



## Investor Presentation

March 2020 – FY RESULTS 2019



Piovan at a Glance

# 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**<sup>1</sup>

## Global footprint

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

## Innovation DNA

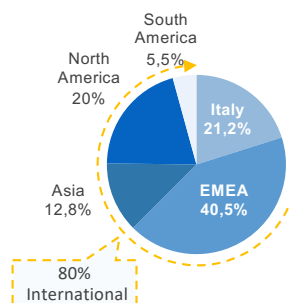
- **C. 4% of Revenues** invested in R&D and Engineering<sup>3</sup>
- **180 dedicated employees**<sup>4</sup>

## Dec-2019 Key Financials

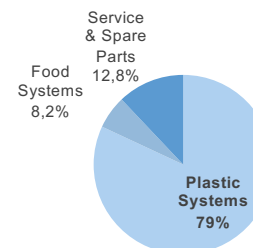
Revenues	Adj. EBITDA	Net Income	Cash Conv. <sup>5</sup>	ROCE <sup>6</sup>
€234m	€31m (13.3% Margin)	€19m (8.1% Margin)	~91%  ~1.1% Recurring Capex / Revenues	~45% Before impact of IFRS 16

## 2019 Revenues Breakdown<sup>7</sup>

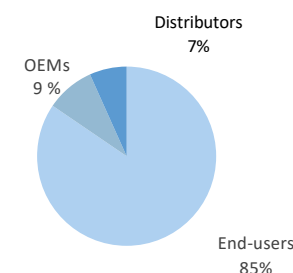
### by Geography



### by Application



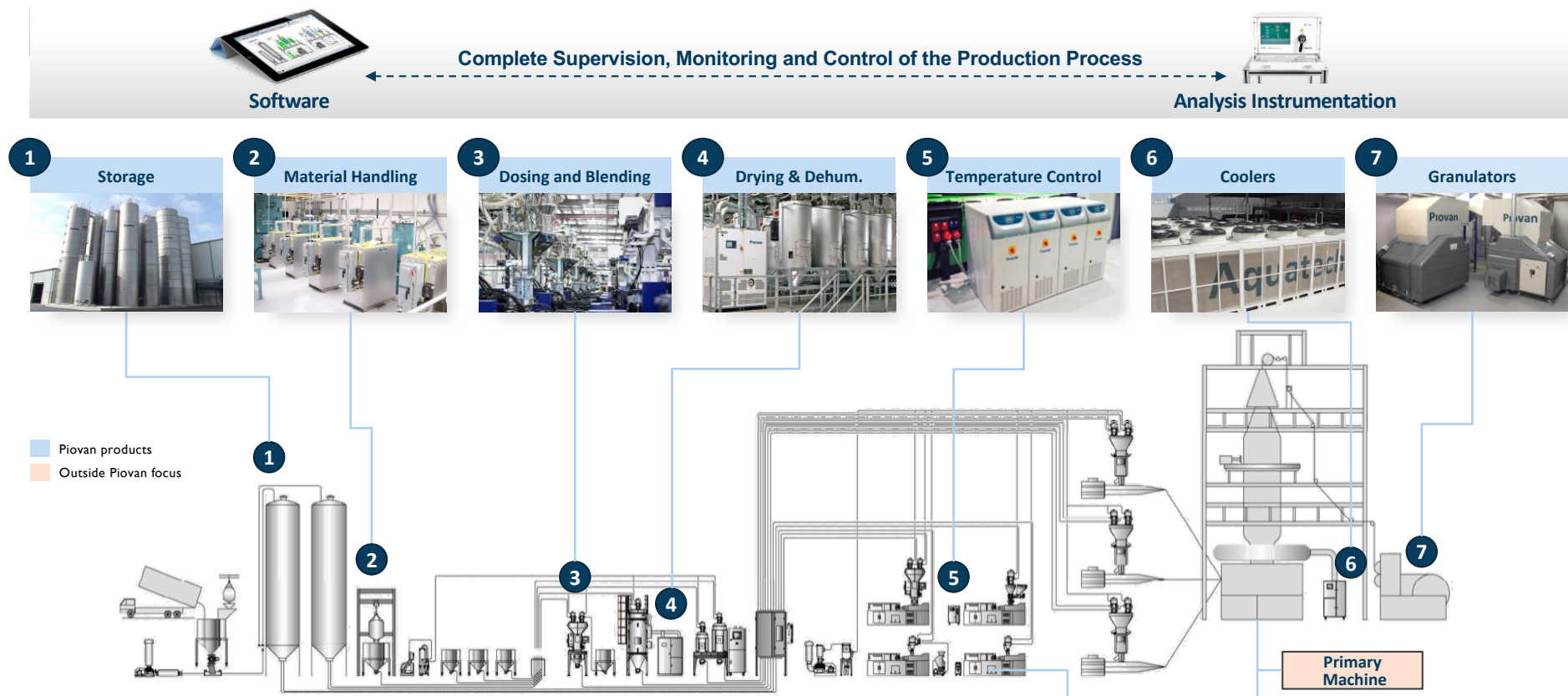
### by Channel



Source: Company information

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


































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



Automating The Whole Process From Silos To Primary Machines

Source: Company information

## ...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> & Other Powders	Plastic										
		 	  	   	 	 	 	 			
Recently Added	Creamy Liquids										
	Further Expansion Opportunities										

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

## ...With a Diversified Range of End-Markets Served...



Source: Company information

<sup>1</sup> Does not include spare parts, other sales & other income

## ...and a Growing Focus on the Environment and the Circular Economy

### Increasing Sustainability Is A Key Trend...



**+79% PLASTIC WASTE RECYCLING**

2016 VS. 2006<sup>1</sup>



**~390<sub>K</sub>TONS BIOPLASTICS PRODUCTION CAPACITY**

BY 2022<sup>2</sup>



**ENERGY SAVING**

AS A KEY PRIORITY FOR PLASTIC PROCESSORS

