



# H1 2022 FINANCIAL RESULTS PRESENTATION

9<sup>th</sup> September 2022





## PIOVAN GROUP AT A GLANCE

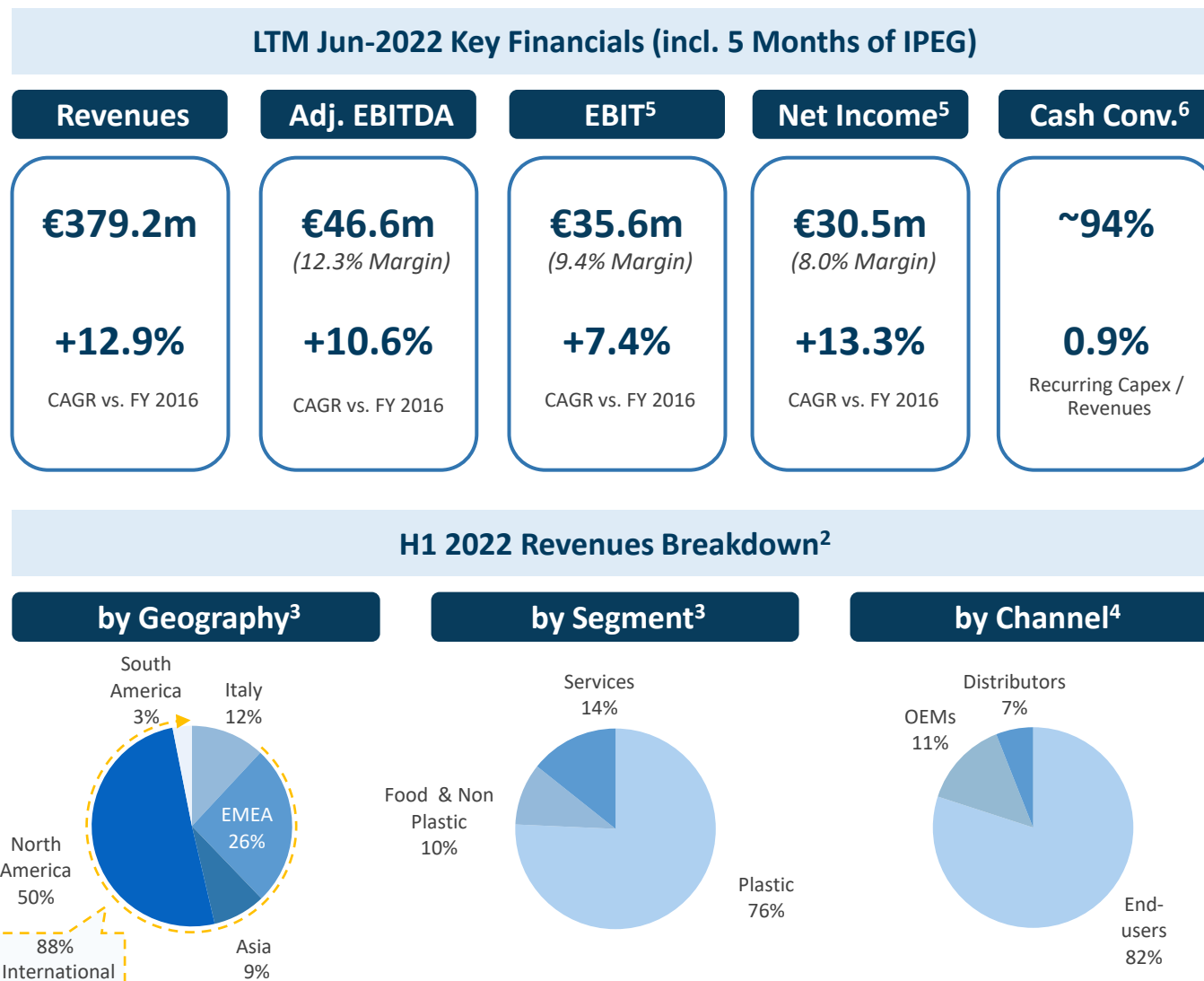


# THE LEADING AUTOMATION SOLUTIONS PROVIDER FOR PLASTIC, FOOD & NON PLASTIC, SERVICES

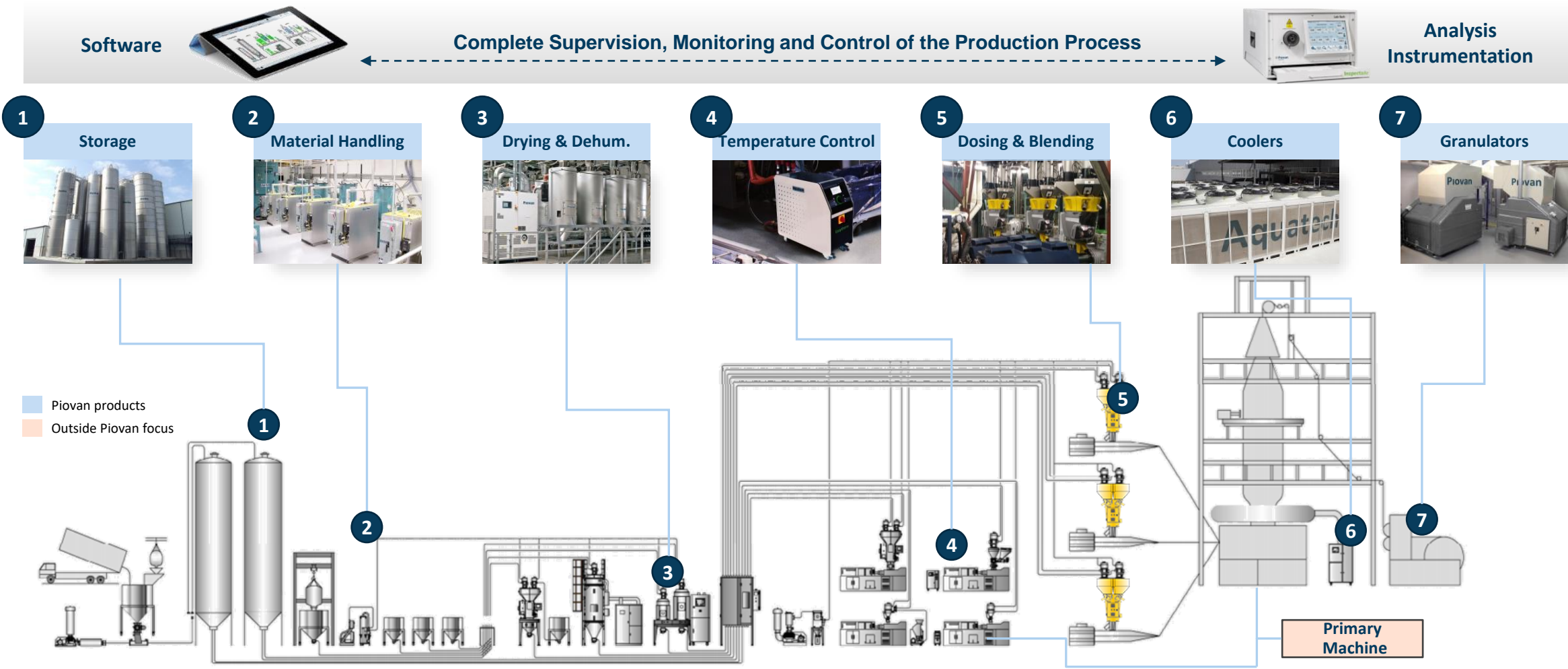
<b>What we do</b>	<ul style="list-style-type: none"> <li>Engineering, production and installation of <b>customized automation solutions</b></li> </ul>
<b>Applications</b>	<ul style="list-style-type: none"> <li>Global leader in <b>plastic</b> and <b>recycled plastic</b></li> <li>Growing presence in <b>food and non plastic</b> (e.g. powder ingredients)</li> </ul>
<b>Our customers</b>	<ul style="list-style-type: none"> <li><b>Global and diversified</b> customer base across several end-markets</li> <li>Ca 4,500 <b>customers</b><sup>1</sup></li> </ul>
<b>Global footprint</b>	<ul style="list-style-type: none"> <li><b>14 manufacturing sites</b> in 4 continents</li> <li><b>44 services &amp; sales companies</b> worldwide<sup>3</sup></li> <li><b>70+ countries</b> covered</li> </ul>
