

**PRESS RELEASE****SOMECC, THE BoD APPROVES H1 2019 CONSOLIDATED RESULTS:  
VALUE OF PRODUCTION OF EUR 123.2 MILLION (+58.2%)  
EBITDA OF EUR 10.8 MILLION (+38.2%),  
CONSOLIDATED PROFIT OF EUR 5.2 MILLION (+58.0%)**

- **Organic growth with a double-digit increase compared to 2018 first half  
Value of production +58.2%**
- **Value of production amounts to EUR 123.2 million, positive performance by both divisions: Seascope +30.9% and Landscape +148.5%**
- **Consolidated EBITDA of EUR 10.8 million, +38.2%**
- **EBIT of EUR 7.0 million, +46.8%**
- **Consolidated net profit of EUR 5.2 million, +58.0%**
- **Net Financial Position of EUR 25.8 million**
- **Backlog<sup>1</sup> as at 30 June of EUR 552 million (EUR +121 million as from the beginning of the year)**
- **New orders acquired in second half-year period up to now total EUR 85 million**

San Vendemiano (Treviso), 26 September 2019

Today the Board of Directors of Somec S.p.A. has approved the consolidated financial report regarding the first half-year of 2019 drawn up according to Italian accounting principles.

Oscar Marchetto, Chairman of Somec S.p.A. has announced *“The first half-year of 2019 once again closes with a double-digit increase in results. New orders, for both business lines, are increasing in number thanks to the new contracts acquired already after the first half-year period and amounting to over 85 million euros, bringing the Group’s total backlog above the growth values forecast by the management in the business plan. These results, along with the positive start of the second half-year period, not only validate our growth strategy at top line level but also enable us to confirm a positive outlook for the end of the year”* and, he adds, *“The next step is to move on to the Borsa Italiana’s equity market (MTA), STAR segment if conditions will allow it, as approved by the BoD today. To us, the main market has always been the company’s natural destination, after the preliminary experience in the AIM Italia Market, for which we thank Borsa Italiana. The strengthening of our governance and of our company procedures implicit in this choice will certainly help to manage in a more effective manner the significant growth trend the company is experiencing. Finally, we are certain we can benefit from the greater international visibility that comes with main listing.”*

**Economic and financial highlights of the first half of 2019**

Please notice that the Group’s consolidated income statement as at 30 June 2019 does not yet include the economic data of Total Solution Interiors Srl (TSI), of which only the balance sheet data have been included in the consolidated financial statements, and does not include in the consolidation area the newly established Chinese branch Somec Shanghai Co., Ltd because of the lack of relevant data at this time.

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<sup>1</sup> Considered as the sum of *Backlog* and *Backlog under option* as indicated in the Admission Document

It should also be noted that, in order to have a correct comparison with the previous half-year period, only the results of three months of the first half-year period of 2018 of Fabbrica LLC have been reported, i.e. starting from 1 April 2018 which is the deal closing date.

The Value of Production as at 30 June 2019 amounts to EUR 123.2 million, up by 58.2% compared to the corresponding figure of the first half-year of 2018 that amounted to EUR 77.8 million, due to organic growth alone.

At business area level, excellent performance is observed in both divisions:

- *Seascope* +30.9% (EUR 78.2 million compared to EUR 59.8 million in the first half-year of 2018)
- *Landscape* +148.5% (EUR 44.9 million compared to EUR 18.1 million in the first half-year of 2018)

The geographical area that has benefited the most from this growth is the US where the expanding market, the company's distinctive offering and the difficulties some competitors have suffered, have all contributed to increase the company market shares.

The consolidated EBITDA as at 30 June 2019 amounts to EUR 10.8 million, up by 38.2% compared to the EUR 7.8 million figure of the first half-year period of 2018, with an EBITDA margin of 8.7% compared to 10% in the corresponding period in 2018. The slight drop in percentage of consolidated margin is due to the increase in the incidence of the *Landscape* division featuring structurally lower profitability compared to that of the *Seascope* division and to non-recurring set up costs, in the *Landscape* division, needed to withstand the fast growth in turnover, the economic returns of which will realistically be seen, in terms of operating efficiency and synergies, only in future years.

