



Presentation to Borsa Italiana

March 2019

Piovan Key People With You Today



Nicola Piovan
Chairman

- Joined Piovan in the 1990s
- 25y+ of experience in the industry
- Led Piovan transition from a local family business to a niche global player



Filippo Zuppichin
Chief Executive Officer

- Joined Piovan in 2006
- ~25y of experience
 - ~12y in the industry
- Previous experiences at Italtel-HP JV, Electrolux and Carrier

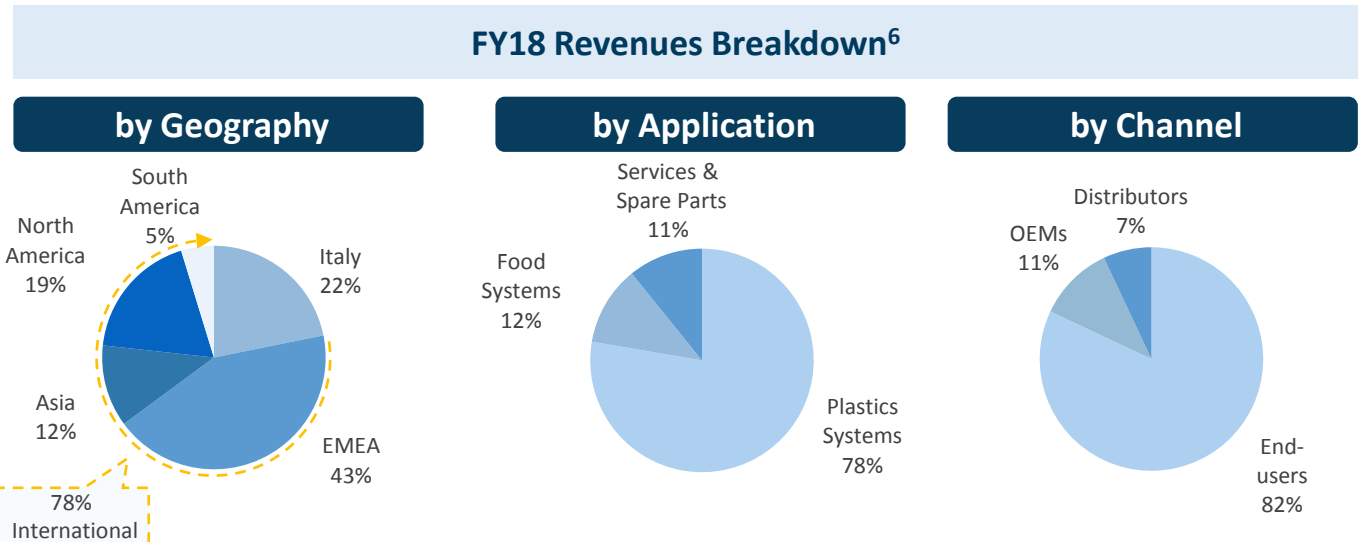
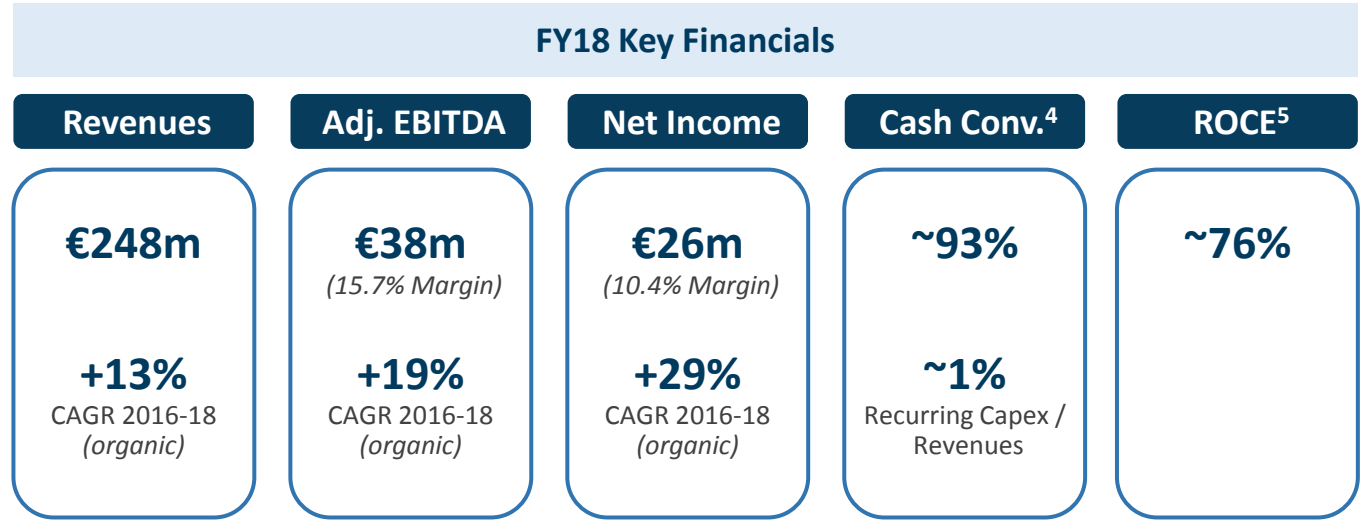


Luca Sabadin
Chief Financial Officer

- Joined Piovan in 2017
- 25y+ of experience
- Formerly CFO at SAVE and PittaRosso

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**
 - 7 manufacturing sites** in 4 continents
 - 23 services & sales companies** worldwide
 - 70 countries** covered
- Innovation DNA**
 - C. 4% of Revenues** invested in R&D and Engineering²
 - 174 dedicated employees**³



Source: Company information

¹ In 2018. ² In 2018. ³ Average 2018 figure. ⁴ Defined as Adjusted EBITDA – Recurring Capex / Adjusted EBITDA. ⁵ 2018 figure. Computed as EBIT / Net Invested Capital excluding Goodwill and Put and Call Options. ⁶ Excluding other sales & other income.

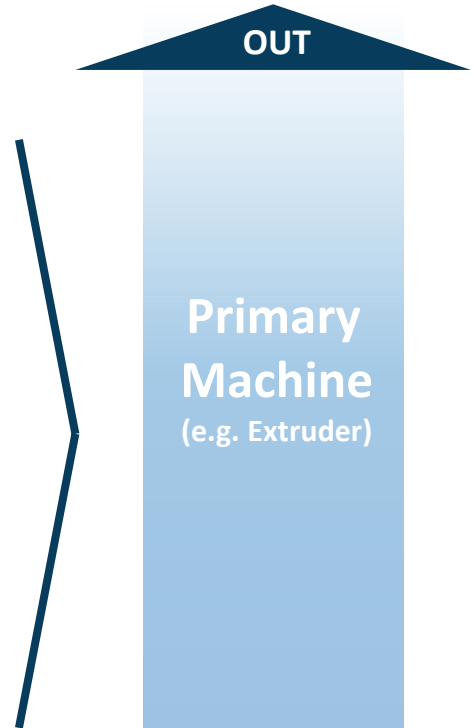
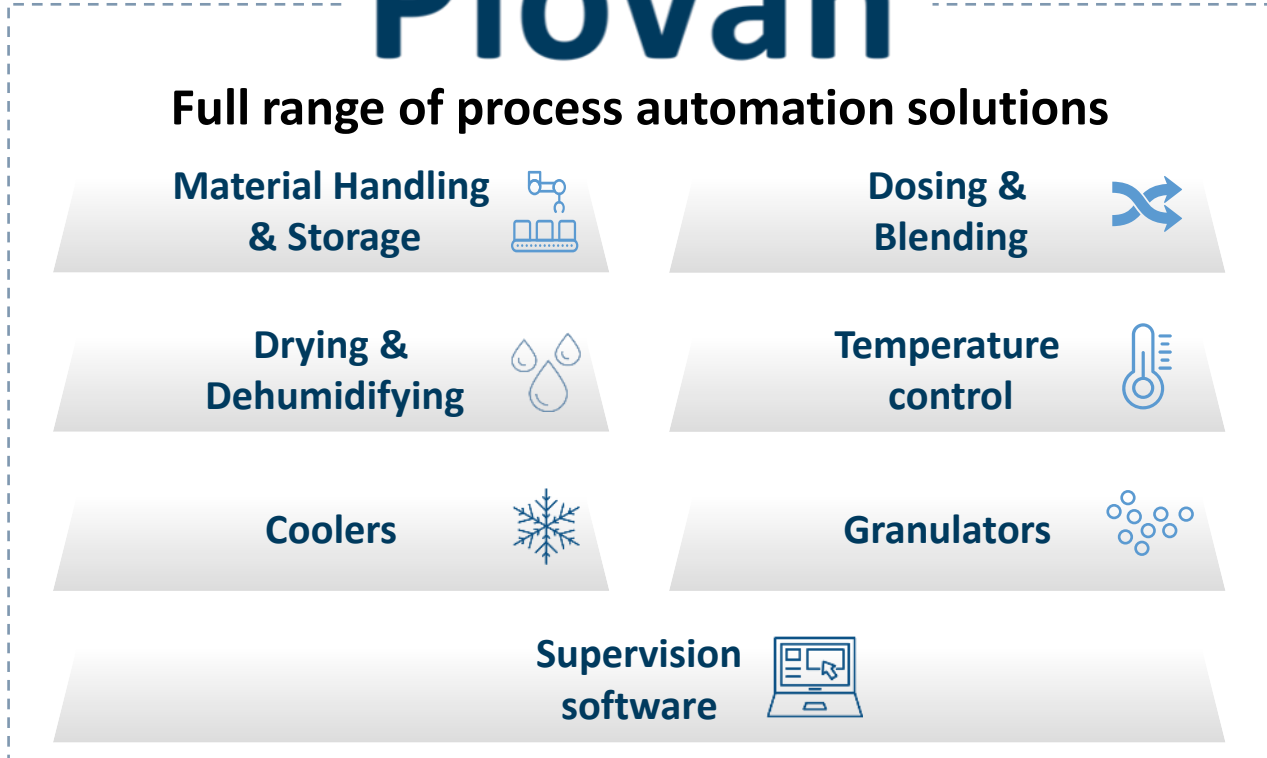
Our Core is Process Automation from Silos to Primary Machines...



