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Vedi allegato



ESAUTOMOTION APPROVES THE 2023 DRAFT FINANCIAL STATEMENTS AND THE 2023 CONSOLIDATED FINANCIAL STATEMENTS

**Revenue growth +4.6%, Operating Cash Flow + Euro 1.1 million;
NFP: Euro -3.6 million (positive net cash)**

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31/12/2023:

- **REVENUES: Euro 35,661 thousand (vs. Euro 34,091 thousand), +4.6%**

- **EBITDA *adjusted*: Euro 8.482 mila (vs. Euro 8.692 mila), - 2,4%**
- EBITDA: Euro 8.364 mila (vs. Euro 8.692 mila), - 3,8%
- **EBITDA *margin adjusted*: 23,8% (vs. 25,5%), -1,7% percentage points**
- EBITDA *margin*: 23,5% (vs. 25.5%), -2,0% percentage points

- **NET PROFIT *adjusted* Euro 4.407 mila (vs. Euro 5.102 mila) - 13,6%**
- NET PROFIT Euro 4,322 thousand (vs. Euro 5,102 thousand) - 15.3%
- **NET PROFIT *margin adjusted* 12,4% (vs. 15,0%) - 2,6% punti percentuali**
- NET PROFIT: *margin* 12.1% (vs. 15.0%). - 2.9 percentage points

- **OPERATING CASH FLOW: Euro 1,166 mila (vs. Euro 2,899 mila)**
- **NET FINANCIAL POSITION: (CASH POSITIVE) for Euro -3,637 thousand (vs. Euro -10,769 thousand),**
- TREASURY SHARES: 213,000
- **DIVIDEND: Euro 0,05. x/share: payout ratio (of the group) 14,9%, yield 1.3%**

Carpi, 4th April 2024

The Board of Directors of Esautomotion S.p.A. ("**Esautomotion**", "**ESA**" or the "**Company**"), the operating *holding company* of the Esautomotion Group (the "**Group**") active in the sector of high-precision mechatronic components for industrial machines, today approved the Consolidated Financial Statements and the Draft Financial Statements for the year ended 31st December 2023.

MAIN CONSOLIDATED RESULTS 2023

Group revenues as of December 31, 2023 amounted to **Euro 35,661 thousand**, recording growth of **4.6%** compared to December 31, 2022.

Comments regarding 2023:

- After the significant growth in 2021: +61% and in 2022: +19%, in the second half of 2023 there was a significant drop in revenues. Comparing with 2022, 1H23 Esa maintained growth of 17.2% compared with 1H2022, while in 2H23 this growth has been gradually more than counterbalanced. The acquisition of Sangalli Servomotori srl as of July 10, 2023 consolidated € 2,473 thousand (6 months) bringing total growth positive.
- Conclusion of highly disruptive phenomena of:
 - *shortage* of all components, in particular semiconductors, increased costs and inefficiencies in logistics chains, (partial, delayed, incomplete deliveries, urgent transportation);
 - speculation in distribution chains with sudden increases in costs on components (sudden price increases, speculation among distributors);
 - requests for very onerous terms of supply (advance orders to suppliers with deliveries up to 24 months, in some cases with advance payments)
 - the need to increase own stock to meet the needs of current and future customers
 - unpredictability of demand: always excessive in periods of shortage and suddenly slowed down as soon as signs of stagnation were felt.
- Conclusion of post-pandemic investment incentive policies which, after inflating demand, caused a reverse in direction.

These extraordinary and unprecedented events have also increased some costs, for example the path of redesigning products so as to no longer "depend" on single suppliers which, if on the one hand improves Esautomotion's internal efficiency and reduce costs, in the year in which it is carried out requires greater costs and investments.

Esautomotion continued to focus on the usual lines of growth:

- R&D: continuous improvement of product *performance*, particularly in strategic market applications: sheet metal, *laser*, marble;
- increase in penetration in strategic customers in terms of CNC's share compared to competitors, expansion of the offer to various complementary applications, expansion of the offer to motors and *drivers*;

- continuation of the intense internationalization activity at a global level, in particular in China, the Iberian Peninsula, Turkey and the United States, India with the opening of two new branches.

Beside this

- The acquisition of Sangalli Servomotori srl Servomotori has strengthened our offer to the market of Numerical Controls: the most innovative applications require motors designed and produced specifically for the purpose. It also opens the market to that very wide segment of the Automation market that does not depend on Numerical Controls such as Energy and Motion.

The Group's level of "direct" exports is equal to 49% of revenues, to this value must be added the share of products sold on the domestic market and then exported by our customer machine manufacturers; this sum makes it estimated that direct and indirect exports are together equal to about 80% of revenues.

