

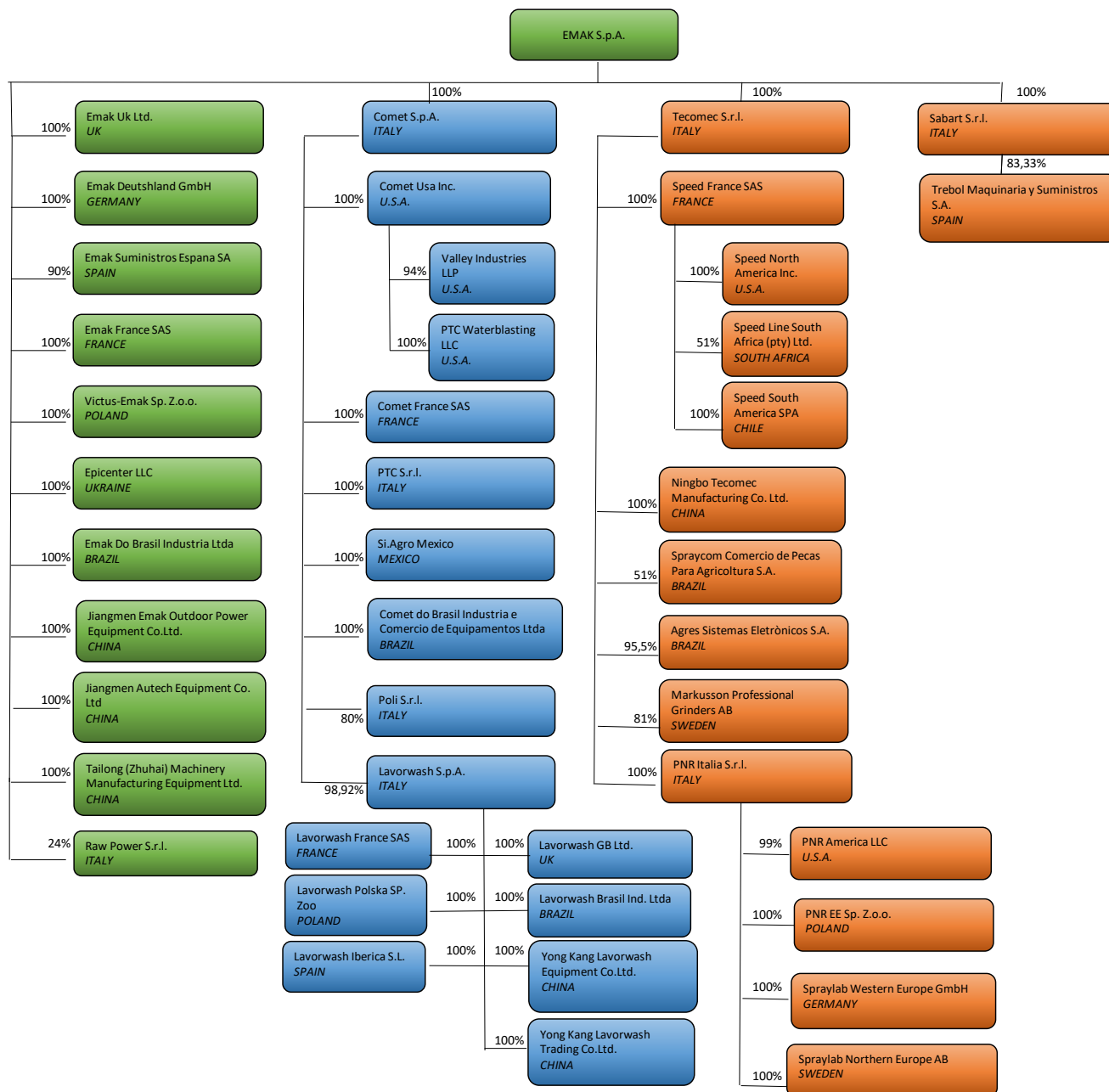
Interim report at 30.09.2024

These financial statements were approved by the Board of Directors on 13 November 2024 and it is available on the Internet at the address www.emakgroup.com

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Organizational chart of Emak Group at 30 September 2024



- Valley Industries LLP is consolidated at 100% as a result of the "Put and Call Option Agreement" that governs the purchase of the remaining 6%.
- Comet do Brasil Industria e Comercio de Equipamentos Ltda is owned for 99.63% by Comet S.p.A. and 0.37% by P.T.C. S.r.l.
- Emak do Brasil is owned for 99.99% by Emak S.p.A. and 0.01% by Comet do Brasil Industria e Comercio de Equipamentos Ltda.
- Lavorwash Brasil Ind. Ltda is owned for 99.99% by Lavorwash S.p.A. and 0.01% by Comet do Brasil Industria e Comercio de Equipamentos Ltda.
- S.I.Agro Mexico is owned for 97% by Comet S.p.A. and 3% by P.T.C. S.r.l.
- Markusson Professional Grinders AB is consolidated at 100% as a result of the "Put and Call Option Agreement" that governs the purchase of the remaining 19%.
- Agres Sistemas Eletrônicos S.A. is consolidated at 100% as a result of the "Put and Call Option Agreement" that governs the purchase of the remaining 4.5%.
- Poli S.r.l. is consolidated at 100% as a result of the "Put and Call Option Agreement" that governs the purchase of the remaining 20%.
- The companies Emak Deutschland GmbH and Ptc Waterblasting LLC have ceased their operational activities.

Corporate Bodies of Emak S.p.A.

The Ordinary General Meeting of the Shareholders of the Parent Company, Emak S.p.A. on 29 April 2022 appointed the Board of Directors and the Board of Statutory Auditors for the financial years 2022-2024.

