

Informazione Regolamentata n. 1155-23-2024	Data/Ora Inizio Diffusione 6 Agosto 2024 12:44:22	Euronext Star Milan
--	--	---------------------

Societa' : TESMEC

Identificativo Informazione  
Regolamentata : 194463

Utenza - Referente : TESMECN06 - Turani

Tipologia : 1.2

Data/Ora Ricezione : 6 Agosto 2024 12:44:22

Data/Ora Inizio Diffusione : 6 Agosto 2024 12:44:22

Oggetto : Tesmec S.p.A. - The Board of Directors  
approved First Half 2024 results

*Testo del comunicato*

Vedi allegato

# TESMEC

**TESMEC S.P.A.: THE BOARD OF DIRECTORS APPROVED THE CONSOLIDATED INTERIM FINANCIAL REPORT AS AT 30 JUNE 2024, WHICH SHOW AN INCREASE IN OPERATING RESULTS, DESPITE AN INCREASE IN DEBT DUE TO HIGHER WORKING CAPITAL, CONFIRMING A POSITIVE OUTLOOK FOR THE FULL YEAR 2024.**

## Main consolidated results of the first half 2024 (compared to the first half 2023):

- **Revenues: Euro 124.2 million, substantially in line with** 125.3 million as at June 30, 2023;
- **EBITDA<sup>1</sup>: Euro 19.0 million, increasing by 19%** from 15.9 million as at June 30, 2023; with EBITDA margin of 15.3% compared to 12.7 % as at June 30, 2023;
- **EBIT: Euro 7.1 million, increasing by 58%** from 4.5 million as at June 30, 2023;
- **Net result: negative for Euro 2.2 million**, due to the impact of interest expenses as a result of the increase in rates, an improvement compared to the loss of Euro 2.6 million as at 30 June, 2023, and with a positive pre-tax result in the second quarter of 2024 of Euro 0.5 million, compared to the pre-tax loss of Euro 1.1 million in the first quarter of 2024;
- **Net financial indebtedness<sup>2</sup>: Euro 183.6 million** including the IFRS16 component (compared to 153.5 million as at December 31, 2023), corresponding to Euro 132.6 million excluding the IFRS16 component (compared to Euro 114.3 million as at December 31, 2023);
- **Total order backlog: Euro 370.3 million di euro**, compared to Euro 402.2 million as of December 31, 2023, with positive future outlook and an expected recovery in the second half of the year;
- **Outlook 2024:** expected revenue growth compared to the 2023 financial year and amount approximately to Euro 270 million, with an EBITDA margin improving compared to the previous year and a Net Financial Indebtedness reduction compared to 31 December, 2023;
- **Sustainability:** the Group continues its development towards solutions for the ecological and digital transition, confirming its strong commitment to environmental issues, health protection and safety at work. On June 20, 2024, the United Nations High Commissioner for Refugees recognized Tesmec's commitment to refugee labor integration by awarding it the *"Welcome. Working for Refugee Integration."*

*Grassobbio (Bergamo), 6 August 2024* – The **Board of Directors of Tesmec S.p.A.** (EURONEXT STAR MILAN: TES) ("**Tesmec**" or "**Company**"), at the head of a group leader in the market of technologies for infrastructures (overhead, underground and railway networks) related to the transport of energy, data and materials (oil and derivatives, gas and water), and of technologies in surface mining, convened today and chaired by Ambrogio Caccia Dominioni, reviewed and approved the **Interim consolidated financial report as at 30 June 2024**, that records a consolidation of volumes compared

<sup>1</sup> 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.

<sup>2</sup> Net financial debt is calculated as the sum of cash and cash equivalents, current financial assets including available-for-sale securities, current and non-current financial liabilities, including financial liabilities from leasing and IFRS 16, the fair value of financial instruments and excluding other non-current liabilities.

# TESMEC

to the first half of 2023 and a significant reduction in operating costs, thanks to management's efficiency measures implemented from late 2023 to early 2024, which resulted in improved operating results, with EBITDA and EBIT respectively increased by 19% and 58%, compared to the first half of 2023. The net result for the period, impacted by financial charges, was negative by Euro 2.2 million, resulting, in any case, an improvement over the loss of Euro 2.6 million in the first half of 2023 and with a positive before tax result of Euro 0.5 million in the second quarter of 2024, compared to the pre-tax loss of 1.1 million in the first quarter of 2024. Net financial indebtedness increased due to both higher working capital, which grew mainly due to still high inventories and an increase in trade receivables due to sales in the period, and IFRS16 components.

