

ENTECH: earnings objective achieved, with EBITDA at break even

- Gross margin rate up to 29.3% despite supply chain pressures
- EBITDA at break even in a year of major initiatives to structure the company
- Medium-term objectives confirmed

Quimper, 20 June 2022 – **Entech (FR0014004362 - ALESE), the technology company specialised in smart renewable energy storage and management, is reporting full-year earnings at 31 March 2022 in line with its objectives, with EBITDA breaking even at €57k.**

(In €'000)	31/03/22 (12 mths)	31/03/21 (12 mths)	Change
Revenues	20,812	9,428	x2.2
Operating revenues	22,833	9,760	x2.3
Gross margin	6,090	2,617	x2.3
In % of revenues	29.3%	27.8%	
EBITDA	57	-805	-
In % of revenues	0.3%	-8.5%	
Operating income	-481	-1,495	+68%
In % of revenues	-2.3%	-15.9%	
Net income	-278	-498	+44%
In % of revenues	-1.3%	-5.3%	

The annual financial statements were approved by the Board of Directors on June 20, 2022. The Statutory Auditors' report is currently being issued.

“The results for this year illustrate how Entech has successfully risen to many challenges. We have been able to successfully take on board very strong growth, while preserving our margins, despite an inflationary environment. Alongside this, we have structured our company to prepare for future growth, particularly through the recruitment of new talents. Lastly, we have ramped up our R&D efforts with a view to maintaining our technological leadership. I would like to thank all of our teams, our clients, our partners and our investors for their continued confidence and trust”, confirms Christopher Franquet, Entech’s Chairman and CEO.

Business more than doubled, with project size increasing

The **storage** business (€9.3m) benefited from the strong trends for on-grid projects as well as the gradual resumption of international off-grid.

The **generation** business (PV power plant design and installation) represents €10.9m in revenues, mainly from major projects for ground-mounted plants (installed capacity of 5 MWc and over).

The **hydrogen** business (€0.5m) is linked primarily to the project launched during the previous year, with significant progress made over the past financial year.

The scale of the projects, driving growth and profitability, increased significantly during the year: the average size of new orders climbed from €775k in 2020 (year ended 31 March 2021) to €1,474k in 2021 for storage projects, and from €930k to €1,340k for PV power plants.

This increase in the scale of projects reflects the growing levels of visibility and the excellent reputation built up by Entech on the renewable energy generation and storage markets, as well as the quality of the services provided and the success of the projects carried out for major energy industry operators, which are choosing to work with Entech again on subsequent projects.

EBITDA breakeven achieved

During the year ended 31 March 2022, the **gross margin** growth of +133% came in higher than revenue growth, with the gross margin rate up 1.5 points to 29.3%, in a particularly challenging context. This good performance was achieved in an international environment of supply chain pressures, resulting in higher prices for purchases, particularly for batteries and solar panels, as well as increased logistics costs. In addition, Entech has made increased use of subcontracting, which represented €5.2m, compared with €2.0m the previous year, in addition to internal recruitment.

EBITDA came to €57k, reflecting the initiatives to structure the company to take on board future growth. Overheads moved from €1.1m to €1.9m, with the main increase linked to rental costs (€380k vs €80k at 31 March 2021) for the new E-Factory headquarters. Staff costs are up from €2.6m to €4.1m, in line with the change in the average headcount from 50 to 72 staff.

With depreciation charges stable at €0.5m, and financial income and expenses close to zero, thanks in particular to exchange rate gains (€0.1m), **income from ordinary operations** totalled -€418k.

After non-recurring income and expenses of €0.4m, stable year-on-year, and a €0.2m corporate income tax expense, **net income** came to -€278k.

Available cash of €17.9m

At 31 March 2022, Entech shows a healthy financial position, with €26.8m of equity and €17.9m of available cash.

The €23.4m net raised with the IPO in October 2021 has made it possible to finance the strong growth in business, reflected in a €6.6m increase in working capital requirements (of which €1.9m of strategic stock) and continued investments (+€2m), focused primarily on R&D, without increasing financial debt, which is virtually stable at €10.5m (vs €10.1m at 31 March 2021).

Solid growth outlook

For the current financial year, based on the order book and the current commercial pipeline, Entech expects to see strong growth, on increasingly large-scale projects.

Entech is therefore able to confirm its medium-term objectives for 2025 (year ending 31 March 2026), with revenues of around €130m and an EBITDA margin of around 20%.

Next dates:

- General meeting on 6 September 2022
- Half-year revenues at 30 September 2022 on 22 November 2022

About Entech

Faced with the technological challenges posed by the strong growth of new energies within the energy mix, Entech enables the massive integration of renewable energies and access to energy thanks to storage and electrical conversion solutions controlled by intelligent software systems.

Builder of the new energies, Entech develops, builds and operates production plants and storage systems – batteries or hydrogen – on-grid or off-grid. Founded in Quimper in 2016, Entech has already completed more than 250 projects worldwide and today employs 93 people.

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Selected in 2021 by “La French Tech” in its Green20 programme and recognised by numerous awards for its capacity to innovate in supporting the energy transition, Entech is committed to acting on a daily basis as a responsible company, not only from an environmental point of view but also from a social and societal one. For more information: <https://entech-se.com/>

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Appendix: simplified balance sheet

ASSETS (€'000)	31/03/2022	31/03/2021	LIABILITIES (€'000)	31/03/2022	31/03/2021
TOTAL FIXED ASSETS	4,042	2,505	TOTAL SHAREHOLDERS' EQUITY	26,839	2,706
<i>Of which intangible fixed assets</i>	3,239	1,891	TOTAL OTHER EQUITY	484	548
			TOTAL PROVISIONS	0	115
TOTAL CURRENT ASSETS	41,436	14,819	TOTAL DEBT	18,121	13,954
<i>Of which trade receivables</i>	17,492	9,562	<i>Of which financial debts</i>	10,460	10,115
<i>Of which cash and equivalent</i>	17,939	1,781	<i>Of which trade payables</i>	5,603	3,091
TOTAL ASSETS	45,478	17,324	TOTAL LIABILITIES	45,478	17,324