



Tesmec Group

2012 Results

Analyst Presentation, 14 March 2013



Corporate



Agenda

- 2012 – Business update
A.Caccia Dominioni, CEO &
Paolo Mosconi, GM
- 2012 – Economics Results
A.Bramani, CFO
- 2012 - Financial Results
A.Bramani, CFO
- Outlook 2013 - 2015
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 ..

Overhead & Underground Power Lines

Transmission & Distribution Networks

Civil Infrastructure

Pipelines
Telecom
Bulk
Excavation

Urban Construction

Road Jobs
Construction
Utilities



Overhead & Underground Power Lines

Transmission & Distribution Networks

NEW

Grids efficiency

Transmission & Distribution Networks

NEW

Railway Lines

Railway
Electrification &
Maintenance

NEW

Civil Infrastructure

Pipelines
Telecom
Bulk
Excavation

Trenching Services

Special
Contracting

Urban Construction

Road Jobs
Construction
Utilities



STRINGING EQUIPMENT



TRENCHERS



MULTIPURPOSE MACHINES



STRINGING EQUIPMENT

INTEGRATED SYSTEMS



RAILWAY EQUIPMENT



TRENCHERS

TRENCHERS



MULTIPURPOSE MACHINES

CROSS SELLING: new opportunities

2012 Key Facts

**January
2012**

Ordinary Shareholders' Meeting of Tesmec S.p.A. approved the purchase plan of treasury shares and appointed a new independent director.

**January
2012**

Acquisition of 40% stake of **Bertel company** in order to enlarge Tesmec offering in the High Voltage grid management

**March
2012**

Signature of rental contract with **AMC2** in order to acquire technical and technological expertise to enlarge Tesmec offering in Railway Electrification sector (from stringing to maintenance and special applications)

July 2012

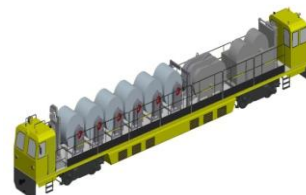
Start up of **photovoltaic system** installed on the roof of the Grassobbio factory to cover **about one-third of plant electricity consumption**.

**September
2012**

Tesmec USA subsidiary - thanks to the development of an innovative system for the electrification and maintenance of the "**Production Wire Train**" - won a contract related to the supply of two railway wagons with the US **National Railroad Passenger Corporation ("AMTRAK")**, group active in the United States in the segment of railway suburban transport. The value of the work contract amounts to USD 7.2 million for 2013 with the possibility of annual renewal for another five years.



Image source
<http://www.ecologiae.com/edison-ed-ecostream-italy-insieme-per-il-fotovoltaico/500/>



Tesmec Group Strategy

Innovation



Internationalization



Integration



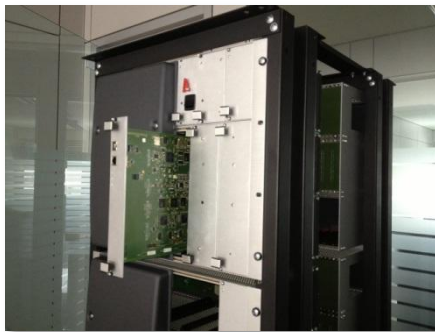
LEADERSHIP

Focus on **QUALITY** to get the **PREMIUM** Sector of the market

Innovation: Research & Development



STRINGING
Design of special machines
for high difficult projects



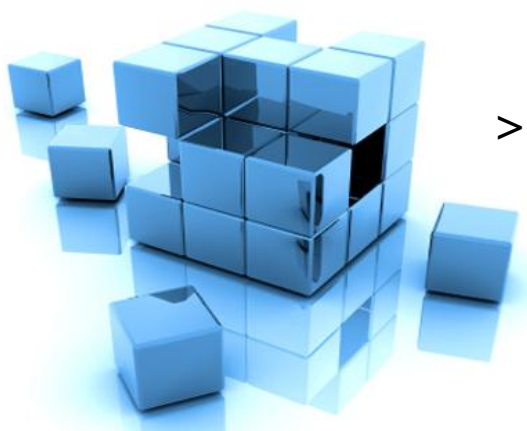
GRIDS EFFICIENCY
Advanced systems for
predictive maintenance on
power lines



RAILWAY
New vehicles for
maintenance & diagnostic
operations



TRENCHERS
New electronics for remote
control and maintenance



> 5%* OF TOTAL REVENUES
INVESTED EVERY YEAR
IN INTERNAL R&D

*AVERAGE AMOUNT

Collaboration with universities:



Pisa



Beijing



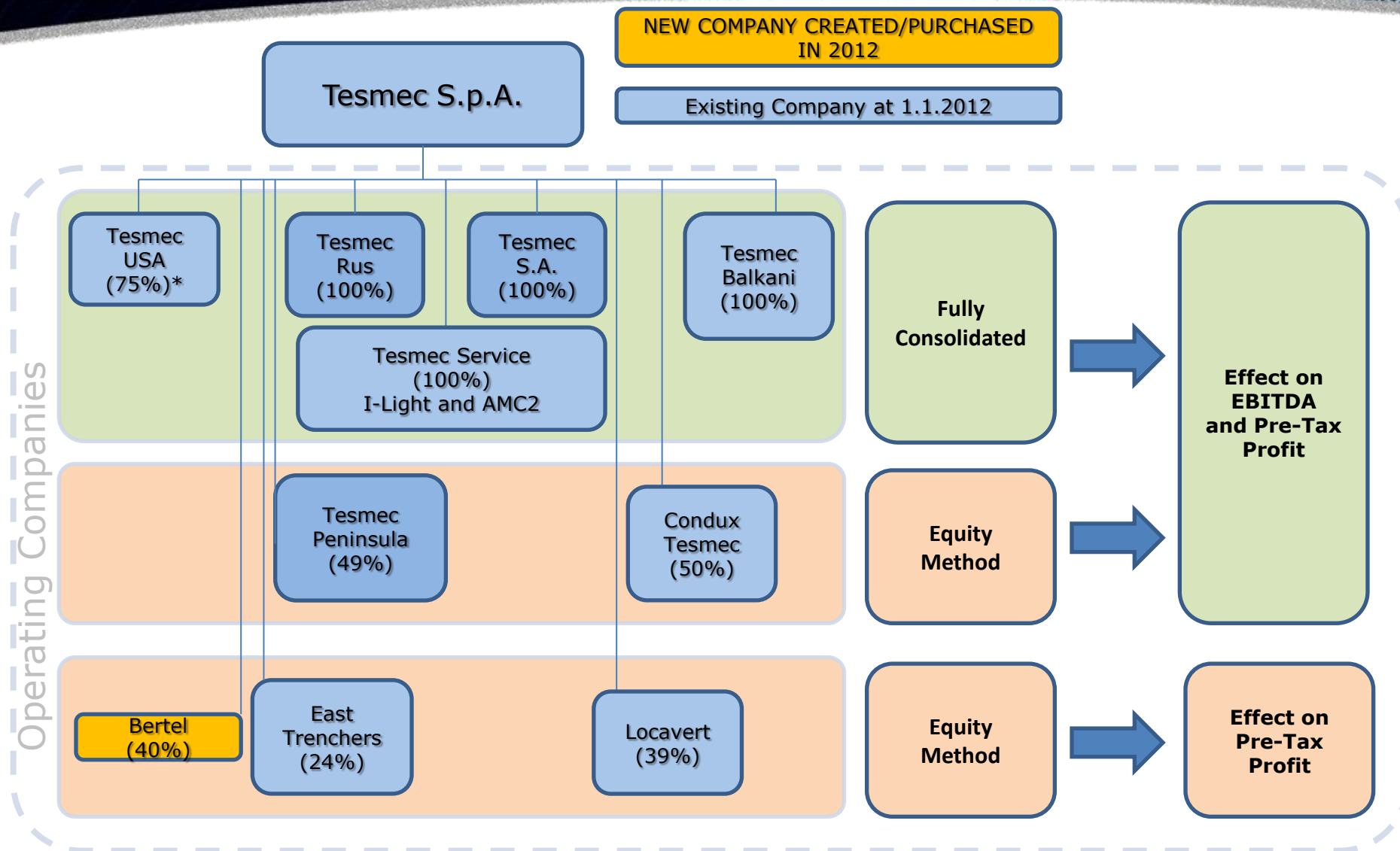
Bergamo



SDA Bocconi
School of Management

Milano

Group Structure at December 31, 2012



* 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.

Performance of foreign subsidiaries

JV Condux-Tesmec (50%)



Revenue 10.8 million € (+112% vs PY)

Revenue growth confirms success of the Group's strategy in North America Market

Tesmec RUS (100%)



Revenue 1.3 million €

Tesmec Rus now in place with financial performance in line with expectations;

Tesmec USA (100%)



Revenue 20.5 million € (+61% vs PY)

Performing better than previous year both in volumes and margins with a improvement contribution at Group Level

JV Tesmec Peninsula (49%)



Revenue 13.5 million € (+864% vs PY)

Decrease in existing stock with sales to third parties.

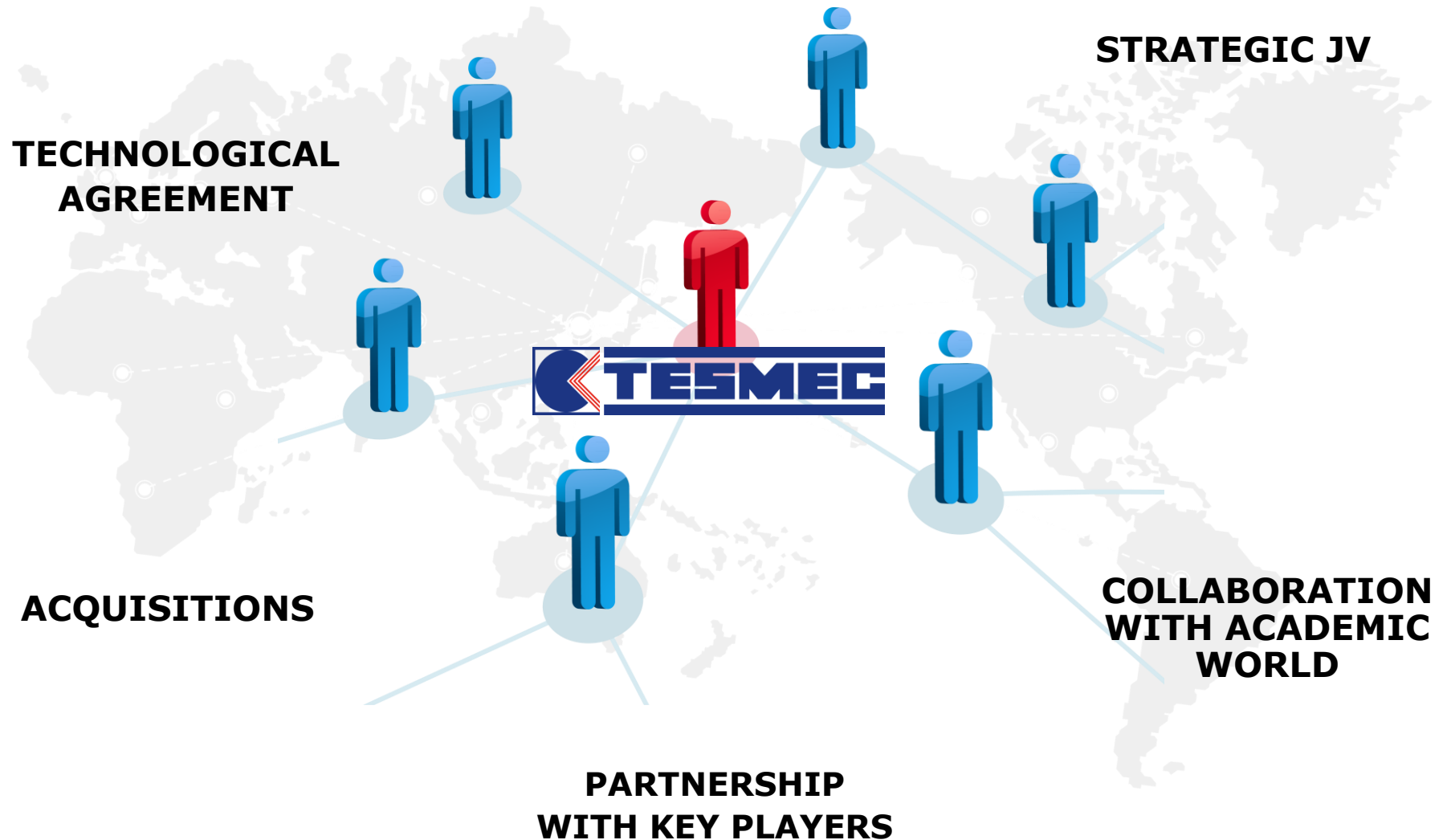
Tesmec SA (100%)