The **Chairman and CEO Ambrogio Caccia Dominioni** commented as follows: *"The actions taken to increase efficiency and productivity, with the centralization of stringing in Grassobbio and the ongoing optimizations at all plants, as well as the measures to contain operating costs, have generated the first positive impacts in the first-half results. The outlook is positive thanks to the implementation of the initiatives launched and to the opportunities offered by the energy transition."*

## MAIN CONSOLIDATED RESULTS AS AT 30 JUNE 2024

As at **30 June 2024**, Tesmec Group recorded consolidated **Revenues of Euro 124.2 million**, basically in line with Euro 125.3 million as of 30 June, 2023, with a positive contribution mainly by the Energy sector, which shows volumes up by 25% compared to the first half of 2023. Specifically, as at 30 June 2024, revenue from product sales amounted to EUR 113.3 million, compared to Euro 97.0 million as of June 30, 2023, and revenues from services and changes in work in progress amounted to Euro 10.9 million, compared to 28.3 million euros as at June 30, 2023.

(Euro thousands)	Revenues from sales and services				
	Results as at June 30				
2024.1H	Effect on Consolidated Revenues	2023.1H	Effect on Consolidated Revenues	Variation 2024.1H vs 2023.1H	
Energy	38,569	31,0%	30,906	24,7%	7,663
Trencher	66,044	53,2%	68,892	55,0%	(2,848)
Railway	19,622	15,8%	25,499	20,3%	(5,877)
<b>Consolidated Revenues</b>	<b>124,235</b>		<b>125,297</b>		<b>(1,062)</b>

**At a geographical level**, Tesmec confirms itself as a group strongly oriented towards international markets, with 83% of consolidated revenues generated outside Italy.

The **EBITDA** as at June 30, 2024 amounted to **Euro 19.0 million**, up 19% from Euro 15.9 million as of June 30, 2023, mainly due to an improvement in the sales mix, with an increasing weight of the Energy-Automation segment characterized by higher added value and to a recovery of productivity in the Trencher sector, with the Rail sector not yet reaching its full potential, pending the execution of higher value-added orders. This increase is therefore in line with the Group's strategy of prioritizing profitability maximization over volumes and the result of the undertaken efficiency initiatives, which enabled significant containment of operating costs in the first half of the year. Specularly, the consolidated EBITDA margin also increased to 15.3%, up from 12.7% in the first half of 2023.

# TESMEC

In further detail, with regard to **Energy** segment, Revenues as at June 30, 2024 amounted to Euro 38.6 million, up from the Euro 30.9 million realized as at June 30, 2023, due to robust demand in the Stringing segment and a substantial increase in volumes in the Energy-Automation segment. Specifically, the Stringing segment recorded revenues of Euro 23.8 million, up from Euro 20.9 million as of June 30, 2023, while the Energy-Automation segment had revenues of Euro 14.8 million, also up significantly from Euro 10.0 million as at June 30, 2023. The EBITDA in the Energy segment reached Euro 6.5 million (with an EBITDA margin of 16.7%), increasing from Euro 5.0 million in the first half of 2023 (when the EBITDA margin was 16.3%), thanks to higher volumes.

The opportunities offered by the energy transition confirm a growing trend for the sector, with an order backlog of Euro 104.3 million as at June 30, 2024, compared to Euro 120.0 million as of June 30, 2023, of which Euro 88.1 million related to the Energy-Automation segment (with a multi-year duration, confirming the expected growth of this segment in the medium term) and Euro 16.2 million to the Stringing segment (which traditionally presents a short-term duration).

As for the **Trencher** segment, Revenues as of June 30, 2024, amounted to Euro 66.0 million, from Euro 68.9 million as of June 30, 2023. The slowdown in sales, mainly due to weak US and French markets affected by the credit crunch and to project delays in Australia and New Zealand, was partially offset by growth in African markets and consolidation in Middle East. Despite that, the segment achieved a marked improvement in profitability, with an EBITDA of EUR 10.2 million (with an EBITDA margin of 15.4%), increasing from Euro 6.8 million in the first half of 2023 (when the EBITDA margin was 9.9%) due to an improved sales mix. As at June 30, 2024, the Trencher segment order backlog was Euro 72.4 million, compared to Euro 82.8 million as of June 30, 2023.

