TESMEC

Sector: Industrials

OUTPERFORM (unchanged)

Target: €0.54 (from €0.46)

Strong 2Q26 results. TP raised from Eu0.46 to Eu0.54

ANALYST(s)

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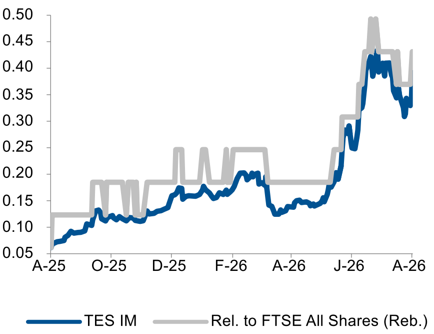
Change (%)	2026E	2027E	2028E
Eps Adj.	17.3%	14.6%	10.4%

Key Data	August 05, 2026
Price (€)	0.39
Upside/(Downside)	37.9%
Sector	Industrials
Reuters Code	TES.MI
Bloomberg Code	TES IM

Performance (%)	1M	3M	12M
Absolute	-2.9%	169.6%	535.6%
Relative	-3.8%	145.1%	390.5%
12M (H/L)			0.43/0.07
3M Average Volume (th):			11,017.69



Shareholder data	
Total no. of Shares (mn):	606
Mkt Cap (€ mn):	237
Mkt Float (€ mn):	111
Mkt Float (in %):	46.6%
Main Shareholder:	
TTC	47.8%

Balance Sheet Data	
Book Value (€ mn)	90
BVPS (€)	0.15
P/BV	2.6
Net Financial Position (€ mn)	-115
Enterprise Value (€ mn)	353

Following 2Q26 results above estimates (15% EBITDA beat), driven by Energy and Trenchers, and in light of the acceleration of growth expected in 2H26 (backlog conversion), we raise EPS by 17% for FY26E and 12% for FY27/28E. On revised estimates, the stock trades at 6.6x EV/EBITDA FY26E (8.3x at our TP), which leaves ample room for further re-rating if the company carries on executing. Outperform confirmed, with the target price raised from Eu0.46 to Eu0.54 per share.

- **Strong 2Q26 earnings driven by Energy and Trenchers**. Tesmec posted 2Q26 results significantly above estimates (revenues +12%, EBITDA +15%) and showing an acceleration of growth (revenues +17% YoY in 2Q26 vs. +7% YoY in 1Q26), margins improving (EBITDA margin at 18.1% in 2Q26 vs. 15.3% in 1Q26), and a Eu6mn reduction of net debt vs. end-March. In detail: 2Q26 sales increased by 17% YoY to Eu78mn vs. Eu70mn expected and Eu67mn in 2Q25; EBITDA came in at Eu14.2mn (+22% YoY) vs. Eu12.3mn expected and Eu10.1mn in 1Q26; the EBITDA margin in 2Q26 reached 18.1% vs. 15.3% in 1Q26 and 17.7% expected; EBIT was up 37% YoY to Eu8.8mn (Eu6.8mn expected), almost doubling vs. 1Q26 EBIT of Eu4.7mn; net profit was Eu3.4mn (1H26 Eu4.5mn vs. a small loss in 1H25) vs. Eu2.4mn expected; net debt fell by Eu6mn vs. end-March to Eu120mn (Eu124mn expected) driven by Eu4mn lower working capital (Eu7.5mn in 1H26); the backlog stood at Eu498mn (Eu238mn at Energy, Eu179mn at Rail, Eu81mn at Trenchers) vs. Eu474mn as of March 2026.
- **Energy the main growth driver, Trenchers the positive surprise.** Looking at the divisional performances, the Energy business reported sales up 45% YoY (+32% YoY in 1Q26) to Eu34mn and EBITDA up 65% to Eu8mn (23.1% margin vs. 20.3% in 2Q25). The strong profitability was driven by both Stringing (operational leverage, growing contribution from the US JV), and Automation (multi-year contracts entering the execution phase). Trenchers was the positive surprise of the quarter, with sales up 19% YoY after the -7% in 1Q26, and the EBITDA margin was 16.6% vs. 12.7% in 2Q25 and 11.9% in 1Q26. Growth at Trenchers was driven by the solid performance in the US market. The only weak spot in 2Q26 was the Rail business, which reported YoY sales down Eu4mn to Eu11mn and the EBITDA margin at 7.5%; this was expected as results have yet to reflect the contribution of newly awarded contracts (Eu71mn in Slovenia), with backlog conversion expected to accelerate in 2H26. Progress on rail certifications (in France) broaden access to the European market.
- **Outlook.** Management confirmed the FY guidance for improving the main P&L indicators vs. FY25 and guided for FY26 net debt lower than the Eu120mn reported as at end-June (the previous indication was net debt below Eu126mn).
- **Outperform, TP Eu0.52 (from Eu0.46).** In light of the strong 2Q26 performance and the acceleration expected in 2H26 (backlog conversion), we raise FY26/27 estimates by 6% for both sales and EBITDA, with EPS raised by 17% for FY26E and by 15% for FY27. The DCF-based target price increases from Eu0.46 to Eu0.54, implying a FY26 EV/EBITDA target of 8.3x vs. 6.6x at the current price. We reiterate the positive stance on the stock.

