



PRESS RELEASE

APPROVAL OF THE HALF-YEAR FINANCIAL REPORT AS OF OCTOBER 31, 2023

Strong growing financial results in the First-Half as of October 31, 2023, significantly outperforming the reference market:

- **Consolidated Revenues and Other Income: Eu 1,501.6 million (+14.5% Y/Y)**
- **Consolidated Ebitda: Eu 113.3 million (+21.3% Y/Y), Ebitda margin 7.5% vs 7.1% Y/Y**
- **Group Adjusted Net profit¹: Eu 50.1 million (+9.1% Y/Y)**
- **Consolidated NFP² (net liquidity): Eu 153.4 million vs Eu 189.5 million as of October 31, 2022**
- **Group Human Resources: 5,367 employees as of October 31, 2023 (+21.0% Y/Y)**
- **Positive outlook confirmed for the FY 2024: Revenues target in the range Eu 3.2 billion - Eu 3.3 billion and Ebitda target between Eu 240 million and Eu 250 million**

Empoli (FI), December 19, 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 First-Half Financial Report as of October 31, 2023 referring to the First-Half of the Fiscal Year ending April 30, 2024, in accordance with EU-IFRS accounting standards.

In the period under review 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 Half-Year consolidated Revenues and Other Income for Eu 1,501.6 million (+14.5% Y/Y) and a consolidated Operating Profitability (Ebitda) equal to Eu 113.3 million, up 21.3% Y/Y.**

Sesa benefits from the **continuous investment strategy focusing on business segments enabling technological innovation (cybersecurity, vertical business applications, cloud, digital platforms, data science), achieving growth pace significantly higher than the Italian Information Technology market**, expected to increase by 2.8% in 2023 (source Sirmi, November 2023).

Revenues and profitability growth were once again mainly organic for around 65%, with a strong increase in skills and human capital and a total of 5,367 employees as of October 31, 2023 (+21.0% vs 4,434 resources as of October 31, 2022); the contribution from external growth (M&A) was equal to 35% of the total 6-months period under review at revenues and operating profit level.

Consolidated Revenues and Other Income grew by 14.5% to Eu 1,501.6 million, with a significant contribution by all Group sectors:

- VAD Sector achieving Revenues and Other Income equal to Eu 1,135.4 million (+11.9% Y/Y), driven among other by the development of Collaboration, Enterprise Software and Security Solutions BUs;
- SSI Sector achieving Revenues and Other Income equal to Eu 368.2 million (+21.6% Y/Y), thanks to the development of the main operating BUs including Digital Security, Cloud, ERP & Vertical Solutions and Data Science;

(1) Adjusted Net Profit attributable to the Group before amortisation of intangible assets (client lists and know-how) deriving from PPA, equal to Eu 12,923 thousand compared to Eu 7,715 thousand as of October 31, 2022, as well as gross of Stock Grant Plan costs equal to Eu 2,692 thousand compared to Eu 2,308 thousand as of October 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 210,790 thousand as of October 31, 2023 (of which Eu 171,396 thousand referring to deferred prices, Earn-Out and Put Option and Eu 39,394 thousand for IFRS 16 liabilities) compared to Eu 178,994 thousand as of October 31, 2022



- Business Services Sector achieving Revenues and Other Income equal to Eu 55.0 million (+38.6% 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 6-months period under review.

Thanks to the Revenues growth in high added-value areas, **consolidated Ebitda increased by +21.3% Y/Y, achieving Eu 113.3 million, with a 7.5% Ebitda margin further increase compared to 7.1% as of October 31, 2022**. All Group reference Sectors contributed to the consolidated Ebitda result:

- VAD sector achieves an Ebitda of Eu 57.7 million (+13.9% Y/Y) and an Ebitda margin equal to 5.1% as of October 31, 2023 vs 5.0% as of October 31, 2022 and 4.9% in FY 2023;
- SSI sector achieves an Ebitda of Eu 45.5 million (+22.1% Y/Y) and an Ebitda margin equal to 12.3% as of October 31, 2023 vs 12.3% as of October 31, 2022 and 12.1% in FY 2023;
- Business Services sector achieves an Ebitda of Eu 7.8 million (+121.8% Y/Y) and an Ebitda margin equal to 14.2% as of October 31, 2023 vs 8.8% as of October 31, 2022 and 13.0% in FY 2023.

