

Company Presentation

Mediobanca 6th Italian Mid Cap Conference



Speakers



Fabio De Masi

Chief Corporate &
Financial Officer



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Chief Communication &
Sustainability Officer

Agenda

01 | Salcef Group Overview

02 | Business Units

03 | Sector and Market highlights

04 | 9M 2023 Results

05 | Sustainability at Salcef

06 | Useful documents & Contacts

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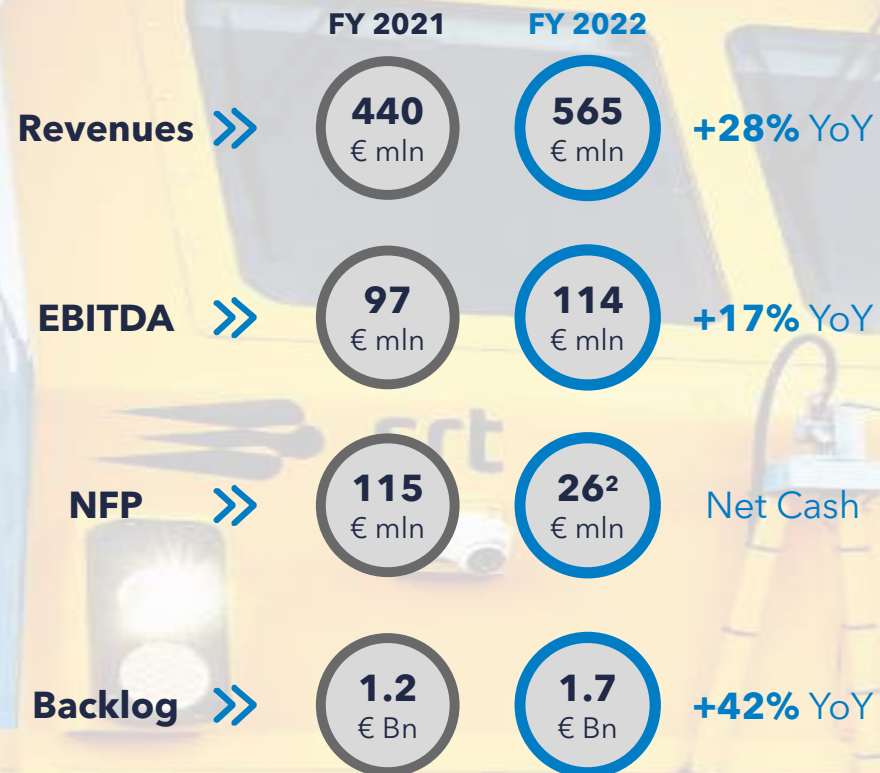
Salcef Group Overview

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 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 implement organic CAPEX Plan and catch external growth opportunities, with proven track record in M&A

1. Figures at 30 September 2023

2. Does not consider the fair value change on financial investments and the down payment on the Verona-Padua HS line contracts

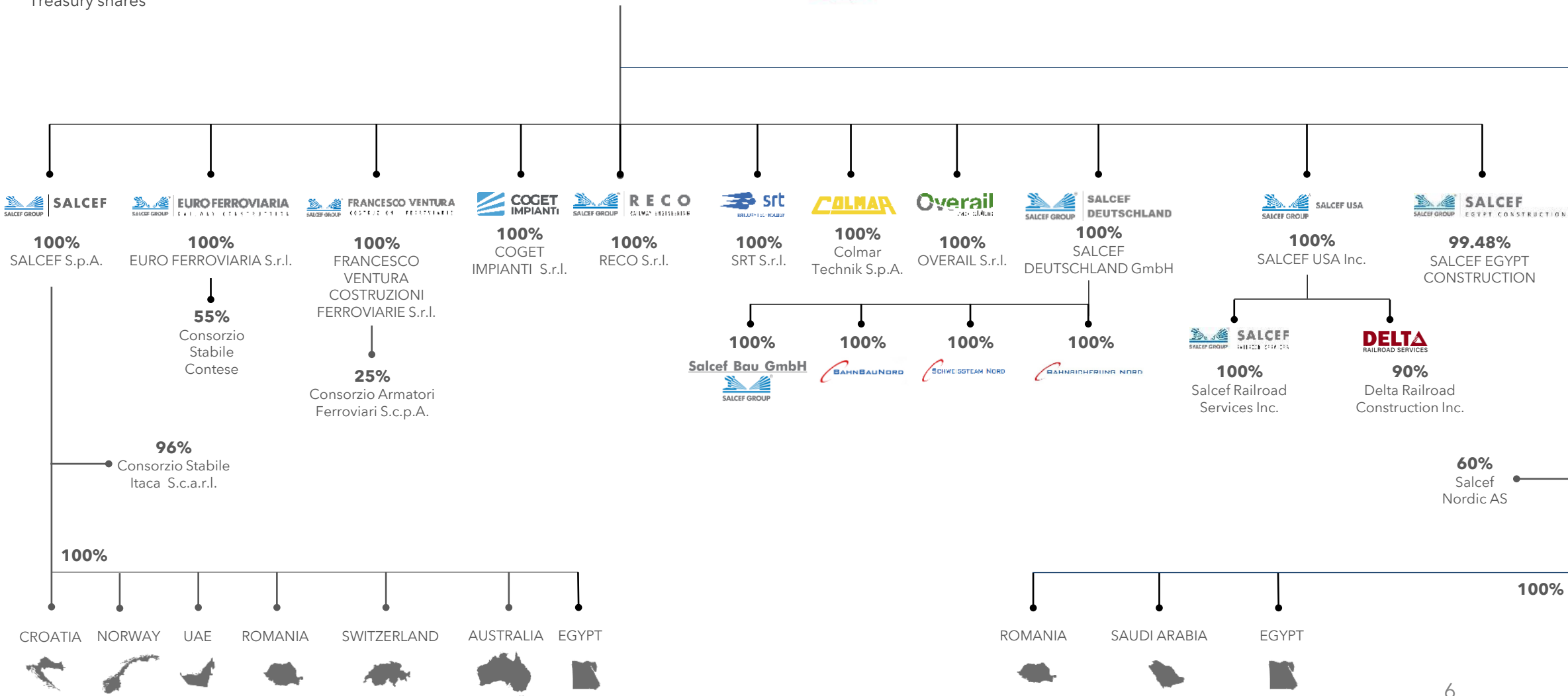
Group Structure

HOLDING

- Listed **Euronext Milan** Market, **STAR** segment
- **64.77%** controlled by Finhold S.r.l. - **35.23%** Floating & Treasury shares



