



 **PiovanGroup**

**Q1 2024
FINANCIAL RESULTS
PRESENTATION**

15th May 2024



Q1 2024 KEY HIGHLIGHTS

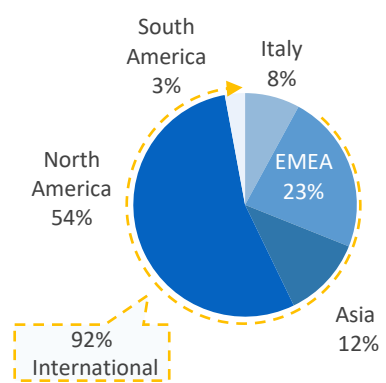
PIOVAN GROUP AT A GLANCE – KEY FACTS AND FIGURES

What we do	<ul style="list-style-type: none"> Engineering, development and installation of customized automation for production w/ virgin and recycled polymers, food powders and creams
Applications	<ul style="list-style-type: none"> Global leader in technical polymers and recycled plastic Growing presence in food and industrial applications (e.g. powder ingredients)
Our customers	<ul style="list-style-type: none"> Global and diversified customer base across several end-markets >7,100 customers¹
Global footprint	<ul style="list-style-type: none"> 14 manufacturing sites in 4 continents 43 services & sales companies worldwide as of 31 March 2024 70+ countries covered
Innovation DNA	<ul style="list-style-type: none"> C. 3.6% of Revenues invested in R&D and Engineering³ 294 dedicated employees³

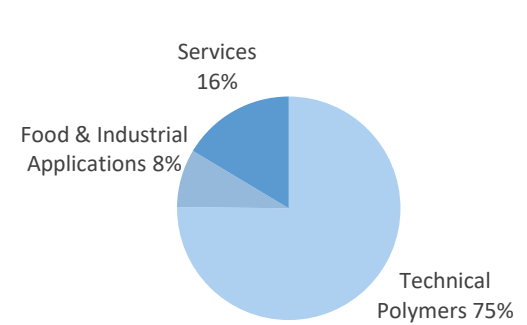
Q1 2024 LTM Key Financials (incl. 2 months of NuVu)				
Revenues	Adj. EBITDA	EBIT	Net Income	Cash Conv. ⁴
€565.4m +16.9% <small>CAGR vs. FY 2017</small>	€79.4m <small>(14.0% Margin)</small> +15.1% <small>CAGR vs. FY 2017</small>	€65.0m <small>(11.5% Margin)</small> +13.5% <small>CAGR vs. FY 2017</small>	€54.5m <small>(9.6% Margin)</small> +17.2% <small>CAGR vs. FY 2017</small>	~94.5% ca 0.8% <small>Recurring Capex / Revenues</small>

Q1 2024 Revenues Breakdown²

by Geography



by Segment



Source: Company information

¹In 2023 above 1.000€ T/O. ² Excluding other sales & other income. ³As of FY 2023. ⁴Defined as Adj. EBITDA – Recurring Capex / Adj. EBITDA.

Q1 2024 KEY HIGHLIGHTS

Exhibitions in China and US showcasing the new brand policy with good customer participation levels

Launched strategic initiative to shape global division on Heat transfer/Chiller solutions under the Thermal Care brand

In Feb-2024, reached 51% stake in Nu-Vu Conair paving the way for future growth opportunities in the strategic Indian market

In Apr-2024, paid 100% of IPEG earn-out equal to \$21.8m thanks to the significant overperformance vs. contractual targets

J. G. Erkert appointed as the new N. America CEO in lieu of K. Winstead, who will be retiring in June after 36 years in the group

Approved first set of ambitious ESG targets designed to guide the Group towards a more sustainable and responsible future

Condenso nominated finalist in the 'Recycling Machinery Innovation of the Year' category of the Plastics Recycling Awards Europe 24

CONDENSO – PLASTICS RECYCLING AWARDS EUROPE 2024

Condenso has been selected as one of the finalists in the *Recycling Machinery Innovation* category of the prestigious *Plastics Recycling Awards Europe 2024*, that aims to promote the commitment to sustainability particularly in the plastic materials recycling sector.

Condenso
Oil condenser



REBOUND IN FOOD, GROWTH IN SERVICES AND NUVU CONSOLIDATION CONTRIBUTE TO MAINTAINING A FLAT PERFORMANCE IN Q124 VERSUS A PARTICULARLY STRONG Q1 2023

Revenues by Application (€m)¹

Q1 24 vs. Q1 23 (3.6)%

YoY Perf.

Revenues by Geography (€m)¹

Q1 24 vs. Q1 23 (3.6)%

YoY Perf.

Comments

ORGANIC REVENUES: Excluding the contribution of NuVu Revenues would have been €132.1m, (6.4)% YoY

