



VIMI FASTENERS: APPROVAL OF THE CONSOLIDATED FINANCIAL REPORT AT 30 JUNE 2023

Novellara, 29 September 2023

- **Consolidated revenues of Euro 31.2 million (+18.6% compared to Euro 26.3 million at 30 June 2022);**
- **Consolidated adjusted EBITDA of Euro 4.1 million compared to Euro 2.4 million at 30 June 2022 (+71.8%), with an impact of 13.2% on revenues (9.2% on revenues at 30 June 2022);**
- **Profit for the period equal to Euro 1.3 million compared to Euro 0.5 million at 30 June 2022;**
- **Consolidated Net Debt equal to Euro 26.6 million compared to Euro 14.1 million at 31 December 2022.**

The Board of Directors of VIMI Fasteners S.p.A. (“**Vimi**”, the “**Company**” or the “**Parent Company**”), a leading company in the design and production of highly engineered fasteners for the industrial, automotive, oil&gas, aerospace and other sectors, which is already listed on the Euronext Growth Milan multilateral trading system organised and managed by Borsa Italiana S.p.A. (“**Borsa Italiana**”), met today and approved the Consolidated Financial Report of the Vimi Group (the “**Group**”) for the financial period ended 30 June 2023, subject to limited review.

As already announced on 13 September 2023, all stakeholders concerned are reminded that, following the publication of the consolidated half-yearly financial report at 30 June 2023 and the publication of the consolidated economic and financial highlights at 30 September 2023 on today’s date, which is scheduled for 13 October 2023, a meeting will be held with the financial community on **16 October 2023 at 11:00 a.m.**

For accreditation to the event and receive the link for virtual participation, please send an email to ir@vimifasteners.com, by 10:00 a.m. on 16 October 2023, indicating preference for in-person or remote attendance.

CONSOLIDATED INCOME STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT HIGHLIGHTS AT 30 JUNE 2023

REVENUES

Consolidated revenues exceeded Euro 31 million, showing an increase of 18.6% compared to the first half of the previous year, driven by the record order backlog reported at the end of 2022 and by the contribution given by the newly-acquired Filostamp, a company that joined the Group from 1 April 2023 and that generated revenues of Euro 2.2 million during the period of consolidation.

The Vimi Group's order backlog at 30 June 2023, due to expire on 31 December 2023 and net of sales achieved in the first half of the year, amounted to Euro 26.8 million compared to Euro 24 million recorded at 30 June 2022.

EBITDA

During the reporting period adjusted EBITDA (net of non-recurring costs, mainly relating to the acquisition of Filostamp S.r.l.) came to Euro 4.1 million, showing an increase compared to Euro 2.4 million reported at 30 June 2022.

However, the Vimi Group showed EBITDA, net of the aforesaid adjustment, equal to Euro 3.6 million (11.6% of sales for the period) compared to Euro 2.4 million (equal to 9.2% of sales) reported at 30 June 2022.

Therefore, the half-year ended with a positive result and an improvement over the previous year due to higher sales, together with an ongoing process of production efficiency and commercial policies concerning selling prices.

NET PROFIT

The first half-year ended for the Group with a profit of Euro 1.27 million compared to a result of Euro 0.54 million reported during the first half of 2022. Although showing a significant improvement, the result was affected, as in previous financial periods, by a substantial amount of amortisation and depreciation (equal to Euro 2.17 million at 30 June 2023), arising from the plan of investments implemented in recent years and from the recognition of leases and rentals accounted for as required by IFRS 16.

NET DEBT

As at 30 June 2023 Net Debt amounted to Euro 26.6 million compared to Euro 14.1 million reported at 31 December 2022.

This change was mainly due to the recognition of costs incurred for the acquisition of Filostamp, together with its contribution to the consolidated financial statements, consisting of additional commitments of Euro 2.8 million for leases and rentals accounted for as required by IFRS 16.

SIGNIFICANT EVENTS FOR THE PERIOD

The 2023 financial year opened with a situation characterised by a complex and uncertain general climate, with no significant improvement from the end of 2022.

