



## PRESS RELEASE

# Esautomotion approves the Consolidated 1H22 Financial Report at 30<sup>th</sup> June 2022

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1. **REVENUES:** € 16.472 thousand vs. € 13.941 thousand (+18.2%)
2. **EBITDA:** € 4.462 thousand vs. € 4.064 thousand (+9.8%)
3. **EBITDA:** *margin:* 27.1% vs. 29.2%
4. **EBIT:** € 3.661 thousands vs. € 3,371 thousand (+8.6%)
5. **NET PROFIT:** € 2.774 thousand vs. € 2.509 thousand (+10.6%) equal to 17% of the revenues
6. **OPERATING CASH FLOW:** € 760 thousand with a *cash conversion ratio* of 17%
7. **NET FINANCIAL POSITION:** € -8.458 thousand (POSITIVE CASH) vs. € -10.546 at 31/12/2021, after distributing the dividends of 2021 for € 1.272 thousand.
8. **NET EQUITY:** € 23.543 thousand, including the profit for the period of € 2.774 thousand.
9. **TREASURY SHARES IN PORTFOLIO NO. 383,000**

*Carpi, 28 September 2022*

The Board of Directors of Esautomotion S.p.A. ("**Esautomotion**" or the "**Company**"), the operating *holding company* of the Esautomotion Group (the "**Group**"), active in the field of high-precision mechatronic components for industrial machines, today approved the Consolidated Financial Report 1H22 (the "**Report**").

### **REPORT: MAIN CONSOLIDATED RESULTS AS AT 30<sup>th</sup> JUNE 2022**

The **Group's REVENUES**, equal to **€ 16.472 thousand**, recorded a good growth compared to 1H21, equal to about **+18.2%**.

The positive performance of the Company derives mainly from the strategy aimed at having a lower correlation to the economic cycle, started since the years 2019 and 2020, which led to growth of 61%

in 2021, more than double compared to the market, to which was added a further 18.2% in 1H2022, despite the semiconductors shortage that seriously affected the market.

After the excellent 2021, characterized by:

1. recovery and development of sales both on historical customers and on those recently acquired, thanks to the development activities put in place in previous years,
2. economic cycle finally positive,
3. product innovation,
4. strong growth in market share in strategic world markets,

year 2022 is characterized by:

1. continuation of the positive *trend* with particular strength in: Italy (+42%), Turkey (+9%), Iberian Peninsula (+8%), while China (+7%) is still penalized by the lockdowns due to Covid-19;
2. no consequences of the Russian/Ukrainian conflict, as the two markets are very limited and Esautomotion has no activity in those areas;
3. increased order book for 2H22 and 1H23.

**EBITDA**, equal to € 4.462 thousand, increased **by 9.8%** compared to 1H2021.

The **EBITDA MARGIN**, equal to 27.1%, lost about 2 percentage points compared to 1H2021, due, substantially, to the *mix* of products sold, as the most profitable family (numerical controls) is affected by greater delivery delays than the entire range. This phenomenon is, therefore, judged temporary and in the process of recovery for the second part of the year.

**NET PROFIT**, equal to € 2.774 thousand, increased **by 10.6%** compared to 1H2021

The **NET FINANCIAL POSITION**, equal to € -8.458 thousand (POSITIVE CASH), represents an excellent result, also taking into account the profits distributed for € 1.272 thousand and the reserve for treasury shares of € 1.010 thousand. The *shortage* of components caused an increase in working capital due to warehouse (semiconductors purchased in advance to cope with market shortages and orders awaiting completion); receivables from customers (due to the growth in turnover), payables to suppliers (advance payment of components otherwise no longer available).

This trend in working capital is already clearly improving (in reduction) at the present time and represents the real investment to allow our customers not to interrupt production activity.

Despite the afore mentioned increase in component prices, Esautomotion has managed to recover the cost burdens, thanks both to the adjustment of prices to customers and to the ability to migrate the demand of acquired customers towards more performing and profitable products.

