



FINANCIAL RESULTS Q1 2020

14 May 2020

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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.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the securities.

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 Markets

What we do

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

Applications

- Global leader in **plastic** and **plastic compounds**
- Growing presence in **food** (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
- **22 services & sales companies** worldwide²
- **70 countries** covered

Innovation DNA

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

Source: Company information

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

LTM Mar-20 Key Financials

Revenues

€229m

+5%

CAGR
FY 16 - LTM Mar-20
(organic)

Adj. EBITDA

€31m

(13% Margin)

+4%

CAGR
FY 16 - LTM Mar-20
(organic)

Net Income

€18m

(8% Margin)

+5%

CAGR
FY 16 - LTM Mar-20
(organic)

Cash Conv.⁵

~94%

~1%

Recurring Capex /
Revenues

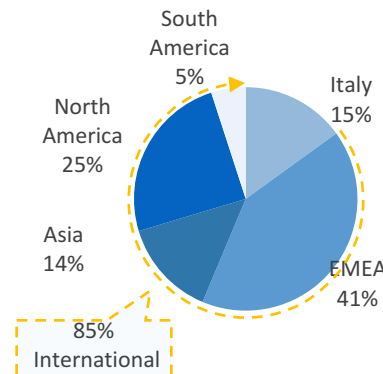
ROCE⁶

~35%

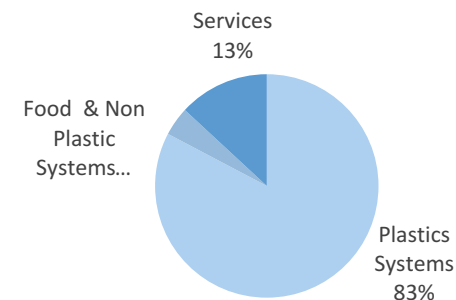
After impact
of IFRS 16

Q1 2020 Revenues Breakdown⁷

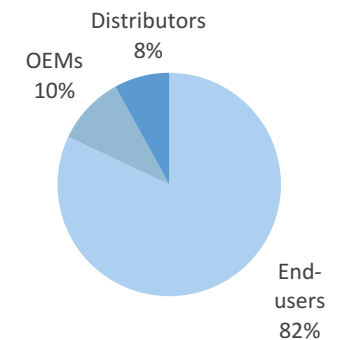
by Geography



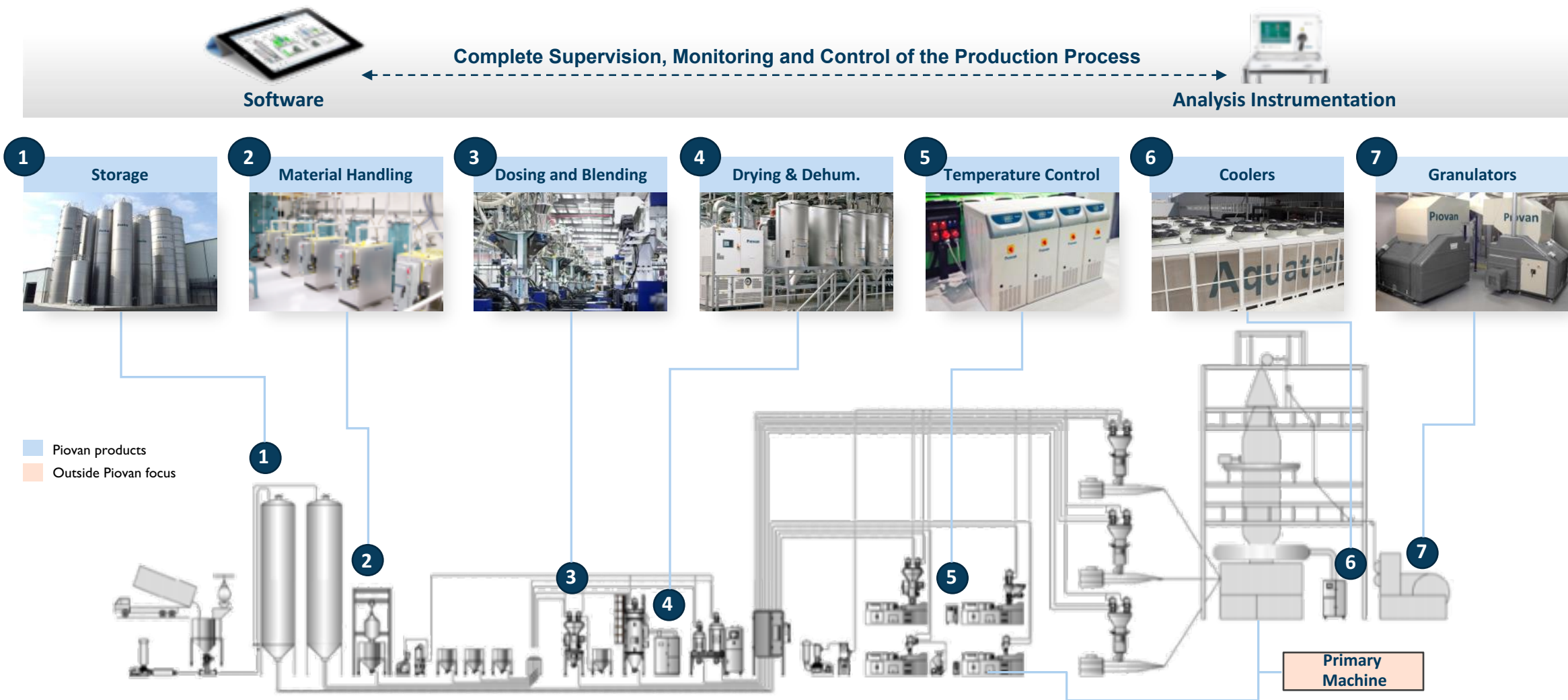
by Application



by Channel



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 ¹ & Other Powders	Plastic									
Recently Added	Creamy Liquids									
	Further Expansion Opportunities									

Source: Company information
¹Sugar, Flour, Coco and Milk in Powder

PIOVAN Q1 2020 KEY BUSINESS HIGHLIGHTS

- ▶ **The orderly and structured management of the COVID 19 emergency and the respect of the procedures allowed the Company to maintain all premises opened and to give continuity to the productive and commercial activities**
- ▶ **The rapid decision making process allowed the Company to reorganize the cost structure and adapt to the new conditions**
- ▶ **Growth in Services is in line with the strategic plan of the Company**
- ▶ **Growth in the medical applications and flexible packaging**
- ▶ **Growth in the applications for the circular economy**
- ▶ **Adequate amount of Cash to face the current market volatility and possible M&A activities**

PUTTING PEOPLE FIRST

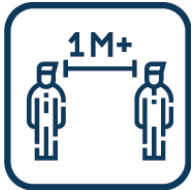
- Piovan Groups has implemented **worldwide** the **highest Safety and Monitoring protocols and Mitigation Actions** to limit the development of COVID-19
- The Group's facilities have been **always fully operative** assuring high quality products in time to our Customers
- Tangible actions include, but are not limited to:



Wearing protective masks



Cleaning the hands frequently
with the appropriate gel



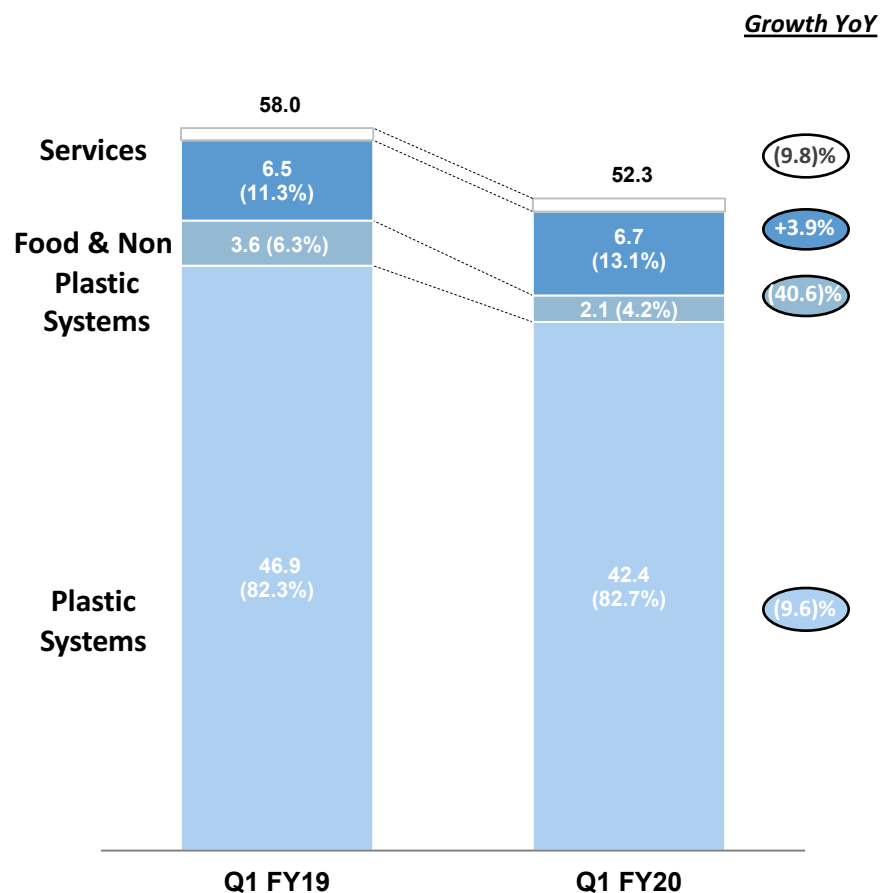
Keeping the minimum safety distance
from other people

Separation Barriers

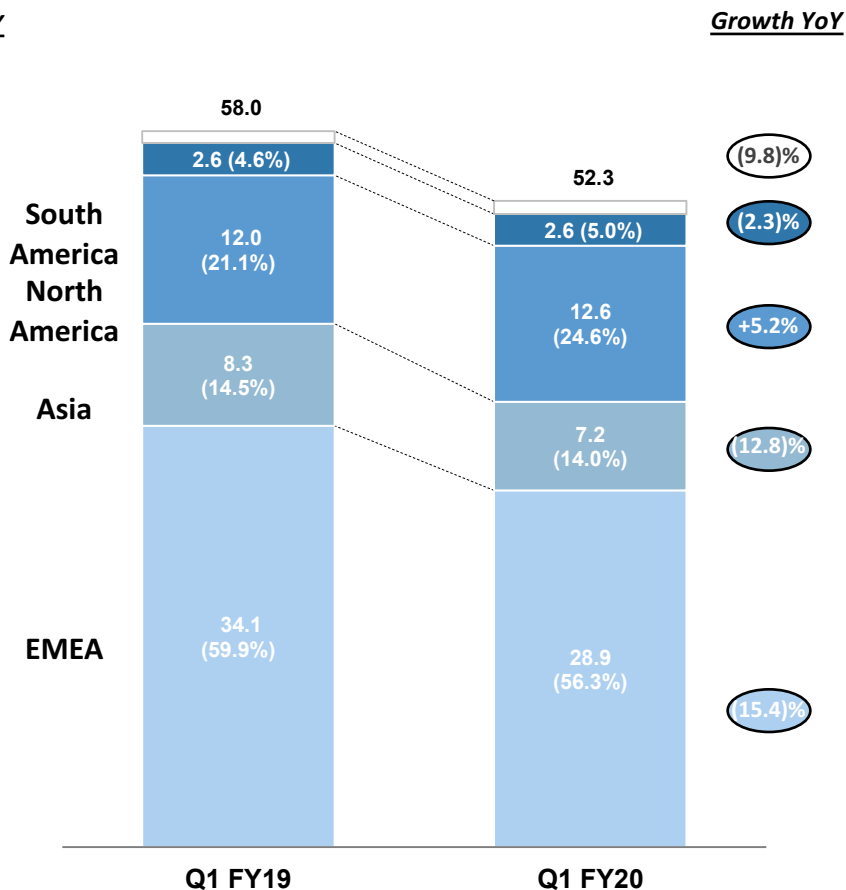


Resilient Plastic, While Food & Other Powders Suffering From Weaker Market Backdrop. Strong Performance in Service & Spare Parts

