

Press Release

THE BOD OF PIOVAN S.P.A. APPROVES THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

The Board of Directors of Piovan S.p.A. today approved the 2020 financial results:

- **Consolidated revenue of € 225.2 million, contracting 3.9% on 2019 (-6.5% on a like-for-like consolidation basis; -1.6% at like-for-like exchange rates);**
- **Consolidated EBITDA of € 32.2 million (14.3% margin), +5.5% on 2019;**
- **Consolidated Operating Profit (EBIT) of € 26 million (11.6% margin), +0.9% on 2019;**
- **Consolidated Net Profit of € 17.4 million (7.7% margin), -8.4% on 2019;**
- **Positive Consolidated Net Financial Position of € 4.3 million, improving € 5.3 million on the previous year;**
- **Proposed dividend per share of € 0.13.**

Santa Maria di Sala (VE), March 19, 2021 – The Board of Directors of Piovan S.p.A. (“Piovan” or the “Company”) today reviewed and approved the 2020 Separate Financial Statements of the Company and the Group Consolidated Financial Statements.

“The year 2020 will unfortunately remain engraved in our minds as the year of the global pandemic. Despite the challenges of this moment, the attention of Piovan Group has been dedicated to customers, people and innovation. In such an uncertain context the Group has maintained a substantial stability in revenues and has increased its margins and equity strength, reassuring us on the strategic choices made and that give us hope for the future growth of the Group.

Piovan Group aims more and more at a sustainable economic approach that combines long-term profitability, attention to the environment and social equality. We want to continue to develop the policy of training, development and enhancement of human capital, and in this regard we are particularly pleased to have safeguarded jobs and strengthened the organizational structure on a global level. I am grateful to our employees who contributed to the positive results of the year 2020 and to our shareholders who continue to place their trust in our Group.”

declares Nicola Piovan, Executive Chairman of Piovan S.p.A.

“Despite a 2020 strongly impacted by the COVID-19 pandemic, the company maintained its focus on implementing its strategic plan by strengthening itself in food automation technologies through the acquisition of important new global customers. Piovan also strengthened itself in circular economy technologies with the introduction of 9 new patents and in flexible film automation technologies through the acquisition of Doteco.

Piovan S.p.A.

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The strong diversification in terms of application sectors and geographies and the great competence and dedication of women and men working in our group has also allowed the Company to conclude a positive year in an international context of great difficulty and economic uncertainty.”

states Filippo Zuppichin, CEO of Piovan S.p.A.

The 2020 consolidated key financial highlights follow:

(amounts in €'000)	Economic performance indicators				Changes	
	2020	% on total revenues and other income	2019	% on total revenues and other income	2020 vs 2019	%
Revenue	221,117	98.2%	228,526	97.5%	(7,409)	(3.2%)
Other revenue and income	4,063	1.8%	5,834	2.5%	(1,771)	(30.4%)
TOTAL REVENUE AND OTHER INCOME	225,180	100.0%	234,360	100.0%	(9,180)	(3.9%)
EBITDA	32,242	14.3%	30,571 (*)	13.0%	1,671	5.5%
OPERATING PROFIT	26,033	11.6%	25,795	11.0%	238	0.9%
PROFIT BEFORE TAXES	23,991	10.7%	26,257	11.2%	(2,266)	(8.6%)
Income taxes	6,576	2.9%	7,253	3.1%	(677)	(9.3%)
NET PROFIT	17,415	7.7%	19,004	8.1%	(1,589)	(8.4%)
Attributable to:						
Owners of the parent	17,643	7.8%	18,700	8.0%		
Non-controlling interests	(228)	-0.1%	304	0.1%		
Earnings per share	0.35		0.37			
Basic and diluted earnings per share (in Euros)	0.35		0.37			

(*) EBITDA for 2019 (originally in the amount of Euro 30.92 million) has been adjusted for the purposes of comparison with 2020 to remove certain charges, following a change in how the indicator is calculated

Revenue overview

Consolidated revenue (and other income)

Piovan Group reports **revenue and other income** of € 225.2 million in 2020, contracting 3.9% from € 234.4 million in 2019.

