



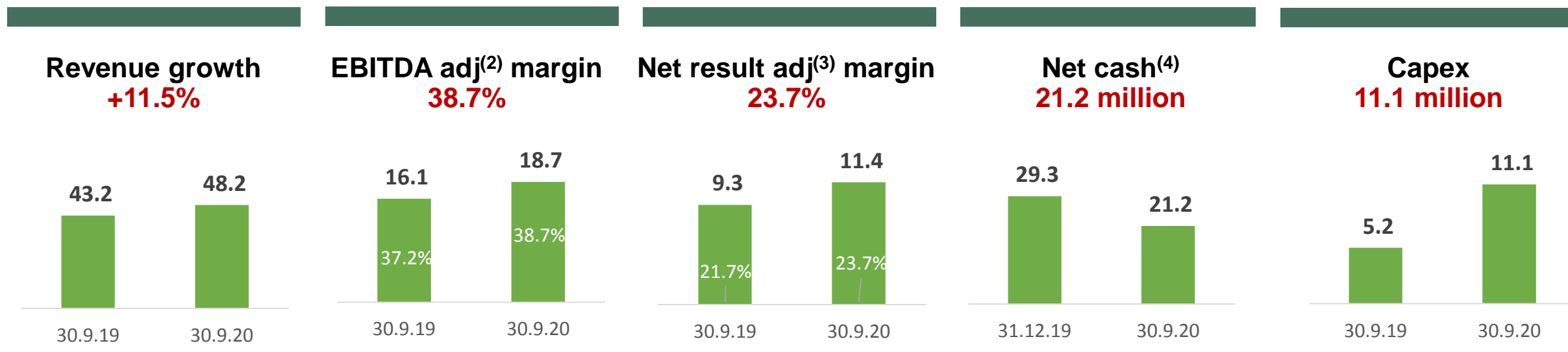
A TRUSTWORTHY PARTNER WITH AN OUTSTANDING ITALIAN ENVIRONMENT  
FRIENDLY HISTORY APPRECIATED THROUGHOUT THE WORLD



## **3Q 2020 Financial results**

**13 November 2020**

# KEY FINANCIAL HIGHLIGHTS (1)



- **Strong financial results** in 3Q20 confirm the positive trend of the first half 2020 notwithstanding the difficult environment
- Organization responsiveness to deal with COVID-19 effects, **safeguarding workers** and **assuring supply to customers**
- **Revenue growth** reflecting underlying contribution **mainly from biostimulants** and **animal fat**
- Retardants suffer customers' factories shutdown both in 2Q and 3Q after the increase of revenue in 1Q driven by customers' stockpiling at start of COVID-19 lockdowns
- **Robust capex** at **€11.1m** to support future **expansion** and **operation flexibility** (focus on ri-esterification plant and granules plant in 3Q)
- **Net cash** at **€21.2m** at 30 September 2020 after payment of €8.8m of dividends

(1) Euro million

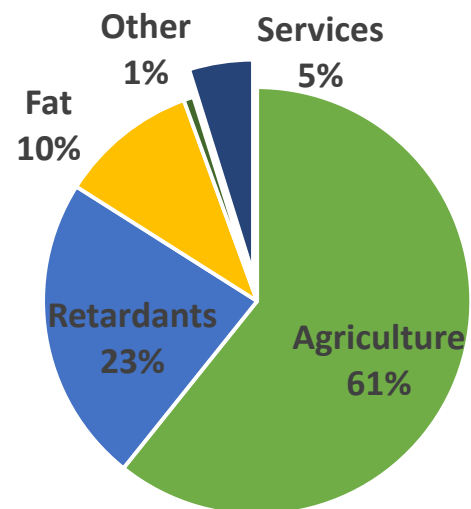
(2) EBIT before amortisation/depreciation and impairment losses, non-recurring costs and revenue, including Sicit Chemitech S.p.A.'s EBITDA for the period January-April (consolidated as of 2 May 2019)

(3) Before non-recurring costs and revenue, costs and revenue from warrant measurement, the related tax

effect and the financial performance of Sicit Chemitech for the period January-April 2019 (consolidated as of 2 May 2019).

