TESMEC

Sector: Industrials

OUTPERFORM (unchanged)

Target: €0.54 (unchanged)

3Q26 results broadly in line. Outperform TP Eu0.54

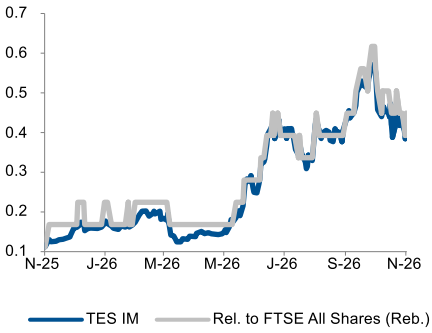
ANALYST(s)

Enrico Coco +39-02-77115.230
enrico.coco@intermonte.it

Change (%)	2026E	2027E	2028E
Eps Adj.	-8.5%	0.0%	0.0%

Key Data	November 06, 2026
Price (€)	0.40
Upside/(Downside)	34.7%
Sector	Industrials
Reuters Code	TES.MI
Bloomberg Code	TES IM

Performance (%)	1M	3M	12M
Absolute	-27.1%	-4.5%	257.4%
Relative	-25.5%	2.1%	209.4%
12M (H/L)			0.57/0.11
3M Average Volume (th):			9,671.08



Shareholder data	
Total no. of Shares (mn):	606
Mkt Cap (€ mn):	243
Mkt Float (€ mn):	113
Mkt Float (in %):	46.6%
Main Shareholder:	
TTC	47.8%

Balance Sheet Data	
Book Value (€ mn)	89
BVPS (€)	0.15
P/BV	2.7
Net Financial Position (€ mn)	-116
Enterprise Value (€ mn)	359

Tesmec reported 3Q26 results broadly in line with estimates (revenues 4% better, EBITDA 2% below, NFP in line) and showing solid growth of volumes (revenues +26% YoY in 3Q26 and +17% YoY in 9M26), although the EBITDA margin was 110bps below (14.4% vs. 15.5% estimated), reflecting some cost inflation (transportation, logistics) and a contraction of profitability at the Rail business, still affected by a business mix characterized by the completion of legacy contracts and the ramp-up of new projects. We have made minor changes to FY26 estimates, with FY27-28 unchanged, and think the recent price correction offers an attractive entry point. Outperform, TP Eu0.54.

- **3Q26 results broadly in line with expectations**. Tesmec posted 3Q26 results broadly in line with estimates and showing an acceleration of growth (revenues +26% YoY in 3Q26 vs. +7% in 1Q26 and +17% in 2Q26), although margins (EBITDA 14.4% vs. 15.5% expected and 16.0% in 3Q25) were dented by higher transportation and logistics costs (Eu1mn in 9M26) and a delayed recovery of profitability at the Rail business. Net debt was in line with estimates at Eu118mn, down Eu18mn YoY (Eu136mn in December 2025). In detail: 3Q26 sales came to Eu80mn vs. Eu76mn expected and Eu64mn in 3Q25; EBITDA came in at Eu11.6mn (+14% YoY after +15% YoY in 1H26) vs. Eu11.8mn expected and Eu10.12mn in 3Q25; EBIT was up 23% YoY to Eu6.1mn vs. Eu6.4mn expected, with net profit at Eu0.5mn vs. Eu1.3mn expected (9M26 net profit Eu5.0mn vs. Eu0.7mn loss in 9M25). Net debt was in line with estimates at Eu118mn, down Eu12mn YtD (Eu130mn net debt in FY25) and Eu18mn YoY (Eu136mn in 9M25). The backlog stood at Eu516mn (Eu241mn at Energy, Eu192mn at Rail, Eu83mn at Trenchers) vs. Eu416mn as of December 2025 and Eu498mn as of June 2026.
- **Conference call feedback. Rail:** commercial momentum is strong, although the acceleration expected in 2H did not materialize in 3Q, reflecting a negative mix in production and timing of execution. However, management sounded confident on improving figures going forward as market demand is strong and the backlog (which grew by Eu75mn YtD, or 50% above our divisional revenues estimate for FY26) supports visibility. We note that Tesmec was recently awarded a CHF42mn contract by FSS (Swiss Rail) to supply vehicles for network maintenance, which is also a technological validation as the rail infrastructure in Switzerland is amongst the best globally. The Swiss contract also involves down-payments. **Energy**: market strong as expected, both in stringing and automation, with sales up 18% YoY and EBITDA up 25% YoY. **Trenchers:** revenues up +30%, although the EBITDA margin at 13.2% was below 1H26 (14.4%) due to higher transportation/logistic costs. **FCF**: we estimate Eu14mn in FY26, with management expecting a similar figure in FY27 as well despite the growth profile.
- **Outperform, TP Eu0.54.** Minor changes to our FY26 estimates (revenues Eu304mn vs. Eu300m, EBITDA Eu51mn vs. Eu54mn, NFP unchanged at Eu116mn), with forecasts for FY27-28 unchanged. Our DCF-based target price is confirmed at Eu0.54, implying FY27 EV/EBITDA of 6.7x vs. 5.4x at the current price. In our view, the growth outlook is solid (structural growth in Energy stringing and automation, Trencher already improving, Rail set to improve as the product mix is set to get better and the backlog supports visibility).