Regarding the **Railway** segment, Revenues as at June 30, 2024, amounted to Euro 19.6 million, compared to the Euro 25.5 million recorded as at June 30, 2023, with the change mainly attributable to delays in the execution of orders due to certification procedures, impacted by compliance with European regulations. The segment's EBITDA as at June 30, 2024, amounted to Euro 2.3 million, with an EBITDA margin of 11.8% (compared to the corresponding Euro 4.1 million and 15.9% in the first half of 2023), and has not yet expressed its full potential, pending the execution of higher value-added orders.

As of June 30, 2024, the order backlog of the Railway segment amounted to Euro 193.6 million, compared to Euro 226.0 million as of June 30, 2023. It should be noted that the order backlog has a medium-term duration, an element that, together with the forecast of new orders, supports the expectation of a significant recovery in revenues over the next few quarters.

The **Operating Result (EBIT)** of **Euro 7.1 million** as at 30 June 2024 was up 58% from Euro 4.5 million as at 30 June 2023.

**Net financial expenses** as at 30 June 2024 were **negative Euro 7.7 million**, compared to negative Euro 7.8 million as at 30 June 2023. Interest expenses as at June 30, 2024 amounted to a negative Euro 8.8 million, compared to a negative Euro 5.9 million as at June 30, 2023, due to the increase in interest rates, which are now considered to have peaked, together with a higher level of Net Financial Indebtedness. In addition, the Group recorded foreign exchange gains of approximately Euro 1.1

# TESMEC

million in the reporting period, mainly unrealized, compared to foreign exchange losses of approximately Euro 2.0 million in the first half of 2023.

The **Net Result** as of June 30, 2024 is, therefore, **negative for Euro 2.2 million**, an improvement from the loss of 2.6 million euros as of June 30, 2023 with a positive pre-tax result in the second quarter of 2024 of Euro 0.5 million, compared to the pre-tax loss of Euro 1.1 million in the first quarter of 2024.

The **Net Financial Indebtedness** as of June 30, 2024 including the effect of IFRS16, was **Euro 183.6 million**, compared to Euro 153.5 million as of December 31, 2023. Excluding the IFRS16 component, Net Financial Indebtedness was Euro 132.6 million, compared to Euro 114.3 million at 31 December 2023: of this change, Euro 25.6 million is attributable to a higher level of working capital (which grew mainly due to the increase in trade receivables against period sales and still high inventory levels, in a challenging international logistics context); while cash flow before changes in working capital and IFRS 16 components, amounting to Euro 7.3 million, corresponds to the EBITDA generated in the period, net of investments, financial expenses, taxes and net changes in other medium- and long-term items. The Group believes that the peak of the annual Working Capital has been reached and confirms its expectations of a reduction in the level of Net Financial Indebtedness in the second half of the year. Lastly, the increase of Euro 11.8 million, compared to 31 December 2023, in the change in rights of use (IFRS16), is mainly attributable to the adjustment of the expiry dates of the rents of the Grassobbio building, consistent with the strategy of concentrating production activities, and the Trencher fleet subject to operating leases.

**The Total Order Backlog of the Tesmec Group as at 30 June 2024 amounted to Euro 370.3 million – of which Euro 193.6 million referring to the Railway segment, Euro 72.4 million referring to the Trencher segment and Euro 104.3 million referring to the Energy segment** (of which Euro 88.1 million related to the Energy-Automation segment and Euro 16.2 million related to the Stringing segment) – compared to Euro 402.2 million as of December 31, 2023. This decrease is attributable to the delayed issuance of new tenders by contracting authorities, which will be recovered in the second half of the year.

## Summary of financial data is below reported:

<i>(Euro Milion)</i>	Consolidated 2024.1H	Consolidated 2023.1H	Variation 2024.1H vs 2023.1H
Revenues	124.2	125.3	(1.1)
EBITDA	19.0	15.9	3.0
EBITDA Margin	15.3%	12.7%	
EBIT	7.1	4.5	2.6
Net Result	(2.2)	(2.6)	0.4
<b>Net financial Indebtedness</b> <i>as of December 31 , 2023: 153.5</i>	<b>183.6</b>	<b>150.3</b>	<b>33.3</b>

## BUSINESS OUTLOOK

In the first half of 2024, Tesmec continued along its strategy of geographic and segment diversification, in strategic markets with high vibrancy and wide growth perspectives, by offering

# TESMEC

solutions for solutions for the digitalization and implementation of telecommunications networks, as well as for the development of the mining sector. In the Trencher segment, investments in infrastructure, power grids and Fiber-to-Home projects are growing, driven by government incentives and increasing demand for connectivity. The Railway segment looks to the future with confidence, thanks to substantial investments aimed at reducing road congestion, promoting sustainable mobility, and improving rail transport safety through diagnostics and line maintenance. Finally, the energy transition represents a major opportunity for Tesmec, with an increasing focus on adapting electricity grids to the new requirements generated by the use of renewable energy.

