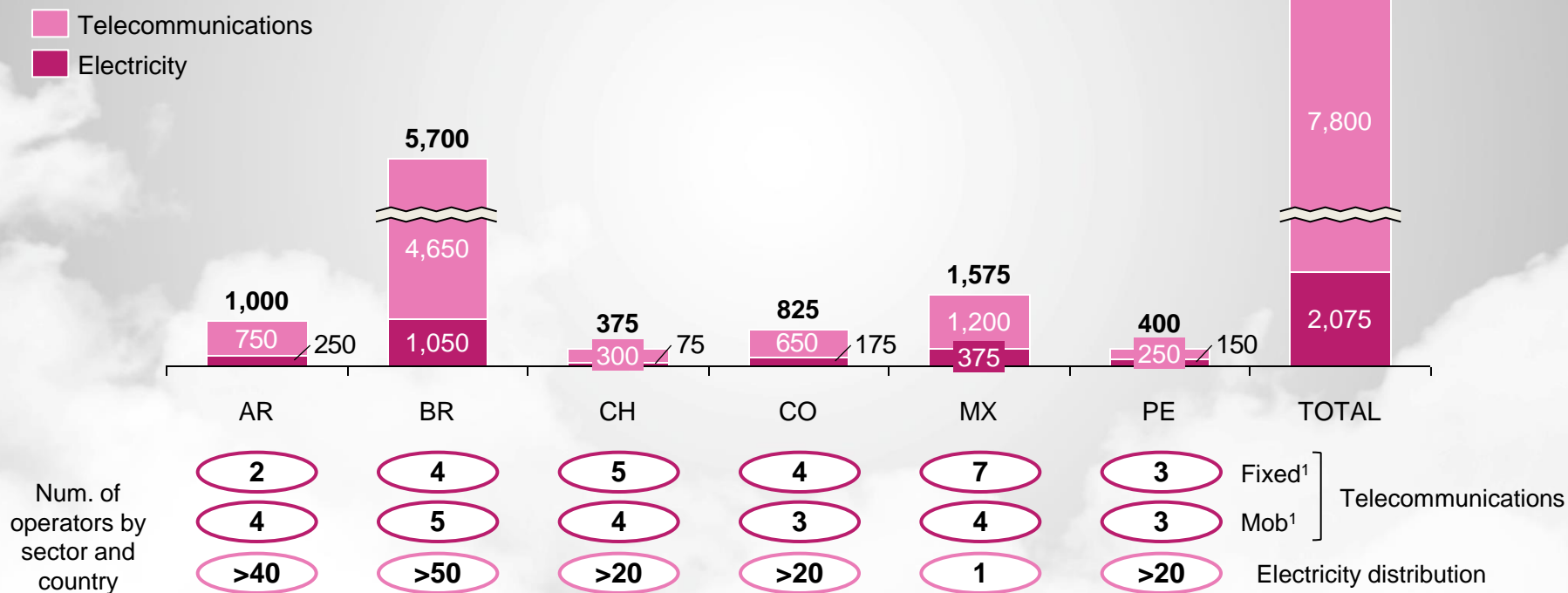
⁽²⁾ Source data expressed in USD and converted to Euros using exchange rate from 31 December 2010, 2011, 2012. Source: Oanda

⁽³⁾ Data estimated applying CAGR for each country for 2010, 2011 and 2012

Infrastructure services market: €10,000MM

Estimation of the infrastructure services market for telecommunication companies and electricity distributors in LatAm

Millions of Euros



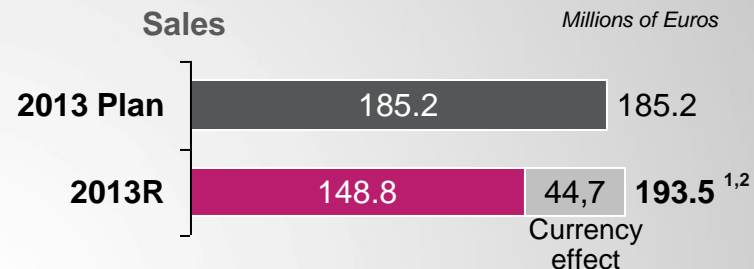
Fragmented service offering

⁽¹⁾ Telefónica and América Móvil represent more than 50% of the 48 landline and mobile operators in the indicated countries

Fulfilment of goals of the 2013-2015 Strategic Plan

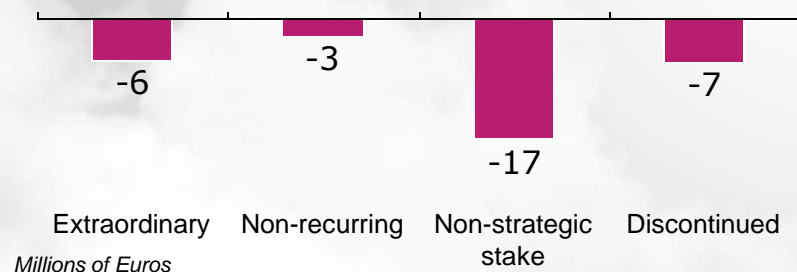
Growth

- ✓ Focus on internationalised, profitable and diversified business
- ✓ 2013 budget objectives met in constant terms



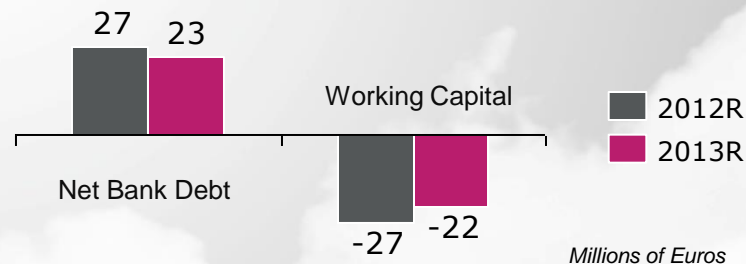
Restructuring and abandoning unprofitable businesses

