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Oggetto : Salcef Group: First half of 2024 consolidates
the significant growth rates of the business

Testo del comunicato

Vedi allegato



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Press Release

Salcef Group: First half of 2024 consolidates the significant growth rates of the business

Revenues at € 487 million up 35%, EBITDA at € 93 million (+26%) and Backlog further growing at € 2.4 billion

1H 2024 key results (vs. 1H 2023):

- **Revenues at € 486.6 million (+34.6%)**
- **EBITDA at € 92.6 million (+25.5%)**
- **EBIT at € 62.8 million (+29.6%)**
- **Net Income at € 35.1 million (+12.7%)**

Net Financial Position negative for € 36.2 million (figure at 31 December 2023 negative for € 7.2 million) due to the dividend payment for € 33.5 million

Rome, 8 August 2024 - The Board of Directors of Salcef Group S.p.A., convened today under the chairmanship of Gilberto Salciccia, approved the consolidated interim financial report as at 30 June 2024.

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

"The first half of 2024 has demonstrated Salcef Group's robust performance, in line with expectations. Our order backlog has grown further, reaching €2.4 billion, which solidifies our position and reflects the confidence our clients place in us. We are also pleased to confirm that our expectations for 2024 remain on track."

Salcef Group is an Italian excellence designing, developing, and producing solutions for sustainable mobility. Serving the market for over 70 years, the Group is now a global leading player providing the railway industry with a comprehensive ecosystem of products and services. Its 7 operative Business Units and 15 operating companies are a unique combination of specialization and integration, the result of continuous investments in innovation and external growth. The Group has over 2,000 employees, boasts a fleet of more than 1,100 railway machines, and, in 2023, achieved a consolidated turnover of 795 million euros. Headquartered in Rome, the Group has an industrial presence also in Germany and the United States, managing business activities across 5 continents with 6 production sites - 5 in Italy and 1 in the United States. Publicly listed since 2019, in October 2021, Salcef Group joined the Euronext STAR Milan Segment. Since 1975, it has been under the control of the Salciccia family and is currently led by the brothers Gilberto and Valeriano, serving respectively as Chairman and CEO.

1H 2024 KEY PERFORMANCE INDICATORS

€ million	1H 2024	1H 2023	Δ Abs.	Δ %
Revenues	486.6	361.6	125.0	34.6%
EBITDA	92.6	73.8	18.8	25.5%
EBITDA margin	19.0%	20.4%	(1.4) p.p.	-
EBIT	62.8	48.5	14.3	29.6%
EBIT margin	12.9%	13.4%	(0.5) p.p.	-
Adjusted Net Income¹	37.9	31.0	7.0	22.4%
Net Income	35.1	31.1	3.9	12.7%
Net Financial Position²	(36.2)	(7.2)	29.0	n.m.

- (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) Comparative figure as at 31 December 2023

In the first six months of the year, consolidated **Revenues** amounted to **€ 486.6 million**, up 34.6% over the same period of 2023, mainly due to a robust 31.6% organic growth, net of the contribution from Colmar Technik (€ 10.9 million) not included in the comparison period. *Heavy Civil Works* recorded revenues 82.1% higher than the first half of 2023 thanks to the activities on Verona-Padua high-speed line and Piazza Pia contract in Rome, while *Track & Light Civil Works* and *Energy, Signalling & Telecommunication* reported revenues up organically 23.3% and 43.9% respectively.

Consolidated **EBITDA** reached **€ 92.6 million**, with a 25.5% increase over 1H 2023. The **EBITDA margin** stood at 19.0%, lower compared to the first half of 2023 (20.4%) and in line with 1Q 2024 and budget.

Consolidated **EBIT** reached **€ 62.8 million**, +29.6% higher YoY due to the higher volumes and despite higher D&A for € 4.5 million, of which € 3.2 million related to the capital gains recognised further to the purchase price allocation implemented with effect from June 2023.

The Group **Adjusted Net Income** amounted to **€ 37.9 million**, up 22.4% compared to the € 31.0 million of the first half of 2023, mainly due to the higher EBIT and despite higher adjusted financial expenses and adjusted taxes. The **Net Income** at **€ 35.1 million** was € 3.9 million (12.7%) higher than the first half of 2023.

The **Net Financial Position** as at 30 June 2024 was negative for **€ 36.2 million**, € 29 million lower than the negative € 7.2 million at year-end 2023), mainly as a result of the dividend payment for € 33.5 million and net of the cash generation of the period.

The **Backlog** continues its growth and exceeds € 2.4 billion, further up € 68 million compared to the level recorded at the end of 1Q 2024. From a geographical perspective, domestic contracts represent 75.5% of the total while the remaining 24.5% refers to international contracts. *Track & Light Civil Works* and *Energy Signalling & Telecommunication* Business Units continue to be the most represented, accounting for 62.4% and 29.3% of the backlog, respectively.

Major events after the close of the reporting period

Demerger of Salcef Group shares hold by Finhold S.r.l.