At business area level, EBITDA growth is observed in both divisions:

- *Seascope* +24.7% (EUR 8.3 million compared to EUR 6.7 million in the first half-year of 2018)
- *Landscape* +117.7% (EUR 2.5 million compared to EUR 1.1 million in the first half-year of 2018)

The consolidated EBIT as at 30 June 2019 amounts to EUR 7.0 million, up by 46.8% compared to EUR 4.8 million reported in the first half-year of 2018.

The Consolidated Net Profit for the period equals EUR 5.2 million (of which EUR 0.9 million attributable to third parties), up by 58.0% compared to the EUR 3.3 million of the first half-year of 2018. The proportional impact on the value of production remains 4.2%.

The Group's Net Financial Position (NFP), up by EUR 20.3 million compared to EUR 5.5 million at 31 December 2018, amounts to EUR 25.8 million due to the combined effect of the following most relevant factors:

- payment of the provisional price for the purchase of 60% of TSI for a total amount of EUR 10.2 million, the economic data of which will be consolidated as from the second half-year period of 2019;
- dividends 2018 payout in May amounting to EUR 3.5 million;
- payment of the first tranche ("earn-out") relating to the acquisition of a 5.9% stake in Fabbrica LLC amounting to EUR 1.2 million;
- investments required to increase the production capacity of Fabbrica LLC, amounting to approx. EUR 2.8 million.

**Order intake and backlog**

In the first six months of 2019, the Group has acquired new orders for a total of EUR 182 million, thereby resulting in a backlog<sup>2</sup> of EUR 552 million (including TSI) as at 30 June 2019. In addition to this, at the end of the first half-year period of 2019, new orders amounting to EUR 85 million have been acquired.

To date, the orders that have been acquired since the beginning of the year amount to EUR 267 million, 56% of which involving the Seascope segment with a time horizon reaching 2027, and 44% the Landscape segment, with a time horizon reaching 2021.

**Significant events occurring in the first half-year period of 2019**

In the course of the first six months of 2019, the Group completed an important investment plan in the subsidiary Fabbrica LLC that has enabled to increase threefold the production surface available via the setting up of a new production site measuring approx. 12,000 m<sup>2</sup> located at a short distance from the Windsor Connecticut headquarters.

On 13 March 2019, Somec announced the opening of a new branch in Shanghai, China. Somec Shanghai Co., Ltd has been established in order to expand the Group's naval activities in China and tap the potential of growth in the new cruise ship-building activities of Chinese shipyards.

On 20 May 2019, Somec completed the acquisition of a 60% majority stake in Total Solution Interiors Srl (TSI), a player in the field of design, production and installation of turnkey projects for the outfitting of public areas of ships and buildings. The transfer was officialized with the payment of a provisional price totaling EUR 10.2 million. The recognition of the final price of the purchased stake could, by 31 December 2019, provide for an addition to the provisional price paid, on the basis of an assessment (Enterprise Value), ranging between EUR 18.3 million and EUR 20 million, determined according to a multiplying factor of 6 times the average EBITDA of 2017-2018, adjusted for the Net Financial Position at the closing date.

**Significant events occurring after the end of the first half-year period of 2019**

On 23 July 2019, Somec announced that it had acquired its first important order, through TSI, within the framework of NCL's Leonardo project developed by Fincantieri, for the outfitting of public areas of four decks of a new cruiser to be delivered in 2021.

On 3 September 2019, Somec communicated the acquisition, through Fabbrica LLC, of USD 70 million in orders with delivery in 2021 regarding, in particular, also the construction of glass façades for the Marble Collegiate Church Office on 5th Avenue in New York City.

On 11 September 2019, Somec acquired its first Seascope order in China, an important step forward in terms of the Group's international expansion strategy.

**Management outlook**

The organic growth of the first half-year period, which exceeds expectations, enable us to be particularly optimistic with regards to the overall trend of the second half-year period of 2019.

