



# Franchetti Spa

FY2023 Results

# Management Team

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## **Paolo Franchetti** *CEO & Partner*

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Civil engineer specialized in the dynamics of existing and monumental structures

He is a member of the Study Commission for the Port of Venice and of the Maritime Traffic Evaluation Commission of the Giudecca Canal and carries out a regular activity as an Associate Professor at the University of Padua. Director of the International Road Federation (IRF) from 2023 to 2025, he was a visiting professor at UCI Irvine (University of California).

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## **Michele Frizzarin** *Partner & R&D Director*

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Structural engineer specialized in the field of analysis and verification of existing structures, he deals with inspection and structural analysis of concrete, steel and masonry infrastructures and historic and monumental buildings

He has deepened his training in the study of the dynamic and seismic behavior of structures

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## **Gianluca Del Fabbro** *General Manager*

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Management engineer, manager with 25 years of experience in globally active industrial realities, Del Fabbro is in charge of continuing and accelerating the process of continuous growth and managerialization of the company both in the national and international market, also through the start-up and/or or the acquisition of new companies

Previously he held various managerial positions in Italy and abroad both in multinationals and in SMEs

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## **Omar Emiliano Salustri** *CFO Franchetti Italia*

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Master Degree in Economics and Commerce, enrolled in the Register of Statutory Auditors at the MEF

He deals with the administrative, accounting and financial management and personnel management of SMEs, up to multinationals

He carries out auditing and control activities as a member of Boards of Statutory Auditors

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**Company Overview**

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**FY2023 Financial Results**

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**Q&A**

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**Annex**

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# Company Overview



# Who we are

# FRANCHETTI

BRIDGE DIAGNOSTICS AND PREDICTIVE MAINTENANCE

**Franchetti** is a **software house** specialized in the development of mathematical models, which through the use of proprietary algorithms and software sells products and services aimed at the **sustainable management and predictive maintenance of existing transportation networks**.

## Skills



Engineering



Computer sciences

## Database



Data collected worldwide

## Assets



Proprietary software suites and algorithms



## Services



Predictive maintenance scheduling



Diagnosis and treatment of infrastructure maintenance

## Output



Reduction of times and costs (extending the life cycle of existing infrastructures)

74	Employees	<ul style="list-style-type: none"><li>• Expert evaluators of the safety conditions of existing infrastructures and software specialists for engineering</li></ul>
5	Countries of presence (on 3 continents)	<ul style="list-style-type: none"><li>• Franchetti has been operating for 20+ ys. in <b>Italy</b> (registered office in Arzignano, Vicenza), <b>Brazil</b> and <b>Canada</b></li><li>• It has a corporate presence in the <b>US</b> and <b>India</b></li></ul>
40k+	Equivalent bridges subject to intervention to date	<ul style="list-style-type: none"><li>• Franchetti's main field of endeavor is in the area of structural capex, namely inspection, analysis and predictive maintenance scheduling of the high-value elements - <b>primarily bridges</b> - of complex transportation networks</li></ul>
38k+	Bridges and viaducts in the world included in Argan	<ul style="list-style-type: none"><li>• <b>Argan©</b> is the artificial intelligence software, in-house designed, to carry out the predictive maintenance of infrastructures</li><li>• <b>Pathwork©</b> is an original software designed and built by Franchetti Spa which aims to achieve optimal planning of the construction site of a stretch of road work</li></ul>
€ 20bn	Estimated value of the global maintenance engineering services sector (per annum)	<ul style="list-style-type: none"><li>• The Group's clients are national and international public and private leadplayers in road and rail infrastructure management</li></ul>

*Franchetti operates in **all areas of activity**, being the **most integrated player** particularly in the areas of infrastructure design, facility and hospital design, structural instrumental monitoring, development of software and Artificial Intelligence tools for asset management, maintenance planning support to the contracting station. Additional success factors and elements of **competitive advantage** for Franchetti are **innovation, use of technology and software development**.*



Thanks to a **deep know-how and specialized expertise** in the engineering field the Group is able to access structural damage in a wide range of existing structures and define the best intervention strategies during their lifetime.



