



# Company Introduction

March 2022



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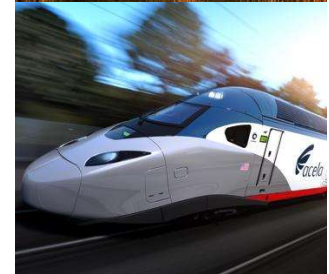
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# Eurotech's roots: Embedded Computers for Demanding Applications

Custom | Rugged



 EUROTECH



# Eurotech's mission is to connect Edge assets securely and simply and enable AI Computing in mission critical environments

**Simplify** complexity  
at the edge



**Better Time To Market**

Champion a **secure**  
digitization of assets



**Minimum Risk**

Enable next generation of  
**smart** products



**Open-source Agnosticity**  
**Enabling AI at the Edge**



# NEW BENEFITS TO POTATO FARMERS WITH PRECISION AGRICULTURE

## CUSTOMER REQUIREMENTS

- Enable precise field performance assessment
- Maximize yield while improving sustainability
- Perform remote and predictive maintenance
- Offer valuable data to the complete supply chain



## THE SOLUTION





# INTELLIGENT DATA LOGGING FOR TRAIN LOCOMOTIVES

## CUSTOMER REQUIREMENTS

- Securely collect data from locomotives
- Publish data in customer's private cloud in near real time
- Aggregate data on the Edge for effective data transfer
- Enable load measurement and preventive maintenance



## THE SOLUTION



# IOT PLATFORM FOR GLOBALLY DEPLOYED MEDICAL DEVICES

## CUSTOMER REQUIREMENTS



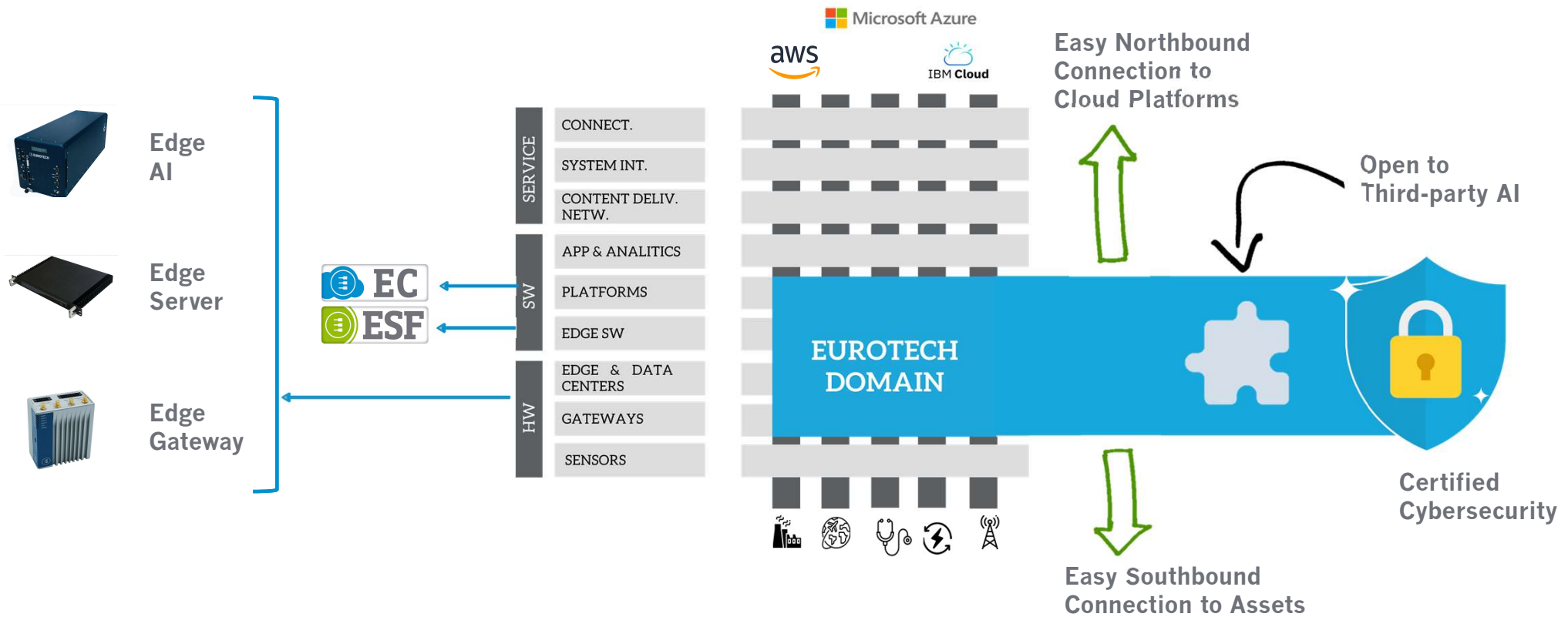
**FRESENIUS  
MEDICAL CARE**

- Integrating with existing IT infrastructure with zero changes on products and applications
- High level of cybersecurity and reliability
- Advanced Edge computing performances

