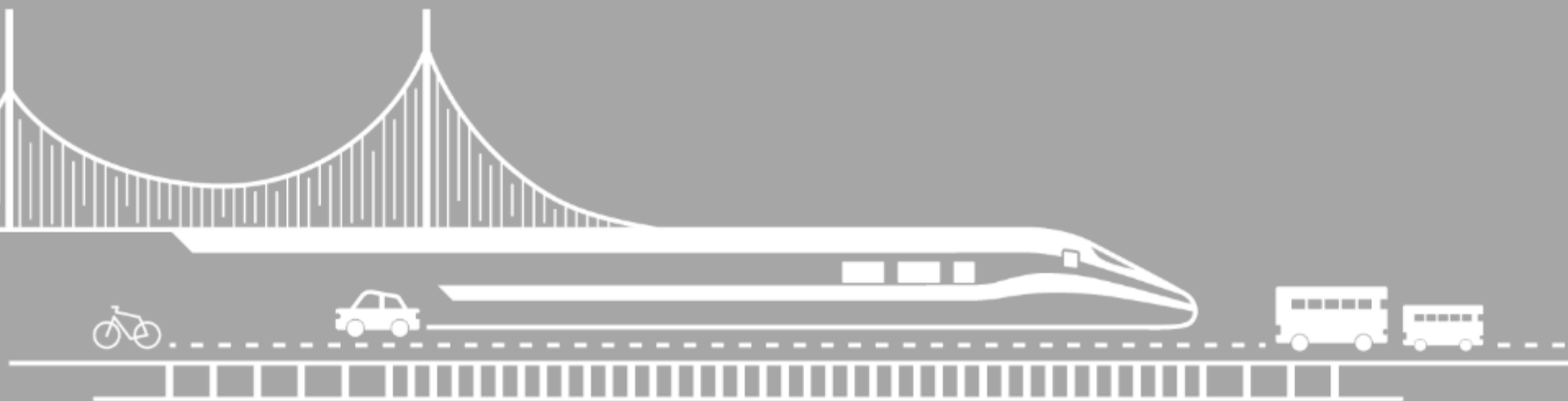


# FS Italiane Group

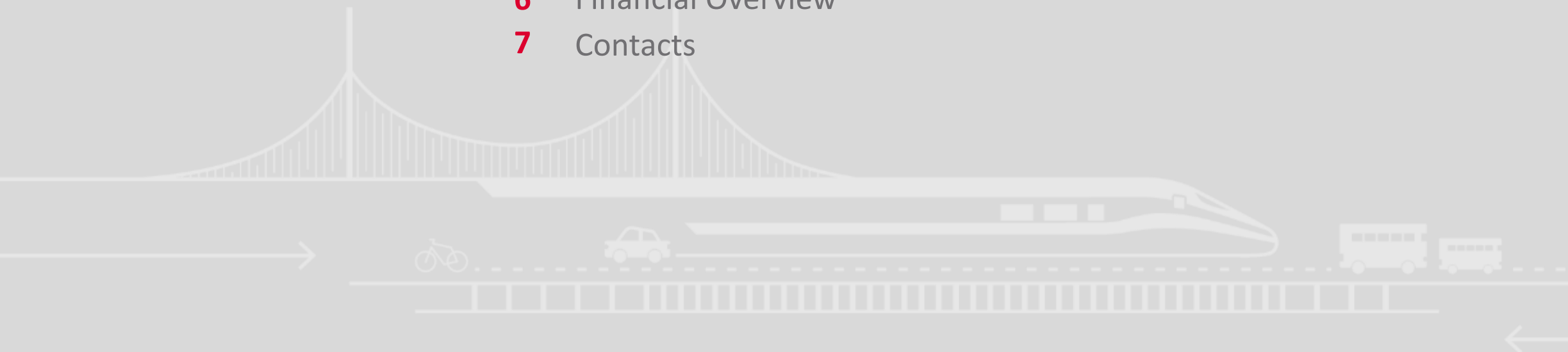
## Investor Presentation

October 2022



# CONTENTS

- 1** Ferrovie dello Stato Italiane Group Overview
- 2** Operations and Industry Overview
- 3** Focus on Recovery and Resilience National Plan (PNRR)
- 4** Corporate Sustainability
- 5** Sustainable Finance
- 6** Financial Overview
- 7** Contacts



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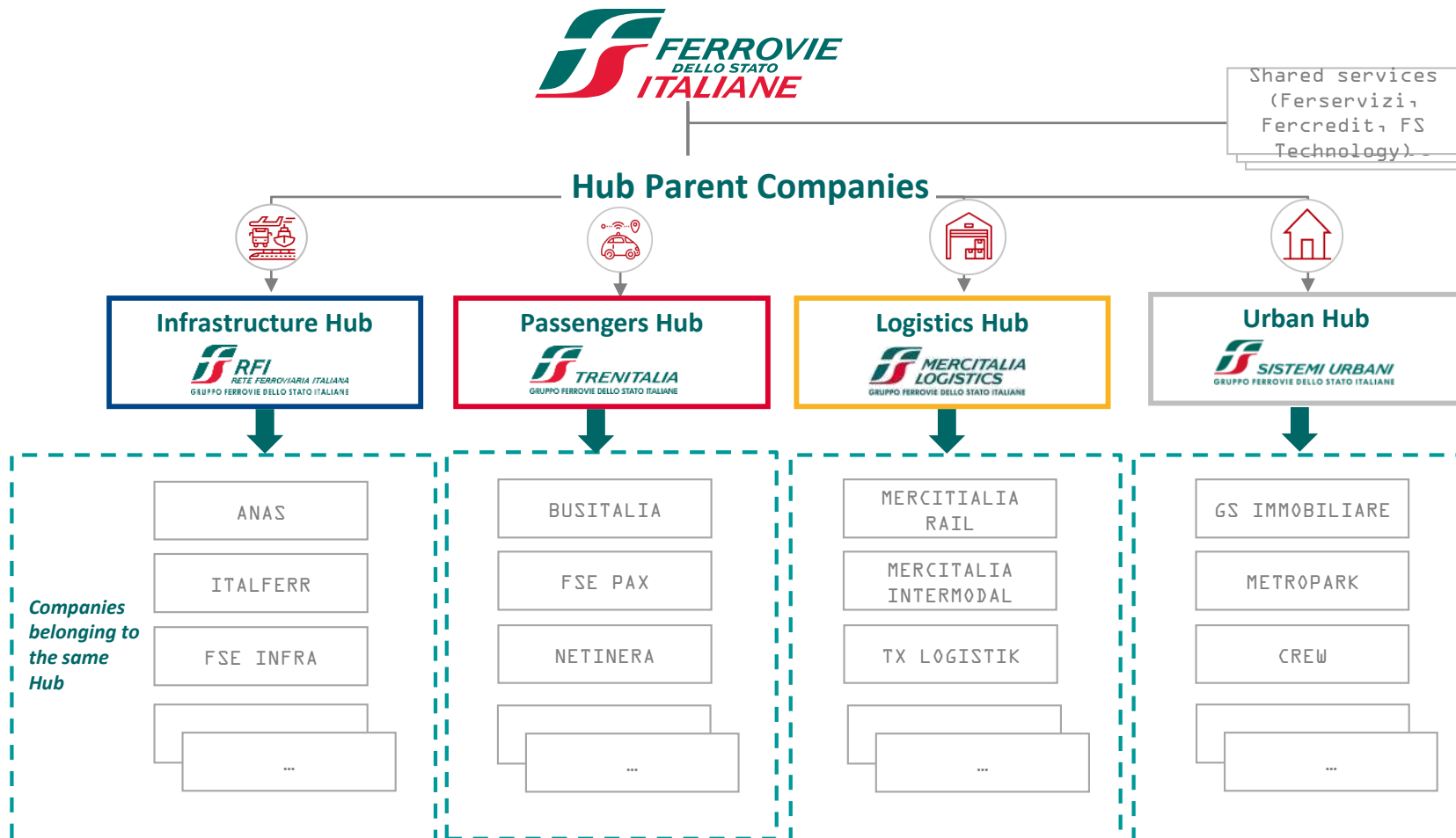
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# Ferrovie dello Stato Italiane Group Overview



# FS Group in a snapshot

Ferrovie dello Stato Italiane S.p.A. (“FS” or the “Issuer”) – 100% Italian State owned – is the holding company of the Italian railway Group. As one of the largest industrial groups in the Country, it manages rail and road networks and transport services by rail and bus both passenger and freight, contributing to develop integrated mobility and logistics in Italy and abroad.



**New Mission\*** for the Holding company:

- policy making,
- coordination,
- strategic and financial control

over the Hub's Parent Companies.

# FS Group: revenues by segment and 2021's consolidated highlights

Consolidated Highlights (€mn)		
	2021	2020
Revenues	12,154	10,837
EBITDA	1,888	1,633
EBITDA Margin	15.5%	15.1%
EBIT	193	-278
EBIT Margin	1.6%	-2.6%
Net Income	193	-562
Net Invested Capital	50,437	50,316
Equity	41,550	41,423
Net Financial Debt	8,887	8,893

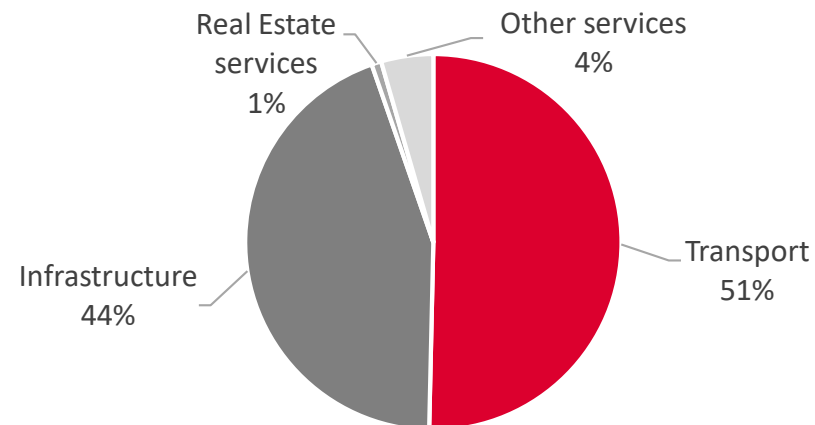
Increase of the main economic indicators:

- **Operating revenues:** € 12,154 mn, +€ 1,317mn (+12%).
- **EBITDA:** € 1,888 mn, + € 255 mn (+16%).
- **EBIT:** € 193mn, + € 471 mn (+169%).
- **Net Income:** € 193 mn, after the large loss of € 562 mn in the previous year: +134%.

Most of the Group's revenues come from the **Infrastructure** and the **Transport segments**.

The revenues' percentage from **Infrastructure** and **Transport segments** are in line with **2020**, around **95%** (+1% vs. 2020) of group total revenues.

Group Revenue by Hub (2021) \*



# Benchmarking with European rail players



(€bn)	2019	2020	2021
Revenues	12.4	10.8	12.1
EBITDA margin %	21%	15.1%	15.5%
EBIT margin %	6.7%	-2.6%	1.6%

Issuer Rating	
S&P	BBB
Fitch	BBB



(€bn)	2019	2020	2021
Revenues	44.4	40.2	47.1
EBITDA margin %	12.20%	2.5%	4.9%
EBIT margin %	4.10%	-11.9%	-3.3%

Issuer Rating	
S&P	AA-
Moody's	Aa1
Fitch	AA



(€bn)	2019	2020	2021
Revenues	35.1	30	34.8
EBITDA margin %	16.10%	6.5%	12.5%
EBIT margin %	5.10%	-10%	5.2%

Issuer Rating	
S&P	AA-
Moody's	Aa3
Fitch	A+

# Rating Overview



**S&P Global**  
Ratings

RATING		
Issuer Rating	<b>BBB</b>	Outlook <b>STABLE</b>
Stand Alone Credit Profile	<b>bbb+</b>	

**Rating confirmed on  
2<sup>nd</sup> August 2022**

## COMMENTS

FS' ratings mainly reflect :

- the agency's forecast of a **strong investment-led recovery in 2021 and 2022**.
- **FS' key role** in the government's allocation of resources from the **NextGenerationEU Recovery Plan**.
- **FS stronger stand-alone credit quality than the sovereign** with an "Intermediate" financial risk profile.