Granules / Flakes / Powder

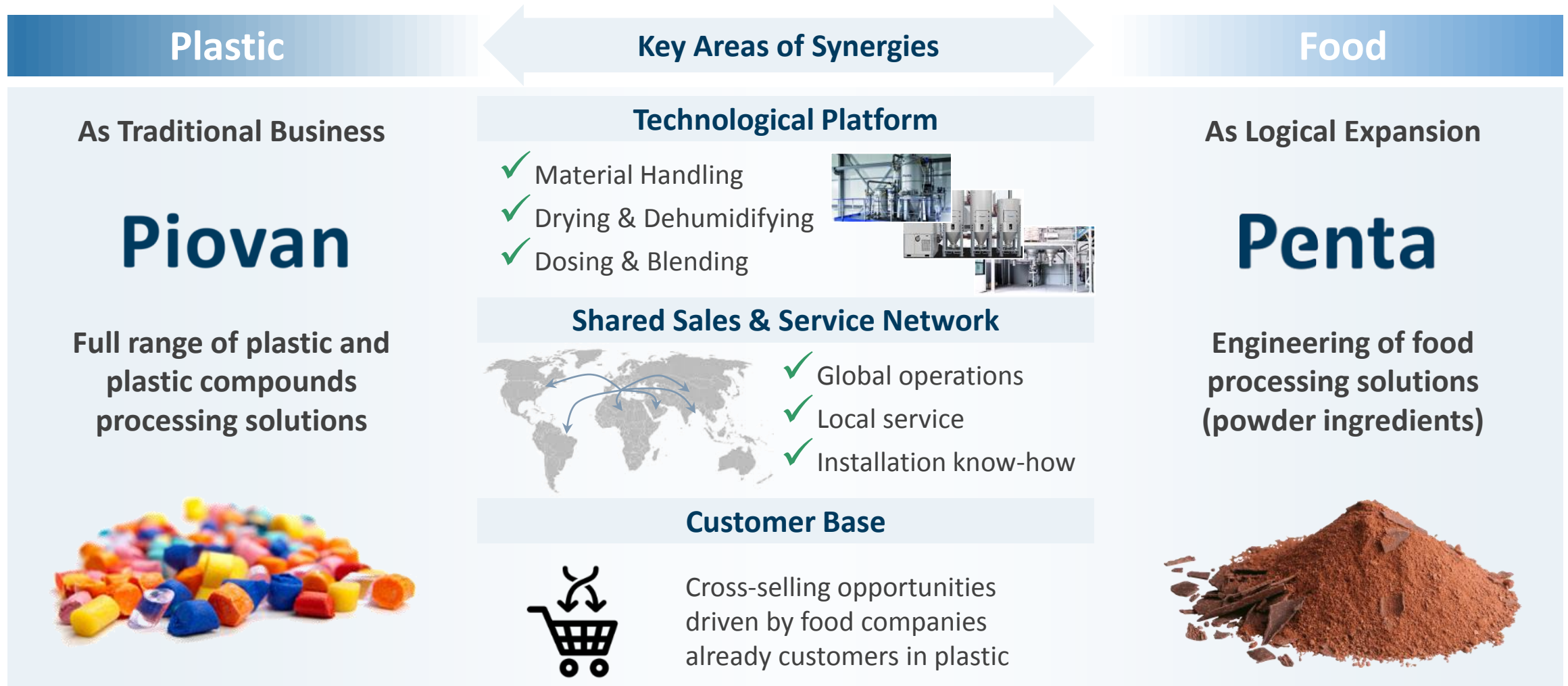


Final Products



Source: Company information

...Expanding into New Areas of Application...



Widening The Playfield Thanks To Extensive And Scalable Know-How

...Exploiting Strong Technological Synergies...

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				
	✓	✓	✓	✓	✓	✓	✓	✓	✓
									
	✓		✓		✓		✓	✓	✓

Source: Company information

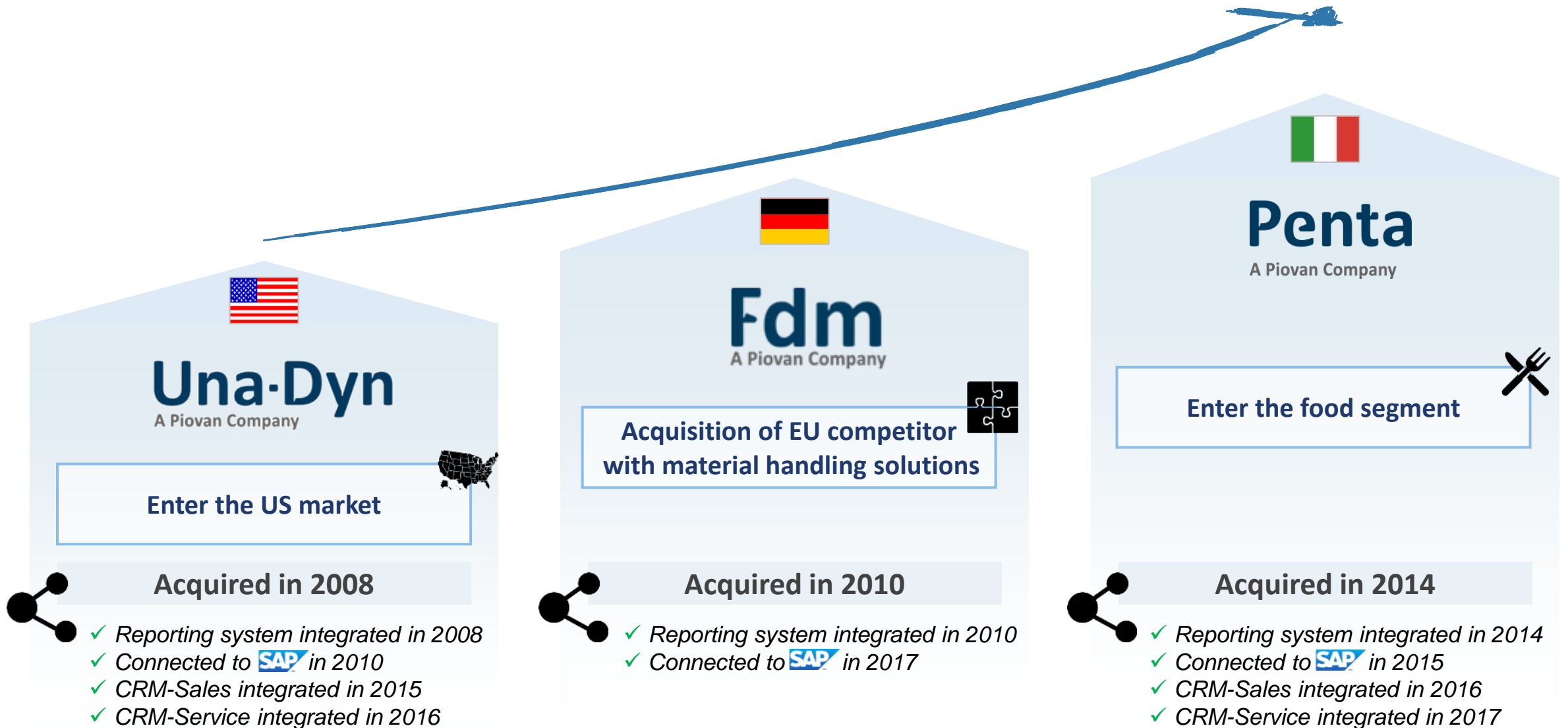
...Resulting in a Diversified Range of End-Markets Served



Source: Company information

¹ Does not include spare parts, other sales & other income

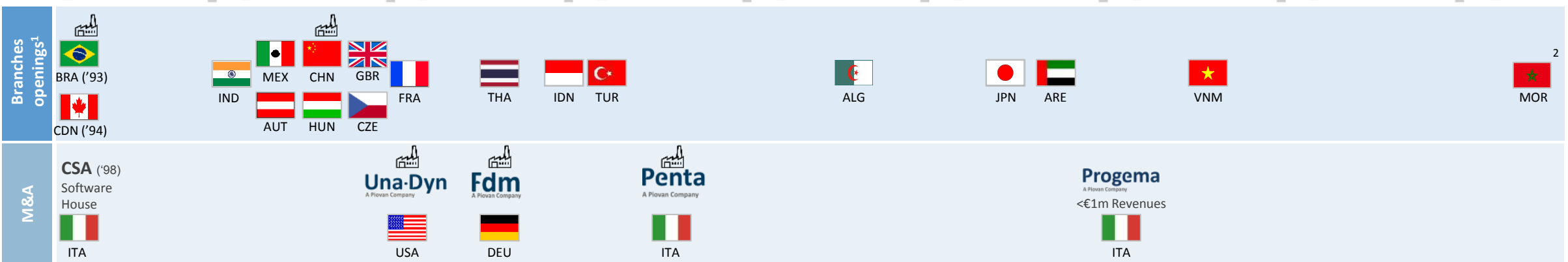
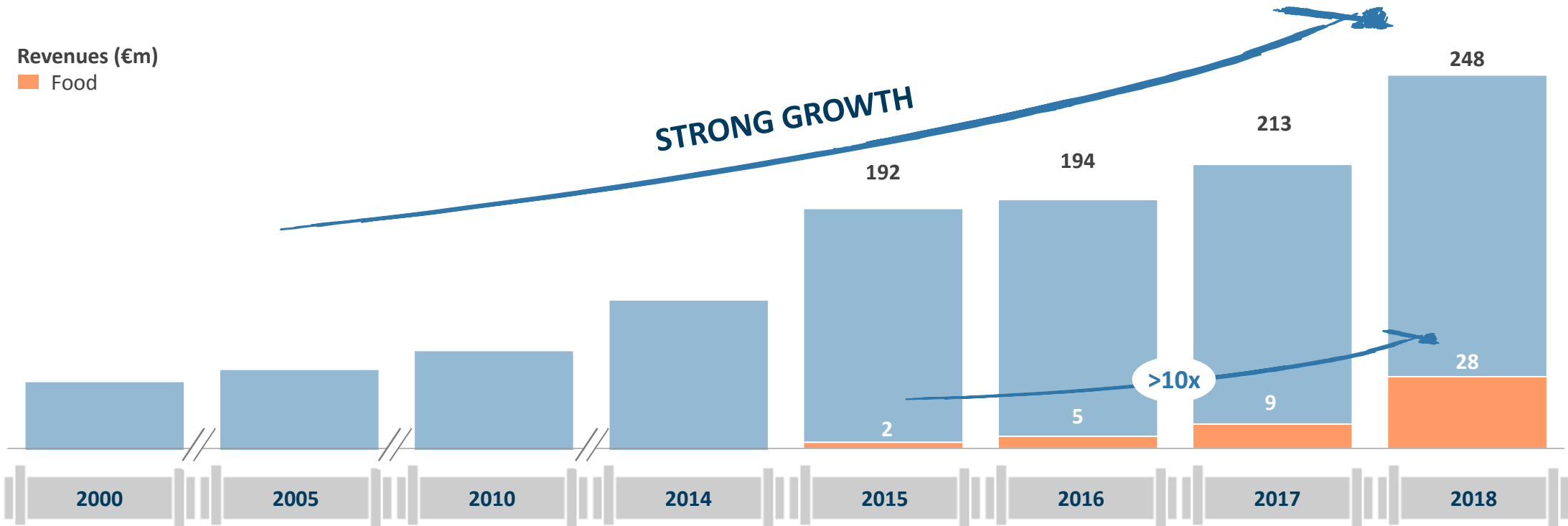
Proven Track Record of Integrating Successful Acquisitions...



