



# **Mid & Small in Milan 2022**

29 - 30 November 2022



1. Tesmec Group at a glance
2. 2022.9M Business highlights & Results

1.

## 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



**PIONEER in STRINGING solutions**

**TRENCHER product line development**

**From FAMILY Company to PUBLIC Company**

**Expansion strategy in the RAILWAY business**

**Investments & acquisitions to complete the portfolio for SMART GRIDS**

**Investments in R&D and DIAGNOSTICS**

**Strengthening the Service and Rental Business**



**1951-1960**

Establishment of "CRF - Officina Meccanica di Precisione" Edison patent for the new tension stringing system

**1984**

Establishment of Tesmec USA Inc. in Texas, USA

**2010**

Entry in the Italian Stock Exchange (STAR segment)

**2012**

Leasing of AMC2 S.r.l (Monopoli - Italy)

**2015**

Acquisition of the French Group Marais

**2017**

Tesmec Automation as a single Company

**2018**

Opening of the new Tesmec Rail s.r.l. production site (Monopoli - Italy)

**2020**

4Service, a Company dedicated to the rental business

Share capital increase

**2021**

**ENERGY TRANSITION  
DIGITALIZATION  
SUSTAINABILITY**



# A history of growth in technologies



2010 IPO	2010 - 2019 INVESTMENT & DIVERSIFICATION	2020-2024 THE NEXT DEVELOPMENTS	
<p>Historical businesses: <b>Stringing &amp; Trencher</b></p>  	<ul style="list-style-type: none"> <li>Strategic M&amp;A in the Rail, Energy Automation and Rental businesses</li> <li>Integration of know-how &amp; reorganisation</li> <li>Qualification with key customers</li> <li>Certification of technological solutions</li> </ul>   	<div data-bbox="981 331 1227 609">CORPORATE STRATEGY</div> <ul style="list-style-type: none"> <li>Focus on existing businesses</li> <li>From equipment manufacturer to <b>solution provider able to deliver value-added services for customers</b></li> <li>Focus on maintenance and management of infrastructure in addition to construction in order to <b>increase recurring revenue streams</b></li> <li>Efficient and effective organisation</li> </ul>  <div data-bbox="1317 625 1742 805">Advanced technologies for T&amp;D power line construction, maintenance and management</div>  <div data-bbox="1317 821 1742 1002">Innovative systems for electrification, maintenance and diagnostics of railway infrastructure</div>  <div data-bbox="1317 1018 1742 1197">Integrated solutions for fibre installation, cable laying, surface mining and civil infrastructure</div> <div data-bbox="981 1209 1227 1439">CROSS DEVELOPMENT DRIVERS</div> <ul style="list-style-type: none"> <li>DIGITALISATION</li> <li>SUSTAINABILITY</li> <li>ENERGY TRANSITION</li> </ul>	<div data-bbox="1796 331 2190 438">INPUT 2021</div> <div data-bbox="1796 454 2190 571">Cost increase analysis</div> <div data-bbox="1796 587 2190 699">Freight Criticalities</div> <div data-bbox="1796 715 2190 826">Strategic ESG growth path</div> <div data-bbox="1796 842 2190 954">New Technologies</div>    <div data-bbox="1796 1311 2190 1428">Confirmed Guidelines AuCap Plan</div>



# 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

**+1000**  
PEOPLE

**10**  
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

# Factories



**Tesmec SPA**  
Grassobbio



**Tesmec Automation**  
Fidenza



**Tesmec USA**  
Alvarado (USA)



**Tesmec Rail**  
Monopoli



**Tesmec SPA**  
Endine



**Tesmec Automation**  
Padova



**Marais**  
Durtal (FR)



**Tesmec Rail**  
Bitetto



**Tesmec SPA**  
Sirone  
(precision machining work)



**Tesmec Automation**  
Patrica

- Stringing
- Energy Automation
- Railway
- Trencher



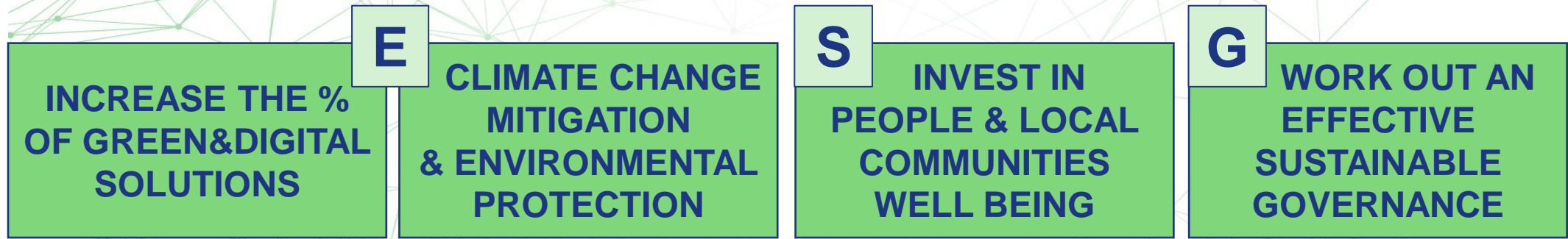
# Sustainability - Strategy & Execution



## Sustainable Development Goals



## STRATEGIC GUIDELINES



## ACTIONS TO BE PERFORMED

Give priority to sustainable innovation and meet the Technical screening criteria of the EU Taxonomy

Calculate the carbon footprint of the organization and implement actions to reduce it

Follow up on the several ongoing initiatives both for employees and for stakeholders

Strengthen the organization's governance around sustainability challenges and opportunities

Set and integrate ESG criteria in the business plan

Commitment to this target

Increase engagement in sustainability practices

Making every department accountable to sustainability

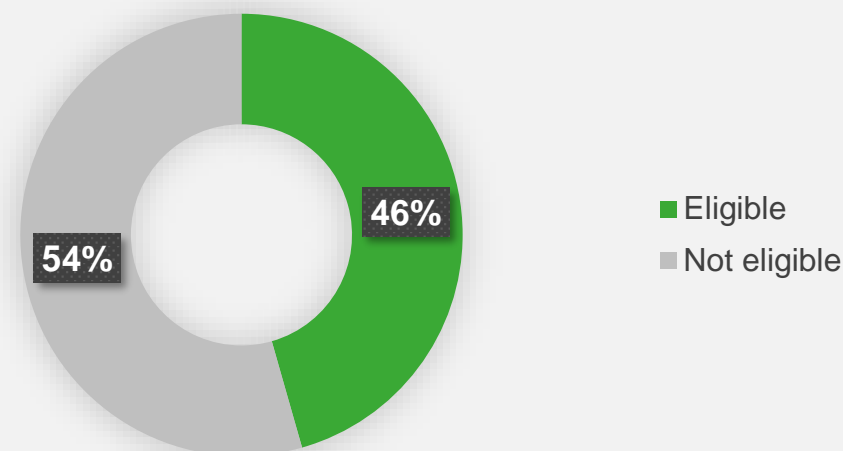
## ANNEX I – Climate mitigation

### 3.Manufacturing

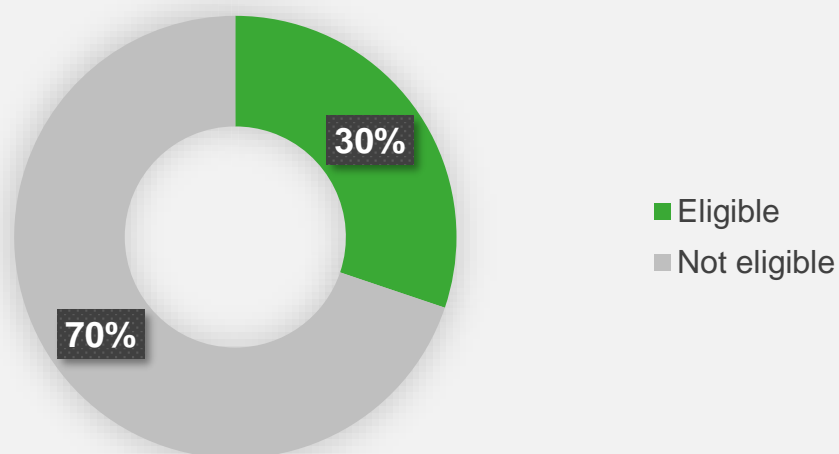
- 3.1 - Manufacture of renewable energy technologies
- 3.3 - Manufacture of low carbon technologies for transport
- 3.6 - Manufacture of other low carbon technologies

*2021 is the first year of application of the European Taxonomy. For this reason, the below findings are based on currently available information, which may be subject to future revisions also based on the evolution of the legislation.*

