



# **FS ITALIANE GROUP AND FERROVIE DELLO STATO ITALIANE SPA 2023 ANNUAL REPORT HIGHLIGHTS**

*(Translation from the Italian original which remains the definitive version)*

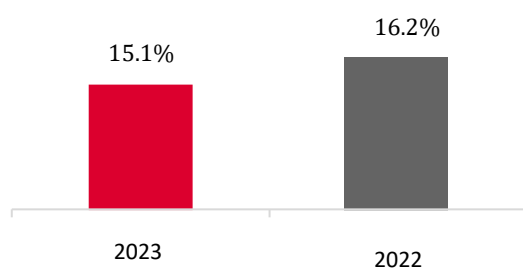
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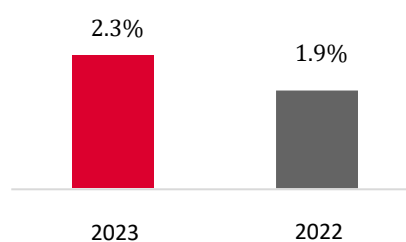
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## Consolidated results

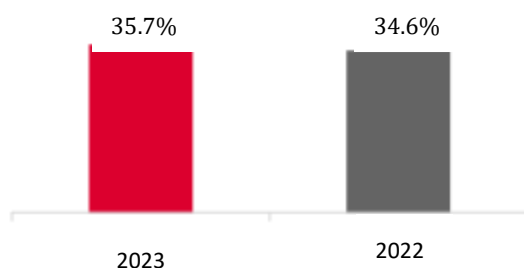
EBITDA MARGIN



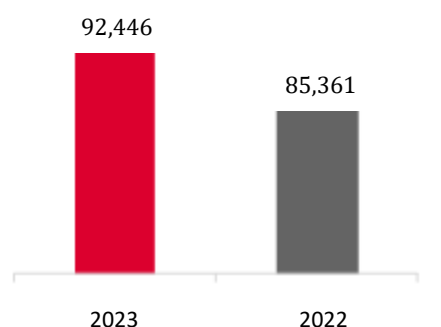
EBIT MARGIN



PERSONNEL EXPENSE/OPERATING PROFIT



EMPLOYEES



millions of euros

Financial highlights	2023	2022	Change	%
Revenue	14,804	13,664	1,140	8.3
Operating costs	(12,576)	(11,452)	(1,124)	(9.8)
Gross operating profit (EBITDA)	2,228	2,212	16	0.7
Operating profit (loss) (EBIT)	338	262	76	29.1
Profit (loss) for the year	100	202	(102)	(50.7)
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Change</b>	<b>%</b>
Net invested capital (NIC)	53,274	49,698	3,576	7.2
Equity (E)	42,089	42,068	21	0.0
Net financial debt (NFD)	11,185	7,630	3,555	46.6
NFD/E	0.27	0.18		
Investments for the year	12,590	8,115	4,475	55.1
Total cash flow generated/(used) in the year	(409)	577	(986)	(170.9)

# The Group's financial position and performance

## Introduction

For the purposes of describing its financial position and performance, the FS Group prepared reclassified financial statements (statement of financial position and income statement) in addition to those required by the IFRSs adopted by the Group. The reclassified financial statements comprise performance indicators, which management deems useful in monitoring the FS Group's performance and in presenting the financial results of the business.

In order to enable a better understanding of the Group's financial performance in the financial year and of the changes compared with the previous year, it was deemed appropriate to provide separate evidence of the differences in the perimeter due to the line-by-line consolidation of Intermodalidad de Levante SA, as from 25 November 2022, the acquisition of control over ODEG Ostdeutsche Eisenbahn GmbH and over its (100%) subsidiary ODIG Ostdeutsche Maintenance Company mbH, as from 11 December 2022, which were not consolidated in the 2022 income statement, and the incorporation of FS Treni Turistici Italiani Srl in 2023.

## Consolidated income statement

millions of euros

	2023	2022	Change	%	Change in consolidation scope	Change on a like-for-like basis	%
<b>REVENUE</b>	<b>14,804</b>	<b>13,664</b>	<b>1,140</b>	<b>8</b>	<b>(495)</b>	<b>645</b>	<b>6</b>
<b>OPERATING COSTS</b>	<b>(12,576)</b>	<b>(11,452)</b>	<b>(1,124)</b>	<b>(10)</b>	<b>501</b>	<b>(623)</b>	<b>(5)</b>
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>2,228</b>	<b>2,212</b>	<b>16</b>	<b>1</b>	<b>6</b>	<b>22</b>	<b>1</b>
Amortisation, depreciation, provisions and impairment losses	(1,890)	(1,950)	60	3	16	76	4
<b>OPERATING PROFIT (LOSS) (EBIT)</b>	<b>338</b>	<b>262</b>	<b>76</b>	<b>29</b>	<b>22</b>	<b>98</b>	<b>37</b>
Net financial income (expense)	(213)	(50)	(163)	(>200)	3	(160)	(>200)
<b>PRE-TAX PROFIT (LOSS)</b>	<b>125</b>	<b>212</b>	<b>(87)</b>	<b>(41)</b>	<b>25</b>	<b>(62)</b>	<b>(29)</b>
Income taxes	(25)	(10)	(15)	(156)	(15)	(30)	(>200)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>100</b>	<b>202</b>	<b>(102)</b>	<b>(51)</b>	<b>10</b>	<b>(92)</b>	<b>(46)</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>100</b>	<b>202</b>	<b>(102)</b>	<b>(51)</b>	<b>10</b>	<b>(92)</b>	<b>(46)</b>
<i>Profit (loss) for the period attributable to the owners of the parent</i>	<i>137</i>	<i>204</i>					
<i>Profit (loss) for the period attributable to non-controlling interests</i>	<i>(37)</i>	<i>(2)</i>					

The 2023 financial year ended with a **profit for the period** of €100 million compared to a profit of €202 million recorded in the previous year, showing a change of -51%.

The **gross operating profit (EBITDA)**, equal to €2,228 million, showed an increase of €16 million (+1%) which, net of effects of the change in the consolidation scope described above, would have been in any case €2,234 million.

**Revenue increased by €1,140 million** (+8%) as a result of the rise in Revenue from transport services for €1,088 million and Revenue from infrastructure services for €641 million. On the other hand, Other revenue from contracts with customers showed a reduction of €160 million and Other revenue and income decreased, overall, by €429 million.

Specifically, with respect to the components of **Revenue from transport services** (+€1,088 million):

- Revenue from the HS and Intercity business increased by €580 million, with the commercial service up €610 million and the Intercity service down €30 million. Revenue from the national HS business rose by €400 million (+30%), thanks to a 33% increase in demand compared with 2022, due to the removal of restrictions for Covid-19 (in force until 31 March 2022) and the recovery in demand, especially from leisure customers; in addition, another €6 million revenue was generated by Trenitalia France for the service offered on the HS Paris-Lyon and Milan-Paris stretches, as well as €204 million revenue generated by Intermodalid de Levante that was not consolidated in the comparative period, operating in the HS business between Madrid and other major Spanish cities such as Barcelona and Valencia. The Intercity business showed an increase of €86 million, equal to +25%, due to the recovery in demand volumes by about 18%. However, this increase was offset for an amount of €116 million, attributable, for €22 million, to a decrease in revenues from public service contract fees with the State and, for €95 million, to the final Decision taken by the European Commission at the end of the year, in relation to the investigation procedure concerning the public service obligation compensation that the Italian Government awarded to Trenitalia in the period from 2000 to 2014, the quantification of which entails this negative effect on revenues, in addition to financial charges recorded in the related item for €13 million;
- revenue from regional railway passenger transport services increased by a total amount of €381 million. The increase, which was almost entirely attributable to the Group's foreign companies (+€413 million in the German market, and +€13 million in the UK market, against a decline of about €44 million in the Greek market) benefitted from the positive effects generated by a change in the consolidation scope for €261 million. In domestic transport, the Regional business of Trenitalia recorded an increase in revenue from traffic for €183 million (+21%) compared to 2022, while revenue from service contracts with the Regions and Autonomous Provinces recorded a decrease of €189 million, mainly due to the trends in Service Contracts;
- revenue from passenger road transport increased by €70 million, of which €50 million in international transport and €20 million in national transport;
- revenue from railway freight transport posted an increase of €57 million (+7%) despite a number of events that had an adverse impact on the sector in the reporting period (strikes in Germany, Sweden and France, traffic restrictions in the Brenner Base Tunnel, works not planned on the railway infrastructure, and the flood in Emilia-Romagna).

**Revenue from infrastructure services** increased by €641 million compared to 2022. The change is mainly attributable to Anas (+€584 million), reflecting the trend in service and concession fees linked to road traffic, and to RFI, which recorded a €59 million increase in toll revenue as a result of the growth in traffic volumes and of the removal of discounts applied in favour of Railway Companies to cover the negative effects of the Covid-19 pandemic.

The residual decrease in **Other revenue** (-€589 million) mainly reflects the reduction in revenue from grants (-€474 million) provided in the previous year, mainly to support the sector in consequence of the effects of the Covid-19<sup>1</sup> pandemic equal to zero in 2023, the decrease in revenue from electrical energy supplied to non-group transport companies (-€120 million) as a result of the decrease in the price of electricity used by the Railway Companies for train traction, and a reduction in revenue from sales of land and buildings for trading (-€122 million), which were partially offset, on the other hand, by an increase in revenue from rolling stock maintenance (+€17 million), revenue from contract work in process (+€20 million), and work on behalf of third parties (+€69 million).

**Operating costs stood at €12,576 million**, up by €1,124 million (+10%) compared to 2022. The change in the consolidation scope had an impact consisting of higher costs recognised for €501 million in 2023 on this increase.

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<sup>1</sup> The Group had recorded a total amount of €324 million in 2022, which included contributions related to the regional business of €151.9 million, the amount of which was recognized as a deduction from Revenues from transportation services; consequently, the net value of Covid-related grants 2022 was €172 million.

Consequently, net of this change, the increase would be lower and equal to €623 million (+5%). Specifically:

- net personnel expense increased by €561 million (+€487 million, net of the change in the consolidation scope), mainly due to the higher personnel costs for employees resulting from both the increase in average workforce and the increase in the unit cost of labour (+€342 million), as well as higher "Accruals and releases" (+€109 million), mainly as a result of lower releases relating to the renewal of the National Labour Agreement which had characterised the comparative period (€105 million);
- other net costs increased by €563 million and, excluding €427 million due to the change in the consolidation scope, are mainly related to: (i) higher costs for raw materials and consumables (+€188 million) as a result of the combined effect of a reduction in the prices of raw materials and greater consumption; (ii) lower costs for electrical energy, fuel for traction, costs for lighting and driving force (-€422 million), which are all essentially linked to the decrease in the cost of energy; (iii) higher costs for services (+€848 million), especially maintenance due to the increase in production and traffic; (iv) greater capitalisations (-€448 million) related to the value of capitalised costs for materials, personnel, IT and transport.

The **Operating profit (EBIT) amounted to €338 million**, showing an improvement of €76 million compared to 2022 (+29%). Excluding the change in the scope of consolidation, the increase would amount to €98 million, equal to +37%.

