



PRESS RELEASE

APPROVAL OF THE CONSOLIDATED INTERIM REPORT FOR THE FIRST QUARTER AS OF JULY 31, 2023

Revenues and Profitability growth extension also in Q1 2024, after 12 consecutive Years of growth from FY 2012 as of today:

- Consolidated Revenues and Other Income: Eu 776.4 million (+15.9% Y/Y)
- Consolidated Ebitda: Eu 55.8 million (+17.2% Y/Y), Ebitda margin 7.2% vs 7.1% Y/Y
- Group Adjusted Net profit¹: Eu 26.5 million (+11.1% Y/Y)
- Consolidated NFP² (net liquidity): Eu 208.5 million vs Eu 208.3 million as of July 31, 2022
- Group Human Resources: 5,188 employees as of July 31, 2023 (+19.6% Y/Y)
- Positive outlook confirmed for the FY 2024: Revenues target in the range Eu 3.2 billion - Eu 3.3 billion, Ebitda target between Eu 240 million and Eu 250 million, for an Ebitda growth in the range +15% and +20% Y/Y

Empoli (FI), September 14, 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 as of July 31, 2023 for to the First Quarter of the Fiscal Year ending April 30, 2024, in accordance with EU-IFRS accounting standards.

In the first three months of the Fiscal Year, Sesa continues its development path, after 12 consecutive Years of growth from FY 2012 as of today (CAGR FY 2012-2023: Revenues 12.0%, Ebitda 16.2%, EAT Adjusted 19.8%), achieving Quarterly consolidated Revenues and Other Income for Eu 776.4 million (+15.9% Y/Y) with a consolidated Operating Profitability (Ebitda) equal to Eu 55.8 million, up 17.2% Y/Y.

Sesa benefits from the continuous investment strategy focus on business segments enabling technological innovation (cybersecurity, vertical business applications, cloud, digital platforms), achieving growth higher than the Italian Information Technology market trend, expected to increase by 3.5% in 2023 (source Sirmi, September 2023), with a downward estimated growth compared to the beginning of the Year.

Revenues and profitability growth were once again mainly organic for around 65%, with a strong increase in skills and human capital and total 5,188 employees as of July 31, 2023 (+19.6% vs 4,339 resources as of July 31, 2022); the contribution from external growth (M&A) was equal to 30% of total 3-months period under review at revenues level and equal to 35% at operating profit level.

Consolidated Revenues and Other Income grew by 15.9% to Eu 776.4 million, with a significant contribution by all Group sectors:

- VAD Sector achieving Revenues and Other Income equal to Eu 593.3 million (+13.6% Y/Y), driven by the development of Collaboration, Enterprise Software and Security Solutions BUs;
- SSI Sector achieving Revenues and Other Income equal to Eu 183.9 million (+20.0% Y/Y), thanks to the development of all the operating BUs and particularly Digital Security, ERP & Vertical Solutions, Digital Workspace and Data Science BUs;

(1) Adjusted Net Profit attributable to the Group before amortisation of intangible assets (client lists and know-how) deriving from PPA, equal to Eu 5,414 thousand compared to Eu 3,602 thousand as of July 31, 2022, as well as gross of Stock Grant Plan costs equal to Eu 966 thousand compared to Eu 733 thousand as of July 31, 2022, net of the related tax effect

(2) NFP gross of IFRS liabilities to minorities for Earn Out and Put Option M&As and IFRS 16 debt equal to Eu 219,879 thousand as of July 31, 2023 (of which Eu 184,935 thousand referring to deferred prices, Earn-Out and Put Option and Eu 34,944 thousand for IFRS 16 liabilities) compared to Eu 167,844 thousand as of July 31, 2022



- Business Services Sector achieving Revenues and Other Income equal to Eu 28.2 million (+53.0% Y/Y), driven by the development of applications and digital platforms dedicated to the Financial Services industry and the recent offering expansion to master servicing with the consolidation of 130 Servicing in the 3-months period under review.