## THE SOLUTION

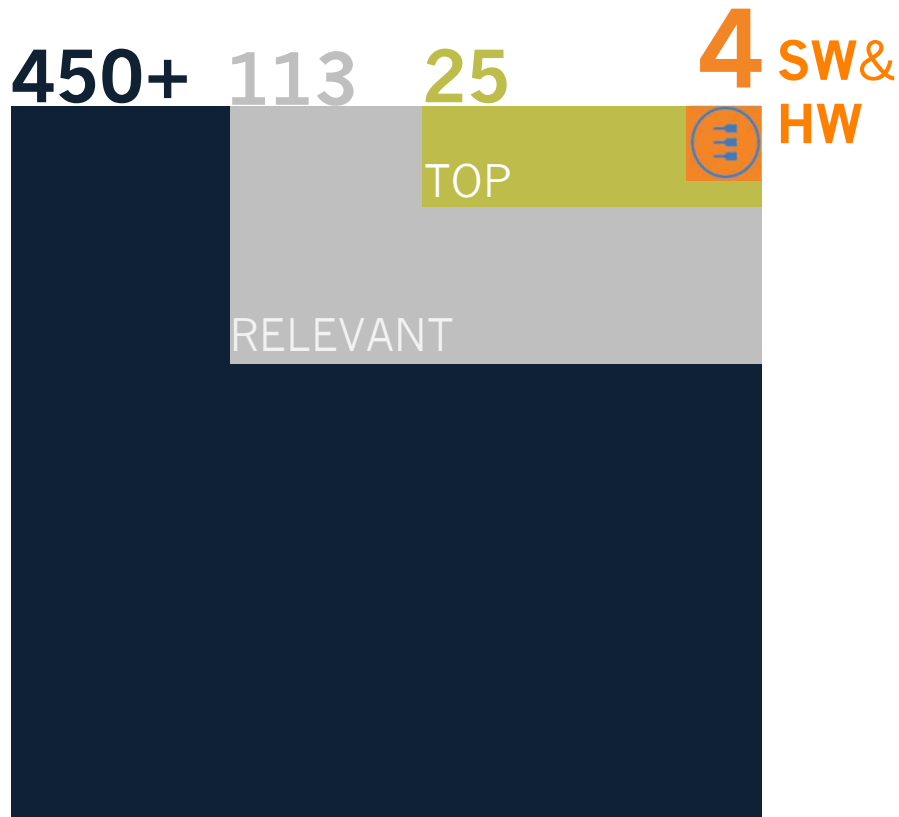


# Our Domain: the EDGE of Industrial IoT





## We are a Top Player in Industrial IoT with a distinctive offering of integrated Edge SW + HW



### Industry Analysts recognize & appreciate:

- ☑ **premium cybersecurity** = less risk for customers
- ☑ **easiness of use / implementation** = low cost & low effort to market

### We are different because:

- ☑ **open-source** = agnosticity & **no lock-in**
- ☑ **one-stop-shop with HW + SW** = less complexity in system integration & best cybersecurity

Source: adapted from MachNation, Gartner, IoT Analytics

# Our journey on the long run

## 2021: Repositioning

- New strategy
- New organisation kick-off
- Order book back to solid growth

## 2022: Transitioning

- Strategy building blocks execution
- Embedded business sustaining growth
- Creating and closing healthy Edge IoT pipeline
- Close 1<sup>st</sup> M&A deal

## 2023: Transforming

- Edge IoT growing stronger than Embedded
- Sustainable re-occurring revenues growing double digit

## 2024: Eurotech is a Relevant Player in Edge IoT



# How we want to grow: FOCUS and LEVERAGE

- 🎯 Play in markets with combination of **higher size** and **higher CAGR** in next 5 years
- 🎯 Serve **mission critical** type of applications with **high and mild ruggedization needs**
- 🎯 Focus on **verticals / applications** where **certified cutting-edge cybersecurity is valued** more
- 🎯 Create growth **organically** and **inorganically**
- 🎯 Leverage **relevant driving forces & accelerators**:
  1. Repatriation, i.e. moving computing from cloud to edge, where data are generated
  2. 5G
  3. Automation & Servitization
  4. Green & Smart Energy
  5. Recovery Plans

