



# Half year 2023 Results

September 21, 2023



# Disclaimer

This presentation contains certain forward-looking statements that reflect the Company's management's current views with respect to future events and financial and operational performance of the Company and its subsidiaries. These forward-looking statements are based on Seri Industrial S.p.A.'s current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Seri Industrial S.p.A. to control or estimate precisely. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this presentation. Seri Industrial S.p.A. does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation. The information contained in this presentation does not purport to be comprehensive and has not been independently verified by any independent third party. Certain numbers in this presentation are rounded, while certain figures may have been restated. This presentation does not constitute a commendation regarding the securities of the Company. This presentation does not contain an offer to sell or a solicitation of any offer to buy any securities issued by Seri Industrial S.p.A..

Pursuant to art.154-bis, paragraph 2, of the Italian Unified Financial Act of February 24,1998, the executive in charge of preparing the corporate accounting documents at Seri Industrial S.p.A., Pasquale Basile, declares that the accounting information related to results at 31 December 2022 contained here in correspond to document results, books and accounting records.



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# Mission & Vision

## Vision

A new way of thinking the economy, with **sustainable processes and products** and supporting the **transition** of the paradigm from a linear model (take, transform and throw) to a full **circular economy model**



## Mission

Seri Industrial is pursuing strategic goals **to accelerate the energy and ecological transition** in line with the Paris Agreement and recent European and Italian initiatives







# FY H1 2023 Highlights

€/Mln

€ 95,869 <sup>thousands</sup>

**TOTAL REVENUES**

€ 101,477 thousands in H1 2022

€ 6,855 <sup>thousands</sup>

**EBITDA**

€ 8,855 thousands in H1 2022

€ (6,685) <sup>thousands</sup>

**EBIT**

€ (1,932) thousands in H1 2022

€ (7,042) <sup>thousands</sup>

**CONSOLIDATED  
NET RESULT**

€ (5,194) thousands in H1 2022

€ 265,855 <sup>thousands</sup>

**NET INVESTED  
CAPITAL**

€ 247,811 thousands in H1 2022

€ 135,740 <sup>thousands</sup>

**CONSOLIDATED  
EQUITY**

€ 143,522 thousands in H1 2022

€ 97,484 <sup>thousands</sup>

**ADJUSTED  
NET DEBT**

€ 79,018 thousands in H1 2022

€ 7,052 <sup>thousands</sup>

**INVESTMENT ACTIVITIES**

€ 6,402 thousands in H1 2022

# H1 2023 Results overview

YOY COMPARISON H1 2023 – H1 2022

Key Financials - €/Mln	H1 2023	H1 2022	Change	% 23 vs 22
Total Revenues*	95,869	101,477	(5,61)	-6%
EBITDA	6,855	8,855	(2,00)	-23%
<b>Adjusted EBITDA</b>	<b>7,154</b>	<b>9,071</b>	<b>(1,92)</b>	<b>-21%</b>
Depreciation and Amortization	13,540	10,787	2,75	
EBIT	(6,685)	(1,932)	(4,75)	
<b>Adjusted EBIT</b>	<b>(6,126)</b>	<b>(1,716)</b>	<b>(4,41)</b>	
Consolidated Net Result	(7,042)	(5,194)	(1,85)	43%
<b>Consolidated Adjusted Net Result</b>	<b>(6,335)</b>	<b>(4,286)</b>	<b>(2,05)</b>	<b>48%</b>

Key indicators - €/Mln	H1 2023	H1 2022	Change	% 23 vs 22
Net Invested Capital	265,855	247,811	18,04	7%
Consolidated Net Equity	135,740	143,522	(7,78)	-5%
Investment Activities	7,052	6,402	650	10%
Net Financial Debt	130,115	104,289	25,83	25%
<b>Adjusted Net Financial Debt</b>	<b>97,484</b>	<b>79,018</b>	<b>18,47</b>	<b>23%</b>

\* Revenues, other revenues and internal works





# FY H1 2023 Highlights

## *Business Update*

### RELEVANT EVENTS

#### **Business as is**

- Volumes increasing compared to last year – effect on average selling prices (lower cost)
- Extraordinary energy costs in the two plants in France

#### **Teverola 1**

- A new CTO\* has been appointed (for both T1/T2)
- New productions standards currently under control – ramp-up progressing

#### **Teverola 2**

- Cash in of the advance payment of the IPCEI subsidy (83,4 Mln EURO)
- Definition of process parameters of the new factory on-going (accelerated during last months)

