



SPAFID CONNECT

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approved

Testo del comunicato

Vedi allegato.

THE BOARD OF DIRECTORS APPROVES

THE RESULTS AS AT 30 JUNE 2020

- **Revenues: EUR 137.8 million (-7.0% compared to EUR 148.2 million in H1 2019)**
- **Adjusted EBITDA: EUR 36.4 million (-0.8% compared to EUR 36.7 million in H1 2019)**
- **EBIT: EUR 15.9 million (-2.5% compared to EUR 16.3 million in H1 2019)**
- **Adjusted Net Profit: EUR 13.4 million (+21.8% compared to EUR 11 million in H1 2019¹)**

Positive adjusted NFP of EUR 30.3 million (positive for EUR 39.9 million as at 31 December 2019²)

Milan, 31 July 2020 – The Board of Directors of FNM S.p.A., which met today under the chairmanship of Andrea Gibelli, examined and approved the Group's Half-Year Report for the first half of the 2020 financial year.

ECONOMIC AND FINANCIAL HIGHLIGHTS

The half-year under review, particularly from the end of February on, revealed the negative effects caused by the global pandemic of COVID-19, which had impacts on the national and regional production

¹ Adjusted Net Profit excludes the profit or loss of JVs and associated companies accounted by equity.

² Adjusted NFP excludes the effects deriving from adoption of IFRIC 12 in relation to the advances on investments financed by the Lombardy Region.

FNM S.p.A.

Piazzale Cadorna, 14
20123 Milano, Italia
Tel. +39 02 85111
Fax +39 02 85111 4708

Cap. Soc. € 230.000.000,00 i.v.
Iscrizione al Reg. Imp. della C.C.I.A.A.
di Milano/Monza Brianza/Lodi
C.F. e P. IVA 00776140154 - REA MI 28331
PEC fnm@legalmail.it
www.fnmgroup.it



system, in particular on mobility and specifically on public transport. The complexity in the collective mobility sector was made even greater due to the need to guarantee a continuous and safe service. As already mentioned, the Group implemented important actions and clear procedures aimed at safeguarding the health of its employees and users, as well as containing the economic repercussions. In the April-to-July period, two legislative measures were approved to support the local and regional public passenger transport sector, both with regard to the guaranteed payment of consideration for service contracts (Law No. 27 of 24 April 2020, Art. 92, paragraph 4-*bis*, the “Cure Italy” Decree), and partial compensation for the decline in revenues due to the reduction in traffic (Law No. 77 of 17 July 2020, Art. 200, paragraph 1, the “Recovery” Decree).

Consolidated revenues of the first half of the year amounted to EUR 137.8 million, down by 7% compared to the comparative period of the previous year, with differences in trends in the three business segments:

<i>Amounts in millions of euros</i>	H1 2020	H1 2019	Change	Chg %
Railway infrastructure management	63,3	60,5	2,8	4,7%
Road passenger transport	44,7	58,5	(13,8)	-23,6%
Rosco & Services	41,2	41,3	(0,1)	-0,2%
Intercompany eliminations	(11,4)	(12,1)	0,7	-5,8%
Total Revenues	137,8	148,2	(10,4)	-7,0%

- as regards **railway infrastructure management** (maintenance, network upgrading and traffic management), revenues showed growth of approximately 4.7% deriving mainly from the higher revenues tied to design and project management on the investments financed by the Lombardy Region (provided for in the Planning Agreement) and on financing for the purchase of new trains, also financed by the Lombardy Region;
- **passenger road transport** revenues decreased by 23.6% due to the main effect of the drop in revenues from transport services (-52%), deriving from the significant reduction in mobility that occurred following the introduction of traffic bans; on the contrary, revenues from contributions under public contracts increased by about 14% compared to the previous year as a result of the

Law of 24 April 2020, no. 27 (art. 92 paragraph 4-bis)³ that provided for the recognition of fees on the basis of contractual programming, despite the remodulation of the offer implemented following the epidemiological emergency and the economic effect of the compensation measures introduced by Law No. 77 of 17 July 2020 (art. 200, paragraph 1, the “Recovery” Decree), amounting to approximately EUR 2.5 million, to partially compensate for ticketing revenues;

- in the business segment in which the Parent Company operates directly (**RoSCo & Services**) and which includes the leasing of rolling stock to investees operating in local public transport and freight transport sectors, as well as centralised corporate services, revenues were essentially stable on the previous year (-0.2%); in particular, revenues on the lease of rolling stock of EUR 28.3 million were up by 2.5% due to higher leases as a result of the new E494 fleet leased to DB Cargo Italia and DE520 locomotives leased to Trenord.

