



# GVS SPA

SEP 2021

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Pursuant to art. 154-bis, paragraph 2, of the Italian Unified Financial Act of February 24, 1998, the executive in charge of preparing the corporate accounting documents at GVS S.p.A. declares that the accounting information contained herein correspond to document results, books and accounting records.

# Agenda



1

YTD June 2021 Outlook

2

Company Presentation

Appendix: Additional Materials

## Sales: 30% of growth on the previous year

- Q2 2021 weaker than the Q1 but in the overall trend H1 closed in line with the beginning expectation.
- FY2021 expected with a final closing in a range of 340-350 M€ including the last acquisition.

## EBITDA: +30,4% of Adjusted EBITDA Margin on H1 2020

- H1 2021 Adjusted EBITDA at € 71,9 million mainly due to the sales increase.
- Adjusted EBITDA Margin at 37,9% slightly improving on H1 2020 (37,7%)

## ADJ NET INCOME: +52,7% on H1 2020 with margins on Sales improvement

## NFP: 30,1 M€ of Net Available Cash.

- 32 M€ of net operative cash generation
- No Extraordinary Operations in the H1 2021, the last acquisition was closed in August 2021.
- Right of Use about 10 M€

## Leverage KPI: Debt/Equity and NFP/EBITDA under zero level

- The two key financial KPI are solid and coherent with expectations.

# YTD Jun 2021 EVOLUTION OF SALES



**TOTAL SALES YTD Jun 2021: 189,7 M€ +29,7% YoY**

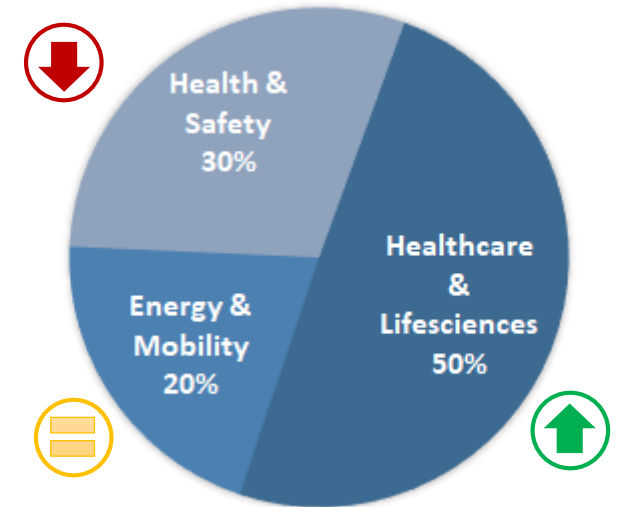
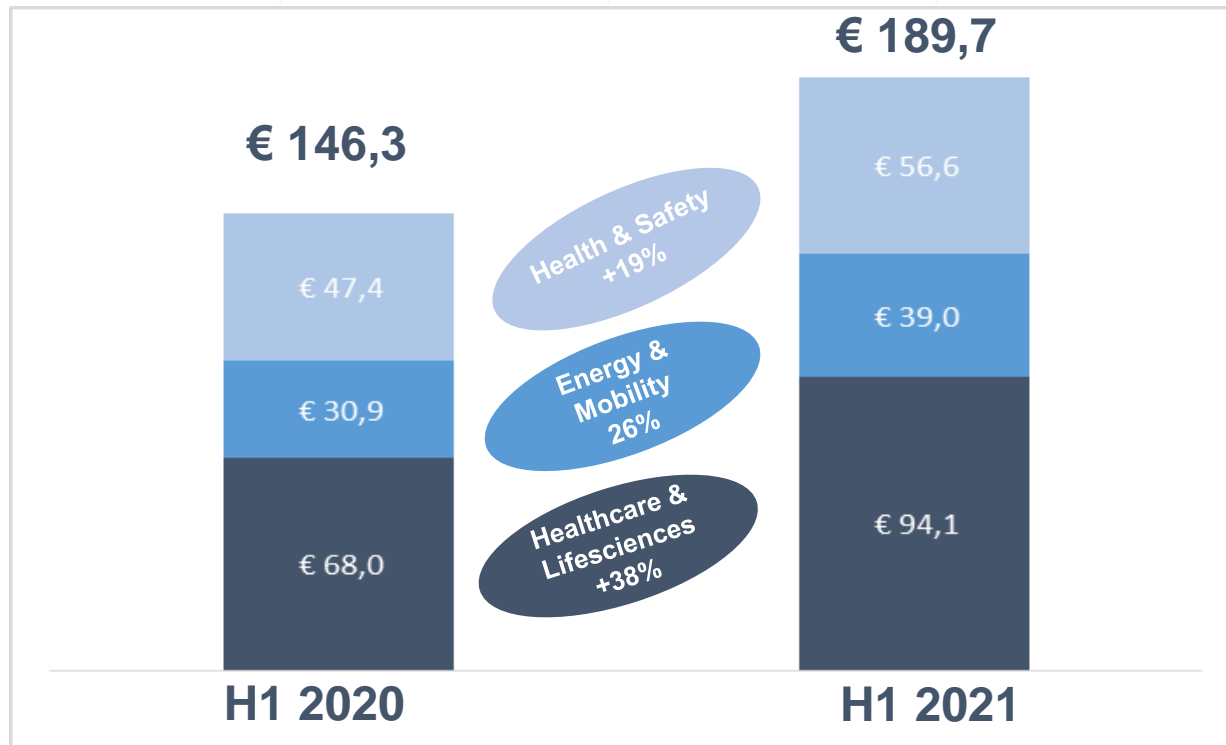
All the three GVS Main Divisions performed with a positive trend