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Sales (€ mn)	240	258	304	328	356
EBITDA Adj (€ mn)	41	41	51	65	75
Net Profit Adj (€ mn)	0	-2	12	21	28
EPS New Adj (€)	0.000	-0.004	0.019	0.035	0.047
EPS Old Adj (€)	0.000	-0.004	0.021	0.035	0.047
DPS (€)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	4.9	4.5	7.1	5.3	4.3
EV/EBIT Adj	9.9	8.9	12.3	8.1	6.2
P/E Adj	nm	nm	20.9	11.6	8.6
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	3.6	3.2	2.3	1.6	1.1

research@intermonte.it

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TESMEC - Key Figures						
Profit & Loss (€ mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Sales	252	240	258	304	328	356
EBITDA	34	41	41	51	65	75
EBIT	11	20	20	29	42	52
Financial Income (charges)	-16	-17	-20	-13	-13	-13
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	-5	4	1	16	29	39
Taxes	2	-4	-3	-5	-8	-11
Tax rate	41.3%	95.5%	478.3%	28.3%	28.5%	28.5%
Minorities & Discontinued Operations	-0	-5	5	0	0	0
Net Profit	-3	-5	2	12	21	28
EBITDA Adj	34	41	41	51	65	75
EBIT Adj	11	20	20	29	42	52
Net Profit Adj	-3	-0	-2	12	21	28
Per Share Data (€)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Total Shares Outstanding (mn) - Average	606	606	606	606	606	606
Total Shares Outstanding (mn) - Year End	607	607	607	607	607	607
EPS f.d	-0.005	-0.009	0.004	0.019	0.035	0.047
EPS Adj f.d	-0.005	0.000	-0.004	0.019	0.035	0.047
BVPS f.d	0.126	0.125	0.128	0.147	0.182	0.228
Dividend per Share ORD	0.000	0.000	0.000	0.000	0.000	0.000
Dividend per Share SAV	0.000					
Dividend Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash Flow (€ mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Gross Cash Flow	4	15	49	42	46	56
Change in NWC	2	0	-3	-5	-8	-11
Capital Expenditure	-16	-25	-25	-22	-23	-24
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	-10	-9	21	15	15	21
Acquisitions, Divestments & Other Items	-15	16	1	0	0	0
Dividends	0	0	0	0	0	0
Equity Financing/Buy-back	0	0	-6	0	0	0
Change in Net Financial Position	-25	7	16	15	15	21
Balance Sheet (€ mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Total Fixed Assets	120	107	117	118	118	119
Net Working Capital	87	100	72	68	73	79
Long term Liabilities	25	18	16	17	17	17
Net Capital Employed	232	225	204	202	208	215
Net Cash (Debt)	-154	-147	-130	-116	-100	-79
Group Equity	78	78	74	87	108	136
Minorities	2	2	-3	-3	-3	-3
Net Equity	76	76	78	89	110	138
Enterprice Value (€ mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Average Mkt Cap	83	54	51	243	243	243
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-154	-147	-130	-116	-100	-79
Enterprise Value	236	201	182	359	344	323
Ratios (%)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
EBITDA Adj Margin	13.5%	17.1%	15.7%	16.6%	19.8%	21.0%
EBIT Adj Margin	4.4%	8.5%	7.9%	9.6%	12.9%	14.6%
Gearing - Debt/Equity	196.3%	189.4%	176.9%	133.2%	93.4%	58.6%
Interest Cover on EBIT	0.7	1.2	1.0	2.2	3.2	4.1
Net Debt/EBITDA Adj	4.5	3.6	3.2	2.3	1.6	1.1
ROACE*	5.0%	8.9%	9.5%	14.3%	20.7%	24.6%
ROE*	-3.8%	-0.2%	-3.1%	13.8%	20.9%	22.6%
EV/CE	1.1	0.9	0.8	1.8	1.7	1.5
EV/Sales	0.9	0.8	0.7	1.2	1.0	0.9
EV/EBITDA Adj	6.9	4.9	4.5	7.1	5.3	4.3
EV/EBIT Adj	21.4	9.9	8.9	12.3	8.1	6.2
Free Cash Flow Yield	-4.2%	-6.0%	10.3%	6.1%	6.2%	8.6%
Growth Rates (%)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Sales	2.7%	-4.9%	7.6%	18.2%	7.6%	8.8%
EBITDA Adj	-3.3%	20.7%	-1.3%	24.6%	28.3%	15.7%
EBIT Adj	-15.7%	84.1%	0.0%	42.9%	45.7%	22.6%
Net Profit Adj	nm	nm	nm	nm	80.2%	34.7%
EPS Adj	nm	nm	nm	nm	80.2%	34.7%
DPS						