<b>Innovation DNA</b>	<ul style="list-style-type: none"> <li><b>C. 3.8 % of Revenues</b> invested in R&amp;D and Engineering<sup>3</sup></li> <li><b>281 dedicated employees</b><sup>3</sup></li> </ul>

Source: Company information

<sup>1</sup>In 2021 above 1.000€ T/O, excluding IPEG . <sup>2</sup> Excluding other sales & other income. <sup>3</sup>As of Jun 2022, including IPEG . <sup>4</sup>As of Jun 2022 excluding IPEG . <sup>5</sup>Excluding the effect of IPEG PPA. <sup>6</sup>Defined as EBITDA – Recurring Capex / EBITDA.



# OUR CORE REMAINS PROCESS AUTOMATION FROM SILOS TO PRIMARY MACHINES...

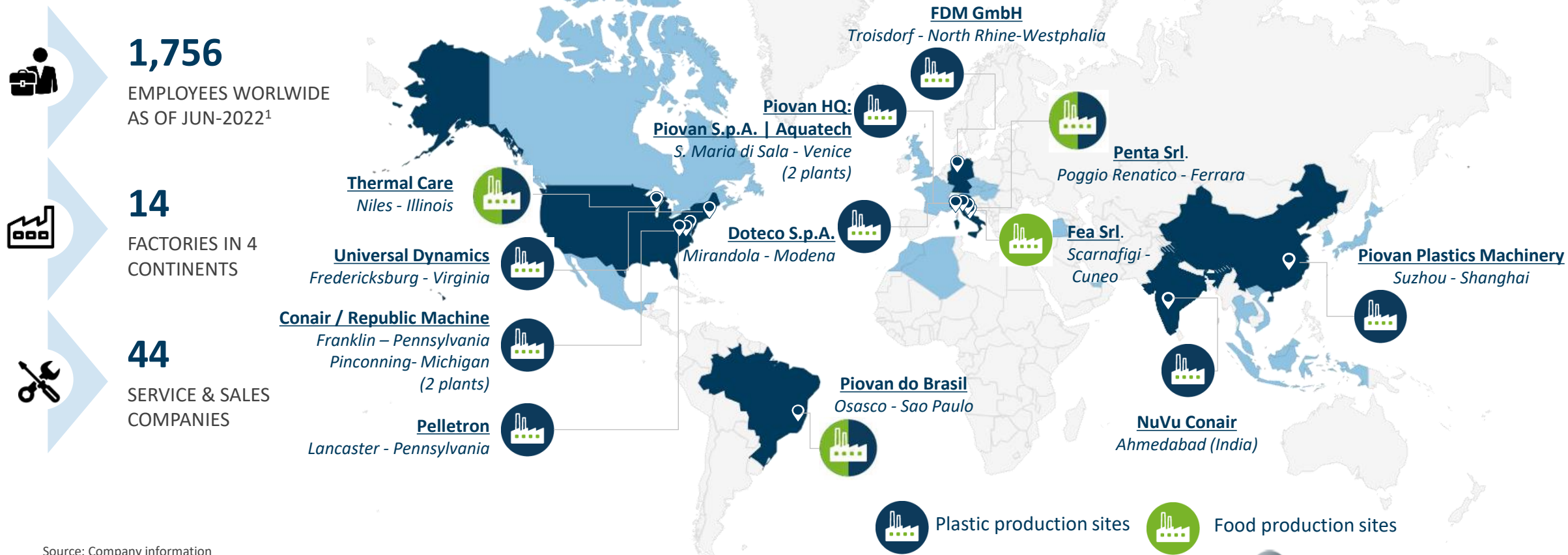


Automating The Whole Process From Silos To Primary Machines

Source: Company information

# ... BUT WE ARE NOW EVEN STRONGER TOGETHER WITH IPEG

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



Source: Company information  
<sup>1</sup> Excluding NuVu Conair



# H1 2022 RESULTS

# RECAP OF H1 2022 KEY BUSINESS & FINANCIALS HIGHLIGHTS

Continued positive situation in terms of orders collection and backlog in the first 6 months of 2022

