

PRESS RELEASE

SOMEC S.P.A. BOARD OF DIRECTORS APPROVES INTERIM FINANCIAL REPORT AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2021

REVENUES UP TO EURO 128 MILLION +13%
EBIT UP TO EURO 6.6 MILLION +98%
CONSOLIDATED NET PROFIT UP TO EURO 5 MILLION +70%
RECORD BACKLOG OF EURO 826 MILLION

1H2021 RESULTS

- Consolidated revenues amounted to Euro 128 million, up by 13% on the Euro 113.6 million at 30 June 2020
- Consolidated EBITDA margin was at 11% compared to 9% at 30 June 2020
- Consolidated EBITDA stood at Euro 14.1 million, an increase on the Euro 10.7 million at 30 June 2020
- Consolidated EBIT amounted to Euro 6.6 million, up by 98% on the Euro 3.3 million at 30 June 2020
- Consolidated Net Profit amounted to Euro 5 million, rising by 70% on the Euro 2.9 million result as at 30 June 2020
- Strong operating cash flow confirmed
- Consolidated Net debt at Euro 32.2 million, an improvement of Euro 7.1 million on the figure of Euro 39.3 million at 31 December 2020. Including the effect of IFRS 16, net debt amounted to Euro 52.7 million compared to Euro 58.3 million as at 31 December 2020
- Order intake at Euro 158 million in the first half of 2021
- Record¹ Backlog of Euro 826 million as at 30.06.2021

San Vendemiano (TV), 28 September 2021 – The Board of Directors of Somec S.p.A. met today to examine and approve the Interim Financial Report as at and for the six months ended 30 June 2021.

Oscar Marchetto, chairman of Somec S.p.A., commented: *"The results of the first six months of 2021 confirm that the Group is tracking an upward growth trajectory and reinforce the trend towards a full recovery that began in the second half of last year. The strength and quality of our people and assets, first and foremost being our know-how, have once again allowed us to confirm our double-digit growth in revenues, EBIT and consolidated net profit with solid cash generation. We continue to work in the direction outlined in our growth plan, with our Building Façades division extremely well-positioned to reap the benefits of the stimulus packages for the sector in the USA aimed at increasing environmental sustainability by improving the energy efficiency of buildings. The cruise industry is showing further signs of a sharp recovery which for Somec Group relies on a record Backlog, increased in the first half of the year and underpinned by a steady stream of new orders. The Professional Cooking Equipment segment enjoyed strong demand, allowing us to record double-digit revenue growth in the segment, which we believe may be confirmed again in the second half."*

Order Backlog

During the first half of 2021, the Group received over Euro 158 million of order intake.

Total Group Backlog reached Euro 826 million as at 30 June 2021 (exceeding the Euro 720 million total of 30 June 2020 by Euro 106 million), of which Euro 649 million in the Seascope division and Euro 177 million in the Landscape division, with the time horizon of the order portfolio running until 2029. Of the total Backlog amount of Euro 826 million, options account for 27%.

¹ Backlog plus Backlog under option, as described in the Prospectus.

The following table summarises the historical Backlog trend by half-year period.

Total Group Backlog by 6 month-period (million euro)

30.06.2018	31.12.2018	30.06.2019	31.12.2019	30.06.2020	31.12.2020	30.06.2021
433	431	552	638	720	767	826

The following chart shows the total Backlog (as at 30 June 2021) breakdown by scheduled delivery year. It is worth noting that, due to the characteristics of the specific business, the planning horizon of the Landscape - *Building Façades* segment is no longer than two years, representing the average time between order signing and delivery.

Total Backlog breakdown by scheduled year (% of total)

2021	2022	2023	2024	2025	2026	2027	2028	2029
10.9%	24.0%	19.8%	12.6%	12.4%	11.4%	7.0%	1.5%	0.4%

The following table shows a summarised breakdown of orders in our Backlog by business segment.

Seascope			Landscape
Marine Glazing	Marine Cooking Equip.	Marine Public Areas	Building Façades
47.8%	19.7%	11.1%	21.4%

The following table shows a summarised breakdown of Seascope Backlog, accounting for 79% of total Backlog, split by the main cruise operators.

