



PRESS RELEASE

APPROVAL OF THE CONSOLIDATED INTERIM REPORT FOR THE NINE-MONTH PERIOD AS OF JANUARY 31, 2023

Growing increase of financial results and strong value generation in the 9-month period:

- Consolidated Revenues and Other Income: Eu 2,176.4 million (+23.8% vs January 31, 2022)
- Consolidated Ebitda: Eu 156.0 million (+25.2% vs January 31, 2022)
- Ebitda margin equal to 7.2% (vs 7.1% as of January 31, 2022)
- Group Adjusted Earnings After Taxes¹: Eu 76.5 million (+23.0% vs January 31, 2022)
- Consolidated NFP² active (net liquidity): Eu 199.6 million, improving compared to Eu 177.8 million as of January 31, 2022
- Human Resources: 4,636 employees as of January 31, 2023 (+19.5% vs January 31, 2022)
- Increase in Revenues and Ebitda guidance for the FY 2023: Revenues target in the range between Eu 2.8 billion and Eu 2.9 billion, Ebitda target in the range between Eu 200 million and Eu 210 million for an Ebitda growth in the range between +20% and +25% Y/Y (compared to the range between +16% and +22% Y/Y already communicated)

Empoli (FI), March 13, 2023

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 referring to the 9-month period as of January 31, 2023, in accordance with EU-IFRS accounting standards.

In the period under review Sesa Group continues its development path, **achieving consolidated Revenues and Other Income for Eu 2,176.4 million (+23.8% Y/Y) with an Operating Profitability (Ebitda) equal to Eu 156.0 million, up 25.2% Y/Y.**

The Group benefits from the **continuous investment strategy focusing on business segments enabling technological innovation (security, business applications, cloud, digital green, digital platforms)**, thanks to the positive trend of the **Italian Information Technology market** with an average annual growth rate in the three-year period 2022-2024E equal to 5.2%, compared to the pre-pandemic one +2.6% in the 3-Year period 2017-2019 (source Sirmi, January 2023).

The Group confirms its **ability to attract and retain skills and human resources with 4,636 specialized employees as of January 31, 2023 (+19.5% Y/Y as of January 31, 2022) and a solid organic growth, with a contribution deriving from external growth equal to 12% of total 9-months period under review at revenues level and equal to 25% at operating profit level.**

Consolidated Revenues and Other Income grew by 23.8% to Eu 2,176.4 million, with a significant contribution by all Group sectors:

- VAD sector with Revenues and Other Income equal to Eu 1,703.6 million (+24.1% Y/Y), driven by the development of Digital Green, Networking e Collaboration, Security and Enterprise Software BUs;
- SSI Sector with Revenues and Other Income equal to Eu 501.8 million (+19.7% Y/Y), thanks to the development of the main operating BUs;
- Business Services Sector with Revenues and Other Income equal to Eu 59.5 million (+42.6% Y/Y), driven by the contribution of the Digital Platforms and Vertical Applications BUs.

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, net of the tax effect

² NFP gross of IFRS 16 liabilities and IFRS 3 liabilities to minority shareholders for M&As, equal to Eu 184.4 Mn.





Thanks to the Revenues growth in high added-value areas, consolidated **Ebitda increased by +25.2% Y/Y, achieving Eu 156.0 million, with a 7.2% Ebitda margin higher than 7.1% as of January 31, 2022**. All Group reference Sectors contributed to the consolidated Ebitda result:

- VAD sector with an Ebitda of Eu 87.0 million (+30.2% Y/Y) and a further growth of the Ebitda margin to 5.1% vs 4.9% as of January 21, 2022 and 4.9% in FY 2022
- SSI sector with an Ebitda of Eu 61.2 million (+21.1% Y/Y) and a further growth of the Ebitda margin to 12.2% vs 12.1% as of January 31, 2022 and 11.9% in FY 2022;
- Business Services sector with an Ebitda of Eu 4.9 million (+0.7% Y/Y) and an Ebitda margin equal to 8.2% vs 11.6% as of January 31, 2022 and 9.7% in FY 2022, not yet reflecting the investments in the period under review related to the development of digital platforms and vertical application solutions to serve customers.

