
PiovanGroup

# FY 2020 FINANCIAL RESULTS PRESENTATION

*22nd March 2021*

Piovan

Piovan Group

# Piovan at a Glance

# THE LEADING AUTOMATION SOLUTIONS PROVIDER FOR PLASTIC, FOOD & NON PLASTIC, SERVICES

**What we do**
- Engineering, production and installation of **customized automation solutions**

**Applications**
- Global leader in **plastic** and **plastic compounds**
- Growing presence in **food and non plastic** (e.g. powder ingredients)

**Our customers**
- **Global and diversified** customer base across several end-markets
- Over **4,000 customers**[1]

**Global footprint**
- **9 manufacturing sites** in 4 continents
- **31 services & sales companies** worldwide[2]
- **70 countries** covered

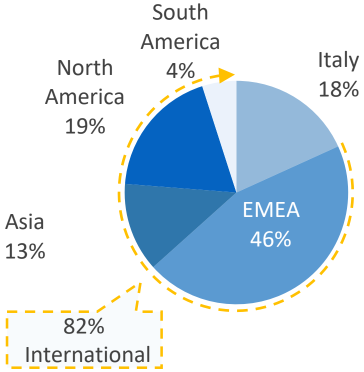
**Innovation DNA**
- **C. 4% of Revenues** invested in R&D and Engineering[3]
- **206 dedicated employees**[3]

## FY 2020 Key Financials

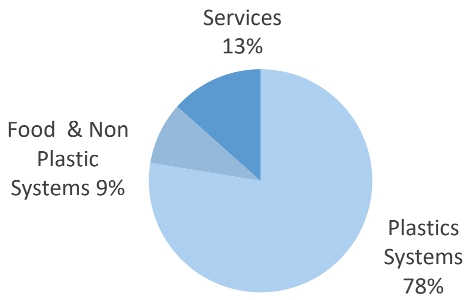
| Revenues | EBITDA | Net Income | Cash Conv.[4] | ROCE[5] |
|---|---|---|---|---|
| €225m | €32m *(14% Margin)* | €17m *(8% Margin)* | ~95% | ~52% |
| (3.9)% Year-on-Year | +5.5% Year-on-Year | | ~0.8% Recurring Capex / Revenues | |

## FY 2020 Revenues Breakdown[6]

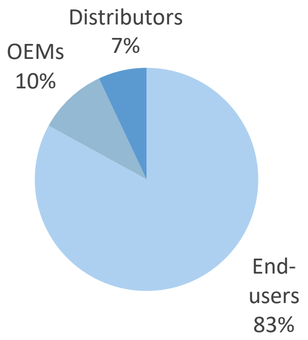
**by Geography**




**by Application**




**by Channel**




Source: Company information

[1]In 2020 above 1.000€ T/O . [2]As of Dec 2020, including 9 manufacturing sites. . [3]As of Dec 2020.[4]Defined as EBITDA – Recurring Capex / EBITDA. [5]Computed as EBIT / Net Invested Capital excluding Goodwill and Put and Call Options. [6]Excluding other sales & other income.



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# PIOVAN COMPETITIVE ADVANTAGES

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- Global leader in attractive market
- Strong innovation DNA and focus on the environment and circular economy
- Turn-key solutions for complex customer needs
- Truly global presence with local service network
- Diversified and long-standing customer base
- Track record of profitable growth and cash generation

**Growth strategy based on both organic and M&A expansion and new technologies**

# EXPLOITING STRONG TECHNOLOGICAL SYNERGIES ACROSS DIFFERENT MATERIALS

**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 | | | | |
| Plastic |  | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Food[1] & non plastic |  | ✓ | ✓ | | ✓ | | ✓ | ✓ | | ✓ |
| Recently Added: Creamy Liquids |  | ✓ | ✓ | | | | | | | ✓ |

Source: Company information
[1]Sugar, Flour, Coco and Milk in Powder



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# DIVERSIFIED RANGE OF END-MARKETS SERVED

*As a percentage of Piovan December 2020 Revenues*

| Plastic | | | | | |
|---|---|---|---|---|---|
| Packaging | Consumer & Technical | Construction & Compounds | Automotive & Industrial | Food & non plastic | Services |
| 30.3% | 23.5% | 12.7% | 11.2% | 9.4% | 12.9% |

**Packaging**

*Preforms – PET*

*Rigid*


*Thermoforming*

*Film*

**Consumer & Technical**

*Fibers*

*Medical*

*Tech Parts*

**Construction & Compounds**

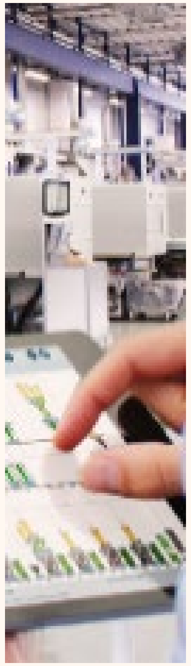
*Recycling & Compound*

*Pipes & Cables*

**Automotive & Industrial**

**Food & non plastic**

**Services**



Source: Company information

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# FY 2020 Financial Results

# PIOVAN FY 2020 KEY BUSINESS HIGHLIGHTS

- Q1 - Covid-19 outbreak, the Group has been rapid in implementing measures to ensure safe working conditions to all its collaborators and in adapting its business model to the new environment
- Q2/Q3 - Focus of the Group on more resilient markets such as medical, flexible food packaging and recycling in order to sustain the performance of those markets more heavily impacted by the global pandemic (automotive, consumer goods, construction)
- Q2/Q3 Exploitation of local sales and service structures (less impacted by travel restrictions) increasing Group's market share vs. competition with limited global network
- Q2/Q3 - Continuous focus on R&D investments with particular attention to the Circular economy (9 new patents "recycling related")
- Q3 - Acquisition of new multinational customers in food business
- Q3 - Acquisition of remaining 10% of Penta (subsidiary active in the food markets) now belonging 100% to the Group
- Q4 - Acquisition of Doteco, global leader in Dosing units for flexible packaging
- Q4 First signals of bounce back from markets more impacted by the global pandemic (such as automotive and construction)

