

# .italo

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## **Nuovo Trasporto Viaggiatori - Italo** *Company profile*

# NTV Italo: how the opportunity came up

## Italian operating context

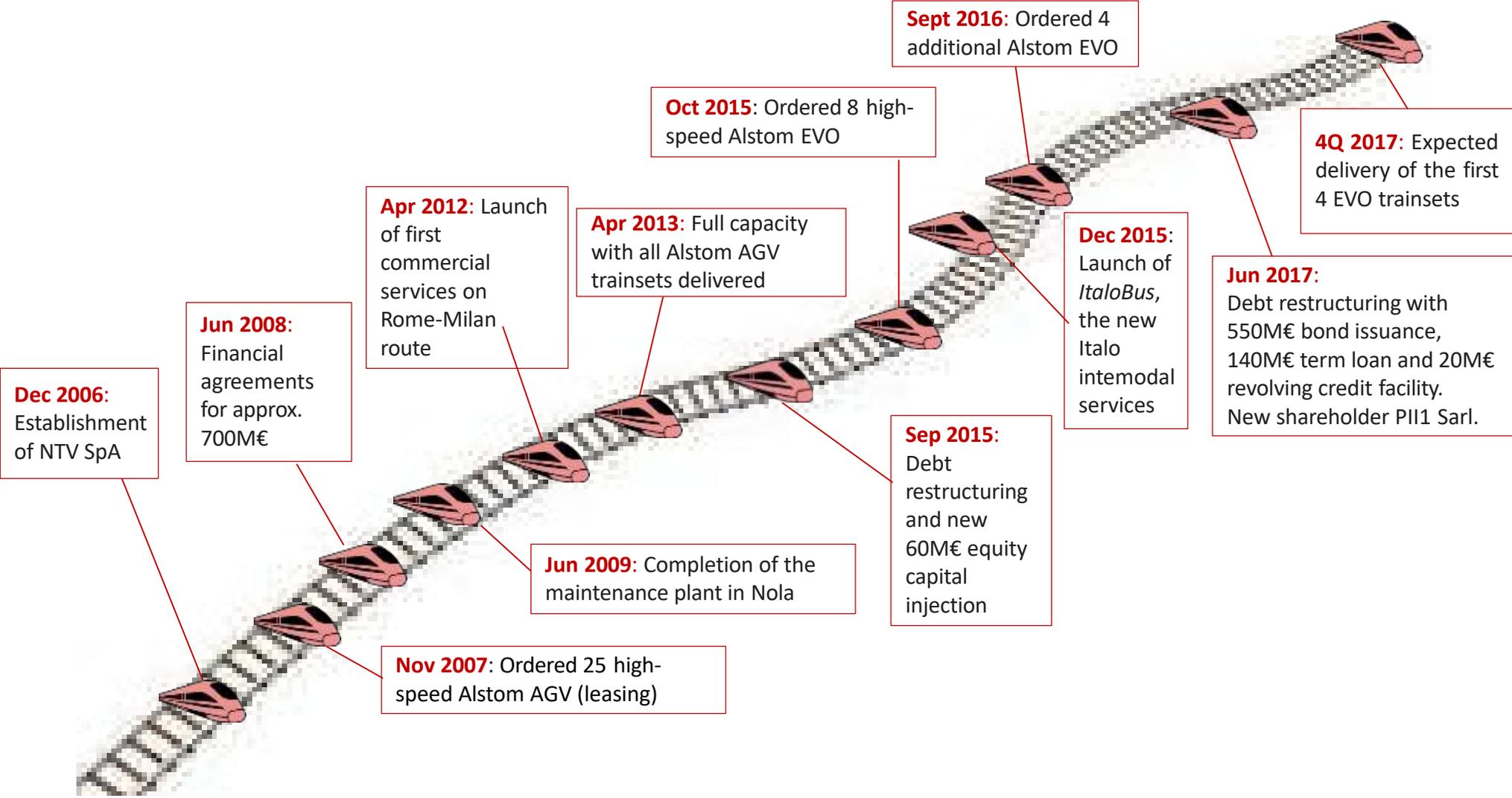
- The **liberalization of domestic passengers rail services** introduced in Italy in **2003**, promptly reflecting the guidelines defined at European level
- The opening of the market to competition seen as the best way **to improve quality and economics of rail transport**
- **Significant growth opportunities** for modern and efficient rail services within a transportation system historically strongly unbalanced in favor of the road network
- **Weakening air transport sector** on key business routes

