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Oggetto : Consolidated 1H24 Financial Report

*Testo del comunicato*

Vedi allegato



## PRESS RELEASE

# Esautomotion approves the Consolidated 1H24 Financial Report at 30<sup>th</sup> June 2024

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**REVENUES:** € 14,096 thousand vs. € 19,311 thousand (-27.0%)

**EBITDA:** € 2,377 thousand vs. € 5,374 thousand (-55.8%)

**EBITDA:** *margin:* 16,9% vs. 27,8%

**EBIT:** € 1,287 mila vs. € 4,582 thousand (-71.9%)

**NET PROFIT:** € 800 thousand vs. € 3,476 thousand (-77.0%) equal to 5.7% of revenues

**OPERATING CASH FLOW:** € 2,840 thousand with a *cash conversion ratio* of 119.4%

**NET FINANCIAL POSITION:** € -3,495 thousand (POSITIVE CASH) vs. € -3,637 as at 31/12/2023, after distributing 2023 dividends of € 645 thousand.

**SHAREHOLDERS' EQUITY:** € 29,958 thousand, including the profit for the period of € 800 thousand.

**TREASURY SHARES HELD BY NO. 213,000**

*Carpi, 24 September 2024*

The Board of Directors of Esautomotion S.p.A. ("**Esautomotion**" or the "**Company**"), the operating *holding company* of the Esautomotion Group (the "**Group**"), active in the sector of high-precision mechatronic components for industrial machinery, today approved the Consolidated Half-Year Financial Report as at 30 June 2024 (the "**Report**").

### **REPORT: MAIN CONSOLIDATED RESULTS AS AT 30 JUNE 2024**

**Group REVENUES, amounting to € 14,096 thousand, decreased by approximately -27.0% compared to the first half of 2023.**

This result depends on three factors:

unfavorable economic situation of all markets, down in orders for durable investment items;  
geopolitical instability of the period with trade blockades in some areas;

delayed effects of the *shortage* of components that have led many customers to accumulate components in their warehouses and reduced or blocked, in recent months, orders to Esautomotion

**EBITDA**, amounting to € 2,377 thousand, was down 55.8% compared to 1H2023.

**EBITDA MARGIN**, at 16.9%, was down 10.9 percentage points compared to 1H2023.

**NET PROFIT**, amounting to € 800 thousand, was down 77% compared to 1H2023.

These three elements depend strictly on operating leverage: the greater incidence of fixed costs on lower sales volumes.

The **NET FINANCIAL POSITION**, amounting to € -3,495 (POSITIVE CASH), takes into account distributed profits of € 645 thousand.

**The *shortage* of components in recent years** continues to cause a considerable need for working capital due to the fact that the stock (semiconductors and other components purchased in advance to cope with market shortages) also includes financial advances (down payments on future orders) to some suppliers in order to ensure with certainty the supplies of months to come. Once the supply emergency ended and the market slowed down, many customers who had purchased in excess of production needs suddenly blocked the arrival of already planned orders in order to dispose of their excess stocks. This resulted in the sharp slowdown in Esautomotion's revenues in the first half of 2023.

The working capital, for the part of the Company's warehouse, is heavily burdened, it is believed that the excess stocks can be disposed of over the next 24/36 months.

The share of *direct exports* is 45%, to which must be added the part of products sold in Italy that are subsequently exported, making **the total export share estimated at 70-75%**.

The strategy of:

- development by external lines through the acquired in July 2023 Sangalli Servomotori S.r.l.;
- investments in *R&D*, with the preparation for the launch of new products;
- reduction of the cost of products;
- reduction in the use of working capital;
- development of *product performance*, particularly in strategic market applications (sheet metal, marble, wood processing);
- penetration of strategic customers in terms of the share of *Computer Numerical Control* 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 largest area of investment. Research and development activities continued in the first half of 2024, mainly aimed at integrating the following:

- different mechatronic technologies;
- development of communication logics 4.0, 5.0 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 deal with material *shortages* ;
- improvement of energy efficiency;
- study of 3D graphic elements;
- hybrid technologies;
- multifunction machines for increased productivity;
- integrations with CAD/CAM programs.
- integration of AI elements

These activities have allowed Esautomotion to continue the development of *software* and new integrated devices according to the principles of *Industry 4.0* and *Industry 5.0* as well as to consolidate the performance of existing products in new application sectors.