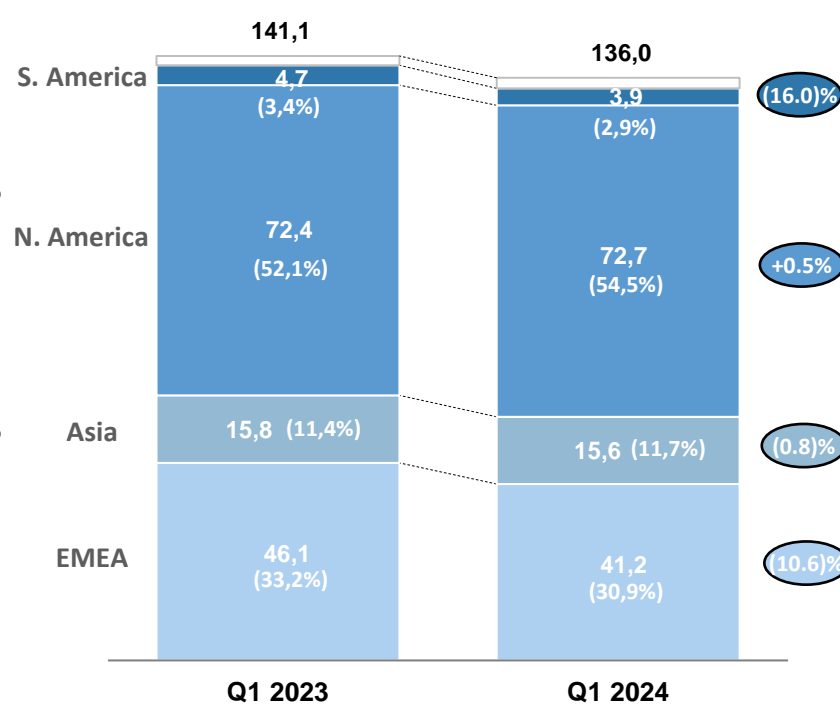
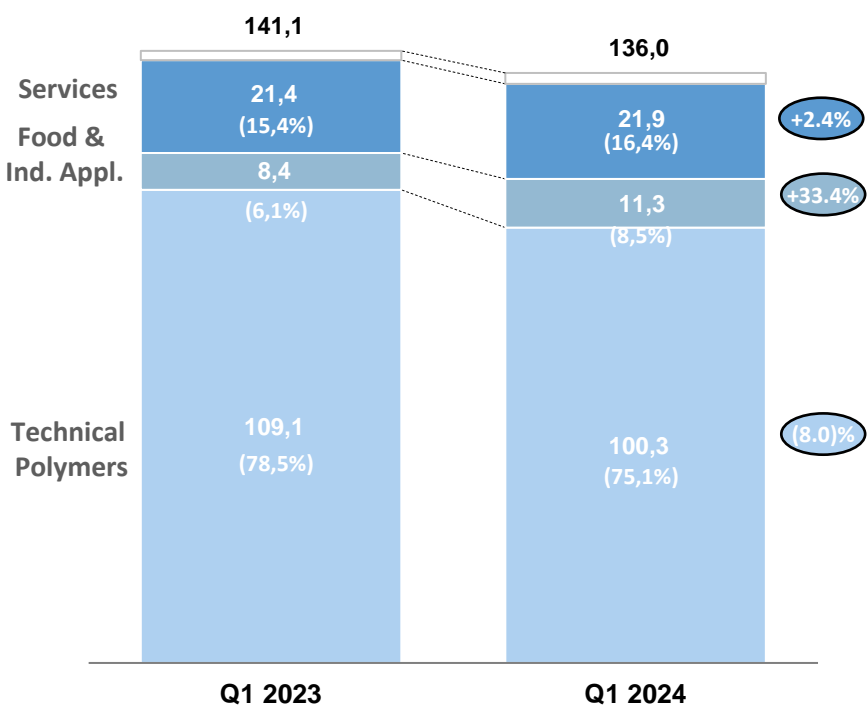
FX ANALYSIS: Revenues (excl. other rev. and income) at constant FX would have been €1.4m higher for a decline of 2.9% YoY

BY APPLICATION

- **Technical Polymers** shows an 8.0% decline generalized across all end markets due to a relative weak market impacted by the continued high interest rate environment which is penalizing particularly packaging and consumer goods sectors. Recycling market also shows a decline due to the uncertainty in regulations (now surpassed by recent EU decisions) which has limited customers' investments in the sector during the 2H 2023
- **Food & Industrial Applications** showing a rebound vs. Q1 2023 thanks to a solid order collection in 2H 2023 and Q1 2024, which is expected to be invoiced in 2H 2024
- **Services** up by 2.4% confirming the success of the Group's plans in growing the sector

BY GEOGRAPHY

- **N. America** presents stable performance particularly supported by the evolution of the Group in Mexico and to the stability of automotive sector in the area
- **EMEA** performance limited by timing of the development of certain orders and by a temporary decline in recycling business as illustrated above
- **Asia** benefits from the contribution of NuVu which adds approx. €4.0m in the region. Organically the region has been impacted by the relocation of the Chinese plant to a temporary location
- **S. America** performance reflects general contraction in demand



□ Indicates other revenue and income (c. €2.2m in Q1 2023 and €2.5m in Q1 2024)

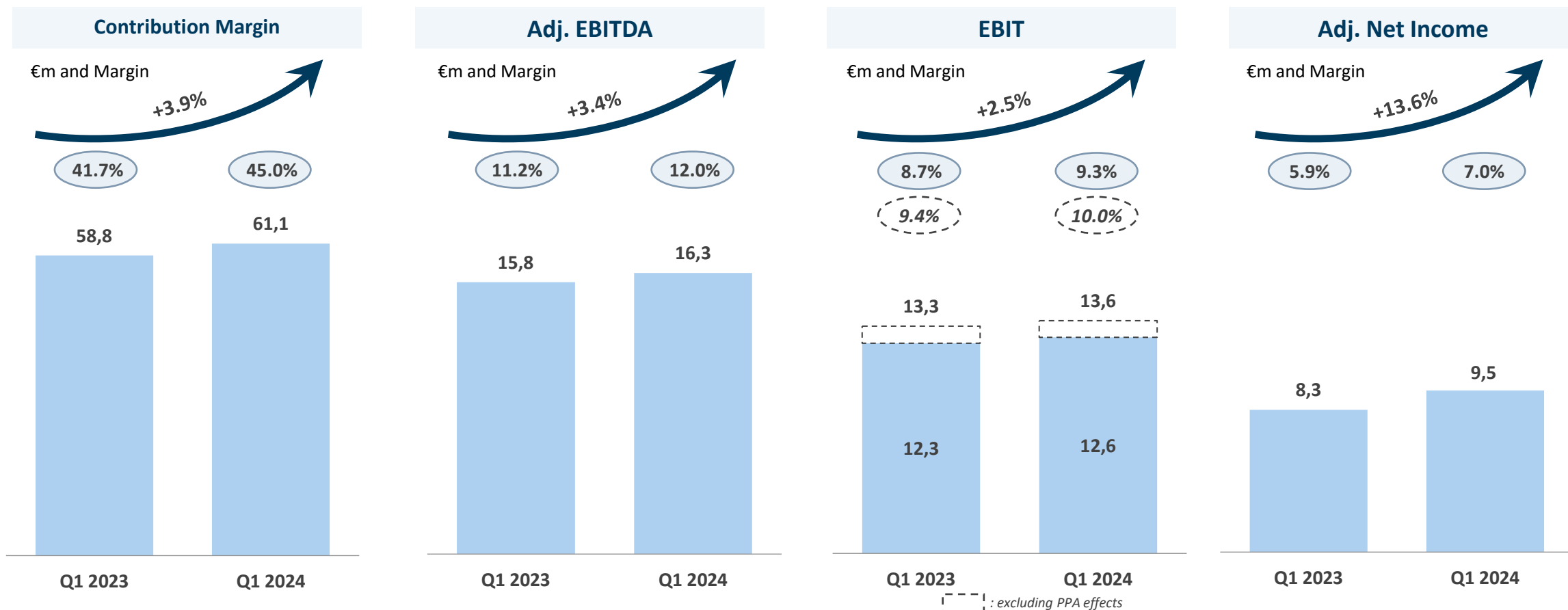
SOURCE: COMPANY INFORMATION

¹ REVENUES % BREAKDOWN EXCLUDES OTHER REVENUE AND INCOME.