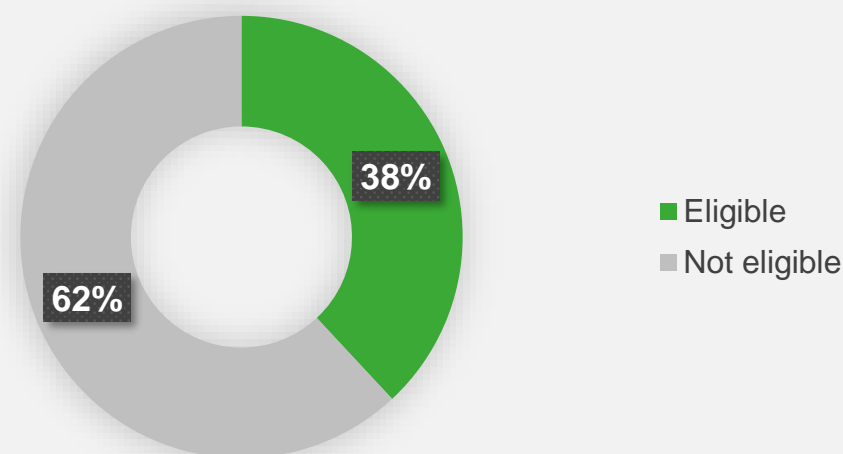
### Revenues



### Capex



### Opex



# Why our New Technologies for Detection & Mapping



## TOWARDS OPERATIONS EXCELLENCE

- Delivering industrial competitiveness
- Measuring services
- Asset's assessment

## INTEGRATED VALUE CHAIN

- Multi Layering 3D Engineering
- Risk Mitigation Plans
- Predictive Maintenance Support

### TECHNOLOGIES

Advanced set of tools, technologies and assets to provide the most outstanding output

GEORADAR



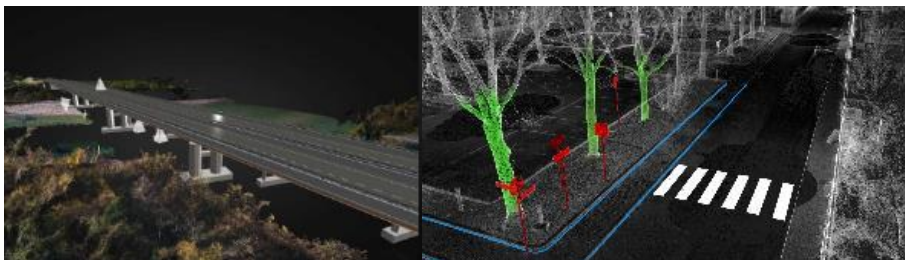
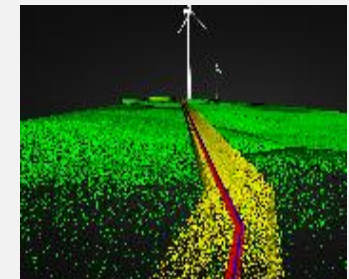
GEODRONE



MOBILE LAB



PRIMIS LIVE



1. Digitalization of existing infrastructures
2. Live and synchronized working environment for professionals
3. Virtual reconstruction of under and above earth



# Why our Stringing Solutions



“

**Digital & Green Solutions,  
new methodologies for  
T&D lines construction &  
refurbishment.**

”

## TECHNOLOGY FOR EFFICIENT STRINGING OPERATIONS

A new concept of integrated systems 4.0 for energy transport and distribution: **Simple, Safe and Reliable**

## A COMPLETE PACKAGE OF SOLUTIONS

Machines, equipment and accessories specifically developed to face every jobsite conditions

## CUSTOMIZED SOLUTIONS

**Continuous** improvement of methodologies and technologies to offer the best solution

## NEW METHODOLOGIES

Continuous Linear Puller (CLP) is the first step of an R&D program for automated jobsites

29-30 November 2022





# Stringing Solutions - Fields of application



## ENERGY GRIDS

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





# Stringing Solutions - Main worldwide experiences



## Reconductoring

### USA

Continuous Linear Puller  
Type of line: transmission, 138kv  
Capacity: 138kv  
N conductors per phase: 1  
Conductor type: 397acsr wrecking out, 1530 pulling in

## Top efficiency

### BRAZIL

500 kV line, 6 T&D lines,  
5000 km long  
70 sets of stringing equipment

## Underground Cable Laying

### USA

Full Electric Machines First Experience in Jobsite

## Underground Cable Laying

### UK

Romford  
3 x 33 kV cable pulling

## Stringing Machines 4.0

### BELGIUM

#### 4.0 Machines

ACPR Lo-Sag Nexans conductor 37 mm diameter.

## Fjord crossing

### NORWAY

Special machines for fjord crossing and modular machines  
Voltage: 420 kV

## Extreme temperature

### RUSSIA

Huge crossing of Lena river  
Two bundled conductors 220 kV  
Extreme conditions: -50°C (-58F)

## Helicopter stringing

### CHINA

Extreme project in Zhejiang Province  
Tower height: 380 m  
Four bundled conductors 500 kV

## In altitude

### PERU

500 kV line at 1000 mt a.s.l., 900 km long  
2 modular machines for stringing 4 bundled conductors per phase

## Line construction

### KSA

Yanbu-Madinah 380 kV line  
Longest project portion: 230 km  
4-500mm<sup>2</sup> AAAC conductors per phase







## Helicopter stringing

CHINA

Extreme project in Zhejiang Province

Tower height: 380 m

Four bundled conductors 500 kV





## Reconductoring USA

Continuous Linear Puller  
Training, service and product updates  
Type of line: static removed, opgw pulled in  
Project length: 26 miles  
Span length: 500ft  
Capacity: opgw  
N conductors: 2 opgw  
Conductor type: opgw 5/8in





## Reconductoring BELGIUM

4.0 Machines  
ACPR Lo-Sag Nexans conductor 37 mm  
diameter.

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**Underground Cable Laying**  
USA  
FULL ELECTRIC MACHINE  
The first experience in jobsite

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# Why our Energy Automation Solutions



“  
Grid Reliability,  
Efficiency and Security:  
providing tailored and  
integrated solutions to face  
fast-changing grid  
challenges.

”

## PROTECTION & METERING SOLUTIONS FOR SMART GRID

From selectivity to reliability, ensuring **continuous operation** and increasing **grid efficiency** in compliance with **cyber-security standard requirements**

## TELECOMMUNICATION SOLUTIONS FOR HV GRIDS

Performance improvement, reliable operation and enhanced management of the grid

## EXCELLENCE IN SENSOR TECHNOLOGY

From fault passage indication and protection to smart metering applications with **high accuracy solutions**

## FULL RANGE OF SERVICES

Tailored solutions for professional training, commissioning services and after-sales support by highly **specialized professionals**

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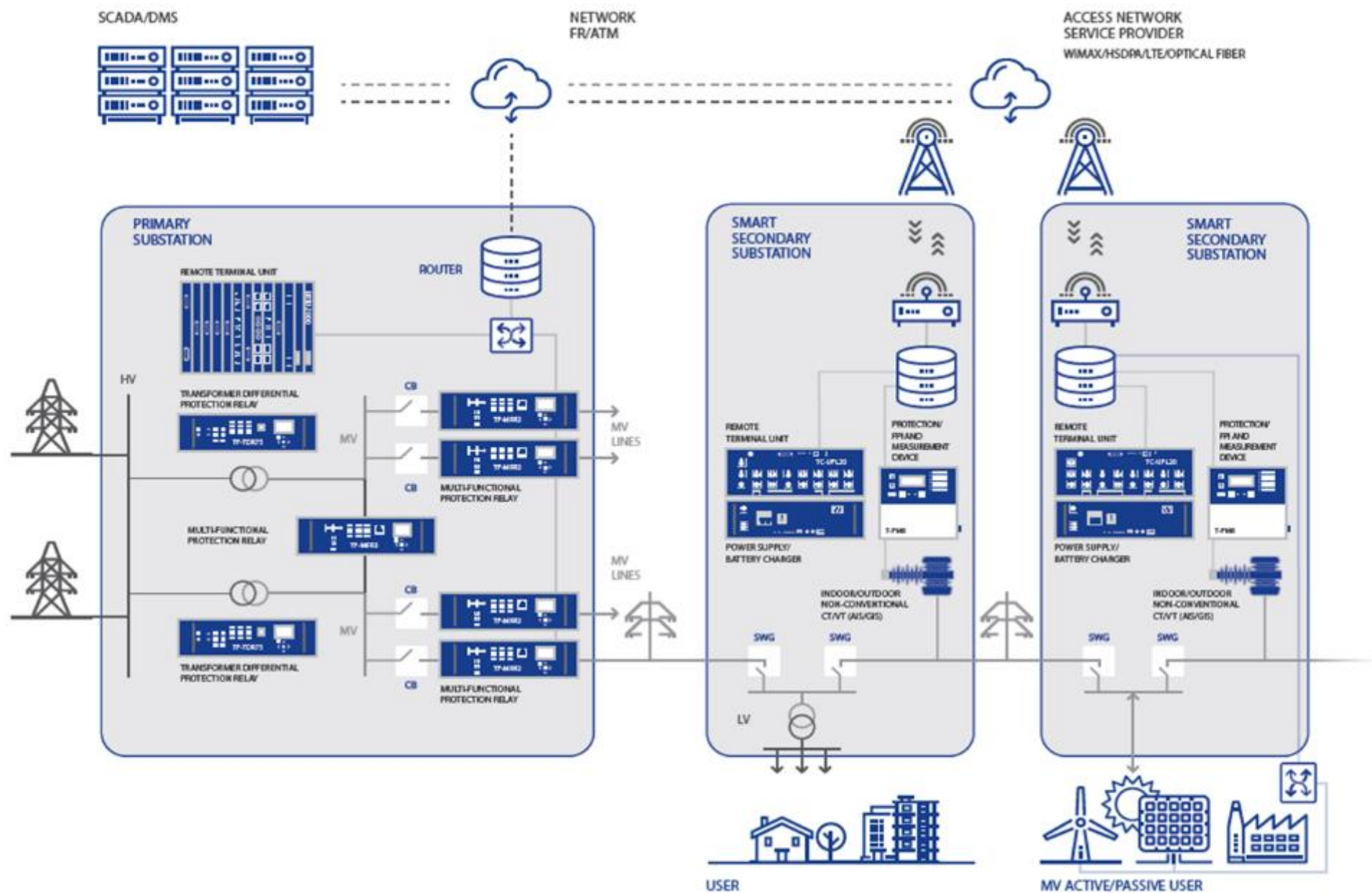
## INTEGRATED SOLUTION PROVIDER FOR SMART GRIDS:

- PROTECTION & MONITORING SOLUTIONS
- REMOTE CONTROL SOLUTIONS
- SERVICE TELECOMMUNICATIONS SOLUTIONS FOR HV GRIDS
- SMART METERING SOLUTIONS





# Energy Automation for Smart Grid Applications



# Energy Automation - Main worldwide references



## Telecommunication solution

### ALGERIA

Remote management of HV substations and protection systems against unexpected grid faults

## Fault Passage Indicator (FPI)

### BRAZIL, COLOMBIA, CHILE

Fault location and Voltage supervision devices

## Protection and Control solution

### SPAIN, ITALY, ROMANIA

Multi-functional protection solutions with embedded measurement functions and suitable for network automation, electrical service analysis and quality monitoring

## Non-Conventional sensors

### ITALY

Full range of current and voltage sensors for outdoor applications and air/ gas-insulated switchgears

## Smart Metering solution

### RUSSIA

Metering and billing system for overhead power lines up to 10kv MV lines

## Substation Automation System

### ITALY

Protection and control systems for HV substations (SAS) based on IEC 61850

## Internet of Things (IoT)

### ITALY

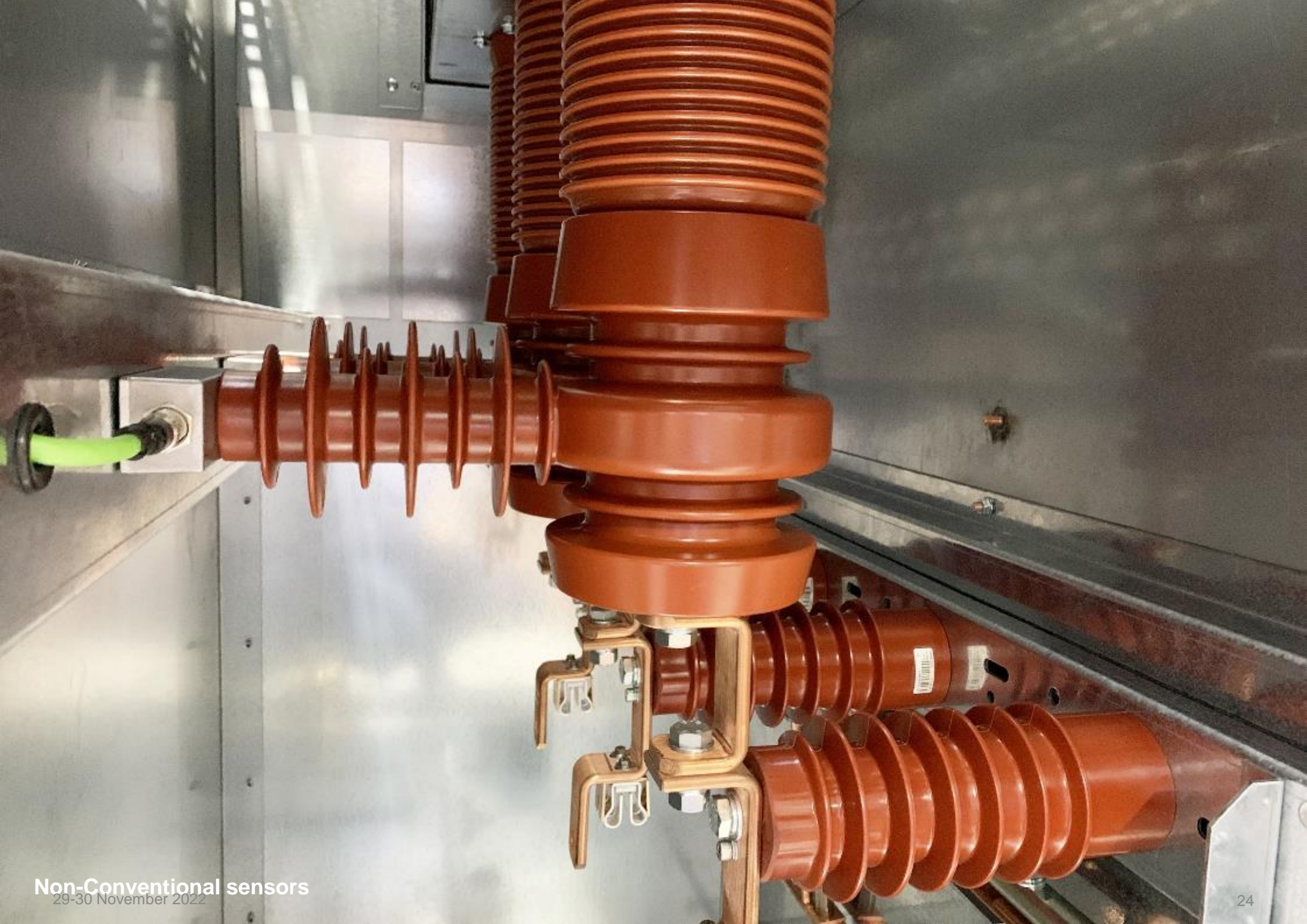
IoT sensors for real-time monitoring of electrical systems



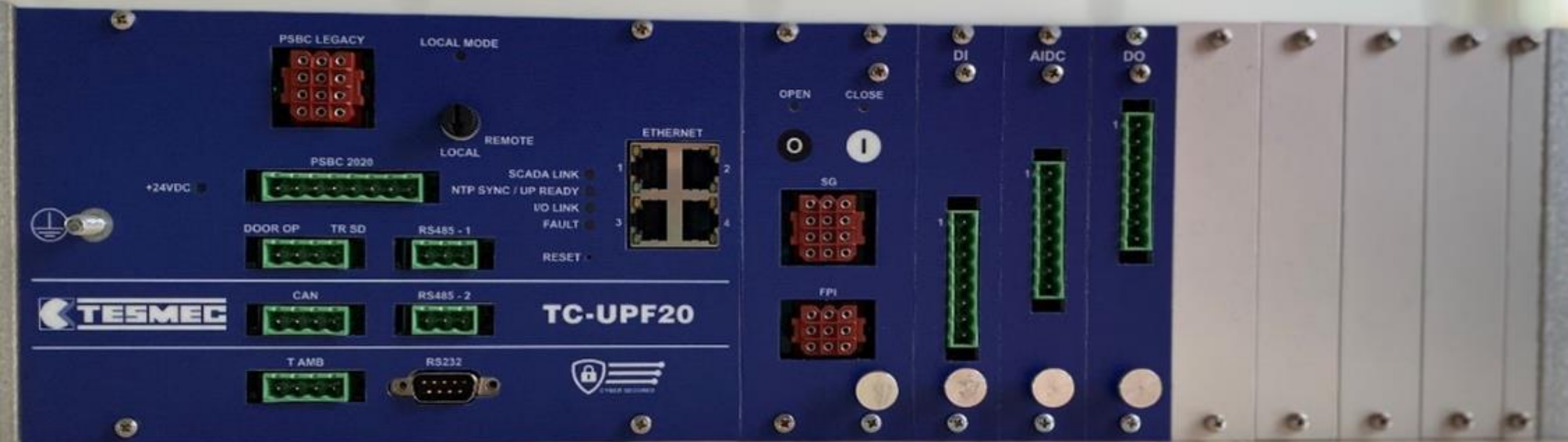












# Why our Railway Solutions



“  
**CERTIFIED & CONNECTED  
VEHICLES**  
Global catenary specialist for  
the installation and  
maintenance of railway lines.  
Diagnostic for Safety &  
Reliability.”