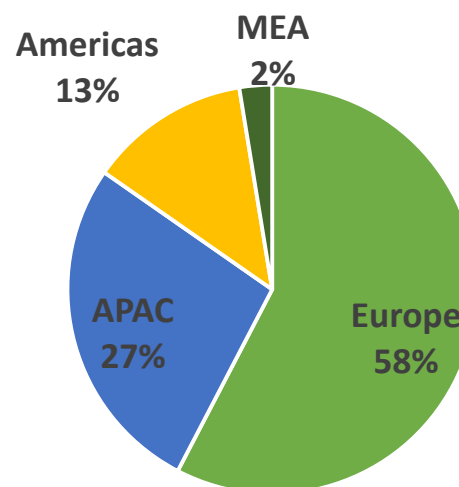
(4) Excluding financial liabilities for warrant

## Breakdown by sector



(in Euro million)	30.9.19	30.9.20	Var.	Var. %
Products for agriculture	23.4	29.3	5.8	25.0%
Retardants	12.3	11.2	(1.1)	(8.8%)
Fat	4.6	5.0	0.4	8.4%
Other industrial products	0.6	0.4	(0.2)	(36.8%)
<b>Total products</b>	<b>40.9</b>	<b>45.9</b>	<b>4.9</b>	<b>12.1%</b>
Services	2.3	2.3	0.0	0.7%
<b>Totale revenues</b>	<b>43.2</b>	<b>48.2</b>	<b>5.0</b>	<b>11.5%</b>

## Breakdown by region



(in Euro million)	30.9.19	30.9.20	Var.	Var. %
Italy	9.7	10.6	0.8	8.6%
Europe (w/o Italy)	14.0	14.4	0.4	2.7%
APAC	11.4	13.8	2.5	21.6%
North America	2.3	2.4	0.0	2.0%
LATAM	2.2	3.4	1.1	50.2%
MEA	1.3	1.4	0.1	8.3%
<b>Total products</b>	<b>40.9</b>	<b>45.9</b>	<b>4.9</b>	<b>12.1%</b>

## SECTOR

- **Agriculture products:** continuous strong focus of key accounts to develop SICIT products in ASIA and LATAM.
- **Retardants:** continues the shut-down of certain customers in 3Q20. Negative outlook for the full year due to deterioration of macro-scenario
- **Fat:** recover of volumes in 3Q20 after the drop suffered in 2Q20 as a consequence of Covid and tanneries shut-down. Stable selling prices in 3Q20 compared to 2Q20. Total volumes at 30.9.20 still below the 30.9.19
- **Services:** volumes lost in 2Q20 due to temporary shut-down of tanneries almost fully recovered in 3Q20.

## REGION

- Europe/APAC positively influenced by Agriculture products, confirming the positive trend of the last twelve months
- LATAM driven by Agriculture products
- North America outperforming in the retardants sector (potential negative impact from Covid in 4Q20).

