



Tesmec Group

STAR Conference 2021



- 0. Tesmec Group at a glance
- 1. Key market trends & strategy
- 2. 2020 Business highlights & Results
- 3. Outlook
- 4. ANNEX

0.

Tesmec Group at a glance

PURPOSE

Consolidate the position as a **solution provider** in the reference markets driven by the trends of **energy transition, digitalization, and sustainability**.

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 (oil and derivatives, gas, water).

Value proposition

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

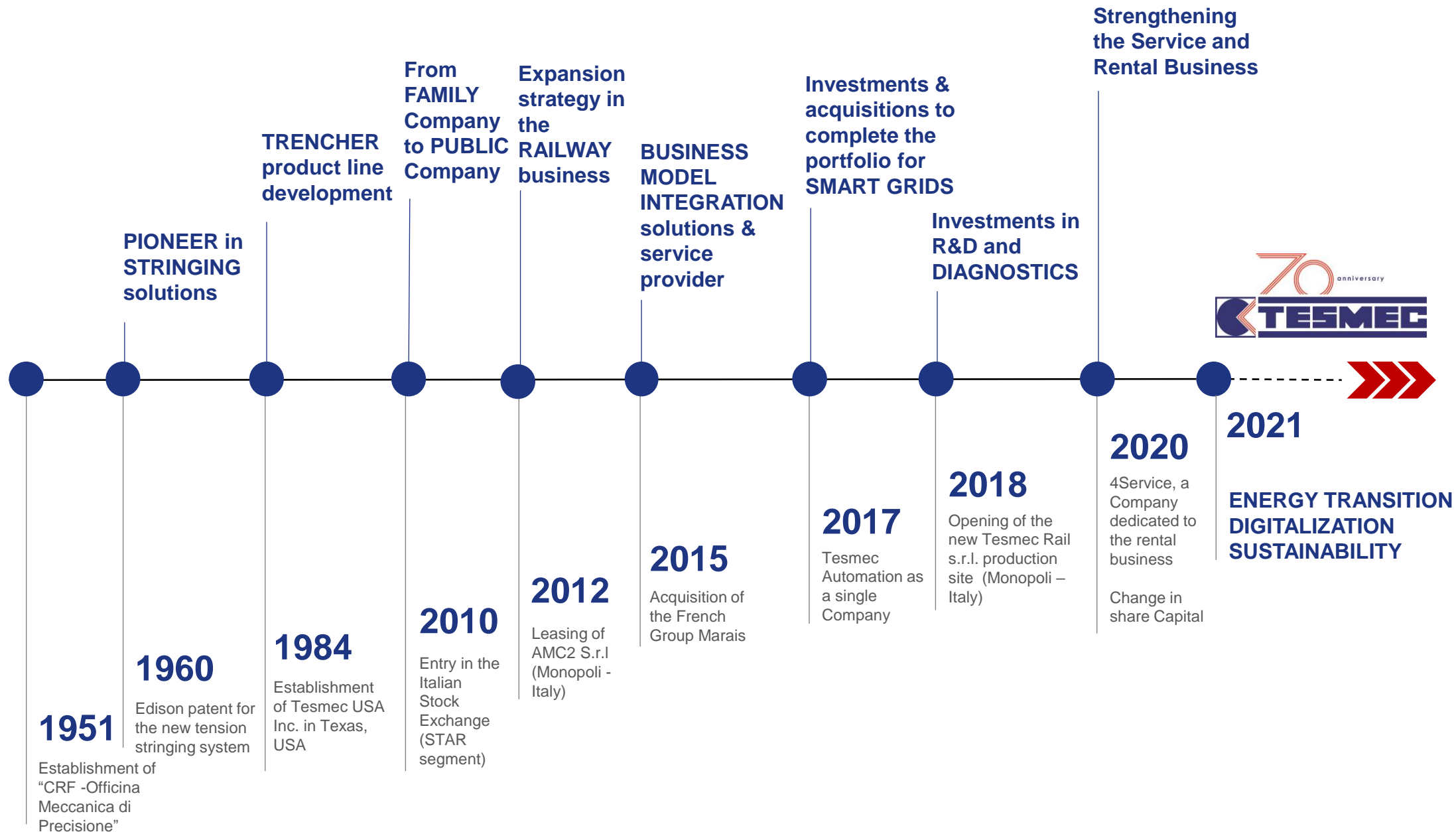
Strategy

- Innovation
- Integration
- Internationalization



**ENERGY AND DATA
TRANSPORT**

History of Innovation



Tesmec Group at a glance



ENERGY - STRINGING



- Solutions for power lines construction & maintenance
- Advanced methodologies for automating jobsite
- Zero emissions machines

ENERGY AUTOMATION



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

70
YEARS
of experience

+900
PEOPLE

9
MANUFACTURING
PLANTS



+135
COUNTRIES
choose Tesmec

75%
EXPORT

RAILWAY



- Catenary lines construction & maintenance
- Diagnostic vehicles and systems
- Integrated platform for safe infrastructure

TRENCHER



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

2020 Financial Highlights



REVENUES

172.8

M€
proforma

EBIT

-0.6

M€
proforma

EBITDA

22.9

M€
proforma

NFP

104.4

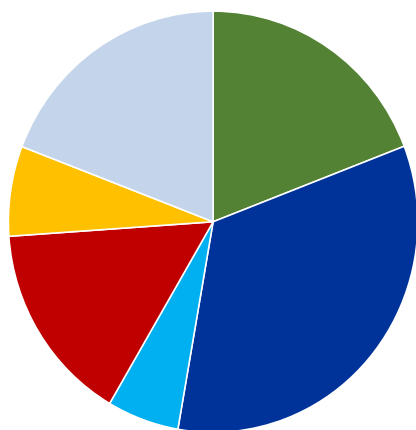
M€

BACKLOG

282.4

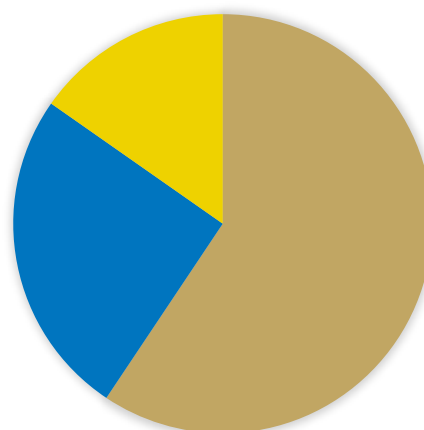
M€

2020PF Revenues



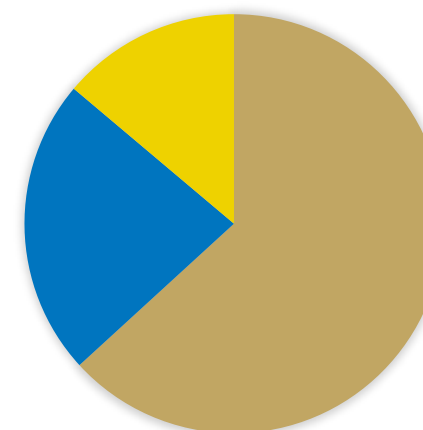
■ Italy
■ Europe
■ Middle East
■ BRICs and Oceania
■ Africa
■ North-Central America

2020PF Revenues



■ Trencher
■ Energy Automation and Stringing
■ Rail

2020PF EBITDA



■ Trencher
■ Energy Automation and Stringing
■ Rail

1.

