



Endless ways to the future

GARZ & FRICKE: A KEY MILESTONE IN SECO GROUP'S TRANSFORMATION

11th October 2021



TODAY'S SPEAKERS



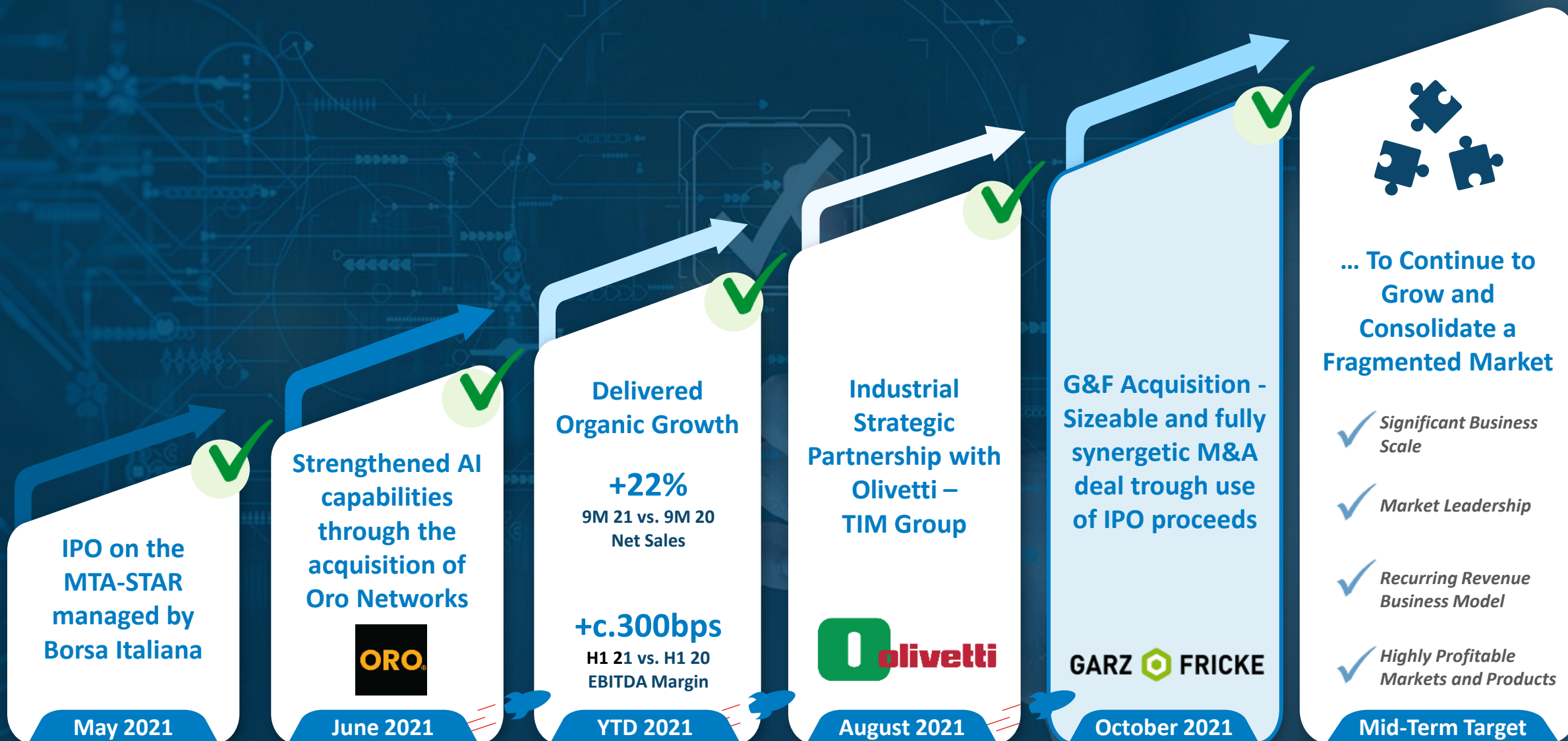
Massimo Mauri
CEO



Stefan Heczko
CEO

STRONG DELIVERY OF OUR IPO STRATEGIC PRIORITIES

G&F ACQUISITION: A FURTHER STEP TO BECOME A GLOBAL LEADER



SECO



GARZ  FRICKE

HIGHLY ACCRETIVE TRANSACTION...



Key Terms

- **€180m** Enterprise Value (of which **€165m** in cash and **€15m** in new SECO shares)
- Implied run-rate cost synergy EV/EBITDA Dec-2022E multiple of **11.2x¹** (**14.9x** excluding synergies or **c.7.0x** fully synergised²)
- Closing by **October 2021** (not subject to any antitrust or regulatory approval)



Financing

- Combination of newly committed financing and SECO's available cash
- Pro-forma Net debt / EBITDA 2021E including run-rate cost synergies of **c.3.0x¹**, strong deleverage below **c.2.5x** by 2022E year end



Shareholders Returns

- **Highly EPS accretive** transaction since the first full year after acquisition, even before synergies

Source: SECO management elaborations.

Notes: **(1)** Synergized multiple including c.€4m of cost synergies only. **(2)** Fully synergized including c.€4m of cost synergies and c.€11m total revenue synergies impact on EBITDA.