## RELIABILITY

Certified, automated and cloud connected vehicles

## DIGITALIZATION

Centralized Platform for big data management

## GREEN APPROACH

Design of hybrid and bimodal solutions

## HIGH MOBILITY

Authorization to travel as passenger train on active lines





# Railway - Fields of application



## RAIL INFRASTRUCTURES

- CATENARY INSTALLATION & MAINTENANCE
- DIAGNOSTIC VEHICLES AND SYSTEMS
- INTEGRATED PLATFORM FOR SAFE INFRASTRUCTURE





# Railway - Main worldwide experience



## Stringing & recovering wires

### USA

1 Work car + 1 Reel car with 6 reels  
1 Catenary maintenance vehicle  
**Huge, top performing units**  
**Designed according to US Standards**

## Installation of the contact line & catenary maintenance

### “Eagle P3 Project”

#### USA

1 Stringing unit & 1 Catenary maintenance vehicle  
**A very fast rail wire installation**

## Snow removal

### NORWAY

3 Snow removal vehicles  
**Maintenance unit operative at low temperatures**

## RER Catenary renewal

### FRANCE

9 vehicles (6 different models)

**Engineered to allow a correct execution of the works of catenary replacement**

## Customized solutions

### CZECH REP.

4 Multipurpose vehicles + 1 Stringing vehicle

**Tensioning system for railway wiring operations composed by working units mounted on 4 flats, to be installed on one existing railway wagon provided by customer. Integrated recovering device.**

## Safety of Railway Infrastructure

### ITALY

2 Diagnostic Vehicles

## Stringing of 3 independent wires & recovery of 2

### RUSSIA

10 stringing units

**Extreme temperature Compliance with Russian Standards**

## Catenary maintenance

### ITALY

88 Multipurpose railway vehicles  
16 Revamping maintenance units  
1 Constant tension stringing unit  
**Full maintenance service**

## Self-propelled diagnostic vehicle

### LITHUANIA

A new self-propelled diagnostic rolling-stock, with a range of speed up to 140km/h designed and manufactured in accordance with the latest European safety rules EN 14033

## Electrification of new lines High speed

### CHINA

> 30 stringing units  
1,318 km BEIJING-SHANGHAI







Safety of Railway  
Infrastructure  
ITALY

2 Diagnostic Vehicles  
29-30 November 2022





**Installation of the contact  
line & catenary  
maintenance  
“Eagle P3 Project”  
USA**  
1 Stringing unit & 1 Catenary maintenance  
vehicle  
A very fast rail wire installation  
29-30 November 2022





## Customized solutions

### POLAND

4 Stringing units

Tensioning system for railway wiring  
operations composed by working units  
mounted on ISO 20 size flat modules

29-30 November 2022





**Electrification of new  
lines High speed  
CHINA**

> 30 stringing units  
1,318 km BEIJING-SHANGHAI  
29-30 November 2017



# Why our Trenching and Surface Mining Solutions



“

Advanced working methodology:

integrated systems & technological solutions for a complete jobsite management

”

## VALUE CHAIN

Complete offer package **combining internal and partner's solutions**

## DIGITALIZATION

Wide range of machines equipped with the latest digital technologies to allow **higher reliability, easier management, lower maintenance costs**

## CLEAN & FAST SOLUTIONS

Providing services and solutions based on the **innovative “clean & fast” methodology**, especially in the 5G market

## BESPOKE CONSULTANCY, RENTAL AND SERVICE

**Rental solutions, experienced operators, consultancy services** to best meet specific jobsite and customer requirements





# Trenchers and Surface Miners - Fields of application



## UNDERGROUND INFRASTRUCTURES

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





# Trenchers and Surface Miners - Main worldwide experience



## Gas Pipeline

USA

1150XHD Chainsaw

## Water Pipeline

CHILE

1675 Chainsaw

## Bauxite Mining

WEST AFRICA (GUINEA, IVORY COAST)

1150 & 1475 Rock Hawg  
30xTrucks + Semi-trailers

## Golden Valley Wind Farm

SOUTH AFRICA

1150 Rocksaw & ST2

## South Al Mutlaa project

KUWAIT

1475 & 1675 Chainsaw EVO

## Tunneling project

AUSTRALIA

1475 Rock Hawg EVO

## Riyadh metro station

KSA

1475 Rock Hawg

## Fiber Optic Project s

NEW ZEALAND

Cleanfast, ST2

## Fiber Optics Laying

UK

Georadar Explorer 2.0 & Sidecut

## Surface mining Gold

RUSSIA

1475 Rock Hawg

## Limestone quarry

UZBEKISTAN

1475 Rock Hawg

## Canal Sugar Project

EGYPT

1150EVO & 1475EVO Chainsaw

## Wind Farms Projects

AUSTRALIA

Automatic cable laying system







**Fiber Optics Laying**  
UK  
Georadar Explorer 2.0 & Sidecut





29-30 November 2022

**Bauxite Mining**  
WEST AFRICA (GUINEA, IVORY COAST)  
1150 & 1475 Rock Hawg





**Tunneling project**  
AUSTRALIA  
1475 Rock Hawg EVO





**Wind Farms Projects**  
AUSTRALIA  
Automatic cable laying system



## 2. 2022.9M Business highlights & Results



## 2022.9M Closing



GROUP (€ mln)	2022.9M	2021.9M	Delta vs.21
REVENUES (1)	173,5	144,2	20,3%
EBITDA (2)	25,9	21,2	22,4%
% on Revenues (3)	14,9%	14,7%	
EBIT	9,7	4,8	
% on Revenues	5,6%	3,4%	
Differences in Exchange (4)	8,2	2,0	
% on Revenues	4,7%	1,4%	
PROFIT (LOSS) BEFORE TAX	14,0	3,2	
% on Revenues	8,1%	2,2%	
NET INCOME/(LOSS)	9,2	2,0	
% on Revenues	5,3%	1,4%	
GROUP (€ mln)	2022.9M	2021.9M	Delta vs.21
NFP ante IFRS 16 (5)	102,5	94,6	-8,3%
NFP post IFRS 16 (5)	125,8	116,5	-8,0%

(1) **Revenues: 20% increase in sales** mostly thanks to **Rail** (for new projects and internationalization) and **Trencher** (particularly in the US and Arabian Peninsula markets)

(2) **EBITDA: 22% increase** mainly thanks to **Rail** (for better mix)

(3) **EBITDA Margin:** Despite the **2022 costs increase** the **EBITDA % is in line** with the **previous year** thanks to **recurring activities** with **high margin** and to better mix in Rail

(4) **Positive** contribution by **ForEx** at financial charges level

*Memo: **Net interest: increase** from 3,6 € Mln of 2021.9M to 4,0 € Mln of 2022.9M*

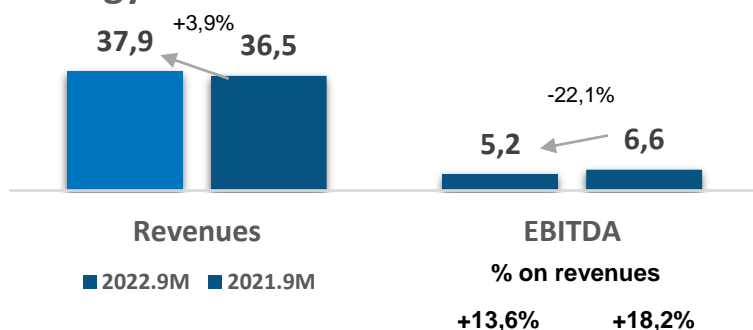
(5) **NFP increasing** by 9,3 € Mln against a 16,2 € Mln increase in **NWC** (higher credits as result of sales increase and higher inventories to face the worldwide criticalities in the supplying and shipment activities and supporting the continuous growth, in particular for the year end)



# 2022.9M Closing – Business Breakdown (€ mln)



## Energy



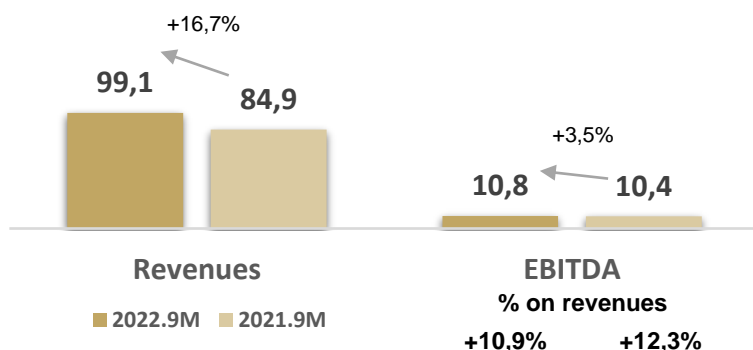
> Revenues **growing** by 4% compared to 2021.9M, amid difficulties in the supply chain, within perspective of solid **Energy industry growth trend**

> **EBITDA**: highly impacted by utilities, raw material and freight **cost increase**, with higher effect on the **Stringing segment**. Process of price revision initiated

> **Backlog** at **Euro 101,7 million**, of which **Euro 76,6 million** for **Energy Automation**



