



# FNM Group Corporate Presentation

April, 2021



## The FNM Group

- Overview
- The business segments

**Mise acquisition**

**Sustainability**

**FY2020 results**

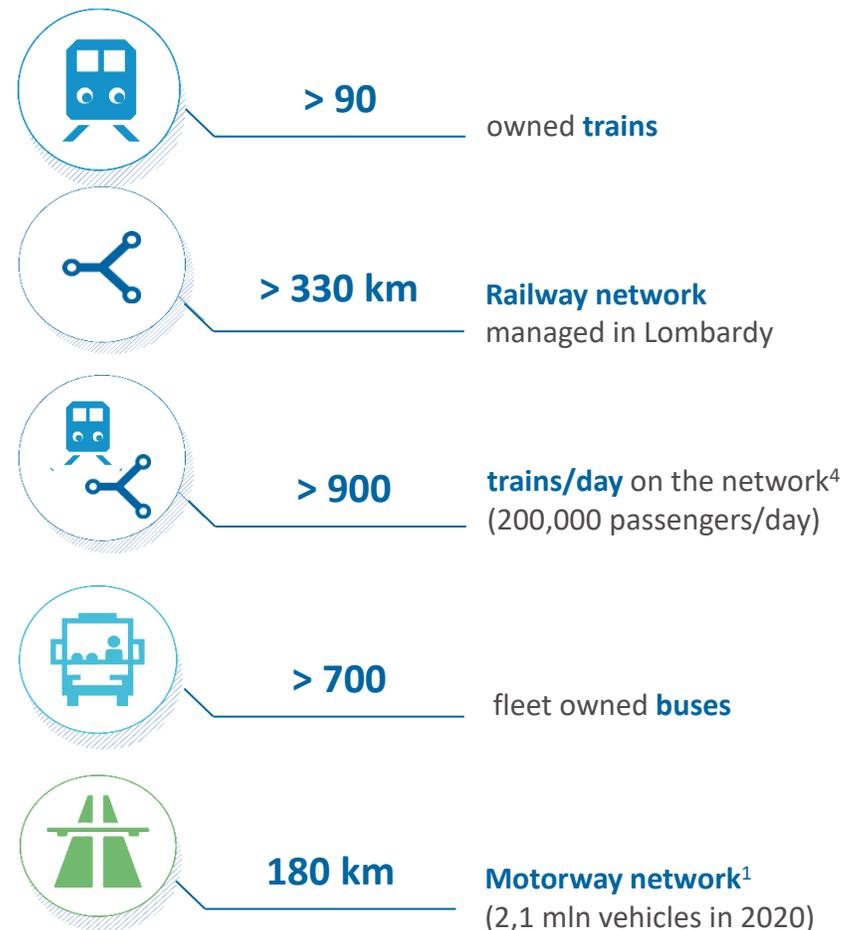
**FY2021 outlook**

**Appendix**

## The Group at a glance

- FNM is the leading **integrated sustainable mobility** Group in Lombardy.
- It is the first hub in Italy to combine railway infrastructure management with road transport and motorway infrastructure management, with the aim of proposing an innovative model to manage mobility supply and demand, designed to support optimization of flows as well as environmental and economical sustainability.
- It is one of Italy's leading non-state investors in the sector.
- The Group focuses on four segments:
  - **Ro.S.Co. and Service**
  - **Management of the railway infrastructure**
  - **Road passenger mobility**
  - **Management of the motorway infrastructure**, since February 26, 2021 FNM owns 96% of Milano Serravalle - Milano Tangenziali S.p.A. (MISE)<sup>1</sup>, the concessionaire of the A7 motorway and Milan's ring roads.
- FNM S.p.A. is a public company, listed on the **Italian Stock Exchange** since 1926.
- The majority shareholder is the **Regione Lombardia**, which holds a **57.57% stake**.
- **2,230 employees** in 2020<sup>2</sup>

## Key figures<sup>3</sup>



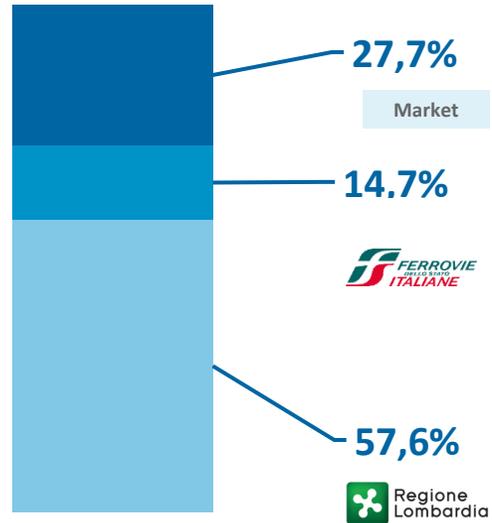
1 – 13.6% stake acquired from ASTM Group in July 2020; the remaining 82.4% was acquired on February 26, 2021 from Regione Lombardia, since then MISE is fully consolidated into FNM's accounts;

2 – average data; 3 – as at December 31, 2020; 4 – on Ferrovienord railway network.

# FNM Group | Overview/2

## Shareholders

**FNM**  
Integrated player leader in  
transport and mobility in  
Lombardy



## Ratings

**MOODY'S**  
INVESTORS SERVICE

**Baa3** with **stable outlook**  
assigned on January 25, 2021

**FitchRatings**

**BBB-** with **stable outlook**  
assigned on November 10, 2020

## Stock performance Jan 1, 2020 – to date



## Key financials

	2018	2019	2020
Revenues	296,3	300,6	281,3
Adj. EBITDA <sup>2</sup>	67,8	69,6	70,1
Adj. EBITDA margin %	22,9%	23,2%	24,9%
EBIT	31,0	30,3	26,4
EBIT margin %	10,5%	10,1%	9,4%
Adj. Net Profit (Loss)	23,0	22,9	22,7
Group Net Profit (Loss) <sup>3</sup>	28,5	30,3	24,2
Adj. NFP (Cash)	7,6	-39,9	43,7
NFP (Cash)	22,5	-107,4	40,2

1- Data as at April 15, 2021; 2 - Adjusted EBITDA: excluding extraordinary gains and losses

3 – Adjusted Net Profit (Loss): Net Profit (Loss) before recognition of the result of companies consolidated using the equity method

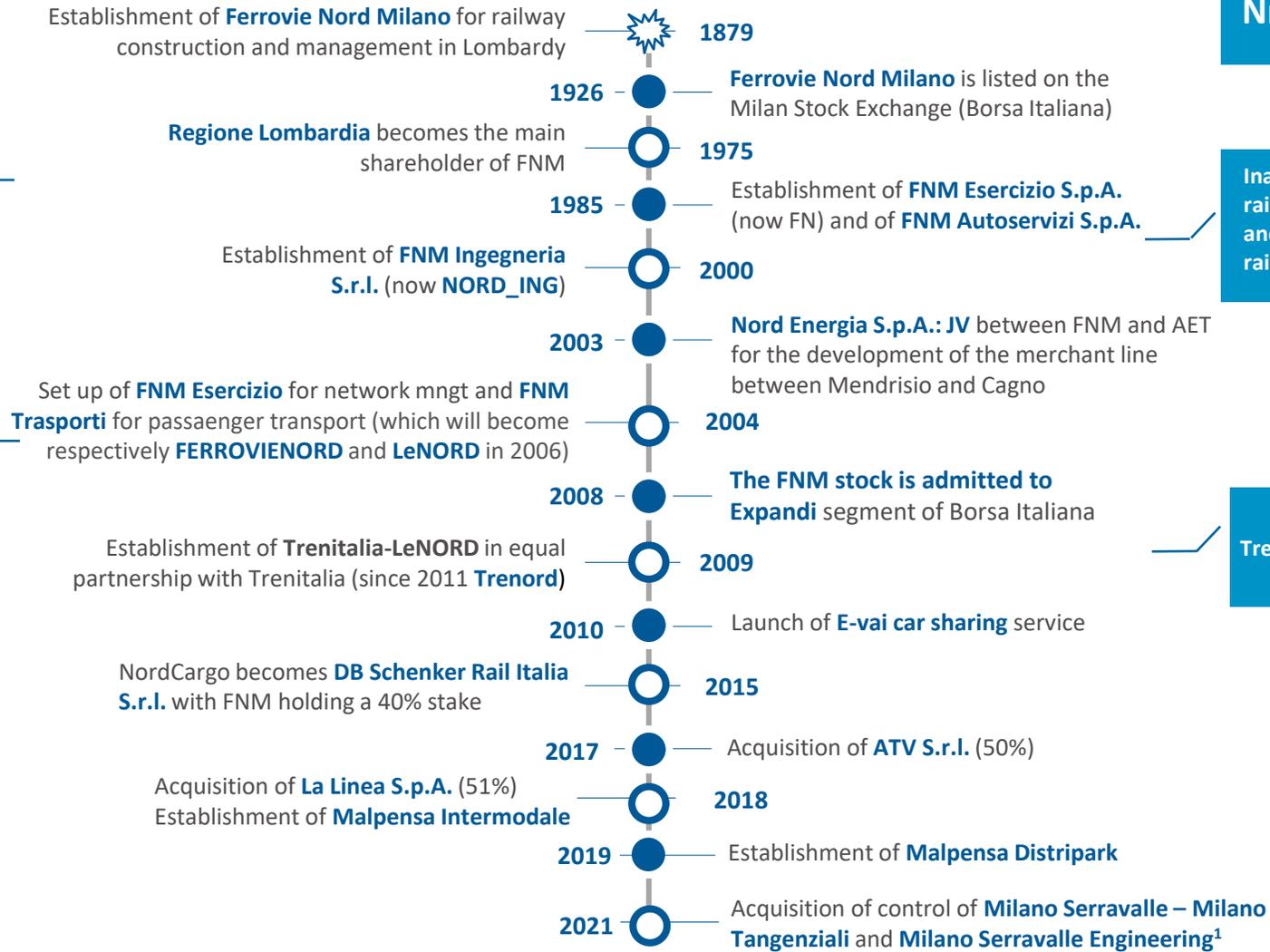
# FNM Group | History

FNM is the leading integrated mobility group in Lombardy

Nationalization of infrastructure and railway companies

Establishment of separate companies for network and service management

Business model development based on intermodal transport concept and on Mobility as a service



Nr. 2 railway in Italy

Inauguration of the Milan suburban railway link (Passante Ferroviario) in 1997 and of the airport passenger transport by rail (Malpensa Express) in 1999

Trenord establishment in 2009

1- Acquisition of a 13,6% stake from ASTM on July 29, 2020 and of 82,4% stake from Regione Lombardia on February 26, 2021; since then FNM stake in MISE share capital rises to 96% and MISE is fully consolidated into FNM accounts.

# Il Gruppo FNM | Il core business



## Ro.S.Co. & Service

- **Leasing of rolling stock** in the local public transport (LPT) and freight logistics sector (mainly Trenord and DB Cargo) with a **fleet of >90 trains owned by the Group**.
- Provision of Corporate services to subsidiaries and management of the real estate assets of the Group



## Railway infrastructure management

- **Management of the railway infrastructure** in Lombardy (**330 km of network and 124 stations** in the provinces of Milan, Varese, Como, Novara, Monza/Brianza and Brescia), on the basis of the concession from Regione Lombardia expiring on **31 October 2060**
- Activities related to the management of the **intermodal terminal of Sacconago (VA)** and to real estate development in the **management of connections in the cargo sector**



## Road passenger mobility

- Management of **Road LPT**:
  - in the provinces of Varese, Brescia and Como (FNM Autoservizi) for 633 km of network
  - in the Municipality of Verona and its province (ATV, La Linea)
  - in Veneto Region and in the business of bus rental with private drivers (Martini)
- **Electric car-sharing** service (E-Vai)



## Motorway infrastructure management

Management of the motorway infrastructure through **Milano Serravalle Milano Tangenziale (MISE)**, on the basis of a concession expiring in 2028



*As at December 31st, 2020 FNM Spa held a 13.6% stake in MISE. The shareholding increased to 96% on February, 26th 2021. Since that date MISE is fully consolidated into FNM's accounts*



1. Companies operating the freight logistics sector, in start up, currently included in the Railway Infrastructure Management and in the RoS.Co & Service segments.  
 2. Companies operating in the road transport segment but considered in the Ro.S.Co segment for the purposes of financial reporting

Fully consolidated companies

Companies consolidated at equity



## Segment overview

- The business is **managed by** the parent company **FNM Spa**,
- Leasing of rolling stock** to associated companies operating in the railways local public transportation and freight transportation.
- Trenord** is the main lessee of FNM SpA rolling stock for local public transport (LPT).
- DB Cargo** is the main lessee of FNM SpA rolling stock for freight
- FNM Spa also provides **corporate service activities** to the other companies of the Group, and is active in the **management of real estate** assets and advertising spaces, payment as well as engineering services.

## Rolling Stock Fleet details<sup>1)</sup>

	Rolling stock	Lessee	Nr.	Net asset value @ Dec. 31,'20 (mln €)
LPT	TAF	Trenord	26 <sup>2)</sup>	12,9
	TSR	Trenord	19	171,5
	ETR 245 (CSA)	Trenord	8	27,5
	ETR 526 (Coradia)	Trenord	10	59,1
	FLIRT (Tilo)	Trenord	4	42,1
	<b>Total trains</b>		<b>67</b>	<b>313,1</b>
Freight	E 483	DB Cargo	8	14,7
	DE 520	DB Cargo (10) Trenord (4)	14	1,0
	E 474 (ES64 F4)	DB Cargo	1	2,2
	Effishunter EFF 1000	Trenord	2	3,8
	E 494 Traxx F140 DC3	DB Cargo	4	In sub leasing 3)
	<b>Total locomotives</b>		<b>29</b>	<b>21,6</b>
	<b>TOTAL</b>		<b>96</b>	<b>334,7</b>

Average age of the fleet: 10.2 years



1) 5 additional trains (Flirt Tilo) will be added by end 2021; 2) only 25 in operations; 3) Net value 6.7 mln euros; 4) 2020 data



## Segment overview

**Ferrovienord** is the key infrastructural operator of mobility in Lombardy in charge of the management of:

- 330 km of network and 124 stations<sup>1</sup> in the provinces of Milan, Varese, Como, Novara, Monza and Brescia
- the circulation of **900 trains/day** and **200,000 passengers/day**<sup>2</sup>
- the **ordinary and extraordinary maintenance of the network**, the activation of new plants and upgrading works.