First Half 2021 in line with expectations

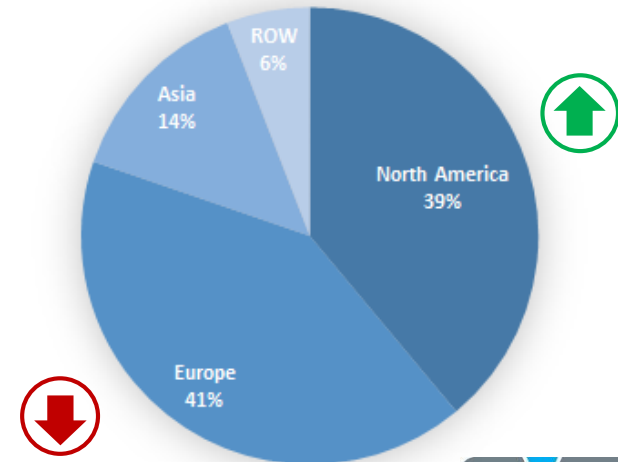
The Healthcare & Lifesciences Division registered the higher trend of sales

The Health & Safety Division was still growing compared to the same period of the past year, despite Q2 2021 showed the beginning of the past Covid 19 transition

The Energy & Mobility Division registered a significant trend of growth.



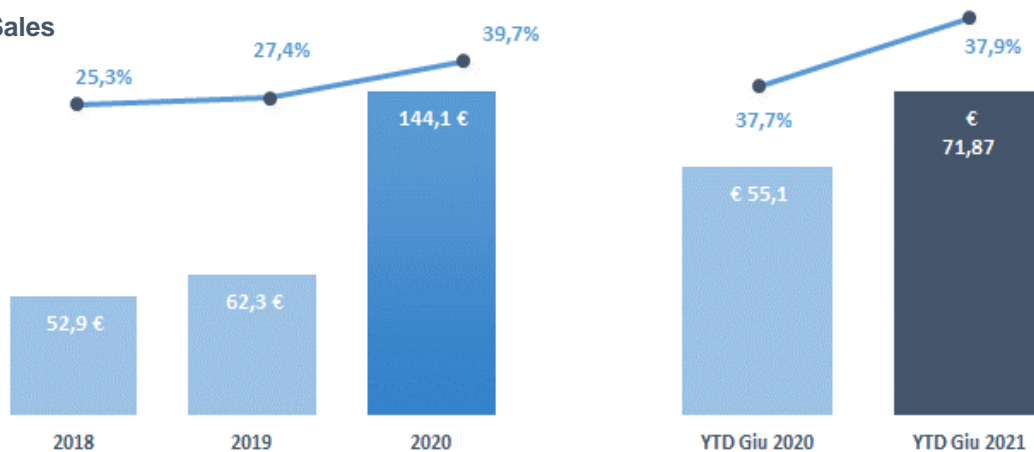
YTD Jun 2021



# Key Financial Highlights — EBITDA and EBIT

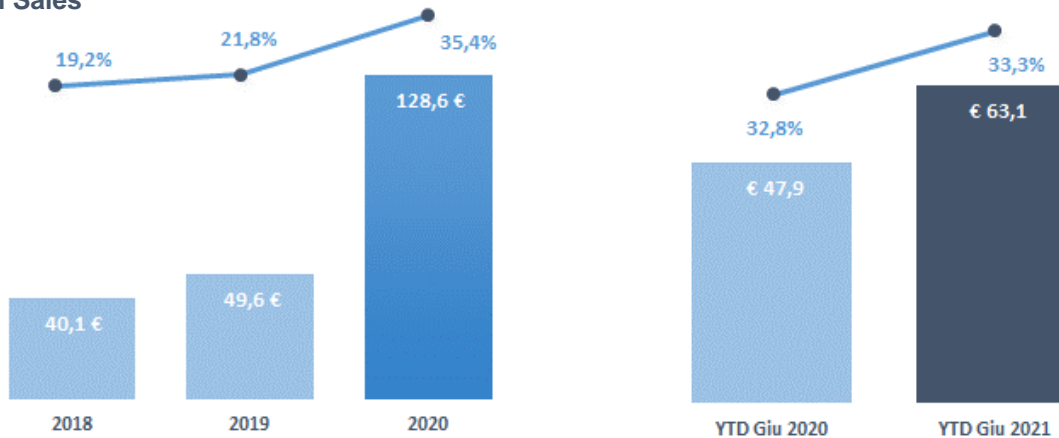
## ADJUSTED EBITDA<sup>1</sup> (€M)

% on Sales



## ADJUSTED EBIT<sup>2</sup> (€M)

% on Sales



## KEY COMMENTS

### Adjusted EBITDA:

- H1 2021 adjusted EBITDA increased 30,4% vs the H1 2020, due to the mix of product.
