



9M 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



Main business highlights



ENERGY

Stringing

STRINGING KEEP ON GROWING BUT AT A SLOWER PACE COMPARED TO THE PREVIOUS QUARTERS.

Automation

GROWTH TREND CONFIRMED WITH RELEVANT PROJECTS IN SOUTH AMERICA AND EASTERN EUROPE. CONSOLIDATION OF THE NEW DEVELOPMENTS.



TRENCHERS

GROWING OPPORTUNITIES IN THE TELECOM BUSINESS. THE GROUP IS RECOGNIZED AS TECHNOLOGICAL PARTNER OF THE MAIN PLAYERS IN THE SECTOR THANKS TO ITS ADVANCED INTEGRATED SYSTEMS.

GOOD PERSPECTIVE IN SADC (SOUTHERN AFRICAN DEVELOPMENT COMMUNITY) FOR CIVIL WORKS.

MARKETING AND COMMERCIAL EFFORT TO ENTRY IN THE US HEAVY CONSTRUCTION BUSINESS.



RAILWAY

FOCUS ON SAFETY AND ENVIRONMENT ACCORDING TO EU STANDARD ARE DRIVERS FOR PROMOTION OF TESMEC SOLUTIONS IN THE ITALIAN MARKET.

ONGOING SUCCESSFUL TEST OF RAILCARS IN USA.

PARTICIPATION IN DOMESTIC AND INTERNATIONAL TENDER.



9M 2015 Economic Results

year-on-year statutory figures

GROUP (€ mln)	9M2015	9M2014	Delta %
Revenues	120,2	81,0	48,4%
EBITDA	16,7	12,6	32,5%
% on Revenues	14%	16%	
EBIT	9,3	6,7	38,8%
% on Revenues	8%	8%	
Profit Before Taxes	6,9	5,0	38,0%
% on Revenues	6%	6%	
NET INCOME	4,7	3,1	51,6%
% on Revenues	4%	4%	

GROUP (€ mln)	9M2015	2014	Delta %
NFP (IAS17)	86,7	73,4	18,1%
NFP (without IAS17)	68,6	54,5	25,9%



ENERGY	9M2015	9M2014	Delta %
Revenues	58,2	33,7	72,7%
EBITDA	9,4	6,1	54,1%
% on Revenues	16%	18%	



TRENCHERS	9M2015	9M2014	Delta %
Revenues	58,9	36,4	61,8%
EBITDA	7,5	2,8	167,9%
% on Revenues	13%	8%	



RAILWAY	9M2015	9M2014	Delta %
Revenues	3,1	10,8	-71,3%
EBITDA	-0,1	3,6	-102,8%
% on Revenues	-3%	33%	

