



CreditRiskMonitor’s assessment of Obrascon Huarte Lain SA’s (“Obrascon Huarte”) “high risk” status has been determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score signals that Obrascon Huarte (MCE: OHL) **has a 10 to 50 times greater risk of bankruptcy** than the average public company. The company was addressed in a [research report](#) published in June, 2019.

Fitch Ratings downgrades OHL to CCC+ on free cash flow potentially remaining negative for three years over many project types.

Fitch assigns a negative outlook to the EMEA Engineering & Construction sector on margin pressure and rising leverage metrics.

Moody's downgraded OHL to Caa2 while maintaining a negative outlook and cut its unsecured notes down to Caa3 due to COVID-19.

| Business Name | 2019 | | | | 2020 | | | | | | | | |
|-------------------------|------|---|---|---|------|---|---|---|---|---|---|---|---|
| | S | O | N | D | J | F | M | A | M | J | J | A | S |
| Obrascon Huarte Lain SA | 1 | 1 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

OHL reported lower net sales year-over-year and a continuation of reported net losses, in part due to impairments of assets.

Management announced that it would be difficult to estimate the impact of the coronavirus pandemic on 2020 financial results.

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

FRISK® SCORE: PROBABILITY OF BANKRUPTCY WITHIN 12 MONTHS

| | FRISK® | FROM | TO |
|-------|--------|-------|--------|
| BEST | 10 | 0.00% | 0.12% |
| | 9 | 0.12% | 0.27% |
| | 8 | 0.27% | 0.34% |
| | 7 | 0.34% | 0.55% |
| | 6 | 0.55% | 0.87% |
| WORST | 5 | 0.87% | 1.40% |
| | 4 | 1.40% | 2.10% |
| | 3 | 2.10% | 4.00% |
| | 2 | 4.00% | 9.99% |
| | 1 | 9.99% | 50.00% |

While the risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor® process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody’s, Fitch, & DBRS Morningstar

Crowdsourced CreditRiskMonitor® Usage Data

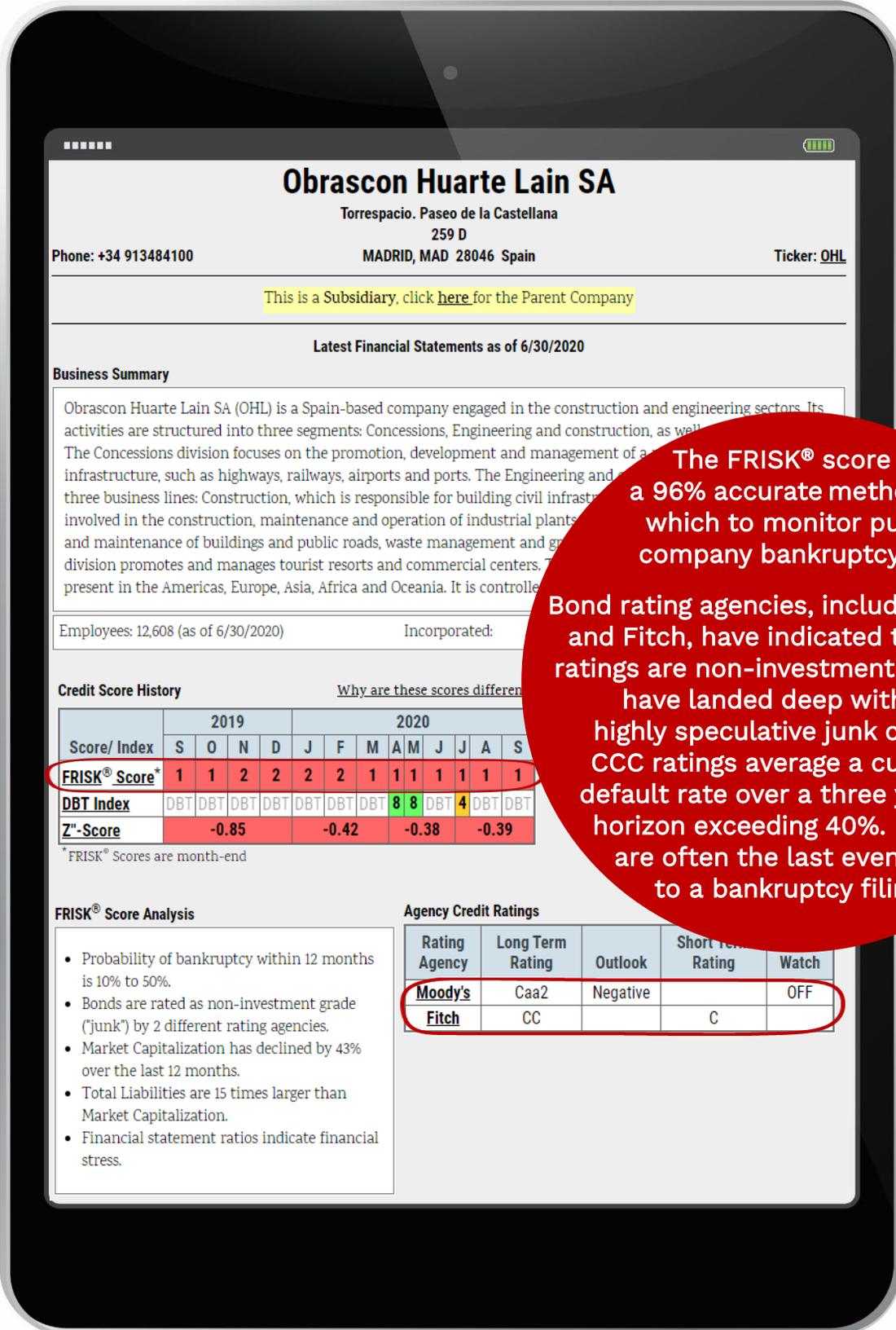
[Crowdsourcing](#) has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor® subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

