



SALCEF GROUP



9M 2022 Results Presentation



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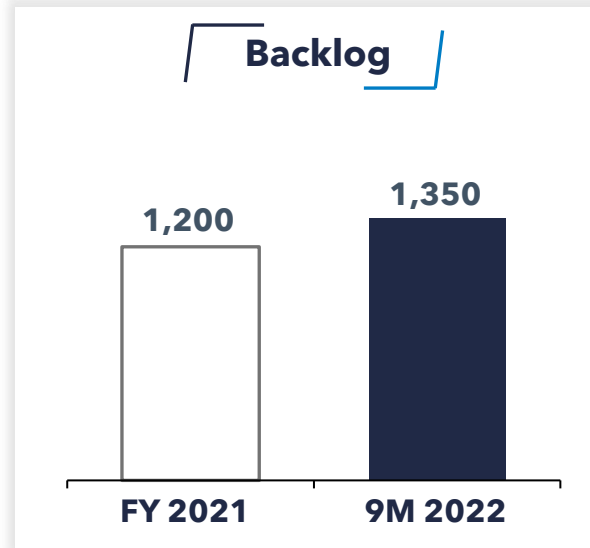
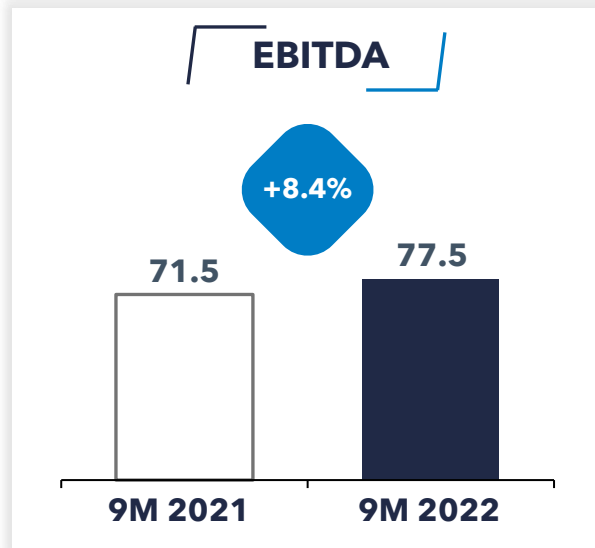
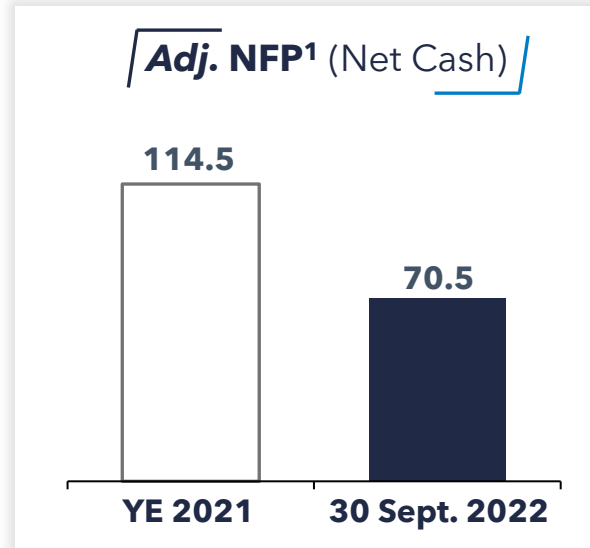
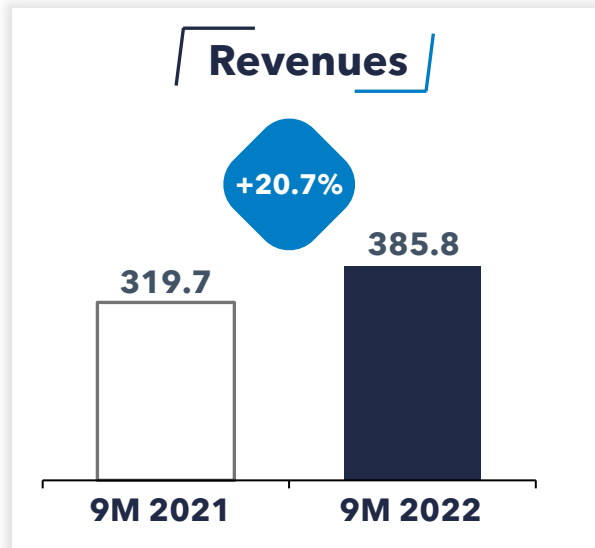
Key messages