*Excluding extraordinary items Source: Intermonte SIM Estimates

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Tesmec 3Q26/9M26 Results

Tesmec – Quarterly results

(Eu mn)	3Q25	4Q25	9M25	FY 25	3Q26A	3Q26E	Act/Est.	9M26A	9M26E	FY 26E	YoY
Revenues	63.6	65.4	192.2	257.6	80.4	76.3	5.3%	224.6	220.5	304.4	18.2%
EBITDA	10.2	9.1	31.4	40.5	11.6	11.8	-1.9%	35.9	36.1	50.5	24.6%
Margin	16.0%	14.0%	16.3%	15.7%	14.4%	15.5%		16.0%	16.4%	16.6%	
EBIT	5.0	4.6	15.8	20.4	6.1	6.4	-4.3%	19.6	19.9	29.1	42.9%
Margin	7.8%	7.0%	8.2%	7.9%	7.6%	8.4%		8.7%	9.0%	9.6%	
Net Profit	-0.2	2.8	-0.7	2.1	0.5	1.3	-58.8%	5.0	5.8	11.5	n.m.
Net Debt	136.0	130.4	136.0	130.4	118.5	118.0	0.4%	118.5	118.0	115.6	-11.4%

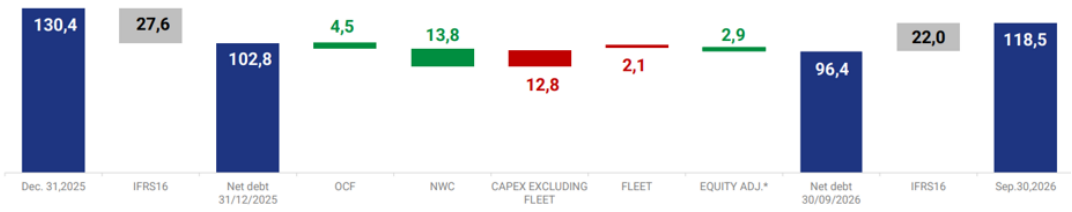
Source: Company data, Intermonte SIM

EBITDA Evolution by BU (€ mn)



Source: Company data

NFP and FCF EVolution (€ mn)



Source: Company data

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Valuation

We value Tesmec primarily using discounted cash flow. The DCF sets our target price of Eu0.54, implying +35% upside on the current Eu0.39 price. We cross-check the DCF against a weighted peer-multiple panel split into two groups mirroring Tesmec's profit mix (Energy Automation/Stringing names weighted at 70% and Trencher/Rail names at 30%), which supports the positive stance on the stock. At target, we value Tesmec at 6.7x EV/EBITDA FY27E.