Key market trends & strategy

INVESTMENT & DIVERSIFICATION



2020-2023

THE NEXT DEVELOPMENTS

New Business Model

- INTEGRATED SYSTEMS
- DIGITAL SOLUTIONS
- FULL SERVICES

to increase recurring revenue streams







Strategic drivers

- DIGITALISATION
- SUSTAINABILITY
- ENERGY TRANSITION



Green and Digital Technology trends drive market opportunities



Sector	BU	Main markets	Market growth	Key growth drivers
ENERGY & RENEWABLES	ENERGY TRENCHER		Power grid 23%* 2019-2040 Smart Grid CAGR 11.8% 2019-2025	<ul style="list-style-type: none"> Environmental issues and greater focus on energy saving and efficiency Faster growth of renewables in the electricity sector Trends related to electrification (e.g. electric cars) and cybersecurity
TELECOM & FIBRE	ENERGY TRENCHER		CAGR 5% 2020-2025	<ul style="list-style-type: none"> Increase in internet users and demand for high-speed internet Growth in demand for improved IT infrastructure, especially in emerging economies
RAIL	ENERGY RAIL		CAGR 2.2% 2019-2025	<ul style="list-style-type: none"> Pushing improvement and safety of existing railways in order to reduce accidents (Italy and Europe) Technical market trends include technologies for alternative traction systems (hybrid, zero emission ...)
SURFACE MINING	TRENCHER		CAGR 1.5% 2020-2023	<ul style="list-style-type: none"> Growing attention to security standards resulting in increase in regulations on the use of explosives Need for technological changes to increase sustainability while reducing operational costs (smart mining)
CONSTRUCTION AND UTILITIES*	TRENCHER		n.a.	<ul style="list-style-type: none"> Demographic boom, new cities or enlargement of existing ones (Africa and Asia) Increasing investment in water pipes, irrigation/drainage and wastewater management
PIPELINE	TRENCHER		n.a.	<ul style="list-style-type: none"> Oil and natural gas price issues More restrictive regulations on ageing pipelines in developed markets Growing gas demand (Asia- Pacific, Russia, Africa) and need for additional pipeline capacity

Note: * increase in average annual investment to reach Paris Accord targets compared to current trends
Source: IEA, WEO, 2019

 Main Tesmec target sectors  Secondary Tesmec target sectors

Energy Stringing



T&D POWER LINES

- SOLUTIONS FOR POWER LINES CONSTRUCTION & MAINTENANCE
- ADVANCED METHODOLOGIES FOR AUTOMATING JOBSITE
- ZERO EMISSIONS MACHINES



Market attractiveness

- Increasing electricity demand and Renewable Energy Sources (RES) generation
- Important infrastructure investments in “long distance” and “large capacity” transmission projects with a dramatic increase of underground HV links
- Increasing of maintenance and refurbishment of aging lines projects in US and Europe

Technological drivers

- **Digitalization** of the products’ portfolio, 4.0 Industry approach
- Innovative and extremely **safe** working methodologies for power lines **refurbishment**
- Trends related to **sustainability & green approach**

Business model

Integrated solution provider

- Supply of complete packages tailor made
- Longest warranty period in the industry
- Technological support from experienced engineers.
- Full training package with professional experts and onsite academy

Positioning

TESMEC is **the first supplier of specialized equipment for energy infrastructure construction & maintenance thanks to:**

- A complete digital product range of machines equipped with the latest 4.0 technology
- An important R&D program based on new methodologies & sustainability
- A worldwide sales & after sales network

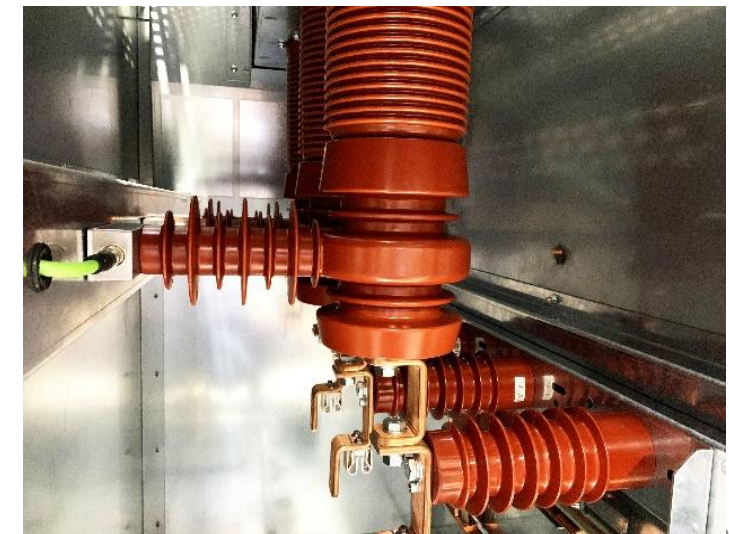
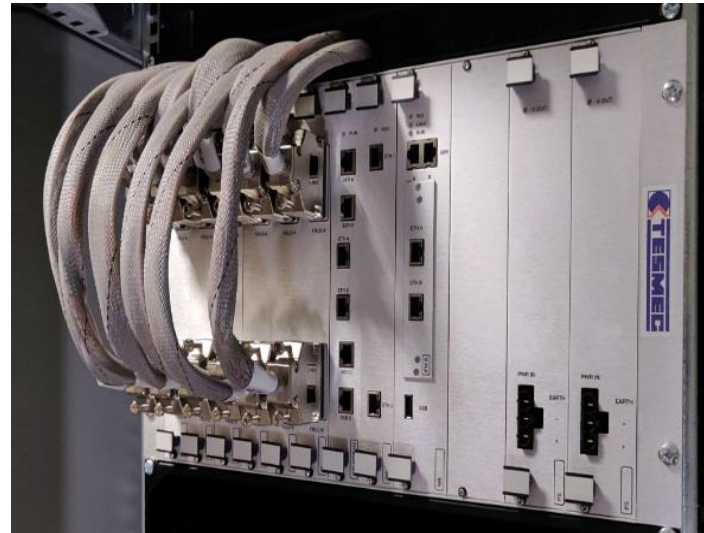
Client type: Utilities, Main contractors, Sub-contractors, Maintenance service companies