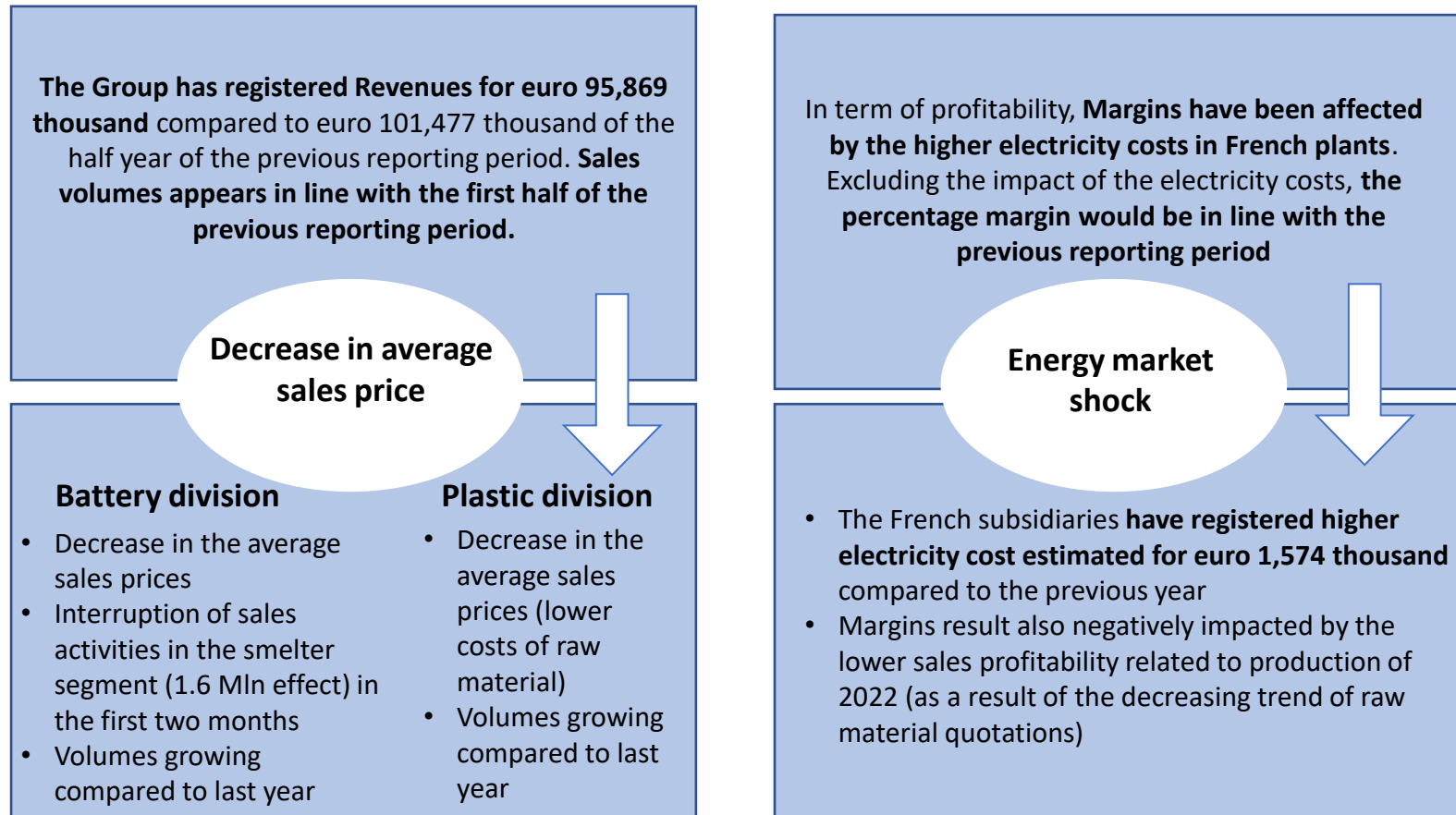
#### **P2P**

- Signed the Development Agreement by MIMIT and Invitalia S.p.A. for €82 million
- Completed site preparation and demolition activities of the old plants

# Business update

*Financials- Business impact in a context of high volatility*

Following, the relevant events that have affected Revenues and Margins:





# Business update

Teverola 1

Teverola 2



## Relevant events – Teverola 1 and Teverola 2

### Teverola 1

- During the first half of 2023, the **production capacity** of the Teverola 1 plant has been **gradually increased**.
- In June 2023, Mr. Dominique Ligeois, one of the world's leading expert on lithium cells, has been appointed as **CTO**. His contribute, together with an international team whose constitution is still on going , will be fundamental to aim at increasing current production capacity and efficiency and significantly reducing scrap
- During the verification of the process – scrap and downtime machine increased – also due to persistent problems on the power line. In order to fix these issues, the CTO has considered it appropriate to bring some modifications to the production process.
- In this context, FAAM decided to delay sales, necessary to guarantee customers continuity and timeliness in supplies.
- **Lead time required** (actually slightly longer than forecasted) is **in line with** the start-up times of the other plants being built by the **main European competitors**

