



1H 2015 results

Partner in a changing world

We focus on **strategic markets** for the growth and modernization of every country.

Solutions partner for your world

Tesmec designs, manufactures and sells products, technologies and integrated solutions for the construction, maintenance and efficiency of infrastructures related to the transport and distribution of energy, data and material, such as: overhead and underground networks, traditional and high speed railway lines, energy cables and pipelines. In addition to traditional businesses, Tesmec is increasing its market presence offering solutions for Power Grid's efficiency & management.



ENERGY



RAILWAY



UNDERGROUND



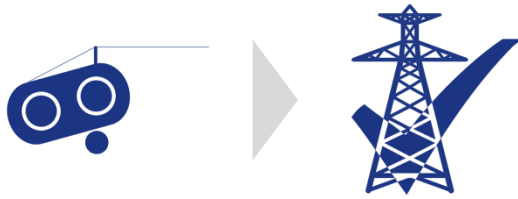


ENERGY

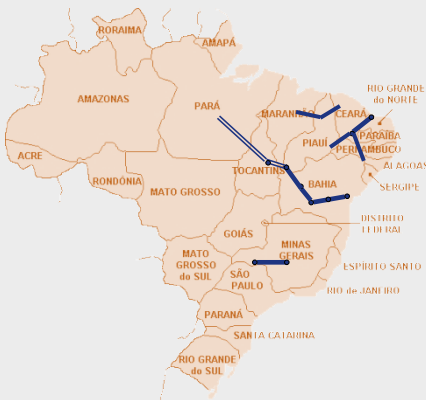
- POSITIVE IMPACT OF EUROPE AND SOUTH AMERICA
- AUTOMATION SEGMENT: GOOD TREND OF 1Q CONFIRMED ALSO IN 2Q
- END OF DEVELOPMENT PHASE FOR THE INNOVATIVE DEVICE FOR SMART GRIDS (PILOT PHASE TO START)
- PROJECTS ACTIVITIES POSTPONED IN KEY MARKETS (NORTH AMERICA, INDIA, RUSSIA)



Execution of Brazil order



Execution of big order of stringing equipment for overhead power lines construction in Brazil in timing with the tough project schedule.



First orders and revenues in the new **Energy Automation** business.

Tesmec RGDAT in South America

- **Application:** monitoring and protection of medium voltage power lines
- **Supply:** RGDAT Directional Fault Detector and Off Voltage Indicator device
- **Location:** ENEL Power Grids in South America





TRENCHERS

IN THE BACKGROUND OF OIL&GAS AND COMMODITIES LOW PRICES, FOCUS ON DIFFERENT MARKET SEGMENTS:

- **TELECOM:** NEW PROJECTS FOR ENERGY CABLES AND FIBER OPTIC INSTALLATION ESPECIALLY IN EUROPE AND WEST AFRICA, THANKS TO THE ACQUISITION OF THE FRENCH COMPANY MARAIS

- **WATER PIPELINES AND AGRICULTURE:** ONGOING ACTIVITIES TO ENTRY THE MARKETS

- **CIVIL INFRASTRUCTURES:** BULK EXCAVATION WORKS IN KSA AND MIDDLE EAST AREA



Ongoing projects for Energy Cables and Fiber Optic installation.

New opportunities in TLC market

- **UK:** 2x47 km parallel cable routes, PE pipes installation for onshore underground cables connecting offshore wind farm
- **Congo:** 250 km of fiber optic cable laying between Pointe Noir e Mbinda
- **Ivory Coast:** 200 km of fiber optic cable laying



CONGO PROJECT



UK PROJECT



TESMEC expertise has been chosen for the main infrastructural projects worldwide.

Chile water pipeline

- **Project:** two 42" water pipeline
- **Supply:** TESMEC 1675 Chainsaw
- **Location:** between Caleta Coloso port and a copper mine in the Atacama Desert of northern Chile, 114 miles (185 km) away and 10,170 feet (3,100 m) above sea level.

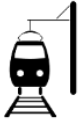


TESMEC expertise has been chosen for the main infrastructural projects worldwide.

New Orbital Highway in Qatar

- **Project:** 47km of motorways
- **Supply:** TESMEC 1475 Rock Hawg
- **Location:** the new highway will connect the North Relief Road with Salwa Road, it will bypass Doha and relieve current traffic congestion while preparing to accommodate projected road traffic increases.





