

> **Corporate Strategy**

> 2019.Q1 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

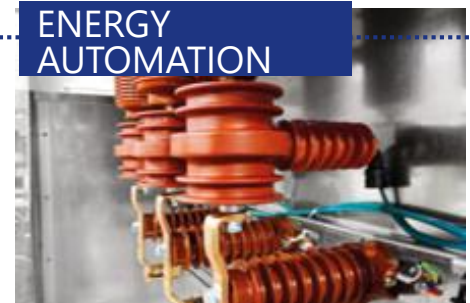
- > Innovation
- Internationalization
- Integration

ENERGY



STRINGING

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



ENERGY AUTOMATION

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



RAILWAY

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



TRENCHER

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

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KEY MESSAGES

■ INTEGRATED solutions

Complete offer package combining internal and partner's solutions

■ DIGITAL & CONNECTED systems

Fully connected machines – digital platforms for the highest SAFETY

■ CLEAN & FAST working methodologies

Integrated systems & technological solutions for an EFFICIENT and SUSTAINABLE jobsite



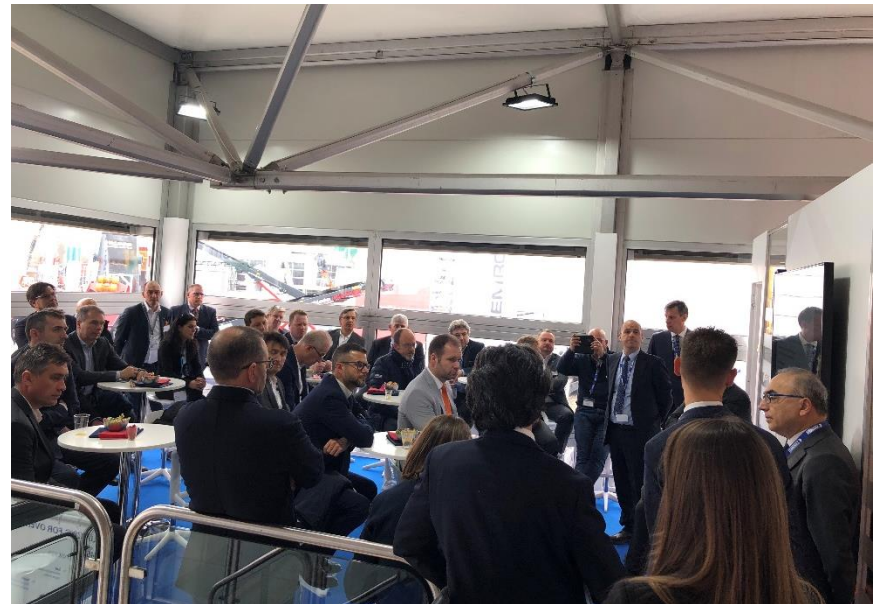
Equipment on booth

TRS

- 1150RH «EVO» with 3D GPS and remote control for tool maintenance
- SC4P with kit as-built 3DGPS (w/RADIO)
- 60 cm new tool for Cleanfast

SE

- PE1250: electrical Underground puller
- PT1450: 4.0 Overhead puller-tensioner machine



LAUNCH OF THE BRAND NEW FULL ELECTRIC MACHINE

- Design and development of a revolutionary machine for underground cable laying in urban area:
 - ✓ **Zero emission**
 - ✓ **No oil**
 - ✓ **Silent**
 - ✓ Equipped with the most advanced **digital & connected systems**



