



FINANCIAL RESULTS 9M 2019

13 November 2019

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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.

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

The Leading Automation Solutions Provider for Plastic, Food & Other Powders Markets

What we do

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

Applications

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

Our customers

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

Global footprint

- **8 manufacturing sites** in 4 continents
- **26 services & sales companies** worldwide²
- **70 countries** covered

Innovation DNA

- **C. 4% of Revenues** invested in R&D and Engineering³
- **175 dedicated employees**⁴

LTM Sep-19 Key Financials

Revenues

€232m

+6.6%

CAGR
FY 16-LTM Sep-19
(organic)

Adj. EBITDA

€31m

(13.3% Margin)

+4.8%

CAGR
FY 16-LTM Sep-19
(organic)

Net Income

€17m

(7.2% Margin)

+3.0%

CAGR
FY 16-LTM Sep-19
(organic)

Cash Conv.⁵

~92.2%

~1.0%

Recurring Capex /
Revenues

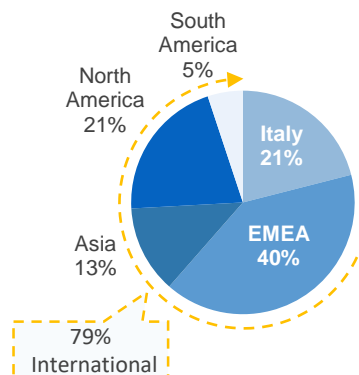
ROCE⁶

~40%

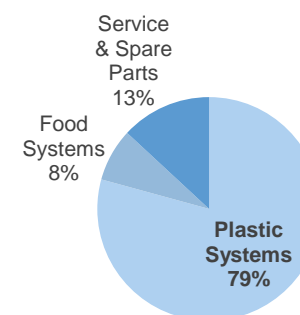
Before impact
of IFRS 16

9M 2019 Revenues Breakdown⁷

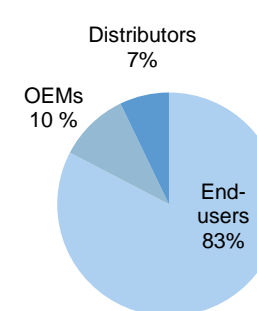
by Geography



by Application



by Channel























Source: Company information

¹ In 2018. ² As of July 2019. ³ In June 2019. ⁴ As of June 2019. ⁵ Defined as Adjusted EBITDA – Recurring Capex / Adjusted EBITDA. ⁶ Computed as EBIT / Net Invested Capital excluding Goodwill and Put and Call Options. Net Invested Capital adjusted for the application of IFRS 16. ⁷ Excluding other sales & other income.

...Exploiting Strong Technological Synergies Across 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 ¹ & Other Powders	Plastic 	✓ 	✓ 	✓ 	✓ 	✓ 	✓ 	✓ 	✓ 	✓ 
		✓ 	✓ 		✓ 		✓ 	✓ 	✓ 	✓ 
Recently Added	Creamy Liquids 	✓	✓							✓
Further Expansion Opportunities										

PIOVAN 9M 2019 KEY BUSINESS HIGHLIGHTS

- ▶ Plastic Systems substantially resilient despite market slowdown
- ▶ 2Q and 3Q 2019 impacted – as expected – by negative order intake recorded between Dec-18 and Mar-19 (time lag effect), positive trends observed over the last 6 months
- ▶ Finalised acquisition of FEA p.t.p., Italian company active in handling and storage of viscous liquid for the food industry¹
- ▶ Finalised acquisition of ToBaPNC, South Korean company active in plastic powder automation¹
- ▶ Completed relocation of the Italian site as planned
- ▶ Introduction on new technologies to improve the automation of plastic recycling process and circular economy
- ▶ Awarded order related to the construction of the largest ever recycling plant

¹ Announced in Jul-19

NEW TECHNOLOGIES FOR PLASTIC RECYCLING PROCESS AND CIRCULAR ECONOMY

▶ In 2019 Piovan has developed new patented technologies to support converters in the utilisation of recycled material

