

## THE BOARD OF DIRECTORS APPROVES THE PRELIMINARY CONSOLIDATED RESULTS FOR FY 2023

### STRONG PROFITABILITY GROWTH WITH EBITDA GROWTH, INCREASED ORDER BOOK SIZE AND DIVERSIFICATION OF THE EV & AUTOMOTIVE SEGMENT. STRONG GROWTH EXPECTED BY 2026

Continued strong revenue growth in EV & Automotive segment, at €477 million, +50% over 2022

Record consolidated profitability with Adjusted EBITDA<sup>1</sup> growing to €116 million (+11.6% vs 2022) and EBITDA Margin at 13.9% (up 1.7 p.p. compared to 2022) respectively

EV & Automotive: increased volume and diversification of order book and pipeline, currently at €6.4 billion and €5.2 billion respectively<sup>2</sup>, also thanks to the orders received from new Chinese and European OEM customers

Significantly reduced net debt to €111 million, with a Net Leverage Ratio of 1.0x already incorporating the DS4 acquisition and the buyback

Steady progress for entry in the Indian market in 2024

Growth in 2024 guidance on revenues and profits, reduction of Capex and stabilization of Net Working Capital. New guidance to 2026 with expected growth between 24% and 27% in terms of both Revenues and EBITDA

#### Key preliminary FY 2023 results:

- Revenues € 835.6 million vs € 851.1 million in 2022 (-1.8%)
- EBITDA Adjusted<sup>1</sup> € 116.0 million vs € 103.9 million in 2022 (+11.6%)
- EBIT € 80.3 million vs € 77.2 million in 2022 (+4.1%)
- Further growth and diversification of EV & Automotive order backlog and pipeline as of Feb. 29, 2024 at 6.4 billion and 5.2 billion respectively<sup>2</sup> through acquisition of new customers including 2 Chinese and 1 European OEMs

**Baranzate (MI), March 11 2024** – The Board of Directors of EuroGroup Laminations S.p.A. ("EuroGroup Laminations" or the "Group") - world leader in the design, production and distribution of stators and rotors for electric motors and generators - approved today the preliminary consolidated financial results as of 31 December 2023.

**Marco Arduini, CEO of EuroGroup Laminations, commented:** "EuroGroup Laminations ended 2023 with substantially stable revenues at Group level and a strong profitability growth. Both EBITDA and EBITDA Margin posted double-digit increases during the year, mainly due to the increased focus of the business mix on the EV & Automotive segment, which is characterized by higher margins. The EV & Automotive business unit indeed continued to register strong growth throughout the year, contributing positively to performance in all geographical areas in which it operates. The increase in volumes in the segment was also accompanied by further growth in order portfolio and pipeline size and diversification. Thanks to this performance, the EV & Automotive business unit substantially offset the contraction in the Industrial segment, which was mainly due to the de-stocking

<sup>1</sup> Net of non-recurring IPO, DS4 related transaction and HR costs

<sup>2</sup> Orders in place as of Feb-24 for the period 2024E-2029E (70 months rolling)

process in international markets and the adverse macroeconomic environment. In this context, the Group kept investing to support its growth plan and consolidate its leadership in its target markets. 2023 also confirms the Group's capital strength, putting it in the best position to evaluate all organic and external growth options. Finally, 2023 saw the acquisition of DS4, which helped to expand the Group's capabilities in the fields of customized software, hardware design, and industrial automation. In light of the results achieved, we have therefore confirmed the growth in 2024 and identified new mid-term targets, which include new and ambitious targets for 2026 in terms of both revenue and profitability."

### MAIN CONSOLIDATED ECONOMIC AND FINANCIAL RESULTS IN 2023

| Thousands of euro            | FY 2023 | FY 2022 | Var %   |
|------------------------------|---------|---------|---------|
| Revenues                     | 835,599 | 851,112 | (1.8%)  |
| EBITDA Adjusted <sup>3</sup> | 115,983 | 103,909 | +11.6%  |
| EBIT                         | 80,327  | 77,178  | +4.1%   |
| Net Financial Indebtedness   | 110,786 | 259,377 | (57.3%) |

Revenues in 2023 were € 835.6 million, down slightly by 1.8% from 2022 (€ 851.1 million). The in-line result was driven by solid growth in the EV & Automotive segment, which almost completely offset the contraction in the Industrial segment.

