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Societa' : SALCEF GROUP S.P.A.
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Oggetto : The Board of Directors of Salcef Group
approves the results for the 3Q 2020

Testo del comunicato

Vedi allegato.

PRESS RELEASE**THE BOARD OF DIRECTORS OF SALCEF GROUP APPROVES THE RESULTS
FOR THE 3Q 2020****SALCEF CONTINUES TO GROW IN THE FIRST NINE MONTHS OF 2020**

The Board of Directors of Salcef Group S.p.A. approved the economic and financial data as at 30 September 2020 in accordance with the IFRS accounting principles:

- **Revenues at € 235.3 million (+7.0% compared to €219.9 on 30 September 2019).**
- **Ebitda at € 57.1 million (+17.6% compared to € 48.5 on 30 September 2019).**
- **Ebit at € 41.1 million (+10.4% compared to € 37.3 on 30 September 2019).**
- **Net Financial Position IFRS Adj positive for € 13.4 million (€ 46.9 million at December 2019) after Delta Railroad acquisition for € 30.5 million, the payment of dividends amounting to € 16.9 million, negative impact of IFRS 16 and 9 for € 13.0 million and buyback for € 3.5 million.**
- **Group Backlog as of 30 September 2020 amounts to € 593.7 million (+17.5% compared to € 505.6 million on 30 June 2020).**

Rome, 19 November 2020 - The Board of Directors of Salcef Group S.p.A., international leader in the **maintenance and construction of railway infrastructure**, has approved the half-yearly financial report as at 30 September 2020, based on IFRS accounting principles.

Consolidated Economic- Financial data at 30 September 2020

The first nine months of the year confirmed the Group's growth trend, both in Italy and abroad, and the resilience of the sector despite the Coronavirus emergency.

Consolidated **revenues** for the first nine months of 2020 reached **€ 235.3 million**, up 7% on the comparable figure for the previous year (€ 219.9 million). The third quarter saw an increase in revenues of 3% over the second quarter 2020 and more than 25% over the comparable figure for the first quarter 2020.

The first nine months of 2020 confirmed the positive trend in profitability of the Group's core business. Consolidated **Ebitda** for the first nine months reached **€ 57.1 million**, an increase of 17.6% compared to the first nine months of the previous year (€ 48.5 million). Ebitda for the third quarter confirmed a positive trend also compared to the second and first quarters of the year, recording an increase of 7.6% and 10.4% respectively. This is also reflected in the **Ebitda margin** which remained stable, as in the first six months, at **24.3%** of revenues, representing an increase of over 2% compared to the same period in 2019.

Consolidated **Ebit** reached **€ 41.1 million**, an improvement of 10.4% compared to the first nine months of 2019 (€ 37.3 million). Ebit in the third quarter improved by 11.6% on the second quarter and 11.16% on the first quarter. The **Ebit margin** also showed a positive change of 0.5% on the comparable figure of the previous year, rising from 17% to **17.5%**.

The Adjusted **Net Financial Position** at 30 September 2020 was a positive **€ 13.4 million** (€ 46.9 million at 31 December 2019). The Adj Net Financial Position takes into account extraordinary financial outflows in the first nine months of the year totalling € 50.9 million, which related to the payment of dividends (€ 16.9

million), the purchases of treasury shares as part of the buy-back plan activated by the Group (€ 3.5 million), and the purchase of the subsidiary Delta Railroad Construction (€ 30.5 million). On the other hand, the item does not include the financial liability related to the recognition of the Warrants at fair value, which are accounted for in accordance with IFRS accounting principles, but will not give rise to any cash outflow in view of the fact that they will be settled through the issue of Company shares. IFRS 16 and 9 have a negative impact of **€ 12.6 million**. Therefore, net cash and cash equivalents are **€ 26 million**, compared to **€ 55.9 million** at 31 December 2019.

The Salcef Group **Backlog** as at 30 September 2020 amounted to **€ 594 million**, an increase of **€ 88 million** compared to **€ 506 million** as at 30 June 2020 and of € 30.5 million compared to € 564 million as at 31 March 2020 (€ 649 million as at September 2019) and is almost entirely attributable to the Group's core operating Business Units, and in particular to renewal and maintenance work on railway infrastructure (approximately 72%) and technology (approximately 25%). This order backlog guarantees a visibility equal to **2.04 x the turnover**, calculated according to IFRS principles, that the Group achieved in 2019. The BtoB (book to bill) in the first nine months stood at **0.97** and remains particularly significant considering that the Salcef Group plans to bid in a number of tenders in the coming months.

Valeriano Salciccia, CEO of Salcef Group, says " *Over the past nine months, the Salcef Group has been able to leverage its technological experience and know-how as well as strong relations with clients to maintain high business flows and even to increase profitability, despite the health emergency. Moreover, just a few weeks ago we announced an important operation in the United States with the acquisition of Delta RailRoad Construction. This is the biggest operation that Salcef Group has done, but above all the key to entering one of the most important and promising markets for the development and modernisation expected plans regarding railway lines, and in particular high speed, which the various States are launching. I am confident that the end of the year and years to come will see Salcef Group continue to grow and create value for all its stakeholders.*"

Significant events occurring after the end of the period and business outlook

During the fourth quarter of 2020, the Group will continue to operate in the core sectors in Italy and abroad, with particular attention to the American market where the Group is now present as a result of the recent acquisition of the American company Delta RailRoad Construction (for further details on the operation, please refer to the press release issued on 15 September 2020).

