



## FINANCIAL RESULTS H1 2020

10 September 2020

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Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Securities may decline and investors could lose all or part of their investment; the Securities offer no guaranteed income and no capital protection; and an investment in the Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Manufacturers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the securities.

Each distributor is responsible for undertaking its own target market assessment in respect of the securities and determining appropriate distribution channels.



# Piovan

Customers. The core of our innovation

## Piovan at a Glance

# The Leading Automation Solutions Provider for Plastic, Food & non plastic, Services

## What we do

- Engineering, production and installation of **customized automation solutions**

## Applications

- Global leader in **plastic** and **plastic compounds**
- Growing presence in **food and non plastic** (e.g. powder ingredients)

## Our customers

- **Global and diversified** customer base across several end-markets
- Over **2,300 customers**<sup>1</sup>

## Global footprint

- **8 manufacturing sites** in 4 continents
- **22 services & sales companies** worldwide<sup>2</sup>
- **70 countries** covered

## Innovation DNA

- **C. 4% of Revenues** invested in R&D and Engineering<sup>2</sup>
- **175 dedicated employees**<sup>2</sup>

## LTM Jun-20 Key Financials

### Revenues

**€218m**

**+4%**

CAGR  
FY 16 - LTM Jun-20  
(organic)

### EBITDA

**€29m**

(13% Margin)

**+2%**

CAGR  
FY 16 - LTM Jun-20  
(organic)

### Net Income

**€18m**

(8% Margin)

**+4%**

CAGR  
FY 16 - LTM Jun-20  
(organic)