## Trencher



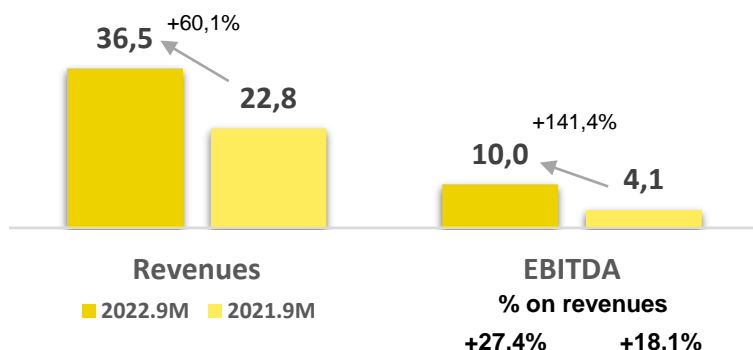
> Revenues **growing** by 17% compared to 2021.9M, thanks to the **rebound** of the US and Arabic Peninsula market

> **EBITDA**: **growing** in **absolute terms** but **decreasing** in **relative terms**, due to **higher commercial costs** (travels, fairs), **business organization strengthening** and **charges relevant to Saudi Tesmec** (controlled at 65% from September), with variable costs increase offset by positive ForEx/mix impact

> **Backlog** reached **Euro 79,0 million**



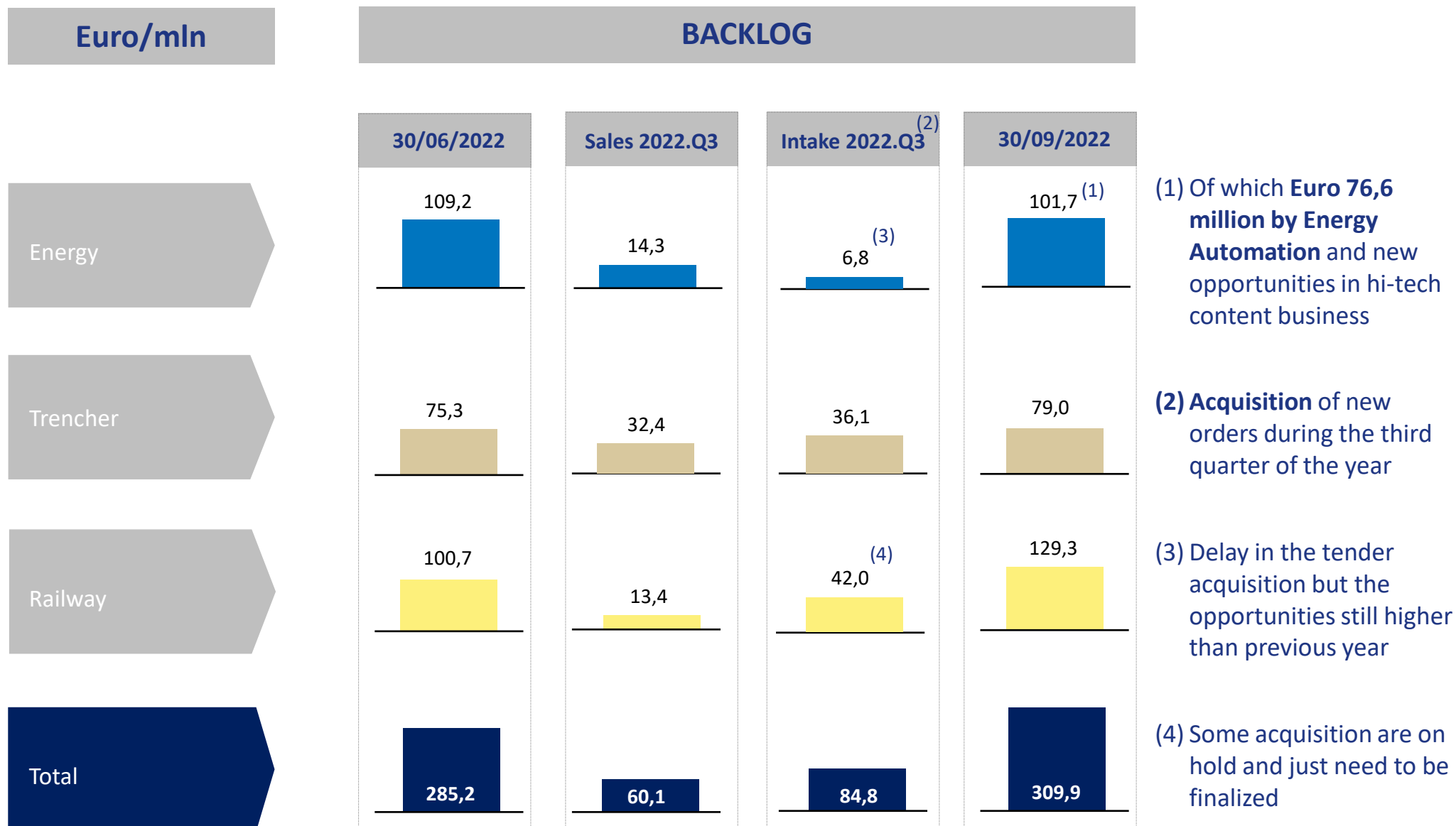
## Rail



> Revenues **growing** by 60% compared to 2021.9M thanks to higher medium-long term contracts/ progressive internationalization

> **EBITDA**: more than **doubled** in absolute terms, with strong increase in relevant terms due to **better mix** (products' range shifting towards **higher marginality/value added solutions**, e.g. diagnostic) and to price variations

> **Backlog** hugely increased at **Euro 129,3 million**

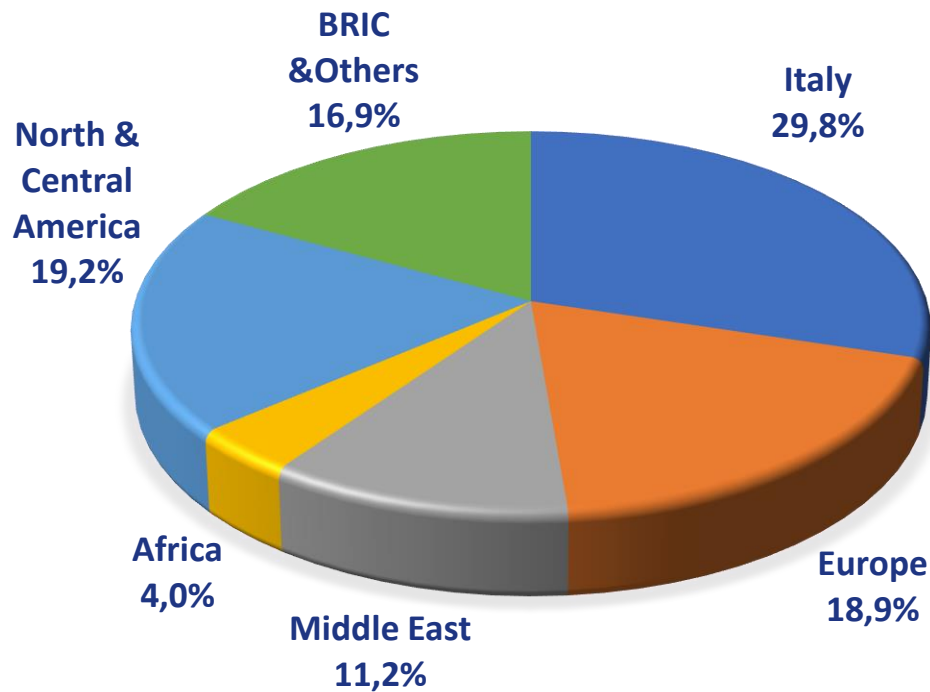




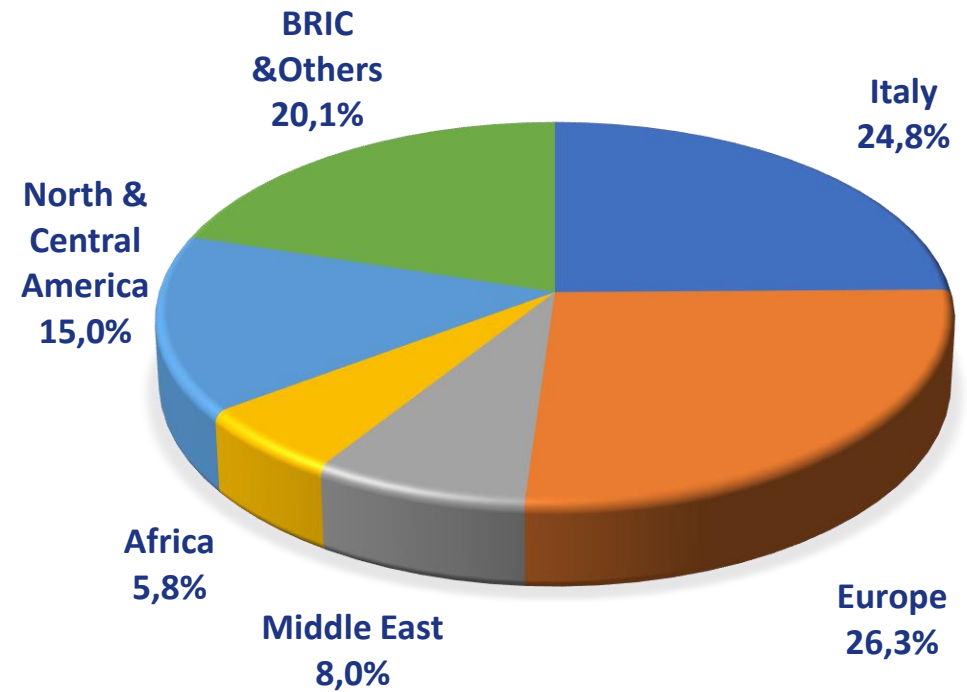
## 2022.9M Revenues: sales spread over different geographical area



