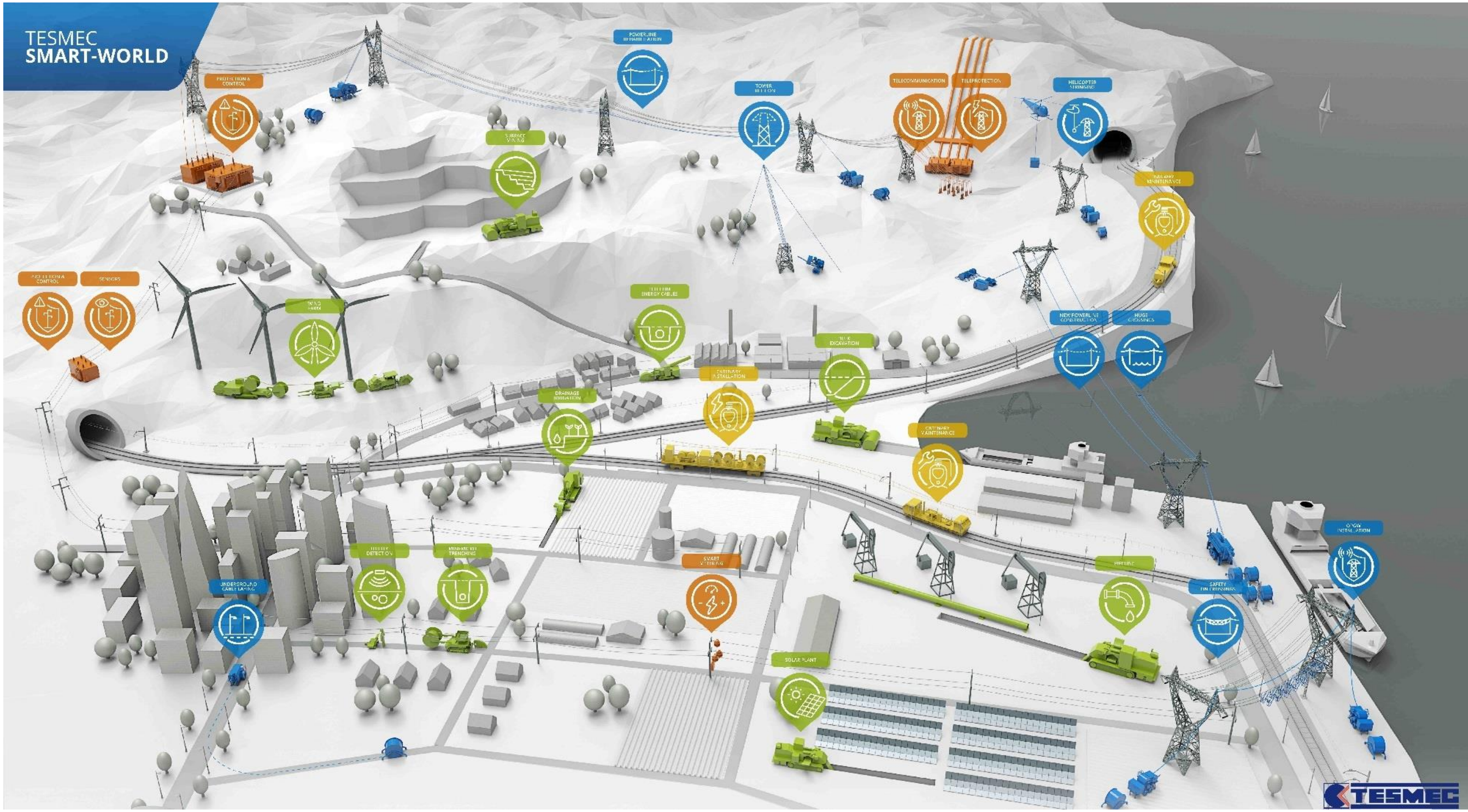

- Stringing
- Energy Automation
- Railway
- Trencher

Virtual STAR Conference

TESMEC presentation

www.tesmec.com

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Tesmec Group at a glance

VISION
To be a technological **partner** in a changing world

MISSION
To operate in the market of **infrastructure** for the transport of energy, data and material

VALUE PROPOSITION
To supply added-value **integrated solutions** for our customers

STRATEGY
Innovation

Internationalization

Integration

BUSINESS

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

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

PLATFORMS FOR DIAGNOSTIC & DATA MANAGEMENT

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

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

KEY FIGURES

8 Production plants

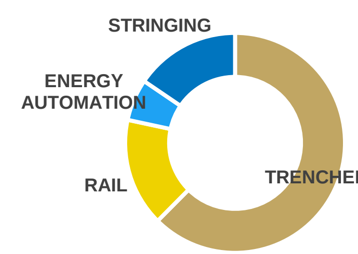
+900 people

+65 years of experience

75% Export

2019

199.6 M€ pf Revenues	**6.4 M€** pf EBIT
30.0 M€ pf EBITDA	**130.0 M€** pf NFP



Stringing Solutions: fields of application

OVERHEAD POWER LINES CONSTRUCTION

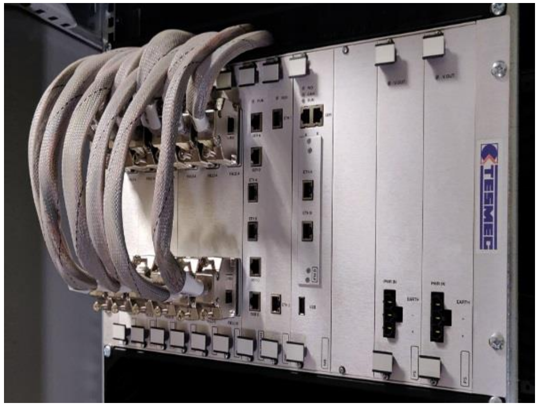
POWER LINES MAINTENANCE

UNDERGROUND NETWORKS CONSTRUCTION

NEW FULL ELECTRIC SOLUTIONS

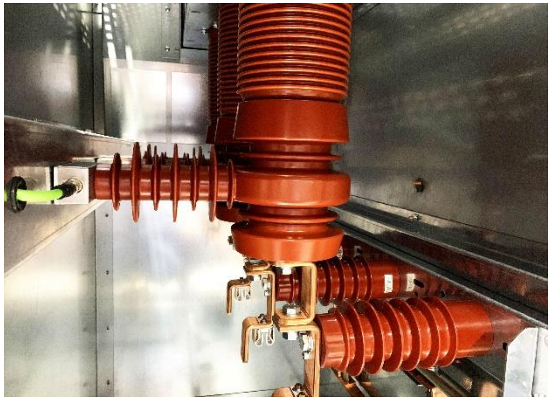
Energy Automation Solutions: fields of application

