

# 2019-2023

# BUSINESS PLAN



# Disclaimer

## IMPORTANT NOTICE

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*By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Prospective investors are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to risks, uncertainties and events that are unpredictable and depend on circumstances that might change in the future which could cause actual results to differ materially from those predicted in such forward-looking statements. Accordingly, any expectation on Ferrovie dello Stato Italiane S.p.A. results and estimates set out herein may differ depending on variations in the unpredictable conditions on which they are based.*

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# THE FS ITALIANE GROUP TODAY: THE PLAN'S STARTING POINT



**1 billion passengers**



**50 million tonnes of goods** transported



**24.5 thousand km of railway network\***  
managed in Italy



**30 thousand km of road and motorway network**  
managed in Italy



**83 thousand employees** of which **7 thousand**  
abroad

(2018)

## Revenues

**12 billion €/year**

## Investments

**7.5 billion €/year**

## EBITDA

**2.5 billion €/year**

## Net profit

**560 million €/year**



# FS ITALIANE PLAN: FOCUS ON PEOPLE'S NEEDS AND SERVICE QUALITY

FS Italiane Group over the last 10 years



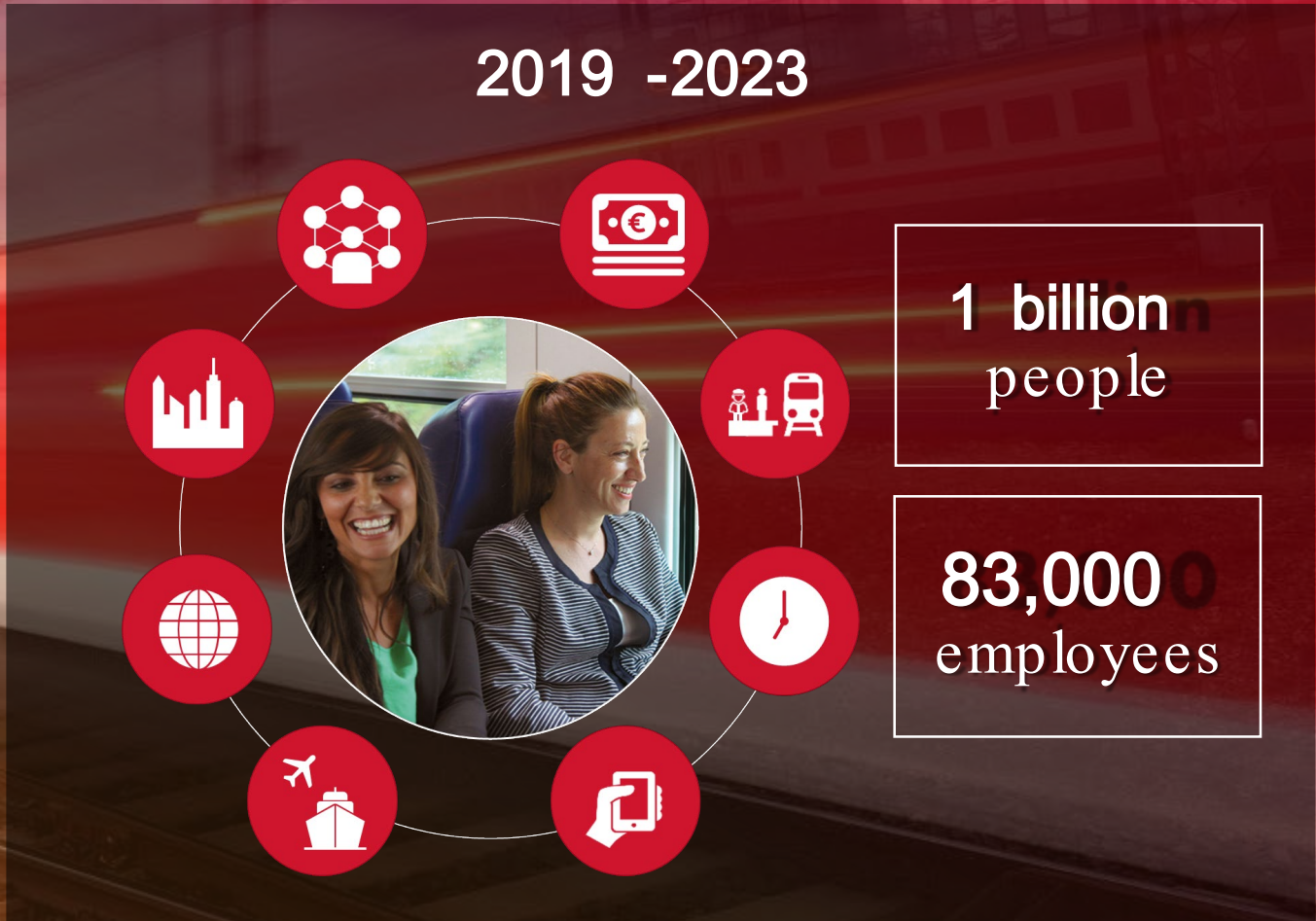
FOCUS ON A MONO -MODAL PRODUCT  
(e.g. high-speed rail launch)



