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Oggetto : GVS - Consolidated 9Month 2023 Results
Approval

Testo del comunicato

Vedi allegato.



PRESS RELEASE

APPROVAL BY THE GVS BOARD OF DIRECTORS OF THE CONSOLIDATED RESULTS FOR THE FIRST NINE MONTHS OF FY 2023

CONSOLIDATED REVENUES OF 313.1 MILLION EURO, +14.5% COMPARED TO THE FIRST NINE MONTHS OF 2022

ADJUSTED EBITDA OF 69.1 MILLION EURO, UP 21.4% FROM 2022

SIGNIFICANT INCREASE IN PROFITABILITY, WITH THE ADJUSTED EBITDA MARGIN STANDING AT 22.1% IN THE FIRST NINE MONTHS COMPARED TO 20.8% IN 2022

ADJUSTED NET FINANCIAL DEBT OF 283.4 MILLION EURO, AN IMPROVEMENT OF APPROXIMATELY 17 MILLION EURO COMPARED TO DECEMBER 2022

ADJUSTED LEVERAGE RATIO OF 3.1x, IMPROVING FROM 3.5x AS OF DECEMBER 2022

Zola Predosa (BO), 09 November 2023 - The Board of Directors of **GVS S.p.A.** (the "Company" or the "Group"), a leading provider of advanced filtration solutions for highly critical applications, met today in Zola Predosa (BO) and approved the interim report on operations at 30 September 2023, which have been prepared in accordance with IFRS international accounting standards.

ANALYSIS OF THE GROUP'S ECONOMIC MANAGEMENT

During the first nine months of 2023, GVS achieved consolidated revenues of 313.1 million euro, **up 14.5% compared to 273.5 million euro**, recorded in the first nine months of 2022, thanks to the contribution of the Healthcare & Life Sciences division (which includes the last acquisitions made during the previous year, the STT Group and the Haemotronic Group) and the Health & Safety division.

Revenues of the Healthcare & Life Sciences division show significant growth in the Healthcare Liquid business (+38.1%) compared to the same period last year, thanks to the acquisitions of STT and Haemotronic, absorbing the contraction of the Healthcare Air & Gas and Laboratory businesses,

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which show a 5.1% and 3.3% decrease in turnover, settling at 21.9 million euro and 23.7 million euro, respectively.

The Energy & Mobility division recorded a 14.3% decrease in revenue compared to the same period of the previous year, as a result of the de-stocking policies applied by its customers, particularly in the Sport & Utility segment, which recorded sales down 33.7% year-on-year.

The Health & Safety division showed an increase in turnover of 9.3% year-on-year, driven by favourable sector dynamics and the realisation of business synergies with the RPB group, which was acquired in September 2021.

Adjusted EBITDA was up 21.4% compared to the first nine months of 2022, with a margin on revenue of 22.1%, a significant improvement on the margin achieved in the first nine months of 2022 of 20.8%. The period result is influenced by the contribution of acquisitions completed during 2022 and the price increase introduced during the first half of 2023.

Adjusted EBIT with a margin on revenue of 15.7% amounted to 49 million euro (+24.7%) compared to 39.3 million euro in the same period of the previous year and is in line with the growth seen at Adjusted EBITDA level.

Adjusted net financial expenses, net of foreign exchange gains (0.9 million euro during the first nine months of 2023 and 42.5 million euro in 2022) increased in the period under review, from 3.3 million euro for the period ended 30 September 2022 to 11.9 million euro for the period ended 30 September 2023, mainly due to new borrowings related to the acquisitions completed in 2022 and the increase in market interest rates, to which some of the existing loans are linked.

Profit before tax from recurring activities reached 37.9 million euro in the period under review, a decrease of 40.5 million euro compared to 78.5 million euro in 2022, mainly due to the effect of the foreign exchange gain achieved in 2022 as compared with the foreign exchange gain recorded in 2023.

Adjusted net financial debt at 30 September 2023 was 283.4 million euro. The decrease compared to 31 December 2022, totalling 17.1 million euro, is mainly due to the contribution of cash generated from operations in the amount of 72.0 million euro, net of absorptions by working capital in the amount of 1.9 million euro and net investments (22.1 million euro), net financial expenses (15.2 million euro) and tax (8.3 million euro).

Adjusted net financial debt is calculated by excluding from financial payables the amount of 75 million euro equal to the shareholders' loan received by GVS Group Srl, in line with the provisions of the definition of net financial debt in the loan agreements in place, in relation to the method of calculating financial covenants.