PROTECTION & MONITORING



REMOTE CONTROL

SERVICE TELECOMMUNICATIONS



NON-CONVENTIONAL SENSORS

Trenching Solutions: fields of application

FIBER & ENERGY CABLE AUTOMATIC LAYING

SURFACE MINING & QUARRIES

CIVIL INFRASTRUCTURES & UTILITIES

OIL, GAS & WATER PIPELINES

Rail Solutions: fields of application

CATENARY INSTALLATION

MAINTENANCE OF RAILWAY LINES

DIAGNOSTIC OF RAILWAY INFRASTRUCTURES

SMART PLATFORMS FOR BIG DATA MANAGEMENT

Strategy of growth

Corporate strategy

- **Focus on** existing business
- From equipment manufacturer to **solution provider able to provide added value services for the customers**
- Focus on maintenance and management of infrastructures in addition to their construction to **increase recurring revenues streams**
- Efficient and effective **organization**

Cross development drivers

- **DIGITALIZATION**
- **SUSTAINABILITY**
- **ENERGY TRANSITION**

Advanced technologies for T&D power lines construction, maintenance and management

Innovative systems for electrification, maintenance and diagnostic of railway infrastructure

Integrated solutions for fiber installation, cables laying, surface mining and civil infrastructures

Tesmec: a history of growth in technologies

2010
IPO

- Historical businesses: **Stringing** and **Trencher**

2010-2019
Investment & Diversification

- Strategic **M&A** in the Rail, Energy Automation and Rental business
- **Integration** of know how & reorganization
- **Qualification** with key customers
- **Certification** of technological solutions

2020-2023
Next development

- Increase **recurring revenues**
- Focus on **services and O&M orders** & **long term backlog**
- **Consolidation** of the investment streams
- Key Development drivers:
  - **ENERGY TRANSITION**
  - **DIGITALIZATION**
  - **SUSTAINABILITY**

Market scenario

GREEN AND DIGITAL TECHNOLOGY TRENDS DRIVE MARKET OPPORTUNITIES

	MARKET					
	Telecom & Fiber	Energy & Renewables	Surface mining	Rail	Construction and utilities*	Pipeline
Key Growth Drivers	• Increase in **internet users** and demand for high-speed internet • Growth in **demand for improved IT infrastructure** especially in emerging economies	• Environmental issues and greater focus on **energy saving** and **efficiency** • Fastest growth of **renewables** in the electricity sector • Trends related to **electrification** (e.g. electric cars) and **cybersecurity**	• Growing attention to **security** standards resulting in increasing **regulations** on the use of explosives • Need for technological changes to increase sustainability while reducing operational costs (**smart mining**)	• Push on **improvement** and **safety** of the existing railway in order to reduce accidents (Italy and Europe) • Technical market trends include technologies for **alternative traction system** (hybrid, zero emission …)	• **Demographic boom**, new cities or enlargement of the existing ones (Africa and Asia) • Increasing investments in **water pipes**, irrigation/drainag e and wastewater management	• Oil and natural gas **prices issue** • More **restrictive regulations** on aging pipeline in developed markets • Growing **gas demand** (Asia-Pacific, Russia, Africa) and need for additional pipeline capacity
BU						

** i.e. water and sewage lines*

Tesmec main target sectors

2020-2023 Business Plan guidelines

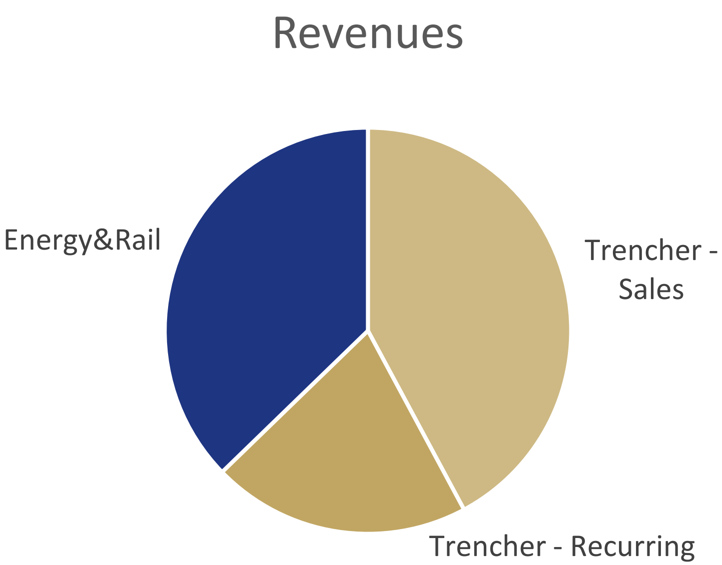
	2019pf	2020pf post COVID		2023
TURNOVER	199.6 M€	~ 170 M€	>> Significant performance of the Energy Automation segment; Stringing segment back to historical performances >> Focus on recurring revenues (rental & services) >> Growth in each business line	275~290 M€ cagr$_{19\text{-}23}$: 8.5%~10.0%
EBITDA	30 M€	22~24 M€	>> Better mix of products & systems, premium price policy, impact of new high margin activities such as rental and hi-tech solutions >> Rationalization and standardization of the products portfolio >> Broadly stable fixed costs	53~58 M€ cagr$_{19\text{-}23}$: 17.0%~18.0%
NFP/EBITDA	4.4x	~ 5.4x	>> Net working capital improvement and efficiency actions on inventory >> Optimization of credit management policies >> 2020-2023: Cumulated Capex in 4 years 60 M€, progressive reduction to 5% of the CAPEX/Revenues	~ 1.5x

