



VIRTUAL STAR CONFERENCE, MILAN 2020

May 27th, 2020

- **Group overview**
- **Q1 2020 results**
- **Appendix**

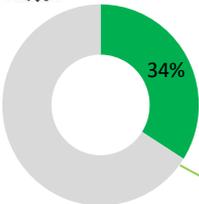


- **Group overview**
- **Q1 2020 results**
- **Appendix**

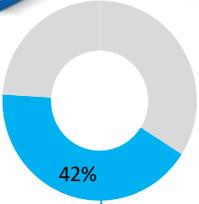


A global player in three businesses

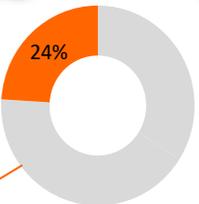
Outdoor Power Equipment



Pumps & High Pressure Water Jetting



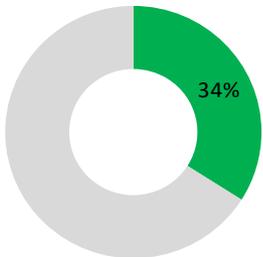
Components & Accessories



€ 434m sales in 2019
≈ 2,000 employees

	FY 2019
Total Sales (€m)	148.8
Ebitda adj %	5.0%

Share of Group net sales



Main brands	Product range	End-users	Distribution channel	Strategic priorities
   	<ul style="list-style-type: none"> Gasoline and battery products: <ul style="list-style-type: none"> ✓ Hand held : trimmers, chainsaws, blowers. ✓ Wheeled : lawnmowers, garden tractors, tillers, transporters. Accessories and spare parts 	<ul style="list-style-type: none"> Professional users High demanding private users (prosumer) 	<ul style="list-style-type: none"> Specialised dealers DIY Marketplace 	<ul style="list-style-type: none"> Product innovation Develop business in Americas E-commerce Cost and efficiency improvements

GARDENING & FORESTRY



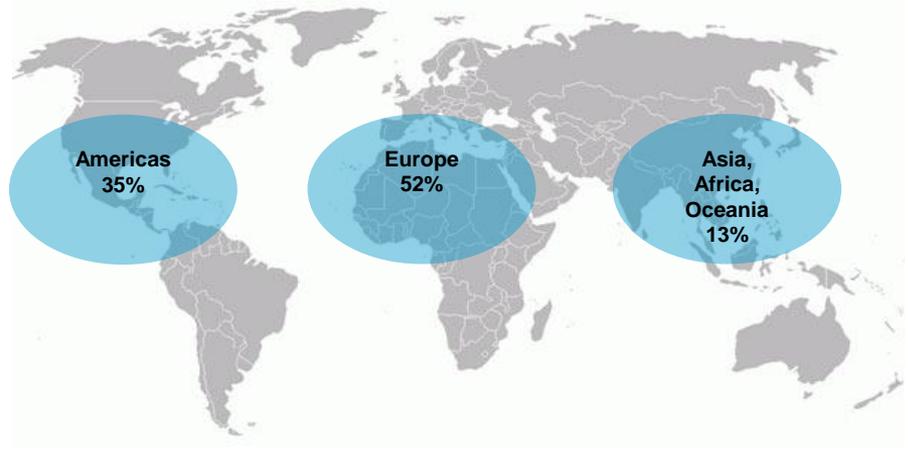
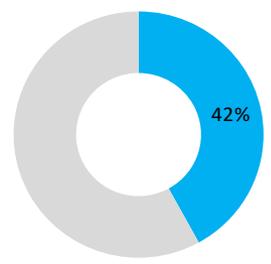
AGRICULTURE



FY 2019

Sales (€m)	183
Ebitda adj %	14.2%

Share of Group net sales



Main brands	Product range	Application / End user	Clients / distribution channel	Strategic priorities
 	<ul style="list-style-type: none"> Agriculture products: diaphragm, centrifugal and piston pumps Industrial products: piston pumps, hydrodynamic units and urban cleaning equipment. Cleaning products: complete range of high pressure washers, floor care equipment 	<ul style="list-style-type: none"> Agriculture: spraying and weeding Several industries: <ul style="list-style-type: none"> ✓ Oil & gas ✓ Sugar cane ✓ Shipyard ✓ Cleaning Professional Hobby 	<ul style="list-style-type: none"> Manufacturers of spraying and weeding machines Manufacturers of hydrodynamic units and high pressure washers, contractors, independent distributors Specialised dealers, DIY, marketplace 	<ul style="list-style-type: none"> Product innovation Cost and efficiency improvements Maximize synergies from acquisitions Focus on key attractive segments