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Sales (€ mn)	240	258	300	328	356
EBITDA Adj (€ mn)	41	41	54	65	75
Net Profit Adj (€ mn)	0	-2	13	21	28
EPS New Adj (€)	0.000	-0.004	0.021	0.035	0.047
EPS Old Adj (€)	0.000	-0.004	0.018	0.030	0.042
DPS (€)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	4.9	4.5	6.6	5.2	4.2
EV/EBIT Adj	9.9	8.9	11.0	8.0	6.1
P/E Adj	nm	nm	18.7	11.3	8.4
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	3.6	3.2	2.1	1.5	1.1

Intermonte

TESMEC - Key Figures						
Profit & Loss (€ mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Sales	252	240	258	300	328	356
EBITDA	34	41	41	54	65	75
EBIT	11	20	20	32	42	52
Financial Income (charges)	-16	-17	-20	-15	-13	-13
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	-5	4	1	18	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	13	21	28
EBITDA Adj	34	41	41	54	65	75
EBIT Adj	11	20	20	32	42	52
Net Profit Adj	-3	-0	-2	13	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	0.021	0.035	0.047
EPS Adj f.d	-0.005	0.000	-0.004	0.021	0.035	0.047
BVPS f.d	0.126	0.125	0.128	0.149	0.183	0.229
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	47	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	16	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	16	21
Balance Sheet (€ mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Total Fixed Assets	120	107	117	117	118	119
Net Working Capital	87	100	72	69	74	80
Long term Liabilities	25	18	16	17	17	17
Net Capital Employed	232	225	204	203	208	216
Net Cash (Debt)	-154	-147	-130	-115	-100	-79
Group Equity	78	78	74	88	109	137
Minorities	2	2	-3	-3	-3	-3
Net Equity	76	76	78	90	111	139
Enterprise Value (€ mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Average Mkt Cap	83	54	51	237	237	237
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-154	-147	-130	-115	-100	-79
Enterprise Value	236	201	182	353	337	316
Ratios (%)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
EBITDA Adj Margin	13.5%	17.1%	15.7%	17.9%	19.8%	21.0%
EBIT Adj Margin	4.4%	8.5%	7.9%	10.7%	12.9%	14.6%
Gearing - Debt/Equity	196.3%	189.4%	176.9%	131.5%	91.9%	57.8%
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	2.1	1.5	1.1
ROACE*	5.0%	8.9%	9.5%	15.8%	20.6%	24.5%
ROE*	-3.8%	-0.2%	-3.1%	15.0%	20.7%	22.4%
EV/CE	1.1	0.9	0.8	1.7	1.6	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	6.6	5.2	4.2
EV/EBIT Adj	21.4	9.9	8.9	11.0	8.0	6.1
Free Cash Flow Yield	-4.3%	-6.2%	10.6%	6.3%	6.6%	8.8%
Growth Rates (%)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Sales	2.7%	-4.9%	7.6%	16.6%	9.1%	8.8%
EBITDA Adj	-3.3%	20.7%	-1.3%	32.7%	20.4%	15.7%
EBIT Adj	-15.7%	84.1%	0.0%	58.1%	31.7%	22.6%
Net Profit Adj	nm	nm	nm	nm	64.9%	34.7%
EPS Adj	nm	nm	nm	nm	64.9%	34.7%
DPS						