Q1 2024 PERFORMANCE CONFIRMS CONTINUED GROWTH IN SERVICES AND REBOUND IN FOOD. GOOD RESULTS IN AUTOMOTIVE SUSTAINS PERFORMANCE IN TECH. POLYMERS



IMPROVEMENT IN PROFITABILITY DESPITE NEGATIVE OPERATING LEVERAGE EFFECT DEMONSTRATES DISCIPLINE IN PRICING AND BENEFITS OF INTEGRATION



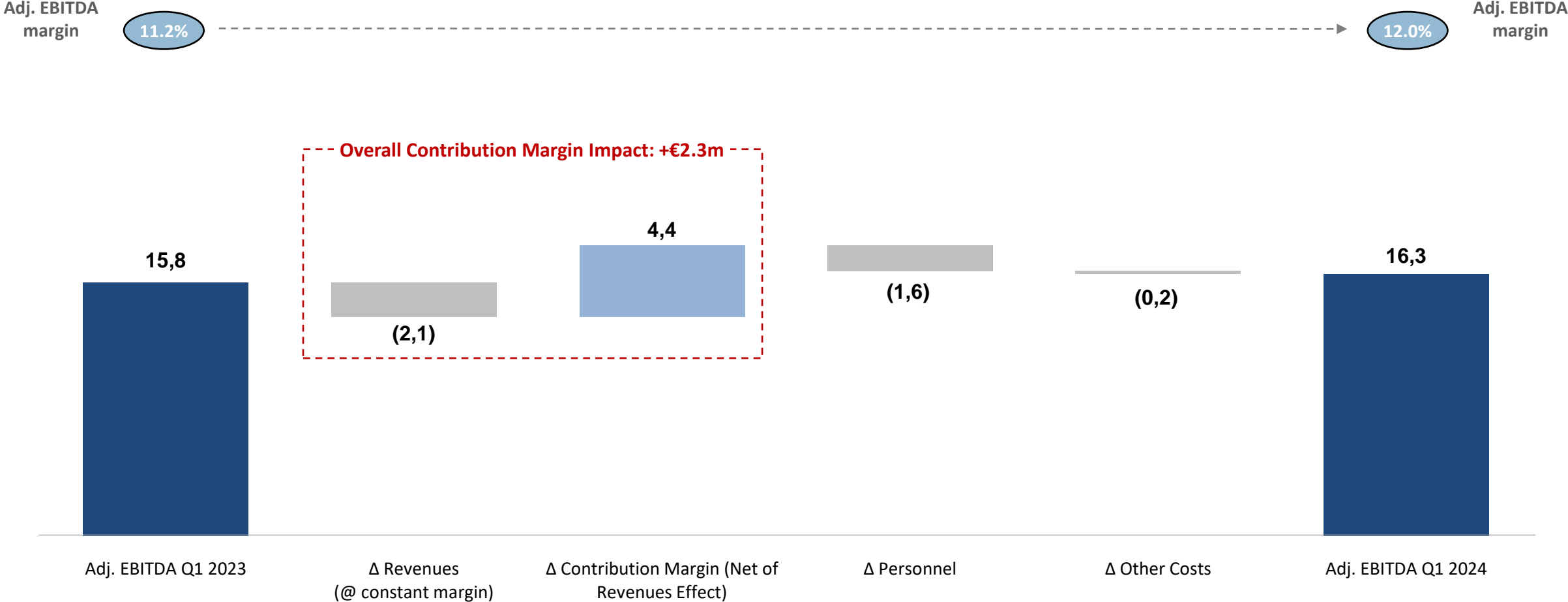
- Excluding the contribution of NuVu Contribution Margin €59.8m (45.2% on total revenues)

- Excluding the contribution of NuVu Adj. EBITDA would have been €15.7m (11.9% EBITDA Margin)
- Non-recurring costs refer to acquisitions costs and expenses related to reorganizations and integration processes

- PPA effect in both Q1 2023 and Q1 2024 equal to approx. €1.0m
- Recurring PPA effect expected to be in the region of USD 4.2m per annum

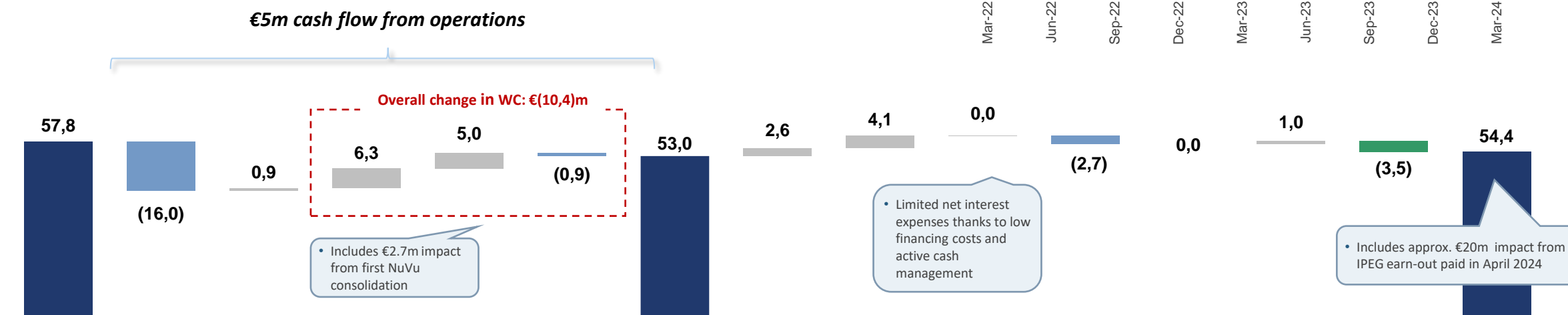
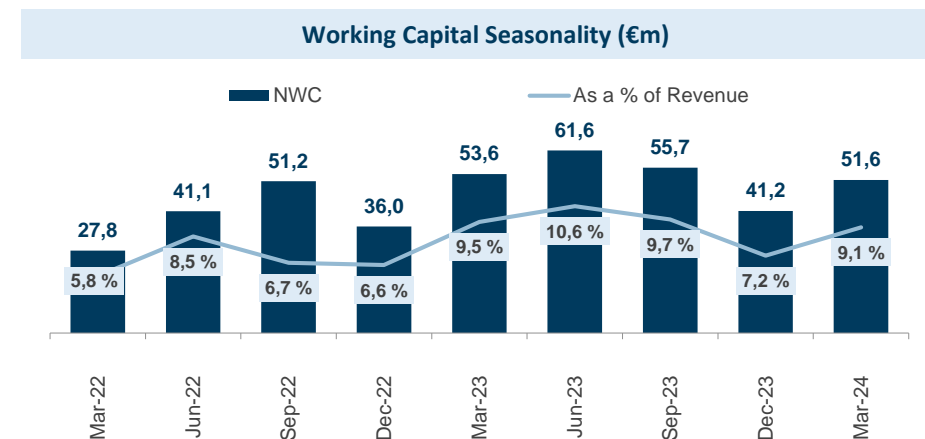
- Net Income adjusted to reflect i) one-off costs, ii) the impact of Toba deconsolidation in 2023 (€1.4m) and iii) the positive impact of NuVu consolidation effect in 2024 (approx. €6.0m net of fx effect)

