



# Results Presentation Q3-2024

19 November 2024

*Talgo*

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# Executive Summary – Key Highlights



## Business Performance

- **Magyar Vagon takeover bid for 100% Talgo shares was rejected** by Spanish Government<sup>1</sup>. Currently **SIDENOR industrial group considering acquisition** of total or partial share capital<sup>1</sup>.
- **Delivery (RPP\*) of Renfe VHS trains started in April'24** (23 trains).
- **Manufacturing activity driving revenue growth** and supported by recurrent maintenance projects.
- **Remarkable commercial momentum** supports expectations on improving Talgo positioning in European main rail markets.

	Q3-2024
Accident freq. <sup>2</sup>	8.50
Severity <sup>2</sup>	0.17
Backlog	€3,987 m
Pipeline	€10.5 bn

## Financial Results

- **9M2024 revenues continue to register historical highs** while quarterly variations reflects normal projects cycles.
- **Reliable business profile** upon recurrent maintenance services.
- **Ebitda margin as of 9M-2024 in line with year-end expectations.**
- **Financial expenses remained high in 9M-2024** although interest rates drop will benefit onwards.

	9M-2024
Revenues	€497.8 m
EBITDA	€57.7 m
EBITDA Mg.	11.6%

## Outlook update

- **Revenue guidance is slightly adjusted to reflect manufacturing cycles.** Activity however is **expected to remain high.**
- **Net Financial Debt is expected to register further increase** driven by Working Capital requirements (fundamentally work in progress of manufacturing projects), **hitting a high in FY-2024 prior to stabilize in FY-2025 below 3.5x.**

	FY-2024	FY-2025
Revenues	c. 48% <sup>3</sup> ↓	
EBITDA Mg.	c. 11.5%	
NFD	4.0-5.0x <sup>4</sup> ↑	c. 3.5x <sup>4</sup>
Order intake	> 1.0x <sup>5</sup>	

\* RPP: Preliminary Partial Reception to start commercial operations in single configuration.

1) Please refer to CNMV filings for further information.

2) Accident frequency rate: Includes Talgo FTEs in Spain. Industrial accidents per million man-hours worked. FTEs (Full Time Equivalent Employees). Severity rate: Number of working days lost per 1,000 hours worked. Talgo FTEs in Spain.

3) Backlog execution in the period 2023-2024 based on FY2022 backlog figures (2,748 €m).

4) Net Financial Debt to LTM EBITDA. NFD excludes repayable advances with entities of to the Spanish Public Administration relating to R&D, which are not considered financial debt

5) Book-to-bill ratio: Volume of new orders over LTM revenues.