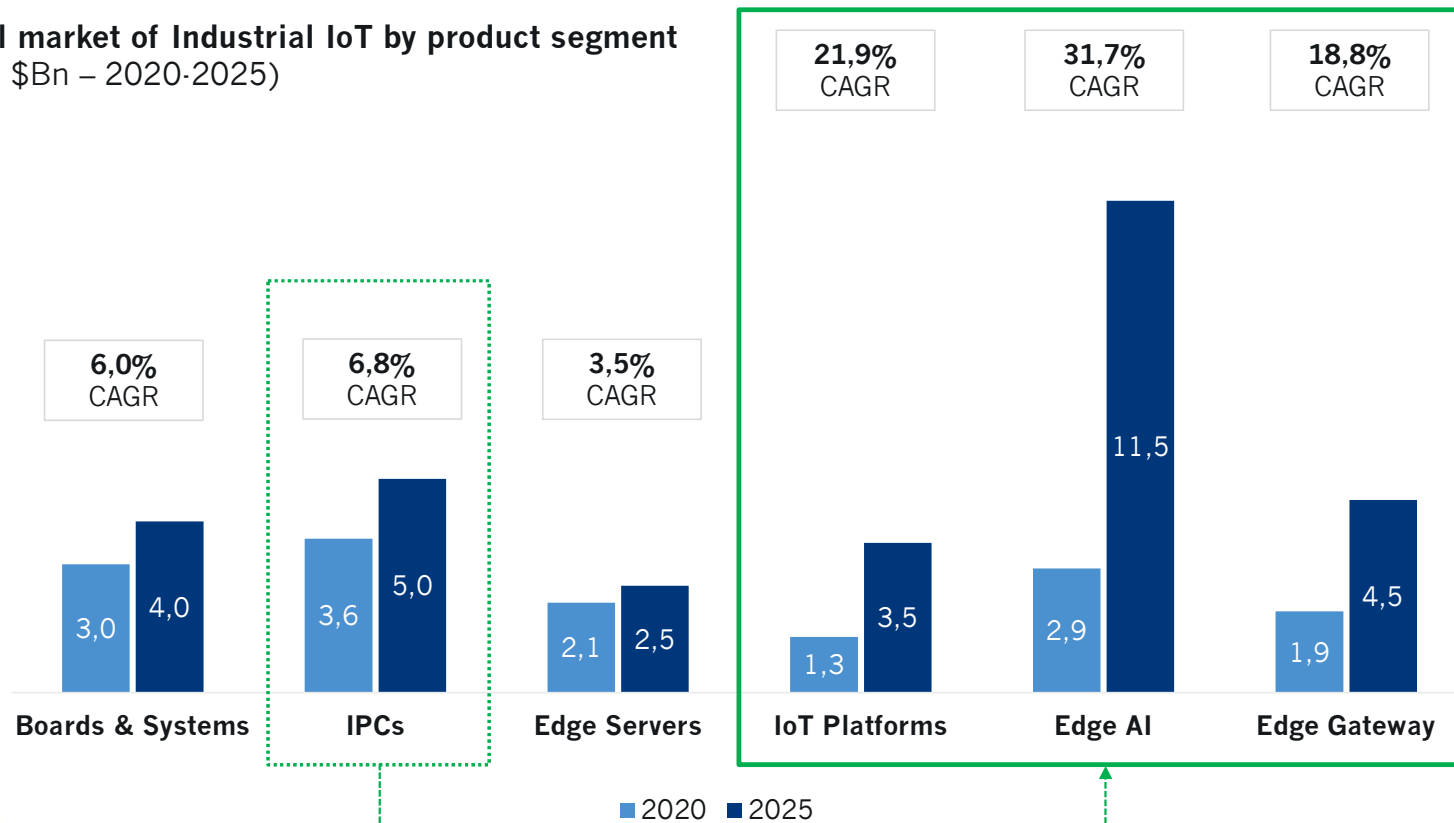


## “Core” action items

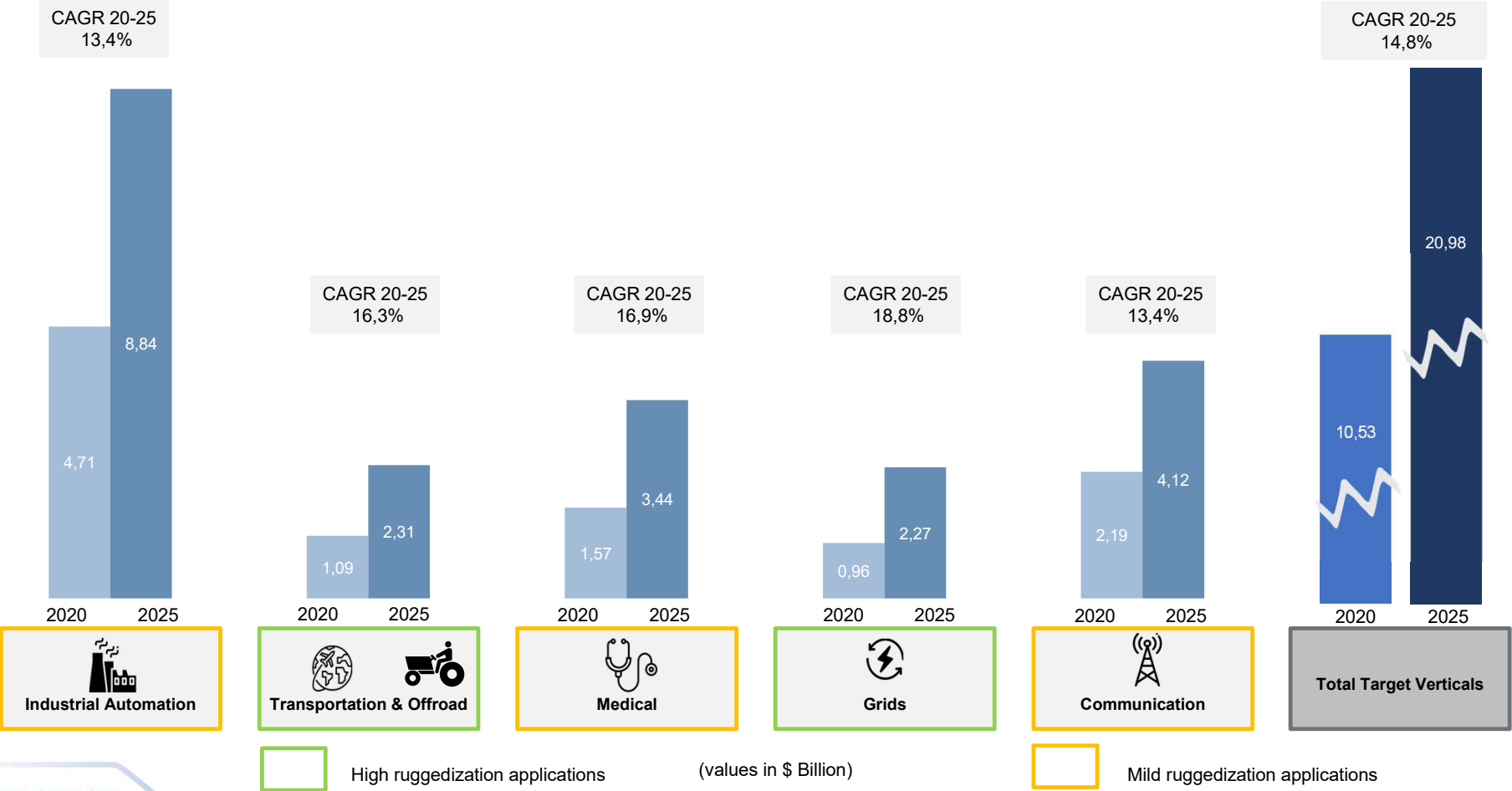
- 🎯 **Focus** on What-we-do and Where-we-play
- 🎯 **Create bandwidth** to enable our strategic growth imperatives
- 🎯 Operationalize better our **go to market** Channels and front-line resources
- 🎯 Drive a **growth culture** via a new Management Long Term Incentive Plan

# Leveraging on strong growing Edge Gateways, Edge AI and IoT Platforms

Global market of Industrial IoT by product segment  
(in US \$Bn – 2020-2025)

