

Press Release

2019 FINANCIAL RESULTS

PROPOSAL TO WITHDRAW 2019-2021 PERFORMANCE SHARES PLAN AND 2019-2021 MONETARY INCENTIVE PLAN

APPROVAL OF REGULATIONS FOR THREE NEW INCENTIVE PLANS

The Board of Directors of Piovan S.p.A. today approved the 2019 financial results:

- **Recurring consolidated revenue of € 233.6 million, contracting 5.0% on 2018 (-6.5% at like-for-like exchange rates);**
- **Consolidated EBITDA of € 30.9 million (13.2% margin), -11.7% on 2018**
- **Consolidated Operating Profit (EBIT) of € 25.8 million (11.0% margin), -17.7% on 2018;**
- **Consolidated Net Profit of € 19.0 million (8.1% margin), -25.5% on 2018;**
- **Pre-IFRS 16 Consolidated Net Financial Position of € 6.9 million, reducing € 1.6 million on the previous year;**
- **Proposed dividend per share of € 0.15.**

Santa Maria di Sala (VE), March 19, 2020 – the Board of Directors of Piovan S.p.A. (“Piovan” or the “Company”) today reviewed and approved the 2019 Separate Financial Statements of the Company and the Group Consolidated Financial Statements.

“2019 was not another record year as the year of 2018, although the Group won new market share despite the general sector deceleration, further building on its international leadership and positioning itself as a focal point for the circular economy, thanks to improved automation solutions for plastic recycling and bio-resin processes”, commented **Filippo Zuppichin**, Chief Executive Officer of Piovan S.p.A..

“It is a greatly satisfying moment for us and one in which we must express our sincere thanks to all our employees and collaborators for the work that they do every day”, added Filippo Zuppichin.

Piovan S.p.A.

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The 2019 consolidated key financial highlights follow:

<i>(amount in €'000)</i>	Economic Performance Indicators										2019 vs 2018	%
	2019			% on total revenues and other income		2018			% on total revenues and other income			
	Total	Recurring	Non Recurring *	% on Total	% on Recurring	Total	Recurring	Non recurring *	% on Total	% on Recurring	Changes on Recurring	
Revenue	228,526	228,526		97.5%	97.8%	241,661	241,661		97.5%	98.3%	(13,135)	(5.4%)
Other revenues and income	5,834	5,120	714	2.5%	2.2%	6,182	4,249	1,933	2.5%	1.7%	871	20.5%
TOTALE REVENUE AND OTHER INCOME	234,360	233,646	714	100.0%	100.0%	247,843	245,910	1,933	100.0%	100.0%	(12,264)	(5.0%)
EBITDA	30,920	31,010	(90)	13.2%	13.3%	35,017	38,491	(3,474)	14.1%	15.7%	(7,481)	(19.4%)
<i>Of which IFRS16 impact - Lease</i>	1,305	1,305		0.6%	0.6%							
OPERATING PROFIT	25,795	25,885	(90)	11.0%	11.1%	31,338	34,812	(3,474)	12.6%	14.2%	(8,927)	(25.6%)
PROFIT BEFORE TAXES	26,257			11.2%		33,490			13.5%			
Taxes	7,253			3.1%		7,976			3.2%			
NET PROFIT	19,004			8.1%		25,514			10.3%			

* The effects of the non-recurring amounts are only considered up to the Operating Result.

Revenue overview

Consolidated revenue (and other income)

The Piovan Group reports **revenue and other income** of € 234.4 million in 2019, contracting 5.4% from € 247.8 million in 2018.

Q4 revenue however outperformed the same period of the previous year due to the ongoing order intake improvement emerging over the preceding months.

Service and Spare parts revenue in 2019 was up on the same period of the previous year, with the progressive growth targets set by the only company in this Segment being met.

In terms of Other revenue, in September 2019 the Parent Company Piovan S.p.A. reported a capital gain of € 714 thousand from the sale of the facility previously used by the subsidiary Aquatech S.r.l..