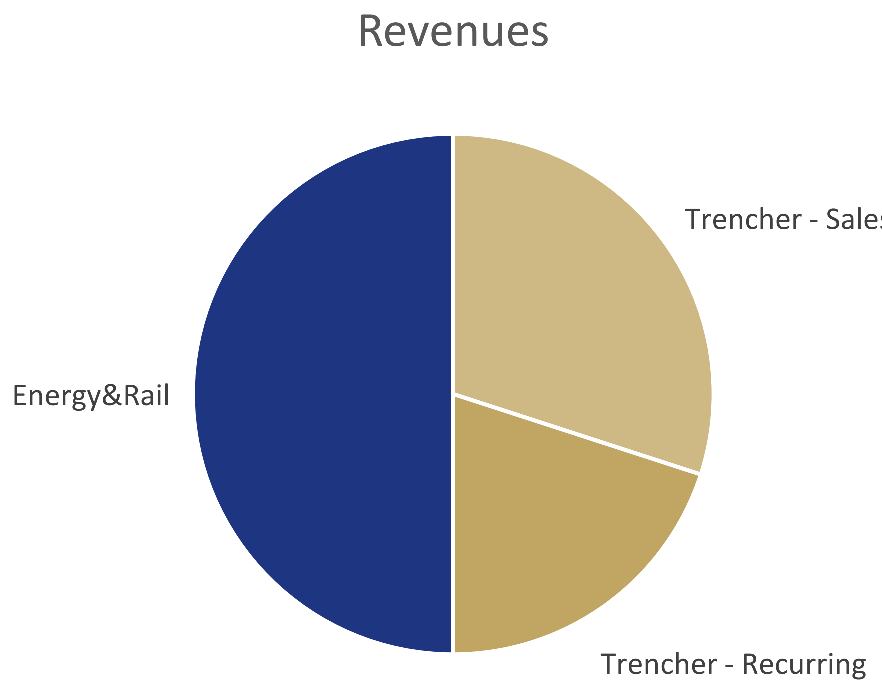
Evolution of revenue mix

2019pf

2023

CAGR19-23: 8.5%~10.0%





BACKLOG as at 31 August 2020: 220 M€ + 50 M€ (provisional award of RFI tender in railways business)

The Board of Directors resolved that the amount of the share capital increase will be equal to a maximum of **35 M€**

MAIN TARGETS

>> strengthen the financial structure
>> financing special business initiatives with significant growth in volumes & margins

ENERGY

STRINGING
Strengthening of the Group's presence in North America

ENERGY AUTOMATION
Internationalization of business activities in the geographic areas in which the main customers operate

TRENCHER

Further push on the rental business

RAIL

Strengthening of diagnostic systems and development of technological platforms for the maintenance of railway networks

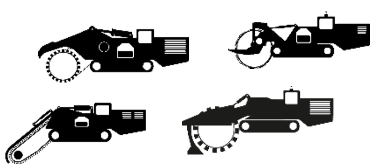
Special business initiatives

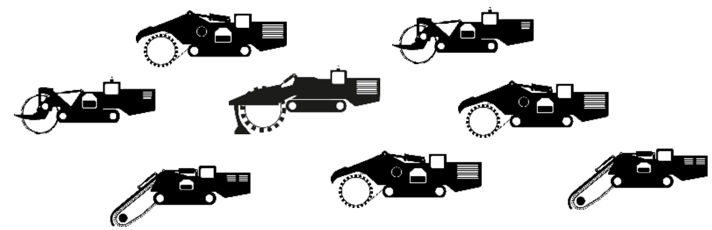
ENERGY

STRINGING

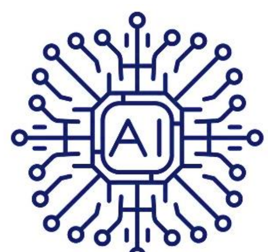
ENERGY AUTOMATION

TRENCHER





RAIL



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2020.1H Closing

GROUP (€ mln)	2020.1H* proforma	2020.1H	2019.1H
REVENUES (1)	73,0	70,8	97,5
EBITDA (2) (3)	9,8	8,2	12,1
% on Revenues	13,4%	11,5%	12,4%
EBIT	(1,4)	(1,6)	3,3
% on Revenues	-1,9%	-2,2%	3,3%
NET INCOME/(LOSS)	(3,6)	(3,9)	0,5
% on Revenues	-4,9%	-5,5%	0,5%

GROUP (€ mln)	2020.1H* proforma	2020.1H	2019 proforma
NFP ante IFRS 16	109,2	109,2	99,8
NFP post IFRS 16	132,5	132,5	120,4
Shareholders Loan	10,5	10,5	10,5

(1) **Affected** by the actions taken by public authorities **to contain the spread of the pandemic COVID-19. After the slowdown and lockdown phases,** March and April**, the Group restarted its activities in May,** reaching **full operations** during **the month of June.** The Group has **increased its backlog**.

(2) **EBITDA** has been **impacted** by the spread of **Covid-19** which caused the **reduction in turnover** and the **consequent contraction of margins to cover fixed costs**

(3) **Starting** from the month of **March**, the Group undertook **all the necessary actions** in order to **contain its fixed costs. This actions will impact the second half too. The Group** collected all the possible **operating grants** in the different country around the world.