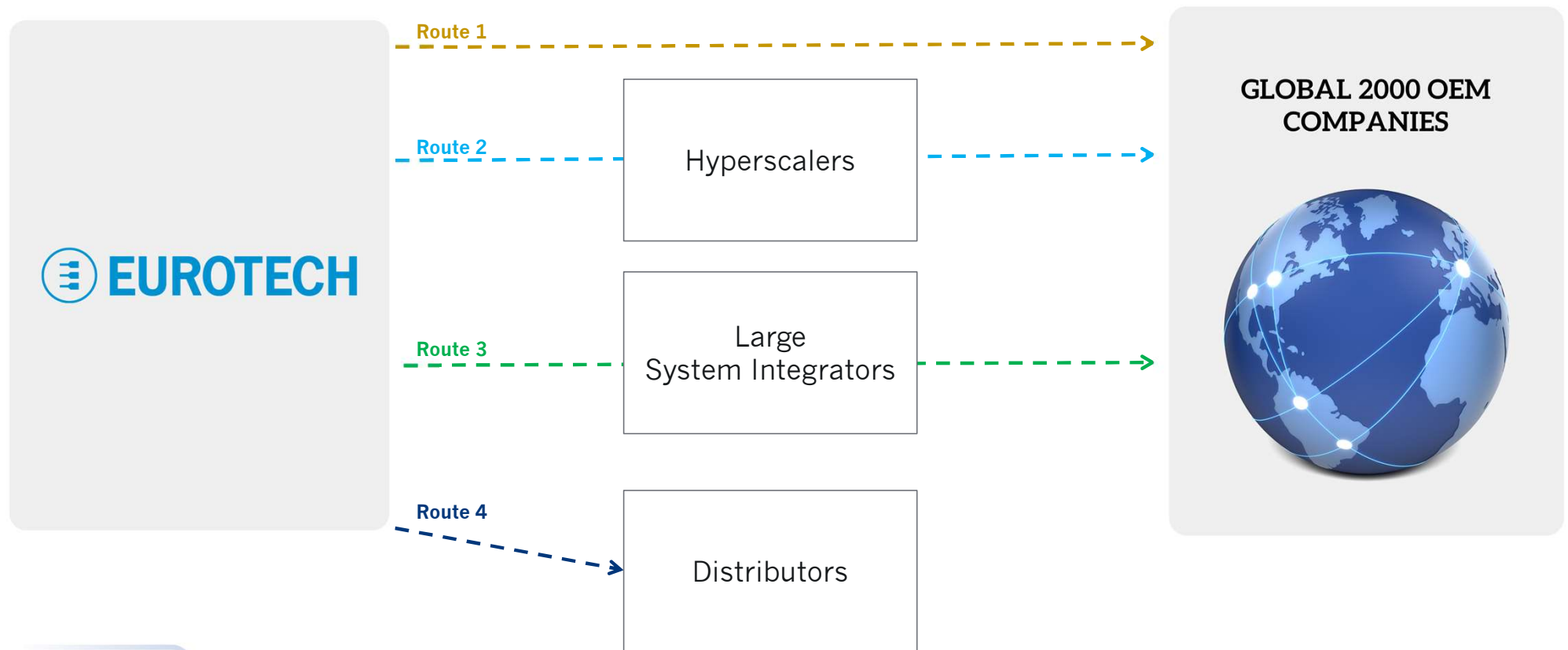


# The 5 verticals where we will focus (TAM 21B\$ in 2025)





## Go to market routes: the Partners Ecosystem will be paramount to growth



# Why Eurotech

- ✓ We have **top class EDGE technology**
- ✓ We are **long term** committed
- ✓ We aim at **growing double digit ...**  
by leveraging secular trends and using M&A to accelerate
- ✓ With **solid margins ...**  
because of our **differentiation** in high reliability & ruggedized applications and our **innovation** in Edge software
- ✓ With **more re-occurring** and **sticky** type of **revenues ...**  
selling **integrated HW & SW**
- ✓ Leveraging an **agile cost structure ...**  
being **fabless**



# BUSINESS UPDATE



## Recap 2021

### Tech Excellence Confirmed



- **Third year consecutively in Gartner Magic Quadrant** for IoT Platforms
- One of the few to achieve **both process & product cybersecurity certifications** IEC 62443-4-2 and IEC 62443-4-1

### Backlog Growing



- **Order intake** marked a **+87% vs FY2020**, showing a clear trend inversion to fuel 2022 growth