Revenue 1.4 million €

Good start up of the activities with rental contract already trasformed in sale in 2012

Integration: Key Partnership



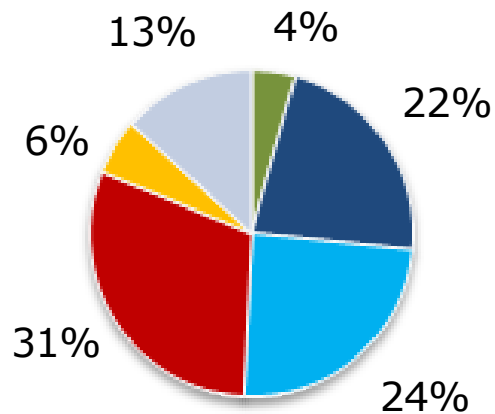
2012 Economics Results

INCOME STATEMENT (Euro Mln)

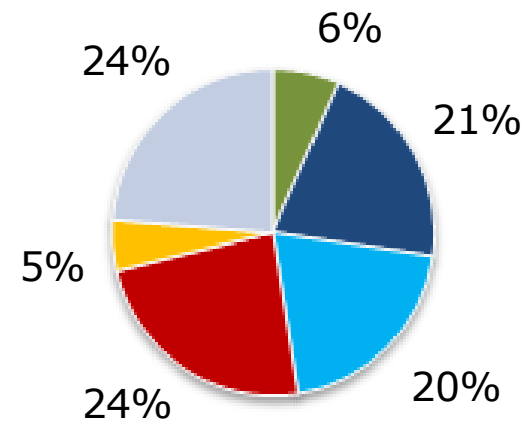
9M 2012
4Q 2012
FY 2012
FY 2011
**Delta %
2012 vs 2011**
Revenues
80,8
39
119,8
111,8
+7%
EBITDA
16,4
7,9
24,3
19
+28%
% On Revenues
20%
20%
20%
17%
EBIT
11,7
5,9
17,6
13,2
+33%
% On Revenues
14%
15%
15%
12%
NET INCOME
5,2
2,9
8,1
6,6
+23%
% On Revenues
6%
7%
7%
6%
**STRINGING
2012**
**STRINGING
2011**
**TRENCHER
2012**
**TRENCHER
2011**
Revenues
68,9
+5,6%
65,3
50,9
+9,5%
46,5
% Increase vs LY
EBITDA
14,4
21%
14,9
23%
9,9
19%
4,1
9%
% on Revenues

