



# **FAE TECHNOLOGY** S.p.A. – Società Benefit

Investor Presentation

4<sup>th</sup>-5<sup>th</sup> April 2023

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# Key people



## Gianmarco Lanza Chairman and CEO

36 years old, graduated from the Istituto Tecnico ISS Valle Seriana. He entered the family business where he took over management and control at the age of 23. In FAE Technology he contributed directly to each phase of growth, starting from a structure that produced about € 2.5 million of revenues with 20 employees. In particular, he managed the dimensional growth up to the current structure, the increase in company know-how, the expansion of services to the market and the positioning in terms of brand and perceived value.



## Marco Ferrari CFO

Marco holds a degree in Business Administration and a Master of Science in Accounting Finance and Control from Università Commerciale "Luigi Bocconi". Prior to joining FAE Technology Marco was Chief Corporate Officer of Talent Garden S.p.A. in charge of Finance & Accounting, Financial control, Legal and M&A and Investors Relation. In previous experience he was for seven years Group Chief Financial Officer in Directa Plus, an AIM listed company. Other experiences include EY and Deutsche Bank.

# What we do

We operate in the design, development of PoC, industrial design, prototyping and supply of solutions in the field of **embedded electronics and custom electronic products**.

## SOLUTIONS

### INDUSTRIAL DESIGN

#### Engineering

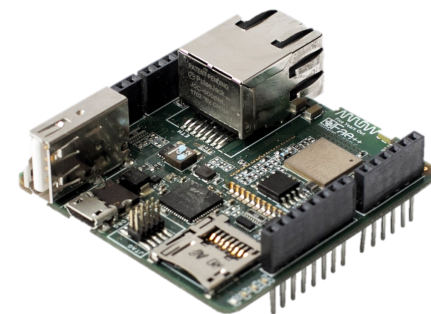
It provides **consulting services in the electronic field** for design, PoC development, electronic design and industrialization activities.

#### Prototyping

Following the input received from both the online and physical channels, it **develops prototypes of electronic cards** based on customer-defined requests.

#### Production

**It provides complete solutions**, overseeing the supply chain management processes, production and testing of boards and electronic systems managing the most advanced hardware technologies.



## ONLINE SOLUTIONS

#### Fast Prototyping

The sophisticated proprietary digital platform **electronic board prototype** and get a quote.