### The Group's customers

- National and international public and private leaders in the management of road and railway infrastructures
- Long-term concessionaires (typically 20+ years) of entire portions of the infrastructural network
- Typically organized in several independent territorial compartments (however, the Group usually concludes contracts with the customer's "central administration»)



### The Group's contracts

- Mainly multi-year contracts (estimated for approx. 2 subsequent years in addition to the current one)
- Acquired both through private negotiations and through public and/or private tenders (taking part in an average of **200 tenders each year, winning an average of 15% of them**)



### The Group's commercial structure

- Tenders office (selects the public tenders to participate in and draws up the necessary documentation)
- Area managers (carry out commercial activities for direct assignments and manage the relationship with customers in the area)
- Branches (they ensure the presence of the markets of interest in the territories)

# Reference market: components and trends

*Franchetti's reference market is related to infrastructure maintenance services, a strategic sector for economic and environmental sustainability*

## 1. Technological Advancements

## 2. Condition Monitoring

## 3. Predictive Maintenance

## 4. Data Analytics and AI

## 5. Remote Monitoring

## 6. Government Initiatives



- Infrastructure maintenance services: related engineering services is estimated at more than € 20.00 billion\*, since most of the infrastructure in the world was built after the Second World War and received an insufficient level of maintenance.
- The infrastructure market includes railways, ports, highways, airports, water, sanitation and waste, with business opportunities in design and construction.
- Strategic and fast-growing sector with high potential for the predictive maintenance of infrastructure due insufficient level of maintenance through continuous monitoring and real time monitoring.

*Franchetti intends to pursue the development and growth strategy both internally and externally.*

- 1. Strengthening** of the **presence in the markets** where the Group already operates
- 2. Acquisitions of companies** that carry out activities consistent with the Group's core business
- 3. Expansion** of the **offer of ICT services** on predictive maintenance
- 4. Expansion** into **new sectors contiguous** to that of infrastructures
- 5. Expansion** into relevant **international markets**





# FY2023 Financial Results



## Highlights FY2023

# FRANCHETTI

BRIDGE DIAGNOSTICS AND PREDICTIVE MAINTENANCE

In FY2023 **Franchetti** recorded strong growth in all economic and financial indicators and a steady increase in Group backlog with revenue visibility up to 2026

**Revenues** (in € '000)

**6.252**

+31.8% vs 4.743  
FY2022

**Value of Production** (in € '000)

**7.020**

+44.1% vs 4.873  
FY2022

**Ebitda** (in € '000)

**2.535**

+37.9% vs 1.839  
FY2022

**Net income** (in € '000)

**1.243**

+3.8% vs 1.200  
FY2022

**NFP in** (€ '000)

**0.419 (debt)**

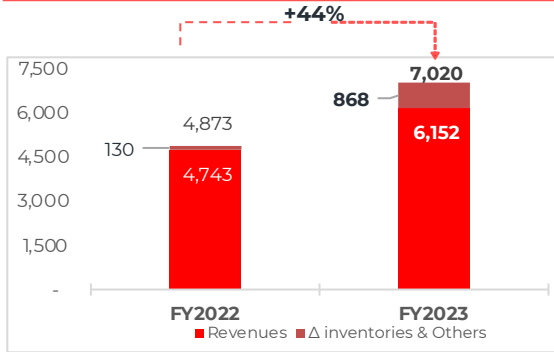
vs -0.156 (cash)  
FY2022

**Backlog** (€M)

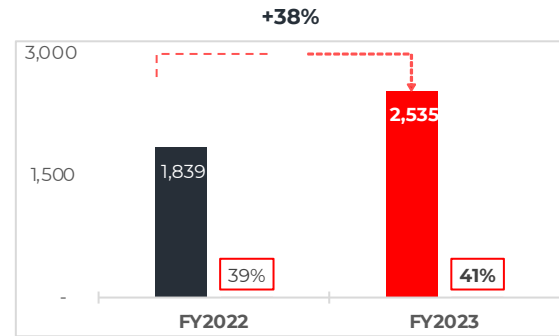
**≈34**

as 31 Dec. 2023

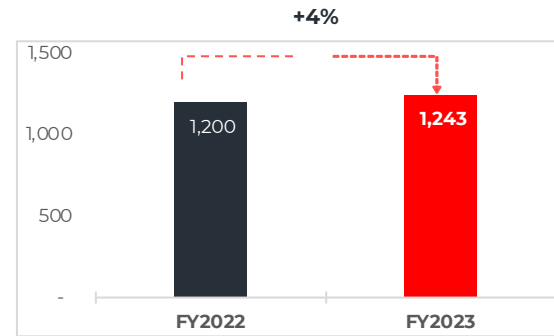
## Revenues/VoP (in € '000)



## Ebitda (in € '000 e in % on Revenues)



## Net result (in € '000)



- Value of production totaled Euro 7.0 million, up 44.1% from Euro 4.9 million to December 31, 2022.

