



SALCEF GROUP

Company Presentation

Mid & Small in Milan 2021

Milan, 2 December 2021



Valeriano Salciccia
Chief Executive Officer



Fabio De Masi
Chief Financial Officer



Alessio Crosa
IR & Sustainability Manager

Agenda

01 | Salcef Group Overview

02 | Business Units

03 | Sector and Market highlights

04 | 9M 2021 Results

05 | Sustainability at Salcef

06 | Useful documents & Contacts

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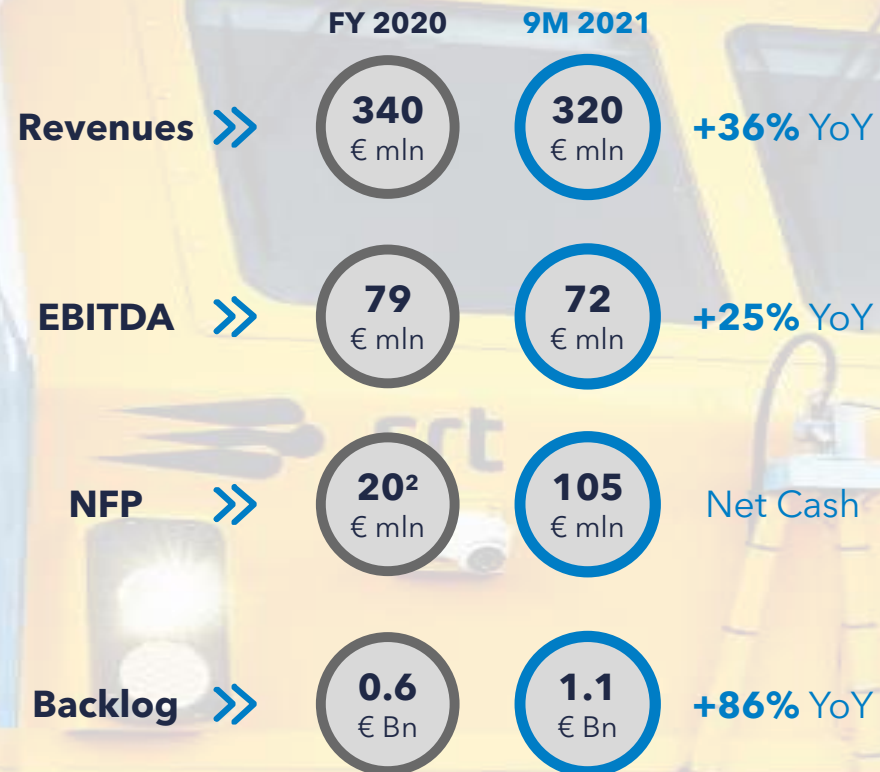
Salcef Group Overview

Salcef Group in a nutshell

Global leader in the railway infrastructure



Sound performance and solid financial structure



Well positioned for sustainable growth

- >> **Investments** in railway industry set to increase globally
- >> **Unique business model** to maximize synergies and provide opportunities for diversification
- >> **Best-in-class technologies** and capabilities, continuously updated and innovated
- >> **Financial flexibility** to catch external growth opportunities, with proven track record in M&A

1. Figures at 30 September 2021
 2. Does not consider negative impact caused by Warrant Fair Value

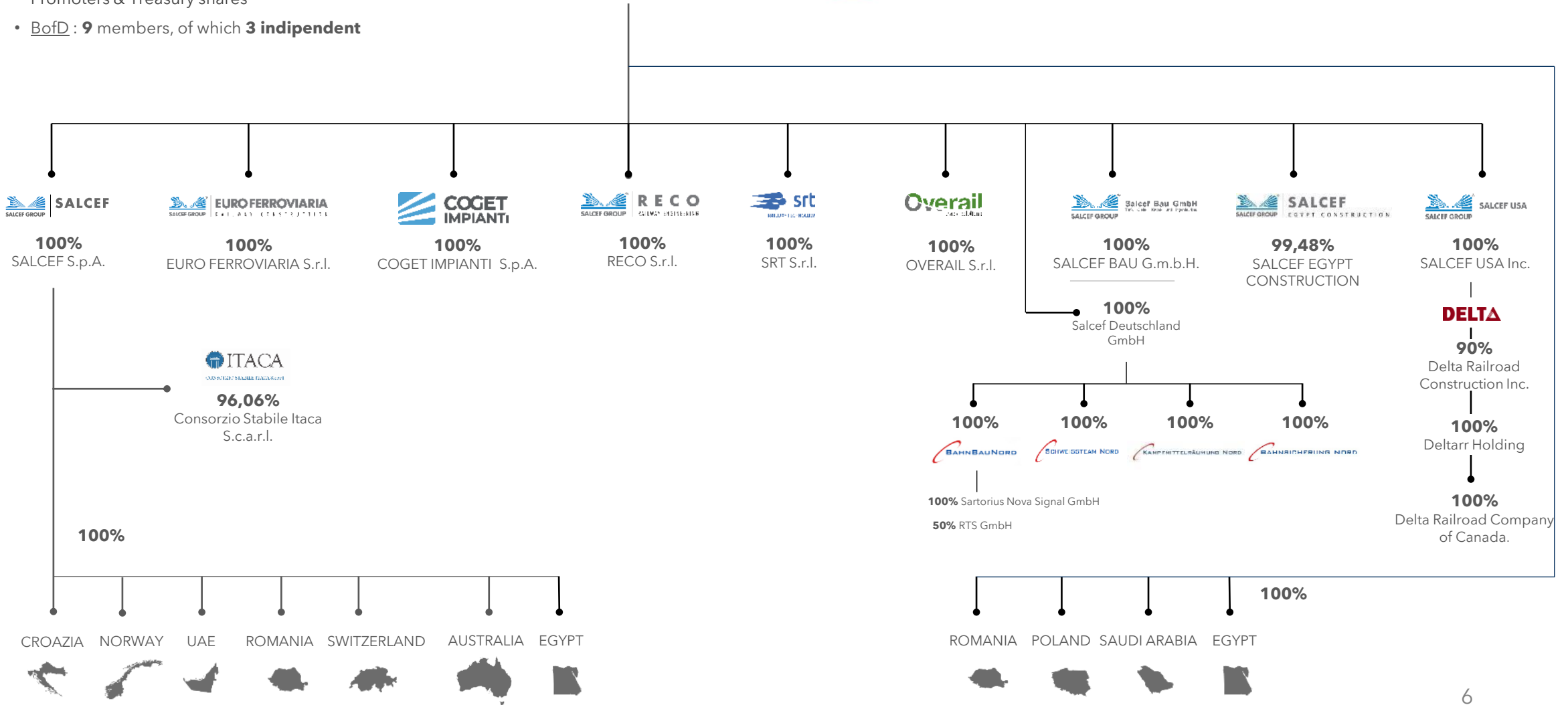
Group Structure

HOLDING

- Listed **Euronext Milan** Market, **STAR** segment
- **64.25%** controlled by Finhold S.r.l. - **35.75%** Floating & Promoters & Treasury shares
- **BofD** : **9** members, of which **3 independent**



COMPANIES



BRANCHES

Recent history

Growth phase through **3 strategic streams:**

1. Track-work BU consolidation in Italy through 3 acquisitions
2. New Business Units (Energy-Materials) through 3 acquisitions and organic growth (Machines)
3. International development in Eastern Europe and Middle East

Establishment of **Cosfer**, operating in Italy in railway maintenance sector

1949

Salciccia family acquires the business and launches an important development plan

1975

1975-2017

2021

- **Second acquisition in the Germany** (Bahnbau Nord)
- Admission to the **STAR Segment**

2020

- Debut on the **Euronext Milan** market
- **Acquisition of Delta Railroad Construction in the US**

2019

- **Listing on the Euronext Growth Milan** market
- **Acquisition of Coget Impianti** to enter in the **electricity transmission** business

2018

First international acquisition (Deutsche company H&M Bau now Salcef Bau)