Considering only the recurring figures, for 2019 the Piovan Group reports revenues and other income of € 233.6 million (-5.0% on 2018).

In terms of revenue only, 2019 Piovan Group revenue was € 228.5 million, contracting 5.4% on € 241.7 million in 2018.

Revenue calculated on a like-for-like basis (i.e. at the 2018 average exchange rate) decreased by € 2.5 million, with revenue on a like-for-like basis of € 226 million and down 6.5% on 2018, mainly due to the movements in the US Dollar. The revenue relating to the acquisitions in 2019 was approx. € 3.1 million.

Revenue by Business Segment

	2019	2018	Change	% Change
Plastic Systems	180,616	187,722	-7,106	-3.8%
Food & Non Plastic Systems	18,697	27,799	-9,102	-32.7%
Services & Spare Parts	29,213	26,140	3,073	11.8%
Revenue	228,526	241,661	-13,135	-5.4%

Revenue by market indicates:

- Plastics Systems revenue contraction of 3.8% in 2019 from 2018. The Group in 2019 however won new market share amid a general sector slowdown, confirming and building its international leadership position.
- Food & Non-Plastic Systems 2019 revenue of € 18.7 million, down on the previous year. The contraction is due to the fact that in the initial part of the year the subsidiary Penta S.r.l. dedicated its production capacity to manufacturing systems to process plastic powders, planning Food & Non Plastic production in the final quarter of 2019. In addition, the production of a major Food & Non Plastic order, initially planned for the second part of 2019, was postponed in 2020 by the customer. However, the Food & Non Plastic Systems market, which includes also the production of systems for industrial uses other than plastic powders, continues to develop, benefitting from the same strategy as that implemented for the Plastic Systems market.
- Service and Spare parts 2019 market growth (+11.8%) over the previous year.

Revenue by region

	2019	2018	Change	% Change
EMEA	140,954	156,789	-15,835	-10.1%
ASIA	29,237	28,648	589	2.1%
NORTH AMERICA	45,805	44,767	1,038	2.3%
SOUTH AMERICA	12,530	11,458	1,072	9.4%
Revenue	228,526	241,661	-13,135	-5.4%

EMEA revenue (including Italy) was € 48.5 million in 2019 and € 52.8 million in the previous year. The reduction in EMEA revenue mainly related to Italy and particularly the Food & Non Plastic market. Revenue in Asia benefitted from the improved South-East Asian performance and offset the Chinese market which showed signs of slowdown in the second half of the year. Results substantially held up in South America thanks to the Group's entry into the Food & Non Plastic market, although slowed by the general economic performance, particularly in view of the elections in Brazil and the situation in Argentina, in addition to the ongoing crisis in Venezuela.

Consolidated operating and net results

EBITDA

2019 **EBITDA** was € 30,9 million, down 11.7% on € 35 million in 2018, with a revenue and other income margin of 13.2% (14.1% in 2018).

2019 **adjusted EBITDA** (excluding non-recurring costs and revenue) was € 31 million, contracting 19.4% on € 38.5 million in 2018, with a revenue and other income margin of 13.3% (15.7% in 2018).

The reduction relates to lower sales volumes, due to market weakness in the initial part of 2019 and to a lesser extent inefficiencies stemming from the transfer of the operating facilities of the subsidiary Aquatech S.r.l. to the new production facilities, in addition to the slight increase in fixed costs following the development of this structure with expert personnel in order to consolidate future sales growth. The increase in fixed costs was mainly in the first quarter of 2019, following a number of savings measures with a positive impact already emerging by the second quarter of 2019.

In addition, the application of new IFRS 16 on lease contracts and operating hire contracts resulted in an EBITDA improvement of € 1.3 million.

Non-recurring costs in the period totaled € 803 thousand and mainly concern the use of production capacity and other costs incurred by the Group for the transfer to the new operating facilities and, to a lesser extent, accessory charges on the acquisitions and the incorporation of new companies.

Operating Profit

The 2019 **Operating Profit** was € 25.8 million, reducing 17.7% on € 31.3 million in the previous year, with a revenue and other income margin of 11.0% (12.6% in 2018).