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<sup>2</sup> Considered as the sum of *Backlog* and *Backlog under option* as indicated in the Admission Document

As regards the *Landscape* division in particular, at this early stage Fabbrica has already achieved its 2019 goals, and now that it can rely on a production capacity that has been increased threefold and is running at full capacity, we can reasonably expect more than satisfactory results by the end of 2019.

For the *Seascope* division, considering the growth of the core shipbuilding business, the acquisition of TSI that in the first half-year period only had an impact on the assets side, will make a contribution in economic terms during the course of the year, bringing about a further increase in profitability.

Today, Somec's Board of Directors resolved to start all the activities required for the transition to the MTA market, segment STAR since the conditions allow it, subject to completion of the formal and substantive obligations requested by the Authorities and the authorizations by the same, in line with market conditions.

### **Document filings**

The consolidated financial report H1 2019 is available to the public at the company's registered office and on the corporate website of Somec S.p.A., in the Investor Relations section ([www.somecgroup.com](http://www.somecgroup.com)), in compliance with the applicable law and regulations.

### **ATTACHED HERETO THE RECLASSIFIED CONSOLIDATED GROUP'S FINANCIAL STATEMENTS AS AT JUNE 30, 2019**

#### **www.somecgroup.com**

*The Somec Group is one of the major global operators in the fields of design, custom production and installation of glass envelopes made to innovative and advanced engineering and design standards for the building of new cruise ships (Marine Glazing) and of design, custom production and installation of catering areas on cruise ships (Marine Cooking Equipment). The Group also offers services for the refurbishment, upgrading, replacement and repair of elements of glass envelopes and of common areas on cruise ships already at sea (Marine Refitting). The Group boasts decades of expertise on more than 200 cruise liners.*

*With Fabbrica LLC, since 2018 the Group has been operating in the sector of the ad hoc design, custom production and installation of façades and external structures featuring innovative and advanced engineering for buildings in various locations in the major cities of North-Eastern USA (Building Façades). The Group also produces professional equipment for kitchens (Professional Cooking Equipment) and the interior finishings for the common areas of ships (Marine Public Areas). The headquarters of Somec Group are in Italy in the city of San Vendemiano, near Treviso, while its subsidiaries are in the United Kingdom, United States of America, Slovakia, China and Canada. Overall, the Group has a workforce of 659 employees (as at 30/06/19).*

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<b>Reclassified consolidated income statement</b> <i>(in KEuros)</i>	<b>30.06.2019</b>	<b>Incid.</b> <b>%</b>	<b>30.06.2018</b>	<b>Incid.</b> <b>%</b>
Revenues from sales and services	110.875	90,0%	74.050	95,1%
Change in inventory of finished products, in progress and semi-finished	(71)	-0,1%	104	0,1%
Work in progress	11.539	9,4%	3.534	4,5%
Increases of non-current assets from in-house production	308	0,2%	-	0,0%
Other revenues and income	509	0,4%	144	0,2%
<b>VALUE OF PRODUCTION</b>	<b>123.160</b>	<b>100,0%</b>	<b>77.832</b>	<b>100,0%</b>
Purchases (including change in inventories)	(56.239)	-45,7%	(34.143)	-43,9%
Services	(34.393)	-27,9%	(23.778)	-30,5%
Rents and leases	(2.434)	-2,0%	(1.129)	-1,5%
Personnel	(19.123)	-15,5%	(10.780)	-13,9%
Other operating expenses	(215)	-0,2%	(220)	-0,3%
<b>OPERATING COSTS</b>	<b>(112.404)</b>	<b>-91,3%</b>	<b>(70.049)</b>	<b>-90,0%</b>
<b>EBITDA</b>	<b>10.756</b>	<b>8,7%</b>	<b>7.782</b>	<b>10,0%</b>
Depreciation and amortization	(3.718)	-3,0%	(2.988)	-3,8%
<b>EBIT</b>	<b>7.038</b>	<b>5,7%</b>	<b>4.794</b>	<b>6,2%</b>
Financial income (expenses)	(138)	-0,1%	(204)	-0,3%
Value adjustments of financial assets	28	0,0%	-	0,0%
<b>EBT</b>	<b>6.928</b>	<b>5,6%</b>	<b>4.590</b>	<b>5,9%</b>
Income tax	(1.729)	-1,4%	(1.299)	-1,7%
<b>CONSOLIDATED NET PROFIT</b>	<b>5.199</b>	<b>4,2%</b>	<b>3.291</b>	<b>4,2%</b>
<b>GROUP NET PROFIT</b>	<b>4.291</b>	<b>3,5%</b>	<b>2.630</b>	<b>3,4%</b>
<b>NET PROFIT OF MINORITIES</b>	<b>908</b>	<b>0,7%</b>	<b>661</b>	<b>0,8%</b>

