



- Stringing
- Energy Automation
- Railway
- Trencher

Integrated Solutions Provider

2018 Results Presentation



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- > **Corporate Strategy**
- > 2018 Highlights and Results
- > 2019 Outlook

VISION

- > To be a technological **partner** in a changing world

VALUE PROPOSITION

- > To supply added-value **integrated solutions** for our customers



MISSION

- > To operate in the market of **infrastructure** for the transport of energy, data and material (oil and derivatives, gas, water).

STRATEGY

- > Innovation
- Internationalization
- Integration

STRINGING



- > Overhead power lines construction & maintenance
- > Advanced methodologies for powerlines improvement
- > Zero emissions underground cable laying

RAILWAY



- > Catenary lines construction & maintenance
- > Diagnostics systems
- > Big Data integrated solutions for safe infrastructure

ENERGY

PLATFORMS FOR DIAGNOSTIC & DATA MANAGEMENT

ENERGY AUTOMATION



- > Telecommunications solutions for HV Grids
- > Grid Management: protection and metering solutions
- > Advanced sensors for fault passage indication, protection and monitoring

TRENCHER



- > Telecom networks, FTTH & long distance, power cable installation
- > Oil & Gas, Water pipelines
- > Bulk excavation, Quarries & Surfaces mining

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DIGITAL INTERCONNECTED EQUIPMENT

Job sites remote management thanks to interconnected equipment

Push on high tech sensitive markets



POWERLINES MAINTENANCE: ADVANCED WORKING METHODOLOGIES

The most innovative stringing project in China: helicopter stringing operations 500kV line on top of the two highest transmission towers in the world, 380m - higher than Tour Eiffel

Focus on new methodology for reconductoring in order to create a more efficient jobsite with relevant time and costs savings

Innovative methodologies for maintenance and diagnostic of powerline with reduction of outage of the HV networks during operations



INTERNATIONAL COLLABORATIONS

Conductors manufacturer

Helicopter service provider

National Grids



CERTIFICATION OF NEW DEVELOPMENTS

Speed up of sales on local & international markets

SMT IN RUSSIA: ramp up of mass production & field

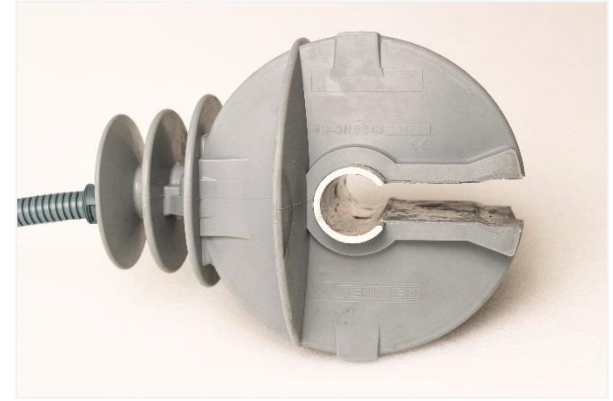
Smart Metering solution for Russian MV Grids: Focus on **products awareness** through trainings for regional technical teams of installation and heavy marketing & sales plan

FROM A START UP TO A MAJOR DEPLOYMENT

Performance improvement through **customized solutions** both on sensors and protections

Push on high quality products to provide and enhance **grid reliability and stability**

First deployments with local TSO of HV solutions both on telecommunication and telecontrol application



INTEGRATED SOLUTIONS FOR TUNNELING APPLICATIONS

Remote dust control system combined to trencher: HSEQ advantages to project and sensitive receivers

- ✓ Successful solution in **SYDNEY WEST CONNEX E NORTH CONNEX** project



STRATEGIC PARTNERSHIP FOR SPECIAL PROJECTS

New integrated approach in the renewables energies field: complete value chain solution for underground cable laying

- ✓ **small footprint**
- ✓ **high efficiency**

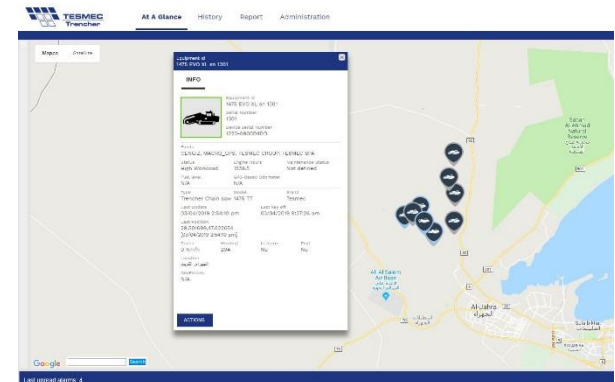
Huge business opportunities in the **5G sector**: business model as **service provider** and proposal of the innovative “**clean & fast**” methodology