**Highest traffic density in Italy:**

- 25.300 trains-km/network km<sup>2</sup>
- one train every minute to/from Milano Cadorna station during peak hours

The segment includes **freight logistics activities**, still in start up phase, operated by **Malpensa Intermodale** and **Malpensa Distripark**, respectively involved in the development and management of the freight terminal in Sacconago (close to Malpensa airport) and in the real estate development of the terminal areas owned by the Group

## Contractual framework at regional level

Regulatory framework defined by the Lombardy Region:  
**Concession Agreement** for the management of the regional rail network  
**(expiring on 31/10/2060)**

The **Public Service Contract** regulates the fees for management and maintenance of the rail network

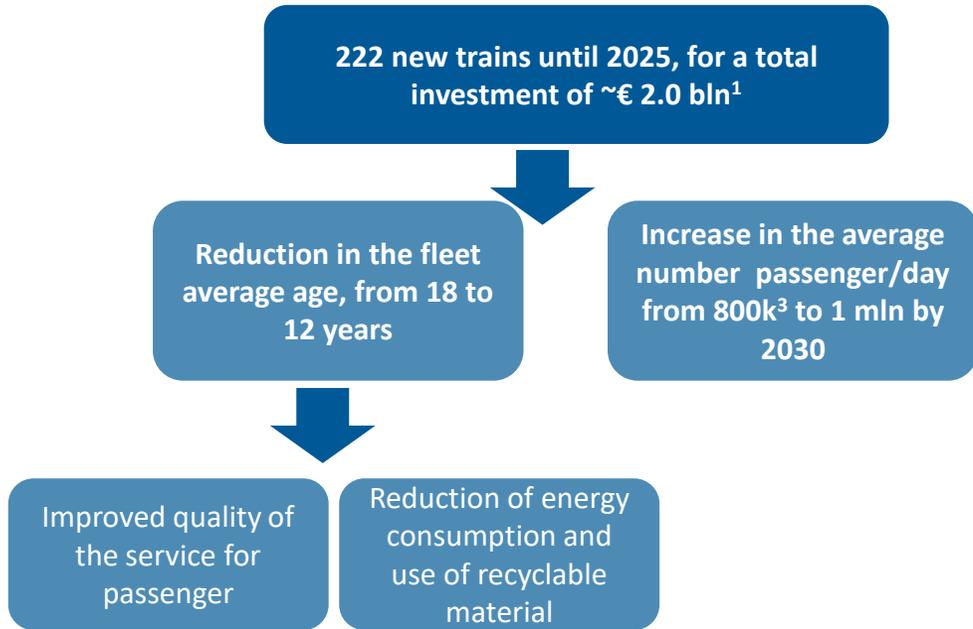
The **Programme Agreement** regulates capex planning and remuneration as well as extraordinary maintenance activities

**EXPIRY DATE: December 31,2022**

1) With the aim of favoring intermodal mobility to LPT passengers, the stations are connected to 92 bus stops, 5 ferry navigation lanes and are equipped with 16 bike sharing stations, 14 car sharing stations, 77 car parking areas (corresponding to 3600 parking spaces) and 26 bike parking areas (corresponding to 2092 parking spaces); 2) 2020 data, pre Covid levels 30.500 trains-km/network km



# FNM Group | Regione Lombardia's investment plan<sup>1</sup>



First train delivered at the end of 2019, in operations since February 2020 on the **Chiasso - Como - Milano - Rho** line – In 2020 17 new trains started operations<sup>2</sup>



## Fleet evolution



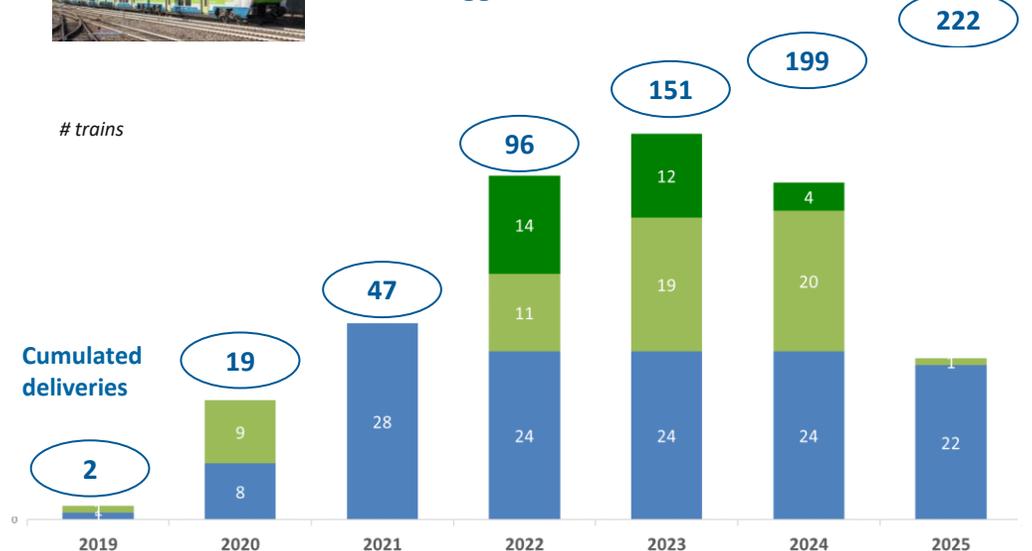
30 Regional trains diesel - **Stadler Colleoni Train**



51 Medium capacity regional trains- **Alstom Donizetti + Pop Train**



126 High-capacity suburban trains - **Hitachi Caravaggio + Rock Train**



1) Ferrovienord purchases the trains and Regione Lombardia pays 1% of the contract amount and the charges relative to the financial debt incurred, as envisaged by the Public Service Contract 2016-2022; 2) 5 Rock, 10 Donizetti and 2 Caravaggio; 3 – 2019 data

# FNM Group | Road passenger mobility - Lombardy



## Segment overview

Extraurban local public transport (LPT) by bus trough FNM Autoservizi and ASF Autolinee<sup>1</sup>



### TRAFFIC

In 2020 **1.4 mln passengers** (-67% vs 2019)  
In 2020 **4.3 mln bus-km** (-23% vs 2019), o/w 0.7 mln bus-km charter service



### ROUTES

19 lines crossing ~ **630 km routes** in three provinces (Brescia, Como/Lecco, Varese)



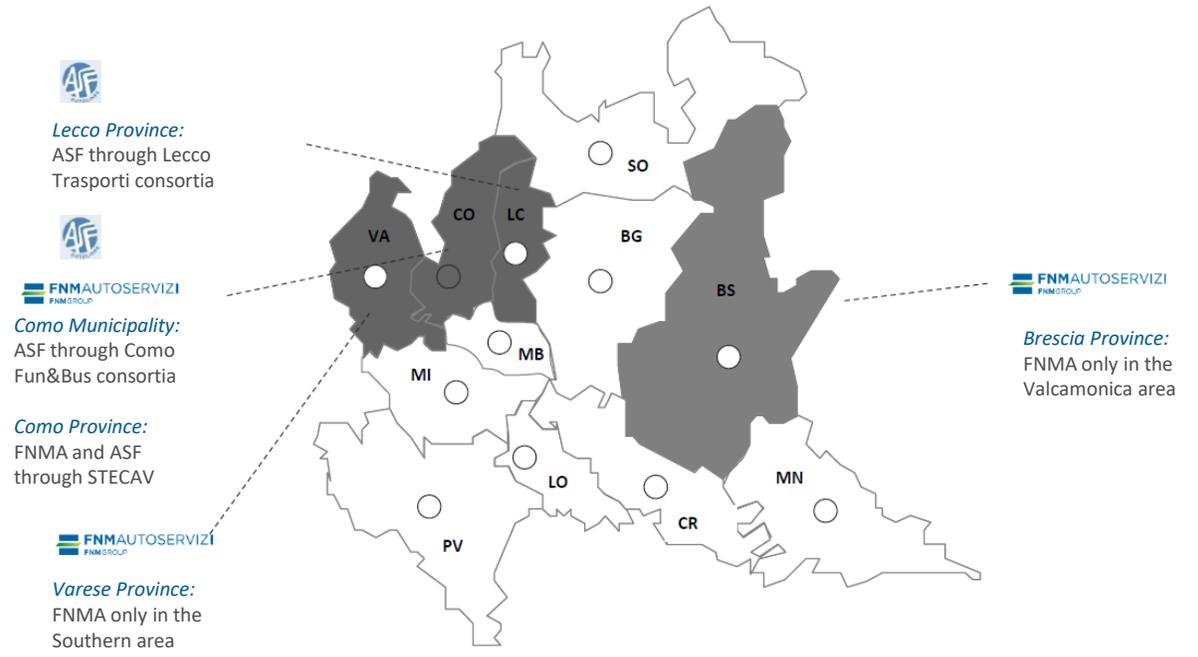
### BUS FLEET

**157 busses** (o/w 47% new generation models<sup>2</sup>)  
Average age **12 years**

## Revenues breakdown (€ mln)



## Geographic presence



<sup>1</sup> Equity method

<sup>2</sup> Euro5, Euro6, EEV engines

# FNM Group | Road passenger mobility - Veneto



## Segment overview

- Bus transportation service in the City of Verona and in the Verona Province (ATV)
- LPT sub-contacting in Verona, Padova, Venezia and Belluno (La Linea)
- Bus rental with private driver, also for touristic purposes (Martini Bus)



### TRAFFIC in 2020

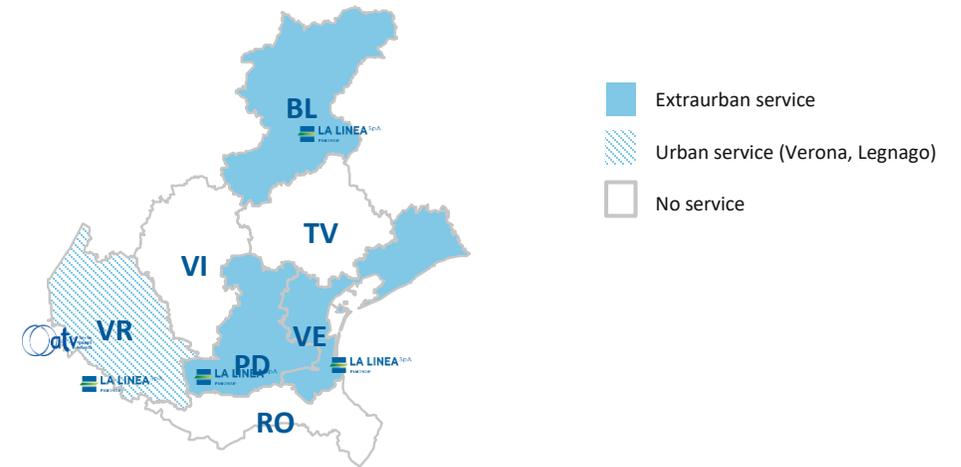
**44.1 mln passengers** (-40% vs 2019)<sup>1</sup>  
**15.4 mln bus-km** (-22% vs 2019)<sup>1</sup>  
**4.4 mln km** (-36% vs 2019)<sup>2</sup>



### ROUTES

**273 km urban routes** on 19 lines<sup>1</sup>  
**3.705 km suburban routes** on 77 lines<sup>1</sup>

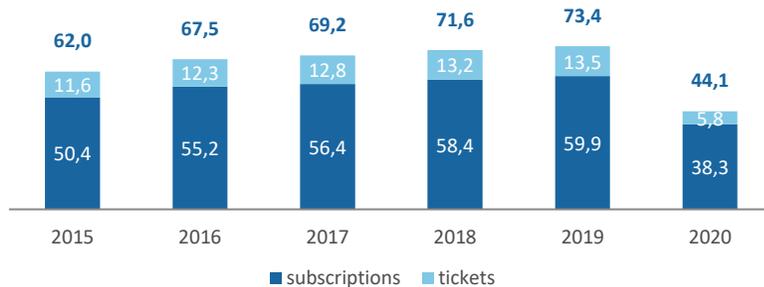
## Geographic presence



## Business KPI

2015-19 +4,3% CAGR

Passengers (mln)<sup>1</sup>



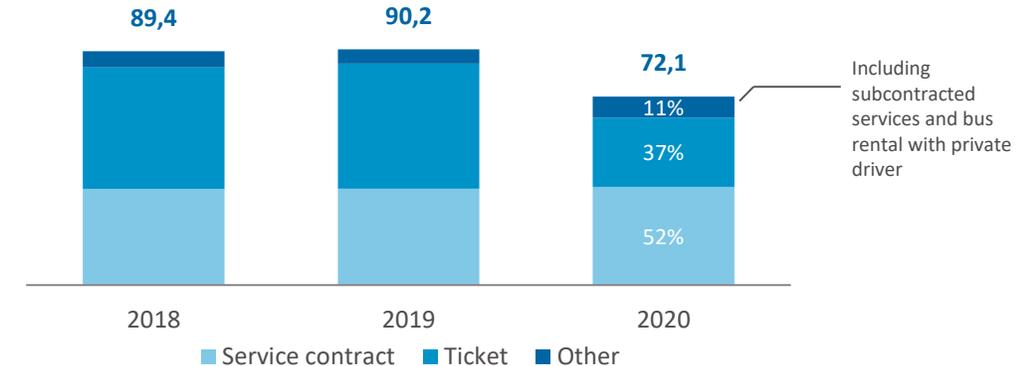
Fleet<sup>3</sup>

**TOTAL AVERAGE AGE**

**554  
13.3**

Of which 49% new generation<sup>4</sup>

## Revenues breakdown<sup>3</sup> (€ mln)



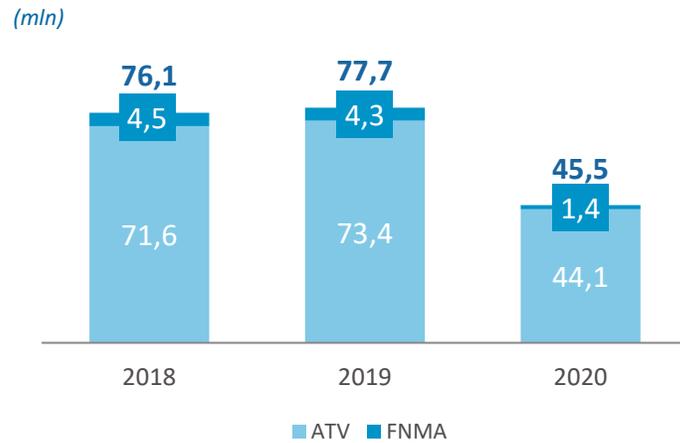
1 - ATV; 2 - La Linea and Martini Bus; 3 - ATV, La Linea and Martini Bus

4 - Euro5, Euro6, EEV engines, ATV and Martini Bus

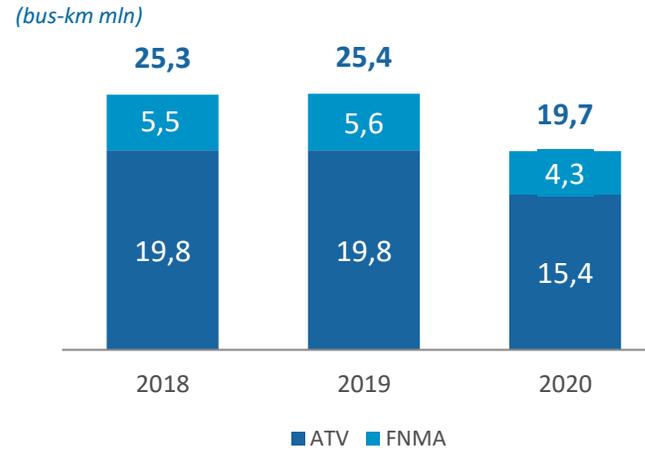
# FNM Group | Road passenger mobility



## Traffic evolution: passengers



## Production evolution



## The bus fleet



Lombardy 157  
Veneto 554

**TOTAL 711**

of which 49% of new generation

AVERAGE AGE ~13 years

## Road passenger mobility <sup>1</sup>

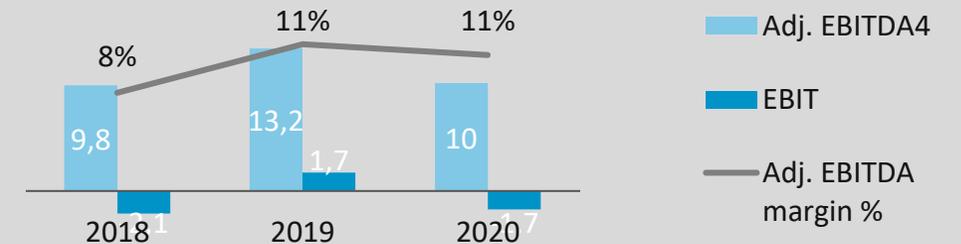


**31% of revenues**  
**14% of Adj. EBITDA<sup>2</sup>**

## Revenues (€ mln)



## Adj. EBITDA (€ mln)



1 – including E-Vai electric car sharing; 2 – 2020 data

# FNM Group | Key data by business segment

2020 data

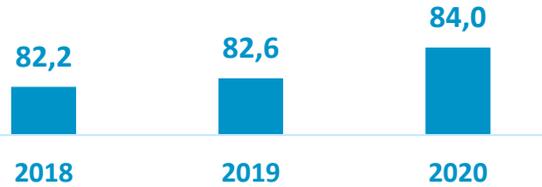
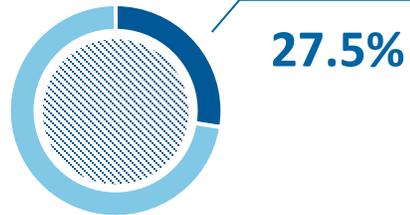
## Revenues<sup>1</sup> weight

