

Thursday, 23rd January 2025

modefinance Corporate Credit Rating (Solicited) for

CAL.ME. S.P.A.: A3- (Affirm)

modefinance published the Solicited Corporate Credit Rating of CAL.ME. S.P.A. on the website (<http://cra.modefiance.com/en>) and the rating assigned to the entity is A3- (Affirm). The analysis revealed that the Company has a strong capacity to meet its commitment on financial obligations.

CAL.ME. S.P.A. is a company belonging to the industrial branch of the Calmefin Group, specializing in the production for internal use and sale of clinker, a fundamental intermediate product in the concrete manufacturing process. Other products, also intended for the construction and industrial sectors, include cement, lime, and calcium carbonate. The Company, at the forefront in terms of both vertical integration and environmental sustainability, operates predominantly in southern and central Italy.

Key Rating Assumptions

The Company's overall economic and financial situation is satisfactory. Although financial exposure is increasing, it remains largely sustainable. The balance between equity and third-party funds is stable, and liquidity management is effective. In the financial year 2023, the business volume increased by 33.8% compared to the previous year, although the EBITDA-to-sales revenue ratio experienced a slight decrease. However, CAL.ME. S.P.A. continues to show satisfactory levels of profitability. The cash flow generated from operations, combined with new financing obtained during the year, has effectively supported investments and significantly increased cash and cash equivalents by year-end.

Regarding the governance structure, the control function has been assigned to a collective body, while the legal audit of the annual financial statements has been entrusted to a specialized company. Considering the expected growth in the Company's size in the coming years, there is a need for a more structured administrative body, which is currently composed of a sole administrator. The group structure appears complex but is well-organized into three distinct operational branches.

The peer group analysis reveals a satisfactory solvency condition, characterized by adequate capitalization levels and low leverage. The liquidity position remains balanced, and the profitability metrics indicate acceptable median levels of invested capital. The Company's size and solvency positioning is strong; however, profitability is below the sector median.

The cement market in Italy is closely tied to the construction sector, which experienced continued growth in 2023. However, investments saw a decline in 2024, particularly in housing rehabilitation, new housing, and the private non-residential sector. This decrease was only partially offset by growth in public works, fueled by the PNRR (National Recovery and Resilience Plan). Additionally, the Superbonus program exhibited weak performance, with 94% of construction sites completed and €7.1 billion still pending finalization.

Sensitivity Analysis

In the following table, the addressing factors, actions or events that could lead to an upgrade or a downgrade are summarized:

Action	Description of the addressing factors, actions or events
Upgrade	<ul style="list-style-type: none"> • Margins and profitability show a significant increase; • Increased structuring of the administrative body. • Despite the slowdown in the construction sector, the Company's sales volumes continue to grow. <p>In the case these conditions are met, the rating could upgrade to A3.</p>
Downgrade	<ul style="list-style-type: none"> • Significant contraction in economic margins and profitability. • Financial exposure increases, causing the debt sustainability ratio to exceed the critical threshold of 5x; • Slowdown in the construction sector, which leads to a decrease in demand for cement and concrete. <p>If these conditions were to occur, we can expect a downgrade to B1.</p>

IMPORTANT

The present Corporate Credit rating is issued by modefinance under EU Regulation 1060/2009 and following amendments.

The present rating is solicited and is based on both private and public information. The rated entity and/or related third parties have provided all private information used. modefinance had access to some accounts and other relevant internal documents of the rated entity and/or related third parties. Solicited and unsolicited ratings issued by modefinance are of comparable quality, as the solicitation status has no effect on methodologies used. More comprehensive information on modefinance Corporate Credit Ratings are available at: <http://cra.modefinance.com/en>

The present Corporate Credit Rating is issued on MORE Methodology 2.0 and Rating Methodology 1.0. A comprehensive description of both methodologies, as well as information on modefinance Rating Scale and Mappings, is available at <http://cra.modefinance.com/en/methodologies>.

For information on historical default rates of modefinance Corporate Credit Ratings please refer to ESMA Central Repository: <https://cerep.esma.europa.eu/cerep-web/> and ESMA European Rating Platform https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_radar.

modefinance refers to default as a company under bankruptcy, or under liquidation status, or under administration or for which missed payments on a financial obligation are officially recorded.

The quality of the information available on the rated entity and used to determine the present rating was judged by modefinance as satisfactory. Please note that modefinance does not perform any audit activity and is not in a position to guarantee the accuracy of any information used and/or reported in the present document. As such, modefinance can accept no liability whatsoever for actions taken based on any information that may subsequently prove to be incorrect.

The present credit rating was notified to the rated entity in order to identify potential factual errors, as prescribed by the CRA Regulation.

No amendments were applied after the notification process.

The rated entity is not a buyer of ancillary services provided by modefinance.

The rating action issued by modefinance was performed independently. The analysts, members of the rating team involved in the process, modefinance Srl and its members and shareholders do not have any conflicts of interest in relation to the Rated Entity and/or Related Third Parties. If in the future a potential conflict of interest is identified in relation to the persons reported above, modefinance Ratings will provide the appropriate information and if necessary the rating will be withdrawn.

The present Credit Rating is an opinion of the general creditworthiness that modefinance issues on the rated entity, and should be relied upon to a limited degree. The issued rating is subject to an ongoing monitoring until withdrawal.

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