

The (rail) road to the future

Mauro Ghilardi

4th May 2018



INDEX

01	FS Italiane strategic plan	3 - 4
02	FS Italiane Group and key facts	5 - 8
03	My work experience	9
04	The future of employment	10 - 11
05	10 top soft skills for 2020	12 - 14



FS Italiane strategic plan: our vision is based on 5 strategic pillars

STRATEGIC PILLARS

Modal integration for passengers



Integrated mobile solutions mainly through:

- Growth in the rail and road Local Public Transport sector
- Entry into new market segments (e.g. Long Distance road transport)
- Integration of rail and road transport services of the local railways

Integrated logistics



Development of integrated logistical services through (i) more efficient traction (cost optimisation/km) and service quality with the creation of the MERCITALIA hub, (ii). Entry into new segments to offer an end – to – end service

Integrated infrastructures



Creation of an integrated infrastructure hub to ensure better effectiveness in the programming, planning and management of transport infrastructures through (i) integration with ANAS, (ii) consolidation of railway network under concession

International development



- Participation in international infrastructural projects as a General Contractor and/or O&M services
- Growth in international rail transport services
- Growth in international LPT

Digital & Customer Centricity



- Development of an Extended Customer Experience to integrate mobility and ancillary services
- Continuation of the FS Group'S transformation into a Data Driven Company and Digital disruptor

Industrial plan 2016/2026

Strategic pillars

Already done

Integrated mobility for travellers



- **Renovation of service contract and Renovation of regional fleet:** signed contract for 9 years in Sardinia and Trento and Bolzano, Liguria, Veneto (14 years); Negotiation in Abruzzo, Marche, Toscana, Umbria, Lazio, Puglia, Calabria. Signed a contract of 4 mld for the production of 450 new regional trains since 2019.
- **Integrated ticketing:** Unica Veneta, Umbria GO, Unica Piemonte, Unica Emilia Romagna
- **Bus Long Haul:** acquisition of SIMET, Busitalia Fast
- **Freccia Link:** kick-off new Freccialink service

Integrated logistic



- **Kick off Mercitalia Group** composed by: Mercitalia logistics, Mercitalia Rail, Mercitalia Transport & Services, Mercitalia Shunting & Terminal, TX Logistik Group, Intermodal, Teralp
- **TX Logistik:** Launch for strengthening international competitive positioning - Swiss corridor

Integrated infrastructures



- **ANAS joins FS Italiane Group**
- **Railways granted:** Ferrovia centrale Umbria, Ferrovie Emilia Romagna, Ferrovie del Sud EST
- **Underground:** FS Italiane acquired 36.7% stake (equity and shareholder loan) held by Astaldi in M5 SpA
- **Smart Station:** stations like intermodality hub (Verona Porta Nuova); turnstile 2.0 (kick-off Leonardo Express turnstile, testing on Roma – Viterbo line), reorganized different legal entities under RFI (after having sold GS Retail)

