2023 **first half** results

INVESTORS LIVE STREAMING PRESENTATION

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UNLEASHING THE POWER OF THE EDGE

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H1 2023 financial highlights

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- **Organic double-digit growth YoY confirmed**
  +16.6% at constant exchange rates
- **Gross Profit Margin net of InoNet close to aspired run-rate, +540 bps YoY**
  47.9% (w/o InoNet), 46.6% (with InoNet)
- **EBITDA positive**
  YoY swing from -1.6M€ in H1 ’22 to +2.7M€ in H1 ’23
- **Opex growing YoY mostly due to InoNet consolidation**
  Tech Talent war driving salaries increase contributed as well
- **Net Working Capital affected by imbalance btw payables & receivables**
  long tail of component shortage effects, easing towards year-end
- **Net Financial Position trend chasing NWC**
  some cash still parked in inventory, 3-4M€ reduction expected by year end

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business
update

#4

competitive advantage confirmed, once again

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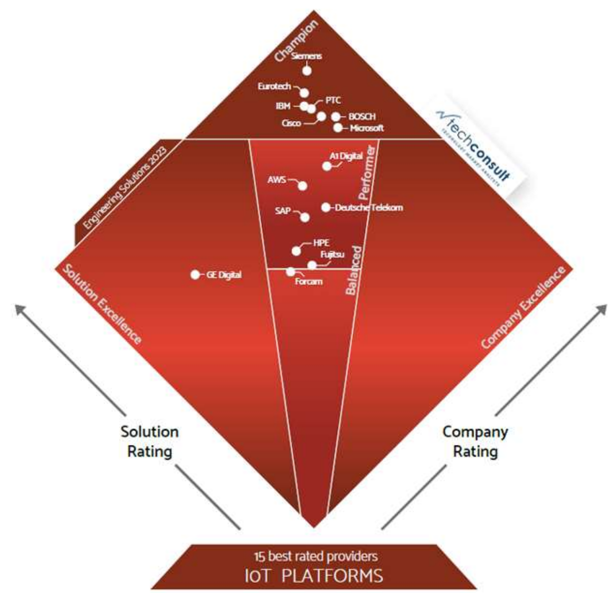
our offering praised by analysts and recognized by professional users

Eurotech rated “**Hidden Champion**” in “**Open digital platforms for secure zero-touch industrial IoT deployments**” by **PAC**

Voice of the customer: Eurotech recognized with **top ranking in the Professional User Rating 2023** for IoT Platforms conducted by **techconsult**



InoNet on a steady progress path

gross margin up 400 bps YoY | sales synergies kicking-in

FY23 revenues on a growth path

ca. 15% organic growth YoY

#new wins on ADAS

giving a better mix,
to the benefit of GPM

#GPM up ca. 400 bps in H1

thanks to a better mix, plus actions on prices
vs customer / suppliers coming to fruition

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Gross Margin: old group back to 48% run-rate, InoNet improving vs 2022

