SALCEF GROUP

9M 2023 Results Presentation

15 November 2023

Speakers

Valeriano Salciccia
Chief Executive Officer

Fabio De Masi
Chief Corporate and Financial Officer

Alessio Crosa
Chief Communication and Sustainability Officer

Key messages

- Approaching the end of 2023 with great confidence on the delivery of **another remarkable year for the Group**
- **Revenue growth at 49%** (of which 32% organic) supporting a top-line already above the entire 2022
- **EBITDA** at **€ 115.5 mln** confirming stable profitability vs. 1H at 20.4%
- **Backlog reaching € 2.02 Bn** further growing vs. 1H thanks to the consolidation of Colmar and a solid order intake mainly in Italy
- 2023 Revenues now expected to be between **30%** and **35% higher than 2022** on the back of an even stronger organic growth

9M 2023 Highlights

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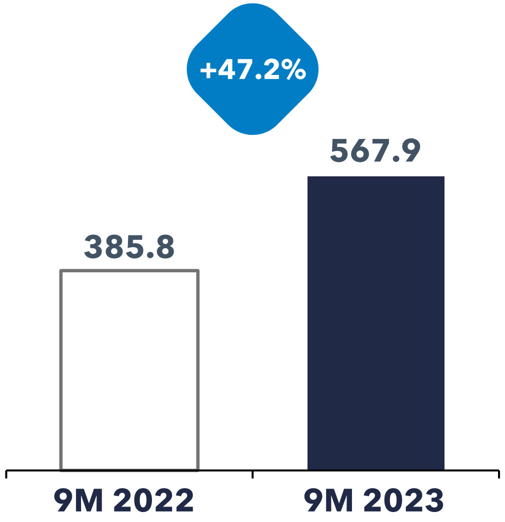
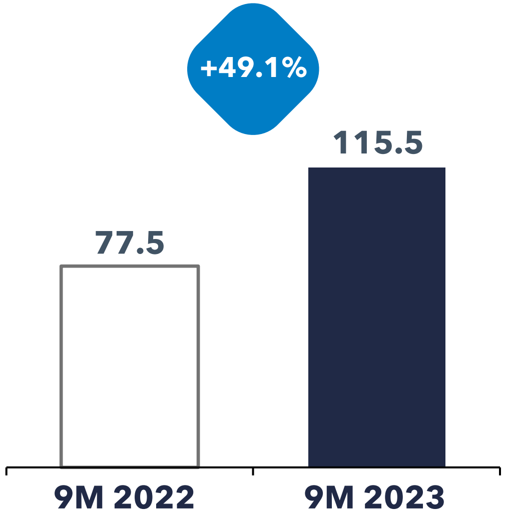
€ Mln

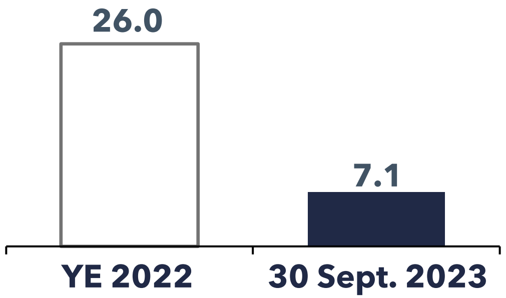
Revenues



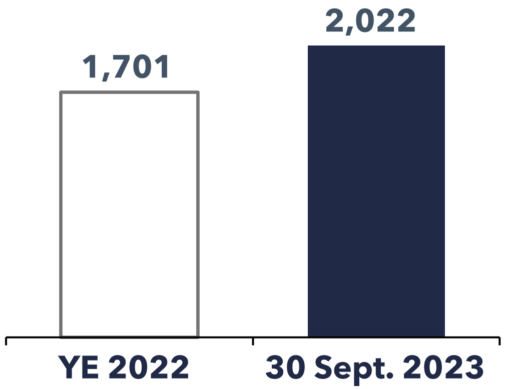
EBITDA



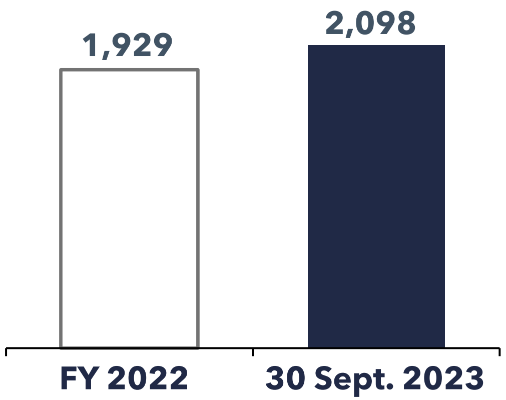
Adj. NFP[1] (Net Cash)