Tesmec - DCF Valuation

(Eu mn)	2027E	2028E	2029E	2030E	2031E	TV
Revenues	327.6	356.4	385.0	412.5	438.9	452.1
YoY Growth	9.1%	8.8%	5.0%	5.0%	5.0%	3.0%
EBITDA	64.8	75.0	84.8	95.3	104.8	90.4
margin %	19.8%	21.0%	22.0%	23.1%	23.9%	20.0%
D&A	(22.4)	(23.0)	(24.4)	(25.2)	(25.5)	(27.0)
EBIT	42.4	52.0	60.4	70.1	79.3	63.4
Taxes on EBIT	(11.9)	(15.0)	(18.1)	(21.0)	(23.8)	(26.1)
tax rate	*-28.0%*	*-28.9%*	*-30.0%*	*-30.0%*	*-30.0%*	*-30.0%*
NOPAT	**30.5**	**37.0**	**42.3**	**49.1**	**55.5**	**37.3**
Change in WC	(4.8)	(6.2)	(9.1)	(12.9)	(18.2)	(5.0)
WC/Sales	*22.5%*	*22.4%*	*23.2%*	*24.7%*	*27.4%*	*38.0%*
Capex	(22.8)	(23.9)	(25.0)	(25.0)	(25.0)	(27.0)
Capex/Sales	*-7.0%*	*-6.7%*	*-6.5%*	*-6.1%*	*-5.7%*	*-6.0%*
Unlevered FCF	**25.4**	**29.9**	**32.5**	**36.3**	**37.8**	**32.3**
TV						**546.0**
Discount factor	0.92	0.84	0.77	0.71	0.65	0.59
Discounted Free cash flow	**23.2**	**25.1**	**25.0**	**25.6**	**24.5**	**323.8**

Eu mn	
Discounted free cash flows 2027-2031E	123
NPV of Terminal value	324
Terminal Value on total EV	73%
Terminal value multiple on EBITDA	6.0x
Total EV	**446**
Net financial position (YE26E) including IFRS16	(116)
Other Liabilities	(4)
Fair Value of Equity (Eu mn)	**327**
N. of shares (mn)	606.5
N. of shares ex. treasury shares(mn)	601.7
Fair value per share (Eu)	**0.54**
Current Price (Eu)	0.40
Upside/(Downside)	35%

