



# Highlights 2023

*Dear Shareholders,  
It is a pleasure to present the  
financial statements of a year that  
saw the Group continue on its growth  
path. Here I will share with you a brief  
summary of the year 2023.*

My first reflection relates to the renewal of the Board of Directors, which will remain in office until approval of the 2024 financial statements, and which saw the entry of two new directors: Marco Fumagalli and Claudio Becchetti, two professional figures we already know and who certainly share the Group's values. Their experience, in different fields, will consolidate the ability of the Board of Directors to make decisions that will guide the Group towards the future, a future that we continue to see as full of opportunities and growth, despite the continuing conflicts in Europe and the Middle East, which are so damaging to local populations and the environment.

In 2015, all 193 Member States of the United Nations, including those affected by conflict, signed the UN 2030 Agenda for Sustainable Development, defining 17 Sustainable Development Goals, including: no poverty, zero hunger, clean water and sanitation, life on land, and climate action.

Wars have always been driven by other motivations and are against the principles of sustainability.

They keep the whole world on edge, concerned about the possible escalation of conflict and the involvement of other states. All this continues to destabilise the world's economies, ultimately leading to repercussions for workforces, including those of our Group. To face such challenges, it is important for a Group to have good economic and financial stability, as well as a size to be able to guarantee the continuity of supplies to customers, and to carry out the most critical processes within the Group itself.

As a step in this direction, in line with the strategy of the business plan, the Group has expanded through three acquisitions made in the final quarter of 2023. At the beginning of October 2023, UmbraGroup acquired 51% of CO.ME.AR.

S.r.l., a European leader in precision mechanical machining for aeronautics, and B.S.P. S.r.l., a European leader in the processing of bearing rings. In mid-November 2023, UmbraGroup acquired 100% of Era Electronic Systems S.r.l., a European leader in the design and manufacture of electronic systems for aeronautics. In addition to having their own customer bases, the three companies have, for some time, been not only strategic suppliers of UmbraGroup, but also, with their specific technology and expertise, effectively partners. The acquisitions therefore will facilitate their further integration with the Group. The acquired companies jointly pull in a turnover of over Euro forty million, with a workforce of 330 people. And, as I often say, our "social responsibility" is always on the rise.

At the end of 2023, as many as 1,613 people worked in the Group, compared to 1,153 in December 2022. And I should point out that, in 2023, the number of employees increased by 98 at our Foligno headquarters, and 32 across the rest of the Group.

An extremely important activity for the company's growth is our ability to develop new products and applications for customers, especially in the field of electrification. I will not list here the numerous new projects under development, but I do want to underline that today's prototyping is not merely a cost but an investment in the future. Our design, realisation and adaptation capabilities constitute our strength, and we must work to preserve and develop them.

Evidence of this is the recognition proudly received this year from Schaeffler, which, for the first time in 50 years of working together, formerly awarded UmbraGroup as: "Quality Supplier of the Year, for all the work done by UmbraGroup, praised for quality, the sustainability of proposed solutions,



the strong sense of proactivity, and the ability to adapt to market developments.”

I shall turn now to sharing some brief comments on the Group’s key figures for the year.

Revenues from sales and services in 2023 amounted to Euro 222,686 thousand, compared to Euro 189,235 thousand in 2022 [+17.7%]. The growth in revenues was mainly due to the recovery of the market and the launch of new aerospace development projects. EBITDA amounted to Euro 33,157 thousand, compared to Euro 25,975 thousand in the previous year, marking growth of 27.6%.

From a financial perspective, the financial debt in 2023, amounting to Euro 42,895 thousand, increased by Euro 27,085 thousand compared to the end of 2022. This financial debt in 2023 was impacted by the corporate transactions in acquiring CO.ME.AR. S.r.l., B.S.P. S.r.l. and Era S.r.l. Considering financial debt net of these acquisitions, there was, in fact, an improvement of Euro 8,886 thousand, from Euro 31,451 thousand in 2022 [net cash] to Euro 40,337 thousand in 2023 [net cash].

Following on from the more than positive figures for 2023, I would like to make a comment on the prospects for 2024.

The growth trend is confirmed across the entire aerospace line, thanks to important new projects in the electrification field, where the main products are electromechanical actuators. Today, the commitment is above all to design and prototyping, which are fundamental in ensuring the Group’s future growth.