Board of Directors

Non-executive Chairman

Massimo Livatino

Deputy Chairman and Chief Executive Officer

Luigi Bartoli

Executive Director

Cristian Becchi

Independent Director

Silvia Grappi

Elena Iotti

Alessandra Lanza

Directors

Francesca Baldi

Ariello Bartoli

Paola Becchi

Giuliano Ferrari

Marzia Salsapariglia

Vilmo Spaggiari

Paolo Zambelli

Risk Control and Sustainability Committee; Remuneration Committee, Related Party Transactions Committee, Nomination Committee

Chairman

Elena Iotti

Components

Alessandra Lanza

Silvia Grappi

Manager in charge of preparing the accounting statements

Roberto Bertuzzi

Supervisory Body as per Legislative Decree 231/01

Chairman

Sara Mandelli

Acting member

Marianna Grazioli

Board of Statutory Auditors

Chairman

Stefano Montanari

Acting auditors

Roberta Labanti

Livio Pasquetti

Alternate auditor

Rossana Rinaldi

Giovanni Liberatore

Independent Auditor

Deloitte & Touche S.p.A.

Main economic and financial figures for Emak Group

Income statement (€/000)

Year 2023		3 Q 2024	3 Q 2023	9 months 2024	9 months 2023
566,317	Revenues from sales	128,851	118,785	474,290	449,941
67,878	EBITDA before non ordinary income/expenses (*)	12,582	11,138	57,518	60,547
66,304	EBITDA (*)	12,618	10,833	56,335	59,675
37,224	EBIT	4,740	3,498	32,594	38,324
19,922	Net profit	(301)	751	14,008	22,809

Investment and free cash flow (€/000)

Year 2023		3 Q 2024	3 Q 2023	9 months 2024	9 months 2023
17,204	Investment in property, plant and equipment	4,032	3,725	12,283	11,939
5,732	Investment in intangible assets	1,059	1,341	3,947	3,913
49,002	Free cash flow from operations (*)	7,577	8,086	37,749	44,160

Statement of financial position (€/000)

31.12.2023		30.09.2024	30.09.2023
475,162	Net capital employed (*)	500,376	475,538
(191,495)	Net debt (*)	(214,953)	(186,498)
283,667	Total equity	285,423	289,040

Other statistics

Year 2023		3 Q 2024	3 Q 2023	9 months 2024	9 months 2023
11.7%	EBITDA / Net sales (%)	9.8%	9.1%	11.9%	13.3%
6.6%	EBIT/ Net sales (%)	3.7%	2.9%	6.9%	8.5%
3.5%	Net profit / Net sales (%)	-0.2%	0.6%	3.0%	5.1%
7.8%	EBIT / Net capital employed (%)			6.5%	8.1%
0.68	Net debt / Equity			0.75	0.65
2,362	Number of employees at period end			2,526	2,392

Share information and prices

31.12.2023		30.09.2024	30.09.2023
1.10	Official price (€)	0.98	0.96
1.32	Maximum share price in period (€)	1.23	1.35
0.89	Minimum share price in period (€)	0.94	0.95
180	Stockmarket capitalization (€ / million)	161	157
163,934,835	Number of shares comprising share capital	163,934,835	163,934,835
162,837,602	Average number of outstanding shares	162,837,602	163,537,602

(*) See section "definitions of alternative performance indicators"

Directors' report

Information on the Russia-Ukraine and Israel-Palestinian conflicts and on geopolitical tensions in the Red Sea

The war between Ukraine and Russia has had a significant impact on the economy and finances of both countries involved, as well as other nations and the global economic system as a whole.

The Group continues to monitor the evolution of the situation resulting the invasion of the Ukrainian territory by the Russian Federation and to implement the necessary actions to mitigate the risks and direct and indirect impacts.

Regarding the direct impacts, the Group operates in Ukraine mainly through a subsidiary, Epicenter Llc, while it distributes its products, in compliance with the relevant international regulations, through independent customers in other areas impacted by the conflict: particularly Russia and Belarus.

Epicenter Llc, located in Kiev (Ukraine), 100% controlled by Emak S.p.A., since the beginning of the war, has implemented all the necessary measures to preserve the safety of its employees in the first instance and, therefore, integrity of company assets, mainly represented by product inventories. The subsidiary, which has 21 employees, generated a turnover of € 3.2 million in the first nine months of 2024 (€ 5 million in 2023), entirely produced in the domestic market.

The total assets of the Ukrainian subsidiary as of 30 September 2024 amount to approximately € 3.8 million, mainly represented by inventories, and to a lesser extent by trade receivables and cash on hand.

The local management continues to monitor market exposure, the integrity of the product inventory and the evolution of the situation to guarantee the continuity of the business under the safest condition.

Excluding the activities of the trading subsidiary, the Ukrainian market is marginal for the Group, with sales in the first nine months of 2024 amounting to approximately € 0.5 million (€ 0.7 million in 2023) and direct exposure of receivables on the Ukrainian market as of 30 September 2024, amounted to approximately € 7 thousand.

The Group's revenues achieved in the Russian and Belarusian markets represent 0.9% in the first nine months of 2024 compared to 2% in 2023. The exposure at the end of September 2024 amounts to approximately € 233 thousand.

As for the supply chain, there are no impacts related to the current conditions.

The Group systematically monitors the regulatory and sanction framework related to the markets and parties affected by the conflict, complying with the most scrupulous checks of the counterparties to limit regulatory risks, the continuous assessment of the geopolitical framework aims to prevent potential negative impacts of a commercial and financial nature.

With reference to the most recent Israeli-Palestinian conflict, the Group monitors its evolution, although at the moment there are no direct impacts on its business, as the involved areas are not significant markets for either sales or direct sources of supply.

The geopolitical tensions in the Red Sea have led, since the last months of 2023, to a redefinition of global maritime trade routes, which are leading to an increase in transport costs and delivery times of goods.

These situations contribute to the persistence of uncertainties in the geopolitical, economic, and financial context, requiring the Group to take necessary actions to mitigate the risks and direct and indirect impacts deriving from them.

Scope of consolidation

Compared to 31 December 2023 and 30 September 2023, the PNR Group entered the scope of consolidation, as of January 1, 2024, following the acquisition by Tecomec S.r.l. of the 79.995% of the share capital of the PNR Italia

S.r.l. on January 15, 2024. Subsequently, on June 10, 2024, Tecomec S.r.l. proceeded to acquire the remaining 20.005% of the share capital of PNR Italia S.r.l.

