



Star Conference, London
October 22-23, 2019

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A global player in three businesses

Outdoor Power Equipment



Pumps & High Pressure Water Jetting

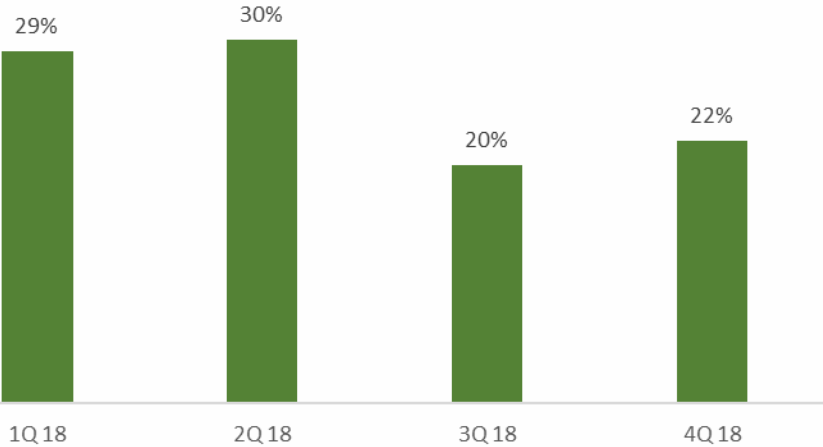


Components & Accessories

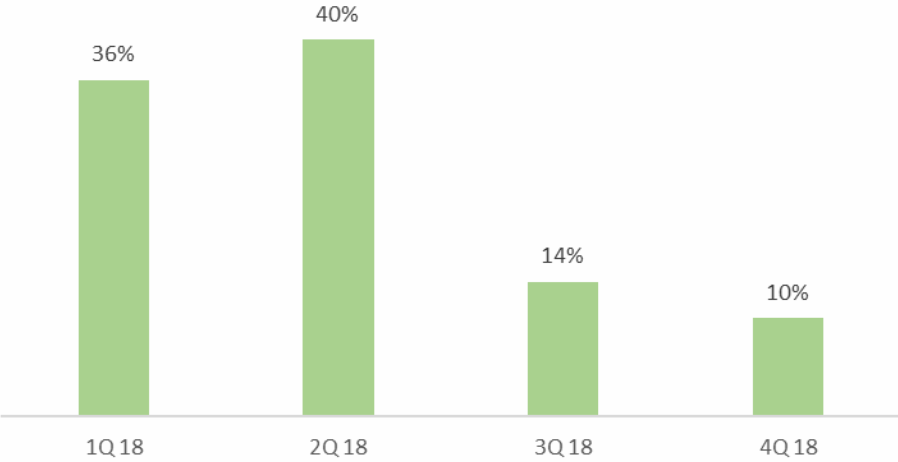


Direct presence in 14 countries
Distribution network in five continents
Efficient production footprint
2,000 employees