### Cash Conv.<sup>3</sup>

**~95%**

**~1%**

Recurring Capex /  
Revenues

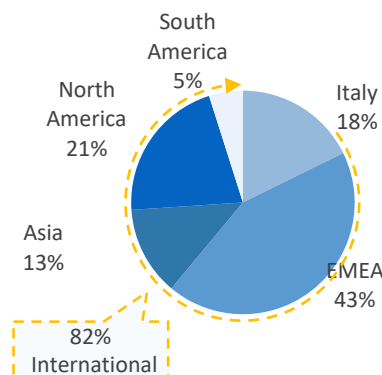
### ROCE<sup>4</sup>

**~33%**

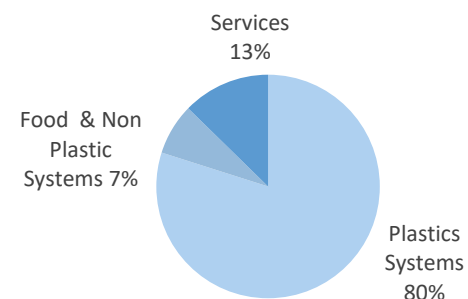
After impact  
of IFRS 16

## H1 2020 Revenues Breakdown<sup>5</sup>

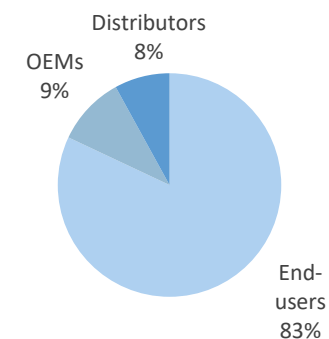
### by Geography



### by Application



### by Channel

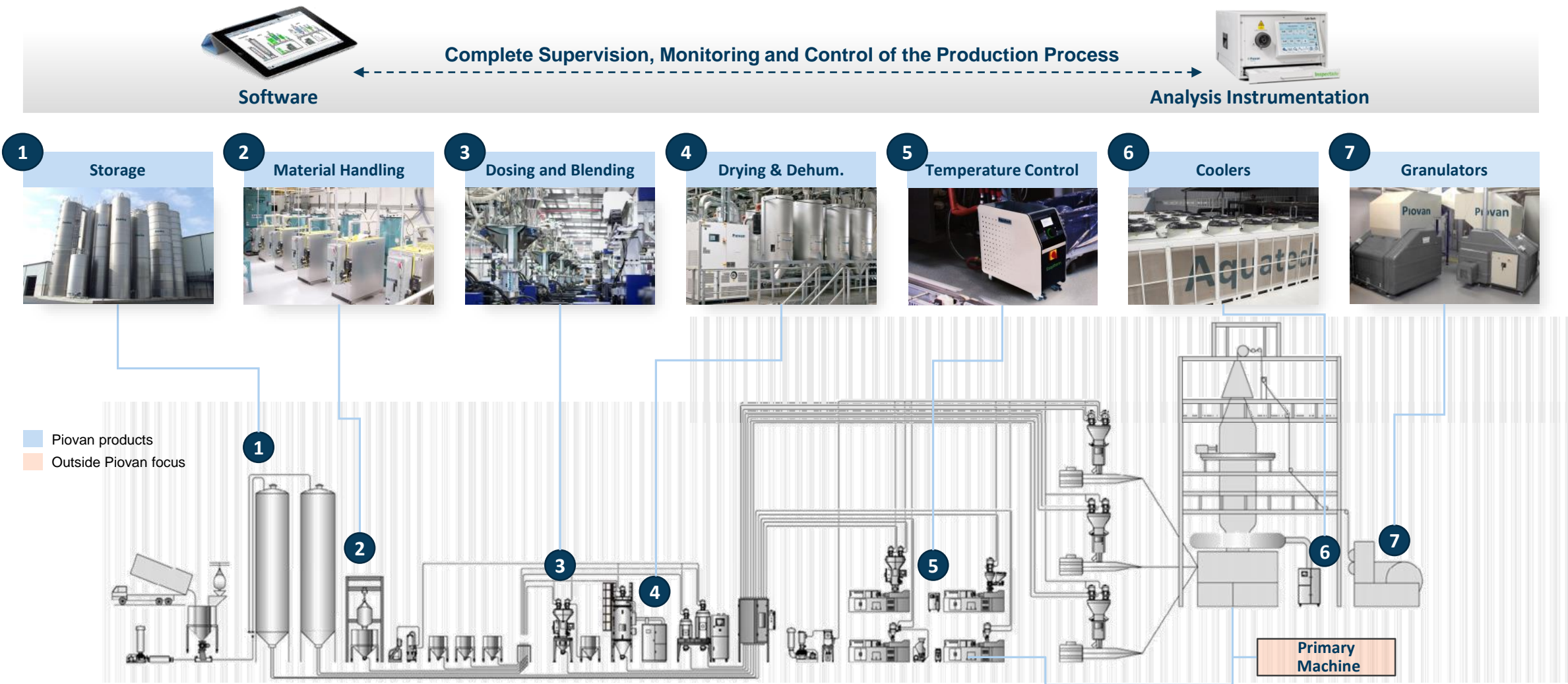


Source: Company information

<sup>1</sup>In 2020. <sup>2</sup>As of June 2020. <sup>3</sup>Defined as EBITDA – Recurring Capex / EBITDA. <sup>4</sup>Computed as EBIT / Net Invested Capital excluding Goodwill and Put and Call Options. Net Invested Capital adjusted for the application of IFRS 16. Excluding other sales & other income.
























# Our Core is Process Automation from Silos to Primary Machines



Automating The Whole Process From Silos To Primary Machines

# Exploiting Strong Technological Synergies Across Different Materials

Developed For Plastics, Piovan Technological Platforms Can Have Multiple Applications

		Systems	Storage	Handling		Dosing & Blending		Drying & Dehum.	Temperature Control	Coolers	Supervision Software
				Granules	Powder	Granules	Powder				
Food <sup>1</sup> & non	Plastic		✓ 	✓ 	✓ 	✓ 	✓ 	✓ 	✓ 	✓ 	✓ 
	plastic		✓ 	✓ 	✓ 	✓ 	✓ 	✓ 	✓ 	✓ 	✓ 
Recently Added	Creamy Liquids		✓	✓							✓

Source: Company information  
<sup>1</sup>Sugar, Flour, Coco and Milk in Powder

# PIOVAN COMPETITIVE ADVANTAGES



**Global Leader in Attractive Market**



**Strong Innovation DNA and focus on the environment and circular economy**



**Turn-Key Solutions for Complex Customer Needs**



**Truly Global Presence with Local Service Network**



**Diversified and Long-Standing Customer Base**



**Track Record of Profitable Growth and Cash Generation**

**Growth Strategy Based on Both Organic and M&A Expansion and new technologies**

# DIVERSIFIED RANGE OF END-MARKETS SERVED



Source: Company information



The image features a background of overlapping, semi-transparent geometric shapes in shades of light blue and grey, creating a modern, abstract landscape effect. The Piovan logo is positioned on the left side of the image.

# Piovan

Customers. The core of our innovation

## HY 2020 Financial Results

# PIOVAN H1 2020 KEY BUSINESS HIGHLIGHTS

- ▶ The orderly and structured management of the COVID 19 emergency and the respect of the procedures allowed the Company to maintain all premises opened and to give continuity to the productive and commercial activities
- ▶ The rapid decision making process allowed the Company to reorganize the cost structure and adapt to the new conditions
- ▶ Maintain a strong PFN in the low period of seasonality and in spite of Covid
- ▶ Strong resilience in less cyclical areas like medical and recycled packaging
- ▶ R&D efforts in packaging recycle technologies
- ▶ Strong activity in food business with increase of both orders and customer base
- ▶ Despite the negative effect of the lock down on order collection and turnover, the presence of local structures of the group has allowed us to gain market share compared to competitors, who have a more centralized distribution structure
- ▶ Proposal of dividend distribution