On the other hand, the industrial product line saw a marked decline in the second half of 2023. Unfortunately, the global geopolitical situation is affecting this business line. Uncertainties about the future of the vehicles, the use of energy sources alternative to fossil fuels, the production of chips, and the high cost of money have led to a sharp slowdown in investments. Regardless of this situation, in the industrial line, new important projects are being developed for customer, the fruit of which we will see over the coming years.

As a final consideration, I would like to highlight the great work that the Group is doing in the field of sustainability. Our attention to environmental, social and governance issues and compliance in this respect with European legislation, is foundational for us, as we remain keenly aware that such efforts are oriented to ensuring a liveable world for future generations. Among the most significant actions taken this year was

the installation, in September, of a photovoltaic system on our factory roofs, which, with a peak power of 2,100 kW, will annually generate approximately 2,800,000 kWh of electricity, and therefore cut the emission of as much as 720 tons of CO<sub>2</sub>. Another essential action with an important impact for sustainability, though often not emphasised enough, is the design of products that can be 100% recycled at their end-of-life. For this, all individual components must be relatively easily separable and recyclable. It is therefore a very specific and intentional way of developing our products.

Though sustainability reporting will be mandatory from 2025, with publication in 2026, UmbraGroup will publish its first sustainability report as early as 2024. In this respect, I would like to underline that UmbraGroup has already been carrying out positive actions to reduce CO<sub>2</sub> over a number of years. The effects we can measure have brought down CO<sub>2</sub> emissions from 7,350 tons per year in 2019 to 6,200 tons in 2023. Other concrete actions have been taken regarding social issues through the Valter Baldaccini Foundation, of which UmbraGroup is the main supporter.

On this path of growth and innovation, the vision and our values that are cornerstones of our Group remain immutable. UmbraGroup has its roots in human relationships, respect for the environment and the communities around us, and responsibility towards our stakeholders and the less fortunate. All this has always been in the DNA of UmbraGroup. Today it is called sustainability, but, for us, it is simply part of the legacy of our founder, Valter Baldaccini, as well as our way of being as a company, and it shall continue to be so.

We will all ensure this in all the companies of the Group for the years to come.

In conclusion, I would like to express my thanks for your continued trust.

The solidity of our Group allows us to look to the future with determination and enthusiasm, and seize the opportunities for growth and innovation that the market presents to us.

Foligno, May 28, 2024

The Chairperson  
Reno Ortolani





# 2023

## a year of evolution and trasformation

*2023 has been an important year for UMBRAGROUP. We have continued our path of transformation while also succeeding in achieving the commercial and economic-financial goals set. By continuously evolving in this ever-changing world, we have kept pace with all the challenges and established the foundations for the development of future businesses.*



**On this path of innovation, the entire UMBRAGROUP team has demonstrated and continues to demonstrate focused commitment, passionate involvement, and a receptive attitude towards change in facing all the challenges that the market presents to us. Our goal is to transform challenges into opportunities for growth and continuous improvement.**

The financial results reflect a positive performance, with a significant increase in sales revenue, an improvement in EBITDA margin and an increase in net income. Despite the worsening of the Net Financial Position, due to the extraordinary transactions, there is still an improvement in financial debt adjusted for these effects.

Overall, despite a complex operating climate, we have progressed in all three main pillars of our strategic plan: 1. Value creating Growth; 2. Operational Excellence; 3. One Global and Sustainable Company.

We are operating in a geopolitical environment that is characterized not only by the continuation of the Russian-Ukrainian conflict, but also by the growing tensions in the Middle East, which increase the critical issues related to the Supply Chain.

Regarding the Aerospace market, we have seen a significant increase in passenger traffic, which has almost returned to pre-pandemic levels, where we are also seeing a fast recovery for the long-haul sector.

By contrast, the Industrial market saw a decline in the second half of the year accentuated in the last quarter by a further slowdown in some specific sectors such as Wind, Machine Tools and Automotive.

Against this backdrop, despite critical supply chain issues, we saw significant growth in the Aerospace business of more than 30 percent over the previous year.

All product families were involved, and we are seeing an important increase in the Aftermarket-MRO business and products in the field of complex actuation and electrification. Both Aerospace divisions, both the European and American divisions recorded a book-to-bill indicator value significantly above 1.

Furthermore, for UMBRAGROUP, innovation remains one of the cornerstones of our work and an important lever to enable and sustain growth. During the year, in fact, we launched important Technology Partnerships with several players, including customers, in both Industrial and Aerospace markets.

