



Results Presentation FY-2024

28 February 2025

Talgo

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Executive Summary – Key Highlights



Business Performance

- **Sustainability remains a fundamental pillar**, with a plan currently being designed to address carbon emissions reduction by 2030.
- **Robust manufacturing activity**, excelling in projects both nationally and internationally, particularly in Europe.
- **Efficient execution** of projects and **optimization of industrial capacity** are the main operational challenges being addressed.
- **Strong commercial momentum**, with many opportunities on the horizon, leveraging our excellent product positioning.

FY-2024

Accident freq.	10.19¹
Severity	0.19¹
Backlog	€4,173 m
Order intake	€619 m

Financial Results

- **Highest ever revenues achieved** in FY2024.
- EBITDA significantly impacted by 116 €m in penalties related to Renfe contract, resulting in a negative net profit for the year.
 - Non-cash impact.
 - EBITDA excluding penalties amounted to 70 €m (10.5% mg).
- **Net Financial Debt increased during this period due to high Working Capital**, primarily from WIP on projects and delays in expected cash collections, particularly from Renfe.

FY-2024

Revenues	€669.2 m
EBITDA	€(46.7) m
EBITDA ex-penalties	€69.9 m (10.5%)
NFD	€404 m

Outlook FY-2025

- Robust industrial activity, supported by a solid backlog, is expected to sustain **high revenue levels in 2025**.
- **Stabilization of WC and NFD**, aligning with the execution schedules of ongoing projects and award of new contracts.
- Order intake for 2024 is projected to maintain Talgo's **strong commercial momentum**, capitalizing on ongoing opportunities.

FY-2025

Revenues	> €600 m
EBITDA Mg.	c. 11.0%
NFD/EBITDA	c. 4.0x²
Order intake	> 1.0x³

1) 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.

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

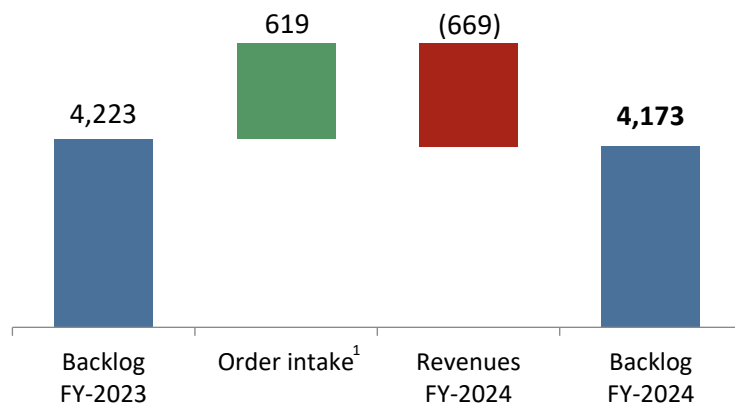
3) Book-to-bill ratio: Volume of new orders over LTM revenues.

Business performance (I/II)

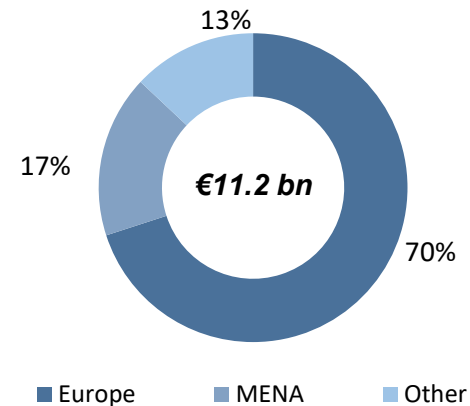


- Recent achievements ensure **industrial visibility and economic stability** with indexation clauses mitigating inflation risks.
 - Highest ever revenues recognized in FY2024.
 - Selective Projects: Focus on projects with indexation clauses and positive cash flow profiles
- Market Position and Demand to lead **commercial momentum and opportunities**:
 - Product Positioning: **Recent awards consolidate Talgo's position in the rail-road passenger market**, with technology homologated and operated in key European markets.
 - Strong Demand: **High demand from Europe and MENA**, where Talgo's technology has proven successful.
 - Pipeline: Enhanced commercial momentum with a **pipeline of opportunities amounting to €11.2 bn.**
 - Private Operators: **Entry of private operators in Europe offers opportunities** for cost and energy-efficient technologies to deliver superior consumer experiences.
- Long-distance solutions are highly demanded for their **impact on reducing carbon emissions and energy efficiency** compared to other transport alternatives.

Order intake FY-2024 (€m)



Pipeline FY-2024 (€m)



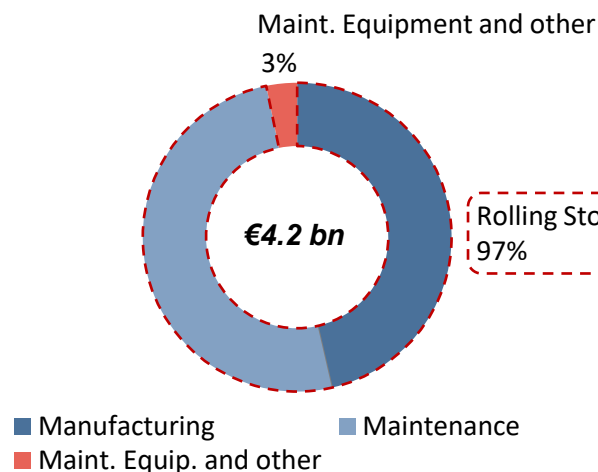
1) Include adjustments in maintenance projects mainly resulting from maintenance prices updates and kms estimates

Business performance (II/II)



- **Order backlog amounts reaching €4.2 bn** as of December 2024:
 - **Around 50% of this backlog is attributed to manufacturing projects**, primarily involving passenger coaches utilizing the cutting-edge Talgo 230 platform, specifically designed for long-distance markets.
 - **Above 80% of the order backlog consists of international projects**, with a significant focus on European markets.
- Talgo's **current production capacity is well-dimensioned to meet both existing and new project demands on time and efficiently**. However, the company is exploring opportunities for industrial growth to address the strong market demand, always with a **focus on efficiency and profitability**.