<b>Reclassified consolidated balance sheet</b> <i>(in KEuros)</i>	<b>30.06.2019</b>	<b>31.12.2018</b>
Intangible assets	9.665	8.511
Goodwill	24.193	15.056
Tangible assets	9.684	7.490
Financial assets	178	1.668
Employee benefit and provisions and provisions for risks	(3.750)	(3.696)
<b>Net non-current assets</b>	<b>39.970</b>	<b>29.029</b>
Inventories	10.499	11.879
Work in progress	32.073	22.530
Trade receivables	65.609	51.231
Advance payments	(37.300)	(35.045)
Trade payables	(48.378)	(39.824)
Other current assets and liabilities	652	2.063
<b>Net working capital</b>	<b>23.156</b>	<b>12.834</b>
<b>Net invested capital</b>	<b>63.125</b>	<b>41.863</b>
Group Net Equity	(34.078)	(33.273)
Equity of minorities	(3.289)	(3.098)
Net financial position	(25.757)	(5.492)
<b>Sources of funding</b>	<b>(63.125)</b>	<b>(41.863)</b>

<b>Net financial position</b> (in KEuros)	<b>30.06.2019</b>	<b>31.12.2018</b>
Bank deposits	17.826	24.921
Cash and cash equivalents	31	13
<b>Liquid assets</b>	<b>17.857</b>	<b>24.934</b>
<b>Current financial receivables</b>	<b>-</b>	<b>1.250</b>
<b>Current financial assets</b>	<b>776</b>	<b>1</b>
Due to banks (within the following year)	(16.917)	(9.563)
Due to other lenders (within the following year)	(1.376)	(198)
Other current financial liabilities	(1.021)	(781)
<b>Short-term financial liabilities</b>	<b>(19.314)</b>	<b>(10.542)</b>
<b>Short-term net financial position</b>	<b>(690)</b>	<b>15.643</b>
Due to banks (beyond the following year)	(23.457)	(15.761)
Financial derivatives	(249)	(109)
Due to other lenders (beyond the following year)	(1.361)	(990)
Liabilities to parents	-	(4.275)
<b>Medium/long-term Net financial position</b>	<b>(25.067)</b>	<b>(21.135)</b>
<b>Net financial position</b>	<b>(25.757)</b>	<b>(5.492)</b>

<b>Cash Flow statement</b> (in KEuros)	<b>30.06.2019</b>	<b>30.06.2018</b>
Net result	5.199	3.292
Depreciation and Amortization of non-current assets	3.655	2.886
Other adjustments	1.152	1.230
Change in net working capital	(11.404)	4.921
<b>Cash flow from operations</b>	<b>(1.398)</b>	<b>12.329</b>
<b>Cash flow from investments</b>	<b>(13.766)</b>	<b>2.342</b>
<b>Free cash flow</b>	<b>(15.164)</b>	<b>14.671</b>
Increase/(decrease) of financial liabilities	12.571	(10.175)
Capital increase	95	20.520
Dividends and other changes in net equity	(4.579)	(2.849)
Change in liquid assets	(7.077)	22.167
<b>Net cash and cash equivalents at the beginning of the period</b>	<b>24.934</b>	<b>5.612</b>
<b>Net cash and cash equivalents at the end of the period</b>	<b>17.857</b>	<b>27.779</b>

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