### ...And Piovan Is Ready For The Change



**>300 PLASTIC RECYCLING SYSTEMS**

INSTALLED SINCE 2005



**SEVERAL BIO-RESINS SYSTEMS**

INSTALLED

**COMPATIBLE WITH BIO-PLASTICS**

E.G. PLA AND MATER-BI



**35%-45% POWER SAVINGS**

ADOPTING PIOVAN GENESYS AND MODULA DRYER TOGETHER WITH WINENERGY SOFTWARE

Source: Company information

<sup>1</sup>Related to EU28 excluding Switzerland; as reported by PlasticsEurope. <sup>2</sup>As reported by European Bioplastics (from 2,054ktons/year in 2017 to 2,440 ktons/year in 2022)

## PIOVAN KEY BUSINESS HIGHLIGHTS





## FY 2019 Operating Results

## PIOVAN 2019 KEY BUSINESS HIGHLIGHTS

- ▶ 2019 impacted by negative order intake recorded in Q1 19, but positive order in take trend observed in following quarters
- ▶ Finalised acquisition of FEA p.t.p., Italian company active in handling and storage of viscous liquid for the food industry<sup>1</sup>
- ▶ Finalised acquisition of ToBaPNC, South Korean company active in plastic powder automation<sup>1</sup>
- ▶ Completed relocation of the Italian site as planned
- ▶ Introduction on new patented technologies to improve the automation of plastic recycling process and circular economy
- ▶ Awarded order related to the construction of the largest recycling plant in Europe
- ▶ Solid liquidity position with more than € 59m in cash at hand and no upcoming debt maturities

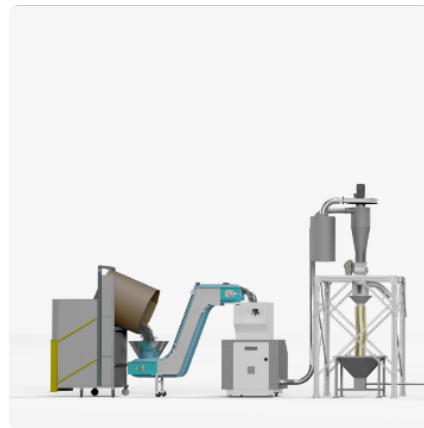
<sup>1</sup> Announced in Jul-19

# NEW TECHNOLOGIES FOR THE CIRCULAR AND BIO ECONOMIES

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

About one quarter of our system sales for packaging applications use our technologies in circular and bio economy

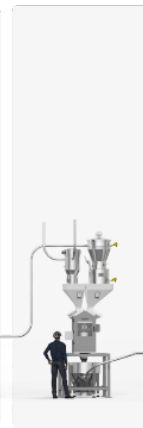
Piovan plans to further strengthen its activities into the circular and bio economy by expanding and adapting its unique technologies to the chain of post-consumer recyclers.