...WITH AN EXCELLENT STRATEGIC FIT AND MEANINGFUL SYNERGIES



Strategic Rationale

- ➔ Reinforces strategic presence in the **DACH region**, one of the most attractive markets in IoT/AI and edge computing
- ➔ Highly **complementary across all operating metrics**, with similar financial profile (**EBITDA margin 20%+**)
- ➔ **Leverage on G&F's c.200,000 installed devices** (of which **c.65,000** already running IoT connectivity solutions) to further **accelerate the deployment of CLEA platform** in German-speaking countries
- ➔ Brings **high quality team** led by G&F's CEO Stefan Heczko, strengthening SECO's talent pool



Synergies

- ➔ Total EBITDA synergies of **c.€15m** achievable within **3 years**
- ➔ **c.€4m** EBITDA cost synergies from purchasing, G&A and manufacturing efficiencies to be realized in the first **12 months** after closing
- ➔ **c.€25m** revenue synergies from cross-selling and up-selling opportunities, resulting in a **c.€11m** EBITDA revenue synergies to be realized in **3** years after closing



Integration Plan

- ➔ Detailed integration roadmap built on **6 key value building blocks** expected to be completed **by H1 2022**
- ➔ **60+ implementation initiatives** already identified

Source: SECO management elaborations.

GARZ & FRICKE: A UNIQUE INDUSTRIAL TECHNOLOGY PLAYER IN THE DACH MARKET

Company Description

- Established in **1992** and based in **Hamburg**
- Leading supplier of standard and custom **HMI¹ edge computing solutions**, their building blocks and a tailored ecosystem of **IoT, software and payment solutions**
- Focus on four core verticals:** Vending, Professional Kitchen Equipment (Food & Beverage), Med/Lab, Diversified Industrials
- Strong market positioning in Germany**, Europe's largest HMI edge computing market
- 3 brands for complementary customers:** "Garz & Fricke" (HMI solutions), "Keith & Koep" (SOM²) and "e-GITS" (Software & Platform)
- Strong technological footprint: **2 production facilities in Germany** and **c.28% headcount in R&D**
- More than **c.65,000 active IoT** and c.39,000 payment installations at end of 2021

Key Brands

GARZ  **FRICKE**

Keith & Koep

e-GITS


 **194**
employees²

 **320**
customers

 **6**
locations worldwide

 **3**
Key Brands

 **c.28%**
R&D employees

 **c.39,000**
payment installations
by the end of 2021

Key Financials

c.€50m
2022E
Total Net Sales

c.14%
2011A-2022E
Sales CAGR

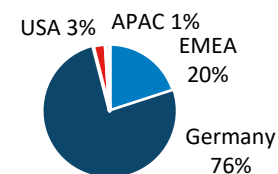
c.€12m
2022E
Adj. EBITDA

c.24%
2022E
EBITDA Margin

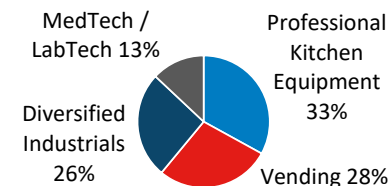
c.78%
2022E
Cash Conversion³

Sales Breakdown (2020A)

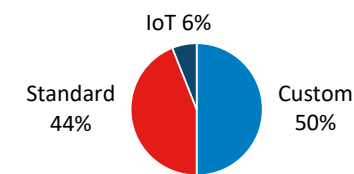
By Geography



By End-Market



By Product

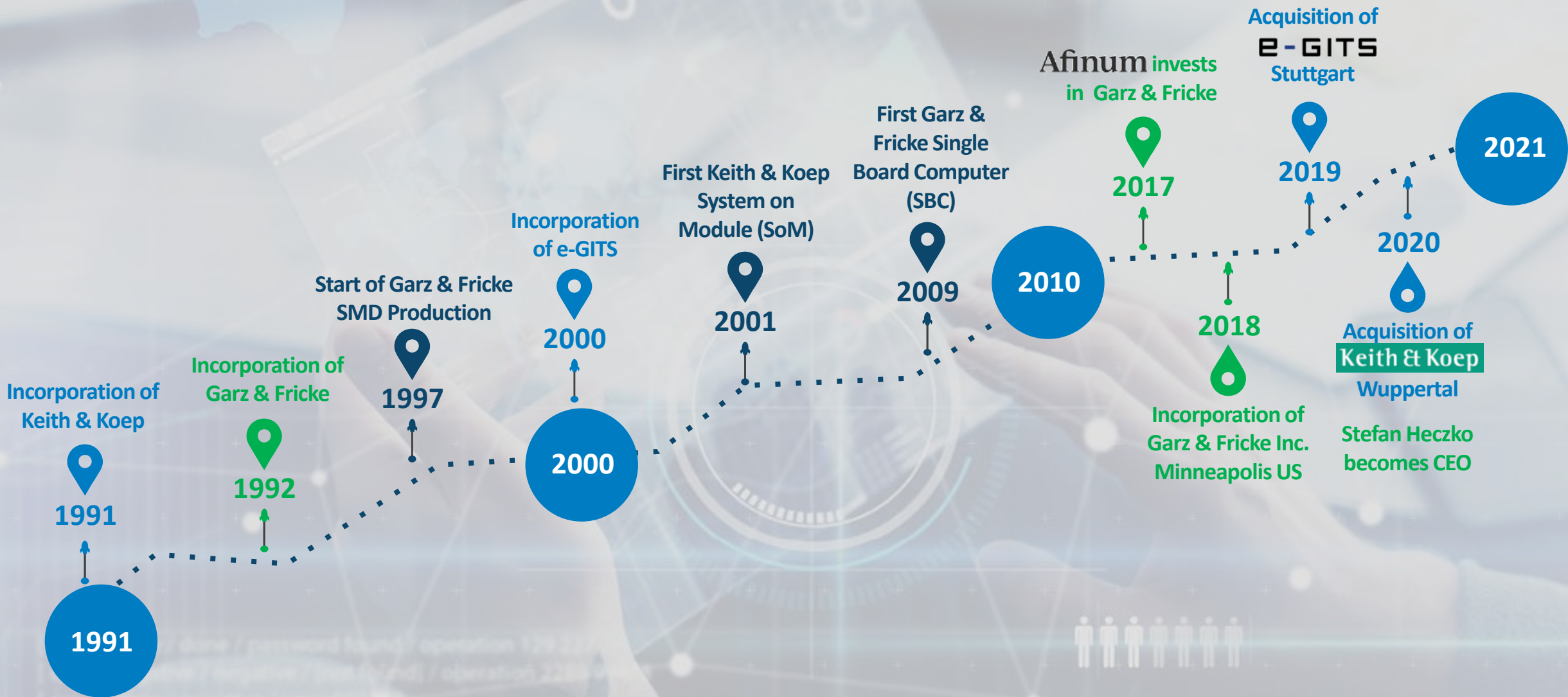


Source: SECO management elaborations.