## Market opportunity

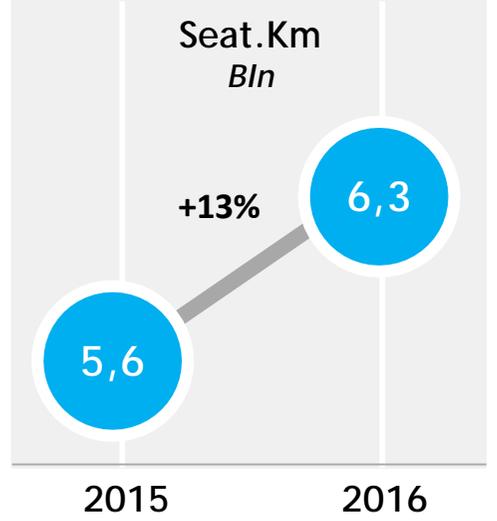
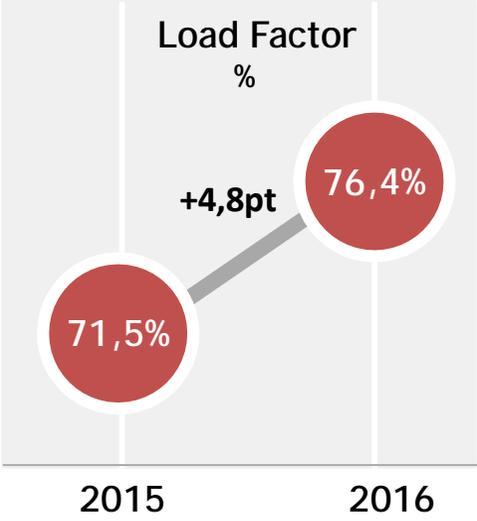
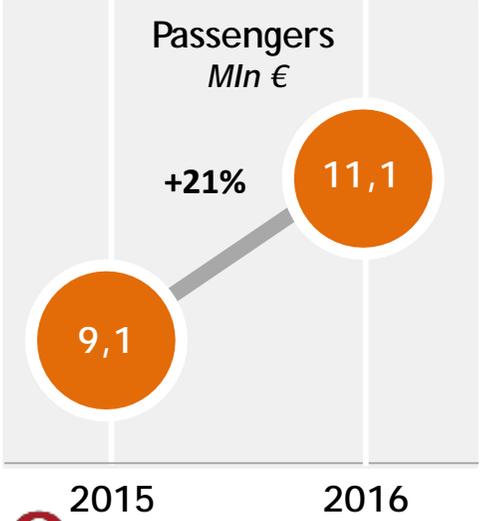
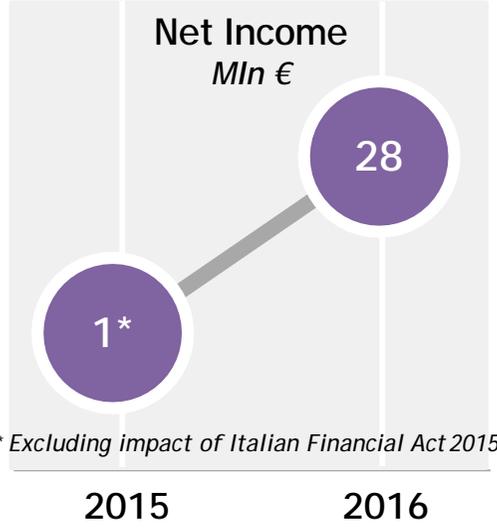
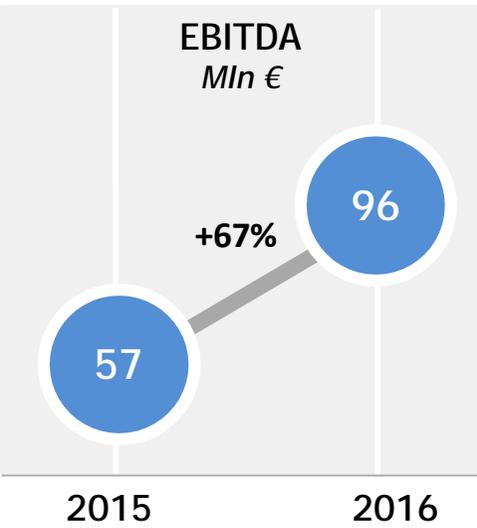
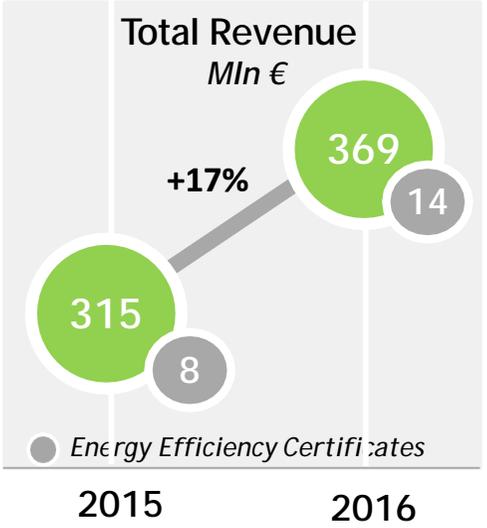
- The liberalization process inspired some **Italian entrepreneurs** to establish in **2006 Nuovo Trasporto Viaggiatori (NTV)**, operating under the *Italo* brand
- NTV is the **first private High Speed operator** in the European Union
- Since the very beginning NTV has been highly **appreciated for its service quality**, raising up the overall standards of the market
- NTV is evolving in line with the **changing environment** by reinventing itself **in terms of both strategic and operating guidelines**