Impact on net profit 2013³



Focus on balance sheet

- ✓ Optimisation of working capital and reduction of debt



2013 Focus: Entry into Brazil

⁽¹⁾ 2013 sales figure expressed in constant terms, excluding the effect of exchange rate evolution in each country

⁽²⁾ 2013PF sales figure, including acquisitions made in 2013, increases to €202.8MM

⁽³⁾ Extraordinary includes employee severance costs and litigation expenses. Non-recurring includes labour restructuring costs in Tecnología España and other corporate expenses. Non-strategic stake includes deterioration of financial results due to divestment in AMPER and decreased involvement in Vertice 360. Discontinued includes discontinuation of main operations of Telecom España and Elfer

Starting Point

- ✓ **Focusing on LatAm (91% of sales)**
- ✓ **Selection of businesses that create value for shareholders**
- ✓ **Business development operations capabilities**
- ✓ **Sector-based diversification focused on profitability**
- ✓ **Management team for developing a project in the long term**

2014 – 2017 Strategic Plan: Figures and Pillars

2014 – 2017 Strategic Plan Objectives¹

	2013PF	2017E	% CAGR
Sales	203	656	34%
LatAm Sales	186	575	33%
EBITDA	11	67	57%
EBITDA Margin	5.4%	10.1%	4.7 p.p
Bank Debt	35 ²	21 ³	
Net Bank Debt	23 ²	-61 ³	

Millions of Euros

Pillars of Growth

- Focus on LatAm
- Focus on telecommunications and electricity in strategic accounts
- Organic and inorganic growth aimed at profitability and diversification
- Technological capability as the differentiating factor for innovation in services
- Long-term commitment and vision of the management team

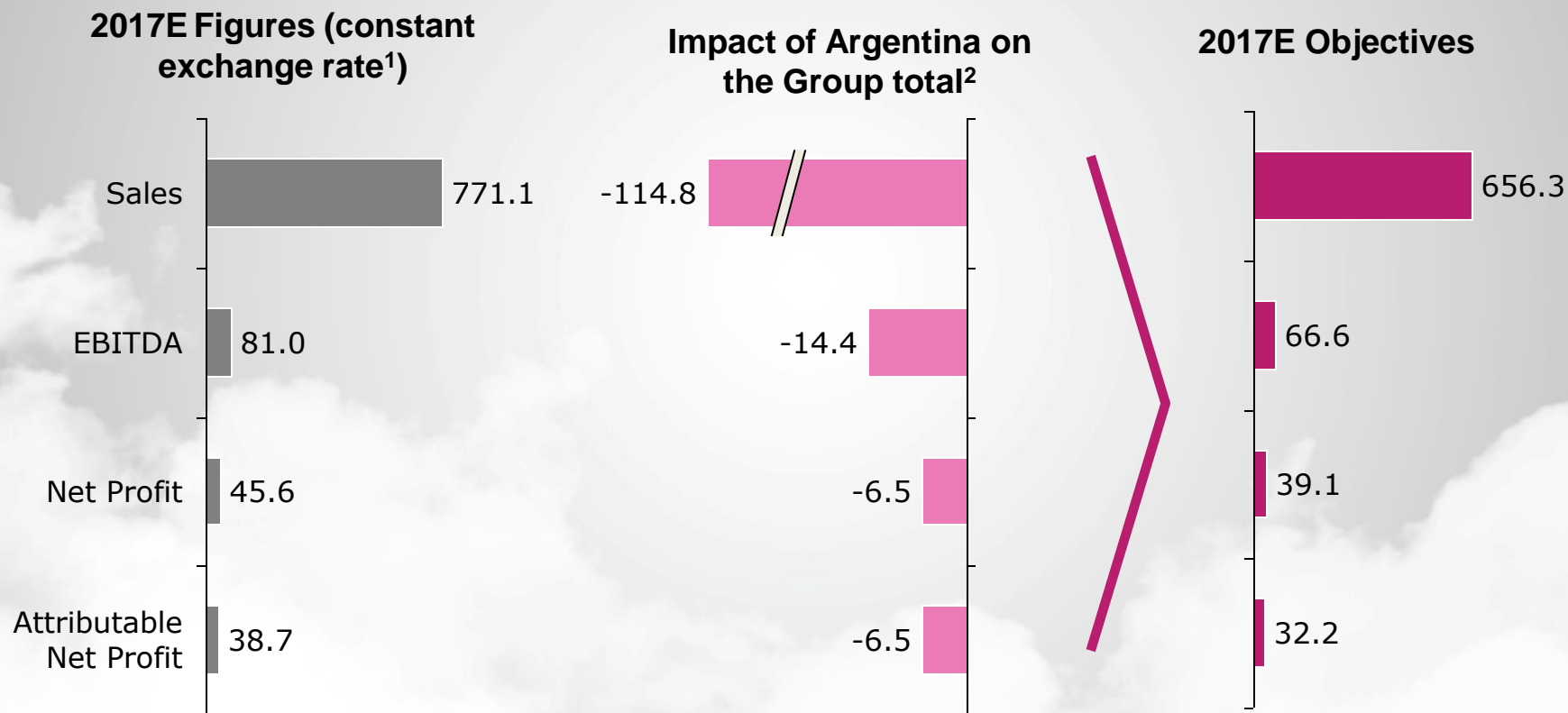
(1) Currency exchange calculated using constant exchange rate (average rate for month of December 2013. Source: Oanda), with the exception of Argentina (forward curve for exchange rate, 02/01/2014. Source: Bloomberg)

