

Informazione Regolamentata n. 0868-142-2024	Data/Ora Inizio Diffusione 7 Novembre 2024 11:02:44	Euronext Star Milan
---	--	---------------------

Societa' : SERVIZI ITALIA

Identificativo Informazione
Regolamentata : 197743

Utenza - Referente : SERVIZIITAN03 - Giliotti

Tipologia : REGEM

Data/Ora Ricezione : 7 Novembre 2024 11:02:44

Data/Ora Inizio Diffusione : 7 Novembre 2024 11:02:44

Oggetto : The BoD of Servizi Italia approves the interim
management report as at 30 September 2024

Testo del comunicato

Vedi allegato



PRESS RELEASE

7 November 2024

The Board of Directors of Servizi Italia approves the interim management report as at 30 September 2024

- Consolidated **Revenues** equal to **Euro 217.7 million** (Euro 215.0 mln in the first nine months of 2023)
- Consolidated **EBITDA** equal to **Euro 57.2 million** (Euro 55.0 mln in the first nine months of 2023)
- Consolidated **EBIT** equal to **Euro 14.9 million** (Euro 12.5 mln in the first nine months of 2023)
- Consolidated **Net Income** equal to **Euro 5.1 million** (Euro 5.8 mln in the first nine months of 2023)
- **Net financial position** equal to **Euro 124.5 million** (Euro 116.7 mln as at 31 December 2023 and Euro 127.9 mln as at 30 June 2024)

Castellina di Soragna (PR), Italy, 7 November 2024

The Board of Directors of Servizi Italia, a company listed on Euronext STAR Milan and leading operator in the outsourcing of hospital services in Italy, Brazil, Turkey, India, Albania and Morocco, today approved the Interim Management Report as at 30 September 2024.

CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2024

During the first nine months of 2024, **consolidated revenues** of the Servizi Italia Group amounted to **Euro 217.7 million**, up by 1.2% (3.0% at constant exchange rates) compared to the same period of 2023.

For what concerns the three business lines of the Group, please note the following:

- Revenues from **wash-hire services**, which represent 74.9% of the Group's revenues and includes all activities relating to the washing, hiring, collection and reconditioning of textile and mattress products, recorded revenues equal to **Euro 163.0 million**, registering a growth of 0.2% (or 2.5% at constant exchange rates), supported by a rapid recovery deriving from the price adjustment in the Turkey area (+37.7%, or +81.4% at constant exchange rates). The Italy area (-0.2% versus the comparison period) recorded a decrease due to certain customers lost in the Marche area, offset by excellent performance by the other Italian areas in which the Group operates.
- Revenues from **textile sterilization** ("Steril B"), which represent 6.5% of the Group's revenues and includes all activities relating to sterilization of sterile sets and the supply of disposable items used in surgical procedures for setting up the operating field and dressing the medical team, passed from Euro 13.8 million in the first nine months of 2023 to **Euro 14.2 million**, with an increase of 3.0%. The increase is mainly due to the release of the excess portion of the medical device payback provision in the amount of Euro 0.8 million, which has a one-off effect and consequent to the rulings of the Constitutional Court no. 139/24 and 140/24. Net of this effect, there would be a negative change of Euro 0.4 million or -3.0% mainly due to contracts concluded in the Veneto area in the second half of 2023.



PRESS RELEASE

7 November 2024

- Revenues from **surgical instruments sterilization** services ("Steril C"), which in absolute terms represent 18.6% of the Group's revenues and includes all activities related to the rental, sterilization, collection and reconditioning of surgical instruments, pass from Euro 38.6 million in 2023 to **Euro 40.5 million** in 2024, with an increase of 4.9%, equal to Euro 1.8 million mainly due to more surgical activities recorded in the period in the Italy area.

For what concerns geographical distribution, **revenues generated from foreign markets** amounted to **Euro 30.5 million** (of which Euro 22.4 million relating to Brazil and Euro 8.1 million relating to Turkey), accounting for 14% of consolidated turnover in the first nine months of 2024 (13.9% in the same period of 2023).