Excluding revenues recognized by the Doteco Group, which are consolidated into the financials of Piovan Group as a result of gaining a controlling interest in Doteco (i.e. since October 1, 2020), total revenues and other income total € 219.1 million, contracting 6.5%.

In terms of **revenue** only, 2020 Piovan Group revenue was € 221.1 million, contracting 3.2% on € 228.5 million in 2019.

Revenue, calculated on a like-for-like exchange rates basis, would increase by € 3.7 million, with revenue equal to € 224.8 million and down 1.6% on December 2019. Revenue was, in fact, mainly impacted by a negative effect deriving from Brazilian Real fluctuation.

Revenue of 2020 fourth quarter was equal to € 71.7 million, increasing +47% compared to both the third quarter of 2020 (€ 48.8 million) and the fourth quarter of 2019 (€ 64.5 million, +11.1%).

Excluding the revenue of Doteco Group for the purposes of comparison, revenue of 2020 fourth quarter was equal to € 65.6 million (+1.7% compared to the fourth quarter of 2019), increasing +34% compared to the third quarter of 2020 (€ 48.8 million).

Revenue by Market

	2020	2019	Change	% Change
Plastic	171,823	180,616	(8,794)	-4.9%
Food & non plastic	20,780	18,697	2,084	11.1%
Services	28,514	29,213	(699)	-2.4%
Revenue	221,117	228,526	(7,409)	-3.2%

Revenue by market indicates:

- Revenue of the Plastic Systems market decreased compared to the same period of the previous year due, essentially, to Covid-19 restrictions on mobility, which, particularly in the second quarter, limited the ability to carry out installations and to collect orders. This affected revenue for the third quarter, which was only partially offset by improved performance in the fourth quarter.
- Revenues of the Food & Non-plastic market increased to above 2019 levels thanks to a good backlog at the start of the year and an increase in new orders due to an increased number of customers and of active geographical areas in this market.
- The Services market posted a decrease in revenue compared to the previous year. Again in this case, the contraction is due to the mobility restrictions imposed, particularly in the second quarter of 2020, which did not permit for the normal provision of post-sale services to customers.

Revenue by region

	2020	2019	Change	% Change
EMEA	140,745	140,954	(209)	-0.1%
ASIA	28,070	29,237	(1,167)	-4.0%
NORTH AMERICA	42,198	45,805	(3,607)	-7.9%
SOUTH AMERICA	10,104	12,530	(2,426)	-19.4%
Revenue	221,117	228,526	(7,409)	-3.2%

The stability of revenue in the EMEA area may be attributed to the strong performance in the Food market, which essentially offset the decline in Plastic and in Services.

Asia and North America reflect the reduction in system sales in the Plastic and Services markets, which were penalized by the restrictions put in place in the second quarter of 2020 in particular, making it more difficult to start up the systems delivered and slowed deliveries.

The strong performance in South America (+6.75% increase in BRL revenue, which accounted for 64% of total revenue), driven by the Food market, was heavily penalized by trends in the EUR/BRL exchange rate.

Consolidated operating and net results

EBITDA

2020 **EBITDA** was € 32.2 million, increasing 5.5% on € 30.6 million in 2019, with a revenue and other income margin of 14.3% (13% in 2019).

Excluding the figures for Dotecco Group for the purposes of comparison, EBITDA comes to € 30.97 million, an increase of 1.3%.

EBITDA improved both in absolute value and in terms of margin on revenue, having benefited from a number of cost-reduction and optimization efforts during the year.

Operating Profit

2020 **Operating Profit** was € 26 million, increasing 0.9% on € 25.8 million in the previous year, with a revenue and other income margin of 11.6% (11% in 2019).

Net Profit

2020 **Net Profit** was € 17.4 million, with a revenue and other income margin of 7.7%, down 8.4% on € 19 million in 2019.

Net Profit is reduced by a net exchange rate loss of € 2.2 million (vs. a net loss of € 46 thousand in 2019), on total exchange rate losses of € 4.7 million (€ 2.7 million in 2019).

	2020	2019
Net Profit attributable to:		
- owners of the parent company	17,643	18,700
- Non-controlling interests	(228)	304
Earnings per share		
- basic	0.35	0.37
- diluted	0.35	0.37

Earnings per share

Earnings per share were € 0.35 in 2020, compared to € 0.37 in the previous year.