Net sales by quarter 2018

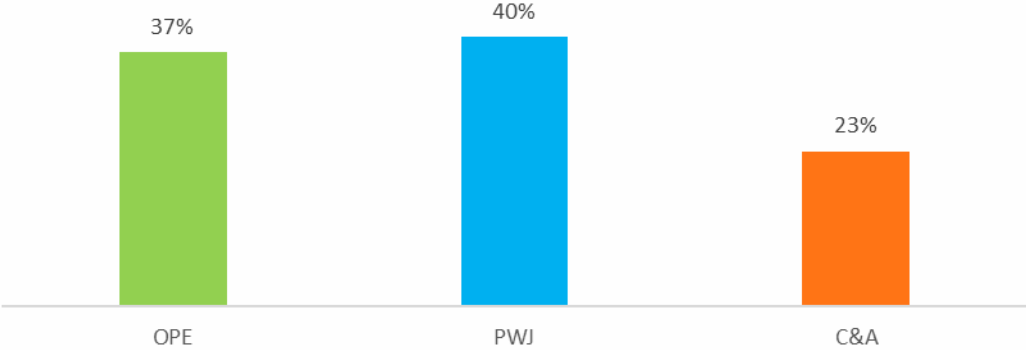


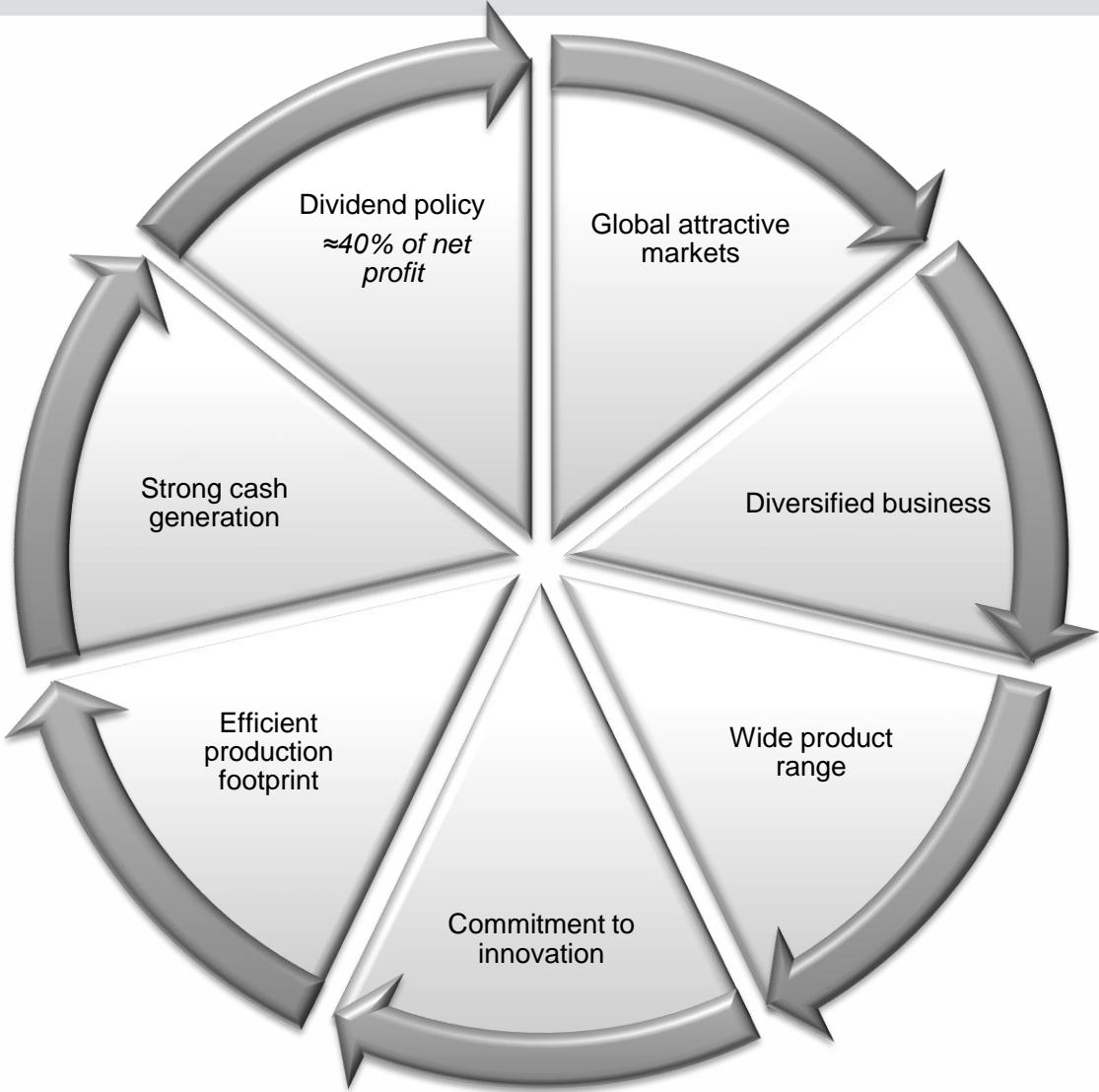
EBITDA adj. by quarter 2018



Group's business is seasonal: 59% of sales and 76% of EBITDA in 1H

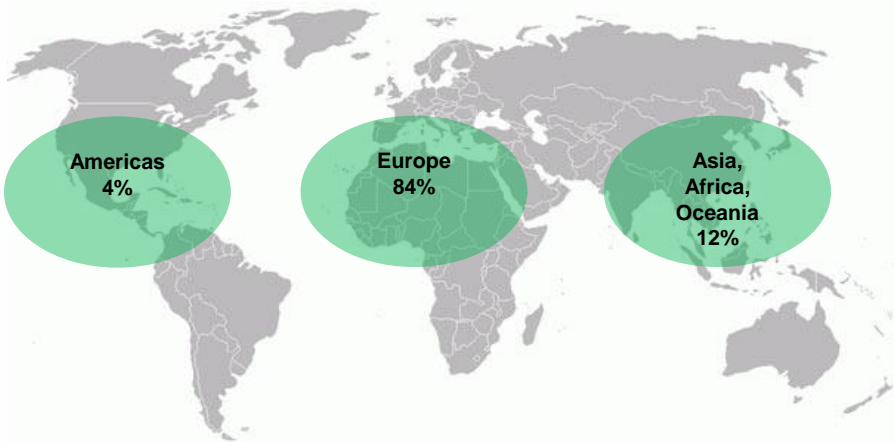
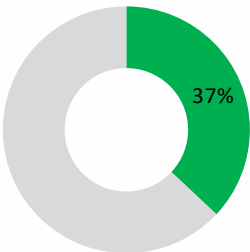
Sales by business segment





	FY 2018
Total Sales (€m)	167
Ebitda adj %	8.2%

Share of Group net sales



Main brands	Product range	End-users	Distribution channel	Strategic priorities
 	<ul style="list-style-type: none"> Hand held products: trimmers, chainsaws, blowers. Wheeled products: 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 	<ul style="list-style-type: none"> Product innovation Distribution network Cost and efficiency improvements

GARDENING & FORESTRY



AGRICULTURE



Addressable market
value €m

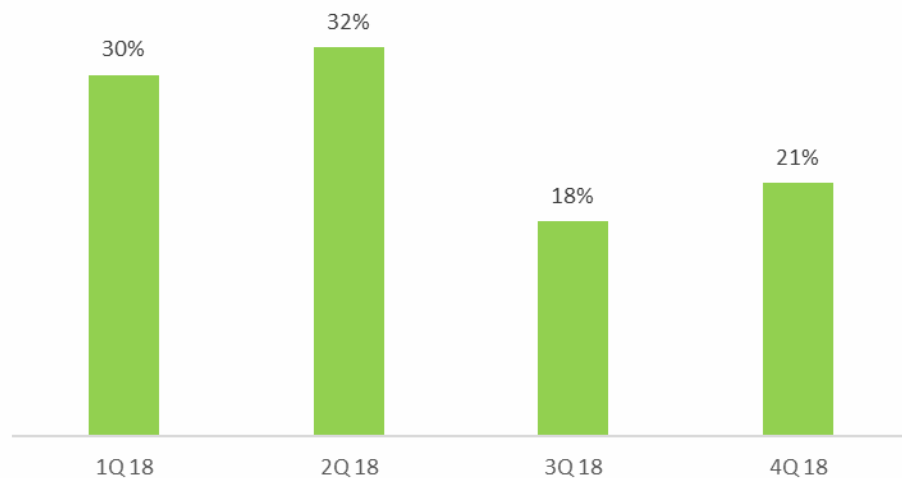
8,000

Market share

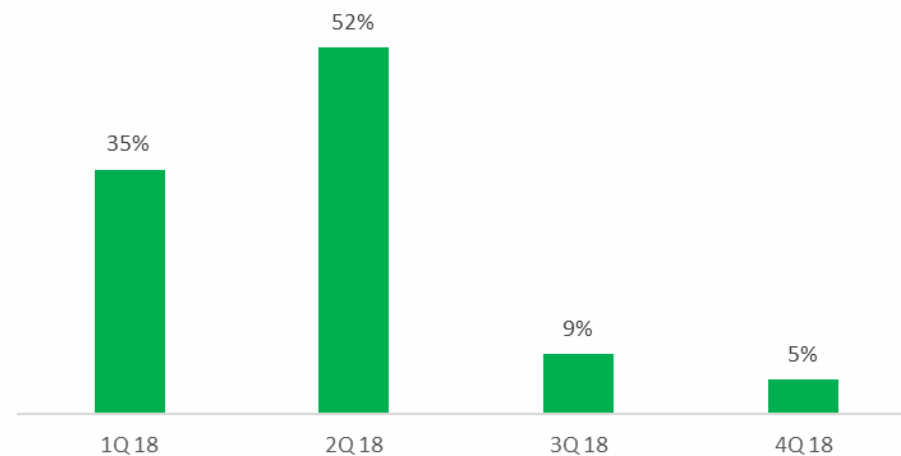
2%

Outdoor Power Equipment – Business seasonality

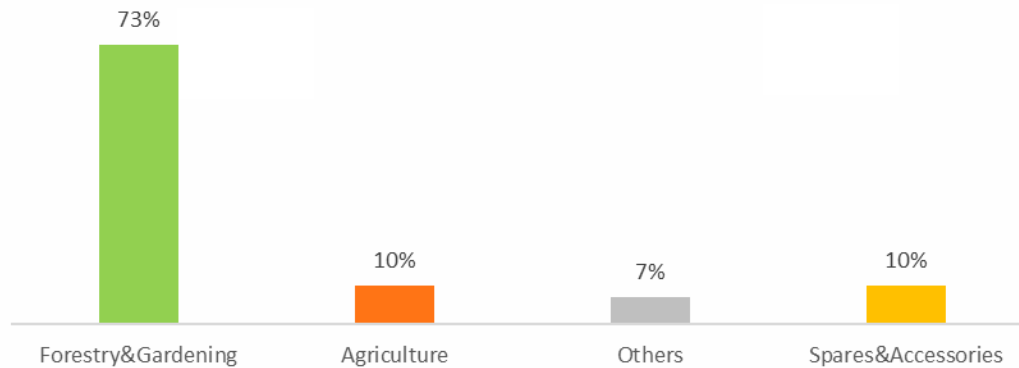
Total sales by quarter 2018



EBITDA adj. by quarter 2018

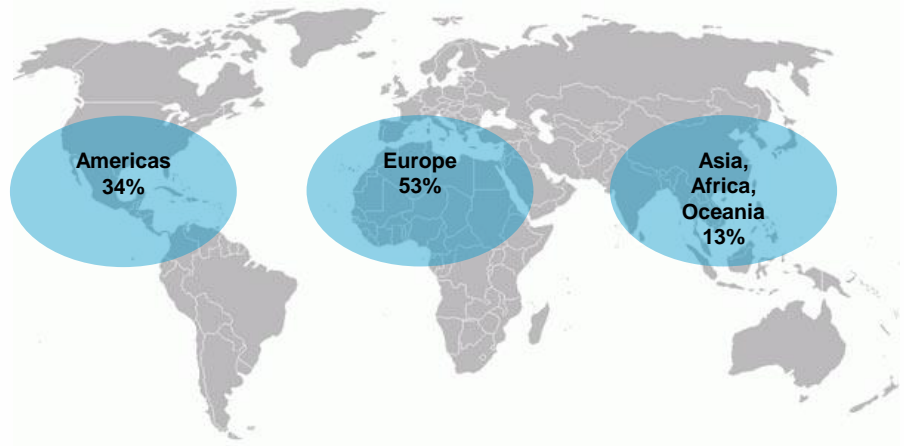
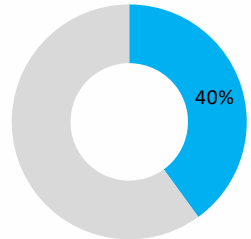