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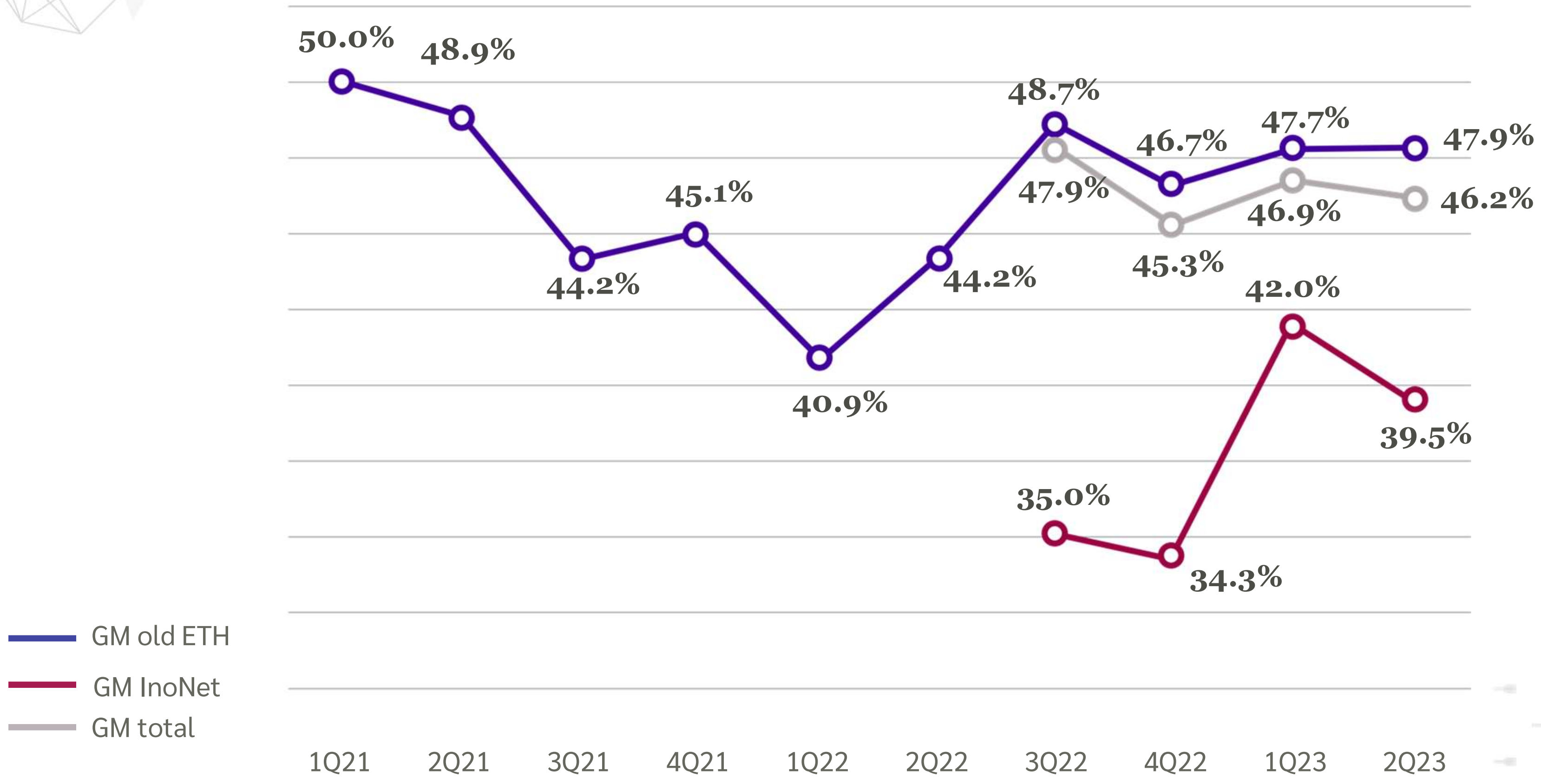
