



FINANCIAL RESULTS Q1 2019

14 May 2019

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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

LTM Mar-19 Key Financials

Revenues

€254m

+13%

CAGR
FY 16-LTM Mar- 19
(organic)

Adj. EBITDA

€39m

(15% Margin)

+18%

CAGR
FY 16-LTM Mar- 19
(organic)

Net Income

€26m

(10% Margin)

+26%

CAGR
FY 16-LTM Mar- 19
(organic)

Cash Conv.⁴

~93%

~1%

Recurring Capex /
Revenues

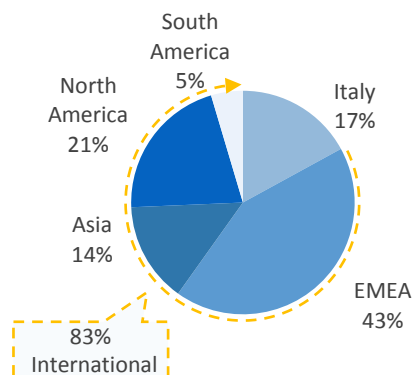
ROCE⁵

~57%

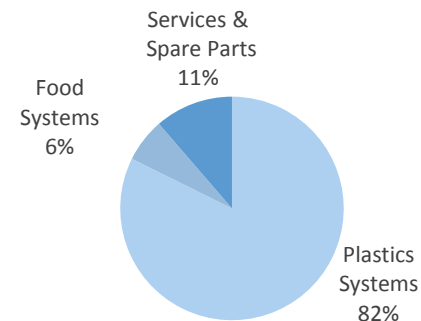
After impact
of IFRS 16

Q1 2019 Revenues Breakdown⁶

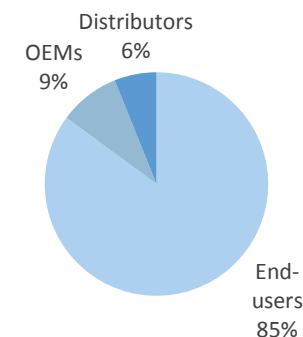
by Geography



by Application



by Channel

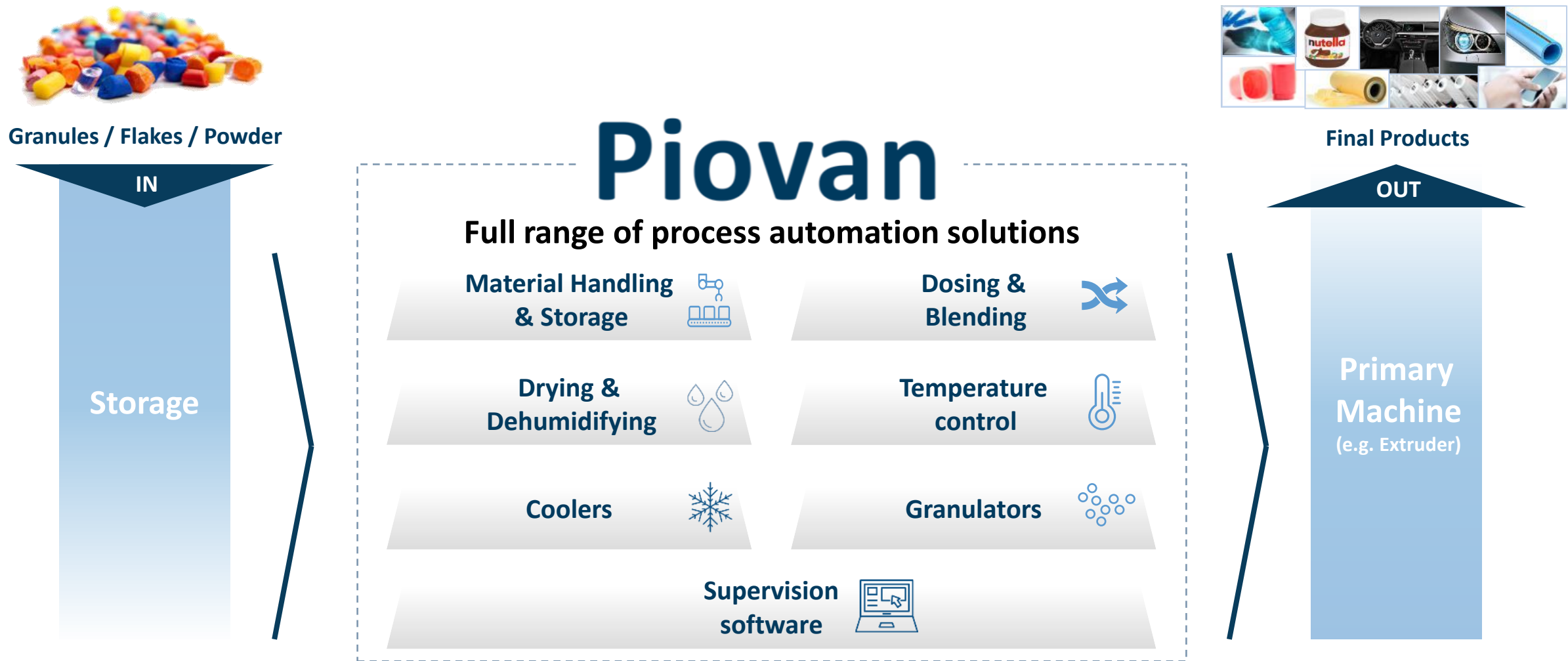


Source: Company information

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



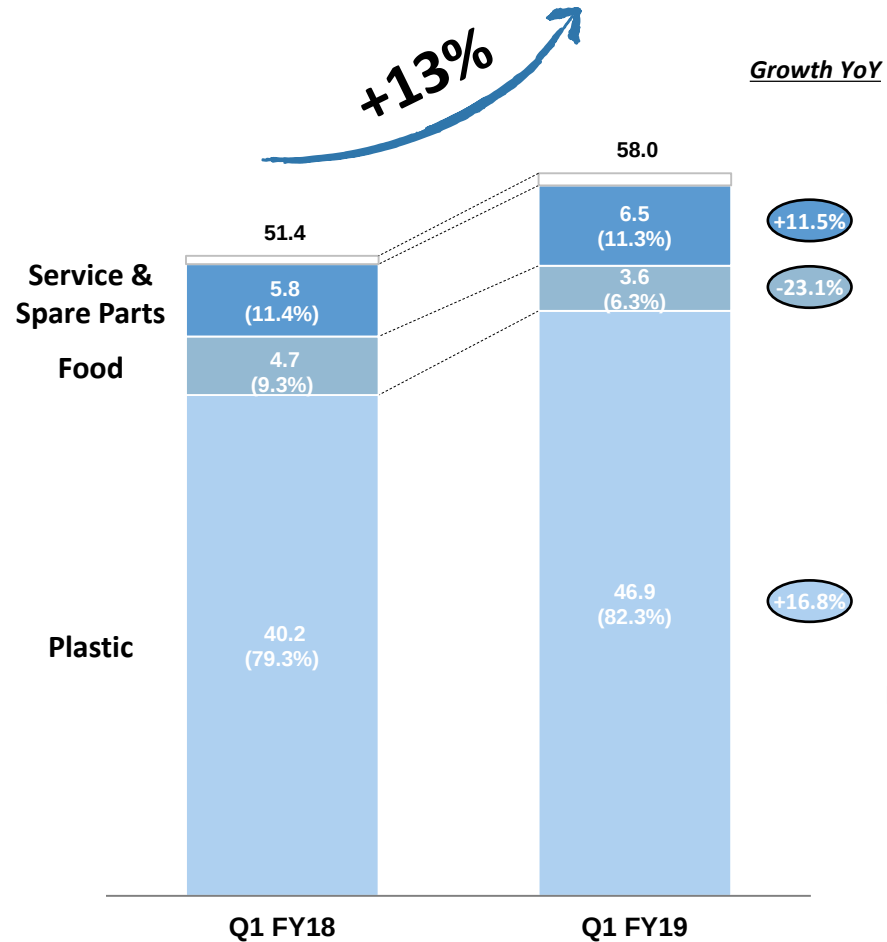
Source: Company information

PIOVAN Q1 2019 KEY BUSINESS HIGHLIGHTS

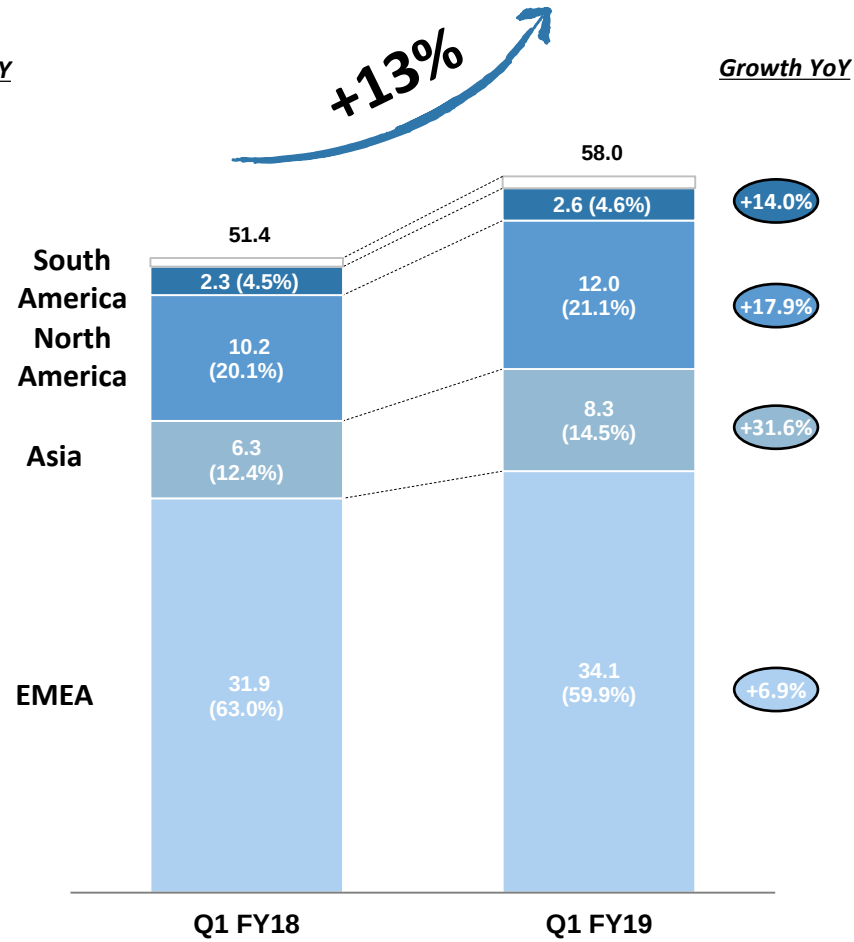
- ▶ **Further Consolidation of Our Global Leadership in Plastic with Double-Digit Growth (+17% YoY)**
- ▶ **Strategy to Enlarge End-Markets Served in Plastic Driving Great Momentum in Asia**
- ▶ **Successful Continuation of Penta into Non plastic Powders developments, Enlarging its Customer Base**
- ▶ **Completed Installation of Large Food Projects Launched in 2018**
- ▶ **Continued Footprint Expansion with Piovan 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