CONTINUOUS IMPROVEMENT IN DIGITAL SYSTEMS

Complete range of machines equipped with the latest digital technologies to allow:

- ✓ **higher reliability**
- ✓ **easier management**
- ✓ **maintenance costs reduction**



BRAND NEW PLANT

High efficiency manufacturing plant in Monopoli (Italy) equipped with the most advanced devices for quality assurance and tests to grant the full product reliability



METHODOLOGY FOR SAFE & FAST CATENARY MAINTENANCE OPERATIONS

Approved solution (convoy of 4 vehicles with remote control) for replacement of the contact wires – RFI Italy

Technological solutions for refurbishment of the line C of RER network - RC² consortium France

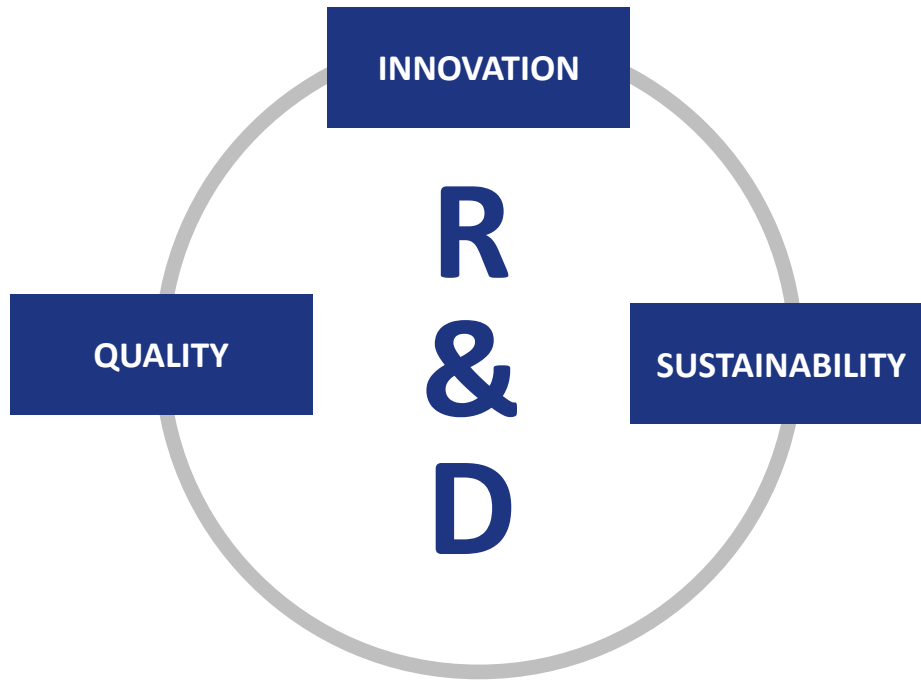


SOLUTIONS TO ASSURE RAILWAY INFRASTRUCTURES RELIABILITY

Specialized vehicles equipped with **diagnostic devices and digital platform** to measure and to manage big amount of data in real time

Diagnostic systems to grant **safety** of the railway infrastructures





around **Euro 16 million**
investments in innovative projects

CERTIFICATIONS

- ✓ ISO 9001:2015
- ✓ ISO 14001:2015
- ✓ ISO 45001:2018

Research & Development

Industry 4.0 plan

- > Tax savings on R&D
- > Patent box
- > Training

Puglia Project

- > Design of innovative railcars with electrical transmission and diagnostic systems

GROUP (€ mln)	2018	2017	Delta %
REVENUES	194,6	175,6	10,9%⁽¹⁾
EBITDA adj ⁽²⁾	21,0	20,7	1,1%
% on Revenues	10,8%	11,8%	
EBITDA ⁽³⁾	18,9	20,7	-8,8%
% on Revenues	9,7%	11,8%	
EBIT	3,7	6,1	-38,9%
% on Revenues	1,9%	3,5%	
Differences in Exchange	0,2	(4,7)	104,5%
% on Revenues	0,1%	-2,7%	
PROFIT (LOSS) BEFORE TAX	0,3	(1,5)	120,2%
% on Revenues	0,2%	-0,9%	
NET INCOME/(LOSS)	0,04	(1,4)	103,1%
% on Revenues	0,0%	-0,8%	
GROUP (€ mln)	2018	2017	Delta %
NFP ⁽⁴⁾	77,7	85,2	8,8%

(1) + 11,8% at constant currencies (2018 equal to Euro 196,3 million)

(2) The EBITDA adj includes the insurance reimbursement and the offset of the reorganization costs.