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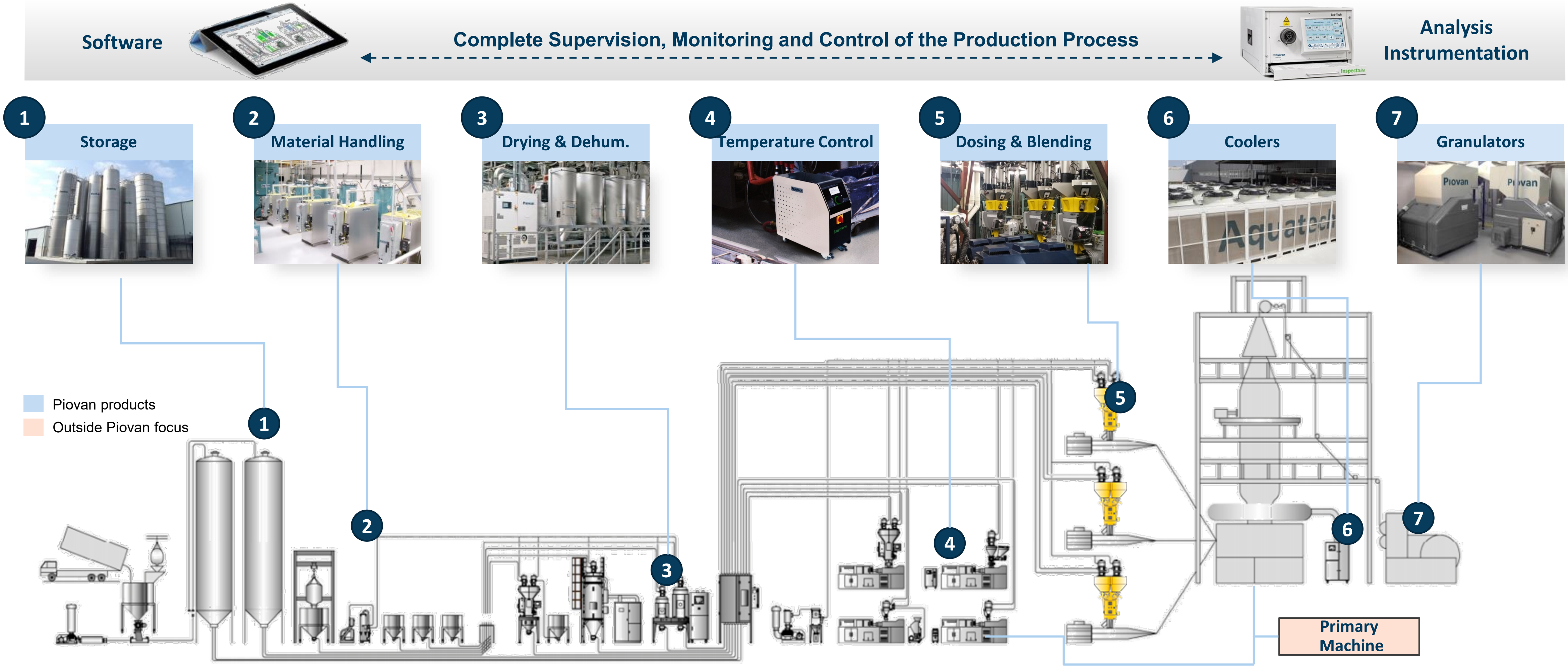
## TECHNOLOGICAL INTEGRATION