POWERLINES MAINTENANCE: ADVANCED WORKING METHODOLOGIES

- **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



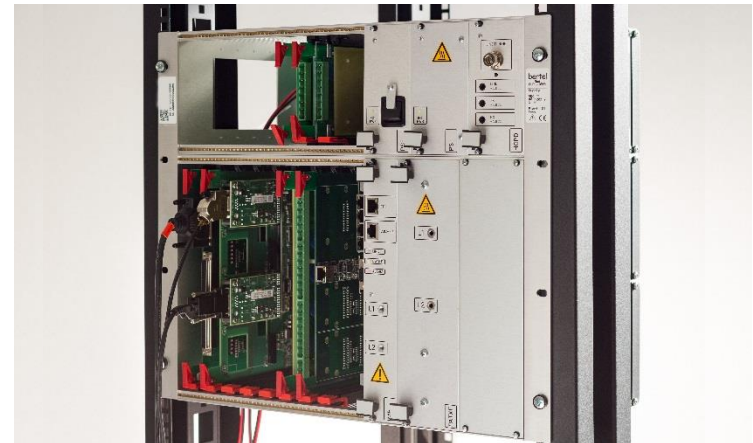
PUSH ON HIGH QUALITY PRODUCTS TO PROVIDE AND ENHANCE GRID RELIABILITY AND STABILITY

- **ENEL MARKET:**
 - Homologation of new protection solutions
 - Supply of MV smart devices to Italy and South America
- **ITALIAN MARKET:**
 - Start up of new market both for primary and secondary substation Automation



ACCELERATING INTERNATIONAL GROWTH

- **RUSSIA:**
 - Market Consolidation through product awareness
- **OTHER HV MARKETS:**
 - Awarded new TLC tenders in North Africa
 - New opportunities for markets with supplies in 2H



RELEVANT OPPORTUNITIES IN GROWING BUSINESS SECTORS – 5G

- Business model as **service provider** and proposal of the innovative “**clean & fast**” methodology
- **Complete 5G & FTTx value chain proposal** from utilities detection to surface finishing and home connection:
 - ✓ **Clean and Fast** solutions
 - ✓ Product development according to Country-based project requirements
 - ✓ **Digital and connected systems**



FOCUS ON DIGITAL AND SUSTAINABLE WORKING PROCESSES

- RH as a competitive surface mining **smart** solution:
 - ✓ High **productivity** and high **precision**
 - ✓ Digital and electronic controls for the highest **safety**
 - ✓ EVO series for hard rock digging and best worksite **efficiency**



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



GROUP (€ mln)	2019.Q1	2018.Q1	Delta %
REVENUES	49,8	46,7	6,6% (1)
EBITDA ante IFRS 16 (2)	4,9	6,1	-19,3%
% on Revenues	9,8%	13,0%	
EBITDA post IFRS 16 (3)	5,7	6,1	-5,5%
% on Revenues	11,5%	13,0%	
EBIT	1,5	2,8	-44,1%
% on Revenues	3,1%	5,9%	
Differences in Exchange (4)	0,7	(0,7)	n/a
% on Revenues	1,4%	-1,5%	
PROFIT (LOSS) BEFORE TAX	1,0	1,3	-21,1%
% on Revenues	2,1%	2,8%	
NET INCOME/(LOSS)	1,0	1,1	-11,5%
% on Revenues	2,0%	2,4%	

GROUP (€ mln)	2019.Q1	2018.Q1	Delta %
NFP ante IFRS 16	92,6	98,7	6,2%
NFP post IFRS 16 (3)	112,5	98,7	

(1) + 4,5% at constant currencies

(2) The EBITDA has not yet impacted by the full effectiveness of the positive management actions rolled out from September of the last year

(3) Starting from the 1st January 2019, the new IFRS 16 has been introduced. It impacts:

- EBITDA +0,8 M€
- Depreciation -0,7 M€
- Net Results -0,1 M€
- Intangible assets + 19,8 M€
- NFP + 19,9 M€

(4) The positive exchange differences are positive due to the favorable effects FX



ENERGY	2019.Q1	2018.Q1	Delta %
Revenues	10,3	9,2	11,8%
EBITDA ante IFRS16	1,0	1,2	-17,4%
% on Revenues	9,8%	13,3%	
EBITDA post IFRS 16	1,2	1,2	1,5%
% on Revenues	12,1%	13,3%	

