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Oggetto : Consolidated Revenues confirmed at 18.7 Million Euros - EBITDA 2.7 Million Euros (+1.4% vs first half 2023)

Testo del comunicato

Vedi allegato

Grifal Group: Consolidated Revenues confirmed at 18.7 Million Euros EBITDA 2.7 Million Euros (+1.4% vs first half 2023)

Revenues: EUR 18,668,188 (EUR 19,392,737 as of June 30, 2023)

Value of Production: EUR 21,463,074 (EUR 20,926,952 as of June 30, 2023)

EBITDA: EUR 2,709,031 (EUR 2,671,605 as of June 30, 2023), EBITDA margin 14.5% (13.8% as of June 30, 2023)

EBIT of EUR 963,038 (EUR 1,202,955 as of June 30, 2023)

Net profit of EUR 211,436 (EUR 570,036 as of June 30, 2023)

Negative Net Financial Position (net debt) of EUR 21,482,997 (EUR 18,526,556 as of December 31, 2023)

Equity EUR 18,551,669 (EUR 18,275,740 as of December 31, 2023)

Cologno al Serio (BG), September 30, 2024 – The Board of Directors of **Grifal Spa**, a technology company listed on the Euronext Growth Milan, a multilateral trading facility organized and managed by Borsa Italiana Spa, heading a group active in the industrial packaging market since 1969, has approved today the Group's Consolidated Half-Year Financial Report as of June 30, 2024, voluntarily subjected to limited audit review.

Fabio Gritti, President and CEO of Grifal, commenting on the results, highlighted the Group's prospects: *"The investments aimed at increasing the production capacity of our main plant have been completed, as well as the installation of the second cArtù production line in Romania. In the coming days, Grifal Technologies (Tieng Srl), the Group's Engineering Business Unit, will complete the transfer to the new headquarters where all its activities will be concentrated, including the realization of the second part of the production line ordered by our Joint Venture in Portugal. These are all initiatives aimed at overall efficiency improvement that will benefit the margins, which were nevertheless very good in the semester just ended.*

The focus is now on the commercial development of all the areas in which we operate. We have already added new resources, including local figures in Romania and France. In addition to the numerous ongoing projects with big names in European industry, we are implementing the project launched with the University of Pavia, which will see the light within the fourth quarter of 2024 with the launch of the new e-commerce site".

Main Consolidated Economic-Financial Data as of June 30, 2024

The general negative economic situation of the period, in a market characterized by a marked reduction in industrial production, with stagnant volumes and falling prices, had repercussions on the orders of some of the Group's historical customers. However, the Grifal Group's proposal of sustainable and convenient packaging solutions continued to attract and convince new companies that have thus been added to its customer portfolio.

The first half of 2024 closes with **consolidated revenues of Euro 18,668,188**, in line with the preliminary revenues communicated last July 24, down 3.7 percentage points compared to the corresponding period of 2023 (Euro 19,392,737).

The growth of cArtù®, the Group's flagship product, continues, with sales reaching 38% of consolidated revenues and 41% of Packaging Area revenues (respectively 34% and 37% as of December 31, 2023).

The **Value of Production**, growing by 2.6% compared to June 30, 2023, stands at **Euro 21,463,074**, thanks to the contribution of Grifal Technologies (Tieng Srl) in support of the growth of the Packaging Area.

The increase in the Value of Production, the lower incidence of materials in the production of cArtù, whose weight on revenues is continuously growing, and the improved efficiency of the production lines that benefit from the investments made last year and in the period, have allowed for improved margins. Despite the slight decrease in revenues and the strengthening of the Group's human capital, with 10 new resources added in the period, the **Group EBITDA** reached **Euro 2,709,031**, up 1.4% compared to Euro 2,671,605 as of June 30, 2023, with an **EBITDA Margin** of **14.5%** of sales revenues, up 5.3% compared to 13.8% as of June 30, 2023.

The investments made have led to an increase in depreciation, Euro 1,745,993 compared to Euro 1,468,649 as of June 30, 2023, leading to an **EBIT** of **Euro 963,038**, down compared to what was recorded in the corresponding period of 2023 (Euro 1,202,955).

Net of financial charges of Euro 661,286 and taxes of Euro 90,316, the **Consolidated Net Profit** stands at **Euro 211,436** compared to Euro 570,036 as of June 30, 2023.