For further information regarding the acquisition of the PNR Group, please refer to the notes of this report.

As of September 30, 2023, the income statement of the company Bestway LLC (acquired by Valley LLP on February 1, 2023, and subsequently merged by incorporation by the buyer) had consolidated for eight months.

Comments on economic figures

Revenues from sales

The turnover of third quarter 2024 amounts to € 128,851 thousand, compared to € 118,785 thousand of the same period last year, an increase of 8.5% (5% an equal consolidation basis).

In the first nine months 2024 Emak Group achieved a consolidated turnover of € 474,290 thousand, compared to € 449,941 thousand of last year, an increase of 5.4%. This change is due to the positive effect of the change in the scope of consolidation for 3.3%, to an organic increase in sales for 2.3% and to the negative effect of translation changes for 0.2%.

It should be noted that the organic business performance has been negatively affected by the Russia-Ukraine conflict by approximately 5 million Euros compared to the same period last year.

EBITDA

EBITDA of third quarter 2024 amounts to € 12,618 thousand, compared to € 10,833 thousand in the corresponding quarter of last year.

EBITDA for the first nine months of 2024 amounts to € 56,335 thousand (11.9% of revenues) compared to € 59,675 thousand (13.3% of revenues) in the corresponding period of previous year.

During nine months 2024, non-ordinary expenses for € 1,376 thousand and non-ordinary income for € 193 thousand were recorded (in the nine months 2023 non-ordinary expenses for € 872 thousand were recorded).

Ebitda before non-ordinary expenses and revenues is equal to € 57,518 thousand (12.1% of revenues) compared to € 60,547 thousand of the same period last year (13.5% of revenues).

The application of the IFRS 16 principle has resulted in a positive effect on the Ebitda of the first nine months 2024 for € 7,875 thousand, against to a positive effect of € 6,703 thousand in the nine months 2023.

Ebitda for the first nine months benefited from an increase of € 2,845 thousand due to the change in the area, while it was negatively affected by the increase in personnel costs and transports costs following geopolitical tensions in the Red Sea.

Personnel costs increased compared to the same period of the previous year for € 11,515 thousand. This increase is due to the change in the scope of consolidation, which had an impact of € 4,861 thousand, the greater use of temporary workers to manage increases in production volumes and the adjustment of labor costs also affected by contractual increases.

The average number of resources employed by the Group, also considering temporary workers employed during the period and the different scope of consolidation, was 2,714 compared to 2,515 in the same period of last year.

Operating result

Operating result of third quarter 2024 is equal to € 4,740 thousand, compared to € 3,498 thousand in the corresponding quarter of last year.

Operating result for the first nine months of 2024 is € 32,594 thousand, with an incidence of 6.9% on revenues compared to € 38,324 thousand (8.5% of revenues) in the first nine months of 2023.

Depreciation and amortization are € 23,741 thousand compared to € 21,351 thousand in the same period of previous year.

Non-annualized operating result as a percentage of net capital employed is 6.5% compared to 8.1% of the same period of the previous year.

Net result

Net loss of third quarter 2024 is equal to € 301 thousand compared to a net profit of € 751 thousand of the same period last year.

Net Profit for the first nine months of 2024 is € 14,008 thousand, compared to € 22,809 thousand in first nine months of 2023.

The item "financial expenses" equal to € 13,962 thousand, increased compared to € 11,708 thousand of the same period 2023, due to the increase in market interest rates and the higher level of gross indebtedness.

Exchange currencies result in the first nine months 2024 is negative for € 1,342 thousand, compared to a positive value of € 932 thousand for the same period of the previous year. Exchange rate management has been negatively affected by the devaluation of the Brazilian Real against the Euro and the US Dollar.

The item "Income from/(expenses on) equity investment", equal to a negative value of € 5 thousand, relates to the valuation according to the equity method of the associated company Raw Power S.r.l.

The effective tax rate is 29.9% up compared to 25% in the same period of the previous year mainly due to the lack of recognition of deferred tax assets on tax losses by some Group companies and the impact of previous years taxes resulting from tax disputes and settled during the year.

Comment to consolidated statement of financial position

31.12.2023	€/000	30.09.2024	30.09.2023
223,575	Net non-current assets (*)	229,120	222,168
251,587	Net working capital (*)	271,256	253,370
475,162	Total net capital employed (*)	500,376	475,538
279,352	Equity attributable to the Group	281,030	284,631
4,315	Equity attributable to non controlling interests	4,393	4,409
(191,495)	Net debt (*)	(214,953)	(186,498)

(*) See section "definitions of alternative performance indicators"

Net non-current assets

In the first nine months 2024 the Group invested € 16,230 thousand in property, plant and equipment and intangible assets, as follows:

31.12.2023	€/000	30.09.2024	30.09.2023
5,426	Innovation technological of products	4,440	3,787
8,990	Production capacity and process innovation	6,737	6,283
4,682	Computer network system	2,782	3,081
2,229	Industrial buildings	1,343	1,401
1,609	Other investments	928	1,300
22,936	Total	16,230	15,852

Investments broken down by geographical area are as follows:

31.12.2023	€/000	30.09.2024	30.09.2023
14,850	Italy	9,614	10,067
1,636	Europe	1,644	1,080
4,633	Americas	3,459	3,546
1,817	Asia, Africa and Oceania	1,513	1,159
22,936	Total	16,230	15,852

Net working capital

Net working capital, compared to 31 December 2023, increased by € 19,669 thousand, rising from € 251,587 thousand to € 271,256 thousand.

The following table shows the change in net working capital at 30 September 2024 compared with the same period of the previous year:

€/000	9M 2024	9M 2023
Net working capital at 01 January	251,587	247,687
Increase/(decrease) in inventories	(4,057)	(21,289)
Increase/(decrease) in trade receivables	4,249	(3,843)
(Increase)/decrease in trade payables	12,176	20,284
Change in scope of consolidation	5,922	12,302
Other changes	1,379	(1,771)
Net working capital at 30 September	271,256	253,370

The level of net working capital as of September 30 is influenced by the increase in third-quarter sales, which generated a higher level of trade receivables, while the increase in inventories, compared to the same period, is due to production volumes related to the demand for goods and the launch of new products expected in the coming months.