EBITDA adjusted, amounting to Euro 8,482 thousand (23.5% of Revenues), decreased by 2.4% compared to the 2022 financial statements (25.5% of Revenues), the non recurring costs are related to the advisory expenses for the acquisition of Sangalli. The slight contraction in terms of percentage of revenues is mainly due to cost increases due to the shortage of components: the company had to source from alternative channels in some cases, with increased costs and financial advances. Logistics channels have also weighed on costs. We believe that these negative factors are improving thanks to the search for alternative suppliers and components and the reduction of the shortage itself. In 2023, Esautomotion's management structure was strengthened.

The acquisition of Sangalli Servomotori srl Servomotori had a negative impact on margins and in terms of non-recurring costs for consultancy on the acquisition.

R&D remains the Group's main investment area. In particular, research and development activities continued, mainly aimed at:

- integration between different mechatronic technologies;
- development of 4.0 communication and networking logics;
- increased performance;
- development and integration of new devices, sensors, components;
- development of new kinematics;
- improving energy efficiency and *green transition*;
- materials engineering;

- new complementary and synergistic business lines on motors and drives.

These activities have allowed Esautomotion to continue the development of *software* and **new integrated devices according to the principles of Industry 4.0**, and to consolidate the performance of the products **in new application sectors**.

The company invested Euro 1,338 thousand in R&D, in line with previous years (3.7% of revenues)

The **Consolidated Net Financial Position** shows a **positive cash balance of Euro 3,637** thousand compared to Euro 10,769 thousand at December 31, 2022.

During 2023, Esautomotion paid €5,428 thousand for the payment of 65% of the share capital of Sangalli Servomotori srl servomotori, and 170,000 Esautomotion shares (valued, in the negotiation, at €6.00 per share; it has also set aside (debt) € 3,500 thousand as consideration for the exercise of the purchase option on the remaining 35%.

The severe crisis in the electronic components and semiconductor market, combined with the increase in turnover, led to a significant increase in working capital (+Euro 5,598 thousand). This is mainly due to the increase in stocks of essential components and financial advances (with requests for advance payments of up to 1 year on deliveries) for some of these components. These choices have become essential in order not to penalize growth, but they are the subject of greater attention by the company's management aimed at a rapid return to normality.

In addition, the Company holds **213,000** treasury shares, equal to a value of approximately **Euro 790 thousand**, at the listing on March 29, 2024 (€ 3.71 each), recorded in the financial statements for Euro 562 thousand.

Shareholders' equity amounts to Euro 29,976 thousand.

Chief Executive Officer **Gianni Senzolo** said: *"It has been a difficult year, due to the difficulties in serving customers in the absence of components, to adapt the warehouses to the situation and to where to return, this year, to efficiency in Working Capital. At the same time, we are redesigning our products to make us more and more independent of suppliers of key components. The abrupt slowdown at the end of 2023 also had a negative emotional component. For the past 12 months, we have been accelerating the commercial push, as happened in 2019 and 2020 according to the countercyclical strategy that we always activate at the first signs of a slowdown. Two branches: USA and Turkey, were opened at the end of 2023. We are ready to recover Cash Flow from working capital efficiency in 2024. The acquisition of the Sangalli Servomotori srl Company has strengthened us by expanding the range of products to other types of automation customers, as well as making us more competitive in terms of costs and innovation possibilities.*

GENERAL CNC MARKET TREND IN 2023

Referring to the 2023 financial statements of the FA division (CNC, servomotors, laser) of Fanuc - Japan, world leader in the CNC sector, a drop in worldwide turnover of about 24% (from 254 billion Yen to 192 billion Yen) is observed. This company (50 times larger than Esautomotion) is an excellent indicator of the growth of the entire world market. In this market context, the Esautomotion Group performed better, despite a slowdown in demand.

Andrea Senzolo, General Manager of Esautomotion: “

2023 was a special year, characterized by a double speed. Growth in the first half of the year was offset by a decrease in the second.

The main factors that characterized the second half of the year were mainly the very high inventories that our customers had set aside during the shortage period and a decline in sales on the market. The two factors combined led our numbers to absorb the growth of the first half of the year.

To remedy this situation and to improve the results for 2024, we have implemented, as early as the second half of 2023, various internal and external strategies. Internally, we have worked, alongside our managers, on the efficiency of purchasing, warehouses and logistics, also collaborating with our suppliers to return to just-in-time warehouse management (which is impossible during the shortage). The target is to efficientize cash flow and working capital.