Market scouting for new M&A opportunities, targeted for 2022

1 Strategic BU and 6 vertically integrated Operative BUs



1. 100% intercompany

A unique business model to provide 360° solutions to the industry

6 OPERATIVE BUSINESS UNITS



Track & Light Civil Works



Energy, Signalling & Telecommunication



Railway Machines



Railway Materials

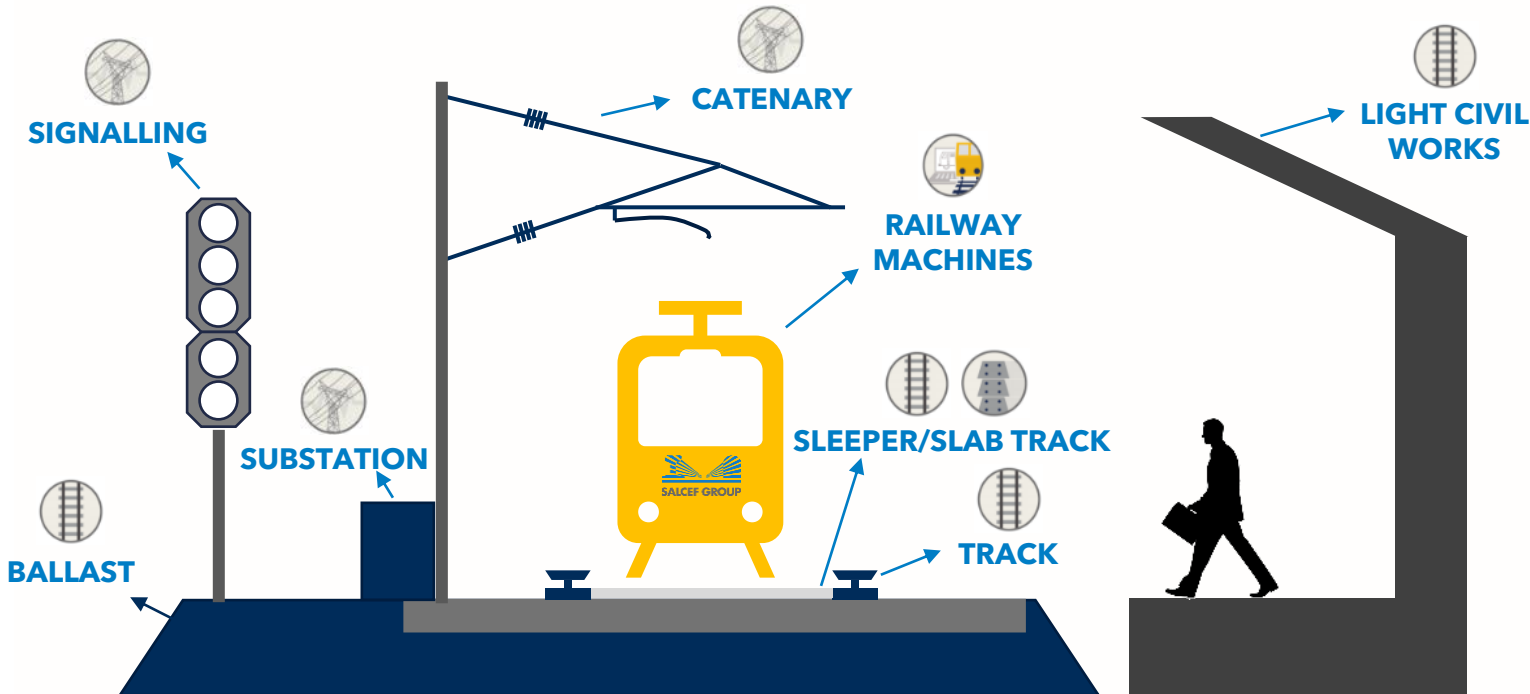


Heavy Civil Works

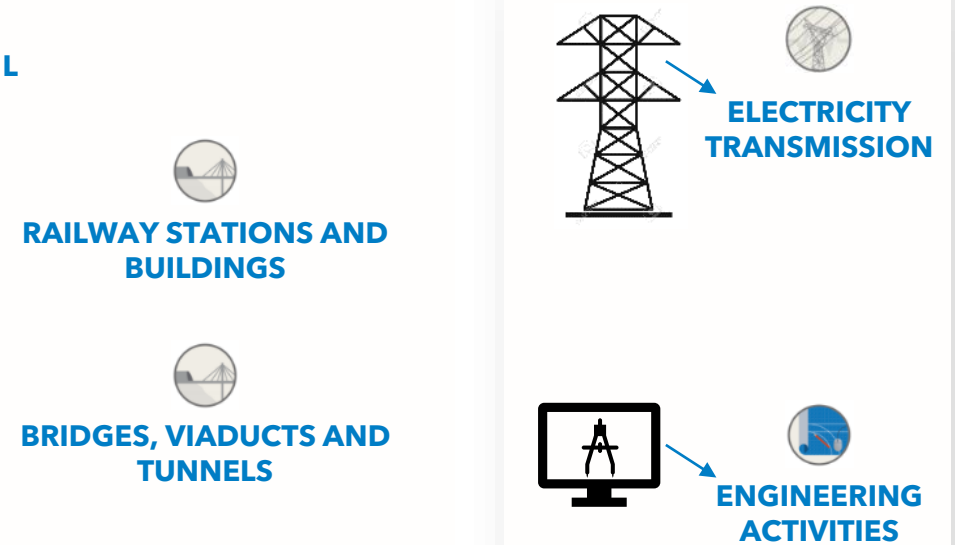


Engineering

Railway Infrastructures



Other activities



Overview of our strategic markets

	 ITALY	 GERMANY	 UNITED STATES
RAILWAY NETWORK	~ 24,500 km	~ 50,000 km	~ 221,000 km <i>Almost entirely owned and managed by Class I railroads¹</i>
COMPETITIVE SCENARIO	<i>Few competitors with domestic operations mainly focused on specific areas</i>	<i>Very fragmented, with few big players and a number of small/micro local companies</i>	<i>Very fragmented, with big players and smaller companies with state-wide focus</i>
MAIN CUSTOMERS	 <p>GRUPPO FERROVIE DELLO STATO ITALIANE (100% state-owned)</p>	 <p>(100% state-owned)</p>	 <p>Class I railroads Local Transit Authorities (100% state-owned)</p>
TYPE OF CONTRACTS	<i>Mainly long-term contracts with framework agreement approach</i>	<i>Significant number of single-activity contracts of relatively small size</i>	<i>Mainly significant number of single-activity contracts of relatively small size. Type may depend on the customer</i>
TENDER PROCESS	<i>Public Tenders only</i>	<i>Public Tenders only</i>	<i>Public Tenders and private negotiations</i>
CURRENT INVESTMENT PLAN	<ul style="list-style-type: none"> • RFI Investment Plan 2019-2023 (€ 25 Bn) • NRPP 2020-2026 (€ 28 Bn) • Additional Public Investments 2022-2036 to come <p><small>See dedicated slides</small></p>	DB Investment Plan 2020-2030 (€ 86 Bn)	\$ 1.2 Tn US Bipartisan Infrastructure Deal (\$ 66 Bn for passenger rail and \$ 39 Bn for public transit)

1. 7 freight operators with revenues higher than \$ 500 mln

Strategy highlights



Strengthening of the competitive positioning

- Non-organic growth in the key strategic countries for the Group (Italy, Deutschland, US)



Diversification of the business

- Widen Group presence mainly in the railway industry and also in adjacent sectors characterized by same technological background but different customer bases and markets



Investments in new high technology products and on efficiency of current fleet

- **Ordinary Business:** maintenance of existing production capacity
- **Business upgrade:** new plants, machinery or equipment to increase production capacity
- **New business line:** design and production of new products to open new strategic business lines



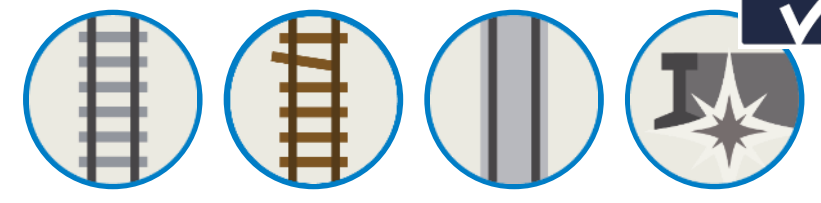
ESG priorities

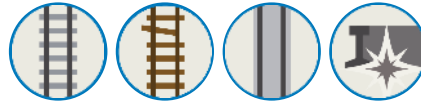
- **Environmental:** Invest in more efficient operations to reduce emissions, also using more energy from renewable sources
- **Social:** Assure best-in-class working conditions within and outside the organization, providing employees and collaborators with growth opportunities and implementing organizational and control systems to make operations safer
- **Governance:** Adopt industry-leading management systems and promote a sustainability culture among all the stakeholders

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Business Units

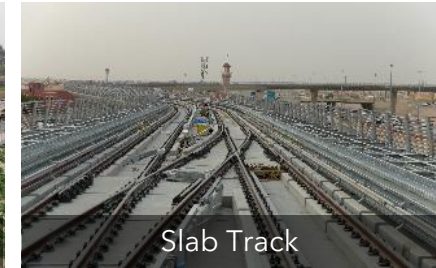
Track & Light Civil Works



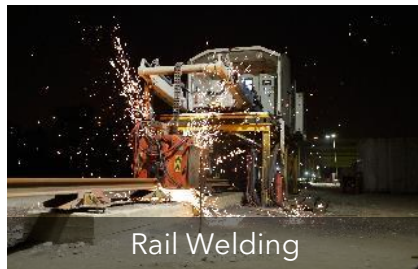


Track Maintenance

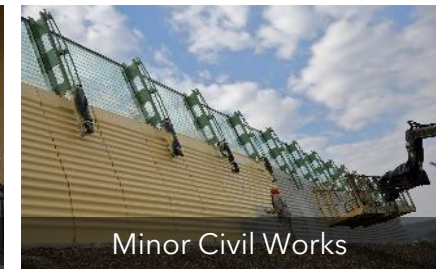
Extraordinary Maintenance

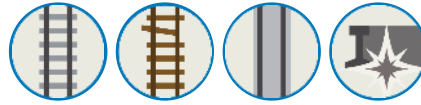


Ordinary Maintenance



Light Civil Works





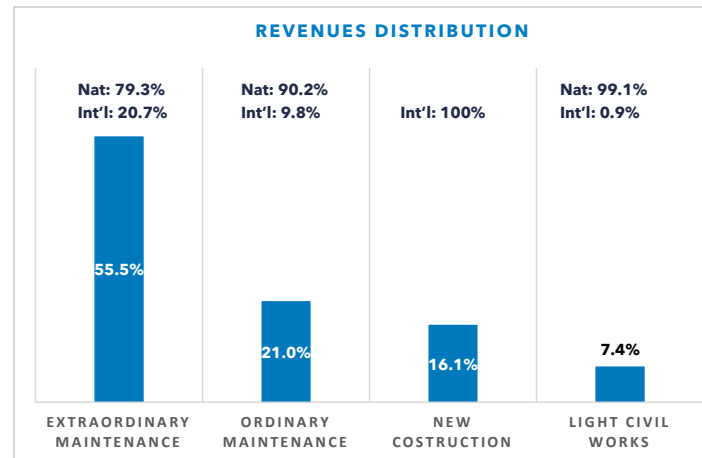
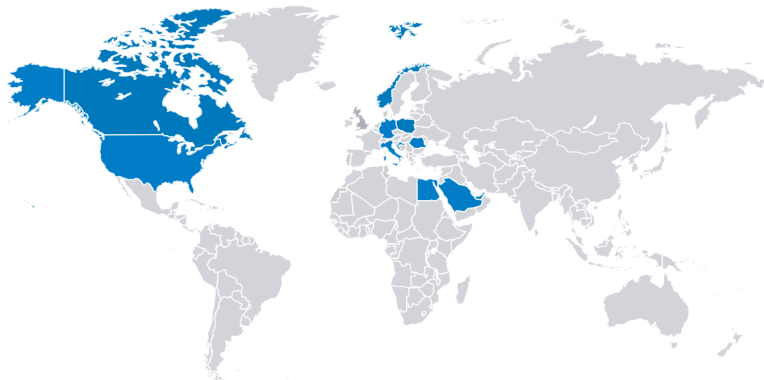
Strengths

- High barriers to entry
- Huge equipment investments
(Salcef fleet substitution value over than **€ 400 mln**)
- Manpower specialization
- Clients' PQ and certifications
- Highly demanding working conditions
- Around 800 employees involved