The **Net financial expense, showing a net balance of €213 million**, showed a deterioration of €163 million compared to 2022 (€160 million, net of the change in the consolidation scope). Financial income recorded an increase of €111 million, essentially due to the positive effect of the derivatives entered into to cover loan agreements, for the considerable increase in interest rates (+€87 million); financial expense rose by €231 million, mainly for higher interest expense on bank loans and on the new bond issues; the item also includes the amount of financial charges recognised by Trenitalia following the European Commission Decision on State Aid, as mentioned above (approximately €13 million). The results of the equity-accounted companies bring to this item a decrease of €40 million.

**Income taxes** for the period amounted to €25 million.

In compliance with the provisions of Legislative Decree no. 254/2016, the table below shows the direct economic value generated and distributed by the FS Group, highlighting the manner in which it was redistributed to its stakeholders. The Group has continued to recognise the utmost importance of a balanced distribution of the value generated by its business to its stakeholders, which they have contributed to produce, either directly or indirectly. On the basis of an analysis of economic value distributed, the Group highlights the flow of resources directed to its employees, its suppliers of goods, services and capital, and to the Public Authorities and the communities in which it is present and operates.

Statement of direct economic value generated and distributed	2023		2022		2021	
<b>Direct economic value generated</b>	<b>15,047</b>	<b>100%</b>	<b>13,835</b>	<b>100%</b>	<b>12,416</b>	<b>100%</b>
Revenue from sales and services	14,261		13,169		11,835	
Other income	786		666		581	
<b>Economic value distributed</b>	<b>13,074</b>	<b>87%</b>	<b>11,698</b>	<b>85%</b>	<b>10,532</b>	<b>85%</b>
Operating costs for materials and services	6,991		6,495		5,424	
Employee wages and benefits	5,284		4,723		4,764	
Payments to providers of capital	456		221		160	
Payments to government	343		259		184	
<b>Economic value retained</b>	<b>1,973</b>	<b>13%</b>	<b>2,137</b>	<b>15%</b>	<b>1,884</b>	<b>15%</b>
Amortisation, depreciation, provisions and impairment losses	1,890		1,950		1,695	
Other sundry costs and taxes	(17)		(15)		(4)	
<b>Profit (loss) for the year</b>	<b>100</b>		<b>202</b>		<b>193</b>	

The value not directly distributed by the Group (around €2 billion in 2023) amounts to 13% of the total generated, showing a slight percentage decrease compared to the previous year (15%). It substantially consists of self-financing investments through which indirectly the Group nonetheless contributes to increasing benefits to the community and stakeholders in general.

In 2023 the Ferrovie dello Stato Italiane Group generated a direct, indirect and induced economic impact of about 1.75% of domestic Value Added and an equivalent impact on employment equal to about 400 thousand units through its operations and the investments it made<sup>2</sup>.

<sup>2</sup> The methodology used to calculate the equivalent economic and employment impact is founded on a national Supply & Use Table (SUT) based model developed by the FS Group in collaboration with the Regional Economic Planning Institute of Tuscany (Istituto Regionale di Programmazione Economica della Toscana, IRPET). The approach used is of the Hypothetical Extraction Method (HEM) type, as appropriately innovated to take account of the specific features of the FS Group.

## Reclassified statement of financial position

millions of euros

	31.12.2023	31.12.2022	Change
<b>ASSETS</b>			
Net operating working capital	(2,125)	(949)	(1,176)
Other assets, net	4,303	781	3,522
<b>Working capital</b>	<b>2,178</b>	<b>(168)</b>	<b>2,346</b>
Net non-current assets	53,827	52,876	951
Other provisions	(2,731)	(3,010)	279
<b>NET INVESTED CAPITAL</b>	<b>53,274</b>	<b>49,698</b>	<b>3,576</b>
<b>COVERAGE</b>			
Net current financial (position) debt	(889)	(1,671)	782
Net non-current financial (position) debt	12,074	9,301	2,773
<b>Net financial position</b>	<b>11,185</b>	<b>7,630</b>	<b>3,555</b>
<b>Equity</b>	<b>42,089</b>	<b>42,068</b>	<b>21</b>
<b>COVERAGE</b>	<b>53,274</b>	<b>49,698</b>	<b>3,576</b>

The Group's **Net invested capital**, amounting to €53,274 million, increased by €3,576 million in 2023 as a result of the increase in **Working capital** (€2,346 million), and in **Net non-current assets** (+€951 million) and the decrease in **Other provisions** (+€279 million).

**Net operating working capital**, which stood at a negative amount of €2,125 million, was down by €1,176 million compared to the previous year, and was the result of opposing changes, mainly relating to:

- higher trade payables (-€1,378 million) arising in particular from: higher works performed during the year in relation to investment projects on the rail, road and freeway network (for a total of -€661 million); higher payables related to rolling stock, the purchase of shunting locomotives and the circulation of trains (-€250 million); the decision concluding the European Commission's investigation procedure for Trenitalia (-€107 million); higher costs related to the implementation of the Digital Platform common to the entire FS Group (-€69 million), as well as to the normal trends in payments for the period (-€154 million);
- higher receivables related to business partners amounting to +€364 million, mainly consisting of higher advances to suppliers (+€291 million) for works on the road network and the increase in receivables from ordinary customers (+€77 million) related in particular to the foreign Metro Riyadh contract;
- higher inventories (€205 million), mainly related to raw and consumable materials for rolling stock and infrastructure due to higher purchases than consumption (+€187 million) and the recognition of white certificates accrued against energy savings achieved (+€35 million) during the year;
- lower receivables relating to the Service Contract (SC) (-€387 million) as a combined effect of lower receivables from the Regions and higher fees accrued during the year and not yet collected from the Ministry of Economy and Finance.

**Other assets, net**, which amounted to €4,303 million, showed an increase of €3,522 million, which substantially arose from the combined effect of:

- higher net receivables from the Ministry of Economy and Finance (MEF), the Ministry of Infrastructure and Transport (MIT) and other Italian government bodies/administrations (+€4,105 million), for the accruals-based accounting of new grants and collections for the year, net of the change in advance payments allocated to the projects that have been started;
- an increase in net VAT receivables (+€20 million);



- lower net other receivables and payables (+€603 million), mainly related to a decrease in receivables from the Compensation Fund for the Electricity Sector (Cassa Conguaglio per il Settore Elettrico, CSEA) and a decrease in receivables from the Government for disputes related to road maintenance and construction.

**Net non-current assets**, which stood at €53,827 million, increased by €951 million, substantially due to:

- the increase in investments for the period, equal to €12,590 million, offset by the set-up grants recognised on an accruals basis, equal to €9,922 million and by amortisation and depreciation for the period of €1,744 million;
- disposals and divestments (-€46 million) and impairment losses (-€100 million), mostly related to higher reclamation costs and rolling stock that was found to be obsolete;
- reclassifications (+€102 million), which were made during the period and mainly related to changes in the intended use of the areas concerned;
- the increase in the value of equity investments (+€69 million), mainly due to the recognition of the investment in the Exploris DE GmbH Group.

**Other provisions** decreased by €279 million, attributable to: a reduction in post-employment benefits and other employee benefits (+€74 million), mainly due to the payments to outgoing personnel in the year, and the advances paid, as well as the change in actuarial gains; a reduction in other risk provisions (+€159 million) as a result of accruals for the year, equal to €517 million, against utilisations of €345 million following the settlement of various lawsuits, and the release of provisions for risks for €332 million due to lower overall requirements on some pending disputes and the favourable outcome of some cases; the change in the provision for deferred tax assets and liabilities (+€47 million) resulting from new temporary differences and the releases generated by Group companies during the year.

millions of euros

<b>Net financial position</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Change</b>
<b>Net current financial (position) debt</b>	<b>(889)</b>	<b>(1,671)</b>	<b>782</b>
Cash pooling accounts	(233)	(1,507)	1,274
Fifteen-year grants from the MEF to be collected	(10)	(10)	
Loans and borrowings from other financial backers	11	23	(12)
Bank loans and borrowings	3,783	1,831	1,952
Bonds	456	745	(289)
Concession assets	(3,314)	(2,042)	(1,272)
Contract advances	577	482	95
Current financial liabilities	153	168	(15)
Current derivatives	(43)	(56)	13
Other	(2,269)	(1,305)	(964)
<b>Net non-current financial (position) debt</b>	<b>12,074</b>	<b>9,301</b>	<b>2,773</b>
Fifteen-year grants from the MEF to be collected	(85)	(95)	10
Loans and borrowings from other financial backers	3	10	(7)
Bank loans and borrowings	1,622	1,391	231
Bonds	9,107	7,758	1,349
Concession assets	(235)	(1,479)	1,244
Contract advances	1,220	1,362	(142)
Non-current financial liabilities	712	660	52
Non-current derivatives	(45)	(138)	93
Other	(225)	(168)	(57)
<b>Total</b>	<b>11,185</b>	<b>7,630</b>	<b>3,555</b>

The **Net financial position** showed a net debt of €11,185 million and recorded an increase of €3,555 million on 31 December 2022, essentially due to the net effect of:

- the net increase in bank loans and borrowings (+€2,183 million), mostly due to higher current and non-current funding (+€3,075 million) aimed at supporting the railway infrastructure development and modernization plan, offset by repayments in the period (-€1,016 million). In detail, in 2023 a short-term loan agreement was signed with Intesa Sanpaolo for €2 billion, two medium- to long-term loan agreements with CaixaBank for a total of €250 million and five loan agreements with BBVA, BNL BNP Paribas, BPER Banca, Crédit Agricole Corporate and Investment Bank, and UniCredit, for a total amount of €820 million expiring by 2028;
- a decrease in the cash pooling balance (+€1,274 million), which comprises the payments made by the MEF in accordance with the Programme Contract for railway infrastructure, linked to the discrepancy between the timing of collection of state resources and the related payment to suppliers, in particular works contractors;
- the increase in bonds (+€1,060 million), mainly referable to the subscription of new bonds for a total amount of €1,700 million, of which - as part of FS Green Bond Framework - a dual tranche transaction under the EMTN program for a total of €1.1 billion and a private placement issue reserved for the EIB for €500 million, as well as a private placement issue with Eurofima for €100 million, offset by repayments for the year (€692 million);
- the net increase in other financial assets and liabilities (-€964 million), mainly due to the increase in cash and cash equivalents (-€878 million) and the decrease in other financial liabilities (-€ 128 million), essentially consisting of the debt to the State referring to the advances collected for works for which the construction process has not yet been started;

- the net decrease in derivative assets (+€106 million) as a result of the fair value measurement carried out as at 31 December 2023, due to the trend in hedged rates during the reporting period;
- the decrease in advances for works to be realised (-€47 million) in relation to the share of grants already collected against works still to be carried out related to Anas SpA;
- the increase in financial liabilities for leases (+€37 million) as the net effect of the registration of new contracts, repayments and debt valuations for the year;
- the increase in financial assets for service concession arrangements (-€28 million), which was due to the net effect between the increase in receivables due and payable relating to the production output on the infrastructure operated under concession arrangements and mainly referring to roads, and the decrease due to collections in the year for refunds from the Ministries or authorities;
- the decrease in the financial receivable from the MEF (+€10 million) due to the collection of Covid-19 grants related to the railway infrastructure business.