## 2018-2020 Revenues<sup>1</sup> (€ mln)

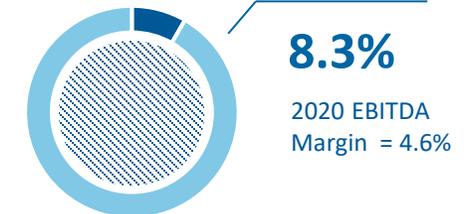
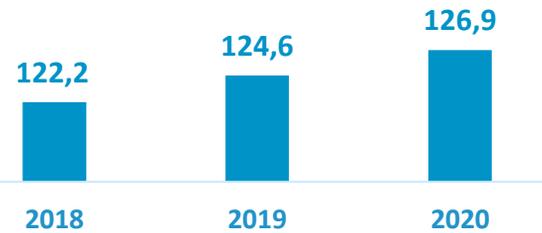
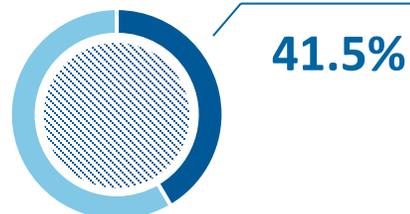
## Adj. EBITDA weight



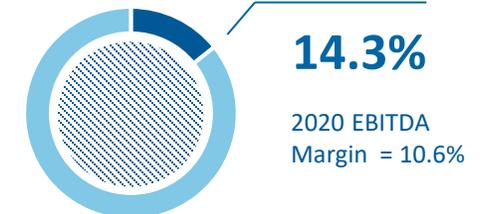
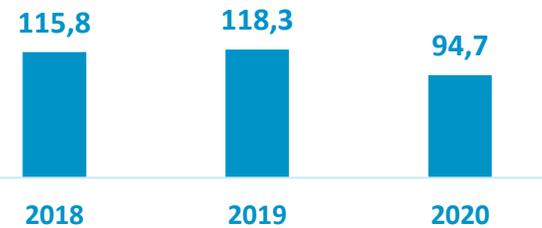
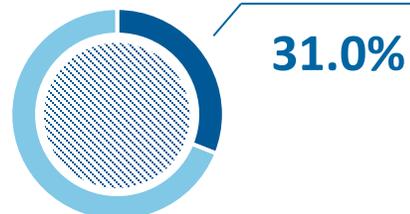
Ro.S.Co  
& Services



Railway  
infrastructure  
management



Road  
passenger  
mobility



# FNM Group | Trenord, the strategic JV in local railway transport



## Trenord overview

- Established in 2011, Trenord is the **key train operator in Lombardy**,
- It manages ~ **25%** of the total local railways transport in Italy, including public passenger transport by rail in suburban and regional areas, airport passenger transport by rail, and the Lombardia-Canton Ticino cross-border service. The company also manages international railway services on the Brennero and Tarvisio rail lines
- Trenord activity is regulated through the **Service Contract Agreement** («SCA») approved by Regione Lombardia (relative to 2015-2020 period, extended for the whole 2021<sup>1</sup>).
- In carrying out its activities Trenord **operates rolling stock leased from FNM Group, Trenitalia and Regione Lombardia**.
- As of December 31, 2020, it had about 4,300 employees

## Shareholders



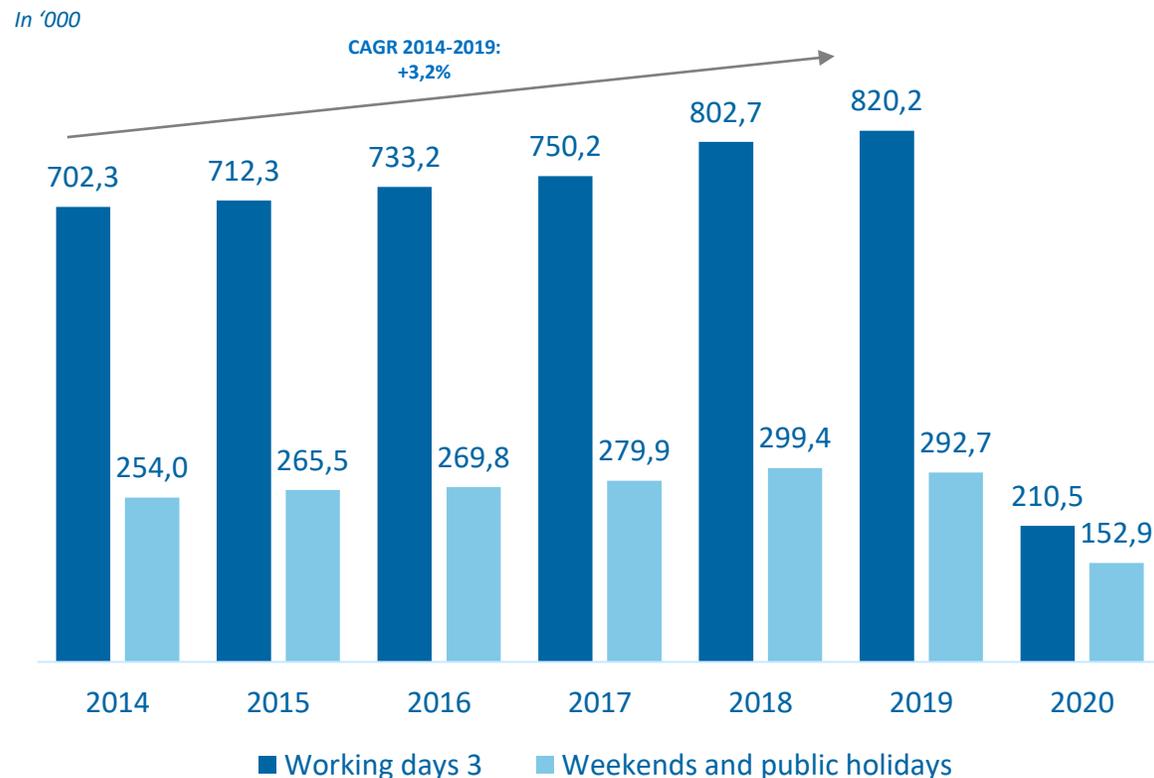
## Business KPIs

- Production: **2.100 services/day** in Lombardia (accounting for roughly **25% national public passenger transport by rail**):
  - 30.000 stops in 467 rail stations,
  - 92.6 mln passengers transported in 2020 (-56% vs 2019)
  - 34.7 mln trains-km<sup>2</sup> in 2020 (-16% vs 2019)
- Fleet: more than 400 trains; Regione Lombardia has implemented an investment programme to renew the fleet, with 222 trains to be bought within 2025; the first new trains started operations in early 2020
- Railway network: Trenord trains run over 40 routes and 61 lines managed by RFI (FS Group) and Ferrovienord (FNM Group), covering a total network length of approximately 2000 km

# FNM Group | Trenord, the strategic JV in local railway transport



## Average passengers/day



## Key financials

€ mln	2018 (1)	2019 (1)	2019 IFRS 16	2020 IFRS 16
Revenues	797,3	831,7	831,7	703,1
EBITDA	67,9	70,5	202,1	153,3
EBITDA margin%	8,5%	8,5%	24,3%	21,8%
EBIT	5,1	8,4	10,0	-33,0
EBIT margin%	0,6%	1,0%	1,2%	-4,7%
Net profit /(loss)	2,4	4,3	3,7	-7,0
Net Financial Position/(Cash)	-50,9	-22,3	151,6	166,6

*Despite the heavy negative impact of Covid-19 pandemic on rail LPT in 2020, Trenord contained losses thanks to cost reduction initiatives and the compensatory measures<sup>2</sup> offered by the Government (~80 mln euros)*

Since Trenord's activities are located in Lombardy, one of the richest and most populated regions in Italy and Europe, Trenord's revenues are comparable to that of small European railway companies operating on a national scale

# FNM Group | H2iseO Hydrogen Valley project



Italian industrial hydrogen-based value chain for a sustainable mobility system in the UNESCO world heritage site of Val Camonica

- The “H2iseO Hydrogen Valley” is an iconic project, along the non-electrified railway line **Brescia – Iseo – Edolo**, jointly implemented by **FNM and Trenord**, aiming at decarbonizing public transport services and at supporting the transition towards a more sustainable transport systems.
- It is a first step in structuring a **zero emission mobility system** and in introducing a **hydrogen based economic system**.
- It is developed in the Val Camonica area, at the same time a UNESCO World Heritage site, a major industrial pre-Alpine valley in eastern Lombardia and a gateway for the **2026 Milano-Cortina Winter Olympics**.
- The project is at present self financed by FNM and Trenord. Suitable European and domestic funding programmes could be accessed to finance part of the capital costs.
- **Introduction of hydrogen-powered fleets:**
  - **exp. n. 14 trains** to replace the existing fleet of 14 diesel train sets; 6 trains have been commissioned to Alstom,
  - **exp. n. 40 + buses** to allow the decarbonization of part of the bus service in Val Camonica, as a pilot project in the area.
- FNM and Trenord are also carrying out the detailed economic and technical projects of the hydrogen production plants in Iseo (blue hydrogen) and Edolo and/or Brescia (green hydrogen) as well as of other major components of the project.



FNM entered into **partnerships** (MOU) with major energy players to support the **implementation** of the project.

- **A2A-Snam:** to study methods for the supply and refuelling of hydrogen from renewable sources and from the recovery of materials to power the new trains of the Brescia-Iseo-Edolo line;
- **Enel Green Power:** to identify the best way to supply green hydrogen, produced using exclusively renewable energy for railway mobility in Lombardy;
- **ENI:** to evaluate the introduction of fuels and energy carriers capable of reducing CO2 emissions for the thermal engines; the introduction of models for the capture, storage or use of CO2 generated in hydrogen production processes for use in means of transport; the introduction of hydrogen distribution points for private road mobility

# FNM Group | Fili project: new anthropization of the Milan-Malpensa axis



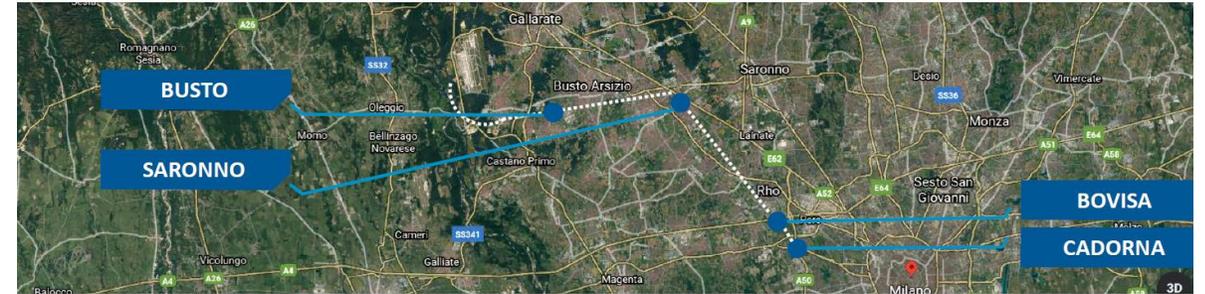
It is currently the largest urban and suburban regeneration project in Europe for the **redevelopment of the main connection centres of FERROVIENORD on the Milan-Malpensa axis** in view of the Milan Cortina 2026 Olympics.

➤ For the **urban areas**, it focuses on the following centres:

- **Milan Cadorna:** creation of a “synthetic forest” (72,000 m<sup>2</sup>) from Milan Cadorna to the Domodossola station. The hanging forest will produce oxygen for the city of Milan through the use of advanced biotechnologies that some start-ups employ in the production of panels consisting of anti-pollution filters such as plants, mosses and lichens that absorb nitrogen dioxide and release oxygen<sup>1</sup>.
- **Milan Bovisa:** in partnership with the Municipality of Milan, infrastructural enhancement and urban regeneration of the Bovisa Node through the Reinvesting Cities tender, an initiative of the cities of the C40 group to pursue policies to contain carbon emissions. The headquarters of the FNM group will be built in the area, next to the station.
- **Saronno:** improve functionality and safety standards as well as accessibility and viability through the urban redesign of one of the most important hubs of the network. The project includes the relocation of the Saronnese Museum of Industries and Work, the restyling of the passenger building of the station and its underpass, the creation of cycle and pedestrian paths.
- **Busto Arsizio:** relocation of car parks in a multi-storey building, allowing the allocation of large green areas equipped for collective activities and the connection between the north and the south of the city.

➤ For the **extra-urban areas**, it includes:

- the collaboration with the Lombardy Foundation for the Environment aimed at mapping railway and non-railway appurtenances, for a **reforestation project of the entire area of the Lombard industrial triangle between Milan, Varese and Como**. The feasibility study will also concern nature-based interventions to be implemented in the stations (areas of relevance and proximity) to improve the comfort of users of the railway service, as well as the more general environmental resilience, without reducing the modal interchange function.
- the creation of a 72.7 km **supercyclable track** from Cadorna to Malpensa.



1 - a single panel of 12 m<sup>2</sup> produces the effect of 275 trees

**The FNM Group**

**MISE acquisition**

**Sustainability**

**FY2020 results**

**FY2021 outlook**

**Appendix**

# FNM Group | The core business: Motorway infrastructure management – MISE acquisition

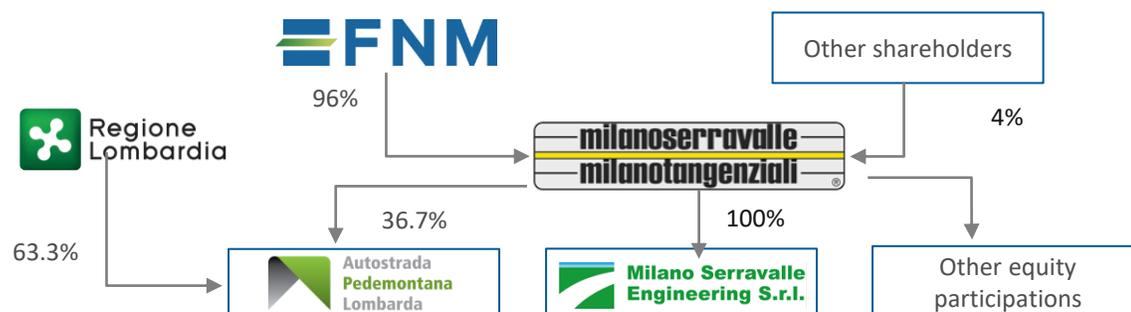
## Business Overview

- On Feb. 26 2021 FNM acquired from Regione Lombardia a 82,6% participation in Milano Serravalle Milano Tangenziali S.p.A. ("MiSe"). **FNM now owns 96% of MISE<sup>1</sup>**.
- Founded in 1951 in Assago, MiSe is the **concessionaire until 2028** of the A7 motorway from Milano to Serravalle Scrivia and of the three Milanese ring roads A50, A51, A52 (West, East, North) for a total of 179 km and ~2,117 mln vehicle-km in 2020 (-32% versus 2019), in one of the wealthiest areas un Europe.
- MiSe also holds a 36.7% stake<sup>2</sup> in Autostrada Pedemontana Lombarda S.p.A. ("APL"), which is the concessionaire of ~ 84 km<sup>3</sup> toll roads as of 30/06/2018 and which should exceed 157 km<sup>3</sup> of overall roads once the project is completed.