▶ We estimate that we have contributed to the development of bio-circular economy up to one quarter of our system sales for packaging applications

▶ Piovan targets to strengthen the support to the bio and circular economy through the developments of unique technologies needed throughout the recycling chain from post-consumer recyclers to final product converters



Grinders,
shredders and
dedusters



Crystallizers,
condensing units
and cyclone filters



Batch
blenders
for flakes



Dryers



Analysis
instruments

Focus on 2 Strategic Bolt-Ons



Highlights

Leading company in South Korea in the automation of industrial processes for plastics and transports of plastic powders

2018 Revenue: c. €5m

Specialized in the automation of systems for handling and storage of viscous liquids for the food industry (confectionary & chocolate)

2018 Revenue: c. €3m

Rationale



Expand international presence, increasing penetration in Asia



Strengthen capabilities in strategic powders processing



Gain access to world leading companies in electronics and automotive technologies



Diversify from powder to creams in food adding highly complementary technologies



Expand turn-key offering in food



Technological edge in processing complex liquid foods

Transaction Overview

- ✓ Acquired 51% stake
- ✓ Purchase price c. USD 1m
- ✓ Call option on minority

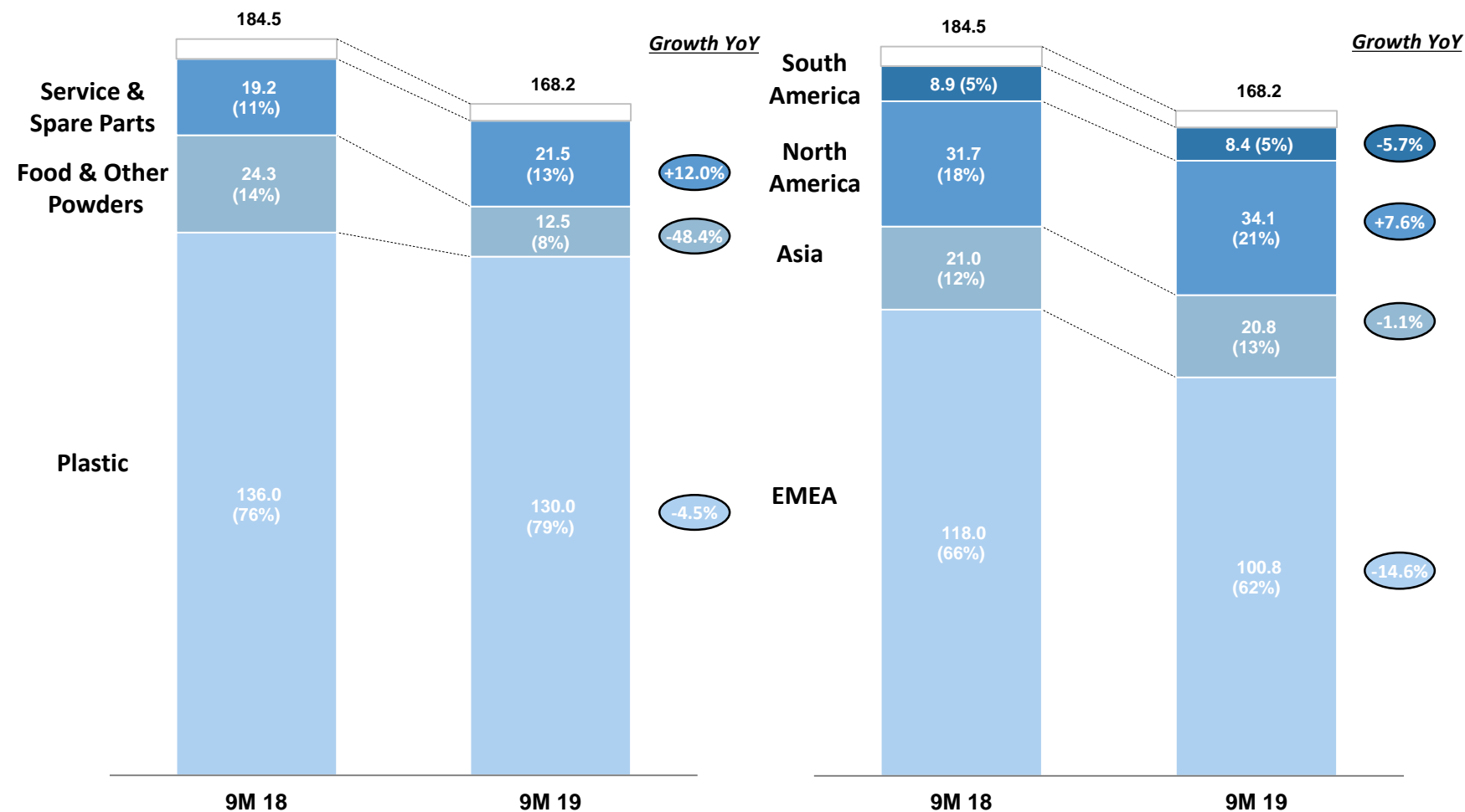
- ✓ Acquired 51% stake
- ✓ Purchase price c. € 0.4m
- ✓ Call option on minority