#### Consolidated revenues by operating segment:

| Thousands of euro     | FY 2023        | FY 2022        | Var %         |
|-----------------------|----------------|----------------|---------------|
| EV & Automotive       | 477,294        | 317,932        | 50.1%         |
| Industrial            | 358,305        | 533,180        | (32.8%)       |
| <b>Total Revenues</b> | <b>835,599</b> | <b>851,112</b> | <b>(1.8%)</b> |

The EV & Automotive segment recorded revenues of € 477.3 million, up 50.1% from 2022 (€ 317.9 million), mainly thanks to increased production volumes on new projects related to the growing demand for EV products, consistent with the execution and expansion of the order book, thus confirming the Group's leadership in its key markets.

The Industrial segment recorded revenues of € 358.3 million, compared to € 533.2 million in the same period of 2022 (-32.8% y/y). The decline in revenues was mainly due to the continued reduction in volumes as a result of the ongoing de-stocking process carried on by the Group's customers, as well as the decline in raw material prices, which intensified from the second quarter of the year, and regulatory uncertainty for some sub-segments (e.g., heat pumps). The de-stocking process carried out by the Industrial segment customers is expected to continue at least until mid-year in Europe, partly due to the worsening economic context, while the North American market is expected to improve in 2024 based on what was recorded in the last months of 2023.

<sup>3</sup> Net of non-recurring IPO, DS4 related transaction and HR costs

### Consolidated revenues by region:

| Thousands of euro          | FY 2023        | FY 2022        | Var %         |
|----------------------------|----------------|----------------|---------------|
| EMEA                       | 456,323        | 501,176        | (8.9%)        |
| <i>of which in Italy</i>   | 449,111        | 487,954        | (8.0%)        |
| North America              | 327,902        | 305,390        | 7.4%          |
| <i>of which in Mexico</i>  | 273,617        | 203,499        | 34.5%         |
| <i>of which in the USA</i> | 54,285         | 101,891        | (46.7%)       |
| Asia                       | 51,374         | 44,546         | 15.3%         |
| <i>of which in China</i>   | 51,374         | 44,541         | 15.3%         |
| <b>Total Revenues</b>      | <b>835,599</b> | <b>851,112</b> | <b>(1.8%)</b> |

Revenues in EMEA were € 456.3 million (€ 501.2 million in 2022), down 8.9%; revenues in North America were € 327.9 million (€ 305.4 million in 2022), up 7.4 %, thanks to sustained demand in the EV & Automotive segment, which more than offset lower volumes in the Industrial segment.

Revenues in Mexico were € 273.6 million (€ 203.5 million in 2022) thanks to the strong performance of the EV & Automotive segment. Revenues from the United States (which are entirely related to the Industrial segment) were € 54.3 million (€ 101.9 million in 2022) with a reduction due to the combined and lasting effect of lower volumes, particularly in the Home, Energy, HVAC and Other Industrial sub-segments, and the significant reduction in steel prices.

Revenues in the Asian region, in which the EV and Automotive Segment revenues now represent the majority of the total, amounted to € 51.4 million, a significant increase over the previous year (€ 44.5 million in 2022) due in part to the start of production of new projects for the EV & Automotive segment.

Adjusted EBITDA net of non-recurring IPO, DS4 acquisition and HR costs, in 2023 was € 116.0 million, up 11.6 percent from the previous year (€ 103.9 million) with an EBITDA Adjusted Margin at 13.9%, a marked improvement from 12.2% recorded in 2022. The improvement in consolidated Adjusted EBITDA Margin reflects the shift in business mix, with the EV & Automotive segment having higher margins than the Industrial segment, and also the effects of further operational efficiency actions initiated in the third quarter of 2023 combined with operational synergies between the two business units.