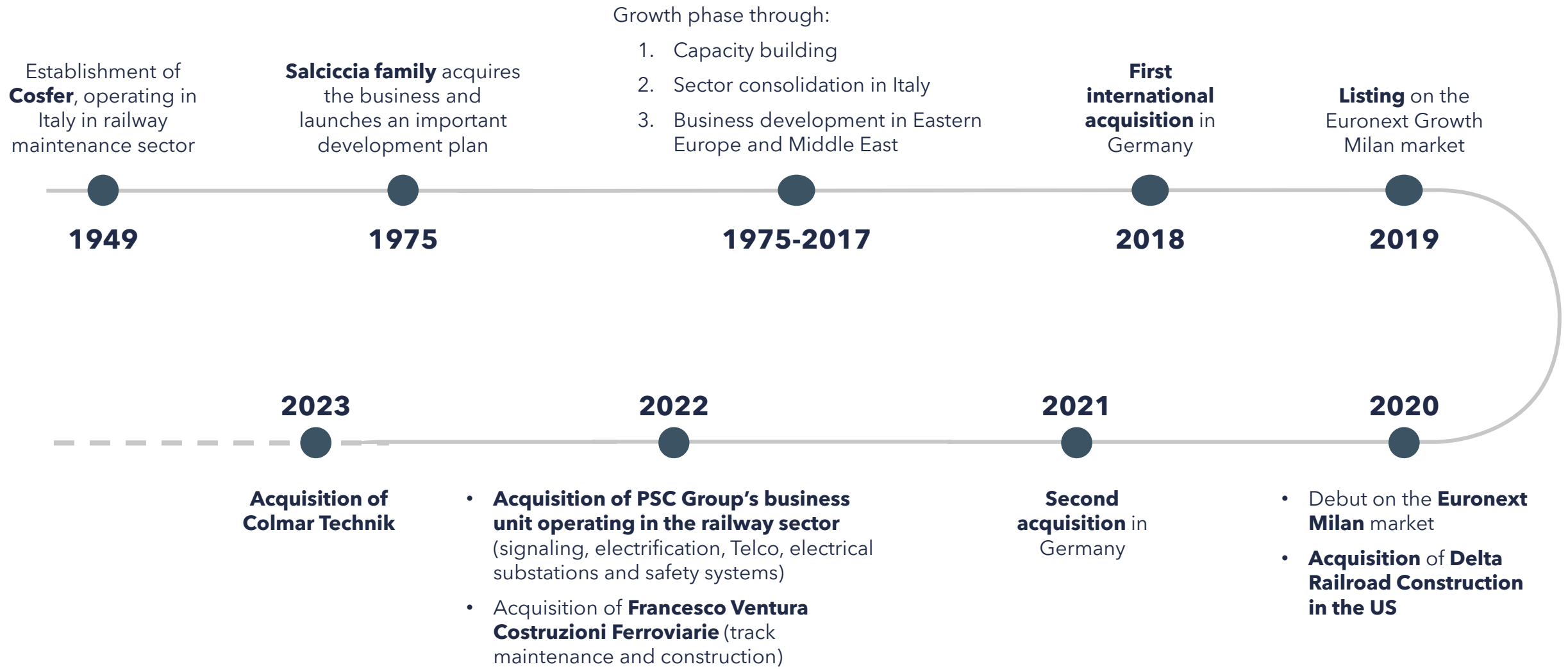
OPERATING COMPANIES



COMMERCIAL BRANCHES



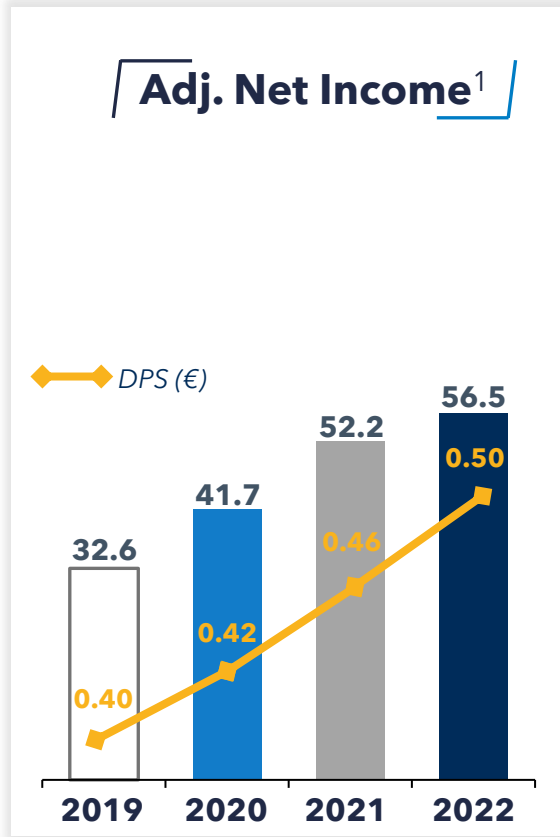
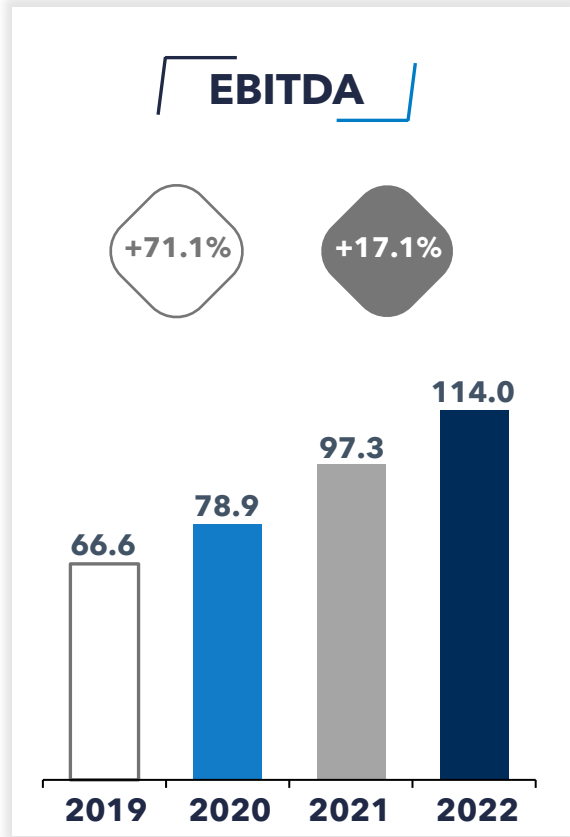
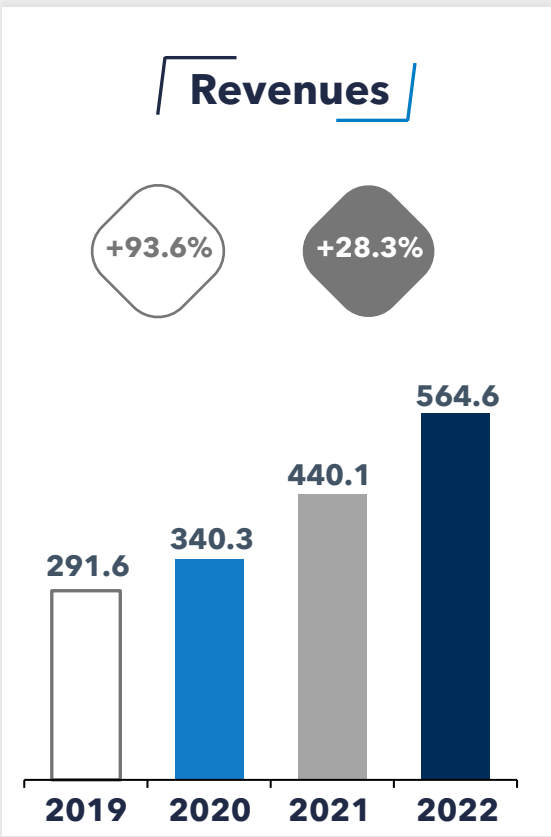
Active in the railway sector for more than 70 years



3 years after the IPO: A different shape with the same goal...

○ 2022 vs. 2019
 ● 2022 vs. 2021

€ Mln



- **4 Acquisitions post-IPO**, 2 in Italy, 1 in the US and 1 in Germany for total EV > **€ 130 mln**
- > **€ 120 mln** invested in organic CAPEX
- > **€ 66 mln** distributed to shareholders
- Cash positive for **€ 26 mln** at the end of 2022



...continue growing with financial and operative discipline to deliver return to our shareholders

1. 2020 and 2021 adjusted to exclude the impact on financial expenses of the fair value gains and losses on the "warrant in compendio e integrativi" and the tax impact of the reversal of deferred tax assets on revaluations. 2022 adjusted to exclude the tax impact of the reversal of deferred tax assets on revaluations and to exclude the impact on financial expenses of the fair value change on financial investments

Rail transportation value chain



INFRASTRUCTURE

OPERATIONS



- Pre-feasibility and feasibility studies
- Environmental impact studies
- Project management
- Testing