- > Energy Automation Growth
- > European Market Driven



TRENCHERS	2019.Q1	2018.Q1	Delta %
Revenues	31,0	33,4	-7,2%
EBITDA ante IFRS 16	2,6	4,2	-38,0%
% on Revenues	8,4%	12,6%	
EBITDA post IFRS 16	3,1	4,2	-26,4%
% on Revenues	10,0%	12,6%	

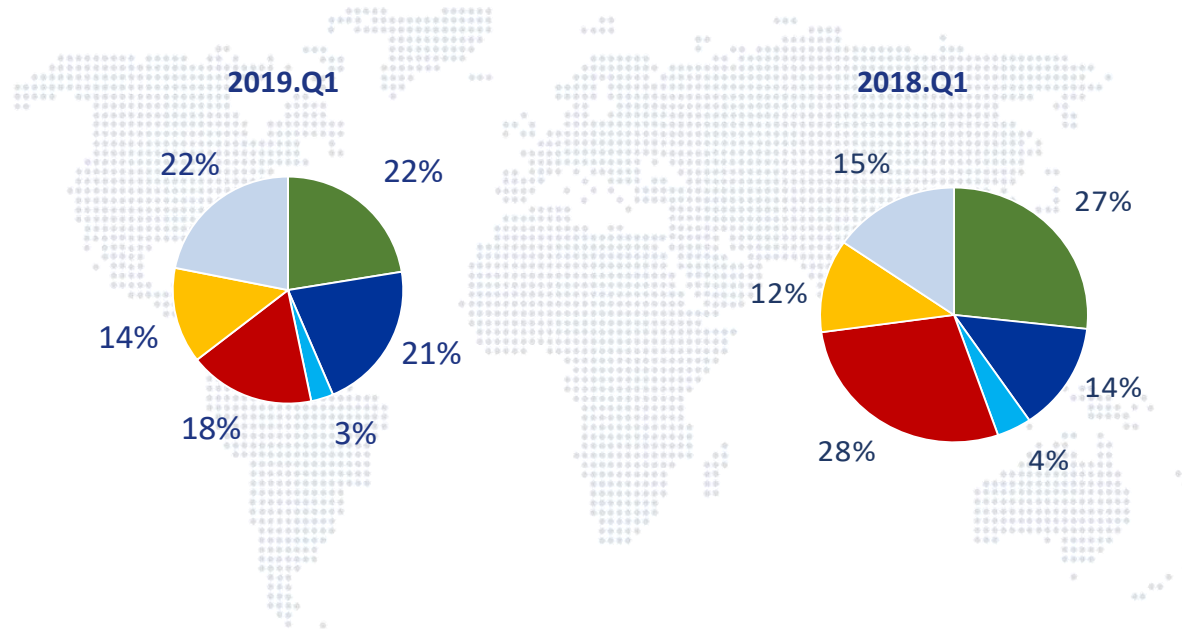
- > Seasonality of renting/project activities
- > Marais Profitability Turnaround still on going
- > USA Market Booming



RAILWAY	2019.Q1	2018.Q1	Delta %
Revenues	8,5	4,1	106,6%
EBITDA ante IFRS 16	1,3	0,7	96,3%
% on Revenues	15,1%	15,9%	
EBITDA post IFRS 16	1,4	0,7	114,4%
% on Revenues	16,5%	15,9%	