# OUR CONTRIBUTION TO CIRCULAR ECONOMY



Solutions for **post consumed plastic and biopolymers**



Systems for **reduction and control of contaminants**



**Safe, traceable and stable processes**



Service team for **CAPEX life maximisation**



**8 patents** registered in 2020  
“recycling related”



**18.7 %** of revenues in Packaging, Fibres, Recycling and Compound is “**circular economy related**”



# PUTTING PEOPLE FIRST

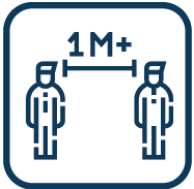
- Piovan Groups has implemented **worldwide** the **highest Safety and Monitoring protocols and Mitigation Actions** to limit the development of COVID-19
- The Group's facilities have been **always fully operative** assuring high quality products in time to our Customers
- Tangible actions include, but are not limited to:



Wearing protective masks



Cleaning the hands frequently with the appropriate gel



Keeping the minimum safety distance from other people

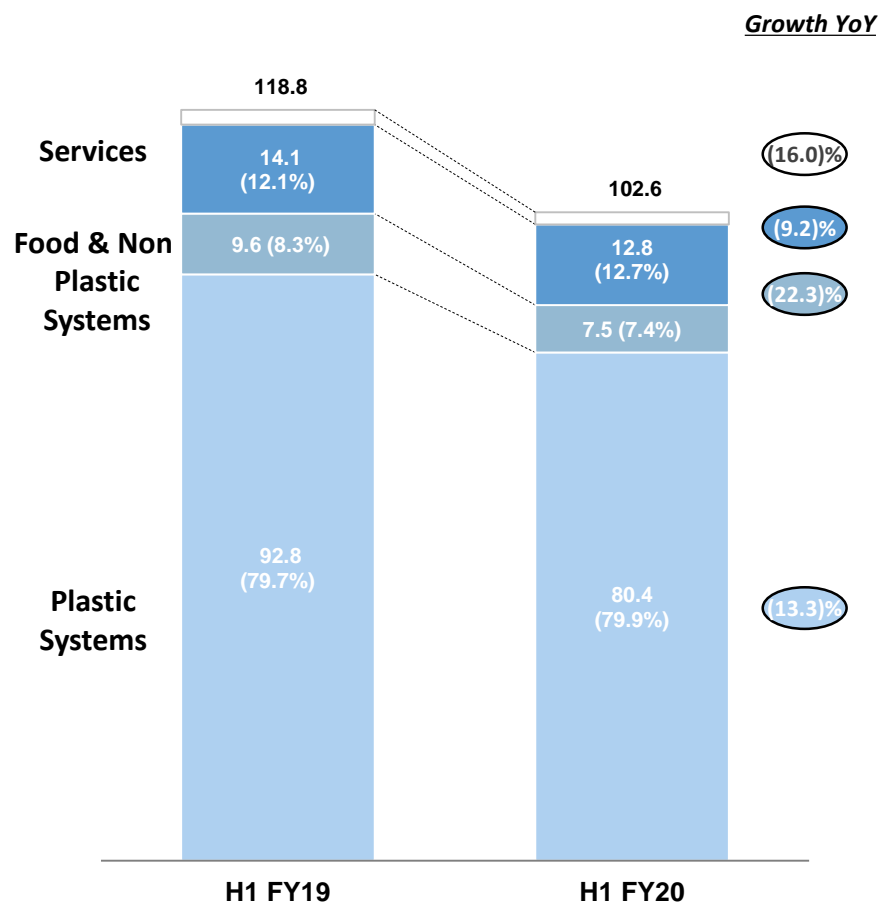
## Separation Barriers



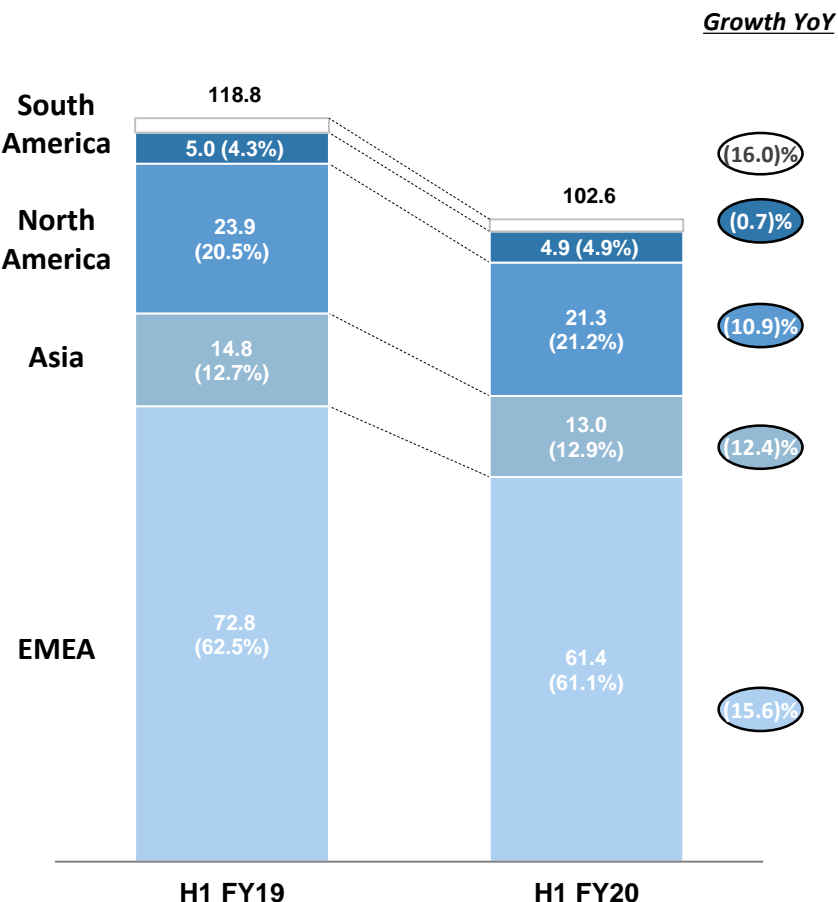


# Resilient Plastic, While Food & Other Powders Suffering From Weaker Market Backdrop. Strong Performance in Service & Spare Parts

## Revenues by Application (€m)<sup>1</sup>



## Revenues by Geography (€m)<sup>1</sup>



## Comments

### BY APPLICATION

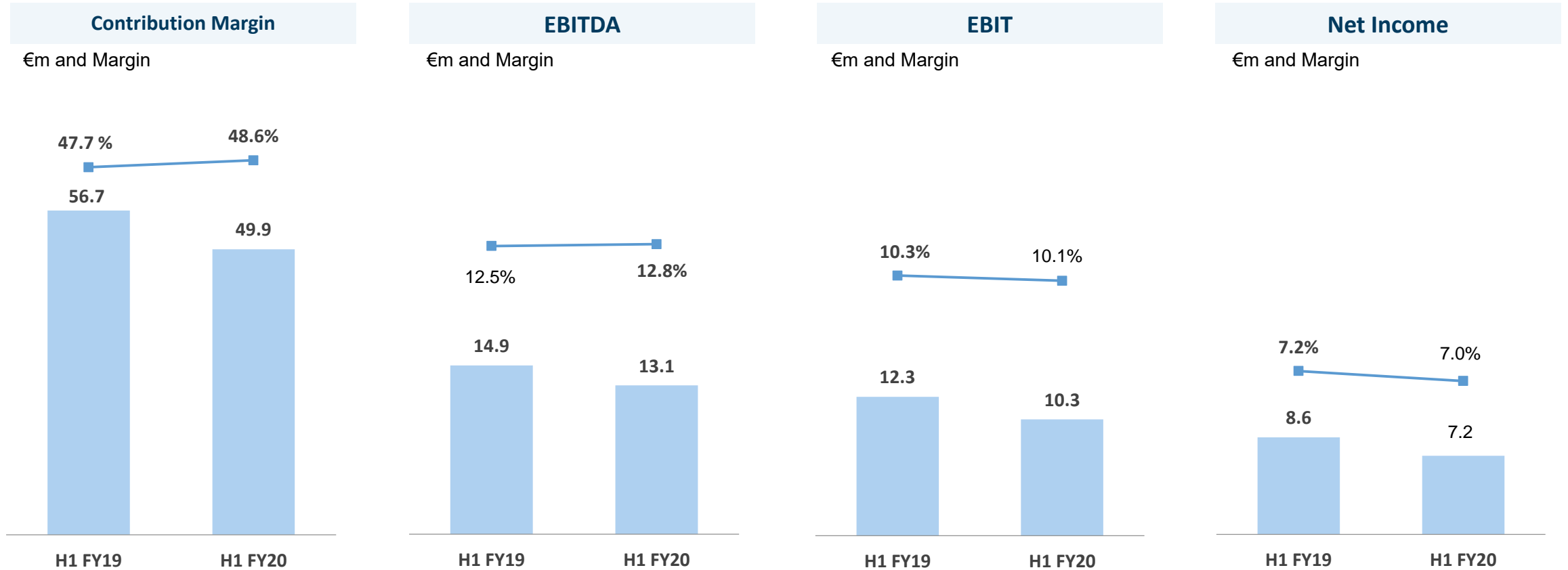
- **Services:** Growth in terms of incidence on total revenues, in line with Company's strategy. Decrease in absolute value due to COVID19 restrictions on mobility.
- **Plastic Systems:** Decreased compared to H1 2019 due to COVID19 restrictions on mobility, which delayed deliveries and installations.
- **Food Systems:** Reduction caused by postponements in delivery and installation due to COVID19, same as Plastic. Recovery is expected in second half 2020 as a consequence of the good orders backlog as of June 2020.

