

Arteche increases its sales by 6.6% in 2021 and its net profit up to 8.5 million euros

- *The group presents last year's results, with revenues of 282 million euros – 6.6% more compared to 2020.*
- *The EBITDA reached 26.1 million euros, which is equivalent to a margin on turnover of 9.3%.*
- *The net financial debt decreased by over 23% in the last financial year.*
- *The company has increased its geographic positioning with the purchase, last July, of the Esitaş group, adding two new plants in Turkey and Indonesia.*

Mungia (Biscay), March 29th, 2022.- The Arteche Group has presented its 2021 consolidated results - the results for its debut year as a company listed in BME Growth. They follow the line set in its 2023 Strategic Plan, regarding both organic and inorganic growth. The latter aspect was marked in the last financial year by the purchases which strengthened its positioning in markets such as the Asian and Australian ones.

At the end of 2021, Arteche obtained a net profit of 8.5 million euros, 8 times higher than in the previous year, as well as revenues amounting to 282 million euros, which represent a growth of 6.6% compared to 2020. It is worth highlighting that 3.9% of this growth was purely organic, thus showing the strength of the energy sector in which Arteche operates. The gross operating profit (EBITDA), impacted by the increase in logistics and raw materials costs, reached 26.1 million euros, which is equivalent to a margin on turnover of 9.3%. The financial debt decreased by 23% in the last financial year.

In 2022 - which will mark one year of Arteche's presence in BME Growth - its shareholders will be compensated for the first time in the form of a dividend which will amount to 30% of the 2021 net result.

A new boost to inorganic growth

The inorganic growth roadmap, reflected in the 2023 Strategic Plan, was given a considerable boost in 2021 thanks to various international operations carried out by Arteche throughout the year.

The purchase of Esitaş, which has plants in Turkey and Indonesia and is engaged in the manufacture of medium and low voltage instrument transformers, has contributed to strengthening the company's position in the Asian market. It is one of the main leading brands in its geographic market. Arteche thus strengthens its industrial position in Asia and its leadership in the measuring and monitoring business. In addition, the synergies identified in the purchase of the Turkish group are materializing, and even exceeding the expectations that were set.

The joint venture with Hitachi Energy in Arteche Gas Insulated Transformers (AGIT) supported an improvement in its commercial position at global level. AGIT has a production plant in Vitoria-Gasteiz and has international experience both in the field of instrument transformers for GIS substations and in station service voltage transformers (SSVT). Arteche has a 51% majority shareholding in this joint venture, while Hitachi Energy owns 49% of the shares.

The purchase of the totality of the shares of the Australian company Smart Digital Optics (SDO), in which it had already held 57.6% for over a decade, led to a strengthening in the digital network business and technological capital of Arteche. Thanks to this operation, the company speeds its growth in the development of smart networks, continuous-current transmission and the

ecodesign of its products. SDO is a reference manufacturer of optical fibre current sensors for the electric power industry, and one of the first companies to incorporate - and patent - this type of optical technology into power monitoring and metering systems.

Committed to people, society and the planet

On year more, the ESG (Environment, Social and corporate Governance) criteria have shaped Arteche's sustainability strategy. The commitments undertaken by the company focus on people, society and the planet. In terms of environmental issues, the group has reduced electricity and greenhouse gas consumption by 5% and water consumption by 44%, apart from not experiencing any environmental incident. In addition, the company has signed the renewal of a syndicated loan linked to environmental criteria. Arteche is a reference company in its environment in terms of ESG and has been recently recognized in the category Transparency and Good Governance at the first edition of the Sustainable Competitiveness prizes organized by BBK and El Correo, and might as well be rewarded at the opening of the Forbes Credit Suisse Sustainability Awards, which will be given out in Madrid on March 31st and where Arteche is a finalist in its sector.

Aware of its commitment to the places where it operates, the company performed 80% of its purchases with local providers. As regards innovation, 3% of the turnover were dedicated to R&D activities, and a total of 130,000 hours was dedicated to R&D - 8% more than in the previous year. Partnerships are maintained with over fifty training centers and the people of Arteche received around 50,000 training hours during 2021.

In the year of its 75th birthday, Arteche looks to the future with the aim to continue growing in order to be stronger, more robust, more sustainable and more international. Arteche is part of a sector – the energy sector – which is booming and has been characterized by unstoppable and overriding trends in recent times, such as electrification, decarbonization, the drive towards renewable energies and network digitalization. Arteche is a leader in products that are key to this energy transition, and is determined to further bring value to the electricity sector and contribute to its transformation, as this is of vital importance for the sustainability of the planet.

For more information:

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About the Arteche Group

Founded in 1946, the Arteche Group carries out its activity in the electricity sector, from generation to distribution, specialising in the equipment, components and electric solutions industry. Within this framework, the Arteche Group ranks among the TOP 3 world leaders in the instrument transformers market, leads the auxiliary relays market and maintains a regional leadership position for the remaining products specifically intended for highly-demanding and high added value markets, such as renewable generation and railway.

The Arteche Group's business focusses on enabling the transport and distribution of electric energy from any generation plant to the final user with efficiency, quality and reliability. For this purpose, the company consistently invests in R&D&i, with the aim to improve the quality and efficiency of its products, innovate in the development of new products and provide its customers with a differential added value. Arteche

Press release



currently has commercial distribution capacity in over 175 countries; it has 13 factories in Europe, America and Asia, including 6 research centres, and over 2,400 employees around the world.