The **Consolidated Net Financial Position** (net debt) is **Euro 21,482,997**. The increase compared to the value as of December 31, 2023 (Euro 18,526,556) is mainly attributable to investments made in the semester, Euro 2.8 Million, and to the intra-annual dynamics of net working capital, including ongoing orders for Grifal Technologies (Tieng Srl) plants that will be completed in the second part of the year.

The Net Financial Position is characterized by the prevalence of its Medium-Long Term component over its Short Term component (79% vs 21%), with a significant component maturing beyond the fifth year (13.9%). The evolution of the Net Financial Position remains consistent with the Group's growth plans, which have involved significant investments but foresee an increase in future cash flows and an improvement in the ratio between NFP and EBITDA, now equal to 3.8x (3.3x as of December 31, 2023 and 4.1x as of June 30, 2023).

The **Consolidated Net Equity** is **Euro 18,551,669**, also growing proportionally to the Net Financial Position, thus ensuring balance in the structure of funding sources between equity and debt.

Significant events after the end of the period

At the end of July 2024, the ERDF, European Regional Development Fund, granted Seven cArtù Lda a non-repayable contribution of 1.6 million Euros to support the realization of cArtù®. The new production site in Guimaraes, Portugal, the result of the joint venture between Grifal Group and José Neves Group, will benefit from this important contribution to support the design and realization of innovative production lines, conceived in Bergamo by Grifal Technologies. This is an important recognition of the validity of the Group's industrial project, which has met the eligibility criteria of the ERDF, whose objective is to strengthen sustainable growth and the competitiveness of SMEs.

In August and September, the second cArtù production line, produced by Tieng Srl, was installed at Grifal Europe. This investment will allow for a significant strengthening of production capacity in Romania, enabling the company to meet the growing demand for cArtù packaging solutions.

The collaboration with ITIR -- Institute for Transformative Innovation Research -- the new multidisciplinary research center involving seven departments of the University of Pavia, continues. The result of the meeting between corporate and academic vision and thinking, for a future marked by new, innovative, digital, and eco-sustainable models of production and distribution. A set of solutions, from the technologies for transforming the materials that underlie it, to packaging, e-commerce, and logistics applications, which will offer the market, producers, and consumers, a new point of reference for packaging. This is an eco-sustainable project that will interact with the practical needs of client companies and represents an

extraordinary opportunity, both in terms of business development and awareness and cultural growth. A further element of value and advantageous differentiation for the Group.

Foreseeable evolution of management

The expansion of the production site in Cologno al Serio at Grifal Spa's historic headquarters has allowed for the creation of an area entirely dedicated to the production of cArtù®. Investments in the new 4.0 production line and the upgrading of pre-existing production lines, according to the latest available technological solutions, have allowed for tripling the production capacity of cArtù®. The new equipment allows for meeting the growing market demand and also acts as support in the initial phases of development of new geographical areas.

The project to create a network of dedicated production sites, particularly for the production of cArtù®, has progressed with a new important step taken in 2023 with the establishment of the company Seven cArtù Lda, equally owned with the Portuguese partners of the José Neves Group. This operation is particularly satisfactory both for the timing with which it materialized and for the quality of the partner, the José Neves Group, a Portuguese group of great reputation and tradition, active for more than forty years in the production of corrugated cardboard packaging and innovative packaging solutions.

Seven cArtù Lda has purchased from Grifal Technologies (Tieng Srl) a complete cArtù® production line step19 with the latest model of the Modular Transformation System for cArtù. The production line has been installed in Guimarães at the Portuguese Joint Venture, and the training of Portuguese personnel has been completed. Production began in the first half of 2024, as well as the commercial development phase.

The potential of the Romanian market has led to the establishment of a local commercial force, after, in the start-up phase, activities were concentrated on satisfying the requests of some large international customers who had expressly requested local production of cArtù®. Now the new commercial structure, starting from the Timisoara headquarters, has the objective of establishing collaborations with a network of packaging transformers at a national level, extendable to neighboring countries. The doubling of production capacity that occurred in the third quarter of 2024 with the installation of a second line is designed precisely to support the expected commercial developments.

The acceleration in the development of the Group's project passes through the consolidation of Grifal Technologies, which is entrusted with the realization of cArtù® and Mondaplen® production lines and packaging automation machinery. For this reason, Tieng Srl has been the subject of further strengthening with the preparation of new and larger spaces where to develop the activity and reap the fruits deriving from the significant strengthening of the workforce, in which some key figures have been inserted. We therefore expect further growth from this area both in terms of sales and margin improvement.