The change in the scope of consolidation results in an increase of approximately € 5,922 thousand.

Net financial position

Net negative financial position amounts to € 214,953 thousand at 30 September 2024, compared to € 191,495 thousand at 31 December 2023 and € 186,498 thousand at 30 September 2023.

The following table shows the movements in the net financial position in the first nine months 2024 compared with the same period last year:

€/000	9M 2024	9M 2023
Opening NFP	(191,495)	(177,305)
Net profit	14,008	22,809
Amortization, depreciation and impairment losses	23,741	21,351
Cash flow from operations, excluding changes in operating assets and liabilities	37,749	44,160
Changes in operating assets and liabilities	(21,330)	8,075
Cash flow from operations	16,419	52,235
Changes in investments and disinvestments	(15,374)	(16,584)
Changes rights of use IFRS 16	(4,535)	(10,333)
Dividends cash out	(7,494)	(10,628)
Other equity changes	6	(220)
Changes from exchange rates and translation reserve	3,131	(3,359)
Change in scope of consolidation	(15,611)	(20,304)
Closing NFP	(214,953)	(186,498)

Cash flow from operations is equal to € 37,749 thousand compared to € 44,160 thousand in the same period of the previous financial year. Cash flow from operations is positive for € 16,419 thousand compared to € 52,235 thousand in the same period of the previous financial year. The change in the scope of consolidation linked to the acquisition of the PNR Group has affected for € 15,611 thousand (of which € 13,400 thousand were for the agreed consideration for the total shares acquired).

Details of the net financial position is analyzed as follows:

(€/000)	30.09.2024	31.12.2023	30.09.2023
A. Cash	70,178	75,661	91,499
B. Cash equivalents	-	-	-
C. Other current financial assets	985	1,087	2,021
D. Liquidity funds (A+B+C)	71,163	76,748	93,520
E. Current financial debt	(26,556)	(24,304)	(15,468)
F. Current portion of non-current financial debt	(64,484)	(70,226)	(58,381)
G. Current financial indebtedness (E + F)	(91,040)	(94,530)	(73,849)
H. Net current financial indebtedness (G - D)	(19,877)	(17,782)	19,671
I. Non-current financial debt	(196,271)	(174,980)	(207,408)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I + J + K)	(196,271)	(174,980)	(207,408)
M. Total financial indebtedness (H + L) (ESMA)	(216,148)	(192,762)	(187,737)
N. Non current financial receivables	1,195	1,267	1,239
O. Net financial position (M-N)	(214,953)	(191,495)	(186,498)
Effect IFRS 16	43,640	43,936	42,852
Net financial position without effect IFRS 16	(171,313)	(147,559)	(143,646)

Net financial position at 30 September 2024 includes actualized financial liabilities related to the payment of future rental and rent payments, in application of IFRS 16 standard, equal to overall € 43,640 thousand, of which € 8,151 thousand falling due within 12 months while at 31 December 2023 they amounted to a total of € 43,936 thousand, of which € 7,503 thousand falling due within 12 months.

Current financial indebtedness mainly consists of:

- account payables and self-liquidating accounts;
- loan repayments falling due by 30 September 2025;
- amounts due to other providers of finance falling due by 30 September 2025;
- debt for the deferred payment of the minority share of the company PNR Italia S.r.l. for an amount of € 1,200 thousand;
- debt for equity investments subject to Put & Call Options in the amount of € 2,675 thousand.

Financial liabilities for the purchase of the remaining minority shares subject to Put & Call Options are equal to € 5,765 thousand, of which € 3,090 thousand in the medium to long term, related to the following companies:

- Markusson for an amount of € 2,118 thousand;
- Poli S.r.l. for an amount of € 1,609 thousand;
- Agres for an amount of € 1,148 thousand;
- Valley LLP for an amount of € 890 thousand.

Non-current portion of the payables for the purchase of equity investments, recorded in the item "Non current financial debt", above is equal to € 3,090 thousand while the current portion of payables for the purchase of equity investments, recorded in the item "Current financial debt", is equal to € 3,875 thousand.

Equity

Total equity is equal to € 285,423 thousand against € 283,667 thousand at 31 December 2023.

Earnings per share at 30 September 2024 is equal to 0.083 Euro compared to 0.136 Euro in the same period of previous year.

At December 31, 2023, the Company held 1,097,233 treasury shares in portfolio for an equivalent value of € 2,835 thousand.

During first nine months 2024 there were no movements in the consistency of the number of treasury shares.

Highlights of the consolidated financial statement broken down by operating segment for the first nine months 2024

