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Oggetto : Salcef Group approves the results for the
first nine months of 2021

Testo del comunicato

Vedi allegato.

Salcef Group approves the results for the first nine months of 2021

Solid growth trends of the Group confirmed. Revenues at € 320 million, with organic growth at above 16% and stable profitability compared to first half. Backlog kept at above € 1.1 billion, in line with the record high figure at 30 June 2021.

9M 2021 key results (vs. 9M 2020):

- **Revenues at € 319.7 million (+35.9%)**
- **EBITDA at € 71.5 milioni (+25.2%)**
- **EBIT at € 51.7 million (+25.7%)**
- **Adjusted Net Income at € 39.0 million (+41.8%)**
- **Net Financial Position positive for € 105.3 million (adjusted figure at 31 December 2020 positive for € 20.0 million)**
- **Backlog at above € 1.1 billion**

Following the completion of the Share Capital increase approved by the BoD on 30 September, on 21 October 2021 Salcef Group ordinary shares started to be negotiated on the STAR segment of the Euronext Milan market of Borsa Italiana

Rome, 15 November 2021 - The Board of Directors of Salcef Group S.p.A., convened today under the chairmanship of Gilberto Salciccia, approved the consolidated results for the first nine months of 2021.

Valeriano Salciccia, Chief Executive Officer of Salcef Group, commented:

"The Group continues its development path thanks to a robust organic growth and the consolidation of the subsidiaries acquired in the US and Germany. The very good commercial performance in the third quarter allowed us to keep the backlog in line with the June value, exceeding 1.1 billion euros. Furthermore, the recent news flow on the approval and implementation of public investment plans in railway infrastructure and urban transport in our target markets, namely US and Italy, confirm the positive mid-term outlook for the

The Salcef Group has been operating for over 70 years in the development and innovation of sustainable mobility infrastructures. It is a global player in the maintenance, renewal, construction and electrification of railway and urban transport infrastructure, as well as in the construction and sale of railway machines and the production of reinforced concrete structures. Maintenance and renewal of railway and urban infrastructure form the core business and account for 71% of volumes. Established in 1949, Salcef has been controlled by the Salciccia family since 1975 and it is currently led by brothers Gilberto and Valeriano Salciccia, in the roles of Chairman and Chief Executive Officer respectively. The Group has 6 Operative Business Units and is present on 4 continents. It employs more than 1,400 highly specialized resources and in 2020 recorded revenues for 340 million euro. The Salcef Group is based in Italy and since October 2021 is listed on the STAR segment of the Euronext Milan market of the Italian Stock Exchange (Borsa Italiana: SCF; Reuters: SCFG.MI; Bloomberg: SCF:IM).

sector. In this context, with a strategy focused both on investments in innovation and production capacity and on the scouting for potential targets for acquisitions in the most interesting markets, Salcef will consolidate its role as a global player in the execution of sustainable mobility projects, also in the interest of the communities involved”.

9M 2021 KEY PERFORMANCE INDICATORS

€ million	9M 2021	9M 2020	Δ Abs.	Δ %
Revenues	319.7	235.3	84.4	35.9%
EBITDA	71.5	57.1	14.4	25.2%
EBITDA margin	22.4%	24.3%	(1.9 p.p.)	-
EBIT	51.7	41.1	10.6	25.7%
EBIT margin	16.2%	17.5%	(1.3 p.p.)	-
Adjusted Net Income¹	39.0	27.5	11.5	41.8%
Net Income	26.9	9.8	17.1	173.4%
Net Financial Position²	105.3	20.0	85.3	427.6%

- (1) Net Income adjusted to exclude the impact on financial expenses of the fair value gains and losses on the “warrant in compendio e integrativi” and the tax impact of the reversal of deferred tax assets on revaluations
- (2) Comparative figure and related changes, at YE 2020, adjusted to exclude financial liabilities related to outstanding “warrant in compendio e integrativi” as of 31 December 2020

