



FINANCIAL RESULTS Q1 2019

14 May 2019

Disclaimer

THIS PRESENTATION AND ANY OTHER INFORMATION DISCUSSED AT THE PRESENTATION (THE “PRESENTATION”) IS STRICTLY CONFIDENTIAL AND IS BEING PROVIDED TO YOU SOLELY FOR YOUR INFORMATION. THIS PRESENTATION, WHICH HAS BEEN PREPARED BY PIOVAN S.P.A. (THE “COMPANY”), IS PRELIMINARY IN NATURE AND IS SUBJECT TO UPDATING, REVISION AND AMENDMENT. THIS PRESENTATION MAY NOT BE REPRODUCED IN ANY FORM, FURTHER DISTRIBUTED OR PASSED ON, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON, OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF APPLICABLE LAWS AND VIOLATE THE COMPANY’S RIGHTS.

This Presentation is being made available to a limited number of recipients solely for the purpose of introducing the Company. This Presentation does not, and is not intended to, constitute or form part of, and should not be construed as, an offer to sell, or a solicitation of an offer to purchase, subscribe for or otherwise acquire, any securities of the Company, nor shall it or any part of it form the basis of or be relied upon in connection with or act as any inducement or recommendation to enter into any contract or commitment or investment decision whatsoever. Neither this Presentation nor any copy of it nor the information contained herein is being issued or may be distributed or redistributed directly or indirectly to or into any jurisdiction where such distribution would be unlawful, including but not limited to, the United States, Canada, Australia and Japan. Any decision to invest in the Company should be made solely on the basis of information contained in any prospectus or offering circular (if any is published by the Company), which would supersede this Presentation in its entirety.

None of the Company or any of its partners, directors, officers, employees, agents, other representatives, consultants, legal counsel, accountants, financial or other advisors, auditors, direct or indirect shareholders, subsidiaries or other affiliates or any other person acting on behalf of any of the foregoing (collectively, the “Representatives”) makes any representation or warranty, expressed or implied, as to the fairness, quality, accuracy, relevance, completeness or sufficiency for any purpose whatsoever of any information contained in this Presentation.

By attending or otherwise accessing this Presentation, you acknowledge and agree not to be entitled to rely on the fairness, quality, accuracy, relevance, completeness or sufficiency for any purpose whatsoever of the information contained herein and that none of the Company or any of its Representatives will have any liability relating to, or resulting from, this Presentation, its inaccuracy or incompleteness, or the use of, or reliance upon, this Presentation.

By attending or otherwise accessing the Presentation, you acknowledge and agree that you will be solely responsible for your own independent evaluation and assessment of the Company and of the information contained in this Presentation and will rely solely on your own judgment and that of your qualified advisors in evaluating the Company and in determining the desirability of the possible acquisition of an interest in the Company.

To the extent applicable, the industry and market data contained in this Presentation has come from official or third-party sources. Third-party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the fairness, quality, accuracy, relevance, completeness or sufficiency of such data. The Company has not independently verified the data contained therein. In addition, certain of the industry and market data contained in this Presentation come from the Company’s own internal research and estimates based on the knowledge and experience of the Company’s management in the market in which the Company operates. Such research and estimates, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry or market data contained in this Presentation.

The highlights of the Company and the outlook presented in this Presentation represent the subjective views of the management of the Company and are based on significant assumptions and subjective judgments which may or may not prove to be correct. Industry experts, business analysts or other persons may disagree with these views, assumptions and judgments, including without limitation the management’s view of the market and the prospects for the Company.

This Presentation may include statements that are, or may be deemed to be, forward-looking statements. Forward-looking statements typically use terms such as “believes”, “projects”, “anticipates”, “expects”, “intends”, “plans”, “may”, “will”, “would”, “could” or “should” or similar terminology. Any forward-looking statements in this Presentation are based on the Company’s current expectations and, by their nature, forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company’s control, that could cause the Company’s actual results and performance to differ materially from any expected future results or performance expressed or implied by any forward-looking statements. The Company undertakes no obligation to release the results of any revisions to any forward-looking statements in this Presentation that may occur due to any change in its expectations or to reflect events or circumstances after the date of this Presentation and the Company and its Representatives disclaim any such obligation.

Except where otherwise indicated, this Presentation speaks as of the date hereof and the information and opinions contained in this Presentation are subject to change without notice and do not purport to contain all information that may be required to evaluate the Company. The information in this Presentation is in preliminary form and has not been independently verified. The Company and its Representatives undertake no obligation to provide the recipients with access to any additional information or to update or revise this Presentation or to correct any inaccuracies or omissions contained herein that may become apparent. To the fullest extent permissible by law, such persons disclaim all and any responsibility or liability, whether arising in tort, contract or otherwise, which they might otherwise have in respect of this Presentation. Recipients should not construe the contents of this Presentation as legal, tax, regulatory, financial or accounting advice and are urged to consult with their own advisers in relation to such matters.