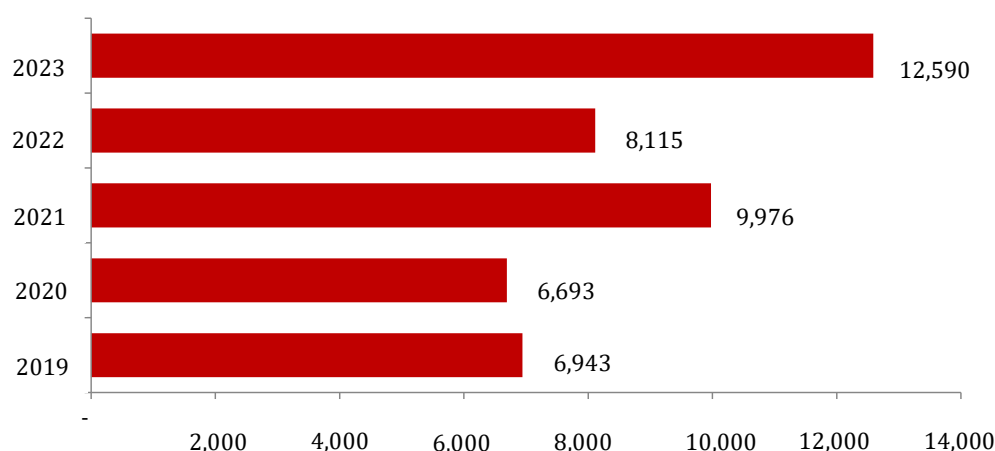
**Equity** amounted to €42,089 million, showing an increase of €21 million, mainly as a result of:

- the profit for the year, equal to €100 million, including the share attributable to non-controlling interests;
- the change in valuation reserves on derivatives – Cash Flow Hedge and discounting of post-employment benefits (-€100 million);
- the change linked to the share of equity attributable to non-controlling interests as a result of capital increases equal to €36 million.

## Investments

In a global macroeconomic environment where international economy has continued to grow albeit at a moderate deceleration compared to the previous year, the FS Group has managed to give continuity to investment development actions and maintained in 2023, in line with the trend initiated since 2012, an Investment/Amortisation and Depreciation ratio which was always above 1, thus ensuring not only the replacement of capital that becomes obsolete from year to year, but also a constant growth in order to support development and renewal in the transport, infrastructure and logistics sector.

In brief, total expenditure for investments made by the Group in 2023 amounted to €12,590 million, of which €2,668 million raised through self-financing and €9,922 million from government grants, showing an increase of about 55% on the same figure at the end of 2022.



*Millions of euros*

The FS Group, continuing to be among the leading investors in Italy and to support development and renewal in the transport, infrastructure and logistics sector, developed and managed capital expenditure<sup>3</sup> of approximately €16,423 million in 2023 (€11,269 million in 2022, showing an increase of 46%), 99% of which were in Italy, composed as follows:

- around 86% of the accounting entries refers to the Infrastructure segment, in the context of which €10,413 million was invested in RFI's projects and €3,214 million in those of the Anas Group;
- approximately 12% of investments refers to Passenger Transport segment for projects focused on the transport of passengers by rail and road, both in Italy and abroad;
- about 1% refers to the Logistics segment for freight transport projects, both in Italy and abroad;
- around 1% is related to the Urban segment and to the companies providing Services across the Group.

For a description of the major investments made by each Business Segment in 2023, reference should be made to the chapter on the "Performance of the business segments".

<sup>3</sup> 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.).

## Performance of the Business Segments

The long-term strategic and industrial vision outlined in the Group Business Plan has among its main objectives: (i) provide certainty of execution of infrastructure works on schedule; (ii) encourage multimodal collective transport over private transport; (iii) increase up to double rail freight transport compared to 2019; iv) make rail and road infrastructures more sustainable, accessible, effectively integrated with each other and resilient while increasing their equipment in order to also reduce the gap between the north and south of Italy; v) increase the Group's degree of energy autonomy, covering at least 40% of its needs with self-production through renewable sources and contribute to the ecological transition in Italy in this field too.

In order to realise the strategic vision, the Plan has envisaged a major reshaping of governance and an organisational structure of the Group that aggregates FS subsidiaries into four Business Segments: Infrastructure, Passenger Transport, Logistics and Urban, each of which has its own roles and strategic objectives that are clearly defined and aimed at developing the potential of the various Group companies to the fullest and make the most of their synergies. The four Business segments play a crucial role in creating an increasingly integrated and sustainable infrastructure and mobility system serving the country and, in addition to these, the Group has Other Services, which are common to all four Business segments and facilitate them in their pursuit of the objectives set out in the Plan.

During 2023, as part of the corporate reorganisation project consistent with the Governance Model and the FS Group Business Plan described above, the following transactions were carried out:

- demerger of Trenitalia and RFI's company protection business unit in favour of FS Security, with effect from 1 January 2023;
- demerger of RFI investment of Blufferies Srl to the benefit of Mercitalia Logistics SpA, with effect from 1 November 2023.

In line with the Group's Business Plan and IFRS 8 - Operating segments, the FS Group's performance of operations, capital expenditure and main KPIs is analysed below separately for each of the Business segments.

### Infrastructure

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The Infrastructure segment designs, builds, manages and maintains the infrastructure networks for rail, road and motorway transport in Italy and abroad. It is tasked with maximising industrial synergies and encouraging the specialisation of the different infrastructures while ensuring the full integration of road and rail transport, including by supporting EU and Italian programmes.

The Infrastructure segment companies are Rete Ferroviaria Italiana SpA, the head of this segment, whose mission is to serve as the national railway infrastructure operator, responsible for the maintenance, use and development of the rail network and related safety systems, beside managing research and development in the field of railway transport and providing connection services to Italy's largest islands by sea, in addition to Anas SpA, which, through its subsidiaries, operates Italy's national-interest road and the national motorway networks. Italferr SpA, the Group's engineering company, also contributes to the results of this segment. The other Group companies active in the Infrastructure segment on an exclusive or incidental basis

are: FSE Srl, Grandi Stazioni Rail SpA, Brenner Basis Tunnel SE, Tunnel Ferroviario del Brennero SpA (TFB) and Tunnel Euralpin Lyon Turin (TELT).

The Infrastructure segment covers in Italy an infrastructure, rail and road network of nearly 50 thousand km, distributed widely throughout Italy, ensuring connectivity and integration through the enhancement of quality and safety standards.

As at 31 December 2023, the national railway infrastructure operated by RFI, according to Ministerial Decree no. 138T of 31 October 2000, amounted to 16,832 km, and the extension of the lines, according to the classification used for the purpose of calculating the railway network usage fee, in accordance with Ministerial Decree no. 43T of 21 March 2000, is as follows:

- 6,460 km of fundamental lines with high traffic density;
- 9,422 km of complementary lines, which make up a dense network of regional connections and interconnections with main lines;
- 950 km of hub lines, which are located in major metropolitan areas.

In considering the type, double-track lines are distributed over 7,734.6 km, equal to 46% of the total while lines are electrified over 12,205 km (72.5% of the total).

The total length of tracks amounts to 24,567 km, including 1,467.2 km of HS/HC network tracks.

All network lines are equipped with one or more train speed protection systems, which make the railway infrastructure operated by RFI one of the safest in Europe. In particular, the ERTMS/ETCS system is applied on about 1,177 km of High Speed lines.

At 31 December 2023 "operational" railway companies, which were authorised to carry out rail transport activities under a license issued by ANSFISA (the National Agency for the Safety of Railways and Road and Motorway Infrastructure) or the ERA (European Railway Agency), in accordance with the 4th railway package (Directive (EU) 2016/798, implemented in Italy by Legislative Decree no. 50 of 14 May 2019), are 38 (20 for freight only, 12 for passenger only, and 6 licensed for both passenger and freight service).

During 2023, an average of more than 9,700 trains per day ran on the national rail network for a total annual volume of about 376.2 million kilometers travelled, showing an increase of about 1.3% compared to 2022.

In Italy, the FS Group operates the RFI network, as well as about 474 km of the Ferrovie del Sud Est line, which runs through the provinces of Puglia, is electrified for 82 km and almost entirely single-track, with an offer of about 3.6 million train-km during 2023.

The FS Group then operates, through its subsidiary Netinera, about 300 km of lines abroad, with 60 stations used for passenger transport service. The output achieved during 2023 was about 59 million train-km.

With regard to road infrastructure, the FS Group operates, through its subsidiary Anas, about 32,500 km of state roads, including about 1,574 km of non-toll motorways.

millions of euros

	2023	2022	Change	%
Revenue from sales and services	6,807	6,665	142	2.1
Other income	235	209	26	12.4
<b>Revenue</b>	<b>7,042</b>	<b>6,874</b>	<b>168</b>	<b>2.4</b>
<b>Operating costs</b>	<b>(6,446)</b>	<b>(6,138)</b>	<b>(308)</b>	<b>5.0</b>
<b>Gross operating profit (EBITDA)</b>	<b>596</b>	<b>736</b>	<b>(140)</b>	<b>(19.0)</b>
<b>Operating profit (EBIT)</b>	<b>224</b>	<b>309</b>	<b>(85)</b>	<b>(27.5)</b>
<b>Profit for the year (attributable to owners of the parent and non-controlling interests)</b>	<b>85</b>	<b>300</b>	<b>(215)</b>	<b>(71.7)</b>

	31.12.2023	31.12.2022	Change
<b>Net invested capital</b>	<b>39,241</b>	<b>35,864</b>	<b>3,377</b>
<b>Net financial (position) debt</b>	<b>2,969</b>	<b>(586)</b>	<b>3,555</b>
<b>Equity</b>	<b>36,272</b>	<b>36,450</b>	<b>(178)</b>

In 2023 the Infrastructure segment showed a Net profit of €85 million, down €215 million on the same figure in 2022.

**Revenue** amounted to €7,042 million, up by €168 million on the same period of 2022, mainly due to:

- the increase in Anas' revenue (by roughly €503 million), substantially due to higher revenue related to capital expenditure (€474 million, with a corresponding increase in costs) and higher toll revenue from motorway operators of €111 million, partly offset by lower grant revenues of €112 million;
- a decrease of €366 million in RFI's revenue and income, due to:
  - a decrease in revenue from the sale of electrical energy for train traction (down €366 million), mainly linked to the trend in energy prices (with a corresponding decrease in costs): the National Single Price (*Prezzo Unitario Nazionale*, PUN) stood at 315 €/MWh in December 2022 while it was 132 €/MWh in December 2023;
  - lower grant revenues for €178 million, mainly due to the removal of regulatory relief from Covid-19 in 2023, which had amounted to €115 million in 2022;
  - higher toll revenues (+€177 million) due to the combined effect of the gradual exit from the emergency phase that generated an increase in traffic volumes (+5.5 million train-km compared to December 2022) and the non-application in 2023 of the toll discount from which railway companies had benefited in 2022.

In 2023, **EBITDA or gross operating profit** of the Infrastructure segment came to a positive €596 million and showed a decrease of €140 million from 2022, essentially due to the reduction in RFI's EBITDA of €99 million linked to the staff recruitment plan to which must be added a deterioration in Anas' EBITDA of €68 million, chiefly for lower grants received.

The **Operating profit (EBIT)** of the Infrastructure segment came to €224 million in 2023, down €85 million on the same period of 2022. The decrease in EBITDA was partially offset by lower impairment losses of RFI compared to 2022.

**Net financial expense** in the period amounted to €136 million, with an increase of €133 million compared to 2022, mainly attributable to Anas due to higher write-downs of financial assets (write-down of the investment in Stretto di Messina), lower dividends from subsidiaries, and higher financial charges on debt.

