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Financial Statement at 31.12.2019 and
Consolidated Financial Statement
31.12.2019

Testo del comunicato

Vedi allegato.



TESMEC S.P.A.: THE BOARD OF DIRECTORS APPROVES THE FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019, WITH A RECORD TURNOVER OF EURO 200 MILLION, A STRONG IMPROVEMENT IN MARGIN AND AN INCREASE IN THE NET FINANCIAL POSITION RESULTING FROM OPERATING ACTIVITY.

Main consolidated results of the 2019 financial year (compared to 2018 financial year):

- **Revenues: Euro 200.7 million** (compared to Euro 194.6 as at 31 December 2018);
- **EBITDA¹: Euro 27.4 million** (compared to Euro 18,9 million of EBITDA at 31 December 2018 and to Euro 20.9 million of EBITDA adjusted), the EBITDA **ante IFRS 16²** were **Euro 23.6 million**;
- **EBIT: Euro 8.4 million** (compared to Euro 3.7 million at 31 December 2018);
- **Profit before taxes: Euro 4.2 million** (compared to Euro 0.3 million at 31 December 2018);
- **Net profit: Euro 3.0 million** (compared to Euro 44 thousand at 31 December 2018);
- **Net financial indebtedness ante IFRS 16: Euro 99,8 million** (compared to Euro 77.7 million as at 31 December 2018 due to change in net working capital); The Net Financial Indebtedness post IFRS 16 was **Euro 118.0 million**.
- **Total order backlog: Euro 188.0 million** compared to Euro 200.0 million as at 31 December 2018.

Other resolutions:

- **Signed a shareholder loan of up to Euro 7 million with a 3-year duration**
- **The Shareholders' Meeting was convened on 21 May 2020 at the premises of Grassobbio**

Grassobbio (Bergamo - Italy), 13 March 2020 - The Board of Directors of **Tesmec S.p.A.** (MTA, STAR: TES), at the head of a group leader in the market of infrastructures related to the transport and distribution of energy, data and materials, convened today and chaired by **Ambrogio Caccia Dominioni**, examined and approved the **Financial Statements and the Consolidated Financial Statements as at 31 December 2019**, that recorded an increase of the revenues that amounted to Euro 200.7 million for the first time in the history of the Group, generating a growing EBITDA of Euro 27.4 million against 2018 EBITDA adjusted of approximately Euro 20.9 million. The Net Financial Position, that ante IFRS 16 was Euro 99.8 million (Euro 118.0 million post IFRS 16), was influenced by the change in net working capital, which was affected by the percentage of completion in the railway sector and by the increase in trade receivables related to the latest agreements signed in this sector in the closing of the year.

The **Chairman and CEO Ambrogio Caccia Dominioni** commented as follows: *"In 2019 the Group managed to reach the important milestone of Euro 200 million in turnover; a growing margin and an increase of EBIT thanks to the actions taken during the year in the various businesses, especially in the Trencher segment, and*

¹ The EBITDA is represented by the operating income gross of amortization/depreciation. The EBITDA thus defined represents a measurement used by Company management to monitor and assess the company's operating performance. EBITDA is not recognized as a measure of performance by the IFRS and therefore is not to be considered an alternative measurement for assessing the performance of the Group's operating income. As the composition of EBITDA is not governed by the reference accounting standards, the criterion for determination applied by the Group may not be in line with the criterion adopted by others and is therefore not comparable.

² Effective January 1 2019, the new international financial reporting standard IFRS 16 "Leases" came into force, it introduces a single lessee accounting model, eliminating the classification of leases as either operating leases or finance leases, and requires a lessee to recognize right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The application of IFRS 16 has the following impacts: an increase in fixed assets due to right-of-use of assets, an increase in financial liabilities on lease debt, an increase in EBITDA of, and to a lesser extent in EBIT, due to the removal of lease rates currently recorded under the operating costs, and a simultaneous increase in depreciation and a marginal change in net profit due to the accounting of financial expenses.