**MY FAST PCBA** allows customers to easily **configure their own**

# Company overview

**€ 39,4 Mln**

Revenues FY22

**+64,4%**

Vs € 23,9 Mln FY21

**€ 3,9 Mln**

EBITDA FY22

**+52,5%**

Vs € 2,6 Mln FY21

**9,7%**

EBITDA MARGIN FY22

Vs 10,5% FY21

**€ 2,1 Mln**

NET INCOME FY22

**+45,5%**

Vs € 1,4 Mln FY21



Fast Growing Company



Partnerships Strategies



+130 Clients



Competence center



+30 years



3 locations



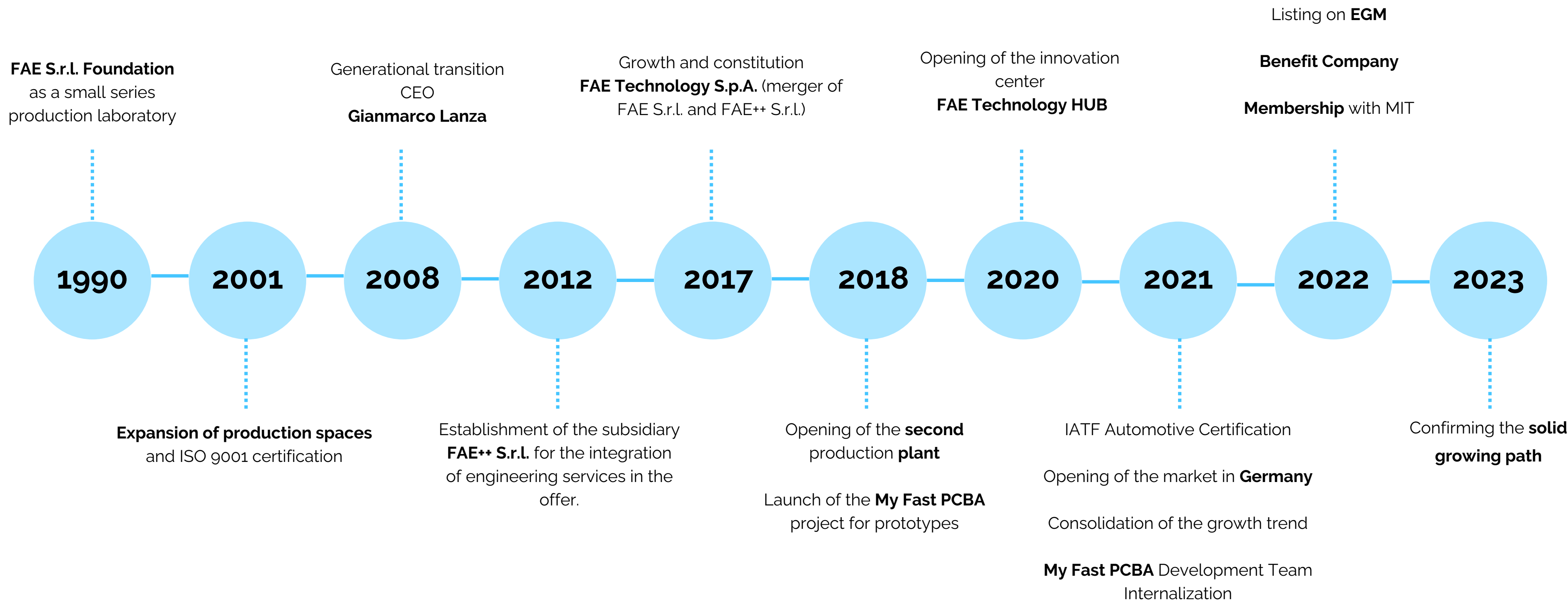
111 collaborators



ESG Sensitivity

Source: management processing. Reference date 31.12.2022

# Business History: winning the technological challenges





# Shareholders and corporate governance

## Corporate Structure

FAE Technology has a share capital equal to **€ 499.990** of which **75,91%** is attributable to the **Lanza Family**, the 2,35% is held by the key people and management, and the remaining 21,74% is held by the financial market. The Company was admitted to Euronext Growth Milan last 11th November 2022 and a total of 15.333.000 ordinary shares were outstanding.

Shareholders	Stock	%
GML Ventures S.r.l. (*)	11.640.000	75,91%
Sehme S.a.g.l. (**)	240.000	1,57%
William Montalbano	120.000	0,78%
Financial Market	3.333.000	21,74%
<b>Total</b>	<b>15.333.000</b>	<b>100,00%</b>

(\*) Holding of shareholdings attributable to Gianmarco Lanza and Luciana Giudici

(\*\*) Company under Swiss law attributable to Angelo Facchinetti

## Corporate Governance

The Company is managed by a **board of directors** composed of 5 members in office for the three-year period **2022 – 2024**

**Gianmarco Lanza** Chairman and CEO

**Angelo Facchinetti** Director

**Cristina Mollis** Independent Director

**Thomas Avolio** Director

**Massimo Bondioni** Director

**The Board of Statutory Auditors** will be in office for the three-year period **2022 - 2024** and is composed of 5 members

**Davide Felappi** Chairman

**Stefano Zucchelli** Standing Auditor

**Roberto Negretti** Standing Auditor

**Andrea Lampugnani** Alternate Auditor

**Andrea Scainelli** Alternate Auditor



The statutory audit is entrusted to the company RSM Società di Revisione e Organizzazione Contabile S.p.A. for the three-year period 2022 - 2024

# EGM and Warrant

## Share Performance



Source: borsaitaliana.it

- **IPO: 1,50 €**
- **Average volume: 36.110**
- **Price as of 31/03/2023: 1,602 €**
- **% of increase: 6,8%**

The listing on EGM provided for the issuance of 3.333.000 **warrants assigned free of charge to the market at the subscription stage as well as the free issue of warrants to all holders of the Company's shares** in the ratio of 1 Warrant for every 4 ordinary shares held on the ex-dividend date, identified within 30 (thirty) days from the date of approval of the financial statements as of December 31, 2022 by the Board of Directors. 4 ordinary shares held on the ex-dividend date, identified within 30 (thirty) days from the date of approval of the financial statements as of December 31, 2022 by the FAE Shareholders' Meeting. **The conversion ratio is equal to 1 ordinary share for every 2 Warrants** held with increasing strike price, starting from the IPO price, at the rate of 10% per year for three exercise periods.