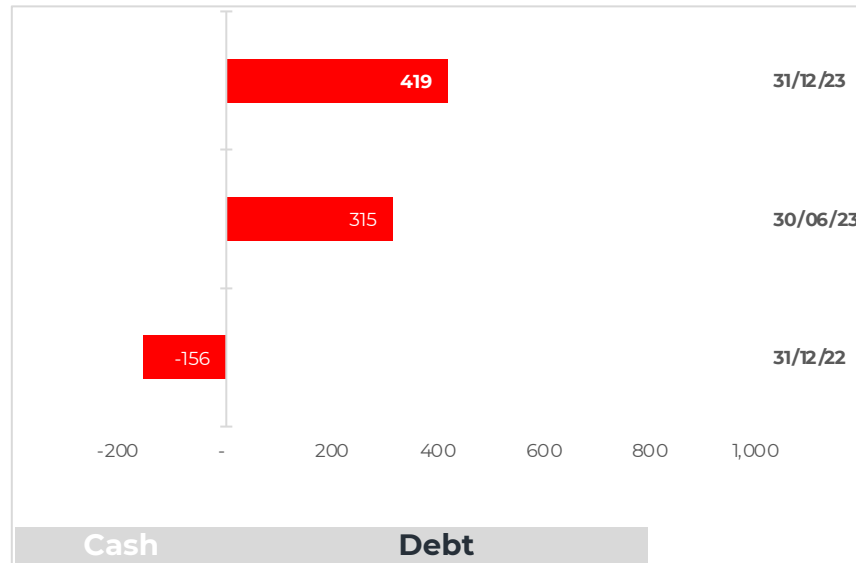
Breaking down the value of production:

The value of production in Italy stands at Euro 5,591,821 (79.6% of the total), compared to Euro 3,035,000 in the same period in 2022, while the figure for Brazil is Euro 1,428,302 (20.4% of the total), compared to Euro 1,837,000 in the same period in 2022.

- After expensing production costs of Euro 4.5 million - an item which is mainly affected by increased service costs relating to external suppliers and expenses for personnel (74 staff at December 31, 2024), EBITDA stood at Euro 2.5 million, a 37.8% increase on Euro 1.8 million in 2022. After depreciation and amortization of approx. Euro 0.5 million, Operating Profit (EBIT) stands at Euro 2.0 million, up 24.8% on Euro 1.6 million in 2022. Pre-tax profit was Euro 1.9 million, up 21.4% from Euro 1.5 million in 2022.