Energy Automation - Fields of application



SMART GRIDS

- PROTECTION & MONITORING
- REMOTE CONTROL
- SERVICE TELECOMMUNICATIONS
- SMART METERING



Market attractiveness

- Double digit growth rates of **Smart Grid** investments in network infrastructure worldwide
- New business models in the energy sector driven by **digitalization and data analytics**
- Stronger focus on environmental sustainability and **energy efficiency** solutions
- Increasing investments in **renewables** infrastructure and new challenges to guarantee continuity of power supply

Business model

Integrated solution provider

- Pre-sales technical analysis
- Direct sales and participation to tenders
- Marketing of state-of-the-art products
- Custom design and production
- Engineering solutions
- After-sales on-site assistance

Technological drivers

- **IoT technologies** to provide full monitoring and diagnostics of electrical systems
- Integrated **Substation Automation Systems** based on unified international standard protocols
- Growing pressure on **Cyber-security**

Positioning

TESMEC is an **innovative player** focused on the design and development of tailor-made energy solutions thanks to:

- Significant in-house technical know-how
- Integrated product portfolio, fully compliant with Smart Grids and Cyber-security standard requirements
- Strong focus on R&D investments

Client type: Electrical utilities (DSO and TSO), EPC contractors, System integrators

Trenchers - Fields of application



UNDERGROUND INFRASTRUCTURES

- TELECOM NETWORKS, FTTH & LONG DISTANCE
- POWER CABLE INSTALLATION & RENEWABLES ENERGIES
- BULK EXCAVATION, QUARRIES & SURFACES MINING
- OIL & GAS, WATER PIPELINES



Market attractiveness

- Favorable legislation (e.g. Ultra-broadband strategic plan; 5G action plan), increase in internet users and demand for high-speed internet (e.g. E-commerce, mobile payment, smart working) lead to a high attractiveness of the sector
- Relevant investments are expected because of the 5G technology development and the spread of FTTH networks
- Investments in renewables infrastructure are expected to represent 40% of total power investments thanks to policy support and declining technology costs
- Projects in construction phase are growing, signaling expansion of mining activity

Technological drivers

- **Clean and Fast** excavations with simultaneous laying and dust suppression
- Substitution of drill & blast technology by trencher technology due to **safety** reasons
- Need for technological changes to increase **sustainability** while reducing operational costs
- Cross industries **electrification** trends

Business model

Full-service provider

- Pre-sales consultancy, feasibility studies and geological analyses
- Custom design and manufacturing
- Sale, rental without operator (Dry rental) or with operator (Wet rental)
- On-site training (worker theoretical and practical training)
- After-sale assistance, spare parts sale, on-site technicians, long term service agreement

Positioning

TESMEC is a **leading player** with an advanced solution range:

- Integrated business model sales + rent + services
- Complete machine range for several applications
- R&D and product development (reliability, resistance, versatility, user-friendly, digitalization)

Client type: contractors/sub-contractors, dealers

Railway - Fields of application



RAILWAY LINES

- CATENARY INSTALLATION
- MAINTENANCE OF RAILWAY LINES
- DIAGNOSTIC OF RAILWAY INFRASTRUCTURES
- SMART PLATFORMS FOR BIG DATA MANAGEMENT



Market attractiveness

- Sustainable energy supply is among the investment drivers across EU. The percentage of electrified lines varies between EU countries and Italy is among the countries with the most electrified rail infrastructure
- Investments in maintaining and renewing the existing railway networks have increased in EU in the past years.
- Improving safety and operational performance and ensuring a reliable service are important challenges for the infrastructure managers
- Particular attention to rail investment under the EU financial framework

Business model

Integrated solution provider

- Participation to tenders (mainly)
- Custom design and production (adaptations to different regulations and technical specifications of the customer)
- Technical post-sale assistance
- Full maintenance services

Technological drivers

- **Digitalization and automation** are a major development stream that will shape the future of rail infrastructures and of maintenance activities
- Pushing improvement and **safety** of existing railways in order to reduce accidents
- Technical market trends include **technologies for alternative traction systems** (hybrid, zero emission ...)
- AI, digital information sharing and embedded sensors and telematics

Positioning

TESMEC is pioneer in catenary installation, leader in the maintenance of rail infrastructure and competitive player in measuring and diagnostic field:

- European homologation and certification of vehicles
- In-house integrated technological know-how
- Scalable platform of vehicles with vertical integration
- R&D focused on digitalization and electrification
- Ability to perform long term full maintenance services

Client type: National railways, Main contractors, Sub-contractors

ENERGY

STRINGING



INNOVATIVE WORKING METHODOLOGIES for grid maintenance

Green technologies for **SUSTAINABLE JOBSITES**

AUTOMATING process for new line construction

INTEGRATED and **OPTIMIZED** approach to underground HV links

ENERGY AUTOMATION



DIGITAL solutions and Substation Automation **SYSTEMS**

CYBERSECURITY requirements for Grid safety

IOT integration for energy data analytics
VIRTUALIZATION of technological application on multi purpose platform

TRENCHERS



CLEAN & FAST SOLUTIONS for underground energy cable and fiber optic networks

DIGITAL & CONNECTED systems

Autonomous Mining machine (**SMART Mining**)

Complete package of **INTEGRATED SERVICES** (sales, wet/dry rental, training, mapping, survey, fleet management...)

RAILWAY



Working vehicles **CERTIFIED** as passenger trains in EU

Advanced technologies for railway **ELECTRIFICATION**

AUTOMATED & CLOUD CONNECTED vehicles

Artificial Intelligence for **UNMANNED DIAGNOSTIC & BIG DATA MANAGEMENT**

Green approach with **HYBRID & BIMODAL SOLUTIONS**

Sustainability as key strategic driver



The 2020-2023 Business Plan envisages a focus on:

- Higher sustainability for the Group's activities, thanks to **more responsible production and consumption behaviour**
- Contribution to **decarbonisation** and the **smart economy**, thanks to offering customers more **digital and sustainable products and solutions**
- **ESG: environment, social and governance**

Tesmec's sustainable development goals chosen from the **United Nations' "2030 Agenda for Sustainable Development"**:



 <p>3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable and modern energy for all</p>	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES Make cities and human settlements inclusive, safe, resilient and sustainable</p>	 <p>15 LIFE ON LAND Sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss</p>

TRENCHER	<ul style="list-style-type: none"> ▪ New range of electric machines and technologies to increase sustainability in the extraction process ("smart mining")
ENERGY	<div style="background-color: #0070c0; color: white; padding: 5px; text-align: center;">STRINGING</div> <div style="background-color: #00a0e3; color: white; padding: 5px; text-align: center;">ENERGY AUTOMATION</div>
RAIL	<ul style="list-style-type: none"> ▪ New range of digital machines for a safe and faster jobsite and a full range of electric machines ▪ Solutions to integrate and manage renewable energy sources, and to improve the efficiency of electricity networks ▪ R&D for the design of hybrid and full electric vehicles, equipped with diagnostic systems to increase infrastructure security