9M 2021 operational update

- 9M 2021 Revenues at **€ 220.6 Mln, up 31.7% YoY** mainly due to:
 - Consolidation of Delta
 - Ramp-up of track renewal activities in Egypt on the Cairo - Alexandria line and further progress in Abu Dhabi for track construction on the Ruwais - Ghuweifat railway
 - First activities within the new 3-year framework agreements with RFI
 - Execution of recently signed contracts for light civil works in Italy
- New contracts for trackworks in Germany
- Going forward, activities will be focused on executing new framework agreements and other domestic/international contracts

Served Markets





Energy, Signalling & Telecommunication





Activities

- **Railway catenary**, signalling, substations, telecommunication construction, ordinary & extraordinary maintenance (renewal activities)
- Construction and maintenance of **infrastructure for high and medium voltage electricity transmission** (aerial and underground)

Strengths

- High barriers to entry
- Clients' PQ and certifications
- Highly demanding working conditions
- Huge Italian and European investment plan (Terna 2021-2025 plan with € 8.9 Bn investments, + 22% vs. previous Plan)

9M 2021 operational update

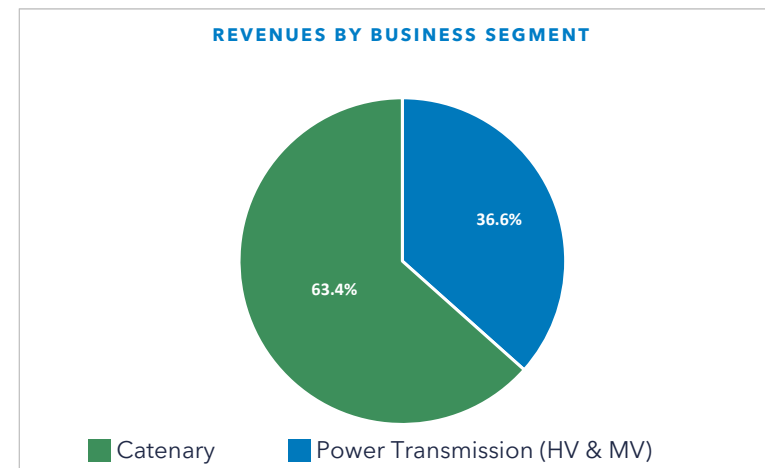
- 9M 2021 Revenues at **€ 41.9 Mln, up 45.9% YoY** on the back of ongoing production on main contracts
- Kick-off of BU activities in Germany
- Extension of a contract with Terna for Power Transmission in Northern Italy
- Going forward, activities will be focused on executing current agreements in both business segments



Served Markets



REVENUES BY BUSINESS SEGMENT



Heavy Civil Works





Activities

- Multidisciplinary railway construction projects (civil and technological works)
- Doubling of existing railway line
- Construction of railway stations and buildings
- Bridges, viaducts and tunnels
- Environmental mitigation works



Strengths

- Vertical integration with other Salcef Group BUs
- Salcef Group competitiveness, and all the qualifications for general and specialized works

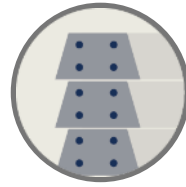
9M 2021 operational update

- 9M 2021 Revenues at **€ 20.5 Mln, up 31.1% YoY** mainly due to:
 - Final activities on some contracts in Italy recorded in 1H
 - Ramp-up of a sizeable contract in Germany
- Going forward, production volumes mainly driven by activities in Germany and the execution of the civil works portion of the new Italian High Speed contract

Served Markets



Railway Materials





Activities

- Manufacturing of prestressed concrete railway sleepers
- Manufacturing of slab-track systems for unballasted tracks (metro, tramway and railway)
- Manufacturing of concrete segments for tunnels (metro lines)



Strengths

- Clients' PQ and certifications
- Vertical Integration with Track & Light Civil Works BU
- Extensive development possibilities for unballasted solutions
- Development of new solution and patents

Served Markets



9M 2021 operational update

- 9M 2021 Revenues at **€ 29.0 Mln, up 43.9% YoY** mainly due to a material step up in production volumes, supported by deliveries within recent contracts with Italian regional rail operator
- Testing phase of slab-track prototypes and construction of new production lines proceeding as per plan
- Going forward, activities at Overall focused on reaching operational excellence and enlarging the range of products



Railway Machines





Activities

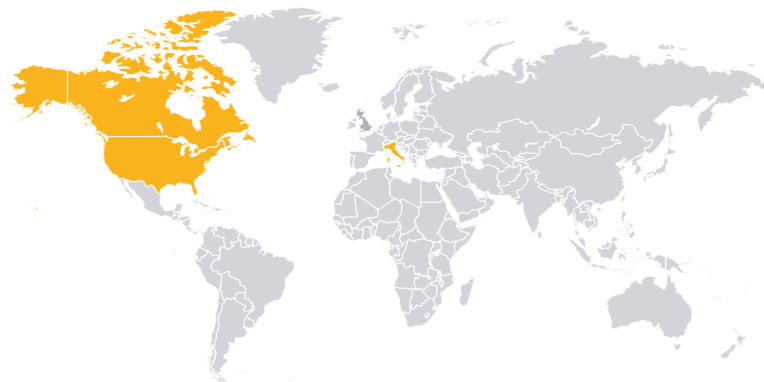
- Design of new railway equipment and construction technologies
- Maintenance and revamping of railway equipment
- Construction of new railway wagons and equipment
- Renting of equipment and tool



Strengths

- Clients' PQ and certifications
- Vertical integration with Track & Light Civil Works and Energy, Signalling & Telecommunication BUs
- Market with high margin and few competitors
- Development of new solutions and patents

Served Markets

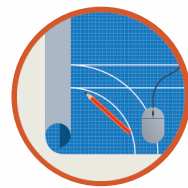


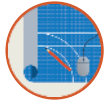
9M 2021 operational update

- 9M 2021 Revenues at **€ 7.7 Mln, up 136.3% YoY** mainly due to:
 - Consolidation of Delta
 - Sales to third-party customers, both Delta in the US and SRT in Italy
- New sale contracts for a third-party Italian customer
- Going forward, activities will continue to be focused on expanding the third-party market and supporting Group companies



Engineering





Activities

- Pre-feasibility and feasibility studies
- Preventive technical tests and market research into materials
- Topographic surveys
- Environmental impact studies
- Project management and engineering consulting services



Strengths

- Clients' PQ and certifications
- Vertical integration with Track & Light Civil Works and Energy, Signalling & Telecommunication BUs
- Development of new solutions and patents

Served Markets



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Sector & Market Highlights

Railway infrastructure sector supported by global macro trends



High barriers to entry, mainly due to availability of operating fleet and highly-specialized workforce as well as specific qualifications required by customers



Great visibility thanks to few multi-year contracts



Counter-cyclical business, especially in its maintenance component



Long-term investments in construction, upgrade and renewal of rail infrastructures structurally growing globally



Italian expertise in the sector among the best in the world



Technologies and capabilities in common with adjacent sectors

Sustainable mobility at the core of Governments' policies worldwide, with railways increasingly chosen for urban/short-medium haul passenger transportation and for logistics



EU Green Deal seeks a 90% reduction in GHG emissions in transportation by 2050



Italian Recovery and Resilience Plan with **> 30 € Bn** to the railway sector by 2026



US "Bipartisan Infrastructure Deal" includes **66 \$ Bn** to improve and expand the nation's passenger and freight rail network and **39 \$ Bn** for the upgrade of public transit over a decade



Germany to invest 86 € Bn in the upgrade of its rail network by 2030

2021 European year of rail

Our future mobility needs to be sustainable, safe, comfortable and affordable.

Rail offers all of that and much more!

The EU year of rail gives us the opportunity to re-discover this mode of transport.

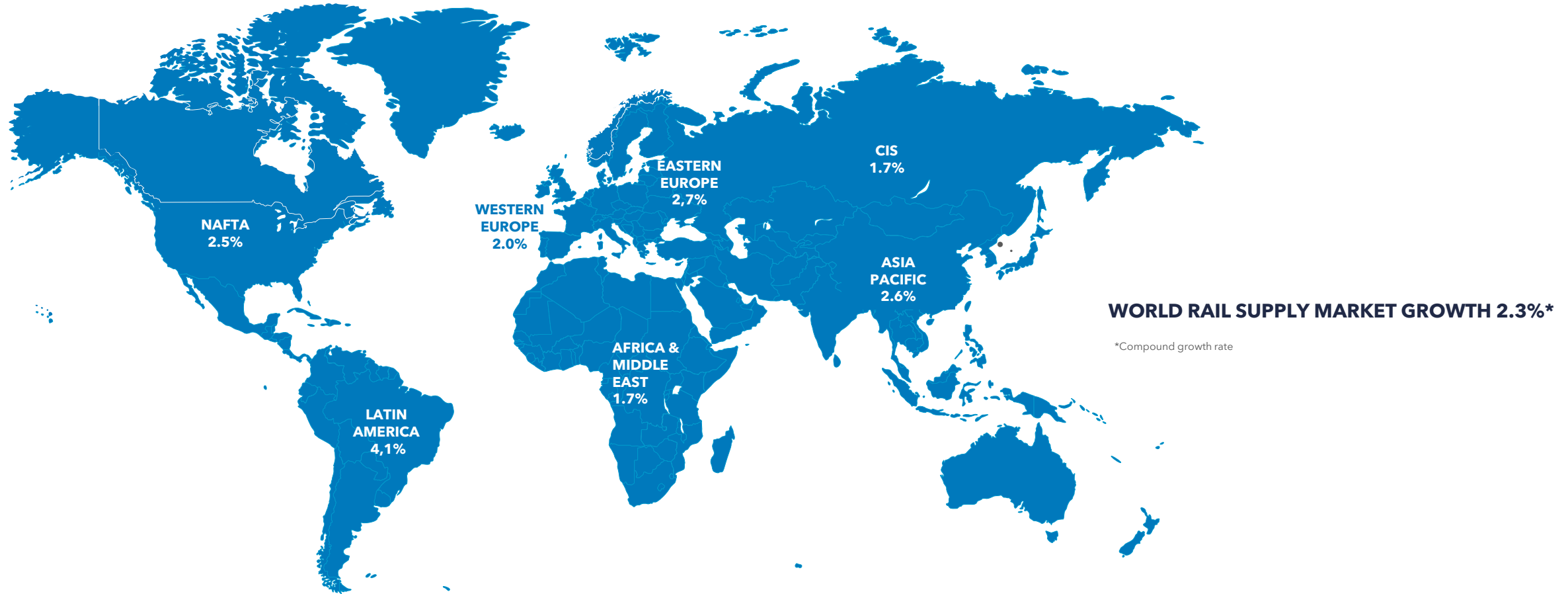
Through a variety of actions, we will use this occasion to help rail realize its full potential.