**Automating The Whole Process From Silos To Primary Machines**

Source: Company information

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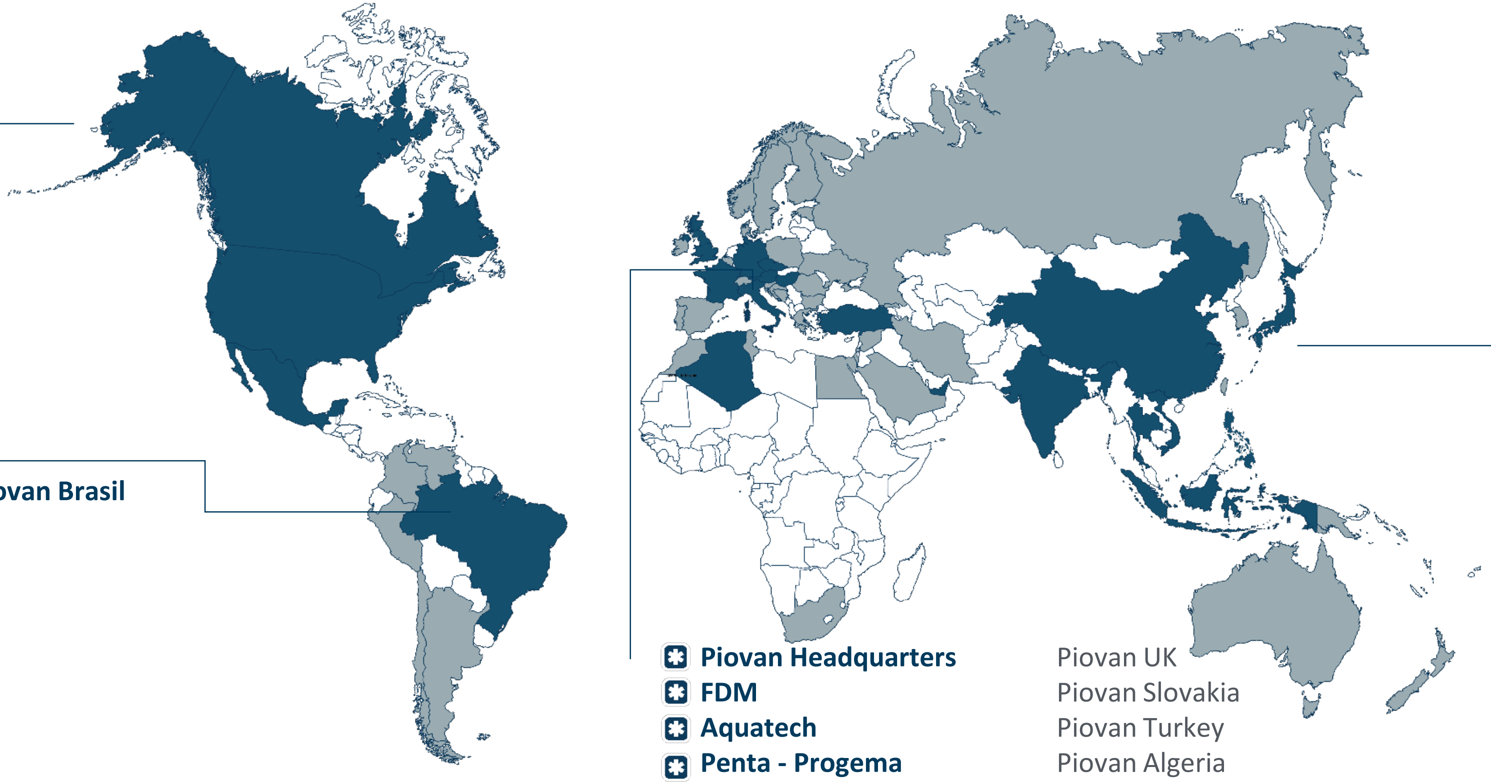
# PIOVAN GROUP

## GLOBAL FOOTPRINT



**Universal Dynamics Inc.**
Piovan Canada
Piovan Mexico
Doteco Inc. Nord America

**Piovan Brasil**

**Piovan Headquarters**
**FDM**
**Aquatech**
**Penta - Progema**
**Fea**
**Doteco**
Piovan Germany
Piovan France
Piovan Austria
Piovan Hungary
Piovan Czech Republic
Piovan UK
Piovan Slovakia
Piovan Turkey
Piovan Algeria
Piovan UAE
Piovan Morocco
Energys

**Piovan China**
Piovan Beijing (Rep.Office)
Piovan Shenzhen (Rep.Office)
Piovan India
Piovan Thailand
Piovan Indonesia
Piovan Vietnam
Piovan Japan
Piovan Malaysia
Toba PNC

### Global presence

**Piovan Group**

- Production plants
- Service and Sales Branches/Offices
- Distributors and representatives HQ

# OUR CONTRIBUTION TO CIRCULAR ECONOMY

Solutions for **post consumed plastic and biopolymers**

Systems for **reduction and control of contaminants**

**Safe, traceable and stable processes**

Service team **for CAPEX life maximisation**

**9 patents** registered **in 2020** “recycling related”

**21.6 %** of revenues in Packaging, Fibres, Recycling and Compound is **“circular economy related”**



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# PEOPLE FIRST

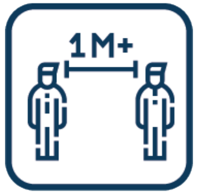
- Piovan Groups has implemented **worldwide** the **highest Safety and Monitoring protocols and Mitigation Actions** to limit the development of COVID-19

- The Group’s facilities have been **always fully operative** assuring high quality products in time to our Customers

- Tangible actions include, but are not limited to:

Wearing protective masks

Cleaning the hands frequently with the appropriate gel

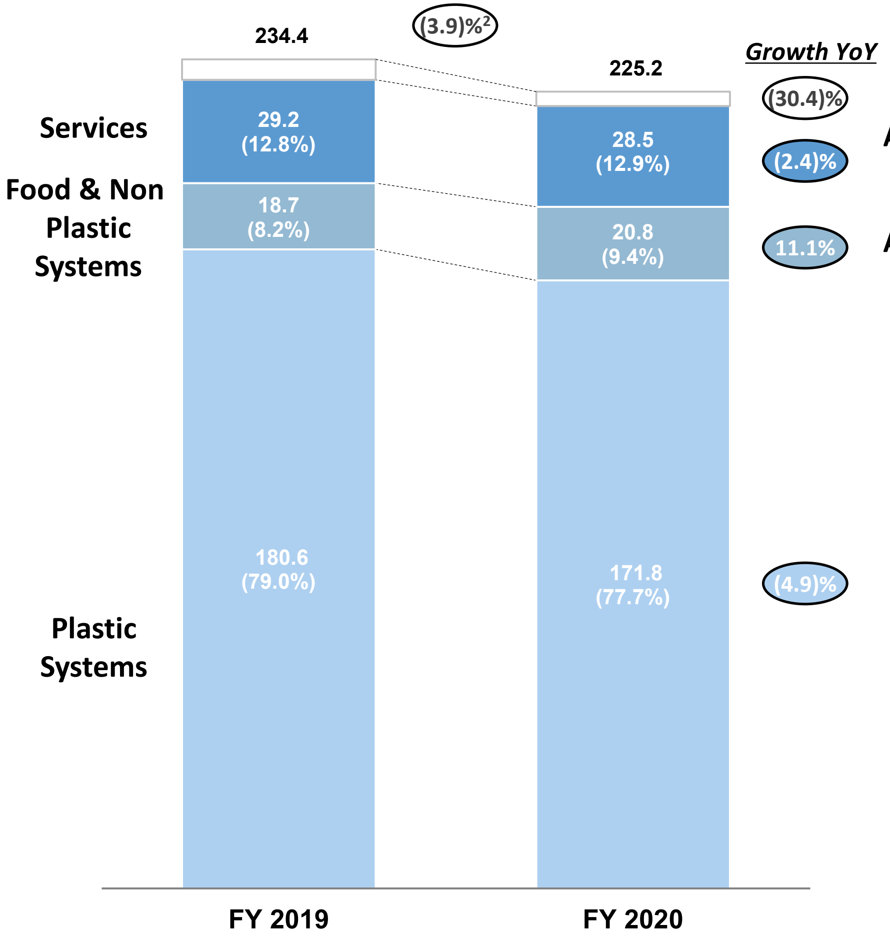



Keeping the minimum safety distance from other people

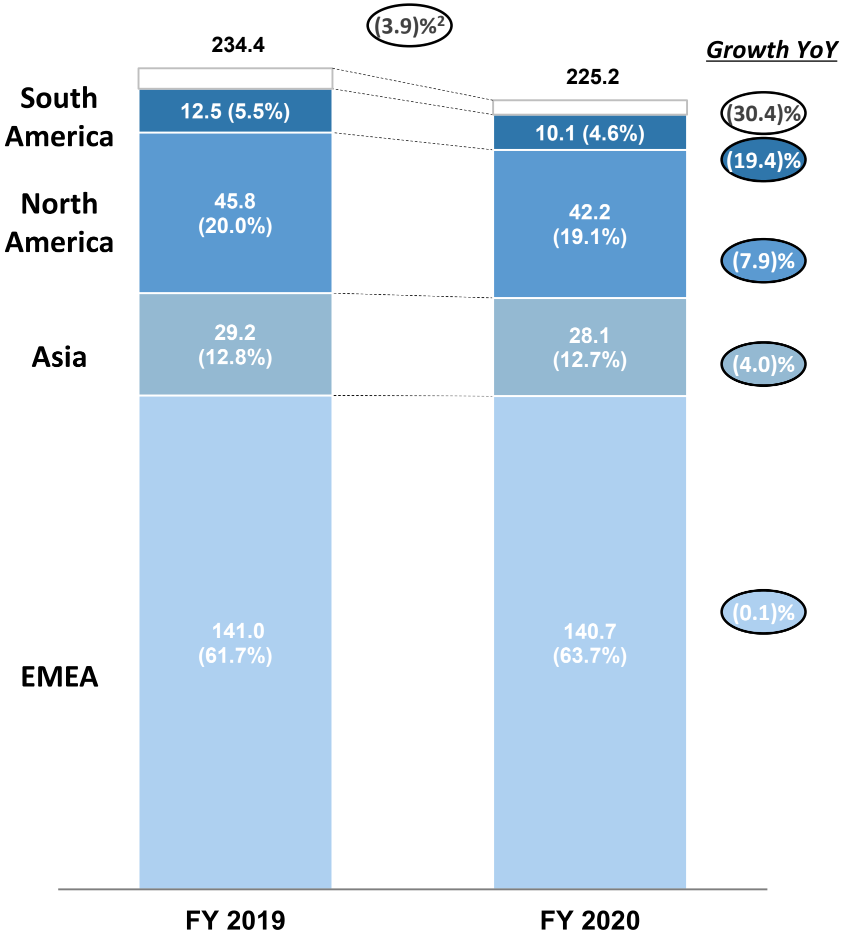
**Separation Barriers**

# RESILIENT PLASTIC AND SERVICE & SPARE PARTS, WHILE FOOD & OTHER POWDERS IS BACK TO GROWTH

## Revenues by Application (€m)[1]




## Revenues by Geography (€m)[1]




Indicates other revenue and income (c. €5.8m in FY 2019 and €4.1m in FY 2020)

## Comments

**DOTECO ACQUISITION**

- **DOTECO** consolidated starting in Oct-2020 with an impact on revenues of €6.1m and on EBITDA of €1.3m
  - **DOTECO** reported FY 2019 revenues of €19.7m and EBITDA of €3.4m

**BY APPLICATION**

- **Plastic Systems**: Below 2019 due to COVID19 restrictions on mobility (in particular in 1H), which delayed deliveries and installations.
- **Food Systems**: Significantly ahead 2019, as a consequence of positive order intake during the year resulting in strong 2H.
- **Services**: Slight decrease due to restrictions on mobility particularly in Q2.

**BY GEOGRAPHY**

- **North America:** COVID19 impact in 2020, particularly in Q2 and Q3 .
- **ASIA**: Decreased due COVID19 impact in China at the beginning of the year and in South East Asia later in the year.
- **EMEA**: Slow down due to COVID19 restrictions, mainly in Q2, business recovered in 2H thanks also to good performance of food market.
- **South America**: Business performed well in local currency, but results impacted by FX effect

Source: Company Information
[1]Revenues % breakdown excludes other revenue and income.
2 Equal to (6.5)% excluding impact from DOTECO