Tesmec's actions to reduce its environmental impact:

- Energy efficiency and reduced use of polluting materials in the production process
- Waste management and disposal
- Design of new technological solutions driven by the environmental impact of the use and disposal of products

2. 2020 Business highlights & Results

CORPORATE

- Success of share capital increase
- New ERP project implementation and go live for Tesmec SpA
- Cost saving actions

ENERGY

STRINGING

PE1250 FULL ELECTRIC MACHINE:
A SOLUTION FOR TOMORROW

- NO OIL
- SILENT
- ZERO EMISSIONS



Important growth in **strategic markets**:

- US & Australia positive trend confirmed

Machines Improvements:

- **Digital 4.0** range becomes the standard
- Growing business on **tailor made** solutions

Green innovation & **new maintenance methodologies**:

ENERGY AUTOMATION



Growth strategy on Transmission market in Italy:

- New **systems engineering** approach to offer high added value and turnkey solutions for HV substations
- Increased opportunities for **integrated** remote control systems based on IEC 61850

Push on innovative technologies:

- Growing business on **cyber-security** protection and control solutions

TRENCHERS



Business model focused on increasing **recurring revenues**:

- Wide offer of services and cable laying solutions especially in EU (TLC, energy)
- Increasing demand of rental equipment instead of CAPEX

Relevant contracts awarded in the **renewable energy** field (Australia..)

Great opportunities in West Africa in the surface **mining industry** (bauxite..)

RAILWAY



Consolidation of the expertise in the diagnostic field:

- award of the **RFI tender** for a total value of 49.8 M€ for the supply of diagnostic railway vehicles

Growing importance of **recurring business** (Full Maintenance Service)

Solutions for catenary **refurbishment** (working methodology)

GROUP (€ mln)	2020 proforma	2020	2019 proforma	2019	Delta vs. Proforma 19-20	Delta vs. 19-20
REVENUES (1)	172,8	170,6	199,6	200,7	-13,4%	-15,0%
EBITDA (2) (3)	22,9	21,0	30,0	27,4	-23,8%	-23,6%
% on Revenues	13,2%	12,3%	15,0%	13,7%		
EBIT (4)	(0,6)	(0,9)	6,4	8,4		
% on Revenues	-0,3%	-0,5%	3,2%	4,2%		
Differences in Exchange (5)	(3,3)	(3,6)	(3,6)	0,8		
% on Revenues	-1,9%	-2,1%	-1,8%	0,4%		
PROFIT (LOSS) BEFORE TAX	(8,7)	(9,0)	2,0	4,2		
% on Revenues	-5,0%	-5,3%	1,0%	2,1%		
NET INCOME/(LOSS)	(6,5)	(6,8)	1,6	3,0		
% on Revenues	-3,8%	-4,0%	0,8%	1,5%		
GROUP (€ mln)	2020 proforma	2020	2019 proforma	2019	Delta vs. Proforma 19-20	Delta vs. 19-20
NFP ante IFRS 16	82,3	82,3	106,9	98,5	23,0%	16,4%
NFP post IFRS 16	104,4	104,4	130,9	118,0	20,2%	11,5%
NFP without Share capital Increase	129,1	129,1	130,9	118,0		

Achieved the target communicated during the process of the share capital increase

(1) **Revenues:** (mainly TRS Sales) **affected** by the actions taken by public authorities **to contain the spread of the COVID-19**. After the slowdown and lockdown phases, **the Group restarted its activities in May**, reaching **full operations** during **June** and **generate around 100 M€ of revenues in the 2H**

(2) **EBITDA:** **negative impact** by the **drop of TRS sales** and the performance of the **railways business due to the production of low margin vehicles**. **Positive impact** thanks to **Rental activities with high margin and cosst reduction**

(3) **Efficiency:** **Starting from March**, the Group undertook **all the necessary actions to contain its fixed costs**. **This actions will impact the 2H, too**. **The Group collected all the possible operating grants in the different countries around the world**

(4) **Impacted by 4service's fleet depreciation**

(5) **Negative impact of Forex losses (USD & related currencies)**, **3,3 M€ are "not realized" forex losses**.

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

2020.FY Proforma Closing – Business Breakdown



ENERGY	2020	2019	Delta %
Revenues	43,8	44,2	-1,0%
EBITDA	5,3	5,6	-6,2%
% on Revenues	12,0%	12,6%	

- > The **decrease** is related to the **lockdown** and **slowdown** in the 1H
- > Improved **3Q-4Q resiliency of the Energy sector** and the better performance of the **Energy Automation**, Euro **10,0 million** of revenues in the **2H** and a better margin mix
- > The **confirmed order backlog** was Euro **76,2 million** of which Euro **54,0 million** from the **Energy Automation**



TRENCHERS	2020	2019	Delta %
Revenues proforma	102,6	125,3	-18,1%
EBITDA proforma	14,4	16,6	-13,5%
% on Revenues	14,0%	13,3%	

- > **Drop of the sales** in the first half and **slowdown of the USA market of the 2020.Q4**, due to political instability linked to the election
- > More impact on **TRS sales** than rental
- > **Better % EBITDA** thanks to the **integration** of the **rental activities**
- > The **confirmed order backlog** was Euro **84,6 million**



RAILWAY	2020	2019	Delta %
Revenues	26,4	31,1	-15,2%
EBITDA	3,2	5,2	-38,2%
% on Revenues	12,2%	16,8%	

- > The **decrease** is mainly due to the **slowdown / lockdown**, mitigated by the **relaunch of activities in May** and the **delay of the new tenders acquisition or tenders confirmation** with high margin.
- > **EBITDA** is affected by low margins **vehicles**
- > The **confirmed order backlog** was Euro **121,6 million**, thanks the confirmation of the Euro **50 million** of the award of the **RFI Tender**, already communicated in the **2021.Q2**



(1) Including the confirmed award of the RFI tender for the production of diagnostic vehicles for around Euro 50 million and an RFI order of revamping activities for Euro 7,5 million