Adj. EBITDA BRIDGE FROM Q1 2023 TO Q1 2024



SOURCE: COMPANY INFORMATION

NET DEBT WALK FROM DEC-23 TO MAR-24



Net Debt/
(Cash) BoP

EBITDA

Recurring
Capex

Change in
Work in
Progress and
Stocks

Change in
Trade
Receivables /
Payables

Other
Changes in
WC

Net Debt /
(Cash) before
non op. items

Non-
Recurring
Capex

Taxes

Net Financial
Charges

Other Non
Operating
Elements

Dividends

Rights of Use
Impact

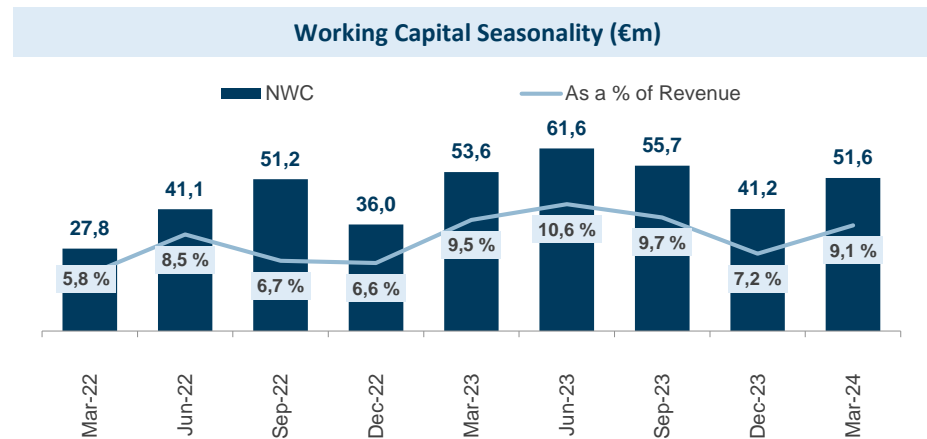
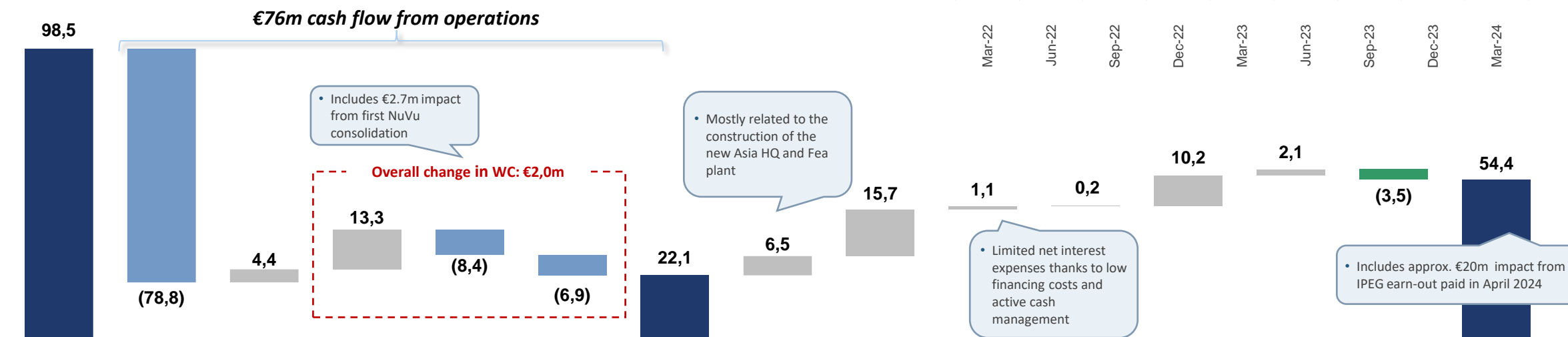
NuVu
Acquisition
Impact

Net Debt/
(Cash) EoP

€(40.5)m
Ex. IFRS16

€(37.0)m
Ex. IFRS16

NET DEBT WALK FROM MAR-23 TO MAR-24



Net Debt/
(Cash) BoP

EBITDA

Recurring
Capex

Change in
Work in
Progress and
Stocks

Change in
Trade
Receivables /
Payables

Other
Changes in
WC

Net Debt /
(Cash) before
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Non-
Recurring
Capex

Taxes

Net Financial
Charges

Other Non
Operating
Elements

Dividends

Rights of Use
Impact

NuVu
Acquisition
Impact

Net Debt/
(Cash) EoP

€(79.3)m
Ex. IFRS16

€(37.0)m
Ex. IFRS16



KEY INVESTMENT HIGHLIGHTS

LEADERSHIP POSITION IN AN INDUSTRY DRIVEN BY FAVOURABLE UNDERLYING TRENDS

Technical Polymers

- A** INCREASED USE OF RECYCLED POLYMERS IN THE PACKAGING INDUSTRY
- B** CONSTANT INTRODUCTION OF NEW MATERIALS & COMPOUNDS FOR NEW APPLICATIONS
- C** CARS E.MOBILITY REQUIRES SWITCH FROM METAL TO TECNO-POLYMERS
- D** DEVELOPMENT OF NEW MATERIALS BASED ON POLYMERS



