

FY 2021 FINANCIAL RESULTS

24th March 2021



PIOVAN GROUP 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
- Ca **4,500 customers**¹

Global footprint

- **9 manufacturing sites** in 4 continents
- **31 services & sales companies** worldwide²
- **70+ countries** covered

Innovation DNA

- **C. 3.4% of Revenues** invested in R&D and Engineering³
- **211 dedicated employees**⁷

FY 2021 Key Financials

Revenues

€287.0m

+27.5%

FY2020 – FY2021

EBITDA

€ 41.2m
(14.3% Margin)

+27.6%

FY2020 – FY2021

Net Income

€ 27.7m
(9.6% Margin)

+58.9%

FY2020 – FY2021

Cash Conv.⁴

~ 95%

0.8%

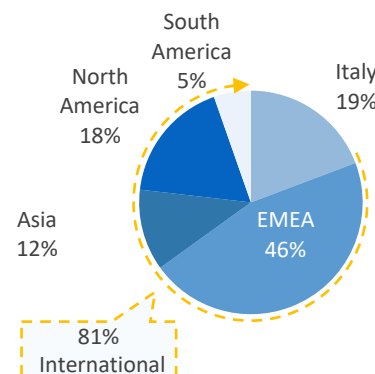
Recurring Capex /
Revenues

ROCE⁵

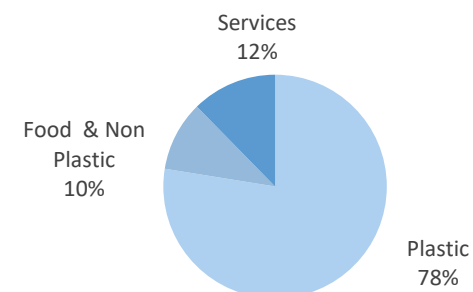
~ 63%

FY 2021 Revenues Breakdown⁶

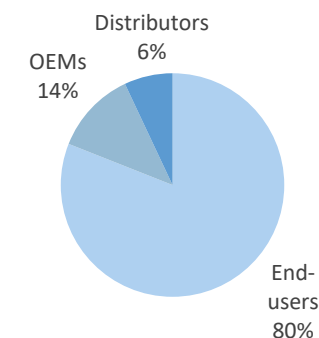
by Geography



by Segment



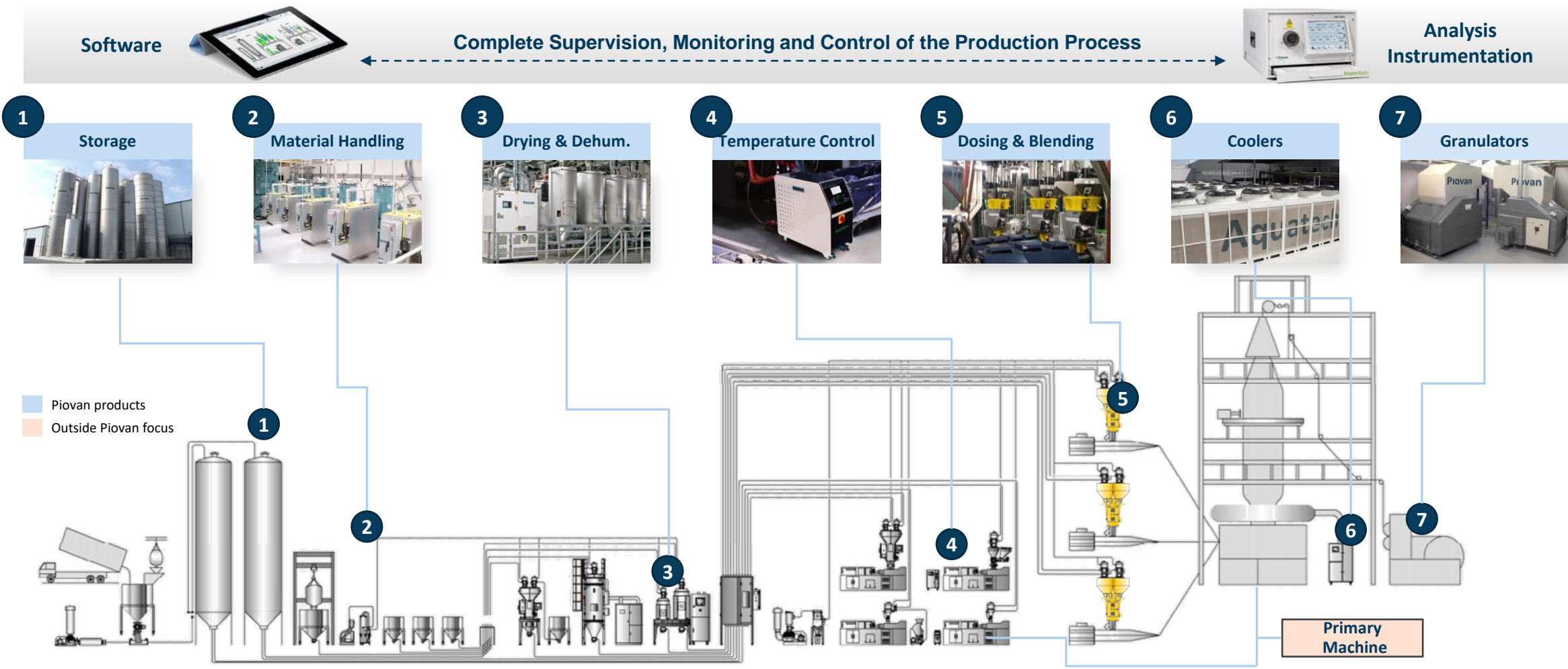
by Channel



Source: Company information

¹In 2021 above 1.000€ T/O. ²As of Dec 2021, including 9 manufacturing sites. ³As of Dec 2021. ⁴Defined as EBITDA – Recurring Capex / EBITDA. ⁵Computed as EBIT / Net Invested Capital excluding Goodwill and Put and Call Options. ⁶Excluding other sales & other income. ⁷As of Dec 2021.

OUR CORE IS PROCESS AUTOMATION FROM SILOS TO PRIMARY MACHINES...



Automating The Whole Process From Silos To Primary Machines

Source: Company information

...SERVING A DIVERSIFIED RANGE OF END-MARKETS



Source: Company information

OUR COMMITMENT TO SUSTAINABILITY

SELECTED KPIs AND INITIATIVES

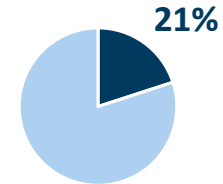


LINK TO RECYCLING ACTIVITIES

- > **+300 plastic recycling systems** installed since 2006
- > **11 patents registered in 2020 & 2021** are “recycling related”

CIRCULAR ECONOMY

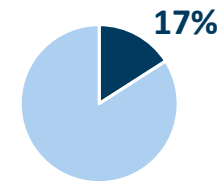
% of 2021 revenues in packaging, fibres, recycling and compound related to “circular economy”



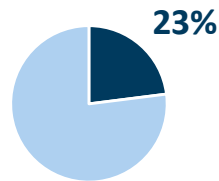
ATTENTION TO ENERGY SAVING

- > Assembling production activities resulting in **low consumption of energy, water and CO2 emissions**
- > **2.290 EECS obtained in 2021**

DIVERSITY & INCLUSION¹



% of female on tot. FTEs (1,196)



% of female on tot. FTEs - excluding factory workers (794)