Order backlog FY-2024 (€m)



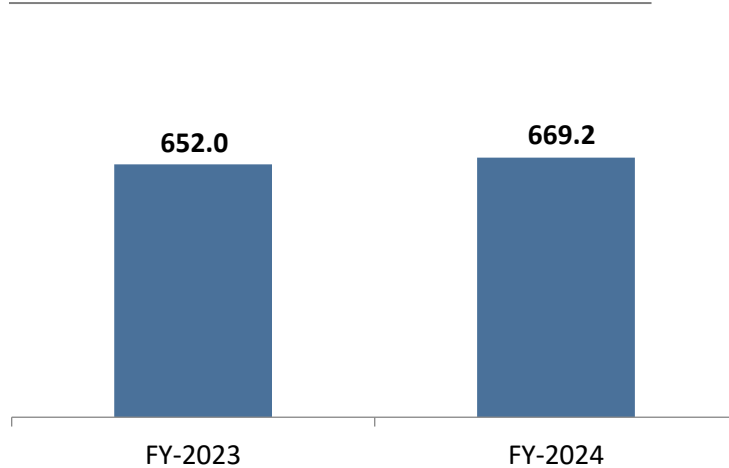
Main projects in order backlog

Project	Country	Scope	Backlog
DB	Germany	79 Talgo 230 trainsets	Manufacturing
DSB	Denmark	16 Talgo 230 trainsets	Manufacturing
Renfe	Spain	VHS/HS/coaches	Maintenance
SRO	Saudi Arabia	VHS trains	Maintenance
KTZ	Kazakhstan	Passenger coaches	Maintenance

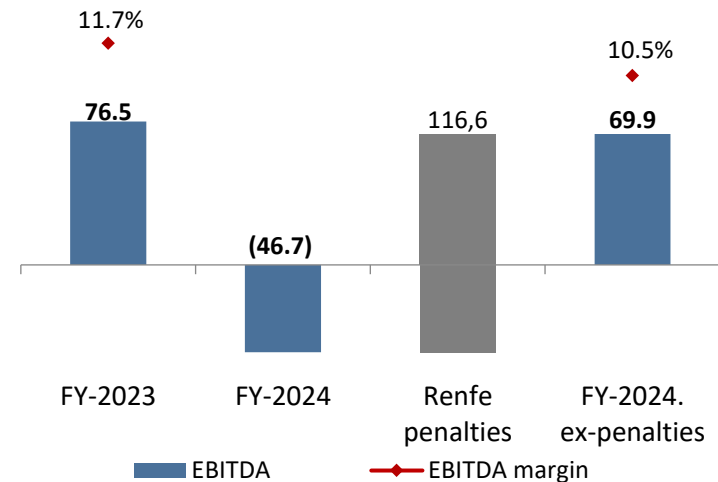
Main financial figures – P&L



Revenues (€m)



EBITDA (€m) and margin (%)



- **Revenues amounted €669.2 m in FY-2024** enhanced by a strong manufacturing activity backed by a sound backlog.
- The main manufacturing revenues contributors in the period were DB (Germany), DSB (Denmark) and Renfe powerheads (Spain) projects, supported by the **recurrent revenues in maintenance activity and overhauls**.
- Profitability in the period was significantly impacted by the **recognition of penalties imposed by Renfe** in the project for the manufacturing of 30 VHS trains:
 - Amount recorded during FY-2024 due to a prospective change in the probability estimate.
 - Talgo has consistently disagreed with the total amount, justifying the registered delays from the outset as being due to force majeure and factors beyond Talgo's control.
- Additional impacts from cost overruns in the delivery process of Renfe trains also impacted FY-2024 EBITDA. By the end of the fiscal year, 27 trains had been delivered, with the remaining units pending testing.

Main financial figures – Balance sheet



- Working Capital increased in the period driven by strong manufacturing activity while collection milestones remains ahead.
- Accounts receivable balance mainly corresponds to Work In Progress which represented the main WC variation in the period.
- Cash collections expected for FY-2024 were postponed, mostly related to Spain VHS project.
- As a result, operating cash flow was negative in the period and **net financial debt increased to reach €404 m.**
- Talgo **strong balance sheet ensures the adequate financing of ongoing manufacturing projects** with over €250 m of available cash and credit facilities.

	FY-2024	FY-2023
Working Capital	€512 m 76% ²	€385 m 59% ²
Net Financial Debt ¹	€404 m n.a. ³	€241 m 3.1x ³
Operating CF	€(123) m	€(114) m

Working Capital (€m)

WC / LTM
Revenues

59%

76%

384.9

511.9

FY-2023

FY-2024

Net Financial Debt¹ (€m)

3.1x

n.a.

