



PRESS RELEASE

APPROVAL OF THE CONSOLIDATED INTERIM REPORT FOR THE NINE-MONTH PERIOD AS OF JANUARY 31, 2021

STRONG GROWTH OF GROUP REVENUES AND PROFITABILITY AGAIN

- **Total Revenues and Other Income: Eu 1,534.3 million (+14.1% Y/Y)**
- **Consolidated Ebitda: Eu 92.2 million (+32.7% Y/Y), Ebitda Margin: 6.01% (vs 5.17% Y/Y)**
- **Consolidated Adjusted Net profit attributable to the Group¹: Eu 43.5 million (+40.8% Y/Y)**
- **Consolidated Adjusted NFP² (net liquidity) equal to Eu 60.4 million vs Eu 1.1 million Y/Y**
- **Human resources growth reaching a total of 3,278 employees as of January 31, 2021 (+48% Y/Y)**

Empoli (FI), March 11, 2021

The Board of Directors of Sesa S.p.A., leading player in Italy in the sector of technological innovation solutions and IT and digital services for the business segment, today discussed and approved the consolidated Interim Report for the 9-month period as of January 31, 2021, drawn up in accordance with the EU-IFRS accounting standards.

Sesa Group records a further acceleration of the growth trend already observed in the first six months of the Fiscal Year, well above that of the reference market and the historical and long-term track record of the Group (CAGR Revenues 2011-2020 +10.1 %, CAGR Ebitda 2011-2020 +11.9%, CAGR 2011-2020 Adjusted EAT +15.2%).

Growth is supported by the **Group's focus on market segments with greater added value in favor of the demand for digitalization** by companies and organizations.

In the period under review the Group also benefited from recent **M&A operations, of which 3 carried out since January 2021 and 16 since January 2020**, adding skills and human resources in strategic areas of digital evolution.

At consolidated level, **Revenues and Other Income as of January 31, 2021 amounted to Eu 1,534.3 million (+14.1% Y/Y), of which:**

- **VAD Sector Eu 1,213.9 million (+10.6% Y/Y)**, thanks to the further strengthening of its leadership on the Italian value distribution market in the segments Cloud, Security, Enterprise Software and Datacenter Value Solutions;
- **SSI Sector Eu 355.1 million (+15.1% Y/Y)**, thanks to the growth in the segments Cloud, Security, Cognitive & Analytics, ERP & Vertical Solutions, Customer Experience, supported by M&A operations and human resources development;
- **Business Services sector Eu 33.6 million**, a new sector of the Group consolidated since March 2020.

Thanks to the growth in revenues (+14.1% Y/Y) and Gross Margin (+28.2% Y/Y) and despite the greater incidence of personnel costs resulting from growing positioning of the Group in the areas of digital services, **the consolidated Ebitda as of January 31, 2021 is equal to Eu 92,209 thousand (+32.7% Y/Y), with an Ebitda Margin of 6.01%** (vs Ebitda Margin 5.17% Y/Y), of which:

¹Adjusted EBIT and Adjusted Profit before taxes before amortisation and depreciation of intangible assets (client lists and know-how) recorded as a result of the Purchase Price Allocation (PPA) process relating to corporate acquisitions. Adjusted Net Profit and Adjusted Net Profit attributable to the Group before amortisation and depreciation of intangible assets (client lists and know-how) recorded as a result of the PPA process relating to corporate acquisitions, net of the related tax effect.

²PFN Adjusted, excluding commitments to deferred payments (equal to Euro 49,133 thousand as of January 31, 2021 and ed Eu 12,928 thousand as of January 31, 2020) for corporate acquisitions (Earn Out, Put Option, deferred prices) non-interest bearing and subject to reaching objectives of long-term creation of value.



- **VAD sector Eu 48,200 thousand (+20.7% Y/Y)**, with an Ebitda Margin of 3.97% (vs 3.64% Y/Y);
- **SSI sector Eu 39,810 thousand (+45.8% Y/Y)**, with an Ebitda Margin of 11.21% (vs 8.85% Y/Y);
- Business Services sector Eu 1,706 thousand, with an Ebitda Margin of 5.08%.