***The pro-forma results include the result of the 4Service Group on the half-year basis, instead of just the results achieved within the perimeter of the Tesmec Group from the date of first consolidation (April 23, 2020).**

2020.1H Closing

ENERGY	2020.1H	2019.1H	Delta %
Revenues	**16,8**	**21,9**	**-23,6%**
EBITDA	**1,7**	**2,8**	**-38,5%**
% on Revenues	10,4%	12,9%	

> The **decrease** related to the Stringing business is due to the **production and logistic blocks**

> The **slowdown in production activities** and the switch of the invoicing process in July impacted the **Energy Automation**

> The **confirmed order backlog** amounted to **Euro 49,0 million**

TRENCHERS	2020.1H	2019.1H	Delta %
Revenues proforma	**43,0**	**59,2**	**-27,3%**
EBITDA proforma	**6,1**	**6,4**	**-3,8%**
% on Revenues	14,3%	10,8%	

> The **integration** of the rental activities **mitigated the drop of the margins**

> Impacted **by the slowdown** in logistics and by the **blocks** of production and services. This impact has been **partially balanced** by the recovery phase in the **second half of May**

> The **confirmed order backlog** was **Euro 68,0 million** as at 30 June 2020.

RAILWAY	2020.1H	2019.1H	Delta %
Revenues	**13,2**	**16,3**	**-19,2%**
EBITDA	**1,9**	**2,9**	**-32,8%**
% on Revenues	14,6%	17,5%	

> The **decrease** is mainly due to the **slowdown/lockdown**, mitigated by the **relaunch of activities in May**

> The **confirmed order backlog** was **Euro 77,2 million plus Euro 50 million of the provisional award of the RFI Tender**

Euro/mln	1Q			2Q			1H_proforma		
	2020	2019	Var.	2020	2019	Var.	2020	2019	Var.
REVENUES	34,0	49,8	-31,8%	39,0	47,7	-18,2%	73,0	97,5	-25,1%
EBITDA	4,1 12,5%	5,7 11,5%	-28,1%	5,7 14,6%	6,4 13,6%	-10,1%	9,8 13,4%	12,1 12,4%	-18,8%
EBIT	(1,3)	1,6		(0,1)	1,7		(1,4)	3,3	

After the slowdown and lockdown phases, March and April, the Group restarted its activities in May, **reaching full operations during** the month of **June** and the first results from the restarting of the activities were confirmed with the growth of turnover and **improvement in margins** in the **second quarter** compared to the first quarter

Starting March, the Group took all the **necessary actions in order to contain its costs with impacts also in the second half of the ye**ar, making the company structure more efficient and ensuring the working flexibility. The Group used **the measures** made available by the various **Governments to mitigate** the impacts of the spread of the pandemic

BACKLOG 1H2020

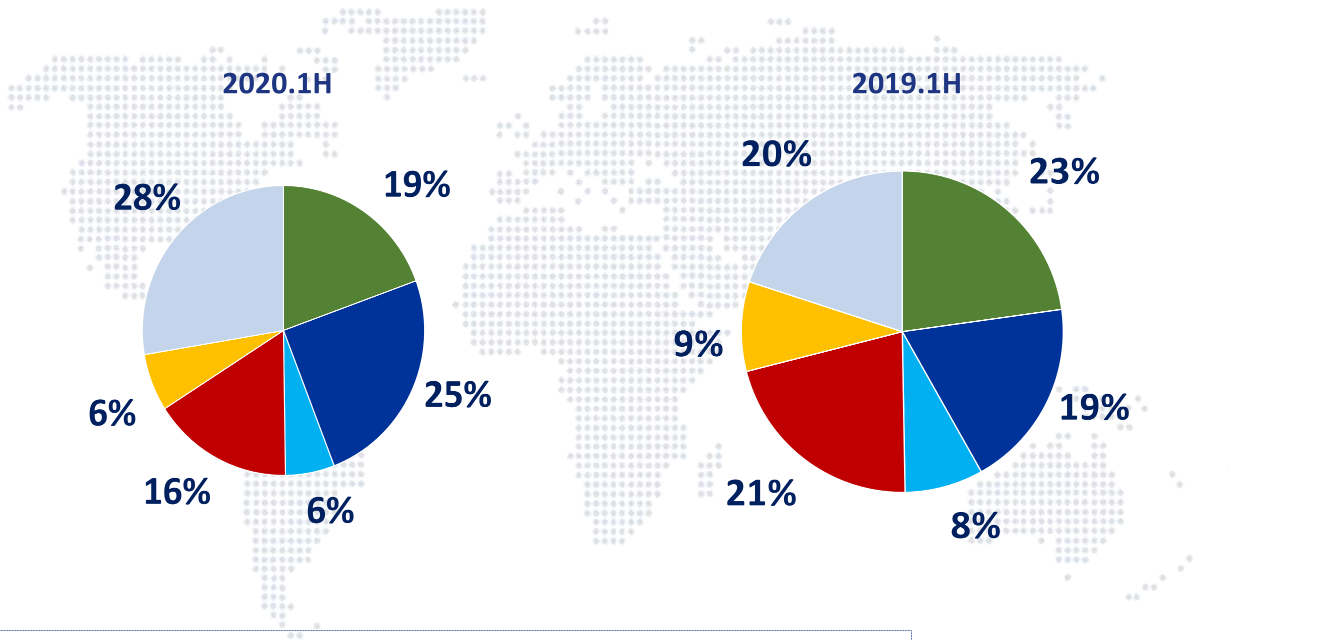
Euro/mln	BACKLOG			
	31/03/2020	Sales 2020.Q2	In take 2020.Q2	30/06/2020 (1)
Energy	38,0	9,4	20,4	49,0
Trencher	60,9	24,0	31,1	68,0
Railway	82,8	5,6		77,2
Total	181,7	39,0	51,5	194,2

*(1) **including the provisional award of the RFI tender** for the production of diagnostic vehicles for around Euro 50 million, the backlog would be **around Euro 244,2 million***