Seascope Backlog by cruise operator (%)

A	B	C	D	E	Others ancillary	Total
25%	19%	18%	17%	14%	7%	100%

Key economic-financial highlights in 1H 2021

Consolidated revenues amounted to Euro 128 million at 30 June 2021, an increase of 12.7% on the corresponding figure of Euro 113.6 million as at 30 June 2020.

The business units performed as follows:

- Seascope -9.0% (Euro 65 million against Euro 71.4 million as at 30 June 2020)
- Landscape +49.3% (Euro 63 million against Euro 42.2 million as at 30 June 2020)

The following table shows the breakdown of **revenues by segment**:

<i>Eur M/ % of total</i>	Marine Glazing		Marine Cooking Equipment		Marine Public Areas		Seascope	
Half-year at 30/06/2021	39.2	60.3%	16.8	25.9%	9.0	13.8%	65.0	100.0%
Half-year at 30/06/2020	38.6	54.1%	16.3	22.8%	16.5	23.1%	71.4	100.0%
% change	1.6%		3.1%		-45.5%		-9.0%	

<i>Eur M/ % of total</i>	Building Façades		Professional Cooking Equipment		Public Areas Interiors		Landscape	
Half-year at 30/06/2021	45.9	72.9%	13.7	21.7%	3.4	5.4%	63.0	100.0%
Half-year at 30/06/2020	33.7	79.9%	7.9	18.7%	0.6	1.4%	42.2	100.0%
% change	36.2%		73.4%		466.7%		49.3%	

The following table provides a summary of the **total revenue breakdown by geographic area** in the first half of 2021 with comparative figures from the first half of 2020:

	30/06/2021	30/06/2020
Italy	27.8%	18.3%
Europe (excluding Italy)	23.9%	25.4%
North America	38.4%	51.9%
Rest of the World	9.9%	4.4%

Consolidated EBITDA amounted to Euro 14.1 million at 30 June 2021, up to 32.6% on the Euro 10.7 million at 30 June 2020, with an EBITDA margin of 11.0% compared to 9.4% during the previous six-month period.

The **EBITDA margin** of the Seascope division stood at 9.2% compared to 10.0% in the first half of 2020. The **Landscape** division, on the other hand, showed an improvement in the **EBITDA margin**, from 8.4% in the first half of 2020 to 13.0%, due to the combined effect of an increase in volumes resulting from the growth strategy pursued by the Group and the Government grant received by the US subsidiary Fabbrica LLC.

Depreciation and amortisation amounted to Euro 7.5 million, flat vs Euro 7.3 million as at 30 June 2020.

Consolidated **EBIT** stood at Euro 6.6 million at 30 June 2021 compared to Euro 3.3 million in the first half of 2020, with a margin of 5.2% compared to 2.9% in the previous half-year period.

Consolidated Net Profit amounted to Euro 5.0 million (of which Euro 2.1 million attributable to non-controlling interests), with an improvement on the Euro 2.9 million consolidated net profit at 30 June 2020, with the net profit margin up from 2.6% in the first half of 2020 to 3.9% in the first half of 2021.

Group Net Profit stands at Euro 2.9 million, compared to Euro 3.4 million in the first half of 2020.

Net working capital stood at Euro 26.7 million, up by Euro 0.3 million on the Euro 26.4 million result as at 31 December 2020.

Group **Net Financial Position**, excluding the effects of the application of IFRS 16, amounted to Euro 32.2 million at 30 June 2021, compared to Euro 39.3 million at 31 December 2020, with an improvement of Euro 7.1 million.

The **Group Net Financial Position**, including the effects of the application of IFRS 16, stood at Euro 52.7 million at 30 June 2021, with an improvement (compared to the figure of Euro 58.3 million at 31 December 2020) of Euro 5.6 million.

Cash flow from operating activities amounted to Euro 6.1 million, from Euro 8.3 million at 30 June 2020, reflecting the working capital trend during the first half of 2021.

Free Cash Flow amounted to Euro 5.3 million at 30 June 2021, an increase of Euro 5.6 million on the negative amount of Euro -0.3 million at 30 June 2020, due to M&A activity during the period.

