



PRESS RELEASE

SESA GROUP EXPANDS ITS PRESENCE IN CHINA

VAR GROUP STRENGTHENS THE OFFER OF DIGITAL MARKETING SERVICES FOR MADE IN ITALY COMPANIES ON THE CHINESE MARKET THANKS TO THE ACQUISITION OF 55% OF FEN WO SHANGHAI (FIREWORKS) BY ADIACENT CHINA

Empoli, February 9, 2021

Sesa Group ("SESA" – SES.MI), reference operator in Italy in the sector of technological innovation and IT and digital services for the business segment, expands its presence on the Chinese digital services market through the wholly owned subsidiary Var Group S.p.A., head of Group's *Software and System Integration* sector.

Var Group strengthens its presence on the Chinese market thanks to the acquisition of 55% of Fen Wo Shanghai Ltd by its subsidiary Adiacent, thus developing the offer of digital marketing and customer experience services to support Made in Italy on the Chinese market.

Fen Wo Shanghai Ltd (Fireworks) has been present in China since 2013, with a team of 15 resources based in Shanghai and offers digital and marketing solutions for Italian and international companies operating on the Chinese market. Fen Wo Shanghai Ltd (Fireworks) owns 15 registered software patents in China and is certified as a High-Tech Enterprise by the Shanghai government. Its client base includes leading brands in the fashion, design, wine and spirits sectors such as Ginori1735, Tumi, Rossignol, Arper and the first Italian luxury outlet operator in China, Florentia Village.

Adiacent already boasts a direct presence in China in offering digital marketing solutions on Chinese e-commerce and social media platforms thanks also to the collaboration with Alibaba Group which, as part of the *Easy Export* project developed with UniCredit Group, has taken it further 400 Italian companies to land on the largest b2b marketplace in the world.

Thanks to this acquisition, which will be performed by 30 June 2021, Adiacent China in the fiscal year to 30 April 2022 will develop a total of approximately 4 million in revenues with an expected Ebitda margin of 20% and around 40 human resources based in China, mostly native speakers and specialized in e-commerce marketing, able to manage all aspects of digital transformation of international companies in China. Digital opportunities in the Chinese market are constantly growing and have not been slowed down by COVID-19, with e-commerce market annual growth rate of 10.9% for a total of over Eu 1,500 billion in 2020¹. Adiacent thus strengthens its positioning as specialized agency in digital export, with a specific focus on the Chinese market and with partnerships with the main platforms in the sector including Tmall, Tmall Global, WeChat, Jd.com and Baidu.

The acquisition will contribute to the results of the Sesa Group from the fiscal year to 30 April 2022, with annual revenues of approximately 2.5 million and an expected Ebitda margin of 20% and was made on the basis of a price in line with the reference EV/Ebitda (4.75 x normalized Ebitda) ratio generally applied for such transactions by the Sesa Group. The price will be paid in part at the closing and in part in the following 24/48 months, once the business continuity and development have been verified. The operation, in which Fireworks was assisted by William De Ascanis as financial advisor, implies the involvement in the management of the CEO and Fireworks partners Andrea Fenn, Chenyin Pan, Zhang Yan and Cheng Zhengzheng, who together with Lapo Tanzj, former CEO of Adiacent China, will apply to the business development of Adiacent China with long-term sustainable growth and value creation objectives.

¹ <https://www.chinainternetwatch.com/30910/retail-sales/>



Thanks to this operation, Var Group will integrate the offer for digital services for internationalization with skills and technical resources in China to support Italian and European companies in landing one of the largest digital markets in the world.

“We strengthen our ability to support Italian and European companies in bringing their excellence to one of the world’s largest digital markets such as China, in a crucial phase of the companies’ digital transformation and economic recovery. We welcome the Andrea Fenn and Fireworks team that enriches us with new skills and specializations”, stated **Francesca Moriani, CEO of Var Group**.

“Adiacent has already developed a stable presence in China as well as a strategic partnership with the Alibaba Group: thanks to this operation we are expanding our role as Digital Enabler on the Chinese Market with the involvement of additional specialized human resources and the entry of a young talent such as Andrea Fenn who together with Lapo Tanzj will develop the business of Adiacent China in the following years”, stated **Paola Castellacci, CEO of Adiacent**.

“The Sesa Group continues its strategy of investment in skills and innovation also on foreign markets, enriching its human capital with specialized resources in China with a focus on one of the largest digital markets in the world. The acceleration in the use of external growth, through long-term industrial project, will contribute to the generation of sustainable value for the benefit of our stakeholders”, stated **Alessandro Fabbroni, CEO of Sesa**.

Sesa S.p.A., based in Empoli (FI), is reference player in Italy in technological innovation solutions and IT and digital services for business segment. The Sesa Group operates on the whole national territory with presence over some European countries including Germany, Spain, Switzerland, with consolidated revenues of Euro 1,776 million, an Ebitda of Euro 94.5 million, a consolidated net profit after tax of Euro 42.2 million with over 2,500 employees (Financial Year data as of April 30, 2020).

The Group has the mission of offering technological innovation solutions and Digital Transformation services to companies and organizations. Thanks to the skills and specializations of its human resources and the solutions developed, Sesa Group operates in sectors such as Security, Collaboration, Cloud, Digital Process, ERP & Vertical Solutions, Customer Experience to support digital transformation of partners and customers.

The Sesa Group operates through three main business sectors:

- the VAD (Value Added Distribution) Sector with Revenues of Euro 1.45 billion and approximately 400 human resources;
- the SSI (Software and System Integration) Sector with revenues of approximately Euro 400 million and over 1,800 employees;
- the BS (Business Services) Sector with revenues of approximately Euro 50 million and approximately 300 employees, consolidated since March 2020.

The Corporate Sector manages Group operating and financial platform as well as the Strategic Governance with revenues of approximately Euro 20 million and 180 human resources.

The Sesa Group pursues a sustainable development policy for the benefit of its Stakeholders and over 2011-2020 period has achieved a track record of continuous growth in employment, revenues (CAGR revenues 2011-2020 +10.1%) and profitability (CAGR Ebitda 2011 -2020 + 11.9%, CAGR EAT Adjusted 2011-2020 +15.2%). Sesa S.p.A. is listed on the STAR segment of Borsa Italiana MTA Market (ISIN Code: IT0004729759).

For Media Information	For Financial Information
Community S.r.l. Lea Calvo Platero +39 02 89404231 - sesa@communitygroup.it Idea Point S.r.l. Alessandro Pasquinucci +39 0571 997374 - info@ideapoint.it	Sesa S.p.A. Conxi Palmero, Investor Relations Manager +39 0571 997326 - investor@sesa.it