### Tackling Shortage

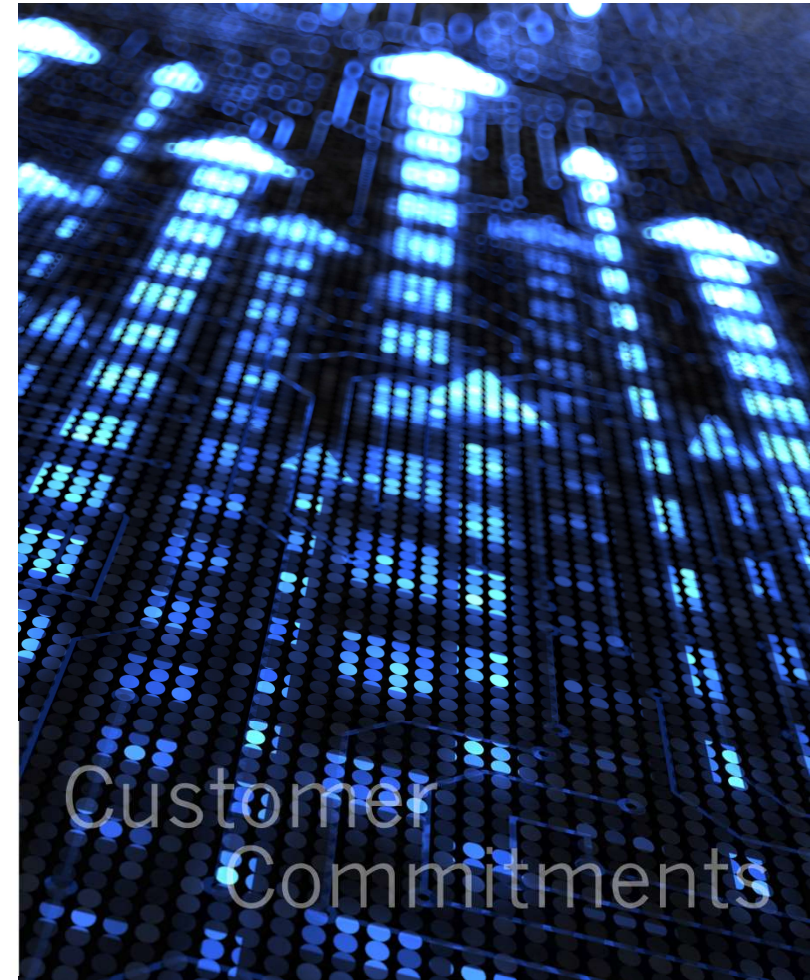


- Moved to a **longer term supply chain planning**
- **Re-negotiated prices with customers**, effects visible starting from Q2 2022
- **Re-designed some products** to use alternative components

## Customer commitments for 2022 already @ 78M€

- **+100% in opening book for 2022** vs opening book for 2021, up from +50% in Q3
- **Top 12 IoT design wins** coming live: **CAGR 30%** for next 3 years
- volume of **Gateways shipped** in 2022 at **+40% YoY**
- **SW revenues ramping up to 3.5M€** (50+% YoY)
- No revenues linked to Russia and Ukraine

**Line of sight** i.e. invoiced + backlog **@ 78M€**  
(as of today)



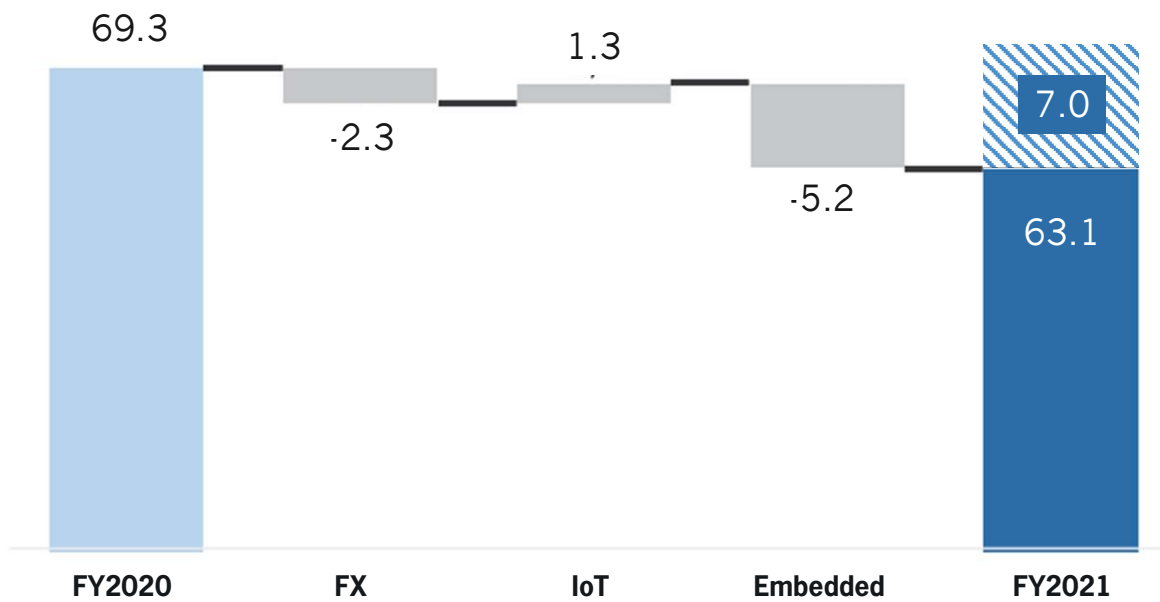


# 2021 FINANCIAL HIGHLIGHTS



## Component shortage prevented 5.5% YoY growth

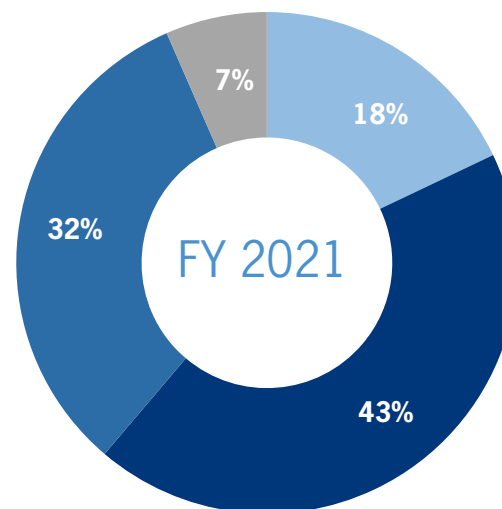
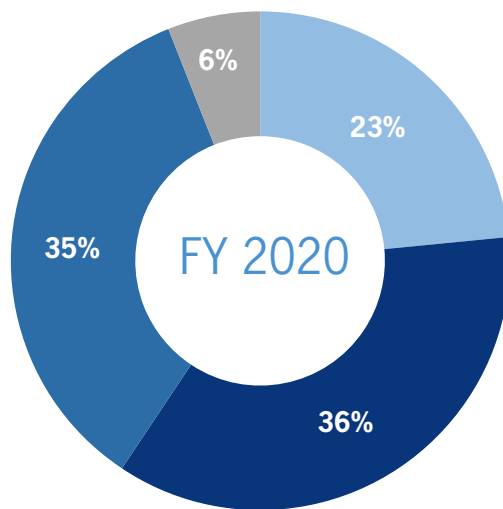
All values in € million



