

## ENTECH: half-year results

- First-half revenues up +55% year-on-year
- Higher gross margin rate despite supply chain pressures
- EBITDA margin of -4.1% following the major human investments made to support growth
- Full-year growth outlook and medium-term objectives confirmed

Quimper, 13 December 2022– **Entech (FR0014004362 - ALESE)**, the technology company specialised in smart renewable energy storage and management, is reporting €12.8m of half-year revenues at 30 September 2022, up +55%. The half-year results are negative, reflecting the structuring initiatives rolled out from the start of the year to prepare for strong growth across the three business segments over the full year. EBITDA therefore shows a €(528)k loss, representing 4.1% of revenues. As last year, these results do not reflect the profitability for the full year, with the outlook for profitable growth in the second half of the year confirmed by a sizeable order book.

(In €'000)	30/09/22 (6 mths)	30/09/21 (6 mths)	Change
Revenues	12,785	8,267	+55%
Operating revenues	13,385	9,386	+43%
<b>Gross margin</b>	<b>3,563</b>	<b>2,262</b>	<b>+58%</b>
In % of revenues	27.9%	27.1%	
<b>EBITDA</b>	<b>-528</b>	<b>-252</b>	<b>-110%</b>
In % of revenues	-4.1%	-3.0%	
<b>Operating income</b>	<b>-957</b>	<b>-600</b>	<b>-60%</b>
In % of revenues	-7.5%	-7.3%	
<b>Net income</b>	<b>-849</b>	<b>-215</b>	<b>-295%</b>
In % of revenues	-6.6%	-2.6%	

The half-year accounts were approved by the Board of Directors on 13 December 2022. They have been subject to a limited review by the statutory auditors.

“Our first-half results, in line with expectations, reflect the very strong growth momentum and the success of our recruitment plan. Entech is structured to achieve a new record level of activity in the second half of the year and continue growing in line with the ambitions that we set out last year at the time of our IPO”, confirms Christopher Franquet, Entech’s Chairman and CEO.

### Growth across all business segments, winning contracts for increasingly large-scale projects

The revenue growth benefited all business segments, with +68% for **storage** (€6.6m) and +41% for **production** (€5.9m). The **hydrogen** business has also continued to ramp up.

The projects delivered during the first half of the year, including the 8 MW battery storage system delivered for Neoen, confirm the development of the business on increasingly large projects.

## PRESS RELEASE HALF-YEAR FINANCIAL RESULTS

### Results: human investments for growth

Despite a context of continued supply chain pressures, the **gross margin** rate is up slightly from 27.1% for the first half of the previous year to 27.9%. After factoring in other purchases and external expenses, which are growing less quickly than revenues, the **value added** shows strong growth, up +66% to €2.4m, compared with €1.5m one year earlier.

The contraction in **EBITDA**, to -€0.53m compared with -€0.25m, reflects, as expected, the increase in **payroll** from €1.7m to €3.0m (+74%). The increase in the average headcount over the period, over a rolling six-month period, climbing from 64 to 90 people in one year, focused primarily on management staff (up from 34 to 54 FTEs). The increase in the average rate of social charges (39.2% vs 24.6%) is linked to the gradual phasing out of the entitlement to the exemption from employer contributions for “innovative young companies”.

Following €0.4m of depreciation and provisions and -€40k of financial income and expenses, **income from ordinary operations** came to -€957k, with an operating margin of -7.5%, comparable with the first half of the previous year (-7.3%).

After -€43k of non-recurring income and expenses and €152k of provisions for research tax credits, **net income** totalled -€849k.

### €13.7m of available cash

At 30 September 2022, Entech is reporting a healthy financial position, with shareholders' equity up to €29.0m following the conversion in April of the convertible bonds subscribed in September 2021 by Epopée Gestion for €3m, as well as €13.7m of available cash.

The strong growth in business is reflected in a €3.5m increase in working capital requirements, linked primarily to trade receivables. Thanks to the conversion of the bonds for €3m and the net repayments of bank borrowings for €0.3m, financial debt was reduced from €10.5m at 31 March 2022 to €7.2m at 30 September 2022.

### Outlook: sustained growth

The high pace of deliveries during the second half of the year is in line with the schedules and Entech expects positive results for the half-year period underway.

With an order book that continues to be very robust, a high level of client satisfaction and strong growth in the pipeline of client projects, the company is 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%.

### Publication of the half-year financial report

The Half-Year Financial Report at 30 September 2022 will be published and registered with Euronext on 16 December 2022. It will also be available on the company's website (<https://entech-se.com/en/investors/2207/>).

### Next date:

- Full-year revenues at 31 March 2023 on 30 May 2023

**PRESS RELEASE**  
**HALF-YEAR FINANCIAL RESULTS**

**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 125 people.

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: condensed balance sheet**

ASSETS (€'000)	30/09/2022	30/09/2021	LIABILITIES (€'000)	30/09/2022	30/09/2021
<b>TOTAL FIXED ASSETS</b>	<b>4,207</b>	<b>4,042</b>	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>29,006</b>	<b>26,839</b>
<i>Of which intangible fixed assets</i>	3,576	3,239	<b>TOTAL OTHER EQUITY</b>	<b>450</b>	<b>484</b>
			<b>TOTAL PROVISIONS</b>	<b>99</b>	<b>0</b>
<b>TOTAL CURRENT ASSETS</b>	<b>41,274</b>	<b>41,436</b>	<b>TOTAL DEBT</b>	<b>15,927</b>	<b>18,121</b>
<i>Of which trade receivables</i>	19,777	17,492	<i>Of which financial debts</i>	7,186	10,460
<i>Of which cash and equivalent</i>	13,696	17,939	<i>Of which trade payables</i>	5,901	5,603
<b>TOTAL ASSETS</b>	<b>45 482</b>	<b>45 478</b>	<b>TOTAL LIABILITIES</b>	<b>45 482</b>	<b>45 478</b>