



Gruppo FS

The Mobility Leader

FS GROUP

Investor Presentation

September 2024



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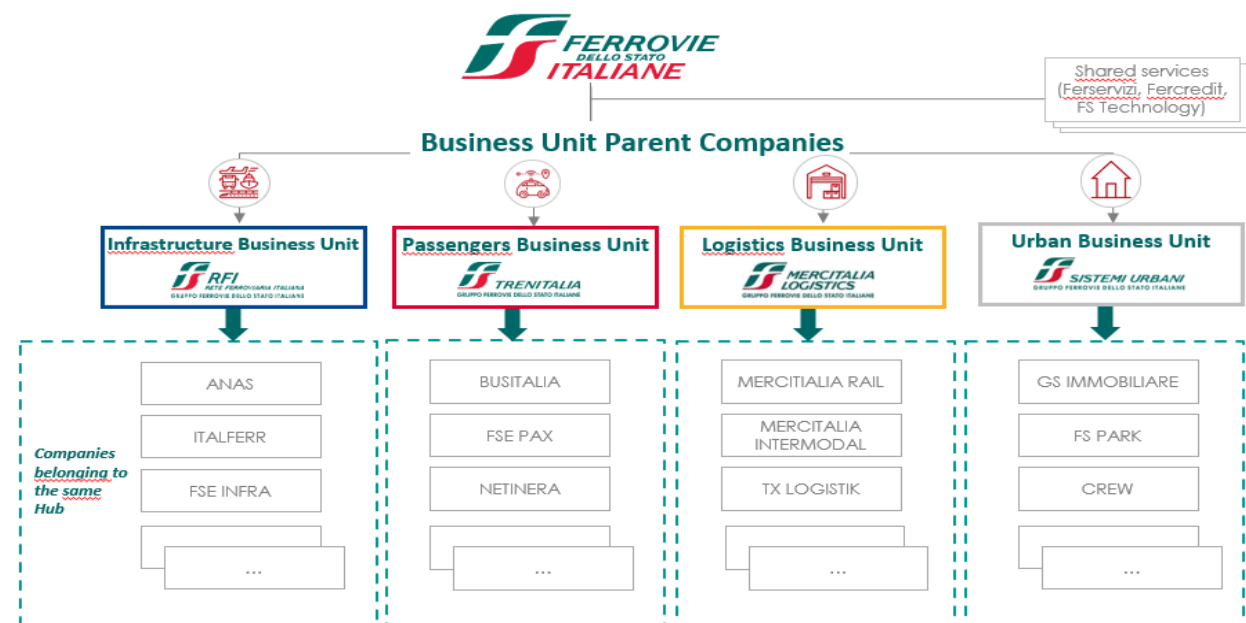
FS Group Business & Financial Overview



FS Group in a snapshot

Ferrovie dello Stato Italiane (“FS” or the “Issuer”) - 100% Italian Ministry of Economy and Finance - is the Holding company of the FS Group, one of the largest industrial Group in Italy which is active in the field of passenger and freight transport (mainly by rail) and related services.

New mission for the Holding company includes policy making, coordination, strategic and financial control over the Business Unit’s Parent Companies.

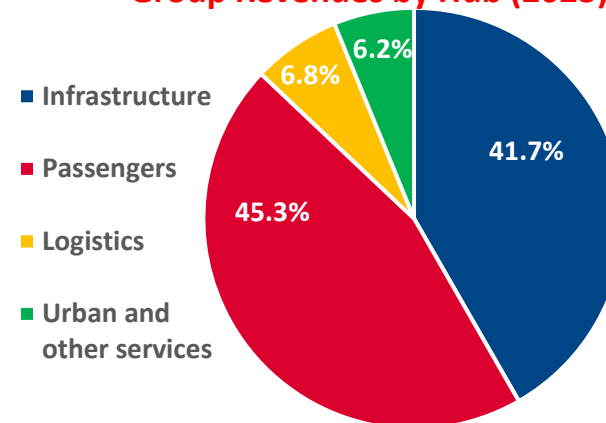


Currently, the Holding company – thanks to its solid creditworthiness - finances its subsidiaries (mainly **RFI**, **Trenitalia** and **Mercitalia Rail (MIR)**) also through **ESG finance instruments** .

Besides, **railway investments are mainly financed through sustainable finance solutions, given the full alignment of its capex with EU Taxonomy criteria** and their sustainability characteristics.

Consolidated highlights (€/mn)				
	2023	2022	Δ	%
Revenues	14,804	13,664	1,140	8.3%
EBITDA	2,228	2,212	16	0.7%
EBITDA Margin	15.1%	16.2%	(1.1%)	(6.8%)
EBIT	338	262	76	29.1%
EBIT Margin	2.3%	1.9%	0.4%	21.1%
Net Income	100	202	(102)	(50.7%)
Net Invested Capital	53,274	49,698	3,576	7.2%
Equity	42,089	42,068	21	0%
Net Financial Debt	11,185	7,630	3,555	46.6%

Group Revenues by Hub (2023)*



Source: FS 2023 Annual Report
*Net of (2,081) mn of consolidated adjusted

Benchmarking with European rail players



(€bn)	2020	2021	2022	2023
Revenues	10.8	12.2	13.7	14.8
<i>EBITDA margin %</i>	15.1%	15.4%	16.2%	15%
<i>EBIT margin %</i>	-2.6%	1.6%	1.9%	2.3%

	Issuer Rating	S/T Rating
S&P	BBB	A2
Fitch	BBB	F2



(€bn)	2020	2021	2022	2023
Revenues	40.2	47.1	56.3	45.2
<i>EBITDA margin %</i>	2.5%	4.9%	9.2%	6.4%
<i>EBIT margin %</i>	11.9%	-3.3%	2.3%	-2.1%

	Issuer Rating	S/T Rating
S&P	AA-	A1+
Moody's	Aa1	P1
Fitch	AA+	



(€bn)	2020	2021	2022	2023
Revenues	30	34.8	41.4	41.8
<i>EBITDA margin %</i>	6.5%	12.5%	16%	15.4%
<i>EBIT margin %</i>	-10%	5.2%	6%	5.6%

	Issuer Rating	S/T Rating
S&P	A+	A1
Moody's	Aa3	P1
Fitch	AA-	F1+

Rating Overview

Key rating drivers

Rating Agency	Issuer Rating	Stand Alone Credit Profile	Outlook	Short Term	Date of last update
S&P Global Ratings	BBB	bbb+	Stable	A-2	20 th November 2023
FitchRatings	BBB	bbb	Stable	F2	8 th November 2023



RFI: the railway infrastructure manager

Key figures			
€mn	2023	2022	
Revenues	2,868	3,233	
Track access charges	1,231	1,060	
CdP-Service+EU grants	1,116	1,294	
Other services	257	620	
Real estate services	109	101	
Other income	155	158	
EBITDA	422	521	
EBITDA margin %	14.7%	16.1%	
EBIT	250	312	
EBIT margin %	8.7%	9.6%	
Net Income	196	263	



