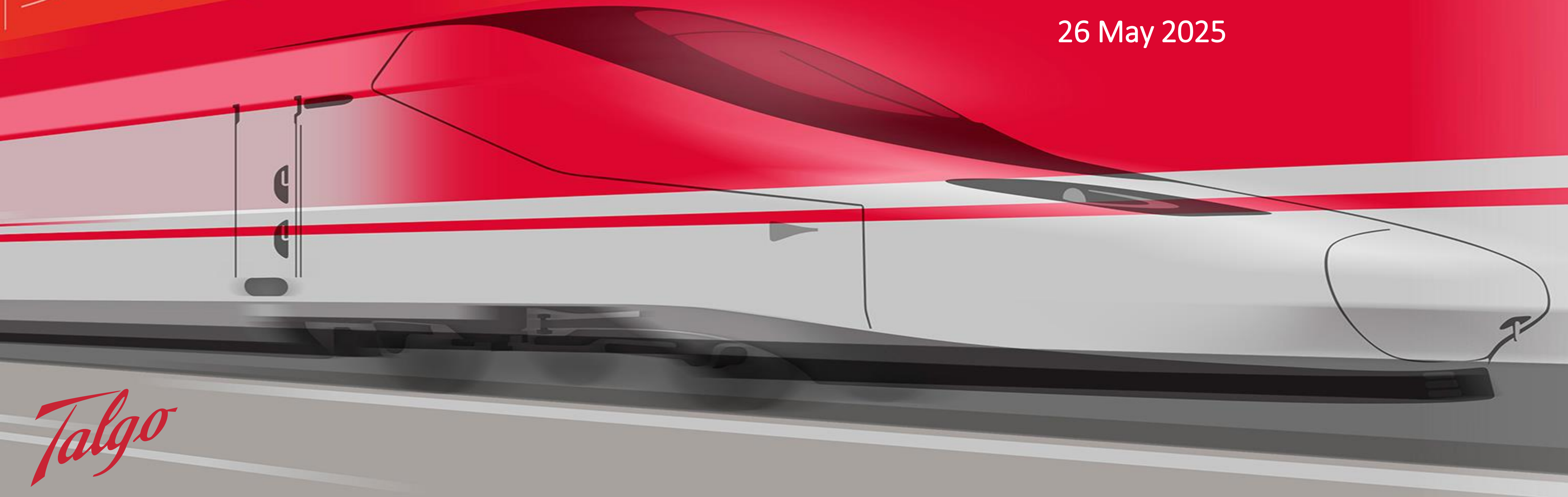
Results Presentation
First Quarter 2025

26 May 2025



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Executive Summary – Key Highlights

Business Performance

- **Health & Safety: Almost 50% decrease in both accident frequency and severity rates** compared to the same period of 2024.
- Company currently **under negotiations with Deutsche Bahn** (largest manufacturing project in the backlog) mainly comprising scope and schedules. **First units expected for H2-2025**.
- No new significant contracts registered during Q1-2025. However, company expect **significant order intake during the year**.
- Ongoing public and private investments in railroad passenger transportation system enhance the **commercial momentum with a pipeline of €11.6 bn.**

	Q1-2025
Accident freq.[1]	6.1
Severity[2]	0.11
Backlog	€4,096 m
Pipeline	€11,594 m

Financial Results

- **Revenues remain high driven by main manufacturing projects** although registering slightly decrease in the period.
- **Maintenance services registered less profitability in the period** mainly due to service operations in Spain (Renfe VHS trains) dragging business margins.
- In February 2025, Talgo registered its second **Commercial Paper Programme** traded in the Spanish Fixed Income market (MARF) for a maximum amount of €150 m.

	Q1-2025
Revenues	€154.3 m
EBITDA	€13.6 m
EBITDA Mg.	8.8%

Outlook update

Talgo has decided to temporarily withdraw the guidance ("on hold") established for the year 2025 due to unforeseen circumstances related to the main projects and the capital structure and which therefore make it difficult to establish forecasts appropriately.