International development



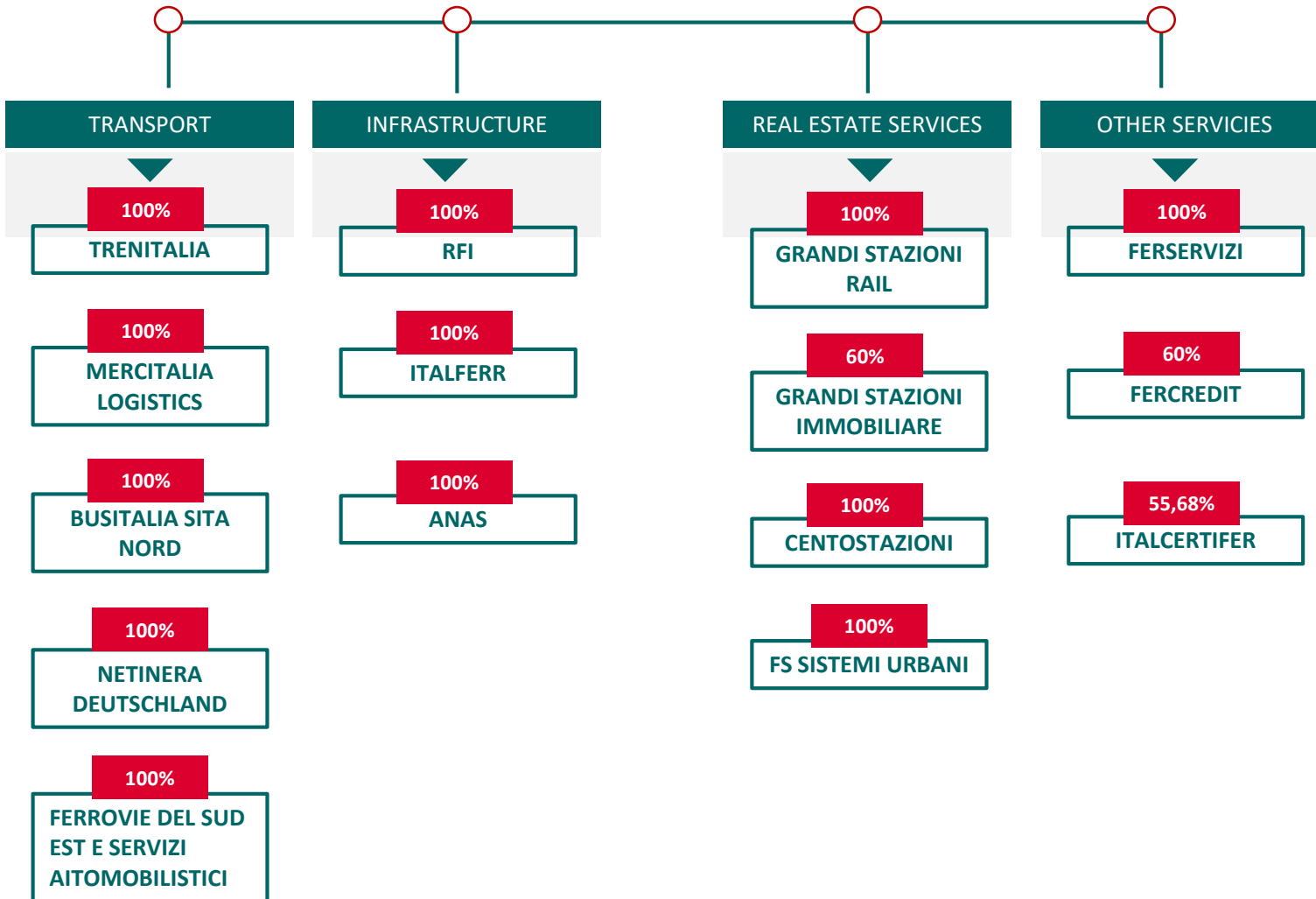
- **Trenitalia UK- C2C:** 200 Mln€ profit , 600 employees, 74 Bombardier trains. 400 railway connection, 42mln of passengers for year that using 26 stations from London to Shoeburyness.
- **QBUZZ:** the third-largest local public transport operator in Holland (Utrecht and Groningen - Drenthe), for a gross consideration of 30 million euros.
- **Trainose:** the leading Greek railway undertaking with a recorded revenues for Euro130 million and a net profit of Euro 2,7 million

