



Integrated Solutions Provider

2016 Results & 2017 Outlook



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> Corporate Strategy

> 2016 Results & 2017 Outlook

- > 2016 Closing
- > 2016 Revenues: main features
- > 2017 Guidelines
- > Main 2017 goals
- > 2017 Outlook



STRINGING



- > Overhead power lines construction & maintenance
- > Reconductoring and line improvement
- > Underground cable laying

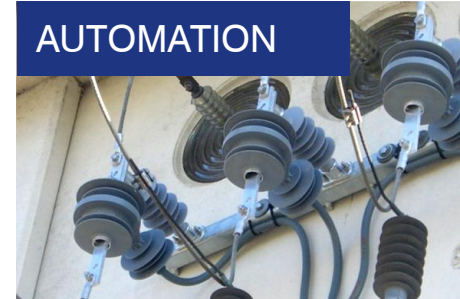
RAILWAY



- > Railway lines electrification
- > Catenary maintenance and diagnostic
- > Special Applications

FULLY
INTEGRATED
SOLUTIONS
PROVIDER

AUTOMATION



- > Telecommunication & Teleprotection
- > Electronic integrated sensors, fault detection and measurement
- > Protections & Electronics for Distribution

TRENCHER



- > Telecom networks, FTTH & long distance, power cable installation
- > Oil & Gas, Water pipelines
- > Bulk excavation of rock and Quarries