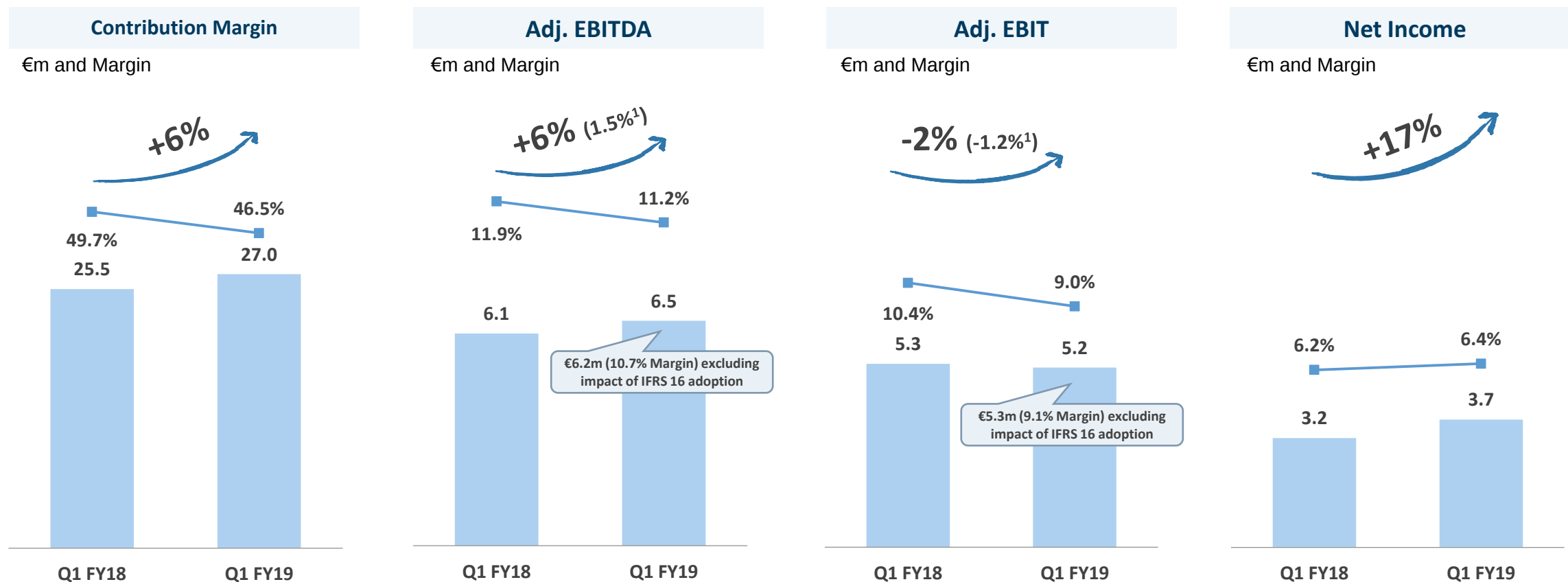
- Strong overall increase in Revenues from Systems driven by:
 - the Plastic market as a result of further consolidation of the leadership position, with strong growth in North America and Asia
 - enlargement of the customer base in Penta
 - completed installation of large Food projects launched in 2018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

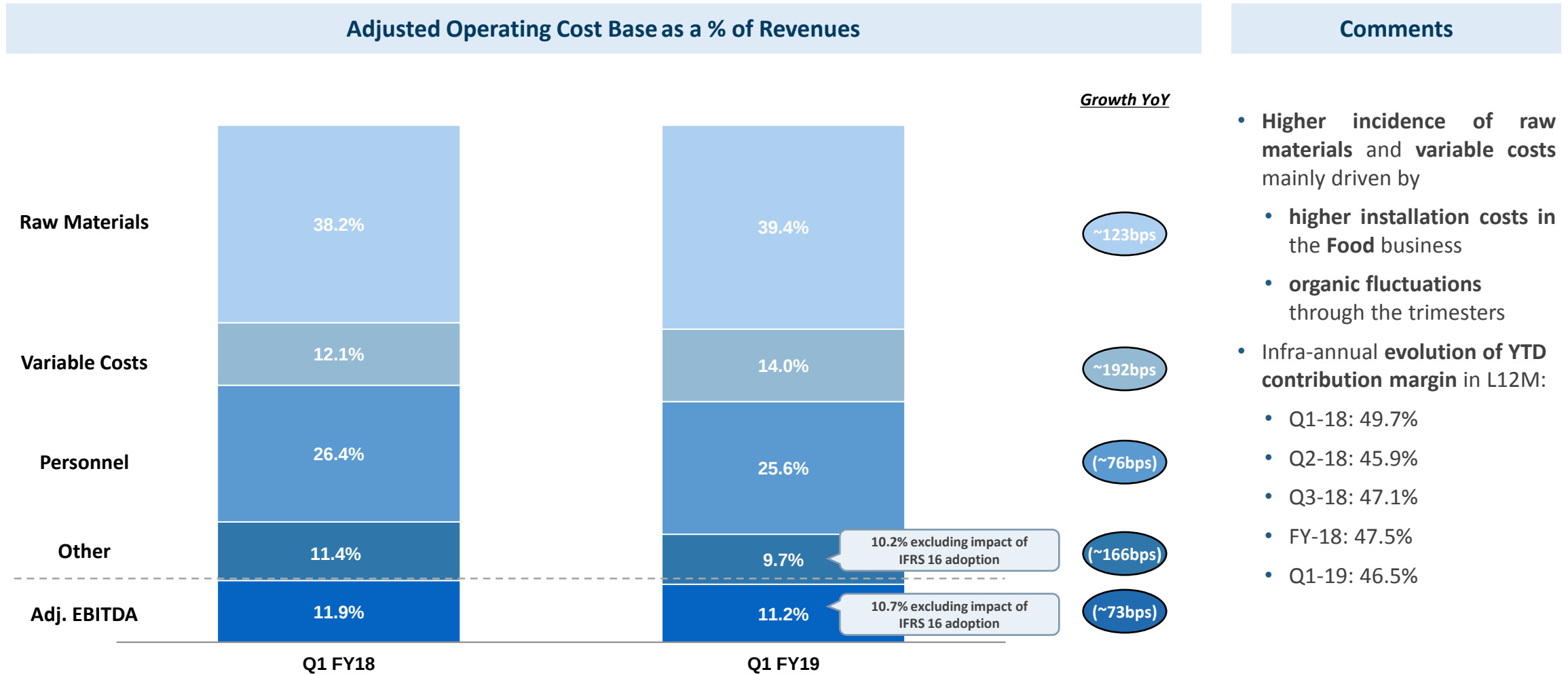
- Contribution Margin dilution partially offset by **efficient fixed costs in structure**, resulting in an overall contained margins contraction

