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Oggetto : The Board of Directors has approved the
Company's consolidated results as of March
31, 2025

Testo del comunicato

Vedi allegato



PRESS RELEASE

The Board of Directors has approved the Company's consolidated results as of March 31, 2025

- Both Net sales and Gross margin in 1Q25 came above the guidance provided to the market
 - 1Q25 Net sales – € 47.2M vs. € 47.2M in 1Q24 – up 7% QoQ
 - Clea revenues – € 5.9M (13% of Net sales)
 - Gross margin – € 25.1M (53.2% of Net sales) vs. € 26.4M in 1Q24
 - Adjusted EBITDA – € 9.4M (20.0% of Net sales) vs. € 10.4M in 1Q24
 - Adjusted Net income – € 2.3M (4.9% of Net sales) vs. € 2.4M in 1Q24
 - Adjusted Net financial debt as of March 31st – € 50.2M vs. € 41.3M as of 31st December 2024
- 2Q25 Guidance – We expect revenues of € 50M and to maintain a 50%+ Gross Profit Margin

Arezzo, May 8, 2025 - The Board of Directors of SECO S.p.A. ("SECO" or the "Company") met today and approved the consolidated results for the first three months of 2025.

Massimo Mauri, CEO of SECO, commented:

"We are experiencing a rebound in our business, and this momentum is echoed by all the key indicators we monitor as well as from direct client feedback.

In the first quarter, we beat the guidance we had provided to the market and this marked a clear inflection in our results, putting the past 18 months of destocking behind us. The team also worked hard to bring in a record number of design wins and fill our pipeline for the coming quarters.

Looking ahead, I remained convinced that we are one of the best-positioned company to capitalize on the growing digitalization in the industrial sector.

As the demand for edge computing solutions continues to accelerate, our Clea business is establishing itself as the most relevant software infrastructure to enable AI at the edge. This is pivotal to our strategy and will continue to fuel our top line with high quality SaaS revenues".



PRESS RELEASE

SECO's consolidated results in the period

Net sales changed from €47.2M as of March 31, 2024 to €47.2M as of March 31, 2025, decreasing by €0.1M (-0.1%).

This trend was linked to the gradual recovery of order levels from customers, with the destocking trend now nearing completion, which has led to a recovery in sales volumes across the various geographic areas (except for EMEA, weighed down by Germany's economic weakness) and industrial verticals we serve.

During the period, the Edge computing revenue (€41.2M) grew by 3% compared to the previous year.

The Clea business generated revenue for €5.9M (13% of revenue in the period), of which €2.2M from recurring revenues (38% of Clea revenues). This compares to revenues for the Clea business of €7.3M as of March 31, 2024 – a contraction mainly attributable to the shift of some of the non-recurrent portion of the business, as projects move into the deployment stage, to devices being gradually connected to the platform.

Gross margin¹ changed from €26.4M (56.0% of revenue) as of March 31, 2024 to €25.1M (53.2% of revenue) as of March 31, 2025, decreasing by €1.3M (-5.1%). The slight decrease compared to the previous year reflects a particularly high quarterly gross margin reported in IQ24. However, this indicator improved compared to the significant level achieved in FY2024.

Adjusted EBITDA changed from €10.4M (22.0% of revenue) as of March 31, 2024 to €9.4M (20.0% of revenue) as of March 31, 2025, decreasing by €1.0M (-9.2%). The improvement in profitability is however noticeable quarter-on-quarter due to a more favorable operating leverage. While observing higher control over Opex, the decrease in absolute value is largely explained by the previously mentioned reduction in gross margin observed during the period. To calculate Adjusted EBITDA, some adjustments have been made to account for some items that are non-recurring or not related to the Group's operating performance: in particular, these items amounted to c.€2.2M overall in the first three months of 2025². Gross of the above-mentioned adjustments, the EBITDA changed from €9.5M as of March 31, 2024 to €7.2M as of March 31, 2025, -23.8%.

Adjusted EBIT³ changed from €5.7M (12.1% of revenue) as of March 31, 2024 to €4.7M (10.1% of revenue) as of March 31, 2025, with a decrease of €1.0M (-16.9%) as a result of the previously illustrated dynamics.