**Outlook for operations:** the order backlog and order intake, penalized in 1H24, are showing signs of recovery especially related to the exhaustion of the surplus warehouses of some important customers. As far as the economic situation is concerned, it is not prudent to expect major reversals in the short term.

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

- technological innovation, to encourage the replacement of the machinery fleet in countries where automation is already widespread, and to affirm through high *performance* customers in the countries that are lagging behind in the percentage of CNC machines compared to manual ones;
- ability to attract in areas with high automation development (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 segments, but with high volumes, in consideration of the speed with which these markets migrate by emulation to the most advanced technologies.
- development in possible *reshoring areas*, particularly in the United States.
- expansion of the range of products/services: the acquisition of the company **Sangalli**

**Servomotori S.r.l.**, carried out in July 2023, in addition to integrating a strategic supplier (32% of its production is already purchased by Esautomation) opens up the Group's offer to new and promising market areas.

**Gianni Senzolo**, CEO of Esautomation commented on the results as follows: "*We have not lost any customers, and as in the post 2020 we expect to take all the good part of the cycle, when this begins. We have never stopped acquiring new customers and we expect incremental growth from them in 2H24 and 2025. The integration with the acquired company Sangalli Servomotori S.r.l. will allow us to strengthen our position in our markets and to expand Esautomation's growth horizon with new sectors.*"

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The Report, together with the certification of the independent auditors that will be issued in the coming days, will be made available to the public, in compliance with the terms provided for by law, on the [website http://www.esautomation.it](http://www.esautomation.it).

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With reference to the accounting data presented in this press release, it should be noted that these are data for which the statutory audit activity has not been completed by the independent auditors.

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*Esautomotion Group Results at 30<sup>th</sup> June 2024 – Consolidated Income Statement IAS/IFRS*

<b>PROFIT &amp; LOSS</b>	<b>30-jun-24</b>		<b>30-jun-23</b>		<b>Changes</b>	
	Thousands Euro					
Net Sales Revenues	14.028	99,5%	19.285	99,9%	(5.256)	(27,3%)
Other Revenues	68	0,5%	26	0,1%	42	> 100%
<b>TURNOVER</b>	<b>14.096</b>	<b>100,0%</b>	<b>19.311</b>	<b>100,0%</b>	<b>(5.215)</b>	<b>(27,0%)</b>
Cost of Goods Sold	(6.691)	(47,5%)	(10.291)	(53,3%)	3.600	(35,0%)
Personnel Costs	(2.179)	(15,5%)	(1.364)	(7,1%)	(815)	59,8%
Services	(2.735)	(19,4%)	(2.163)	(11,2%)	(572)	26,5%
Other Costs	(114)	(0,8%)	(119)	(0,6%)	5	(4,5%)
<b>OPERATIVE COSTS</b>	<b>(11.719)</b>	<b>(83,1%)</b>	<b>(13.936)</b>	<b>(72,2%)</b>	<b>2.218</b>	<b>(15,9%)</b>
<b>EBITDA</b>	<b>2.377</b>	<b>16,9%</b>	<b>5.374</b>	<b>27,8%</b>	<b>(2.997)</b>	<b>(55,8%)</b>
Depreciation and Amortization	(1.090)	(7,7%)	(792)	(4,1%)	(298)	37,7%
<b>EBIT</b>	<b>1.287</b>	<b>9,1%</b>	<b>4.582</b>	<b>23,7%</b>	<b>(3.295)</b>	<b>(71,9%)</b>
Financial Incomes (Costs)	(136)	(1,0%)	109	0,6%	(246)	(224,7%)
<b>EBT</b>	<b>1.151</b>	<b>8,2%</b>	<b>4.692</b>	<b>24,3%</b>	<b>(3.541)</b>	<b>(75,5%)</b>
Tax	(351)	(2,5%)	(1.216)	(6,3%)	864	(71,1%)
<b>NET PROFIT (LOSS)</b>	<b>800</b>	<b>5,7%</b>	<b>3.476</b>	<b>18,0%</b>	<b>(2.676)</b>	<b>(77,0%)</b>