The 2019 **adjusted Operating Profit** (excluding non-recurring costs and revenue) was € 25.9 million, down 25.6% on € 34.8 million in the previous year, with a revenue and other income margin of 11.1% (14.2% in 2018).

The effect of applying IFRS 16 to lease contracts and operating hire contracts resulted in higher amortisation and depreciation in 2019 of € 1.2 million, with a consequent positive net impact on EBIT of € 84 thousand.

Net Profit

The 2019 **net profit** was € 19 million, with a revenue and other income margin of 8.1%, down 25.5% on € 25.5 million in 2018.

The result in 2019, under “Gains/(losses) on liabilities for option granted to non-controlling Interests”, includes income of € 0.5 million on the change in the value of the liability relating to the acquisition of the residual 10% of the subsidiary Penta S.r.l.. This account in 2018 included income from the difference between the valuation of the liability at December 31, 2017 and the price paid to acquire a further 25% stake in the investee, net of the charge, for € 430 thousand relating to the change in the fair value of the put option granted on the residual 10% of the share capital of Penta S.r.l. owned by non-controlling interests.

The profit attributable to the owners of the parent was € 18.7 million in 2019, compared to € 23.9 million in the previous year, reducing 21.7%. The profit attributable to non-controlling interests was € 304 thousand (€ 1.6 million in the previous year). The reduced non-controlling interests profit principally concerns the fact that the Parent Company held for the full year in 2019 the additional 25% stake in Penta S.r.l., acquired in September 2018, alongside the reduced profit of the subsidiary in 2019 on the basis of lower Food & Non Plastic sales.

	2019	2018
Net Profit attributable to:		
- owners of the parent company	18,700	23,881
- Non-controlling interests	304	1,633
Earnings per share		
- basic	0.37	0.47
- diluted	0.37	0.47

Earnings per share

Earnings per share were € 0.37 in 2019, compared to € 0.47 in the previous year.

Consolidated Equity Overview

Consolidated Net Financial Position

The **consolidated net financial position** at December 31, 2019 (pre-IFRS 16 application) was € 6.9 million, compared to € 8.5 million at December 31, 2018.

€/000	31.12.2019	31.12.2018
A. Cash	15	29
B. Current accounts and post office deposits	59,108	39,084
C. Cash & cash equivalent (A+B)	59,123	39,113
D. Current financial assets	6,319	-
E. Current bank loans and borrowings	(25,026)	(12,995)
F. Current portion of non-current debt	(11,961)	(5,994)
G. Other current financial liabilities	(189)	(280)
H. Current financial position (E+F+G)	(37,176)	(19,269)
I. Net current financial position (H+C+D)	28,267	19,844
J. Long term loans	(20,939)	(10,760)
K. Bond issued	-	-
L. Other non-current financial liabilities	(404)	(609)
M. Non-current financial position (J+K+L)	(21,343)	(11,368)
N. Net financial position (I+M) before IFRS16	6,924	8,476
€/000	31.12.2019	31.12.2018*
IFRS16 - Lease - impact	(7,864)	(5,866)
Current portion	(1,537)	(1,116)
Non-current portion	(6,327)	(4,750)
N. Net financial position (N+IFRS 16 impact)	(940)	2,610

* we indicate that the IFRS 16 effect at 31.12.2018 was stated only for comparative purposes, as applied from 01/01/2019 as per the "Modified Retrospective Method" by the company for initial application, in accordance with IFRS 16.

We also report during the year dividends distributed of € 7.7 million, non-recurring investments to expand production capacity and technological upgrading at the company's headquarters of € 11.5 million and acquisitions of approx. € 1.2 million.

Net of these non-operating items of € 20.5 million, cash generated in 2019 would have amounted to approx. € 20 million.

In addition, the application of IFRS 16 impacted the net financial position at the end of 2018 by € 7.9 million.

The net financial position includes medium/long-term loans, mainly relating to the Parent Company, for € 33 million, of which € 12 million repayable within 12 months and the remainder € 21 million within 5 years. The loans are not supported by guarantees and are expressed in Euro.