Operating costs decreased by 10.8% (EUR -5.3 million) mainly due to the lower costs related to fuel, the maintenance of buses deriving from the lower km travelled and to less subcontracting to third parties following the reduction in travel foreseen by the *lock-down* phase and by the relative provisions issued to contain the spread of contagion.

Personnel costs showed a decrease of 7.7% (EUR -4.8 million), due to the combined effect of the use of residual holiday leave, income support mechanisms (General Redundancy Fund and Public Transport Fund), the reduced use of temporary workers and a reduction in average headcount; the average number of Group employees at 30 June 2020 stands in fact at 2,223 units, down by approximately 1% compared to an average figure of 2,241 recorded in the first half of 2019.

Adjusted EBITDA (which excludes some non-ordinary components⁴) amounted to **EUR 36.4 million**, or **26% of consolidated revenues**, down by 0.8%, a better performance than the revenues one, owing to

³ “In order to contain the negative effects of the epidemiological emergency from COVID-19 and the measures to contrast the spread of the virus on operators of local and regional public transport services and school transport, reductions of fees, sanctions or penalties due to the reduced schedule or reduced travel from 23 February 2020 and until 31 December 2020 cannot be applied by the customers of the aforementioned services, also where negotiated...”

⁴ In the first half of 2020, costs for development projects were recorded, while in the same half of the previous year, there were no non-ordinary components.

the decline in the operating costs of the road mobility area fleet and the recognition of a timing effect due to the lesser costs resulting from the deferral of several infrastructure projects envisaged in the Planning Agreement with the Region of Lombardy owing to the health emergency, and may be broken down into the three areas as follows:

- **railway infrastructure management:** the increase during the half-year of EUR 1.1 million was due to the aforementioned timing effect and, in part, to a lower average headcount;
- **passenger road transport:** the modest reduction in the margin from EUR 5.1 to 4.3 million was achieved through the significant reduction in the main cost items (primarily related to fleet and personnel management) despite the decline in revenues deriving from the ongoing emergency and through the compensation effects introduced by the new legislation;
- **RoSCo & Services:** slight decrease due to higher personnel cost.

<i>Amounts in millions of euros</i>	H1 2020	H1 2019	Change	Chg %
Railway infrastructure management	5,6	4,5	1,1	24,4%
Road passenger transport	4,3	5,1	(0,8)	-15,7%
Rosco & Services	26,5	27,1	(0,6)	-2,2%
Total EBITDA	36,4	36,7	(0,3)	-0,8%

Amortisation, depreciation and provisions are substantially stable compared to the first half of the previous year; consequently, consolidated **EBIT** is equal to EUR 15.9 million, compared to EUR 16.3 million in 2019.

The consolidated pre-tax profit is EUR 16.2 million, up from EUR 15.1 million in the first half of 2019, due to the better result of **financial management**, positive for EUR 0.3 million, compared to a negative figure of EUR 1.2 million in the same period of 2019; the 2020 figure includes a capital gain deriving from the disposal of Locoitalia for EUR 1 million; net of this item, financial charges are in line with the previous year.

Income taxes, amounting to EUR 2.8 million, decreased by EUR 1.3 million compared to 2019, in relation to the lower taxable income during the period.

Adjusted consolidated net profit of the Group in the first half of 2020, net of the result of JVs and

associated companies accounted by equity, amounted to EUR 13.4 million, **up by 21.8%** compared to EUR 11.0 million during the period ended 30 June 2019.