# FY2023 Balance Sheet

## Net Financial Position (in € '000)



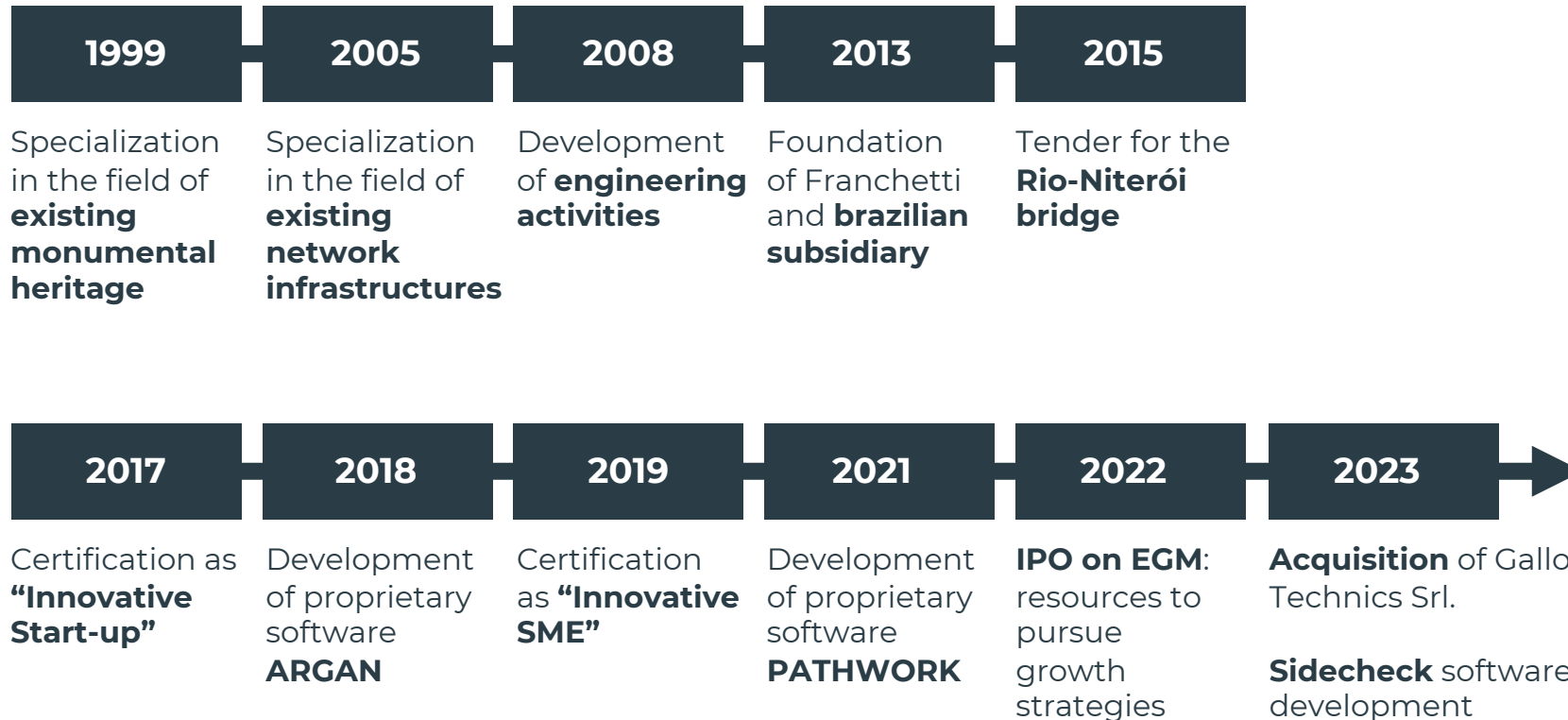
- Net Financial Debt stood at Euro 0,4 million (debt) compared to Euro 0,2 million (cash positive) at December 31, 2022. Specifically, current financial payables rose to 2.8 million, up from Euro 1.7 million at December 31, 2022, while non-current financial payables decreased to Euro 0.2 million (Euro 0.4 at December 31, 2022).

# Annex

(€)	31/12/2023	31/12/2022
Revenues	6,152,164	4,742,811
Change in inventories	768,236	(24,914)
Increases for internal work	18,911	-
Other operating revenues	80,812	155,026
<b>VALUE OF PRODUCTION</b>	<b>7,020,123</b>	<b>4,872,923</b>
Costs for raw materials and consumables	(141,989)	(92,533)
Costs for services	(2,924,711)	(2,188,893)
Costs for the use of third party assets	(281,635)	(189,966)
Personal	(955,517)	(432,011)
Various management costs	(180,788)	(130,127)
<b>EBITDA</b>	<b>2,535,483</b>	<b>1,839,393</b>
<b>EBITDA Margin</b>	<b>41%</b>	<b>39%</b>
Amortization of intangible assets	(489,936)	(195,271)
Depreciation of tangible fixed assets	(16,652)	(18,800)
<b>EBIT</b>	<b>2,028,895</b>	<b>1,625,322</b>
<b>EBIT Margin</b>	<b>33%</b>	<b>34%</b>
Financial income	23,295	14,778
Financial charges	(153,731)	(102,453)
Gains/(Losses) on foreign exchange	(27,496)	4,105
<b>RESULT BEFORE TAXES</b>	<b>1,870,963</b>	<b>1,541,752</b>
Income taxes	(627,759)	(341,415)
<b>PROFIT</b>	<b>1,243,204</b>	<b>1,200,337</b>

