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Oggetto : Salcef Group: material growth of all economic and financial KPIs also in the first quarter of 2023

Testo del comunicato

Vedi allegato.

Salcef Group: material growth of all economic and financial KPIs also in the first quarter of 2023

Revenues at € 160 million up 49%, EBITDA at € 33 million (+51%) and Backlog at € 1.75 billion

1Q 2023 key results (vs. 1Q 2022):

- **Revenues at € 160.4 million (+49.0%)**
- **EBITDA at € 32.9 million (+51.1%)**
- **EBIT at € 22.4 million (+67.8%)**
- **Net Income at € 14.3 million (+174.0%)**
- **Adjusted Net Financial Position positive for € 35.2 million (figure at 31 December 2022 positive for € 26.0 million)**

Rome, 15 May 2023 - The Board of Directors of Salcef Group S.p.A., convened today under the chairmanship of Gilberto Salciccia, approved the interim report as at 31 March 2023.

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

"The first three months of the year confirm the strong growth dynamics already highlighted during the second half of 2022. It has been a very positive quarter from an operational perspective, with the start of activities on new contracts, especially in the United States, and the integration of Francesco Ventura Costruzioni Ferroviarie into the Group. Together with the commercial performance that has supported further growth in the backlog, these are all signals that strengthen our confidence in the remaining part of the year."

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 7 Operative Business Units and is present on 4 continents. It employs more than 1,900 highly specialized resources and in 2022 recorded revenues for 565 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).

1Q 2023 KEY PERFORMANCE INDICATORS

€ million	1Q 2023	1Q 2022	Δ Abs.	Δ %
Revenues	160.4	107.7	52.7	49.0%
EBITDA	32.9	21.8	11.1	51.1%
EBITDA margin	20.5%	20.2%	0.3 p.p.	-
EBIT	22.4	13.3	9.0	67.8%
EBIT margin	14.0%	12.4%	1.6 p.p.	-
Adjusted Net Income¹	13.8	9.2	4.6	50.5%
Net Income	14.3	5.2	9.0	174.0%
Adjusted Net Financial Position²	35.2	26.0	9.2	35.2%

- (1) Net Income adjusted to exclude the impact on financial expenses of the fair value change on financial investments, its related tax impact as well as the tax impact of the reversal of deferred tax assets on revaluations
- (2) 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 2022

In the first three months of the year, consolidated **Revenues** amounted to **€ 160.4 million**, up 49.0% over the same period of 2022. On top of the favourable YoY comparison, the growth is due to a robust 30% organic growth, coupled with the contribution from Francesco Ventura Costruzioni Ferroviarie (€ 12.5 million) acquired in December 2022 and from the railway business unit of PSC Group (€ 8.4 million) whose acquisition has been effective starting from May 1 2022 and therefore not yet consolidated at the first quarter 2022 stage. *Heavy Civil Works* is confirmed as the Business Unit with the stronger growth on the back of the activities on the Verona-Padua high-speed line while *Track & Light Civil Works* and *Energy, Signalling & Telecommunication* reported revenues up 26.9% and 51.4% respectively.

Consolidated **EBITDA** reached **€ 32.9 million**, with a 51.1% increase over 1Q 2022. The **EBITDA margin** stood at 20.5%, in line with expectations.

Consolidated **EBIT** reached **€ 22.4 million**, +67.8% higher YoY despite higher D&A for € 2.1 million due to the entry into operation of new plants and machines resulting from capex made both during 2022 and in the first quarter of 2023.

The Group **Adjusted Net Income** amounted to **€ 13.8 million**, up 50.5% compared to the € 9.2 million of the first quarter of 2022, mainly due to the higher EBIT and despite higher adjusted financial expenses and adjusted taxes. The **Net Income** at **€ 14.3 million** was € 9.0 million (174,0%) higher than the first quarter of 2022.

The **Adjusted Net Financial Position** as at 31 March 2023 was positive for **€ 35.2 million** (positive for € 26.0 million at year-end 2022), mainly as a result of the cash generation of the period, which has more than offset the cash out for the buyback plan and for the capex.