**Income taxes** of the Segment amounted to a negative €3 million in 2023, showing an improvement of €3 million compared with 2022.

The Infrastructure segments' **capital expenditure** stood at €14,053 million in 2023 (€9,222 million in 2022), accounting for about 86% of the Group's total capital expenditure. RFI's projects accounted for €10,413 million (including €7,656 million for the Conventional/HC Network, €100 million for the HS/HC Network, and €2,658 million for net contract advances to supplier companies) and those of the Anas group for €3,214 million (including contract advances to supplier companies for €413 million).

In detail, RFI's capital expenditure (74% of total capital expenditure in the Infrastructure segment) was allocated for:

- 31% to safety, technologies and upkeep. It should be noted that an amount of €529 million (about 5% of total spending) is dedicated to interventions in cutting-edge technologies;
- 69% to interventions on routes of national interest, infrastructure development projects on the Conventional/HC network, the completion of the High-Speed Turin-Milan-Naples railway line, and major works executed for construction lots, mainly on the HS/HC Verona-Padua line, Verona-Vicenza section, and on the Milan-Verona line, Brescia-Verona section. Worth noting are the works carried out on the Naples-Bari and the Terzo Valico dei Giovi sections.

During 2023, RFI published 276 calls for tenders worth €9.7 billion, including €7.9 billion for works and €1.8 billion for supplies and services, and there were final awards of 264 tenders worth close to €17.5 billion, including 91 tenders worth €15.5 billion for the awarding of works.

In focusing on the main 53 infrastructure activations in 2023, 16 of them involved infrastructure developments, 28 involved the upgrading of lines, and 9 involved stations. In addition, 64 level crossings were removed.

It should also be noted that during 2023 renovation works were carried out on Tracks on 1,276 km, Switches for 879 elements, Overhead lines for Electric Traction on 203 km as part of the upkeep of rail infrastructure.

With regard to the road network operated by the Anas group, capital expenditure (23% of total capital expenditure in the Infrastructure segment) was allocated for:

- about 46% to new works;
- 48% to maintaining the efficiency of the existing road infrastructure;
- the remaining part mainly to other interventions on technological and IT equipment.

During 2023, Anas published 128 calls for tenders worth €7.5 billion, including 63 tenders worth €6.7 billion for works, and there were final awards of 129 tenders worth a total of about €6.5 billion, including 84 tenders worth €5.9 billion for the awarding of works.

The main infrastructure activations concerned the State Road SS 45 Valtrebbia, the Vicenza Bypass, the State Road SS 106 Jonica, the State Road SS 18 Tirrena Inferiore, the State Road SS 176 Basento Valley, and the State Road SS 131 Carlo Felice. It should also be noted that during 2023 Pavement renewal works were carried out on 8,152 km and Barrier replacement works on 221 km within the scope of road infrastructure maintenance works.



## Passenger transport

The objective of the Passenger transport business segment is to create a multi-modal business offer, whose advantage is to exploit the characteristics of the various types of transport in order to develop integrated, affordable, reliable and sustainable transport services that are increasingly customised and respond to individual passengers' needs in accordance with the principles of environmental, social and governance sustainability.

The Passenger Transport business segment includes the FS Group companies that operate road and rail passenger transport. The Group's rail transport is mainly operated by Trenitalia SpA, the head of this business segment, whose mission is to cover the national and international passenger transport sector, including the promotion, implementation and management of initiatives and services in the field of passenger transport; all this takes place through the development of an integrated offer of products/services and the management of a comprehensive mix of distribution channels. The results of this Segment are also contributed to by: the German Netinera group, which operates the German regional road and rail transport and urban mass transit in Germany; Hellenic Train is the incumbent company for the rail passenger transport services in Greece (main link between Athens and Thessaloniki); Trenitalia UK which, through its fully owned subsidiary Trenitalia c2c, operates commuter transport on the London-South Essex line; ILSA, which offers connections on the High-Speed lines in Spain (on the main three corridors linking Madrid with Barcelona, Valencia and Seville); Trenitalia France, which operates in the High-Speed segment in France with cross-border connections between Milan and Paris, as well as with domestic services between Paris and Lyon; FSE, which holds concessions for road and rail transport services in Puglia, Italy.

The Passenger Transport segment also offers road urban and medium/long-haul passenger transport, which is mainly carried out by the Group consisting of Busitalia-Sita Nord Srl and its investees (including the Dutch QBuzz), as well as by, as mentioned above, FSE.

<b>Rail passenger transport (*)</b>	<b>2023</b>	<b>2022</b>	<b>% Change</b>
<b>Long-Haul transport – Market</b>			
Passenger-Km – <i>millions</i>	20,153	13,104	53.8%
Train-Km – <i>thousands</i>	74,600	60,389	23.5%
<b>Long-Haul transport – Universal service</b>			
Passenger-Km – <i>millions</i>	4,436	4,092	8.4%
Train-Km – <i>thousands</i>	27,312	28,413	(3.9%)
<b>Regional Transport</b>			
Passenger-Km – <i>millions</i>	21,392	17,416	2.3%
Train-Km – <i>thousands</i>	216,257	196,106	10.3%

As part of the passenger railway transport, during the financial year 2023, the domestic and foreign offer of the Passenger Transport business was strengthened with new Frecciarossa train connections operated through the ETR100 fleet (in Italy, Spain and France). Total rail passenger traffic volumes achieved by the business segment in 2023 amounted to 46 billion passenger\*km (of which 36.8 billion, equal to around 80%, related to Trenitalia), showing an increase of 32.8% compared to 2022.

The long-haul services segment (Market and Service), with about 24.6 billion passenger\*km, showed a growth of 43% compared to 2022 (period still partly affected by the pandemic emergency). The result was obtained thanks to the excellent performance of market-based services (+53.8%), in which a business growth is reported by Trenitalia as well as by ILSA, with

a significant contribution given by the new high-speed services activated in Spain in 2023. The universal service also reported a growth in the volumes of traveller\*-km transported (equal to 8.4% compared to 2022).

In terms of offer, the total output (Market and Service) of long-haul services was about 101.9 million train\*km, up by 14.8% compared to 2022, due to the increased provision of market-based services (+23.5%), while the provision of the universal service was, indeed, slightly lower than in 2022 (-3.9%).

In regional transport, transported volumes in 2023 were about 21.4 billion passenger\*km, both in Italy and abroad, up by 22.8% from the previous year, against a 10.3% increase in output from 2022.

Compared to 2022, which was still partially affected by the pandemic emergency, the values of demand for and supply of regional transport incorporate the effects of extending the consolidation scope to Netinera and to ODEG.

<b>Local Public road Transport (*)</b>	<b>2023</b>	<b>2022</b>	<b>% Change</b>
Passenger-Km – millions	1,822	1,524	19.6%
Bus-Km – thousands	157,452	157,587	(1.0%)

Regarding passenger road transport, the FS Group supports the integrated use of urban and extra-urban rail and road transport services, both in Italy and abroad, and the interchange between them.

With regard to this, the Passenger Transport business met a demand for about 1.8 billion passenger\*km in 2023, up by 19.6% compared to 2022, with a supply produced in 2023 of about 157.5 million bus\*km, in line with 2022.

<b>Maritime transport</b>	<b>2023</b>	<b>2022</b>	<b>% Change</b>
Passenger-Km – millions	25	22	13.2%
Ship-Km – thousands	607	614	(1.2%)

Finally, in 2023 the FS Group met a demand of about 24.8 million passenger\*km, up by 13.3% compared to 2022, with a supply of about 606.8 thousand ship\*-km, down slightly compared to 2022, in the maritime passenger transport segment, where it ensures territorial continuity of rail services, operating sea connections between the mainland and Sicily and the inland connection on Lake Trasimeno.

	<b>2023</b>	<b>2022</b>	<b>Change</b>	<b>%</b>
	millions of euros			
Revenue from sales and services	7,449	6,632	817	12.3
Other income	208	244	(36)	(14.8)
<b>Revenue</b>	<b>7,657</b>	<b>6,876</b>	<b>781</b>	<b>11.4</b>
<b>Operating costs</b>	<b>(6,111)</b>	<b>(5,420)</b>	<b>(691)</b>	<b>12.7</b>
<b>Gross operating profit (EBITDA)</b>	<b>1,546</b>	<b>1,456</b>	<b>90</b>	<b>6.2</b>
<b>Operating profit (EBIT)</b>	<b>199</b>	<b>210</b>	<b>(11)</b>	<b>(5.2)</b>
<b>Profit for the year (attributable to the owners of the parent and non-controlling interests)</b>	<b>79</b>	<b>94</b>	<b>(15)</b>	<b>(15.9)</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Change</b>	
<b>Net invested capital</b>	<b>11,532</b>	<b>11,881</b>	<b>(349)</b>	
<b>Net financial (position) debt</b>	<b>8,446</b>	<b>8,798</b>	<b>(352)</b>	
<b>Equity</b>	<b>3,086</b>	<b>3,083</b>	<b>3</b>	

In 2023 the Passenger Transport segment posted a profit for the period of €79 million, showing a decrease of €15 million from 2022, which was affected by the impacts resulting from the European Commission's final decision of €107 million to be borne by Trenitalia, as explained above. This attests to an overall recovery of revenue from traffic for all rail passenger

transport businesses. It should be recalled that in 2022, because of the Covid-19 pandemic, the HS passenger transport offer was subject to limitations on saleable seats, which guaranteed travellers' distancing (with limitations at 80% until 13 March 2022), while government relief was given under the form of toll discounts by the Infrastructure Operator for about €60 million.

**Revenue** of the Segment amounted to €7,657 million in 2023, showing an increase of €781 million compared to 2022 (+11%), mostly attributable to traffic revenue. The rail and road transport business saw an overall increase of about €1,051 million in traffic revenue, mainly related to the growth in the volumes of road passenger transport in the HS Business segment (€399 million), the Regional Business (€185 million) and the Intercity business (€86 million). Compared to 2022, the road Passenger transport business recorded an increase of €34 million, while the international component recorded an increase of €347 million. The increase in demand was closely related to the easing of Covid-19 health emergency restrictions, and the sharp recovery of travellers' mobility, thus strengthening the good performance recorded since the beginning of the year for leisure time/weekends, and the resumption of business travel and commuting traffic. Traffic revenues are partly offset mainly by a decrease in revenues from grants and other operating revenues.

The **gross operating profit (EBITDA)** of the Passenger Transport segment amounted in 2023 to €1,546 million, up by €90 million on the figure in 2022. The improvement in revenue is, on the one hand, reduced by the increase in operating costs due to the larger offer, the increase in personnel costs, and, on the other hand, mitigated by lower cost for electrical energy for traction due to the abovementioned considerable reduction in the National Single Price (NSP). It should be noted that, because of the Covid-19 pandemic, the HS Business had benefited in 2022 from government relief measures by way of the toll component B discount recognised by the Infrastructure Operator, equal to about €60 million.

The **operating profit (EBIT)** came to €199 million compared to 2022, showing a deterioration of €11 million since the improvement at the EBITDA level was absorbed by higher amortisation, depreciation and impairment losses.

**Net financial expense** totalled €161 million and recorded an increase of €64 million on the figure for 2022, chiefly due to the rise in interest rates on the financing facilities of Trenitalia.