*Excluding extraordinary items   Source: Intermonte SIM Estimates

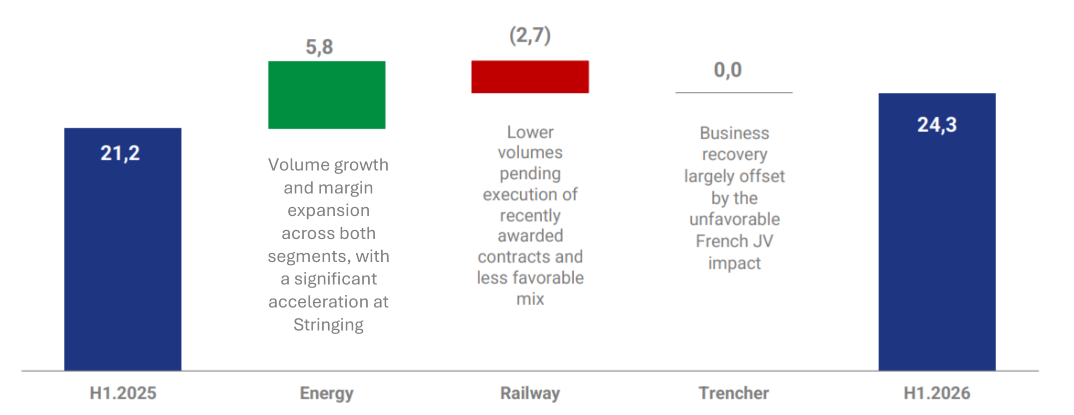
Tesmec 2Q26/1H26 Results

Tesmec – Quarterly results

(Eu mn)	1Q25	2Q25	1H25	FY 25	1Q26	2Q26	YoY	2Q26E	Act./Est.	1H26	1H26E	FY 26E	YoY
Revenues	61.4	67.2	128.6	257.6	65.9	78.3	16.5%	69.6	12.5%	144.2	135.5	300.4	16.6%
EBITDA	9.5	11.7	21.2	40.5	10.1	14.2	21.8%	12.3	15.4%	24.3	22.4	53.8	32.7%
Margin	15.5%	17.3%	16.5%	15.7%	15.3%	18.1%		17.7%		16.9%	16.5%	17.9%	
EBIT	4.3	6.4	10.8	20.4	4.7	8.8	37.1%	6.8	29.4%	13.5	11.5	32.2	58.1%
Margin	7.0%	9.6%	8.4%	7.9%	7.1%	11.2%		9.8%		9.4%	8.5%	10.7%	
Net Profit	-1.4	0.9	-0.5	2.1	1.1	3.4	288.1%	2.4	44.1%	4.5	3.5	12.6	493.3%
Net Debt	152.6	146.4	146.4	130.4	126.0	120.3	-17.8%	124.0	3.0%	120.3	124.0	115.5	-11.5%

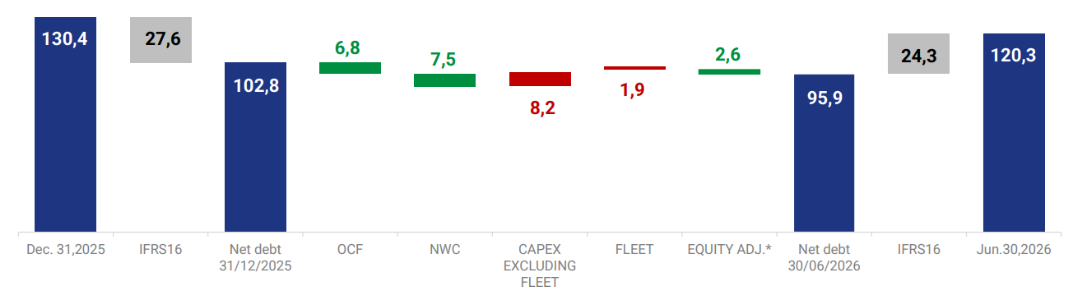
Source: Company data, Intermonte SIM

EBITDA Evolution by BU (€ mn)