Group Operating Income (Ebit) Adjusted³ totalled Eu 90.7 million (Ebit margin adjusted 6.0% vs 5.5% Y/Y), with an increase of 24.7% Y/Y, after amortizations of tangible and intangible assets for Eu 19.1 million (+14.3% Y/Y) and provisions for Eu 3.5 million (-12.3% Y/Y).

Consolidated Operating Income (Ebit) equal to Eu 75.0 million, up by 19.8% Y/Y, after amortizations of intangible assets (client lists and know-how) deriving from PPA for Eu 12.9 million (+67.5% Y/Y, following the M&A investments acceleration) and after other non-monetary costs related to Stock Grant Plans for Eu 2.7 million (vs Eu 2.3 million Y/Y).

Net profit attributable to the Group as of October 31, 2023 equal to Eu 39.0 million (+0.5% Y/Y), after net financial charges for Eu 14.1 million compared to Eu 3.9 million as of October 31, 2022 due to the increasing trend of market interest rates, taxes for Eu 19.3 million and net profit attributable to non-controlling interests for Eu 2.6 million.

Group Adjusted Net profit after minority interests (Adjusted EAT attributable to the Group) as of October 31, 2023 is equal to Eu 50.1 million (3.3% of revenues), up by 9.1% Y/Y compared to Eu 45.9 million as of October 31, 2022 (3.5% of revenues).

Consolidated Net Financial Position is active (net liquidity) for Eu 153.4 million compared to Eu 189.5 million as of October 31, 2022, as a result of Net Working Capital growth from Eu 20.3 million as of October 31, 2022 to Eu 36.1 million as of October 31, 2023, due to Half-Year revenues increase, and M&A investments acceleration with total non-current assets increasing from Eu 451.2 million as of October 31, 2022 to Eu 634.3 million at the end of the half-year under review.

Consolidated Net Financial Position Reported as of October 31, 2023 (net of IFRS Liabilities for Eu 210.8 million mainly consisting of deferred payments of company acquisitions and liabilities to minorities for Put Options) is passive (net debt) for Eu 57.4 million compared to active Net Financial Position for Eu 10.5 million as of October 31, 2022, declining due to, among other things, the higher IFRS liabilities deriving from the acceleration of M&A investments outlined above.

The Group confirms its cash flow generation and Long Term investment capability **with a Last Twelve Months (LTM) Eu 130 million operating cash flow, net of capex and M&As investment for approximately Eu 175 million** and dividend distribution and treasury shares buy-back for about Eu 21 million.

In the period under review, the consolidated Shareholders' Equity is further strengthened, achieving Eu 442.8 million as of October 31, 2023, increasing from Eu 352.1 million as of October 31, 2022.

(3) Ebit Adjusted gross of amortisation of intangible assets (client lists and know-how) deriving from PPA, equal to Eu 12,923 thousand compared to Eu 7,715 thousand as of October 31, 2022, as well as gross of Stock Grant Plan costs equal to Eu 2,692 thousand compared to Eu 2,308 thousand as of October 31, 2022



In the light of the positive results achieved in the First-Half of the FY 2024, the expected contribution of the 13 bolt-on M&As closed since January 2023 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.**

The Group will continue to invest and develop digital skills, human resources and innovative solutions, aiming at improving the long-term double digit growth track record also in the Years following the current one, generating sustainable value for all stakeholders and improving its sustainability profile.