BACKLOG as at 31 August 2020: 220 M€ + 50 M€ (provisional award of RFI tender in railways business)

2020.1H Revenues: sales spread over different geographical area

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



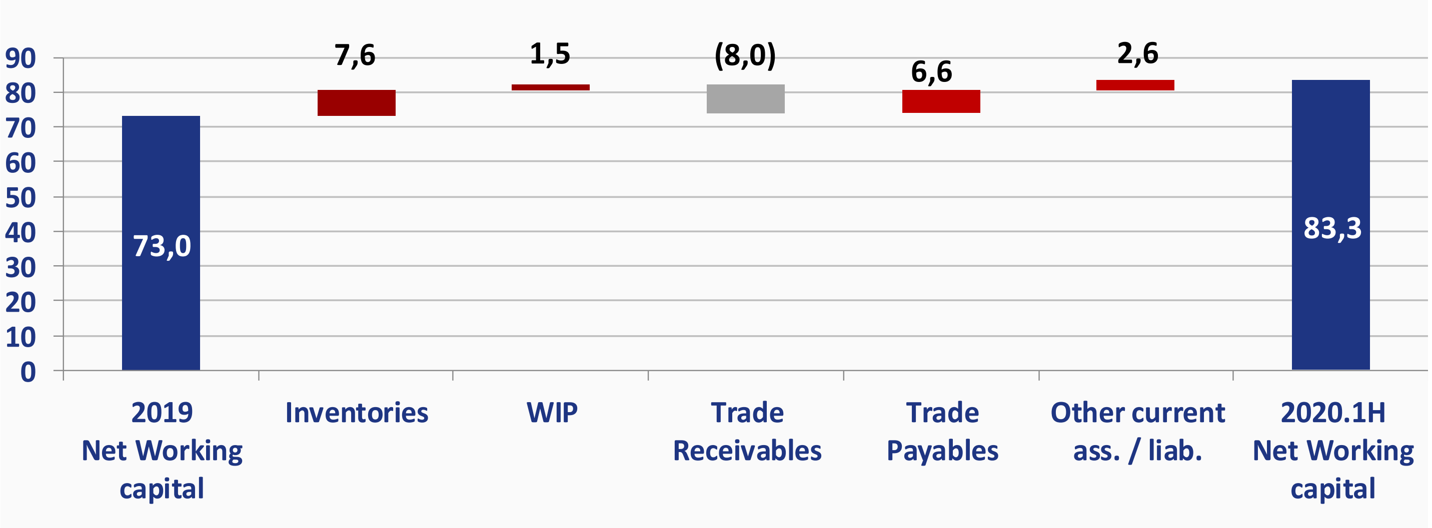
- **ITALY:** railway business & automation impact
- **USA&EU:** trencher and railway impact
- **BRICS:** trencher and stringing impact

2020.1H Financial Results

Financial Information (€ mln)	2020.1H	2019
Net Working Capital	83,3	73,0
Non Current assets	79,1	66,8
Right of use - IFRS 16/IAS 17	24,9	20,1
Other Long Term assets/liabilities	6,4	4,2
Net Invested Capital	**193,7**	**164,2**
Net Financial Indebtness	119,2	98,5
Lease liability - IFRS 16/IAS 17	23,8	19,5
Equity	50,7	46,2
Total Sources of Financing	**193,7**	**164,2**

2019 → **Increase of working capital (mainly the inventories) and fixed assets in the first parts of the half** → **2020.1H**

Working Capital evolution



€ Mln	2020.1H	2019.FY	Days 2020.1H	Days 2019.FY
Trade Receivables	59,8	67,9	120	122
Inventories	77,5	69,9	161	125
Work in progress contracts	17,8	16,3	37	29
Trade Payables	(50,9)	(57,5)	-106	-103
Other Current Assets/(Liabilities)	(21,0)	(23,6)	-44	-42
Net Working Capital	**83,3**	**73,0**		