(2) Actual figure on 31 December 2013

(3) Does not include debt linked to execution of organic/inorganic opportunities

Impact of Argentina

Millions of Euros



(1) Financial figures of the Group use constant exchange rates for all foreign exchange conversions (average exchange rate for the month of December 2013. Source: Oanda)

(2) Impact on financial figures of the Group using Bloomberg forward curve for foreign exchange conversion of the business in Argentina

2014 – 2017 Strategic Lines

Growth

- Portfolio based on existing and proven capabilities
- Differentiation model based on being strategic partners of our clients
- Strong organic and inorganic development in LatAm
- Growth with business diversification: geographic, sector and client based

Efficiency and Quality

- Improvement in operational productivity
- Focus on quality and profitability of contracts
- Sharing of knowledge and best practices
- Efficiency in fixed costs and operating expenses

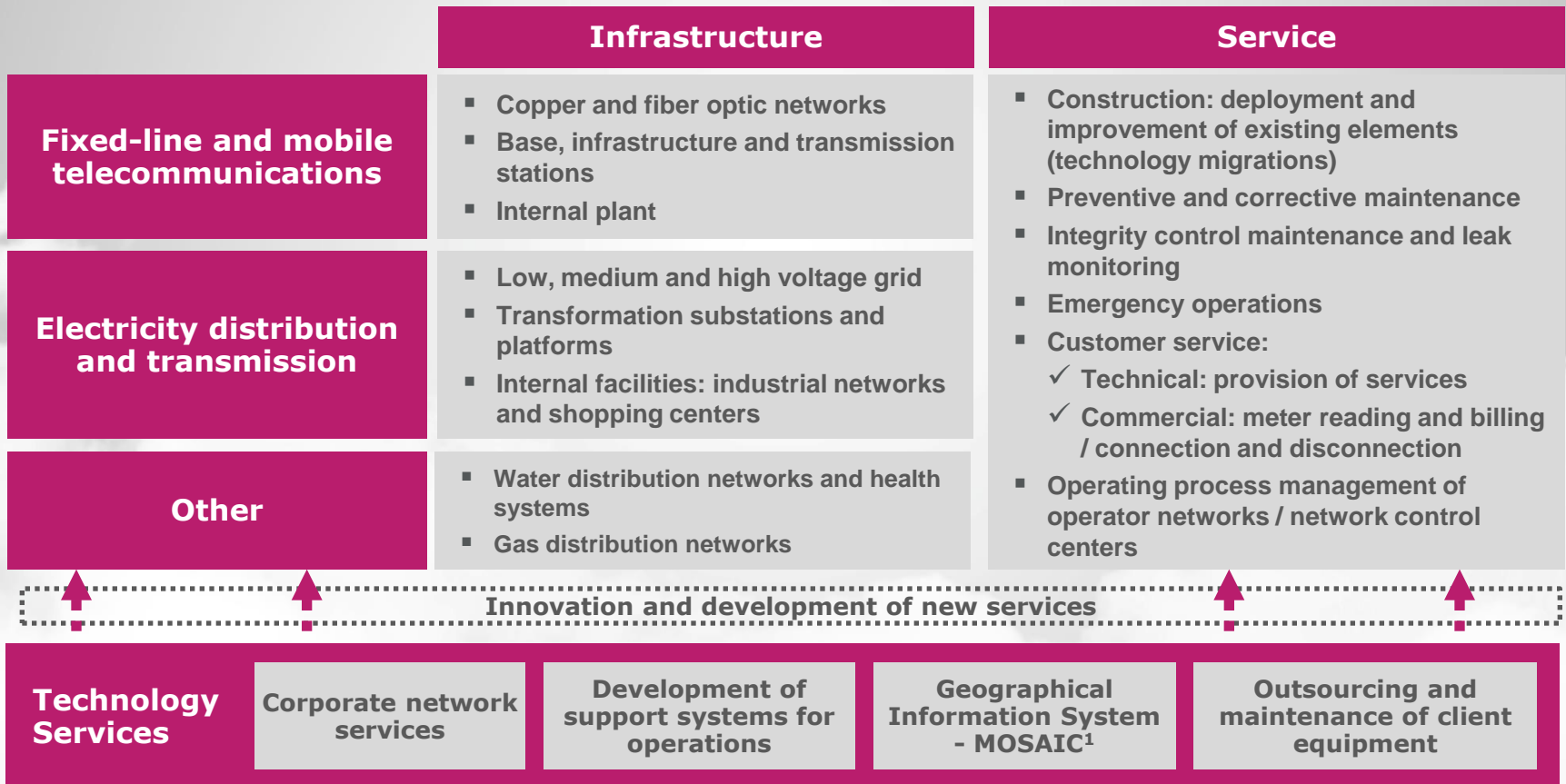
Financial Optimization

- Improve the balance sheet by bringing in new capital
- Achieve a positive net operating income for the Group
- Improve working capital
- Reduce the Group's net financial debt

Creation of value for shareholders

Portfolio of Services

■ ■ ■ Growth



(1) Geographical Information System with proprietary technology

Differentiation Model

■ ■ ■ Growth

Differential Value

- ✓ **Strategic partnership with our clients**
- ✓ **Maximization of end client satisfaction**
- ✓ **High quality service implementation**
- ✓ **Added value through operational excellence and efficiency**

Competitive advantage

- ✓ **Experience with large contracts**
- ✓ **Regional presence**
- ✓ **Technological capabilities**
- ✓ **Innovation**

