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Societa'	:	SALCEF GROUP S.P.A.
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Oggetto	:	The Boad approves interim consolidated financial results as of March 31 2020

Testo del comunicato

Vedi allegato.

SALCEF GROUP SALCEF

PRESS RELEASE

Turnover and Margins grow, despite COVID-19

The Board of Directors of Salcef Group has:

- **approved the interim consolidated financial statements at 30 March 2020**
  - **Revenues at € 67.8 million (+2,8% 2.8% compared to 31 March 2019)**
  - **Ebitda at € 17.3 million (+17.4% compared to 31 March 2019)**
  - **Ebit at € 12.3 million (+6.1 million compared to 31 March 2019)**
  - **ITA GAAP Net Financial Position positive for € 61.8 million at the end of the quarter (an improvement of € 5.9 million compared to December 2019), corresponding to € 48.7 million IFRS, due to the application of IFRS16**
  - **Group Backlog as at 30 March 2020 amounting to € 563 million**
- **launched the buy-back and disposal of own shares programme**

Rome, 22 May 2020 - The Board of Directors of Salcef Group S.p.A., **international leader** in the **maintenance and construction of railway infrastructure**, announces that today it has, among other things, (i) approved the adoption of the IAS/IFRS International Accounting Standards for the Group's Consolidated Financial Statements, (ii) approved the Interim Report on Operations as at 31 March 2020, (iii) launched the programme for the purchase and disposal of treasury shares.

Adoption of International Accounting Standards

As is well known, the Company and its shareholders have expressed their commitment to listing the Company's financial instruments on the *Mercato Telematico Azionario* (MTA), and therefore has resolved to adopt the International Accounting Standards for the preparation of its annual and interim Group financial statements, in place of the Italian Accounting Standards (OIC) with effect from 2020. To this end, the Interim Report on Operations at March 31, 2020 was prepared in accordance with International Financial Reporting Standards (IFRS).

The transition to IFRS accounting standards, which the company already prepared for internal purposes on a voluntary basis from 2013, represents a further upgrade to the best standards and best practices of disclosure and transparency and is in line with the Group's internationalization process.

Interim report at 31 March 2020

The Group's growth continued in the first quarter, whose positive performance more than mitigated the effects of the pandemic emergency. **Consolidated revenues** for the first three months of 2020 reached **€ 67.8 million**, up by some 3% compared to the equivalent figure for the previous year (€ 65.9 million). Applying ITA GAAP Italian accounting principles on a consistent basis, the value of production for the quarter would have been € 70.3 million (€ 2.5 million higher than the correspondent period od 2019).

Consolidated **Ebitda** reached **€ 17.3 million**, an increase of 17.4% on the first quarter of the previous year (€ 14.8 million), confirming the company's ability to keep high margins even in "non-ordinary" business situations.

The margin as a percentage of the value of production (**Ebitda margin**) increased by over three percentage points, from 22.4% to **25.6%.**

Consolidated **Ebit** reached **€ 12.3 million**, an improvement of 6.1% on the first quarter of 2019 (€ 11.6 million). The Ebit margin also improved, going from 17.5% to **18.1%.**

The IFRS **Net Financial Position** at 31 March 2020 was positive for **€ 48.7 million**, an improvement of € 2.4 million compared to the figure at 31 December 2019. Taking into account the IFRS 16 impact of about € 13 million, the ITA GAAP NFP amounted to **€ 61.8 million**.

The **Backlog** of the Salcef Group at 31 March 2020 amounts to **€ 563 million** which provides visibility equal to **1.81 times** the Group's turnover in 2019.

" Says Valeriano Salciccia, CEO of Salcef Group "We are extremely pleased with the results achieved. With the active contribution of all the people who are part of our Group, we have been able to face an exceptional and unexpected situation, demonstrating the versatility of our organization and the ability to grow in terms of production value and, above all, marginality, always in compliance with regulations and the ethics of protecting the health of our employees. All the Group's activities have been fully up and running since the beginning of May 2020, with the same or higher levels of productivity and margins compared to the pre-pandemic phase".

Launch of the Share Purchase Programme and disposal of own shares

In accordance with the authorisation adopted by the Shareholders' Meeting of 24 April 2020, the Board of Directors resolved to launch the programme for the purchase and disposal of a first tranche of treasury shares (the "**Programme**").

Purpose of the Programme

The Programme is designed to set up a so-called "stock of securities", to be used for any future extraordinary financial transactions, as well as to incentivize and retain employees, collaborators, directors of the Company and its subsidiaries and/or other categories of persons chosen at the discretion of the Board of Directors.

The Board of Directors may establish further or different purposes of the Programme, in compliance with the resolutions passed by the Shareholders' Meeting and the applicable laws and regulations, in which case the market will be promptly informed.

Maximum number of shares to be purchased and maximum amount allotted to the Programme

The Board approved the purchase of 300,000 ordinary shares for a maximum value of Euro 4,000,000.00, in compliance with all the limits imposed by current regulations and the Shareholders' Meeting resolution of 24 April 2020, therefore also in compliance with the limit of 10% of the Company's share capital.

As of today, the Company does not hold treasury shares, nor do the subsidiaries of the Company hold its own shares.

Procedures through which purchases can be made and purchase price

The Company has resolved to assign a mandate to an independent intermediary to carry out the above-mentioned Programme in full independence and in compliance with the obligations arising from the applicable legislation and within the limits of the aforementioned resolutions.

The purchase transactions will be carried out in compliance with the principle of equal treatment of shareholders set forth in Article 132 of the TUF, in accordance with the procedures set forth in Article 144-bis, paragraph 1, letter b) of the Consob Issuers' Regulations (also through subsidiaries).

Duration of the programme

Purchases of treasury shares must be made, even in several tranches, by 24 October 2021, i.e. within 18 months from the date of the Shareholders' Meeting resolution. The duration of the authorisation to dispose of the same shares is not limited in time.

Further information

Any further amendments to the aforesaid Programme shall be promptly communicated by the Company to the public, in the terms and conditions provided for by current legislation.

Any transactions carried out and the related details will be communicated to the market within the terms and conditions set out in the regulations in force.

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This press release is available on the Salcef Group website https://www.salcef.com, in the Investor Relations/Price Sensitive Press Releases section.

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Salcef Group is an Italian corporate group employing over 1,000 people and operating on 3 continents; it is an international railway industry leader in the maintenance and construction of railway and urban transport infrastructure systems, as well as in the construction and sale of rolling stock and the production of reinforced concrete structures. Founded in 1949, the company became wholly owned by the Salciccia family in 1975, and it is currently led by the brothers Gilberto and Valeriano Salciccia, in the roles of Chairman and Managing Director respectively. Railway and metropolitan railway line maintenance and renewal account for 80% of operations and are the core business of Salcef, which in the last 20 years has renewed over 7,000 km of track and is the global leader in track renewal. Salcef Group has a consolidated business founded on a history of more than 70 years, conducted by highly skilled staff in receipt of continual training. In 2019 Salcef achieved a Value of Production of € 311.2 million, with net Group profit of € 38.4 million.

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