### BY GEOGRAPHY

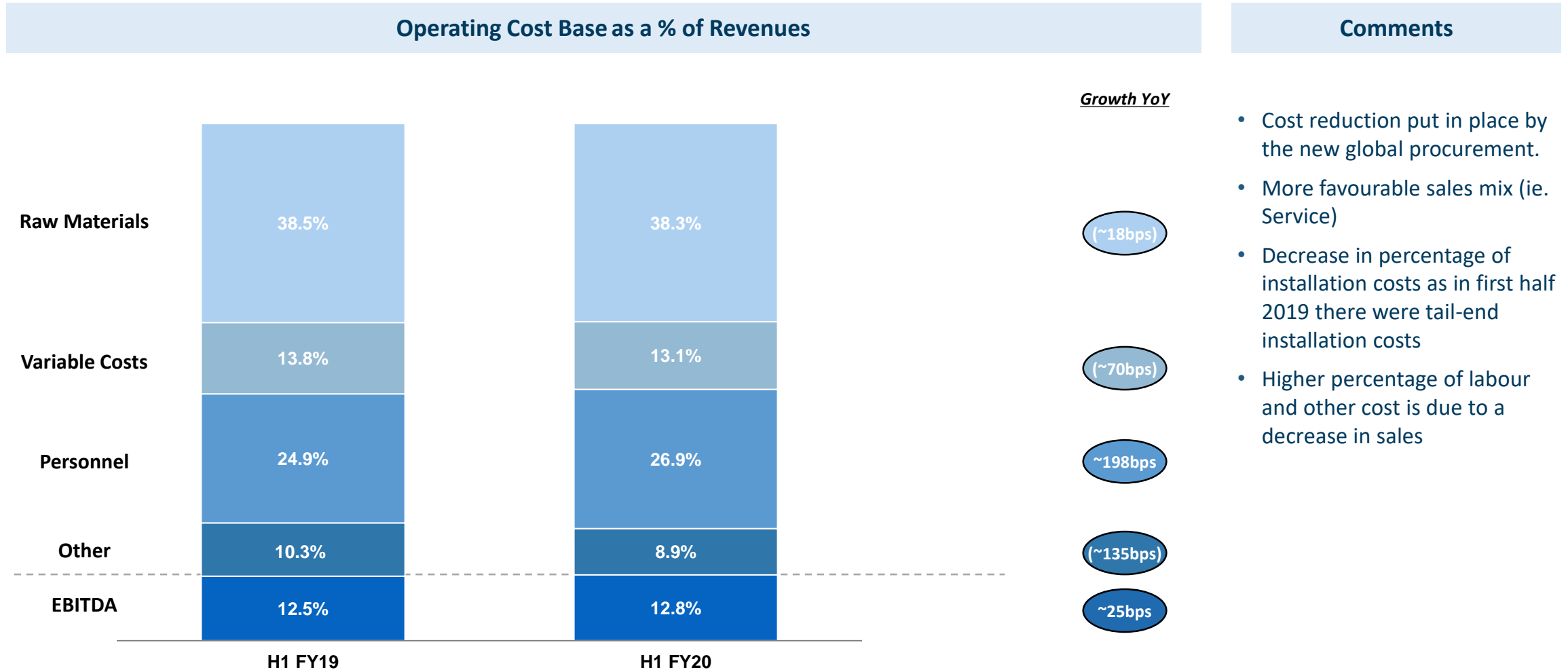
- **North America:** Impact of COVID19 in Q2 affected the growth realized in Q1.
- **ASIA:** Decreased due to the slow down in China caused by the COVID19 emergency. Operating production fully recovered in Q2.
- **EMEA:** Down due to the COVID19 restrictions, first in Italy then throughout Europe, which have slowed installations.
- **South America:** resilient in Food.

□ Indicates other revenue and income (c. €2.3m in H1 2019 and €2.0m in H1 2020)