- Civil Works
- Trackworks
- Electrification
- Signalling
- Other technologies

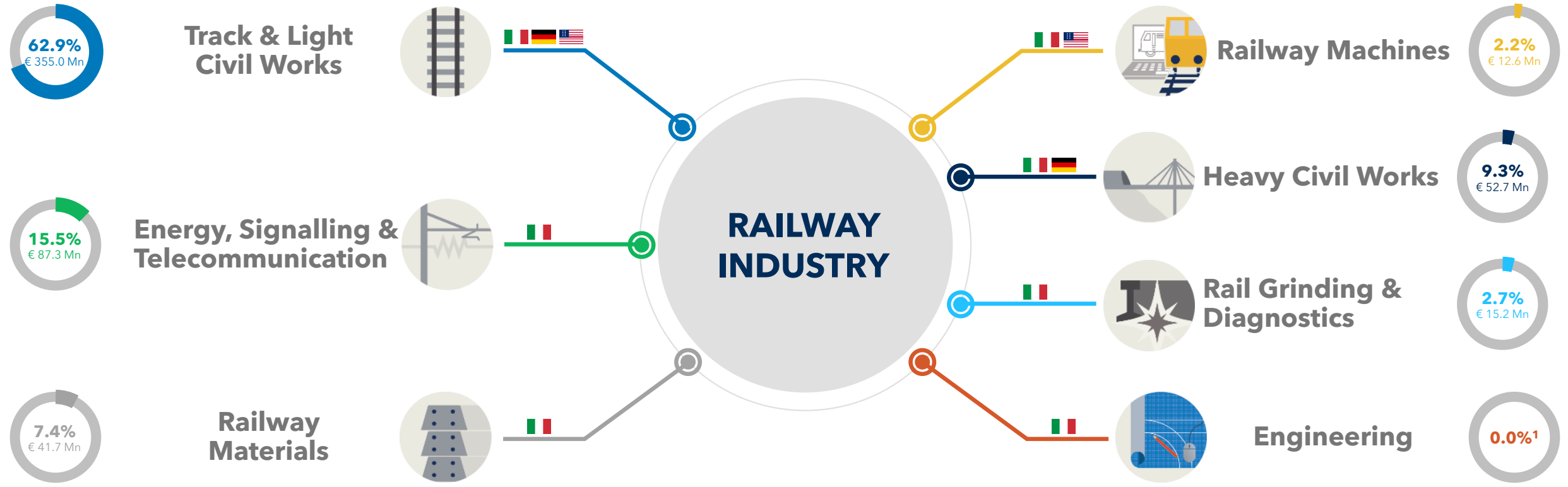
- Inspection
- Maintenance
- Renewal



MACHINES + MATERIALS



1 Strategic BU and 7 vertically integrated Operative BUs



1. 100% intercompany

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

7
OPERATIVE
BUSINESS
UNITS



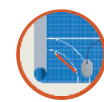
Track & Light Civil Works



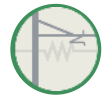
Heavy Civil Works



Railway Machines



Engineering



Energy, Signalling & Telecommunication

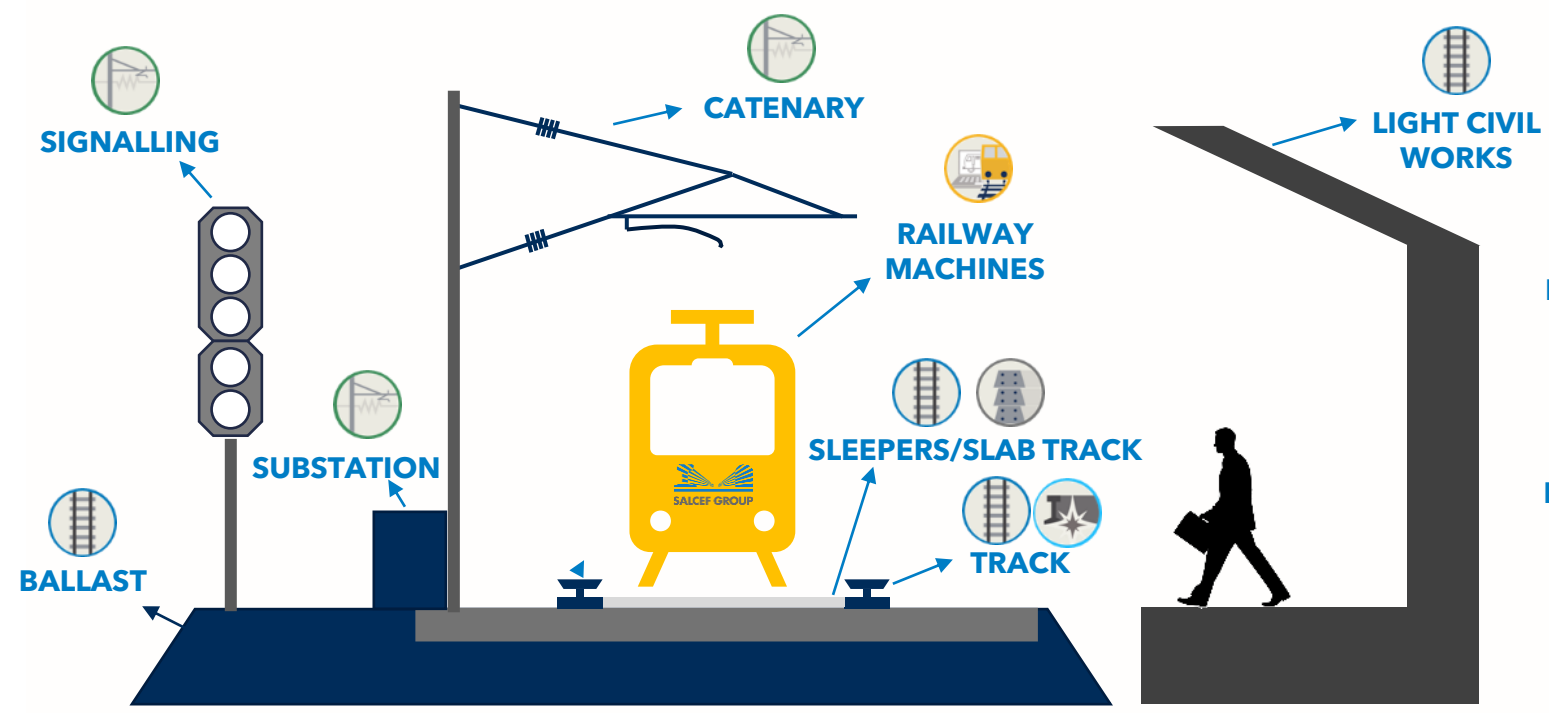


Rail Grinding & Diagnostics

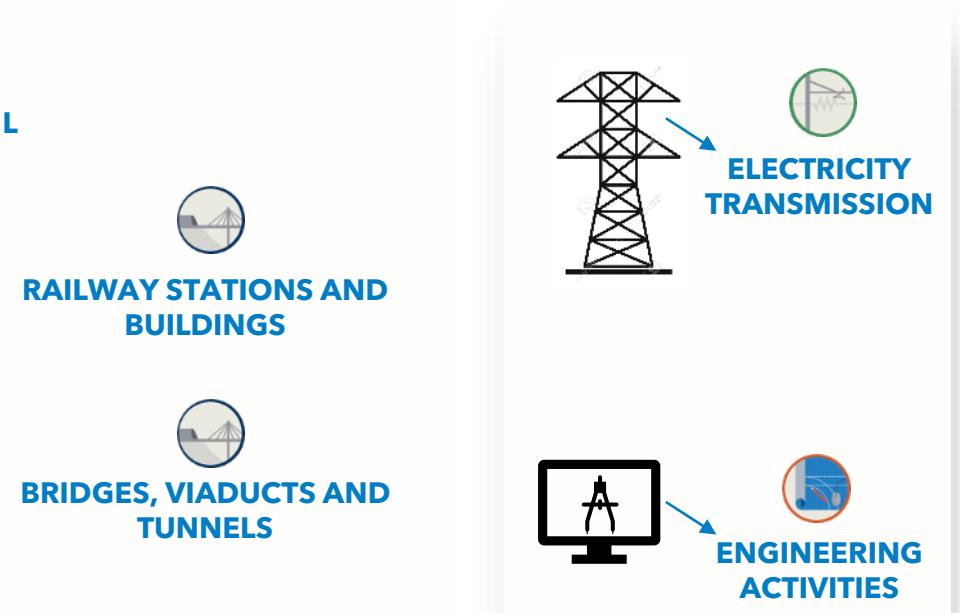


Railway Materials







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	 (100% state-owned)	 (100% state-owned)	 (100% state-owned) Class I railroads Local Transit Authorities
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 PLANS	<ul style="list-style-type: none"> • FS Investment Plan 2022-2031 (€ 110 Bn to the railway infrastructure). New PCO forecasting +80% in maintenance spending (€ 5,1 Bn extraordinary in 2022-2024 and € 1 Bn ordinary per year) • NRPP 2020-2026 (€ 28 Bn) <i>See dedicated slides</i>	<i>DB Investment Plan 2020-2030 (€ 86 Bn)</i>	<i>\$ 1.2 Tn US Bipartisan Infrastructure Deal (\$ 66 Bn for passenger rail and \$ 39 Bn for public transit)</i>

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



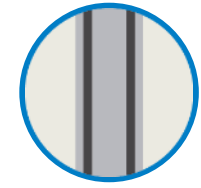
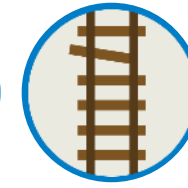
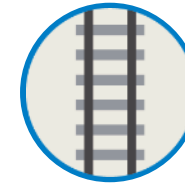
ESG priorities

- **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

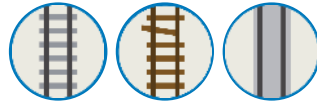
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Business Units

Track & Light Civil Works

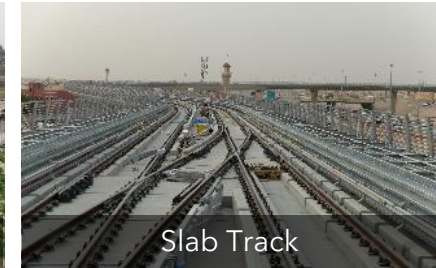


Track & Light Civil Works

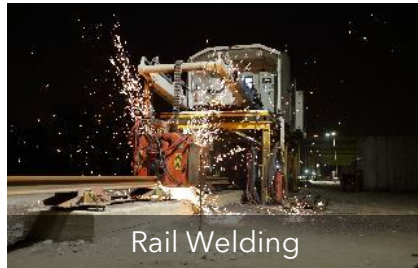


Track Maintenance

Extraordinary Maintenance



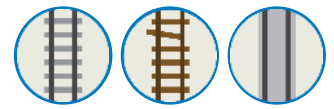
Ordinary Maintenance



Light Civil Works

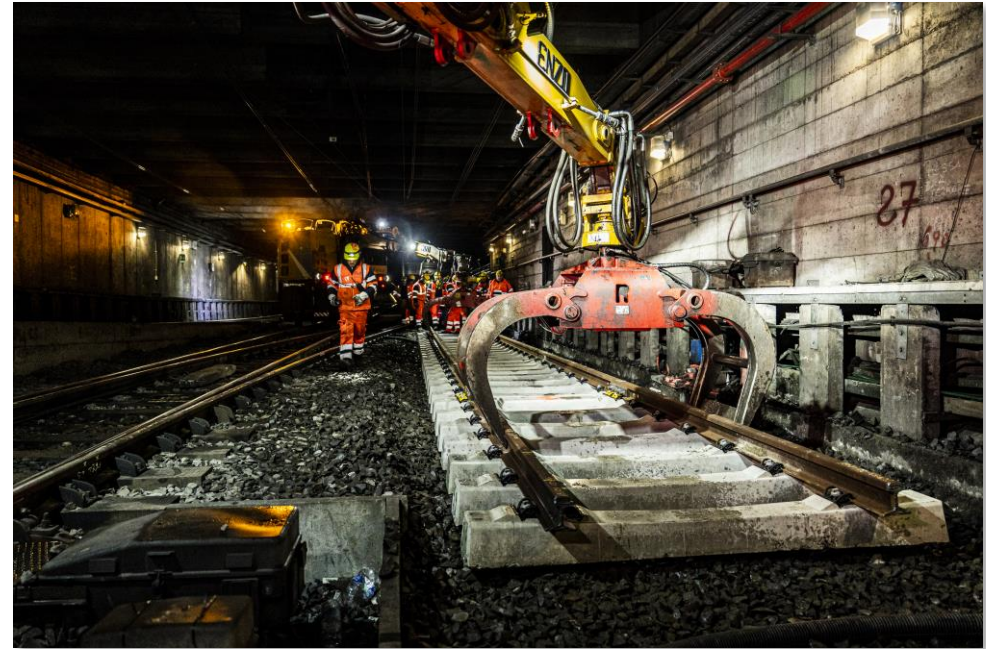


Track & Light Civil Works

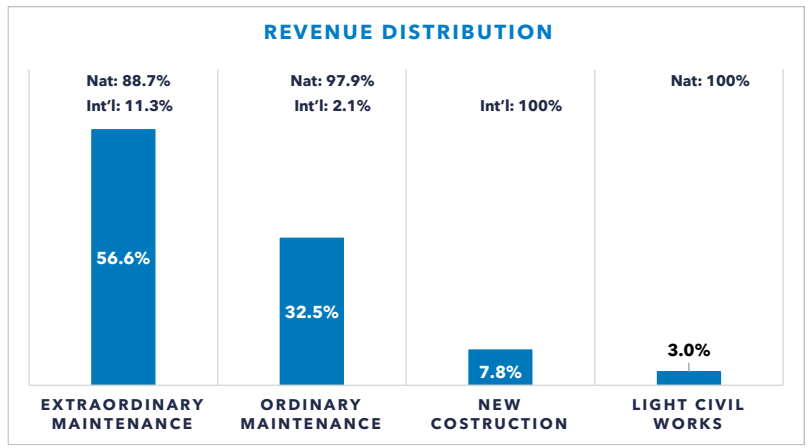
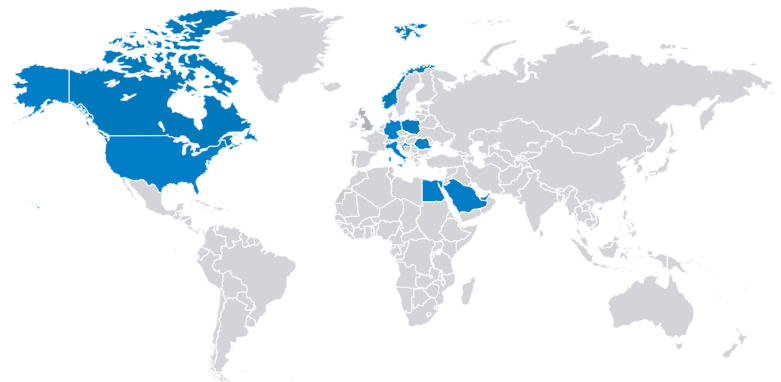


