

# FS Italiane Group





# CONTENT

<b>01 INTRODUCTION</b>	5
Identity and national pride	7
A big Italian company	7
<b>02 FIGURES</b>	9
Overview of the FS Italiane Group: operational KPIs - 2019	10
<b>03 INTEGRATED BUSINESS SERVING PASSENGER AND FREIGHT MOBILITY</b>	13
Group business sectors	14
International markets	16
<b>04 RESTRUCTURING, CONSOLIDATION, GROWTH</b>	25
<b>05 INFRASTRUCTURE AND TRANSPORT: NATIONAL INVESTMENT CHAMPION FOR CONTINUOUS IMPROVEMENT</b>	31
High-speed rail services success: case study Milan – Rome	32
The Italian rail network is among the safest in Europe	33
The main infrastructure projects for European corridor development	34
Commuter focus	35
Strengthening of regional services: fleet renewal plan	36
Digitization and innovation are the fs group's key values	37
<b>06 SUSTAINABILITY</b>	39
Environment	41

## Partenze/Departures





# Introduction

## Arrivi Arrivals

treno train	provenienza origin	orario time	ritardo d-	binario platform
ES. 9714	VENEZIA S. L.	13:25		PAI
ES. 9810	PESCARA C.	13:25		PAI
R 20265	VOGHERA	13:30		
R 2185	GENOVA P.P.	13:35		
R 2357	TIRANO	13:45		
R 2052	MANTOVA	13:40		
R 2011	TORINO P.N.	13:45		
V 9514	NAPOLI C.LE	13:45		
E 755	TORINO P.N.	13:55		



## Partenze Departures

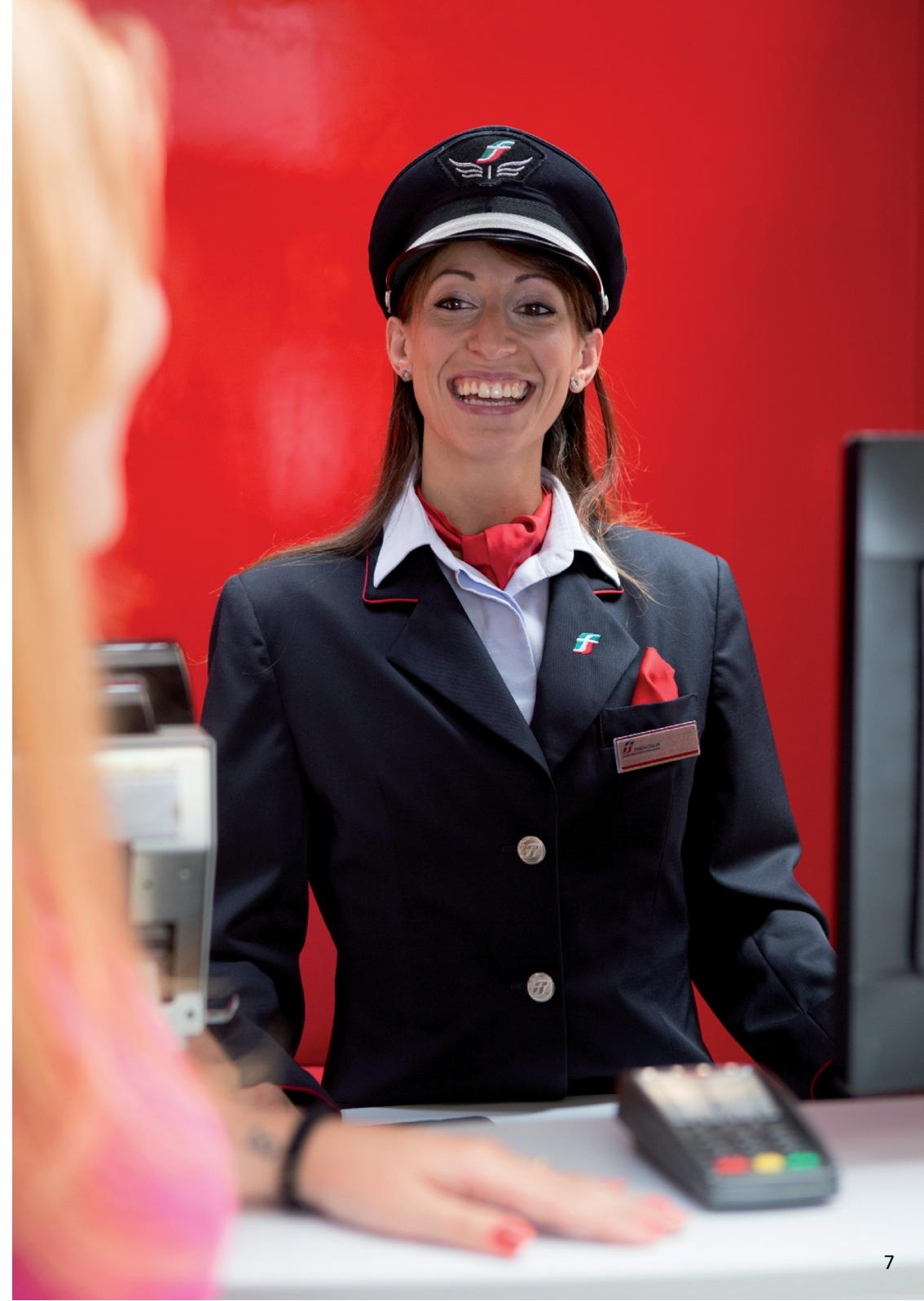
treno train	destinazione destination	orario time	ritardo delay	informazioni information	binario platform
E 16	ZURICH HB	13:10		BI A: COMO S.CIOV. (1.7	7
R 2610	BERGAMO	13:10		IA A: MILANO LAMB. (13	13
ES. 9769	ROMA TERMINI	13:10		NA A: PAVIA (13.33)	17
R 2014	TORINO P.N.	13:15		AMA A: ANG (13.30) - 4	4
V 9517	NAPOLI C.LE	13:15		ERNA A: BOLOGNA C.L	15
R 2270	BOLOGNA C.LE	13:20		TERNA A: MILANO LAN	10
R 2000	VERONA P.N.	13:25		(13.30) - TREVIGLIO	9
R 2146	SONDRIOSSOLA	13:25		(14.00) - SESTO OF	2
ES. 9723	VENEZIA S. L.	13:35		(A2) - VERONA P.N. (12	12