# Resilient Profitability Demonstrated in H1-20 at EBITDA and EBIT Level

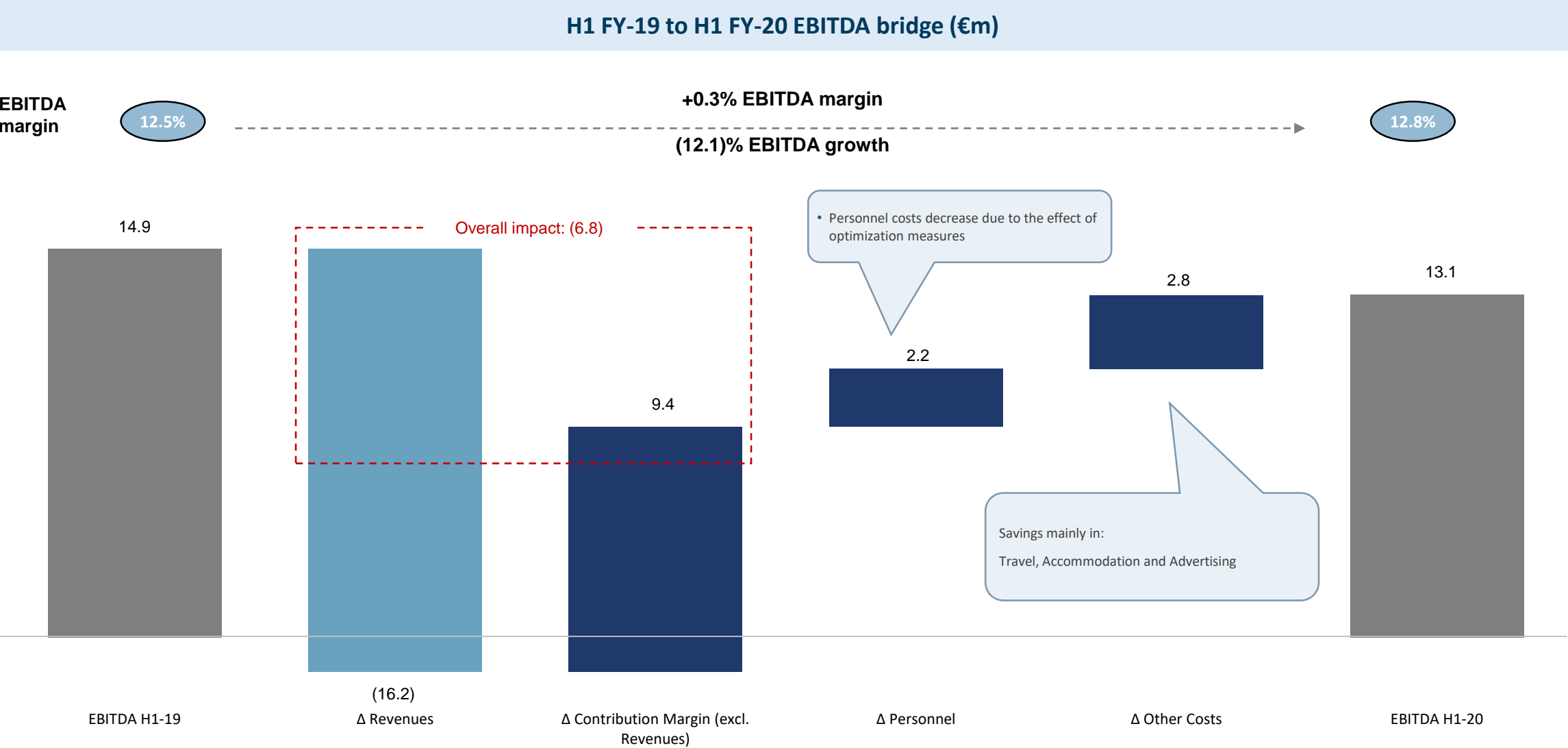


# Overview of Operating Costs Breakdown



Source: Company Information

# EBITDA Bridge from H1 FY-19 to H1 FY-20

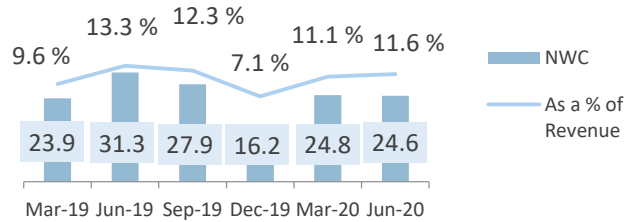




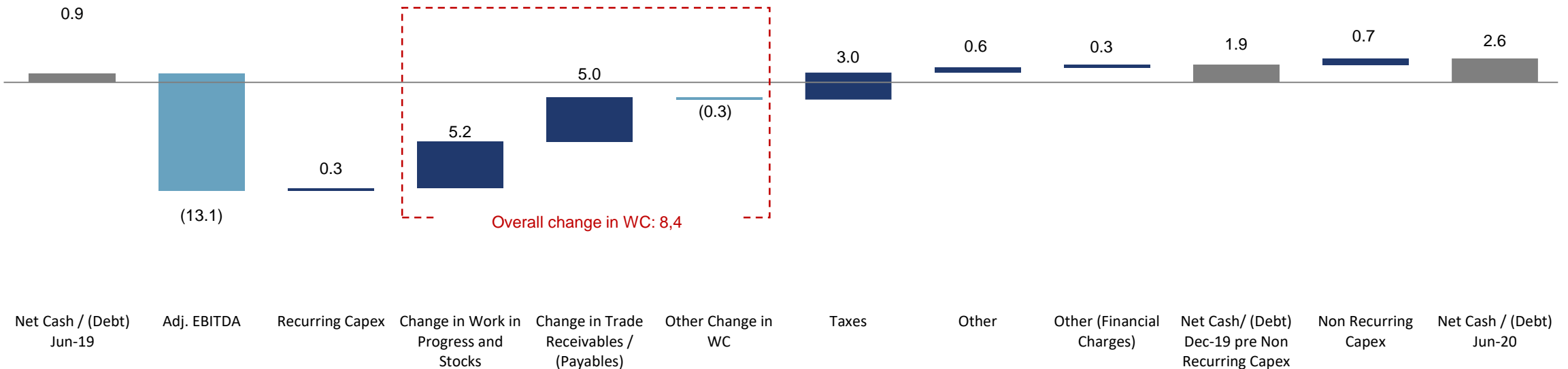