NETWORK HIGHLIGHTS 2023

16,832 km Lines

24,567 km Total track length

12,205 km Electrical Lines

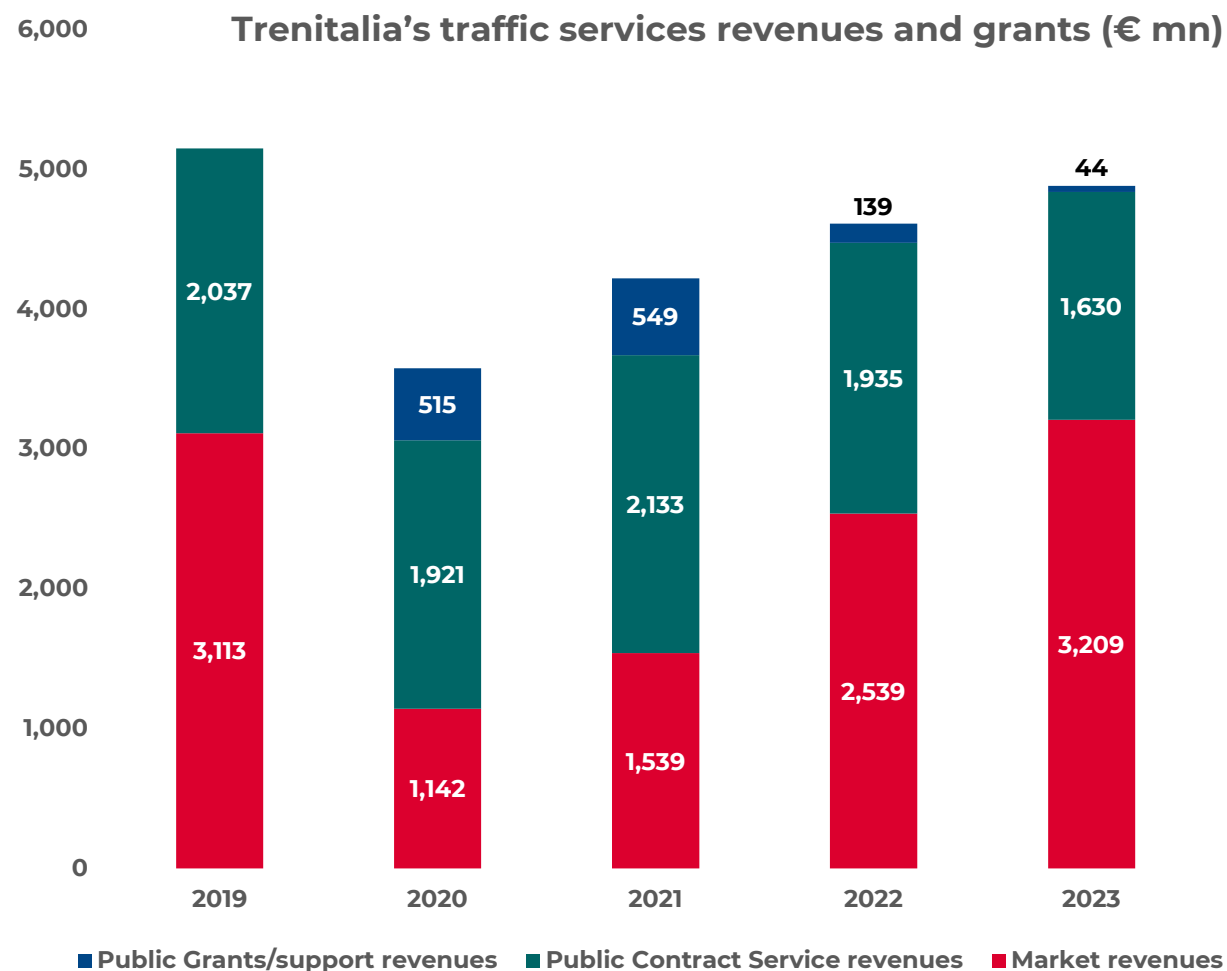
1,097 km High Speed Lines

Trenitalia: the rail passenger transport operator

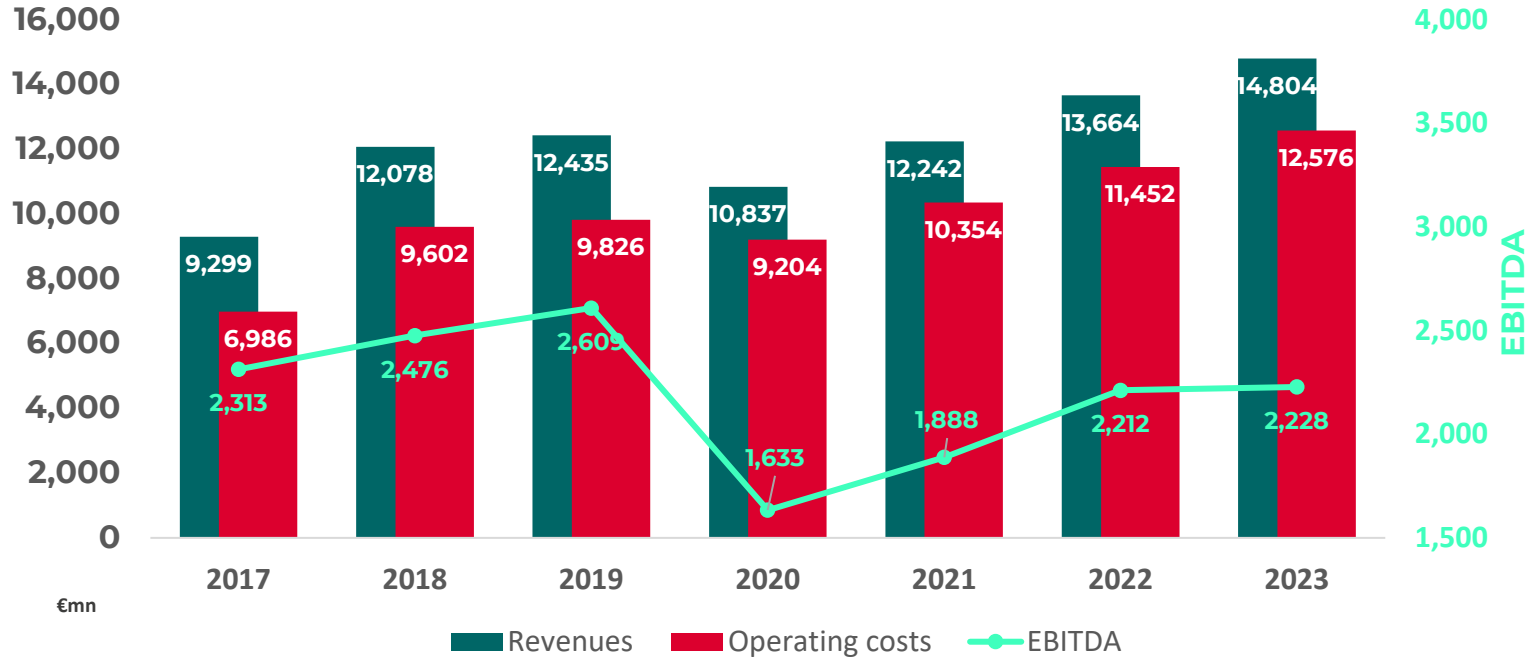


Financial highlights			
€mn	2023	2022	
Revenues	5,382	5,095	↑
EBITDA	1,460	1,233	↑
EBIT	336	182	↑
Net Income	207	82	↑
EBITDA Margin	27.1%	24.2%	↑
EBIT Margin	6.2%	3.6%	↑

