

# H1 2020 RESULTS

September  
29th, 2020

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# Agenda



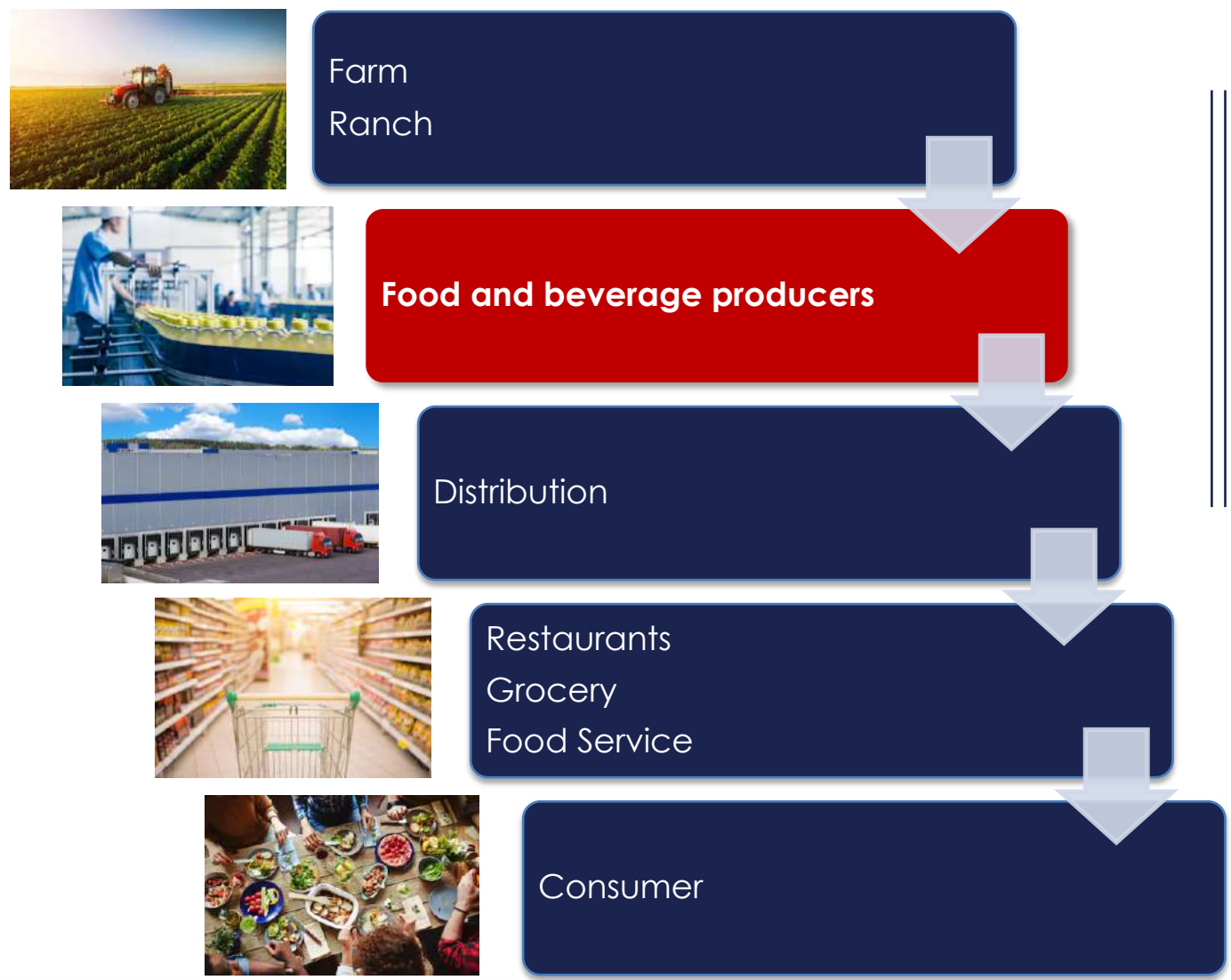
## ➤ **CFT Group overview**

H1 2020 Financial highlights

2020 Outlook

Appendix

# CFT IN THE FOOD AND BEVERAGE VALUE CHAIN



- Sorting
- Processing
- Primary Packaging
- Product Treatment
- Secondary Packaging

Leading consolidator of processing, packaging and sorting technologies in the food and beverage MACHINERY sector