Resilient Plastic, While Food & Other Powders Suffering From Weaker Market Backdrop

Revenues by Application (€m)¹

Revenues by Geography (€m)¹

Comments



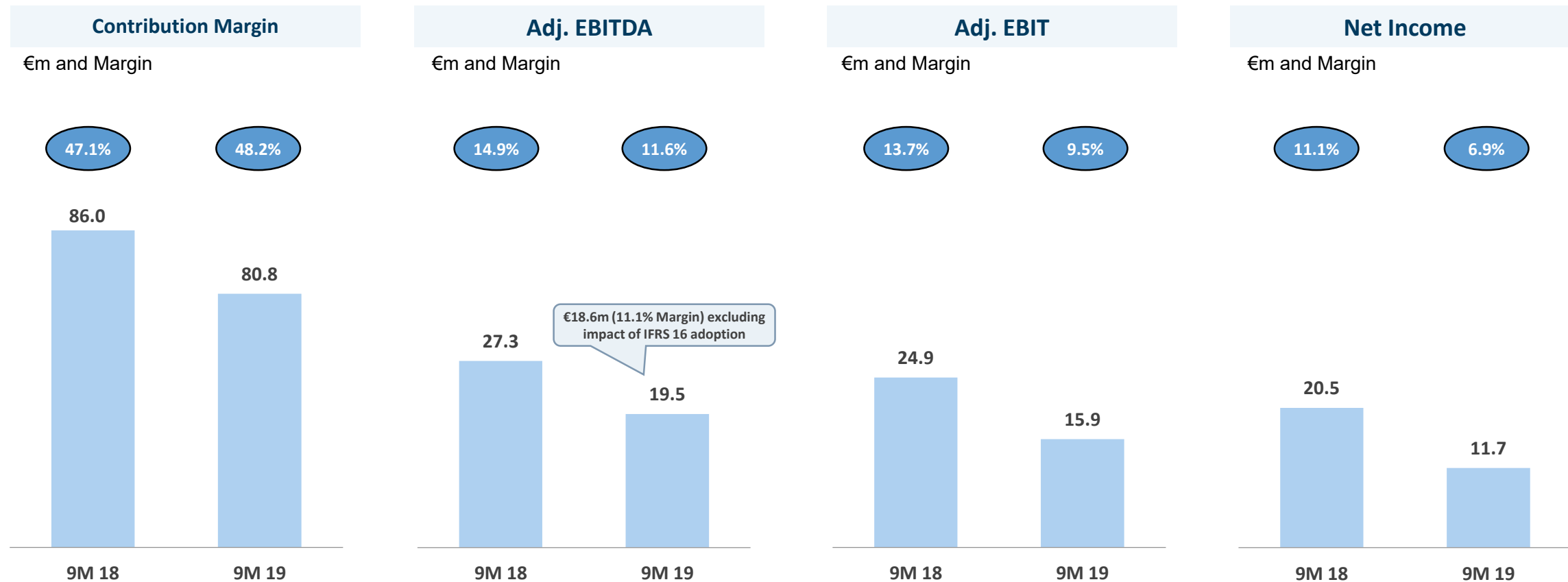
BY APPLICATION

- Revenues from Systems affected by headwinds in Food & Other Powders
 - 2Q and 3Q 2019 impacted – as expected – by negative order intake recorded between Dec-18 and Mar-19 (time lag effect), positive trends observed over the last 6 months
- Plastic Systems substantially resilient despite market slowdown (-4% YoY), on the back of Piovan leading market position
- YTD decrease in food driven by effects of 2018 production planning (anticipating food orders to 2018 and moving plastic orders to 2019). Q3 is accelerating and further growth is expected from Q4 onwards
- Service segment growing in line with company's expectations

BY GEOGRAPHY

- Positive trend in North America driven by momentum in commercial success of product portfolio
- Improvement of performance in Asia on the back of growth in South East Asia compensating Chinese market slowdown due to trade war
- South America weakened by unstable Brazilian market, compensated by ramp up in Food & Other Powders
- EMEA affected by weaker performance in Food & Other Powders