# PROFIT AND LOSS

<i>Euro million</i>	<b>30.9.20</b>	<b>%</b>	<b>30.9.19</b>	<b>%</b>	<b>Var.</b>	<b>%</b>
<b>Revenue</b>	<b>48.2</b>	<b>100.0%</b>	<b>43.2</b>	<b>100.0%</b>	<b>5.0</b>	<b>11.5%</b>
<b>Gross profit</b>	<b>21.9</b>	<b>45.4%</b>	<b>18.1</b>	<b>41.8%</b>	<b>3.8</b>	<b>20.9%</b>
Selling	(2.8)	(5.8%)	(2.8)	(6.4%)	(0.0)	0.7%
R&D	(1.1)	(2.2%)	(1.1)	(2.6%)	0.1	(6.8%)
G&A	(3.2)	(6.6%)	(2.8)	(6.6%)	(0.3)	11.7%
Other income (net)	0.2	0.4%	0.4	1.0%	(0.2)	(56.4%)
<b>Operating profit</b>	<b>15.0</b>	<b>31.2%</b>	<b>11.8</b>	<b>27.2%</b>	<b>3.3</b>	<b>27.7%</b>
Non recurring	(1.9)	(4.0%)	(10.8)	(25.0%)	8.9	(82.1%)
<b>EBIT</b>	<b>13.1</b>	<b>27.2%</b>	<b>0.9</b>	<b>2.2%</b>	<b>12.1</b>	<b>1289.5%</b>
Net financial	(5.6)	(11.6%)	5.2	12.1%	(10.8)	(403.0%)
<b>EBT</b>	<b>7.5</b>	<b>15.5%</b>	<b>6.2</b>	<b>14.2%</b>	<b>1.3</b>	<b>21.3%</b>
Taxes	(1.6)	(3.4%)	(4.1)	(9.5%)	2.5	(60.0%)
<b>Net result</b>	<b>5.9</b>	<b>12.1%</b>	<b>2.1</b>	<b>4.8%</b>	<b>3.8</b>	<b>182.3%</b>
<b>Net result adjusted <sup>(1)</sup></b>	<b>11.4</b>	<b>23.7%</b>	<b>9.3</b>	<b>21.6%</b>	<b>2.1</b>	<b>22.5%</b>
<b>EBITDA adjusted <sup>(2)</sup></b>	<b>18.7</b>	<b>38.7%</b>	<b>16.1</b>	<b>37.2%</b>	<b>2.6</b>	<b>16.2%</b>

(1) Before non-recurring costs and revenue, costs and revenue from warrant measurement, the related tax effect and the financial performance of Sicit Chemitech for the period January-April 2019 (consolidated as of 2 May 2019)

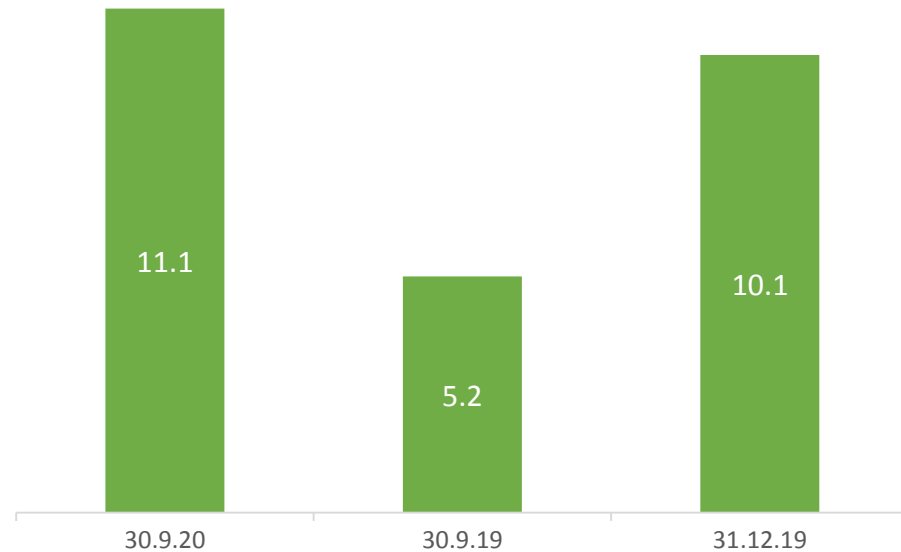
(2) EBIT before amortisation/depreciation and impairment losses, non-recurring costs and revenue, including Sicit Chemitech S.p.A.'s EBITDA for the period January-April (consolidated as of 2 May 2019)

Reported data at 30.9.19 does not include Sicit Chemitech results for the period Jan-Apr (included in adjusted Net result and adjusted EBITDA for comparison purposes).

- **Gross profit:** strong margin improvement in 3Q20 driven by (i) better mix of sales, (ii) efficiencies achieved in operations (iii) sales volumes increase that allowed a better leverage effect, (iv) production volumes increase that allowed ad better absorption of fixed costs (no under- absorption of fixed costs as occurred in 2Q20).
- **Opex:** stable selling and R&D
- **G&A:** cost increase mainly driven by strengthening of governance and recurring consultancies post listing process
- **Non recurring:** at 30.9.20 include advisory costs for translisting to MTA (€1.0m), bonuses to management team related to the translisting process (€0.2m), donations to Vicenza and Milan hospitals related to Covid emergency (€0.6m) and other Covid-related costs (€0.1m). At 30.9.19 non recurring refer to listing costs accounted for, according to IFRS2 (€10.2m, non monetary and non relevant for tax purposes) and consultancies for SICIT 2000-SprintItaly merger and AIM listing (€0.6m).
- **Net financial:** include mainly the change in fair value of the SICIT warrant (-€5.5m at 30.9.20, +€5.2m at 30.9.19). These income/costs are just figurative and have not cash out-flow and tax effects.

