



## PRESS RELEASE

### APPROVAL OF THE INTERIM REPORT FOR THE FIRST QUARTER AS OF JULY 31, 2021

#### First Quarter results as of 31 July 2021 (comparison with results as of 31 July 2020)

- Consolidated Revenues and Other Income: Eu 552.8 million (+13.3%)
- Consolidated Ebitda: Eu 38.5 million (+35.7%)
- Ebitda margin equal to 7.0% vs 5.8% in the first quarter of the previous Fiscal Year
- Consolidated Adjusted Net profit attributable to the Group<sup>1</sup>: Eu 18.9 milioni (+46.1%)
- Consolidated management NFP<sup>2</sup> active (cash & liquidity) equal to Eu 137.2 million vs Eu 34.0 million
- The investments in human resources continue reaching the threshold of 3,567 employees (vs 2,842 +25.5% Y/Y)
- In light of the quarterly results, favourable outlook and increase in profitability guidance are confirmed for the Fiscal Year as of April 30, 2022

#### Empoli (FI), September 14, 2021

The Board of Directors of Sesa S.p.A., reference player in Italy in technological innovation and digital services for the business segment, today approved the consolidated Interim Report as of July 31, 2021 relative to the first quarter of the Fiscal Year ending April 30, 2022, prepared in accordance with EU-IFRS accounting standards.

**The profitability of the Group in the first quarter of the current Fiscal Year grows above expectations and increases by about 2.5 times compared to the average annual growth recorded in the period 2011-2021 (CAGR Ebitda +13.9% and CAGR EAT +17.5%).**

The Group further strengthens its positioning in the sector of services and solutions for the digital transformation of companies, in the current phase of recovery from the pandemic emergency characterized by the acceleration of the demand for digitalization, with growth forecasts for the Information Technology reference market equal to annual average of 7.2% for the three-year period 2021-2023.

**In the quarter considered, the Group benefited from the contribution deriving from external growth, equal to approximately 50% of the growth in the period, developing skills and human capital which reaches a total of 3,567 employees compared to 2,842 as of July 31, 2020.**

At consolidated level, Revenues and Other Income in the first quarter grow by 13.3% and amount to Eu 552.8 million, with a significant development of all sectors of the Group:

- VAD sector achieves Revenues and Other Income equal to Eu 429.5 million (+10.1% Y/Y) favoured by the development in the Security, Cloud and Digital Green segments;
- SSI Sector achieves Revenues and Other Income equal to Eu 129.5 million (+21.8% Y/Y) thanks to the development in the areas with the greatest growth of digital transformation (Cloud, Digital Security, Software and Vertical Applications, Managed Services, Digital Engineering);

<sup>1</sup> Adjusted Net Profit attributable to the Group before amortisation and depreciation of intangible assets (client lists and know-how) recorded following the Purchase Price Allocation (PPA) relating to corporate acquisitions, net of the related tax effect, equal to Eu 1,743 thousand as of July 31, 2021

<sup>2</sup> Management Net Financial Position, calculated gross of liabilities to minorities shareholders and Earn Out for M&A for Eu 89,241 thousand, compared to Eu 24,883 thousand as of July 31, 2020. Total NFP Reported as of July 31, 2021 active for Eu 47,975 thousand, vs Eu 9,164 thousand as of July 31, 2020



- Business Services Sector achieves Revenues and Other Income equal to Eu 13.9 million (+16.3% Y/Y), with a significant contribution from the new Digital Platform business unit.

Thanks to the growth in revenues (+13.3% Y/Y) and in the operating profitability of all sectors of the Group, the consolidated **Ebitda increased by +35.7% Y/Y, reaching a total of Eu 38,460 thousand**, with an **Ebitda margin of 7.0%**, a strong improvement compared to 5.8% Y/Y. All the reference sectors of the Group contributed to the consolidated EBITDA result, with a contribution of external leverage (M&A) equal to approximately 50% of the Y/Y growth:

- VAD sector achieves an Ebitda of Eu 19,321 thousand, up by 34.1% Y/Y (Ebitda margin 4.5% compared to 3.7% Y/Y);
- SSI sector reaches an Ebitda of Eu 16,666 thousand, up by 33.3% Y / Y (Ebitda margin 12.9% compared to 11.8% Y/Y);
- Business Services sector reaches an Ebitda equal to Eu 1,734 thousand, up by 163.9% Y/Y (Ebitda margin of 12.5%, significantly improved compared to 5.5% Y/Y), thanks to the significant contribution of the new Digital Platform business unit.