Consolidated Equity Overview

Consolidated Net Financial Position

The consolidated net financial position at December 31, 2020 was positive and equal to € 4.3 million, compared to a negative one equal to € 0.9 million at December 31, 2019, with net cash generated of € 5.2 million.

€/000	31.12.2020	31.12.2019
A. Cash	21	15
B. Current accounts and post office deposits	87,431	59,108
C. Cash & cash equivalent (A+B)	87,452	59,123
D. Current financial assets	5,146	6,319
E. Current bank loans and borrowings	(21,305)	(25,026)
F. Current portion of non-current debt	(17,833)	(11,961)
G. Other current financial liabilities*	(1,741)	(1,727)
H. Current financial position (E+F+G)	(40,879)	(38,713)
I. Net current financial position (H+C+D)	51,719	26,730
J. Long term loans	(38,262)	(20,939)
K. Bond issued	-	-
L. Other non-current financial liabilities*	(9,117)	(6,731)
M. Non-current financial position (J+K+L)	(47,379)	(27,670)
N. Net financial position (I+M)	4,340	(940)

* "Other current and non-current financial liabilities" include the effect of application of IFRS 16.

The Group's net financial position (before the IFRS 16 impact) at December 31, 2020 was a cash position of € 13.6 million, compared to a net cash position of € 6.9 million at the end of December 2019, with net cash generated of € 6.7 million.

The financial position includes the cash outlay of € 20.5 million, including € 5.5 million as NFP, for acquiring Dotecco Group.

In September 2020, with acquisition of the remaining 10% interest in Penta S.r.l. as a result of exercising the put option granted to the seller, € 2.8 million was paid.

In October 2020, the Parent Company also distributed dividends totaling € 5.6 million (€ 7.7 million in 2019).

Capital expenditures totaling € 2.2 million were made in 2020 (€ 14.1 million in 2019).

The financial position includes medium/long-term loans, mainly relating to the Parent Company, for € 56.1 million (€ 29 million loans received during 2020), of which € 17.8 million repayable within 12 months and the remaining € 38.3 million within 5 years.

During the year, the slowdown and/or non-completion of the installation activities, due to the COVID-19 mobility restrictions, delayed in certain cases the achievement of the contractual milestones required for a number of payment receipts from projects in progress. At the same time, payments to suppliers involved in these projects were made according to that originally agreed under contract, with consequent temporary absorptions of cash. This effect was most evident in the first half of 2020 and decreased in the second half of the year.

Significant events in the year

Implications of the COVID-19 pandemic

The year 2020 was characterized by the global spread of the COVID-19 pandemic. The pandemic, and above all the lockdown policies imposed by various governments, have had widespread repercussions in many sectors of the world economy. Thanks to the Group's presence in a number of geographical areas and in very diverse industrial sectors, it was possible to mitigate overall risk and limit the reduction in turnover volumes.

The effects of the pandemic and the restrictions put in place by the governments of various nations have impacted the various companies of the Group to varying degrees in terms of both timing and significance. The following is a summary of the primary effects that COVID-19 has had on Group processes:

- **Production plants:** Production at the Chinese subsidiary Piovan Plastic Machinery was shut down for about 3 months. Full production efficiency was only restored towards the end of February. The other production sites of the Group continued operating by implementing measures to safeguard employee health. Nonetheless, due to restrictions to individual mobility, we experienced a slowdown in March, April and May in correlation with employee travel and, in particular, for the on-site service and installation activities of a number of projects for our customers. All production sites began returning to full operations in June.
- **Supply chain and logistics:** The Group experienced no particular delays in provisioning.
- **Health and Safety:** The utmost emphasis was placed on managing all processes at all of the Group's companies so as to mitigate the risk of infection. In particular, all measures recommended in the various national protocols were implemented at production sites such that production was able to continue safely, whereas remote working was promoted for administrative and commercial personnel.
- **Support measures:** In the first part of the year, where possible, the Group took advantage of the stimulus measures and mechanisms made available by the various governments. The Italian companies of the Group, specifically, made limited use of furlough programs for a number of months beginning in March. Similar measures were adopted also at other Group companies.

