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Testo del comunicato

Vedi allegato.

Investor Relations & Sustainability - **Alessio Crosa**
Email: investor.relations@salcefgroup.com - Ph: +39 06 416281

Press Release

Salcef Group: very positive 9M results and 2022 revenues expected around 20% higher than 2021

9M 2022 revenues at € 385.8 million with 14% organic growth, EBITDA at € 77.5 million and Backlog stable at € 1.35 billion

9M 2022 key results (vs. 9M 2021):

- **Revenues at € 385.8 million (+20.7%)**
- **EBITDA at € 77.5 million (+8.4%)**
- **EBIT at € 51.7 million (unch)**
- ***Adjusted* Net Income at € 39.5 million (+1.2%)**
- ***Adjusted* Net Financial Position positive for € 70.5 million (figure at 31 December 2021 positive for € 114.5 million)**

Start of the Programme to purchase and dispose of treasury shares resolved

Rome, 14 November 2022 – 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 2022.

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

"The results achieved in the first nine months of the year confirm the solidity and resilience, current and for the future, of the Group. Particularly in terms of production volumes, the growth recorded by all business units and the visibility on the remaining part of the year allow us to expect 2022 revenues to increase by about 20% compared to 2021. From the cost management standpoint, the combined effect of discipline in execution and governmental measures supported the margins at around 20%, a level that we deem remarkable, especially in the current situation. Investments by operators in Italy and in the main markets in which we operate continued to sustain our backlog, which, even with the high level of production recorded in the quarter, remained substantially flat at over € 1.3 billion. Therefore, the stage is set for the Group to continue, also this year, in its robust and sustainable growth path, strengthening its role as a global player in the implementation of projects for the development of rail transport infrastructure".

9M 2022 KEY PERFORMANCE INDICATORS

€ million	9M 2022	9M 2021	Δ Abs.	Δ %
Revenues	385.8	319.7	66.1	20.7%
EBITDA	77.5	71.5	6.0	8.4%
EBITDA margin	*20.1%*	*22.4%*	*(2.3 p.p.)*	-
EBIT	51.7	51.7	-	inv
EBIT margin	*13.4%*	*16.2%*	*(2.8 p.p.)*	-
***Adjusted* Net Income[1]**	39.5	39.0	0.5	1.2%
Net Income	28.5	26.9	1.7	6.2%
***Adjusted* Net Financial Position[2]**	70.5	114.5	(44.0)	(38.5%)

(1) Net Income adjusted to exclude the impact on financial expenses of the fair value change on financial investments and on the warrant and the tax impact of the reversal of deferred tax assets on revaluations and non-recurring tax expenses

(2) Figure as at 30 September 2022 does not consider the downpayments received for the HS/HC Verona-Padua contracts and the fair value change on financial investments. Comparative figures and related changes as at 31 December 2021

In the first nine months of the year, consolidated **Revenues** amounted to **€ 385.8 million,** up 20.7% over the same period of 2021 mainly thanks to a noteworthy 14% organic growth, coupled with the contribution from the railway business unit acquired from the PSC Group and effective from May 1, 2022 (€ 7.0 million) and the contribution from Bahnbau Nord group (€ 13.1 million net of € 3.7 million already accounted for in the 9M 2021). All the Business Units increased their volumes, led by *Track and Light Civil Works* and *Energy, Signalling & Telecommunication* which, without considering the benefits form the change in perimeter, grew 14% and 23% respectively.

Consolidated **EBITDA** reached **€ 77.5 million**, with a 8.4% increase over 9M 2021. The **EBITDA *margin*** stood at 20.1%, confirming the profitability already shown in the first half of the year. The YoY reduction is mainly due to the current high inflation scenario and to the different revenue mix.

Consolidated **EBIT** reached **€ 51.7 million**, substantially in line with the 9M 2021 figure despite higher D&A for € 6.0 million, coherently with the Group's capex plan.

The Group ***Adjusted* Net Income** amounted to **€ 39.5 million**, up 1.2% compared to the € 39.0 million of the first nine months of 2021. The **Net Income** at **€ 28.5 million** was € 1.7 million (+6.2%) higher than the first nine months of 2021.

The ***Adjusted* Net Financial Position** as at 30 September 2022 was positive for **€ 70.5 million** (positive for € 114.5 million at year-end 2021). The reduction is mainly due to the payment of approximately € 25 million in favor of the PSC Group for the acquisition of the railway business unit and to the dividend payment for € 28.5 million.

The **Backlog** confirmed the record-high € 1.35 billion reached at the first half stage. On top of the consolidation of the backlog belonging to the railway business unit acquired from the PSC Group and to the contracts secured during the first half of the year, the third quarter contributed mainly with the two framework agreements in Romania for track renewal in Timișoara and Cluj areas as well as with contracts in Italy for ordinary and extraordinary track maintenance and power transmission lines. Looking at the geographical distribution, the domestic component is confirmed as the largest one (80.0%), even though slightly below the 1H 2022 figure due to the new contract in Romania. *Track & Light Civil Works* and *Energy Signalling & Telecommunication* are confirmed as the most represented Business Units, with 63.4% and 23.0% of the backlog respectively.