AGRICULTURE



INDUSTRIAL

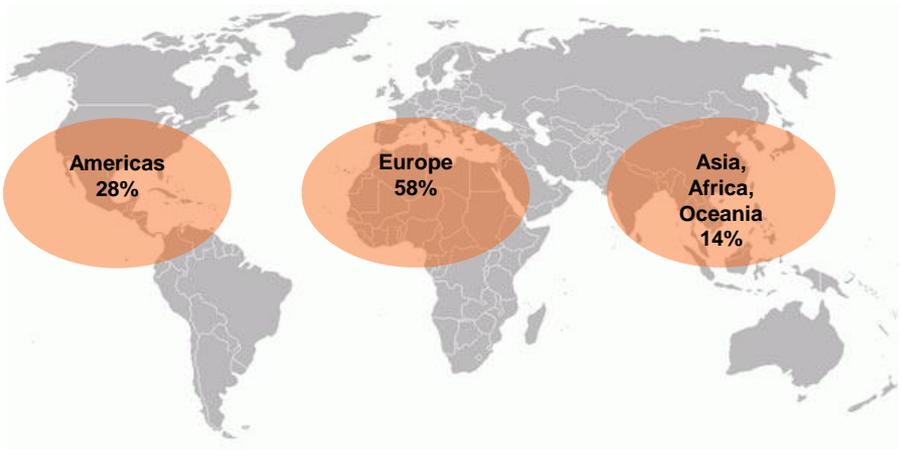
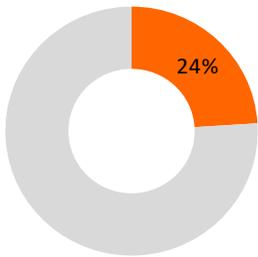


CLEANING



	FY 2019
Sales (€m)	111.5
Ebitda adj %	14.1%

Share of Group net sales



Main brands	Product range	End-users	Distribution channel	Strategic priorities
 	<ul style="list-style-type: none"> Nylon line and heads for trimmers Chain grinders Spray guns Nozzles Control systems Precision farming 	<ul style="list-style-type: none"> Professional users High demanding private users (prosumers) 	<ul style="list-style-type: none"> Outdoor Power Equipment manufacturers Manufacturers of spraying and weeding machines Manufacturers of hydrodynamic units and high pressure washers Specialised dealers and DIY 	<ul style="list-style-type: none"> Product innovation Strengthening of OEM relations Focus on key attractive segments E-commerce (b2b)

GARDENING & FORESTRY



AGRICULTURE



CLEANING



Our strategy

INNOVATION

Continuous product and process innovation

Digital transformation

Focus on: new technologies (IoT), new applications, safety, comfort, emissions control



