



EMAK GROUP

Emak_Euronext Star Conference 2022_Milan

- **Group overview**
- **2021 Results**
- **Appendix**



Agenda

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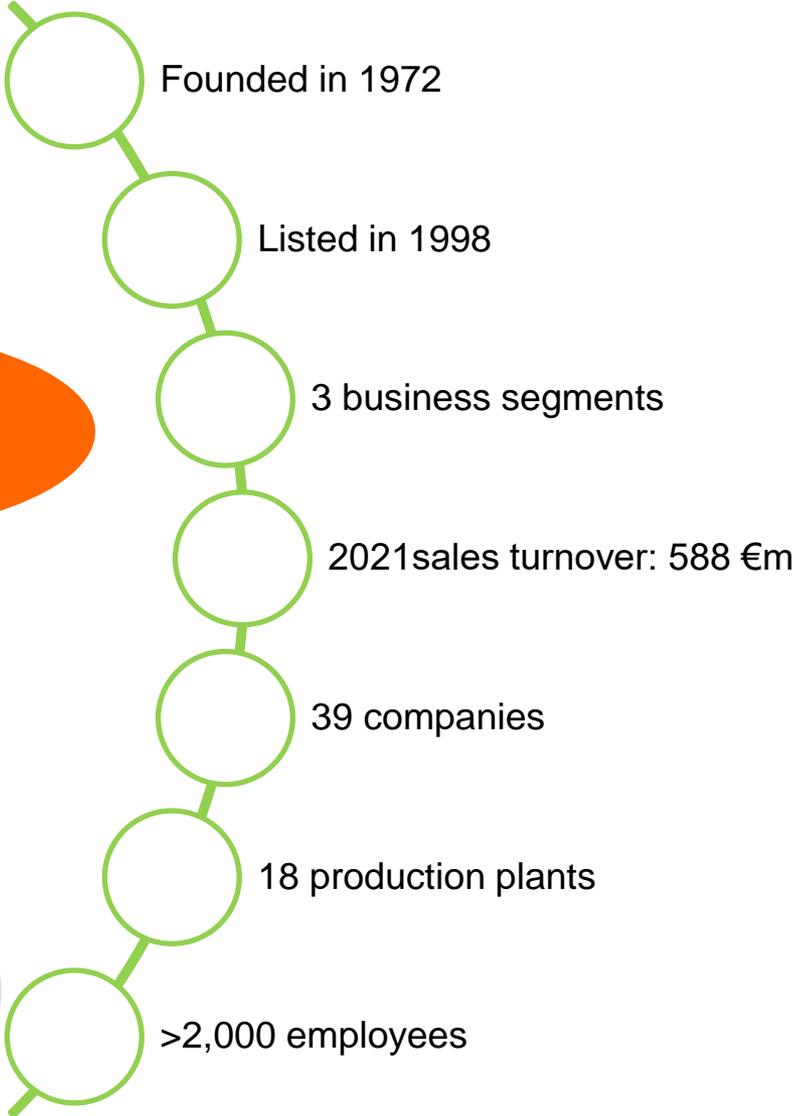


Emak at a glance

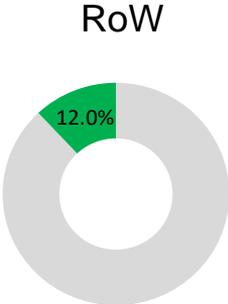
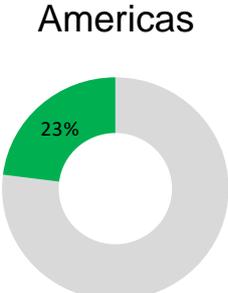
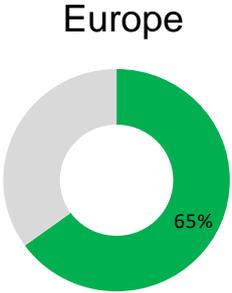
Outdoor Power Equipment

Pumps & High Pressure Water Jetting

Components & Accessories



Sales distribution

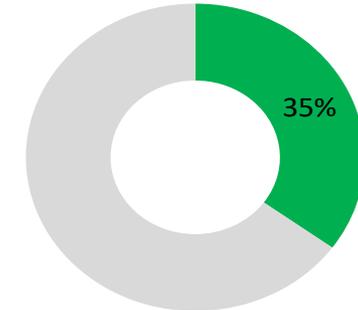




FY 2021 sales

203€m

Share of Group sales



Product range:

Trimmers, lawn mowers, garden tractors, chainsaws, transportes, motocultivators, motorhoes