**Income taxes** of the Segment showed an improvement of €60 million compared to 2022.

With regard to **capital expenditure**, the Passenger Transport business segment absorbed about 12% of the Group's total capital expenditure, equal to €1,987.8 million (€1,828.9 million in 2022), for interventions dedicated to rail and road passenger transport, both in Italy and abroad. Specifically, Trenitalia reported capital expenditure of €1,793 million (90% of total capital expenditure in the Passenger Transport business), the Busitalia Group for €62 million and the remaining companies operating abroad for €111 million (Netinera, Trenitalia C2C, Trenitalia UK, Trenitalia France, ILSA and Hellenic Train).

In rail transport, Trenitalia allocated 58% of capital expenditure to the purchase of rolling stock, 7% to the upgrading of carriages in service, 12% to the technological upgrading of vehicles, information systems, the upkeep and development of maintenance facilities, and the remaining 23% to cyclical maintenance.

The main investment projects broken down by business area are:

- HS Passenger Transport Business (€288 million, of which about €196 million were dedicated to cyclical maintenance). Capital expenditure involved revamping activities with Rebranding of the ETR 600 fleet and the upgrading of maintenance facilities in Milan Martesana, Mestre and Naples;
- Intercity Passenger Transport Business (€168 million, of which about €91 million were dedicated to cyclical maintenance). Capital expenditure included advances (€17.9 million) for the purchase of new hybrid trains and

night carriages entirely financed with NRRP funds and revamping activities with restyling works (€2 million) on Intercity carriages, with the upgrading of the fire-fighting system and the activation of the new Clima system (€20 million);

- Regional Passenger Transport Business (€1,151 million, of which approximately €122 million were dedicated to cyclical maintenance). The works involved the delivery of Pop (for €293 million), Rock (for €498 million) and Blues (for €168 million) trains; face-lift works on HFR trains (for €1.7 million) aimed at increasing comfort; the technological upgrading of Vivalto carriages (€3.7 million) and of the fire-prevention system on the Minuetto, MD Carriages, Vivalto and Aln 663 fleets (€3.4 million) still underway.
- International Passenger Transport Business (€52 million). Capital expenditure included the delivery of ETR 1000 trains (for €42 million) for ILSA's commercial service in Spain, revamping activities of the ETR1000 fleet with the homologation of one ETR1000 (€9 million) train intended to operate on French lines.

The table below shows the delivery of the main procurement projects and releases into operation of the rolling stock undergoing revamping.

	No. of vehicles	
	New rolling stock	Revamped material
<b>Carriages/wagons</b>	<b>0</b>	<b>80</b>
HS/Intercity Business	-	**80
Regional		
<b>Trains</b>	<b>107</b>	<b>15</b>
HS/Intercity Business	-	1
HS/International Business	9	-
Regional	*98	***14

\* Rock trains no. 35, Pop trains no. 34; Blues trains no. 29

\*\* Intercity IC trains no. 3; Fire-prevention systems on carriages no. 77

\*\*\*HFR trains no. 6; Fire-prevention system on Aln 663 no. 8

In the area of road transport, the Busitalia group made capital expenditure of €62 million (3% of capital expenditure in the Passenger Transport Business) in 2023, relating to the purchase of new buses for LPT services in Veneto, Umbria, Campania, and Holland, and the delivery of buses for market-based services made by Busitalia Rail Service<sup>4</sup>.

## Logistics

Over the ten-year term of the business plan, the Logistics segment's mission is to double the share of freight carried by rail compared to 2019 and drive the evolution of its position in the logistics chain, so that it does not merely play a role in certain segments only, but can become a genuine player in multi-modal logistics, including through partnerships.

Mercitalia Logistics SpA is the Group's main logistics company and the head of this segment. Its mission is to cover the national and international logistics and freight transport sector, including the promotion, implementation, management and sale of initiatives and services in the field of logistics, mobility and freight transport. This segment includes seven companies operating nationally and internationally, including Mercitalia Rail, the largest railway freight company in Italy and one of

<sup>4</sup> 12 diesel buses, 1 hybrid bus, 3 gas buses and 38 electric buses for services operated by Busitalia Veneto; 29 diesel buses and 65 hybrid buses for service in Umbria; 7 diesel buses for services operated by Busitalia Campania; 144 diesel buses for services in Holland made by QBuzz; and 2 buses for Busitalia Rail Service.

Europe's largest, the TX Logistik group (operating primarily in Germany, Austria, Switzerland and Denmark) and Mercitalia Intermodal, the largest combined road/rail transport company in Italy and the third largest in Europe.

<b>Freight transport (*)</b>	<b>2023</b>	<b>2022</b>	<b>% Change</b>
Tonne-Km – <i>millions abroad</i>	21,084	21,513	(2.0%)
Train-Km – <i>thousands abroad</i>	43,393	42,058	3.2%
	19,928	17,974	10.9%

(\*) It does not include the share of freight traffic developed by Hellenic Train equal to 211 million ton km (458 million ton km in 2022) and 504 thousand train km (978 thousand train km in 2022)

With regard to freight traffic, in a macroeconomic environment characterised by weak demand and geopolitical instability, FS Group companies showed, both in Italy and abroad, a slightly downward trend in 2023 compared to 2022, standing at about 21.1 billion tonne-km (-2.0%), against an output of 43.4 thousand train-km, up from the previous year. In relation to the foreign market, it should be noted that the Logistics Business Segment finalised the acquisition of the rail freight company Exploris through its subsidiary Tx Logistik, thus becoming the second largest freight operator in Germany.

	<b>2023</b>	<b>2022</b>	<b>Change</b>	<b>%</b>
Revenue from sales and services	1,106	1,036	70	6.8
Other income	37	46	(9)	(19.6)
<b>Revenue</b>	<b>1,143</b>	<b>1,082</b>	<b>61</b>	<b>5.6</b>
<b>Operating costs</b>	<b>(1,076)</b>	<b>(1,017)</b>	<b>(59)</b>	<b>5.8</b>
<b>Gross operating loss (EBITDA)</b>	<b>67</b>	<b>65</b>	<b>2</b>	<b>3.1</b>
<b>Operating loss (EBIT)</b>	<b>(47)</b>	<b>(117)</b>	<b>70</b>	<b>59.8</b>
<b>Profit/(Loss) for the year (attributable to the owners of the parent and non-controlling interests)</b>	<b>(80)</b>	<b>(143)</b>	<b>63</b>	<b>44.1</b>

millions of euros

	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Change</b>
<b>Net invested capital</b>	<b>858</b>	<b>675</b>	<b>183</b>
<b>Net financial (position) debt</b>	<b>568</b>	<b>649</b>	<b>(81)</b>
<b>Equity</b>	<b>290</b>	<b>26</b>	<b>264</b>

The Logistics segment showed a Loss for the period of €80 million in 2023, showing an improvement of €63 million compared to 2022.

The segment **Revenue** amounted to €1,143 million in 2023, showing an increase compared to 2022 (+€61 million, +6%) attributable to revenue from both domestic and international freight, despite exogenous events that characterised 2023 with a consequent adverse impact on volume trends, such as landslides of transalpine crossings (Gotthard, Frejus landslide), strikes in Germany, Sweden and France, traffic restrictions in the Brenner Base Tunnel for works on the railway infrastructure, and the flood in Emilia-Romagna.

The Logistics segment showed a **gross operating profit (EBITDA)** of €67 million in 2023, up by €2 million on 2022. The growth in revenue was mainly absorbed by higher personnel and other operating costs linked to the transport performance of Mercitalia Rail and the TX Logistik group.

The **Operating loss (EBIT)** was €47 million, showing an improvement of €70 million compared to 2022, mainly due to lower impairment losses.

**Net financial expense** of €31 million showed a deterioration of €11 million compared to 2022.

**Income taxes** of the segment showed a slight improvement compared to 2022.

The Logistics Business segment developed **capital expenditure** of €181.3 million in 2023 (€155.6 million in 2022, +17%) for the continuation of the fleet renewal plan and maintenance of the locomotive and carriage operating fleet. About 42% is made by Mercitalia Rail, 21% by Mercitalia Shunting & Terminal, and 28% by subsidiary TX Logistik in Germany.

## Urban

The Urban segment handles real estate operations as well as urban regeneration and intermodal transport and logistics solutions for the first and last mile of the supply chain. It focuses specifically on developing the potential of the Group's real estate assets through new partnerships and projects that contribute to urban regeneration.

As head of this segment, FS Sistemi Urbani SpA provides assets management, marketing and development services for the Group's non-core business assets. GS Immobiliare SpA and Metropark SpA also operate in this segment.

	2023	2022	Change	millions of euros %
Revenue from sales and services	130	244	(114)	(46.7)
Other income	26	24	2	8.3
<b>Revenue</b>	<b>156</b>	<b>268</b>	<b>(112)</b>	<b>(41.8)</b>
<b>Operating costs</b>	<b>(123)</b>	<b>(218)</b>	<b>95</b>	<b>(43.6)</b>
<b>Gross operating loss (EBITDA)</b>	<b>33</b>	<b>50</b>	<b>(17)</b>	<b>(34.0)</b>
<b>Operating loss (EBIT)</b>	<b>21</b>	<b>(14)</b>	<b>35</b>	<b>(&gt;200)</b>
<b>Profit/(Loss) for the period (attributable to the owners of the parent and non-controlling interests)</b>	<b>15</b>	<b>(20)</b>	<b>35</b>	<b>175.0</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Change</b>	
<b>Net invested capital</b>	<b>1,288</b>	<b>1,232</b>	<b>56</b>	
<b>Net financial (position) debt</b>	<b>11</b>	<b>(382)</b>	<b>393</b>	
<b>Equity</b>	<b>1,277</b>	<b>1,614</b>	<b>(337)</b>	

The Urban segment reported a Profit for the period of €15 million in 2023, showing an improvement of €35 million compared to 2022.

The **Revenue** of the Urban segment amounted to €156 million in 2023, recording a decrease of €112 million compared to 2022 (-42%), 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), higher rental income (+€10 million), and higher revenue for the management of FS Park parking lots (+€6 million).

The **Gross operating profit (EBITDA)** of the Urban segment stood at €33 million in 2023, showing a deterioration of €17 million compared to 2022 due to higher operating costs.

**Operating profit (EBIT)** stood at €21 million, showing an improvement of €35 million compared to 2022, mainly due to lower impairment losses.

**Capital expenditure** in the Urban segment amounted to €48.2 million (€25.2 million in 2022) and related to the maintenance and exploitation of real estate assets owned by the FS Group.

## Other services

The companies that operate in this segment are Ferservizi SpA, which manages the activities not directly related to railway operations as outsourcer for the group's main companies; Fercredit SpA, which mainly develops the credit factoring and lease business on the captive market and develops the consumer credit business for the group's employees; Italcertifer SpA, which carries out certification, assessment and testing activities on transport and infrastructure systems; FSTechnology SpA, the group's technology service provider, appointed to manage its ICT strategy.