### Teverola 2

- **Teverola 2** investment program has undergone a **significant acceleration**
- The Company **received an advance payment of EUR 84 million** out of the total IPCEI subsidy granted by the Ministry of Enterprise and Made in Italy
- FIB is continuing the assessment with a pool of banks for the activation of a revolving credit line in order to anticipate the timing of the disbursement of the grants

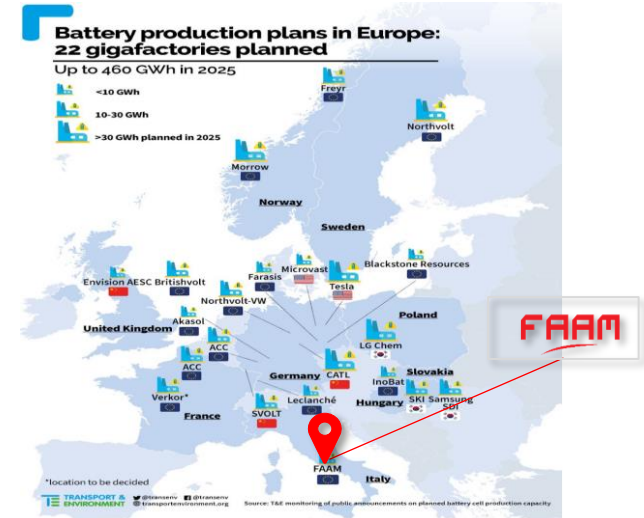
### 2023-2026 Business Plan

On July 27, 2023, the Board of Directors has approved the **Consolidated 2023-2026 Business plan**. Despite the delays related to Teverola 1 plant, the Plan **forecasts revenues** equal to about euro **2,2 billion** in 2026, **in line with the economic projections** approved on 22 July 2021-2025. As of today – the Plan is confirmed

Any update following the outcome of the checks currently underway on activity related to process parameters will be communicated

## IMPORTANT PROJECTS OF COMMON EUROPEAN INTEREST

December 2019	Authorization Decision from the European Commission
↓	
April 2021	Inter-ministerial Decree defining the general criteria for the operation of the IPCEI Fund
↓	
July 2021	Activation Decree enabling the ICPEI Fund in support of the IPCEI Batteries 1
↓	
October 2021	Submission of the <b>application for the grant</b>
↓	
March 2022	Concession decree in favour of FIB amounting € 417,046,521.84 (communicated to be increased)
↓	
August 2023	Received the first disbursement of approximately <b>EUR 84 million</b> of the IPCEI subsidy (20% of the total amounts)



### A Mediterranean Gigafactory

Teverola will become the **first technological cluster** to produce lithium batteries in Italy and among the first in Europe, with an **estimated production of about 8/8,5 Gwh/year**

**Building ready – no issue in the construction**

**FAAM**  
265.000 sqm total  
(82.000 sqm indoor)

### Next steps

Disbursement of grants to be made within the first semester of each year

Activation of a specific revolving credit facility to be opened by a pool of banks – to advance the amounts of the grant

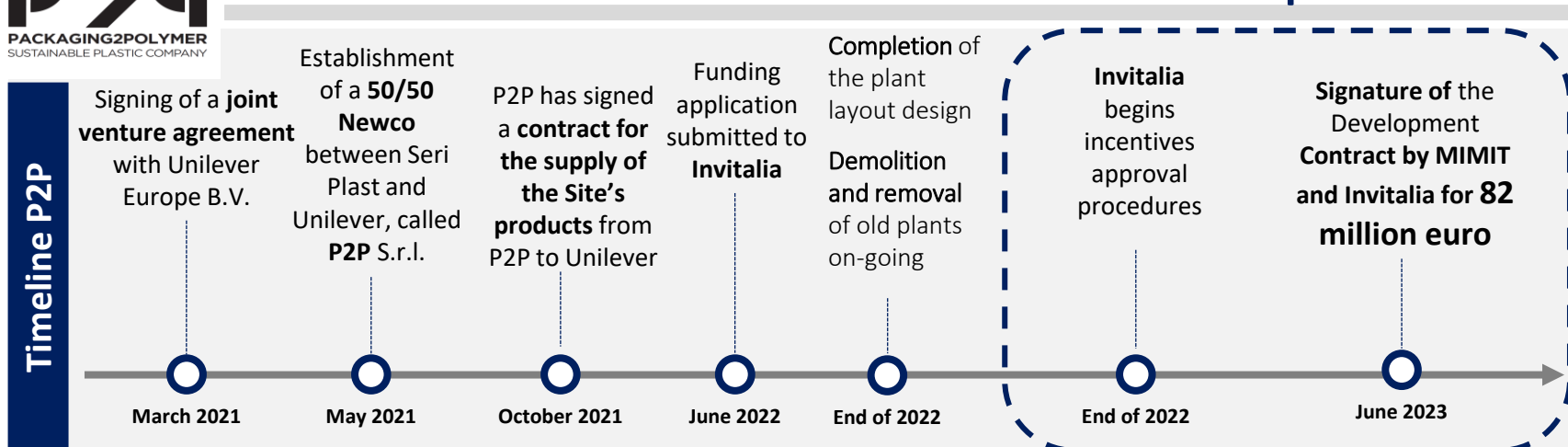
Signing of the contract with the suppliers of equipment & machinery – talks are currently underway