thanks to the improvement of quality of business relationships. The change in the net financial position is not structural and it is mainly due to the increase of the net working capital, stock and trade receivables. A program that will improve the ratio of the net working capital on revenues has already been launched. Considering the current situation linked to the socio-economic effects of Covid-19 and the uncertainty regarding the duration and geographic expansion of this virus, it is premature today to make forecasts on business trends for the coming months. In any case, we as major shareholders decided to provide the Tesmec Group with the means necessary to meet any immediate liquidity needs caused by the slowdown in production and commercial activities due to the current health emergency following the spread of the Covid-19 virus (so called Coronavirus). In 2020 the Group aims to strengthen in the sectors with the highest added value and with hi-tech content. Consequently, the Group's actions will increasingly target innovations for Energy Transition, safety, diagnostics and digitization of infrastructure".

MAIN CONSOLIDATED RESULTS AS AT 31 DECEMBER 2019

As at **31 December 2019**, Tesmec Group recorded consolidated **Revenues of Euro 200.7 million**, with an increase of 3.1% compared to Euro 194.6 million as at 31 December 2018 and of 1.7% at constant currencies. The growth was mainly driven by the performance of Rail and Energy Automation segments, thus confirming the validity of the strategic choices made by the Company over the past few years.

Results as at 31 December (Euro in thousands)	Revenues from sales and services		
	2019	2018	Change
Trencher	125,306	125,454	-0.1%
<i>Effect on Consolidated Revenues</i>	<i>62.4%</i>	<i>64.5%</i>	
Railway	31,116	27,418	+13.5%
<i>Effect on Consolidated Revenues</i>	<i>15.5%</i>	<i>14.1%</i>	
Energy	44,244	41,739	+6.0%
<i>Effect on Consolidated Revenues</i>	<i>22.0%</i>	<i>21.4%</i>	
Consolidated	200,666	194,611	+3.1%

In detail, the Revenues in the **Trencher segment** were **Euro 125.3 million** as at 31 December 2019 in line with Euro 125.4 million as at 31 December 2018. The result was characterized by two trends, the first one linked to the positive performance of the US market and the entry in the mining and 5G businesses in the following areas: USA, Africa, UK and France; the second one linked to the Australian market, where the Group, following the local reorganization and the implementation of the new business model that has redefined the contractual frames, focused on a smaller number of projects, converging on quality and profitability.

The **Railway segment** recorded Revenues of **Euro 31.1 million** as at 31 December 2019, with an increase of 13.5% compared to Euro 27.4 million as at 31 December 2018. The growth is due to the execution of contracts with RFI and to the entry in the French and Czech markets.

The revenues of **Energy segment** were **Euro 44.2 million** as at 31 December 2019, with an increase of 6.0% compared to Euro 41.8 million as at 31 December 2018. In particular, in 2019 the Energy-Automation segment achieved revenues of Euro 12.3 million, with an increase of 29.2% compared to the Euro 9.5 million as at 31 December 2018, in line with the yearly outlook for this segment.



In geographic terms, Tesmec Group achieved a positive performance of the European and US market, which recorded an increase of 16.0% and 25% respectively. To the result contributed also the growth of the activities in Africa, with an increase of 76% from Euro 10.2 million to Euro 17.9 million.

EBITDA was **Euro 27.4 million** as at 31 December 2019, compared to Euro 18.9 million and to Euro 20.9 million of EBITDA adjusted as at 31 December 2018. This result is mainly due to the actions taken during the year and to a better mix of sales in the Group's strategic areas, such as the pipeline and mining sector. EBITDA ante IFRS 16 was **Euro 23.6 million**.

Consequently, **EBIT** of Tesmec Group was **Euro 8.4 million** as at 31 December 2019, compared to Euro 3.7 million as at 31 December 2018 thanks to the improvement in operating performance.

The **Net Financial Income and Expenses** of the Tesmec Group were **Euro 4.2 million** as at 31 December 2019, compared to Euro 3.4 million as at 31 December 2018. The positive effect of the exchange rates has balanced the negative impact due to IFRS 16.