Revenues by Application (€m)¹



Revenues by Geography (€m)¹



Comments

BY APPLICATION

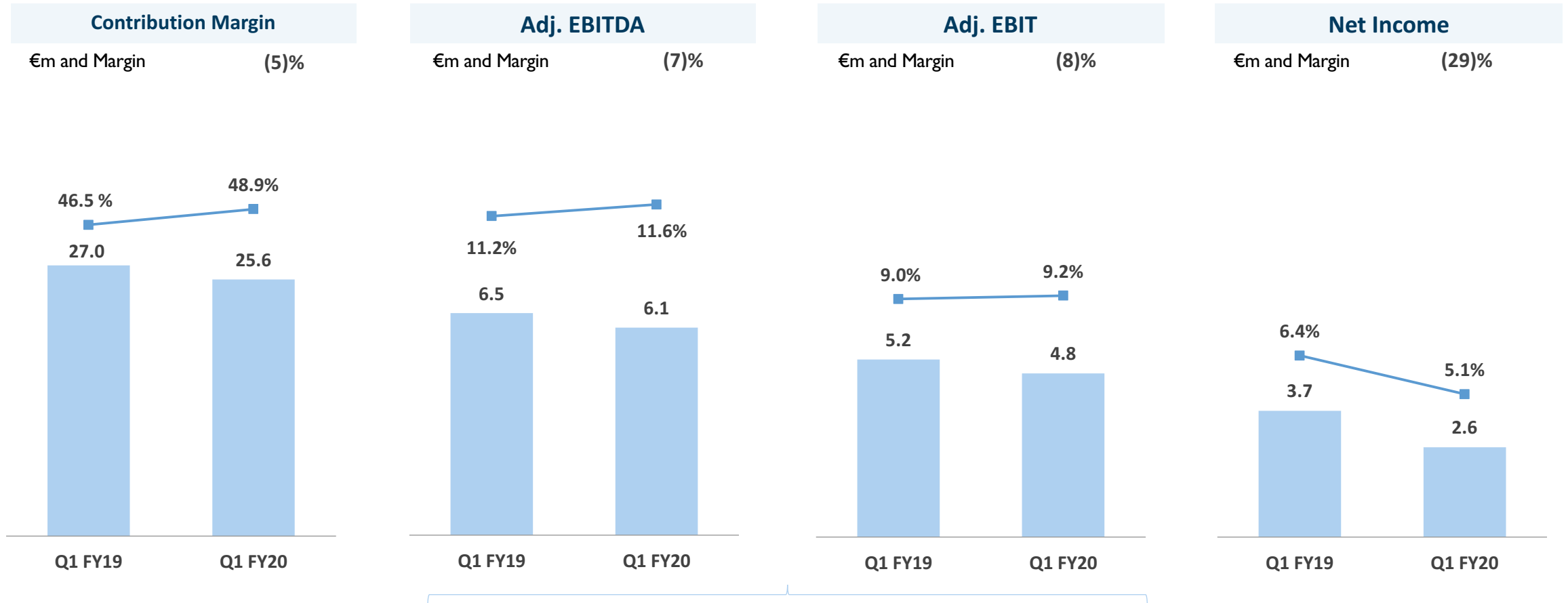
- **Services:** Continuous growth as forecasted by the Company.
- **Plastic Systems:** Slightly below plan due to the closing of the plant in China in February and to the restrictions in Europe have delayed some installations.
- **Food Systems:** Down due to the postponement of installations due to clients' COVID19 restrictions.

BY GEOGRAPHY

- **North America:** Growth in line with the Company's development plan with minimum COVID19 impact.
- **ASIA:** Decreased due to the slow down in China caused by the COVID19 emergency, partially offset by the other Asian countries.
- **EMEA:** Down due to the COVID19 restrictions, first in Italy then throughout Europe, which have slowed installations.