...Resulting in Long-Term Growth, Both Organic and Through M&A

Revenues (€m)
■ Food

STRONG GROWTH



Source: Company information

Note: ¹ Reference is made to the year of incorporation or majority stake acquisition (in case of an already existing entity before Piován investment); ² Q1-2019

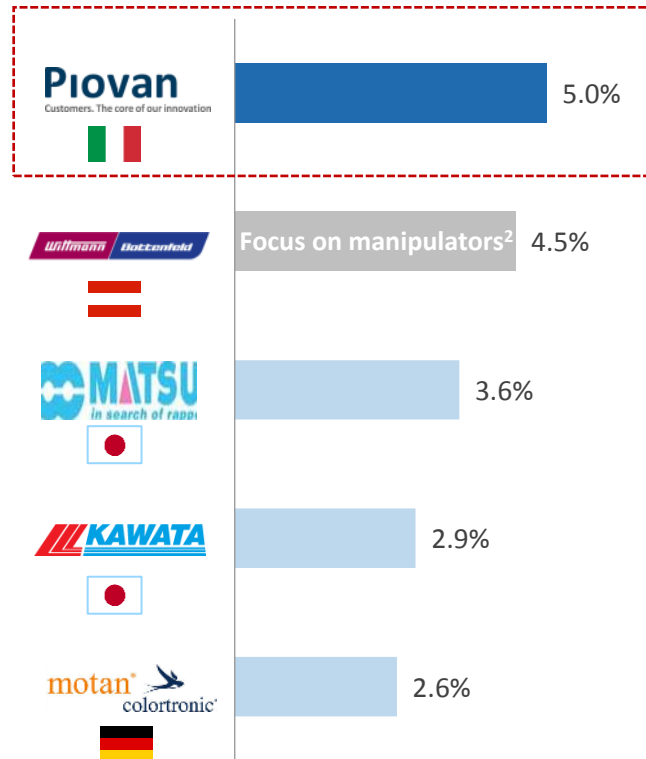
Compelling Investment Case



1 Global Leader in Plastic Processing Auxiliary Equipment...

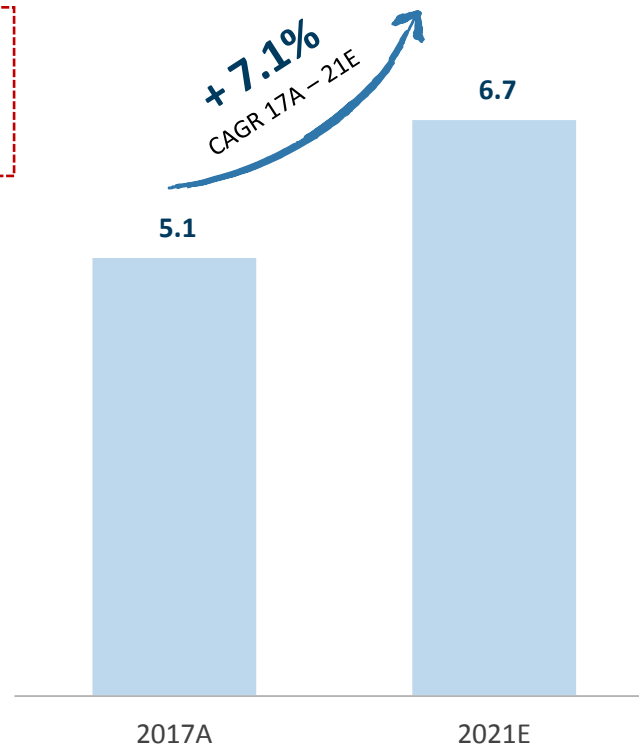
Leadership In Fragmented Niche...

Plastic Processing Auxiliary Equipment Top-5 Players by Global Market Share (%)



...With Positive Growth Prospects...

Global Plastic Processing Auxiliary Equipment Market (\$bn)



...Driven by Favorable Underlying Trends



STRUCTURALLY GROWING PLASTIC PRODUCTION

~4x

2050 PRODUCTION VS. 2014¹



REPLACEMENT OF OTHER MATERIALS WITH PLASTICS

15%

OF CAR WEIGHT IS TODAY PLASTICS¹



GROWING PACKAGING INDUSTRY

ADOPTION OF FOOD PACKAGING IN EMERGING MARKETS



INCREASING AUTOMATION NEED

↑ PRODUCTIVITY/QUALITY

↓ CYCLE TIMES/COSTS

Best Positioned To Catch Growth Market Opportunities

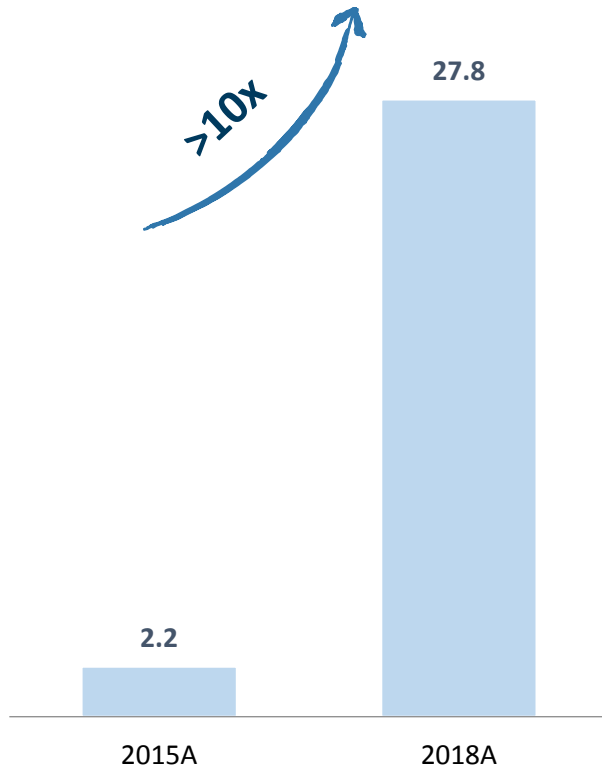
Source: Meticulous Research, Company information
¹As reported by Ellen Macarthur Foundation. ² Outside Piovan scope.



...With a Growing Presence in Attractive Food Market

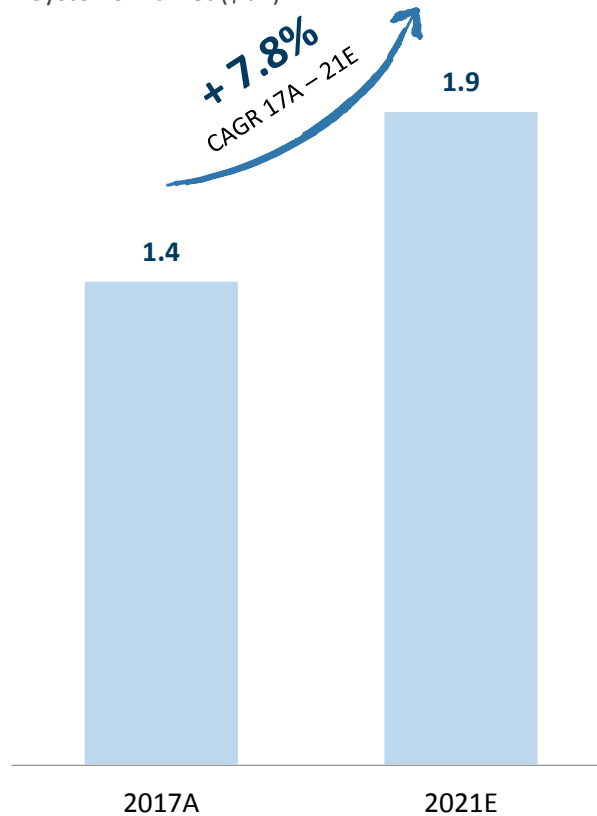
Growing New Entrant...

Piovan Food Systems Revenues (€m)



...In A Highly Attractive Market...