MODAL INTEGRATION



A new model



FOCUS ON PEOPLE'S NEEDS  
THROUGH QUALITY SERVICES



# A NEW MODEL





# RECORD GROWTH OF INVESTMENTS: 58 BILLION EURO TO BE INVESTED OVER 5 YEARS

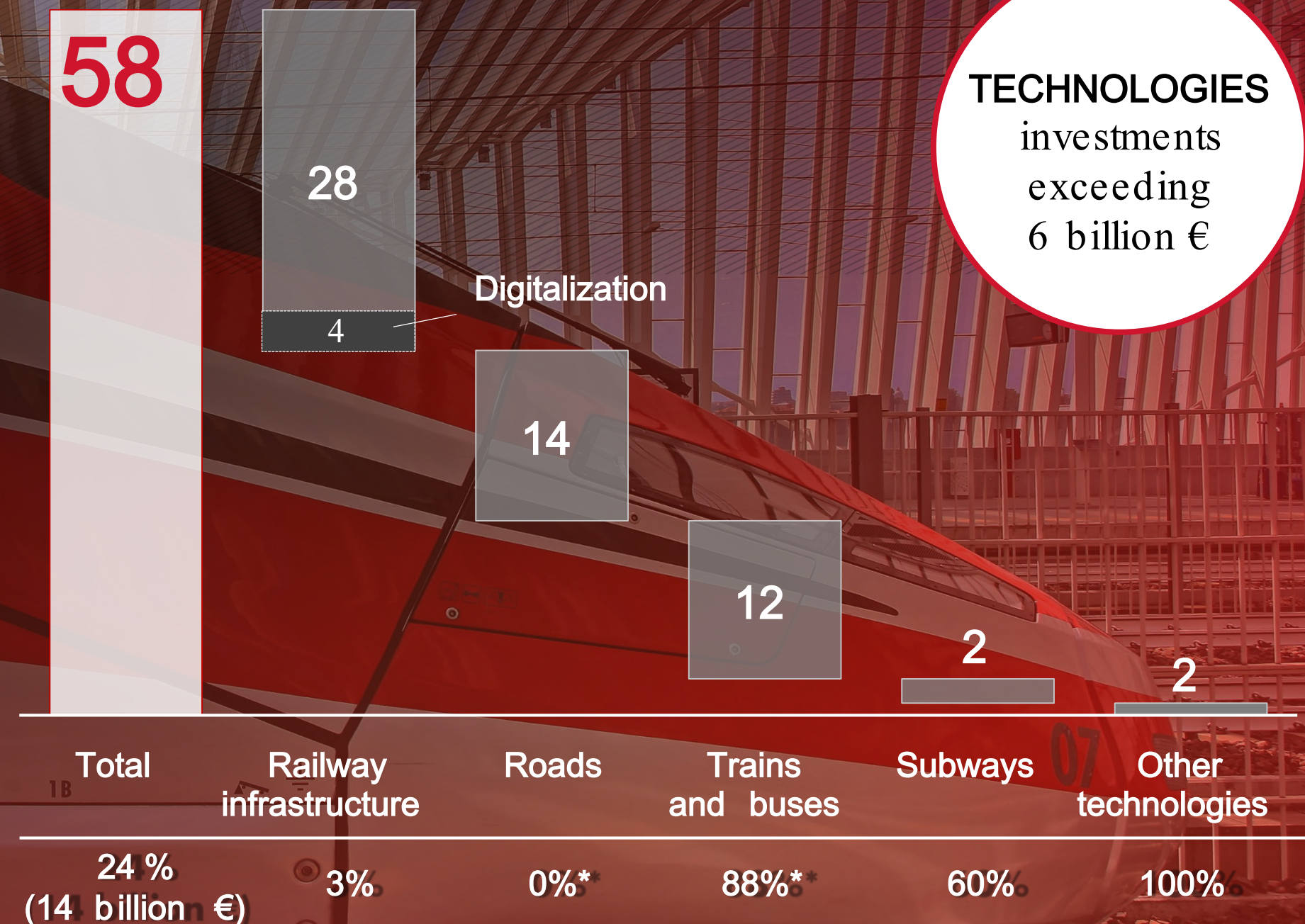
## Yearly investments

Billions of Euro



## Investments for the 2019-2023 period

Billions of Euro



\* Including approximately 6 billion € for the renewal of the regional train fleet included in the Service Contracts with the Regions

% of Group resources



# INVESTMENTS FOR IMPROVING

Acceleration of  
worksites in 2020

**+4 billion €**

ANAS e RFI

Funds for industrial  
maintenance

**+4 billion €**

RFI, ANAS, Trenitalia e Mercitalia

Committed investments  
for Southern Italy

**16 billion €**

by 2023



# NEW SERVICES FOR PEOPLE

+70 mln  
passengers  
per year  
in 2023

**PUNCTUALITY TARGET**  
2019-2023

5.5 billion €  
**PUNCTUALITY**  
**INVESTMENTS**  
**PLAN**  
for maintenance  
and diagnostics  
(2019 -2023 period )

## COMMUTERS

595 new trains  
until 2023

+ 5 p.p. regional service