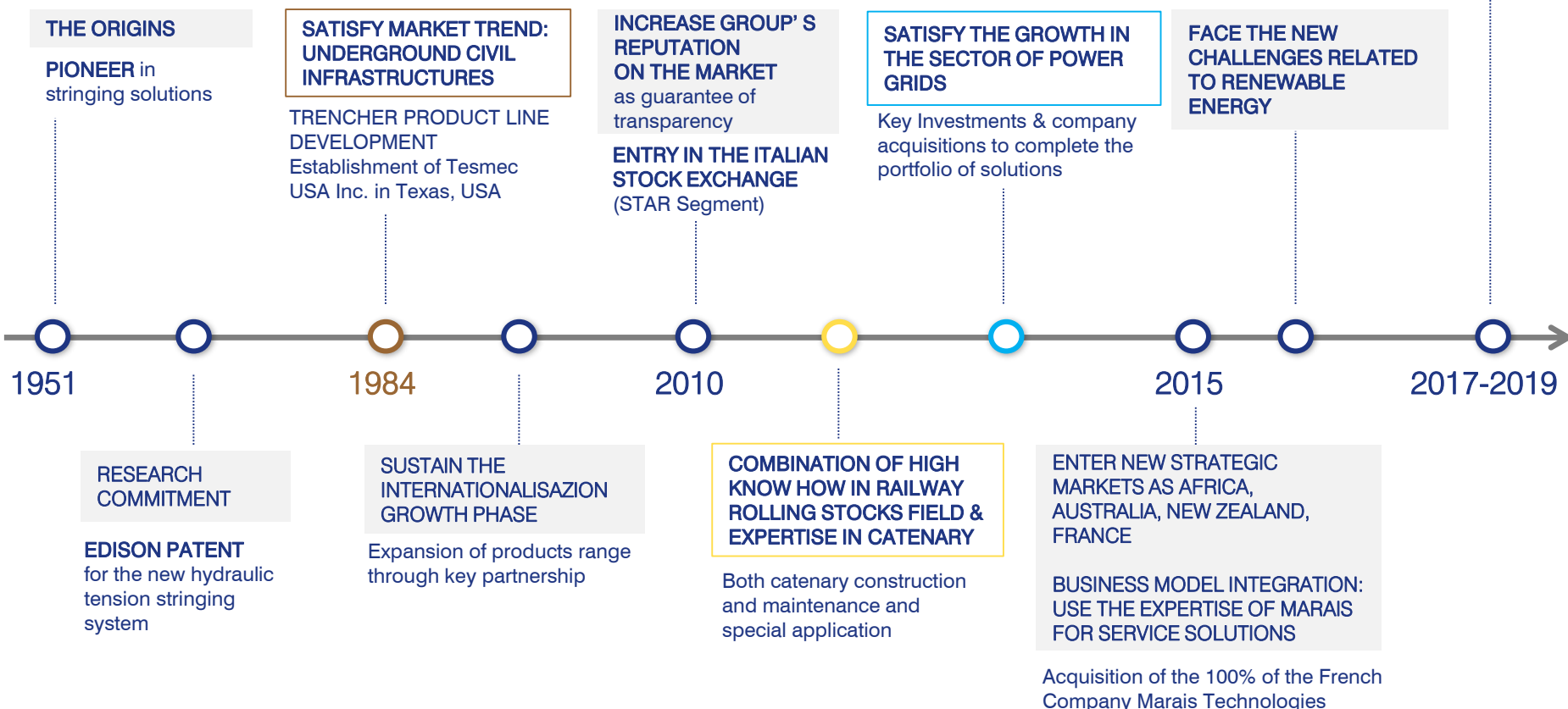
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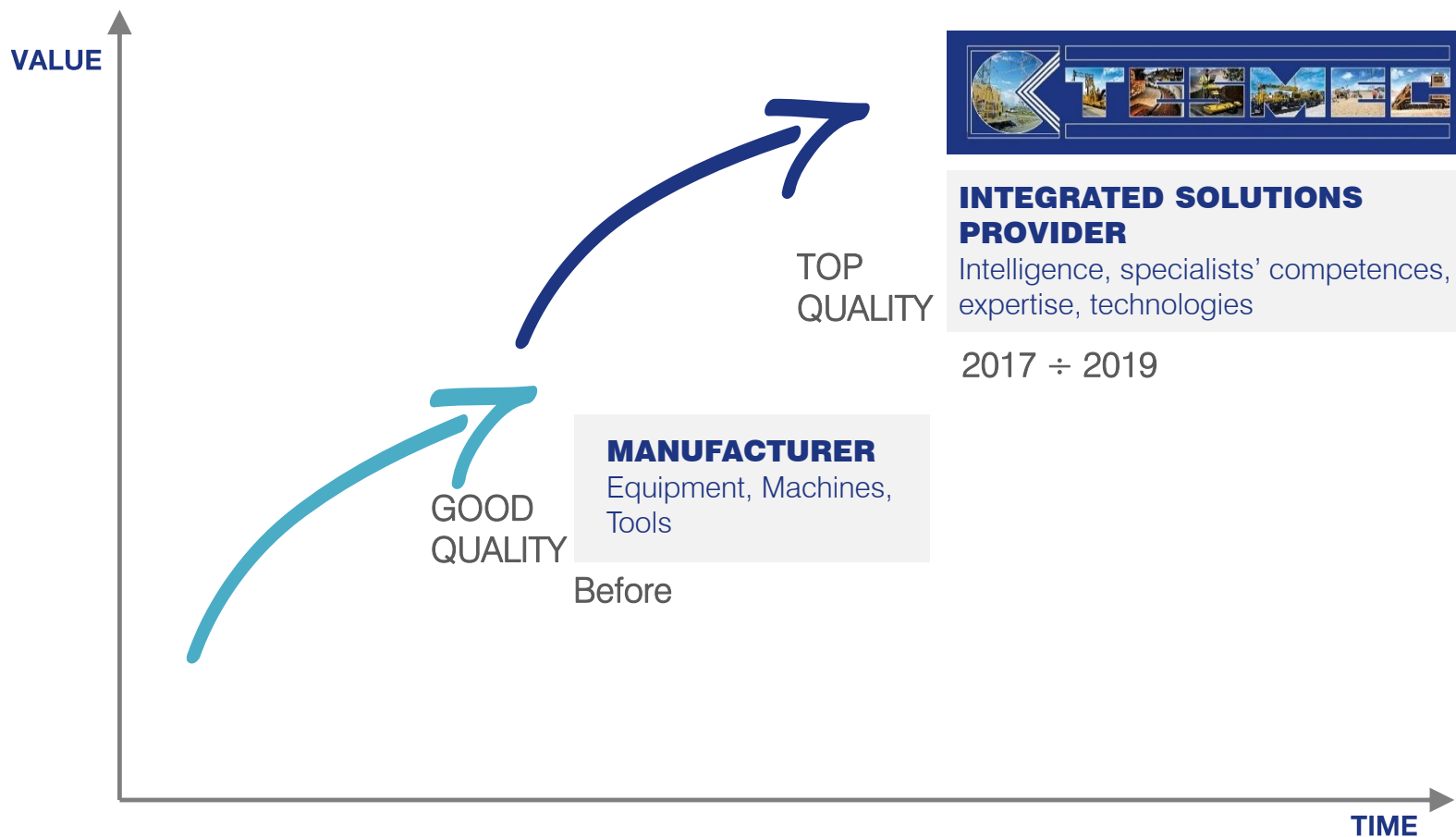
“ From Steel to Technology ”