**I invite all of you to be part of the
EUROPEAN YEAR OF RAIL!**

European Commissioner of Transport
Brussels, 30 December 2020



Regional Market expectation until 2025

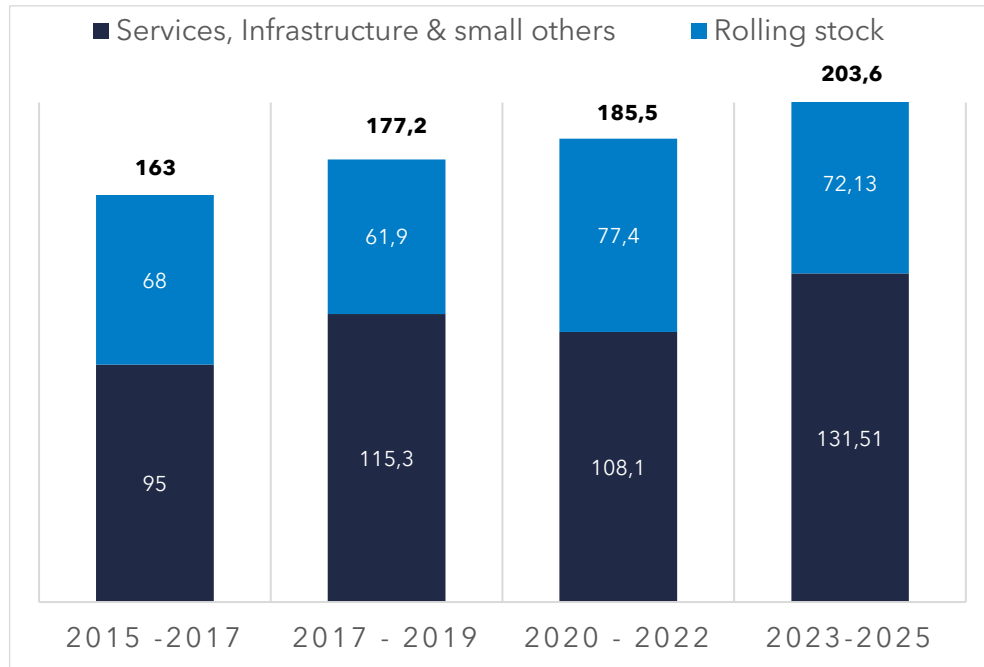


Source: World Rail Market Study 2020-2025

Global and European Railway Market

World Railway Market

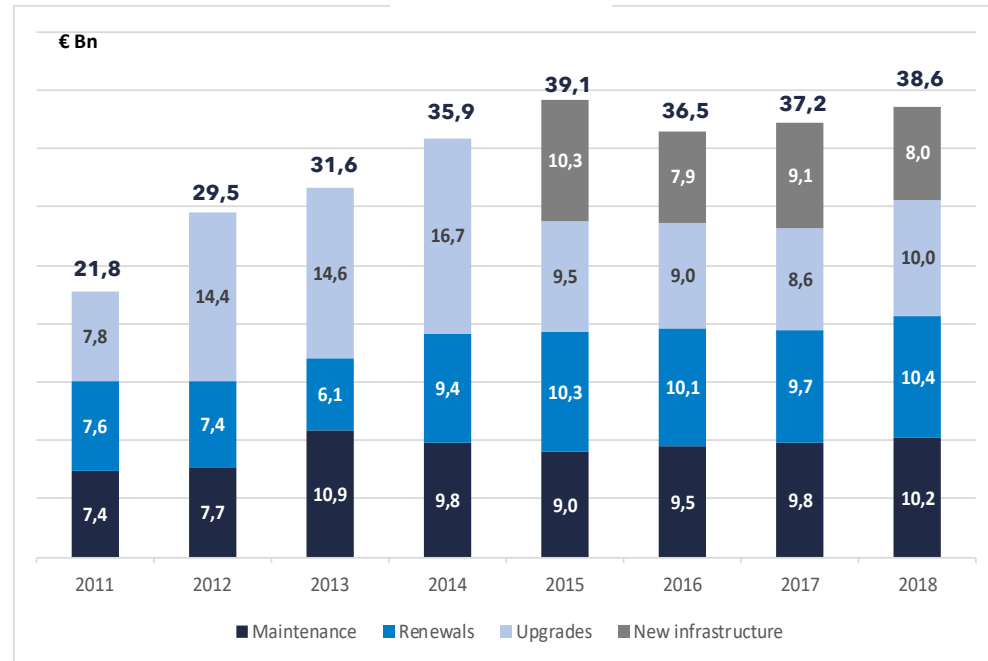
CAGR: +2.25%



Source: World Rail Market Study 2020-2025

European Railway Market

CAGR: +7.8%



Source: 7th report monitoring developments of the rail market under Article 15, Paragraph 4 of Directive 2012/34/EU of the European Parliament and Council

World railway Infrastructure: 1,7M km of urban and interurban tracks.

Western Europe, Nafta, Asia Pacific: together comprising **72%** of the **global rail track** infrastructure.

2017 - 2019: new infrastructure in operation for **23.299 km (+1,4%)**, primarily in the mainline and VHS track.

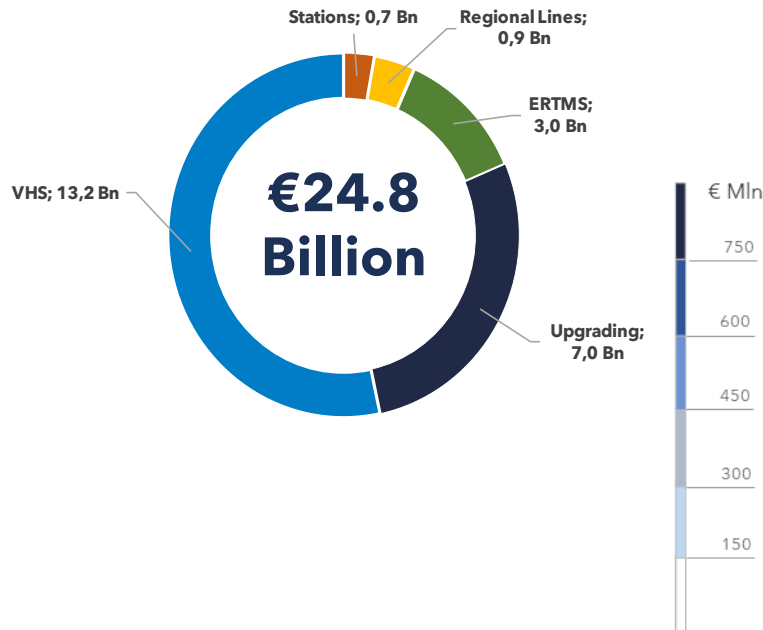
Europe: more than **€ 35Bn** invested annually, around **50%** for **maintenance and renovation**.

Germany: the value of the Deutsche Bahn **10-year Business Plan** is **€ 86 Bn** with an increase of **54%**. Compared to the last BP is "the biggest railway modernization program".

Focus on Italian National Recovery and Resilience Plan (1/3)



Mission 3 Infrastructure for a sustainable mobility	EU Recovery and Resilience Facility (RRF)	Complementary Fund	TOTAL	€ 31.5 Bn
Component 1: Investments on railway network	€ 24.8 Bn	€ 3.2 Bn	€ 28 Bn	
Component 2: Integrated Logistics	€ 0.6 Bn	€ 2.9 Bn	€ 3.5 Bn	



	TOTAL	2020	2021	2022	2023	2024	2025	2026	
1.1 High-speed railway connections to the South for passengers and freight	4,640	52	125	359	748	919	1,125	1,313	TARGET: 274 km of new HS lines
Napoli - Bari	1,400	30	80	143	180	271	352	344	
Palermo - Catania - Messina	1,440	22	25	100	199	283	439	372	
Salerno - Reggio Calabria	1,800	0	20	116	369	365	334	596	
1.2 High-speed lines	8,570	550	881	904	758	2,030	1,935	1,512	TARGET: 274 km of new HS lines
Brescia - Verona - Padova	3,670	152	341	440	76	900	1,096	665	
Liguria - Alpi	3,970	398	532	454	636	886	559	505	
Verona - Brennero	930	0	8	10	46	244	280	342	
1.3 Cross-country connections	1,580	2	9	52	175	301	427	614	TARGET: 87 km of new lines
Orte - Falconara	510	0	1	27	61	92	125	204	
Roma - Pescara	620	0	2	16	57	125	186	234	
Taranto - Metaponto - Potenza - Battipaglia	450	2	6	9	57	84	116	176	
1.4 ERTMS	2,970	0	50	299	425	563	705	928	TARGET: 3,400 km of lines equipped with ERTMS
1.5 Upgrading metropolitan railway junctions and key national rail networks	2,970	172	189	280	320	616	715	680	TARGET: 1,280 km of lines upgraded
1.6 Upgrading regional railways	936	41	116	30	158	254	152	185	TARGET: 680 km of lines enhanced
1.7 Improvement, electrification and more resilience for Southern railways	2,400	0	53	187	217	506	700	737	TARGET: 573 km of lines enhanced
1.8 Enhancement of Southern Italian train stations	700	0	21	64	103	195	192	125	TARGET: 54 stations upgraded
	24,766	817	1,443	2,175	2,903	5,384	5,951	6,094	

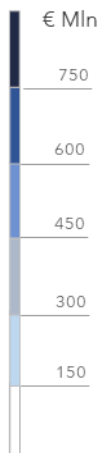
Focus on Italian National Recovery and Resilience Plan (2/3)



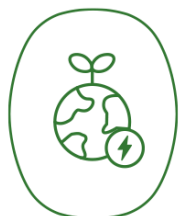
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Component 2: Integrated Logistics		€ 0.6 Bn	€ 2.9 Bn	€ 3.5 Bn	