Notes: (1) HMI = Human-Machine Interface. (2) SOM = Systems on Module. (3) Computed as (EBITDA-Capex)/EBITDA.

MORE THAN 30 YEARS OF EXPERIENCE IN THE FIELD OF EDGE COMPUTING HMI SOLUTIONS

G&F HISTORY AND SELECTED MILESTONES SINCE 1991











WHAT DIFFERENTIATES GARZ & FRICKE?



Notes: ⁽¹⁾ Relationship in years for the top 10 customers.

A ONE-STOP PROVIDER OF EDGE COMPUTING SYSTEMS AND IOT SOLUTIONS, WITH A FOCUS ON VENDING, MEDLAB, PROFESSIONAL KITCHEN EQUIPMENT AND INDUSTRIAL

Solution Offering	Edge Computing Systems & HMI 66%			Vending & IOT 17%		Software & Other 17%
	HMI	SBC	SOM	Payment Systems	IOT/Telemetry	
Products						
Illustration						
Description	Wide range of rugged high-resolution and high-brightness HMIs with touch technology	Scalable platform with uniform software distribution and many different standard interfaces enabling edge computing SBCs to be used for a wide range of applications	Space- and cost-saving product range that offers high computing power with relatively small dimensions and future-proof upgrade options	Highly integrated and rugged cashless module from G&F for quick, safe and convenient payment	Smart Vending machine controller family features an expansion slot, which makes adding telemetry functions to the controller very easy	Edge computing application & software development; payment services and hosting fees; services sold individually to the client
Brand	GARZ  FRICKE			GARZ  FRICKE		e-GITS
Vertical	<div>Vending</div> <div>Diversified Industrial</div> <div>PKE¹</div> <div>MedLab</div>			<div>Vending</div>		<div>Vending</div> <div>Diversified Industrial</div> <div>PKE</div> <div>MedLab</div>

Source: SECO management elaborations.

Notes: (1) PKE stands for "Professional Kitchen Equipment".

% Indicative % of sales

GARZ & FRICKE: AN INDUSTRY-LEADING PAYMENT SOLUTION FOR VENDING MACHINES AND OTHER VERTICALS

Integrated Contactless Payment via NFC¹

Ability to accept contactless payment via NFC¹, G&F ensures both connectivity and payment processing. No additional contracts with e.g., payment service providers or Telcos necessary

Combinable with Touch-display HMI

Optionally combined with touch display HMIs, even as a highly customized complete module tailored to the customers requirements if desired



Ease of Integration

Easy integration even in older devices and optional expandability with graphic display, touch, Bluetooth, LAN. Easy UX for both service/ installation technician as well as end-consumer

High Security Standards

No large cut-out in the housing necessary, preventing unintentional tampering, vandalism and weather protection proof

Key Benefits



Integrated contactless payment and age verification as USP² in regulated markets



Integrated solution with **telemetry functionalities and strong value-add**

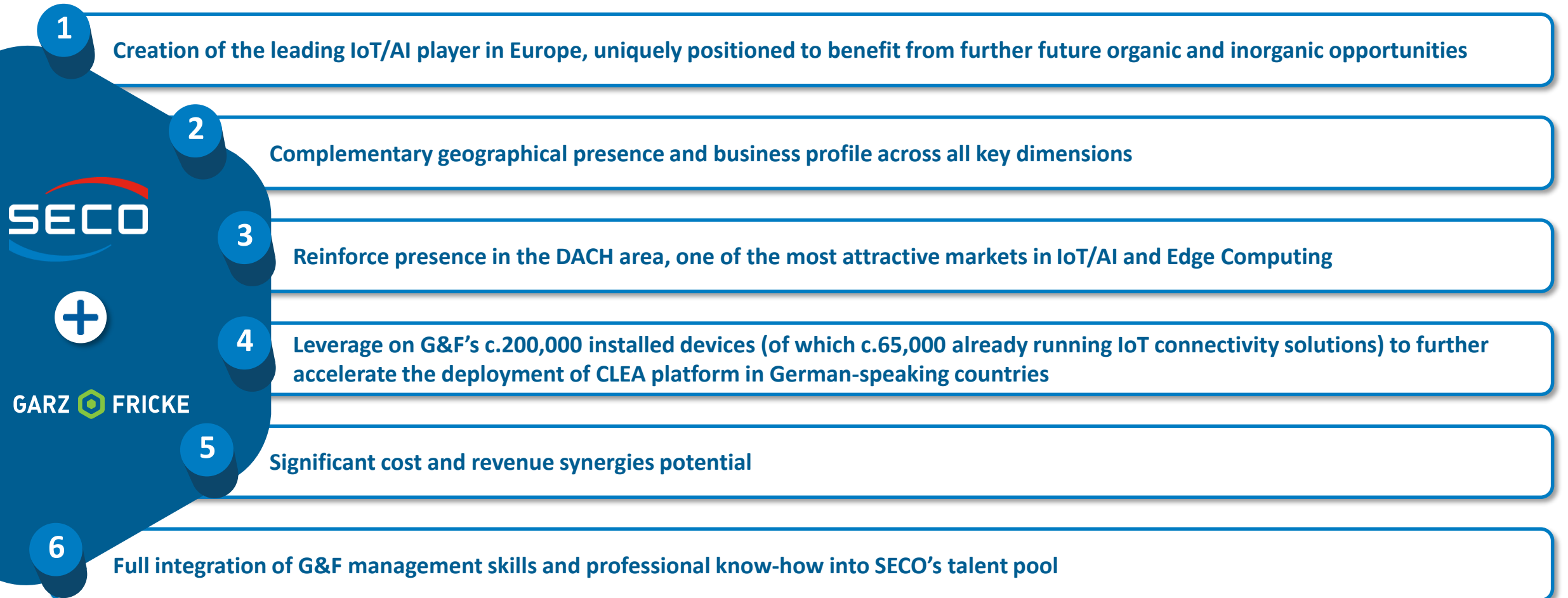


Cost reduction and greater flexibility in pricing for operators, plus **increased vending machine security**

Source: Company information.