Food

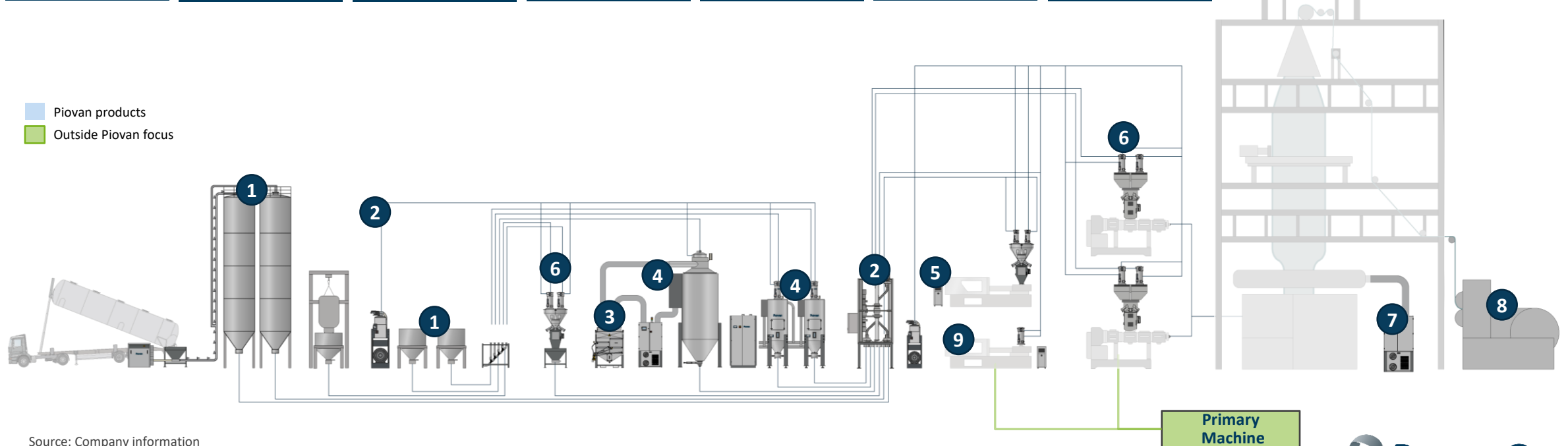
- A** URBANIZATION DRIVING GROWTH IN DEMAND FOR PROCESSED FOOD
- B** GROWING CONSUMPTION OF READY-MADE MEALS
- C** SHIFT TOWARDS INCREASED AUTOMATION TO IMPROVE EFFICIENCY
- D** INCREASING FOCUS ON FOOD SAFETY





INTEGRATED AND BESPOKEN INDUSTRIAL AUTOMATION FOR RAW MATERIAL HANDLING AND PROCESSING

← Software  Complete Supervision, Monitoring and Control →



Source: Company information



RECYCLED PLASTIC IS THE MOST SUSTAINABLE MATERIAL



REDUCED ENERGY CONSUMPTION

The production of a plastic bottle requires **33 times less energy** than the production of a glass bottle



LIGHTNESS

Plastic, compared to other materials, is **85% lighter**. This generates benefits in terms of transportability of the products and on the lightening of the means of transport themselves, impacting positively on emissions



RECYCLABILITY

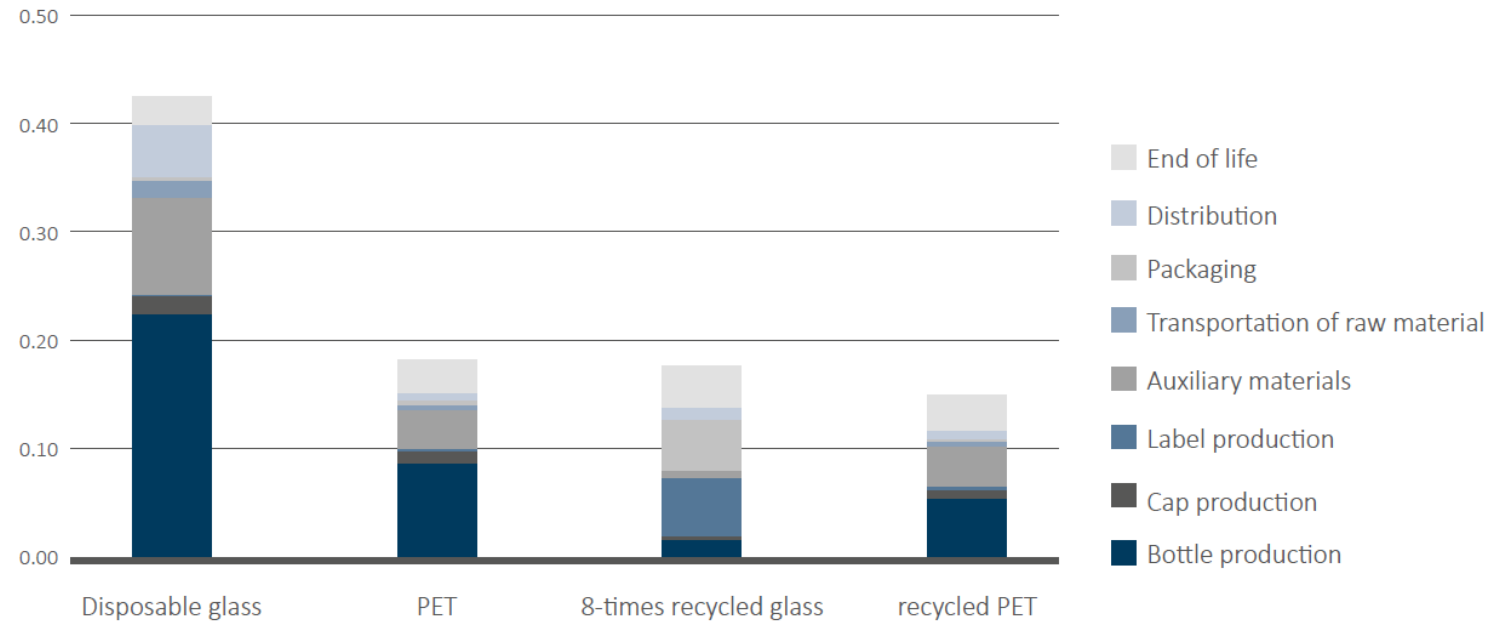
Plastic has a **low impact on scarce resources** and can be **recycled to create new products** while minimizing the environmental impact



FIGHT AGAINST FOOD WASTE

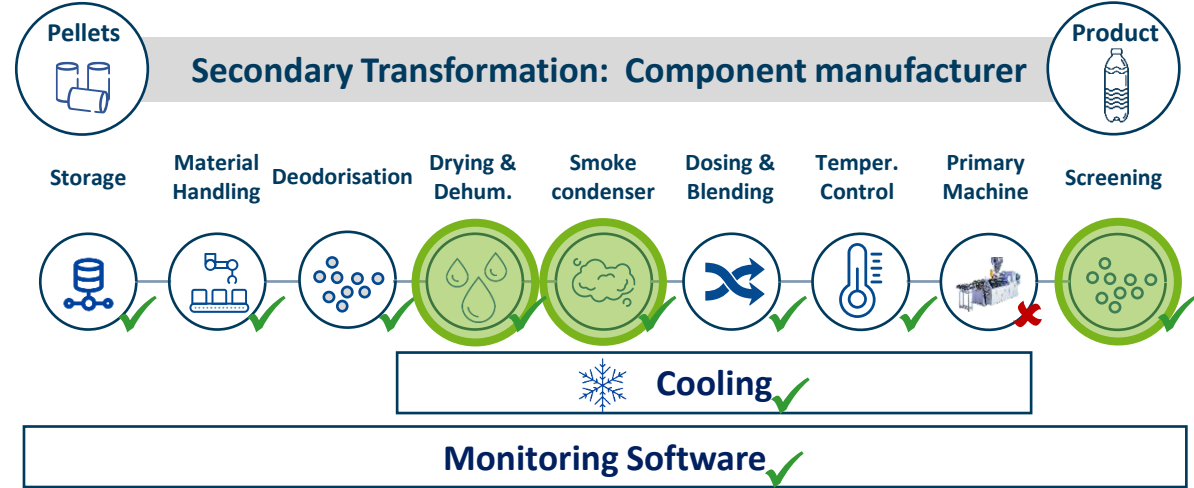
Plastic food packaging **reduces product deterioration up to 50%** concretely contributing to the increase in food life cycle