Global Food Powder Storage and Handling Systems Market (\$bn)



...With Secular Underlying Trends



CONTINUING URBANIZATION

DRIVING STEADY GROWTH IN DEMAND FOR PROCESSED FOOD



STABLE CONSUMER SPENDING

ALSO IN TOUGH TIMES



GROWING CONSUMPTION OF READY-MADE MEALS



SHIFT TOWARDS INCREASED AUTOMATION



INCREASING FOCUS ON FOOD SAFETY

WITH ZERO FAILURE TOLERANCE



EFFICIENCY AND RESOURCE-SAVING

AT THE CORE OF PRODUCTION PROCESSES

Well Positioned To Gain Market Shares

2 Strong Track Record of Innovation

33 PATENTS APPLICATIONS

Protecting the most innovative internally developed solutions

174 HIGHLY SKILLED STAFF

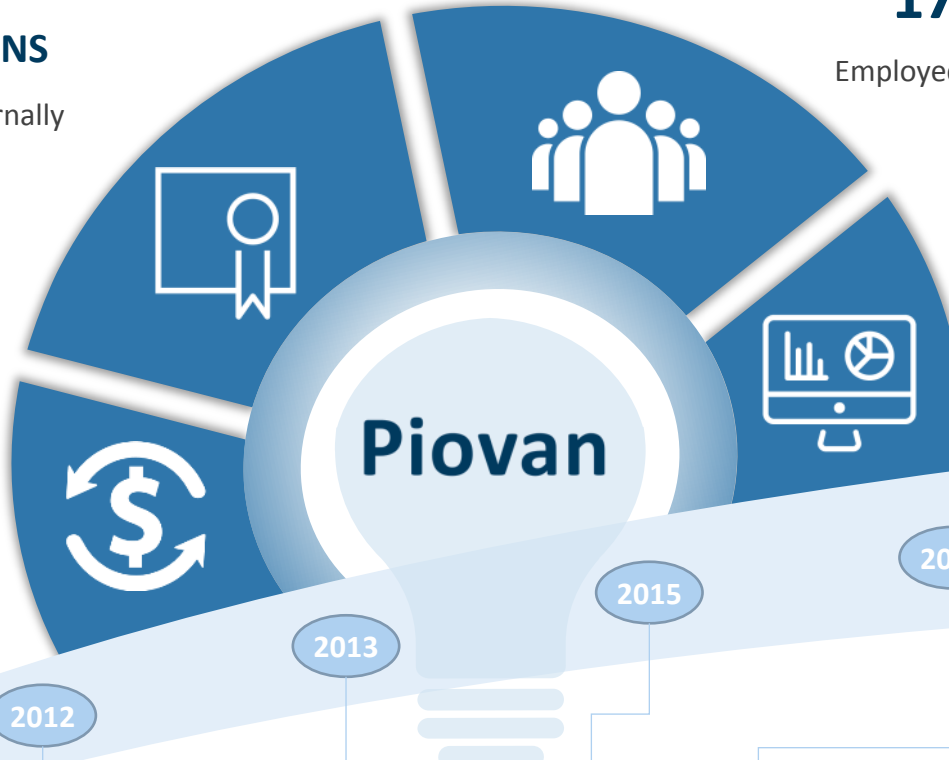
Employed in R&D and Engineering department²

PROPRIETARY SOFTWARE

To supervise the production process (i.e. Winfactory) and monitor energy consumption (i.e. Winenergy)

4% OF REVENUES

Invested in R&D and Engineering activity¹



Source: Company information
¹In 2018. ²Average 2018 figure



An Environmentally-Friendly Company Riding the Green Revolution

Increasing Sustainability Is A Key Trend...



+79% PLASTIC WASTE RECYCLING

2016 VS. 2006¹



~390_KTONS BIOPLASTICS PRODUCTION CAPACITY

BY 2022²



ENERGY SAVING

AS A KEY PRIORITY FOR PLASTIC PROCESSORS

...And Piovan Is Ready For The Change



>300 PLASTIC RECYCLING SYSTEMS

INSTALLED SINCE 2005



SEVERAL BIO-RESINS SYSTEMS

INSTALLED

COMPATIBLE WITH BIO-PLASTICS

E.G. PLA AND MATER-BI



35%-45% POWER SAVINGS

ADOPTING PIOVAN GENESYS AND MODULA DRYER TOGETHER WITH WINENERGY SOFTWARE

Source: Company information

¹Related to EU28 excluding Switzerland; as reported by PlasticsEurope. ²As reported by European Bioplastics (from 2,054ktons/year in 2017 to 2,440 ktons/year in 2022)

3 Fully Integrated and Tailor-Made Engineered Solutions...



Software

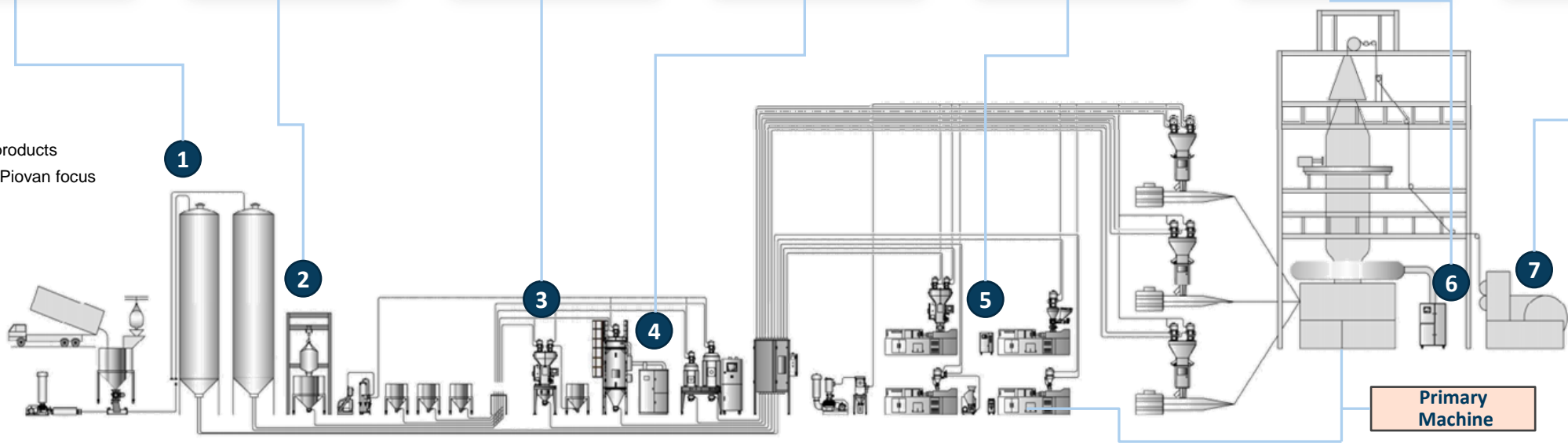
Complete Supervision, Monitoring and Control of the Production Process



Analysis Instrumentation



■ Piovan products
■ Outside Piovan focus



Automating The Whole Process From Silos To Primary Machines



...Resulting in Turn-key Solutions for Complex Customer Needs



Full Integration

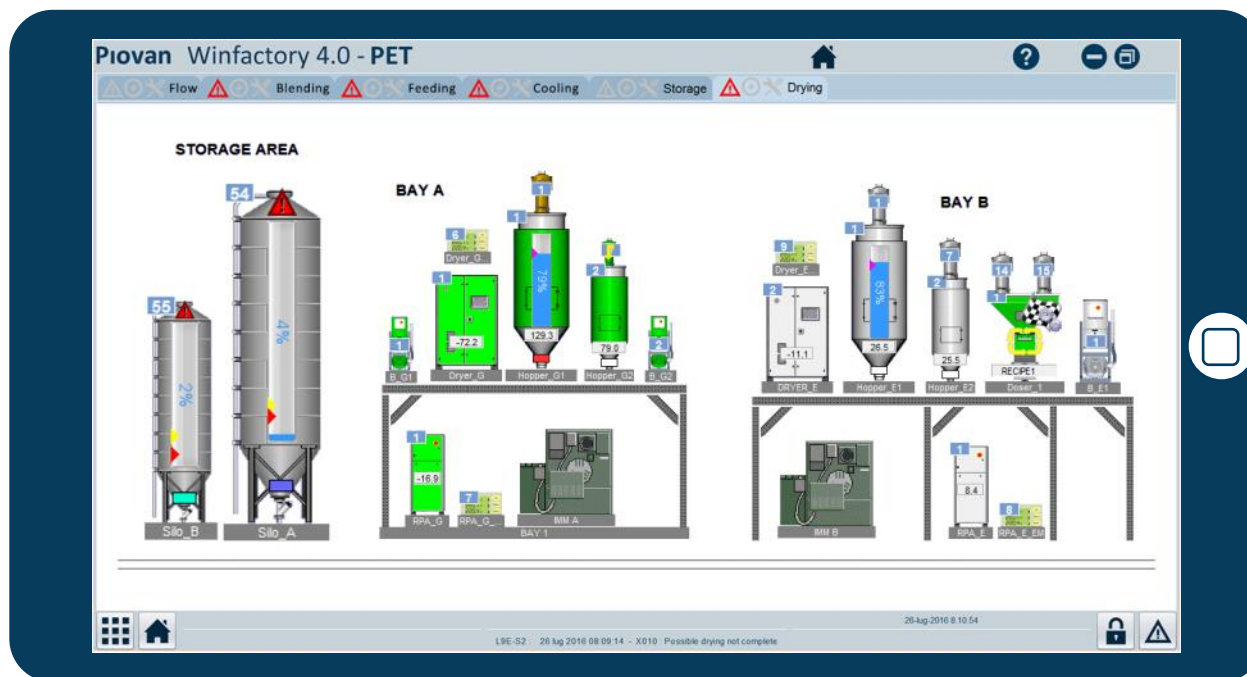
- ✓ Complete turn-key solutions



Engineered Customization

- ✓ 65% of Revenues generated by supply of customised solutions¹

Digital Manufacturing Set-Up for 4.0 Smart Factory



- ✓ Easy communication between various entities (Piovan / OEMs)
- ✓ Full mapping of plant efficiency status
- ✓ Customisable setup for specific end-markets



Energy Saving

- ✓ Reducing energy costs (relevant for plastic processors)



Reliability

- ✓ Critical to prevent costly production jams

Integrated Solutions Enabling High Customer Retention (c. 80% of Revenues from Retained Customers²)

