

FS GROUP, 2023 FINANCIAL RESULTS

STRONG GROWTH OF OPERATING REVENUES AT 15 BILLION RECORD INVESTMENTS AT 16 BILLION EUROS MORE THAN 12,000 NEW HIRES

KEY 2023 FINANCIALS

- **Operating revenues: about 15 billion euros (+8%),** driven by operating performance and a surge in passenger transport (+11%) compared with 2022 and of freight transport (+6) in a challenging European logistics market
- **EBITDA: about 2.2 billion euros (+1%);** up 14% net of one-off items;
- **EBIT: 338 million euros (+29%);** net of one-off items the figure would be over four times higher vs. 2022
- **Net profit: 100 million euros (-51%);** net of one-off items, the performance would be over six times higher vs. 2022
- **Capital expenditure: greater than 16 billion euros (11 billion in 2022);** a level never before registered by the Group
- **8 billion euros already invested under the NRRP,** in line with the timetable
- **24 billion euros in rail contracts awarded in 2023,** underscoring the extraordinary effort of the Group to roll out strategic rail works for the country
- **Net financial debt: about 11 billion euros (+3.6 billion euros compared with 2022)** mainly reflecting the increase in capital expenditure
- **More than 12,000 new hires.**

KEY FIGURES FOR 2021 - 2023

- **Capital expenditure exceed 40 billion euros,** of which 26 billion euros in rail infrastructure, 8 billion euros on the road network, over 5 billion euros in rolling stock renewal and 1 billion euros on logistics, urban regeneration and technology upgrading
- **Tenders called: 1,188 new tenders** with a total value of 53 billion euros
- **Over 30,000 new hires,** with average age falling to 41 years
- **International: over 2 billion euros in turnover,** an increase of more than 80% compared with 2020, reflecting the launch of high-speed services in France and Spain and the development of logistics in the Central European market integrated with Italy.

Rome, April 10th, 2024 - The Board of Directors of Ferrovie dello Stato Italiane SpA, chaired by **Nicoletta Giadrossi**, today approved the draft Annual Financial Report of the Company, which also includes the consolidated financial statements of the FS Group at December 31st, 2023. The Chair stated: *“I am proud of the path undertaken in the past 3 years which allowed us to achieve excellent financial results as well as in terms of our Sustainability objectives at Group Level”*.

Luigi Ferraris, Chief Executive Officer of the FS Group, commented: *“2023 was a record year for the capital expenditure of Ferrovie dello Stato, which exceeded 16 billion euros, a level never before registered by the Group. This represents a notable commitment in terms of capacity and development for the modernization of the country’s infrastructure, with a contribution coming from the funds allocated under the NRRP, of which FS is the main fund recipient with over 26 billion euros. Of this, 8 billion euros had been invested as at the end of 2023, equal to around 30% of total planned resources.*

The positive results achieved in 2023 drove the significant rise in the main performance and financial indicators, reflecting operating performance, registering an acceleration in revenues in all business segments.

In an environment characterized by geopolitical crises, a slowdown in world economic growth, high albeit declining inflation, over the 2021-2023 period the FS Group positioned itself at the center of the mobility ecosystem with 40 billion euros in investment, the hiring of more than 30,000 new employees and the reorganization of the Group’s structure and international strategy, confirming its role in supporting the Italian economic and industrial system”.

Performance and Financial Position	Millions of euros			
	2023	2022	Change	%
Operating revenues	14,804	13,664	1,140	+8%
EBITDA	2,228	2,212	16	+1%
EBIT	338	262	76	+29%
Net profit	100	202	(102)	-51%
Capital expenditure	16,423	11,269	5,154	+46%
Net financial debt	11,185	7,630	3,555	+47%
Equity	42,089	42,068	21	-

Operating revenues rose to 14.8 billion euros, an overall increase of 1.1 billion euros (+8%) compared with 2022.