Key role of FS Italiane  
in developing tourism in Italy

Multi -channel  
distribution

## BUSINESS

Precision Marketing and  
new ancillary services

+10 p.p. long-haul service

Customer  
experience

From 4.55%  
to 5.3%

market share  
of FS within the  
Italian mobility  
system

20 mln  
of potential  
additional  
tourists  
per year  
in 2023



# FLEET RENEWAL

## MORE THAN 2,000 NEW VEHICLES IN THE NEXT 5 YEARS

AVERAGE AGE OF THE FLEET  
from 21 years in 2018  
down to 10 years in 2023

Strong acceleration in the purchase of new trains for regional transport (+2.2 billion , with 10 trains in 2019 and 239 trains in 2023 instead of 2025)

REGIONAL



POP

216



ROCK

250

other

128

HS



FRECCIAROSSA000

14

FREIGHT



LOCO

100

WAGONS

714

BUSES



BUSES

1,421  
of which more than  
500 with zero  
emissions



# THE COMMITMENT FOR A NEW COMMUTER SERVICE

- WIDER SEGMENTATION OF THE OFFER MODEL
- MORE FREQUENT SERVICE AT PEAK HOURS
- INCREASE SECURITY AND ASSISTANCE
- INTRODUCTION OF A DEDICATED LOYALTY PROGRAM