The **Profit before tax** was **Euro 4.2 million** as at 31 December 2019, compared to Euro 0.3 million as at 31 December 2018.

The **consolidated Net results** as at 31 December 2019 of Tesmec Group amounted to **Euro 3.0 million**, with a significant improvement compared to Euro 44 thousand recorded as at 31 December 2018.

The **Net Financial Indebtedness ante IFRS 16** was **Euro 99.8 million**, compared to Euro 77.7 million at 31 December 2018 and to Euro 97.8 million as at 30 September 2019. This change is due to the increase of the Net Working Capital, which was affected by the percentage of completion in the railway sector and by the increase in trade receivables related to the latest agreements signed in this sector at year end. The Net Financial Indebtedness post IFRS 16 was Euro 118.0 million.

The **Total Order Backlog** of the Tesmec Group as at 31 December 2019 amounted to around **Euro 188.0 million – Euro 65.1 million** of which referring to the **Trencher** segment, **Euro 88.9 million** to the **Railway** segment and **Euro 34.0 million** to the **Energy** segment – compared to Euro 200.0 million in the year 2018. The order backlog recorded an increase of short-term orders and orders related to recurring activities and a decrease in medium-term orders linked to the railway business. Important international negotiations underway in the railway sector should increase the portfolio level in the year.

BUSINESS OUTLOOK

As it is known, starting from January 2020, the national and international scenario has been characterized by the spread of Coronavirus and the consequent restrictive measures for its containment, put in place by the public authorities of the countries. These circumstances, extraordinary in nature and extent, have direct and indirect effects on the economic activity. On the basis of what is known to date, it is believed that the impacts of this situation will not have material consequences on medium term activity while immediate liquidity needs

could arise due to the slowdown in production and commercial activities. Tesmec is monitoring and managing this situation with great attention, adopting all the appropriate health and safety protocols in full compliance with the provisions of the Ministry of Health. The Group confirms its long term strategic guidelines focused in the development in business sectors mainly linked to sustainable innovations, diagnostics and cybersecurity of infrastructures. Tesmec product portfolio aims to offer a range of cutting-edge digital systems, fully connected machines equipped with advanced electronic controls and innovative remote monitoring systems. Digitalization, both of products and processes, is a priority for the Group. Investments are focusing on digital platforms, IoT (Internet of Things) and Artificial Intelligence interfaces that will be the strategic growth driver in the near future. In addition to digitalization, the growing pressure on security and the attention addressed to the environmental matters are other key factors in the strategic and development plans of the Tesmec Group. The interest of the market is, in fact, increasingly aimed at products with high performance and reduced consumption, as well as towards technologies that guarantee the highest safety standards. The Group's activities will be mainly addressed, therefore, to the infrastructure and digital technologies sectors. In particular, the development of the telecommunications and mining sector will positively impact the Trencher sector, while an increasing participation in highly innovative projects for the management of smart grids and renewable sources is expected in the Energy segment, in line with the key role that the energy transition has been playing in recent years. Finally, the railway sector will focus on the development of new diagnostics and network maintenance systems.

SEPARATE FINANCIAL STATEMENTS OF THE PARENT COMPANY TESMEC S.P.A.

The Parent Company Tesmec S.p.A. closed the 2019 financial period with Net revenues of Euro 100.3 million, with an increase compared to Euro 93.1 million as at 31 December 2018.

In the 2019 financial year, the EBITDA of Tesmec S.p.A. amounted to around Euro 12.3 million compared to Euro 11.1 million as at 31 December 2018.

The net profit of the Parent Company as at 31 December 2019 amounted to Euro 4.2 million compared to Euro 4.3 million as at 31 December 2018.

The net financial indebtedness of the Parent Company as at 31 December 2019 amounted to Euro 63.8 million compared to Euro 55.0 million as at 31 December 2018.