Proactive approach to inflationary trends maintaining stable organic contribution margin

Tensions in supply chain results in temporary revenues recognition delays with a consequent under-absorption of fixed costs

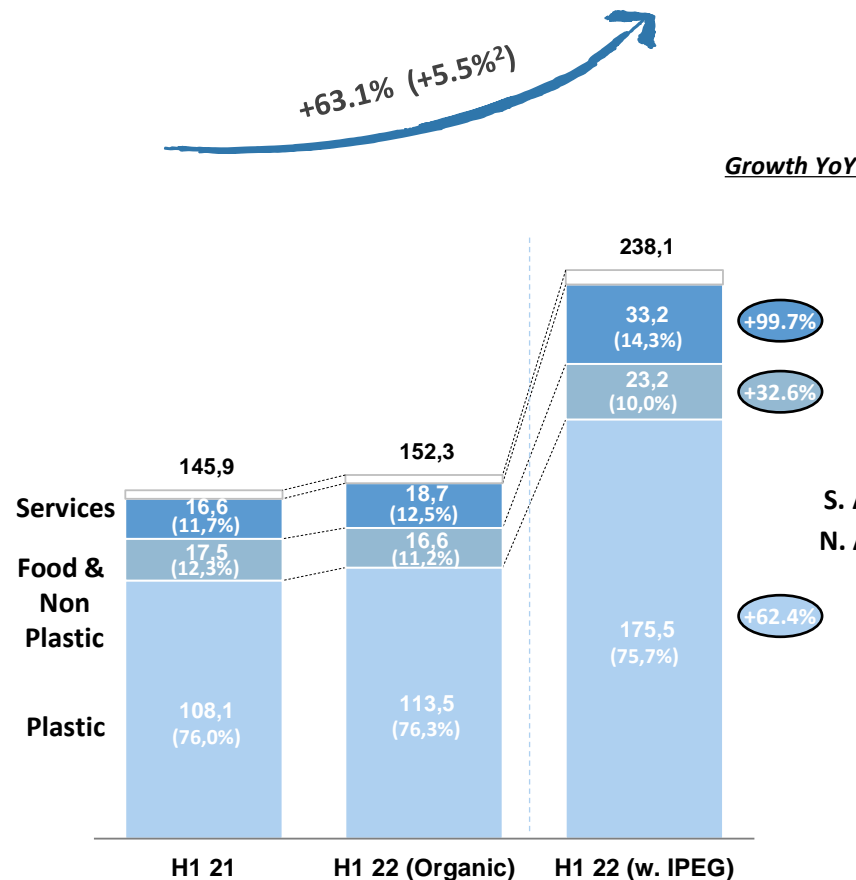
Paid final tranche of Dotecco earn-out for approx. €1.0m (July 2022)

Acquisition of Penta subsidiaries' minority interests in an effort to streamline group structure (July 2022)

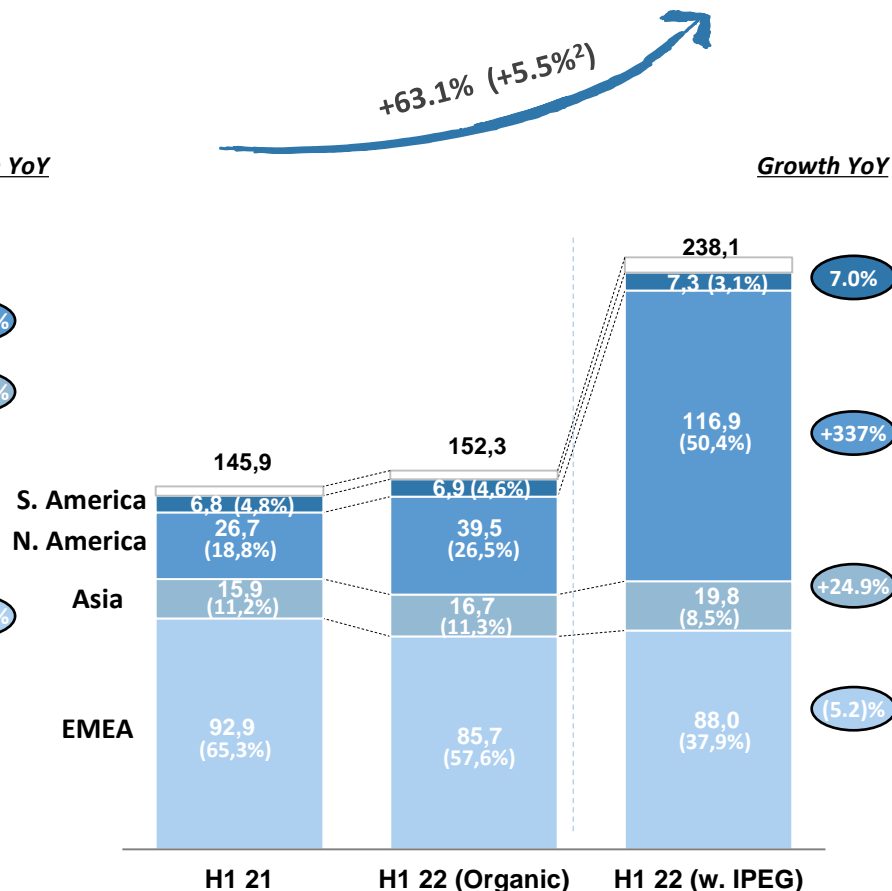
Pelletron awarded by NatureWorks with the supply of a new fully integrated Ingeo™ PLA plant in Thailand with a production capacity of 75,000 mt per year

