



# Tesmec Group

First Half 2013

Analyst Presentation, 2 August 2013



Corporate



# Agenda

- 2013 – Business update P. Mosconi, GM
- 2013 – First Half Financials A.Bramani, CFO
- Outlook 2013 A.Caccia Dominioni, CEO
- Appendix

# Business overview

**MISSION:** to operate in strategic markets for the growth and the modernization of every country in the world

**From IPO**

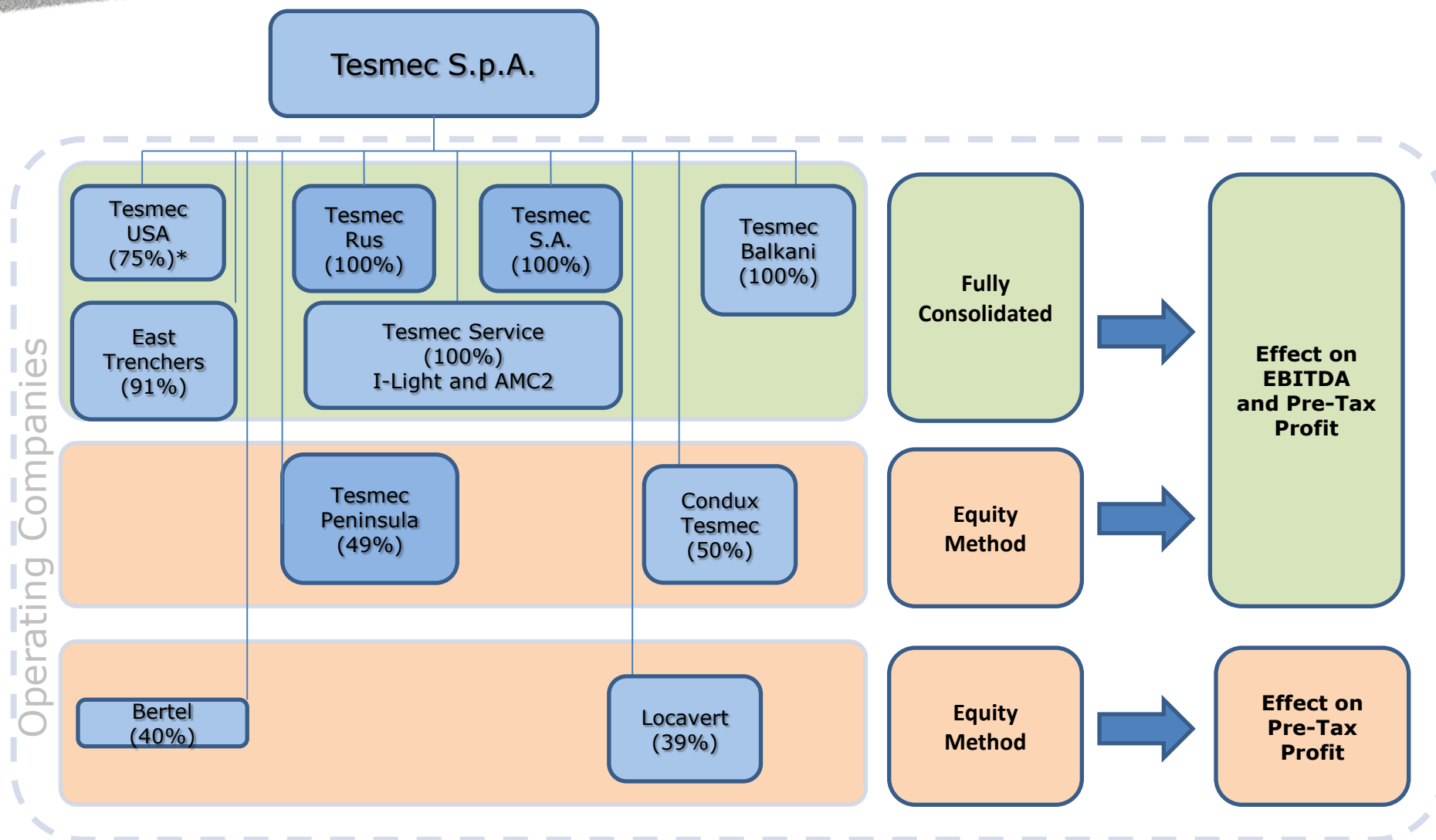
**.. To ..**



**CROSS SELLING: new opportunities**



# Group Structure at June 30, 2013



\* The remaining 25% is held by Simest S.p.A. Since Tesmec has an obligation to buy it back from Simest S.p.A., from an accounting point of view the participation of the Parent Company in Tesmec S.p.A. is consolidated on a 100% basis.