- > RFI tender execution
- > TSO contract execution
- > Diagnostic vehicles

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



ITALY: impact of railway business & automation

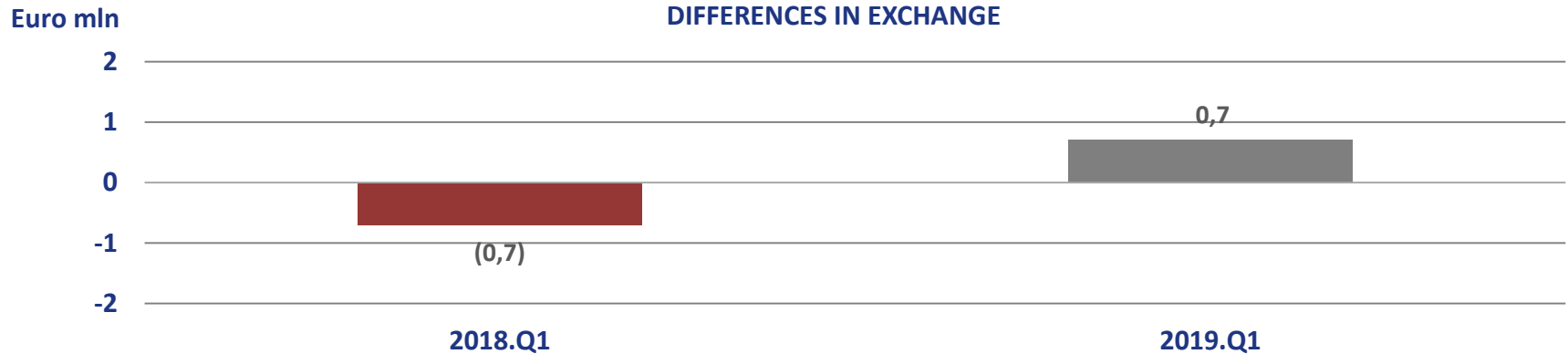


USA: TRS impact

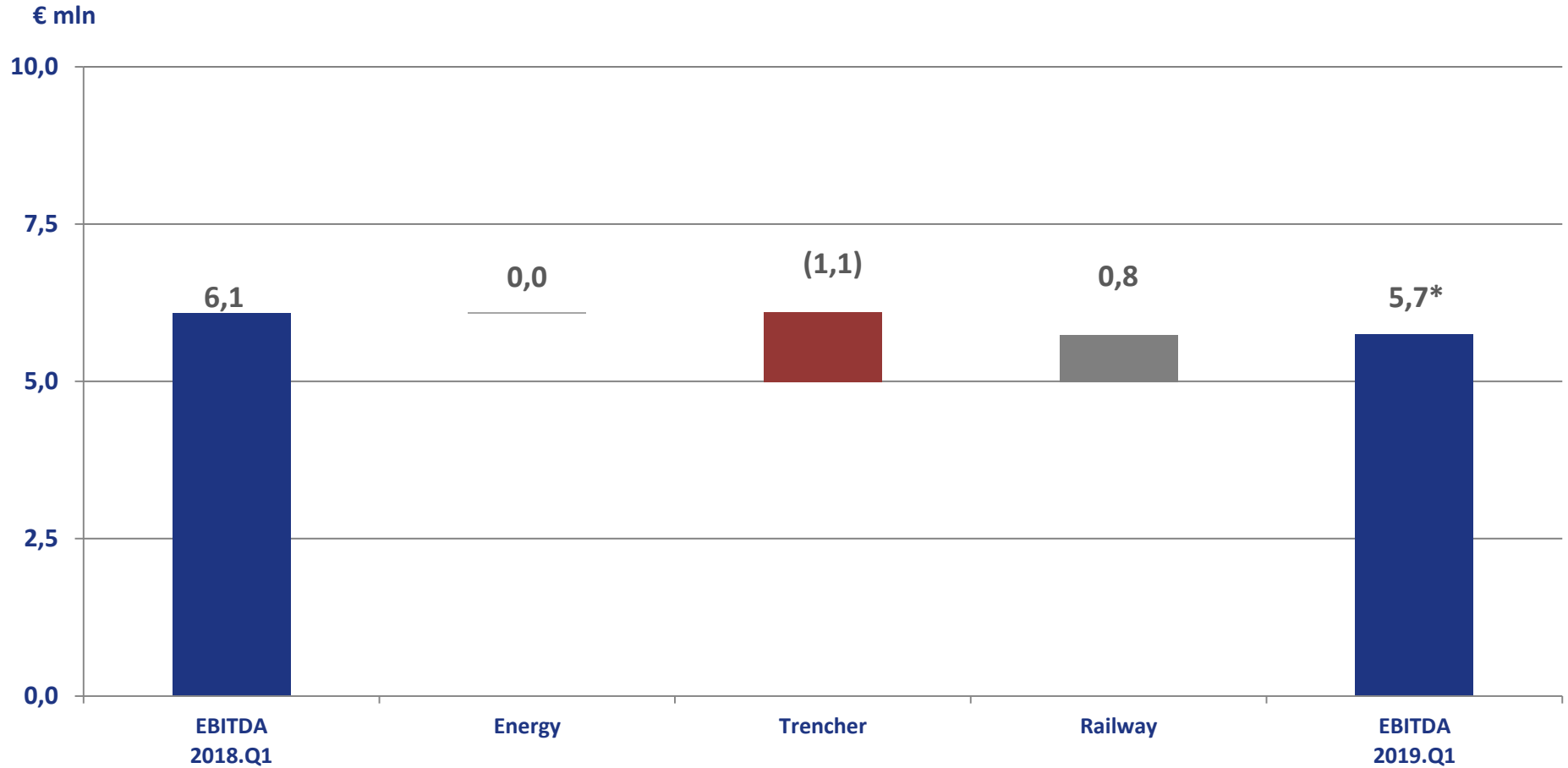


EUROPE: TRS impact

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



GROUP (Euro mln)	2019.Q1	2018.Q1
Differences in Exchange	0,7	(0,7)
<i>of which:</i>		
<i>Realised</i>	<i>0,1</i>	<i>(0,1)</i>
<i>Unrealised</i>	<i>0,6</i>	<i>(0,6)</i>
Differences in Exchange for currency:		
USD	0,2	(0,5)
AUD	0,1	(0,1)
OTHER	0,4	(0,1)
Total	0,7	(0,7)



* The impact of IFRS 16 is around 0,8 M€

2018.Q1

The EBITDA is impacted by the results of the TRS segment, which has not yet positively impacted by the actions in place from last quarter