# Business update

P2P



## New update



## Off-take Agreement

Term of the Agreement 5 years, renewable for a further 5 years, making a total of **10 years**

Unilever's commitment to purchase at least **65 k tons/year** of recycled plastic raw materials

Unilever expected revenues **€ 110 mln/year\*\***, € 1,1 billion in 10 years



**About € 109 million expected CAPEX** between production investment and R&D investment to be funded by subsidized loan of euro 52 million and non repayable grants for euro 30 million

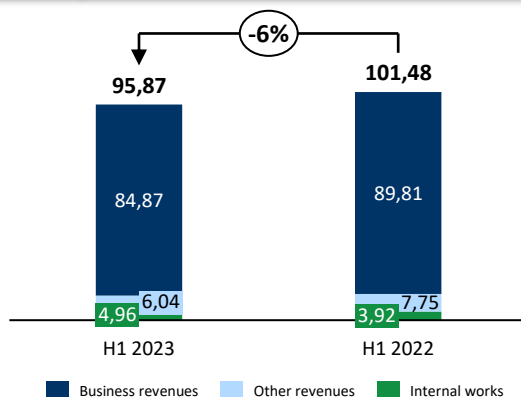
\* The time period may be extended by a further 6 months.

\*\*Based on actual prices of raw materials and on the pricing formula.



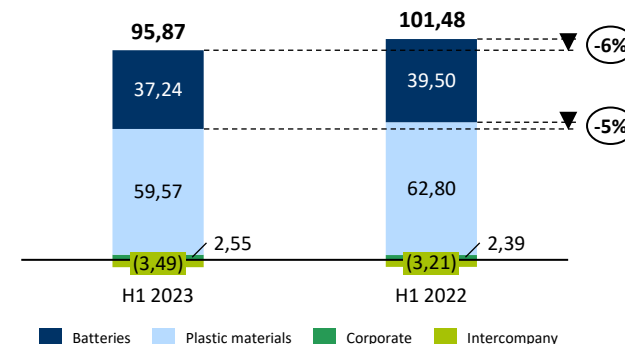
# H1 2023 Key Financials

## Reported Consolidated Revenues



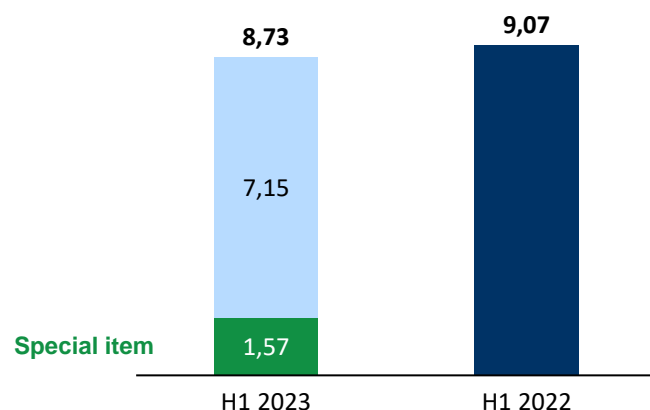
The Group has registered **Revenues** for € **95,87 Mln**, with a decrease of **(6%)** vs H1 2022 (€ **101,48 Mln**). **Revenues results negatively impacted** by the decrease in average sales price

## Revenues Breakdown



**Plastic Materials and Batteries Division** have registered respectively **-5%** and **-6%** decrease in Revenues vs H1 2022