9M 2015 Economic Results

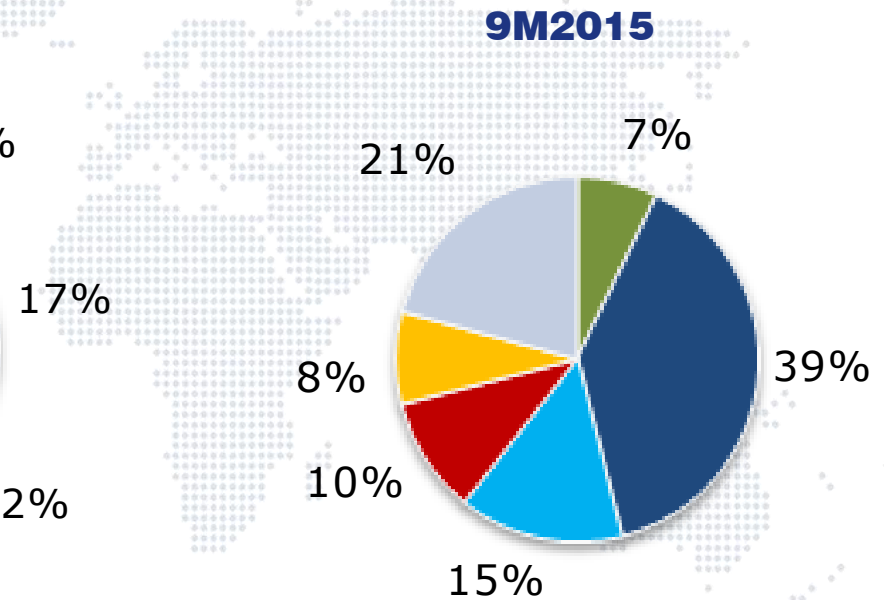
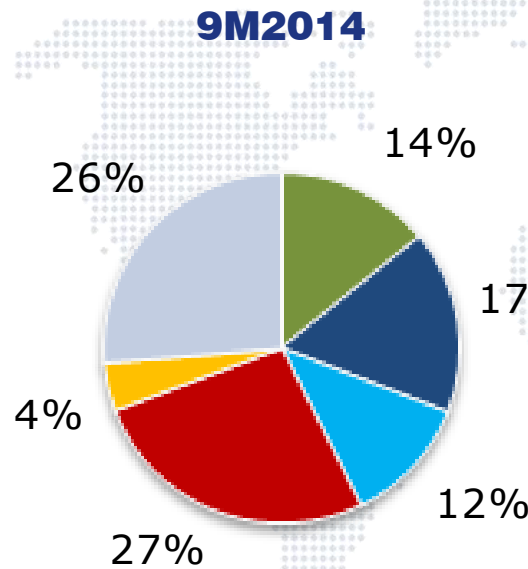
organic growth

GROUP (€ mln)	statutory 9M2015	Marais recurring	Marais non- recurring	organic 9M2015	9M2014	organic * Δ%
Revenues	120,2	11,0	/	109,2	81,0	34,8%
EBITDA % on Revenues	16,7 14%	0,1 1%	2,1	14,5 13%	12,6 16%	15,1%
EBIT % on Revenues	9,3 8%	-0,9 -8%	2,1	8,1 7%	6,7 8%	20,9%
NET INCOME % on Revenues	4,7 4%	-0,6 -5%	2,3	3,0 3%	3,1 4%	-3,2%
GROUP (€ mln)	statutory 9M2015	Marais recurring	Marais non- recurring	organic 9M2015	2014	organic * Δ%
NFP	86,7	8,6	5,0	73,1	73,4	-0,4%