Grinders,  
shredders and  
dedusters



Crystallizers,  
condensing units  
and cyclone filters



Batch  
blenders  
for flakes



Dryers



Analysis  
instruments



## FY 2019 Financial Results

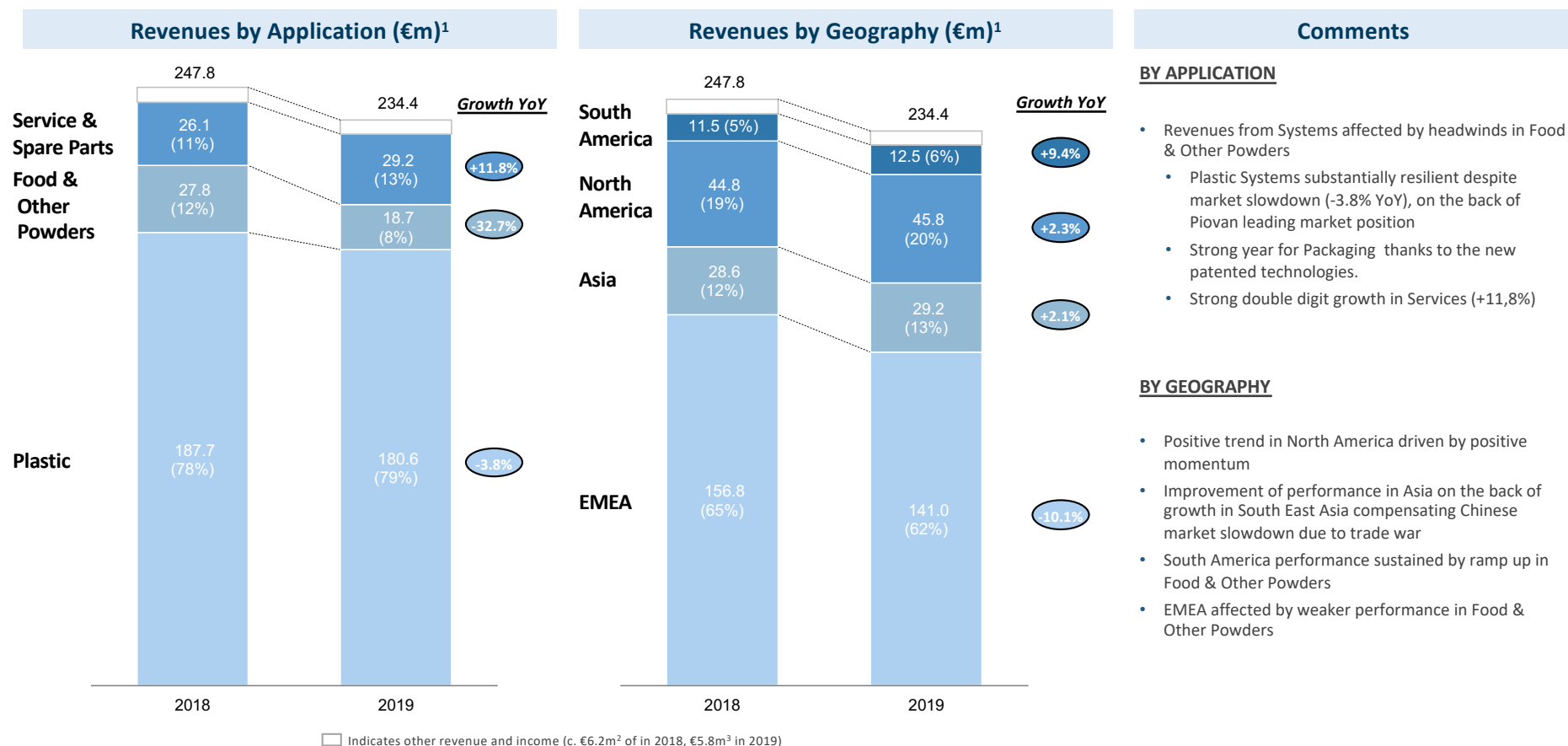
## FY 2019 – Key Financial Highlights

<i>(amounts in €'000)</i>	Performance indicators				
	2019	% on tot. revenues and other income	2018	2019 vs 2018	%
	Total	% Total	Total	Variation on recurring	
Revenues	228.526	97,5%	241.661	(13.135)	(5,4%)
Other revenues and income	5.834	2,5%	6.182	871	20,5%
<b>TOTAL REVENUES</b>	<b>234.360</b>	<b>100,0%</b>	<b>247.843</b>	<b>(12.264)</b>	<b>(5,0%)</b>
EBITDA	<b>30.920</b>	<b>13,2%</b>	35.017	<b>(7.481)</b>	<b>(19,4%)</b>
OPERATING PROFIT	<b>25.795</b>	<b>11,0%</b>	31.338	<b>(8.927)</b>	<b>(25,6%)</b>
<b>Net Income</b>	<b>18.899</b>	8,1%	25.514		