Trenitalia's traffic services revenues and grants (€ mn)



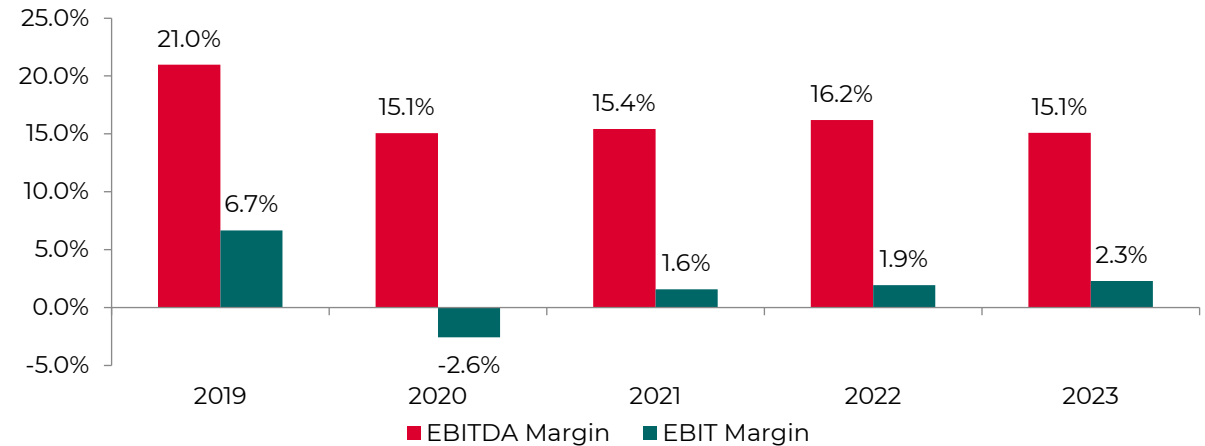
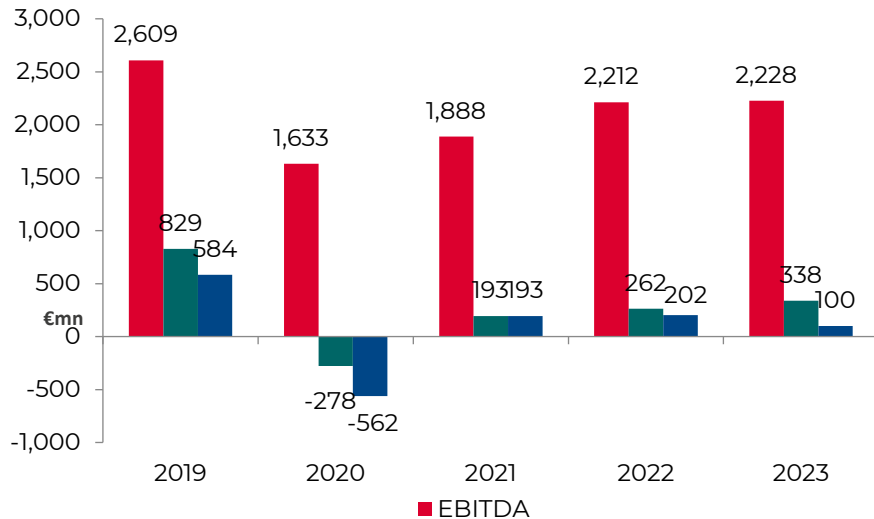
Robust historical financial performance



FS's performances show solid recovery over the last 3 years:

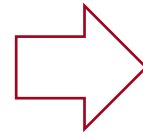
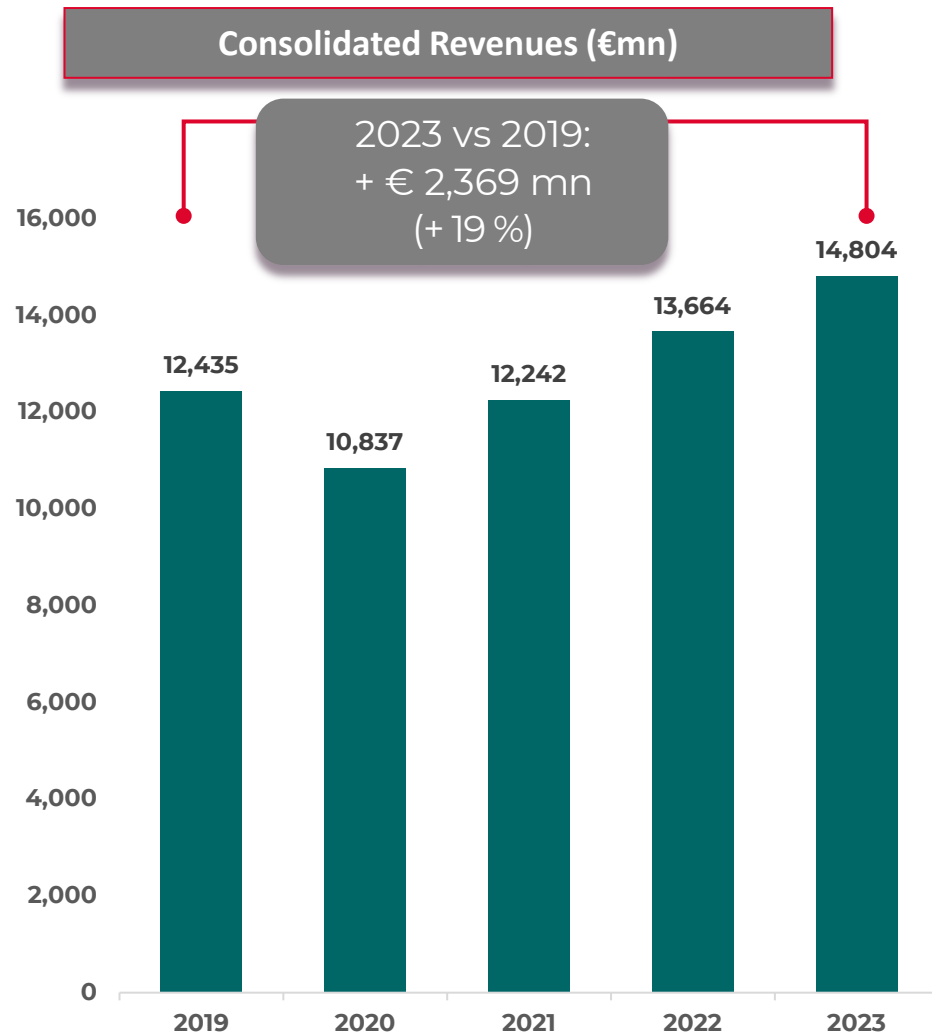
- revenue growth is in line with operating cost growth. **EBITDA in 2023 is in line** with the previous year;
- **EBIT margin increased** in respect of **2022**, due to the **increase of EBIT** to an almost 30%.