RAILWAY

- INNOVATIVE RAILCAR EQUIPPED WITH SAFETY AND TECHNICAL DEVICES APPROVED BY THE ITALIAN RAILWAY AUTHORITY
- NEW CONTRACT AWARDED WITH EUROPEAN RAILWAY CORPORATION
- RAILCARS FOR THE US MARKET SUCCESSFULLY COMPLETED FACTORY TESTING PHASE AND GOING TO START DYNAMIC TESTS
- COMMERCIAL PIPELINE WITH IMPORTANT SALES OPPORTUNITIES



1H2015 Economic Results

year-on-year statutory figures

GROUP (€ mln)	1H2015	1H2014	Delta %
Revenues	85,1	54,7	55,6%
EBITDA	14,2	8,9	59,6%
% on Revenues	17%	16%	
EBIT	9,6	5,3	81,1%
% on Revenues	11%	10%	
Profit Before Taxes	8,9	3,1	187,1%
% on Revenues	10%	6%	
NET INCOME	6,5	1,7	282,4%
% on Revenues	8%	3%	

GROUP (€ mln)	1H2015	2014	Delta %
NFP (IAS17)	90,8	73,4	23,7%
NFP (without IAS17)	72,5	54,5	33,0%



ENERGY	1H2015	1H2014	Delta %
Revenues	45,9	22,3	105,8%
EBITDA	8,2	3,9	110,3%
% on Revenues	18%	17%	



TRENCHERS	1H2015	1H2014	Delta %
Revenues	38,6	25,9	49,0%
EBITDA	6,2	3,4	82,4%
% on Revenues	16%	13%	



RAILWAY	1H2015	1H2014	Delta %
Revenues	0,6	6,5	-90,4%
EBITDA	-0,2	1,6	-112,5%
% on Revenues	-32%	25%	

1H2015 Economic Results

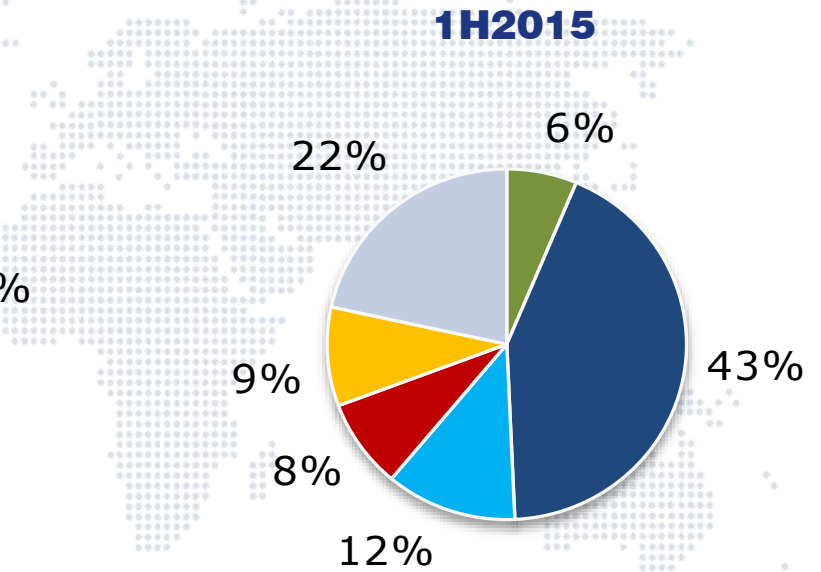
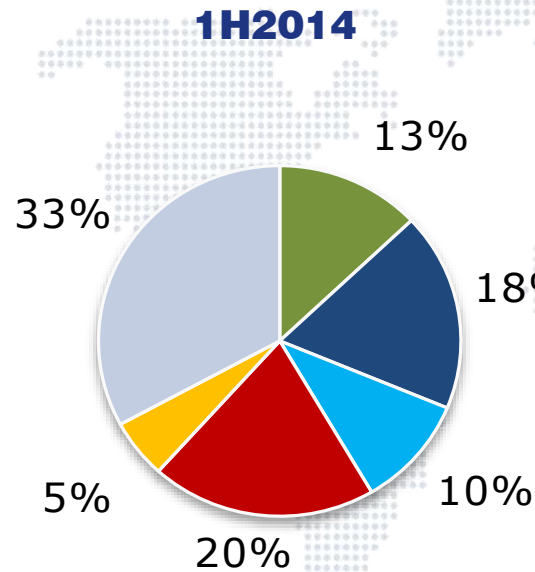
organic growth