COMPANY REPORT DETAIL



Obrascon Huarte Lain SA

Torrespacio, Paseo de la Castellana
259 D

Phone: +34 913484100

MADRID, MAD 28046 Spain

Ticker: OHL

This is a Subsidiary, click [here](#) for the Parent Company

Latest Financial Statements as of 6/30/2020

Business Summary

Obrascon Huarte Lain SA (OHL) is a Spain-based company engaged in the construction and engineering sectors. Its activities are structured into three segments: Concessions, Engineering and construction, as well as... The Concessions division focuses on the promotion, development and management of a... infrastructure, such as highways, railways, airports and ports. The Engineering and... three business lines: Construction, which is responsible for building civil infrastructure... involved in the construction, maintenance and operation of industrial plants... and maintenance of buildings and public roads, waste management and g... division promotes and manages tourist resorts and commercial centers. The... present in the Americas, Europe, Asia, Africa and Oceania. It is controlled

Employees: 12,608 (as of 6/30/2020)

Incorporated:

Credit Score History

Why are these scores different

| Score/ Index | 2019 | | | | 2020 | | | | | | | | |
|----------------------|-------|-----|-----|-----|-------|-----|-----|---|-------|-----|---|-----|-------|
| | S | O | N | D | J | F | M | A | M | J | J | A | S |
| FRISK® Score* | 1 | 1 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| DBT Index | DBT | DBT | DBT | DBT | DBT | DBT | DBT | 8 | 8 | DBT | 4 | DBT | DBT |
| Z"-Score | -0.85 | | | | -0.42 | | | | -0.38 | | | | -0.39 |

* FRISK® Scores are month-end

FRISK® Score Analysis

- Probability of bankruptcy within 12 months is 10% to 50%.
- Bonds are rated as non-investment grade ("junk") by 2 different rating agencies.
- Market Capitalization has declined by 43% over the last 12 months.
- Total Liabilities are 15 times larger than Market Capitalization.
- Financial statement ratios indicate financial stress.