The changes in the consolidation perimeter resulting from the recent corporate acquisitions have contributed for approximately 45% of the growth in revenues and in operating profitability, confirming the ability to generate value in a sustainable way, which has always been a distinguishing feature of Sesa Group.

The consolidated Operating Result (Ebit) as of January 31, 2021 is equal to Eu 63,878 thousand (+29.8% Y/Y), with an Ebit Margin of 4.16% (vs 3.66% Y/Y), after amortization of tangible and intangible assets of Eu 16,907 thousand (+42.3% Y/Y), amortization of client lists and technological know-how relating to company acquisitions of Eu 4,998 thousand (+61.7% Y/Y) and provisions and other non-monetary costs of Eu 6,426 thousand (+ 22.0%).

The consolidated Adjusted Operating Result (Ebit) as of 31 January 2021, gross of amortization of intangible assets, client lists and know-how recorded following the PPA process, **is equal to Eu 68,876 thousand (+31.7% Y/Y), with an Ebit Adjusted Margin of 4.49% (vs 3.89% Y/Y)**.

The consolidated Earning before taxes (Ebt) as of January 31, 2021 is equal to Eu 62,511 thousand (+33.6% Y/Y), after a passive net balance of financial management, including the profit from companies valued at equity for Eu 1,367 thousand.

The consolidated Earnings after taxes (Eat) as of January 31, 2021 is equal to Eu 43,914 thousand (+35.0% Y/Y), with an Eat Margin of 2.86% (vs 2.42% Y/Y).

The consolidated Adjusted Net profit attributable to the Group as of January 31, 2021 (profit attributable to the Group's Shareholders before amortization of client lists and know-how recorded as a result of the PPA process) **is equal to Eu 43,483 thousand (+40.8% Y/Y)**.

The consolidated NFP as of January 31, 2021 is positive (net liquidity) for Eu 11,296 thousand increasing by Eu 23,135 thousand compared to the consolidated NFP negative for Eu 11,839 thousand (net debt) as of January 31, 2020, thanks to the cash flow generated by operations (over Eu 100 million in the twelve-month period as of January 31, 2021), net of investments in corporate acquisitions and technological infrastructures equal to approximately Eu 80 million.

The consolidated Adjusted NFP³ as of January 31, 2021 is positive (net liquidity) for Eu 60,429 thousand with a strong improvement vs Eu 1,089 thousand as of January 31, 2020, thanks to the cash flow generated by operations (over Eu 100 million in the twelve-month period as of January 31, 2021), net of investments in corporate acquisitions and technological infrastructures for Eu 50 million.

In the period, the **consolidated Shareholders' Equity** further strengthened and amounted to Eu 282,576 thousand as of January 31, 2021, improving compared to Eu 251,566 thousand as of January 31, 2020.

Following the acceleration in revenues growth in the first 9 months of the Fiscal Year, the development of human resources and related skills, as well as the favourable trend in digitalization demand, Sesa Group **confirms the positive outlook for the Fiscal Year ending April 30, 2021 and for the next Fiscal Year ending April 30, 2022**, with revenues up by about 15% and Ebitda up by about 30% in the Fiscal Year at April 30, 2021 and revenues up by approximately 10% and Ebitda up by approximately 20% in the Fiscal Year at April 30, 2022.

The Group will intensify its reference role on the market by supporting the digital transformation process of its customers and partners in an evolution phase such as the current one, pursuing sustainability policies for the benefit of all our Stakeholders.