The share of direct *exports* has fallen to 46%, to which must be added the part of products sold in Italy that are subsequently exported, making possible to estimate **the share of total exports at 75%.**

The strategy of:

1. search for growth opportunities for external lines;

2. investments in *R&D*, with the preparation for the launch of new products;
3. reduction of the cost of products;
4. reduction of the use of working capital;
5. product performance improvement, in particular in strategic market applications (sheet metal, marble, wood processing);
6. penetration into strategic customers in terms of *Computer Numerical Control's* share compared to competitors;
7. expansion of the offer to various complementary applications and to motors and drives;
8. internationalization worldwide, particularly in China, Turkey, Germany and North America.

*R&D* remains the Group's largest investment area. Research and development continued in 2022, mainly aimed at integrating:

1. different mechatronic technologies;
2. development of communication 4.0 and *networking* logics;
3. increase in the flexibility characteristics of the product to react quickly to market fluctuations;
4. development and integration of new devices, sensors, components;
5. development of new *hardware* to deal with the *shortage* of materials;
6. improvement of energy efficiency;
7. study of 3D graphics elements;
8. hybrid technologies;
9. multifunction machines to increase productivity;
10. integrations with CAD/CAM programs.

These activities have allowed Esautomation to continue *developing software* and new integrated devices according to the principles of *Industry 4.0*, as well as to consolidate the performance of existing products in new application sectors.

**Predictable evolution of the company:** the portfolio and order intake remain substantial and a positive growth trend is expected for the next 12 months. It is believed to be able to neutralize the impact of any further price increases of components, preserving margin levels. Delays in the delivery of components have caused delays in deliveries to customers and, therefore, delays in turnover, with some inconvenience to customers and the company itself. Moreover, Esautomation's capability to cope with it has made it possible to get in touch with competitive customers in difficulty. The general economic context seems to show the tendency to slow down world growth, but we believe that the radicalization of *decoupling* and *reshoring* can compensate, for the markets of our interest, for any reductions in demand for automation machines: move the relocation out of China or bring production back to Europe or the USA, in reality, increases the demand for new machines, creating opportunities for growth.

**Gianni Senzolo**, CEO of Esautomotion commented on the results: *"We are satisfied with the results of 1H22, as well as looking for new customers and new areas of growth. We have had to face the effort to make up for the shortages of components to help customers to continue to produce, that has also created positive opportunities to win new customers from competitors. We consider the growth for the full year 2022 and for the first part of 2023 to be solid and lasting. The analysis of growth opportunities for external lines continues"*.

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The Relation, together with the certification of the auditing firm that will be issued in the coming days, will be made available to the public, in compliance with the terms established by law, on the website <http://www.esautomotion.it>.

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With reference to the accounting data set out in this press release, it should be noted that these are data for which the statutory audit activity by the company has not been completed.

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*Esautomotion Group Results at 30<sup>th</sup> June 2022 – Consolidated Income Statement IAS/IFRS*

PROFIT & LOSS	30-jun-22		30-jun-21		Changes	
Thousands Euro						
Net Sales Revenues	16.420	99,7%	13.899	99,7%	2.521	18,1%
Other Revenues	52	0,3%	42	0,3%	10	21,7%
TURNOVER	16.472	100,0%	13.941	100,0%	2.531	18,2%
Cost of Goods Sold	(8.824)	(53,6%)	(7.174)	(51,5%)	(1.650)	23,0%
Personnel Costs	(1.136)	(6,9%)	(1.037)	(7,4%)	(99)	9,6%
Services	(1.963)	(11,9%)	(1.618)	(11,6%)	(345)	21,3%
Other Costs	(87)	(0,5%)	(48)	(0,3%)	(39)	78,8%
OPERATIVE COSTS	(12.010)	(72,9%)	(9.877)	(70,8%)	(2.133)	21,6%
EBITDA	4.462	27,1%	4.064	29,2%	398	9,8%
Depreciation and Amortization	(801)	(4,9%)	(693)	(5,0%)	(108)	15,7%
EBIT	3.661	22,2%	3.371	24,2%	290	8,6%
Financial Incomes (Costs)	26	0,2%	38	0,3%	(12)	(29,3%)
EBT	3.687	22,4%	3.409	24,5%	278	8,2%
Tax	(913)	(5,5%)	(900)	(6,5%)	(13)	1,5%
NET PROFIT (LOSS) Adjusted	2.774	16,8%	2.509	18,0%	265	10,6%
NET PROFIT (LOSS)	2.774	16,8%	2.509	18,0%	265	10,6%