From a financial viewpoint, the parent company obtained 3, 6 and 12-month moratoriums on loan repayment commitments. In addition, the US company received in May 2020 a government loan as per the Paycheck Protection Program (PPP) of USD 1,855,042, of which approx. USD 1,400,000 may be converted into a non-refundable grant on meeting certain conditions.

Incentive plans

On May 12, 2020, the Shareholders' Meeting of the Parent Company approved three new medium/long-term incentive plans called the "2020-2022 Performance Shares Plan", "2020-2022 Long-Term Monetary Incentive Plan" and "2020-2022 Phantom Stock Option Plan", which aim to retain and incentivize those beneficiaries who are key players in achieving the Group's objectives. This will align the remuneration of these beneficiaries with increases in value and return on shareholder investment.

Acquisitions

On September 21, 2020, Piovan S.p.a. acquired the remaining 10% interest in Penta S.r.l., as a result of exercising the put option granted to the seller. This acquisition, which gave Piovan S.p.A. control of 100% of the share capital of Penta S.r.l., represents another step forward in the Group's effort to strengthen in the Food segment.

On October 2, 2020, the parent company, Piovan S.p.A., announced the signing of the agreement to acquire 100% of Doteco S.p.A., closed on October 15, 2020. The company, based in Modena, was founded in 1994 and is currently among the world leaders in dosing technology for plastic films (for food and non-food packaging) and synthetic fibers. Doteco S.p.A. operates at the international level and its partners include the main extrusion producers at the global level.

The transaction was carried out through a share purchase by Piovan S.p.A. for an outlay of € 20.5 million, inclusive of the value of estimated NFP as of September 30, 2020. NFP is to be adjusted according to the actual amount on the date concerned, and a maximum earn-out mechanism of Euro 7 million also applies, to be calculated on the basis of the performance measured on 2020-2021 EBITDA.

Dividends

On October 13, 2020, the Company's Shareholders approved the distribution of dividends totaling € 5,602,223.00 from earnings retained in previous years. This dividend was paid beginning on October 28, 2020, with a coupon date of October 26, 2020, and record date of October 27, 2020.

Governance

On October 13, with the resignation of board member Marco Milani in 2020, the Shareholders approved the appointment of Mario Cesari, who had already been co-opted onto the Board of Directors on May 14, 2020, as an independent director. He also serves on the Control, Risk and Sustainability Committee and the Related Parties Committee.

Subsequent events after 31 December 2020

There are no particular significant events occurred after year end, except for the continuation of the Covid-19 pandemic.

Outlook

The Group confirms its willingness to continue along the strategic path undertaken, which foresees among its objectives the increase of its contribution to the circular economy, through the development of products and solutions dedicated to the recycled supply chain, growth through acquisitions and the desire to increase its market shares in the Food & non-plastic area.

The growth through acquisitions is driven by the desire to grow in specific geographical areas, in which the Group wants to strengthen commercial penetration and continue to develop a service strategy as widespread as possible and close to customers, with particular attention to large customers distributed in the different geographical areas of the world, in order to maintain technological and service leadership. In addition, the Group looks with interest to companies with technologies/products that can extend the value chain offered by the Group. In this direction goes the acquisition of Doteco S.p.A., carried out in 2020, through which the Group will be able to combine Doteco's film dosing technologies with Piovan's power and storage automations, becoming a leader in the supply of complete plants in this field.

In 2020, the Group was affected by the effects deriving from the spread of COVID-19, particularly in terms of revenues, which reduced compared to 2019; the profitability performance was good, benefiting from the reduction in costs related to travel, business trips and trade fairs, as well as from the other actions taken to contain costs.

The order backlog at December 31, 2020 is substantially in line with the Group's usual volumes. The persistence of a good market situation of the most resilient sectors (medical, flexible packaging) and the rebound taking place in the more cyclical sectors (automotive, construction) allows the Group to look to 2021 with moderate optimism; however, the risk of restrictions on mobility and the persistence of a general uncertainty do not exclude the possibility of further slowdowns in the acquisition of orders or in the execution of portfolio projects, especially with regards to the installation and start-up of plants.