Gross of the above-mentioned adjustments, the EBIT changed from €3.8M as of March 31, 2024 to €1.5M as of March 31, 2025, -59.7%.

Adjusted Net income⁴ changed from €2.4M (5.1% of revenue) as of March 31, 2024 to €2.3M (4.9% of revenue) as of March 31, 2025, decreasing by €0.1M (-4.0%).

Gross of the above-mentioned adjustments, related to non-recurring items and items not related to the Group's operating performance, as well as their estimated tax effect, the Net income changed from €0.4M as of March 31, 2024 to -€1.3M as of March 31, 2025, -388.0%.

¹ *Gross margin*: corresponds to the difference between the revenue from sales and the costs for raw materials, consumables and merchandise, net of the change in the amount of inventory occurred during the period.

² These items mainly include the actuarial (non-monetary) value of the stock option plans attributed to some employees and key people of the Group (€1.6M), some non-recurring costs linked to extraordinary transactions not aimed at completion and other extraordinary Opex (€0.3M), and foreign exchange income (€0.4M).

³ *Adjusted EBIT*: corresponds to the result of the period gross of the income taxes, the financial income and expenses, the income or losses from foreign exchange transactions, the effects of non-recurring items and transactions that the directors consider as not related to the Group's operating performance, the amortization deriving from the Purchase Price Allocation related to the acquisition of the Garz & Fricke Group and the contribution in kind by Camozzi Digital S.r.l.

⁴ *Adjusted Net Income*: corresponds to the result of the period gross of the effects of non-recurring items, transactions that the directors consider as not related to the Group's operating performance, and the amortization deriving from the Purchase Price Allocation related to the acquisition of the Garz & Fricke Group, the contribution in kind by Camozzi Digital S.r.l. and the write-down of intercompany receivables from SECO Mind USA, following the completion of the liquidation process in the first quarter of the year, considered taking into account an estimated tax effect based on a 24% tax rate (IRES tax rate).



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Adjusted net financial debt⁵ changed from a net debt of €41.3M as of December 31, 2024 to a net debt of €50.2M as of March 31, 2025.

Such change is mainly linked to the dynamics of net working capital observed during the period. In the quarter, an increase in trade receivables of €7.6M was observed, partially offset by a reduction in inventory (€0.3M) and by an increase in trade payables (€0.9M).

Significant events occurred after the end of the reporting period

No significant events occurred after the end of the reporting period.

SECO outlook on the status of the business

Over the past year, we remained focused on fostering our client relationships and accelerating our technological leadership. As a result, we fueled our order backlog with a number of significant new design wins with both historical and new customers, strengthening the foundations for a gradual recovery in our revenue trajectory.

The inflection point already reached in the first quarter of the year will be further reinforced as we expect revenues to return at €50M starting from 2Q25, with a 50%+ Gross Profit Margin, enabling us to progressively re-express our historical margin profile, also thanks to better operating leverage. The growth path for the year will be supported by a robust pipeline of new Edge products, as well as the increasing adoption of our Clea IoT software suite.

All our financial KPIs are now backing the strength of our investment case. And our business continues to enjoy clear fundamentals as the industrial market is still at the beginning of a digital revolution, where the use of inference algorithms "at the Edge" will play a key role in the future technological advancements of OEMs. The growing demand for smart solutions is increasingly directed towards the implementation of Artificial Intelligence directly on local devices, enabling the launch of new high value-added services, leveraging field data, and introducing new business models. Our focus will remain on delivering innovative solutions that meet the evolving needs of our clients and drive value for our shareholders.

Conference call

The results as of March 31, 2025 will be presented today, May 8, 2025, at 12.00 (CET), during a conference call with the financial community. The conference call can be attended by registering at the following link:

https://blc-co-uk.zoom.us/webinar/register/WN__RlihfzES4qLhNsILFtMIw#

⁵ To calculate this indicator, adjustments have been made considering current and non-current financial liabilities deriving from leases, accounted for as a result of the application of IFRS 16 (€9.4M), and the VAT credit (€2.0M), which is structurally generated by SECO as a regular exporter and can be cashed in through factoring without recourse.

Gross of the above-mentioned adjustments, the net financial position changes from a net debt of €52.5M as of December 31, 2024 to a net debt of €61.5M as of March 31, 2025.