**On 2<sup>nd</sup> August 2022, S&P changed FS's outlook from positive to stable:**

- The stable outlook mirrors the stable outlook on Italy.
- S&P's expectation is that FS will maintain an **adequate level of liquidity on an ongoing basis**, based on **State support and sound relationships with banks**.

**Fitch**Ratings

Issuer Rating	<b>BBB</b>	Outlook <b>STABLE</b>
Stand Alone Credit Profile	<b>bbb</b>	

**Rating upgraded on  
23<sup>rd</sup> December 2021**

On **23<sup>rd</sup> December 2021**, Fitch **upgraded FS Long-Term Issuer Default Rating** to BBB from BBB- reflecting previous upgrade of Italian Republic.

The uplift of the SCP to 'bbb' reflects **the improvement of the counterparty risk** represented by Italy, as the Italian public sector represents the largest single contributor to FS's income, which caps FS's unconstrained SCP of 'bbb+'.

FS' ratings reflects the:

- **full ownership and high integration** with the Italian government and its **key role for railway transport and mobility in Italy** as well as **the national infrastructural development**.
- Solid position in the domestic market with a supportive regulatory regime for public service contracts, also in relation to the role FS will play in the implementation of the PNRR.
- **Moderate debt level** in the coming years, **compared to the EBITDA available for its service**.

Fitch believes that **FS remains on top of Italy's largest investors**, mostly through its subsidiaries RFI and ANAS, both involved in the implementation of the PNRR.



# The 2022-2031 Industrial Plan - Enabling Factors

On May 2022, FS presented a 10 years investment plan supported by a cutting-edge strategic and industrial vision

Improve efficiency and reduce consumption by producing electricity from renewable sources.

- **2 GW**: expected capacity of the new installations from renewable sources
- **2.6 TWh** total annual producible energy
- **€ 1.6 bn**: investments
- **40%** of Group consumption covered by self-generation

Further value in the countries where FS Group is already present.  
Export of integrated know-how through partnerships outside Europe.

New  
Organisational  
Set-up

A profound redefinition of governance and a new organisational structure into 4 business Hubs (“Infrastructure”, “Passengers”, “Logistics”, “Urban”) to strengthen the Group synergies.

Energy and  
Ecological  
Transition



Innovation  
Digitisation  
Connectivity

Digital infrastructures for the interconnection of people and goods.

- The “**Resilience**” platform for monitoring road and rail infrastructure
- The **Passenger smart mobility platform** for timetable harmonisation, journey planning, ticketing and parking management
- The **integrated logistics platform**
- The **platform for smart timetables** to reconcile maintenance needs and the level of service
- The **Group payment platform**
- **Gigabitrail** to connect the rail infrastructure

International  
activities

Development  
of Group  
People

Skills, talent, change management and leadership.

# The 2022-2031 Industrial Plan

## The Four Hubs and main figures



### INFRASTRUCTURE HUB

The backbone of economic and social development throughout the territory

To realize accessible, integrated, resilient and interconnected road and rail works.

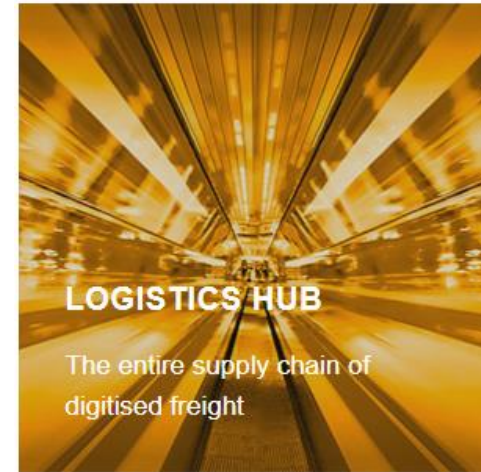
**Foreseen about € 160 bn in investments made by RFI and ANAS, with their leading role in the implementation of the Italian Recovery and Resilience Plan.**



### PASSENGER HUB

Integrated solutions for sustainable mobility

Creation of a multimodal business proposition, the advantage of which shall be to exploit the merits of the various modes, to achieve integrated, economical, reliable and sustainable transport.  
**By 2031, the Hub will invest around € 15 bn.**



### LOGISTICS HUB

The entire supply chain of digitised freight

Main targets: doubling the share of freight traffic by rail compared to 2019 and developing its positioning in the logistics chain.

**Almost € 2.5 bn in investments in new rolling stock, multimodal terminals, freight villages and logistics platforms.**



### URBAN HUB

The sustainable regeneration of cities

Enhancement of assets no longer functional to the railway service, from the perspective of the sustainable regeneration of cities.

**The assets' value under management equal to € 1.5 bn.**

### Main figures

- **€ 190 bn of capex**
- **2 GW** expected capacity of the new installations from renewable sources
- **40,000 new hires** expected
- **No limits for safety purposes**
- **Up to € 5 bn revenues** from international activities

# Operations and Industry Overview

Infrastructure



Key figures			
€mn	2020	2021	
<b>Revenues</b>	<b>2,492</b>	<b>3,057</b>	
Track access charges	762	961	
CdP-Service	1,291	1,371	
Other services	265	449	
Real estate services	105	111	
Other income	69	165	
<b>EBITDA</b>	<b>333</b>	<b>452</b>	
EBITDA margin %	17%	13%	
<b>EBIT</b>	<b>71</b>	<b>273</b>	
EBIT margin %	12%	3%	
<b>Net Income</b>	<b>38</b>	<b>275</b>	

## NETWORK HIGHLIGHTS 2021

**16,832 km Lines**

**12,160 km Electified Lines**

**23,097 km Traditional tracks**

**1,467 km High Speed tracks**



## High Speed and Traditional Network



**INVESTMENTS 2021 € 8,033 mn**

**98%** Traditional network

**2%** High Speed network

**45%** Maintenance and Safety

**55%** Network Development

# ANAS: road infrastructure



- ANAS is part of FS Group since January 2018, following the equity transfer from the MEF.
- With ANAS, alongside RFI, FS group is now Europe's largest integrated rail and road hub in terms of both number of people serviced and investments.

**Designing, construction and maintenance of national roads**

**Concessionaire of 32,000 km of roads**

**~ 1,300 km of highways**



Financial highlights		
€mn	2020	2021
Revenues	2,340	2,889
EBITDA	168	147

**INVESTMENTS 2021 € 2,241 mn,**  
**including € 295 mn for suppliers contractual advances**  
Fully funded by the Programme Agreement



# Operations and Industry Overview

Passengers





# Trenitalia: rail passenger transport in Italy and abroad

## Key highlights

- Trenitalia is a train operator and is the main Italian company for the management of passenger rail transport.
- Trenitalia is also abroad with **c2c** (since 2017) and the **West Coast Partnership** (since 2019) in **UK**, **Trenitalia France**, **Hellenic Train in Greece** and **Netinera Group** active in **Germany** (previously directly owned by FS). Also, in May 2020, Trenitalia won the tender for operating the **high-speed services in Spain** for the next 10 years.

## Two business segments



### Medium Long distance revenues (€mn)

	2020	2021	Change
■ <b>High Speed</b> services			
■ International and regulated domestic services (PSC** with the State)	1,474	1,884	+28%

### Regional revenues (€mn)

	2020	2021	Change
■ Commuter passenger services			
■ <b>PSC** Regional</b> services	2,392	2,630	+10%

## Financial highlights

€mn	2020	2021
Revenues	3,906	4,522
EBITDA	827	1,054
EBIT	-208	67
Net Income	-423	2
EBITDA Margin	21.2%	23.1%
EBIT Margin	-5.3%	1.5%

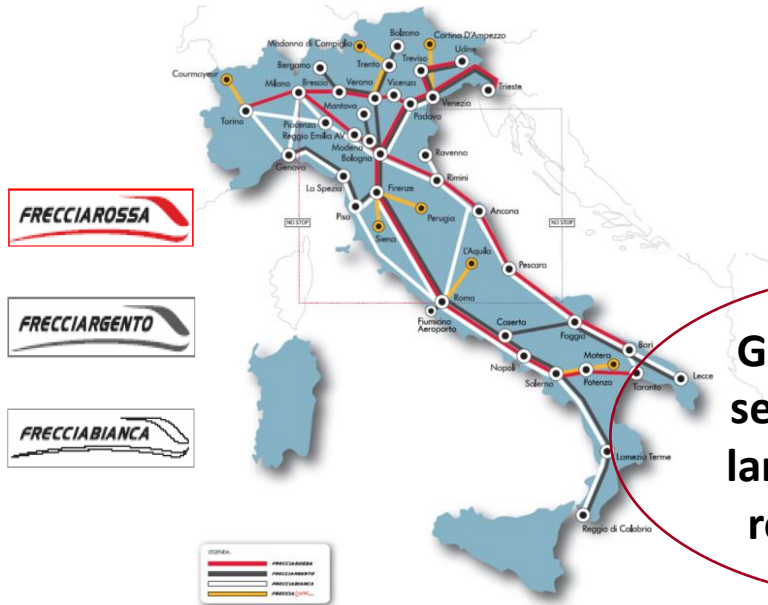
**INVESTMENTS 2021 € 1,618 mn\***

**60%** new rolling stocks

**21%** rolling stocks maintenance\*

# Focus: High Speed Transport

## Frecce network



**Group's business segment with the largest increase in revenues: +28%**

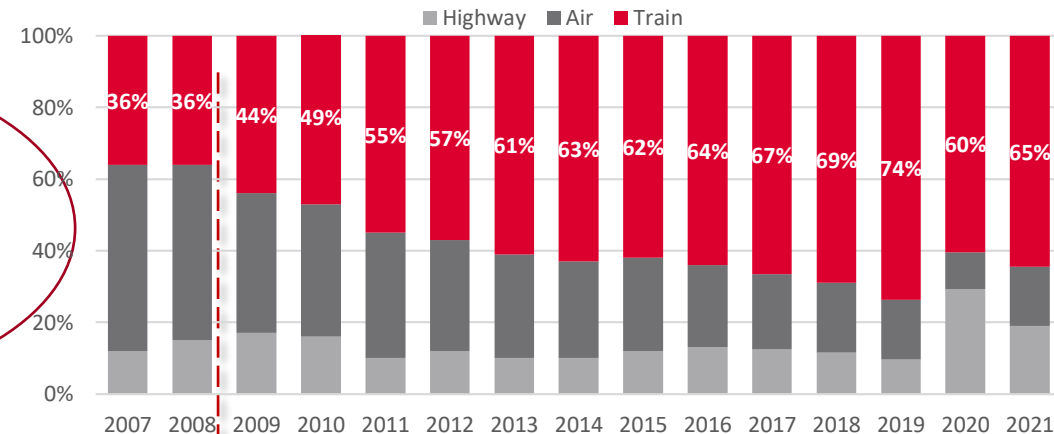
The **ETR 1000**, named "**Frecciarossa 1000**" is the new high-speed train of Trenitalia, comfortable, safe and environmentally friendly, designed to meet the most advanced techniques.