### *2019 was a challenging year*

In 2019, Piovan Group did not have another record year as the year of 2018, but we still managed to gain market share and reinforce our leadership position.

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



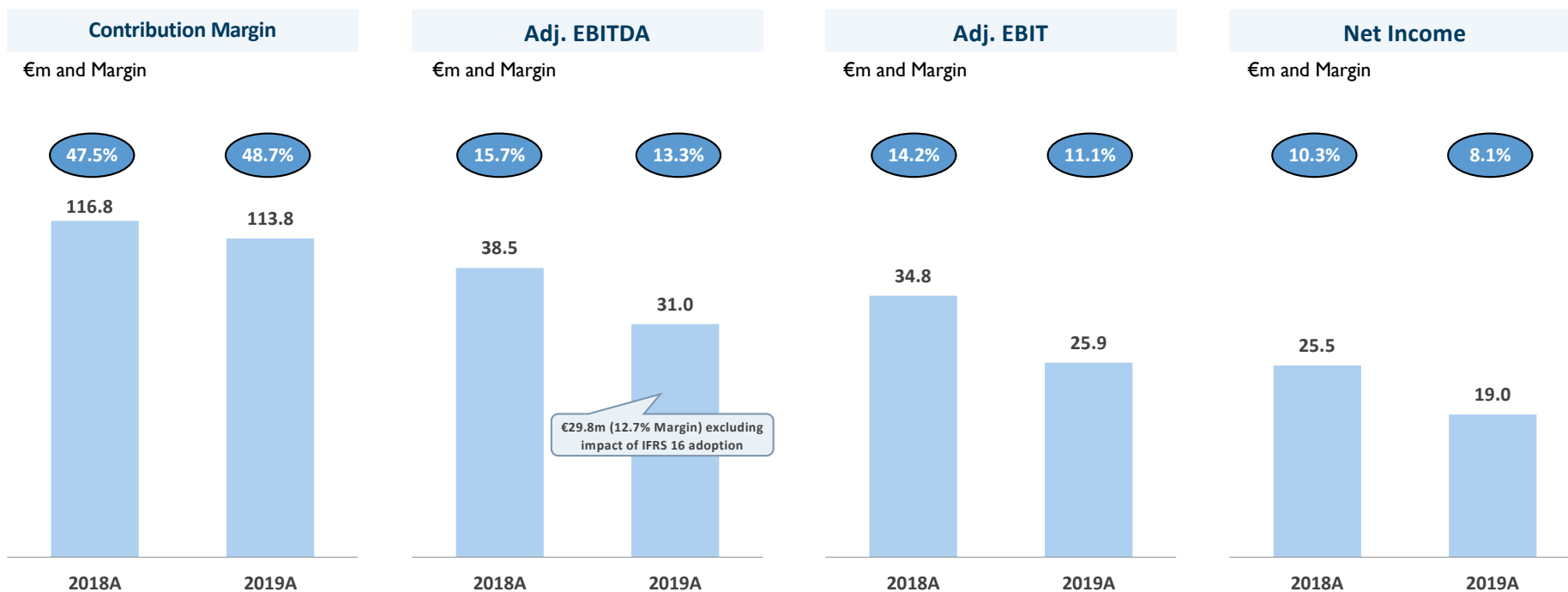
## Q4 2019 – A STRONG QUARTER

Despite the overall slowdown throughout the year, the **fourth quarter was a strong quarter** for some system applications:

- Positive Q4 19 for **Food & Non Plastic**: +76,5%
- Positive Q4 19 for **Packaging**: +50,6%
- Positive Q4 19 for **Spare Parts & Sales**: +11%