	TOTAL	2020	2021	2022	2023	2024	2025	2026
Upgrading regional railways (which are not owned/operated by RFI)	1,550	0	150	360	405	377	248	10
Securing of regional railways	454							
Upgrade and renewal of rolling stock fleet	278							
Enhancement of regional rail network with simultaneous upgrade and/or renewal of rolling stock fleet	140							
Enhancement of regional railways	677							
Renewal of rolling stock	200	0	60	50	40	30	20	0
Safe roads - Implementation of a dynamic monitoring system for remotely controlling bridges, viaducts and tunnels (A24-A25)	1,000	0	150	150	90	337	223	50
Safe roads - Implementation of a dynamic monitoring system for remotely controlling bridges, viaducts and tunnels (ANAS)	450	0	25	50	100	100	100	75
	3,200	0	385	610	635	844	591	135

- **Already allocated** through a decree of the Ministry of sustainable infrastructures and mobility, to **29 projects**, with the overall amount allocated 81% to the South and 19% to the Centre-North
- With the only exceptions of the upgrade and renewal of the rolling stock fleet and some technological works in the signalling field, all the other projects are **potentially in the scope of Group's core business**



Focus on Italian National Recovery and Resilience Plan (3/3)



FOCUS ON AREA # 4 - DEVELOP MORE SUSTAINABLE LOCAL PUBLIC TRANSPORTATION

€ Mln	TOTAL	2020	2021	2022	2023	2024	2025	2026	
750	4.1 Encouraging cycling	600	0	0	130	225	100	80	65
600	4.2 Rapid mass transportation development	3,600	0	180	476	709	967	738	530
450	4.3 Installation of electric charging infrastructure	741	0	0	0	400	150	141	50
300	4.4 Renovation of bus fleets and green trains	3,639	0	0	440	594	931	979	695
150		8,580	0	180	1,045	1,928	2,148	1,939	1,340

SUBWAYS

€ 0.7 Bn for 11 km of new subways, rolling stock and technical/civil works

TRAMWAYS

€ 2 Bn for 85 km of new tramways, rolling stock and technical/civil works

TROLLEY WAYS and FUNICULARS

€ 0.9 Bn for 120 km of new trolley ways and 15 km of new funiculars

- Projects will be mainly focused on the metropolitan areas of the major Italian cities.
- Expenditures have been already agreed between the Ministry of sustainable infrastructures and mobility and the Local Authorities. Final Decree expected soon

Recent newsflow reassuring on NRRP implementation

23 September	<p>Decree of the “Ministry of sustainable infrastructures and mobility”</p> <p>Out of the € 3.2 Bn of the Complementary Fund devoted to the first component of Mission 3, € 1.55 Bn assigned to the upgrade and enhancement of regional railway networks</p>
29 September	<p>New tenders for NRRP projects¹</p> <p>In a panel at EXPO Ferroviaria, RFI’s CEO and MD stated that by April 2022 RFI will launch 55 tenders for an overall value of € 6 Bn</p>
15 October	<p>Additional resources to RFI</p> <p>Within a Law Decree approved by the Council on Ministry, RFI received additional € 1.3 Bn, to be used in 2021, to speed up projects on railway network, also providing more down-payments to the contractors</p>
19 October	<p>Design phase of NRRP projects²</p> <p>In a conference, RFI’s CEO and MD stated that by January 2022 the design phase of new projects worth € 12 Bn will be completed. Tenders for these projects will be launched during 2H 2022</p>
27 October	<p>Law Decree “Recovery”</p> <p>Within a Law Decree approved by the Council on Ministry to support the implementation of the NPRR, all the procedures for the approval of public investments in railway infrastructures have been simplified</p>
9 November	<p>NRPP funds for regional lines assigned to projects</p> <p>In a Decree of the “Ministry of sustainable infrastructures and mobility”, € 836 mln³ dedicated to the upgrade of regional lines have been allocated to projects in Umbria, Friuli Venezia Giulia, Piedmont, Puglia, Campania</p>
26 November	<p>2020-2021 update of the 2017-2021 Programme Contract between MIMS and RFI signed</p> <p>Update of the Investments portion, worth € 31.7 Bn, to factor in the recent developments and funds, also in light of the implementation of the NRRP initiatives</p>

1. Source: <https://www.fsnews.it/it/focus-on/infrastrutture/2021/9/28/rfi-55-bandi-gare-da-6-miliardi.html>
 2. Source: <https://www.fsnews.it/it/focus-on/infrastrutture/2021/10/19/rfi-progetti-12-miliardi-entro-gennaio-2022.html>
 3. The remaining € 100 mln have been already assigned to 2 specific projects

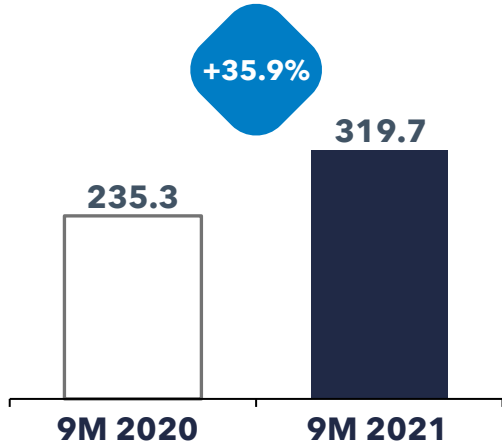
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9M 2021 Results

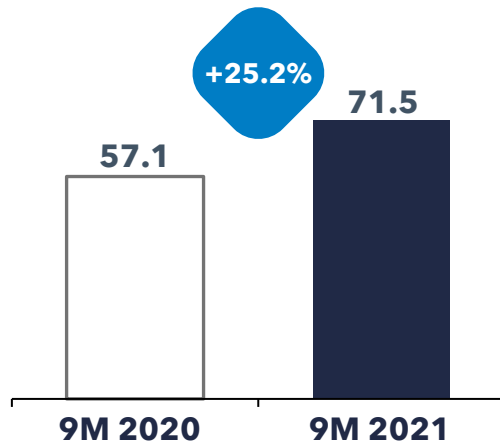
9M 2021 Highlights

€ Mln

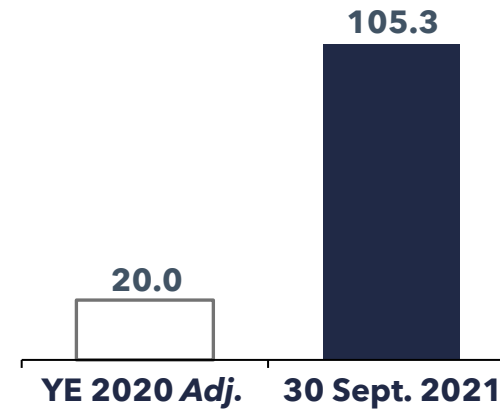
Revenues



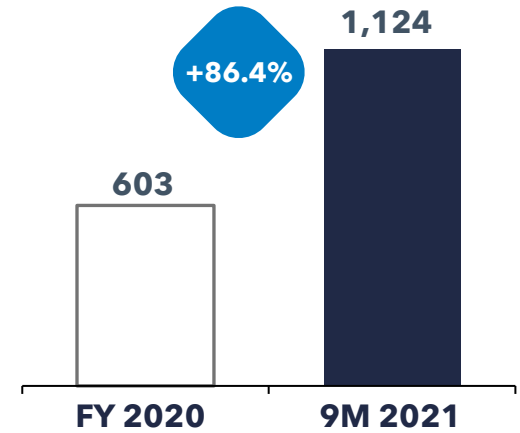
EBITDA



NFP (Net Cash)



Backlog



Revenues

€ Mln

- Consolidated **Revenues** at **€ 319.7 Mln**, up 35.9% YoY mainly due to:
 - **Favourable comparison with 9M 2020**, impacted by reduction of production due to Covid-19 crisis (€ 12.2 Mln)
 - **Change in perimeter** with the consolidation of Delta (€ 30.4 Mln¹) and, to a lesser extent, Bahnbau Nord (€ 3.7 Mln)
- Without considering those effects, **remarkable organic growth at 16.3%**

	9M 2021	9M 2020	Δ (%)
Track and Light Civil Works	220.6	167.5	31.7%
Energy, Signalling & TLC	41.9	28.8	45.9%
Heavy Civil Works	20.5	15.6	31.1%
Railway Materials	29.0	20.1	43.9%
Railway Machines	7.7	3.3	136.3%
Total	319.7	235.3	35.9%



- 69.0% Track & Light Civil Works** (71.2% in 9M 2020)
- 13.1% Energy, Signalling & TLC** (12.2% in 9M 2020)
- 6.4% Heavy Civil Works** (6.6% in 9M 2020)
- 9.1% Railway Materials** (8.6% in 9M 2020)
- 2.4% Railway Machines** (1.4% in 9M 2020)

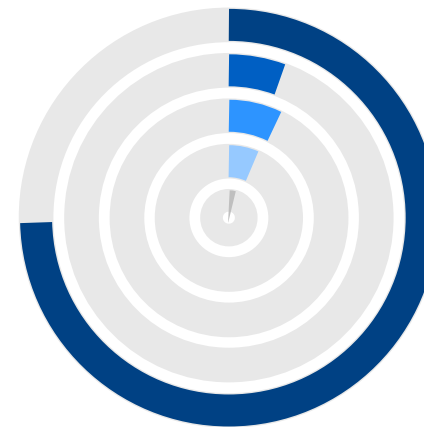
1. Net of € 1.6 Mln recorded in 9M 2020

Revenues by Country

€ Mln

- **Revenues** coming **from outside Italy reaching 27%** of the total, further growing compared to the 24% recorded in 1H 2021, mainly driven by:
 - **North America**, now at 10% with the consolidation of Delta
 - **Further growth** of the contribution from **Middle East**, thanks to ongoing activities in Abu Dhabi
 - **North Africa** further growing thanks to the ramp-up of the new contract in Egypt
 - **Slowdown of Europe**, partially offset by the growing contribution from **Germany**

	9M 2021	9M 2020	Δ (%)
Italy	234.5	190.0	23.4%
Europe [Excluding Italy]	25.5	37.9	(32.6%)
North America	32.0	1.6	N/A
Middle East	24.3	4.9	398.7%
North Africa	3.3	0.9	272.9%
Total	319.7	235.3	35.9%



- 73.4%** **Italy** (80.7% in 9M 2020)
- 8.0%** **Europe (excl. Italy)** (16.1% in 9M 2020)
- 10.0%** **North America** (0.7% in 9M 2020)
- 7.6%** **Middle East** (2.1% in 9M 2020)
- 1.0%** **North Africa** (0.4% in 9M 2020)

