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Testo del comunicato

Vedi allegato

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PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE RESULTS AS AT 31 DECEMBER 2023 AND SECTION TWO OF THE REMUNERATION REPORT

2023 ORDINARY SHAREHOLDERS' MEETING IS CALLED

Revenues EUR 618.1 million; at 31 December 2022 EUR 605.4 million (+2.1%; +5.0% on a like-for-like basis)

Adjusted EBITDA EUR 211.4 million; at 31 December 2022 EUR 193.1 million (+9.5%, +12% on a like-for-like basis)

Adjusted net profit EUR 75.6 million; in the period ended 31 December 2022 EUR 68.8 million (+9.9%)

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Adjusted NFP of EUR 642.8 million; EUR 766.9 million at 31 December 2022

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Proposed dividend of EUR 0.023 per share, for a total amount of EUR 10.0 million on FNM S.p.A.'s Net Income of EUR 14.2 million

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Approved Sustainability Report - Consolidated Non-Financial Statement

Milan, 12 March 2024 - The Board of Directors of FNM S.p.A. ("FNM" or the "Company"), which met today under the chairmanship of Mr. Andrea Gibelli, examined and approved the draft separate Financial Statements of FNM and the Consolidated Financial Statements of the Group for the year ended 31 December 2023.

Consolidated economic and financial highlights

The year 2023 was characterised by the consolidation of the recovery of motorway traffic, which finally rose above pre-pandemic levels, and by a marked recovery of LPT demand, by both rail and road, which still remains lower than in 2019.

The FNM Group recorded stronger results than previous year, outperforming expectations, despite the continuing uncertainties related to inflation and interest rate trends. It should be noted that the results for the period were influenced by the change in scope caused by the sale of the equity investment in La Linea S.p.A. ("La Linea") and the indirect shareholding in Martini Bus S.r.l. ("Martini Bus") with effect from 16 January 2023, as well as the discontinuation of the annual contribution for car sharing.

The following table shows the main indicators of consolidated performance during 2023:

Amounts in EUR millions	2023	2022	Change	Change %
Revenues	618.1	605.4	*12.7*	*2.1 %*
Adjusted EBITDA*	211.4	193.1	*18.3*	*9.5 %*
EBITDA	210.6	193.1	*17.5*	*9.1 %*
EBIT	104.7	101.1	*3.6*	*3.6 %*
Adjusted net profit**	75.6	68.8	*6.8*	*9.9 %*
Group operating result	80.9	68.5	*12.4*	*18.1 %*

* Before extraordinary income and expenses

** Before profit of companies measured with the equity method

In 2023, total revenues amounted to EUR 618.1 million, up EUR 12.7 million from EUR 605.4 million in 2022, made up as follows in the four business segments:

Amounts in EUR millions	2023	2022	Change	Change %
Ro.S.Co. & Services	83.2	82.1	*1.1*	*1.3 %*
Railway infrastructure	157.0	144.4	*12.6*	*8.7 %*
Road passenger mobility	107.5	133.5	*(26.0)*	*-19.5 %*
Motorways	297.2	280.7	*16.5*	*5.9 %*
Intercompany eliminations	(26.8)	(35.3)	*8.5*	*-24.1 %*
Total consolidated revenues	**618.1**	**605.4**	**12.7**	**2.1 %**

Excluding from total consolidated revenues the values of La Linea and Martini Bus and the share of the annual contribution for the development of car sharing for all 2022 and for the first 15 days of 2023 the values of La Linea and Martini Bus, revenues amounted to EUR 617.6 million in 2023 and EUR 588.1 million in the previous year, an increase of 5.0%.

- as regards **RoSCo & Services**, which includes the leasing of rolling stock to investee companies operating in railway local public transport and freight transport sectors, as well as centralised Corporate services, revenues showed an increase of EUR 1.1 million (+1.3%). The change can be attributed to the combined effect of higher revenues on the TILO fleets, which entered into operation in 2022, and on TAF trains (EUR +2.7 million), despite the conclusion of the amortization of contributions received for the purchase of TAF trains, lost grants due to renewal of the National Collective Bargaining Agreement and lower revenues from real estate management;

- in **Railway Infrastructure** (relating to traffic management, maintenance and network upgrading), revenues increased by EUR 12.6 million (+8.7%). The growth is due to higher revenues on public contracts and grants for design activities, recovery of costs related to work on the network and higher network access revenues, partially offset by the lower recovery of general expenses on rolling stock orders and lower fees from the Service Agreement. Other revenues also increased mainly due to higher compensation payments for rising costs incurred for the maintenance of the railway infrastructure;

- the **Road Passenger Mobility** segment recorded revenues down by EUR 26.0 million (-19.5%), essentially attributable to the deconsolidation of La Linea and its subsidiary Martini Bus and the discontinuation of the public contribution to car sharing. On a like-for-like basis, the values for the segment would present aligned revenues of EUR 106.9 million in both years. In detail, revenue from transport services fell to EUR 49.9 million compared to EUR 64.8 million in 2022 due to the changes mentioned above. On a like-for-like basis, revenue from transport services would have grown to EUR 49.4 million from EUR 40.8 million in the previous year thanks to the recovery in passenger transport (69.9 million passengers carried by FNM Autoservizi and ATV in 2023, +18.9% and -9.7% compared to 2022 and 2019, respectively) and the increase in train replacement services. Revenues from public contracts and grants decreased to EUR 51.6 million from EUR 62.3 million in 2022; on a like-for-like basis, they would have decreased by EUR 9.4 million to EUR 51.5 million in 2023. The change is mainly due to the absence, compared to 2022, of grants for additional services and compensation for lost ticketing revenues related to the pandemic period (EUR 3.7 million and EUR 4.0 million, respectively), as well as of the subsidy under the “fuel fund” (EUR 1.7 million);