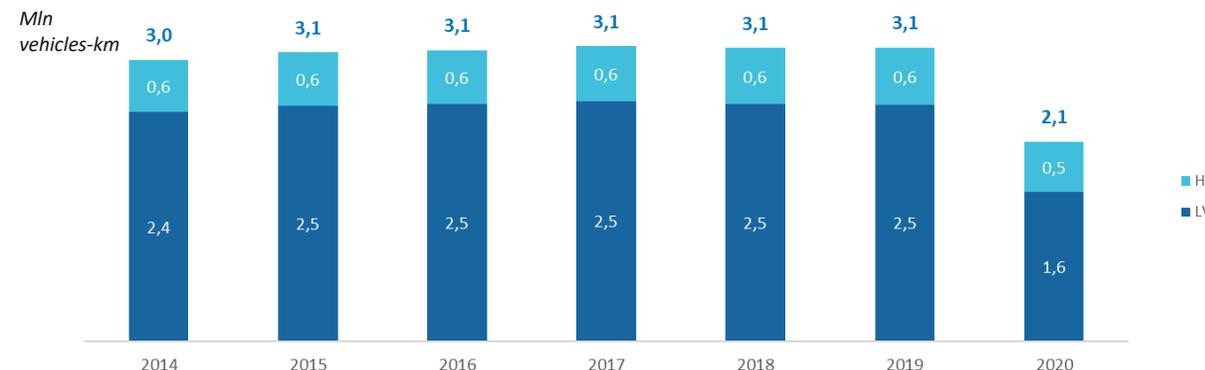
## Key Financials (ITA GAAP)

mln €	FY 2020	FY 2019
Tolls	167,8	234,8
Other revenues	11,0	14,1
Total revenues	178,8	248,9
EBITDA	73,1	145,8
EBITDA %	41%	59%
EBIT	27,8	88,2
Net Income	4,8	57,8
Net debt (cash)	134,8	125,0
Net Debt /EBITDA (x)	1,8	0,9
CAPEX	50,4	53,6

## Shareholder structure



## Traffic evolution

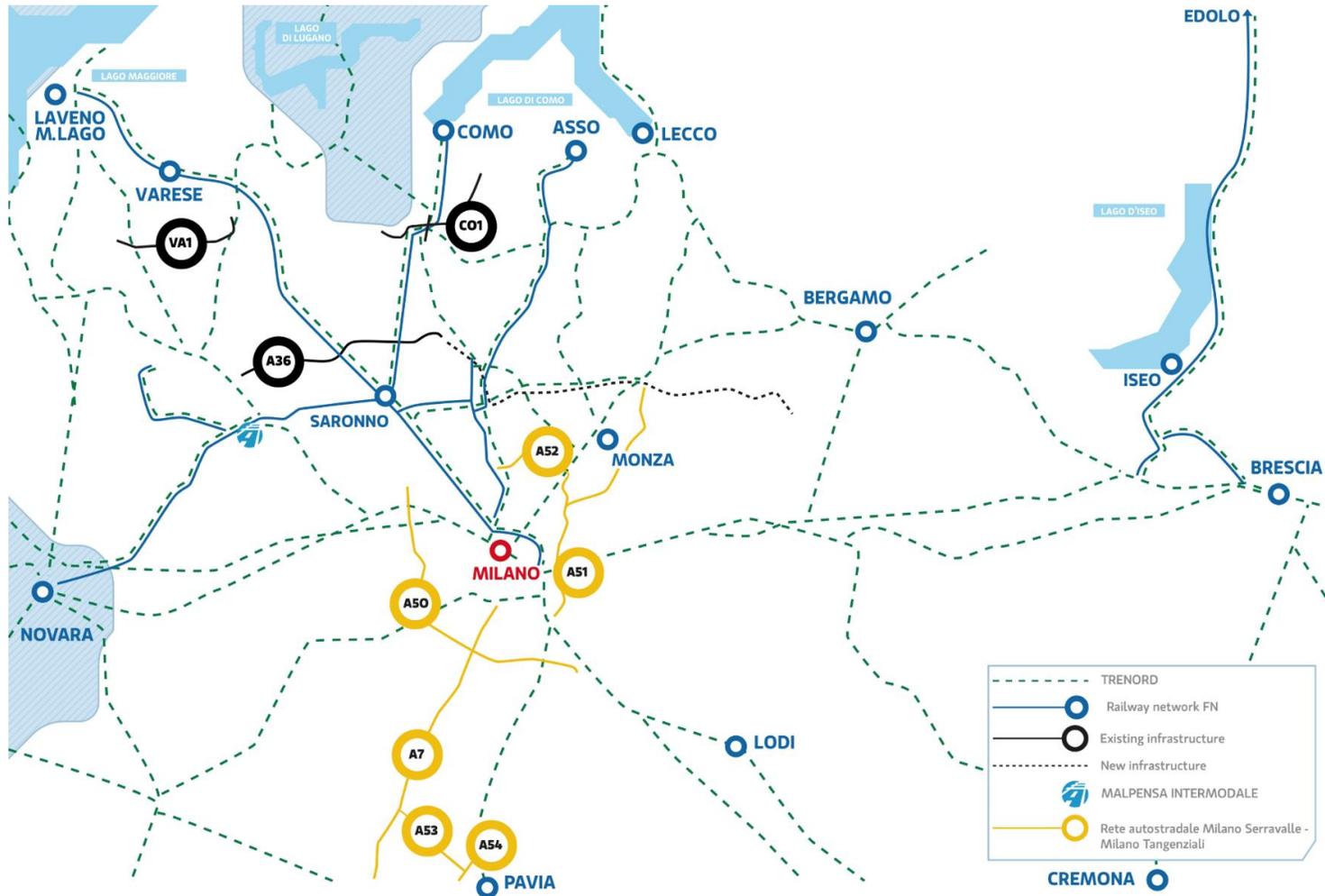


1) Including the 13.6% stake purchased from ASTM Spa in July 2020; 2) following the €350mln capital increase fully subscribed by Regione Lombardia on Feb. 26 2021, Regione Lombardia owns the remaining 63.3% stake; 3) including junctions and local roads

# FNM Group | MISE area



FNM Group strengthens its positioning in the highest traffic demand areas in the Region



	km	mln vehicles-km 2020
Railway network	331	
<b>Milano Serravalle - Milano Tangenziali Spa</b>		
A7 Milano-Serravalle	86,3	1.045
A50 West Ring Road	33	595
A51 East Ring Road	29,4	202
A52 North Ring Road	12,9	275
A53 Bereguardo - Pavia connection	9,1	na
A54 Ring Road Pavia	8,4	na
<b>Total MISE</b>	<b>179,1</b>	<b>2.117</b>
A36+A59+A60 APL <sup>1</sup>	30,0	na

1- excluding junctions and local roads

# FNM Group | The core business: Motorway infrastructure management – rationale

A transformational deal for FNM



- Creation of a **unique integrated infrastructure operator in Italy** which will allow:
  - An **integrated management of the ever-growing demand for mobility**, with optimization of flows, reduction of polluting emissions and development of sustainable mobility
  - A **new approach to the offer of transport services** through the **synergic integration of nodes and networks**: from single services to an integrated and converging model
  - **System synergies** (strategy, planning, management, monitoring and control, innovation and technological know-how)
- Improvement of FNM Group's revenues, **enhancing the income profile and providing regulatory risk diversification**
- **Strengthening of geographical presence** in the Lombardy territory and in the areas with higher transportation demand
- **Further developments of infrastructures** in the Lombardy territory

Physical integration

Digital integration

Economic and organizational efficiency

# FNM Group | Combined financials of FNM and MISE

Pro forma, unaudited 2020 results – IFRS/IAS compliant

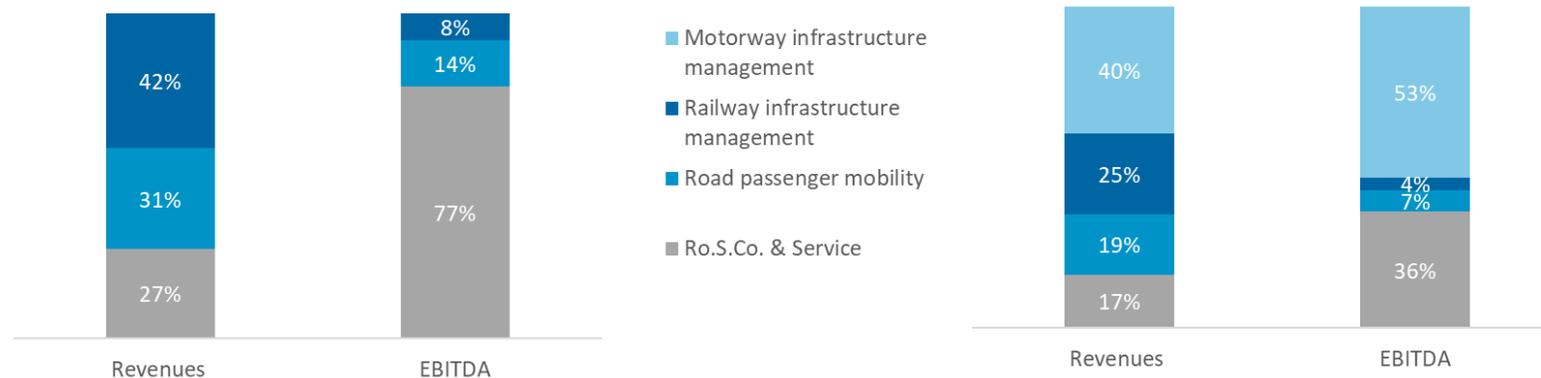


<i>mln €</i>	FNM consolidated stand alone	MISE stand alone	Combined FNM - MISE (unaudited - pro forma)
Revenues	281,3	200,3	481,6
Adj EBITDA*	70,1	79,7	147,0
EBITDA margin	25%	40%	31%
EBIT	26,4	25,2	54,4
Net profit (loss)	24,7	15,6	23,7
Net financial position	40,2	140,9	707,1
NFP/ Adj. EBITDA	0,6	1,8	4,8

FNM stand alone<sup>1</sup>

Combined FNM-MISE<sup>1</sup>

Evolution of EBITDA composition and business risk diversification



1. % on revenues calculated excluding elisions

**The FNM Group**

**Mise acquisition**

**Sustainability**

- Sustainability strategy and governance
- Integration of sustainability in the strategy
- The true value model

**FY2020 results**

**FY2021 outlook**

**Appendix**



Integrated sustainable mobility operator, able to read reality, investigating the “why” and “how” people, cities and companies move, to anticipate and offer the best solutions in terms of new mobility models



## VISION

Improve the lives of people, cities and businesses, by developing connections and responding to mobility needs



## MISSION

Develop an integrated platform of mobility services, built to meet criteria of environmental and economic sustainability, which rationalizes and connects (physically and digitally) urban nodes, destinations and transport networks, to create social value and promote the productivity of the territory



## VALUES

In all its business activities, the Group operates in full consistency with the principles of **Responsibility, Integrity, Transparency, Efficiency, Merit and Sustainability**

# FNM Group | Sustainability strategy and governance 2/2



The FNM Group has developed its own Governance system to promote the integration of Sustainability issues in the definition of business processes in all business areas and ensure compliance with current legislation through:



Internal committee of the BoD in charge of promoting an ethical and environmental corporate policy, by **monitoring economic, environmental and social expectations** of the stakeholders of the Group. It also oversees the process of drafting the financial statements of **Sustainability-NFR** assisted by CSR-Sustainability department.



Internal committee of the BoD in charge of supporting BoD's assessments and decisions concerning the **internal control and risk management system** as well as those related to the internal audit system. Its role involves all the activities related to **non financial risks** connected to the material topics and the overall Group's Sustainability strategy.



It is led by the CSR-Sustainability department and composed of **CSR Committee members**, each representative of FNM's **business areas** as well as of a representative of the **companies** included in the NFR perimeter. It is involved in the **stakeholder engagement** and the definition of Group's **ESG risks**. Ultimately it contributes to the **Sustainability reporting project**.



Oversees and coordinates the CSR and Sustainability policies of the FNM Group. It undertakes management, **planning** and scheduling **activities** with the participation of all organization units, as well as promoting the **adoption of Sustainability** principles. It sets out and **manages the non-financial reporting process** and promotes actions in the fields of **sustainable mobility, the environment and energy efficiency**.

**With the approval of the guidelines of the 2021-2025 Business Plan by FNM BoD on November 25<sup>th</sup>, 2020, FNM Group has strengthened its Sustainability strategy, providing an integrated strategic vision to run the business in accordance with the international best practices.**

# FNM Group | The pillars and enablers of FNM strategic vision



PILLARS	STRATEGIC GUIDELINES
MOBILITY	<ul style="list-style-type: none"> <li>• Central role of local public transport on rail</li> <li>• Strengthen the positioning in local public transport on road</li> <li>• Develop integrated multimodal and last mile mobility</li> <li>• Position as a Mobility Partner for communities, companies, events...</li> <li>• Confirm presence in the freight logistics sector</li> </ul>
INFRASTRUCTURES	<ul style="list-style-type: none"> <li>• Manage and develop the rail and highway infrastructure in Lombardy, through the synergic integration of nodes and networks</li> <li>• Develop logistics terminals</li> <li>• Promote the resilience of infrastructure to extreme natural events, mitigate environmental impacts, guarantee the highest levels of security to all stakeholders</li> <li>• Define an infrastructure platform enabling the development and implementation of new services</li> </ul>
FLEETS	<ul style="list-style-type: none"> <li>• Consolidate FNM's role as an Asset Company (Ro.S.Co.) in the passenger and freight rail market</li> <li>• Develop lower environmental impact fleets for rail and road transport</li> </ul>
PEOPLE/ COMMUNITY	<ul style="list-style-type: none"> <li>• Develop supply and demand management platforms consistent with the MaaS (Mobility as a Service) /MaaC (Mobility as a Community) paradigms</li> <li>• Develop FNM's payment services through FNMPay S.p.A., a start-up company launched in 2020.</li> </ul>



up to  
**1 bn €**  
investments in  
**2021-2025\***

ENABLERS			
Innovation and data management	Governance, ethics and sustainability culture	Attraction, enhancement and well-being of employees	Energy efficiency and emissions reduction

\* On top of the investments for for MISE's acquisition

# FNM Group | A business model integrated with sustainability

FNM business model update

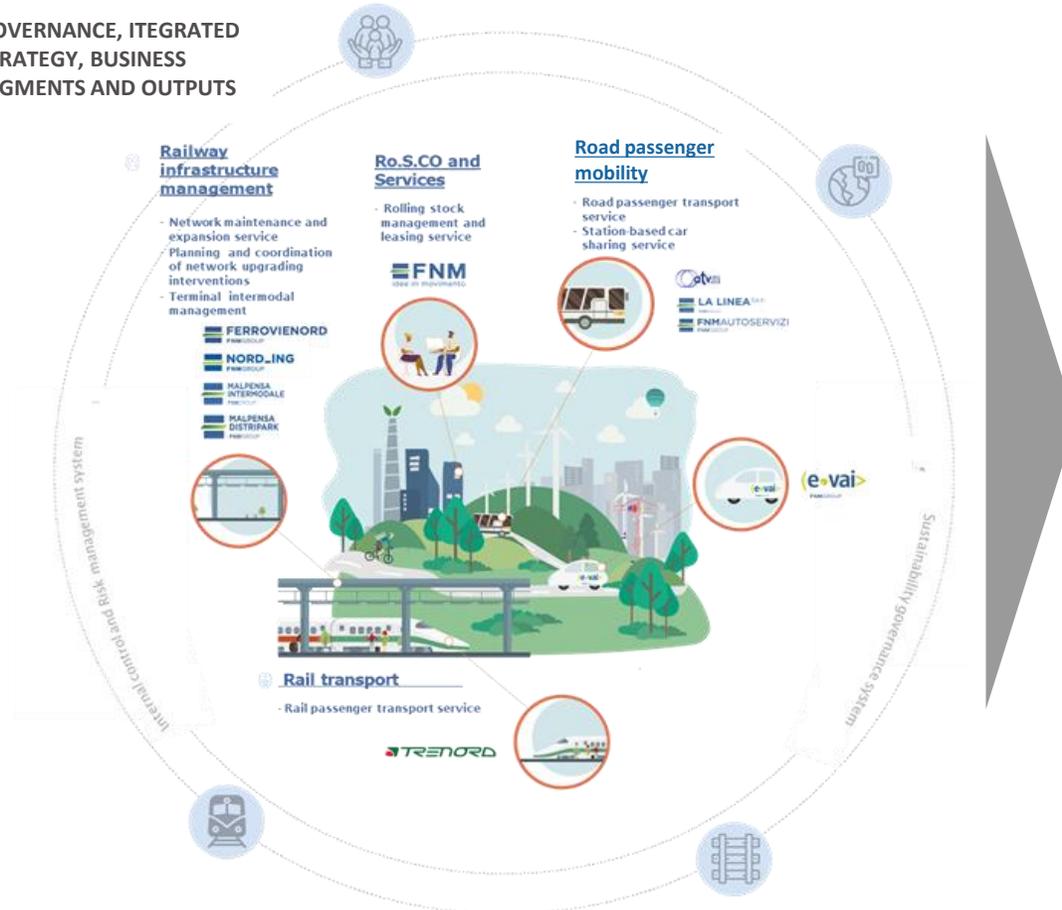


FNM Group's value creation is represented by the **business model that integrates the principles of Sustainability within the corporate strategy**. Resources are defined as **capitals**, i.e. stocks of value that are increased, reduced or transformed by the organization's activity and outputs. Each capital **contributes**, in line with the guidelines of the Strategic Plan, to the **achievement of the Sustainable Development Goals (SDGs)**.