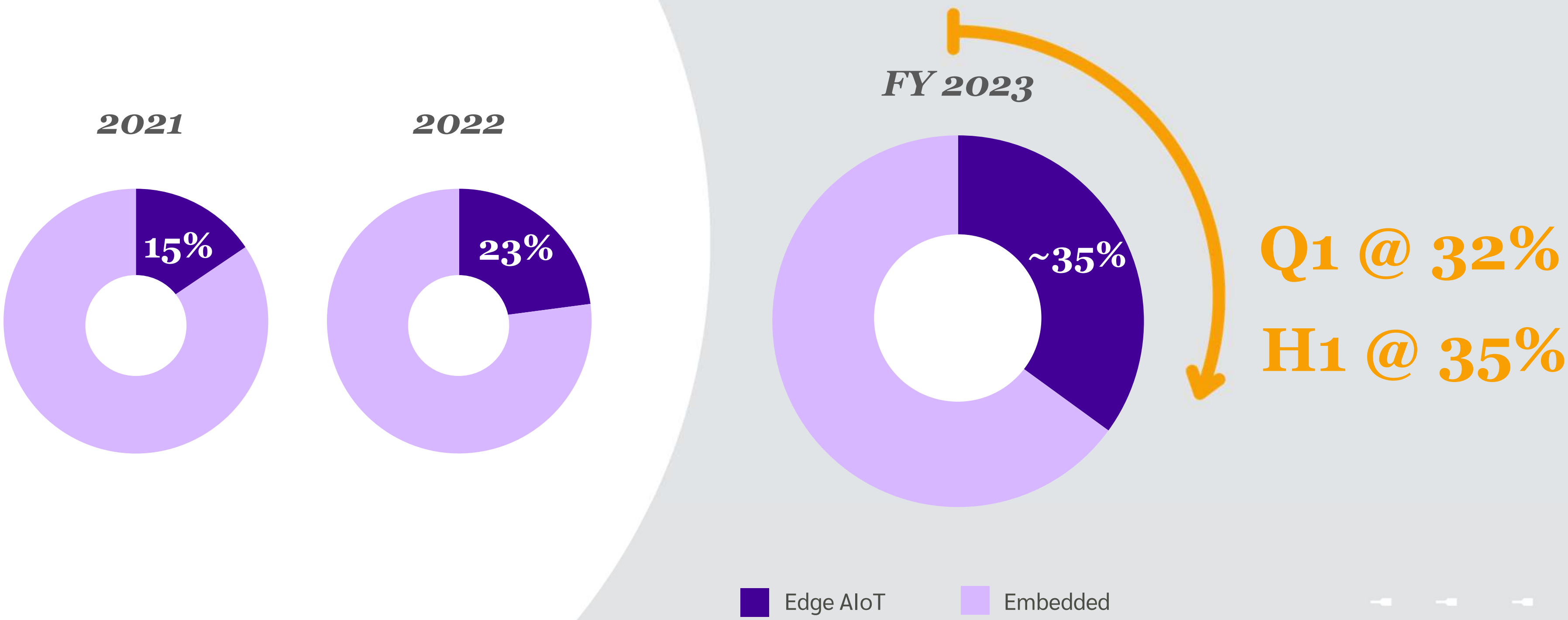
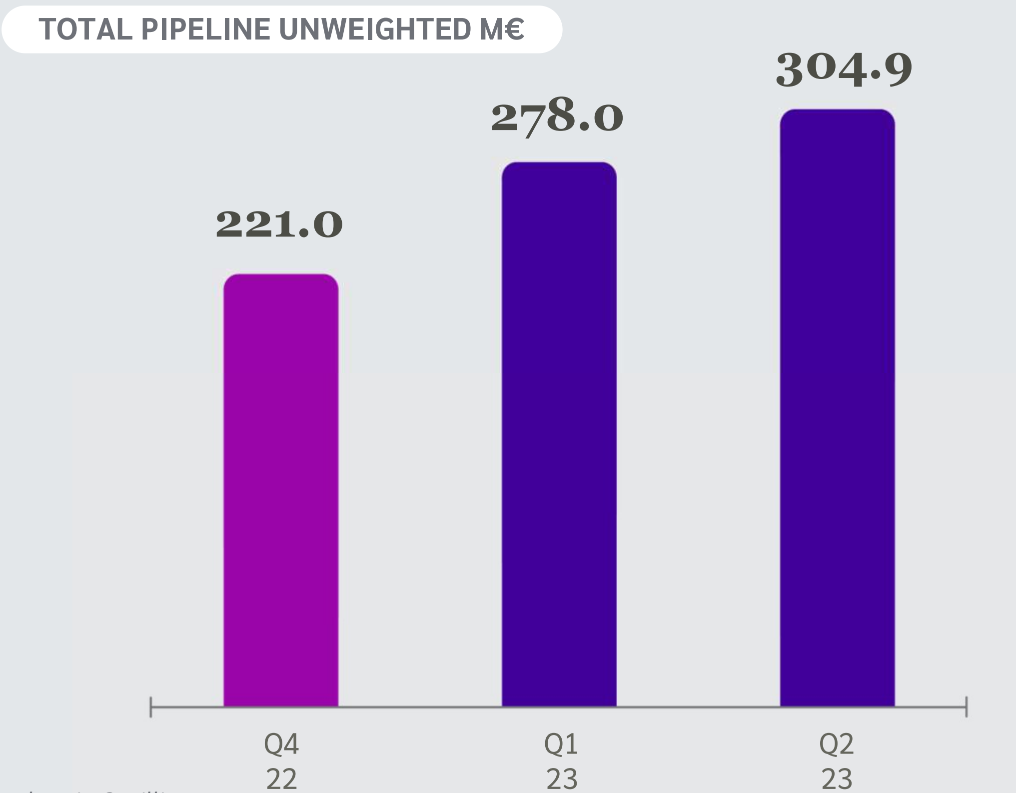