PRESS RELEASE

Alternative performance indicators

In this press release, use is made of certain "alternative performance indicators" that are not envisaged in IFRS-EU accounting standards, and whose significance and content are illustrated below, in line with the ESMA/2015/1415 recommendations published on October 5, 2015.

Adjusted EBITDA: defined as the result of the period gross of the income taxes, the financial income and expenses, the depreciation and amortization, the income or losses from foreign exchange transactions, the effects of non-recurring items and transactions that the directors consider as not related to the Group's operating performance.

Adjusted Net financial debt: represents the algebraic sum between cash and cash equivalents, financial receivables, current and non-current financial debt, adjusted for the VAT credit, the current and non-current financial liabilities deriving from leases recognized as a result of the application of IFRS 16, and any put & call options subscribed.

The Manager responsible for preparing the Company's financial reports, Lorenzo Mazzini, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance (Testo Unico della Finanza), that the accounting information contained in this press release corresponds to the documented results, accounts and bookkeeping records as of the date of this communication.



PRESS RELEASE

SECO

SECO (IOT.MI) is a high-tech company that develops and manufactures cutting-edge solutions for the digitalization of industrial products and processes. SECO's hardware and software offerings enable B2B companies to easily introduce edge computing, Internet of Things, data analytics, and artificial intelligence to their businesses. SECO's technology spans across multiple fields of application, serving more than 450 customers across sectors such as medical, industrial automation, fitness, vending, transportation, and many others. Through live monitoring and smart control of in-the-field devices, SECO solutions contribute to low environmental impact business operations via a more efficient use of resources.

For more information: <http://www.seco.com/>

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PRESS RELEASE

The accounting statements of SECO Group, not subject to independent auditing, are illustrated below.

Consolidated Statement of Financial Position

(in Euro thousands)	31/03/2025	31/12/2024
Property, Plants and Equipments	17.101	17.271
Intangible Assets	102.251	102.392
Right of Use	10.146	9.833
Goodwill	157.108	157.108
Non-current financial assets	12.804	10.839
Deferred tax assets	2.933	3.051
Other non-current assets	1.931	1.525
Total non-current assets	304.275	302.020
Inventories	72.375	72.647
Trade receivables	39.514	31.886
Current tax assets	6.253	6.974
Other receivables	5.196	4.816
Cash and Cash Equivalents	61.665	72.586
Total current assets	185.003	188.908
TOTAL ASSETS	489.278	490.928
Share capital	1.296	1.296
Reserves	232.036	232.036
Translation reserve	41.271	59.609
Net profit / (loss) of the year	-2.022	-21.034
Total Group Shareholders' Equity	272.581	271.907
Equity of Non-controlling interests	19.280	16.453
Net profit / (loss) of the year of Non-controlling interest	771	3.371
Minority interests	20.051	19.824
Total Shareholders' Equity	292.632	291.731
Employee Benefits	3.867	3.728
Provisions	1.284	1.279
Deferred tax liabilities	23.434	23.717
Non-current financial liabilities	96.836	97.734
Non-current lease liabilities	6.851	6.752
Other non-current liabilities	8	8
Total non-current liabilities	132.279	133.218
Current financial liabilities	6.799	8.023
Current part of N-C Financial Liabilities	10.183	10.212
Current lease liabilities	2.510	2.358
Trade payables	32.566	31.713
Other payables	10.440	10.845
Current tax liabilities	1.869	2.827
Total current liabilities	64.367	65.978
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	489.278	490.927



PRESS RELEASE

Consolidated Income Statement

(in Euro thousands)	31/03/2025	31/03/2024
Net Sales	47.156	47.217
Other Revenues	1.021	1.162
Consumption Costs	(21.379)	(25.007)
Changes in Inventories	(680)	4.227
Costs for services	(6.313)	(6.753)
Personnel costs	(10.632)	(9.855)
Depreciation and amortization	(6.081)	(5.364)
Accruals and Provisions	(5)	-
Other Operating Costs	(1.558)	(1.836)
Operating Profit	1.529	3.792
Financial income	135	65
Financial costs	(2.125)	(2.082)
Exchange gains/losses	(376)	336
Profit / (loss) before tax	(837)	2.112
Income taxes	(415)	(1.677)
Profit / (loss) for the year	(1.252)	435
Minorities Profit / (loss) for the year	771	342
Group Profit / (loss) for the year	(2.022)	93
Earning per Share	0.00	0.00
Diluted Earning per Share	0.00	0.00

