

ENTECH: a year combining strong business growth and investment in people

- Strong business growth: revenues up +65%
- Slight loss in net income due to major investments in people to support growth
- Improved profitability in the 2nd half, with H2 EBITDA at breakeven
- Significant backlog¹ of €32m
- Strong revenue momentum backs medium-term targets

Quimper, June 27, 2023– Entech (FR0014004362 - ALESE), the technology company specialized in smart renewable energy storage and management, announces annual results as at 31 March 2023 in line with the strong growth recorded over the year and the structuring of its teams to aim for larger projects.

(in €'000)	03/31/23 (12 months)	03/31/22 (12 months)	Change
Revenues	34,327	20,812	+65%
Operating revenues	35,569	22,833	+56%
Gross margin	9,360	6,090	+54%
<i>In % of revenues</i>	27.3%	29.3%	
EBITDA	-397	57	n.a.
<i>In % of revenues</i>	-1.2%	0.3%	
Operating income	-1,202	-481	+68%
<i>In % of revenues</i>	-3.5%	-2.3%	
Net income	-741	-278	+44%
<i>In % of revenues</i>	-2.2%	-1.3%	

The audited financial statements were approved by the Board of Directors on 27 June 2023. The Statutory Auditors' report is currently being issued.

"Over the past financial year, Entech has heavily invested in order to maintain a strong growth and give itself the means to win and then deliver projects of a much greater size than those carried out to date. These investments have already begun to bear fruit, with, for example, last May's win of the GEG tender for a potential 50 MWh, and a significant increase in the average size of incoming projects. Demand for new energies remains strong and our past successes give us access to ever larger contracts. Our ambition is to seize those opportunities and benefit from the associated economies of scale" says Christopher Franquet, Chairman and CEO of Entech.

Strong growth in all business segments

Entech recorded revenues growth of +65% over the past financial year, with a sustained momentum in all business segments. The Storage and Hydrogen business grew by +79%, accounting for 52% of revenues in the last financial year. The Production business (design and installation of photovoltaic power plants) grew by +52%, accounting for 48% of revenues.

The size of projects entrusted to Entech kept growing, with an average order size of €2.5m in 2022 (financial year ending 31 March 2023), compared to €1.5m in 2021 for storage projects, and €2.1m compared to €1.3m for photovoltaic power plants.

¹ Backlog: revenues still to be recognized on orders signed at 31 March 2023.

Results: investing in growth

Gross margin rose by +54%, but was down 2 points on the previous year, due to continuous pressure on supplies and some change in the project portfolio.

Against a backdrop of strong growth, profitable at project level, **EBITDA**, which fell from €57k to €-0.4m, was impacted by investments in growth and in particular by the rise in total payroll, from €4.1m to €6.9m (+71%). This reflects the increase in the average number of employees over the period, from 72 to 112, particularly in management staff, some of whom are dedicated to preparing and executing new projects (for which sales will be recorded in the next financial year).

It is worth noting that the second half of the year, with 6 months of revenues on a par with the 12 months of the previous year, resulted in an EBITDA breakeven, demonstrating Entech's ability to bear the costs of growth.

After a slight increase in depreciation, amortization and provisions (€0.7m compared with €0.5m a year earlier) and net financial charges of €0.1m (compared with zero a year earlier), **operating income** was €-1.2m compared to €-0.5m a year earlier.

After exceptional items of €0.1m and a tax charge of €-0.4m, **net income** came to €-0.7m.

Sound financial position and improved working capital

As at 31 March 2023, Entech was in a robust financial position, enabling the company to continue its strong growth: shareholders' equity of €29.1m, up €2.3m following the conversion into shares of the €3m convertible bond, and available cash of €11.2m (compared to €17.9m a year earlier) while financial debt was at €6.4m (compared to €10.5m).

Against a backdrop of strong growth, Entech's operating working capital requirement improved significantly, down from 180 to 152 days of revenues. The teams were able to achieve this improvement as they obtained better payment terms from both customers and suppliers thanks to the increased confidence and visibility of the Entech brand internationally.

Outlook: sustained growth

As a result of the projects successfully completed, Entech's teams are increasingly in demand and are being called upon to take on ever-larger projects for both existing and new customers. Over the past financial year (ending 31 March 2023), the Company worked on 25% more projects, with the average project size up +57%. As at 31 March 2023, the order backlog¹ stood at €32m, which is the amount of revenues already secured. This sustained growth momentum is continuing, with, for example, the tender won by Entech for a 50 MWh storage potential with the local distribution company GEG last month.

Entech thus confirms its medium-term 2025 targets (for the year ending 31 March 2026) of revenues of around €130m and an EBITDA margin of around 20%.

Next date: Annual general meeting, 6 September 2023

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.

PRESS RELEASE

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 140 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/> and [LinkedIn](#)

Contact: Calyptus

Mathieu Calleux

entech@calyptus.net

+33 1 53 65 37 91

Appendix: simplified balance sheet

Balance sheet (in €'000)	03/2023	03/2022	03/2021	Change 23/22
Fixed assets	4,754	4,042	2,505	17.6%
Current assets	42,821	41,436	14,819	3.3%
Of which cash and equivalent	11,152	17,939	1,781	-37.8%
TOTAL ASSETS	47,576	45,478	17,324	4.6%
Shareholders' equity	29,109	26,839	2,706	8.5%
Other equity	409	484	548	-15.5%
Provisions	103	0	115	
Financial debt	6,431	10,460	10,115	-38.5%
Trade payables	11,524	7,695	3,839	49.8%
TOTAL LIABILITIES	47,576	45,478	17,324	4.6%