Digital & Customer Centricity



- **New Travel Companion:** closing commercial agreements with mobility partners

FS Italiane Group



80.000 employees

Over 16.700 km of tracks

Over 26.000 km road and motorway network

2.200 stations

830 mln passengers train km/year

290 mln passengers bus km/year

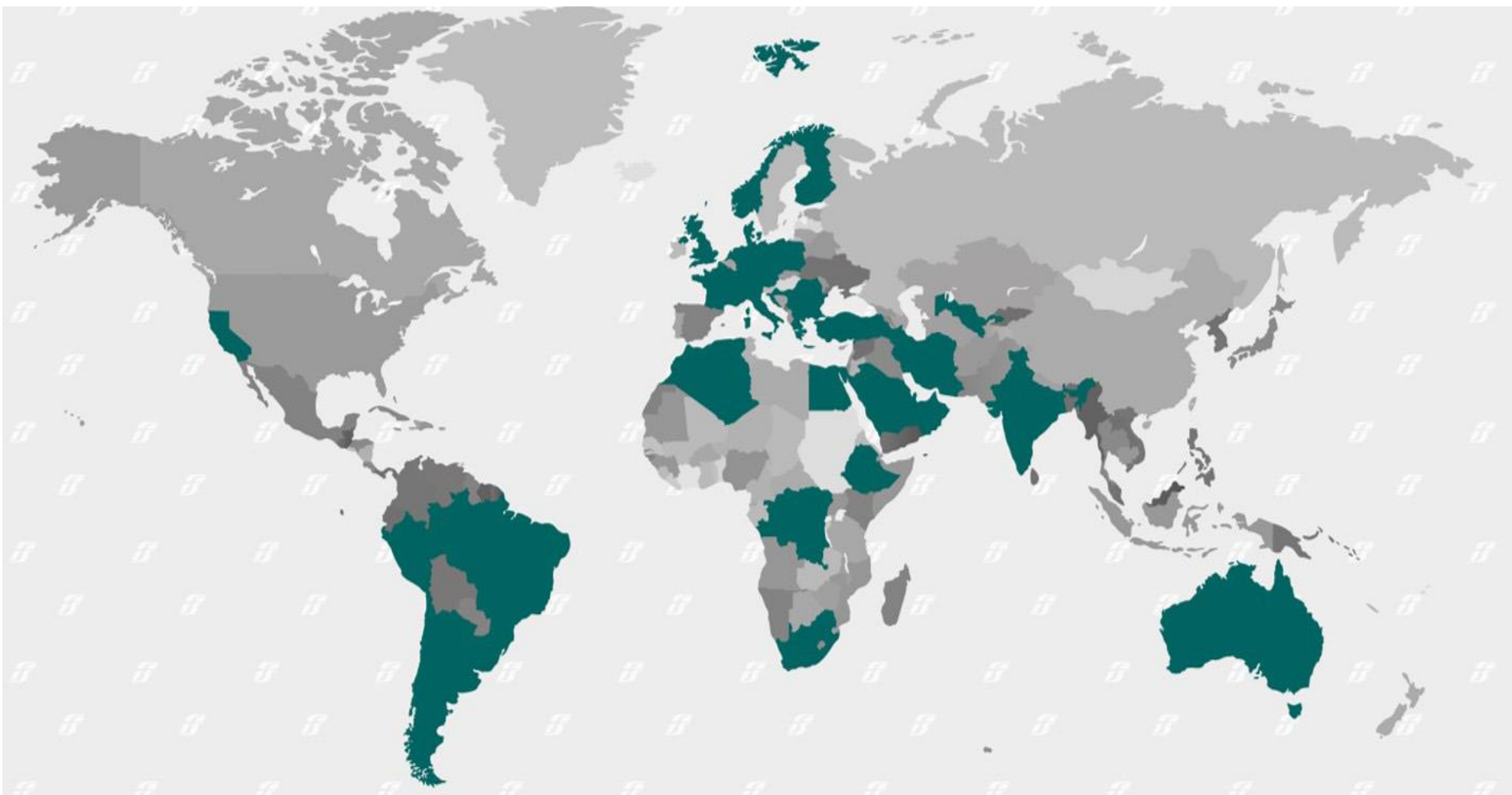
50 mln tons of goods/year

€ 108 billion investment in the next 10 years

€ 552 million net profit

€ 9,3 billion operating income

International Development



Ferrovie dello Stato Italiane
Italy, Egypt, Greece, Interest for
Great Britain, Spain, Russia

Busitalia
Italy, Holland

Grandistazioni Rail
Italy, Czech Republic

Italcertifer
Italy, Switzerland, Austria, Finland,
Poland, Bulgaria, Romania, Serbia,
Czech Republic, Greece, Turkey,
Morocco, Egypt, United Arab
Emirates, Saudi Arabia, Oman, Iran,
India, Australia, Chile

Italferr
Italy, Austria, France, Bulgaria,
Croatia, Macedonia, Turkey,
Uzbekistan, Egypt, Algeria, Ethiopia,
South Africa, Congo Brezaville,
Democratic Republic of Congo,
Saudi Arabia, United Arab Emirates,
Oman, Iran, Qatar, Argentina,
Brazil, Peru

Netinera
Germany

Trenitalia
Italy, France with Trenitalia Cargo
and Thello company; Germany,
Great Britain, Austria, Switzerland,
Denmark, Norway through Tx
Logistik, Poland and Romania with
Pol-Rail

Profitability benchmarks in Europe



Revenues - M€

Ebitda Margin - %

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues - M€	6,703	7,680	7,816	7,821	7,985	8,264	8,228	8,329	8,390	8,585	8,928	9,299
Ebitda Margin - %	-9.7%	6.0%	13.2%	17.4%	21.0%	21.6%	23.3%	24.4%	25.2%	23.0%	25.7%	24.9%