The **Backlog** revises upward the previous record of € 1.7 billion recorded at the end of 2022, reaching € 1.75 billion. From a geographical perspective, international contracts signed during the first quarter of 2023 further reduce the domestic component, which stands at 68.8%. *Track & Light Civil Works* and *Energy Signalling & Telecommunication* Business Units continue to be the most represented, accounting for 72.8% and 16.8% of the backlog, respectively.

Major events after the close of the reporting period

On 27 April 2023 the Shareholders' Meeting approved the financial statements for the year ended 31 December 2022, which reported a net profit of € 36,032,511, and took note of the consolidated financial statements for 2022, which reported a net income attributable to the parent company of € 45,333,687 and of the Non-Financial Statement prepared pursuant to Legislative Decree 254/2016. The Shareholders' Meeting also:

- resolved to distribute a dividend equal to gross € 0.50 per Ordinary Share which will be entitled to it on the record date (i.e. 16 May 2023), with dividend date 15 May 2023 and payment date 17 May 2023. The Shareholders' Meeting has then approved the allocation of the residual portion of the profit for the year with € 1,801,626 to the Legal Reserve and € 3,430,053.50 to the Reserve for Retained Earnings;
- authorised the Board of Directors, subject to revocation of the authorisation granted by the Shareholders' Meeting of 29 April 2022 for the part not executed, to purchase and dispose of, pursuant articles 2357 and following of the Italian Civil Code and Art. 132 of the TUF and also in several tranches, ordinary shares of the Company, up to a maximum number that, taking into account the ordinary shares of the Company from time to time held in the portfolio by the Company and its subsidiaries, does not exceed a total of 10% of the Company's share capital in accordance with the provisions of Article 2357, paragraph 3, of the Italian Civil Code. The authorization will last 18 months from the date of the resolution of the Shareholders' Meeting;
- examined the Report on the remuneration policy and on the compensation paid prepared in accordance with the current legal and regulatory provisions and approved the Company's remuneration policy for the financial year 2023 described in the First Section of the Remuneration Report, pursuant art. 123-ter, paragraph 3-bis and 3-ter of the TUF and resolved in favour of the Second Section of the said Remuneration Report, pursuant art. 123-ter, paragraph 6 of the TUF;
- approved the 2023-2026 Stock Grant Plan, that provides certain employees, including executives with strategic responsibilities, of the Company and of the companies of the Salcef Group and other beneficiaries who hold managerial positions with significant impact on the sustainable success of the Group, with the right to receive free of charge up to a maximum of no. 40,000 ordinary shares of the Company without nominal value, based on the achievement of pre-established performance targets. The Plan is functional to the short-term incentive plan (Management by Objectives-MBO) and provides for a single cycle for assigning the rights to receive the Shares free of charge based on the achievement of the performance objectives;
- approved the 2023-2024 Performance Shares Plan, that provides certain executives with strategic responsibilities of the Company and of the companies of the Salcef Group with the right to receive free of charge up to a maximum of no. 10,000 ordinary shares of the Company without nominal value, based on the achievement of pre-established performance targets. The Plan provides for a single cycle for assigning the rights to receive the Shares free of charge based on the achievement of the performance objectives;
- approved the Rules of the Shareholders' Meeting as proposed by the Board of Directors. The document is aimed at ruling, in compliance with the law and the Company's article of association, the execution of the ordinary and extraordinary Shareholders' Meetings

Outlook

In light of the results of the first quarter 2023 and of the solidity of the backlog, the expectations on the volumes for 2023 are confirmed as per the Group guidance.

Without any additional and unforeseeable deteriorations of the geopolitical scenario and of the inflationary tensions, the Group profitability for 2023 is expected to remain broadly in line with the one recorded in the first quarter of 2023.