Consistent profitability and margins



Consolidated Revenues and business recovery after the pandemic

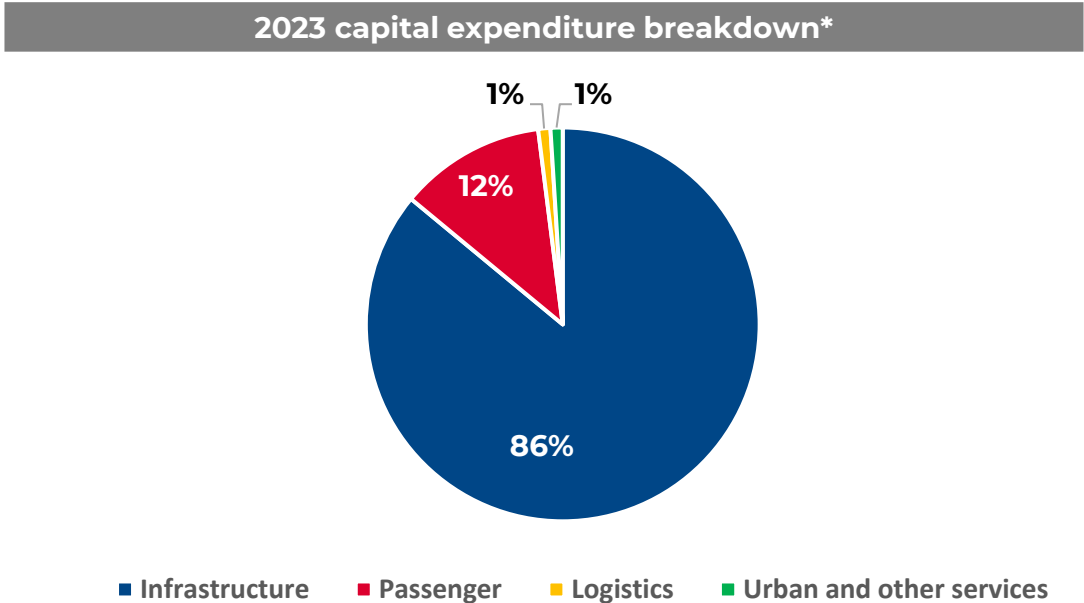
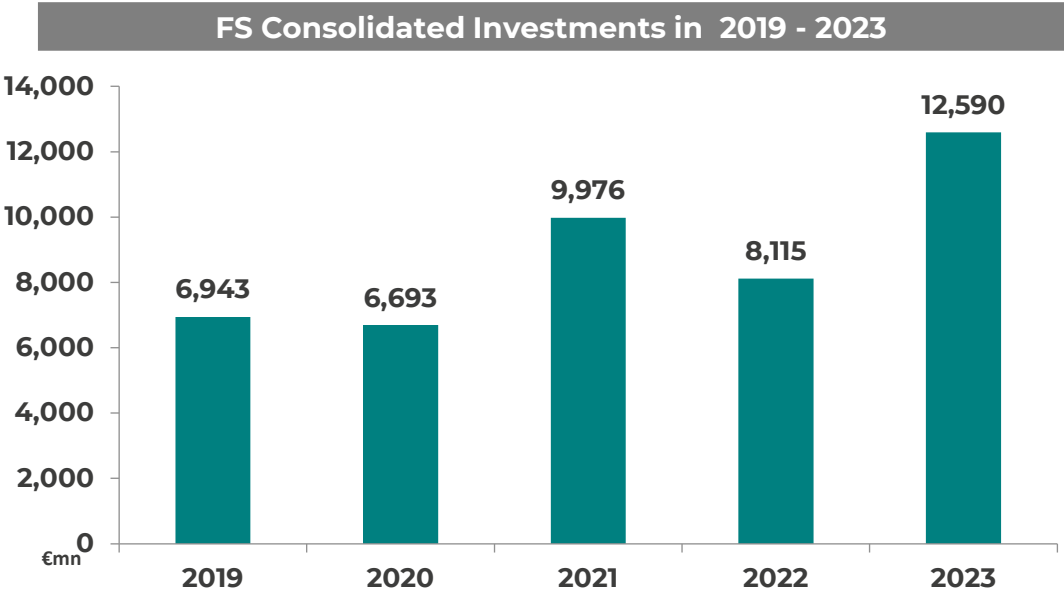
2023 vs. 2022



- **Passenger Hub's operating revenue** in 2023 increased compared to the same period of 2022 by **€ 781 mn (+11%)**, largely attributable to the traffic revenue component.
- In 2023 **traffic infrastructure revenues up by € 168 mn** mainly related to motorway traffic toll.
- **Rail freight revenues** recorded a positive change of **€ 61 mn**, attributable to revenue from both domestic and international freight.
- **Urban Hub's revenues decreased compared to 2022**, mainly attributable to lower revenue from the sales of land and buildings for trading, attributable to the sales of properties in Milan - Porta Romana carried out in 2022 (-€126 million).

FS Group CAPEX profile

- In 2023 FS's consolidated investments amounted to € 12,59 mn (+ 55% vs. 2022), of which €9,922 mn funded through government grants mainly earmarked to rail infrastructure.
- The majority of capex went to maintenance and development of the rail infrastructure network carried on by RFI, with a focus on Traditional network.
- In 2023 FS developed and managed capital expenditure of approximately € 16,42 mn (€ 11,27 mn in 2022, showing an increase of 46%), 99% of which were in Italy.



* In addition to the Consolidated Investments described above, Capital Expenditure also includes the investments accounted for in accordance with IFRIC 12 for Anas SpA and FSE SpA (for about €3.2 billion), while the remainder is comprised of the investments of the unconsolidated special-purpose entities (e.g.: TELT, BBT, etc.).