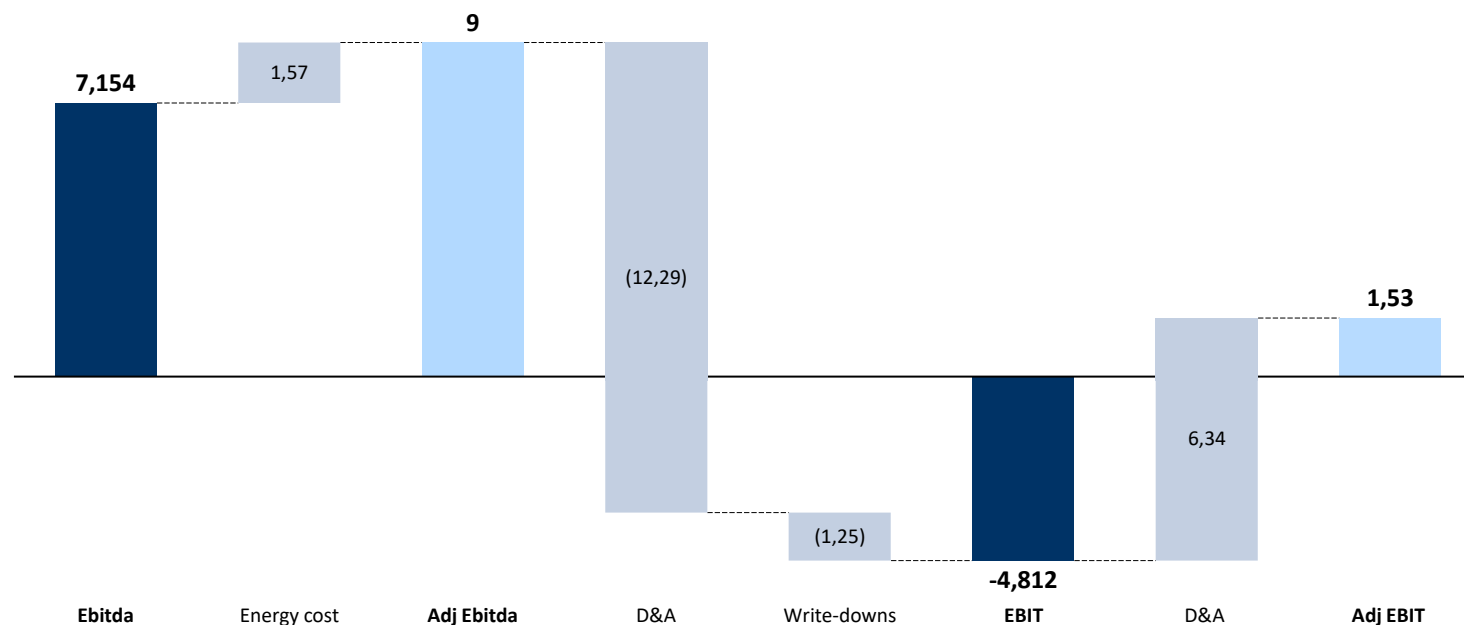
## Adj Ebitda – Consolidated



- The result registered in H1 2023 equal to **€7,15 Mln**, is **strongly influenced by the greater impact on operating costs**, due to the increase in electricity costs that French subsidiaries have afforded, **estimated at € 1,574 Mln**. Excluding the impact of the electricity costs, **Adj. EBITDA would be €8,724**.
- Moreover, margins result negatively impacted by the lower sales profitability related to production of the previous reporting period, as a result of the decreasing trend of raw material quotations.
- Likewise, the **percentage margin** is equal to **7.2%** vs 8.7% of H1 2022. Excluding the impact of the electricity costs described above, the **percentage margin would be in line with the previous reporting period**