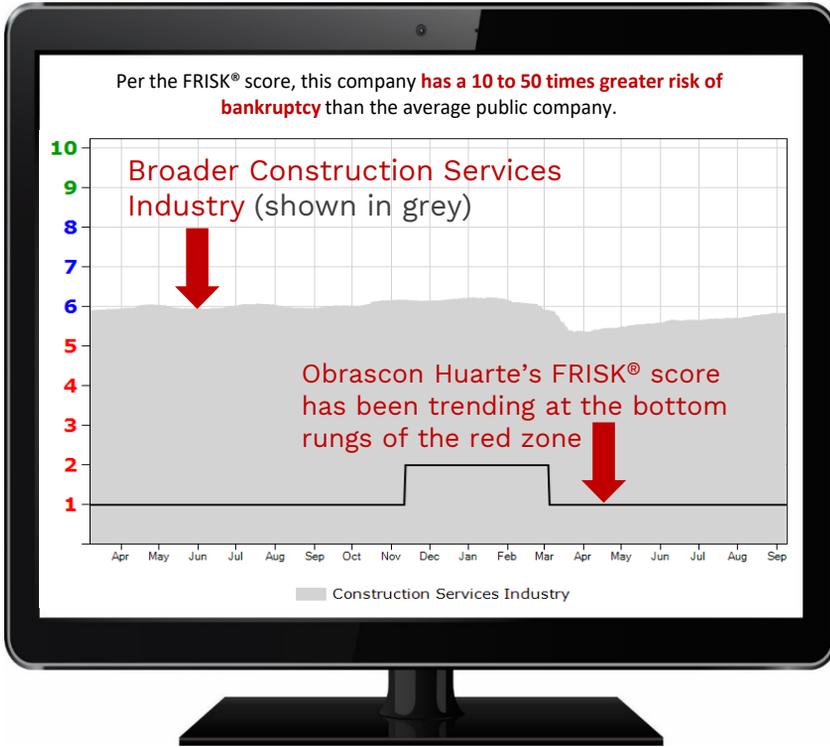
Agency Credit Ratings

| Rating Agency | Long Term Rating | Outlook | Short Term Rating | Watch |
|----------------|------------------|----------|-------------------|-------|
| Moody's | Caa2 | Negative | | OFF |
| Fitch | CC | | C | |

The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Bond rating agencies, including Moody's and Fitch, have indicated that OHL's ratings are non-investment grade. Both have landed deep within the highly speculative junk category. CCC ratings average a cumulative default rate over a three year time horizon exceeding 40%. Defaults are often the last event prior to a bankruptcy filing.

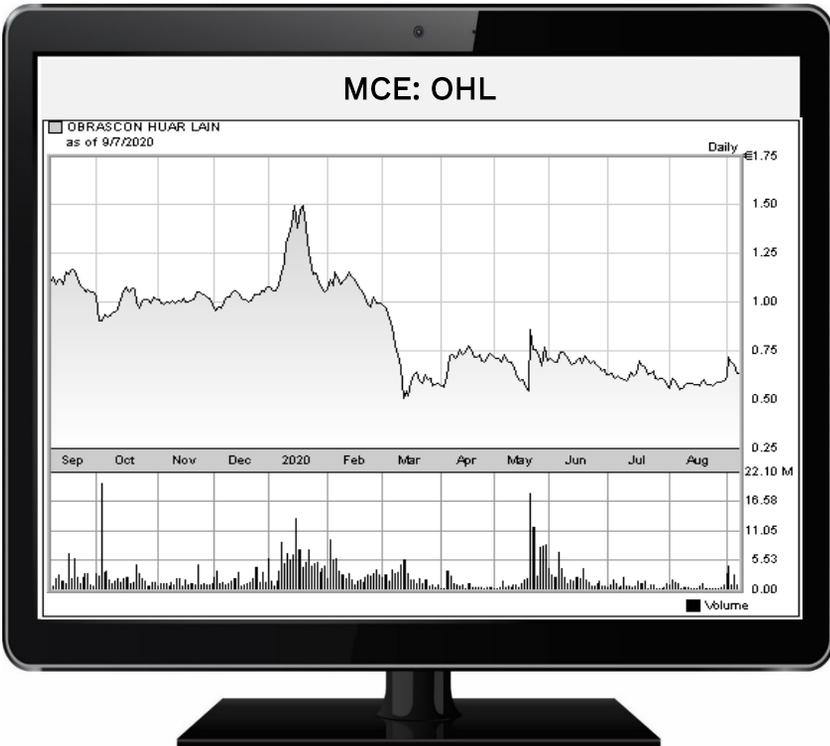
FRISK® DEEP DIVE



The FRISK® score relative to the broader Construction Services industry raises an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

| # | Business Name | Country | Current FRISK® score |
|----|---|--------------------|----------------------|
| 1 | Obrascon Huarte Lain SA | Spain | 1 |
| 2 | Swee Hong Ltd | Singapore | 2 |
| 3 | IL&FS Transportation Networks Ltd (P) | India | 2 |
| 4 | Gayatri Projects Ltd (Parent) | India | 2 |
| 5 | Ellaktor S.A. | Greece | 2 |
| 6 | Supreme Infrastructure India Limited | India | 2 |
| 7 | Gayatri Projects Ltd | India | 2 |
| 8 | Sadbhav Infrastructure Projects Ltd | India | 2 |
| 9 | Korporatsiya Transstroy AO | Russian Federation | 2 |
| 10 | Crnogoraput a.d. Podgorica | Montenegro | 2 |