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

Improve lean manufacturing system

Exploit supply chain efficiencies

Reduction of SG&A

Optimization of invested capital

ACQUISITIONS

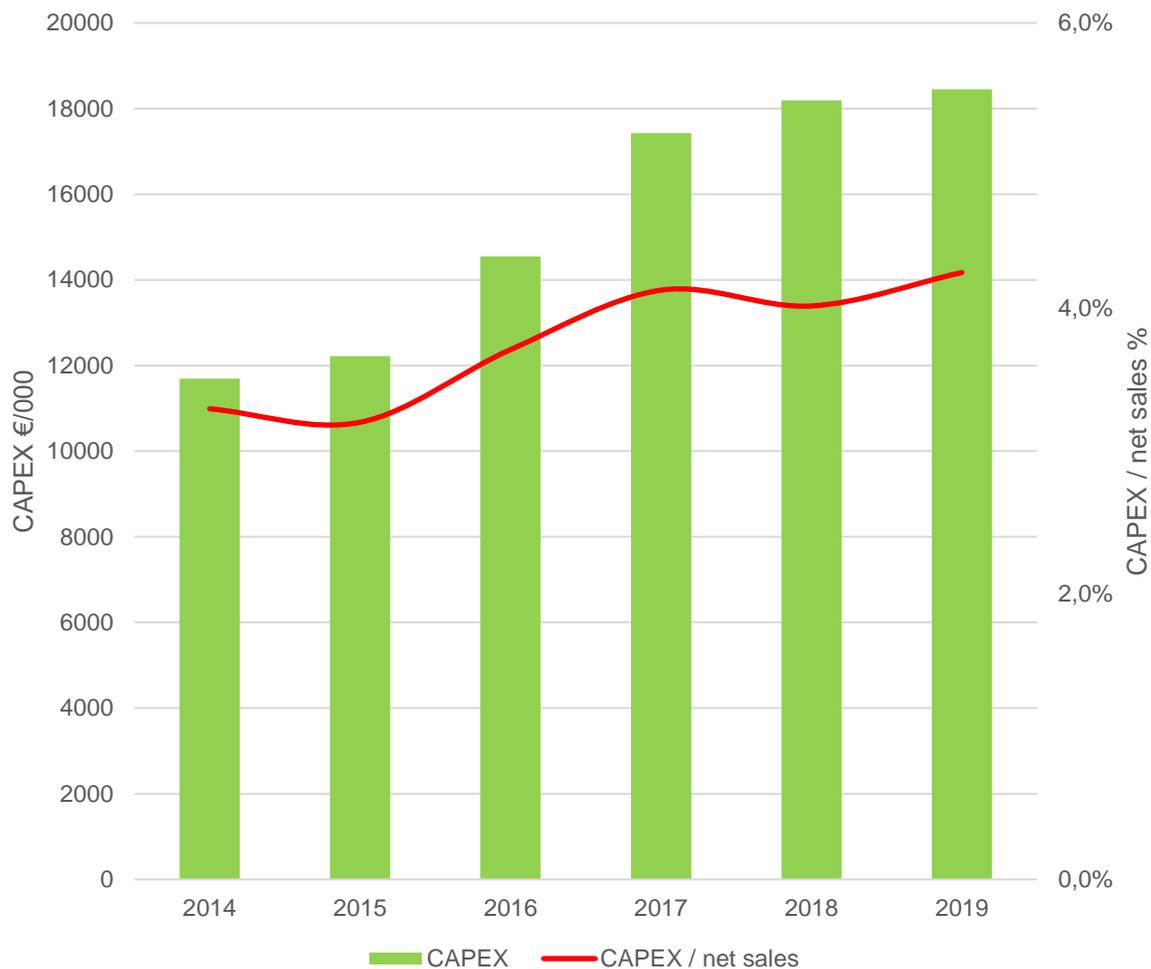
Access new technologies

Complete product range

Penetrate new markets



Capital expenditure



Product and process innovation represents more than 60% of total capex:

- New technologies
 - Battery products
 - Engine management
- Product efficiency and ergonomics
- Emission control
- Digitalization
 - IoT
 - Connectivity
- ICT
 - Microsoft Dynamics365
 - BI
 - AI