# Benefit Company

F&E Technology, in 2022 became a **Benefit Company**, or has integrated into its corporate purpose, in addition to profit objectives, the aim of having a **positive impact on society and the biosphere**.



## WELFARE

### Promotion of the psychological health of employees

- Psychological desk

### Corporate Welfare

- Work-life balance initiatives including in-house grocery delivery, employee car services and more
- Roadmap for the expansion of the same welfare in parallel with the adaptation of corporate infrastructures

### Socio-cultural and educational events of various kinds



## ENVIRONMENT

### ISO 14001 certification

- Environmental Certification

### Plant Energy Efficiency

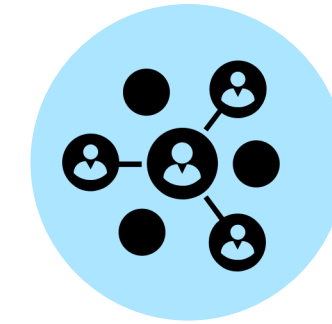
- Plant1 will use renewable energy for almost all of its consumption
- The F&E Technology HUB building within Kilometro Rosso will be a Nearly Zero Energy Building

### Industrial reuse

- Plant2 under construction inside an industrial building of the 20th century in disuse

### Supply chain and supplier management

- Orientation towards reducing environmental impact



## SOCIAL IMPACT

### Promotion of the interaction between the school system and the company in the territory of Bergamo

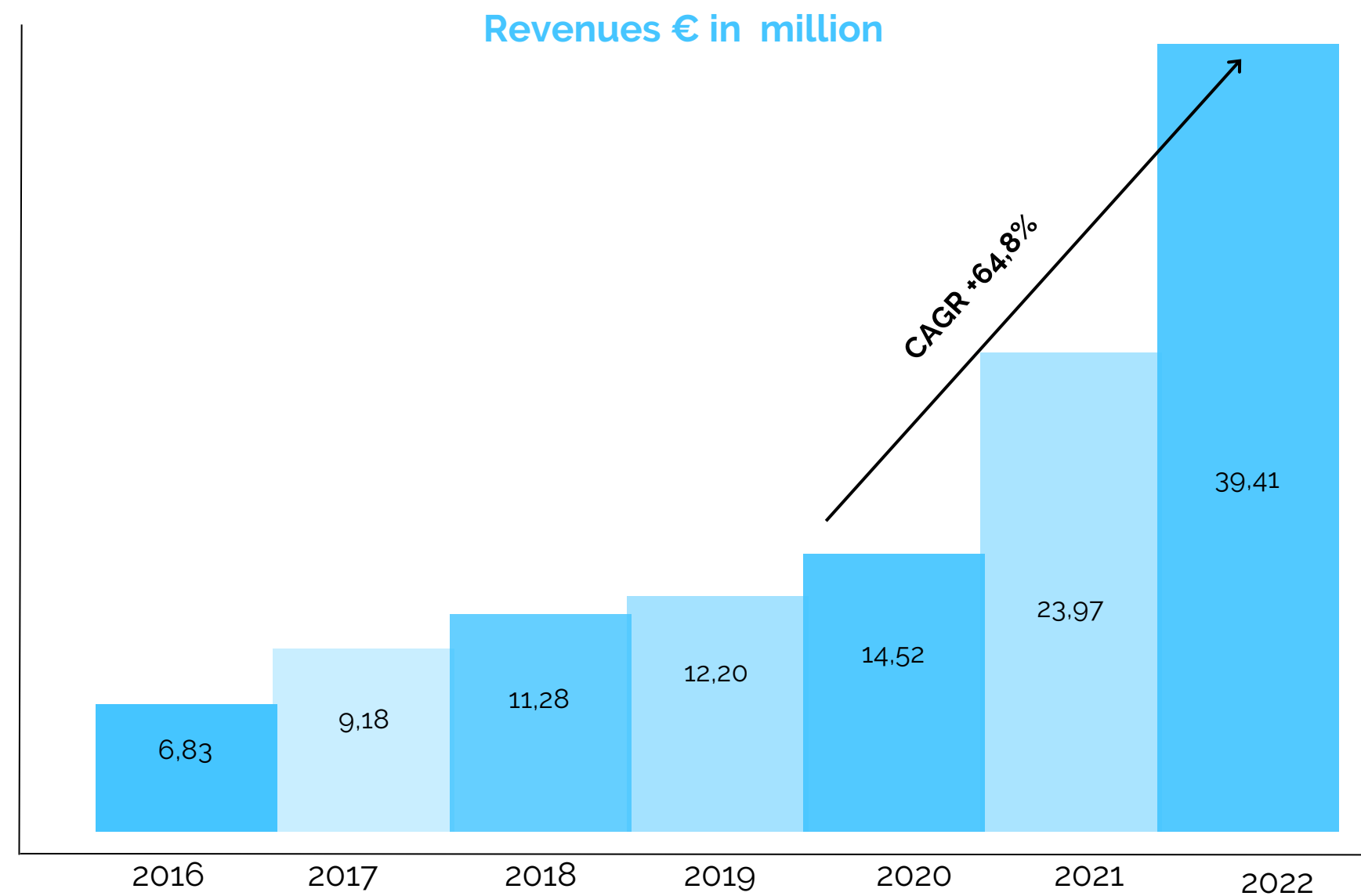
- Projects in support of job orientation
- Provision of specific materials for laboratories keeping up with the times
- Training of young people and teachers in company offices