Backlog



Headcount



1. Figure at 30 September 2023 does not consider: fair value change on financial investments (€ 4.4 million); final installment paid in August 2023 for the acquisition of FVCF (€ 3 million); payment for the acquisition of Colmar Technik (€ 23.8 million); liquidity used in 2023 for the buy-back programme (€ 15.5 million); amounts subject to precautionary seizure in proceedings against some subsidiaries. (€ 3.5 million)

Revenues

€ Mln

- Consolidated **Revenues** at **€ 567.9 Mln**, up 47.2% YoY
  - **Outstanding organic growth at 32.0%**
  - Contribution of **Francesco Ventura Costruzioni Ferroviarie** (€ 45.6 Mln) in **Track & Light Civil Works** and first consolidation of **Colmar** (€ 1.9 Mln) in line with plan

	9M 2023	9M 2022	Δ (%)
Track and Light Civil Works	**348.2**	253.9	37.1%
Energy, Signalling & Telecom	**76.4**	58.7	30.2%
Heavy Civil Works	**79.3**	22.0	260.7%
Rail Grinding & Diagnostics	**16.5**	9.8	68.7%
Railway Materials	**36.6**	30.3	20.9%
Railway Machines	**10.8**	11.1	(3.0%)
Total	**567.9**	**385.8**	**47.2%**

Revenues by Geography

€ Mln

- **Domestic** revenues continue their growth at **+55.6%** (36.6% organic)
- **North America** confirmed its growth at +76.2% organic, consolidating as the second market for the Group

	9M 2023	9M 2022	Δ (%)
Italy	**483.2**	310.6	55.6%
Europe [Excluding Italy]	**28.2**	34.4	(17.8%)
North America	**54.5**	30.9	76.2%
Middle East	**2.0**	4.2	(52.5%)
North Africa	**0**	5.8	n.m.
Total	**567.9**	**385.8**	**47.2%**

85.1% **Italy** *(80.5% in 9M 2022)*

5.0% **Europe (excl. Italy)** *(8.9% in 9M 2022)*

9.6% **North America** *(8.0% in 9M 2022)*

0.3% **Middle East** *(1.1% in 9M 2022)*

0% **North Africa** *(1.5% in 9M 2022)*

Economic and Financial KPI

€ Mln	9M 2023	9M 2022[1]	Δ (%)
Revenues	**567.9**	385.8	47.2%
EBITDA	**115.5**	77.5	49.1%
EBITDA Margin	*20.4%*	*20.1%*	-
D&A	(38.2)	(26.5)	44.2%
EBIT	**77.3**	51.0	51.7%
EBIT Margin	*13.6%*	*13.2%*	-
Adjusted Net Financial Income (Expenses)*	(6.8)	2.8	n.m.
***Adjusted* EBT**	**70.5**	53.8	31.1%
Adjusted Income Taxes**	(18.8)	(14.8)	26.7%
***Adjusted* Net Profit**	**51.7**	38.9	32.9%
* Fair value change of financial investments	2.6	(10.1)	n.m.
** DTA reversal related to fair value change of financial investments and revaluations	(3.0)	(0.8)	n.m.
Net Profit	**51.3**	28.0	83.3%
***Adjusted* Net Financial Position[2]**	**7.1**	26.0[3]	(72.8%)

- **EBITDA Margin** stable in line with expectations confirming resilience and despite the expansion of the consolidation scope with the recent acquisitions (in particular FVCF and Colmar)
- **Higher D&A** on the back of higher Capex made both in 2022 and 9M 2023 in line with the Group's Capex plan. 9M 2023 and 9M 2022 D&A include the depreciation of the intangible assets following the purchase price allocation related to the acquisition of the railway business unit of PSC Group
- **P&L adjustments** related to:
  - Change in fair value of financial investments
  - DTA reversal
- **Tax rate** at **26.7%** in line with expectations
- **Adjusted NFP** at **€ 7.1 Mln** (Net Cash). **NFP** negative for **€ 43.1 Mln**

