

Press Releases

The Board of Directors of Piovan S.p.A. approves periodic financial information as of 30 September 2018

- Consolidated revenues amounting to Euro 184.5 million, representing a growth of 24.7% compared to 30 September 2017 (+27.6% at constant exchange rates) and including non-recurring revenues for an amount of Euro 1.9 million;
- EBITDA amounting to Euro 28.0 million (15.2% of current period revenues), +33.9% compared to 30 September 2017;
- Consolidated adjusted EBITDA amounting to Euro 27.3 million (14.9% of current period revenues), +30.3% compared to 30 September 2017;
- EBIT amounting to Euro 25.7 million (13.9% of current period revenues), +39.7% compared to 30 September 2017;
- Consolidated adjusted EBIT amounting to Euro 24.9 million (13.7% of current period revenues), +35.7% compared to 30 September 2017;
- Consolidated net income amounting to Euro 20.5 million (+57.3% compared to 30 September 2017);
- Negative consolidated Net Financial position amounting to Euro 5.3 million. Consolidated net financial position will be positive for Euro 6.2 million net of non-operating cash flows.

Santa Maria di Sala (Venice), 12 November 2018 – The Board of Directors of Piovan S.p.A. (“**Piovan**” or the “**Company**” or the “ **Holding**”), in its meeting held today, approved the periodic financial information as of 30 September 2018.

The main Profit or Loss data of the “*Periodic Financial Statements at September 30, 2018*” are reported in the following table:

<i>(amounts in €'000)</i>	Nine months ended 30 September											
	2018					2017					2018 vs 2017	
	Total	Recurring	Not Recurring *	% on total	% on Recurring	Total	Recurring	Not Recurring *	% on total	% on Recurring	Changes on recurring	%
Revenue	179,535	179,535	-	97,3%	98,3%	145,929	145,929	-	98,6%	98,6%	33,607	23,0%
Other revenue and income	4,949	3,063	1,886	2,7%	1,7%	2,020	2,020	-	1,4%	1,4%	1,044	51,7%
TOTAL REVENUE AND OTHER INCOME	184,485	182,599	1,886	100,0%	100,0%	147,948	147,948	-	100,0%	100,0%	34,650	23,4%
EBITDA	28,040	27,296	744	15,2%	14,9%	20,947	20,947	-	14,2%	14,2%	6,350	30,3%
OPERATING PROFIT	25,681	24,937	744	13,9%	13,7%	18,379	18,379	-	12,4%	12,4%	6,558	35,7%
PROFIT BEFORE TAXES	28,079	-	-	15,2%	-	18,363	-	-	12,4%	-	-	-
Income taxes	7,584	-	-	4,1%	-	5,333	-	-	3,6%	-	-	-
NET PROFIT	20,495	-	-	11,1%	-	13,030	-	-	8,8%	-	-	-

* The effects of non-recurring values are considered only up to the Operating Profit.

It should be noted that some economic information in this report show profitability indicators including “EBITDA”. This indicator is considered by management an important parameter for monitoring and evaluating the Group’s operating performance as it is not influenced by the effects of the different methods for determining taxable income, the amount and characteristics of capital employed, as well as the amortization policies. However, it is specified that this indicator is not identified as an accounting measure in the context of the IFRS principles, therefore the criteria of determination may not be homogeneous with respect to that

indicated by other Groups or other Companies.

EBITDA is defined as the profit for the period, adjusted for the following items: (i) Income taxes (ii) Profit / Loss from equity investments carried at equity, (iii) Gain / losses on liabilities for option granted to non-controlling investors, (iv) Net exchange rate gain (losses), (v) Financial charges and income; (vi) Amortisation and depreciation; (vii) Provisions for risks and charges.

Revenues

In the first nine months of 2018 the total revenues and other income of Piovani Group amounted to Euro 184,485 thousand, registering an increase of 24.7% compared to Euro 147,948 thousand in the first nine months of 2017. Considering only the recurring data, in the first nine months of 2018 the total revenues and other income of Piovani Group amounted to Euro 182,599 thousand (+23.4% compared to the first nine months of 2017).

Revenues of the Piovani Group alone amounted to Euro 179,535 thousand, growing if compared to Euro 145,929 thousand in the first nine months of 2017 (+ 23.0%).

Table 1: Revenues by Business Area

	30.09.2018	30.09.2017	Change	%
Plastic Systems	136.048	122.130	13.918	11,4%
Food Systems	24.312	4.694	19.616	417,9%
Service & Spare parts	19.175	19.103	72	0,4%
Revenue	179.535	145.929	33.606	23,0%

Table 2: Revenues by Geographic Area

	30.09.2018	30.09.2017	Change	%
EMEA	117.985	86.060	31.925	37%
ASIA	21.016	16.385	4.631	28%
NORTH AMERICA	31.662	34.414	-2.752	-8%
SOUTH AMERICA	8.872	9.070	-198	-2%
Revenue	179.535	145.929	33.606	23%

EBITDA

EBITDA amounted to Euro 28,040 thousand, representing a growth of 33.9% if compared to Euro 20,947 of the same period of the previous year. Considering only recurring data, EBITDA amounted to Euro 27,296 thousand (+ 30.3% compared to Euro 20,947 thousand in the same period of the previous year).