Higher Personnel and Other Costs Offsetting Higher Contribution Margin

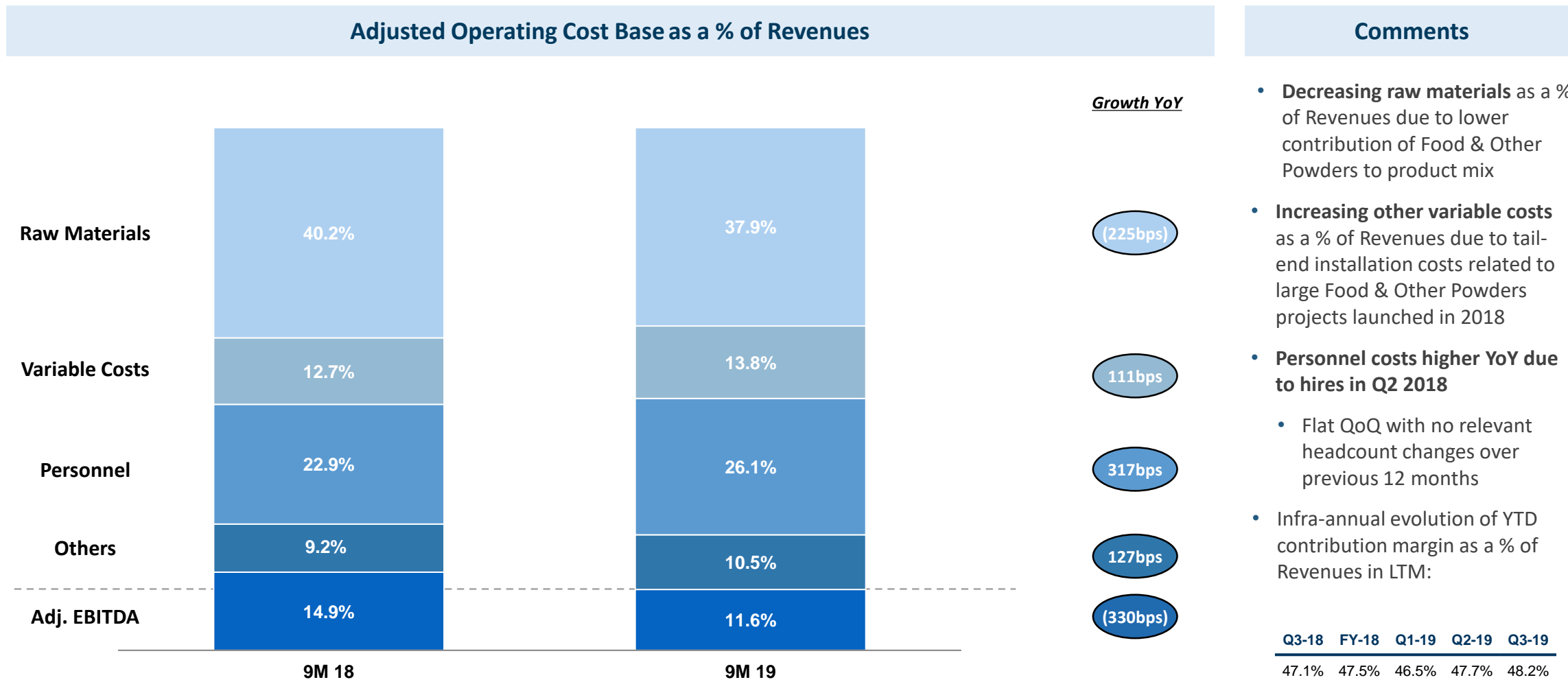


- Contribution margin improving as a % of Revenues as a result of Plastic vs. Food & Other Powders mix effect, but decreasing in absolute amount due to lower volume effect

