



## **PRESS RELEASE**

### **SESA GROUP FURTHER STRENGTHENS IN THE ERP AND VERTICAL APPLICATIONS SECTOR WITH THE THIRTEENTH ACQUISITION SINCE THE BEGINNING OF THE YEAR**

### **VAR GROUP ACQUIRES PRAGMA PROGETTI AND PRAGMA SOLUTION, ENABLERS OF ERP MANAGEMENT TECHNOLOGIES**

**Empoli, November 17, 2020**

Sesa Group ("SESA" – SES.MI), reference operator in Italy in the sector of technological innovation and IT and digital services for the business segment, signed a binding agreement for the acquisition - through Var Group S.p.A. ("Var Group"), which leads the Group's Software and System Integration sector - of Pragma Progetti S.r.l. ("Pragma Progetti") and Pragma Solution S.r.l. ("Pragma Solution").

The execution of the operation is expected by November 30, 2020.

Thanks to this operation, Sesa Group strengthens its positioning as a reference player in the ERP & Vertical Solutions offer for the Italian medium-sized company with expected annual revenue in such segment of about Euro 140 million, supporting over 5,000 customers in the domestic area in a crucial phase of digital transformation of Made in Italy economic districts.

Pragma Progetti is active in the offering of ERP management solutions and digital services, with a customer portfolio of about 200 companies belonging to SME and Enterprise sectors.

Pragma Solution is focused on offering of consulting and enabling services for Panthera ERP software solutions, Group's proprietary application. The Panthera ERP was acquired in March 2018 by Var Group, through the subsidiary Sirio Informatica e Sistemi of Milan, active in the offer of ERP management software for the manufacturing sector, with focus on some of the main Made in Italy districts (Food, Furniture, Logistics, Mechanics, Paper) and an annual turnover of approximately Euro 25 million.

Pragma Progetti and Pragma Solution with a specialized team of 50 resources, jointly develop expected annual revenues for approximately Euro 7 million as of December 31, 2020, increased compared to the previous year, with an expected Ebitda of about Euro 1 million, a Net Profit of approximately Euro 0.5 million and an expected Net Financial Position in break even at the closing date.

The acquisition will be carried out on the basis of a price consistent with the reference EV/Ebitda ratio generally applied by Sesa Group (4.75 x normalized average Ebitda) in M&A transactions. The price will be paid in part at the closing and in part in the following 24/48 months, verified the management continuity and business development. The operation is aimed at enhancing human capital through the long-term involvement of the founders who will maintain significant stakes in Pragma Progetti and will continue to manage the company on the basis of shared aims of sustainable growth, adjustment mechanisms of interests and long-term value generation, key factors that have always identified the Sesa Group's industrial strategy.

*"Thanks to the integration of human resources and the skills of Pragma Progetti and Pragma Solution, we strengthen our offer of ERP management solutions and digital services towards medium-sized Italian companies, with a particular focus on the territory of north-western Italy. Var Group reinforces its role as a reference operator on the Italian enterprise market in the sector of management solutions for the manufacturing district, in a crucial phase of the companies' technological development characterized by the need to accelerate the digital transformation path",* stated Francesca Moriani, CEO of Var Group.



*We are pleased to join Sesa Group and the Var Group organization allowing us to enhance the human capital and accelerate our growth path, developing commercial synergies and sharing the long term industrial development plan with Var Group, also in favour of our customers”, stated Bruno Boggio and Claudio Lodola, founders of Pragma Progetti and Pragma Solutions.*

*“In a phase of acceleration of digital transformation, Sesa Group continues its strategy of investment in skills and innovation, enriching its human capital with specialized resources with a focus on the Italian medium-sized enterprise segment characterized by the growth in investments in innovation. Starting from February 2020, Sesa Group carried out 13 control acquisitions with additional annual revenues of approximately Euro 110 million, 800 new human resources and an expected average Ebitda margin of over 10%. The acceleration in the use of external growth, through long-term industrial projects, will contribute to the sustainable development of the Group's performance both in the current and following years”, stated Alessandro Fabbroni, CEO of Sesa.*

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*Sesa S.p.A., based in Empoli (FI), is reference player in Italy in technological innovation solutions and IT and digital services for business segment. The Sesa Group operates on the whole national territory with presence over some eururopean countries including Germany, Spain, Switzerland, with consolidated revenues of Euro 1,776 million, an Ebitda of Euro 94.5 million, a consolidated net profit after tax of Euro 42.2 million with over 2,500 employees (Financial Year data as of April 30, 2020).*

*The Group has the mission of offering technological innovation solutions and Digital Transformation services to companies and organizations. Thanks to the skills and specializations of its human resources and the solutions developed, Sesa Group operates in sectors such as Collaboration, Cloud, Digital Process, ERP & Vertical Solutions, Security to support digital transformation of partners and customers.*

*The Sesa Group operates through three main business sectors:*

- the VAD (Value Added Distribution) Sector with Revenues of € 1.45 billion and approximately 400 human resources;*
- the SSI (Software and System Integration) Sector with revenues of approximately Euro 400 million and over 1,800 employees;*
- the BS (Business Services) Sector with revenues of approximately Euro 50 million and approximately 300 employees, consolidated since March 2020.*

*The Corporate Sector manages Group operating and financial platform as well as the Strategic Governance with revenues of approximately Euro 20 million and 180 human resources.*

*The Sesa Group pursues a sustainable development policy for the benefit of its Stakeholders and over 2011-2020 period has achieved a track record of continuous growth in employment, revenues (CAGR revenues 2011-2020 +10.1%) and profitability (CAGR Ebitda 2011 -2020 + 11.9%, CAGR EAT Adjusted 2011-2020 +15.2%). Sesa S.p.A. is listed on the STAR segment of Borsa Italiana MTA Market (ISIN Code: IT0004729759).*

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