(3) Without the Australian extra jobsite costs and the non-recurring costs, **the EBITDA would have been around 25,0 M€, 12,8% on revenues**

(4) Improvement due to the net working capital performance despite increase in capex



ENERGY	2018	2017	Delta %
Revenues	41,7	52,1	-19,8%
EBITDA adj	5,0	8,0	-37,5%
% on Revenues	12,0%	15,4%	
EBITDA	4,8	8,0	-39,9%
% on Revenues	11,5%	15,4%	



- > Market volatility
- > Technology breakthrough
- > New products launch



TRENCHERS	2018	2017	Delta %
Revenues	125,5	106	18,3%
EBITDA adj	11,8	10,3	13,7%
% on Revenues	9,3%	9,7%	
EBITDA	10,0	10,3	-3,1%
% on Revenues	8,0%	9,7%	



- > Without the Australian extra jobsite costs, the EBITDA would have been around 15,7 M€, 12,5% on revenues
- > Marais under performing
- > US market booming



RAILWAY	2018	2017	Delta %
Revenues	27,4	17,4	57,2%
EBITDA adj.	4,2	2,4	74,5%
% on Revenues	15,5%	13,9%	
EBITDA	4,1	2,4	69,8%
% on Revenues	15,0%	13,9%	



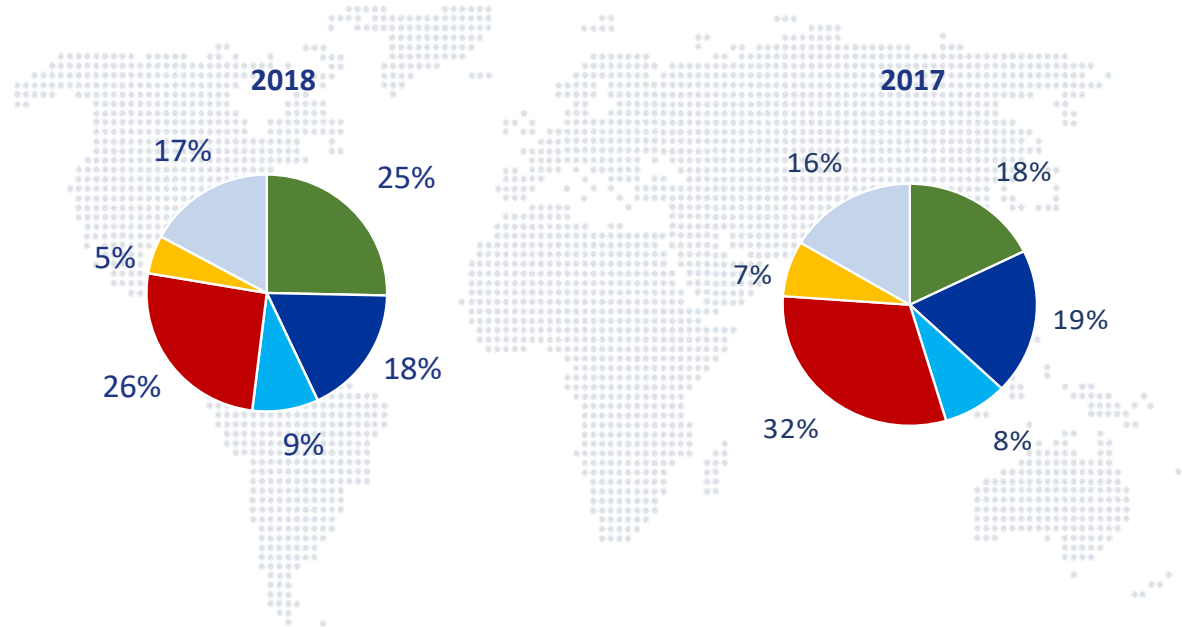
- > RFI tender execution
- > TSO contract execution
- > First 2 diagnostic vehicles

Euro/mlin	9M - YTD			Q4			Full year		
	2018	2017	Var.	2018	2017	Var.	2018	2017	Var.
REVENUES	140,5	132,1	6,3%	54,1	43,5	24,4%	194,6	175,6	10,9%
EBITDA*	12,2	13,6	-9,9%	6,7*	7,1	-5,6%	18,9**	20,7	-8,8%
EBITDA %	8,7%	10,3%		12,4%*	16,3%		9,7%**	11,8%	
EBIT	1,4	3,1	-53,6%	2,3	3,0	-23,3%	3,7	6,1	-38,9%