# Net Debt Walk from Dec-19 to Jun-20

## Dec-19 to Jun-20 Net Debt bridge (€m)

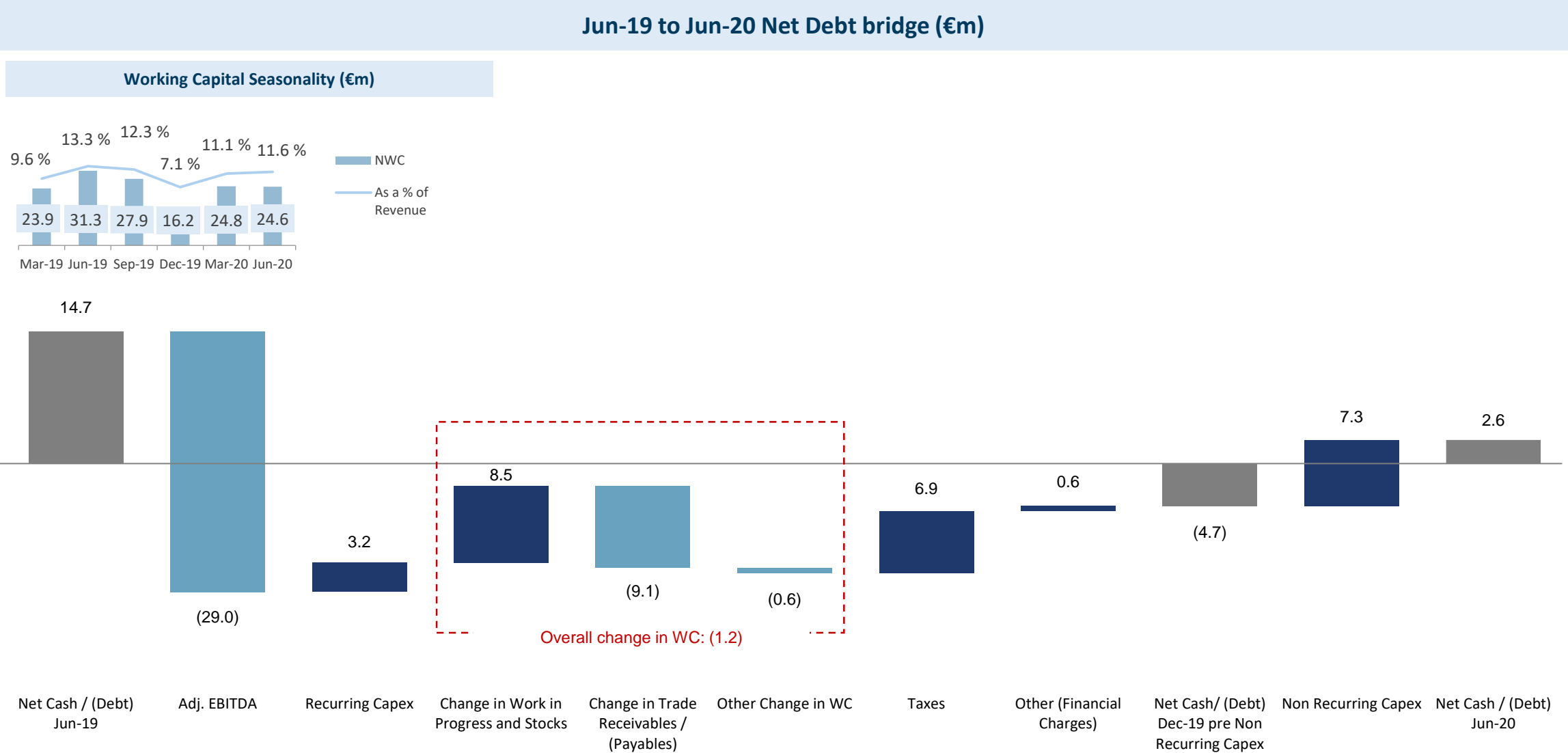
### Working Capital Seasonality (€m)



• Influenced by a **more than proportional reduction in trade payables**, compared to trade receivables, mainly due to Covid-19