EMISSIONS DATA – COMPARISON BETWEEN 1LT MILK BOTTLES IN DIFFERENT MATERIALS (IN KG OF CO₂ EQ.)*



*: Source Organisation for Economic Co-operation and Development (OECD), Global Plastics Outlook: Economic Drivers, Environmental Impacts and Policy Options, Figure 2.3

3 THE GROUP STRONG POSITIONING IN THE VALUE CHAIN...



Legend
 ✗ Outside Piovan Scope ✓ Within Piovan Scope

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



...AND ITS STRONG DNA OF INNOVATION...

OVERVIEW OF SELECTED HISTORICAL PRODUCT LAUNCHES

294 HIGHLY SKILLED STAFF

Employed in R&D and Engineering department¹

Ca 4% OF REVENUES

Invested in R&D and Engineering activity¹

14 R&D Centers

For testing and validation of innovations and for ensuring reliability and effectiveness

ca 300 PATENTS APPLICATIONS

Protecting the most innovative internally developed solutions¹

Easylink
2015



Innovative coupling stations allowing automatic (and remote) connection to the feeder line

Industry 4.0 Software
2016



Winfactory 4.0 platform launched

PureTech Filter
2019



Puretech filter for rPET processing

InspectaBE
2020



Exclusive in-line detection system Benzene in PET and rPET for constant process control

SprayStay
2020



Electrostatic coating of baked products, snacks and chocolate

SoftBoost
2021



Heats rPET granule to the core w/o stressing it and saving energy

Condenso
2021



Removes VOCs from the process air of rPET

Vulkano
2021



Portable instrument for measuring the presence of VOCs in process air

Odor Minder
2022



Compact in-line electronic nose to verify the effectiveness of the post-consumer plastic deodorisation

Aryacool+
2023

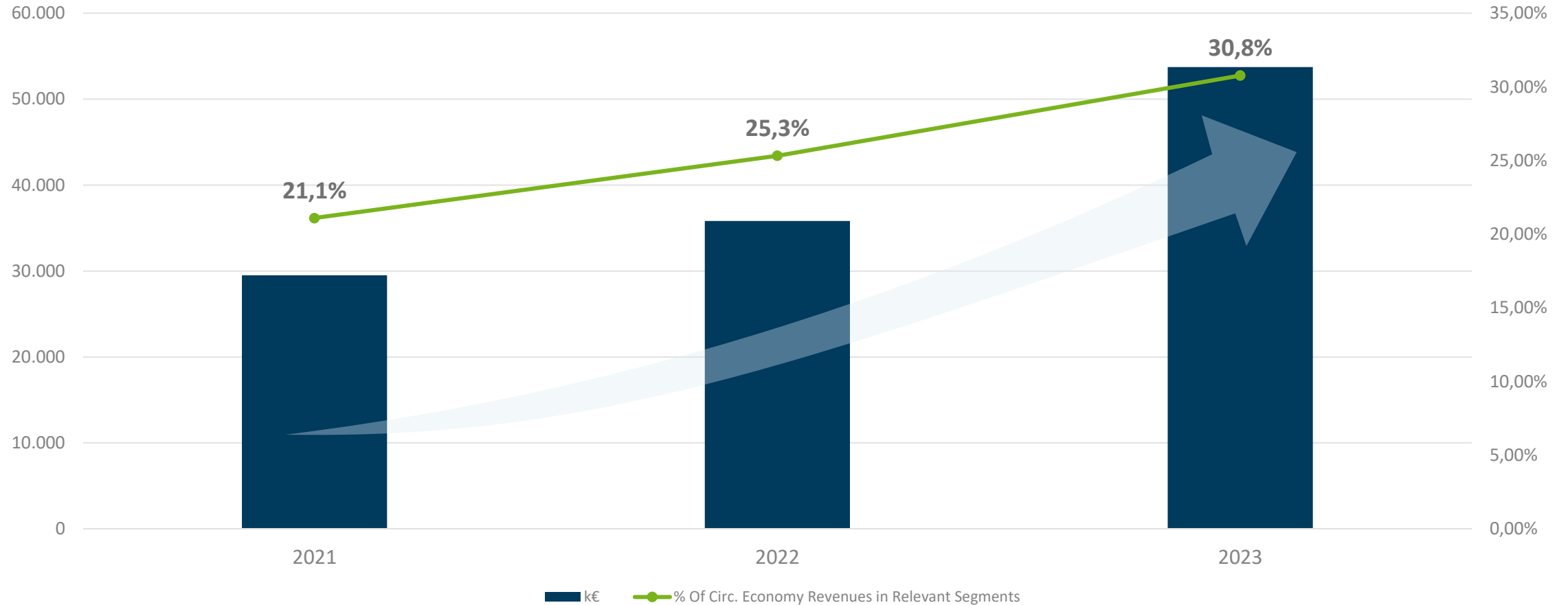


Energy efficiency and water-saving cooling system.