- Improvement of contribution margin as a % of Revenues offset by higher relatively personnel and other costs, resulting in lower EBITDA and EBIT margin

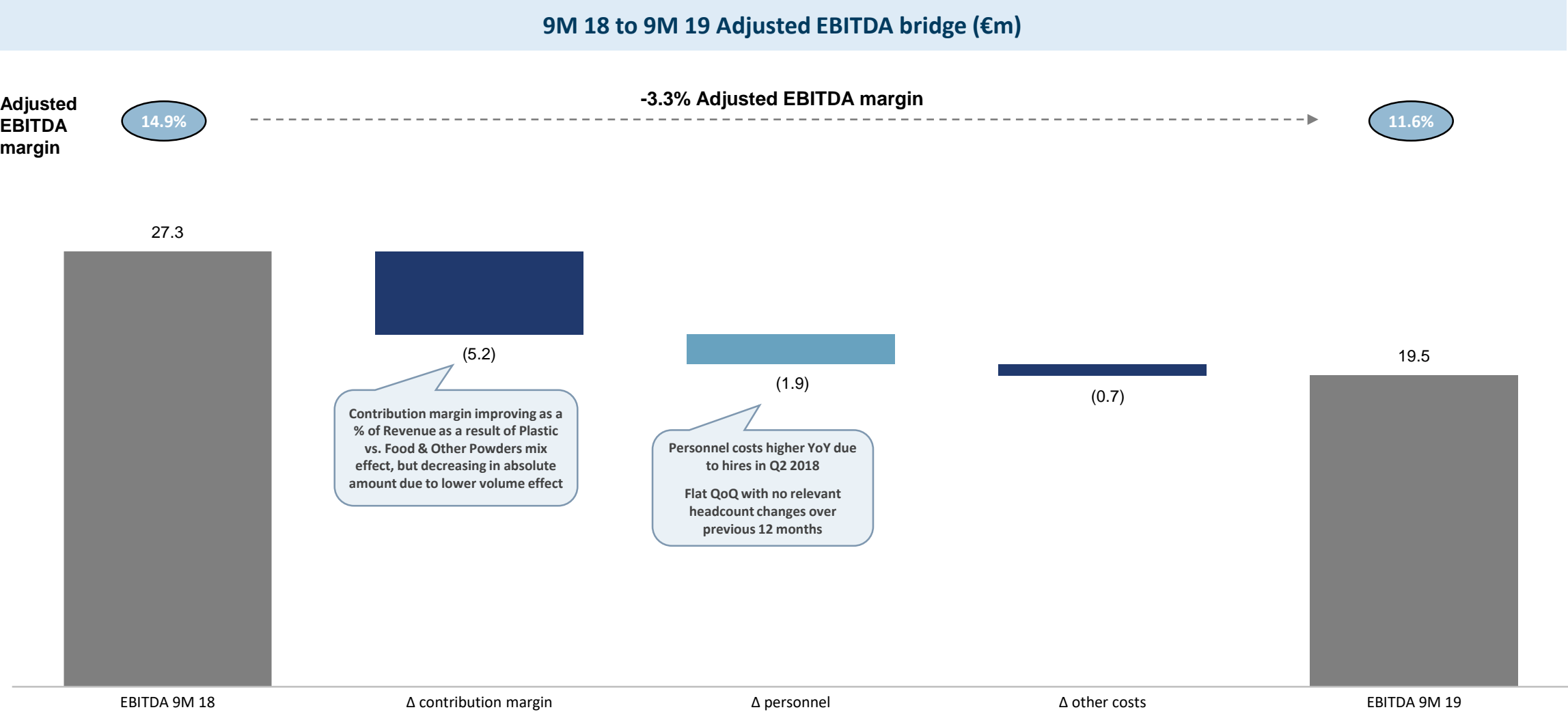
- Cost increase drop through resulting in lower net income