The Piovan Group is present in a variety of geographic areas and in highly diversified sectors, which allows for a comprehensive risk mitigation linked to the current crisis.

With reference to the European legislation development on the production and use of plastic, there is the possibility of a market change, in particular legislation would encourage the use of recycled plastic or compostable polymers against virgin polymers of petrochemical derivation.

For the Group, this European legislation represents an opportunity to sell the technologies developed in recent years aimed at the automation, treatment and screening of recycled and compostable plastics.

In recent years, the Group has developed various patents related to the theme of recycling and the circular economy and thus puts itself in a technologically advantageous position. Currently the company estimates that more than 20% of the automations sold in the packaging, fiber and recycling sector are used for the use of recycled materials.

Piovan is already active in the process of change by operating on different levels and committing itself to proposing solutions to the market for a circular economy, especially in the research and development of forefront technological innovations, to allow customers to use recycled polymers and to obtain a quality product, with low environmental impact so to reduce CO2 emissions and the consumption of scarce resources on the planet.

The Group's strategy is based on 3 pillars:

- The development of specific products for the recycled supply chain;
- The rising of customers' awareness towards topics related to good plastic, coming from recycling or from vegetal raw materials;
- The support, to guarantee quality and efficiency, during all phases of the plant's life.

Since 2006 the Group has built more than 300 plants for the recycling of plastic materials and thousands plants which allow to realize new products made with recycled plastic.

In 2020 the Piovan Group can already boast of having supplied automations for the circular economy to more than 20% of customers in the packaging, textile and recycling sectors. This means that the technologies offered by the company are a driving force for the European Union's objectives of achieving the 25% use share of recycled material in packaging.

The investments in expansion of production capacity made by the group in the three-year period 2017-19 allow to cope with any significant increases in market demand and use the substantial generations of cash for growth projects, acquisitions or remuneration for shareholders.

Proposal for the allocation of the net profit

The Board of Directors approved a proposal to the Shareholders' Meeting to allocate the 2020 net profit of Piovan S.p.A. equal to € 10,448,148, as follows:

- to distribute a dividend amounting to € 0.13 for each share with profit rights (excluding therefore treasury shares held by the Company) totaling € 6,620,809, having a payout ratio of 38% on the consolidated net profit;
- to allocate the remainder, equal to € 3,827,339, to the extraordinary reserve.

The dividend shall be paid out from May 12, 2021 (coupon date May 10, 2021 and record date of May 11, 2021).

Non-Financial Report

Today the Board of Directors reviewed and approved the Group non-financial report drawn up by the Company (“Consolidated Non-Financial Report”).

2020 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 updating of the Regulations governing the Control, Risk and Sustainability Committee and the Regulations governing the Nomination and Remuneration Committee, in compliance with the principles and recommendations of the new Corporate Governance Code;

and also mandated the Executive Chairperson to call the Shareholders’ Meeting in single call for April 29, 2021, as indicated in the 2021 corporate events calendar. The Shareholders’ Meeting call notice and the related documentation shall be published in accordance with the applicable legal and regulatory provisions.

CONFERENCE CALL

2020 results shall be presented to the financial community through a conference call to be held on **March 22 at 03:00 PM CET**. You can participate in the conference call by calling one of the following numbers or by connecting through the webcast:

ITALY:	+39 02 805 88 11
UK:	+44 1 21281 8003
GERMANY:	+49 6917415713
FRANCE:	+33 170918703
SWITZERLAND:	+41 225954727
US (international local number)	+ 1 718 7058794
US (toll-free number)	+ 1 855 2656959

Link to the webcast: <https://87399.choruscall.eu/links/piovan210322.html>

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.