In addition to organic growth, we have also acquired new skills and synergies, made possible by the entry of long-standing Strategic Partners into our Group, namely companies operating in our territory such as Co.me.ar, B.S.P. and ERA Electronics Systems. The recent acquisitions have enabled us to both enrich our product portfolio and increase our competitiveness.

In terms of Operational Excellence, we have launched major Operational Transformation projects, covering both our overseas sites and some key processes in Finance and Integrated Supply Chain.

In addition, Schaeffler Gruppe presented us with the Supply Chain Quality Award, an important recognition from one of our most important customers, certifying the quality of our products and services.

Finally, we are increasingly working as one globally integrated Group, which is why we have launched a new organizational structure with an associated incentive model.

Sustainability remains one of the cornerstones of our work, which is why we are pursuing all the projects and activities that make up our roadmap, not only in the parent company in Foligno, but also globally in the Group's various locations.

As of today, we look forward to 2024 with confidence and conviction that we can meet all future challenges and continue our growth in the markets where we operate, continuing our path of innovation and research with the aim of meeting all our customers' needs in increasingly efficient and effective ways.

**Matteo Notarangelo**  
UMBAGROUP CEO



2023

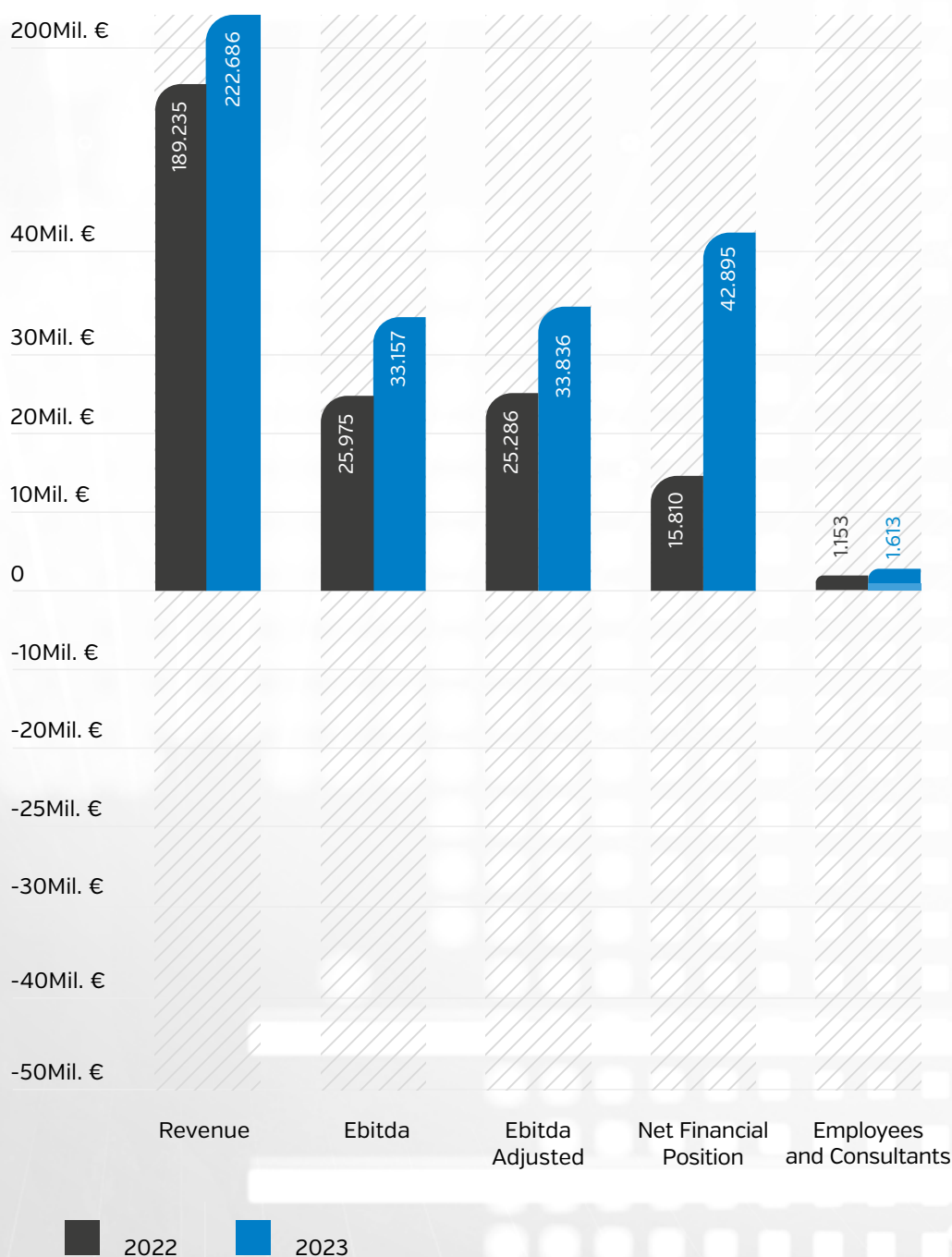
# UMBRA GROUP 2023

2023 has seen a weakened global economic scenario. Europe continues to be negatively impacted by high inflation and monetary tightening; emerging countries are suffering from the dynamics of the Chinese economy, which is struggling more than expected.