In order to optimize the financial structure and to tap into extremely favorable interest rates on the financial market, in 2019 four amortizing loans were drawn down for a total of € 22 million, with maturities at 5, 4 and 2 years and an average interest rate of approx. 0.5%. Of the new loans drawn down, a fixed rate loan of 0.54% was applied for € 7 million, with 4-year amortizing maturity.

Significant events

On April 17, 2019, the Shareholders' Meeting of the Parent Company approved two medium/long-term incentive plans which aim to retain and incentivize the beneficiaries to achieve the Group's objectives. This will align the remuneration of these beneficiaries with increases in value and return on shareholder investment. The first plan, called the *"2019-2021 Performance Shares Plan"*, is intended for Executive Directors, excluding the Executive Chairperson, and for Senior Executives at Piovan Group's Italian companies, and provides for the free allocation of Piovan S.p.A. shares already held by the Company. The second, called the *"2019-2021 Long-Term Monetary Incentive Plan"*, is intended for Executive Directors and for Senior Executives at Piovan Group's foreign companies, and provides for monetary incentives. Both plans are linked to performance results based on the Group's consolidated revenue and EBITDA. For 2019, since the results envisaged in the Plans were not achieved, no costs were set aside in the financial statements at December 31, 2019.

During the second quarter of 2019, the Piovan Group established a commercial subsidiary in Morocco in order to better monitor the North African area, which has significant growth potential.

In July 2019, Piovan S.p.A. completed the acquisition of 51% of ToBaPNC Co. Ltd., a South Korean industrial process automation enterprise, specializing in systems for the transport and storage of plastic powders. This operation allows the Group to expand its international profile and achieve significant penetration into the strategic South Korean market. It also gives the Group access to world-leading companies in electronics and automotive technologies, and reinforces its expertise in the powder processing industry, which represents a significant growth area for the Group. ToBaPNC Co. Ltd. recorded turnover of € 4.6 million in 2018 and has in recent years managed projects in several countries, including South Korea, the United States, Vietnam and China, thanks to strong relationships with some of the major South Korean industrial groups, of which it is a supplier.

Also in July 2019, Piovan S.p.A. finalized the acquisition of 51% of the share capital of FEA Process & Technological Plants S.r.l. (hereinafter also FEA), a Cuneo-based company specializing in the automation of transport and storage systems for liquids for the food industry. The company, which had a turnover of € 3 million in 2018, specializes in the installation and production of machinery for the transport of high-density creams. FEA is a long-standing industrial enterprise operating in the confectionery and chocolate production sector. Its expertise in the processing and transport of complex food liquids completes that of the Piovan Group in the transport and storage of food powders. The acquisition of FEA will expand the range of key plants in the food sector and boost the Group's market share in this strategic sector.

In July 2019, the subsidiary Penta S.r.l. signed a purchase agreement with an established partner to acquire a further 19.0% stake in the subsidiary Progema S.r.l.. The Group now holds an 81% stake in Penta S.r.l.

It should be noted that over the last two years the Group has undertaken a production expansion and technological upgrading project, improving the production and logistics capacity at its facilities. The project was completed substantially on schedule. The non-recurring investments incurred in 2019 to boost the Group's production capacity in Italy totaled € 11.5 million.

We highlight, finally, in September 2019 the transfer of the operating facilities of the subsidiary Aquatech S.r.l. to the new production facility at Santa Maria di Sala (VE), while the building owned by Piovan S.p.A. utilised by the subsidiary was sold. The sale of the facility generated a capital gain of € 714 thousand.

Outlook

The parent company and the Group continue to develop an even more comprehensive and client-centric strategy, with a particular focus on major customers distributed across the globe, thus ensuring the maintenance of its technology and service leadership in the Plastic Segment. At the same time, there is a key focus on continuing to drive market share and international development in the Food Segment - both through technological, commercial, service and customer synergies with the Plastics Segment and by improving organizational processes.

