

# TP ICAP MIDCAP CONFERENCE PARIS 2023

May 12, 2023 | Paris



# OMER OVERVIEW

## KEY FIGURES



**30 YEARS** of expertise in rolling stock manufacturing



**3 INDEPENDENT PRODUCTION SITES** (2 in Italy & 1 in the USA)



**7 PRODUCTION FACILITIES** fully integrated and digitized



**82,000 SQM** of which **33,700 COVERED SQM**



**380 DEDICATED STAFF** (~270 internal + ~110 contractors)



**2,000+ TRAINS** in operation worldwide with interiors developed and produced by OMER



**€ 116 MM** Backlog as at December 31, 2022

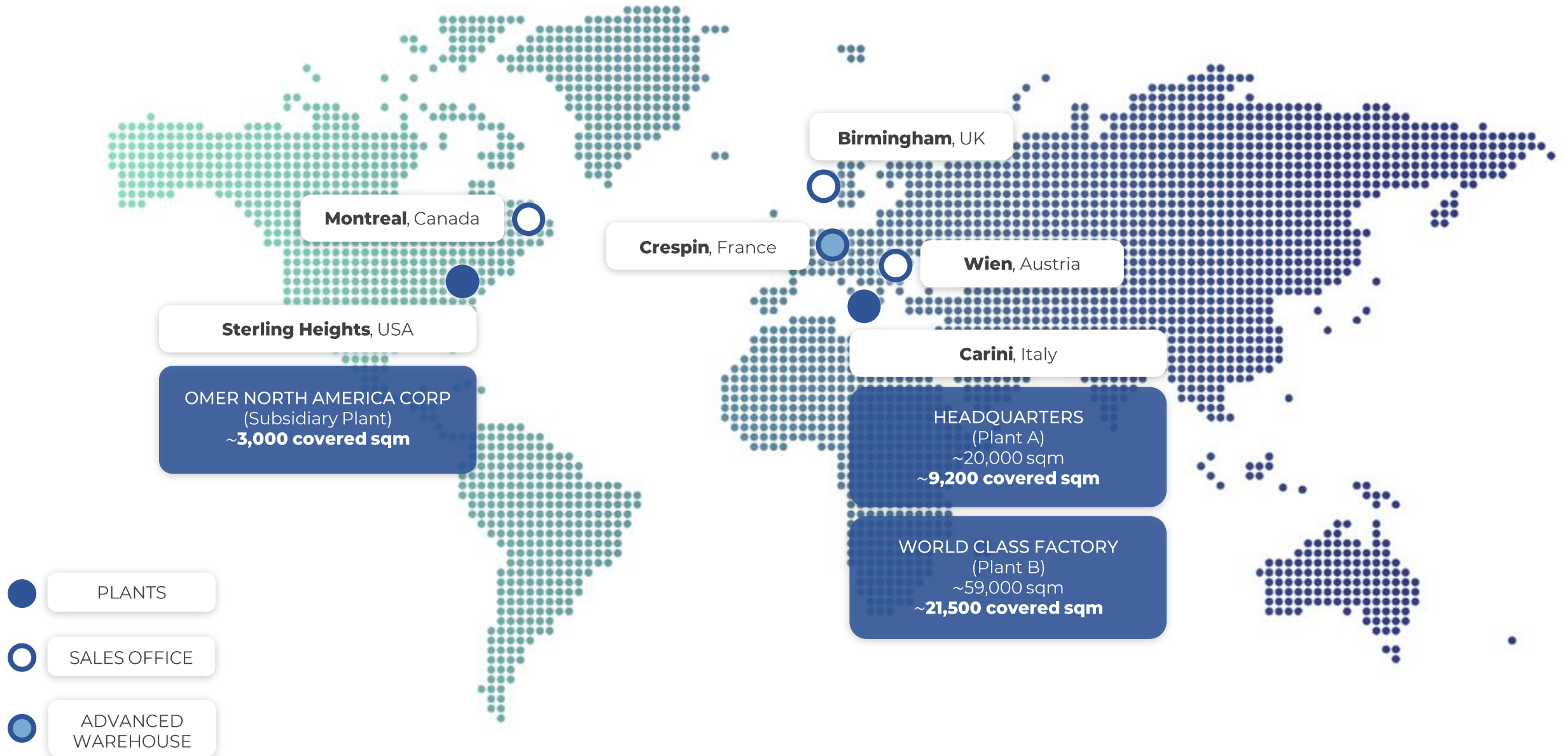


**€ 366 MM** Backlog & Soft Backlog as at December 31, 2022



**+44%** VoP CAGR 2018-2022

# OUR WORLDWIDE SITES







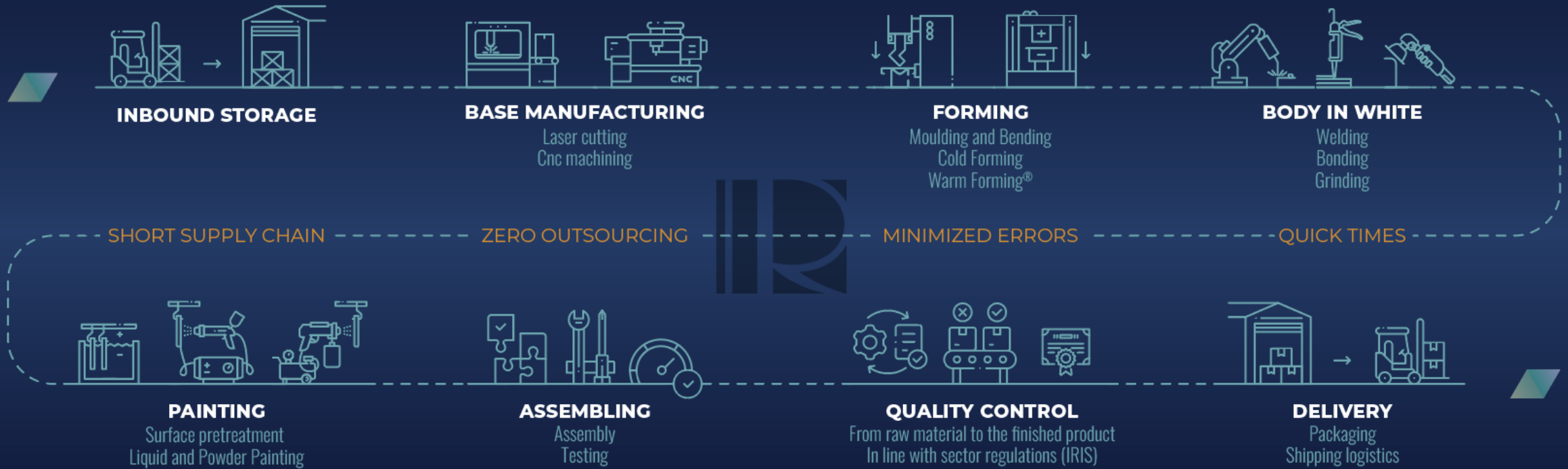
CARINI, ITALY





**80,000 square meters**  
and **6 fully digitized production units**  
in line with the Industry 4.0 rationale

**1 MEGAWATT PHOTOVOLTAIC SYSTEM**  
More than 60% of the energy needed for our production  
comes from renewable sources





# STERLING HEIGHTS, MICHIGAN, USA

Our subsidiary plant **specialized in the final manufacturing and assembly processes of products to be sold on the North American market** and in the commercial distribution of the OMER Group's products.