# Business Update

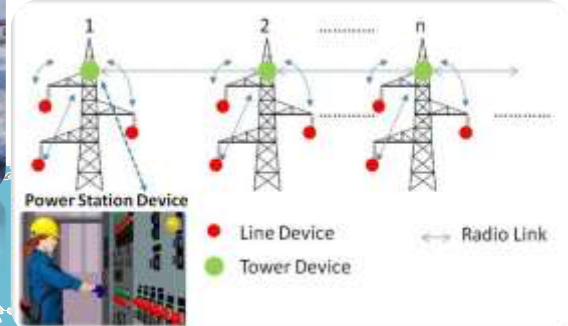


**North America**

**Special Project**



**FSKA High Voltage Grid Efficiency**



**Shale Gas project**



**Russia**

**South America**



**Special Project**

**Qatar**



**New Doha Port**

**China**



**Special Machines**

# Business Update

- Stringing
  - > stability with increase in special projects and good performance of the JV (Condux-Tesmec) in the North American market.
  
- Grid Efficiency
  - > continues the pilot project on High Voltage Grid Efficiency with FSKA;
  - > important developments in Grid Efficiency in Medium Voltage both in Italy and abroad.
  
- Railways
  - > collaboration agreements with RFI for new machines;
  - > new opportunities for the USA market.

- Trencher
  - > strong growth in the Middle East Market:
    - Bulk Excavation project in Qatar;
    - Special Projects in Saudi Arabia.
  - > strong growth in the North American Market:
    - Shale Gas Projects;
    - projects in Canada.
- Trencher Services
  - > Contract Fleet Management in Qatar.

