



PRESS RELEASE

APPROVAL OF THE CONSOLIDATED INTERIM REPORT FOR THE FIRST QUARTER AS OF JULY 31, 2022

Growth in economic results and outstanding value generation in the First Quarter as of July 31, 2022:

- Consolidated Revenues and Other Income: Eu 669.9 million (+21.2% vs July 31, 2021)
- Consolidated Ebitda: Eu 47.6 million (+23.7% vs July 31, 2021)
- Ebitda margin equal to 7.1% (vs 7.0% as of July 31, 2021)
- Group Adjusted Earnings After Taxes¹: Eu 23.3 million (+23.2% vs July 31, 2021)
- Consolidated NFP² active (net liquidity) equal to Eu 208.3 million vs Eu 179.2 million
- Human Resources: 4,339 employees as of 31 July 2022 (+22% vs July 31, 2021)
- Positive outlook confirmed and FY April 30, 2023 guidance increase in revenues (Eu 2.750-2.825 billion) and profitability (expected Ebitda Eu 195-205 million)

Empoli (FI), September 13, 2022

The Board of Directors of Sesa S.p.A., reference player in technological innovation and digital services for the business segment, today approved the consolidated Interim Report as of July 31, 2022 for to the First Quarter of the Fiscal Year ending April 30, 2023, prepared in accordance with EU-IFRS accounting standards.

In the first three months of the Fiscal Year, Sesa Group continues its development path with **growth compared to July 31, 2021 in revenues and profitability equal to 21.2% and 23.7% respectively**, higher than 2011-2022 track record (Revenues CAGR +11.2%, Ebitda CAGR +15.5%, Adjusted EAT CAGR +19.5%) and the increase of Italian Information Technology market which, although slightly declining compared to 2021 (+4.1% Y/Y vs +8.0%), highlights an average annual growth rate in the three-year period 2022-2024E equal to 6.8% compared to an average annual rate in the pre-pandemic period 2017-2019 of 2.6% (source Sirmi, August 2022).

The Group benefits from the **continuous investment strategy focusing on business segments enabling technological innovation (security, business applications, cloud, digital green, digital platforms)** and from the positive trend of the Enterprise Software, IT Services and Cloud segments.

The First Quarter showed a solid organic growth with a contribution deriving from external growth equal to approximately 35% of total Quarterly growth, developing skills and human capital and achieving 4,339 employees compared to 3,567 as of July 31, 2021.

At consolidated level, **Quarterly Revenues and Other Income grow by 21.2% and amount to Eu 669.9 million**, with a significant contribution by all Group sectors:

- VAD sector achieving Revenues and Other Income equal to Eu 522.5 million (+21.6% Y/Y), driven by the development in the Digital Green, Security and Enterprise Software segments;
- SSI Sector achieving Revenues and Other Income equal to Eu 153.2 million (+18.3% Y/Y), thanks to the development of the main business unit of which Digital Security and Smart Services;
- Business Services Sector achieving Revenues and Other Income equal to Eu 18.4 million (+33.1% Y/Y), driven by the contribution of the Digital Platforms and Vertical Applications business units.

¹ Consolidated 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

² NFP gross of IFRS 16 liabilities and IFRS 3 liabilities to minority shareholders for M&As. NFP Reported, net of IFRS 16 and IFRS 3 liabilities is active for Eu 40.5 million as of July 31, 2022 compared to Eu 48 million as of July 31, 2021





Thanks to the growth in revenues (+21.2% Y/Y) in high value-added areas, the consolidated **Ebitda increases by +23.7% Y/Y, reaching a total of Eu 47.6 million**, with an **Ebitda margin of 7.1% increasing from 7.0% Y/Y**. All Group reference sectors contributes to the consolidated EBITDA result:

- VAD sector achieves an Ebitda of Eu 25.9 million (+34.3% Y/Y, Ebitda margin 5.0% vs 4.5% as of July 31, 2021 and 4.9% in FY 2022);
- SSI sector achieves an Ebitda of Eu 19.1 million (+14.8% Y/Y, Ebitda margin 12.5% vs 12.9% as of July 31, 2021 and 11.9% in FY 2022);
- Business Services sector achieves an Ebitda of Eu 1.6 million (-9.9% Y/Y, Ebitda margin 8.5% vs 12.5% as of July 31, 2021 and 9.7% in FY 2022), following the investments in the period related to the development of digital platforms serving customers.

