



FY 2018

15 March 2019

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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 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
- **23 services & sales companies** worldwide
- **70 countries** covered

Innovation DNA

- **C. 4% of Revenues** invested in R&D and Engineering²
- **174 dedicated employees**³

FY18 Key Financials

Revenues

€248m

+13%
CAGR 2016-18
(organic)

Adj. EBITDA

€38m
(15.7% Margin)

+19%
CAGR 2016-18
(organic)

Net Income

€26m
(10.4% Margin)

+29%
CAGR 2016-18
(organic)

Cash Conv.⁴

~93%

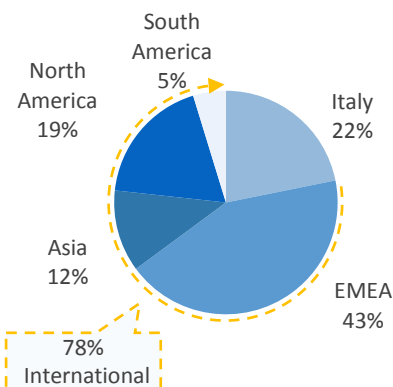
~1%
Recurring Capex /
Revenues

ROCE⁵

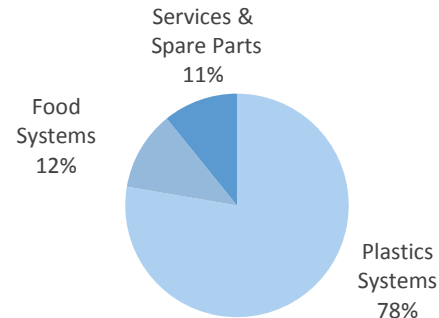
~76%

FY18 Revenues Breakdown⁶

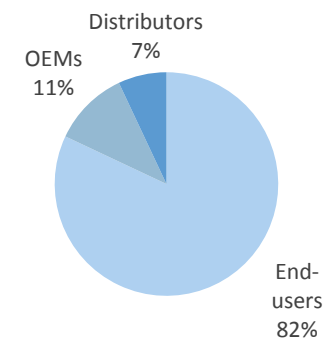
by Geography