(€)	31/12/2023	31/12/2022
Inventories	923,540	154,488
Commercial credits	5,768,623	3,673,083
Commercial debts	(1,341,899)	(846,272)
<b>Commercial Working Capital</b>	<b>5,350,264</b>	<b>2,981,299</b>
Other activities	1,192,709	1,081,421
Other Liabilities	(1,871,970)	(1,399,913)
<b>Net Working Capital</b>	<b>4,671,003</b>	<b>2,662,807</b>
Intangible assets	2,262,510	1,580,631
Tangible fixed assets	70,485	89,486
Financial fixed assets	31,702	159,136
<b>Gross Invested Capital</b>	<b>7,035,700</b>	<b>4,492,060</b>
TFR	(64,599)	(41,218)
Funds	-	-
<b>Net Invested Capital</b>	<b>6,971,101</b>	<b>4,450,842</b>
Short-term debts to banks	2,787,893	1,675,020
Medium and long-term debts to banks	233,161	403,619
<b>Financial debts</b>	<b>3,021,054</b>	<b>2,078,639</b>
Liquid assets	(2,602,278)	(2,234,329)
Other financial assets	-	-
<b>Net financial debt</b>	<b>418,776</b>	<b>(155,690)</b>
Social Capital	358,408	347,039
Reserves	4,950,713	3,059,156
Operating result	1,243,204	1,200,337
<b>Total PN</b>	<b>6,552,325</b>	<b>4,606,532</b>
<b>Total sources</b>	<b>6,971,101</b>	<b>4,450,842</b>

(€)	31/12/2022	Δ	31/12/2023
A) Liquid assets	2,234,329	367,949	2,602,278
B) Cash equivalents	-	-	-
C) Other current financial assets	-	-	-
More activities coming soon	-	-	-
<b>D) Liquidity (A+B+C)</b>	<b>2,234,329</b>	<b>367,949</b>	<b>2,602,278</b>
E) Current financial debt	1,675,020	1,112,873	2,787,893
F) Current portion of non-current financial debt	-	-	-
Other short-term liabilities	-	-	-
<b>G) Current financial debt (E+F)</b>	<b>1,675,020</b>	<b>1,112,873</b>	<b>2,787,893</b>
<b>H) Net current financial debt (G-D)</b>	<b>-559,309</b>	<b>744,924</b>	<b>185,615</b>
I) Non-current financial debt	403,619	-170,458	233,161
J) Debt instruments	-	-	-
K) Trade payables and other non-current payables	-	-	-
<b>L) Non-current financial debt (I+J+K)</b>	<b>403,619</b>	<b>-170,458</b>	<b>233,161</b>
<b>M) TOTAL FINANCIAL DEBT (H+L)</b>	<b>-155,690</b>	<b>574,466</b>	<b>418,776</b>
Financial credits beyond 12 months	-159,136	127,434	-31,702
Overdue Tax Debts	206,818	192,314	399,132
<b>TOTAL ADJUSTED NET FINANCIAL DEBT</b>	<b>-108,008</b>	<b>894,214</b>	<b>786,206</b>



<b>Admission Price</b>	€ 3,00
<b>Stock Ticker</b>	FCH
<b>Stock ISIN</b>	IT0005508574
<b>Warrant Ticker</b>	WFCH25
<b>Warrant ISIN</b>	IT0005508558
<b>Market</b>	Euronext Growth Milan

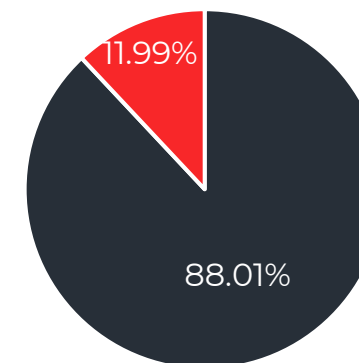
## Board of Directors

<b>Paolo Franchetti</b>	<i>Chairman and CEO</i>
<b>Michele Frizzarin</b>	<i>Director</i>
<b>Rony Hamaui</b>	<i>Director</i>
<b>Stefano Granati</b>	<i>Independent director</i>
<b>Remy Cohen</b>	<i>Independent director</i>

The BoD will remain in office until the approval of the financial statements of Franchetti S.p.A. as of December 31, 2024

## % on Ordinary Shares

- Franchetti Holding S.r.l.
- Market



## Board of Statutory Auditors

<b>Federico Caprin</b>	<i>Chairman</i>
<b>Luigi Solinas</b>	<i>Auditor</i>
<b>Sonia Poletto</b>	<i>Auditor</i>
<b>Alberto Signorini</b>	<i>Alternate Auditor</i>
<b>Alessandro Prandin</b>	<i>Alternate Auditor</i>

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