Despite the particularly uncertain macroeconomic environment and risk factors, mainly due to the widening geopolitical tensions related to the further war in the Middle East, the Company sees revenues and results growing thanks to the momentum of new product development projects in the aerospace electromechanical actuation business.

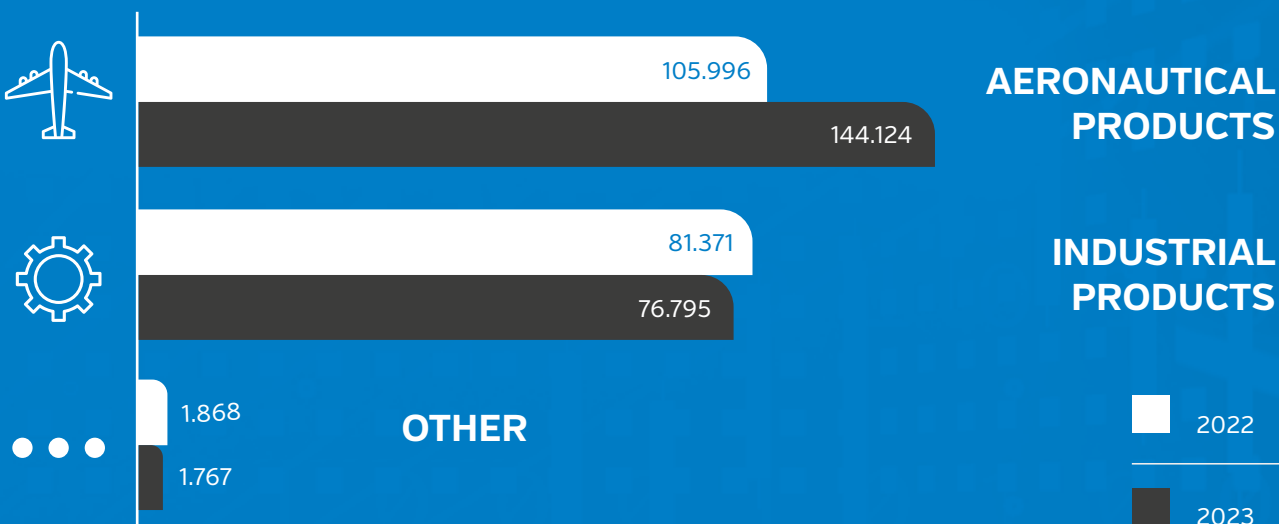
The year ending December 31, 2023, saw a consolidated sales revenue level of 222,686 thousand euros (189,235 thousand euros in 2022), up 17.7 percent from the previous year; an EBITDA margin of 14.9 percent is observed, up from 13.7 percent in the previous year. Net income amounted to Euro 11,318 thousand, up 19.3% from the previous year (Euro 9,489 thousand in 2022).

Finally, Net Financial Position is negative in the number of Euro 42,895 thousand, worsening by Euro 27,085 thousand compared to the figure at the end of 2022. Financial Indebtedness in 2023 was affected by the extraordinary transactions for the purchase of the shareholdings in Co.Me.Ar. S.r.l., BSP S.r.l. and ERA S.r.l. Calculating the Financial Debt adjusted for the effect of the extraordinary transactions in the last two years, an improvement of 8,886 thousand euros is observed.



## Revenues by Business line

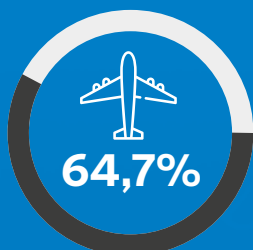
Sales revenues in 2023 amounted to 222,686 thousand Euros compared to 189,235 thousand Euros in 2022, an increase of 17.7 percent. The increase in revenue is mainly attributable to market recovery, and new Aerospace development projects. The "Aerospace Products" category grew by 36 percent compared to the previous year; this increase is driven by the entry of new programs in Commercial, Defense and Advanced Air Mobility, and the increase in the production accrual for AIRBUS HELICOPTERS H160. The Aerospace success is related to UMBRAGROUP's new patents related to Fault Tolerant linear actuators and Ball Screw Based rotary actuators.



