EUROGROUP LAMINATIONS

PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE INTERIM FINANCIAL RESULTS AS OF 30 SEPTEMBER 2023
GROWTH IN EV & AUTOMOTIVE REVENUES AND ORDER BOOK, AND IN CONSOLIDATED PROFITABILITY. MID-TERM TARGETS CONFIRMED

Continued strong revenue growth in the EV & Automotive segment at € 363.1 million, +67% compared to 9M 2022

Increased profitability with EBITDA and EBITDA Margin up in 9M 2023, to € 82.4 million (+7% compared to 9M 2022) and 12.8% (an increase of 100bps compared to 9M 2022) respectively

EV & Automotive: increase in order book and pipeline at €6.4 and €4.1 billion respectively, also thanks to new orders from a new European Tier 1 and a new Chinese OEM

Stable net financial indebtedness of € 129.8 million, with a Net Leverage Ratio of 1.2x

In October, closing of DS4 acquisition announced in August 2023: start of the integration to support the growth plan and to extract operating synergies

Share buyback program progressing according to plan

Confirmed Mid-term targets, confirmed FY2023 EBITDA, Capex and Net Trade Working Capital Guidance, updated for revenues

9M 2023 highlights:

- Revenues € 644.2 million vs € 651.1 million in 9M 2022 (-1.1%)
- EBITDA € 82.4 million vs € 77.0 million in 9M 2022 (+7%)
- EBIT € 59.1 million vs € 58.1 million in 9M 2022 (+1.7%)
- EV & Automotive order book and pipeline as of 31 October 2023 of € 6.4 billion and € 4.1 billion respectively

Baranzate (MI), 13 November 2023 – The Board of Directors of EuroGroup Laminations S.p.A. ("**EuroGroup Laminations**" or the "**Group**") – a world leader in the design, manufacture and distribution of stators and rotors for electric motors and generators – has approved today the interim financial information as of 30 September 2023 (unaudited).

Marco Arduini, Chief Executive Officer of EuroGroup Laminations commented: *"In the third quarter of the year we witnessed a market dynamic in line with the expectations shared in August. There was a robust growth in the EV & Automotive segment, as also reflected in the growth of our order book, coupled with a continued slowdown in the industrial segment, due to the extension of de-stocking process and the worsening of the macroeconomic scenario in*

Via Stella Rosa, 48 20021 Baranzate (Mi) Italy | Tel +39 02 35000.1 | euro-group.it | Cap. Soc. € 6.111.941,00 i.v. P.IVA, C.F. e N. Iscriz. Reg. delle Imprese di Milano | Monza Brianza Lodi 05235740965 | REA MI 1805877

international markets. In this quarter EBITDA and EBITDA Margin kept growing thanks to the high level of diversification across customers and geographies, to the business mix shift towards the more profitable EV & Automotive segment, and the cost synergies between the two segments. The solid financial position allows us to assess all of the organic and external growth opportunities. During the quarter we have also launched the share buyback program to support, among others, our external growth efforts, and closed the acquisition of DS4. The management remains focused on carefully managing the company to take advantage of its leadership position in a fast-growing industry. Thanks also to the continuous growth in the order book, which now includes also an additional order from a new Chinese OEM, we confirm the mid-term targets and the FY 2023 guidance notwithstanding a slowdown in expected revenues".

MAIN CONSOLIDATED ECONOMIC AND FINANCIAL RESULTS AS OF 30 SEPTEMBER 2023

thousands of euro	9M 2023	9M 2022	*Var %*
Revenues	644,196	651,120	*(1.1%)*
EBITDA	82,397	77,022	*+7.0%*
EBIT	59,089	58,120	*+1.7%*
Profit for the period	30,456	32,289	*(5.7%)*

thousands of euro	30/09/2023	31/12/2022	*Var %*
Net financial indebtedness	129,758	259,377	*(50.0%)*
Equity	461,732	195,625	*+136.0%*

During the first nine months of 2023 revenues amounted to € 644.2 million, down 1.1% compared to the same period of 2022 (€ 651.1 million). The stable result was driven by solid growth in the EV & Automotive segment, almost completely offsetting the contraction of the Industrial segment.

Consolidated revenues by operating segment:

thousands of euro	9M 2023	9M 2022	*Var %*
EV & Automotive	363,058	217,993	66.5%
Industrial	281,138	433,127	(35.1%)
Total Revenues	**644,196**	**651,120**	**(1.1%)**

In the first nine months of 2023, the EV & Automotive segment posted revenues of € 363.1 million, up by 66.5% compared to the same period in 2022 (€ 218 million), mainly due to the ramp-up in production volumes on new projects related to the growing demand for EV products, consistently with the net order book execution and expansion. This result confirms the Group's leadership in the reference markets.

