



INVESTOR PRESENTATION

Jun 20, 2024

PEOPLE SPEAKING TODAY



LORENZO DI PALMA
CEO & FOUNDER

+20 years of experience at
Edil San Felice

3rd generation - Funding Family



VINCENZO DI PIETRO
CFO

+25 years of experience in accounting
finance and control for companies in the
construction and infrastructure
maintenance business



MARIKA SGRITTO
IR

Graduate in Business economics
Master's degree in Finance

AGENDA



- 1. ESF Overview**
- 2. ESF Business Model**
- 3. ESF After IPO**
- 4. ESF Sector and Market highlights**
- 5. ESF Strategy**
- 6. ESF Sustainability**



1.

ESF
OVERVIEW

ACTIVE IN THE MAINTENANCE SECTOR FOR MORE THAN 40

1979

The San Felice cooperative is born
Lorenzo Francesco Di Palma founded the San Felice cooperative in Cimitile, in the province of Naples. At the beginning the company worked under subcontracting
With fifteen workers.

1982

The company becomes a contractor for Autostrade
Thanks to the specializations achieved, the company began to operate directly as a contractor for Autostrade.

1997

The cooperative becomes a joint company Carlo Di Palma, Lorenzo's son, transformed the cooperative into a joint-stock company: Edil San Felice S.r.l. From this moment the company becomes a contractor and continues to grow and acquire new skills.

2002

"Zero Outsourcing" is introduced
Lorenzo Di Palma, the founder's grandson of the same name, joins the company as sole director. From now on the company works in full autonomy, without handing over its works, men and means to third parties. "Zero outsourcing" is the innovation that gives an important boost to the progress of the company.

2011

ESF wins the first order in Friuli-Venezia Giulia
After working exclusively in the Puglia-Campania-Lazio area, the company won the first order in Friuli with an airport company.

2022

A new headquarters Edil San Felice has a new administrative, structural and working organization which coincides with the transfer to the new headquarters, studied, designed and built in turn entirely by the company itself.

2023

New production unit the construction of a new production unit in Emilia Romagna begins.

ESF lands on Euronext Growth Milan on 27 September 2023, first day of trading on the Euronext Growth Milan market.

EDIL SAN FELICE IN A SNAPSHOT

ITALIAN PRIMARY INTEGRATED
OPERATOR IN THE MAINTENANCE
OF CRITICAL INFRASTRUCTURES

STRONG PERFORMANCE AND HEALTHY FINANCIAL HIGHLIGHTS

19
CERTIFICATIONS

2
OPERATING

12
COMPANIES
REGIONS

239
EMPLOYEES

	FY21	FY22		FY23
REVENUES	€29.1 MLN	€34.2 MLN	+33,6% YoY	€ 45.8 MLN
EBITDA	€4.5 MLN	€6.8 MLN	+20,1% YoY	€ 11.6 MLN
EBITDA margin	15,42%	20,1 %	+26,4% YoY	25,4%
NFP	-€ 2.2 MLN	-€ 2.1 MLN	+145% YoY	-€ 5.1 MLN
BACKLOG	€40.2 MLN	€ 64.5 MLN	+26,4% YoY	€ 80.5 MLN

Unique Business Model

Edil San Felice has adopted a zero-outsourcing policy since 2002, which allows rigorous control over the production chain, guaranteeing safety and quality.

Reliable and qualified supply chain

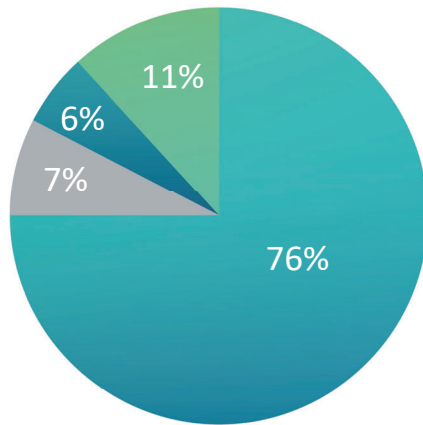
Edil San Felice is committed to managing a reliable supply chain, with the obligation that suppliers are registered on the WhiteList. Furthermore, the company requires pre qualification of materials for each purchase.

Financial flexibility

to implement organic CAPEX Plan and catch external growth opportunities.

GOVERNANCE AND SHAREHOLDINGS STRUCTURE

POST-IPO SHAREHOLDING



- The Sight S.r.l.
The Sight S.r.l.
100% Lorenzo Di Palma
(60% direct ownership;
40% via Calù S.r.l. -
100% owned by Lorenzo Di
Palma)
- Market
- Indépendance AM
- Invitalia S.p.A.

POST-IPO PERIMETER

BENEFIT CORPORATION



100%

Wesigns S.r.l. (Italy)
Company active in road
signals manufacturing

100%

Aurest S.r.l. (Italy)
Company active in
architectural restoration

BOD

- LORENZO DI PALMA
CEO
- CARMELO INTRISANO
CHAIRMAN
- NICOLA ROSSI
INDEPENDENT DIRECTOR
- CARLO DI PALMA
DIRECTOR
- FABIOLA DE SARNO
DIRECTOR
- ANDREA GRANELLI
INDIPENDENT DIRECTOR

STATUTORY BOARD

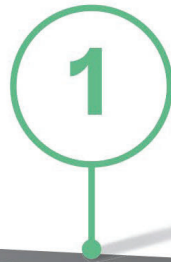
- MONICA SCIPIONE
PRESIDENT
- LUIGI MIGLIORE
- GIOVANNI CANZANO

2.