**Certification** *International Railway Industry Standard*

**IRIS Rev.03 -ISO/TS 22163:2017**

**ISO 9001:2015**

**ISO 14001:2015**

**EN 15085:2007 Part 2 – Level CL1**

**ISO 3834-2:2005**

**DIN 6701**

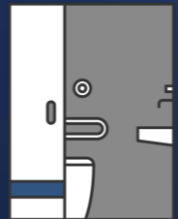




**INTERIORS**



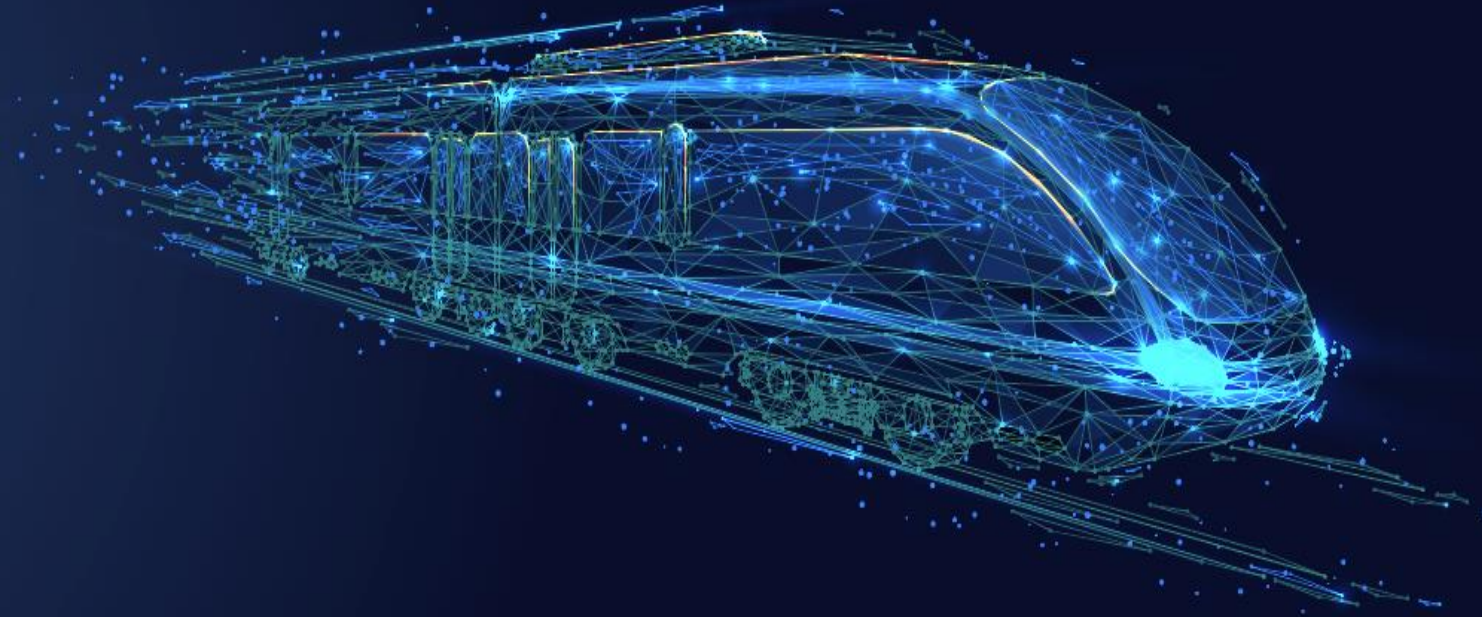
**DOORS**



**TOILETS**

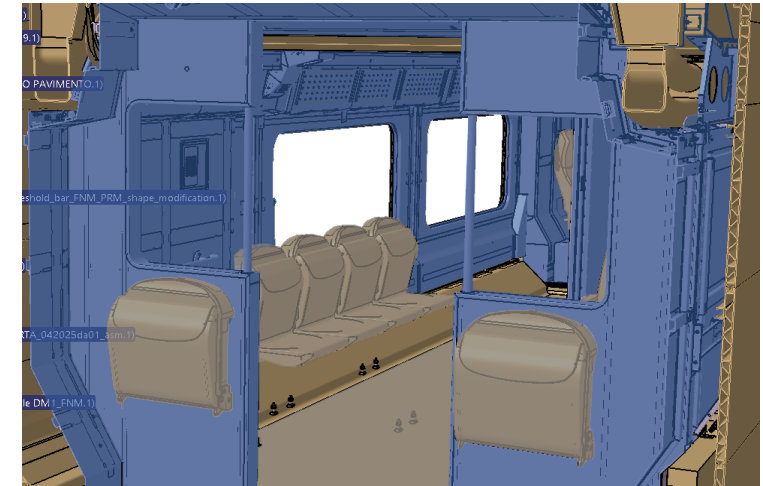
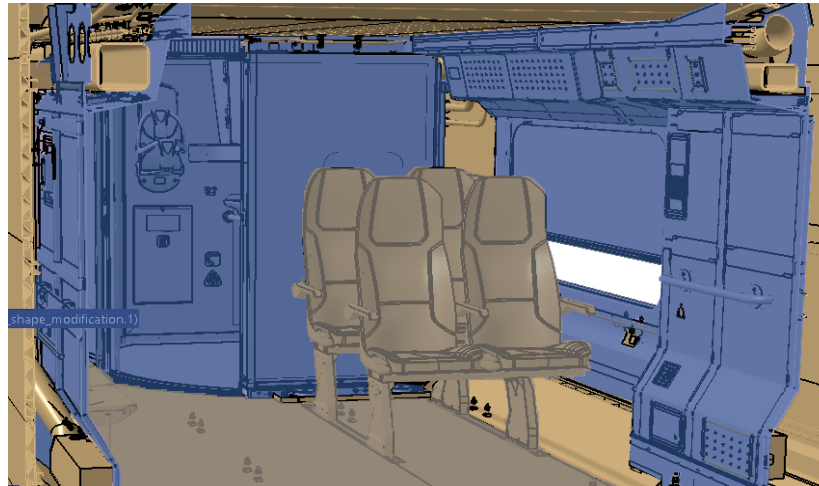
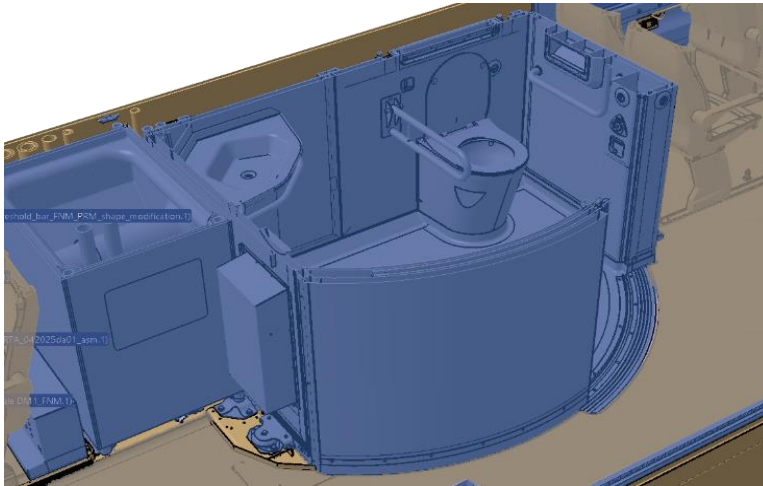
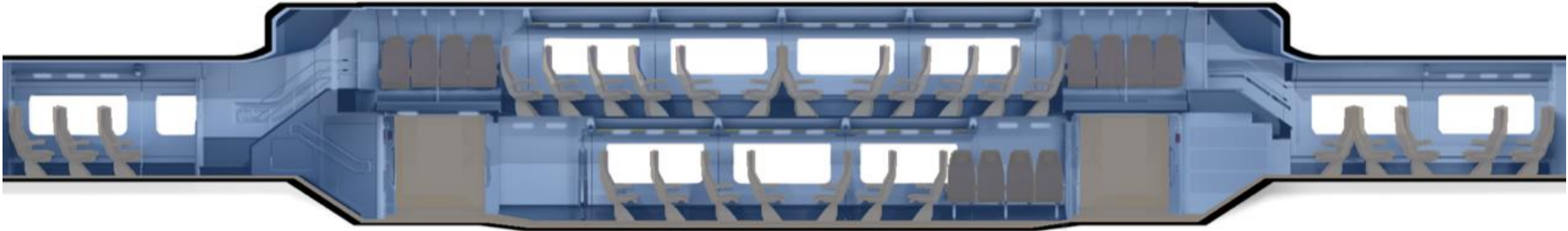


**FAIRINGS**





Items in blue are currently produced by Omer



Items in grey and light brown are currently not produced by Omer, offering further upside potential

WE GIVE CONCRETE SHAPE TO EVERY IDEA OF COMFORT

**From Subway to High Speed Trains**



**ROCK | CARAVAGGIO** for HITACHI





PRODUCTS



**NEOVAL** for SIEMENS









# PRODUCTS



**Modular Aluminum Toilet System**



**Modular Aluminum Toilet System**



**Frecciarossa ETR 1000** for HITACHI





**Frecciarossa ETR 1000** for HITACHI





**Frecciarossa ETR 1000** for HITACHI





**Avelia Amtrak** for ALSTOM

**ALSTOM**

**HITACHI**  
Inspire the Next

 **KNORR-BREMSE**

**SIEMENS**

**STADLER**

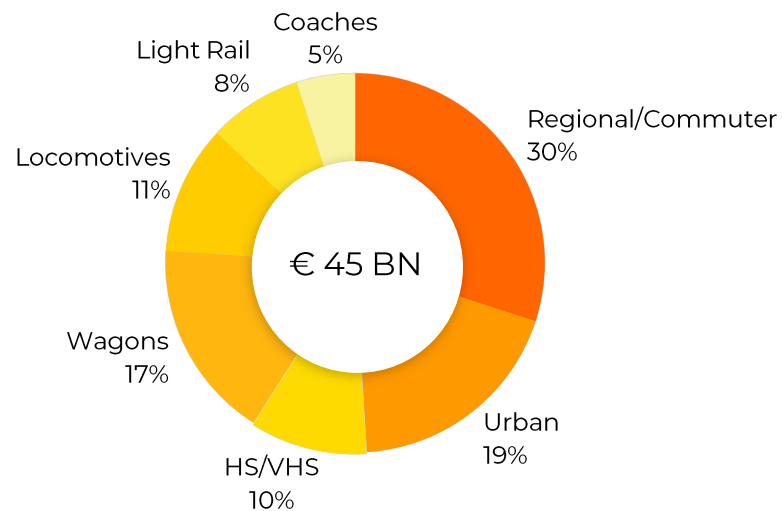
 **TRENITALIA**



# MARKET OVERVIEW

# MARKET OVERVIEW

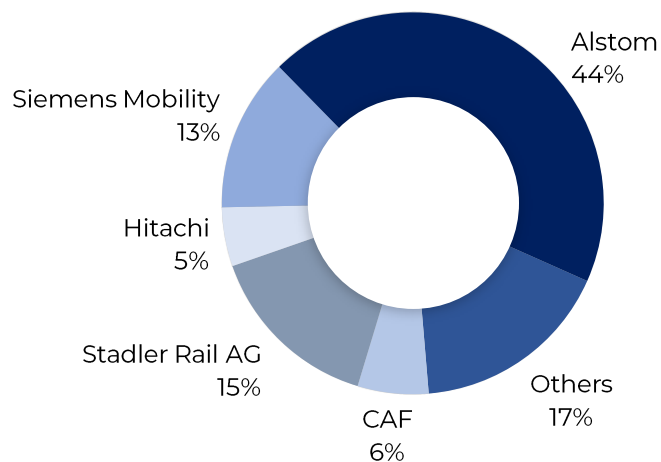
**UNIFE ACCESSIBLE  
MARKET 2020-2022  
(WRMS 2020)  
AVERAGE IN €  
BN/YEAR**



OMER addressable market in EU  
≈ 500-700 € mn

Rail sector demand expected to growth at a 2-3% CAGR <sup>(1)</sup> in the medium term, supported by rail policy addressing urbanisation, congestion, and low-carbon transport.

