



Franchetti Spa

Investor Access Event
Paris – April 4th, 2024

FRANCHETTI
BRIDGE DIAGNOSTICS AND PREDICTIVE MAINTENANCE

Management Team

Paolo Franchetti
CEO & Partner

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).

Michele Frizzarin
Partner & R&D Director

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

Gianluca Del Fabbro
General Manager

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

Omar Emiliano Salustri
CFO Franchetti Italia

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

Company Overview

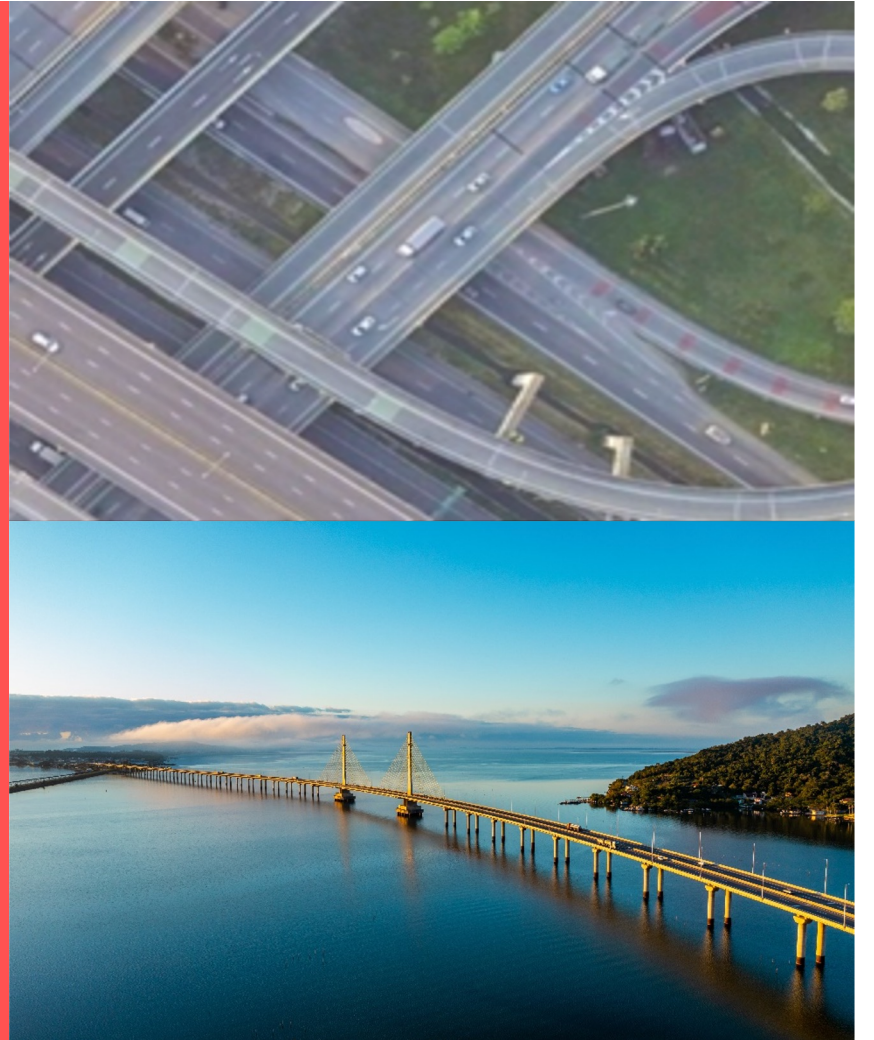
FY2023 Financial Results

Q&A

Annex



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">• Expert evaluators of the safety conditions of existing infrastructures and software specialists for engineering
5	Countries of presence (on 3 continents)	<ul style="list-style-type: none">• Franchetti has been operating for 20+ ys. in Italy (registered office in Arzignano, Vicenza), Brazil and Canada• It has a corporate presence in the US and India
40k+	Equivalent bridges subject to intervention to date	<ul style="list-style-type: none">• 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 - primarily bridges - of complex transportation networks
38k+	Bridges and viaducts in the world included in Argan	<ul style="list-style-type: none">• Argan© is the artificial intelligence software, in-house designed, to carry out the predictive maintenance of infrastructures• Pathwork© 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
€ 20bn	Estimated value of the global maintenance engineering services sector (per annum)	<ul style="list-style-type: none">• The Group's clients are national and international public and private leadplayers in road and rail infrastructure management

Value chain

*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 €m)

6.152

+29.7% vs 4.743
FY2022

Value of Production (in €m)

7.020

+44.1% vs 4.873
FY2022

Ebitda (in €m)