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BUSINESS OUTLOOK

GVS continues on its path of improving its economic and financial performance through the progressive integration of the recently acquired companies.

The positive period result confirms the trend of profitability recovery that began in Q4 2022 and was achieved despite the negative impact of de-stocking policies on revenue growth. These policies are expected to continue in the last quarter of 2023, with the expectation of a potential recovery in sales volumes during 2024.

In this regard, the impact that the current macroeconomic scenario, characterised by a sudden increase in interest rates to counteract high inflationary levels, will have on the real economy will need to be carefully monitored, particularly in relation to the growth expectations of the gross domestic product of the main economies (the United States and the European Union) to which the Group is exposed.

Following the results achieved in the first nine months of 2023, the Company confirms its previously communicated guidance for revenue, adjusted EBITDA and adjusted net financial debt, with expectations that revenue will be in the region of €425m, adjusted EBITDA in the region of €95m and adjusted net financial debt in the region of €270m.

DECLARATION PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2, T.U.F.

The Manager responsible for preparing the company's financial reports, Emanuele Stanco, declares, pursuant to Article 154-bis, second paragraph of Legislative Decree 58/98, that the accounting information contained in this press release corresponds to the results in the Company's documents, books and accounting records.

The Interim Report on Operations as at 30 September 2023, approved by the Board of Directors today, will be made available to the public at the Company's registered office and can be consulted on the Company's website at www.gvs.com and on the authorised storage mechanism "eMarket Storage", managed by Teleborsa Srl.

CONFERENCE CALL

Financial results for the first nine months of 2023 will be presented on Thursday, 9 November at 16:00 CET during a webinar/conference call held by the Group's Senior Management.

The event can be followed in webinar or telephone mode by registering at the link below:

[CLICK HERE TO REGISTER FOR THE CONFERENCE CALL & WEBINAR](#)

The presentation given by the Senior Management will be available before the beginning of the conference call on the authorised storage mechanism eMarket Storage, managed by Teleborsa Srl,

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as well as on the Company's website www.gvs.com (in the section Investor Relations/Financial Presentations).

This press release is available on the regulated information dissemination system eMarket SDIR, managed by Teleborsa Srl, as well as on the Company's website www.gvs.com (in the Investor/Press releases section).

Contacts

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DISCLAIMER

This press release contains forward-looking statements concerning future events and operating, economic and financial results of GVS. These forecasts have by their very nature a component of risk and uncertainty, as they depend on the occurrence of future events and developments. Actual results may deviate even significantly from those announced in relation to a multitude of external factors not necessarily under GVS's control.

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Consolidated Financial Statements as at 30 September 2023

Consolidated Income Statement

| (In thousands of Euro) | Period of 9 months ended 30 September | |
|---|--|----------------|
| | 2023 | 2022 |
| Revenue from contracts with customers | 313.108 | 273.495 |
| Other revenue and income | 4.653 | 2.544 |
| Total revenue | 317.761 | 276.039 |
| Purchases and consumption of raw materials, semi-finished and finished products | (103.896) | (93.588) |
| Personnel costs | (98.052) | (90.918) |
| Services Cost | (42.361) | (38.870) |
| Other operating costs | (6.193) | (3.368) |
| EBITDA | 67.259 | 49.295 |
| Net write downs of financial assets | (633) | (342) |
| Amortisation, depreciation and write downs | (32.225) | (26.028) |
| EBIT | 34.401 | 22.925 |
| Financial income | 2.949 | 43.009 |
| Financial costs | (16.297) | (5.369) |
| Profit before income tax | 21.053 | 60.565 |
| Income taxes | (5.222) | (15.490) |
| Net profit | 15.831 | 45.075 |
| Group's share | 15.825 | 45.073 |
| Minority share | 6 | 2 |
| Basic net result per share (in Euro) | 0,09 | 0,26 |
| Diluted net result per share (In Euro) | 0,09 | 0,26 |

