

Press release

Board of Directors of Emak S.p.A.

Approved the consolidated results for the first half 2024

Sales up 10% in second quarter

The CEO Luigi Bartoli commented: *“During the second quarter, we achieved significant sales growth, putting us ahead of last year's cumulative figures. Despite the ongoing complexity of the external environment, we remain optimistic about the prospects for the coming months.”*

FY 2023	€m	Q2 2024	Q2 2023	H1 2024	H1 2023
566.3	Revenues from sales	175.3	159.4	345.4	331.2
67.9	Ebitda adjusted	23.1	24.1	44.9	49.4
37.2	Ebit	14.2	16.7	27.9	34.8
19.9	Net profit	6.5	10.7	14.3	22.1
(191.5)	Net financial position			(212.9)	(213.0)
(147.6)	Net financial position net of IFRS16			(167.7)	(169.5)

Bagnolo in Piano (RE), 8 August 2024 – The Board of Directors of **Emak S.p.A.** approved the consolidated results of the Group for the first half 2024.

The Group achieved **consolidated revenues** of **€ 345.4** million in the first half of the year, compared to €331.2 million for the same period last year, representing a growth of 4.3%. This increase is due to the change in the scope of consolidation for 3.4%, to an organic increase in sales for 0.7% and to the positive effect of translation changes for 0.2%.

Noteworthy are the excellent sales results achieved in the second quarter by gardening products and the recovery of those for cleaning. It should be noted that the organic performance compared to the same period last year was negatively affected by the Russia-Ukraine conflict by approximately €5 million and by logistical turbulence that caused an unusually high level of unfulfilled orders at the end of the semester.

EBITDA adjusted of the period reached € 44.9 million (13% of sales), compared to € 49.4 million (14.9% of sales) in the same period 2023. The change in the scope of consolidation contributed for € 1.9 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, and commercial costs supporting sales development.

EBIT was € 27.9 million (8.1% of sales), compared to € 34.8 million (10.5% of sales) for the same period of last year.

Consolidated net profit for the first semester was € 14.3 million compared to € 22.1 million in the same period of 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 € 30.2 million, compared to € 36.1 million generated in the first half 2023.

Investments in tangible and intangible assets made during the first half amounted to overall € 11.1 million compared to € 10.8 million in the same period of last year.

Consolidated net equity at 30 June 2024 was € 289.5 million compared to € 283.7 million at 31 December 2023.

Net negative financial position stood at € 212.9 million compared to € 213 million at 30 June 2023 and € 191.5 million at 31 December 2023. 2024 figure included € 45.2 million deriving from the application of the accounting principle IFRS 16 (€ 43.6 million at June 2023 and € 43.9 million at December 2023) and € 5.9 million of financial debts for the purchase of the remaining minority shareholdings (€ 8 million at June 2023 and € 6 million at December 2023).

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

Business outlook

The first half of the year was characterized by a complex macroeconomic scenario, which led to a conservative approach by customers and consumers, combined with disruptions to international logistics chains caused by tensions in the Red Sea area, resulting in an impact on sales for the period. Despite a challenging context, the Group reported sales growth compared to the same period last year. The forecast is that the described external dynamics will persist in the coming months; nevertheless, based on the information currently available, Management expects the sales growth trend to continue in the third quarter, with a consequent further increase in cumulative revenue compared to 2023.

The highlights from the consolidated accounts of the Group at 30 June 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 Consolidated Finance Act, 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 half year report at 30 June 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)

For additional information:

Mr. Andrea La Fata

Investor Relator

Phone (+39) 0522 956332

andrea.lafata@emak.it; www.emakgroup.com

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	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Sales to third parties	110,465	106,638	140,354	139,846	94,620	84,672			345,439	331,156
Intersegment sales	233	227	1,198	1,921	5,602	4,431	(7,033)	(6,579)		
Revenues from sales	110,698	106,865	141,552	141,767	100,222	89,103	(7,033)	(6,579)	345,439	331,156
Ebitda (*)	9,654	12,476	17,214	21,857	18,207	15,698	(1,358)	(1,189)	43,717	48,842
Ebitda/Total Revenues %	8.7%	11.7%	12.2%	15.4%	18.2%	17.6%			12.7%	14.7%
Ebitda before non ordinary expenses (*)	10,508	12,476	17,269	22,315	18,517	15,807	(1,358)	(1,189)	44,936	49,409
Ebitda before non ordinary expenses/Total Revenues %	9.5%	11.7%	12.2%	15.7%	18.5%	17.7%			13.0%	14.9%
Operating result	5,698	8,649	11,300	16,582	12,214	10,784	(1,358)	(1,189)	27,854	34,826
Operating result/Total Revenues %	5.1%	8.1%	8.0%	11.7%	12.2%	12.1%			8.1%	10.5%
Net financial expenses (1)									(7,466)	(5,129)
Profit before taxes									20,388	29,697
Income taxes									(6,079)	(7,639)
Net profit									14,309	22,058
Net profit/Total Revenues %									4.1%	6.7%
(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	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Net debt (*)	8,224	11,174	142,016	134,618	62,644	45,703	0	0	212,884	191,495
Shareholders' Equity	188,848	185,337	98,295	99,670	80,826	76,978	(78,507)	(78,318)	289,462	283,667
Total Shareholders' Equity and Net debt	197,072	196,511	240,311	234,288	143,470	122,681	(78,507)	(78,318)	502,346	475,162
Net non-current assets (2) (*)	122,326	122,370	114,238	116,156	71,391	60,261	(75,165)	(75,212)	232,790	223,575
Net working capital (*)	74,746	74,141	126,073	118,132	72,079	62,420	(3,342)	(3,106)	269,556	251,587
Total net capital employed (*)	197,072	196,511	240,311	234,288	143,470	122,681	(78,507)	(78,318)	502,346	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	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Number of employees at period end	720	725	987	959	800	669	9	9	2,516	2,362
OTHER INFORMATIONS	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Amortization, depreciation and impairment losses	3,956	3,827	5,914	5,275	5,993	4,914			15,863	14,016
Investment in property, plant and equipment and in intangible assets	3,176	2,714	3,916	4,181	4,047	3,891			11,139	10,786