2.535

+37.9% vs 1.839
FY2022

Net income (in €m)

1.243

+3.6% vs 1.200
FY2022

NFP in (€m)

0.419 (debt)

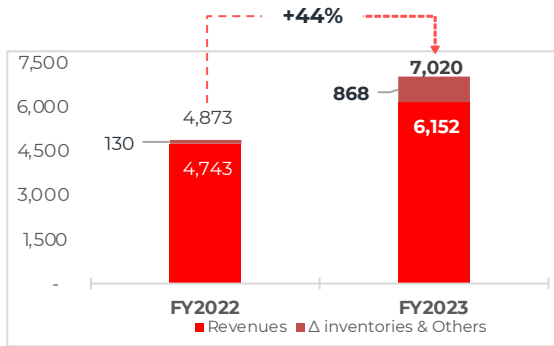
vs -0.156 (cash)
FY2022

Backlog (€M)

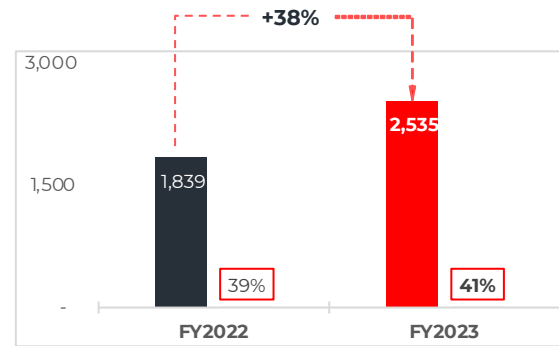
≈34

as 31 Dec. 2023

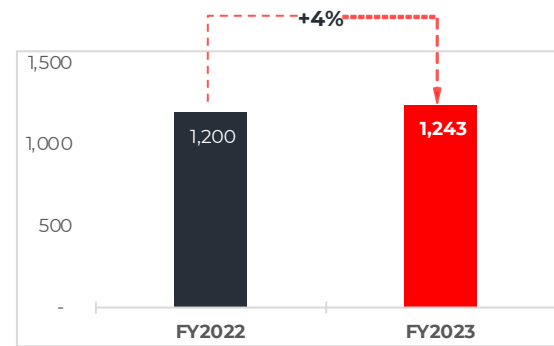
Revenues/VoP (in €m)



Ebitda (in €m & in % on Revenues)



Net result (in €m)



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

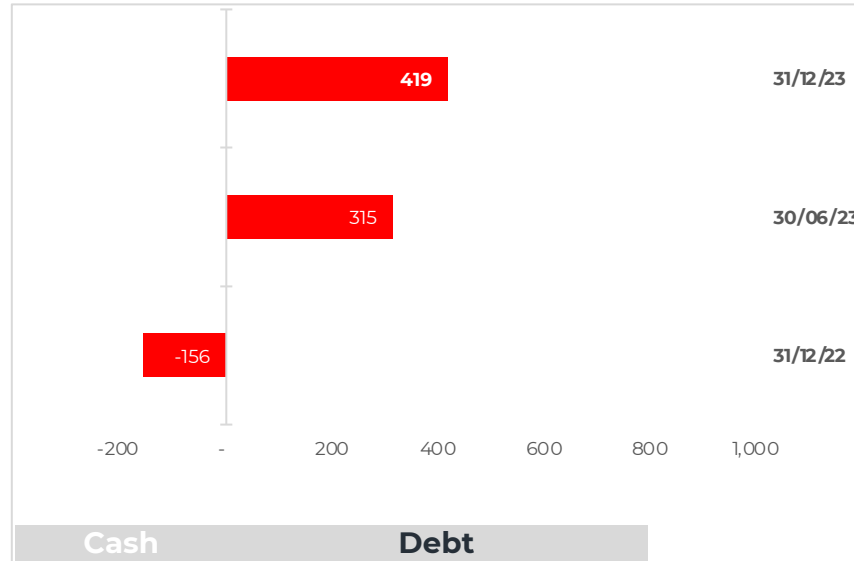
Breaking down the value of production:

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)