## KEY INPUTS

- Financial Capital**
  - Share capital
  - Public financing
  - Contributions from Public administration
  - Investments in transport services
- Production and Intellectual Capital**
  - Infrastructure
  - Fleet
  - Research & Development Projects
- Human Capital**
  - Humanistic and managerial skills
  - Integrity
  - Experience
- Natural Capital**
  - Environmental management systems
  - Renewable and non environmental resources
- Social and Relational Capital**
  - Relations with organizations and institutions
  - Relationships with other stakeholders
  - Trade unions relations

## GOVERNANCE, INTEGRATED STRATEGY, BUSINESS SEGMENTS AND OUTPUTS



## OUTCOMES

- Financial Capital**
  - Revenue
  - Assets
  - EBITDA
- Production and Intellectual Capital**
  - Network and fleet security
  - Accessibility and availability of services
  - Intermodal public transport
- Human Capital**
  - Specialised skills
  - An inclusive, safe and attractive workplace
- Natural Capital**
  - Emissions
  - Compensatory work
  - Noise and vibrations
- Social and Relational Capital**
  - Promotion and development of the territory
  - Partnership and collaborations
  - Advantages and concessions for passengers



# FNM Group | FNM creation of shared value

The value created by the FNM Group: capitals



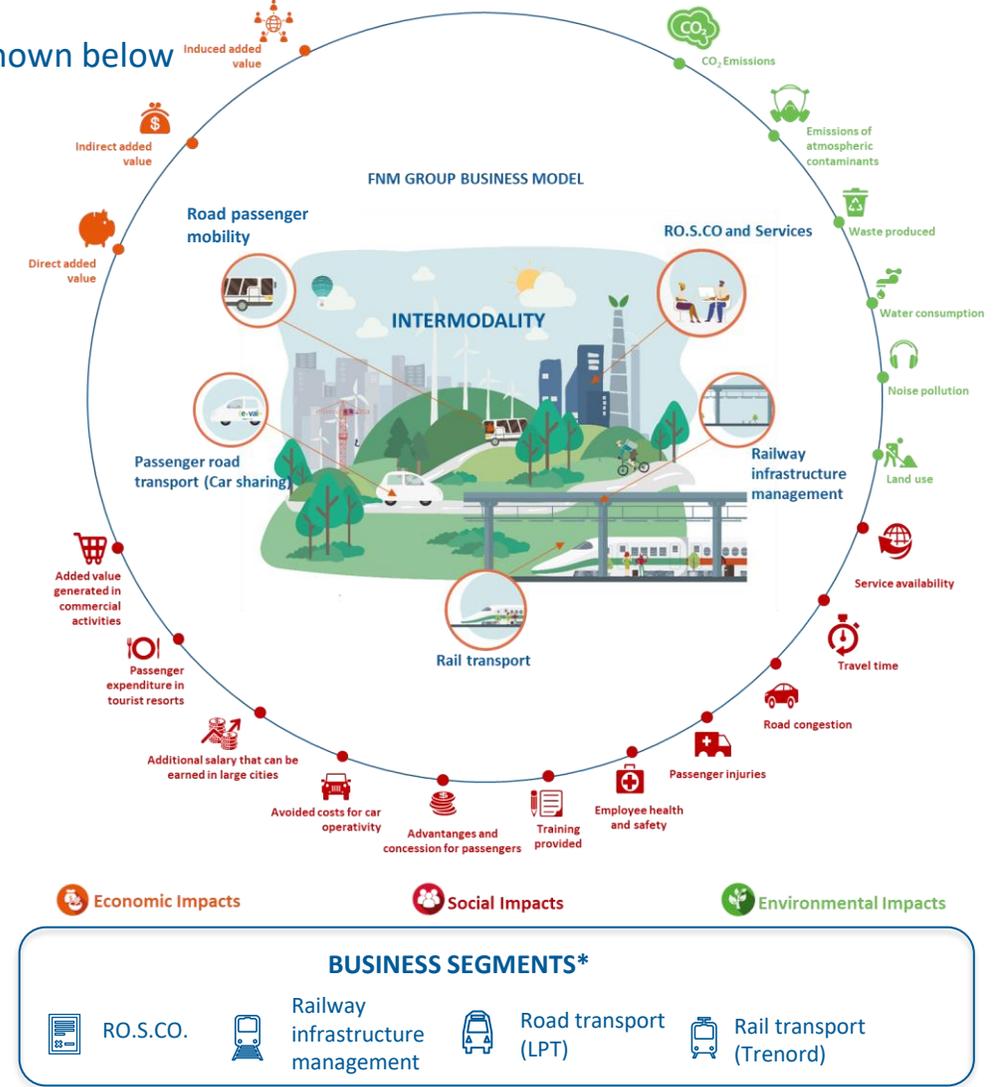
Capital	Description	Highlights
 <p>Financial</p>	Economic resources involved in production processes	<ul style="list-style-type: none"> <li>The <b>Economic Value Generated</b> by the Group amounts to <b>€ 321.3 million</b>, of which <b>€ 254.9 million</b> distributed to <b>stakeholders</b></li> <li><b>52.4%</b> of the distributed economic value is addressed to <b>suppliers</b>, <b>44.5%</b> to <b>employees</b> and <b>2.1%</b> to the <b>Public Administration</b></li> <li><b>70%</b> of the <b>tender procedures</b> launched in 2020 are subject to compliance with the <b>ESG</b> criteria</li> </ul>
 <p>Production and intellectual</p>	Real estate, infrastructure and physical equipment used in the production of the services offered by the company, plus all intangible assets represented by the Group's organizational expertise and intellectual property	<ul style="list-style-type: none"> <li>The Group continued its commitment to the <b>expansion and renewal of the fleet</b> with an investment of approximately <b>€ 32.5 million</b></li> <li>The fleet for local public transport is composed of <b>711 buses</b></li> <li>The car sharing car fleet is made up of 242 vehicles of which <b>229 are electric</b></li> </ul>
 <p>Human</p>	The skills, expertise and experience of the people who work at the company	<ul style="list-style-type: none"> <li>Training hours provided: <b>35,424</b></li> <li>Total workforce: <b>2,265</b></li> <li><b>40%</b> of Group companies are <b>ISO 45001</b>-certified (Occupational Health and Safety Management System)</li> </ul>
 <p>Natural</p>	All processes and environmental resources which contribute to the delivery of the services offered by the company	<ul style="list-style-type: none"> <li>The FNM Group <b>reduced</b> emissions from electricity consumption by <b>37%</b> compared to the previous year</li> <li>From 2021, <b>30% of electricity</b> coming from <b>renewable sources</b></li> <li><b>80% of the waste</b> produced by FERROVIENORD (ferrous material) will be <b>recycled</b></li> </ul>
 <p>Social and relational</p>	The ability of the company to create relationships with external stakeholders and to share value in order to increase individual and collective wellbeing	<ul style="list-style-type: none"> <li><b>3 partnerships</b> to contribute to the <b>SDGs</b></li> <li>Events dedicated to <b>Sustainable Mobility</b> and LPT: <b>11</b></li> <li><b>Awareness campaign</b> to prevent the spread of <b>Covid-19</b> at station</li> </ul>

# FNM Group | FNM True Value

## Impacts of the FNM Group

The direct and indirect impacts of FNM considered in the True Value\* model are shown below

- |                                       |  |
|---------------------------------------|--|
| Direct added value                    | Travel time  |
| Indirect added value                  | Road congestion                                      |
| Induced added value                   | Passenger injuries                                   |
| CO2 Emissions                         | Employee health and safety                           |
| Emissions of atmospheric contaminants | Training provided                                    |
| Waste produced                        | Advantages and concessions for passengers            |
| Water consumption                     | Avoided costs for car operativity                    |
| Noise pollution                       | Additional salary that can be earned in large cities |
| Land use                              | Passenger expenditure in tourist resorts             |
| Service availability                  | Added value generated in commercial activities       |



\* True Value is a KPMG methodology that measures the "real" value created by an organization. \*\* The "Railway Transport" sector includes the activities carried out by Trenord, a jointly controlled company and therefore not included in the consolidation perimeter of the FNM Group and not representative of a specific segment, but included in the perimeter of the NFR.

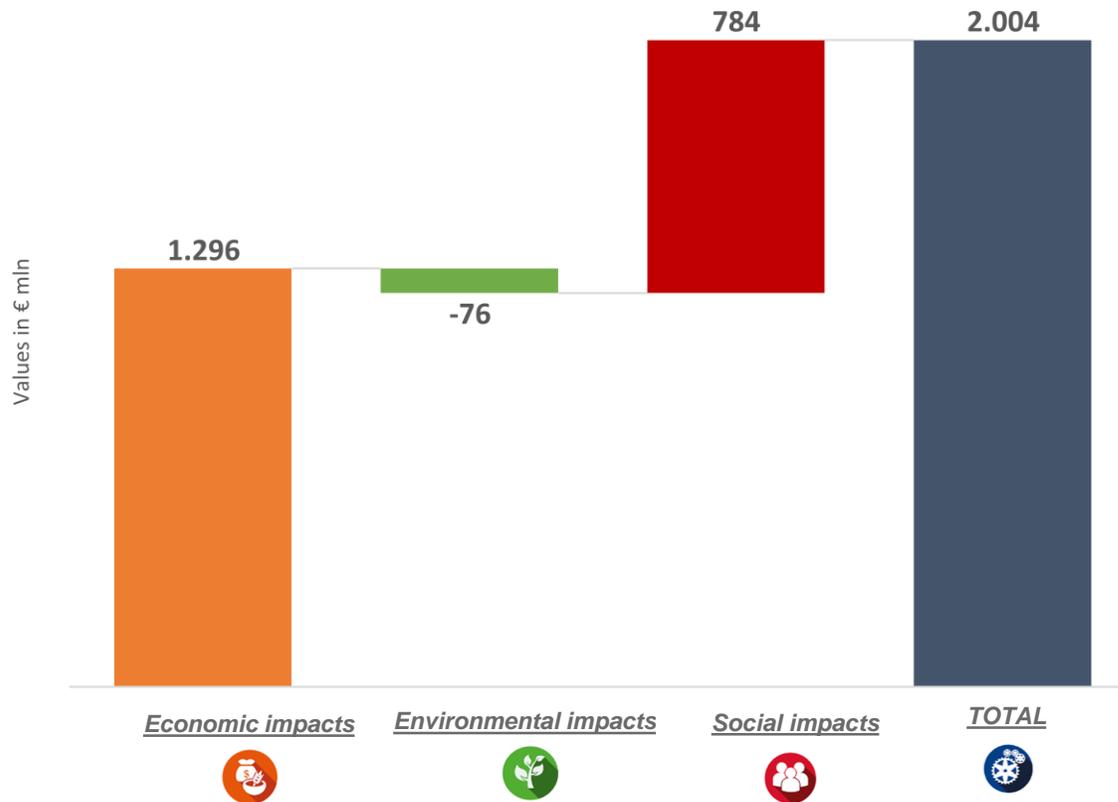


# FNM Group | FNM True Value

The value of the FNM Group activity



## FNM Group's True Value Bridge in 2020



The True Value attributable to the total impacts of the FNM Group amounts to around **€ 2 billion** of which about 65% is generated by economic impacts.

True Value is a KPMG methodology that measures the “real” value created by an organization, identifying and quantifying its economic, social and environmental externalities.

### Breakdown of True Value by business segment:



**The FNM Group**

**Mise acquisition**

**Sustainability**

**FY2020 results**

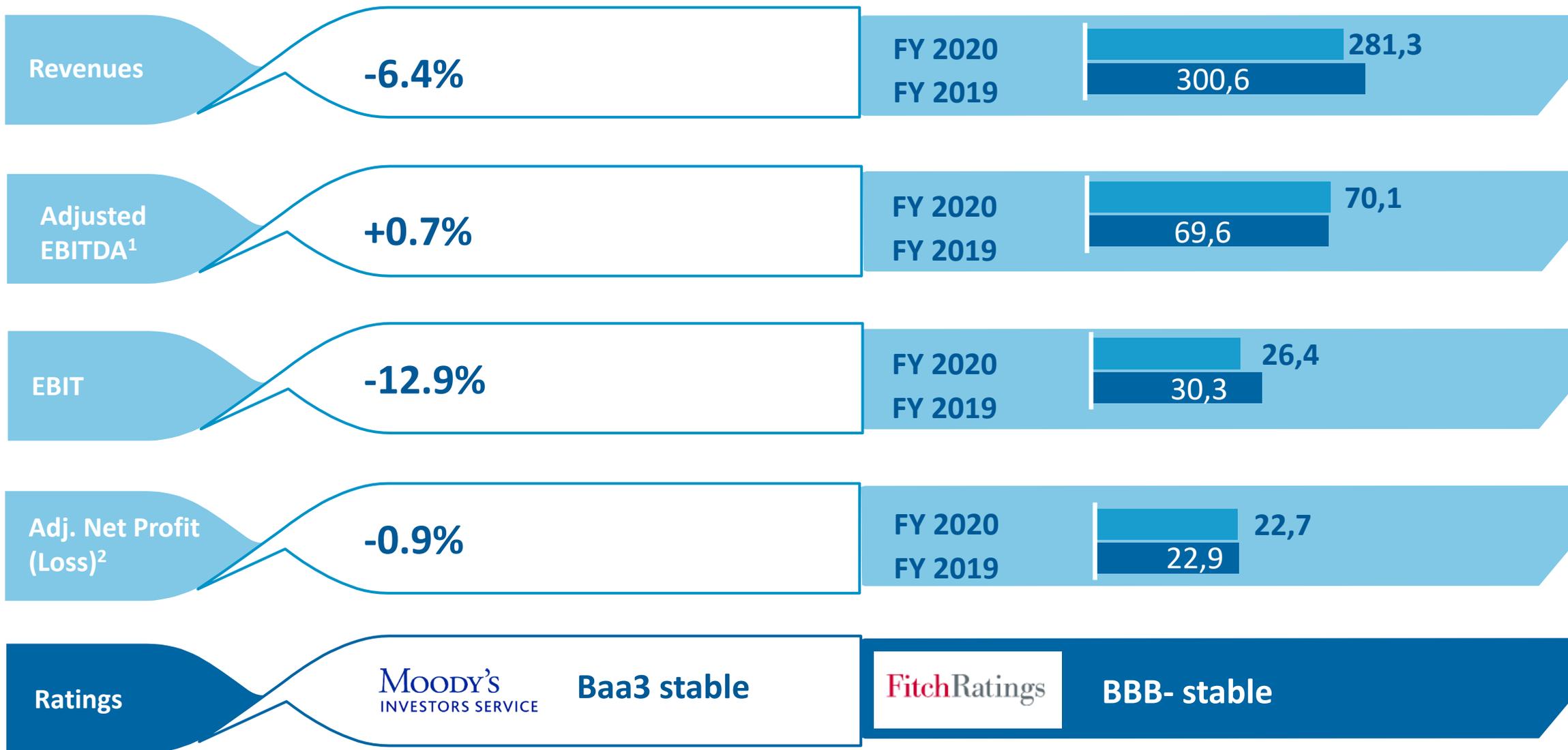
- Financial highlights evolution
- FY 2020 consolidated results
- Shareholders and share performance

**FY2021 outlook**

**Appendix**

# FNM Group | FY 2020 Highlights

(in mln €)



1 – Adjusted EBITDA: excluding extraordinary gains and losses

2 – Adjusted Net Profit (Loss): Net Profit (Loss) before recognition of the result of companies consolidated using the equity method

# FNM Group | Main economic and financial data

## Profit & Loss



## HR KPIs

	FY 2018	FY2019	FY2020
Average headcount	2.240	2.268	2.230

## Economic KPIs

mln €

	FY 2018	FY2019	FY2020
Adj EBITDA margin	22,9%	23,2%	24,9%
Adj EBIT margin	10,6%	10,1%	9,4%
ROI	6,8%	8,7%	5,1%

## Balance Sheet

mln €

	FY 2018	FY2019	FY2020
Total fixed assets	453,4	479,2	575,2 <sup>2)</sup>
Net working capital	4,3	(132,3) <sup>1)</sup>	(57,9)
Equity	435,2	454,3	477,1
Adjusted Net Financial Position (-Cash)	7,6	(39,9)	43,7
Net Financial Position (-Cash)	22,5	(107,5) <sup>1)</sup>	40,2
Investments financed with owned funds	34,2	40,4	68,2

Note: 2018 data IFRS 16 compliant, consistent with 2019 and 2020

1 – Value impacted by the timing related to advances received on investments by Regione Lombardia, related to the renewal of the trains fleet.