Primary industry codes only Primary and secondary industry codes

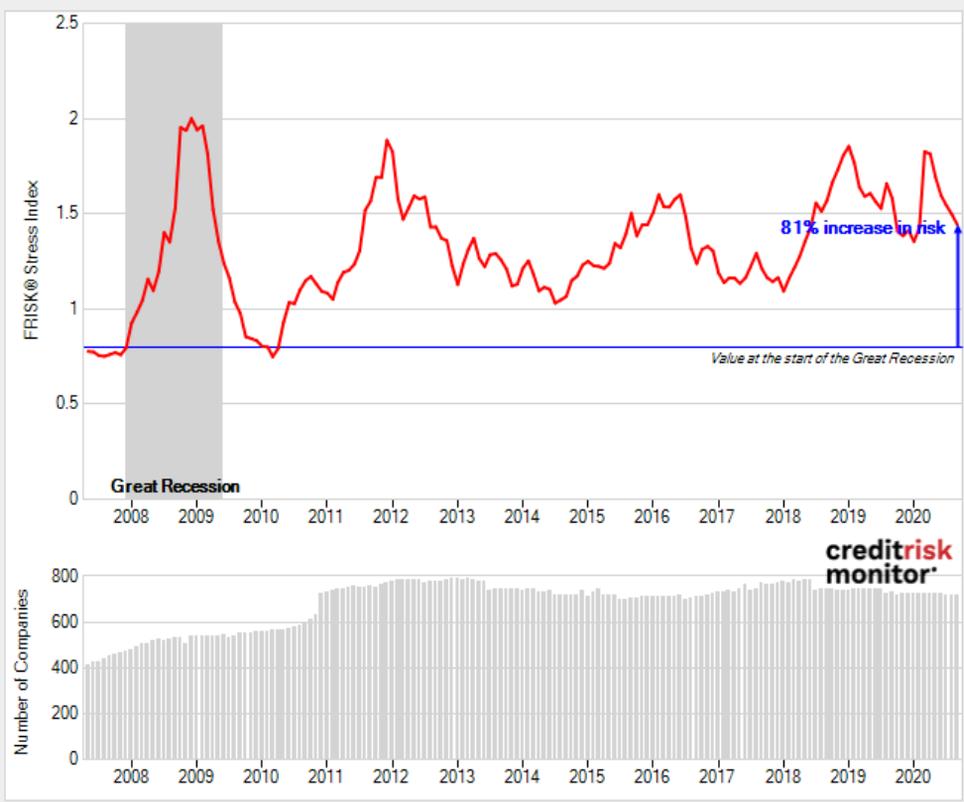
Businesses From: CLEAR

In Industry:

Country:

UPDATE RESULTS

Scale: Total Companies in all months **1,059**



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 1611 (Highway and street construction, except elevated highways) has increased 81% since 2007. Obrascon Huarte is among the weakest names in the industry as evidenced by its FRISK® score of 1.

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PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