Revenues from transport services amounted to **7.9 billion euros**, an increase of 1.1 billion euros compared with 2022, with gains both nationally and internationally. Specifically, revenues from rail passenger services (+961 million euros) and revenues from road passenger transport (+70 million euros) both increased. Revenues from rail freight transport also rose (+57 million



euros), in particular in the Automotive, Cargo and Chemical segments. The overall increase compared with 2022 is a direct consequence of operational management actions and a recovery in travel demand in terms of passenger-km (+53.8% in market services, +8.4% in intercity services and +2.8% in regional services) and rail traffic in terms of train-km (+23.5% in market services, -3.9% in intercity services and +10.3% in regional services), facilitated by the general recovery in travel and the absence in 2023 of the Covid-19 mobility restrictions that had been in place until March 31st, 2022.

Revenues from infrastructure services came to **4.2 billion euros**, an increase of about 18% compared with the previous period (+641 million euros), reflecting the increase in traffic volumes on the rail network and Anas service and concession fees.

Other operating revenues amounted to **2.7 billion euros**, a decrease of 589 million euros. The change mainly reflected the decline in government grants compared with 2022, mainly those to support the sector during the Covid-19 pandemic, the reduction in revenues from the provision of electricity for traction to non-Group transport companies and the decline in revenues from sales of land and buildings.

Operating costs amounted to **12.6 billion euros**, up 1.1 billion euros (+10%) compared with the previous year due to the strong recovery in business activities, which led to greater consumption of materials and services and an increase in labor costs, only partly offset by the decline in the price of electricity and fuels for traction.

EBITDA increased by **16 million euros**, up 1% compared with December 31st, 2022, due mainly to the dynamics of revenue growth. Net of one-off items (Covid-19 support recognized in 2022 and restitution of State aid for 2003-2014), EBITDA would have increased by 14%.

EBIT came to 338 million euros, an increase of 29% compared with 2022. The EBIT margin amounted to 2.3%, compared with 1.9% the previous year. Net of one-off items (Covid-19 support recognized in 2022 and restitution of State aid for 2003-2014), EBIT would have increased by 381%.

Net profit amounted to 100 million euros, a decline of 51% (202 million euros in 2022). Net of one-off items (Covid-19 support recognized in 2022 and restitution of State aid for 2003-2014), net profit would have increased by 578%.

Last year was a record one for the FS Group's **capital expenditure** on capacity and development, confirming our central role in supporting the national industrial system. The Group had overall **capital expenditure of 16.4 billion euros**, an increase of 46% compared with 2022 (99% of investment was in Italy and 14 billion euros were related to railway and road infrastructure, including the works on the Turin-Milan-Naples high-speed line, the Naples-Bari line, the



Verona-Vicenza segment of the Verona-Padua high-speed line, the Brescia-Verona segment of the Milan-Verona line and the Terzo Valico dei Giovi segment, the new Palermo-Catania link and the SS106 Jonica).

In parallel, the FS Group maintains a sound financial position, with **equity** equal to **42.1 billion euros** at the end of 2023.

Net financial debt amounted to **11.2 billion euros**, an increase of 3.6 billion euros compared with December 31st, 2022, reflecting the greater use of short and long-term funding, intended to support the development and modernization plan for the railway infrastructure, and the issuance of new bonds. The net financial debt/equity ratio thereby went from 0.2 at the end of 2022 to 0.3 at the end of 2023. The opinions of the rating agencies give full recognition to the Group's financial reliability, with a "BBB" rating from Standard & Poor's, which confirmed the rating with a "stable" outlook in mid-November 2023, while Fitch confirmed its rating at "BBB" with a "stable" outlook in November. Fitch also confirmed FS's Standalone Credit Profile (SACP) at 'bbb+', a notch higher than that of the Italian Republic.

