

FS ITALIANE: 2019 ANNUAL REPORT CONSOLIDATED NET PROFIT 584 MILLION EUROS

- leading Italian industrial group in technical investments, more than €8 billion in 2019 (of which 96% in Italy and over €6 billion in railway and highway infrastructure)
- 1.4% contribution to Italy's GDP
- economic value distributed: €10.2 billion
- consolidated operating revenue of €12.4 billion
- EBITDA: €2.6 billion
- EBIT: €829 million
- committed to *customer centricity* in transport

Rome, 31st March 2020

The Ferrovie dello Stato Italiane Board of Directors approved today the company's annual financial report, including the consolidated financial statements of the Group as of 31st December 2019.

The Group's **operating revenues** reached **€12.4 billion**, with an overall increase of €363 million from 2018 (up 3.0%), against a growth in **operating costs (€9.8 billion)**, which was less than proportional (up €230 million, 2.4%).

The positive performance of the transport business revenues, which reached €7.6 billion in 2019 increased by €230 million, contributing significantly to the FS Group growth performance. In particular, all the segments of the transport business grew over the year. *Long Haul* and *Short Haul* rail passenger revenues went up €150 million overall, as well as revenues from road passenger transport (up €62 million), revenues from rail freight (up €17 million) with one million euro increase in revenues from the shipping business. Customer satisfaction and all the other journey experience indicators improved (93.4% comfort, 90.8% on-board cleaning of the medium/long haul trains, 97.1% station quality, 91% punctuality of regional services).

Group **EBITDA** improved by 5.4% from 2018 to **€2.6 billion**, with an EBITDA Margin of 21.0%. **EBIT** grew to **€829 million** in 2019 (up 16.1% on the previous year), with an EBIT Margin of 6.7%.

2019 Net profit reached **€584 million** increasing by €25 million (up 4.5% on 2018).

The FS Italiane Group **technical investments** totalled **€8.1 billion in 2019**, with a robust increase of the investment rate over the second half of 2019. FS Italiane confirms



its position as the leading Italian industrial group in terms investments in Italy (up 8.4% from 2018), significantly contributing to the country's growth prospect with the development of the transport, infrastructure and the logistics sectors.

FS Italiane operates sustainability policies as a guiding principle in making strategic and operational decisions to ensure the sustainable growth of the business over the medium and long term. The **economic value distributed** by the FS Italiane Group in 2019 (mainly the sum of operating costs and employee wages and benefits) totalled **€10.2 billion**, which is 81% of the economic value generated. Furthermore, the activities and investments of the FS Group contributed to the growth of the Italian economy of 1.4% of GDP. FS Italiane aims at becoming **carbon neutral by 2050 through investments that progressively reduce CO₂ emissions in the atmosphere** (2.6 million tonnes in 2019, 1.6% less than in 2018). Green bonds play an important role to purchase new, more sustainable trains (with €700 million of these bonds issued in 2019), **and reducing carbon dioxide emissions by 20% compared to the trains previously used. FS is involved in social sustainability** mainly through free concession of locations for social and cultural non-profit projects across Italy, and with a network of Help Centers in 18 Italian rail stations to support people, along with charities, and counter the growing issue of social hardship that is concentrated in stations.

The total number of Group employees rose from 82,944 to **83,764**, as a result of corporate acquisitions.

The Group has further improved its high level of **financial strength**, with equity of over €42.3 billion at the end of 2019 (up €0.6 billion from 2018).

The **Net Financial Position** (NFP) reached **€7.7 billion** in 2019 increasing over €1 billion from 31st December 2018. The NFP/EBITDA ratio and the NFP/Net equity ratio stand at 2.9 and at 0.2 respectively. The Standard & Poor's and Fitch BBB ratings reflect the Group's financial solidity.

The infrastructure sector of the FS Group (Rete Ferroviaria Italiana and Anas) recorded a €308 million profit in 2019 as well as the transportation sector (€293 million profit). The latter includes the financial results of Trenitalia (rail passenger business), Mercitalia (freight and logistics business), Busitalia (road transport business), and Netinera Deutschland, operating in the passenger transport business in Germany.

Once again, the FS Italiane Group has strongly pursued the main goals of its strategic plan with a greater commitment to the passenger transport business in 2019.

The introduction of new services with an increased focus on local and regional transport (technical investments of €888 million) marked the renewal of a customer-centric approach. Trenitalia, which signed new service contracts with Italian regions, is committed to ensuring higher customer satisfaction levels by offering better rail services, through the revamping and restyling of the fleet. In terms of infrastructure, the FS Italiane Group pursued its main targets of "safety", "punctuality and reliability", "upgraded performance", and "efficiency, innovation and sustainability" in 2019.



In 2020, the FS Group followed, with unchanged determination, the path for growth set out in the business plan in terms of revenues, net profit and investment, despite a macroeconomic and a competitive environment that is extremely complicated. The FS Group is aware of its key social and service role for the country and is constantly monitoring the impact of this sanitary emergency COVID-19, in order to pursue its solid medium-long term outlook. FS further applies attentive and responsible management with all its stakeholders in the difficult socio-environmental situation the country faces in the first months of 2020 with the spread of the coronavirus (COVID-19). FS Italiane is committed to restart its industrial activities, including targeted recovery actions that may also stem from non-ordinary arrangements with national and European institutions.

A summary document on the main results achieved by the FS Italiane Group is available in the **Financial Report** section of the website fsitaliane.it.

The manager in charge of drawing up the company's accounting documents, Roberto MannoZZi, declares pursuant to article 154-bis of the Testo Unico della Finanza (unified finance law) that the accounting information included in this press release correspond to the Company's evidence, accounting books and records.