Via Stella Rosa, 48 20021 Baranzate (Mi) Italy | Tel +39 02 35000.1 | euro-group.it | Cap. Soc. € 6.111.941,00 i.v. P.IVA, C.F. e N. Iscriz. Reg. delle Imprese di Milano | Monza Brianza Lodi 05235740965 | REA MI 1805877

The Industrial segment in the first nine months of 2023 posted revenues of € 281.1 million, compared to € 433.1 million in the same period of 2022 (-35.1% YoY). The decrease in revenues is mainly due to the continuing reduction in volumes as a result of an enduring de-stocking process of the Group's customers, as well as to the reduction trend in raw materials prices, intensified starting in the second quarter of 2023, and to the uncertainties in regulation for some sub-segment end-markets (e.g. heat pumps). The de-stocking process for the Industrial segment customers is expected to last at least up until the end of the year.

Consolidated revenues by geographic area:

thousands of euro	9M 2023	9M 2022	Var %
EMEA	372,789	379,018	(1.6%)
of which in Italy	367,113	367,843	(0.2%)
North America	238,710	236,967	0.7%
of which in Mexico	197,716	148,841	32.8%
of which in the USA	40,994	88,126	(53.5%)
Asia	32,697	35,135	(6.9%)
of which in China	32,697	35,135	(6.9%)
Total Revenues	**644,196**	**651,120**	**(1.1%)**

Revenues from the EMEA region amounted to € 372.8 million (€ 379.0 million in 9M 2022), down 1.6%; revenues from North America amounted to € 238.7 million (€ 237.0 million in 9M 2022), up 0.7%, driven by sustained demand in the EV & Automotive segment, more than offsetting the reduction in volumes for the Industrial segment.
Revenues from Mexico amounted to € 197.7 million (€ 148.8 million in 9M 2022) driven by the strong performance on the EV & Automotive segment. Revenues from the USA (which are entirely related to the Industrial segment) amounted to € 41.0 million (€ 88.1 million in 9M 2022) with a reduction driven by the enduring combined effect of lower volumes, in particular in the Home, Energy and HVAC segments, and significant reduction in steel prices.
Revenues in the Asia region, which are currently mostly related to the Industrial segment, amounted to € 32.7 million, in light reduction with respect to the previous year (€ 35.1 million in 9M 2022).

In the first nine months of 2023, EBITDA amounted to € 82.4 million, up 7% compared to the first nine months of the previous year (€ 77.0 million) with an EBITDA Margin at 12.8%, significantly improved compared to the 11.8% recorded in the first nine months of 2022. The improvement of the Consolidated EBITDA Margin is due to the shift in the business mix, with the EV & Automotive segment presenting higher profitability, and also the first effects of the performance improvement actions launched in the 3rd quarter of 2023.

EBITDA by operating segment: in 9M 2023, EBITDA of the EV & Automotive segment stood at €

Via Stella Rosa, 48 20021 Baranzate (Mi) Italy | Tel +39 02 35000.1 | euro-group.it | Cap. Soc. € 6.111.941,00 i.v. P.IVA, C.F. e N. Iscriz. Reg. delle Imprese di Milano | Monza Brianza Lodi 05235740965 | REA MI 1805877

49.5 million (+78.8% compared to € 27.7 million in 9M 2022), with an EBITDA Margin of 13.6%, significantly improving compared with the 12.7% in the first nine months of 2022 thanks to the higher production volumes and the already ongoing ramp-ups.
The Industrial segment's EBITDA stood at € 32.9 million (-33.3% compared to € 49.4 million in 9M 2022), with an EBITDA Margin of 11.7%, slightly above from 11.4% in 9M 2022. The effect of the reduction in production volumes on the Industrial segment EBITDA margin has been limited thanks to the ability of the Group to synergically manage activities' swings between the two business segments while the pass-through mechanism has offset the negative impact of raw materials' deflation on the top line.

EBIT in the first nine months of 2023 amounted to € 59.1 million compared to € 58.1 million in the same period of 2022. The performance benefits from the evolution of the business mix despite higher depreciation and amortisation, which increased from € 18.9 million in the first nine months of 2022 to € 23.3 million in the same period of 2023, mainly due to the progressing of the investment plan to support business growth in the EV & Automotive segment.