by Application



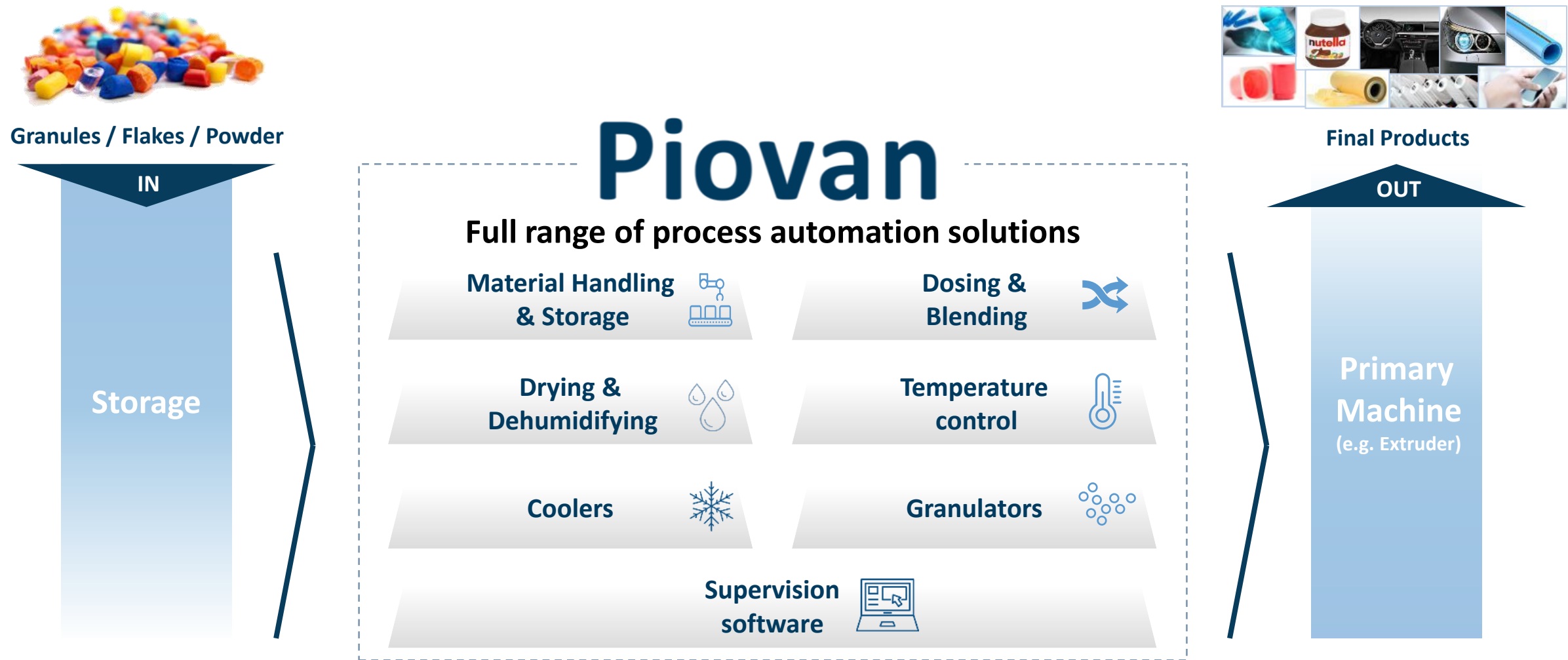
by Channel



Source: Company information

¹ In 2018. ² In 2018. ³ Average 2018 figure. ⁴ Defined as Adjusted EBITDA – Recurring Capex / Adjusted EBITDA. ⁵ 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



Source: Company information

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

€248m Revenues ¹	€38m Adj. EBITDA	€26m Net Income	€36m Cash Generation ²	76% ROCE ⁴
€242m Excluding other revenue and income	15.7% <i>Margin</i>	10.3% <i>Margin</i>	93% <i>Cash Conversion³</i>	

FY17

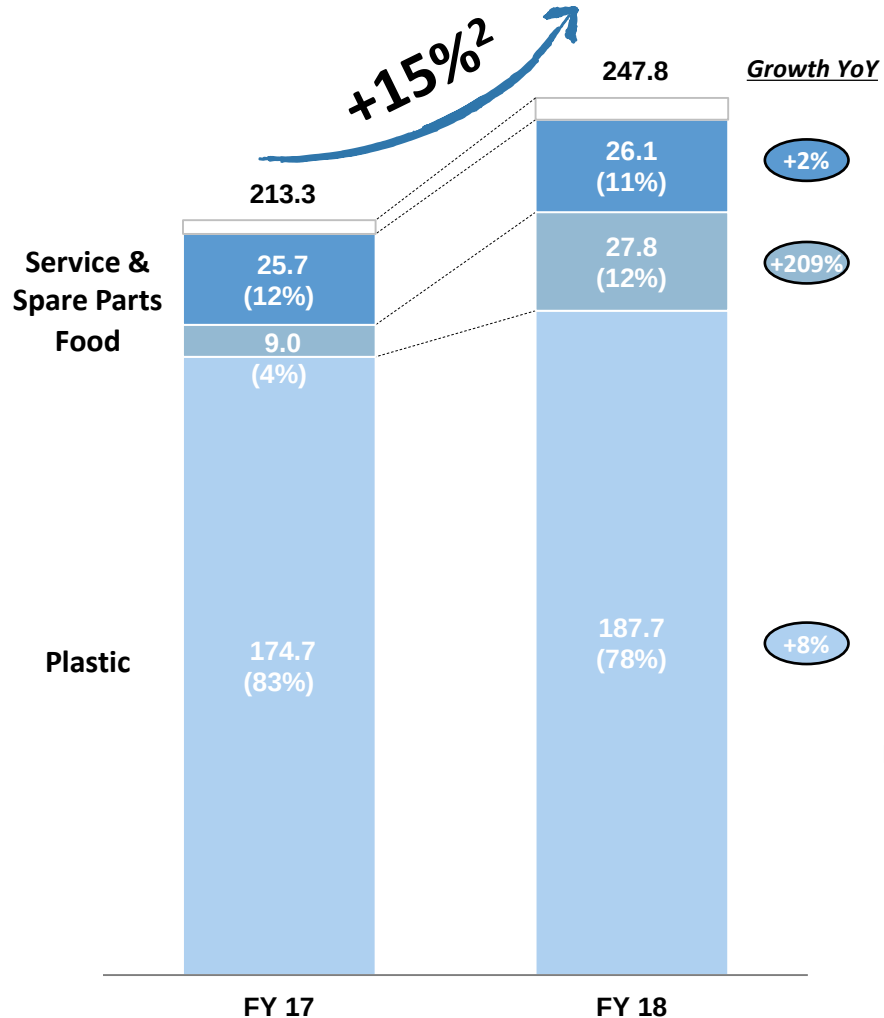
€213m Revenues ¹	€33m Adj. EBITDA	€20m Net Income	€31m Cash Generation ²	76% ROCE ⁴
€209m Excluding other revenue and income	15.5% <i>Margin</i>	9.5% <i>Margin</i>	95% <i>Cash Conversion³</i>	

