



BOARD OF DIRECTORS 14.03.2016

Partner in a changing world

Tesmec 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



**FROM**

Equipment for  
**new power lines construction**

**TO**

Integrated systems for  
**maintenance of existing power lines**  
and **management and monitoring of grids**

**Safety**

**Reliability**

**Efficiency**

**Resiliency**

RECONDUCTORING operations: solutions to maintain the transmission efficiency over time or to increase the capacity of existing lines, that are acceptable to the public, reliable and economical.

ENERGY EFFICIENCY and SMART GRIDS: integrated systems, electronic devices for communication and telecontrol, sensors and systems for metering and protection. Energy automation business.

## Reconductoring

*Line refurbishment:* solutions for renewing the old conductor avoiding high cost of new power lines installations and difficulties of acquiring tower sites and right-of-ways

*Line improvement:* replacing standard conductors with new generation of HTLS conductors to increase the capacity of an existing line without modifying voltage and structures of insulators and towers



## Digital Power Line Carrier

Innovative terminal for data transmission over High Voltage power lines in compliance with international IEC 60495

Advantages

- ✓ High degree of flexibility
- ✓ Reliability
- ✓ Simplicity and configurability

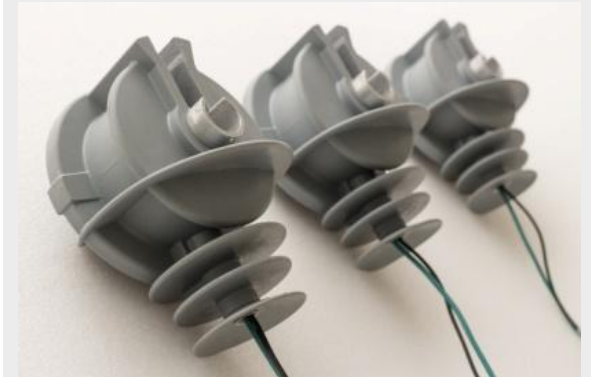


## Smart Metering Tool

Innovative system specifically designed for the measurement of energy and all related electric data such as voltage, current, phase angle on Medium Voltage network

Advantages

- ✓ Accuracy with distribution monitoring analytics that are actionable and customizable
- ✓ Simplify the installation and the architecture of the device
- ✓ Cut ownership & maintenance costs



FROM

**Traditional rail vehicles**

TO

**Advanced railcars**  
able to perform without line interruption

**Safety**  
**Green**  
**Efficiency**



AUTOMATIC TRAIN CONTROL SYSTEM : designed to provide enhanced levels of rail safety through continuous train control and protection



ADVANCED COMMUNICATION INTERFACE : special system that allows to manage the hydraulic traction system of several machines together for multiple drive



COMPLIANCE WITH THE HIGHEST EUROPEAN STANDARDS:  
safety first and low environmental impact

## Top technological units

Multipurpose unit for catenary installation and maintenance especially designed for high speed railway lines with particular focus on operating efficiency, safety matters and low emission.

EN14033 certified



FROM

**Supplier of equipment**

TO

**Complete package of solutions  
(advanced equipment + complementary services)  
to offer value added solutions to the customers**

**Experience  
Equipment  
Services**



SPECIALISTS AND DEEP EXPERTISE to efficiently manage the jobsite increasing performances and reducing risks



HIGH TECHNOLOGICAL EQUIPMENT equipped with remote monitoring system and electronic control system to perform the job in an efficient and safe way, with low environmental impact



SERVICES, AFTER SALES AND COMPLEMENTARY ACTIVITIES to grant time to market and effective support to the operations

Solutions for different applications



**TELECOM**  
(fiber optic cable laying., FTTH and long distance..)



**ENERGY**  
(underground energy cable, wind farm...)



**HEAVY CIVILS**  
(construction, bulk excavation..)



**PIPELINES**  
(water, oil, gas..)





R&D strategy is developed through  
an **OPEN INNOVATION** approach

**Innovation platform**

Growth through  
**TECHNOLOGICAL  
DISCONTINUITY**

Integrated platform aimed at **CONNECTIVITY**,  
**SMART SOLUTIONS** and **GREEN-  
SUSTAINABLE TECHNOLOGIES**