Strengths

- High barriers to entry
- Huge equipment investments
(Salcef fleet substitution value over than **€ 500 mln**)
- Manpower specialization
- Clients' PQ and certifications
- Highly demanding working conditions



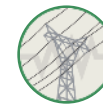
Served Markets



Energy, Signalling & Telecommunication



Energy, Signalling & Telecommunication



Activities

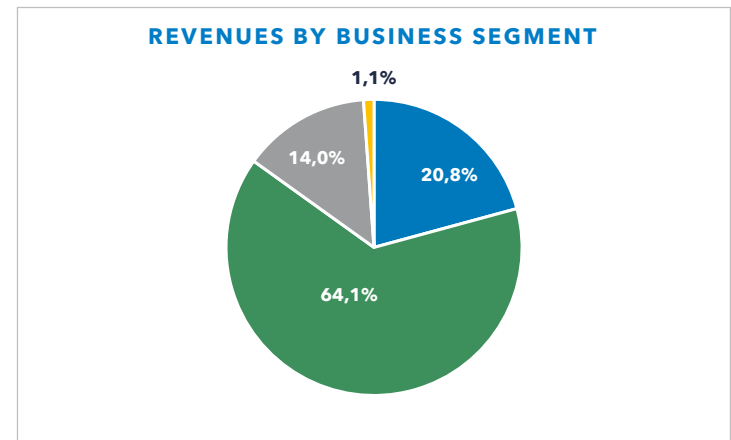
- **Railway catenary**, signalling, substations, telecommunication construction, ordinary & extraordinary maintenance (renewal activities)
- Construction and maintenance of **infrastructure for high and medium voltage electricity transmission** (aerial and underground)



Strengths

- High barriers to entry
- Clients' PQ and certifications
- Highly demanding working conditions
- Huge Italian and European investment plan (Terna 2023 Plan with € 21.0 Bn investments, + 17% vs. previous Plan)

Served Markets



■ Catenary ■ Power Transmission (HV & MV) ■ Signalling ■ Substations

Heavy Civil Works



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

Served Markets



Rail Grinding & Diagnostics



Rail Grinding & Diagnostics



Activities

- Rail and turnout grinding
- Rail Diagnostics

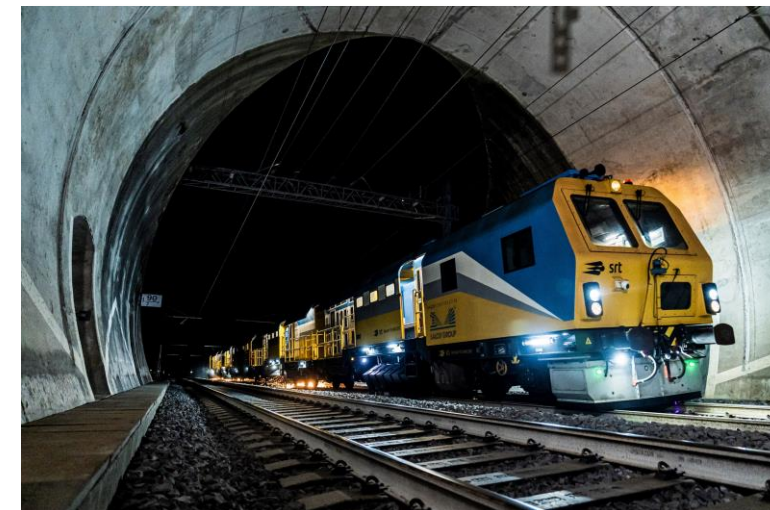
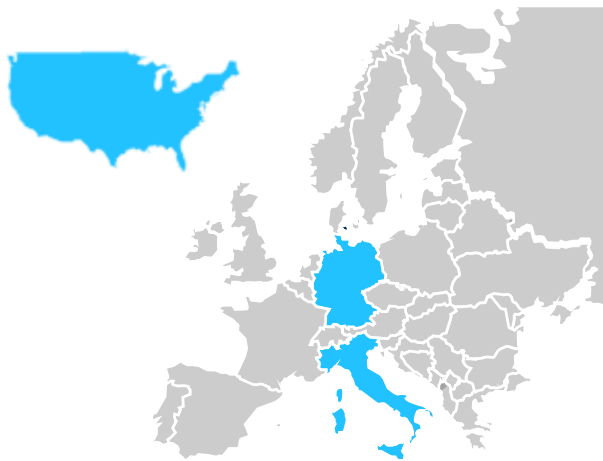
Fleet

- Current Group's fleet for grinding activities is made of **6 Vulcano series rail grinders** and a smaller grinder, all built internally by **SRT**
- Vulcano rail grinders, in their Heavy and Light versions, are designed with modular principles to assure high productivity. Thanks to their flexibility they can be adapted for operation on all the lines, from High Speed to metro, tramlines and narrow-gauge railways

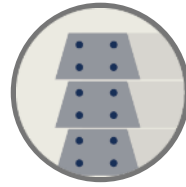
Strengths

- Vertical Integration with Track & Light Civil Works BU
- All-inclusive solutions
- High production capacity thanks to high performance engines and grinding motors
- Extremely accurate measuring system to optimize solutions and maximize results
- Environmental Sustainability with Stage V engines and dust extraction system

Served Markets



Railway Materials



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



Railway Machines



Railway Machines



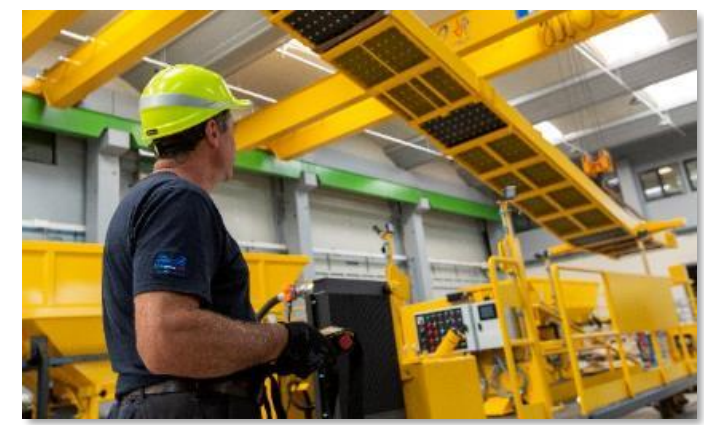
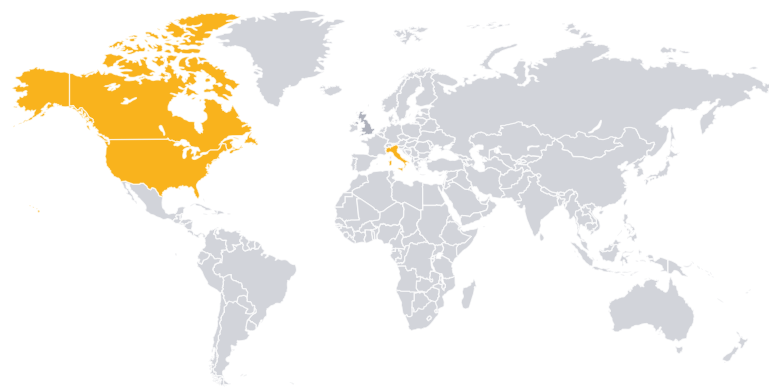
Activities

- 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, Energy, Signalling & Telecommunication and Rail Grinding & Diagnostics BUs
- Market with high margin and few competitors
- Development of new solutions and patents

Served Markets



A strategic acquisition to strengthen Railway Machines



HOPPER



CONCRETE MIXER



DHS



DROP-SIDES



VULCANO GRINDERS

Wider product range to catch increasing market opportunities

Manufacturing synergies

Captive market to help development and improvement of Colmar products

Commercial collaboration to tackle countries not yet covered by the Group



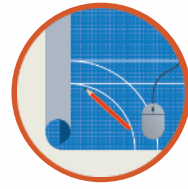
SHUNTERS



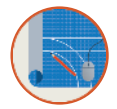
RAIL ROAD LOADERS



Engineering



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

FY 2022 operational update

- 150 projects designed
- > 600 km of infrastructure designed

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 **28 € Bn** to the railway sector by 2026 and **2022-2031 FS Industrial Plan** with **€ 110 Bn** to the railway infrastructure