* without the non-recurring costs, the Q4 EBITDA would have been around 8,7 M€, 16,1% on revenues

** without the Australian extra jobsite costs and the non recurring costs , the FY EBITDA would have been around 25,0 M€, 12,8% on revenues

INTERNATIONAL SCALE AND EXPOSURE TO GROWING ECONOMIES JOINT WITH A GROWING IMPORTANCE OF THE ITALIAN MARKET



ITALY: impact of railway business & automation

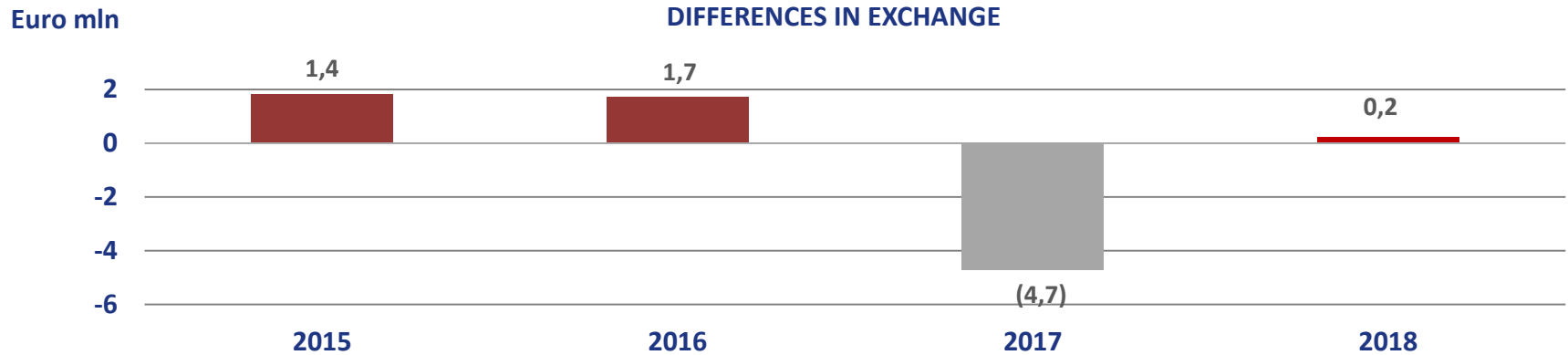


USA: TRS impact

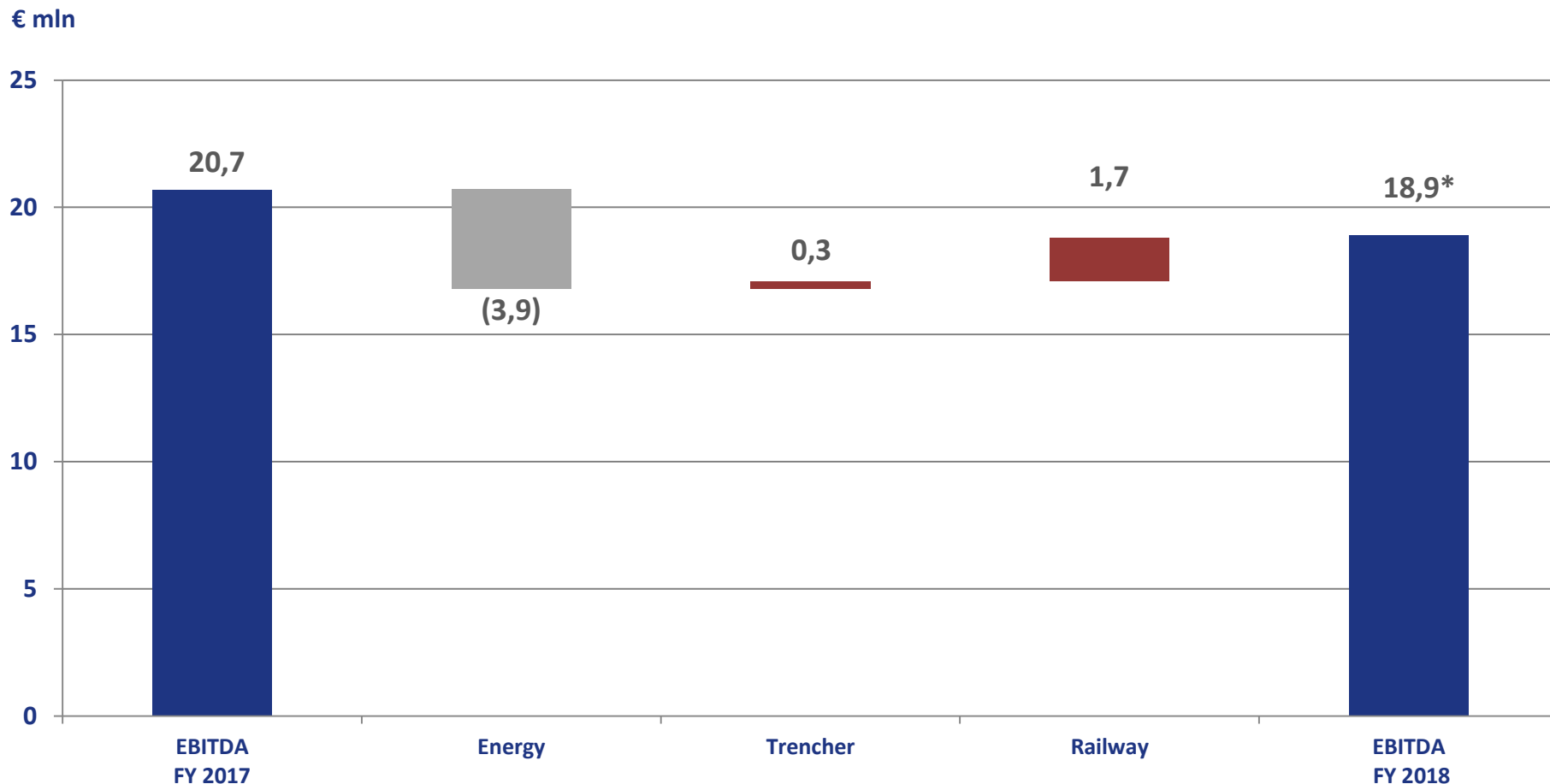


BRICs: Indonesia order non-recurring impacted in 2017

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



GROUP (Euro mln)	2018	2017	2016
Differences in Exchange	0,2	(4,7)	1,7
<i>of which:</i>			
<i>Realised</i>	<i>(0,2)</i>	<i>(1,6)</i>	<i>0,2</i>
<i>Unrealised</i>	<i>0,4</i>	<i>(3,1)</i>	<i>1,5</i>
Differences in Exchange for currency:			
USD	0,8	(3,0)	0,7
ZAR	(0,5)	(0,2)	0,6
IDR	-	(0,6)	0,0
OTHER	(0,1)	(0,9)	0,4
Total	0,2	(4,7)	1,7



* without the Australian extra jobsite costs and the non recurring costs , the FY EBITDA would have been around 25,0 M€.

2017

The EBITDA is impacted by the excellent results of the Railway segment, the extra-costs et non-recurring costs in the Trencher segment and the low volumes in the Energy Segment

2018

Financial Information (€ mln)	2018	2017
Net Working Capital	48,9	60,8
Non Current assets	67,3	68,4
Other Long Term assets/liabilities	4,8	0,9
Net Invested Capital	121,0	130,1
Net Financial Indebtness	77,7	85,2
Equity *	43,3	44,9
Total Sources of Financing	121,0	130,1