Sustainable finance instruments play a significant role in this context. More specifically, during 2023, a dual tranche operation under the FS Green Bond Framework was finalized as part of the EMTN program listed on Euronext Dublin. Reserved for institutional investors, the issue totaled **1.1 billion euros**, with proceeds going to finance both the purchase of new trains and the maintenance of Trenitalia's rolling stock, as well as the completion of RFI's Turin-Milan-Naples high-speed network. Another transaction was a private placement of **500 million euros** reserved for the European Bank for Investments (EIB) to finance the purchase by Trenitalia of 102 new electric trains. All investments financed with "green" bonds comply with the criteria of the European Taxonomy implemented with EU Regulation 2020/852. In June, FS finalized a new privately-placed bond issue of **100 million euros** with Eurofima for the purchase of trains aligned with the criteria of the European Taxonomy, making a positive contribution to environmental and social sustainability and promoting the modal shift to rail. In addition to bond issues, in November, FS finalized a number of bank loans totaling 820 million euros from some of the FS Group's main banking counterparties, including a green loan of **100 million euros** obtained from BBVA to finance investments in the high-speed network.

The FS Group **workforce** expanded from 85,361 to **92,446**, with 13,111 new personnel (of which more than 12,000 newly-hired employees, of which about 24% are women)¹ and 6,026 terminations, mainly attributable to generational turnover. **Female employment** continues to grow and in 2023 accounted for

¹ The overall figure includes 12,148 new hires and 963 personnel acquired as a result of changes in the consolidation scope.



20.7% of the total (+0.7 percentage points), in line with the Group's objectives and actions to reduce the gender gap.

Continuing the growth of previous years, 2023 posted an increase of 19% in the number of person-days of Group **training**. Training days, which approached **one million person-days**, mainly concerned training for the Group's university graduates, the development of management skills, including in the international arena, the development of soft skills and professional training in core or multidisciplinary topics, as well as training in sustainability issues.

DIVISIONAL PERFORMANCE

Infrastructure Division

	2023	2022	millions of euros	
			Change	%
Operating revenues	7,042	6,874	168	2.4
EBITDA	596	736	(140)	(19.0)
Capital expenditure	14,056	9,222	4,831	52

The division's operating revenues amounted to 7 billion euros in 2023, an increase of 168 million euros (+2.4%) compared with 2022.

EBITDA amounted to 596 million euros, down 19% as a result of the personnel recruitment plan associated with the acceleration of infrastructure development and a reduction in government grants.

The capital expenditure of the Infrastructure Division soared to 14 billion euros in 2023 (9,2 billion euros in 2022), representing investment in rail and road infrastructure and accounting for about 86% of the total technical investments of the FS Group.

During 2023, RFI and Anas published 404 tenders with a value of 17.2 billion euros, making final awards in 393 tenders in the amount of about 24 billion euros.

Passenger Division

	2023	2022	millions of euros	
			Change	%
Operating revenues	7,657	6,876	781	11.4
EBITDA	1,546	1,456	90	6.2
Capital expenditure	1,988	1,828	160	8.8



The overall volume of rail passenger traffic achieved in 2023 by the division companies amounted to 46 billion passenger/km (of which 36.8 billion, or about 80%, recorded by Trenitalia), up 32.8% compared with 2022.

The division's operating revenues amounted to 7.7 million euros in 2023, an increase of 781 million euros (+11%) compared with 2022. The gain was essentially attributable to the traffic revenue component, with increases in the rail passenger transport volumes of the high-speed business (399 million euros), the regional business (185 million euros) and the Intercity business (86 million euros).

EBITDA amounted to 1.5 billion euros, an increase of 90 million euros compared with 2022. This reflected an increase in revenues, partially offset by the restitution of State aid relating to the years 2003-2014 mentioned previously.

Net of one-off items totaling a negative 95 million euros in 2023, compared with a positive 148 million euros in 2022, EBITDA would have been equal to 1.6 billion euros, an increase of 333 million euros compared with 2022.