**EBITDA Adjusted<sup>4</sup> by operating segment:** in 2023, the EBITDA Adjusted of the EV & Automotive segment amounted to € 72.3 million (+69.4% compared to € 42.7 million in 2022), with an Adjusted EBITDA Margin of 15.1%, a significant improvement from 13.4% in 2022, thanks to the growth in production volumes and the continuation of the various ramp-ups already initiated.

The Adjusted EBITDA of the industrial segment stood at € 43.7 million (down 28.6% from € 61.3 million in 2022), with an Adjusted EBITDA Margin of 12.2%, higher than the 11.5% in 2022. The effect of lower production volumes on the Adjusted EBITDA Margin of the industrial segment was limited thanks to the Group's ability to synergistically manage business fluctuations between the two business segments, while the pass-through mechanism offset the negative impact of raw material deflation on the top line.

<sup>4</sup> Net of non-recurring IPO, DS4 related transaction and HR costs

EBIT in 2023 was € 80.3 million compared to € 77.2 million in 2022 (+4.1%), with the EBIT Margin increasing from 9.1% in 2022 to 9.6% in 2023. The performance benefits from the evolution of the business mix despite the increase in depreciation and amortization, from € 26.1 in 2022 to € 33.7 in 2023, mainly due to the advancement of the investment plan to support business growth in the EV & Automotive segment.

**Order backlog and pipeline:** the EV & Automotive segment order backlog reached an estimated value of € 6.4 billion, thanks to the receipt of orders in all of geographies during the year of 2023, including 2 new Chinese and one new European OEMs, plus € 5.2 billion in the pipeline as of February 29, 2024<sup>5</sup>, significantly growing from the € 5 billion and € 2.5 billion respectively at the time of the IPO.

### Financial Position

In 2023, net capital expenditures (CAPEX) amounted to € 95.8 million, an increase of 12.6% compared to the same period of the previous year (€ 85.1 million) to support the Group's expansion plans, mainly related to the EV & Automotive segment (about 80% of total investments made).

As of December 31, 2023, Net Trade Working Capital was € 179.5 million (€ 157.0 million as of December 31, 2022) compared to € 248.8 million as of September 30, 2023 and € 253.6 million as of June 30, 2023, mainly attributable to the increase in inventories needed to support major EV & Automotive projects in ramp-up phase in Europe and China expected by the end of 2023 and actually started in early 2024.

Net financial debt as of December 31, 2023 decreased by € 148.6 million compared to December 31, 2022 (€ 259.4 million) to € 110.8 million, resulting in an improvement in leverage (1.0x as of December 31, 2023, compared to 2.5x as of December 31, 2022). The trend is mainly due to the effect of proceeds from the listing process completed in February 2023, despite the absorption of working capital and increased operating investments to support growth. Excluding the effect of the DS4 acquisition and the buyback program, the Net financial debt would be around € 90 million.

### SIGNIFICANT EVENTS DURING THE PERIOD

On February 10, 2023, EuroGroup Laminations S.p.A. completed the process of listing its ordinary shares on Euronext Milan following (i) the provision of admission to listing on Euronext Milan of the shares, and the provision of admission to trading of the company's shares, issued by Borsa Italiana on January 31, 2023 and February 8, 2023, respectively; and (ii) the communication by the Commissione Nazionale per le Società e la Borsa ("CONSOB") of the measure of approval of the Prospectus relating to the admission to listing on Euronext Milan, a market organized and managed by Borsa Italiana S.p.A., of the ordinary shares of EuroGroup Laminations S.p.A..

On August 2, 2023, the Group signed a binding agreement with Angelo Petrogalli to purchase 100% of the shares of DS4 S.r.l. ("DS4"), a company based in Pedrengo (BG) and active in the design and implementation of custom software and hardware with applications in the field of industrial automation.

The transaction was closed on October 9, 2023, following the receipt of clearance from the Italian government under the golden power regulations. The process of integration of DS4 with the Group was then initiated to serve the extraction of operational synergies envisaged in the growth plan.