Cordless power tools Litium battery technology



LAVOR



COMET



Steam vacuum cleaner



Pressure washer with digital control



Battery portable sprayer

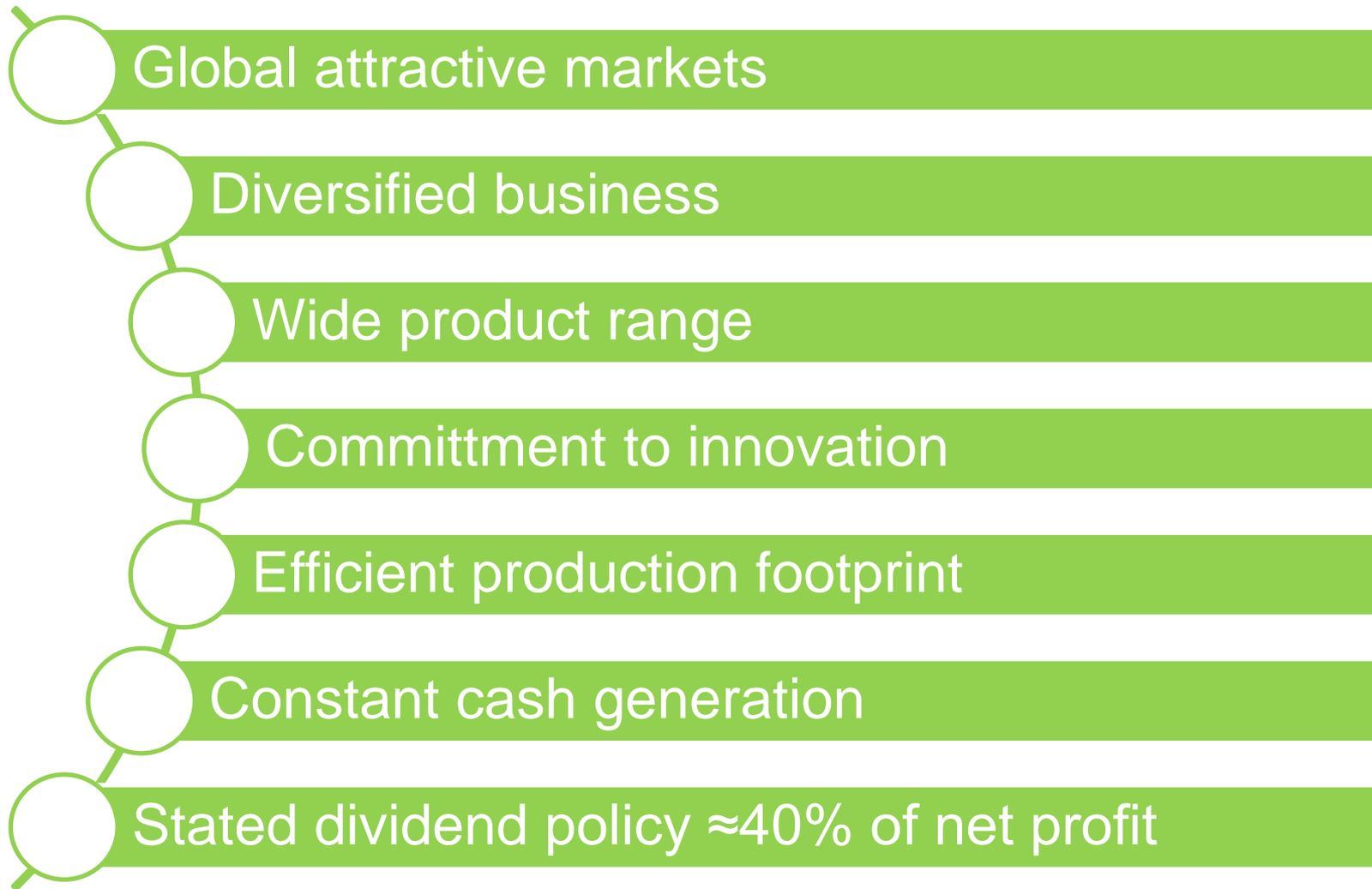




Innovation –IoT Datalogger



Emak strengths



- **Group overview**
- **Q1 2020 results**
- **Appendix**



€/000	Q1 2020	Q1 2019	delta %
Revenues from sales	117,967	122,357	-3.6%
EBITDA Adj. % on revenues	14,027 11.9%	14,427 11.8%	-2.8%
EBITDA % on revenues	13,923 11.8%	14,146 11.6%	-1.6%
EBIT % on revenues	8,375 7.1%	9,026 7.4%	-7.2%
Net profit	3,833	6,088	-37.0%

€/000	31.03.2020	31.12.2019	31.03.2019
Net non-current assets	185,614	186,989	187,482
Net working capital	206,715	171,478	190,988
Net capital employed	392,329	358,467	378,470
Net financial position	(180,709)	(146,935)	(164,366)
Net financial position (net of IFRS16)	(150,810)	(116,550)	(137,205)
Total equity	211,620	211,532	214,104

Revenues: to the negative exchange rate effect by 0.3% and an organic decrease of 3.6% following the spread of the Covid-19 virus and the resulting operating restrictions, increase of 0.3% deriving from the change in the consolidation area.

EBITDA Adj. negatively impacted by the drop in sales volumes and benefited from a positive mix and a containment of operating costs.

Net profit negative forex (positive in 2019) affected by the trend of South American currencies.

