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approves the 2020 Financial Statements
and appoints the Board of Directors

Testo del comunicato

Vedi allegato.



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The Shareholders' Meeting of Servizi Italia approves the 2020 Financial Statements and appoints the Board of Directors

- Approved the Financial Statement as at 31 December 2020
- Authorized the plan for the purchase and disposal of treasury shares
- Appointed the Board of Directors for the financial years 2021 – 2022 – 2023
- Appointed a Director to integrate the Board of Directors

Castellina di Soragna (PR), Italy, 20 April 2021

The Shareholders' Meeting of Servizi Italia, listed on the STAR segment of the Italian Stock Exchange and leader in the sector of integrated services for the rental, washing and sterilization of textiles and surgical instruments for hospitals, met today at Company's headquarters under the chairmanship of Roberto Olivi.

The Shareholders' Meeting examined and approved the Annual Report 2020 of Servizi Italia S.p.A., taking note of the Consolidated Financial Statements as at 31 December 2020 and the Consolidated Non-Financial Statement: Sustainability Report 2020.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

The **consolidated turnover** of the Servizi Italia Group amounted to **Euro 240.2 million** in 2020, registering a decrease of 8.5% compared to 2019, with the following sector trends:

- **Wash-hire services** - which accounts for 75.4% of Group's revenues and includes all activities relating to the washing, hire, collection and reconditioning of textile and mattress products - generated **revenues in 2020** equal to **Euro 181.0 million** (Euro 194.8 million in 2019), supported by the excellent organic growth in Brazil and Turkey, however offset by a negative exchange rate variation (-5.4%) and by the acquisitions made during 2019, which have been contributing for the whole 2020 (+1.6%).
- **Textile sterilization services** - which accounts for 7.5% of Group's revenues and includes all activities relating to sterilization of sterile sets and the supply of disposable items used in surgical procedures for setting up the operating field and dressing the medical team - recorded **revenues in 2020** equal to **Euro 18.0 million**, down by 10.1% compared to 2019 (Euro 20.0 million), owing to the termination of some contracts related to Friuli Venezia Giulia and Lombardia areas and the contraction of some supplies to foreign countries together with the

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reduction in volumes as a result of the Covid-19 pandemic. The line also benefits from the positive effect given by the growth in disposable supplies.

- **Surgical instrument sterilization services** - which represents 17.1% of total revenues and includes all activities related to the rental, sterilization, collection and reconditioning of surgical instruments - generated **revenues in 2020** equal to **Euro 41.1 million**, down by 13.5% compared to Euro 47.5 million in 2019 mainly due to the decrease in surgeries related to the coronavirus emergency, positively offset by a gradual recovery in the third (+18.1%) and fourth (+10.5%) quarter of 2020 compared to the loss recorded in the first (-11.4%) and second (-19.2%) quarter.

For what concerns geographical distribution, **revenues generated from foreign markets** amounted to **Euro 32.8 million** (of which Euro 25.8 million relating to Brazil and Euro 7.0 million relating to Turkey) covering the 13.7% of Group's turnover (15.2% in 2019). In 2020, revenues coming from the Brazilian area were characterized by particularly positive organic growth in local currency (+7.8% compared to 2019), but also strongly impacted by a negative translation effect (-27.1%, for a net negative change in revenues for the year of 19.3%), due to the depreciation of the Brazilian Real against the Euro. Revenues in Turkish area were also characterized by particularly positive organic growth in local currency (up by 13.7%), which was in turn impacted by a negative translation effect (down 23.9%, for a net negative change in revenues for the year of 10.3%).

Consolidated EBITDA decreased from Euro 68.4 million in 2019 to **Euro 57.9 million** as at 31 December 2020. Despite the sharp decline in revenues compared to the previous year (-8.5%), the reduction in the EBITDA margin was moderate (-2.0%), from 26.1% to 24.1% (24.5% at constant exchange rates). This figure reflects the positive performance particularly in the areas of Brazil and Turkey and the measures taken to contain operating and structural costs. There was an increase in the ratio of raw material costs to revenues (up 1.2%), primarily linked to the purchase and consumption of disposable equipment and personal protective equipment (PPE) linked to the Covid-19 emergency, and an increase in the ratio of service costs (up 0.9%), although down by 5.8% in absolute terms, primarily due to greater recourse to outsourcing of core services such as external laundries and wardrobe services in support of Covid-19 emergency. Payroll costs as a percentage of revenues fell slightly (down 0.1%), but in absolute terms were down by 8.8% compared to the previous year, due to less use of temporary staff and greater use of vacations, leave and redundancy pay in response to the epidemic. Costs for the period were also affected by one-off items amounting to Euro 0.8 million, including redundancy incentives and estimates regarding dismantling costs coming from the closure of Podenzano (PC, Italy) plant. It should also be noticed the partial release of the provision related to onerous contracts amounting to Euro 1.6 million