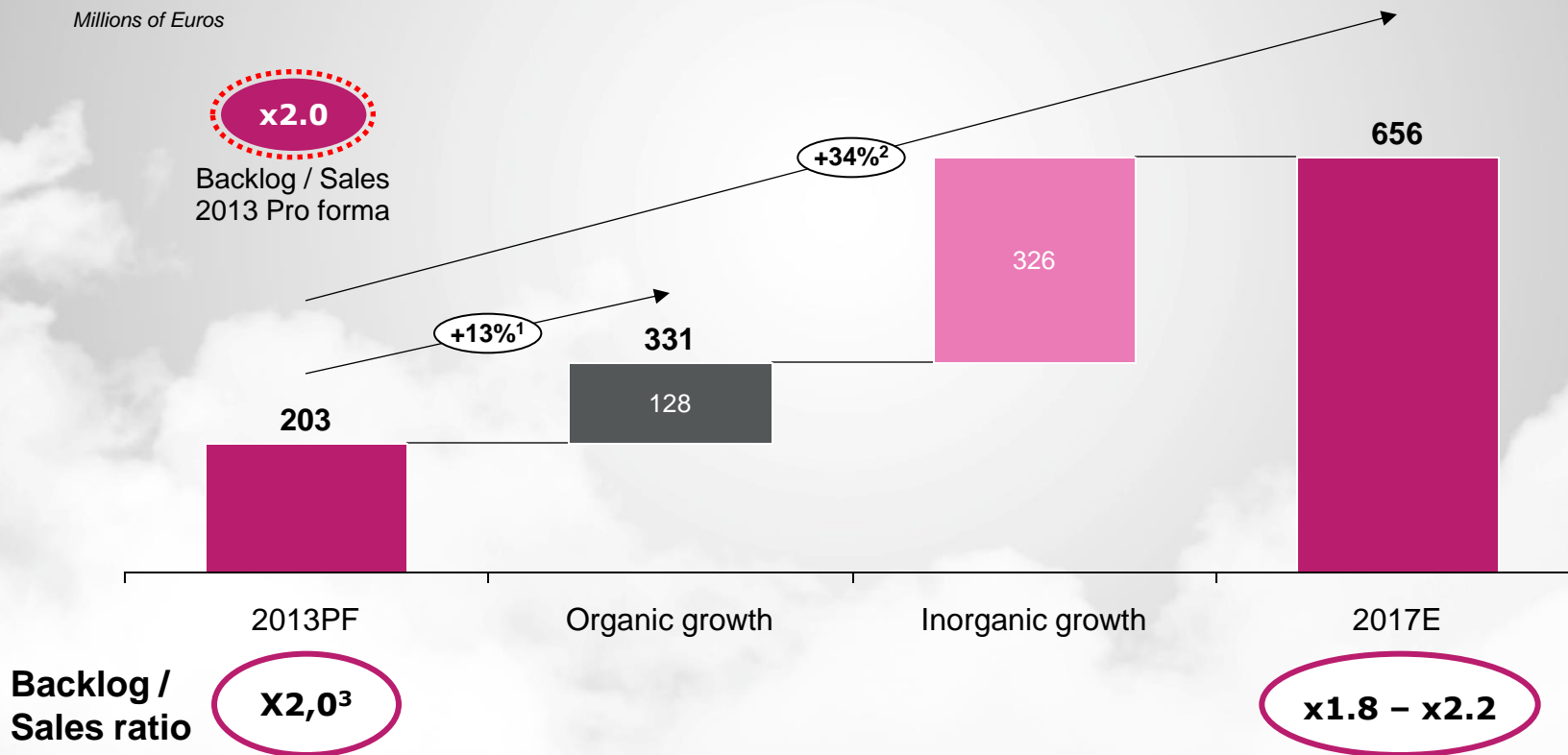
EZENTiS More value for the shareholder: Our commitment

Organic and Inorganic Growth

■ ■ ■ Growth

Evolution of Ezentis Group sales from 2013-2017

Millions of Euros



(1) CAGR of the Group's sales figure for the period of 2013PF with respect to organic growth in 2017E

(2) CAGR of the Group's sales figure for the period of 2013PF - 2017E

(3) Calculated based on 2013 Pro forma figures

Acquisition Selection and Integration Model

■ ■ ■ Growth

Principle

Selection of targets

Implementation factors

- Prioritise targets with acquisition of majority interest
- EBITDA margin for first year higher than 7.5%
- Debt/EBITDA less than 2x
- EV/EBITDA multiple between 5x-6x