Source: Company data

NFP and FCF EVolution (€ mn)



Source: Company data

Valuation

We value Tesmec primarily using discounted cash flow. The DCF sets our target price of Eu0.54, implying +39% 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 8.3x EV/EBITDA FY26E.

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	124
NPV of Terminal value	324
Terminal Value on total EV	72%
Terminal value multiple on EBITDA	6.0x
Total EV	**447**
Net financial position (YE26E) including IFRS16	(115)
Other Liabilities	(4)
Fair Value of Equity (Eu mn)	**328**
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)	0.39
Upside/(Downside)	39%

Source: Intermonte SIM

Peer Multiples

Company name	Country	Mkt cap (EU mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE			Dividend Yield %		
			2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Trencher / Rail																	
Epiroc AB Class A	Europe (mining equipment)	26,482	4.5x	3.9x	3.6x	19.2x	16.5x	15.2x	23.5x	19.9x	18.0x	30.5x	25.4x	22.8x	1.6	1.9	2.1
Sandvik AB	Europe (mining equipment)	42,164	3.4x	3.0x	2.8x	13.7x	12.6x	12.1x	17.7x	15.8x	15.0x	22.4x	19.6x	18.3x	2.0	2.2	2.3
Weir Group PLC	Europe (mining equipment)	8,137	2.9x	2.7x	2.5x	12.9x	11.9x	11.2x	15.1x	13.8x	12.8x	20.6x	18.4x	16.6x	1.6	1.8	2.0
Metso Corporation	Europe (mining equipment)	13,761	2.6x	2.4x	2.1x	14.4x	12.5x	11.3x	17.4x	14.8x	13.2x	22.6x	19.1x	16.8x	2.5	2.9	3.2
Caterpillar Inc.	US (mining, pipelines)	350,386	5.3x	4.7x	4.4x	25.9x	21.9x	18.8x	29.9x	25.1x	21.0x	33.9x	28.1x	23.4x	0.7	0.7	0.8
Komatsu Ltd.	Japan (mining, pipelines)	35,411	1.7x	1.6x	1.6x	10.3x	9.7x	9.1x	13.3x	12.4x	11.7x	16.7x	15.3x	14.2x	2.7	3.0	3.3
OMER S.p.a.	Europe (Rail)	95	0.8x	0.7x	0.5x	4.5x	4.3x	3.9x	6.2x	5.9x	5.0x	11.6x	10.8x	9.3x	0.0	0.0	0.0
Vossloh Aktiengesellschaft	Europe (Rail)	1,130	1.0x	1.0x	0.9x	9.8x	8.6x	7.9x	18.8x	13.6x	12.2x	22.4x	14.5x	12.6x	2.0	2.5	2.7
Alstom SA	Europe (Rail)	7,790	0.4x	0.4x	0.4x	5.9x	5.2x	4.6x	7.7x	6.7x	5.9x	10.1x	8.3x	7.1x	0.4	1.3	2.1
Construcciones y Auxiliar de Ferrocarriles S.A.	Europe (Rail)	2,410	0.5x	0.5x	0.4x	6.4x	5.7x	5.2x	8.9x	7.8x	7.1x	12.7x	10.9x	9.6x	2.8	3.1	3.5
Median Trencher/Rail			**2.2x**	**2.0x**	**1.8x**	**11.6x**	**10.8x**	**10.1x**	**16.2x**	**13.7x**	**12.5x**	**21.5x**	**16.9x**	**15.4x**	**1.8**	**2.0**	**2.2**
Energy Automation / Stringing																	
Cembre S.p.A.	Europe	1,420	5.1x	4.6x	4.3x	15.9x	14.1x	12.9x	19.3x	16.8x	15.2x	25.5x	22.8x	20.6x	2.9	3.3	3.6