Consolidated EBITDA went from Euro 55.0 million in the first nine months of 2023 to **Euro 57.2 million** in the same period of 2024, with an EBITDA margin growing by 70 bps, from 25.6% to 26.3% of revenues or an increase in absolute value of 4.1%. During the period, there was a decrease in the impact of costs for raw materials of 0.4%, and in absolute value of 3.1%, driven primarily by lower marketing of disposable material and personal protective equipment. Costs for services recorded a 3.2% decrease in absolute value during the period, i.e. an improvement in the EBITDA margin of 1.5%, primarily due to the decrease with respect to the comparison period of gas costs (Euro -2.9 million or -1.4% relative incidence) and electricity (Euro -0.9 million or -0.4% relative incidence). Also note that the comparison period included the benefit of the tax receivable in the Italy area of Euro 2.0 million, recorded under other revenues and absent during the same period of 2024. Personnel expense increased in terms of incidence on revenues (+0.7%) compared to the previous period, and were also up in absolute value (+3.6%), predominantly as a result of salary adjustments applied in the Italy area upon entry into force of the new National Collective Labour Agreement starting from March and December 2023 as well as June 2024. During the period, operating margins decreased in the Brazil area (EBITDA margin falling from 23.7% to 20.6%), partly due to the start-up phase of the sterilisation plant in São Paulo and to a drop in revenues recorded versus the comparison period, while there was a significant recovery in margins in the Turkey area (EBITDA margin from 26.5% to 36.0%) mainly due to the inflationary adjustment of contract prices.

Consolidated operating result (EBIT) went from Euro 12.5 million during the first nine months of 2023 (5.8% compared to the revenues for the period) to **Euro 14.9 million** during the same period in 2024 (6.8% compared to the revenues for the period), mainly due to the dynamics already described in the comment on the change in revenues and EBITDA; a reduction in depreciation, amortisation and impairment was also recorded (Euro -0.2 million or -0.3% in terms of relative incidence).

Financial management showed greater interest expense and bank commissions of Euro 1.9 million compared to the same period of the previous year, due to the increase in interest rates applied by the interbank system in the Eurozone and interest rates in the Turkey area.

Taxes for the period were negative for Euro 1.8 million with an incidence on pre-tax profit of 25.1% and mainly concern current tax payables for the period, while in the comparison period negative taxes of Euro 0.5 million were recorded with an incidence on pre-tax profit of 8.4%



PRESS RELEASE

7 November 2024

The interim consolidated financial statements as at 30 September 2024 therefore close with a **net profit of Euro 5.1 million**, compared to a net profit of Euro 5.8 million in the same period of the 2023.

Net financial debt as at 30 September 2024 is equal to **Euro 124.5 million**, compared to Euro 116.7 million as at 31 December 2023.

SIGNIFICANT EVENTS DURING THE PERIOD

On 27 March 2024, the Board of Directors of Servizi Italia approved the merger by incorporation of the wholly-owned subsidiary Ekolav S.r.l., operating on the Italian market in the linen wash-hire sector for healthcare and social welfare facilities. This merger is part of a corporate simplification and reorganisation process launched by the merging entity with the aim of pursuing greater production synergies – in consideration of commercial prospects and with a view to harmonising and optimising customer service – as well as containment of overheads. The merger deed was signed on 10 June 2024 and took effect with respect to third parties on the legal effective date of 1 July 2024.