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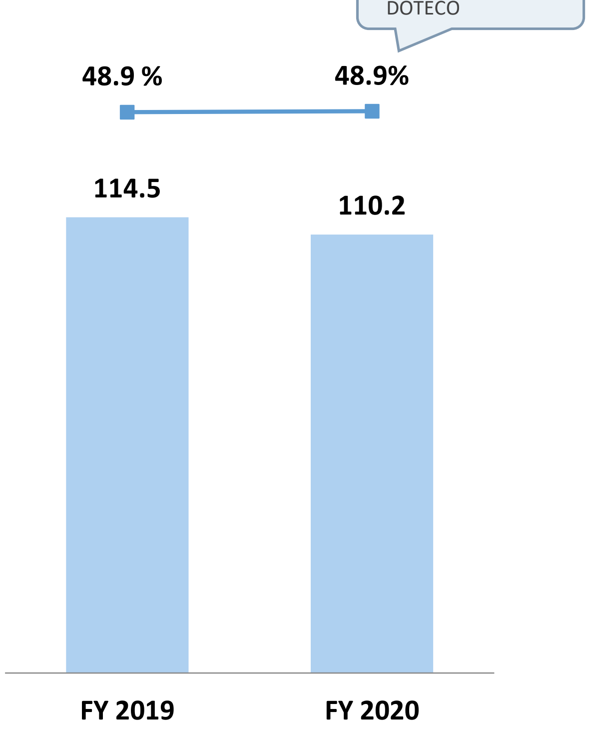
# IMPROVING PROFITABILITY BOTH AT EBITDA AND EBIT LEVEL

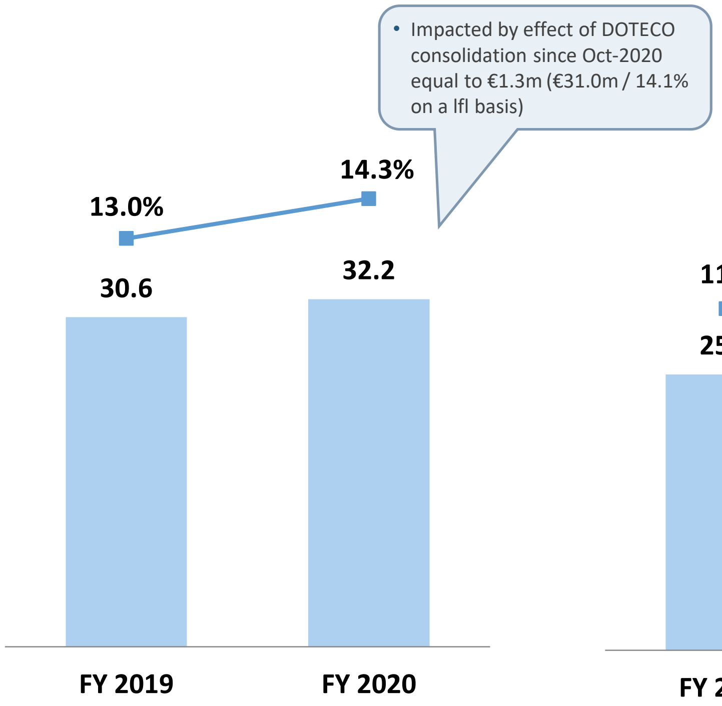
**Contribution Margin**

€m and Margin



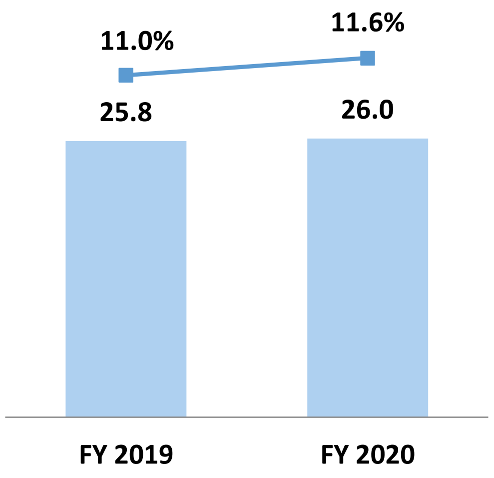

**EBITDA**

€m and Margin



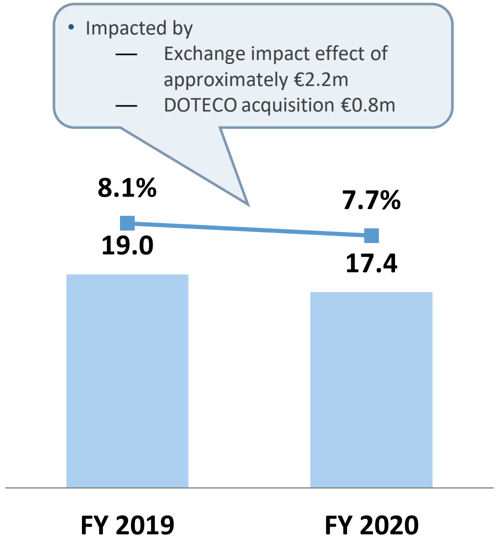

**EBIT**

€m and Margin




**Net Income**

€m and Margin




Note: 2019 Contribution Margin and EBITDA reclassified for comparability purposes
Source: Company Information