Arteche Lantegi Elkartea SA	Europe	1,691	2.8x	2.4x	2.1x	17.6x	14.6x	12.6x	21.7x	18.4x	16.2x	28.3x	23.2x	20.2x	1.5	1.9	2.5
Prysmian S.p.A.	Europe	37,307	1.8x	1.6x	1.4x	13.9x	11.7x	10.5x	18.5x	15.2x	13.4x	25.1x	19.9x	17.0x	0.8	0.9	1.0
ABB Ltd.	Europe	159,728	4.8x	4.3x	3.8x	22.6x	19.9x	17.6x	25.8x	22.0x	19.4x	30.1x	27.6x	24.2x	1.2	1.2	1.3
Nexans SA	Europe	5,814	0.8x	0.7x	0.6x	9.2x	7.9x	7.0x	13.1x	11.0x	9.4x	18.6x	14.7x	12.4x	2.3	2.5	2.8
Landis+Gyr Group AG	Europe	1,531	1.6x	1.4x	1.3x	11.6x	10.1x	9.0x	15.4x	12.9x	11.7x	21.2x	16.8x	14.9x	2.2	2.5	2.7
Schneider Electric SE	Europe	173,148	4.2x	3.7x	3.4x	19.3x	16.9x	14.9x	22.7x	19.6x	17.2x	29.6x	24.9x	21.5x	1.5	1.8	2.0
Siemens Energy AG	Europe	129,906	2.7x	2.4x	2.1x	18.4x	14.1x	11.4x	24.3x	17.5x	13.5x	34.3x	24.6x	18.9x	1.3	1.8	2.3
Rexel SA	Europe	11,028	0.7x	0.6x	0.6x	9.3x	8.6x	8.1x	12.4x	11.1x	10.3x	14.8x	12.8x	11.5x	3.3	3.5	3.7
Legrand SA	Europe	36,229	3.7x	3.4x	3.0x	16.7x	15.0x	13.7x	19.1x	17.2x	15.7x	23.4x	20.8x	18.8x	1.9	2.2	2.4
GE Vernova Inc.	US	235,405	5.7x	4.8x	4.1x	42.1x	28.3x	20.5x	60.7x	32.2x	22.6x	33.2x	41.2x	29.9x	0.2	0.2	0.2
Hubbell Incorporated	US	23,027	4.2x	3.8x	3.6x	19.3x	17.1x	15.7x	20.7x	18.7x	18.1x	25.0x	22.5x	20.2x	1.1	1.2	1.2
Emerson Electric Co.	US	77,204	5.4x	5.0x	4.7x	19.0x	17.7x	16.0x	20.8x	19.3x	17.4x	24.9x	22.5x	20.2x	1.4	1.4	1.5
Atkore Inc	US	2,741	1.1x	1.1x		10.6x	9.6x	8.5x	13.9x	12.9x	10.4x	16.8x	14.9x	13.0x	1.4	1.4	1.4
nVent Electric plc	US	22,788	5.1x	4.2x	3.5x	22.7x	18.6x	16.1x	25.6x	20.5x	17.4x	32.4x	25.4x	21.3x	0.4	0.4	0.4
Median Energy (Automation and Stringing)			**3.7x**	**3.4x**	**3.2x**	**17.6x**	**14.6x**	**12.9x**	**20.7x**	**17.5x**	**15.7x**	**25.1x**	**22.5x**	**20.2x**	**1.4**	**1.8**	**2.0**
Weighted avg. Peers: Energy 70%, Trencher + Rail 30%			**2.6x**	**2.4x**	**2.3x**	**13.4x**	**12.0x**	**11.0x**	**17.6x**	**14.8x**	**13.4x**	**22.6x**	**18.5x**	**16.8x**	**1.7**	**1.9**	**2.2**
Tesmec Intermonte Estimates	**Europe**	**235**	**1.2x**	**1.0x**	**0.9x**	**6.6x**	**5.2x**	**4.2x**	**11.0x**	**8.0x**	**6.1x**	**18.6x**	**11.3x**	**8.4x**	**0.0**	**0.0**	**0.0**
Tesmec premium/(discount) vs. weighted avg. peers						*-51%*	*-56%*	*-61%*				*-17%*	*-39%*	*-50%*			
Tesmec Intermonte Target Price	**Europe**	**327**	**1.5x**	**1.3x**	**1.2x**	**8.3x**	**6.7x**	**5.5x**	**13.9x**	**10.2x**	**7.9x**	**26.0x**	**15.7x**	**11.7x**	**0.0**	**0.0**	**0.0**