ESF BUSINESS MODEL

FULL CONTROL OVER THE AWARDING AND EXECUTION PROCESS

1. PARTECIPATION



3. EXECUTION

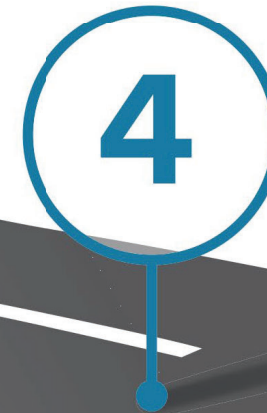
- Signing of CONTRACTS (the value enters into the backlog;
- Work start;
- Periodic WIP notice to the client (bimonthly typically)
- WIP approval from the client following validation from clients engineers/woek director
- Invoicing of the WIP in ca. 30 days from WIP approval

With the new Codice degli Appalti released in April 2023 the timing between participation and awarding will be further speed-up as assignments for certain tenders will be made by using an internal commette.



2. AWARDING

Average of 2 months between tender awarding and project start



4. CASH IN

60gg from invoicing

RESILIENT GROWTH PLAY TO BET ON INFRASTRUCTURE MAINTENANCE

MAIN CLIENTS



48%

ORDINARY MAINTENANCE

Activities made to preserve and keep the serviceable condition of highways as normal as possible

RECURRENT BUSINESS
LOWER RISK OF BACKLOG DELAYS
PROXIMITY BUSINESS



GARGASSA VIADUCT

(LIGURIA)

Replacement and upgrading of security barriers



MADONNELLA VIADUCT

(CAMPANIA)

Road safety emergency intervention

52%

EXTRAORDINARY MAINTENANCE

Intervention of repairing, replacing or rehabilitating an item in a way that is beyond work ordinarily performed

HIGH DEGREE OF SPECIALIZATION
ALLOW TO EXPAND GEOGRAPHICALLY
SPEED-UP GROWTH



ALENTO VIADUCT

(ABRUZZO)

Viaduct damage repair



PONTE NELLE ALPI VIADUCT

(FRIULI)

Replacement and upgrading of security barriers

FULL CONTROL OVER THE EXECUTION PROCESS

«ZERO-OUTSOURCING»

The production will continue to build on the policy that has rewarded ESF so far: zero subcontracting, which has allowed ESF to protect the safety of workers, reducing risks and maximising operational efficiency.

«RELIABILITY, VERSATILITY, EXCELLENCE»

Expand skills and to operate successfully in other high value-added sectors as well. To achieve this, we will continue to invest in technology, innovation and sustainability, always keeping at the center of our efforts the protection of workers and the environment and the creation of value for all our stakeholders.



2.ESF BUSINESS MODEL

3.

ESF
AFTER IPO

KEY FACTS AND OPERATIONS



1. ACQUISITION OF SOGEM S.R.L. (RENAMED AUREST S.R.L.)

OCT – 23 : ESF has completed the acquisition of the entire (100%) shareholding of Sogem S.r.l. a Campania-based company active in the restoration and maintenance



2. ACHIEVING OF MORE SOA CERTIFICATIONS

NOV – 23: ESF has obtained the SOA certification - categories OG2 and OG12 - as proof of the company's commitment to ensuring the highest quality and professionalism in its services.



3. ACQUISITION OF A NEW INDUSTRIAL SITE TO BOOST PRODUCTION CAPACITY

NOV – 23: ESF has finalised the agreement for the acquisition of a new industrial site in Nola, adjacent to the current headquarters, to increase its production capacity in particular aimed at (i) expanding its road and airport signaling business, where it is witnessing a significant increase in demand, and (ii) having new space available for its carpentry business, which is currently outsourced.



4. NEW ORDER FROM

NOV – 23: ESF is awarded two major lots related to the installation of signage of construction site and guard service in the Trunk direction of Bologna and Cassino (DT3 and DT6). The first lot has an amount of EUR 2, 133,229.48. The second lot instead has an amount equal to 1,092,033.45 euros.



DEC – 23: ESF signed the first two implementation contracts of the framework agreement with "Anas Sardegna" for the installation of new metal road barriers in the region. The first implementation contract in Palau has a total value of EUR 944,237.39. The second, in Sassari, has a total value of EUR 1,219,970.16.



GEN – 24: ESF signed new two year framework agreement with renewal option of max 24 months for the assignment of ordinary and recurring maintenance services on the motorway section of the DT3 - Bologna direction section, for a total value of EUR 4,083,408.45.

GIU – 24: ESF signed two new contracts in extraordinary maintenance business with Amplia and RFI. The first lot has an amount of EUR 8,224,477.71. The second lot instead has an amount equal to 12,194,941.37 euros.



AFTER IPO OVERVIEW

5. EDIL SAN FELICE OBTAINS A CONTRIBUTION OF OVER €5 MILLION FROM THE REGION

Edil San Felice obtains a contribution of over €5 million from the region to finance the acquisition of the new industrial site in Nola and develop new growth projects. On 1 December 2023, Edil San Felice finalised the acquisition of a new industrial site in Nola, adjacent to the company's headquarters, with the aim of increasing its production capacity. Expanding the activity of carpentry and road and airport signaling, where there is a progressive increase in demand. This investment and the operational activities that will be developed in the new production unit will be 50% financed through a non-repayable regional contribution of over Eu5mn.

6. EDIL SAN FELICE ESTABLISHES TWO NEW BUSINESS UNITS

The corporate reorganization of Edil San Felice involves the establishment of two Business Units:

- i) Business Unit Operations ("BUOP") for the management and implementation of orders relating to the ordinary and extraordinary maintenance of road, airport, civil and industrial infrastructures
- ii) Engineering and Construction Business Unit ("BUR") for the management and implementation of projects relating to the implementation of new infrastructures and the modernization of existing ones.