- the **Motorways** segment closed the year with revenues up by EUR 16.5 million (+5.9%), mainly thanks to the recovery of toll revenues (EUR +16.0 million) due to the higher traffic equal to 3,155.7 million vehicle-km (+6.0% compared to 2022, and +1.3% on 2019), characterised by growth of the light vehicles component (+7.6%). Toll revenues also benefited from the change in conventional mileage as of 1° March 2023, following the opening to traffic of the upgraded provincial road 46 Rho-Monza. Higher revenues for service area concessions related to the resumption of mobility and the coming into force of new agreements with sub-concessionaires were partially offset by lower design revenues on works completed by MISE Engineering.

Operating costs amounted to EUR 242.7 million, down by EUR 7.5 (+3.0%) million compared to 2022. In detail, there was a decrease in motorway infrastructure maintenance costs during the year, due to lower provisions and higher utilization of the renewal fund, write-downs of financial assets, and costs of subcontracting bus services to third parties, partially offset by an increase in costs related to motorway traffic performance (toll collection and concession fees) and costs of maintaining rail infrastructure.

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Personnel costs of EUR 164.0 million were slightly increasing from 2022 (EUR 162.1 million). The trend mainly reflects the combined effect of the increase in labour costs due to the application of the renewal of the National Collective Bargaining Agreement (NCBA) and the different composition of the headcount, the release of a portion of the provision for risks related to the renewal of the NCBA for the Rail Sector in 2022 and the one-off payment in 2022 of social-security contributions for sickness costs of the NCBA for the Railway sector, partially offset by the effect of the deconsolidation of La Linea and Martini Bus for EUR 8.4 million.

As a result of the above, **adjusted EBITDA** (which excludes extraordinary components of operating income) of EUR 211.4 million was up by EUR 18.3 million (+9.5%) on 2022 and is broken down into four segments:

Amounts in EUR millions	2023	2022	Change	Change %
Ro.S.Co. & Services	42.7	45.5	*(2.8)*	*-6.2 %*
Railway infrastructure	6.3	7.7	*(1.4)*	*-18.2 %*
Road passenger mobility	8.8	11.9	*(3.1)*	*-26.1 %*
Motorways	153.6	128.0	*25.6*	*20.0 %*
Total adjusted EBITDA	**211.4**	**193.1**	**18.3**	**9.5 %**

Excluding the values of La Linea and Martini Bus and the share of the annual contribution for the development of car sharing for 2022 and for the first 15 days of 2023 of La Linea and Martini Bus, Adjusted EBITDA was EUR 211.1 million in 2023 and EUR 188.5 million in the previous year, an increase of 12.0%.

Extraordinary operating income items, not present in 2022, amounted to EUR 0.8 million and related to development costs in connection with the acquisition of Viridis Energia S.p.A. ("Viridis") .

Amortisation, depreciation and impairment of EUR 105.9 million increased by EUR 13.9 million on 2022, mainly due to depreciation of motorway assets following the commissioning of the Rho-Monza section.

Comprehensive operating income consequently increased to EUR 104.7 million from EUR 101.1 million in 2022 (EUR +3.6 million).

Comprehensive profit/loss from financial operations decreased to EUR -5.6 million from EUR -4.1 million in 2022 due to higher financial expenses resulting from higher interest rates and the discount rate of the motorway infrastructure renewal fund and the rolling stock cyclical maintenance fund, partially offset by the income from the rescheduling of the loan granted to APL and the higher rate of return on cash.

Consolidated EBT, before the result of companies valued with equity method, was positive at EUR 99.1 million, up as compared to EUR 97.0 million in 2022.

Income taxes of EUR 23.5 million decreased from EUR 28.2 million in the comparative period of 2022 in relation to a benefit from a request for a ruling filed by MISE and the refund of the tax wedge not deducted in previous years.

Adjusted consolidated net profit of the FNM Group at 31 December 2023, net of the result of associated companies valued at equity, amounted to EUR 75.6 million, an improvement on EUR 68.8 million in 2022.

The result of **associated companies and joint ventures** (valued using the equity method) rose to EUR 6.4 million from EUR 0.8 million in 2022, mainly due to the combined effect of the performances of certain investees, including Trenord and Autostrada Pedemontana Lombarda (APL), as described in more detail below.

In 2023, as in the compared period 2022, there were no profits from discontinued transactions.

The FNM Group reported a **consolidated net profit** for the period ended 31 December 2023, after the result of companies valued at equity and non-controlling interests of EUR 80.9 million, up by EUR 12.4 million on 2022 (EUR 68.5 million).

Trenord recorded a net profit for the year of EUR 19.0 million, compared to a loss of EUR 9.5 million in the previous year. More detail is provided below:

- **revenues** increased to EUR 897.1 million from EUR 831.9 million in 2022, an increase of EUR 65.2 million (+7.8%). The change is mainly attributable to the increase in ticketing revenue to EUR 383.2 million (EUR +72.3 million) due to the combined effect of volumes and prices. One contributing factor is the recovery in demand for rail transport (+25.8% compared to 2022, -11.4% compared to 2019), especially in the airport and leisure segment. Revenues also benefit from the change in the mix of products purchased in favour of those with a higher unit price as well as from the entry into force of the daily validity of tickets. Other revenues decreased by EUR 6.8 million and are equal to EUR 75.5 million, mainly due to lower Covid lost revenue refunds related to previous years, which decreased to EUR 11 million in 2023 compared to the EUR 38 million recorded in 2022, partially offset by the "electricity bonus", higher penalties receivable and the penalties charged to RFI related to the damages resulting from the outages that occurred in 2013 and 2022 on part of the Railway Link for a total value of approximately EUR 9 million. In this regard, as previously reported the overall 2022 results were penalised by the effect of damages resulting from the interruption on the Railway Link, estimated at approximately EUR 10 million. Service Agreement revenues remained stable;