Group consolidated Operating Result Adjusted (Ebit Adjusted, gross of PPA amortizations of customer lists and know-how for Eu 3.6 million) is equal to Eu 36.7 million with an increase of 23.0% Y/Y. Group consolidated Operating Result (Ebit) is equal to Eu 33.1 million, up by 20.8%, after amortizations of intangible assets for Eu 8.3 million (+17.5% Y/Y), provisions and other non-monetary costs for Eu 2.6 million (+65.3% Y/Y) and PPA amortizations for Eu 3.6 million (+47.1% Y/Y, as a result of the significant M&A investments in the last 12 months).

The consolidated Adjusted Earnings before taxes increased by 20.7%, reaching Eu 34.4 million as of July 31, 2022. The consolidated Earnings before taxes as of July 31, 2022 amounted to Eu 30.8 million, up by 18.2% Y/Y, after net financial charges of Eu 2.2 million compared to Eu 1.3 million as of July 31, 2021, following the profits reduction of the associated companies valued at equity and the higher financial costs resulting from the revenues development.

The Consolidated Adjusted Net profit (gross of amortization of intangible assets Client Lists and Know-how and net of the related tax effect) increased by 23.0% Y/Y, achieving Eu 25.0 million as of July 31, 2022.

Group Consolidated Adjusted Net profit after minority interests (Adjusted EAT attributable to the Group) as of July 31, 2022 is equal to Eu 23.3 million, up by 23.2% Y/Y compared to Eu 18.9 million as of July 31, 2021 (Group Adjusted Net Profit margin equal to 3.5% compared to 3.4% Y/Y).

Consolidated Net Financial Position is active (net liquidity) for Eu 208.3 million, improving compared to Eu 179.2 million as of July 31, 2021, thanks to the annual Eu 150 million operating cash flow (with 90% Ebitda Cash Conversion) and net of capex and M&As investment for approximately Eu 120 million, dividend distribution for approximately Eu 13 million and treasury shares buy-back for approximately Eu 6 million.

Consolidated Net Financial Position Reported as of July 31, 2022 (net of IFRS Liabilities for Eu 167.8 million mainly consisting of deferred payments of company acquisitions and liabilities to minority shareholders for M&As) is active (net liquidity) for Eu 40.5 million, compared to Eu 48.0 million as of July 31, 2021.

In the period under review, the consolidated Shareholders' Equity is further strengthened, achieving as of July 31, 2022 Eu 355.0 million, increasing from Eu 292.6 million as of July 31, 2021.

In light of the positive results achieved in the Quarter in all business sectors, the expected contribution of the 10 M&As closed since the beginning of 2022 as well as the growing demand for digitalization in the Group markets, **the Group confirms the positive outlook for the Fiscal Year ending April 30, 2023, and increase its revenues guidance from Eu 2.650 billion to Eu 2.750-2.825 billion and Ebitda guidance from the range Eu 190-200 million to Eu 195-205 million, strengthening Group role of reference player in the industry.**



The Group will continue to sustain the development of skills, human resources and business applications, aiming at expanding the long-term growth track record in the coming years, generating sustainable value for all stakeholders.

The Chairman Paolo Castellacci and the Chief Executive Officer Alessandro Fabbroni commented on the results as of July 31, 2022 as follows:

“In the current market scenario, we confirm our role of reference player in our industry, enabling digital evolution of companies and organizations thanks to the development of innovative technology solutions and skills of our human resources, by investing to support the Group growth and long-term sustainable value generation”, stated **Paolo Castellacci, Chairman and founder of Sesa**.

“We close a Quarter with a great increase in revenues and skills, facing a digitalization demand significantly higher than the pre-pandemic level, driven by the consistent technological investments required by the current reference scenario. In the light of the trend of digital demand, skills and innovative solutions investments and our capability to integrate bolt-on industrial M&As, we confirm the positive outlook for the Fiscal Year as of April 30, 2023, focusing the Group management to support our stakeholders in the current and crucial phase of evolution towards digital and sustainability”, stated **Alessandro Fabbroni, CEO of Sesa**.

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

Exhibit n. 1 - Reclassified Consolidated Income Statement as of July 31, 2022

Exhibit n. 2 - Reclassified Consolidated Balance Sheet as of July 31, 2022

Exhibit n. 3 - Consolidated Income Statement as of July 31, 2022

Exhibit n. 4 - Consolidated Statement of Financial Position as of July 31, 2022

Exhibit n. 5 - Segment Information as of July 31, 2022

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

Conference Call: Tuesday September 13, 2022 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 028020911, from the United Kingdom +44 121 2818004, from the USA +1 718 7058796 (local international number), 1 855 2656958 (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>.