## IDENTITY AND NATIONAL PRIDE

Ferrovie dello Stato Italiane, a large network of over 16,700 km, 24 hours a day, serving passengers. Trains of all categories and 34 passenger and freight railway companies circulate, continuously, day and night, on this railway network. A mechanism that must run with the precision of a watch and that needs people, with their commitment, their experience and a keen human sensitivity. They are the railwaymen, women and men, who, with great professionalism and dedication, work every day in every region of the country to guarantee the mobility of millions of people. What unites them is a common professional culture, a great sense of belonging and a uniform that is the hallmark of this identity, classic and modern at the same time. A uniform proudly worn by those who know how to guarantee, since 1905, the good operations of a company that belongs to all Italians: the FS Italiane Group.

## A MAJOR ITALIAN COMPANY

Regional and high speed transport, technological innovation and digitalization are the distinctive features of the Ferrovie dello Stato Italiane Group, whose goal is to develop a large rail and passenger mobility project, able to measure itself against the world's leading players, and integrated infrastructure. It is at the forefront of the country's modernization process and, through a growth plan that respects the environment and the territory, it is confirmed as the main player in rail transport in Italy. The FS Italiane Group seeks to be a strategic opportunity for the realization of a national growth model. The principles of ethics and sustainability are the basis of its industrial choices, in the belief that only the search for a balance between economic, social and environmental aspects can lead to the solid and lasting growth of the Company and the country.





# Figures

# FS ITALIANE GROUP OVERVIEW: OPERATIONAL KPIs - YEAR 2019



## FS ITALIANE GROUP OVERVIEW: ECONOMIC KPIs - YEAR 2019

**€12.4 billion**

REVENUE

**€49.9 billion**

NET INVESTED CAPITAL

**€2.6 billion**

EBITDA

**€42.3 billion**

EQUITY

**20.9%**

EBITDA margin

**€7.7 billion**

NET FINANCIAL POSITION





**Integrated business service  
passenger and freight mobility**

# GROUP BUSINESS SECTORS

The Ferrovie dello Stato Italiane Group, operating in Italy and abroad, creates and manages rail, road and motorway transport, passenger and freight works and services in public road transport. As envisaged in the organisational model, which reflects the statutory provisions, corporate business is mainly, though not exclusively, carried out through affiliate companies. The Group is organised into four business sectors that characterise *core business*. Transport, Infrastructure, Real Estate Services and Other Services. Companies operating in various sectors report to the Parent company

59%



TRANSPORT



Includes companies that operate in passenger and/or freight transport activities on rail, road or sea

39%



INFRASTRUCTURE



Includes companies that provide infrastructure maintenance, use and development services and ferry services with the major islands

1%



REAL ESTATE



Includes companies that manage the main railway stations and manage and enhance the Group's real estate assets