NFD / LTM
EBITDA

240.6

403.9

FY-2023

FY-2024

- Net Financial Debt excludes repayable advances with entities belonging to the Spanish Public Administration relating to R&D, not considered financial debt.
- Working Capital over LTM revenues.
- Net Financial Debt over LTM EBITDA

FY-2024 outlook review and targets for FY-2025



	Targets FY-2024	Performance FY-2024	Outlook FY-2025
Profitability →	✓ EBITDA: c. 11.5%	→ ✗ Negative EBITDA (10.5% EBITDA ex-penalties)	→ c. 11% EBITDA
Capital structure →	✓ Working Capital: Increase ³ ✓ NFD: 4.0-5.0x EBITDA ✓ Capex: c. €30 m ¹	→ ✓ WC increase in the period → ✗ 5.8x EBITDA → ✓ €13 m ¹ (+€35 m R&D)	→ Partial recovery driven by new project downpayments ³ → c. 4.0x EBITDA → €25 m ¹ (+€30 m R&D)
Business performance →	✓ 2023-24 backlog ex.: c. 48% ² ✓ Book-to-Bill ratio: >1.0x	→ ✓ c. 48% ² in 2023-24 → ✗ 0.9x Book-to-Bill	→ Revenues > €600 m → > 1.0x



- 1) Recurrent Capex (R&D investments includes mainly new platforms development)
- 2) Over backlog FY2022 (2,748 €m).
- 3) Measured as % over revenues

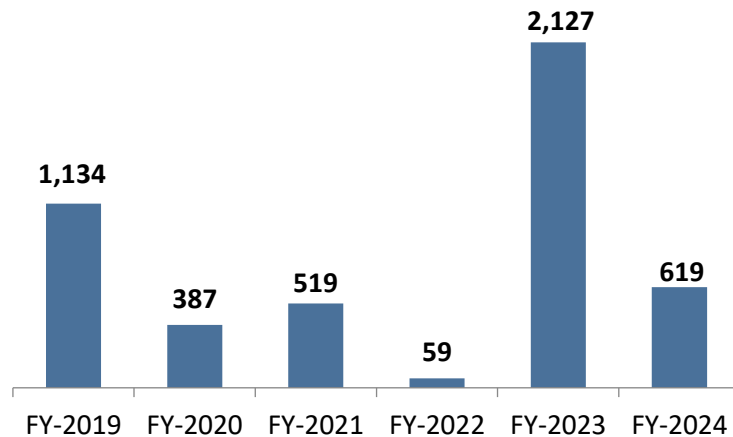


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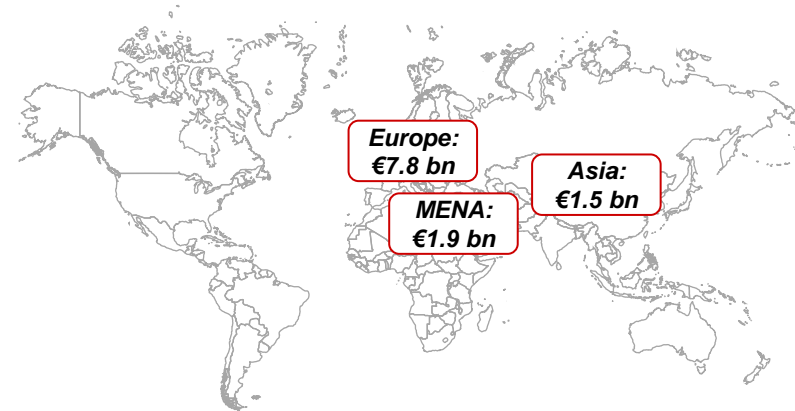
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Order intake (€m)