Able to travel on all European high-speed networks.

The fleet counts **58 ETR 1000** with the last delivered in 2021. Part of fleet was funded via the **green bonds** issued by FS.

- The Medium\Long Haul Passenger Division ensures the national and international passenger transportation, including High Speed services.
- The Italian **High Speed network** connects the main metropolitan areas of the country and it has been the key element for the **modal shift** from plane to rail in Italy.

## Milan – Rome route modal share



Launch of the 'Freccie' network

**Eligible Green Project**





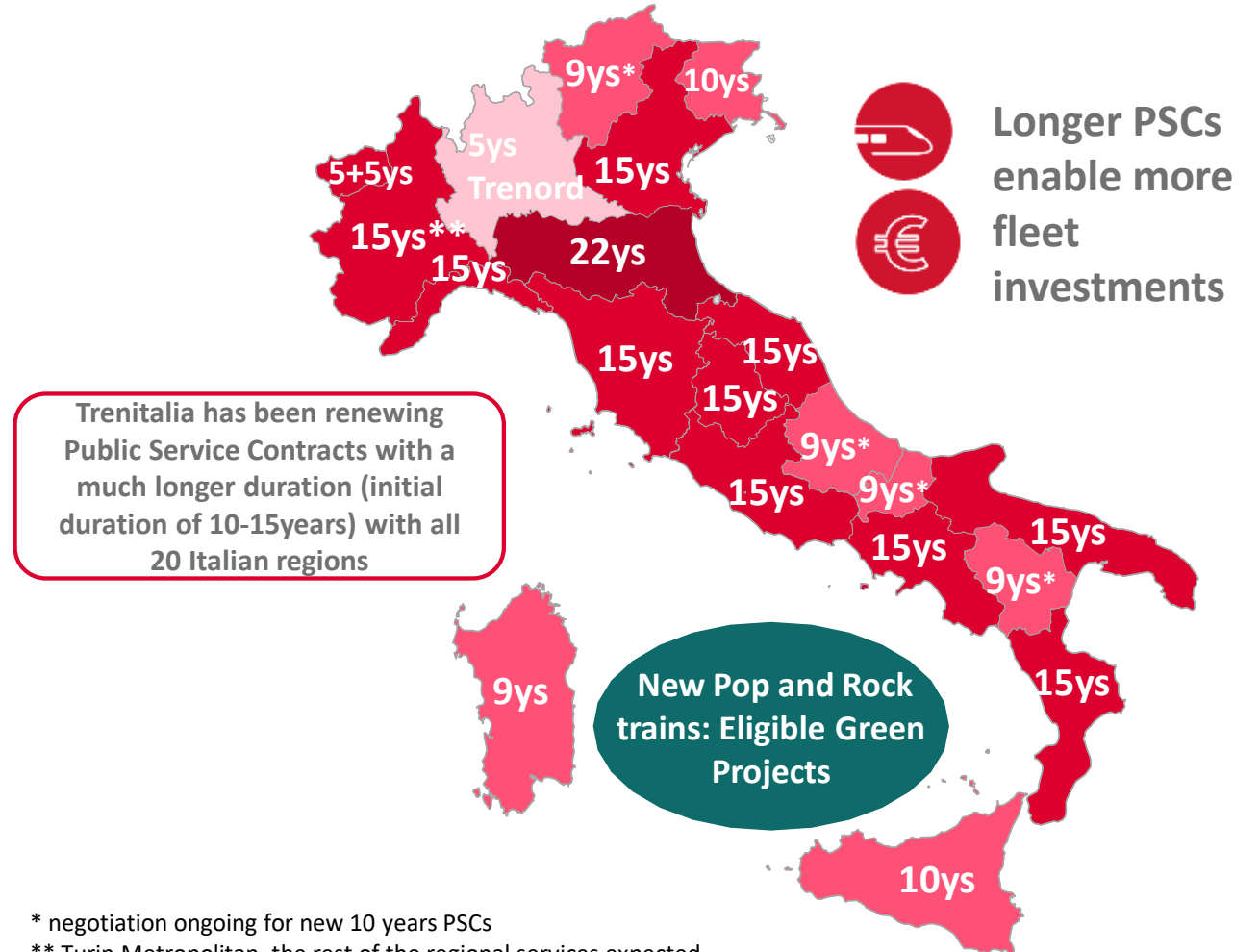
# Focus: Regional Transport

## Overview

- Offers **urban, regional** and **interregional** mobility.
- Business with local administrations is regulated by different **Public Service Contracts** ('PSCs').
- PSCs are subject to specific regulation in terms of eligible costs and adequate capital investments returns.
- In 2021 revenues related to regional passenger services equal to € 2.6mn (+10% vs. 2020).
- Fees from regions increasing in 2021.



## Trenitalia regional services portfolio as of today



\* negotiation ongoing for new 10 years PSCs

\*\* Turin Metropolitan, the rest of the regional services expected to be directly assigned; negotiation ongoing for a new 10 years PSC

# Busitalia: road passenger transport in Italy and abroad

## For an integrated mobility

### Key highlights

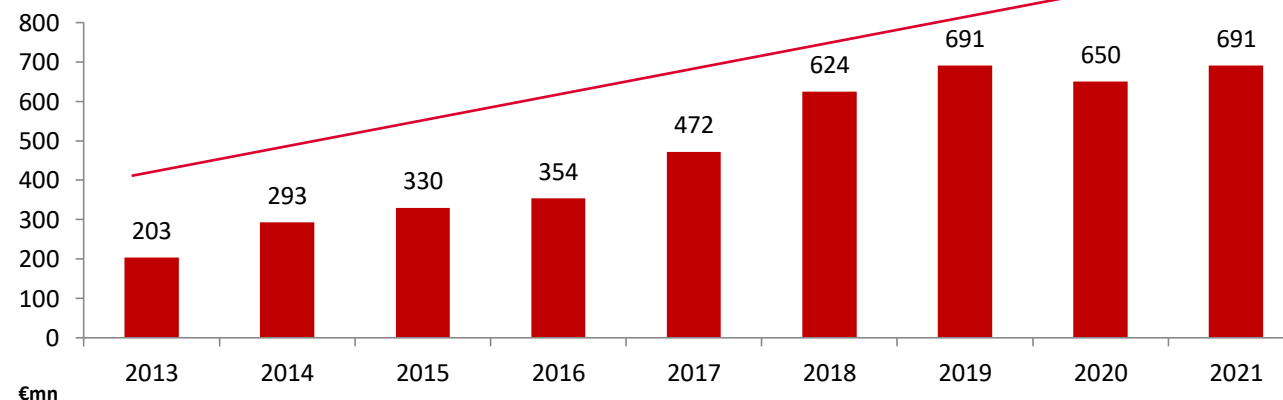
- Busitalia provides **local bus transport**, both urban and suburban, in **Veneto (regionally and locally in Padova after winning the public tender), Umbria and Campania**.
- In August 2017 Busitalia acquired **Qbuzz**, the Dutch company which operates public bus transport services in the **Netherlands**.
- In **2018 Qbuzz** won public transport 8 years concessions in DNG and Groningen-Drenthe areas.
- Busitalia also operates the replacement of rail services by bus including **Freccialink**.

### Financial highlights

€mn	2020	2021
Revenues	650	691
EBITDA	79.1	84.4
EBITDA Margin	12.2%	12.2%

**FLEET INVESTMENTS 2021 € 58 mn**

### Revenues since business inception



# Operations and Industry Overview

Logistics



# Mercitalia: freight and logistics services

## Integrated governance for the freight services

**Mercitalia Logistics** is the **sub-holding** and coordinator of the **Logistics Hub**. The creation of this hub has the aim of restructuring the cargo business and rationalize the freight operators active in the Group to improve quality and efficiency of cargo services provided and rationalize the freight operators.

- Increase and strengthen the presence in the intermodal transport segments.
- Develop operating synergies to increase competitiveness and market share.



Financial highlights		
€mn	2020	2021
Revenues	970	1,036
EBITDA	89	96,5
EBITDA Margin	9.2%	9.3%

**Investments 2021: € 136 mn** mainly for fleet upgrading

- New electric locomotives and wagons together with technology upgrades will enhanced the Group cargo fleet



Eligible Green Project



# Operations and Industry Overview

Urban



# Urban Hub: not only Real Estate services

The **Urban Hub**, with **Sistemi Urbani** as **sub-holding**, is responsible for Urban regeneration, intermodal solutions and first and last mile logistics in urban areas.



## Sub-holding's financial highlights

€mn	2020	2021
Revenues	25.9	28
EBITDA	2	5
EBITDA Margin	7.6%	17.8%



Urban's Hub **strategic priorities** are:

- **Management and regeneration** of the **Group's** real estate assets.
- **Integrated management** of the **Group's** car parks.
- **Centre of Excellence** for offering **turn-key services** to medium-sized cities.
- **Establishing partnerships** with different operators for **grounding**.

# Focus on Recovery and Resilience National Plan (PNRR)



# PNRR: role of FS Group and financial resources



PNRR consists of six Missions. Each Mission consists of several Components

**Mission 3** - “Infrastructures for Sustainable Mobility” amounts to around **EUR 31.5 bn.**

**Mission 3 – Component 1** “Investments on Rail Network” amounts to **EUR 27.97 bn** invested both on railways and on roads.

Upgrades on National Rail Infrastructure will pertain both HS network and conventional rail network with infrastructural and technological investments (i.e. ERTMS).

RFI acts as implementing body/subject of Mission 3 – Component 1

Others operating Group’s companies could be beneficiaries of the PNRR as implementing body/subjects.

**ANAS** acts as implementing body of **Mission 5** and in the project «Safe Roads» together with all others roads’ concessionaires.

 <b>M3. INFRASTRUTTURE PER UNA MOBILITÀ SOSTENIBILE</b>	PNRR (a)	React EU (b)	Fondo complementare (c)	Totale (d)=(a)+(b)+(c)
M3C1 - RETE FERROVIARIA AD ALTA VELOCITÀ/CAPACITÀ E STRADE SICURE	24,77	0,00	3,20	27,97
M3C2 - INTERMODALITÀ E LOGISTICA INTEGRATA	0,63	0,00	2,86	3,49
<b>Totale Missione 3</b>	<b>25,40</b>	<b>0,00</b>	<b>6,06</b>	<b>31,46</b>