1%



OTHER SERVICES



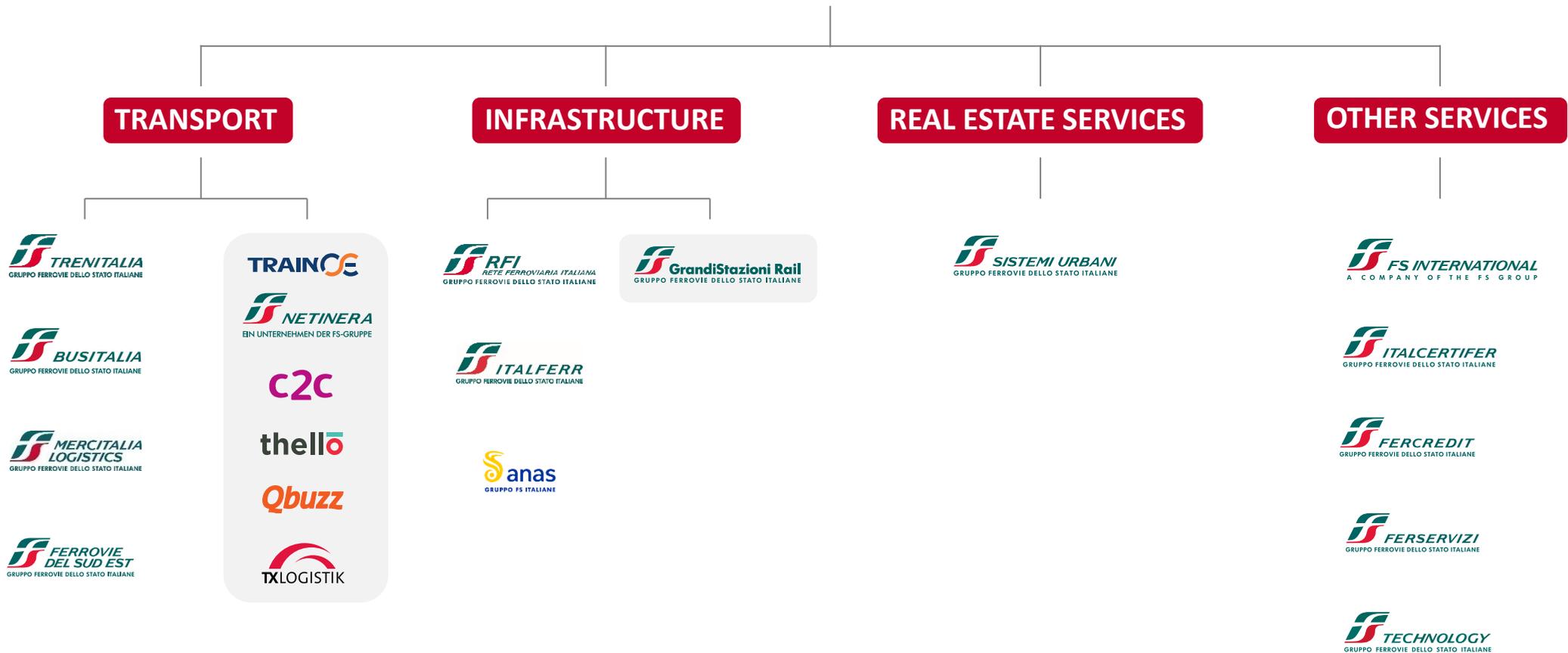
Includes FS SpA and companies that manage activities related to Extra-UE O&M and Integrated Mobility Services, transport system certification, administrative management, building and facility management, leasing, factoring, etc.



The FS Group is an Italian group of diversified mobility that manages a range of activities through its operating companies including



→  
(100%)



## INTERNATIONAL MARKETS

FS Italiane Group, due to the excellence of its companies, is one of the main global players in the concerned sector, becoming a point of reference, both for the economic results achieved and for the level of expertise and know-how related to the use of innovative technologies.

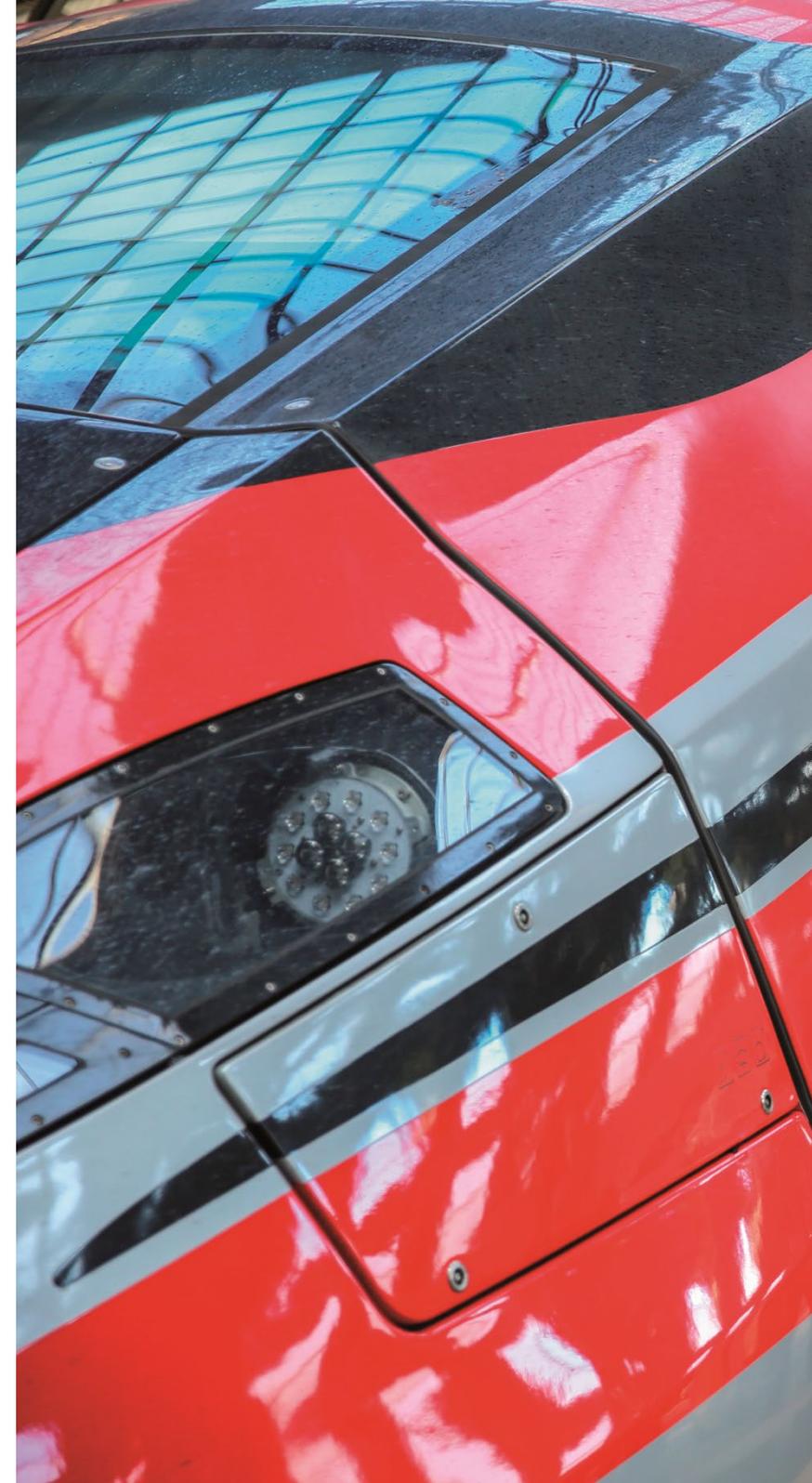
The Group exports Made in Italy technological, operational and engineering know-how abroad, where it generates revenues (2019) for over € 1.8 billion (equal to approximately 14% of the total) by developing projects relating to mobility as a whole, with a prevalent focus on the railway.