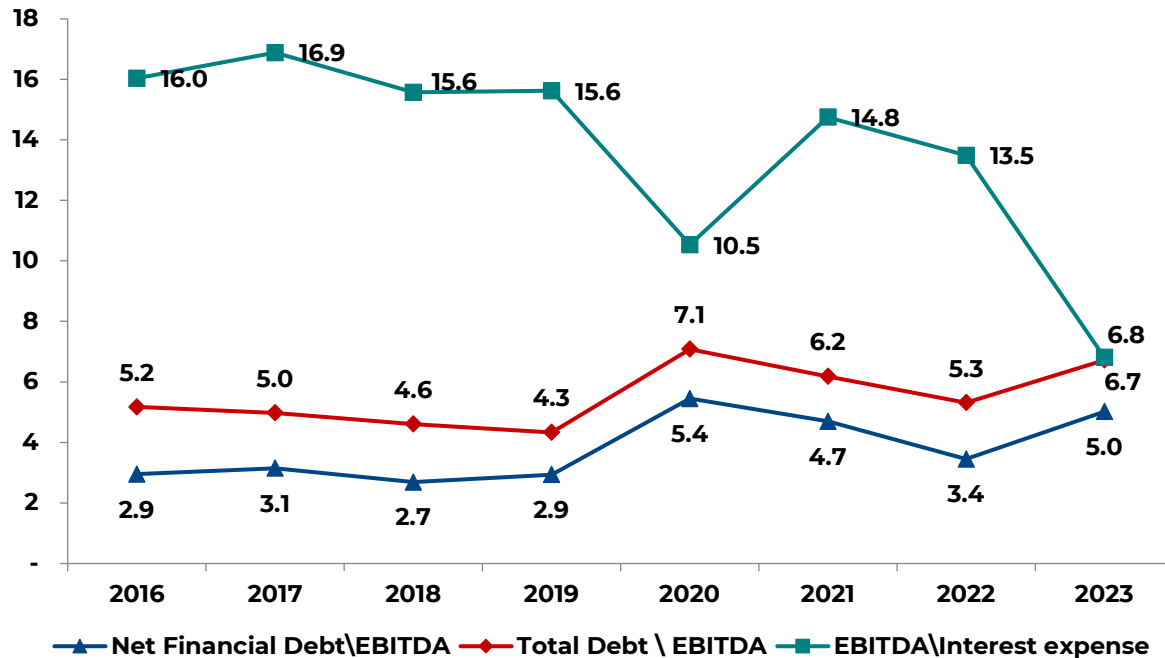
Debt service capacity

Effective funding management and still solid equity position

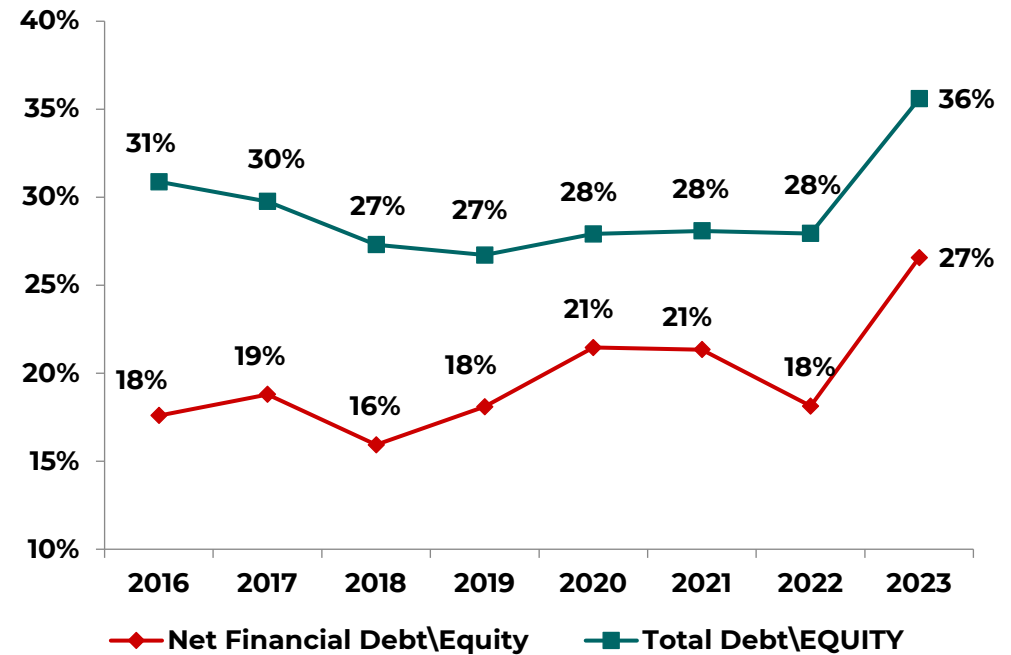
Net Financial Debt / EBITDA has raised due to an increase of the gross debt due to the **postponement of grants income from the State to RFI**. In the previous years the ratio has recovered from the COVID negative impact on the EBITDA.

Although the increase of indebtedness had an impact on the debt leverage ratios in 2023, **FS maintains a strong equity cushion and capital base which offsets its leverage**.

Leverage Evolution



Capitalisation





Financial Strategy Funding Tools & ESG Finance



Eur 12 bn FS EMTN Programme*

Plafond	EUR 12,000 mn
Purpose	General corporate purposes and Green Bonds
Listing Venue	Euronext Dublin
Notes issued	23 Series
Outstanding Amount	EUR 7,381 mn
Green Bonds Outstanding Amount	EUR 4,939 mn (67% of the outstanding amount)
Arrangers	Crédit Agricole CIB, Deutsche Bank AG, J.P. Morgan SE, UniCredit Bank AG
Number of Dealers	27

Other information are available at the following [link](#)

*as of 31.12.2023

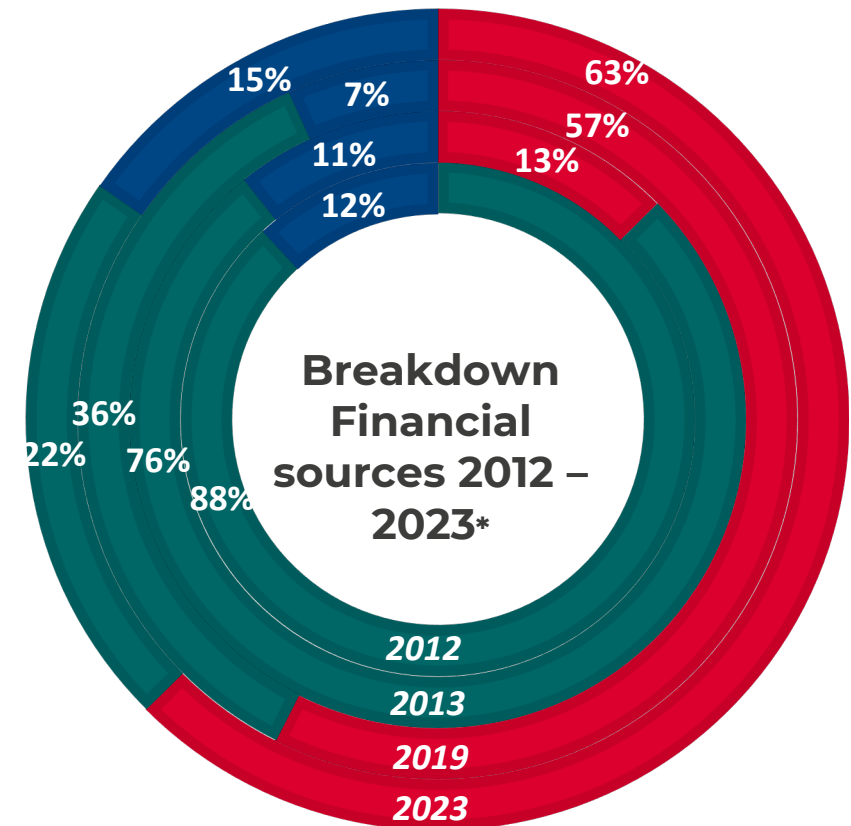


FS debt profile

Funding diversification

Total gross financial debt (long term + short term) amounts to € **14,982 mn** (excluding leasing ex IFRS16) at **YE 2023** vs. € 11,758 mn at YE 2022. **The bulk of FS Group's debt is held by FS Holding** (€ 13,2 bn, around 88% of total).

Net Financial Debt amounts to € **11,185 mn at YE 2023**, improving by approximately € 3,6 bn compared to the previous year (€ 7,63 mn at YE 2022).