Sales by product line



	FY 2018
Sales (€m)	185
Ebitda adj %	14.1%

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 and DIY 	<ul style="list-style-type: none"> Product innovation Cost and efficiency improvements Maximize synergies from acquisitions Focus on key attractive segments

AGRICULTURE



Addressable market value €m	Market share
100	30%

INDUSTRIAL



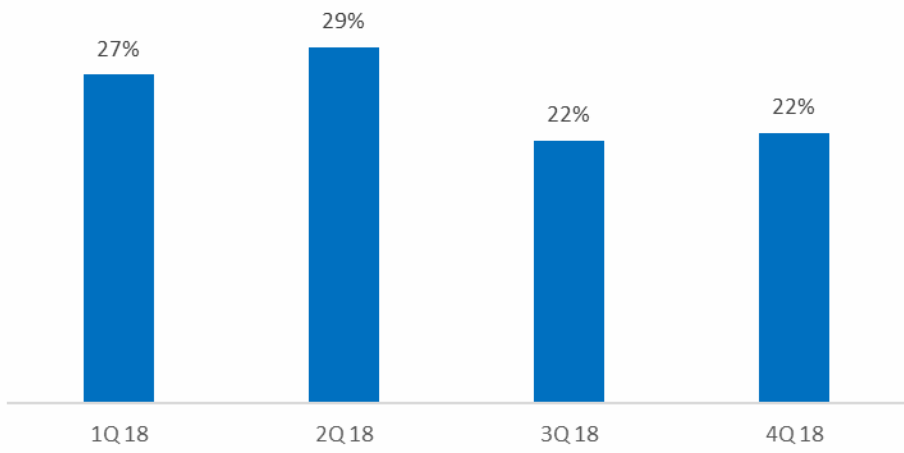
Addressable market value €m	Market share
1,000	4%

CLEANING

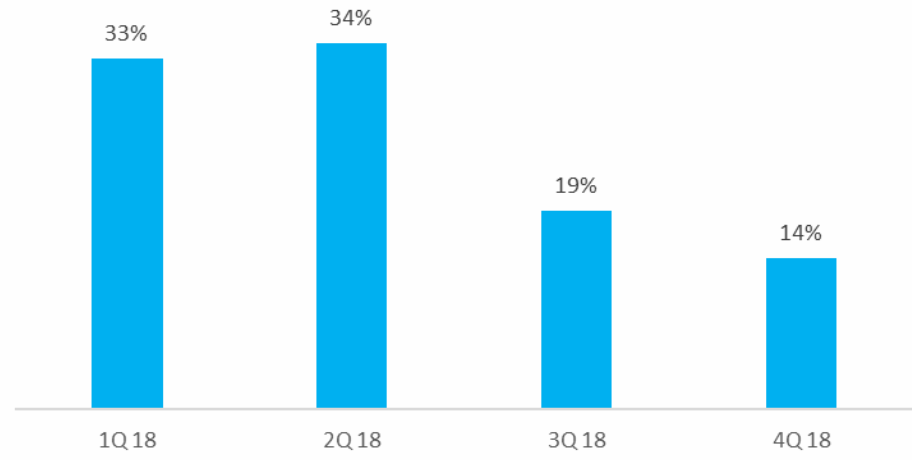


Addressable market value €m	Market share
2,000	5%

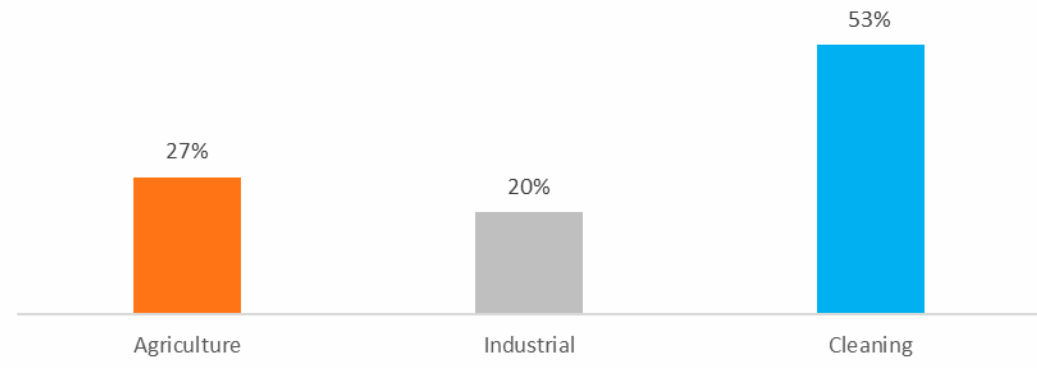
Total sales by quarter 2018



EBITDA adj. by quarter 2018

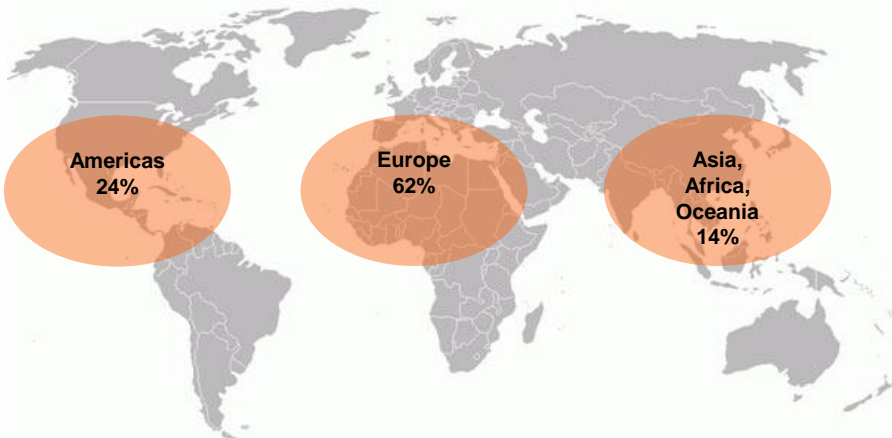
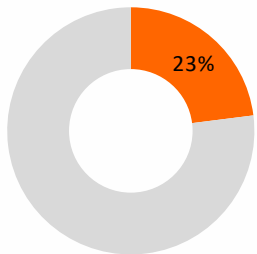


Sales by product line



	FY 2018
Sales (€m)	112
Ebitda adj %	13.2%

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 	<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