OUR MISSION

- > Our mission is to be value added integrated solutions provider in the market of infrastructure for the transport of energy, data and material
- > We provide efficiency, digitalization, safety and sustainability for the modernization of the infrastructures of every country in the world
- > We focus on winning integration of advanced technology & high know how to meet the new demands of the markets

EXPERTISE INTEGRATION





WE ARE THE ONLY PROVIDER IN THE WORLD able to satisfy the infrastructure market's needs through our fully integrated solutions suite

WE HAVE THE CAPABILITY TO DO THIS!

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- > **2016 Results & 2017 Outlook**
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GROUP (€ mln)	2016 un-audited	2015
Revenues	128,5	164,4
EBITDA adj ⁽¹⁾	11,6	22,0
% on Revenues	9%	13%
EBITDA	8,5	24,0
% on Revenues	7%	15%
EBIT	-4,4	12,8
% on Revenues	-3%	8%
Profit Before Taxes	-6,9	9,1
% on Revenues	-5%	6%
NET INCOME	-3,8	7,1
% on Revenues	-3%	4%

(1) ADJUSTMENT INCLUDES 2,2 mln on respect of the real estate deal and 0,9 mln of extraordinary consultancy cost.

GROUP (€ mln)	2016	2015 ⁽²⁾
NFP	96,7	89,9

(2) Including 17,8 M€ OF GRASSOBBIO REAL ESTATE BORROWING.



ENERGY	2016	2015	Delta %
Revenues	42,2	72,1	-41,5%
EBITDA adj	6,0	11,4	-47,2%
% on Revenues	14%	16%	



TRENCHERS	2016	2015	Delta %
Revenues	80,6	88,5	-8,9%
EBITDA adj	4,5	10,9	-58,6%
% on Revenues	6%	12%	



RAILWAY	2016	2015	Delta %
Revenues	5,7	3,8	50,0%
EBITDA adj	1,1	-0,3	453,0%
% on Revenues	19%	-8%	

MARKET ISSUES 2016

TRS ITA & SA

- > ME: Downsize of the infrastructure projects due to drop of oil price

T. USA

- > Crisis of Shale Oil Industry
- > Missing payment and consequent credit notes of previous years invoices with recovery of machines

