



SALCEF GROUP



1Q 2022 Results Presentation



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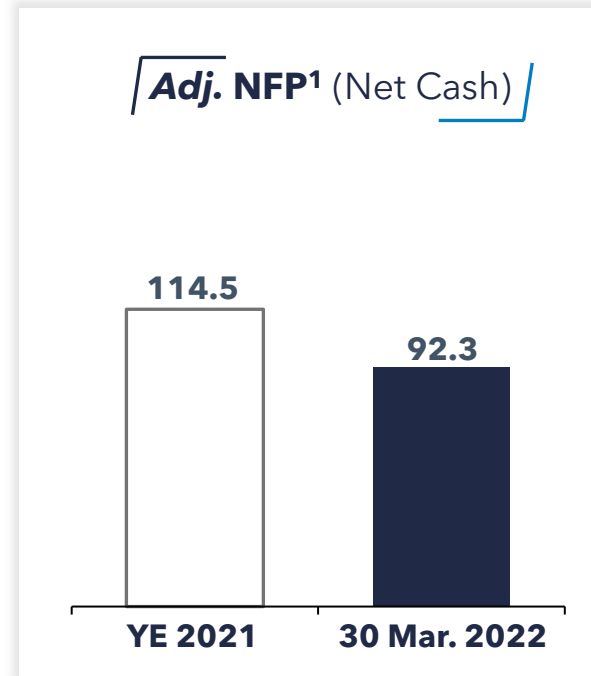
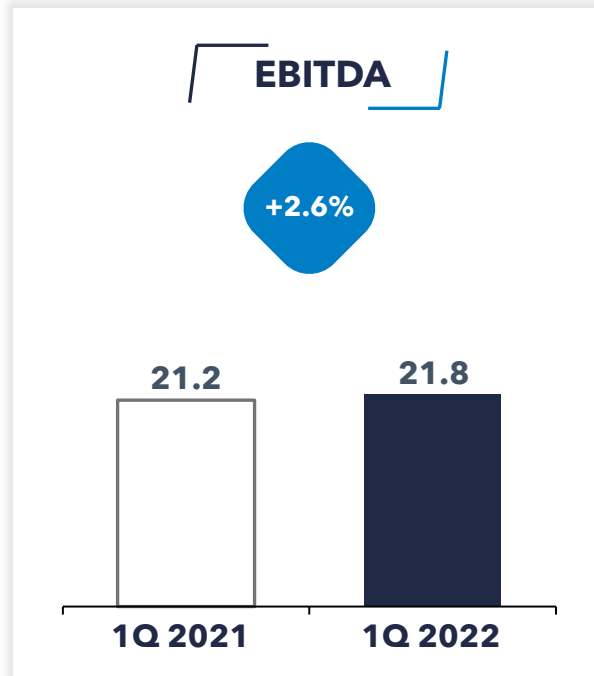
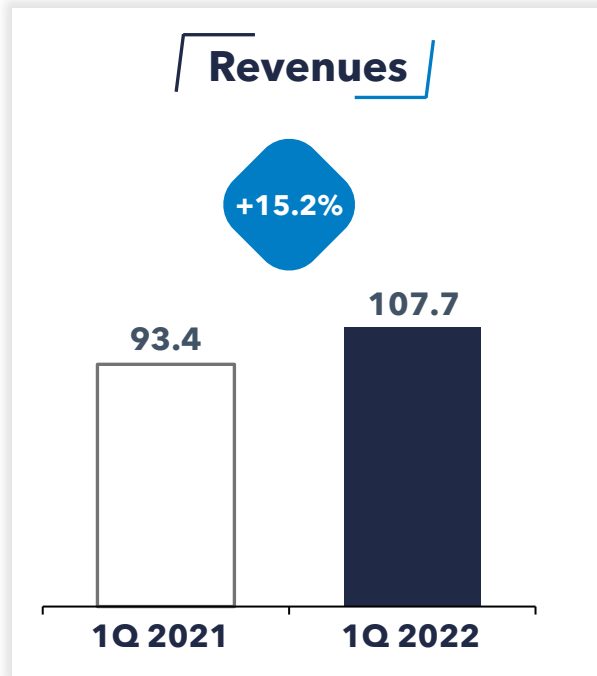
Key messages