# EXCELLENT PERFORMANCE ACROSS SEGMENTS AND GEOGRAPHIES, NORTH AMERICA STRENGTHEN BY IPEG CONTRIBUTION

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



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



□ Indicates other revenue and income (c. €3.7m in H1 2021, €3.5m in H1 2022 (ex. IPEG) and €6.1m in H1 2022 (incl. IPEG))

Comments

## ORGANIC REVENUES ANALYSIS

- IPEG contribution in H1 2022 accounted for €85.8m in revenues (5 months). Including IPEG contribution for the month of Jan, Group consolidated revenues for the period would amount to €252.3m

## BY APPLICATION

- Plastic shows a 5.0% organic increase thanks to continued growth in packaging and recycled plastic and light reprise of automotive. Strong contribution of IPEG in construction & compounds and consumer & technical resulting in combined growth to reach 62.4%
- Food & Non-Plastic substantially stable vs. H1 2021 with a solid performance in the U.S. with a shift of volumes from EMEA. IPEG contribution adding €6.6m in the segment
- Services with 12.1% organic growth & benefitting from IPEG contribution, reaching €33.2m in the quarter

## BY GEOGRAPHY

- N. America presents a strong organic performance (+48%) thanks to development of Food business in the area as well as the performance from consumer & technical and construction & compounds, and positive USD/€ effect. With IPEG contribution NA is now more than 50% of Group revenues
- EMEA organic performance impacted mainly by some delays in delivery and some food projects shifted from Europe to located in North America
- Asia presents a solid performance (both organic and through IPEG) thanks to progressive lifting of local restrictions and performance of China
- S. America impacted by short term challenges in supply chain, in the face of a relatively healthy backlog and continued strong commercial activity

Source: Company Information

<sup>1</sup> Revenues % breakdown excludes other revenue and income.

<sup>2</sup> Growth rate based on metric excluding the impact of IPEG and of the US PPP Loan forgiveness in H1 2021 for €1.5m

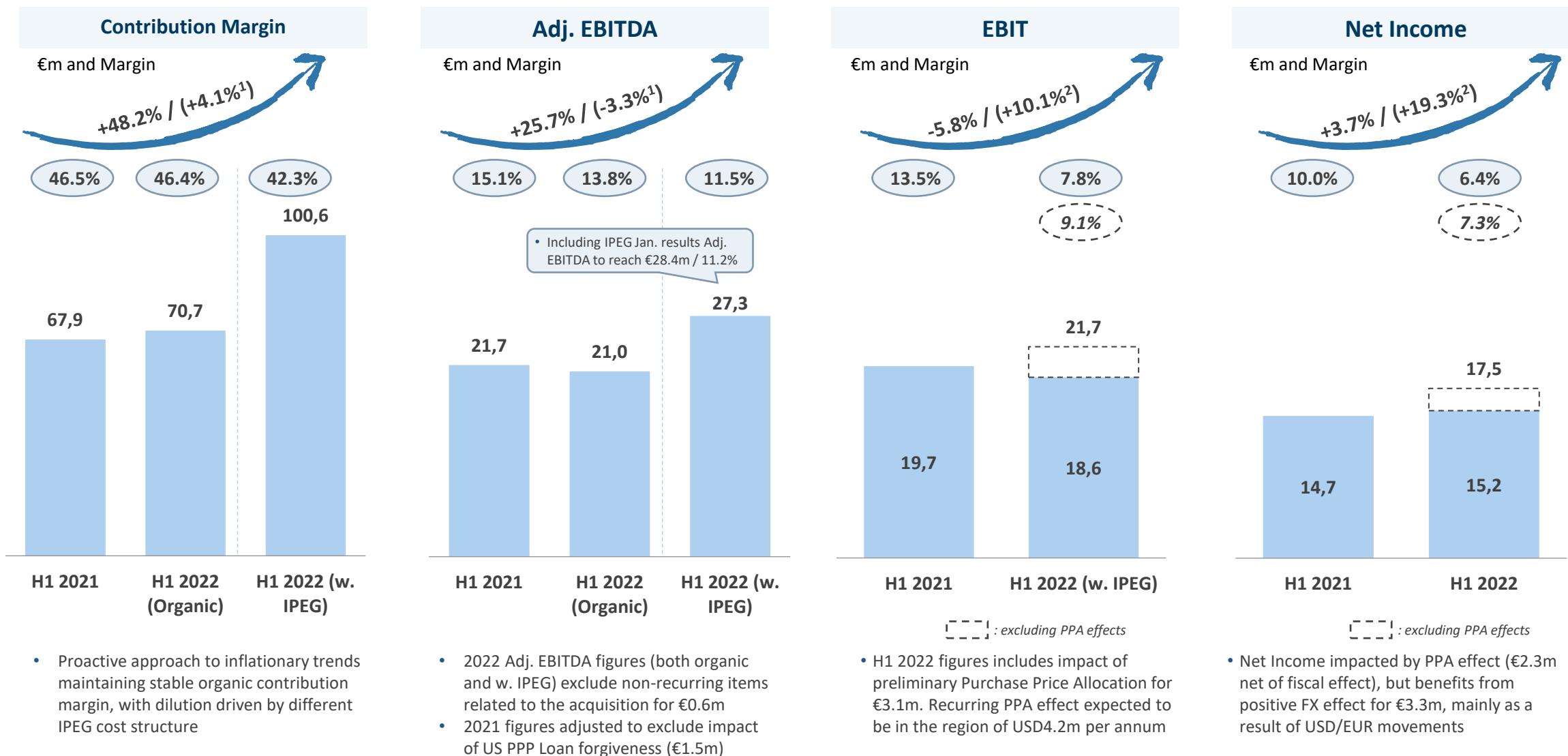


# IPEG CONTRIBUTION TO PIOVAN DIVERSIFIED RANGE OF END-MARKETS RESULTS IN INCREASE IN CONSUMER AND TECHNICAL AND SERVICES