Calendar Year/Quarter: 2020.2

| Businesses in Peer Group: 340 | Ranking Within Peer Group | Number Of Peers Ranked | Company Value | Peer Group Range | | |
|---|---------------------------|------------------------|---------------|------------------|---------|-----------|
| | | | | Low | Median | High |
| Credit Ratings | | | | | | |
| Z-Score | 210 | 210 | -0.39 | -0.39 | 4.40 | 39.99 |
| Performance ratios: | | | | | | |
| Net Sales (Thousands of U.S. Dollars) | | 3 | | 217,041 | 908,216 | 3,260,057 |
| Gross Margin % Of Sales | 221 | 228 | -10.84 | -129.07 | 14.48 | 100.00 |
| Gross Margin % Of Sales -- TTM | 81 | 229 | 22.29 | -136.87 | 16.47 | 99.51 |
| SGA % Of Sales | 200 | 227 | 25.65 | 0.57 | 8.31 | 229.89 |
| SGA % Of Sales -- TTM | 210 | 228 | 25.16 | 0.36 | 6.94 | 101.06 |
| Operating Margin % Of Sales | 197 | 234 | -1.44 | -1,161.87 | 5.95 | 1,170.98 |
| Operating Margin % Of Sales -- TTM | 218 | 235 | -2.89 | -401.37 | 7.00 | 6,064.00 |
| EBITDA Margin Of Sales | | 88 | | -56.22 | 12.59 | 82.93 |
| EBITDA Margin Of Sales -- TTM | | 98 | | | | |
| Net Profit Margin % Of Sales | 201 | 234 | | | | |
| Net Profit Margin % Of Sales -- TTM | 222 | 235 | | | | |
| Pre-tax Income % Of Sales | 199 | 234 | | | | |
| Effective Tax Rate | 11 | 234 | | | | |
| Depreciation % Of Prop/Plant/Equipment | 196 | 206 | | | | |
| Capital Expense % Of Prop/Plant/Equipment | | 109 | | | | |
| Interest Coverage | | 76 | | | | |
| Interest Coverage -- TTM | | 92 | | | | |
| Liquidity ratios | | | | | | |
| Cash Ratio | 154 | 213 | 0.30 | 0.00 | 0.55 | 48.39 |
| Quick Ratio | 157 | 207 | 0.80 | 0.01 | 1.20 | 65.86 |
| Current Ratio | 209 | 213 | 1.09 | 0.47 | 1.80 | 122.55 |
| Efficiency ratios: | | | | | | |
| Accounts Receivable Turnover | 148 | 229 | 2.40 | -108.36 | 2.99 | 1,374.60 |
| Days Sales Outstanding | 155 | 234 | | | | |
| % of Inventory Financed by Vendors | 20 | 169 | | | | |
| % of Inventory Financed by Vendors -- TTM | 22 | 192 | | | | |
| Inventory Turnover | 34 | 212 | | | | |
| Inventory Turnover -- TTM | 56 | 213 | | | | |
| Days Sales in Inventory | 34 | 208 | | | | |
| Inventory to Working Capital | 124 | 193 | | | | |
| Accounts Payable Turnover | 158 | 208 | | | | |
| Accounts Payable Turnover -- TTM | 182 | 210 | | | | |
| Leverage & debt coverage | | | | | | |
| Total Debt to Equity Ratio | 180 | 191 | 1.37 | 0.00 | 0.27 | 5.44 |
| Debt to Tangible Equity Ratio | 179 | 187 | 2.50 | 0.00 | 0.29 | 51.17 |
| Total Debt to Assets Ratio | 138 | 191 | 0.23 | 0.00 | 0.16 | 0.67 |
| Short-Term Debt % of Total Debt | 27 | 185 | 15.00 | 0.00 | 52.53 | 100.00 |
| Short-Term Debt % of Working Capital | 141 | 189 | 64.61 | -120.87 | 21.28 | 366.28 |
| Liabilities to Net Worth Ratio | 203 | 209 | 9.02 | 0.03 | 0.92 | 95.39 |
| Total Liabilities to Equity Ratio | 211 | 213 | 4.93 | 0.03 | 0.84 | 15.34 |
| TTM EBITDA to Total Debt | | 88 | | -0.49 | 0.40 | 78.39 |
| Net Debt to TTM EBITDA | | 87 | | -15.76 | 0.44 | 299.27 |

| Rank | Company Name |
|------|---|
| 1 | Viet Nam Rubber Ind Zn Urb Devlpmt JSC |
| 2 | Heilongjiang Transportation Dvlp Co Ltd |
| 3 | Invalda Invl AB |
| 4 | Stella Holdings Bhd |
| 5 | KOMAIHALTEC Inc |

| Rank | Company Name |
|------|---|
| 1 | Invalda Invl AB |
| 2 | Stella Holdings Bhd |
| 3 | Stalprodukt SA |
| 4 | Heilongjiang Transportation Dvlp Co Ltd |
| 5 | DAIHO CORPORATION |

| | |
|--|--|
| Green - Ranked in Upper Quartile of Peer Group | |
| White - Ranked in the Middle Two Quartiles of Peer Group | |
| Red - Ranked in Lower Quartile of Peer Group | |
| Orange - Confidential | |
| Grey - Data is Not Available | |

TTM = trailing 12 months
N/A = Not Available

Obrascon Huarte demonstrates bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

QUARTERLY PERFORMANCE RATIOS

Cumulative operating losses due to spiraling costs on legacy projects

Persistent net losses over the last five sequential quarters

Performance Ratios - Sequential Quarters

(Thousands of Euros)