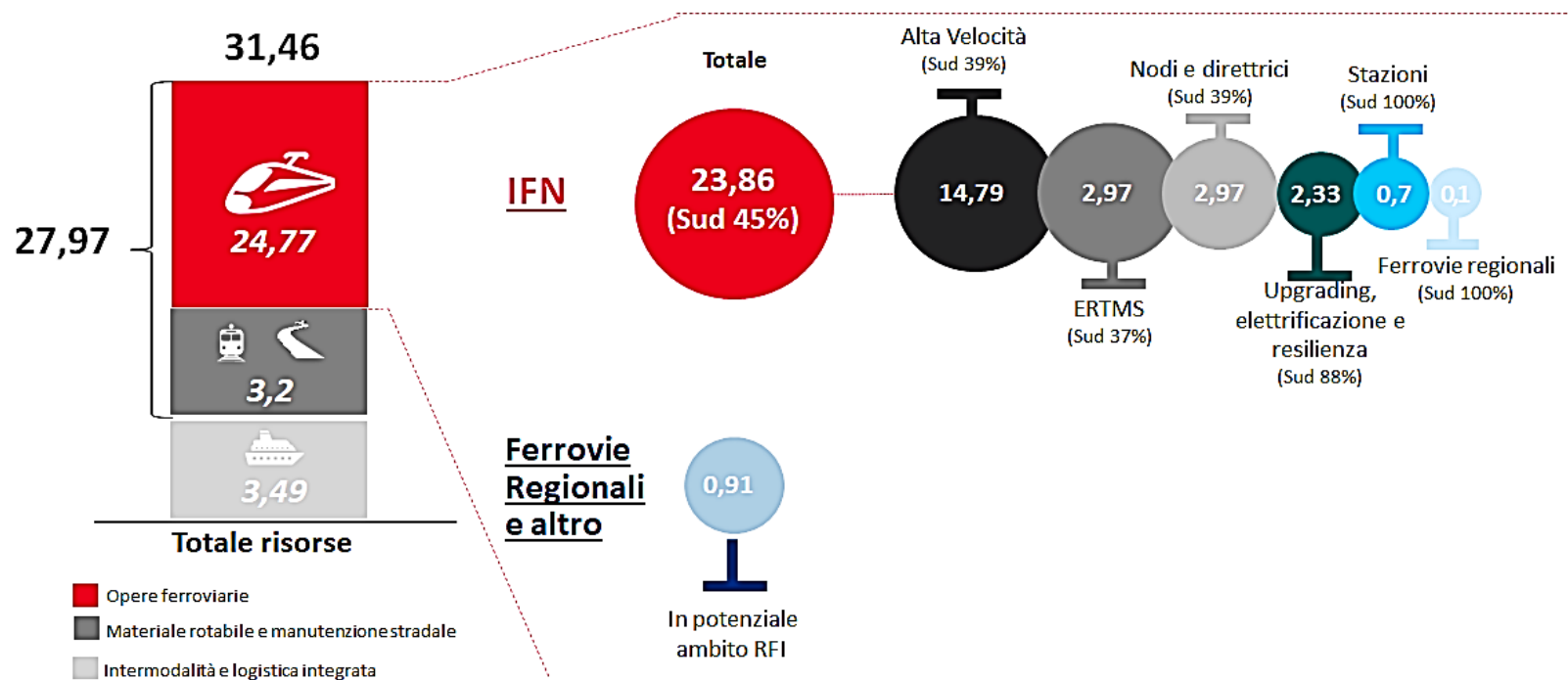


# PNRR: projects under scope

Investments belonging to Mission 3 Component 1 - “**Investments on Rail Network**” consist of **improvement of the HS/HC\*** network for a more rapid rail network for both passengers and freight, **completion of the railway corridors TEN-T**, completion of the pass routes, enhancement of nodes, railroads and regional networks.

**Special attention will be put on Southern regions’ railways, with electrification upgrades and other investments aimed to increase productivity and reduce North-South gap.**

*All investments are fully funded through European and State funds (Recovery and Resilience Facility plus Fondo Complementare DL 59/2021).*



# Corporate Sustainability



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



# FS Group Sustainability Commitment

## Our agenda for a sustainable mobility

The Group intends to place sustainability increasingly at the heart of its strategies. For this reason, the FS Italian Group committed to 12 of the **Sustainable Development Goals (SDGs)** identified by the United Nations 2030 Agenda.



## Sustainability performance

The Group commitment is positively reflected in its sustainability ratings:

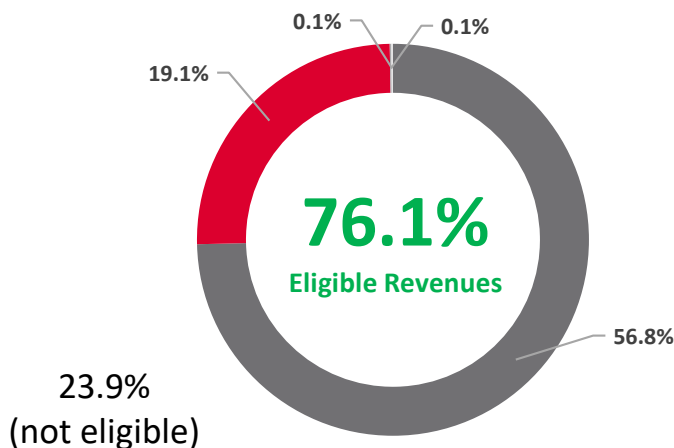
SUSTAINABILITY RATING			
 	CDP Climate Change "B"		ESG Risk assessment: Low Risk
	Advanced		Prime status

# European Taxonomy

## Revenues, Capex and Opex

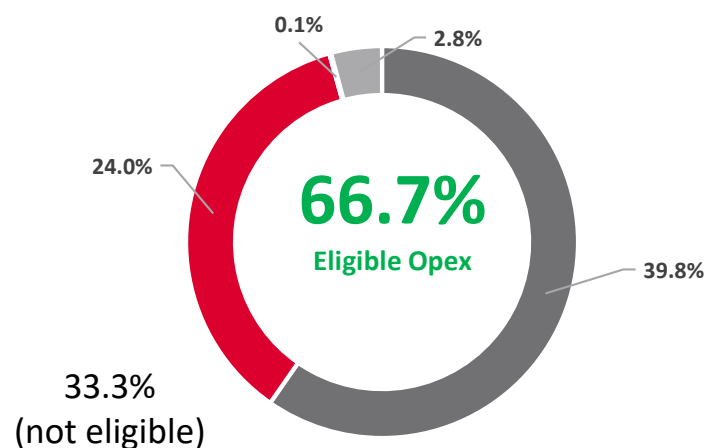
Below is summarized the performance of the Group's **four operating sectors** (Transport, Infrastructure, Real Estate Services and Other Services) with regard to the respective **percentage shares of 2021 Turnover, Opex and Capex – “Eligible”**, for the two objectives of **mitigation and adaptation**, in accordance with **EU Regulation no. 852/2020** (so called **EU Taxonomy**)

### Revenues



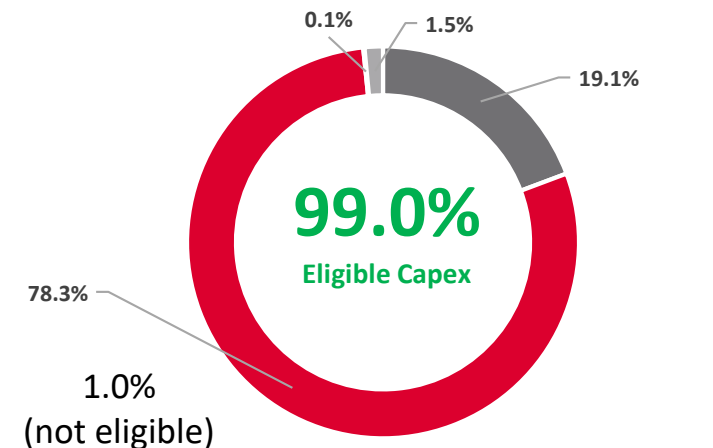
■ Transport ■ Infrastructure ■ Real estate ■ Other services

### Opex



■ Transport ■ Infrastructure ■ Real estate ■ Other services

### Capex



■ Transport ■ Infrastructure ■ Real estate ■ Other services

- ✓ A total of **76.1%** of consolidated **net revenues** is Taxonomy eligible
- ✓ A total of **66.7%** of consolidated **operating costs** is Taxonomy eligible
- ✓ **Almost the entirety** of consolidated **capital expenditure** is Taxonomy eligible

# Sustainable Finance



# Sustainable finance endorsing a sustainable strategy



CO<sub>2</sub>

Increased awareness of the importance to strive for a more sustainable business.

FS financial decisions become essential and strategic to allocate the new debt sources to the most



effective investments complying with the ESG principles.

**2017**

1° Green Bond Framework:  
Green Bond issued only for Trenitalia financing

**2018**

2° Green Bond Framework:  
Eligible Green Projects extended to Cargo sector

**2020**

New ESG transactions:  
EIB Series 14, Eurofima Series 30 and a Green Loan

**2021**

Green Bond S. 17  
1° Sustainable-Linked Loan (RCF)  
Green Bond S.18 (the first corporate Green Bond subscribed by EIB)

**2022**

3° Green Bond Framework:  
Eligible Green Projects extended to RFI  
Green Bond S.19 (via EIB) and S.20

# FS Green Bond Framework updated in 2022



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



All the EGP are aligned with the EU Taxonomy categories

## Eligible Green Projects

Potential KPIs:

- Energy efficiency
- Reducing CO<sub>2</sub> emissions
- Modal shift vs railway

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.



MIR electric locos and freight wagons and related maintenance



RFI electric HS infrastructure and maintenance of the railway lines.





# Green Bond Framework – SDGs Mapping

- The FS Green Bond Framework addresses 3 of 17 **UN Sustainable Development Goals**.
- The mapping has been inspired by the [ICMA high-level mapping to SDGs](#) and existing practices of issuers of Green Bonds in the transportation sector.



**SDG 9.1:** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all



**SDG 11.2:** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport



**SDG 12.2:** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

**SDG 12.5:** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

## Best practice



In 2022 Sustainalytics provided a **Second Party Opinion** on the updated Green Bond Framework, certifying its alignment to the EU Taxonomy.



FS obtained the **Climate Bonds certification** for second, third and fourth green issuances.



KPMG provided a **Third Party Opinion** on the 2021 Green Bond Report.

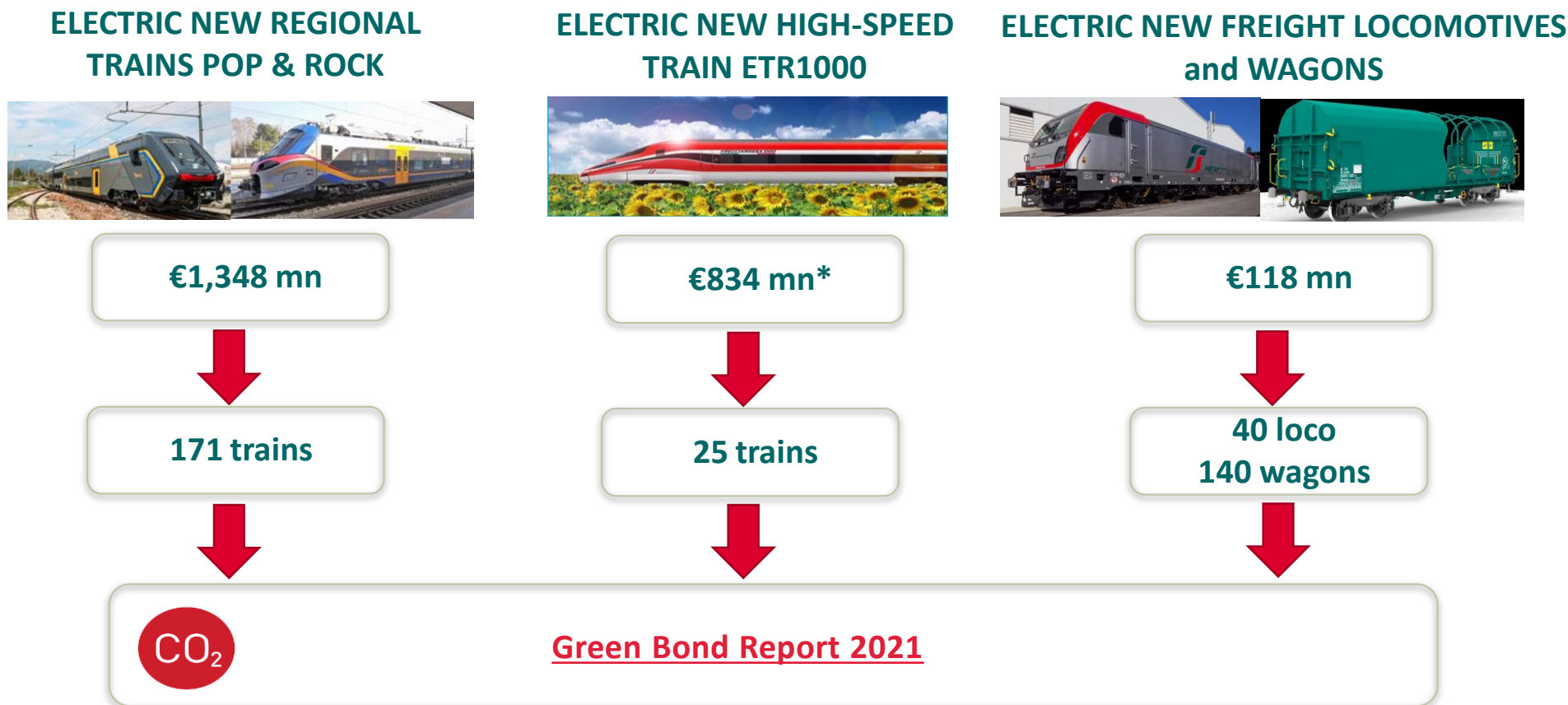
*“Ferrovie demonstrates a commitment to sustainability through its sustainability strategy, which is underpinned by three pillars: (i) **energy and emissions**, (ii) **sustainable mobility**, and (iii) **safety**”*