Source: Company Information

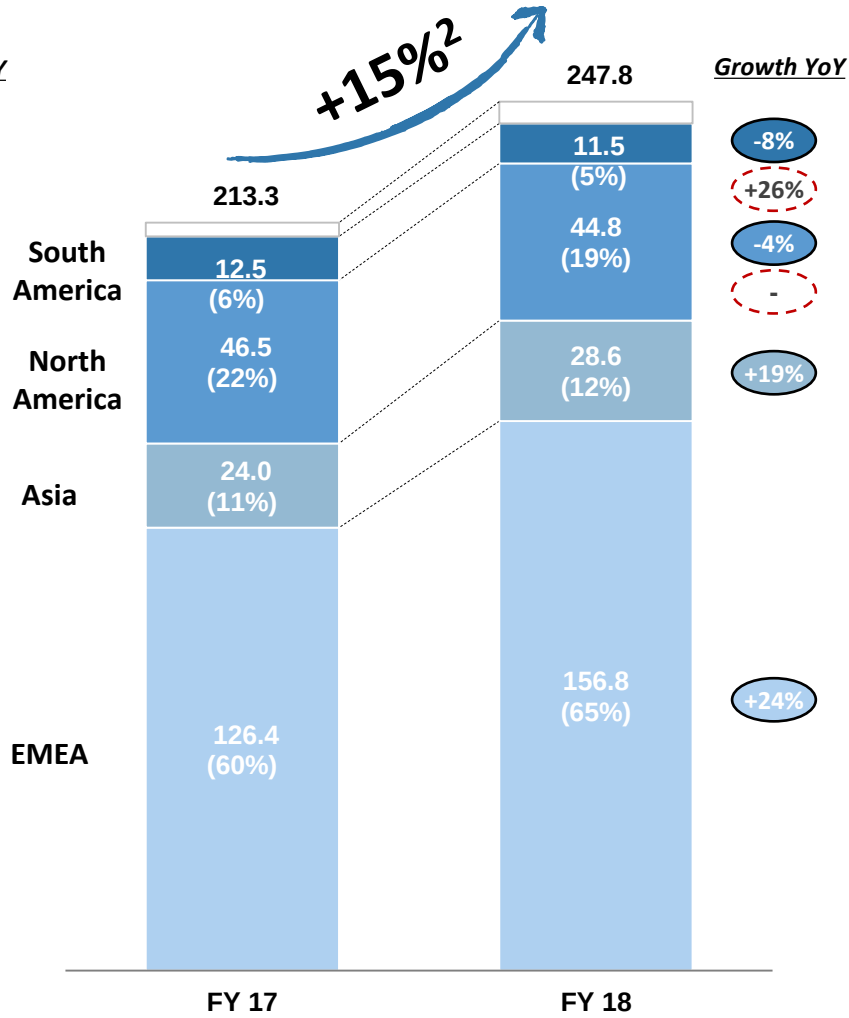
¹ Includes other revenue and income. YoY growth excludes capital gains on asset disposals (€1.9m in 2018). ² Adj. EBITDA - Recurring Capex. ³ Computed as Cash Generation as % of Adj. EBITDA. ⁴ Computed as EBIT / Net Invested Capital excluding Goodwill and Put and Call Options.

