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Diffusione presunta
Oggetto : Approval of the quarterly results as of
March 31, 2021 and the Procedure for
transactions with related parties

Testo del comunicato

Vedi allegato.



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SECO SpA Board of Directors has approved the quarterly results as of March 31, 2021

- Total revenue and operating income equal to Euro 20.2 million, +10% compared to the first quarter of 2020
- Gross margin equal to Euro 9.8 million (50.6% of sales), improving by ca. 150 basis points, in terms of incidence on revenue, compared to the first quarter of 2020
- EBITDA adjusted equal to Euro 4.6 million (23.7% of sales), +40% compared to the first quarter of 2020
- Net income equal to Euro 2.2 million (11.4% of sales), +55% compared to the first quarter of 2020
- Order backlog as of April 30, 2021 growing by 48% compared to the same period of 2020

The Board of Directors has also approved the Procedure for Transactions with Related Parties

Arezzo, May 13, 2021 – The Board of Directors of SECO S.p.A. (“SECO” or the “Company”), which met today, has approved the results as of 31 March 2021.

Massimo Mauri, CEO of the Group, commented: “The results of the first quarter are very positive and show a significant increase of the revenue and profitability of the Group. We expect to further accelerate the organic growth during the rest of 2021, thanks to an order backlog, at the end of April, growing by more than 48% compared to twelve months ago, and the progressive roll-out of CLEA, our IoT and AI platform. We want to deploy the significant resources raised with the IPO to implement a quality M&A strategy,



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contributing to further strengthen our international presence and our technological offer to grow dimensionally and create value for our shareholders”.

Total revenue and operating income

Total revenue and operating income rise from Euro 18.4 million in the first quarter of 2020, to Euro 20.2 million as of March 31, 2021, increasing by 10.2% compared to the first quarter of the previous year. Such increase derives from the growth of revenue in all the geographies served by the Group (EMEA, USA, APAC). In particular, it is worth noting the initial revenue generated by the CLEA platform, officially launched in the first quarter of 2021, the recovery in some key relevant market segments served by the Group, in particular the Industrial, the Transportation and the Fitness, and a general stability in the Medical sector.

Gross margin

Gross margin improves both in absolute and percentage terms, rising from Euro 9.0 million (49.1% of the related revenue) in the first quarter of 2020 to Euro 9.8 million (50.6% of the related revenue) as of March 31, 2021, increasing by 9.8% compared to the first quarter of the previous year.

Such increase is mainly related to the progressive roll-out of SECO software platform CLEA and the growth, in absolute value terms, of the revenue from custom products, characterized by a higher average price and profitability per unit compared to the other hardware products offered by the Group.

Adjusted EBITDA

Adjusted EBITDA significantly improves as a result of substantial operating leverage allowing the Group to benefit from the growth of both revenue and gross margin during the first quarter of the year.

In particular, this item rises from Euro 3.3 million as of March 31, 2020 (18.0% of the related revenue) to Euro 4.6 million as of March 31, 2021 (23.7% of the related revenue), a 40% increase when compared to the first quarter of the previous year.

Adjusted EBITDA improves on relative and absolute terms even after considering an increase in personnel costs by ca. Euro 467 thousand, resulting from the strengthening of the management team and the R&D department in the last nine months of 2020.



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Operating result (EBIT)

EBIT increases from Euro 2.0 million (11.2% of the related revenue) as of March 31, 2020, to Euro 2.9 million (14.7% of the related revenue) as of March 31, 2021, increasing by 40% compared to the first quarter of 2020 and benefitting from revenue growing more than costs in the first quarter of 2021.

Net income

Net income increases from Euro 1.4 million (7.8% of the related revenue) in the first quarter of 2020 to Euro 2.2 million (11.4% of the related revenue) as of March 31, 2021, increasing by 55.4% compared to the first quarter of the previous year.

Adjusted net financial debt

Adjusted net financial debt changes from Euro 11.4 million as of December 31, 2020 to Euro 16.1 million as of March 31, 2021. Such difference is mainly related to the increase in inventory (+€3.1 million compared to December 31, 2020) and the lower amount of non-recourse sale of trade receivables (-€3.2 million compared to December 31, 2020) for which it was not deemed necessary to proceed to their cash-in.

Conference call

The results as of 31 March 2021 will be illustrated today, May 13, 2021, at 15.45 (CET), during a conference call with the financial community. The conference call can be attended by registering to this link: <https://b1c-co-uk.zoom.us/j/9fYYSk6kzS1mywsZ-f8rR>

Alternative performance indicators

In this press release, use is made of certain “alternative performance indicators” that are not envisaged in IFRS-EU accounting standards, and whose significance and content are illustrated below, in line with the ESMA/2015/1415 recommendations published on October 5, 2015.