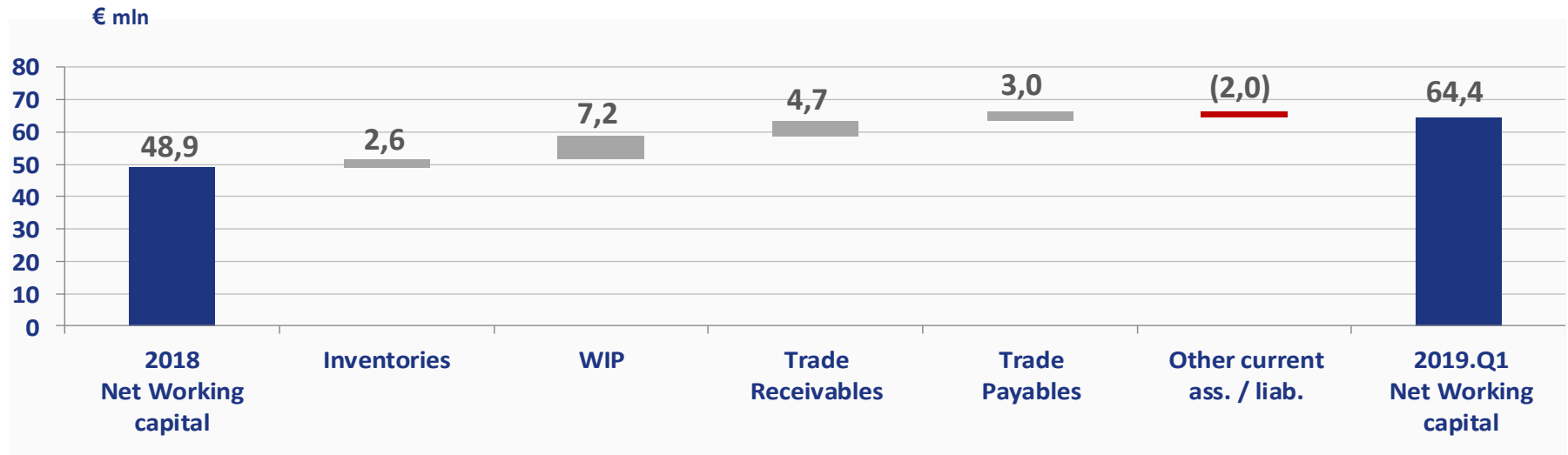
2019.Q1

Financial Information (€ mln)	2019.Q1	2018
Net Working Capital	64,4	48,9
Non Current assets	67,8	67,3
Right of use - IFRS 16	19,8	0,0
Other Long Term assets/liabilities	5,2	4,8
Net Invested Capital	157,2	121,0
Net Financial Indebtness	92,6	77,7
Lease liability - IFRS 16	19,9	0,0
Equity	44,7	43,3
Total Sources of Financing	157,2	121,0

2018