FRANCESCO ARCIONE
BUOP DIRECTOR



CARMINE ORSINI
BUR DIRECTOR

FULL-YEAR OVERVIEW

- BACKLOG AT Eu80.5mn FURTHER GROWING THANKS TO NEW AWARDINGS
- FY23 HIGHLIGHTED STRONG VoP THANKS TO AN ACCELERATION IN EXTRAORDINARY BUSINESS OUTSIDE CAMPANIA (52% on net revenues)
- HEALTHY EBITDA AT Eu11.6mn CONFIRMING PROFITABILITY AT ABOVE 25%
- SOLID CASH POSITION (Eu5.1mn) DESPITE INVESTMENTS AND GROWTH
- START OF RESTRUCTURING ACTIVITIES OF THE NEW PRODUCTION UNIT IN EMILIA ROMAGNA, BASED IN BOLOGNA.
- EDIL SAN FELICE FINALISES THE ACQUISITION OF A NEW INDUSTRIAL SITE TO BOOST PRODUCTION CAPACITY.



FULL-YEAR OVERVIEW

AS ESF MAINTENANCE SERVICES ARE DELIVERED IN A SHORT PERIOD (SERVICE-LIKE), MOST OF THE BACKLOG TURNS INTO REVENUES IN THE FOLLOWING 12 MONTHS, GIVING STRONG TOP LINE VISIBILITY ON CURRENT ACCOUNTING PERIOD.

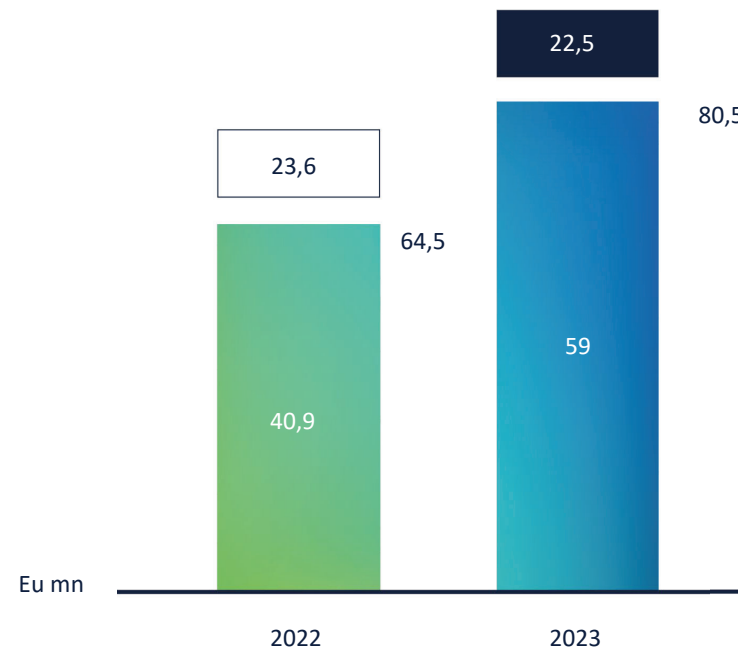
Backlog

ORDINARY MAINTENANCE:
All awarded tenders are included in the backlog as they will turn into revenues in the agreed timing

EXTRAORDINARY MAINTENANCE:
Only the share of tenders with already signed actuation contracts are included in the backlog

Soft Backlog

Includes the residual share of extraordinary tenders still not in execution



Notes: (1) management estimates on the back of closed contracts; (2) includes Eu26.2mn of contracts already signed and Eu8.5mn of contracts to be signed;

4.

ESF SECTOR AND MARKET HIGHLIGHTS

FULL-YEAR OVERVIEW

autostrade // per l'italia

Average yearly investments in ordinary maintenance 2015-2018 (Eu mn)¹



Average yearly investments in ordinary maintenance 2019-2022 (Eu mn)¹



Ongoing Maintenance Plan 2020-2038



KEY ACTIONS FROM POLICYMAKERS

ITALY - NATIONAL PLAN FOR ROAD SAFETY 2030
BENEFITTING ALSO FROM RESOURCES FROM PNRR



EUROPEAN UNION - ROAD SAFETY POLICY FRAMEWORK 2021 - 2023



ONU - IMPROVING GLOBAL ROAD SAFETY

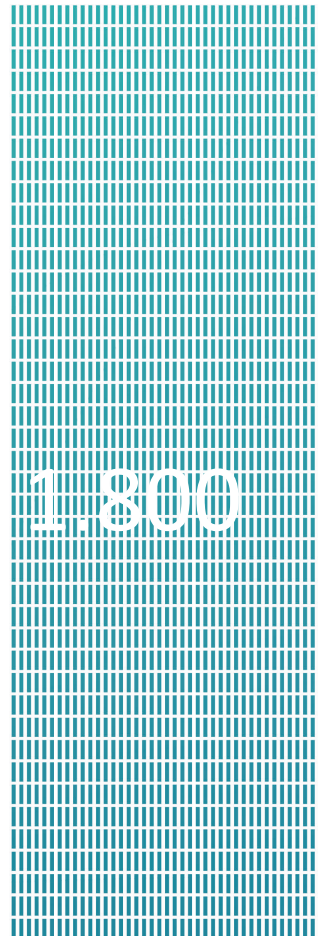


Source: ASPI financial statements; ASPI industrial plan; ANAS update to “2016-2020 Contratto di Programma” approved with decree n.47 dated 27 July 2021; Additional act for 2022 approved with decree n.43 dated 11 February 2023; 2022-2031 Ferrovie dello Stato industrial plan; Notes: (1) ordinary maintenance express are net of extra-costs related to specific maintenance intervention; (2) Eu98k/km yearly average expenses on highways maintenance x 1,89km of highways managed by ANAS (<https://www.stradeanas.it/it/focus-manutenzione>)