Gross margin: defined as the difference between the revenue from sales and the costs for raw materials, consumables and merchandise, net of the change in the amount of inventory occurred during the period.

Adjusted EBITDA: defined as the result of the period gross of the income taxes, the financial income and expenses, the depreciation and amortization, the income or losses from foreign exchange transactions, the



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effects of non-recurring items and transactions that the management considers as not related to the Group's operating performance.

Operating result (EBIT): defined as the result of the period gross of the income taxes and the financial income and expenses.

Net financial debt: represents the algebraic sum between cash and cash equivalents, financial receivables, current and non-current financial debt.

The Board of Directors which met today also approved, after favourable opinion released by the Committee for Related Parties composed by the Company's independent board members, the Procedure for Transactions with Related Parties in the same format of the draft already approved by the Board of Directors during the process of listing of the Company on the Mercato Telematico Azionario, STAR segment, organized and managed by Borsa Italiana S.p.A..

The Manager responsible for preparing the Company's financial reports, Lorenzo Mazzini, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance (Testo Unico della Finanza), that the accounting information contained in this press release corresponds to the documented results, accounts and bookkeeping records.



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Description of SECO

SECO (IOT.MI), listed on Borsa Italiana's Mercato Telematico Azionario (STAR segment), is a center of excellence in the field of technological innovation and integration. The company has been operating in the high-tech market for over 40 years, designing, developing and manufacturing cutting-edge proprietary technological solutions for industrial clients. SECO products range from miniaturized computers to standard or customized hardware, high-tech finished products and hardware-software integrated systems for highly diversified end-markets, including medical, industrial automation, aerospace and defense, wellness and vending systems. In addition, the company has further improved its product range by scaling the value chain with the launch of CLEA, a proprietary Platform as A Service (i.e. PaaS), providing services and solutions for applications within the Internet of Things ("IoT") allowing clients to manage their IoT Endpoints in an efficient, effective and simple manner. With over 450 employees and a turnover of €76.1 million as of December 31, 2020, SECO operates on a global scale with offices in Europe, North America, and Asia, as well as production facilities in Italy and China, serving more than 200 blue-chip customers which are leaders in their respective fields. SECO R&D capabilities are further enhanced by long-lasting strategic partnerships with tech giants and collaboration with universities, research centers, and innovative start-ups. SECO is an investee of Fondo Italiano Tecnologia e Crescita, managed by Fondo Italiano d'Investimento SGR.

For more information: <http://www.seco.com/>

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The accounting statements of SECO Group, not subject to independent auditing, are illustrated below.

Consolidated Statement of Financial Position

(Amounts in thousands of Euro)	31/03/2021	31/12/2020
Property, plant and equipment	12,890	13,272
Intangible assets	14,279	12,996
Rights of use assets	1,768	1,912
Goodwill	7,066	7,066
Non-current financial assets	136	246
Deferred tax assets	634	623
Other non-current assets	821	492
Total non-current assets	37,594	36,607
Inventories	34,554	31,417
Trade receivables	18,262	15,029
Current tax assets	4,721	9,080
Other receivables	3,995	2,556
Cash and cash equivalents	20,460	23,678
Total current assets	81,993	81,760
TOTAL ASSETS	119,587	118,367
Share Capital	776	776
Share premium reserve	14,781	14,781
Reserves	28,689	24,231
Group profit (loss)	1,993	4,038
Equity attributable to the owners of the Company	46,238	43,826
Share capital and reserves of non-controlling interests	7,267	5,700
Net profit for the year of non-controlling interests	224	1,438
Equity attributable to the non-controlling interests	7,491	7,138
Total Equity	53,729	50,964
Employee benefits	3,043	2,973
Provisions	89	89
Deferred tax liabilities	45	43
Non-current financial liabilities	24,855	26,087
Non-current lease liabilities	1,100	1,194
Other non-current liabilities	660	608
Total non-current liabilities	29,792	30,994
Current financial liabilities	7,203	8,540
Current portion of non-current financial liabilities	5,716	5,163
Current lease liabilities	470	537
Trade payables	15,263	15,289
Other payables	5,440	5,393
Current Tax liabilities	1,974	1,487
Total current liabilities	36,065	36,409



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TOTAL EQUITY AND LIABILITIES	119,587	118,367
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Consolidated Statement of Profit or Loss