REVENUE BY GEOGRAPHY 2022.9M



REVENUE BY GEOGRAPHY 2021.9M

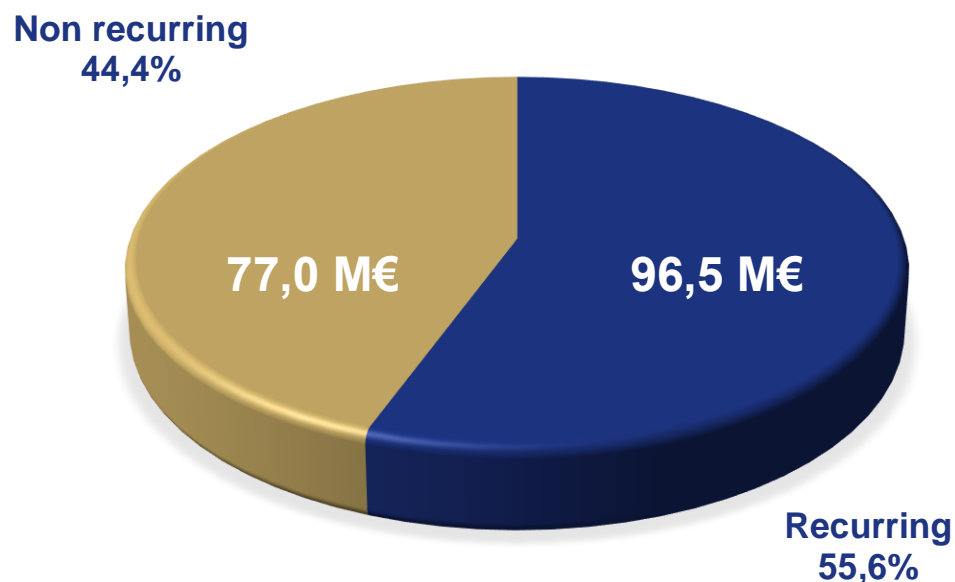


- **ITALY:** railway, trencher & energy automation impact
- **USA&EU:** trencher impact
- **BRICS:** trencher and stringing impact

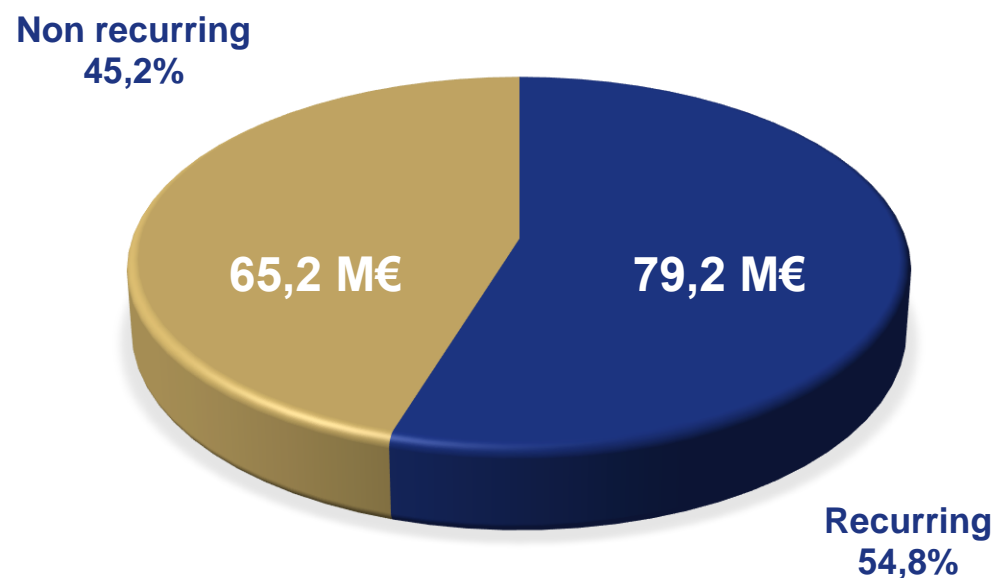
## 2022.9M Revenues: Increased “recurring” vs “non-recurring”



REVENUES RECURRING VS  
NON-RECURRING 2022.9M



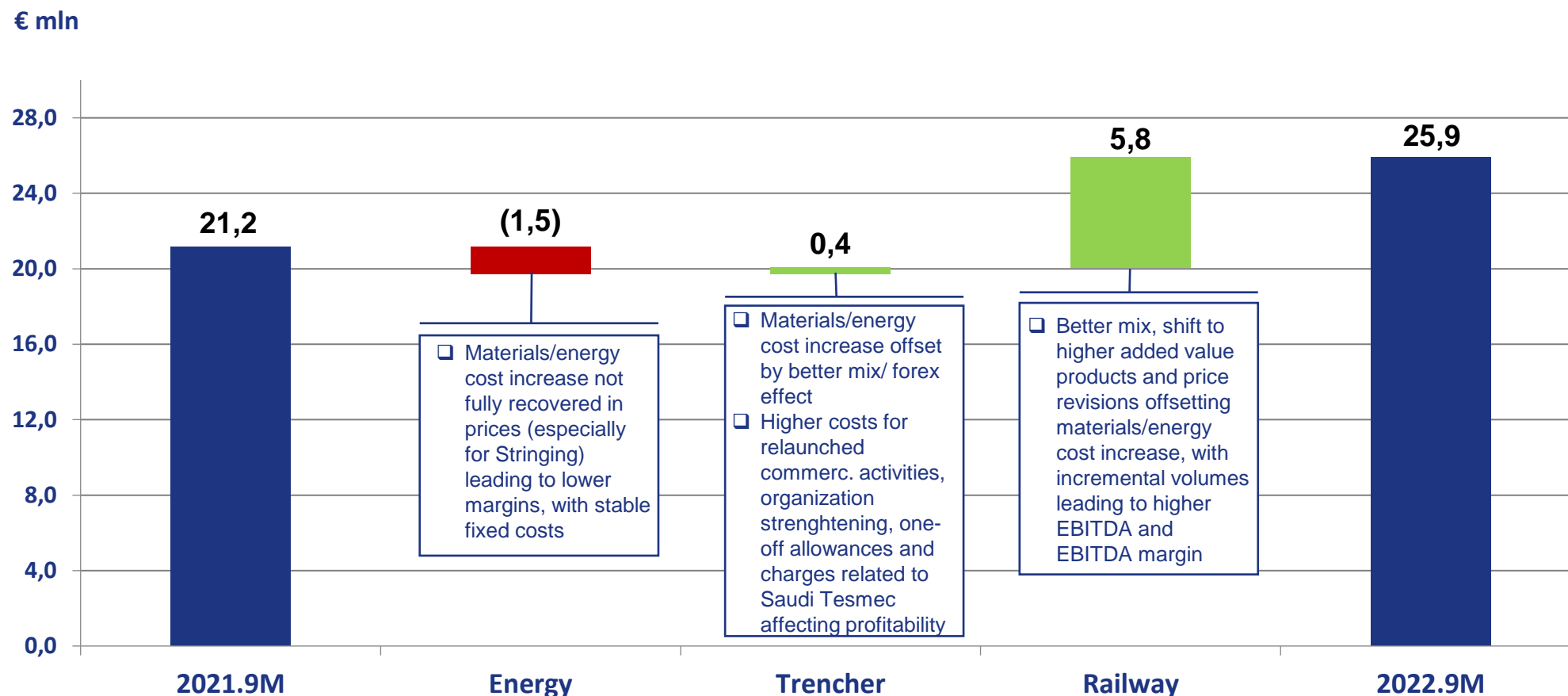
REVENUES RECURRING VS  
NON-RECURRING 2021.9M



- Recurring: Rental, Projects, Spare Parts, Services (maintenance, revamping & refurbishing, consulting & training), long term backlog (Automation & Rail)
- Non recurring: Sales of goods



# 2022.9M EBITDA evolution by BU



2021.9M

Impacted by the increase of costs of utilities, raw materials and freight, highly mitigated by the Rail performance