# CFT WELL POSITIONED TO BENEFIT OF POSITIVE MEGATRENDS & KEY DRIVERS



URBANIZATION AND GROWING MIDDLE CLASS



ENERGY SCARCITY AND STRICTER ENVIRONMENTAL REGULATIONS



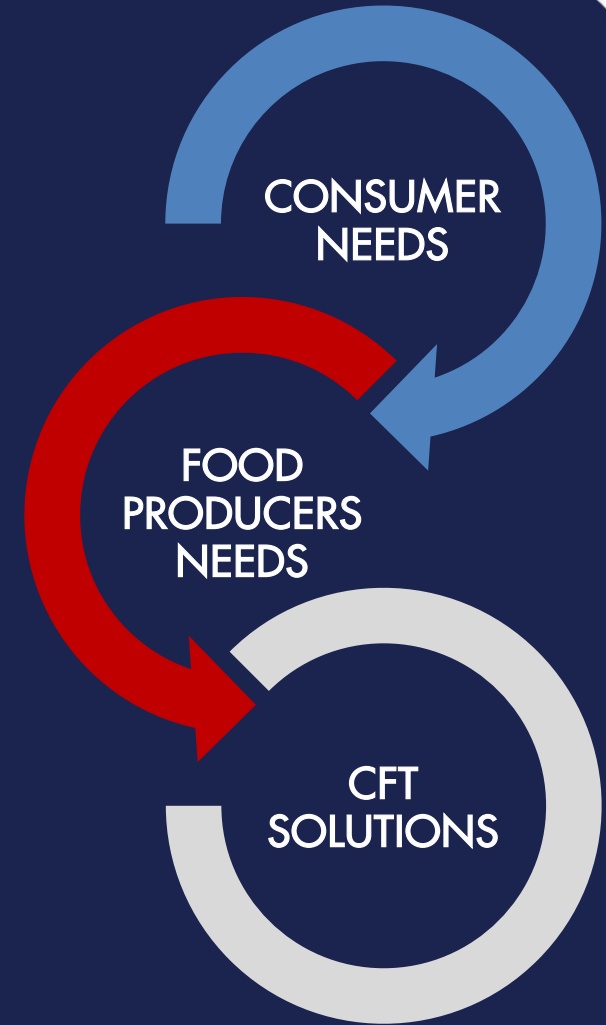
FOOD SAFETY  
HEALTHY AND HIGH QUALITY  
CONVENIENCE  
SMART PACKAGING  
READY TO EAT



SAFETY AND QUALITY CONTROL  
ENERGY CONSUMPTION REDUCTION  
LABOR COST MINIMIZATION  
INCREASING PRODUCTIVITY  
REDUCE DOWNTIME



CERTIFIED ASEPTIC PROCESSES AND SORTING SOLUTIONS  
ENERGY SAVING MACHINES  
COMPLETE AUTOMATION  
GLOBAL SERVICE AND SUPPORT



# GROWING REVENUES STREAMS

~50%

REVENUES



5-6  
months

TIME TO MARKET

## COMPLETE LINES DEVELOPMENT

- Engineering excellence
- Tailor-made solutions
- Long-term relationship with customers
- **Integration of single machines in CFT complete lines**

~ 30%

REVENUES



2-3  
months

TIME TO MARKET

## GROWTH OF SINGLE MACHINES

- **Limited investments**
- **High profitability**
- **Directly managed by each legal entity**
- **Growth of installed base**

~ 20%

REVENUES



## FOCUS ON AFTER SALES

- **High profitability**
- **Recurring sales**
- **Preventive and predictive maintenance programs**

# CFT GROUP IN A NUTSHELL



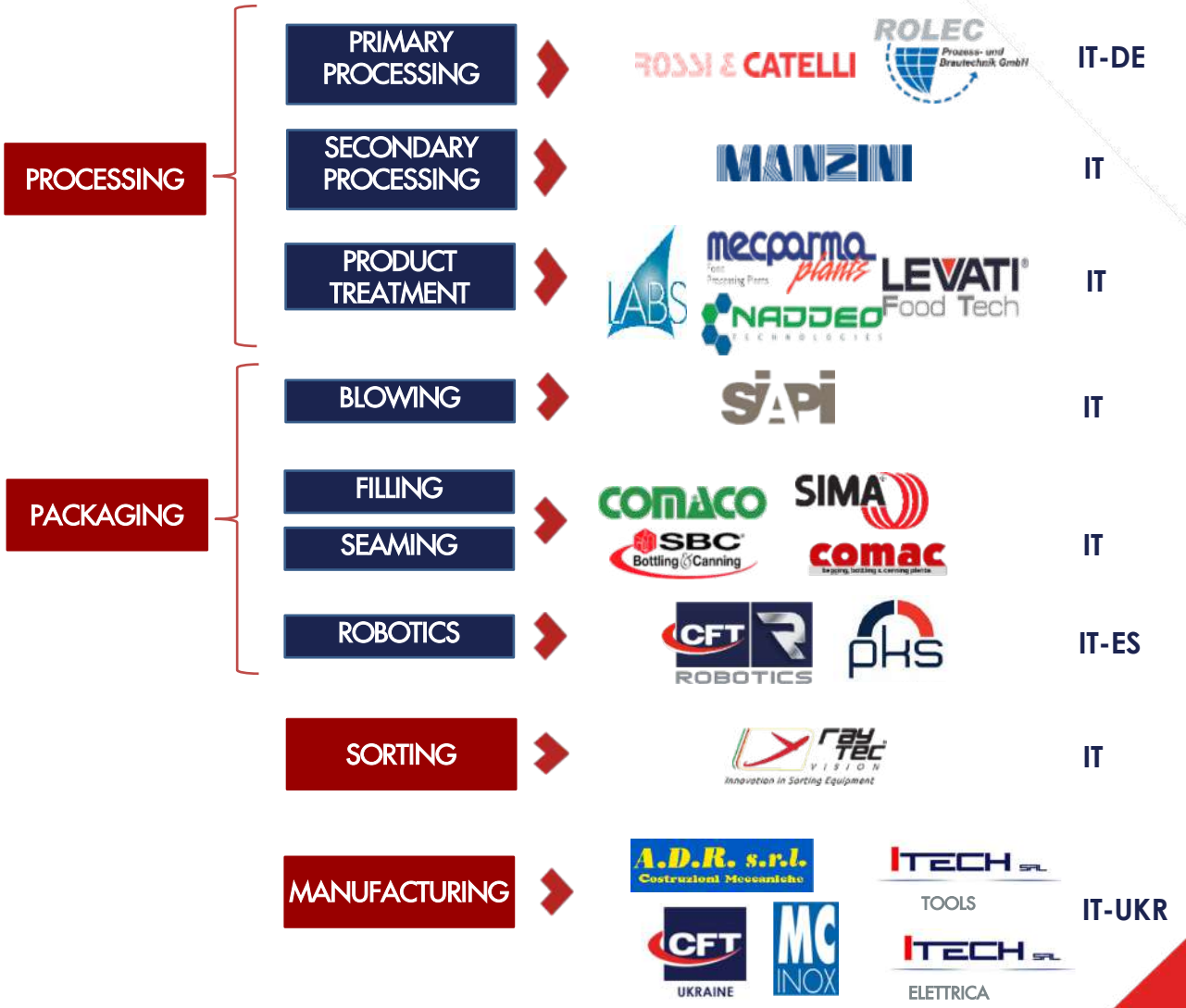
## 4 MAIN BUSINESSES



## 8 MAIN FACILITIES



## 4 MAIN TECHNOLOGIES



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# H1 2020 Financial highlights