Revenues: international scale and exposure to growing economies

2011

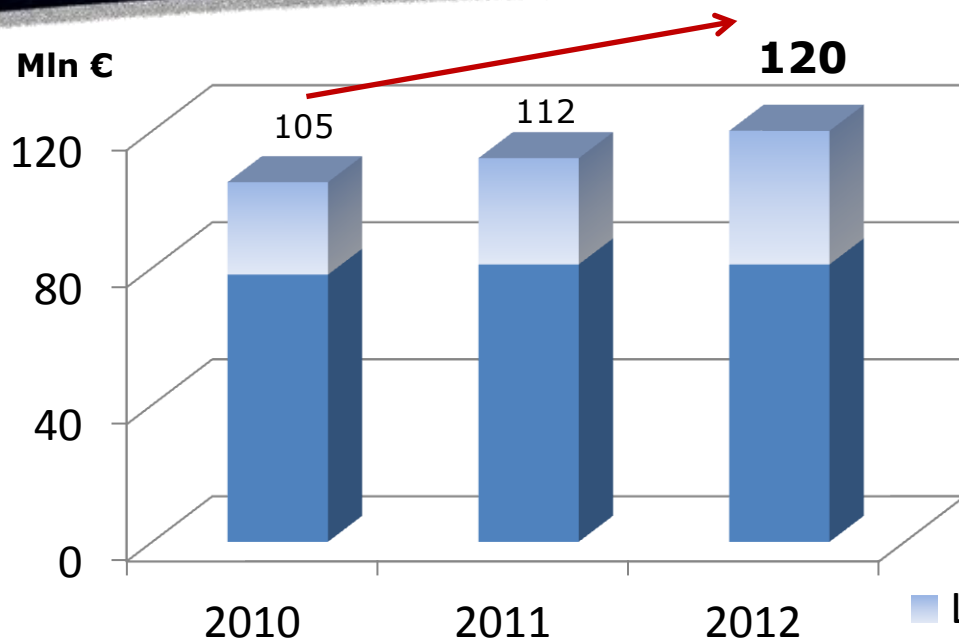


2012



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

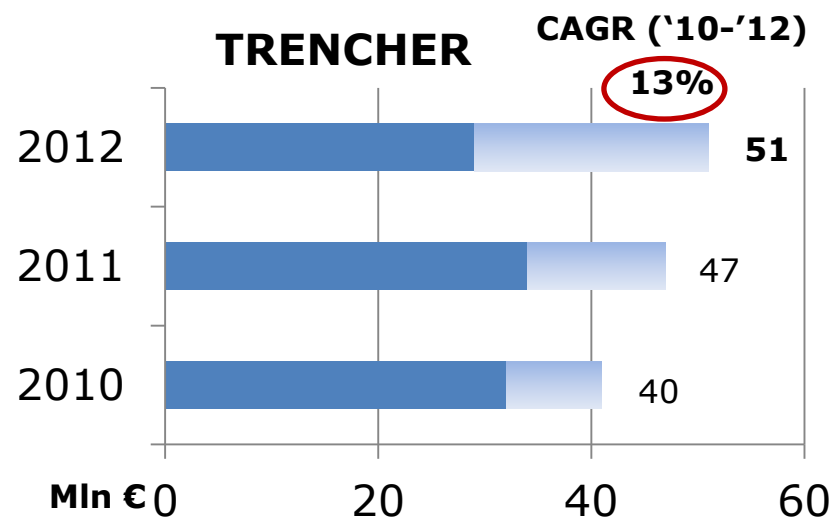
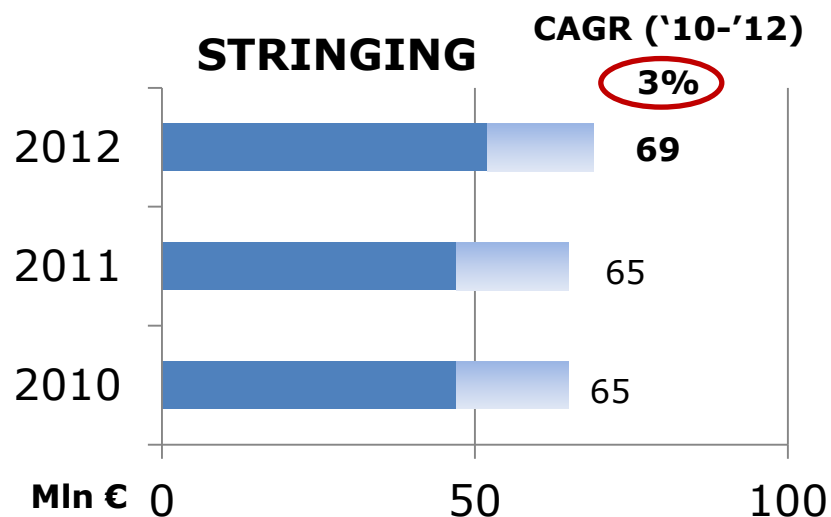
2010-2012 Revenues Evolution



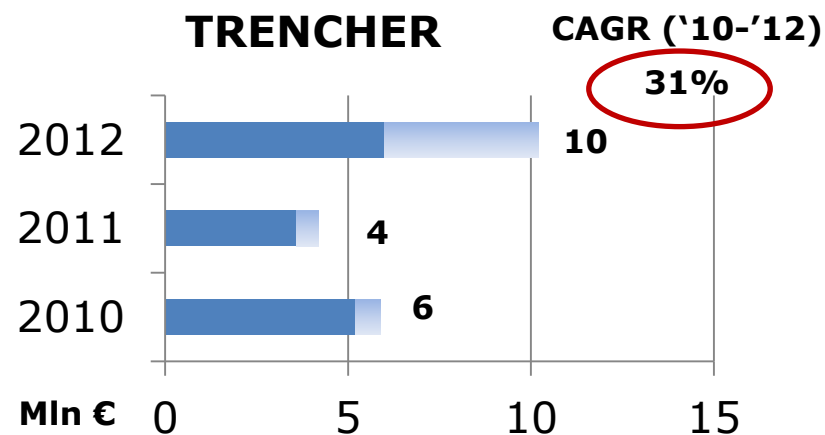
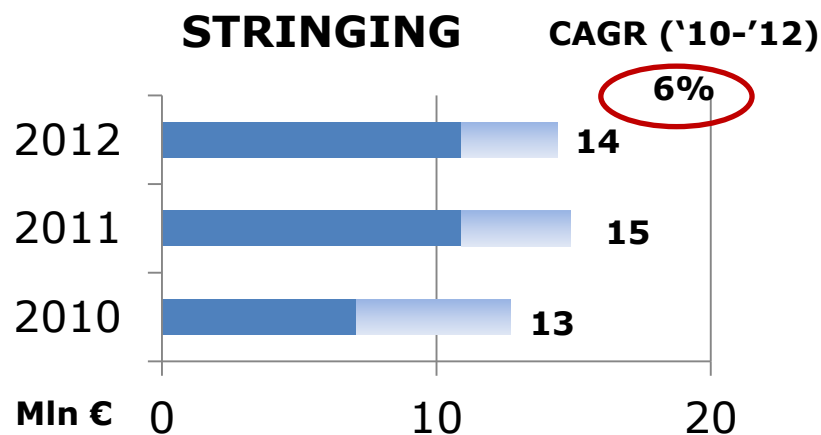
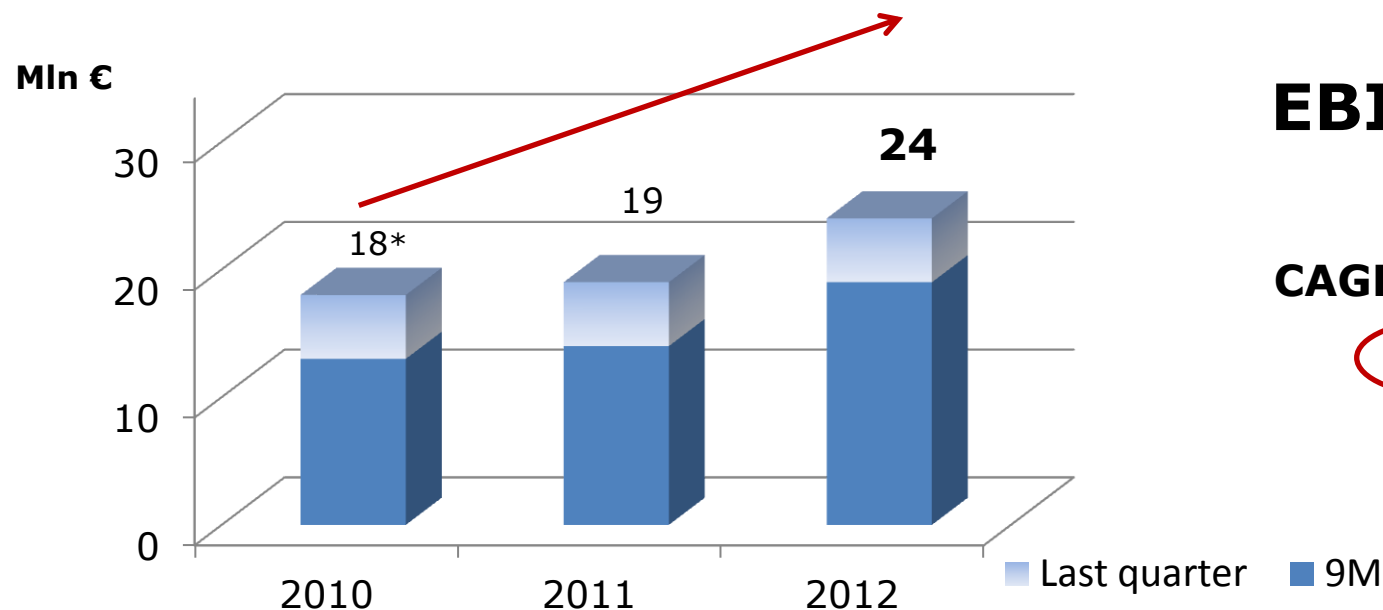
REVENUE