*Esautomotion Group Results at 30<sup>th</sup> June 2022 – Consolidated Balance Sheet IAS/IFRS*

BALANCE SHEET		30-jun-22	31-dec-21	Changes
Thousands Euro				
	Goodwill	98	98	-
	Intangible Assets	1.418	1.248	170
	Tangible Assets	567	632	(65)
	Rights of use	325	405	(80)
	Other non current assets	1	1	-
<b>A</b>	<b>Non Current Assets</b>	<b>2.409</b>	<b>2.384</b>	<b>25</b>
	Inventory	5.108	4.192	916
	Trade Credits	12.405	11.208	1.197
	Accounts payable	(3.938)	(5.526)	1.588
	<b>OPERATING WORKING CAPITAL</b>	<b>13.575</b>	<b>9.874</b>	<b>3.701</b>
	Other current assets	531	166	366
	Other current debts	(1.077)	(655)	(423)
<b>B</b>	<b>Net Working Capital</b>	<b>13.029</b>	<b>9.385</b>	<b>3.644</b>
	Severance pay	(259)	(229)	(31)
	Funds for risk and charges	(94)	(166)	72
<b>C</b>	<b>Total Funds</b>	<b>(353)</b>	<b>(395)</b>	<b>41</b>
<b>D=A+B+C</b>	<b>Net Invested Capital</b>	<b>15.085</b>	<b>11.374</b>	<b>3.710</b>
<b>E</b>	<b>Assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>F=D+E</b>	<b>Total Net Invested Capital</b>	<b>15.085</b>	<b>11.374</b>	<b>3.711</b>
	Share Capital	2.000	2.000	-
	Accumulated profit and reserves	21.532	19.912	1.620
	Minority interest	11	8	3
<b>G</b>	<b>Total Equity</b>	<b>23.543</b>	<b>21.920</b>	<b>1.623</b>
	Long term financial Debts	175	251	(76)
	Short term financial Debts	167	171	(4)
	Cash, Bank Deposits and Financial credits	(8.800)	(10.968)	2.168
<b>H</b>	<b>Net Financial Position</b>	<b>(8.458)</b>	<b>(10.546)</b>	<b>2.088</b>
<b>I=G+H</b>	<b>Total Sources</b>	<b>15.085</b>	<b>11.374</b>	<b>3.711</b>

## Esautomotion Group Results at 30<sup>th</sup> June 2022 – Consolidated Cash flows Statement IAS/IFRS

CASH FLOW STATEMENT	30-jun-22	30-jun-21
Thousands Euro		
Net Profit (Loss)	2.774	2.509
Corporate Income Taxes	913	900
Financial Costs (Income) & Exchange gains (losses)	(26)	(38)
Offset in working capital	21	14
Provisions	(42)	22
Depreciation	691	650
<b>Cash flow from operation before changes in NWC</b>	<b>4.331</b>	<b>4.057</b>
<b>Changes in NWC</b>	<b>(3.571)</b>	<b>(1.915)</b>
<b>Cash flow after changes in NWC</b>	<b>760</b>	<b>2.142</b>
Financial Costs paid	-	-
Taxes paid	(980)	(233)
<b>Operating cash flow</b>	<b>(220)</b>	<b>1.909</b>
<b>CAPEX</b>	<b>(704)</b>	<b>(707)</b>
Loan disbursement (repayment)	(80)	(161)
Increase in capital	-	-
Share Buyback	-	-
Changes in Equity	121	61
Dividends paid	(1.272)	(636)
<b>Financial Changes</b>	<b>(1.231)</b>	<b>(736)</b>
<b>Changes in Liquidity</b>	<b>(2.155)</b>	<b>466</b>
Cash beginning of the year	8.955	7.012
Cash at the end of the period	6.800	7.478

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**Codice ISIN:** IT0005337107

**Ticker:** ESAU

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