Thanks to the Revenues growth in high added-value areas, **consolidated Ebitda increased by +17.2% Y/Y, achieving Eu 55.8 million, with a 7.2% Ebitda margin further increase compared to 7.1% as of July 31, 2022.** All Group reference Sectors contributed to the consolidated Ebitda result:

- VAD sector achieves an Ebitda of Eu 28.4 million (+9.4% Y/Y) and an Ebitda margin equal to 4.8% as of July 31, 2023 vs 5.0% as of July 31, 2022 and 4.9% in FY 2023;
- SSI sector achieves an Ebitda of Eu 23.2 million (+21.4% Y/Y) and an Ebitda margin equal to 12.6% vs 12.5% as of July 31, 2022 and 12.1% in FY 2023;
- Business Services sector achieves an Ebitda of Eu 3.1 million (+97.8% Y/Y) and an Ebitda margin equal to 10.9% vs 8.5% as of July 31, 2022 and 13.0% in FY 2023.

Group Operating Income (Ebit) Adjusted³ equal to Eu 44.7 million (Ebit margin adjusted 5.8% vs 5.6% Y/Y), with an increase of 19.4% Y/Y, after amortizations of tangible and intangible assets for Eu 9.5 million (+14.1% Y/Y) and provisions for Eu 1.6 million (-13.5% Y/Y).

Consolidated Operating Income (Ebit) equal to Eu 38.4 million, up by 15.9% Y/Y, after amortizations of intangible assets (client lists and know-how) deriving from PPA for Eu 5.4 million (+50.0% Y/Y, following the M&A investments acceleration) and after other non-monetary costs related to Stock Grant Plans for Eu 966 thousand (vs Eu 773 thousand Y/Y).

Net profit attributable to the Group as of July 31, 2023 equal to Eu 22.0 million (+5.9% Y/Y), after net financial charges equal to Eu 6.3 million compared to Eu 2.2 million as of July 31, 2022 due to the increasing trend of market interest rates, taxes for Eu 8.8 million and net profit attributable to non-controlling interests for Eu 1.3 million.

Group Adjusted Net profit after minority interests (Adjusted EAT attributable to the Group) as of July 31, 2023 is equal to Eu 26.5 million (3.4% of revenues), up by 11.1% Y/Y compared to Eu 23.9 million as of July 31, 2022 (3.6% of revenues).

Consolidated Net Financial Position is active (net liquidity) for Eu 208.5 million compared to Eu 208.3 million as of July 31, 2022.

Consolidated Net Financial Position Reported as of July 31, 2023 (net of IFRS Liabilities for Eu 219.9 million mainly consisting of deferred payments of company acquisitions and liabilities to minority shareholders for M&As) is negative (net debt) for Eu 11.4 million compared to active Consolidated Net Financial Position Reported for Eu 40.5 million as of July 31, 2022.

The Group confirms its cash flow generation and Long Term investment capacity **with a Last Twelve Months (LTM) Eu 130 million operating cash flow, net of capex and M&As investment for approximately Eu 160 million** and dividend distribution and treasury shares buy-back for about Eu 25 million.

In the period under review, the consolidated Shareholders' Equity is further strengthened, achieving Eu 450.4 million as of July 31, 2023, increasing from Eu 355.0 million as of July 31, 2022.

In light of the positive results achieved in the first three months of the FY 2024, the expected contribution of the 9 bolt-on M&As closed in the last months in strategic development areas for the Group as well as the growing demand for digitalization in the reference market, **the Group confirms the consolidated Revenues and Ebitda guidance for the FY 2024 with a Revenues target in the range Eu 3.2 billion - Eu 3.3 billion and Ebitda target between Eu 240 million and Eu 250 million, for an Ebitda growth in the range +15% and +20% Y/Y.**

(3) Ebit Adjusted gross of amortisation of intangible assets (client lists and know-how) deriving from PPA, equal to Eu 5,414 thousand compared to Eu 3,602 thousand as of July 31, 2022, as well as gross of Stock Grant Plan costs equal to Eu 966 thousand compared to Eu 733 thousand as of July 31, 2022



The Group will continue to sustain the development of digital skills, human resources and innovation solutions, aiming at improving the long-term double digit growth track record in the coming years as in the past, generating sustainable value for all stakeholders.

The Chairman Paolo Castellacci and the Chief Executive Officer Alessandro Fabbroni stated about the 3-month results as of July 31, 2023 as follows:

“In the first three months of the FY 2024 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 July 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 and increasingly oriented towards innovative technological areas. 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 for the Fiscal Year as of April 30, 2024 with a growth higher than 10% expected in consolidated Revenues and Ebitda, supporting our stakeholders in the current phase of digital evolution and expanding our outstanding long-term growth track record, from 2012 as of today, after 12 consecutive Years of growth from FY 2012 as of today”, 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, 2023

Exhibit n. 2 - Reclassified Consolidated Balance Sheet as of July 31, 2023

Exhibit n. 3 - Consolidated Income Statement as of July 31, 2023

Exhibit n. 4 - Consolidated Statement of Financial Position as of July 31, 2023

Exhibit n. 5 - Segment Information as of July 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: Today, Thursday September 14, 2023 at 4.30 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 02 802 09 11, 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>.