GARDENING & FORESTRY



AGRICULTURE



CLEANING

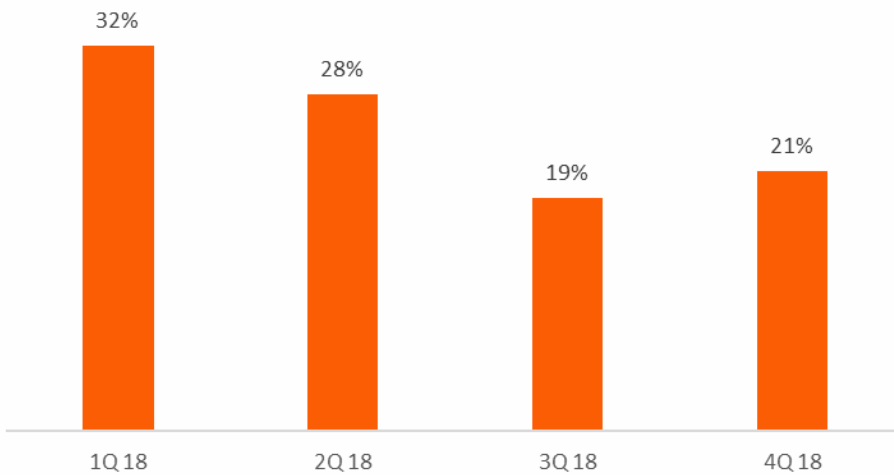


Addressable market value €m	Market share
450	10.6%

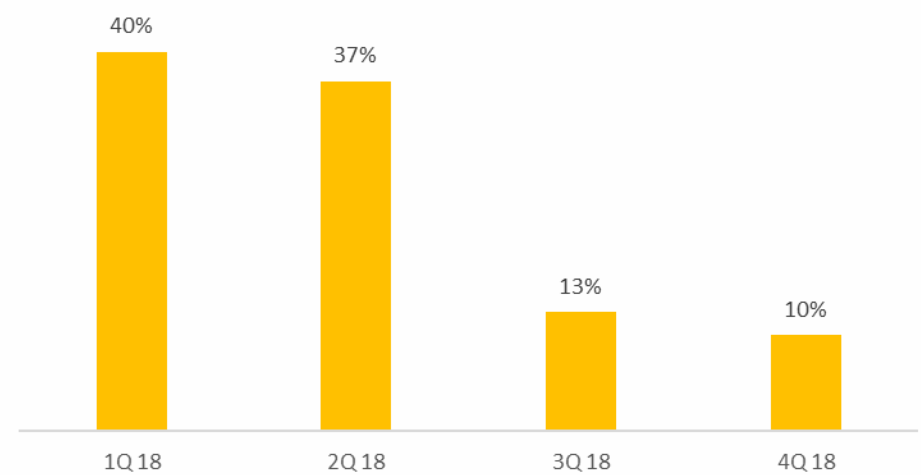
Addressable market value €m	Market share
600	2.5%