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



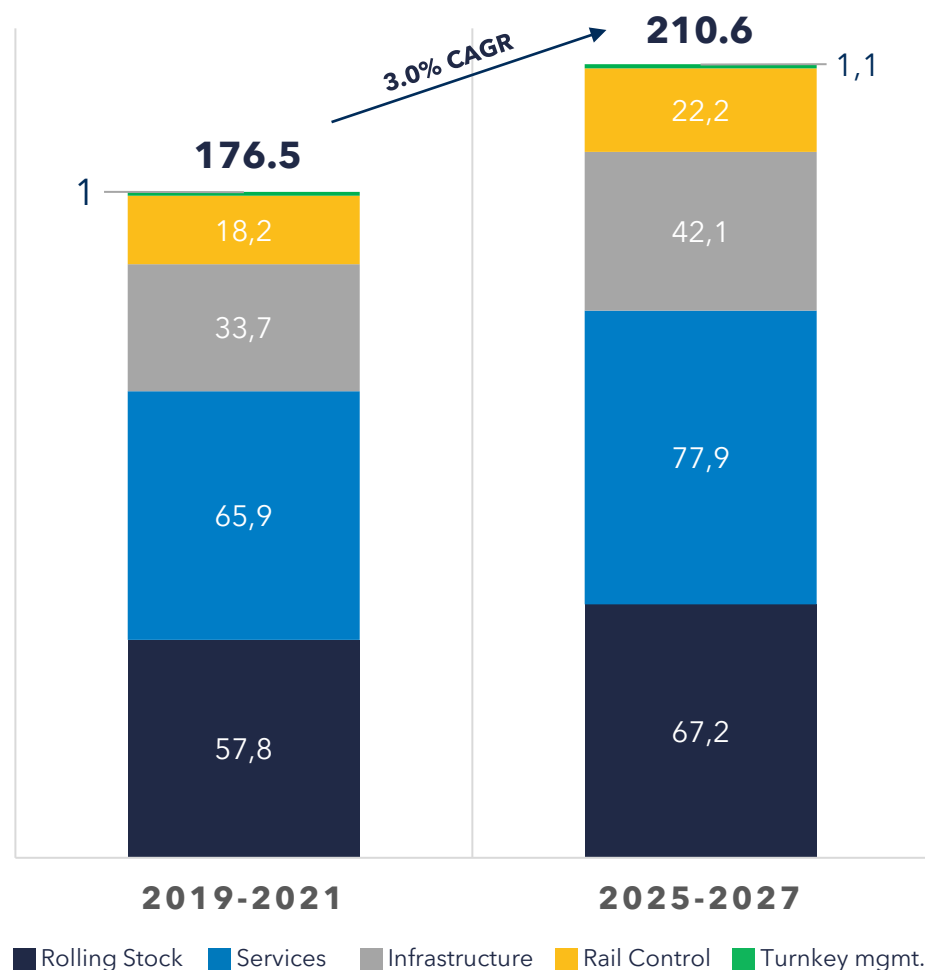
Germany investing 86 € Bn in the upgrade of its rail network 2021-2030

World Rail Supply Market expectations until 2027 - by geography

- World rail supply market expected to grow at a **3.0% CAGR**, reaching an average yearly spending of approx. **€ 211 Bn** in the **2025-2027 period** (+19,3% vs 2019-2021)
- **Africa / Middle East** and **Eastern Europe** are expected to have the **strongest growth**, while **Asia Pacific** and **Eastern Europe** are confirmed as the **biggest contributor to the global market (32% and 30% respectively)**



World Rail Supply Market expectations until 2027 - by sector



Services

- Infrastructure Services market (which accounts for 23% of the total services market and includes labour and parts for maintaining railway superstructure) is expected to grow by **1.9%** reaching **€ 17.6 Bn** per year in 2025-2027
- Biggest growth in NAFTA countries at **2.9%**, the only area where infrastructure services are expected to grow more than rolling stock services. Eastern Europe, Africa / Middle East / Western Europe follow with 2.0%, 1.7% and 1.6% CAGR respectively

Infrastructure

- Infrastructure market (which includes all components of ballastless / ballast track and electrification while excludes all the civil works) is expected to grow by **3.8%** reaching **€ 42.1 Bn** per year in 2025-2027
- **Superstructure** growth mainly driven by Very High Speed (7.2%), followed by Urban (3.4%) and Mainline/Freight (3.0%), which remains by far the biggest component (57% of the total)
- **Electrification** (~56% of the track kilometres are not electrified, ~50% in Europe and ~28% in Italy) is the segment with the highest growth rates: 7.5% for Mainline/Freight, 4.6% for VHS and 3.4% for Urban
- Eastern Europe will grow by **8.7%** (with Romania at 3.0%), Africa/Middle East by 4.1% (with remarkable 28.3% in Saudi Arabia) and Western Europe by 4.7%. 1.2% growth in Asia Pacific mainly Driven by Australia while 3.9% growth in NAFTA countries mainly driven by US (3.9%)

Rail Control

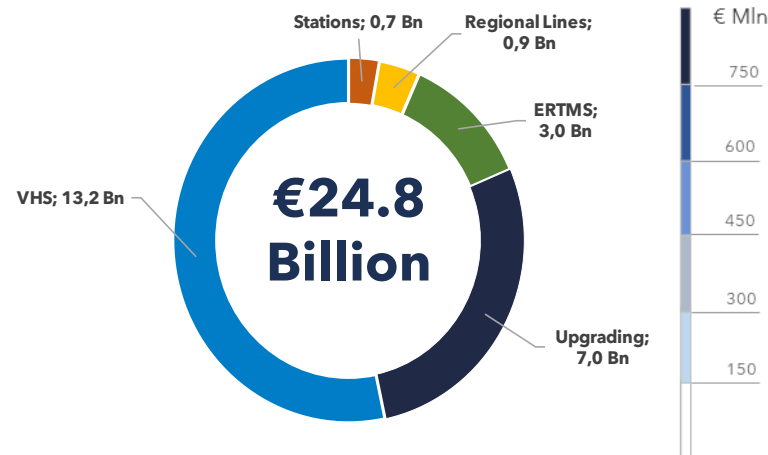
- Rail control market (which includes rail control and signalling solutions, communication equipment, operational control systems and route control systems) is expected to grow by **3.4%** reaching **€ 22.2 Bn** per year in 2025-2027
- Africa/Middle East and Eastern Europe are expected to have the highest growth (**8.2%** and **6.8%** respectively). Western Europe is predicted to grow by 4.2%, amounting to 31% of the total market

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	

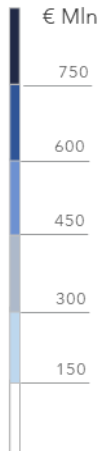
Focus on Italian National Recovery and Resilience Plan (2/3)



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)



Mission 2 Green revolution and ecological transition

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

EU Recovery
and Resilience
Facility (RRF)

Complementary
Fund

TOTAL

€ 59.5 Bn

€ 23.8 Bn

€ 1.4 Bn

€ 25.2 Bn

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

Additional **€ 4.7 Bn** (of which € 4.3 Bn from 2022 Budget Law) allocated by the Ministry of Infrastructure and Sustainable Mobility to the development of Subways and Tramways in Rome, Milan, Genova, Naples and Turin

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9M 2023 Results

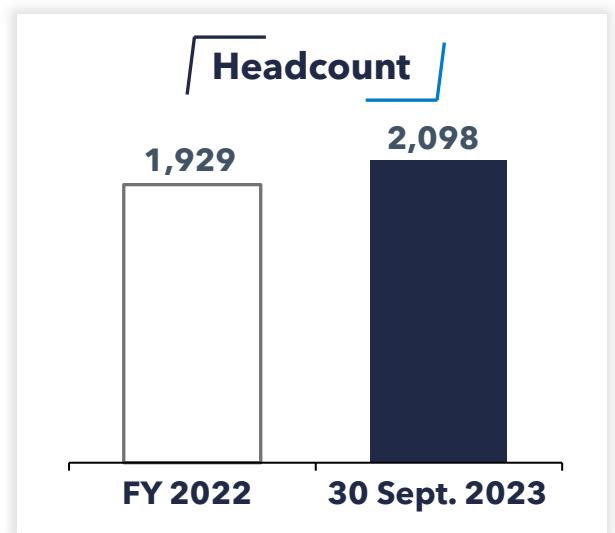
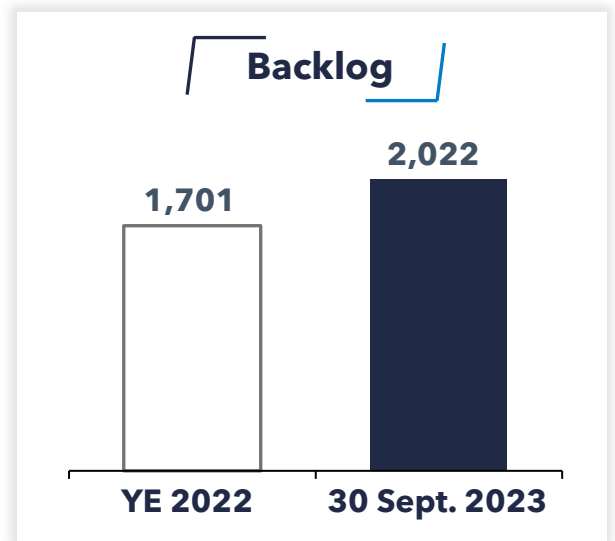
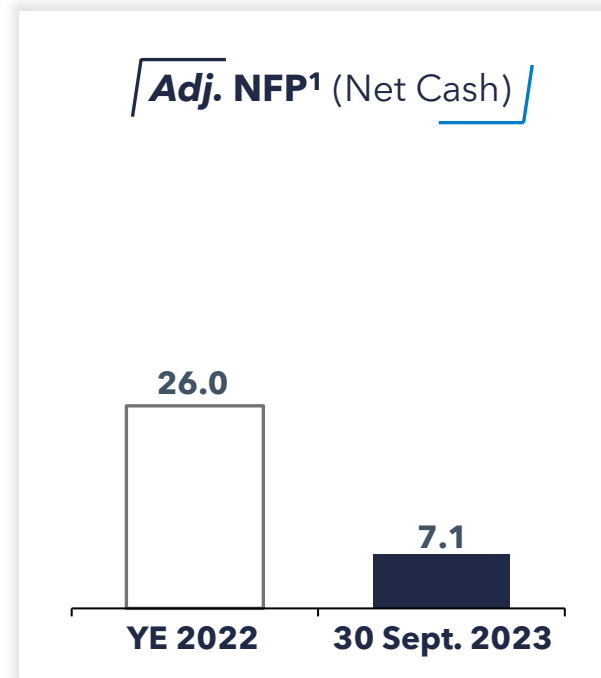
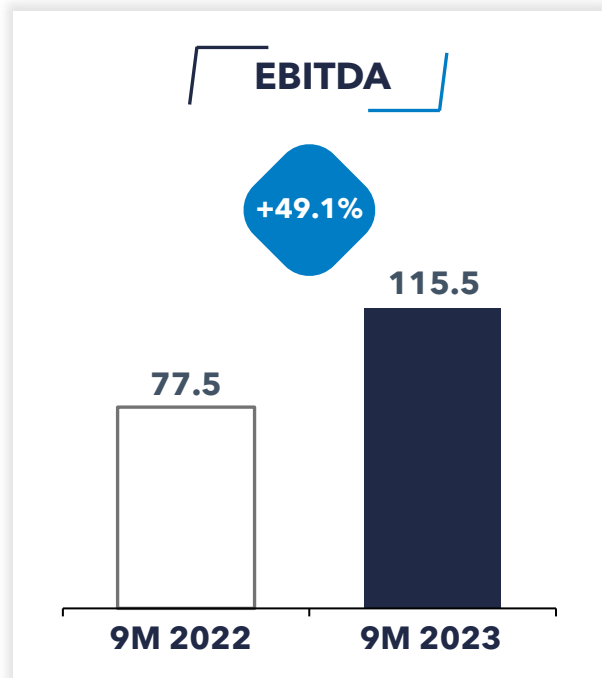
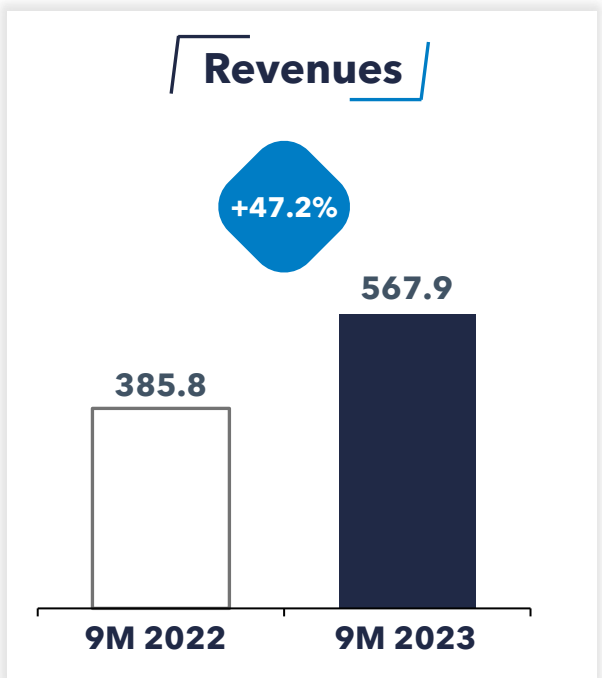
Key messages