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

Source: Company Information

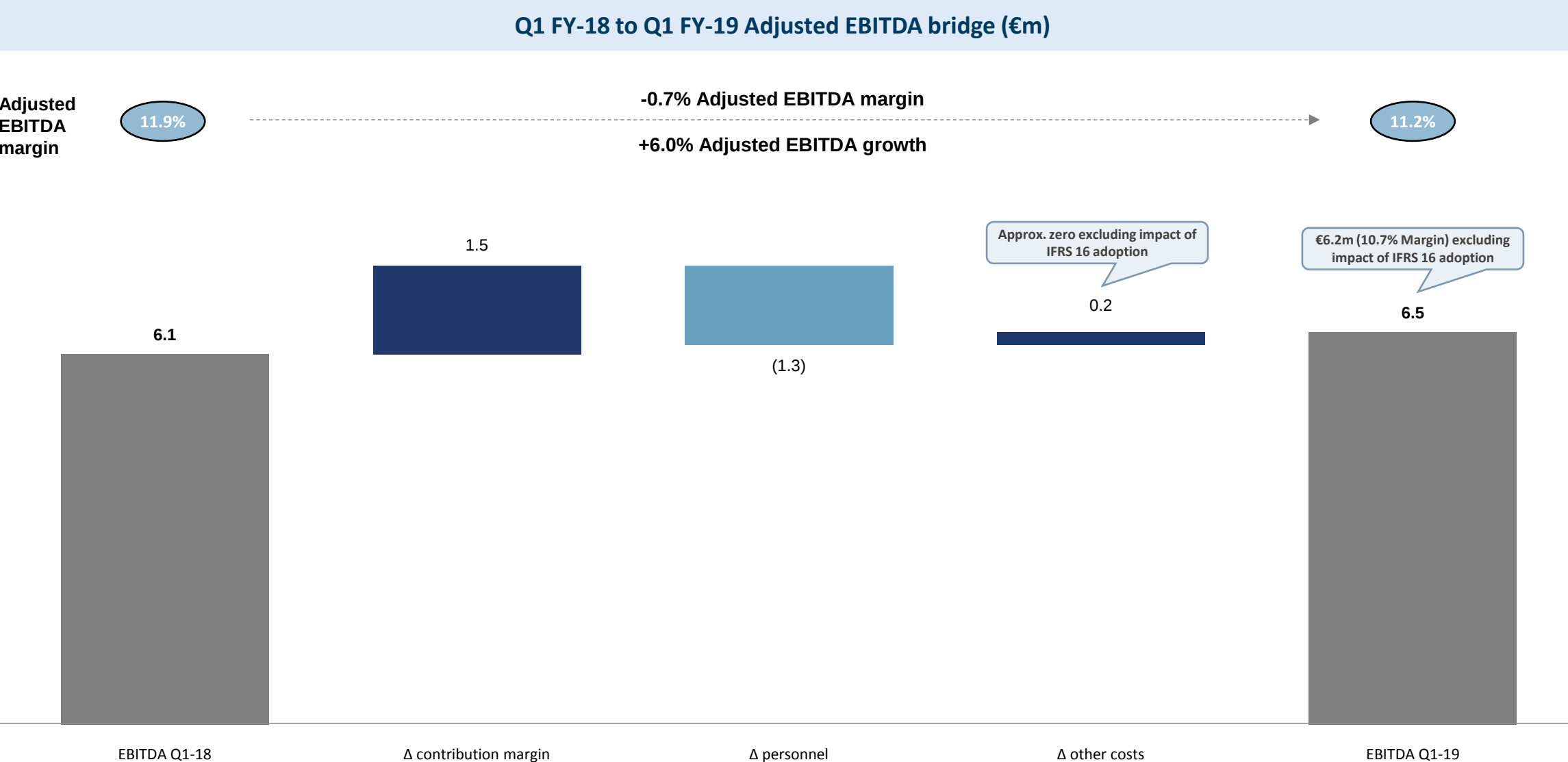
¹ Growth rate based on metric excluding the marginal impact of IFRS 16 adoption