Addressable market value €m	Market share
500	6%

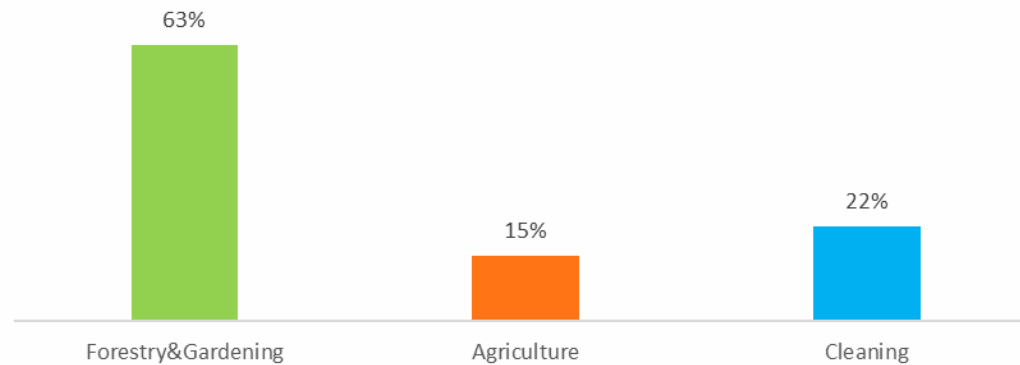
Total sales by quarter 2018

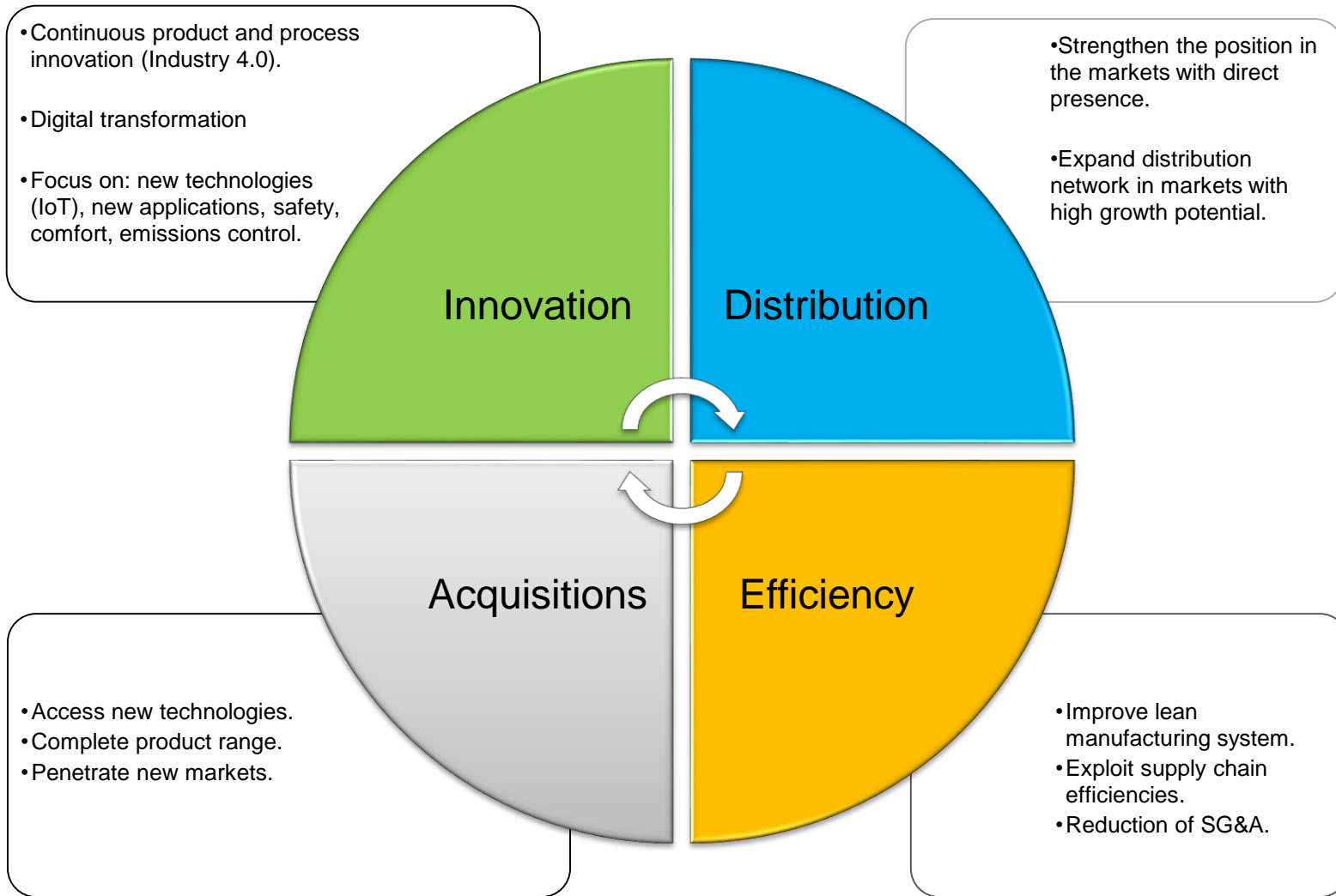


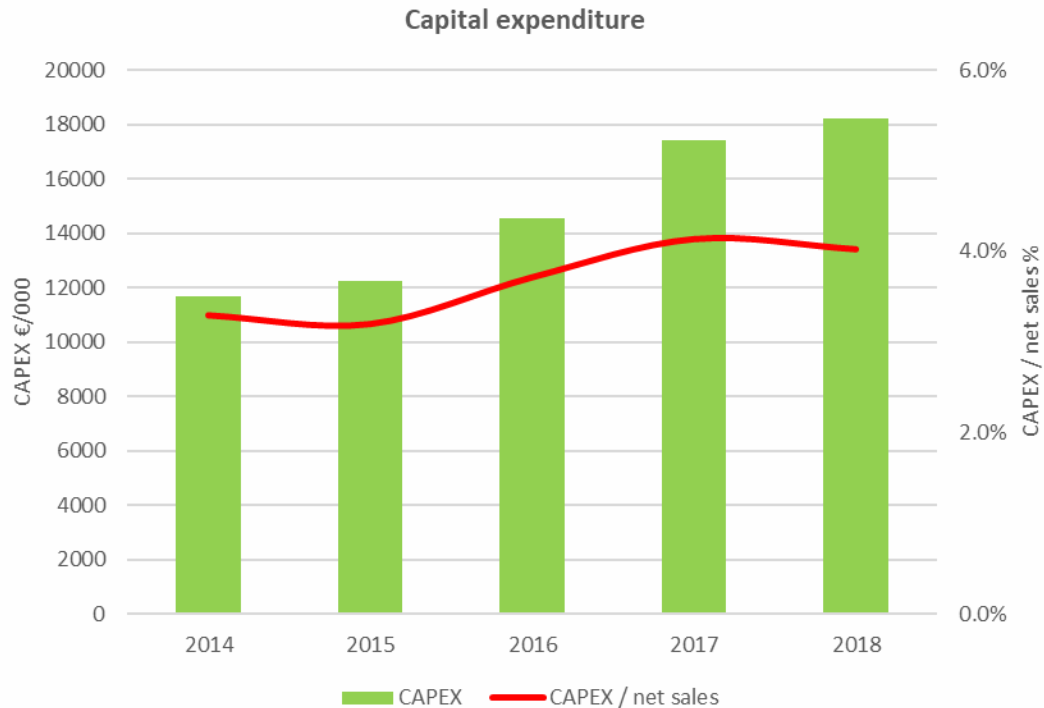
EBITDA adj. by quarter 2018



Sales by product line







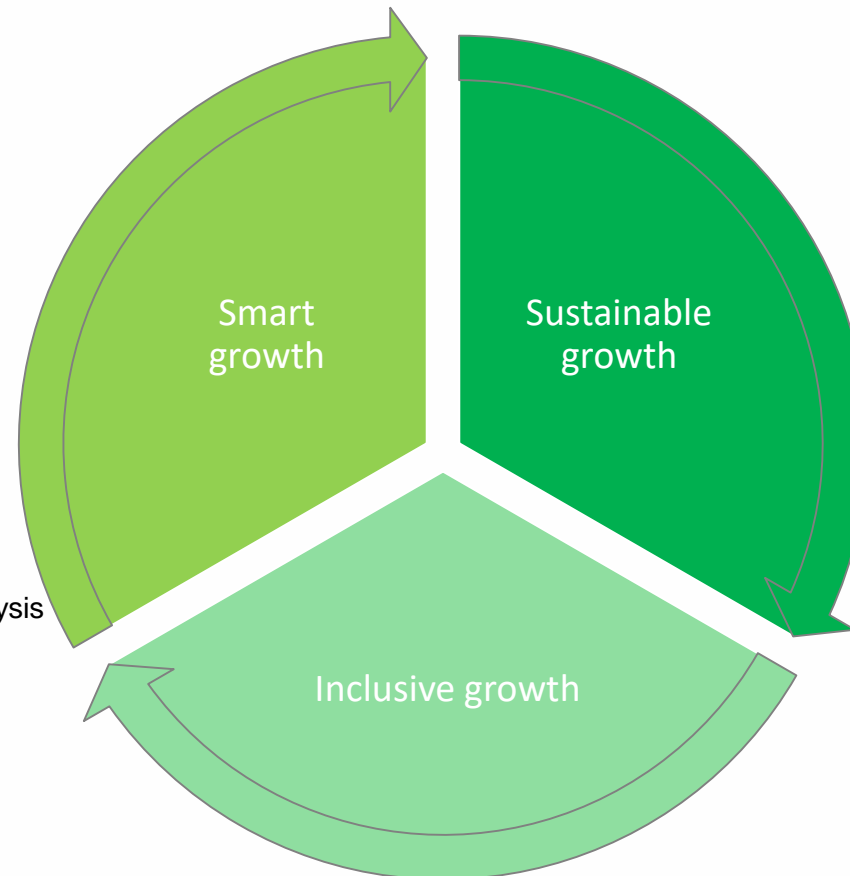
Product and process innovation represents more than 60% of total capex:

- New technologies
 - Battery products
 - Engine management
- Product efficiency and ergonomics
- Emission control
- Digitalization
 - IoT
 - Connectivity
 - Simulation software

- For home owners and landscapers
- Ideal for maintenance of parks and gardens
- Environmental friendly
- Less noise
- Zero emission
- Easy to use



Forecast optimization through data mining and predictive maintenance of machines



Smart growth

- Data mining from big data to smart data for know-how growth for all company departments
- Integration with smart city

Sustainable growth

- Machines managed with predictive maintenance increase the life of the machine and optimize consumption
- Optimizing the warehouse forecast allows to limit waste and limit transport.

Inclusive growth

- New skilled people required such as data scientists, IT, electronic.

Benefits

- Warehouse optimization
- Customer service improvement

Supporting technology

- Engine management
- Smart battery
- Datalogger
- Cloud management and data analysis
- Smartphone connection

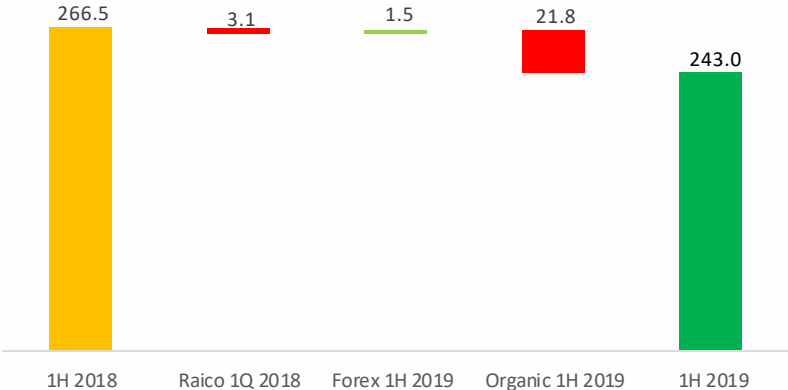
Acquisition of 30% of Agres

Components & Accessories - Precision Farming

- ✓ Headquarter in Pinais (Paraná), Brasil
- ✓ Activity: development and supply, mainly on the local market, of electronic systems (software, hardware and related services) for agricultural machines (spraying and weeding machines and seeders)
- ✓ Value of the transaction: 11.7 million Reais (approximately 2.8 €m)
- ✓ Further agreements: Put & Call Option on a further 55% stake to be exercised in 2023.
- ✓ 2018 company results: sales of 21.7 million Reais.