MAIN EVENTS OCCURRING AFTER THE PERIOD UNDER REVIEW

On **18th October 2019**, the subsidiary Tesmec Rail S.r.l. signed a contract with a total value of approx. Euro 8 million with the Czech Group Elektrizace železnic Praha a.s. ("ELZEL") for the supply of railway vehicles for the maintenance of railway lines and full maintenance service (FMS) for 6 years. In detail, Tesmec Group will supply 4 rail vehicles with bogies for catenary maintenance, OCPD001-CZ, designed in compliance with the highest safety standards in force in the European Union according to the EN14033 standard. These are multi-purpose and versatile vehicles equipped with on-board control system for travelling in train mode (maximum speed 140 km/h), ensuring the activity of passenger trains without the interruption of the line. The vehicles are equipped with platform and crane with integrated wire positioner to guarantee operations in a safer, more efficient and faster way. The contract also provides for the supply of diagnostic systems to measure the height and the polygonation of the catenary wire for the certification of the performed activities. The delivery of the rail vehicles will take place between January and June 2020.



MAIN EVENTS OCCURRING AFTER THE PERIOD UNDER REVIEW

On **10th January 2020** the Board of Directors of Tesmec appointed, with immediate effect, after obtaining the favorable opinion of the Board of Statutory Auditors and in compliance with the requirements of integrity and professionalism expected by current legislation and by the Articles of Association, Mr. Marco Paredi - already Investor Relations Manager – also as Tesmec "Manager responsible for the preparation of the Company's Financial Reports" pursuant to art. 154-bis of Legislative Decree 58/1998. Based on available information, Marco Paredi does not directly and / or indirectly hold Tesmec shares.

Treasury shares

At the time of this press release, the Company holds 4,711,879 treasury shares, equal to 4.40% of the Share Capital.

Other resolutions

In today's meeting, after receiving the favorable opinion of the Control, Risks and Sustainability Committee, also acting in function of the Committee for Transactions with Related Parties, the Board of Directors of Tesmec approved a shareholder loan with the related parties TTC S.r.l. ("TTC"), majority shareholder of the Company and MTS S.p.A., company indirectly controlled by TTC and shareholder of Tesmec. The shareholder loan consists of a loan of a maximum of Euro 7 million, which can be disbursed in one or more tranches at the request of the Company, with a duration of 36 months and an interest annual rate of 2%. The loan aims to provide the Tesmec Group with a reserve that allows to deal with any liquidity shortage that may be caused by the slowdown of the Group's production and commercial activities due to the health emergency following the spread of the virus Covid-19 (so-called Coronavirus).

The procedure for transactions with related party activated by the Company is the one for transactions of greater significance as the shareholder loan exceeds the materiality thresholds established by law. The Control, Risks and Sustainability Committee, also acting in function of the Committee for Transactions with Related Parties, was involved in the operation through adequate information flows and documentary supports and, following the deep investigation of the operation, today issued its favorable opinion regarding the Company's interest in fulfilling the same as well as the convenience and substantial correctness of the relative conditions. The Company will publish the information document required by law.

The Board of Directors approved the Report on Corporate Governance and Ownership Structures and made the periodic review of the independence requirements of the members of the Board of Directors, deeming that there were no changes in the situation already announced to the market.

The Board of Directors of Tesmec S.p.A. approved the remuneration policy of the directors and executives with strategic responsibilities and the annual Report on Remuneration that will be submitted to the Shareholders.

The Board of Directors of Tesmec S.p.A resolved not to propose to the Shareholders' Meeting the distribution of dividends with the aim to promote the strengthening of the Group's capital structure.

Finally, the Board of Directors of Tesmec S.p.A. decided to convene the Ordinary Shareholders' Meeting of the Company on 21 May 2020, at 2:30 pm, in single call. The related call will be published pursuant to the law.