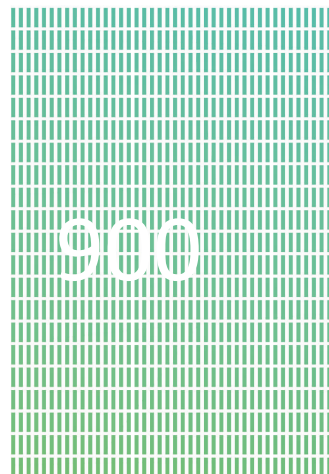
FULL-YEAR OVERVIEW



2022 Budget
Law addendum



2021 Budget
Law addendum



2020 Budget
Law addendum



Ongoing investment
plan 2022-2031



Source: ASPI financial statements; ASPI industrial plan; ANAS update to “2016-2020 Contratto di Programma” approved with decree n.47 dated 27 July 2021; Additional act for 2022 approved with decree n.43 dated 11 February 2023; 2022-2031 Ferrovie dello Stato industrial plan; Notes: (1) ordinary maintenance express are net of extra-costs related to specific maintenance intervention; (2) Eu98k/km yearly average expenses on highways maintenance x 1,89km of highways managed by ANAS (<https://www.stradeanas.it/it/focus-manutenzione>)

ESF COULD CONSOLIDATE ITS LEADING POSITIONING IN A FRAGMENTED MARKET

GEOGRAPHICAL DIVERIFICATION, PRESENCE ON BOTH ORDINARY AND EXTRAORDINARY MAINTENANCE
A number of certification allow ESF to stand out from smaller competitor active on ordinary maintenance

LARGER PLAYERS FOCUSED ON EXTRAORDINARY MAINTENANCE

SMALLER LOCAL PLAYERS MAINLY FOCUSED ON ORDINARY MAINTENANCE IN CERTAIN AREAS WITH A LIMITED NUMBER OF CERTIFICATIONS

MAIN CERTIFICATIONS



EDUCATION

+40 hours of training
Each employee

TECHNOLOGY

Cone-layer machine development in JV with



Deployment of CRM At corporate level



5.

ESF
STRATEGY

M&A TO SPEED-UP GROWTH IN ADJACENT ATTRACTIVE MARKETS



RAILWAYS

Looking for a company active in railways maintenance services to growth in an adjacent sector. A potential one, has a turnover of Eu 10-15mn, with a margin of 30%



Eu110bn investments planned for 2022-2031



RESTORATION OF CULTURAL HERITAGE SITES

In October 2023, ESF has completed the acquisition of the entire (100%) shareholding of Sogem S.r.l., a Campania-based company active in the restoration and maintenance of protected assets



PNRR

Eu2.7bn investments expected for cultural sites maintenance in Italy

VERTICAL INTEGRATION



METAL CARPENTRY & SIGNALLIGN

Edil San Felice has finalised the agreement for the acquisition of a new industrial site in Nola, adjacent to the current headquarters, to increase its production capacity in particular aimed at (i) expanding its road and airport signaling business, where it is witnessing a significant increase in demand, and (ii) having new space available for its carpentry business, which is currently outsourced.



PNRR

Eu23,74bn investments planned the infrastructure sector resulting in an increase in demand for metal constructions

6.

ESF
SUSTAINABILITY

SDG MAPPING

ESF IS COMMITTED TO OPERATING RESPONSIBLY, INTEGRATING SUSTAINABILITY INTO ITS BUSINESS MODEL

Integration of the SDGs in the business model

12 of the 15 SDGs were considered key, based on their coherence with the company's business model and sector as well as its ability to contribute to their achievement



SDG 8 and SDG 11 are the most impacted being more linked with ESF's core business and strategic goals

	ESG COMPANY GOALS	COVERED SDGS
SOCIAL	Health and safety in the workplace	
	Welfare and well-being of employees	
	Workforce and organisational change management	
	Fair and inclusive working environment	
	Support and Development of the community	
ENVIRONMENTAL	Efficiency and transition to renewable energies	
	Adjustment and mitigation to climate change	
	Management of water resources	
	Transition to circular economy	
GOVERNANCE	Customer satisfaction	
	Safety and quality of products and services	
	Business Ethics	
	Criminal liability of the enterprise	

HUMAN CAPITAL

GOVERNANCE

50% of the BoD are in the 35-50 age group, while the remaining half are in the >50 age group while the remaining half is in the >50 age group. The management team includes a significant proportion of women, with 5 out of 13 members, almost all of whom under 40.

COMPOSITION OF WORKFORCE

The total workforce is equal to 239 people (2023), of whom 18 are women (7%) and 221 are men (93%). 55% of employees are in the 30-50 age group, followed by the over-50 age group with 37%. In particular, the majority of blue-collar workers (53%) are in the 30-50 age group. All staff are covered by collective bargaining agreements and 99% are employed on a full-time basis.

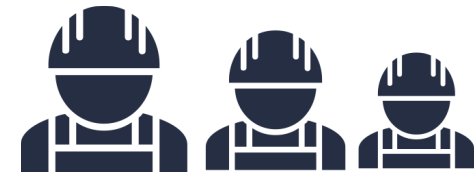
TRAINING

In the year 2023, 6.486 hours of training were provided to 585 employees, including employees who carried out and completed activities for ESF during the year.