The Group is committed to providing solutions to the market for a circular economy, particularly in researching and developing advanced innovative technologies - allowing customers to use recycled polymers and obtaining a quality product with low environmental impact, cutting CO2 emissions and the consumption of scarce resources.

The Group since 2006 has built more than 300 plastic recycling plant and continues to further extend its range of solutions to manage the most critical material regeneration process phases. The Group also filed major technology and circular economy patents during the year.

Update on the outbreak of COVID-19

Since January 2020, Italy and other countries have been suffering from the rapid spread of the coronavirus and the consequent restrictive measures put in place by the public authorities of the various countries that aim to contain the spread of the virus.

The Company has put in place procedures dedicated to managing the emergency by adopting, with diligence, all the dispositions and the regulations indicated by the Authorities to reduce the risk of contamination. As at the time of this press release, to our knowledge, none of our employees have been infected, neither in Italy nor in China.

The company does not have exposure to the sectors that have been economically most affected by the virus (transportation, tourism, catering, distribution, etc.) and, as of today, has not suffered any interruptions in the supply chain or significant slowdowns in the manufacturing production at the various production sites, including the Italians who never stopped working and the Chinese plant that after a break of about three weeks around the Chinese New Year resumed at full speed.

The Company is also well diversified geographically and operates in various sectors, some of which (medical, food packaging for example) could benefit from the new habits resulting from the epidemic.

Nevertheless, the travel restrictions have caused delays in the installations that were in progress and created a general uncertainty that could slow down the new order intake.

There are several variables that, to date, are difficult to determine, with accuracy, the impact of the future of the business. It is reasonable, however, to assume that the persistence of the current situation may slow down the economy and have a negative impact on the various business sectors. In order to anticipate the possible impact of the economic slowdown the Company, in a precautionary way, has put in place some of the instruments made available by the Government, including the *Cassa Integrazione Guadagni Ordinaria*, in order to minimize the impact of the imposed restrictions.

Proposal for the allocation of the net profit

The Board of Directors approved a proposal to the Shareholders' Meeting to pay a dividend for 2019 of € 0.15 per share with profit rights (excluding the treasury shares held by the company), for a total of € 7,639,395 and a pay-out ratio of 40% on the consolidated net profit.

Payment is proposed for May 15, 2020 (coupon date of May 13, 2020 and record date of May 14, 2020).

Non-Financial Report

The Board of Directors today reviewed and approved the Group non-financial report drawn up by the Company ("Consolidated Non-Financial Report").

The 2019 Consolidated Non-Financial Report shall be published on the website in accordance with law.

Other Board of Directors' motions

The Board of Directors today in addition approved, among other matters:

- the draft Remuneration Report as per Article 123-ter of Legislative Decree No. 58 of February 24, 1998 and Article 84-quater of CONSOB Regulation No. 11971/1999, as subsequently amended and supplemented;
- the Corporate Governance and Ownership Structure Report as per Article 123-bis of Legislative Decree No. 58 of February 24, 1998;
- the regulations regarding the plan to grant free ordinary shares of the company called the "2020-2022 Performance Shares Plan", a plan to issue monetary incentives called the "2020-2022 Long-term Monetary Incentive Plan" and a plan for the free assignment of options and possibly, the issue of monetary incentives called the "2020-2022 Phantom Stock Option Plan", in addition to the simultaneous proposal to the Shareholders' Meeting to withdraw the "2019-2021 Performance Shares Plan" and the "2019-2021 Long-term Monetary Incentive Plan" approved by motion of April 17, 2019.

and also mandated the Executive Chairperson to call the Shareholders' Meeting in single call for April 29, 2020, as indicated in the 2020 corporate events calendar. The Shareholders' Meeting call notice and the related documentation shall be published in accordance with the applicable legal and regulatory provisions.

Shareholders' Meeting call

The Shareholders' Meeting is called for April 29, 2020. The information regarding the Shareholders' Meeting is reported in the full call notice, whose text, together with the Shareholders' Meeting documentation – will be available on the company website at www.piovangroup.com, Investor Relations section, and also on the "1Info" authorised storage mechanism, to which reference should be made.