### Future developments with widening of the scope of action

- In the future the program may concern not only students, but also the redevelopment of local resources

# Solid growth trend

F&E Technology has significantly increased its growth trend over the years, in particular thanks to the **integration of value-added services** (design, engineering and fast prototyping) which, together with historical activity, have **improved the offering enabling the fast development of highly innovative solutions**.

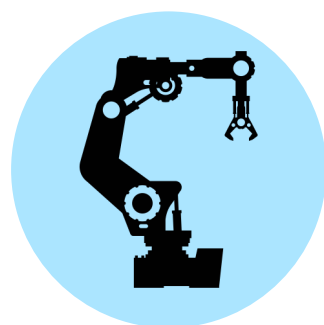


**Turnover has grown constantly** over the past 7 years with a sharp increase in the last triennium.

Source: management processing. Reference date 31.12.2022

# Main Markets & Certifications

F&E Technology operates in different market sector and it's management system is certified according to the following standards:



## Industrial IoT



ISO 9001:2015



## High tech mobility



IATF 16949:2016



## Aerospace



EN9100

*Iter in process of certification  
by Q3 2023*



## Environment



ISO14001:2016

# Production sites and factories

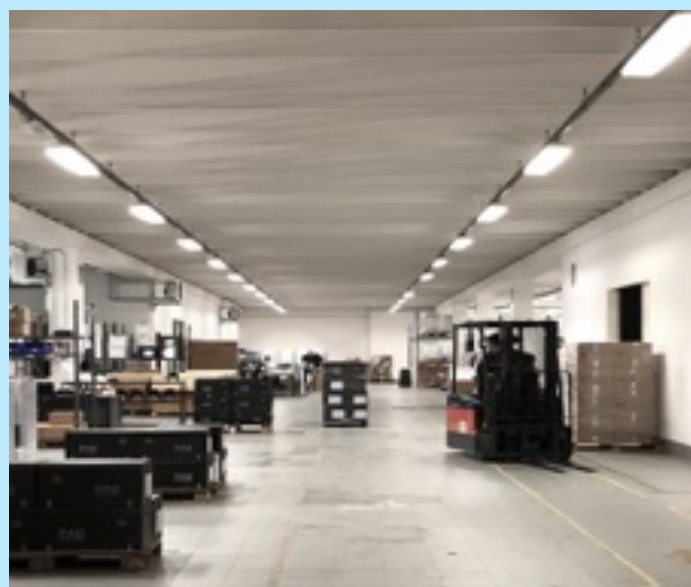
## Plant 1



The plant "Plant1" is located in **Gazzaniga (BG)** and occupies 2,000 square meters covered. It is the **main headquarters** of the Company where there are the main **administrative and management functions, in addition to the production departments with automated lines** for both prototypes and series productions.