Brands

Oleo Mac, Efco, Bertolini, Nibbi

Distribution channel

Specialised dealers, DIY, Online

End users

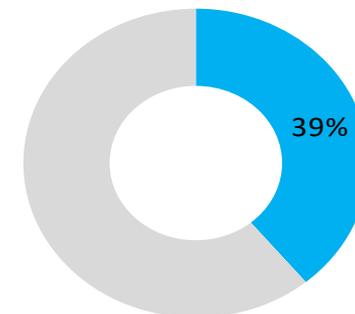
Professionals, high demanding private, farmers, home owners



FY 2021 sales

230€m

Share of Group sales



Product range:

Agricultural pumps, industrial pumps, hydrodynamic units, urban cleaning equipment, high pressure washers, vacuum cleaners, floor scrubbers

Brands

Comet, HPP, PTC, Lemasa, Lavor, Poli

Distribution channel

Specialised dealers, DIY, Online, OEM

Applications

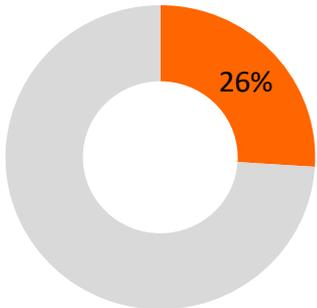
Agriculture (spraying), shipyard, oil&gas, construction



FY 2021 sales

155€m

Share of Group sales



Product range:

Cutting systems for trimmers, automatic chainsaw sharpening machinery, accessories & components for high pressure cleaning and car-wash, navigation systems, electronics and digital solutions for precision farming.

Brands

Tecomec, Markusson, Speed, Geoline, Agres, Spraycom, Mecline, Sabart

Distribution channel

Specialised dealers, DIY, Online, OEM

Our strategy



Innovation

- Product and process innovation
- Digital transformation
- New technologies and applications, electrification, safety, comfort, emissions control



Acquisitions

- Access new technologies
- Complete product range
- Penetrate new markets



Distribution

- Strengthen the position in the markets with direct presence
- Expand distribution network in markets with high growth potential
- Omni-channel approach, e-commerce



Efficiency

- Lean approach
- Exploit supply chain efficiencies
- Reduction of SG&A
- Optimization of invested capital

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FY 2021 results

€/000	FY 2021	FY 2020	ch. %	Q4 2021	Q4 2020	ch. %
Revenues from sales	588.3	469.8	25.2%	124.1	109.9	12.9%
EBITDA Adj.	77.4	56.3	37.6%	8.0	8.8	-9.2%
<i>% on revenues</i>	13.2%	12.0%		6.4%	8.0%	
EBIT	52.9	32.9	60.6%	0.9	3.0	-71.0%
<i>% on revenues</i>	9.0%	7.0%		0.7%	2.7%	
Net profit	33.1	19.6	68.8%	(4.6)	3.9	-220.1%

Revenues: organic growth for 23.6%, the change in the scope of consolidation for 2.6% while it is penalized by the effect of foreign exchange translation for 1%. Consistent performance each quarter.

EBITDA Adj: volume growth generated positive leverage. Higher personnel costs to face increased production volumes, higher raw material and logistic costs partially offset by price increases.

Net profit: without considering the negative effect in Q4 deriving from the adjustment of the put & call options on the residual minority stakes of some subsidiaries for € 4.6 million, the result for the year would have been € 37.7 million

€/000	31.12.2021	31.12.2020
Net non-current assets	202.1	183.2
Net working capital	198.1	165.7
Net capital employed	400.2	348.9
Net financial position	(144.3)	(126.6)
<i>IFRS 16 effect</i>	<i>39.0</i>	<i>28.9</i>
<i>Net financial position (net of IFRS 16)</i>	<i>(105.3)</i>	<i>(97.7)</i>
Total equity	255.9	222.3

Investments in tangible and intangible assets: € 17.6 million, compared to € 17.2 million of last year.

Net working capital: higher inventories in preparation for the 2022 season to mitigate the persistence of criticalities on the supply chain and the consequent increase in lead times. Trade receivables increased in line with the growth trend in turnover.

Net financial position: higher IFRS 16 effect (€ 38.9 million vs € 28.9 million in 2020) and commitments for the acquisition of stakes in subsidiaries (€ 12.3 million vs € 6 million in 2020), increased net working capital, acquisition of 80% of Poli Srl for € 4 million. In addition, during 2021 the Group has distributed dividends for € 7.4 million.