Source: Company information

# STABLE CONTRIBUTION MARGIN COUNTERBALANCED BY TEMPORARY REVENUES RECOGNITION DELAYS AND UNDER-ABSORPTION OF FIXED COSTS

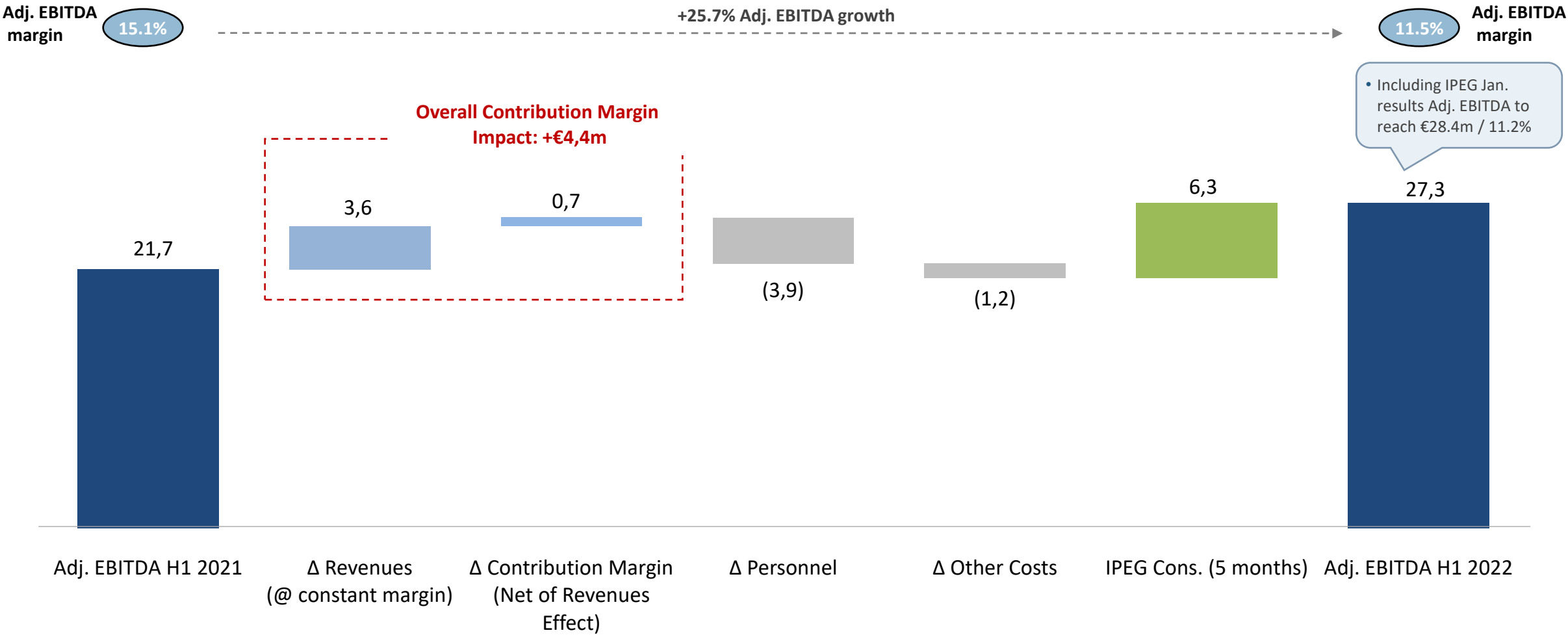


Source: Company Information

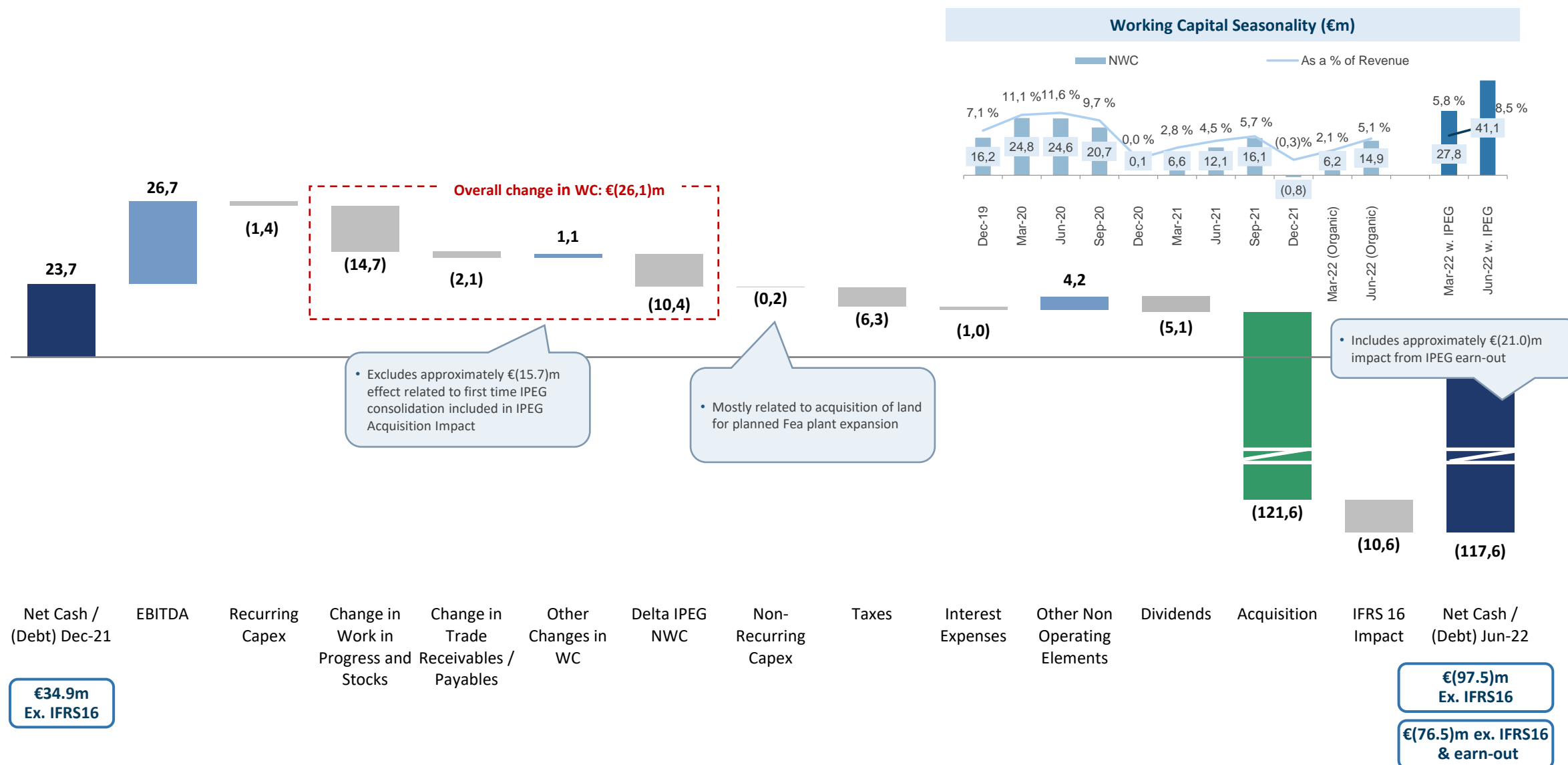
<sup>1</sup> H1 2022 (Organic) vs. H1 2021 figures based on metric excluding the impact of IPEG