Source: Intermonte SIM

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Peer Multiples

Company name	Country	Mkt cap (EU mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE		
			2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Trencher / Rail														
Epiroc AB Class A	Europe (mining equipment)	25,493	4.4x	3.7x	3.4x	18.4x	15.6x	14.3x	22.6x	18.7x	16.9x	29.3x	23.8x	21.5x
Sandvik AB	Europe (mining equipment)	40,708	3.3x	2.8x	2.6x	12.9x	11.6x	11.1x	16.5x	14.3x	13.6x	21.0x	17.7x	16.6x
Weir PLC	Europe (mining equipment)	7,338	2.6x	2.4x	2.2x	11.6x	10.8x	10.1x	13.5x	12.5x	11.6x	18.2x	16.4x	14.7x
Metso Corporation	Europe (mining equipment)	14,084	2.7x	2.4x	2.1x	15.0x	12.5x	11.2x	18.1x	14.8x	13.1x	23.6x	19.2x	16.7x
Caterpillar Inc.	US (mining, pipelines)	229,343	3.2x	2.9x	2.7x	16.6x	14.2x	12.4x	19.1x	16.2x	13.9x	20.5x	17.3x	14.4x
Komatsu Ltd.	Japan (mining, pipelines)	30,093	1.4x	1.3x	1.2x	8.4x	7.8x	7.1x	10.7x	9.9x	9.0x	13.1x	11.8x	10.5x
OMER S.p.a.	Europe (Rail)	101	0.8x	0.8x	0.7x	4.0x	4.3x	4.0x	5.2x	5.9x	5.5x	10.3x	11.5x	10.8x
Vossloh Aktiengesellschaft	Europe (Rail)	966	1.0x	0.9x	0.9x	9.7x	8.7x	7.9x	19.0x	14.3x	12.5x	21.7x	14.4x	11.8x
Alstom SA	Europe (Rail)	4,957	0.4x	0.3x	0.3x	11.8x	4.3x	3.7x	16.2x	5.5x	4.9x		7.8x	6.1x
Construcciones y Auxiliar de Ferrocarriles, S.A.	Europe (Rail)	2,605	0.6x	0.5x	0.5x	6.9x	6.2x	5.6x	9.5x	8.4x	7.5x	13.5x	11.6x	10.1x
Median Trencher/Rail			**2.0x**	**1.8x**	**1.7x**	**11.7x**	**9.7x**	**9.0x**	**16.3x**	**13.4x**	**12.1x**	**20.5x**	**15.4x**	**13.1x**
Energy Automation / Stringing														
Cembre S.p.A.	Europe	1,244	4.5x	4.0x	3.7x	14.1x	12.4x	11.3x	17.1x	14.9x	13.3x	22.1x	19.7x	17.6x
Arteche Lantegi Elkartea SA	Europe	1,575	2.7x	2.3x	2.0x	15.8x	13.0x	11.0x	19.2x	16.2x	13.9x	25.2x	20.3x	17.4x
Prysmian S.p.A.	Europe	31,195	1.5x	1.2x	1.1x	10.9x	8.7x	7.7x	14.5x	11.3x	9.9x	20.1x	15.3x	13.0x
ABB Ltd.	Europe	133,568	3.8x	3.4x	3.0x	17.7x	15.4x	13.6x	20.2x	17.1x	14.9x	24.4x	21.7x	18.8x
Nexans SA	Europe	5,403	0.8x	0.7x	0.6x	8.2x	7.0x	6.1x	12.4x	10.3x	8.7x	17.2x	13.4x	10.9x
Landis+Gyr Group AG	Europe	1,799	1.8x	1.7x	1.6x	13.7x	12.0x	11.0x	16.4x	13.9x	13.4x	21.2x	17.6x	15.8x
Schneider Electric SE	Europe	138,014	3.3x	3.0x	2.6x	14.7x	12.6x	10.8x	17.4x	14.5x	12.3x	22.2x	18.4x	15.7x
Siemens Energy AG	Europe	100,385	2.1x	1.8x	1.5x	16.9x	10.5x	8.5x	22.2x	13.0x	10.1x	26.3x	18.8x	14.4x
Rexel SA	Europe	10,727	0.7x	0.6x	0.6x	8.6x	7.6x	7.0x	11.4x	9.8x	8.9x	13.5x	11.2x	10.0x
Legrand SA	Europe	34,000	3.4x	3.0x	2.7x	15.4x	13.5x	12.2x	17.8x	15.3x	13.7x	21.7x	18.5x	16.5x
GE Vernova Inc.	US	183,823	4.1x	3.5x	2.9x	29.0x	19.4x	14.2x	45.5x	23.4x	16.6x	24.5x	30.1x	21.7x
Hubbell Incorporated	US	20,357	3.9x	3.4x	3.1x	16.1x	14.2x	13.1x	17.3x	15.3x	14.5x	20.9x	18.6x	16.7x
Emerson Electric Co.	US	81,248	5.3x	5.0x	4.7x	17.8x	17.2x	16.0x	19.3x	18.6x	17.1x	24.6x	22.2x	20.1x
Atkore Inc	US													
nVent Electric plc	US	15,400	3.3x	2.5x	2.1x	14.1x	10.8x	9.3x	15.3x	11.8x	10.0x	19.7x	15.2x	12.6x
Median Energy (Automation and Stringing)			**3.3x**	**2.7x**	**2.3x**	**15.1x**	**12.5x**	**11.0x**	**17.3x**	**14.7x**	**13.4x**	**21.9x**	**18.6x**	**16.2x**
Weighted avg. Peers: Energy 70%, Trencher + Rail 30%			**2.4x**	**2.1x**	**1.9x**	**12.7x**	**10.6x**	**9.6x**	**16.6x**	**13.8x**	**12.5x**	**20.9x**	**16.3x**	**14.0x**
Tesmec Intermonte Estimates	**Europe**	**243**	**1.2x**	**1.1x**	**0.9x**	**7.2x**	**5.4x**	**4.4x**	**12.5x**	**8.2x**	**6.3x**	**21.1x**	**11.7x**	**8.7x**
Tesmec premium/(discount) vs. weighted avg. peers						*-44%*	*-49%*	*-55%*				*1%*	*-28%*	*-38%*
Tesmec Intermonte Target Price	**Europe**	**327**	**1.5x**	**1.3x**	**1.2x**	**8.8x**	**6.7x**	**5.5x**	**15.3x**	**10.2x**	**7.9x**	**28.4x**	**15.7x**	**11.7x**