WORKLIFE BALANCE & SUST. MOBILITY

In 2020-21, activated several initiatives to incentivize

- > **REMOTE WORKING**
- > **FLEXIBLE HOURS**
- > **SUSTAINABLE MOBILITY**



CERTIFICATIONS²

ISO 45001 – Occupational health and safety management systems



ISO 14001 – Environmental management systems



ISO 9001 – Quality management systems



BoD COMPOSITION

	Female	Male
By Gender	29%	71%
	Non Exec.	Executive
Exec. vs. Non Exec.	71%	29%
	Independent	Non Indep.
Indep. vs. Non Indep.	57%	43%

ANTI-BRIBERY (2020 Actions)

- > Adopted **Organization and Management Model** (in line with 231 law) to fight corruption by Italian subs
- > Adopted **Corporate Crime & Liability guidelines** by subs with offices abroad

DIVERSITY POLICY³

In 2020, Piovon’s BoD adopted its Diversity Policy covering

- > **Gender Diversity**
- > **Age & Seniority Diversity**
- > **Professional & Man. Skills Diversity**

In 2021 establishment of an internal taskforce to collect, elaborate and take-action on all the ESG (Environment, Social and Governance) stimuli coming from the various stakeholders

Source: Company information

¹ As of Dec-2021. ² ISO 45001 and 14001 Issued for Piovon S.p.A. and for its HQ facilities, ISO 9001 issued for Piovon S.p.A., Penta S.p.A. and Aquatech S.p.A. and related facilities. ³ Applies to BoD and Board of Statutory Auditors
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OUR COMMITMENT TO SUSTAINABILITY

RESULTS OF RATING PROCESS

Piovan Group confirms its commitment to sustainable development by obtaining an ESG rating issued by Sustainalytics - a leading independent provider of ESG and Corporate Governance assessments, research and analysis - part of the Morningstar group.

The rating is based on a "Comprehensive" analysis framework which considered aspects related to human rights, occupational health and safety, carbon emissions, business ethics, human capital, environmental and social impact of products and services.

With a score of 21.9, Piovan Group is placed at the lower end of the Medium Risk category, with the highest score in the categories:

- CO2 emissions
- Sustainable products and services
- Health and safety management system.



SUSTAINALYTICS

a Morningstar company

ESG INDUSTRY TOP RATED





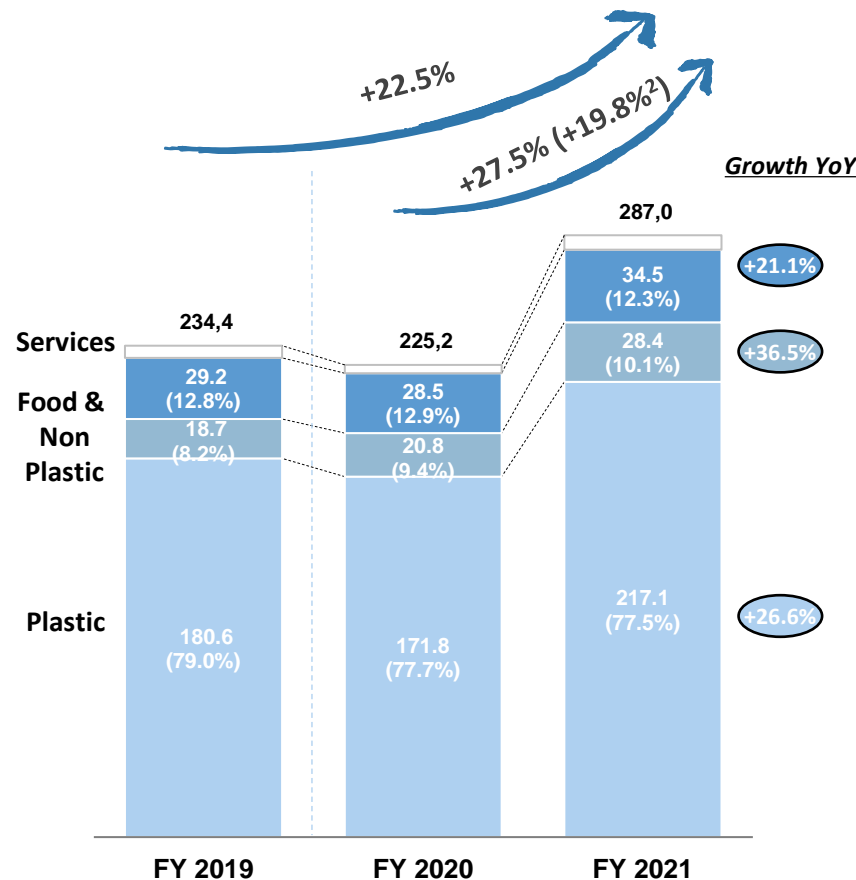
FY 2021 RESULTS

RECAP OF FY 2021 KEY BUSINESS & FINANCIALS HIGHLIGHTS

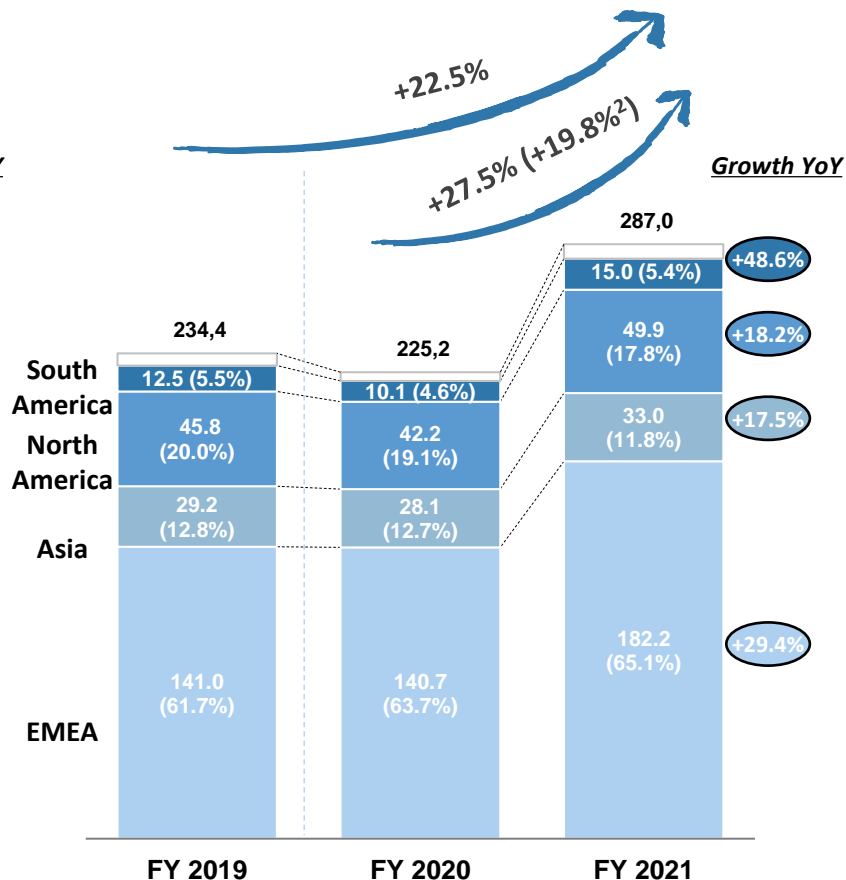
- ▶ Continued positive situation in terms of orders collection and backlog in Q4/21 and first months of 2022
- ▶ Announced transformational acquisition of IPEG, further strengthening Piovan Group's global leadership
- ▶ Signed preliminary agreement to acquire land for new Asia HQ development and acquired land adjacent to Italian HQ allowing for future capacity expansions
- ▶ Acquired land for expansion of newly acquired factory in India (held through NuVu Conair JV)
- ▶ Sustained tension in the supply chain for raw materials and components impacting delivery and contribution margin profitability
- ▶ Limited exposure to critical areas such as Russia, Ukraine and Belarus currently impacted by conflict
- ▶ Obtained Sustainalytics Industry Top-Rated Badge 2022, confirming the Group's commitment to ESG