- Trenord's **EBITDA** reached EUR 200.8 million from EUR 159.8 million recorded 2022. The increase of EUR 41.0 million is attributable to higher revenues and lower costs for energy for traction, partially offset by higher personnel costs in connection with the increase in headcount (+108 FTEs), higher costs for tolls, materials and services required for maintenance, sales commissions and insurance;

- **EBIT** increased to EUR +35.2 million from EUR -15.2 million in 2022, in the presence of depreciation, amortisation and impairment of receivables, which decreased by a total of EUR 9.4 million;

- Trenord closed 2023 with a **net profit** of EUR 19.0 million, an improvement on the loss of EUR 9.5 million in 2022. The result benefited from an improvement in operating performance, despite higher financial expenses, due in part to higher interest expenses accrued on financial liabilities contracted for leased assets in application of IFRS 16, and a greater tax impact.

In 2023, the investee **APL** achieved the following financial results:

- **revenues** amounted to EUR 50.3 million (EUR +3.1 million compared to 2022) due to traffic growth to 316.6 million vehicle-km (+5.7% on the previous year and +10.4% on pre-pandemic levels). No increases in motorway tolls were granted to APL during the year;

- **EBITDA** was EUR 22.5 million, substantially in line with 2022 (EUR 22.4 million), mainly due to the increase in headcount;

- **EBIT** stood at EUR 16.8 million (EUR +0.7 million), against depreciation, amortisation and other provisions, which were down slightly compared to the previous year;

- the **net result** amounted to a loss of EUR 11.9 million, down compared to the loss recorded in 2022 (EUR 5.9 million) mainly as a result of the increase of EUR 6.7 million in net financial expenses deriving from the higher interest rates on the Bridge Loan Bis and on the Shareholders' Loan at variable rate, as well as from the application of the amortised cost to the accessory charges to the Senior Loan 1, which will not be capitalised on the value of the work until the work commences.

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At 31 December 2023, **Adjusted Net Financial Position** ("Adjusted NFP") was EUR **642.8** million (of which EUR 24.1 million related to the NFP of MISE), compared to EUR **766.9** million as at 31 December 2022, down by EUR 124.1 million. The Adjusted NFP/EBITDA ratio is therefore 3.0x.

The comprehensive **Net Financial Position** as at 31 December 2023, which includes the effects of the application of IFRIC 12 for investments related to the renewal of rolling stock, was EUR 549.8 million, compared to EUR 724.6 million at 31 December 2022.

Please also note that the Group has liquidity headroom of approximately EUR 120 million in uncommitted lines, thereby offering sufficient financial flexibility.

The following table presents operating cash flow generation in the period of EUR 177.6 million, which takes into account the positive income generation and the payment of taxes and financial expenses. Cash flow generation was thus positive at EUR 164.1 million. The value reflects gross **investments with own funds** made by the FNM Group in 2023 amounting to approximately EUR 71.2 million and investments relating to the **Railway infrastructure** segment financed by Regione Lombardia in accordance with the provisions of the Programme Agreement amounting to EUR 195.3 million. These investments correspond to public grants received of EUR 13.5 million and EUR 221.3 million, respectively, and a positive change in trade payables totalling EUR 18.2 million.

Finally, the **cash flow** for the year, which was positive by EUR 174.2 million, was also influenced by dividends paid out amounting to EUR 10.0 million as well as the sale of the shareholdings mainly in La Linea, and in its subsidiary Martini Bus for EUR 6.1 million. At the same time as the sale, the investee La Linea fully repaid the loan disbursed by FNM of EUR 7.2 million and offset the balance of the correspondence current accounts in the amount of EUR 0.3 million. The item "Other changes in financial payables" includes the change in the loan disbursed by FNM to La Linea, fully repaid, and the portion of grants received in advance with respect to the progress of work orders for the modernization of railway infrastructure.

Amounts in EUR millions	**31/12/2023**	**31/12/2022**
EBITDA	211.4	193.1
Net Working Capital	6.4	(25.5)
Tax paid	(30.9)	(18.1)
Financial expenses/income paid	(9.3)	(8.7)
Free cash flow from operations	***177.6***	***140.8***
Gross investments paid with own funds	(47.3)	(85.7)
Motorway infrastructure investments paid with own funds	(23.9)	(58.9)
Change in NWC – Investments with own funds	(30.0)	3.4
Funded investments – Railway infrastructure	(195.3)	(63.1)
Change in NWC – Funded investments for railway infrastructure	48.2	(10.9)
Public grants collected – Own funds	4.6	—
Collection of railway infrastructure investment funding	221.3	58.8
Collection of motorway infrastructure investment funding	8.9	13.3
Cash flow generation	***164.1***	***(2.3)***
Investment purchase	(1.3)	(30.3)
Time Deposit collections	6.8	—
Loan disbursement to investees	(3.0)	(1.0)
Loan repayment by investees	6.9	—
Dividends – cash-in	4.6	0.9
Divestments	6.1	7.7
Free cash flow	**184.2**	**(25.0)**
Dividends – cash-out	(10.0)	—
Cash flow	**174.2**	**(25.0)**
Adjusted NFP (Debt/-Cash) INITIAL 01/01	**766.9**	**755.6**
Cash flow generation	(174.2)	25.0
IFRS 16 effect	2.8	3.6
Other changes in financial payables	47.3	(17.3)
Total change in NFP	***(124.1)***	***11.3***
Adjusted NFP (Debt/-Cash) FINAL 31/12	**642.8**	**766.9**