**First private high-speed operator in EU, NTV took benefit of the liberalization of the Italian passengers rail services to raise the rail transport quality standards**

# Brief history of NTV Italo



# NTV Italo key performance indicators 2015-2016



# NTV Italo key assets and investments

## Trains



- **Over 600 Million €** investment on the **25 Alstom AGV** trainsets, produced and assembled in Italy and France
- **Over 250 Million €** investment on the **new 12 Alstom EVO** trainsets, entirely **produced and assembled in Italy**

## Maintenance sites



- **Almost 2 Billions €** contracts **totally signed** to secure the **maintenance** of the AGV and EVO fleets over 30 years
- **Three maintenance sites** in Nola (NA), Milan and Venice employing over **400** workers

## Stations lounges and ticket offices



- **During 2017 over 30 cities served through intermodal services (train-bus)** with a number of cities connected constantly increasing year by year (approx. 26 cities served in 2016)
- Strong investment in visibility through **lounges, ticket offices and ticket vending machines**

## Human Resources



- **Over 1.000 people directly employed** with the launch of the new EVO services

# NTV Italo high speed fleet as of July 2017

Fleet made up of 25 Alstom high-speed AGV trainsets, delivered between 2012 and 2013

## Technical features

- ✓ 11 cars / 12 bogies
- ✓ Over 460 seats per trainset
- ✓ 4 classes (*Club, Prima, Comfort, Smart*)
- ✓ 2 vending machines areas
- ✓ 200m trainset length
- ✓ Distributed traction



Winner of the 2013 design award as «Life-enhancer of the year» by *Wallpaper* magazine

# Newly commissioned 12 Alstom EVO trainsets

Recently commissioned, the *Alstom EVO* fleet will combine with the current fleet of 25 *Alstom AGV*, taking the total number of *Italo* trainsets up to 37

## Technical features

- ✓ 7 coaches / 14 bogies
- ✓ 480 seats
- ✓ 3 classes (*Club, Prima, Smart*)
- ✓ 187 m trainset length
- ✓ 2 vending machine areas
- ✓ Distributed traction

*Delivery starting in Q4 2017*



Highly competitive against market alternatives in terms of productivity, price and capacity