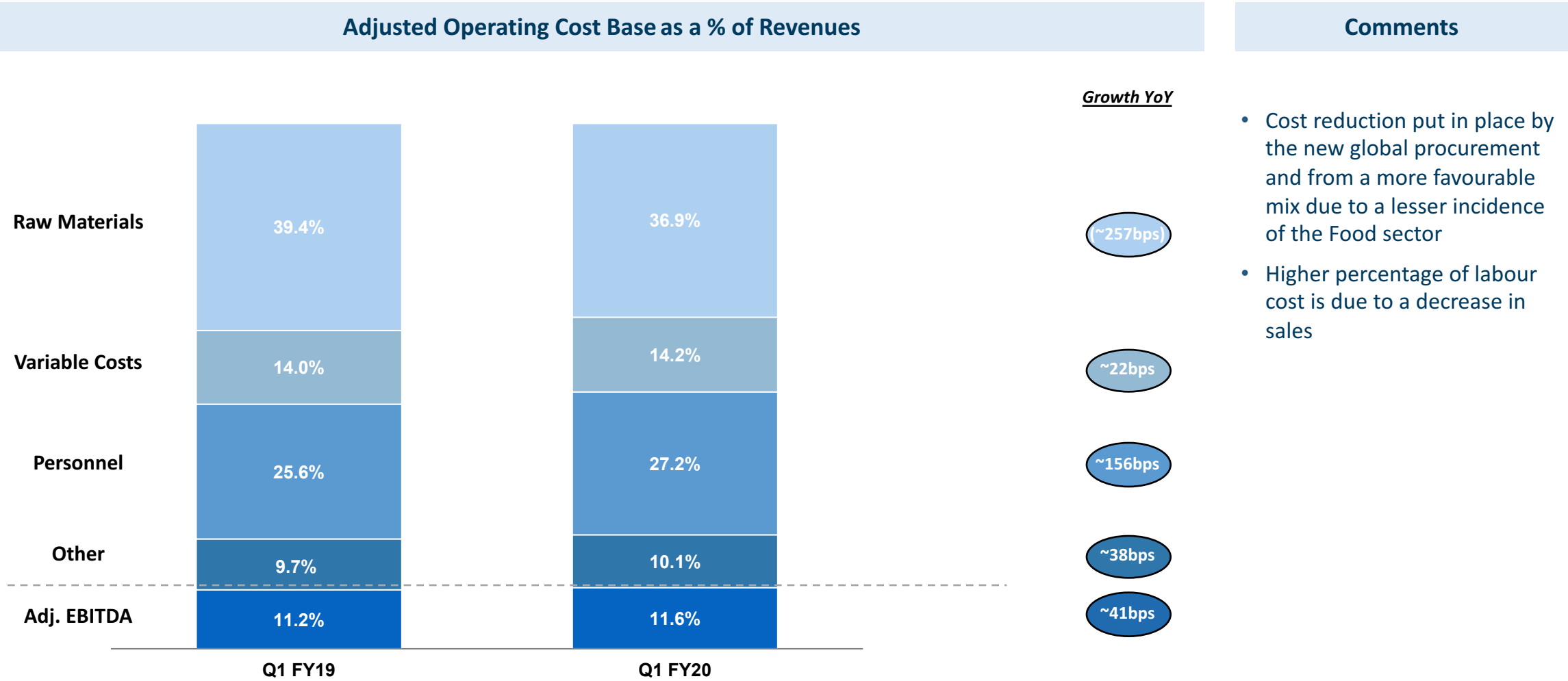
□ Indicates other revenue and income (c. €1.0m in Q1 2019 and €1.1m in Q1 2020)