...ARE CONTRIBUTING TO THE GROWTH IN CIRCULAR ECONOMY

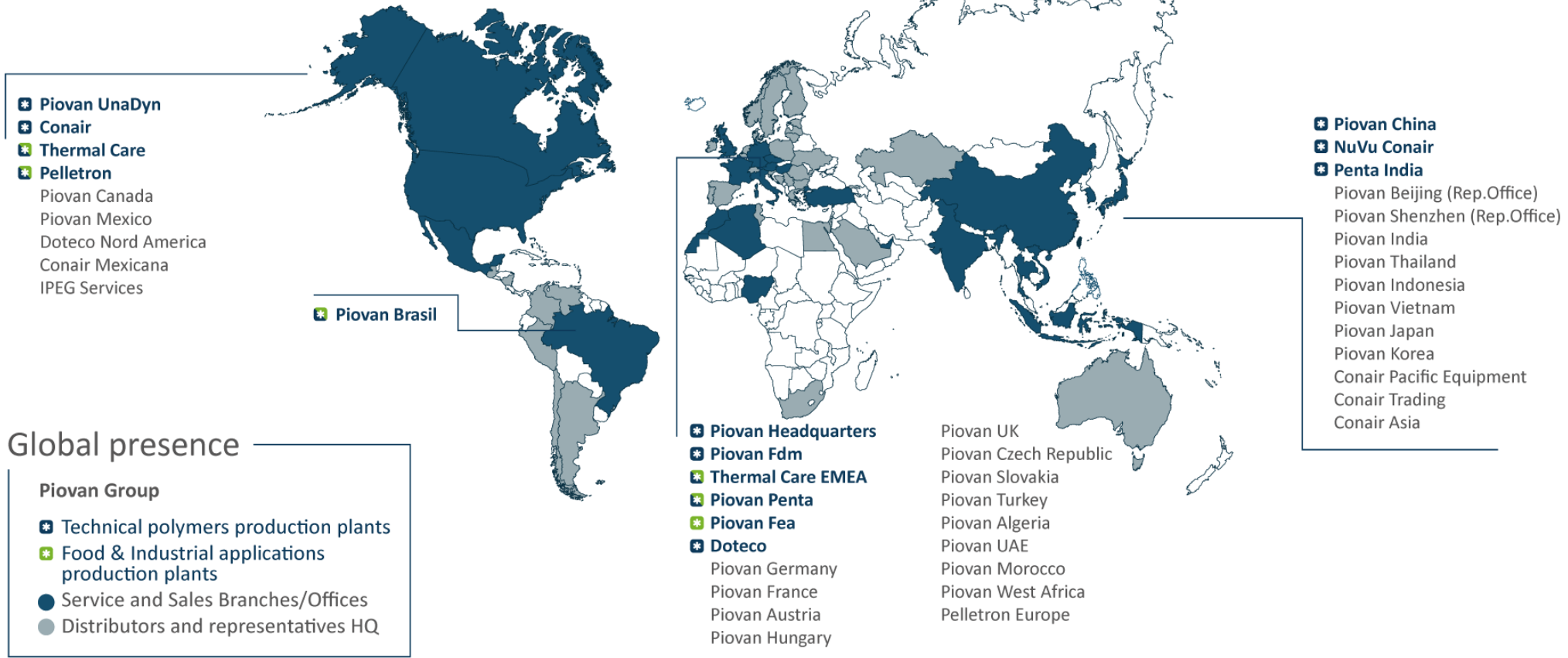
CIRCULAR ECONOMY REVENUES EVOLUTION (€M)



ca 30% of Global revenues in Circular Economy (within relevant segments)



GLOBAL MANUFACTURING PRESENCE WITH A CAPILLARY SERVICE NETWORK



1,805

EMPLOYEES WORLDWIDE AS OF DEC-2023¹



14

FACTORIES IN 4 CONTINENTS



43

SERVICE & SALES COMPANIES

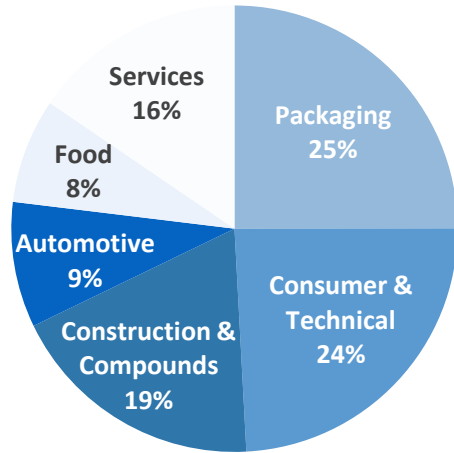
Source: Company information
¹ Excluding NuVu Conair



DIVERSIFIED AND LONG STANDING CUSTOMER BASE

Access To Diversified End-Markets

Piovan % of 2023 Revenues Split by End Market¹



Wide and Long-Standing Customer Base



>7,100

SINGLE CUSTOMERS ALL OVER THE WORLD IN 2023²



~39%

REVENUES FROM 5Y SINGLE CUSTOMERS IN 2023³

Highly Diversified Customer Base



~2.2%

MAXIMUM CONTRIBUTION TO REVENUES BY CLIENT IN 2023¹



~41%

REVENUES FROM TOP 100 SINGLE CUSTOMERS IN 2023

Source: Company information

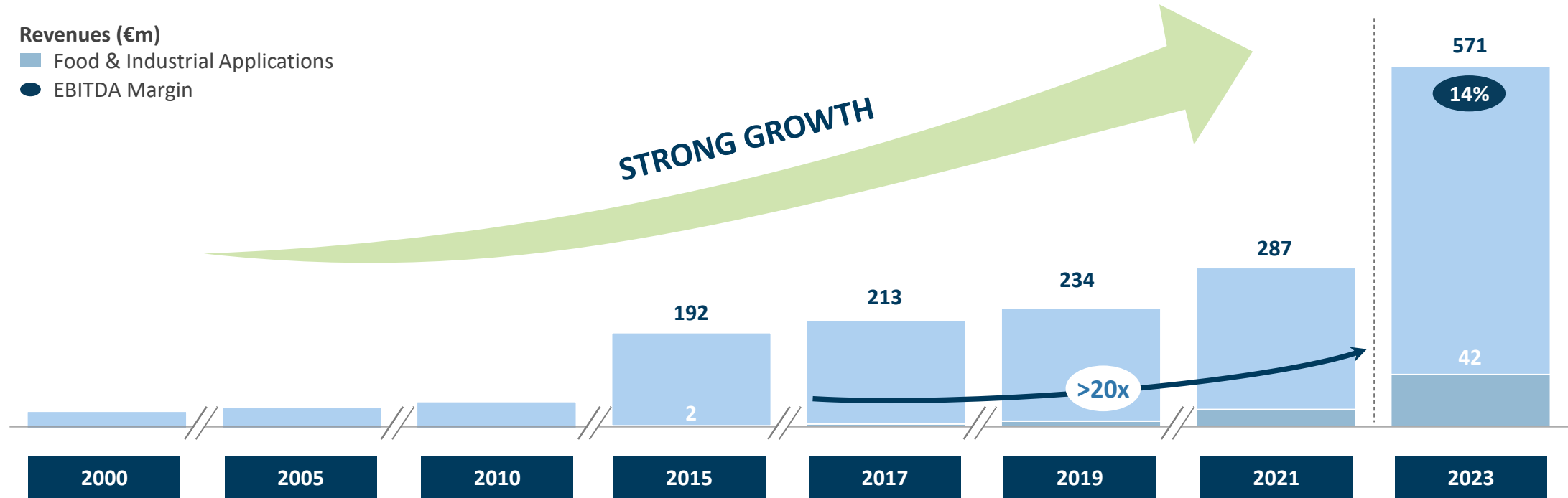
¹ Excluding other sales & other income. ² In 2023 above 1.000€ T/O ³ Analysis based on top 100 customers