- 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

€ Mln



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%



- 61.3%** **Track & Light Civil Works** (65.8% in 9M 2022)
- 13.5%** **Energy, Sign. & Telecom** (15.2% in 9M 2022)
- 14.0%** **Heavy Civil Works** (5.7% in 9M 2022)
- 2.9%** **Rail Grinding & Diagnostics** (2.5% in 9M 2022)
- 6.4%** **Railway Materials** (7.8% in 9M 2022)
- 1.9%** **Railway Machines** (2.9% in 9M 2022)

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%
<i>EBITDA Margin</i>	20.4%	20.1%	-
D&A	(38.2)	(26.5)	44.2%
EBIT	77.3	51.0	51.7%
<i>EBIT Margin</i>	13.6%	13.2%	-
<i>Adjusted Net Financial Income (Expenses)*</i>	(6.8)	2.8	n.m.
Adjusted EBT	70.5	53.8	31.1%
<i>Adjusted Income Taxes**</i>	(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 Position²	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**

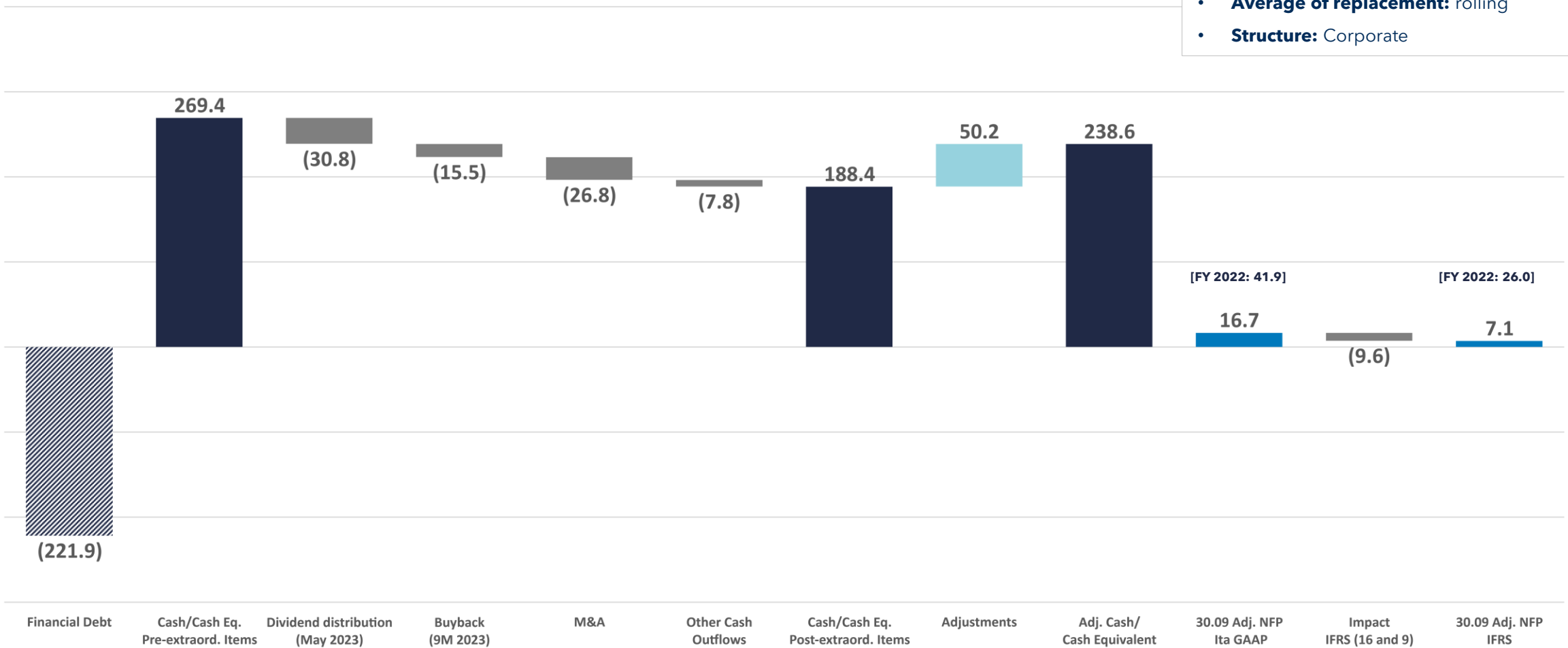
1. Figures, where applicable, has been restated to retroactively reflect the effects resulting from the completion of the purchase price allocation related to the acquisition of the railway business unit of PSC Group, in accordance with the accounting principles in force
2. Does not consider: fair value 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

Features of financial debt:

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

€ Mln



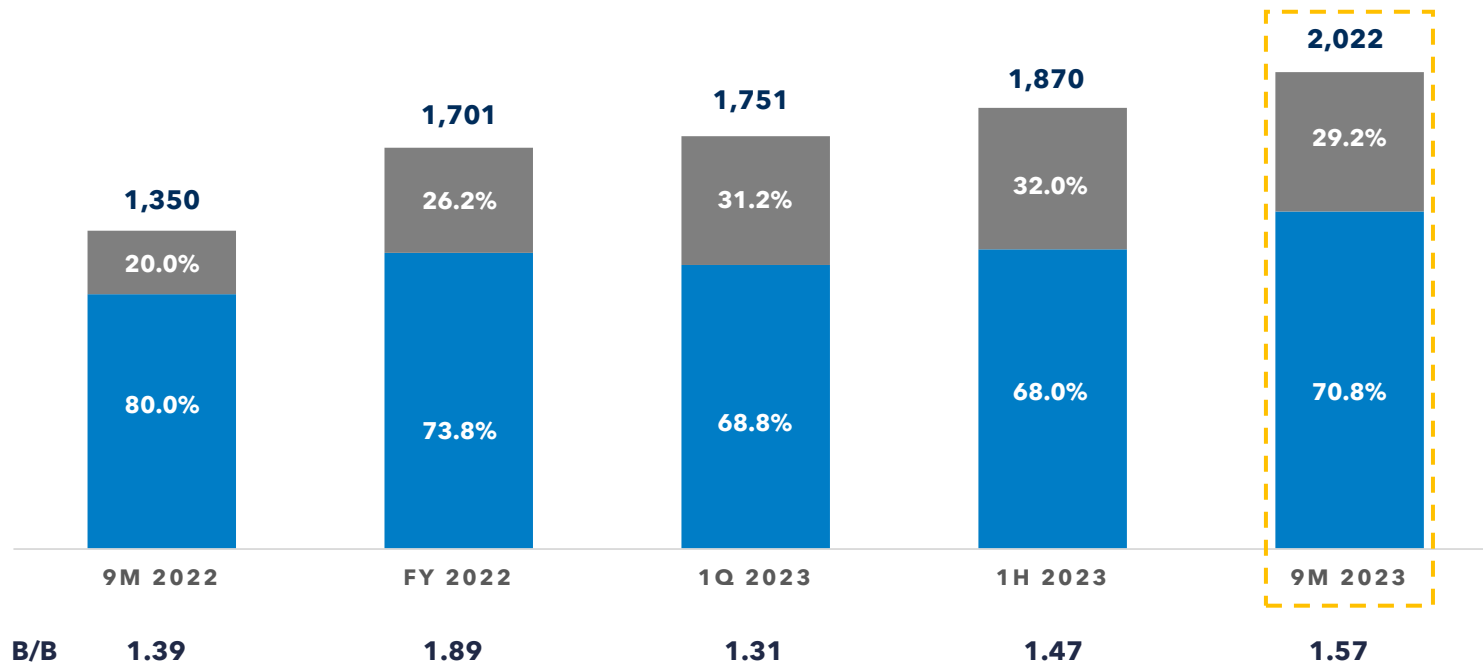
[FY 2022: 41.9]