Other informations

IFRS 16

Effective **January 1 2019**, the new international financial reporting standard IFRS 16 “Leases” came into force, it introduces a single lessee accounting model, eliminating the classification of leases as either operating leases or finance leases, and requires a lessee to recognise right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The accounting of the new principle for the lessee is the following:

- in the balance sheet: right of use assets and financial lease liabilities representing the obligation to make lease payments as provided for in the contract;
- in the income statement: among the operating costs, depreciation of right-of-use assets and interest expense accrued on lease liabilities; the income statement also includes payments for short-term and low-value leasing contracts and variable payments linked to the use of assets, not included in the determination of the right-of-use/lease liability, as allowed by the principle;

For the first application of new principle, Tesmec applied the modified retrospective approach:

- recognizing the effect connected with the retrospective redetermination of shareholders' equity at January 1st, 2019, without restating previous years;
- made use of the practical expedient that allow to forego the application IFRS 16 to all asset leases/rental whose residual duration as at January 1st, 2019 is less than 12 months;
- recognized a right-of-use asset for an amount corresponding to its lease liability, rectified to take into account of accrued income from advances, and without considering the initial direct costs incurred in the years prior to January 1st, 2019;
- the renewal or yearly termination options, if any, were analyzed to determine the total duration of the contract.

The adoption of IFRS 16 principle, introduces some elements of professional judgment that make it necessary to define accounting policies and the use of assumptions and estimates, for instance, relating the determination of the lease term. During the second quarter of 2019, following the above and after a deeper and accurate analysis of the group contracts, the value of the lease liabilities and the corresponding assets for rights of use was reduced by Euro 2.1 million compared to the calculations included in the closing on March 31st 2019. It should be noted that the adaptation to this principle may incorporate any changes assessed both in the light of clarifications by the IASB and in light of the actual industry practice.

As at 31 December 2019 the application of IFRS 16 had significant impacts on the balance sheet, income statement and Group cash flow:

- i. an increase in fixed assets due to right-of-use of assets, amounted to Euro 17.8 million;
- ii. an impact on net debt, due to an increase in financial liabilities on lease debt/rental, amounted to Euro 18.2 million;



- iii. an increase in EBITDA of Euro 3.8 million, and to a lesser extent in EBIT, due to the removal of lease rates currently recorded under the operating costs, and a simultaneous increase in depreciation of Euro 3.5 million;
- iv. a marginal change in net profit amounted to Euro 0.4 million, that include the accounting of financial expenses and the income taxes.

It should be reported that calculation of the covenants of the loan agreements and the bond loans in place are based on the Net Financial Debt calculated before application of IFRS 16.

Conference Call

At 3:00 PM (CET) – 2:00 PM BST, Friday 13 March 2020, Ambrogio Caccia Dominioni, Chairman and CEO of Tesmec S.p.A., and the Top Management of the Company will present the consolidated results for the year 2019 to the financial community during a conference call.

To participate, you are kindly requested to call this number:

from Italy: +39 02 805 88 11
from UK: +44 121 281 8003
from Germany: +49 69 255 11 4451
from France: +33 170918703
from Switzerland: +41 225954727
from USA: +1 718 7058794

The manager responsible for the preparation of the corporate accounting documents, Marco Paredi, declares, pursuant to article 154-bis, paragraph 2, of Legislative Decree No. 58/1998 ("Consolidated Law on Finance") that the information contained in this press release corresponds to the document results, books and accounting records.

Note that in this press release, in addition to financial indicators required by IFRS, there are also some alternative performance indicators (e.g. EBITDA) in order to allow a better understanding of the economic and financial management. These indicators are calculated according to the usual market practice.

The financial statements and the consolidated financial statements as at 31 December 2019 will be available to the public at the administrative office, in Grassobbio (Bergamo) Italy, Via Zanica n. 17/O, through the system eMarket-Storage, at www.emarketstorage.com, through publication on the company website www.tesmec.com, according to law.

For further information:

Tesmec S.p.A.