Local implementation

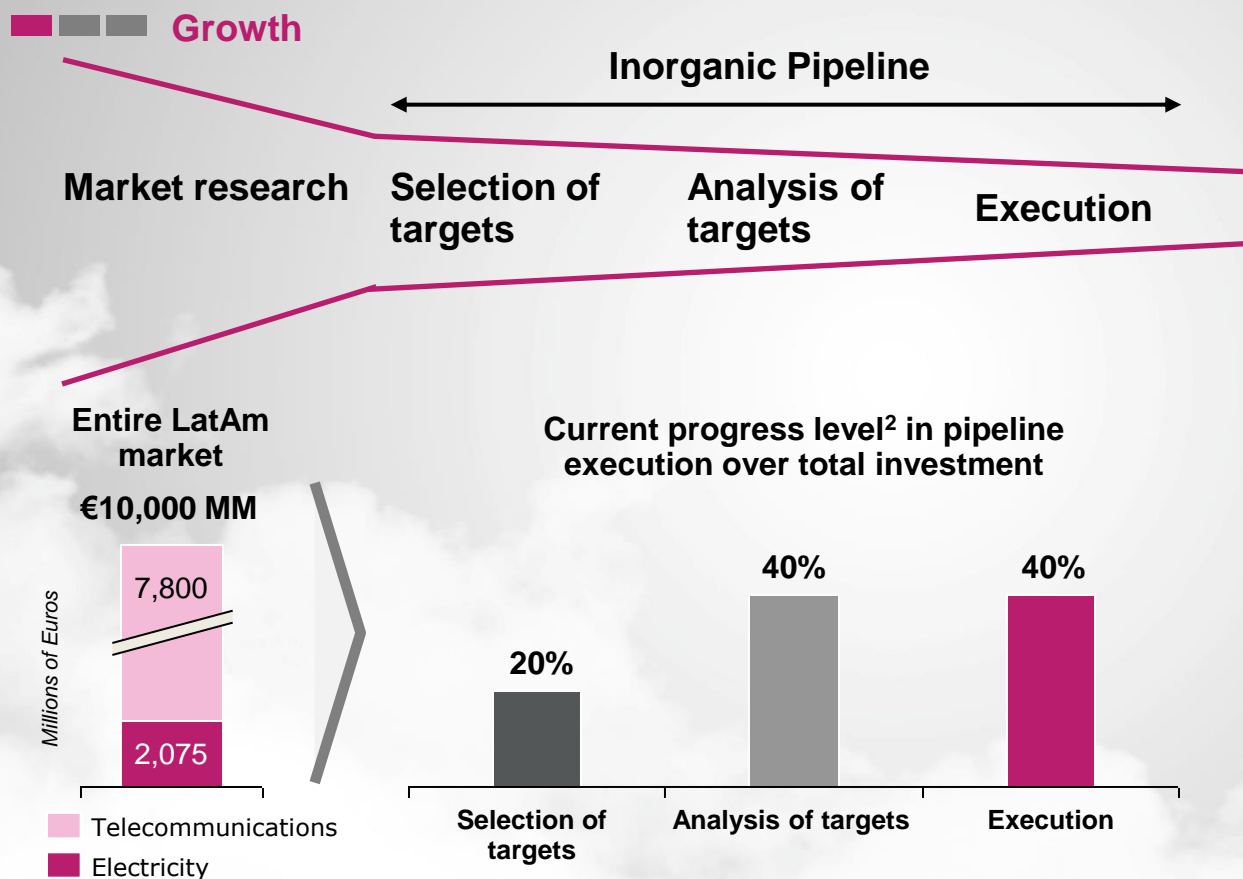
- Selection of talent and companies which have contracts with key clients
- Alignment of local management with EZENTIS through shareholding in EZENTIS, and with the local company through earnout
- Local leadership by managers of the acquired company

Integration into the Group

- Controlling interest of EZENTIS in the acquired companies
- Financial and legal operations controlled by EZENTIS
- Leverage the trade capacity and M&A capabilities of EZENTIS
- Implementation of best operating practices and technological innovation

Based on this model, we have entered the telecommunications and electricity sectors in Brazil in 2013

Progress in the M&A Process



Priorities and figures of inorganic growth opportunities

Geographical priorities



Breakdown by sector and sales of the opportunities

	No. of oppor.	Sales 2014E ¹
Telecom	6	230
Electricity	2	40
Total	8	270

Inorganic opportunities with a contribution to sales of the Group > €300MM in 2017

(1) Sales figure shown for targets under M&A process in which Ezentis will have a controlling interest

(2) Approximate level of progress

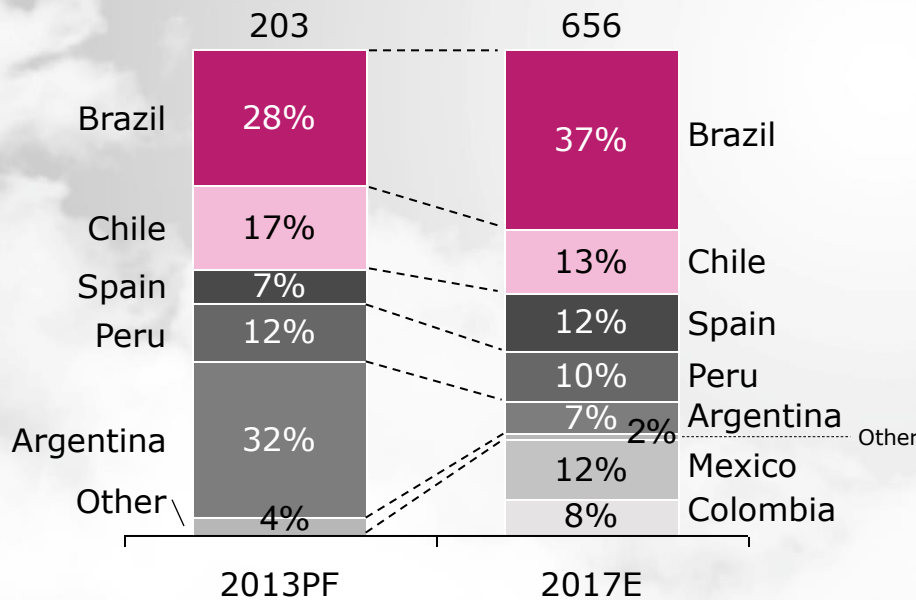
Diversification by Countries, Sectors and Clients