³ PFN Adjusted, excluding commitments to deferred payments (equal to Euro 49,133 thousand as of January 31, 2021) for corporate acquisitions (Earn Out, Put Option, deferred prices) non-interest bearing and subject to reaching objectives of long-term creation of value



“We continue our growth path, with a strong acceleration in revenues and profitability driven by the development of human resources and skills, and by the demand for digital transformation of companies and organizations. Thanks to investments in human resources and our solid M&A pipeline, we confirm the favorable outlook for the Financial Year ending April 30, 2021 and for the next Fiscal Year ending April 30, 2022, strengthening the role of reference player in digitalization of the economy, with a sustainable growth strategy for the benefit of all our Stakeholders” stated Alessandro Fabbroni, CEO of Sesa.

“In a phase of crucial market transformation with the continuous growth of the demand of digital solutions, we focus our investment in areas with higher content of technological innovation, in partnership with major international digital players of IT sector and our customers, developing skills, specialization and size of our human resources” stated Paolo Castellacci, Chairman of the BoD.

Here attached you can find the following exhibits (in thousand Euros):

- Exhibit n. 1 - Reclassified Consolidated Income Statement as of January 31, 2021
- Exhibit n. 2 - Reclassified Consolidated Balance Sheet as of January 31, 2021
- Exhibit n. 3 - Consolidated Income Statement as of January 31, 2021
- Exhibit n. 4 - Consolidated Statement of Financial Position as of January 31, 2021
- Exhibit n. 5 - Segment Information as of January 31, 2021

This press release is also available on the company's website www.sesa.it, as well as at the authorized storage mechanism eMarket Storage available at www.emarketstorage.com.

Dr. Alessandro Fabbroni, in his capacity as manager in charge of preparing the Corporate Accounting documents, declares pursuant to paragraph 2 of article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release matches the information included in the accounting books and records.

Sesa S.p.A., (“SESA” – SES.MI) 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).



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Exhibit 1 – Reclassified Consolidated Income Statement as of January 31, 2021 (in thousand Euros).
Results at 31/01/2021 approved by the Board of Directors held on March 11, 2021, unaudited

Reclassified Income Statement	31/01/2021 (9 months)	%	31/01/2020 (9 months)	%	Change 2021/20
Revenues	1,523,733		1,336,278		14.0%
Other income	10,546		8,494		24.2%
Total Revenues and Other Income	1,534,279	100.0%	1,344,772	100.0%	14.1%
Purchase of goods	1,207,122	78.7%	1,089,537	81.0%	10.8%
Costs for services and leased assets	115,908	7.6%	99,046	7.4%	17.0%
Personnel costs	116,120	7.6%	83,809	6.2%	38.6%
Other operating charges	2,920	0.2%	2,914	0.2%	0.2%
Total Purchase of goods and Operating Costs	1,442,070	94.0%	1,275,306	94.8%	13.1%
Ebitda	92,209	6.01%	69,466	5.17%	32.7%
Amortisation tangible and intangible assets	16,907		11,884		42.3%
Amortisation client lists and technological know-how (PPA)	4,998		3,091		61.7%
Accruals to provision for bad debts and risks and other non-monetary costs	6,426		5,268		22.0%
Ebit	63,878	4.16%	49,223	3.66%	29.8%
Profit from companies valued at equity	1,718		1,226		40.1%
Net financial income and charges	(3,085)		(3,673)		-16.0%
Ebt	62,511	4.07%	46,776	3.48%	33.6%
Income taxes	18,597		14,249		30.5%
Net profit	43,914	2.86%	32,527	2.42%	35.0%
<i>Net profit attributable to the Group</i>	<i>39,925</i>	<i>2.60%</i>	<i>28,682</i>	<i>2.13%</i>	<i>39.2%</i>
<i>Net profit attributable to non-controlling interests</i>	<i>3,989</i>		<i>3,845</i>		<i>3.7%</i>
Adjusted* Ebit	68,876	4.49%	52,314	3.89%	31.7%
Adjusted* Ebt	67,509	4.40%	49,867	3.71%	35.4%
Adjusted* Net profit	47,472	3.09%	34,727	2.58%	36.7%
<i>Adjusted* Net profit attributable to the Group</i>	<i>43,483</i>		<i>30,882</i>		<i>40.8%</i>

(*) Adjusted Ebit and Adjusted Ebt are gross of the amortisation of intangible assets (client lists and technological know-how) recorded as a result of the Purchase Price Allocation (PPA) process. Adjusted Net profit and Adjusted Net profit attributable to the Group are gross of the amortisation of intangible assets (client lists and technological know-how) recorded as a result of the Purchase Price Allocation (PPA) process, both net of the related tax effects.