Talgo pipeline – Main target for 2025-2026¹

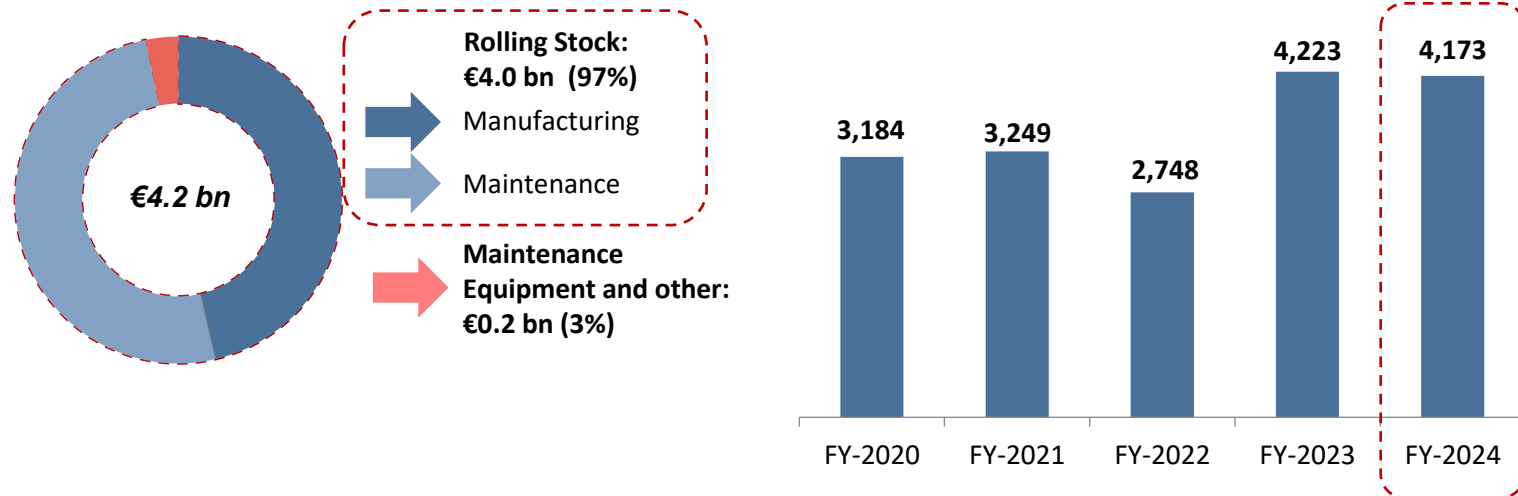


- **Talgo's order intake amounted to €619 m in FY-2024**, mainly comprising:
 - Manufacturing projects amounting approximately €260 m, mainly ENR (Egypt) trains.
 - Maintenance projects amounting approximately €300 m, comprising new projects and prices updates in the period.
 - Overhaul and maintenance, mainly overhaul project extension in USA for Metrolink.
- Talgo is currently targeting **opportunities for the next 24 months with a value amounting to €11.2 bn**.
 - Top 5 opportunities amount € 5 bn and comprise both high speed and intercity projects.
 - European countries are the main target market, representing 70% of the current pipeline.
 - High-speed and intercity (long-distance) segments represents 60% and 40% of the pipeline, respectively.
 - Current transport trends towards decarbonization benefit inter-city segments, where Talgo is very well positioned in targeted markets.

(1) Accessible market. The pipeline may experience modifications both in terms of tender periods and scope. Estimates based on available information. Maintenance is included subject to availability.

Backlog overview

Backlog FY-2024

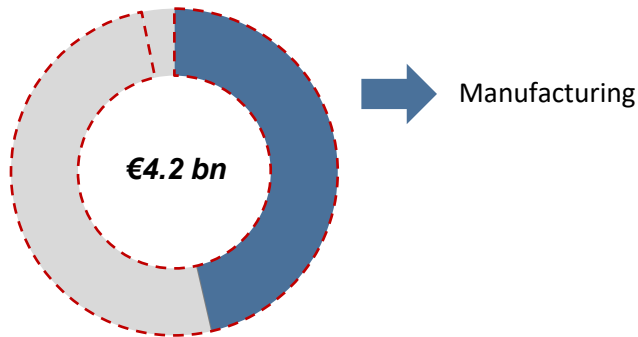


- Talgo's backlog amounted €4.2 bn as of December 2024:
 - Backlog is well balanced between manufacturing (ensuring strong revenue growth with an execution schedule spanning 2-5 years) and maintenance (generating recurrent cash and revenues).
 - Over 80% of the backlog corresponds to international projects, reflecting Talgo's internationalization process.
- Manufacturing Projects mostly comprise contract extensions with lower execution risks.
- Representing approximately half of the backlog, maintenance activities drive stability and provide a reliable cash flow, while expanding the installed base with new deliveries.
- Although smaller in volume, maintenance equipment projects are a profitable strategic business line, offering commercial synergies that facilitate access to new clients.

Backlog breakdown – Manufacturing projects



Backlog FY-2024



High Speed

- Renfe VHS trains (Spain) – c. €900 m:
 - Manufacture of 30 VHS “Avril” trains and maintenance for a period of 30 years¹.
 - **Delivery process started in April 2024.**
- Renfe VHS powerheads (Spain) – c. €160 m:
 - Manufacture of 26 powerheads and the maintenance of 13 trains and option for additional 12 units.
 - **Under execution.**



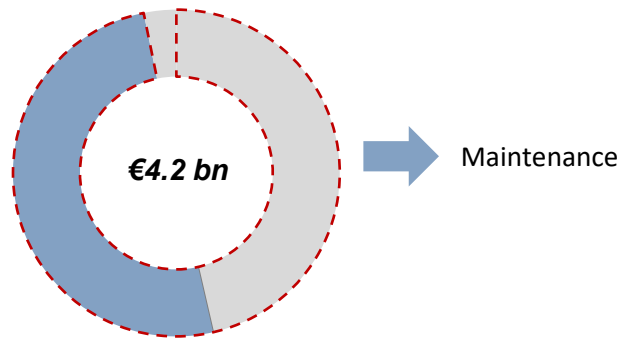
Long distance (intercity)

- DB Talgo 230 km/h (Germany) – c. €2,100 m:
 - Contract for up to 100 Talgo 230 trains.
 - Order under execution for 79 trains. **First units under testing activities**
- DSB Talgo 230 (Denmark) – €350 m:
 - Contract for maximum investment of €500 m.
 - Order **under execution** for 16 compositions, technical assistance for maintenance and materials.
- ENR night trains (Egypt) – €280 m:
 - Contract the manufacturing and maintenance of seven Talgo night trains. **Engineering phase.**