The company is provided with a Health and Safety Management System certified according to ISO 45001

CERTIFICATIONS

The company has established partnerships with international research institutions and obtained important industry certifications



SUSTAINABLE SUPPLY CHAIN MANAGEMENT

ESF IS INVOLVED IN SOME PROJECTS TO ENSURE CIRCULAR MANAGEMENT OF MATERIALS AND SUSTAINABLE PROCUREMENT



Return of used batteries with the aim of regenerating them

RESULTS

8 reconditioned batteries used from February 2023



Using Mapei's sustainable mortars In building work

RESULTS

1ton of CO2 fully-offset mortars from May 2023 to December 2023

KEY TAKEAWAYS



Years of experience and a balanced revenues mix make ESF a resilient growth play to bet on infrastructure safety services



Growing and profitable business coupled with a strong cash generation to finance organic growth projects



Highways maintenance is top priority and ESF is perfectly placed to act as market shares consolidator



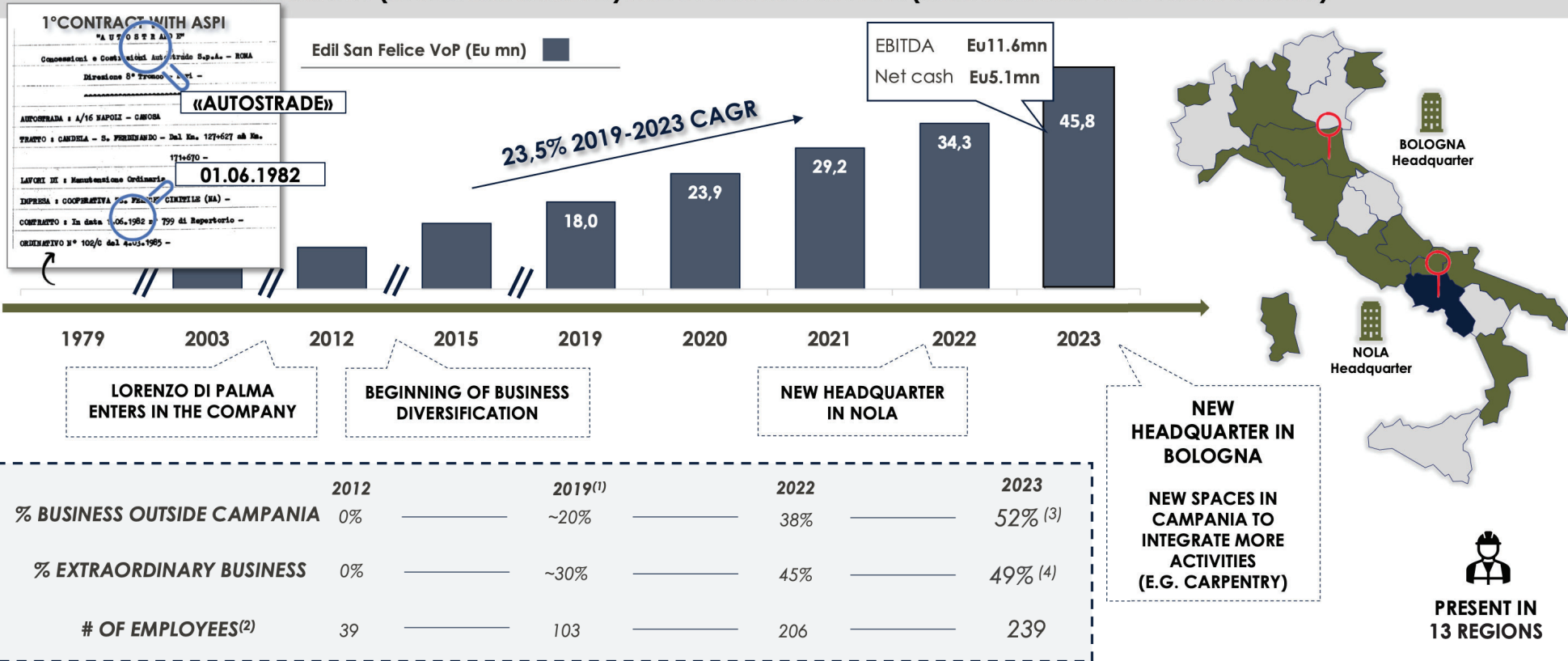
M&A - In sight - will speed up growth process and allow for diversification in adjacent fields

APPENDIX



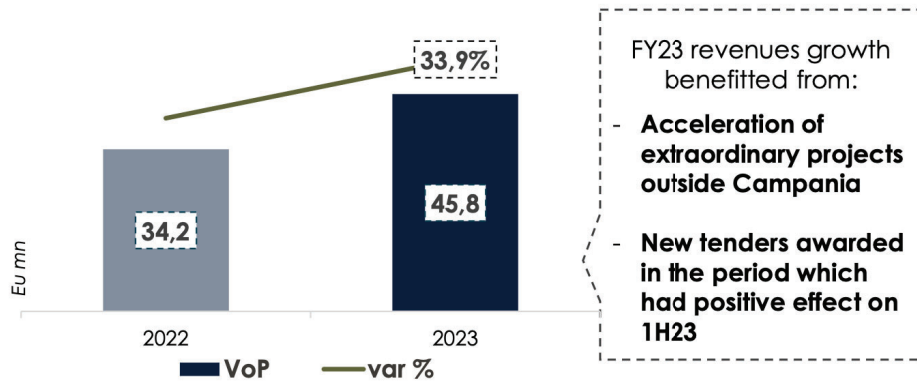
40+ HISTORY OF GROWTH AND DIVERSIFICATION

ESF HAS GAINED A UNIQUE POSITIONING IN THE HIGHWAYS MAINTENANCE FIELD THANKS TO A STRONG LEVEL OF DIVERSIFICATION, BOTH BY GEOGRAPHY (12 REGIONS REACHED) AND BY SERVICE PROVIDED (BOTH ORDINARY AND EXTRAORDINARY)