Economic and Financial KPI

€ Mln

	9M 2021	9M 2020	Δ (%)
Revenues	319.7	235.3	35.9%
EBITDA	71.5	57.1	25.2%
<i>EBITDA Margin</i>	22.4%	24.3%	-
D&A ¹	(19.8)	(15.9)	24.0%
EBIT	51.7	41.1	25.7%
<i>EBIT Margin</i>	16.2%	17.5%	-
<i>Adjusted Net Financial Income (Expenses)*</i>	1.6	(1.9)	-
Adjusted EBT	53.3	39.3	35.7%
<i>Adjusted Income Taxes**</i>	(14.3)	(11.8)	21.3%
Adjusted Net Profit	39.0	27.5	41.8%
* Change in warrant fair value	(9.7)	(17.7)	(44.8%)
** DTA reversal related to revaluations	(2.4)	-	-
Net Profit	26.9	9.8	173.4%
Net Financial Position	105.3	20.0 ²	427.6%

- **EBITDA Margin** down 1.9 p.p. vs. 9M 2020 due to the different mix of revenues, mainly generated by the different consolidation perimeter of the subsidiaries. Profitability in line with 1H 2021, confirming the positive result in a context of materially growing volumes
- **Higher D&A** on the back of higher Capex
- **Tax rate** adjusted at **26.9%**, down compared to 30.0% in 9M 2020, which not benefitted from fiscal effects of revaluation of certain assets. On a like-for-like basis the two tax rates are comparable. Going forward, on the back of Industry 4.0 tax benefit and without additional benefits, tax rate adjusted expected to be between 27% and 28%
- P&L adjustments related to warrant are in line with 1H figure. For FY 2021, last period with this impact, the figure will be exactly the same as the one at 30 September
- NFP at **€ 105.3 Mln** (Net Cash) doesn't include any impact related to warrant since they have been fully converted/expired during 3Q. Increase vs. YE2020 mainly due to the contribution from recent share capital increase and warrant conversion

1. Including impairment losses

2. Figure at 31 December 2020, adjusted to exclude financial liabilities related to outstanding "warrant in compendio e integrativi" as of 31 December 2020

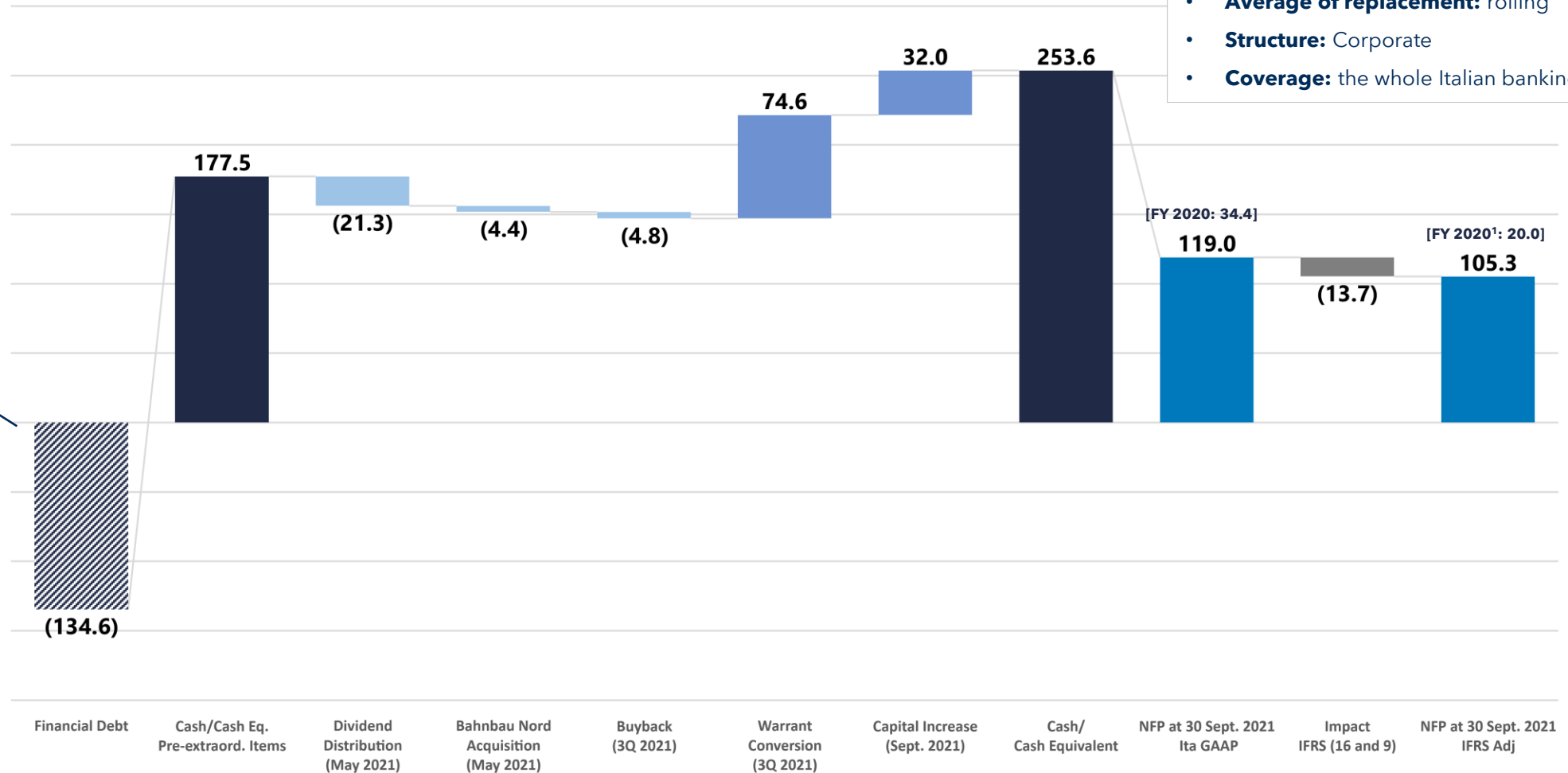
NFP at 30 September 2021

€ Mln

Features of financial debt:

- **Duration:** approx. 36 months
- **Average of replacement:** rolling
- **Structure:** Corporate
- **Coverage:** the whole Italian banking system

Includes the **new € 30 mln S-Loan** with Green Guarantee by SACE and interest rate that may benefit from the evolution of ESG KPI

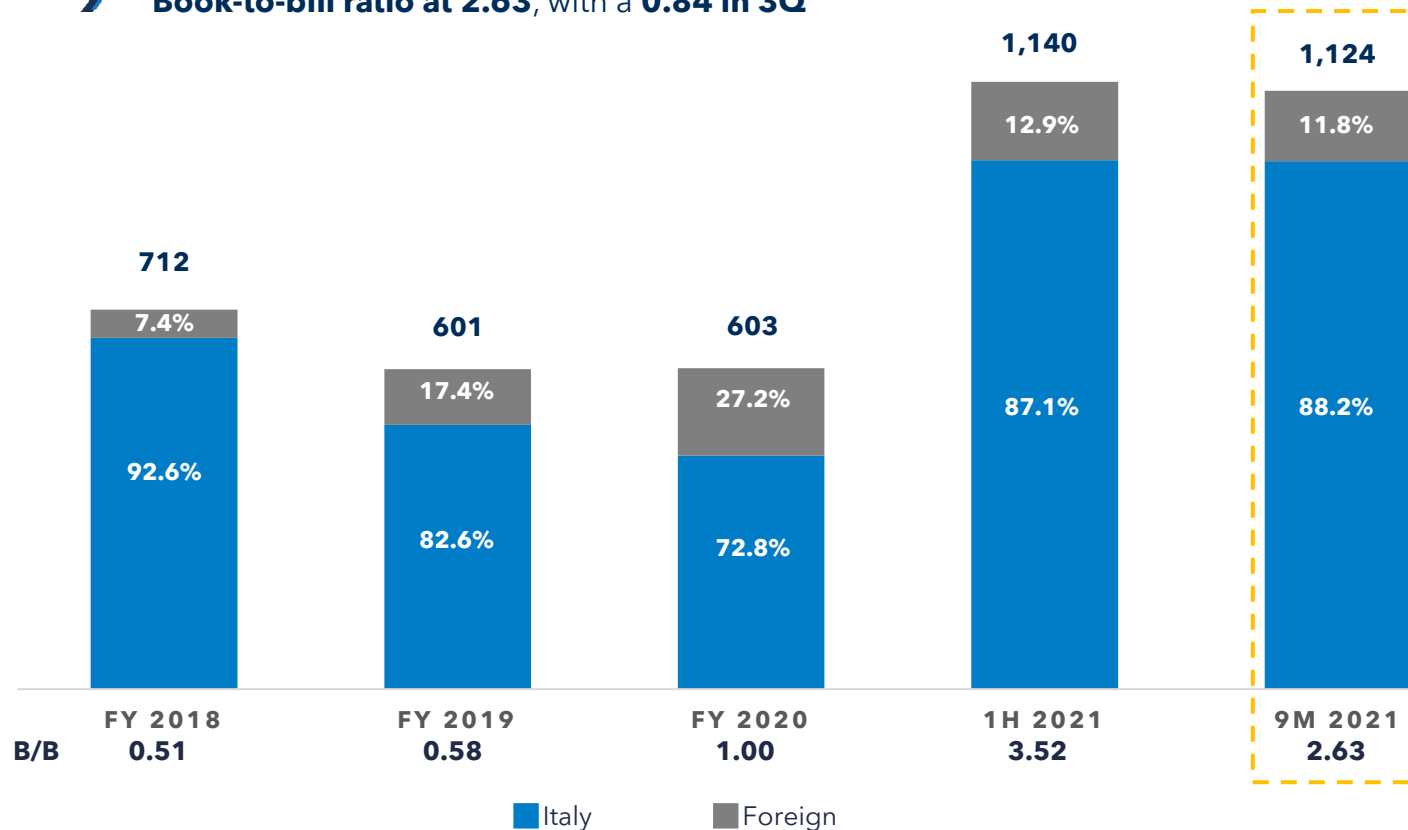




1. Does not consider € 19.3 Mln negative impact caused by Warrant Fair Value at 31 December 2020

Backlog

€ Mln

- **Backlog¹ confirmed at the all-time high € 1.1 Bn**, of which **€ 992 mln (88.2%)** from **Italian market** and **€ 132 mln (11.8%)** from **foreign markets**
- The **different time frame** of Italian contracts, typically longer than foreign ones, impacts the current composition of the backlog
- **Track & Light and Civil Works** and **Energy Signalling & Telecommunication** confirmed as the core Business Units, with **92.6%** of the total backlog
- **Book-to-bill ratio at 2.63**, with a **0.84** in 3Q