- **Revenue growth above expectations**, with 3Q as the best quarter ever for the Group
- **Backlog confirmed at € 1.35 Bn**
- **Profitability** flat QoQ at **above 20%**, confirming resilience of the business and managerial discipline
- FY 2022 revenues expected to grow by around 20% YoY, with EBITDA margin flat at the 9M level



9M 2022 Highlights

€ Mln



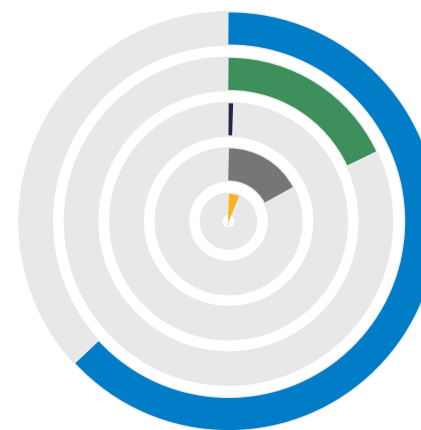
1. 2022 figure does not consider the fair value change on financial investments and the down payment on the Verona-Padua HS line contracts. Reduction vs. YE 2021 mainly attributable to the approx. € 25 mln paid to the PSC Group for the acquisition of the railway business unit and dividend paid for € 28.5 mln

Revenues

€ Mln

- Consolidated **Revenues** at **€ 385.8 Mln**, up 20.7% YoY mainly due to:
 - **Organic growth at 14.4%**, mainly supported by **Track & Light Civil Works (13.6%)** and **Energy, Signalling & Telecom (23.2%)**
 - Expected ramp-up of the Verona-Padua HS line contract in **Heavy Civil Works**, which more than offset the termination of material projects in 2021
 - **Contribution** of **Bahnbau Nord** (€ 13.1 Mln¹) in **Track & Light Civil Works** and of the recently acquired business unit of the PSC Group (€ 7.0 mln) in **Energy, Signalling & Telecom**

	9M 2022	9M 2021	Δ (%)
Track and Light Civil Works	263.7	220.6	19.6%
Energy, Signalling & Telecom	58.7	41.9	39.9%
Heavy Civil Works	22.0	20.5	7.4%
Railway Materials	30.3	29.0	4.5%
Railway Machines	11.1	7.7	44.0%
Total	385.8	319.7	20.7%

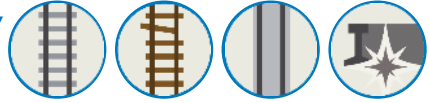


- 68.4%** **Track & Light Civil Works** (69.0% in 9M 2021)
- 15.2%** **Energy, Sign. & Telecom** (13.1% in 9M 2021)
- 5.7%** **Heavy Civil Works** (6.4% in 9M 2021)
- 7.8%** **Railway Materials** (9.1% in 9M 2021)
- 2.9%** **Railway Machines** (2.4% in 9M 2021)

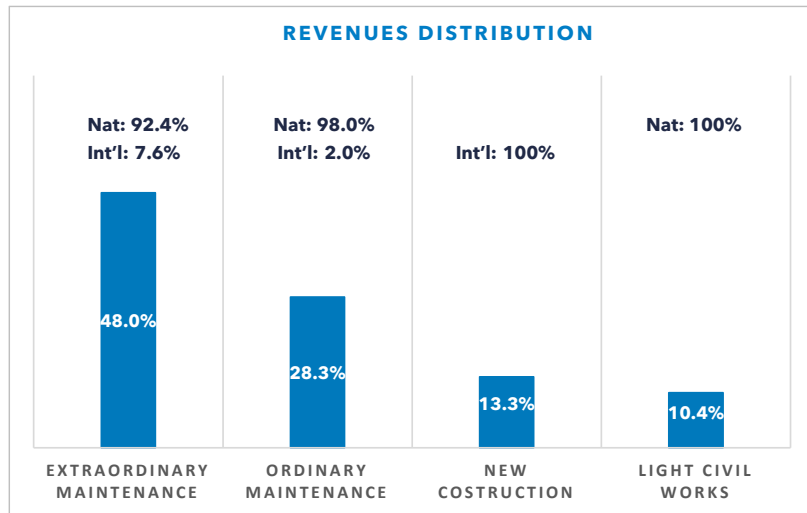
1. Net of € 3.7 mln already recorded in 9M 2021