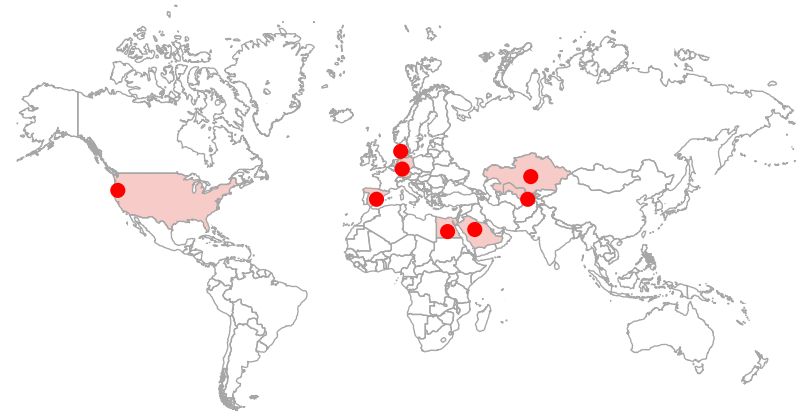
(1) Maintenance executed through a JV Talgo/RENFE

Backlog breakdown – Maintenance activity

Backlog FY-2024



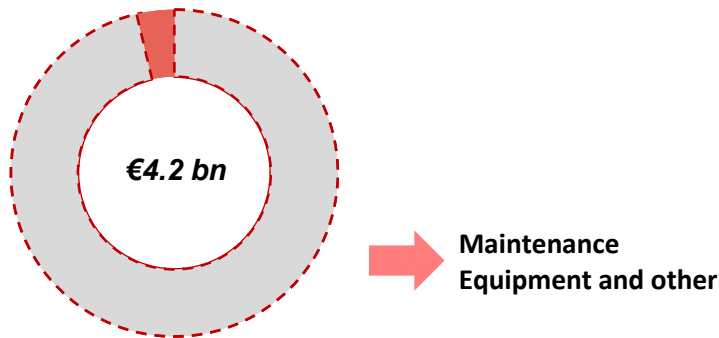
Location of maintenance contracts



- During 2024, new **Renfe VHS Avril trains** (27 of the 30 trains comprising the fleet) started commercial activity, demonstrating **significant performance improvement** during the first months of operations.
- **Talgo currently has an installed base with over 3,000 vehicles** maintained during FY-2024, delivering successful services and contributing with recurrent revenues.
 - Average maturity of maintenance backlog reach 13 years, providing long-term revenue visibility.
 - All contracts are inflation-indexed, providing protection against price volatility.
 - Maintenance activities are a reliable cash flow contributor and are low capital intensive.
 - The installed base is expected to increase in the coming years.

Backlog breakdown – Maintenance Equipment and other *Talgo*

Backlog FY-2024



Overhaul and refurbishment projects in Spain

- Conversion of night trains – c. €107 m:
 - Conversion of Talgo S7 compositions¹.
 - 156 coaches (13 compositions) with an option for additional 72 coaches (6 compositions).
 - **Under execution.**
- Remodeling of Talgo 250 HS compositions – c. €35 m:
 - Activities to remodel and update 44 compositions of HS trains.
 - **Under execution.**

Overhaul and refurbishment projects in USA

- Metrolink remodeling – c. \$75 m:
 - Remodeling of up to 121 vehicles with an initial order for 50 vehicles. Project extended in 2024 for 28 additional vehicles.
 - **Under execution.**
- LACMTA remodelling – \$73 m:
 - Activities to repair and overhaul 74 coaches of the Red Line.
 - **Project terminated as per communication received from client in 2022, thus works have been stopped pending to further resolution.**
 - **Currently under litigation process.**

(1) Talgo "night trains".



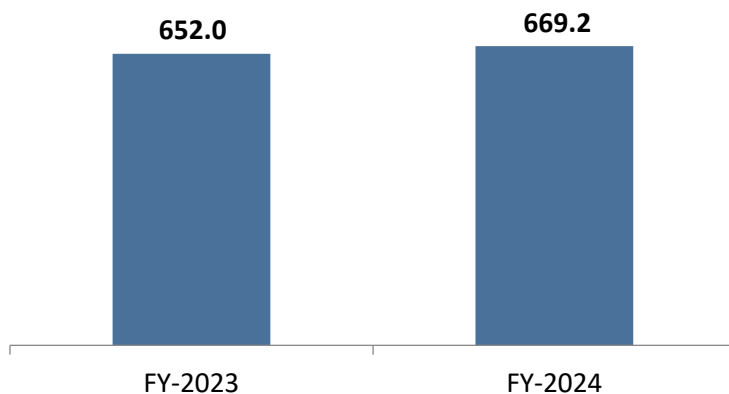
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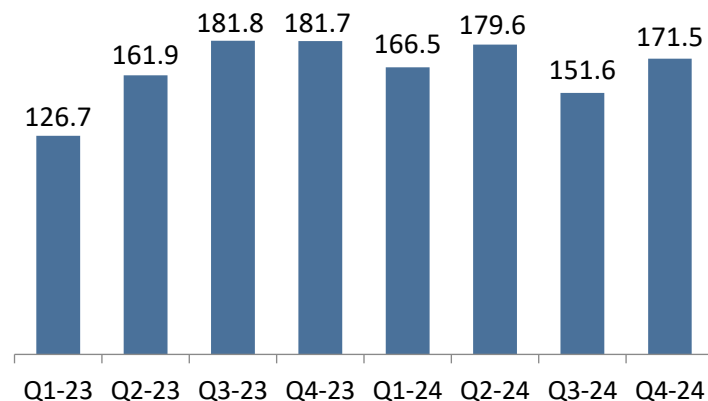
Profit and Loss – Revenues

Revenues (€m)