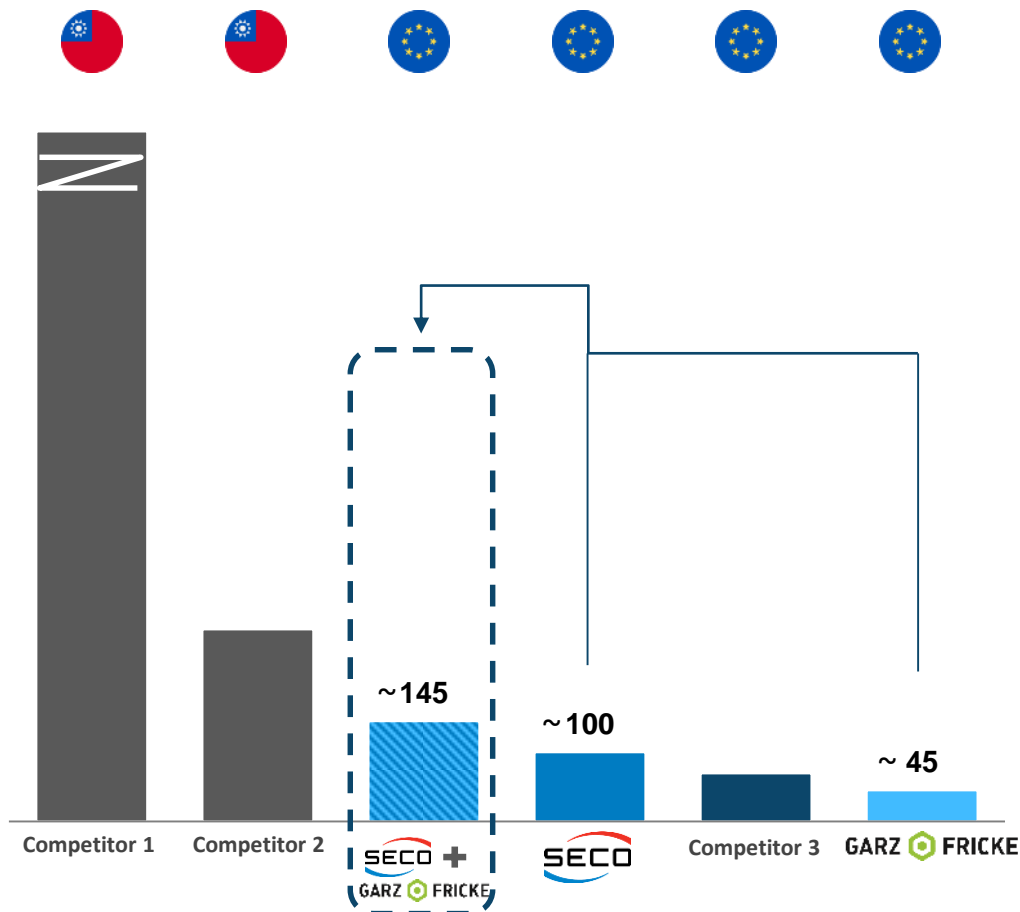
Notes: **(1)** NFC stands for "Near Field Communication". **(2)** USP stands for "Unique Selling Point".

WHY GARZ & FRICKE IS THE RIGHT TARGET FOR SECO?