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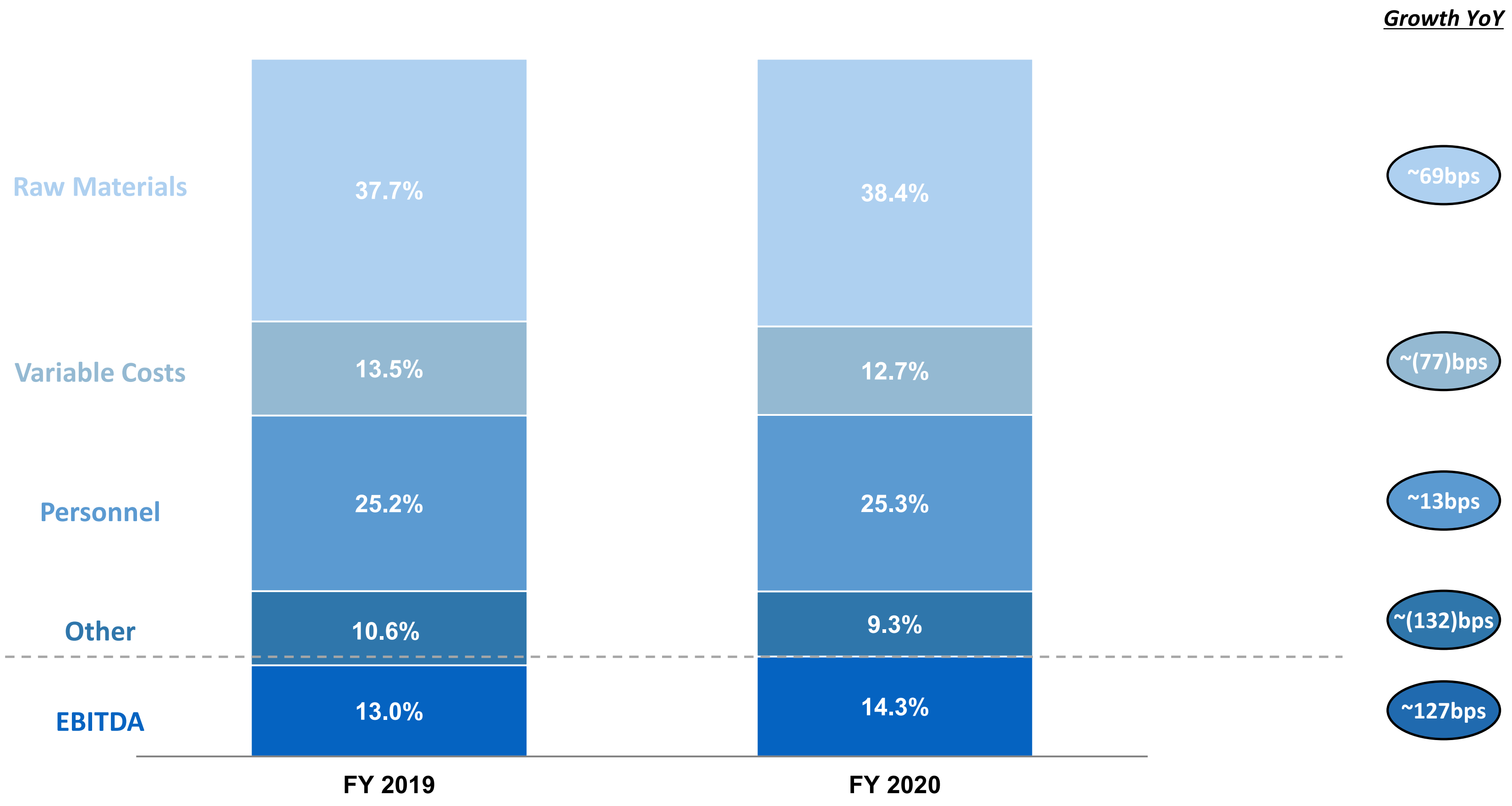
# OVERVIEW OF OPERATING COSTS BREAKDOWN

**Operating Cost Base as a % of Revenues**




**Comments**

- Raw materials substantially stable, impacted by DOTECO contribution where raw materials weigh for ca 45%
- Variable costs reduced more than proportionally thanks to lower level of sales commissions and transportation costs and positive impact from DOTECO integration
- Cost of labour in line with previous year
- Other costs decreased thanks to the efforts in reducing travelling, advertising and consultancy costs

Note: 2019 Contribution Margin reclassified for comparability purposes. 2020 figures include DOTECO
Source: Company Information



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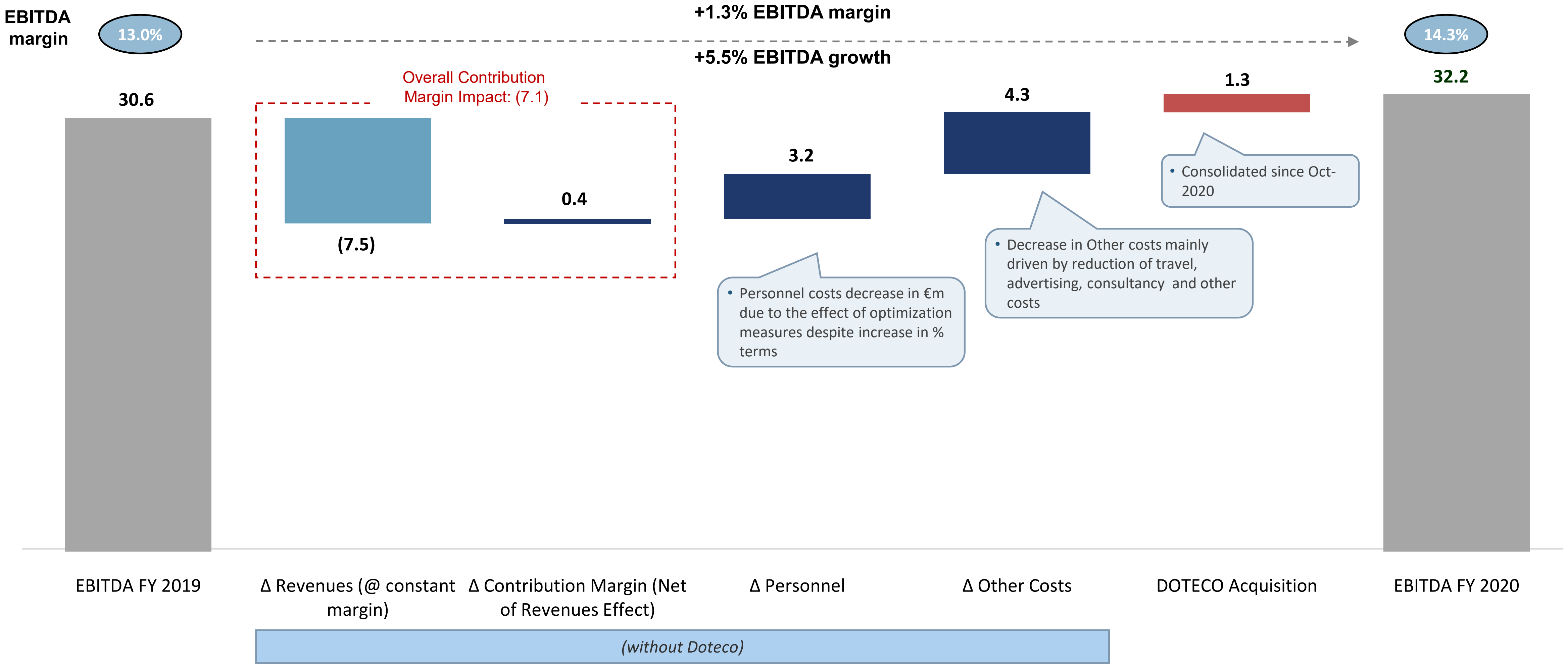
# EBITDA BRIDGE FROM FY 2019 TO FY 2020

