



Q1-2022 Results Presentation

12 May 2022

Talgo

Key Business Figures in Q1-2022

Key figures

- **Health and Safety** of Talgo's personnel as a key element in the pursuit of operational excellence.
- **Strong order backlog** with industrial visibility in the coming years and long-term maintenance contracts to generate recurring revenues.
- **Robust commercial activity** with high volume of opportunities powered by an increasing demand of sustainable mobility.
- **Revenue figures and profitability** reflect the mixed performance of Talgo's business lines:
 - Manufacturing and overhaul projects being affected by tensions in the supply chain and increasing costs of raw materials, materials and labour...
 - ... offset by a recovering maintenance activity that provides stability and recurrence.

| | Q4-2021 | Q1-2022 |
|-----------------------------|----------|----------|
| Accident freq. ¹ | 8.24 | 7.59 |
| Severity ² | 0.22 | 0.20 |
| Backlog | €3,249 m | €3,137 m |

| | Q1-2021 | Q1-2022 |
|-------------------------|----------|----------|
| Revenue | €147.1 m | €118.4 m |
| EBITDA ³ | €13.4 m | €12.6 m |
| EBITDA Mg. ³ | 9.1% | 10.7% |
| EBIT ³ | €8.8 m | €7.0 m |
| Net income | €6.4 m | €3.4 m |

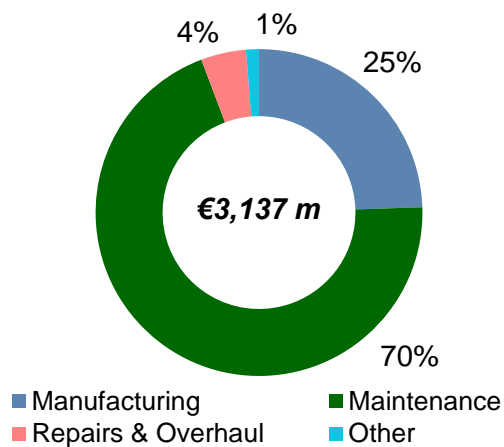
2022 Outlook

- **Outlook for 2022 maintained**, supported by expected recovery in the pace of project execution and positive commercial prospects...
- ...albeit subject to the stabilisation of exogenous factors (geopolitical, logistics, inflation, Covid etc.).
- LACMTA notified termination of an ongoing project in USA with a value amounting 90 \$m. Talgo has notified the client its disagreement and has already initiate legal action against the client.

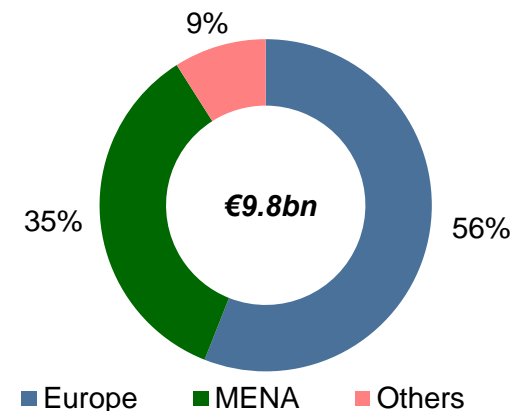
Key Operating Figures

- **Manufacturing and overhaul projects:**
 - Spanish VHS project with good results in test phases and expected to start deliveries in 2022.
 - DB Project (Germany) and ENR (Egypt) as the main revenue contributors in the period.
 - DSB project (Denmark) and RENFE locomotives in initial phases with prospects for increased activity in 2022 and 2023.
- **Adequately recovered maintenance services** with business volumes near pre-Covid levels.
- **Commercial projects** in transition to an indexed pricing model to pass on price changes to the customer.
Positive medium-term outlook supported by the global transport decarbonisation process.