Resilient Profitability Demonstrated in Q1-20 at EBITDA and EBIT Level



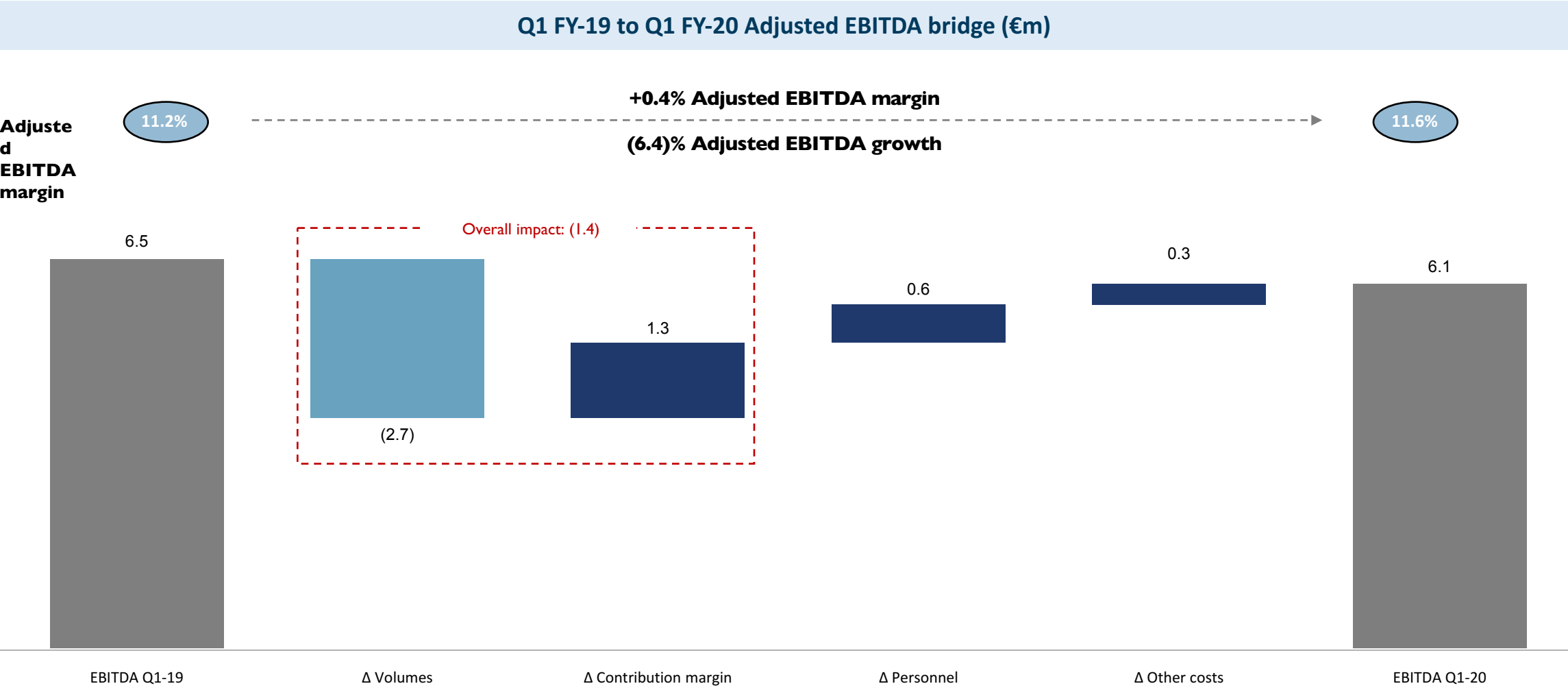
- Improvement of first margin and of EBITDA due to the rapid actions taken by the Company to reduce costs to face the COVID19 emergency period.