2015 Economic and financial data

## 2015 Economic Results

GROUP	2015	2014	Delta %
<b>Revenues</b>	<b>164,4</b>	<b>114,9</b>	<b>43,1%</b>
<b>EBITDA</b>	<b>24,0</b>	<b>18,3</b>	<b>31,1%</b>
% on Revenues	15%	16%	
<b>EBIT</b>	<b>12,8</b>	<b>10,5</b>	<b>21,9%</b>
% on Revenues	8%	9%	
<b>Profit Before Taxes</b>	<b>9,1</b>	<b>8,3</b>	<b>9,6%</b>
% on Revenues	6%	7%	
<b>NET INCOME</b>	<b>7,2</b>	<b>4,9</b>	<b>46,9%</b>
% on Revenues	4%	4%	

GROUP	2015	2014	Delta %
<b>PFN (IAS17)</b>	<b>89,9</b>	<b>73,4</b>	<b>22,5%</b>
<b>PFN (without IAS17)</b>	<b>72,1</b>	<b>54,5</b>	<b>32,3%</b>



ENERGY	2015	2014	Delta %
<b>Revenues</b>	<b>72,1</b>	<b>50,1</b>	<b>43,9%</b>
<b>EBITDA</b>	<b>11,4</b>	<b>9,5</b>	<b>20%</b>
% on Revenues	15,8%	19,0%	



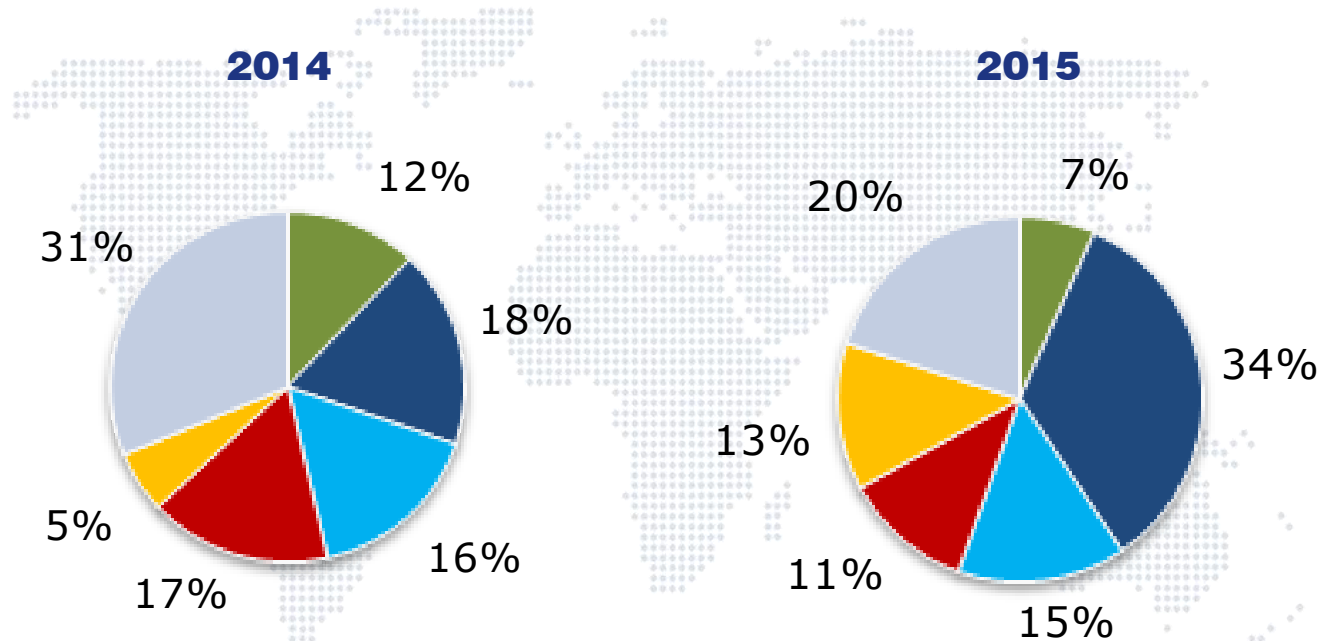
TRENCHERS	2015	2014	Delta %
<b>Revenues</b>	<b>88,5</b>	<b>52,8</b>	<b>67,6%</b>
<b>EBITDA</b>	<b>13,0</b>	<b>6,1</b>	<b>113%</b>
% on Revenues	14,7%	11,6%	