- ✓ 71 HR
- ✓ Smart Factory
- ✓ 667.226 Boards produced

## Plant 2



The plant "Plant2" - rented - is located in **Vertova (BG)** and occupies 3,500 square meters covered. It is a site of the Company in which we find the **warehouse, logistics** and various departments with **complementary processes** to the assembly of the boards, including special treatments, electromechanical completions, assembly of systems and tests.

- ✓ 33 HR
- ✓ Large scalable spaces
- ✓ 30.000 Systems produced

## Hub



FAE Technology HUB is a **multipurpose space** for rent within the **Kilometro Rosso Science and Technology Park**, in Stezzano(BG). The space of 300 square meters is the headquarters **of research, innovation and part of the engineering activities**. Designed as a co-working space dedicated not only to employees but also to ecosystem partner.

- ✓ 7 HR
- ✓ Innovative context
- ✓ Multipurpose space

# Innovation as technology advantage

## FAE Technology HUB

FAE Technology HUB is a **collaborative design space** within the Kilometro Rosso innovation district, one of the leading innovation campus in Italy. It is a **multifunctional space**, created specifically to foster relationships, open innovation processes and contamination between company staff and partner companies.

## Realization of Proof of Concept (PoC)

The implementation of PoC, experimental projects aimed at **validating new applications**, is one of the activities carried out by FAE Technology. The activity consists mainly in the creation of **new end-to-end devices and applications**, through the integration of hardware and software products.

## MIT membership 2022 - 2024

FAE Technology signed a 3-years agreement (2022-2024) with the "**Senseable City Lab**" of the MIT (Boston), one of the main research center in the field of tech for sustainability.

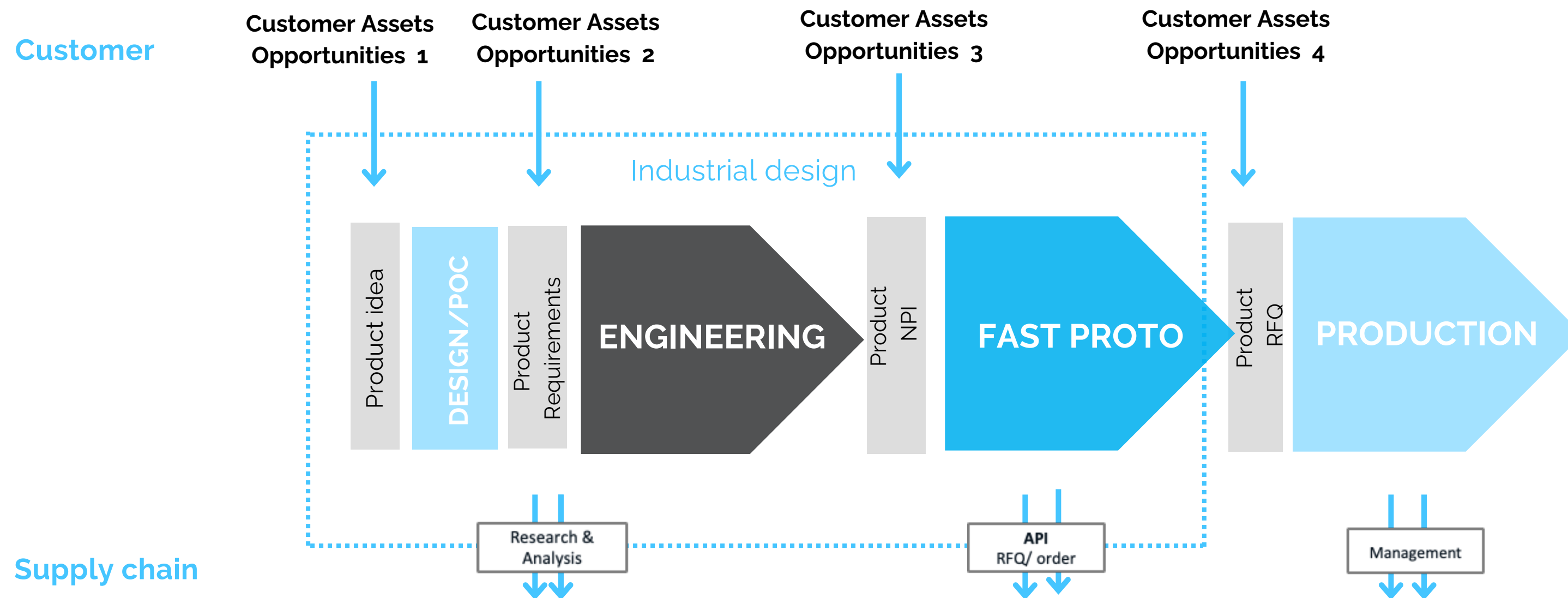
Thanks to the position of consortium member, the staff of the Innovation area of FAE will carry out activities with the researchers and scientists of the lab and will have access to the technology resulting from the research of the prestigious laboratory.