As the group's holding company, Ferrovie dello Stato Italiane SpA steers and coordinates the companies that head each Segment and provides strategic and financial control.

	millions of euros			
	2023	2022	Change	%
Revenue from sales and services	790	629	161	25.6
Other income	97	27	70	259.3
<b>Revenue</b>	<b>887</b>	<b>656</b>	<b>231</b>	<b>35.2</b>
<b>Operating costs</b>	<b>(841)</b>	<b>(690)</b>	<b>(151)</b>	<b>(21.9)</b>
<b>Gross operating loss (EBITDA)</b>	<b>46</b>	<b>(34)</b>	<b>80</b>	<b>235.3</b>
<b>Operating loss (EBIT)</b>	<b>(23)</b>	<b>(93)</b>	<b>70</b>	<b>75.3</b>
<b>Profit/(Loss) for the period (attributable to the owners of the parent and non-controlling interests)</b>	<b>143</b>	<b>(1)</b>	<b>144</b>	<b>&gt;200.0</b>
	31.12.2023	31.12.2022	Change	
<b>Net invested capital</b>	<b>877</b>	<b>423</b>	<b>454</b>	
<b>Net financial (position) debt</b>	<b>(679)</b>	<b>(724)</b>	<b>45</b>	
<b>Equity</b>	<b>1,556</b>	<b>1,147</b>	<b>409</b>	

In 2023, Other services showed a profit for the period of €143 million, with an improvement of €144 million compared to 2022.

**Revenue**, equal to €887 million, reflected growth of €231 million, attributable to the higher revenue of FSTechnology for €69 million, linked to the management of applications, the change in the scope for the establishment of the new company FS Security, which became operational from January 2023 for €88 million and the release of the provision set aside in relation to disposals of assets of FS SpA for €67 million.

In 2023 the **Gross operating profit (EBITDA)** stood at €46 million, showing an improvement of €80 million compared to 2022, mainly due to the release of the provision of FS SpA.

The **Operating loss (EBIT)** amounted to €23 million, showing an improvement of €70 million compared to 2022; growth at the EBITDA level was offset by higher amortisation and depreciation of FSTechnology.

**Net financial income** was €103 million in 2023, up by €36 million compared to 2022.

**Income taxes** in December 2023 showed a positive balance of €63 million, with an increase of €38 million on 2022. This caption reflects the positive effects of the domestic tax consolidation scheme managed by the Holding company as part of its core activities.

The Group's **capital expenditure** related to Other Services amounted to €153 million (€38 million in 2022) and mainly referred to the ICT projects of the FS Group.

# Ferrovie dello Stato Italiane SpA's financial position and performance

## Income statement

millions of euros

	2023	2022	Change	%
<b>Revenue</b>	<b>122</b>	<b>155</b>	<b>(33)</b>	<b>(21)</b>
- Revenue from sales and services	117	145	(28)	(19)
- Other income	5	10	(5)	(50)
<b>Operating costs</b>	<b>(227)</b>	<b>(270)</b>	<b>43</b>	<b>(16)</b>
<b>GROSS OPERATING LOSS (EBITDA)</b>	<b>(105)</b>	<b>(115)</b>	<b>10</b>	<b>(9)</b>
Amortisation and depreciation	(17)	(27)	10	(37)
Net impairment losses/reversals		(50)	50	(100)
<b>OPERATING LOSS (EBIT)</b>	<b>(122)</b>	<b>(192)</b>	<b>70</b>	<b>(36)</b>
Net financial income	246	231	15	6
<b>PRE-TAX PROFIT</b>	<b>124</b>	<b>39</b>	<b>85</b>	<b>&gt;200</b>
Income taxes	77	51	26	51
<b>PROFIT FOR THE YEAR</b>	<b>201</b>	<b>90</b>	<b>111</b>	<b>123</b>

The **Profit for the period** was €201 million in 2023, showing an increase on the previous year, attributable to the performance of the operating component (+€70 million), the financial component (+€15 million) and the tax component (+€26 million).

The **Gross operating margin (EBITDA)** showed an increase of €10 million, recording a percentage change of +9% due to a reduction in Revenue (-€33 million) and a decrease in Operating costs (+€43 million).

The decrease in **Revenue** was due to a reduction in revenue from property management for €42 million as a result of the lease of the business unit of the Company's real estate assets to FS Sistemi Urbani SpA, revenue from sales of properties and land for €5 million and services rendered to Group companies for €3 million, partially offset by an increase in revenue obtained from customers for €17 million.

The decrease in **Operating costs** was mainly due to the combined effect of a reduction in costs for services (-€37 million) due to lower costs incurred for the management of real estate assets for the lease of a business unit and lower costs for IT services following the disposal of IT assets and related activities to subsidiary FS Technology in June 2023, lower costs for stock of properties and land (-€15 million), which were offset by higher personnel costs (+€6 million) and other operating costs incurred during the year (€+3 million).

The improvement in **Operating profit (loss) (EBIT)** compared to €70 million posted in 2022 was due to what has been described above, strengthened by higher impairment losses recorded mainly on properties in the previous year and a reduction in amortisation and depreciation due to the disposal of IT Assets.

The improvement in **Net financial income** (+€15 million) was mainly attributable to the increase in interest for loans granted to Group companies and the income arising from the use of liquidity held with banks (+€311 million) determined by the combined effect of new Intercompany disbursements for the year and the increase in market interest rates recorded during the year, as well as to dividends distributed by subsidiaries, associates and third parties (+€12 million), against an increase in interest expense accrued on borrowings from third parties and group companies under the cash pooling scheme (-€284 million) as a result of the new funding, then reversed to Group companies and the increase in market interest rates, as well as the increase in the write-downs of investments of Anas Spa and FSE Srl (- €88 million).



The remaining change can be attributed to the release of a provision (+€67 million) related to a sale of equity investments that had occurred in previous years and lower releases of the provision for risks compared to the previous period (-€5 million).

**Income taxes** increased by a total of €26 million compared to the prior period, mainly due to higher income from the tax consolidation scheme (€53 million) stated against higher IRES (Corporate Income) taxes transferred by Group companies and an increase in deferred tax assets and liabilities (€27 million).

## Reclassified statement of financial position

millions of euros

	31.12.2023	31.12.2022	Change
Net operating working capital	565	446	119
Other assets, net	200	73	127
<b>Working capital</b>	<b>765</b>	<b>519</b>	<b>246</b>
Non-current assets	443	494	(51)
Equity investments	38,222	38,060	162
<b>Net non-current assets</b>	<b>38,665</b>	<b>38,554</b>	<b>111</b>
Post-employment benefits	(5)	(5)	
Other provisions	(10)	(107)	97
<b>Post-employment benefits and other provisions</b>	<b>(15)</b>	<b>(112)</b>	<b>97</b>
<b>NET INVESTED CAPITAL</b>	<b>39,415</b>	<b>38,961</b>	<b>454</b>
Net current financial position	(900)	(779)	(121)
Net non-current financial position	124	(250)	374
<b>Net financial (position) debt</b>	<b>(776)</b>	<b>(1,029)</b>	<b>253</b>
<b>Equity</b>	<b>40,191</b>	<b>39,990</b>	<b>201</b>
<b>COVERAGE</b>	<b>39,415</b>	<b>38,961</b>	<b>454</b>

**Net invested capital**, equal to €39,415 million, increased by €454 million during 2023, due to the increase in **Working capital** (+€246 million) and in **Net non-current assets** (+€111 million), and, to a lesser extent, the decrease in **Other provisions** (+€97 million).

**Net operating working capital**, equal to €565 million, showed an increase of €119 million during the year, attributable to the combined effect of the overall increase in trade receivables from Group companies and third-party customers, and trade payables to Group companies (+€126 million) and the decrease in inventories for land and buildings for trading (-€7 million).

**Other assets, net**, reported an increase of €127 million, resulting from a net increase in current and non-current receivables and payables (+€142 million), mainly attributable to dividends from subsidiaries, and a net decrease in VAT receivables and payables (-€10 million) and tax receivables and payables (-€5 million).

With regard to comparative data, it should be noted that, for the sake of a better presentation, the amount of €174 million, relating to "Deferred tax assets", was reclassified from "Other assets, net" to "Other provisions".

**Other provisions** recorded a positive change of €97 million, mainly attributable to the release of a provision for guarantees related to transactions involving the sale of equity investments that can no longer be exercised (+€67 million), and uses related to the litigation with the Tax Authorities for interest on the VAT credit (€8 million) and the tax

dispute with Sita SpA in liquidation (€3 million), as well as to the net effect of deferred tax assets and liabilities (-€19 million) and a reduction in the Provision for tax from tax consolidation scheme (+€38 million).

**Net non-current assets** came to €38,665 million, showing a positive change of €111 million compared to 2022, attributable to the net increase in equity investments, due to the capital increase in Mercitalia Logistics SpA (+€294 million), to the write-downs of investments of Anas SpA and FSE Srl (-€131 million) and to the overall decrease in investment property, intangible assets and property, plant and equipment (-€52 million) due to amortisation and depreciation and disposals made during the year.

The **Net financial position** amounted to €776 million with a decrease of €253 million compared to 31 December 2022, mainly due to:

- a total increase of -€2,440 million in loans granted to Group companies, net of repayments for the year;
- the €2,306 million increase in bank loans due to new financing amounting to €3,070 million and the €27 million increase in interest, net of repayments of -€791 million for the period;
- the €1,058 million increase in bonds, mainly due to new bond issues totalling €1,700 million and higher interest expense of €62 million, net of repayments of -€704 million;
- the increase in cash held with banks for -€878 million, mainly due to raising financial resources in December, which were still being used as at the reporting date of the financial statements, and higher receipts recognised on treasury accounts during the current period;
- the increase of €204 million in financial payables to group companies for cash pooling.

Finally, **Equity** showed an increase of €201 million due to the profit recorded in the year.



## Consolidated financial statements

## Consolidated statement of financial position

millions of euros

	31.12.2023	31.12.2022
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	49,326	48,405
Investment property	1,399	1,403
Intangible assets	1,798	1,833
Equity-accounted investments	1,217	833
Service concession assets	235	1,479
Financial assets (including derivatives)	628	1,546
Deferred tax assets	98	88
Trade receivables	4	5
Other assets	7,584	6,197
<b>Total</b>	<b>62,289</b>	<b>61,789</b>
<b>Current assets</b>		
Inventories	2,487	2,282
Service concession assets	3,314	2,042
Financial assets (including derivatives)	693	226
Cash and cash equivalents	2,295	2,691
Tax receivables	105	97
Trade receivables	2,797	3,092
Other assets	5,735	4,080
<b>Total</b>	<b>17,426</b>	<b>14,510</b>
<b>Total assets</b>	<b>79,715</b>	<b>76,299</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	39,204	39,204
Reserves	(166)	(71)
Retained earnings	2,725	2,536
Profit for the year	137	204
<b>Equity attributable to the owners of the parent</b>	<b>41,900</b>	<b>41,873</b>
Loss attributable to non-controlling interests	(37)	(2)
Share capital and reserves attributable to non-controlling interests	226	197
<b>Share of profit (loss) attributable to non-controlling interests</b>	<b>189</b>	<b>195</b>
<b>Total</b>	<b>42,089</b>	<b>42,068</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	10,732	9,159
Employee benefits	683	756
Provisions for risks and charges	1,937	2,130
Contract advances	1,220	1,362
Financial liabilities (including derivatives)	903	1,410
Deferred tax liabilities	151	187
Trade payables	15	6
Other liabilities	1,897	1,713
<b>Total</b>	<b>17,538</b>	<b>16,723</b>
<b>Current liabilities</b>		
Loans and borrowings and current portion of non-current loans and borrowings	4,250	2,599
Current portion of provisions for risks and charges	58	25
Contract advances	577	482
Financial liabilities (including derivatives)	580	201
Income tax payables	26	11
Trade payables	8,995	7,626
Other liabilities	5,602	6,564
<b>Total</b>	<b>20,088</b>	<b>17,508</b>
<b>Total liabilities</b>	<b>37,626</b>	<b>34,231</b>
<b>Total equity and liabilities</b>	<b>79,715</b>	<b>76,299</b>