Overview of Operating Costs Breakdown

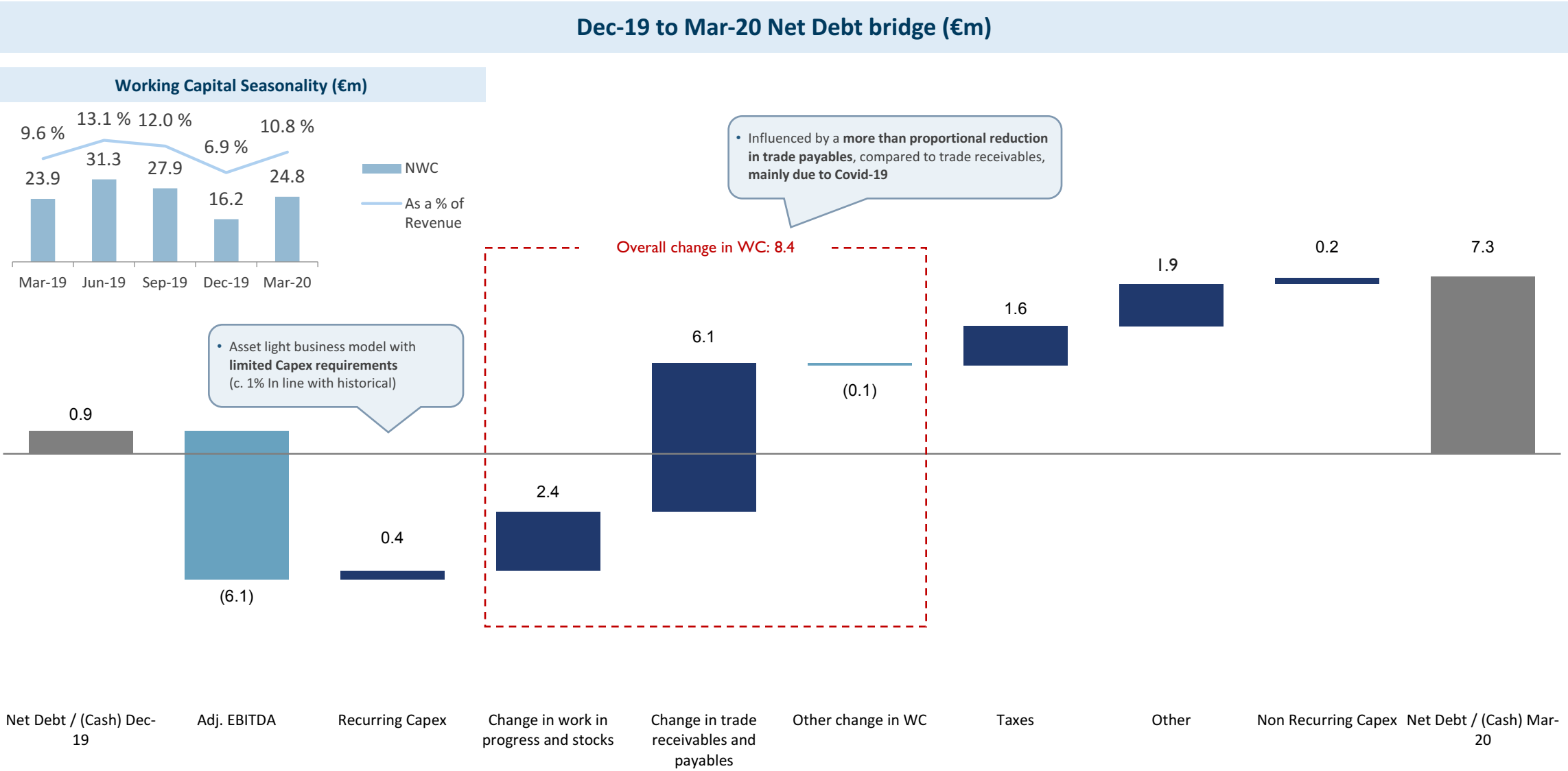


Source: Company Information

Adjusted EBITDA Bridge from Q1 FY-19 to Q1 FY-20



Net Debt Walk from Dec-19 to Mar-20





Appendix

Income Statement

€m	Q1 FY19	Q1 FY20 Reported	LTM Mar-19	Δ% Q1 FY19 vs Q1 FY20
Sales	57.0	51.3	222.8	(10.1)%
Other sales & other income	1.0	1.0	5.9	7.9 %
<i>o/w capital gain on asset disposal</i>	-	-	0.7	
Revenues	58.0	52.3	228.7	(9.8)%
Raw materials	(22.9)	(19.3)	(84.7)	(15.6)%
Cost of services	(12.7)	(11.8)	(50.1)	(7.0)%
<i>o/w extraordinary IPO costs</i>	-	-	(0.8)	-
Personnel	(14.9)	(14.2)	(58.4)	(4.3)%
Other costs	(1.1)	(1.0)	(5.0)	(13.1)%
EBITDA	6.5	6.1	30.5	(6.5)%
Adjusting Items	-	-	0.1	
Adjusted EBITDA	6.5	6.1	30.6	(6.5)%
<i>% Adjusted Margin</i>	<i>11.2%</i>	<i>11.6%</i>	<i>13.4%</i>	
D&A and provisions	(1.3)	(1.3)	(5.1)	(1.0)%
EBIT	5.2	4.8	25.4	(7.8)%
Finance Income / (Expenses)	(0.1)	(0.2)	(0.1)	n.m.
Exchange income (expenses)	0.2	(0.3)	(0.5)	n.m.
Gains (Losses) on liabilities for option granted to Non Controlling Interest	-	(0.1)	(0.1)	-
Income / loss from change in fair value	-	-	0.5	-
EBT	5.4	4.3	25.2	(20.5)%
Taxes	(1.6)	(1.6)	(7.3)	
<i>% Tax Rate</i>	<i>30.4%</i>	<i>38.3%</i>	<i>28.8%</i>	
Net Income	3.7	2.6	17.9	(28.9)%
Attributable to Piovan shareholders	3.7	2.7	17.7	(25.6)%
Attributable to minority shareholders	0.0	(0.1)	0.2	n.m.

Balance Sheet

€m	Dec-19	Mar-20
Property Plant & Equipment	52.4	51.9
Intangible Assets (incl. Goodwill)	7.5	7.5