**MAIN TRAIN  
MANUFACTURES IN  
EUROPE IN 2019**



75% of OEM players  
in relationship with Omer

# ALSTOM

Alstom best positioned to capture growth in key geographies



**Targeting +5pp market share**

1. Estimated Market Share on visible market over 2017-2019; 2. Unife Accessible market study 2020-22 3. Incl. France, Italy and Spain 4. Includes Germany, Austria and Switzerland

5. Incl. UK, Denmark, Sweden and Norway 6. Includes Egypt, Israel, Turkey, UAE and South Africa

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## Trenitalia: rail passenger transport in Italy and abroad



### Key highlights

- Trenitalia is a train operator and is the main Italian company for the management of passenger rail transport.
- Trenitalia is also abroad with c2c (since 2017) and the West Coast Partnership (since 2019) in UK, Trenitalia France, Hellenic Train in Greece and Netinera Group active in Germany (previously directly owned by FS). Also, in May 2020, Trenitalia won the tender for operating the high-speed services in Spain for the next 10 years.

### Two business segments



#### Medium Long distance revenues (€mn)

	2020	2021	Change
High Speed services			
International and regulated domestic services (PSC** with the State)	1,474	1,884	+28%

#### Regional revenues (€mn)

	2020	2021	Change
Commuter passenger services			
PSC** Regional services	2,392	2,630	+10%

### Financial highlights

€mn	2020	2021
Revenues	3,906	4,522
EBITDA	827	1,054
EBIT	-208	67
Net Income	-423	2
EBITDA Margin	21.2%	23.1%
EBIT Margin	-5.3%	1.5%

INVESTMENTS 2021 € 1,618 mn\*

60% new rolling stocks

21% rolling stocks maintenance\*

## SIEMENS

Flying start to fiscal 2023 – Guidance raised

Roland Busch, CEO Siemens AG  
Ralf P. Thomas, CFO Siemens AG

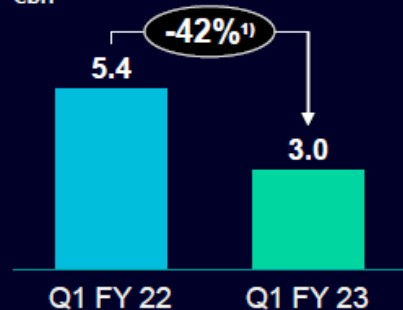
SIEMENS

### Mobility (MO)

Performance as expected, large customer opportunities ahead

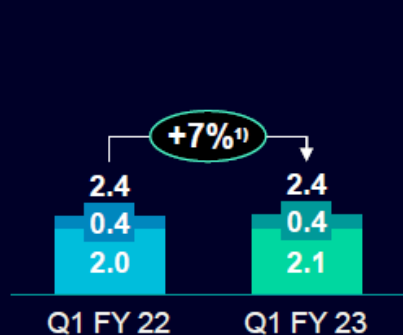
#### Orders

€bn



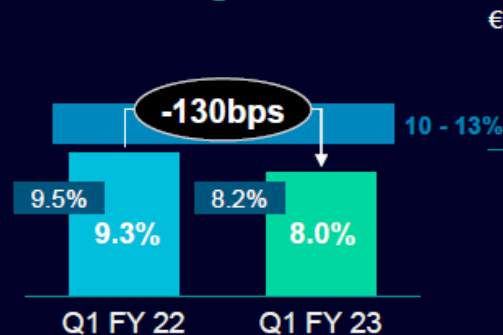
- Major order win (Sydney Metro)
- Very tough comps in Rolling Stock and Rail Infrastructure
- Backlog at €36bn with healthy gross margin, therein >€9bn service

#### Revenue



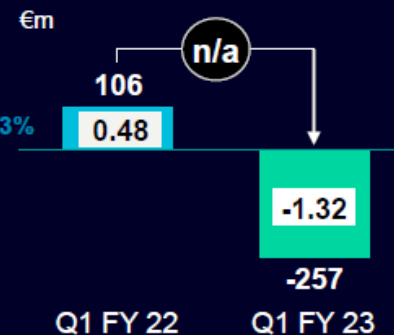
- Double-digit growth in Rail Infrastructure
- Rolling Stock moderately up
- Service up 1%

#### Profit Margin



- Still impact from supplier delays
- Less favorable business mix
- Positive effects related to sale of previously written down inventories

#### Free Cash Flow



- Timing for major customer payments shifted to January
- Expect catch-up in Q2

1 Comparable, excl. FX and portfolio

x.x x.x therein Service

x.x% Profit margin excl. severance

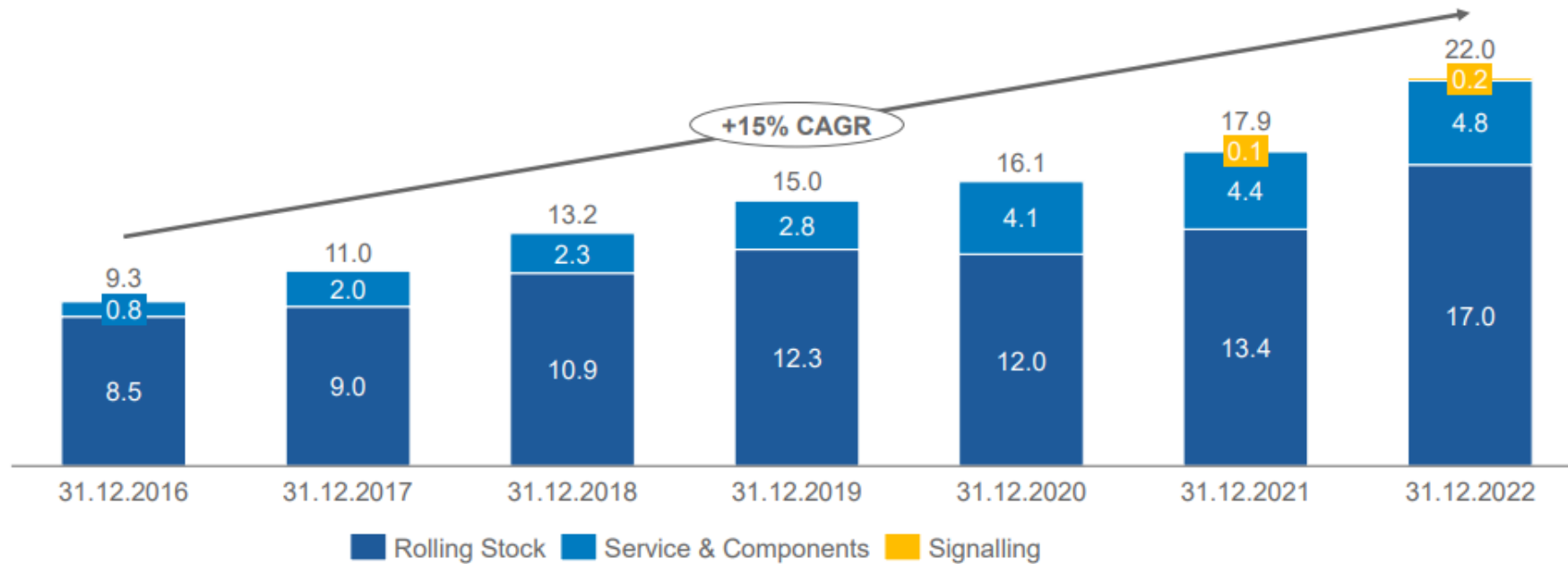
x.x Cash Conversion Rate



## STADLER

### ORDER BACKLOG BY REPORTING SEGMENT

CHFBN



#### Comments

- Strong order backlog of CHF 22.0bn with a growing Service & Components share providing long-term visibility