GROUP (€ mln)	statutory 1H2015	Marais recurring	Marais non- recurring	organic 1H2015	1H2014	organic * Δ%
Revenues	85,1	5,6	/	79,5	54,7	45,3%
EBITDA % on Revenues	14,2 17%	0,3 5%	2,1	11,8 15%	8,9 16%	33,1%
EBIT % on Revenues	9,6 11%	-0,3 -5%	2,1	7,8 10%	5,3 10%	46,4%
NET INCOME % on Revenues	6,5 8%	-0,04 -1%	2,3	4,24 5%	1,7 3%	149,1%
GROUP (€ mln)	statutory 1H2015	Marais recurring	Marais non- recurring	organic 1H2015	2014	organic * Δ%
NFP	90,8	8,6	5,0	77,2	73,4	5,2%

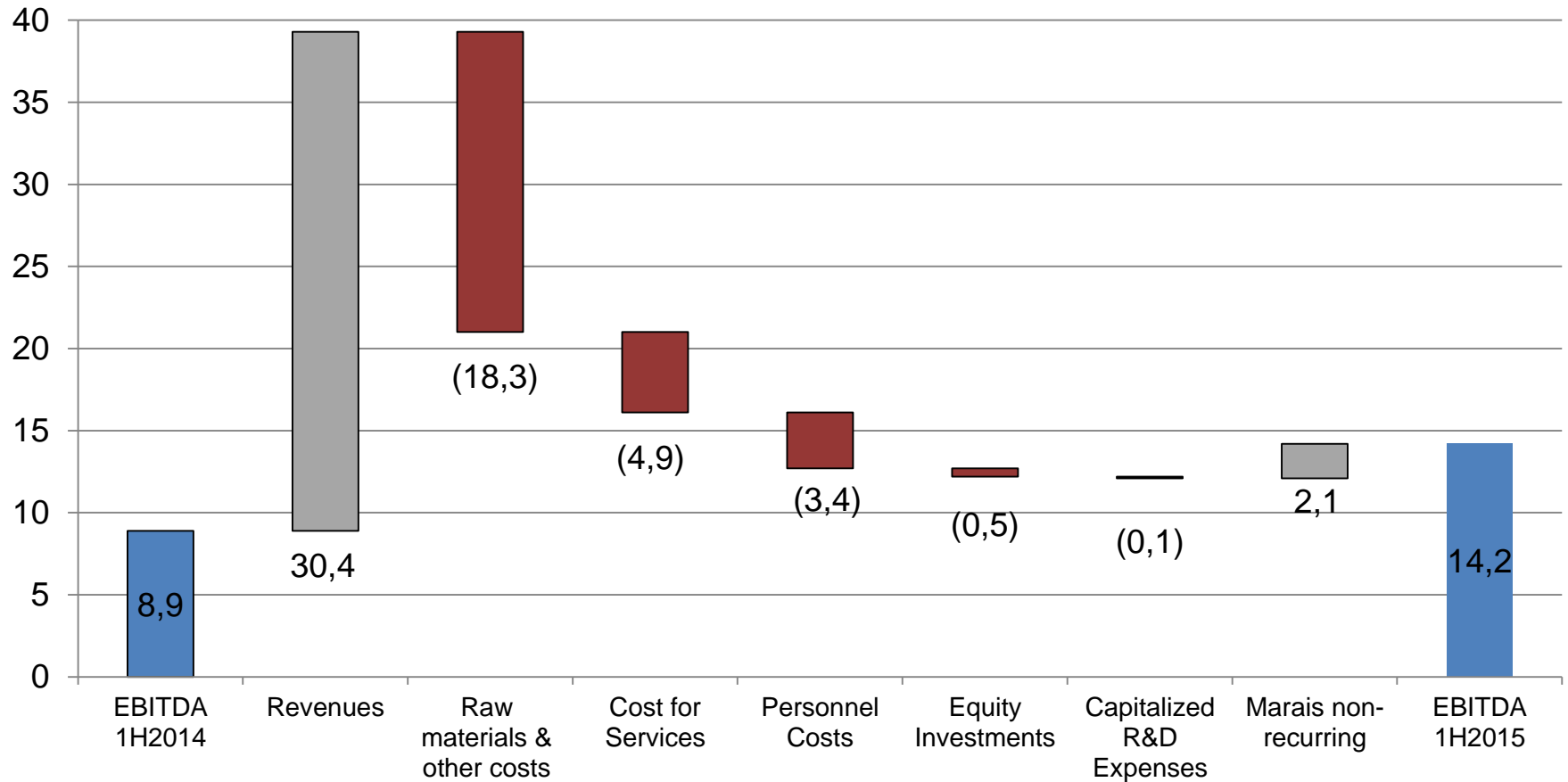
* organic = at constant scope

**INTERNATIONAL SCALE
AND EXPOSURE TO
GROWING ECONOMIES**

- Italy
- Europe
- Middle East
- BRICs and Oceania