Net profit for the period in the first nine months of 2023 amounted to € 30.5 million, compared to € 32.3 million in the same period of 2022, as a consequence of a significantly higher incidence of financial expenses (€ 14.8 million in the first nine months of 2023 compared to € 4 million in the same period of 2022), which included unrealized losses on foreign exchange amounting to € 2.5 million as of the 30th September 2023, compared with a gain on foreign exchange amounting to € 5.1 million as of the 30th of September 2022.

Order book and pipeline: the EV & Automotive order book reached an estimated value of € 6.4 billion, also thanks to the around € 750 million orders received during the third 2023 quarter from a new European Tier 1 and a new Chinese OEM, plus € 4.1 billion of pipeline as of the 31st October 2023.

Financial position

In the first nine months of 2023, net investments (CAPEX) amounted to € 75.1 million, with an increase of 18.7% compared to the same period of the previous year (€ 63.2 million) to support the Group's expansion plans, mainly related to the EV & Automotive segment (>75% of total investments implemented).

As of 30 September 2023, Net Trade Working Capital was € 248.8 million (€ 253.6 million as of 30 June 2023) compared to € 201.1 million as of 30 September 2022 and € 157.0 million as of 31 December 2022, mainly driven by the increase in inventories to support significant EV & Automotive projects in the ramp-up phase in Europe and China expected at the beginning of 2024.

Net financial debt as of 30 September 2023 decreased by € 129.6 million compared to 31 December 2022 (€ 259.4 million) to € 129.8 million, resulting in an improvement in leverage (1.2x as of 30th September 2023, compared to 2.5x as of 31st December 2022). The trend is mainly due to the effect of the proceeds from the listing process completed in February 2023, despite the absorption of working capital and the increase in operating investments to support

Via Stella Rosa, 48 20021 Baranzate (Mi) Italy | Tel +39 02 35000.1 | euro-group.it | Cap. Soc. € 6.111.941,00 i.v. P.IVA, C.F. e N. Iscriz. Reg. delle Imprese di Milano | Monza Brianza Lodi 05235740965 | REA MI 1805877

growth.

SIGNIFICANT EVENTS DURING THE PERIOD

On the 27th of September the Company announced the beginning of the share buyback program as authorized by the Shareholders' Meeting held on the 20th July, to reach up to 3% of the total shares of the Company by June 2024.
As of the 10th of November, the Company held 929,100 own shares, equal to 0.55% of the total number of shares.

SIGNIFICANT SUBSEQUENT EVENTS

On August 2, 2023, the Group signed a binding agreement with Angelo Petrogalli to purchase the 100% of the shares of DS4 S.r.l. ("DS4"), a company based in Pedrengo (BG) active in the design and construction of custom-made software and hardware with applications in the field of industrial automation.
The transaction has been closed on the 9th of October, after that the Company received the clearance from the Italian Government pursuant to the golden power regulation.

BUSINESS OUTLOOK

Given the robust growth perspectives of the EV & Automotive segment, relying on an order book significantly higher than on the 31st of July 2023, the mid-term targets remain unchanged.
Similarly, 2023 Guidance is confirmed despite FY 2023 revenues level now updated in the € 830 - € 850 million range due to the further worsening of the de-stocking process and raw materials pricing reduction in the Industrial segment, and to temporary reduction of the expected production volumes and the postponement to the beginning of 2024 of the production ramp-up of some EV & Automotive projects.
The Group therefore expects to preserve the level of EBITDA thanks to the evolution in the business mix, the already ongoing operating performance improvement actions and the supply chain optimization actions.

***

Pursuant to paragraph 2 of Article 154-bis of the Consolidated Finance Act, the manager in charge of preparing the company's accounting documents, Isidoro Guardalà, declares that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

***

The income statement, balance sheet and financial position information have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union.
In this document, in addition to the financial measures envisaged by International Financial Reporting Standards (IFRS), a number of measures derived from the latter are presented even though they are not envisaged by IFRS (Non-GAAP Measures) in line with ESMA's guidelines on Alternative Performance Indicators (ESMA/2015/1415 Guidelines, adopted by CONSOB with Notice no. 92543 of 3 December 2015) published on 5 October 2015. These measures are presented in order to enable a better assessment of the Group's operating performance and should not be regarded as alternatives to IFRS.