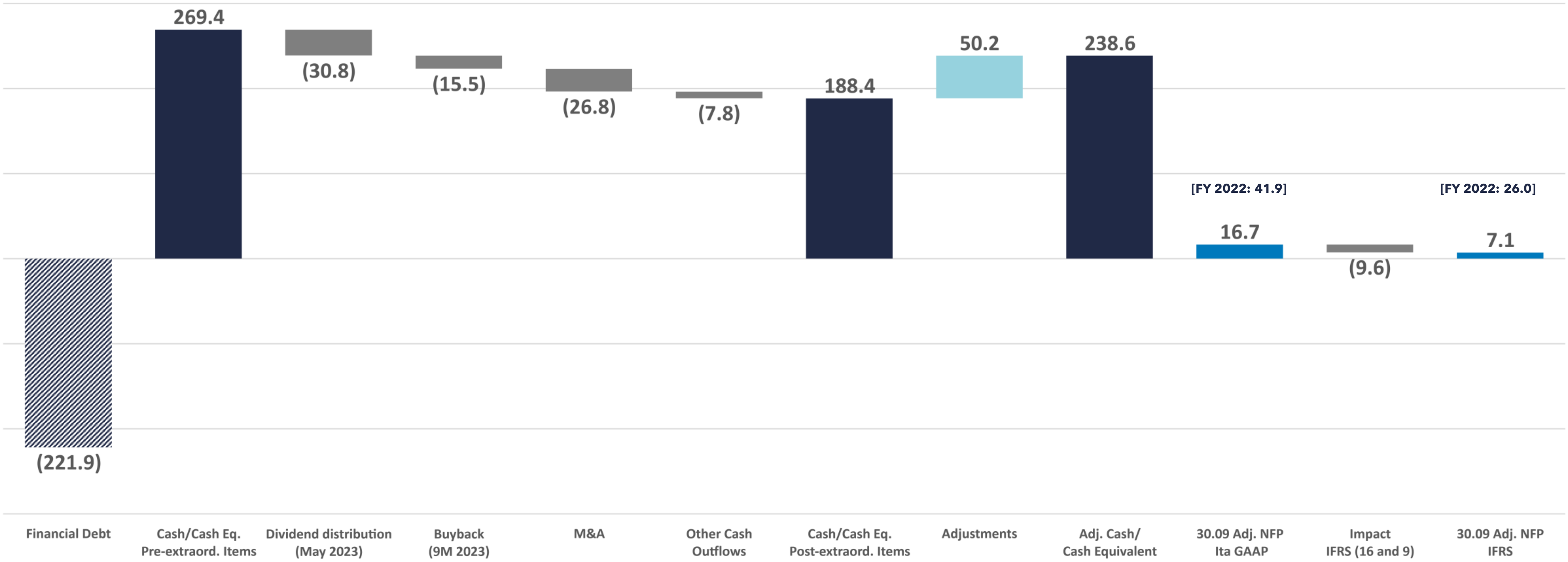
1. Figures, where applicable, has been restated to retroactively reflect the effects resulting from the completion of the purchase price allocation related to the acquisition of the railway business unit of PSC Group, in accordance with the accounting principles in force
2. Does not consider: fair value change on financial investments (€ 4.4 million); final installment paid in August 2023 for the acquisition of FVCF (€ 3 million); payment for the acquisition of Colmar Technik (€ 23.8 million); liquidity used in 2023 for the buy-back programme (€ 15.5 million); amounts subject to precautionary seizure in proceedings against some subsidiaries. (€ 3.5 million)
3. Figure at 31 December 2022

Adjusted NFP at 30 September 2023

€ Mln

Features of financial debt:

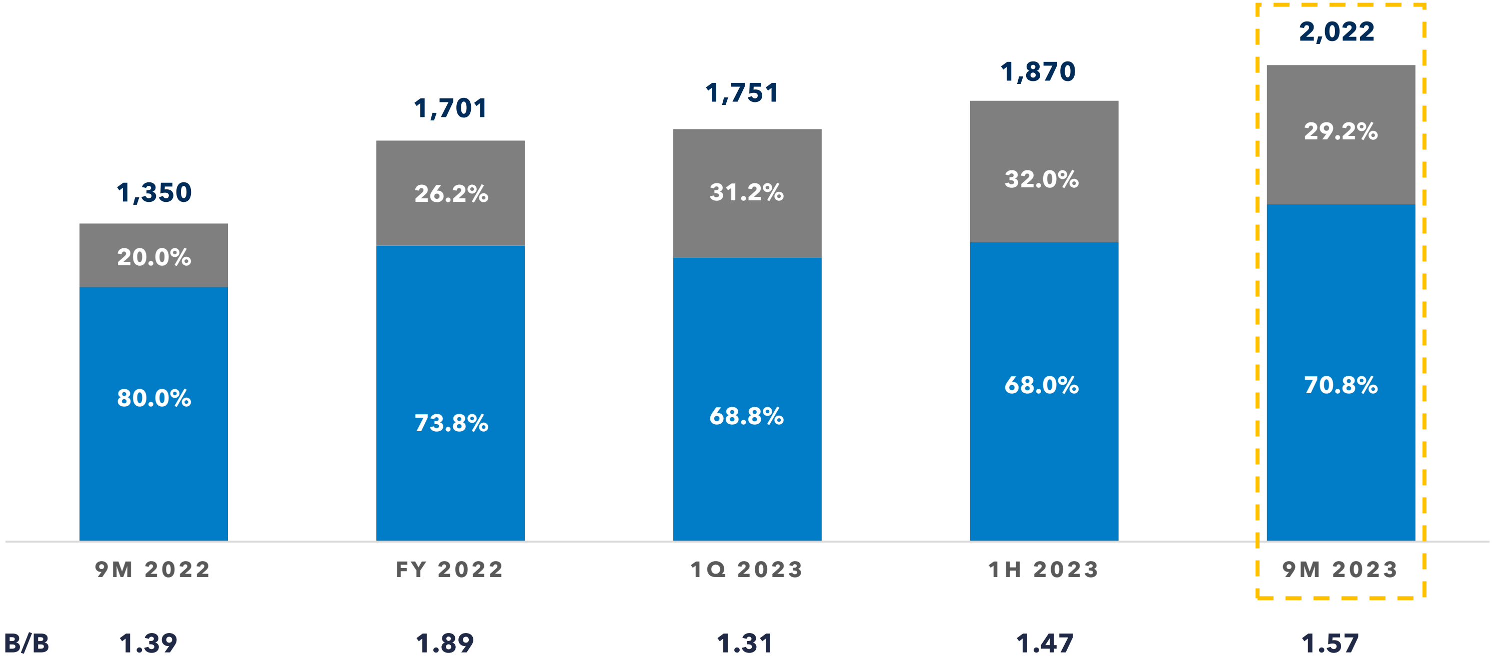
- **Duration:** approx. 36 months
- **Average of replacement:** rolling
- **Structure:** Corporate



Backlog

€ Mln

- **Backlog[1] further up at € 2.02 Bn**, of which **€ 1,431 mln (70.8%)** from **Italian market** and **€ 591 mln (29.2%)** from **foreign markets**
- Compared to 1H 2023, **higher domestic order intake** brings the Italian component back at above 70%. In 3Q important growth of **Railway Materials**, **Heavy Civil Works** and **Railway Machines**, which benefitted form the consolidation of Colmar (€ 28 Mln) and from new contracts in the US
- **Track & Light and Civil Works** and **Energy Signalling & Telecommunication** confirmed as the core Business Units, with **86.8%** of the total backlog
- **Book-to-bill ratio at 1.57x**
- The Backlog covers **3.58 years** of equivalent production



€x1,000

Business Unit	Amount	%
Track & Light Civil Works	**1,353,316**	**66.9%**
of which Foreign	*563,643*	*27.9%*
Energy, Signalling & Telecom	**402,795**	**19.9%**
of which Foreign	*2,458*	*0.1%*
Rail Grinding & Diagnostic	**9,358**	**0.5%**
of which Foreign	*0*	
Railway Materials	**72,992**	**3.6%**
Heavy Civil Works	**135,548**	**6.7%**
of which Foreign	*19,723*	*1.0%*
Railway Machines	**48,707**	**2.4%**
of which Foreign	*5,467*	*0.3%*
Total	**2,022,718**	**100.0%**
Italy	**1,431,427**	**70.8%**
Foreign	**591,291**	**29.2%**

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

2023 Outlook

- **Business volumes** expected to growth between 30% and 35% YoY (~ 20% organic), mainly driven by:
  - Better than expected contribution from Francesco Ventura Costruzioni Ferroviarie as well as 4-month contribution of business unit acquired from PSC
  - 5-month consolidation of the newly acquired Colmar Technik for approximately € 5 Mln
  - Further growth of the core business in Italy, with execution of the track works and energy Framework Agreements with RFI and of traditional and urban maintenance and renewal contracts for other customers
  - Construction activities on the Verona-Padua High Speed line
  - Ramp up of the activities on the ERTMS contract in Italy
  - Boost of US activities on the back of the execution of new contracts signed in 2022
- **EBITDA margin** is expected to remain broadly in line with 9M 2023, factoring in the effect of the integration of FVCF and Colmar
- **Capex** expected at approx. € 65 mln further up compared to 2022 to sustain organic growth. At the 9M stage, Capex at **approx. € 48 mln**