- Africa
- North-Central America



EBITDA 1H2015

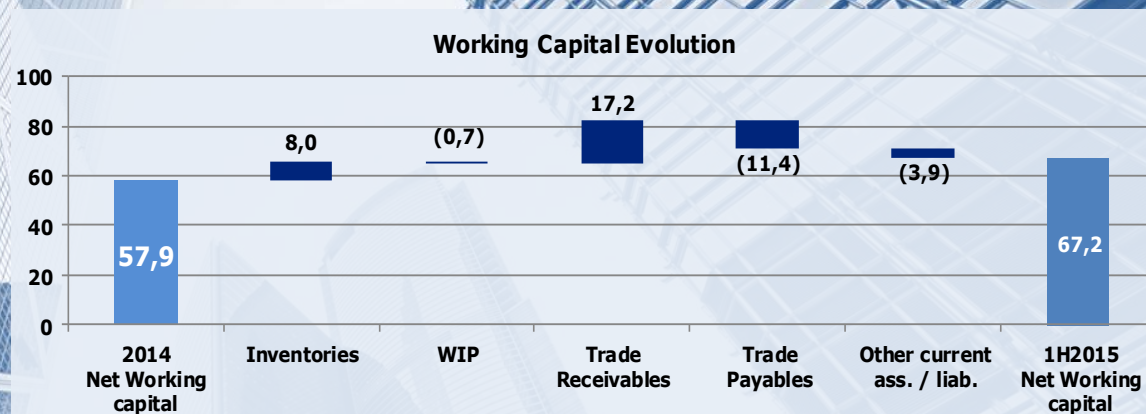


1H2014

EBITDA boosted by Stringing Equipment volumes and Marais acquisition

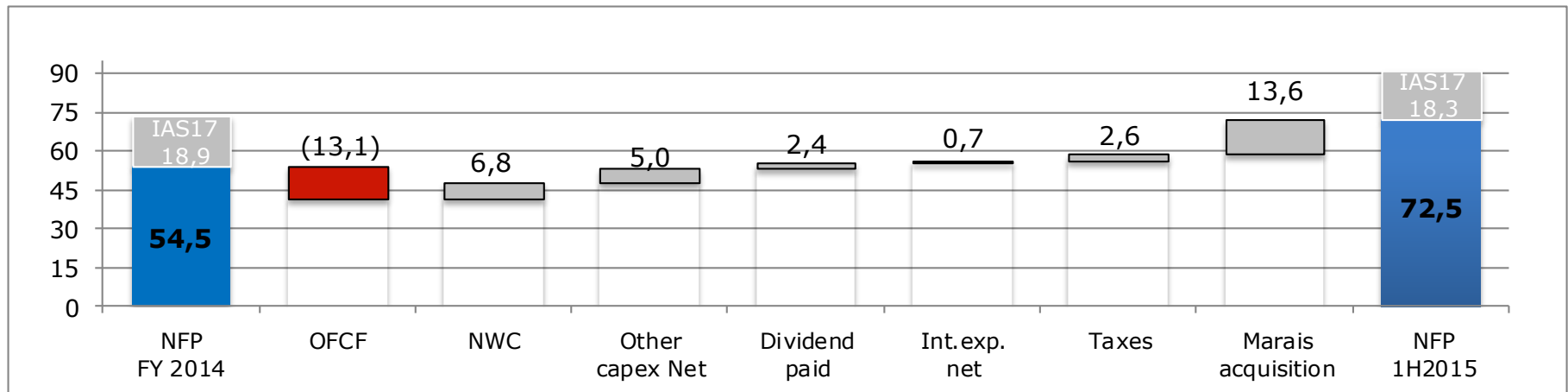
1H2015

Working Capital Evolution



Euro Mln	statutory 1H2015	Marais recurring	Marais non- recurring	organic 1H2015	2014	Days 1H2015	Days 1H2014
Trade Receivables	58,5	7,3	/	51,2	41,3	83	128
Inventories	63,4	3,2	/	60,2	55,4	126	193
Work in progress contracts	4,5	/	/	4,5	5,2		
Trade Payables	(45,6)	(2,0)	(0,5)	(43,1)	(34,2)	64	98
Other Current Assets/(Liabilities)	(13,6)	(6,1)	/	(7,5)	(9,8)	25	38
Net Working Capital	67,2	2,4	(0,5)	65,3	57,9		