CAGR ('10-'12)

7%

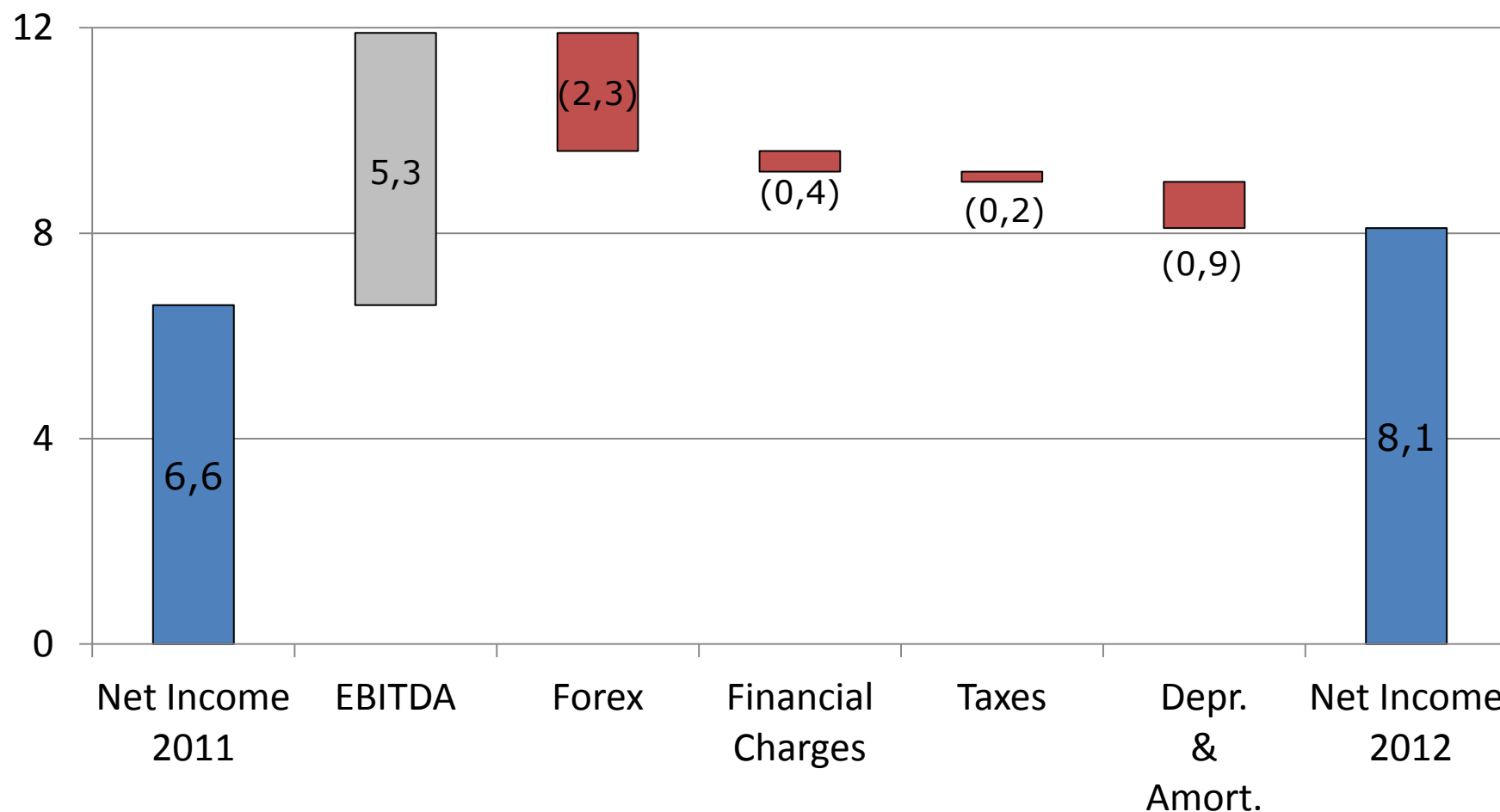


2010-2012 EBITDA Evolution



* EBITDA affected by 3,3 IPO non recurring costs -> EBITDA Recurring Euro 18.4 Mln

NET PROFIT 2012



2011

EBITDA increase partially offset by the exchange rate

2012

2012 Financial Results

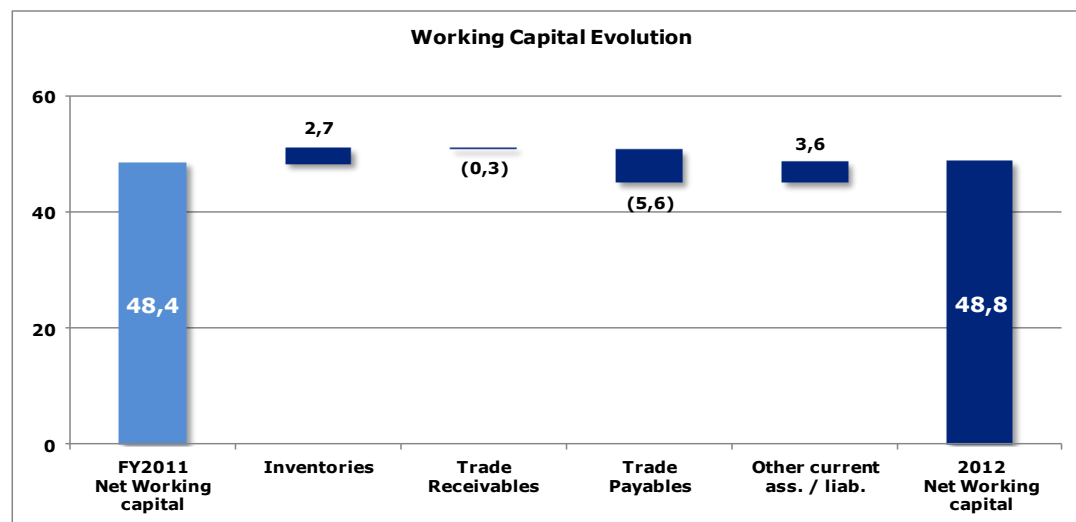
Financial Information (Euro Mln)	9M 2012	FY 2012	FY 2011
NWC	49,2	48,8	48,4
Non current assets	51,1	49,6	48,2
Other LT assets/(Liabilities)	1,1	1	1,9
NET INVESTED CAPITAL	101,4	99,4	98,5
NFP	60,8	56,5	59,6
EQUITY	40,6	42,9	38,9
TOTAL SOURCES OF FINANCING	101,4	99,4	98,5