***

Via Stella Rosa, 48 20021 Baranzate (Mi) Italy | Tel +39 02 35000.1 | euro-group.it | Cap. Soc. € 6.111.941,00 i.v. P.IVA, C.F. e N. Iscriz. Reg. delle Imprese di Milano | Monza Brianza Lodi 05235740965 | REA MI 1805877

This document contains forward-looking statements relating to future events and future operating, economic and financial results of EuroGroup Laminations. These forward-looking statements have, by their nature, an element of risk and uncertainty because they depend on the occurrence of future events and developments. Actual results may therefore differ materially from those disclosed due to a variety of factors, most of which are beyond the control of EuroGroup Laminations.

***

ATTACHMENTS: Attached to this press release are the consolidated financial statements: statement of financial position, income statement and statement of cash flows as of 30 September 2023.

***

This press release is available on the Group's website https://euro-group.it/, in the Investors/Press Release section, as well as on the authorised storage device 1Info (www.1info.it).

***

The presentation summarising the key figures for 9M 2023 will be made available on www.euro-group.com in the Investor Relations section, in support of the call with financial analysts and investors scheduled for today, 13th November 2023 at 6 PM CET.

FOR MORE INFORMATION

EUROGROUP LAMINATIONS – INVESTOR RELATIONS

Matteo Picconeri | Investor Relations Manager | ir@euro-group.it

UFFICIO STAMPA | CLOSE TO MEDIA - COMMUNICATION ADVISORS

Enrico Bandini	+39 335-8484706	enrico.bandini@closetomedia.it
Federica Basso	+39 339-4388738	federica.basso@closetomedia.it
Elisa Gioia	+39 349-2332555	elisa.gioia@closetomedia.it

About EuroGroup Laminations

EuroGroup Laminations is a world leader in the design, production and distribution of the motor core (stators and rotors) for electric motors and generators. The Group's business is organized along two segments: (i) EV & AUTOMOTIVE, which designs and produces the motor core of electric motors used in electric vehicle traction, as well as a wide range of non-traction automotive applications; and (ii) INDUSTRIAL, which designs and ***manufactures*** *products used in various applications including among others industrial applications, home automation, HVAC equipment, wind energy, logistics and pumps. With registered office in Baranzate (MI), EuroGroup Laminations recorded revenues of approximately € 851 million in 2022, currently has a workforce of approximately 2,800 employees, 7 production plants in Italy and 5 abroad (Mexico, United States, China and Tunisia) and an Order Book for the EV & AUTOMOTIVE segment with an estimated value of approximately € 6.4 billion, and a pipeline of orders under discussion at approximately € 4.1 billion.*

Via Stella Rosa, 48 20021 Baranzate (Mi) Italy | Tel +39 02 35000.1 | euro-group.it | Cap. Soc. € 6.111.941,00 i.v. P.IVA, C.F. e N. Iscriz. Reg. delle Imprese di Milano | Monza Brianza Lodi 05235740965 | REA MI 1805877

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In thousands of Euro)	30 September 2023	31 December 2022
Intangible assets	2,731	2,774
Tangible assets	261,957	206,550
Rights of use	61,181	55,115
Non-current financial assets and receivables	3,539	5,931
Deferred tax assets	21,137	23,325
Other non-current assets	2,023	1,834
Total non-current assets	**352,568**	**295,529**
Inventories	389,545	335,733
Cash and cash equivalents	168,466	116,503
Trade receivables	135,261	150,573
Current financial assets and receivables	39,780	5,684
Other current assets and receivables	38,113	53,499
Tax receivables	6,745	4,223
Total current assets	**777,910**	**666,215**
Total assets	**1,130,478**	**961,744**
Share capital	6,112	6,112
Share premium reserve	270,299	34,410
Other reserves	6,081	4,963
Retained earnings	145,317	118,020
Total Group's equity	**427,809**	**163,505**
Total equity of third parties	**33,923**	**32,120**
Total equity	**461,732**	**195,625**
Non-current financial liabilities	163,719	190,778
Employee benefits	3,898	4,070
Provisions for risks and charges	887	1,230
Deferred tax liabilities	14,833	12,825
Financial liabilities from non-current rights of use	41,662	41,202
Other non-current liabilities	5,758	5,085
Total non-current liabilities	**230,757**	**255,190**
Current financial liabilities	121,161	142,279
Trade payables	275,964	329,292
Tax liabilities	5,815	9,849
Other current liabilities	24,588	22,317
Financial liabilities from current rights of use	10,461	7,192
Total current liabilities	**437,989**	**510,929**
Total liabilities	**668,746**	**766,119**
Total liabilities and Shareholders' Equity	**1,130,478**	**961,744**