Order backlog Q1-2022 (€m)



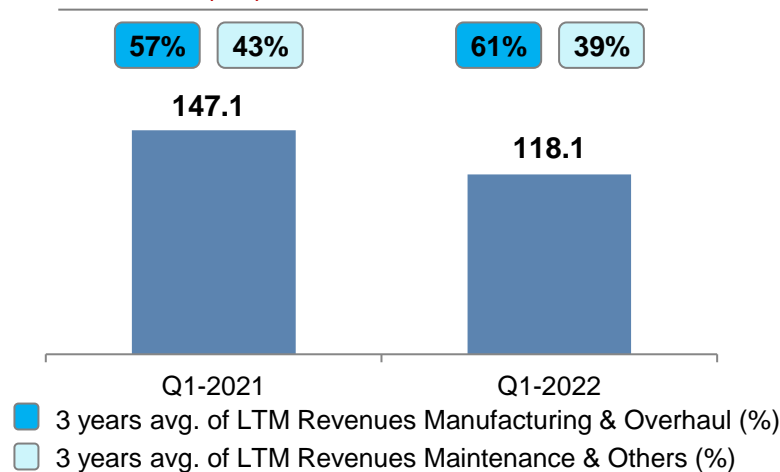
Opportunities by geographical area 2022-2023



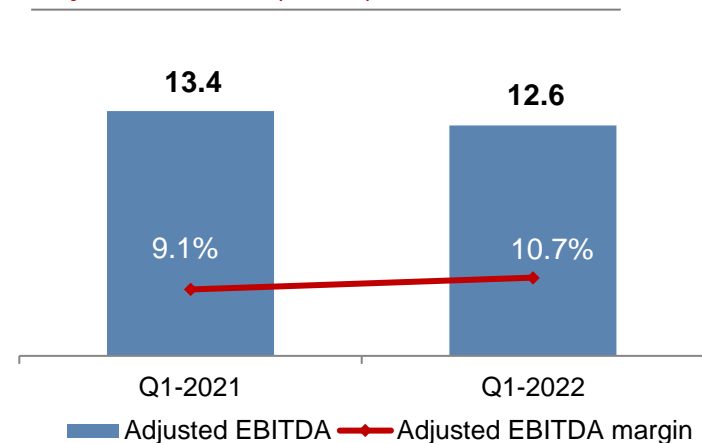
Key Financial Figures

- **Revenues decreased to €118 m in Q1-2022** mainly due to lower manufacturing activity:
 - Change in the mix of projects in execution: completion of VHS Spain project and increases in other projects such as Germany, Egypt, Denmark and remodelling in Spain.
 - Disruptions in the supply chain temporarily slowing down the pace of project execution.
- **Adjusted EBITDA amounted to €12.6 m in Q1-2022** (10.7% margin):
 - Risks from price increases in raw materials, supplies, labour and transport recognised in projects margin.
 - 2022 EBITDA outlook maintained in line with previous guidance, subject to not having significant additional impact from external factors.

Revenues (€m)



Adjusted EBITDA (€m, %)



Update on 2022 Outlook

| | Reference | 2022 targets (as per FY2021 Results presentation) | Q1 2022 Update |
|-----------------------------------|---|--|-------------------|
| Profitability → | ✓ Adjusted EBITDA in 2021: 11-12 % | → >13% | == |
| Capital structure → | ✓ WC in 2021: Limited cash consumption | → Cash consumption | |
| | ✓ Net Debt in 2021: c. 1.2X Adjusted EBITDA | → c. 1.5x | == |
| | ✓ Capex in 2021: c. €25 m | → c. €25 m | |
| Business performance → | ✓ 2021-22 backlog execution: 35-37 % | → c. 34% in 2021-22 | == |
| | ✓ Average Book-to-Bill in 2020-2021 period: 0.8-1.0x | → c. 1.0x | == |
| Shareholder remuneration → | ✓ Shareholder Remuneration Programme in 2022 | → €10 m (Scrip Dividend + share buy-back) | See Annex 1 |

Guidance for 2022 maintained, based on current execution schedules and margins of backlog projects, however subject to changes in the current economic situation

Annex 1: Scrip Dividend

- Talgo's General Shareholders Meeting of 29 March 2022 approved a **Scrip Dividend Programme to remunerate the shareholders with a total amount of €10 m.**
- Through this Programme, Talgo offered shareholders the option of receiving, either in full or in part, dividend payments in shares or in cash.
- **The Programme ended on 28 April** with the following results:
 - **83% of shareholders chose to receive shares.**
 - **17% chose to receive the dividend in cash (cash payments were made on 26 April).**
- As a result, **Talgo will issue 1,997,506 new shares, representing 1.6% of the share capital.** The new shares are expected to start trading on May 2022, subject to approval of the deed of capital increase.
- Additionally, Talgo has already started to undertake a **share buy-back programme for the same amount as that resulting from the capital increase, (1,997,596 shares)** so as to offset the dilutive effect of the capital increase.