Group consolidated Operating Result (Ebit) Adjusted (gross of PPA amortizations of customer lists and know-how for Eu 12.9 million) is equal to Eu 121.6 million with an increase of 24.8% Y/Y. Group consolidated Operating Result (Ebit) is equal to Eu 108.7 million, up by 22.0%, after amortizations of intangible assets for Eu 37.7 million (+24.3% Y/Y), provisions and other non-monetary costs for Eu 9.6 million (+85.3% Y/Y) and PPA amortizations for Eu 12.9 million (+53.9% Y/Y, as a result of the significant M&A investments in the last 12 months).

The consolidated Adjusted Earnings before taxes increased by 21.6%, reaching Eu 112.9 million as of January 31, 2023. The consolidated Earnings before taxes as of January 31, 2023 amounted to Eu 100.0 million, up by 18.4% Y/Y, after net financial charges of Eu 8.7 million compared to Eu 4.6 million as of January 31, 2022.

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 22.1% Y/Y, achieving Eu 80.7 million as of January 31, 2023. **Group Consolidated Adjusted Net profit after minority interests (Adjusted EAT attributable to the Group) as of January 31, 2023 is equal to Eu 76.5 million (Group EAT Adjusted margin equal to 3.5%, flat Y/Y), up by 23.0% Y/Y compared to Eu 62.2 million as of January 31, 2022.**

Consolidated Net Financial Position is active (net liquidity) for Eu 199.6 million, improving compared to Eu 177.8 million as of January 31, 2022, thanks to LTM Eu 130 million operating cash flow, net of capex and M&As investment for approximately Eu 115 million and dividend distribution and treasury shares buy-back for total Eu 27 million.

Consolidated Net Financial Position Reported as of January 31, 2023 (net of IFRS Liabilities for Eu 184.4 million mainly consisting of deferred payments of company acquisitions and liabilities to minority shareholders for M&As) is active (net liquidity) for Eu 15.2 million, compared to Eu 30.4 million as of January 31, 2022. In the period under review, the consolidated Shareholders' Equity is further strengthened, achieving as of January 31, 2023 Eu 381.0 million, increasing from Eu 309.5 million as of January 31, 2022.

In light of the positive results achieved in the first nine months of the FY 2023, the expected contribution of the about 50 bolt-on M&As closed in the last three Years as well as the growing demand for digitalization in the reference market, **the Group confirms the positive outlook for the Fiscal Year ending April 30, 2023 with an increase in Revenues and Ebitda guidance for the FY 2023: new Revenues target in the range between Eu 2.8 billion and Eu 2.9 billion, new Ebitda target in the range between Eu 200 million and Eu 210 million, with an Ebitda growth in the range between +20% and +25% Y/Y (compared to the range between +16% and +22% Y/Y already communicated).**

The Group will continue to sustain the development of skills, human resources and technology innovation solutions, aiming at confirming the long-term growth track record in the coming years, generating sustainable value for all stakeholders and improving the Group sustainability profile with the recent upgrade of the CDP sustainability rating to “B” level and “Gold” level achievement of the EcoVadis rating.

The Chairman Paolo Castellacci and the Chief Executive Officer Alessandro Fabbioni stated about the 9-month results as of January 31, 2023 as follows:



“In the first nine months of the FY 2023 we continued to invest in human capital and digital skills development, confirming our role of reference player in our industry, leading the digital evolution of Enterprises and Organizations. We will continue the Group management to pursue long-term growth and sustainable value generation”, stated **Paolo Castellacci, Chairman and founder of Sesa**.

“The results as of January 31, 2023 confirm our successful strategy focused on skills and human resources development, with a strong and mainly organic growth in revenues, driven by a digitalization demand of Enterprises and Organizations significantly higher than pre-Covid one. In the light of the positive trend of digital demand, skills and innovative solutions investments and our great ability of industrial aggregation thanks to the pipeline of bolt-on M&As, we confirm the positive outlook with a growth higher than 20% expected in consolidated Revenues and Ebitda for the Fiscal Year as of April 30, 2023, supporting our stakeholders in the current phase of digital evolution and expanding our outstanding long-term growth track record”, stated **Alessandro Fabbroni, CEO of Sesa**.

