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Vedi allegato.



SALCEF

PRESS RELEASE

Salcef Group enters the American railway market

90% of Delta Railroad Construction acquired for USD 36,14 million

Rome, 15 September 2020 – Salcef Group S.p.A. (the "Company") announces the acquisition, through its subsidiary Salcef USA Inc. ("Salcef USA"), of 90% of the share capital of Delta Railroad Construction Inc., an Ohio-based company ("Delta"), operating since 1957 in the USA and Canada in the construction and maintenance of railway plant and machinery. Signing and closing were finalised today and the acquisition is not subject to any condition precedent.

Gilberto Salciccia, Chairman of the Company, says: *"We are extremely proud to announce what we consider to be the most important acquisition made by our Group in recent years. Delta is one of the best known and respected companies operating in North America in the railway construction sector, managed by the third and fourth generation of the Laurello family, descendants of the founder, an Italian emigrant, Cosmo Laurello. We believe that the synergies between the activities already carried out by the Group's operational Business Lines and Delta's production capacities can be extremely significant in the medium term, both in the Railway Equipment sector and in the production of Railway Machinery and Materials. In agreement with the members of the Laurello family - who will actively remain in Delta's managerial and corporate structure - we will aim to develop the company's activities also exploiting the experience and know-how gained by Salcef Group in the European railway market and the stable presence of Delta in many US states".*

The acquisition allows the Company to pursue its growth strategy through external lines, entering the North American market.

The USA boasts the largest railway network in the world, with more than 250,000 km of tracks, mainly used for freight transport, with an impressive development programme for the construction of new high-speed lines, together with the modernisation and upgrading of existing lines. The seven major American rail operators are permanently investing more than USD 25 billion a year to maintain and improve the performance of existing lines and the public operators of passenger and metro network have planned major programmes to upgrade their infrastructure in the coming years.

The COVID-19 pandemic only partially slowed down Delta's activities in the first half of 2020, which, however, maintained - as the Salcef Group companies did - the same levels of marginality, even if associated with lower turnover. Currently, there are no limitations imposed by local legislation, as well as logistic problems that limit Delta's production capacity, which has resumed full operations in its yards and plants.

In the period 01.01.2018 - 30.06.2020, Delta recorded - according to US GAAP accounting principles - average annual revenues of USD 45.36 million, with adjusted average annual Ebitda of USD 8.74 million, therefore with Ebitda Margin of 19.27 %, in line with the current profitability of the Salcef Group. The financial position at the closing is neutral, due to the distribution, pre-closing, of dividends to the selling shareholders, for an amount equal to Delta's net financial assets.

The basic consideration for the purchase of 90% of Delta's share capital was USD 36.14 million, corresponding to approximately € 30.5 million, and the agreement provides for the usual price adjustment mechanisms (upwards or downwards), as well as an earn-out clause in favour of the previous shareholders, based on the EBITDA recorded by Delta from the date of closing until the end of 2024. The remaining 10% of Delta's share capital is held by shareholders belonging to the Laurello family.

The payment of the consideration has been made, for a 70% at closing, while the remaining 30% - already fully deposited in an escrow account managed by a leading American bank - will be paid to the selling shareholders within 36 months after closing, if contractually defined conditions are met. For the purposes of



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the acquisition, ancillary contracts have also been signed, including a shareholders' agreement governing the relations between all shareholders, which provides for specific put and call options held by minority shareholders and by Salcef USA, respectively.

The acquisition was financed by Salcef USA's resources, partly using funds provided by the Parent Company by way of a share capital increase, and partly by the transfer of the sum of 23,910,000 Euros, financed by UniCredit S.p.A. to the Company, through an acquisition loan granted to complete the funding necessary to complete the operation. The UniCredit loan was also guaranteed by SACE S.p.A. for 60%.

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

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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