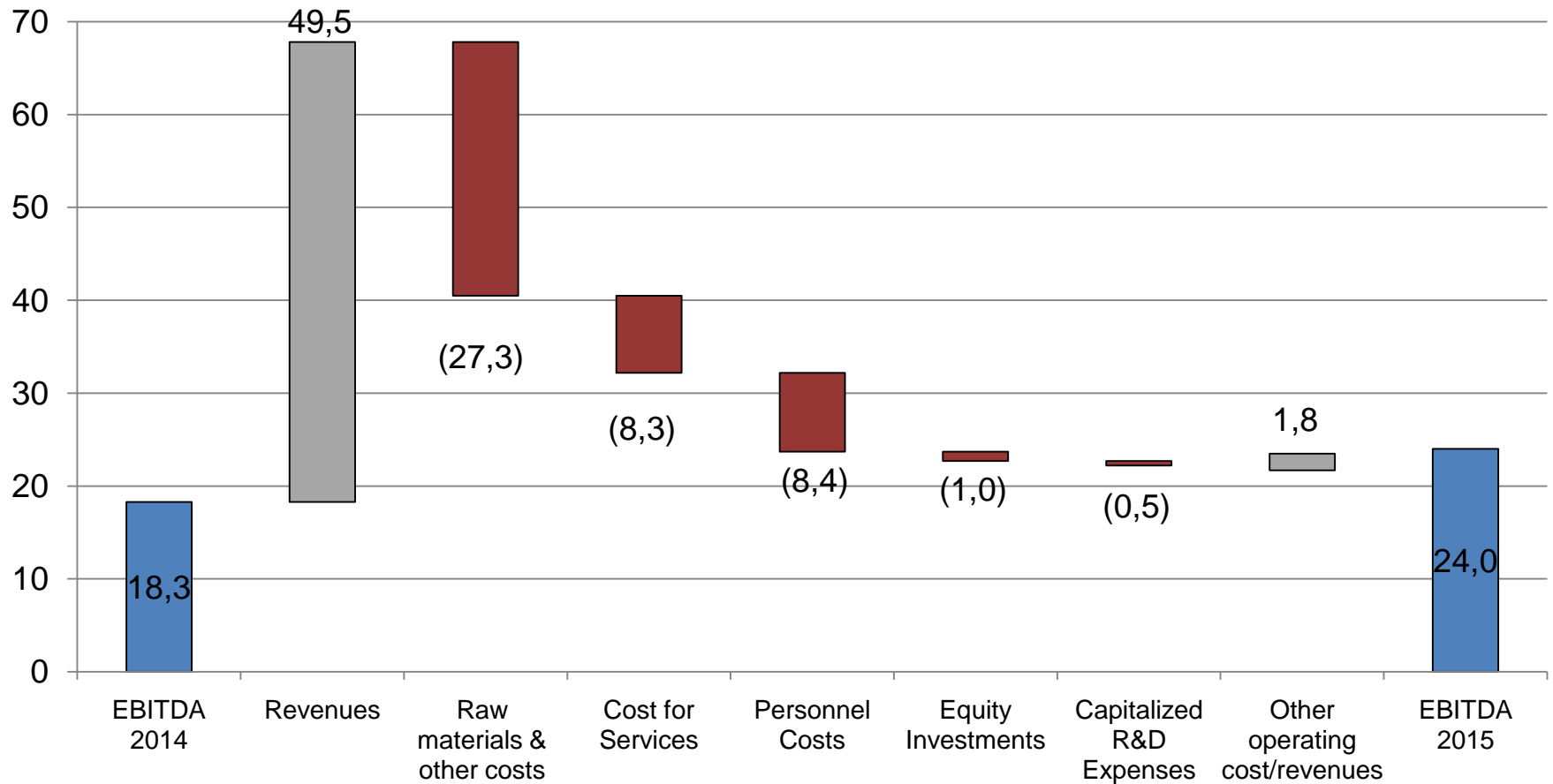
RAILWAY	2015	2014	Delta %
<b>Revenues</b>	<b>3,8</b>	<b>11,9</b>	<b>-68,1%</b>
<b>EBITDA</b>	<b>-0,3</b>	<b>2,7</b>	<b>-111%</b>
% on Revenues	-7,9%	22,7%	