Revenues - M€

Ebitda Margin - %

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues - M€	32,912	34,528	36,498	33,199	37,530	41,041	42,739	41,960	42,552	43,175	43,391	45,647
Ebitda Margin - %	16.5%	16.5%	14.6%	15.2%	12.6%	12.5%	13.7%	11.9%	11.8%	10.0%	10.3%	9.9%



Revenues - M€

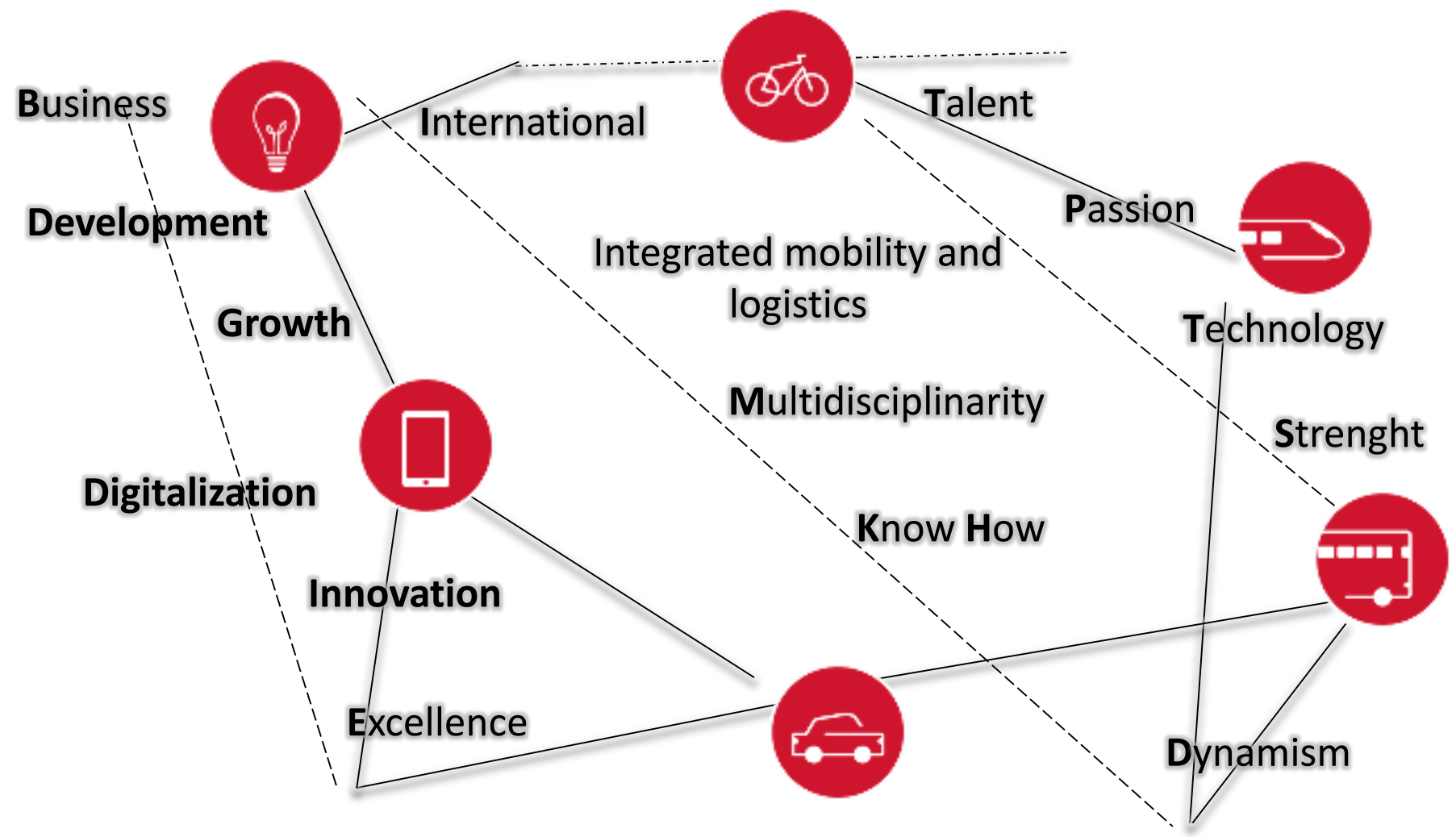
Ebitda Margin - %

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues - M€	21,965	23,691	25,184	24,882	30,466	32,645	33,820	32,232	29,898	31,393	32,273	33,515
Ebitda Margin - %	13.4%	11.7%	10.3%	6.8%	7.1%	9.3%	8.5%	8.7%	15.5%	14.1%	12.8%	13.7%