Alessandro Fabbroni, in his capacity as Director in charge of Corporate Accounting Documents, declares pursuant to article 154 bis, paragraph 2 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., 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 2,908 million (+21.7% Y/Y) and 4,717 employees in the Fiscal Year as of April 30, 2023 (+13.3% 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 about revenues of Euro 20 million and 150 human resources as of April 30, 2023;
- VAD (Value Added Distribution), with about revenues of Euro 2,236 million and 655 human resources as of April 30, 2023;
- SSI (Software and System Integration), with about revenues of Euro 703 million and 3,345 human resources as of April 30, 2023;
- Business Services, with about revenues of Euro 84 million and 570 human resources as of April 30, 2023.

Sesa Group pursues a sustainable development strategy for the benefit of all Stakeholders, with a track record in the period 2012-2023 of continuous growth in employment, revenues (CAGR revenues 2012-2023 +12.0%) and profitability (CAGR Ebitda 2012-2023 +16.2%). 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, 2023, the Group distributed a net economic value of about Eu 309 million (+26% Y/Y), of which for over 60% to the remuneration of Human Resources, with 4,717 employees(+13% Y/Y), improved hiring programs (760 hires in FY23, +25% Y/Y), education (over 69,000 training hours, +14% Y/Y) and welfare programs to support parenting, diversity, well-being and work-life balance of Human Resources. 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 BBB level of MSCI, and the 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.

For Media Information	For ESG and Financial Information
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Exhibit 1 – Reclassified Consolidated Income Statement of Sesa Group as of July 31, 2023 (Euro thousands). Results as of 31/07/2023 approved by the Board of Directors on September 14, 2023, unaudited

Reclassified Income Statement	31/07/2023 (3 months)	%	31/07/2022 (3 months)	%	Change 2023/22
Revenues	767,490		663,717		15.6%
Other income	8,910		6,220		43.2%
Total Revenues and Other Income	776,400	100.0%	669,937	100.0%	15.9%
Purchase of goods	(578,003)	74.4%	(502,980)	75.1%	14.9%
Costs for services and leased assets	(70,610)	9.1%	(60,895)	9.1%	16.0%
Personnel costs	(70,276)	9.1%	(57,258)	8.5%	22.7%
Other operating charges	(1,748)	0.2%	(1,233)	0.2%	41.8%
Total Purchase of goods and Operating Costs	720,637	92.8%	622,366	92.9%	15.8%
Ebitda	55,763	7.2%	47,571	7.1%	17.2%
Amortisation tangible and intangible assets (sw)	(9,468)		(8,301)		14.1%
Accruals to provision for bad debts and risks and other non-monetary costs	(1,561)		(1,805)		-13.5%
Adjusted Ebit*	44,734	5.8%	37,465	5.6%	19.4%
Amortisation client lists and technological know-how (PPA)	(6,380)		(4,375)		45.8%
Ebit	38,354	4.9%	33,090	4.9%	15.9%
Net financial income and charges	(6,342)		(2,247)		182.2%
Ebt	32,012	4.1%	30,843	4.6%	3.8%
Income taxes	(8,772)		(8,458)		3.7%
Net profit	23,240	3.0%	22,385	3.3%	3.8%
Net profit attributable to the Group	21,971		20,749		5.9%
Net profit attributable to non-controlling interests	1,269		1,636		-22.4%
Adjusted Net profit¹	27,781	3.6%	25,499	3.8%	8.9%
Adjusted Net profit attributable to the Group¹	26,512	3.4%	23,863	3,6%	11.1%

(1) Adjusted Net Profit before amortisation of intangible assets (client lists and know-how) deriving from PPA, equal to Eu 5,414 (+50.3% vs Eu 3,602 thousand as of July 31, 2022) and the Stock Grant Plans costs equal to Eu 966 thousand vs Eu 773 thousand as of July 31, 2022. Adjusted Net Profit and Adjusted Net profit attributable to the Group before amortisation of intangible assets (client lists and know-how) deriving from PPA and the Stock Grant Plans costs, net of the related tax effect