Investments made with own funds by the FNM Group gross of public grants accrued in 2023, totalled EUR 72.1 million compared to EUR 145.5 million in the previous year, and are itemised as follows:

- investments related to the segment **Ro.S.Co. & Services**, for EUR 18.3 million (EUR 51.9 million in 2022), mainly referring to the revamping of TAF rolling stock;
- investments classified in the **Rail Infrastructure** segment amounting to EUR 5.7 million (EUR 8.0 million in 2022), relating to the Affori car park and the expansion of the Sacconago Terminal;
- investments in the **Road passenger mobility** segment of EUR 21.6 million (EUR 26.7 million in 2022), mainly attributable to the purchase of 68 buses;

- investments referring to the **Motorway** segment for EUR 26.5 million (EUR 58.9 million in 2022), of which in revertible assets on the motorway infrastructure for EUR 23.9 million, mainly related to the upgrading of the S.P. 46 Rho-Monza, extraordinary maintenance on the Po bridge viaduct and the start of work on upgrading the safety barriers and lighting on the A51.

The **investments financed by Regione Lombardia gross of public contributions** and managed by the FNM Group in 2023, on behalf of the Lombardy Region, in accordance with the Programme Agreement and the Service Contract include:

- Investments in modernising the Railway Infrastructure of EUR 134.7 million (EUR 63.1 million in 2022);
- Investments in airport rolling stock (railway infrastructure segment) in the amount of EUR 60.6 million (not present in 2022);
- Investments for the renewal of 2017-2032 rolling stock amounting to EUR 287.3 million (EUR 425.4 million in 2022), which do not contribute to the determination of the Adjusted NFP.

Significant events after the closing of FY 2023

On 23 February 2024 FNM finalised the acquisition of 80% of the share capital of Viridis Energia S.p.A., an independent electricity producer, from Lagi Energia 2006 S.r.l. ("Lagi Energia 2006") and HNF S.p.A. ("HNF").

The FNM Group has entered the renewable energy production sector, reinforcing the environmental objectives of the 2021-2025 Strategic Plan, which envisages investments in innovative energy projects and, at the same time, further contributing to the objectives of the 2030 Agenda as well as to the country's energy transition. With a current portfolio of 47 MW of photovoltaic and biogas plants already in operation, mostly with incentives, and about 23 MW of photovoltaic plants under construction and ready to build, Viridis is an industrial asset capable of generating a positive cash flow immediately. The acquisition is not expected to materially change the total amount of capex projected in the 2021-2025 Strategic Plan (EUR 850 million). In fact, the investment for the acquisition of Viridis and for the development of new generation plants in 2024 and 2025 are expected to offset the lower capex realized by the Group in previous years and the effects of the rescheduling of investments in rolling stock and local road transport compared to the original forecasts for 2024 and 2025. In the medium-to-long term, Viridis' operational structure, with its established expertise in the development, construction and operation of renewable energy plants, will enable the development of the additional photovoltaic and wind power plants in various stages of progress already in the portfolio. In this way, it will be laid the foundation for strengthening the Group's core infrastructure business, while also ensuring stable cash flows and good margins.

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The consideration paid for the acquisition of the equity interest in Viridis was EUR 80.0 million and included the subscription of 80% of a shareholder loan and capital contribution made by Lagi Energia 2006 and HNF prior to the closing, to support the development of future investments, as well as a portion as an advance on the agreed earn-out for the development of the pipeline to be completed within six years of closing. The acquisition was financed by a short-term line of credit granted by Intesa Sanpaolo S.p.A. of EUR 85 million. The loan is unsecured, is to be repaid in one instalment by August 2025 at the latest, and will bear a variable interest rate equal to the three-month Euribor plus a spread in line with current market conditions.

As at 30 June 2023, based on the consolidated accounts referring to the scope of the transaction, Viridis had revenues of EUR 8.8 million, Adjusted EBITDA of EUR 5.0 million and Net Financial Position of EUR 16.6 million. The FNM Group, also considering the results of Viridis, presents the following pro-forma figures at 30 June 2023: revenues of EUR 364.2 million, EBITDA before non-recurring charges of EUR 105.1 million and Net Financial Position of EUR 877.9 million. Viridis will be fully consolidated in the FNM Group's consolidated financial accounts starting 23 February 2024.

Since this is a "significant" acquisition in accordance with the provisions of Annex 3B, Part I, point B, of Consob Regulation No. 11971 of 14 May 1999 (as supplemented and amended – the "Issuers' Regulation"), on 5 March 2024 the information document concerning the transaction, prepared pursuant to Article 71, paragraph 1, of the said Issuers' Regulation, was made available to the public.

Management outlook

In 2024, the results of the motorway segment are expected to be supported by the consolidation of traffic demand, which reached pre-pandemic levels in 2023, and the tariff increase effective from 1 January 2024. In line with the stabilising trend seen in 2023, LPT passenger volumes will also continue to recover in 2024, but are expected to remain lower than in 2019.

The Group's results will benefit from the effect of the acquisition of Viridis, a renewable source electricity producer, consolidated from 23 February 2024.

In light of these reflections, the forecasts for the FNM Group, including the results of Viridis, are as follows in 2024:

- revenue growth of 1-5% compared to 2023 (broadly in line on a like-for-like basis)
- adjusted EBITDA up 5-10% on 2023 (broadly in line on a like-for-like basis)

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- adjusted EBITDA/revenue up slightly on 2023.