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.





Sesa S.p.A., with Headquarters in Empoli (Florence), is the operating holding company of a Group with presence on the whole Italian territory and foreign countries as Germany, Switzerland, Austria, France, Spain, Romania and China.

Sesa Group represents the reference player in Italy in technological innovation and digital services for the business segment, with consolidated revenues of Euro 2,390 million (+17.3% Y/Y), Ebitda Eu 167.7 million (+33.1% Y/Y) and 4,200 employees as of April 30, 2022 (+21% Y/Y), offering technological solutions, digital services and business applications to support the digital transformation and innovation towards sustainability of Enterprises and Organizations.

Sesa Group operates through four main business Sectors:

- Corporate, with revenues of about Euro 16 million and 140 human resources as of April 30, 2022;
- VAD (Value Added Distribution), with revenues of about Euro 1,857 million and 630 human resources as of April 30, 2022;
- SSI (Software and System Integration), with revenues of about Euro 572 million and 2,850 human resources as of April 30, 2022;
- Business Services, with revenues of about Euro 59 million and 550 human resources as of April 30, 2022.

Sesa Group pursues the sustainable development strategy for the benefit of all Stakeholders, with a track record in the period 2011-2022 of continuous growth in employment, revenues (CAGR revenues 2011-2022 +11.2%) and profitability (CAGR Ebitda 2011-2022 +15.5%).

Sesa Group strategy of long-term value generation for all stakeholder is based on human resources skill development, environmental sustainability and social responsibility, with continuous improvement of ESG performance.

As of April 30, 2022, the Group generated a net economic value of about Eu 315 million (+26% Y/Y), distributed for over 60% for the remuneration of Human Resources, with about 4,200 employees, in further growth compared to the previous year (+21% Y/Y), with improved hiring programs (607 in FY22, +51% Y/Y), skills development investments (approximately 61,000 training hours, +132% Y/Y) and welfare programs to support parenting, diversity, well-being and work-life balance of Human Resources.

In Year 2021 Sesa introduced in its corporate bylaw the sustainable growth as Board of Directors priority and starting from FY2022 Sesa published the Integrated Annual Report, providing a complete, measurable, and transparent representation of the Group value generation, at financial and ESG performance level.

In terms of sustainability governance, the Group's main companies achieved the ISO 14001 certification and the UN Global Compact membership. In 2022 Sesa reached the Silver Ecovadis sustainability rating.

Sesa S.p.A. is listed on the Euronext STAR Milan (ISIN Code: IT0004729759) and is part of FTSE Italia Mid Cap index.

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Exhibit 1 – Reclassified Consolidated Income Statement of Sesa Group as of July 31, 2022 (Euro thousands). Results as of 31/07/2022 approved by the Board of Directors on September 13, 2022, unaudited

Reclassified Income Statement	31/07/2022 (3 months)	%	31/07/2021 (3 months)	%	Change 2022/21
Revenues	663,717		547,777		21.2%
Other income	6,220		4,978		24.9%
Total Revenues and Other Income	669,937	100.0%	552,755	100.0%	21.2%
Purchase of goods	(502,980)	75.1%	(422,117)	76.4%	19.2%
Costs for services and leased assets	(60,895)	9.1%	(43,908)	7.9%	38.7%
Personnel costs	(57,258)	8.5%	(47,044)	8.5%	21.7%
Other operating charges	(1,233)	0.2%	(1,226)	0.2%	0.6%
Total Purchase of goods and Operating Costs	622,366	92.9%	514,295	93.0%	21.0%
Ebitda	47,571	7.1%	38,460	7.0%	23.7%
Amortisation tangible and intangible assets (sw)	(8,301)		(7,067)		17.5%
Accruals to provision for bad debts and risks and other non-monetary costs	(2,578)		(1,560)		65.3%
Adjusted Ebit*	36,692	5.5%	29,833	5.4%	23.0%
Amortisation client lists and technological know-how (PPA)	(3,602)		(2,449)		47.1%
Ebit	33,090	4.9%	27,384	5.0%	20.8%
Net financial income and charges	(2,247)		(1,299)		73.0%
Ebt	30,843	4.6%	26,085	4.7%	18.2%
Income taxes	(8,458)		(7,550)		12.0%
Net profit	22,385	3.3%	18,535	3.4%	20.8%
Net profit attributable to the Group	20,749		17,187		20.7%
<i>Net profit attributable to non-controlling interests</i>	<i>1,636</i>		<i>1,348</i>		<i>21.4%</i>
Adjusted Ebt¹	34,445	5.1%	28,534	5.2%	20.7%
Adjusted Net profit¹	24,949	3.7%	20,278	3.7%	23.0%
Adjusted Net profit attributable to the Group¹	23,313	3.5%	18,930	3.4%	23.2%