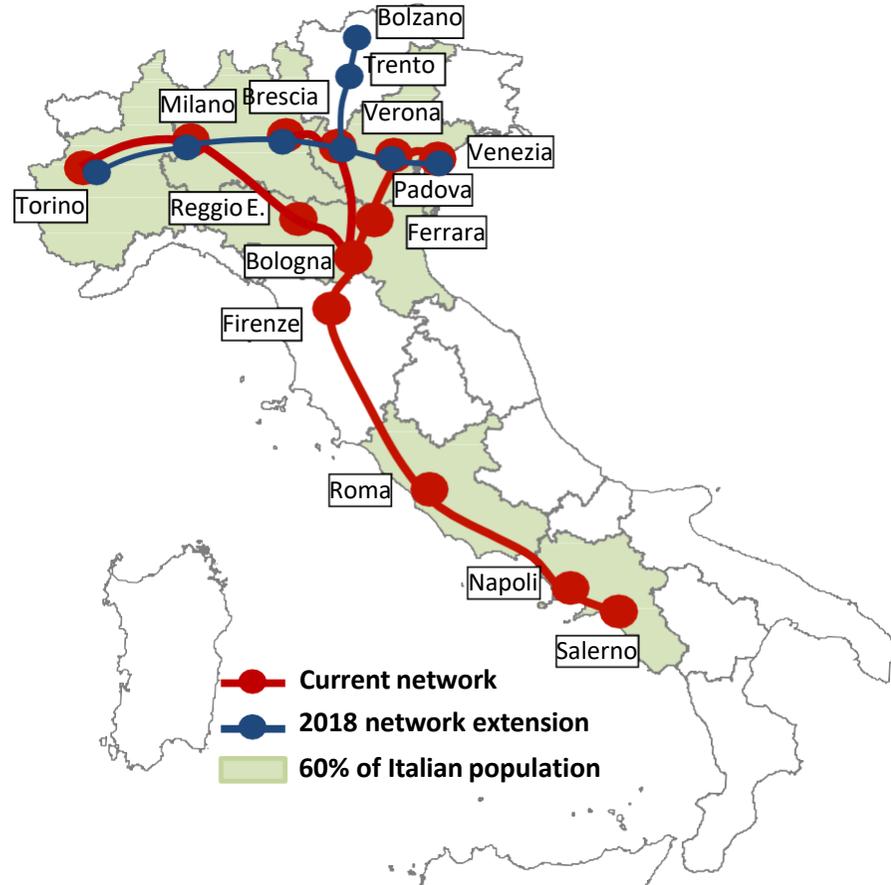
# Development of NTV Italo rail network

Enlargement of the Italian high-speed network as one of the primary factors driving the Company's decision to launch of new services

**CURRENT NETWORK**  
Three main routes served

- ✓ Backbone Turin - Salerno (including *no-stop* services)
- ✓ Naples/Rome - Venice
- ✓ Naples/Rome - Verona/Brescia

**NETWORK EXTENTION:** Increase of daily frequencies on the current network and **launch of services in new markets** upon delivery of newly commissioned EVO fleet



Plans to reinforce current routes and launch new services along the highly populated Turin-Venice corridor