*Esautomotion Group Results at 30<sup>th</sup> June 2024 – Consolidated Balance Sheet IAS/IFRS*

BALANCE SHEET		30-jun-24	31-dec-23	Changes
Thousands Euro				
	Goodwill	2.737	2.949	(213)
	Intangible Assets	2.651	2.337	314
	Tangible Assets	2.878	2.639	239
	Rights of use	986	417	569
	Other non current assets	1	1	-
<b>A</b>	<b>Non Current Assets</b>	<b>9.253</b>	<b>8.344</b>	<b>909</b>
	Inventory	13.149	12.892	257
	Trade Credits	9.929	11.481	(1.552)
	Accounts payable	(4.754)	(5.558)	804
	<b>OPERATING WORKING CAPITAL</b>	<b>18.324</b>	<b>18.815</b>	<b>(491)</b>
	Other current assets	604	831	(227)
	Other current debts	(1.263)	(1.223)	(40)
<b>B</b>	<b>Net Working Capital</b>	<b>17.665</b>	<b>18.423</b>	<b>(758)</b>
	Severance pay	(368)	(340)	(28)
	Funds for risk and charges	(87)	(87)	-
<b>C</b>	<b>Total Funds</b>	<b>(455)</b>	<b>(427)</b>	<b>(28)</b>
<b>D=A+B+C</b>	<b>Net Invested Capital</b>	<b>26.463</b>	<b>26.339</b>	<b>123</b>
<b>E</b>	<b>Assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>F=D+E</b>	<b>Total Net Invested Capital</b>	<b>26.463</b>	<b>26.339</b>	<b>123</b>
	Share Capital	2.000	2.000	-
	Accumulated profit and reserves	27.710	27.722	(12)
	Minority interest	248	254	(6)
<b>G</b>	<b>Total Equity</b>	<b>29.958</b>	<b>29.976</b>	<b>(18)</b>
	Long term financial Debts	4.228	3.868	360
	Short term financial Debts	616	590	26
	Cash, Bank Deposits and Financial credits	(8.339)	(8.095)	(244)
<b>H</b>	<b>Net Financial Position</b>	<b>(3.495)</b>	<b>(3.637)</b>	<b>142</b>
<b>I=G+H</b>	<b>Total Sources</b>	<b>26.463</b>	<b>26.339</b>	<b>124</b>

## Esautomotion Group Results at 30<sup>th</sup> June 2024 – Consolidated Cash flows Statement IAS/IFRS

CASH FLOW STATEMENT		30-jun-24	30-jun-23
Thousands Euro			
Net Profit (Loss)		800	3.476
Corporate Income Taxes		351	1.216
Financial Costs (Income) & Exchange gains (losses)		136	(109)
Offset in working capital		13	16
Provisions		24	16
Depreciation		1.047	748
<b>Cash flow from operation before changes in NWC</b>		<b>2.371</b>	<b>5.362</b>
<b>Changes in NWC</b>		<b>468</b>	<b>(3.111)</b>
<b>Cash flow after changes in NWC</b>		<b>2.840</b>	<b>2.251</b>
Financial Costs paid		(12)	(2)
Taxes paid		(195)	(1.032)
<b>Operating cash flow</b>		<b>2.633</b>	<b>1.217</b>
<b>CAPEX</b>		<b>(2.034)</b>	<b>1.073</b>
Loan disbursement (repayment)		386	99
Increase in capital		-	-
Share Buyback		-	-
Changes in Equity		40	(129)
Dividends paid		(645)	(1.272)
<b>Financial Changes</b>		<b>(219)</b>	<b>(1.302)</b>
<b>Changes in Liquidity</b>		<b>380</b>	<b>988</b>
Cash beginning of the year		7.959	9.057
Cash at the end of the period		8.339	10.046

**ISIN code** : IT0005337107

**Ticker** : ESAU

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**For more information**

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