

CONSOLIDATED INTERIM FINANCIAL REPORT  
AS OF 30 JUNE 2024 APPROVED

**SOMEK: ADJUSTED EBITDA IMPROVED BY 35%.  
ORDER BACKLOG AT 783 MILLION.**

**Oscar Marchetto, Chairman:** *“The strategies implemented in the first half of the year led to an improvement in our performance in terms of both cash generation and margin recovery. Given the significant order book, we look forward to the second half of the year with confidence”.*

- Revenues stood at 185.6 million Euro, slightly decrease (-3.1%) from 191.6 million Euro in H1 2023 due to the effect of the timing of some projects.
- *Horizons* showed a clear upward trend, with revenues at 119.8 million Euro (+9.1% compared to H1 2023), driven by refitting activities and the US market.
- Adjusted EBITDA of 13.2 million Euro, up 34,7% compared to 30 June 2023 (9.8 million Euro), with a margin of 7.1% on revenues (5.1% in H1 2023).
- The consolidated net result showed a loss of 1.2 million Euro, compared to a loss of 1.8 million Euro in the first half of 2023.
- Net Financial Position ex-IFRS 16 at 30 June 2024, at 57.7 million Euro, showing an improvement from 60.1 million Euro for the year ended 31 December 2023 and 70.4 million for the period ended 30 June 2023.
- Backlog as at 30 June 2024 amounted to 783 million Euro, an increase of 4.1% compared to 31 December 2023.

San Vendemiano (Treviso), 23 September 2024 – The Board of Directors of Somec S.p.A. (Euronext Milan: SOM), specialising in the engineering, production and deployment of complex turnkey projects in the civil and naval engineering sector, met earlier today under the chairmanship of Oscar Marchetto to review and approve the Consolidated Half-Yearly Financial Report for the period ended 30 June 2024.

**Revenues** for the first six months of the year stood at 185.6 million Euro, showing a slight decrease (3.1%) compared to the first half of 2023, mainly due to a shift in the timescale of the deployment of some projects in Talenta and Mestieri divisions, offset by a sharp increase in revenues in Horizons division following an increase in refitting volumes in the naval sector.

Consolidated **Adjusted EBITDA**<sup>1</sup> at 30 June 2024 stood at 13.2 million Euro, up 34.7% from 9.8 million Euro at 30 June 2023. The operating margin improved significantly to 7.1% from 5.1% in H1 2023. The most significant contribution to margin recovery came from Horizons division, driven by glazing activities in the naval sector, with a stabilisation of input costs as well as the development of projects in the refitting market playing a role in this respect. US subsidiary Fabbrica LLC also made a positive contribution to the improved performance in the building façades market.

**Net Financial Position ex-IFRS16** at 30 June 2024 improved to 57.7 million Euro, showing a positive cash flow generation compared to both 31 December 2023 (60.1 million Euro) and as of 30 June 2023 (70.4 million Euro), a result that denotes the Group’s commitment to deleveraging.

Oscar Marchetto, Chairman of Somec stated: *“In the first half of the year we implemented several strategies that led to an improvement in our performance in terms of both cash generation and margin recovery. The*

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Adjusted EBITDA does not include in operating expenses, certain non-recurring items held under labour costs and related to the reorganisation of the management structure that took place in the first half of the year in Mestieri and Horizons divisions.

*strategic choices made in the recent past, starting with the reorganisation of the Group into the current three Business Divisions, have proved successful and have allowed us to balance out the different performance rates of the business areas in which we operate. In addition, the efforts made by the new managers that have joined our Group is allowing us to focus on recovering operational efficiency and margins. Thanks to all these aspects, underpinned by a significant order book, enable us to look to the second half of the year with confidence”.*

## **Revenues and Backlog**

**Revenues** at 30 June 2024 totalled 185.6 million Euro, down slightly (3.1%) compared to 191.6 million Euro in the same period of 2023, due to a shift in the timescale of some projects.