In execution of the binding investment and purchase agreement signed on 24 April 2024 by the shareholders of Finhold S.r.l. ("Founding Shareholders") and the Funds advised by Morgan Stanley Infrastructure Partners to: (i) demerge all the Salcef Group S.p.A. shares currently held by Finhold into a newly established company resulting from the demerger of Finhold executed by the Founding Shareholders ('NewCo'); and (ii) transfer approximately 42% of their shareholding in NewCo to Funds advised by MSIP, a leading global infrastructure investment platform, through a combination of primary and secondary transactions, on May 9, 2024, the shareholders' meeting of Finhold S.r.l. approved the demerger of all Salcef Group S.p.A. shares held (a total of 40,414,444 ordinary shares), in favor of the sole beneficiary, Railbid S.r.l. (a newly formed company created as a result of the demerger). After the legally required period following the filing of the demerger resolution with the Rome Companies Register, the demerger deed was executed on June 20, 2024. Subsequently, on July 16, 2024, Railbid S.r.l. established the company Salbid S.p.A. by transferring to it all 40,414,444 ordinary shares of Salcef Group S.p.A. As a result, as of the date of approval of this document, Salbid S.p.A. is the majority shareholder of Salcef Group S.p.A., holding 64.77% of the share capital, and, due to the accrued voting rights, 77.93% of the voting rights.

Outlook

In light of the results of the first half of 2024 and of the solidity of the backlog, the expectations on the volumes for 2024 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 2024 is expected to remain broadly in line with the one recorded in the first half.



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 2024 results to the financial community on **Friday, 9 August at 10:00 CEST** 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.



ALTERNATIVE PERFORMANCE INDICATORS

Where applicable, the alternative performance measures are presented in accordance with the ESMA Guidelines (Reference ESMA/2015/1415) as acknowledged by CONSOB (the Italian commission for listed companies and the stock exchange) communication no. 0092543 of 3 December 2015. In accordance with these documents, the criteria used to construct these measures are presented below.

- EBITDA is calculated by adjusting the profit or loss for the period to exclude taxation, net financial expense and amortisation, depreciation and impairment losses;
- EBIT is calculated by adjusting the profit or loss for the period to exclude taxation and net financial expense;
- adjusted net income is calculated by adjusting the profit or loss for the period to exclude the effects related to non-recurring events, events unrelated to the core business and/or non-recurring transactions, as identified by the Group, such as fair value gains or losses on short-term investments as well as the tax impact arising from deferred taxes on the above-mentioned fair value gains or losses and the reversal of deferred tax assets recognised on tax revaluations, as detailed further on;
- the EBITDA margin is calculated as the ratio of EBITDA (as identified above) to total revenue;
- the EBIT margin is calculated as the ratio of EBIT (as identified above) to total revenue;
- the net financial position is calculated by deducting cash and cash equivalents and current financial assets from current and non-current financial liabilities. The net financial position is adjusted to exclude the effect of any events unrelated to the core business and/or related to non-recurring transactions with an impact on the net financial position;

These indicators are shown at consolidated level in order to present the Group's financial performance, net of non-recurring events, events unrelated to the core business and non-recurring transactions, as identified by the Group. They reflect the main financial and operating figures net of non-recurring income and expense not directly related to core business activities and operations, thereby enabling an analysis of the Group's performance more consistent with that of previous periods.

Consolidated Balance Sheet

ASSETS	30.06.2024	31.12.2023
Non-current Assets		
Intangible assets with finite useful lives	30,393,637	35,447,767
Goodwill	99,501,951	98,692,353
Property, plant and equipment	243,453,049	228,729,417
Right-of-use assets	14,904,932	13,332,762
Equity-accounted investments	132,643	132,643
Other non-current assets	38,120,074	33,285,777
- of which, with related parties	1,321,453	1,321,453
Deferred tax assets	21,842,332	23,542,489
Total non-current Assets	448,348,618	433,163,208
Current Assets		
Inventories	73,543,807	58,569,987
Contract assets	253,091,032	185,786,026
Trade receivables	160,707,999	177,201,127
- of which, with related parties	16,870,846	12,611,091
Current tax assets	1,294,364	1,286,657
Current financial assets	82,123,436	88,494,879
Cash and cash equivalents	164,030,008	140,929,019
Other current assets	64,286,756	46,382,739
Total current Assets	799,077,402	698,650,434
TOTAL ASSETS	1,247,426,020	1,131,813,642

LIABILITIES	30.06.2024	31.12.2023
Equity attributable to the owners of the Parent		
Share capital	141,544,532	141,544,532
Other reserves	270,064,083	241,307,225
Profit for the period	34,984,820	61,903,162
Total equity attributable to the owners of the Parent	446,593,435	444,754,919
Share capital and reserves attributable to non-controlling interests	2,864,966	2,650,300
Profit for the period attributable to non-controlling interests	76,822	214,666
TOTAL EQUITY	449,535,223	447,619,885
Non-current liabilities		
Non-current financial liabilities	163,685,430	135,236,953
Lease liabilities	7,219,861	7,061,792
Employee benefits	4,592,668	4,569,178
- of which, with related parties	277,595	642,128
Provisions for risks and charges	4,114,758	4,444,266
Deferred tax liabilities	13,008,653	13,439,741
Other non-current liabilities	3,907,502	4,286,112
Total non-current liabilities	196,528,872	169,038,042
Current liabilities		
Current financial liabilities	105,505,543	89,160,192
Current portion of lease liabilities	5,912,981	5,173,500
Current employee benefits	822,587	2,517,389
- of which, with related parties	524,626	1,208,653
Contract liabilities	110,472,624	104,136,021
Trade payables	294,226,876	254,695,363
- of which, with related parties	432,686	977,613
Tax liabilities	40,601,376	16,794,490
Other liabilities	43,819,938	42,678,760
- of which, with related parties	166,870	657,475
Total current liabilities	601,361,925	515,155,715
TOTAL LIABILITIES	797,890,797	684,193,757
TOTAL EQUITY AND LIABILITIES	1,247,426,020	1,131,813,642