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set aside during 2019. The excellent results of operating margins at an international level are confirmed also in 2020 both in Brazil (EBITDA margin 33.3%), up compared to the figure for 32 December 2019 (32.7%) and in Turkey (EBITDA margin 30.3%).

Consolidated operating income (**EBIT**) decreased from Euro 13.9 million during 2019 (EBIT margin 5.3%) to **Euro 3.9 million** during the same period in 2020 (EBIT margin 1.6% or 2.0% at constant exchange rates), mainly as a result of the dynamics already described commenting the change in sales and EBITDA. EBIT also includes provisions for Euro 0.1 million relating to the write-down of assets pertaining to Podenzano plant in view of the planned cessation of operations at the production site, as well as provisions of Euro 0.5 million in relation to the adjustment of the provision for risks for onerous contracts in accordance with IAS 37.

Financial management benefited from capital gains equal to Euro 0.9 million coming from the partial sale of shares in Asolo Hospital Service S.p.A. and Euro 0.3 million coming from the partial sale of shares in Pro.ge.ni. S.p.A., as well as dividends received from other companies for a total of Euro 0.8 million. Exchange rate losses of Euro 0.6 million were recorded, mainly related to the depreciation of the Brazilian Real and the Turkish Lira against the Euro. It should also be noted that the results for 2020 were negatively impacted by the valuation of certain joint ventures using the equity method, whose results had been affected by the Covid-19 emergency and the high exchange rate losses due to the depreciation of the reference currencies (in particular the Albanian Lek and the Indian Rupee) against the Euro.

Taxes for the period are positive, Euro 1.8 million, mainly due to the recognition in the income statement of deferred tax assets on the tax loss for the period generated by Servizi Italia S.p.A. due to the cumulative effect of the tax benefits deriving, in the Italian area, from the deduction from corporate income of the so-called "super and hyper depreciation" on investments made in previous years, as provided for by the 2017 Budget Law (L. 232/2016).

The **Servizi Italia Group's** consolidated financial statements as at 31 December 2020 closed with a **net income of Euro 2.9 million**, compared to Euro 9.5 million in the previous year.

The change in **net financial debt**, which passed from Euro 127.4 million as at 31 December 2019 to **Euro 129.6 million** as at 31 December 2020 includes, among other things, the payment of dividends by the Parent Company in the amount of Euro 4.3 million as well as the outlay related to the acquisition of minority interests in the Brazilian companies Maxlav Lavanderia Especializada S.A. and Vida Lavanderia Especializada S.A equal to Euro 3.5 million.



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SERVIZI ITALIA S.P.A. FINANCIAL RESULTS AS AT 31 DECEMBER 2020

In 2020 Servizi Italia S.p.A. achieved total **revenues** equal to **Euro 195.6 million**, down by 8.1% compared to 2019 turnover (Euro 212.8 million).

EBITDA 2020 amounted to **Euro 43.2 million**, compared to Euro 52.6 million in 2019, down by 4.4% in absolute terms (Ebitda margin -2.6%).

Operating profit (EBIT) 2020 amounted to **Euro -0.4 million**, compared to Euro 8.7 million in 2019.

Equity as at 31 December 2020 totalled **Euro 121.1 million** compared to Euro 139.0 million as at 31 December 2019.

The **net financial position** is equal to **Euro 117.0 million**, compared to Euro 113.3 million as at 31 December 2019.

ALLOCATION OF NET INCOME

Having examined the draft of the Financial Statements for the year ended 31 December 2020 and considered the related result for the year, the Shareholders' Meeting resolved to allocate Euro 1.4 million as Reserve for valuation of equity investments using the equity method and to carry forward the residual net income for the year. The Shareholders' Meeting has also approved to allocate Euro 0.3 million from the Reserve for valuation of equity investments using the equity method as retained earnings, as the restriction on non-distributability no longer applies.

