

Press release

Board of Directors of Emak S.p.A.

Approved the consolidated results at September 30th, 2024

Revenue growth continues, with an increase of 8.5% in the third quarter

The CEO Luigi Bartoli commented: *“The sales trend is confirming the validity of our strategic lines. Despite a still complex external scenario, we remain positive about the prospects for the coming months.”*

FY 2023	€m	Q3 2024	Q3 2023	9M 2024	9M 2023
566.3	Revenues from sales	128.9	118.8	474.3	449.9
67.9	Ebitda adjusted	12.6	11.1	57.5	60.5
37.2	Ebit	4.7	3.5	32.6	38.3
19.9	Net profit	(0.3)	0.8	14.0	22.8
(191.5)	Net financial position			(215)	(186.5)
(147.6)	Net financial position net of IFRS16			(171.3)	(143.6)

Bagnolo in Piano (RE), 13 November 2024 – The Board of Directors of **Emak S.p.A.** approved the consolidated results of the Group at 30 September 2024.

The Group achieved **consolidated revenues** of **€ 474.3 million** in the first nine months, compared to € 449.9 million for the same period last year, representing a growth of 5.4%. This increase is due to the change in the scope of consolidation for 3.3%, to an organic increase in sales for 2.3% and to the negative effect of translation changes for 0.2%. The organic business performance compared to the same period last year was negatively affected by the Russia-Ukraine conflict by approximately € 5 million.

EBITDA adjusted of the period reached € 57.5 million (12.1% of sales), compared to € 60.5 million (13.5% of sales) in the same period 2023. The change in the scope of consolidation contributed for € 2.8 million. On an organic level, the result was impacted by the increase in personnel costs, transportation costs due to geopolitical tensions in the Red Sea.

EBIT was € 32.6 million (6.9% of sales), compared to € 38.3 million (8.5% of sales) for the same period of last year.

Consolidated net profit at 30 September was € 14 million compared to € 22.8 million in the same period 2023. During the period under review, higher financial charges were recorded due to the increase in market interest rates and the higher level of gross debt, as well as a negative currency management result compared to a positive value in the same period last year.

Cash flow from operations was € 37.7 million, compared to € 44.2 million generated in the same period 2023.

Investments in tangible and intangible assets made during the first nine months amounted to overall € 16.2 million compared to € 15.9 million in the same period of last year.

Consolidated net equity at 30 September 2024 was € 285.4 million compared to € 283.7 million at 31 December 2023.

Net negative financial position stood at € 215 million compared to € 186.5 million at 30 September 2023 and € 191.5 million at 31 December 2023. 2024 figure included € 43.6 million deriving from the application of the accounting principle IFRS 16 (€ 42.9 million at September 2023 and € 43.9 million at December 2023) and € 5.8 million of financial debts for the purchase of the remaining minority shareholdings (€ 7.7 million at September 2023 and € 6 million at December 2023).

The increase in net financial position compared to 31 December 2023 reflects the trend in sales during the year and incorporates the financial impact of the completion of PNR Group's acquisition for an amount of € 15.6 million.

Business outlook

The expansion of the commercial offer has had a positive impact on the sales performance in the first nine months of the year, despite a difficult macroeconomic context marked by a cautious attitude from customers and consumers, worsened by tensions in international supply chains, which negatively affected the achievement of expected earnings results. The good increase in turnover in the third quarter supported the positive sales trend in the first nine months of the year and suggests favorable developments in the coming months. In a highly uncertain market scenario, the Group confirms its expectations of a progressive increase in turnover compared to 2023.

The highlights from the consolidated accounts of the Group at 30 September 2024 are attached to the present press release.

Alternative performance indicators

Below are the criteria used for the construction of the main performance indicators that management considers useful for monitoring the Group's performance.

- EBITDA Adjusted (before non-ordinary expenses and revenues): is obtained by deducting at EBITDA the impact of charges and income for litigation and grants relating to non-core management, expenses related to M&A transactions, and costs for staff reorganization and restructuring.
- EBITDA: defined as profit/(loss) for the period gross of depreciation of tangible and intangible fixed assets and rights of use, write-downs of fixed assets, goodwill and equity investments, Income from/(expenses on) equity investment, income and financial charges, foreign exchange gains and charges and income taxes.
- FREE CASH FLOW FROM OPERATIONS: calculated by adding the items "Net profit" plus "Amortization, depreciation and impairment losses".
- NET WORKING CAPITAL: include items "Trade receivables", "Inventories", current non financial "other receivables" net of "Trade payables" and current non financial "other payables".
- NET FINANCIAL POSITION: this indicator is calculated by adding to the scheme envisaged by the "Call for attention no. 5/21" of 29 April 2021 issued by Consob, which refers to ESMA guidelines 32-382-1138 of 4 March 2021, the non-current financial receivables.

Roberto Bertuzzi, manager responsible for the preparation of the corporate accounting documents, declares and certifies in accordance with article 154 bis, paragraph 2, of the Unified Finance Law, that the financial statements contained in the present press release correspond to the underlying accounting documents, records and accounting entries.