101.7  
M€ REVENUES -15.8%

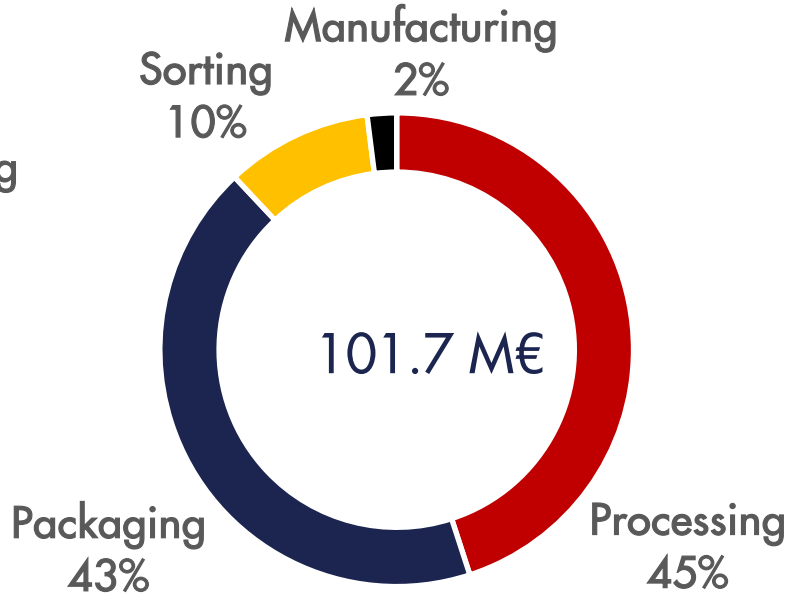
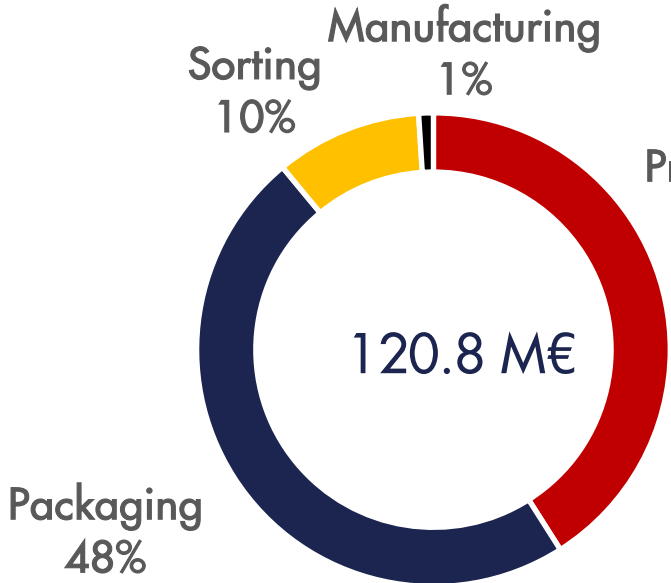
- Sales volumes reduction due to Covid-19 impact;
- Decrease mainly in Sorting and Packaging divisions;
- In the Processing segment, the reduction of Fruits&Vegetables revenues was partially compensated by growth in Dairy.
- Packaging division was impacted by the effect of Covid-19 pandemic on some non-food (especially lube oil) and food&beverages sectors (especially related to Ho.re.ca.) causing an investments reduction;
- Growth in After Sales revenues;
- Sales in over 90 countries worldwide. Approx. 88% of machines revenue is generated abroad.