Working Capital Evolution

Values in € Mln

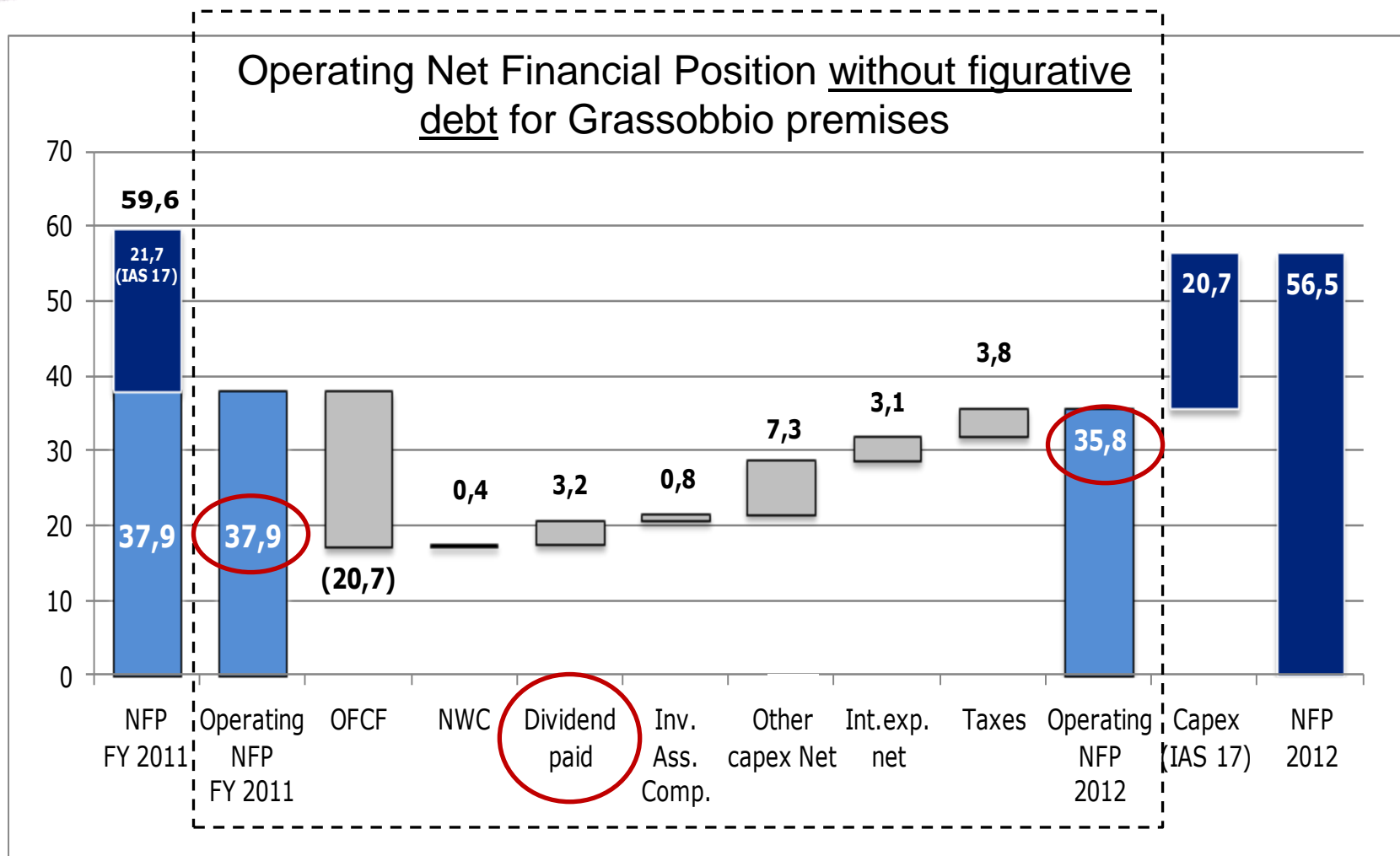
	FY 2012	FY 2011	Days* 2012	Days* 2011
Trade Receivables	43,6	43,9	131	141
Inventories	44,8	42,1	135	136
Trade Payables	(32,1)	(26,5)	96	85
Other current assets/(Liabilities)	(7,5)	(11,1)	23	35
NET WORKING CAPITAL	48,8	48,4		

