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Oggetto : The Board of Directors has approved the Company's consolidated results as of December 31, 2024

Testo del comunicato

Vedi allegato



PRESS RELEASE

The Board of Directors has approved the Company's consolidated results as of December 31, 2024

- **FY24 Net sales: €183.5M, -12.5% YoY** – exceeding the guidance initially provided to the market
 - **Clea business: €21.3M (12% of Net sales)** – a stable contribution YoY
- **Adjusted Gross margin: €96.8M (52.7% of Net sales)** – consistent with the record level achieved in 2023
- **Adjusted EBITDA: €28.2M (15.4% of Net sales)**
- **Adjusted Net income: €1.4M (0.7% of Net sales)**
- **€15.6M cash generation in 4Q24 – Adjusted Net financial debt as of December 31st to €41.3M**

Arezzo, March 17, 2025 – The Board of Directors of SECO S.p.A. ("**SECO**" or the "**Company**") met today and approved the draft of the annual report as well as the consolidated results as of December 31, 2024, inclusive of sustainability reporting, which will be submitted for approval at the Shareholders' Meeting, that will be called for April 28, 2025, in a single call.

Massimo Mauri, CEO of SECO, commented:

"While 2024 presented significant challenges for our sector, I am proud that SECO remained steadfast in fostering relationships with its clients and accelerating its technological leadership.

Our strategic focus on high-value-add products & services, including our Clea IoT software suite, enabled us to maintain a best-in-class gross margin profile. We also fine-tuned our operations, improving our working capital and significantly reducing net debt to reinforce our financial strength overall.

These actions allowed us to exceed the guidance we had provided investors last summer and position ourselves to capture a substantial portion of the rebound I anticipate for 2025.

I am excited about the opportunities ahead, driven by a robust pipeline of new products & design wins, and fueled by our unwavering commitment to technological innovation and strategic partnerships.

Our focus on edge AI and the new HMI modular vision family positions us to meet the evolving needs of our clients and drive long-term value for our shareholders".



PRESS RELEASE

SECO's consolidated results in the period

Net sales changed from €209.8M as of December 31, 2023 to €183.5M as of December 31, 2024, decreasing by €26.3M (-12.5%). 2024 remained driven by the destocking trend which saw our key customers continue to reduce their inventory level. While we showed better resilience than the rest of the sector, this has led to a decrease in sales volumes across the various geographic areas and industrial verticals we serve.

During the period, the Edge computing revenue (€162.2M) decreased by 13% compared to the previous year, while the Clea business, as expected, proved to be more resilient, generating revenues of €21.3M and accounting for 12% of our top line over the period, a stable contribution compared to 2023.

Adjusted Gross margin¹ changed from €111.1M (53.0% of revenue) as of December 31, 2023 to €96.8M (52.7% of revenue) as of December 31, 2024, decreasing by €14.4M (-12.9%). The reduction in absolute value is attributed to the contraction in business volume. However, this indicator was broadly in line with the record-high level achieved in the previous year, mainly thanks to a slightly better sales mix for the Edge computing business and to the progressive reduction in the cost of components and raw materials used by SECO in its manufacturing processes.

To calculate Adjusted Gross margin, some adjustments have been made to account for the extraordinary and non-recurrent write-down on Biorespira components, a product developed during the COVID-19 emergency that has not yet been fully absorbed by the market: in particular, these items amounted to c.€4.1M overall in 2024. Gross of the above-mentioned adjustments, the Gross margin² changed from €111.1M as of December 31, 2023 to €92.6M as of December 31, 2024, -16.6%.

Adjusted EBITDA changed from €50.6M (24.1% of revenue) as of December 31, 2023 to €28.2M (15.4% of revenue) as of December 31, 2024, decreasing by €22.4M (-44.2%). While observing higher control over Opex, this evolution is largely explained by the previously mentioned sales dynamics, and the subsequent reduction in gross margin observed during the period and accentuated by the high operating leverage of the Company.

To calculate Adjusted EBITDA, some adjustments have been made to account for some items that are non-recurring or not related to the Group's operating performance: in particular, these items amounted to c.€12.6M overall in 2024³. Gross of the above-mentioned adjustments, the EBITDA changed from €45.0M as of December 31, 2023 to €15.6M as of December 31, 2024, -65.3%.

Adjusted EBIT⁴ changed from €34.1M (16.3% of revenue) as of December 31, 2023 to €6.8M (3.7% of revenue) as of December 31, 2024, with a decrease of €27.3M (-80.1%) as a result of the previously illustrated dynamics.