Net financial debt is expected to be in the range of EUR 850 to 900 million at the end of the year. This takes account of the effects of the acquisition of Viridis and investments for the year, currently estimated at EUR 150-200 million, driven mainly by motorway capex and the development of renewable energy production activities. The adjusted NFP/EBITDA ratio is therefore expected to be in the range of 3.5-4.0x.

For Trenord – measured according to the equity method – transport demand is also expected to recover further compared to 2023, with volumes gradually reaching pre-pandemic levels over a period of a few years. The investee company continues to constantly monitor all the main KPIs regarding the performance of the service, passengers, receipts and the cost-revenue ratio.

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Financial statements of the parent company FNM S.p.A.

The Board of Directors also approved the 2023 Financial Statements of the Parent Company FNM S.p.A.

Revenues, deriving from the lease of rolling stock and from the provision of centralised Corporate services provided to the Group, amounted to EUR 85.8 million, EUR 1.6 million lower than the EUR 84.2 million recorded in 2022. The change is mainly attributable to higher revenues from the leasing of rolling stock on TILO and TAF trains leased to Trenord for EUR 2.2 million.

EBITDA decreased by EUR 2.0 million to EUR 45.3 million, due to the increase in personnel costs (EUR +1.9 million), mainly in connection with the increase in headcount (+11 FTEs), the different workforce composition, and the granting in 2022, but not in 2023, of the sickness allowance. External operating costs also increased by EUR 1.7 million, mainly due to higher services, including IT services.

EBIT decreased to EUR 13.2 million compared to EUR 17.3 million recorded in the previous year and takes into account higher depreciation in relation to the completion of revamping and refurbishment activities for eleven sets of TAF rolling stock.

Net financial income was EUR 2.5 million, an improvement of EUR 9.9 million compared to the net expense of EUR -7.4 million in 2022, due to the combined effect of positive cash management (higher average balance and better rates of return), the capital gain on the sale of the investments held in La Linea and NTT and the adjustment related to the sale of the majority stake in DB Cargo, for a total of EUR 2.1 million, and higher dividends received from subsidiaries and investee companies (EUR 27.0 million), partially offset by higher impairments on equity investments (EUR 22.0 million).

In view of the above, FNM S.p.A. closed 2023 with a **profit** of EUR 14.2 million, an increase of EUR 6.2 million compared to EUR 8.0 million in 2022.

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Proposed allocation of profit

The Board of Directors resolved to propose to the Shareholders' Meeting the payment of a dividend, relating to 2023, of EUR 0.0230 per share, totalling EUR 10.0 million, on FNM S.p.A.'s Net Income of the period of EUR 14.2 million, allocating EUR 0.7 million to the legal reserve and EUR 3.5 million to the extraordinary reserve. Following the shareholders' meeting resolution to approve the 2023 Financial Statements, expected in first call for 22 April 2024, the dividend, coupon no. 15, will be made available for payment on 5 June 2024, with issue date on 3 June 2024 and record date on 4 June 2024.

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Consolidated Non-Financial Statement

In accordance with the provisions of Legislative Decree 254/2016, the Board of Directors of FNM, today, examined and approved the Sustainability Report - Consolidated Non-Financial Statement (NFS) for FY 2023, prepared in accordance with Legislative Decree 254/2016 and as a separate document from the Financial Statements.

In the NFS, the FNM Group reports its sustainability performance according to the "GRI Sustainability Reporting Standards" in its latest 2021 update. Once again for 2023, the NFS has been structured taking inspiration from the principles of the Integrated Report and describes business resources as capital (Economic-Financial Capital, Production and Intellectual Capital, Human Capital, Natural Capital and Social and Relationship Capital), i.e. tangible and intangible resources that are increased, reduced or transformed by the organisation's activities and outputs, and that result in the creation of value in the long term. The capitals have contributed to the achievement of 10 Sustainable Development Goals (SDGs) under the 2030 Agenda.

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FURTHER RESOLUTIONS

During today's meeting, the FNM Board of Directors also examined and approved:

- the Annual Report on Corporate Governance and Ownership Structure pursuant to art. 123-bis of the Consolidated Law on Finance;

- "Section Two" of the report on the remuneration policy and on the compensation paid pursuant to Art. 123-ter of Legislative Decree no. 58 of 24 February 1998 and CONSOB Regulation no. 11971/1999;
- the Directors' Explanatory Report on the items on the agenda of the Shareholders' Meeting of the Company, convened in ordinary session, at first call on 22 April 2024 at 11:00 a.m. and, if necessary, at second call on 23 April 2024 at 11:00 a.m. The Shareholders' Meeting will be called to resolve on:
  - the approval of the Company's financial statements for the year ended 31 December 2023 and the allocation of period profit;
  - the approval of "Section Two" of the Report on the remuneration policy and compensation paid pursuant to Art. 123-ter of Legislative Decree no. 58/1998;
  - the appointment of the Board of Directors and the Chairman for the three-year period 2024-2026, after determining the number of members and their term of office, and the determination of their remuneration;
  - the appointment of the Board of Statutory Auditors and its Chairman for the three-year period 2024-2026 and the determination of their remuneration;
  - Authorisation for the purchase and disposal of treasury shares, subject to revocation of the authorisation granted by the Shareholders' Meeting on 21 April 2023.

In respect of this latter point, the Board of Directors will propose to the next Shareholders' Meeting the authorisation to acquire and dispose of treasury shares, in line with the resolutions taken by the Shareholders' Meeting, held on 21 April 2023, in order to take advantage of any opportunities for investment and/or transactions on treasury shares.