	OUTDOOR POWER EQUIPMENT		PUMPS AND WATER JETTING		COMPONENTS AND ACCESSORIES		Other not allocated / Netting		Consolidated	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
€/000										
Sales to third parties	145,746	137,470	193,442	193,155	135,102	119,316			474,290	449,941
Intersegment sales	334	319	1,533	2,529	7,735	5,988	(9,602)	(8,836)		
Revenues from sales	146,080	137,789	194,975	195,684	142,837	125,304	(9,602)	(8,836)	474,290	449,941
Ebitda (*)	11,214	12,468	22,419	27,645	24,484	21,131	(1,782)	(1,569)	56,335	59,675
Ebitda/Total Revenues %	7.7%	9.0%	11.5%	14.1%	17.1%	16.9%			11.9%	13.3%
Ebitda before non ordinary expenses (*)	12,116	12,553	22,375	28,170	24,809	21,393	(1,782)	(1,569)	57,518	60,547
Ebitda before non ordinary expenses/Total Revenues %	8.3%	9.1%	11.5%	14.4%	17.4%	17.1%			12.1%	13.5%
Operating result	5,449	6,661	13,496	19,551	15,431	13,681	(1,782)	(1,569)	32,594	38,324
Operating result/Total Revenues %	3.7%	4.8%	6.9%	10.0%	10.8%	10.9%			6.9%	8.5%
Net financial expenses (1)									(12,604)	(7,923)
Profit before taxes									19,990	30,401
Income taxes									(5,982)	(7,592)
Net profit									14,008	22,809
Net profit/Total Revenues%									3.0%	5.1%
(1) Net financial expenses includes the amount of Financial income and expenses, Exchange gains and losses and the amount of the Income from equity investment										
STATEMENT OF FINANCIAL POSITION	30.09.2024	31.12.2023	30.09.2024	31.12.2023	30.09.2024	31.12.2023	30.09.2024	31.12.2023	30.09.2024	31.12.2023
Net debt (*)	12,073	11,174	139,287	134,618	63,593	45,703	0	0	214,953	191,495
Shareholders' Equity	187,324	185,337	95,514	99,670	80,973	76,978	(78,388)	(78,318)	285,423	283,667
Total Shareholders' Equity and Net debt	199,397	196,511	234,801	234,288	144,566	122,681	(78,388)	(78,318)	500,376	475,162
Net non-current assets (2) (*)	121,922	122,370	111,245	116,156	71,158	60,261	(75,205)	(75,212)	229,120	223,575
Net working capital (*)	77,475	74,141	123,556	118,132	73,408	62,420	(3,183)	(3,106)	271,256	251,587
Total net capital employed (*)	199,397	196,511	234,801	234,288	144,566	122,681	(78,388)	(78,318)	500,376	475,162
(2) The net non-current assets of the Outdoor Power Equipment area includes the amount of Equity investments for 76,074 thousand Euro										
OTHER STATISTICS	30.09.2024	31.12.2023	30.09.2024	31.12.2023	30.09.2024	31.12.2023	30.09.2024	31.12.2023	30.09.2024	31.12.2023
Number of employees at period end	723	725	977	959	817	669	9	9	2,526	2,362
OTHER INFORMATIONS	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Amortization, depreciation and impairment losses	5,765	5,807	8,923	8,094	9,053	7,450			23,741	21,351
Investment in property, plant and equipment and in intangible assets	4,482	3,574	5,715	6,870	6,033	5,408			16,230	15,852

(*) See section "Definitions of alternative performance indicators"

Comments on interim results by operating segment

The table below shows the breakdown of “Sales to third parties” in the third quarter and in first nine months of 2024 by business sector and geographic area, compared with the same period last year.

Third quarter turnover:

€/000	OUTDOOR POWER EQUIPMENT			PUMPS AND WATER JETTING			COMPONENTS AND ACCESSORIES			CONSOLIDATED		
	3Q 2024	3Q 2023	Var. %	3Q 2024	3Q 2023	Var. %	3Q 2024	3Q 2023	Var. %	3Q 2024	3Q 2023	Var. %
Europe	29,683	25,920	14.5	22,888	22,284	2.7	21,566	18,048	19.5	74,137	66,252	11.9
Americas	1,620	1,387	16.8	24,794	24,853	(0.2)	12,803	12,808	(0.0)	39,217	39,048	0.4
Asia, Africa and Oceania	3,978	3,525	12.9	5,406	6,172	(12.4)	6,113	3,788	61.4	15,497	13,485	14.9
Total	35,281	30,832	14.4	53,088	53,309	(0.4)	40,482	34,644	16.9	128,851	118,785	8.5

Turnover of the first nine months:

€/000	OUTDOOR POWER EQUIPMENT			PUMPS AND WATER JETTING			COMPONENTS AND ACCESSORIES			CONSOLIDATED		
	9M 2024	9M 2023	Var. %	9M 2024	9M 2023	Var. %	9M 2024	9M 2023	Var. %	9M 2024	9M 2023	Var. %
Europe	125,973	116,672	8.0	81,823	82,886	(1.3)	78,518	67,991	15.5	286,314	267,549	7.0
Americas	4,901	4,751	3.2	93,418	88,807	5.2	39,900	37,164	7.4	138,219	130,722	5.7
Asia, Africa and Oceania	14,872	16,047	(7.3)	18,201	21,462	(15.2)	16,684	14,161	17.8	49,757	51,670	(3.7)
Total	145,746	137,470	6.0	193,442	193,155	0.1	135,102	119,316	13.2	474,290	449,941	5.4

Outdoor Power Equipment

Segment revenues increased by 6% compared to the same period of the previous year, thanks to positive sales performance in the second and third quarter, in which all areas contributed to the good performance.

In Europe, sales growth has been driven by the main markets of Western Europe, thanks to the positive effects generated by sales network initiatives and a normalized level of inventory at the distribution network while in Eastern Europe, a negative trend was observed in the areas affected by the Russia-Ukraine conflict, with a decrease in sales of approximately € 2,600 thousand.

The generalized growth recorded in the third quarter contributed to the improvement of the performance in the Americas area.

In the Asia, Africa, and Oceania area, the decrease was attributable to lower sales in Turkey and the Far East, despite recovering over the past three months.

EBITDA, amounting to € 11,214 thousand, compared to € 12,468 thousand in the first nine months of 2023, benefited from the increase in sales, while the increase in logistics costs due to higher maritime freight rates and greater use of rail and air transport to promptly meet market demand led to a deterioration in margins, partially offset by the decrease in component purchase costs.

During the first nine months of 2024, non-recurring expenses of € 902 thousand were recorded (€ 85 thousand of non-recurring items in the same period of the previous year).

Net negative financial position, amounting to € 12,073 thousand, has slightly worsened compared to December 31, 2023, due to an increase in net working capital linked to the growth in production and sales volumes.

Pumps and Water Jetting

Segment revenues increased by 0.1% compared to the first nine months 2023.

Sales in Europe decreased, mainly due to the significant reduction in exports to Russia and the considerable slowdown in sales in the French and German markets. However, the Polish, Italian, and Spanish markets have partially offset this decrease. As for online sales, the third quarter confirmed the excellent recovery already observed in the second quarter, more than compensating for the negative decline in the first quarter.

The increase in revenue in the Americas area is due to the effect of the consolidation area and the commercialization of new products from the Bestway division, which has more than compensated for the decline in sales of other product lines.