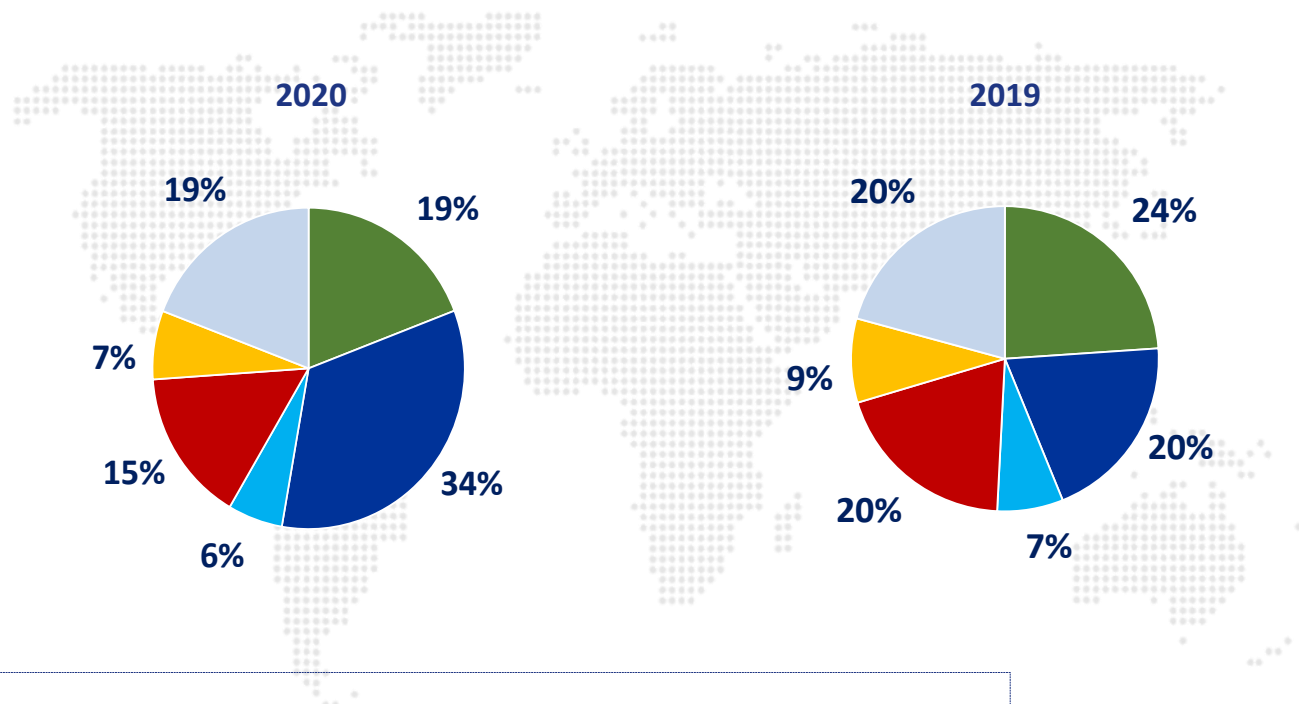
(2) Of which Euro 54 million by Energy Automation

2020.FY Revenues: sales spread over different geographical area



INTERNATIONAL SCALE, FOCUS ON EU-USA

IMPORTANCE OF THE ITALIAN MARKET



ITALY: railway business & energy automation impact



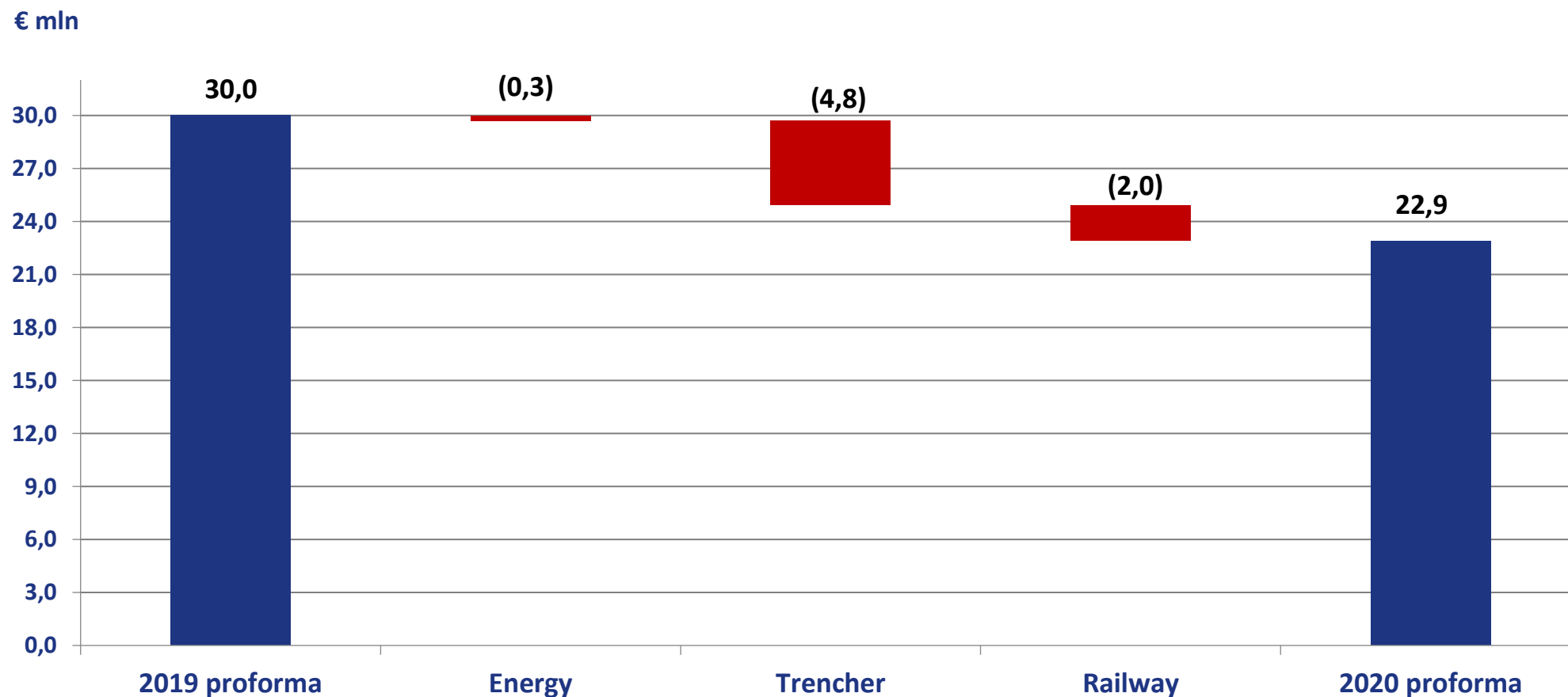
USA&EU: trencher and railway impact



BRICS: trencher and stringing impact



2020.FY Proforma EBITDA



2019

Impacted from the drop of TRS sales in the 1H (partially mitigated by the rental activities) and from the negative performance of railways business for the execution of low margin orders.