**The consolidated Operating Result (Ebit) is equal to Eu 27,384 thousand, up by 39.6%**, after amortizations for a total of Eu 7,067 thousand (+28.0% Y/Y) and provisions and other non-monetary costs for Eu 1,560 thousand (-5.3% Y/Y). **The consolidated Adjusted Operating Result (Ebit Adjusted)** gross of amortizations of intangible assets, customer lists and know-how recorded following the PPA process for Eu 2,449 thousand in the quarter (influenced by the acceleration of investments in company acquisitions), **is equal to Eu 29,833 thousand** with an increase of 40.8% Y/Y.

**The consolidated Net profit after minority interests** (profit attributable to the shareholders of the Group) in the first quarter is equal to Eu 17,187 thousand, increasing by 45.1% Y/Y. **The consolidated Adjusted Net profit after minority interest** (profit attributable to Group shareholders before amortization of intangible assets, customer lists and know-how recorded following the PPA process net of the related tax effect equal to Eu 1,743 thousand) **is equal to Eu 18,930 thousand, up by 46.1% Y/Y.**

**The Management Net Financial Position of the Group<sup>2</sup>** is active (cash and liquidity) for Eu 137,216 thousand, in strong improvement compared to Eu 34,047 thousand as of July 31, 2020 (for a total of Eu 103,169 thousand thanks to the operating cash flow).

**The Total Net Financial Position Reported<sup>2</sup> as of July 31, 2021 is active (cash and liquidity) for Eu 47,975 thousand**, improving from Eu 9,164 thousand as of July 31, 2020, **thanks to an operating cash flow in the last 12 months of approximately Eu 150 million and net of investments for a total of Eu 110 million in the same period, of which Eu 90 million in corporate acquisitions (M&A).**

In the period considered, the **consolidated Shareholders' Equity** is further strengthened, which as of July 31, 2021 amounted to Eu 292,556 thousand, increasing from Eu 266,589 thousand as of July 31, 2020.

In light of the positive results achieved in the quarter in all business sectors, the expected contribution from external leverage thanks to the 11 acquisitions performed from January 2021 and the expectations of growth in demand for digitalization in the markets in which it operates, **the Group confirms the favourable outlook for the Fiscal Year that will end on April 30, 2022, with a guidance of profitability growth of approximately +30% Y/Y, increasing from that previously communicated equal to approximately +20%, continuing to invest in long term sustainable growth for the benefit of the following years.**



The Chairman Paolo Castellacci and the Chief Executive Officer Alessandro Fabbroni commented on the results as of July 31, 2021 as follows:

*“We continue to benefit from the large investments in skills and technologies in support of our customers, enabling digital evolution of management models of businesses and organizations. Our positioning on the market, thanks to the skills and specializations of our human resources, will allow us to continue to grow in a sustainable way, developing innovative solutions on the market together with our stakeholders”*, stated **Paolo Castellacci, Chairman and founder of Sesa.**

*“We close a quarter with an increase in revenues and profitability higher than expected, thanks to the acceleration of the demand for digitalization and the positive contribution of specializations and skills, with operational growth of over 30% in all sectors of the Group. In light of the performance of the quarter, the growing and positive positioning of the Group in the segments of digital transformation services and application technology solutions, as well as the acceleration of the growth path through external lines, which we will continue to pursue for the remainder of the year, we confirm the favourable outlook for the Fiscal Year as of April 30, 2022, continuing the management with the objectives of creating sustainable and long-term value”*, stated **Alessandro Fabbroni, CEO of Sesa.**

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

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

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This press release is also available on the company's website [www.sesa.it](http://www.sesa.it), as well as on the authorized storage mechanism eMarket Storage consultable at the website [www.emarketstorage.com](http://www.emarketstorage.com).