## Capex

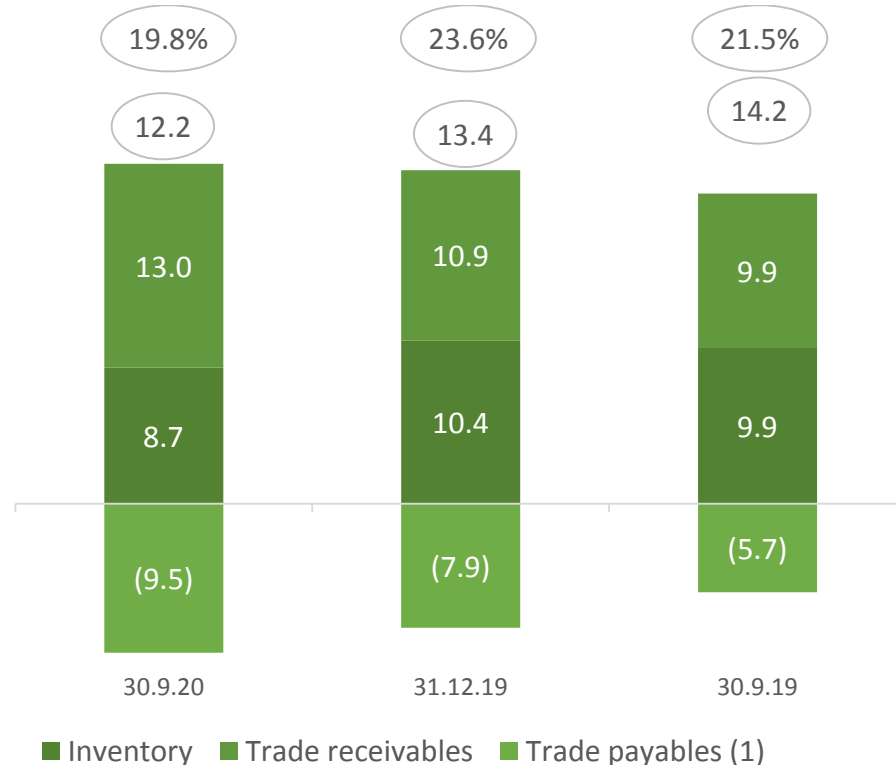
(Euro million)



- Approximately €11.1m at 30.9.20 (€5.9m of capex in 3Q20) (€8.6m net of change of payables for capex) vs €5.2m at 30.9.19 (€6.1m net of payables for capex).
- Capex increase substantially in line with expectation notwithstanding some slowing in the 2Q as a Covid effect
- Main capex in 3Q20 refers to:
  - Set-up of the new plant for animal fat re-esterification
  - Completion of tanks park
  - Progress on new labs and warehouse in Arzignano
  - Start of set-up of the new plant for granules products

## Operating working capital

(Euro million / % of revenue)