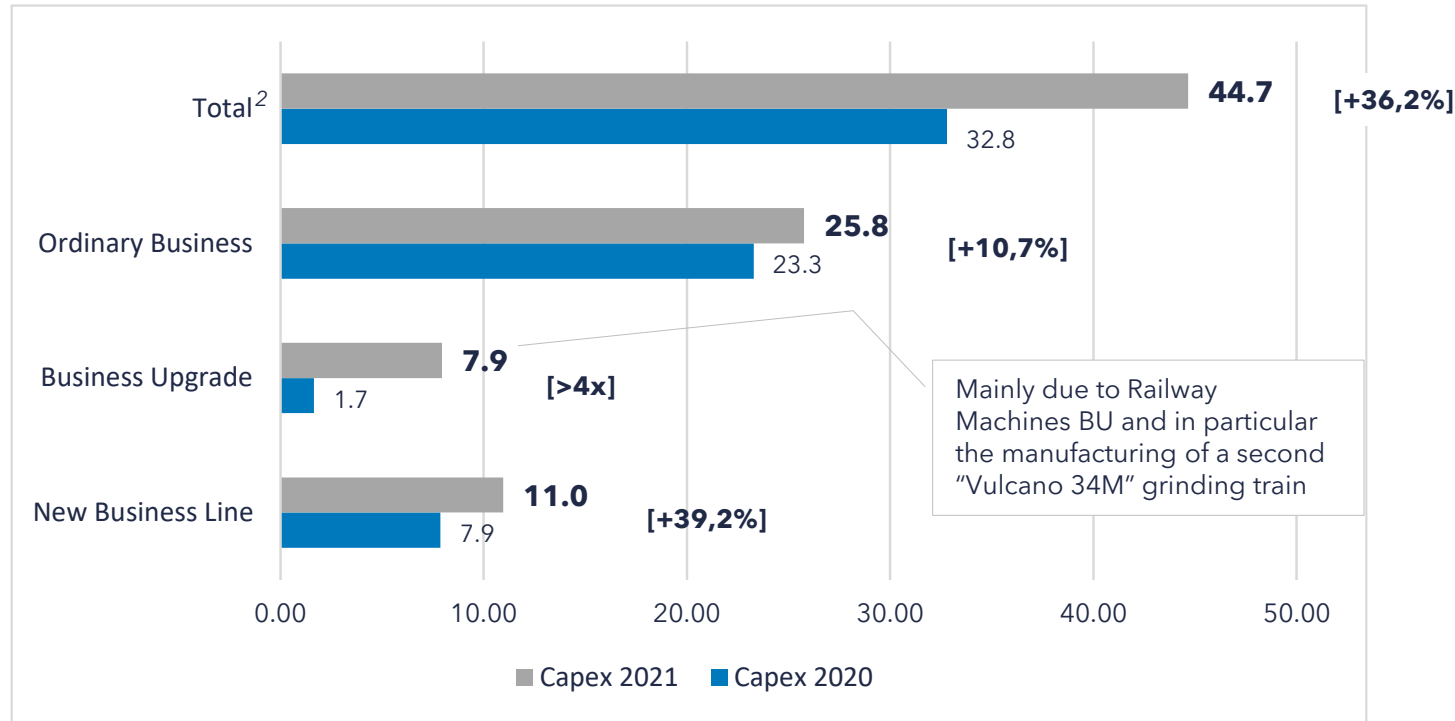


Business Unit	Amount	%
Track and Light Civil Works	852.1	75.8%
<i>of which Foreign</i>	117.9	10.5%
Energy	188.7	16.8%
<i>of which Foreign</i>	3.8	0.3%
Heavy Civil Works	66.6	5.9%
<i>of which Foreign</i>	10.4	0.9%
Railway Machines	9.8	0.9%
<i>of which Foreign</i>	6.2	0.6%
Railway Materials	0.7	0.1%
Total	1,124.1	100.0%
 Italy	991.8	88.2%
 Foreign	132.3	11.8%

1. Does not include agreements between Group companies, to be considered intercompany

Focus on 2021 Capex

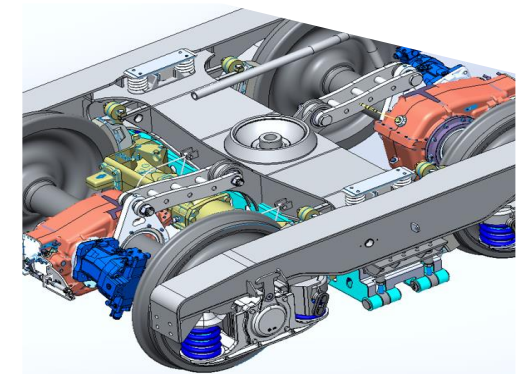
- **FY 2021 CAPEX** are expected at **€ 44.7 mln¹** (+36.2% vs. 2020)
- At **9M 2021** stage CAPEX are proceeding as per plan



New DHS in SRT factory



"Vulcano 34M" grinding train



Ordinary Business: investments to maintain of existing production capacity, the quality standards required by customers and the achievement of budget objectives

Business upgrade: investments to upgrade existing production lines, with new plants, machinery or equipment, allowing for an increase in production capacity

New business line: investments related to the design and production of new products in order to open new strategic business lines

1. Gross amount that includes all the CAPEX to be considered "Intercompany"
 2. FY 2020 does not include the new perimeter of Delta R.C. occurred with its acquisition

- **Business momentum** supports expectations for a FY solidly confirming the growing path showed so far
- Positive outlook in our strategic markets further backed by recent news flow, including the approval of \$ 1.2 trillion **US Bipartisan Infrastructure Deal**, with \$ 105 Bn devoted to railways and public transit
- New contract for the Verona-Padua high speed line supports confidence in a timely implementation of NRRP projects
- Evaluation of potential targets for **M&A** ongoing



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Sustainability at Salcef

Bringing our heritage to a new dimension

For **70 years** we have been committed to creating a business model focused on continuously innovating **sustainable mobility infrastructure**

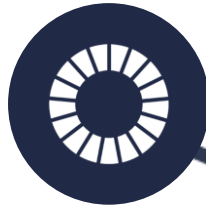
After the listing, we started a **new journey, in which we firmly believe** and to which the entire organization, starting from the top management, is **strongly committed**



Our sustainability journey so far

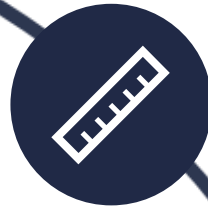
Integration of the SDGs in the business model

Preliminary analysis to assess the alignment of the business model with the UN SDGs and mapping of the company goals towards them



Strengthening of the reporting system

Internal process to adapt the existing sustainability reporting system to the GRI standards



Materiality Analysis

Development of the first Materiality Matrix through a structured process involving internal and external stakeholders



First Group Sustainability Report



In October 2020 we joined the **UN Global Compact**, the world's largest corporate sustainability initiative, confirming our commitment towards its principles and the SDGs

SDG mapping

- After a preliminary analysis, **7 out of the 17 SDGs** have been considered **primary**, based on their **coherence with the business model** and on the **Group's ability to materially contribute to their achievement**
- **SDG 9, SDG 11** and **SDG 13** are the most impacted being **more linked with Group's core business and strategic goals**
- A set of **ESG Company goals** has been defined to support the identified SDGs



ESG Company goals	Covered SDGs
Develop technologies for integrated and sustainable mobility	     
Invest in new services and products	     
Assure quality of projects, products and machines	 
Pursue sustainability within all the business activities, investing in impacts reduction and new technologies	 
Digitalize all the processes	 
Safeguard employees' health and psychophysical integrity	
Assess and mitigate risks related to business activities, also preventing occupational diseases and work-related injuries	
Promote a culture focused on quality, environment protection, safety as well as training, effective communication and stakeholder involvement	 
Assure full compliance with applicable legal requirements and regulations/standards related to quality and HSE	

2020 ESG Performance

Environment

Energy intensity -2% vs. 2019

10% of electricity from auto-produced photovoltaic

Water withdrawal -49% vs. 2019, **-62%** vs. 2018

97% of waste produced has been recovered

People

1,258 employees (+26% vs. 2019)

17% under 30 (15% in 2019), **5% women** (4% in 2019)

~**30k** training hours (**24** pro capite, in line with 2019)

Injury rate -21% vs. 2018, broadly stable vs. 2019

Supply chain

763 suppliers completed the qualification process

90% of spending from local suppliers

Environment Management of energy and natural resources

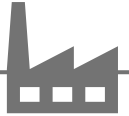
AREAS OF INTERVENTION

RAILWAY MACHINES



Diesel oil to fuel machines at work on the tracks is the main source of energy consumption

PLANTS



Water used in the operations on railway infrastructure and in the production of sleepers



Electricity used to power machines and systems in the production sites



Waste are for the vast majority non-hazardous and produced by on-field activities



ACTIONS

- Between 2018 and 2020, more than **36 € Mln** have been invested to buy **33 new Non-Road Mobile Machineries**, equipped with engines compliant with **at least IIIA** emission limits
- **12 locomotives** have been upgraded with **new and more energy efficient engines**

- Focus on **own wells** in order not to stress the water infrastructure
- Investments in **water treatment and reuse systems** in the Italian production sites
- Investments in **photovoltaic generation systems** in the Italian Production sites
- **Proper management** in line with laws and regulations