# 1H 2013 Economics Results

## INCOME STATEMENT (Euro Mln)

**1H 2013**

**1H 2012**

**Delta % 1H  
2013 vs 2012**

**Revenues**

**57,3**

**50,0**

**+15%**

**EBITDA**

**11,5**

**9,7**

**+19%**

**% On Revenues**

**20%**

**19%**

**EBIT**

**8,5**

**6,8**

**+25%**

**% On Revenues**

**15%**

**14%**

**Profit Before taxes**

**7,1**

**5,4**

**+33%**

**% On Revenues**

**12%**

**11%**

**NET INCOME**

**4,6**

**3,3**

**+37%**

**% On Revenues**

**8%**

**7%**

**STRINGING  
2013**

**STRINGING  
2012**

**TRENCHER  
2013**

**TRENCHER  
2012**

**Revenues**

**33,8**

**32,2**

**23,5**

**17,8**

**% Increase vs LY**

**+5%**

**+33%**

**EBITDA**

**7,1**

**6,2**

**4,4**

**3,5**

**% on Revenues**

**21%**

**19%**

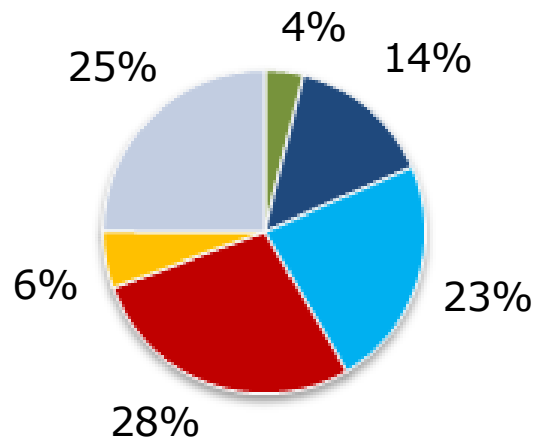
**19%**

**19%**

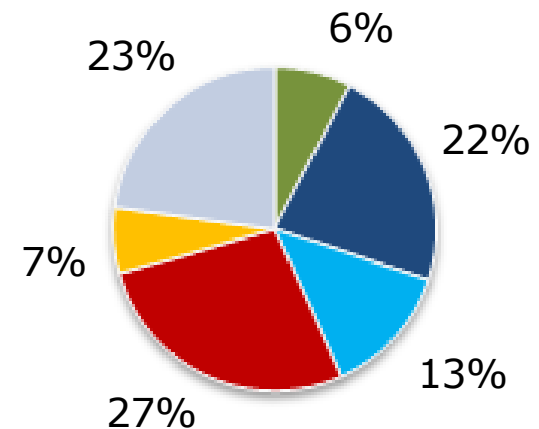


# Revenues: international scale and exposure to growing economies

**1H 2013**

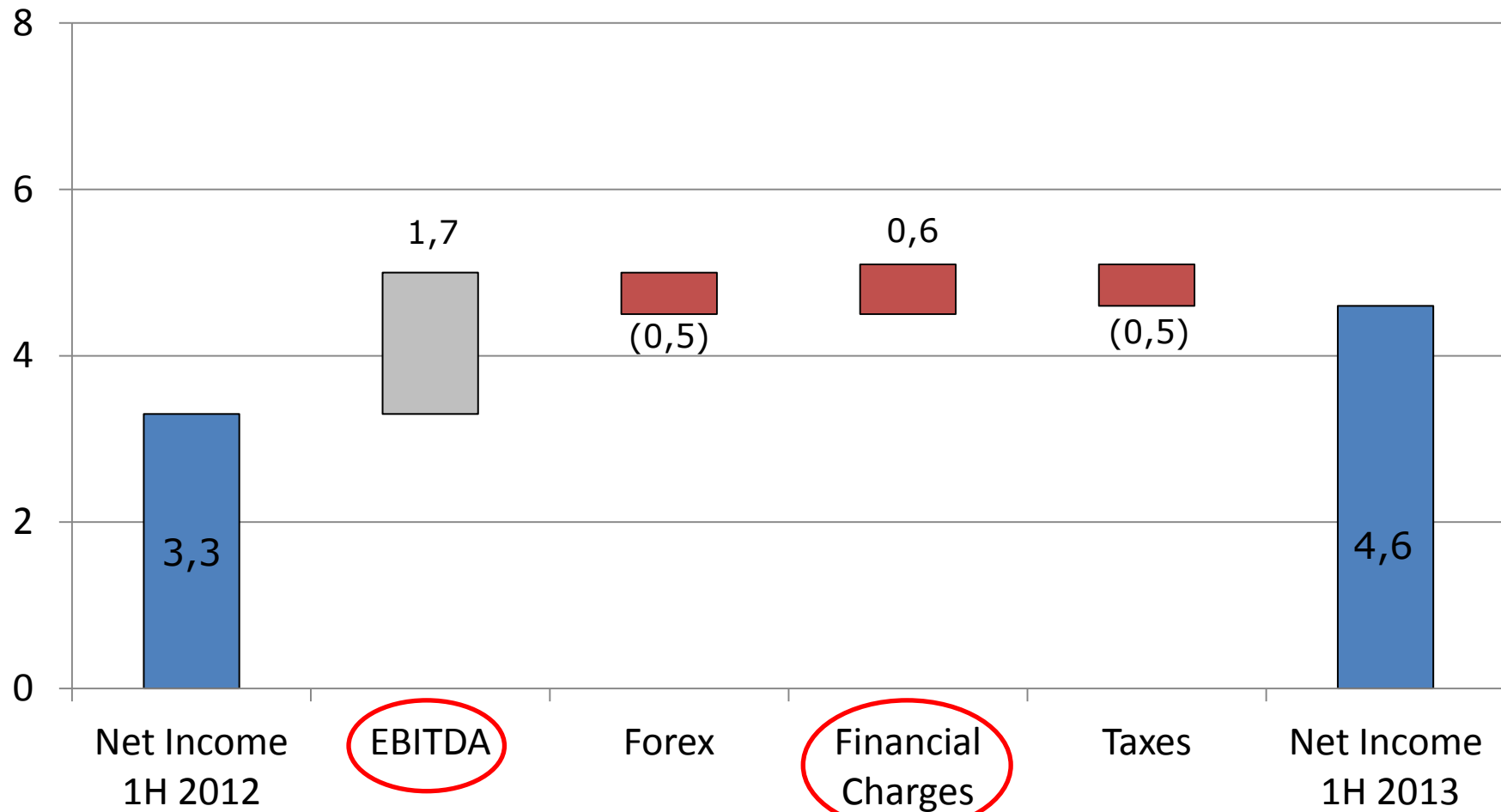