## Revenues by Business Line Percentage

The results by business line are shown below, comparing 2022 and 2023.

### AERONAUTICAL PRODUCTS

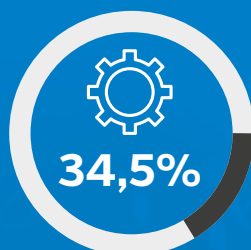


2023

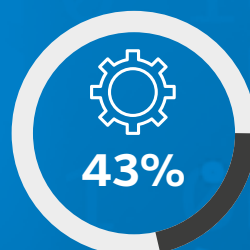


2022

### INDUSTRIAL PRODUCTS

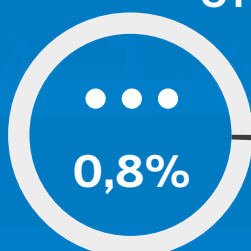


2023

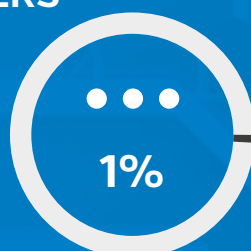


2022

### OTHERS



2023



2022

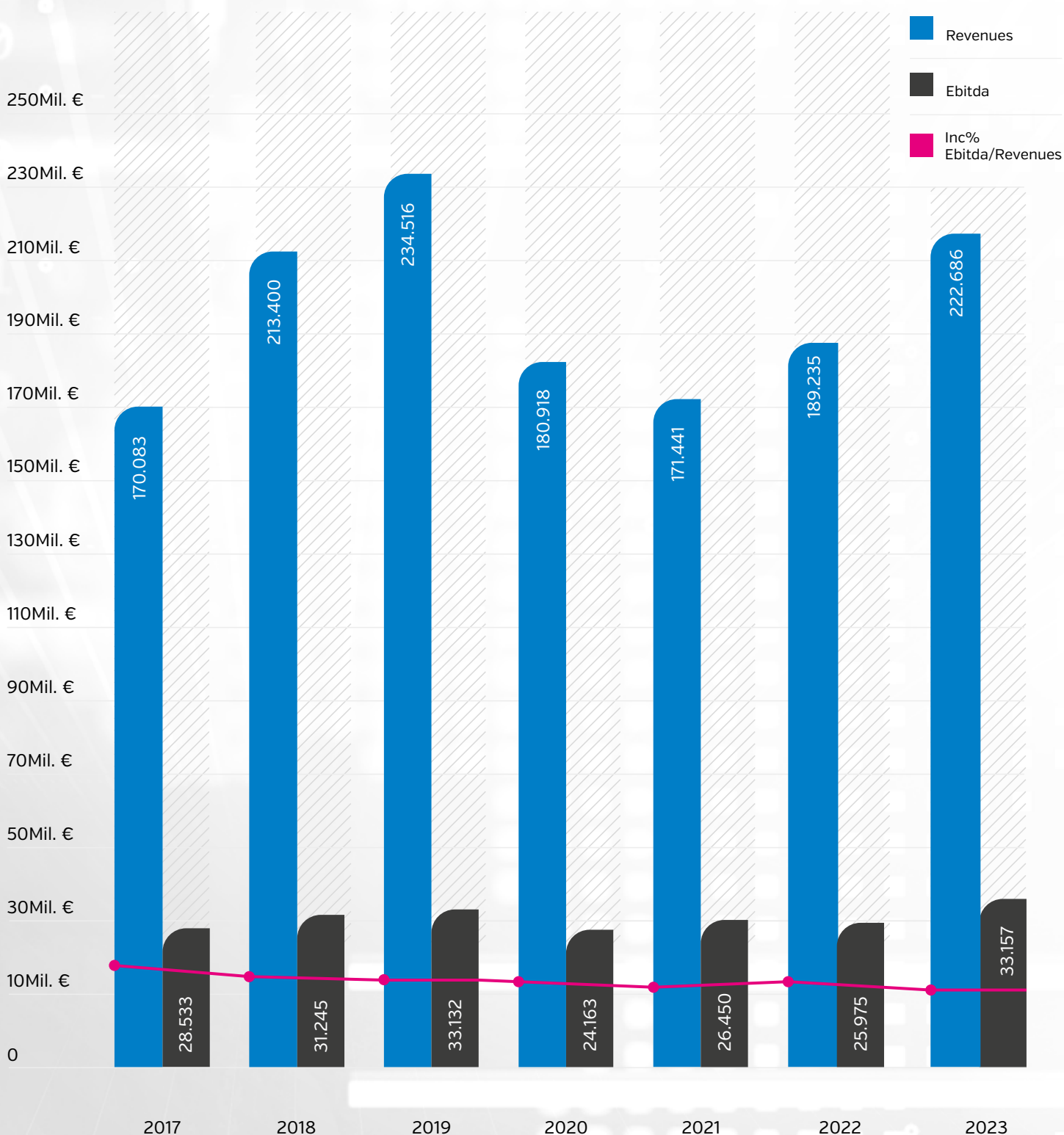
2023

## Trends, revenues and historical results

The exploration of new acquisition opportunities is an integral part of the development strategies outlined in the Group's 2024-2028 Business Plan.

During 2023, three Italian companies were acquired, Co.Me.Ar. S.r.l., BSP S.r.l. and Era Electronic Systems S.r.l. The transactions were carried out to strengthen the Group's control over its supply chain and integrate some strategic competencies in electronics.

As of today, the Group consists of ten Companies that enable it to offer the market a wide range of products and services aimed at numerous sectors and applications.