RESULTS

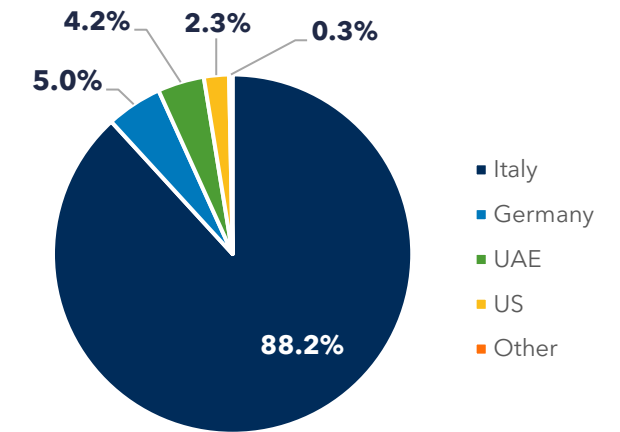
Emission intensity slightly decreasing in 2020 at **37 tCO₂e / € Mln** vs. 38 in 2019

61% of the water withdrawal from own wells **10%** of the consumptions auto-produced **97%** of the waste recovered

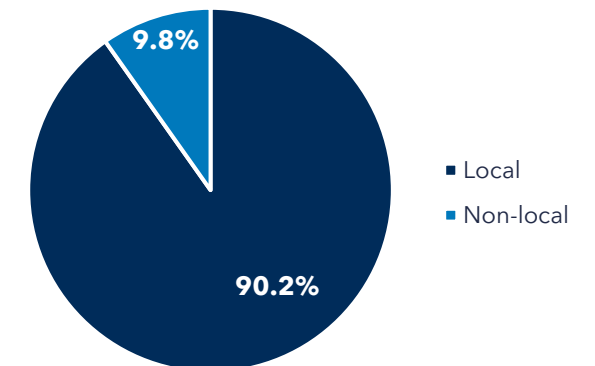
Social Supply Chain management

- Salcef Group evaluates its Suppliers through a **Suppliers Qualification System**
- The evaluation encompasses **several dimensions** among which:
 - Environmental
 - Health & Safety
 - Ethical (anticorruption, human rights, etc.)
 - Quality
 - Economic-Financial
 - Technical
- In 2020, **763 suppliers** have gone through the qualification process, of which **492 are qualified**.
- Moreover, the **performance** of the suppliers in the Supplier Qualification System are subject to dedicated analysis with reference to:
 - Quality & quantity of the supply
 - Execution timing
 - Environment and Safety regulations
- A **Supplier's Score** on a **1 to 5** scale is then assigned, with impact also on the renewal of the qualification. **Over 95%** of the suppliers received a score **greater than 3**

Supply Chain 2020 - Spending by country
(Total 192.2 € Mln)



Supply Chain 2020 - Local Suppliers



- ▶ Thanks to organic growth and also external acquisitions, Salcef Group's headcount has materially increased over the last two years, from **889 employees in 2018** to **1,258 at the end of 2020**



COMPOSITION OF WORKFORCE

- ▶ **74% of the workforce** located in **Italy**, followed by **North America at 11%** (due to the recent acquisition of Delta)
- ▶ **5% women**, up compared to 3% in 2018 and 4% in 2019
- ▶ **Blue collars 73% of the total** (99% men)
- ▶ **71% less than 50 years-old** with 30-50 range the most represented (54%)
- ▶ In 2020 the number of employees **younger than 30 increased by 46%** compared to 2019



TRAINING

- ▶ Between 2018 and 2020, **>78,000 training hours delivered**, 29,748 in 2020
- ▶ **Average amount of training hours per employee at 23.6 in 2020**, broadly stable vs. 2019 and 2018 (which benefitted from acquisitions in Italy)
- ▶ **Health & Safety** the most covered topic, in terms of both number of courses (48) and training hours (18,633), followed by professional qualifications

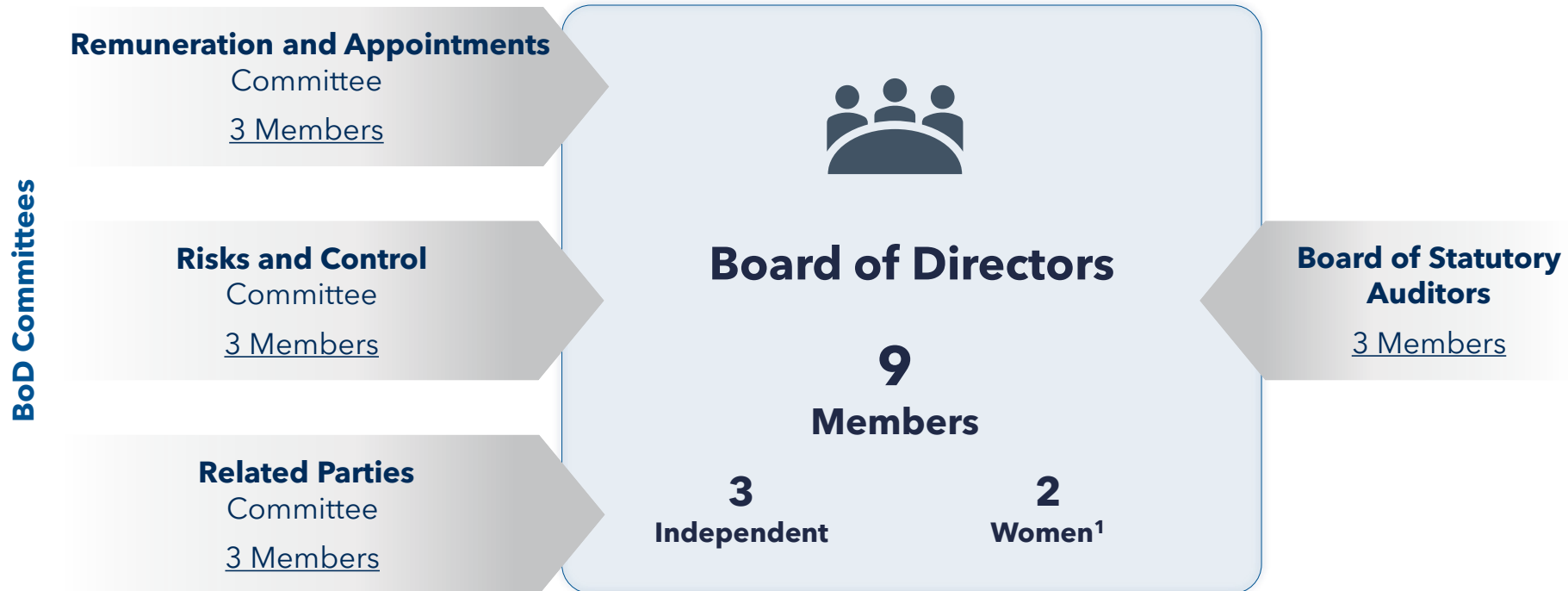


HSE

- ▶ Between 2018 and 2020, **146 accidents reported**, with **0 fatalities** and **2 severe accidents** (1 in 2020)
- ▶ **Injury rate¹** in 2020 materially lower than in 2018 (24.99 vs. 31.83). Same trend recorded with regards to **severity rate²** (1.32 vs. 1.47)

1. (Total injuries/Total hours worked)*1,000,000. Excludes commuting injuries
2. (Total days of absence /Total hours worked)*1,000. Excludes commuting injuries

- ▶ The current BoD has been **appointed by the AGM on 14 October 2019** - and then integrated with 2 additional Directors on 5 October 2020 (in light of the listing on the MTA market of the Italian Stock Exchange) - for the period **2019-2021**



1. Pursuant principle 2.P.4 of the "Corporate Governance Code" of Borsa Italiana, to which the Company adhered on 6 October 2020, during 2022 the composition of the BoD will be modified in order to have at least one third of women

Governance Remuneration policy

- The **first Remuneration Report**, approved by the AGM in April 2021, illustrates Group’s remuneration policy, which has been developed in line with current regulations and market best-practices
- The policy includes **ESG targets** (HR and HSE) both for short-term and long-term incentive schemes

	Fixed	Short-Term (2021)	Long-Term (2021-2023)
Chairman CEO	<u>Weight:</u> 50%	<u>Weight:</u> 20% <u>Type:</u> Monetary paid up-front <u>Amount:</u> 40% of the Fixed remuneration ¹ at target <u>Payout scale:</u> 0% till 70% of the target and then linear up to max 140% in case of overperformance <u>Targets:</u> Group EBITDA (55%), Group Net Profit (30%), Injury rate (10%), Avg. Training hour per employee (5%)	<u>Weight:</u> 30% <u>Type:</u> Monetary paid at the end of the period <u>Amount:</u> 60% of the Fixed remuneration ¹ at target <u>Payout scale:</u> 0% till 70% of the target and then linear up to max 140% in case of overperformance <u>Targets:</u> Cumulated Group EBITDA (55%), Cumulated Group Net Profit (30%), Avg. Injury rate (10%), Avg. Training hour per employee (5%)
Executives with strategic responsibilities²	<u>Weight:</u> 83%	<u>Weight:</u> 17% <u>Type:</u> Mixed with 75% monetary paid up-front and 25% in shares to be paid in two tranches (12.5% each) with different vesting periods <u>Amount:</u> 20% of the Fixed remuneration at target <u>Gate:</u> Group EBITDA <u>Payout scale:</u> 0% till 70% of the target and then linear up to max 140% in case of overperformance <u>Categories of targets</u> (individual targets and related perimeter based on the role/function): Economic-financial, business processes, Product/Process innovation, HSE, HR	-

1. For the Chairman is the sum of the remuneration as Director and as executive at Salcef S.p.A.
 2. In its role of Salcef S.p.A. executive, the Chairman is also part of this category. The only remuneration scheme applied to him is the one related to the role of Chairman

Next steps

- Leveraging on the progress made and on a proactive engagement with the stakeholders, 2021 activities will be focused on **three main streams of action**



IMPROVEMENT OF ESG PERFORMANCE

- Additional investments in the **reduction of our carbon footprint**
- **Human Capital development**, with a focus on the integration of recently acquired companies
- Engagement with **third-party ESG evaluation providers**



SUSTAINABILITY REPORT

- Review of structure and contents
- **Enlarge the scope of the reporting**
 - HSE
 - Supply Chain
- Update of the **Materiality Analysis**
- Report of **GRI KPIs** using the “in accordance” approach



SDGs

- Extend the work already done in 2020, with the aim to **refine the analysis** and get to **more granular mapping and targets**

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Useful documents & Contacts

Useful documents

**FY 2020
Results
Presentation**



**2020
Annual Report**



**2020
Sustainability
Report**



**9M 2021
Results
Presentation**



**Additional Financial
Information at 30
Sept. 2021**



**Remuneration
Report**



**Corporate
Governance
Report**



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