*“Sustainalytics is of the opinion that Ferrovie has implemented **adequate measures** and is **well-positioned to manage and mitigate environmental and social risks** commonly associated with the eligible categories.”*

*“Ferrovie dello Stato Italiane Green Bond Framework is aligned with the **overall sustainability strategy** of the Group and that the green use of proceed category will contribute to the advancement of the UN **Sustainable Development Goals 9, 11 and 12**”*

# 6 Green Bonds for a total 3.95 billion euro issued so far

Allocation and environmental impact as of today for the first 3 green bonds

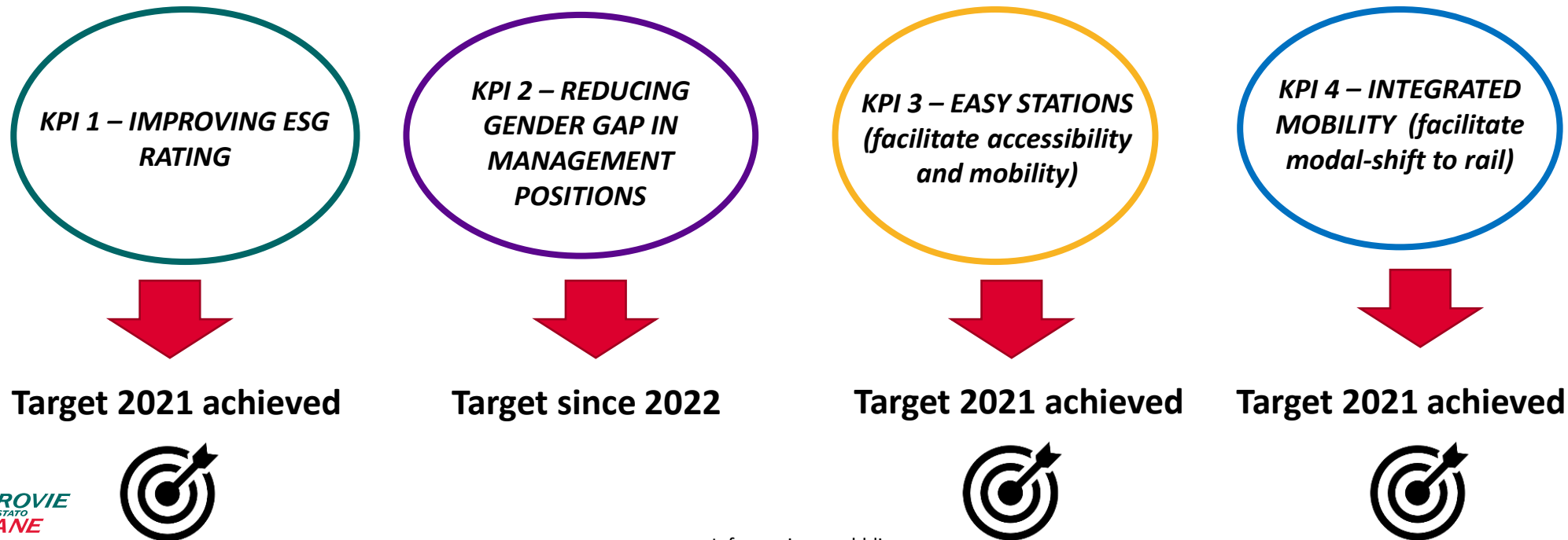


\*Not including € 1,650 million latest green bonds issued on 23<sup>rd</sup> December 2021 (series 18), on 20<sup>th</sup> July 2022 (series 19) and on 14<sup>th</sup> September 2022 (series 20), which reporting will be within December 2022 (series 18), July 2023 (series 19) and September 2023 (series 20).

# Sustainability-Linked Revolving Credit Facility

## Euro 3 billion committed facility

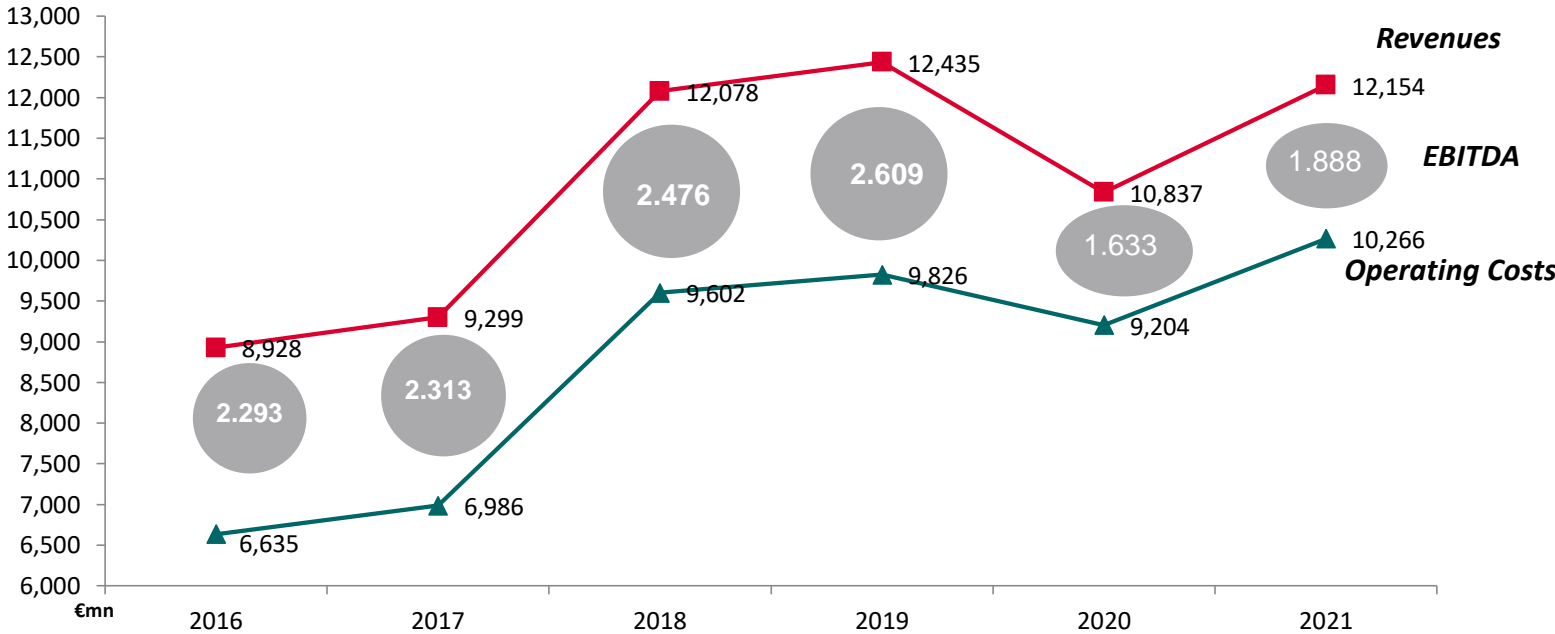
- First sustainability-linked transaction for FS, originally signed in 2021
- Margin and Commitment Fee linked to 4 KPIs on Group's effort on Environmental, Social and Governance targets
- Underwritten by a pool of 8 primary banks
- Size extended in July 2022 from 2.5 up to 3 billion of Euro, with no changes to the other T&Cs, despite a volatile and bullish market environment
- The line allows the Group to meet its general funding needs, also arising from its leading role in the Italian **PNRR**.



# Financial Overview



# Robust historical financial performance

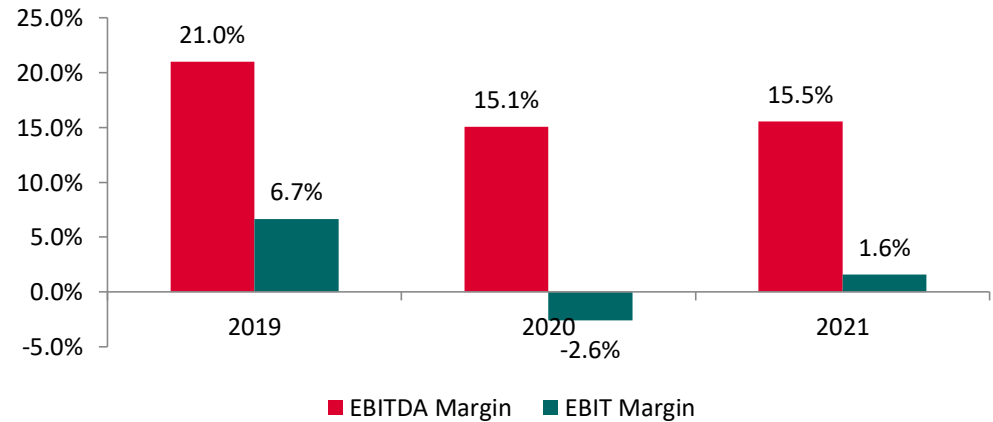
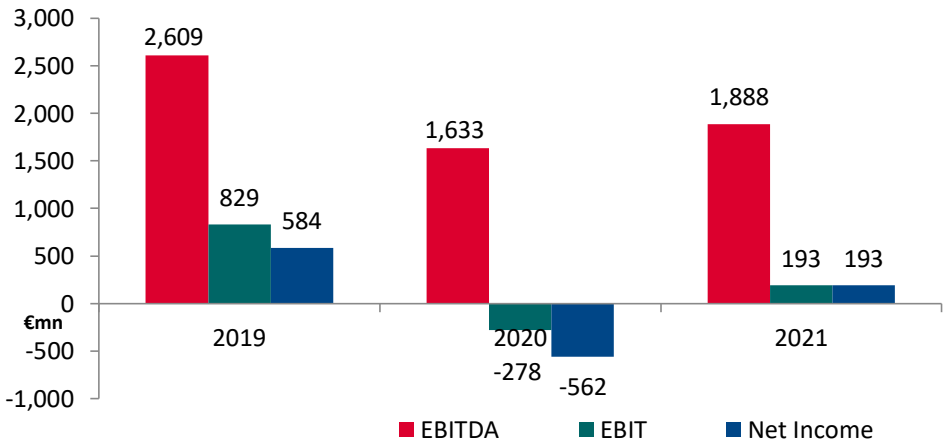