2022.9M

## 2022.9M Financial Results



Financial Information (€ mln)	2022.9M	2021
Net Working Capital	92,7	76,5
Non Current assets	84,8	79,6
Right of use - IFRS 16/IAS 17	21,3	23,4
Other Long Term assets/liabilities	16,2	14,2
<b>Net Invested Capital</b>	<b>215,0</b>	<b>193,7</b>
Net Financial Indebtness	102,5	96,6
Lease liability - IFRS 16/IAS 17	23,3	24,5
Equity	89,2	72,6
<b>Total Sources of Financing</b>	<b>215,0</b>	<b>193,7</b>

**2021**

**Net Financial Indebtness largely for NWC, with net debt for fixed assets reduced by 50%. D/E at 1.1 excl. IFRS16 (from 1.3) and at 1.4 incl. IFRS16 (from 1.7)**

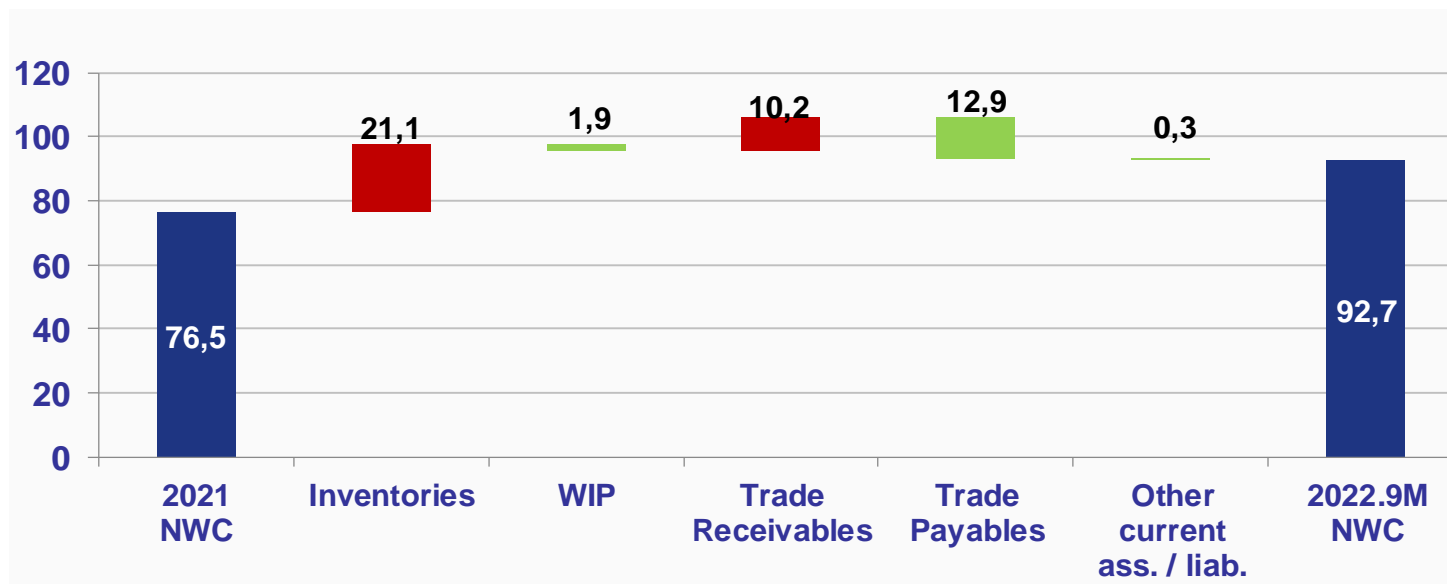
**2022.9M**



## 2022.9M Working Capital evolution



€ mln



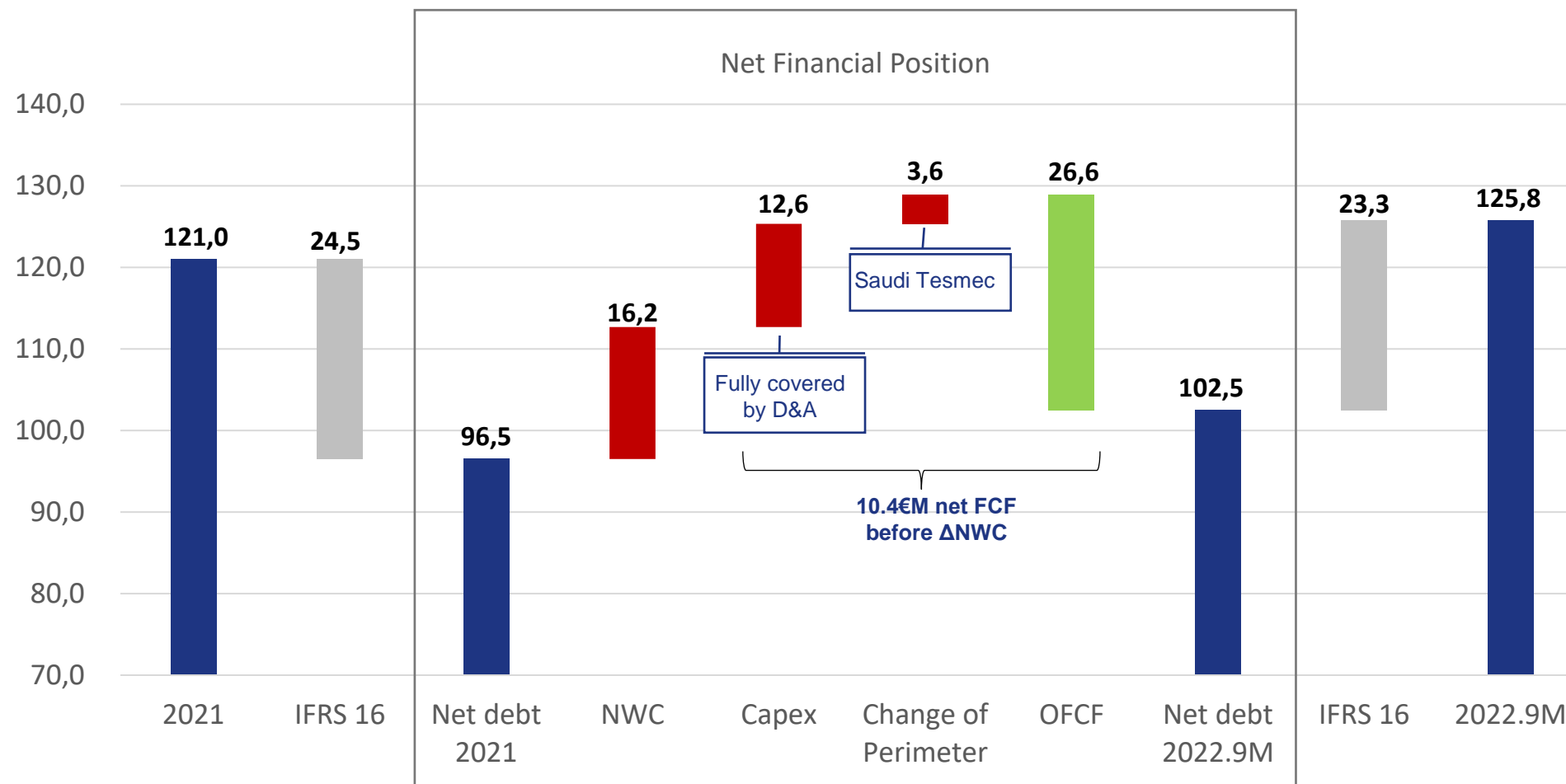
€ Mln	2022.Q3	2021.FY	2022.Q3	2021.FY
Trade Receivables	64,6	54,4	97	101
Inventories	102,4	81,3	154	151
Work in progress contracts	13,8	15,7	21	29
Trade Payables	(68,9)	(56,0)	-103	-104
Other Current Assets/(Liabilities)	(19,2)	(18,9)	-29	-35
<b>Net Working Capital</b>	<b>92,7</b>	<b>76,5</b>		

**2021**  
**€ 76,5 mln**

The increase of NWC is mainly due to the increase of trade receivable (as a result of sales growth) and inventory (to back forecasted sales/growing backlog and to set up a strategic stock vis-à-vis supply chain/logistic volatility)

**2022.9M**  
**€ 92,7 mln**

# 2022.9M Net Financial Position Evolution



2021

Before ΔNWC (ref. pag. 28), generation of positive free cash flow  
(for OCF more than offsetting capex and  
change in consolidation perimeter)