Externally, we have pushed hard at the commercial level, with the inclusion of internal and external resources, in order to put into practice a counter-cyclical strategy that allows us, as in the past, to expand our shares in the markets where we are present and to go and take on new "macro-niches", which is possible above all thanks to the purchase of Sangalli Servomotori srl Servomotori. The two new branches (USA and Turkey) combined with an efficiency of the existing realities (Brazil, Spain, China) will allow us to be more widespread in the respective markets both from the point of view of sales and from the point of view of service, this will allow us to acquire new market shares not only abroad but also in Italy, thanks to the joint work of our sales departments.

We continue to invest in R&D in new developments in automation applications, also in light of AI, all aspects of Industry 5.0 and the evolution of Industry 4.0. We are ready with our products (both hardware and software) to be compliant with the directives that 5.0 and 4.0 require. I believe that this can give us a strong boost on the international market, which is increasingly oriented towards green solutions and an increase in energy efficiency.

BUSINESS OUTLOOK:

We are in a particularly complex economic and financial context dominated by perceptions of strong economic and geopolitical uncertainty. The Group will continue to strive to improve its operating result by seeking to increase efficiency and make the product offering more complete and competitive, also by expanding its commercial presence. Esautomotion customers have a very strong loyalty: their market can expand or contract and in times of contraction the strategy has always been to develop markets with new customers.

DISCLOSURE OF FIRST QUARTER 2024 FIGURES

As already announced in the Financial Calendar, on 14 May 2024 the unaudited figures for Operating Revenues and Net Financial Position, consolidated as at 31 March 2024, will be published.

SHAREHOLDERS' MEETING

The Board of Directors has mandated the Chairman to convene the Ordinary Shareholders' Meeting for **29 April 2024**, at **5.00 p.m.**, conventionally at the Company's Registered Office in Via della Meccanica, no. 23/1 – 41012 Carpi (MO), with the following ordinary agenda:

- Approval of the Individual Financial Statements of Esautomotion S.p.A. as at 31 December 2023. Related and consequent resolutions. Presentation of the consolidated financial statements of the Esautomotion Group as at 31 December 2023.
- Allocation of profit for the year. Related and consequent resolutions.
- Appointment of the Board of Directors. Related and consequent resolutions.
 - a. Determination of the number of members of the Board of Directors.
 - b. Determination of the term of office of the Board of Directors.
 - c. Appointment of the members of the Board of Directors.
 - d. Determination of the remuneration of the members of the Board of Directors.
- Appointment of the Board of Statutory Auditors. Related and consequent resolutions.
 - a) Appointment of the members of the Board of Statutory Auditors.
 - b) Determination of the remuneration of the standing members of the Board of Statutory Auditors.

The Board of Directors resolved to propose to the Ordinary Shareholders' Meeting the following allocation of Esautomotion S.p.A.'s net profit for the year, amounting to Euro 3,333,787.91:

- Euro 249.35 to reserve foreign exchange gains
- Euro 644.500,00 thousand Dividends and Euro.2.689.038,56 thousand to Retained Earnings Reserve.

This dividend will be paid in a single payment (coupon n.8) equal to € 0.05. This coupon will be paid starting from May 15, 2024 with an ex-dividend date on May 13, 2022 and a record date on May 14, 2022;

The dividend yield, calculated on the official closing price at 3rd April 2024, was 1.3% while the payout ratio was 14.9% of the Group's consolidated profit.

For further information, please refer to the notice of call and the documentation supporting the proposed resolutions, which will be published and made available to the Company's shareholders, in compliance with the applicable legal and statutory provisions, on 12 April 2024, on the www.esautomotion.it website, in the "*Investor Relations/Shareholders' Meeting*" section.

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

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The Consolidated Financial Statements and the Financial Statements will be made available to the public, in compliance with the terms provided for by law, on the website <http://www.esautomotion.it>.

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Esautomotion Group Results at 31st December 2023 – Consolidated Income Statement IAS/IFRS