Focus on Business Units (1/3)

Track & Light Civil Works

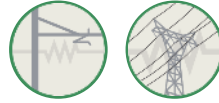


- 9M 2022 Revenues at **€ 263.7 Mln, up 19.6% YoY** mainly due to:
 - Activities within the new 3-year framework agreements with RFI
 - Light civil works in Italy
 - Construction contracts in the US
- 2 new track renewal framework agreements signed in Romania worth from a minimum of approx. € 70 Mln up to a maximum of approx. € 235 Mln

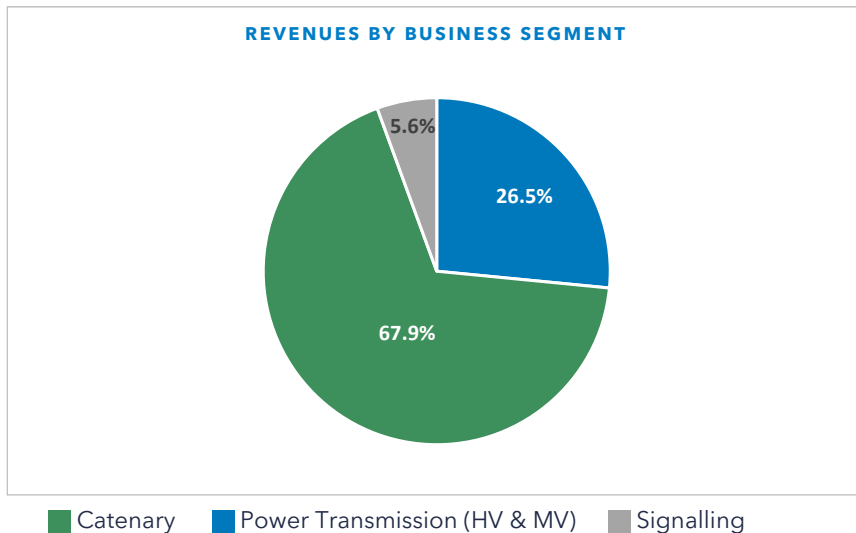


Focus on Business Units (2/3)

Energy, Signalling & Telecommunication



- 9M 2022 Revenues at **€ 58.7 Mln, up 39.9% YoY** mainly due to:
 - Consolidation of the railway business unit acquired by PSC Group
 - Growing contribution from Germany and from the new contracts acquired in 2021
- Signalling activities increasing their weight in the business, now at approx. 6% of the total
- New contracts with Terna in the Power Transmission business for cumulative € 25 Mln



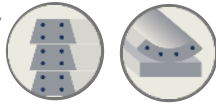
Focus on Business Units (3/3)

Heavy Civil Works



- 9M 2022 Revenues at **€ 22.0 Mln, up 7.4% YoY** mainly due to the expected contribution from the Verona-Padua HS line contract
- New € 3 mln contract acquired in Germany for the construction of a railway bridge

Railway Materials

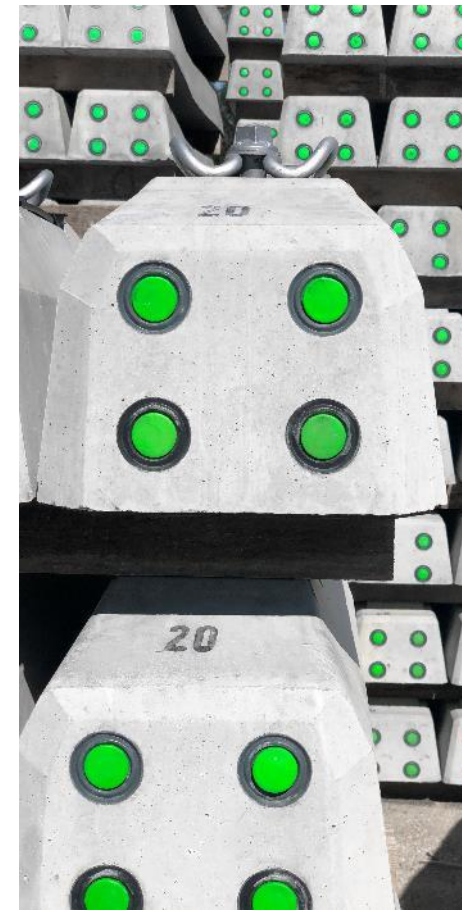


- 9M 2022 Revenues at **€ 30.3 Mln, up 4.5% YoY**
- First test installation of FAST System completed and successful