Pursuant to the law, the interim report at 30 September 2024 and this press release are available to the public at the Company's registered office, on the company website www.emakgroup.it, in the "Investor Relations" section and on the storage mechanism eMarket Storage (www.emarketstorage.com)

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Emak is a group active in the gardening and forestry, agriculture, cleaning, and industrial sectors. The Group operates through three divisions (Outdoor Power Equipment, Pumps and Water Jetting, Components and Accessories) specializing in offering specific solutions for the best satisfaction of customers and users. These divisions are united by their knowledge of the sectors and target markets, the sharing of know-how, and the exploitation of organizational efficiencies throughout the entire value chain.

Highlights of the consolidated financial statement broken down by operating segment

	OUTDOOR POWER EQUIPMENT		PUMPS AND WATER JETTING		COMPONENTS AND ACCESSORIES		Other not allocated / Netting		Consolidated	
€/000	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Sales to third parties	145,746	137,470	193,442	193,155	135,102	119,316			474,290	449,941
Intersegment sales	334	319	1,533	2,529	7,735	5,988	(9,602)	(8,836)		
Revenues from sales	146,080	137,789	194,975	195,684	142,837	125,304	(9,602)	(8,836)	474,290	449,941
Ebitda (*)	11,214	12,468	22,419	27,645	24,484	21,131	(1,782)	(1,569)	56,335	59,675
Ebitda/Total Revenues %	7.7%	9.0%	11.5%	14.1%	17.1%	16.9%			11.9%	13.3%
Ebitda before non ordinary expenses (*)	12,116	12,553	22,375	28,170	24,809	21,393	(1,782)	(1,569)	57,518	60,547
Ebitda before non ordinary expenses/Total Revenues %	8.3%	9.1%	11.5%	14.4%	17.4%	17.1%			12.1%	13.5%
Operating result	5,449	6,661	13,496	19,551	15,431	13,681	(1,782)	(1,569)	32,594	38,324
Operating result/Total Revenues %	3.7%	4.8%	6.9%	10.0%	10.8%	10.9%			6.9%	8.5%
Net financial expenses (1)									(12,604)	(7,923)
Profit before taxes									19,990	30,401
Income taxes									(5,982)	(7,592)
Net profit									14,008	22,809
Net profit/Total Revenues%									3.0%	5.1%
(1) Net financial expenses includes the amount of Financial income and expenses, Exchange gains and losses and the amount of the Income from equity investment										
STATEMENT OF FINANCIAL POSITION	30.09.2024	31.12.2023	30.09.2024	31.12.2023	30.09.2024	31.12.2023	30.09.2024	31.12.2023	30.09.2024	31.12.2023
Net debt (*)	12,073	11,174	139,287	134,618	63,593	45,703	0	0	214,953	191,495
Shareholders' Equity	187,324	185,337	95,514	99,670	80,973	76,978	(78,388)	(78,318)	285,423	283,667
Total Shareholders' Equity and Net debt	199,397	196,511	234,801	234,288	144,566	122,681	(78,388)	(78,318)	500,376	475,162
Net non-current assets (2) (*)	121,922	122,370	111,245	116,156	71,158	60,261	(75,205)	(75,212)	229,120	223,575
Net working capital (*)	77,475	74,141	123,556	118,132	73,408	62,420	(3,183)	(3,106)	271,256	251,587
Total net capital employed (*)	199,397	196,511	234,801	234,288	144,566	122,681	(78,388)	(78,318)	500,376	475,162
(2) The net non-current assets of the Outdoor Power Equipment area includes the amount of Equity investments for 76,074 thousand Euro										
OTHER STATISTICS	30.09.2024	31.12.2023	30.09.2024	31.12.2023	30.09.2024	31.12.2023	30.09.2024	31.12.2023	30.09.2024	31.12.2023
Number of employees at period end	723	725	977	959	817	669	9	9	2,526	2,362
OTHER INFORMATIONS	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Amortization, depreciation and impairment losses	5,765	5,807	8,923	8,094	9,053	7,450			23,741	21,351
Investment in property, plant and equipment and in intangible assets	4,482	3,574	5,715	6,870	6,033	5,408			16,230	15,852

(*) See section "Definitions of alternative performance indicators"