# Net Debt Walk from Jun-19 to Jun-20



Source: Company Information



# Appendix

# Income Statement

€m	H1 FY19	H1 FY20 Reported	LTM Jun-20	Δ% H1 FY19 vs H1 FY20
Sales	116.4	100.6	212.7	(13.6)%
Other sales & other income	2.3	2.0	5.5	(16.0)%
<i>o/w capital gain on asset disposal</i>	-	-	0.7	
<b>Revenues</b>	<b>118.8</b>	<b>102.6</b>	<b>218.2</b>	<b>(13.6)%</b>
Raw materials	(45.7)	(39.3)	(81.9)	(14.0)%
Cost of services	(25.7)	(21.1)	(46.4)	(18.0)%
<i>o/w extraordinary IPO costs</i>	(12.0)	-	11.2	-
Personnel	(29.6)	(27.6)	(57.0)	(6.7)%
Other costs	(2.9)	(1.5)	(3.8)	(47.9)%
<b>EBITDA</b>	<b>14.9</b>	<b>13.1</b>	<b>29.2</b>	<b>(11.9)%</b>
Capital gain on asset disposal	-	-	-	-
Extraordinary IPO Costs	0.2	-	(0.1)	-
<b>Adjusted EBITDA</b>	<b>15.1</b>	<b>13.1</b>	<b>29.0</b>	<b>(13.1)%</b>
<i>% Adjusted Margin</i>	<i>12.7%</i>	<i>12.8%</i>	<i>13.3%</i>	
D&A and provisions	(2.6)	(2.8)	(5.3)	8.6 %
<b>EBIT</b>	<b>12.3</b>	<b>10.3</b>	<b>23.8</b>	<b>(16.2)%</b>
Finance Income / (Expenses)	(0.2)	(0.2)	0.0	(6.3)%
Exchange income (expenses)	0.0	(0.2)	(0.2)	n.m.
Income from equity method investments	(0.1)	0.2	0.2	n.m.
Income / loss from change in fair value	(0.1)	-	0.6	-
<b>EBT</b>	<b>11.9</b>	<b>10.2</b>	<b>24.5</b>	<b>(14.6)%</b>
Taxes	(3.4)	(3.0)	(6.9)	
<i>% Tax Rate</i>	<i>28.1%</i>	<i>32.9%</i>	<i>28.2%</i>	
<b>Net Income</b>	<b>8.6</b>	<b>7.2</b>	<b>17.6</b>	<b>(16.3)%</b>
Attributable to Piovan shareholders	8.5	7.4	17.6	(12.3)%
Attributable to minority shareholders	0.1	(0.2)	(0.0)	n.m.



# Balance Sheet

€m	Dec-19	Jun-20
Property Plant & Equipment	52.4	50.9
Intangible Assets (incl. Goodwill)	7.5	7.4
Financial Assets	0.3	0.3
<b>Net Fixed Assets</b>	<b>60.2</b>	<b>58.6</b>
Trade receivable	52.8	43.8
Inventory	29.3	32.5
Trade payables	(40.6)	(25.9)
Advanced payments from customers	(16.1)	(17.0)
Contract assets/(liabilities)	1.2	1.9
<b>Net Trade Capital</b>	<b>26.6</b>	<b>35.3</b>
Tax receivables	3.7	3.6
Other current activities	3.7	4.1
Tax payables	(6.7)	(5.6)
Other current liabilities	(11.1)	(12.7)
<b>NWC</b>	<b>16.2</b>	<b>24.6</b>
Other Credits	4.9	4.7
Other Debts	(5.2)	(4.5)
Pension Fund	(4.8)	(4.9)
<b>Net Invested Capital before Option</b>	<b>71.3</b>	<b>78.6</b>
Put & Call Option	(5.3)	(5.0)
<b>Net Invested Capital</b>	<b>66.1</b>	<b>73.6</b>
Total Shareholders' Equity	65.2	70.9
Net Debt / (Cash)	0.9	2.6
<b>Total Sources</b>	<b>66.1</b>	<b>73.6</b>

# Cash Flow Statement

€m	Dec-19	Jun-20
EBITDA	30.9	13.1
Recurring Capex	(2.7)	(0.7)
<i>% on Revenues</i>	<i>(1.1)%</i>	<i>(0.7)%</i>
Cash generation	28.3	12.4
<i>Cash Conversion %</i>	<i>91.4%</i>	<i>94.7%</i>
Non-Recurring Capex	(11.5)	(0.3)
Disposal	1.5	0.2
Δ Net Working Capital	(0.1)	(8.4)
Corporate Taxes	(7.3)	(3.0)
Δ Funds	0.9	0.1
Non operating Items	(1.9)	(0.4)
Cash Flow from Operation	9.9	0.6
Adjusting Items	(0.1)	-
Δ Put and Call Option	2.6	(0.2)
Dividend distribution	(7.7)	-
Changes in equity	(2.9)	(1.4)
Other financial charges	0.0	(0.2)
Δ Exchange loss/gain	(0.0)	(0.2)
Gains (losses) on liabilities for option granted to non-controlling interests	(0.1)	0.2
Acquisitions	(2.2)	-
IFRS 16 impact in the semester	(3.2)	(0.6)
Δ Net Financial Position	(3.6)	(1.7)
NFP BoP	(2.6)	0.9
Δ Net Financial Position	3.6	1.7
NFP EoP	0.9	2.6