There continues to be significant uncertainty at a global level, markets do not cease to show strong volatility while interest rates and inflation remain at very high levels.

Despite the passing of the months, the Russian-Ukrainian conflict has shown no signs of coming to an end: in fact, while considering that there are no Ukrainian or Russian companies among its customers and direct suppliers, the Group's management pays great attention to any possible indirect impact on the supply chain and on supplies to OEMs, with ongoing monitoring of the target sectors.

The Group thus continues to move in a macroeconomic scenario that has shown no signs of regaining stability for years now. In this complex and changing scene, the challenge for Group companies remains to be able to deploy effective commercial policies concerning selling prices, together with actions aimed at making production processes more efficient.

The record level of orders received at the end of 2022 drove the opening of the current financial year, thus enabling the Group to achieve sales of more than Euro 31 million in the first half of the year, despite the continuing recession in Germany, among the main target markets for Group companies. The slowdown in sales to German customers was offset by ramp-ups with new customers and a gradual recovery in the automotive sector.

Business development and new customer scouting efforts were greatly intensified in support of continued and structured growth for all consolidated companies.

Work also continued on a constant commitment to improving production efficiency and reducing operating costs, particularly with the commissioning of the new PV system at the Parent Company's plant, which allowed energy costs to be contained compared to the previous year.

In pursuing the growth objectives set out in the Strategic Plan, work was completed on the acquisition of Filostamp S.r.l., a historic Piedmontese fasteners manufacturer, which will allow the implementation of important synergies, in terms of both sales and production, with the expansion of the range of products already offered by the Group companies and which will make it possible to support future growth in turnover thanks to the large amount of machinery installed at the company.

The transaction, with a countervalue of Euro 10 million, was partially covered through a loan of Euro 5 million taken out by the controlling shareholder Finregg S.p.A., which made it possible to meet the payment of the first tranche. Subsequent payments will be completed by 2027 thanks to the cash generated by Filostamp itself.

Work also continued on the commitment to communication and transparency towards all stakeholders, with the publication of the Sustainability Report for the financial year ended 31 December 2022 in April 2023.

The publication of this document, entirely on a voluntary basis as it is not prescribed as mandatory by current regulations for groups of this size, and for the first time subject to limited review by a third-party auditor, took place at the same time as the approval by the parent company's Board of Directors concerning the draft Economic and Financial Report 2022.

In general, on the basis of the results that have been achieved and the available financial, operational and performance indicators, the Group's Directors consider that, despite the uncertain global economic and financial scene, no risks are noted with regard to the ability to continue as a going concern, nor are any critical issues regarding the Group's ability to meet its obligations over the next 12 months.

MAIN SIGNIFICANT EVENTS AFTER THE REPORTING DATE

The third quarter of 2023 showed no significant changes from the previous period: the macroeconomic environment remains uncertain and volatile, the Russian-Ukrainian conflict shows no signs of an imminent resolution, world economy continues to show a general slowdown, and interest rates have reached highs from which it is hoped they will soon begin to fall again.

While 2022 had ended with a major increase in orders from customers, mainly driven by the need to secure stock to support the post-pandemic recovery, supporting the good sales in the first half of 2023, to date we are seeing, on the contrary, a slowdown in orders from well-established customers. However, the Vimi Group companies were able, by carrying out significant sales development activities, to gain contracts of sale with new customers, and in particular, the first deliveries for a major new global customer in the industrial engines and components sector should be noted. In recent months the first orders for high-performance screws were also received from an iconic Italian brand of superbikes, demonstrating continued capacity for growth and technological development of the products the Group offers.

Work continued on the monitoring and updating of commercial policies, which continue to be fundamental to ensure stability for the Group at a time of volatility and uncertainty such as the present one. These activities will allow the Group's profit margins to be supported, even taking account of the increase in labour costs as from June 2023, in the face of the amendments to the National Collective Labour Agreement for the metalworking sector.

With the newly appointed Integration Leader, a rigorous process of commercial and production integration is underway between the newly-acquired Filostamp and other Group companies. This activity will strengthen production efficiencies as early as in the short/medium term, together with strengthening relations with customers and suppliers with undoubted benefits in terms of turnover and profit margins.

