



## PRESS RELEASE

### **SESA ACQUIRES 60% OF CADLOG GROUP AND 100% OF CIMTEC GmbH, STRENGTHENING ITS EUROPEAN DIGITAL ENGINEERING PLATFORM FOR MANUFACTURING COMPANIES**

- **Cadlog Group Srl, based in Milan, with revenues of Euro 15 million (of which 50% abroad) and 50 human resources, is active in design and software automation for electronic production;**
- **Cimtec GmbH, based in Frankfurt, with revenues of Euro 2 million (entirely in Germany) and 10 human resources, operates in software and digital engineering services for mechanical production;**

**The acquisitions, completed by Var Group (Sesa's wholly owned subsidiary), expand the European platform of software solutions and digital engineering services, which as of April 30, 2022 will generate revenues of approximately Euro 50 million (of which 40% abroad, mainly in the DACH region), with 3,000 engineering intensive enterprises in major European production districts and about 250 specialized human resources**

#### **Empoli (FI), May 18, 2021**

Sesa ("SESA" – SES.MI), reference player in Italy in technological innovation and digital services for the business segment, has acquired through Var Group S.p.A., wholly owned subsidiary operating in Software and System Integrator ("SSI") sector, the 60% of the capital of Cadlog Group Srl, operating in software solutions for design and software automation of electronic production, thus further developing its pan-European platform of Digital Process Engineering. At the same time, Var Group completed through the subsidiary PBU-Cad Systeme GmbH the acquisition of 100% of the capital of Cimtec GmbH, based in Frankfurt. In this way, Sesa Group further expands its competences and solutions in the field of Industry 4.0 beyond national borders, in major industrial districts consisting of manufacturing companies oriented to *Digital Transformation*, strengthening its competitive positioning in business areas with high value added.

Cadlog Group, established in 2005 and partner of Siemens Digital Industries Software and Siemens EDA Software (formerly Mentor), is focused on offering software solutions for the electronic design and production of PCBs (printed circuits), crucial activity areas for the digitalization of European industrial districts. The company generates consolidated revenues of approximately Euro 15 million (Fiscal Year 2021), of which 50% abroad, mainly in Germany, with 50 specialized resources located in 4 operating offices in Italy, France, Germany and Spain, a *double digit* Ebitda and a Net Financial Position in substantial break even.

Cimtec GmbH is operating in software solutions for *engineering intensive* manufacturing companies, with 10 professional resources and annual revenues of approximately Euro 2 million.

Thanks to the acquisitions of Cadlog Group and Cimtec, Var Group significantly consolidates its presence in the *Digital Engineering*, established in October 2017 with the purchase of Tech Value S.p.A., specialized in offering digital and Product Lifecycle Management solutions ("PLM") for manufacturing companies, and the subsequent acquisition of PBU-Cad Systeme GmbH in February 2019. Together with the latest acquisitions, the digital engineering sector active in Italy, Germany, Austria, Switzerland, France and Spain, will generate revenues of approximately Euro 50 million at 30 April 2022 (of which 40% abroad), with *double digit* Ebitda margin and over 250 specialized human resources.

With the acquisitions of Cadlog Group and Cimtec (with about 1,500 customers), digital engineering division reaches a total of approximately 3,000 customers (of which 40% abroad, with approximately 1,000 German



engineering intensive manufacturing companies), which Sesa group will support through its international platform, representing a significant opportunity to develop further synergies in the areas of *Managed and Digital Security Services*.

The transactions were closed on the basis of prices in line with the reference EV/Ebitda (5x) parameters generally applied by Sesa Group, with Earn Out mechanisms linked to the continuity and development of the business and a long-term involvement of key people, who will retain minority shareholdings and top management roles, in particular Filippo d'Agata and Carlo Odoardo Pinferi, founders and managing partners of Cadlog Group.

The key people will have mutual long-term sustainable growth objectives, which always distinguished the industrial strategy of Sesa Group, as well as its M&A policy.

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*“Thanks to the business combination of Cadlog Group and Cimtec with Var Group Digital Process Engineering division, we will establish a European center of excellence and a reference player for software solutions and technologies to support industrial design and automation, both in mechanical and electronic fields, strengthening the partnership with Siemens Digital Industries Software”* stated Filippo D'Agata, President and Founder of Cadlog, and Elio Radice, Founder of Tech Value, as well as managing partner of Var Group Digital Process Engineering division.

*“We strengthen our presence alongside the European manufacturing districts, supporting the digital transformation of engineering intensive manufacturing companies. Two years after the acquisition of PBU-Cad Systeme, we are expanding the customer set of our digital engineering platform for manufacturing companies on the European market, starting to cover the French market”* stated Francesca Moriani, CEO of Var Group S.p.A.

*“Thanks to the acquisitions of Cadlog Group and Cimtec, Sesa Group continues its growth abroad and in digital engineering, supporting the digital transformation of the main European industrial districts and servicing engineering intensive companies. We will continue to expand our customer set and human resources across Europe by leveraging on digital solutions successfully experienced on the Italian market”* 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).*

*Var Group's **Digital Process Engineering** division operates in Italy, Germany, France, Spain, Austria and Switzerland, with specialization in offering software solutions and IT services for "engineering intensive" companies in the manufacturing segment (Transportation, Automotive, Machinery, Aerospace & Defense) and electronic. Over 250 human resources specialized in digital engineering support the investments in "Digital Transformation" of the mechanical and electronic design and production departments, allowing client companies to create value through the management of the Product Life Cycle.*

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