Source: Company information

¹ In 2017 ² Revenues generated by customers who already have been customers once in the previous five years (excluding spare parts purchase)

4 Truly Global Presence with Local Service Network

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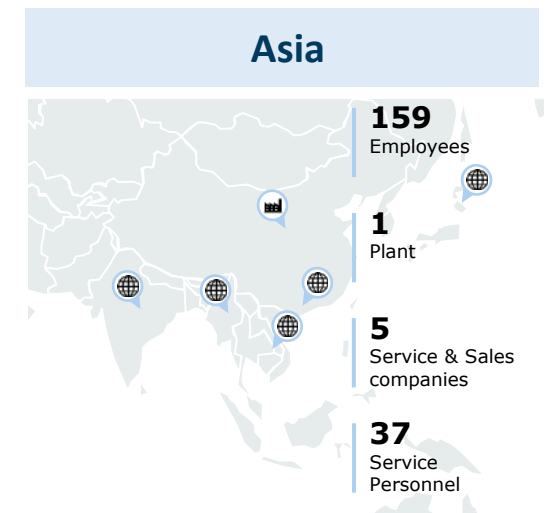
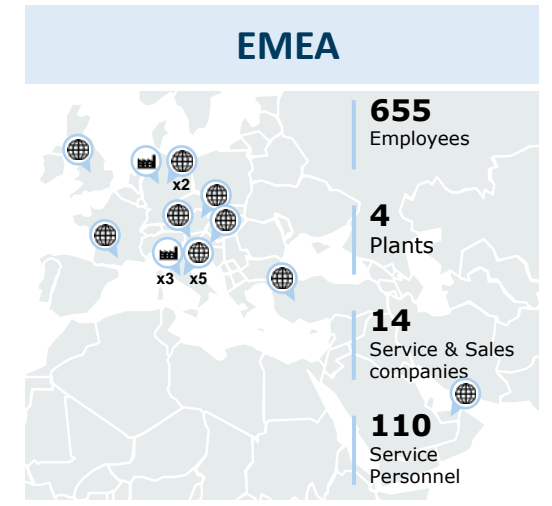
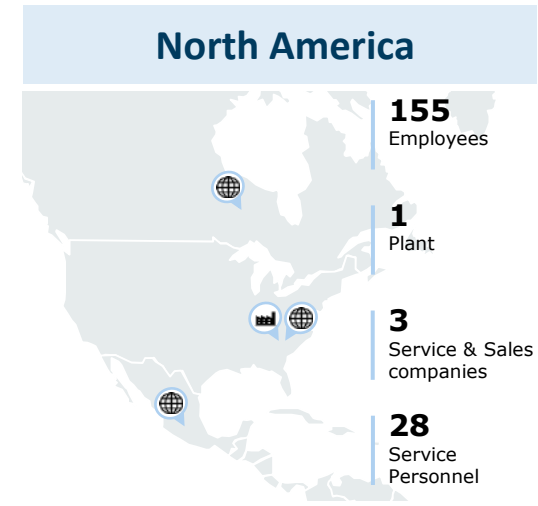
1,044
EMPLOYEES WORLDWIDE
- 

7
FACTORIES IN 4 CONTINENTS
- 

23
SERVICE & SALES COMPANIES
- 

70
COUNTRIES COVERED

- 189**
EMPLOYEES DEDICATED TO PRE AND AFTER-SALES
- LEAN**
MANUFACTURING ACROSS THE WHOLE FOOTPRINT
- PROXIMITY**
TO REACH LOCAL CUSTOMERS
- GLOBAL SET-UP**
TO SERVE GLOBAL CUSTOMERS



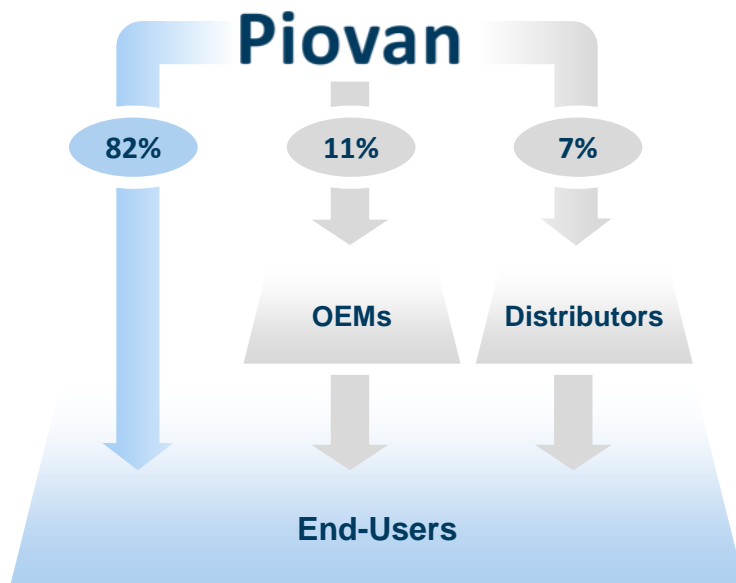
Worldwide Reach Ensuring Prompt After-Sales Assistance And Fostering Long-Term Relationships With Customers

Source: Company information as of Dec-17

Diversified and Long-Standing Customer Base

Direct Access To End-Users

Piovan Route to Market - % of FY18 Revenues¹




Wide and Long-Standing

 **2,300+**
CUSTOMERS ALL OVER THE WORLD
IN 2017²

 **~45%**
REVENUES FROM 5Y+ CUSTOMERS
IN 2017²

Highly Diversified

 **3%**
MAXIMUM CONTRIBUTION TO
REVENUES BY CLIENT IN 2017

 **>50%**
REVENUES FROM TOP 100
CUSTOMERS IN 2017

Well-Preserved Relationships Thanks To Deep Understanding of Customer Needs and Best-In-Class Service Level

Source: Company information

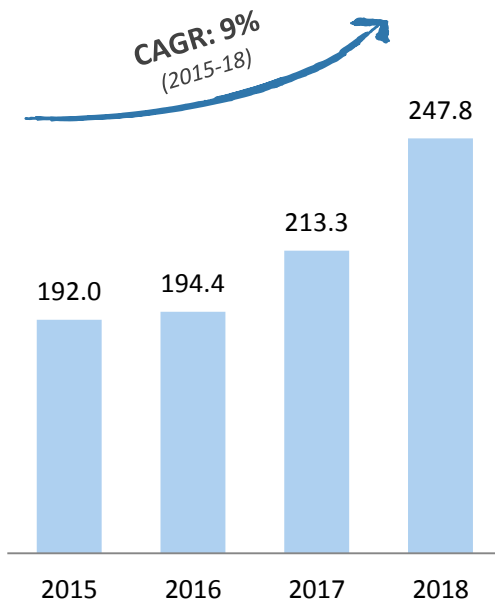
¹ Excluding other sales & other income. ² Based on top-100 customer group



Track Record of Profitable Growth and Cash Generation

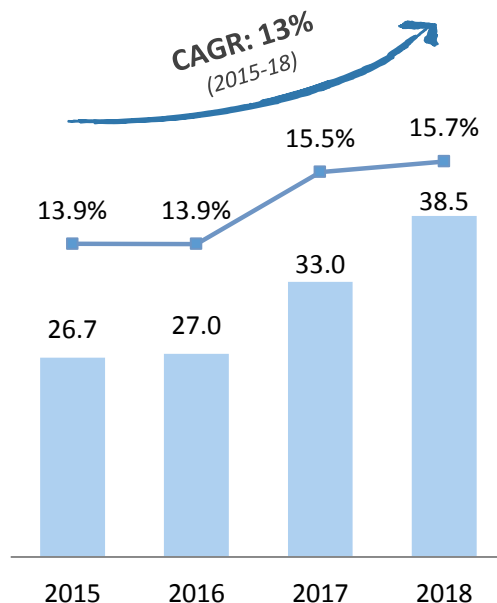
Revenues Growth

Revenues (€m)



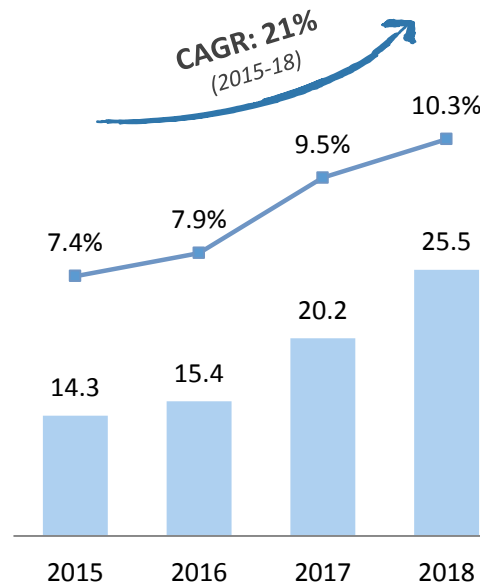
Increasing Profitability

Adj. EBITDA (€m) and Adj. EBITDA Margin¹ (%)



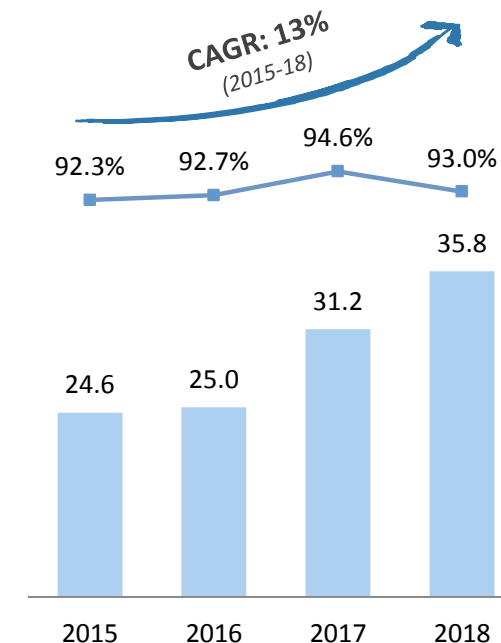
Strong Bottom Line

Net Income (€m) and Net Income Margin (%)



Cash Generative

Cash generation² (€m) and conversion³ (%)



Delivering Best-In-Class Returns, With ROCE Of Approx. 76%⁴

Source: Company information as of Dec-18

¹ Computed on Revenues excluding gains for disposal of PPE. ² Defined as Adj. EBITDA – Recurring Capex. ³ Defined as Adj. EBITDA – Recurring Capex as % of Adj. EBITDA. ⁴ 2018 figure. Computed as EBIT / Net Invested Capital excluding Goodwill and Put and Call Options.