### **Revenues by Division**

**HORIZONS, Engineered Systems for Naval Architecture and Building Façades division** posted revenues of 119.8 million Euro, up 9.1% from 109.8 million Euro in the corresponding period of 2023. This Business operates in a booming market, also driven by the positive contribution of refitting activities as well as the façade market in the US.

**TALENTEA, Professional Kitchen Systems and Products division** posted revenues of 26.9 million Euro, showing a decrease of 20.5% compared to 33.9 million Euro in the previous year. This decrease was mainly due to a postponement in the deployment of some projects in the sector of professional kitchens for the marine industry, offset by a slight increase in professional product revenues supported by strong sales of industrial pizza ovens.

**MESTIERI, Design and Production of Bespoke Interiors division** posted revenue of 38.9 million Euro, showing a decrease 9 million Euro compared to 48 million Euro for the period ended 30 June 2023 (-18.9%). It should be noted that revenues for the first half of 2023 benefited from a significant order in the interior marine sector through the subsidiary Hysea, (revenues 4.5 million Euro H1 2023), company which as has not developed new orders in 2024. The reduction in revenues, in addition to the described dynamics of Hysea, is attributable to a different timing of the company's naval interior projects TSI, following a production peak recorded by the company in the first half of 2023.

As for the breakdown of revenues by geographic area, the U.S. market performed very well with 46,5% of the revenues (37,0% as 30 June 2023) on which Horizons and Mestieri divisions are engaged.

The Group's total backlog at 30 June 2024, which will be developed over a time horizon from the current financial year to 2031, stood at 783 million Euro, of which 26.9% under option (compared to 752 million Euro at 31 December 2023, of which 26.2% under option). This backlog relates to orders in the civil sector and the naval sector to the extent of 34.2% and 65.8%, respectively, albeit with very different time horizons.

## **Profitability**

**EBITDA** for the first half of 2024 amounted to 12.8 million Euro, showing a strong increase (+30.3%) compared to the 9.8 million Euro at 30 June 2023, as a result of the actions taken by the Group to recover margins. **Adjusted EBITDA**<sup>2</sup> in the first half of the year amounted to 13.2 million Euro, highlighting a strong improvement in operating margins, accounting for 7.1% of revenues (5.1% in the first half of 2023), driven by the Horizons division, which saw a stabilisation of input costs as well as the development of new projects in the refitting market. US subsidiary Fabbrica LLC also made a positive contribution to the improved performance in the building façade market.

### **EBITDA by Division**

Adjusted EBITDA of **HORIZONS, Engineered Systems for Naval Architecture and Building Façades division** stood at 9.3 million Euro, up by 72.2% compared to 5.4 million Euro posted in the first half of 2023 (accounting for 7.8% of revenues compared to 4.9% in the first half of 2023). A result – closely reflecting

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<sup>2</sup> **Adjusted EBITDA** does not include in operating expenses, certain non-recurring items held under personnel costs and related to the reorganisation of the management structure that took place in the first half of the year in Mestieri and Horizons divisions.

historical margins – that was expected for the sector.

The **TALENTA, Professional Kitchen Systems and Products** division showed an EBITDA of 2.2 million Euro, up by 10.0% compared to 2.0 million Euro in the same period of 2023 (accounting for 8.0% of revenues, as compared to 5.9% in the previous period). Underpinning this performance were the industrial synergies and efficiencies implemented between the companies operating in the divisions.

The **MESTIERI, Design and Production of Bespoke Interiors** division recorded adjusted EBITDA of 1.7 million Euro, down 29.2% from 2.4 million Euro in H1 2023 (accounting for 4.4% of revenues, as compared to 4.9% in the previous year), mainly due to the reduction in volumes and the recognition of some negative results in the marine interiors segment.

**EBIT** at 30 June 2024 amounted to 2.5 million Euro (1.3% of revenues), showing an increase compared to 1.2 million Euro (0.6% of revenues) posted in the same period of 2023.

The **consolidated net result** showed a loss of 1.2 million Euro, a slight improvement over the previous period (1.8 million Euro).