Consolidated Income Statement

	06.2024	06.2023
Revenues from contracts with customers	483,113,777	356,431,991
- of which, with related parties	21,321,230	8,513,181
Other income	3,520,964	5,192,976
Total revenues	486,634,741	361,624,967
Raw materials, supplies and goods	(123,447,731)	(90,598,286)
- of which, with related parties	(3,824)	(49,843)
Services	(193,186,052)	(134,298,496)
- of which, with related parties	(192,806)	(368,186)
Personnel expenses	(83,324,863)	(69,937,810)
- of which, with related parties	(806,813)	(592,201)
Depreciation and Amortisation	(29,356,528)	(24,377,353)
Impairment losses	(462,262)	(966,150)
Other operating costs	(10,414,907)	(7,415,333)
Internal work capitalised	16,365,129	14,430,736
Total costs	(423,827,214)	(313,162,692)
Operating profit	62,807,527	48,462,275
Financial expenses	(4,727,322)	(2,407,879)
- of which, with related parties	0	(20,259)
Pre-tax profit (loss)	58,080,205	46,054,396
Income taxes	(23,018,563)	(14,939,983)
Profit (loss) for the period	35,061,642	31,114,413
<i>Profit for the period attributable to:</i>		
Non-controlling interests	76,822	83,824
Owners of the Parent	34,984,820	31,030,589
<i>Earning per share:</i>		
Base EPS	0.57	0.50
Diluted EPS	0.57	0.50

Consolidated Cash Flow Statement

	1H 2024	1H 2023
Profit for the year	35,061,642	31,114,413
Amortisation and depreciation	29,356,528	24,377,353
Impairment losses	462,262	966,150
Net financial expenses	4,727,321	2,407,879
(Gains)/losses from the disposal of property, plant and equipment	422,353	(112,266)
Other adjustments for non-monetary items	(80,433)	3,032,977
Accruals	(1,626,872)	3,021,485
Income taxes	23,018,563	14,939,982
(A) Cash flows from operating activities before change in working capital	91,341,364	79,747,973
(Increase) / decrease in inventories	(14,973,820)	(3,336,266)
(Increase) / decrease in contract assets/liabilities	(60,968,403)	(61,923,485)
(Increase) / decrease in trade receivables	19,488,884	18,234,580
Increase / (decrease) in trade payables	39,531,513	9,910,047
(Increase) / decrease in other current and non-current assets	(20,688,630)	(9,887,543)
Increase / (decrease) in other current and non-current liabilities	762,569	3,741,564
(B) Change in working capital	(36,847,887)	(43,261,102)
Cash flows generated (used) by operating activities (A+B)	54,493,477	36,486,871
Interests paid	(8,726,068)	(5,660,465)
Income taxes paid	0	(1,012,303)
(C) Cash flows generated (used) by operating activities	45,767,409	29,814,103
<i>Investing activities</i>		
Interests collected	169,103	272,634
Investments in intangible assets	(650,885)	(1,207,512)
Acquisition of property, plant and equipment	(37,645,706)	(29,660,897)
Investments in securities and other financial assets	(1,088,220)	(1,818,000)
Proceeds from the sale of property, plant and equipment	2,778,351	2,827,356
Proceeds from the sale of securities and other financial assets	7,877,038	10,029,498
Acquisition/Disposal of subsidiaries net of cash equivalents	0	1,225,014
Exchange differences	(1,291,880)	(587,948)
(D) Cash flows generated (used) by investing activities	(29,852,199)	(18,919,855)
<i>Financing activities</i>		
New bank loans	90,810,000	88,267,072
Repayment of loans	(45,666,622)	(70,373,440)
Repayment of lease liabilities	(4,451,238)	(3,429,915)
Repurchase of treasury shares	0	(8,555,069)
Dividends distributed	(33,506,361)	(30,800,832)
(E) Cash flows generated (used) by financing activities	7,185,779	(24,892,183)
(F) Net change in cash and cash equivalents (C+D+E)	23,100,989	(13,997,935)
(*) Opening cash and cash equivalents	140,929,019	131,180,990
Net change in cash and cash equivalents	23,100,989	(13,997,935)
(*) Closing cash and cash equivalents	164,030,008	117,183,055

(*) Cash and cash equivalents are net of current loans and borrowings

Fine Comunicato n.20176-32-2024

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