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Informazione
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Nome utilizzatore : TESMECN01 - Lucia Caccia Dominioni

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Diffusione presunta

Oggetto : Tesmec - The Board of Directors approved the Interim consolidated financial report as at 30 September 2016

Testo del comunicato

Vedi allegato.



TESMEC S.P.A.: THE BOARD OF DIRECTORS APPROVED THE INTERIM CONSOLIDATED FINANCIAL REPORT AS AT 30 SEPTEMBER 2016.

Main consolidated results as at 30 September 2016:

- **Revenues: Euro 108.5 million** (compared to Euro 120.2 million as at 30 September 2015);
- **EBITDA¹: Euro 10.7 million** (compared to Euro 16.7 million as at 30 September 2015);
- **EBIT: Euro 1.6 million** (compared to Euro 9.3 million as at 30 September 2015);
- **Net profit: negative Euro 1.4 million** (compared to positive Euro 4.7 million as at 30 September 2015).
- **Net financial indebtedness: Euro 115.3 million**, compared to Euro 89.9 million as at 31 December 2015. Without considering the effects of IAS 17 for the lease contract of the premises of Grassobbio, it would be Euro 98.4 million as at 30 September 2016 and 72.1 million as at 31 December 2015.
- **Strong improvement in order backlog at 30 September 2016 amounted to Euro 107.8 million** with an increase of 57.8% compared to Euro 68.3 million as at 30 September 2015.
- **New major contract awarded in Indonesia.**

Grassobbio (Bergamo - Italy), 7 November 2016 – The Board of Directors of **Tesmec S.p.A.** (MTA, STAR: TES), at the head of a group leader in the market of infrastructures related to the transport and distribution of energy, data and materials, convened today and chaired by **Ambrogio Caccia Dominioni**, examined and approved the **Interim Consolidated Financial Report** as at 30 September 2016.

The **Chairman and CEO Ambrogio Caccia Dominioni** commented as follows *“The third quarter results recorded, at constant scope of consolidation, a turnaround from the third quarter 2015 with an EBITDA with an increase of 34%. Furthermore, the investments undertaken by the Group are leading to the finalization of important negotiations both in the traditional and new business. The contract awarded in Indonesia, for instance, recognizes the technological superiority of Tesmec in the field of power transmission lines construction and rewards the commercial efforts in a strategic market which envisages significant investments in transmission and distribution power lines infrastructure. We are therefore confident in a further improvement in the last quarter compared to previous quarters and in attractive growth prospects for 2017 thanks to the current level of order backlog.”*

MAIN CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2016

As at **30 September 2016**, Tesmec Group recorded consolidated **Revenues** of **Euro 108.5 million**, compared to Euro 120.2 million at 30 September 2015 financial year, with a good performance of the services activities in the Trencher segment that compensated the rebalancing of Stringing revenues, ceased being the effect of the Abengoa order that, with non-repetitive features, has characterized 2015.

¹ The EBITDA is represented by the operating income gross of amortization/depreciation. The EBITDA thus defined represents a measurement used by Company management to monitor and assess the company's operating performance. EBITDA is not recognized as a measure of performance by the IFRS and therefore is not to be considered an alternative measurement for assessing the performance of the Group's operating income. As the composition of EBITDA is not governed by the reference accounting standards, the criterion for determination applied by the Group may not be in line with the criterion adopted by others and is therefore not comparable.



Results as at 30 September (Euro in thousands)	Revenues from sales and services		
	2016	2015	Variazione
Stringing equipment	30,472	58,190	-47.6%
<i>Effect on Consolidated Revenues</i>	28.1%	48.4%	
Trencher	74,276	58,876	26.2%
<i>Effect on Consolidated Revenues</i>	68.5%	49.0%	
Railway	3,729	3,112	19.8%
<i>Effect on Consolidated Revenues</i>	3.4%	2.6%	
Consolidated	108,477	120,178	-9.7%

In detail, the Revenues of the **Trencher segment** in the first nine months of 2016 were **Euro 74.3 million, with an increase of 26.2%** compared to Euro 58.9 million as at 30 September 2015, thanks to the positive impact of the service activities of the subsidiary Marais in France, in Africa and in Oceania. The sales in the US market and in the Middle East decreased, in line with a reduction in the propensity to invest by the customers of the Oil&Gas industry, due to the decline in oil price. With reference to the **Railway segment**, the **Revenues** were **Euro 3.7 million** as at 30 September 2016, **with an increase of 19.8%** compared to Euro 3.1 million in the first nine months of 2015, confirming the positive trend of the work in progress orders. To highlight then the commercial success related to the award of a major contract with RFI for the supply of multipurpose railway vehicles for a total value of Euro 91.8 million. The **Stringing segment**, finally, recorded **Revenues of Euro 30.5 million, with a decrease of 47.6%** compared to Euro 58.2 million in the same period of the 2015 financial year, that, however, benefited from the impact of Abengoa exceptional order worth 36 million Euro that, with non-repetitive features, has characterized 2015. We also point out that the Energy Automation segment, thanks to the consolidation of the recent development in the technologies for the power lines, is increasingly contributing to the Group's revenues.