Increase of working capital due to Railways Business and the increase of Receivables for the seasonality.

2019.Q1



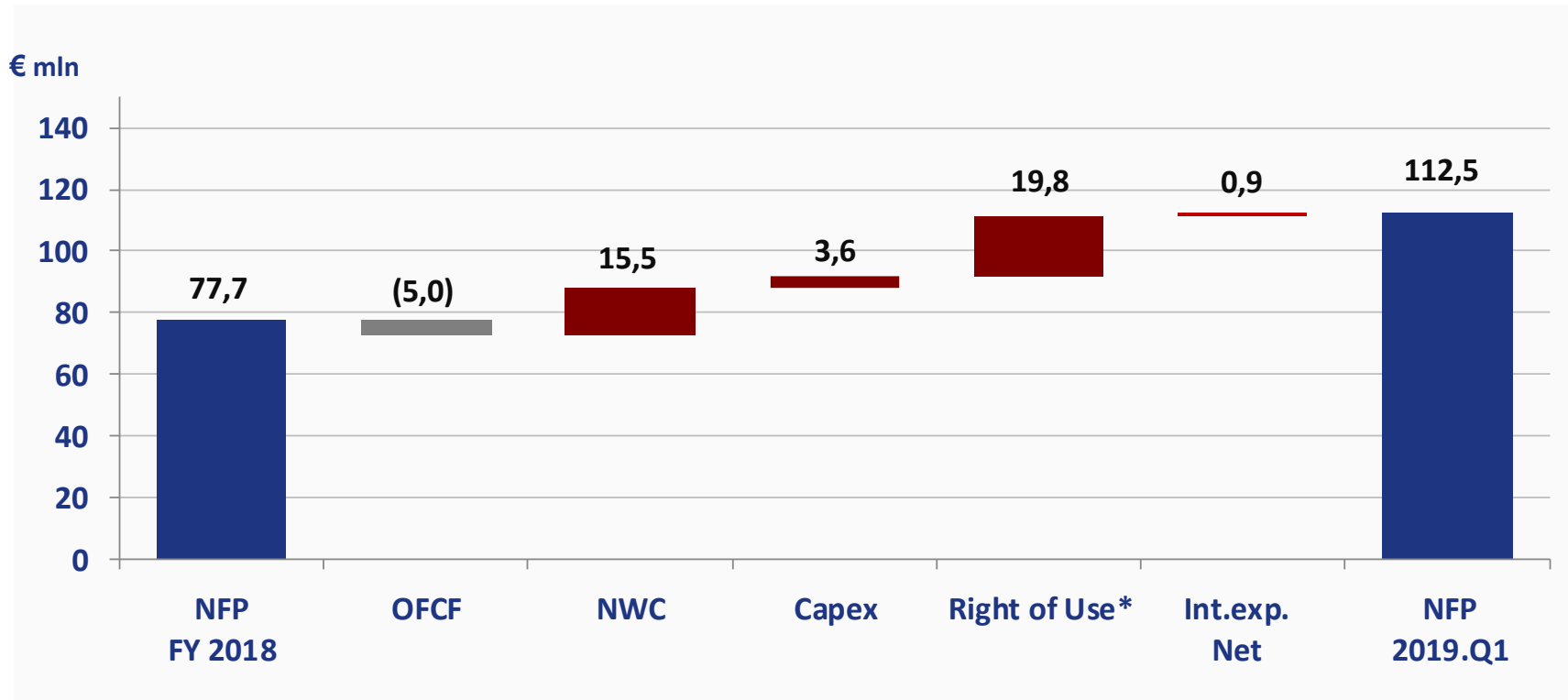
€ Mln	2019.Q1	2018	Days 2019.Q1	Days 2018
Trade Receivables	57,3	52,6	96	97
Inventories	65,2	62,6	110	136
Work in progress contracts	18,2	11,0		
Trade Payables	(51,3)	(54,4)	-86	-101
Other Current Assets/(Liabilities)	(24,9)	(22,9)	-42	-42
Net Working Capital	64,4	48,9		