Source: Facset, Intermonte Estimates

Change in Estimates

Tesmec – Change in Estimates

(Eu mn)	2025A	2026E	2027E	2028E	2029E
Sales new	**257.6**	**300.4**	**327.6**	**356.4**	**385.0**
Sales old		281.4	310.1	342.2	369.9
% change		6.8%	5.6%	4.1%	4.1%
EBITDA new	**40.5**	**53.8**	**64.8**	**75.0**	**84.8**
EBITDA old		50.4	61.1	71.3	79.9
% change		6.7%	6.1%	5.2%	6.0%
EBIT new	**20.4**	**32.2**	**42.4**	**52.0**	**60.4**
EBIT old		28.3	38.7	48.3	55.5
% change		13.8%	9.6%	7.7%	8.7%
Pre tax Profit new	**0.6**	**17.6**	**29.1**	**39.2**	**48.4**
Pre tax Profit old		15.0	25.4	35.5	43.5
% change		17.3%	14.6%	10.4%	11.1%
Net Profit new	**2.1**	**12.6**	**20.8**	**28.0**	**33.9**
Net Profit old		10.8	18.2	25.4	30.5
% change		17.3%	14.6%	10.4%	11.1%
Net Debt new	**130.4**	**115.5**	**99.9**	**78.9**	**54.8**
Net Debt old		119.2	106.9	90.0	71.0
% change		-3.1%	-6.6%	-12.3%	-22.8%

Source: Company data and Intermonte SIM

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*	*46*	*50*	*54*	*0.4%*
Revenues	**251.9**	**239.5**	**257.6**	**300.4**	**327.6**	**356.4**	**11.4%**
YoY change %	3%	-5%	8%	17%	9%	9%	
YoY change Eu mn	7	-12	18	43	27	29	
Operating costs	-218	-198	-217	-247	-263	-281	
YoY change %	4%	-9%	9%	14%	7%	7%	
Energy	*10.0*	*11.3*	*19.4*	*28.9*	*33.9*	*40.2*	*27.5%*
Trencher	*15.4*	*20.2*	*11.0*	*20.4*	*22.1*	*23.2*	*28.4%*
Railway	*8.6*	*9.5*	*10.2*	*4.5*	*8.8*	*11.6*	*4.5%*
EBITDA	**34.0**	**41.1**	**40.5**	**53.8**	**64.8**	**75.0**	**22.8%**
margin %	13.5%	17.1%	15.7%	17.9%	19.8%	21.0%	
YoY change %	-3.3%	20.7%	-1.3%	32.7%	20.4%	15.7%	
D&A	-23.0	-20.7	-20.2	-21.6	-22.4	-23.0	
EBIT	**11.1**	**20.4**	**20.4**	**32.2**	**42.4**	**52.0**	**36.7%**
margin %	4.4%	8.5%	7.9%	10.7%	12.9%	14.6%	
YoY change %	-15.7%	84.1%	0.0%	58.1%	31.7%	22.6%	
Financial expenses	-15.655	-16.6	-19.7	-14.6	-13.3	-12.8	
Pretax profit	-4.6	3.8	0.6	17.6	29.1	39.2	
YoY change %	-139.6%	-182.1%	-83.1%	2667.3%	65.3%	34.7%	
Taxes	1.9	-3.6	-3.0	-5.0	-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	12.6	20.8	28.0	
YoY change %	-134.1%	-106.3%	-1515.3%	-624.5%	64.9%	34.7%	
Minorities/Discountinued operations	-0.3	-5.4	4.5	0.0	0.0	0.0	
Net Profit	**-3.0**	**-5.2**	**2.1**	**12.6**	**20.8**	**28.0**	**136.2%**
YoY change %	-137.5%	76.2%	-140.7%	493.3%	64.9%	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**	**12.6**	**20.8**	**28.0**	**nm**
YoY change %	-137.5%	-95.6%	1725.4%	-631.8%	64.9%	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**	**0.021**	**0.035**	**0.047**	**nm**
growth %	nm	nm	nm	nm	64.9%	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	0.026	0.035	0.6%
BVPS	0.126	0.125	0.128	0.149	0.183	0.229	21.4%