EXCELLENT PERFORMANCE ACROSS SEGMENTS, WITH FOOD & NON PLASTIC SYSTEMS LEADING THE WAY

Revenues by Application (€m)¹



Revenues by Geography (€m)¹



Comments

ORGANIC REVENUES ANALYSIS

- **Doteco** contribution in 9M 2021 accounted for €15.8m in revenues. Excluding Doteco 9M 2021 revenues would amount to € 271.2m (+ 20.5% vs. FY 2020)
- **Other Revenues and Income** includes €1.6m positive impact from US Paycheck Protection Program loan forgiveness
- **Organic H1 FY21 revenues** excluding both Doteco and US Paycheck Protection Program loan forgiveness would amount to € 269.7m (+ 19.8% vs. FY 2020)

BY APPLICATION

- **Plastic** up 26.6% with packaging (both traditional and recycled) and consumer / technical products leading the way. Automotive sector still lagging behind
- **Food & Non-Plastic** up by 36.5% thanks to further acquisitions of strategic orders and the beginning of system deployment in US market
- **Services** up 21.1% in line with the expectations of the group plan

BY GEOGRAPHY

- **EMEA** up by 29.4% benefitting from a solid performance in Plastic and excellent development from Food & non plastic
- **S. America** and **N. America** up by 48.6% and 18.2% YoY respectively, with revenues growing in Plastic and Food and across sectors (with exception of automotive)
- **Asia** + 17.5% YoY with mixed performances across countries due to the ongoing effect of COVID in SE Asia and China recovery still lagging

□ Indicates other revenue and income (c. €5.8m in FY2019, €4.1m in FY2020, €7.0m in FY2021)

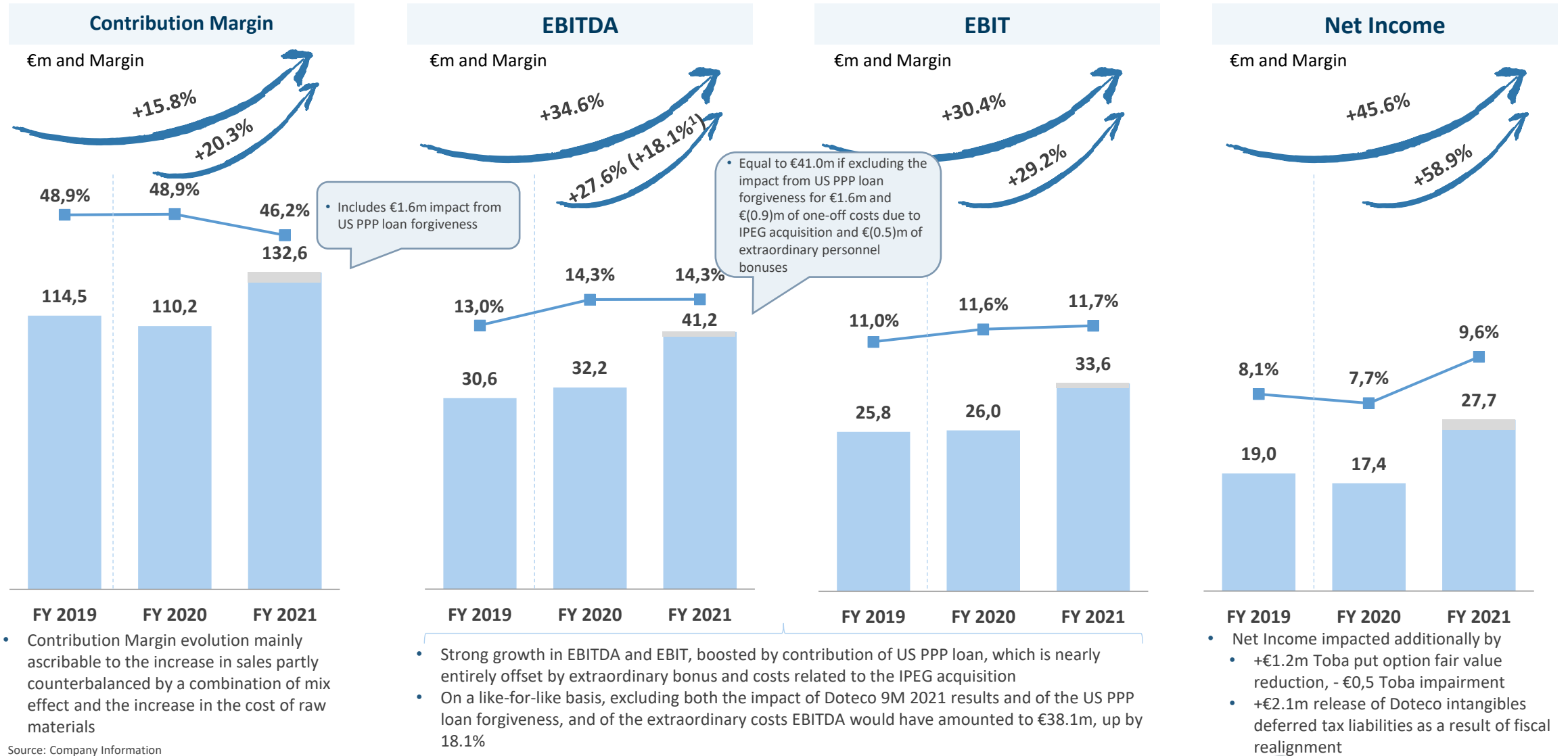
Source: Company Information

Note: 2019 figures are not entirely comparable to 2020 and 2021 figures due to the consolidation of Fea and Toba, which were acquired in the 2H of 2019.

¹ Revenues % breakdown excludes other revenue and income.

² Growth rate based on metric excluding the impact of Doteco and of US Paycheck Protection Program loan forgiveness.