<sup>2</sup> H1 2022 (w. IPEG) vs. H1 2021 figures excluding impact of PPA effect

# Adj. EBITDA BRIDGE FROM H1 2021 TO H1 2022

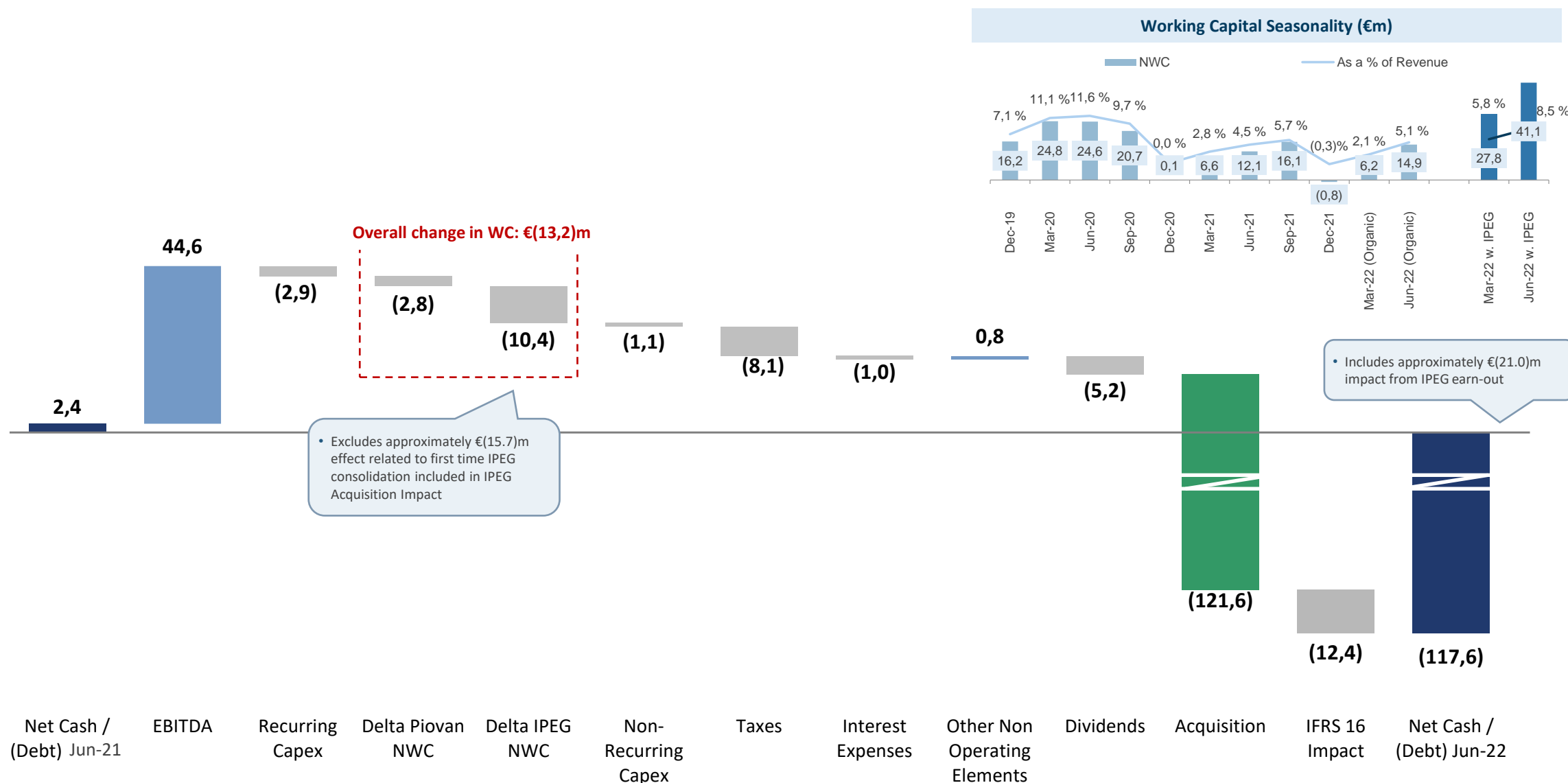


# NET DEBT WALK FROM DEC-21 TO JUN-22





# NET DEBT WALK FROM JUN-21 TO JUN-22





## Appendix A – ADDITIONAL SUPPORTING MATERIALS

# OUR COMMITMENT TO SUSTAINABILITY

## SELECTED KPIs AND INITIATIVES (EXCLUDING IPEG)

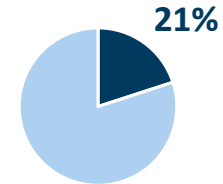


### LINK TO RECYCLING ACTIVITIES

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

### CIRCULAR ECONOMY

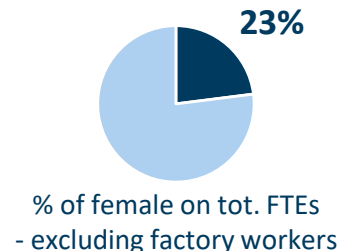
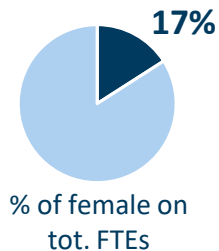
% of 2021 revenues in packaging, fibres, recycling and compound related to “circular economy”