Emak Group – Consolidated income statement and comprehensive income statement

Thousand of Euro

Year 2023	CONSOLIDATED INCOME STATEMENT	3 Q 2024	3 Q 2023	9 months 2024	9 months 2023
566,317	Revenues from sales	128,851	118,785	474,290	449,941
5,493	Other operating incomes	1,163	846	3,081	3,321
755	Change in inventories	6,691	(2,786)	89	(10,205)
(298,310)	Raw materials, consumables and goods	(70,123)	(58,622)	(244,766)	(228,176)
(105,036)	Personnel expenses	(27,454)	(24,600)	(89,709)	(78,194)
(102,915)	Other operating costs and provisions	(26,510)	(22,790)	(86,650)	(77,012)
(29,080)	Amortization, depreciation and impairment losses	(7,878)	(7,335)	(23,741)	(21,351)
37,224	Operating result	4,740	3,498	32,594	38,324
5,621	Financial income	721	932	2,705	2,851
(17,830)	Financial expenses	(5,159)	(3,443)	(13,962)	(11,708)
418	Exchange gains and losses	(702)	(299)	(1,342)	932
2	Income from/(expenses on) equity investment	2	16	(5)	2
25,435	Profit before taxes	(398)	704	19,990	30,401
(5,513)	Income taxes	97	47	(5,982)	(7,592)
19,922	Net profit (A)	(301)	751	14,008	22,809
(847)	(Profit)/loss attributable to non controlling interests	(206)	(209)	(555)	(742)
19,075	Net profit attributable to the Group	(507)	542	13,453	22,067
0.117	Basic earnings per share	(0.003)	0.003	0.083	0.136
0.117	Diluted earnings per share	(0.003)	0.003	0.083	0.136

Year 2023	CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	9 months 2024	9 months 2023
19,922	Net profit (A)	14,008	22,809
(2,192)	Profits/(losses) deriving from the conversion of foreign company accounts	(6,000)	92
(43)	Actuarial profits/(losses) deriving from defined benefit plans (*)	-	-
11	Income taxes on OCI (*)	-	-
(2,224)	Total other components to be included in the comprehensive income statement (B)	(6,000)	92
17,698	Total comprehensive income for the period (A)+(B)	8,008	22,901
(844)	Comprehensive net profit attributable to non controlling interests (C)	(331)	(777)
16,854	Comprehensive net profit attributable to the Group (A)+(B)+(C)	7,677	22,124

(*) Items will not be classified in the income statement

Emak Group – Consolidated statement of financial position

Thousand of Euro

31.12.2023	ASSETS	30.09.2024	30.09.2023
Non-current assets			
86,021	Property, plant and equipment	89,813	85,066
29,228	Intangible assets	32,513	29,399
41,907	Rights of use	41,286	41,062
72,554	Goodwill	71,438	72,914
8	Equity investments in other companies	8	8
802	Equity investments in associates	797	802
11,531	Deferred tax assets	12,263	10,918
1,267	Other financial assets	1,195	1,239
96	Other assets	95	98
243,414	Total non-current assets	249,408	241,506
Current assets			
234,656	Inventories	235,225	225,495
121,936	Trade and other receivables	134,090	121,684
11,249	Current tax receivables	9,754	8,565
59	Other financial assets	89	37
1,028	Derivative financial instruments	896	1,984
75,661	Cash and cash equivalents	70,178	91,499
444,589	Total current assets	450,232	449,264
688,003	TOTAL ASSETS	699,640	690,770

31.12.2023	SHAREHOLDERS' EQUITY AND LIABILITIES	30.09.2024	30.09.2023
Shareholders' Equity			
279,352	Shareholders' Equity of the Group	281,030	284,631
4,315	Non-controlling interests	4,393	4,409
283,667	Total Shareholders' Equity	285,423	289,040
Non-current liabilities			
138,547	Loans and borrowings due to banks and other lenders	160,782	171,924
36,433	Liabilities for leasing	35,489	35,484
7,968	Deferred tax liabilities	8,988	7,667
6,066	Employee benefits	6,619	6,153
2,885	Provisions for risks and charges	2,822	2,906
1,653	Other liabilities	664	1,373
193,552	Total non-current liabilities	215,364	225,507
Current liabilities			
109,772	Trade and other payables	100,626	95,305
4,691	Current tax liabilities	5,112	5,338
86,424	Loans and borrowings due to banks and other lenders	81,765	66,056
7,503	Liabilities for leasing	8,151	7,368
603	Derivative financial instruments	1,124	425
1,791	Provisions for risks and charges	2,075	1,731
210,784	Total current liabilities	198,853	176,223
688,003	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	699,640	690,770

Emak Group – Consolidated net financial position

(€/000)	30.09.2024	31.12.2023	30.09.2023
A. Cash	70,178	75,661	91,499
B. Cash equivalents	-	-	-
C. Other current financial assets	985	1,087	2,021
D. Liquidity funds (A+B+C)	71,163	76,748	93,520
E. Current financial debt	(26,556)	(24,304)	(15,468)
F. Current portion of non-current financial debt	(64,484)	(70,226)	(58,381)
G. Current financial indebtedness (E + F)	(91,040)	(94,530)	(73,849)
H. Net current financial indebtedness (G - D)	(19,877)	(17,782)	19,671
I. Non-current financial debt	(196,271)	(174,980)	(207,408)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I + J + K)	(196,271)	(174,980)	(207,408)
M. Total financial indebtedness (H + L) (ESMA)	(216,148)	(192,762)	(187,737)
N. Non current financial receivables	1,195	1,267	1,239
O. Net financial position (M-N)	(214,953)	(191,495)	(186,498)
Effect IFRS 16	43,640	43,936	42,852
Net financial position without effect IFRS 16	(171,313)	(147,559)	(143,646)