Exhibit 2 – Reclassified Consolidated Balance Sheet as of January 31, 2021 (in thousand Euros).
Results at 31/01/2021 approved by the Board of Directors held on March 11, 2021, unaudited

Reclassified Balance Sheet	31/01/2021	31/01/2020	30/04/2020
Intangible assets	114,416	66,579	74,273
Property, plant and equipment (rights of use included)	94,964	73,697	83,958
Investments valued at equity	13,273	11,673	12,158
Other non-current receivables and deferred tax assets	28,269	25,595	25,715
Total non-current assets	250,922	177,544	196,104
Inventories	94,276	100,115	91,127
Current trade receivables	550,284	542,534	393,645
Other current assets	74,373	55,120	48,646
Current assets	718,933	697,769	533,418
Payables to suppliers	481,741	451,636	379,066
Other current payables	146,840	113,556	99,610
Short-term operating liabilities	628,581	565,192	478,676
Net working capital	90,352	132,577	54,742
Non-current provisions and other tax liabilities	30,667	17,937	20,665
Employee benefits	39,327	28,779	31,022
Non-current net liabilities	69,994	46,716	51,687
Net Invested Capital	271,280	263,405	199,159
Equity	282,576	251,566	253,859
Medium-Term Net Financial Position	210,567	129,126	187,038
Short-Term Net Financial Position	(221,863)	(117,287)	(241,738)
Total Net Financial Position (Net Liquidity)	(11,296)	11,839	(54,700)
Equity and Net Financial Position	271,280	263,405	199,159



Exhibit 3 - Consolidated Income Statement as of January 31, 2021.

Results at 31/01/2021 approved by the Board of Directors held on March 11, 2021, unaudited

<i>(in thousand Euros)</i>	Period ended on January 31	
	2021	2020
Revenues	1,523,733	1,336,278
Other income	10,546	8,494
Consumables and goods for resale	(1,207,122)	(1,089,537)
Costs for services and rent, leasing and similar costs	(118,351)	(101,044)
Personnel costs	(116,120)	(83,809)
Other operating costs	(6,903)	(6,184)
Amortisation and depreciation	(21,905)	(14,975)
EBIT	63,878	49,223
Profit from companies valued at equity	1,718	1,226
Financial income	7,527	2,589
Financial charges	(10,612)	(6,262)
Profit before taxes	62,511	46,776
Income taxes	(18,597)	(14,249)
Profit for the period	43,914	32,527
<i>Of which:</i>		
Net profit attributable to non-controlling interests	3,989	3,845
Net profit attributable to the Group	39,925	28,682



Exhibit 3 - Consolidated Statement of Financial Position as of January 31, 2021.
Results at 31/01/2021 approved by the Board of Directors held on March 11, 2021, unaudited