- Adjustment for a residual cost for the IPO and the GVS China sale of the building facility due to the moving in the new location (Government Agreement) plus accruals for UK and China relocation.

### Adjusted EBIT:

- Adjusted EBIT has been adjusted for PPA related amortization, other than non-recurring income and costs already adjusted in the EBITDA.
- H1 2021 adjusted EBIT increased 31,7% vs the H1 2020.

**Note:** margins calculated on revenues from contracts with customers excluding other income. Please refer to Appendix for further details on adjustments

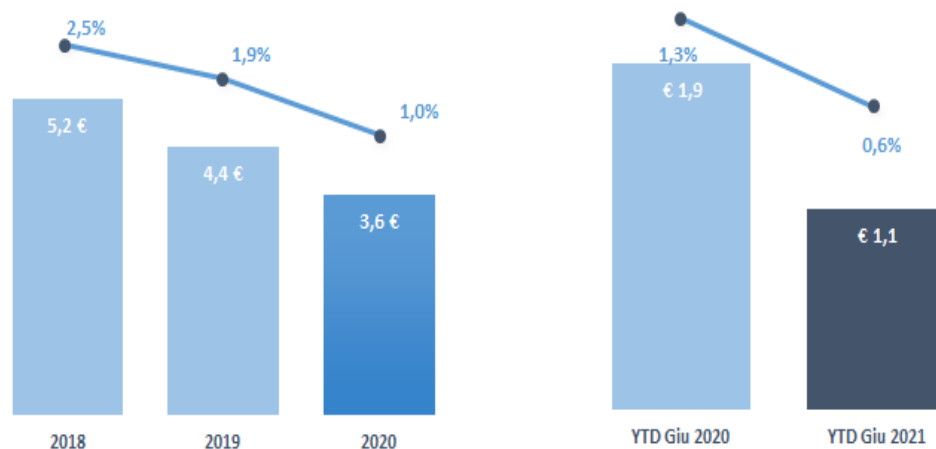
1. Adjusted for non recurring costs / income;
2. Adjusted for non recurring costs / income and PPA related amortization.