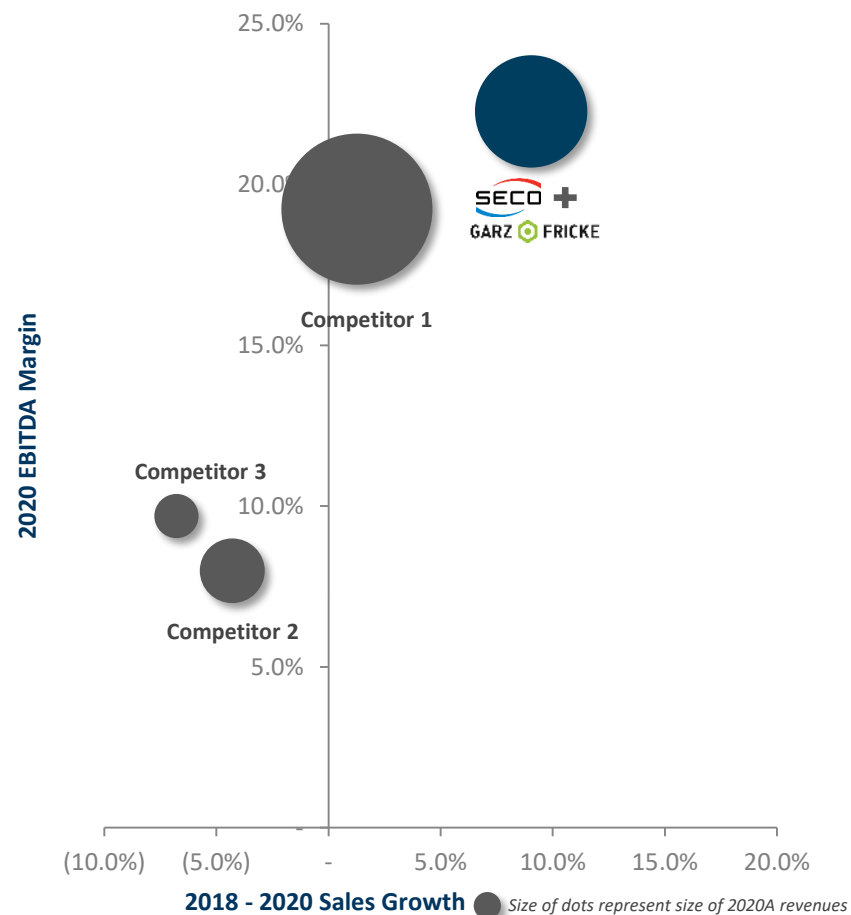


1 CREATION OF THE LEADING IOT/AI PLAYER IN EUROPE, WITH BEST-IN-CLASS PROFITABILITY AND GROWTH PROFILE

Edge Computing Players Competitive Landscape by Size (Revenues¹, €m)



2020 EBITDA Margin vs. 18-20 Sales CAGR



Key Highlights

- ✓ Creation of the **leading European player** in the IoT-AI Industry and the **top 3 ranked worldwide**
- ✓ Establishment of a **major international / pan-European champion for IoT-AI solutions**, with enhanced awareness and perceived reliability
- ✓ Overall **increase in business scale**, allowing to target further large OEMs / market leaders in focus verticals previously inaccessible due to size
- ✓ Sizeable player in the European market representing an ideal **platform for future M&A**

Source: SECO management elaborations.

Notes: **(1)** Ranking based on public listed competitors and their latest available financials, SECO based on mid-point guidance for 2021E, G&F based on 2021 budget figures.

HIGHLY COMPLEMENTARY GEOGRAPHICAL PRESENCE...

Global geographic footprint enabling flexible production capacity and complementary access to key strategic markets (i.e. Germany, US)

Similar **direct go-to-market strategy** for both entities, allowing for **immediate cross-selling opportunities**

Reinforcing strategic presence into **German market**

Strengthening of **US presence**

9

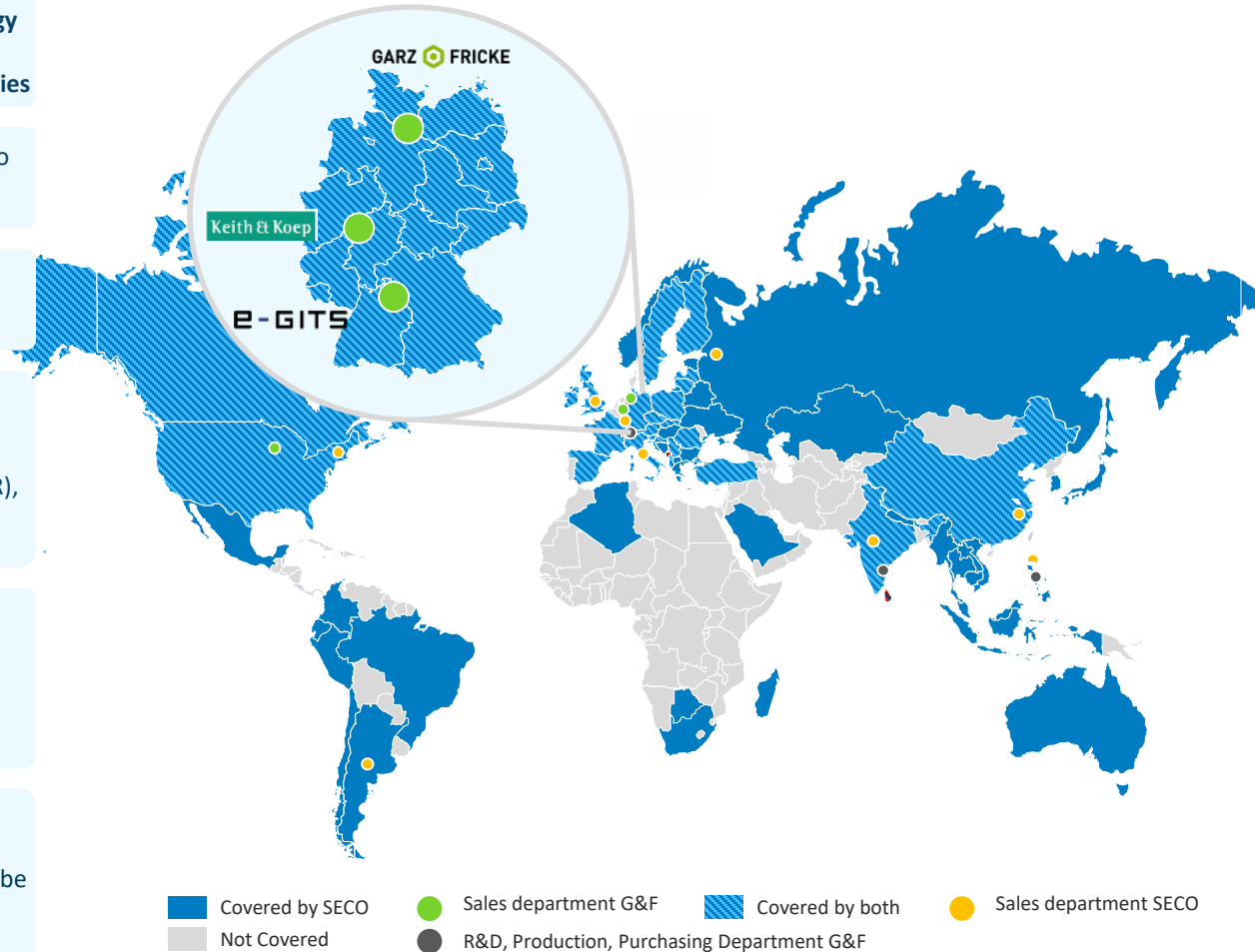
Design Centres across **3 continents**: Europe (2 ITA, 3 GER), North America (2), India and China

4

European manufacturing plants (2 ITA, 2 GER)

1

Strategic asset in China (Fannal) to be further exploited with the internalization of G&F volumes



Hamburg
Headcount: 149
Functions: R&D, Production, Sales

GARZ FRICKE GROUP
WE MAKE IT YOURS



Wuppertal
Headcount: 24
Functions: R&D, Production, Sales



Arezzo
Headcount: 293¹
Functions: R&D, Production, Sales

SECO
Endless ways to the future



Tregozzano
Headcount: 53¹
Functions: Production, Sales



Hangzhou
Headcount: 126¹
Functions: R&D, Production, Sales

Production Plants

Source: SECO management elaborations.