| Period Ended | 3 mos 6/30/2020 | 3 mos 3/31/2020 | 6 mos 12/31/2019 | 3 mos 9/30/2019 | 6 mos 6/30/2019 |
|-----------------------------------|----------------------------|-----------------------------|---------------------|--------------------|-----------------------------|
| Net Sales € | €694,736 | €655,600 | €1,598,630 | n/a | €1,361,275 |
| % change | 5.97% | n/a | n/a | n/a | n/a |
| Gross Margin € | (€75,302) | n/a | €649,977 | n/a | €442,731 |
| % of sales | -10.84% | n/a | 40.66% | n/a | 32.52% |
| SG&A € | €178,209 | €179,500 | €384,395 | n/a | €381,064 |
| % change | -0.72% | n/a | n/a | n/a | n/a |
| % of sales | 25.65% | 27.38% | 24.05% | n/a | 27.99% |
| change as % of incremental sales | -3.30% | n/a | n/a | n/a | n/a |
| Operating margin € | (€10,017) | €4,900 | (€80,173) | n/a | (€3,120) |
| % change | -304.43% | n/a | n/a | n/a | n/a |
| % of sales | -1.44% | 0.75% | -5.02% | n/a | -0.23% |
| change as % of incremental sales | -38.12% | n/a | n/a | n/a | n/a |
| EBITDA € | n/a | n/a | n/a | n/a | €30,517 |
| % of sales | n/a | n/a | n/a | n/a | 2.24% |
| EBIT € | (€10,017) | €4,900 | (€80,173) | n/a | (€3,120) |
| % change | -304.43% | n/a | n/a | n/a | n/a |
| % of sales | -1.44% | 0.75% | -5.02% | n/a | -0.23% |
| change as % of incremental sales | -38.12% | n/a | n/a | n/a | n/a |
| Pre-tax income € | (€24,713) | (€7,700) | (€105,871) | n/a | (€15,788) |
| % change | -220.95% | n/a | n/a | n/a | n/a |
| % of sales | -3.56% | -1.17% | -6.62% | n/a | -1.16% |
| change as % of incremental sales | -43.47% | n/a | n/a | n/a | n/a |
| Net income (loss) € | (€31,186) | (€7,300) | (€127,655) | n/a | (€15,305) |
| % change | -327.21% | n/a | n/a | n/a | n/a |
| % of sales | -4.49% | -1.11% | -7.99% | n/a | -1.12% |
| change as % of incremental sales | -61.03% | n/a | n/a | n/a | n/a |
| Tax expense € | €6,547 | €1,200 | €21,625 | n/a | €217 |
| Effective tax rate | -26.49% | -15.58% | -20.43% | n/a | -1.37% |
| Depreciation expense € | €17,912 | €16,100 | €38,723 | n/a | €33,637 |
| % of sales | 2.58% | 2.46% | 2.42% | n/a | 2.47% |
| % of capital expenses | n/a | n/a | n/a | n/a | 138.53% |
| % of PP&E, net (annualized) | 42.21% | 35.84% | 41.85% | n/a | 40.22% |
| Capital expenditures € | n/a | n/a | n/a | n/a | €24,281 |
| % of PP&E, net (annualized) | n/a | n/a | n/a | n/a | 29.03% |
| % of working capital (annualized) | n/a | n/a | n/a | n/a | 20.85% |
| Interest coverage ratio | n/a | n/a | n/a | n/a | 1.16 |
| Free cash flow € | n/a | n/a | n/a | n/a | (€256,050) |
| Source: | Interim Report 8/5/2020 | Interim Report 5/20/2020 | ARS 5/8/2020 | ARS 5/8/2020 | Interim Report 7/31/2019 |

*Fiscal period end 9/30/2019 was superseded and 12/30/2019 was updated to reflect results for both periods, which affected performance and return pages.

QUARTERLY LEVERAGE RATIOS

Total debt to equity trends to 1.37x, indicating high financial leverage relative to the construction industry median

Total debt well in excess of tangible net worth, leaving creditors extremely vulnerable

Leverage Ratios - Sequential Quarters

(Thousands of Euros)