Railway Machines



- 9M 2022 Revenues at **€ 11.1 Mln, up 44.0% YoY** mainly due to the recovery of the activities in the US
- New building acquired for the construction of an additional production plant

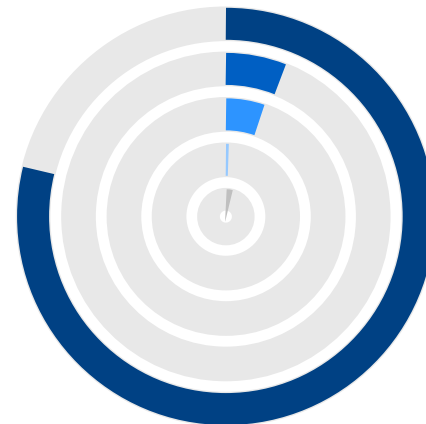


Revenues by Geography

€ Mln

- **Domestic** revenues materially growing **32.5%** (29.5% organic)
- Recovery in **North America** proceeding in line with expectations
- **Slow-down in Middle East / North Africa**, with the lower production in Abu Dhabi partially offset by increasing activities in Egypt

	9M 2022	9M 2021	Δ (%)
Italy	310.6	234.5	32.5%
Europe [Excluding Italy]	34.4	25.5	34.5%
North America	30.9	32.0	(3.4%)
Middle East	4.2	24.3	(82.9%)
North Africa	5.8	3.3	75.6%
Total	385.8	319.7	20.7%



- 80.5%** Italy (73.4% in 9M 2021)
- 8.9%** Europe (excl. Italy) (8.0% in 9M 2021)
- 8.0%** North America (10.0% in 9M 2021)
- 1.1%** Middle East (7.6% in 9M 2021)
- 1.5%** North Africa (1.0% in 9M 2021)

Economic and Financial KPI

€ Mln

	9M 2022	9M 2021	Δ (%)
Revenues	385.8	319.7	20.7%
EBITDA	77.5	71.5	8.4%
<i>EBITDA Margin</i>	20.1%	22.4%	-
D&A	(25.8)	(19.8)	30.4%
EBIT	51.7	51.7	Unch.
<i>EBIT Margin</i>	13.4%	16.2%	-
<i>Adjusted Net Financial Income (Expenses)*</i>	2.8	1.6	75.2%
Adjusted EBT	54.5	53.3	2.3%
<i>Adjusted Income Taxes**</i>	(15.0)	(14.3)	5.0%
Adjusted Net Profit	39.5	39.0	1.2%
<i>* Fair value change of warrant and financial investments</i>	(10.1)	(9.7)	3.5%
<i>** DTA reversal related to revaluations and non-recurring tax expenses</i>	(0.9)	(2.4)	(64.4%)
Net Profit	28.5	26.9	6.2%
Adjusted Net Financial Position¹	70.5	114.5 ²	(38.5%)

- **EBITDA Margin** down 2.3 p.p. vs. 9M 2021. Flat vs. 1H 2022 confirming resilience in the current context of higher production costs
- **Higher D&A** on the back of higher Capex made both in 2021 and in 9M 2022 in line with the Group's Capex plan
- **P&L adjustments** related to:
 - Change in fair value of financial investments and, only for 2021, of the warrant
 - DTA reversal
- **Tax rate at 27.5%**
- **Adjusted NFP at € 70.5 Mln** (Net Cash) include the approx. € 25 mln paid to the PSC Group for the acquisition of the railway business unit and dividend paid for € 28.5 mln