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The press release to analysts and investors is available in the Investors section of the website:
<http://investor.tesmec.com/Investors/Notices.aspx?lang=it-IT>

Tesmec Group

Tesmec Group is leader in designing, manufacturing and selling of systems, technologies and integrated solutions for the construction, maintenance and efficiency of infrastructures related to the transport and distribution of energy, data and material. In details, the Group is active in the following sectors: 1) transmission and distribution power lines (stringing equipment for the installation of conductors and the underground cable laying, electronic devices and sensors for the management, monitoring and energy automation); 2) underground civil infrastructures (high powered tracked trenchers for linear excavation of oil, gas and water pipelines, telecommunication networks and drainage operations; surface miners for bulk excavation, quarries and site preparation; specialized digging services); 3) railway lines (railway equipment for the installation and maintenance of the catenary and for special applications, e.g. snow removal from track; new generation power unit). The Group, established in 1951 and led by Chairman & CEO Ambrogio Caccia Dominioni, relies on more than 850 employees and has the production plants in Italy - in Grassobbio (Bergamo), Endine Gaiano (Bergamo), Sirone (Lecco), Monopoli (Bari), in the USA, in Alvarado (Texas) and in France, in Durtal, as well as three research and development units respectively in Fidenza (Parma), Padua and Patrica (FS). The Group also has a global commercial presence through foreign subsidiaries and sales offices in USA, South & West Africa, Australia, New Zealand, Russia, Qatar, China and France. The know-how achieved in the development of specific technologies and solutions, and the presence of engineering teams and highly skilled technicians, allow Tesmec to directly manage the entire production chain: from the design, production and sale of machinery, to all pre-sales and post-sales. All product lines are developed in accordance with the ISEQ (Innovation, Safety, Efficiency and Quality) philosophy, with environmental sustainability and energy conservation in mind.

Below are the reclassified statements of balance sheet, income statement, statement of cash flows and the prospectus of sources and uses of the Tesmec Group and Tesmec S.p.A. as at 31 December 2019.



Tesmec Group reclassified consolidated income statements

<i>(€ in thousands)</i>	<u>As at 31 December</u>	
	<u>2019</u>	<u>2018</u>
Revenues	200,666	194,611
Total operating costs	(192,292)	(190,934)
Operating Income	8,374	3,677
Financial (income) / expenses	(5,012)	(3,648)
Foreign exchange gains/losses	808	210
Share of profit / (loss) of associates and joint ventures	24	67
Income before tax	4,194	306
Net income for the period	2,967	44
EBITDA	27,449	18,922
EBITDA (% on revenues)	13.7%	9.7%



Tesmec Group reclassified consolidated statements of financial position

<i>(€ in thousands)</i>	31 December 2019	31 December 2018
Non-current assets	102,101	81,883
Current assets	194,450	193,526
Total assets	296,551	275,409
Non-current liabilities	75,085	60,122
Current liabilities	175,314	171,949
Total liabilities	250,399	232,071
Equity	46,152	43,338
Total equity and liabilities	296,551	275,409



Tesmec Group other consolidated financial information

<i>(€ in thousands)</i>	<u>At 31 December</u>	
	<u>2019</u>	<u>2018</u>
Net cash provided/(used) by operating activities (A)	(1,062)	25,523
Net cash provided/(used) by investing activities (B)	(22,302)	(13,382)
Net cash provided/(used) by financing activities (C)	<u>(1,778)</u>	<u>9,237</u>
Increase / (decrease) in cash and cash equivalents (D=A+B+C)	(25,142)	21,378
Cash and cash equivalents at the beginning of the period (F)	42,793	21,487
Net effect of conversion of foreign currency on cash and cash equivalents (E)	<u>284</u>	<u>(72)</u>
Total cash and cash equivalents at end of the period (G=D+E+F)	<u>17,935</u>	<u>42,793</u>

Tesmec Group other consolidated financial information

(€ in thousands)	<u>As 31 December 2019</u>	<u>As 31 December 2018</u>
Net working capital ³	73,024	48,897
Non current assets	86,947	67,314
Other Non current assets and liabilities	4,219	4,804
Net invested capital ⁴	<u>164,190</u>	<u>121,015</u>
Net financial indebtedness ⁵	118,038	77,677
Equity	46,152	43,338
Total equity and net financial indebtedness	<u>164,190</u>	<u>121,015</u>

³ The net working capital is calculated as current assets net of current liabilities excluding financial assets and financial liabilities. Net working capital is not recognized as a measure of performance by the IFRS. The valuation criteria applied by the Company may not necessarily be the same as those adopted by other groups and therefore the balance obtained by the Company may not necessarily be comparable therewith.