In addition to the above-mentioned adjustments, related to non-recurring items and items not related to the Group's operating performance, the Adjusted EBIT has been adjusted for the impairment of goodwill related to the SECO Mind USA CGU (€5.8M). This impairment is due to the fact that, during 2024, the US team has been terminated, having achieved the software application development objectives set, now integrated into the Clea platform. Gross

¹ *Adjusted Gross margin*: corresponds to the difference between the revenue from sales and the costs for raw materials, consumables and merchandise, net of the change in the amount of inventory occurred during the period, and gross of the inventory write-down of Biorespira components that is non-recurring.

² *Gross margin*: corresponds to the difference between the revenue from sales and the costs for raw materials, consumables and merchandise, net of the change in the amount of inventory occurred during the period.

³ These items mainly include the actuarial (non-monetary) value of the stock option plans attributed to some employees and key people of the Group (€5.0M), some non-recurring costs linked to extraordinary transactions not aimed at completion and other extraordinary Opex (€2.3M), tax reassessments following audits by the administrative authorities (€2.3M), inventory write-down of Biorespira components (€4.1M), and foreign exchange income (€1.2M).

⁴ *Adjusted EBIT*: corresponds to the result of the period gross of the income taxes, the financial income and expenses, the income or losses from foreign exchange transactions, the effects of non-recurring items and transactions that the directors consider as not related to the Group's operating performance, the amortization deriving from the Purchase Price Allocation related to the acquisition of the Garz & Fricke Group and the contribution in kind by Camozzi Digital S.r.l. and the impairment of goodwill related to the SECO Mind USA CGU.



PRESS RELEASE

of these adjustments, the EBIT changed from €24.6M as of December 31, 2023 to -€15.6M as of December 31, 2024, -163.4%.

Adjusted Net income⁵ changed from €22.9M (10.9% of revenue) as of December 31, 2023 to €1.4M (0.7% of revenue) as of December 31, 2024, decreasing by €21.5M (-94.0%).

Gross of the above-mentioned adjustments, related to non-recurring items and items not related to the Group's operating performance, as well as their estimated tax effect, the Net income changed from €14.6M as of December 31, 2023 to a net loss of €17.6M as of December 31, 2024, -220.7%.

Adjusted net financial debt⁶ significantly improved and changed from €52.0M as of December 31, 2023 to a net debt of €41.3M as of December 31, 2024.

A positive cash generation for €15.6M during the last quarter of the year explains this variation, which was mainly linked to the dynamics of net working capital observed during the period. In particular, a decrease in inventory of €9.1M (net of write-down on Biorespira components) was recorded in 2024, as a gradual result of the optimization actions taken during the previous quarters.

Significant events occurred after the end of the reporting period

On January 27, 2025, SECO and Nayax Ltd. (Nasdaq: NYAX; TASE: NYAX), a global commerce enablement and payments platform designed to help merchants scale their business by simplifying payments and maximizing loyalty, announced plans for a long-term strategic partnership to offer IoT-Integrated payment solutions for OEMs. Nayax's payment infrastructure will be embedded within SECO's products, empowering businesses to manage their payment flows and automated self-service points of sale through Clea, SECO's end-to-end IoT-AI software platform. The collaboration aims at delivering a joint value proposition of lower operational costs, advanced telematics, and flexible integrated payments to OEM customers across key verticals like vending, coffee, and electric vehicle supply equipment.

SECO outlook on the status of the business

Over the past year, we remained focused on fostering our client relationships and accelerating our technological leadership. As a result, we fueled our order backlog with a number of significant new design wins with both historical and new customers, strengthening the foundations for a gradual recovery in our revenue trajectory.

This inflection point will materialize as soon as the first quarter of 2025, where we anticipate to reach revenues in excess of €47M, maintaining a 50%+ Gross Profit Margin. The growth path for the year will be supported by a robust pipeline of new Edge products, as well as the increasing adoption of our Clea IoT software suite.

The investment case supporting our business remains intact as the industrial market is still at the beginning of a digital revolution, where the use of inference algorithms "at the Edge" will play a key role in the future technological

⁵ *Adjusted Net Income*: corresponds to the result of the period gross of the effects of non-recurring items, transactions that the directors consider as not related to the Group's operating performance, and the amortization deriving from the Purchase Price Allocation related to the acquisition of the Garz & Fricke Group, the contribution in kind by Camozzi Digital S.r.l. and the impairment of goodwill related to the SECO Mind USA CGU, considered taking into account an estimated tax effect based on a 24% tax rate (IRES tax rate).