* Calculated on Revenues



2012	
NET WORKING CAPITAL	41%
REVENUES	
2011	
NET WORKING CAPITAL	43%
REVENUES	

Net Financial Position Evolution



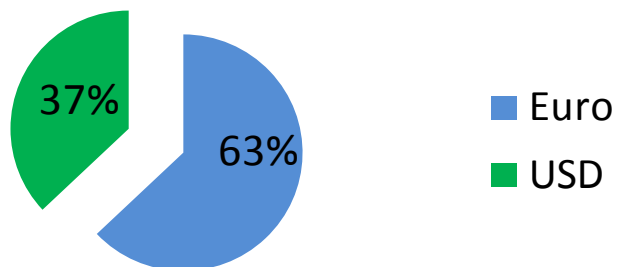
2011

Generating good cash flow after paying a good dividend

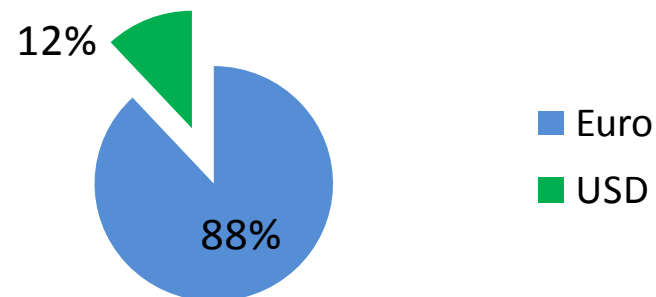
2012

Exchange exposure 2012

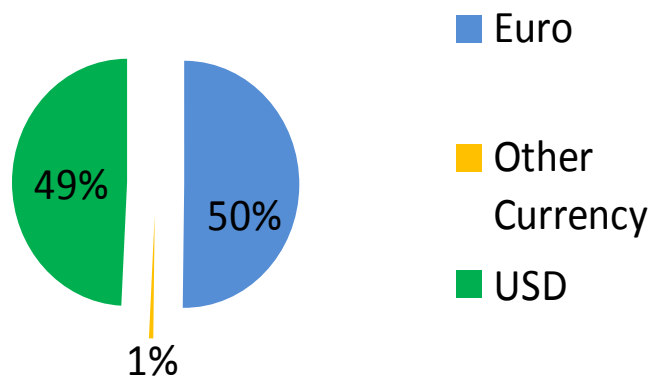
Revenues



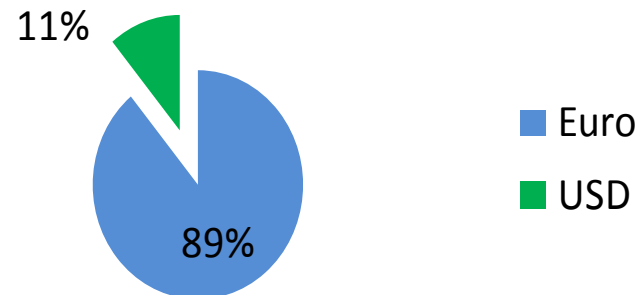
Operating Costs



Trade Receivables



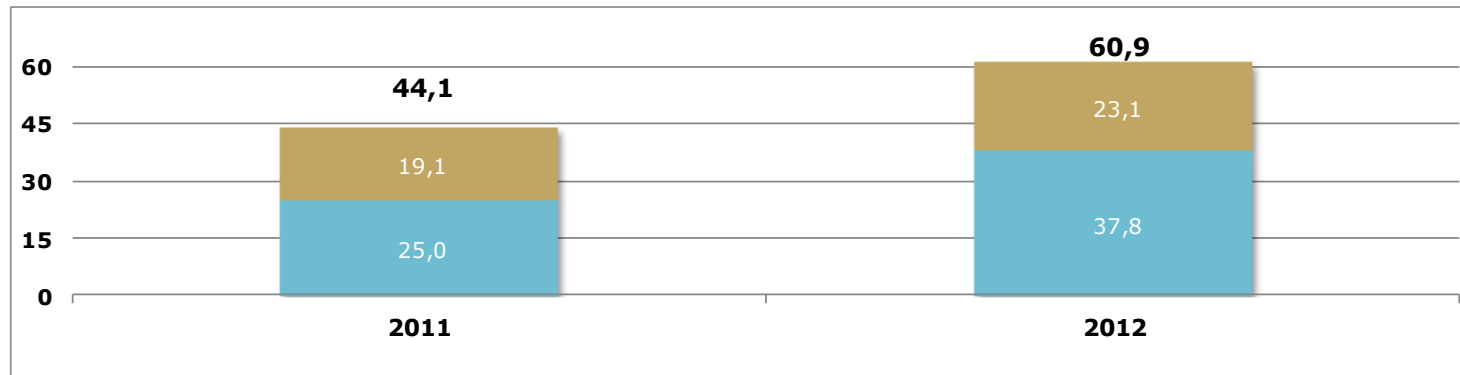
Trade Payables



Order Book

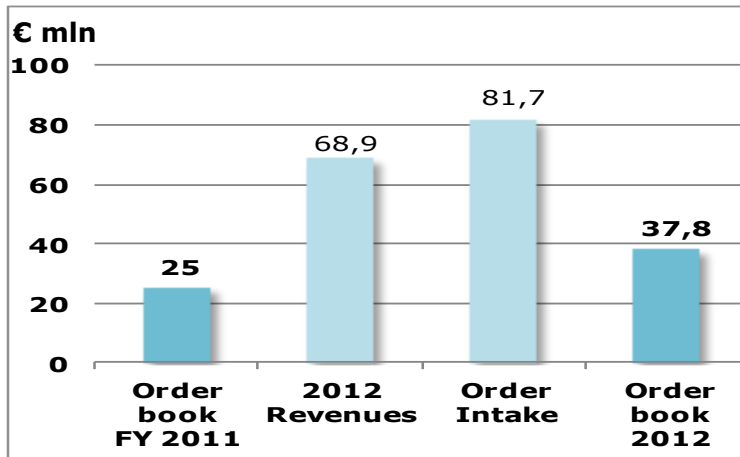
ORDER BOOK YEAR END 2011 – 2012

€ mln

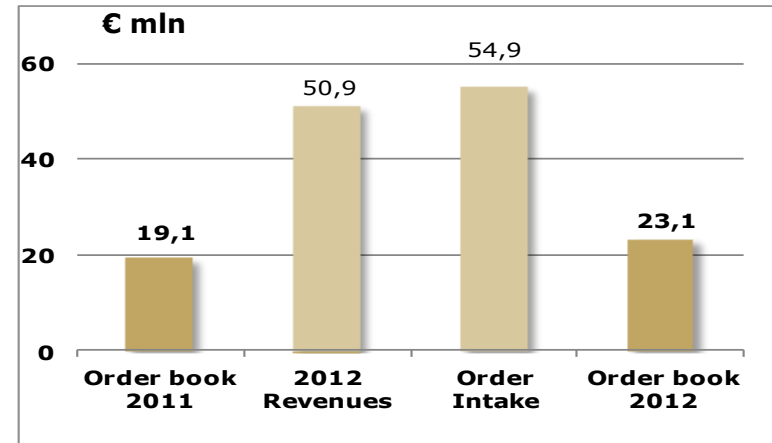


Stringing Equipment Trenchers

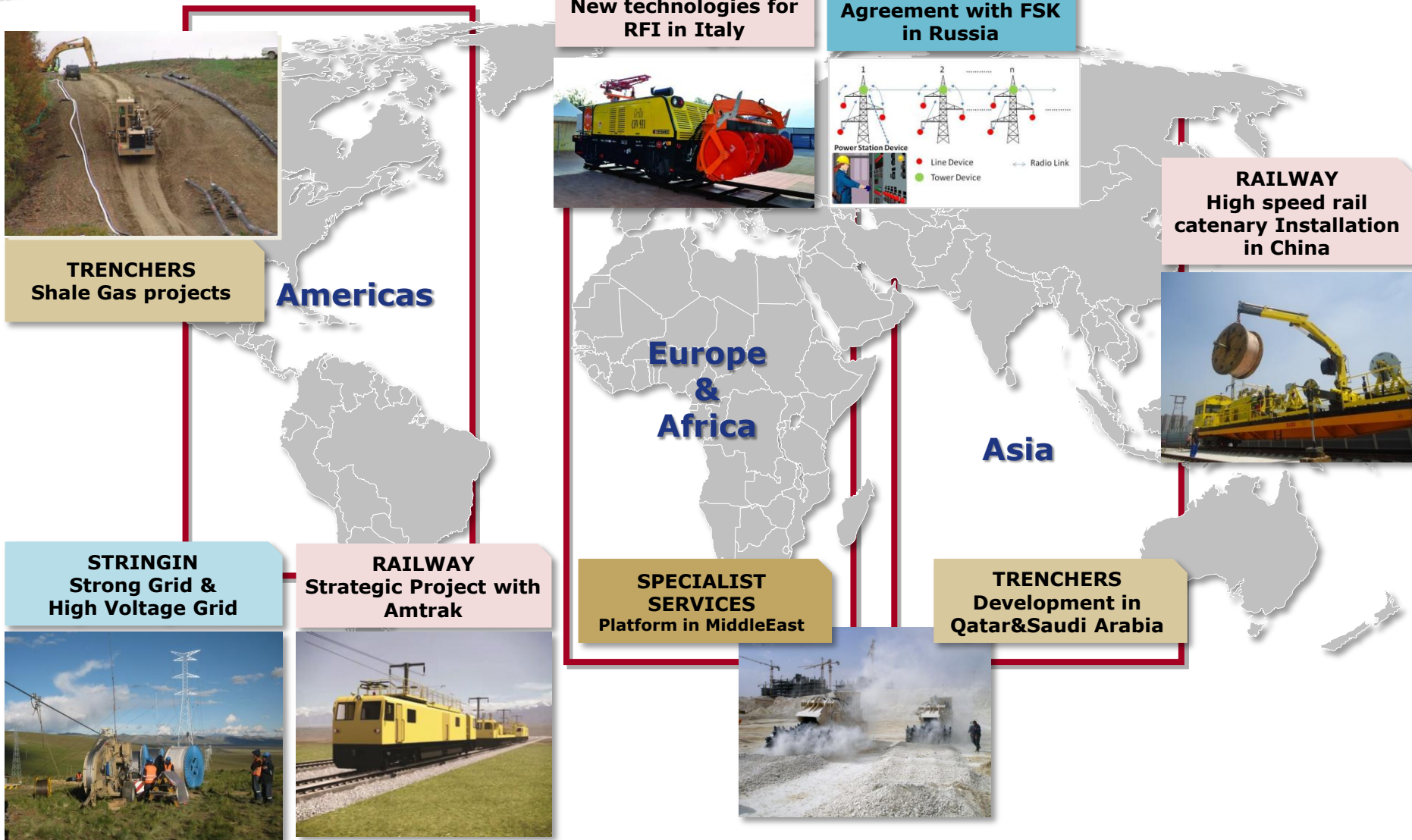
STRINGING EQUIPMENT



TRENCHERS



Key Projects



Outlook 2013 - 2015

Revenue increase in all lines of business for the **next 3 years:**

- **Single digit** in *Stringing and Trencher*;
- **Double digit in new business lines** (*Railway, Efficiency and Special Contracting*).

Financial:

- No increase in Share Capital;
- Good dividend pay-out ratio;
- Capex in line with previous years.



Appendix A - Summary 2012 Profit & Loss statement

Profit & Loss Account (€ mln)	2012	2011	Delta vs 2011	Delta %
Net Revenues	119,8	111,8	8,0	7%
Raw materials costs (-)	(56,0)	(55,6)	(0,4)	1%
Cost for services (-)	(20,3)	(20,9)	0,6	-3%
Personnel Costs (-)	(20,3)	(17,9)	(2,4)	13%
Other operating revenues/costs (+/-)	(2,0)	(1,6)	(0,4)	25%