2 – Value increase yoy due to the acquisition of a 13.6% stake in MISE

## FNM Group | Main economic and financial data/2

### Financial KPIs

	FY 2018	FY2019	FY2020
NFP / EBITDA	0,33	n.m.	0,57
NFP / Equity	0,05	n.m.	0,08
Net Fixed Assets / Net Invested Capital	0,99	1,38	1,11

### Dividend policy

	FY 2017	FY 2018	FY2019	FY2020
DPS <sup>1</sup>	0,020	0,023	n.a.	0,022
Payout ratio (on FNM Spa Net result)	40%	40%	n.a.	40%
Total cash out (mln euros)	8,698	9,785	n.a.	9,568
Dividend Yield	3,2%	4,4%	n.a.	3,1% <sup>2)</sup>

Note: 2018 data IFRS 16 compliant, consistent with 2019 and 2020

1 – Dividend attributable to the year

2 – At coupon detachment date, for 2020 at April 12

# FNM Group | Revenues and Adjusted EBITDA by segment

(in mln €)

REVENUES	FY 2020	FY 2019	Δ	Δ%
Railway infrastructure management	126,9	124,6	2,3	1,8%
Road passenger mobility	94,7	118,3	(23,6)	-19,9%
Ro.S.Co. & Service	84,0	82,6	1,4	1,7%
Intercompany	(24,3)	(24,9)	0,6	-2,4%
<b>Total</b>	<b>281,3</b>	<b>300,6</b>	<b>(19,3)</b>	<b>-6,4%</b>

ADJUSTED EBITDA <sup>1</sup>	FY 2020	FY 2019	Δ	Δ%
Railway infrastructure management	5,8	4,1	1,7	41,5%
Road passenger mobility	10,0	13,2	(3,2)	-24,2%
Ro.S.Co. & Service	54,3	52,3	2,0	3,8%
<b>Total</b>	<b>70,1</b>	<b>69,6</b>	<b>0,5</b>	<b>0,7%</b>

## Railway infrastructure management

- ↑ Higher proceeds from engineering and project management on financed investments as well as for terminal management
- ↓ Lower proceeds from Service Contract due to changes in the number of train services scheduling and from efficiency mechanism

## Road passenger mobility

- ↓ Lower services due to reduced demand as a result of the introduction of travel restrictions due to Covid-19
- ↑ Partial compensation from higher revenues from public contracts and grants thanks to the compensation measures implemented by the Government (restoration of lower ticketing revenues equal to €4.1 mln)

## Ro.S.Co.

- ↑ Higher fees from the new fleet leased to Trenord and DB Cargo Italia
- ↓ Lower advertising revenues; change in perimeter due to sale of Locoitalia in 2020; one off proceeds in 2019

## Railway infrastructure management

- ↑ Positive performance of revenues and lower labour cost
- ↓ Higher maintenance costs during the lockdown period and higher costs for terminal management due to the activity development

## Road passenger mobility

- ↓ ↑ Lower revenues strongly mitigated by cost control measures

## Ro.S.Co.

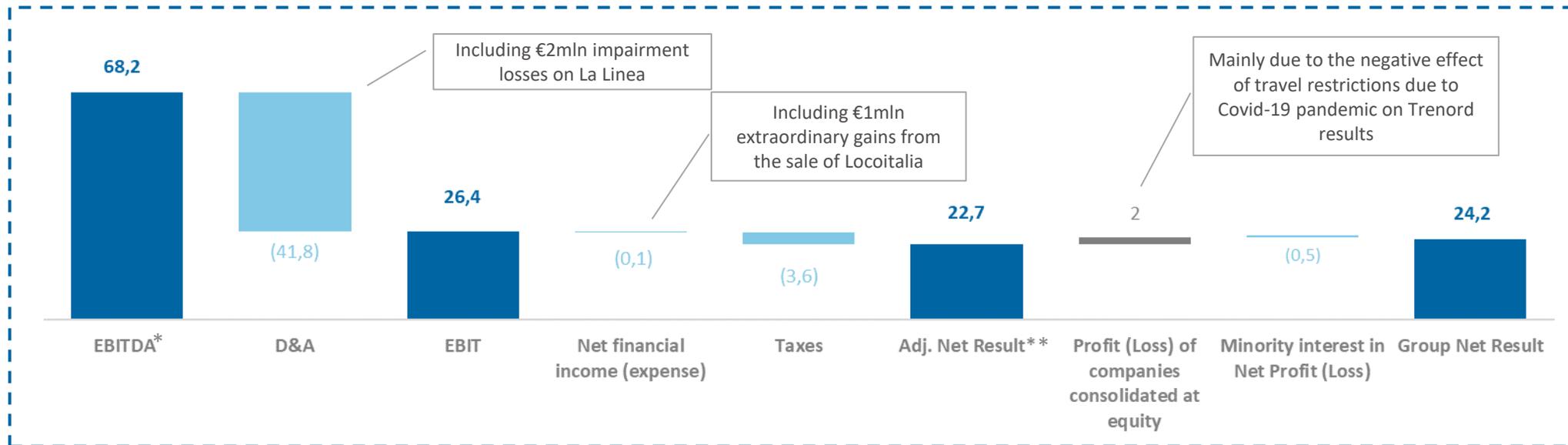
- ↑ Lower labour cost

1 – Adjusted EBITDA: excluding extraordinary gains and losses

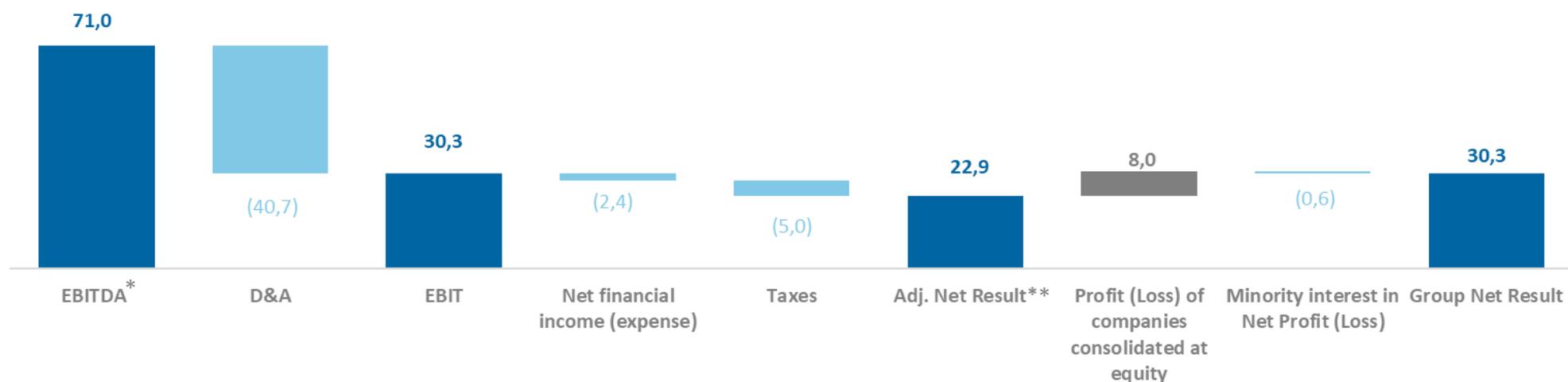
# FNM Group | From EBITDA to Net Result

(in mln €)

FY 2020



FY 2019



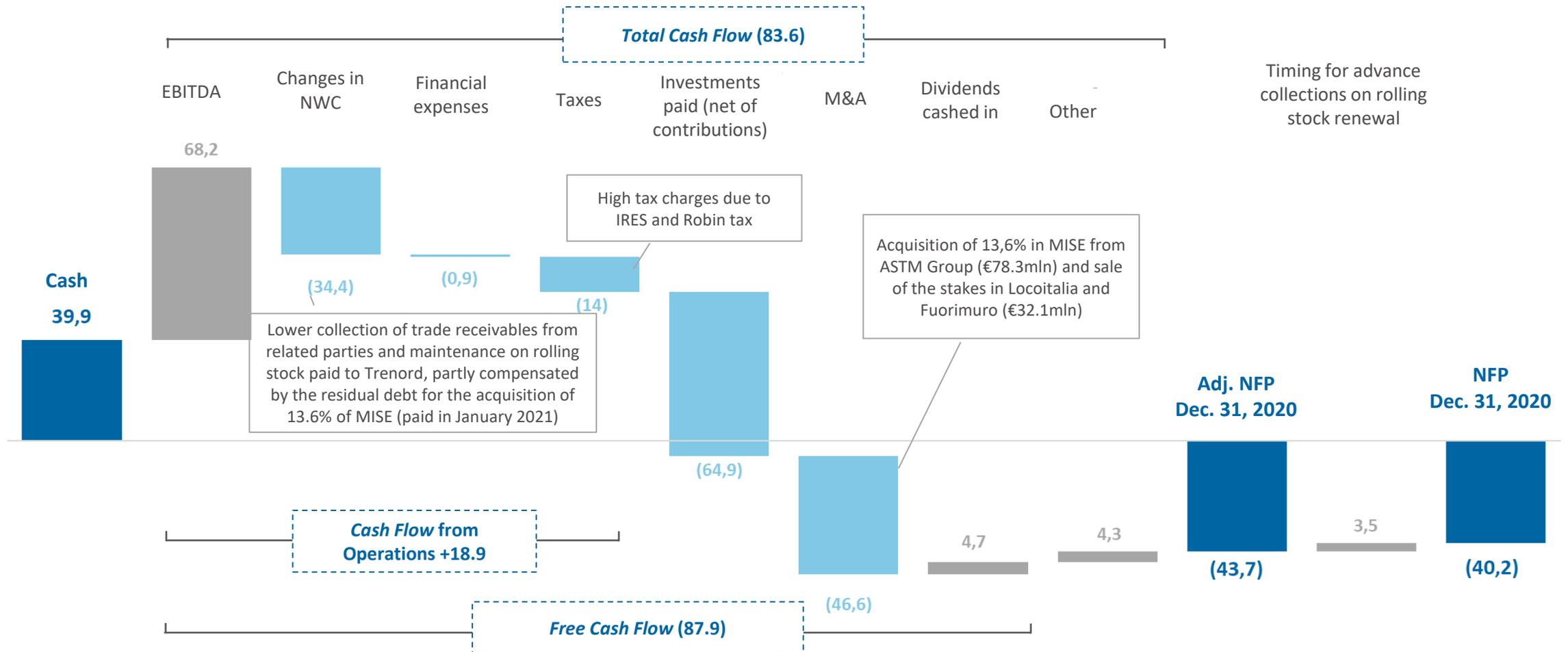
\* It differs from adjusted EBITDA, as it includes extraordinary gains and losses

\*\* Adjusted Net Result: Net Result before profit (loss) of companies consolidated at equity

# FNM Group | Consolidated Cash Flow and Net Financial Position

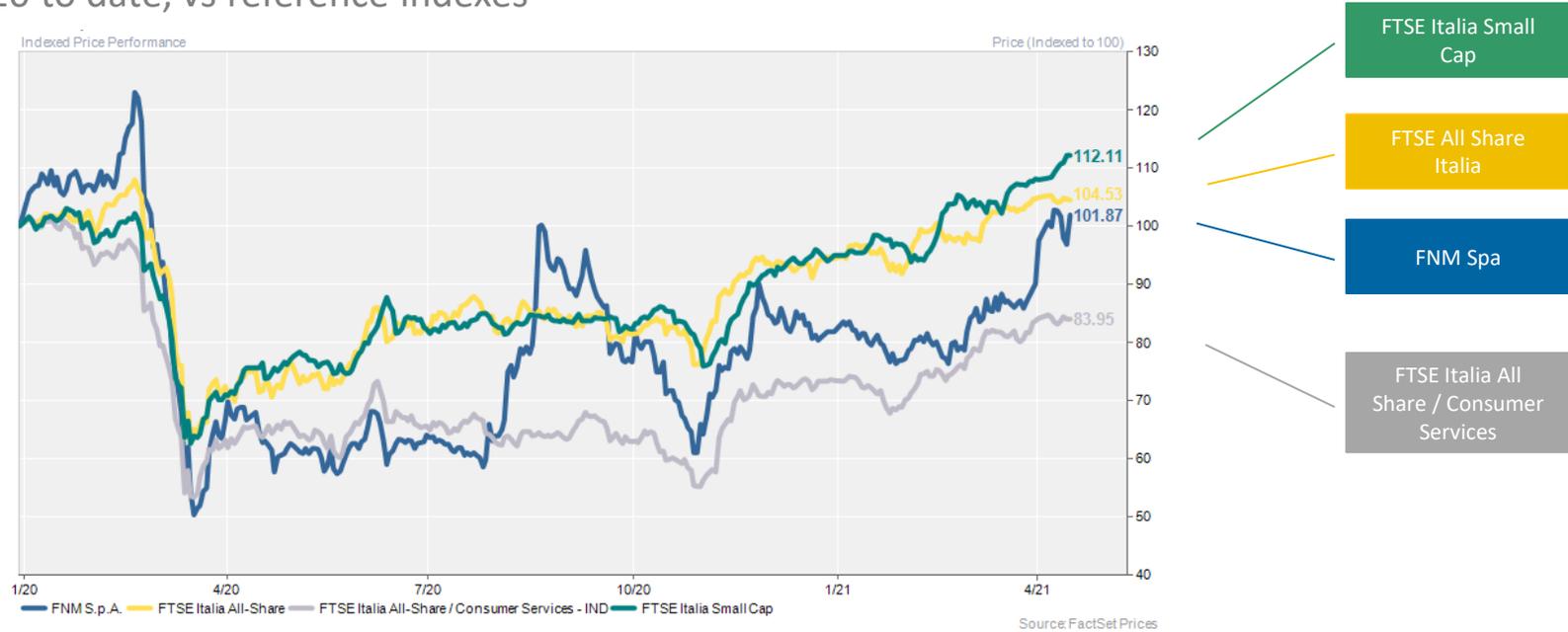
(in mln €)

**LIQUIDITY HEADROOM 18.03.2021:**  
Uncommitted Lines = € 90 million



# FNM Group | Shareholders and share performance

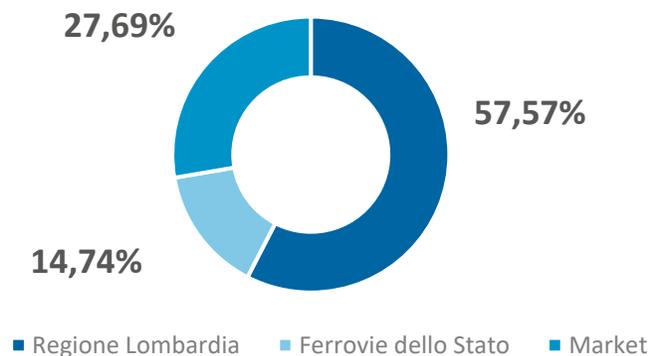
Relative performance Jan. 1, 2020 to date, vs reference indexes