| Period Ended | 6/30/2020 | 3/31/2020 | 12/31/2019 | 9/30/2019 | 6/30/2019 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total debt € | €776,030 | €686,000 | €784,201 | €735,500 | €806,487 |
| % change | 13.12% | -12.52% | 6.62% | -8.80% | 9.04% |
| Stockholders' equity € | €567,383 | €606,400 | €622,863 | €749,400 | €752,992 |
| % change | -6.43% | -2.64% | -16.89% | -0.48% | -2.78% |
| Total debt to equity ratio | 1.37 | 1.13 | 1.26 | 0.98 | 1.07 |
| % change | 20.90% | -10.14% | 28.27% | -8.36% | 12.16% |
| Tangible net worth € | €310,054 | €342,000 | €353,742 | €471,000 | €475,879 |
| % change | -9.34% | -3.32% | -24.90% | -1.03% | 5.21% |
| Total debt to tangible net worth | 2.50 | 2.01 | 2.22 | 1.56 | 1.69 |
| % change | 24.78% | -9.52% | 41.96% | -7.85% | 3.64% |
| Total assets € | €3,362,702 | €3,411,300 | €3,624,316 | €3,784,300 | €3,895,308 |
| % change | -1.42% | -5.88% | -4.23% | -2.85% | -2.16% |
| Total debt to assets ratio | 0.23 | 0.20 | 0.22 | 0.19 | 0.21 |
| % change | 14.77% | -7.07% | 11.32% | -6.09% | 11.41% |
| Tangible assets € | €3,105,373 | €3,146,900 | €3,355,195 | €3,505,900 | €3,618,195 |
| % change | -1.32% | -6.21% | -4.30% | -3.10% | -1.12% |
| Short-term debt € | €116,433 | €97,500 | €196,164 | €147,800 | €219,246 |
| % change | 19.42% | -50.30% | 32.72% | -32.59% | 44.05% |
| Short-term debt % of total debt | 15.00% | 14.21% | 25.01% | 20.10% | 27.19% |
| % change | 5.56% | -43.18% | 24.48% | -26.08% | 32.10% |
| Short-term debt % of working capital | 64.61% | 72.54% | 169.04% | 70.99% | 102.14% |
| % change | -10.93% | -57.08% | 138.12% | -30.50% | 68.57% |
| Total liabilities € | €2,795,319 | €2,804,900 | €3,001,453 | €3,034,900 | €3,142,316 |
| % change | -0.34% | -6.55% | -1.10% | -3.42% | -2.01% |
| Total liabilities to equity ratio | 4.93 | 4.63 | 4.82 | 4.05 | 4.17 |
| % change | 6.51% | -4.01% | 18.99% | -2.95% | 0.79% |
| Total liabilities to tangible net worth ratio | 9.02 | 8.20 | 8.48 | 6.44 | 6.60 |
| % change | 9.93% | -3.34% | 31.68% | -2.42% | -6.86% |
| Total debt to EBITDA ratio (annualized) | n/a | n/a | n/a | n/a | 13.21 |

Short-term debt is high relative to working capital, demonstrating potential funding issues

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Low working capital base

Meager cash and quick ratios

Liquidity Ratios - Sequential Quarters

(Thousands of Euros)

| Period Ended | 6/30/2020 | 3/31/2020 | 12/31/2019 | 9/30/2019 | 6/30/2019 |
|------------------------------|----------------------------|-----------------------------|-------------------|------------------------------|-----------------------------|
| Current assets € | €2,121,258 | €2,149,600 | €2,320,014 | €2,460,500 | €2,572,064 |
| % change | -1.32% | -7.35% | -5.71% | -4.34% | -2.20% |
| % of short-term debt | 1,821.87% | 2,204.72% | 1,182.69% | 1,664.75% | 1,173.14% |
| Current liabilities € | €1,941,058 | €2,015,200 | €2,203,968 | €2,252,300 | €2,357,404 |
| % change | -3.68% | -8.56% | -2.15% | -4.46% | -0.89% |
| Working capital € | €180,200 | €134,400 | €116,046 | €208,200 | €214,660 |
| % change | 34.08% | 15.82% | -44.26% | -3.01% | -14.55% |
| % of sales (annualized) | 6.48% | 5.13% | 3.63% | n/a | 7.88% |
| Cash € | €575,795 | €550,600 | €784,452 | €732,900 | €827,661 |
| % change | 4.58% | -29.81% | 7.03% | -11.45% | -8.64% |
| % of short-term debt | 494.53% | 564.72% | 399.90% | 495.87% | 377.50% |
| Cash ratio | 0.30 | 0.27 | 0.36 | 0.33 | 0.35 |
| % change | 8.57% | -23.24% | 9.37% | -7.32% | -7.82% |
| Quick assets € | €1,562,214 | €1,879,800 | €1,728,934 | €2,178,700 | €1,889,954 |
| % change | -16.89% | 8.73% | -20.64% | 15.28% | -17.70% |
| % of short-term debt | 1,341.73% | 1,928.00% | 881.37% | 1,474.09% | 862.02% |
| Quick ratio | 0.80 | 0.93 | 0.78 | 0.97 | 0.80 |
| % change | -13.72% | 18.90% | -18.90% | 20.66% | -16.96% |
| Current ratio | 1.09 | 1.07 | 1.05 | 1.09 | 1.09 |
| % change | 2.45% | 1.33% | -3.63% | 0.12% | -1.31% |
| Source: | Interim Report 8/5/2020 | Interim Report 5/20/2020 | ARS 5/8/2020 | Interim Report 11/14/2019 | Interim Report 7/31/2019 |