## Consolidated income statement

millions of euros

	2023	2022
<b>Revenue</b>	<b>14,804</b>	<b>13,664</b>
Revenue from sales and services	14,261	13,169
Other income	543	495
<b>Operating costs</b>	<b>(14,466)</b>	<b>(13,402)</b>
Personnel expense	(5,284)	(4,723)
Raw materials, consumables, supplies and goods	(1,607)	(1,852)
Services	(7,570)	(6,340)
Other operating costs	(265)	(239)
Internal work capitalised	2,150	1,702
Amortisation, depreciation, provisions and impairment losses	(1,890)	(1,950)
<b>Operating profit</b>	<b>338</b>	<b>262</b>
<b>Financial income and expense</b>	<b>(213)</b>	<b>(50)</b>
Financial income	220	108
Financial expense	(456)	(221)
Share of profits /(losses) of equity-accounted investees	23	63
<b>Pre-tax profit (loss)</b>	<b>125</b>	<b>212</b>
Income taxes	(25)	(10)
Profit (loss) for the period from assets held for sale, net of tax effects		
<b>Profit (loss) for the period from discontinued operations, net of tax effects</b>		
<b>Profit for the year (attributable to the owners of the parent and non-controlling interests)</b>	<b>100</b>	<b>202</b>
<i>Profit (loss) for the period attributable to the owners of the parent</i>	137	204
<i>Profit (loss) for the period attributable to non-controlling interests</i>	(37)	(2)

## Consolidated statement of comprehensive income

millions of euros

**2023 2022**

	2023	2022
<b>Profit for the period (attributable to the owners of the parent and non-controlling interests)</b>	<b>100</b>	<b>202</b>
<b>Other consolidated comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Actuarial gains/(losses)	(6)	95
of which from equity-accounted investees		1
Items reclassified to profit or loss	4	4
<b>Items that will or may be reclassified to profit or loss:</b>		
Cash flow hedges - effective portion of changes in fair value	(97)	188
of which from equity-accounted investees	(5)	26
Net exchange gains (losses)	(1)	4
<b>Other comprehensive income (expense)</b>	<b>(100)</b>	<b>291</b>
<b>Comprehensive income (expense) (attributable to the owners of the parent and non-controlling interests)</b>	<b>-</b>	<b>493</b>
<i>Comprehensive income (expense) attributable to:</i>		
Owners of the parent	37	495
<i>Non-controlling interests</i>	(37)	(2)

\*Net of tax effect, where applicable

## Consolidated statement of changes in equity

millions of euros

	Reserves						Equity				
	Share capital	Legal reserve	Translation reserve	Hedging reserve	Actuarial reserve	Total reserves	Retained earnings	Profit/(loss) for the period	Equity attributable to the owners of the parent	Equity attributable to non-controlling interests	Total equity
<b>Balance at 1 January 2022</b>	<b>39,204</b>	<b>67</b>	<b>(7)</b>	<b>(1)</b>	<b>(422)</b>	<b>(363)</b>	<b>2,350</b>	<b>194</b>	<b>41,385</b>	<b>161</b>	<b>41,546</b>
Profit for the period								204	204	(2)	202
Gains/(Losses) recognised directly in Equity			4	192	95	291			291		291
<b>Comprehensive income/(expense)</b>			<b>4</b>	<b>192</b>	<b>95</b>	<b>291</b>		<b>204</b>	<b>495</b>	<b>(2)</b>	<b>493</b>
Allocation of profit (loss) for the previous period							194	(194)			
Dividend distribution										(2)	(2)
Capital increase (capital decrease)										21	21
Change in consolidation area				1		1	(10)		(9)	19	10
Other changes							2		2	(2)	
<b>Balance at 31 December 2022</b>	<b>39,204</b>	<b>67</b>	<b>(3)</b>	<b>192</b>	<b>(327)</b>	<b>(71)</b>	<b>2,536</b>	<b>204</b>	<b>41,873</b>	<b>195</b>	<b>42,068</b>
<b>Balance at 1 January 2023</b>	<b>39,204</b>	<b>67</b>	<b>(3)</b>	<b>192</b>	<b>(327)</b>	<b>(71)</b>	<b>2,536</b>	<b>204</b>	<b>41,873</b>	<b>195</b>	<b>42,068</b>
Profit/(Loss) for the period								137	137	(37)	100
Gains/(Losses) recognised directly in equity			(1)	(93)	(6)	(100)			(100)		(100)
<b>Comprehensive income/(loss)</b>			<b>(1)</b>	<b>(93)</b>	<b>(6)</b>	<b>(100)</b>		<b>137</b>	<b>37</b>	<b>(37)</b>	
Allocation of profit (loss) for the previous period		4				4	200	(204)			
Dividend distribution							(5)		(5)	(4)	(9)
Capital increase (capital decrease)										36	36
Change in consolidation area							(1)		(1)		(1)
Other changes							(4)		(4)	(1)	(5)
<b>Balance at 31 December 2023</b>	<b>39,204</b>	<b>71</b>	<b>(4)</b>	<b>99</b>	<b>(333)</b>	<b>(167)</b>	<b>2,726</b>	<b>137</b>	<b>41,900</b>	<b>189</b>	<b>42,089</b>

## Consolidated statement of cash flows

millions of euros

	2023	2022
<b>Profit for the period</b>	<b>100</b>	<b>202</b>
Income taxes	25	10
Financial income	236	113
Amortisation and depreciation	1,744	1,655
Share of profits (losses) of equity-accounted investees	(23)	(63)
Accruals to provisions and impairment losses	663	489
Capital losses on sales	(184)	(108)
Change in inventories	(203)	(11)
Change in trade receivables	300	(130)
Change in trade payables	1,360	1,113
Change in other liabilities	(732)	1,183
Change in other assets	(3,099)	(346)
Utilisation of the provisions for risks and charges	(689)	(605)
Payment of employee benefits	(131)	(225)
Financial income collected/financial expense paid	(174)	(73)
Income taxes paid, net of reimbursed tax assets	(20)	(1)
<b>Net cash flows used in operating activities</b>	<b>(827)</b>	<b>3,218</b>
Increases in property, plant and equipment	(12,197)	(7,580)
Investment property	(15)	(41)
Increases in intangible assets	(243)	(312)
Increases in equity investments	(655)	(429)
<b>Investments, before grants</b>	<b>(13,110)</b>	<b>(8,361)</b>
Grants for property, plant and equipment	9,922	5,952
Grants for equity investments	592	426
<b>Grants</b>	<b>10,514</b>	<b>6,379</b>
Decreases in property, plant and equipment	222	141
Decreases in investment property	3	7
Decreases in intangible assets	5	1
Decreases in equity investments and profit	19	13
<b>Decreases</b>	<b>250</b>	<b>162</b>
<b>Net cash flows used in investing activities</b>	<b>(2,346)</b>	<b>(1,820)</b>
Finance lease payments	(230)	(235)
Disbursement and repayment of non-current loans	1,610	395
Disbursement and repayment of current loans	1,600	(359)
Change in service concession assets/liabilities	(246)	(256)
Grants relating to assets (for loans)	10	(105)
Change in financial assets	(2)	(297)
Change in financial liabilities	3	30
Dividends	(9)	(3)
Changes in equity and cash from non-recur. trans.	28	6
<b>Net cash flows generated by financing activities</b>	<b>2,764</b>	<b>(824)</b>
<b>Total cash flows</b>	<b>(409)</b>	<b>577</b>
<b>Opening cash and cash equivalents</b>	<b>2,685</b>	<b>2,108</b>
<b>Closing cash and cash equivalents</b>	<b>2,276</b>	<b>2,685</b>
of which intragroup current account	19	6



## Financial statements of Ferrovie dello Stato Italiane SpA

## Statement of financial position

values in euros

	31.12.2023	31.12.2022
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	52,899,207	54,747,980
Investment property	388,731,956	391,689,120
Intangible assets	1,178,343	48,002,261
Equity investments	38,222,414,480	38,059,837,535
Financial assets (including derivatives)	10,069,986,269	8,736,030,767
Deferred tax assets	85,462,729	104,753,491
Trade receivables	2,553,508	3,782,117
Other assets	1,792,552,801	1,611,918,196
<b>Total</b>	<b>50,615,779,293</b>	<b>49,010,761,467</b>
<b>Current assets</b>		
Inventories	334,026,397	340,649,442
Financial assets (including derivatives)	3,811,913,225	2,706,451,344
Cash and cash equivalents	1,504,360,565	626,221,660
Tax receivables	90,839,402	84,908,211
Trade receivables	370,987,205	196,706,328
Other assets	779,735,700	605,601,588
<b>Total</b>	<b>6,891,862,493</b>	<b>4,560,538,573</b>
<b>Total Assets</b>	<b>57,507,641,786</b>	<b>53,571,300,040</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	39,204,173,802	39,204,173,802
Reserves	71,620,621	67,235,002
Retained earnings	714,634,985	628,992,464
Profit for the year	200,729,114	90,150,022
<b>Total</b>	<b>40,191,158,522</b>	<b>39,990,551,290</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	10,180,762,628	8,466,485,317
Employee benefits	4,505,556	5,363,697
Provisions for risks and charges	33,697,135	111,986,122
Financial liabilities (including derivatives)	12,908,926	19,374,668
Deferred tax liabilities	61,822,275	99,610,975
Other liabilities	1,801,273,397	1,613,705,347
<b>Total</b>	<b>12,094,969,917</b>	<b>10,316,526,126</b>
<b>Current liabilities</b>		
Loans and borrowings and current portion of non-current loans and borrowings	3,201,288,336	1,551,562,201
Financial liabilities (including derivatives)	1,216,019,380	1,002,445,197
Current trade payables	143,894,571	96,401,758
Other liabilities	660,311,060	613,813,468
<b>Total</b>	<b>5,221,513,347</b>	<b>3,264,222,624</b>
<b>Total liabilities</b>	<b>17,316,483,264</b>	<b>13,580,748,750</b>
<b>Total equity and liabilities</b>	<b>57,507,641,786</b>	<b>53,571,300,040</b>

## Income statement

values in euros

	2023	2022
<b>Revenue</b>	<b>121,444,104</b>	<b>155,092,526</b>
Revenue from sales and services	116,735,787	145,341,259
Other income	4,708,317	9,751,267
<b>Operating costs</b>	<b>(243,493,585)</b>	<b>(346,934,158)</b>
Personnel expense	(73,793,425)	(67,990,655)
Raw materials, consumables, supplies and goods	(7,288,717)	(22,138,333)
Services	(115,523,308)	(152,820,594)
Other operating costs	(30,613,035)	(28,069,936)
Internal works capitalised	564,796	531,008
Amortisation, depreciation, provisions and impairment losses	(16,839,896)	(76,445,648)
<b>Operating loss</b>	<b>(122,049,481)</b>	<b>(191,841,632)</b>
<b>Financial income and expense</b>	<b>264,137,724</b>	<b>231,313,951</b>
Income from equity investments	228,360,244	216,429,866
Other financial income	542,172,747	155,751,939
Expense on equity investments	(132,845,445)	(43,111,139)
Other financial expense	(391,549,822)	(97,756,715)
<b>Pre-tax profit</b>	<b>124,088,243</b>	<b>39,472,319</b>
<b>Income taxes</b>	<b>76,640,871</b>	<b>50,677,703</b>
<b>Profit for the year</b>	<b>200,729,114</b>	<b>90,150,022</b>