Source: Company data, Intermonte SIM

Intermonte

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	68.1	68.5	69.4	
Financial assets	6.3	7.1	7.1	7.1	7.1	7.1	
Net fixed assets	**119.6**	**106.9**	**116.8**	**117.4**	**117.8**	**118.7**	**118.0**
Inventories	110.6	96.1	87.7	97.3	108.4	119.4	
Receivables	45.6	55.4	61.1	71.2	79.3	86.6	
Payables	-82.8	-79.9	-103.8	-123.2	-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**	**69.1**	**73.8**	**80.0**	**74.3**
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**	**203.3**	**208.5**	**215.6**	**209.1**
Net Debt /(Cash)	**153.5**	**147.0**	**130.4**	**115.5**	**99.9**	**78.9**	**98.1**
Minorities	2.0	2.0	-2.5	-2.5	-2.5	-2.5	
Shareholders funds	76.2	75.6	77.7	90.3	111.2	139.2	
Total Shareholders Funds	**78.2**	**77.6**	**73.7**	**87.8**	**108.6**	**136.6**	**111.0**
Total Sources	**231.7**	**224.6**	**204.2**	**203.3**	**208.5**	**215.6**	**209.1**
Net Debt/EBITDA	4.5 x	3.6 x	3.2 x	2.1 x	1.5 x	1.1 x	
Capex/Sales	6.5%	10.4%	9.7%	7.4%	7.0%	6.7%	
Working Capital/Sales	34.5%	41.7%	27.9%	23.0%	22.5%	22.4%	
ROE	-3.9%	-6.9%	2.7%	14.0%	18.7%	20.1%	
ROIC	3.3%	6.3%	7.0%	11.1%	14.2%	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	53.8	64.8	75.0	
Capex	-16.4	-24.8	-25.0	-22.2	-22.8	-23.9	
Taxes	1.9	0.3	-3.0	-5.0	-8.3	-11.2	
Change in working capital	-6.2	-13.0	27.8	2.9	-4.8	-6.2	
Other operating items	-7.7	3.7	0.0	0.0	0.0	0.0	
Financial charges	-15.7	-16.6	-19.7	-14.6	-13.3	-12.8	
Free Cash Flow	**-10.0**	**-9.3**	**20.6**	**14.9**	**15.6**	**20.9**	**0.6%**
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**	**15.6**	**20.9**	**9.9%**
Net Debt end of period	153.5	147.0	130.4	115.5	99.9	78.9	

Source: Company data, Intermonte SIM

DETAILS ON STOCK RECOMMENDATION			
Stock NAME	**TESMEC**		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (€):	0.54	Previous Target (€):	0.46
Current Price (€):	0.39	Previous Price (€):	0.33
Date of report:	06/08/2026	Date of last report:	18/06/2026

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- 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)

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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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OUTPERFORM:	42.34%
NEUTRAL:	27.00%
UNDERPERFORM:	00.73%
SELL:	00.00%

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UNDERPERFORM:	02.47%
SELL:	00.00%

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