■ EMTN Bonds** ■ Supranational Entities ■ Bank Loans

*These percentages are calculated on the long term debt held by FS\RFI\TI

** Including private placement with EIB.

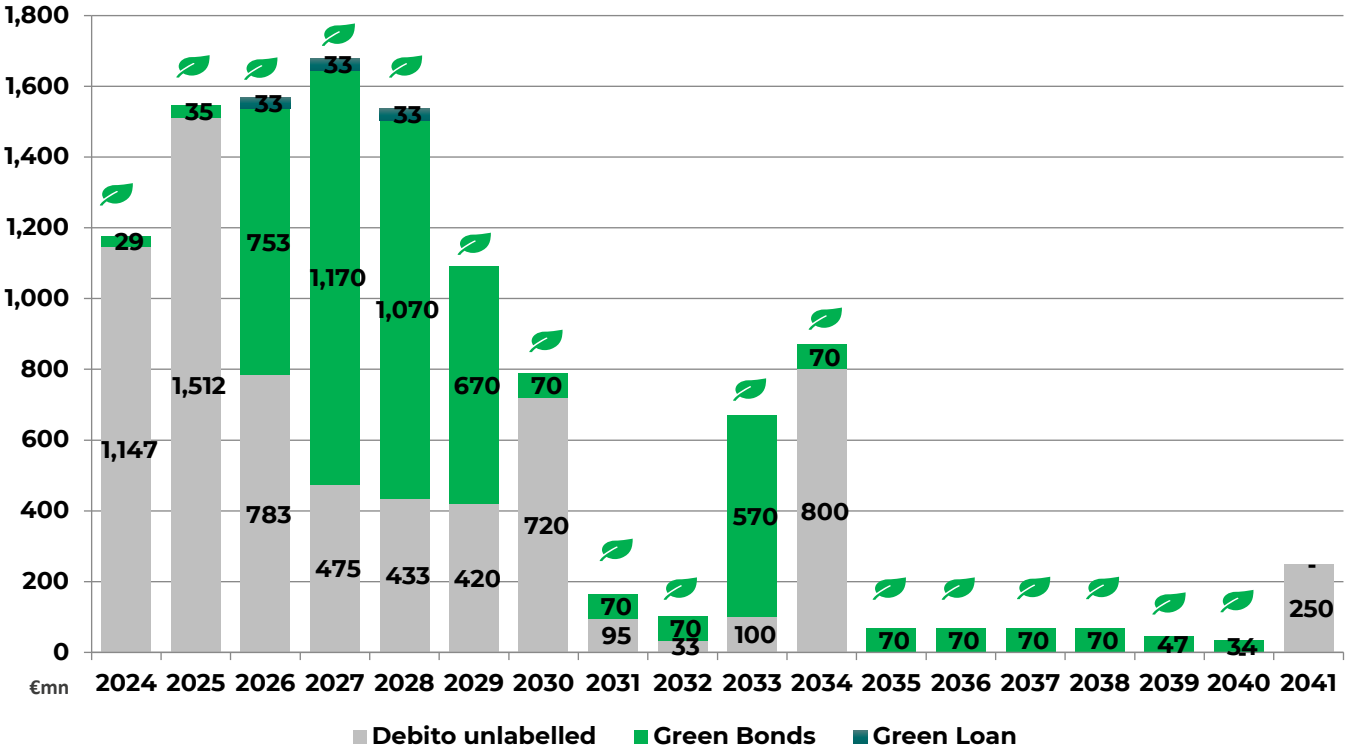
Balanced debt maturity profile

Effective management of financial expense

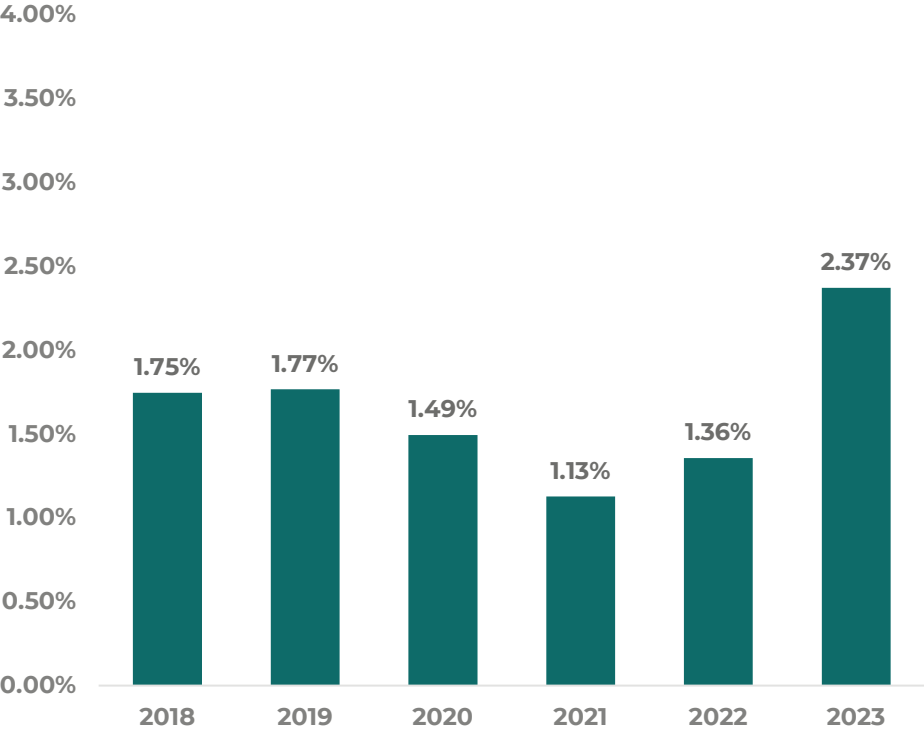
Balanced debt maturity profile extending over the next 15-20 years

Historically low borrowing costs and an **effective management of financial costs**, including interest rate risk management policies, has resulted in a containment of interest expense on debt, generating value for the Group.

Group long term debt maturity profile *



Interest expense on Group's financial liabilities **



* Maturity profile calculated on the long term debt, included the current portion of the long term debt, held by FS\RFI\TI as of December 2023.

** The financial expense is net of government grants, therefore the ratio is calculated on the debt not funded through guaranteed government grants.

FS Green Bond Framework

First Green Bond Framework established in 2017. In 2022 FS has broadened the list of Eligible Green Projects.

Key figures of the GBF

- SPO provider confirmed EU Taxonomy alignment ([link](#))
- Compliance with ICMA Principles
- Eligible Green Projects covering the whole railway value chain

Potential KPIs:

- Energy efficiency
- Reducing CO₂ emissions
- Modal shift vs railway



All the EGP are aligned with the EU Taxonomy categories

Eligible Green Projects

Look-back period: 2 years (vs. 3 years of the previous update)

Look-forward period: 2 years

Trenitalia electric passenger trains and maintenance of the electric rolling stock.