⁶ To calculate this indicator, adjustments have been made considering current and non-current financial liabilities deriving from leases, accounted for as a result of the application of IFRS 16 (€9.1M), and the VAT credit (€2.1M), which is structurally generated by SECO as a regular exporter and can be cashed in through factoring without recourse.

Gross of the above-mentioned adjustments, the net financial position changes from a net debt of €65.1M as of December 31, 2023 to a net debt of €52.5M as of December 31, 2024.



PRESS RELEASE

advancements of OEMs. The growing demand for smart solutions is increasingly directed towards the implementation of Artificial Intelligence directly on local devices, enabling the launch of new high value-added services, leveraging field data, and introducing new business models. Our focus will remain on delivering innovative solutions that meet the evolving needs of our clients and drive value for our shareholders

Conference call

The results as of December 31, 2024 will be presented today afternoon, March 17, 2025, at 14.30 (CET), during a conference call with the financial community. The conference call can be attended by registering at the following link:

https://blc-co-uk.zoom.us/webinar/register/WN_qiaZO5kwQb-XDuRnikFQbw#/

Alternative performance indicators

In this press release, use is made of certain "alternative performance indicators" that are not envisaged in IFRS-EU accounting standards, and whose significance and content are illustrated below, in line with the ESMA/2015/1415 recommendations published on October 5, 2015.

Adjusted EBITDA: defined as the result of the period gross of the income taxes, the financial income and expenses, the depreciation and amortization, the income or losses from foreign exchange transactions, the effects of non-recurring items and transactions that the directors consider as not related to the Group's operating performance.

Adjusted Net financial debt: represents the algebraic sum between cash and cash equivalents, financial receivables, current and non-current financial debt, adjusted for the VAT credit, the current and non-current financial liabilities deriving from leases recognized as a result of the application of IFRS 16, and any put & call options subscribed.

Proposal for the allocation of the net result for the year

The Board of Directors will propose to the Shareholders' Meeting to cover SECO's net loss amounting to Euro 14,112,694 through the use, for the same amount, of the Extraordinary Reserve.

Additional Board of Directors resolutions

The Board of Directors which met today has also approved the following documents:

- Report on the Corporate Governance and Ownership structure pursuant to Article 123-ter of Legislative Decree No. 58/1998;
- Report on the remuneration policy and the remuneration paid pursuant to Article 123-ter, paragraphs 3-bis and 6 of Legislative Decree 58/1998.

In addition, inter alia, some further proposals of resolution to be submitted to the Ordinary and Extraordinary Shareholders' meeting, that will be called for April 28, 2025, in a single call, have been approved. In particular, the Shareholders' meeting, in the Ordinary part, will be asked to resolve, besides the aforementioned Report on the remuneration policy and the remuneration paid, on:



PRESS RELEASE

- the renewal of the authorization to the purchase and disposal of treasury shares, following the withdrawal of the last resolution adopted by the Shareholders' Meeting held on April 29, 2024. With regards to this, it is specified that the proposal aims at providing the Company with a useful strategic investment opportunity, also taking into account the purposes allowed by the existing regulation – including those mentioned in the article 5 of the EU 596/2014 Regulation (Market Abuse Regulation, hereinafter "MAR") and the practices allowed by art. 13 of the MAR where applicable, including but not limited to option programs involving shares or other shares assignments to employees or board members, or the possible use of shares as payment in extraordinary transactions, even involving the exchange of equity investments with other subjects, within the context of operations in the interest of the Company. The authorization to the purchase of treasury shares will be requested for a period of 18 months, effective from the Shareholders' Meeting resolution; the authorization to the disposal of the shares will be requested with no time constraints. All the information regarding the terms and the conditions of the authorization will be made available into the Explanatory Report on the treasury share buyback program that will be made available to the Shareholders according to the terms outlined by the existing regulation.

It is specified that as of today the Company does not hold any treasury shares.

The Shareholders' Meeting, in its extraordinary session, will also be called to resolve on amendments to the By-laws, specifically the removal of the current Article 6.4, due to the expiration of the maximum term for subscribing to the shares serving the stock option plan named "SECO S.p.A. Stock Option Plan".