Source: Facset, Intermonte Estimates

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Financials

Tesmec – P&L FY23-28E

(Eu mn)	2023	2024	2025	2026E	2027E	2028E	CAGR 2025-2028E
Energy	*68*	*77*	*97*	*126*	*143*	*161*	*18.6%*
Trencher	*137*	*125*	*108*	*128*	*135*	*141*	*9.5%*
Railway	*47*	*50*	*53*	*50*	*50*	*54*	*0.4%*
Revenues	**251.9**	**239.5**	**257.6**	**304.4**	**327.6**	**356.4**	**11.4%**
YoY change %	3%	-5%	8%	18%	8%	9%	
YoY change Eu mn	7	-12	18	47	23	29	
Operating costs	-218	-198	-217	-254	-263	-281	
YoY change %	4%	-9%	9%	17%	4%	7%	
Energy	*10.0*	*11.3*	*19.4*	*28.5*	*33.9*	*40.2*	*27.5%*
Trencher	*15.4*	*20.2*	*11.0*	*19.0*	*22.1*	*23.2*	*28.4%*
Railway	*8.6*	*9.5*	*10.2*	*3.0*	*8.8*	*11.6*	*4.5%*
EBITDA	**34.0**	**41.1**	**40.5**	**50.5**	**64.8**	**75.0**	**22.8%**
margin %	13.5%	17.1%	15.7%	16.6%	19.8%	21.0%	
YoY change %	-3.3%	20.7%	-1.3%	24.6%	28.3%	15.7%	
D&A	-23.0	-20.7	-20.2	-21.4	-22.4	-23.0	
EBIT	**11.1**	**20.4**	**20.4**	**29.1**	**42.4**	**52.0**	**36.7%**
margin %	4.4%	8.5%	7.9%	9.6%	12.9%	14.6%	
YoY change %	-15.7%	84.1%	0.0%	42.9%	45.7%	22.6%	
Financial expenses	-15.655	-16.6	-19.7	-13	-13.3	-12.8	
Pretax profit	-4.6	3.8	0.6	16.1	29.1	39.2	
YoY change %	-139.6%	-182.1%	-83.1%	2431.4%	80.7%	34.7%	
Taxes	1.9	-3.6	-3.0	-4.6	-8.3	-11.2	
Tax rate %	41.3%	95.5%	478.3%	28.3%	28.5%	28.5%	
Net Profit before minorities	-2.7	0.2	-2.4	11.5	20.8	28.0	
YoY change %	-134.1%	-106.3%	-1515.3%	-579.8%	80.2%	34.7%	
Minorities/Discontinued operations	-0.3	-5.4	4.5	0.0	0.0	0.0	
Net Profit	**-3.0**	**-5.2**	**2.1**	**11.5**	**20.8**	**28.0**	**136.2%**
YoY change %	-137.5%	76.2%	-140.7%	442.7%	80.2%	34.7%	
Non-recurring items	0.0	-5.1	4.5	0.0	0.0	0.0	
Adj. net Profit	**-3.0**	**-0.1**	**-2.4**	**11.5**	**20.8**	**28.0**	**nm**
YoY change %	-137.5%	-95.6%	1725.4%	-586.5%	80.2%	34.7%	

Per share data	2023	2024	2025	2026E	2027E	2028E	CAGR 2025-2028E
Number of shares m	606.5	606.5	606.5	606.5	606.5	606.5	0.0%
Shares net of treasury shares	601.7	601.7	601.7	601.7	601.7	601.7	0.0%
EPS Adj.	**-0.005**	**0.000**	**-0.004**	**0.019**	**0.035**	**0.047**	**nm**
growth %	nm	nm	nm	nm	80.2%	34.7%	
DPS	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**
FCF per share	-0.017	-0.015	0.034	0.025	0.025	0.035	0.7%
BVPS	0.126	0.125	0.128	0.147	0.182	0.228	21.1%