(1) Adjusted Ebit and Adjusted Ebt before amortisation and depreciation of intangible assets (Client lists and Know-how) recorded following the Purchase Price Allation (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, 2022 (Euro thousands),
Results as of 31/07/2022 approved by the Board of Directors on September 13, 2022, unaudited**

Reclassified Balance Sheet	31/07/2022	31/07/2021	30/04/2022
Intangible assets	259,701	171,452	228,280
Property, plant and equipment (rights of use included)	116,306	99,712	111,943
Investments valued at equity	15,445	14,396	14,593
Other non-current receivables and deferred tax assets	34,036	29,753	32,855
Total non-current assets	425,488	315,313	387,671
Inventories	162,264	110,122	144,034
Current trade receivables	483,624	389,049	434,579
Other current assets	131,390	68,106	90,775
Other Current assets	777,278	567,277	669,388
Payables to suppliers	546,128	402,875	525,879
Other current payables	220,031	147,707	176,031
Short-term operating liabilities	766,159	550,582	701,910
Net working capital	11,119	16,695	(32,522)
Non-current provisions and other tax liabilities	75,472	46,492	67,573
Employee benefits	46,611	40,935	44,379
Non-current net liabilities	122,083	87,427	111,952
Net Invested Capital	314,524	244,581	243,197
Shareholders' Equity	354,989	292,556	335,159
Liquidity and current financial receivable	(472,498)	(465,104)	(498,905)
Financing current and not current	264,189	285,863	253,613
Net Financial Position	(208,309)	(179,241)	(245,292)
Financial liabilities for rights of use IFRS 16	42,942	42,025	44,933
Liabilities to minorities shareholders for M&A ¹	124,902	89,241	108,397
Net Financial Position Reported	(40,465)	(47,975)	(91,962)

(1) 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, 2022 (Euro thousands), Results as of 31/07/2022 approved by the Board of Directors on September 13, 2022, unaudited

(Euro thousands)	Period ended on July 31	
	2022	2021
Revenues	663,717	547,777
Other income	6,220	4,978
Consumables and goods for resale	(502,980)	(422,117)
Costs for services and rent, leasing and similar costs	(61,668)	(44,702)
Personnel costs	(57,258)	(47,044)
Other operating costs	(3,038)	(1,992)
Amortisation and depreciation	(11,903)	(9,516)
EBIT	33,090	27,384
Profit from companies valued at equity	393	638
Financial income	2,831	624
Financial charges	(5,471)	(2,561)
Profit before taxes	30,843	26,085
Income taxes	(8,458)	(7,550)
Profit of the period	22,385	18,535
<i>Of which:</i>		
Net profit attributable to non-controlling interests	1,636	1,348
Net profit attributable to the Group	20,749	17,187



Exhibit 4 – Consolidated statement of financial position as of July 31, 2022 (Euro thousands), Results as of 31/07/2022 approved by the Board of Directors on September 13, 2022, unaudited

<i>(Euro thousands)</i>	As of July 31 2022	As of April 30 2022
Intangible assets	259,701	228,280
Right of use	55,751	57,401
Property, plant and equipment	60,555	54,542
Investment property	290	290
Investments valued at equity	15,445	14,593
Deferred tax assets	15,288	15,910
Other non-current receivables and assets	18,458	16,655
Total non-current assets	425,488	387,671
Inventories	162,264	144,034
Current trade receivables	483,624	434,579
Current tax receivables	6,893	6,651
Other current receivables and assets	130,129	86,718
Cash and cash equivalents	466,866	496,311
Total current assets	1,249,776	1,168,293
Total assets	1,675,264	1,555,964
Share capital	37,127	37,127
Share premium reserve	33,144	33,144
Other reserves	(44,676)	(44,978)
Profits carried forward	309,730	290,148
Total Group Equity	335,325	315,441
Equity attributable to non-controlling interests	19,664	19,718
Total Equity	354,989	335,159
Non-current loans	155,694	123,559
Non-current financial liabilities for right of use	31,913	33,849
Liabilities to minorities shareholders and Earn Out for M&A	89,712	76,808
Employee benefits	46,611	44,379
Non-current provisions	5,136	4,240
Deferred tax liabilities	70,336	63,333
Total non-current liabilities	399,402	346,168
Current loans	108,495	130,054
Current financial liabilities for right of use	11,029	11,084
Liabilities to minorities shareholders and Earn Out for M&A	35,190	31,589
Payables to suppliers	546,128	525,879
Current tax payables	20,285	10,940
Other current liabilities	199,746	165,091
Total current liabilities	920,873	874,637
Total liabilities	1,320,275	1,220,805
Total Equity and liabilities	1,675,264	1,555,964