# REVENUES BY TECHNOLOGY



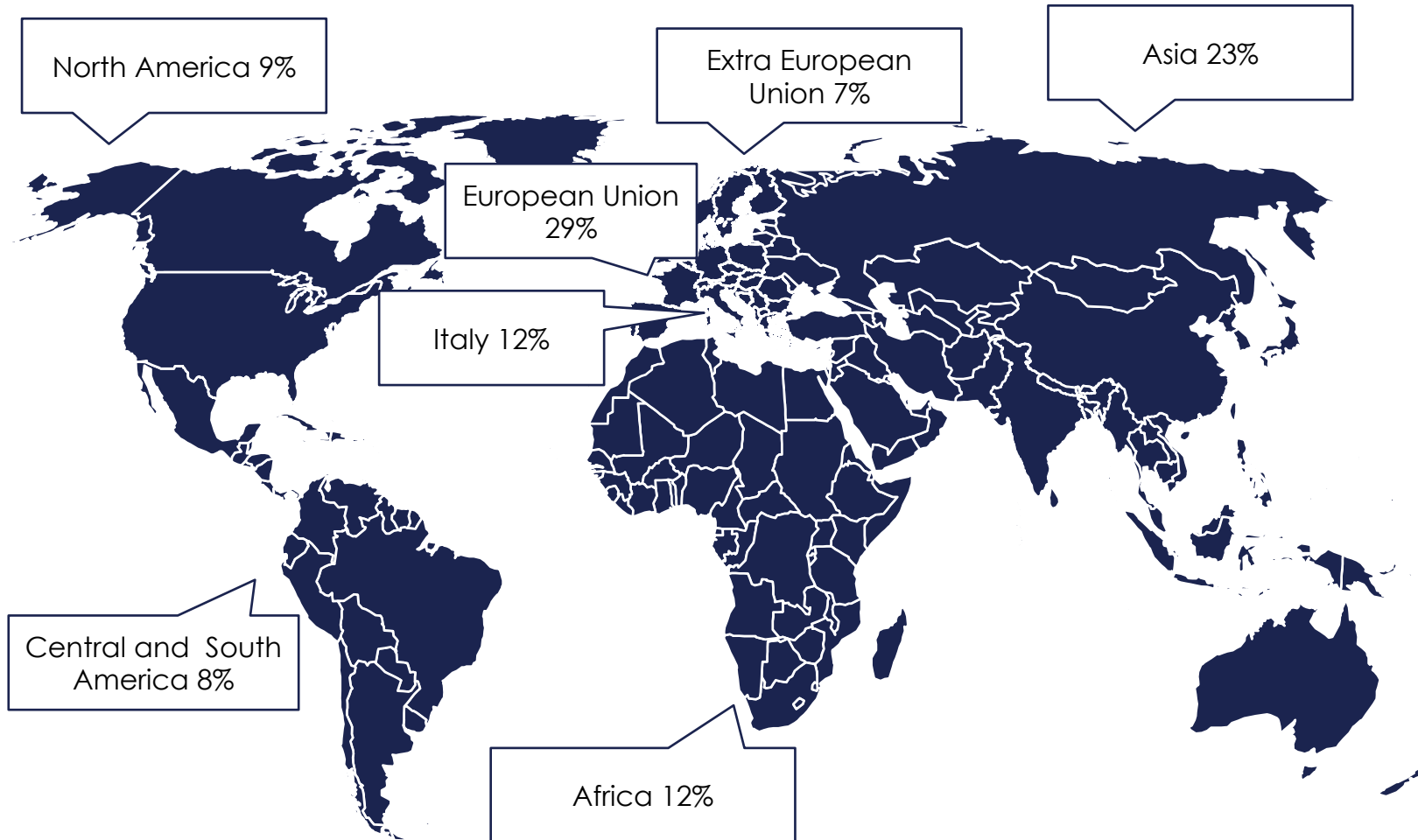
H1 2019 (\*)

H1 2020 (\*)



(\*) Figures refer to third parties revenues

# H1 2020 MACHINES REVENUES BY AREA



# H1 2020 Financial highlights

(\*) The adjustment carried out at the EBITDA level as at June 30, 2020 refers to non-recurring costs of € 1.1 million, mainly regarding extraordinary prototyping costs for R&D projects, consultancy costs for M&A transactions, extraordinary costs related to Covid-19 health emergency and non-monetary costs related to the stock incentive plan.

6.0  
M€ EBITDA ADJ(\*) -22.7%

## EBITDA was mainly driven by:

- the reduction of sales volumes in the Sorting division, with EBITDA margin decreasing from 18.4% to 13.1%;
- the reduction of sales volumes in the Processing division, with EBITDA margin from 6.2% to 4.8%;
- the impact of the startup PKS, whose EBITDA was negative for around € 1.0 million, affecting the EBITDA margin of the whole Packaging division which, without PKS negative effect, would have risen to 6.1% vs 3.9% at June 30, 2019, thanks to the contribution of Robotics division;
- the positive impact of After Sales revenue;
- the containment of indirect costs.

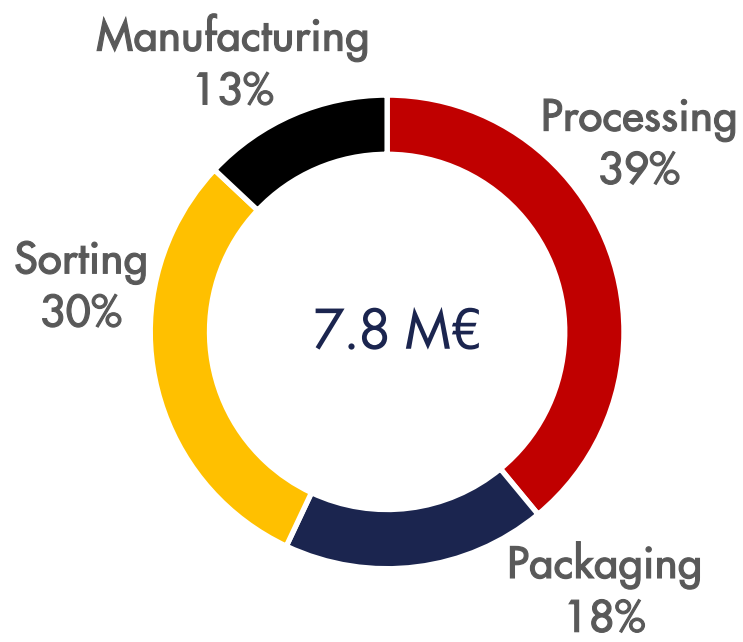
-2.3  
M€ GROUP NET PROFIT

Decrease compared to € 1.3 million at June 2019.