**IoT confirmed 15% increase** YoY  
proving resilience

**Headwind from components shortage**  
dictated Embedded performance

## Revenues breakdown by Geography



■ Europe ■ USA ■ Japan ■ Other

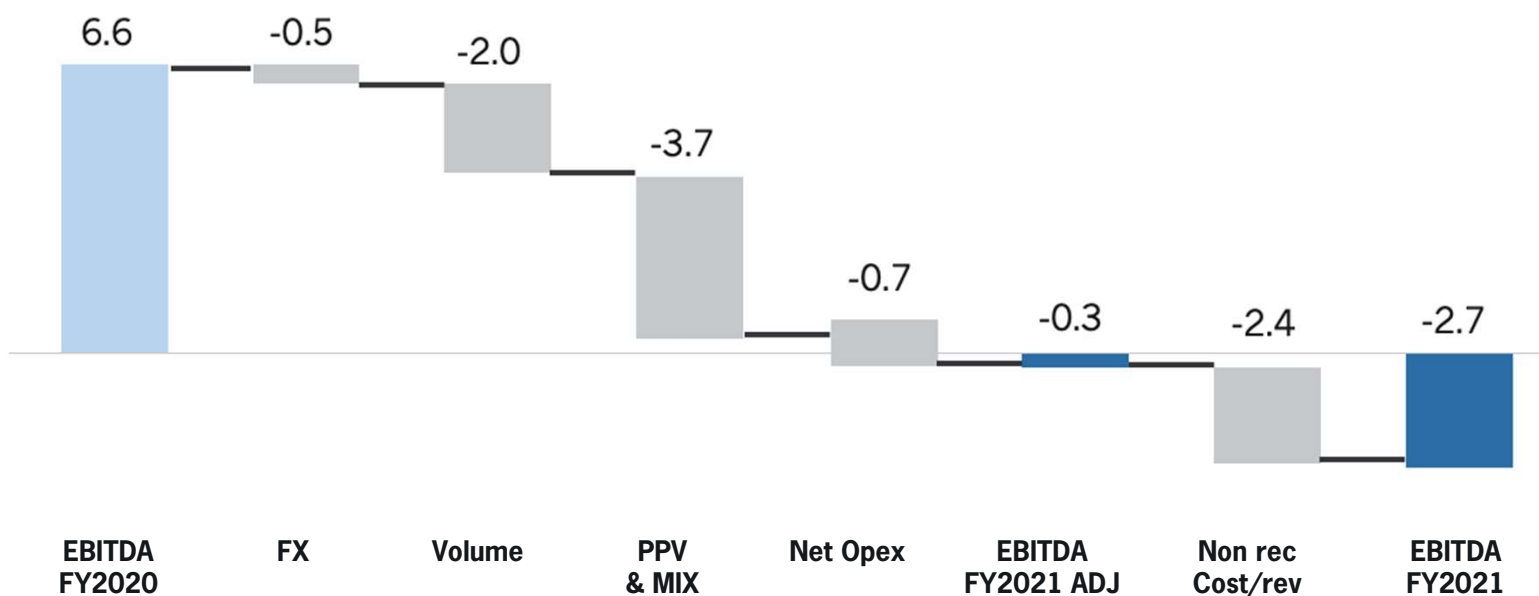
**USA** sustained by legacy business

**Japan** with **growing order intake** in Q3 & Q4 only partially converted into revenues due to **lack of components**

**Europe** affected by **stop on autonomous cars business** and waiting for IoT projects to ramp up

## EBITDA burdened by Gross Margin contraction

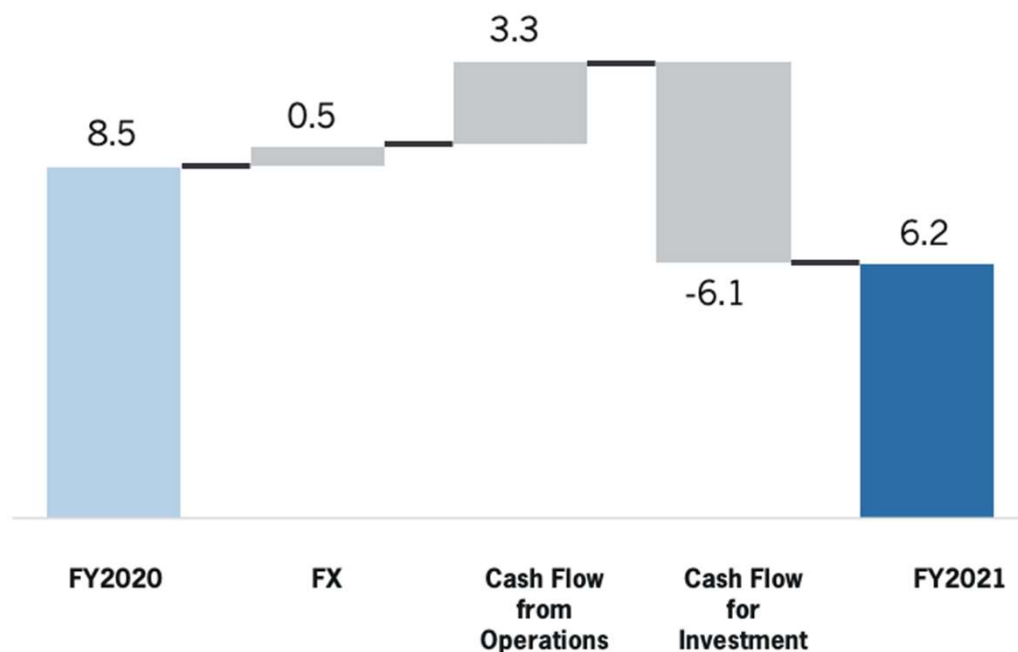
All values in € million



EBITDA affected by **shortage and change in product mix**, together with **non-recurring costs**  
Operational leverage not activated due to lack of sufficient volume