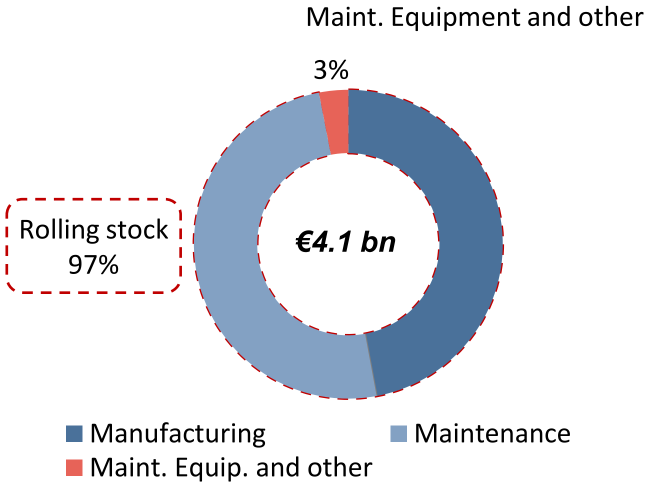
1) Accident frequency rate: Includes Talgo Group FTEs. Industrial accidents per million man-hours worked. FTEs (Full Time Equivalent Employees).
2) Severity rate: Includes Talgo Group FTEs. Number of working days lost per 1,000 hours worked.

Source: Company

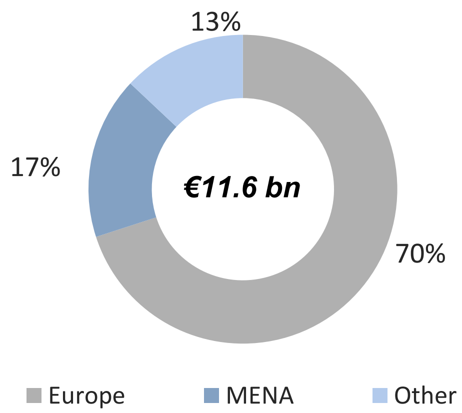
Business performance

- **Order backlog amounts above €4.0 bn as of March 2025**, comprising opportunities providing **high revenues visibility** in the medium and long term.
- Talgo, in line with its vocation as a leading company in railway innovation, continues to carry out pioneering developments worldwide in the very high-speed and intercity segments, outstanding in terms of efficiency and service:
  - **Talgo Avril**: Technology initially developed and marketed in Spain through the project to manufacture 30 VHS trains for Renfe, for which 27 trains have already been delivered and are currently in commercial operation, having achieved high levels of reliability and availability during Q1-2025.
  - **Talgo 230**: Technology developed ad-hoc for DB rail operator (Germany) in first instance and later for DSB (Denmark).
    - **Currently under negotiation** to adapt to client needs and the industrial pace.
    - **First units** expected to **be delivered in H2-2025**.
- Maintenance activities not only represent c. 50% of the company order backlog through long-term projects in eight countries, but also **drive stability and provide a reliable cash flow, while expanding the installed base with new deliveries**.
- In addition to the current portfolio, Talgo continues to take advantage of a very favourable market momentum with opportunities worth €11.6 bn (bids already delivered worth €5.8 bn) which are expected to lead the company to continue to break portfolio records and consolidate in international markets its **technology as a reference to address the global transport decarbonisation process.**

Order backlog Q1-2025 (€m)