Revenues in Asia, Africa, and Oceania decreased due to the contraction of sales in Oceania and the markets of the Middle East, Japan, and Korea.

EBITDA for the first nine months of 2024, amounting to € 22,419 thousand, compared to € 27,645 thousand for the same period in 2023, was penalized by an unfavorable product mix, increased transport costs, personnel costs, and fixed costs related to expectations of sales volumes higher than those actually achieved.

Net negative financial position, amounting to € 139,287 thousand, increased compared to December 31, 2023, mainly due to the increase in net working capital and to the lower free cash flow from operations.

Components and accessories

Segment sales increased by 13.2% compared to the first nine months of 2023. The inclusion of the PNR Group in the consolidation area contributed approximately 11.3 million euros.

Sales in Europe, net of the PNR Group's contribution, showed a slight increase despite the significant decline in the agriculture division, which was impacted by negative sector trend, and particularly by the sharp decline in the Russian market. In the Italian market, sales increased mainly in the gardening products sector.

Revenue in the Americas area, excluding changes in scope, increased thanks to the good performance of the North American market, which more than offset the decline of the Brazilian subsidiaries operating in the agricultural sector. In the Asia, Africa, and Oceania area, an excellent performance was noted in the third quarter; net of the change in scope, growth was driven by a significant increase in sales in the Chinese and Turkish markets.

EBITDA, amounting to € 24,484 thousand compared to € 21,131 thousand as of September 30, 2023, benefited from the change in the consolidation area by approximately 2.7 million euros and an improved product mix, while it was impacted by the increase in transport costs.

Net negative financial position, amounting to € 63,593 thousand, increased compared to the end of 2023, due to the impact of the PNR acquisition and the increase in net working capital.

Business outlook

The expansion of the commercial offer positively impacted sales performance in the first nine months of the financial year, despite a difficult macroeconomic context marked by a cautious attitude from customers and consumers, worsened by tensions in international supply chains, which negatively affected the achievement of expected earnings results. The good increase in turnover in the third quarter supported the positive sales trend in the first nine months of the year and suggests favorable developments in the coming months. In a highly uncertain market scenario, the Group confirms its expectations of a progressive increase in turnover compared to 2023.

Subsequent events

No significant events occurred after the end of the period of this report.

Other information

Significant operations: derogation from disclosure obligations

The Company has resolved to make use, with effect from 31 January 2013, of the right to derogate from the obligation to publish the informative documents prescribed in the event of significant merger, demerger, share capital increase through the transfer of goods in kind, acquisition and disposal operations, pursuant to art. 70, paragraph 8, and art. 71, paragraph 1-bis of Consob Issuers Regulations, approved with resolution no. 11971 of 4/5/1999 and subsequent modifications and integrations.

Definitions of alternative performance indicators

The chart below shows, in accordance with recommendation ESMA/201/1415 published on October 5, 2015, the criteria used for the construction of key performance indicators that management considers necessary to the monitoring the Group performance.

- EBITDA before non-ordinary expenses and revenues: is obtained by deducting at EBITDA the impact of charges and income for litigation and grants relating to non-core management, expenses related to M&A transactions, and costs for staff reorganization and restructuring.
- EBITDA: defined as profit/(loss) for the period gross of depreciation of tangible and intangible fixed assets and rights of use, write-downs of fixed assets, goodwill and equity investments, Income from/(expenses on) equity investment, income and financial charges, foreign exchange gains and charges and income taxes.
- FREE CASH FLOW FROM OPERATIONS: calculated by adding the items "Net profit" plus "Amortization, depreciation and impairment losses".
- NET WORKING CAPITAL: include items "Trade receivables", "Inventories", current non financial "other receivables" net of "Trade payables" and current non financial "other payables".
- NET FIXED ASSETS or NET NON-CURRENT ASSETS: include non-financial "Non current assets" net of non-financial "Non-current liabilities".
- NET CAPITAL EMPLOYED: is obtained by adding the "Net working capital" and "Net non-current assets".
- NET FINANCIAL POSITION: this indicator is calculated by adding to the scheme envisaged by the "Call for attention no. 5/21" of 29 April 2021 issued by Consob, which refers to ESMA guidelines 32-382-1138 of 4 March 2021, the non-current financial receivables.

It should be noted that alternative performance indicators are not identified as an accounting measure under the International Accounting Standards and, therefore, should not be considered a substitute measure for the evaluation of the performance of the Company and the Group. The criterion for determining these indicators applied by the Company and the Group may not be homogeneous with that adopted by other companies in the sector and, therefore, such data may not be comparable.

Consolidated financial statements

Consolidated Income Statement

Thousand of Euro

Year 2023	CONSOLIDATED INCOME STATEMENT	3 Q 2024	3 Q 2023	9 months 2024	9 months 2023
566,317	Revenues from sales	128,851	118,785	474,290	449,941
5,493	Other operating incomes	1,163	846	3,081	3,321
755	Change in inventories	6,691	(2,786)	89	(10,205)
(298,310)	Raw materials, consumables and goods	(70,123)	(58,622)	(244,766)	(228,176)
(105,036)	Personnel expenses	(27,454)	(24,600)	(89,709)	(78,194)
(102,915)	Other operating costs and provisions	(26,510)	(22,790)	(86,650)	(77,012)
(29,080)	Amortization, depreciation and impairment losses	(7,878)	(7,335)	(23,741)	(21,351)
37,224	Operating result	4,740	3,498	32,594	38,324
5,621	Financial income	721	932	2,705	2,851
(17,830)	Financial expenses	(5,159)	(3,443)	(13,962)	(11,708)
418	Exchange gains and losses	(702)	(299)	(1,342)	932
2	Income from/(expenses on) equity investment	2	16	(5)	2
25,435	Profit before taxes	(398)	704	19,990	30,401
(5,513)	Income taxes	97	47	(5,982)	(7,592)
19,922	Net profit (A)	(301)	751	14,008	22,809
(847)	(Profit)/loss attributable to non controlling interests	(206)	(209)	(555)	(742)
19,075	Net profit attributable to the Group	(507)	542	13,453	22,067
0.117	Basic earnings per share	(0.003)	0.003	0.083	0.136
0.117	Diluted earnings per share	(0.003)	0.003	0.083	0.136