In geographic terms, in the first nine months of 2016, the Tesmec Group continued to grow in foreign markets, with particular impact of African markets and Oceania.

As at 30 September 2016, the consolidated **EBITDA** amounted to Euro **10.7 million**, compared to Euro 16.7 million as at 30 September 2015. Please note that the figure for 2015 benefited from positive non-recurring items of Euro 2.1 million related to the badwill for the acquisition of Marais, net of costs. Considering the third quarter 2016, the EBITDA is Euro 3.3 million, with a strong increase (+34%) compared to Euro 2.5 million recorded in the same period of 2015.

The **EBIT** of Tesmec Group as at 30 September 2016 was **Euro 1.6 million** compared to 9.3 million as at 30 September 2015. Considering the third quarter 2016, the EBIT is Euro 0.1 million, recording an increase compared to negative Euro 0.4 million recorded in the same period of 2015.

In first nine months of 2016, the **Net Financial Income and Expenses** of the Tesmec Group were **Euro 3.6 million** (affected by Euro 0.3 million by negative foreign exchange effects) compared to Euro 2.3 million recorded at 30 September 2015 (affected by Euro 1.4 million by positive foreign exchange effects).



Consolidated **Net Profit** of the Tesmec Group as at 30 September 2016 was **negative of Euro 1.4 million** compared to positive Euro 4.7 million recorded at 30 September 2015.

The **Net Working Capital** of the Tesmec Group as at 30 September 2016 was **Euro 76.5 million**, compared to Euro 63.5 million as at 31 December 2015. This was mainly due to the increase of "Trade receivables" as a result of sales at the end of the third quarter that will generate cash in the next months. To note also the decrease of in the payables balance due to lower purchases and destocking.

The **Net Financial Indebtedness** of the Tesmec Group as at 30 September 2016 was **Euro 115.3 million** compared to Euro 89.9 million as at 31 December 2015. If the effects of IAS 17 for the rental agreement of the Grassobbio premises are not considered, it would have been **Euro 98.4 million** as at 30 September 2016 and Euro 72.1 million as at 31 December 2015. In addition to the trend of the net working capital, the variation compared to 31 December 2015 is mainly due to the change in the scope of consolidation for the acquisition of the 100% of the subsidiary Bertel and the acquisition of the 100% of the subsidiary CPT.

As at 30 September 2016, the **Total Order Backlog** of the Tesmec Group amounted to **Euro 107.8 million**, **Euro 28.0 million** of which refers to the **Stringing** equipment segment, **Euro 45.4 million** to the **Trencher** segment and **Euro 34.4 million** to the **Rail** segment, with a strong increase (+57.8%) compared to Euro 68.3 million as at 30 September 2015.

BUSINESS OUTLOOK

The Group confirms its internationalization strategy through intensive commercial activities also in new markets that recognize technological innovation and the high level of integrated solutions offered.

In confirmation of this strategy, the Group is already recording a positive trend in backlog as well as several ongoing negotiations, both in the traditional and new business, confirming an improvement compared to the first part of the year which will positively affect the performance of the next quarters in terms of volumes, operating margins and financial position.

The positive impact on the year-end result of negotiations whose outcome has already been confirmed may, however, be influenced by the timing of finalization sometimes slowed by particularly complex bureaucracy.

Significant events after 30 September 2016

Tesmec announces the award of a contract of a total value of around Euro 14 million for the supply of 25 complete systems (machines and equipment) for the stringing of overhead conductors for high voltage power transmission to PT PLN (Persero), the Indonesian State-owned Power Company that holds a monopoly and managed the distribution and transmission of electricity in the Country.

From November 7, 2016, Mrs Lucia Caccia Dominioni acts as Investor Relations Manager of the Company.



Treasury Shares

At the time of this press release, the Company holds 4,711,879 treasury shares, equal to the 4.40% of Share capital.

At 2:30 PM (CET) – 1:30 PM (BST) on November 7, 2016, Ambrogio Caccia Dominioni, Chairman and CEO of Tesmec S.p.A., and the Top Management of the Company will present the consolidated results for the first nine months of the year 2016 to the financial community during a conference call.

To participate, you are kindly requested to call this number:

from Italy: +39 02 805 88 11
from UK: +44 121 281 8003
from Germany: +49 69 255 11 4451
from France: +33 170918703
from Switzerland: +41 225954727

The presentation to analysts and investors is available in the Investors section of the website:

<http://investor.tesmec.com/Investors/Presentations.aspx>

The manager responsible for the preparation of the corporate accounting documents, Andrea Bramani, 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.

The Interim consolidated financial report as at 30 September 2016 will be available to the public at the operative office of the Company, in Grassobbio (Bergamo – Italy), Via Zanica n. 17/O, through the system NIS-Storage, at www.emarketstorage.com and through publication on the company website www.tesmec.com, as according to law.