2020

2020.FY Financial Results



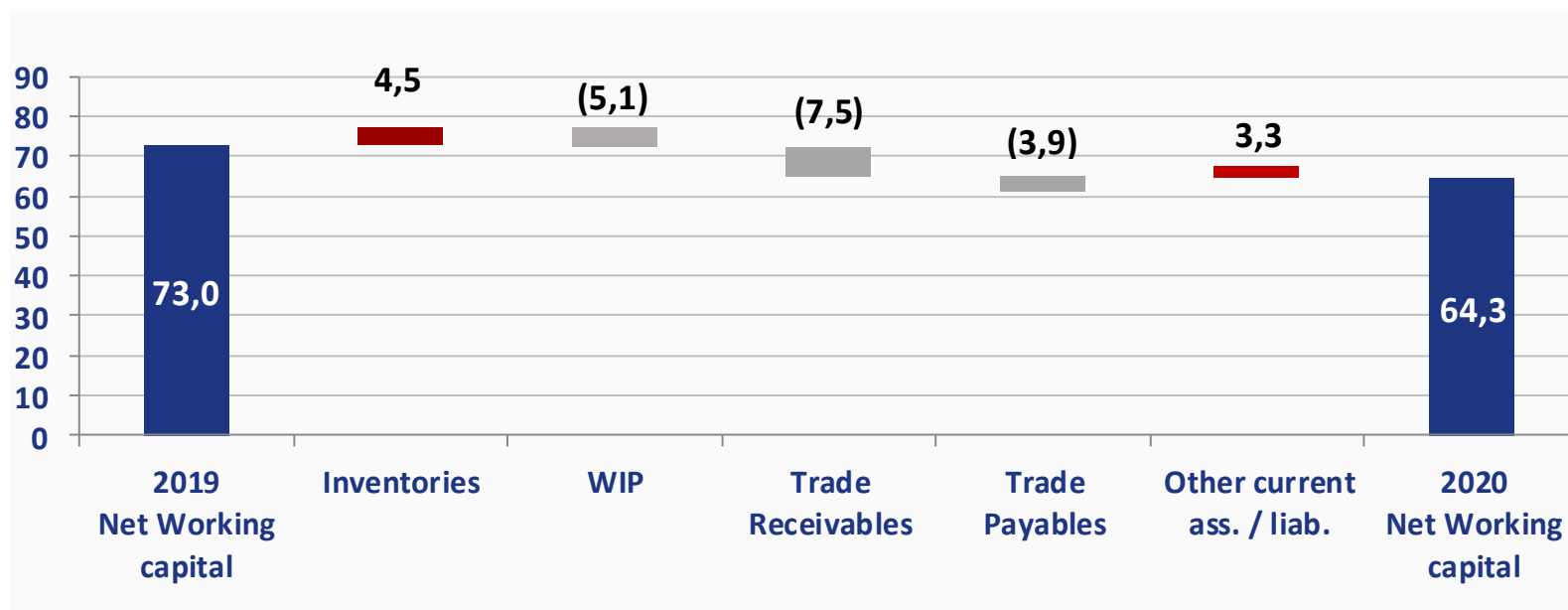
Financial Information (€ mln)	2020	2019
Net Working Capital	64,3	73,0
Non Current assets	76,7	66,8
Right of use - IFRS 16/IAS 17	22,8	20,1
Other Long Term assets/liabilities	10,0	4,2
Net Invested Capital	173,8	164,2
Net Financial Indebtness	82,3	98,5
Lease liability - IFRS 16/IAS 17	22,1	19,5
Equity	69,4	46,2
Total Sources of Financing	173,8	164,2

2019

Decrease of NWC (mainly for the work in progress and receivables reduction), increase of the asset by the change of Group perimeter (4Service Group) and decrease of NFP due the decrease of the NWC and share capital increase

2020

2020.FY Working Capital evolution



€ Mln	2020	2020.1H	2019	2020	2019
Trade Receivables	60,4	59,8	67,9	127	122
Inventories	74,4	77,5	69,9	157	125
Work in progress contracts	11,2	17,8	16,3	24	29
Trade Payables	(61,4)	(50,9)	(57,5)	-130	-103
Other Current Assets/(Liabilities)	(20,4)	(21,0)	(23,6)	-43	-42
Net Working Capital	64,3	83,3	73,0		

2019
€ 73,0 mln

After the increase of the NWC due to the impact of the Covid 19 in the 1H, the Group recorded a reduction of the inventories and working in progress and a better balance of DPO - DSO