The Chairman Paolo Castellacci and the Chief Executive Officer Alessandro Fabbroni stated about the Half Year results as of October 31, 2023 as follows:

“We confirm our great ability to intercept technological innovation waves and lead the digital transformation in the business segment by combining technology, consulting and applications. We continue 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”, stated **Paolo Castellacci, Chairman and founder of Sesa.**

“We close a Half-Year of further and strong growth in revenues and skills, achieving a total of 5,400 resources up by about 50% compared to two Years ago, facing a digitalization demand of Enterprises and Organizations driven by the consistent investments required in technology, applications and integration services. In the light of the positive trend of the First-Half, the investments in skills and innovative solutions and our great ability of industrial aggregation, with about 70 bolt-on M&As closed from 2015 as of today, we confirm the positive outlook for the current Fiscal Year, by expanding our continuous and outstanding long-term growth track record and supporting our stakeholders in the current phase of digital evolution”, 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 October 31, 2023
- Exhibit n. 2 - Reclassified Consolidated Balance Sheet as of October 31, 2023
- Exhibit n. 3 - Consolidated Income Statement as of October 31, 2023
- Exhibit n. 4 - Consolidated Statement of Financial Position as of October 31, 2023
- Exhibit n. 5 - Segment Information as of October 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, Tuesday December 19, 2023 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 dialling 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 stakeholders 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 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 levels. 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. Sesa is also one of the companies included in Euronext Tech Leaders, Euronext's initiative dedicated to high-growth tech companies.

For Media Information	For ESG and Financial Information
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Exhibit 1 – Reclassified Consolidated Income Statement of Sesa Group as of October 31, 2023 (Euro thousands). Results as of 31/10/2023 approved by the Board of Directors on December 19, 2023, limited review of the Half-Year report has not yet completed

Reclassified Income Statement	31/10/2023 (6 months)	%	31/10/2022 (6 months)	%	Change 2023/22
Revenues	1,482,856		1,298,771		14.2%
Other income	18,763		12,965		44.7%
Total Revenues and Other Income	1,501,619	100.0%	1,311,736	100.0%	14.5%
Purchase of goods	(1,108,148)	73.8%	(988,164)	75.3%	12.1%
Costs for services and leased assets	(138,610)	9.2%	(117,072)	8.9%	18.4%
Personnel costs	(137,987)	9.2%	(109,119)	8.3%	26.5%
Other operating charges	(3,612)	0.2%	(3,994)	0.3%	-9.6%
Total Purchase of goods and Operating Costs	(1,388,357)	92.5%	(1,218,349)	92.9%	14.0%
Ebitda	113,262	7.5%	93,387	7.1%	21.3%
Amortisation tangible and intangible assets (sw)	(19,135)		(16,748)		14.3%
Accruals to provision for bad debts and risks and other non-monetary costs	(3,472)		(3,961)		-12.3%
Adjusted Ebit*	90,655	6.0%	72,678	5.5%	24.7%
Amortisation client lists and technological know-how (PPA)	(15,615)		(7,715)		55.8%
Ebit	75,040	5.0%	62,655	4.8%	19.8%
Net financial income and charges	(14,134)		(3,894)		263.0%
Ebt	60,906	4.0%	58,761	4.5%	3.7%
Income taxes	(19,318)		(17,628)		9.6%
Net profit	41,588	2.8%	41,133	3.1%	1.1%
Net profit attributable to the Group	38,952		38,748		0.5%
Net profit attributable to non-controlling interests	2,636		2,385		10.5%
Adjusted Net profit¹	52,703	3.5%	48,267	3.6%	9.2%
Adjusted Net profit attributable to the Group¹	50,067	3.3%	45,882	3.4%	9.1%

(1) Adjusted Net Profit before amortisation of intangible assets (client lists and know-how) deriving from PPA, equal to Eu 12,923 (vs Eu 7,715 thousand as of October 31, 2022) and the Stock Grant Plans costs equal to Eu 2,692 thousand vs Eu 2,308 thousand as of October 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 October 31, 2023 (Euro thousands). Results as of 31/10/2023 approved by the Board of Directors on December 19, 2023, limited review of the Half-Year report has not yet completed