# OUR BUSINESS MODEL



# HOW WE DESIGN AND ENGINEER

A **DESIGN & ENGINEERING DEPARTMENT**  
MADE UP OF **30 ENGINEERS**  
SPECIALIZED IN



**FEM ANALYSIS**



**PRODUCT INDUSTRIALIZATION**



**CAD / CAM PROCESS MANAGEMENT**



**TOOL DESIGN AND MANUFACTURING**



**TEST TYPING**



# HOW WE PRODUCE



1

**BASE MANUFACTURING**



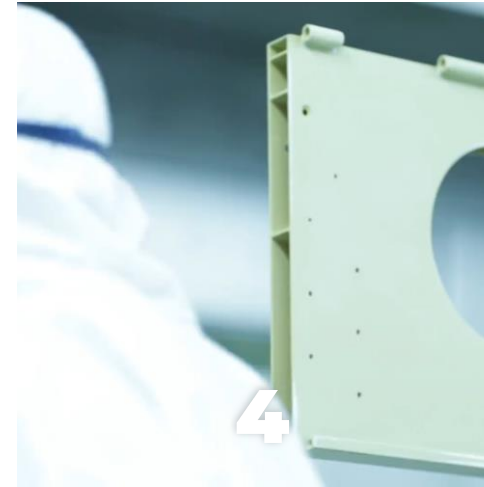
2

**FORMING**



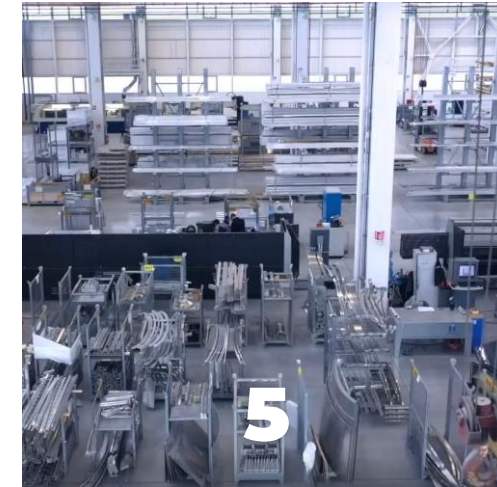
3

**BODY IN WHITE**  
(Welding and Bonding)



4

**PAINTING**  
(Liquid and Powder)



5

**ASSEMBLING**



**FIVE STEPS**  
**from raw material to market**



SHORT SUPPLY CHAIN  
ZERO OUTSOURCING  
MINIMIZED ERRORS  
QUICK TIMES



A ONE-STOP PARTNER  
FROM BID TO MARKET

# THE BID PARTNERSHIP







**WE PUT YOUR IDEAS ON TRACKS**





The 'ORIENT EXPRESS - LA DOLCE VITA' Experience

**A NEW RAILWAY BUSINESS MODEL**





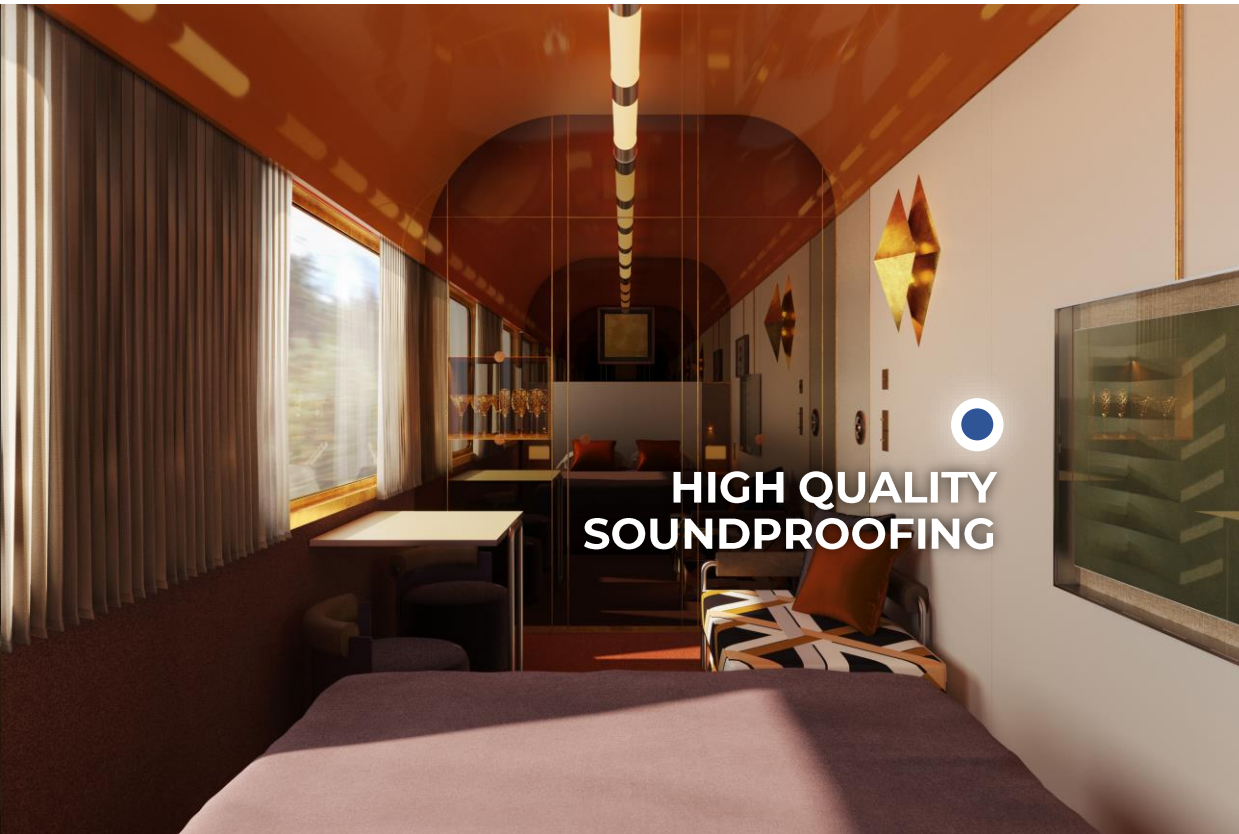
The 'ORIENT EXPRESS - LA DOLCE VITA' Experience

# A NEW RAILWAY BUSINESS MODEL

The train journey is no longer just moving passengers.  
It becomes the main part of the travel experience and holiday.



# The 'ORIENT EXPRESS - LA DOLCE VITA' Experience



**Technological solutions  
that enable comfort and lightweight**

# The 'ORIENT EXPRESS - LA DOLCE VITA' Experience



**and that combine  
the project style with the railway requirements.**



# TOWARDS SUSTAINABILITY





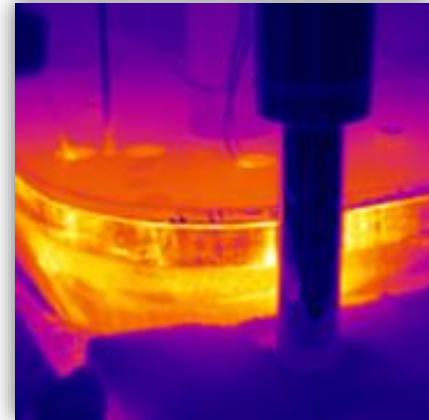
# THE OMER **WARM FORMING**®

The **WARM FORMING**® process consists of forming aluminum sheets through a **localized and temperature-controlled heating** (~250 °C).

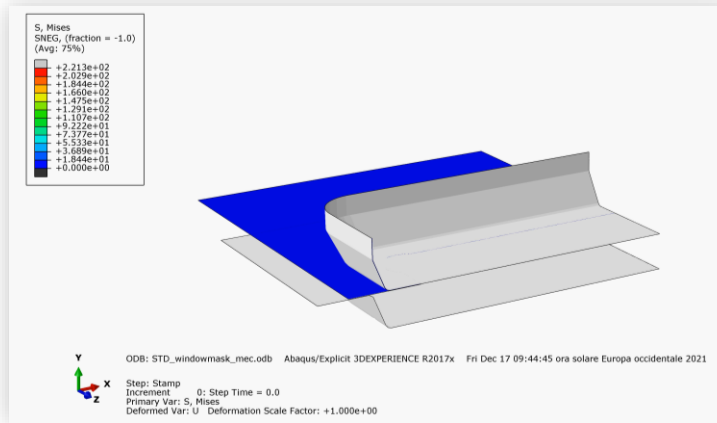
The operating temperature is defined according to *material, geometry and desired formability* and is kept constant during the process through a **feedback control system**.

The feasibility of the process is analyzed through **numerical simulations**.

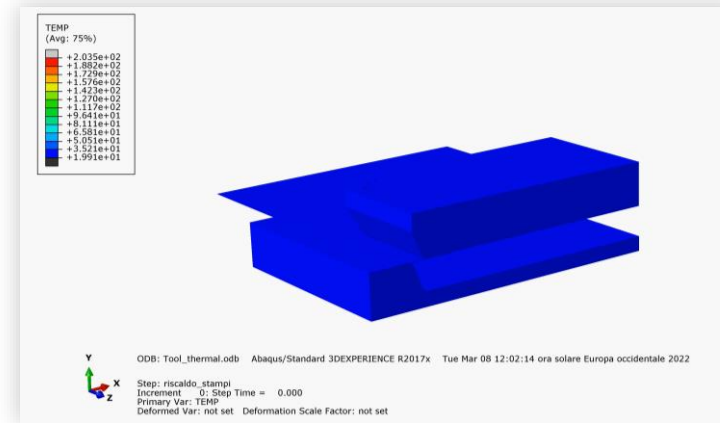
The analytical results are validated and verified with **experimental tests** for both the heating and forming phases.