The result of **associated companies** was negative for EUR 14.1 million, compared to a positive figure of EUR 3.6 million in 2019, due to the main effect of the lower result of Trenord that recorded in the period under review the effects of the measures aimed at containing the contagion of COVID-19 and therefore, of the revision of the offer implemented from 24 February; in fact, Trenord recorded a negative net profit of EUR 31.6 million in the first half of 2020 compared to EUR +2.6 million in the previous year and recorded:

- a decrease in revenues of 22% to EUR 321.3 million, attributable to the decline in ticketing revenues (-57% on the first half of 2019), due in part to the reduction in service offered; on the other hand, revenues arising from service contract consideration were up by 5%, due to the compensation effects introduced by the “Cure Italy” and “Recovery” decrees, for a total of EUR 49 million;
- a decrease in EBITDA from EUR 100.9 to 48.5 million, partially offsetting the drop in revenues with a reduction in personnel costs of around EUR 10.7 million due to lower ancillary remuneration and lower average FTEs (-35) and some operating costs of approximately EUR 30 million mainly related to lower energy, toll and supervision costs and fewer replacement trips.

Group total consolidated net loss for the first half of 2020, after the result of companies accounted by equity and minority interests, amounted to EUR 0.7 million, compared a net profit of EUR 14.8 million for the period ended 30 June 2019.

To better represent the Net Financial Position of the Group and hence the Group’s cash generating capability, an adjusted NFP was measured that excludes the effects deriving from adoption of IFRIC 12, i.e. the amount relating to the advances collected on the investments for the renewal of the rolling stock and for the railway infrastructure modernization financed by the Lombardy Region (amounting to approximately EUR 58 million at 30 June 2020).

The **Adjusted Net Financial Position** at 30 June 2020 was positive at EUR 30.3 million compared to EUR 39.9 million at 31 December 2019.

The operating cash flow performance deriving from EBITDA, net of cash outflows relating to financial expenses, is negatively affected, as in the first quarter of the year, by the change in net working capital, mainly due to lower collections of trade receivables for EUR 13.3 million from related parties and from the Local Authority of the Veneto LPT Service Contract, as well as the net decrease in payables for investments with financed funds. Investments were also paid in the period for around EUR 44.8 million, of which EUR 41.1 million pertaining to the previous year and EUR 3.7 million to the current one.

The negative cash flow generation of the period for EUR 47.5 million, partially offset by the cash in from the disposal of Locoitalia and Fuorimuro, equal to EUR 32.1 million.

Consequently, the Group's **free cash flow** for the half-year is negative for **EUR 11.6 million**.

<i>Amounts in millions of euros</i>	H1 2020	H1 2019
EBITDA	36,1	35,9
NET WORKING CAPITAL	(31,0)	3,1
Taxes	(7,2)	-
Financial expenses/income	(0,6)	(0,5)
Free cash flow from operations	(2,7)	38,5
Investments paid	(44,8)	(23,7)
Cash flow generation	(47,5)	14,8
Dividends collected	3,8	6,6
Divestments	32,1	-
Free cash flow	(11,6)	21,4
Dividends paid	-	(10,5)
Cash flow	(11,6)	10,9
Adjusted NFP (Cash) INITIAL 01/01	(39,9)	7,5
Cash flow generation	11,6	(10,9)
Change in scope of consolidation	3,1	
IFRS 16 effect	(6,0)	5,5
Financial receivables for uncollected dividends	0,9	
Total change in NFP	9,6	(5,4)
Adjusted NFP (Cash) FINAL 30/06	(30,3)	2,1

The total **Net Financial Position** at 30 June 2020 was positive at EUR 88.1 million, compared to EUR 107.4 million at 31 December 2019.

Consolidated investments in the first half of the year amounted to EUR 34.5 million compared to EUR 52.0 million in the comparative period of 2019:

- investments with **public funds** were made for a total of EUR 30.2 million (EUR 35.6 million in the first half of 2019), relating to the renewal of rolling stock for EUR 14.6 million and the modernisation and upgrading of railway infrastructure for EUR 15.6 million;
- investments financed with **own funds** were made for EUR 4.3 million (EUR 16.4 million in the first half of 2019) and mainly refer to the renewal of the owned fleet related to the road transport business (7 new buses and minibuses) and the lease of rolling stock (eight DE520 diesel locomotives).