REMUNERATION POLICY AND REMUNERATION REPORT PURSUANT TO ART. 123-TER OF LEGISLATIVE DECREE 58/98

With reference to the Report on the remuneration policy and remuneration paid drafted by the Board of Directors pursuant to art. 123-ter of Legislative Decree no. 58 of 24 February 1998, the Shareholders' Meeting approved the remuneration policy of Servizi Italia S.p.A. illustrated in the first section and expressed a favourable opinion on the second section.

RENEWAL OF AUTHORIZATION TO BUY BACK AND DISPOSE OF TREASURY SHARES

The Shareholders' Meeting, after revoking the authorisation to buy back and dispose of treasury shares approved on 28 April 2020 for the part not used, renewed the authorisation to buy back and dispose of treasury shares, as proposed by the Board of Directors. The resolution authorizes the purchase of a maximum of 6,361,890 ordinary shares with a nominal value of Euro 1.00 each, corresponding to the fifth part of the Company's share capital (taking into account the shares already held by the Company from time to time) for a period of 18 months from today's date, while the duration of the authorization relating to the disposal of treasury shares has no time limit. For further details on authorisation, as well as on purchase methods and price limits, reference should be made to the Directors' Report, available



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at Company's registered office, on Company's website www.servizitaliagroup.com and on eMarket STORAGE storage mechanism (www.emarketstorage.com).

As of today, the Company holds 1,727,260 treasury shares, equal to 5.43% of the share capital.

APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND DETERMINATION OF THEIR REMUNERATION

The Shareholders' Meeting called to resolve on the renewal of the Board of Directors for the three-year period 2021-2022-2023 set the number of Board members at 7.

The new Board of Directors is composed as follows:

1. Roberto Olivi, as Chairman
2. Ilaria Eugeniani
3. Michele Magagna
4. Anna Maria Fellegara*
5. Umberto Zuliani
6. Benedetta Pinna*
7. Antonio Aristide Mastrangelo

* Declared to comply with the independence requirements set out by law and by the Corporate Governance Code.

All members of the Board of Directors, except for the Director Antonio Aristide Mastrangelo, were taken from the list submitted by the Majority Shareholder Aurum S.p.A., which holds 55.3339% of the share capital and received 90.0039% of the votes of the shares represented at the meeting, equal to 58.0378% of the share capital; the Director Antonio Aristide Mastrangelo was taken from the list submitted by the Minority Shareholder Everest S.r.l., which holds 4.4447% of the share capital.

Pursuant to the provisions contained in the Instructions to the Stock Exchange Regulations, art. IA.2.6.7 paragraph 3, it should be underlined that, according to the information made available to the Company, no Director holds shares in Servizi Italia at the time of appointment.

The Shareholders' Meeting also determined the total remuneration of the Board of Directors.

The CV of the Directors are available on Company's website www.servizitaliagroup.com, section Corporate Governance - Corporate Bodies.

DEPOSIT OF THE DOCUMENTATION

The summary voting report, the minutes of the Shareholders' Meeting and the updated Articles of Association will be made available to the public in accordance with the terms and conditions provided for by current legislation.



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The Manager responsible for preparing the Company's financial reports, Angelo Minotta, 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 documented results, books and accounting records.

This press release is disclosed using eMarket SDIR system and it is now available on Company's website (www.servizitaliagroup.com) as well as on eMarket STORAGE system (www.emarketstorage.com).

Servizi Italia S.p.A., a company based in Castellina di Soragna (PR) and listed on the STAR segment of the MTA of Borsa Italiana S.p.A., has been a leader in Italy in the field of integrated rental, washing and sterilization services for textile materials and medical devices in the healthcare sector for over thirty years. The company, which together with its Italian and foreign subsidiaries forms the Servizi Italia Group, has also expanded its services to the industrial, community and hotel sectors. The Group has a highly technological production platform, articulated in over 50 production plants in 7 countries and counts about 3,700 employees and collaborators: these are the numbers with which Servizi Italia contributes daily to the health and safety of professionals, patients and workers, respecting ethics and the environment in which it operates.

For further information:

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