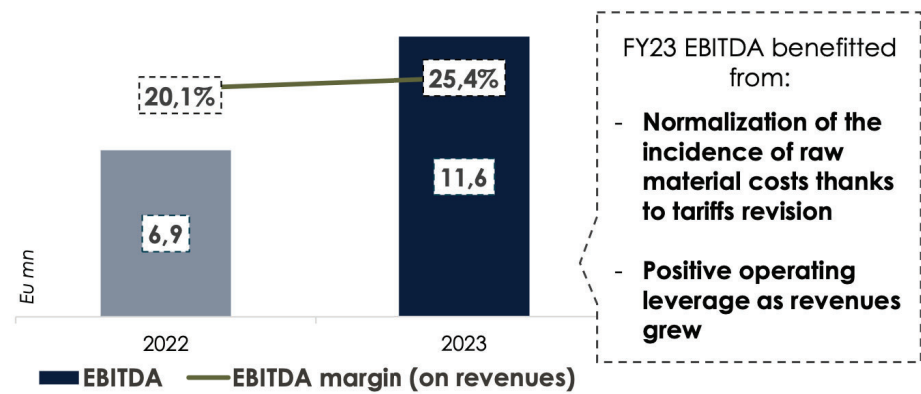


KEY FINANCIALS - RESILIENT GROWTH

Value of Production evolution (Eu mn)



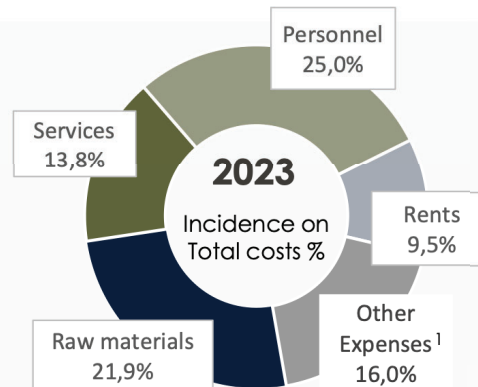
EBITDA and EBITDA margin (Eu mn)



Cost (% on total costs)

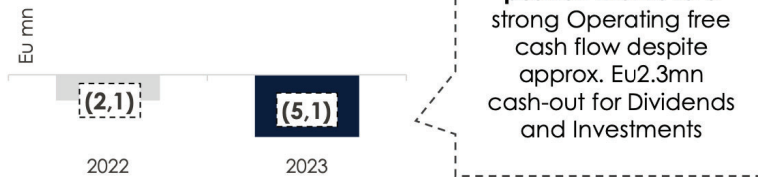
ESF costs base has a high incidence of personnel cost vs other sector players due to:

- One-stop-shop business model with almost no outsourcing;
- Ordinary maintenance which has significant personnel requirements

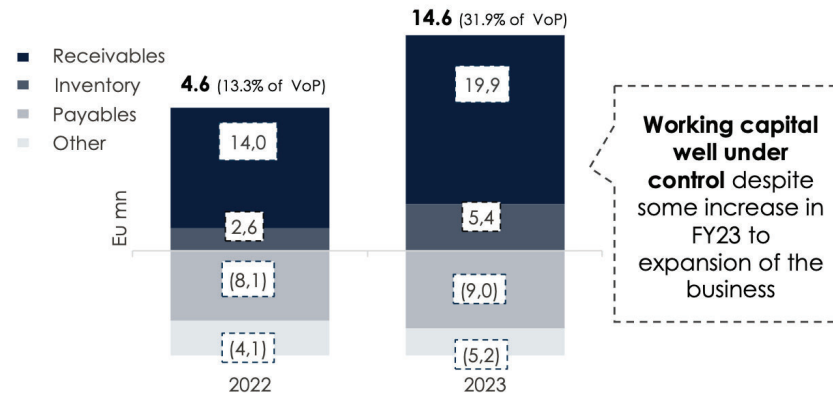


KEY FINANCIALS - HEALTHY BALANCE SHEET

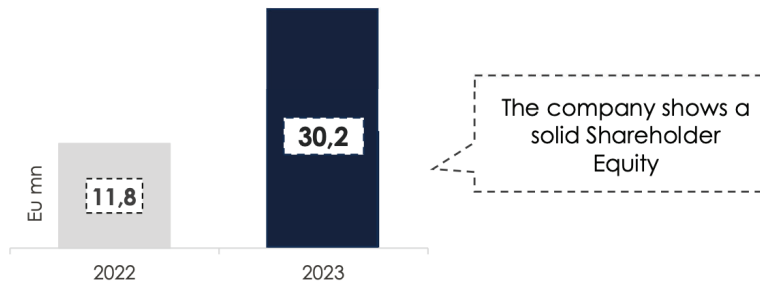
Net debt / (net cash) (Eu mn)



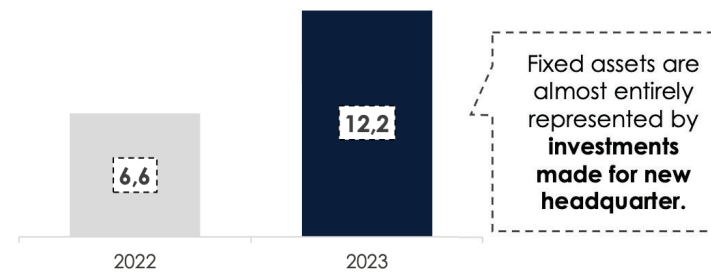
Net working capital (Eu mn)



Shareholders' equity (Eu mn)



Fixed asset (Eu mn)