These materials are not an offer for sale of securities in the United States. The Company does not intend to register under the US Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any state or other jurisdiction of the United States, and securities of the Company may not be offered, sold, resold, pledged, delivered, distributed or transferred, directly or indirectly, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

The Company does not intend to make any public offering of its securities in the United States. Any securities sold in the United States will be sold only (i) to qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A and (ii) to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act (“Regulation S”).

This Presentation is only addressed to and is only directed at: (a) in the European Economic Area, persons who are “qualified investors” within the meaning of Article 2(1)(e) of Directive 2003/71/EC, as amended, (b) in Italy, “qualified investors”, as defined by Article 34-ter, paragraph 1(b), of CONSOB’s Regulation No. 11971/1999 and integrated by Article 35, paragraph 1(d) of CONSOB Regulation No. 20307/2018, (c) in the United Kingdom, (i) “investment professionals” as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), (ii) persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Order or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This Presentation is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any potential investment or investment activity to which this Presentation relates is only available to relevant persons and will be engaged in only with relevant persons.

By attending or otherwise accessing this Presentation, you warrant, represent, undertake and acknowledge to the Company that (a) you have read and agree to comply with the foregoing limitations and restrictions including, without limitation, the obligation to keep this Presentation and its contents confidential, (b) you agree to treat this Presentation and its content as strictly private and confidential and to take all necessary steps to preserve such confidentiality, (c) you are able to receive this Presentation without contravention of any applicable legal or regulatory restrictions.

By attending or otherwise accessing this Presentation, you agree to be bound by the foregoing limitations. Any failure to comply with these restrictions may constitute a violation of the laws of any such other jurisdiction. Any potential investment or investment activity to which this Presentation relates is available only to persons eligible to invest in securities and will be engaged in only with such persons.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MIFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MIFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the ordinary shares and the warrants of Piovan S.p.A. (the “Securities”) have been subject to a product approval process, which has determined that such Securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”).

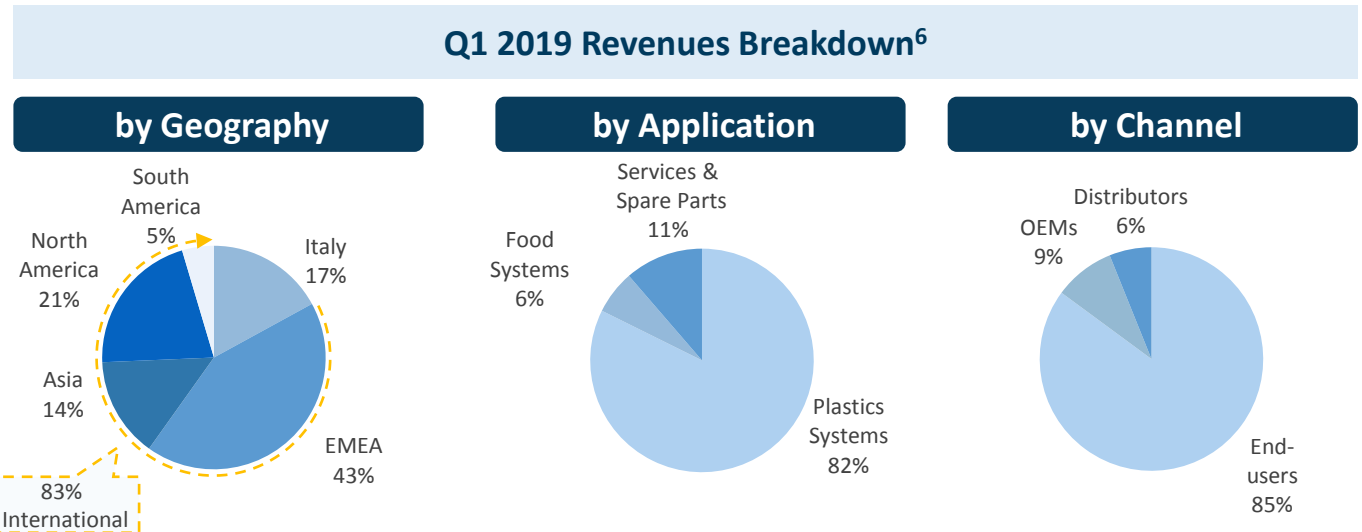
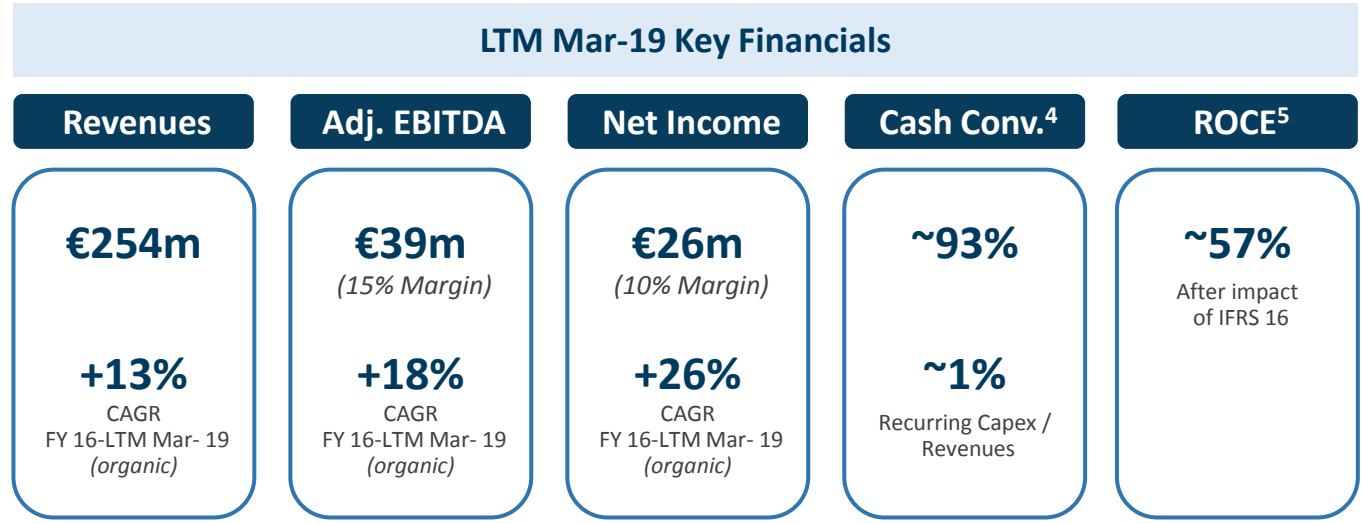
Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Securities may decline and investors could lose all or part of their investment; the Securities offer no guaranteed income and no capital protection; and an investment in the Securities is compatible only with 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**
 - 7 manufacturing sites** in 4 continents
 - 24 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 Computed as EBIT / Net Invested Capital excluding Goodwill and Put and Call Options. Net Invested Capital adjusted for the application of IFRS 16.

