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Regolamentata

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Diffusione presunta

Oggetto : Q2 2022 pre-closing revenue – Closing of the partnership with Camozzi Digital – Merger and group reorganization (SECO Northern Europe)

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| <i>Testo del comunicato</i> |
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Vedi allegato.



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PRESS RELEASE

PRE-CLOSING Q2 2022 RESULTS

SECO: NET SALES AT ca. €52M, +130% vs. Q2 2021

- Q2 2022 organic growth at 65% vs. Q2 2021
- Q2 2022 like-for-like¹ growth at 52% vs. Q2 2021
- SaaS business contributing for ca. €5.9M to the consolidated Net sales
- Net sales in line with the upper end of the guidance

CLOSING OF THE PARTNERSHIP WITH CAMOZZI DIGITAL

- Over 90 ready-to-use apps, algorithms and smart connectors for the Industrial markets developed by Camozzi Digital integrated into CLEA, the IoT platform based on AI techniques developed by SECO
- Camozzi Digital transfers a business unit and assets with a value of €50M, entering the share capital of SECO with a stake of 6.73% and becoming a reference shareholder with a long-term outlook
- Camozzi Digital signs a multi-year contract for the purchase of CLEA licenses for €3.6M; the purchase of SECO hardware by Camozzi Group (edge platforms, IoT gateways, HMI) is also planned
- SECO forecasts total incremental SaaS revenues for ca. €50M in the three-year period 2023-25, of which ca. €14m in 2024

SECO NORTHERN EUROPE: MERGERS AND GROUP STRUCTURE REORGANIZATION

- All edge computing business activities in DACH and Northern Europe merged into SECO Northern Europe GmbH

¹ Considering the results of the Garz & Fricke Group from January 1, 2021



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PRESS RELEASE

Q2 2022 pre-closing results

Arezzo, July 5, 2022 – SECO S.p.A. ("SECO") has proceeded to elaborate the preliminary consolidated Net sales for the second quarter of 2022. It needs to be specified that such amounts, being pre-closing data, are subject to possible variations due to the closing of the books and the accounting settlement of the consolidated results of the period.

Net sales amount to ca. €52M in Q2 2022, up by 130% compared to Q2 2021 and in line with the upper end of the guidance previously released by SECO. Organic growth vs. Q2 2021 is equal to 65%, while like-for-like growth is equal to 52%.

This trend is due to a robust expansion observed in high-potential markets such as the EMEA, the APAC and the USA, as well as growth from the SaaS business, accounting for ca. €5.9M in the period.

Closing of the partnership with Camozzi Digital

SECO and Camozzi Digital successfully completed the closing of the transaction disclosed to the financial market on April 29, 2022, under the disclosed terms.

The total consideration amounts to €50M and envisages the transfer by Camozzi Digital of the business unit including a number of employees (involved in the development of AI algorithms and apps) and intellectual property assets. As a result, the agreement envisages the issuance of 7,971,583 new shares, corresponding to 6.73% of SECO's share capital post-capital increase, in favor of Camozzi Group, which becomes a reference shareholder of SECO, with a long-term outlook.

Camozzi Digital transferred to SECO over 90 ready-to-use apps, algorithms and smart connectors specifically designed for Autonomous Manufacturing: these functionalities will be integrated into CLEA, cutting the time-to-market of SECO's IIoT solutions for Smart Factories and OEMs by more than three years.

In particular, SECO's offering is enriched with two new SaaS solutions dedicated to the Industrial markets (CLEA Smart HMI and CLEA Smart Factory) which will allow it to attract additional edge computing and SaaS business opportunities, enabling customers to transform the data collected into added value, and OEMs to offer as-a-Service business models to their own clients.

From the sale of these new solutions, SECO forecasts total incremental SaaS revenues of ca. €50M for the three-year period 2023-25, of which ca. €14M in 2024.

The collaboration between SECO and Camozzi Digital also resulted in a multi-year industrial agreement under which Camozzi Digital purchased CLEA licenses for €3.6M. It is also agreed that the Camozzi Group companies purchase hardware solutions, such as edge platforms, IoT gateways and HMIs, made by SECO, with a first right of refusal and right to match granted in favor of SECO.



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SECO Northern Europe: mergers and group structure reorganization

A group structure reorganization was completed to merge into a single legal entity, SECO Northern Europe GmbH, all the edge computing business activities performed by SECO in the DACH and Northern Europe.

In particular, this transaction envisages the merger of five Germany-based legal entities into the incorporating companies SECO Northern Europe Holding GmbH and SECO Northern Europe GmbH², both fully owned by SECO SpA.

Thanks to this reorganization, SECO will benefit from significant cost synergies deriving from a leaner group structure, as well as maximize the benefits from the integration and sharing of Sales, Technology and Operations know-how among all the teams operating in the DACH and Northern Europe, now united under a single legal entity.

The merger is legally effective from July 1, 2022, with accounting effects backdated to January 1, 2022.

SECO Mind Germany GmbH, fully owned by SECO Northern Europe GmbH, will continue to develop the SaaS business in the area.

*“In a market scenario still impacted by the components’ shortage, these results confirm that our business model is what allows us to catch the significant growth opportunities we have ahead of us: I am very pleased with the work that, quarter by quarter, we are putting together to hit the ambitious growth targets we set for ourselves. A few weeks ago, after two years of restrictions, we had the chance to meet several customers and business partners in person at the Embedded World in Nuremberg: from them, we could sense how much value they place into our edge-to-AI offering, that we will continue to enrich with more and more new functionalities, thanks also to the partnership with Camozzi Digital. With the SECO Northern Europe reorganization, we will achieve significant savings in terms of costs and structure complexity, which will allow us to increase more and more the value for our shareholders”, said **Massimo Mauri, CEO of SECO.***

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 as of the date of this press release.

² Previously named Garz & Fricke Holding GmbH.



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PRESS RELEASE

SECO

SECO (IOT.MI) develops and manufactures cutting-edge technological solutions, from miniaturized computers to fully customized integrated systems combining hardware and software. SECO also offers Clea, a proprietary end-to-end IoT-AI analytics software suite, made available on a SaaS basis, that allows clients to gather insightful data from their on-field devices in real time. SECO employs almost 900 people worldwide and operates through 5 production plants, 9 R&D hubs and sales offices in 9 countries. SECO serves more than 300 blue-chip customers which are leaders in their respective fields, including Medical, Industrial Automation, Aerospace & Defense, Fitness, Vending and many other sectors. SECO R&D capabilities are further enhanced by long-lasting strategic partnerships with tech giants and collaborations with universities, research centers, and innovative start-ups. Corporate social responsibility is part of the strategy of SECO, that undertakes several actions to reduce its environmental footprint and increase its impact on its people and local communities.

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

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