2023 first half 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.
Organic double-digit growth YoY confirmed
+16.6% at constant exchange rates

Gross Profit Margin net of InoNet close to aspired run-rate, +540 bps YoY
47.9% (w/o InoNet), 46.6% (with InoNet)

EBITDA positive
YoY swing from -1.6M€ in H1 ’22 to +2.7M€ in H1 ’23

Opex growing YoY mostly due to InoNet consolidation
Tech Talent war driving salaries increase contributed as well

Net Working Capital affected by imbalance btw payables & receivables
long tail of component shortage effects, easing towards year-end

Net Financial Position trend chasing NWC
some cash still parked in inventory, 3-4M€ reduction expected by year end
business update
competitive advantage confirmed, once again
our offering praised by analysts and recognized by professional users

Eurotech rated “Hidden Champion” in “Open digital platforms for secure zero-touch industrial IoT deployments” by PAC

Voice of the customer: Eurotech recognized with top ranking in the Professional User Rating 2023 for IoT Platforms conducted by techconsult
InoNet on a steady progress path
gross margin up 400 bps YoY | sales synergies kicking-in

# FY23 revenues on a growth path
c.a. 15% organic growth YoY

# new wins on ADAS
giving a better mix,
to the benefit of GPM

# GPM up ca. 400 bps in H1
thanks to a better mix, plus actions on prices
vs customer / suppliers coming to fruition
Gross Margin: old group back to 48% run-rate, InoNet improving vs 2022
Swing towards Edge AIoT is happening.

Revenues accelerating in integrated HW+SW for mission-critical Edge AIoT applications.

- **2021:** 15%
- **2022:** 23%
- **FY 2023:** ~35%
  - Q1 @ 32%
  - H1 @ 35%

*Edge AIoT* | *Embedded*
pipeline for Edge AIoT in USA + Europe is growing QoQ

90% coming from 3 main company initiatives for 2023:

# grow in ADAS
# grow in Edge AIoT with Hyperscalers
# grow in Consolidated Edge
Looking forward, overall softness across the board is a common theme.

**Industry characterized by:**
- Destocking following panic overstocking in 2021-22
- Taiwanese peers facing destocking since June '23
- Industrial sector showing prolonged destocking, players signaling order intake down ca. 17-20% YoY
- Reduction of inventories linked to high interest rates
- Inflation pushing wages up significantly, especially in US
- Many companies in a wait-and-see mood on new investments:
  - China losing growth momentum
  - Manufacturing indexes in US signaling a contraction
  - Europe still fighting with high energy bills
visibility on FY2023

- line of sight improved above 90 M€ faster TTM of standard products allow us room for additional book-and-bill

- soft Q3 due to destocking both in US and Japan on embedded products

- Q4 >> Q3 confirming our history of year-end rush on revenues

- still residual shortage of few components in Japan
- watching out on destocking phenomena globally
H1 2023 growth driven by Edge AIoT
for the first time Edge AIoT grew more than Embedded

#Edge AIoT growing more than Embedded in old perimeter

#InoNet accelerating Edge AIoT growth in EU

All values in € million
Europe pushed by InoNet consolidation
breakdown by end-customer location

- **US** still sustained by legacy business
- **Europe** boosted by strong growth on Edge AIoT and InoNet consolidation
- **Japan** recovering in Q2 from weak start in Q1, bringing H1 into growth YoY

Percentages total might not sum up to 100 because of rounding.
EBITDA from negative to positive
swing driven by GPM improvement YoY and operating leverage

Of which €3.0M coming from consolidation of InoNet

EBITDA H1 22
-1.566
-1.597

FX rate effect
EBITDA 1H 22
FX rate 06.23
Better volumes
Better GM
Opex Net
EBITDA H1 23
1.932
5.948
2.698
-3.584

Better volumes
balance sheet ruled by long tail of component shortage effects

NFP (net debt) impacted by NWC temporary increase

-14.4 -0.8 -0.7 -1.8 -0.9 -18.7

NWC impacted by temporary imbalance between payables and receivables

19.9 -0.3 -0.1 7.3 23.2 -3.6

FY '22
FX
Cashflow used in operation
Cashflow for investment
Cashflow for financial assets
H1 '23

FY '22
FX
Change in inventory
Change in current assets
Change in current liabilities
H1 '23
key takeaways

H1 2023
**key takeaways**

- **Edge AIoT driving growth** on revenues YoY for the first time
- **Good performance on GPM** approaching run-rate and EBITDA positive
- **Edge AIoT pipeline building up** with QoQ steady growth
- **InoNet integration on a good pace**, sales synergies kicking-in & GPM improving YoY
- **Long tail of component shortage effects impacting NWC**, easing towards year end
- **Visibility above 90M€ on FY2023** with still room for improvement
thank you