

Press Release

**THE BOARD OF DIRECTORS OF EPTA S.P.A.
APPROVES THE 2022 INTEGRATED FINANCIAL STATEMENT**

**The leading commercial refrigeration player confirms further growth in 2022:
revenues are up to €1,367m (+14% vs. 2021)**

Adjusted EBITDA of €123m and Net Income of €50m

Milan, 15 March 2023 – On 24 February 2023 the **Board of Directors of Epta S.p.A.** – the parent company of the Epta group, an independent global player specialising in the commercial refrigeration sector – examined and approved the **integrated financial statement as at 31 December 2022**. The consolidated financial statement was drafted in compliance with the International Financial Reporting Standards (IFRS) drawn up by the International Accounting Standards Board (IASB) and ratified by the European Union.

In 2022 the Group's **Net Revenues** were **€1,367m**, up 14% compared to 2021 and significantly above pre-Covid levels. This was driven primarily by the growth in the Group's three business units: Retail, Food & Beverage and After Sales.

All the main geographical areas in which the Group operates saw positive performances: in EMEA the Group's revenue was **€998m** (8% higher than 2021), **€266m** in the Americas (a 50% jump from 2021 levels) and in APAC **€103m** (a 9.7% increase from 2021).

The market situation in 2022 was characterised by the post-pandemic recovery and the energy crisis, with a resulting strain on the global supply chain through direct impacts on continuity, flexibility and supply prices. Despite the operating results being affected by market volatility and prices for strategic raw materials, the Group's financial performance was extremely positive thanks, in particular, to two factors: the speed with which Epta successfully redesigned its global supply chain, to reduce exposure to supply shortages and implement alternative technical solutions; the Group's ability to offer sustainable solutions characterised by the highest level of energy efficiency and a low environmental impact. These were developed thanks to the Group's

extensive experience in the production of solutions using natural refrigerants and constant investments in research and development.

“In a year as complex and unstable as the one that has just ended, we are very pleased with the good result we have achieved. This consolidates our leadership in sustainable refrigeration and confirms the solidity of our growth process.” – commented **Marco Nocivelli, Chairman and CEO of Epta S.p.A.**, *“We have a clear vision for our future, as a point of reference and support for our customers in their ecological transition. For this reason, we have developed our 2023-2026 strategic plan from an integrated perspective, with a strong focus on ESG values. We anticipate the goals of the EU’s Green Deal and, during the 2023 edition of Euroshop – the sector’s most important trade fair – we shared our Green Facts, including the first 95% recyclable plug-in: facts and concrete solutions that underscore our commitment to climate neutrality. Our 2022 Integrated Financial Statement shows how the Group’s sustainable innovative drive is evolving in step with our progress in areas like diversity, inclusion, professional value and the uniqueness of our staff, which are cornerstones of our past, present and future growth.”*

THE GROUP’S MAIN FINANCIAL RESULTS IN THE 2022 FINANCIAL YEAR:

- **Adjusted ¹ EBITDA OF €123m**, with an **EBITDA margin of 9%**. The significant pressure in the market – with inflationary and recessionary effects – caused by the international political and economic situation, the energy crisis and the double-digit increases in the cost of materials and logistics during the course of 2022 put a major strain on margins. Nevertheless, the year-on-year reduction in margins was mitigated by gradually transferring cost increases to the sale price of our products and through strategies adopted by the Group to improve localisation through new partners and suppliers.
- **Net profit of €50m**, a fall compared to 2021 due to the sharp increases in the costs for materials, energy and logistics in 2022.

¹ Adjusted as a result of non-recurring events or transactions not related to normal operations

- **Net debt** as at 31 December 2022 of **€170m**. This was up from the previous year following increases in working capital and inventories with the aim of optimising the Group's response to supply chain interruptions. Our financial structure remains extremely robust, with a Net Debt-to-EBITDA ratio of 1.4 and a Net Debt-to-Equity ratio of 0.441.