FS's economic situation significantly improves after the difficulties faced last year because of the pandemic

- The increase in costs in 2021 is lower than the increase in revenues, so EBITDA increases compared to 2020.
- As a result, the EBITDA margin also increased
- EBIT margin returns positive in 2021



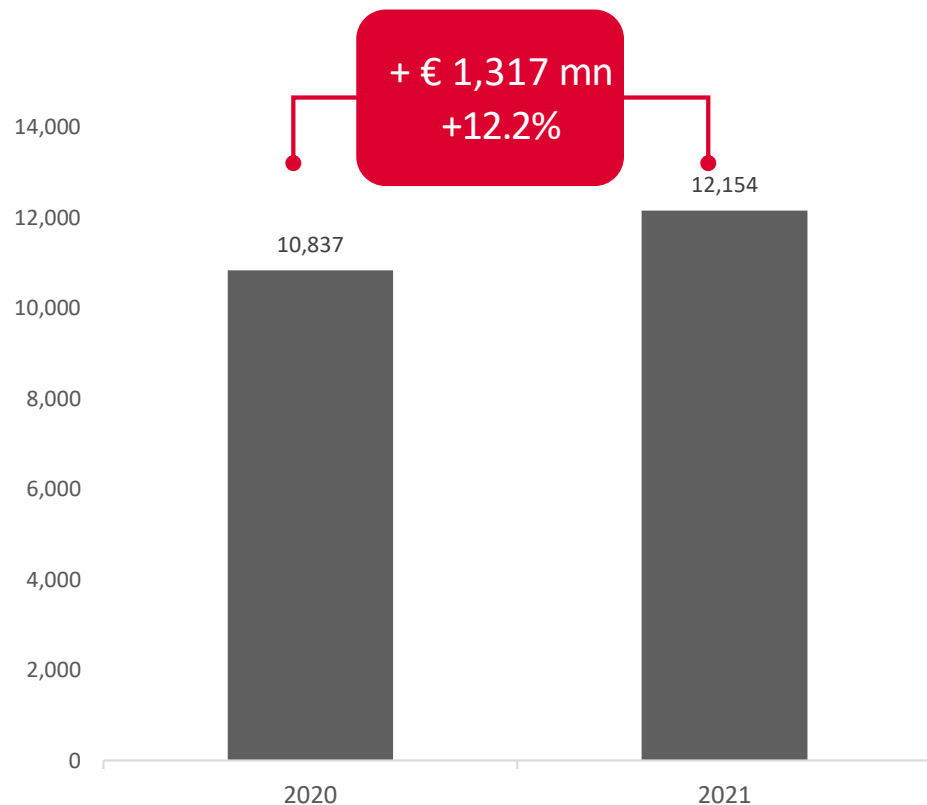
Consistent profitability and margins



# 2021 Group Revenues

High recovery of group revenues after the drop caused by the pandemic

## Consolidated Revenues (€mn)



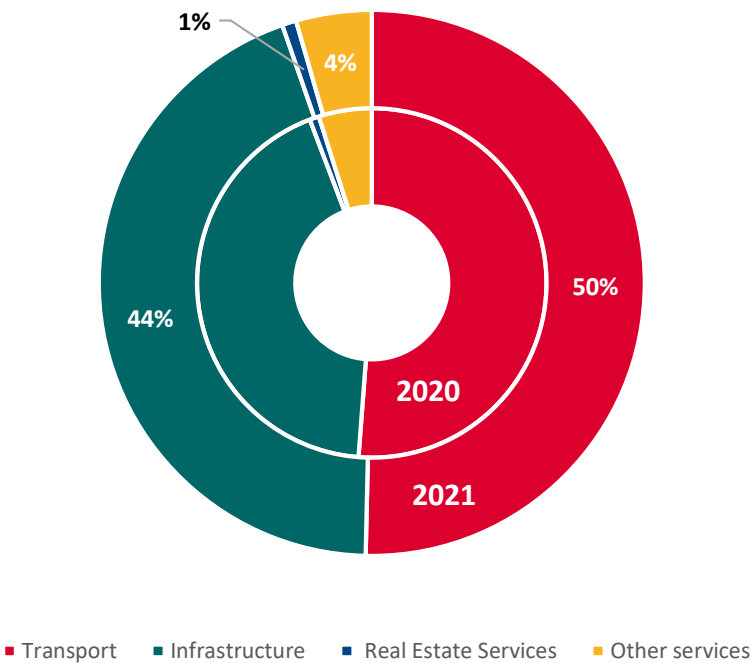
## Key impacts and changes in 2021 vs. 2020

- Fees for long-haul railway transport regulated services stable
- Fees for regional railway transport regulated services stable
- Revenues from infrastructure Programme Contracts – both RFI and ANAS – stable
- Traffic revenues from long-haul railway passenger transport increased by € 409 million → 87% rise in market service and 13% in universal service
- Traffic revenues from domestic short-haul railway passenger transport increased by € 238 mn
- Traffic infrastructure revenues up by € 532 mn mainly related to motorway and railroad traffic toll

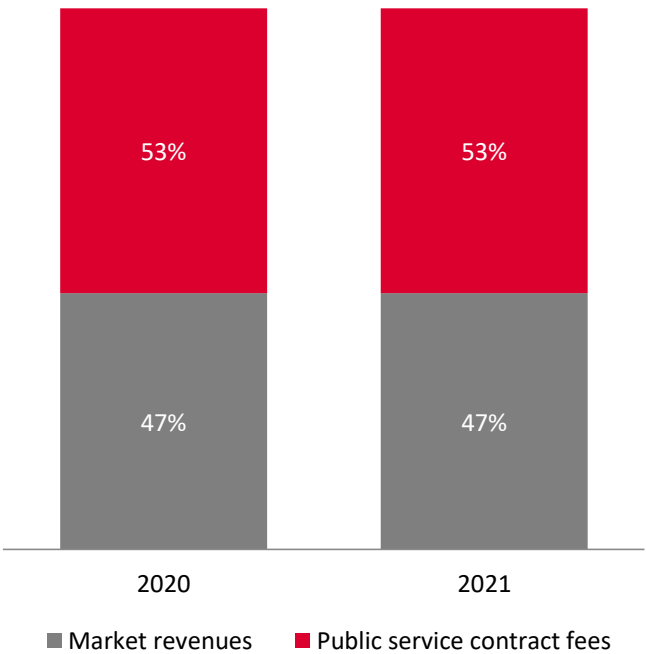
# Group revenues breakdown

- **Passengers Hub** returns to profit in 2021 after the COVID-19 pandemic's negative effect of the 2020
- Share of **public sector vs. market revenues** has been stable over the last two years

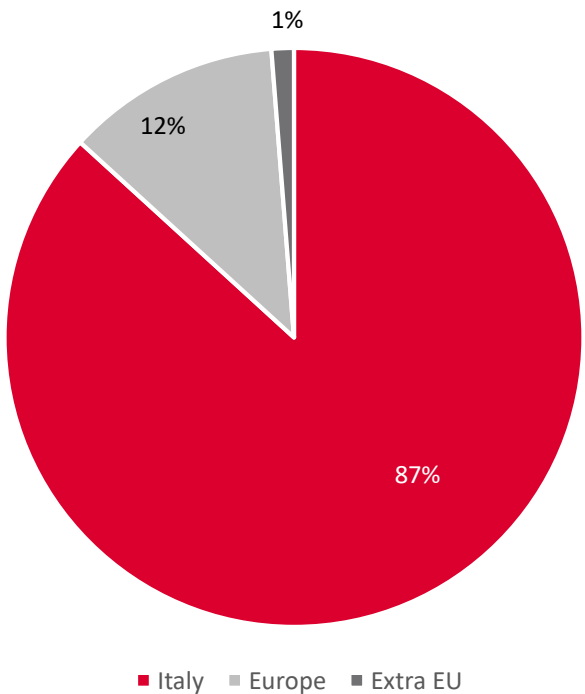
GROUP REVENUES BY SEGMENT



TRANSPORT REVENUES: MARKET VS. PSC



GROUP REVENUES GEOGRAPHIC DISTRIBUTION



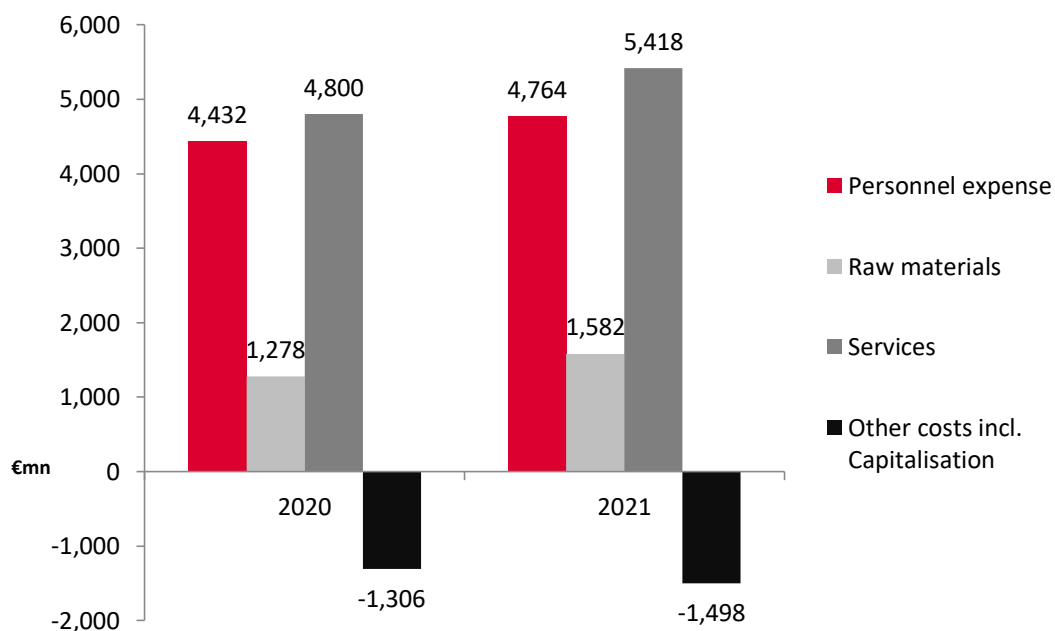


# Focus on operating costs

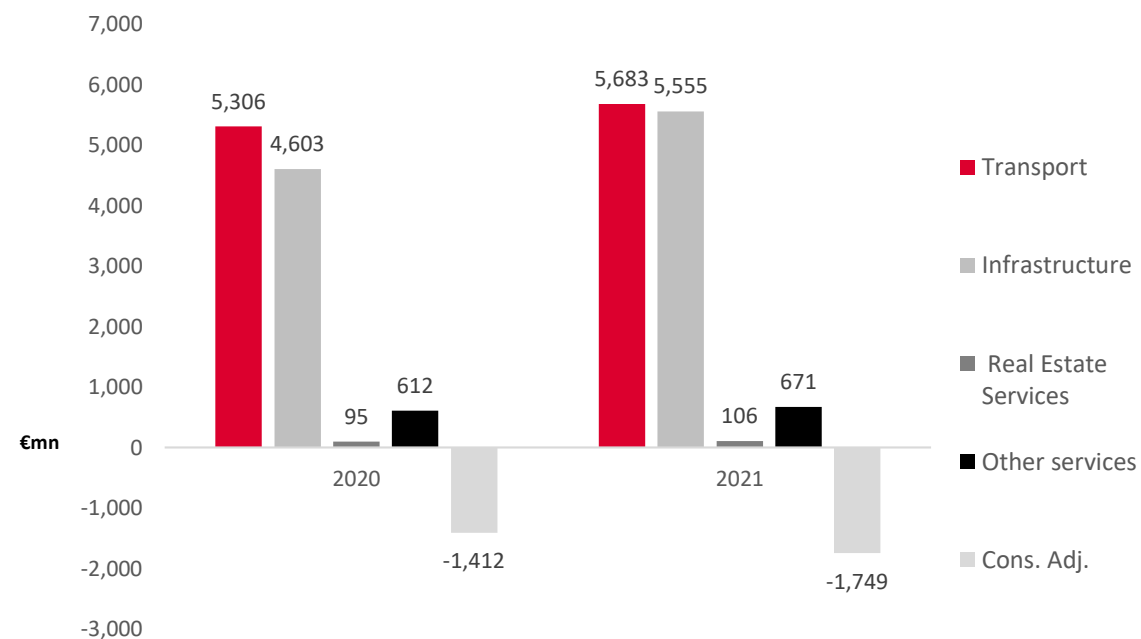
## Significant costs containment to face the COVID impact

- In 2021 **operating costs** amounted to € 10,266 mn (+11.5% vs. 2020)
  - Increase in operating costs due to the increase in the cost of personnel, raw materials and services.
  - Main action on services (+ € 618 mn) as a result of the costs incurred for new works and extraordinary maintenance on the road and highway network, directly related to higher revenues from infrastructure.