Operating Net Financial Position without figurative debt
for Grassobbio premises



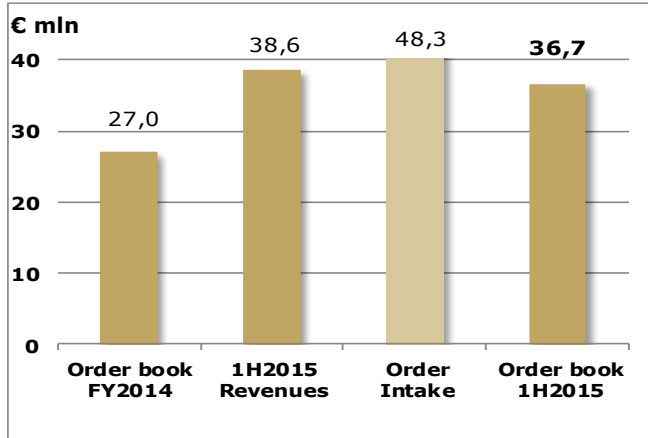
2014

NFP increase has been mainly influenced by the acquisition of Marais Group and net working capital

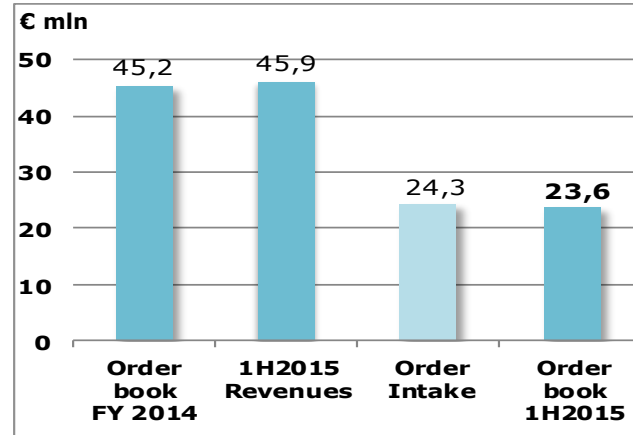
1H2015

Order Book 1H2015

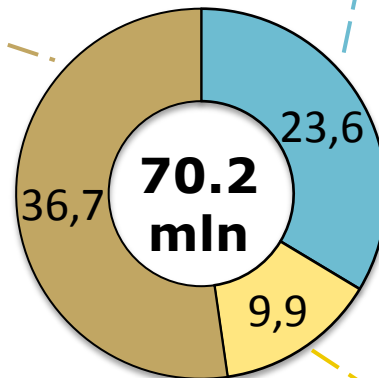
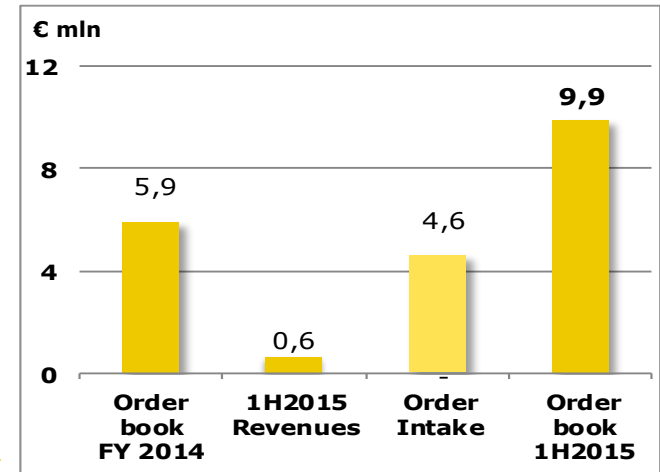
TRENCHERS