CONFERENCE CALL

The 2019 results shall be presented to the financial community through a conference call to be held on **March 20 at 3:00 PM CET**. You may participate in the conference call by calling one of the following numbers:

ITALY:	+39 02 805 88 11
UK:	+44 1 21281 8003
GERMANY:	+49 69255114451
FRANCE:	+33 170918703
SWITZERLAND:	+41 225954727

Before the start of the conference call a number of slides shall be made available on the website www.piovangroup.com, in the Investor Relations / Presentations section. The documentation used during the presentation shall be available on the 1INFO storage mechanism.

This document contains "forward-looking statements" relating to future events and operating and financial results of the Piovan Group. These statements by nature contain an element of risk and uncertainty in that they depend on future events and developments. The actual results may even diverge significantly from those announced, due to a range of factors.

The Executive Officer for Financial Reporting, Marco Mammano, declares in accordance with Article 154 bis,

paragraph 2, of the Consolidated Finance Act, that the accounting information contained in this press release corresponds to the underlying accounting documents, records and accounting entries.

FOR FURTHER DETAILS:

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Piovan

The Piovan Group is a global leader in the development and manufacturing of auxiliary automation systems for the storage, shipping and processing of polymers, bio-resins, recycled plastic, food fluids and food and non-food powders. Over recent years, the Group has been particularly engaged in developing and producing auxiliary systems to automate production processes for the bio-economies and circular economies for recycling and reusing plastic and for the production of plastics which are naturally compostable, tapping into cross-selling opportunities.

The consolidated financial statements of the Piovan Group follow.

CONSOLIDATED STATEMENTS OF EQUITY AND FINANCIAL POSITION
(€'000)

ASSETS	Notes	31.12.2019	31.12.2018
NON-CURRENT ASSETS			
Property, plant and equipment	Note 1	52,430	34,531
Intangible assets	Note 2	7,510	6,007
Equity investments	Note 3	270	270
Other non-current assets	Note 4	427	325
Deferred tax assets	Note 5	4,489	4,663
TOTAL NON-CURRENT ASSETS		65,126	45,796
		-	
CURRENT ASSETS		-	
Inventories	Note 6	29,264	28,049
Contract assets for work in progress	Note 7	3,712	3,654
Trade receivables	Note 8	52,816	50,656
<i>- of which related parties</i>	Note 41	200	167
Current financial assets	Note 9	6,319	-
Tax receivables	Note 10	3,735	3,455
Other current assets	Note 11	3,705	4,192
<i>- of which related parties</i>	Note 41	431	1,414
Cash and cash equivalents	Note 12	59,123	39,113
TOTAL CURRENT ASSETS		158,675	129,119
TOTAL ASSETS		223,801	174,915

LIABILITIES AND EQUITY	Notes	31.12.2019	31.12.2018
EQUITY			
Share capital	Note 13	6,000	6,000
Legal reserve	Note 13	1,200	1,200
Reserve for own shares in portfolio	Note 13	(2,250)	(2,250)
Translation reserve	Note 13	(1,211)	(1,594)
Other Reserves and retained earnings	Note 13	38,938	25,748
Net profit (loss)	Note 13	18,700	23,881
Equity attributable to the owners of the parent		61,377	52,985
Equity attributable to non-controlling interests	Note 15	3,774	3,791
TOTAL EQUITY		65,151	56,775
NON-CURRENT LIABILITIES			
Long-term loans	Note 16	20,939	10,760
Non-current financial liabilities	Note 16	6,516	609
Employee benefits plans	Note 17	4,814	3,887
Provision for risks and charges	Note 18	2,954	2,925
Non current liabilities for options granted to non-controlling investors	Note 19	2,535	3,185
Other non-current liabilities	Note 20	268	121
Deferred tax liabilities	Note 5	1,987	3,505
TOTAL NON-CURRENT LIABILITIES		40,013	24,991
CURRENT LIABILITIES			
Current portion of long-term loans	Note 16	11,962	5,994
Current bank loans and borrowings	Note 16	25,026	12,995
Current financial liabilities	Note 16	1,942	280
Trade payables	Note 21	40,556	39,937
<i>- of which related parties</i>	Note 41	698	601
Advance from costumers	Note 22	16,063	12,577
Contract liabilities for work in progress	Note 7	2,527	2,703
Current liabilities for options granted to non-controlling investors	Note 19	2,721	-
Tax liabilities and social security contributions	Note 23	6,738	6,422
Other current liabilities	Note 24	11,102	12,241
<i>- of which related parties</i>	Note 41	888	671
TOTAL CURRENT LIABILITIES		118,636	93,148
TOTAL LIABILITIES		158,650	118,139
TOTAL LIABILITIES AND EQUITY		223,801	174,915