⁶ Excluding other sales & other income.

Our Core is Process Automation from Silos to Primary Machines



Granules / Flakes / Powder

IN

Storage

Piovan

Full range of process automation solutions

Material Handling & Storage



Dosing & Blending



Drying & Dehumidifying



Temperature control



Coolers



Granulators



Supervision software



Final Products

OUT

Primary Machine
(e.g. Extruder)

Source: Company information

PIOVAN Q1 2019 KEY BUSINESS HIGHLIGHTS

▶ Further Consolidation of Our Global Leadership in Plastic with Double-Digit Growth (+17% YoY)

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

▶ Successful Continuation of Penta into Non plastic Powders developments, Enlarging its Customer Base

▶ Completed Installation of Large Food Projects Launched in 2018

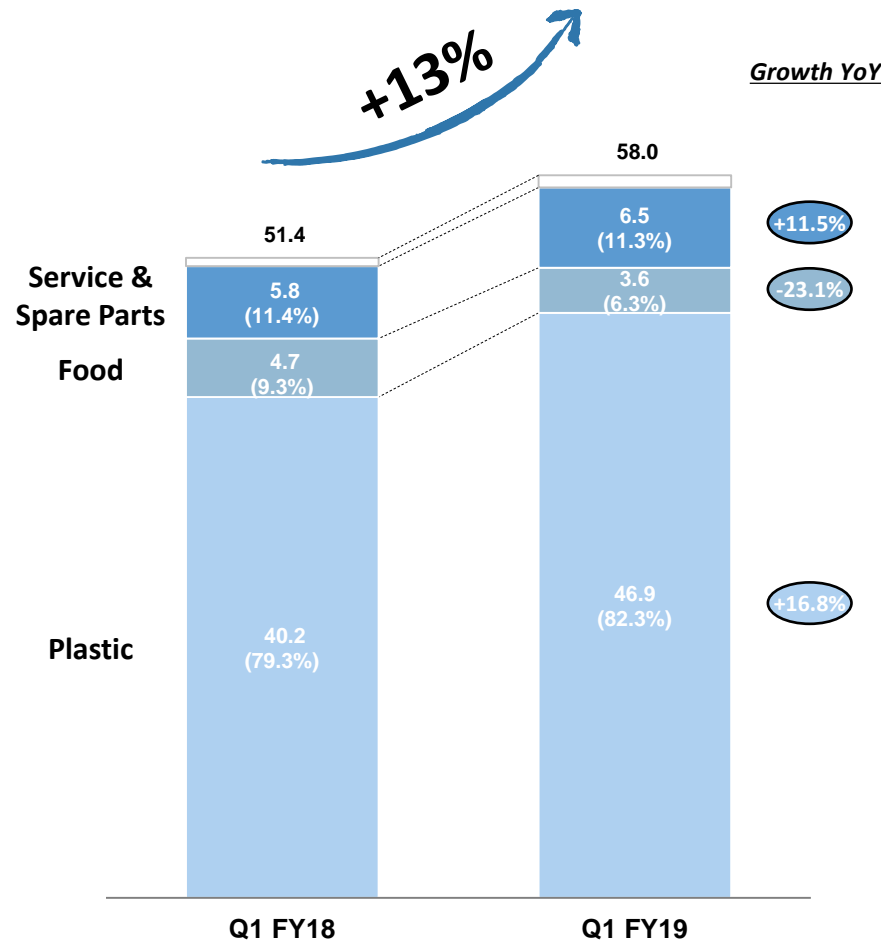
▶ Continued Footprint Expansion with Piovani Maroc