In this context, the Ferrovie dello Stato Italiane Business Plan 2019-2023, strengthened by the aforementioned positioning and the prospects for growth in international market volumes, envisages a growing commitment beyond national borders. The skills available to the international market involve all the components of the Value Chain, from the Transportation Master Plan and the feasibility and design studies, to the supervision of the works, Operation Maintenance of the network, rolling stock and stations/intermodal centres, to certification, ICT development, safety management, training etc.

The Group's international presence is guaranteed by the direct commitment of several companies, characterised by different and complementary business sectors, through which the entire experience of the Group is offered. Among these, the following are of note:



FS ITALIANE GROUP WORLDWIDE PRESENCE



# The main FS Italiane Group brands in Europe

**c2c**

- Revenues 2019: €220 million
- 4<sup>th</sup> railway operator in the Country

**NETINERA**  
EIN UNTERNEHMEN DER FS-GRUPPE

- Revenues 2019: €599 million
- 2<sup>nd</sup> railway operator in the Country

**Qbuzz**

- Revenues 2019: €275 million
- 2<sup>nd</sup> local transport operator in the Country

**TXLOGISTIK**

- Revenues 2019: €237 million

**thello**

- Revenues 2019: €42 million
- 2<sup>nd</sup> railway operator in the Country

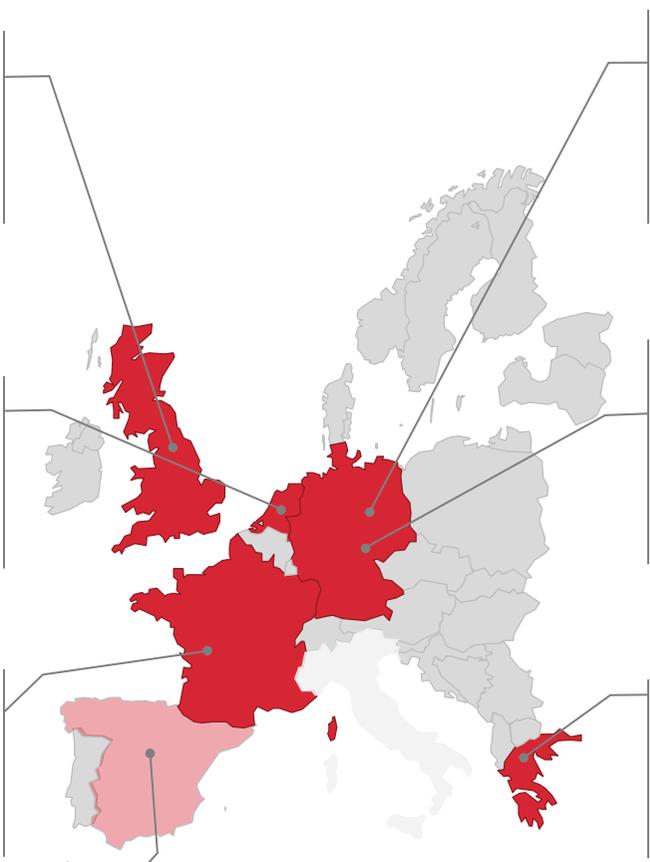
**TRAINOSE**

- Revenues 2019: €125 million
- 1<sup>st</sup> railway operator in the Country

**ILSA**  
INTERMODALIDAD

**AIR NOSTRUM**  
LINEAS AEREAS

- ILSA\* – in partnership with Air Nostrum



\* Ilsa (Spain) will begin the commercial service on January 2022

## Trenitalia

Trenitalia represents the main **passenger railway transport** company in Italy, where it manages high-speed services within a free market framework, and long-distance and regional services within the framework of *Public Service Obligations*. Trenitalia itself is also one of the main railway operators in Europe, where it manages passenger services (O&M) through its subsidiaries **Trenitalia UK**, **c2c** and **Avanti** (in the UK), **Thello** (F), **Netinera** (D), **Trainose** (GR) and **Ilsa** (E), as well as cross-border services in partnerships with other European operators. In 2019 with 26,825 employees, it carried 531 million passengers, recording € 5,531 million in operating revenues.