For the 2024 financial year, the Tesmec Group expects revenues to grow compared to the 2023 financial year and amount to approximately Euro 270 million, with an EBITDA margin improving compared to the previous financial year and a Net Financial Indebtedness decreasing compared to 31 December 2023. These expectations are based on specific initiatives that have already been launched, the effects of which have already shown the first benefits, and which will continue during the year, consistent with Management's goal of increasing profitability, reducing financial debt and strengthening governance.

## SUSTAINABILITY

Tesmec Group continues to make investments in digital and sustainable innovation, demonstrating an integrated, long-term vision. These efforts reflect a deep awareness of global challenges and a firm orientation toward solutions that respect the environment and improve people's well-being. Thus, the process of integrating ESG principles into the Company's development plans, in line with the United Nations Sustainable Development Goals (SDGs), is confirmed as a primary objective.

Tesmec is also working to align Group environmental, social and governance (ESG) reporting with the requirements of the new Corporate Sustainability Reporting Directive (CSRD), which represents a significant change in sustainability reporting practices.

## MAIN EVENTS OCCURRED DURING THE PERIOD UNDER REVIEW

On **May 24, 2024**, Tesmec announced that Cerved Rating Agency, the Italian rating agency specialized in the credit rating assessment of non-financial businesses and in the sustainability assessments of economic operators, confirmed the solicited *Investment Grade* rating "B1.2" of the Company.

On **June 20, 2024**, Tesmec announced being assigned the "*Welcome. Working for Refugee Integration*," award annually attributed by UNHCR Italy (United Nations High Commissioner for Refugees) to companies that have distinguished themselves according to their capabilities by the hiring of beneficiaries of international protection and the fostering of their effective employment and social integration, and to companies that have encouraged the development of self-employment activities of beneficiaries of international protection.

## TREASURY SHARES

At the time of this press release, the Company holds 4,711,879 treasury shares, equal to 0.78% of the share capital. The amount is unchanged compared to December 31, 2023.

# TESMEC

\*\*\*\*

## CONFERENCE CALL

At 2:30 PM (CET), Tuesday 6 August 2024, 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 first half 2024 to the financial community during a conference call.

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

from Italy	+39 02 802 09 11
from United Kingdom	+44 1 212818004
from USA	+1 718 7058796
from Germany	+49 6917415712
from France	+33 170918704
from Switzerland	+41 225954728

\*\*\*\*

*The manager responsible for the preparation of the corporate accounting documents, Ruggero Gambini, 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 Interim Consolidated Financial Report as at 30 June 2024 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](http://www.emarketstorage.com), through publication on the company website [www.tesmec.com](http://www.tesmec.com), according to law.*

\*\*\*\*

# TESMEC

## For further information:

### Tesmec S.p.A.

Fjorela Puce

Investor Relations Manager

Tel: +39 035 4232911 – Fax: +39 035 3844606

E-mail: [ir@tesmec.com](mailto:ir@tesmec.com)

### Image Building - Media Relations

Alfredo Mele, Carlo Musa, Federica Sivelli

Tel: +39 02 89011300

E-mail: [tesmec@imagebuilding.it](mailto:tesmec@imagebuilding.it)

This press release is available in the Investors section of the website:

<https://investor.tesmec.com/en/Investors/PressReleases>

## Tesmec Group

Tesmec Group is active in the design, production and marketing of systems and integrated solutions for the construction, maintenance and diagnostics of infrastructures (overhead, underground and railway networks) for the transport of energy, data and materials (oil and derivatives, gas and water), as well as technologies for quarries and surface mining. The Group operates in the following sectors: - Energy. Tesmec Group designs, manufactures and markets machines and integrated systems for the construction and maintenance of overhead and underground power lines, fibre optic networks (Stringing segment), as well as advanced equipment and systems for the automation, efficiency, management and monitoring of high, medium and low voltage electrical networks and substations (Energy Automation Segment); - Trencher. Tesmec Group carries out the design, production, sale and rental of trencher machines functional to four types of activities (excavation and mines, excavations for the installation of pipelines, for the construction of telecommunication and optical fibre infrastructures, excavations for the construction of underground power networks), as well as the provision of specialized excavation services. The trencher machines are rented by the Group both with the operator (hot rental or wet rental) and without the operator (cold rental or dry rental); - Railway. The Group designs, manufactures and markets machines and integrated systems for the installation and maintenance of the railway catenary, devices for the diagnostics of the railway catenary and track, as well as customized machines for special operations on the line.

