



PRESS RELEASE

SESA GROUP EXPANDS IN DIGITAL SECURITY SECTOR

YARIX, HEAD OF VAR GROUP'S DIGITAL SECURITY DIVISION, SIGNS A FRAMEWORK AGREEMENT FOR THE ACQUISITION OF 60% OF GENCOM S.R.L.

Gencom, based in Forlì, an annual turnover of Euro 10 million and an expected Ebitda 2019 of approximately Euro 1.6 million operates in networking and collaboration sector supporting Digital Security projects

Empoli, 13 May 2019

Sesa Group, reference player in Italy in the sector of value-added IT solutions for the business segment, announces the signing through the subsidiary Yarix S.r.l. of a framework agreement for the acquisition of 60% of the company Gencom S.r.l.

Gencom, based in Forlì and with 25 qualified human resources, operates in networking and collaboration sector supporting complex Digital Security projects with an annual turnover of approximately Euro 10 million, an historical and expected Ebitda of about Euro 1.6 million (Ebitda margin 16%), a Net Profit of approximately Euro 1 million and a Net Financial Position expected active at 30 April 2019 and at the closing date (net liquidity) for over Euro 1 million.

Thanks to this operation, Sesa Group strengthens its positioning in a strategic IT sector with high growth potential such as Digital Security, crucial for its customers. With the integration of Gencom, Var Group S.p.A. (fully owned by Sesa), through its division Digital Security Services will record in the next fiscal year at 30 April 2020 revenues for approximately Euro 25 million (with a double digit Ebitda margin) and over 100 qualified resources.

Yarix S.r.l., based in Montebelluna with a R&D laboratory in Tel Aviv is the subsidiary of Var Group S.p.A. leader of Digital Security Services division, operating with the mission of protect companies' information systems and IT data from losses and cyber-crime, events that are increasingly impacting the IT field. Gencom's offer will be integrated into the wider one of Yarix S.r.l. and Var Group in order to support even more completely the business of SME and Enterprise customers.

The price for the purchase of 60% of Gencom is equal to Euro 4.975 million, paid for about 50% at the moment of the final sale contract and for the remaining 50% in two equal annual tranches respectively after 12 and 24 months from the closing with adjustment mechanisms of interests and company's value to management continuity and future economic and financial results.

The agreement provides that the remaining 40% of Gencom's capital remains in the hands of the manager and founder Davide Fiumi, who will continue to be involved as Gencom's Managing Director, based on a ten-year collaboration agreement according to which Put Options are envisaged for the disposal of the remaining 40% of the capital to Sesa Group.

The acquisition of the majority of Gencom is part of investment and focus strategy of the Sesa Group on high value-added areas of IT market, with growth potential and Ebitda generation.



“The integration of Gencom into our Digital Security offer is an important accelerator of growth, enabling new business opportunities and meeting the increasingly demand for data protection and cyber security of our customers. The Digital Security segment is perceived as one of the most significant elements in companies’ digital transformation path. The inclusion of Gencom’s human capital increases the skills and specializations already developed by Yarix, national reference operator in cyber security field” stated Francesca Moriani, CEO of Var Group.

“The integration of Gencom is consistent with the Sesa Group’s strategy of focusing on high value-added IT areas, supporting the competitiveness and innovation of the main Italian industrial districts and allows the creation of a Digital Security Services platform with about eu 25 million of revenues (double digit Ebitda margin) and a human capital of over 100 resources. We continue to consider acquisitions in the Group’s core business, on high value-added areas with potential of development and Ebitda generation, with growth rates higher than Group’s historical track record, in order to meet our customers’ growing need for digital transformation” stated Alessandro Fabbroni, CEO of Sesa.

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This press release is also available on the Company’s website www.sesa.it, as well as on the authorized storage mechanism consultable at the website www.emarketstorage.com.

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Sesa S.p.A., based in Empoli (Florence) and activities throughout the Italian territory and some European areas, is the head of a Group leader in Italy in the sector of value-added IT solutions for the business segment, with consolidated revenues of Euro 1,363 million and about 1,650 employees (source: Consolidated Financial Statements at 30 April 2018). The Group has the mission of bring the most advanced technological solutions of major international Vendors of IT in the districts of the Italian and European economies, leading companies in the path of technological innovation. By partnering with the global leading brand in the industry (“IT Titans”), the skills of its human resources and investment in innovation, the Group offers ICT services and solutions (design, education, pre and post sales, Cloud Computing Solutions, Managed and Security Services, ERP & Vertical Solutions, Digital Solutions) to support the competitiveness and the digital transformation of customers. Sesa Group recorded at 30 April 2018 revenues for Euro 1,363 million, an Ebitda equal to Euro 63.1 million, a net profit attributable to the Group equal to Euro 26.9 million (source: Consolidated Financial Statements at 30 April 2018). Sesa Group pursues a sustainable growth policy towards all Stakeholders and recorded in the period 2011-2018 a track record of continuous growth in employment and revenues (revenues CAGR 2011-2018 + 9%) and profitability (Ebitda CAGR +9.1%). Sesa shares are listed in the MTA Italian Stock Exchange (STAR segment). ISIN Code: IT0004729759.

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