Higher Personnel and Other Costs Offsetting Higher Contribution Margin



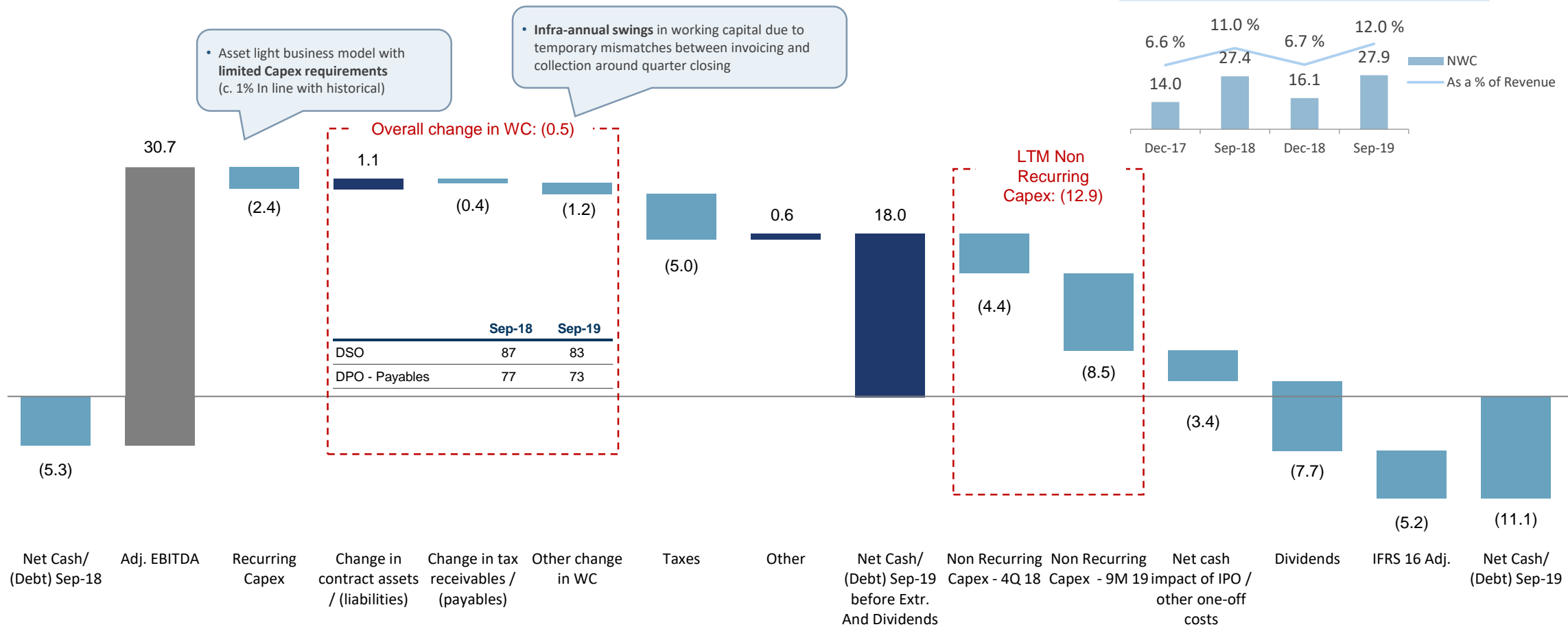
Source: Company Information

Adjusted EBITDA Bridge from 9M 18 to 9M 19