Strong Top-Line Acceleration Driven by Food and Asia

Revenues by Application (€m)¹



Revenues by Geography (€m)¹



Comments

BY APPLICATION

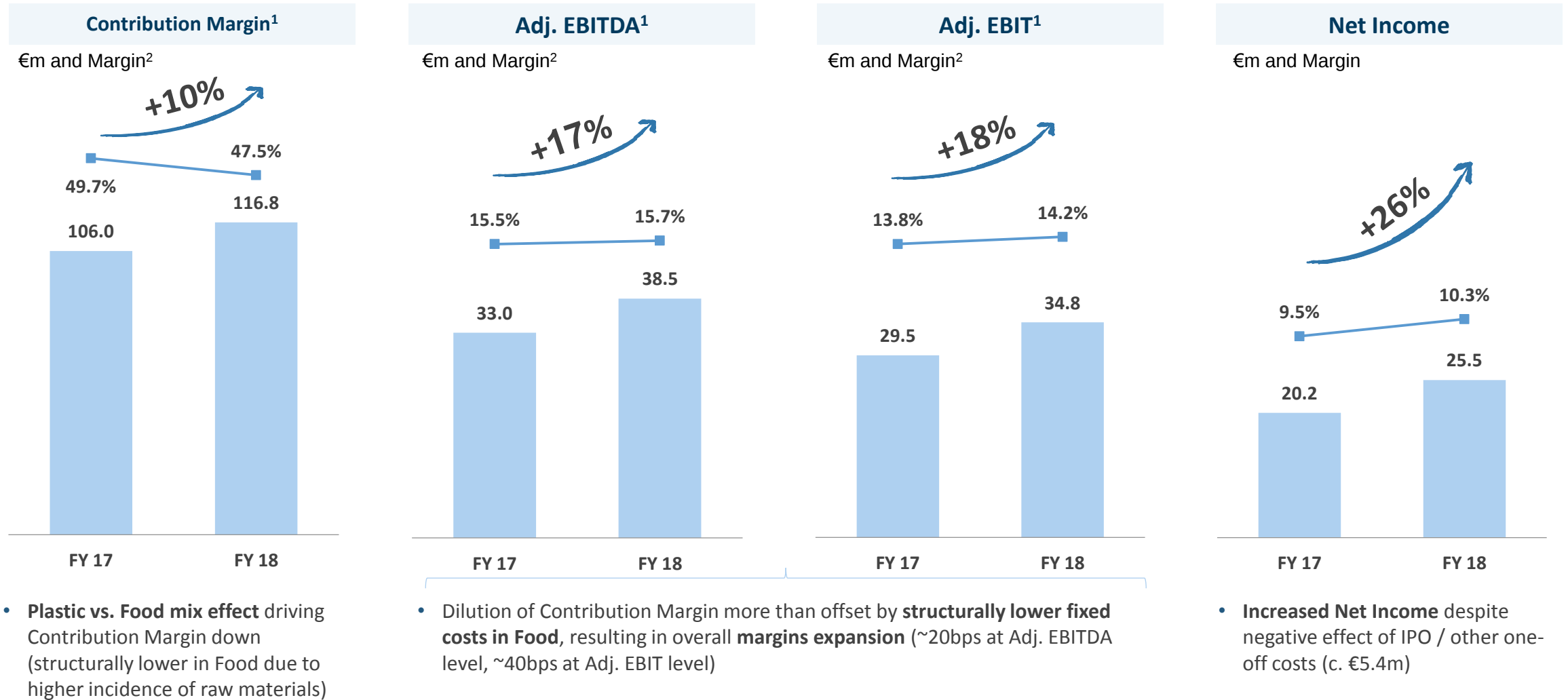
- Strong increase in **Revenues from Systems** across both markets:
 - Plastic:** further consolidation of the leadership position, with strong growth in EMEA and Asia
 - Food:** strong acceleration, executing our strategy to gain market share
 - Service:** flattish top line as a result of
 - Lower activity 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...