### ATTENTION TO ENERGY SAVING

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

### DIVERSITY & INCLUSION<sup>1</sup>



### WORKLIFE BALANCE & SUST. MOBILITY

In 2020-21, activated several initiatives to incentivize

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



### CERTIFICATIONS<sup>2</sup>

- ISO 45001** – Occupational health and safety management systems
- ISO 14001** – Environmental management systems
- ISO 9001** – Quality management systems



### BoD COMPOSITION

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

### 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 POLICY<sup>3</sup>

- In 2020, Piovan’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

<sup>1</sup> As of Dec-2021. <sup>2</sup> ISO 45001 and 14001 Issued for Piovan S.p.A. and for its HQ facilities, ISO 9001 issued for Piovan S.p.A., Penta S.p.A. and Aquatech S.p.A. and related facilities. <sup>3</sup> Applies to BoD and Board of Statutory Auditors  
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# STRONG DNA OF INNOVATION...

## OVERVIEW OF SELECTED HISTORICAL PRODUCT LAUNCHES

### 118 PATENTS APPLICATIONS

Protecting the most innovative internally developed solutions<sup>1</sup>

### 14 R&D Centers

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

### ca 4% OF REVENUES

Invested in R&D and Engineering activity<sup>1</sup>

### 281 HIGHLY SKILLED STAFF

Employed in R&D and Engineering department<sup>1</sup>

#### Modula

2010



Auto-adaptive technology extended to multi-material systems

#### 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

#### Superbooster

2021



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

#### Condensio

2021



Removes VOCs from the process air of rPET

#### Vulkano

2021



Portable instrument for measuring the presence of VOCs in process air



# ...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**



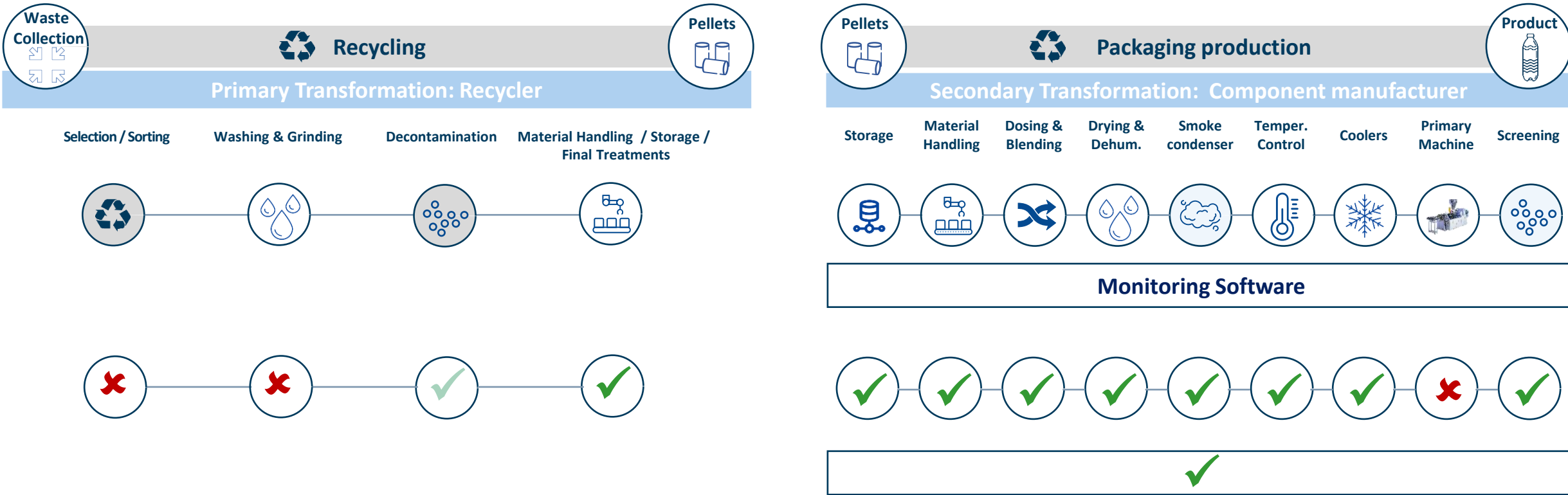
**11 patents registered in 2020 & 2021 “recycling related”**