### **Statement of financial position**

At 30 June 2024, **net working capital** stood at 12.1 million Euro, up 0.5 million Euro from 11.6 million Euro at 31 December 2023.

The Group's **shareholders' equity** totalled 14.9 million Euro at 30 June 2024, down from 16.9 million Euro at 31 December 2023, reflecting the result for the six months under review.

**Net Financial Position** ex-IFRS 16 at 30 June 2024 improved to 57.7 million Euro, with good cash generation compared to both the year ended 31 December 2023 (60.1 million Euro) and as 30 June 2023 (70.4 million Euro) as a result of improved working capital management and the positive contribution from operations in line with the strategy geared towards a gradual improvement in financial leverage pursued by the Group.

### **Significant events in the first half of 2024**

#### **Resolutions of the Shareholders' Meeting**

The Shareholders' Meeting of Somec S.p.A. held on 29 April 2024 to: (i) approve the financial statements for the year ended 31 December 2023; (ii) approve, with a binding vote, the first section of the report on the remuneration policy and emoluments paid and cast a favourable advisory vote on the second section; (iii) approve the share-based compensation scheme pursuant to Article 114-bis of the Consolidated Finance Act (TUF) concerning the free assignment to top management of a total number of shares equal to 3.5% of the share capital, subject to the achievement of performance targets; (iv) approve the authorisation to purchase and dispose of treasury shares.

#### **Appointment of the CEO of Mestieri S.p.A. Stefano Rosa Uliana**

On 7 May 2024, Somec S.p.A. announced the appointment of Managing Director of Mestieri S.p.A., Stefano Rosa Uliana, who took office effective 6 May 2024. The purpose underlying this new appointment was to add proven management experience to the Group while strengthening the management team, the ultimate goal being to seize all opportunities of the growth process underway.

### **Significant events occurred after 30 June 2024**

#### **Strengthening of Somec Group's Management**

On July 16, 2024, as part of the reorganization and strengthening of the Group's management structure, a new organizational structure for the Administration, Finance, and Control area was adopted. Alessandro Zanchetta was appointed Chief Corporate Officer, and Daniel Bicciato as Group Chief Financial Officer.

### **Business outlook**

The cruise marine market, covered across all three divisions of the group, is showing a significant increase in orders for large ships, confirming a robust recovery in the sector. The demand for new ships is driven by the growing number of cruise passengers<sup>3</sup> and the need for environmentally-friendly vessels to meet new emission standards.

In this context, there is also an increase in demand for the refitting of ships already in operation, generating new important opportunities for Horizons, Talenta, and Mestieri. The recovery in orders, already evident as of June 30, 2024, allows the Group to confirm its targets of margin recovery and debt reduction set for the current financial year.

As for the general macroeconomic environment, the interest rate cut announced by the European and U.S. central banks are expected to create favourable conditions for new investments, including in the civil sector, which may bring new opportunities in both the civil façades and interior sectors, particularly in luxury retail and private projects.

In terms of development, in the second half of the year, the group will continue to closely monitor opportunities in the cruise and civil markets, carefully evaluating expected margins, execution risks, and project sustainability, favouring selective business growth over unconditional expansion.

### **Filing of documentation**

The interim financial report for the six months ended 30 June 2024 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.somecgruppo.com on Friday 27 September 2024.

### **Conference call**

On 23 September 2024, at 04:00 p.m. CEST, Somec management will present its operating and financial results for H1 FY 2024 to the market during a conference call reserved for financial market participants.

To participate in the conference call, which will be held in Italian, and in English with the use of simultaneous translation, simply log on to the following link: <https://www.c-meeting.com/web3/join/MBUKWFTD2YJVDE>

Alternatively, it will be sufficient to dial one of the following numbers:

IT: +39 02 802 09 11

UK: +44 1 21281800

USA: +1 718 7058796 8

The presentation can be downloaded from [www.somecgruppo.com](http://www.somecgruppo.com), Investors/Presentations section, just before the conference call begins. An mp3 recording of the conference call in Italian will be available for download within 48 hours, at the same link.