2018
€ 48,9 mln

Impact due to the increase of working in progress contracts for the railways business and trade receivables/stock related to TRS Business

2019.Q1
€ 64,4 mln

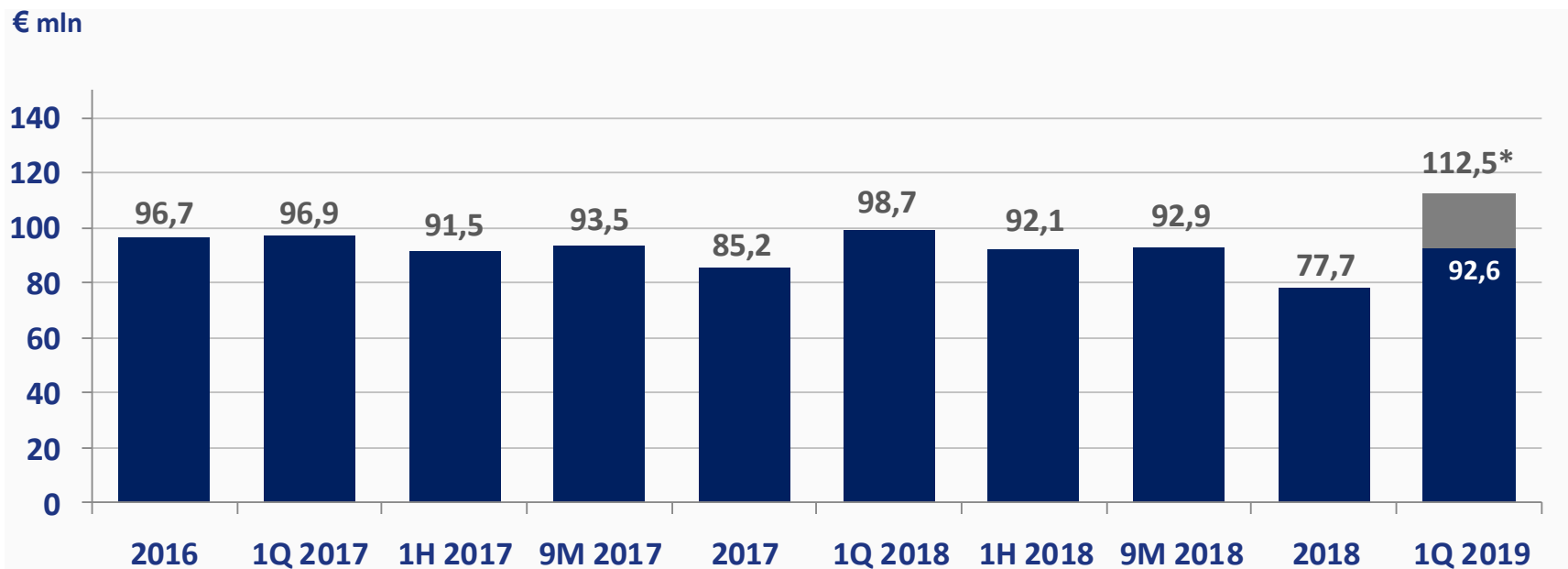
OPERATING NET FINANCIAL POSITION



* Impacted of IFRS 16



OPERATING NET FINANCIAL POSITION



* From 1st January 2019, the new IFRS 16 has been introduced, the impact in terms of NFP is around 19,9 M€, otherwise the NFP would have been around 92,6 M€