Notes: (1) As of June 2021.

...AND BUSINESS PROFILE ACROSS ALL KEY DIMENSIONS

2020A



Endless ways to the future



WE MAKE IT YOURS



Endless ways to the future



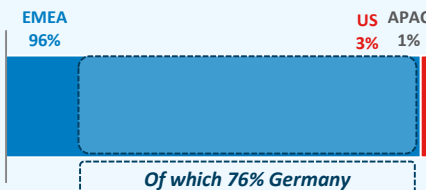
WE MAKE IT YOURS



Regional Coverage



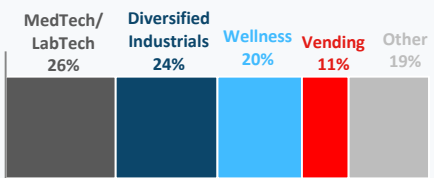
+



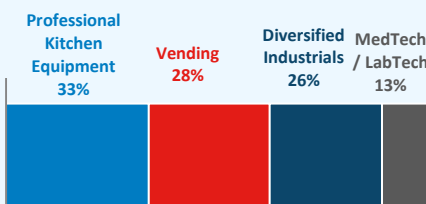
→

Enhanced **geographic coverage**Leading **market positions** in Germany and ItalyStrong combined presence in **US market**

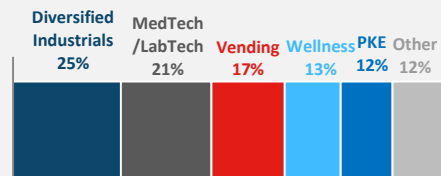
Vertical Coverage



+



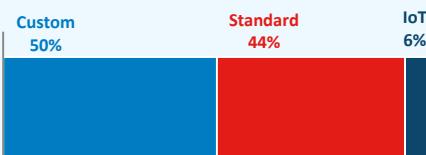
→

Enhanced **diversification across verticals**Combination will further **strengthen positioning** in the resilient and high growth MedLab vertical as well as in consolidated segments such as vending and diversified industrials

Share of "Edge" / IoT Product Types



+



→

Continued **focus on custom edge systems**Further opportunities to **increase and scale IoT solutions and integrate new technologies** (e.g. contactless payments)

Source: SECO management elaborations.

Notes: PKE stands for "Professional Kitchen Equipment". (1) 2020 SECO pro-forma revenues including OroNetworks Acquisition.

REINFORCED PRESENCE IN THE DACH AREA, ONE OF THE MOST ATTRACTIVE MARKETS IN IOT/EDGE COMPUTING

Global IoT End-point Market

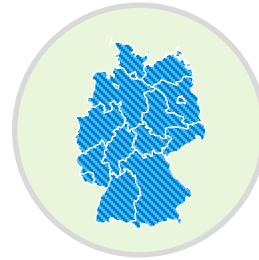
accounting for
c.€306bn



€306bn $\xrightarrow{+15\% \text{ (CAGR 20-24E)}}$ **€532bn**
Global IoT End-point Market Value¹
(2020 | 2024E)

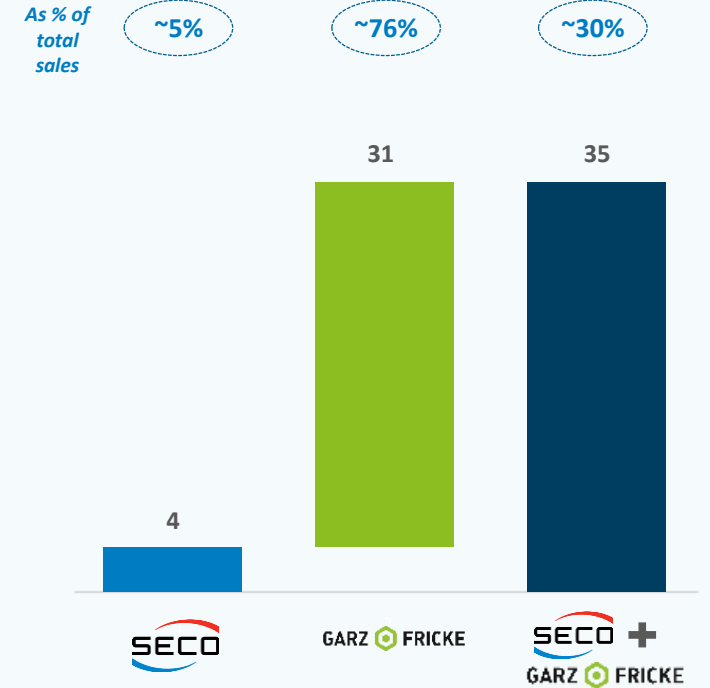
German Market

accounting for
c.€14bn
(corresponding to c.5% of global market share
/ c.20% of Western Europe)



€14bn $\xrightarrow{+15\% \text{ (CAGR 20-24E)}}$ **€24bn**
Global IoT End-point Market Value¹
(2020 | 2024E)

Combined German Market Revenue Profile (2020A, €m)



G&F contributing significantly to reinforce SECO strategic exposure to German market and broader DACH region

Source: SECO management elaborations.