■ ■ ■ Growth

Geographical diversification

Projection of sales by country

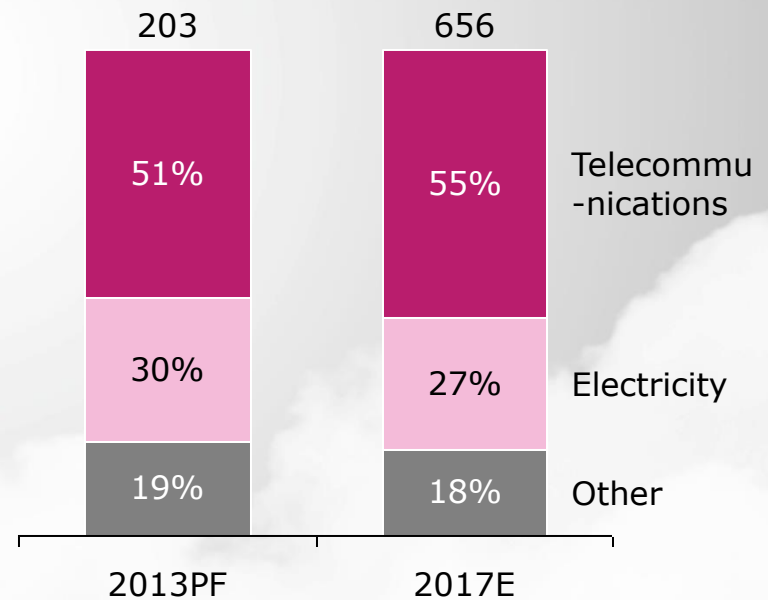
Millions of Euros



Diversification by sector

Projection of sales by sector

Millions of Euros



Diversified client portfolio, with regional and global operators

Efficiency and Quality Optimisation

■ ■ ■ Efficiency and quality

Goals

- Increased business profitability
- Increased customer satisfaction
- Increased competitiveness

Operating factors

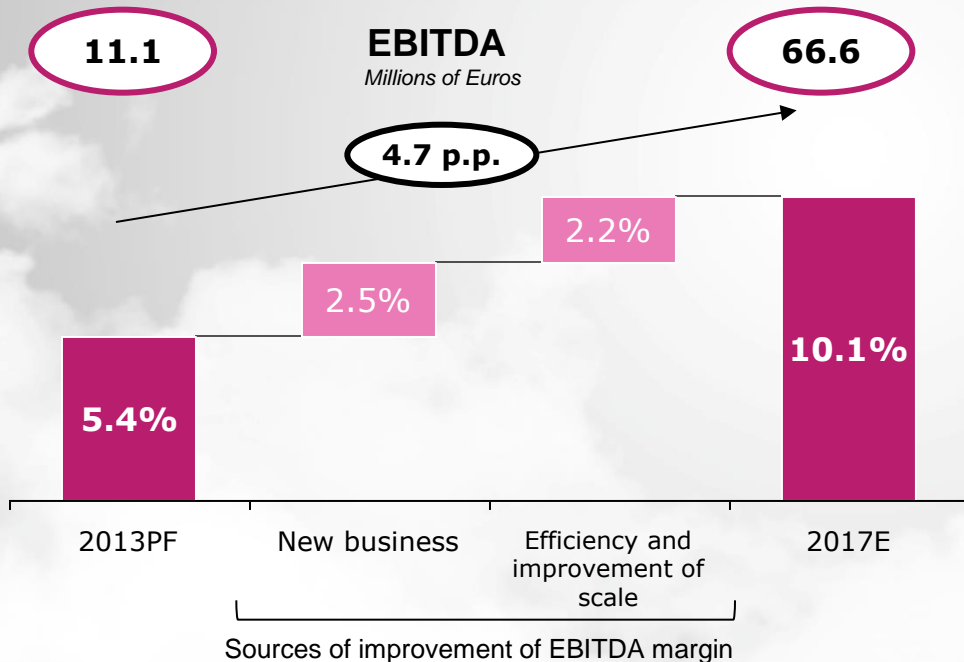
- Productivity of each worker in operations
- Rewards in contracts with clients
- Reduction of operating expenses
- Optimisation of SG&A expenses
- Taking advantage of economies of scale
- Implementation of best practices

Organisational model with common processes and indicators

Consistent Operational Improvement

■ ■ ■ Efficiency and quality

EBITDA margin: Improvement¹ of EBITDA margin by item in 2013 – 2017



EBITDA margin 2017E objective in line with:

- ✓ Comparable companies: 9.9%
- ✓ Inorganic opportunities: 7.5 -11%
- ✓ Organic opportunities: >10%

Taking advantage of efficiencies and improvements in business scale






⁽¹⁾ Estimation of incremental contribution to EBITDA margin of 2013PF

Comparable Listed Companies

■ ■ ■ Efficiency and quality

Key figures of comparable listed companies

Millions of Euros

	Country	2013 Sales	2013 EBITDA	EBITDA Margin (%)	EBITDA CAGR 08-13 (%)
Quanta Services Inc		4,686	495	10.6%	11.3%
EMCOR Group Inc		4,610	208	4.5%	-3.9%
Dycom Industries Inc		1,156	117	10.1%	6.3%
MYR Group Inc		649	60	9.3%	10.7%
MasTec Inc		3,107	307	9.9%	31.2%

Source: Bloomberg on 03-19-2014
 Note: Exchange rate used is 1.39199 USD/EUR

Median	9.9%	10.7%
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Achieve a Solid Financial Position

■ ■ ■ Financial optimization

- Improve the Group's balance sheet with new incoming capital
- Achieve a positive net operating income
- Improve working capital management and profitability:
 - ✓ Reduce work certification times
 - ✓ Improve client collection management
- Reduce net financial debt of the Group