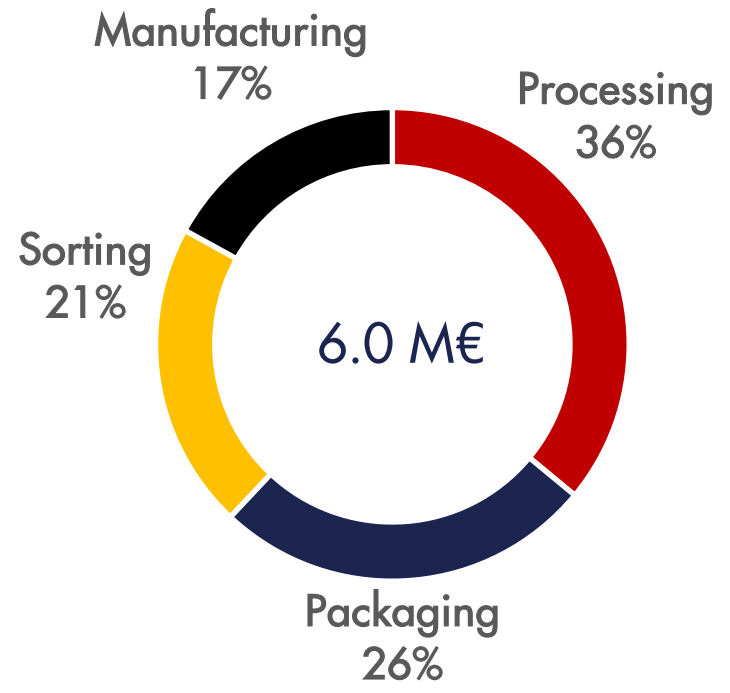
Decrease in minorities (€ -0.3 million vs €0.4 million at June 2019).

# EBITDA BY TECHNOLOGY

## H1 2019



## H1 2020



# H1 2020 Financial highlights

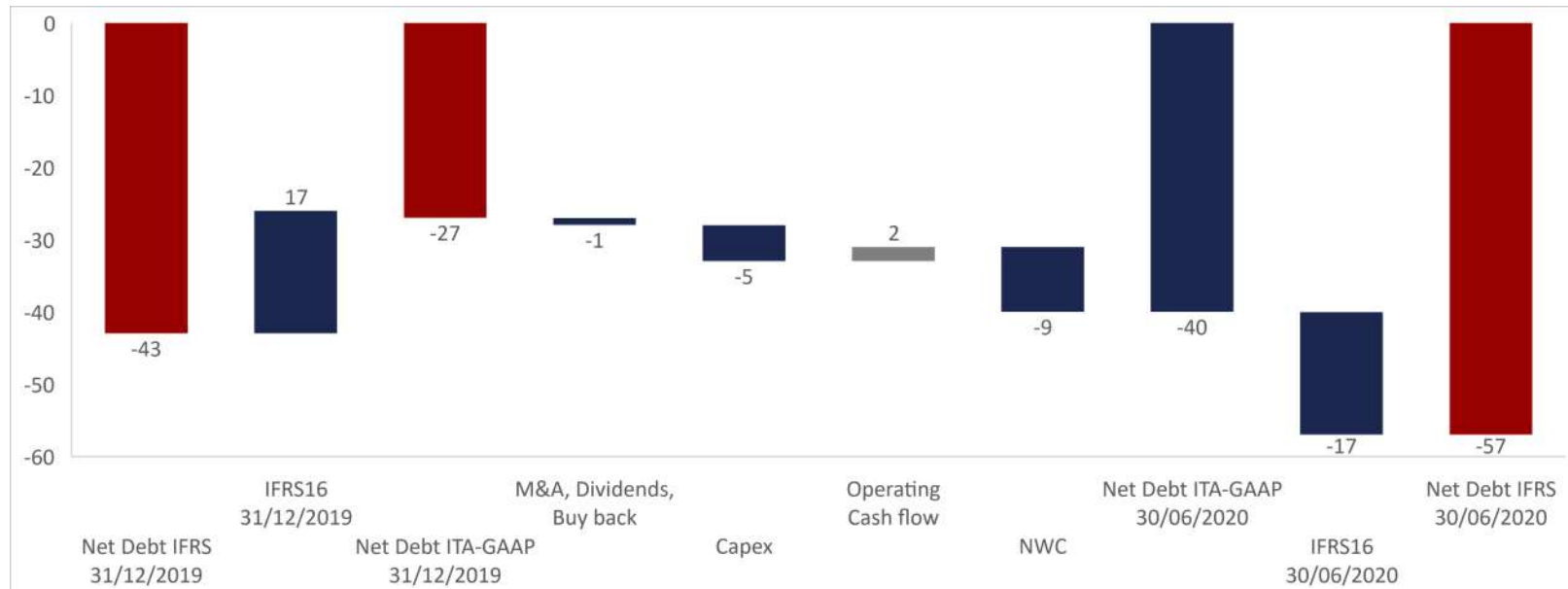
**56.8**  
**M€** NET FINANCIAL POSITION  
Including IFRS16 effect of € 17 million

Increasing compared to € 43.3 million on December 31, 2019 (Including IFRS16 effect of € 17 million)

**The difference mainly concerns:**

- the net positive operating cash flow generation of € 2 million;
- the negative cash effect related to working capital management for € 9 million;
- net investments in Tangible and Intangible Assets for € 5 million mainly for the residual investments in Robotics and Sorting divisions;
- the acquisition of the minorities of Levati, of treasury shares and the dividend payment for a total amount of € 0.7 million.

# H1 2020 CASH FLOW STATEMENT



Net positive operating cash flow generation of € 2 million;

Net investments in Tangible and Intangible Assets for € 5 million mainly for the development of the Robotics, Product Treatment and Sorting technology platforms to support the growth. In particular:

- The completion of the new Raytec Vision S.p.A. headquarter for € 1.5 million;
- PKS headquarter;
- IT investments;
- R&D Investments.