The 2024 financial report and the notice of call of the Shareholders' Meeting will be made available to the public in accordance with the provisions of law on the Company's website (www.seco.com, section "Investor Relations"), as well as on the authorised storage device "eMarket STORAGE" on the website www.emarketstorage.com.

Within the terms outlined by the applicable laws and regulations, the Directors' Reports regarding the topics to be examined by the Shareholders' meeting and the additional documentation related to such topics will be made available on the Company's website (www.seco.com, section "Investor Relations" > "Corporate Governance"), as well as on the authorised storage device "eMarket STORAGE" on the website www.emarketstorage.com.

The Manager responsible for preparing the Company's financial reports, Lorenzo Mazzini, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance (Testo Unico della Finanza), that the accounting information contained in this press release corresponds to the documented results, accounts and bookkeeping records as of the date of this communication.



PRESS RELEASE

SECO

SECO (IOT.MI) is a high-tech company that develops and manufactures cutting-edge solutions for the digitalization of industrial products and processes. SECO's hardware and software offerings enable B2B companies to easily introduce edge computing, Internet of Things, data analytics, and artificial intelligence to their businesses. SECO's technology spans across multiple fields of application, serving more than 450 customers across sectors such as medical, industrial automation, fitness, vending, transportation, and many others. Through live monitoring and smart control of in-the-field devices, SECO solutions contribute to low environmental impact business operations via a more efficient use of resources.

For more information: <http://www.seco.com/>

Contacts

SECO S.p.A.

Clarence Nahan

Head of Corporate Development & Investor Relations

Tel. +39 0575 26979

investor.relations@seco.com



PRESS RELEASE

The accounting statements of SECO Group, not subject to independent auditing, are illustrated below.

Consolidated Statement of Financial Position

(in Euro thousands)	31/12/2024	31/12/2023
Property, Plants and Equipments	17.271	16.726
Intangible Assets	102.392	104.019
Right of Use	9.833	11.755
Goodwill	157.108	165.216
Non-current financial assets	10.839	13.201
Deferred tax assets	3.051	2.289
Other non-current assets	1.525	1.623
Total non-current assets	302.020	314.829
Inventories	72.647	85.827
Trade receivables	31.886	49.489
Current tax assets	6.974	9.458
Other receivables	4.816	4.077
Cash and Cash Equivalents	72.586	74.816
Total current assets	188.908	223.668
TOTAL ASSETS	490.928	538.497
Share capital	1.296	1.296
Reserves	232.036	232.037
Translation reserve	59.609	45.425
Net profit / (loss) of the year	(21.034)	11.864
Total Group Shareholders' Equity	271.907	290.622
Equity of Non-controlling interests	16.453	19.109
Net profit / (loss) of the year of Non-controlling interest	3.371	2.766
Minority interests	19.824	21.875
Total Shareholders' Equity	291.731	312.497
Employee Benefits	3.728	3.312
Provisions	1.279	1.235
Deferred tax liabilities	23.717	24.084
Non-current financial liabilities	97.734	106.928
Non-current lease liabilities	6.752	8.603
Other non-current liabilities	8	8
Total non-current liabilities	133.218	144.170
Current financial liabilities	8.023	11.031
Current part of N-C Financial Liabilities	10.212	11.211
Current lease liabilities	2.358	2.126
Trade payables	31.713	36.402
Other payables	10.845	11.728
Current tax liabilities	2.827	9.332
Total current liabilities	65.978	81.830
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	490.927	538.497



PRESS RELEASE

Consolidated Income Statement

(in Euro thousands)	31/12/2024	31/12/2023
Net Sales	183.512	209.822
Other Revenues	3.068	2.151
Consumption Costs	(78.429)	(101.684)
Changes in Inventories	(12.459)	2.970
Costs for services	(28.843)	(20.010)
Personnel costs	(42.247)	(40.657)
Depreciation and amortization	(30.018)	(20.435)
Accruals and Provisions	(142)	(28)
Other Operating Costs	(10.025)	(7.570)
Operating Profit	(15.582)	24.559
Financial income	6.312	4.433
Financial costs	(8.485)	(9.772)
Exchange gains/losses	1.194	14
Profit / (loss) before tax	(16.560)	19.234
Income taxes	(1.103)	(4.603)
Profit / (loss) for the year	(17.663)	14.631
Minorities Profit / (loss) for the year	3.371	2.766
Group Profit / (loss) for the year	(21.034)	11.864
Earning per Share	0,00	0,09
Diluted Earning per Share	0,00	0,09

