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| Informazione Regolamentata n. 20133-19-2023 | Data/Ora Inizio Diffusione 28 Settembre 2023 18:37:03 | Euronext Growth Milan |
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Societa' : ESAUTOMOTION
Identificativo : 181605
Informazione
Regolamentata
Nome utilizzatore : ESAUTOMOTIONN02 - Fontana
Tipologia : 1.2
Data/Ora Ricezione : 28 Settembre 2023 18:37:02
Data/Ora Inizio : 28 Settembre 2023 18:37:03
Diffusione
Oggetto : Half Year Report 2023

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



PRESS RELEASE

Esautomation approves the consolidated half-yearly financial report as of 30th June 2023

- **REVENUES:** € 19,311 thousand vs. € 16,472 thousand (+17.2%)
- **EBITDA:** € 5,374 thousand vs. € 4,462 thousand (+20.4%)
- **EBITDA: margin:** 27.8% vs. 27.1%
- **EBIT:** € 4,582 thousand vs. € 3,661 thousand (+25.2%)
- **NET PROFIT:** € 3,476 thousand vs. € 2,774 thousand (+25.3%) equal to 18% of revenues
- **OPERATING CASH FLOW:** € 2,251 thousand with a *cash conversion ratio* of 41.9%
- **NET FINANCIAL POSITION:** € -10,046 thousand (CASH POSITIVE) vs. € -10,769 at 31/12/2022, after distributing 2022 dividends of € 1,272 thousand.
- **SHAREHOLDERS' EQUITY:** € 27,828 thousand, including profit for the period of € 3,476 thousand
- **TREASURY SHARES in portfolio:** 383,000

Carpi, 28 September 2023

The Board of Directors of Esautomation S.p.A. ("Esautomation" or the "**Company**"), the operating holding company **of the Esautomation Group** (the "**Group**"), active in the field of high-precision mechatronic components for industrial machines, today approved the Consolidated Half-Year Financial Report as of 30 June 2023 (the "**Report**").

MAIN CONSOLIDATED RESULTS AS AT 30 JUNE 2023

Group revenues, as of June 30, 2023, equal to € 19,311 thousand, recording growth of +17.2% compared to the first half of 2022.

We remind you that the positive performance of the Company derives mainly from the strategy aimed at having reducing correlation to the economic cycle, launched in the 2019, which led to the maintenance of revenues in recessionary years for investments (2019) and for the pandemic epidemia (2020) and then allow the very strong growth (+61% in 2021) continued in 2022 (+19% on 2022) and 1H2023: +17.2% despite the “slowdown” due to the *semiconductor* shortage.

The last 30 months have been characterized by:

- recovery and development of sales both on historical and recently acquired customers, thanks to the development activities put in place in previous years;
- economic cycle finally positive;
- product innovation;
- strong growth in market share in strategic global markets;
- Strong turbulence in the semiconductor, general components and transportation markets.

The first half of 2023 showed:

- continuation of the positive *trend* with particular strength in: Turkey (+42%) and China (+23%); more moderate growth in Italy (+11%), while the Iberian Peninsula shows a slight decrease in revenues of -2%);
- substantial indifference to the consequences of the Russian/Ukrainian conflict, as the two markets are very limited and Esautomotion has no activities in those areas;
- Declining order backlog for the second half of 2023.

EBITDA, equal to € 5,374 thousand, grew by 20.4% compared to 1H2022.

EBITDA MARGIN, equal to 27.8%, slightly up (+0.7%) compared to 1H2022.

NET PROFIT, equal to € 3,476 thousand, grew by 25.3% compared to 1H2022 **NET FINANCIAL POSITION**, equal to € -10,046 thousand (CASH POSITIVE), takes into account distributed profits equal to € 1,272 thousand and the reserve for treasury shares equal to € 1.010 thousands (# 383.000 shares).

The shortage of components continues to cause a working capital increase due to warehouse stock (semiconductors purchased in advance to cope with market shortages and orders awaiting completion); receivables from customers (due to revenue growth), payables to suppliers (advance payment of components that would otherwise no longer be available). The component market appears to be headed towards a return to normalization.

Despite the aforementioned increase in component prices, Esautomation has managed to recover the cost increases, thanks both to the adjustment of prices to customers and to the ability to migrate the demand of acquired customers towards more performing and profitable products.

The share of direct exports is equal to 49%, to which must be added the part of products sold in Italy that are subsequently exported, making the share of **total exports estimated at 75%**.