# ItaloBus, the NTV Italo intermodal service

## New projects 2017

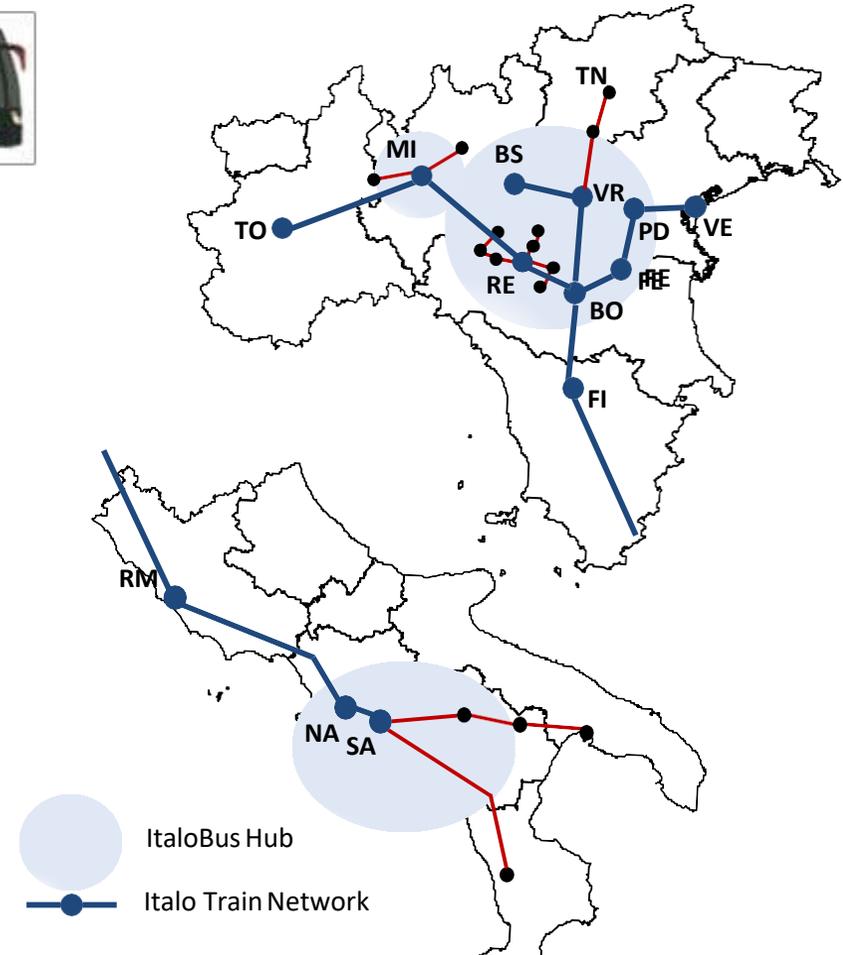


### ITALOBUS

- Increase of frequencies on current routes (i.e. Parma, Potenza, etc.)
- Increase of served destinations, i.e.:
  - ✓ Venice - Trento
  - ✓ Salerno - Cosenza

### PARTNERSHIPS

- Launch of new **services to airports** in the Center-North regions of Italy - Malpensa, Linate, Treviso, Pisa
- Launch of **door-to-door minibus services** to feed up the main stations of *Italo* network



Italobus offer constantly increasing with new services in Trentino Alto Adige and Calabria regions and to the main airports of central-northern Italy

# NTV Italo key success factors

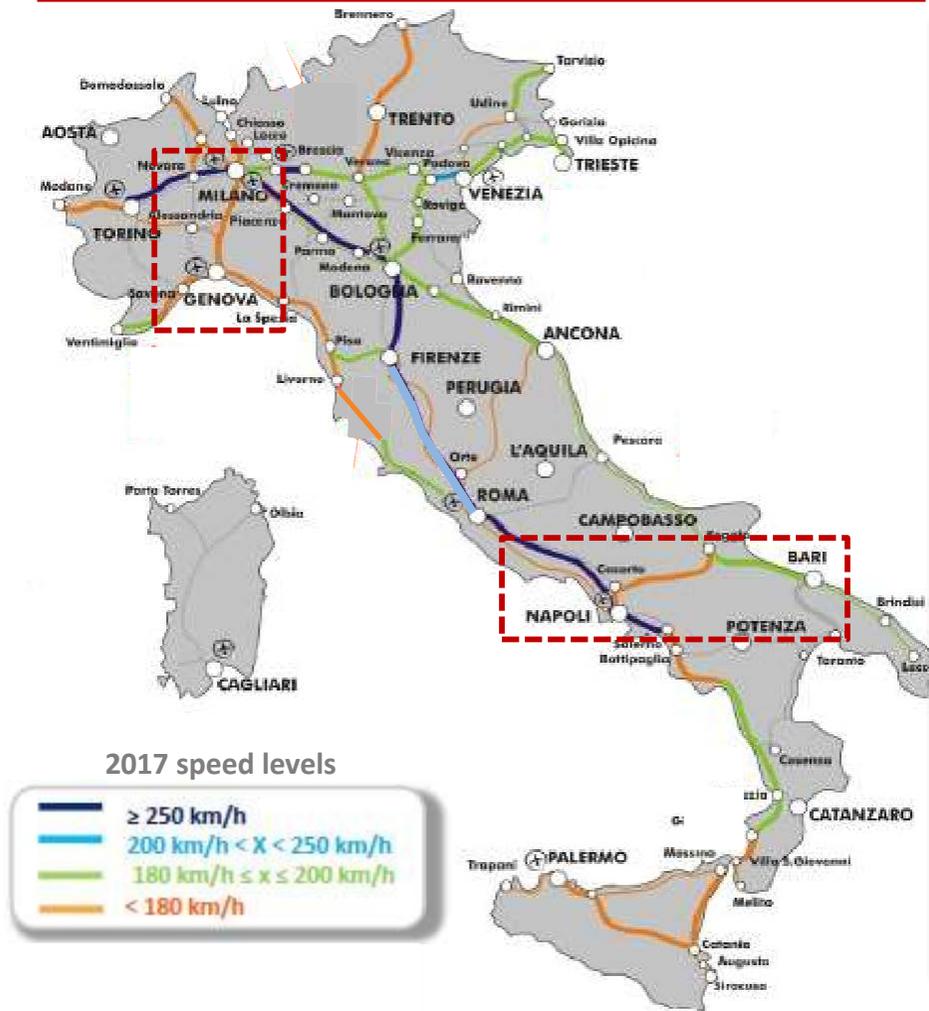
Value-oriented approach with an accurate mix of operating and marketing initiatives aimed to address all the key choice drivers in the various market segments