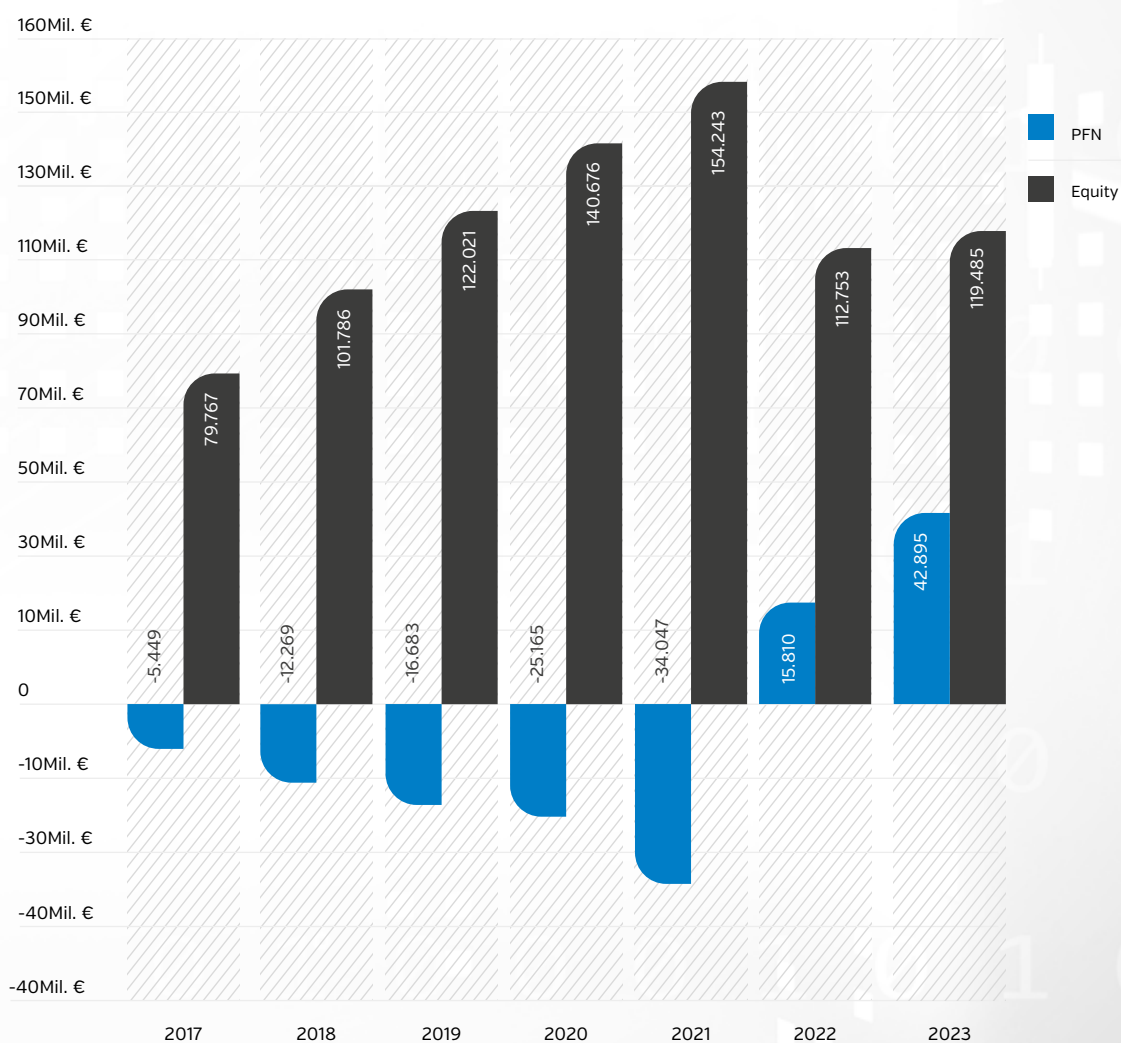


## Trends, equity and financial results

Shareholders' Equity in 2023 increased due to the positive results of the year.

Net Financial Position was negative for 42,895 thousand euros, worsening by 27,085 thousand euros compared to the figure at the end of 2022.

Financial Indebtedness in 2023 was affected by the extraordinary transactions for the purchase of the shareholdings in Co.Me.Ar. S.r.l., BSP S.r.l. and ERA S.r.l. Calculating the Financial Debt adjusted for the effect of the extraordinary transactions in the last two years, an improvement of 8,886 thousand euros is observed.