SIGNIFICANT EVENTS AFTER 30 JUNE 2020

On **21 July 2020** the bond “FNM S.p.A. 2015 – 2020”, issued on 21 July 2015 in the amount of EUR 58 million and fully subscribed by Finlombarda S.p.A., was repaid in full. The tenth and final half-yearly coupon of EUR 342,484.20 relating to the coupon period 21 January 2020 – 21 July 2020 was also paid with the same value date. With regard to the special treasury management contract entered into with Finlombarda, the deposit of EUR 48 million was returned by Finlombarda on 29 July 2020. By next September Finlombarda will pay FNM the interest accrued during 2020.

On **28 July 2020** the Council of the Lombardy Region, the Company's controlling shareholder, in its 2020 regional budget law, had authorised (i) the sale to FNM (the “Transaction”) of the 82.4% equity investment held by the Region of Lombardy in Milano Serravalle – Milano Tangenziali S.p.A. (“MISE”), and, therefore, the acceptance of the purchase offered made by FNM, and (ii) the recapitalisation of Autostrada Pedemontana Lombarda S.p.A. (“APL”), through the subscription of a capital increase of up to EUR 350 million.

The execution of the Transaction described above, in addition to enabling the diversification of the FNM Group’s revenues and an improvement in its income profile, will create the first infrastructure hub in Lombardy based on the integrated management of road and rail mobility, with the resulting optimisation of flows, enhancement of sustainable mobility and development of economies of scale in investments in technology and innovation.

FNM's proposal, which attributes an equity value of EUR 519.2 million to the 82.4% interest in MISE and a price per share of EUR 3.5, is subject to: (i) the Region of Lombardy entering into an irrevocable undertaking to subscribe for a capital increase by APL in the amount required to ensure that, inter alia, APL is eliminated from the scope of consolidation of MISE, which will not participate in the above capital increase, and (ii) the parties reaching a mutually satisfactory agreement on the terms of the purchase and sale agreement.

The transaction will be financed through bank lines currently under negotiation.

The performance of the purchase and sale agreement will in turn be subject to additional conditions precedent, including approval from the competent antitrust authority and authorisation from the Ministry of Infrastructure and Transport, pursuant to the concession signed on 7 November 2007 by MISE and ANAS S.p.A. (now the Ministry of Infrastructure and Transport).

In 2019 MISE reported revenues of approximately EUR 249 million, an EBITDA of EUR 149 million and a net financial position of approximately EUR 135 million.

On 29 July 2020, the purchase agreement for the 13.6% equity interest in MISE directly and indirectly held by ASTM⁵ was signed and finalized for a total consideration of 85.6 million euro (3.5 euro per share).

A part of the price equal to 3.2 euro per share (78.3 million euro) was paid in cash on the same day, drawing on available cash and bank credit lines, whereas the remaining 0.3 euro per share (7.3 million euro) will be paid by 31 January 2021, the date by which the transaction with Lombardy Region is expected to be closed.

On 30 July 2020, the Executive Council of the Lombardy Region resolved to accept (i) the Company's offer involving the purchase by FNM of the entire 82.4% equity interest held by the Lombardy Region in Milano Serravalle – Milano Tangenziali S.p.A. ; and (ii) the proposed exclusive agreement in which the parties undertake to formulate the contractual terms and conditions within four months.

⁵ Of the total equity interest subject to acquisition, 10.704% is held through ASTM S.p.A., 2.884% through Autostrada Dei Fiori S.p.A. and 0.007% through SATAP S.p.A.

OUTLOOK

The effects of the ongoing health emergency on the FNM Group, whose businesses relating to the leasing of rolling stock and to management of the railway infrastructure have not been substantially impacted by the current epidemiological emergency, pertain mainly to road transport and to Trenord.