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

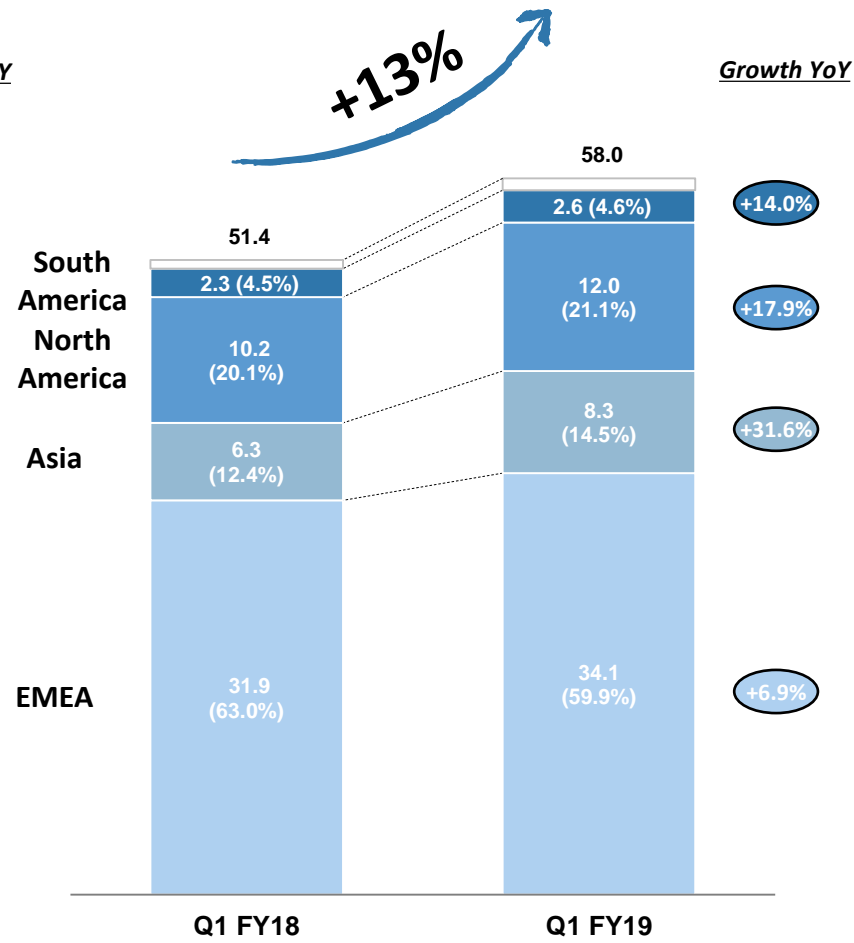
▶ Adoption of IFRS 16 for Lease Accounting with Marginal Impact in Profit and Loss