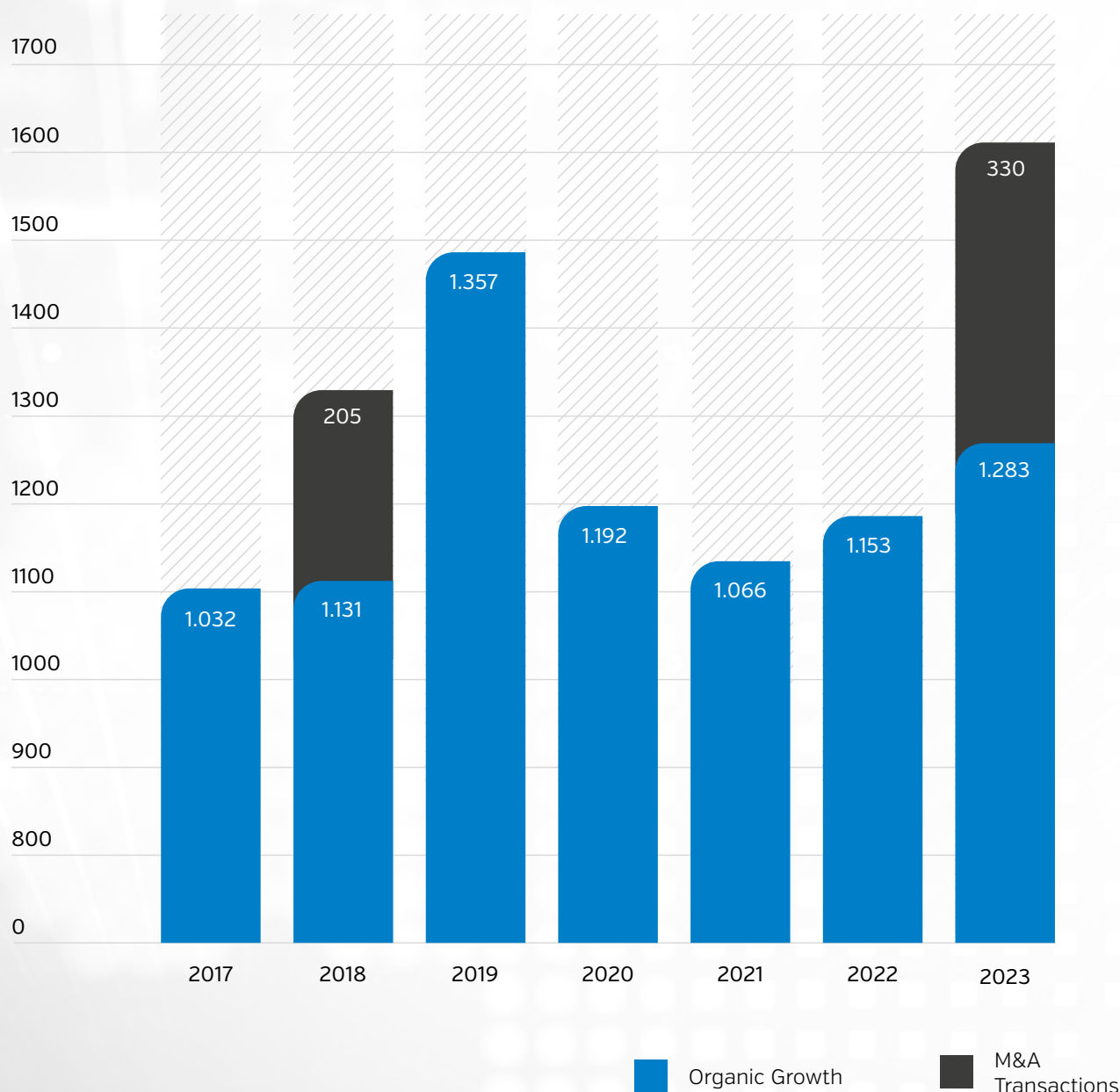


2023

## Human Resources of the Group

The following graph shows the trend relating to the Group's personnel from 2017 to 2023. As of 12/31/2023, the Group employs 1,613 employees.

In UMBRAGROUP, People represent enormous added value and are at the center of work activity. The Group's goal is to attract, train and retain them. Through continuous investment in training, development and corporate welfare, all Group companies have achieved excellent results by retaining their employees



*Treat others well, treat them as equals,  
and involve them in teamwork. There is only one fundamental system  
for creating a dignified workplace: humanize the organization.*

*Dale Carnegie*



The Valter Baldaccini Foundation was established in 2015, one year after UMBRAGROUP's founder, Valter Baldaccini, passed into eternal life. It is established to preserve his life testimony, values and actions as a Christian man and enlightened entrepreneur.

The Foundation supports those most in need by carrying out, in Italy and around the world, projects designed for families in difficulty, initiatives that create job opportunities and educational paths that are opportunities for redemption.

## ITALY Map Projects 2023

WITH THE FAMILIES [fifth year, implemented with La Tenda and Distretto sanitario USL 2. Parenting support for 8 fragile families in the area (Foligno and Social Zone 8). A total of 32 families since the project began.

With ANT Umbria Foundation two days of free visits (December 5-6, 2023) for melanoma prevention open to all citizens. There were 48 donated views.

With VIDES MIC MAG TBM and the Parish Santa Maria Madre del Redentore di Tor Bella Monaca [Rome] support an educator working at the day care center "Casa mia, casa nostra" for minors.

With Caritas Foligno and Fondazione Arca del Mediterraneo continuation of the "Family and Work" project with the activation of 3 work grants for fragile people. For the first time in 2023 work placements were implemented in families and contexts of fragility (elderly and disabled).