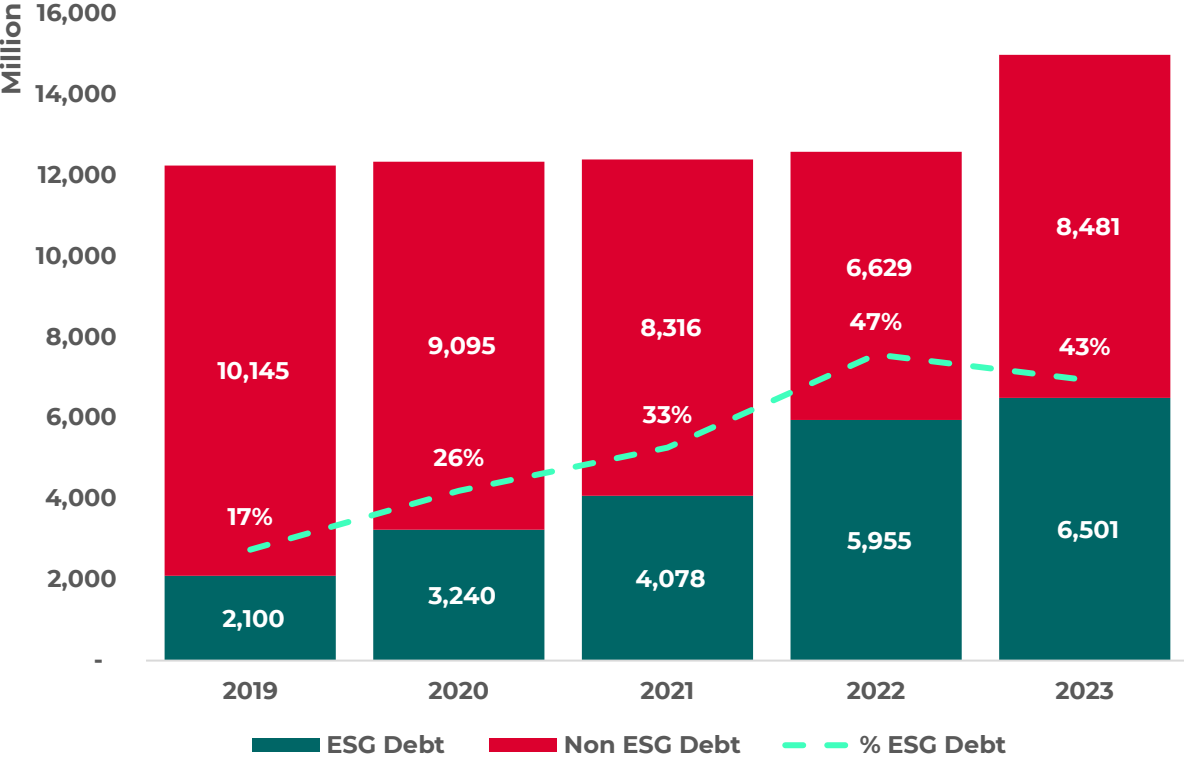
Mercitalia Rail electric locos and freight wagons and related maintenance

RFI electric HS infrastructure and maintenance of the railway lines.

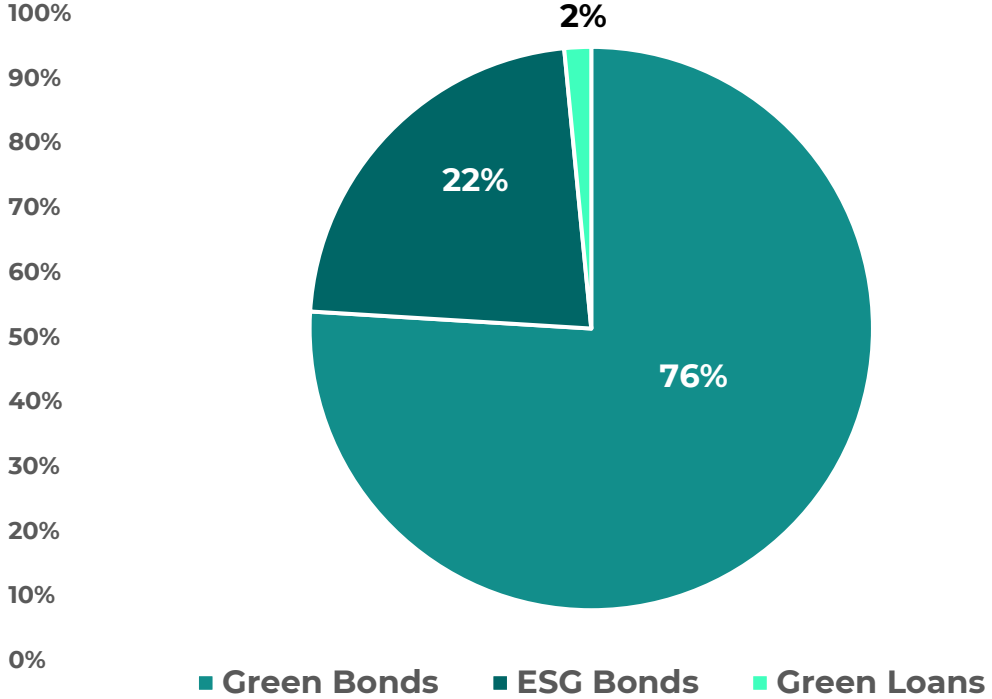


Sustainable finance endorsing a sustainable strategy

Gross Debt: ESG vs. non ESG



ESG bonds and loans: 6.5 bn EUR as of 31/12/2023*



*ESG bonds refer to private placement transactions with EIB and Eurofima (non EMTN)



FS New €3.5bn Sustainability Linked Credit Revolving Facility

Facility Amount	EUR 3,500 mn
Purpose	General corporate purposes
Tenor	3yrs
Margin and Commitment Fee linked to 3 KPIs on Group's effort on Environmental, Social and Governance targets	<ul style="list-style-type: none">✓ the percentage of capex aligned with the EU taxonomy;✓ energy intensity set out as the ratio of energy consumption to the FS Group's operating revenues;✓ the increase in the percentage of female employees compared to the total number of employees.
Lenders	BNP Paribas, BPER, CaixaBank, Cassa Depositi e Prestiti, Crédit Agricole CIB, Intesa Sanpaolo - Divisione IMI/CIB, UniCredit, Banca Popolare di Sondrio and ING
Agent and Sustainability Coordinators	Agent: Intesa Sanpaolo S.p.A. Sustainability Coordinators: BNP Paribas, Crédit Agricole CIB, Intesa Sanpaolo - Divisione IMI/CIB and UniCredit

The size achieved and the number of counterparties involved are testament to the interest by the market and the success of this transaction

FS New €2bn Euro-Commercial Paper Programme - Key Figures

A further financial instrument for FS short-term funding

Issuer	Ferrovie dello Stato Italiane S.p.A.
Maximum Programme Amount	€2,000 mn
Programme Ratings	A-2 by S&P and F2 by Fitch
Step Label	Yes
Notes Maturity	The tenor of the Notes shall be not less than one day or more than 364 days
Minimum Denomination Amount	100k (equivalent to at least €100k if not €-denominated) – reserved for Institutional Investors
Governing Law	English law
Listing	The Notes will not be listed on any stock exchange
Status of the Notes	Direct, unconditional, unsubordinated, unsecured obligations that will rank pari passu with all other unsubordinated and unsecured obligations of the Issuer

Arrangers:

Crédit Agricole Corporate and Investment Bank and ING

Dealers:

Barclays, BofA Securities, Crédit Agricole Corporate and Investment Bank, ING, Intesa Sanpaolo (Divisione IMI-CIB) and Société Générale