FORMING SIMULATION

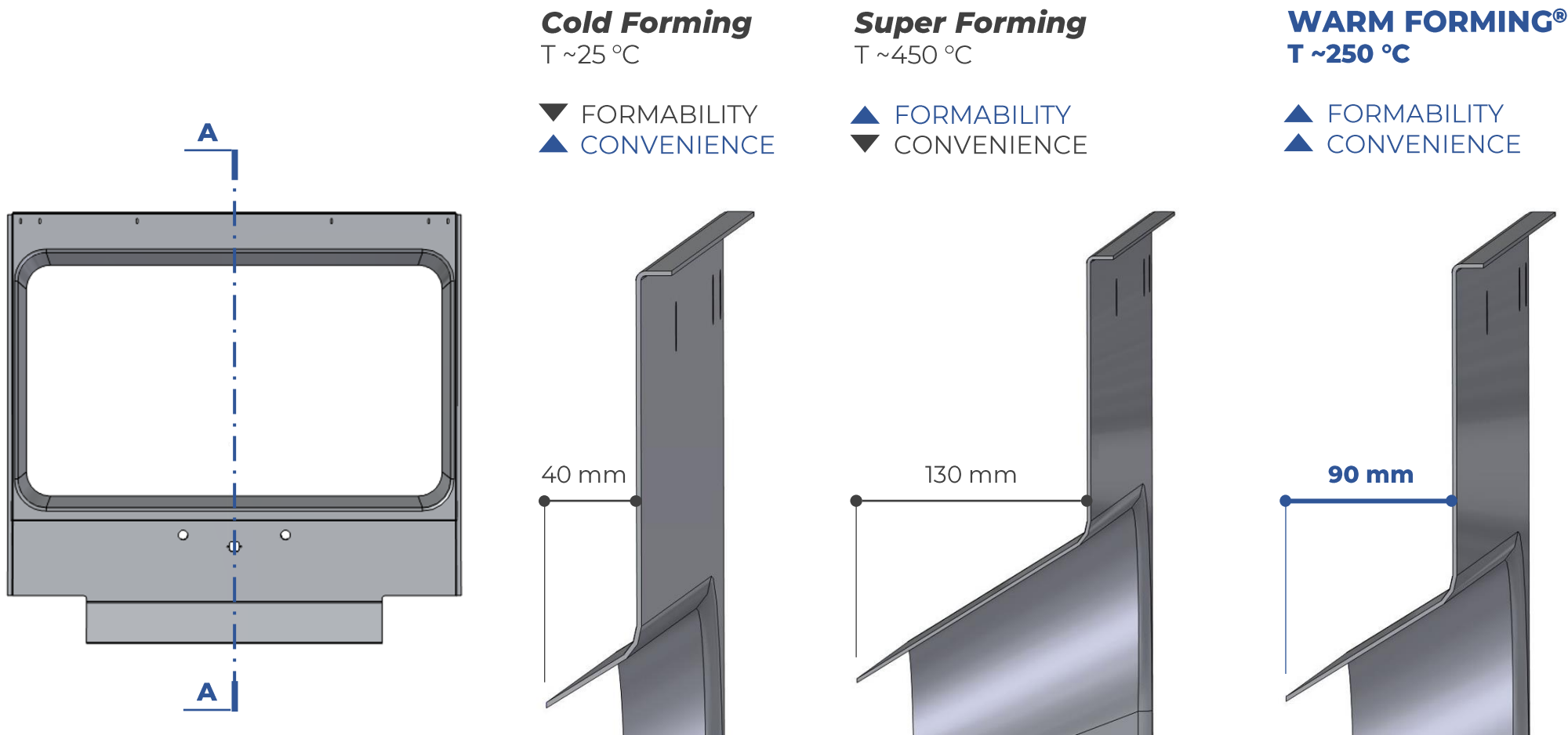


THERMAL PROCESS SIMULATION



# THE OMER **WARM FORMING**<sup>®</sup>

At OMER we have created a hybrid technology that combines **the costs of Cold Forming** and **the advantages of Super Forming** exclusive for the railway sector, called **WARM FORMING**<sup>®</sup>







THE OMER WARM FORMING®

gigant





# THE OMER **WARM FORMING®** PRODUCTS

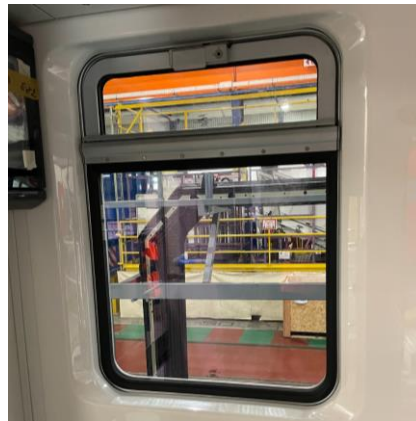
The accurate definition of the process and variables involved in **WARM FORMING®** allows for **a mass production of complex and aesthetic defect-free components.**



## **C30 Window Panels**

Car Builder \_ Alstom Germany

Final Customer \_ SL Storstockholms Lokaltrafik



## **RRNG Window Panels**

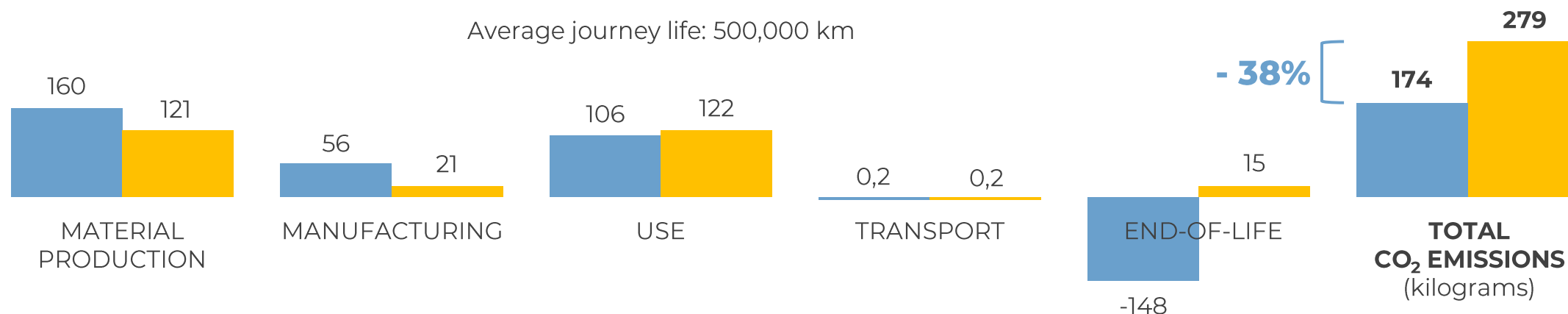
Car Builder \_ Alstom France

Final Customer \_ SNCF



# TOWARDS SUSTAINABILITY

As part of a collaboration with the Universities of Milwaukee and Palermo and an ESG project for OMER, a published case study compares the **life-cycle CO<sub>2</sub> emissions** of a high-speed window panel made in **Aluminum AA5754** (12 kg) or in **Fiberglass GFRP** (13,8 kg)



**It is estimated that an aluminum window panel reduces CO<sub>2</sub> emissions by 38% compared to the same element made of fiberglass.**

***Energy and CO<sub>2</sub> life cycle inventory issues for aluminum based components: the case study of a high speed train window panel***

Giuseppe Ingarao <sup>a</sup>, Yelin Deng <sup>b</sup>, Roberta Marino <sup>a</sup>, Rosa Di Lorenzo <sup>a</sup>, Andrea Lo Franco <sup>c</sup>

<sup>a</sup> Department of Chemical, Management, Computer Science and Mechanical Engineering, University of Palermo, Viale delle Scienze, 90128, Palermo, Italy

<sup>b</sup> Department of Mechanical Engineering, University of Wisconsin-Milwaukee, WI, United States

<sup>c</sup> OMER SRL, Italy



**An aluminum window panel  
reduces CO2 emissions by almost half\*  
and at the end of their life  
will be totally recycled  
with 95% energy saving\*\***