The percentage value of EBITDA referring to recurring data of total revenues and other income is equal to 14.9%, registering an increase compared to the 14.2% of the previous period.

Operating Profit

Operating profit amounted to Euro 25,681 thousand, growing up if compared to Euro 18,379 in the corresponding period of the previous year (+ 39.7%). Considering only recurring data, the operating result amounted to Euro 24,937 thousand (+ 35.7% compared to the first nine months of 2017).

The value of the operating result referred to Recurring Data as a percentage of total revenues and other revenues is equal to 13.7%, growing up if compared to the 12.4% of the previous period.

Net profit

The **profit** for the nine-month-period amounted to Euro 20,495 thousand, with an increase compared to Euro 13,030 thousand in the same period of the previous year (+ 57.3%).

Earning per share

Earnings per share were Euro 0.37 as of 30 September 2018 compared with Euro 0.25 at the end of the same

period of the previous year.

Consolidated net financial position

The Group's net financial position as of 30 September 2018 amounted to Euro 5,320 thousand of net debt, an improvement compared to Euro 6,954 thousand as of at the end of September 2017.

In the first nine months of 2018, dividends were distributed for Euro six million, Euro four million were paid in relation to the purchase of a further 25% of the subsidiary Penta S.r.l., non-recurring investments were made for the development of production capacity and technological improvement for Euro 5.5 million and costs were incurred as of today for Euro 1.05 million in relation to the process of listing on the Italian Stock Exchange. In addition, Euro 5.2 million were collected for the sale of non-recurring assets mainly in Unadyn.

€/000	30.09.2018	31/12/2017	30.09.2017
A. Cash	23	26	27
B. Current accounts and post office deposits	25,909	37,859	27,944
C. Liquidity (A+B)	25,932	37,885	27,971
D. Current financial payables	-	-	-
E. Current bank borrowings	(11,948)	(9,219)	(7,000)
F. Current portion of non-current debt	(6,020)	(6,108)	(6,006)
G. Other current financial liabilities	(687)	(417)	(726)
H. Current financial debt (E+F+G)	(18,655)	(15,744)	(13,732)
I. Net current financial debt (H-C-D)	7,278	22,142	14,239
J. Non-current bank borrowings	(12,227)	(16,699)	(18,259)
K. Bonds issued	-	(2,500)	(2,500)
L. Other non-current financial liabilities	(371)	(634)	(435)
M. Non-current financial debt (J+K+L)	(12,598)	(19,833)	(21,193)
N. Net financial debt (I+M)	(5,320)	2,308	(6,954)

(Negative value equal to net debt)

Relevant facts occurred after 30 September 2018

No significant events have taken place since the reporting date.

Outlook for the management

The Company and the Group do not expect in the last quarter 2018 results any deviations from the general trend of the first nine months of 2018.

OTHER RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS

Adoption of the regulation on increased vote

The Board of Directors of Piovan adopted the regulation on increased vote, which provides detailed regulations on the procedures and criteria for the registration, maintenance and updating of the list in which shareholders requesting increased voting rights must be registered. Computershare S.p.A. shall be responsible for keeping such list.

The regulation on increased vote is available on the Company's website - www.piovangroup.com.

Adoption of the final version of the procedure for transactions with related parties and confirmation of the appointment of the person in charge of the internal audit function

The Board of Directors of Piovan definitively adopted the procedure for transactions with related parties as required under CONSOB regulation no. 17221 of 12 March 2010, as already preliminarily approved on 6 July

2018.

Moreover, the Board of Directors confirmed — upon a proposal of the director in charge of the internal control and risk management system, with the prior favorable opinion of the control, risk and sustainability committee (*Comitato Controllo, Rischi e Sostenibilità*) as well as after consulting the Board of Statutory Auditors — the appointment of Stefania Tessarollo as person in charge of the internal audit function.

CONFERENCE CALL

The results as at 30 September 2018 will be presented to the financial community during a conference call to be held Wednesday November 14, 2018 at 10:00, available subsequently, in registered form, on the Group's website: www.piovangroup.com. You can 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 conference call begins, some presentation slides will be made available on the website www.piovangroup.com, in the section Investor Relations / Financial Statements and Results / Presentations. The documentation used during the presentation will also be available at the IInfo storage mechanism.