## Rete Ferroviaria Italiana (RFI)

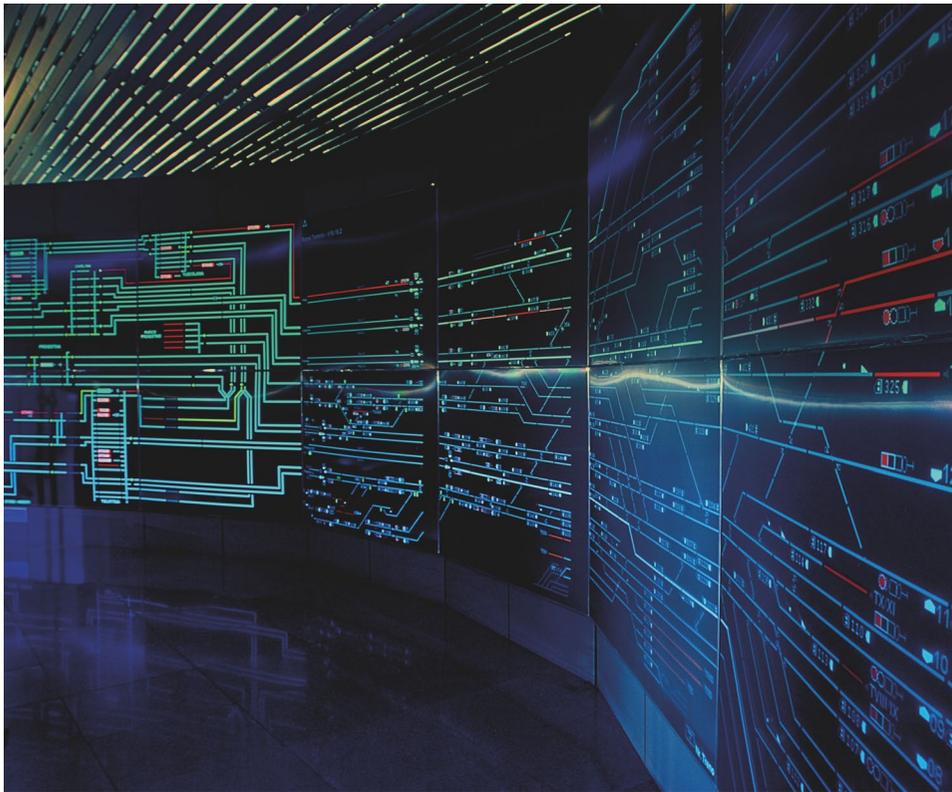
Rete Ferroviaria Italiana (RFI) is the Group company with the role of **Infrastructure Manager**. Responsible for lines, stations and systems, it **guarantees access to the Italian network** to the various railway companies, **maintains** the infrastructure ensuring safe circulation, **manages investments** for upgrading the lines, as well as **installs and develops systems and materials technology**. Internationally, RFI promotes the integration of Italian infrastructure into the European Railway Network and offers services (technologies and training) related to **maintenance** and **diagnostics**.

## FS International

FS International is the company devoted at **exporting** the broad **know-how** of the FS Group across the world, mainly in non-EU markets. It is a One-Stop-Shop offering **integrated solutions** on a wide array of **mobility** segments, such as High Speed and conventional rail lines, freight and logistics services, mass transit systems, rail and road infrastructure, asset management, digital technologies, as well as safety and security.

FS International blends the proven expertise of the FS Group companies, acquired along 180 years of railway history, through a **multidisciplinary approach** providing tailored, innovative and sustainable solutions on projects involving **Operations & Maintenance (O&M)**, **Design-Build-Operate-Maintain (DBOM)** and **Advisory & Consulting (A&C)** services.

To enhance the Group's international presence, the company has adopted a **regional footprint** through local subsidiaries: **FS Italian Railways Saudi Arabia** for the MENA area (Middle East & North Africa), **FS Italian Railways USA** for North America and **FS Italian Railways Thailand** for Asia & Pacific.



## Italferr

Italferr is the **FS Group engineering company**, it exports its know-how and highly specialised technical experience abroad, managing to position itself among the most expert engineering companies in the world. It is currently engaged in international markets in 15 countries (on five continents), where it is working on 35 projects functional to the **development of the conventional, high-speed and mass transit railway sector**. Italferr is known worldwide for its **high specialisation in tunnels, system technologies, system integration, interface management and high-speed upgrading/adaptation of railway lines**.