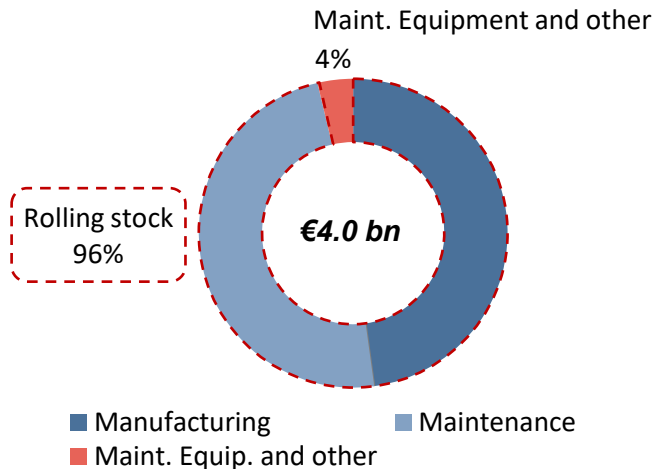
Source: Company

# Business performance

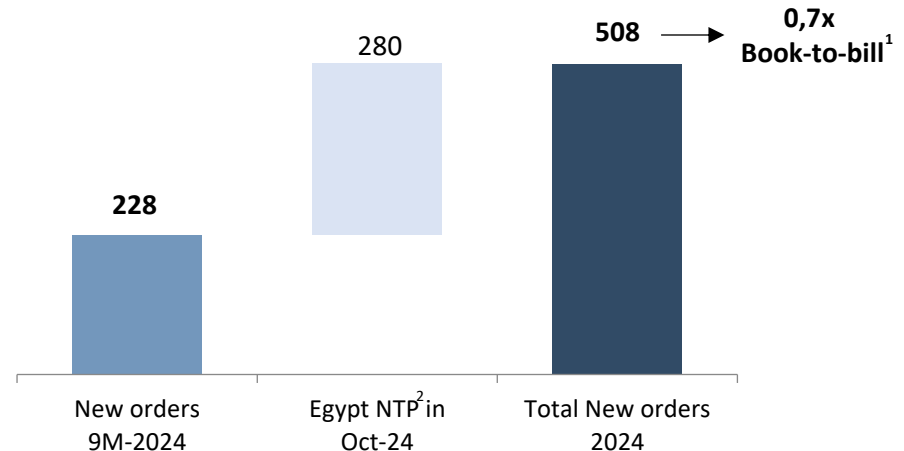


- **Order backlog reached €4.0 bn** in Q3-2024, comprising new orders registered in the period with value amounting **228 €m (508 €m in October 2024)**
  - **Renfe VHS trains are under delivery process** (23 trains already delivered) and on commercial operations.
  - DB and DSB as main manufacturing revenue contributors in 2024.
  - New orders registered in 2024 comprise mainly maintenance projects. In addition, manufacturing project awarded by ENR (Egypt) in 2022 entered into force in Oct-2024 once all contract precedent conditions were met.
- **High commercial visibility** ahead with several opportunities aligned with Talگو's strategy moving towards **the global transport decarbonisation process** contributing with the **most energy efficient and best passenger accessibility trainsets technology** to address long-distance segments needs.
  - Pipeline amounting to over €10.5 bn of orders actively addressed.
  - **Europe and MENA markets** and **long-distance segments** leveraging on latest technology developments to ensure the best-in-class performance for worldwide operators.

**Order backlog Q3-2024 (€m)**



**Order intake 9M-2024 (€m)**

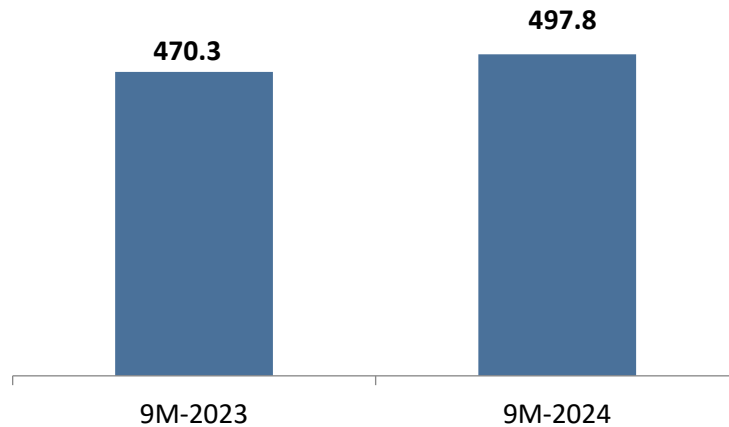


1) Book-to-bill ratio: Volume of new orders over LTM revenues.  
 2) Notice to proceed.

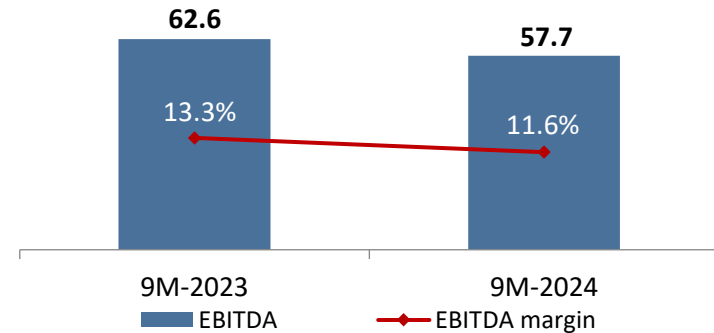
# Key financial figures



Revenues 9M-2024 (€m)



EBITDA 9M-2024 (€m) and margin (%)



- Revenues reached **€497.8 m in 9M-2024** reflecting the manufacturing activity of the main projects, mainly DB (Germany) and DSB (Denmark), **currently immersed in manufacturing and assembly phases** where investment in working capital and cost recognition is more intense.
- EBITDA amounted to **€57.7 m in 9M-2024, resulting in a 11.6% margin.**
  - Margins in line with year-end targets.
  - Indexation clauses included in >90% of current backlog reduces risks of materials and commodities volatility.
- Net income amounted to **€6.7 m in 9M-2024** mainly affected by financial expenses which remain high.

# Outlook update for FY-2024



	Previous Outlook	Current outlook FY-2024	FY-2025
<b>Profitability</b>	✓ EBITDA: c. 11.5%	c. 11.5%	
<b>Capital structure</b>	✓ Working Capital: Increase <sup>3</sup>	Increase <sup>3</sup>	Reduce <sup>3</sup>
	✓ Net Financial Debt: c. 3.5x EBITDA <sup>4</sup>	↑ 4.0-5.0x EBITDA <sup>4</sup>	c. 3.5x EBITDA <sup>4</sup>
	✓ Capex: c. €30 m <sup>1</sup>	Capex: c. €30 m <sup>1</sup>	
<b>Business performance</b>	✓ 2023-24 backlog execution: c. 50% <sup>2</sup>	↓ c. 48% <sup>2</sup>	
	✓ Average Book-to-Bill ratio: >1.0x <sup>5</sup>	>1.0x <sup>5</sup>	
<b>Shareholder remuneration</b>	✓ Dividend payment for 2024 pending to be defined	Not defined	



1) Does not include project R&D investments.  
 2) Over backlog FY2022 (2,748 €m).  
 3) Measured as % over revenues  
 4) Net Financial Debt to LTM EBITDA. NFD excludes repayable advances with entities of to the Spanish Public Administration relating to R&D, which are not considered financial debt  
 5) Book-to-bill ratio: Volume of new orders over LTM revenues.

Source: Company

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