- **Good start** to the year confirming solid growth trends
- **Order Backlog flat at € 1.2 Bn**, mainly thanks to new contracts in Italy and the US, with **book-to-bill at 1**
- **Revenue** growth in line with expectations and with the usual seasonality
- **Profitability** kept at **above 20%** despite cost headwinds
- **Recent governmental measures on energy/materials prices** going in the right direction
- Top-line outlook for 2022 confirmed. EBITDA margin expected to be substantially in line with 1Q



1Q 2022 Highlights

€ Mln



1. 2022 figure 2022 figure considers the down payment paid to the PSC Group for the purchase of the railway business unit

Revenues

€ Mln

- Consolidated **Revenues** at **€ 107.7 Mln**, up 15.2% YoY mainly due to:
 - **Solid organic growth at 11.5%**, supported by **Track & Light Civil Works, Energy, Signalling & Telecom** and **Railway Materials**
 - **Contribution of Bahnbau Nord** (€ 3.5 Mln) in Track & Light Civil Works, which without it grew **13% organically**

	1Q 2022	1Q 2021	Δ (%)
Track and Light Civil Works	74.1	62.6	18.5%
Energy, Signalling & Telecom	16.6	12.5	33.2%
Heavy Civil Works	3.1	3.6	(15.2%)
Railway Materials	9.8	7.0	40.3%
Railway Machines	4.0	7.8	(48.1%)
Total	107.7	93.4	15.2%

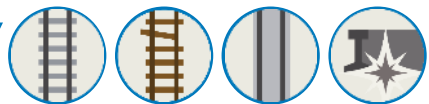


- 68.9% Track & Light Civil Works** (67.0% in 1Q 2021)
- 15.4% Energy, Sign. & Telecom** (13.4% in 1Q 2021)
- 2.9% Heavy Civil Works** (3.9% in 1Q 2021)
- 9.1% Railway Materials** (7.4% in 1Q 2021)
- 3.8% Railway Machines** (8.3% in 1Q 2021)

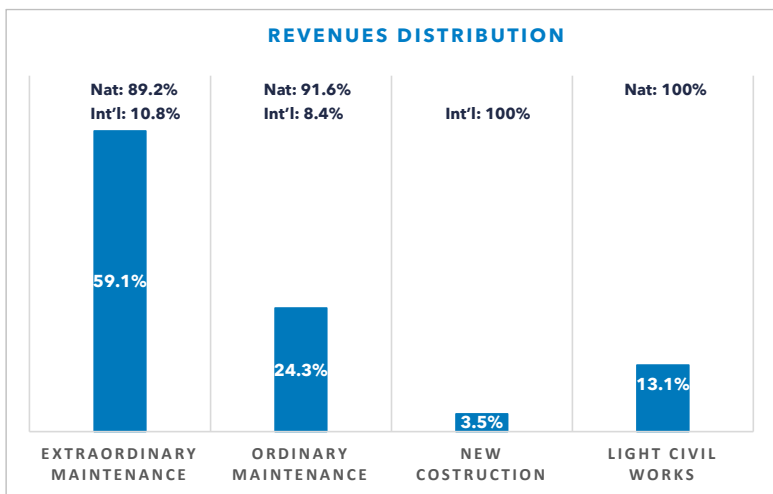
1. Net of € 10.7 Mln recorded in FY 2020 for the 3 months after the acquisition

Focus on Business Units (1/2)