## Italcertifer

Italcertifer is a **European Notified Body (NoBo)** which assesses the conformity of components and subsystems of any railway system. It is an **Independent Safety Assessor (ISA)**, as well as a **Product Certification Body (ISO 17065)** and an **Inspection Body (ISO 17020 type "A")**. In addition, Italcertifer performs **Asset Management System Certification (ISO 55001)**, guaranteeing the reduction of corporate risk and the improvement of business performance for customers. As an **Independent Checking Engineer (ICE)**, **Design Verification Engineer (DVE)**, **Safety Verification Engineer (SVE)**, it examines projects abroad in order to assess their compliance with applicable standards and specifications.



## Mercitalia Logistics

Mercitalia Logistics is the company specialised in the enhancement of logistics infrastructures and integrated logistics services, and is also the holding company of a Group (called **Polo Mercitalia**) which offers **solutions in the freight sector, from transport to logistics**. Therefore, it operates through subsidiaries **Mercitalia Rail**, for the transport in conventional (iron, steel, chemical, automotive and general cargo) and intermodal modes, **Mercitalia Intermodal** specialised in unaccompanied combined transport, both internal and maritime, **TX Logistik**, which offers services rail freight transport in the EU (based in Germany), **Mercitalia Shunting & Terminal**, which deals with road transport, and **TerAlp**, which manufactures the latest generation of intermodal terminals.

## Busitalia

Busitalia is the FS group company focused on **public passenger transport bus services (PT)** in the Italian market and, through the acquisition of **Qbuzz** (2017), in the Dutch market. Established in 2011, Busitalia has over time become one of the main **public transport operators (PT)** in both countries, ensuring (2019) the transport of 300 million passengers, with 160 million vehicles\*km. The company manages public transport services carried out in every mode: city and intercity buses, trams, trains, ferries, funiculars.



## FSTechnology

FSTechnology, operational since August 2019, is the company dedicated to technology and innovation, for the **enhancement and support of FS Group companies and to third-party companies in the digital innovation process**, aimed at ensuring greater quality and efficiency, and the reduction of the *time-to-market* of services for people. Among the initiatives aimed at the adoption of new technologies, such as *blockchain*, Artificial Intelligence, robotics and the Internet of Things, based on modern *Cloud* infrastructures and on 5G networks, particular attention is dedicated to the **optimisation of predictive diagnostics**, useful to reduce the unavailability of the infrastructure allowing to improve punctuality and regularity of rail traffic.

... leader in the passenger rail transport sector in Italy and largest Italian industrial investor

## PASSENGER TRANSPORT

FS Group market share

4%



TRAIN

74%

BUS

2%

Individual mobility

81%

Other collective mobility

15%

## CARGO TRANSPORT

FS Group market share

6%



TRAIN

52%

Road transport

51%

Other (heavy industry,  
maritime, etc.)

43%

2019 level of investment in Italy  
(2019, € billion)

8.1



2.9



2.6



Source: Eurostat 2014





The image features a solid red background. On the left side, there are several overlapping, semi-transparent white shapes that resemble stylized leaves or petals, pointing towards the right. Centered on the left side, the words "Restructuring", "Consolidation", and "Growth" are stacked vertically in a bold, white, sans-serif font.