Investments in property, plant and equipment and intangible assets amounted to € 3,226 thousand

Net financial position includes actualized financial liabilities for the purchase of the remaining minority shares and for the regulation of acquisitions with deferred price subject to contractual constraints, in the amount of € 17,396 thousand

Outdoor Power Equipment

€/000	Q1 2020	Q1 2019	Var. %
Europe	34,863	38,300	-9.0%
Americas	1,499	1,981	-24.3%
Asia, Africa and Oceania	4,505	3,966	13.6%
Total	40,867	44,247	-7.6%

€/000	Q1 2020	Q1 2019
Sales to third parties	40,867	44,247
<i>Intersegment sales</i>	291	535
Revenues from sales	41,158	44,782
Ebitda	1,967	3,079
<i>% on revenues</i>	4.8%	6.9%
Ebitda Adj.	2,011	3,129
<i>% on revenues</i>	4.9%	7.0%

SALES

- ✓ Europe: general decline, with peaks in the countries affected first and more vigorously by the lock-downs following the spread of the COVID-19 virus.
- ✓ Americas: decrease in Latin American countries, in line in North America
- ✓ Asia, Africa and Oceania: good performance on the Turkish market, hit only at a later stage by the effects of the pandemic; delay in the Far East countries, which were first affected by the limitations linked to the sanitary emergency.

EBITDA Adj.

- ✓ Decrease in sales
- ✓ Negative product / country mix.
- ✓ Reduction in personnel and operating costs

Pumps & High Pressure Water Jetting

€/000	Q1 2020	Q1 2019	Var. %
Europe	23,870	27,646	-13.7%
Americas	17,699	15,325	15.5%
Asia, Africa and Oceania	5,363	6,167	-13.0%
Total	46,932	49,138	-4.5%

€/000	Q1 2020	Q1 2019
Sales to third parties	46,932	49,138
<i>Intersegment sales</i>	540	731
Revenues from sales	47,472	49,869
Ebitda	6,911	7,850
<i>% on revenues</i>	14.6%	15.7%
Ebitda Adj.	6,911	7,850
<i>% on revenues</i>	14.6%	15.7%

SALES

- ✓ Europe: contraction of the cleaning products market due to dealers and DIY closure.
- ✓ Americas: positive trend thanks to the excellent performances of the subsidiaries in the USA, Mexico and Brazil.
- ✓ Asia, Africa and Oceania: affected by the prolonged lock-downs and significant slowdowns in economic activity following the COVID-19 emergency.

EBITDA Adj.

- ✓ Lower sales volumes
- ✓ Unfavorable product / customer mix
- ✓ Pressure on prices by large retailers

Components & Accessories

€/000	1Q 2020	1Q 2019	Var. %
Europe	18,227	18,517	-1.6%
Americas	9,259	6,815	35.9%
Asia, Africa and Oceania	2,682	3,640	-26.3%
Total	30,168	28,972	4.1%

€/000	1Q 2020	1Q 2019
Sales to third parties	30,168	28,972
<i>Intersegment sales</i>	2,521	2,384
Revenues from sales	32,689	31,356
Ebitda	5,668	4,417
<i>% on revenues</i>	17.3%	14.1%
Ebitda Adj.	5,728	4,648
<i>% on revenues</i>	17.5%	14.8%

SALES

- ✓ Europe: growth for gardening and cleaning products on the main markets did not compensate for the generalized delay recorded on the Italian market.
- ✓ Americas: strong performance on the North American market products for gardening, forestry and agriculture activities. Positive trend of the South American subsidiaries.
- ✓ Asia, Africa and Oceania: decrease due to change in the distribution model towards some customers and lower sales in some Far East markets.

EBITDA

- ✓ Increase in sales,
- ✓ Favorable product mix and
- ✓ Reduction in the prices of raw materials

Acquisition of 51% of Markusson Professional Grinders



On January 31, 2020, the controlled company Tecomec S.r.l. completed the purchase of 51% of the share capital of the Swedish company Markusson Professional Grinders AB, active in the development and marketing of professional grinders for chainsaw chains.

The transaction is part of the Group's external growth strategy through the expansion and completion of its product range, in the specific case of the Components and Accessories segment.

The consideration paid for the acquisition of 51% amounts to SEK 17.8 million (equal to approximately € 1.7 million). Put & Call Option on the remaining 49%. Consequent full consolidation impact on net debt for € 3.5 million.

The company develops a turnover of approximately € 2 million and an EBITDA of approximately € 0.5 million.