2018 Results

PIOVAN 2018 KEY BUSINESS HIGHLIGHTS

▶ **Further Consolidation of Our Global Leadership in Plastic with High Single-Digit Growth (+8% YoY)**

▶ **Strong Results in Food (+€19m YoY) Supported by Ongoing Expansion of International Salesforce**

▶ **Strategy to Enlarge End-Markets Served in Plastic Driving Great Momentum in Asia**

▶ **Continued Footprint Expansion with New Branch Opened in Morocco & Ongoing Screening for Additional Openings by YE**

▶ **Completed US Facilities Relocation, Expansion of the Italian Site Ongoing as Planned**

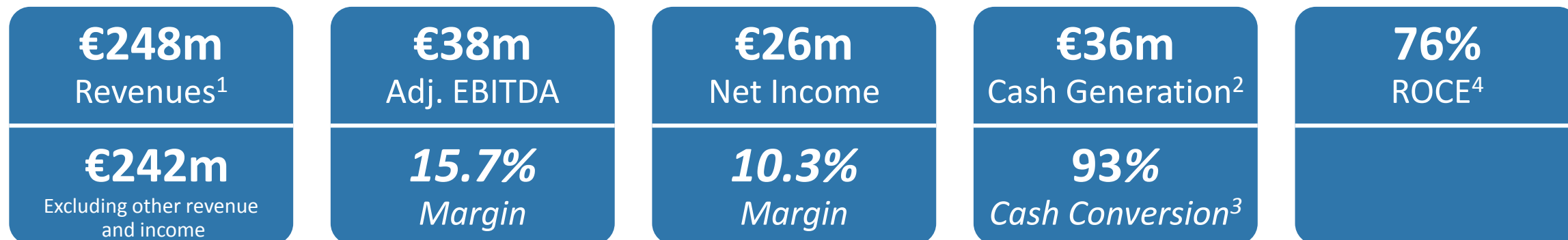
▶ **Disposal of US Plant and Non-Core Assets Completed, Fully Financing Extraordinary Capex Needs**

▶ **Acquisition of a Further Stake in Penta, Now Owned at 90%**

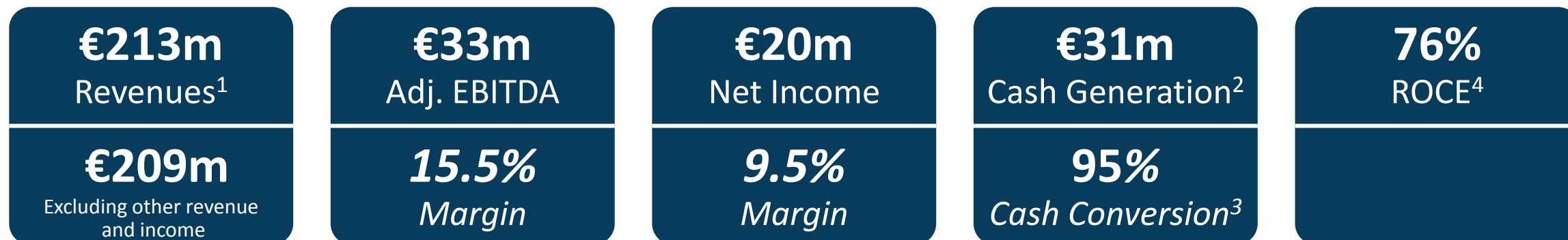
▶ **Successfully Completed Listing on Italian Stock Exchange**

KEY FINANCIAL HIGHLIGHTS

FY18



FY17

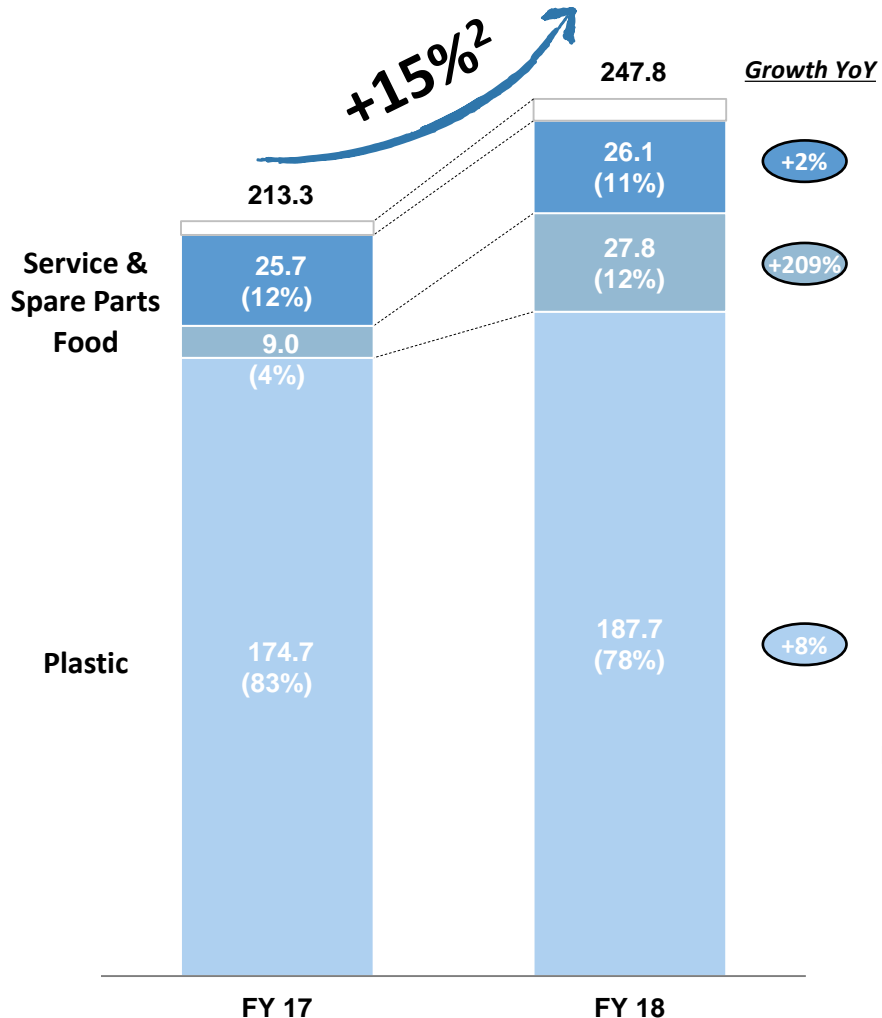


Source: Company Information

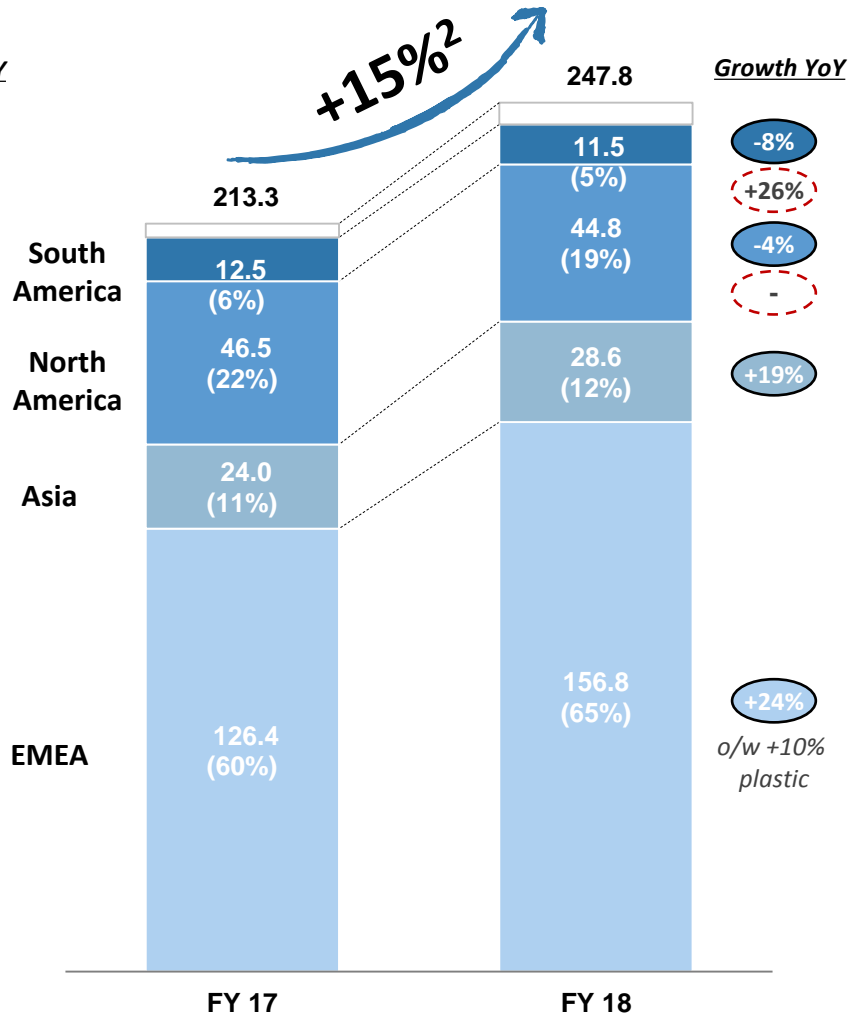
¹ Includes other revenue and income. YoY growth excludes capital gains on asset disposals (€1.9m in 2018). ² Adj. EBITDA - Recurring Capex. ³ Computed as Cash Generation as % of Adj. EBITDA. ⁴ Computed as EBIT / Net Invested Capital excluding Goodwill and Put and Call Options.