**1H 2012**



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

# NET PROFIT 1H2013



Increase in EBITDA impact in the period  
and decrease of the cost of funding

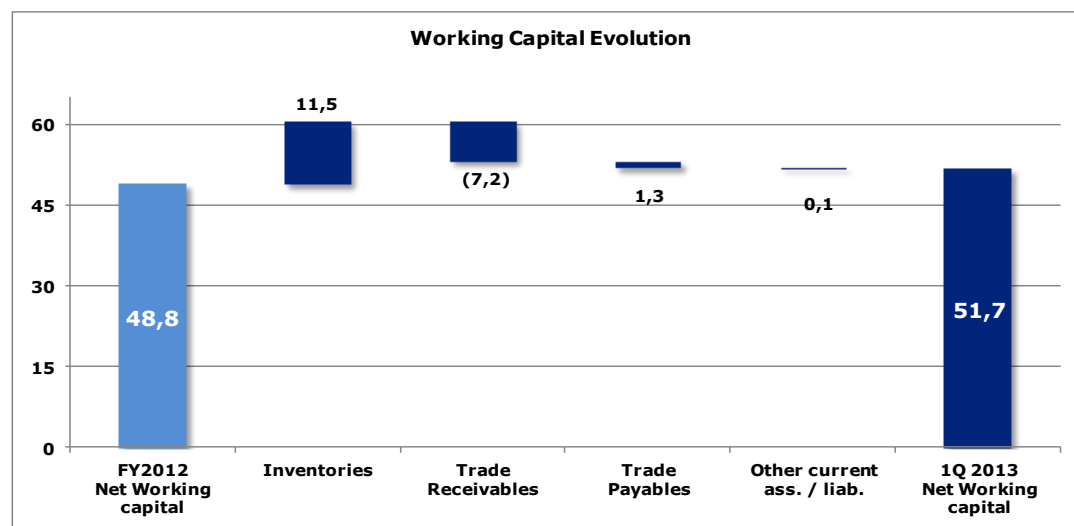
# 1H 2013 Financial Results

Financial Information (Euro Mln)	1H 2013	FY 2012	1H 2012
<b>NWC</b>	<b>51,7</b>	<b>48,8</b>	<b>54,4</b>
Non current assets	51,2	49,6	49,5
Other LT assets/(Liabilities)	0,2	1,0	1,2
<b>NET INVESTED CAPITAL</b>	<b>103,1</b>	<b>99,4</b>	<b>105,1</b>
<b>NFP</b>	<b>59,8</b>	<b>56,5</b>	<b>65,8</b>
<b>EQUITY</b>	<b>43,3</b>	<b>42,9</b>	<b>39,3</b>
<b>TOTAL SOURCES OF FINANCING</b>	<b>103,1</b>	<b>99,4</b>	<b>105,1</b>

# Working Capital Evolution

Values in € Mln

	1H 2013	FY 2012	Days* 1H 2013	Days 2012
Trade Receivables	36,3	43,6	101	131
Inventories	56,3	44,8	157	135
Trade Payables	(33,3)	(32,1)	93	96
Other current assets/(Liabilities)	(7,6)	(7,5)	21	23
<b>NET WORKING CAPITAL</b>	<b>51,7</b>	<b>48,8</b>		