Corporate Sustainability



A business model which fully integrates sustainability

FS Group vision is to become the company that enables a system of: **resilient infrastructures**, **sustainable mobility** and **integrated logistics**

Key ESG highlights 2023



PEOPLE

12,148 recruitments



COMMUNITIES

188,353 sq.m. total surface area under free loan for social uses



EMISSIONS

5.7 million tCO₂e avoided emissions₁



WATER

- 4% consumption of water resources compared to 2022



WASTE

Over 96% of special waste sent for recovery



SUSTAINABLE PROCUREMENT

Over 88% of bids of tenders include environmental and social criteria



Sustainability performances



Contribution to SDGs



1) The calculation of avoided emissions is based on a comparative assessment of emissions from public transport by rail and road, compared with the corresponding emissions that would have occurred with private car use, and between emissions from freight transport by rail, compared to the corresponding emissions that would have occurred with heavy commercial vehicle use. Sources: EIB Project Carbon Footprint Methodologies

Energy and emissions: present and perspectives in FS

Managing the main environmental impacts of the FS Group

Energy and CO₂ emission are among the main environmental impacts of the FS Group. Therefore, it is committed to improving its performance while maintaining comprehensive and transparent reporting to stakeholders

Business plan

FS Italiane launched its **business plan**, which will plot the company's course over the next 10 years marking a significant **drive towards energy transformation**



- 2 GWp by 2031**
photovoltaic installations on FS Group sites
- 2.6 TWh by 2031**
self-generated electricity
- ~ 40%**
Coverage of Group's electricity requirements

Accuracy and accountability



In July 2023, FS Italiane obtained certification attesting the quality of the inventory and methodology for calculating GHG emissions by an independent accredited body according to **ISO 14064 scheme**.



SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

In July 2022, FS Italiane signed the **SBTi commitment letter**, in which it commits to certify and monitor its **targets**:

- **carbon neutrality by 2040;**
- **50% reduction in scope 1+2 emissions;**
- **30% reduction in scope 3 emissions by 2030.**

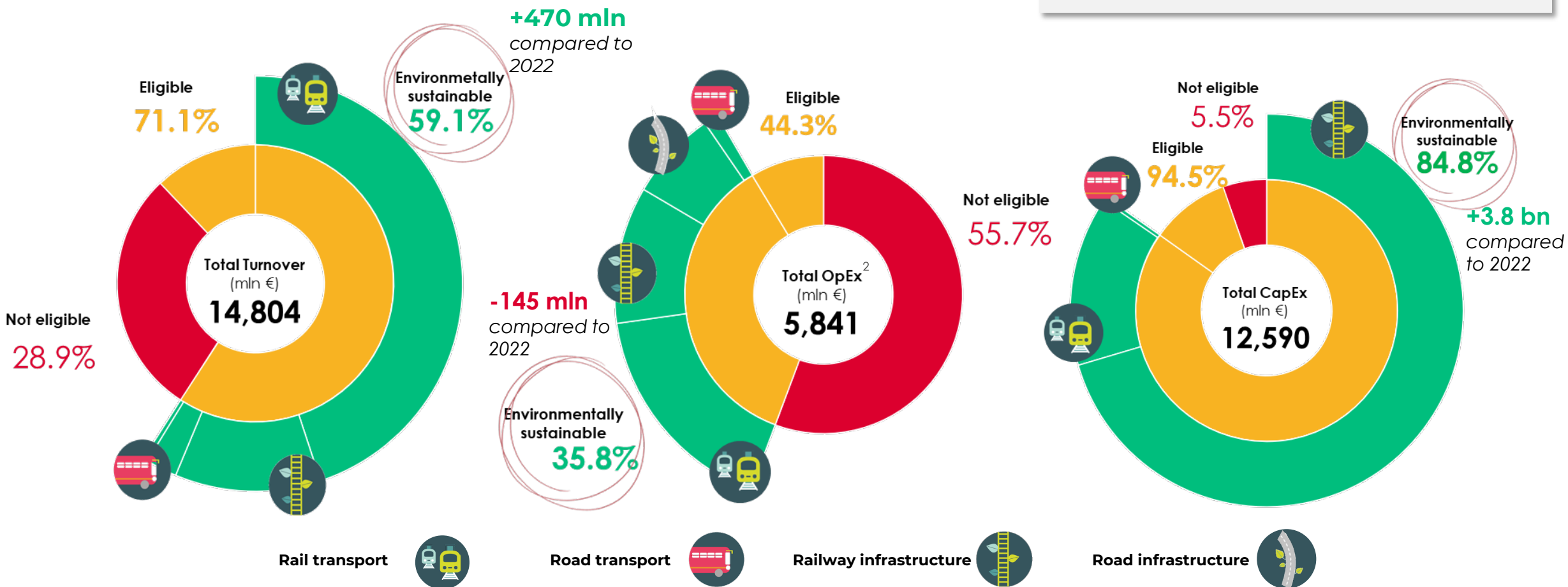
The Group received target validation by SBTi in February 2024.

Reporting on the European Taxonomy

Turnover, Capex and Opex

In accordance with **EU Regulation 852/2020 (EU Taxonomy)** below is summarized the performance of the Group with regard to the **shares of 2023 Turnover, Opex, and Capex¹ aligned to the two objectives of climate change mitigation and adaptation.**

- ✓ A total of **59.1%** of consolidated **turnover** is Taxonomy aligned
- ✓ A total of **35.8%** of consolidated **operating expenses** is Taxonomy aligned
- ✓ A total of **84.8%** of consolidated **capital expenditure** is Taxonomy aligned



¹Results refer to the share of turnover, operating expenses, and capital expenditures not related to intercompany activities.

²Total Opex as identified by the Delegated Regulations paragraphs 1.1.3.1. - 1.1.3.2



Gruppo FS

Appendix



FY 2023 Consolidated Financial Statements

Income Statement			
€mn	2023	2022	Change %
REVENUE	14,804	13,664	8
Revenue from sales and services	14,261	13,169	8
Other income	543	495	10
OPERATING COSTS	(12,576)	(11,452)	(10)
EBITDA	2,228	2,212	1
Amortisation, depreciation, provisions and impairment losses	(1,890)	(1,950)	3
EBIT	338	262	29
Net financial expense	(213)	(50)	(>200)
PRE-TAX PROFIT	125	212	(41)
Income taxes	(25)	(10)	(156)
PROFIT FROM CONTINUING OPERATIONS	100	202	(51)
Loss from assets held for sale, net of taxes	0	0	0
PROFIT FOR THE YEAR	100	202	(51)

Reclassified Statement of Financial Position			
€mn	2023	2022	Change
Net operating Working Capital	(2,125)	(949)	(1,176)
Other Net Assets	4,303	781	3,522
Working Capital	2,178	(168)	2,346
Net non-current assets	53,827	52,876	951
Other provisions	(2,731)	(3,010)	279
NET INVESTED CAPITAL	53,274	49,698	3,576
Net current financial debt	(889)	(1,671)	782
Net non-current financial debt	12,074	9,301	2,773
Net financial debt	11,185	7,630	3,555
Equity	42,089	42,068	21
COVERAGE	53,274	49,698	3,576

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