Strong Top-Line Acceleration Driven by Food and Asia

Revenues by Application (€m)¹



Revenues by Geography (€m)¹



Comments

BY APPLICATION

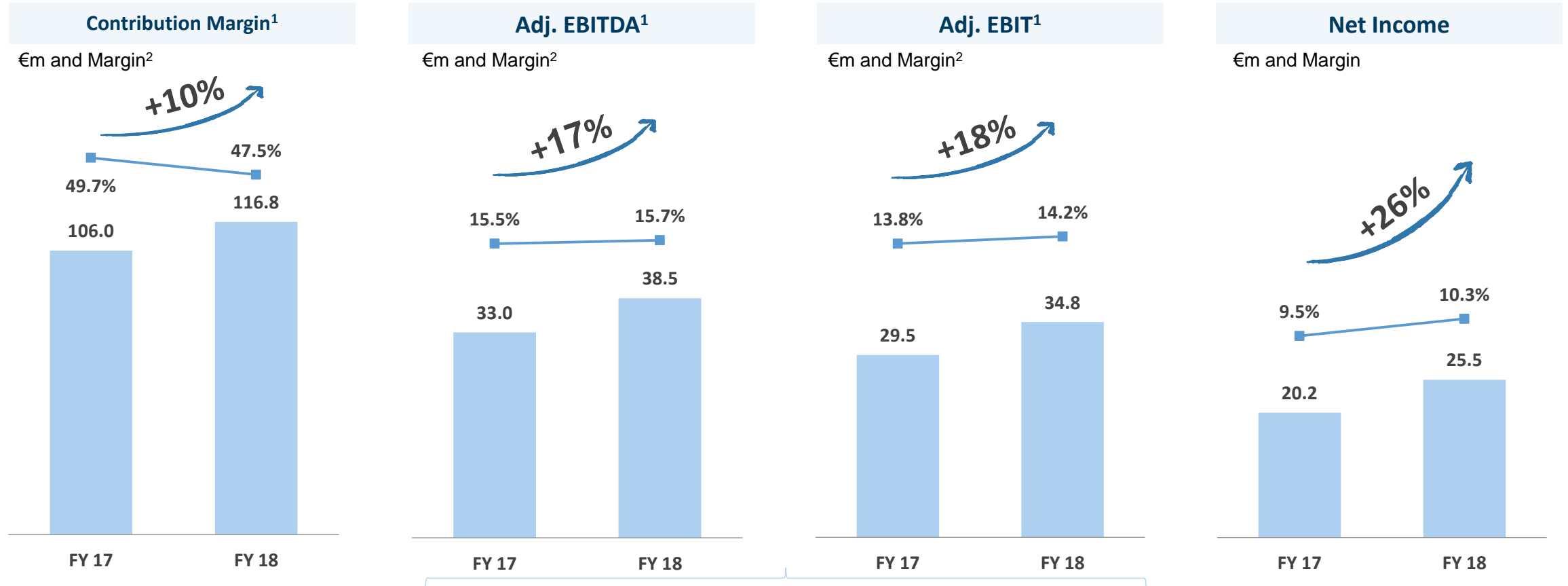
- Strong increase in **Revenues from Systems** across both markets:
 - **Plastic: further consolidation** of the leadership position, with strong growth in EMEA and Asia
 - **Food: strong acceleration**, executing our strategy to gain market share
 - **Service: flattish top line** as a result of
 - Lower activity in North America due to the production shift to the new facility (now concluded)
 - Food spare parts and service additional business not yet visible in the performance

BY GEOGRAPHY

- Strong momentum in:
 - **EMEA**, reflecting mainly acceleration in **Food** (alongside with strong double digit performance in plastics)
 - **Asia**, as a result of recent organizational changes and **broadening of the end-markets served**
- **Slowdown in North America** partially impacted by relocation to new plant (now completed) impacting profitability in **ramp-up phase**
- **South America** performance affected by **adverse FX movements**

□ Indicates other revenue and income (c. €6.2m of in 2018, €3.9m in 2017) ○ Indicates growth rate at constant currency

Profitable Growth Path Continuing in Line with Expectations...



- **Plastic vs. Food mix effect** driving Contribution Margin down (structurally lower in Food due to higher incidence of raw materials)

- Dilution of Contribution Margin more than offset by **structurally lower fixed costs in Food**, resulting in overall **margins expansion** (~20bps at Adj. EBITDA level, ~40bps at Adj. EBIT level)

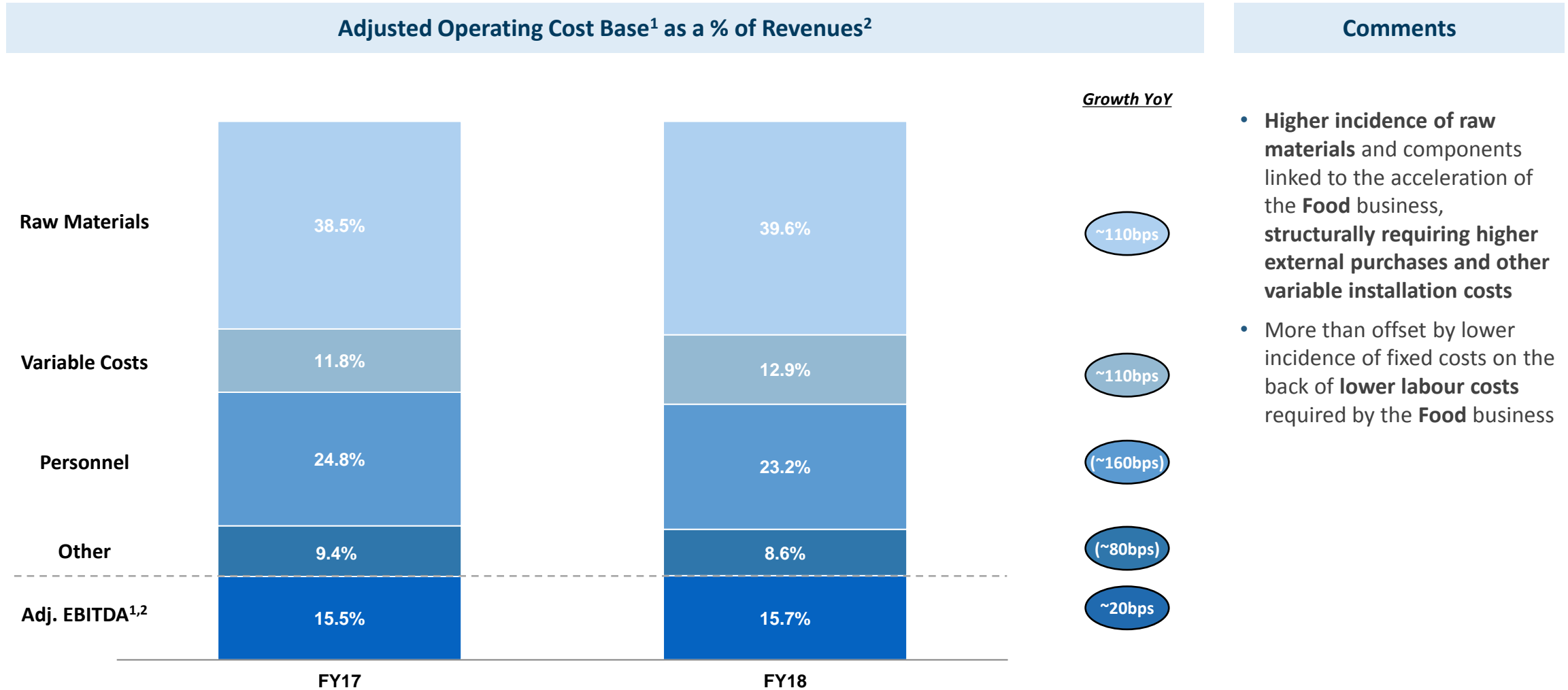
- **Increased Net Income** despite negative effect of IPO / other one-off costs (c. €5.4m)

Source: Company Information

¹Adjusted for extraordinary capital gains on asset disposals (€1.9m in 2018) and IPO / other one-off costs (c. €5.4m); margin calculated on Revenues net of extraordinary capital gains on assets disposals

² Computed on Revenues excluding capital gains on asset disposal (€1.9m in 2018)