For road transport activities in Lombardy and Veneto, revenues from fees provided for by the service contracts in force for all of 2020 will be paid as required by the contractual programming, on the basis of the Law of 24 April 2020, no. 27 (art. 92 paragraph 4-bis).

The limitations on mobility and circulation as well as the closure of school activities, established by the legislation enacted, have generated a significant reduction in the demand for transport and consequently in traffic revenues, the effect of which is estimated to persist also in the summer period due to the reduction of visitors and tourist activities in the city of Verona, in the Garda area and in the Venice area (where the Group operates with the companies ATV, La Linea and MartiniBus also with rental services with driver). To compensate for this decline, Law No. 77 of 17 July 2020 (Art. 200, paragraph 1, “Recovery” Decree), in order to support the local and regional public passenger transport sector, established with the Ministry for Infrastructure a fund to offset the reduction of ticketing revenues from passengers in the period from 23 February 2020 to 31 December 2020 compared to the average ticketing revenues recorded in the same period of the previous two years.

All companies have also activated actions to contain the negative impacts of the emergency, by reducing main items.

In the light of the foregoing considerations, assuming a scenario of a full resumption of transport services in September, together with a resumption of academic activity and an estimate of the positive effects of the recent legislative measure, it is currently reasonable to revise upwards the estimate previously released with regard to the Group’s revenues and EBITDA and thus to expect a high-single digit negative impact compared to the previous year.

Also concerning the Group’s adjusted NFP the updated estimate also represents an improvement on the end of the previous year – before the cash-out relating to the purchase of the equity investment in MISE held by the ASTM Group equal to EUR 78.3 million - despite the greater investments than in the previous

year planned for the renewal of the fleet, thanks to the cash-in from the disposal of Locoitalia and the non-distribution of 2019 dividend in accordance with the resolution of the Shareholders' Meeting on 27 May.

In addition to having a positive adjusted net financial position by approximately EUR 30 million at 30 June 2020, the Group has a significant liquidity headroom of EUR 90 million of committed lines and approximately EUR 140 million of uncommitted lines.

Trenord - valued by equity - proceeded, starting from 24 February 2020, to revise the railway service in accordance with the legislative measures enacted, entailed a significant reduction in ticketing revenues. These effects were only partially mitigated by the legislative measures in support of companies operating in the local public transport sector contained in the "Cure Italy" and "Recovery" decrees, the offsetting effects of which on revenues have been included in the half-yearly situation.

Trenord operates on the basis of a service contract, which requires to ensure maintenance of economic and financial balance - in accordance with the provisions of EC Regulation 1370/2007 - through a compensation mechanism that takes into account, in addition to the difference in outflows and inflows relating to the costs and revenues of public service operations, also adequate remuneration of the invested capital.

Although the economic trend may produce negative financial effects for 2020, Trenord believes that the cash and cash equivalents currently available, the existing credit lines and the cash flow generated will allow it to operate in financial balance.

OTHER RESOLUTIONS

Today the Board of Directors also approved the "Digital Payments" project, involving the formation of a new joint-stock company, fully owned by FNM, which after obtaining the necessary authorisation from the Bank of Italy will provide the payment transaction arrangement service governed by Art. 1, paragraph 2, letter h)-septies.1), number 5), of Legislative Decree No. 385/1993.

The company will play an active role in managing the acceptance of payments through POS terminals (physical and virtual) by FNM Group companies, which currently entrust this activity to third-party

companies, and by certain non-Group companies operating in the transport sector, with a primary focus on the regions of Northern Italy and shared mobility at the national level.

Subject to obtaining the above-mentioned authorisation from the Bank of Italy, it is expected that the company will start activity in the first half of 2021.

The Financial Reporting Officer, Mrs. Valentina Montanari, hereby declares, pursuant to Article 154-bis, paragraph 2 of the Consolidated Law on Finance, that the disclosures herein correspond to the data found in Company's documents, books and accounting records.