Continued Strong Growth Driven by North America & Asia

Revenues by Application (€m)¹



Revenues by Geography (€m)¹



Comments

BY APPLICATION

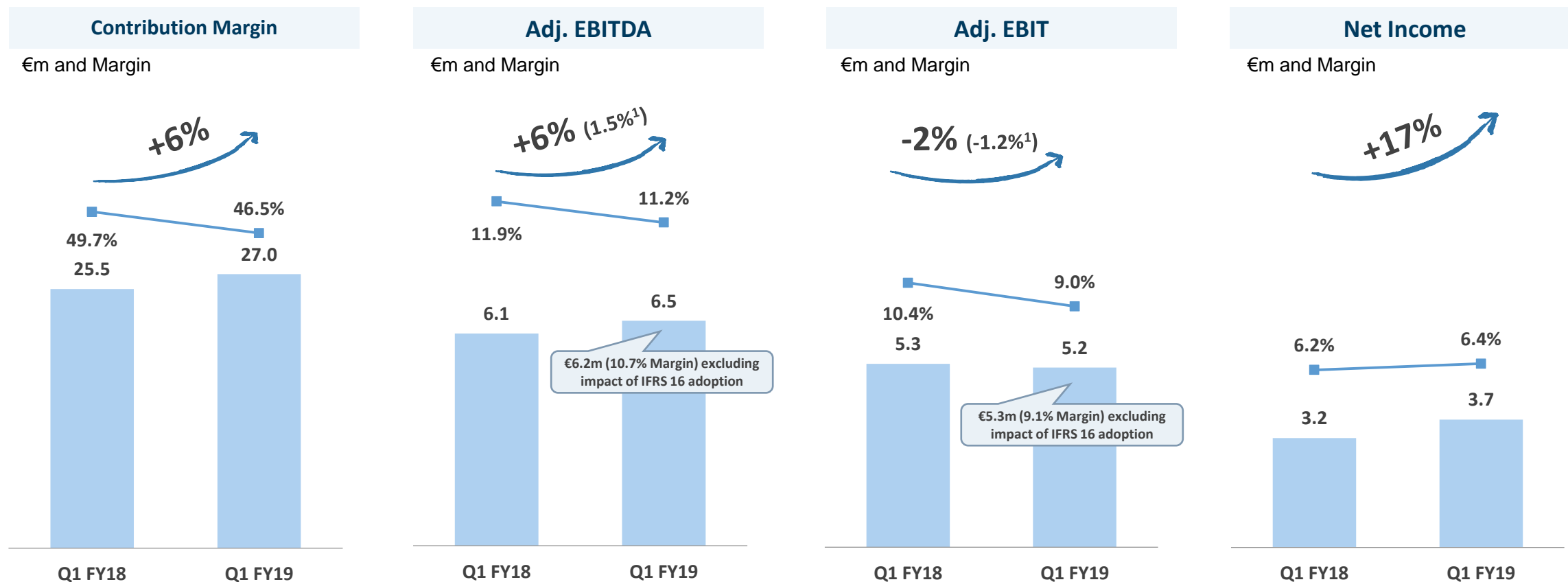
- Strong overall increase in Revenues from Systems driven by:
 - the Plastic market as a result of further consolidation of the leadership position, with strong growth in North America and Asia
 - enlargement of the customer base in Penta
 - completed installation of large Food projects launched in 2018
- Continued double-digit growth in the Service segment as a result of the implementation of the strategy

BY GEOGRAPHY

- Strong momentum across all regions in particular:
 - Asia, as a result of recent organizational changes and broadening of the end-markets served
 - North America, for spread commercial actions and improved production capacity in the new plant
 - South America, for the enlargement of the product offer
 - EMEA, affected by soft performance in Food

□ Indicates other revenue and income (c. €0.7m of in 2018, €1.0m in 2019)

Resilient Profitability Continuing vs. Strong Q1-18



- **Tail-end installation costs** related to large **Food projects** launched in 2018 negatively affecting Contribution Margin (not present in Q1-18)