**INTERNATIONAL SCALE  
AND EXPOSURE TO  
GROWING ECONOMIES**

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



## EBITDA 2015



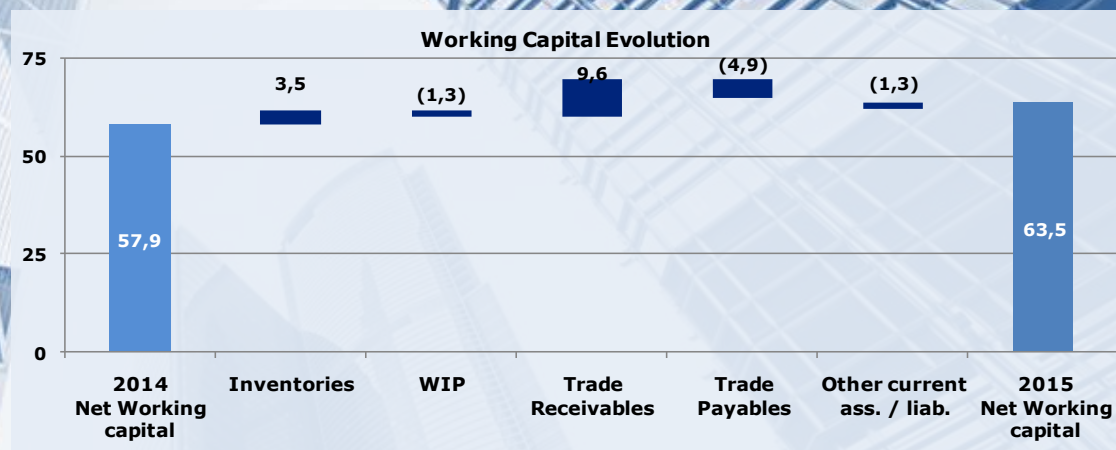
2014

EBITDA improvement mainly thanks to volumes increase

2015

<b>Financial Information (Euro mln)</b>	<b>2015</b>	<b>2014</b>
Net Working Capital	63,5	57,9
Non Current assets	83,9	65,3
Other Long Term assets/liabilities	(1,7)	(1,7)
<b>Net Invested Capital</b>	<b>145,7</b>	<b>121,5</b>
Net Financial Indebtness	89,9	73,4
Equity	55,8	48,1
<b>Total Sources of Financing</b>	<b>145,7</b>	<b>121,5</b>