swing towards Edge AIoT is happening

revenues accelerating in integrated HW+SW for mission-critical Edge AIoT applications



pipeline for Edge AIoT in USA + Europe is growing QoQ



All values in € million

90% coming from 3 main company initiatives for 2023:

grow in ADAS

grow in Edge AIoT with Hyperscalers

grow in Consolidated Edge

looking forward

overall softness across the board is a common theme

industry characterized by:

- **destocking following panic overstocking in 2021-22**
  - Taiwanese peers facing destocking since June ’23
  - Industrial sector showing prolonged destocking, players signaling order intake down ca. 17-20% YoY
- **reduction of inventories linked to high interest rates**
- **inflation pushing wages up significantly,** especially in US
- **many companies in a wait-and-see mood on new investments:**
  - China losing growth momentum
  - Manufacturing indexes in US signaling a contraction
  - Europe still fighting with high energy bills

visibility on FY2023

- **line of sight improved above 90 M€** faster TTM of standard products allow us room for additional book-and-bill

- **soft Q3 due to destocking**
  both in US and Japan on embedded products

- **Q4 >> Q3**
  confirming our history of year-end rush on revenues

- **still residual shortage of few components in Japan**
- **watching out on destocking phenomena globally**

financial
update

H1
2023

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H1 2023 growth driven by Edge AIoT

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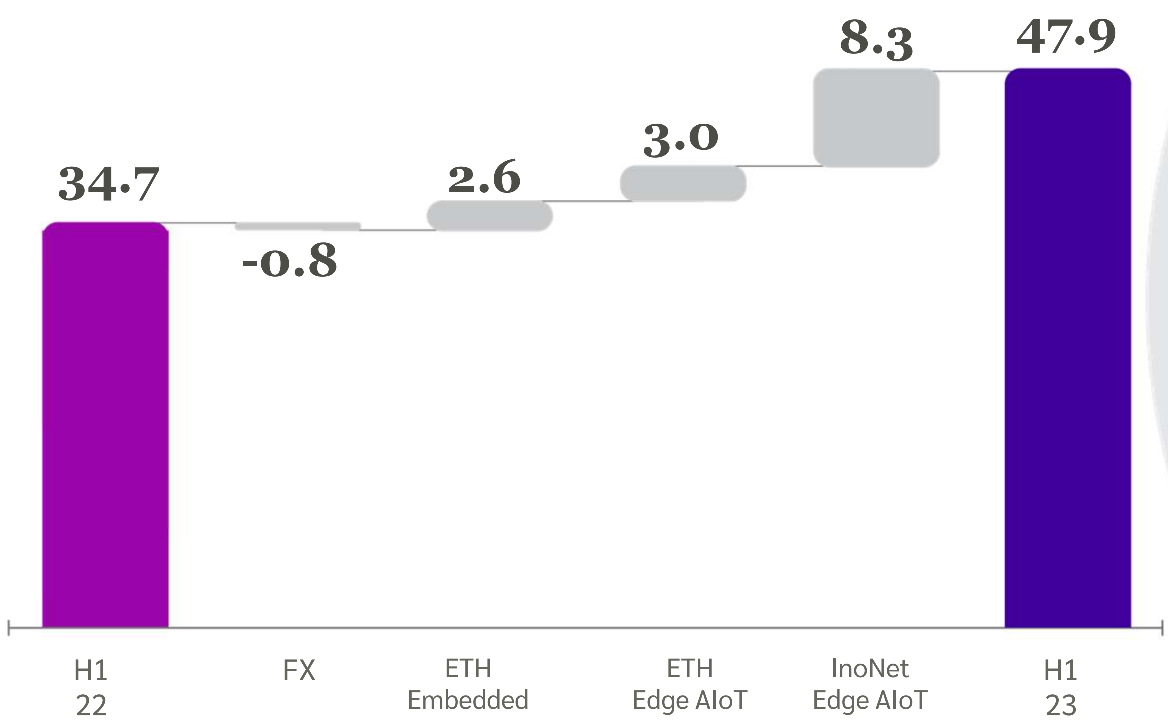
for the first time Edge AIoT grew more than Embedded