# Solid Balance Sheet

FY2021 NFP Bridge

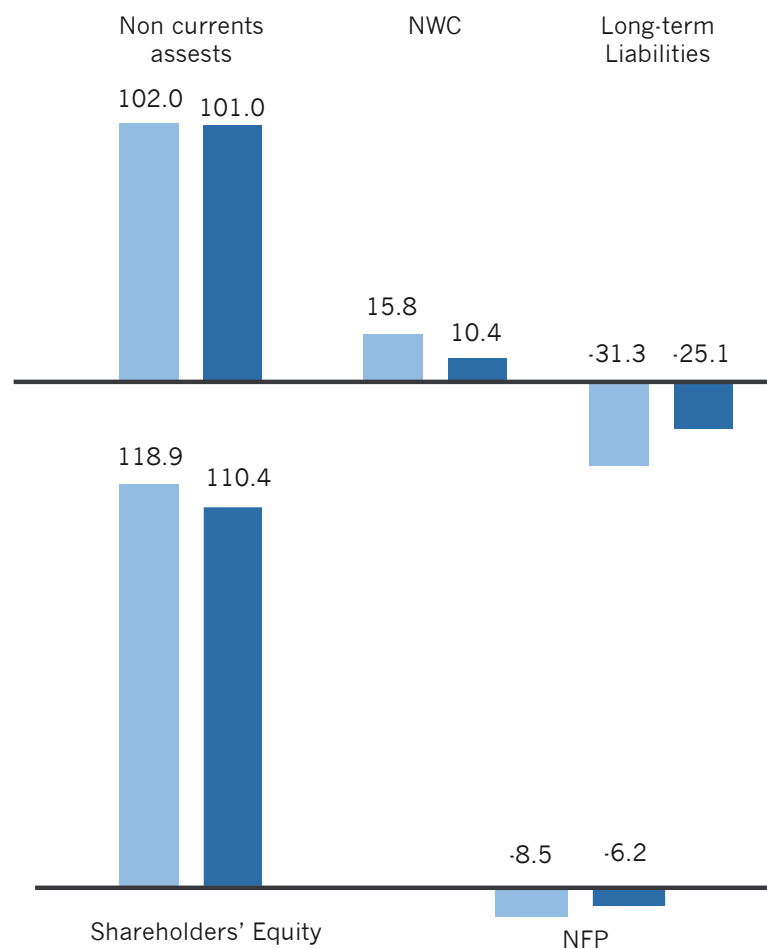


NFP impacted by cash flow investment  
**Positive generation of operational cash** flow thanks to control of NWC

## Net Capital Employed

FY2020 €110M – FY2021 €119M

All values in € million





An abstract graphic on the left side of the slide. It features a large, light blue circular arc. Along this arc and extending outwards are several nodes of different sizes and colors (blue, green, yellow). These nodes are connected by thin blue lines. There are also dashed lines in blue and green that follow the curve of the main arc. The entire graphic is set against a white background with a subtle blue and green gradient at the bottom.

**Thank  
You!**