

2026 Strategic Plan

The CAF Group pursues growth as a provider of comprehensive rail and bus transport solutions by maximising the digital proposition of the organization

- **CAF considers the previous 2016-2021 cycle to have come to close, which stands out with the acquisition of the leading European zero emission urban buses company "Solaris" into its portfolio, with the consolidation in some of the most stringent international railway markets such as France and Germany, and with its steadfast commitment to sustainability.**
- **According to Javier Martinez Ojinaga, CEO of the Group, "CAF has proved the ability to undertake a major transformation, and the organization fulfils its commitments with sound results as it leverages a solid foundation to build the transport of the future." In fact, over the duration of the recently completed Strategic Plan, earnings per share rose 2.5-fold, which in turn resulted in a 70% increase in the distributed dividend to 1€ per share in 2021.**
- **The new Strategic Plan runs until 2026, and by then, the Group sets out to achieve sales of approximately €4,8bn and EBIT of close to €300m, along with making headway in terms of reducing emissions from its activities and products until it reaches its zero net emission target by 2045.**
- **As for shareholder remuneration, the company has announced the augmentation of dividend yield in line with the operating margin growth.**

CAF has today presented its 2026 Strategic Plan in an event attended by its CEO, Javier Martinez Ojinaga, and its Chief Financial and Strategy Officer, Aitor Galarza. During the event, both emphasised the company's transformation capacity during the recently completed 2016-2021 strategic cycle, as well as CAF's resilience when it comes to addressing a challenging operating environment, such as the situation brought about by COVID 19.

OVERVIEW OF THE 2016-2021 STRATEGIC PLAN

Javier Martínez Ojinaga began his speech pointing out that "we were capable of embarking on a major transformation", adding that "acquiring Solaris, the European zero-emission urban bus market leader, in 2018, was the most significant milestone in this regard, establishing CAF as the only comprehensive rail and bus transport solution provider."

During this period, the Group's sales rose from approximately €1,3bn to close to €3bn, whilst EBIT increased from €112m to €165m, with profitability being affected of late by the atypical situation brought about by the pandemic, the ramping inflation and the disruptions of the supply

chain. In addition to this, earnings per share rose from €1 to €2.5, and the distributed dividend from €0.58 to €1 per share.

Aitor Galarza emphasised “the strong generation of cash flow during the period, even after major acquisitions such as those of Solaris and EuroMaint, which permitted improving the net debt / EBITDA ratio from 2.0x in 2016 to 1.1x in 2021.”

With regards to its sustainability strategy, the Group has focused on developing environmentally-friendly technology, with particular emphasis on extending its offer for battery and hydrogen-powered trains and buses, thereby reducing scope 1 and 2 emissions (direct and indirect respectively associated to the organisation’s activities) by 10% compared to 2019. This positions the CAF Group above other comparable companies in the rankings of the main ESG rating agencies.

During this period, the workforce has grown from 7,587 people in 2016 to 13,284 in 2021, with approximately half of this workforce located outside Spain. In terms of training and competences, it should be noted that university graduates account for more than a third of the entire workforce, with a particular emphasis on technical profiles working on innovation, product development and project activities.

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According to Javier Martínez Ojinaga, “in spite of the financial effect of the macro scenario we have a solid foundation to build the transport of the future”, and he went on further to enumerate the Group's main strengths:

- High degree of customer satisfaction and repeat business.
- Provider of comprehensive rail and bus transport solutions
- Top European company in sustainable urban transport, contributing to more sustainable city development.
- State-of-the-art decarbonisation, automation and digitisation technology.
- Global presence, with projects in more than 50 countries around the world, and a particularly noteworthy position in Europe. Stronger industrial capacity in France and Germany following the acquisition of significant assets in these countries in August of this year was stressed.
- A highly qualified workforce, committed to the corporate strategy and to a shared culture.
- High visibility over the coming years, in spite of the current uncertainty regarding world economic growth, as it has an order backlog in excess of €11bn.
- Proven solvency and financial capacity, with a net debt/EBITDA ratio of 1.3x in June this year.
- Sustainability ratios higher than the industry average, such as a "low risk" rating according to the Sustainalytics agency and the "Platinum" medal received from Ecovadis.

2026 STRATEGIC PLAN

With its new Strategic Plan, the CAF Group aspires to discharge its Vision: growing as a provider of comprehensive rail and bus transport solutions by maximising the digital proposition of the organization.

Against this background, four strategic milestones have been set out that will enable the accomplishment of this Vision, meeting the goals set and, accordingly, generating greater overall yield for shareholders.

Business Focus: Recurrence and Scalability

The Company will focus its business strategy on Europe, North America and Asia Pacific, which are attractive markets with both high volumes and repeat business opportunities where CAF holds a strong position and/or good strategic fit in the company's solutions offering

In the Bus sector, CAF sets out to maintain its European leadership in zero-emission transport in the urban sector, to expand its current portfolio to the European intercity sector, and to enter the North American market with an urban, exclusively zero emission value proposal.

Operational efficiency: Profitability and Competitiveness

Efficiency will improve in production, engineering and procurement, supplementing the current footprint with new industrial capabilities that are in line with the commercial focus while capturing cost efficiencies.

It strives to establish new operations in Eastern Europe and Asia Pacific for the rail division, as well as in North America for the bus sector.

It will implement efficiency schemes across all of its activities so as to increase its competitiveness, with an envisaged recurrent annual impact from €35m to €50m.

Innovation: At the Forefront of Technology

The company will establish an innovative mobility strategy that incorporates smart mobility solutions in the Portfolio geared towards optimising urban transport infrastructures such as fleet management, optimisation of traffic or intermodal operation, as well as strengthening the core businesses and the integrated project business.

It will make progress with its decarbonisation strategy by expanding the range of trains and buses powered by alternative energy sources (electric and hydrogen), by automating urban transport systems (metros, trams and buses) and by digitalising its processes (virtual validation and certification environments, cybersecurity, etc.).

Sustainability: Zero emissions transport

With sustainable, environmentally friendly growth, the company is the lead player when it comes to the transition of transport solutions towards the zero net emission goal set for 2045.

It will continue to pursue its sustainability strategy (ESG Equity Story), addressing the priority material issues identified by its stakeholders. In this regard, it strives to stand above the average figures for benchmark companies in the rankings of ESG rating agencies.

Accordingly, this Strategic Plan establishes the following as the main goals for the new period:

- Growth at a higher rate than the market and total sales of approximately €4,8bn.
- Bringing EBIT to approximately €300m in financial year 2026.
- Distributing dividends in line with increasing profits.
- Reaching a net financial debt/EBITDA ratio of approximately 2.2x.
- Reducing scope 1 and 2 emissions by up to 30%, and scope 3 emissions (relating to product use, in terms of emissions per passenger and km) by up to 40% relative to 2019, with the end goal being to become a zero net emission company by 2045.

Approximately €550-650m worth investments have been programmed in this period to accomplish this Plan. Also, as a means to supplement organic development, reduce both risks and the amount of capital used, CAF plans a base corporate transaction case with investments amounting to approximately €550m for the period in question. These acquisitions will contribute to expanding the Group's portfolio of products and services, supplementing its current industrial and technological capacity, with regards to both the rail and bus sectors, in line with its international expansion.

Link to the CAF Strategic Plan presentation:

https://www.caf.net/upload/accionista/CAF_PE_2026_EN.pdf