(amounts in €'000)			
	Q4 2019	Q4 2018	%variation Q4 2019 vs Q4 2018
<b>REVENUES</b>	<b>66,1</b>	<b>63,4</b>	<b>4,4%</b>
Plastic	50,6	51,7	(2,0)%
Food & Non Plastic	6,2	3,5	76,5%
Service & Spare Parts	7,7	7,0	11,0%
Other sale & Other income	1,6	1,2	31,7%
EMEA	40,2	38,8	3,5%
ASIA	8,4	7,6	10,6%
NORTH AMERICA	11,7	13,1	(10,8)%
SOUTH AMERICA	4,2	2,6	61,0%
OTHER SALE & OTHER INCOME	1,6	1,2	33,3%
<b>Adj. EBITDA</b>	<b>11,5</b>	<b>11,2</b>	<b>2,8%</b>

## Higher Personnel and Other Costs Offsetting Higher Contribution Margin



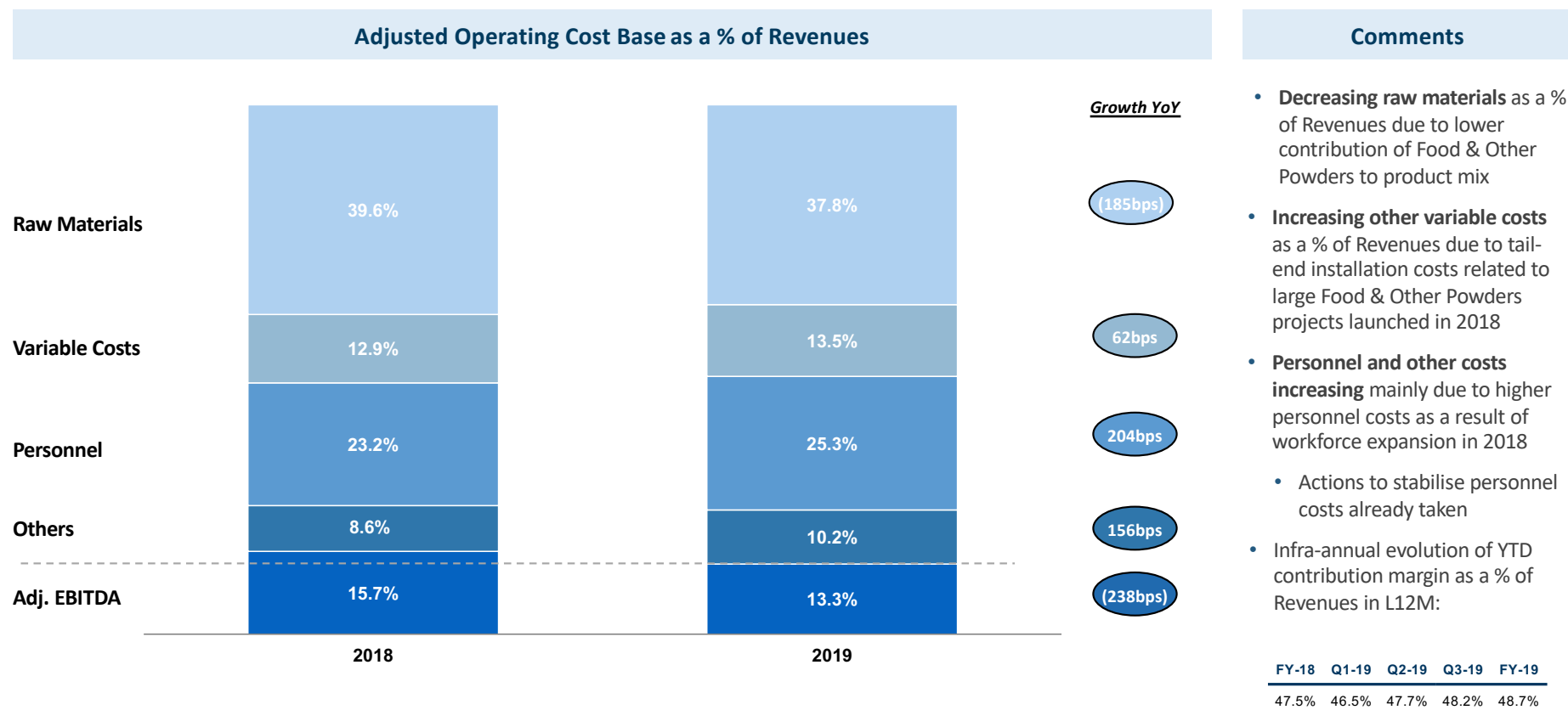
- Contribution margin improving as a % of Revenues as a result of Plastic vs. Food & Other Powders mix effect, but decreasing in absolute amount due to lower volume effect