2022 INVESTMENT PLAN

The Epta Group's entrepreneurial strategy is based around the pillar of sustainable innovation, with profit and economic-financial growth ensuring the funds for investments to support ongoing innovation, the development of competences and social sustainability, which are key factors and foundations for the creation of robust, sustainable and lasting value. Within this framework, in 2022 the Group made **consolidated investments of approximately €32m**. The focus of these investments continued to be directed towards product and process innovation in order to deliver innovative technologies that fully comply with new health and safety and environmental regulations.

With 270 people working in 10 different premises, and the support of an Innovation centre dedicated to the scouting of the eco-compatible and efficient technologies of the future, the R&D department designs products and services capable of intercepting the constant evolution of trends in the Food Retail, Food & Beverage and Ho.Re.Ca. sectors and supporting customers in their ecological transition.

2022 was a complex year: on the one hand, energy labelling regulations established increasingly stringent requirements, and on the other, energy price increases have pushed the whole sector towards efficiency maximisation. In response, the Group's investment plan targeted solutions for generating direct improvements on energy performances, alongside LCA (Life Cycle Assessment) analyses for calculating potential environmental impacts.

Moreover, digitalisation plays an increasingly important role in offering retailers key services and information for a better management of their stores, with resulting major investments in the production of highly connected refrigerated units. In particular, Epta developed SwitchON solutions, which introduce digitalisation in refrigeration systems for advanced diagnostics,

remote control of temperature, refrigeration power, energy performance and consumption. It also developed LineON, which can be used for all plug-in units to provide a digital connection with operators.

Epta is also continuing its commitment to research activities at a European and international level, in line with the most sensitive issues for the commercial refrigeration sector. After its experience with the LIFE C4R project, which was internationally acknowledged as a milestone in the development of efficient and low environmental impact refrigeration, Epta is actively involved in various research programmes in collaboration with Universities, Research Institutions and companies in the sector. These include the ENOUGH programme, which aims at decarbonising technologies linked to food distribution and refrigeration.

ECONOMIC SITUATION

- 2022 confirmed the recovery and global trend of GDP increases which began in 2021 following the pandemic. However, the climate of uncertainty and energy price pressure due to the war between Russia and Ukraine, rising inflation and central bank tightening has caused a slowdown in GDP, with signs of recession in the second quarter.
- At the start of 2023 the short-term outlook is moving towards GDP increases in APAC, the United States and the Eurozone, with the United Kingdom and LATAM still expected to shrink slightly before GDP growth resumes in the second quarter of the year.
- There is a growing emphasis on investments and ESG projects aiming at reducing energy consumption and mitigating the impact of climate change: on 5 April 2022 the European Commission published a revision proposal for the Regulation on fluorinated greenhouse gases (EU 517/2014) which will introduce substantial new emission cuts for hydrofluorocarbons compared to the prevailing regulation – 69% to 76% by 2024, 76% to 90% by 2027, 79% to 95% by 2030.

Epta. Advanced solutions for your store.

EPTA – An independent global player specialising in the commercial refrigeration sector, operating around the world through its brands **Costan** (1946), **Bonnet Névé** (1930), **Eurocryor** (1991), **Misa** (1969), **Iarp** (1983) and **Kysor**

Warren (1882). In the Italian and international markets, Epta is a partner capable of producing and marketing complete refrigeration systems, thanks to the integration of specific product lines such as: traditional, vertical and semi-vertical positive fridge cabinets, negative vertical and horizontal cabinets and built-in units (plug-ins) for the Retail, Food&Beverage and Ho.re.ca sectors, mid- and high-power units and coldrooms and a complete portfolio of pre and post sales services. With headquarters in Milan, it employs almost 6,000 people, with production sites in Italy and abroad and an extensive technical and sales coverage worldwide through more than 40 technical and commercial offices.

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