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
(€'000)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS	Notes	31.12.2019	31.12.2018
Revenue	Note 25	228,526	241,661
<i>- of which related parties</i>	Note 41	182	115
Other revenue and income	Note 26	5,834	6,182
TOTAL REVENUE AND OTHER INCOME		234,360	247,843
Costs of raw materials, components and goods and changes in inventories	Note 27	88,272	97,455
<i>- of which related parties</i>	Note 41	2,666	1,848
Services	Note 28	51,019	53,273
<i>- of which related parties</i>	Note 41	1,713	1,327
Use of third party assets	Note 29	1,547	2,632
Personnel expenses	Note 30	59,006	57,079
<i>- of which related parties</i>	Note 41	133	441
Other expenses	Note 31	3,596	2,387
Provisions for risks and charges	Note 32	350	1,092
Amortisation and depreciation	Note 33	4,775	2,587
<i>- of which related parties</i>	Note 41	311	8
TOTAL COSTS		208,565	216,505
OPERATING PROFIT		25,795	31,338
Financial income	Note 34	599	325
Financial Expenses	Note 34	(578)	(532)
<i>- of which related parties</i>	Note 41	(30)	(96)
Net exchange rate gain (losses)	Note 35	(46)	239
Gains (losses) on liabilities for option granted to non controlling investors	Note 36	549	2,270
Profit (losses) from equity investments carried at equity	Note 37	(63)	(150)
PROFIT BEFORE TAXES		26,257	33,490
Income taxes	Note 38	7,253	7,976
NET PROFIT		19,004	25,514
ATTRIBUTABLE TO:			
Owners of the parent		18,700	23,881
Non-controlling interests		304	1,633
Earnings per share			
Basic and diluted earnings per share (in Euros)	Note 14	0,37	0,47

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(€'000)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31.12.2019	31.12.2018
Net profit	19,004	25,514
Items that may be subsequently reclassified to profit or loss:	-	-
- Exchange rate differences	383	13
Items that may not be subsequently reclassified to profit or loss:	-	-
- Actuarial gains (losses) on employee benefits net of the tax effect	(387)	104
- Actuarial gains on agents' termination benefits net of the tax effect	4	(12)
Total Comprehensive income	19,006	25,620
attributable to:	-	-
- Owners of the parent	18,701	23,986
- Non-controlling interests	304	1,633

CONSOLIDATED STATEMENT OF CASH FLOW
(€'000)

