



PRESS RELEASE

SESA GROUP STRENGTHENS ITS POSITIONING IN COGNITIVE AND ADVANCE ANALYTICS SECTOR

PURCHASE BY VAR GROUP OF THE COMPANIES ANALYTICS NETWORK AND SPS

Empoli, 27 May 2020

Il Gruppo Sesa (“SESA” – SES.MI), a leading Italian operator in the field of IT solutions for the business segment, signed a framework agreement for the purchase of a majority stake of Analytics Network Srl (“AN”) and SPS Srl (“SPS”) by Var Group S.p.A. (“Var Group”), Sesa wholly-owned subsidiary active in the Software and System Integration sector.

AN is an operator focused on the development of cognitive analytics solutions and services for the enterprise segment while SPS is specialized in the offering of IBM SPSS (advance analytics) software solutions. AN and SPS have a human capital of about 20 resources with a consolidated expertise, for over 20 years, in data analytics to support business processes, predictive analysis, machine learning, artificial intelligence both cloud based and on-premise and a customer base of approximately 500 cross industry clients.

In the fiscal year ended 31 December 2019, AN and SPS jointly recorded revenues for around Euro 6.0 million, an Ebitda of over Euro 1.0 million and a net profit of approximately Euro 0.5 million, with a Net Financial Position active at the closing for approximately Euro 0.25 million.

The price - in line with the reference EV/Ebitda ratio normally applied by Sesa Group (4.75x normalized average Ebitda) - will be paid in part at closing and in part in the following 36 months, verified the business continuity and on the basis of adjustment mechanisms of interests which provides for a collaboration agreement with the founder Stefano Da Col, who will remain involved in management with key roles for at least a ten-year period. The operation provides for progressive purchase mechanisms up to 100% of the capital of AN and SPS based on the continuity of future results on a multi-year basis. The inclusion in the Sesa scope of consolidation is expected from May 2020.

The operation follows those recently announced to the market, such as zero12 (Cloud Solutions) and Infolog (WMS Software Solutions) and is consistent with the acceleration strategy of acquisitions by Sesa Group in the current market phase, characterized by growing demand of innovation and digitalization of companies and organizations, in one of the most innovative IT areas such as cognitive analytics.

All M&A transactions carried out so far are based on a long-term industrial integration plans, providing at the same time for the involvement of the acquired companies’ human capital.

The cognitive and advance analytics sector, characterized by strong growth potential, will be for Var Group a strategic business line, in support of the digital transformation process of companies and organizations, in partnership with one of the main Vendors in the sector such as IBM and with the aim to accelerate the business as happened in the past for other specialized companies industrially integrated.

“We enrich our skills in a sector with strong growth potential such as cognitive analytics, which will constitute for Var Group a strategic business line, in partnership with one of the main Vendors in the sector such as IBM and with the aim of business acceleration, as happened in the past for other specialized companies industrially integrated with our organization. In order to face the challenges of companies in the New Normal Economy and the restart of the Made in Italy districts, innovative technologies and specific knowledge of business processes are needed. The skills of AN and SPS will be enhanced in the context of a long-term development plan oriented towards industrial continuity and human capital growth”, stated Francesca Moriani, CEO of Var Group.



“Analytics Network and SPS are companies with over 20 years of experience in Data Science with a consolidated expertise in predictive analytics, machine learning and artificial intelligence, operating with a coverage of about 500 cross industry customers. This operation will allow us to increase our presence on the market, on the basis of a long-term plan and development of human capital, to support the digital transformation processes of companies and organizations”, stated Stefano Da Col, CEO and Founder of SPS S.r.l. and Analytics Network S.r.l.

“The operation follows those recently announced to the market, such as zero12 (Cloud Solutions) and Infolog (WMS Software Solutions) and is consistent with the acceleration strategy of acquisitions by Sesa Group in the current market phase characterized by growing demand of digital transformation, in one of the most innovative IT areas such as cognitive analytics. All M&A operations are based on industrial integration plans with the long-term involvement of human capital. We will continue to use the external growth lever, based on the ability to identify industrially integrable companies, feeding our long-term sustainable growth path, for the benefit of all Stakeholders”, 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.

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