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, Elisabetta Floccari, 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

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	31.12.2020	31.12.2019
NON-CURRENT ASSETS			
Property, plant and equipment	Note 1	52,324	52,430
- of which related parties	Note 41	935	905
Intangible assets	Note 2	27,529	7,510
Equity investments	Note 3	155	270
Other non-current assets	Note 4	576	427
Deferred tax assets	Note 5	4,788	4,489
TOTAL NON-CURRENT ASSETS		85,372	65,126
CURRENT ASSETS			
Inventories	Note 6	36,920	29,264
Contract assets for work in progress	Note 7	6,477	3,712
Trade receivables	Note 8	41,931	52,816
- of which related parties	Note 41	12	200
Current financial assets	Note 9	5,146	6,319
Tax receivables	Note 10	3,263	3,735
Other current assets	Note 11	3,497	3,705
- of which related parties	Note 41	31	431
Cash and cash equivalents	Note 12	87,452	59,123
TOTAL CURRENT ASSETS		184,686	158,675
TOTAL ASSETS		270,058	223,801

LIABILITIES AND EQUITY	Notes	31.12.2020	31.12.2019
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	(3,756)	(1,211)
Other Reserves and retained earnings	Note 13	53,576	38,938
Net profit (loss)	Note 13	17,643	18,700
Equity attributable to the owners of the parent		72,414	61,377
Equity attributable to non-controlling interests	Note 15	2,219	3,774
TOTAL EQUITY		74,632	65,151
NON-CURRENT LIABILITIES			
Long-term loans	Note 16	38,262	20,939
Non-current financial liabilities	Note 16	9,117	6,516
- of which related parties	Note 41	742	762
Employee benefits plans	Note 17	6,376	4,814
Provision for risks and charges	Note 18	3,813	2,954
Non current liabilities for options granted to non-controlling investors	Note 19	1,865	2,535
Other non-current liabilities	Note 20	363	268
Deferred tax liabilities	Note 5	2,713	1,987
TOTAL NON-CURRENT LIABILITIES		62,509	40,013
CURRENT LIABILITIES			
Current portion of long-term loans	Note 16	17,833	11,962
Current bank loans and borrowings	Note 16	21,305	25,026
Current financial liabilities	Note 16	1,741	1,942
- of which related parties	Note 41	205	156
Trade payables	Note 21	39,912	40,556
- of which related parties	Note 41	543	698
Advance from costumers	Note 22	19,421	16,063
Contract liabilities for work in progress	Note 7	5,101	2,527
Current liabilities for options granted to non-controlling investors	Note 19	(0)	2,721
Tax liabilities and social security contributions	Note 23	9,360	6,738
Other current liabilities	Note 24	18,243	11,102
- of which related parties	Note 41	428	888
TOTAL CURRENT LIABILITIES		132,916	118,636
TOTAL LIABILITIES		195,426	158,650
TOTAL LIABILITIES AND EQUITY		270,058	223,801

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(€'000)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS	Notes	31.12.2020	31.12.2019
Revenue	Note 25	221,117	228,526
- of which related parties	Note 41	21	182
Other revenue and income	Note 26	4,063	5,834
TOTAL REVENUE AND OTHER INCOME		225,180	234,360
Costs of raw materials, components and goods and changes in inventories	Note 27	86,372	88,272
- of which related parties	Note 41	1,719	2,666
Services	Note 28	44,464	51,019
- of which related parties	Note 41	1,367	1,351
Use of third party assets	Note 29	1,224	1,547
Personnel expenses	Note 30	56,985	59,006
- of which related parties	Note 41	609	509
Other expenses	Note 31	2,886	3,596
Provisions for risks and charges	Note 32	1,007	350
Amortisation and depreciation	Note 33	6,209	4,775
- of which related parties	Note 41	238	311
TOTAL COSTS		199,147	208,565
OPERATING PROFIT		26,033	25,795
Financial income	Note 34	504	599
Financial Expenses	Note 34	(767)	(578)
- of which related parties	Note 41	(31)	(30)
Net exchange rate gain (losses)	Note 35	(2,243)	(46)
Gains (losses) on liabilities for option granted to non controlling investors	Note 36	555	549
Profit (losses) from equity investments carried at equity	Note 37	(92)	(63)
PROFIT BEFORE TAXES		23,991	26,257
Income taxes	Note 38	6,576	7,253
NET PROFIT		17,415	19,004
ATTRIBUTABLE TO:			
Owners of the parent		17,643	18,700
Non-controlling interests		(228)	304
Earnings per share			
Basic earnings per share (in Euros)	Note 14	0.35	0.37
Diluted earnings per share (in Euros)	Note 14	0.35	0.37