## Share capital profile

Market capitalization as at April 15th, 2021	€308.8 mln
N. Of shares	434.9 mln
Average traded volumes (2021 YTD)	463,858
2021 YTD change	+24.6%

## Shareholders



The FNM Group

Mise acquisition

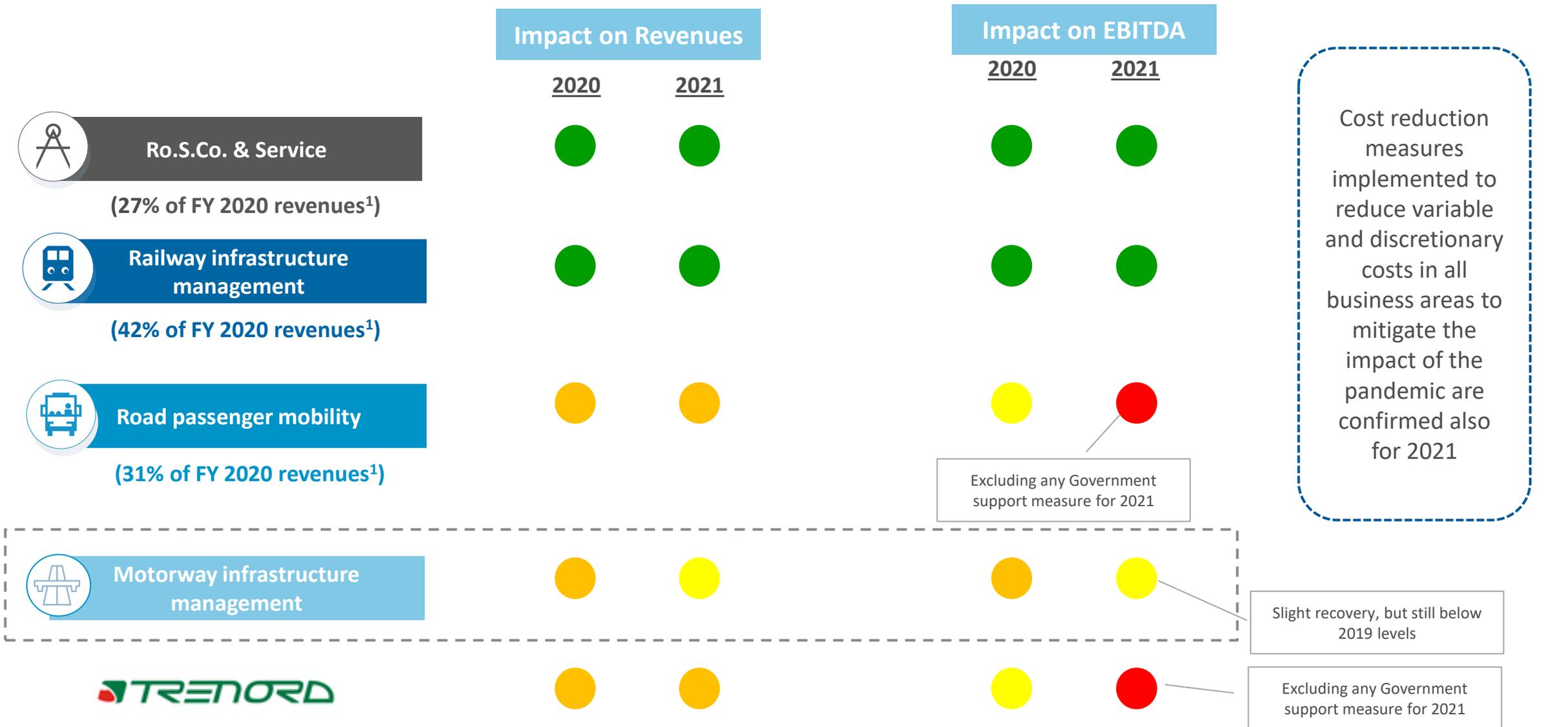
Sustainability

FY2020 results

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Appendix

# FNM Group | COVID-19 impacts on FY2021 outlook



1. % on revenues calculated excluding elisions

# FNM Group | Outlook FY2021

Guidance

	TARGETS FY 2021 VS. 2020		
	FNM STAND ALONE <sup>1</sup>	FNM + MISE <sup>2</sup>	FNM + MISE like for like basis <sup>3</sup>
Revenues	In line	~+70%	In line
Adjusted EBITDA	> 20% decrease Excluding government support measures	2x	Slight increase (low single digit)
Adj. EBITDA margin		~+7 bps	In line
Adjusted NFP		Increase, within rating agencies requirements	

1 - FNM at the same perimeter as in 2020; 2 - guidance of FNM + Mise consolidated since February 26, 2021 versus FNM 2020 actual results

3 - guidance on FNM +Mise on a like for like basis in FY2020 and FY2021

**The FNM Group**

**Mise acquisition**

**Sustainability**

**FY2020 results**

**FY2021 outlook**

## **Appendix**

- Additional segment info and regulatory framework
- Additional FY2020 economic and financial details
- Sustainability

# FNM Group | Overview



Ro.S.Co.  
& Service

- Leasing of rolling stock
- Provision of corporate services and real estate



Railway  
Infrastructure  
management

- Management of railway infrastructure in Lombardy
- Intermodal terminal management



Road  
passenger  
mobility

- Management of road local public transport
- Electric car sharing



Motorway  
infrastructure  
management

- Concession-based management of motorway infrastructure

## COMPANIES FULLY CONSOLIDATED



100%



100%



100%



100%



100%



100%



100%



50%



51%



100%



100%



100%



96%



100%

## COMPANIES VALUED AT EQUITY



50%



50%



40%



60%



58%



50%



49%



24,7%



36,5%

As at December 31st, 2020 FNM Spa holds a 13.6% stake in MISE. The shareholding increased to 96% on February, 26th 2021. Since that date MISE is fully consolidated into FNM's accounts

1 Companies operating in the freight logistics sector, in the start-up phase, included respectively in the Railway infrastructure management and in Ro.S.Co. & Services segments

2 Companies operating in the Road Passenger Mobility but considered in the Ro.S.Co. Segment for the purposes of preparing the financial statements

# FNM Group | Railway infrastructure management – the contractual framework



	Concession	Programme Agreement ("PA")	Public Service Contract ("PSC")	Purchase Agreement
<b>Content</b>	<p>Under the Concession Agreement, Ferrovienord is granted the right to:</p> <ul style="list-style-type: none"> <li>• use, manage and operate specific parts of the regional railway network (including the relevant appurtenances, plants and equipment)</li> <li>• manage the acquisition of the fleet – on a non-exclusive basis - required for the regional train services on behalf of Regione Lombardia, which provide the relevant instructions and funds for the purchase.</li> </ul> <p>FNM group subsidiary NORD_ING is in charge for the network maintenance and development works.</p>	<p>The PA, signed between Regione Lombardia and FN defines the activities to be carried out for i) the railway infrastructure renovation / development and ii) the extraordinary and ordinary maintenance. The Agreement also defines the funding needs, primarily based on a medium term investment plan.</p> <p>PA regulates that Regione Lombardia funding will be provided based on WIP status.</p> <p>In 2020, the investments on FN managed railway network amounted to € 35.0 m (€ 46.6 m in 2019)</p>	<p>The PSC regulates the fee due to FN for the services provided. Such fee is determined each year on the basis of the time schedule of railway services entered into force in December of the previous years and taking into account the value of effective production (train-Km), the length of the railway network, the number and type of stations, car sharing service.</p> <p>The fee is subject to the application of a discount mechanism ("efficiency coefficient") of 2% per year.</p> <p>The PSC includes all the activities related to the purchase and maintenance of Regione Lombardia train fleet (see "Purchase Agreement")</p>	<p>Regione Lombardia has authorized FN to purchase, manage, maintain and store new rolling stock on behalf of the Region, to be allocated to railway companies holding a service contract with the Region, with a commitment to complete the supplies by 2025.</p> <p>The program envisages the purchase of 146 high (105) and medium (41) capacity electromotors, as well as 30 diesel railcars and is covered for the total amount of € 1,607m on the 2017-2032 regional budget. The consideration and payment conditions are defined in the Agreement Implementing the mandate, approved with Regional Law n. X / 7926 of 26/02/2018 and Regional Law n. XI / 1619 of 15/05/2019.</p> <p>With Regional Law n. XI/3531 of 05/08/2020 (the so called "Marshall Plan") Regione Lombardia has authorized the purchase of additional 46 high (26) and medium (20) capacity electromotors to upgrade the service on the railway lines of Milano airports and Milano/Sondrio/Tirano in view of 2026 Winter Olympics, for a total amount of 351 mln euros</p>
<b>Approval law</b>	Regional Law N. x/4823 of 15/02/2016	Regional Law N.x/5476 of 25/07/2016	Regional Law N. x/4824 of 15/03/2016	Regional Law N. X/6932 of 24/07/2017 and N. XI/1619 of 15/05/2019
<b>Expiry date</b>	31/10/2060	31/12/2022	31/12/2022	-
<b>Termination clauses</b>	<p>Regione Lombardia may request the early termination in the event of serious and persistent violations of the obligation deriving from the concession.</p> <p>The concessionaire is in any case required to guarantee continuity of the service for 36 months with recognition of the expenses incurred.</p> <p>At expiration date, Ferrovienord will have to give back to Regione Lombardia all the assets and the rolling stocks purchased with Regione Lombardia grants.</p>	<p>In case the PA renewal procedures would not be completed upon its expiry date, the Agreement maturity will be automatically extended till 31/12/2023 and in any case until the signature of the new agreement.</p>	<p>The Agreement is subject to the validity of the Concession. In case the latter may be revoked, the Public Service Contract will be resolved</p>	-



## EU and Italian regulatory framework

- **European Regulation N. 1370/2007** sets the rules for international and national passenger rail and road transportation.
- **Decree-law No. 422/1997** regulates road transportation at national level, transferring all the competencies at regional authorities.
- At present, **regional authorities** still have the option of awarding Local Public Transport service contract agreements directly, although direct awards must be based on principles of cost-effectiveness, efficiency, impartiality, and transparency, etc. The maximum duration of each contract is 10 years. **Tenders will become mandatory as of 2023**, but regional authorities will still have the option of awarding contracts directly for efficiency / quality purposes.
- **real pre-tax WACC of 7%:** remuneration for road transportation set by the Ministry of Infrastructure and Transport issued (**Ministerial Decree 157/18**), pending the regulation from the Authority of Transport
- **Law Decree N. 18 of 17.03.2020 art 93 par 4bis:** tender procedures of local public transport services are suspended up to twelve months after the declaration of end of the Covid 19 emergency state

### Lombardy

- **Regional Law 6/2012** established three different systems for assigning TPL concessions: (i) direct management; (ii) direct award of public contracts, (iii) competitive tendering offer.
- At the moment, most of the existing contracts with TPL providers have expired and providers are currently operating thanks to a **contract extension<sup>1</sup>**.
- Given the current situation, it is expected that the expiring contracts will be further extended to keep into consideration the evolution of the Covid 19 pandemic and the launch of new tenders will restart after the end of the emergency state in most of the six catchment areas.

### Veneto

- **Regional Law 25/1998** is applied.
- Each province is a catchment area.
- Currently contracts in same catchment areas have expired, Verona included<sup>2</sup>.
- The local authorities of each catchment area **are issuing tender procedures in order to assign the concessions**.
- Given the current situation, it is expected that the expiring contracts will be further extended to keep into consideration the evolution of the Covid 19 pandemic and tender procedures will restart after the end of the emergency state.

<sup>1</sup> – for FNMA the Service Contracts for the Como area will expire on April 30, 2021; the concessions for Varese and for Brescia areas will expire respectively on April 30 and on December 31, 2021.

<sup>2</sup> – For ATV the three Service Contracts for Verona, Legnago and Verona province will expire on December 31, 2021



# FNM Group | Road Passenger Mobility: E-Vai



## Business overview<sup>1</sup>

- First car-sharing elettrico service with regional distribution and integrated with the railway network:



**60.300 subscribers** (+13%)



**242 vehicles**  
*(o/w 229 fully electric, 12 hybrid and 1 petrol)*



**240.000 rental hours in 2020**



**CO<sub>2</sub> 161 tons saved in 2020**



**94 charging stations** (+49%)



**142 E-vai Point all over Lombardy** (23%)



**3 airports in Lombardy**



**79 municipalities**



**44 stations**

## Shared and sustainable mobility solutions



### E-VAI REGIONAL ELECTRIC

Regional electric car sharing to drive among airports, stations and cities



### E-VAI PUBLIC

Shared use between Public administration (during working hours) and citizens (during remaining hours and weekends)



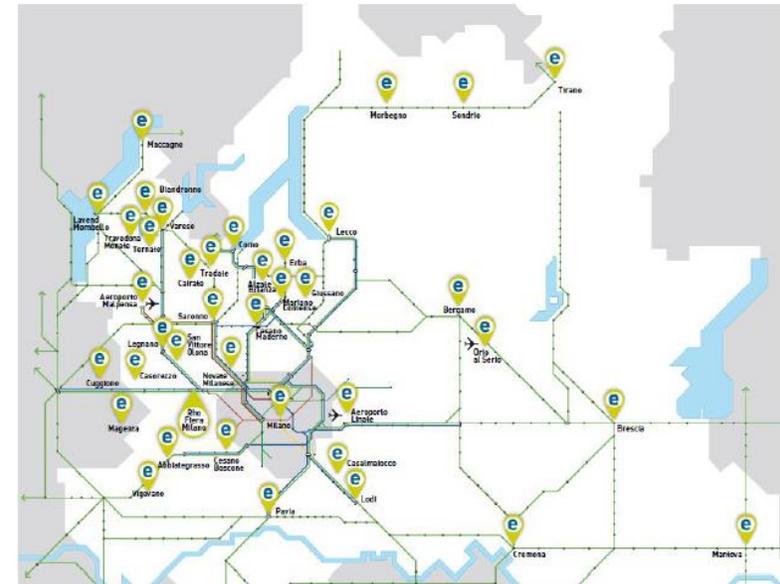
### E-VAI CORPORATE

Integrated use between companies and employees during working hours and for private use



### E-VAI EASY STATION

Integrated use between companies and public administration close to railway stations and commuters



# FNM Group | Railway infrastructure management – Freight logistics



## Business overview

The business is still in a development phase, through two of its subsidiaries:

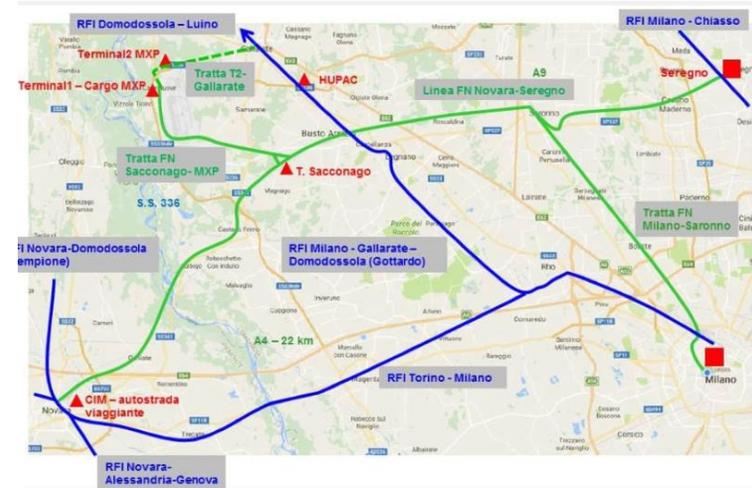
- **Malpensa Intermodale** – company established at the end 2018, involved in the development and management of the freight terminal in Sacconago, close Malpensa airport.
- **Malpensa Distripark** – company established in 2019, involved in the real estate development of the terminal areas owned by the Group.