Q&A

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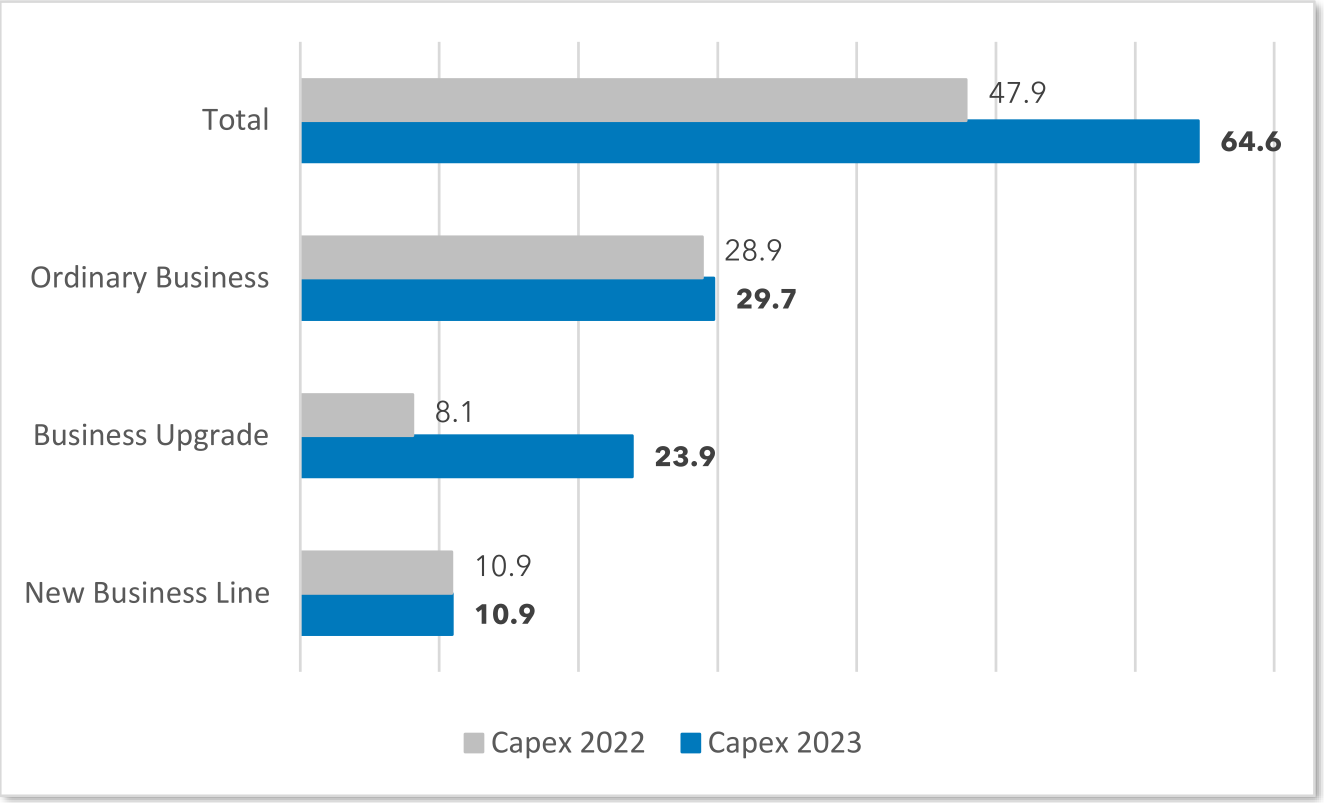
Appendix

Focus on Capex

€ Mln



- **2023 Capex** expected materially higher YoY reaching the peak at **€ 64.6 mln** (+35%)
  - Ordinary business flat confirming historical trend
  - Business Upgrade mainly focused on new machines for Track & Light Civil Works and Rail Grinding & Diagnostics (€ 18 mln)
  - Approx. € 10 mln for the development of new production plants for Railway Machines and Railway Materials

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*

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