- **Continuous improvement of courtesy, cleanliness and comfort** as distinctive key success factors to ensure a memorable overall travel experience
- **Extensive use of new digital technologies** as primary channel for interaction with customers
- **Customized pricing strategies and services levels** to address the needs of a wide range of passengers, from the value-oriented to the business ones
- Conversion of all **stations** into **primary sales assets**: increased visibility through **new lounges, ticket offices** and **over 150 new ticket vending machines**



# The Italian rail network

## Current High Speed Rail infrastructure



## Expected development

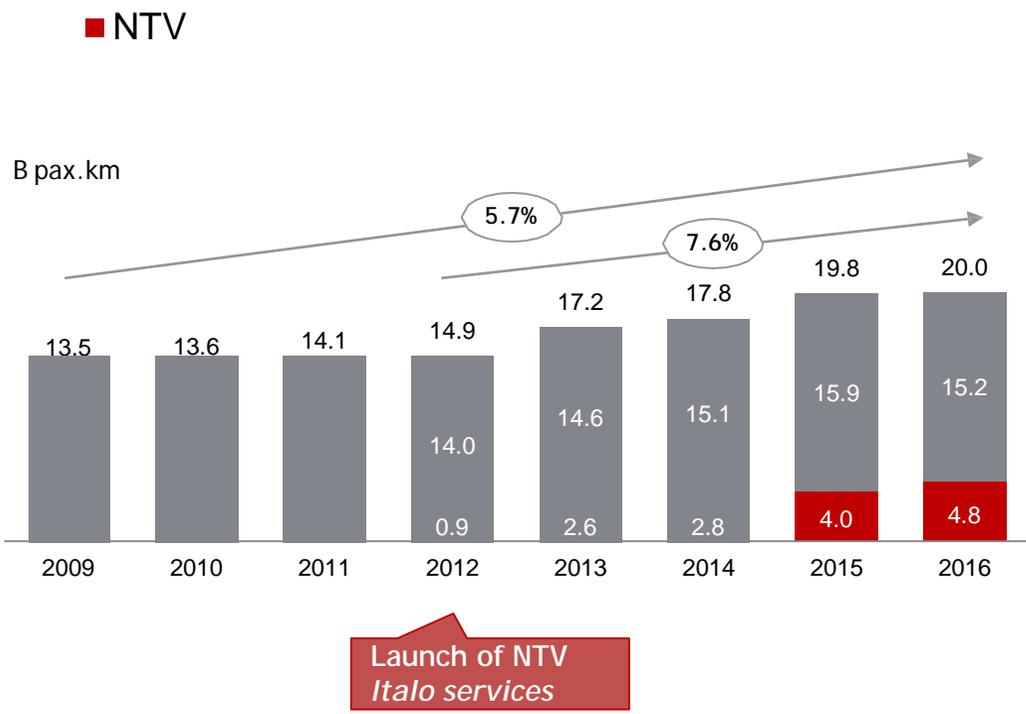
A significant updating of the rail infrastructure expected over the next 5 years along some of the key rail routes of the country:

- 2020 → Naples – Bari (high speed partial upgrade)
- 2021 → Milan – Genoa (high speed upgrade)

The improvement of the network performances likely to increase demand

# The Italian rail market

## Italian long-haul passengers rail market 2009-2016



Increased HS train traffic as an effect of traffic gained at the expense of airplane and car, plus an induced demand

- **Pure demand growth:** mainly driven by macro-economic trend (i.e. GDP, touristic inflows)
- **Induced demand:** availability of convenient transportations solutions stimulating a demand that would not have considered airplane (too expensive) and car (too long)
- **Modal share increase:** Train modal share increase as it becomes more competitive vs. airplane and car

Over 7% CAGR market growth since launch of *NTV Italo's* first train services in 2012