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€'000)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31.12.2020	31.12.2019
Net profit	17,415	19,004
Items that may be subsequently reclassified to profit or loss:	-	-
- Exchange rate differences	(2,573)	383
Items that may not be subsequently reclassified to profit or loss:	-	-
- Actuarial gains (losses) on employee benefits net of the tax effect	35	(387)
- Actuarial gains on agents' termination benefits net of the tax effect	(6)	4
Total Comprehensive income	14,871	19,006
attributable to:	-	-
- Owners of the parent	15,099	18,701
- Non-controlling interests	(228)	304

CONSOLIDATED STATEMENT OF CASH FLOW (€'000)

Consolidated Statement of Cash Flow	31.12.2020	31.12.2019
OPERATING ACTIVITIES		
Net profit	17,415	19,004
Adjustments for:		
Amortisation and depreciation	6,209	4,775
Inventory write-down and bad debt provision	2,983	1,356
- Net non-monetary financial (income)	149	(37)
Change in provisions for risks and charges and employee benefits liabilities	2,882	(67)
Net capital (gains) losses on sale of fixed assets and equity investments	(24)	(714)
Non-monetary changes related to liabilities for options granted to non-controlling shareholders	(556)	(550)
Investment equity valuation	114	63
Other non-monetary variations	(107)	106
Taxes	6,576	7,253
Cash flows from operating activities before changes in net working capital	35,641	31,189
(Increase)/decrease in trade receivables	9,848	(356)
- of which related parties	(188)	33
Increase in inventories	(6,304)	(552)
(Increase)/decrease in other current assets	(503)	279
- of which related parties	(400)	(983)
Increase/(decrease) in trade payables	(1,600)	(2,733)
- of which related parties	(155)	97
Increase/(decrease) in advance from customers	3,358	3,117
Increase/(decrease) in other current liabilities	2,881	(1,795)
- of which related parties	(460)	217
(Increase)/decrease in non-current assets	177	(33)
Increase/(decrease) in non-current liabilities	(2,711)	1
Income taxes paid	(8,107)	(8,286)
CASH FLOWS FROM OPERATING ACTIVITIES (A)	32,680	20,831
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(1,742)	(14,238)
Investments in intangible assets	(418)	(761)
Disinvestments/(investments) in financial assets	1,024	(6,283)
Disinvestments in equity investments	0	
Business combinations net of the acquired cash	(14,915)	(472)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(16,050)	(21,753)
FINANCING ACTIVITIES		
Issuance of bank loans	29,012	22,000
Repayment of bank loans	(5,851)	(6,786)
Change in current bank loans and borrowings	(3,721)	12,031
Increase/(decrease) in other financial liabilities	589	1,703
- of which related parties	28	919
Purchase of minority interests in subsidiaries	(2,836)	(187)
Dividends paid	(5,602)	(7,723)
CASH FLOWS USED IN FINANCING ACTIVITIES ©	11,591	21,038
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	28,222	20,116
EFFECT OF EXCHANGE RATE CHANGES ON BALANCE OF CASH HELD IN FOREIGN CURRENCY	107	(106)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)	59,123	39,113
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (G=D+E+F)	87,452	59,123
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	28,221	20,116
INTERESTS PAID	346	396

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€'000)

	Share Capital	Legal reserve	Treasury shares	Translation 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, 1st, 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	18,700	304	19,005
Balance at December 31th, 2019	6,000	1,200	(2,250)	(1,211)	38,938	18,700	61,377	3,774	65,151

	Share Capital	Legal reserve	Treasury shares	Translation 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, 1st, 2020	6,000	1,200	(2,250)	(1,211)	38,938	18,700	61,377	3,774	65,151
Distribution of dividends	-	-	-	-	(5,602)	-	(5,602)	-	(5,602)
Allocation of prior year profit	-	-	-	-	18,700	(18,700)	-	-	-
Incentive plans	-	-	-	-	138	-	138	-	138
Change in consolidation area	-	-	-	-	-	-	-	74	74
Change in non-controlling interests	-	-	-	28	1,374	-	1,402	(1,402)	-
Total comprehensive income	-	-	-	(2,573)	28	17,643	15,098	(228)	14,870
Balance at December 31th, 2020	6,000	1,200	(2,250)	(3,756)	53,576	17,643	72,414	2,219	74,632