Portion of gain/(losses) from equity investments evaluated using the equity method	0,2	(0,1)	0,3	-300%
Capitalized R&D expenses	2,9	3,3	(0,4)	-12%
Total operating costs	(95,5)	(92,8)	(2,7)	3%
<i>% on Net Revenues</i>	<i>(80%)</i>	<i>(83%)</i>		
EBITDA	24,3	19,0	5,3	28%
<i>% on Net Revenues</i>	<i>20%</i>	<i>17%</i>		
Depreciation, amortization (-)	(6,7)	(5,7)	(1,0)	18%
EBIT	17,6	13,3	4,3	33%
<i>% on Net Revenues</i>	<i>15%</i>	<i>12%</i>		
Net Financial Income/Expenses (+/-)	(5,4)	(2,5)	(2,9)	116%
Taxes (-)	(4,1)	(4,2)	0,1	-2%
Minorities	-	-	-	-
Net Income (Loss)	8,1	6,6	1,5	23%
<i>% on Net Revenues</i>	<i>7%</i>	<i>6%</i>		

Appendix B - Summary Balance Sheet

Balance Sheet (€ mln)	2012	2011
Inventory	44,8	42,1
Accounts receivable	43,6	43,9
Accounts payable (-)	(32,1)	(26,5)
Op. working capital	56,3	59,5
Other current assets (liabilities)	(7,5)	(11,1)
Net working capital	48,8	48,4
Tangible assets	39,8	38,9
Intangible assets	7,6	8,0
Financial assets	2,2	1,4
Fixed assets	49,6	48,3
Net long term liabilities	1,0	1,8
Net invested capital	99,4	98,5
Cash & near cash items (-)	(17,1)	(13,8)
Short term financial assets (-)	(5,2)	(2,4)
Short term borrowing	29,6	25,4
Medium-long term borrowing	49,3	50,4
Net financial position	56,5	59,6
Equity	42,9	38,9
Funds	99,4	98,5

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, March 14, 2013

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



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