Breakdown of operating costs



Total operating costs by division

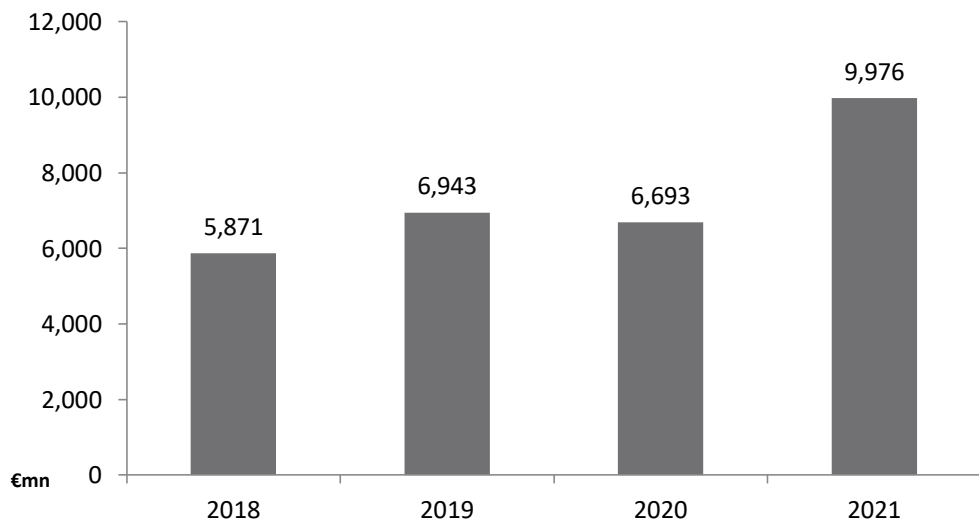


# FS Group's CAPEX profile

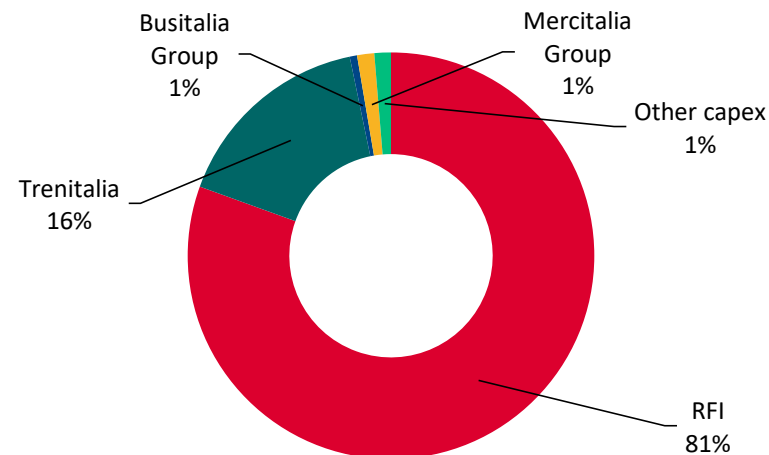
## Leading investor in development of transport, infrastructure and logistics

- In 2021 FS's capital expenditure increased significantly (€ 9,976 mn excluding ANAS, + 49% vs. 2020), of which **€7,654 mn** 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 (€5.64 bn). Rail infrastructure capex is almost totally funded by the Government as per the “Contratto di Programma” between Ministry of Infrastructure and Transport and RFI.
- **Trenitalia** accounted for 16% (€ 1,618 mn).

FS Capex in 2018 - 2021



2021 capex breakdown



Capex excludes Anas S.p.A. and FSE S.r.l. investments recognised pursuant to IFRIC 12. ANAS investments in 2021 accounted for € 2,241 mn

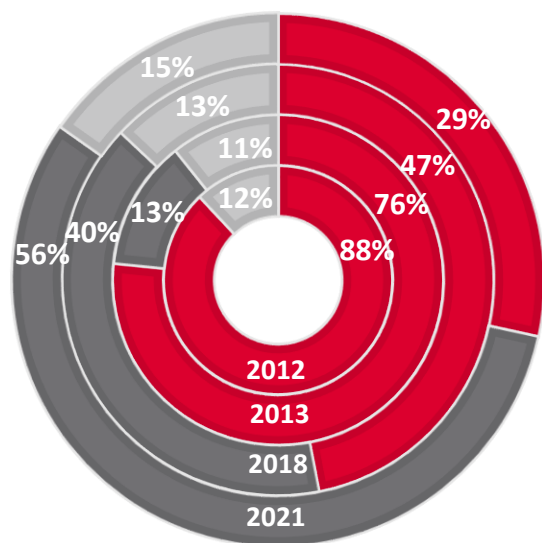
# FS' debt profile

## Funding diversification

- Total gross financial debt (long term + short term) amounts to **€ 11,674 mn** (excluding leasing ex IFRS16) at **YE 2021** vs. € 11,565 mn at **YE 2020**. **The bulk of FS Group's debt is held by FS Holding** (€ 9,642 mn, around 83% of total).
- **Net Financial Debt** amounts to **€ 8,887 mn at YE 2021**, stable compared to the previous year (€ 8,893 mn at YE 2020).

### Breakdown Financial sources 2012 - 2021 (a)

■ Supranational Entities ■ EMTN Bonds ■ Bank Loans



EMTN bonds in CSPP since July 2016 as well as in the Pandemic Emergency Purchase Programme PEPP

### Strong Liquidity Position

Eur 3 bn Sustainability-Linked RCF  
(committed line)

### Access to Capital Markets

Eur 9 bn EMTN Programme

EIB  
CDP  
Eurofima

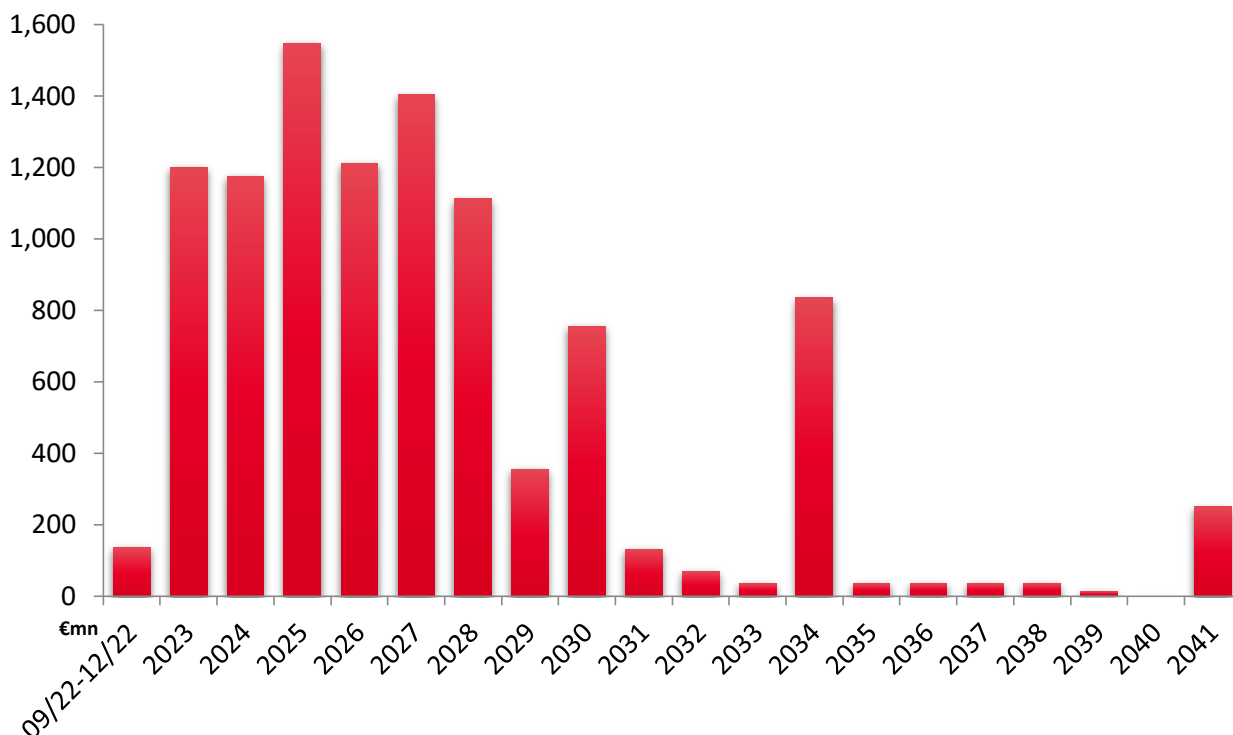
Leading Investors via Private Placements

# Balanced debt maturity profile

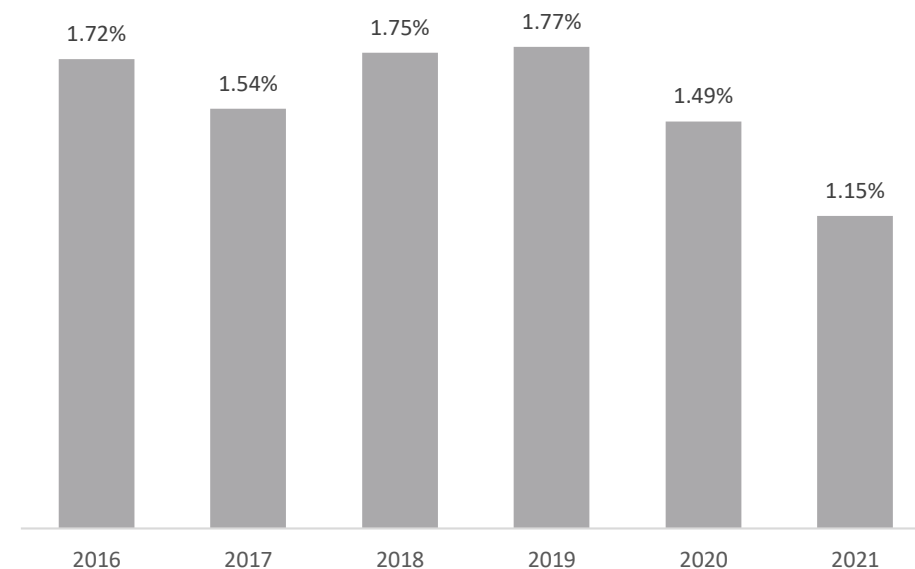
## Effective management of financial expense