Robotic grinder

Covid-19 emergency: actions taken

- ✓ Establishment of Covid Committees in all companies
- ✓ Ensure health and safety of employees
- ✓ Mitigation of the economic-financial impact, maintaining adequate liquidity profile
 - New funding
 - Partial suspension of repayments on loans maturing in 2020, postponed at the end of maturation period
 - Monitor the solvency of the counterparties and compliance with the contractually agreed payment deadlines
 - Reduction of operating costs
 - Remodeling of the investment plan



Covid-19 emergency: impact on demand

- ✓ Q1: slight impact starting from March
- ✓ Q2: deeper impact, still single digit, due to lockdown in most countries during high season
- ✓ H2: progressive improvement in demand in a scenario that involves exiting health emergency



Agenda

- **Group overview**
- **Q1 2020 results**
- **Appendix**

Results by business segment

	OUTDOOR POWER EQUIPMENT		PUMPS AND HIGH PRESSURE WATER JETTING		COMPONENTS AND ACCESSORIES		Other not allocated / Netting		Consolidated	
€/000	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Sales to third parties	40,867	44,247	46,932	49,138	30,168	28,972			117,967	122,357
Intersegment sales	291	535	540	731	2,521	2,384	(3,352)	(3,650)		
Revenues from sales	41,158	44,782	47,472	49,869	32,689	31,356	(3,352)	(3,650)	117,967	122,357
Ebitda	1,967	3,079	6,911	7,850	5,668	4,417	(623)	(1,200)	13,923	14,146
% on Total Revenues	4.8%	6.9%	14.6%	15.7%	17.3%	14.1%			11.8%	11.6%
Ebitda before non ordinary expenses	2,011	3,129	6,911	7,850	5,728	4,648	(623)	(1,200)	14,027	14,427
% on Total Revenues	4.9%	7.0%	14.6%	15.7%	17.5%	14.8%			11.9%	11.8%
Operating result	60	1,321	4,868	5,871	4,070	3,034	(623)	(1,200)	8,375	9,026
% on Total Revenues	0.1%	2.9%	10.3%	11.8%	12.5%	9.7%			7.1%	7.4%
Net financial expenses (1)									(2,826)	(599)
Profit before taxes									5,549	8,427
Income taxes									(1,716)	(2,339)
Net profit									3,833	6,088
Net profit/Total Revenues%									3.2%	5.0%

(1) Net financial expenses includes the amount of Financial income and expenses, Exchange gains and losses and the amount of the Income from equity investment

STATEMENT OF FINANCIAL POSITION	31.03.2020	31.12.2019	31.03.2020	31.12.2019	31.03.2020	31.12.2019	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Net debt	50,207	29,304	103,952	98,863	26,979	19,071	(429)	(303)	180,709	146,935
Shareholders' Equity	175,200	176,334	61,643	62,460	52,408	50,295	(77,631)	(77,557)	211,620	211,532
Total Shareholders' Equity and Net debt	225,407	205,638	165,595	161,323	79,387	69,366	(78,060)	(77,860)	392,329	358,467
Net non-current assets (2)	136,226	137,483	91,817	94,433	33,048	30,577	(75,477)	(75,504)	185,614	186,989
Net working capital	89,181	68,155	73,778	66,890	46,339	38,789	(2,583)	(2,356)	206,715	171,478
Total net capital employed	225,407	205,638	165,595	161,323	79,387	69,366	(78,060)	(77,860)	392,329	358,467

(2) The net non-current assets of the Outdoor Power Equipment area includes the amount of Equity investments for 76,074 thousand Euro

OTHER STATISTICS	31.03.2020	31.12.2019	31.03.2020	31.12.2019	31.03.2020	31.12.2019	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Number of employees at period end	737	743	727	731	551	506	8	8	2,023	1,988

OTHER INFORMATIONS	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Amortization, depreciation and impairment losses	1,907	1,758	2,043	1,979	1,598	1,383			5,548	5,120
Investment in property, plant and equipment and in intangible assets	1,043	2,039	1,010	1,422	1,173	1,513			3,226	4,974

Consolidated income statement

FY 2019	€/000	Q1 2020	Q1 2019
433,953	Revenues from sales	117,967	122,357
4,668	Other operating incomes	541	977
854	Change in inventories	3,589	7,230
(230,213)	Raw materials, consumable and goods	(66,800)	(73,083)
(81,106)	Personnel expenses	(20,605)	(21,216)
(82,066)	Other operating costs and provisions	(20,769)	(22,119)
(24,068)	Amortization, depreciation and impairment losses	(5,548)	(5,120)
22,022	Operating result	8,375	9,026
1,370	Financial income	80	73
(5,366)	Financial expenses	(1,132)	(1,284)
766	Exchange gains and losses	(1,689)	630
89	Income from/(expenses on) equity investment	(85)	(18)
18,881	Profit befor taxes	5,549	8,427
(5,755)	Income taxes	(1,716)	(2,339)
13,126	Net profit	3,833	6,088
(177)	(Profit)/loss attributable to non controlling interests	39	(98)
12,949	Net profit attributable to the Group	3,872	5,990