It should also be noted that work was completed on the search and selection of a Technical Sales manager for the US market, for which management sees great potential and possibilities for development and further growth.

In spite of all the critical issues reported above, it is therefore noted that the Group is putting in place a number of tools in order to be able to pursue sound growth on an ongoing basis, even in such a complex and difficult to forecast global scenario.

OUTLOOK

The global scenario in which we are operating, which is so complex and changing, makes it particularly difficult to make estimates for the future.

The difficulties world economy is going through could have an impact on the business with well-established customers; however, we expect to see an increase in volumes in the United States of America, where economy is showing stronger, and further opportunities with new customers. As evidence of this, work will continue significantly on sales development in the coming months, with the inclusion of new customers for the industrial sector.

The Group's strength will be its ability to diversify its range of products, coupled with differentiation at the level of geographical areas and target sectors served: in fact, these factors, when combined, characterise the Group's strong resilience to market cyclicality, which is especially crucial in this period of high volatility.

Furthermore, as already mentioned above, work for the integration of Filostamp into the Group will continue in an increasingly comprehensive manner with higher sales and cost efficiency, resulting in improved consolidated profit margins.

Furthermore, Filostamp itself, which was consolidated for only three months in the first half of 2023, will be consolidated on a line-by-line basis for the entire second half of the year: therefore, the Group expects to benefit from this acquisition more significantly in the second half of the year.

The Vimi Group ended the first half of the year with an order backlog of Euro 26.8 million (Euro 24 million at 30 June 2022), expiring in 2023 (net of sales achieved at 30 June). In light of this, expectations therefore remain positive for the current year and the years to come. Therefore, on the basis of the Group's results to date and financial, management and operational indicators, the Directors have assessed that, despite the uncertain global economic and financial environment, there are no uncertainties regarding the Group's ability to continue as a going concern, nor any critical issues regarding the Group's ability to meet its obligations over the next 12 months.

www.vimifasteners.com

Vimi Fasteners, based in Novellara (Reggio Emilia), operates in the high-precision mechanics sector and is a leading company in the design and production of highly engineered fasteners for the automotive, industrial, oil&gas and aerospace sectors. The Group operates in partnership with its customers (OEMs, Tier1 partners and distributors) and develops customised solutions, which it exports all over the world, using special steel, superalloys and cutting-edge technology in the integrated manufacturing of its products.

ISIN code: **IT0004717200**

Ticker: **VIM**



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ANNEX 1 – SCHEDULES OF FINANCIAL STATEMENTS

The Group's reclassified consolidated Income Statement, Balance Sheet and Net Financial Debt, together with the cash flow statement, prepared at 30 June 2023 are reported below.

The Half-year Financial Report in its entirety, prepared in accordance with IAS/IFRS and subject to limited review by the independent auditors Deloitte & Touche S.p.A., including the Schedules of Financial Statements, the Report on Operations and the Explanatory Notes, will be made available within the time limits prescribed by law at the Company's registered office, on the Company's website and on the website www.borsaitaliana.it, Stocks/Documents section.

RECLASSIFIED SCHEDULES – CONSOLIDATED FINANCIAL STATEMENTS OF THE VIMI GROUP

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2023

€/th.	30.06.2023	%	30.06.2022	%
Revenues	31,241	100.00%	26,329	100.00%
Cost of goods sold	(20,039)	-64.14%	(17,182)	-65.26%
Gross margin	11,202	35.86%	9,147	34.74%
Administrative costs	(4,365)	-13.97%	(3,582)	-13.60%
Commercial costs	(1,340)	-4.29%	(1,278)	-4.85%
Other operating costs	(1,889)	-6.05%	(1,874)	-7.12%
Gross operating margin (EBITDA)	3,608	11.55%	2,413	9.17%
Amortisation, depreciation and other impairment	(2,168)	-6.94%	(1,930)	-7.33%
Operating profit - (EBIT)	1,440	4.61%	483	1.83%
Financial income	559	1.79%	191	0.73%
Financial costs	(528)	-1.69%	(170)	-0.65%
Profit (loss) before tax	1,471	4.71%	504	1.91%
Taxes for the period	(201)	-0.64%	31	0.12%
Profit (loss) for the period	1,270	4.07%	535	2.03%
<i>Non-recurring costs</i>	528	2.04%	-	-
Adjusted EBITDA	4,136	13.24%	2,413	9.17%