STRONG GROWTH ACROSS ALL METRICS VS. FY 2020

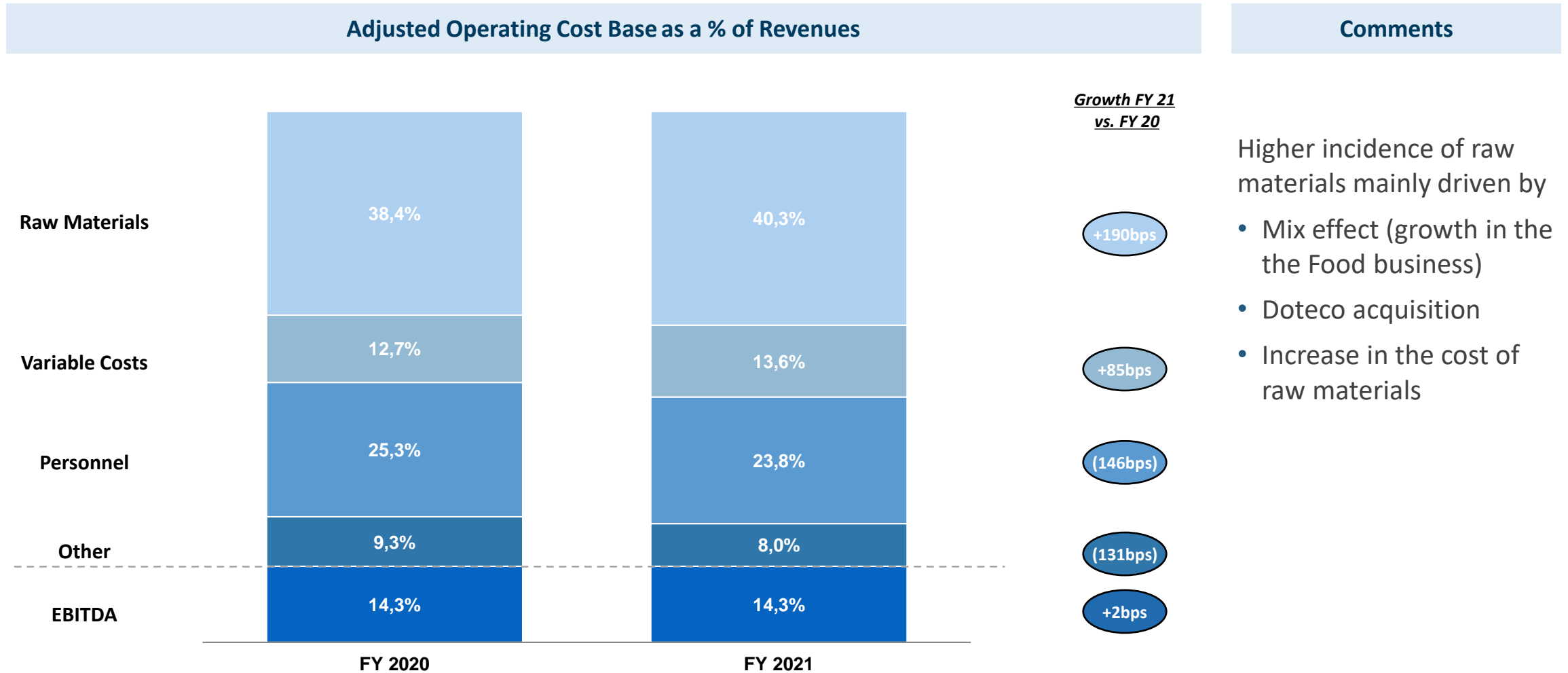


Source: Company Information

Note: 2019 figures are not entirely comparable to 2020 and 2021 figures due to the consolidation of Fea and Toba, which were acquired in the 2H of 2019 and as a result of the restatement of certain items at EBITDA level...

¹ Growth rate based on metric excluding the impact of Doteco in the first 9m 2021, US Paycheck Protection Program loan forgiveness and extraordinary costs.