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<p>MACRO MARKET TRENDS</p>	<p>+</p> <p>New world technology</p> <p>Telecom – 5G</p> <p>Energy transition</p> <p>Mines – new methodology</p>	<p>-</p> <p>Economy is slowing</p> <p>China – USA → commercial</p> <p>Middle East, Iran → embargo</p>
<p>BUSINESS DRIVERS</p>	<p>ENERGY</p> <ul style="list-style-type: none"> > New products launching > Important development on digital grids with cyber-security needs > Integrated solutions between automation and stringing <hr/> <p>TRENCHERS</p> <ul style="list-style-type: none"> > 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) <hr/> <p>RAILWAY</p> <ul style="list-style-type: none"> > Diagnostic market developments → new hi-tech solutions > Stringing – New complete lines (e.g. Paris Regional Rail) 	
<p>ECONOMICS & FINANCIALS</p>	<ol style="list-style-type: none"> 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)	2019.Q1	2018.Q1	Delta vs 2018	Delta %
Net Revenues	49,8	46,7	3,1	6,6%
Raw materials costs (-)	(23,5)	(19,8)	(3,6)	18,2%
Cost for services (-)	(8,1)	(6,9)	(1,2)	16,6%
Personnel Costs (-)	(13,0)	(11,5)	(1,5)	12,9%
Other operating revenues/costs (+/-)	(1,2)	(3,9)	2,7	-69,2%
Portion of gain/(losses) from equity investments evaluated using the equity method	(0,0)	0,1	(0,1)	-109,1%
Capitalized R&D expenses	1,6	1,4	0,2	12,3%
Total operating costs	(44,1)	(40,7)	(3,4)	8,4%
<i>% on Net Revenues</i>	<i>(88%)</i>	<i>(87%)</i>		
EBITDA	5,7	6,1	(0,3)	-5,5%
<i>% on Net Revenues</i>	<i>12%</i>	<i>13%</i>		
Depreciation, amortization (-)	(4,2)	(3,3)	(0,9)	26,9%
EBIT	1,5	2,8	(1,2)	-44,1%
<i>% on Net Revenues</i>	<i>3%</i>	<i>6%</i>		
Net Financial Income/Expenses (+/-)	(0,5)	(1,5)	0,9	-64,5%
Taxes (-)	(0,0)	(0,2)	0,1	-82,0%
Minorities	-	-	-	
Group Net Income (Loss)	1,0	1,1	(0,1)	-11,5%
<i>% on Net Revenues</i>	<i>2%</i>	<i>2%</i>		

Balance Sheet (€ mln)	2019.Q1	2018
Inventory	83,4	73,6
Accounts receivable	57,3	52,6
Accounts payable (-)	(51,3)	(54,4)
Op. working capital	89,3	71,8
Other current assets (liabilities)	(24,9)	(22,9)
Net working capital	64,4	48,9
Tangible assets	45,9	45,3
Intangible assets (1)	37,7	18,0
Financial assets	4,0	4,0
Fixed assets	87,6	67,3
Net long term liabilities	5,2	4,8
Net invested capital	157,2	121,0
Cash & near cash items (-)	(32,6)	(42,8)
Short term financial assets (-)	(9,3)	(10,4)
Short term borrowing	81,4	80,1
Medium-long term borrowing (1)	73,0	50,8
Net financial position	112,5	77,7
Equity	44,7	43,3
Funds	157,2	121,0

(1) Starting from the 1st January 2019, the new IFRS 16 has been introduced, the impact for the 2019.Q1 is included in the Intangible Assets, as Right of Use, for 19,8 M€, and in the NFP, as Lease Liability, for 19,9 M€.

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