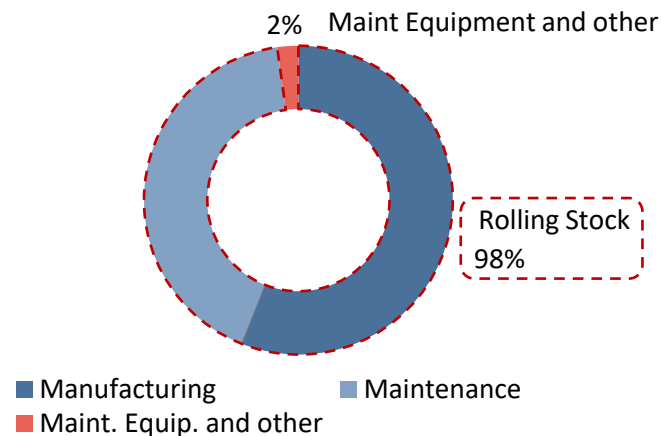


- **Revenues increased in FY-2024 to reach €669 m**, reflecting manufacturing activity in line with schedules.
- In addition, such revenue increase is higher if we exclude one-off revenues and margins recognized in 2023 coming from DB and DSB project extensions.
- The primary contributors to manufacturing revenues during this period were DB (Germany), DSB (Denmark), and Renfe powerheads (Spain).
- Maintenance revenues continues to represent approx. 40% of total revenues being main contributors Spain, Saudi and Kazakhstan contracts.

Quarterly revenues (€m)



Revenues by business line¹

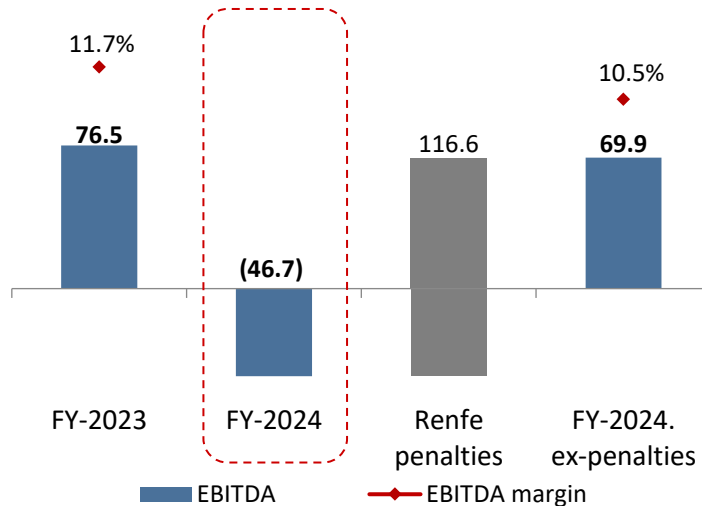


(1) Calculated as an average of LTM revenues registered in the period FY-2022 to FY-2024

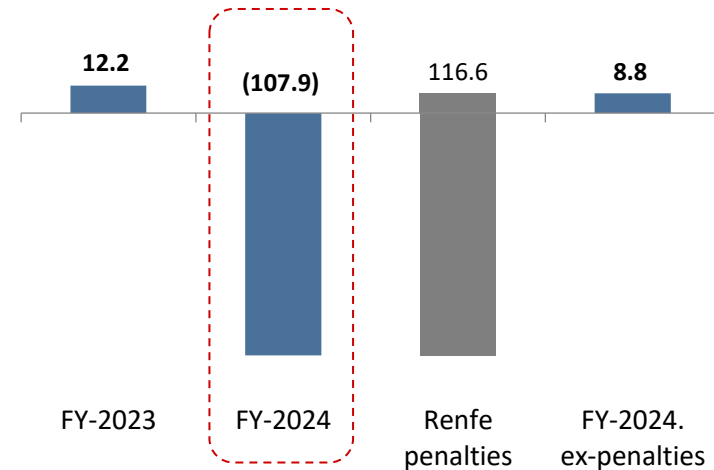
Profit and Loss – EBITDA and Net Income



EBITDA (€m) and margin (%)



Net Income (€m)



- EBITDA in FY-2024 was negative at €(46.7) m. **Excluding penalties, EBITDA reached €69.9 m, with a 10.5% margin.**
- Talgo's **EBITDA in FY-2024 was significantly impacted by the registration of penalties related to Renfe VHS project.**
 - In July 2022, Renfe informed Talgo of the initiation of the Penalty Dossier. Throughout 2022 and 2023, communications were maintained in which Talgo presented various reports expressing its disagreement with the penalties, citing justifications of force majeure and exogenous factors not attributable to Talgo.
 - In the second half of 2024, Renfe communicated the rejection of the justifications provided and confirmed the applicability of the penalties, thus closing the Penalty Dossier.
 - Talgo considers these recent developments as a substantial change in risk and the consequent probability of facing the penalties. As a result, Talgo recorded a provision for the total amount of the maximum penalty.
 - In any case, and notwithstanding the provision recorded, Talgo maintains the technical and legal arguments that support the delays caused by factors not attributable to the company. Talgo will seek to reach a solution that protects its interests and those of its shareholders, reserving the right to take the matter to the courts if necessary.

