



# MOTOR DIVISION EXPANSION

## ANALYSTS PRESENTATION

*June 29<sup>th</sup> 2021*

## AGENDA

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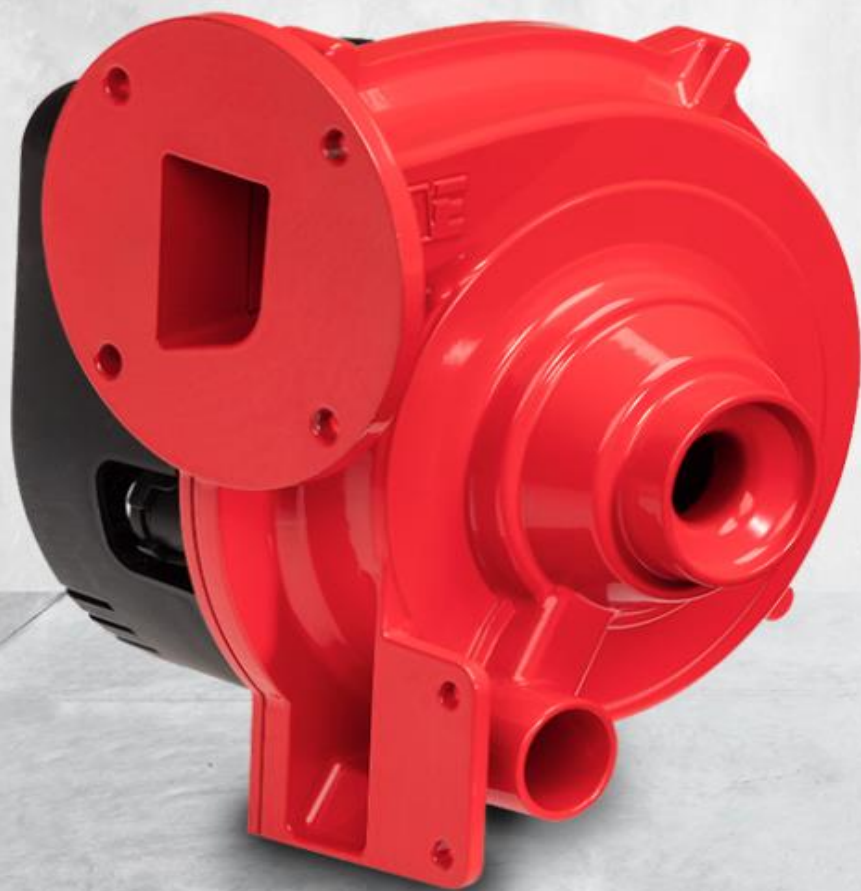


TRANSACTION HIGHLIGHTS

# TRANSACTION HIGHLIGHTS



- FIME, a business unit in Elica Group's motors division, strengthens its presence in electric motors through a preliminary agreement signed between Elica S.p.A and Electric Motors Company S.r.l. ("E.M.C.") and CPS S.r.l. ("CPS") to acquire 100% of the share capital of the two companies
- Price of approximately 31M€
- Expected to deliver incremental Sales and accretive Margins
- Main synergies in R&D, Procurement and Industrial operations
- Consideration will be paid by drawing on Group existing liquidity reserves - last tranche Q1 2023 -
- Closing expected to take place within mid of July