Reclassified Balance Sheet	31/10/2023	31/10/2022	30/04/2023
Intangible assets	435,374	282,066	368,488
Property, plant and equipment (rights of use included)	135,225	119,041	125,901
Investments valued at equity	25,109	15,832	24,884
Other non-current receivables and deferred tax assets	38,545	34,242	37,086
Total non-current assets	634,253	451,181	556,359
Inventories	170,292	165,984	158,736
Current trade receivables	519,266	441,175	530,268
Other current assets	123,917	131,575	131,274
Other Current assets	813,475	738,734	820,278
Payables to suppliers	561,617	537,065	586,074
Other current payables	215,750	181,358	251,318
Short-term operating liabilities	777,367	718,423	837,392
Net working capital	36,108	20,311	(17,114)
Non-current provisions and other tax liabilities	121,052	81,237	100,612
Employee benefits	49,147	48,607	48,264
Non-current net liabilities	170,199	129,844	148,876
Net Invested Capital	500,162	341,648	390,369
Shareholders' Equity	442,805	352,144	424,050
Liquidity and current financial receivable	(433,611)	(445,238)	(545,500)
Financing current and not current	280,178	255,748	306,004
Net Financial Position	(153.433)	(189,490)	(239,496)
Financial liabilities for rights of use IFRS 16	39,394	45,124	50,075
Liabilities to minorities shareholders for M&A ¹	171,396	133,870	155,740
Net Financial Position Reported	57,357	(10,496)	(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 4 – Consolidated statement of financial position as of October 31, 2023 (Euro thousands).
Results as of 31/10/2023 approved by the Board of Directors on December 19, 2023, limited review of the Half-Year report has not yet completed

(Euro thousands)	As of October 31, 2023	As of April 30, 2023
Intangible assets	435,374	368,488
Right of use	40,712	63,361
Property, plant and equipment	94,513	62,540
Investment property	290	290
Investments valued at equity	25,109	24,884
Deferred tax assets	18,533	17,893
Other non-current receivables and assets	19,246	18,427
Total non-current assets	633,777	555,883
Inventories	170,292	158,736
Current trade receivables	519,266	530,268
Current tax receivables	17,286	11,913
Other current receivables and assets	117,434	127,354
Cash and cash equivalents	422,808	537,507
Total current assets	1,247,086	1,365,778
Non-current assets held for sale	476	476
Total assets	1,881,339	1,922,137
Share capital	37,127	37,127
Share premium reserve	33,144	33,144
Other reserves	(44,247)	(49,810)
Profits carried forward	371,174	354,473
Total Group Equity	397,198	374,934
Equity attributable to non-controlling interests	45,607	49,116
Total Equity	442,805	424,050
Non-current loans	132,551	175,294
Non-current financial liabilities for right of use	26,624	37,374
Liabilities to minorities shareholders and Earn Out for M&A	133,136	110,679
Employee benefits	49,147	48,264
Non-current provisions	5,177	4,794
Deferred tax liabilities	115,875	95,818
Total non-current liabilities	462,510	472,223
Current loans	147,627	130,710
Current financial liabilities for right of use	12,770	12,701
Liabilities to minorities shareholders and Earn Out for M&A	38,260	45,061
Payables to suppliers	561,617	586,074
Current tax payables	28,272	22,272
Other current liabilities	187,478	229,046
Total current liabilities	976,024	1,025,864
Total liabilities	1,438,534	1,498,087
Total Equity and liabilities	1,881,339	1,922,137



Exhibit 5 – Segment Information (VAD, SSI, Business Services, Corporate) as of October 31, 2023 (Euro million). Results as of 31/10/2023 approved by the Board of Directors on December 19, 2023, limited review of the Half-Year report has not yet completed