- The Group has a **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 \*\*



# Eur 9 billion EMTN Programme

Proved access to the bond market

20 bonds for Euro 8.21 billion issued so far  
Euro 6.49 billion outstanding

Series	Type of placement	Issue date	Amount (Euro mio)	Maturity
3	Private	01/2016	300	12/2025
5	Private	07/2016	50	07/2031
6	Public	06/2017	1000	06/2025
7	Public	12/2017	600	12/2023
8	Private	12/2017	100	12/2025
9	Private	03/2018	200	03/2030
10	Public	07/2019	700	07/2026
11	Private	08/2019	100	08/2029
12	Private	12/2019	140	12/2029
13	Private	12/2019	190	06/2024
14	Private	07/2020	150	07/2032
15	Private	12/2020	250	12/2030
16	Private	12/2020	80	12/2023
17	Public	03/2021	1000	03/2028
18	Private	12/2021	350	12/2038
19	Private	07/2022	200	07/2039
20	Public	09/2022	1100	04/2027

Among them, the 5 *corporate bond* fully underwritten by the EIB as private placement, one of them financed through the Juncker Plan funds of the EFSI



## Allocation of outstanding bonds

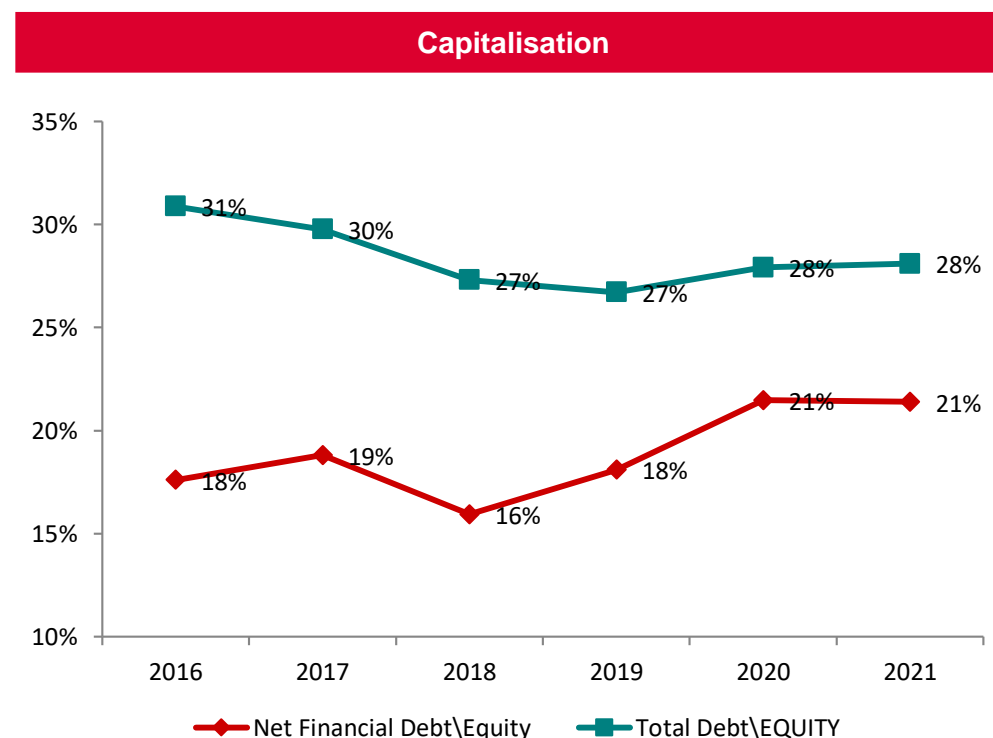
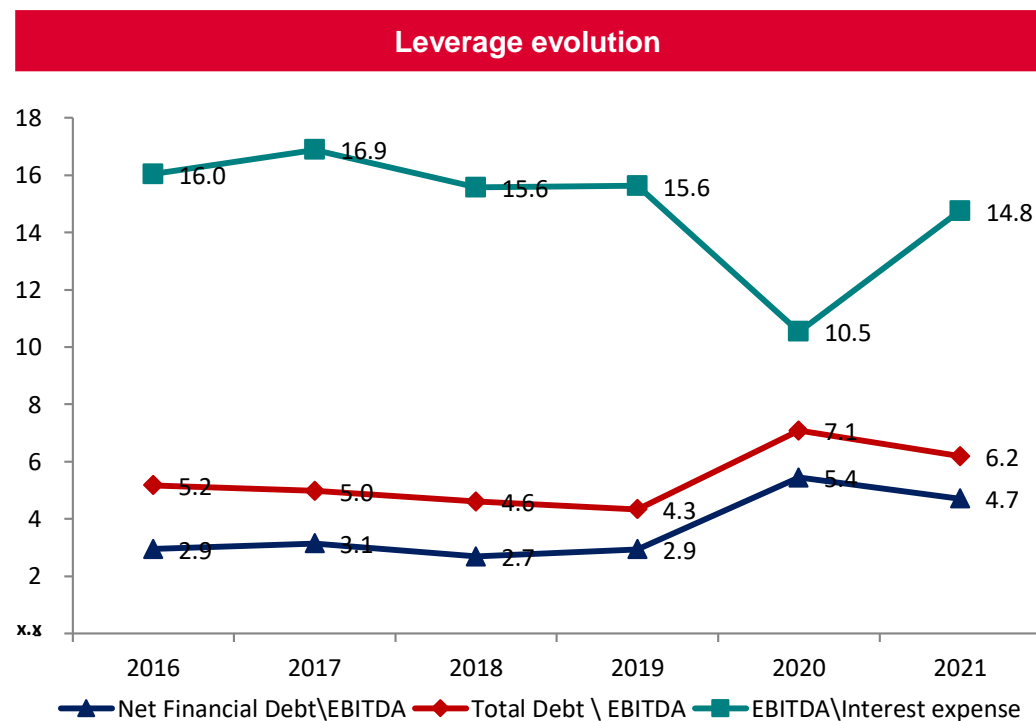
79% Trenitalia	15% RFI	5% Polo Mercitalia	1% Qbuzz
<ul style="list-style-type: none"> <li>For investments in High Speed and Regional trains</li> </ul>	<ul style="list-style-type: none"> <li>For the completion of the High Speed infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>For investments in freight loco and wagons</li> </ul>	<ul style="list-style-type: none"> <li>For investments in electric trains and buses for public transport</li> </ul>

FS offers room for new issue at medium-long term tenors and is eager to develop its «green curve»

# Debt service capacity

## Effective funding management and still solid equity position

- **Net Financial Debt / EBITDA** has keeping stable around to 3x in last years before pandemic; in 2021 reduced to 4.7x after the increase caused by Covid to 5.4x in 2020.
- Historically low borrowing costs and effective management of financial costs, including interest rate risk management policies, resulted in **EBITDA interest cover improved substantially** in the last years and back to pre-pandemic levels by 2021.
- FS Italiane maintains a **strong and stable capitalisation** even after COVID impact.



# FY 2021 Consolidated Financial Statements

Income Statement			
€mn	2021	2020	Change %
<b>REVENUE</b>	<b>12,154</b>	<b>10,837</b>	<b>12.2</b>
Revenue from sales and services	11,747	10,482	12.1
Other income	407	355	14.6
<b>OPERATING COSTS</b>	<b>(10,266)</b>	<b>(9,204)</b>	<b>11.5</b>
<b>EBITDA</b>	<b>1,888</b>	<b>1,633</b>	<b>15.6</b>
Amortisation, depreciation, provisions and impairment losses	(1,695)	(1,911)	(11.3)
<b>EBIT</b>	<b>193</b>	<b>(278)</b>	<b>169.4</b>
Net financial expense	14	(283)	105
<b>PRE-TAX PROFIT</b>	<b>207</b>	<b>(561)</b>	<b>136.9</b>
Income taxes	(14)	(1)	>200
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>193</b>	<b>(562)</b>	<b>134.3</b>
Loss from assets held for sale, net of taxes	0	0	0
<b>PROFIT FOR THE YEAR</b>	<b>193</b>	<b>(562)</b>	<b>134.3</b>

Reclassified Statement of Financial Position			
€mn	2021	2020	Change
Net operating Working Capital	(110)	107	(217)
Other Net Assets	2,331	2,636	(305)
<b>Working Capital</b>	<b>2,221</b>	<b>2,743</b>	<b>(522)</b>
Net non-current assets	52,251	51,698	553
Other provisions	(4,051)	(4,125)	74
Net assets held for sale	16	0	16
<b>NET INVESTED CAPITAL</b>	<b>50,437</b>	<b>50,316</b>	<b>121</b>
Net current financial debt	(352)	1,106	(1,458)
Net non-current financial debt	9,239	7,787	1,452
<b>Net financial debt</b>	<b>8,887</b>	<b>8,893</b>	<b>(6)</b>
<b>Equity</b>	<b>41,550</b>	<b>41,423</b>	<b>127</b>
<b>COVERAGE</b>	<b>50,437</b>	<b>50,316</b>	<b>121</b>

# HY 2022 Consolidated Financial Statements



Income Statement			
€mn	First half 2022	First half 2021	Change %
<b>Total Revenues</b>	<b>6,131</b>	<b>5,285</b>	<b>16%</b>
<b>Operating Costs</b>	<b>(5,222)</b>	<b>(4,909)</b>	<b>- 6%</b>
<i>Of which:</i>			
Employee costs	(2,287)	(2,386)	
Raw materials	(750)	(563)	
Service costs	(2,716)	(2,475)	
Other net operating costs	531	515	
<b>EBITDA</b>	<b>909</b>	<b>376</b>	<b>142%</b>
<b>EBIT</b>	<b>86</b>	<b>(409)</b>	<b>121%</b>
<b>Profit before Tax</b>	<b>58</b>	<b>(438)</b>	<b>113%</b>
Income taxes	(11)		
<b>Group Profit</b>	<b>47</b>	<b>(438)</b>	<b>111%</b>

Reclassified Statement of Financial Position			
€mn	30-06-2022	31-12-2021	Change
Net operating Working Capital	852	(124)	976
Other Net Assets	2,135	2,331	(196)
<b>Working Capital</b>	<b>2,987</b>	<b>2,207</b>	<b>780</b>
Net non-current assets	52,568	52,251	317
Other provisions	(3,798)	(4,051)	253
Net assets held for sale		16	(16)
<b>NET INVESTED CAPITAL</b>	<b>51,757</b>	<b>50,423</b>	<b>1,334</b>
Net current financial debt	785	(366)	1,151
Net non-current financial debt	9,267	9,328	29
<b>Net financial debt</b>	<b>10,052</b>	<b>8,872</b>	<b>1,180</b>
<b>Equity</b>	<b>41,705</b>	<b>41,551</b>	<b>154</b>
<b>COVERAGE</b>	<b>51,757</b>	<b>50,423</b>	<b>1,334</b>

Statement of Cash Flows		
€mn	First half 2022	First half 2021
<b>Profit for the year</b>	<b>47</b>	<b>(438)</b>
<b>Net cash flows generated by operating activities</b>	<b>(162)</b>	<b>(849)</b>
<b>Net cash flows used in investing activities</b>	<b>(906)</b>	<b>(887)</b>
<b>Net cash flows generated by financing activities</b>	<b>365</b>	<b>1,926</b>
<b>Total cash flows</b>	<b>(703)</b>	<b>190</b>
<b>Opening cash and cash equivalents</b>	<b>2,108</b>	<b>1,258</b>
<b>Closing cash and cash equivalents</b>	<b>1,405</b>	<b>1,448</b>



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