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

Emak Group – Consolidated income statement and comprehensive income statement

Thousand of Euro

Year 2023	CONSOLIDATED INCOME STATEMENT	Notes	1H 2024	of which to related parties	1H 2023	of which to related parties
566,317	Revenues from sales	9	345,439	579	331,156	634
5,493	Other operating incomes	9	1,918		2,475	
755	Change in inventories		(6,602)		(7,419)	
(298,310)	Raw materials, consumables and goods	10	(174,643)	(1,316)	(169,554)	(1,254)
(105,036)	Personnel expenses	11	(62,255)		(53,594)	
(102,915)	Other operating costs and provisions	12	(60,140)	(405)	(54,222)	(279)
(29,080)	Amortization, depreciation and impairment losses	13	(15,863)	(937)	(14,016)	(926)
37,224	Operating result		27,854		34,826	
5,621	Financial income	14	1,984	-	1,919	-
(17,830)	Financial expenses	14	(8,803)	183	(8,265)	189
418	Exchange gains and losses	14	(640)		1,231	
2	Income from/(expenses on) equity investment	14	(7)		(14)	
25,435	Profit before taxes		20,388		29,697	
(5,513)	Income taxes	15	(6,079)		(7,639)	
19,922	Net profit (A)		14,309		22,058	
(847)	(Profit)/loss attributable to non controlling interests		(349)		(533)	
19,075	Net profit attributable to the Group		13,960		21,525	
0.117	Basic earnings per share	16	0.086		0.132	
0.117	Diluted earnings per share	16	0.086		0.132	

Year 2023	CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	Notes	1H 2024	1H 2023
19,922	Net profit (A)		14,309	22,058
(2,192)	Profits/(losses) deriving from the conversion of foreign company accounts		(2,352)	(1,215)
(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)		(2,352)	(1,215)
17,698	Total comprehensive income for the period (A)+(B)		11,957	20,843
(844)	Comprehensive net profit attributable to non controlling interests (C)		(178)	(561)
16,854	Comprehensive net profit attributable to the Group (A)+(B)+(C)		11,779	20,282

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

Emak Group – Consolidated statement of financial position

Thousand of Euro

31.12.2023	ASSETS	Notes	30.06.2024	of which to related parties	30.06.2023	of which to related parties
	Non-current assets					
86,021	Property, plant and equipment	17	90,338		84,670	
29,228	Intangible assets	18	33,580		29,644	
41,907	Rights of use	19	42,822	12,129	41,749	13,872
72,554	Goodwill	20	72,422	9,914	72,835	9,914
8	Equity investments in other companies	21	8		8	
802	Equity investments in associates	21	795		786	
11,531	Deferred tax assets	30	12,150		10,547	
1,267	Other financial assets	22	1,145	37	1,235	74
96	Other assets	24	97		95	
243,414	Total non-current assets		253,357		241,569	
	Current assets					
234,656	Inventories	25	231,462		227,851	
121,936	Trade and other receivables	24	169,211	2,192	155,352	988
11,249	Current tax receivables	30	10,089		8,104	
59	Other financial assets	22	74	74	74	74
1,028	Derivative financial instruments	23	835		2,073	
75,661	Cash and cash equivalents		83,675		47,947	
444,589	Total current assets		495,346		441,401	
688,003	TOTAL ASSETS		748,703		682,970	