# A unique business model: Multilevel customer interaction opportunities

The business model of FAE Technology is developed throughout the process that from the **initial concept** leads to the creation of a **complete solution** through phases of engineering, prototyping and production.

The options for accessing the FAE Technology value chain are different and, in any case, it is possible **to integrate the downstream processes** until obtaining a **solution ready for the go to market**.



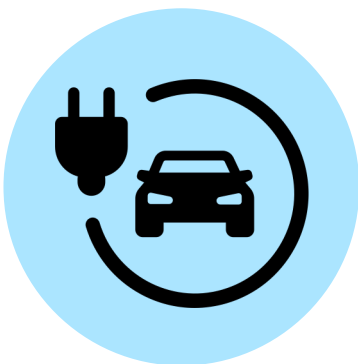


# At the technological edge to serve the rapidly expanding markets

## Growth Drivers

In addition to traditional sectors of interest, new sectors with strong growth potential should be considered, in which electronic technology is enabling and in which FAE Technology is involved. They are extremely dynamic contexts in which **speed of execution** is a determining factor for success, for this reason it is precisely within them that FAE Technology expresses its maximum potential:

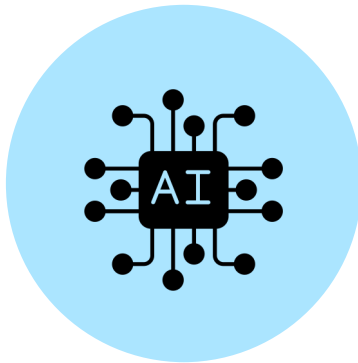
Electrification of transport



Smart city



Artificial Intelligence Application



New markets not currently known

## Global Trends

The growth of the sector will be driven by the development behind some **global mega trends** in which technology will be present:



Climate change



Urbanization



Aging population



Digital transformation

Source: Reed Electronics Research

# FY22 at a glance

- **Total revenues: €39,4 mln**, +64,4% vs €23,9 mln in FY21 - *Proven and solid growth trend*
- **EBITDA: €3,9 mln**, +52,5% vs €2,6 mln in FY21 - *Ebitda clearly improved with Ebitda margin moving from 10,5% to 9,7%, mainly due to the macroeconomic environment*
- **EBIT: €3,1 mln**, +50,4% vs €2,1 mln in FY21
- **Net Income: €2,1 mln**, +45,5% vs €1,4 mln in FY21 - *Strong results as combined effect of the outstanding commercial performance and the wise and disciplined cost management*
- **Trade working Capital: €7,9 mln**, vs €7,1 mln in FY21 - *Stable TWC despite the sharp increase in revenue*
- **NFD: €3,5 mln** vs €4,6 mln in FY21 - *Improved NFD*
- **Net Equity: €10,8 mln**, vs €3,6 mln in FY21 - *Strong net equity position as effect of recent IPO*