Below are the main elements of the authorisation to purchase and dispose of treasury shares:

- **Justification**

The acquisition and sale of treasury shares is a tool for operational and strategic flexibility which would enable the Company to (i) perform possible interventions in the market to support the liquidity of the security and the regularity of trading trends and prices, so as to favour their regular performance outside of normal changes linked to market trends in compliance with provisions in force, (ii) use the shares in the portfolio as consideration for any extraordinary or acquisition transactions or (iii) convert any debt instruments into shares. The request for authorisation also includes the right for the Board of Directors to carry out repeated and subsequent acquisition and sale transactions (or other disposal transactions) on treasury shares on a revolving basis, including for fractions of the maximum authorised quantity, so that, at any time, the quantity of shares owned by the Company will not exceed the limits established by the Shareholders' Meeting authorisation.

- **Duration**

The authorisation for the purchase of treasury shares is established for the maximum duration allowed by art. 2357, paragraph two of the Italian Civil Code and therefore for a period of 18 (eighteen) months as from the approval of the proposal by the Shareholders' Meeting. The duration of the authorisation to dispose of treasury shares is requested without time limits, given the absence of regulatory constraints in this regard pursuant to current provisions and the opportunity to allow the Board of Directors to make use of the maximum flexibility, also in terms of time, for the possible disposal of treasury shares.

- **Maximum number of shares that may be acquired**

The authorisation will allow for the acquisition of ordinary shares of FNM, possibly in multiple tranches, up to a maximum number of shares which - also taking into account the ordinary shares held over time, directly and indirectly, in the portfolio - does not exceed 5% of the overall share capital, namely 21,745,128 treasury shares.

- **Methods for performing transactions and indication of the minimum and maximum price**

The acquisitions will be carried out in compliance with the principle of equal shareholder treatment as set forth in art. 132 of the Consolidated Law on Finance, according to the methods identified by article 144-bis, paragraph 1, of the Issuer Regulation, and any other regulation in force, as well as, when applicable, permitted market practices in force over time. As regards the disposal transactions, the Board of Directors proposes that the authorisation permit the adoption of the method that it itself will deem most appropriate in light of the purpose to be pursued, including sales outside the regulated market.

The unit price for the acquisition of shares will be established from time to time for each individual transaction, without prejudice to the fact that it shall not be either 20% higher or 20% lower than the reference price recorded by the FNM security during the trading session on the day prior to that on which each individual acquisition transaction will take place. As regards the consideration for the disposal of the treasury shares acquired, the Board of Directors proposes that the Shareholders' Meeting determine only the minimum consideration, vesting the Board itself with the power to determine, from time to time, all additional conditions, methods and terms of the disposal. Such minimum price amount shall be no lower than 80% of the reference price recorded by the FNM security in the trading session prior to each individual disposal transaction. This consideration limit shall not apply to the execution of transactions in relation to which it is appropriate to proceed with the exchange or transfer of stakes to be performed through exchange or contribution. The acquisitions will be carried out - in compliance with the provisions of art. 2357, paragraphs 1 and 3, of the Italian Civil Code - within the limits of the distributable profits and the available reserves set forth in the most recent financial statements of the Company approved at the time of the performance of each transaction.

As of today's date, FNM does not hold treasury shares in the portfolio and no subsidiary of FNM holds its shares.

For all additional information concerning the proposed authorisation to purchase and dispose of treasury shares, please refer to the illustrative report of the directors, which will be published within the terms and according to the methods set forth by regulations in force.

Please note that - pursuant to Article 106 of Decree-Law No. 18 of 17 March 2020, converted with amendments into Law No. 27 of 24 April 2020 as amended and integrated, extended until 30 April 2024 by Law No. 18 of 23 February 2024 (Article 3), the meeting will be held with the participation of the persons admitted, also by means of remote telecommunication and that the share capital may in any case be exclusively taken into account through its Designated Representative, pursuant to Article 135-undecies of Legislative Decree No. 58 of 24 February 1998 ("TUF" - Consolidated Law on Financial Intermediation), with the procedures set forth below. Shareholders or proxies other than the aforesaid Designated Representative are excluded access to the meeting facility.

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Live audio webcast on results as of 31 December 2023

Live audio webcast with institutional investors and financial analysts to comment on the results at 31 December 2023, will take place on Wednesday, 13 March 2024 at 2:00 p.m. (Milan time). For further details visit the Company's website www.fnmgroup.it (Investor Relations, Presentations section). The presentation of the results and the recording of the audio webcast will be available on the Company's website www.fnmgroup.it (Investor Relations, Presentations section).

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All documents approved today will be made available to the public, in accordance with the law, at the registered office, on the EMARKET STORAGE, authorised storage mechanism, at: www.emarketstorage.com, as well as on the Company's Website at: www.fnmgroup.it, (Investor/Financial Statements and Reports section).

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The Financial Reporting Officer, Eugenio Giavatto, hereby declares, pursuant to Article 154-bis, paragraph 2 of the Consolidated Law on Finance, that the disclosures herein correspond to the data found in Company's documents, books and accounting records.

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For further information:

Investor Relations contacts

Valeria Minazzi

Tel. +39 02 8511 4302

e-mail valeria.minazzi@fnmgroup.it

Media Relations contacts

Simone Carriero

Tel. +39 02 8511 4758

e-mail simone.carriero@fnmgroup.it

Website

www.fnmgroup.it

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FNM is the leading integrated sustainable mobility Group in Lombardy. It is the first organisation in Italy to combine railway infrastructure management with road transport and motorway infrastructure management in order to offer an innovative model for managing mobility supply and demand that optimises flows and that is environmentally and economically sustainable. It is one of Italy's leading operators in the sector. FNM S.p.A. is a Joint-Stock Company that has been listed on the Italian Stock Exchange since 1926. The majority shareholder is the Lombardy Region, which holds a 57.57% stake.