Significant events after 30 June 2021

ESG rating

On 7th July 2021, Somec Group received an assessment of its ESG risk from Sustainalytics, a leading independent rating firm. The rating measures a company's exposure to industry-specific material ESG risks and how well a company is managing those risks: Somec received an ESG Risk Rating of 24.5, coming in at 43rd place out of 133 companies within the industry.

Agreement for the acquisition of Bluesteel

On 27th July 2021, Somec signed an agreement for the acquisition of 60% of the shares of Bluesteel S.r.l., a European player in the field of engineered systems for façades and windows. The Bluesteel deal will expand the *Building Façades* division in Europe.

Business Outlook

Somec Group boasts a solid Backlog that provides it with visibility until 2029. New order intake levels are also robust thanks to the careful planning of its operating activities. The Group therefore believes that the outlook is bright for the second half of 2021, whilst bearing in mind the uncertainties of the current global economic scenario due to the ongoing pandemic, the effects of climate change, geopolitical instability and overall volatility stemming from rising raw material and energy costs.

Inside the Landscape division, Building Façades segment is expected to benefit from the relief measures for the construction sector introduced by the US government, tied to environmental sustainability (to reduce CO2 emissions and improve the energy efficiency of buildings) and economic stimulus packages.

The Seascope division continues to prove resilient thanks to new order intake and confirmation of the options acquired. The cruise industry, which was strongly affected by the pandemic, also showed clear signs of a sharp recovery in the first half of 2021 with pre-bookings exceeding pre-pandemic level.

The Group plans to continue with its sales drive, cost control and cash generation efforts in order to increase both organic growth and shareholder remuneration.

Thanks to the Group's performance in the first half of the year, the overall sentiment, steady new order intake, clear visibility granted by the Backlog, our geographical and business diversification and fully autonomous local supply chains, we believe the overall business outlook is particularly positive for the second half of 2021, bearing in mind the possibility of a further worsening of the pandemic that might impact the Group's operations or potential supply issues due to uncertainties arising from raw material costs and energy price rises.

Estimates for the year 2021 point to a full sales volume recovery and a return to pre-Covid growth rates.

Filing of documentation

The Interim Financial Report as at and for the six months ended 30 June 2021 and the Independent Auditors' Report will be available to Shareholders and the general public via the authorised storage provider 1INFO (www.1info.it) and on the Company website www.somecgroup.com within the current week.

The Financial Reporting Officer, Federico Puppini, confirms, pursuant to article 154-bis, paragraph 2, of Legislative Decree no. 58/98, that the accounting information contained in this press release corresponds to the accounting figures, books and records.

This document contains forward-looking statements, in particular in the section titled "Business Outlook" relating to future events, the operating income and financial results of the Group. These statements are based on the Group's current expectations and forecasts regarding future events and, by their nature involve risks and uncertainties since they refer to events and depend on circumstances which may, or may not, happen or occur in the future and, as such, they must not be unduly relied upon. The actual results could differ significantly from those contained in these statements due to a variety of factors, including changes in the macroeconomics and in economic growth and other changes in business conditions, changes in legal and institutional framework (both in Italy and abroad), and many other factors, most of which are beyond the Group's control.

SOMECC

SOMECC S.p.A. is specialised in the engineering, design and execution of complex turn-key civil and naval engineering projects and in particular of glass envelopes, kitchen systems and products and bespoke interiors. All the main Group companies employ similar business models, focussed on the design, production and installation of engineered systems which meet rigorous civil and naval engineering quality and safety standards.

The Group's projects stand out in terms of the high degree of customisation and specialised material know-how, which is a critical aspect for high added-value projects.

Through a rigorous certification and accreditation process, SOMECC has built a global reputation for quality and operational and financial reliability. SOMECC is headquartered in San Vendemiano (TV) and has companies in US, Slovakia, China and Canada, employing approx. 800 people and revenues in 2020 of Euro 223.4 million.