**\* compared to the same element made of fiberglass  
in an average journey life of 500,000 km**

**\*\* compared to production from scratch starting from bauxite**



# KEY FINANCIALS

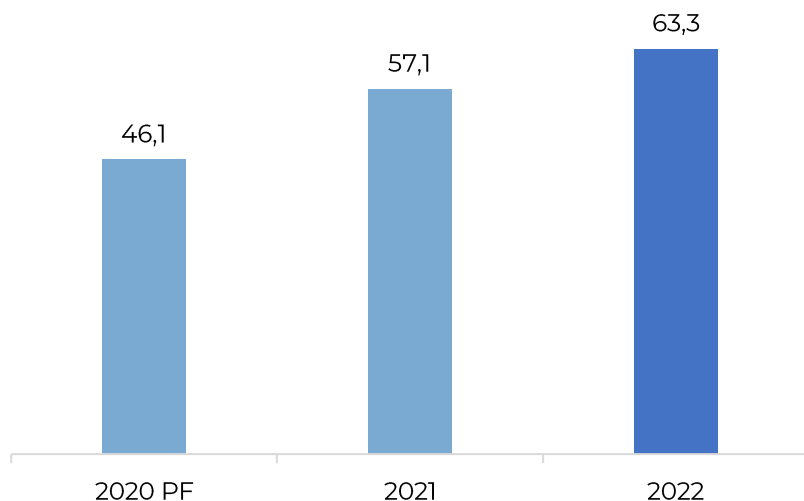


# KEY FINANCIALS

## POSITIVE GROWTH PICTURE CONFIRMING ...

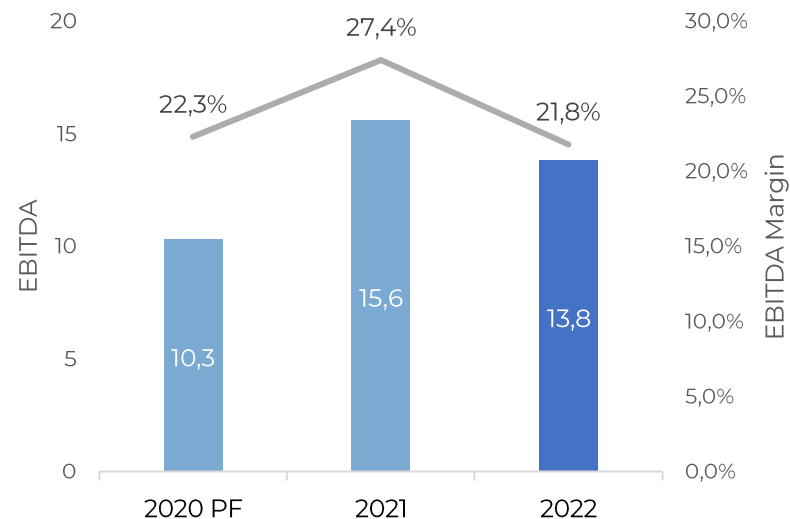
*Ever-increasing backlog supports strong rise in revenues and growing economies of scale to boost profitability*

**Group VoP (€ mn)**



- The Value of Production at €63.3 million, + 11% YoY
- Growth driven by :
  - production accruals of projects currently in progress,
  - price revisions on some contracts to take into account inflation,
  - the start-up of some new production projects.

**Group EBITDA (€ mn)**



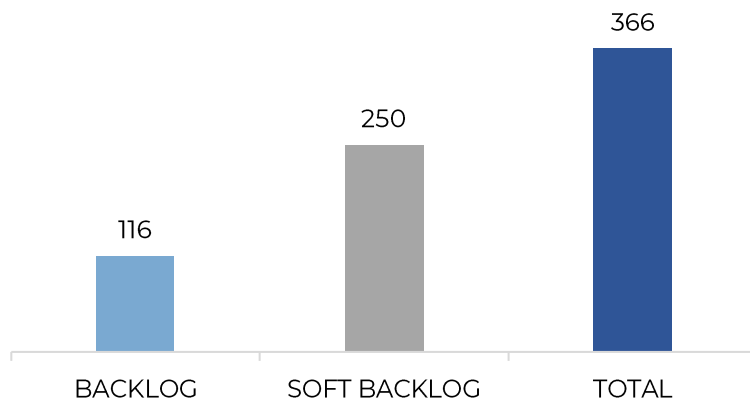
- EBITDA stands at € 13.8 million, down by 12% YoY, as results of:
  - increase of costs of the main production factors (raw materials and energy),
  - increase in personnel costs of approximately 10%, due to the strengthening of the operating structure.
- The EBITDA Margin goes from 27.4% to 21.8%.

# KEY FINANCIALS

## ...THE BACKLOG-BASED BUSINESS MODEL ENSURING EXCEPTIONAL VISIBILITY OF RESULTS

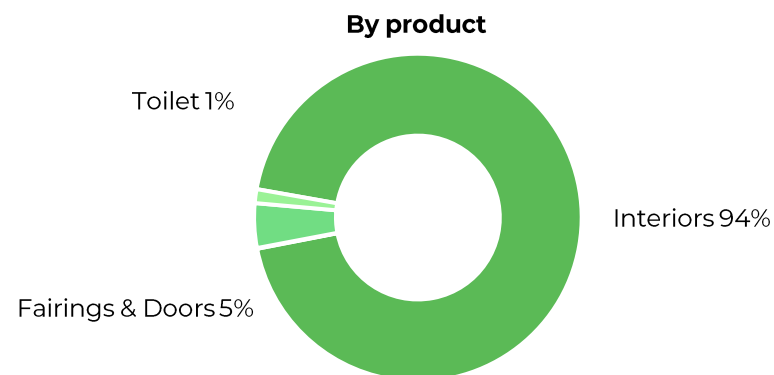
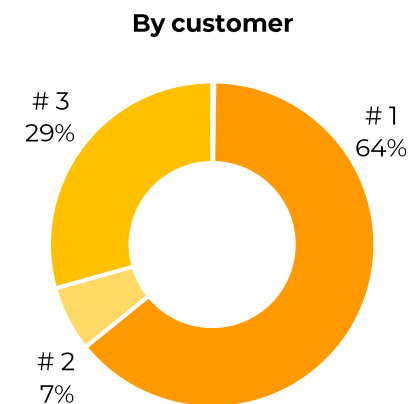
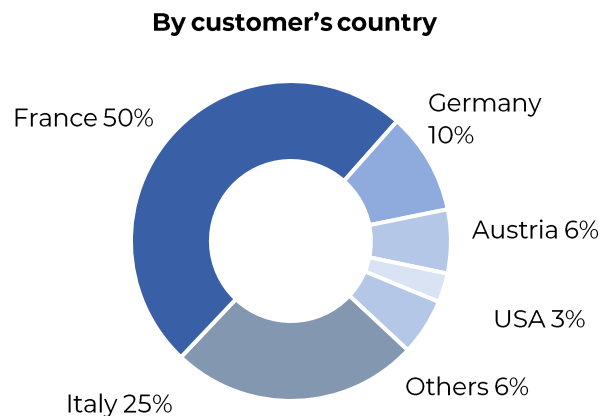
€ 366 mn of backlog and soft backlog as at 31.12.2022 with a coverage ratio of 5.8 years – no inventory risk

**Group Backlog (€ mn)**



Coverage ratio <sup>1</sup>	5.8x
o/w backlog	1.8x
o/w soft backlog	3.9x

**Backlog + soft backlog breakdown as at 31.12.2021**



1) (Backlog + soft backlog) / VoP – at 31/12/2022

**Backlog** = signed production order received  
**Soft backlog** = signed framework agreement contract options, waiting for production order



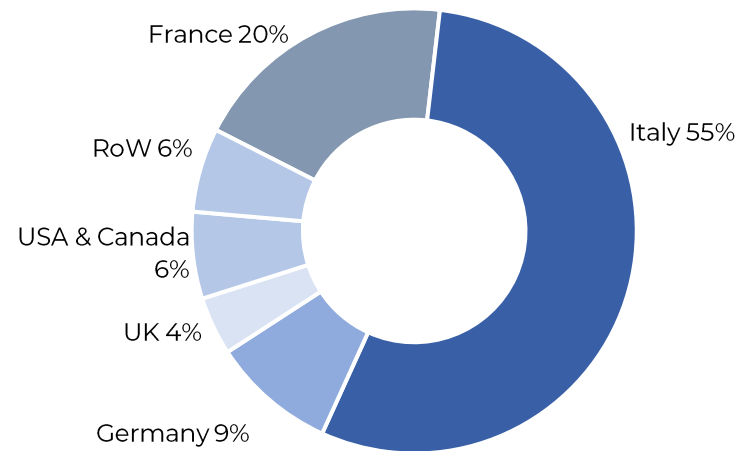
# KEY FINANCIALS

## DIVERSIFIED GEOGRAPHICAL BREAKDOWN, WHILE MAINTAINING MAJOR CUSTOMERS

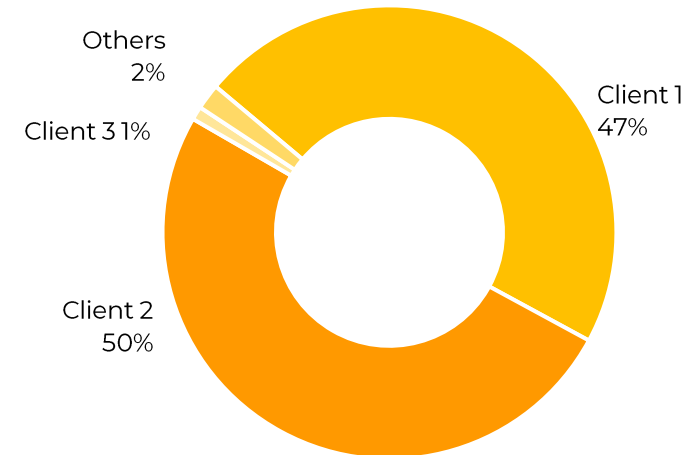
*Strong customer concentration and consolidated production lines*