31.12.2023	SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30.06.2024	of which to related parties	30.06.2023	of which to related parties
	Shareholders' Equity					
279,352	Shareholders' Equity of the Group	26	285,132		282,789	
4,315	Non-controlling interests		4,330		4,190	
283,667	Total Shareholders' Equity		289,462		286,979	
	Non-current liabilities					
138,547	Loans and borrowings due to banks and others lenders	28	170,361		150,846	
36,433	Liabilities for leasing	29	37,029	10,982	36,207	12,724
7,968	Deferred tax liabilities	30	9,262		7,814	
6,066	Employee benefits	31	6,501		6,151	
2,885	Provisions for risks and charges	32	3,017		2,907	
1,653	Other liabilities	33	642		1,418	
193,552	Total non-current liabilities		226,812		205,343	
	Current liabilities					
109,772	Trade and other payables	27	132,482	3,481	106,222	3,737
4,691	Current tax liabilities	30	6,598		5,372	
86,424	Loans and borrowings due to banks and others lenders	28	82,914		68,890	
7,503	Liabilities for leasing	29	8,187	1,849	7,386	1,781
603	Derivative financial instruments	23	122		1,049	
1,791	Provisions for risks and charges	32	2,126		1,729	
210,784	Total current liabilities		232,429		190,648	
688,003	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		748,703		682,970	

Emak Group – Consolidated net financial position

(€/000)	30.06.2024	31.12.2023	30.06.2023
A. Cash	83,675	75,661	47,947
B. Cash equivalents	-	-	-
C. Other current financial assets	909	1,087	2,147
D. Liquidity funds (A+B+C)	84,584	76,748	50,094
E. Current financial debt	(24,274)	(24,304)	(17,116)
F. Current portion of non-current financial debt	(66,949)	(70,226)	(60,209)
G. Current financial indebtedness (E + F)	(91,223)	(94,530)	(77,325)
H. Net current financial indebtedness (G - D)	(6,639)	(17,782)	(27,231)
I. Non-current financial debt	(207,390)	(174,980)	(187,053)
J. Debt instruments	-	-	-
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I + J + K)	(207,390)	(174,980)	(187,053)
M. Total financial indebtedness (H + L) (ESMA)	(214,029)	(192,762)	(214,284)
N. Non current financial receivables	1,145	1,267	1,235
O. Net financial position (M-N)	(212,884)	(191,495)	(213,049)
Effect IFRS 16	45,216	43,936	43,593
Net financial position without effect IFRS 16	(167,668)	(147,559)	(169,456)

Emak Group – Consolidated cash flow statement

31.12.2023 (€000)	Notes	30.06.2024	30.06.2023
Cash flow from operations			
19,922 Net profit for the period		14,309	22,058
29,080 Amortization, depreciation and impairment losses	13	15,863	14,016
80 Financial expenses from discounting of debts and other income/expenses from non-monetary transactions	14	25	30
(2) Income from/(expenses on) equity investment	14	7	14
(1,427) Financial (income)/ Expenses from adjustment of estimated liabilities for outstanding commitment associates' shares	14	(21)	526
(183) Capital (gains)/losses on disposal of property, plant and equipment		(81)	(126)
314 Decreases/(increases) in trade and other receivables		(43,338)	(28,398)
11,978 Decreases/(increases) in inventories		6,669	19,682
(4,270) (Decreases)/increases in trade and other payables		20,758	(7,682)
(225) Change in employee benefits		(73)	(140)
292 (Decreases)/increases in provisions for risks and charges		400	255
1,561 Change in derivative financial instruments		(284)	963
57,120 Cash flow from operations		14,234	21,198
Cash flow from investing activities			
(22,851) Change in property, plant and equipment and intangible assets		(10,748)	(10,786)
(923) (Increases) and decreases in securities and financial assets		115	(900)
183 Proceeds from disposal of property, plant and equipment and other changes		81	126
(20,304) Change in scope of consolidation	5	(10,689)	(20,304)
(43,895) Cash flow from investing activities		(21,241)	(31,864)
Cash flow from financing activities			
(262) Other changes in equity		7	(223)
(1,796) Change in short and long-term loans and borrowings		26,516	(11,186)
(7,756) Liabilities for leasing refund		(4,143)	(3,806)
(10,788) Dividends paid		(7,404)	(10,628)
(20,602) Cash flow from financing activities		14,976	(25,843)
(7,377) Total cash flow from operations, investing and financing activities		7,969	(36,509)
(3,063) Effect of changes from exchange rates and translation reserve		1,022	(3,215)
(10,440) INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8,991	(39,724)
83,349 OPENING CASH AND CASH EQUIVALENTS		72,909	83,349
72,909 CLOSING CASH AND CASH EQUIVALENTS		81,900	43,625

ADDITIONAL INFORMATION ON THE CASH FLOW STATEMENT

31.12.2023 (€000)	30.06.2024	30.06.2023
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
83,349 Opening cash and cash equivalents, detailed as follows:	72,909	83,349
86,477 Cash and cash equivalents	75,661	86,477
(3,128) Overdrafts	(2,752)	(3,128)
72,909 Closing cash and cash equivalents, detailed as follows:	81,900	43,625
75,661 Cash and cash equivalents	83,675	47,947
(2,752) Overdrafts	(1,775)	(4,322)
Other information:		
(1,053) Change in related party receivables and service transactions	(60)	91
373 Change in related party payables and service transactions	1,875	2,504
37 Change in related party financial assets	-	-
(2,163) Related party liabilities for leasing refund	(1,090)	(1,068)