This document may contain forward-looking statements relating to future events and operating, economic and financial results of the Piovan Group. These provisions are by their nature a component of risk and uncertainty, as they depend on the occurrence of events and future developments. Actual results may differ significantly from those announced, due to a multiplicity of factors.

The manager in charge of drawing up the company's accounting documents (Dirigente Preposto alla redazione dei documenti contabili societari), Luca Sabadin, hereby declares that, pursuant to Article 154-bis(2) of the Italian consolidated law on finance, the accounting information contained in this press release corresponds to the documented results, accounts and bookkeeping records.

Periodic financial information as of 30 September 2018 will be filed in accordance with the time limit set out by law at the registered office of the Company (Via delle Industrie no. 16 – Santa Maria di Sala (Venice)) and at Borsa Italiana S.p.A., available to any person who submits a request and will also be available on the website of the Company (www.piovangroup.com) as well as on the authorized storage mechanism "IInfo" (www.IInfo.it).

FOR FURTHER INFORMATION:

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Piovan

The Piovan Group is the global leading operator in the development and production of auxiliary equipment systems for production processes for the storage, transport and processing of polymers and plastic powders. Beginning in 2015, the Group has also been increasingly active in the development and production of auxiliary automation systems for the storage, transport and processing of food powders, exploiting its leadership position, by replicating the business model previously adopted and seizing the opportunities for cross selling.

As at December 31, 2017, the Piovan Group recorded total revenues and other income of Euro 213.3 million and adjusted EBITDA of Euro 33.0 million. During the six-month period ended June 30, 2018, the Piovan Group recorded total revenues and other income of Euro 127.4 million and adjusted EBITDA of Euro 18.3 million.

Piovan Group's consolidated accounting statements are provided hereinafter

Consolidated Statement of Financial Position
(Euro'000)

ASSETS	30/09/2018	31/12/2017
NON-CURRENT ASSETS		
Property, plant and equipment	29.640	27.852
Intangible assets	5.965	5.741
Equity investments	487	589
Other non-current assets	379	393
Deferred tax assets	4.873	3.656
TOTAL NON-CURRENT ASSETS	41.344	38.231
CURRENT ASSETS		
Inventories	28.356	23.030
Contract assets for work in progress	6.419	471
Trade receivables	57.783	61.418
Tax receivables	5.549	1.561
Other current assets	3.751	3.469
Cash and cash equivalents	25.932	37.885
	127.790	127.834
TOTAL CURRENT ASSETS		
TOTAL ASSETS	169.134	166.065

LIABILITIES AND EQUITY	30/09/2018	31/12/2017
EQUITY		
Share capital	6.000	6.000
Legal reserve	1.200	1.200
Reserve for own shares in portfolio	(7.641)	(7.641)
Translation reserve	(1.679)	(1.607)
Other Reserves and retained earnings	30.468	14.312
Net profit (loss)	18.807	19.553
Equity attributable to the owners of the parent	47.155	31.817
Equity attributable to non-controlling interests	3.780	4.866
TOTAL EQUITY	50.935	36.683
NON-CURRENT LIABILITIES		
Long-term loans	12.227	16.699
Non-current financial liabilities	687	3.134
Employee benefits plans	4.110	3.905
Provision for risks and charges	1.863	1.835
Non current liabilities for options granted to non-controlling investors	2.780	2.755
Other non-current liabilities	128	167
Deferred tax liabilities	3.577	2.291
TOTAL NON-CURRENT LIABILITIES	25.372	30.785
CURRENT LIABILITIES		
Current portion of long-term loans	6.020	6.108
Current bank loans and borrowings	11.948	9.219
Current financial liabilities	371	417
Trade payables	31.583	34.460
Advance from costumers	17.872	14.133
Contract liabilities for work in progress	1.818	8.926
Current liabilities for options granted to non-controlling investors	-	6.928
Tax liabilities and social security contributions	6.877	7.419
Other current liabilities	16.338	10.988
TOTAL CURRENT LIABILITIES	92.827	98.597
TOTAL LIABILITIES	118.199	129.382
TOTAL LIABILITIES AND EQUITY	169.134	166.065

*Consolidated Statement of Profit or Loss
(Euro'000)*

PROFIT OR LOSS	30/09/2018	30/09/2017
Revenue	179.535	145.929
Other revenue and income	4.950	2.020
TOTAL REVENUE AND OTHER INCOME	184.485	147.949
Costs of raw materials, components and goods and changes in inventory	73.389	55.197
Services	37.336	29.356
Use of third party assets	1.968	1.744
Personnel expenses	41.837	38.898
Other expenses	1.914	1.807
Provisions for risks and charges	289	367
Amortisation and depreciation	2.071	2.201
TOTAL COSTS	158.804	129.570
OPERATING PROFIT	25.681	18.379
Financial income	293	270
Financial expenses	(455)	(546)
Net exchange rate gain (losses)	54	(1.404)
Gains (losses) on liabilities for option granted to non controlling investors	2.632	1.664
Profit (loss) from equity investments carried at equity	(126)	-
PROFIT BEFORE TAXES	28.079	18.363
Income taxes	7.584	5.333
NET PROFIT	20.495	13.030
ATTRIBUTABLE TO:		
Owners of the parent	18.807	12.697
Non-controlling interests	1.688	333
Earnings per share		
Basic and diluted earnings per share (in Euros)	0,37	0,25