RECLASSIFIED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2023

€/th.	30.06.2023	%	31.12.2023	%
Trade receivables and advances to suppliers	16,150	28%	9,758	22%
Inventories	15,464	27%	12,964	29%
Trade payables and advances from customers	(11,159)	-19%	(9,225)	-21%
Other net receivables and payables	(3,611)	-6%	(2,995)	-7%
Net working capital	16,844	29%	10,503	24%
Property, plant and equipment	17,650	31%	13,616	31%
Intangible assets	19,937	35%	16,782	38%
Non-current financial assets	97	0%	1	0%
Receivables from others and deferred tax assets	5,612	10%	5,491	12%
Fixed assets	43,297	75%	35,891	81%
Provision for Employee Severance Pay and other long-term payables	(2,745)	-5%	(2,051)	-5%
Net invested capital	57,396	100%	44,343	100%
Net financial position (A)	26,592	46%	14,086	32%
Shareholders' equity (B)	30,804	54%	30,257	68%
Total sources of Financing (A) + (B)	57,396	100%	44,343	100%

NET FINANCIAL DEBT AT 30 JUNE 2023

€/000	30.06.2023	31.12.2022
A. Cash	2,539	1,546
B. Cash equivalents	-	-
C. Other current financial assets	-	-
D. Liquidity (A) + (B) + (C)	2,539	1,546
E. Current financial debt	(1,151)	(762)
<i>E1. of which lease liabilities</i>	(1,151)	(762)
F. Current portion of non-current financial debt	(9,232)	(9,863)
G. Financial debt for acquisition of Filostamp	(864)	-
H. Current financial debt (E) + (F) + (G)	(11,247)	(10,625)
I. Net Current Financial Debt (Financial Position) (H) + (D)	(8,708)	(9,079)
J. Non-current financial debt	(14,407)	(5,006)
<i>J1. of which lease liabilities</i>	(4,083)	(1,925)
K. Debt instruments	-	-
I. Trade payables and other non-current payables	-	-
L. Financial debt for acquisition of Filostamp	(3,477)	-
M. Non-current Financial Debt (J) + (K) + (I) + (L)	(17,884)	(5,006)
N. Total Net Debt (M) + (I)	(26,592)	(14,085)

CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2023

	30.06.2023	31.12.2022
OPERATING ACTIVITIES		
<i>Profit for the period</i>	1,270	1,745
<i>Adjustments for:</i>		
- Depreciation of property, plant and equipment and amortisation of intangible assets	2,162	3,765
- Capital (gains) losses on disposal of fixed assets	(2)	(44)
- Change in provisions for risks and charges and employee benefit liabilities	(79)	(292)
- Other non-monetary changes	(39)	(390)
- Taxes	201	208
Sub-Total	2,243	3,247
(Increase) decrease in trade receivables and other receivables	(2,930)	1,005
(Increase) decrease in inventories	(1,128)	(1,767)
Increase (decrease) in trade payables and other payables	(1,467)	(2,072)
Taxes paid	(61)	(61)
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES (A)	861	2,097
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(995)	(2,037)
Investments in intangible assets	(159)	(578)
Equity investments	-	-
Business combinations, net of cash acquired	(3,694)	-
Sale of fixed assets	-	44
CASH FLOWS USED IN INVESTING ACTIVITIES (B)	(4,848)	(2,571)
FINANCING ACTIVITIES		
Repayment of loans	(2,486)	(4,956)
Other changes in financial assets/liabilities	8,709	5,424
Acquisition of treasury shares	-	-
Dividends paid	(714)	-
Interest and dividends collected (paid)	(529)	(359)
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	4,980	109
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	993	(365)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,546	1,911
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,539	1,546