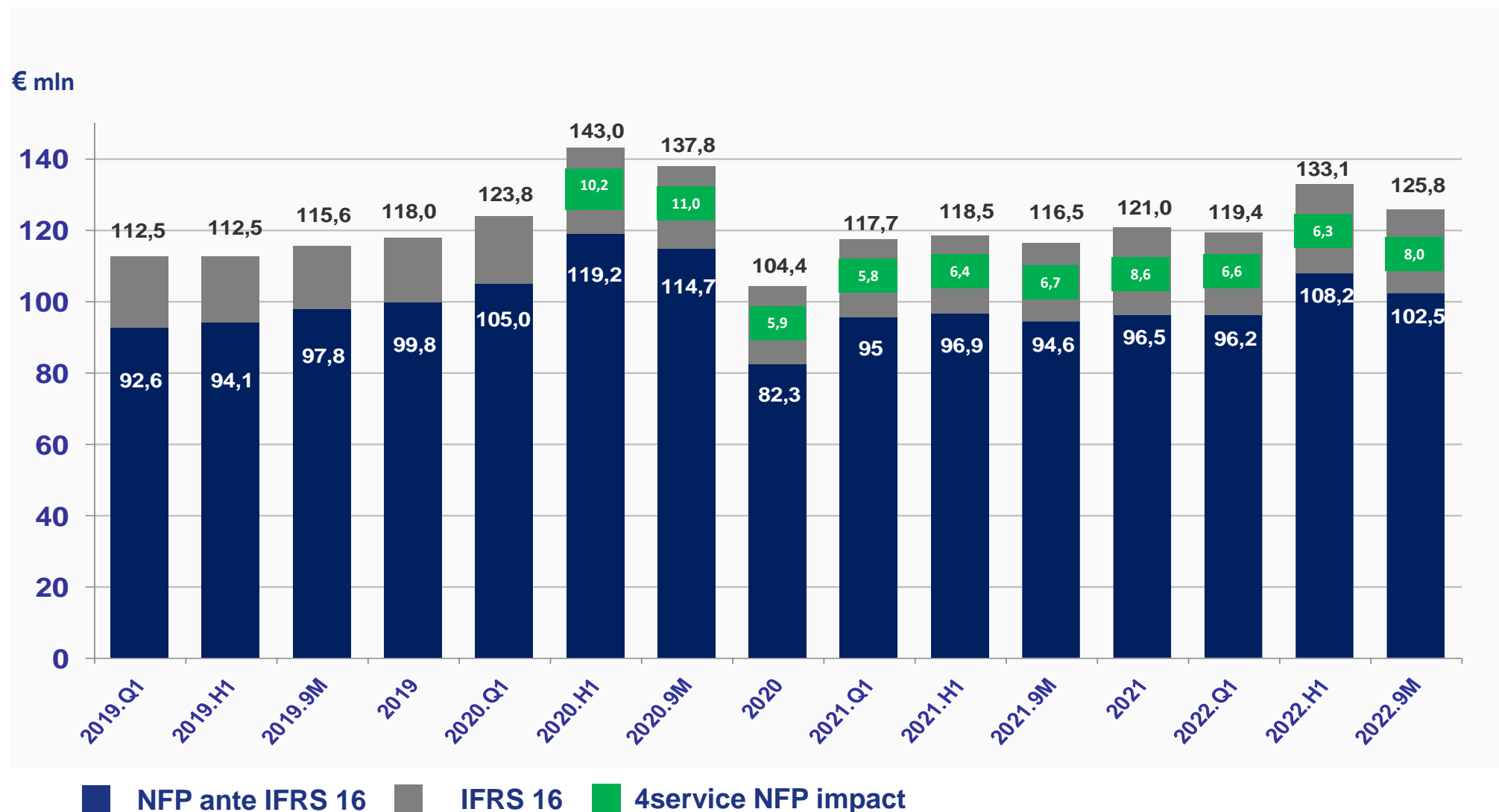
2022.9M



# 2022 Net Financial Position Evolution



## NET FINANCIAL POSITION



From 1<sup>st</sup> January 2019, the new IFRS 16 has been introduced, the impact in term of NFP is around 23,3 M€, otherwise the NFP would have been around 102,5. Since April 2020 the NFP included the financial debt from the acquisition of 4service around 8,0 M€ (of which 8,7 M€ related to the IFRS 16) at 30 September 2022.

# 2020-2023 Business Plan guidelines



	2019pf	2020pf	2021	2022		2023
<b>TURNOVER</b>	199,6 M€	172,8 M€	194,3 M€	<b>&gt;240,0 M€</b> <i>Confirmed</i>	<ul style="list-style-type: none"> <li>&gt;&gt; Significant performance of the Energy Automation segment; Stringing segment back to historical performances</li> <li>&gt;&gt; Focus on recurring revenues (rental &amp; services)</li> <li>&gt;&gt; Growth in each business line</li> <li>&gt;&gt; Price lists variation and review of the medium-long term contracts (actual context)</li> </ul>	<b>275~290 M€</b> cagr <sub>19-23</sub> : 8.5%~10.0% <i>Confirmed</i>
<b>EBITDA</b>	30,0 M€	22,9 M€	28,1 M€	<b>&gt;16%</b> <i>Revised 15-16%</i>	<ul style="list-style-type: none"> <li>&gt;&gt; Better mix of products &amp; systems, premium price policy, impact of new high margin activities such as rental and hi-tech solutions</li> <li>&gt;&gt; Rationalization and standardization of the products portfolio</li> <li>&gt;&gt; Broadly stable fixed costs and review of the price lists and the medium-long term contracts</li> <li>&gt;&gt; Facing the price variation with alternative supplying solutions, new applications and reversing the cost to the price</li> </ul>	<b>53~58 M€</b> cagr <sub>19-23</sub> : 17.0%~18.0% <i>Confirmed</i>
<b>NFP</b>	130,0 M€	104,4 M€	121,0 M€	<b>Improvement</b> <i>Confirmed</i>	<ul style="list-style-type: none"> <li>&gt;&gt; Net working capital improvement and efficiency actions on inventory</li> <li>&gt;&gt; Optimization of credit management policies</li> <li>&gt;&gt; 2020-2023: Cumulated Capex in 4 years 75/80M€ (including 2021 variation), progressive reduction to 5% of the CAPEX/Revenues</li> </ul>	<b>Improvement</b> <i>Confirmed</i>



## OUTLOOK 2022

- Further development in Arab Peninsula
- Consolidation of growth in Europe and the USA driven by support programs
- Stocks to guarantee business continuity
- Electrification & Sustainable solutions



Tesmec is strengthening its presence in the Arabian Gulf area, to provide specialized service for the upcoming development projects in the area



Growth measures passed in Europe and America are favoring Trenchers & Surface Miners provision



Raw materials and semi-finished products shortage represent a tough challenge, Tesmec is coping with it thanks to flexibility, knowledge and stocks



Electrification path is being undertook, to make urban works emission-less. GreenPose sustainable digging&laying recycling system is being recognized on the market

## OUTLOOK 2022

- Important re-lining & cable laying projects
- R&D focus on new methodologies & green solutions
- Supply Chain impact



Focus on re-lining & transmission projects in Middle East with important orders acquisition on Q1



Push on German corridors with special solutions dedicated to underground transmission lines



Development of a special light solution for reconductoring projects, enlargement of the zero emissions machines range for distribution.



Supply Chain disruption with a critical impact on delivery & warehouse management (push on standard solutions)



## OUTLOOK 2022

- Consolidation of existing market
- Focus on market expansion through the promotion of new business models
- New organization of Service & After-Sales activities
- Significant challenges related to supply chain and delivery plans during the year
- Participation in international events to expand business network and penetrate new market channels and geographical areas



Completion of product portfolio and promotion of innovative solutions to develop new market channels



Consolidation of existing market with accurate sales initiatives and participation to new and on-going tenders



Reinforcement of service activities to support business growth and generate new revenue streams



Relevant steps forward to increase the positioning in the Substation Automation market

## OUTLOOK 2022

- **INTERNATIONALIZATION OF THE BUSINESS**

From the domestic market to the international market: increase of the portfolio of customers.

- **GREEN TRANSITION**

From traditional vehicles with diesel engine to sustainable vehicles (bimodal & full electric) with zero environmental impacts.

- **INTEGRATED DIAGNOSTIC SOLUTIONS: CONSOLIDATED VEHICLES & SYSTEMS**

Artificial Intelligence applied to vision systems to identify and validate defects for safety of rail infrastructures



### Internationalization of the business

Export the business from Italy increasing the portfolio of key clients: participation to domestic & international tenders.

- Tesmec low bidder for strategic tenders, which results are part of the backlog 2023, if confirmed by year end.

**AS IS  
1H 2022**

- 75% Italy
- 25% International

**TO BE  
FORECAST 2H 2022**

- 45% Italy
- 55% International

### Green Transition



**AS IS**

From classic vehicles with diesel engines...



**TO BE**

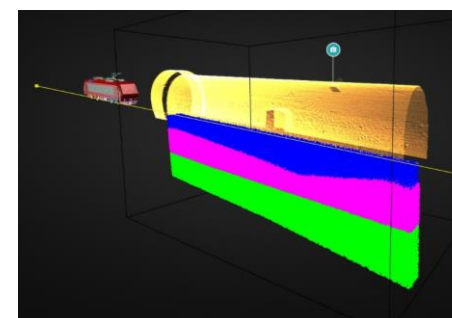
...to Full Electric, Bimodal and Hybrid technologies

### Artificial Intelligence applied to Diagnostic



**AS IS**

From a standard centralized diagnostic platform with the operator....



**TO BE**

..to AI applied to diagnostic vision systems to identify and validate defects on railway infrastructure for a safety & reliable network



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