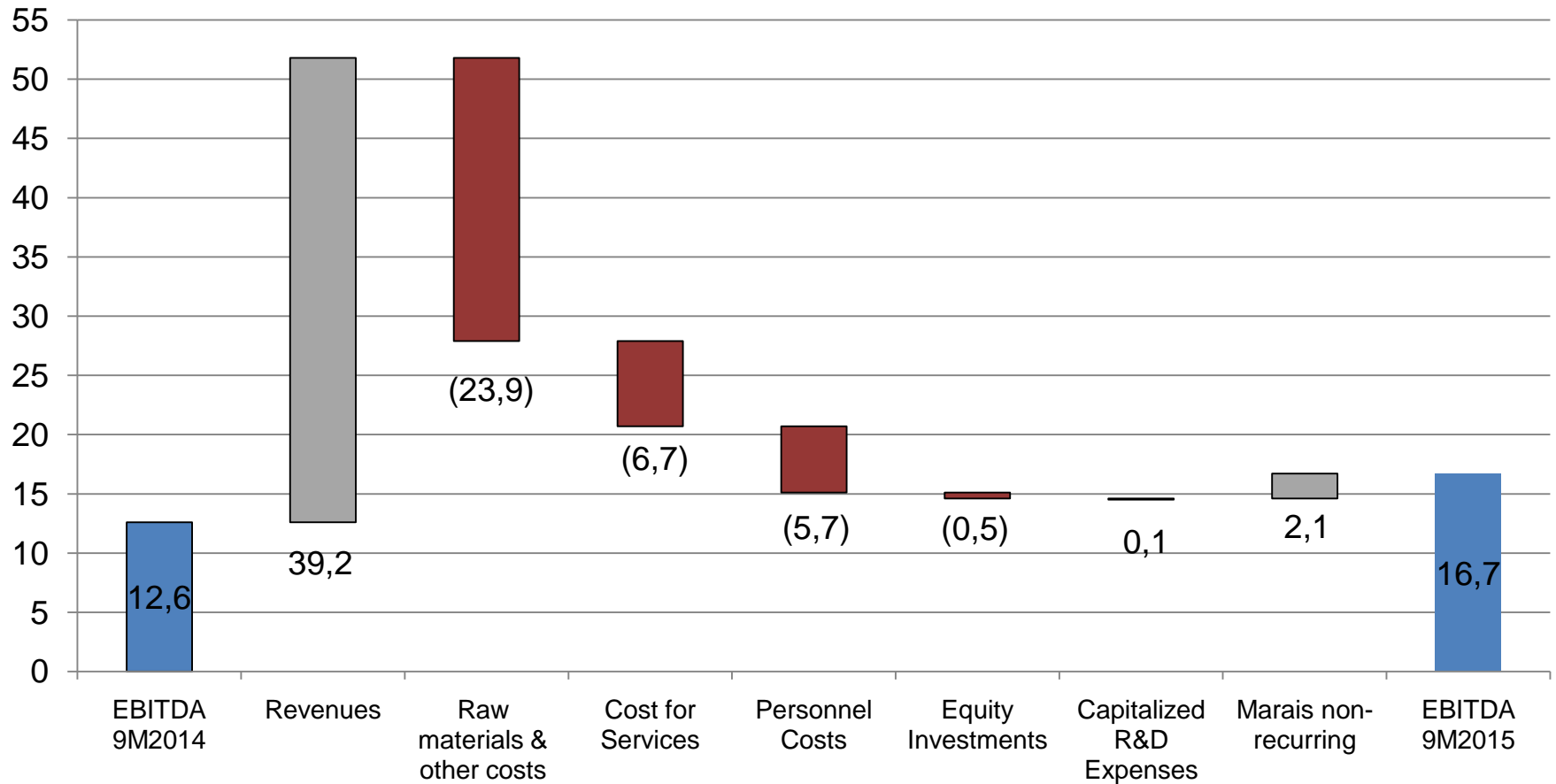
* organic = at constant scope

**INTERNATIONAL SCALE
AND EXPOSURE TO
GROWING ECONOMIES**

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



EBITDA 9M 2015



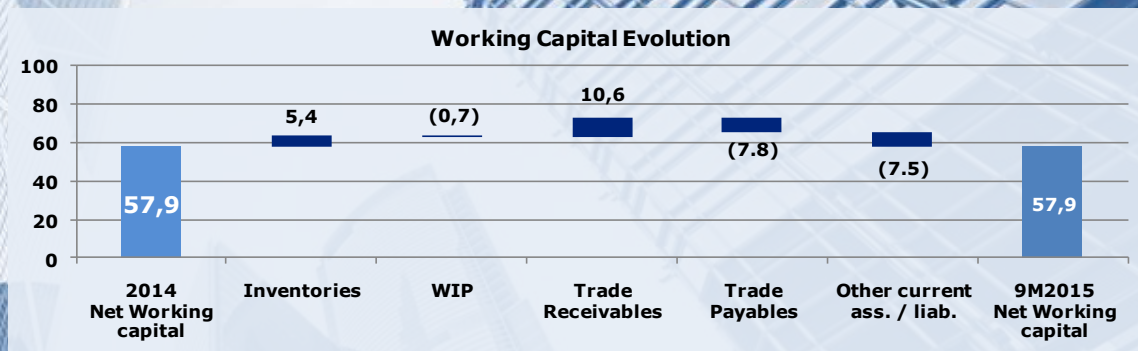
9M2014

EBITDA increases less than proportionally
with respect to revenues increase

9M2015

Financial Information (Euro mln)	statutory 9M2015	Marais	organic 9M2015	2014
Net Working Capital	57,9	1,8	56,1	57,9
Non Current assets	83,4	14,0	69,4	65,3
Other Long Term assets/liabilities	(1,8)	(0,4)	(1,5)	(1,7)
Net Invested Capital	139,5	15,4	124,0	121,5
Net Financial Indebtness	86,7	13,6	73,1	73,4
Equity	52,8	1,9	50,9	48,1
Total Sources of Financing	139,5	15,4	124,0	121,5