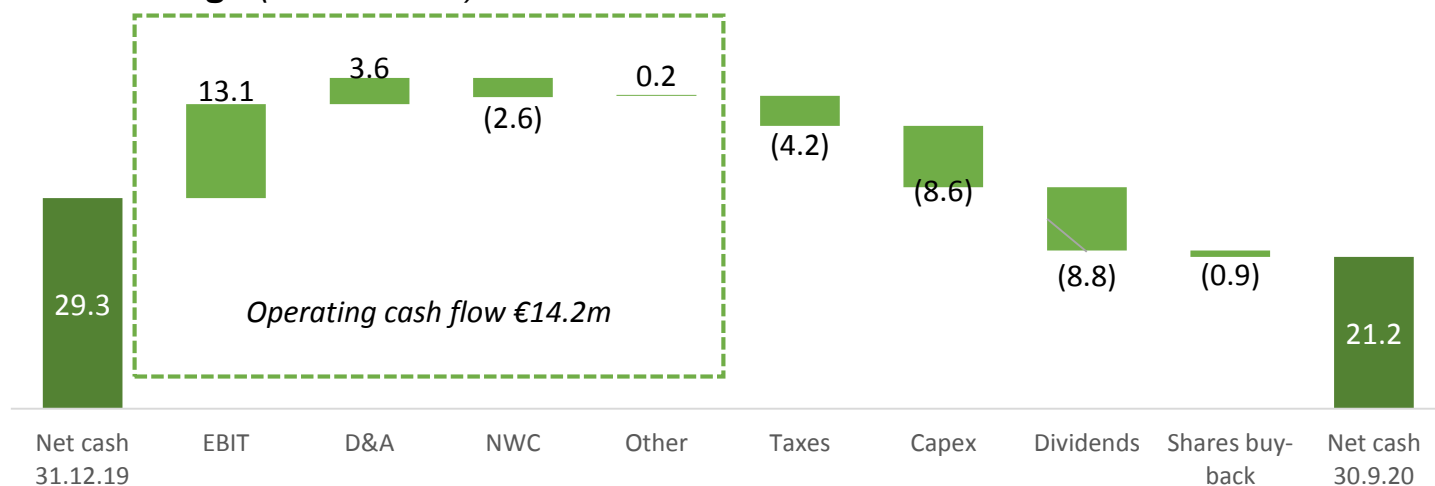


(1) Capex payables are included in trade payables (€5.3m at 30.9.20, €2.8m at 31.12.19, €1.5m at 30.9.19)

- Consolidated OWC relatively small, at approximately 20% of revenue
- Trade receivables increase compared to 31 December 19 and 30 September 19 due to higher sales in the period
- Trade receivables ageing without significant overdue and in line with historical data
- Inventory reduction suffered at 30.6.20 due to the temporary shut-down of semi-finished products operations partially recovered in at 30.9.20. Operations will work to further increase safety stock of semi-finished products
- Trade payables increase driven by payables for capex (no creditors stretching or payables postponement)
- Excluding payables for capex, OWC is at approximately 28% of revenue at 30.9.20 (28% at 31.12.19, 24% at 30.9.19)

# NET CASH (1)

Net cash bridge (Euro million)



Net cash (Euro million)

Euro millions	30.9.20	31.12.19	30.9.19
Bank accounts	21.2	29.6	31.3
Bank loans	-	(0.2)	(0.6)
Leases liabilities	(0.1)	(0.1)	(0.1)
<b>Net cash</b>	<b>21.2</b>	<b>29.3</b>	<b>30.7</b>

- **Net cash** (excluding liabilities for warrant) was €21.2m at 30 September 2020
- In the 9 month 2020 period SICIT generated €14.2m of operating cash flow vs €13.5m in the 9 months 2019
- Taxes paid mainly refer the taxation of the carrying amounts allocated to the Plastretard trademark and goodwill arising from the merger of Sicit 2000 S.p.A. into SprintItaly S.p.A. before the transition to IFRS.