PROFIT & LOSS	31-dec-23		31-dec-22		Changes	
	Thousands Euro					
Net Sales Revenues	35.446	99,4%	33.828	99,2%	1.617	4,8%
Other Revenues	215	0,6%	263	0,8%	(48)	(18,3%)
TURNOVER	35.661	100,0%	34.091	100,0%	1.569	4,6%
Cost of Goods Sold	(18.515)	(51,9%)	(18.517)	(54,3%)	2	-
Personnel Costs	(3.427)	(9,6%)	(2.363)	(6,9%)	(1.064)	45,0%
Services	(5.068)	(14,2%)	(4.277)	(12,5%)	(790)	18,5%
Other Costs	(287)	(0,8%)	(242)	(0,7%)	(45)	18,8%
OPERATIVE COSTS	(27.297)	(76,5%)	(25.399)	(74,5%)	(1.898)	7,5%
EBITDA	8.364	23,5%	8.692	25,5%	(328)	(3,8%)
EBITDA Adjusted	8.482	23,8%	8.692	25,5%	(210)	(2,4%)
Depreciation and Amortization	(2.325)	(6,5%)	(1.858)	(5,4%)	(468)	25,2%
EBIT	6.038	16,9%	6.834	20,0%	(796)	(11,6%)
Financial Incomes (Costs)	(137)	(0,4%)	(9)	-	(128)	> 100%
EBT	5.901	16,5%	6.825	20,0%	(924)	(13,5%)
Tax	(1.579)	(4,4%)	(1.723)	(5,1%)	144	(8,4%)
NET PROFIT (LOSS)	4.322	12,1%	5.102	15,0%	(780)	(15,3%)
NET PROFIT (LOSS) Adjusted	4.407	12,4%	5.102	15,0%	(695)	(13,6%)

Esautomotion Group Results at 31st December 2023 – Consolidated Balance Sheet IAS/IFRS

BALANCE SHEET		31-dec-23	31-dec-22	Changes
Thousands Euro				
	Goodwill	2.949	98	2.852
	Intangible Assets	2.337	1.270	1.067
	Tangible Assets	2.639	570	2.070
	Rights of use	417	270	147
	Other non current assets	1	1	-
A	Non Current Assets	8.344	2.208	6.135
	Inventory	12.892	8.323	4.569
	Trade Credits	11.481	12.008	(527)
	Accounts payable	(5.558)	(7.115)	1.557
	OPERATING WORKING CAPITAL	18.815	13.217	5.598
	Other current assets	831	671	160
	Other current debts	(1.223)	(772)	(451)
B	Net Working Capital	18.423	13.115	5.307
	Severance pay	(340)	(253)	(87)
	Funds for risk and charges	(87)	(87)	-
C	Total Funds	(427)	(340)	(87)
D=A+B+C	Net Invested Capital	26.339	14.984	11.356
E	Assets held for sale	-	-	-
F=D+E	Total Net Invested Capital	26.339	14.984	11.356
	Share Capital	2.000	2.000	-
	Accumulated profit and reserves	27.722	23.741	3.981
	Minority interest	254	12	242
G	Total Equity	29.976	25.753	4.223
	Long term financial Debts	3.868	112	3.756
	Short term financial Debts	590	176	415
	Cash, Bank Deposits and Financial credits	(8.095)	(11.057)	2.962
H	Net Financial Position	(3.637)	(10.769)	7.133
I=G+H	Total Sources	26.339	14.984	11.356

Esautomotion Group Results at 31st December 2023 – Consolidated Cash flows Statement IAS/IFRS

CASH FLOW STATEMENT	31-dec-23	31-dec-22
	Thousands Euro	
Net Profit (Loss)	4.322	5.102
Corporate Income Taxes	1.579	1.723
Financial Costs (Income) & Exchange gains (losses)	137	9
Offset in working capital	42	84
Provisions	75	(31)
Depreciation	2.050	1.579
Cash flow from operation before changes in NWC	8.204	8.466
Changes in NWC	(5.231)	(3.960)
Cash flow after changes in NWC	2.974	4.506
Financial Costs paid	(17)	-
Taxes paid	(1.791)	(1.607)
Operating cash flow	1.166	2.899
CAPEX	(6.123)	(1.393)
Loan disbursement (repayment)	4.170	(135)
Increase in capital	-	-
Share Buyback	448	-
Changes in Equity	512	4
Dividends paid	(1.272)	(1.272)
Financial Changes	3.859	(1.403)
Changes in Liquidity	(1.098)	103
Cash beginning of the year	9.057	8.955
Cash at the end of the period	7.959	9.057