Net Debt Walk from Sep-18 to Sep-19

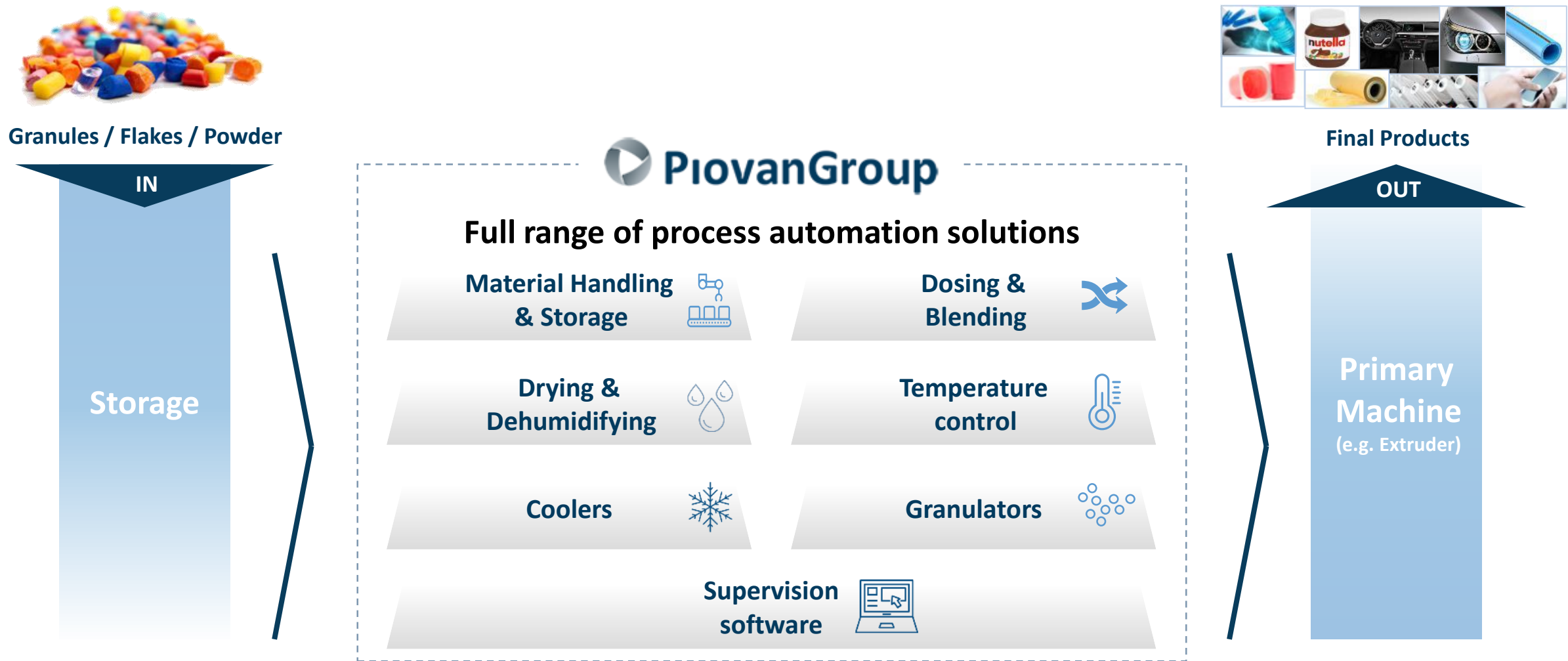
Sep-18 to Sep-19 Net Debt bridge (€m)





Appendix

Our Core is Process Automation from Silos to Primary Machines...