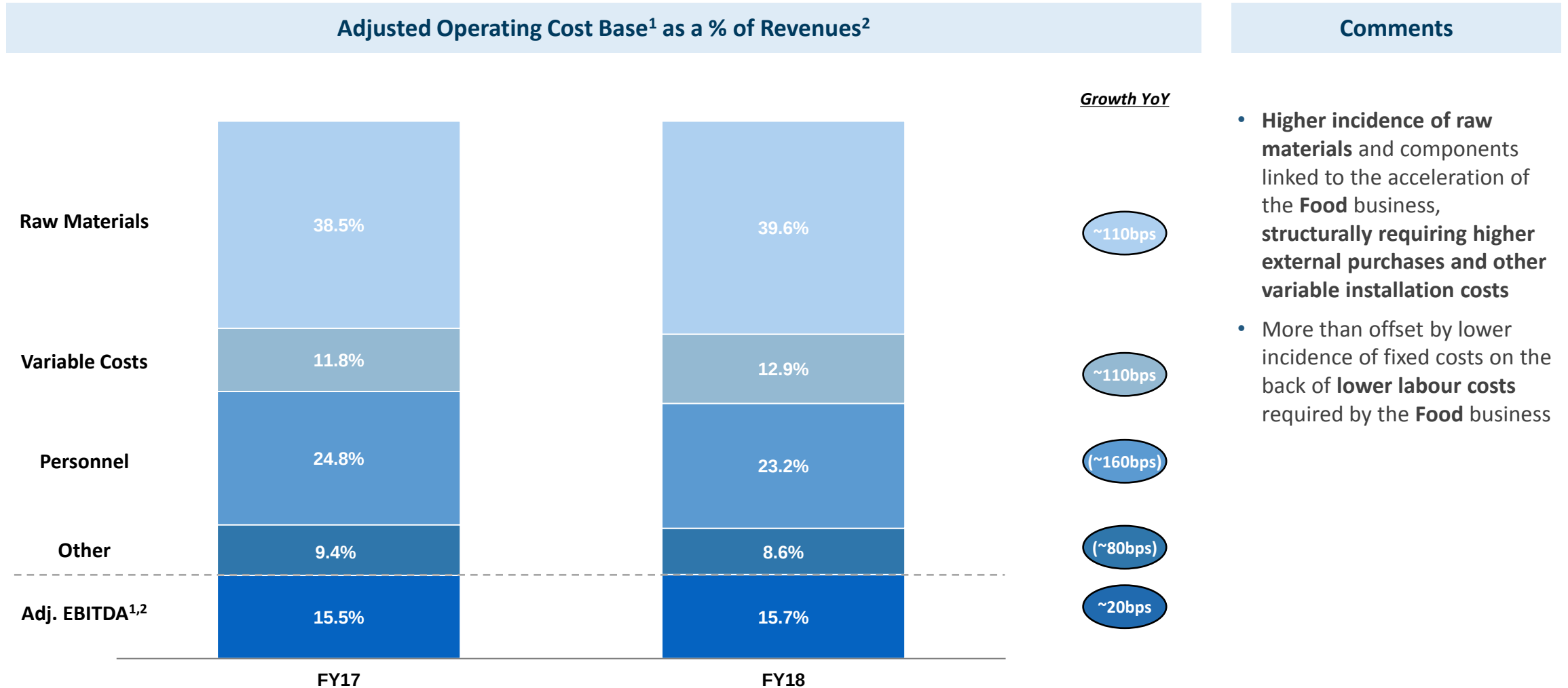


Source: Company Information

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

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

...Driven by Strong Operating Leverage



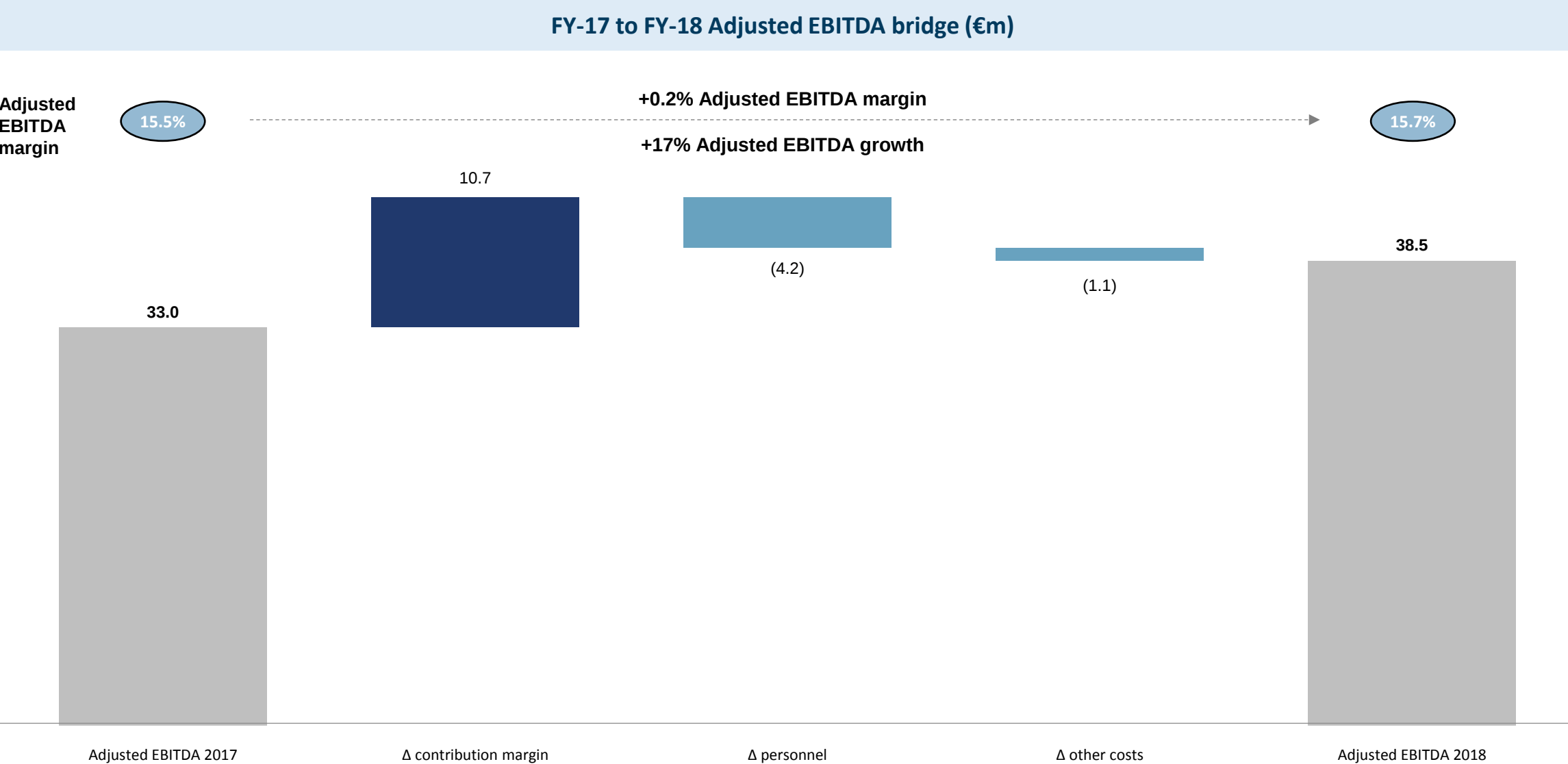
- Higher incidence of raw materials and components linked to the acceleration of the **Food** business, structurally requiring higher external purchases and other variable installation costs
- More than offset by lower incidence of fixed costs on the back of **lower labour costs** required by the **Food**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

