2022 first quarter results

INVESTORS LIVE STREAMING PRESENTATION
This presentation has been prepared by Eurotech S.p.A. (or “Eurotech”) and has to be read in conjunction with its oral presentation.

The information contained in this presentation does nor purport to be comprehensive. Neither Eurotech nor any of its officers, employees, advisers or agents accepts any responsibility for/or makes any representation or warranty, express or implied, as to the truth, fullness, accuracy or completeness of the information in this presentation (or whether any information has been omitted from the presentation) or any other information relating to Eurotech, its subsidiaries or associated companies, whether written, oral or in a visual or electric form, transmitted or made available.

This document is confidential and is being provided to you solely for your information and may not be reproduced, further distributed to any other person or published, in whole or in part, for any purpose.

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

This document is directed only at relevant persons. Other persons should not act or rely on this document or any of its contents.

No reliance may be placed for any purposes whatsoever on the information contained in this document or any other material discussed during this presentation, or on its completeness, accuracy or fairness.

The information in this document and any other material discussed at this presentation is subject to verification, completion and change.

The information and opinions contained in this document are provided as at the date of the presentation and are subject to change without notice.

Some of the information is still in draft form and will only be finalized.

By attending the presentation you agree to be bound by the foregoing terms.

Trademarks or Registered Trademarks are the property of their respective owners.
our journey on the long run

2022: transitioning
- Strategy building blocks execution
- Embedded business sustaining double digit growth
- Creating and closing healthy Edge IoT pipeline
- Close 1st 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
Double digit growth: +35% YoY, +32% net of forex effect

3.5M€ orders not delivered due to lack of components driving a weaker mix

Gross Margin negatively affected by components shortage premium costs and a different product mix

OPEX growing YoY in line with Management estimates to align organisation with strategy

Cash flow impacted by NWC increase by 3.5M€ to stock components for coming quarters
line of sight

- Invoiced + Backlog for the year allowing visibility @83M€
- Smart agriculture in USA still strong
- Strong order intake in H2 2021 in Japan coming to fruition but with lower marginality than history linked to PPV effect
- Volume of Gateways shipped in FY2022 confirmed at +40% YoY
- SW revenues on track to reach 3.5M€ this year (50+% YoY)
- Shortage and PPV risks still on the horizon
- FYI: no revenues linked to Russia and Ukraine
Autonomous driving business coming back: 5.2M€ orders received, 3.6M€ billing in 2022

33M€ order intake in Q1

2 new IoT design wins in medical & industrial automation worth 5M€ over next 4Y of which 2.5M€ software

18 new IoT customers in Pilot and POC stage

Frontline transformation: 12 new hires, 3 incremental
financial update

q1 2022
revenues growing double digit

IoT trend confirmed in line with FY2021

Growth driven by Embedded business
US and Japan growing more than EU

- US sustained by solid trend on legacy business
- Japan boosted by strong order intake in second half of 2021
- Europe potential still not expressed in this quarter, growth will come to fruition in H2
GPM hit historic low, but is set to reverse trend

- **GPM @ 48%-50% in standard market conditions**
- **PPV & Shortage mitigation actions kicking-in plus Mix improving**
- **FY-22 GPM back to standard net of PPV**

# PPV mitigation actions done
- Price increase
- Redesign for dual sourcing
- Longer term / higher volume purchasing planning whenever possible

# Mix improving factors
- High-end products more impacted by shortage ready to ship from Q2
- Edge AI systems for Autonomous Driving coming back form Q3
- Software growing QoQ
EBITDA hit by low GPM

EBITDA hit by low GPM:
- 1.8
- 0.7
  0.1
  2.1
  - 1.3
  - 1.1
  - 1.0

EBITDA 1Q 21
Non Recurring costs
EBITDA 1Q 21 adj
FX
Volume
Mix & PPV
Net Opex
EBITDA 1Q 22

UNLEASHING THE POWER OF THE EDGE
solid balance sheet

NFP impacted by 3.5M€ NWC increase

FY '21

6.2

0.3

-4.9

-0.5

1.2

Q1 '22

Cashflow from operation

Cashflow for investment

Net Capital Employed

All values in € million

Non currents assets

101.0

99.2

NWC

10.4

13.9

Long-term Liabilities

-25.1

-22.7

Shareholders' Equity

110.4

106.9

NFP

-6.2

-1.2

UNLEASHING THE POWER OF THE EDGE
key takeaways

q1 2022
**key takeaways**

- **Good start in Q1, double digit growth** on revenues YoY
- **Solid 2022 backlog allows visibility @83M€** with some upsides still possible
- **Components shortage hit Q1 margins**, but commercial actions will mitigate rest of year
- **Shortage still risk #1**
- **Strengthening of go-to-market organisation** progressing well throughout 2022
- **Lead generation increasing**, as per new strategy through new channels (Hyperscalers & LSIs)
q&a
ready to take questions
thank you