Acquisition of the minorities of Levati, of treasury shares and dividend payment for a total amount of € 0.7 million.

Negative cash effect related to working capital management for € 9 million.

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# 2020 Outlook

➤ Revenues

**225/230 M€**

➤ EBITDA margin Adj.

~ **6%**

## Group Organization

- Integration of corporate and sales structure
- Focus on facing Covid-19 challenges impact on revenues and order intake
- Cost savings and after sales development
- Development of operational excellence of manufacturing technology

## Investments

- Limited Capex in 2020
- Leverage on 2018 and 2019 investments to support the growth

## Business trends

### Sorting

- Fresh Cut: expected down due to Covid-19 pandemic

### Processing

- Tomato: expected stable on the low-end business cycle as the previous year
- Milk & Dairy: expected growth to mitigate other sectors slow down

### Packaging

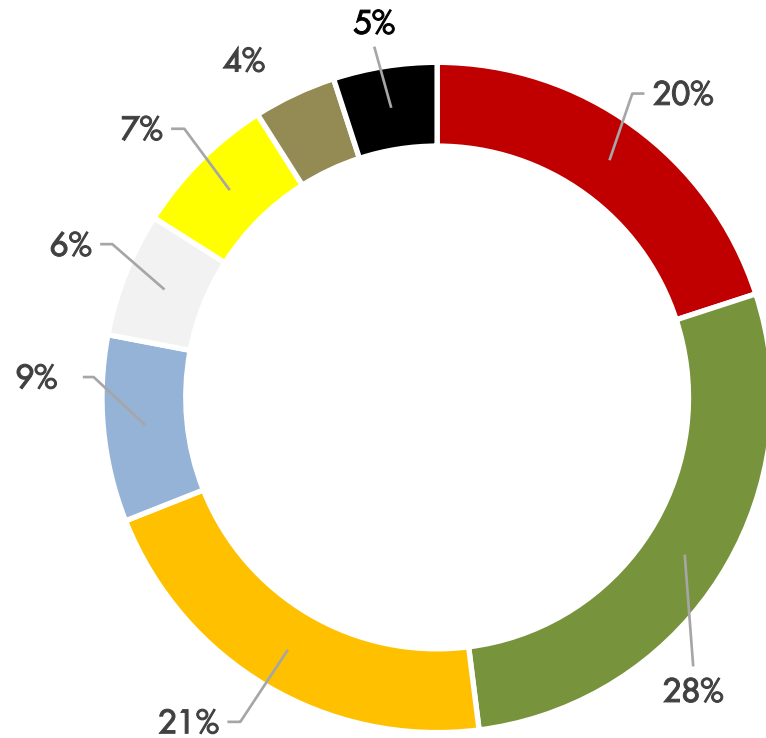
- Growth in robotics applications
- Expected down due to Covid-19 negative impact on Ho.re.ca. related investments

➤ Main Drivers

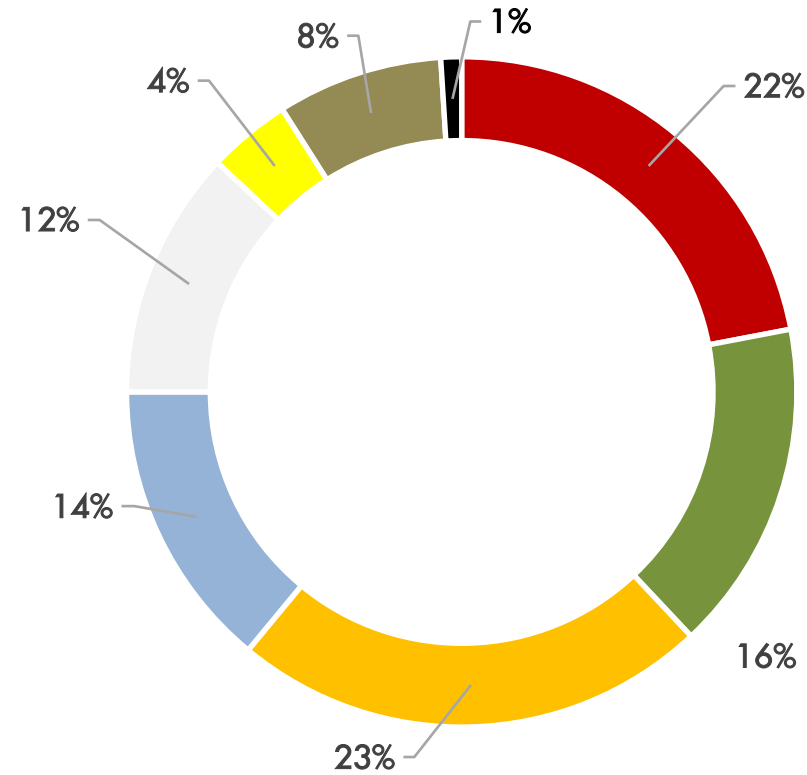


# REVENUES BY PRODUCT

FY 2019



FY 2020 EXPECTED



- Tomato
- Fruit & Vegetables
- Beer
- Other Beverages
- Dairy
- Edible Oil
- Other food
- Non Food



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# H1 2020 Consolidated Income Statement