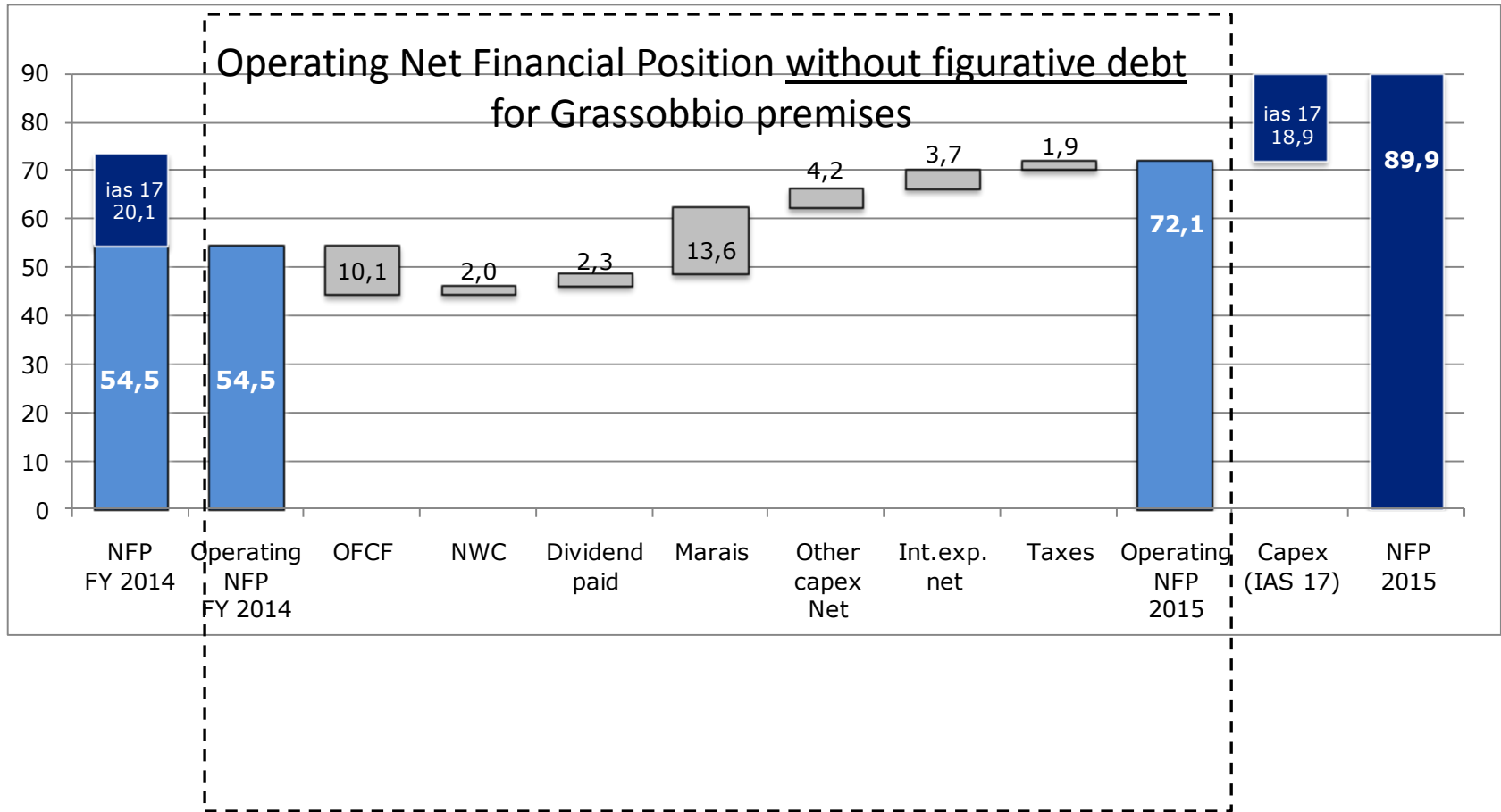
## Working Capital Evolution



<b>2015</b>	
$\frac{\text{Net Working Capital}}{\text{Revenues}}$	39%
<b>2014</b>	
$\frac{\text{Net Working Capital}}{\text{Revenues}}$	50%

Euro Mln	2015	2014	Days 2015	Days 2014
Trade Receivables	50,9	41,3	111	129
Inventories	58,9	55,4	137	190
Work in progress contracts	3,8	5,2		
Trade Payables	(39,0)	(34,2)	-86	107
Other Current Assets/(Liabilities)	(11,1)	(9,8)	-24	-32
<b>Net Working Capital</b>	<b>63,5</b>	<b>57,9</b>		