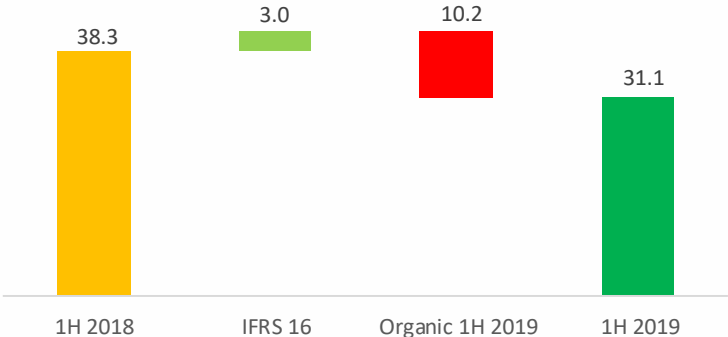


Sales €m



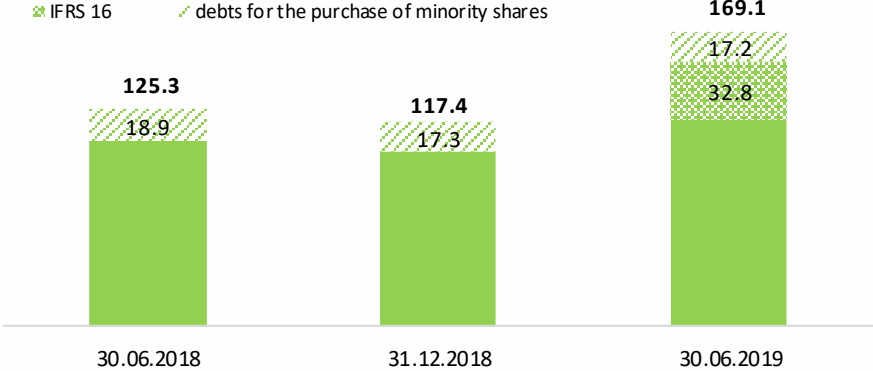
Net sales: decrease of 8.8%

EBITDA ADJ €m



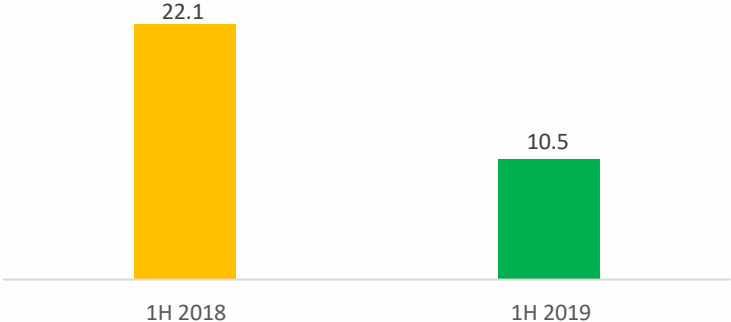
EBITDA: negative impact of lower sales volumes and higher raw material costs. IFRS 16 effect of 3 €m

Net financial position €m



Net debt: Figure includes commitments of 17.2 €m to acquire minority interests in subsidiaries. IFRS 16 effect of 32.8 €m

Net profit €m



Financial income: 2018 figure included financial capital gain for 2.5 €m. 2109 figure includes a loss of 2.1€m for the reduction of goodwill valuation.

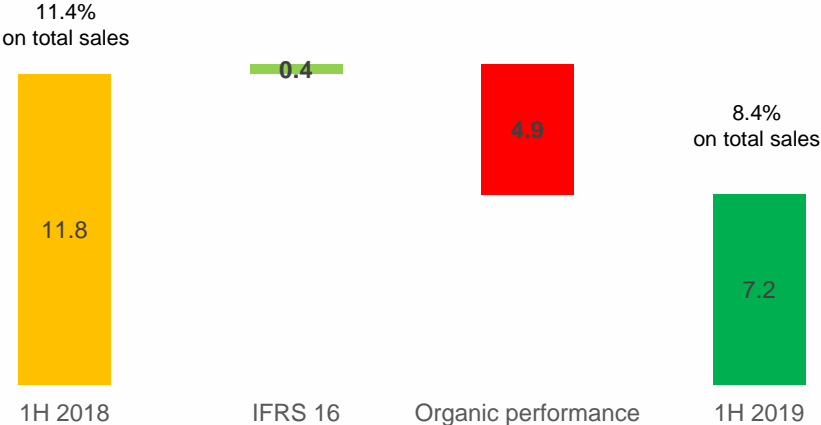
Sales to third parties €m



Sales:

- ✓ *Europe:* weak first quarter due to high stocks in the network. Delayed start of the gardening season.
- ✓ *Americas:* increase in North America didn't offset the decrease in South America.
- ✓ *Asia, Africa and Oceania:* positive performance in China, slowdown in Turkey due to country's instability.

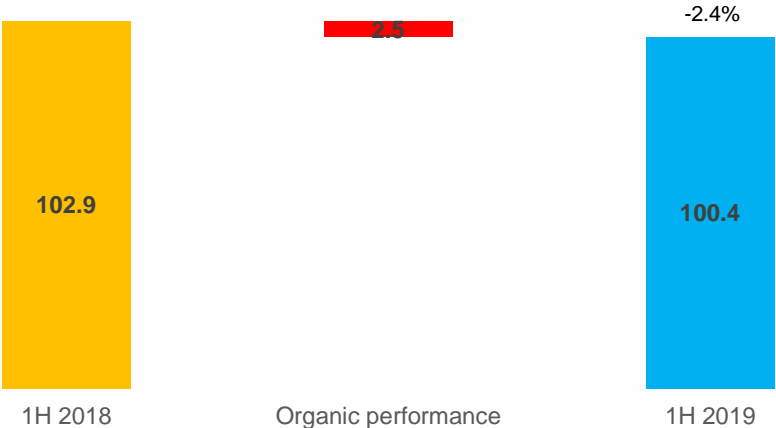
EBITDA Adjusted €m



EBITDA adjusted

- ✓ Decline in sales volumes.
- ✓ Reduction in structural and operating costs.

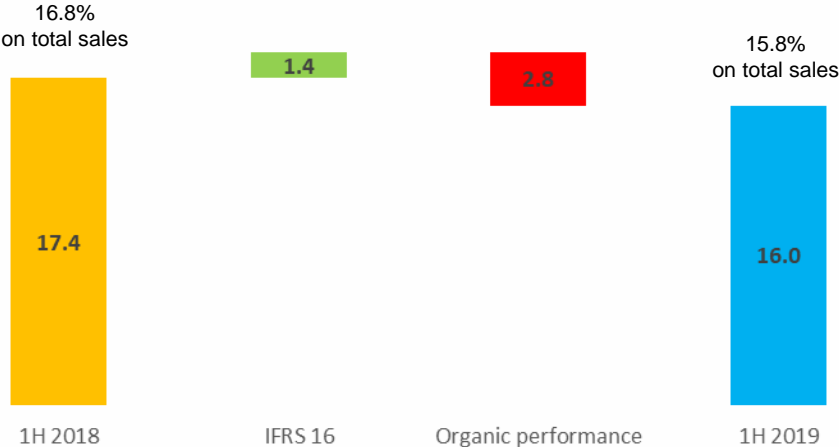
Sales to third parties €m



Sales

- ✓ *Europe*: decrease due to overall slowdown in the reference market.
- ✓ *Americas*: substantially stable, with a slight recovery in the second quarter.
- ✓ *Asia, Africa and Oceania*: good performance, mainly in the Far East.

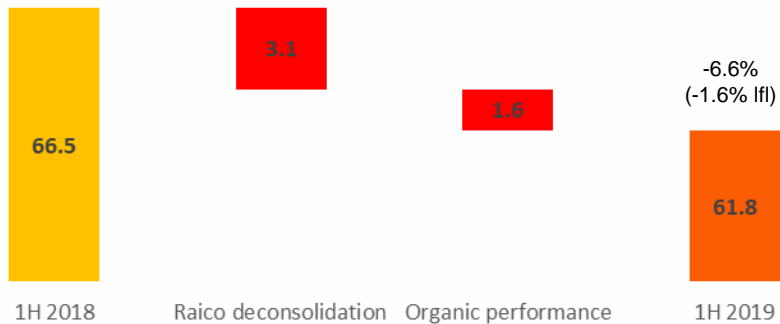
EBITDA Adjusted €m



EBITDA adjusted

- ✓ Increase in raw materials.
- ✓ Higher costs to implement growth activities.