Consolidated Statement of Comprehensive Income

(in Euro thousands)	31/03/2025	31/03/2024
Net profit for the year	(1.252)	435
Other comprehensive income/(expense) which may be subsequently reclassified to the income statement:	(782)	339
Translation differences	(782)	339
Net gain/(loss) on Cash Flow Hedge	-	-
Other comprehensive income/(expense) which may not be subsequently reclassified to the income statement:	-	-
Discounting employee benefits	-	-
Tax effect discounting employee benefits	-	-
Total comprehensive income	(782)	339
Non-controlling interests	231	488
Parent company shareholders	(2.264)	285
Total comprehensive income	(2.033)	774



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Consolidated Cash Flow Statement

(in Euro thousands)	31/03/2025	31/03/2024
Net profit for the year	-1.252	435
Income taxes	415	1.677
Amortization & depreciation	6.081	5.364
Change in employee benefits	139	104
Financial income/(charges)	1.990	2.017
Exchange gains/(losses)	375	-336
Costs for share-based payments	1.821	1.070
Other non-monetary income	124	0
Cash flow before working capital changes	9.693	10.330
Change in trade receivables	-10.210	-1.786
Change in inventories	272	-3.887
Change in trade payables	1.494	1.270
Other changes in tax receivables and payables	264	1.051
Other changes in current receivables and payables	-785	-4.220
Other changes in non-current receivables and payables	-571	-69
Use of provisions for risks, receivables and inventories	5	0
Interest received	135	65
Interest paid	-620	-361
Exchange gains/(losses) realized	-433	66
Income taxes paid	-916	0
Cash flow from operating activities (A)	-1.672	2.458
(Investments) /Disposals of property, plant and equipment	-1.979	-1.367
(Investments) /Disposals of intangible assets	-3.022	-4.626
(Investments) /Disposals of financial assets	8	193
Acquisition of business units net of cash and cash equivalents	0	0
Acquisition of subsidiaries net of cash and cash equivalents	0	0
Cash flow from investing activities (B)	-4.992	-5.799
New loan drawdowns	0	0
(Repayment) of bank loans	-927	-942
Change in current financial liabilities	-2.729	710
Repayment lease financial liabilities	157	-629
Dividends paid	0	0
Paid-in capital increase	0	-1
Acquisition of treasury shares	0	0
Acquisition of shares from minorities	0	0
Cash flows from financing activities (C)	-3.500	-860
Increase (decrease) in cash and cash equivalents (A+B+C)	-10.164	-4.202
Cash & cash equivalents at beginning of the year	72.586	74.816
Translation differences	-757	226
Cash & cash equivalents at end of the year	61.665	70.840



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Consolidated Statement of Changes in Equity

(In Euro thousands)	01/01/2025	Share Capital Increase	Allocation of profit	Dividends paid	Other changes	Comprehensive Income/(loss)	31/03/2025
Share Capital	1.297	0	0	0	0	0	1.297
Legal reserve	289	0	0	0	0	0	289
Share premium reserve	232.035	0	0	0	0	0	232.035
Other reserves	59.119	0	-21.034	0	2.937	0	41.022
Translation reserve	382	0	0	0	0	-242	140
FTA reserve	-371	0	0	0	0	0	-371
Discounting of employee benefits	189	0	0	0	0	0	189
Group profit (loss)	-21.034	0	21.034	0	0	-2.022	-2.022
Group Shareholders' Equity	271.908	0	0	0	2.937	-2.264	272.581
Minority interests in shareholders funds	16.452	0	3.371	0	-3	-540	19.280
Discounting of employee benefits	0	0	0	0	0	0	0
Minority interests in profit (loss)	3.372	0	-3.371	0	0	771	772
Minority interests	19.824	0	0	0	-3	231	20.052
Total Shareholders' Equity	291.732	0	0	0	2.934	-2.033	292.633