ENERGY

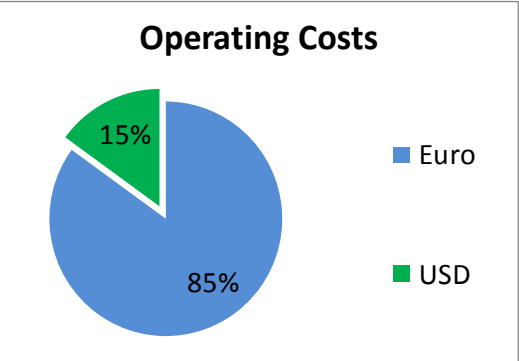
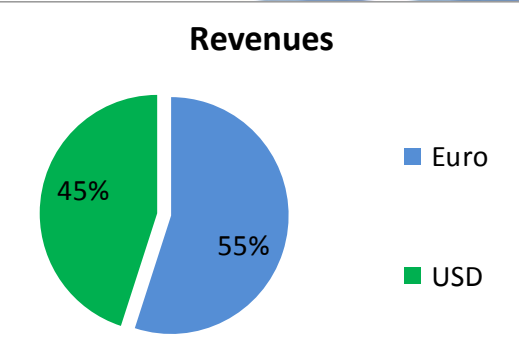


RAILWAY





- **REVENUES:** good performance also in the second half of 2015 enhanced by:
- ENERGY: confirmation of the growth in the Automation segment. Stringing keep on growing but at a slower pace compared to the first half of the year
- TRENCHERS: growth especially in:
 - telecom: Marais boost, opportunities in Europe, West Africa and Australia
 - civil works: medium term full service contracts in Middle East area
 - water pipeline and agriculture: South and North America
- RAILWAY: awards expected in second half of the year
- **MARGINS:** improve profitability of Railway and Trencher business also thanks to the integration of Marais business and volumes increase
- **NFP and WORKING CAPITAL:** ongoing actions to reduce the financial debt and the working capital, especially in Trencher division



Summary 1H2015 Profit & Loss statement

Profit & Loss Account (€ mln)	1H2015	1H2014	Delta vs 2014	Delta %
Net Revenues	85,1	54,7	30,4	55,6%
Raw materials costs (-)	(44,0)	(25,7)	(18,3)	71%
Cost for services (-)	(13,8)	(8,9)	(4,9)	55%
Personnel Costs (-)	(16,1)	(12,8)	(3,3)	26%
Other operating revenues/costs (+/-)	0,6	(1,4)	2,0	-143%
Portion of gain/(losses) from equity investments evaluated using the equity method	(0,1)	0,4	(0,5)	-118%
Capitalized R&D expenses	2,4	2,6	(0,2)	-8%
Total operating costs	(71,0)	(45,8)	(25,2)	55,0%
<i>% on Net Revenues</i>	<i>(83%)</i>	<i>(84%)</i>		
EBITDA	14,2	8,9	5,3	59,6%
<i>% on Net Revenues</i>	<i>17%</i>	<i>16%</i>		
Depreciation, amortization (-)	(4,6)	(3,6)	(1,0)	28%
EBIT	9,6	5,3	4,3	81,1%
<i>% on Net Revenues</i>	<i>11%</i>	<i>10%</i>		
Net Financial Income/Expenses (+/-)	(0,7)	(2,2)	1,5	-68%
Taxes (-)	(2,4)	(1,3)	(1,1)	85%
Minorities	-	-	-	-
Net Income (Loss)	6,5	1,8	4,7	282,4%
<i>% on Net Revenues</i>	<i>8%</i>	<i>3%</i>		

Summary 1H2015 Balance Sheet

Balance Sheet (€ mln)	1H2015	2014
Inventory	63,4	55,4
Work in progress contracts	4,6	5,2
Accounts receivable	58,5	41,3
Accounts payable (-)	(45,6)	(34,2)
Op. working capital	80,9	67,7
Other current assets (liabilities)	(13,7)	(9,8)
Net working capital	67,2	57,9
Tangible assets	62,3	48,1
Intangible assets	13,3	12,4
Financial assets	5,0	4,8
Fixed assets	80,6	65,3
Net long term liabilities	(2,1)	(1,7)
Net invested capital	145,7	121,5
Cash & near cash items (-)	(15,9)	(18,7)
Short term financial assets (-)	(7,5)	(6,8)
Short term borrowing	48,3	36,6
Medium-long term borrowing	65,9	62,3
Net financial position	90,8	73,4
Equity	54,9	48,1
Funds	145,7	121,5

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