In the first nine months of the year, consolidated **Revenues** amounted to **€ 319.7 million**, up 35.9% over the first nine months of 2020. A robust organic growth greater than 16% was accompanied by the impact of the new consolidation perimeter of the Group, with the € 30.4 million contribution from Delta Railroad Construction Inc. – net of € 1.6 million recorded in 9M 2020 – and the smaller € 3.7 million contribution from the companies of the Deutsche group Bahnbau Nord. Moreover, volumes benefitted from the favourable comparison with the first nine month of 2020, whose production has been affected by the Covid-19 pandemic for € 12.2 million. All the Business Unit reported revenues materially higher YoY while, from a geographical standpoint, the consolidation of Delta (North America) and a material increase of the activities in Middle East, bring the portion of revenues coming from outside Italy at 27%, new highest level reached by the Group over the last five years.

Consolidated **EBITDA** reached **€ 71.5 million**, with a 25.2% increase over the same period of 2020. The **EBITDA margin** at 22.4% is in line with the figure reported at the end of the first half of 2021 and is a further proof that an increase in production didn’t lead to a reduction of profitability as well as that the higher prices of some raw materials, mainly used by the Railway Materials Business Unit, don’t have a structural negative impact on the Group.

EBIT grew in line with EBITDA, reaching **€ 51.7 million**, despite higher D&A for around € 4 million.

The Group **Adjusted Net Income** amounted to **€ 39.0 million**, up 41.8% compared to the € 27.5 million of the same period of 2020.

The **Net Financial Position** at 30 September 2021 was positive for **€ 105.3 million** (positive for € 20.0 million at year-end 2020, figure adjusted to exclude financial liabilities related to outstanding “warrant in compendio e integrativi” as of 31 December 2020) and benefits from the cash generation of the period and

from the proceeds of the Share Capital increase reserved for qualifying investors approved by the Board of Directors on 30 September 2021 for € 32 million (net of the relative costs) and of the Share Capital increases for overall € 74.6 million following the conversion of the warrants. The main cash outflows include the payment of dividends (€ 21.3 million) and the share buyback (€ 4.8 million).

From a commercial standpoint, new orders acquired in the third quarter of 2021 allowed to keep the backlog at above € 1.1 billion, flat compared to the record high level recorded at 30 June 2021. Looking at the geographical distribution, the domestic component is slightly up at 88.2% (87.1% at the end of the first half), still impacted by the different time horizon of the Italian contracts, typically longer than the foreign ones. *Track & Light Civil Works and Energy Signalling & Telecommunication* are confirmed as the most represented Business Units, with 75.8% and 16.8% of the backlog respectively.

Outlook

During the fourth quarter of 2021, the Group will continue to operate in its sectors of interest (permanent way systems, electrical traction and technological works, multidisciplinary railway works, design, maintenance and construction of rolling stock and production of reinforced, vibrated and prestressed concrete sleepers) in Italy and abroad in those countries where it already has a strong business footprint and its specialised plant and personnel have ensured efficient service for many years.

For 2021, production volumes and profitability are expected to confirm the trends reported over the latest periods.

As of today, none of the Group's activities are suspended or slowed because of issues due to the continuing pandemic, either in Italy or abroad, and all work sites are fully operational.



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

Additional Financial Information at 30 September 2021 are available to the public at the Company's head office as well as on the authorized storage mechanism eMarket Storage (www.emarketstorage.com) and on the Salcef Group website.



The manager responsible for the drafting of corporate accounting documents Fabio De Masi declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.



Management will present the 9M 2021 results to the financial community on **Tuesday, 16 November at 11:00 CET** via webcast and conference call. The Presentation will be made available before the beginning of the conference on the Investor Relations section of www.salcef.com. To join the Audio Webcast/Conference Call, please register at the following link [link](#). A replay of the webcast will be then available on the Investor Relations section of www.salcef.com.

