

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

**ENTECH: half-year financial results at 30 September 2023**

- First-half revenues up +37%
- Higher gross margin rate
- EBITDA of -€1.3m affected by deferred client project schedules
- Robust commercial development: order book up +64%

Quimper, 12 December 2023 – Entech (FR0014004362 - ALESE), the technology company specialised in smart renewable energy storage and management, is reporting half-year revenues of €17.6m (+37%) at 30 September 2023. However, this growth was slowed down by schedules being deferred on certain client projects, which mechanically impacted first-half operating profitability. With its order book at end-September up +64%, Entech aims for growth in the second half of the year and is able to confirm its medium-term objectives for 2025 (year ending 31 March 2026): revenues of around €130m and an EBITDA margin of around 20%.

(In €'000)	30/09/23 (6 mths)	30/09/22 (6 mths)	Change
<b>Revenues</b>	<b>17,556</b>	<b>12,785</b>	<b>+37%</b>
Operating revenues	18,815	13,385	+41%
<b>Gross margin</b>	<b>5,030</b>	<b>3,563</b>	<b>+41%</b>
In % of revenues	28.7%	27.9%	
<b>EBITDA</b>	<b>-1,296</b>	<b>-528</b>	<b>-145%</b>
In % of revenues	-7.4%	-4.1%	
<b>Operating income</b>	<b>-2,987</b>	<b>-957</b>	<b>-212%</b>
In % of revenues	-17.0%	-7.5%	
<b>Net income</b>	<b>-2,973</b>	<b>-849</b>	<b>-250%</b>
In % of revenues	-16.9%	-6.6%	

The half-year accounts were approved by the Board of Directors on 12 December 2023. They have been subject to a limited review by the statutory auditors.

“While we recorded strong first-half business growth, our profitability was temporarily affected by some of our clients deferring their schedules; the deferred projects will further strengthen our growth over the coming half-year periods. In a very buoyant market, Entech has continued to invest in its teams and production capacity to respond to growing demand. The experience built up by our teams represents a major differentiating asset, enabling us to position ourselves on increasingly ambitious projects, while ramping up productivity.” concludes Christopher Franquet, Entech’s Chairman and CEO.

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#### **GROSS MARGIN**

At 30 September 2023, the gross margin rate is up by nearly 1 point to represent 28.7% of revenues, compared with 27.9% at 30 September 2022. This increase reflects the effective management of procurement and the good agility shown by the teams to position themselves on stronger value-added market segments.

For instance, the rooftop PV plant (self-consumption) construction business, with first-half growth of +155%, contributed to the increase in the gross margin. This concerns smaller-scale projects, but with a different business model, delivering higher gross margins.

Research purchases and subcontracting came to €2,576k at 30 September 2023, representing 14.7% of revenues, developing less quickly than the business overall (€2,599k, representing 20.3% of revenues at 30 September 2022). The Company has made use of subcontracting to cover capacity for PV power plant cabling and installations in particular, as well as subcontracting for certain skills (companies specialised in welding, sheet metal work, etc.).

#### **EBITDA**

At 30 September 2023, longer administrative delays for clients with network connections or building permits applications led to postponement of business. EBITDA therefore came to -€1,296k (-7.4% of revenues).

#### *Payroll*

To support the growth in its business, Entech is moving forward with its drive to integrate new skills across its activities. The average headcount for the first half was 126, compared with 90 for last year's first half. Recruitments during the period from April to September 2023 focused primarily on engineer and technician profiles for the Operations teams.

At 30 September 2023, staff costs (including temporary staff) represented 25.8% of revenues, compared with 23.1% for the same period last year. The increase in this ratio is linked directly to the deferred project schedules mentioned earlier.

#### *Purchases and external expenses*

Purchases and external expenses (excluding subcontracting, analysed in the Gross Margin, and temporary staff, analysed in Staff Costs) represented 9.3% of first-half revenues, compared with 8.8% for the same period last year.

This increase is linked mainly to purchases not held in inventory, which represented 1.3% of revenues, compared with 0.7% at 30 September 2022, reflecting the higher costs recorded for electricity, small-scale equipment and personal protection equipment.

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#### FINANCIAL POSITION

Balance sheet (in €'000)	09/2023	03/2023	Chg %
Fixed assets	5,460	4,754	14.9%
Current assets	39,327	42,821	-8.2%
<i>Of which cash and equivalent</i>	6,048	11,152	-45.8%
<b>TOTAL ASSETS</b>	<b>44,787</b>	<b>47,576</b>	<b>-5.9%</b>
Shareholders' equity	26,156	29,109	-10.1%
Other equity	388	409	-5.0%
Provisions	155	103	50.7%
Financial debt	5,470	6,431	-14.9%
Trade payables	12,617	11,524	9.5%
<b>TOTAL LIABILITIES</b>	<b>44,787</b>	<b>47,576</b>	<b>-5.9%</b>

#### Condensed balance sheet

Fixed assets are up €706k, linked in particular to the capitalization of R&D projects for €2,321k (with €1,749k already capitalized at 31 March 2023) offset by depreciation charges, which came to €522k for the first half of this year.

At 30 September 2023, shareholders' equity represented €26.2m.

Financial debt is down €961k following the repayment of bank borrowings.

Available cash at 30 September 2023 came to €6.0m, while financial debt was down to €5.5m, with -€0.6m of net financial debt.

Operating working capital requirements came to €16.1m, representing 165 days of revenues excluding tax, compared with 152 days of revenues excluding tax at 31 March 2023. This increase is linked to advances paid for battery orders on projects under construction at 30 September 2023.

#### OUTLOOK

With an order book at end-September of €42.9m, up +64% from end-September 2022, and teams that are well structured and increasingly productive, Entech is effectively positioned to deliver a stronger second-half performance compared with the first six months as in the previous years. Over the second half of the year, the Company thus expects an improved EBITDA.

The €35m of bank facilities set up in October with six banks will enable the Company to take on board its expected growth with peace of mind.

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

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#### **Publication of the half-year financial report**

The Half-Year Financial Report at 30 September 2023 will be published and registered with Euronext by 21 December 2023. It will also be available on the Company's website.

#### **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 300 projects worldwide and today employs 160 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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