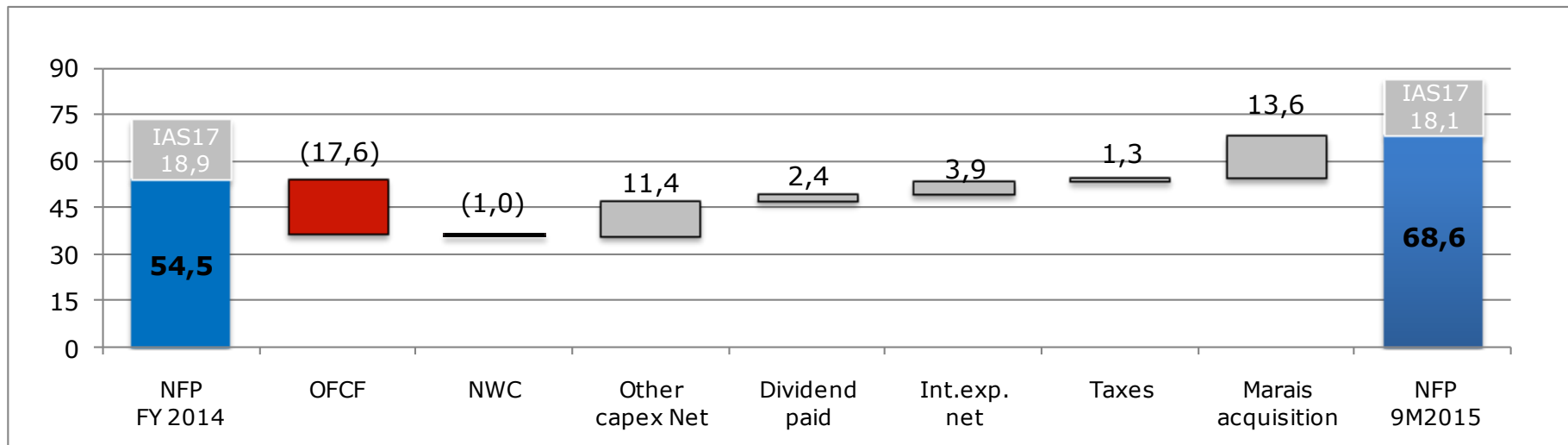
Working Capital Evolution



Euro Mln	statutory 9M2015	Marais	organic 9M2015	2014	Days 9M2015	Days 9M2014
Trade Receivables	51,8	6,7	45,1	41,3	117	144
Inventories	60,8	2,7	58,1	55,4	148	208
Work in progress contracts	4,5	/	4,5	5,2		
Trade Payables	▼ (41,9)	▼ (1,9)	(40,0)	(34,2)	94	105
Other Current Assets/(Liabilities)	▼ (17,3)	▼ (5,4)	(11,9)	(9,8)	-41	27
Net Working Capital	57,9	2,1	55,8	57,9		