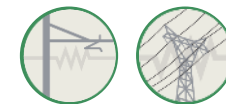
Track & Light Civil Works



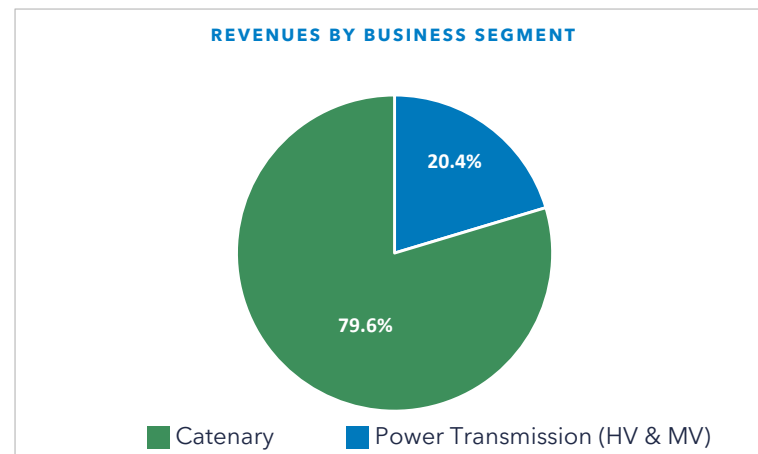
- 1Q 2022 Revenues at **€ 74.1 Mln, up 18.5% YoY** mainly due to:
 - Activities within the new 3-year framework agreements with RFI
 - Track renewal activities in Egypt on the Cairo - Alexandria line
 - First activities of the second contract in Abu Dhabi, for the freight facilities on the Ruwais - Ghuweifat railway
 - Execution of light civil works contracts in Italy
- Going forward, activities will be focused on executing new framework agreements and other domestic/international contracts
- Production of recently signed contracts (i.e. Queens Line in the US) to start later in the year



Energy, Signalling & Telecommunication



- 1Q 2022 Revenues at **€ 16.6 Mln, up 33.2% YoY** mainly due to:
 - Contribution from the main catenary contracts in Italy, which in 1Q 2021 were in the ramp-up phase
 - Less activities in the Power Transmission business due to the end of a foreign contract
 - First contribution from Germany and from the new contracts acquired in 2021
- Going forward, activities will be focused on executing current agreements in both segments and on integrating the recently acquired business



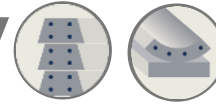
Focus on Business Units (2/2)

Heavy Civil Works



- 1Q 2022 Revenues at **€ 3.1 Mln, down 15.2% YoY** mainly due to activities in Germany
- Going forward, production volumes mainly driven by the activities on the Italian Verona-Padua High-Speed line, expected to start by the end of the first half of 2022

Railway Materials



- 1Q 2022 Revenues at **€ 9.8 Mln, up 40.3% YoY** with higher production volumes
- First production of concrete slabs for C line of Rome subway
- Slab-track prototypes for RFI ready to be installed and tested on-the-ground
- New production lines expected to be fully operative during 2022
- Going forward, activities at Overall focused on reaching operational excellence and enlarging the range of products

Railway Machines



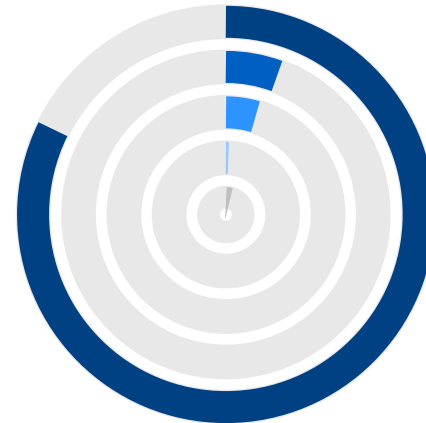
- 1Q 2022 Revenues at **€ 4.0 Mln, down 48.1% YoY**
- Combined impact of temporary lower production in the US and another quarter of increasing activities for Group companies accounted for as intercompany
- Going forward, activities will be focused on supporting Group companies

Revenues by Geography

€ Mln

- **Revenues** coming from outside Italy at **14.4%, down YoY** mainly due to:
 - **Increasing activities** in **Italy**
 - **Temporary slow down of production** in **North America**
 - **Phase out** of one contract in Abu Dhabi, partially offset by ramp-up of activities in Egypt

	1Q 2022	1Q 2021	Δ (%)
Italy	92.2	72.1	27.9%
Europe [Excluding Italy]	7.4	6.4	16.5%
North America	5.2	8.1	(36.0%)
Middle East	0.7	6.8	(89.2%)
North Africa	2.1	0.1	n.a.
Total	107.7	93.4	15.2%



- 85.6% Italy** (77.1% in 1Q 2021)
- 6.9% Europe (excl. Italy)** (6.8% in 1Q 2021)
- 4.8% North America** (8.7% in 1Q 2021)
- 0.7% Middle East** (7.2% in 1Q 2021)
- 1.9% North Africa** (0.1% in 1Q 2021)