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The following statements referred to the FNM Group are attached herein, pointing out that, with regard to the reported data, the independent audit has not yet been completed:

1. Consolidated Income Statement at 31 December 2023
2. Consolidated Statement of Financial Position at 31 December 2023
3. Composition of the Group Net Financial Position at 31 December 2023
4. Result of investee companies (valued with the equity method)
5. FNM S.p.A. Income Statement at 31 December 2023
6. Balance Sheet of FNM S.p.A. at 31 December 2023
7. Glossary of terms and alternative performance indicators used

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Attachment 1: Consolidated Income Statement at 31 December 2023

Amounts in EUR millions	**2023**	**2022**	**Change**	***Change %***
Revenues from sales and services	579.6	567.2	12.4	*2.2 %*
Other revenues and income	38.5	38.2	0.3	*0.8 %*
TOTAL REVENUES AND OTHER INCOME	***618.1***	***605.4***	***12.7***	***2.1 %***
Operating costs	(242.7)	(250.2)	7.5	*-3.0 %*
Personnel costs	(164.0)	(162.1)	(1.9)	*1.2 %*
ADJUSTED EBITDA	***211.4***	***193.1***	***18.3***	***9.5 %***
Non-ordinary Income and Expenses	(0.8)	—	(0.8)	*— %*
EBITDA	***210.6***	***193.1***	***17.5***	***9.1 %***
Depreciation, amortisation and write-downs	(105.9)	(92.0)	(13.9)	*15.1 %*
EBIT	***104.7***	***101.1***	***3.6***	***3.6 %***
Financial income	14.3	8.7	5.6	*64.4 %*
Financial expenses	(19.9)	(12.8)	(7.1)	*55.5 %*
NET FINANCIAL INCOME (LOSS)	***(5.6)***	***(4.1)***	***(1.5)***	***36.6 %***
EARNINGS BEFORE TAX	***99.1***	***97.0***	***2.1***	***2.2 %***
Income taxes	(23.5)	(28.2)	4.7	*-16.7 %*
ADJUSTED COMPREHENSIVE INCOME	**75.6**	**68.8**	**6.8**	*9.9 %*
Profit/Loss of companies measured with the Equity method	6.4	0.8	5.6	*n.m.*
COMPREHENSIVE INCOME	**82.0**	**69.6**	**12.4**	***17.8 %***
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTEREST	**1.1**	**1.1**	**—**	***— %***
COMPREHENSIVE GROUP INCOME	**80.9**	**68.5**	**12.4**	***18.1 %***

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Attachment 2: Consolidated Statement of Financial Position at 31 December 2023

Amounts in EUR millions	**2023**	**2022**	**Change**
Inventories	13.4	12.1	1.3
Trade receivables	171.0	153.0	18.0
Other current receivables	95.9	85.8	10.1
Current financial assets	3.3	8.9	(5.6)
Receivables for funded investments	49.2	47.6	1.6
Current contractual assets	10.2	-	10.2
Trade payables	(220.2)	(166.6)	(53.6)
Other current payables and current provisions	(152.1)	(147.4)	(4.7)
Operating Net Working Capital	***(29.3)***	***(6.6)***	***(22.7)***
Other receivables – Rolling Stock 2017-2032	41.2	64.0	(22.8)
Receivables for funded investments – Rolling Stock 2017-2032	161.6	201.7	(40.1)
Trade payables – Rolling Stock 2017-2032	(293.5)	(304.1)	10.6
Net Working Capital – Funded Investments	***(90.7)***	***(38.4)***	***(52.3)***
Net Working Capital – Total	***(120.0)***	***(45.0)***	***(75.0)***
Fixed assets	808.5	840.8	(32.3)
Equity investments	173.7	171.8	1.9
Non-current receivables and Contractual assets	189.3	175.1	14.2
Non-current payables	(36.7)	(31.1)	(5.6)
Provisions	(88.8)	(95.0)	6.2
Assets and liabilities held for sale	—	14.9	(14.9)
NET INVESTED CAPITAL	***926.0***	***1,031.5***	***(105.5)***
Equity	*376.2*	*306.9*	*69.3*
Adjusted Net Financial Position	**642.8**	**766.9**	**(124.1)**
Net Financial Position for funded investments (cash)	(93.0)	(42.3)	(50.7)
Total Net Financial Position	*549.8*	*724.6*	*(174.8)*
TOTAL SOURCES	***926.0***	***1,031.5***	***(105.5)***

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Attachment 3: Composition of the Group Net Financial Position at 31 December 2023

Amounts in EUR millions	31/12/2023	31/12/2022	Change
Liquidity	(302.3)	(194.6)	(107.7)
Current financial debt	178.0	140.6	37.4
Current Net Financial Position (Debt / -Cash)	***(124.3)***	***(54.0)***	***(70.3)***
Non-current financial debt	767.1	820.9	(53.8)
Adjusted Net Financial Position	***642.8***	***766.9***	***(124.1)***
Net Financial Position for funded investments (Cash)	(93.0)	(42.3)	(50.7)
Net Financial Position	***549.8***	***724.6***	***(174.8)***

Attachment 4: Result of investee companies (valued with the equity method)