**FY 2019 to FY 2020 EBITDA bridge (€m)**




Source: Company Information



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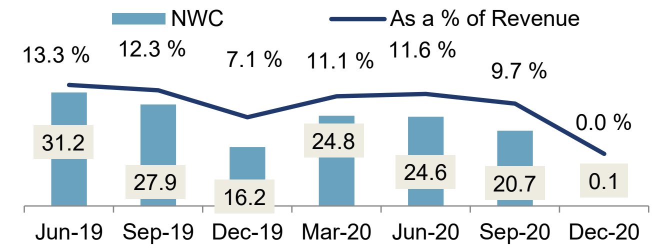
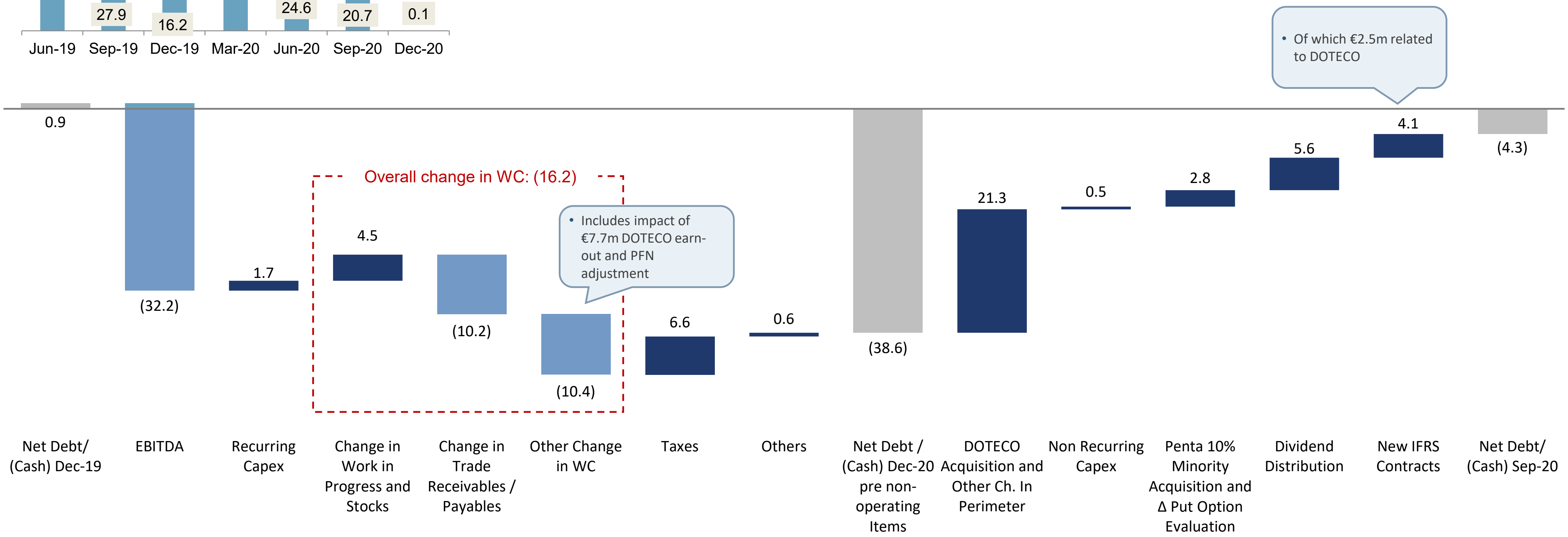
# NET DEBT WALK FROM DEC-19 TO DEC-20 (€M)

## Dec-19 to Sep-20 Net Debt bridge (€m)

### Working Capital Seasonality (€m)




- Positive trend in WC as a result of increase in Stocks and WIP, more than compensated by net effect on Trade Receivables / Payables
- Additionally, figures is impacted by €7.7m related to DOTECO earn-out and PFN adjustment classified under Other Liabilities




Source: Company Information
[1] Including advances and contract liabilities.