# 1/2 Long term growth and value creation: strategies and opportunities

## DIGITAL IMPROVEMENT & TECHNOLOGY AUTOMATION

- **Investments** in technology to become **CyberFactory Champion** in terms of production and simulation software as well as equipment and plants
- **Digitalization of processes**, a necessary boost to compete in an increasingly technology-driven context and to face the phenomenon of digital divides
- Investments for the continuous development and implementation of **My Fast PCBA**, the proprietary platform that **digitally revolutionizes the B2B approach** in the electronic technology sector

## M&A

- **Increase** the market share, improving the **offering** and speed up the production, **consolidating** a fragmented market and improving revenues **diversification**.

# 2/2 Long term growth and value creation: strategies and opportunities

## B-CORP

- Expansion of welfare services for employees and continuous implementation of an organizational model aimed at maximizing the value and **maximum engagement of people**
- **Strengthening** of education activities aimed at recruiting activities and aimed at the territory
- Continuation of the complete **reuse of Plant2** (former disused cotton mill)
- Increase in the use of **green energy** through the expansion of solar panels in the buildings in which the company operates

## ADDED VALUE SERVICES

- Addition of **high value-added** services to the Company's offer and consolidation of those already proposed (e.g., data analysis regarding components and predictive analysis of the quality and life cycle of products)
- Creation of an **internal team within** the Company with the skills and tools necessary for the development of **highly complex electronic projects**
- Membership in **MIT** for the acquisition of know-how in highly innovative technologies, areas and applications that can be used in projects for its customers

# 1/2 Investment highlights

## Digital & technology driven

F AE Technology, through clear drivers and strategies, including the constant increase in the **digitization of all processes** and **the integration of value-added services** in its solutions, is able to develop an offer that enables the **success of its** most demanding customers. This allows the Company to grow on the market

## Favourable market environment

The **pervasiveness of electronic technology** in the modern world supports a **constant growth of the sector**, especially with regard to **new market segments** such as electric mobility and the smart city, in which the Company is involved and whose development is necessary and in line with the main global macro trends

## Dynamic and young management with consolidated experience

The management, as well as all the human capital of F AE Technology, is highly **specialized** and composed of **young and dynamic resources** on which the Company invests in **continuous training projects**

## Set of integrated services that make the offer distinctive

The Company offers services that can develop **independently** or in an integrated manner related to a specific project, **directly overseeing all phases** and **maximising the speed of the process** and, with it, the enabling of electronic innovation

## 2/2 Investment highlights

### Ability to generate value in favor of successful customers

Thanks to its **streamlined and fast organization**, FAE Technology is able to support customers who need speed to scale in dynamic markets, **meeting their demands faster** than the competition, **guaranteeing a strong competitive advantage** to them, and a maximum customer retention rate for itself

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### Sustainable approach based on real projects

FAE pays great attention to **sustainability** and in particular to the **social value** of the company for its employees and for the territory. This approach is reflected starting from the **internal organizational model**, up to the numerous **education projects** developed in synergy with all the players of the school system and the territory

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### Path of growth and creation of clear and identified value

FAE Technology has started for years an **investment path** in support of the **long-term strategic vision**, which is paying off, generating superior returns to the market, confirming the solidity of its **assets and finances**