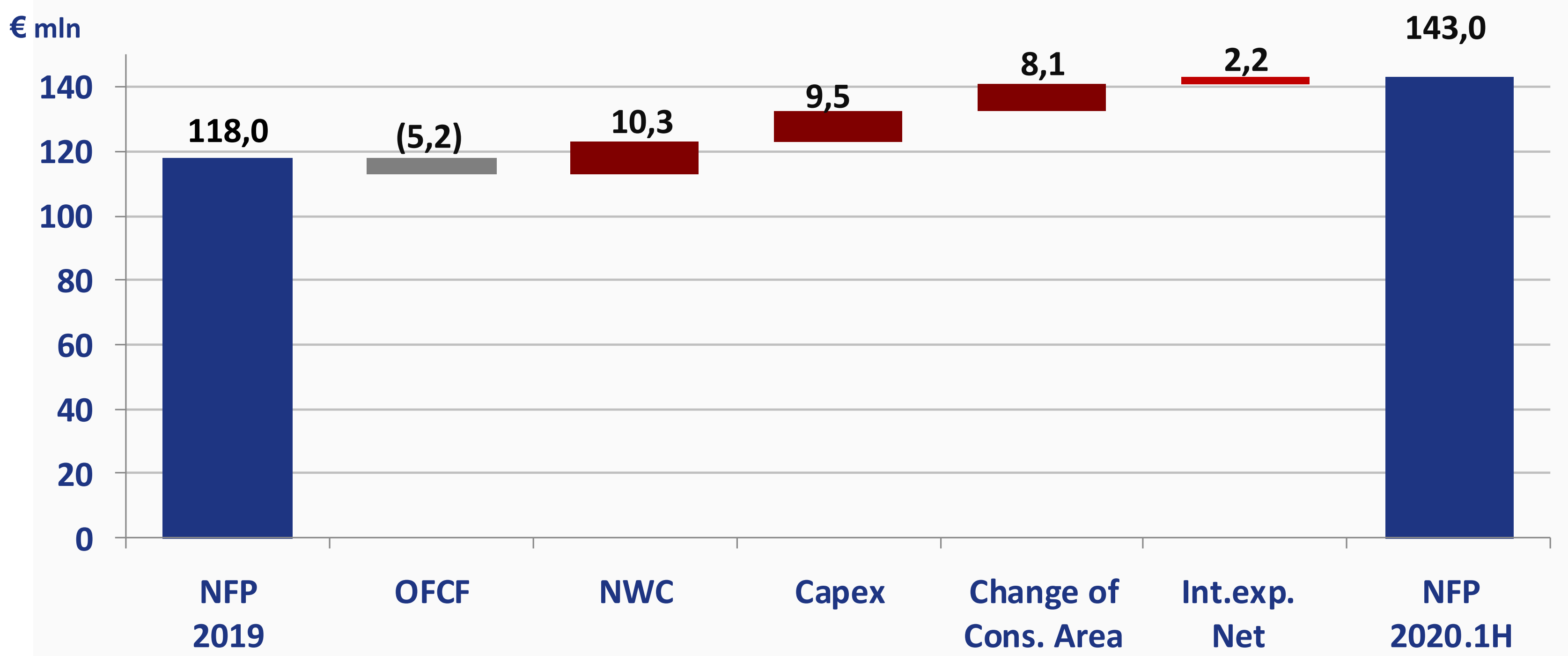
2019
€ 73,0 mln

Increase of inventories due to the Covid period and support the growth in the second half

2020.1H
€ 83,3 mln

Net Financial Position Evolution

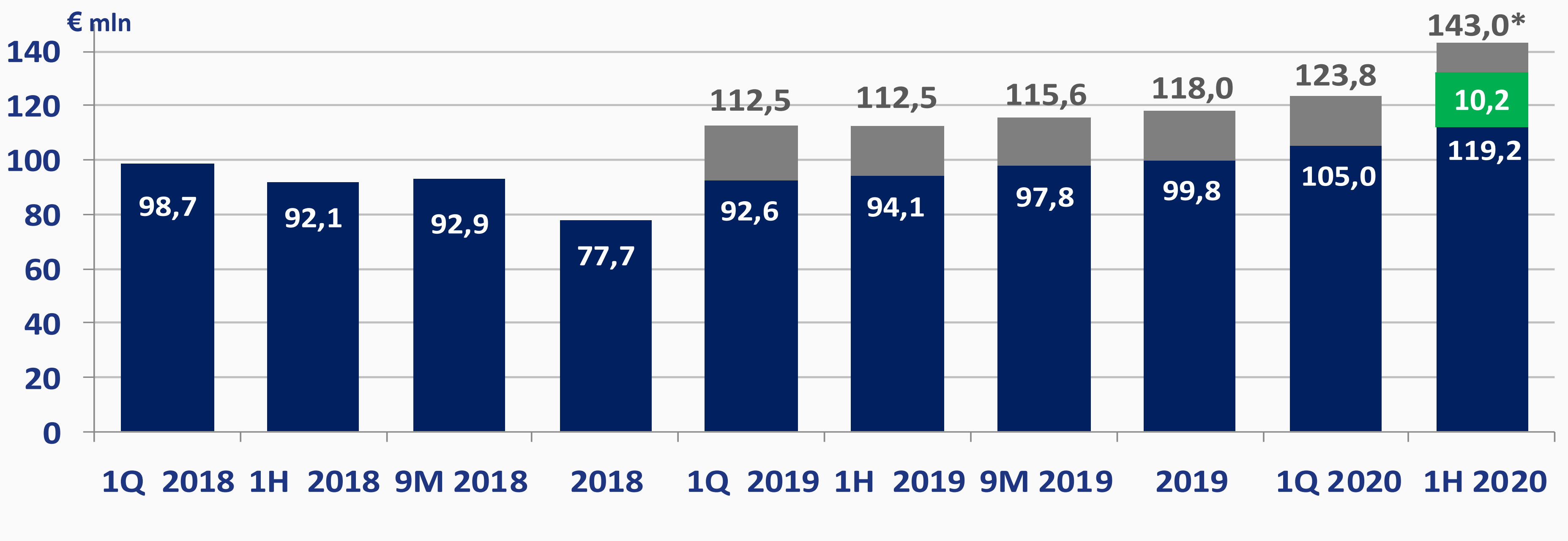
NET FINANCIAL POSITION



2019 → **Less cash generation due to the Covid-19 and increase of the NWC to support the growth in the second half** → **2020.1H**

Net Financial Position Evolution

NET FINANCIAL POSITION



* From 1st January 2019, the new IFRS 16 has been introduced, the impact in term of NFP is around 23,8 M€, otherwise the NFP would have been around 119,2. Since April the NFP included the financial debt from the acquisition of 4service around 10,2 M€.

Profit & Loss Account (Euro mln)	2020.1H	2019.1H	Delta vs 2019.1H	Delta %
Net Revenues	**70,8**	**97,5**	**(26,7)**	**-27,4%**
Raw materials costs (-)	(28,0)	(43,2)	15,2	-35,2%
Cost for services (-)	(13,4)	(17,9)	4,6	-25,5%
Personnel Costs (-)	(23,3)	(25,6)	2,3	-9,1%
Other operating revenues/costs (+/-)	(0,9)	(2,3)	1,4	-59,3%
Non recurring revenues/costs (+/-)	0,0	0,0	0,0	na
Portion of gain/(losses) from equity investments evaluated using the equity method	0,1	(0,1)	0,2	-194,3%
Capitalized R&D expenses	2,9	3,8	(0,9)	-24,6%
Total operating costs	**(62,6)**	**(85,4)**	**22,7**	**-26,6%**
% on Net Revenues	*(88%)*	*(88%)*		
EBITDA	**8,2**	**12,1**	**(3,9)**	**-32,5%**
% on Net Revenues	*12%*	*12%*		
Depreciation, amortization (-)	(9,7)	(8,8)	(0,9)	10,2%
EBIT	**(1,6)**	**3,3**	**(4,8)**	**-147,7%**
% on Net Revenues	*-2%*	*3%*		
Net Financial Income/Expenses (+/-)	(3,7)	(2,1)	(1,6)	76,4%
Taxes (-)	1,4	(0,5)	1,9	-360,8%
Minorities	(0)	(0)	(0,0)	
Group Net Income (Loss)	**(3,9)**	**0,6**	**(4,5)**	**n/a**
% on Net Revenues	*-6%*	*1%*		