Notes: **[1]** Value corresponding to annual shipments of endpoints, either for new placement or replacement.

4

HIGHLY SYNERGISTIC TECHNOLOGICAL PORTFOLIO LEVERAGING ON RESPECTIVE STRENGTHS AND INSTALLED BASIS



Endless ways to the future

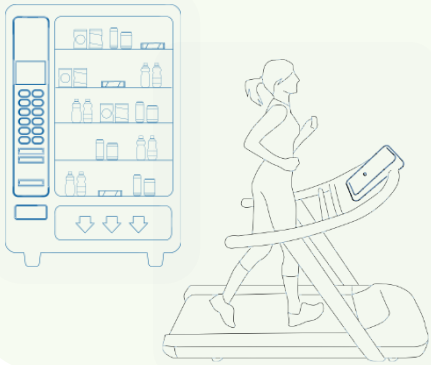


Endless ways to the future



c.400,000

SECO's devices by 2022 to be potentially integrated with proprietary G&F payment solution



c.39,000

Payment installations devices active by the end of 2021



+11%

2020A-2024E Contactless Payment Solutions global market growth

SECO's IoT Technology Enabler...



...ready to be integrated on additional **c.65,000** active IoT devices

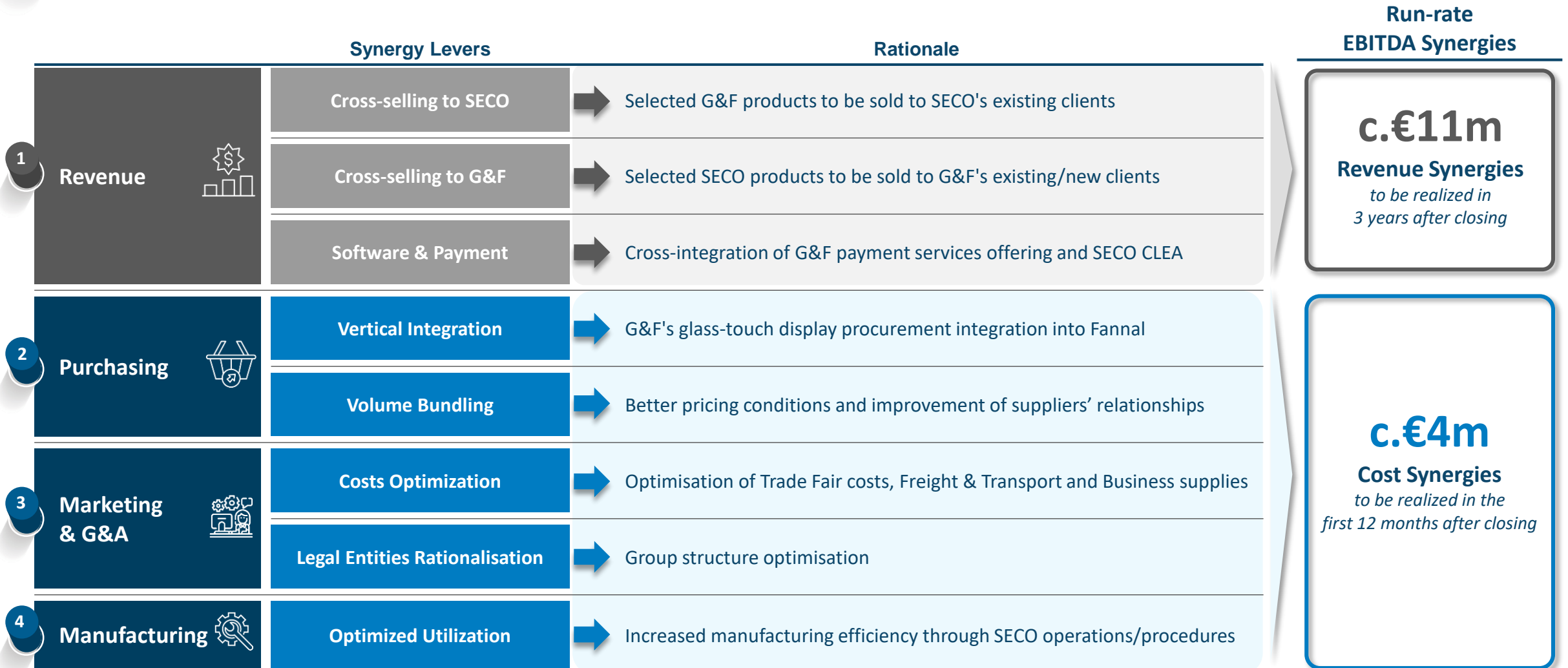


Introducing G&F proprietary payment solution within existing SECO installed base...

...while integrating SECO's CLEA platform on G&F product offering

Source: SECO management elaborations.

SIGNIFICANT COST AND REVENUE SYNERGIES POTENTIAL



Run-rate EBITDA Synergies

c.€11m

Revenue Synergies

to be realized in 3 years after closing

c.€4m

Cost Synergies

to be realized in the first 12 months after closing

Source: SECO management elaborations.

FULL INTEGRATION OF G&F MANAGEMENT SKILLS AND PROFESSIONAL KNOW-HOW INTO SECO'S TALENT POOL



Stefan Heczko
CEO



Marc-Michael Braun
CFO



Kai Poggensee
CTO



Volker Keith
EVP Innovation



Stephan Meyer-Loges
Head of Product
Management



Steven Kluge
Head of Marketing



Sascha Ullrich
Global Alliance and
Strategic Key Account
Manager



Sören Götsche
Head of Production



André Liebhaber
Head of Purchasing and
Quality



Claudia Neumann
Head of HR



Sven Ließ
MD e-GITS

Addition of highly qualified management team with strong background and execution capabilities, further reinforced with strategic hiring over the last years

A CLEAR AND DEFINED INTEGRATION PLAN...



Source: SECO management elaborations.