**1H 2013\***

$$\frac{\text{NET WORKING CAPITAL}}{\text{REVENUES}} = 40\%$$

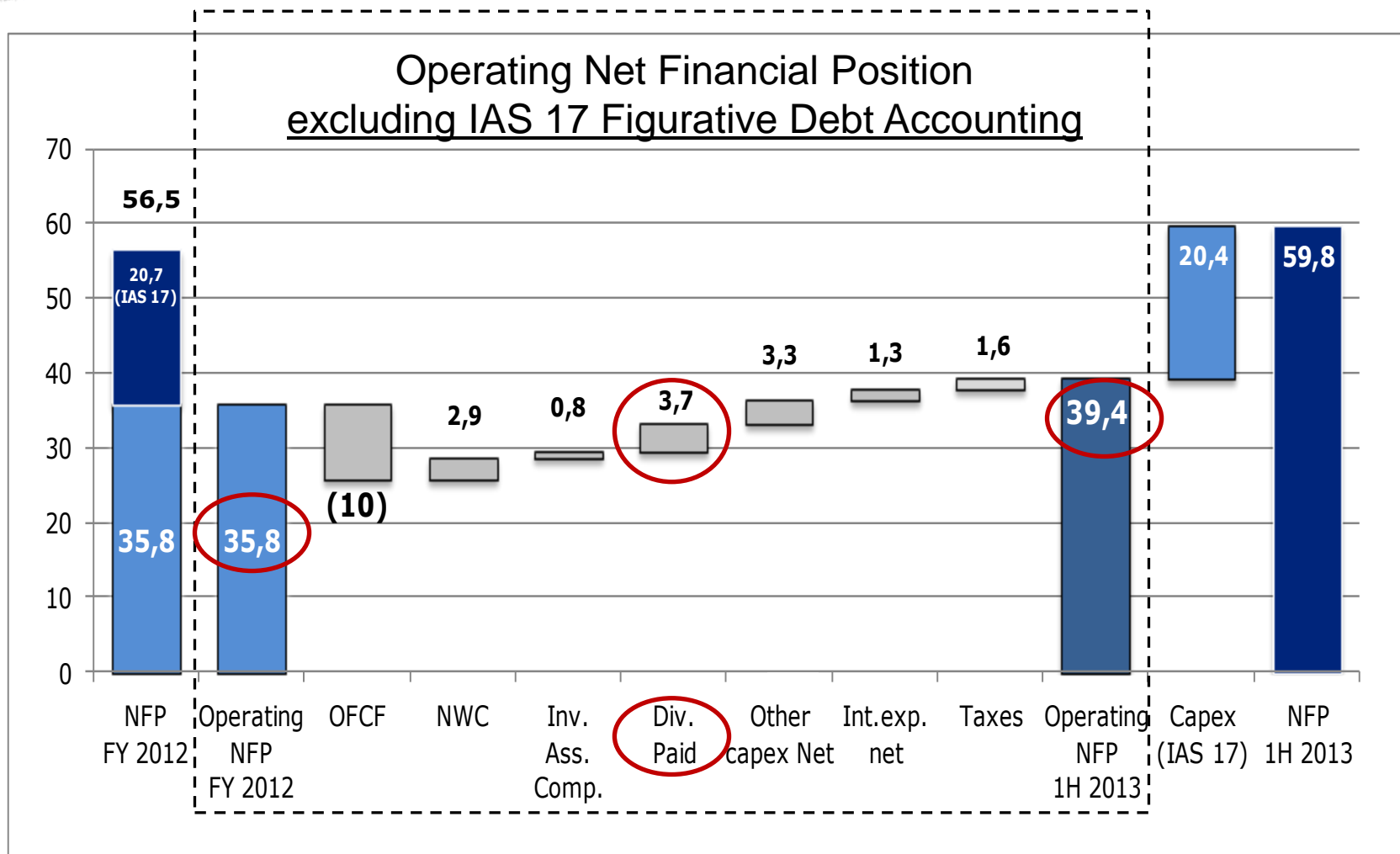
**2012**

$$\frac{\text{NET WORKING CAPITAL}}{\text{REVENUES}} = 41\%$$

\*calculated on the total revenue for the last 12 months (from July 2012 to June 2013)