New activities continue to be organized at the Grifal Group Innovation Hub within the Kilometro Rosso, the technological excellence district of Bergamo. This training center and showcase for the Group's skills is increasingly recognized as a place for sharing, growth, and constant exchange with international entrepreneurs on topics of common interest such as innovation, sustainability, and technological development, thus generating new business and collaboration opportunities.

The agreement signed with the University of Pavia and more specifically the strategic collaboration with ITIR -- Institute for Transformative Innovation Research, is a project on which we place great expectations. It will allow for a cultural leap of the Group and the obtaining of a significant competitive advantage. The activation of a new dedicated e-commerce site is also planned, which will be activated in the second part of the year.

The operations described are all aimed at further accelerating growth and increasing the ability to satisfy the growing demand that comes, in Italy and abroad, from companies particularly attentive to issues related to sustainability, innovation, and communication applied to packaging, through products under the cArtù® and cushionPaper™ brands.

In a moment of great transformation, Grifal continues to anticipate market trends and propose products consistent with emerging new sensitivities: sustainability, efficiency, circularity. Differentiating factors that have allowed for a consistent increase in the flow of orders, addressing an increasingly wide audience, also thanks to an excellent reputational positioning.

The Group is facing the complex situation of the global political-economic context through various initiatives. In particular, it does not operate in markets affected by conflicts, nor in countries hit by international sanctions, and is not exposed to reduced availability of materials. Furthermore, the effects on energy expenses are negligible, thanks to the fact that the Group's productions, starting with that of its flagship product cArtù®, are characterized by low consumption.

The ever new and complex challenges of this historical period are faced with serenity by the Group, which in its ambitious development plans, is continually reassured by the attention shown by the market and large operators in the sector towards its offer of innovative solutions.

Filing of documentation

The Consolidated Half-Year Financial Report as of June 30, 2024 of the Company, accompanied by the Opinion of the Company in charge of the limited audit review of the consolidated half-year financial statements, will be made available to the public at the registered office, on the Company's website (www.grifal.it, Investor Relations area, Financial Reports section).

Attachments:

- Consolidated Income Statement as of June 30, 2024 vs June 30, 2023
- Consolidated Balance Sheet as of June 30, 2024 vs December 31, 2023
- Consolidated Net Financial Position as of June 30, 2024 vs December 31, 2023
- Consolidated Cash Flow Statement as of June 30, 2024 vs June 30, 2023

This press release is available in the "Financial press releases" section of the Investor Relations area of the website www.grifal.it.

Grifal Group is a leading company in the packaging sector in Italy, where it operates with Grifal Spa - established since 1969 and listed on Euronext Growth Milan - and Tieng Srl. The Group includes Grifal Europe Srl in Romania and Seven cArtù Lda, a joint venture with the José Neves Group in Portugal. Grifal Group's international development strategy involves the establishment of production centers to meet demands from various geographical areas, paving the way for cArtù® and cushionPaper to become new standards in green packaging. Contacts:

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Consolidated Income Statement as of June 30, 2024 vs June 30, 2023

Description	30/06/2024	% on revenues	30/06/2023	% on revenues
Revenues	18,668,188	100.0%	19,392,737	100.0%
Changes in Inventory of Work-in-Progress, Semi-finished, Finished Goods and Increase in Fixed Assets	2,281,136	12.2%	1,224,199	6.3%
Purchases and Changes in Inventory of Raw Materials, Supplies, Consumables and Goods	7,365,672	39.5%	7,820,527	40.3%
Costs for Services and Use of Third-party Assets	5,594,091	30.0%	5,255,754	27.1%
ADDED VALUE	7,989,561	42.8%	7,540,654	38.9%
Non-core Operating Revenues	513,750	2.8%	310,016	1.6%
Labor costs	5,738,922	30.7%	5,131,382	26.5%
Other operating costs	55,357	0.3%	47,684	0.2%
EBITDA	2,709,031	14.5%	2,671,605	13.8%
Depreciation, Impairment and Other Provisions	1,745,993	9.4%	1,468,649	7.6%
EBIT	963,038	5.2%	1,202,955	6.2%
Interests and Fair Value Adjustments of Financial Assets and Liabilities	-661,286	-3.5%	-448,900	-2.3%
EBT	301,752	1.6%	754,055	3.9%
Taxes	90,316	0.5%	184,020	0.9%
NET PROFIT FOR THE PERIOD	211,436	1.1%	570,036	2.9%