[FY 2022: 26.0]



Backlog

€ Mln

- **Backlog¹ 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 from 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%
<i>of which Foreign</i>	<i>563,643</i>	<i>27.9%</i>
Energy, Signalling & Telecom	402,795	19.9%
<i>of which Foreign</i>	<i>2,458</i>	<i>0.1%</i>
Rail Grinding & Diagnostic	9,358	0.5%
<i>of which Foreign</i>	<i>0</i>	
Railway Materials	72,992	3.6%
Heavy Civil Works	135,548	6.7%
<i>of which Foreign</i>	<i>19,723</i>	<i>1.0%</i>
Railway Machines	48,707	2.4%
<i>of which Foreign</i>	<i>5,467</i>	<i>0.3%</i>
Total	2,022,718	100.0%
 Italy	1,431,427	70.8%
 Foreign	591,291	29.2%

 Italy

 Foreign

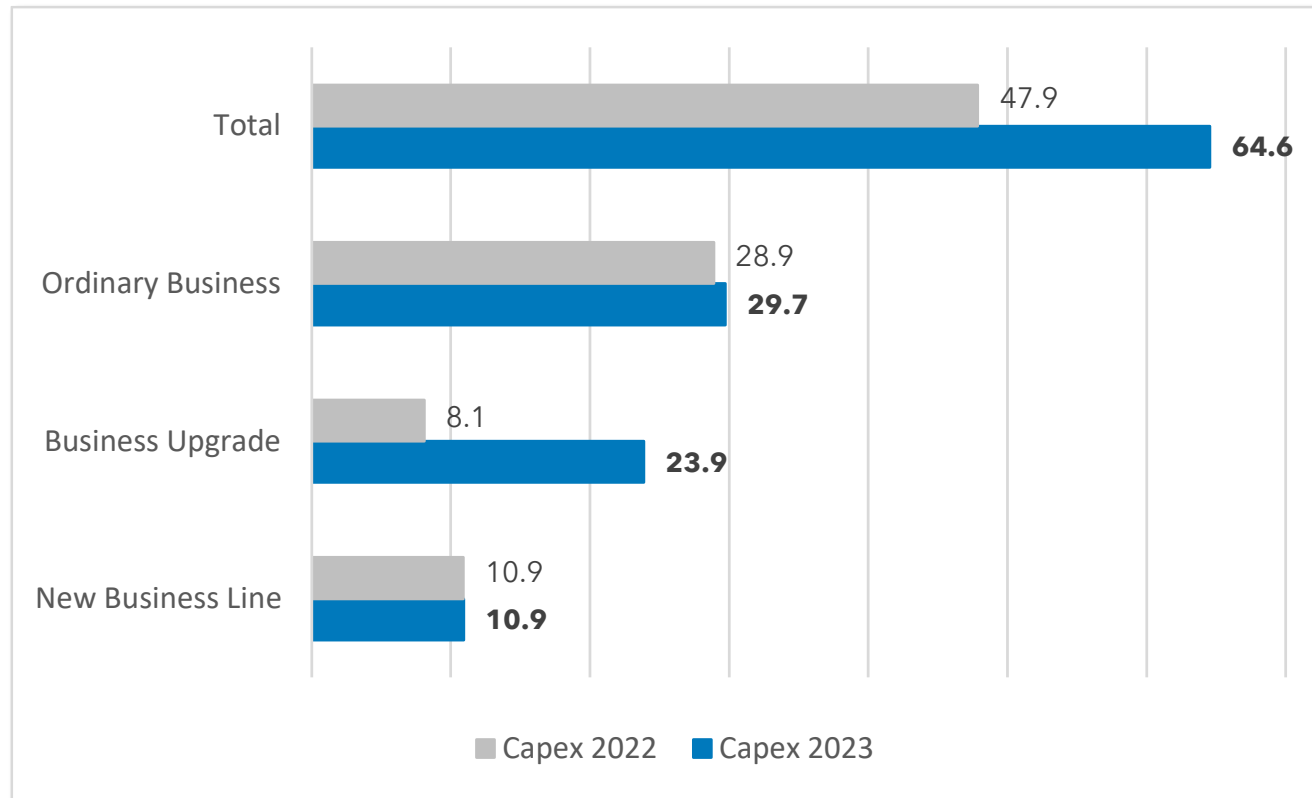
1. Does not include agreements between Group companies, to be considered intercompany

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**

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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Sustainability at Salcef

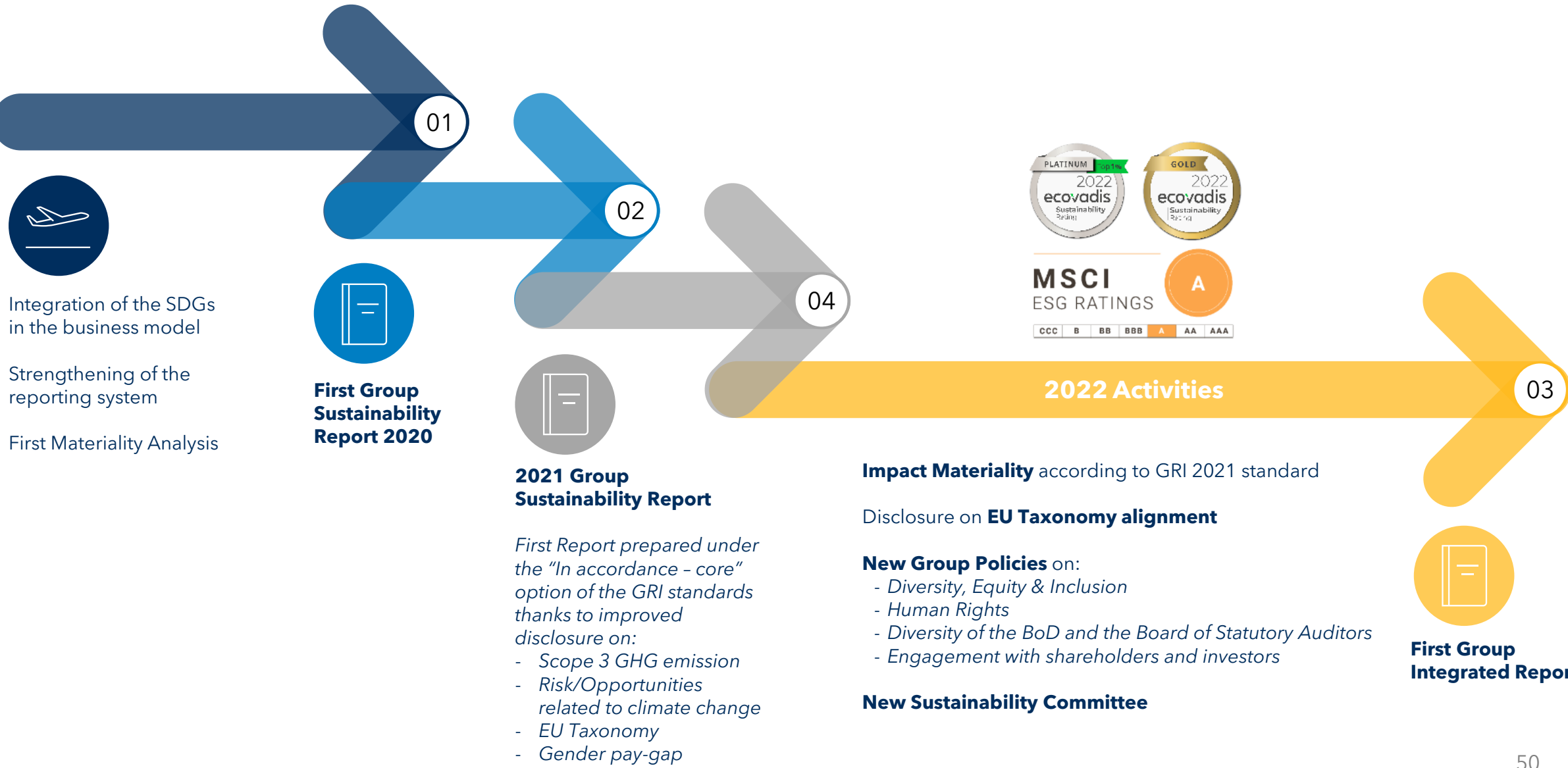
Bringing our heritage to a new dimension

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 proceeding



Integration of the SDGs in the business model

Strengthening of the reporting system

First Materiality Analysis



First Group Sustainability Report 2020



2021 Group Sustainability Report

First Report prepared under the "In accordance - core" option of the GRI standards thanks to improved disclosure on:

- Scope 3 GHG emission
- Risk/Opportunities related to climate change
- EU Taxonomy
- Gender pay-gap



2022 Activities

Impact Materiality according to GRI 2021 standard

Disclosure on **EU Taxonomy alignment**

New Group Policies on:

- Diversity, Equity & Inclusion
- Human Rights
- Diversity of the BoD and the Board of Statutory Auditors
- Engagement with shareholders and investors