**Exhibit 2 – Reclassified Consolidated Balance Sheet of Sesa Group as of July 31, 2023 (Euro thousands).
Results as of 31/07/2023 approved by the Board of Directors on September 14, 2023, unaudited**

Reclassified Balance Sheet	31/07/2023	31/07/2022	30/04/2023
Intangible assets	417,079	259,701	368,488
Property, plant and equipment (rights of use included)	129,794	116,306	125,901
Investments valued at equity	23,543	15,445	24,884
Other non-current receivables and deferred tax assets	45,458	34,036	37,086
Total non-current assets	615,874	425,488	556,359
Inventories	181,831	162,264	158,736
Current trade receivables	559,743	483,624	530,268
Other current assets	141,062	131,390	131,274
Other Current assets	882,636	777,278	820,278
Payables to suppliers	635,339	546,128	586,074
Other current payables	237,064	220,031	251,318
Short-term operating liabilities	872,403	766,159	837,392
Net working capital	10,233	11,119	(17,114)
Non-current provisions and other tax liabilities	114,278	75,472	100,612
Employee benefits	50,024	46,611	48,264
Non-current net liabilities	164,302	122,083	148,876
Net Invested Capital	461,805	314,524	390,369
Shareholders' Equity	450,434	354,989	424,050
Liquidity and current financial receivable	(510,685)	(472,498)	(545,500)
Financing current and not current	302,177	264,189	306,004
Net Financial Position	(208,508)	(208,309)	(239,496)
Financial liabilities for rights of use IFRS 16	34,944	42,942	50,075
Liabilities to minorities shareholders for M&A ¹	184,935	124,902	155,740
Net Financial Position Reported	11,371	(40,465)	(33,681)

(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, 2023 (Euro thousands).
Results as of 31/07/2023 approved by the Board of Directors on September 14, 2023, unaudited

<i>(Euro thousands)</i>	Period ended on July 31	
	2023	2022
Revenues	767,490	663,717
Other income	5,865	5,720
Consumables and goods for resale	(578,003)	(502,980)
Costs for services and rent, leasing and similar costs	(71,576)	(61,668)
Personnel costs	(70,276)	(57,258)
Other operating costs	(3,309)	(3,038)
Amortisation and depreciation	(14,882)	(11,903)
EBIT	35,309	33,090
Profit from companies valued at equity	182	393
Financial income	9,193	3,331
Financial charges	(12,672)	(5,471)
Profit before taxes	32,012	30,843
Income taxes	(8,772)	(8,458)
Profit of the period	23,240	22,385
<i>Of which:</i>		
Net profit attributable to non-controlling interests	1,269	1,636
Net profit attributable to the Group	21,971	20,749



Exhibit 4 – Consolidated statement of financial position as of July 31, 2023 (Euro thousands).
Results as of 31/07/2023 approved by the Board of Directors on September 14, 2023, unaudited

<i>(Euro thousands)</i>	As of July 31, 2023	As of April 30, 2023
Intangible assets	417,079	368,488
Right of use	36,208	63,361
Property, plant and equipment	93,586	62,540
Investment property	290	290
Investments valued at equity	23,543	24,884
Deferred tax assets	18,362	17,893
Other non-current receivables and assets	26,330	18,427
Total non-current assets	615,398	555,883
Inventories	181,831	158,736
Current trade receivables	559,743	530,268
Current tax receivables	7,117	11,913
Other current receivables and assets	144,652	127,354
Cash and cash equivalents	499,978	537,507
Total current assets	1,393,321	1,365,778
Non-current assets held for sale	476	476
Total assets	2,009,195	1,922,137
Share capital	37,127	37,127
Share premium reserve	33,144	33,144
Other reserves	(49,446)	(49,810)
Profits carried forward	374,081	354,473
Total Group Equity	394,906	374,934
Equity attributable to non-controlling interests	55,528	49,116
Total Equity	450,434	424,050
Non-current loans	176,207	175,294
Non-current financial liabilities for right of use	23,630	37,374
Liabilities to minorities shareholders and Earn Out for M&A	127,176	110,679
Employee benefits	50,024	48,264
Non-current provisions	4,911	4,794
Deferred tax liabilities	109,367	95,818
Total non-current liabilities	491,315	472,223
Current loans	125,970	130,710
Current financial liabilities for right of use	11,314	12,701
Liabilities to minorities shareholders and Earn Out for M&A	57,759	45,061
Payables to suppliers	635,339	586,074
Current tax payables	25,198	22,272
Other current liabilities	211,866	229,046
Total current liabilities	1,067,446	1,025,864
Total liabilities	1,558,761	1,498,087
Total Equity and liabilities	2,009,195	1,922,137