Consolidated Balance Sheet as of June 30, 2024 vs December 31, 2023

Description	30/06/2024	31/12/2023
Fixed Assets	35,896,198	34,722,023
Current Assets	20,780,397	25,469,622
Accruals and Deferrals	911,810	735,000
TOTAL ASSETS	57,588,404	60,926,645
Equity:	18,551,669	18,275,740
- of which Net Income for the Period	211,436	887,217
Provisions for Risks and Charges	204,572	221,517
Employee Severance Indemnities	1,511,762	1,492,615
Short-term Liabilities	18,469,442	20,787,865
Long-term Liabilities	16,895,879	18,208,915
Accruals and Deferrals	1,955,079	1,939,993
TOTAL LIABILITIES	57,588,404	60,926,645

Consolidated Net Financial Position as of June 30, 2024 vs December 31, 2023

Description	30/06/2024	31/12/2023
A. Cash Equivalents	992,860	6,650,601
B. Near-Cash Items	0	0
C. Other Current Financial Assets	383,923	314,457
D. LIQUIDITY (A + B + C)	1,376,783	6,965,058
E. Current Financial Debt	2,320,253	4,554,651
F. Current Portion of Non-current Financial Debt	3,643,649	2,728,048
G. CURRENT FINANCIAL INDEBTEDNESS (E + F)	5,963,902	7,282,699
H. NET CURRENT FINANCIAL INDEBTEDNESS (G - D)	4,587,119	317,641
I. Non-current Financial Debt	11,399,591	12,280,554
J. Debt Instruments	5,496,287	5,928,361
K. Trade Payables and Other Non-current Liabilities	0	0
L. NON-CURRENT FINANCIAL INDEBTEDNESS (I + J + K)	16,895,879	18,208,915
M. TOTAL FINANCIAL INDEBTEDNESS (H + L)	21,482,997	18,526,556

Consolidated Cash Flow Statement as of June 30, 2024 vs June 30, 2023

Description	30/06/2024	30/06/2023
A) Operating Cash Flow (indirect method)		
Net profit (loss) for the period	211,436	570,036
Income taxes	96,142	184,020
Interest expenses/(income)	655,865	445,610
(Gains)/Losses from assets sales	-16,648	-274
1) Profit (loss) for the period before taxes, interests, dividends and capital gains/losses	946,795	1,199,391
Provisions	1,729	1,836
Amortization	1,745,993	1,468,649
Value adjustments for financial assets and financial liabilities of derivative financial instruments with no cash movements	10,212	12,122
Other adjustments in plus/(minus) for non-cash items	253,926	207,037
Total adjustments for non-cash items with no impact on net working capital	2,011,860	1,689,644
2) Cash Flow before changes in net working capital	2,958,655	2,889,035
Decrease/(Increase) in inventories	-448,299	974,797
Decrease/(Increase) in accounts receivables	-943,406	976,168
Increase/(Decrease) in accounts payables	-1,349,070	-2,949,036
Decrease/(Increase) in accruals and deferrals assets	-176,809	-297,392
Increase/(Decrease) in accruals and deferrals liabilities	15,087	954,253
Other decrease /(other increase) in net working capital	725,080	531,084
Total changes in net working capital	-2,177,417	189,875
3) Cash Flow after changes in net working capital	781,238	3,078,910
Other adjustments	-952,543	-720,746

Operating Cash Flow (A)	-171,305	2,358,164
B) Investments		
Tangible assets - (investments)	-1,662,547	-3,455,277
Tangible assets - disinvestments	16,841	11,913
Intangible assets - (investments)	-1,139,430	-513,681
Financial assets - (investments)	-69,466	-300,000
Investments Cash Flow (B)	-2,854,602	-4,257,045
C) Cash Flow from investing activities		
Increase/(Decrease) in current bank liabilities	-2,681,177	64,026
Increase in bank loans	1,530,000	3,477,000
(Decrease in bank loans)	-1,480,656	-1,258,712
Sale/(Purchase) of own shares	0	-37,787
Cash Flow from financing activities (C)	-2,631,834	2,244,527
Increase (decrease) in cash and cash equivalents (A ± B ± C)	-5,657,741	345,645
Cash at the beginning of period		
Bank deposits	6,637,588	64,953
Cash and cash values	13,013	13,351
Total cash and cash equivalents at the beginning of period	6,650,601	78,304
Cash at the end of period		
Bank deposits	975,948	408,425
Cash and cash values	16,913	15,525
Total cash and cash equivalents at the end of period	992,860	423,950

Fine Comunicato n.20131-16-2024

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