Consolidated Statement of Cash Flow	31.12.2019	31.12.2018
OPERATING ACTIVITIES		
Net profit	19,004	25,514
Adjustments for:		
Amortisation and depreciation	4,775	2,587
Inventory write-down and bad debt provision	1,356	560
- Net non-monetary financial (income)	(37)	-
Change in provisions for risks and charges and employee benefits liabilities	(67)	949
Net capital (gains) losses on sale of fixed assets and equity investments	(714)	(1,988)
Non-monetary changes related to liabilities for options granted to non-controlling shareholders	(550)	(2,270)
Investment equity valuation	63	150
Other non-monetary variations	106	(68)
Taxes	7,253	7,976
Cash flows from operating activities before changes in net working capital	31,189	33,411
(Increase)/decrease in trade receivables	(356)	10,487
<i>- of which related parties</i>	33	167
Increase in inventories	(552)	(5,306)
(Increase)/decrease in other current assets	279	(6,450)
<i>- of which related parties</i>	(983)	628
Increase/(decrease) in trade payables	(2,733)	5,477
<i>- of which related parties</i>	97	484
Increase/(decrease) in advance from customers	3,117	(1,556)
Increase/(decrease) in other current liabilities	(1,795)	(5,716)
<i>- of which related parties</i>	217	671
(Increase)/decrease in non-current assets	(33)	(861)
Increase/(decrease) in non-current liabilities	1	827
Income taxes paid	(8,286)	(7,761)
CASH FLOWS FROM OPERATING ACTIVITIES (A)	20,831	22,552
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(14,238)	(6,396)
Investments in intangible assets	(761)	(467)
Disinvestments/(investments) in financial assets	(6,283)	-
Disinvestments in equity investments	-	169
Business combinations net of the acquired cash	(472)	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(21,753)	(6,694)
FINANCING ACTIVITIES		
Issuance of bank loans	22,000	-
Repayment of bank loans	(6,786)	(6,053)
Change in current bank loans and borrowings	12,031	3,776
Repayment of bonds	-	(2,500)
<i>- of which related parties</i>	-	(2,500)
Increase/(decrease) in other financial liabilities	1,703	(162)
Purchase of minority interests in subsidiaries	(187)	(4,228)
Contribution	-	637
Dividends paid	(7,723)	(6,018)
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	21,038	(14,548)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	20,116	1,160
EFFECT OF EXCHANGE RATE CHANGES ON BALANCE OF CASH HELD IN FOREIGN CURRENCY	(106)	68
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)	39,113	37,885
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	59,123	39,113
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	20,116	1,160
INTERESTS PAID	396	532

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(€'000)

	Share Capital	Legal reserve	Treasury shares	Transaltion reserve	Other reserves and retained earnings	Profit for the year att, To the owner of the parent	Equity attributable to the owners of the parent	Equity att, To non-controlling interests	TOTAL EQUITY
Balance at Jan, 1 st , 2018	6,000	1,200	(7,641)	(1,607)	14,312	19,553	31,817	4,866	36,683
First time adoption IFRS 9	-	-	-	-	(144)	-	(144)	-	(144)
Distribution of dividends	-	-	-	-	(6,000)	-	(6,000)	(18)	(6,018)
Allocation of prior year profit	-	-	-	-	19,553	(19,553)	-	-	-
Pentafin S.p.A. contribution	-	-	-	-	637	-	637	-	637
Sale of treasury shares	-	-	5,391	-	(5,391)	-	-	-	-
Change in non-controlling interests	-	-	-	-	2,689	-	2,689	(2,689)	-
Total comprehensive income	-	-	-	13	93	23,881	23,986	1,633	25,620
Balance at December 31 st , 2018	6,000	1,200	(2,250)	(1,594)	25,748	23,881	52,985	3,791	56,775

	Share Capital	Legal reserve	Treasury shares	Transaltion reserve	Other reserves and retained earnings	Profit for the year att, To the owner of the parent	Equity attributable to the owners of the parent	Equity att, To non-controlling interests	TOTAL EQUITY
Balance at Jan, 1 st , 2019	6,000	1,200	(2,250)	(1,594)	25,748	23,881	52,985	3,791	56,775
Distribution of dividends	-	-	-	-	(7,639)	-	(7,639)	(83)	(7,722)
Allocation of prior year profit	-	-	-	-	23,881	(23,881)	-	-	-
Put Option minorities	-	-	-	-	(2,621)	-	(2,621)	-	(2,621)
Change in non-controlling interests	-	-	-	-	(48)	-	(48)	(237)	(285)
Total comprehensive income	-	-	-	383	(382)	18,700	18,701	304	19,005
Balance at December 31 st , 2019	6,000	1,200	(2,250)	(1,211)	38,938	18,700	61,377	3,774	65,151