Exhibit 5 – Segment Information (VAD, SSI, Business Services, Corporate) as of July 31, 2022 (Euro thousand), Results as of 31/07/2022 approved by the Board of Directors on September 13, 2022, unaudited

Segment Information	3M period as of July 31, 2022 (Q1)					3M period as of July 31, 2021 (Q1)				
	In Euro Mn	VAD	SSI	BS	Corporate	Group	VAD	SSI	BS	Corporate
Total Revenues and Other Income	522.5	153.2	18.4	4.2	669.9	429.5	129.5	13.9	5.5	552.8
Change Y/Y	21.6%	18.3%	33.1%	-23.3%	21.2%					
Gross Margin	46.3	106.1	17.0	4.2	166.3	34.2	86.8	12.4	5.4	130.6
Opex	(20.4)	(87.0)	(15.4)	(3.2)	(119.4)	(14.9)	(70.1)	(10.7)	(4.7)	(92.2)
Ebitda	25.9	19.1	1.6	0.9	47.6	19.3	16.7	1.7	0.7	38.5
<i>Ebitda Margin</i>	5.0%	12.5%	8.5%	22.2%	7.1%	4.5%	12.9%	12.5%	13.5%	7.0%
Change Y/Y	34.3%	14.8%	-9.9%	25.8%	23.7%					
D&A	(1.1)	(6.3)	(0.8)	(0.1)	(8.3)	(1.0)	(5.2)	(0.7)	(0.1)	(7.1)
Provisions and other non monetary costs	(0.9)	(0.9)	(0.0)	(0.8)	(2.6)	(0.4)	(0.3)	(0.0)	(0.8)	(1.6)
EBIT Adjusted¹	23.9	11.9	0.8	0.1	36.7	17.8	11.2	1.0	(0.2)	29.8
<i>Ebit Adjusted Margin</i>	4.5%	6.9%	3.3%	3.5%	5.2%	4.2%	8.6%	7.1%	-3.1%	5.4%
Change Y/Y	34.3%	6.3%	-20.0%	-150.0%	23.2%					
PPA-related amortisation	(0.4)	(2.5)	(0.7)	-	(3.6)	(0.1)	(1.7)	(0.5)	(0.0)	(2.4)
Ebit	23.6	9.4	0.1	0.1	33.1	17.7	9.4	0.4	(0.2)	27.4
<i>Ebit Margin</i>	4.5%	6.1%	0.4%	1.6%	4.9%	4.1%	7.3%	3.2%	-3.6%	5.0%
Net Financial Charges	(1.4)	(0.6)	(0.2)	(0.0)	(2.2)	(0.6)	(0.6)	(0.1)	(0.0)	(1.3)
Income Taxes	(5.9)	(2.6)	0.0	(0.0)	(8.5)	(4.7)	(2.8)	(0.1)	(0.0)	(7.6)
Eat	16.3	6.2	(0.2)	0.05	22.4	12.4	6.1	0.3	(0.2)	18.5
PPA-related amortisation (net of taxes)	0.3	1.8	0.5	0.0	(2.6)	0.1	1.2	0.4	0.0	1.7
Minorities	(0.3)	(1.2)	(0.1)	-	(1.6)	(0.2)	(1.1)	(0.0)	-	(1.3)
Group Eat Adjusted²	16.3	6.7	0.3	0.05	23.3	12.3	6.3	0.6	(0.2)	18.9
<i>Group Eat Adj Margin</i>	3.1%	4.4%	1.4%	1.2%	3.5%	2.9%	4.8%	4.4%	-3.7%	3.4%
Change Y/Y	33.0%	6.9%	-57.5%	N.S.	23.2%					

(1) Adjusted Ebit before amortisation and depreciation of intangible assets (Client lists and Know-how) recorded following the Purchase Price Allocation (PPA).

(2) 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.