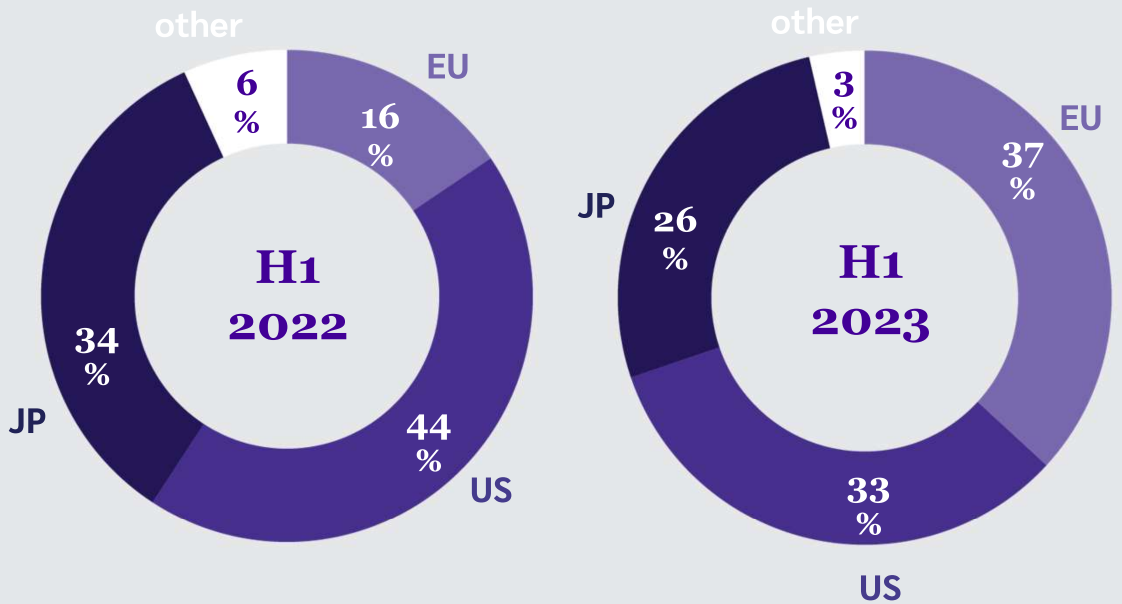
All values in € million

#Edge AIoT growing more than Embedded in old perimeter

#InoNet accelerating Edge AIoT growth in EU

Europe pushed by InoNet consolidation

breakdown by end-customer location



Percentages total might not sum up to 100 because of rounding

#**US** still sustained by **legacy business**

#**Europe** boosted by strong growth on **Edge AIoT** and InoNet consolidation

#**Japan** recovering in Q2 from weak start in Q1, bringing **H1** into **growth YoY**