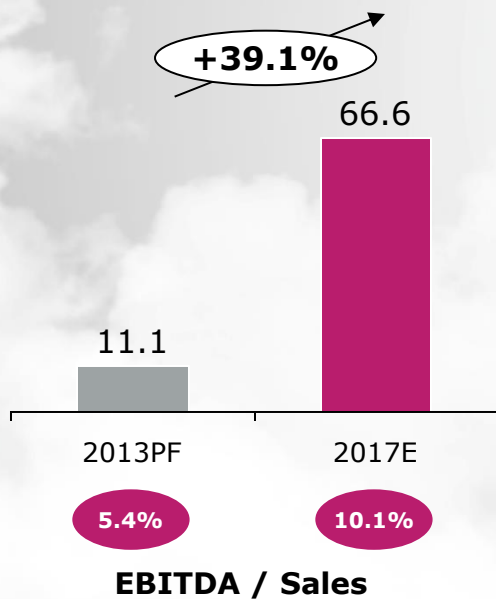
Income Statement

■ ■ ■ Financial optimisation

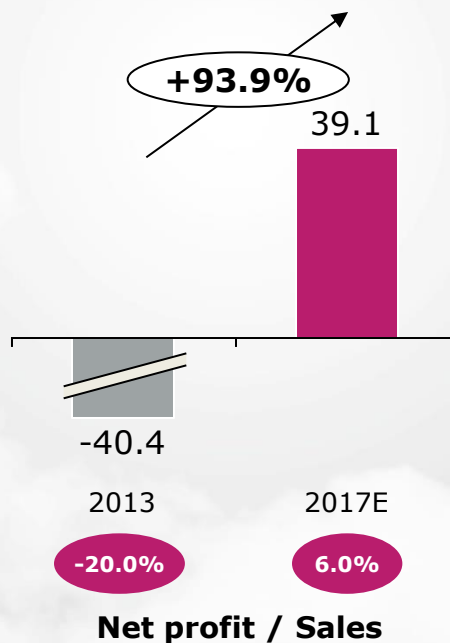
Key income statement figures

Millions of Euros

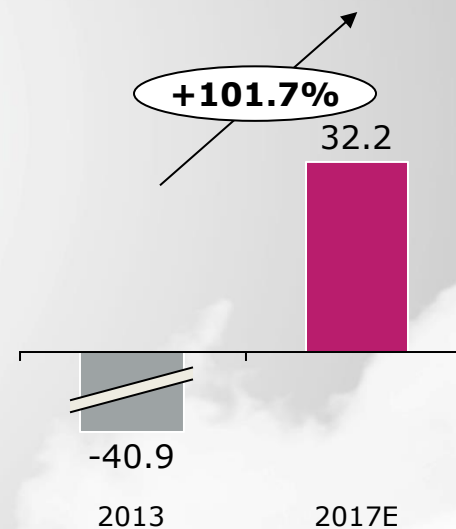
EBITDA



Net profit



Attributable net profit



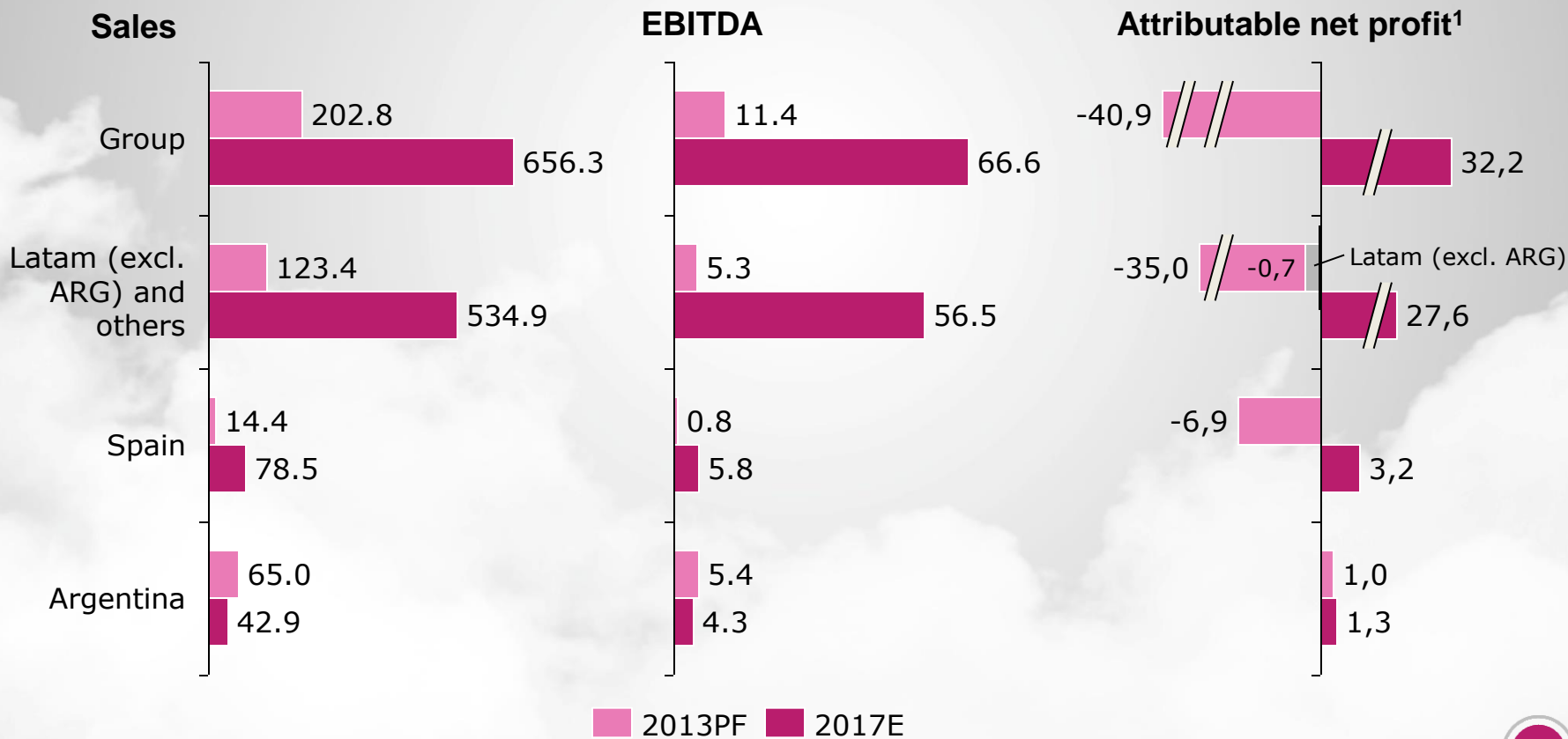
Note: aggregate P&L for the business units and Corporation