Amounts in EUR thousands	2023	2022	*Change*
Trenord S.r.l. *	8,335	(3,553)	*11,888*
Autostrada Pedemontana Lombarda	(2,895)	(402)	*(2,493)*
Tangenziali Esterne di Milano S.p.A.	(2,127)	(1,383)	*(744)*
NORD ENERGIA S.p.A. in liquidation	563	1,705	*(1,142)*
DB Cargo Italia S.r.l.	1,360	2,774	*(1,414)*
Omnibus Partecipazioni S.r.l. **	1,332	1,711	*(379)*
NordCom S.p.A.	580	231	*349*
Busforfun.Com S.r.l.	(447)	(4)	*(443)*
SportIT	(343)	(262)	*(81)*
Profit/Loss of companies measured with the Equity method	**6,358**	**817**	***5,541***

* includes the result of TILO SA

** includes the result of ASF Autolinee S.r.l.

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Attachment 5: FNM S.p.A. Income Statement at 31 December 2023

Amounts in EUR millions	**2023**	**2022**	***Change***	***Change %***
Revenues from sales and services	81.5	79.3	*2.2*	*2.8 %*
Other revenues and income	4.3	4.9	*(0.6)*	*-12.2 %*
TOTAL REVENUES	*85.8*	*84.2*	*1.6*	*1.9 %*
External operating costs	(21.9)	(20.2)	*(1.7)*	*8.4 %*
Personnel costs	(18.6)	(16.7)	*(1.9)*	*11.4 %*
EBITDA	*45.3*	*47.3*	*(2.0)*	*-4.2 %*
Depreciation, amortisation and provisions	(32.1)	(30.0)	*(2.1)*	*7.0 %*
EBIT	*13.2*	*17.3*	*(4.1)*	*-23.7 %*
Net financial income (loss)	2.5	(7.4)	*9.9*	*n.m.*
EARNINGS BEFORE TAX	*15.7*	*9.9*	*5.8*	*58.6 %*
Income taxes	(1.5)	(1.9)	*0.4*	*-21.1 %*
PROFIT FROM CONTINUING OPERATIONS	**14.2**	**8.0**	***6.2***	***77.5 %***

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Attachment 6: Balance Sheet of FNM S.p.A. at 31 December 2023

Amounts in EUR millions	**31/12/2023**	**31/12/2022**	***Change***
Current receivables	68.0	54.6	*13.4*
Current payables	(45.5)	(54.0)	*8.5*
Net Working Capital	*22.5*	*0.6*	*21.9*
Fixed assets	398.8	411.5	*(12.7)*
Equity investments	693.2	710.0	*(16.8)*
Non-current receivables	16.3	20.3	*(4.0)*
Non-current provisions and payables	(7.3)	(7.5)	*0.2*
NET INVESTED CAPITAL	***1,123.5***	***1,134.9***	***(11.4)***

Own funds	417.3	413.1	*4.2*
Net financial position (Debt/-Cash)	706.2	721.8	*(15.6)*
TOTAL SOURCES	***1,123.5***	***1,134.9***	***(11.4)***

Attachment 7: Glossary of terms and alternative performance indicators used

This document, in addition to the conventional financial statements and indicators prescribed by IFRS, presents some reclassified statements and some alternative performance indicators in order to allow a better assessment of the economic-financial performance of the Group. These statements and indicators should not be deemed to be replacements for the conventional ones prescribed by IFRS. For these quantities, the descriptions of the criteria adopted in their preparation and the appropriate notes referring to the items contained in the mandatory statements are provided in accordance with the indications of Consob Communication no. 6064293 of 28 July 2006, in Consob Communication no. 0092543 of 3 December 2015 and of the ESMA 2015/1415 guidelines for alternative performance indicators ("Non GAAP Measures").

In particular, among the alternative indicators used, the following are pointed out:

EBITDA: it represents the earnings for the year before income taxes, of the other financial income and expenses, of depreciation, amortisation and impairments of fixed assets. The Group also provides an indication of the incidence of EBITDA on net sales. The calculation of EBITDA carried out by the Group makes it possible to compare the operating results with those of other companies, excluding any effects deriving from financial and tax components and from depreciation and amortisation, which may vary from company to company for reasons not correlated with the general operational performance.

EBITDA %: it represents the percentage of EBITDA over total revenues.

Adjusted EBITDA: it is represented by EBITDA as identified above, excluding non-ordinary expenses and income, such as:

(i) income and expenses deriving from restructuring, reorganisation and business combinations;

(ii) income and expenses not directly referred to the ordinary performance of the business, clearly identified;

(iii) any income and expenses deriving from significant extraordinary events and transactions as defined by Consob Communication DEM6064293 of 28/07/2006.

Extraordinary expenses from development projects amounting to EUR 0.8 million were excluded from 2023 adjusted EBITDA.

Adjusted EBITDA %: it represents the percentage of Adjusted EBITDA over total revenues.

EBIT: represents the earnings for the year before the income deriving from sold/disposed assets, income taxes, financial income and expenses and the result of the companies measured at equity.

Net Working Capital: it includes current assets (excluding cash and cash equivalents and the current financial assets included in the net financial position), and current liabilities (excluding the current financial liabilities included in the net financial position).

Net Invested Capital: it is equal to the algebraic sum of fixed capital, which includes non-current assets and non-current liabilities (excluding the non-current financial liabilities included in the net financial position) and of net working capital.

NFP (Net Financial Position): it includes cash and cash equivalents and current financial liabilities.

Adjusted NFP: it is represented by the net financial position as identified above, excluding the impacts of the timeline of the collections of the contributions on financial investments for the renewal of the railway rolling stock and of the related payments made to suppliers, recognised in accordance with IFRIC 12.

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