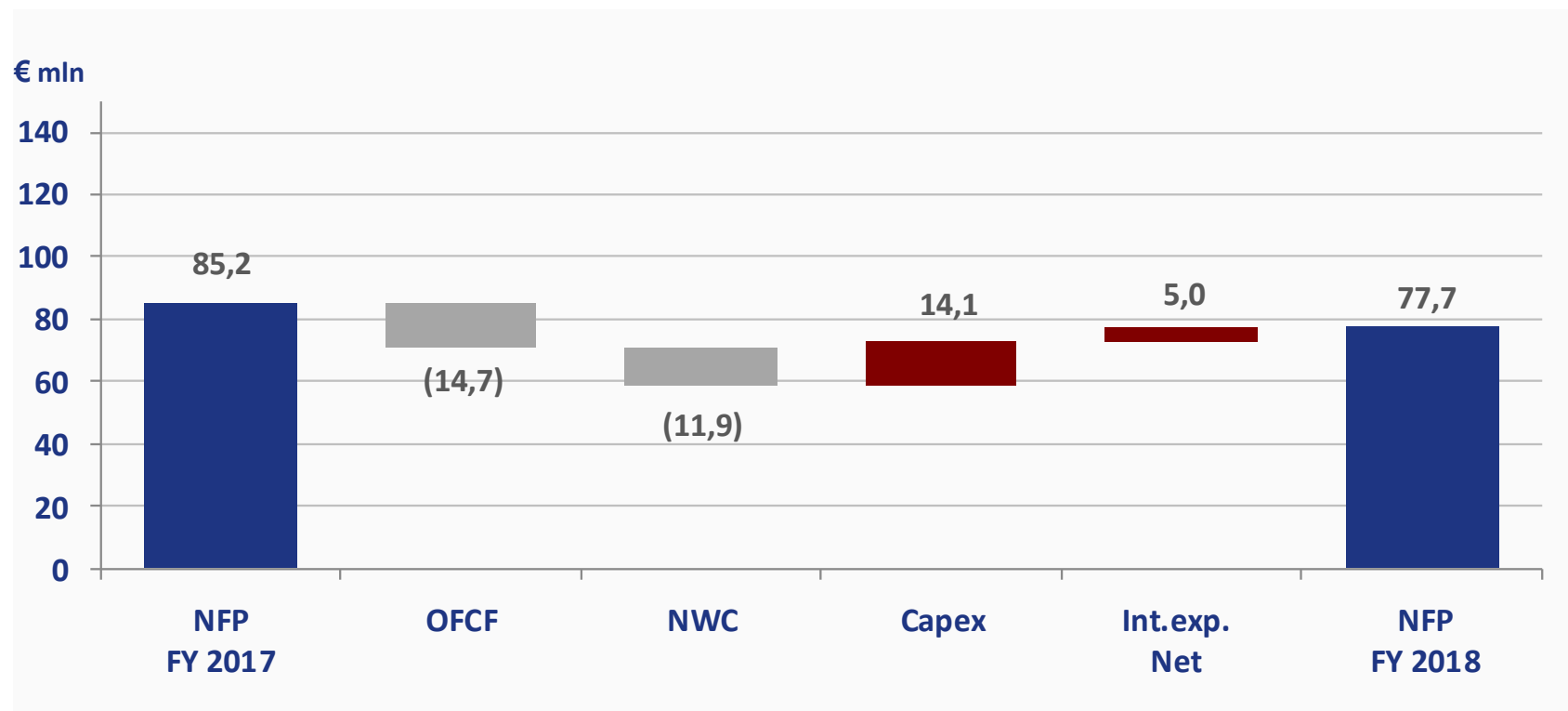
- - 2,2 ml Euro change in consolidation area (acquisition 13,21% Marais Technologies for C2D)
- + 1,1 ml Euro translation reserve
- - 0,5 ml Euro First Time Adoption IFRS 9