## Net Financial Position Evolution



2014

NFP has been mainly influenced by the acquisition of Marais

2015



**MARGIN EFFECT**

	2015	2014	2013
AVERAGE EUR/USD EX. RATE	1,11	1,329	1,328

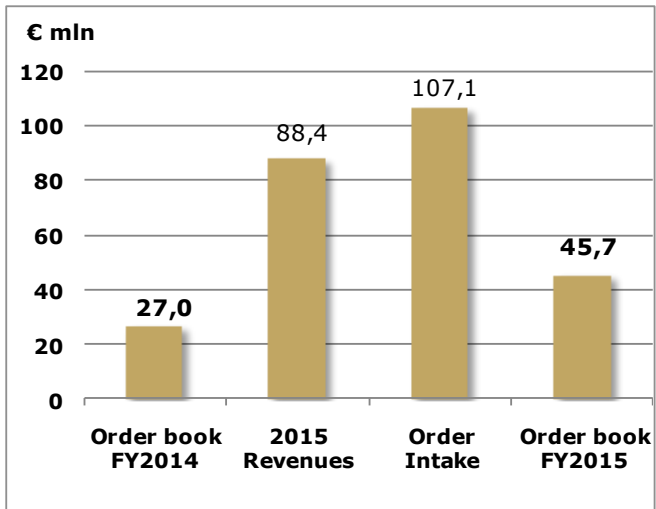
**FX NET ASSETS**

	2015	2014	2013
year end rate Eur/Usd	1,089	1,214	1,379
FX Gain/(Loss) mm/euro	1,7	2,8	-1,2

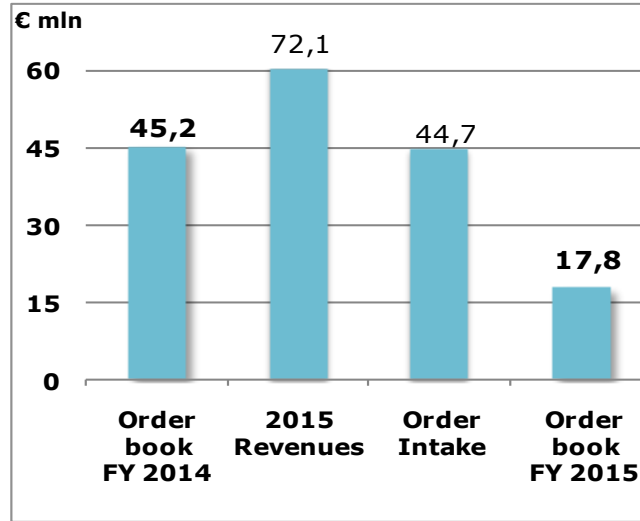
**CONSOLIDATION PROCESS**

	2015	2014	2013
year end rate Eur/Usd	1,089	1,214	1,379
Net Equity change (mm/euro)	3,6	3,6	-1,1

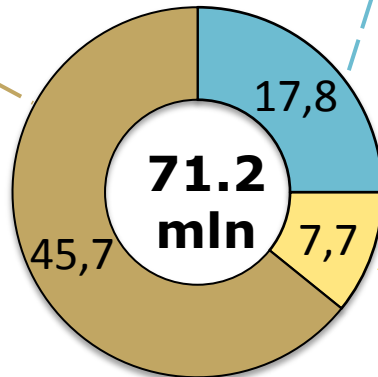
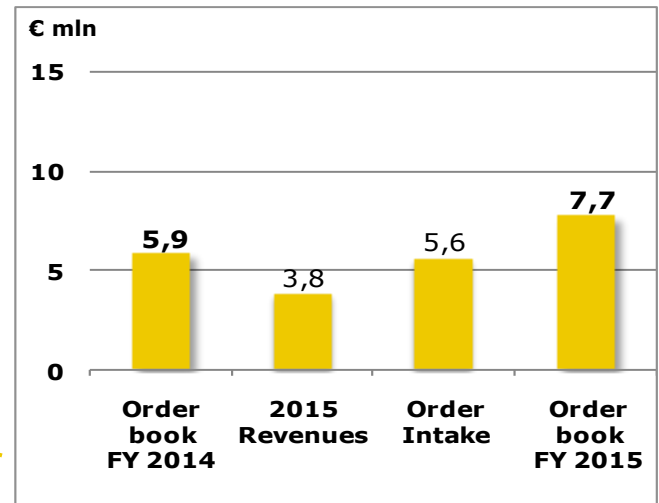
### TRENCHERS