Exhibit 5 – Segment Information (VAD, SSI, Business Services, Corporate) as of July 31, 2023 (Euro thousand). Results as of 31/07/2023 approved by the Board of Directors on September 14, 2023, unaudited

Segment Information In Euro Mn	3M period as of July 31, 2023 (Q1)					3M period as of July 31, 2022 (Q1)				
	VAD	SSI	BS	Corporate	Group	VAD	SSI	BS	Corporate	Group
Total Revenues and Other Income	593.3	183.9	28.2	4.7	776.4	522.5	153.2	18.4	4.2	669.9
Change YY	13.6%	20.0%	53.0%	11.3%	15.9%					
Gross Margin	51.9	125.2	25.8	4.6	198.4	46.3	106.1	17.0	4.2	166.3
Opex	(23.6)	(102.0)	(22.7)	(3.6)	(142.6)	(20.4)	(87.0)	(15.4)	(3.2)	(119.4)
Ebitda	28.4	23.2	3.1	1.1	55.8	25.9	19.1	1.6	0.9	47.6
<i>Ebitda Margin</i>	4.8%	12.6%	10.9%	23.0%	7.2%	5.0%	12.5%	8.5%	22.2%	7.1%
Change YY	9.4%	21.4%	97.8%	15.3%	17.2%					
D&A	(1.0)	(7.1)	(1.2)	(0.1)	(9.5)	(1.1)	(6.3)	(0.8)	(0.1)	(8.3)
Provisions	(0.9)	(0.6)	(0.1)	(0.0)	(1.6)	(0.9)	(0.9)	(0.0)	(0.0)	(1.8)
EBIT Adjusted¹	26.5	15.5	1.8	1.0	44.7	23.9	11.9	0.8	0.8	37.5
<i>Ebit Adjusted Margin</i>	4.5%	8.4%	6.3%	20.8%	5.8%	4.6%	7.7%	4.2%	20.0%	5.6%
Change YY	10.4%	30.8%	127%	15.2%	19.4%					
PPA-related amortisation and Stock Grant costs	(0.6)	(3.4)	(1.4)	(1.0)	(6.4)	(0.4)	(2.5)	(0.7)	(0.8)	(4.4)
Ebit	25.9	12.1	0.3	0.0	38.4	23.6	9.4	0.1	0.1	33.1
<i>Ebit Margin</i>	4.4%	6.6%	1.2%	0.0%	4.9%	4.5%	6.1%	0.4%	1.6%	4.9%
Net Financial Charges	(3.7)	(2.1)	(0.5)	(0.0)	(6.3)	(1.4)	(0.6)	(0.2)	(0.0)	(2.2)
Income Taxes	(5.7)	(3.1)	0.1	(0.0)	(8.8)	(5.9)	(2.6)	0.0	(0.0)	(8.5)
EAT	16.5	6.9	(0.1)	0.0	23.2	16.3	6.2	(0.2)	0.05	22.4
PPA amortisation and SG costs (net of taxes)	0.4	2.4	1.0	0.7	4.5	0.3	1.8	0.5	0.6	3.1
EAT Adjusted	16.9	9.3	0.9	0.6	27.8	16.6	8.0	0.3	0.05	25.5
Minorities	(0.2)	(1.2)	0.2	-	(1.3)	(0.3)	(1.2)	(0.1)	-	(1.6)
Group EAT Adjusted²	16.7	8.2	1.1	0.6	26.5	16.3	6.7	0.3	0.6	23.9
<i>Group EAT Adj Margin</i>	2.8%	4.4%	3.8%	13.9%	3.4%	3.1%	4.4%	1.4%	14.3%	3.6%
Change YY	2.2%	22.4%	314%	8.4%	11.1%					

(1) Ebit Adjusted before amortisation of intangible assets (client lists and know-how) deriving from Purchase Price Allocation (PPA).

(2) Group Eat adjusted before amortisation of intangible assets (client lists and know-how) deriving from Purchase Price Allocation (PPA), net of tax effect.