Investor Relations Contacts

Nicoletta Pinoia

Tel. +39 02 8511 4302

e-mail nicoletta.pinoia@fnmgroup.it

Media Relations Contacts

Simone Carriero

Tel. +39 02 8511 4758

e-mail simone.carriero@fnmgroup.it

Website

www.fnmgroup.it

The following schedules referring to the FNM Group are attached; it should be noted that statutory auditing of the figures is still in progress:

1. H1 2020 Consolidated Income Statement
2. Consolidated Balance Sheet at 30.06.2020
3. Composition of the Group Net Financial Position at 30.06.2020
4. Result of investee companies (valued with the equity method)
5. Glossary of terms and alternative performance indicators used

Annex 1 - Consolidated Income Statement

<i>Amounts in millions of euros</i>	H1 2020	H1 2019	Change	Change (%)
Revenues from sales and services	126,5	139,3	(12,8)	-9,2%
Other revenues and income	11,3	8,9	2,4	27,0%
TOTAL REVENUES AND OTHER INCOME	137,8	148,2	(10,4)	-7,0%
Operating costs	(43,9)	(49,2)	5,3	-10,8%
Personnel costs	(57,5)	(62,3)	4,8	-7,7%
Adjusted EBITDA	36,4	36,7	(0,3)	-0,8%
Non-ordinary Income and Expenses	(0,3)	-	(0,3)	N.M.
EBITDA	36,1	36,7	(0,6)	-1,6%
Depreciation, amortisation and provisions	(20,2)	(20,4)	0,2	-1,0%
EBIT	15,9	16,3	(0,4)	-2,5%
Net financial income	0,3	(1,2)	1,5	N.M.
<i>of which capital gains</i>	1,0	-	1,0	N.M.
PROFIT/(LOSS) BEFORE TAX	16,2	15,1	1,1	7,3%
Income tax	(2,8)	(4,1)	1,3	-31,7%
ADJUSTED COMPREHENSIVE INCOME	13,4	11,0	2,4	21,8%
Profit of companies accounted by Equity method	(14,1)	3,6	(17,7)	N.M.
COMPREHENSIVE INCOME	(0,7)	14,6	(15,3)	N.M.
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST	0,0	(0,2)	0,2	N.M.
COMPREHENSIVE GROUP INCOME	(0,7)	14,8	(15,5)	N.M.

Annex 2 - Consolidated Balance Sheet

Amounts in millions of euros	30/06/2020	31/12/2019	Change
Inventories	8,6	8,9	(0,3)
Trade Receivables	77,9	64,6	13,3
Other current receivables	74,6	60,9	13,7
Trade Payables	(130,6)	(175,7)	45,1
Other current payables and current provisions	(94,8)	(91,0)	(3,8)
Net Working Capital	(64,3)	(132,3)	68,0
Non-current assets	425,7	432,3	(6,6)
Equity investments	66,4	84,9	(18,5)
Non-current receivables	22,0	21,6	0,4
Non-current liabilities	(26,4)	(28,2)	1,8
Provisions	(59,4)	(60,9)	1,5
Assets and liabilities held for sale	0,0	29,5	(29,5)
NET INVESTED CAPITAL	364,0	346,9	17,1
<i>Equity</i>	<i>452,1</i>	<i>454,3</i>	<i>(2,2)</i>
Adjusted Net Financial Position (cash)	(30,3)	(39,9)	9,6
Net Financial Position for funded investments (cash)	(57,8)	(67,5)	9,7
<i>Total net financial position (cash)</i>	<i>(88,1)</i>	<i>(107,4)</i>	<i>19,3</i>
TOTAL SOURCES	364,0	346,9	17,1

Annex 3 - Composition of the Group Net Financial Position

<i>Amounts in millions of euros</i>	30/06/2020	31/12/2019	Change
Cash	(165,0)	(156,4)	(8,6)
Current financial receivables	(49,8)	(49,3)	(0,5)
Current financial debt	98,8	94,3	4,5
Current Net Financial Position (cash)	(116,0)	(111,4)	(4,6)
Non-current financial debt	85,7	71,5	14,2
Adjusted Net Financial Position (cash)	(30,3)	(39,9)	9,6
Net Financial Position for funded investments (cash)	(57,8)	(67,5)	9,7
Net Financial Position (cash)	(88,1)	(107,4)	19,3