Esautomotion S.p.A. Results at 31st December 2023 – Income Statement ITA GAAP

PROFIT & LOSS	31-dec-2023		31-dec-2022		Changes	
	Thousands Euro					
Revenues	26.425	93,8%	28.811	92,6%	(2.386)	(8,3%)
Change in semi-finished and finished products	1.110	3,9%	1.641	5,3%	(531)	(32,4%)
Other revenues and services	624	2,2%	673	2,2%	(49)	(7,3%)
Total production value	28.159	100,0%	31.125	100,0%	(2.966)	(9,5%)
Subsidiary and consumer raw materials	(16.506)	(58,6%)	(19.667)	(63,2%)	3.161	(16,1%)
Costs for Services	(3.541)	(12,6%)	(3.805)	(12,2%)	264	(6,9%)
Costs for use of third-party assets	(282)	(1,0%)	(230)	(0,7%)	(52)	22,6%
Personnel costs	(3.264)	(11,6%)	(2.811)	(9,0%)	(453)	16,1%
Amortization, depreciation and write-downs	(1.103)	(3,9%)	(1.087)	(3,5%)	(16)	1,5%
Change in inventories of raw materials	1.004	3,6%	1.421	4,6%	(417)	(29,3%)
Other provisions	-	-	(21)	(0,1%)	21	(100,0%)
Other Costs	(237)	(0,8%)	(192)	(0,6%)	(45)	23,4%
Total Production Costs	(23.929)	(85,0%)	(26.392)	(84,8%)	2.463	(9,3%)
Difference between value and production costs	4.230	15,0%	4.733	15,2%	(503)	(10,6%)
Total income and (financial) charges	121	0,4%	(18)	(0,1%)	139	(772,2%)
Result before the taxes	4.351	15,5%	4.715	15,1%	(364)	(7,7%)
Taxes	(1.017)	(3,6%)	(1.159)	(3,7%)	142	(12,3%)
Profit (loss) for the year	3.334	11,8%	3.556	11,4%	(222)	(6,2%)

Esautomotion S.p.A. Results at 31st December 2023 – Balance Sheet ITA GAAP

BALANCE SHEET		31-dec-23	31-dec-22	Changes
Thousands Euro				
	Goodwill	52	57	(5)
	Intangible assets	1.745	2.692	(947)
	Tangible fixed assets	301	195	106
	Investments	1	1	-
	Participation in subsidiaries	6.666	27	6.639
	Long-term loans	174	171	3
A	Fixed Assets	8.939	3.143	5.796
	Inventories	8.604	7.031	1.573
	Trade Receivables	8.752	11.070	(2.318)
	Trade Receivables to subsidiaries	1.037	867	170
	Tax credits	564	707	(143)
	Prepaid taxes	202	150	52
	Other credits	140	214	(74)
	Financial assets	136	2.000	(1.864)
	Cash on hand	5.251	7.922	(2.671)
B	Current Assets	24.686	29.961	(5.275)
C	Prepayments and accrued income	105	55	50
D=A+B+C	TOTAL ASSETS	33.730	33.159	571
	Share Capital	2.000	2.000	-
	Reserves, Retained Earnings	21.289	18.198	3.091
	Net Profit of the year	3.334	3.556	(222)
E	Equity	26.623	23.754	2.869
	Provisions for risks and charges	87	87	-
	TFR	269	274	(5)
	Long Term Financial Debt	109	-	109
	Short Term Financial Debt	34	-	34
	Prepayment received	109	44	65
	Trade Payable	4.372	7.239	(2.867)
	Trade Payable to subsidiaries	861	419	442
	Tax payables	214	595	(381)
	Social security institutions	190	155	35
	Other debts	659	547	112
F	Total Debts and Funds	6.904	9.360	(2.456)
G	Accrued expenses and deferred income	202	45	157
H=E+F	TOTAL LIABILITIES	33.729	33.159	570

Esautomotion S.p.A. Results at 31st December 2023 – Cash flows Statement ITA GAAP

CASH FLOW STATEMENT	31-dec-23	31-dec-22
	Thousands Euro	
Net Profit (Loss)	3.334	3.556
Corporate Income Taxes	1.017	1.159
Financial Costs (Income)	(121)	5
Dividends and capital gains	-	-
Provisions & others	373	436
Depreciation	1.073	1.004
Cash flow from operation before changes in NWC	5.676	6.160
Changes in NWC	(1.529)	(3.799)
Cash flow after changes in NWC	4.147	2.361
Financial Costs paid	115	(5)
Taxes paid	(1.451)	(1.169)
Dividends cashed	-	-
(Use of funds)	(159)	(176)
Operating cash flow	2.652	1.011
CAPEX	(4.194)	(172)
Loan disbursement (repayment)	143	-
Increase in capital	-	-
Share Buyback	-	-
Dividends paid	(1.272)	(1.272)
Financial Changes	(1.129)	(1.272)
Changes in Liquidity	(2.671)	(433)
Cash beginning of the year	7.922	8.354
Cash at the end of the period	5.251	7.922

Codice ISIN: IT0005337107

Ticker: ESAU

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