Source: Company data, Intermonte SIM

research@intermonte.it

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Tesmec – Balance Sheet FY23-28E

(Eu mn)	2023	2024	2025	2026E	2027E	2028E	Avg. 2026E-2028E
Intangible assets	39.3	42.2	42.2	42.2	42.2	42.2	
Tangible assets	74.0	57.6	67.5	68.3	68.7	69.6	
Financial assets	6.3	7.1	7.1	7.1	7.1	7.1	
Net fixed assets	**119.6**	**106.9**	**116.8**	**117.6**	**118.0**	**118.9**	**118.2**
Inventories	110.6	96.1	87.7	96.8	107.8	118.7	
Receivables	45.6	55.4	61.1	72.1	79.3	86.6	
Payables	-82.8	-79.9	-103.8	-124.8	-137.6	-149.7	
Other assets/liabilities	13.4	28.2	26.8	23.7	23.7	23.7	
Net working capital	**86.8**	**99.8**	**72.0**	**67.8**	**73.2**	**79.3**	**73.4**
Other long-term assets/liabilities	25.3	17.8	15.5	16.8	16.8	16.8	
Net Invested Capital	**231.7**	**224.6**	**204.2**	**202.3**	**208.0**	**215.0**	**208.5**
Net Debt /(Cash)	**153.5**	**147.0**	**130.4**	**115.6**	**100.5**	**79.5**	**98.5**
Minorities	2.0	2.0	-2.5	-2.5	-2.5	-2.5	
Shareholders' funds	76.2	75.6	77.7	89.3	110.1	138.1	
Total Shareholders' Funds	**78.2**	**77.6**	**73.7**	**86.7**	**107.5**	**135.6**	**110.0**
Total Sources	**231.7**	**224.6**	**204.2**	**202.3**	**208.0**	**215.0**	**208.5**
Net Debt/EBITDA	4.5 x	3.6 x	3.2 x	2.3 x	1.6 x	1.1 x	
Capex/Sales	6.5%	10.4%	9.7%	7.3%	7.0%	6.7%	
Working Capital/Sales	34.5%	41.7%	27.9%	22.3%	22.3%	22.2%	
ROE	-3.9%	-6.9%	2.7%	12.9%	18.9%	20.3%	
ROIC	3.3%	6.3%	7.0%	10.1%	14.3%	16.9%	

Source: Company data, Intermonte SIM

Tesmec – Cash Flow FY23-28E

(Eu mn)	2023	2024	2025	2026E	2027E	2028E	CAGR 2025-2028E
EBITDA	34.0	41.1	40.5	50.5	64.8	75.0	
Capex	-16.4	-24.8	-25.0	-22.2	-22.8	-23.9	
Taxes	1.9	0.3	-3.0	-4.6	-8.3	-11.2	
Change in working capital	-6.2	-13.0	27.8	4.1	-5.3	-6.1	
Other operating items	-7.7	3.7	0.0	0.0	0.0	0.0	
Financial charges	-15.7	-16.6	-19.7	-13.0	-13.3	-12.8	
Free Cash Flow	**-10.0**	**-9.3**	**20.6**	**14.9**	**15.1**	**21.0**	**0.7%**
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Equity	0.0	0.0	-6.0	0.0	0.0	0.0	
Dividends	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**
Others	-15.1	15.8	1.2	0.0	0.0	0.0	
Decrease/(Increase) in Net Debt	**-25.1**	**6.5**	**15.8**	**14.9**	**15.1**	**21.0**	**10.0%**
Net Debt end of period	153.5	147.0	130.4	115.6	100.5	79.5	

Source: Company data, Intermonte SIM

research@intermonte.it

DETAILS ON STOCK RECOMMENDATION			
Stock NAME	**TESMEC**		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (€):	0.54	Previous Target (€):	0.54
Current Price (€):	0.40	Previous Price (€):	0.38
Date of report:	09/11/2026	Date of last report:	6/11/2026

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (**DCF**) model or similar methods such as a dividend discount model (**DDM**)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

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NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	28.57%
OUTPERFORM:	40.71%
NEUTRAL:	30.01%
UNDERPERFORM:	00.71%
SELL:	00.00%

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NEUTRAL:	18.52%
UNDERPERFORM:	02.47%
SELL:	00.00%

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