Segment Information	6M period as of October 31, 2023 (H1)					6M period as of October 31, 2022 (H1)					
	In Euro Mn	VAD	SSI	BS	Corporate	Group	VAD	SSI	BS	Corporate	Group
Total Revenues and Other Income	1,135.4	368.2	55.0	9.3	9.3	1,501.6	1,014.8	302.8	39.7	8.2	1,311.7
Change Y/Y	11.9%	21.6%	38.6%	14.0%	14.0%	14.5%	26.6%	20.8%	46.3%	-24.7%	26.5%
Gross Margin	102.3	248.5	50.8	9.3	9.3	393.5	90.6	204.5	34.2	8.1	323.6
Opex	(44.6)	(203.1)	(43.0)	(7.0)	(7.0)	(280.2)	(39.9)	(167.3)	(30.7)	(6.0)	(230.2)
Ebitda	57.7	45.5	7.8	2.3	2.3	113.3	50.7	37.2	3.5	2.1	93.4
<i>Ebitda Margin</i>	5.1%	12.3%	14.2%	24.6%	24.6%	7.5%	5.0%	12.3%	8.8%	26.0%	7.1%
Change Y/Y	13.9%	22.1%	121.8%	7.6%	7.6%	21.3%					
D&A	(2.2)	(14.3)	(2.3)	(0.3)	(0.3)	(19.1)	(2.2)	(12.7)	(1.5)	(0.2)	(16.7)
Provisions and other non monetary costs	(2.5)	(0.9)	(0.1)	(0.0)	(0.0)	(3.5)	(2.1)	(1.9)	(0.0)	(2.3)	(6.3)
EBIT Adjusted¹	53.0	30.2	5.4	2.0	2.0	90.7	46.4	22.6	2.0	(0.4)	70.4
<i>Ebit Adjusted Margin</i>	4.7%	8.2%	9.9%	21.3%	21.3%	6.0%	4.6%	7.5%	5.0%	-4.9%	5.4%
Change Y/Y	14.4%	33.5%	182.8%	2.0%	2.0%	24.7%					
PPA-related amortisation	(1.1)	(8.1)	(3.7)	(2.7)	(2.7)	(15.6)	(0.8)	(5.3)	(1.7)	0.0	(7.7)
Ebit	51.9	22.1	1.8	(0.7)	(0.7)	75.0	45.6	17.3	0.3	(0.4)	62.7
<i>Ebit Margin</i>	4.6%	6.0%	3.2%	-7.6%	-7.6%	5.0%	4.5%	6.0%	0.8%	-5.2%	4.9%
Net Financial Charges	(8.7)	(4.8)	(1.4)	(0.1)	(0.1)	(14.1)	(2.7)	(0.8)	(0.4)	(0.0)	(4.0)
Income Taxes	(13.1)	(5.7)	0.1	(0.6)	(0.6)	(19.3)	(11.3)	(5.3)	(0.4)	(0.6)	(17.6)
Eat	30.5	12.0	0.5	(1.4)	(1.4)	41.6	31.6	11.2	(0.6)	(1.0)	41.1
PPA-related amortisation (net of taxes)	0.8	5.8	2.6	1.9	1.9	11.1	0.6	3.8	1.2	1.6	7.1
Minorities	(0.5)	(2.5)	0.4	0.0	0.0	(2.6)	(0.6)	(1.8)	(0.1)	-	(2.4)
Group Eat Adjusted²	30.8	15.3	3.5	0.5	0.5	50.1	31.6	13.2	0.5	0.6	45.9
<i>Group Eat Adj Margin</i>	2.7%	4.2%	6.4%	5.6%	5.6%	3.3%	3.1%	4.3%	1.1%	7.6%	3.5%
Change Y/Y	-2.4%	16.2%	681.8%	-15.7%	-15.7%	9.1%					

(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.

