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**Press Release**

# Salcef Group: Positive nine months results, with growth and profitability in line with expectations

**Revenues at € 732 million up 29%, EBITDA at € 139 million (+21%) and Backlog flat at € 2.4 billion**

**9M 2024 key results (vs. 9M 2023):**

- **Revenues at € 731.7 million (+28.9%)**
- **EBITDA at € 139.4 million (+20.6%)**
- **EBIT at € 94.3 million (+22.0%)**
- **Net Income at € 53.8 million (+4.7%)**

**Net Financial Position negative for € 38.0 million (figure at 31 December 2023 negative for € 7.2 million) due to the dividend payment for € 33.5 million**

**On 8 November, the mandatory tender offer promoted by Salbid S.p.A. was successfully concluded with 97.8 % of the capital being reached, and the conditions for the delisting of Salcef Group S.p.A. shares were therefore met**

Rome, 14 November 2024 – 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 2024.

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

*"The nine months results confirm the Group's growth trends in line with expectations. Moreover, visibility on the remaining part of the year allows us to be confident about achieving the targets we have set. As part of the strategic transaction involving the entry of Morgan Stanley Infrastructure Partners into the Group's capital, the subscription period for the tender offer was successfully concluded on 8 November. The necessary steps will now be completed for the delisting of the Company and the beginning of a new phase in our history, which will remain focused on our founding values and growth in all our major markets."*

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.

## 9M 2024 KEY PERFORMANCE INDICATORS

| *€ million* | 9M 2024 | 9M 2023 | Δ Abs. | Δ % |
|---|---|---|---|---|
| **Revenues** | 731.7 | 567.9 | 163.9 | 28.9% |
| **EBITDA** | 139.4 | 115.5 | 23.9 | 20.6% |
| **EBITDA margin** | *19.1%* | *20.4%* | *(1.3) p.p.* | - |
| **EBIT** | 94.3 | 77.3 | 17.0 | 22.0% |
| **EBIT margin** | *12.9%* | *13.6%* | *(0.7) p.p.* | - |
| ***Adjusted* Net Income[1]** | 56.3 | 51.7 | 4.6 | 8.9% |
| **Net Income** | 53.8 | 51.3 | 2.4 | 4.7% |
| **Net Financial Position[2]** | (38.0) | (7.2) | (30.8) | 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 end extraordinary tax expenses

(2) Comparative figure as at 31 December 2023

In the first nine months of the year, consolidated **Revenues** amounted to **€ 731.7 million,** up 28.9% over the same period of 2023, with 26.6% organic growth, net of the contribution from Colmar Technik (€ 12.8 million) not included in the comparison period. *Heavy Civil Works* recorded revenues 52.6% higher than the first nine months 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 19.8% and 48.5% respectively.

Consolidated **EBITDA** reached **€ 139.4 million**, with a 20.6% increase over 9M 2023. The **EBITDA *margin*** stood at 19.1%, lower compared to the first nine months of 2023 (20.4%) and in line with 1H 2024 and budget.

Consolidated **EBIT** reached **€ 94.3 million**, +22.0% higher YoY due to the higher volumes and despite higher D&A for € 6.8 million, of which € 4.8 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 **€ 56.3 million**, up 8.9% compared to the € 51.7 million of the first nine months of 2023, mainly due to the higher EBIT and despite higher adjusted financial expenses and adjusted taxes. The **Net Income** at **€ 53.8 million** was € 2.4 million (4.7%) higher than the first nine months of 2023.

The **Net Financial Position** as at 30 September 2024 was negative for **€ 38.0 million,** € 30.8 million lower than the negative € 7.2 million at year-end 2023), mainly as a result of the dividend payment for € 33.5.

The **Backlog** at 30 September was flat vs. 1H 2024 at € 2.4 billion. Substantially stable the geographical composition as well, with the domestic component slightly higher at 76.6% (75.5% in the first half) and the foreign component consequently lower at 23.4% (24.5% in the first half. *Track & Light Civil Works* and *Energy Signalling & Telecommunication* Business Units continue to be the most represented, accounting for 58.8% and 31.5% of the backlog, respectively.

## Outlook

In light of the results of the first nine months 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 nine months.

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.