Year 2023	CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	9 months 2024	9 months 2023
19,922	Net profit (A)	14,008	22,809
(2,192)	Profits/(losses) deriving from the conversion of foreign company accounts	(6,000)	92
(43)	Actuarial profits/(losses) deriving from defined benefit plans (*)	-	-
11	Income taxes on OCI (*)	-	-
(2,224)	Total other components to be included in the comprehensive income statement (B)	(6,000)	92
17,698	Total comprehensive income for the period (A)+(B)	8,008	22,901
(844)	Comprehensive net profit attributable to non controlling interests (C)	(331)	(777)
16,854	Comprehensive net profit attributable to the Group (A)+(B)+(C)	7,677	22,124

(*) Items will not be classified in the income statement

Statement of consolidated financial position

Thousand of Euro

31.12.2023	ASSETS	30.09.2024	30.09.2023
	Non-current assets		
86,021	Property, plant and equipment	89,813	85,066
29,228	Intangible assets	32,513	29,399
41,907	Rights of use	41,286	41,062
72,554	Goodwill	71,438	72,914
8	Equity investments in other companies	8	8
802	Equity investments in associates	797	802
11,531	Deferred tax assets	12,263	10,918
1,267	Other financial assets	1,195	1,239
96	Other assets	95	98
243,414	Total non-current assets	249,408	241,506
	Current assets		
234,656	Inventories	235,225	225,495
121,936	Trade and other receivables	134,090	121,684
11,249	Current tax receivables	9,754	8,565
59	Other financial assets	89	37
1,028	Derivative financial instruments	896	1,984
75,661	Cash and cash equivalents	70,178	91,499
444,589	Total current assets	450,232	449,264
688,003	TOTAL ASSETS	699,640	690,770

31.12.2023	SHAREHOLDERS' EQUITY AND LIABILITIES	30.09.2024	30.09.2023
	Shareholders' Equity		
279,352	Shareholders' Equity of the Group	281,030	284,631
4,315	Non-controlling interests	4,393	4,409
283,667	Total Shareholders' Equity	285,423	289,040
	Non-current liabilities		
138,547	Loans and borrowings due to banks and other lenders	160,782	171,924
36,433	Liabilities for leasing	35,489	35,484
7,968	Deferred tax liabilities	8,988	7,667
6,066	Employee benefits	6,619	6,153
2,885	Provisions for risks and charges	2,822	2,906
1,653	Other liabilities	664	1,373
193,552	Total non-current liabilities	215,364	225,507
	Current liabilities		
109,772	Trade and other payables	100,626	95,305
4,691	Current tax liabilities	5,112	5,338
86,424	Loans and borrowings due to banks and other lenders	81,765	66,056
7,503	Liabilities for leasing	8,151	7,368
603	Derivative financial instruments	1,124	425
1,791	Provisions for risks and charges	2,075	1,731
210,784	Total current liabilities	198,853	176,223
688,003	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	699,640	690,770

Statement of changes in consolidated equity for the Emak Group at 31.12.2023 and at 30.09.2024

Thousand of Euro	SHARE CAPITAL	SHARE PREMIUM	Treasury Shares	OTHER RESERVES					RETAINED EARNINGS		TOTAL GROUP	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL
				Legal reserve	Revaluation reserve	Cumulative translation adjustment	Reserve IAS 19	Other reserves	Retained earnings	Net profit of the period			
Balance at 31.12.2022	42,623	41,513	(2,835)	4,247	4,353	2,264	(952)	32,339	119,183	30,268	273,003	3,984	276,987
Profit reclassification				722				3,144	15,818	(30,268)	(10,584)	(204)	(10,788)
Other changes									79		79	(309)	(230)
Net profit for the period						(2,189)	(32)			19,075	16,854	844	17,698
Balance at 31.12.2023	42,623	41,513	(2,835)	4,969	4,353	75	(984)	35,483	135,080	19,075	279,352	4,315	283,667
Profit reclassification				522				2,598	8,627	(19,075)	(7,328)	(166)	(7,494)
Other changes									1,329		1,329	(87)	1,242
Net profit for the period						(5,776)				13,453	7,677	331	8,008
Balance at 30.09.2024	42,623	41,513	(2,835)	5,491	4,353	(5,701)	(984)	38,081	145,036	13,453	281,030	4,393	285,423

Comments on the financial statements

The interim report has been prepared under disclosure continuity, comparability, international best practice and transparency to the market. The Board of Directors of Emak S.p.A. has decided, because of membership in the STAR segment of the Euronext, to draw up and publish the quarterly reports, in compliance with art. 2.2.3, paragraph 3, letter. a) of the Regulation of Markets organized and managed by Borsa Italiana S.p.A. The reports are made available to the public in the usual forms of deposit at the registered office, the company website and the "eMarket Storage" storage mechanism.

In relation to the above, it is confirmed that the accounting principles and policies adopted by the Group in preparing the quarterly consolidated financial statements are consistent with those adopted in the consolidated financial statements at 31 December 2023, with the peculiarities shown below.

In this interim report IAS 19 is not applied as far as the quantification of changes in actuarial gains accrued in the period is concerned. In addition, in the context of disclosure of synthetic and essential character, are not observed all the detailed requirements of IAS 34, whenever it is assessed that its application does not bring meaningful information.

It should be noted that:

- when it has not been possible to obtain invoices from suppliers for the provision of consulting and other services, a reasonable estimate of these costs has been made on the basis of the stage of completion of the work;
- current and deferred taxes have been calculated using the tax rates applied in the current year in the individual countries of operation;
- the quarterly report is not subject to audit;
- all amounts are expressed in thousands of euros, unless otherwise specified.