(*) As of 2014, consolidated SNCF KPI included SNCF Réseau infrastructure provider KPI (merger between BU SNCF «Infra» and former GI RFF)

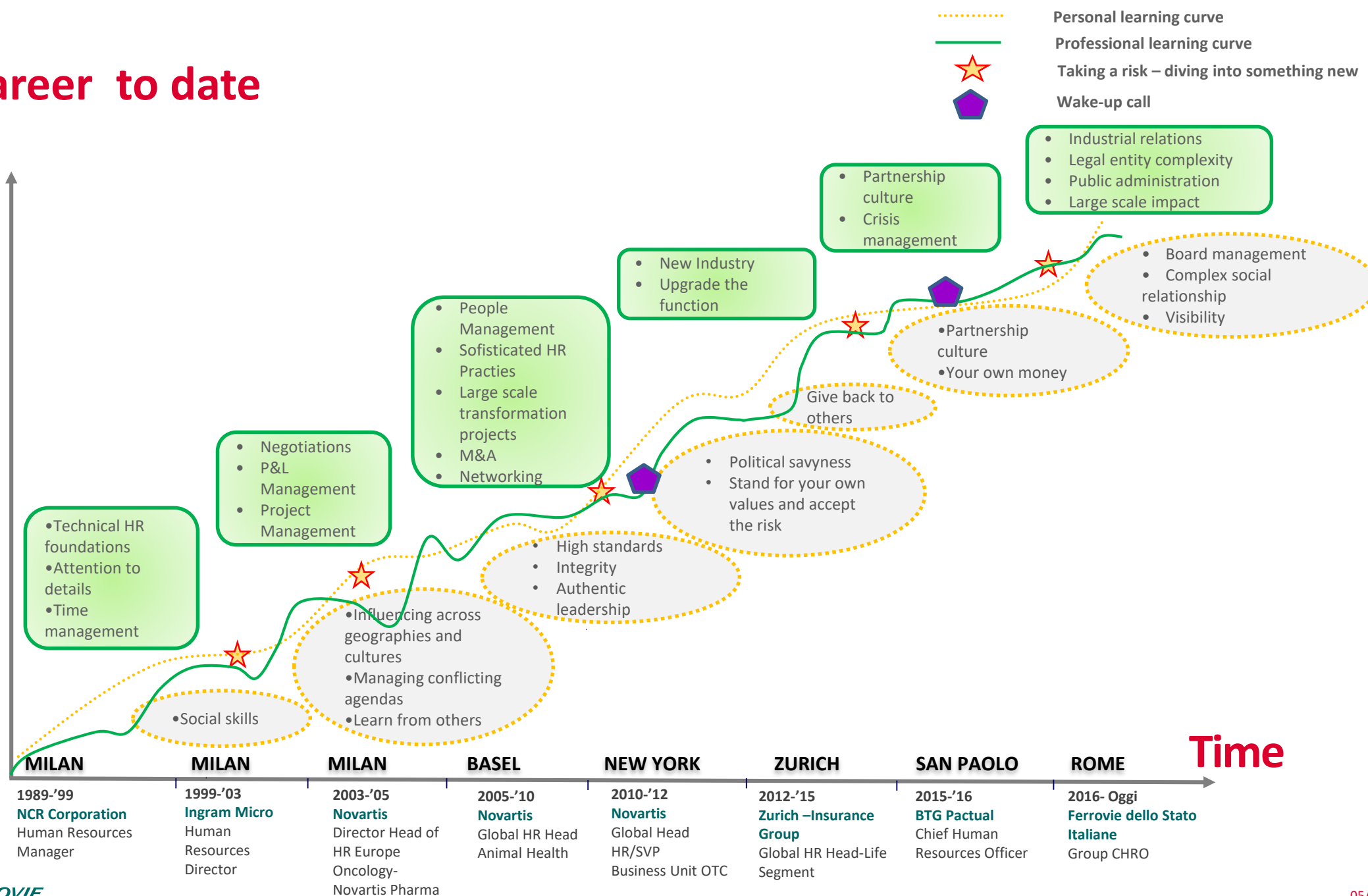
Sources: FSI calculations on FSL, DB and SNCF group Annual Report.