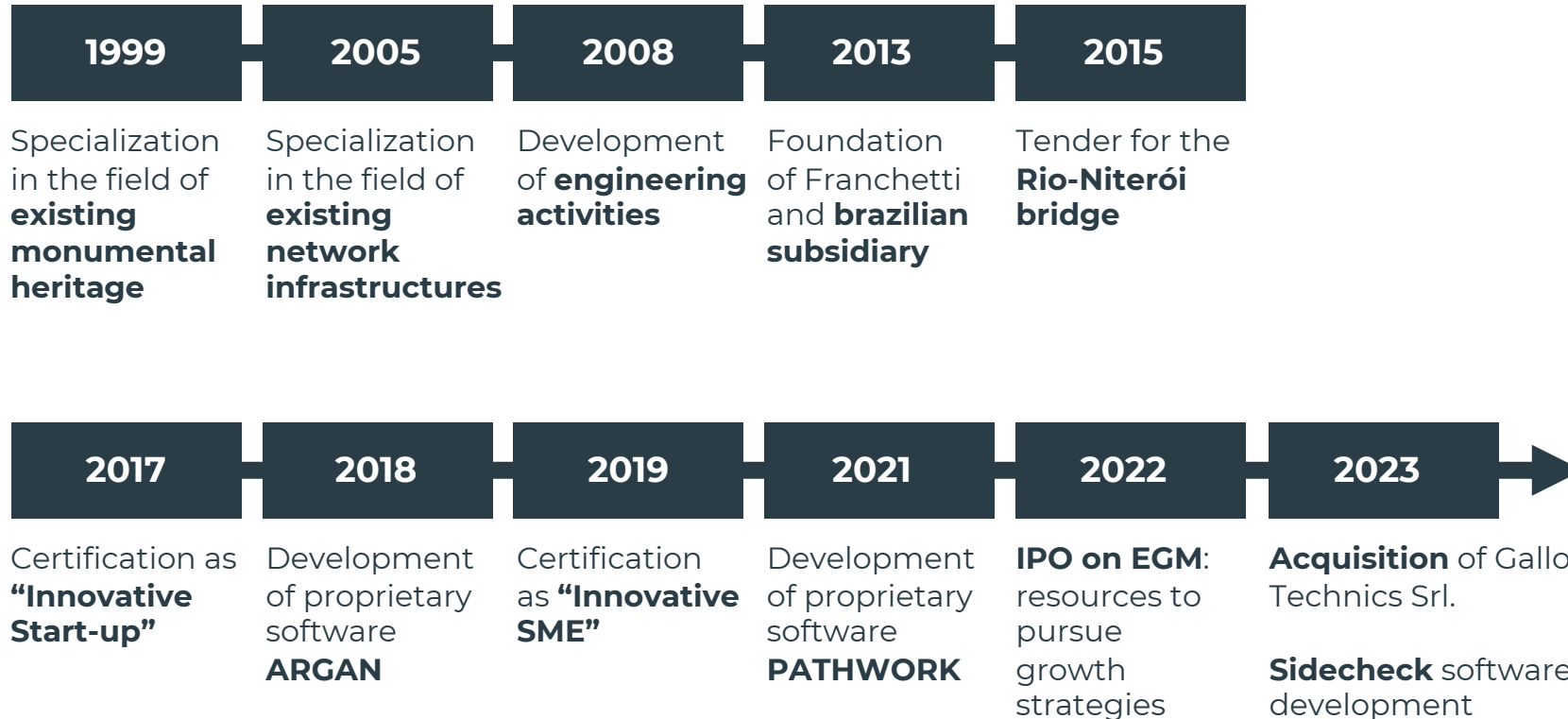
- Net Financial Debt stood at Euro 0,4 million (debt) compared to Euro 0,2 million (cash positive) at December 31, 2022. Specifically, current financial payables rose to 2.8 million, up from Euro 1.7 million at December 31, 2022, while non-current financial payables decreased to Euro 0.2 million (Euro 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
VALUE OF PRODUCTION	7,020,123	4,872,923
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)
EBITDA	2,535,483	1,839,393
EBITDA Margin	41%	39%
Amortization of intangible assets	(489,936)	(195,271)
Depreciation of tangible fixed assets	(16,652)	(18,800)
EBIT	2,028,895	1,625,322
EBIT Margin	33%	34%
Financial income	23,295	14,778
Financial charges	(153,731)	(102,453)
Gains/(Losses) on foreign exchange	(27,496)	4,105
RESULT BEFORE TAXES	1,870,963	1,541,752
Income taxes	(627,759)	(341,415)
PROFIT	1,243,204	1,200,337

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

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



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

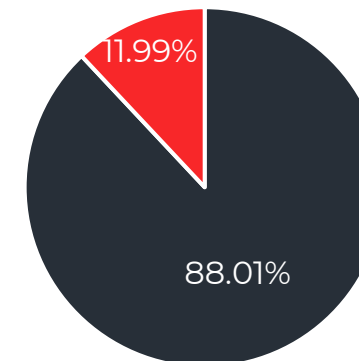
Board of Directors

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

- Franchetti Holding S.r.l.
- Market



Board of Statutory Auditors

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

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