# Net Financial Position Evolution



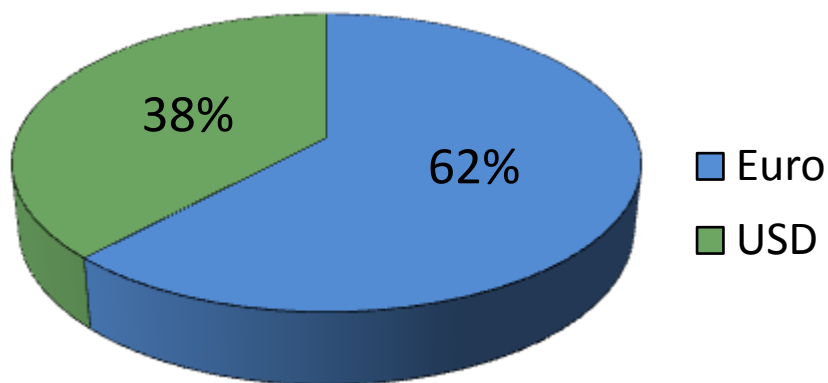
2012

NFP affected by payment of dividend

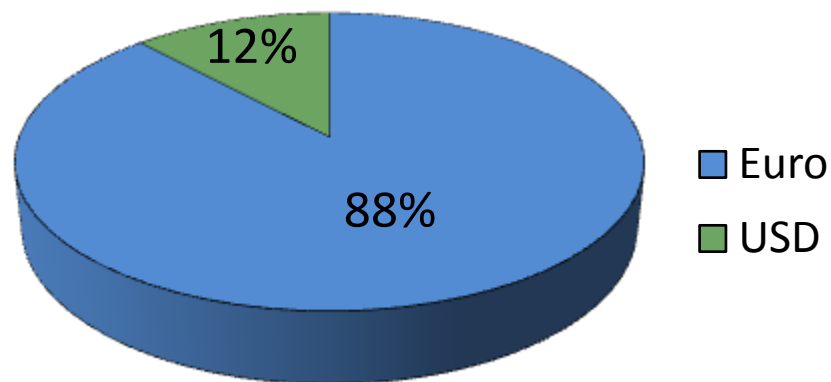
1H  
2013

# Exchange exposure 1H 2013

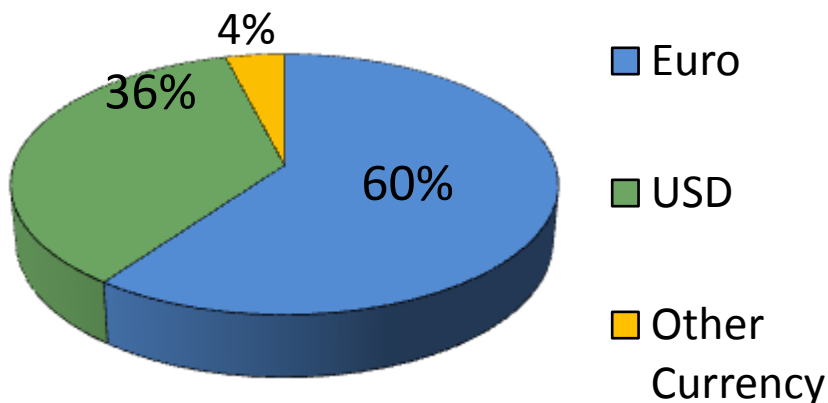
## Revenues



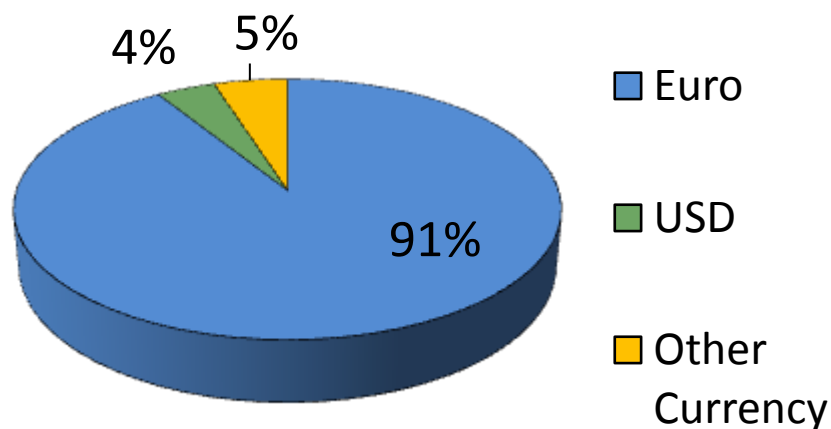
## Operating Costs



## Trade Receivables

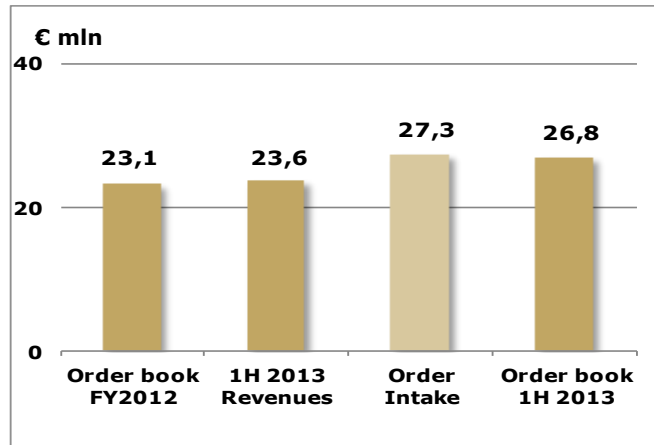


## Trade Payables

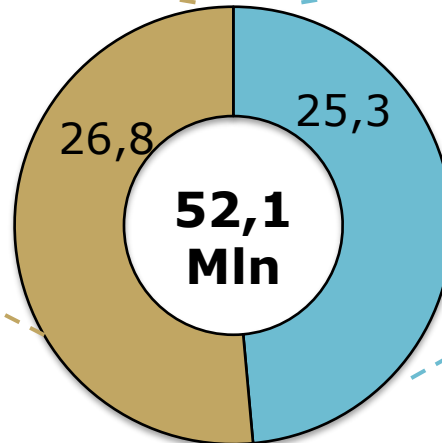