### ENERGY



### RAILWAY





## OPPORTUNITIES

- INCREASING DEMAND OF MODERNIZATION OF POWER GRIDS WORLDWIDE
- PROJECTS OF GRIDS INTERCONNECTION AND INTEGRATION OF RENEWABLE ENERGIES IN THE NETWORKS
- GROWING OPPORTUNITIES IN THE TELECOM AND FIBER OPTIC MARKET BOTH FTTH AND LONG DISTANCE
- GROWING PRESSURE ON ENVIRONMENTAL AND SAFETY ISSUES IN THE MAIN BUSINESSES OF THE GROUP
- UNDERGROUND CABLING IS BECOMING INCREASINGLY ATTRACTIVE, MAINLY FOR ENVIRONMENTAL AND AESTHETIC REASONS
- NEW GREEN AND SMART PROJECTS WORLDWIDE

## THREATS

- COMPLEX ECONOMIC SITUATION FOR SOME OF THE MAIN WORLD ECONOMIES
- OIL, GAS AND COMMODITY MARKET TREND

## Summary 2015 Profit & Loss statement

<b>Profit &amp; Loss Account (€ mln)</b>	<b>2015</b>	<b>2014</b>	<b>Delta vs 2014</b>	<b>Delta %</b>
<b>Net Revenues</b>	<b>164,4</b>	<b>114,9</b>	<b>49,5</b>	<b>43,1%</b>
Raw materials costs (-)	(82,8)	(55,5)	(27,3)	49%
Cost for services (-)	(27,3)	(19,0)	(8,3)	44%
Personnel Costs (-)	(34,5)	(26,1)	(8,4)	32%
Other operating revenues/costs (+/-)	(0,7)	(2,5)	1,8	-72%
Portion of gain/(losses) from equity investments evaluated using the equity method	(0,1)	0,9	(1,0)	-111%
Capitalized R&D expenses	5,1	5,6	(0,5)	-9%
<b>Total operating costs</b>	<b>(140,4)</b>	<b>(96,6)</b>	<b>(43,8)</b>	<b>45,3%</b>
<i>% on Net Revenues</i>	<i>(85%)</i>	<i>(84%)</i>		
<b>EBITDA</b>	<b>24,0</b>	<b>18,3</b>	<b>5,7</b>	<b>31,1%</b>
<i>% on Net Revenues</i>	<i>15%</i>	<i>16%</i>		
Depreciation, amortization (-)	(11,2)	(7,8)	(3,4)	44%
<b>EBIT</b>	<b>12,8</b>	<b>10,5</b>	<b>2,3</b>	<b>21,9%</b>
<i>% on Net Revenues</i>	<i>8%</i>	<i>9%</i>		
Net Financial Income/Expenses (+/-)	(3,8)	(2,2)	(1,6)	73%
Taxes (-)	(1,9)	(3,4)	1,5	-44%
Minorities	(0,2)	-	-	-
<b>Group Net Income (Loss)</b>	<b>6,9</b>	<b>4,9</b>	<b>2,0</b>	<b>41,6%</b>
<i>% on Net Revenues</i>	<i>4%</i>	<i>4%</i>		

Summary 2015 Balance Sheet

<b>Balance Sheet (€ mln)</b>	<b>2015</b>	<b>2014</b>
Inventory	62,7	60,6
Accounts receivable	50,9	41,3
Accounts payable (-)	(39,0)	(34,2)
<b>Op. working capital</b>	<b>74,6</b>	<b>67,7</b>
Other current assets (liabilities)	(11,1)	(9,8)
<b>Net working capital</b>	<b>63,5</b>	<b>57,9</b>
Tangible assets	65,3	48,1
Intangible assets	13,8	12,4
Financial assets	4,8	4,8
<b>Fixed assets</b>	<b>83,9</b>	<b>65,3</b>
Net long term liabilities	(1,7)	(1,7)
<b>Net invested capital</b>	<b>145,7</b>	<b>121,5</b>
Cash & near cash items (-)	(21,2)	(18,7)
Short term financial assets (-)	(11,8)	(6,8)
Short term borrowing	45,2	36,6
Medium-long term borrowing	77,7	62,3
<b>Net financial position</b>	<b>89,9</b>	<b>73,4</b>
Equity	55,8	48,1
<b>Funds</b>	<b>145,7</b>	<b>121,5</b>

## Disclaimer

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