Annex 4 - Result of investee companies (valued with the equity method)

<i>Amounts in thousands of euros</i>	H1 2020	H1 2019	Change
Trenord Srl *	(15.927)	1.146	(17.073)
NORD ENERGIA SpA **	1.213	1.921	(708)
DB Cargo Italia Srl	800	801	(1)
Omnibus Partecipazioni Srl ***	110	77	33
NordCom SpA	(399)	24	(423)
Conam Srl	17	21	(4)
SeMS Srl in liquidation	53	18	35
Fuorimuro Srl****	-	(387)	387
Result of companies measured with equity meth	(14.133)	3.621	(17.754)

* includes the result of TILO SA

** includes the result of CMC MeSta SA

*** includes the result of ASF Autolinee Srl

****The result of the equity investment in Fuorimuro is down to zero as a result of the sale completed on 10 March 2020, adjusted to fair value as at 31 December 2019.

Annex 5 - GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE INDICATORS USED

The present document, in addition to the conventional financial statements and indicators prescribed by IFRS, presents some reclassified statements and some alternative performance indicators in order to allow a better assessment of the economic-financial performance of the Group. These statements and indicators should not be deemed to be replacements for the conventional ones prescribed by IFRS. For these quantities, the descriptions of the criteria adopted in their preparation and the appropriate notes referring to the items contained in the mandatory statements are provided in accordance with the indications of Consob Communication no. 6064293 of 28 July 2006, in Consob Communication no. 0092543 of 3 December 2015 and of the ESMA 2015/1415 guidelines for alternative performance indicators (“Non GAAP Measures”).

In particular, among the alternative indicators used, the following are pointed out:

EBITDA: it represents the earnings for the year before income taxes, of the other financial income and expenses, of depreciation, amortisation and impairments of non-current assets. The Group also provides an indication of the incidence of EBITDA on net sales. The calculation of EBITDA carried out by the Group allows to compare the operating results with those of other companies, excluding any effects deriving from financial and tax components and from depreciation and amortisation, which may vary from company to company for reasons not correlated with the general operating performance.

EBITDA %: it represents the percentage of EBITDA over total revenues.

Adjusted EBITDA: it is represented by EBITDA as identified above, excluding non-ordinary expenses and income, such as:

- (i) income and expenses deriving from restructuring, reorganisation and business combination operations;
- (ii) income and expenses not directly referred to the ordinary performance of the business, clearly identified;
- (iii) in addition to any income and expenses deriving from non-ordinary events and significant transactions as

defined by Consob DEM6064293 communication of 28 July 2006.

With reference to the adjusted EBITDA of the first half of 2020, the following components were excluded from EBITDA:

a) non-ordinary expenses deriving from development projects, amounting to EUR 0.3 million.

There were no non-ordinary components in the first half of 2019.

Adjusted EBITDA %: it represents the percentage of adjusted EBITDA over total revenues.

EBIT: it represents the earnings for the year before the income deriving from sold/disposed assets, income taxes, financial income and expenses and the result of the companies measured at equity.

Adjusted comprehensive profit: it represents the net result for the period before the result of the companies valued with the equity method.

Net Working Capital: it includes current assets (excluding cash and cash equivalents and the current financial assets included in the net financial position), and current liabilities (excluding the current financial liabilities included in the net financial position).

Net Invested Capital: it is equal to the algebraic sum of Fixed Capital, which includes non current assets and non current liabilities (excluding the non-current financial liabilities included in the Net Financial Position) and of net Working Capital.

NFP (Net Financial Position): it includes cash and cash equivalents, current financial assets and current financial liabilities.

Adjusted NFP: it is represented by the net financial position as identified above, excluding the impacts of the timeline of the collections of the contributions on financial investments for the renewal of the railway rolling stock and of the related payments made to suppliers, recognised in accordance with IFRIC 12.

Fine Comunicato n.0123-20

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