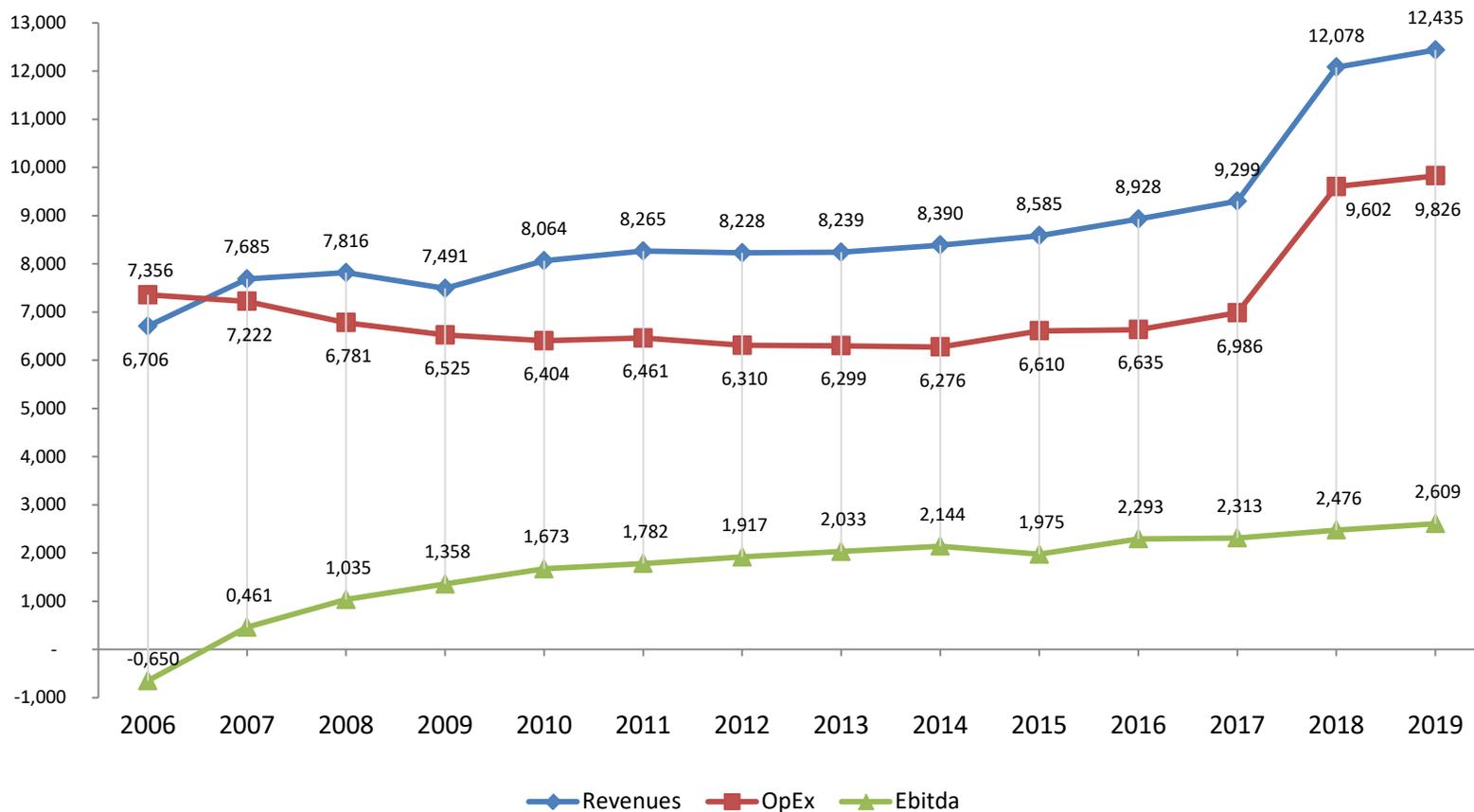
**Restructuring  
Consolidation  
Growth**



# The FS Group underwent a restructuring process, a consolidation and, more recently, a development phase



(2006-2019, € million)



Source: FS Group 2019 Annual Report

- After a **deep restructuring**, the 2011-2015 the Business Plan focused on the **Group's economic consolidation** to generate a sustainable financial performance reinforced by flexibility and innovation with a continuous re-engineering of operating processes and technological development, against a backdrop of growing competition.
- In this context, **the ongoing investment in the high-speed rail system** (infrastructure and rolling stock) represents the perfect link between the plan in change phase and the new business plan.
- High-speed trains have contributed to: **improving FS Italiane's image** (reliability, quality of service), **increased profitability** (revenue management system), **taking a modal share from other transportation methods** (air and road)



The FS Plan will contribute to Italy's growth with the creation of 100÷120 thousand jobs/year and +0.7÷0.9% of annual GDP

**~€ 58 billion**  
IN INVESTMENT OVER THE  
PLAN PERIOD



**EMPLOYMENT**

**100 - 120  
thousand**

JOBS WITHIN THE NEXT  
5-YEAR BUSINESS PLAN  
OF WHICH 15,000 DIRECT



**GDP**

**+0.7 - 0.9%**

CONTRIBUTION TO GDP  
INCREASE PER YEAR



**GROSS  
PRODUCTION  
(induced)**

**25 - 35 €  
billion**

OF GROSS PRODUCTION  
(INDUCED) PER YEAR

NOTE: Lower limit estimated with multipliers without taking into account induced effect; upper limit estimated with multipliers taking into account induced effect  
SOURCE: WIOD data processing





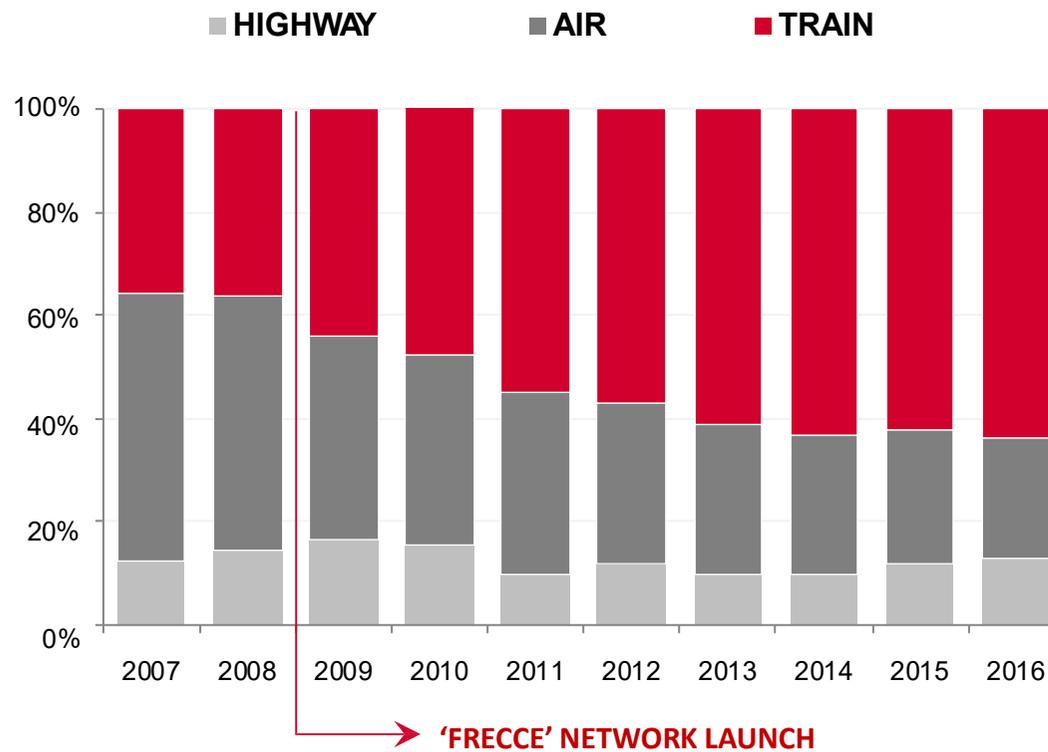
**Infrastructure and transport:  
national investment champion  
for continuous improvement**