On 22 April 2024, the ordinary session of the Shareholders' Meeting:

- approved the financial statements of the Parent Company closed as at 31 December 2023;
- approved the distribution to Shareholders of an ordinary single dividend, gross of the legal withholdings, equal to Euro 0.03 for the shares in circulation, with the exclusion of the treasury shares in the portfolio, for a maximum amount of Euro 954,283.53;
- resolved the authorisation to purchase and dispose of treasury shares, as proposed by the Board of Directors. The resolution authorised the purchase of a maximum of 6,361,890 ordinary shares with nominal value of Euro 1.00 each, corresponding to one-fifth of the Company's share capital (taking into account the shares already held by the Company) for a period 18 months from the meeting date, while the duration of the authorisation for disposal of the treasury shares has no time limits;
- approved the remuneration policy of Servizi Italia S.p.A.;
- appointed the independent auditors PriceWaterhouseCoopers S.p.A. for the statutory audit of the accounts for the nine-year period 2024-2032, approving the related resolution proposal formulated by the Board of Directors, which matches the first preference contained in the reasoned Recommendation of the Board of Statutory Auditors;
- resolved the renewal of the Board of Directors for the three-year period 2024-2026, also determining the relative remuneration. All the members of the Board of Directors, with the exception of Director Antonio Aristide Mastrangelo, were taken from the list submitted by the majority Shareholder Aurum S.p.A., holder of a stake of approximately 62.42% of the share capital, which received votes in favour of approximately 91.88% of the shares represented at the



PRESS RELEASE

7 November 2024

Shareholders' Meeting; Director Antonio Aristide Mastrangelo was taken from the list submitted by the minority Shareholder Everest S.r.l., holder of a 5.03% stake of the share capital.

On 22 April 2024, the Board of Directors of Servizi Italia S.p.A. assigned management powers to an Executive Committee, composed of Roberto Olivi (Chairman of the Board of Directors and of the Executive Committee), Ilaria Eugeniani (Director, appointed Deputy Chair of the Board of Directors and of the Executive Committee) and Michele Magagna (Director), assisted by the General Manager Andrea Gozzi. Subsequently, it established the Governance and Related Parties Committee, responsible for remuneration, appointments, control and risks and transactions with related parties, composed of Benedetta Pinna as Chair (Independent Director), Roberta Labanti (Independent Director) and Umberto Zuliani (Non-executive Director). Lastly, the Board appointed Director Benedetta Pinna as Lead Independent Director and the Chair Roberto Olivi as Director in charge of the Internal Control and Risk Management System.

On 15 May 2024, with reference to the preliminary contract relating to the purchase by Servizi Italia S.p.A. of a business unit assigned to the decontamination and sterilisation services of Steris S.p.A., for which appropriate disclosure was provided on 10 October 2023, Servizi Italia S.p.A. availed itself of the contractually agreed right of withdrawal as a result of the loss of interest in carrying out the transaction. The right of withdrawal does not entail any indemnity or repayment by Servizi Italia S.p.A. in favour of Steris S.p.A.

On 4 July 2024, by exercising its call option, Servizi Italia acquired the remaining 10.0% of the share capital of Wash Service S.r.l., company operating mainly in Northern Italy in the offer of wash and hire services of flat linen, guest linen and staff clothing of hospital facilities, nursing homes and retirement facilities, thus achieving ownership of the entire share capital of the company. The consideration for 10.0% of the share capital of Wash Service S.r.l. was equal to Euro 391 thousand. For additional information, see the appropriate press release.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On 7 October 2024, the company Cometa S.r.l., as an offeror, promoted a voluntary, all-inclusive tender offer on the ordinary shares of Servizi Italia S.p.A. pursuant to Art. 102(1) of Legislative Decree no. 58 of 24 February 1998. The offer is aimed at the acquisition of 9,268,956 shares representing approximately 29.14% of the share capital of the issuer, which may be reduced as a result of any purchases of shares made by the offeror outside the offer, and at obtaining the delisting of the shares from trading on Euronext Milan. The offeror will pay a cash consideration of Euro 2.37 for each share brought in subscription to the offer. For all the details relating to the offer and the resulting disclosures, please refer to the dedicated website within the issuer's website in the Investor Relations section.