FINANCIALS - IS, BS, CASH FLOW

Income Statement	2023	% ¹	2022	% ¹	Var %
Sales	41.644	90,9%	30.735	89,6%	35,5%
WIP	2.364	5,2%	1.757	5,1%	34,6%
Increases in fixed assets for internal works	16	0,0%	790	2,3%	-98,0%
Others revenues	1.779	3,9%	1.003	2,9%	77,3%
Value of Production	45.802	100%	34.285	100%	33,6%
Raw materials	(9.886)	21,6%	(8.138)	23,7%	21,5%
Services	(10.054)	22,0%	(8.496)	24,8%	18,3%
Rent costs	(3.707)	8,1%	(2.205)	6,4%	68,1%
Personnel	(10.037)	21,9%	(8.165)	23,8%	22,9%
Miscellaneous management costs	(486)	1,1%	(391)	1,1%	24,3%
EBITDA (ii)	11.632	25,4%	6.889	20,1%	68,8%
Depreciation and amortizations	(1.040)	2,3%	(469)	1,4%	121,7%
Provisions	-	0,0%	(40)	0,1%	-100,0%
EBIT (iii)	10.592	23,1%	6.380	18,6%	66,0%
Financial income and (charges)	(266)	0,6%	(167)	0,5%	59,6%
EBT	10.326	22,5%	6.213	18,1%	66,2%
Taxes	(1.815)	4,0%	(1.458)	4,3%	24,5%
Net Income	8.511	18,6%	4.756	13,9%	79,0%

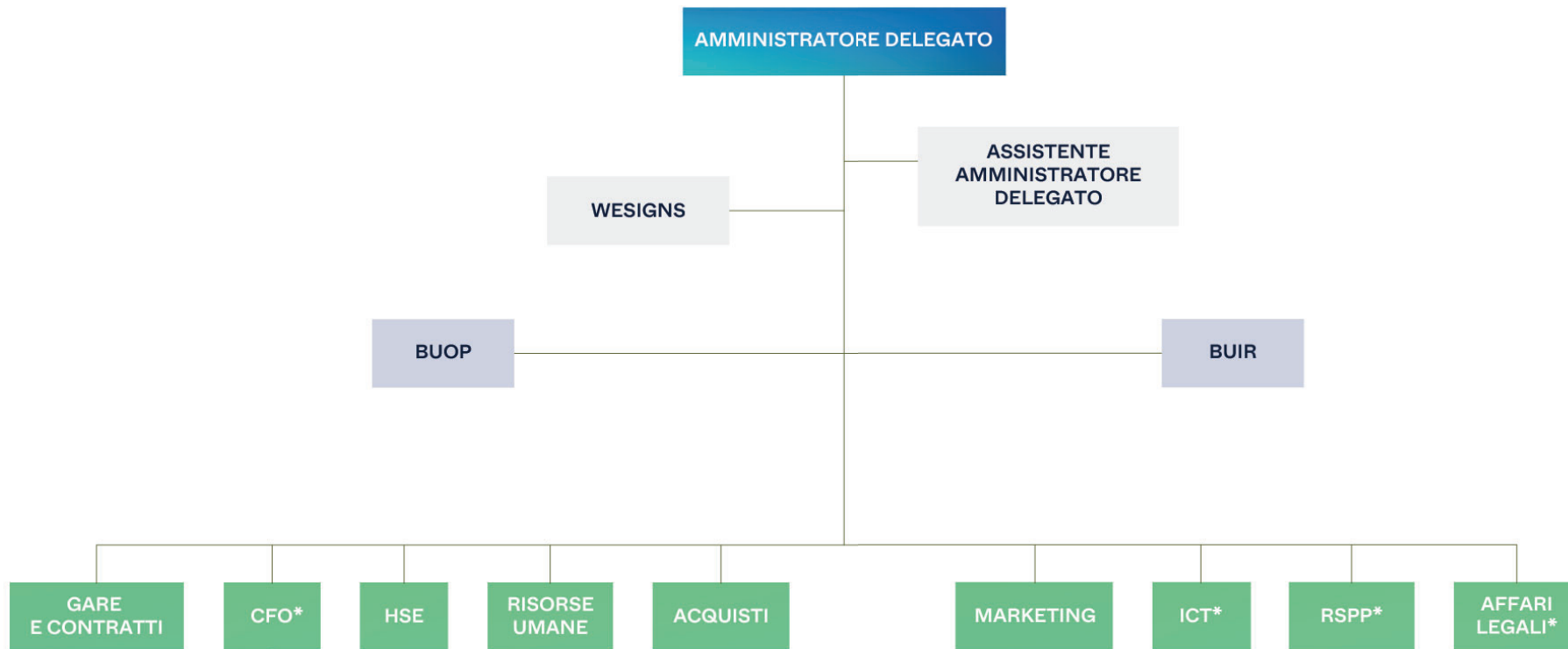
Balance Sheet	2023	2022	Var %
Intangible fixed assets	1.095	7	>1000%
Tangible fixed assets	10.658	6.438	65,5%
Financial fixed assets	445	178	149,5%
Net fixed assets	12.198	6.624	84,2%
Inventories	5.421	2.600	108,5%
Receivables	19.948	14.036	42,1%
Payables	(9.047)	(8.109)	11,6%
Commercial Working Capital	16.322	8.527	91,4%
Other current activities	936	478	95,8%
Other current liabilities	(5.272)	(4.135)	27,5%
Tax credits and debts	3.458	(496)	>(1000%)
Net accruals and deferrals	(804)	189	(524,5%)
Net Working Capital	14.639	4.563	220,8%
Provisions for risks and charges	(65)	(40)	63,5%
Severance pay	(1.654)	(1.342)	23,3%
Net Invested Capital	25.117	9.806	156,2%
Current financial debt	923	468	97,2%
Current portion of non-current financial debt	1.215	381	219%
Non-current financial debt	5.042	2.003	152%
Net debt	7.180	2.852	152%
Other current financial activities	(7.010)	(392)	>1000%
Cash and cash equivalents	(5.261)	(4.533)	16,1%
Net Financial Position	(5.092)	(2.073)	145,6%
Social capital	1.925	1.500	28,3%
Reserves	19.773	5.623	251,7%
Net Income	8.511	4.756	79,0%
Equity	30.209	11.878	154,3%
Total Sources	25.117	9.806	156,2%