For further information:

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This press release is also available on www.tesmec.com in the "Investors" section:

<http://investor.tesmec.com/Investors/Notices.aspx>



Tesmec Group

Tesmec Group is leader in designing, manufacturing and selling of systems, technologies and integrated solutions for the construction, maintenance and efficiency of infrastructures related to the transport and distribution of energy, data and material. In details, the Group is active in the following sectors: 1) **transmission and distribution power lines** (stringing equipment for the installation of conductors and the underground cable laying, electronic devices and sensors for the management, monitoring and energy automation); 2) **underground civil infrastructures** (high powered tracked trenchers for linear excavation of oil, gas and water pipelines, telecommunication networks and drainage operations; surface miners for bulk excavation, quarries and site preparation; specialized digging services); 3) **railway lines** (railway equipment for the installation and maintenance of the catenary and for special applications, e.g. snow removal from track; new generation power unit).

The Group, established in 1951 and led by Chairman & CEO Ambrogio Caccia Dominioni, relies on more than 600 employees and has the production plants in Italy - in Grassobbio (Bergamo), Endine Gaiano (Bergamo), Sirone (Lecco), Monopoli (Bari), in the USA, in Alvarado (Texas) and in France, in Durtal. In addition, following the recent acquisition of Bertel, SGE and CPT, Tesmec Group has three new production plants in Italy, respectively in Fidenza, Padua and Patrica (FS). The Group also has a global commercial presence through foreign subsidiaries and sales offices in USA, South Africa, Russia, Qatar, Bulgaria, China and France.

The know-how achieved in the development of specific technologies and solutions, and the presence of engineering teams and highly skilled technicians, allow Tesmec to directly manage the entire production chain: from the design, production and sale of machinery, to all pre-sales and post-sales. All product lines are developed in accordance with the ISEQ (Innovation, Safety, Efficiency and Quality) philosophy, with environmental sustainability and energy conservation in mind.

Attached below²:

² Not subject to verification by the auditors



Tesmec Group reclassified consolidated income statements

<i>(€ in thousands)</i>	<u>As at 30 September</u>	
	<u>2016</u>	<u>2015</u>
Revenues	108,477	120,178
Total operating costs	106,897	110,920
Operating Income	1,580	9,258
Financial (income) / expenses	(3,421)	(2,066)
Share of profit / (loss) of associates and joint ventures	(177)	(254)
Income before taxation	(2,018)	6,938
Net income for the period	(1,427)	4,684
EBITDA	10,695	16,734
EBITDA (% on Revenue)	10%	14%
Net profits from acquisition	-	2,139
EBITDA adj	10,695	14,595



Tesmec Group reclassified consolidated statements of financial position

<i>(€ in thousands)</i>	30 September 2016	31 December 2015
Non-current assets	101,153	93,353
Current assets	142,962	151,535
Total assets	244,115	244,888
Non-current liabilities	90,712	88,802
Current liabilities	102,700	100,209
Total liabilities	193,412	189,011
Equity	50,703	55,877
Total equity and liabilities	244,115	244,888



Tesmec Group other consolidated financial information

<i>(€ in thousands)</i>	<u>As at 30 September</u>	
	<u>2016</u>	<u>2015</u>
Net cash provided/(used) by operating activities (A)	(6,845)	12,452
Net cash provided/(used) by investing activities (B)	(11,903)	(10,905)
Net cash provided/(used) by financing activities (C)	12,284	(3,174)
Increase / (decrease) in cash and cash equivalents (D=A+B+C)	(6,464)	(1,627)
Cash and cash equivalents at the beginning of the period (F)	21,204	18,665
Net effect of conversion of foreign currency on cash and cash equivalents (E)	(8)	37
Total cash and cash equivalents at end of the period (G=D+E+F)	14,732	17,075



Tesmec Group other consolidated financial information

(€ in thousands)	<u>As at 30 September 2016</u>	<u>As at 31 December 2015</u>
Net working capital ³	76,510	63,505
Non current assets	90,604	83,945
Other Non current assets and liabilities	(1,062)	(1,697)
Net invested capital⁴	<u>166,052</u>	<u>145,753</u>
Net financial indebtedness ⁵	115,349	89,876
Equity	50,703	55,877
Total equity and net financial indebtedness	<u>166,052</u>	<u>145,753</u>

³ We have calculated net working capital as trade receivables, inventories and other current assets (excluding cash and cash equivalents) less trade payables and other current payables. Net working capital is not a recognized measure of financial performance or liquidity under IFRS. No undue reliance should be placed on the net working capital data contained in this Press Release.

⁴ We have calculated net invested capital as net working capital plus non-current assets less non-current liabilities excluding non-current financial liabilities. Net invested capital is not a recognized measure of financial performance or liquidity under IFRS. No undue reliance should be placed on the net working capital data contained in this Press Release.

⁵ We have calculated net financial indebtedness as short-term borrowings, current portion of long-term debt and long-term debt less cash and cash equivalents. Net financial indebtedness is not a recognized measure of financial performance or liquidity under IFRS. No undue reliance should be placed on the net working capital data contained in this Press Release.

Fine Comunicato n.1155-54

Numero di Pagine: 11