# High-speed rail services success: case study Milan - Rome

The railway service took a significant modal share of the Milan - Rome route, particularly with the launch of its **high-speed rail services**

## Milano-Roma

TRENITALIA MODAL SHARE



Source: FS Italiane estimates based on origin-destination passenger transport



THE ITALIAN RAIL NETWORK IS  
AMONG THE SAFEST IN EUROPE

€ 25.1  
billion

RAILWAY NETWORK INFRASTRUCTURE  
INVESTMENTS OF THE 2019-2023 PLAN



# THE MAIN INFRASTRUCTURE PROJECTS FOR EUROPEAN CORRIDOR DEVELOPMENT



# COMMUTER FOCUS



Relaunch of regional transport to improve the commuter experience, putting the needs of the people who choose the train every day at the centre of the industrial chain.

Development of a **new business model for Regional Transport:**

- ✓ new assets / trains, delivery of new **trains** (Pop and Rock)
- ✓ new **customer services** with dedicated **Customer Care** set up in all regions
- ✓ On board train **security staff** service
- ✓ more **technology** for the customer: **personalised information via App**, live chat, freephone number



# STRENGTHENING OF REGIONAL SERVICES: FLEET RENEWAL PLAN

## € 6 billion

OF INVESTMENT IN ROLLING STOCK IN 2019-23  
(of which € 0.7 million from Regions)



### RENEWAL ROLLING STOCK FLEET

**250 Rock trains**

FROM THE PISTOIA PLANT

**215 Pop trains**

FROM THE SAVIGLIANO PLANT

**130 other trains**

DIESEL, JAZZ, BIMODALI



**Revamping**

of the existing rolling stock fleet



# DIGITIZATION AND INNOVATION ARE THE FS GROUP'S KEY VALUES

1

## DIGITAL FOR CUSTOMERS

Enhance the customer experience along all the key stages of the passenger journey

2

## DIGITAL FOR OPERATIONS

Use digitization and innovation to improve production and maintenance process performance

3

## DIGITAL FOR BACK OFFICE

Lean and digital back office operations guaranteeing increasingly secure data (e.g. digital finance and reporting, IT security)







**Sustainability**



The FS Italiane Group is working to create an integrated mass mobility project, so as to create value which, starting from the needs of stakeholders, should also contribute to the improvement of the quality of life in the areas that it goes through.

The willingness to act responsibly is reinforced by the Group's membership in the United Nations Global Compact network, which involves participation in the process of creating an inclusive and sustainable economy, through the integration of ten principles concerning human rights, labour standards, environmental protection, transparency and the fight against corruption in its strategy and daily actions.

## THE ENVIRONMENT

The FS Italiane Group is convinced that the quality of the environment represents an essential value. This is why it intends to contribute to reducing the ecological footprint of the transport sector by maximising the environmental benefits of mass transport and promoting a shift towards more sustainable transport modes. The Group is also committed to promoting a rational use of natural resources throughout the supply chain, in a perspective that is attentive to the complete life cycle of the products and services managed. The search for technological solutions that characterise the new vehicles - from the energy requirements of new high-speed trains and regional trains, to the performance of new road vehicles - contributes, also thanks to partnerships with other players in electric and mass mobility sharing, electric and mass, to build an integrated transport system with reduced environmental impact.

FS Italiane Group actively strives to protect the environment from the design of infrastructures to the operation of transport activities: processes and activities are subject to continuous improvement analysis aimed at limiting the negative impact on natural capital, paying particular attention to climate-altering emissions and pollutants, energy and water consumption as well as land degradation.



**EDITED BY**



Head Office External Communications Department - Off Line publisher  
Central Department Planning, Control and Sustainability  
Piazza della Croce Rossa, 1 - 00161 Roma

**PHOTO**

© FS Italiane | Photo  
© Adobe Stock  
© iStock.com

**TRANSLATION**

Verto Group Srl

**REALIZATION, GRAPHIC DESIGN AND PRINTING**



Via A. Gramsci, 19 - 81031 Aversa (CE)

October 2020 edition



**fsitaliane.it**