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Summary tables

Reclassified consolidated income statement <i>In euro thousand</i>	1H 2021	%	1H 2020	%	Δ%
Revenue from contracts with customers	124,584	97.4%	113,022	99.5%	10.2%
Other revenues and income	3,391	2.6%	536	0.5%	532.6%
Total revenues	127,975	100.0%	113,558	100.0%	12.7%
Materials, services and other costs	(92,001)	-71.9%	(83,601)	-73.6%	10.0%
Personnel costs	(21,833)	-17.1%	(19,289)	-17.0%	13.2%
Operating costs	(113,834)	-89.0%	(102,890)	-90.6%	10.6%
EBITDA	14,141	11.0%	10,668	9.4%	32.6%
Depreciation and amortisation	(7,499)	-5.9%	(7,319)	-6.4%	2.5%
EBIT	6,642	5.2%	3,349	2.9%	98.3%
Net financial income (expenses)	(122)	-0.1%	371	0.3%	-132.9%
Net results from associate companies	48	0.0%	49	0.0%	-2.0%
EBT	6,568	5.1%	3,769	3.3%	74.3%
Income taxes	(1,563)	-1.2%	(820)	-0.7%	90.6%
Consolidated Net Profit	5,005	3.9%	2,949	2.6%	69.7%
Non-controlling interests	2,089	1.6%	(465)	-0.4%	-549.2%
Group Net Profit	2,916	2.3%	3,414	3.0%	-14.6%

Reclassified consolidated statement of financial position <i>In euro thousand</i>	30/06/2021	31/12/2020 restated *
Intangible assets	49,720	52,025
<i>of which Goodwill</i>	27,138	26,959
Tangible assets	15,117	16,056
Right-of-use assets	20,243	18,944
Investments in associates	179	194
Non-current financial assets	247	282
Other non-current assets and liabilities	(4,724)	(5,978)
Employee benefits	(4,075)	(4,381)
Net non-current assets	76,707	77,142
Inventory and payments on account	13,206	12,631
Construction contracts and advance payments from customers	22,035	23,778
Trade receivables	69,250	65,520
Trade payables	(50,607)	(43,940)
Provisions for liabilities and charges	(892)	(470)
Other current assets and liabilities	(26,274)	(31,112)
Net working capital	26,718	26,407
Net invested capital	103,425	103,549
Group equity	41,645	38,326
Non-controlling interest in equity	9,118	6,880
Net financial position	52,662	58,343
Sources of funding	103,425	103,549

* Following the Purchase Price Allocation for the acquisition of GICO S.p.A., the corresponding amounts as at 31 December 2020 have been restated, as required by paragraph 49 of IFRS 3. For further information see the Interim financial report.

Net financial position <i>In euro thousand</i>	30/06/2021	31/12/2020 restated *
Cash and cash equivalents	49	51
Bank deposits	41,192	41,792
Total liquidity	41,241	41,843
Current financial assets	365	331
Current bank debt	(4,789)	(9,555)
Current portion of bank loans and credit facilities	(15,248)	(16,862)
Other current financial liabilities	(1,863)	(763)
Current Debt	(21,900)	(27,180)
Current net financial position	19,706	14,994
Non-current bank debt	(43,561)	(42,329)
Other non-current financial liabilities	(8,344)	(11,956)
Non-current financial position	(51,905)	(54,285)
Net financial position before IFRS 16	(32,199)	(39,291)
IFRS 16 – Lease - impact	(20,463)	(19,052)
Current portion	(3,543)	(3,800)
Non-current portion	(16,920)	(15,252)
Net financial position	(52,662)	(58,343)

* Following the Purchase Price Allocation for the acquisition of GICO S.p.A., the corresponding amounts as at 31 December 2020 have been restated, as required by paragraph 49 of IFRS 3. For further information see the Interim financial report.

Cash Flow statement	30/06/2021	30/06/2020
<i>In euro thousand</i>		
Cash flows from operating activities	6,141	8,296
Cash flows from investing activities	(835)	(8,601)
Free Cash Flow	5,306	(305)
Cash flows from financing activities	(6,552)	12,194
Effect of exchange rate changes on cash and cash equivalents	644	27
Net cash flow	(602)	11,916
Cash and cash equivalents at the beginning of the period	41,843	29,428
Cash and cash equivalents at the end of the period	41,241	41,343

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