New Sustainability Committee



First Group Integrated Report



SDG mapping

- **9 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**



ESG Company goals	Covered SDGs
Develop technologies for integrated and sustainable mobility	3, 7, 9, 11, 12, 13
Invest in new services and products	3, 7, 9, 11, 12, 13
Assure quality of projects, products and machines	7, 13
Pursue sustainability within all the business activities, investing in impacts reduction and new technologies	7, 13
Digitalize all the processes	7, 13
Safeguard employees' health and psychophysical integrity	8, 10
Assess and mitigate risks related to business activities, also preventing occupational diseases and work-related injuries	8
Promote a culture focused on quality, environment protection, safety as well as training, effective communication and stakeholder involvement	8, 9
Assure full compliance with applicable legal requirements and regulations/standards related to quality and HSE	8, 10
Strengthen company governance, with particular focus on sustainability governance	16

ESG Performance 2022



ESG Performance 2022 vs. 2018



Total Emission Intensity

-22%

Energy Intensity

-18%

Electricity from renewable sources

From 0% to 22%



Consolidated Injury Rate

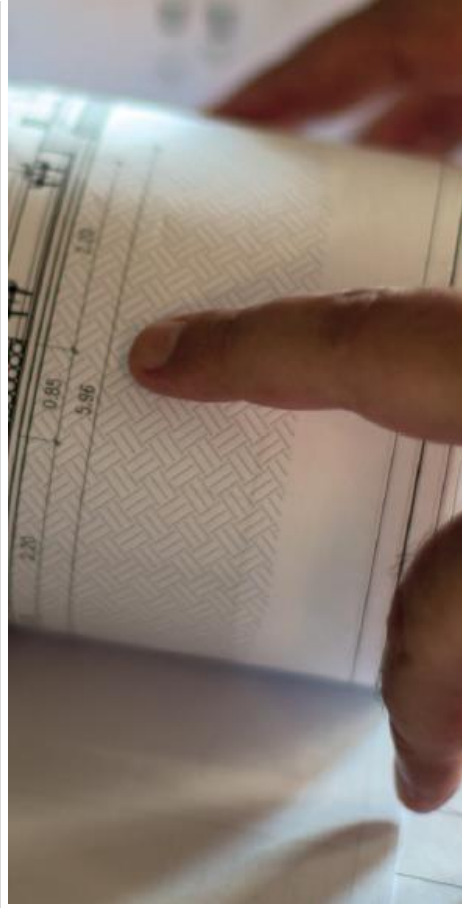
-74%

New hires under 30

150¹

Women

+274%



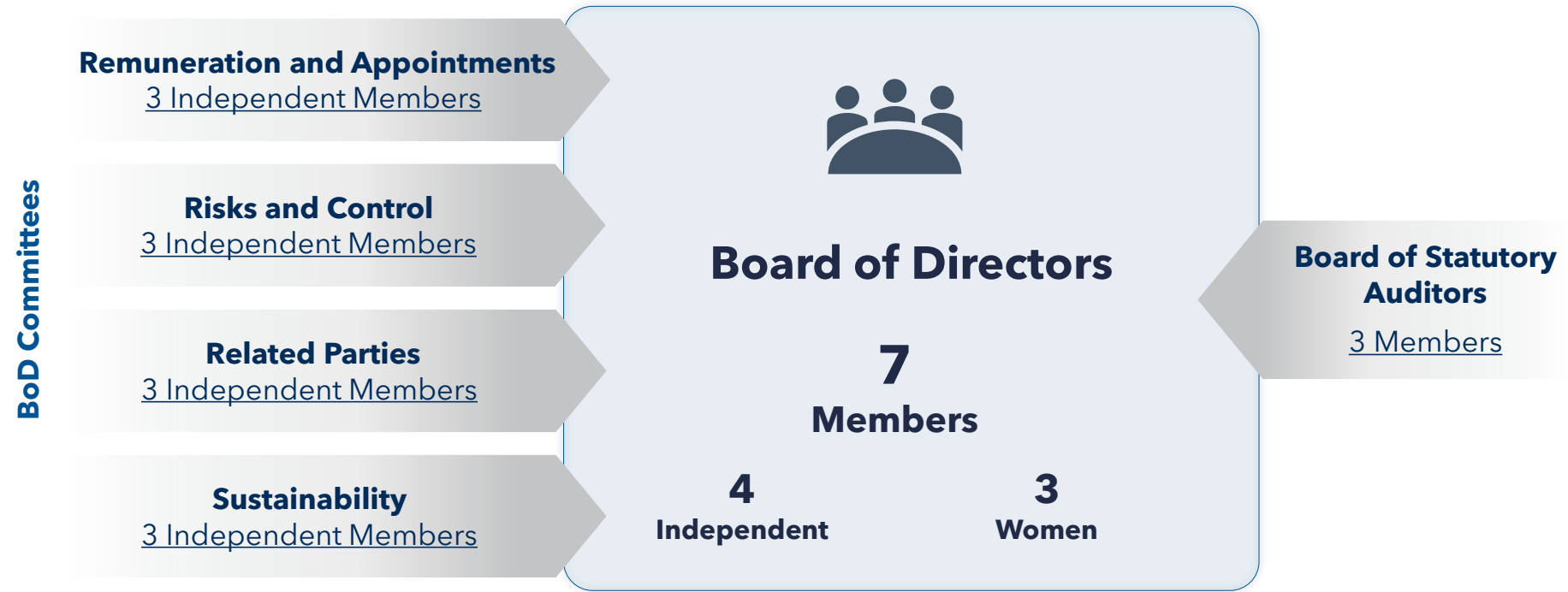
1. Net of Resignations/dismissals

Focus on EU Taxonomy

Business Unit	Sector	Cod	Description		Revenues	Capex	Opex
Track & light civil works	6 Transport	6.14	Infrastructure for rail transport	Aligned	58.73%	44.41%	69.57%
				Eligible but not aligned	0.24%	0.18%	0.28%
				Not eligible	0.00%	0.00%	0.00%
Energy, signalling & Telecom	6 Transport	6.14	Infrastructure for rail transport	Aligned	12.59%	4.56%	8.62%
				Eligible but not aligned	0.05%	0.02%	0.03%
				Not eligible	4.97%	2.44%	8.44%
Heavy Civil Works	6 Transport	6.14	Infrastructure for rail transport	Aligned	10.58%	3.37%	8.15%
				Eligible but not aligned	0.04%	0.01%	0.03%
				Not eligible	0.00%	0.00%	0.00%
Rail Grinding & Diagnostics	6 Transport	6.14	Infrastructure for rail transport	Aligned	3.06%	13.00%	1.64%
				Eligible but not aligned	0.01%	0.05%	0.01%
				Not eligible	0,00%	0,00%	0.00%
Railway Materials	6 Transport	6.14	Infrastructure for rail transport	Aligned	0.00%	0.00%	0.00%
				Eligible but not aligned	0.00%	0.00%	0.00%
				Not eligible	8.42%	19.44%	0.75%
Railway Machines	3 Manufacturing	3.3	Manufacture of low carbon technologies for transport	Aligned	0.00%	0.00%	0.00%
				Eligible but not aligned	1.31%	12.51%	2.48%
				Not eligible	0.00%	0.00%	0.00%
Salcef Group				Aligned	84.96%	65.34%	87.98%
				Eligible but not aligned	1.65%	12.77%	2.83%
				Not eligible	13.39%	21.89%	9.19%

Governance Board of Directors

➤ The current BoD has been **appointed by the AGM on 29 April 2022** for the period **2022-2024**



Governance Remuneration policy

- The Remuneration Policy 2023, approved by the AGM on 27 April 2023, confirmed **ESG targets** (HR and HSE) both for short-term and long-term incentive schemes and introduced the Long-term incentive schemes also for **Executives with Strategic Responsibilities (ESR)**

Component	Aims and characteristics	Implementation conditions	Amount
Short-term variable remuneration (MBO)	The annual variable component aims to recognize and reward the achievement of results linked to annual economic-financial and non-financial objectives, constituting an important motivational lever	Recipients: CEO, Executive Chairman Objectives: EBITDA (55%), Net profit (30%), Injury index (10%), Employees training (5%) Performance gate: Consolidated EBITDA Type: 100% monetary	Payout scale: 0% till 70% of the target and then linear up to max 140% in case of overperformance
		Recipients: ESR + other executives Objectives: EBITDA + objectives linked to the specific organizational areas of competence (20% ESG) Performance gate: Consolidated EBITDA Type: Mixed with 75% monetary paid up-front and 25% in shares (Stock Grant Plan): two tranches of equal amount, with different vesting periods and with claw-back clauses	
Long-term variable remuneration (LTI)	The long-term variable component ensures alignment between the interests of management and the interests of shareholders over the medium to long term. Economic objectives are complemented by non-financial objectives intended to ensure the Group's viable success	Recipients: CEO, Executive Chairman Objectives: cumulative EBITDA 2021-23 (55%), Cumulative revenues 2021-23 (30%), Injury index over three-year period (10%), Employees training over three-year period (5%) Performance gate: Consolidated EBITDA Type: 100% monetary to be paid at the approval of FY 2023 Financial Statement	Payout scale: 0% till 70% of the target and then linear up to max 140% in case of overperformance
		Recipients: ESR Objectives: cumulative EBITDA 2022-23 (55%), cumulative revenues 2022-23 (30%), Injury index over two-year period (10%), Employees training over two-year period (5%) Performance gate: Consolidated EBITDA Type: 100% shares (Performance share plan): two tranches 60/40, with different vesting periods and with claw-back clauses	



Useful documents & Contacts

Useful documents

**FY 2022
Results
Presentation**



**FY 2022
Video**



**2022
Integrated
Report**



**Report on
Corporate
Governance**



**9M 2023
Results
Presentation**



**Remuneration
Report**



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