2017

Working capital's positive impact in Net Investing Capital

2018

OPERATING NET FINANCIAL POSITION

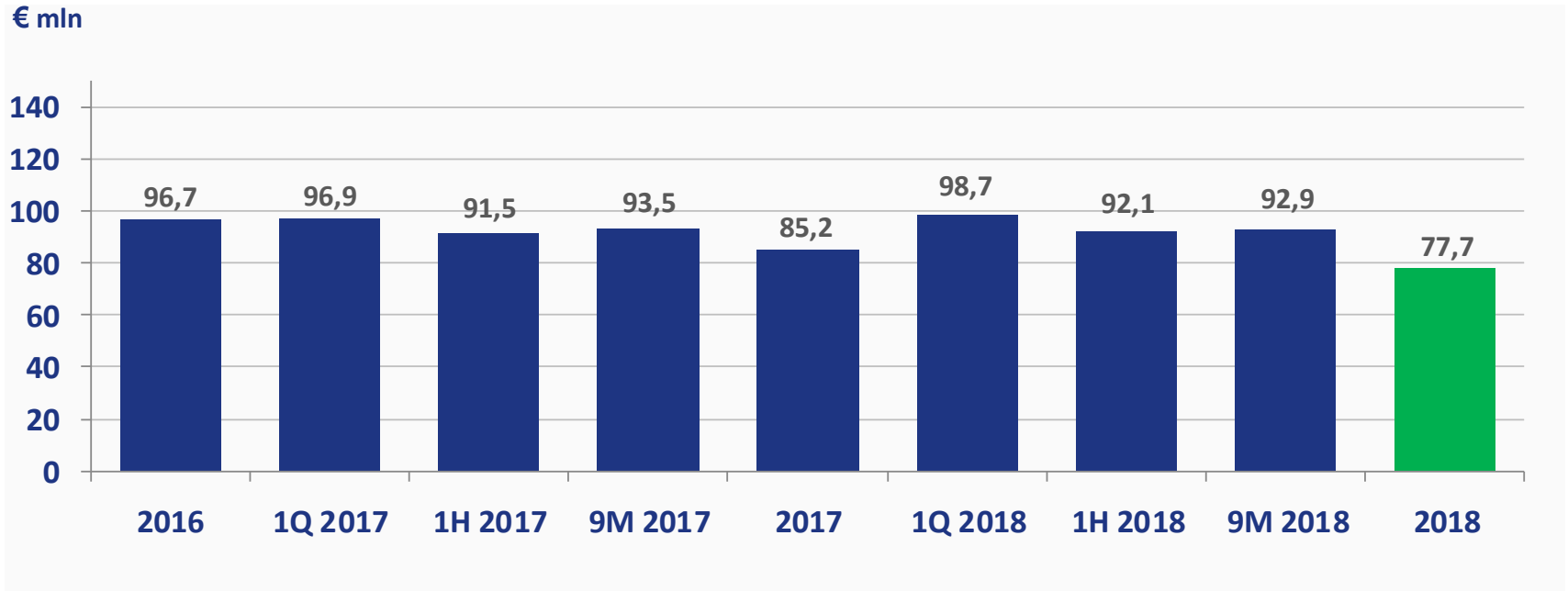


2017

Operating Cash-Flow improvement and positive NWC despite increase in Capex for Puglia Project

2018

OPERATING NET FINANCIAL POSITION

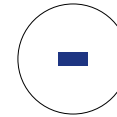


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MACRO MARKET TRENDS



New world technology
Telecom – 5G
Energy transition
Mines – new methodology



Economy is slowing