	Frequency in minutes at peak hours	Reference area	Specific characteristics (examples)
Urban (U)	8'		<ul style="list-style-type: none"> <li>• Average distance 10 km</li> <li>• Dock station on board for individual transport modes (e.g. folding bikes)</li> <li>• Higher number of standing places</li> </ul>
Suburban (S)	30'		<ul style="list-style-type: none"> <li>• Average distance 30 km</li> <li>• Stops at all stations</li> <li>• On board portal/ Wi-Fi</li> </ul>
Regional (R)	60'		<ul style="list-style-type: none"> <li>• Average distance 60 km</li> <li>• Stops at all stations</li> <li>• On board portal/ Wi-Fi</li> </ul>
Interregional (RE)	30'		<ul style="list-style-type: none"> <li>• Average distance &gt;60 km</li> <li>• Stops at a few stations</li> <li>• On board portal/ Wi-Fi and on board snacks</li> </ul>
Fly connect (F)	15'		<ul style="list-style-type: none"> <li>• Average distance up to 40 km</li> <li>• Flight-specific information</li> <li>• Baggage handling</li> </ul>



# NEW SERVICES DURING THE WHOLE JOURNEY



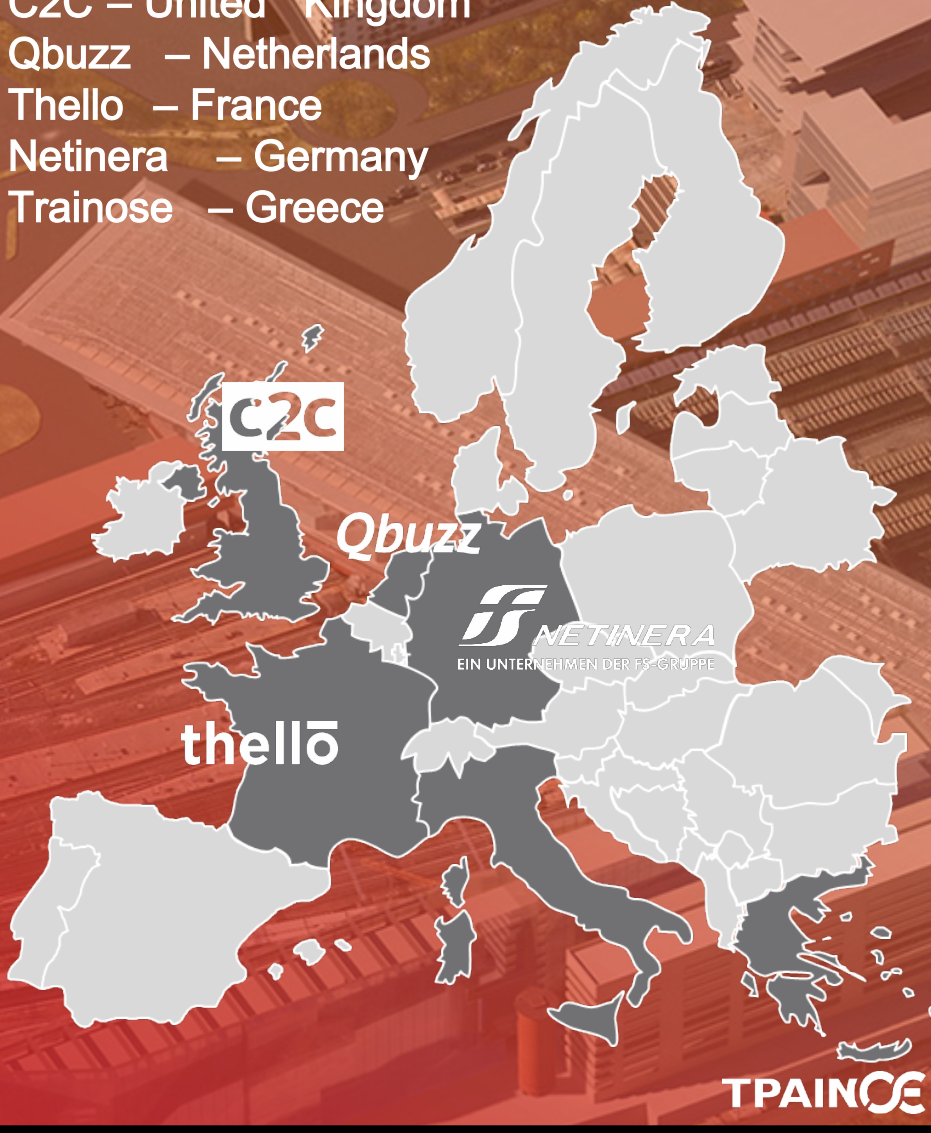


# FS INTERNATIONAL GROWTH

- Main projects/ bid ongoing
- Priority 1
- Priority 2
- Out of target

## FS subsidiaries in Europe:

- C2C – United Kingdom
- Qbuzz – Netherlands
- Thello – France
- Netinera – Germany
- Trainose – Greece





# URBAN REGENERATION

Investment for sustainable urban development

5.3  
bio €



1.9 billion € Modal hubs strengthening  
1.8 billion € Smart cities and smart stations development  
1.6 billion € Metropolitan transport

Value enhancement of real estate assets

1.9  
bio €



Redevelopment of urban spaces (e.g. Milan)



# DIGITALIZATION: ON-GOING INITIATIVES

## INFRASTRUCTURE

- 5,000 km of rail network with digital sensors
- Advanced diagnostics
- New European digital technology ERTMS
- Digitalization and re-engineering of the RFI supply chain

## PASSENGER SERVICES

- Trenitalia predictive maintenance
- New on board Wi-Fi service
- Development of the Trenitalia App to improve booking activities
- Extension of services beyond transport, to include the entire "travel experience"