9M 2015
 $\frac{WC}{Rev} = 36\%$

Operating Net Financial Position without figurative debt
for Grassobbio premises

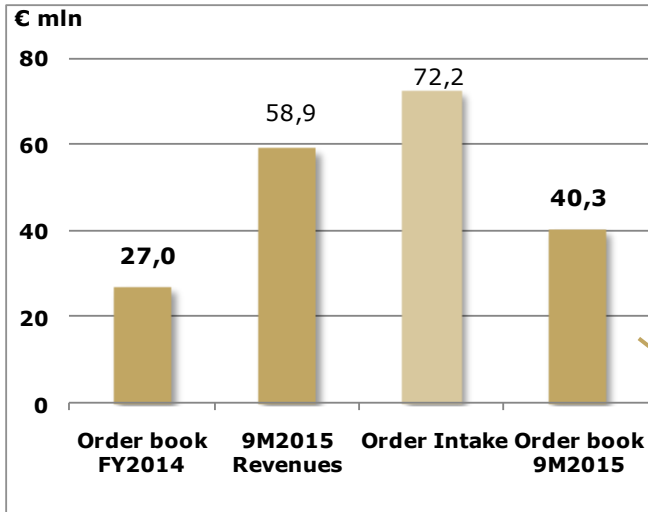


2014

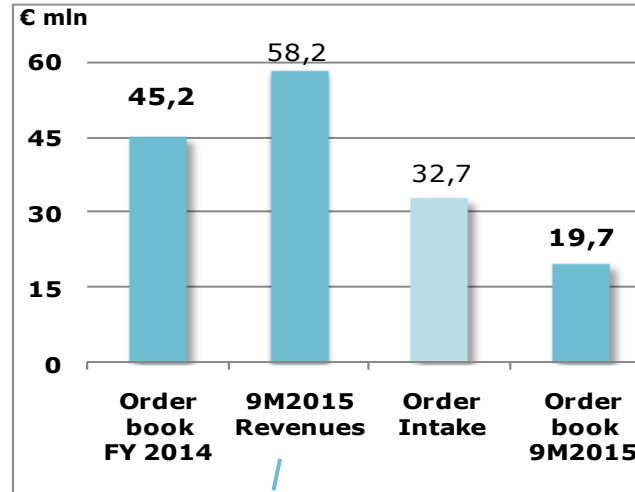
In line with December 2014
without the effect of Marais acquisition

9M2015

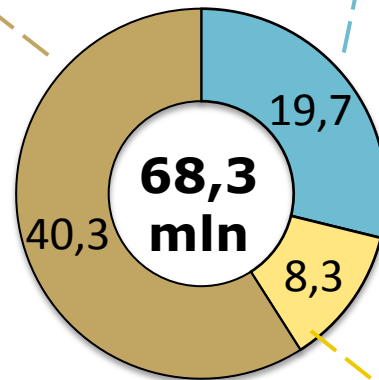
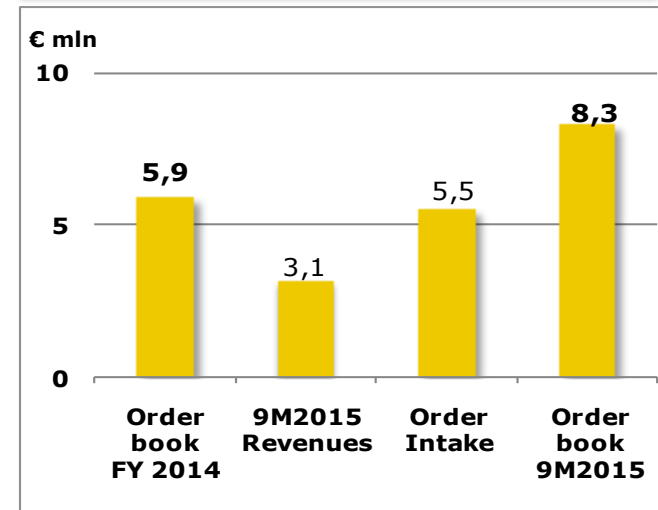
TRENCHERS



ENERGY



RAILWAY





REVENUES: rising revenues enhanced by:

ENERGY: confirmation of the growth in the Automation segment.