Economic and Financial KPI

€ Mln

	1Q 2022	1Q 2021	Δ (%)
Revenues	107.7	93.4	15.2%
EBITDA	21.8	21.2	2.6%
<i>EBITDA Margin</i>	20.2%	22.7%	-
D&A	(8.4)	(6.7)	26.7%
EBIT	13.3	14.6	(8.4%)
<i>EBIT Margin</i>	12.4%	15.6%	-
<i>Adjusted Net Financial Income (Expenses)*</i>	0.1	(0.3)	-
Adjusted EBT	13.4	14.3	(6.4%)
<i>Adjusted Income Taxes**</i>	(4.2)	(3.7)	14.6%
Adjusted Net Profit	9.2	10.6	(13.7%)
<i>* Fair value change of warrant and financial investments</i>	(3.0)	(5.7)	-
<i>** DTA reversal related to revaluations and non-recurring tax expenses</i>	(1.0)	(1.2)	-
Net Profit	5.2	3.8	37.5%
Adjusted Net Financial Position¹	92.3	114.5 ²	(19.4%)

- **EBITDA Margin** down 2.5 p.p. vs. 1Q 2021 mainly due to cost headwinds, which started to be material in 4Q 2021
- **Higher D&A** on the back of higher Capex made both in 2021 and in 1Q 2022
- **P&L adjustments** related to:
 - Change in fair value of financial investments and, only for 2021, of the warrant
 - DTA reversal
- **Adjusted NFP** at **€ 92.3 Mln** (Net Cash) doesn't include the financial assets resulting from the approx. € 23 mln down payment paid to the PSC Group for the acquisition of the railway business unit

1. 2022 figure considers the down payment paid to the PSC Group for the purchase of the railway business unit
 2. Figure at 31 December 2021