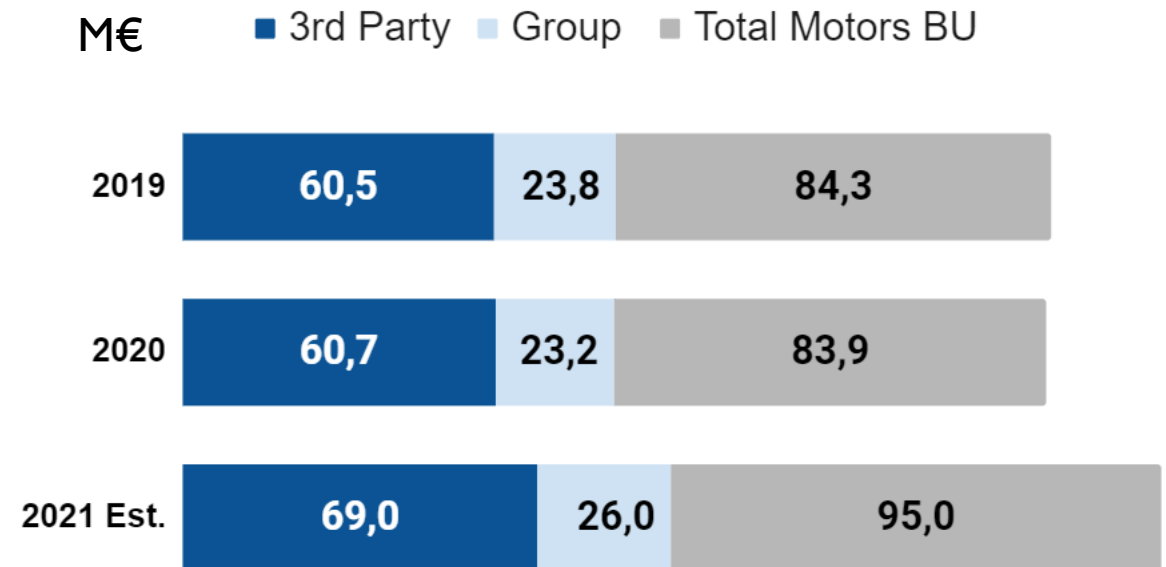


**BUSINESS DESCRIPTION & MAIN FIGURES**

# A Growth path for FIME

- FIME, Elica Motors Business Unit, is one of the main European player in the production and distribution of electric motors for the Household Appliances, Domestic Heating and Ventilation businesses.
- In the recent past FIME experienced a positive profitability expansion, supported by the quality of products, the capacity to co-design with its Clients innovative solutions and the production efficiency.
- For the next years, Elica believes that FIME will continue to represent a strong “growth engine” for the Group, in particular if the Division will be able to seize the extraordinary opportunities offered by the energy transition and new ErP 2023 update.
- To succeed in this environment, “critical mass” is a crucial success factor.
- EMC Group acquisition represent an opportunity to better penetrate strategic customers, to expand our presence in new sectors (e.g. biomass heating systems) and to accelerate the development of new technological solutions.

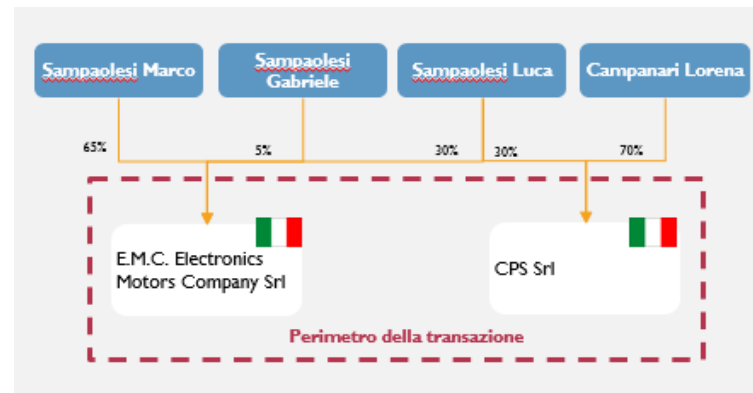
## FIME MOTOR BU TURNOVER



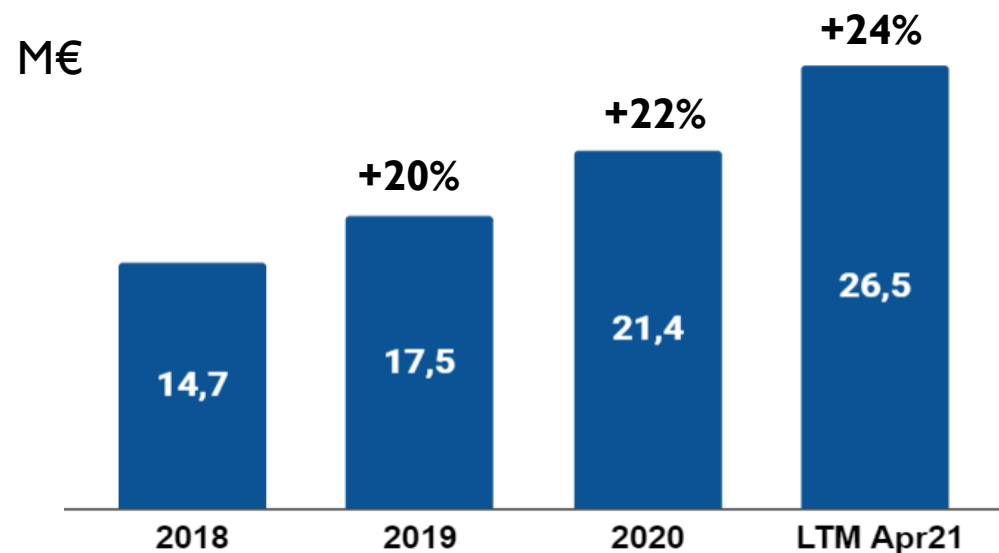
# EMC Group: a transaction opportunity for FIME