EBITDA from negative to positive

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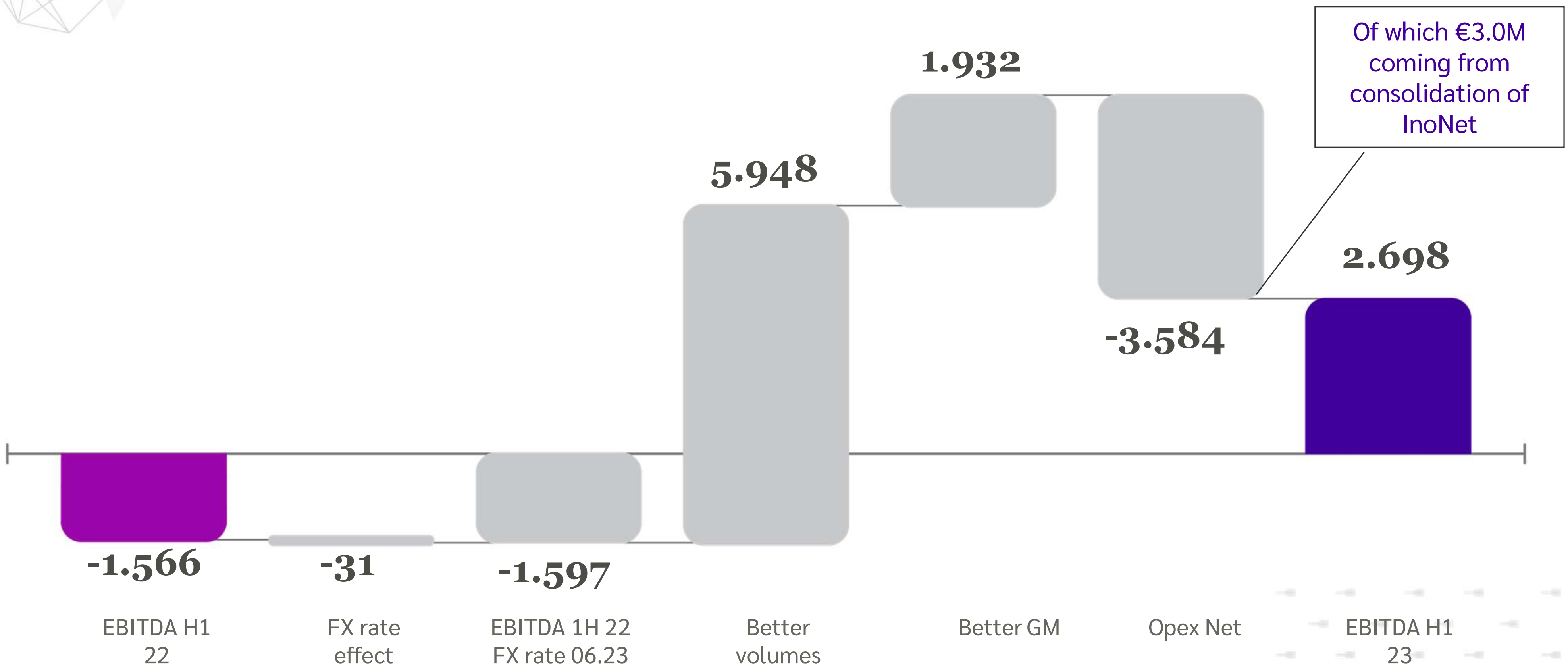
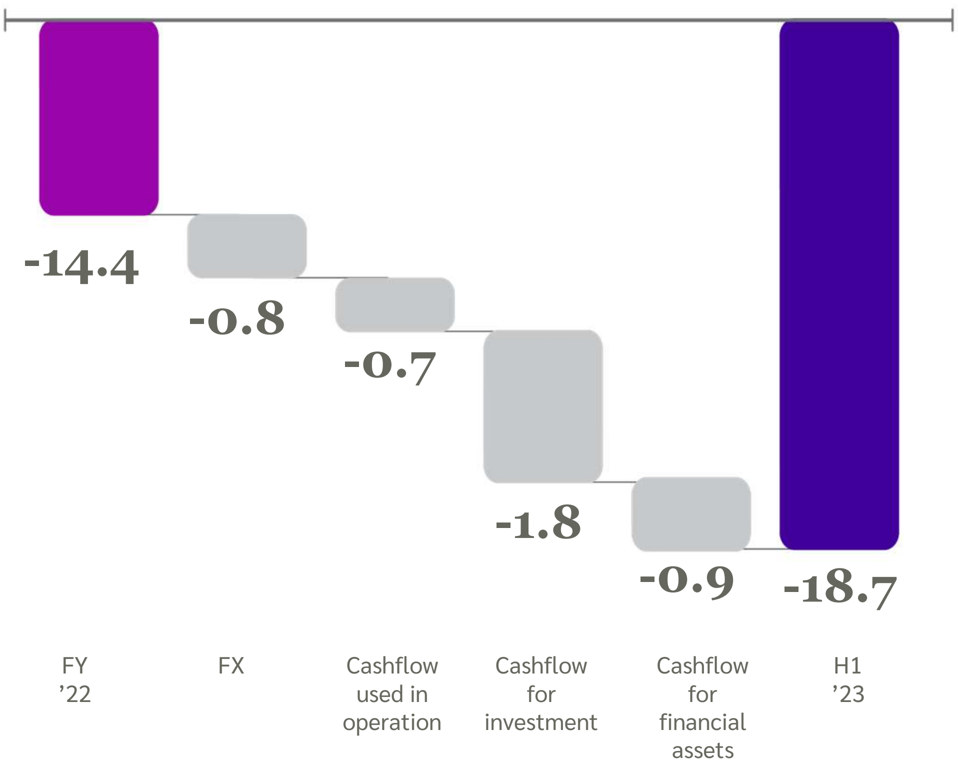
swing driven by GPM improvement YoY and operating leverage



balance sheet ruled by long tail of component shortage effects

NFP (net debt) impacted by NWC temporary increase



NWC impacted by temporary imbalance between payables and receivables

key takeaways

H1
2023

key takeaways

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Edge AIoT driving growth on revenues YoY for the first time

InoNet integration on a good pace, sales synergies kicking-in & GPM improving YoY

Good performance on GPM approaching run-rate and **EBITDA positive**

Long tail of component shortage effects impacting NWC, easing towards year end

Edge AIoT pipeline building up with QoQ steady growth

Visibility above 90M€ on FY2023 with still room for improvement

thank you

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