Outlook

In light of the results achieved during the first nine months and of the solidity of the Group's backlog, revenue growth at year-end is expected at around 20% vs. 2021.

Without any additional and unforeseeable deteriorations of the geopolitical scenario and of the inflationary tensions, the Group profitability for 2022 is expected to remain broadly in line with the one recorded in the first nine months.

It should be also noted that:

- the Group does not currently have any business or operational activities in Russia or in any other country subject to sanctions by the European Union or the United States;
- there are no slowdowns of production activities due to lack of materials or transportation and other services.

Start of the Programme for the purchase and disposal of Treasury Shares

Pursuant to the resolution of the Shareholders' Meeting of 29 April 2022 (the "**Resolution**"), the Board of Directors resolved to initiate the programme for the purchase and disposal of treasury shares (the "**Programme**")

Purpose of the Programme

The Programme is designed to:

(i) have treasury shares to be devoted to the "2021-2024 Stock Grant Plan", to the "2022-2025 Stock Grant Plan", to the "2022-2023 Performance Shares Plan", as well as to potential future incentives plans aimed at incentivising and building the loyalty of employees, collaborators, directors of the Company, subsidiaries and/or other categories of persons chosen at the discretion of the Board of Directors;

(ii) make subsequent purchase or disposal of shares, within the limits set by the accepted market practice;

(iii) create a so-called "securities warehouse", useful for any future extraordinary financial transactions;

(iv) make a medium-long term investment or in any case seize the opportunity to make a good investment, also in consideration of the risk and expected return of alternative investments and also through the purchase and resale of shares whenever appropriate;

(v) use excess cash.

Maximum number of shares to be purchased and maximum disbursement

Pursuant to the limits set forth by the Resolution, purchases of treasury shares without nominal value shall be made, even in several tranches or on a revolving basis, to such an extent that at any time, taking into account the ordinary shares of the Company from time to time held in the portfolio by the Company and its subsidiaries, such shares do not exceed a total of 10% of the Company's share capital.

The maximum disbursement for the implementation of the Programme, in case of 300,000 Company shares purchased, has been determined to be € 7.7 million.

Pursuant to Article 2357, paragraph 1, of the Italian Civil Code, purchases of treasury shares must in any case be made within the limits of the distributable profits and available reserves resulting from the latest approved financial statements at the time of each transaction.

As of today, the Company holds n. 498,243 treasury shares, equal to approximately 0.8% of the share capital; there are no treasury shares held through subsidiaries, trustees or third parties.

Methods through which purchases can be made

The Company has resolved to grant the Chairman of the Board of Directors and the Chief Executive Officer, separately and with the right to sub-delegate for individual acts or categories of acts, the power to select the qualified and independent intermediary to execute the Programme through operating procedures able to assure equal treatment of shareholders as per the laws and regulations in force and applicable, and with the aforementioned to negotiate, sign, modify and revoke the relative mandate.

The purchase transactions will be carried out in compliance with the principle of equal treatment of shareholders provided for in Article 132 of the Consolidated Law on Finance, according to the procedures set forth in Article 144-bis, paragraph 1, letter b) of the Consob Issuers' Regulations (including through subsidiaries). Purchases will be made in the terms established by market practices permitted by Consob pursuant art. 13 of Regulation (EU) No 596/2014.

In addition, share purchase transactions may also be carried out in the manner set out in Article 3 of Commission Delegated Regulation (EU) No 2016/1052 in order to benefit, if the conditions are met, from the exemption set out in Article 5(1) of Regulation (EU) No 596/2014 on market abuse with regard to insider dealing and market manipulation. In order to benefit from this exemption, no more than 25% of the average daily volume of shares traded on the trading venue where the purchase is made during the 20 trading days preceding the date of purchase shall be purchased on each trading day.

Minimum and maximum price of the shares purchased

The purchase price of the shares will then be determined from time to time for each individual transaction, provided that purchases will have to be made at a price per share that will not differ, nor decrease, or increase, by more than 15% compared to the reference price recorded by the stock in the previous trading session each individual transaction and at a consideration that is not higher than the higher price between the price of the last independent transaction and the price of the highest current independent purchase offer present at the trading location where the purchase is made.

Duration of the programme

Purchases of treasury shares must be made, also in several tranches or on a revolving basis, within 29 October 2023, i.e. within 18 months from the date of the Resolution, unless early terminated upon reaching the predetermined share threshold, or revoked.

The Company is not obliged to execute the Programme and, if initiated, the Programme may be suspended, terminated or modified at any time, for any reason and without notice, in accordance with applicable laws and regulations.