(%) CAGR

Key Figures by Region

Financial optimisation

Millions of Euros



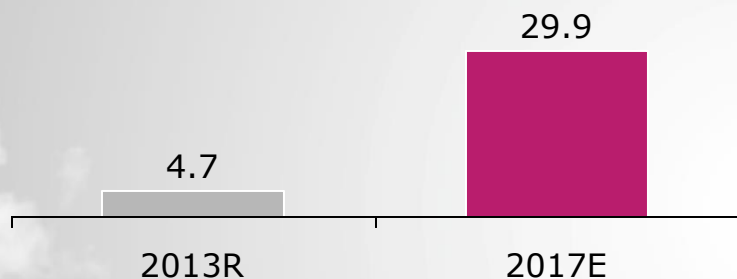
(1) Actual 2013 figures as of 31 December 2013

Generation of Cash and Evolution of Debt

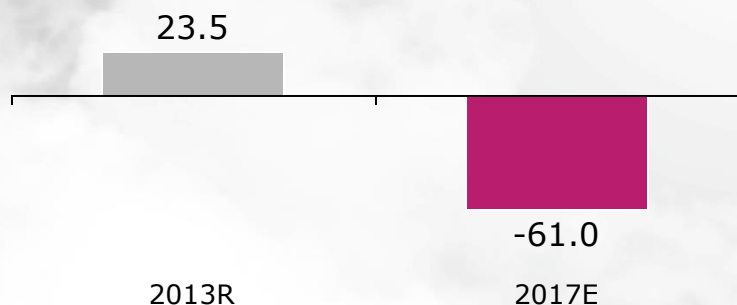
■ ■ ■ **Financial optimisation**

Millions of Euros

Cash flow



Net bank debt



2013R

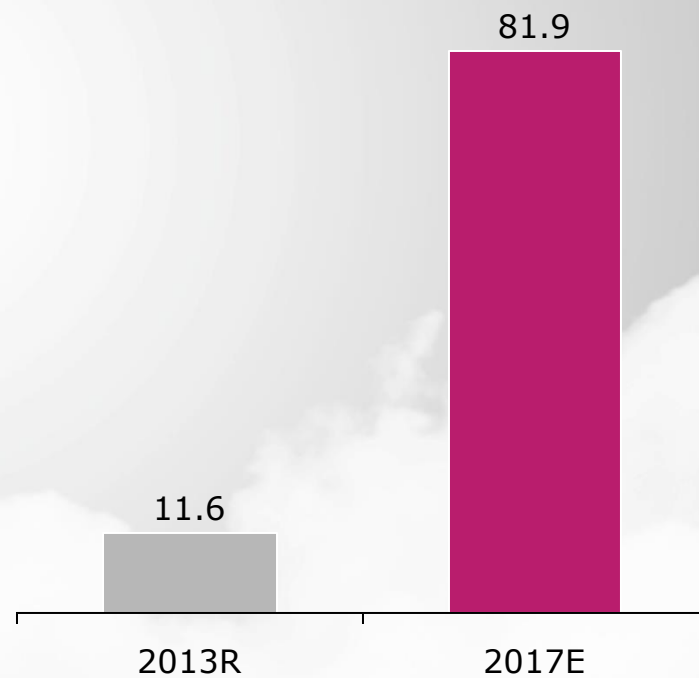
2,1x¹

2017E

-0,9x

Net bank debt / EBITDA

Cash at year end



⁽¹⁾ Ratio calculated based on 2013PF EBITDA figure

2017 Key Figures

EZENTiS

Millions of Euros

Sales

656

EBITDA Margin

10.1%

Net Bank Debt

-61

Cash flow at year-end

82

■ Current presence ■ New markets 2014 - 2017

More value for the shareholder: Our commitment.

Exchange Rates (Bloomberg forward curve for Argentina, constant currency for other countries)

		2013	2014Q1	2014Q2	2014Q3	2014Q4	2015	2016	2017
Country	Currency	Rate / €	Rate / €	Rate / €	Rate / €	Rate / €	Rate / €	Rate / €	Rate / €
Argentina	ARS	0.1154	0.0978	0.0861	0.0796	0.0742	0.0527	0.0401	0.0314
Chile	CLP	0.0014	0.0014	0.0014	0.0014	0.0014	0.0014	0.0014	0.0014
Peru	PEN	0.2580	0.2580	0.2580	0.2580	0.2580	0.2580	0.2580	0.2580
Brazil	BRL	0.3106	0.3106	0.3106	0.3106	0.3106	0.3106	0.3106	0.3106
Jamaica	JMD	0.0071	0.0071	0.0071	0.0071	0.0071	0.0071	0.0071	0.0071
Panama	USD	0.9573	0.9573	0.9573	0.9573	0.9573	0.9573	0.9573	0.9573
Morocco	MAD	0.1045	0.1045	0.1045	0.1045	0.1045	0.1045	0.1045	0.1045
Mexico	Mex	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553
Colombia	Col	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004

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