Cash Flow	2023	2022
EBITDA	11.632	6.889
Inventories	(2.820)	(2.001)
Receivables	(5.912)	(4.023)
Payables	938	1.337
Δ Operations Working Capital	(7.795)	(4.688)
Other current activities	(458)	(92)
Other current liabilities	1.137	3.192
Net accruals and deferrals	994	(142)
Δ Net Working Capital	(6.122)	(1.729)
Δ Severance pay	313	330
Free Cash Flow from Operations	5.823	5.490
Capex	(6.348)	(1.755)
(Inv.) Disinv. in financial fixed assets	(267)	(143)
Δ other funds	25	-
Δ Tax credits and debts	(5.768)	(2.673)
Free Cash Flow from Investment	(6.535)	919
Financial income and (charges)	(266)	(167)
Δ Net Debt	4.328	681
Δ Other current financial activities	(6.618)	6
Δ Equity	9.819	(943)
Net cash-flow	728	496
Cash and cash equivalents	5.261	4.533

ORGANIZATION CHART



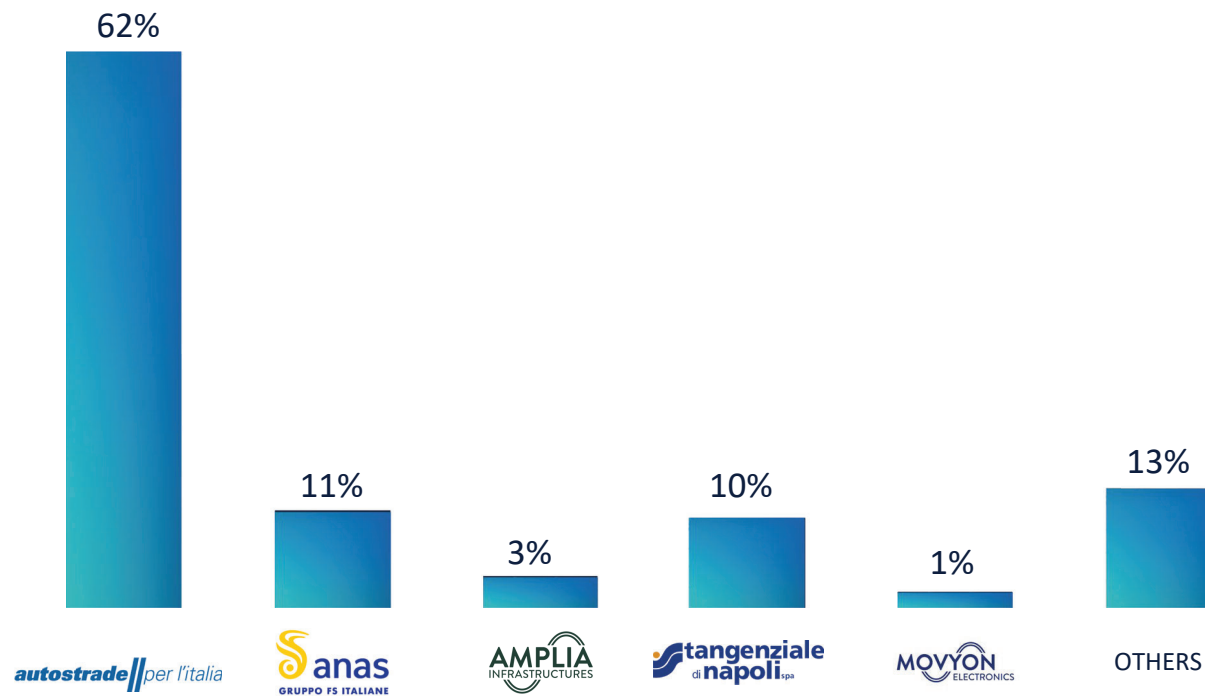
*Consultancy



MAIN CLIENTS



TOP 5 CLIENTS ON NET REVENUE (FY23)

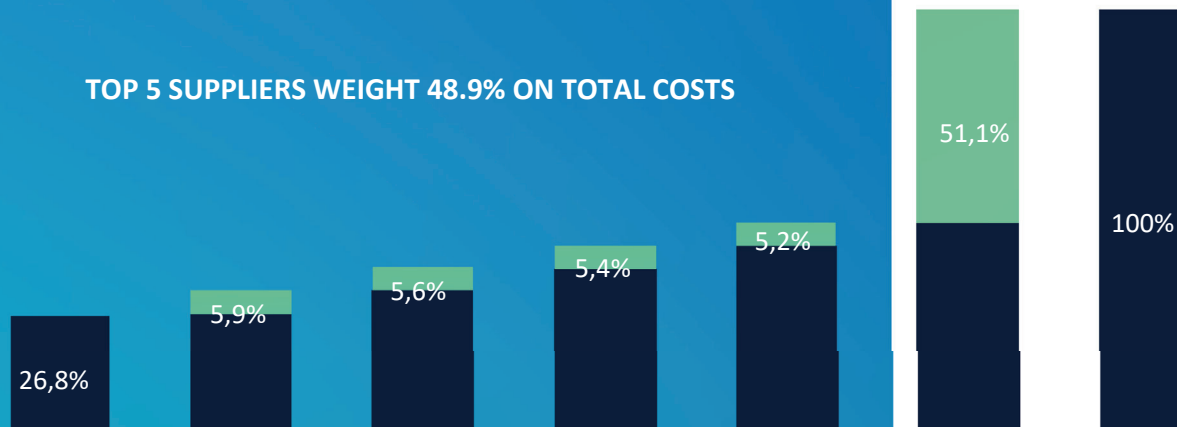


MAIN SUPPLIERS

TOP 5 SUPPLIERS ON RAW MATERIAL COSTS (FY23)

TOP 5 SUPPLIERS WEIGHT 48.9% ON TOTAL COSTS

Main Safety Barriers





QUESTION & ANSWER

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