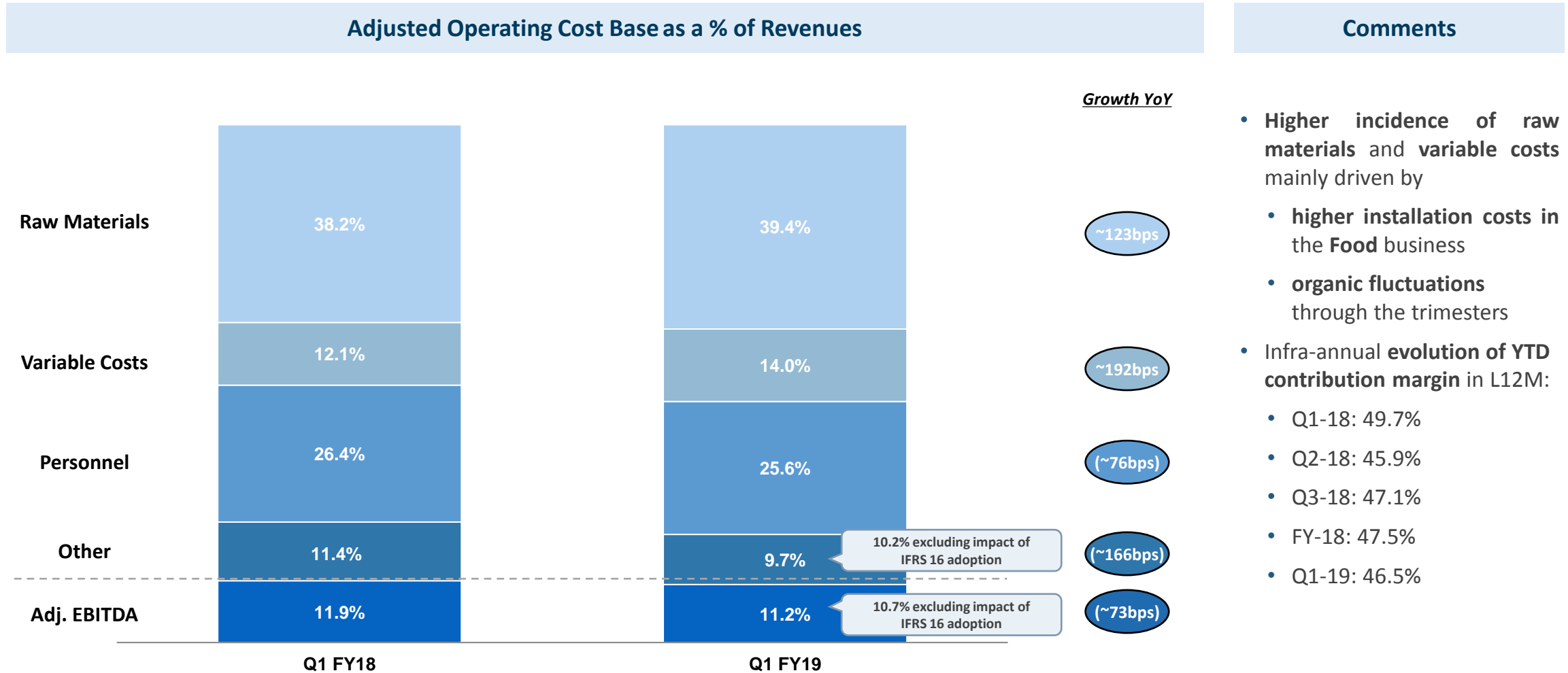
- Contribution Margin dilution partially offset by **efficient fixed costs in structure**, resulting in an overall contained margins contraction

- **Growth in Net Income** driven by lower tax rate (30.4% vs. 32.7%)

Source: Company Information

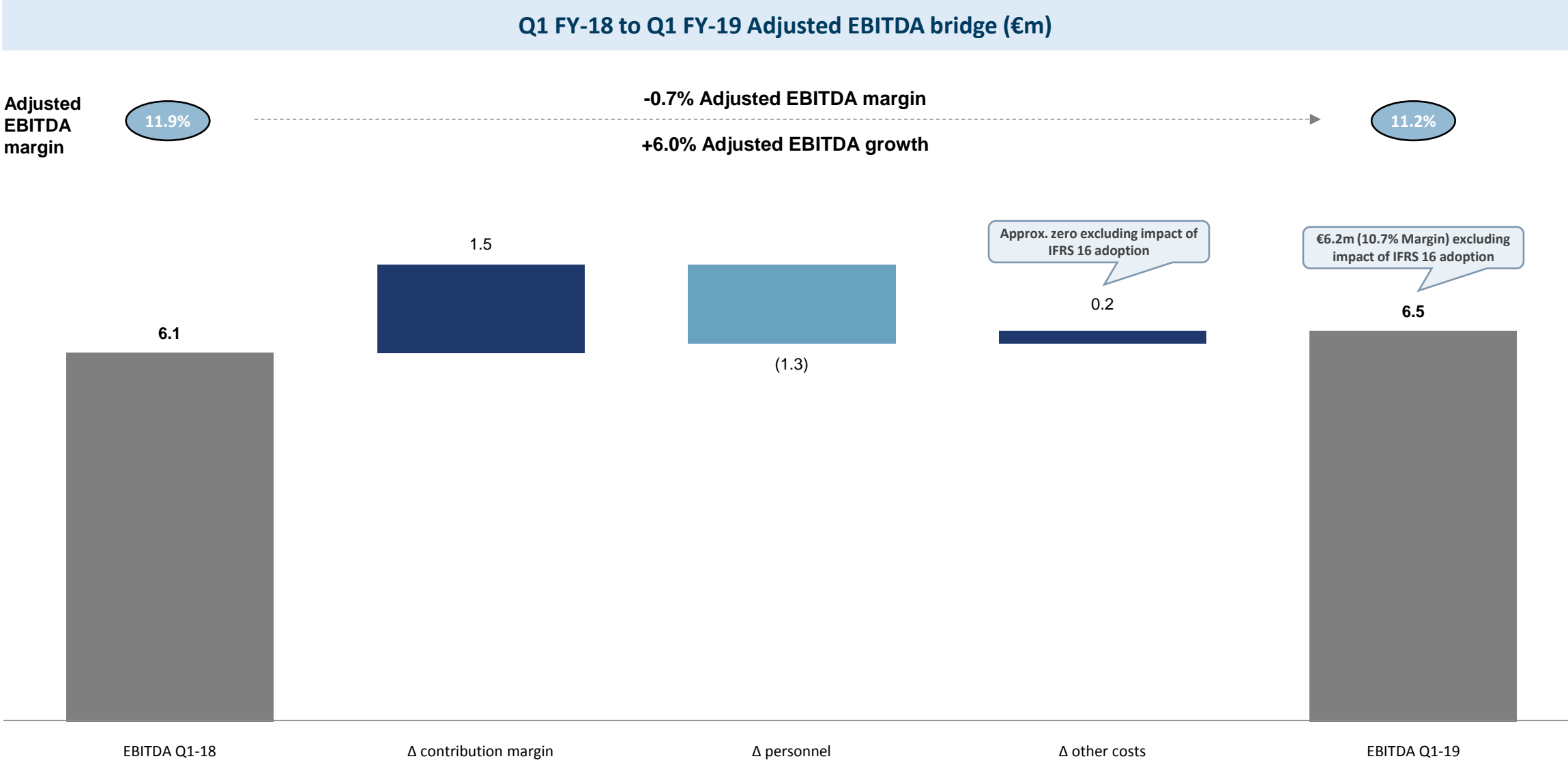
¹ Growth rate based on metric excluding the marginal impact of IFRS 16 adoption