# ATTACHMENTS

# Financial statements

Reclassified income statement (Data in thousands of euros)	31/12/22	% (*)	31/12/21	% (*)	Var %
Sales revenue	39.411	97,8%	23.972	97,5%	64,4%
Change in inventories	481	1,2%	212	0,9%	126,8%
Other revenues and income	405	1,0%	398	1,6%	1,9%
<b>Value of production</b>	<b>40.297</b>	<b>100,0%</b>	<b>24.582</b>	<b>100,0%</b>	<b>63,9%</b>
Cost of raw materials, supplies and good net of var. inventories	(27.279)	-67,7%	(14.869)	-60,5%	83,5%
Costs for services	(4.478)	-11,1%	(2.914)	-11,9%	53,6%
Cost for use of third parts assets	(207)	-0,5%	(348)	-1,4%	-40,4%
Staff costs	(4.306)	-10,7%	(3.809)	-15,5%	13,1%
Other operating expenses	(108)	-0,3%	(72)	-0,3%	50,0%
<b>EBITDA</b>	<b>3.919</b>	<b>9,7%</b>	<b>2.569</b>	<b>10,5%</b>	<b>52,5%</b>
Depreciation and amortization	(782)	-1,9%	(483)	-2,0%	61,8%
<b>EBIT</b>	<b>3.137</b>	<b>7,8%</b>	<b>2.086</b>	<b>8,5%</b>	<b>50,4%</b>
Financial income and expenses	(218)	-0,5%	(149)	-0,6%	45,5%
<b>EBT</b>	<b>2.920</b>	<b>7,2%</b>	<b>1.937</b>	<b>7,9%</b>	<b>50,7%</b>
Income taxes	(806)	-2,0%	(484)	-2,0%	66,5%
<b>Income</b>	<b>2.114</b>	<b>5,2%</b>	<b>1.453</b>	<b>5,9%</b>	<b>45,5%</b>

(\*) Incidence with respect to Value of production

# Financial statements

Reclassified Balance Sheet (Data in thousands of euros)	31/12/2022	31/12/2021	Var %
Net intangible assets	1.718	287	499%
Net tangible assets	3.613	2.525	43%
Equity investments and other non - current financial assets	117	81	46%
<b>Fixed capital</b>	<b>5.448</b>	<b>2.892</b>	<b>88%</b>
Inventories	10.866	4.838	125%
Trade receivables	8.096	8.208	-1%
Trade payables	(11.019)	(5.925)	86%
<b>Trade working capital</b>	<b>7.943</b>	<b>7.120</b>	<b>12%</b>
Other current assets	508	500	2%
Other current liabilities	(821)	(1.039)	-21%
Tax receivables and payables	2.243	(337)	-765%
Net accruals and deferrals	(266)	(141)	88%
<b>Net working capital</b>	<b>9.607</b>	<b>6.102</b>	<b>57%</b>
Provisions for liabilities and charges	(72)	(59)	22%
Employee severance indemnity	(726)	(673)	8%
<b>Net invested capital (Loans)</b>	<b>14.258</b>	<b>8.263</b>	<b>73%</b>
Net financial debt - Current financial debt	1.508	2.483	-39%
Net financial debt - Current part of non-current financial debt	819	523	56%
Net financial debt - Non-current financial debt	4.507	1.962	130%
<b>Total financial debt</b>	<b>6.833</b>	<b>4.968</b>	<b>38%</b>
Cash on hand	(3.335)	(338)	886%
<b>Net financial debt</b>	<b>3.498</b>	<b>4.629</b>	<b>-24%</b>
Share capital	500	400	25%
Reserves	8.146	1.781	357%
Net income	2.114	1.453	46%
<b>Net Equity</b>	<b>10.760</b>	<b>3.634</b>	<b>196%</b>
<b>Total sources</b>	<b>14.258</b>	<b>8.263</b>	<b>73%</b>

# Financial position

Net financial position (Data in thousands of euros)	31/12/2022	31/12/2021	Var %
A. Cash on hand	3.335	338	886%
B. Cash equivalents	-	-	n.a.
C. Other current financial assets	-	-	n.a.
<b>D. Liquidity (A) + (B) + (C)</b>	<b>3.335</b>	<b>338</b>	<b>886%</b>
E. Current financial debt	1508	2.483	-39%
F. Current part of non-current financial debt	819	523	56%
<b>G. Current Financial debt (E)+(F)</b>	<b>2.326</b>	<b>3.006</b>	<b>-23%</b>
<b>H. Net durrent financial debt (G)-(D)</b>	<b>(1.009)</b>	<b>2.668</b>	<b>-138%</b>
I. Non – current financial debt	4.507	1.962	130%
J. Debt instruments	-	-	n.a.
K. Trade and other non-current payables	-	-	n.a.
<b>L. Non-current financial debt (I) + (J) + (K)</b>	<b>4.507</b>	<b>1.962</b>	<b>130%</b>
<b>M. Net financial debt (H) + (L)</b>	<b>3.498</b>	<b>4.629</b>	<b>-24%</b>

# Contact

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