



## PRESS RELEASE

### **SESA GROUP STRENGTHENS ITS POSITIONING IN PROPRIETARY SOFTWARE PURCHASE BY VAR GROUP OF 51% OF INFOLOG S.P.A., ACTIVE IN SOFTWARE SOLUTIONS DEVELOPMENT FOR LOGISTICS AND ERP MANAGEMENT**

**Empoli, 14 May 2020**

Sesa Group ("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 51% of Infolog S.p.A. ("Infolog") by Var Group S.p.A. ("Var Group"), Sesa wholly-owned subsidiary active in the Software and System Integration sector,

Infolog, founded in the 90s and based in Modena, has over 40 specialized resources in the design and development of software solutions for the digitalized management of warehouse logistics (warehouse management system, "WMS") and ERP management solutions, with over 200 customers active in some of the main sectors of Made in Italy such as fashion, manufacturing, healthcare. It has developed an advanced proprietary software solution of WMS, which can be integrated with the main domestic and international ERPs, cloud enabled, multilingual and multiplatform, allowing to complete the Var Group software offer on the Enterprise and SME market.

In 2019 Infolog recorded revenues for Eu 4.2 million, an Ebitda of approximately Eu 1 million (Ebitda margin over 20%) and a net profit of around Eu 350 thousand; at 31 December 2019 the Net Financial Position was negative for approximately Eu 500 thousand.

The acquisition 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 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 at least for a ten year period. The acquisition therefore has among the main milestones the managerial and operating continuity of the founders (Giorgio Tesorieri, Paolo Lugli and Umberto Vescovini) and the internal team of specialized resources.

Thanks to the operation, Var Group strengthens its position on a strategic business line such as vertical software and ERP solutions to support the digital transformation process of Italian and European companies and it's aimed - also thanks to its important and widespread commercial presence in Italy - to significantly develop the activity of Infolog, as already happened for other companies joined to Sesa Group. The acquisition follows those recently communicated to the market including zero12 (Cloud solutions) and is consistent with Sesa Group's strategy of continuous investment and focus on higher value-added IT market areas.

*"We enrich our skills in the sector of software solutions for advanced logistics to integrate our offer of ERP solutions to support the digital transformation of customers. 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. Infolog's skills will be enhanced within our organization as part of a development plan focused on industrial continuity and human capital growth",* stated Francesca Moriani, CEO of Var Group.

*"Infolog, already recognized as one of the leading WMS software producers in Italy, with Var Group, will be able to further consolidate the development of its on-premise and Cloud solutions for the Intra-Logistics and value-added management systems. We expect a strong acceleration of growth both in revenues and in terms of human capital, with a consequent increase in our presence on the market in Italy and abroad. The operation aims to develop, in a long-term plan, additional skills in the field of digitization and automation of logistics*



*processes for the benefit of the Group's customers and the most important Made in Italy production districts”*, stated Giorgio Tesorieri, CEO of Infolog.

*“Sesa Group further increases its human capital in a value-added sector such as software solutions, integrating highly specialized skills supporting the digitalization and automation of Italian and European client companies. In this scenario, 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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