Born in Italy in 1951 and led by the Chairman and CEO Ambrogio Caccia Dominioni, the Group counts on more than 1000 employees and has its production sites in Grassobbio (Bergamo), Sirone (Lecco), Monopoli (Bari) and Bitetto (Bari) in Italy, Alvarado (Texas) in the USA and Durtal in France. It relies on three research and development units in Fidenza (Parma), Padua and Patrica (Frosinone). Listed on the EURONEXT STAR MILAN of the Euronext Milan market of the Italian Stock Exchange, the Group boasts a global commercial presence through foreign subsidiaries and sales offices in the USA, in South Africa, West Africa, Australia, New Zealand, Russia, Qatar and China.

In its development strategy, the Group intends to consolidate its position as a solution provider in the three abovementioned business areas, by exploiting the trends of energy transition, digitalization, and sustainability.

**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 as of 30 June 2024.**



# TESMEC

## TESMEC GROUP RECLASSIFIED CONSOLIDATED INCOME STATEMENTS

<b>Income Statement</b> <i>(Euro thousands)</i>	<b>30 June 2024</b>	<b>30 June 2023</b>
<b>Revenues from sales and services</b>	<b>124,235</b>	<b>125,297</b>
Total operating costs	(117,148)	(120,805)
<b>Operating</b>	<b>7,087</b>	<b>4,492</b>
Financial (income) / expenses	(8,771)	(5,867)
Foreign exchange gains/losses	1,085	(1,964)
Share of profit / (loss) of associates and joint ventures	-	(14)
<b>Income before tax</b>	<b>(599)</b>	<b>(3,353)</b>
<b>Net Profit (Loss)</b>	<b>(2,223)</b>	<b>(2,605)</b>
<b>EBITDA</b>	<b>18,956</b>	<b>15,928</b>
<b>EBITDA (% on revenues)</b>	<b>15.3%</b>	<b>12.7%</b>

# TESMEC

## TESMEC GROUP RECLASSIFIED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<b>Balance sheet (Euro thousands)</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Total Non- current assets	161,164	156,846
Total Current assets	283,462	284,356
<b>Total assets</b>	<b>444,626</b>	<b>441,202</b>
Total Non-current liabilities	132,417	133,796
Total Current liabilities	234,416	229,162
<b>Total liabilities</b>	<b>366,833</b>	<b>362,958</b>
Total equity	77,793	78,244
<b>Total shareholders' equity and liabilities</b>	<b>444,626</b>	<b>441,202</b>

# TESMEC

## TESMEC GROUP OTHER CONSOLIDATED FINANCIAL INFORMATION

<b>Summary of the cash flow statement (Euro thousands)</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
Net cash flow generated by (used in) operating activities (A)	(15,725)	(10,652)
Net cash flow generated by (used in) investing activities (B)	(19,598)	(25,118)
Net cash flow generated by financing activities (C)	1,071	(9,979)
<b>Total cash flow for the period (D=A+B+C)</b>	<b>(34,252)</b>	<b>(25,791)</b>
<b>Cash and cash equivalents at the beginning of the period (F)</b>	<b>53,680</b>	<b>50,987</b>
Effect of foreign exchange on net cash and cash equivalents (E)	175	(403)
<b>Cash and cash equivalents at the end of the period (G=D+E+F)</b>	<b>19,603</b>	<b>24,793</b>

# TESMEC

## TESMEC GROUP OTHER CONSOLIDATED FINANCIAL INFORMATION

<b>Funding Sources and Uses</b> <i>(Euro thousands)</i>	<b>30 June 2024</b>	<b>31 December 2023</b>
Net working capital <sup>3</sup>	112.484	86.835
Fixed assets	126.473	119.622
Other long-term assets and liabilities	22.418	25.284
<b>Net invested capital <sup>4</sup></b>	<b>261.375</b>	<b>231.741</b>
Net financial indebtedness <sup>5</sup>	183.582	153.497
Shareholders' equity	77.793	78.244
<b>Total sources of funding</b>	<b>261.375</b>	<b>231.741</b>

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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.