Source: Company information

Income Statement

€m	9M 18	9M Pre IFRS 16	9M 19	Δ% 9M 2018 vs 9M 2019
Sales	179.5	164.0	164.0	(8.6)%
Other sales & other income	4.9	4.2	4.2	(14.9)%
<i>o/w non-recurring items</i>	1.9	0.7	0.7	<i>n.m.</i>
Revenues	184.5	168.2	168.2	(8.8)%
Raw materials	(73.4)	(63.6)	(63.6)	(13.4)%
Cost of services	(37.3)	(37.7)	(37.7)	1.0 %
<i>o/w extraordinary costs</i>	(1.1)	(0.8)	(0.8)	<i>n.m.</i>
Personnel	(41.8)	(43.7)	(43.7)	4.4 %
Other costs	(3.9)	(4.8)	(3.8)	(1.0)%
EBITDA	28.0	18.5	19.4	(30.8)%
Extraordinary income	(1.9)	(0.7)	(0.7)	
Extraordinary costs	1.1	0.8	0.8	
Adjusted EBITDA	27.3	18.6	19.5	(28.5)%
% Adjusted Margin	14.9%	11.1%	11.6%	
D&A and provisions	(2.4)	(2.8)	(3.6)	
EBIT	25.7	15.7	15.8	(38.5)%
Finance Income / (Expenses)	(0.2)		0.0	
Exchange income (expenses)	0.1		0.5	
Income from equity method investments	(0.1)		0.1	
Income / loss from change in Fair Value	2.6		(0.1)	
EBT	28.1		16.3	(42.0)%
Taxes	(7.6)		(4.6)	
% Tax Rate	27.0%		28.3%	
Net Income	20.5		11.7	(43.1)%
% Margin	11.1 %		6.9 %	
Attributable to Piovan shareholders	18.8		11.7	(37.6)%
Attributable to minority shareholders	1.7		(0.1)	(104.5)%

Balance Sheet

€m	Dec-18	IFRS 16 Adj.	Dec-18 Restated	Sep-19
Property Plant & Equipment	34.5	5.9	40.4	46.4
Intangible Assets (incl. Goodwill)	6.0		6.0	6.7
Financial Assets	0.3		0.3	1.1
Net Fixed Assets	40.8		46.7	54.2
Trade receivable	50.7		50.7	51.7
Inventory	28.0		28.0	30.6
Trade payables	(39.9)		(39.9)	(28.0)
Advanced payments from customers	(12.6)		(12.6)	(20.5)
Contract assets/(liabilities)	1.0		1.0	3.5
Net Trade Capital	27.1		27.1	37.3
Tax receivables	3.5		3.5	4.3
Other current activities	4.2		4.2	4.4
Tax payables	(6.4)		(6.4)	(5.2)
Other current liabilities	(12.2)		(12.2)	(13.0)
NWC	16.1		16.1	27.9
Other Credits	5.0		5.0	4.5
Other Debts	(6.6)		(6.6)	(6.4)
Pension Fund	(3.9)		(3.9)	(4.5)
Net Invested Capital before Option	51.5		57.3	75.7
Put & Call Option	(3.2)		(3.2)	(4.5)
Net Invested Capital	48.3		54.2	71.2
Total Shareholders' Equity	56.8		56.8	60.0
Net Debt / (Cash)	(8.5)	5.9	(2.6)	11.1
Total Sources	48.3		54.2	71.2

Cash Flow Statement

€m	Dec-18	IFRS 16 Adj.	Dec-18 Restated	Sep-19
Adj. EBITDA	38.5			19.5
Recurring Capex	(2.7)			(1.4)
% on Revenues	1.1%			0.8%
Cash generation	35.8			18.1
Cash Conversion %	93.0%			92.9%
Non-Recurring Capex	(9.9)			(8.5)
Disposal	5.2			-
Δ Net Working Capital	(2.1)			(11.8)
Corporate Taxes	(8.0)			(4.6)
Δ Funds	(0.0)			0.6
Non operating Items	(0.6)			(0.2)
Cash Flow from Operation	20.4			(6.3)
Adjusting Items	(4.5)			(0.8)
Δ Put and Call Option	(4.2)			1.2
Dividend distribution	(6.0)			(7.7)
Changes in equity	0.6			(0.7)
Other financial charges	(0.2)			0.0
Δ Exchange loss/gain	0.2			0.5
Income from equitiy method investments	(0.1)			0.1
Δ Net Financial Position	6.2			(13.8)
NFP BoP	(2.3)			(2.6)
Δ Net Financial Position	(6.2)			13.8
NFP EoP	(8.5)	5.9	(2.6)	11.1