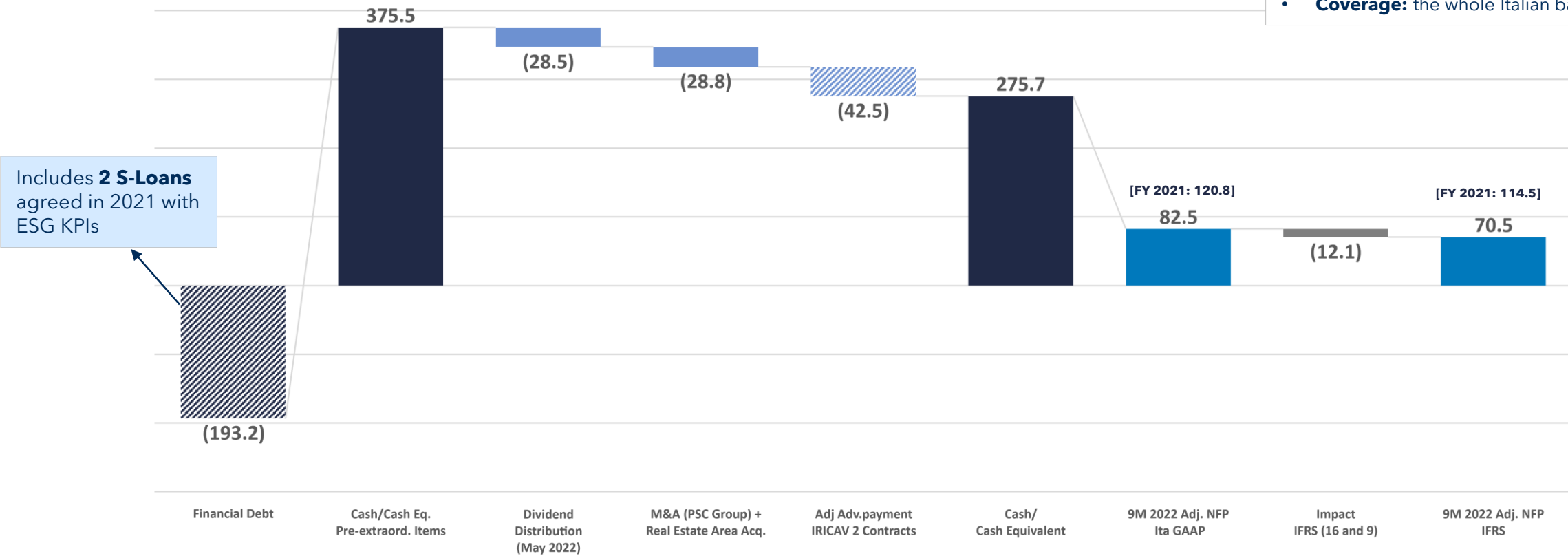
1. 2022 figure does not consider the fair value change on financial investments and the down payment on the Verona-Padua HS line contracts
 2. Figure at 31 December 2021

Adjusted NFP at 30 September 2022

Features of financial debt:

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

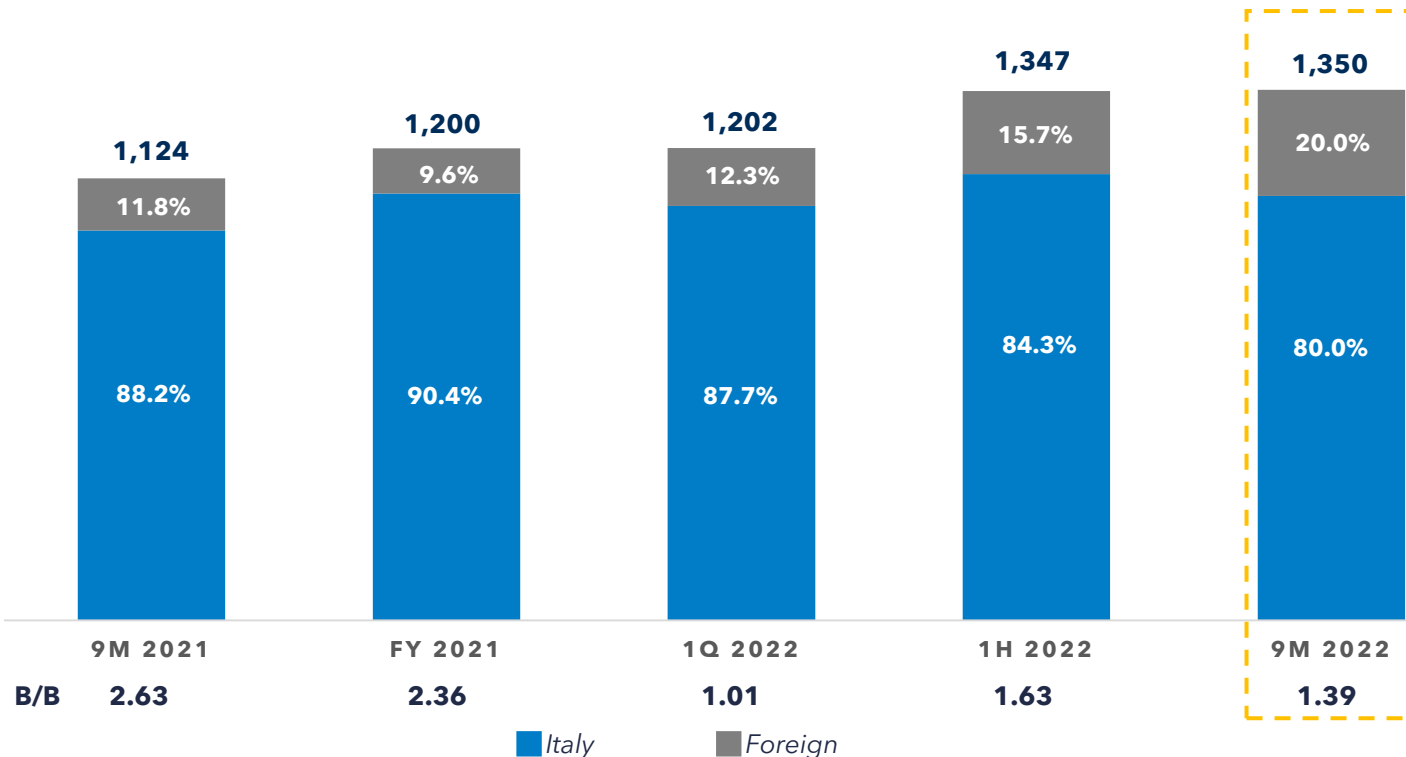
€ Mln





Backlog

€ Mln

- **Backlog¹ flat at record € 1.35 Bn**, of which **€ 1,080 mln (80.0%)** from **Italian market** and **€ 270 mln (20.0%)** 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 1H 2022, **slight increase of the international component** due to the contracts signed in Romania
- **Track & Light and Civil Works** and **Energy Signalling & Telecommunication** confirmed as the core Business Units, with **86.4%** of the total backlog
- **Book-to-bill ratio at 1.39x**



Business Unit	Amount	%
Track and Light Civil Works	855.6	63.4%
<i>of which Foreign</i>	<i>259.9</i>	<i>19.3%</i>
Energy, Signalling & Telecom	310.0	23.0%
<i>of which Foreign</i>	<i>2.2</i>	<i>0.2%</i>
Heavy Civil Works	144.8	10.7%
<i>of which Foreign</i>	<i>5.8</i>	<i>0.4%</i>
Railway Machines	4.2	0.3%
<i>of which Foreign</i>	<i>2.0</i>	<i>0.1%</i>
Railway Materials	35.2	2.6%
Total	1,349.9	100.0%
 Italy	1,079.9	80.0%
 Foreign	270.0	20.0%

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

- **Business volumes** expected to growth by around 20% YoY (~ 15% 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 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 9M level, with higher EBITDA in absolute terms

- **2022 Capex expected at € 48 mln** (€ 41 mln at 9M stage) 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