Analysis of Reclassified Income Statement

| (In thousands of euro) | Period of 9 months ended 30 September | | | | | | | |
|---|---------------------------------------|-------------------------------|------------------|---------------|----------------|-------------------------------|------------------|---------------|
| | 2023 | of which non- recurring | 2023 Adjusted | % | 2022 | of which non- recurring | 2022 Adjusted | % |
| Revenues from sales and services | 313.108 | - | 313.108 | 100,0% | 273.495 | - | 273.495 | 100,0% |
| Other revenues and income | 4.653 | 1.619 | 3.034 | 1,0% | 2.544 | - | 2.544 | 0,9% |
| Total revenue | 317.761 | 1.619 | 316.142 | 101,0% | 276.039 | - | 276.039 | 100,9% |
| Costs for purchase of raw materials and change in inventories | (103.896) | - | (103.896) | -33,2% | (93.588) | (3.959) | (89.629) | -32,8% |
| Service provisions | (42.361) | (268) | (42.093) | -13,4% | (38.870) | (1.031) | (37.839) | -13,8% |
| Other operating expenses | (6.193) | (2.317) | (3.876) | -1,2% | (3.368) | - | (3.368) | -1,2% |
| Added value | 165.311 | (966) | 166.277 | 53,1% | 140.213 | (4.990) | 145.203 | 53,1% |
| Labour cost | (98.052) | (858) | (97.194) | -31,0% | (90.918) | (2.632) | (88.286) | -32,3% |
| EBITDA | 67.259 | (1.824) | 69.083 | 22,1% | 49.295 | (7.622) | 56.917 | 20,8% |
| Depreciation and amortisation | (32.225) | (12.784) | (19.441) | -6,2% | (26.028) | (8.742) | (17.286) | -6,3% |
| Provisions and write-downs | (633) | - | (633) | -0,2% | (342) | - | (342) | -0,1% |
| EBIT | 34.401 | (14.608) | 49.009 | 15,7% | 22.925 | (16.364) | 39.289 | 14,4% |
| Financial income and expenses | (13.348) | (2.323) | (11.025) | -3,5% | 37.640 | (1.580) | 39.220 | 14,3% |
| Pre-tax result | 21.052 | (16.931) | 37.984 | 12,1% | 60.565 | (17.944) | 78.509 | 28,7% |
| Income taxes | (5.222) | 3.973 | (9.195) | -2,9% | (15.490) | 4.065 | (19.555) | -7,2% |
| Group and minorities' net profit | 15.831 | (12.958) | 28.789 | 9,2% | 45.075 | (13.879) | 58.954 | 21,6% |

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Consolidated Balance Sheet

| <i>(In thousands of Euro)</i> | As of September 30, 2023 | As of December 31, 2022 |
|---|---|--|
| ASSETS | | |
| Non-current assets | | |
| Intangible assets | 484.253 | 494.846 |
| Right of use assets | 19.635 | 22.991 |
| Property, plant and equipment | 125.009 | 120.404 |
| Deferred tax assets | 4.361 | 3.487 |
| Non-current financial assets | 3.764 | 3.754 |
| Derivative financial instruments | 6.521 | 6.648 |
| Other non current assets and receivables | 2.995 | 1.695 |
| Total non current assets | 646.538 | 653.825 |
| Current assets | | |
| Inventories | 98.723 | 106.922 |
| Trade receivables | 60.172 | 72.944 |
| Contract assets | 1.152 | 1.205 |
| Income tax receivables | 7.504 | 5.691 |
| Other current assets and receivables | 12.151 | 12.514 |
| Current financial assets | 66.748 | 4.779 |
| Cash and cash equivalents | 114.970 | 135.169 |
| Total current assets | 361.420 | 339.224 |
| Total assets | 1.007.958 | 993.049 |
| EQUITY AND LIABILITIES | | |
| Share capital | 1.750 | 1.750 |
| Reserves | 324.247 | 301.780 |
| Profit for the period | 15.825 | 24.098 |
| Group shareholders' equity | 341.822 | 327.628 |
| Non-controlling interests | 33 | 46 |
| Total equity | 341.855 | 327.674 |
| Non-current liabilities | | |
| Payables for the purchase of equity investments and earn-outs | 24.370 | 40.983 |
| Non-current borrowings | 379.201 | 10.989 |
| Non-current lease liabilities | 13.651 | 16.899 |
| Deferred tax liabilities | 40.996 | 46.086 |
| Employee benefit obligations | 3.149 | 4.630 |
| Provisions for risks and charges | 9.962 | 9.221 |
| Total non-current liabilities | 471.329 | 128.808 |
| Current liabilities | | |
| Payables for the purchase of equity investments and earn-outs | 19.082 | - |
| Current borrowings | 97.202 | 438.238 |
| Current lease liabilities | 6.591 | 8.312 |
| Trade payables | 34.772 | 57.944 |
| Contract liabilities | 7.253 | 7.224 |
| Income tax payables | 6.744 | 2.662 |
| Other current liabilities | 23.130 | 22.187 |
| Total current liabilities | 194.774 | 536.567 |
| Total equity and liabilities | 1.007.958 | 993.049 |