### VoP breakdown as at 31.12.2021

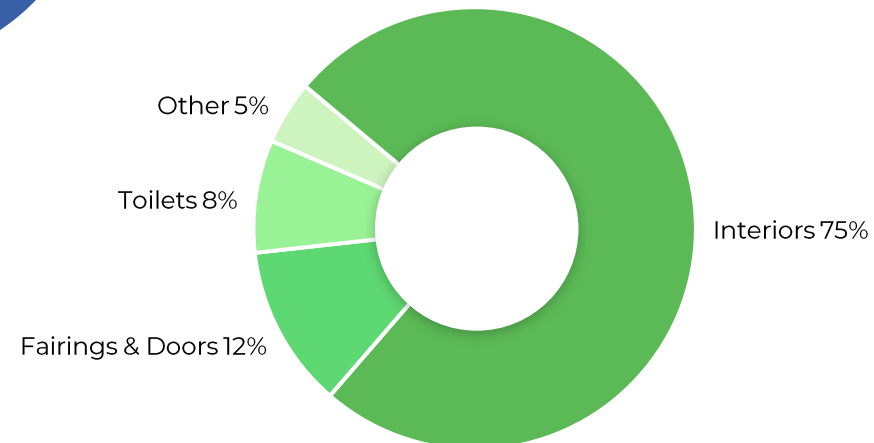
**By customer's country**



**By customer**



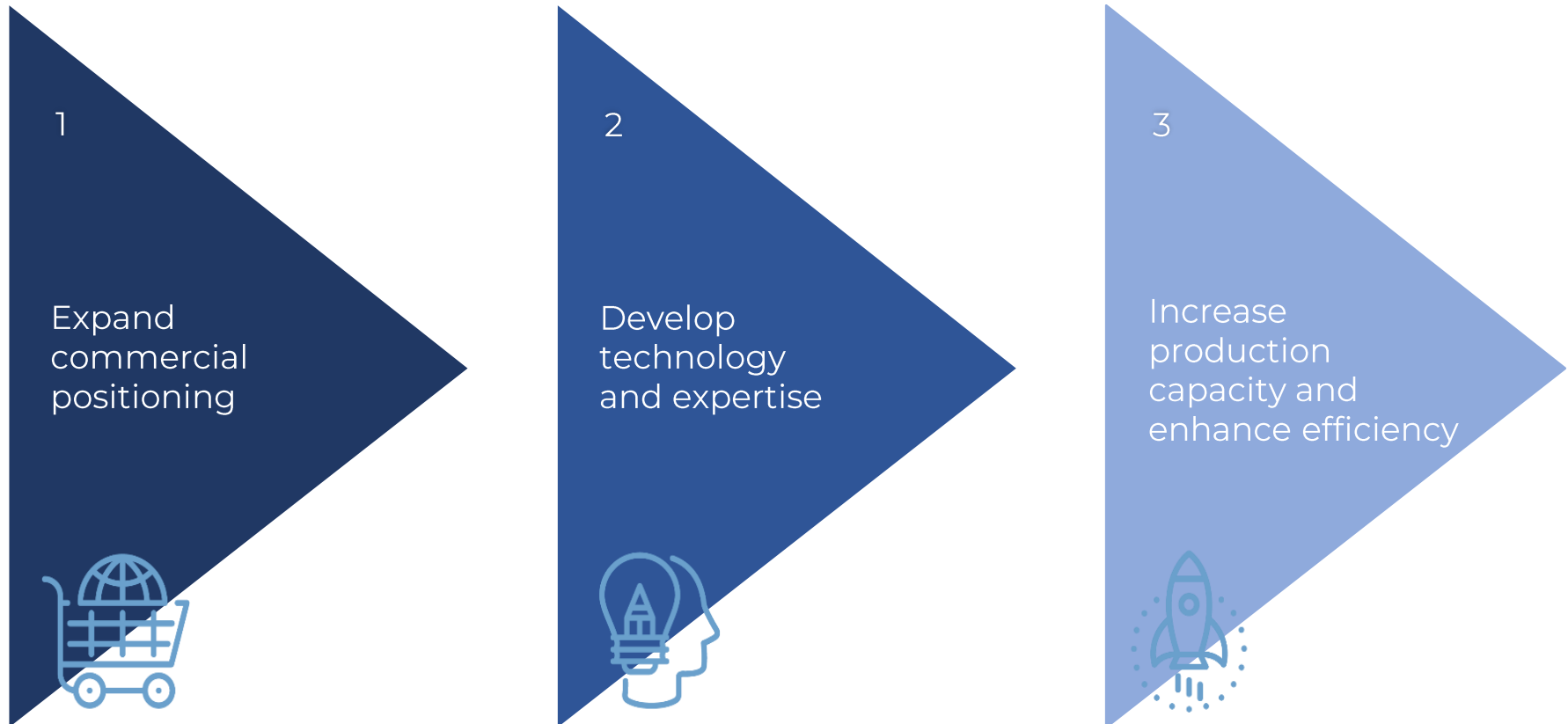
**By product**



# STRATEGY



## A CLEAR LONG-TERM VISION TO DRIVE FUTURE GROWTH



1

Expand  
commercial  
positioning



## **Develop commercial presence in USA**

OMER North America operates with one client and has three initial relationships in place (IFE, Siemens and Stadler)



## **Develop commercial penetration**

Increase commercial penetration towards Stadler, Siemens and CAF

**SIEMENS**



**IFE**

**CAF**

**STADLER**



2

Develop  
technology  
and expertise



## **Develop of recently introduced/brand new products**

Develop of new products from scratch (i.e. seats) and increase competences in toilet system



## **Expand the range of products**

Expand the range of products by entering new market segments with high added value

(Letter of intent signed with Arsenale Express S.p.A. in the luxury hospitality)



**MATS**

Modular Aluminium Toilet System



3

Increase  
production  
capacity and  
enhance  
efficiency



## **Bring the new Carini *World Class Factory* up to optimal economic performance**



in order to meet capacity levels demanded by clients in Europe (scale, automation, industry 4.0)



## **Introduction of new automated, digitized and robotic processes**





# KEY TAKEAWYS



A LEADING PLAYER IN THE PRODUCTION OF ALUMINIUM ALLOY TRAIN INTERIORS THANKS TO **SUPERIOR KNOW-HOW AND INTEGRATED BUSINESS MODEL**



**STATE-OF-THE-ART PRODUCTION FACILITIES** GRANTING LARGE CAPACITY AND SIGNIFICANT PRODUCTIVITY GAINS



A KEY PARTNER FOR LEADING MANUFACTURERS OF ROLLING STOCK WORLDWIDE, **AN INDUSTRY FEATURING SIGNIFICANT BARRIERS TO ENTRY**



**ATTRACTIVE MARKET WITH LONG-TERM GROWTH POTENTIAL** THANKS TO INVESTMENTS IN SUSTAINABLE MOBILITY, CONNECTIVITY AND TRANSFER OF TRAFFIC FROM ROAD TO RAIL



BACKLOG-BASED BUSINESS MODEL ENSURING EXCEPTIONAL VISIBILITY ON RESULTS, COMBINED WITH A **STRONG TREND IN GROWTH FOR REVENUES AND PROFITABILITY**