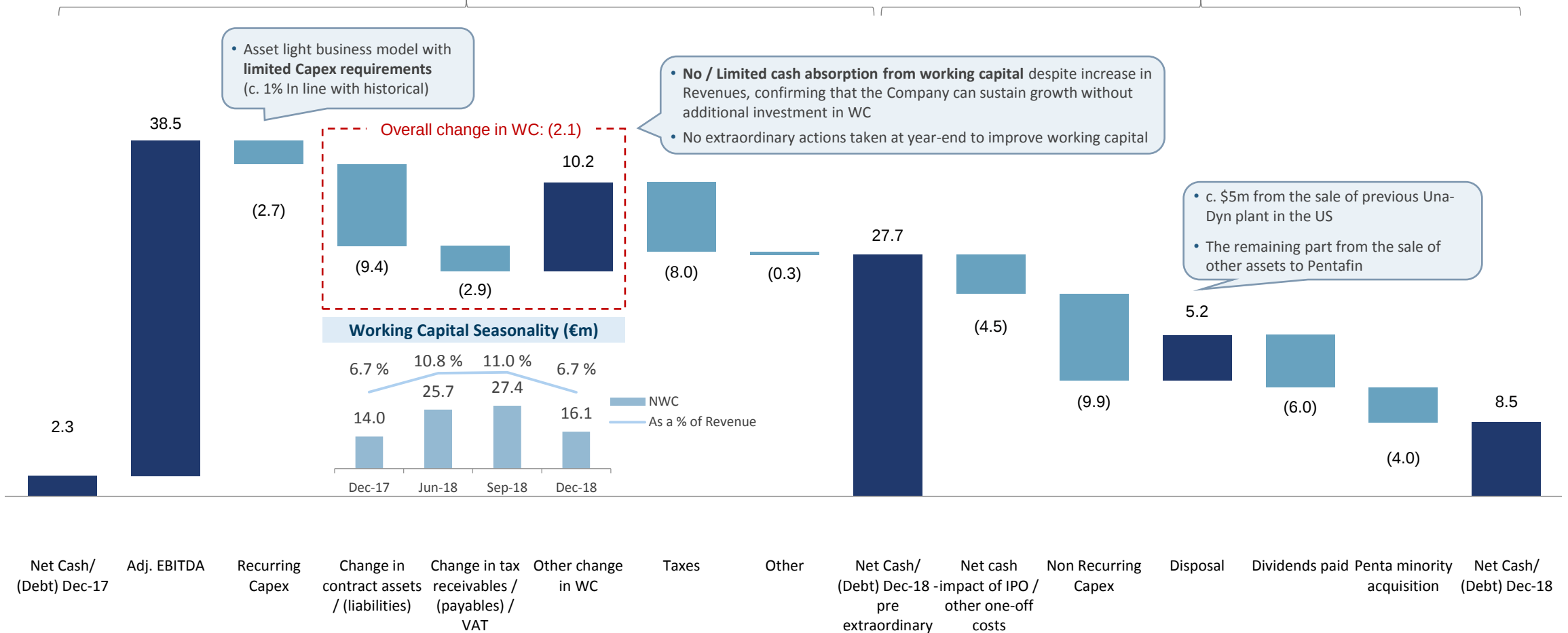


Net Debt Walk from Dec-17 to Dec-18

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 %
% Adjusted Margin	15.5%	15.7%	
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)%
% Tax Rate	30.5%	23.8%	
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 %

Source: Company Information

¹15.3% YoY growth when excluding capital gains on asset disposals (€1.9m in 2018).

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>	<i>0.8%</i>	<i>1.1%</i>
Cash generation	31.2	35.8
<i>Cash Conversion %</i>	<i>94.6%</i>	<i>93.0%</i>
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)