6 RESULTING IN TRACK RECORD OF LONG-TERM PROFITABLE REVENUES GROWTH

Revenues (€m)

■ Food & Industrial Applications

● EBITDA Margin



Source: Company information

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



Appendix A

ADDITIONAL SUPPORTING MATERIALS

Income Statement

€m	FY 2023	Q1 2023	Q1 2024	LTM Mar-24	Δ% Q1 24 vs Q1 23
Sales	559,1	138,9	133,5	553,7	(3,9%)
Other sales & other income	11,4	2,2	2,5	11,7	14,7%
Revenues	570,5	141,1	136,0	565,4	(3,6%)
Raw materials	(248,7)	(63,8)	(59,7)	(244,6)	(6,4%)
Cost of services	(108,1)	(28,2)	(25,7)	(105,5)	(8,9%)
Personnel	(130,6)	(32,6)	(34,2)	(132,2)	4,9%
Other costs (incl. Provisions for risks and charges)	(4,8)	(0,8)	(0,4)	(4,3)	nm
EBITDA	78,4	15,6	16,0	78,8	2,4%
<i>EBITDA Margin</i>	<i>13,7%</i>	<i>11,1%</i>	<i>11,8%</i>	<i>13,9%</i>	
One-off costs / (income)	0,4	0,1	0,3	0,6	nm
Adjusted EBITDA	78,9	15,8	16,3	79,4	3,4%
<i>Adj. EBITDA Margin</i>	<i>13,8%</i>	<i>11,2%</i>	<i>12,0%</i>	<i>14,0%</i>	
D&A	(13,8)	(3,3)	(3,4)	(13,8)	1,2%
EBIT	64,7	12,3	12,6	65,0	2,8%
<i>EBIT Margin</i>	<i>11,3%</i>	<i>8,7%</i>	<i>9,3%</i>	<i>11,5%</i>	
Finance income / (expenses)	(1,5)	(0,4)	0,0	(1,1)	nm
Exchange income (expenses)	(1,2)	0,1	0,1	(1,2)	18,5%
Gains (losses) on liabilities for options granted to non-controlling interests	0,5	-	-	0,5	nm
Gains (losses) from equity investments / HFS	2,5	1,9	6,4	7,0	nm
EBT	64,9	13,9	19,2	70,1	37,6%
Taxes	(16,0)	(4,4)	(4,1)	(15,7)	(7,2%)
Net Income	48,9	9,5	15,1	54,5	58,3%
Attributable to Piovan shareholders	49,4	10,5	14,7	53,6	39,5%
Attributable to minority shareholders	(0,5)	(1,0)	0,4	0,9	

Balance Sheet

€m	Mar-23	Dec-23	Mar-24
Property Plant & Equipment	66,8	67,6	74,4
Intangible Assets (incl. Goodwill)	125,6	120,3	144,2
Financial Assets	11,3	11,4	0,9
Net Fixed Assets	203,6	199,3	219,6
Trade receivable	90,3	80,0	80,8
Inventory	89,6	85,3	90,6
Trade payables	(68,6)	(71,7)	(67,5)
Advanced payments from customers	(51,1)	(37,4)	(38,2)
Contract assets/(liabilities)	6,5	4,1	5,9
Net Trade Capital	66,7	60,3	71,6
Tax receivables	5,8	6,3	6,5
Other current activities	15,7	13,2	13,7
Tax payables	(10,2)	(11,4)	(11,6)
Other current liabilities	(24,4)	(27,1)	(28,6)
NWC	53,6	41,2	51,6
Other Credits	11,2	12,5	12,5
Other Debts	(20,4)	(18,3)	(18,1)
Pension Fund	(5,3)	(5,6)	(5,6)
Net Invested Capital before Option	242,7	229,1	259,9
Put & Call Option	(0,5)	0,0	(26,2)
Assets & Liabilities Held for Sale	0,0	0,0	0,0
Net Invested Capital	242,2	229,1	233,7
Total Shareholders' Equity	143,7	171,3	179,3
Net Debt / (Cash)	98,5	57,8	54,4
Total Sources	242,2	229,1	233,7

SOURCE: COMPANY INFORMATION

Cash Flow Statement

€m	Dec-23	Mar-24	LTM Q1 2024
Adjusted EBITDA	78,9	16,3	79,4
EBITDA	78,4	16,0	78,8
Recurring Capex	(4,3)	(0,9)	(4,4)
<i>% on Revenues</i>	<i>(0,8)%</i>	<i>(0,6)%</i>	<i>(0,8)%</i>
Cash generation	74,1	15,2	74,4
<i>Cash Conversion % on EBITDA</i>	<i>94,5%</i>	<i>94,6%</i>	<i>94,4%</i>
<i>Cash Conversion % on Adj. EBITDA</i>	<i>94,5%</i>	<i>94,7%</i>	<i>94,5%</i>
Δ in Work in Progress and Stocks	(12,7)	(6,3)	(13,3)
Δ in Trade Payables and Receivables	4,2	(5,0)	8,4
Other Change in WC	3,3	0,9	6,9
Total Δ Net Working Capital	(5,2)	(10,4)	2,0
Cash Flow from Operations	68,9	4,8	76,4
Non-Recurring Capex	(5,4)	(2,6)	(6,5)
Disposal	0,9	0,0	0,7
Corporate Taxes	(16,0)	(4,1)	(15,7)
Δ Funds	0,2	(0,0)	0,3
Non operating Items	(4,0)	0,7	(2,9)
Cash Flow After Taxes and Non Operating Items	44,5	(1,1)	52,3
Δ Put and Call Option	0,0	-	(0,0)
Dividend distribution	(10,2)	-	(10,2)
Other financial charges	(1,5)	0,0	(1,1)
Δ Exchange loss/gain	(1,2)	0,1	(1,2)
Changes in equity (incl. Δ conversion)	0,1	1,9	2,3
Income from equity method investments	2,5	-	0,6
Rights of use impact	(3,8)	(1,0)	(2,1)
Cash Flow Before Acquisitions	30,4	(0,1)	40,7
NuVu Consolidation Impact		3,5	3,5
Δ Net Financial Position	30,4	3,3	44,1
NFP BoP	88,1	57,8	98,5
Δ Net Financial Position	(30,4)	(3,3)	(44,1)
NFP EoP	57,8	54,4	54,4

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