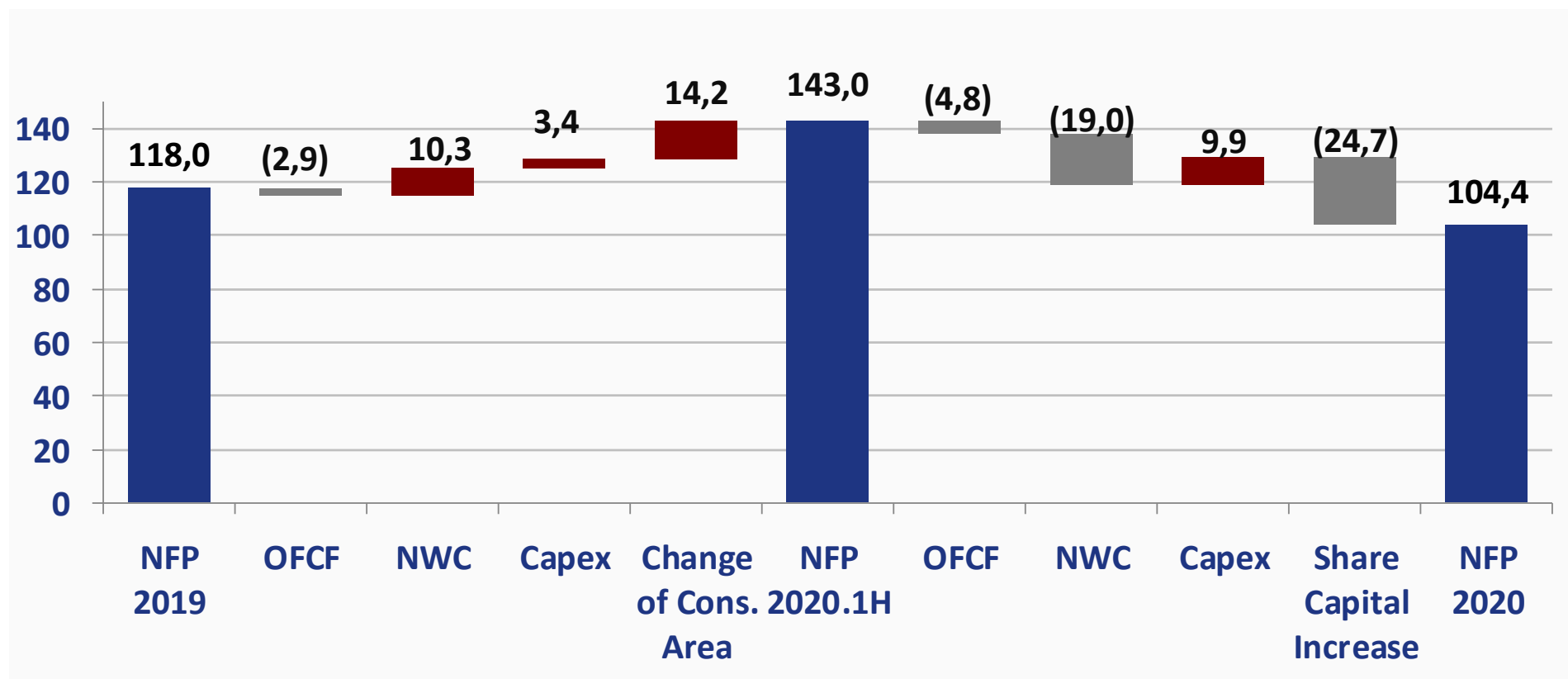
2020
€ 64,3 mln

2020.FY Net Financial Position Evolution



€ mln

NET FINANCIAL POSITION



2019

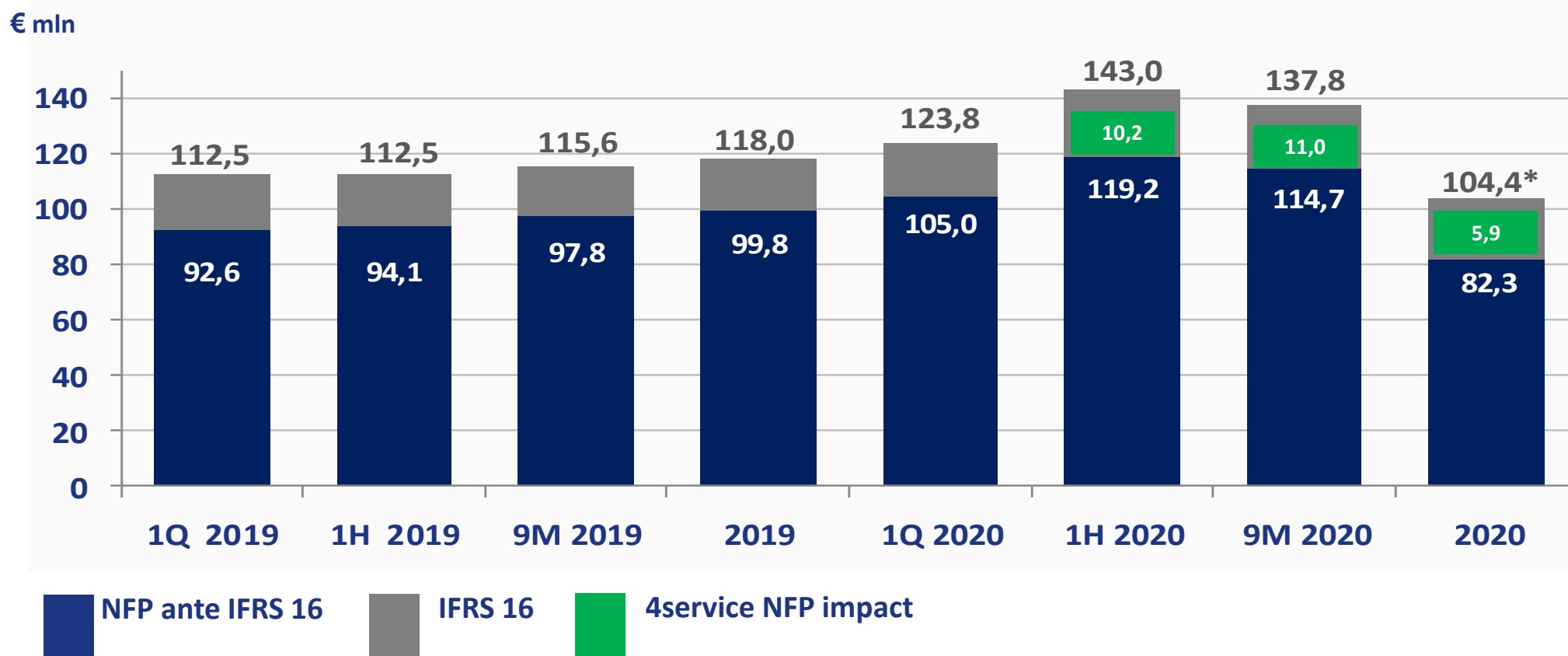
Impacted by the change of Cons Area and NWC in the 1H, starting from Q3 NFP has been reducing by the impact of the share capital increase, the operating cash generation and the reduction of NWC

2020

2020.FY 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 23,1 M€, otherwise the NFP would have been around 82,3. Since April the NFP included the financial debt from the acquisition of 4service around 5,9 M€.

3.

Outlook

MACRO ECONOMIC SCENARIO

- Booming of specific geographic areas (e.g. Asia Pacific)
- Positive impact of recovery plans on reference markets of the Group
- Growth of demand, increasing supplying process, higher logistic costs and commodities, shortage of materials
- Stronger foreign currencies (USD..)
- Stable interest rates thanks to the incentives package

COVID-19

- 2021 year of the recovery: vaccination plan worldwide
- Uncertainty in the short term but long-term trends confirmed
- Push on specific industry such as Telecommunication and Energy due to the increasing need of connectivity and smart infrastructures

ENERGY

STRINGING

ENERGY AUTOMATION



Expected positive outlook driven by "**Green Deal**" on key markets such as US, Western Europe and Australia

Innovation and optimization of newly developed solutions

Portfolio rationalization and industrial planning for stock reduction

Strong growth perspective based on high visibility significant market opportunities

Profitability improvement coming from

- Product mix
- Economies of scale

COVID impact on lead times and not on new projects

TRENCHERS



Further focus on **recurring revenues** through the offer of rental business model

Strategic positioning in key and growing sectors such as:

- Telecommunication: higher connectivity request
- Mining: increasing demand of raw materials
- Renewable: push on green energies

RAILWAY



Increasing revenues thanks to:

- Strong **backlog** (121.6 M€)
- Opportunities in EU, tenders pipeline

Higher **margins** thanks to:

- new products in the portfolio
- diagnostic solutions
- services growth

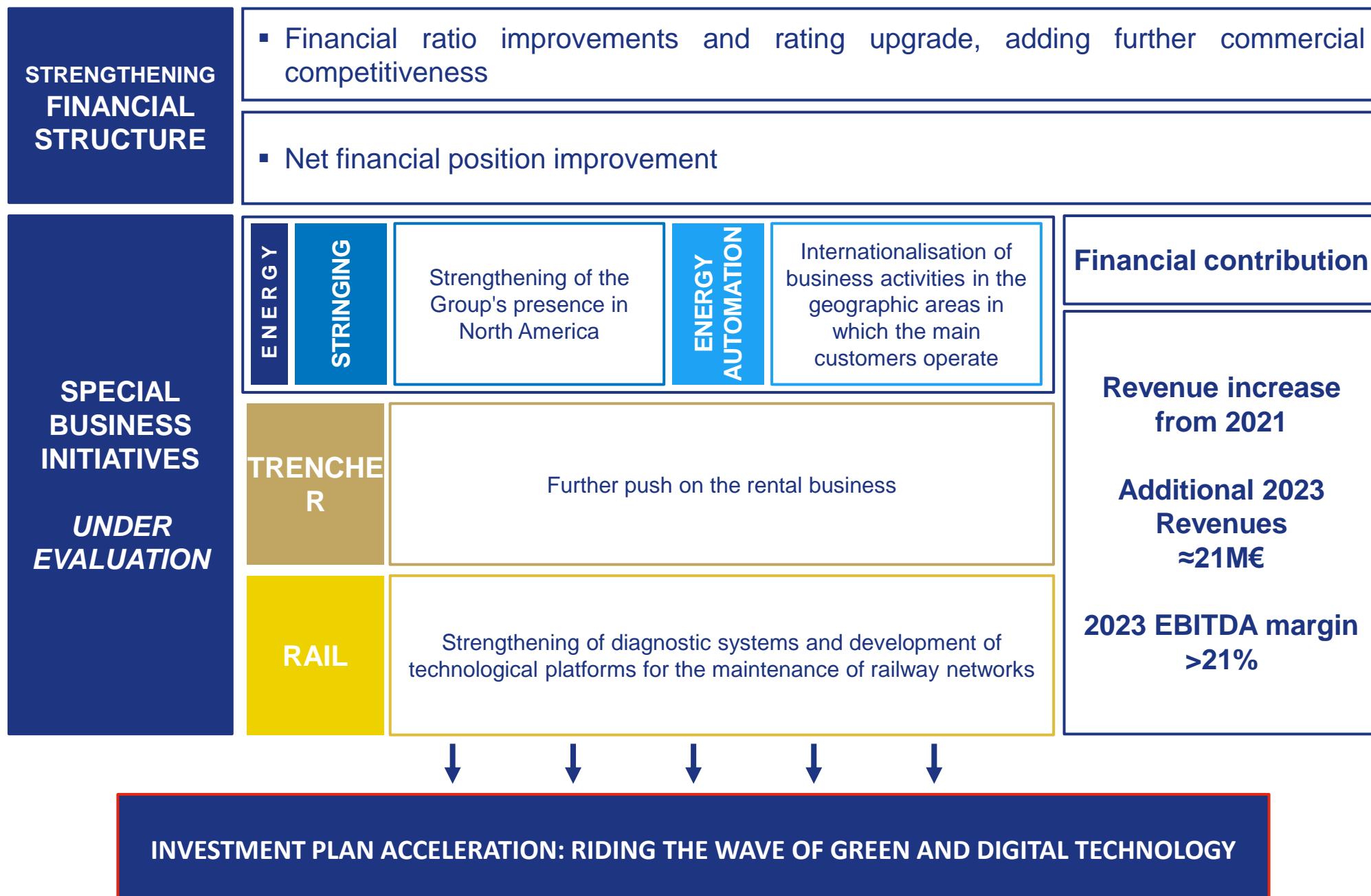
R&D and product development in line with the latest **technological trend** (green and diagnostic)

2020-2023 Business Plan guidelines - Confirmed



	2019 _{pf}	2020 _{pf}	2021	2023
TURNOVER	199.6 M€	172.8 M€	~ 220 M€	275 ~ 290 M€ cagr ₁₉₋₂₃ : 8.5%~10.0%
			<ul style="list-style-type: none"> >> Significant performance of the Energy Automation segment; Stringing segment back to historical performances >> Focus on recurring revenues (rental & services) >> Growth in each business line 	
EBITDA	30,0 M€ 15,0%	22,9 M€ 13,3%	>35,0 M€ >16,0%	53 ~ 58 M€ cagr ₁₉₋₂₃ : 17.0%~18.0%
			<ul style="list-style-type: none"> >> 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 	
NFP	130,0 M€	104,4 M€	~ 90 M€	~ 55 M€
			<ul style="list-style-type: none"> >> 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 	

USE OF PROCEEDS



4.

ANNEX

Summary 2020.FY Profit & Loss statement - Appendix A



Profit & Loss Account (Euro mln)	2020	2019	Delta vs 2019	Delta %
Net Revenues	170,7	200,7	(30,0)	-15,0%
Raw materials costs (-)	(77,4)	(88,0)	10,6	-12,1%
Cost for services (-)	(30,2)	(35,4)	5,2	-14,8%
Personnel Costs (-)	(48,5)	(52,6)	4,1	-7,8%
Other operating revenues/costs (+/-)	0,2	(4,7)	4,9	-104,4%
Non recurring revenues/costs (+/-)	0,0	0,0	0,0	na
Portion of gain/(losses) from equity investments evaluated using the equity method	0,5	0,2	0,3	107,1%
Capitalized R&D expenses	5,8	7,2	(1,4)	-20,0%
Total operating costs	(149,6)	(173,2)	23,6	-13,6%
<i>% on Net Revenues</i>	<i>(88%)</i>	<i>(86%)</i>		
EBITDA	21,1	27,4	(6,4)	-23,3%
<i>% on Net Revenues</i>	<i>12%</i>	<i>14%</i>		
Depreciation, amortization (-)	(21,8)	(19,1)	(2,8)	14,5%
EBIT	(0,8)	8,4	(9,2)	-109,3%
<i>% on Net Revenues</i>	<i>0%</i>	<i>4%</i>		
Net Financial Income/Expenses (+/-)	(8,2)	(4,2)	(4,0)	95,6%
Taxes (-)	2,2	(1,2)	3,4	-282,1%
Minorities	(0)	(0)	(0,0)	
Group Net Income (Loss)	(6,8)	3,0	(9,7)	n/a
<i>% on Net Revenues</i>	<i>-4,0%</i>	<i>1,5%</i>		

Summary 2020.FY Balance Sheet - Appendix B



Balance Sheet (€ mln)	2020	2019
Inventory	74,2	69,9
Work in progress contracts	11,2	16,3
Accounts receivable	60,7	67,9
Accounts payable (-)	(61,4)	(57,5)
Op. working capital	84,7	96,7
Other current assets (liabilities)	(20,4)	(23,6)
Net working capital	64,3	73,0
Tangible assets	49,8	42,5
Right of use - IFRS 16/IAS 17	22,8	20,1
Intangible assets	22,5	20,4
Financial assets	4,4	3,9
Fixed assets	99,5	87,0
Net long term liabilities	10,0	4,2
Net invested capital	173,8	164,2
Cash & near cash items (-)	(70,4)	(17,9)
Short term financial assets (-)	(13,8)	(12,1)
Lease liability - IFRS 16/IAS 17	22,1	19,5
Short term borrowing	85,8	79,8
Medium-long term borrowing	80,7	48,7
Net financial position	104,4	118,0
Equity	69,4	46,2
Funds	173,8	164,2

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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