<i>(in thousand Euros)</i>	As of January 31, 2021	As of April 30, 2020
Intangible assets	114,416	74,273
Right of use	53,639	49,617
Property, plant and equipment	41,325	34,341
Investment property	263	290
Investments valued at equity	13,273	12,158
Deferred tax assets	11,637	9,901
Other non-current receivables and assets	16,369	15,524
Total non-current assets	250,922	196,104
Inventories	94,276	91,127
Current trade receivables	550,284	393,645
Current tax receivables	13,830	5,307
Other current receivables and assets	62,089	43,817
Cash and cash equivalents	355,387	368,466
Total current assets	1,075,866	902,362
Non-current assets held for sale		
Total assets	1,326,788	1,098,466
Share capital	37,127	37,127
Share premium reserve	33,144	33,144
Other reserves	(22,365)	(17,763)
Profits carried forward	215,278	183,884
Total Group Equity	263,184	236,392
Equity attributable to non-controlling interests	19,392	17,467
Total Equity	282,576	253,859
Non-current loans	177,410	156,551
Financial liabilities for non-current right of use	33,157	30,487
Employee benefits	39,327	31,022
Non-current provisions	2,551	1,780
Deferred tax liabilities	28,116	18,885
Total non-current liabilities	280,561	238,725
Current loans	126,135	119,092
Current financial liabilities for right of use	8,935	8,114
Payables to suppliers	481,741	379,066
Current tax payables	18,994	5,812
Other current liabilities	127,846	93,798
Total current liabilities	763,651	605,882
Total liabilities	1,044,212	844,607
Total Equity and liabilities	1,326,788	1,098,466



Exhibit 5 – Segment Information (VAD, SSI, Business Services, Corporate) as of January 31, 2021.
Results at 31/01/2021 approved by the Board of Directors held on March 11, 2021, unaudited

Segment Information	As of January 31, 2021 (9 months)					As of January 31, 2020 (9 months)			
	VAD	SSI	Business Services	Corporate	Group	VAD	SSI	Corporate	Group
Revenues and Other income	1,213,910	355,148	33,614	16,562	1,534,279	1,097,362	308,485	14,767	1,344,772
<i>Change YoY</i>	<i>10.6%</i>	<i>15.1%</i>	<i>N.A.</i>	<i>12.2%</i>	<i>14.1%</i>				
Ebitda	48,200	39,810	1,706	2,493	92,209	39,948	27,309	2,209	69,466
<i>Ebitda margin</i>	<i>4.0%</i>	<i>11.2%</i>	<i>5.1%</i>	<i>15.1%</i>	<i>6.0%</i>	<i>3.6%</i>	<i>8.9%</i>	<i>15.0%</i>	<i>5.2%</i>
<i>Change YoY</i>	<i>20.7%</i>	<i>45.8%</i>	<i>N.A.</i>	<i>12.9%</i>	<i>32.7%</i>				
Ebit	42,452	21,507	269	(350)	63,878	34,549	14,761	(87)	49,223
<i>Ebit margin</i>	<i>3.5%</i>	<i>6.1%</i>	<i>0.8%</i>	<i>(2.1%)</i>	<i>4.2%</i>	<i>3.1%</i>	<i>4.8%</i>	<i>(0.6%)</i>	<i>3.7%</i>
<i>Change YoY</i>	<i>22.9%</i>	<i>45.7%</i>	<i>N.A.</i>	<i>N.S.</i>	<i>29.8%</i>				
Net Profit	30,847	13,530	14	(477)	43,914	23,930	8,981	(384)	32,527
<i>EAT margin</i>	<i>2.5%</i>	<i>3.8%</i>	<i>0.0%</i>	<i>(2.9%)</i>	<i>2.9%</i>	<i>2.2%</i>	<i>2.9%</i>	<i>(2.6%)</i>	<i>2.4%</i>
<i>Change YoY</i>	<i>28.9%</i>	<i>50.7%</i>	<i>N.A.</i>	<i>N.S.</i>	<i>35.0%</i>				
Net profit attributable to the Group	30,517	9,887	(2)	(477)	39,925	23,739	5,327	(384)	28,682
<i>Change YoY</i>	<i>28.6%</i>	<i>85.6%</i>	<i>N.A.</i>	<i>N.S.</i>	<i>39.2%</i>				
Adjusted net profit attributable to the Group	30,761	12,991	152	(422)	43,483	23,864	7,401	(383)	30,882
<i>Change YoY</i>	<i>28.9%</i>	<i>75.5%</i>	<i>N.A.</i>	<i>N.S.</i>	<i>40.8%</i>				