# H1 2023 Key Financials – From EBITDA to Adj EBIT

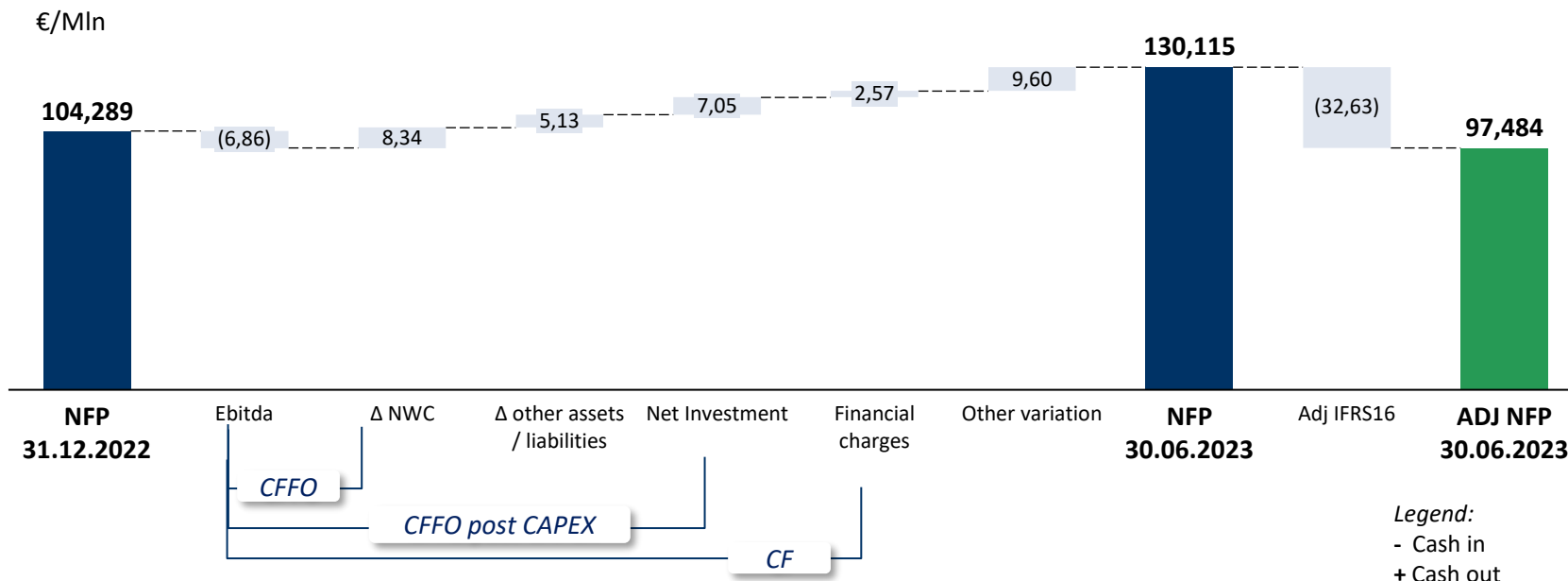
€/Mln



EBIT is equal to negative euro 4,812 thousand, after depreciation and amortization of euro 12,287 thousand, of which euro 6,342 thousand related to the investment made and on-going in Teverola 1 and 2.

**Excluding the impact of the D&A, the business *as is* has registered an Adj. EBIT for € 1,53mn.**

# H1 2023 Key Financials – Bridge NFP



The **Adj Net Financial Position** is equal to **euro 97 Mln** in H1 2023.

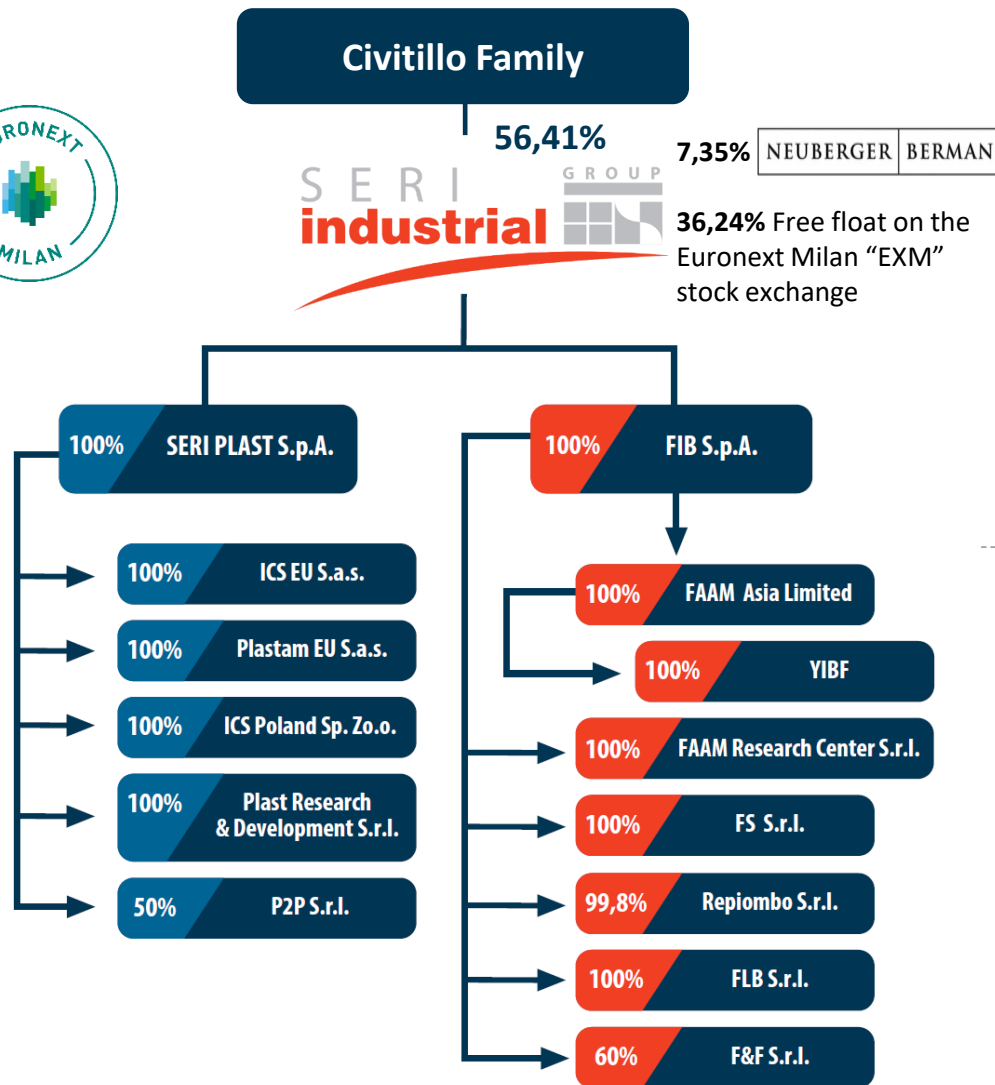
The **increase recorded** in the period is mainly related to the increase in **Net Working Capital** of euro 8 million and the **investment activity for euro 7 million**. In particular, there has been an increase in the value of inventories, accounting for **€9,907 thousand**, mainly due to the **increase in inventories at the Teverola 1 site, equal to €6,901 thousand**.