PRESS RELEASE

7 November 2024

BUSINESS OUTLOOK

The results obtained by the Group as at 30 September 2024 confirm the solidity of the performance achieved during the first nine months. As envisaged, the most interesting factor in the short term for the management of the Group remains the cost of money and the dynamics connected to the interest rates applied by the interbank system, a structural problem that is carefully monitored to adopt measures aimed at curbing the inevitable incidence on the fundamental levers of the Group business. The management's medium-term strategy, albeit amidst the uncertainty of a situation deriving from the instability of energy and raw material costs, envisages an organic consolidation of its leadership position in the Italian and foreign markets and a continuous search for optimisation and efficiencies

PUBLICATION OF THE DOCUMENTATION

The Interim Management Report as at 30 September 2024 will be available to the public today at Company's registered office, on Company website ir.servizitaliagroup.com, as well as on the authorized storage mechanism eMarket Storage at www.emarketstorage.com.

Declaration of the executive responsible for the preparation of the accounting documents

The Executive Responsible for the preparation of the corporate accounting documents, Angelo Minotta, declares in accordance with Article 154 bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

Alternative performance indicators

The present document uses an "alternative performance indicator" not provided by the IFRS accounting standards. Here is the calculation method used and the composition of these ratios, in line with the guidelines of the European Securities and Market Authority (ESMA). The Group management has defined: (i) EBITDA as the difference between the value of sales and services and operating costs before depreciation, amortization, write-downs, impairment and provisions; (ii) net financial debt as the sum of amounts Due to banks and other lenders net of Cash and cash equivalents and Current financial receivables.

This press release is disclosed using eMarket SDIR system and it is now available on Company's website (www.servizitaliagroup.com) as well as on eMarket STORAGE system (www.emarketstorage.com).

Servizi Italia S.p.A., a company based in Castellina di Soragna (PR) and listed on Euronext STAR Milan, has been a leader in Italy in the field of integrated rental, washing and sterilization services for textile materials and medical devices in the healthcare sector for over thirty years. The company, which together with its Italian and foreign subsidiaries forms the Servizi Italia Group, has also expanded its services to the industrial, community and hotel sectors. The Group has a highly technological production platform, articulated in over 50 production plants in 7 countries and counts about 3,700 employees and collaborators: these are the numbers with which Servizi Italia contributes daily to the health and safety of professionals, patients and workers, respecting ethics and the environment in which it operates.

For further information:

Investor Relations
Servizi Italia
Pietro Giliotti
Tel: +39 0524598511

Media Relations
Axelcomm S.r.l.
Arturo Salerni
Tel. + 39 338 5220260



PRESS RELEASE

7 November 2024

investor@servizitaliagroup.com

arturo.salerni@axel-comm.it

In attachment:

- Consolidated statement of financial position as at 30 September 2024
- Consolidated income statement as at 30 September 2024
- Consolidated statement of comprehensive income as at 30 September 2024
- Consolidated net financial position as at 30 September 2024

It should be noted that the Interim Management Report as at 30 September 2024 is not subject to audit review.