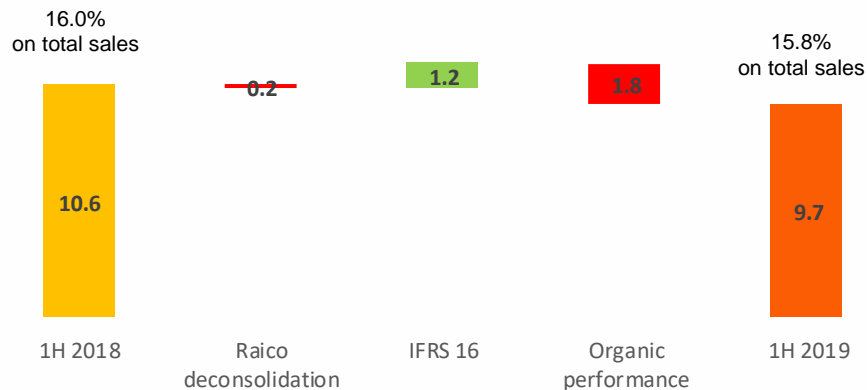
Sales to third parties €m



Sales

- ✓ Negative impact from Raico deconsolidation
- ✓ *Europe*: performance in line on the Italian market and down on the other continental markets.
- ✓ *Americas*: recovery of sales on the North American market in 2Q and good performance in Latin America.
- ✓ *Asia, Africa and Oceania*: significant recovery in 2Q.

EBITDA Adjusted €m



EBITDA adjusted

- ✓ Lower sales volumes
- ✓ Increase in the costs of raw materials
- ✓ Unfavorable product mix

Consolidated income statement

FY 2018	€m	1H 2019 no IFRS 16	IFRS 16 impact	1H 2019 IFRS 16	1H 2018
452.8	Revenues from sales	243.0		243.0	266.5
5.5	Other operating incomes	2.0		2.0	2.7
4.6	Change in inventories	2.4		2.4	(3.6)
(243.2)	Raw materials, consumables and goods	(131.6)		(131.6)	(138.2)
(83.3)	Personnel expenses	(42.5)		(42.5)	(44.2)
(87.0)	Other operating costs and provisions	(45.6)	3.0	(42.7)	(46.5)
49.4	Operating result	27.8	3.0	30.7	36.7
-15.5	Amortization, depreciation and impairment losses	(10.2)	(2.7)	(12.9)	(7.2)
34.0	Operating result	17.6	0.3	17.9	29.5
5.3	Financial income	0.2		0.2	3.3
(4.8)	Financial expenses	(2.6)	(0.5)	(3.1)	(2.5)
0.1	Exchange gains and losses	0.7		0.7	(0.7)
0.3	Income from/(expenses on) equity investment	(0.1)		(0.1)	0.1
34.9	Profit before taxes	15.8	(0.2)	15.6	29.6
(9)	Income taxes			(5.1)	(7.5)
25.6	Net profit			10.5	22.1

Consolidated balance sheet - Assets

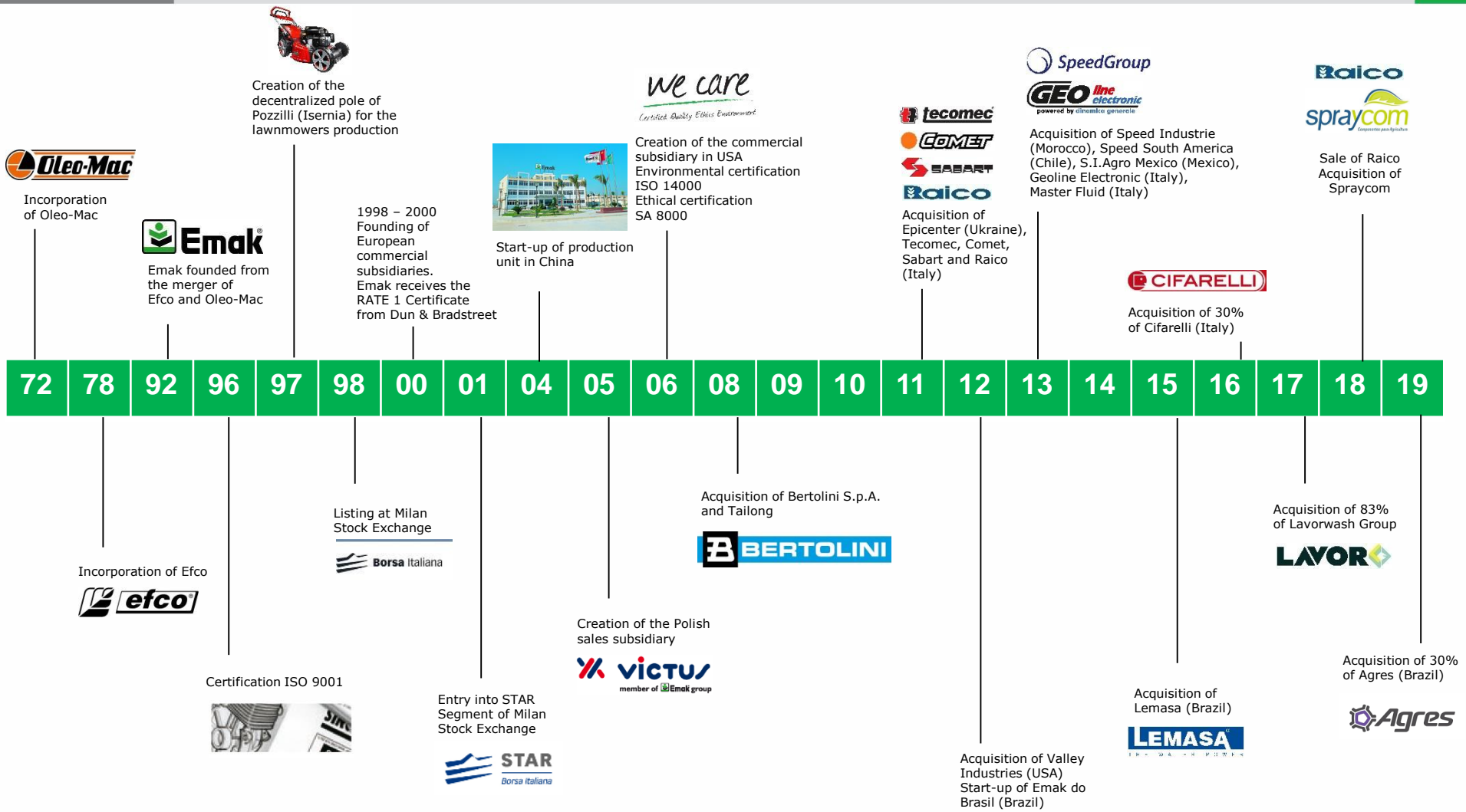
31.12.2018	€m	30.06.2019	30.06.2018
	Non-current assets		
75.4	Property, plant and equipment	76.2	73.0
20.2	Intangible assets	20.7	19.5
-	Rights of use	32.2	-
65.8	Goodwill	64.1	65.8
0.2	Equity investments in other companies	0.0	0.2
4.6	Equity investments in associates	7.3	4.4
8.5	Deferred tax assets	8.5	8.0
2.5	Other financial assets	2.3	1.5
0.1	Other assets	0.3	0.1
177.2	Total non-current assets	211.5	172.5
	Current assets		
156.7	Inventories	159.8	147.4
108.3	Trade and other receivables	129.7	141.7
6.0	Current tax receivables	4.1	3.9
0.6	Other financial assets	1.1	2.0
0.3	Derivative financial instruments	0.2	0.2
62.6	Cash and cash equivalents	38.2	68.1
334.5	Total current assets	333.0	363.3
511.7	TOTAL ASSETS	544.5	535.8