...Driven by Strong Operating Leverage



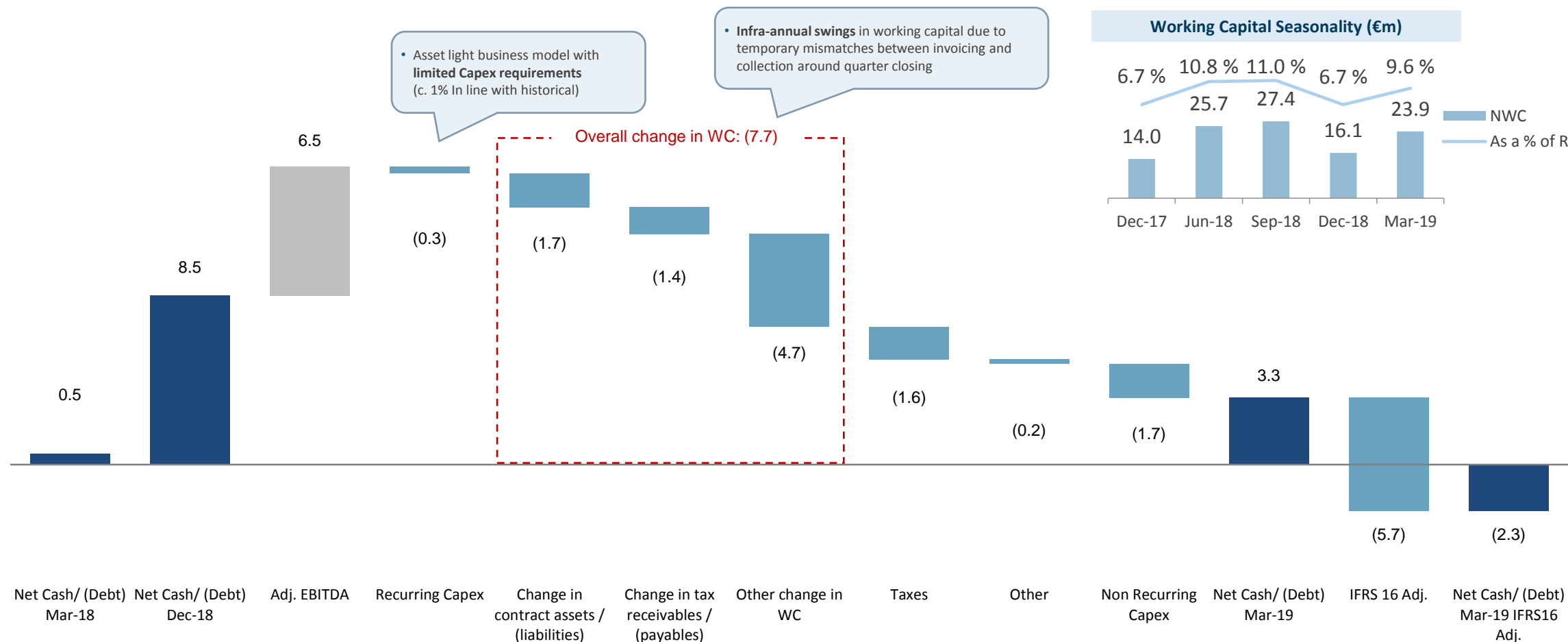
Source: Company Information

Adjusted EBITDA Bridge from Q1 FY-18 to Q1 FY-19



Net Debt Walk from Dec-18 to Mar-19

Dec-18 to Mar-19 Net Debt bridge (€m)