Due to the successful conclusion of the mandatory tender offer and the consequent achievement of the prerequisites for delisting, the Company has decided not to hold the usual conference call with the market. However, a presentation with the results will be made available in the Investor Relations section of the website 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 | 30.09.2024 | 31.12.2023 |
|---|---|---|
| **Non-current Assets** | | |
| Intangible assets with finite useful lives | 27,863,295 | 35,447,767 |
| Goodwill | 98,364,766 | 98,692,353 |
| Property, plant and equipment | 229,331,009 | 228,729,417 |
| Right-of-use assets | 27,434,171 | 13,332,762 |
| Equity-accounted investments | 132,643 | 132,643 |
| Other non-current assets | 28,331,585 | 33,285,777 |
| *- of which, with related parties* | *1,321,453* | *1,321,453* |
| Deferred tax assets | 21,710,949 | 23,542,489 |
| **Total non-current Assets** | **433,168,418** | **433,163,208** |
| | | |
| **Current Assets** | | |
| Inventories | 71,632,861 | 58,569,987 |
| Contract assets | 251,481,317 | 185,786,026 |
| Trade receivables | 184,070,935 | 177,201,127 |
| *- of which, with related parties* | *16,325,885* | *12,611,091* |
| Current tax assets | 9,747,481 | 1,286,657 |
| Current financial assets | 84,337,189 | 88,494,879 |
| Cash and cash equivalents | 151,809,196 | 140,929,019 |
| Other current assets | 53,333,269 | 46,382,739 |
| **Total current Assets** | **806,412,248** | **698,650,434** |
| | | |
| **TOTAL ASSETS** | **1,239,580,666** | **1,131,813,642** |

| LIABILITIES | 30.09.2024 | 31.12.2023 |
|---|---|---|
| **Equity attributable to the owners of the Parent** | | |
| Share capital | 141,544,532 | 141,544,532 |
| Other reserves | 267,451,396 | 241,307,225 |
| Profit for the period | 53,436,561 | 61,903,162 |
| **Total equity attributable to the owners of the Parent** | **462,432,489** | **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 | 318,745 | 214,666 |
| **TOTAL EQUITY** | **465,616,200** | **447,619,885** |
| **Non-current liabilities** | | |
| Non-current financial liabilities | 145,229,559 | 135,236,953 |
| Lease liabilities | 14,447,046 | 7,061,792 |
| Employee benefits | 6,102,563 | 4,569,178 |
| *- of which, with related parties* | *1,535,311* | *642,128* |
| Provisions for risks and charges | 4,053,605 | 4,444,266 |
| Deferred tax liabilities | 12,954,635 | 13,439,741 |
| Other non-current liabilities | 3,449,217 | 4,286,112 |
| **Total non-current liabilities** | **186,236,625** | **169,038,042** |
| **Current liabilities** | | |
| Current financial liabilities | 105,311,804 | 89,160,192 |
| Current portion of lease liabilities | 9,177,400 | 5,173,500 |
| Current employee benefits | 3,376,450 | 2,517,389 |
| *- of which, with related parties* | *629,296* | *1,208,653* |
| Contract liabilities | 104,025,536 | 104,136,021 |
| Trade payables | 271,181,365 | 254,695,363 |
| *- of which, with related parties* | *627,245* | *977,613* |
| Tax liabilities | 40,015,174 | 16,794,490 |
| Other liabilities | 54,640,112 | 42,678,760 |
| *- of which, with related parties* | *111,971* | *657,475* |
| **Total current liabilities** | **587,727,841** | **515,155,715** |
| **TOTAL LIABILITIES** | **773,964,466** | **684,193,757** |
| **TOTAL EQUITY AND LIABILITIES** | **1,239,580,666** | **1,131,813,642** |

# Consolidated Income Statement

| | 09.2024 | 09.2023 |
|---|---|---|
| Revenues from contracts with customers | 727,056,358 | 560,832,041 |
| *- of which, with related parties* | *30,597,795* | *23,152,338* |
| Other income | 4,659,548 | 7,019,872 |
| **Total revenues** | **731,715,906** | **567,851,913** |
| Raw materials, supplies and goods | (179,884,604) | (146,424,855) |
| *- of which, with related parties* | (298,029) | (70,524) |
| Services | (291,604,726) | (212,628,244) |
| *- of which, with related parties* | *(911,189)* | *(823,434)* |
| Personnel expenses | (128,341,687) | (105,811,614) |
| *- of which, with related parties* | *(3,257,216)* | *(505,516)* |
| Depreciation and Amortisation | (44,746,307) | (36,510,230) |
| Impairement losses | (319,564) | (1,716,005) |
| Other operating costs | (16,463,730) | (12,154,615) |
| Internal work capitalised | 23,976,952 | 24,707,418 |
| **Total costs** | **(637,383,666)** | **(490,538,145)** |
| **Operating profit** | **94,332,240** | **77,313,768** |
| Financial expenses | (9,287,347) | (4,208,553) |
| *- of which, with related parties* | *0* | *(42,109)* |
| **Pre-tax profit (loss)** | **85,044,893** | **73,105,215** |
| Income taxes | (31,289,587) | (21,777,551) |
| **Profit (loss) for the period** | **53,755,306** | **51,327,664** |
| *Profit for the period attributable to:* | | |
| Non-controlling interests | 318,745 | 276,305 |
| Owners of the Parent | 53,436,561 | 51,051,359 |