Unable to generate any positive returns

Rate of Return - Sequential Quarters

(Thousands of Euros)

| Period Ended | 3 mos 6/30/2020 | 3 mos 3/31/2020 | 6 mos 12/31/2019 | 3 mos 9/30/2019 | 6 mos 6/30/2019 |
|--------------------------------------|----------------------------|-----------------------------|---------------------|--------------------|-----------------------------|
| Return on equity | -5.14% | -1.17% | -17.03% | n/a | -1.98% |
| % change | -338.81% | n/a | n/a | n/a | n/a |
| Return on net tangible equity | -9.12% | -2.06% | -27.10% | 0.00% | -3.38% |
| % change | -341.86% | n/a | n/a | n/a | n/a |
| Return on total assets | -0.92% | -0.21% | -3.45% | 0.00% | -0.39% |
| % change | -343.76% | n/a | n/a | n/a | n/a |
| Return on tangible assets | -1.00% | -0.22% | -3.72% | 0.00% | -0.42% |
| % change | -344.37% | n/a | n/a | n/a | n/a |
| Source: | Interim Report 8/5/2020 | Interim Report 5/20/2020 | ARS 5/8/2020 | ARS 5/8/2020 | Interim Report 7/31/2019 |

*Fiscal period end 9/30/2019 was superseded and 12/30/2019 was updated to reflect results for both periods, which affected performance and return pages.

YEAR OVER YEAR STATEMENT OF CASH FLOWS

Persistent net losses in the last three periods

Aggressive working capital requirements

Statement of Cash Flows - Year-over-Year - Standardized - Y

(Thousands of Euros)

| Period Ended | 6 mos 6/30/2020 | 6 mos 6/30/2019 | 6 mos 6/30/2018 | 6 mos 6/30/2017 | 6 mos 6/30/2016 |
|--|----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | | Restated 6/30/2019 | Restated 6/30/2018 | |
| Cash Flows from Operating Activities: | | | | | |
| Net income | (€32,413) | (€15,788) | (€342,702) | (€126,395) | €185,324 |
| Depreciation/depletion | 34,012 | 33,637 | 31,665 | 40,097 | 64,163 |
| Non-cash Items | 18,539 | 4,864 | 206,677 | 71,509 | (73,506) |
| Changes in working capital | (198,253) | (254,482) | (657,501) | (289,772) | (410,005) |
| Total cash from operating activities | (178,115) | (231,769) | (761,861) | (304,561) | (234,024) |
| Cash Flows from Investing Activities: | | | | | |
| Capital expenditures | (2,922) | (24,281) | (31,758) | (50,712) | (96,117) |
| Other investing cash flow items, total | | 59,707 | 2,139,391 | 317,208 | 56,605 |
| Total cash from investing activities | | 35,426 | 2,107,633 | 266,496 | (39,512) |
| Cash Flows from Financing Activities: | | | | | |
| Financing cash flow items | | | (53,803) | (40,868) | (238,454) |
| Total cash dividends paid | | | (99,867) | 0 | 0 |
| Issuance/retirement of stock, net | | | (309) | (2,040) | (20,014) |
| Issuance/retirement of debt, net | | 5,915 | (812,957) | (104,025) | 118,933 |
| Total cash from financing activities | (26,493) | (22,998) | (966,936) | (146,933) | (139,535) |
| Foreign exchange effects | (2,409) | 1,299 | 3,339 | (3,491) | (12,367) |
| Net change in cash | (202,252) | (218,042) | 382,175 | (188,489) | (425,438) |
| Net cash-beginning balance | 555,442 | 814,434 | 430,129 | 630,791 | 1,097,870 |
| Net cash-ending balance | €353,190 | €596,392 | €812,304 | €442,302 | €672,432 |
| Supplemental Disclosures: | | | | | |
| Cash interest paid | €25,097 | €27,418 | €48,947 | €39,156 | €205,382 |
| Cash taxes paid, supplemental | €15,454 | €18,019 | €34,225 | €33,763 | €132,139 |
| Source: | Interim Report 8/5/2020 | Interim Report 7/31/2019 | Interim Report 7/31/2019 | Interim Report 9/26/2018 | Interim Report 7/29/2016 |

Negative cash from operating activities

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