China – USA → commercial
Middle East, Iran → embargo

BUSINESS DRIVERS

ENERGY

- > New products launching
- > Important development on digital grids with cyber-security needs
- > Integrated solutions between automation and stringing

TRENCHERS

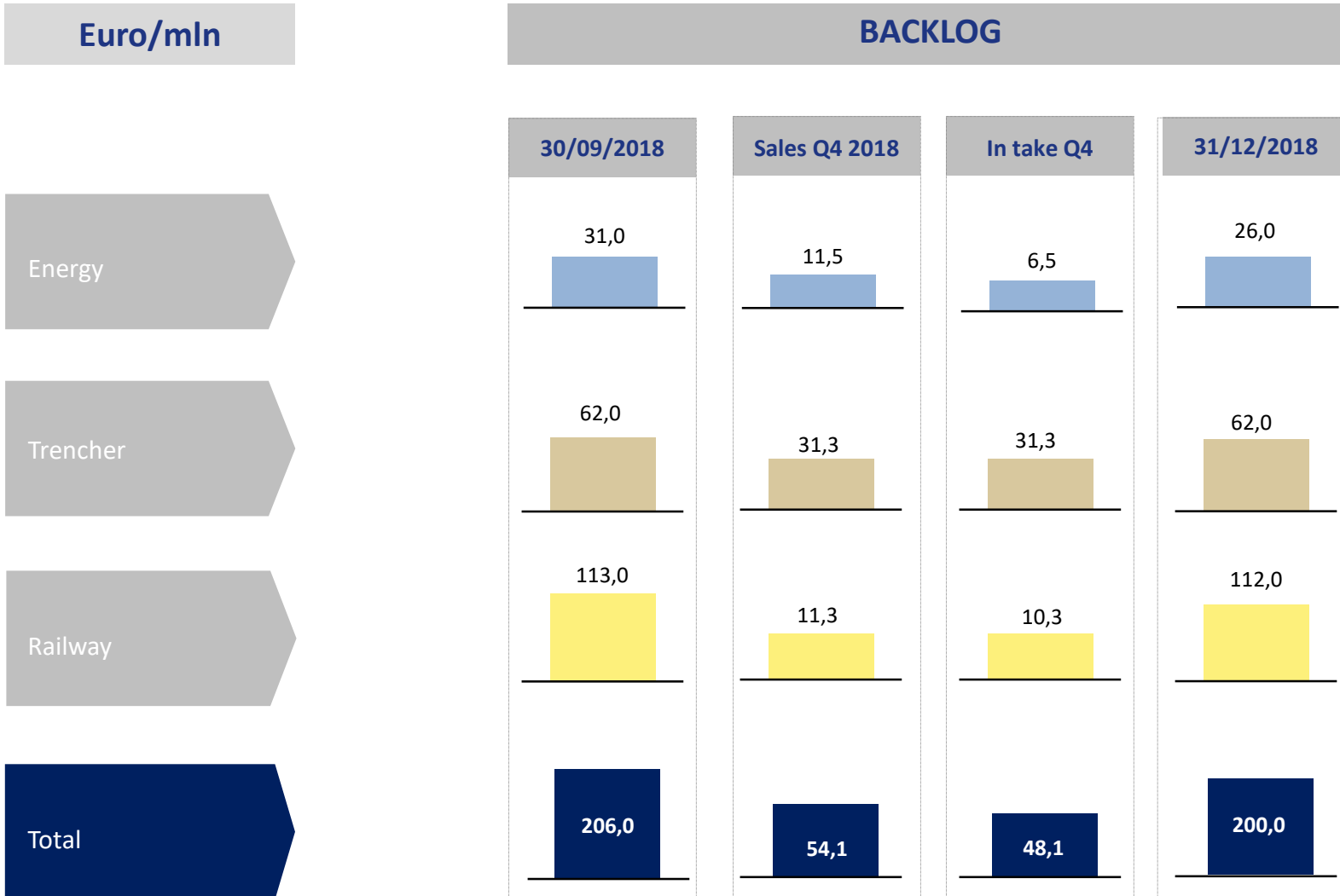
- > New solutions for 5G installation → Clean & Fast methodology
- > Mining: development of special tailor made solutions (gold, bauxite, coal...)
- > Partnership for renewables solutions (e.g. Nexans)