COMPREHENSIVE INCOME	30/09/2018	30/09/2017
Net profit	20.495	13.030
<i>Items that may be subsequently reclassified to profit or loss:</i>		
- Exchange rate differences	(72)	(1.606)
<i>Items that may not be subsequently reclassified to profit or loss:</i>		
- Actuarial gains (losses) on employee benefits net of the tax effect	(27)	(27)
- Actuarial gains on agents' termination benefits net of the tax effect		
Total Comprehensive income	20.396	11.397
attributable to:		
- Owners of the parent	18.707	11.064
- Non-controlling interests	1.688	333

Consolidated Statement of Cash Flows
(Euro'000)

CASH FLOWS	30/09/2018	30/09/2017
OPERATING ACTIVITIES		
Net profit	20.495	13.030
<i>Adjustments for:</i>		
<i>Amortisation and depreciation</i>	2.071	2.201
<i>Inventory write-down and bad debt provision</i>	760	1.212
<i>Change in provisions for risks and charges and employee benefits liabilities</i>	207	408
<i>Net (gains) losses on sale of assets and equity investments</i>	(1.959)	(16)
<i>Non-monetary variations related to liabilities for options granted to non-controlling investors</i>	(2.632)	(1.664)
<i>Other non-monetary variations</i>	-	-
<i>Taxes</i>	7.583	5.333
Cash flows from operating activities before changes in net working capital	26.524	20.505
(Increase)/decrease in trade receivables	2.891	(6.232)
Increase in inventories	(5.542)	(6.975)
(Increase)/decrease in other current assets	(10.116)	(1.843)
Increase/(decrease) in trade payables	(2.876)	1.542
Increase/(decrease) in advance from customers	3.739	7.854
Increase/(decrease) in other current liabilities	2.995	3.489
(Increase)/decrease in non-current assets	(27)	438
Increase/(decrease) in non-current liabilities	(39)	(20)
Income taxes paid	(13.185)	(2.947)
CASH FLOWS FROM OPERATING ACTIVITIES	4.365	15.812
INVESTING ACTIVITIES		
Investments in property, plant and equipment	(1.328)	(5.956)
Investments in intangible assets	(350)	397
Disinvestments/(investments) in financial assets		
Disinvestments in equity investments		
Business combination net of cash acquired		
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	(1.677)	(5.559)
FINANCING ACTIVITIES		
Issuance of bank loans	-	21.500
Repayment of bank loans	(4.541)	(10.335)
Change in current bank loans and borrowings	2.728	(3.756)
Repayment of bonds	(2.500)	-
Increase/(decrease) in other financial liabilities	(327)	(414)
Purchase of non-controlling interest in subsidiaries	(4.000)	-
Dividends paid	(6.000)	(12.185)
CASH FLOWS USED IN FINANCING ACTIVITIES	(14.640)	(5.190)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11.953)	5.062
EFFECT OF EXCHANGE RATE CHANGES ON BALANCE OF CASH HELD IN FOREIGN CURRENCY	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	37.885	22.909
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	25.932	27.971
INTEREST PAID	455	545

Consolidated Statement of Changes in Equity
(Euro'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, 2017	6.000	1.200	(7.641)	361	12.050	14.289	26.259	4.376	30.635
Distribution of dividends					(12.000)		(12.000)	(185)	(12.185)
Allocation of prior year profit					14.289	(14.289)			
Sale of treasury shares									
Change in non-controlling interests									
Total comprehensive income				(1.606)	(27)	12.697	11.061	333	11.394
Balance at June 30, 2017	6.000	1.200	(7.641)	(1.245)	14.313	12.697	25.321	4.524	29.845
balance at Jan. 1, 2018	6.000	1.200	(7.641)	(1.607)	14.312	19.553	31.817	4.866	36.683
firt time adoption IFRS 9					(144)		(144)		(144)
Distribution of dividends					(6.000)		(6.000)		(6.000)
Allocation of prior year profit					19.553	(19.553)			
Sale of treasury shares									
Change in non-controlling interests					2.774		2.774	(2.774)	
Total comprehensive income				(72)	(27)	18.807	18.707	1.688	20.397
Balance at June 30, 2018	6.000	1.200	(7.641)	(1.679)	30.468	18.807	47.154	3.780	50.935