Appendix

Income Statement

€m	Q1 FY18	Q1 FY19 Pre IFRS 16	Q1 FY19 Reported	Δ% Q1 FY18 vs Q1 FY19
Sales	50.7	57.0	57.0	12.5 %
Other sales & other income	0.7	1.0	1.0	42.4 %
Revenues	51.4	58.0	58.0	12.9 %
Raw materials	(19.6)	(22.9)	(22.9)	16.5 %
Cost of services	(10.6)	(12.7)	(12.7)	18.8 %
Personnel	(13.6)	(14.9)	(14.9)	9.6 %
Other costs	(1.4)	(1.4)	(1.1)	(21.4)%
EBITDA	6.1	6.2	6.5	6.0 %
Adjusting Items	-	-	-	
Adjusted EBITDA	6.1	6.2	6.5	6.0 %
<i>% Adjusted Margin</i>	<i>11.9%</i>	<i>10.7%</i>	<i>11.2%</i>	
D&A and provisions	(0.8)	(1.0)	(1.3)	
EBIT	5.3	5.3	5.2	(1.9)%
Finance Income / (Expenses)	(0.1)		(0.1)	
Exchange income (expenses)	(0.4)		0.2	
Income from equity method investments	(0.1)			
Income / loss from change in fair value	-		-	
EBT	4.7		5.4	13.1 %
Taxes	(1.5)		(1.6)	
<i>% Tax Rate</i>	<i>32.7%</i>		<i>30.4%</i>	
Net Income	3.2		3.7	16.9 %
Attributable to Piovan shareholders	3.2		3.7	16.9 %
Attributable to minority shareholders	0.0		0.0	13.9 %

Balance Sheet

€m	Dec-18	IFRS 16 Adj.	Dec-18 Restated	Mar-19
Property Plant & Equipment	34.5	5.9	40.4	41.6
Intangible Assets (incl. Goodwill)	6.0		6.0	6.1
Financial Assets	0.3		0.3	0.4
Net Fixed Assets	40.8		46.7	48.1
Trade receivable	50.7		50.7	51.9
Inventory	28.0		28.0	28.9
Trade payables	(39.9)		(39.9)	(32.5)
Advanced payments from customers	(12.6)		(12.6)	(15.7)
Contract assets/(liabilities)	1.0		1.0	2.6
Net Trade Capital	27.1		27.1	35.2
Tax receivables	3.5		3.5	3.6
Other current activities	4.2		4.2	5.0
Tax payables	(6.4)		(6.4)	(5.2)
Other current liabilities	(12.2)		(12.2)	(14.7)
NWC	16.1		16.1	23.9
Other Credits	5.0		5.0	4.5
Other Debts	(6.6)		(6.6)	(5.9)
Pension Fund	(3.9)		(3.9)	(3.9)
Net Invested Capital before Option	51.5		57.3	66.6
Put & Call Option	(3.2)		(3.2)	(3.2)
Net Invested Capital	48.3		54.2	63.4
Total Shareholders' Equity	56.8		56.8	61.1
Net Debt / (Cash)	(8.5)	5.9	(2.6)	2.3
Total Sources	48.3		54.2	63.4

Cash Flow Statement

€m	FY 2018	IFRS 16. Adj	FY 2018 Restated	Q1 FY19
Adj. EBITDA	38.5			6.5
Recurring Capex	(2.7)			(0.3)
<i>% on Revenues</i>	1.1%			0.6%
Cash generation	35.8			6.2
<i>Cash Conversion %</i>	93.0%			94.8%
Non-Recurring Capex	(9.9)			(1.7)
Disposal	5.2			-
Δ Net Working Capital	(2.1)			(7.7)
Corporate Taxes	(8.0)			(1.6)
Δ Funds	(0.0)			0.0
Non operating Items	0.3			(0.8)
Cash Flow from Operation	21.3			(5.6)
Adjusting Items	(5.4)			-
Δ Put and Call Option	(4.2)			-
Dividend distribution	(6.0)			-
Changes in equity	0.6			0.6
Other financial charges	(0.2)			(0.1)
Δ Exchange loss/gain	0.2			0.2
Income from equitiy method investments	(0.1)			-
Δ Net Financial Position	6.2			(4.9)
NFP BoP	(2.3)			(2.6)
Δ Net Financial Position	(6.2)			4.9
NFP EoP	(8.5)	5.9	(2.6)	2.3

IFRS 16 Reconciliation

€m	Q1 FY19 Reported	IFRS 16 Adj.	Q1 FY19 Pre IFRS 16
Revenues	57.0	-	57.0
Adjusted EBITDA	6.5	(0.3)	6.2
EBIT	5.2	0.0	5.3
Net Debt / (Cash)	2.3	(5.7)	(3.3)