...Driven by Strong Operating Leverage



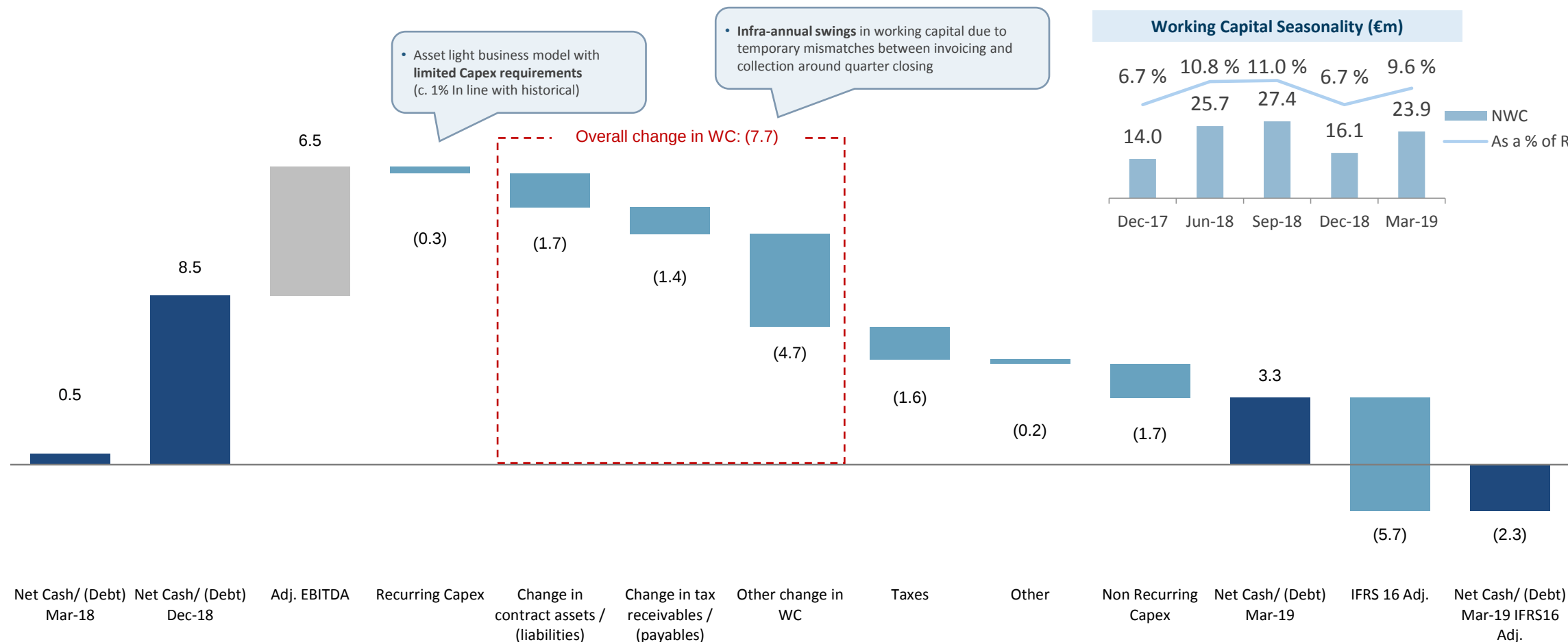
Source: Company Information

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 %
% Adjusted Margin	11.9%	10.7%	11.2%	
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)	
% Tax Rate	32.7%		30.4%	
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)
% on Revenues	1.1%			0.6%
Cash generation	35.8			6.2
Cash Conversion %	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)