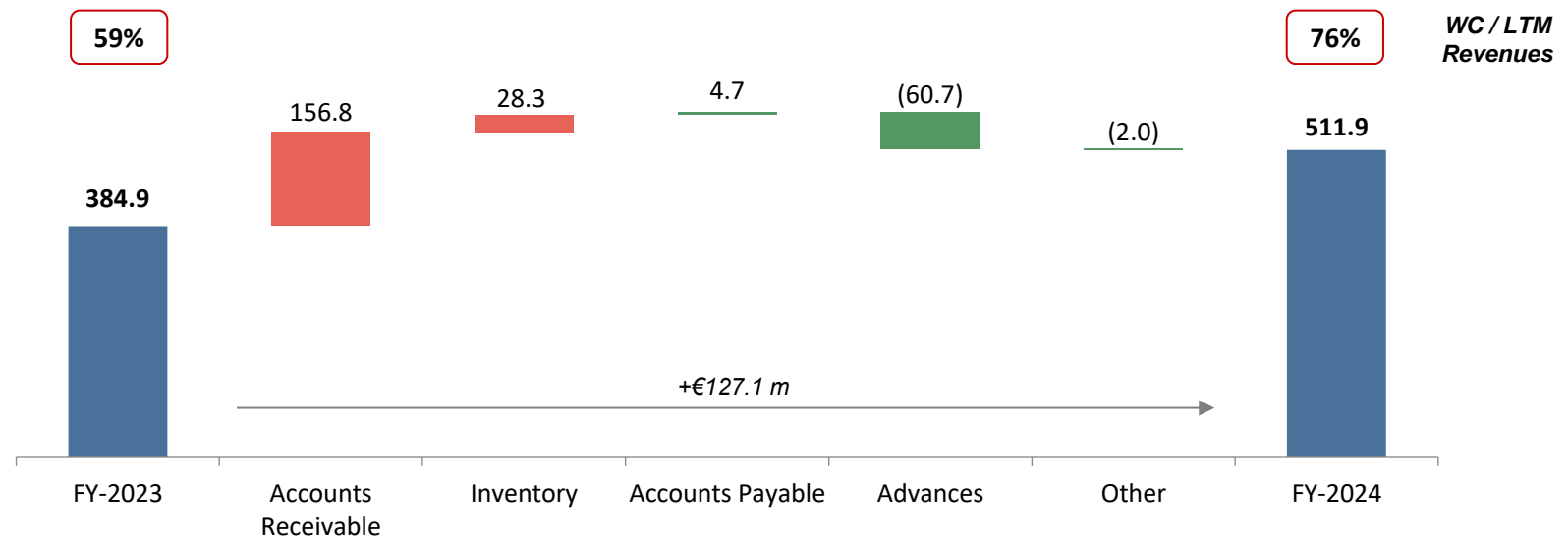
Note: Please refer to the Company 2024 Consolidated Annual Accounts for full text regarding Renfe penalties, as the only version valid in this regard.

Balance Sheet – Working Capital

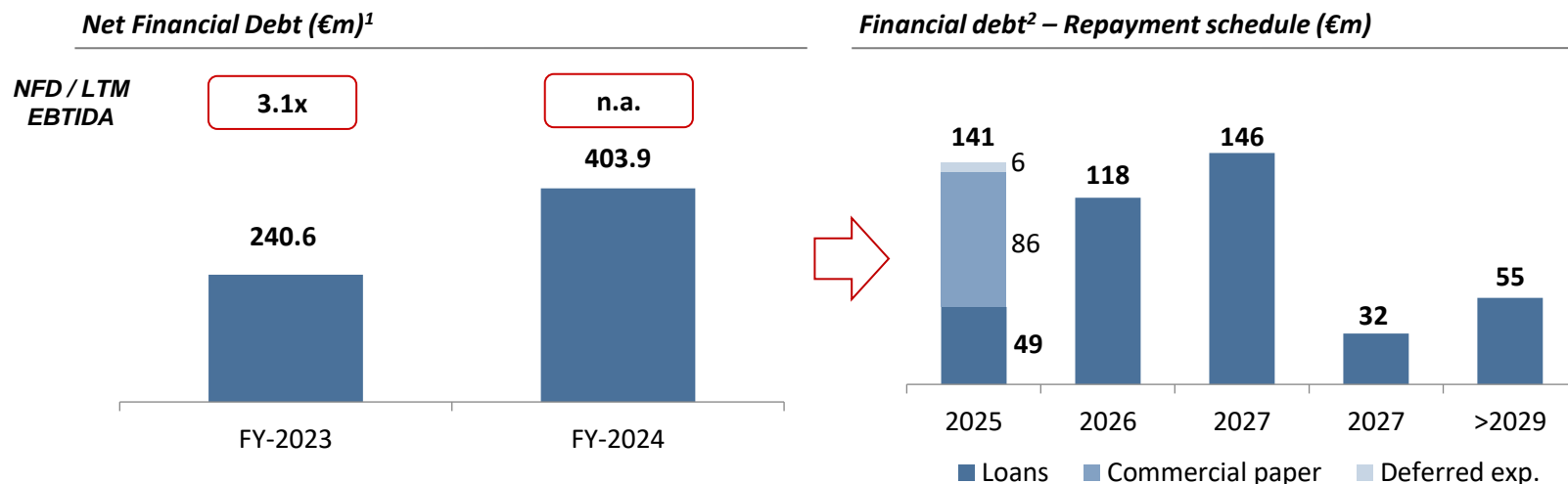


- **Working Capital increased in FY-2024 to reach €511.9 m.** The current strong revenue recognition, mainly driven by manufacturing projects in assembly phases, temporarily increases working capital intensity.
- **Working Capital variations reflect normal industrial phases** in the business and mainly correspond to inventory and work in progress (accounts receivables), which are registered in the balance sheet until the corresponding project is delivered.
- In addition, **certain cash collections expected for FY-2024 were postponed**, mainly those related to delivery milestones of the Spain VHS manufacturing project (Renfe).
- As a result, **operating cash flow was negative during the period, and net financial debt increased to €404 m** by the end of the year.