(Amounts in thousands of Euro)	31/03/2021	31/03/2020
Net sales	19,446	18,251
Other revenues and income	782	135
Total revenues and operating income	20,228	18,386
Costs for services, goods and other operating costs	(11,573)	(11,390)
Personnel costs	(4,362)	(3,895)
Total costs and other operating charges	(15,935)	(15,285)
Amortisation and depreciation	(1,439)	(1,043)
Provisions and write-downs	0	(20)
Operating profit/(loss)	2,854	2,038
Financial income and charges	(97)	(76)
Exchange gains/(losses)	237	0
Profit/(loss) before tax	2,994	1,962
Income taxes	(777)	(536)
Profit/(loss) for the year	2,217	1,426
Minorities' profit/(loss)	224	367
Group profit/(loss)	1,993	1,059
Net profit per share	0	2
Dividend per share	3	0

For the income statement data as at 31 March 2020, as the Group was not required, at the time, to draw up interim reports, it drafted a management consolidated income statement.

Consolidated Statement of Comprehensive Income

(Amounts in thousands of Euro)	31/03/2021	31/03/2020
Net profit for the year	2,217	1,426
Items that will be reclassified subsequently to profit or loss	332	72
Exchange gains/(losses) on translating foreign operations	332	72
Other gains/(losses) that will not be reclassified subsequently to profit or loss	0	0
Discounting of employee benefits	0	0
Tax effects of discounting employee benefits to present value	0	0
Total comprehensive income for the year	2,549	1,498
Non-controlling interests	353	371
Shareholders of the Parent Company	2,197	1,127
Total comprehensive income/(loss) for the year	2,549	1,498



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Consolidated Statement of Cash Flows

(Amounts in thousands of Euro)	31/03/2021
Profit/Loss for the year	2,217
Income taxes	777
Depreciation and Amortisation	1,439
Net change in employee benefits	70
Share-based payment costs	215
Operating cash flows before movements in working capital	4,718
(Increase)/decrease in trade receivables	(3,234)
(Increase)/decrease in inventories	(3,137)
Increase/(decrease) in trade payables	(26)
(Increase)/decrease in current tax receivables	4,359
Increase/(decrease) in current tax liabilities	(290)
(Increase)/decrease in other receivables	(1,439)
Increase/(decrease) in other payables	47
(Increase)/decrease in other non-current assets	(339)
Increase/(decrease) in other non-current liabilities	54
Changes in provisions for risks	0
Income taxes paid	0
Net cash (used in)/from operating activities (A)	713
(Additions)/Disposals of property, plant and equipment	(200)
(Additions)/Disposals of intangible assets	(1,996)
Disposals of non-current financial assets	110
Acquisition of subsidiaries net of cash and cash equivalents	0
Net cash (used in)/from investment activities (B)	(2,086)
Increase/(decrease) in non-current financial liabilities	(679)
Increase/(decrease) in current financial liabilities	(1,337)
Increase/(decrease) in lease liabilities	(161)
Dividends paid	0
Net increase in capital payments	0
Share capital increases in subsidiaries	0
Net cash (used in)/from financing activities (C)	(2,177)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(3,550)
Cash and cash equivalents at the beginning of the year	23,678
Effect of foreign exchange rate changes	332
Cash and cash equivalents at the end of the year	20,460

Given that, in 2020, the Group was not required to prepare interim financial statements, it is only reported, at a cash flow statement level, the situation as of the current quarter.



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Consolidated Statement of Changes in Equity

(Amounts in thousands of Euro)	01/01/2021	Share Capital increase	Allocation of profit	Dividends distributed	Other changes	Comprehensive income/(loss)	31/03/2021
Share Capital	776						776
Legal reserve	289						289
Share premium reserve	14,781						14,781
Other reserves	24,850		4,038		215		29,103
Foreign exchange translation reserve	(432)					204	(228)
IFRS FTA reserve	(371)						(371)
Remeasurement of defined benefit plan	(105)						(105)
Net profit for the year	4,038		(4,038)			1,993	1,993
Equity of the Group	43,826	0	0	0	215	2,197	46,238
Share capital and reserves of non-controlling interests	5,701		1,438			128	7,267
Remeasurement of defined benefit plan	(1)						(1)
Profit attributable to non-controlling interests	1,438		(1,438)			224	224
Profit attributable to non-controlling interests	7,138	0	0	0	0	353	7,491
Total Equity	50,964	0	0	0	215	2,549	53,729

Fine Comunicato n.2358-23

Numero di Pagine: 11