PRESS RELEASE

7 November 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(thousands of Euros)</i>	30 September 2024	31 December 2023
ASSETS		
Non-current assets		
Property, plant and equipment	169,656	166,473
Intangible assets	2,802	3,057
Goodwill	60,257	61,438
Equity-accounted investments	35,471	33,023
Equity investments in other companies	2,938	2,938
Financial receivables	7,330	6,037
Deferred tax assets	11,917	12,467
Other assets	1,824	2,531
Total non-current assets	292,195	287,964
Current assets		
Inventories	9,202	9,244
Trade receivables	74,831	75,141
Current tax receivables	2,298	2,018
Financial receivables	5,594	8,156
Other assets	10,229	11,753
Cash and cash equivalents	4,055	4,731
Total current assets	106,209	111,043
TOTAL ASSETS	398,404	399,007
SHAREHOLDERS' EQUITY AND LIABILITIES		
Group shareholders' equity		
Share capital	29,126	29,302
Other reserves and retained earnings	103,168	100,801
Profit (loss) for the period	4,806	5,463
Total shareholders' equity attributable to shareholders of the parent company	137,100	135,566
Total shareholders' equity attributable to non-controlling interests	3,711	2,977
TOTAL SHAREHOLDERS' EQUITY	140,811	138,543
LIABILITIES		
Non-current liabilities		
Due to banks and other lenders	68,482	66,385
Deferred tax liabilities	3,310	2,933
Employee benefits	7,526	7,389
Provisions for risks and charges	8,122	7,494
Other financial liabilities	472	465
Total non-current liabilities	87,912	84,666
Current liabilities		
Due to banks and other lenders	65,677	63,202
Trade payables	80,736	87,631
Current tax payables	712	626
Employee benefits	-	-
Other financial liabilities	12	416
Provisions for risks and charges	833	1,783
Other payables	21,711	22,140
Total current liabilities	169,681	175,798
TOTAL LIABILITIES	257,593	260,464
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	398,404	399,007

**PRESS RELEASE**

7 November 2024

CONSOLIDATED INCOME STATEMENT

<i>(thousands of Euros)</i>	30 September 2024	30 September 2023
Sales revenues	217,725	215,047
Other income	4,433	5,790
Raw materials and consumables	(19,957)	(20,604)
Costs for services	(71,965)	(74,314)
Personnel expense	(71,746)	(69,254)
Other costs	(1,256)	(1,669)
Depreciation/amortisation, impairment and provisions	(42,349)	(42,502)
Operating profit	14,885	12,494
Financial income	1,064	886
Financial expenses	(10,612)	(9,265)
Income/(expense) from equity investments	178	358
Revaluation/impairment of equity-accounted investments	1,309	1,824
Profit before tax	6,824	6,297
Current and deferred taxes	(1,713)	(529)
Profit (loss) for the period	5,111	5,768
of which: Portion attributable to shareholders of the parent company	4,806	5,607
Portion attributable to non-controlling interests	305	161

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(thousands of Euros)</i>	30 September 2024	30 September 2023
Profit (loss) for the period	5,111	5,768
<i>Other comprehensive income that will not be reclassified to the Income Statement</i>		
Actuarial gains (losses) on defined benefit plans	-	-
Income taxes on other comprehensive income	-	-
<i>Other comprehensive income that may be reclassified to the Income Statement</i>		
Gains (losses) from conversion of foreign financial statements	(5,315)	(1,121)
Portion of comprehensive income of the investments measured using the equity method	(161)	65
Income taxes on other comprehensive income	-	-
Total other comprehensive income after taxes	(5,476)	(1,056)
Total comprehensive income for the period	(365)	4,712
of which: Portion attributable to shareholders of the parent company	(276)	5,403
Portion attributable to non-controlling interests	(89)	(691)



PRESS RELEASE

7 November 2024

CONSOLIDATED NET FINANCIAL POSITION

<i>(thousands of Euros)</i>	30 September 2024	31 December 2023	30 September 2023
Cash and cash equivalents in hand	45	59	29
Cash at bank	4,010	4,672	4,136
Cash and cash equivalents	4,055	4,731	4,165
Current financial receivables	5,594	8,156	8,984
Current due to banks and other lenders	(65,677)	(63,202)	(71,737)
<i>of which Financial liabilities under IFRS 16</i>	<i>(3,921)</i>	<i>(3,852)</i>	<i>(3,779)</i>
Current net financial debt	(60,083)	(55,046)	(62,753)
Non-current due to banks and other lenders	(68,482)	(66,385)	(63,531)
<i>of which Financial liabilities under IFRS 16</i>	<i>(26,259)</i>	<i>(27,518)</i>	<i>(27,075)</i>
Non-current net financial debt	(68,482)	(66,385)	(63,531)
Net financial debt	(124,510)	(116,700)	(122,119)

Fine Comunicato n.0868-142-2024

Numero di Pagine: 11