Summary 2020.1H Balance Sheet - Appendix B

Balance Sheet (€ mln)	2020.1H	2019
Inventory	77,5	69,9
Work in progress contracts	17,9	16,3
Accounts receivable	59,8	67,9
Accounts payable (-)	(50,9)	(57,5)
Op. working capital	**104,3**	**96,7**
Other current assets (liabilities)	(21,0)	(23,6)
Net working capital	**83,3**	**73,0**
Tangible assets	53,2	42,5
Right of use - IFRS 16/IAS 17	24,9	20,1
Intangible assets	21,7	20,4
Financial assets	4,1	3,9
Fixed assets	**103,9**	**87,0**
Net long term liabilities	6,4	4,2
Net invested capital	**193,7**	**164,2**
Cash & near cash items (-)	(25,1)	(17,9)
Short term financial assets (-)	(13,1)	(12,1)
Lease liability - IFRS 16/IAS 17	23,8	19,5
Short term borrowing	97,4	79,8
Medium-long term borrowing	59,9	48,7
Net financial position	**143,0**	**118,0**
Equity	50,7	46,2
Funds	**193,7**	**164,2**

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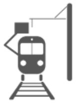
Factories

		TRS	RAIL	STR	AUT
	***Tesmec SPA*** Grassobbio				
	***Tesmec SPA*** Endine				
	***Tesmec SPA*** Sirone (precision machining work)				
	***Marais*** Durtal (FR)				
	***Tesmec USA*** Alvarado (USA)				
	***Tesmec Rail*** Monopoli				
	***Tesmec Automation*** Patrica				
	***Tesmec Automation*** Padova-Fidenza				

Corporate strategy

Vision	**Consolidate the position as solution provider** in order to **gain market shares** and to **increase the profitability and the cash flows generated by the business**

Strategic pillars

1 Focus on existing business	2 Solution provider and system integrator	3 Increase recurring revenues streams	4 Efficient and effective organization
▪ Manage and consolidate the **existing product portfolio** and geographies	Focus on: ▪ **digitalization** ▪ **automation** of processes ▪ **safety** and **cybersecurity** ▪ **sustainability**	▪ Scale up of the businesses recently launched (**Rail** and **Energy Automation**) ▪ Maintain the trencher fleet for the **rental business**	▪ Improve **cash generation** ▪ **Rationalize costs** and **improve the NWC** absorption ▪ Implement the **new ERP**

Stringing business strategy

COMPLETE TRADITIONAL OFFER

A complete package for the stringing operations

>>

NEW DIGITAL CONCEPT

A new range of digital machines for a safe & faster jobsite

>>

GREEN APPROACH & NEW METHODOLOGIES

New machines range full electric
New methodologies for reconductoring

Strategic pillars

Digitalization for safe and efficient stringing operations

Green technologies for a sustainable jobsite

Innovative solutions for power grids maintenance

Business strategy

Enter the energy **distribution segment** in Europe and USA

Strengthen the positioning in the **strong grid business**, interconnection projects and new generation conductors stringing especially in Europe and North America and in the **renewable energies** sector in Oceania and USA

Develop the **reconductoring** business thanks to the new product range (CLP)

Energy Automation business strategy

COMPLEMENTARY SOLUTIONS

Design & production of HV solutions to strengthen the core competence in the energy automation

>>

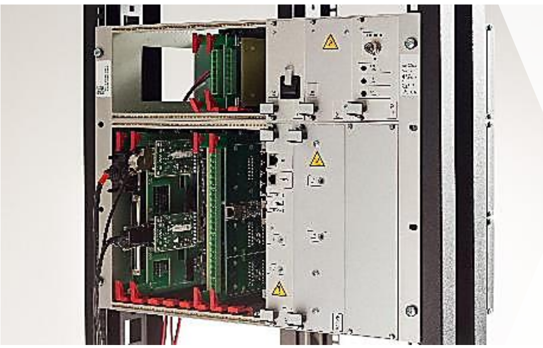
EQUIPMENT SUPPLIER

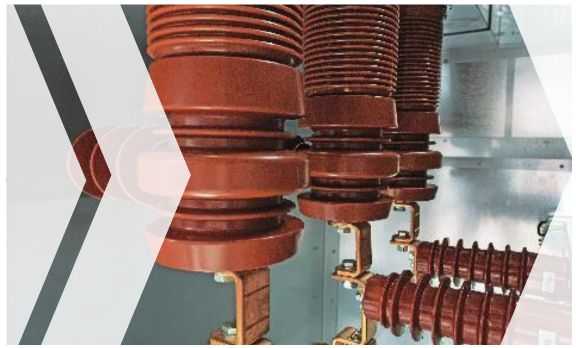
Complete portfolio of HV and MV solutions with solid technical support

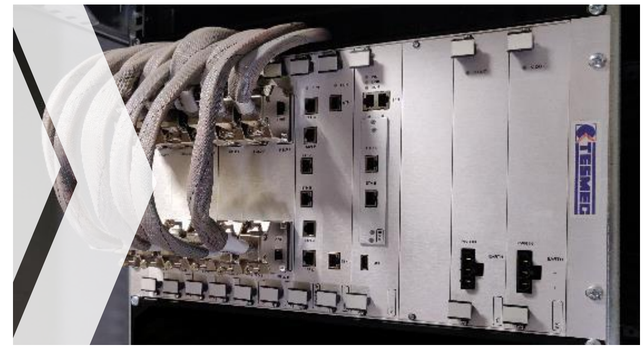
>>

SYSTEM INTEGRATOR

From the development of new products to the management of complex innovative projects