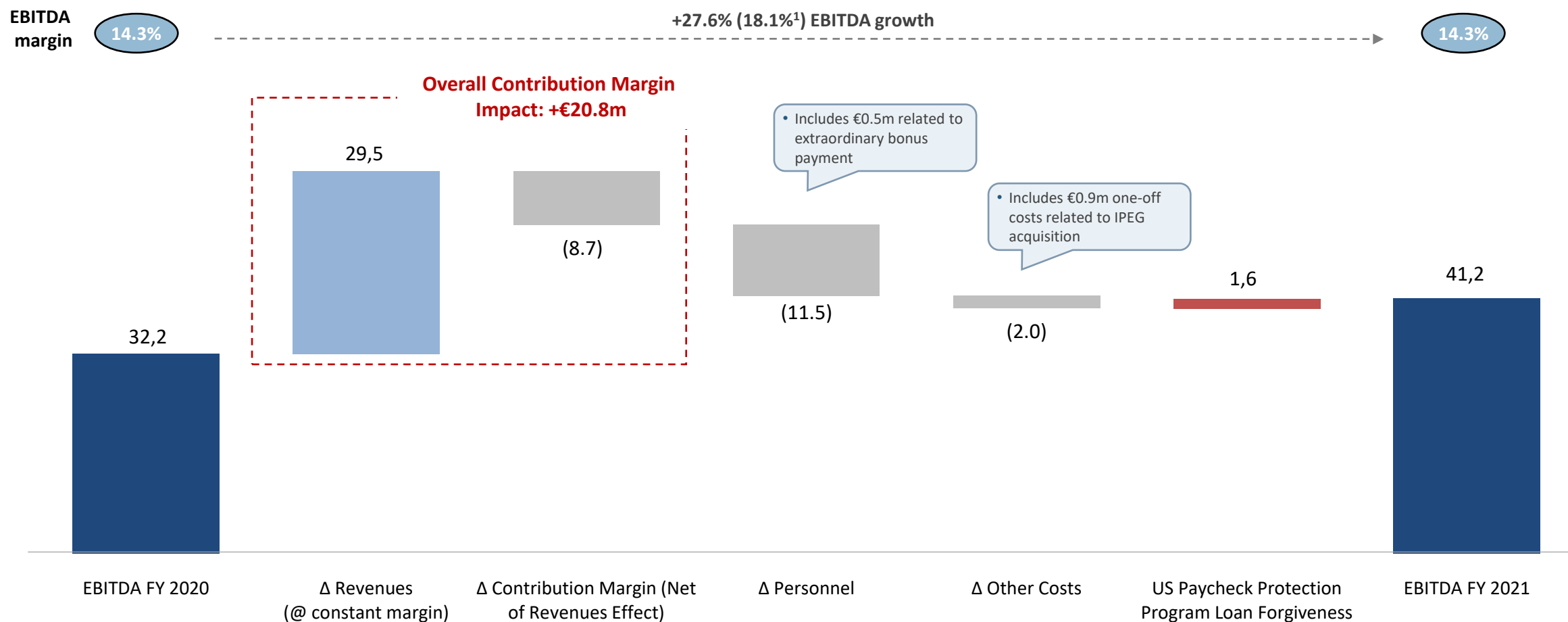
...DRIVEN BY STRONG OPERATING LEVERAGE



Source: Company Information

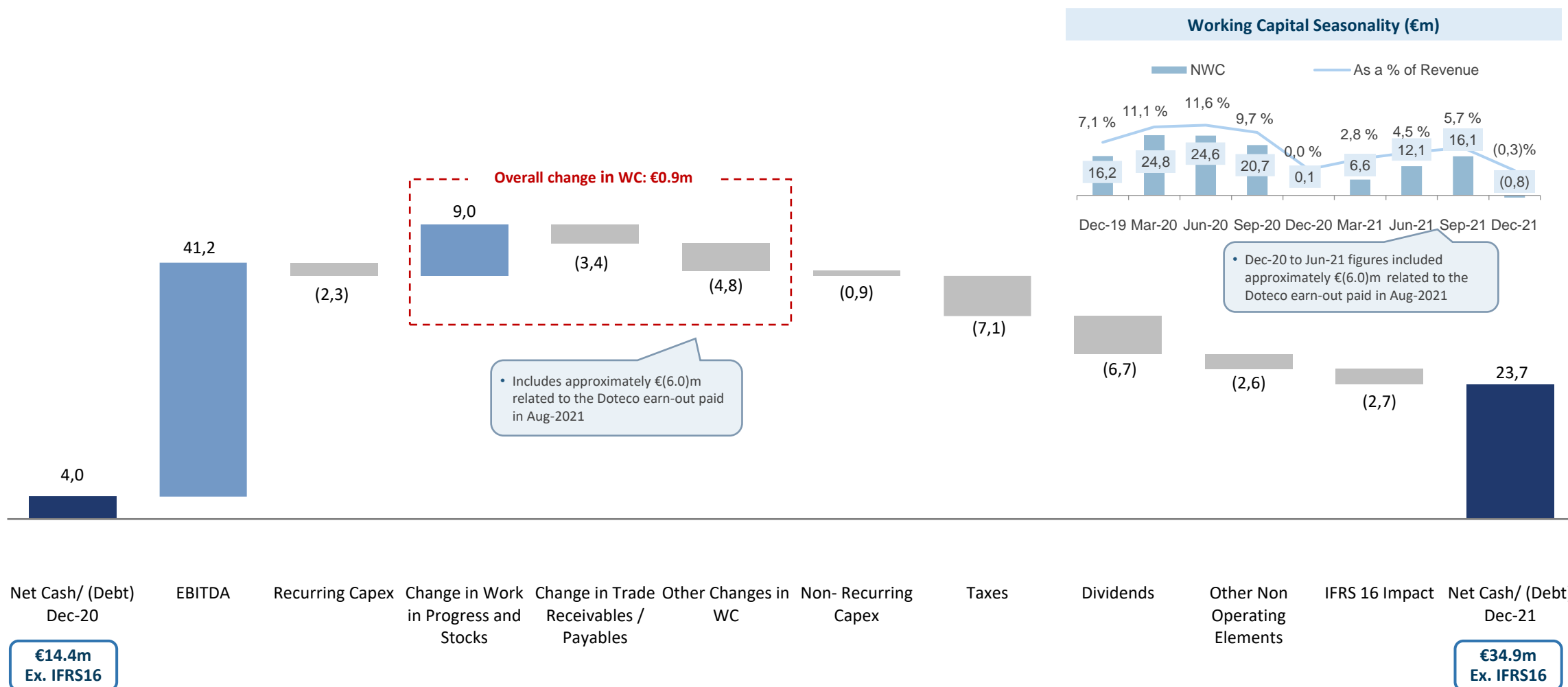
EBITDA BRIDGE FROM FY 2020 TO FY 2021

Exceptional growth in EBITDA in spite of contraction in contribution margin thanks to operating leverage effect



NET DEBT WALK FROM DEC-20 TO DEC-21

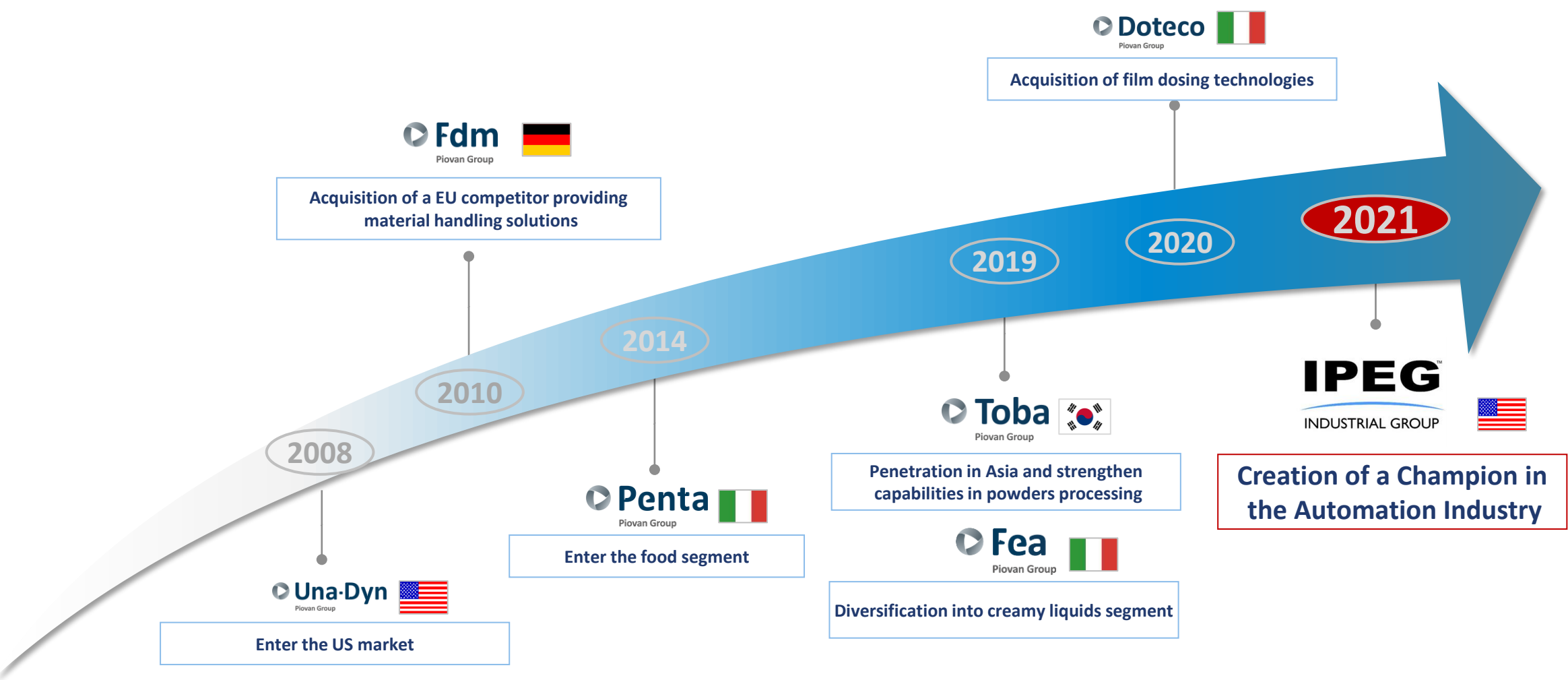
Ca. €20m free cash generation in the period, in addition to €6.7m dividends paid





UPDATE ON IPEG ACQUISITION

A NEW MILESTONE IN PIOVAN GROUP' SUCCESSFUL HISTORY OF GROWTH



TRANSACTION HIGHLIGHTS

Transaction Key Terms

- Piovan S.p.A. ("**Piovan**") and IPEG, Inc. ("**IPEG**" or the "**Target**") announce the signing of an agreement (the "**Transaction**") providing for the acquisition by Piovan of 100% of the outstanding shares of Sewickley Capital, Inc. ("**Sewickley Capital**"), the owner of 100% of IPEG, from the selling shareholders of Sewickley Capital (the "**Selling Shareholders**"). The purchase price consists of:
 - An initial payment of approx. USD 125 million, on a cash free / debt free basis; and
 - the payment of a potential earn-out ("**Earn-out**"), up to a maximum of approximately USD 22 million, to be paid in 2024 to the extent the Target achieves certain EBITDA growth targets over the time period 2021-2023.