(1) Excluding liabilities for warrant

# APPENDIX



# BALANCE SHEET

<i>Euro million</i>	<b>30.9.20</b>	<b>%</b>	<b>31.12.19</b>	<b>%</b>	<b>30.9.19</b>	<b>%</b>
Inventory	8.7	11.5%	10.4	15.9%	9.9	16.2%
Trade receivables	13.0	17.3%	10.9	16.6%	9.9	16.1%
Trade payables	(9.5)	(12.6%)	(7.9)	(12.1%)	(5.7)	(9.2%)
<b>Operating working capital</b>	<b>12.2</b>	<b>16.1%</b>	<b>13.4</b>	<b>20.4%</b>	<b>14.2</b>	<b>23.1%</b>
Other current assets/(liabilities)	2.6	3.4%	3.5	5.4%	1.7	2.7%
<b>Net working capital</b>	<b>14.8</b>	<b>19.6%</b>	<b>16.9</b>	<b>25.8%</b>	<b>15.8</b>	<b>25.8%</b>
Intangible fixed assets	0.4	0.6%	0.5	0.7%	0.3	0.5%
PP&E	56.2	74.5%	48.8	74.4%	45.2	73.6%
Other net fixed assets	6.8	9.1%	2.2	3.3%	2.9	4.8%
Pension and other provisions	(2.8)	(3.7%)	(2.8)	(4.3%)	(2.9)	(4.7%)
<b>Non current assets (net)</b>	<b>60.7</b>	<b>80.4%</b>	<b>48.7</b>	<b>74.2%</b>	<b>45.6</b>	<b>74.2%</b>
<b>Net invested capital</b>	<b>75.5</b>	<b>100.0%</b>	<b>65.6</b>	<b>100.0%</b>	<b>61.4</b>	<b>100.0%</b>
Net debt/(cash) <sup>(1)</sup>	(21.2)	(28.0%)	(29.3)	(44.7%)	(30.7)	(50.0%)
Liabilities for warrant	11.5	15.3%	6.1	9.2%	4.9	8.0%
Equity	85.1	112.8%	88.9	135.5%	87.1	142.0%
<b>Total sources</b>	<b>75.5</b>	<b>100.0%</b>	<b>65.6</b>	<b>100.0%</b>	<b>61.4</b>	<b>100.0%</b>

(1) Excluding liabilities for warrant

# CASH FLOW

<i>Euro million</i>	<b>30.9.20</b>	<b>30.9.19</b>
EBIT	13.1	0.9
D&A	3.6	3.5
Other non-cash changes	0.2	10.2
Change in OWC	(1.4)	(1.7)
Change in other assets/liabilities	(1.2)	0.6
Operating cash flow	14.2	13.5
Capex	(11.1)	(5.2)
Change in payables for capex	2.5	(0.9)
Taxes	(4.2)	(3.9)
Free cash flow	1.5	3.4
Acquisition of subsidiaries	-	0.6
Merger contribution	-	30.5
Dividends	(8.8)	(17.7)
Shares buy-back	(0.9)	(0.5)
Capital increase	-	0.8
Net cash flow	(8.2)	17.1
Net cash at beginning of the period <sup>(1)</sup>	29.3	13.5
Net cash at end of the period <sup>(1)</sup>	21.2	30.7
Change in net cash	(8.2)	17.1

(1) Excluding liabilities for warrant

# ADJUSTED EBITDA AND ADJUSTED NET RESULT

<i>Euro million</i>	<b>30.9.20</b>	<b>%</b>	<b>30.9.19</b>	<b>%</b>	<b>Var.</b>	<b>%</b>
EBIT	13.0	27.1%	1.0	2.3%	12.1	1234.6%
D&A	3.6	7.5%	3.5	8.1%	0.1	4.1%
EBITDA	16.7	34.6%	4.5	10.3%	12.2	273.0%
Non recurring	1.9	4.0%	10.8	25.0%	(8.9)	(82.1%)
S. Chemitech's EBITDA Jan-Apr '19	-	0.0%	0.8	0.0%	(0.8)	(100.0%)
Adjusted EBITDA	18.6	38.6%	16.1	37.2%	2.5	15.6%

<i>Euro million</i>	<b>30.9.20</b>	<b>%</b>	<b>30.9.19</b>	<b>%</b>	<b>Var.</b>	<b>%</b>
Net result	5.8	12.0%	2.1	4.9%	3.7	175.8%
Non recurring	1.9	4.0%	10.8	25.0%	(8.9)	(82.1%)
Warrant measurement	5.5	11.4%	(5.2)	(12.0%)	10.7	(206.3%)
Tax effect	(1.9)	(3.9%)	1.1	2.5%	(2.9)	(273.3%)
S. Chemitech's profit Jan-Apr '19	-	0.0%	0.6	1.3%	(0.6)	(100.0%)
Adjusted Net result	11.4	23.6%	9.4	21.7%	2.0	21.5%

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