⁴ The net invested capital is calculated as net working capital plus fixed assets and other non-current assets less non-current liabilities. The net invested capital is not recognized as a measure of performance under IFRS. The valuation criteria applied by the Company may not necessarily be the same as those adopted by other groups and therefore the balance obtained by the Company may not necessarily be comparable therewith.

⁵ The net financial indebtedness is calculated as the sum of cash and cash equivalents, current financial assets including available-for-sale securities, non-current financial liabilities, fair value of hedging instruments and other non-current financial assets.



Reclassified income statement of the Parent Company Tesmec S.p.A.

Income statement (€ in thousands)	As at 31 December	
	2019	2018
Revenues from sales and services	102,296	93,078
Total operating costs	(94,231)	(86,272)
Operating income	6,065	6,806
Net financial income/(expenses)	(556)	(1,170)
Pre-tax profit	5,509	5,636
Net profit for the period	4,232	4,330
EBITDA	12,267	11,104
EBITDA (% on revenues)	12.2%	11.9%



Reclassified balance sheet of the Parent Company Tesmec S.p.A.

Balance sheet	31 December 2019	31 December 2018
(€ in thousands)		
Total non-current assets	92,830	77,687
Total current assets	124,348	115,080
Total assets	217,178	192,767
Total non-current liabilities	53,981	48,744
Total current liabilities	107,352	92,304
Total liabilities	161,333	141,048
Total shareholders' equity	55,845	51,719
Total shareholders' equity and liabilities	217,178	192,767



Reclassified consolidated cash flow statement of the Parent Company Tesmec S.p.A.

Summary of the cash flow statement (€ in thousands)	As 31 December	
	2019	2018
Net cash flow generated by (used in) operating activities (A)	12,109	7,442
Net cash flow generated by (used in) investing activities (B)	(14,428)	(12,798)
Net cash flow generated by financing activities (C)	(3,591)	4,101
Total cash flow for the period (D=A+B+C)	(5,910)	(1,255)
Cash and cash equivalents at the beginning of the period (F)	10,559	11,814
Effect of exchange-rate changes on cash and cash equivalents (E)	-	-
Cash and cash equivalents at the end of the period (G=D+E+F)	4,649	10,559



Statement of Funding Sources and Uses of the Parent Company Tesmec S.p.A.

Funding Sources and Uses

(Euro in thousands)	<u>As 31 December 2019</u>	<u>As 31 December 2018</u>
Net working capital ⁶	30,420	32,598
Fixed assets	85,521	70,390
Other long-term assets and liabilities	3,703	3,751
Net invested capital ⁷	<u>119,645</u>	<u>106,739</u>
Net financial indebtedness ⁸	63,800	55,020
Shareholders' equity	55,845	51,719
Total sources of funding	<u>119,645</u>	<u>106,739</u>

⁶ The net working capital is calculated as current assets net of current liabilities excluding financial assets and financial liabilities. Net working capital is not recognized as a measure of performance by the IFRS. The valuation criteria applied by the Company may not necessarily be the same as those adopted by other groups and therefore the balance obtained by the Company may not necessarily be comparable therewith.

⁷ The net invested capital is calculated as net working capital plus fixed assets and other non-current assets less non-current liabilities. The net invested capital is not recognized as a measure of performance under IFRS. The valuation criteria applied by the Company may not necessarily be the same as those adopted by other groups and therefore the balance obtained by the Company may not necessarily be comparable therewith.

⁸ The net financial indebtedness is calculated as the sum of cash and cash equivalents, current financial assets including available-for-sale securities, non-current financial liabilities, fair value of hedging instruments and other non-current financial assets.

Fine Comunicato n.1155-7

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