Transaction Structure

- The Transaction was effected through a merger by incorporation whereby Sewickley Capital was merged into a Delaware corporation wholly owned by Piovan, with the result that IPEG will become an indirect subsidiary of Piovan
- The Transaction was unanimously approved by the board of directors of Piovan and the board of directors of Sewickley Capital and received the consent of 100% of the shareholders of Sewickley Capital

Strategic rationale

- The Transaction resulted in the creation of a global champion in the reference sector, with a leadership position in both the European and North American market


Timing

- **Transaction closed on 31st of January 2022, following completion of required regulatory approvals**

Management

- Kirk Winstead (Current CEO) and John G. Erkert (Current CFO) and the businesses' respective management teams will remain in their roles at the helm of IPEG, contributing to the development of the combined group in the US and globally

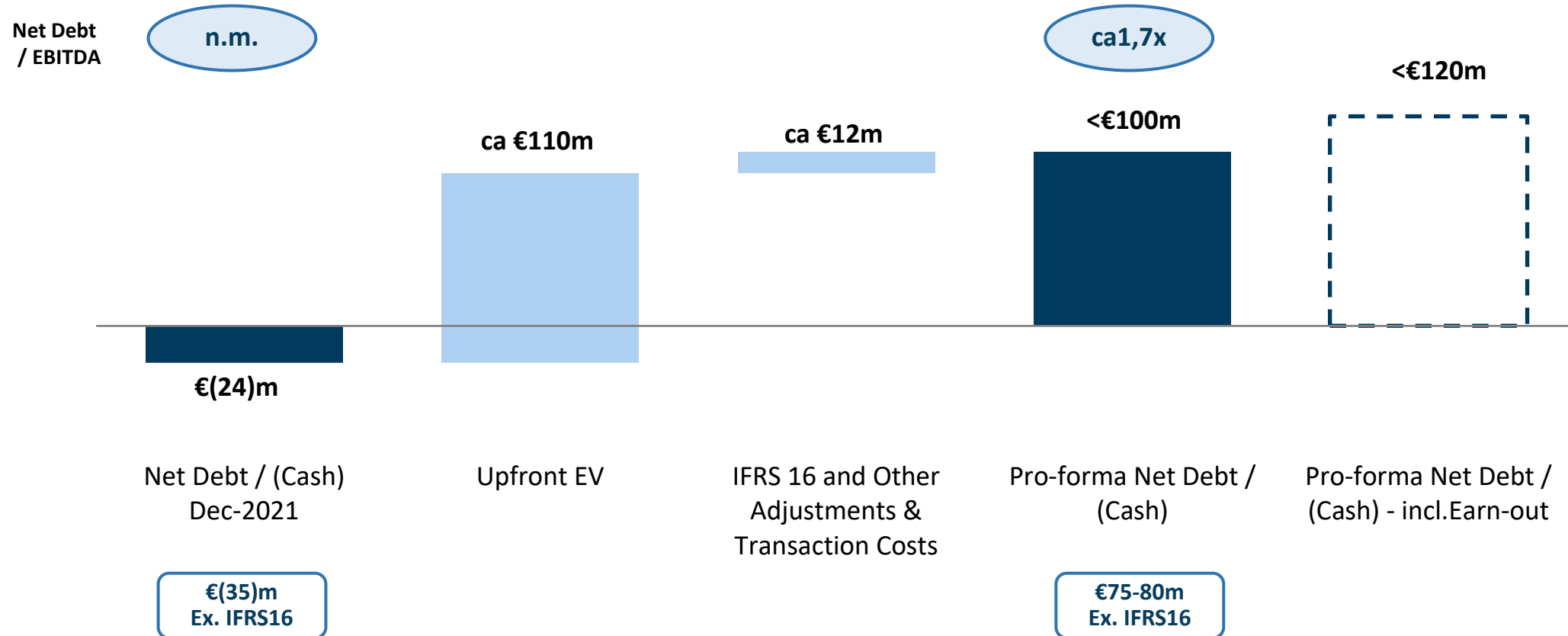
PRELIMINARY COMBINED FINANCIAL FIGURES

FY 2021 FIGURES (€m)	 PiovanGroup		IPEG		Combined Entity
Revenues	€287m	+	€179m	=	€466m
EBITDA (incl. IFRS 16)	€41m 14% margin	+	€16m 9% margin	=	€57m 12% margin

Source: Company information. Data have not been audited nor reviewed on a limited basis. Piovan Group financials according to IFRS, Caribou according to US GAAP (adjusted for IFRS 16). Figures as reported except for clean up of US PPP loan effect at EBITDA level. USD figures converted in EUR at USD/EUR fx rate of 1,10. EBITDA figures exclude contribution of Indian JV consolidated as per equity account method.

PRELIMINARY PRO-FORMA CAPITAL STRUCTURE

 **PiovanGroup** Pro-forma NFP 31-Dec-21



Source: Company information. Data have not been audited nor reviewed on a limited basis.

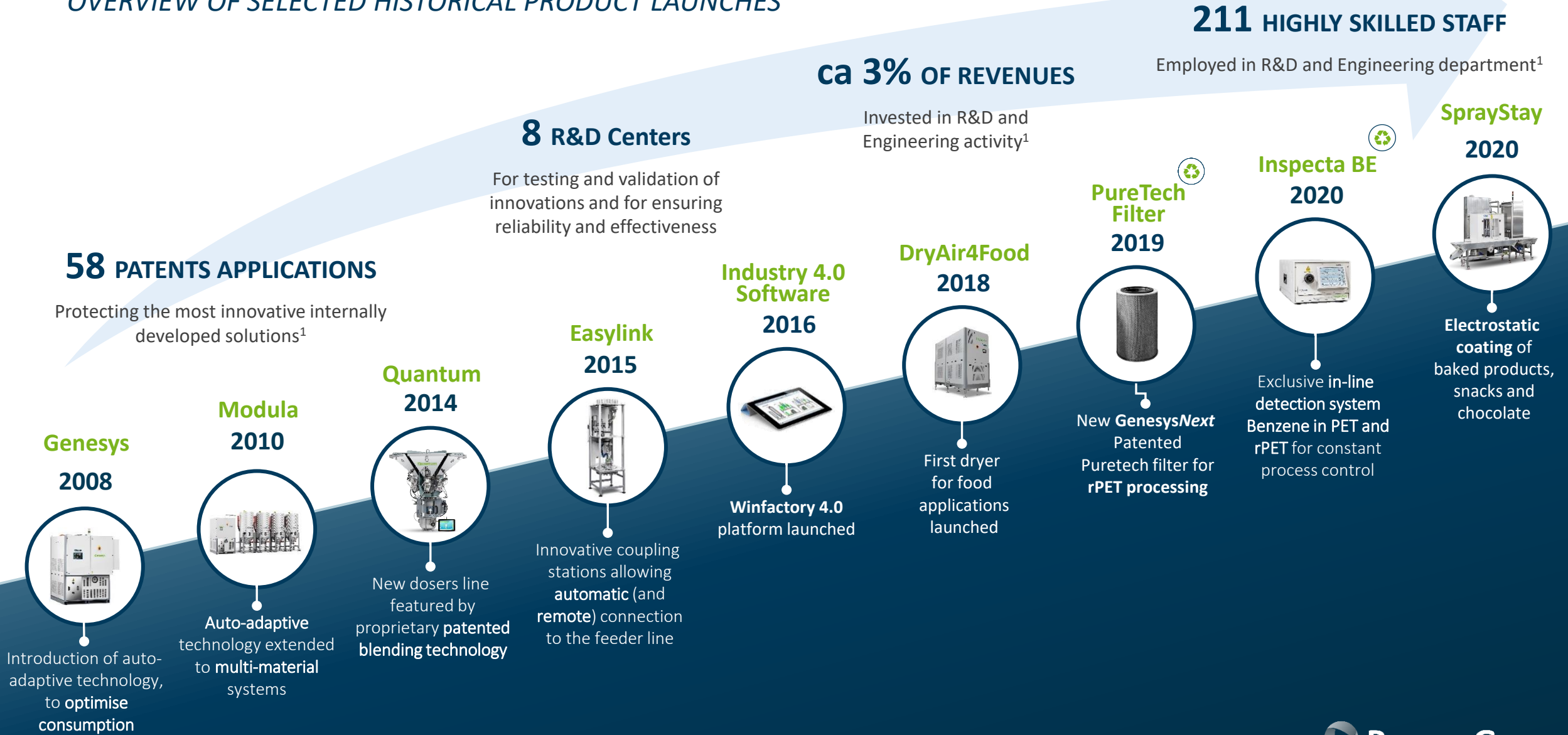
Note: Piovan Group financials according to IFRS, Caribou according to US GAAP (but adjusted for IFRS 16). Net Financial Position calculated including the impact of IFRS 16. Figures as reported except for clean up of US PPP loan effect at EBITDA level and USD figures converted in EUR at USD/EUR fx rate of 1,11. Figures exclude contribution of Indian JV consolidated as per equity account method.