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Consolidated Cash Flow Statement

| (In thousands of Euro) | Period of 9 months ended 30 September | |
|--|--|------------------|
| | 2023 | 2022 |
| Profit before income tax | 21.053 | 60.565 |
| - Adjustments: | | |
| Depreciation and amortization | 32.225 | 26.028 |
| Capital loss / (gain) from disposal of assets | 100 | 36 |
| Net financial expenses | 13.348 | (37.640) |
| Other non-monetary movements | 5.255 | 5.965 |
| Cash flow from operating activities before changes in net working capital | 71.981 | 54.954 |
| Changes in inventory | 4.923 | (19.301) |
| Changes in trade receivables | 14.506 | (3.143) |
| Changes in trade payables | (23.165) | 1.118 |
| Changes in other assets and liabilities | 1.850 | 442 |
| Uses of employee benefit obligations and provisions for risks and charges | (5.169) | (1.670) |
| Income tax paid | (8.341) | (6.843) |
| Net cash flow provided by / (used in) operating activities | 56.586 | 25.556 |
| Investments in property, plant and equipment | (17.433) | (14.003) |
| Investments in intangible assets | (4.639) | (3.686) |
| Disposal of property, plant and equipment | 539 | 43 |
| Investments in financial assets | (83.025) | (6.686) |
| Disposal of financial assets | 22.280 | 6.451 |
| Acquisition of company branch (net of cash acquired) | - | (236.025) |
| Net cash flow provided by / (used in) investing activities | (82.279) | (253.906) |
| Proceeds from long term borrowings | 75.963 | 232.511 |
| Repayment of long term borrowings | (52.075) | (37.467) |
| Repayment of lease liabilities | (6.086) | (4.189) |
| Finance costs paid | (11.300) | (2.650) |
| Finance income received | 608 | 1.346 |
| Treasury shares | (58) | (1.405) |
| Net cash flow provided by / (used in) financing activities | 7.052 | 188.146 |
| Total cash flow provided / (used) in the year | (18.641) | (40.204) |
| - | | |
| Cash and cash equivalents at the beginning of the period | 135.169 | 136.893 |
| Total cash flow provided / (used) in the year | (18.641) | (40.204) |
| Exchange differences from translation of cash and cash equivalents | (1.558) | 14.649 |
| Cash and cash equivalents at the end of the period | 114.970 | 111.338 |

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Consolidated Net Financial Debt

| <i>(In thousands of euro)</i> | At 30 September 2023 | At 31 December 2022 |
|---|-----------------------------|----------------------------|
| (A) Cash on hand | 114.970 | 135.169 |
| (B) Cash equivalents | - | - |
| Fixed-term deposits | 63.659 | - |
| Securities held for trading | 2.898 | 4.592 |
| Financial receivables for leasing | 191 | 187 |
| (C) Other current financial assets | 66.748 | 4.779 |
| (D) Cash and cash equivalents (A)+(B)+(C) | 181.718 | 139.948 |
| Financial debt to parent company | 1.058 | - |
| Financial payables to other companies in GVS Group for leases | 1.670 | 2.907 |
| Financial payables for leases | 4.921 | 5.405 |
| Other current debt | - | - |
| Other Financial Payables | 20.303 | 256 |
| (E) Current financial payables | 27.952 | 8.568 |
| (F) Current portion of non-current payables | 94.923 | 437.982 |
| (G) Current financial debt (E) + (F) | 122.875 | 446.550 |
| (H) Net current financial debt (G) - (D) | 58.843 | (306.602) |
| Non-current bank payables | 304.201 | 10.094 |
| Non-current bonds | - | - |
| Other financial payables | 24.370 | 41.878 |
| Other financial payables to GVS Group | 75.000 | - |
| Financial payables to other companies in GVS Group for leases | 1.074 | 1.547 |
| Non-current payables for leasing | 12.577 | 15.352 |
| (I) Non-current financial payables | 417.222 | 68.871 |
| Derivative financial instruments with negative values | - | - |
| (J) Debt obligations | - | - |
| (K) Commercial and other non-current debt | - | - |
| (L) Non-current financial debt (I) + (J) + (K) | 417.222 | 68.871 |
| (M) Total net financial debt (H)-(L) | (358.379) | (375.473) |

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