## WORLD Map Projects 2023

For the second year in Kosovo, university support was activated for Dardana, and three internships aimed at job placement for Hasimet in the bakery, for Dorentina in the dairy, and for Valentina in housework and management of the Leskoc House.

Together with the Polytechnic University of Lviv, Ukraine, an online training course was possible for 100 women fleeing the most war-affected areas with the aim of providing them with the tools they need to relocate to work in their new host cities.

Support for the fifth year for house managers at Emmaus House, which helps women scarred by a difficult past regain independence [Saginaw, Michigan, U.S.A.].

MUTANU THE PINK GARDEN: A greenhouse for vegetables and raising baby goats and chickens tended by 20 women (Kenya). During 2023, the focus was on expanding the activities with the purchase of some cows and the start of an entrepreneurial activity on the side of the project (rental of tents and chairs for events).

JOB FOR THE MOMS OF MATHARE (Kenya) for the third-year project of job training and psychological support for 15 very young mothers, some underage, who due to the situation of extreme poverty have been forced into prostitution.

Distance support for 32 children and youth and a university pathway (Kenya) and distance support for 24 children (Burkina Faso). Given the complex political situation that is marking Burkina Faso extra support for the construction of a chicken coop, essential for the livelihood of the community.

# 2023

## MAIN NUMBERS

Number of projects in Italy and around the world	10 4 in Italy & 6 international)
Total donations received	€ 232.886,92
of which donations from UMBRAGROUP	€ 110.000,00 for projects and activities of the Foundation
Disbursements for projects	€ 115.220,77

Thanks to an UMBRAGROUP financial contribution the book, "Valter Baldaccini: an enlightened entrepreneur serving the common good," was published by Franco Angeli in 2023. The book written in 2022, collects the writings and speeches of Valter Baldaccini.

Find out more about Valter Baldaccini Foundation's projects and activities: [www.fondazionevb.org](http://www.fondazionevb.org)





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