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*The executive responsible for preparing corporate accounting documents, Federico Puppini, hereby certifies, pursuant to Article 154-bis(2) of the Consolidated Act on Finance (TUF), that the accounting disclosures provided in this press release are in agreement with documentary evidence, books of account and accounting records.*

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### **Somec**

*The Somec Group specializes in the engineering, design and deployment of complex turnkey projects in the civil and naval sectors, operating through three divisions: Horizons: Engineered Systems for Naval Architecture and Building Façades; Talenta: Professional Kitchen Systems and Products; and Mestieri: Design and Production of Bespoke Interiors. The Group's companies operate in an integrated and synergistic way, according to strict quality and safety standards and guaranteeing a high degree of customization and specific know-how on the processing of different materials, which is a fundamental requirement in high value-added projects. In over 40 years of history and by relying*

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<sup>3</sup> The "State of the Cruise Industry Report" released in April 2024 by the Cruise Lines International Association estimates a steady increase in passengers for the period 2023-2030. Total passengers in 2023 were 31.7 million, this figure is projected to rise to 39.4 million in 2027 (+24%).



QUALITÀ COSTRUTTIVA ITALIANA

*on rigorous certification and accreditation processes, Somec has achieved a reputation for quality and operational and financial reliability on a global scale. Headquartered in San Vendemiano, Treviso, the Group is present in 12 countries and 3 continents, employing over 1,000 people and with revenues of 371 million Euro in 2023*

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## RECLASSIFIED CONSOLIDATED INCOME STATEMENT

Euro/000	30.06.2024	%	30.06.2023	%	Δ	Δ %
Revenue from contracts with customers	183,914	99.1%	190,146	99.2%	(6,232)	-3.3%
Other revenues and income	1,650	0.9%	1,442	0.8%	208	14.4%
<b>Total revenues</b>	<b>185,564</b>	<b>100.0%</b>	<b>191,588</b>	<b>100.0%</b>	<b>(6,024)</b>	<b>-3.1%</b>
Materials, services and other costs	(138,903)	-74.9%	(150,257)	-78.4%	11,354	-7.6%
Personnel costs	(33,474)	-18.0%	(31,543)	-16.5%	(1,931)	6.1%
<b>Operating costs</b>	<b>(172,377)</b>	<b>-92.9%</b>	<b>(181,800)</b>	<b>-94.9%</b>	<b>9,423</b>	<b>-5.2%</b>
<b>EBITDA adjusted</b>	<b>13,187</b>	<b>7.1%</b>	<b>9,788</b>	<b>5.1%</b>	<b>3,399</b>	<b>34.7%</b>
Non-recurring costs	(436)	-0.2%	-	0.0%	(436)	n.a.
<b>EBITDA</b>	<b>12,751</b>	<b>6.9%</b>	<b>9,788</b>	<b>5.1%</b>	<b>2,963</b>	<b>30.3%</b>
Depreciation and amortisation	(10,280)	-5.5%	(8,607)	-4.5%	(1,673)	19.4%
<b>EBIT</b>	<b>2,471</b>	<b>1.3%</b>	<b>1,181</b>	<b>0.6%</b>	<b>1,290</b>	<b>109.2%</b>
Net financial income (expenses)	(2,060)	-1.1%	(2,367)	-1.2%	307	-13.0%
Net results from associate companies	48	0.0%	46	0.0%	2	4.3%
<b>EBT</b>	<b>459</b>	<b>0.2%</b>	<b>(1,140)</b>	<b>-0.6%</b>	<b>1,599</b>	<b>-140.3%</b>
Income taxes	(1,682)	-0.9%	(699)	-0.4%	(983)	140.6%
<b>Consolidated Net Result</b>	<b>(1,223)</b>	<b>-0.7%</b>	<b>(1,839)</b>	<b>-1.0%</b>	<b>616</b>	<b>-33.5%</b>
Non-controlling interests	918	0.5%	467	0.2%	451	96.6%
<b>Group Net Result</b>	<b>(2,141)</b>	<b>-1.2%</b>	<b>(2,306)</b>	<b>-1.2%</b>	<b>165</b>	<b>-7.2%</b>

**RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<i>Euro/000</i>	<b>30.06.2024</b>	<b>31.12.2023 restated</b>
Intangible assets	50,552	55,143
<i>of which Goodwill</i>	35,620	37,423
Tangible assets	18,496	19,109
Right-of-use assets	22,210	23,936
Investments in associates	335	339
Non-current financial assets	257	257
Other non-current assets and liabilities	(8)	(548)
Employee benefits	(5,807)	(5,841)
<b>Net fixed assets</b>	<b>86,035</b>	<b>92,395</b>
Trade receivables	78,255	73,511
Inventory and payments on account	25,231	23,699
Contract work in progress	35,646	36,200
Liabilities for contract work in progress and customer advances	(46,466)	(49,052)
Trade payables	(79,378)	(74,904)
Provisions for risk and charges	(1,458)	(1,086)
Other current assets and liabilities	241	3,202
<b>Net working capital</b>	<b>12,071</b>	<b>11,570</b>
<b>Net invested capital</b>	<b>98,106</b>	<b>103,965</b>
Group equity	(14,909)	(16,910)
Non-controlling interest in equity	(2,849)	(2,748)
Net financial position	(80,348)	(84,307)
<b>Sources of funding</b>	<b>(98,106)</b>	<b>(103,965)</b>

**CONSOLIDATED NET FINANCIAL POSITION**

Euro/000	30.06.2024	31.12.2023	Δ
A. Cash and cash equivalents	61	46	15
B. Bank deposits	47,092	46,916	176
<b>C. Total liquidity (A+B)</b>	<b>47,153</b>	<b>46,962</b>	<b>191</b>
<b>D. Current financial assets</b>	<b>12,775</b>	<b>21,888</b>	<b>(9,113)</b>
E. Current bank debt	(37,544)	(35,356)	(2,188)
F. Current portion of long-term debt	(19,435)	(62,432)	42,997
G. Other current financial liabilities	(3,358)	(4,467)	1,109
<b>H. Current financial position (E+F+G)</b>	<b>(60,337)</b>	<b>(102,255)</b>	<b>41,918</b>
<b>I. Current net financial position (C+D+H)</b>	<b>(409)</b>	<b>(33,405)</b>	<b>32,996</b>
J. Non-current financial assets	781	631	150
K. Non-current bank debt	(44,048)	(12,842)	(31,206)
L. Bonds issued	-	-	-
M. Other non-current financial liabilities	(13,979)	(14,512)	533
<b>N. Non-current financial position (J+K+L+M)</b>	<b>(57,246)</b>	<b>(26,723)</b>	<b>(30,523)</b>
<b>O. Net financial position before IFRS 16 (I+N)</b>	<b>(57,655)</b>	<b>(60,128)</b>	<b>2,473</b>
<b>P. IFRS 16 – Lease impact</b>	<b>(22,693)</b>	<b>(24,179)</b>	<b>1,486</b>
Current portion	(4,827)	(5,188)	361
Non-Current portion	(17,866)	(18,991)	1,125
<b>Q. Net financial position (O+P IFRS 16 impact)</b>	<b>(80,348)</b>	<b>(84,307)</b>	<b>3,959</b>



**RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT**

<i>Euro/000</i>	<b>30.06.2024</b>	<b>30.06.2023</b>
Cash flows from operating activities	15,833	(7,953)
Cash flows from investing activities	(2,299)	(1,931)
<b>Free Cash Flow</b>	<b>13,534</b>	<b>(9,884)</b>
Cash flows from financing activities	(13,853)	(4,955)
Effect of exchange rate changes on cash and cash equivalents	510	(463)
<b>Net cash flow</b>	<b>191</b>	<b>(15,302)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>46,962</b>	<b>54,344</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>47,153</b>	<b>39,042</b>