<i>(Thousands of Euros)</i>	For the period ended June 30,	
	2020	2019
Revenue	101.748	120.839
Other revenue	1.335	2.775
<b>Total revenue</b>	<b>103.083</b>	<b>123.614</b>
Cost of services	(24.612)	(34.180)
Cost of raw material, ancillary and goods for resale	(43.743)	(53.152)
Personnel costs	(28.637)	(27.838)
Other operating costs	(1.182)	(1.540)
Depreciation and amortization of property, plant and equipment, intangibles assets	(5.840)	(4.605)
Depreciation of financial assets	(396)	(181)
Other net provisions	-	(233)
<b>Operating profit</b>	<b>(1.327)</b>	<b>1.885</b>
Financial income	526	1.470
Financial expenses	(1.264)	(933)
Profit/(Loss) from investments accounted for using the equity method	(153)	(101)
Profit/(Loss) from foreign exchange	(253)	(160)
<b>Profit before tax</b>	<b>(2.471)</b>	<b>2.161</b>
Income taxes	(117)	(452)
<b>Profit for the year</b>	<b>(2.588)</b>	<b>1.709</b>
Profit for the year attributable to non-controlling interests	(266)	397
<b>Profit for the year attributable to equity holders of the Parent</b>	<b>(2.322)</b>	<b>1.312</b>

# H1 2020 Consolidated statement of financial position

<i>(Thousands of Euros)</i>	As at June 30, 2020	As at Dec. 31, 2019
<b>ASSETS</b>		
<b>Non-current assets:</b>		
Right of use assets	18.114	16.675
Property, plant and equipment	38.779	37.362
Intangible assets	49.156	50.659
Investments accounted for using the equity method	87	233
Deferred tax assets	5.372	5.141
Non-current financial assets	1.537	1.893
<b>Total non-current assets</b>	<b>113.045</b>	<b>111.962</b>
<b>Current assets:</b>		
Inventory	102.366	92.709
Trade and other receivables	53.626	56.104
Income tax receivables	3.034	5.321
Cash and cash equivalents	61.546	36.027
Other current assets	10.415	9.995
<b>Total current assets</b>	<b>230.987</b>	<b>200.156</b>
<b>TOTAL ASSETS</b>	<b>344.032</b>	<b>312.118</b>

<i>(Thousands of Euros)</i>	As at June 30, 2020	As at Dec. 31, 2019
<b>EQUITY</b>		
Share Capital	10.000	10.000
Statutory reserve	151	151
Other reserves	34.534	35.642
Retained earnings	4.572	6.119
<b>Equity attributable to equity holders of the Parent</b>	<b>49.257</b>	<b>51.912</b>
Non-controlling interests	21.026	21.763
<b>TOTAL EQUITY</b>	<b>70.283</b>	<b>73.675</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities:</b>		
Non-current bank borrowings	99.277	59.306
Non-current lease liabilities	12.906	12.839
Non-current put option liabilities	22.782	22.646
Employee defined benefit payables	4.261	4.538
Non-current trade payables	588	906
Provisions for risks and charges	2.578	2.839
Other non-current liabilities	3.831	4.113
<b>Total non-current liabilities</b>	<b>146.223</b>	<b>107.187</b>
<b>Current liabilities:</b>		
Current bank borrowings	1.018	2.129
Current lease liabilities	3.873	3.874
Income tax payables	-	78
Derivative financial instruments	97	106
Current trade payables	60.993	70.599
Other current liabilities	61.545	54.470
<b>Total current liabilities</b>	<b>127.526</b>	<b>131.257</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>344.032</b>	<b>312.118</b>

# H1 2020 Consolidated statement of cash flows

(Thousands of Euros)	For the period ended June, 30	
	2020	2019
<b>Profit before tax</b>	<b>(2.471)</b>	<b>2.161</b>
<i>Adjustments:</i>		
Depreciation and amortization of property, plant and equipment, intangibles assets	5.840	4.605
Depreciation of financial assets and other net provisions	396	339
Profit/(Loss) from investments accounted for using the equity method	153	101
Net financial expenses and Profit/(Loss) on foreign exchange	991	(299)
(Gain)/Losses on financial assets	(300)	-
Other non-monetary movements	(397)	(1.471)
<b>Cash flow from operating activities before changes in net working capital</b>	<b>4.212</b>	<b>5.436</b>
<i>Changes in net working capital:</i>		
- Inventory	(9.666)	(9.471)
- Trade Receivables	1.751	1.105
- Trade payables	(9.924)	(3.552)
- Other changes in net working capital	9.648	20.667
<b>Net cash flow from changes in net working capital</b>	<b>(8.191)</b>	<b>8.748</b>
Income tax paid	(117)	-
Employee defined benefit payables and provisions for risks and charges	(948)	671
<b>Net cash flow provided by/(used in) operating activities</b>	<b>(5.044)</b>	<b>14.856</b>