Exchange rates used to translation of financial statements in foreign currencies:

31.12.2023	Amount of foreign for 1 Euro	Average 9 M 2024	30.09.2024	Average 9 M 2023	30.09.2023
0.87	GB Pounds (UK)	0.85	0.84	0.87	0.86
7.85	Renminbi (China)	7.82	7.85	7.62	7.74
1.11	Dollar (Usa)	1.09	1.12	1.08	1.06
4.34	Zloty (Poland)	4.31	4.28	4.58	4.63
20.35	Zar (South Africa)	20.07	19.23	19.89	19.98
42.00	Uah (Ukraine)	43.23	46.15	39.61	38.74
5.36	Real (Brazil)	5.70	6.05	5.42	5.31
10.93	Dirham (Morocco)	-	-	10.96	10.92
18.72	Mexican Pesos (Mexico)	19.30	21.98	19.28	18.50
977.07	Chilean Pesos (Chile)	1,018.44	1,006.93	890.08	959.80
11.10	Swedish krona (Sweden)	11.41	11.30	11.48	11.53

Significant, non-recurring transactions or atypical, unusual transactions

Acquisition of PNR Group

On 15 January 2024 the subsidiary Tecomec S.r.l. concluded the acquisition of the PNR group, headquartered in Voghera (Italy), made up of 5 companies (4 in Europe and 1 in the USA) and a total of 120 employees.

The companies are active in the design, production and marketing of components for industrial cleaning with applications in related sectors such as high-pressure washing and agriculture and in diversified sectors, such as metal, paper, chemical, pharmaceutical and food.

The pro forma results of the acquired Group for 2023 show a consolidated turnover of over 15 million euros, a normalized EBITDA margin estimated in the order of 22%.

The deal has guaranteed the 79.995% of the shares from the majority shareholder for a price equal to 11.9 million euros and a call option lasting in 12 months in favour of Tecomec S.r.l. for the remaining shares owned by the minority shareholder.

Simultaneously with the signing of the purchase contract, the parent company Pnr Italia S.r.l. paid 1.6 million euros as consideration for the acquisition of the shares of the other 4 target companies involved in the deal, pursuant to the overall agreements signed.

The fair value of the assets and liabilities of the pro forma PNR subgroup subject to acquisition of the controlling interest determined on the basis of the financial statements of December 31, 2023 and the price paid are detailed below:

€/000	Book values	Fair Value adjustments	Fair value of acquired assets and liabilities
Non-current assets			
Property, plant and equipment	4,033	-	4,033
Intangible fixed assets	141	5,313	5,454
Rights of use	2,122	-	2,122
Goodwill	0	-	0
Deferred tax assets	424	-	424
Other non current financial assets	39	-	39
Current assets			
Inventories	4,626	-	4,626
Trade and other receivables	3,803	-	3,803
Current tax receivables	243	-	243
Cash and cash equivalents	1,511	-	1,511
Non-current liabilities			
Loans and borrowings due to banks and other lenders	(506)	-	(506)
Liabilities for leasing	(1,822)	-	(1,822)
Employee benefits	(507)	-	(507)
Provisions for risks and charges	(81)	-	(81)
Deferred tax liabilities	-	(1,482)	(1,482)
Current liabilities			
Trade and other payables	(2,272)	-	(2,272)
Current tax liabilities	(478)	-	(478)
Loans and borrowings due to banks and other lenders	(1,133)	-	(1,133)
Liabilities for leasing	(300)	-	(300)
Total net assets	9,843	3,831	13,674
% interest held			79.995%
Equity of the Group acquired			10,938
Goodwill			962
Value of the share acquired			11,900
Purchase price paid			11,900
Cash and cash equivalents			1,511
Net cash outflow			10,389

The difference between the acquisition price paid and the fair value of the assets, liabilities and contingent liabilities at the acquisition date was recognized as goodwill.

The fair value adjustments refer to the valuation of the customer list of the acquired entities carried out during the Purchase Price Allocation as required by IFRS 3, amounting to € 5,313 thousand, and the related tax effects. The process of determining the fair value of the acquired assets and liabilities did not lead to the identification of further adjustments to be made to the respective book values, furthermore, the evaluation did not reveal any unreflected contingent liabilities.

The determination of the fair value of the acquired assets and liabilities has been performed under valuation methodologies recognized as best practice; in particular, the Multiperiod Excess Earnings Method has been considered for the customer list. The useful life of the acquired customer list has been estimated based on their turnover rate at 11 years.

The fair values of the assets, liabilities and contingent liabilities acquired were determined, in compliance with the provisions of IFRS 3 "Business Combinations", on a provisional basis, as the related valuation processes are still in progress.

On June 10, 2024, Tecomec S.r.l. exercised the call option to purchase the remaining 20.005% for a consideration of 1.5 million Euros, simultaneously paying 0.3 million Euros. The payment of the balance, amounting to 1.2 million Euros, is expected by October 31, 2024.

The effects of the acquisition of the remaining 20% of the PNR Group, being subsequent to the transfer of control of the same, have been directly recognized in equity, as a transaction between shareholders.

Share capital increase of Agres Sistemas Eletrônicos S.A.

On August 30, 2024, Tecomec S.r.l. and the minority shareholders subscribed to a capital increase in Agres Sistemas Eletrônicos S.A., through the conversion of intercompany loans and cash contributions, for a total amount of 11,778 thousand Reais.

Bagnolo in Piano (RE), November 13, 2024

On behalf of the Board of Directors

The Chairman

Massimo Livatino

Declaration of the manager in charge of preparing the accounting statements pursuant to the rules of Article 154-bis, paragraph 2 of Legislative Decree no. 58/1998

The manager in charge of preparing corporate accounting statements of EMAK S.p.A., Roberto Bertuzzi, based on his own knowledge,

certifies,

in accordance with the second paragraph of Art. 154-bis, of Italian Legislative Decree No. 58 of 24 February 1998, that the accounting information contained in the Quarterly Report at 30 September 2024, examined and approved today by the Board of Directors of the company, corresponds with the accounting documents, ledgers and records.

Faithfully
Bagnolo in Piano (RE), November 13, 2024

Roberto Bertuzzi
The Manager in charge of preparing the accounting
statements