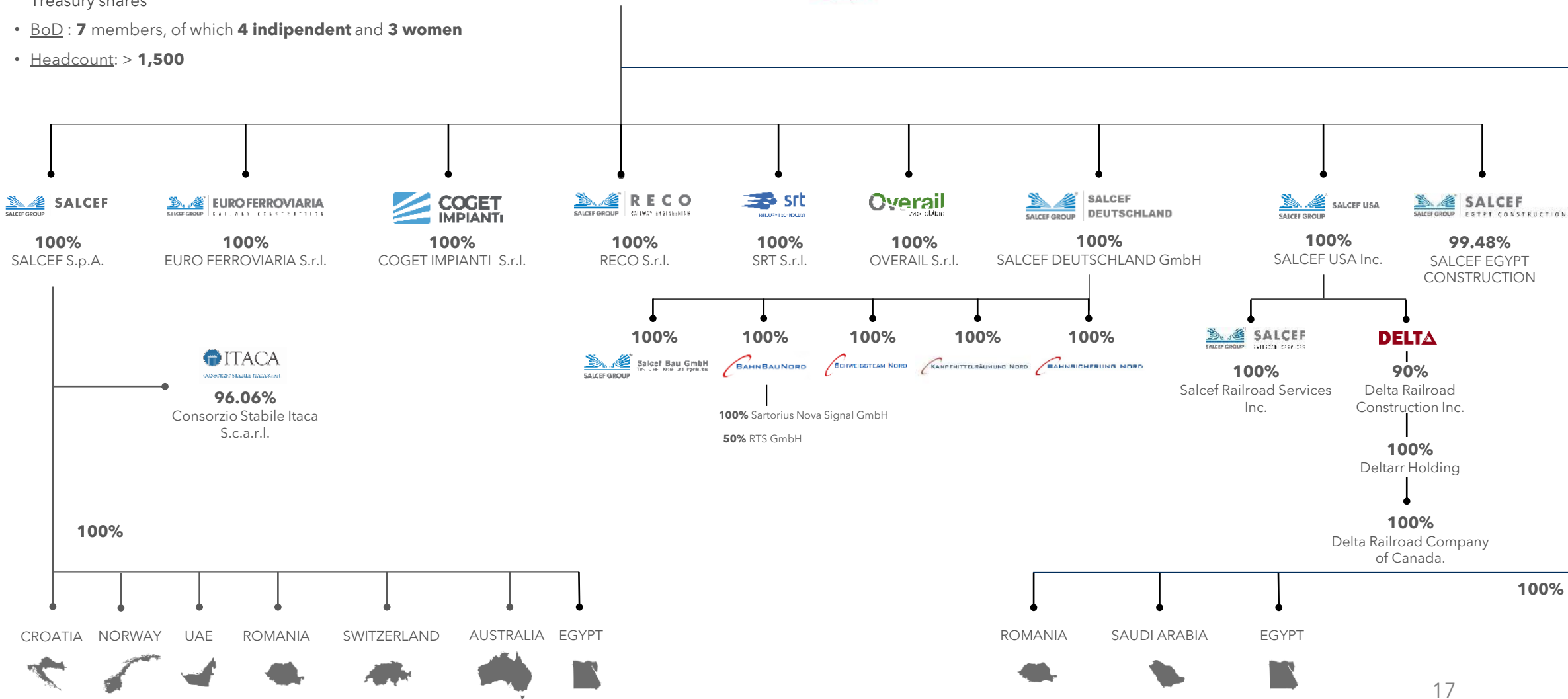


HOLDING

- Listed **Euronext Milan** Market, **STAR** segment
- **64.77%** controlled by Finhold S.r.l. - **35.23%** Floating & Treasury shares
- **BoD** : **7** members, of which **4 independent** and **3 women**
- **Headcount**: > **1,500**

OPERATING COMPANIES

COMMERCIAL BRANCHES

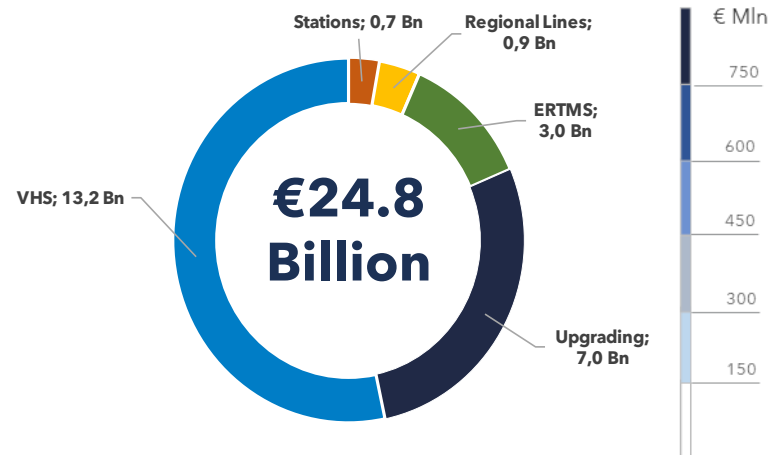


Focus on Italian National Recovery and Resilience Plan (1/3)



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
TOTAL	24,766	817	1,443	2,175	2,903	5,384	5,951	6,094	

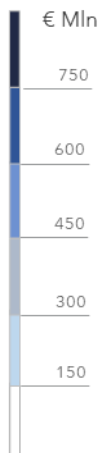
Focus on Italian National Recovery and Resilience Plan (2/3)



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
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

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