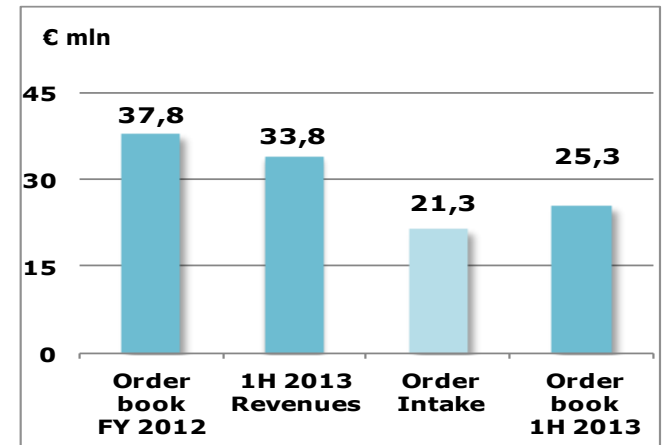


## ORDER BOOK 1H 2013

### TRENCHERS



### STRINGING



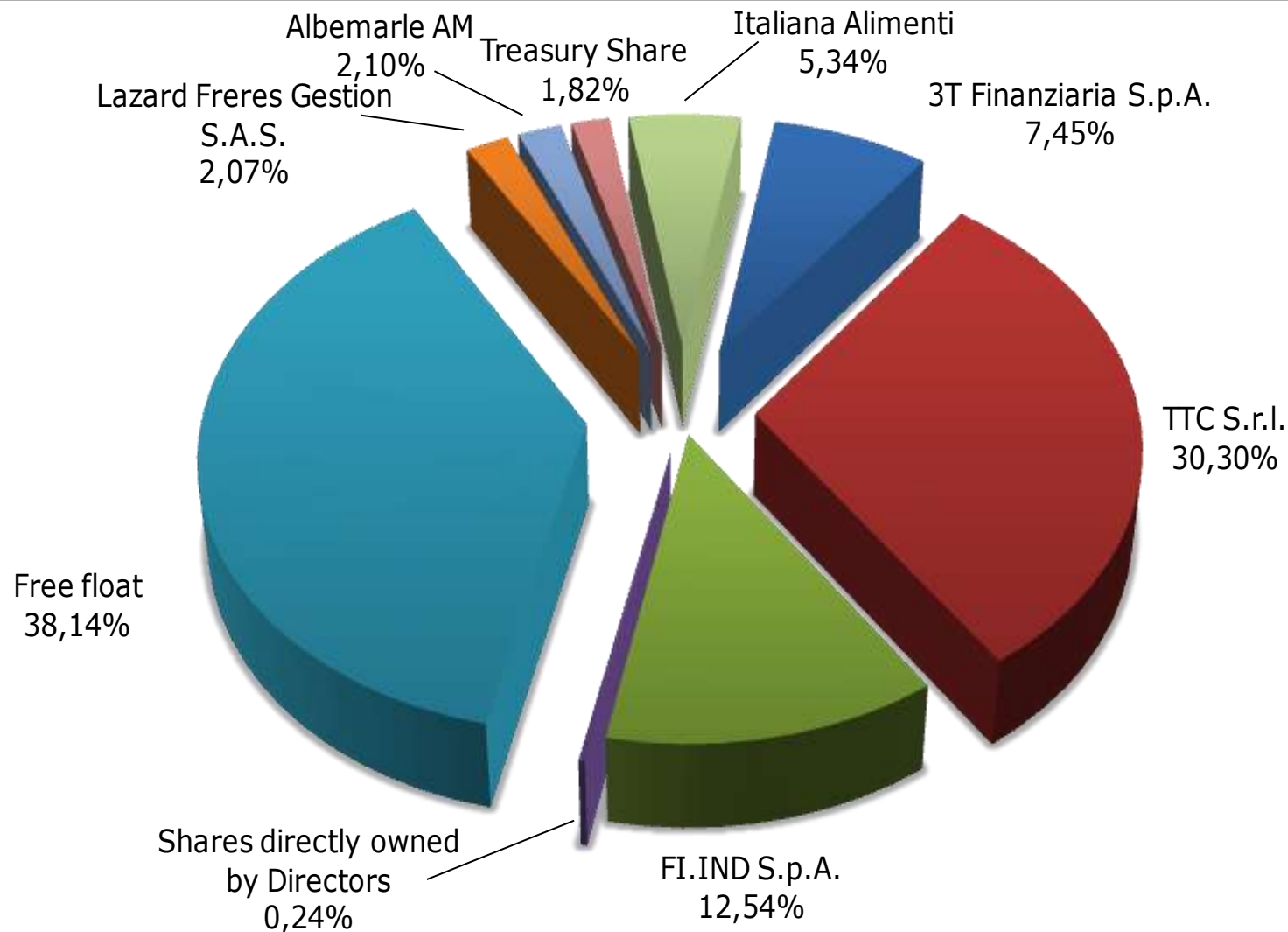
# Outlook 2013

After the positive results achieved in the first six months 2013 Tesmec confirms the growth trend for the entire year:

- with different trends in the various market in which the Group operates;
- change in product mix;
- double digit overall growth trend.