**Conference Call:** Tuesday September 14, 2021 at 4.00 pm (CET), Sesa S.p.A. will hold a conference call with the financial community, during which the Group's economic and financial results will be discussed. You can connect by dialing the following telephone numbers: from Italy +39 02 8058811, from the United Kingdom +44 121 2818003, from the USA +1 718 7058794 (local international number), 1 855 2656959 (toll free). Before the telephone conference it will be possible to download the slides of the presentation from the Investor Relations page of the Sesa website, <http://www.sesa.it/it/investor-relations/presentazioni.html>.

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*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 Finance Act, that the accounting information contained in this press release matches the information included in the accounting books and records.*

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**Sesa S.p.A.**, based in Empoli (FI), active on the whole national territory with presence over some foreign countries including Germany, Switzerland, Austria, France, Spain, Romania and China, is the holding of a Group which constitutes the reference player in Italy in technological innovation and digital services for the business segment, with consolidated revenues of approximately Euro 2,037 million and 3,500 employees as of April 30, 2021.

Sesa Group has the mission of offering technological solutions and digital transformation services to companies and organizations, supporting them in their innovation path. Thanks to the skills and specialization of its human resources, Sesa Group operates in the value-added segments of Information Technology, such as Collaboration, Cloud, Digital manufacturing, ERP & Vertical Solutions, Business Services, Digital Security, Customer Experience.

Sesa Group operates through four main business sectors:

- VAD (Value Added Distribution) sector with revenues of about Euro 1,600 million and 425 human resources as of April 30, 2021;
- SSI (Software and System Integration) sector with revenues of about Euro 480 million and 2,500 human resources as of April 30, 2021;
- Business Services sector with revenues of about Euro 47 million and 410 human resources as of April 30, 2021;
- Corporate sector with revenues of about Euro 20 million and 200 human resources as of April 30, 2021.

Sesa Group pursues a sustainable development policy for the benefit of its Stakeholders and has achieved in the period 2011-2021 a track record of continuous growth in employment, revenues (CAGR revenues 2011-2021 +10.6%) and profitability (CAGR Ebitda 2011-2021 +13.9%).

In 2021, the Company introduced sustainability in its bylaw and launched the B Corp certification process.

Sesa S.p.A. is listed on the STAR segment of Borsa Italiana MTA Market (ISIN Code: IT0004729759).

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<b>For Media Information</b> Community S.r.l. Giuliano Pasini +39 02 89404231 - sesa@communitygroup.it  Idea Point S.r.l. Alessandro Pasquinucci +39 0571 997374 - info@ideapoint.it	<b>For Financial Information</b> Sesa S.p.A. Conxi Palmero, Investor Relations Manager +39 0571 997326 - investor@sesa.it
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**Exhibit 1 – Reclassified Consolidated Income Statement of Sesa Group as of July 31, 2021 (thousands of Euros). Results as of 31/07/2021 approved by the Board of Directors on September 14, 2021, unaudited**