Appendix A – ADDITIONAL SUPPORTING MATERIALS

STRONG DNA OF INNOVATION...

OVERVIEW OF SELECTED HISTORICAL PRODUCT LAUNCHES



...WITH A FOCUS ON ENVIRONMENT & 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**



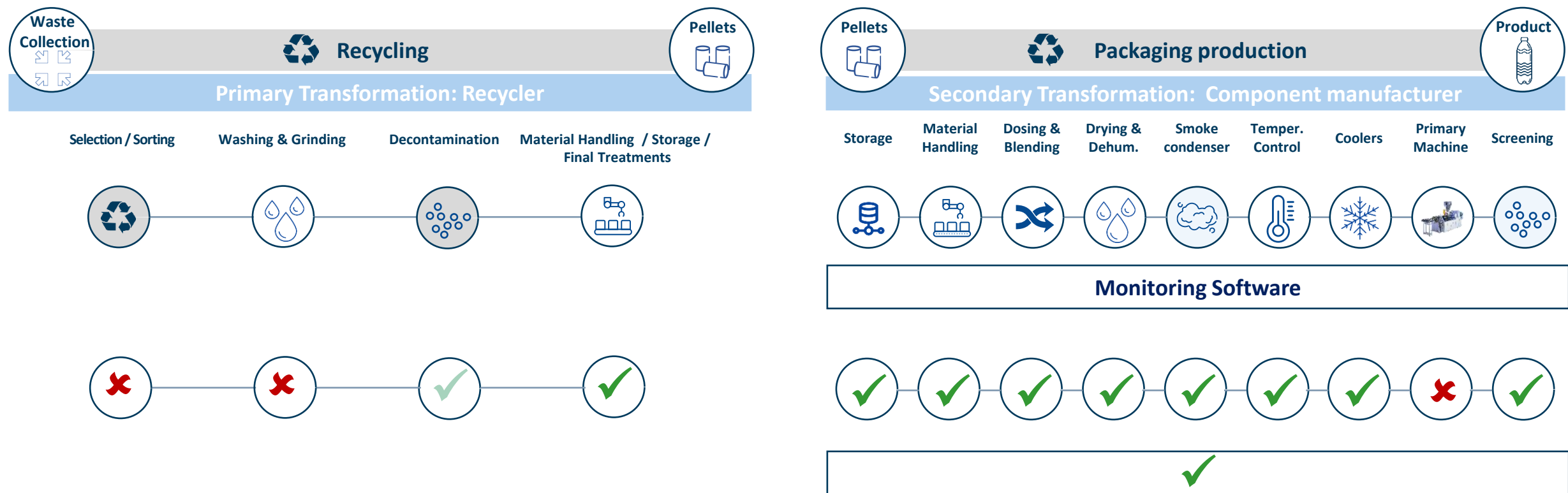
11 patents registered in **2020 & 2021** “recycling related”



21% of FY 2021 revenues in Packaging, Fibres, Recycling and Compound is “**circular economy related**”



PIOVAN SOLUTIONS FOR PRIMARY RECYCLING AND SECONDARY TRANSFORMATION CONTRIBUTION TO CIRCULAR ECONOMY



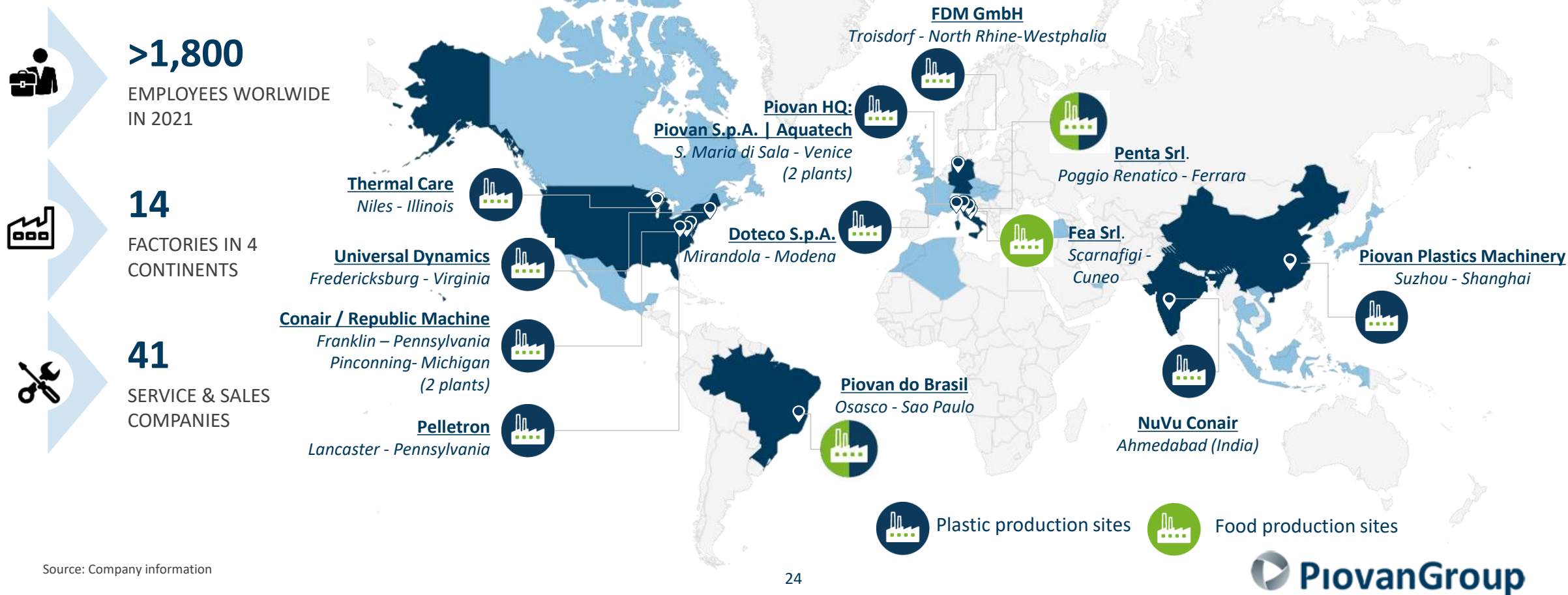
Legend

✗ Outside Piován Scope ✓ Within Piován Scope ○ Typical process of the Recycling Phase ○ Typical process of the Packaging production Phase