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

- Cost increase drop through resulting in lower net income

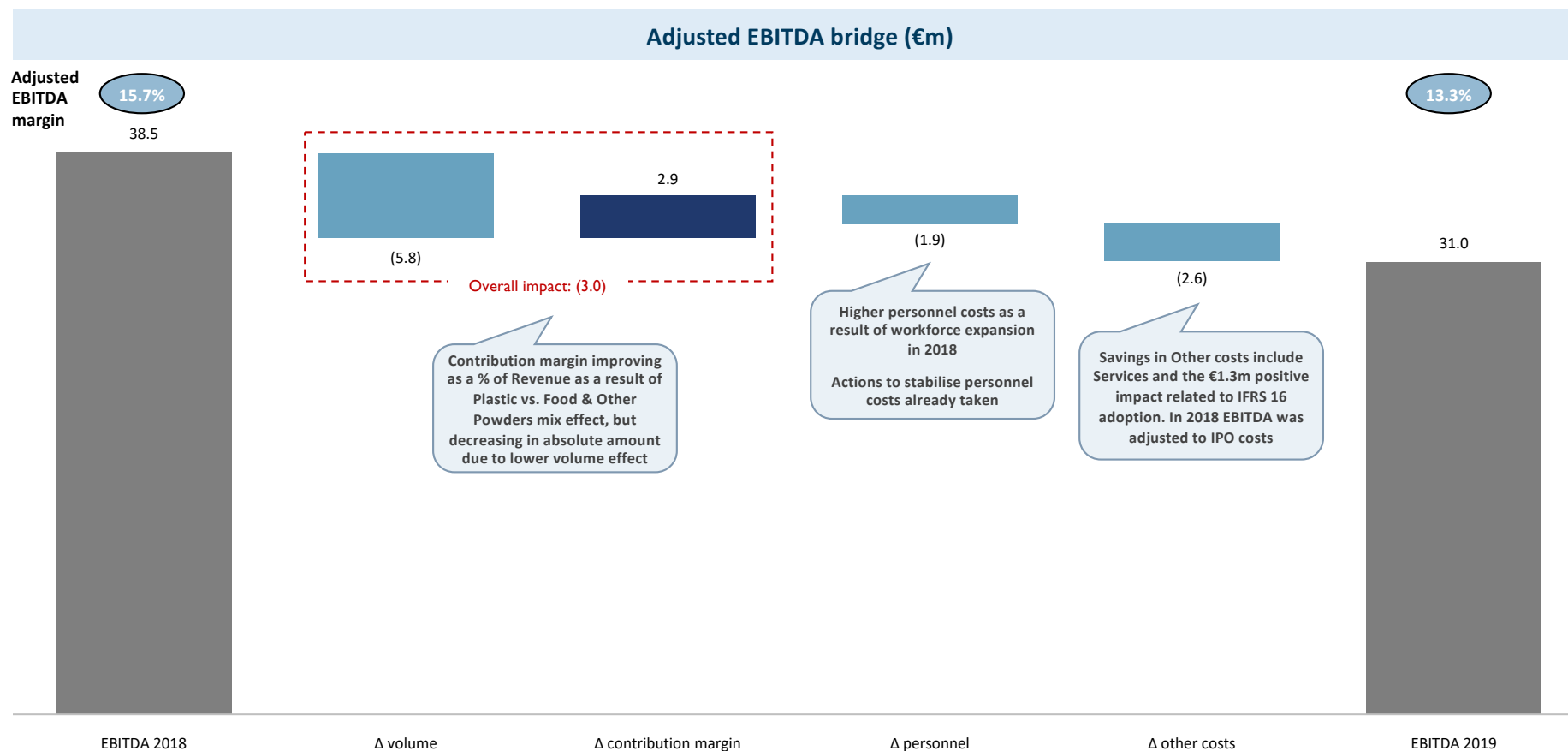
Source: Company Information

## Higher Personnel and Other Costs Offsetting Higher Contribution Margin

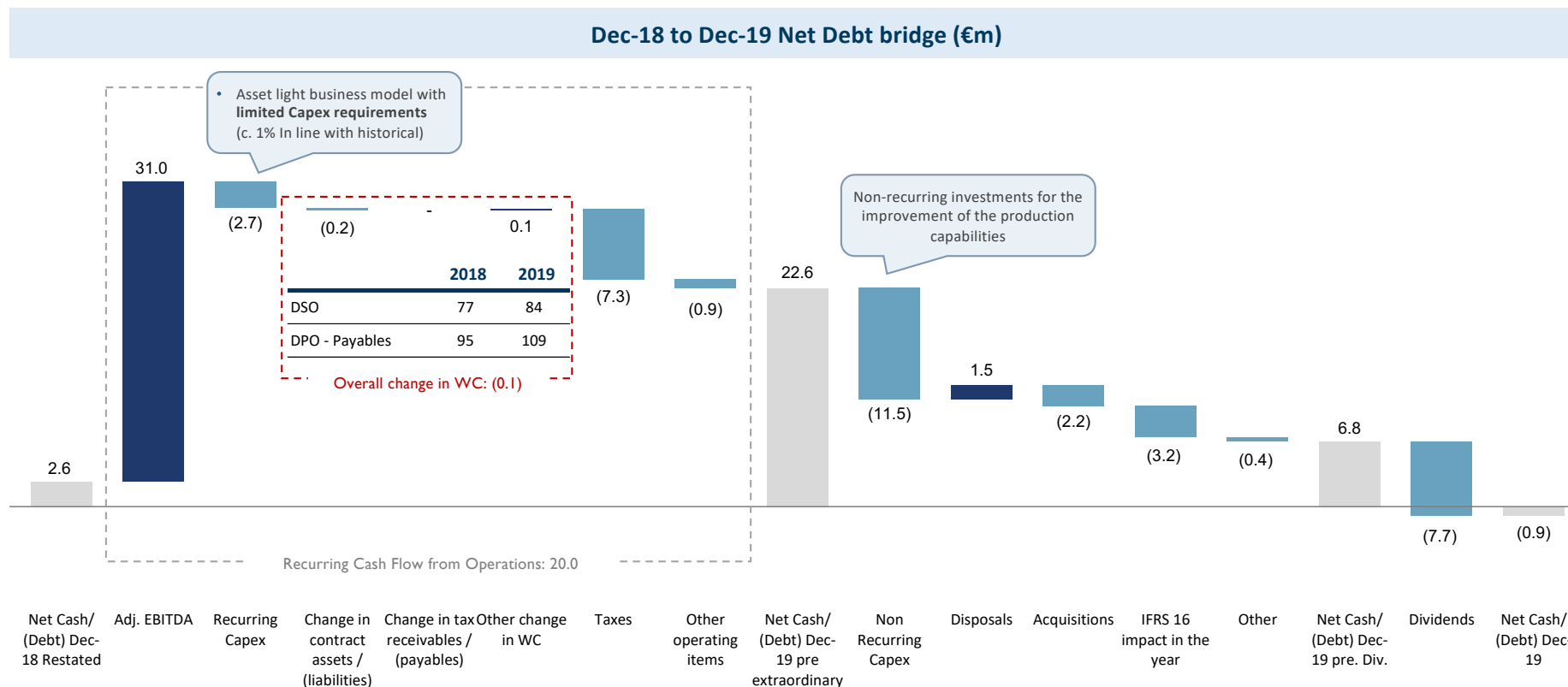


Source: Company Information

# Adjusted EBITDA Bridge



# Net Debt Walk from Dec-18 to Dec-19





Update on Strategy

# Update on Strategy

Plastic	Consolidate leadership position in core markets		Capture market growth	
			Strengthen positioning in under-penetrated end-markets	✓
			Acquisition in complementary technologies	
	Expand in under-penetrated markets		Product cross-technology in America	
			Establish local organization in target regions (e.g. Asia, Africa)	✓
			Introduce new technologies into the recycling chain	✓
Food & Other Powders	Replicate plastic business model in adjacent markets		Develop global sales network in adjacent end-markets	
			Acquisitions in complementary segments/technologies	✓
Services & Spare Parts	Fully exploit the After-Sale potential		Increase the weight of Services & Spare Parts on total Revenues	