The **Net Financial Position** at the end of the period is equal to **euro 130 Mln** and it is including **€ 32,631 Mln** of IFRS 16 effects related to the Right of Use for lease contracts



# Appendix – Business units

# Group Structure



SBU	ACTIVITY
<b>SERI PLAST</b>     	<b>Plastic Materials</b> <ul style="list-style-type: none"> <li>Production of special compounds for the moulding of boxes and lids for batteries</li> <li>Production of special compounds for the automotive and packaging</li> <li>Production of special compounds for the moulding and extrusion of pipes and fittings for the thermo-hydro sanitary market</li> </ul>
<b>FIB</b>     	<b>Batteries</b> <ul style="list-style-type: none"> <li>Production and recycling of lead-acid and li-ion batteries for motive power, storage, starter and special applications</li> <li>Design and construction of plants for the recycling of exhausted batteries</li> </ul>

# Consolidated Profit & Loss

As follows the Group's Income Statement as of June 30, 2023, compared to the results registered in the same period of previous year:

CONSOLIDATED P&L - Euro / 000	30-Jun-2023	30-June-2022
Revenues from contract with customers	84,870	89,811
Other operating revenues	6,041	7,751
Internal works	4,958	3,915
<b>Total revenues, income and internal works</b>	<b>95,869</b>	<b>101,477</b>
<b>Operating costs</b>	<b>89,014</b>	<b>92,622</b>
<b>Gross Operating Income - EBITDA</b>	<b>6,855</b>	<b>8,855</b>
Depreciation and amortisation	12,287	10,826
Write-downs/write-backs	1,253	(39)
<b>Net Operating Income (loss) – EBIT</b>	<b>(6,685)</b>	<b>(1,932)</b>
Finance income (expense)	(3,017)	(2,401)
<b>Profit (Loss) before tax</b>	<b>(9,702)</b>	<b>(4,333)</b>
Income taxes	(2,660)	861
<b>Profit (Loss)</b>	<b>(7,042)</b>	<b>(5,194)</b>



# Consolidated Balance Sheet

As follows the Group's Balance Sheet as of June 30, 2023, compared to the balance sheet in the same period of previous year:

CONSOLIDATED BS - Euro / 000	30-June-2023	30-June-2022
Current assets	153,127	166,893
Non-current assets	209,803	201,993
<b>ASSETS</b>	<b>362,930</b>	<b>368,886</b>
Current liabilities	129,360	128,155
Non-Current liabilities	97,830	97,209
Equity	135,740	143,522
<b>LIABILITIES AND EQUITY</b>	<b>362,930</b>	<b>368,886</b>

# Plastic Materials – P&L

As follows the economic trend as of June 30, 2023, compared with the same period in the previous year:

P&L - Euro / 000	30/06/2023	30/06/2022	Change	Change %
Revenues from contract with customers	56,487	59,250	(2,763)	(5%)
Other operating revenues	1,967	2,328	(361)	(16%)
Internal works	1,113	1,222	(109)	(9%)
<b>Total revenues, income and internal works</b>	<b>59,566</b>	<b>62,800</b>	<b>(3,234)</b>	<b>(5%)</b>
<b>Operating costs</b>	<b>55,708</b>	<b>58,417</b>	<b>(2,709)</b>	<b>(5%)</b>
<b>Gross Operating Income - EBITDA</b>	<b>3,858</b>	<b>4,382</b>	<b>(524)</b>	<b>(12%)</b>
Depreciation and amortisation	4,066	3,746	320	9%
Write-downs/write-backs	755	(148)	903	(610%)
<b>Net Operating Income (loss) – EBIT</b>	<b>(963)</b>	<b>785</b>	<b>(1,748)</b>	<b>(223%)</b>
Finance income	450	83	367	442%
Finance expense	1,766	1,092	674	62%
<b>Profit (Loss) before tax</b>	<b>(2,278)</b>	<b>(224)</b>	<b>(2,054)</b>	<b>917%</b>
Income taxes	568	474	94	20%
<b>Profit (Loss)</b>	<b>(2,846)</b>	<b>(698)</b>	<b>(2,148)</b>	<b>308%</b>

# Batteries – P&L

As follows the economic trend as of June 30, 2023, compared with the same period in the previous year:

P&L - Euro / 000	30/06/2023	30/06/2022	Change	Change %
Revenues from contract with customers	29,302	31,444	(2,142)	(7%)
Other operating revenues	4,095	5,459	(1,364)	(25%)
Internal works	3,841	2,600	1,241	48%
<b>Total revenues, income and internal works</b>	<b>37,238</b>	<b>39,503</b>	<b>(2,265)</b>	<b>(6%)</b>
<b>Operating costs</b>	<b>33,824</b>	<b>34,648</b>	<b>(824)</b>	<b>(2%)</b>
<b>Gross Operating Income - EBITDA</b>	<b>3,415</b>	<b>4,855</b>	<b>(1,440)</b>	<b>(30%)</b>
Depreciation and amortisation	8,112	6,987	1,125	16%
Write-downs/write-backs	488	110	378	344%
<b>Net Operating Income (loss) – EBIT</b>	<b>(5,185)</b>	<b>(2,241)</b>	<b>(2,944)</b>	<b>131%</b>
Finance income	210	511	(301)	(59%)
Finance expense	2,092	1,659	433	26%
<b>Profit (Loss) before tax</b>	<b>(7,067)</b>	<b>(3,390)</b>	<b>(3,677)</b>	<b>108%</b>
Income taxes	256	372	(116)	(31%)
<b>Profit (Loss)</b>	<b>(7,323)</b>	<b>(3,761)</b>	<b>(3,562)</b>	<b>95%</b>

# Consolidated Net financial position

As follows the Group's Net Financial Position:

NFP - Euro / 000	30/06/2023	30/06/2022	Change	Change %
Cash	2,996	24,818	(21,822)	(88%)
Cash equivalents	1,121	1,133	(12)	(1%)
Other current financial assets	533	1,588	(1,055)	(66%)
<b>Total Liquidity C = (A + B + C)</b>	<b>4,650</b>	<b>27,539</b>	<b>(22,889)</b>	<b>(83%)</b>
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	48,601	47,552	1,049	2%
Current portion of long-term financial debt	15,698	16,006	(308)	(2%)
<b>Current financial Indebtedness G = (E + F)</b>	<b>64,299</b>	<b>63,558</b>	<b>741</b>	<b>1%</b>
<b>Net Current Financial indebtedness H = (G - D)</b>	<b>59,649</b>	<b>36,019</b>	<b>23,630</b>	<b>66%</b>
Current financial debt (excluding current portion and debt instruments)	29,988	34,400	(4,412)	(13%)
Debt instruments	4,000	4,000	0	100%
Non-current trade and other payables	36,478	29,870	6,608	22%
<b>Non-current financial indebtedness L = (I + J + K)</b>	<b>70,466</b>	<b>68,270</b>	<b>2,196</b>	<b>3%</b>
<b>Total Financial indebtedness (H+L)</b>	<b>130,115</b>	<b>104,289</b>	<b>25,826</b>	<b>25%</b>
IFRS 16 adjustment	32,631	25,271	7,360	29%
<b>Adjusted total financial indebtedness</b>	<b>97,484</b>	<b>79,018</b>	<b>18,466</b>	<b>23%</b>