# Shareholding Structure



# Appendix A - Summary 1H 2013 Profit & Loss statement

Profit & Loss Account (€ mln)	1H 2013	1H 2012	Delta vs 2012	Delta %
<b>Net Revenues</b>	<b>57,3</b>	<b>50,0</b>	<b>7,3</b>	<b>15%</b>
Raw materials costs (-)	(24,4)	(20,8)	(3,6)	17%
Cost for services (-)	(10,7)	(9,8)	(0,9)	9%
Personnel Costs (-)	(11,9)	(9,9)	(2,0)	20%
Other operating revenues/costs (+/-)	(1,0)	(1,3)	0,3	-23%
Portion of gain/(losses) from equity investments evaluated using the equity method	0,5	(0,1)	0,6	-600%
Capitalized R&D expenses	1,7	1,6	0,1	6%
<b>Total operating costs</b>	<b>(45,8)</b>	<b>(40,3)</b>	<b>(5,5)</b>	<b>14%</b>
<i>% on Net Revenues</i>	<i>(80%)</i>	<i>(81%)</i>		
<b>EBITDA</b>	<b>11,5</b>	<b>9,7</b>	<b>1,8</b>	<b>19%</b>
<i>% on Net Revenues</i>	<i>20%</i>	<i>19%</i>		
Depreciation, amortization (-)	(3,0)	(2,9)	(0,1)	3%
<b>EBIT</b>	<b>8,5</b>	<b>6,8</b>	<b>1,7</b>	<b>25%</b>
<i>% on Net Revenues</i>	<i>15%</i>	<i>14%</i>		
Net Financial Income/Expenses (+/-)	(1,4)	(1,5)	0,1	-7%
Taxes (-)	(2,5)	(2,0)	(0,5)	25%
Minorities	-	-	-	-
<b>Net Income (Loss)</b>	<b>4,6</b>	<b>3,3</b>	<b>1,3</b>	<b>37%</b>
<i>% on Net Revenues</i>	<i>8%</i>	<i>7%</i>		

# Appendix B - Summary Balance Sheet

Balance Sheet (€ mln)	1H 2013	2012
Inventory	56,3	44,8
Accounts receivable	36,3	43,6
Accounts payable (-)	(33,3)	(32,1)
<b>Op. working capital</b>	<b>59,3</b>	<b>56,3</b>
Other current assets (liabilities)	(7,6)	(7,5)
<b>Net working capital</b>	<b>51,7</b>	<b>48,8</b>
Tangible assets	39,4	39,8
Intangible assets	8,2	7,6
Financial assets	3,6	2,2
<b>Fixed assets</b>	<b>51,2</b>	<b>49,6</b>
Net long term liabilities	0,2	1,0
<b>Net invested capital</b>	<b>103,1</b>	<b>99,4</b>
Cash & near cash items (-)	(12,3)	(17,1)
Short term financial assets (-)	(7,1)	(5,2)
Short term borrowing	34,2	29,6
Medium-long term borrowing	45,1	49,3
<b>Net financial position</b>	<b>59,8</b>	<b>56,5</b>
Equity	43,3	42,9
<b>Funds</b>	<b>103,1</b>	<b>99,4</b>

The Manager responsible for preparing the company's financial reports, Andrea Bramani, declares, pursuant to paragraph 2 of Article 154-*bis* of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records.

Grassobbio, August 2, 2013

The Manager responsible for preparing  
the company's financial reports  
Andrea Bramani



**TESMEC S.p.A - Headquarters**

via Zanica, 17/O - 24050 Grassobbio (BG) - Italy

Tel. +39.035.423 2911 - Fax +39.035.4522444 Management and Administration

Fax +39.035.4522445 Stringing Equipment Division - Fax +39.035.335664 Trencher Division

[www.tesmec.com](http://www.tesmec.com) - [info@tesmec.it](mailto:info@tesmec.it)