FY 2021 - Results by business segment

	OPE		PWJ		C&A	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
€/000						
Sales to third parties	202,977	159,761	229,990	189,357	155,332	120,660
<i>Intersegment sales</i>	<i>345</i>	<i>585</i>	<i>2,877</i>	<i>2,290</i>	<i>10,524</i>	<i>8,444</i>
Revenues from sales	203,322	160,346	232,867	191,647	165,856	129,104
Ebitda before non ordinary items	16,360	9,348	33,382	28,535	31,523	20,770
<i>% on revenues from sales</i>	<i>8.0%</i>	<i>5.8%</i>	<i>14.3%</i>	<i>14.9%</i>	<i>19.0%</i>	<i>16.1%</i>
Operating result	8,089	1,262	26,128	20,274	22,516	13,770
<i>% on revenues from sales</i>	<i>4.0%</i>	<i>0.8%</i>	<i>11.2%</i>	<i>10.6%</i>	<i>13.6%</i>	<i>10.7%</i>

- 2021 ended with a very robust order book
- Positive view on Q1 2022 sales: sustained order entry in January – February
- High raw materials and transport costs will continue, as well as supply chain constraints
- Inflation effect on customer demand
- Uncertainty due to turbulence on international markets caused by geopolitical crisis
- Russia, Ukraine and Belarus account for $\approx 3\%$ of total sales turnover
- The Group will keep its investment plan unchanged to support growth in the medium term

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FY 2021 - Consolidated income statement

€/000	Year 2021	Year 2020
Revenues from sales	588,299	469,778
Other operating incomes	5,110	4,152
Change in inventories	48,764	9,996
Raw materials, consumables and goods	(354,737)	(258,006)
Personnel expenses	(98,231)	(84,588)
Other operating costs and provisions	(111,909)	(85,698)
Amortization, depreciation and impairment losses	(24,392)	(22,692)
Operating result	52,904	32,942
Financial income	1,003	727
Financial expenses	(8,611)	(5,164)
Exchange gains and losses	589	(3,547)
Income from/(expenses on) equity investment	-	(2,144)
Profit before taxes	45,885	22,814
Income taxes	(12,774)	(3,202)
Net profit	33,111	19,612
(Profit)/loss attributable to non controlling interests	(603)	(312)
Net profit attributable to the Group	32,508	19,300
Basic earnings per share	0.199	0.118
Diluted earnings per share	0.199	0.118

FY 2021 - Consolidated balance sheet - Assets

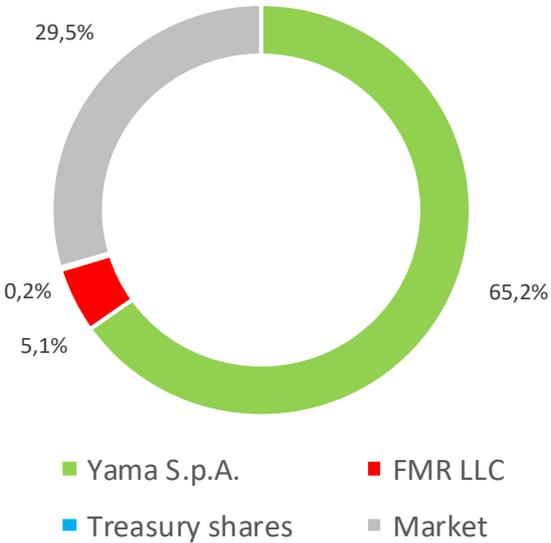
€/000	31.12.2021	31.12.2020
Non-current assets		
Property, plant and equipment	78,558	76,409
Intangible assets	24,853	23,069
Rights of use	37,665	27,925
Goodwill	70,634	67,464
Equity investments in other companies	8	8
Deferred tax assets	10,012	9,063
Other financial assets	984	808
Other assets	59	57
Total non-current assets	222,773	204,803
Current assets		
Inventories	217,316	163,602
Trade and other receivables	127,984	111,082
Current tax receivables	10,076	7,516
Other financial assets	72	229
Derivative financial instruments	286	506
Cash and cash equivalents	79,645	99,287
Total current assets	435,379	382,222
TOTAL ASSETS	658,152	587,025

FY 2021 - Consolidated balance sheet - Liabilities

€/000	31.12.2021	31.12.2020
Shareholders' Equity		
Shareholders' Equity of the Group	253,183	220,137
Non-controlling interests	2,750	2,163
Total Shareholders' Equity	255,933	222,300
Non-current liabilities		
Loans and borrowings due to banks and other lenders	115,994	135,456
Liabilities for leasing	33,111	24,058
Deferred tax liabilities	7,386	6,465
Employee benefits	7,500	7,608
Provisions for risks and charges	2,590	2,382
Other non-current liabilities	2,197	4,343
Total non-current liabilities	168,778	180,312
Current liabilities		
Trade and other payables	149,222	110,554
Current tax liabilities	6,182	4,764
Loans and borrowings due to banks and other lenders	69,707	62,032
Liabilities for leasing	5,863	4,816
Derivative financial instruments	581	1,020
Provisions for risks and charges	1,886	1,227
Total current liabilities	233,441	184,413
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	658,152	587,025

Shareholders and Governance

Emak has been listed on the Italian Stock Exchange since 1998 and since 2001 on STAR segment (dedicated to mid-size companies that adhere to strict requirements appreciated by global investors in terms of governance, liquidity, transparency).