Strategic pillars

- T&D range of solutions for grid automation
- IoT integration for energy data analytics
- Diversified approach both on products and systems

Business strategy

- Complete and standardize the **product range**
- Grow in **international markets** thanks to relationship with key customers & sales network of the Stringing segment
- Develop **systems engineering** to offer integrated systems with high added value and turnkey solutions
- **Rationalize the production structure** to achieve economies of scale and improvement of margins and working capital

Trencher business strategy

EQUIPMENT SUPPLIER

Design & production of trenchers able to work under extreme conditions

Sales business model

>>

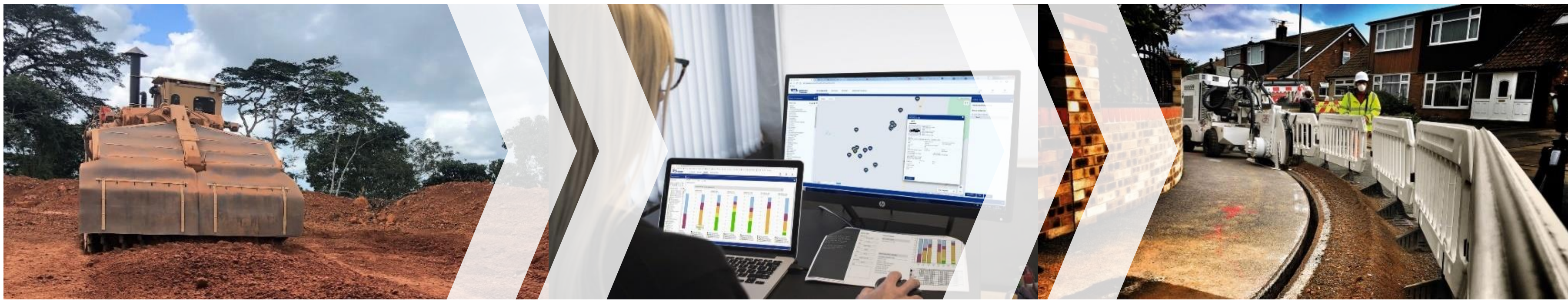
FULL-SERVICE PROVIDER

Digital and connected systems
Complete package of business models (sales, rental..)

>>

INTEGRATED VALUE CHAIN

Fiber installation & automatic laying of energy cables with Clean&Fast solutions
Wide range of surface mining segments (bauxite, gypsum, iron, potash..)



Strategic pillars	
	Clean & fast solutions for each application Digital & connected systems Complete package of integrated services

Business strategy	
	Grow in the **rental and service** field (recurring businesses) Leverage the **automatic laying technology** in order to become the reference for Fiber and renewables projects Develop advanced technologies for **smart mining**

Rail business strategy

EQUIPMENT SUPPLIER

Design & production of railway solutions keeping the core competence in the catenary installation

>>

TECHNOLOGICAL PROVIDER

Certified & connected rail vehicles & services for electrification & maintenance

>>

SYSTEM INTEGRATOR with TECHNOLOGICAL PARTNERSHIPS

Solutions for unmanned diagnostic and data management platform

Strategic pillars	
	Certified, automated and cloud connected vehicles
	Artificial intelligence for unmanned diagnostic and big data management
	Green approach with hybrid and bimodal solutions

Business strategy	
	Leverage the **competitive advantage** related to the certifications
	Strengthen the positioning in the **diagnostic** systems segment
	Continue to invest in R&D for the design of **hybrid and full-electric** vehicles
	Pursue the **international growth strategy**, especially in Europe

Notes

The pro-forma results were prepared for illustrative purposes only, and were obtained by making appropriate pro-forma adjustments to the historical data to retroactively highlight the effects of the 4Service Group's transaction, as if this transaction had occurred on 1st January 2020, instead of on 23 April 2020. The pro-forma results therefore include the result of the 4Service Group on the half-year basis, instead of just the results achieved within the perimeter of the Tesmec Group from the date of first consolidation (April 23, 2020).

Considering the uncertainty linked to the spread of the COVID-19 virus and the impacts on the global economy, the targets set by the Management may be susceptible to changes. These targets are set in the assumption that the pandemic situation remains stable and / or better in Europe and that it does not get worse in other areas of the world, such as the United States and Latin America

The plan doesn't include any cash in from share capital increase. 50 M€ of credit lines already collected from financial institutions

Disclaimer

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.

This press release contains some forward looking statements that reflect the current opinion of the Tesmec Group management on future events and financial and operational results of the Company and of its subsidiaries, as well as other aspects of the Group's activities and strategies. These forward looking statements are based on current expectations and assessments of the Tesmec Group regarding future events, as well as on the Group's intentions and beliefs. Considering that these forward looking statements are subject to risk and uncertainty, the actual future results may considerably differ from what is indicated in the above forward looking statements as these differences may arise from several factors, many of which lie beyond the Tesmec Group's ability to accurately check and estimate them. Amongst these - including but not limited to - there are potential changes in the regulatory framework, future developments in the market, price fluctuations and other risks. Therefore, the reader is asked to not fully rely on the content of the forecasts provided as the final results could significantly differ from those contained in these forecasts for the reasons indicated above. They have been included only with reference up to the date of the above-mentioned press release. The prospective data are, in fact, forecasts or strategic targets established within the corporate planning.

The Tesmec Group does not assume any obligation to publicly disclose updates or amendments of the forecasts included regarding events or future circumstances that occur after the date of the above-mentioned press release. The information contained in this press release is not meant to provide a thorough analysis and has not been independently verified by any third party. This press release does not constitute a recommendation for investment on the Company's financial instruments. Furthermore, this press release does not constitute an offer of sale or an invitation to purchase financial instruments issued by the Company or by its subsidiaries.

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