Consolidated Balance Sheet

ASSETS	30.09.2021	31.12.2020
Non-current assets		
Intangible assets with finite useful lives	6,366,760	5,659,564
Goodwill	42,917,682	33,319,752
Property, plant and equipment	117,001,460	97,581,826
Right-of-use assets	15,557,377	17,911,806
- of which, with related parties	1,407,686	1,596,427
Equity-accounted investments	1,875,260	2,009,985
Other non-current assets	14,103,987	12,854,811
Deferred tax assets	19,892,981	21,502,154
Total non-current assets	217,715,507	190,839,898
Current assets		
Inventories	18,869,946	14,167,625
Contract assets	150,945,819	94,006,763
Trade receivables	73,025,038	80,070,149
- of which, with related parties	459,203	517,078
Tax assets	3,219,377	4,366,106
Financial assets	121,652,999	65,362,201
- of which, with related parties	353,465	353,465
Cash and cash equivalents	132,323,522	63,198,962
Other assets	27,292,863	30,948,993
Total current assets	527,329,564	352,120,799
TOTAL ASSETS	745,045,071	542,960,697

LIABILITIES	30.09.2021	31.12.2020
Equity attributable to the owners of the parent		
Share capital	141,544,532	62,106,165
Other reserves	240,296,044	164,734,003
Profit for the year/period	26,624,493	41,149,309
Total equity attributable to the owners of the parent	408,465,069	267,989,477
Share capital and reserves attributable to non-controlling interests	1,895,126	1,753,716
Profit for the year/period attributable to non-controlling interests	250,185	125,915
TOTAL EQUITY	410,610,380	269,869,108
Non-current liabilities		
Financial liabilities	72,775,013	38,702,298
Lease liabilities	7,510,897	8,637,552
- of which, with related parties	1,236,669	1,326,204
Employee benefits	1,090,752	871,149
Provisions for risks and charges	4,127,337	3,855,356
Deferred tax liabilities	2,613,636	1,304,394
Other non-current liabilities	4,104,208	2,928,160
Total non-current liabilities	92,221,843	56,298,909
Current liabilities		
Bank loans and borrowings	1,146,830	0
Financial liabilities	62,564,661	74,705,065
Current portion of lease liabilities	4,668,109	5,834,881
- of which, with related parties	243,627	30,296
Current employee benefits	729,130	0
Contract liabilities	8,257,232	6,418,761
Trade payables	116,418,674	96,430,836
- of which, with related parties	1,926,245	2,130,593
Tax liabilities	10,056,277	2,469,306
Other liabilities	38,371,935	30,933,831
Total current liabilities	242,212,848	216,792,680
TOTAL LIABILITIES	334,434,691	273,091,589
TOTAL EQUITY AND LIABILITIES	745,045,071	542,960,697

Consolidated Income Statement

	9M 2021	9M 2020
Revenues from contracts with customers	314,947,712	234,359,421
- of which, with related parties	1,407,686	1,236,669
Other income	4,726,811	925,369
Total revenues	319,674,523	235,284,790
Raw materials, supplies and goods	(68,442,722)	(40,476,258)
Services	(119,789,089)	(96,230,290)
- di cui verso parti correlate	(1,585,571)	(398,537)
Personnel expense	(68,996,326)	(49,273,832)
Depreciation and Amortisation	(19,712,653)	(15,784,948)
Impairment losses	(43,031)	(141,427)
Other operating costs	(7,410,635)	(5,809,440)
Internal work capitalised	16,434,853	13,571,933
Total costs	(267,959,603)	(194,144,262)
Operating profit	51,714,920	41,140,528
Financial income	2,459,908	741,699
Financial expenses	(10,606,546)	(20,246,440)
- of which, with related parties	(55,252)	(6,470)
Pre-tax profit	43,568,282	21,635,787
Income taxes	(16,693,604)	(11,805,501)
Profit for the period	26,874,678	9,830,286
<i>Profit for the period attributable to:</i>		
Non-controlling interests	250,185	(23,037)
Owners of the parent	26,624,493	9,853,323

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Numero di Pagine: 8