## Statement of comprehensive income

values in euros

	2023	2022
<b>Profit for the period</b>	<b>200,729,114</b>	<b>90,150,022</b>
<b>Items that will not be reclassified to profit or loss:</b>		
Net actuarial gains (losses)	(41,714)	887,961
Tax effect on actuarial gains (losses)	8,966	(243,071)
<b>Components that will be subsequently reclassified to profit/(loss) for the year if certain conditions are met:</b>		
Cash flow hedges - effective portion of changes in fair value	(117,281)	
Tax effect of the effective portion of fair value changes in cash flow hedges	28,147	
<b>Other comprehensive income, net of the taxes</b>	<b>(121,882)</b>	<b>644,890</b>
<b>Comprehensive income</b>	<b>200,607,232</b>	<b>90,794,912</b>

**Statement of changes in equity**

Values in euros

		Equity								
		Reserves				Valuation reserves	Total reserves	Retained earnings	Profit for the year	Total equity
		Other reserves			Legal reserve					
	Share capital	Legal reserve	Extraordinary reserve	Other reserves	Actuarial reserve					
<b>Balance at 1 January 2022</b>	<b>39,204,173,802</b>	<b>66,854,616</b>			<b>(271,354)</b>	<b>66,583,262</b>	<b>628,862,321</b>	<b>136,993</b>	<b>39,899,756,378</b>	
Allocation of profit for the previous year		6,850				6,850	130,143	(136,993)	90,150,022	
Profit for the period								90,150,022	90,150,022	
Net gains recognised directly in equity					644,890	644,890			644,890	
<b>Balance at 31 December 2022</b>	<b>39,204,173,802</b>	<b>66,861,466</b>			<b>373,536</b>	<b>67,235,002</b>	<b>628,992,464</b>	<b>90,150,022</b>	<b>39,990,551,290</b>	
Allocation of profit for the previous year		4,507,501				4,507,501	85,642,521	(90,150,022)		
Profit for the period										
Net gains recognised directly in equity					(121,882)	(121,882)		200,729,114	200,607,732	
<b>Balance at 31 December 2023</b>	<b>39,204,173,802</b>	<b>71,368,967</b>			<b>251,654</b>	<b>71,620,621</b>	<b>714,634,985</b>	<b>200,729,114</b>	<b>40,191,158,522</b>	

## STATEMENT OF CASH FLOWS

values in euros

	2023	2022
<b>Profit for the period</b>	<b>200,729,114</b>	<b>90,150,022</b>
Income taxes	(76,640,871)	(50,677,703)
Net financial expense	(246,137,724)	(231,313,951)
Amortisation and depreciation	17,148,100	26,375,757
Accruals to provisions and impairment losses	1,570,000	
Impairment losses (gains)	177,769	49,241,150
Accruals for employee benefits		
<b>Accruals to provisions and impairment losses</b>	<b>1,747,769</b>	<b>49,241,150</b>
Gains on sales		78
Change in inventories	6,686,177	21,460,127
Change in trade receivables	(173,052,269)	(22,011,525)
Change in trade payables	47,492,813	(9,867,230)
Change in other assets	(223,713,058)	167,952,533
Change in other liabilities	239,890,952	(189,303,246)
Utilisation of the provisions for risks and charges	(4,023,674)	(25,377,590)
Payment of employee benefits	(1,087,347)	(1,147,794)
Financial income collected/financial expense paid	147,186,000	259,691,535
Change in tax assets/liabilities	62,158,250	53,426,878
<b>Net cash flows generated by/(used in) operating activities</b>	<b>(1,615,768)</b>	<b>138,599,041</b>
Increases in property, plant and equipment	(2,138,108)	(2,560,744)
Investment property	(3,655,484)	(8,146,424)
Increases in intangible assets	(4,923,538)	(11,989,220)
Increases in equity investments	(746,433,000)	(332,504,394)
<b>Investments, before grants</b>	<b>(757,150,130)</b>	<b>(355,200,782)</b>
Grants for equity investments	452,640,000	285,860,000
<b>Grants</b>	<b>452,640,000</b>	<b>285,860,000</b>
Decreases in property, plant and equipment	1,890,266	
Decr.-Incr. in investment property	9,271	658,229
Decreases in intangible assets	43,208,622	
Decreases in equity investments		1,144,394
<b>Decreases</b>	<b>45,108,159</b>	<b>1,802,623</b>
<b>Net cash flows generated by/(used in) investing activities</b>	<b>(259,401,971)</b>	<b>(67,538,159)</b>
Disbursement and repayment of non-current loans	1,754,179,010	672,738,513
Disbursement and repayment of current loans	1,508,993,396	(304,538,403)
Change in lease liabilities	(344,883)	(188,432)
Change in financial assets	(2,325,033,356)	(859,883,560)
Change in financial liabilities	(463,153)	
<b>Net cash flows generated by/ (used in) financing activities</b>	<b>937,331,014</b>	<b>(491,871,882)</b>
<b>Total cash flows</b>	<b>676,313,275</b>	<b>(420,811,000)</b>
Opening cash and cash equivalents	(374,271,477)	46,539,523
Closing cash and cash equivalents	302,041,798	(374,271,477)
of which intragroup current account	(1,202,318,766)	(1,000,493,137)

## Reporting by operating segment

Below are the financial highlights of the Group's operating segments for the years 2023 and 2022:

millions of euros

2023	Infrastructure	Passenger Transport	Logistics	Urban	Other services	Adjustments and inter-segment eliminations	Ferrovie dello Stato Italiane Group
Revenue from third parties	5,851	7,412	976	93	132	4	14,468
Inter-segment revenue	1,191	245	167	63	755	(2,085)	336
<b>Revenue</b>	<b>7,042</b>	<b>7,657</b>	<b>1,143</b>	<b>156</b>	<b>887</b>	<b>(2,081)</b>	<b>14,804</b>
<b>Operating costs</b>	<b>(6,446)</b>	<b>(6,111)</b>	<b>(1,076)</b>	<b>(123)</b>	<b>(841)</b>	<b>2,021</b>	<b>(12,576)</b>
<b>EBITDA</b>	<b>596</b>	<b>1,546</b>	<b>67</b>	<b>33</b>	<b>46</b>	<b>(60)</b>	<b>2,228</b>
Amortisation and depreciation	(372)	(1,347)	(114)	(12)	(69)	24	(1,890)
Impairment losses and provisions							
<b>Operating profit/loss (EBIT)</b>	<b>224</b>	<b>199</b>	<b>(47)</b>	<b>21</b>	<b>(23)</b>	<b>(36)</b>	<b>338</b>
Net financial income (expense)	(136)	(161)	(31)	7	103	5	(213)
Income taxes	(3)	41	(2)	(13)	63	(111)	(25)
<b>Segment profit (loss) (attributable to the owners of the parent and non-controlling interests)</b>	<b>85</b>	<b>79</b>	<b>(80)</b>	<b>15</b>	<b>143</b>	<b>(142)</b>	<b>100</b>

millions of euros

31.12.2023	Infrastructure	Passenger Transport	Logistics	Urban	Other services	Adjustments and inter-segment eliminations	Ferrovie dello Stato Italiane Group
Working capital	1,736	(758)	(12)	620	668	(76)	2,178
Net non-current assets	39,177	12,854	994	648	308	(154)	53,827
<i>Of which equity-accounted investments</i>	<i>1,000</i>	<i>211</i>	<i>6</i>				<i>1,217</i>
Other provisions	(1,672)	(564)	(124)	20	(99)	(292)	(2,731)
Net assets held for sale							
<b>Net invested capital</b>	<b>39,241</b>	<b>11,532</b>	<b>858</b>	<b>1,288</b>	<b>877</b>	<b>(522)</b>	<b>53,274</b>
<b>Net financial position (debt)</b>	<b>2,969</b>	<b>8,446</b>	<b>568</b>	<b>11</b>	<b>(679)</b>	<b>(130)</b>	<b>11,185</b>
<b>Equity</b>	<b>36,272</b>	<b>3,086</b>	<b>290</b>	<b>1,277</b>	<b>1,556</b>	<b>(392)</b>	<b>42,089</b>

millions of euros

2022	Infrastruttura	Passenger Transport	Logistics	Urban	Other services	Adjustments and inter-segment eliminations	Ferrovie dello Stato Italiane Group
Revenue from third parties	5,490	6,618	931	211	43	1	13,294
Inter-segment revenue	1,384	258	151	57	613	(2,093)	370
<b>Revenue</b>	<b>6,874</b>	<b>6,876</b>	<b>1,082</b>	<b>268</b>	<b>656</b>	<b>(2,092)</b>	<b>13,664</b>
<b>Operating costs</b>	<b>(6,138)</b>	<b>(5,420)</b>	<b>(1,017)</b>	<b>(218)</b>	<b>(690)</b>	<b>2,031</b>	<b>(11,452)</b>
<b>EBITDA</b>	<b>736</b>	<b>1,456</b>	<b>65</b>	<b>50</b>	<b>(34)</b>	<b>(61)</b>	<b>2,212</b>
Amortisation and depreciation, impairment losses and provisions	(427)	(1,246)	(182)	(64)	(59)	28	(1,950)
<b>Operating profit (loss)</b>	<b>309</b>	<b>210</b>	<b>(117)</b>	<b>(14)</b>	<b>(93)</b>	<b>(33)</b>	<b>262</b>
Financial income (expense)	(3)	(97)	(20)		67	3	(50)
Income taxes	(6)	(19)	(6)	(6)	25	2	(10)
<b>Segment profit (loss) (attributable to the owners of the parent and non-controlling interests)</b>	<b>300</b>	<b>94</b>	<b>(143)</b>	<b>(20)</b>	<b>(1)</b>	<b>(28)</b>	<b>202</b>

millions of euros

31.12.2022	Infrastruttura	Passenger Transport	Logistics	Urban	Other services	Adjustments and inter-segment eliminations	Ferrovie dello Stato Italiane Group
Working capital	(1,210)	95	(10)	594	428	(65)	(168)
Net non-current assets	39,003	12,389	813	619	190	(138)	52,876
<i>Of which equity-accounted investments</i>	<i>657</i>	<i>174</i>	<i>3</i>			<i>(1)</i>	<i>833</i>
Other provisions	(1,929)	(603)	(128)	19	(195)	(174)	(3,010)
Net assets held for sale							
<b>Net invested capital</b>	<b>35,864</b>	<b>11,881</b>	<b>675</b>	<b>1,232</b>	<b>423</b>	<b>(377)</b>	<b>49,698</b>
<b>Net financial position (debt)</b>	<b>(586)</b>	<b>8,798</b>	<b>649</b>	<b>(382)</b>	<b>(724)</b>	<b>(125)</b>	<b>7,630</b>
<b>Equity</b>	<b>36,450</b>	<b>3,083</b>	<b>26</b>	<b>1,614</b>	<b>1,147</b>	<b>(252)</b>	<b>42,068</b>

The Manager in charge of the company's accounting documents, Mr Marco Fossataro, states pursuant to paragraph 2, article 154-bis of the Consolidated Law on Finance that the accounting information contained in this document corresponds to the documentary results, books and accounting records. This document also contains forward-looking statements which do not constitute a guarantee of future events and results.