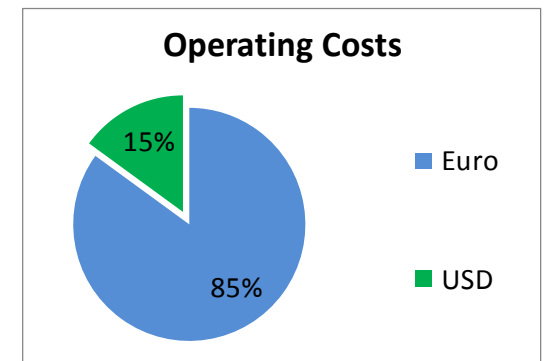
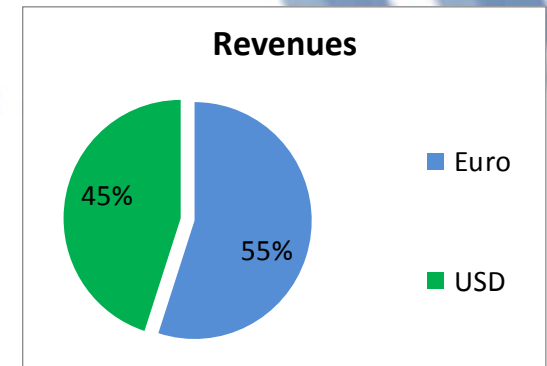
TRENCHERS: growth especially in:

- telecom: Marais boost, opportunities in Europe, West Africa and Australia
- civil works: medium term full service contracts in Middle East area, opportunities in Africa
- water pipeline and agriculture: South and North America

RAILWAY: awards expected in the coming quarters

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 9M 2015 Profit & Loss statement

Profit & Loss Account (€ mln)	9M2015	9M2014	Delta	Delta %
Net Revenues	120,2	81,0	39,2	48,4%
Raw materials costs (-)	(61,8)	(37,8)	(24,0)	63%
Cost for services (-)	(20,9)	(13,7)	(7,2)	53%
Personnel Costs (-)	(24,5)	(18,8)	(5,7)	30%
Other operating revenues/costs (+/-)	0,1	(2,1)	2,2	-105%
Portion of gain/(losses) from equity investments evaluated using the equity method	(0,1)	0,4	(0,5)	-118%
Capitalized R&D expenses	3,7	3,6	0,1	3%
Total operating costs	(103,5)	(68,4)	(35,1)	51,3%
<i>% on Net Revenues</i>	<i>(86%)</i>	<i>(84%)</i>		
EBITDA	16,7	12,6	4,1	59,6%
<i>% on Net Revenues</i>	<i>14%</i>	<i>16%</i>		
Depreciation, amortization (-)	(7,4)	(5,9)	(1,5)	25%
EBIT	9,3	6,7	2,6	81,1%
<i>% on Net Revenues</i>	<i>8%</i>	<i>8%</i>		
Net Financial Income/Expenses (+/-)	(2,3)	(1,8)	(0,5)	28%
Taxes (-)	(2,2)	(1,8)	(0,4)	22%
Minorities	-	-	-	-
Net Income (Loss)	4,7	3,1	1,6	282,4%
<i>% on Net Revenues</i>	<i>4%</i>	<i>4%</i>		

Summary 9M 2015 Balance Sheet

Balance Sheet (€ mln)	9M2015	2014
Inventory	60,8	55,4
Work in progress contracts	4,5	5,2
Accounts receivable	51,8	41,3
Accounts payable (-)	(41,9)	(34,2)
Op. working capital	75,2	67,7
Other current assets (liabilities)	(17,3)	(9,8)
Net working capital	57,9	57,9
Tangible assets	64,9	48,1
Intangible assets	13,6	12,4
Financial assets	4,9	4,8
Fixed assets	83,4	65,3
Net long term liabilities	(1,8)	(1,7)
Net invested capital	139,5	121,5
Cash & near cash items (-)	(17,1)	(18,7)
Short term financial assets (-)	(9,9)	(6,8)
Short term borrowing	46,1	36,6
Medium-long term borrowing	67,6	62,3
Net financial position	86,7	73,4
Equity	52,8	48,1
Funds	139,5	121,5

Disclaimer

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