Capital expenditure by the Passenger Division amounted to 2 billion euros in 2023 (+8.8% on 2022), mainly for the renewal of rolling stock owned by Trenitalia.

Logistics Division

	millions of euros			
	2023	2022	Change	%
Operating revenues	1,143	1,082	61	5.6
EBITDA	67	65	2	3.1
Capital expenditure	181.3	155.6	25,7	16.5

Despite a macroeconomic environment characterized by weak demand and geopolitical instability, the companies of the Logistics Division of the FS Group in Italy and abroad posted an increase of 5.6% in turnover, to 1.1 billion euros, notwithstanding a slight decline in tonne/km to around 21.1 billion (-2.0%). Traffic amounted to 43.4 thousand train/km, an increase on the previous year.

EBITDA amounted to 67 million euros in 2023, an increase of 3% compared with 2022, reflecting the increase in turnover.

Net of one-off items of 24 million euros in 2022, EBITDA would have registered an increase of 26 million euros.

The Logistics Division also registered capital expenditure of 181.3 million euros in 2023 (+17% compared with 2022), continuing implementation of the fleet renewal plan and maintenance of the operational fleet of locomotives and carriages.



Abroad, the Logistics Division, acting through its subsidiary Tx Logistik, finalized the acquisition of the rail freight transport company Exploris, becoming the second freight operator in Germany.

Urban Division

	millions of euros				
	2023	2022	Change	%	
Operating revenues	156	268	(112)	(41.8)	
EBITDA	33	50	(17)	(34.0)	
Capital expenditure	48.2	25.2	23	91.3	

The operating revenues of the Urban Division amounted to 156 million euros in 2023, a decrease of 42% that was mainly attributable to the effect of the sale of the Milan-Porta Romana rail yard in 2022. Revenues from lease payments and parking lot operations increased.

EBITDA of the Urban Division amounted to 33 million euros in 2023, a decrease of 17 million euros compared with 2022, reflecting the decrease in operating revenues. This deterioration was reversed at the net profit level, which showed an improvement of 35 million euros compared with 2022.

Capital expenditure by the Urban Division in 2023 was a significant 48.2 million euros (25.2 million euros in 2022), focusing on the maintenance and development of the real estate assets owned by the FS Group.

Environmental, social and governance issues

In 2023 the emissions released by the FS Group amounted to 2.24 million tons of CO₂ equivalent, an increase of 11.6% compared with 2022. The rise was driven by the growth in travel offer with a consequent increase in rail traffic, by the reporting of new emissions sources and by the deterioration in the composition of the national energy mix due to climate and geopolitical instability.

Despite this increase in absolute terms, rail and road passenger transport registered an improvement in specific emissions, i.e. equivalent emissions per unit of passengers/km transported, which decreased by 11% and 15% respectively.²

The FS Group maintains its commitment to mitigating climate change and is advancing towards the “Net Zero” objective: in February 2024 it certified its decarbonization targets through the SBTi (Science Base Target Initiative), an

² Source: FS Group 2023 Sustainability Report.



international initiative that supports the private sector in emissions reduction efforts.

As regards other areas of environmental performance, in 2023 the FS Group drew approximately 16.1 million cubic meters of water, a decrease of 4% in volumes compared with 2022 thanks to more careful management of water resources and enhancing the efficiency of networks. A total of 346 thousand tons of waste were produced, with a 2% increase in industrial waste mainly attributable to demolition activities following the renewal of the Passenger Division fleet. **The Group's attention to circularity is demonstrated by the proportion of waste sent for recovery, which came to 96%.**

Consistent with the effort begun last year for the application of the European Taxonomy, in 2023 **84.8% of capital expenditure, 59.1% of revenues and 35.8% of operating costs are attributable to eco-sustainable activities.**

The **Financial Statements** section of the [fsitaliane.it](https://www.fsitaliane.it) website contains a summary document with details of the main results achieved in the period by the FS Group.