Yama is an industrial holding whose shareholders are the families that founded the Group in late 60's. Seven families hold 97% of Yama's share capital, with shareholdings from 6% to 23%.

Board of Directors

Bellamico Fausto	Chairman & CEO
Burani Aimone	Vice Chairman & CFO
Bartoli Luigi	Executive director
Baldi Francesca	Director
Bartoli Ariello	Director
Becchi Paola	Director
Ferrari Giuliano	Director
Salsapariglia Marzia	Director
Spaggiari Vilmo	Director
Zambelli Guerrino	Director
Iotti Elena	Independent Director
Lanza Alessandra	Independent Director
Livatino Massimo	Lead Independent Director

Board of Statutory Auditors

Montanari Stefano	Chairman
Bartoli Gianluca	
Benassi Francesca	

Independent Auditors

Deloitte & Touche S.p.A.

Synthesis of results

€m	2011	2011 PF	2012	2013	2014	2015	2016	2017	2017 PF	2018	2019	2020	2021
Sales	204.4	357.0	354.8	355.0	354.8	381.6	391.9	422.2	461.8	452.8	434.0	469.8	588.3
EBITDA adj margin	19.6 9.6%	37.8 10.6%	31.7 8.9%	34.2 9.6%	33.1 9.3%	37.5 9.8%	40.5 10.3%	45.6 10.8%	52.5 11.4%	50.8 11.2%	46.9 10.8%	56.3 12.0%	77.4 13.2%
EBITDA margin	17.5 8.6%	35.8 10.0%	28.8 8.1%	34.2 9.6%	31.5 8.9%	35.8 9.4%	39.5 10.1%	43.9 10.4%	50.1 10.8%	49.4 10.9%	46.1 10.6%	55.6 11.8%	77.3 13.1%
EBIT margin	10.4 5.1%	23.7 6.6%	16.6 4.7%	22.4 6.3%	20.0 5.6%	23.3 6.1%	21.9 5.6%	30.0 7.1%	35.8 7.8%	34.0 7.5%	22.0 5.1%	32.9 7.0%	52.9 9.0%
Net profit margin	5.8 2.8%	13.0 3.6%	8.6 2.4%	10.5 3.0%	10.2 2.9%	9.0 2.4%	17.7 4.5%	16.4 3.9%	20.6 4.5%	25.6 5.7%	13.1 3.0%	19.6 4.2%	33.1 5.6%
FCF from operations *	12.9	25.0	20.8	22.4	21.7	21.5	35.3	30.4	34.9	41.1	31.8	36.7	51.4
Net Equity	140.1	140.1	145.0	150.8	160.1	168.5	181.7	187.5	187.5	205.8	211.5	222.3	255.9
Net fin. debt	97.3	97.3	99.9	76.4	79.0	99.4	80.1	125.3	125.3	117.4	146.9	126.6	144.3
Debt/Equity	0.7	0.7	0.7	0.5	0.5	0.6	0.4	0.7	0.7	0.6	0.7	0.6	0.6
Debt/EBITDA adj	5.0	2.6	3.1	2.2	2.4	2.7	2.0	2.7	2.4	2.3	3.1	2.2	1.9

* Calculated by adding the items "Net profit" + "Amortization, depreciation and impairment losses" – IFRS 16 effect (starting from 2019)

2011: Acquisition of Epicenter (Ukraine), Tecomet, Comet, Sabart and Raico **2012:** Start-up of Emak do Brazil, acquisition of Valley in USA **2014:** Acquisition of Speed Industrie Sarl (Marocco), S.I.Agro Mexico, Geoline Electronic (Italy), Master Fluid (Italy), Speed South America (Chile) **2015:** Acquisition of Lemasa (Brazil) **2016:** Acquisition of 30% of Cifarelli S.p.A. **2017:** Acquisition of Lavorwash Group **2018:** Sale of Raico; acquisition of Spraycom (Brazil) **2019:** acquisition of 30% of Agres (Brazil) **2020:** acquisition of 51% of Markusson (Sweden); increase in Agres to 91% **2021:** Acquisition of 80% of Poli (Italy).

Aimone Burani, the executive responsible for the preparation of the corporate accounting documents, declares and certifies in accordance with article 154 bis, paragraph 2, of the Consolidated Finance Act, that the financial statements contained in this presentation correspond to the underlying accounting documents, records and accounting entries.



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Speakers

Mr. Fausto Bellamico – Chairman and CEO
Mr. Aimone Burani – Deputy Chairman and CFO
Mr. Andrea La Fata – Investor Relator
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