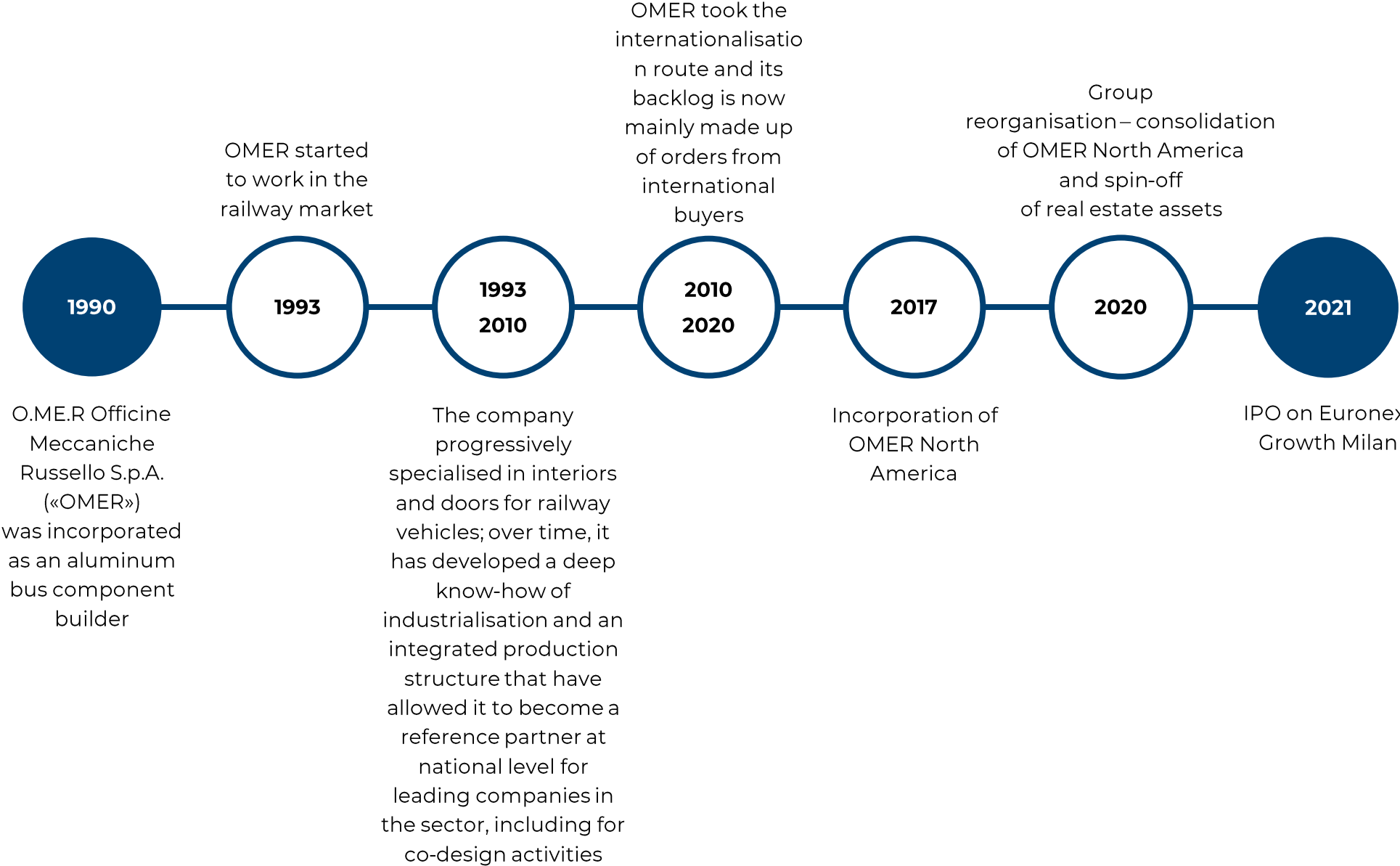


**HIGHLY EXPERIENCED MANAGEMENT TEAM**






# APPENDIX








HISTORY

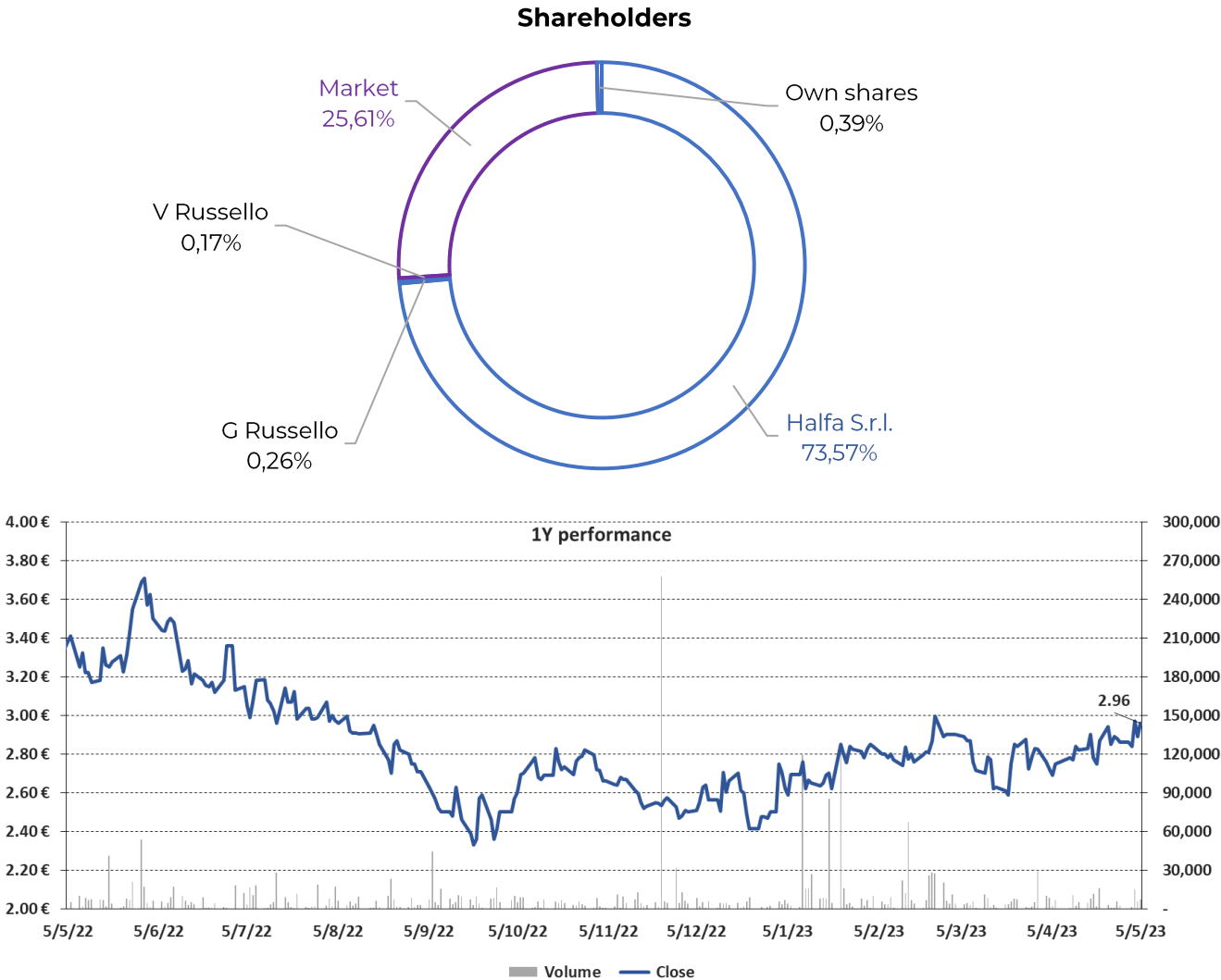


## BOARD OF DIRECTORS

-  Giuseppe Russello \_ Chairman & CEO
-  Vincenza Russello – Deputy Chairman
-  Salvatore Giosuè – Director & CFO
-  Roberto Polizzi – Non-Executive Director
-  Angelo Costa – Independent Director

## BOARD OF STATUTORY AUDITORS

-  Fabrizio Escheri – Chairman
-  Antonina Parrotta – Regular Statutory Auditor
-  Marco Sposito – Regular Statutory Auditor
-  Alessandra Maria Vitale – Deputy Statutory Auditor
-  Antonio Imburgia – Deputy Statutory Auditor



IPO Date	Issue Price	Closing Pr. at 5 May 2023	Mkt. Cap. at 5 May 23
04 Aug 21	3.40 €	2.96 €	≈85 € mn



# P&L STATEMENT

Growing volumes, increasing EBITDA margin and almost 60 % EBITDA conversion into net income

Values in thousands of euros	31.12.2022	31.12.2021
Revenues from sales	61.413	56.377
Other Income	1.859	687
<b>Total revenues</b>	<b>63.272</b>	<b>57.064</b>
Production costs <sup>1</sup>	(23.557)	(19.170)
Cost of labor	(14.375)	(13.082)
Costs for services and miscellaneous <sup>3</sup>	(11.574)	(9.177)
<b>Total costs</b>	<b>(49.506)</b>	<b>(41.430)</b>
<b>EBITDA</b>	<b>13.765</b>	<b>15.634</b>
<i>Ebitda margin %</i>	<i>21,8%</i>	<i>27,4%</i>
Depreciation and write-downs	(2.478)	(1.851)
<b>EBIT</b>	<b>11.288</b>	<b>13.783</b>
<i>Ebit margin %</i>	<i>17,8%</i>	<i>24,2%</i>
Financial charges and income	(198)	17
<b>EBT</b>	<b>11.089</b>	<b>13.800</b>
taxes	(2.751)	(3.579)
<b>Net Profit</b>	<b>8.339</b>	<b>10.221</b>

# BALANCE SHEET

## Solid balance sheet with low debt

Values in thousands of euros	31.12.2022	31.12.2021
Intangible assets	7.843	6.293
Tangible fixed assets	6.498	6.348
Financial Fixed assets	123	0
<b>Total assets</b>	<b>14.464</b>	<b>12.642</b>
Warehouse stock and finished products	17.979	13.419
Receivables from customers	15.524	7.074
Receivables for factoring operations	2.506	3.510
Other activities	2.784	3.534
Commercial debts	(8.807)	(12.227)
Other liabilities	(5.084)	(6.152)
Severance indemnity fund	(325)	(317)
Provisions for risks and charges	(49)	(18)
<b>Total Working Capital</b>	<b>24.528</b>	<b>8.822</b>
Share capital	5.750	5.750
National Reserves	34.492	24.230
Operating profit	8.339	10.221
<b>Total equity</b>	<b>48.581</b>	<b>40.201</b>
Other financial payables at M/L	(362)	(645)
Other short-term financial payables	(292)	(297)
Financial debts for a long time	(2.257)	(3.404)
Short-term financial debts	(1.277)	(2.231)
Cash and cash equivalents	13.778	25.315
<b>Net Financial Position</b>	<b>9.589</b>	<b>18.737</b>

# CASH FLOW STATEMENT

Values in thousands of euros	31.12.2022	31.12.2021
Profit/Loss for the year	8.339	10.221
Income taxes for the year	2.751	3.579
Depreciation	2.413	1.784
Interest and other non-monetary changes	313	146
<b>Financial flow before changes in the NCC</b>	<b>13.816</b>	<b>15.730</b>
Changes in working capital	(15.833)	2.358
Paid income taxes	(3.166)	(688)
Other variations	(104)	(104)
<b>Cash flow from operating activities</b>	<b>(5.288)</b>	<b>17.296</b>
<b>Net cash flow from investing activities</b>	<b>(3.963)</b>	<b>(3.162)</b>
Change in short and m/l term financing activity	(2.114)	(1.653)
Payment of dividends	-	(5.000)
Paid capital increase	(173)	12.750
Purchase of treasury shares	-	-
<b>Cash flow from financing activities</b>	<b>(2.287)</b>	<b>6.097</b>
<b>Total financial flows</b>	<b>(11.537)</b>	<b>20.231</b>
Initial availability	25.315	5.084
<b>Final availability</b>	<b>13.778</b>	<b>25.315</b>



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