- The scope of the transaction includes 100% of the shares of E.M.C. Electronics Motors Company Srl and CPS Srl ("Target")
- Both companies are based in Castelfildardo in the province of Ancona
- E.M.C. Electronics Motors Company Srl designs and produces asynchronous / synchronous electric motors, suction systems for hoods for domestic use, suction systems for biomass stoves (pellet) and shaded pole motors for medical applications
- The company is the technological partner of the most important European players in the reference market
- About 50% of the turnover is generated by sales in Italy, while the remaining 50% is generated abroad (Poland, Portugal, Russia, Romania, Brazil and Greece)
- CPS Srl produces exclusively semi-finished products for E.M.C. Electronics Motors Company Srl

## EMC GROUP COMPANY STRUCTURE



## EMC GROUP PRO-FORMA NET SALES





**THE COMBINED ENTITY**

## *Current Situation*

1.

FIME's market share both in the heating and in the ovens business is already significant

2.

The upcoming ecological transition requires relevant investment in innovation and product develop.

3.

Fime and EMC operate in the same sector and some activities / processes are duplicated

## *EMC Integration Effects*

EMC acquisition represents an opportunity **to penetrate new businesses** (e.g. biomass appliances) and to become the **Emea leader in the cooker hoods market**

EMC acquisition will allow FIME to reach a significant critical mass. This will make more resources available for investment and R&D initiatives

The FIME / EMC combination will allow to make a more efficient use of available resources. Cost, revenues and investment synergies are expected. The attainment of such synergies is facilitated by the favorable location of the Italian plants.

- FIME + EMC → **The first EMEA player in the Cooker Hoods Market** and the second Emea player in the domestic heating industry (gas boilers, biomass heating appliances)
- FIME + EMC → A New Company starting with revenues **exceeding € 120 Mln**

# First Consideration About SYNERGIES

CROSS SELLING	PROCUREMENT	OPERATIONS	CAPEX
<ul style="list-style-type: none"><li>• Low - Medium FIME's products to be introduced in EMC customers set (both for cooker hoods and ovens)</li><li>• Exploit biomass blowers business, maximizing FIME's heating business expertise and connections</li><li>• Exploit the reached market leadership position in the Cooker Hoods business</li></ul>	<ul style="list-style-type: none"><li>• Raw materials</li><li>• Components (ball bearings, sleeve bearings, electronics, etc...)</li></ul>	<ul style="list-style-type: none"><li>• Internal (FIME) production of stators and rotors currently externally procured by EMC</li><li>• Footprint optimization, also leveraging on Polish FIME's plant</li></ul>	<ul style="list-style-type: none"><li>• Rationalization of R&amp;D and product development initiatives</li><li>• Rationalization and acceleration of commercial / market development initiatives</li></ul>

- FIME strengthens its position as **Leader in the motors sector** and accelerates growth in energy-saving technology and energy transition
- Reinforce the strategy of the Group to operate **Motors and Cooking Divisions separated**
- Deliver **incremental Sales & accretive Margins** exploiting **Synergies and Cross Selling opportunities**
- Creation of a **European Centre of Excellence** in the ventilation and heating sector, which will in turn enable the development of a critical mass to better respond to the needs of a growing market thank to R&D investment and production capacity

A close-up photograph of a red industrial machine, likely a fan or pump. The machine has a bright red, glossy exterior with several circular openings. Inside, a black fan with multiple blades is visible. The FIME logo is superimposed on the fan.

**FIME**<sup>®</sup>

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