RAILWAY

- > Diagnostic market developments → new hi-tech solutions
- > Stringing – New complete lines (e.g. Paris Regional Rail)

ECONOMICS & FINANCIALS

- 1 Sales:** double digit growth
- 2 EBITDA %:** improvement as result of cost efficiency and a better mix of products (new solutions)
- 3 NFP:** improvement NFP/EBITDA ratio
- 4 Expected BACKLOG:** increase in line with revenues
- 5 Back to dividends distribution policy**



Profit & Loss Account (Euro mln)	2018	2017	Delta vs 2017	Delta %
Net Revenues	194,6	175,6	19,1	10,9%
Raw materials costs (-)	(89,1)	(78,3)	(10,8)	13,7%
Cost for services (-)	(32,6)	(30,9)	(1,7)	5,6%
Personnel Costs (-)	(50,5)	(46,2)	(4,3)	9,2%
Other operating revenues/costs (+/-)	(11,3)	(5,3)	(6,0)	112,9%
Portion of gain/(losses) from equity investments evaluated using the equity method	0,2	0,2	(0,1)	-32,5%
Capitalized R&D expenses	7,6	5,7	1,9	33,9%
Total operating costs	(175,7)	(154,8)	(20,9)	13,5%
<i>% on Net Revenues</i>	<i>(90%)</i>	<i>(88%)</i>		
EBITDA	18,9	20,7	(1,8)	-8,8%
<i>% on Net Revenues</i>	<i>10%</i>	<i>12%</i>		
Depreciation, amortization (-)	(15,2)	(14,6)	(0,6)	4,2%
EBIT	3,7	6,1	(2,4)	-39,8%
<i>% on Net Revenues</i>	<i>2%</i>	<i>3%</i>		
Net Financial Income/Expenses (+/-)	(3,4)	(7,7)	4,2	-55,1%
Taxes (-)	(0,3)	0,1	(0,4)	-362,0%
Minorities	-	-	-	
Group Net Income (Loss)	(0,0)	(1,4)	1,4	-98,4%
<i>% on Net Revenues</i>	<i>0%</i>	<i>-1%</i>		

Balance Sheet (€ mln)	2018	2017
Inventory	73,6	69,9
Accounts receivable	52,6	39,9
Accounts payable (-)	(54,4)	(39,5)
Op. working capital	71,8	70,3
Other current assets (liabilities)	(22,9)	(9,5)
Net working capital	48,9	60,8
Tangible assets	45,3	46,1
Intangible assets	18,0	18,3
Financial assets	4,0	4,0
Fixed assets	67,3	68,4
Net long term liabilities	4,8	0,9
Net invested capital	121,0	130,1
Cash & near cash items (-)	(42,8)	(21,5)
Short term financial assets (-)	(10,4)	(12,5)
Short term borrowing	80,1	79,2
Medium-long term borrowing	50,8	40,0
Net financial position	77,7	85,2
Equity	43,3	44,9
Funds	121,0	130,1

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