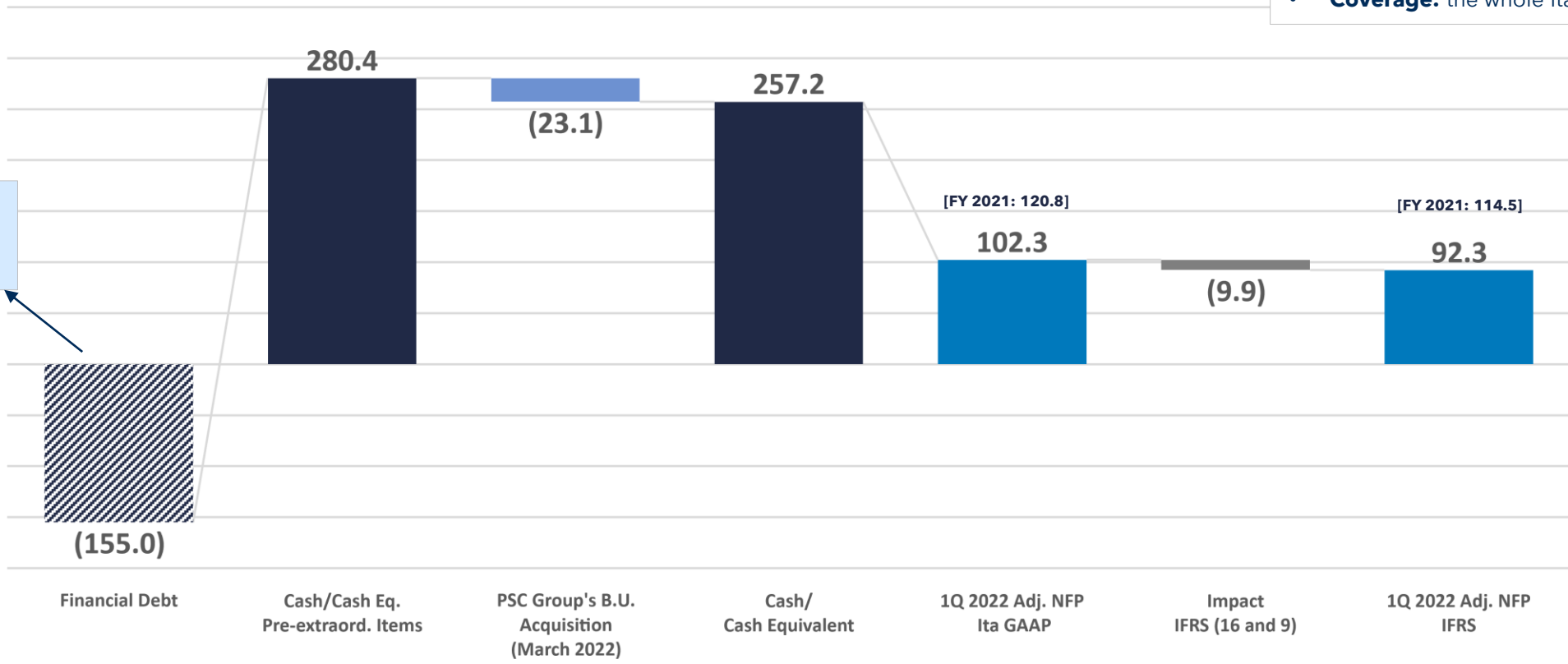
Adjusted NFP at 31 March 2022

€ Mln

Features of financial debt:

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

Includes **2 S-Loans** agreed in 2021 with ESG KPIs

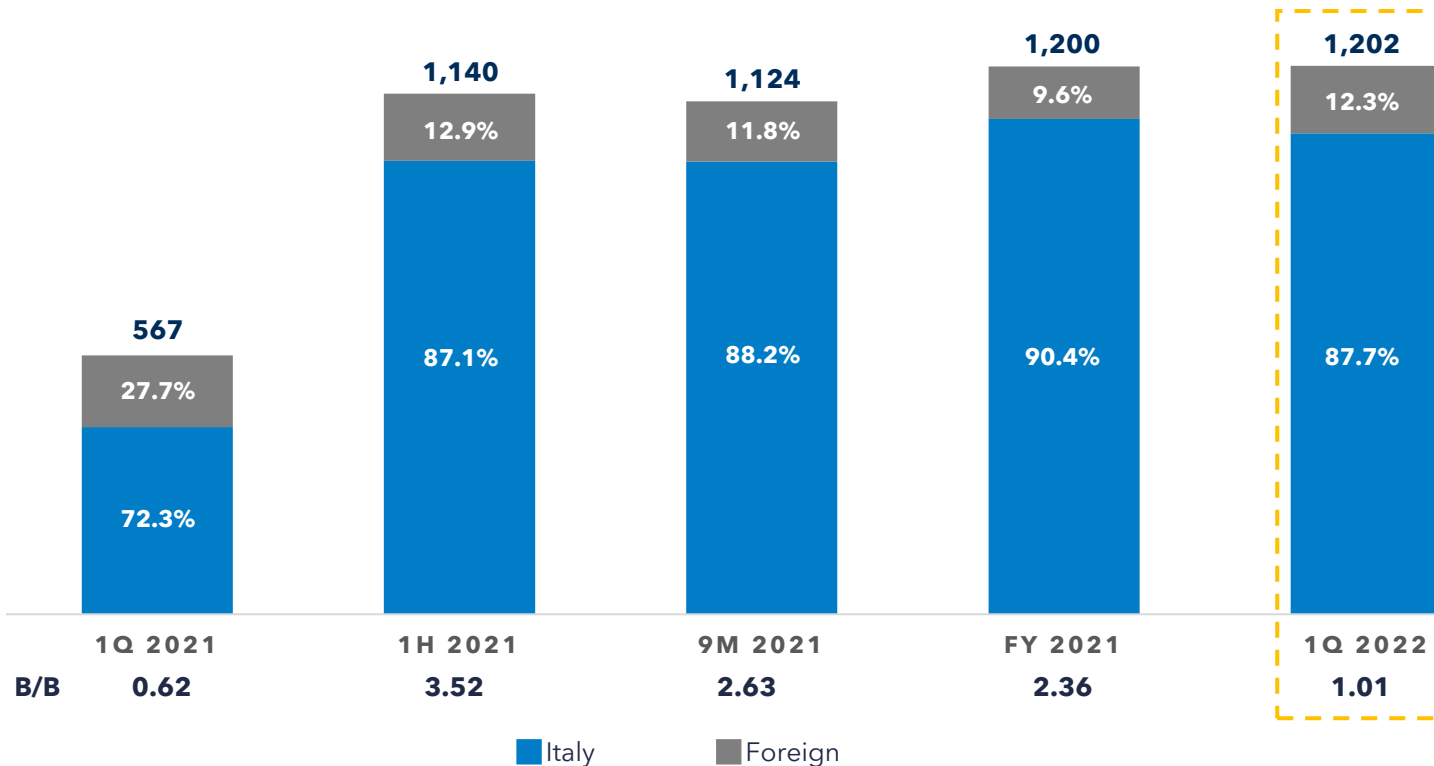




1. Does not consider € 19.3 Mln negative impact caused by Warrant Fair Value at 31 December 2020

Backlog

€ Mln

- **Backlog¹ stable at the all-time high € 1.2 Bn**, of which **€ 1,054 mln (87.7%)** from **Italian market** and **€ 147 mln (12.3%)** from **foreign markets**
- Overall weight of domestic backlog still impacted by the **different time frame** of Italian contracts, typically longer than foreign ones. Compared to FY 2021, **slight increase of the international component** due to the contract signed in the US
- **Track & Light and Civil Works** and **Energy Signalling & Telecommunication** confirmed as the core Business Units, with **82.9%** of the total backlog
- **Book-to-bill ratio at 1.01**



Business Unit	Amount	%
Track and Light Civil Works	829.9	69.1%
<i>of which Foreign</i>	135.4	11.3%
Energy, Signalling & Telecom	165.7	13.8%
<i>of which Foreign</i>	3.7	0.3%
Heavy Civil Works	155.0	12.9%
<i>of which Foreign</i>	6.9	0.6%
Railway Machines	5.4	0.5%
<i>of which Foreign</i>	1.3	0.1%
Railway Materials	45.5	3.8%
Total	1,201.5	100.0%
 Italy	1,054.1	87.7%
 Foreign	147.4	12.3%

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

- **Business volumes** expected to solidly **continue in the growth trend** (around 10% organic), mainly driven by:
 - Execution of the contracts for the Verona-Padua high-speed line
 - Consolidation within the Energy, Signalling & Telecommunication BU of the recently acquired business starting from May 2022
 - Further growth of the core business in Italy
 - No exposure to Russia or other countries involved in EU sanctions

- In the current scenario and excluding any further deterioration, EBITDA margins for 2022 expected to remain broadly in line with 1Q level, with higher EBITDA in absolute terms

- **2022 Capex expected at € 48 mln** with a strong focus on strengthening the production capacity and developing new businesses



A vertical blue line is positioned to the left of the word 'Appendix'.

Appendix

Active in the railway sector for more than 70 years

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

1949

Salciccia family acquires the business and launches an important development plan

1975

Growth phase through **3 strategic streams:**

1. Capacity building
2. Sector consolidation in Italy
3. Business development in Eastern Europe and Middle East

1975-2017

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

2018

2022

- **Acquisition of PSC Group's business unit operating in the railway sector** (signaling, electrification, Telco, electrical substations and safety systems)

2021

- **Second acquisition in the Germany** (Bahnba 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