...Driven by Strong Operating Leverage



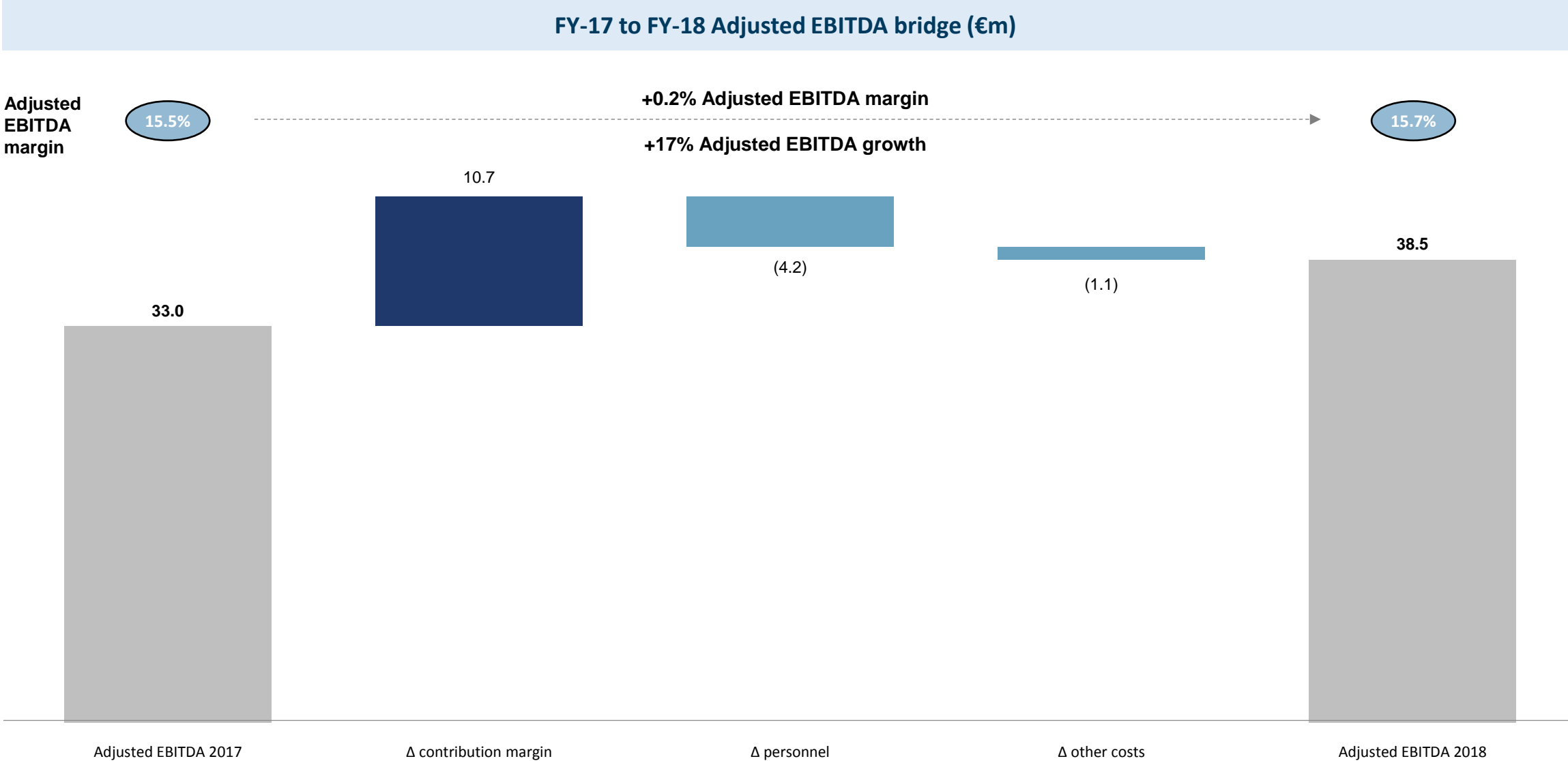
- Higher incidence of raw materials and components linked to the acceleration of the Food business, structurally requiring higher external purchases and other variable installation costs
- More than offset by lower incidence of fixed costs on the back of lower labour costs required by the Food business

Source: Company Information

¹Excluding IPO / other one-off costs (c. €5.4m)

²Excluding extraordinary capital gain on asset disposal (€1.9m in 2018)

Adjusted EBITDA Bridge from FY-17 to FY-18

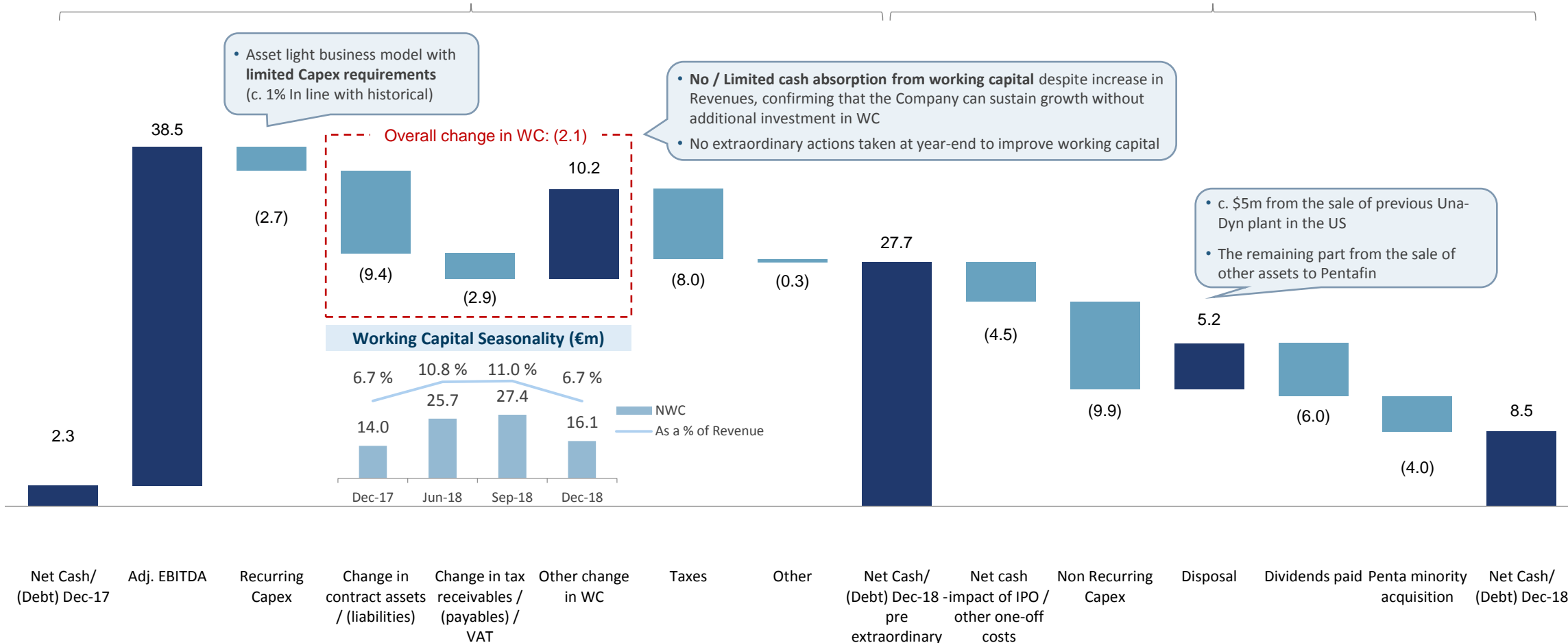


Net Debt Walk from Dec-17 to Dec-18

Dec-17 to Dec-18 Net Debt bridge (€m)

€25m recurring cash generation

€19m non recurring cash absorption





Appendix

Income Statement

€m	2017	2018	Δ% 18 vs. 17
Sales	209.4	241.7	15.4 %
Other sales & other income	3.9	6.2	59.2 %
<i>o/w capital gain on asset disposal</i>	-	1.9	<i>n.m.</i>
Revenues ¹	213.3	247.8	16.2 % ¹
Raw materials	(82.2)	(97.5)	18.6 %
Cost of services	(40.6)	(53.3)	31.3 %
<i>o/w extraordinary IPO costs</i>	-	(5.4)	<i>n.m.</i>
Personnel	(52.9)	(57.1)	7.9 %
Other costs	(4.6)	(5.0)	8.0 %
EBITDA	33.0	35.017	6.2 %
Capital gain on asset disposal	-	(1.9)	<i>n.m.</i>
Extraordinary / IPO costs	-	5.4	<i>n.m.</i>
Adjusted EBITDA	33.0	38.5	16.7 %
<i>% Adjusted Margin</i>	<i>15.5%</i>	<i>15.7%</i>	
D&A and provisions	(3.5)	(3.7)	5.4 %
EBIT	29.5	31.3	6.3 %
Finance Income / (Expenses)	(0.3)	(0.2)	(40.1)%
Exchange income (expenses)	(2.1)	0.2	(111.2)%
Income from equity method investments	-	(0.1)	<i>n.m.</i>
Income / loss from change in fair value	2.1	2.3	<i>n.m.</i>
EBT	29.1	33.5	15.0 %
Taxes	(8.9)	(8.0)	(10.2)%
<i>% Tax Rate</i>	<i>30.5%</i>	<i>23.8%</i>	
Net Income	20.2	25.5	26.1 %
Attributable to Piovan shareholders	19.6	23.9	22.1 %
Attributable to minority shareholders	0.7	1.6	141.9 %

Balance Sheet

€m	Dec-17	Dec-18
Property Plant & Equipment	27.9	34.5
Intangible Assets (incl. Goodwill)	5.7	6.0
Financial Assets	0.6	0.3
Net Fixed Assets	34.2	40.8
Trade receivable	61.4	50.7
Inventory	23.0	28.0
Trade payables	(34.5)	(39.9)
Advanced payments from customers	(14.1)	(12.6)
Contract assets/(liabilities)	(8.5)	1.0
Net Trade Capital	27.4	27.1
Tax receivables	1.6	3.5
Other current activities	3.5	4.2
Tax payables	(7.4)	(6.4)
Other current liabilities	(11.0)	(12.2)
NWC	14.0	16.1
Other Credits	4.0	5.0
Other Debts	(4.3)	(6.6)
Pension Fund	(3.9)	(3.9)
Net Invested Capital before Option	44.1	51.5
Put & Call Option	(9.7)	(3.2)
Net Invested Capital	34.4	48.3
Total Shareholders' Equity	36.7	56.8
Net Debt / (Cash)	(2.3)	(8.5)
Total Sources	34.4	48.3

Cash Flow Statement

€m	2017	2018
Adj. EBITDA	33.0	38.5
Recurring Capex	(1.8)	(2.7)
<i>% on Revenues</i>	0.8%	1.1%
Cash generation	31.2	35.8
<i>Cash Conversion %</i>	94.6%	93.0%
Non-Recurring Capex	(6.2)	(9.9)
Disposal	1.1	5.2
Δ Net Working Capital	3.2	(2.1)
Corporate Taxes	(8.9)	(8.0)
Δ Funds	(0.2)	(0.0)
Non operating Items	0.6	(0.6)
Cash Flow from Operation	20.8	20.4
Net Cash Impact of Extraordinary / IPO costs	-	(4.5)
Δ Put and Call Option	0.0	(4.2)
Dividend distribution	(12.2)	(6.0)
Changes in equity	(2.0)	0.6
Other financial charges	(0.3)	(0.2)
Δ Exchange loss/gain	(2.1)	0.2
Income from equity method investments	-	(0.1)
Δ Net Financial Position	4.1	6.2
NFP BoP	1.8	(2.3)
Δ Net Financial Position	(4.1)	(6.2)
NFP EoP	(2.3)	(8.5)