Source: Company information



## Appendix

# Income Statement

€m	2018	2019	Δ% 2018 vs 2019
Sales	241.7	228.5	(5.4)%
Other sales & other income	6.2	5.8	(5.6)%
o/w non-recurring items	1.9	0.7	n.m.
Revenues	247.8	234.4	(5.4)%
Raw materials	(97.5)	(88.3)	(9.4)%
Cost of services	(53.3)	(51.0)	(4.2)%
o/w extraordinary costs	(5.4)	(0.8)	n.m.
Personnel	(57.1)	(59.0)	3.4 %
Other costs	(5.0)	(5.1)	2.5 %
EBITDA	35.0	30.9	(11.7)%
Extraordinary income	(1.9)	(0.7)	
Extraordinary costs	5.4	0.8	
<b>Adjusted EBITDA</b>	<b>38.5</b>	<b>31.0</b>	<b>(19.4)%</b>
% Adjusted Margin	15.7%	13.3%	
D&A and provisions	(3.7)	(5.1)	
EBIT	31.3	25.8	(17.7)%
Finance Income / (Expenses)	(0.2)	0.0	
Exchange income (expenses)	0.2	(0.0)	
Income from equity method investments	(0.2)	(0.1)	
Income / loss from change in Fair Value	2.3	0.5	
EBT	33.5	26.3	(21.6)%
Taxes	(8.0)	(7.3)	
% Tax Rate	23.8%	27.7%	
Net Income	25.5	19.0	(25.6)%
% Margin	10.3 %	8.1 %	
Attributable to Piován shareholders	23.9	18.7	(21.8)%
Attributable to minority shareholders	1.6	0.3	(81.4)%

# Balance Sheet

€m	Dec-18	IFRS 16 Adj.	Dec-18 Restated	Dec-19
Property Plant & Equipment	34.5	5.9	40.4	52.4
Intangible Assets (incl. Goodwill)	6.0		6.0	7.5
Financial Assets	0.3		0.3	0.3
<b>Net Fixed Assets</b>	<b>40.8</b>		<b>46.7</b>	<b>60.2</b>
Trade receivable	50.7		50.7	52.8
Inventory	28.0		28.0	29.3
Trade payables	(39.9)		(39.9)	(40.6)
Advanced payments from customers	(12.6)		(12.6)	(16.1)
Contract assets/(liabilities)	1.0		1.0	1.2
<b>Net Trade Capital</b>	<b>27.1</b>		<b>27.1</b>	<b>26.6</b>
Tax receivables	3.5		3.5	3.7
Other current activities	4.2		4.2	3.7
Tax payables	(6.4)		(6.4)	(6.7)
Other current liabilities	(12.2)		(12.2)	(11.1)
<b>NWC</b>	<b>16.1</b>		<b>16.1</b>	<b>16.2</b>
Other Credits	5.0		5.0	4.9
Other Debts	(6.6)		(6.6)	(5.2)
Pension Fund	(3.9)		(3.9)	(4.8)
<b>Net Invested Capital before Option</b>	<b>51.5</b>		<b>57.3</b>	<b>71.3</b>
Put & Call Option	(3.2)		(3.2)	(5.3)
<b>Net Invested Capital</b>	<b>48.3</b>		<b>54.2</b>	<b>66.1</b>
Total Shareholders' Equity	56.8		56.8	65.1
Net Debt / (Cash)	(8.5)	5.9	(2.6)	0.9
<b>Total Sources</b>	<b>48.3</b>		<b>54.2</b>	<b>66.1</b>

# Cash Flow Statement

€m	Dec-18	IFRS 16 Adj.	Dec-18 Restated	Dec-19
Adj. EBITDA	38.5			31.0
Recurring Capex	(2.7)			(2.7)
% on Revenues	1.1%			1.1%
Cash generation	35.8			28.4
Cash Conversion %	93.0%			91.4%
Non-Recurring Capex	(9.9)			(11.5)
Disposals	5.2			1.5
Δ Net Working Capital	(2.1)			(0.1)
Taxes	(8.0)			(7.3)
Other operating items	(0.0)			0.9
Non operating Items	(0.6)			(1.9)
Cash Flow from Operations	20.4			10.0
Adjusting Items	(4.5)			(0.1)
Δ Put and Call Option	(4.2)			2.6
Dividend distribution	(6.0)			(7.7)
Changes in equity	0.6			(2.9)
Other financial charges	(0.2)			0.0
Δ Exchange loss/gain	0.2			(0.0)
Income from equity method investments	(0.1)			(0.1)
Acquisitions				(2.2)
IFRS 16 impact in the year				(3.2)
Δ Net Financial Position	6.2			(3.6)
NFP BoP	(2.3)			(2.6)
Δ Net Financial Position	(6.2)			3.6
NFP EoP	(8.5)	5.9	(2.6)	0.9

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