Production values, expected profitability and cash flows for the year 2020, estimated also on the basis of the results at 30 September 2020, are expected to improve substantially compared to the previous year, despite the contraction in production recorded in March and April 2020 due to the COVID-19 pandemic.

The Group's results for the 3Q report will be presented to the financial community on 20 November 2020 during a conference call at 11.00 am CET (UTC +01:00).

For information, please refer to the contacts at the bottom of this press release.

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



SALCEF

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. From the 2019 ITA GAAP consolidated financial statements Salcef reached € 311 million in Value of Production (€ 291.6 million from IFRS financial statements) with a net profit of € 38.4 million (€ 27.6 million from IFRS financial statements).

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SALCEF

STATEMENT OF FINANCIAL POSITION

| ASSETS | 30.09.2020 | 31.12.2019 |
|--|--------------------|--------------------|
| Non-current assets | | |
| Intangible assets with finite useful lives | 5,762,900 | 4,070,838 |
| Goodwill | 31,666,006 | 13,806,369 |
| Property, plant and equipment | 85,837,437 | 73,906,826 |
| Right-of-use assets | 15,131,986 | 12,253,072 |
| - of which, with related parties | 92,012 | 368,048 |
| Equity-accounted investments | 1,925,215 | 39,788 |
| Other non-current assets | 13,469,553 | 13,506,817 |
| Deferred tax assets | 5,324,781 | 4,668,307 |
| Total non-current assets | 159,117,878 | 122,252,017 |
| Current assets | | |
| Inventories | 11,557,226 | 10,883,119 |
| Contract assets | 125,839,418 | 99,372,764 |
| Trade receivables | 57,967,280 | 70,856,770 |
| - of which, with related parties | 282,145 | 373,805 |
| Tax assets | 3,144,370 | 4,834,708 |
| Financial assets | 61,070,676 | 24,514,755 |
| - of which, with related parties | 353,465 | 678,465 |
| Cash and cash equivalents | 54,770,752 | 82,206,698 |
| Other assets | 23,492,111 | 24,162,166 |
| - of which, with related parties | 50,799 | 100,000 |
| Total current assets | 337,841,833 | 316,830,980 |
| TOTAL ASSETS | 496,959,711 | 439,082,997 |



SALCEF

| LIABILITIES | 30.09.2020 | 31.12.2019 |
|---|--------------------|--------------------|
| Equity attributable to the owners of the parent | | |
| Share capital | 62,047,426 | 60,000,000 |
| Other reserves | 163,854,759 | 149,817,044 |
| Profit for the period/year | 9,853,323 | 27,660,235 |
| Total equity attributable to the owners of the parent | 235,755,508 | 237,477,279 |
| Share capital and reserves attributable to non-controlling interests | 2,399,508 | 1,744 |
| Profit (loss) for the period/year attributable to non-controlling interests | (23,037) | 0 |
| TOTAL EQUITY | 238,131,979 | 237,479,023 |
| Non-current liabilities | | |
| Financial liabilities | 41,412,037 | 17,769,345 |
| Lease liabilities | 6,820,371 | 6,071,828 |
| Employee benefits | 832,995 | 1,024,492 |
| Provisions for risks and charges | 5,528,435 | 1,301,793 |
| Deferred tax liabilities | 2,081,243 | 867,030 |
| Total non-current liabilities | 56,675,081 | 27,034,488 |
| Current liabilities | | |
| Bank loans and borrowings | 0 | 120 |
| Financial liabilities | 70,576,338 | 44,894,522 |
| Current portion of lease liabilities | 5,754,949 | 3,522,771 |
| Contract liabilities | 8,668,692 | 6,899,615 |
| Trade payables | 87,744,677 | 93,616,374 |
| - of which, with related parties | 1,570,775 | 2,862,641 |
| Tax liabilities | 8,773,213 | 1,936,163 |
| Other liabilities | 20,634,782 | 23,699,921 |
| Total current liabilities | 202,152,651 | 174,569,486 |
| TOTAL LIABILITIES | 258,827,732 | 201,603,974 |
| TOTAL EQUITY AND LIABILITIES | 496,959,711 | 439,082,997 |

INCOME STATEMENT

| | First nine months of 2020 | First nine months of 2019 |
|--|---------------------------|---------------------------|
| Revenue from contracts with customers | 234,359,421 | 216,407,050 |
| Other income | 925,369 | 3,538,112 |
| Total | 235,284,790 | 219,945,162 |
| Raw materials, supplies and goods | (40,476,258) | (49,169,551) |
| Services | (96,230,290) | (88,598,432) |
| - of which, with related parties | (398,537) | (138,479) |
| Personnel expense | (49,273,832) | (40,404,217) |
| Amortisation, depreciation and impairment losses | (15,784,948) | (11,195,009) |
| Impairment losses | (141,427) | (54,237) |
| Other operating costs | (5,809,440) | (5,803,062) |
| Internal work capitalised | 13,571,933 | 12,559,930 |
| Total costs | (194,144,262) | (182,664,578) |
| Operating profit | 41,140,528 | 37,280,584 |
| Financial income | 741,699 | 661,528 |
| Financial expense | (20,246,440) | (1,907,141) |
| - of which, with related parties | (6,470) | (17,110) |
| Pre-tax profit | 21,635,787 | 36,034,971 |
| Income taxes | (11,805,501) | (12,041,377) |
| Profit for the period | 9,830,286 | 23,993,594 |
| <i>Profit/(loss) for the period attributable to:</i> | | |
| Non-controlling interests | (23,037) | 0 |
| Owners of the parent | 9,853,323 | 23,993,594 |

Fine Comunicato n.20176-89

Numero di Pagine: 8