# DIGITALIZATION: A FURTHER 2 BILLION EURO FOR INVESTMENTS IN NEW DIGITAL SERVICES OVER THE NEXT 5 YEARS

## MAIN TECHNOLOGIES AND APPLICATIONS

### Robots and Drones

- Automation of infrastructure and rolling stock maintenance
- Quality increase of inspections and safety

### Artificial Intelligence

- Introduction of chatbots to assist travellers
- Artificial intelligence algorithms for train traffic management
- Increased customisation of services with automated precision marketing techniques
- Face recognition / access control automation



# NEW MODEL FOR THE INTEGRATION OF NETWORKS AND SERVICES FOCUSED ON PASSENGER TRANSPORT

From  
December  
2018

From Rome FCO airport to Florence // Bologna // Venice //  
Genoa // Pisa  
**6 HS connections per day**



Over the Plan  
period

From Milan MXP airport to Verona // Padua // Venice // Bologna //  
Rome  
**New HS connections**



From  
2020

From Bologna // Catania // Genoa // Venice airport  
**Enhancement of airport-station connections**



From  
2020

**Enhancement of harbour-station connections**  
E.g. Genoa, Civita vecchia





# BUSINESS PLAN: GROWTH TARGET OF OVER 30%

Billions of Euros, nominal values



+200 million €

profit in 2023  
compared to 2018

Financial strength is  
preserved, in the  
context of a record  
investment plan



# THE FS ITALIANE GROUP PLAN WILL CONTRIBUTE TO ECONOMIC GROWTH AND EMPLOYMENT INCREASE IN THE COUNTRY...

**58€ billion**  
investments  
over the Plan period



Employment  
in related businesses

**100 ÷ 120 thousand**

jobs per year, of which 50,000 are additional jobs  
over the plan period



GDP

**0.7 ÷ 0.9%**

contribution to GDP per year of which 30bp  
additional over the plan period



Gross  
production  
(related businesses)

**25 ÷ 35 € bn**

gross production (related businesses) per year



# ...AND TO THE DEVELOPMENT OF A SUSTAINABLE MOBILITY. IMPROVED LIFE QUALITY, GREATER SUSTAINABILITY FOR THE COUNTRY



+ 90  
million

passengers/year  
on our trains



- 400  
thousand

cars / year  
on the roads



- 600  
million

Kg CO<sub>2</sub>/year