The 2021-2023 period

Forty billion euros of investment in three years, rail passenger volumes returning to pre-Covid levels, a corporate reorganization into divisions that has enabled the Group to optimize operational and cost synergies by uniformly aggregating skills and professional expertise so as to remedy a formerly dispersive and fragmented organization. These are some of the main results achieved by the FS Group in the 2021-2023 period. Today the Group is a mobility leader, capable of playing a key role both nationally and in the broader international scenario.

Capital expenditure

Of 40 billion euros of capital expenditure in the three-year period, more than 26 billion euros are in rail infrastructure, 8 billion euros in road infrastructure (carried out by Anas), over 5 billion euros for the renewal of rolling stock and vehicles (5 billion euros carried out by Trenitalia and 0.3 billion euros by the Busitalia Group and FSE Ferro e Gomma) and 1 billion euros for logistics, urban regeneration and technology upgrading (carried out by companies of the Logistics Division, the Urban Division and Other Services).

NRRP

The Group's commitment to the country's infrastructure modernization is also reflected in the **National Recovery and Resilience Plan (NRRP)**.



- At the end of 2023, the state of progress of investment using NRRP funds reached **8 billion euros**, equal to about 30% of the allocated resources, in line with the timetable. These included:
 - 5.8 billion euros for high-speed rail infrastructure;
 - 1.9 billion euros for rail infrastructure upgrades, including ERMTS and stations;
 - the remainder was invested in the road network, tourist lines and cultural heritage, and equipment upgrading.

Tenders

In the three-year period, 1,188 new tenders were called, with total value of 53 billion euros.

Employees

The Group has also made an important contribution to employment: **in the 2021-2023 period**, the FS Group **hired more than 30,000 people** with new skills and expertise to face the challenges of the future (with about 20,400 terminations), which also helped foster generational turnover, with the average age of the Group's employees falling to 41 years from the previous 43.³

International presence

Over the three-year period, the FS Group has gone from being a company with operations abroad to a player with a clear and coherent international strategy. Growth in the European Union following the opening of the passenger market to full competition has made it possible to export the excellence of the Italian high-speed model.

The Group's new international structure has enabled it to achieve major goals in the last three years. These include:

- the launch of new high-speed services with the Frecciarossa 1000 in France (Milan-Lyon-Paris). The Frecciarossa connection between Paris and Milan immediately registered high approval rates from both Italian and French customers, reaching over 2 million passengers by December 2023;
- the launch of new high-speed services in Spain, acting through the rail operator Ilsa ("Iryo" brand), which has become an important player in record time and was named company of the year in 2023;
- the award of tenders in local public transport in Germany (through the German subsidiary Netinera) with a total value of over 4 billion euros, and in bus transport (mainly zero emissions) in the Netherlands (through the local subsidiary QBuzz), with total revenues of about 4.3 billion euros;
- the export of Made in Italy excellence in railway engineering with the award of important design and PMC contracts to Italferr, including the iconic Rail Baltica high-speed project, which will link Estonia, Latvia and Lithuania;

³ Source: FS Group 2023 Sustainability Report.



- the revival of the contract for the management of 4 lines of the new Riyadh metro (awarded in 2017) and the finalization of industrial activities enabling the start of operation of part of the network;
- the relaunch of Mercitalia Logistics in Europe, through organic growth and the acquisition of Exploris in Germany as an intermodal operator offering additional value-added services integrated with Italy.

The officer responsible for the preparation of the corporate financial reports, Marco Fossataro, certifies, pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Financial Intermediation, that the accounting information contained in this document corresponds with that contained in the accounting documentation, books and records.

The document also contains summaries of financial information that should not be considered a substitute for the financial statements of Ferrovie dello Stato Italiane SpA and the FS Group, as well as forward-looking statements that do not constitute a guarantee of future events or performance.