Reclassified Income Statement	31/07/2021 (3 months)	%	31/07/2020 (3 months)	%	Change 2021/20
Revenues	547,777		484,168		13.1%
Other income	4,978		3,642		36.7%
<b>Total Revenues and Other Income</b>	<b>552,755</b>	<b>100.0%</b>	<b>487,810</b>	<b>100.0%</b>	<b>13.3%</b>
Purchase of goods	(422,117)	76.4%	(385,708)	79.1%	9.4%
Costs for services and leased assets	(43,908)	7.9%	(37,116)	7.6%	18.3%
Personnel costs	(47,044)	8.5%	(35,625)	7.3%	32.1%
Other operating charges	(1,226)	0.2%	(1,012)	0.2%	21.1%
<b>Total Purchase of goods and Operating Costs</b>	<b>514,295</b>	<b>93.0%</b>	<b>459,461</b>	<b>94.2%</b>	<b>11.9%</b>
<b>Ebitda</b>	<b>38,460</b>	<b>7.0%</b>	<b>28,349</b>	<b>5.8%</b>	<b>35.7%</b>
Amortisation tangible and intangible assets (sw)	(7,067)		(5,519)		28.0%
Accruals to provision for bad debts and risks and other non-monetary costs	(1,560)		(1,648)		-5.3%
<b>Adjusted Ebit*</b>	<b>29,833</b>	<b>5.4%</b>	<b>21,182</b>	<b>4.4%</b>	<b>40.8%</b>
Amortisation client lists and technological know-how (PPA)	(2,449)		(1,569)		56.1%
<b>Ebit</b>	<b>27,384</b>	<b>5.0%</b>	<b>19,613</b>	<b>4.0%</b>	<b>39.6%</b>
Net financial income and charges	(1,299)		(994)		30.7%
<b>Ebt</b>	<b>26,085</b>	<b>4.7%</b>	<b>18,619</b>	<b>3.8%</b>	<b>40.1%</b>
Income taxes	(7,550)		(5,441)		38.8%
<b>Net profit</b>	<b>18,535</b>	<b>3.4%</b>	<b>13,178</b>	<b>2.7%</b>	<b>40.7%</b>
<b>Net profit attributable to the Group</b>	<b>17,187</b>		<b>11,844</b>		<b>45.1%</b>
<i>Net profit attributable to non-controlling interests</i>	<i>1,348</i>		<i>1,334</i>		<i>1.0%</i>
<b>Adjusted Ebt*</b>	<b>28,534</b>	<b>5.2%</b>	<b>20,188</b>	<b>4.1%</b>	<b>41.3%</b>
<b>Adjusted Net profit*</b>	<b>20,278</b>	<b>3.7%</b>	<b>14,295</b>	<b>2.9%</b>	<b>41.9%</b>
<b>Adjusted Net profit attributable to the Group*</b>	<b>18,930</b>	<b>3.4%</b>	<b>12,961</b>	<b>2.7%</b>	<b>46.1%</b>

\* Adjusted Ebit and Adjusted Ebt before amortisation and depreciation of intangible assets (Client lists and Know-how) recorded following the Purchase Price Allocation (PPA). Adjusted Net profit and Adjusted Net profit attributable to the Group before amortisation and depreciation of intangible assets (Client lists and Know-how) recorded following the Purchase Price Allocation (PPA), net of tax effect.



**Exhibit 2 – Reclassified Consolidated Balance Sheet of Sesa Group as of July 31, 2021 (thousands of Euros), Results as of 31/07/2021 approved by the Board of Directors on September 14, 2021, unaudited**

<b>Reclassified Balance Sheet</b>	<b>31/07/2021</b>	<b>31/07/2020</b>	<b>30/04/2021</b>
Intangible assets	171,452	102,285	142,826
Property, plant and equipment (rights of use included)	99,712	88,107	99,942
Investments valued at equity	14,396	12,147	13,850
Other non-current receivables and deferred tax assets	29,753	28,844	27,921
<b>Total non-current assets</b>	<b>315,313</b>	<b>231,383</b>	<b>284,539</b>
Inventories	110,122	102,255	86,920
Current trade receivables	389,049	393,031	355,781
Other current assets	68,106	49,560	63,395
<b>Other Current assets</b>	<b>567,277</b>	<b>544,846</b>	<b>506,096</b>
Payables to suppliers	402,875	347,081	366,101
Other current payables	147,707	108,348	142,690
<b>Short-term operating liabilities</b>	<b>550,582</b>	<b>455,429</b>	<b>508,791</b>
<b>Net working capital</b>	<b>16,695</b>	<b>89,417</b>	<b>(2,695)</b>
Non-current provisions and other tax liabilities	46,492	28,461	38,273
Employee benefits	40,935	34,914	40,897
<b>Non-current net liabilities</b>	<b>87,427</b>	<b>63,375</b>	<b>79,170</b>
<b>Net Invested Capital</b>	<b>244,581</b>	<b>257,425</b>	<b>202,674</b>
<b>Shareholders' Equity</b>	<b>292,556</b>	<b>266,589</b>	<b>297,355</b>
Financing current and not current	(465,104)	(355,580)	(426,905)
Liquidity	285,863	281,210	229,548
IFRS 16 liabilities	42,025	40,323	43,871
<b>Management Net Financial Position</b>	<b>(137,216)</b>	<b>(34,047)</b>	<b>(153,486)</b>
Liabilities to minorities shareholders and Earn Out for M&A <sup>3</sup>	89,241	24,883	58,805
<b>Total Net Financial Position Reported</b>	<b>(47,975)</b>	<b>(9,164)</b>	<b>(94,681)</b>
<b>Total Shareholders' Equity and Net Financial Position</b>	<b>244,581</b>	<b>257,425</b>	<b>202,674</b>