Market scouting for additional M&A opportunities

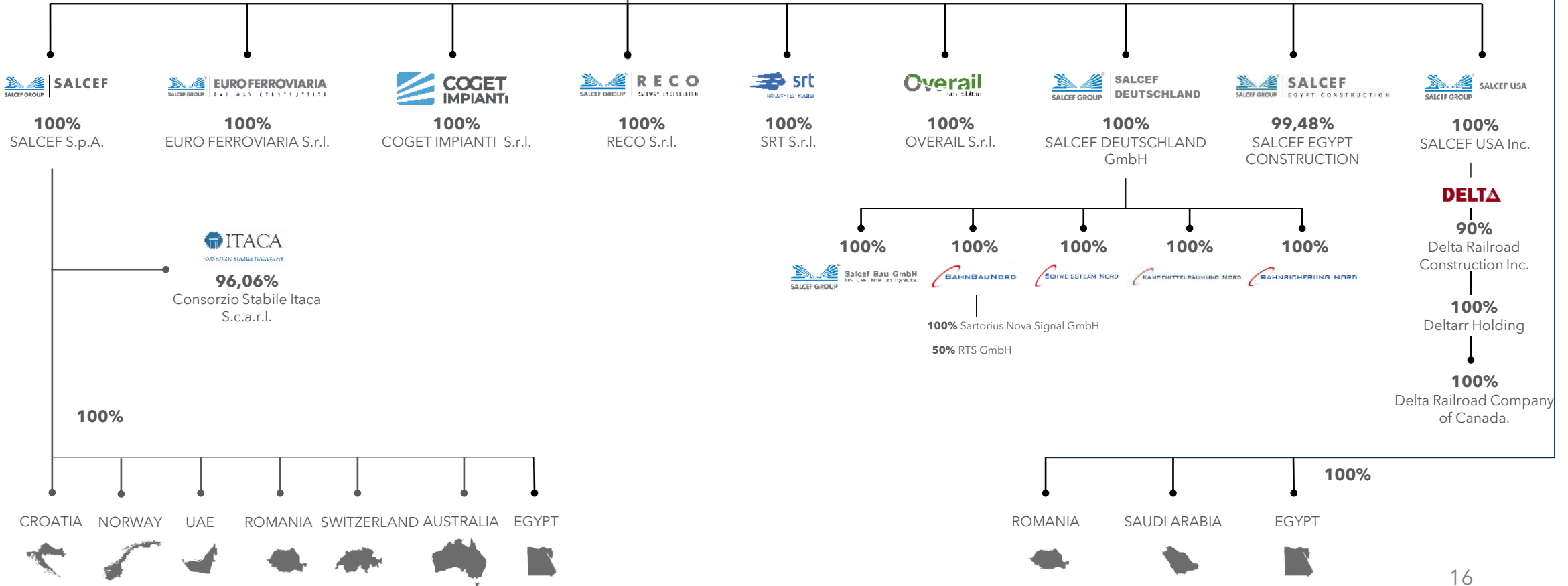
Group Structure



- Listed **Euronext Milan** Market, **STAR** segment
- **64.77%** controlled by Finhold S.r.l. - **35.23%** Floating & Treasury shares
- **BofD** : **7** members, of which **4 independent** and **4 women**
- **Headcount**: > **1,400**

HOLDING

OPERATING COMPANIES



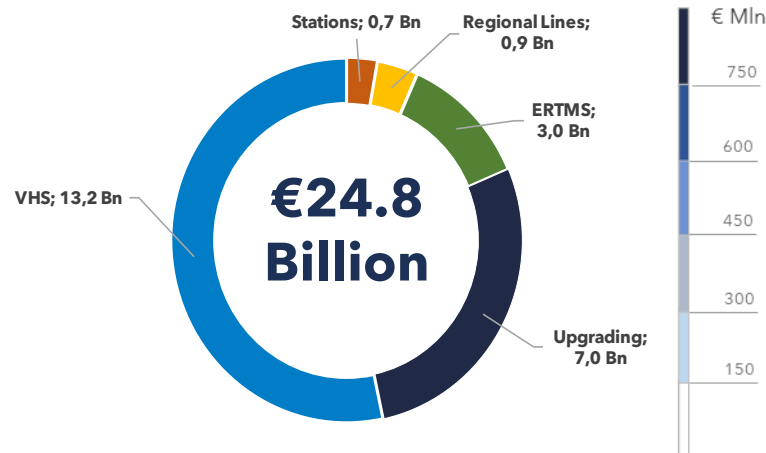
BRANCHES

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	

2020-2021 overall expenditure at **€ 2.5 Bn**, higher than the **€ 2.3 Bn** budget



	TOTAL	2020	2021	2022	2023	2024	2025	2026	TARGET
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	

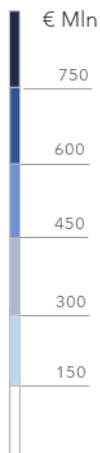
Focus on Italian National Recovery and Resilience Plan (2/3)



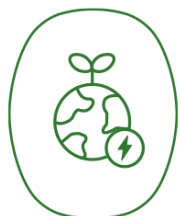
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Component 1: Investments on railway network			€ 24.8 Bn	€ 3.2 Bn	€ 28 Bn	
Component 2: Integrated Logistics			€ 0.6 Bn	€ 2.9 Bn	€ 3.5 Bn	

	TOTAL	2020	2021	2022	2023	2024	2025	2026
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)



Component 2: Renewable Energy, hydrogen, power grids and sustainable mobility

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

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