



PRESS RELEASE

SESA GROUP STRENGTHENS ITS POSITIONING IN CLOUD COMPUTING AND BIG DATA SECTOR PURCHASE OF 55% OF ZERO12 S.R.L. BY VAR GROUP S.P.A.

Empoli, 28 April 2020

Sesa Group ("SESA" – SES.MI), a leading Italian operator in the field of IT solutions for the business segment, signed a framework agreement following which Var Group S.p.A., the wholly-owned subsidiary active in the Software and System Integration sector, will rise to 55 % of the share capital of zero12 S.r.l. ("zero12").

zero12, of which Var Group S.p.A. already held 20%, is a company based in Padova with a human capital of about 20 resources specialized in IT solutions in the Cloud Computing and Big Data Analysis sector, with particular reference to the development of applications and SaaS architecture, business data Recommendation, Instant Marketing and about 50 customers active in the main web market places. zero12 has a consolidated partnership with Amazon Web Services (AWS) and MongoDB, reference operators in the Cloud, Big Data and Analytics sectors.

zero12 in the fiscal year 2019 recorded revenues equal to Eu 2.3 million, with an Ebitda of Eu 600 thousand (Ebitda margin equal to 25%) and a net profit after tax of Eu 431 thousand, with an active Net Financial Position (net cash) at 31 December 2019 for Eu 665 thousand. For the fiscal year 2020 is expected a 25% growth in revenues and profitability, thanks to the order portfolio already acquired and the growing demand for IT services in the reference sectors.

The acquisition price is in line with the reference Ev/Ebitda parameters applied by Sesa Group (4.75 times the normal average Ebitda) and will be paid in part at closing and in part in the 24 months following the transaction, verified the management continuity and on the basis of adjustment mechanisms of interests with the founders who will remain involved in the management and ownership for at least a ten-year period.

The acquisition has among the main milestones the managerial and operating continuity of the four founders, as well as of the team of 20 highly specialized resources, with an average age of approximately 30 years.

The transaction is consistent with Sesa Group's strategy of continuous investment and focus on higher value-added IT market areas, characterized by strong growth potential and value generation for its stakeholders, developing a strategic business line supporting the digital transformation process.

The acquisition completes Var Group's Digital Cloud offer and strategy, enriched with advanced technologies and skills, in partnership with the major international Vendors, supporting Made in Italy companies. In order to simplify the exit of Italian companies from the current emergency status, Var Group is developing Machine Learning applications and projects to support business processes as well as Digital Transformation and Servitization of activities such as e-commerce, indoor training and food delivery in economic key sectors like Manufacturing, Fashion and GDO.

"We further strengthen our skills in the Cloud Computing and Big Data sector to support the digital transformation of companies of the Italian economy, increasingly oriented towards digitalization and the adoption of Cloud solutions, also following the current market scenario. Thanks to this operation, approximately one year after the 20% initial capital acquisition, we promptly complete the integration of the application development and Big Data analysis Services of zero12 into our Digital Cloud platform. To face the challenges of companies in the New Normal Economy, innovative technologies and a great knowledge of business processes are required", stated Francesca Moriani, CEO of Var Group.

"In this moment, companies of all sizes open up to digital culture and adopt an innovative mindset aware that, only with these choices, they can work more productively and with greater creativity, integrating their products with high-value services. Cloud Computing is the basis on which build these new organizations in every sector



of our market. The integration into Var Group is a key step in order to continue our development path, with the common aim of pursuing long-term sustainable growth, enriching the skills developed in some of the most important Made in Italy sectors such as Fashion”, stated Stefano Dindo, founder and CEO of zero12.

“In a phase of strong acceleration of the digital transformation, Sesa Group continues the acquisition strategy by enriching its human capital in a sector with high growth potential such as Cloud Computing and Big Data, integrating highly specialized consultancy skills in order to support customers in some of the most important sectors of Made in Italy. In the current scenario, we will further use the external growth lever, based on the ability to identify industrially integrable companies in the long term, to support our sustainable growth path”, stated Alessandro Fabbroni, CEO of Sesa.

Sesa S.p.A., based in Empoli (Florence) and activities throughout the Italian territory and some European areas such as Germany, 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 about Euro 1,550 million, an Ebitda equal to Euro 74.3 million, a consolidated net profit of Euro 33.4 million and around 2,000 employees at 30 April 2019.

The Group has the mission to offer technological solutions and digital transformation services to Italian and European companies and organizations, leading them in the technological innovation path. Thanks to the skills and specialization of its human resources and the vertical solutions developed, the Sesa Group offers IT services and solutions from technological solutions to Collaboration, Cloud, Digital Process, ERP & Vertical Solutions, Business Services, Security in support of digital transformation of partners and customers. Sesa Group operates through three main business sectors:

- the VAD (Value Added Distribution) sector with revenues for Euro 1,301.3 million, an Ebitda equal to Euro 46.6 million, a net profit of Euro 23.9 million;

- the SSI (Software e System Integration) sector with revenues for Euro 342.8 million, an Ebitda equal to Euro 26.2 million, a net profit of Euro 9.6 million;

- the Corporate sector with revenues for Euro 17.1 million and an Ebitda equal to Euro 1.7 million.

Starting from March 2020 it began the consolidation of the Business Service sector with pro-forma annual revenues of approximately Euro 50 million and a human capital of 300 human resources specialized in Business Process Outsourcing for the financial sector.

At a consolidated level, Sesa recorded at 30 April 2019 Total Revenues and Other Income for Euro 1,550.6 million, an Ebitda equal to Euro 74.3 million, a consolidated net profit of Euro 33.4 million with an equity of Euro 232.6 million an active Net Financial Position equal to Euro 41.8 million (source: consolidated financial statements at 30 April 2019).

Sesa Group pursues a sustainable growth policy towards all Stakeholders and recorded in the period 2011-2019 a track record of continuous growth in employment, revenues (revenues CAGR 2011-2019 +9.6%) and profitability (Ebitda CAGR 2011-2019 +10.1%). Sesa shares are listed in the MTA Italian Stock Exchange (STAR segment). ISIN Code: IT0004729759.

For Media Information

Community S.r.l.
Lea Calvo Platero
+39 02 89404231 - sesa@communitygroup.it

Idea Point S.r.l.
Alessandro Pasquinucci
+39 0571 99744 - info@ideapoint.it

For Financial Information

Sesa S.p.A.
Conxi Palmero, Investor Relations Manager
+39 0571 997326 - investor@sesa.it