TRS

- > Shift towards service model

PROJECTS DELAYED

Railways

- > RFI Tender for 88 units: project activities delayed in 2017

Stringing

- > Mainly PLN Indonesia Tender postponed in 2017

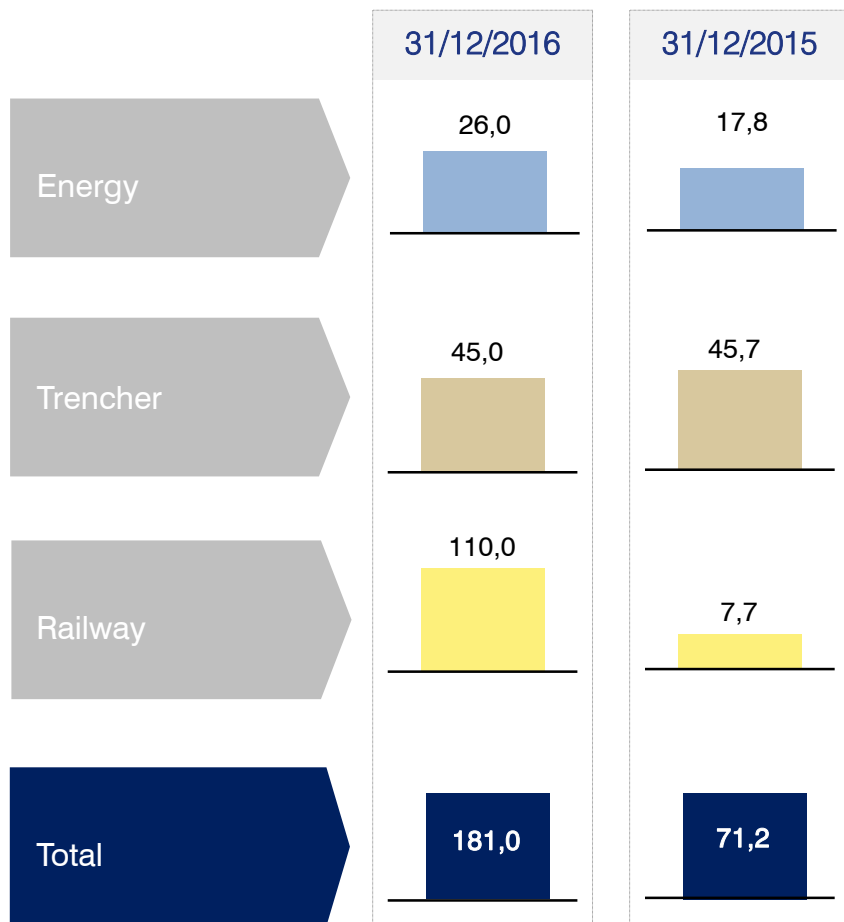
Automation

- > Tender FSK to supply SMT system postponed in 2017

MARAIS

- > AUS, NZ & West Africa projects startup postponed in 2017

BACKLOG



MAIN ACTIONS

- Focus on **reset USA** and **Middle East Area**
- Focalize the effort on the **control of cost structure** in any site
- Integration of **operations: TRS & RAIL**
- **Simplification** of **Automation's** companies and **value chain**
- **Revamping** BU stringing



NEW CONCEPT IN STRINGING MACHINES 4.0:

Simple, Safe and Reliable



SUPPLY OF 25 COMPLETE SETS (MACHINES AND EQUIPMENT)

Success of European technology in Indonesia



AWARD OF THE TENDER OF RFI: SUPPLY OF 88 MULTIPURPOSE RAILWAY VEHICLES for the maintenance of the Italian railway network



- > WINNING TECHNOLOGICAL SYSTEMS
- > REMOTE CONTROL BL3 SYSTEM ON BOARD
- > TRANSFER CAPABILITY AS PASSENGER TRAIN ON NATIONAL RAILWAY NETWORKS



POWER LINES MANAGEMENT & ENERGY EFFICIENCY

TECHNOLOGICAL COOPERATION BETWEEN TESMEC & THE RUSSIAN GROUP ROSSETI

Smart Metering Tool (SMT):
extremely innovative and tailor made systems



WIND FARM PROJECTS AUSTRALIA & NEW ZEALAND



FIBER TO THE HOME PROJECTS

ADVANCED WORKING METHODOLOGY:
integrated systems & technological solutions
for a complete jobsite management

TELECOM & ENERGY

- 1 Upturn **USA** market
- 2 Impact of **renewable energy** projects
- 3 First **FTTH** projects

ECONOMICS & FINANCIALS



- 1 Sales: **1Q.2017 +15÷20%** compared to SPPY
- 2 2017 Sales: **160–170 M€**
- 3 EBITDA **15%**
- 4 **NFP** reduction
- 5 Expected **BACKLOG 1Q.2017** higher than **2016 year end**



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