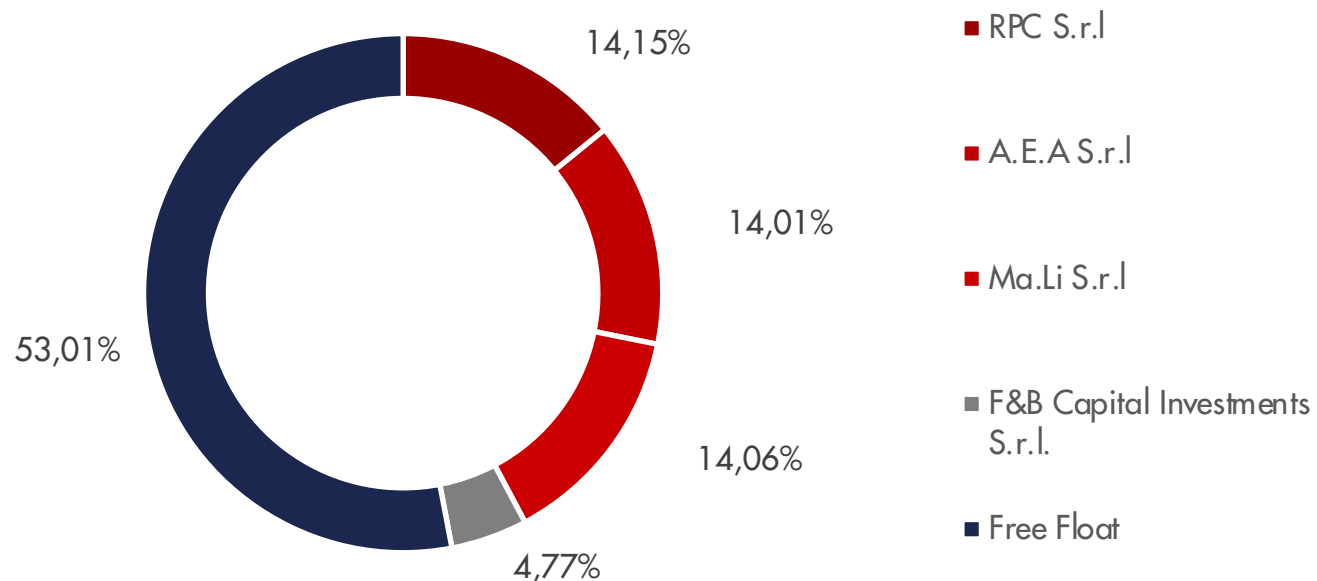
(Thousands of Euros)	For the period ended June 30	
	2020	2019
<b>Net cash flow provided by/(used in) operating activities</b>	<b>(5.044)</b>	<b>14.856</b>
<i>Net cash flow provided by/(used in) financing activities:</i>		
Investments in:		
-Intangible and tangible assets	(3.811)	(9.430)
-Right of use	(1.439)	(2.109)
-Equity investments	(7)	(2)
Changes in current and non-current financial assets	356	(40)
Net assets acquired	(260)	(339)
<b>Net cash flow provided by/(used in) investing activities</b>	<b>(5.161)</b>	<b>(11.920)</b>
<i>Net cash flow provided by/(used in) financing activities:</i>		
Current bank borrowings	-	(600)
Non-current bank borrowings	40.000	9.913
Changes of bank liabilities	(1.215)	(379)
Changes of lease liabilities	(1.877)	(1.187)
Net financial expenses paid	(780)	(889)
Treasury Shares	(314)	-
Dividends paid	(150)	(174)
Other	61	-
<b>Net cash flow provided by/(used in) financing activities</b>	<b>35.725</b>	<b>6.684</b>
<b>Total cash flow provided/(used) in the year</b>	<b>25.519</b>	<b>9.619</b>
Cash and cash equivalents at the beginning of the period	36.027	41.798
Cash and cash equivalents at the end of the period	61.546	51.417

# H1 2020 EBITDA RECONCILIATION

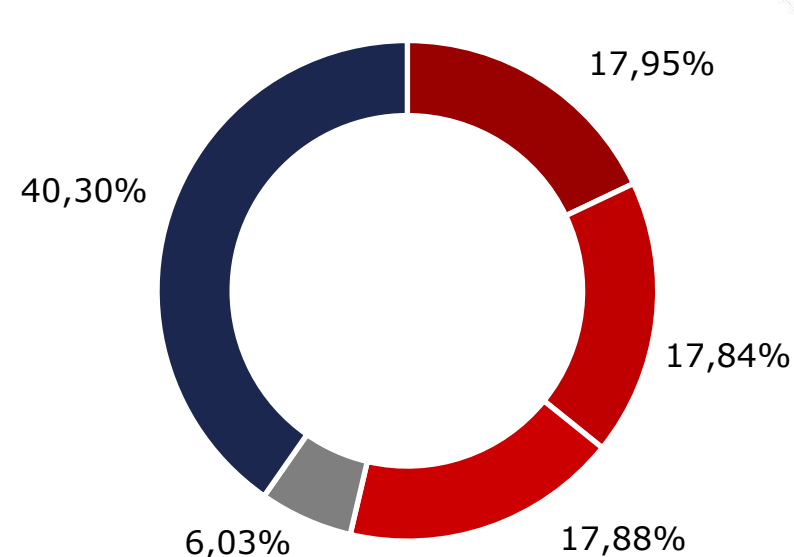
	As at June 30	
	2020	2019
<i>(Thousands of Euros)</i>		
Profit for the year	(2.588)	1.709
Income Taxes	117	452
Profit/(Loss) from foreign exchange	253	160
Profit/(Loss) from investments accounted for using the equity method	153	101
Financial Expenses	1.264	933
Financial Income	(526)	(1.470)
Depreciation of financial assets	396	181
Other net provisions	-	233
Depreciation and amortization of property, plant and equipment, intangibles assets	5.840	4.605
Other non-monetary movements	162	162
Other costs for equity investments	68	174
Non-recurrent income or expenses	875	536
<b>EBITDA</b>	<b>6.014</b>	<b>7.776</b>

# SHAREHOLDING STRUCTURE

Share capital(\*)



Voting rights



(\*) % on the share capital with voting rights

The share capital is equal to € 10.000.000 divided into 16.026.357 ordinary shares listed for trading on the MTF AIM Italia, 133.334 type B shares without voting right and 3.000.000 multiple voting shares, all without indication of nominal value. In addition, there are n. 4.739.577 Warrants outstanding.

As of 18th September 2020, the company has 1,043,826 treasury shares for which the voting right is suspended.

Based on the information available to CFT, there are no other shareholders other than those indicated above with an interest of more than 5% of the share capital with voting right.



THANK YOU



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