Consolidated balance sheet - Liabilities

31.12.2018	€m	30.06.2019	30.06.2018
	Shareholders' Equity		
203.7	Shareholders' Equity of the Group	207.0	200.7
2.1	Non-controlling interests	2.0	2.0
205.8	Total shareholders' Equity	208.9	202.8
	Non-current liabilities		
113.3	Loans and borrowings due to banks and others lenders	88.8	119.5
-	Liabilities for leasing	27.8	-
8.4	Deferred tax liabilities	8.4	8.7
8.8	Employee benefits	8.3	9.4
2.2	Provisions for risks and charges	2.3	2.2
0.5	Other non-current liabilities	0.5	0.5
133.1	Total non-current liabilities	136.0	140.3
	Current liabilities		
95.9	Trade and other payables	97.3	105.6
4.9	Current tax liabilities	6.2	7.5
69.4	Loans and borrowings due to banks and others lenders	88.0	77.1
-	Liabilities for leasing	5.0	-
0.6	Derivative financial instruments	1.2	0.4
1.9	Provisions for risks and charges	1.9	2.1
172.7	Total current liabilities	199.6	192.7
511.7	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	544.5	535.8

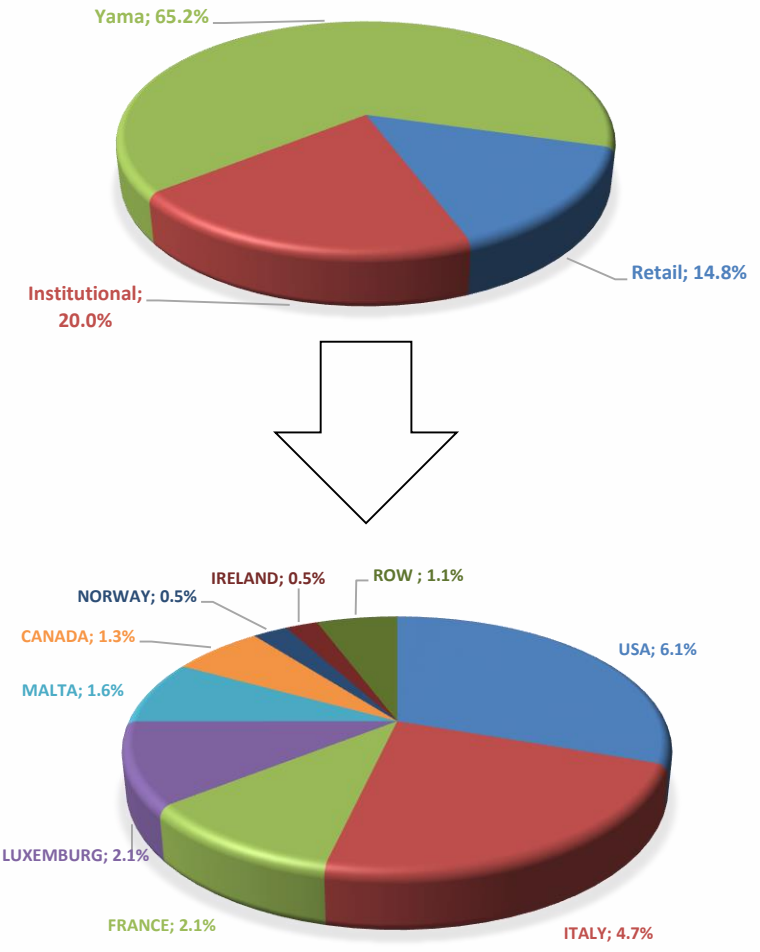
Appendix

Emak Group – Our History



Shareholders and Stock performance

Main shareholders	Share of capital %
Yama S.p.A.	65.2%
FMR LLC	5.0%
Treasury shares	0.2%



Synthesis of results

€m	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011 PF	2012	2013	2014	2015	2016	2017	2017 PF	2018
Sales	84.4	89.5	133.0	146.7	147.0	152.7	163.2	183.4	208.4	217.8	243.4	194.9	206.8	204.4	357.0	354.8	355.0	354.8	381.6	391.9	422.2	461.8	452.8
EBITDA adj margin	12.9 15.3%	12.8 14.3%	16.0 12.0%	20.6 14.1%	22.9 15.6%	23.9 15.7%	22.6 13.9%	22.3 12.1%	25.1 12.1%	30.0 13.8%	31.7 13.0%	21.7 11.1%	21.3 10.3%	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%
EBIT adj margin	9.3 11.1%	8.1 9.0%	10.6 8.0%	14.8 10.1%	16.8 11.4%	17.5 11.5%	16.3 10.0%	17.0 9.3%	19.8 9.5%	24.5 11.2%	24.9 10.2%	14.9 7.6%	13.9 6.7%	12.5 6.1%	25.8 7.2%	19.6 5.5%	22.4 6.3%	21.7 6.1%	25.0 6.5%	22.9 5.8%	31.7 7.5%	38.1 8.2%	36.3 8.0%
Net profit margin	5.5 6.5%	3.9 4.4%	6.2 4.7%	7.9 5.4%	9.0 6.1%	9.6 6.3%	9.0 5.5%	9.6 5.2%	11.3 5.4%	15.2 7.0%	14.9 6.1%	9.4 4.8%	11.6 5.6%	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%
FCF from operations	9.1	8.6	11.6	13.7	15.1	16.0	15.3	14.8	16.7	20.8	21.6	16.2	19.0	12.9	25.0	20.8	22.4	21.7	21.5	35.3	30.4	35.0	40.1
Net Equity	42.1	44.8	48.8	53.8	59.3	65.1	69.8	75.4	81.9	91.4	99.4	104.6	114.0	140.1	140.1	145.0	150.8	160.1	168.5	181.7	187.5	187.5	205.8
Net fin. debt	3.2	5.5	14.3	26.4	19.1	21.1	16.4	25.8	37.9	31.0	61.8	38.0	27.4	97.3	97.3	99.9	76.4	79.0	99.4	80.1	125.3	125.3	117.4
Net capital employed	45.3	50.3	63.1	80.3	78.5	86.2	86.3	101.2	119.7	122.5	161.2	142.6	141.4	237.4	237.4	244.9	227.2	239.1	267.9	261.8	312.8	312.8	323.2
NWC	27.5	32.1	43.7	55.6	54.2	60.2	59.3	66.4	81.8	81.1	103.2	82.9	83.7	157.5	157.5	155.9	142.2	148.6	154.6	145.6	161.8	161.8	168.3
Debt/Equity	0.1	0.1	0.3	0.5	0.3	0.3	0.2	0.3	0.5	0.3	0.6	0.4	0.2	0.7	0.7	0.7	0.5	0.5	0.6	0.4	0.7	0.7	0.6
Debt/EBITDA adj	0.2	0.4	0.9	1.3	0.8	0.9	0.7	1.2	1.5	1.0	2.0	1.8	1.3	5.0	2.6	3.1	2.2	2.4	2.7	2.0	2.7	2.4	2.3

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

1998-1999: Creation of 5 commercial branches in Western Europe. **2004:** Establishment of Emak Jiangmen, production plant in China. **2005:** Creation of Victus, commercial branch in Poland. **2006:** Creation of Emak U.S.A. commercial branch in USA. **2008:** Acquisition of Bertolini and Tailong (cylinder manufacturer) **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

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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