## Terminal – main features

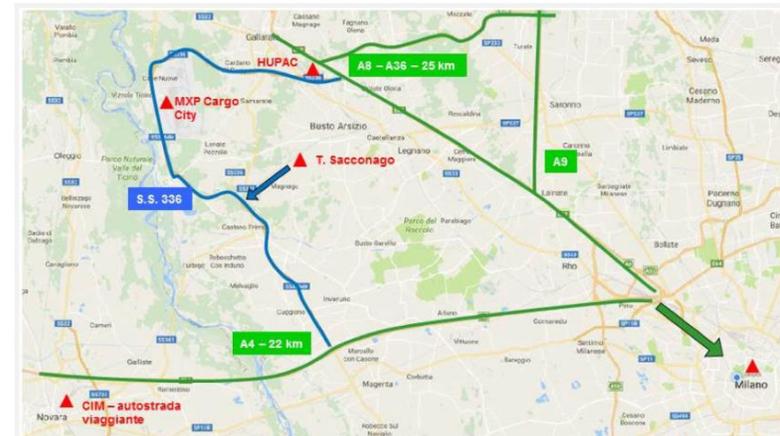
<b>Area</b>	Total 50.000 sqm, of which: <ul style="list-style-type: none"> <li>• 42.500 sqm intermodal area</li> <li>• 1.500 sqm offices</li> <li>• 4.500 sqm access area</li> </ul>
<b>Development</b>	200.000 sqm of area potentially available for further development of the services and logistic activities
<b>Handling</b>	900+ containers/week
<b>Main interconnections</b>	Rhine-Alps (Sempione and Gottardo)
<b>Management</b>	Freight trains (max length: 650m)

## Sacconago Terminal - interconnections

### Railways



### Highway



## FNM Group | Consolidated Profit & Loss

(€M)	FY 2020	FY 2019	Var.	Var.%
Revenues from sales and services	258,8	279,2	(20,4)	-7,3%
Other revenues and income	22,5	21,4	1,1	5,1%
<b>Total revenues and other income</b>	<b>281,3</b>	<b>300,6</b>	<b>(19,3)</b>	<b>-6,4%</b>
Operating costs	(97,7)	(105,5)	7,8	-7,4%
Personnel costs	(113,5)	(125,5)	12,0	-9,6%
<b>ADJ. EBITDA</b>	<b>70,1</b>	<b>69,6</b>	<b>0,5</b>	<b>0,7%</b>
Non-ordinary income (expense)	(1,9)	1,4	(3,3)	nm
<b>EBITDA</b>	<b>68,2</b>	<b>71,0</b>	<b>(2,8)</b>	<b>-3,9%</b>
Depreciation and amortisation	(41,8)	(40,7)	(1,1)	2,7%
<b>EBIT</b>	<b>26,4</b>	<b>30,3</b>	<b>(3,9)</b>	<b>-12,9%</b>
Net financial income (expense)	(0,1)	(2,4)	2,3	nm
<i>of which gains on divestments</i>	1,0	0,0	1,0	nm
<b>EARNINGS BEFORE TAXES</b>	<b>26,3</b>	<b>27,9</b>	<b>(1,6)</b>	<b>-5,7%</b>
Income taxes	(3,6)	(5,0)	1,4	-28,0%
<b>ADJUSTED NET PROFIT (LOSS)</b>	<b>22,7</b>	<b>22,9</b>	<b>(0,2)</b>	<b>-0,9%</b>
Profit (Loss) of companies consolidated at equity	2,0	8,0	(6,0)	nm
<b>Net Profit (Loss)</b>	<b>24,7</b>	<b>30,9</b>	<b>(6,2)</b>	<b>-20,1%</b>
Minority interest in Net Profit (Loss)	0,5	0,6	(0,1)	-16,7%
<b>Group Net Profit (Loss)</b>	<b>24,2</b>	<b>30,3</b>	<b>(6,1)</b>	<b>-20,1%</b>

# FNM Group | Consolidated Profit & Loss – segment details



## Railway infrastructure management

(€M)	FY 2020	FY 2019	Var.	Var.%
Public contracts and grants	100,5	99,6	0,9	0,9%
Rolling stock leasing	9,3	8,5	0,8	9,4%
Other revenues	17,1	16,5	0,6	3,6%
<b>Total revenues</b>	<b>126,9</b>	<b>124,6</b>	<b>2,3</b>	<b>1,8%</b>
<b>Adj. EBITDA</b>	<b>5,8</b>	<b>4,1</b>	<b>1,7</b>	<b>41,5%</b>
Adj. EBITDA/Revenues %	4,6%	3,3%		
<b>EBIT</b>	<b>3,6</b>	<b>4,4</b>	<b>(0,8)</b>	<b>-18,2%</b>



## Road passenger mobility

(€M)	FY 2020	FY 2019	Var.	Var.%
Public contracts and grants	47,6	46,4	1,2	2,6%
Transport services	35,3	62,3	(27,0)	-43,3%
Other revenues	11,8	9,6	2,2	22,9%
<b>Total revenues</b>	<b>94,7</b>	<b>118,3</b>	<b>(23,6)</b>	<b>-19,9%</b>
<b>Adj. EBITDA</b>	<b>10,0</b>	<b>13,2</b>	<b>(3,2)</b>	<b>-24,2%</b>
Adj. EBITDA/Revenues %	10,6%	11,2%		
<b>EBIT</b>	<b>(1,7)</b>	<b>1,7</b>	<b>(3,4)</b>	<b>nm</b>



## Ro.S.Co. & Service

(€M)	FY 2020	FY 2019	Var.	Var.%
Rolling stock leasing	56,9	55,8	1,1	2,0%
Other revenues	27,1	26,8	0,3	1,1%
<b>Total revenues</b>	<b>84,0</b>	<b>82,6</b>	<b>1,4</b>	<b>1,7%</b>
<b>Adj. EBITDA</b>	<b>54,3</b>	<b>52,3</b>	<b>2,0</b>	<b>3,8%</b>
Adj. EBITDA/Revenues %	64,6%	63,3%		
<b>EBIT</b>	<b>24,4</b>	<b>24,2</b>	<b>0,2</b>	<b>0,8%</b>

Partial compensation from higher revenues from public contracts and grants thanks to the compensation measures implemented by the Government (restoration of lower ticketing revenues equal to €4.1 mln)

## FNM Group | Profit (loss) of companies consolidated at equity

(€ '000)	FY 2020	FY 2019	Var.	Var.%
Trenord Srl <sup>1</sup>	(3.796)	1.598	(5.394)	nm
Nord Energia Spa <sup>2</sup>	2.567	3.377	(810)	-24%
DB Cargo Italia Srl	1.813	1.722	91	5%
Omnibus Partecipazioni Srl <sup>3</sup>	1.052	1.192	(140)	-12%
NordCom Spa	283	460	(177)	-38%
Conam Srl	44	55	(11)	-20%
SeM S Srl in liquidazione	81	34	47	nm
Fuorimuro Srl <sup>4</sup>	0	(391)	391	nm
<b>Profit (Loss) of companies consolidated at equity</b>	<b>2.044</b>	<b>8.047</b>	<b>(6.003)</b>	<b>nm</b>

1 - including the profit (loss) of TILO SA

2 - including the profit (loss) of CMC MeSta SA

3 - including the profit (loss) of ASF Autolinee Srl

4 - the result of the investment in Fuorimuro was equal to zero as a result of the sale on March 10 2020, adjusted to fair value on December 31, 2019

# FNM Group | Consolidated Balance Sheet

(€M)	Dec. 31, '20	Dec. 31, '19	Var.
Inventories	8,7	8,9	(0,2)
Trade receivables	82,6	64,6	18,0
Other current receivables	99,0	60,9	38,1
Trade payables	(177,5)	(175,7)	(1,8)
Other current payables and current provisions	(70,7)	(91,0)	20,3
<b>Net Working Capital</b>	<b>(57,9)</b>	<b>(132,3)</b>	<b>74,4</b>
Fixed assets	468,3	432,3	36,0
Equity interests	168,0	84,9	83,1
Non-current receivables	24,2	21,6	2,6
Non-current liabilities	(24,4)	(28,2)	3,8
Provisions	(60,9)	(60,9)	0,0
Assets and liabilities held for sale	0,0	29,5	(29,5)
<b>NET INVESTED CAPITAL</b>	<b>517,3</b>	<b>346,9</b>	<b>170,4</b>
<i>Equity</i>	<i>477,1</i>	<i>454,3</i>	<i>22,8</i>
<b>Adjusted Net Financial Position (Debt/-Cash)</b>	<b>43,7</b>	<b>(39,9)</b>	<b>83,6</b>
Net Financial Position for funded investments (cash)	(3,5)	(67,5)	64,0
<i>Net Financial Position (Debt/-Cash)</i>	<i>40,2</i>	<i>(107,4)</i>	<i>147,6</i>
<b>TOTAL SOURCES</b>	<b>517,3</b>	<b>346,9</b>	<b>170,4</b>

Of wich on December 31, 2020:  
 - Trains 334 mln euros  
 - Buses: 35 mln euros

## FNM Group | Consolidated Balance Sheet – NFP composition

(€M)	Dec. 31, '20	Dec. 31, '19	Var.
Cash and bank deposits	(126,1)	(156,4)	30,3
Current financial receivables	(0,1)	(49,3)	49,2
Current financial debt	101,2	94,3	6,9
<b>Current Net Financial Position (Debt/-Cash)</b>	<b>(25,0)</b>	<b>(111,4)</b>	<b>86,4</b>
Non-current financial debt	68,7	71,5	(2,8)
<b>Adjusted Net Financial Position (Debt/-Cash)</b>	<b>43,7</b>	<b>(39,9)</b>	<b>83,6</b>
Net Financial Position for funded investments (Debt/-Cash)	(3,5)	(67,5)	64,0
<b>Net Financial Position (Debt/-Cash)</b>	<b>40,2</b>	<b>(107,4)</b>	<b>147,6</b>

# FNM Group | Main features of the Sustainability Report 2020

## Overview



The main new elements of the Sustainability Report 2020 are:

- Review of the **main material topics** and the Group's materiality matrix
- **Group's business model** update
- Dedicated chapter to the **impacts of the Coronavirus pandemic**
- Integration of information requested by the **new GRI Standard (207; 303; 403)**
- Integration of information requested by **investors and rating agencies**
- Quantification of the generated **economic, environmental and social impacts**

## Reference regulations and methodological standards

The Consolidated Disclosure of Non-Financial Information has been written in compliance with the provisions of the following regulations and methodological standards:



Legislative  
Decree No.  
254/2016



GRI  
Sustainability  
Reporting  
Standards



International  
<IR> framework

# FNM Group | Sustainability Report Contents

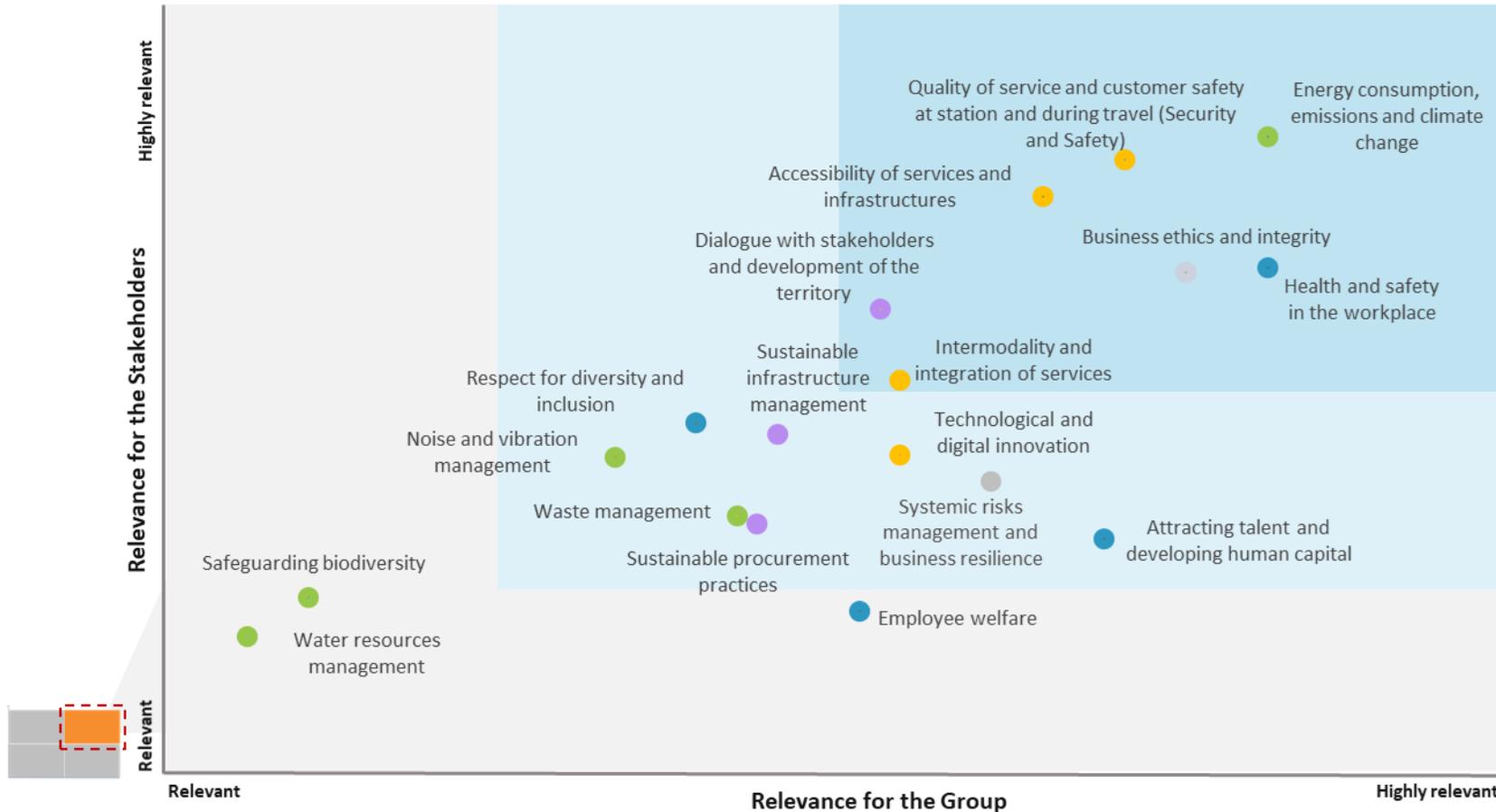
Document Index



 <p><b>Sustainability Report 2020</b></p>	President's Letter to the stakeholders and Vice President's Introduction		INTRODUCTION
	Methodological note	Reporting scope; reporting principles, criteria and standards	
	Reader's guide	Introductory note to the document	
	FNM Group: identity	Description of the mission, profile and activities carried out by the organization	PROFILE
	The impacts generated by the pandemic on the transport market	Description of the external context in which the organization operates	
	Materiality analysis	Description of the issues that most reflect the environmental, social and economic impacts for the Group	STRATEGY AND GOVERNANCE
	FNM Group's strategy: an integrated approach and business model	Description of how the organization generates results that aim to achieve strategic goals and create value over time	
	Group's governance model	Description of the governance structure and how it supports the organization in creating value in the short, medium and long term	
	Risk management system	Description of the risks and opportunities that impact the ability to create value in the short, medium and long term and the ways in which these risks and opportunities are managed	CREATED VALUE
	FNM Group's shared value	Description of financial capital, productive and intellectual capital, human capital, natural capital and social and relational capital	
	The creation of value for the country	Measurement of the economic, social and environmental value generated by the FNM Group through the True Value model	
	Performance's foreseeable evolution	Description of the challenges and uncertainties that the organization may face in pursuing its strategy and their potential impacts on the business model	OTHER
	Attachments	Description of the ways in which the organization has determined the issues to be included in the financial statements and the ways in which these issues are quantified and assessed	

# FNM Group | Materiality matrix 2020

The Top Management and Stakeholders' perspective on FNM Sustainability



- 

**Environmental responsibility**
- 

**Governance, integrity and economic responsibility**
- 

**Human resources**
- 

**Responsibility towards customers, infrastructures and transport systems**
- 

**Social responsibility (community) and supply chain**



# Contacts

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