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Customers. The core of our innovation

# Update on Strategy

# Update on Strategy

| | | | |
|---|---|---|---|
| Plastic | Consolidate leadership position in core markets | Capture market growth | ✓ |
| | | Strengthen positioning in under-penetrated end-markets | ✓ |
| | | Acquisition in complementary technologies | ✓ |
| | Expand in under-penetrated markets | Product cross-technology in America | |
| | | Establish local organization in target regions (e.g. Asia, Africa) | ✓ |
| | | Introduce new technologies into the recycling chain | ✓ |
| Food & Non Plastic | Replicate plastic business model in adjacent markets | Develop global sales network in adjacent end-markets | |
| | | Acquisitions in complementary segments/technologies | ✓ |
| Services | Fully exploit the After-Sale potential | Increase the weight of Services & Spare Parts on total Revenues | |

Source: Company information



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# Appendix

# INCOME STATEMENT

| €m | FY 2019 | FY 2020 | Δ% FY 2019 vs FY 2020 |
|---|---|---|---|
| Sales | 228.5 | 221.1 | (3.2%) |
| Other sales & other income | 5.8 | 4.1 | (30.4%) |
| **Revenues** | **234.4** | **225.2** | **(3.9%)** |
| Raw materials | (88.3) | (86.4) | (2.2%) |
| Cost of services | (51.0) | (44.5) | (12.8%) |
| Use of Third Party Assets | (1.5) | (1.2) | (20.9%) |
| Personnel | (59.0) | (57.0) | (3.4%) |
| Other costs (incl. Provisions for risks and charges) | (3.9) | (3.9) | (1.3%) |
| **EBITDA** | **30.6** | **32.2** | **5.5%** |
| D&A | (4.8) | (6.2) | 30.0% |
| **EBIT** | **25.8** | **26.0** | **0.9%** |
| Finance income / (expenses) | 0.0 | (0.3) | n.m. |
| Exchange income (expenses) | (0.0) | (2.2) | n.m. |
| Gains (losses) on liabilities for options granted to non-controlling interests | 0.5 | 0.6 | 1.1% |
| Gains (losses) from equity investments carried | (0.1) | (0.1) | n.m. |
| EBT | 26.3 | 24.0 | (8.6%) |
| Taxes | (7.3) | (6.6) | |
| *% Tax Rate* | *27.6%* | *27.4%* | |
| Net Income | 19.0 | 17.4 | (8.4%) |
| Attributable to Piovan shareholders | 18.7 | 17.6 | (5.7%) |
| Attributable to minority shareholders | 0.3 | (0.2) | n.m. |

Source: Company Information



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# BALANCE SHEET

| €m | Dec-19 | Dec-20 |
|---|---|---|
| Property Plant & Equipment | 52.4 | 52.3 |
| Intangible Assets (incl. Goodwill) | 7.5 | 27.5 |
| Financial Assets | 0.3 | 0.2 |
| Net Fixed Assets | 60.2 | 80.0 |
| | | |
| Trade receivable | 52.8 | 41.9 |
| Inventory | 29.3 | 37.0 |
| Trade payables | (40.6) | (39.9) |
| Advanced payments from customers | (16.1) | (19.4) |
| Contract assets/(liabilities) | 1.2 | 1.4 |
| Net Trade Capital | 26.6 | 20.9 |
| Tax receivables | 3.7 | 3.3 |
| Other current activities | 3.7 | 3.5 |
| Tax payables | (6.7) | (9.4) |
| Other current liabilities | (11.1) | (18.2) |
| NWC | 16.2 | 0.0 |
| | | |
| Other Credits | 4.9 | 5.1 |
| Other Debts | (5.2) | (6.9) |
| Pension Fund | (4.8) | (6.4) |
| Net Invested Capital before Option | 71.3 | 71.9 |
| | | |
| Put & Call Option | (5.3) | (1.9) |
| **Net Invested Capital** | **66.1** | **70.0** |
| | | |
| Total Shareholders' Equity | 65.2 | 74.4 |
| Net Debt / (Cash) | 0.9 | (4.3) |
| **Total Sources** | **66.1** | **70.0** |

Source: Company Information

# CASH FLOW STATEMENT

| €m | Dec-19 | Dec-20 |
|---|---|---|
| EBITDA | 30.6 | 32.2 |
| Recurring Capex | (2.7) | (1.7) |
| *% on Revenues* | *(1.1)%* | *(0.8)%* |
| Cash generation | 27.9 | 30.5 |
| *Cash Conversion %* | *91.3%* | *94.7%* |
| | | |
| Non-Recurring Capex | (11.5) | (0.5) |
| Disposal | 1.5 | 0.1 |
| ∆ Net Working Capital | (0.1) | 16.2 |
| Corporate Taxes | (7.3) | (6.6) |
| ∆ Funds | 0.9 | 1.6 |
| Non operating Items | (1.5) | 2.6 |
| Cash Flow from Operation | 9.9 | 44.0 |
| | | |
| ∆ Put and Call Option | 2.6 | (2.8) |
| Dividend distribution | (7.7) | (5.6) |
| Changes in equity | (2.9) | (2.3) |
| Other financial charges | 0.0 | (0.3) |
| ∆ Exchange loss/gain | (0.0) | (2.2) |
| Income from equtiy method investments | (0.1) | (0.1) |
| Acquisitions | (2.2) | (21.3) |
| IFRS 16 impact in the period | (3.2) | (4.1) |
| | | |
| ∆ Net Financial Position | (3.6) | 5.3 |
| | | |
| NFP BoP | (2.6) | 0.9 |
| ∆ Net Financial Position | 3.6 | (5.3) |
| NFP EoP | 0.9 | (4.3) |

Source: Company Information



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