Further information

Disposals may be made without any time constraints within the limits allowed by the laws, regulations and accepted practices in force at the time, where applicable, as well as in line with the purposes indicated above and with the strategic lines that the Company intends to pursue.

Any subsequent amendments to the aforesaid Programme shall be promptly notified by the Company to the public, in the manner and terms provided for by applicable law.

Any transactions carried out and details thereof shall be disclosed to the market in the manner and terms set forth in applicable law.

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.

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

Management will present the 9M 2022 results to the financial community on **Tuesday, 15 November at 11:00 CET** via webcast and conference call. To join the Audio Webcast/Conference Call, please register at the following link.
The Presentation will be made available before the beginning of the conference on the Investor Relations section of www.salcef.com.
A replay of the webcast will be then available on the Investor Relations section of www.salcef.com.

Consolidated Balance Sheet

ASSETS	30.09.2022	31.12.2021
Non-current Assets		
Intangible assets with finite useful lives	10,947,699	7,584,146
Goodwill	69,867,028	41,795,326
Property, plant and equipment	151,013,228	123,798,390
Right-of-use assets	16,330,294	14,197,300
- of which, with related parties	*1,076,466*	*1,324,881*
Equity-accounted investments	32,643	40,543
Other non-current assets	20,218,967	20,806,786
Deferred tax assets	19,082,552	19,984,980
Total non-current Assets	**287,492,411**	**228,207,471**
Current Assets		
Inventories	27,808,339	20,664,592
Contract assets	185,687,291	107,701,357
Trade receivables	67,708,290	89,108,678
- of which, with related parties	*247,674*	*282,145*
Current tax assets	9,053,669	4,121,517
Current financial assets	127,967,331	101,588,336
- of which, with related parties	*353,465*	*353,465*
Cash and cash equivalents	181,986,676	166,175,877
Other current assets	26,698,905	26,806,619
Total current Assets	**626,910,501**	**516,166,976**
TOTAL ASSETS	**914,402,912**	**744,374,447**

LIABILITIES	30.09.2022	31.12.2021
Equity attributable to the owners of the Parent		
Share capital	141,544,532	141,544,532
Other reserves	255,343,505	238,422,972
Profit for the year	28,615,840	39,070,532
Total equity attributable to the owners of the Parent	**425,503,877**	**419,038,036**
Share capital and reserves attributable to non-controlling interests	2,334,832	2,062,943
Profit for the year attributable to non-controlling interests	(75,900)	271,889
TOTAL EQUITY	**427,762,809**	**421,372,868**
Non-current liabilities		
Non-current financial liabilities	125,950,277	79,849,385
Lease liabilities	7,664,126	5,694,159
- of which, with related parties	*814,355*	*1,070,223*
Employee benefits	1,565,116	1,154,868
Provisions for risks and charges	1,836,411	3,818,911
Deferred tax liabilities	4,540,293	3,259,382
Other non-current liabilities	3,892,464	4,194,843
Total non-current liabilities	**145,448,687**	**97,971,548**
Current liabilities		
Current financial liabilities	67,201,420	62,544,658
Current portion of lease liabilities	4,384,312	5,128,669
- of which, with related parties	*339,499*	*329,658*
Current employee benefits	846,313	971,286
Contract liabilities	68,230,107	12,916,604
Trade payables	154,437,743	117,503,520
- of which, with related parties	*256,526*	*1,182,922*
Tax liabilities	14,239,757	5,019,927
Other liabilities	31,851,764	20,945,367
Total current liabilities	**341,191,416**	**225,030,031**
TOTAL LIABILITIES	**486,640,103**	**323,001,579**
TOTAL EQUITY AND LIABILITIES	**914,402,912**	**744,374,447**

Consolidated Income Statement

	9M 2022	9M 2021
Revenues from contracts with customers	377,926,413	314,947,712
- of which, with related parties	*1,627,260*	*1,407,686*
Other income	7,868,685	4,726,811
Total revenues	**385,795,098**	**319,674,523**
Raw materials, supplies and goods	(91,296,234)	(68,442,722)
Services	(144,567,186)	(119,789,089)
- di cui verso parti correlate	*(8,573)*	*(1,585,571)*
Personnel expenses	(80,121,223)	(68,996,326)
Depreciation and Amortisation	(25,695,231)	(19,712,653)
Impairment losses	(69,870)	(43,031)
Other operating costs	(8,760,773)	(7,410,635)
Internal work capitalised	16,437,125	16,434,853
Total costs	**(334,073,392)**	**(267,959,603)**
Operating profit	**51,721,706**	**51,714,920**
Financial income (expenses)	(7,293,603)	(8,146,638)
- of which, with related parties	*(45,192)*	*(55,252)*
Pre-tax profit	**44,428,103**	**43,568,282**
Income taxes	(15,888,163)	(16,693,604)
Profit for the year	**28,539,940**	**26,874,678**
Profit for the year attributable to:		
Non-controlling interests	(75,900)	250,185
Owners of the Parent	28,615,840	26,624,493

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