...TO DRIVE SIGNIFICANT VALUE SHAREHOLDERS CREATION



Unique opportunity in SECO's growth story to *consolidate its European and global market leadership* and accelerate future growth



Significant value creation thanks to the *unique strategic fit* and *strong synergy potential*



Best practice sharing, merging of best-in class talents to pursue unrivalled quality products and constant innovations



Strong financial profile and *robust cash flow generation*, retaining a *flexible and sustainable capital structure*



Highly accretive acquisition with expected EPS accretion achieved already in first year post closing, even before synergies

Our Expectations

>€180m

Total Combined
Sales by 2022E

>€40m

Total Combined
EBITDA by 2022E

Source: SECO management elaborations.










Endless ways to the future

Appendix



HIGHLY SYNERGISTIC PRODUCTS, PROVIDING SECO WITH THE OPPORTUNITY TO INTEGRATE PAYMENT SOLUTIONS INTO ITS CURRENT OFFERING

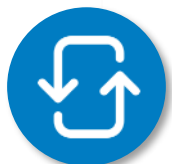
		HMI				Vending Payment Hardware & Machine Controller	Software & IoT/ AI Platform Services	Smart Edge (Boxed Solutions / Gateways)	
SBC / SOM		HMI	TFT Displays	Touch Screens					
									
		G&F	SECO	G&F	SECO	G&F	SECO	G&F	SECO
Coverage		✓	✓	✓	✓	✓	✗	✗	✓

Highly Complementary Product Portfolio

✓ Covered
✗ Not Covered
✓ Covered, but not marketed as a single product/ integrated in HMI only

Source: SECO management elaborations.

TRANSACTION HIGHLIGHTS



Transaction Terms & Structure

- The terms of the agreement envisage a total consideration of €180m on a cash-free and debt-free basis
 - SECO will correspond to G&F shareholders a €165m cash consideration funded through a mix of new acquisition financing facilities and cash on hand
 - €15m of the consideration will be provided in the form of newly issued SECO shares
 - Total amount of share to be issued based on last 30 days SECO VWAP of €5.86¹ per share, with a 6 months lock-up period post closing (*except for CEO Stefan Heczko for which 12 months lock-up period will apply*)
- Implied run-rate cost synergy EV/EBITDA Dec-2022E multiple of 11.2x² (14.9x excluding synergies) or c.7.0x fully synergised³



Financing

- The acquisition will be financed with a new banks facility of €120m arranged and underwritten by Intesa Sanpaolo S.p.A and UniCredit S.p.A as Co-underwriters and Bookrunners; Banco BPM S.p.A. and Gruppo BNP-Paribas joined as Mandate Lead Arranger
 - Term Loan A of €48m, 6 years senior amortizing long term facility
 - Term Loan B of €72m, 7 years senior bullet facility



Closing & Timing

- Closing expected by October 2021 (not subject to any antitrust or regulatory approval)
- Shareholders' meeting will be called to approve a share capital reserved to Afinum, Mr. Garz, Mr. Fricke and Mr. Heczko for the issuance of new shares representing up to c.2.3% stake in SECO share capital (1.5% implied stake on voting rights share capital)

Notes: **(1)** As of 08/10/2021. **(2)** Synergized multiple including c.€4m of cost synergies only. **(3)** Fully synergized including c.€4m of cost synergies and c.€11m total revenue synergies impact on EBITDA.

DISCLAIMER

IMPORTANT: The following applies to this document, the oral presentation of the information in this document by SECO S.p.A. ("SECO" or the "Company") or any person on behalf of the Company, and any question-and-answer session that follows the oral presentation (collectively, the "Information"). In accessing the Information, you agree to be bound by the following terms and conditions.

This document has been prepared by the Company for information purposes only, exclusively with the aim of assisting you to understand and assess the activities of SECO. The information contained in this presentation does not purport to be comprehensive and may not have been independently verified by any independent third party.

Such forward-looking statements are subject to risks and uncertainties, the non-occurrence or occurrence of which could cause the actual results, including the financial condition and profitability of SECO to differ materially from, or be more negative than, those expressed or implied by such forward-looking statements, due to any number of several factors, many of which are beyond the ability of SECO to control or estimate precisely. Consequently, SECO and its management can give no assurance regarding the future accuracy of the estimates of future performance set forth in this document or the actual occurrence of the predicted developments.

The data and information contained in this document are subject to variations and integrations. Although SECO reserves the right to make such variations and integrations when it deems necessary or appropriate, SECO assumes no affirmative disclosure obligation to make such variations and integration, except to the extent required by law.

The Information contains forward-looking statements. All statements other than statements of historical fact included in the Information are forward-looking statements. Forward-looking statements give the Company's current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the Company's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which it will operate in the future.

No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the Information or the opinions contained therein. The Information has not been independently verified and will not be updated. The Information, including but not limited to forward-looking statements, applies only as of the date of this document and is not intended to give any assurances as to future results. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to the Information, including any financial data or forward-looking statements, and will not publicly release any revisions it may make to the Information that may result from any change in the Company's expectations, any change in events, conditions or circumstances on which these forward-looking statements are based, or other events or circumstances arising after the date of this document. Any reference to past performance of the Company shall not be taken as an indication of future performance.

In addition, this presentation includes certain "Adjusted" financial and operating indicators and other measures, which have been adjusted to reflect extraordinary events, non-recurring transactions and activities which are not directly related to the Group's ordinary business. Such "Adjusted" information has been included to allow a better comparison of financial information across the periods; however, it should be noted that such information is not recognized as measures of financial performance or liquidity under IFRS and/or do not constitute an indication of the historical performance of the Company or the Group. Therefore, investors should not place undue reliance on such data and information.

This presentation does not constitute a recommendation regarding the securities of the Company. This document does not constitute or form part of any offer or invitation to purchase or subscribe any shares issued by the Company and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.



Endless ways to the future

Thank you!