Financial Assets	0.3	0.3
Net Fixed Assets	60.2	59.7
Trade receivable	52.8	46.9
Inventory	29.3	30.9
Trade payables	(40.6)	(26.5)
Advanced payments from customers	(16.1)	(18.2)
Contract assets/(liabilities)	1.2	2.0
Net Trade Capital	26.6	35.1
Tax receivables	3.7	3.1
Other current activities	3.7	4.9
Tax payables	(6.7)	(5.5)
Other current liabilities	(11.1)	(12.8)
NWC	16.2	24.8
Other Credits	4.9	4.7
Other Debts	(5.2)	(4.8)
Pension Fund	(4.8)	(4.8)
Net Invested Capital before Option	71.3	79.5
Put & Call Option	(5.3)	(5.3)
Net Invested Capital	66.1	74.2
Total Shareholders' Equity	65.2	66.9
Net Debt / (Cash)	0.9	7.3
Total Sources	66.1	74.2

Cash Flow Statement

€m	Mar-19	Dec-19	Mar-20
Adj. EBITDA	6.5	31.0	6.1
Recurring Capex	(0.3)	(2.7)	(0.4)
% on Revenues	0.6 %	(1.1)%	(0.6)%
Cash generation	6.2	28.4	5.7
Cash Conversion %	94.8%	91.4%	94.2%
Non-Recurring Capex	(1.7)	(11.5)	(0.2)
Disposal	-	1.5	0.1
Δ Net Working Capital	(7.7)	(0.1)	(8.5)
Corporate Taxes	(1.6)	(7.3)	(1.6)
Δ Funds	0.0	0.9	0.0
Non operating Items	(0.8)	(1.9)	(0.1)
Cash Flow from Operation	(5.6)	10.0	(4.6)
Adjusting Items	-	(0.1)	-
Δ Put and Call Option	-	2.6	0.1
Dividend distribution	-	(7.7)	-
Changes in equity	0.6	(2.9)	(0.9)
Other financial charges	(0.1)	0.0	(0.2)
Δ Exchange loss/gain	0.2	(0.0)	(0.3)
Income from equity method investments	-	(0.1)	(0.1)
Acquisitions	-	(2.2)	-
IFRS 16 impact in the year	-	(3.2)	(0.4)
Δ Net Financial Position	(4.9)	(3.6)	(6.3)
NFP BoP	(2.6)	(2.6)	0.9
Δ Net Financial Position	4.9	3.6	6.3
NFP EoP	2.3	0.9	7.3