<sup>3</sup> Non-interest bearing payables and commitments to minority shareholders for the purchase of company shareholdings (deferred prices, Earn Out, Put Option)



**Exhibit 3 – Consolidated income statement as of July 31, 2021 (thousands of Euros),  
Results as of 31/07/2021 approved by the Board of Directors on September 14, 2021, unaudited**

<i>(Euro thousands)</i>	Period ended on July 31	
	2021	2020
Revenues	547,777	484,168
Other income	4,978	3,642
Consumables and goods for resale	(422,117)	(385,708)
Costs for services and rent, leasing and similar costs	(44,702)	(37,862)
Personnel costs	(47,044)	(35,625)
Other operating costs	(1,992)	(1,914)
Amortisation and depreciation	(9,516)	(7,088)
<b>EBIT</b>	<b>27,384</b>	<b>19,613</b>
Profit from companies valued at equity	638	433
Financial income	624	5,130
Financial charges	(2,561)	(6,557)
<b>Profit before taxes</b>	<b>26,085</b>	<b>18,619</b>
Income taxes	(7,550)	(5,441)
<b>Profit of the period</b>	<b>18,535</b>	<b>13,178</b>
<i>Of which:</i>		
Net profit attributable to non-controlling interests	1,348	1,334
Net profit attributable to the Group	17,187	11,844



**Exhibit 4 – Consolidated statement of financial position as of July 31, 2020 (thousands of Euros), Results as of 31/07/2021 approved by the Board of Directors on September 14, 2021, unaudited**

<i>(Euro thousands)</i>	As of July 31 2021	As of April 2021
Intangible assets	171,452	142,826
Right of use	53,598	55,220
Property, plant and equipment	46,114	44,722
Investment property	290	290
Investments valued at equity	14,396	13,850
Deferred tax assets	13,426	12,987
Other non-current receivables and assets	16,037	14,644
<b>Total non-current assets</b>	<b>315,313</b>	<b>284,539</b>
Inventories	110,122	86,920
Current trade receivables	389,049	355,781
Current tax receivables	6,348	6,001
Other current receivables and assets	61,818	57,634
Cash and cash equivalents	465,044	426,665
<b>Total current assets</b>	<b>1,032,381</b>	<b>933,001</b>
Non-current assets held for sale		
<b>Total assets</b>	<b>1,347,694</b>	<b>1,217,540</b>
Share capital	37,127	37,127
Share premium reserve	33,144	33,144
Other reserves	(38,338)	(19,421)
Profits carried forward	244,894	227,776
<b>Total Group Equity</b>	<b>276,827</b>	<b>278,626</b>
Equity attributable to non-controlling interests	15,729	18,729
<b>Total Equity</b>	<b>292,556</b>	<b>297,355</b>
Non-current loans	121,990	117,587
Non-current financial liabilities for right of use	31,780	33,626
Liabilities to minorities shareholders and Earn Out for M&A	89,241	58,806
Employee benefits	40,935	40,897
Non-current provisions	2,458	2,284
Deferred tax liabilities	44,034	35,989
<b>Total non-current liabilities</b>	<b>330,438</b>	<b>289,188</b>
Current loans	163,873	111,961
Current financial liabilities for right of use	10,245	10,245
Payables to suppliers	402,875	366,101
Current tax payables	14,284	7,403
Other current liabilities	133,423	135,287
<b>Total current liabilities</b>	<b>724,700</b>	<b>630,997</b>
<b>Total liabilities</b>	<b>1,055,138</b>	<b>920,185</b>
<b>Total Equity and liabilities</b>	<b>1,347,694</b>	<b>1,217,540</b>