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 1Q 2022 results to the financial community on **Tuesday, 16 May 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	31.03.2023	31.12.2022
Non-current Assets		
Intangible assets with finite useful lives	17,719,040	17,724,878
Goodwill	100,763,726	101,409,924
Property, plant and equipment	197,936,426	194,829,294
Right-of-use assets	15,191,305	17,073,977
- of which, with related parties	910,855	993,661
Equity-accounted investments	135,643	135,643
Other non-current assets	25,313,669	25,112,368
- of which, with related parties	1,526,853	1,526,853
Deferred tax assets	24,326,109	25,452,686
Total non-current Assets	381,385,918	381,738,770
Current Assets		
Inventories	29,727,554	29,764,667
Contract assets	179,459,029	156,033,743
Trade receivables	111,701,599	140,505,148
- of which, with related parties	7,395,162	11,609,934
Current tax assets	1,717,394	4,167,579
Current financial assets	151,561,040	148,643,040
Cash and cash equivalents	113,330,984	135,245,724
Other current assets	47,836,022	35,333,090
Assets held for sale	0	2,529,499
Total current Assets	635,333,622	652,222,490
TOTAL ASSETS	1,016,719,540	1,033,961,260

LIABILITIES	31.03.2023	31.12.2022
Equity attributable to the owners of the Parent		
Share capital	141,544,532	141,544,532
Other reserves	292,433,171	252,475,698
Profit for the year	14,266,414	45,333,687
Total equity attributable to the owners of the Parent	448,244,117	439,353,917
Share capital and reserves attributable to non-controlling interests	2,650,400	2,348,332
Profit for the year attributable to non-controlling interests	36,663	302,068
TOTAL EQUITY	450,931,180	442,004,317
Non-current liabilities		
Non-current financial liabilities	110,896,500	119,211,190
Lease liabilities	9,284,046	10,428,864
- of which, with related parties	639,546	727,379
Employee benefits	5,039,362	6,678,524
Provisions for risks and charges	3,036,185	2,357,957
Deferred tax liabilities	7,701,696	7,732,723
Other non-current liabilities	4,277,393	4,266,809
Total non-current liabilities	140,235,182	150,676,067
Current liabilities		
Bank loans and borrowings	0	4,064,734
Current financial liabilities	77,790,822	89,263,299
Current portion of lease liabilities	4,877,768	5,387,527
- of which, with related parties	346,223	342,844
Current employee benefits	1,146,924	1,127,387
Contract liabilities	68,324,309	77,763,713
Trade payables	215,212,243	218,281,916
- of which, with related parties	816,699	460,002
Tax liabilities	11,377,744	8,085,187
Other liabilities	46,823,368	36,035,410
Liabilities directly related to assets held for sale	0	1,271,703
Total current liabilities	425,553,178	441,280,876
TOTAL LIABILITIES	565,788,360	591,956,943
TOTAL EQUITY AND LIABILITIES	1,016,719,540	1,033,961,260

Consolidated Income Statement

	03.2023	03.2022
Revenues from contracts with customers	156,859,897	106,118,188
- of which, with related parties	707,043	0
Other income	3,508,674	1,531,480
Total revenues	160,368,571	107,649,668
Raw materials, supplies and goods	(37,921,677)	(23,288,082)
Services	(60,914,204)	(39,468,201)
- of which, with related parties	210,579	369,208
Personnel expenses	(31,339,521)	(25,074,523)
Depreciation and Amortisation	(10,511,837)	(8,427,370)
Other operating costs	(3,650,613)	(3,091,703)
- of which, with related parties	60,829	0
Internal work capitalised	6,347,813	5,038,377
Total costs	(137,990,039)	(94,311,502)
Operating profit	22,378,532	13,338,166
Financial expenses	(1,181,145)	(2,936,737)
- of which, with related parties	(12,475)	(13,794)
Pre-tax profit	21,197,387	10,401,429
Income taxes	(6,894,310)	(5,180,117)
Profit for the year	14,303,077	5,221,312
<i>Profit for the year attributable to:</i>		
Non-controlling interests	36,663	(195,178)
Owners of the Parent	14,266,414	5,416,490

Fine Comunicato n.20176-44

Numero di Pagine: 9