Via Stella Rosa, 48 20021 Baranzate (Mi) Italy | Tel +39 02 35000.1 | euro-group.it | Cap. Soc. € 6.111.941,00 i.v. P.IVA, C.F. e N. Iscriz. Reg. delle Imprese di Milano | Monza Brianza Lodi 05235740965 | REA MI 1805877

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(In thousands of Euro)	30 September 2023	30 September 2022
Revenues	644,196	651,120
Changes in inventories of finished and semi-finished products	9,994	34,115
Other revenues and income	2,696	46
Raw material costs	(419,377)	(452,433)
Costs for services	(73,038)	(72,176)
Personnel costs	(80,814)	(80,214)
Other operating expenses	(1,260)	(3,802)
Impairment of fixed assets	-	(4,773)
Depreciation and amortization	(23,308)	(18,901)
Operating profit	**59,089**	**52,982**
Financial incomes	3,910	1,612
Financial expenses	(16,235)	(10,735)
Exchange gains (losses)	(2,518)	5,139
Profit before tax	**44,246**	**48,998**
Taxes	(13,790)	(16,709)
Profit for the period	**30,456**	**32,289**
Profit attributable to the group	27,408	29,771
Profit attributable to third parties	3,048	2,518
Earnings per share	0.17	0.24

Via Stella Rosa, 48 20021 Baranzate (Mi) Italy | Tel +39 02 35000.1 | euro-group.it | Cap. Soc. € 6.111.941,00 i.v. P.IVA, C.F. e N. Iscriz. Reg. delle Imprese di Milano | Monza Brianza Lodi 05235740965 | REA MI 1805877

CONSOLIDATED CASH-FLOW STATEMENT

(In thousands of Euro)	30 September 2023	30 September 2022
Profit for the period	**30,456**	**32,289**
Income taxes	13,790	16,709
Depreciation and amortisation	23,308	18,901
Difference between pension contributions paid and pension charges	(147)	(111)
Financial income	(3,910)	(1,612)
Financial expenses	16,234	10,735
Capital gains (losses) from the disposal of tangible assets	(148)	26
Net changes in provisions for risks and charges	(343)	-
Write-down of receivables	706	1,316
Inventory write-down	2,955	10,384
Share-based compensation expenses	177	2,161
Income from equity investments	-	1,097
Impairment of fixed assets	-	4,773
Cash flow before changes in Net Working Capital	**83,078**	**96,668**
(Increase)/decrease in trade receivables	14,606	(69,088)
(Increase)/decrease in inventories	(56,766)	(145,893)
Increase/(decrease) in trade payables	(53,328)	78,923
Increase/(decrease) in tax payables	13,820	(9,788)
(Increase)/decrease in other receivables	(26,439)	(10,142)
Increase/(decrease) in other payables	(1,896)	(11,637)
Cash flow after changes in Net Working Capital	**(26,927)**	**(70,957)**
Income taxes paid	(17,127)	(2,231)
Cash flow from operating activities (A)	**(44,054)**	**(73,188)**
(Investments) in tangible assets	(73,987)	(62,831)
Disposal of tangible assets	144	5
(Investments) in intangible assets	(1,084)	(411)
Interest collected	2,770	183
Dividends received	43	-
Cash flow from investing activities (B)	**(72,115)**	**(63,054)**
Equity increase	235,890	-
New bank loans	9,782	83,129
Repayment of bank loans	(22,591)	(52,147)
Increase in current financial liabilities	21,093	62,128
Repayment of current financial liabilities	(56,041)	(11,781)
Repayments of financial liabilities arising from leases	(7,550)	(6,427)
Purchase of own shares	(221)	-
Dividends paid	-	(3,822)
Interest paid	(14,692)	(10,418)
Cash flow from financing activities (C)	**165,670**	**60,662**
Increase (decrease) in cash and cash equivalents (A+B+C)	**49,501**	**(75,580)**
Cash and cash equivalents at the beginning of the period	**116,503**	**137,662**
Effect of changes in exchange rates	2,462	2,499
Cash and cash equivalents at the end of the period	**168,466**	**64,581**

EuroGroup Laminations S.p.A.

Via Stella Rosa, 48 20021 Baranzate (Mi) Italy | Tel +39 02 35000.1 | euro-group.it | Cap. Soc. € 6.111.941,00 i.v. P.IVA, C.F. e N. Iscriz. Reg. delle Imprese di Milano | Monza Brianza Lodi 05235740965 | REA MI 1805877