Consolidated Statement of Comprehensive Income

(in Euro thousands)	31/12/2024	31/12/2023
Net profit for the year	(17.663)	14.631
Other comprehensive income/(expense) which may be subsequently reclassified to the income statement:	(1.281)	(5.775)
Translation differences	1.210	(1.785)
Net gain/(loss) on Cash Flow Hedge	(3.278)	(5.250)
Tax effect net gain/(loss) on Cash Flow Hedge	787	1.260
Other comprehensive income/(expense) which may not be subsequently reclassified to the income statement:	81	(99)
Discounting employee benefits	97	(131)
Tax effect discounting employee benefits	(16)	32
Total comprehensive income	(1.201)	(5.875)
Non-controlling interests	3.984	1.742
Parent company shareholders	(22.847)	7.015
Total comprehensive income	(18.863)	8.756



PRESS RELEASE

Consolidated Cash Flow Statement

(in Euro thousands)	31/12/2024	31/12/2023
Net profit for the year	(17.663)	14.631
Income taxes	1.103	4.603
Amortization & depreciation	30.018	20.435
Change in employee benefits	497	385
Financial income/(charges)	2.172	5.360
Exchange gains/(losses)	(1.194)	(14)
Costs for share-based payments	5.029	2.673
Other non-monetary income	(1.456)	-
Cash flow before working capital changes	18.505	48.073
Change in trade receivables	17.094	(1.237)
Change in inventories	13.181	(2.551)
Change in trade payables	(5.065)	(8.446)
Other changes in tax receivables and payables	(160)	(1.046)
Other changes in current receivables and payables	(1.320)	(422)
Other changes in non-current receivables and payables	(150)	(557)
Use of provisions for risks, receivables and inventories	44	(167)
Interest received	6.010	3.699
Interest paid	(8.877)	(9.555)
Exchange gains/(losses) realized	589	757
Income taxes paid	(4.963)	(2.858)
Cash flow from operating activities (A)	34.888	25.690
(Investments) /Disposals of property, plant and equipment	(5.107)	(2.959)
(Investments) /Disposals of intangible assets	(15.370)	(16.748)
(Investments) /Disposals of financial assets	280	(282)
Acquisition of business units net of cash and cash equivalents	-	-
Acquisition of subsidiaries net of cash and cash equivalents	-	-
Cash flow from investing activities (B)	(20.197)	(19.989)
New loan drawdowns	1.570	-
(Repayment) of bank loans	(11.763)	(20.779)
Change in current financial liabilities	(2.616)	(10.811)
Repayment lease financial liabilities	(2.363)	(2.169)
Dividends paid	(2.960)	-
Paid-in capital increase	(1)	64.666
Acquisition of treasury shares	-	-
Acquisition of shares from minorities	-	(173)
Cash flows from financing activities (C)	(18.132)	30.734
Increase (decrease) in cash and cash equivalents (A+B+C)	(3.441)	36.435
Cash & cash equivalents at beginning of the year	74.816	39.586
Translation differences	1.210	(1.204)
Cash & cash equivalents at end of the year	72.585	74.817



PRESS RELEASE

Consolidated Statement of Changes in Equity

(In Euro thousands)	01/01/2024	Share Capital increase	Allocation of profit	Dividends paid	Other changes	Comprehensive income/(loss)	31/12/2024
Share Capital	1.297	0	0	0	0	0	1.297
Legal reserve	289	0	0	0	0	0	289
Share premium reserve	232.036	-1	0	0	0	0	232.035
Other reserves	45.613	0	11.864	0	4.133	-2.491	59.119
Translation reserve	-216	0	0	0	0	598	382
FTA reserve	-371	0	0	0	0	0	-371
Discounting of employee benefits	109	0	0	0	0	80	189
Group profit (loss)	11.864	0	-11.864	0	0	-21.034	-21.034
Group Shareholders' Equity	290.621	-1	0	0	4.133	-22.847	271.908
Minority interests in shareholders funds	19.107	0	2.766	-2.960	-3.074	613	16.452
Discounting of employee benefits	0	0	0	0	0	0	0
Minority interests in profit (loss)	2.767	0	-2.766	0	0	3.371	3.372
Minority interests	21.875	0	0	-2.960	-3.074	3.984	19.824
Total Shareholders' Equity	312.496	-1	0	-2.960	1.059	-18.863	291.732

Fine Comunicato n.2358-17-2025

Numero di Pagine: 12