**20% of H1 2022 revenues in Packaging, Fibres, Recycling and Compound is “circular economy related” (excl. IPEG)**



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



# TRACK RECORD OF LONG TERM REVENUES GROWTH





## Appendix C – FINANCIAL TABLES



# Income Statement

€m	FY 2021	H1 FY21	H1 FY22	LTM Jun 2022	Δ% H1 FY21 vs H1 FY22
Sales	280,0	142,3	232,0	369,8	63,1%
Other sales & other income	7,0	3,7	6,1	9,4	65,6%
<b>Revenues</b>	<b>287,0</b>	<b>145,9</b>	<b>238,1</b>	<b>379,2</b>	<b>63,1%</b>
Raw materials	(115,5)	(60,1)	(105,7)	(161,1)	75,9%
Cost of services	(59,5)	(27,6)	(48,6)	(80,5)	76,1%
Personnel	(68,4)	(33,4)	(55,6)	(90,7)	66,5%
Other costs (incl. Provisions for risks and charges)	(2,4)	(1,6)	(1,5)	(2,3)	(8,0%)
<b>EBITDA</b>	<b>41,2</b>	<b>23,3</b>	<b>26,7</b>	<b>44,6</b>	<b>14,8%</b>
<i>EBITDA Margin</i>	<i>14,3%</i>	<i>15,9%</i>	<i>11,2%</i>	<i>11,8%</i>	
One-off costs / (income)	(0,2)	(1,5)	0,6	2,0	-
<b>Adjusted EBITDA</b>	<b>41,0</b>	<b>21,7</b>	<b>27,3</b>	<b>46,6</b>	<b>25,7%</b>
<i>Adj. EBITDA Margin</i>	<i>14,3%</i>	<i>14,9%</i>	<i>11,5%</i>	<i>12,3%</i>	
D&A	(7,5)	(3,6)	(8,1)	(12,1)	128,9%
<b>EBIT</b>	<b>33,6</b>	<b>19,7</b>	<b>18,6</b>	<b>32,5</b>	<b>(5,8%)</b>
<i>EBIT Margin</i>	<i>11,7%</i>	<i>13,5%</i>	<i>7,8%</i>	<i>8,6%</i>	
Finance income / (expenses)	(0,2)	(0,2)	(1,0)	(1,0)	
Exchange income (expenses)	0,1	0,2	3,3	3,2	
Gains (losses) on liabilities for options granted to non-	1,1	-	-	1,1	
Gains (losses) from equity investments carried at equity	0,1	0,1	0,5	0,6	
<b>EBT</b>	<b>34,7</b>	<b>19,9</b>	<b>21,5</b>	<b>36,3</b>	<b>8,0%</b>
Taxes	(7,1)	(5,2)	(6,3)	(8,1)	19,9%
<i>% Tax Rate</i>	<i>20,4%</i>	<i>26,4%</i>	<i>29,3%</i>	<i>22,3%</i>	
<b>Net Income</b>	<b>27,7</b>	<b>14,7</b>	<b>15,2</b>	<b>28,2</b>	<b>3,7%</b>
Attributable to Piovan shareholders	28,3	14,8	15,1	28,6	1,5%
Attributable to minority shareholders	(0,7)	(0,2)	0,1	(0,3)	

Note: 2021 figures restated to include Use of third party assets within cost of services

# Balance Sheet

€m	Dec-21	Jun-21	Jun-22
Property Plant & Equipment	52,9	51,4	66,3
Intangible Assets (incl. Goodwill)	26,2	27,1	140,5
Financial Assets	0,2	0,2	10,9
<b>Net Fixed Assets</b>	<b>79,3</b>	<b>78,7</b>	<b>217,8</b>
Trade receivable	55,4	56,7	76,1
Inventory	44,5	37,4	90,9
Trade payables	(50,0)	(41,6)	(69,3)
Advanced payments from customers	(31,0)	(24,3)	(45,9)
Contract assets/(liabilities)	(3,7)	2,3	3,0
<b>Net Trade Capital</b>	<b>15,2</b>	<b>30,4</b>	<b>54,9</b>
Tax receivables	4,5	3,5	7,5
Other current activities	5,3	6,9	15,8
Tax payables	(8,5)	(7,9)	(8,8)
Other current liabilities	(17,3)	(20,9)	(28,3)
<b>NWC</b>	<b>(0,8)</b>	<b>12,1</b>	<b>41,1</b>
Other Credits	6,7	5,8	8,5
Other Debts	(3,2)	(6,5)	(24,3)
Pension Fund	(6,5)	(6,5)	(6,5)
<b>Net Invested Capital before Option</b>	<b>75,5</b>	<b>83,6</b>	<b>236,6</b>
Put & Call Option	(0,7)	(1,9)	(0,7)
<b>Net Invested Capital</b>	<b>74,7</b>	<b>81,7</b>	<b>235,9</b>
Total Shareholders' Equity	98,5	84,2	118,2
Net Debt / (Cash)	(23,7)	(2,4)	117,6
<b>Total Sources</b>	<b>74,7</b>	<b>81,7</b>	<b>235,9</b>

# Cash Flow Statement

€m	Dec-21	Jun-21	Jun-22
EBITDA	41,2	23,3	26,7
Recurring Capex	(2,3)	(0,8)	(1,4)
<i>% on Revenues</i>	<i>(0,8)%</i>	<i>(0,2)%</i>	<i>(0,6)%</i>
Cash generation	38,9	22,4	25,3
<i>Cash Conversion %</i>	<i>94,5%</i>	<i>96,4%</i>	<i>94,7%</i>
Non-Recurring Capex	(0,9)	0,0	(0,2)
Disposal	0,1	0,0	0,1
Δ Net Working Capital excl. IPEG	0,9	(12,0)	(15,7)
Δ IPEG NWC (incl. Transl. reserve impact)	0,0	0,0	(10,4)
Operating Cash Flow	39,0	10,4	(0,9)
Corporate Taxes	(7,1)	(5,2)	(6,3)
Δ Funds	0,1	0,1	(0,0)
Non operating Items	(5,7)	(0,9)	(9,4)
Cash Flow from Operation	26,3	4,3	(16,6)
Δ Put and Call Option	-	0,0	0,0
Dividend distribution	(6,7)	(6,6)	(5,1)
Changes in equity	2,9	1,5	9,7
Other financial charges	(0,2)	(0,2)	(1,0)
Δ Exchange loss/gain	0,1	0,2	3,3
Income from equity method investments	0,1	0,1	0,5
Impact of IPEG Acquisition	-	-	(121,6)
IFRS 16 impact (incl. IPEG)	(2,7)	(0,9)	(10,6)
Δ Net Financial Position	19,7	(1,5)	(141,4)
<b>NFP BoP</b>	<b>(4,0)</b>	<b>(4,0)</b>	<b>(23,7)</b>
Δ Net Financial Position	(19,7)	1,5	141,4
<b>NFP EoP</b>	<b>(23,7)</b>	<b>(2,4)</b>	<b>117,6</b>

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