The strategy of:

- search for growth opportunities through external lines;
- investments in *R&D*, with preparation for the launch of new products;
- reduction in the cost of products;
- reduction in the use of working capital;
- development of product performances, in particular in strategic market applications (sheet metal, marble, wood);
- penetration in strategic customers in terms of *Computer Numerical Control* share compared to competitors;
- expansion of the offer to various complementary applications and to motors and drives;
- internationalization worldwide, particularly in China, Turkey, Germany and North America.

R&D remains the Group's area of greatest investment. Research and development continued, also in the first half of 2023, mainly aimed at integrating between:

- different mechatronic technologies;
- development of communication logic 4.0 and networking;
- increase in the flexibility characteristics of the product to react quickly to market fluctuations;
- development and integration of new devices, sensors, components;
- development of new hardware to cope with the shortage of materials;
- improving energy efficiency;
- study of elements of 3D graphics;
- hybrid technologies;
- multifunction machines to increase productivity;
- integrations with CAD/CAM programs.
- integration of AI elements

These activities have allowed Esautomation to continue developing *software* and new integrated devices according to the principles of *Industry 4.0*, as well as to consolidate the performance of

existing products in new application sectors.

Business outlook: the order book and order-inflow, characterised until the end of 2022 by a substantial amount of accumulated orders and delayed deliveries, is gradually decreasing. The relative normalization of deliveries has reduced the phenomenon of "overorder" in the sector, fears of recession induce European customers to order more sparingly. In the second half of the year, a modest contraction of revenues compared to past growth trends is possible, especially in Europe.

The company has never stopped reacting to possible fluctuations in demand by intensifying its activities aimed at increasing market shares through:

- **technological innovation** to encourage the replacement of the machine park in countries where automation is already widespread, and to affirm customers in countries even further behind in the percentage of CNC machines compared to manual ones through high performances;
- **attractiveness, in areas with high automation growth** (China, Turkey in the first place but also new possible destinations deriving from decoupling such as India, and South America). Through our high level of service and competitiveness even in the less advanced product ranges but with high volumes in consideration of the speed with which these markets migrate by emulation to the most advanced technologies;
- **development in possible areas of reshoring**, in particular the United States;
- **expanding its offer of products/services:** the acquisition of the company **Sangalli Servomotori**, carried out in July 2023 as well as integrating a strategic supplier (32% of its production is already purchased by Esautomotion) opens the group's offer to new and promising market areas;

aiming to compensate for market decrease in times of downturn and to grow more than the market in periods of positivity.

Sangalli Servomotori will contribute to the Group's results since 2H2023.

Gianni Senzolo, CEO of Esautomotion commented on the results: *"We are satisfied with the results of the first half of the year, as well as with the search for new customers and new growth areas. The integration with the acquired company Sangalli Servomotori will allow us to strengthen our position in our markets and to expand Esautomotion's growth horizon into new sectors."*

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The Consolidated Financial Statement and Financial Statement, will be made available to the public, in compliance with the terms established by law, on the website <http://www.esautomotion.it>.

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With reference to the accounting data set out in this press release, it should be noted that this is data for which the statutory audit activity by the auditing firm has not been completed.

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Esautomotion Group Results at 30th June 2023 – Consolidated Income Statement IAS/IFRS

| PROFIT & LOSS | 30-jun-23 | | 30-jun-22 | | Changes | |
|-----------------------------------|-----------------|----------------|-----------------|----------------|----------------|--------------|
| Thousands Euro | | | | | | |
| Net Sales Revenues | 19.285 | 99,9% | 16.420 | 99,7% | 2.865 | 17,4% |
| Other Revenues | 26 | 0,1% | 52 | 0,3% | (26) | (50,2%) |
| TURNOVER | 19.311 | 100,0% | 16.472 | 100,0% | 2.839 | 17,2% |
| Cost of Goods Sold | (10.291) | (53,3%) | (8.824) | (53,6%) | (1.467) | 16,6% |
| Personnel Costs | (1.364) | (7,1%) | (1.136) | (6,9%) | (227) | 20,0% |
| Services | (2.163) | (11,2%) | (1.963) | (11,9%) | (200) | 10,2% |
| Other Costs | (119) | (0,6%) | (87) | (0,5%) | (32) | 37,4% |
| OPERATIVE COSTS | (13.936) | (72,2%) | (12.010) | (72,9%) | (1.926) | 16,0% |
| Non recurring Costs | - | | - | | | |
| EBITDA Adjusted | 5.374 | 27,8% | 4.462 | 27,1% | 913 | 20,5% |
| EBITDA | 5.374 | 27,8% | 4.462 | 27,1% | 913 | 20,5% |
| Depreciation and Amortization | (792) | (4,1%) | (801) | (4,9%) | 9 | (1,1%) |
| EBIT | 4.582 | 23,7% | 3.661 | 22,2% | 922 | 25,2% |
| Financial Incomes (Costs) | 109 | 0,6% | 26 | 0,2% | 83 | > 100% |
| EBT | 4.692 | 24,3% | 3.687 | 22,4% | 1.005 | 27,2% |
| Tax | (1.216) | (6,3%) | (913) | (5,5%) | (302) | 33,1% |
| NET PROFIT (LOSS) Adjusted | 3.476 | 18,0% | 2.774 | 16,8% | 702 | 25,3% |
| NET PROFIT (LOSS) | 3.476 | 18,0% | 2.774 | 16,8% | 702 | 25,3% |