Hereinafter the following exhibits (in Euro thousands):

- Exhibit n. 1 - Reclassified Consolidated Income Statement as of January 31, 2023
- Exhibit n. 2 - Reclassified Consolidated Balance Sheet as of January 31, 2023
- Exhibit n. 3 - Consolidated Income Statement as of January 31, 2023
- Exhibit n. 4 - Consolidated Statement of Financial Position as of January 31, 2023
- Exhibit n. 5 - Segment Information as of January 31, 2023

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: Monday March 13, 2023 at 4.00 p.m. (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 through the following phone numbers: from Italy +39 028020911, from the UK +44 1 212818004, from USA +1 718 7058796 (international local number), 1 855 2656958 (toll-free number). Before the conference call, the financial presentation will be available on the company's website, <https://www.sesa.it/en/investor-relations/presentations.html>.

Alessandro Fabbroni, as Director 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 is in line and corresponding to 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 that 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 in the FY as of April 30, 2022 (+21% Y/Y).

Sesa Group has the mission of offering technological solutions, digital services and business applications to support the digital transformation and innovation towards sustainability of Enterprises and Organizations, 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 a 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% to the remuneration of Human Resources, with about 4,200 employees(+21% Y/Y), with improved hiring programs (607 hires 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 FY 2022 Sesa has 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 Gold level issued by Ecovadis and achieved the increase to B level of sustainability rating issued by CDP. 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 January 31, 2023 (Euro thousands). Results as of 31/01/2023 approved by the Board of Directors on March 13, 2023, unaudited

Reclassified Income Statement	31/01/2023 (9 months)	%	31/01/2022 (9 months)	%	Change 2023/22
Revenues	2,154,663		1,739,121		23.9%
Other income	21,722		18,757		15.8%
Total Revenues and Other Income	2,176,385	100.0%	1,757,878	100.0%	23.8%
Purchase of goods	(1,656,517)	76.1%	(1,345,459)	76.5%	23.1%
Costs for services and leased assets	(186,005)	8.5%	(141,736)	8.1%	31.2%
Personnel costs	(173,718)	8.0%	(142,449)	8.1%	22.0%
Other operating charges	(4,191)	0.2%	(3,685)	0.2%	13.7%
Total Purchase of goods and Operating Costs	(2,020,431)	92.8%	(1,633,329)	92.9%	23.7%
Ebitda	155,954	7.2%	124,549	7.1%	25.2%
Amortisation tangible and intangible assets (sw)	(24,771)		(21,933)		12.9%
Accruals to provision for bad debts and risks and other non-monetary costs	(9,590)		(5,176)		85.3%
Adjusted Ebit*	121,593	5.6%	97,440	5.5%	24.8%
Amortisation client lists and technological know-how (PPA)	(12,929)		(8,403)		53.9%
Ebit	108,664	5.0%	89,037	5.1%	22.0%
Net financial income and charges	(8,675)		(4,584)		89.2%
Ebt	99,989	4.6%	84,453	4.8%	18.4%
Income taxes	(28,437)		(24,305)		17.0%
Net profit	71,552	3.3%	60,148	3.4%	19.0%
Net profit attributable to the Group	67,333	3.1%	56,262	3.2%	19.7%
<i>Net profit attributable to non-controlling interests</i>	<i>4,219</i>		<i>3,886</i>		<i>8.6%</i>
Adjusted Ebt¹	112,918	5.2%	92,856	5.3%	21.6%
Adjusted Net profit¹	80,755	3.7%	66,129	3.8%	22.1%
Adjusted Net profit attributable to the Group¹	76,536	3.5%	62,243	3.5%	23.0%

(1) Adjusted Ebit and Adjusted Ebt before amortisation and depreciation of intangible assets (Client lists and Know-how) recorded following the Purchase Price Alliation (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 January 31, 2023 (Euro thousands), Results as of 31/01/2023 approved by the Board of Directors on March 13, 2023, unaudited