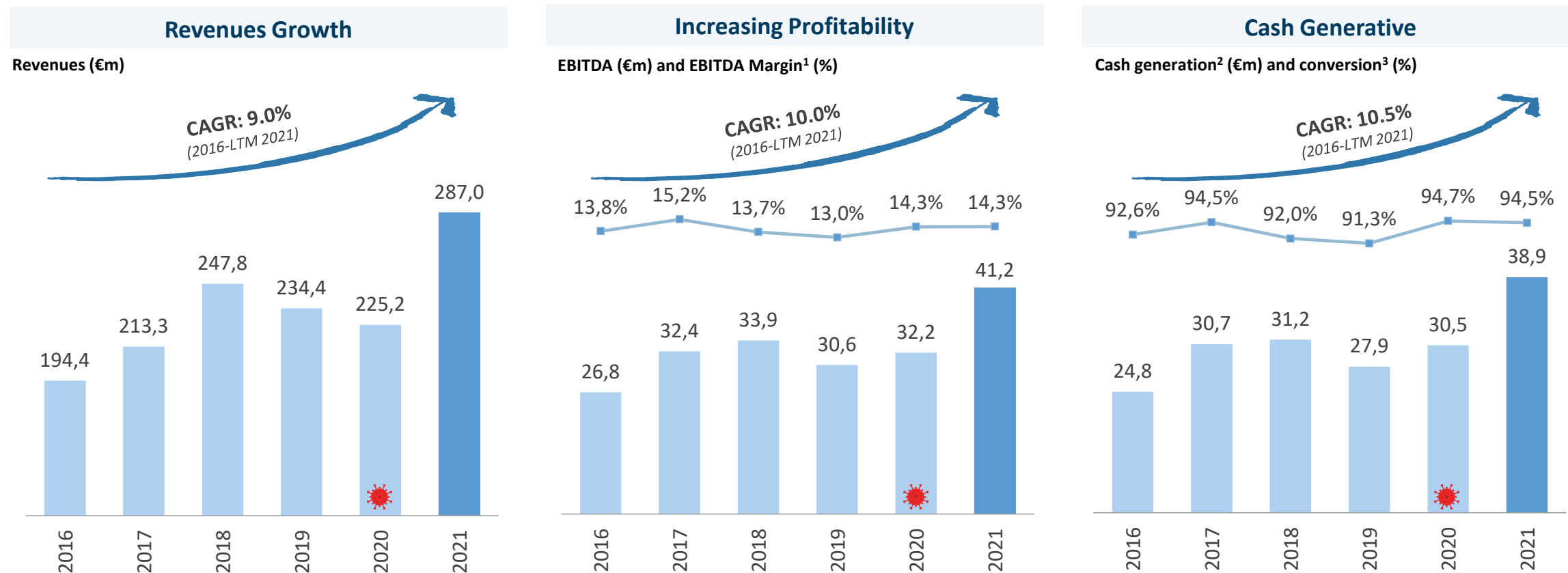
Source: Company Information
¹Crystallization could be either in primary or secondary transformation depending on the process features

TRULY GLOBAL PRESENCE WITH LOCAL SERVICE NETWORK *INCLUDING IPEG*

Worldwide Reach Ensuring Prompt After-Sales Assistance And Fostering Long-Term Relationships With Customers



TRACK RECORD OF PROFITABLE GROWTH, RESILIENCY IN DOWNTURNS AND CASH GENERATION



Delivering Best-In-Class Returns, With ROCE Of Approx. 63%

Source: Company information

¹ Figures stated at their total amounts. We highlight however that they included non-recurring revenues and non recurring costs and that EBITDA has been restated net of the caption "Accruals for risk provision" for the purposes of the comparison with 2020, following a change in the KPI definition . ² Defined as EBITDA – Recurring Capex. ³ Defined as EBITDA – Recurring Capex as % of EBITDA.

...RESULTING IN LONG TERM REVENUES GROWTH



Source: Company information

¹ Reference is made to the year of incorporation or majority stake acquisition (in case of an already existing entity before Piovan investment)



Appendix C – FINANCIAL TABLES

Income Statement

€m	FY 2020	FY 2021	Δ% FY 2020 vs FY 2021
Sales	221,1	280,0	26,6%
Other sales & other income	4,1	7,0	72,1%
Revenues	225,2	287,0	27,5%
Raw materials	(86,4)	(115,5)	33,8%
Cost of services	(45,7)	(59,5)	30,2%
Personnel	(57,0)	(68,4)	20,1%
Other costs (incl. Provisions for risks and charges)	(3,9)	(2,4)	(37,8%)
EBITDA	32,2	41,2	27,6%
<i>EBITDA Margin</i>	<i>14,3%</i>	<i>14,3%</i>	
D&A	(6,2)	(7,5)	21,2%
EBIT	26,0	33,6	29,2%
<i>EBIT Margin</i>	<i>11,6%</i>	<i>11,7%</i>	
Finance income / (expenses)	(0,3)	(0,2)	
Exchange income (expenses)	(2,2)	0,1	
Gains (losses) on liabilities for options granted	0,6	1,1	
Gains (losses) from equity investments carried	(0,1)	0,1	
EBT	24,0	34,7	44,8%
Taxes	(6,6)	(7,1)	
Net Income	17,4	27,7	58,9%
Attributable to Piovan shareholders	17,6	28,3	60,7%
Attributable to minority shareholders	(0,2)	(0,7)	n.m.

Note: 2020 figures restated to include Use of third party assets within cost of services

Balance Sheet

€m	Dec-20	Dec-21
Property Plant & Equipment	52,3	52,9
Intangible Assets (incl. Goodwill)	27,5	26,2
Financial Assets	0,2	0,2
Net Fixed Assets	80,0	79,3
Trade receivable	41,9	55,4
Inventory	36,9	44,5
Trade payables	(39,9)	(50,0)
Advanced payments from customers	(19,4)	(31,0)
Contract assets/(liabilities)	1,4	(3,7)
Net Trade Capital	20,9	15,2
Tax receivables	3,3	4,5
Other current activities	3,5	5,3
Tax payables	(9,4)	(8,5)
Other current liabilities	(18,2)	(17,3)
NWC	0,1	(0,8)
Other Credits	5,4	6,7
Other Debts	(6,5)	(3,2)
Pension Fund	(6,4)	(6,5)
Net Invested Capital before Option	72,5	75,5
Put & Call Option	(1,9)	(0,7)
Net Invested Capital	70,7	74,7
Total Shareholders' Equity	74,6	98,5
Net Debt / (Cash)	(4,0)	(23,7)
Total Sources	70,7	74,7

Cash Flow Statement

€m	Dec-20	Dec-21
EBITDA	32,2	41,2
Recurring Capex	(1,7)	(2,3)
<i>% on Revenues</i>	<i>(0,8)%</i>	<i>(0,8)%</i>
Cash generation	30,5	38,9
<i>Cash Conversion %</i>	<i>94,7%</i>	<i>94,5%</i>
Non-Recurring Capex	(0,5)	(0,9)
Disposal	0,1	0,1
Δ Net Working Capital	16,2	0,9
Corporate Taxes	(6,6)	(7,1)
Δ Funds	1,6	0,1
Non operating Items	2,5	(5,7)
Cash Flow from Operation	43,9	26,3
Δ Put and Call Option	(2,8)	-
Dividend distribution	(5,6)	(6,7)
Changes in equity	(2,3)	2,9
Other financial charges	(0,3)	(0,2)
Δ Exchange loss/gain	(2,2)	0,1
Income from equitiy method investments	(0,1)	0,1
Acquisitions	(21,3)	-
IFRS 16 impact	(4,1)	(2,7)
Δ Net Financial Position	5,2	19,7
NFP BoP	1,2	(4,0)
Δ Net Financial Position	(5,2)	(19,7)
NFP EoP	(4,0)	(23,7)

Note: Dec-20 and Seo-20 figures restated to reflect the application of Consob guidelines n.5/21 (29-Apr-2021) on the definition of Net Financial Position to include Other non-current liabilities.

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