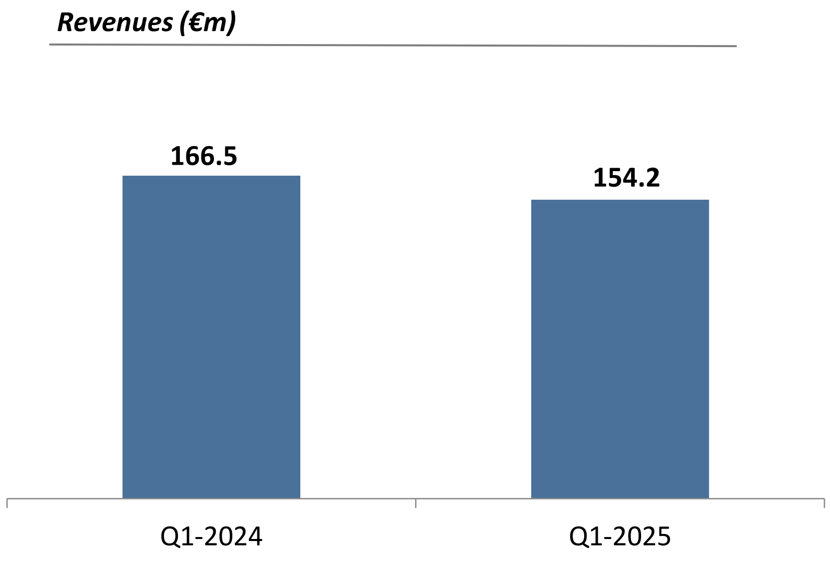


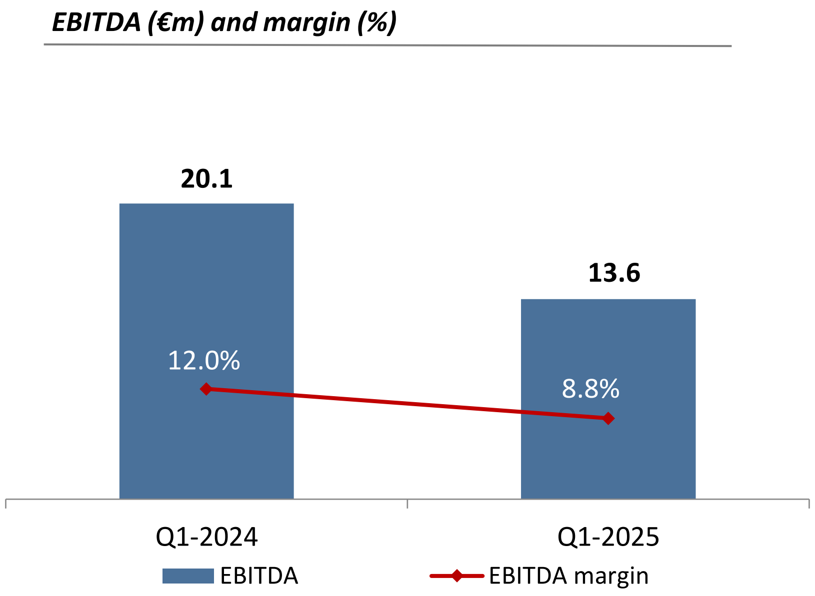
Pipeline 2025-2026 (€m)



Source: Company

Key financial figures





- Revenues reflect the current phase of the projects, implying **high level of industrial activity** despite minor variations recorded on a quarterly basis. As a result, **revenues amounted to €154 m in Q1-2025**.
- However, revenues were slightly below the same period of 2024 and EBITDA was also lower in the period (€13.6 m in Q1-2025, resulting in an 8.8% margin), as a result of:
  - Less progress than planned in manufacturing thus arising higher allocation costs (indirect industrial costs) registered directly in P&L. **Recovery plan in progress**.
  - Decrease in the number of kilometers and higher costs in the in VHS trains in Spain, also dragging profitability in the period.
- Net income for Q1-2025 was €(7.1) m for the reasons expressed in the previous point and due to higher D&A as result of investments made in previous years and higher financial expenses.

Source: Company

Outlook FY-2025

	Current Outlook
Profitability	✓ EBITDA: **c. 11%**
Capital structure	✓ Working Capital: **Partial recovery driven by new project downpayments[1]** ✓ Net Financial Debt: **c. 4.0x EBITDA** ✓ Capex: **c. €25 m[2] (+€30 m R&D)**
Business performance	✓ Revenues: **> €600 m** ✓ Book-to-Bill ratio: **>1.0x**

Outlook update FY-2025 – Guidance "on hold"

Reason for the change:

- Need to reassess estimates with updated information of the main projects once current negotiation processes are completed.

Impact on business:

- Potential temporary adjustments in the main financial metrics of the business.
- Focus on stability and adaptation to new conditions.

Action Plan:

- New assessment planned with a necessary visibility and certainty scenario.
- Consolidation of project portfolio, capital and shareholding structure.

1) Measured as % over revenues.
2) Recurrent Capex (R&D investments includes mainly new platforms development).

Source: Company

Thank you

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