Reclassified Balance Sheet	31/01/2023	31/01/2022	30/04/2022
Intangible assets	314,243	198,876	228,280
Property, plant and equipment (rights of use included)	123,230	106,189	111,943
Investments valued at equity	15,321	13,938	14,593
Other non-current receivables and deferred tax assets	32,167	30,257	32,855
Total non-current assets	484,961	349,260	387,671
Inventories	182,017	127,820	144,034
Current trade receivables	671,584	520,846	434,579
Other current assets	120,667	101,550	90,775
Other Current assets	974,268	750,216	669,388
Payables to suppliers	721,606	541,573	525,879
Other current payables	229,422	177,333	176,031
Short-term operating liabilities	951,028	718,906	701,910
Net working capital	23,240	31,310	(32,522)
Non-current provisions and other tax liabilities	91,389	57,142	67,573
Employee benefits	50,960	44,326	44,379
Non-current net liabilities	142,349	101,468	111,952
Net Invested Capital	365,852	279,102	243,197
Shareholders' Equity	381,054	309,542	335,159
Liquidity and current financial receivable	(466,928)	(407,819)	(498,905)
Financing current and not current	267,358	230,066	253,613
Net Financial Position	(199,570)	(177,753)	(245,292)
Financial liabilities for rights of use IFRS 16	48,863	43,172	44,933
Liabilities to minorities shareholders for M&A ¹	135,505	104,141	108,397
Net Financial Position Reported	(15,202)	(30,440)	(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 January 31, 2023 (Euro thousands), Results as of 31/01/2023 approved by the Board of Directors on March 13, 2023, unaudited

(Euro thousands)	Period ended on January 31	
	2023	2022
Revenues	2,154,663	1,739,121
Other income	21,722	18,757
Consumables and goods for resale	(1,656,517)	(1,345,459)
Costs for services and rent, leasing and similar costs	(186,005)	(144,117)
Personnel costs	(173,718)	(142,449)
Other operating costs	(4,191)	(6,480)
Amortisation and depreciation	(47,290)	(30,336)
EBIT	108,664	89,037
Profit from companies valued at equity	1,576	1,398
Financial income	13,607	3,901
Financial charges	(10,251)	(9,883)
Profit before taxes	99,989	84,453
Income taxes	(28,437)	(24,305)
Profit of the period	71,552	60,148
<i>Of which:</i>		
Net profit attributable to non-controlling interests	4,219	3,886
Net profit attributable to the Group	67,333	56,262





Exhibit 4 – Consolidated statement of financial position as of January 31, 2023 (Euro thousands), Results as of 31/01/2023 approved by the Board of Directors on March 13, 2023, unaudited

<i>(Euro thousands)</i>	As of January 31	As of April 30
	2023	2022
Intangible assets	314,243	228,280
Right of use	61,979	57,401
Property, plant and equipment	61,251	54,542
Investment property	290	290
Investments valued at equity	15,321	14,593
Deferred tax assets	15,314	15,910
Other non-current receivables and assets	16,563	16,655
Total non-current assets	484,961	387,671
Inventories	182,017	144,034
Current trade receivables	671,584	434,579
Current tax receivables	14,040	6,651
Other current receivables and assets	113,286	86,718
Cash and cash equivalents	460,269	496,311
Total current assets	1,441,196	1,168,293
Total assets	1,926,157	1,555,964
Share capital	37,127	37,127
Share premium reserve	33,144	33,144
Other reserves	(58,001)	(44,978)
Profits carried forward	338,562	290,148
Total Group Equity	350,832	315,441
Equity attributable to non-controlling interests	30,222	19,718
Total Equity	381,054	335,159
Non-current loans	159,749	123,559
Non-current financial liabilities for right of use	37,077	33,849
Liabilities to minorities shareholders and Earn Out for M&A	98,338	76,808
Employee benefits	50,960	44,379
Non-current provisions	4,817	4,240
Deferred tax liabilities	86,572	63,333
Total non-current liabilities	437,513	346,168
Current loans	107,609	130,054
Current financial liabilities for right of use	11,786	11,084
Liabilities to minorities shareholders and Earn Out for M&A	37,167	31,589
Payables to suppliers	721,606	525,879
Current tax payables	29,170	10,940
Other current liabilities	200,252	165,091
Total current liabilities	1,107,590	874,637
Total liabilities	1,545,103	1,220,805
Total Equity and liabilities	1,926,157	1,555,964