**Exhibit 5 – Segment Information (VAD, SSI, Business Services, Corporate) as of July 31, 2021**  
**(thousands of Euros), Results as of 31/07/2021 approved by the Board of Directors on September 14, 2021,**  
**unaudited**

Segment Information  (Euro thousands)	Period to July 31, 2021 (3 months)					Period to July 31, 2020 (3 months)				
	VAD	SSI	Business Services	Corporate	Group	VAD	SSI	Business Services	Corporate	Group
<b>Revenues and Other income</b>	<b>429,493</b>	<b>129,518</b>	<b>13,854</b>	<b>5,462</b>	<b>552,755</b>	<b>390,220</b>	<b>106,331</b>	<b>11,913</b>	<b>5,164</b>	<b>487,810</b>
Change Y/Y	10.1%	21.8%	16.3%	5.8%	13.3%	6.4%	11.9%	N.A.	6.9%	10.8%
<b>Ebitda</b>	<b>19,321</b>	<b>16,666</b>	<b>1,734</b>	<b>739</b>	<b>38,460</b>	<b>14,411</b>	<b>12,503</b>	<b>657</b>	<b>778</b>	<b>28,349</b>
Change Y/Y	34.1%	33.3%	164%	-5.0%	35.7%	10.1%	53.6%	N.A.	44.9%	30.2%
Ebitda margin	4.5%	12.9%	12.5%	13.5%	7.0%	3.7%	11.8%	5.5%	15.1%	5.8%
<b>Ebit</b>	<b>17,712</b>	<b>9,423</b>	<b>446</b>	<b>(197)</b>	<b>27,384</b>	<b>12,757</b>	<b>6,809</b>	<b>144</b>	<b>(97)</b>	<b>19,613</b>
Change Y/Y	38.8%	38.4%	379%	N.S.	39.6%	11.4%	58.6%	N.A.	N.S.	23.1%
Ebit margin	4.1%	7.3%	3.2%	-3.6%	5.0%	3.3%	6.4%	1.2%	-1.9%	4.0%
<b>EAT</b>	<b>12,373</b>	<b>6,098</b>	<b>286</b>	<b>(222)</b>	<b>18,535</b>	<b>8,874</b>	<b>4,333</b>	<b>51</b>	<b>(80)</b>	<b>13,178</b>
Change Y/Y	39.4%	40.7%	461%	N.S.	40.7%	16.4%	67.7%	N.A.	N.S.	29.0%
EAT margin	2.9%	4.7%	2.1%	N.S.	3.4%	2.3%	4.1%	0.4%	-1.5%	2.7%
<b>Group EAT</b>	<b>12,176</b>	<b>5,012</b>	<b>221</b>	<b>(222)</b>	<b>17,187</b>	<b>8,767</b>	<b>3,127</b>	<b>30</b>	<b>(80)</b>	<b>11,844</b>
Change Y/Y	38.9%	60.3%	639%	N.S.	45.1%	15.6%	104.6%	N.A.	N.S.	29.8%
Group EAT margin	2.8%	3.9%	1.6%	N.S.	3.1%	2.2%	2.9%	0.3%	-1.5%	2.4%
<b>Group EAT Adj<sup>4</sup></b>	<b>12,274</b>	<b>6,255</b>	<b>606</b>	<b>(203)</b>	<b>18,930</b>	<b>8,849</b>	<b>4,100</b>	<b>74</b>	<b>(62)</b>	<b>12,961</b>
Change Y/Y	38.7%	52.6%	719%	N.S.	46.1%	16.0%	87.2%	N.A.	N.S.	31.9%
Group EAT Adj margin	2.9%	4.8%	4.4%	N.S.	3.4%	2.3%	3.9%	0.6%	-1.2%	2.7%

<sup>4</sup> The Group Adjusted EAT is defined gross of amortization of intangible assets recognized as a result of the PPA, net of the related tax effect