Working Capital (€m)



Balance Sheet – Net Financial Debt



- **Net Financial Debt increased in FY-2024 to reach €404 m**, mainly due to working capital requirements during the period. Business financial leverage reflects industrial activity and project cycles, with deleveraging expected once technical milestones linked to cash collections are achieved.
- **Strong financial profile with close to €300 million in accessible liquidity and a diversified financial structure:**
 - By the end of 2024, Talgo had €120 m in available credit lines.
 - In February 2024, Talgo registered a Commercial Paper Programme traded in the Spanish Fixed Income market (MARF) for a maximum amount of €150 m. As of December 2024, Talgo issued €85 million in tranches with maturities of 1-9 months.
- The European Central Bank's monetary policy began to reverse in 2024, which is expected to benefit financial expense reduction in the following years.

(1) Net Financial Debt excludes repayable advances with entities belonging to the Spanish Public Administration relating to R&D, which are not considered financial debt due to their recurrence and subsidized interest rates

(2) Includes long-term loans, short-term debt comprising credit lines, financial leasings, deferred interest expenses and commercial paper.



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Annex 1 – P&L



Profit & Loss Account (€m)	FY2024	FY2023	% Change
Total net turnover	669.2	652.0	2.6%
Other income	18.6	24.5	(24.0%)
Procurement costs	(335.4)	(317.1)	5.8%
Employee welfare expenses	(199.4)	(184.6)	8.0%
Other operating expenses	(199.7)	(98.3)	103.2%
EBITDA	(46.7)	76.5	(161.1%)
% Ebitda margin	(7.0%)	11.7%	
D&A (inc. depreciation provisions)	(24.7)	(17.5)	41.3%
EBIT	(71.4)	59.0	(221.1%)
% Ebit margin	(10.7%)	9.0%	
Net financial expenses	(23.5)	(37.7)	(37.7%)
Profit before tax	(94.9)	21.3	(545.5%)
Tax	(13.0)	(9.1)	43.1%
Profit for the period	(107.9)	12.2	(981.5%)

Annex 2 – Balance Sheet



Balance Sheet (€m)	Dec 2024	Dec 2023
Fixed Assets	305.6	276.1
Tangible + intangible assets	169.5	138.8
Goodwill	112.4	112.4
Other long term assets	23.7	24.9
Current Liabilities	961.4	839.7
Inventories	220.0	191.7
Accounts receivable	627.3	470.6
Other current assets	20.8	21.7
Cash & cash equivalents	93.3	155.8
Total Assets	1,267.0	1,115.8

Balance Sheet (€m)	Dec 2024	Dec 2023
Shareholders Equity	179.1	288.3
Capital Stock	37.3	38.0
Share premium	0.9	0.9
Consolidated reserves	2.0	3.0
Retained earnings	135.4	250.0
Other equity instruments	(4.9)	(13.9)
Equity attributable to minority interests	8.5	10.3
Non-Current Liabilities	578.6	412.3
Debt with credit institutions	350.4	292.2
Provisions	181.9	62.4
Other financial liabilities	31.2	45.6
Other long-term debts	15.1	12.0
Current Liabilities	509.2	415.2
Accounts payable	346.2	290.2
Debt with credit institutions	139.4	101.0
Other financial liabilities	13.7	15.2
Provisions for other liabilities and other	10.0	8.8
Total Share. Equity + Liabilities	1,267.0	1,115.8

Annex 3 – Balance Sheet: NFD and WC breakdown



Financial debt (€m)	Dec 2024	Dec 2023
Long term financial liabilities	350.4	292.2
Short term financial liabilities	139.4	101.0
Financial leasings	7.3	3.2
Cash & cash equivalents	(93.3)	(155.8)
Net financial debt	403.9	240.6
EBITDA LTM	(46.7)	76.5
Net financial debt / EBITDA (LTM)	n.a.	3.1x

Working Capital (€m)	Dec 2024	Dec 2023
Inventories	220.0	191.7
Account trade receivables	627.3	470.6
Other current assets	20.8	21.7
Trade and other payables	(269.1)	(273.9)
Advances received	(77.0)	(16.3)
Provisions for other liabilities and other	(10.0)	(8.8)
Working Capital	511.9	384.9
WC / LTM revenues	76%	59%

Annex 4 – Cash Flow Statement



Cash flow statement (€m)	FY2024	FY2023	% Change
Cash flow from operating activities	(73.1)	(81.9)	(11%)
Income tax paid	(1.5)	(13.8)	(89%)
Capex and other investments	(48.6)	(18.6)	161%
Operating Cash Flow	(123.2)	(114.3)	8%
Changes in financial assets and liabilities	98.8	61.4	61%
Net interest expenses	(36.2)	(20.0)	81%
Dividends payments and treasury stock	(1.2)	(10.7)	n.a.
Net cash flows from financing activities	61.4	30.7	100%
FX effect	(0.6)	0.0	
Net variation in cash & cash eq.	(62.5)	(83.6)	(25%)
Cash and cash equivalents BoP	155.8	239.4	(35%)
Cash and cash equivalents EoP	93.3	155.8	(40%)

Talgo