Consolidated balance sheet - Assets

31.12.2019	€/000	31.03.2020	31.03.2019
	Non-current assets		
76,591	Property, plant and equipment	75,171	76,902
20,498	Intangible assets	20,178	20,656
29,716	Right of use	29,081	26,760
63,844	Goodwill	64,333	66,282
8	Equity investments in other companies	8	230
7,399	Equity investments in associates	7,526	7,291
8,106	Deferred tax assets	8,256	8,887
2,423	Other financial assets	2,303	2,502
63	Other assets	62	66
208,648	Total non-current assets	206,918	209,576
	Current assets		
158,336	Inventories	159,518	165,268
104,304	Trade and other receivables	137,588	143,135
5,225	Current tax receivables	5,395	4,699
465	Other financial assets	375	564
301	Derivative financial instruments	857	796
47,695	Cash and cash equivalents	47,079	47,592
316,326	Total current assets	350,812	362,054
524,974	TOTAL ASSETS	557,730	571,630

Consolidated balance sheet - Liabilities

31.12.2019	€/000	31.03.2020	31.03.2019
	Shareholders' Equity		
209,495	Shareholders' Equity of the Group	209,774	211,911
2,037	Non-controlling interest	1,846	2,193
211,532	Total Shareholders' Equity	211,620	214,104
	Non-current liabilities		
98,153	Loans and borrowings due to banks and other lenders	126,533	101,807
25,426	Liabilities for leasing	24,927	22,486
8,337	Deferred tax liabilities	8,261	8,343
8,110	Employee benefits	7,921	8,519
2,304	Provisions for risks and charges	2,340	2,218
486	Other non-current liabilities	478	511
142,816	Total non-current liabilities	170,460	143,884
	Current liabilities		
90,477	Trade and other payables	88,981	113,769
4,174	Current tax liabilities	5,148	6,601
68,373	Loans and borrowings due to banks and other lenders	74,051	85,862
4,959	Liabilities for leasing	4,972	4,675
908	Derivative financial instruments	840	990
1,735	Provisions for risks and charges	1,658	1,745
170,626	Total current liabilities	175,650	213,642
524,974	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	557,730	571,630

Synthesis of results

€m	2011	2011 PF	2012	2013	2014	2015	2016	2017	2017 PF	2018	2019 no IFRS 16	2019
Sales	204.4	357.0	354.8	355.0	354.8	381.6	391.9	422.2	461.8	452.8	434.0	434.0
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%	40.9 9.4%	46.9 10.8%
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%	40.1 9.2%	46.1 10.6%
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%	21.5 5.0%	22.0 5.1%
Net profit	5.8	13.0	8.6	10.5	10.2	9.0	17.7	16.4	20.6	25.6	13.4	13.1
FCF from operations*	12.9	25.0	20.8	22.4	21.7	21.5	35.3	30.4	34.9	41.1	32.1	37.2
Net Equity	140.1	140.1	145.0	150.8	160.1	168.5	181.7	187.5	187.5	205.8	212.2	211.5
Net fin. debt	97.3	97.3	99.9	76.4	79.0	99.4	80.1	125.3	125.3	117.4	116.6	146.9
Debt/Equity	0.7	0.7	0.7	0.5	0.5	0.6	0.4	0.7	0.7	0.6	0.5	0.7
Debt/EBITDA adj	5.0	2.6	3.1	2.2	2.4	2.7	2.0	2.7	2.4	2.3	2.8	3.1

* Calculated by adding the items "Net profit" plus "Amortization, depreciation and impairment losses"

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, Master Fluid, 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 **2019:** acquisition of 30% of Agres

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.



Emak S.p.A
42011 Bagnolo in Piano (RE) Italy
www.emakgroup.com
www.linkedin.com/company/emap-s-p-a-

Speakers

Mr. Fausto Bellamico – Chairman and CEO
Mr. Aimone Burani – Deputy Chairman and CFO
Mr. Andrea La Fata – Investor Relator
andrea.lafata@emak.it - 0039-0522.956.332