On September 27, the Group announced the start of the share buyback program authorized by the Shareholders' Meeting on July 20, with the goal of reaching 3 percent of the Group's

<sup>5</sup> Orders in place as of Feb-24 for the period 2024E-2029E (70 months rolling)

total shares by June 2024.

### **SIGNIFICANT SUBSEQUENT EVENTS**

On January 12, 2024, the inauguration of the new plant in Mexico for the production of stators and rotors for the EV & Automotive segment took place.

On January 17, 2024, the Group announced that it has acquired the status of a listed SME under the CONSOB issuers' regulations, while on January 18, it announced its membership in the United Nations Global Compact.

On January 24, 2024, the Group's Board of Directors co-opted Dr. Axel Volker Dill, the new CEO of the Industrial division, as director following the resignation of another director.

On February 20, 2024, the Group announced the award of a significant development contract with a public contribution from the Ministry of Enterprise and Made in Italy totaling €13.1 million to cover research and industrialization activities in Italian plants in the coming years.

### **BUSINESS OUTLOOK**

Given the evolution observed in the dynamics of the two business segments, with the robust development expected for EV & Automotive with the expectation of around 20 start of production by 2025, with weak demand and negative raw materials' price effects in Europe in 1H '24, recovery in North America and growth in Asia for the Industrial segment, with persistent consolidated profitability, and consistently with the execution of EV & Automotive capacity expansion plan, the 2024 Guidance<sup>6</sup> include:

- Revenues: € 900-960 Mln
- EBITDA: 120-130 € Mln
- CAPEX: about 80 € Mln
- Net Trade Working Capital: 180-200 € Mln

Given what specified above, the new medium-term targets<sup>6</sup> are:

- Revenues: Growth with 2024-2026 CAGR<sup>7</sup> between 24% and 27%
- EBITDA: Growth with 2024-2026 CAGR<sup>7</sup> between 24% and 27%
- CAPEX: Approximately €140 million in cumulative investments to 2025 and 2026

### **FURTHER RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS**

The Board of Directors of EuroGroup Laminations approved the Group's 2024 budget. Finally, the Board of Directors approved the appointment of Matteo Picconeri as Head of Investor Relations of EuroGroup Laminations S.p.A., a position previously held by Group Deputy CFO Matteo Perna (already supported in this function by Matteo Picconeri himself).

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The manager responsible for preparing the company's financial reports, Isidoro Guardalà, declares, pursuant to paragraph 2 Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the state of the documented results, books and accounting records.

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<sup>6</sup> 2024 Guidance and Mid-term targets not including potential M&A transactions

<sup>7</sup> Compounded Annual Growth Rate

The economic, equity and financial information has 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 aggregates required by International Financial Reporting Standards (IFRS), certain aggregates derived from the latter are presented even though they are not required by IFRS (Non-GAAP Measures) in line with ESMA's Guidelines on Alternative Performance Indicators (Guidelines ESMA/2015/1415, adopted by Consob with Notice No. 92543 of December 3, 2015) published on October 5, 2015. These metrics are presented in order to allow for a better assessment of the group's performance and should not be considered alternatives to those provided by IFRS.

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This document contains forward-looking statements ("forward-looking statements") regarding future events and future operating, economic and financial results of EuroGroup Laminations. These forward-looking statements are based on assumptions and hypotheses that 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 even significantly from those announced due to a variety of factors, , including changes in the macro-economic and market environment, the majority of which are beyond the control of EuroGroup Laminations.

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This press release is available on the Group's website <https://euro-group.it>, Investors/Press Releases section and on the Info authorized storage system ([www.linio.it](http://www.linio.it)).

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The presentation summarizing preliminary results and key figures for 2023 will be made available at [www.euro-group.com](http://www.euro-group.com) in the Investor Relations section, in support of the call with financial analysts and investors scheduled for today, March 11, 2024 at 6:00PM CET.

#### FOR FURTHER INFORMATION

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#### **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 € 836 million in 2023, currently has a workforce of approximately 3,000 employees, 8 production plants in Italy and 6 abroad (2 in Mexico, 2 in China, 1 in the United States and 1 in 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 € 5.2 billion.*