Who we are



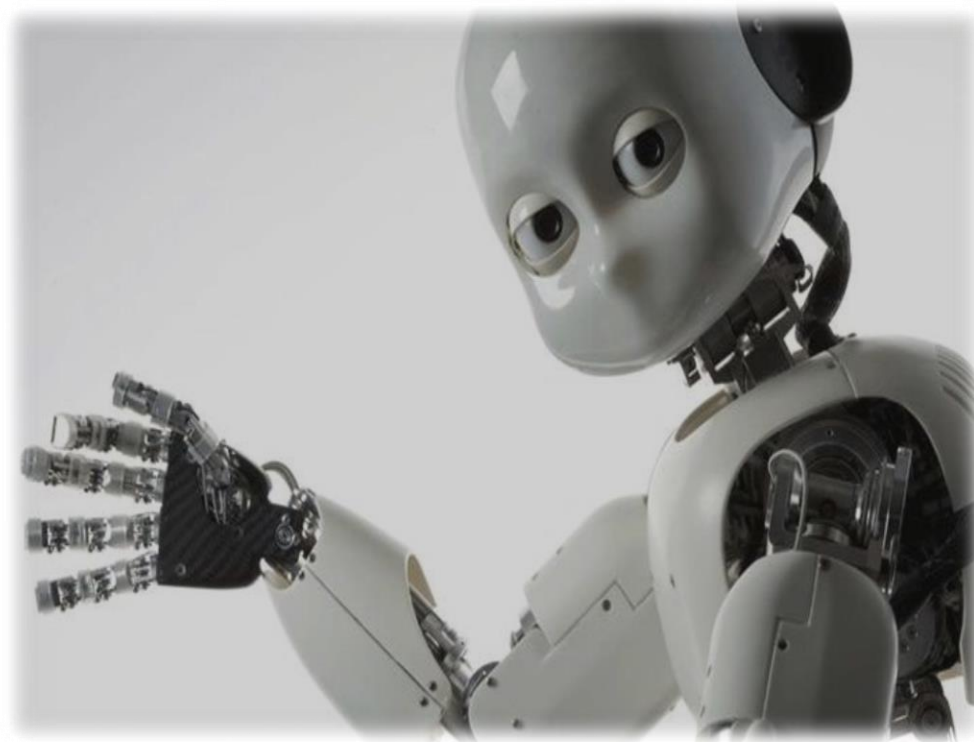
My career to date

Progress / Learnings



The future of employment: how susceptible are jobs to computerisation?

«47% of Jobs Will Disappear in the next 25 Years» Says Oxford University



The future of employment: how susceptible are jobs to computerisation?

The authors, Frey & Osborne, examine how susceptible jobs are to computerisation, by implementing a novel methodology to estimate the probability of computerisation for 702 detailed occupations, using a Gaussian process classifier.



World Economic Forum: 10 top soft skills for 2020

The fourth industrial revolution will transform the way we live and the way we work. Some jobs will disappear, others will grow and jobs that don't even exist today will become commonplace.



The **World Economic Forum** has identified the top 10 skills required for 2020. An attempt to identify the areas in which we should direct the commitment of individuals to improve and prepare to enter the world of work and make a career



The 10 skills to need to thrive in the fourth industrial revolution

TOP 10 SKILLS

In 2020

1. Complex Problem Solving
2. Critical Thinking
3. Creativity
4. People Management
5. Coordinating with Others
6. **Emotional Intelligence**
7. Judgement and Decision Making
8. Service Orientation
9. Negotiation
10. **Cognitive Flexibility**

In 2015

1. Complex Problem Solving
2. Coordinating with Others
3. People Management
4. Critical Thinking
5. Negotiation
6. ~~Quality Control~~
7. Service Orientation
8. Judgement and Decision Making
9. ~~Active listening~~
10. Creativity



The 10 skills to need to thrive in the fourth industrial revolution

«The future workforce will need to align its skillset to keep pace»

What skills will change most?



Creativity



Workers are going to have to become more creative in order to benefit from these changes.



Negotiation Flexibility



Machines, using masses of data, begin to make our decisions for us.



Any questions?



Thanks