Esautomotion Group Results at 30th June 2023 – Consolidated Balance Sheet IAS/IFRS

| BALANCE SHEET | | 30-jun-23 | 31-dec-22 | Changes |
|----------------|---|----------------|-----------------|--------------|
| Thousands Euro | | | | |
| | Goodwill | 98 | 98 | - |
| | Intangible Assets | 1.431 | 1.270 | 162 |
| | Tangible Assets | 655 | 570 | 85 |
| | Rights of use | 203 | 270 | (67) |
| | Other non current assets | 1 | 1 | - |
| A | Non Current Assets | 2.389 | 2.208 | 181 |
| | Inventory | 9.746 | 8.323 | 1.423 |
| | Trade Credits | 13.358 | 12.008 | 1.350 |
| | Accounts payable | (6.485) | (7.115) | 630 |
| | OPERATING WORKING CAPITAL | 16.619 | 13.217 | 3.403 |
| | Other current assets | 581 | 671 | (90) |
| | Other current debts | (1.063) | (772) | (291) |
| B | Net Working Capital | 16.137 | 13.115 | 3.022 |
| | Severance pay | (268) | (253) | (15) |
| | Funds for risk and charges | (88) | (87) | (1) |
| C | Total Funds | (356) | (340) | (16) |
| D=A+B+C | Net Invested Capital | 18.169 | 14.984 | 3.186 |
| E | Assets held for sale | - | - | - |
| F=D+E | Total Net Invested Capital | 18.169 | 14.984 | 3.186 |
| | Share Capital | 2.000 | 2.000 | - |
| | Accumulated profit and reserves | 25.813 | 23.741 | 2.072 |
| | Minority interest | 15 | 12 | 2 |
| G | Total Equity | 27.828 | 25.753 | 2.075 |
| | Long term financial Debts | 163 | 112 | 51 |
| | Short term financial Debts | 225 | 176 | 49 |
| | Cash, Bank Deposits and Financial credits | (10.046) | (11.057) | 1.012 |
| H | Net Financial Position | (9.658) | (10.769) | 1.111 |
| I=G+H | Total Sources | 18.169 | 14.984 | 3.186 |

Esautomotion Group Results at 30th June 2023 – Consolidated Cash flows Statement IAS/IFRS

| CASH FLOW STATEMENT | 30-jun-23 | 30-jun-22 |
|---|------------------|------------------|
| | Thousands Euro | |
| Net Profit (Loss) | 3.476 | 2.774 |
| Corporate Income Taxes | 1.216 | 913 |
| Financial Costs (Income) & Exchange gains (losses) | (109) | (26) |
| Offset in working capital | 16 | 21 |
| Provisions | 16 | (42) |
| Depreciation | 748 | 691 |
| Cash flow from operation before changes in NWC | 5.362 | 4.330 |
| Changes in NWC | (3.111) | (3.571) |
| Cash flow after changes in NWC | 2.251 | 760 |
| Financial Costs paid | (2) | - |
| Taxes paid | (1.032) | (980) |
| Operating cash flow | 1.217 | (220) |
| CAPEX | 1.073 | (704) |
| Loan disbursement (repayment) | 99 | (80) |
| Increase in capital | - | - |
| Share Buyback | - | - |
| Changes in Equity | (129) | 121 |
| Dividends paid | (1.272) | (1.272) |
| Financial Changes | (1.302) | (1.232) |
| Changes in Liquidity | 988 | (2.156) |
| Cash beginning of the year | 9.057 | 8.955 |
| Cash at the end of the period | 10.046 | 6.800 |

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Codice ISIN: IT0005337107

Ticker: ESAU

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Per maggiori informazioni

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Fine Comunicato n.20133-19

Numero di Pagine: 9