Exhibit 5 – Segment Information (VAD, SSI, Business Services, Corporate) as of January 31, 2023 (Euro thousand), Results as of 31/01/2023 approved by the Board of Directors on March 13, 2023, unaudited

Segment Information	9M period as of January 31, 2023					9M period as of January 31, 2022				
	In Euro Mn	VAD	SSI	BS	Corporate	Group	VAD	SSI	BS	Corporate
Total Revenues and Other Income	1.703,6	501,8	59,5	14,1	2.176,4	1,372.5	419.3	41.7	17.1	1,757.9
Change Y/Y	24,1%	19,7%	42,6%	-17,6%	23,8%					
Gross Margin	149,1	326,7	52,2	14,0	519,9	115,7	268,3	37,3	16,9	412,4
Opex	(62,1)	(265,4)	(47,4)	(11,1)	(363,9)	(48,9)	(217,8)	(32,5)	(14,5)	(287,9)
Ebitda	87,0	61,2	4,9	2,9	156,0	66,8	50,5	4,8	2,4	124,5
<i>Ebitda Margin</i>	5,1%	12,2%	8,2%	20,7%	7,2%	4,9%	12,1%	11,6%	13,9%	7,1%
Change Y/Y	30,2%	21,1%	0,7%	22,1%	25,2%					
D&A	(3,4)	(18,7)	(2,4)	(0,3)	(24,8)	(3,3)	(16,2)	(2,1)	(0,4)	(21,9)
Provisions and other non monetary costs	(3,0)	(2,5)	(0,0)	(4,0)	(9,6)	(1,5)	(1,3)	(0,0)	(2,4)	(5,2)
EBIT Adjusted¹	80,6	40,0	2,5	(1,4)	121,6	62,0	33,1	2,8	(0,3)	97,4
<i>Ebit Adjusted Margin</i>	4,7%	8,0%	4,1%	-9,9%	5,6%	4,5%	7,9%	6,6%	-2,0%	5,5%
Change Y/Y	30,0%	20,9%	-11,0%	306,1%	24,8%					
PPA-related amortisation	(1,3)	(9,1)	(2,5)	0,0	(12,9)	(0,9)	(5,9)	(1,5)	0,0	(8,4)
Ebit	79,3	30,8	(0,1)	(1,4)	108,7	61,0	27,1	1,2	(0,3)	89,0
<i>Ebit Margin</i>	4,7%	6,1%	-0,2%	-9,9%	5,0%	4,4%	6,5%	2,9%	-2,0%	5,1%
Net Financial Charges	(4,8)	(3,6)	(0,0)	(0,0)	(8,7)	(3,0)	(1,3)	(0,3)	(0,0)	(4,6)
Income Taxes	(19,4)	(8,4)	(0,6)	(0,0)	(28,4)	(16,3)	(7,6)	(0,2)	(0,3)	(24,3)
Eat	55,1	18,8	(0,7)	(1,5)	71,6	41,7	18,3	0,8	(0,6)	60,1
PPA-related amortisation (net of taxes)	0,9	6,5	1,8	0,0	9,2	0,7	4,2	1,1	0,0	6,0
Minorities	(0,8)	(3,4)	(0,3)	0,0	(4,2)	(0,7)	(3,1)	(0,2)	0,0	(3,9)
Group Eat Adjusted²	55,2	21,9	0,8	(1,5)	76,5	41,7	19,5	1,7	(0,6)	62,2
<i>Group Eat Adj Margin</i>	3,2%	4,4%	1,4%	-10,4%	3,5%	3,0%	4,6%	4,0%	-3,7%	3,5%
Change Y/Y	32,2%	12,4%	-51,1%	131,8%	23,0%					

(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.