# Key Financial Highlights — Net Income, Fin. Exp. & Taxes



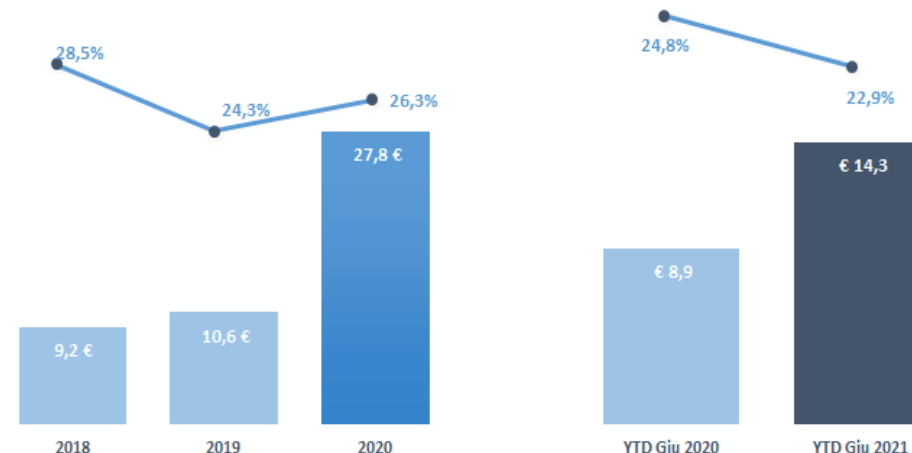
## NET FINANCIAL EXPENSES EXCL. FX GAINS/LOSSES (€M)

% on Sales



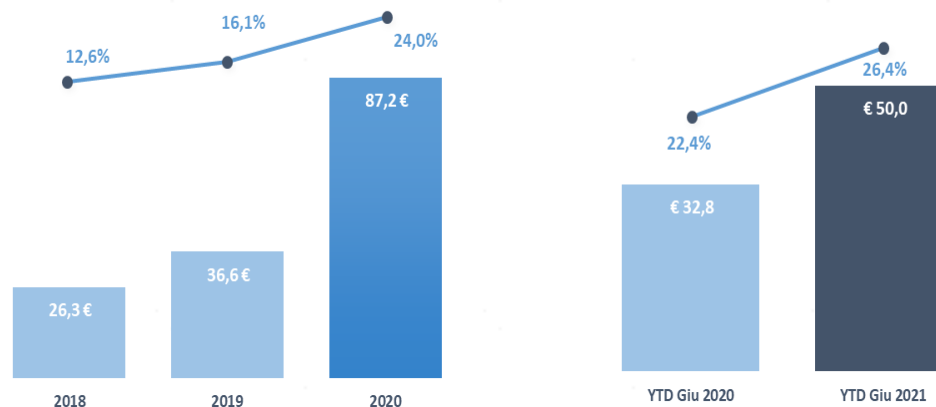
## TAXES (€M)

% EBT



## ADJUSTED GROUP NET INCOME<sup>1</sup> (€M)

% on Sales



## KEY COMMENTS

- Net Financial expenses is reducing in 2021 as a result of the Gross Debt reduction and rediscussion in the second half of 2020.
- The tax rate (calculated as percentage of EBT) shows a reduction vs the same period of 2020, but the final effect will be defined only with the FY final tax declarations.
- Adjusted Group Net Income with a 52,7% improvement in profitability YoY.

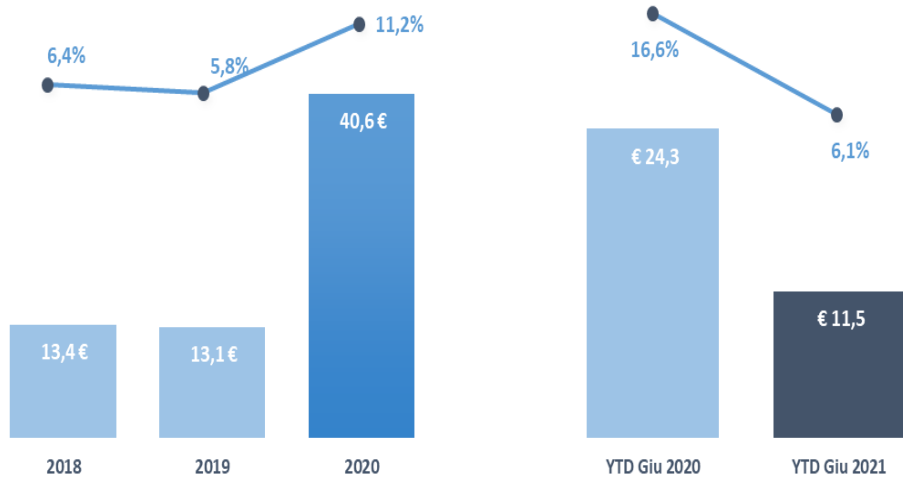
**Note:** margins calculated on revenues from contracts with customers excluding other income. Please refer to Appendix for further details on adjustments

1. Adjusted for non-recurring costs / income and relative fiscal impact, PPA related amortization and related fiscal impact and alignment of tax rates due to fiscal reforms.

# Key Financial Highlights — CapEx, TWC and R&D

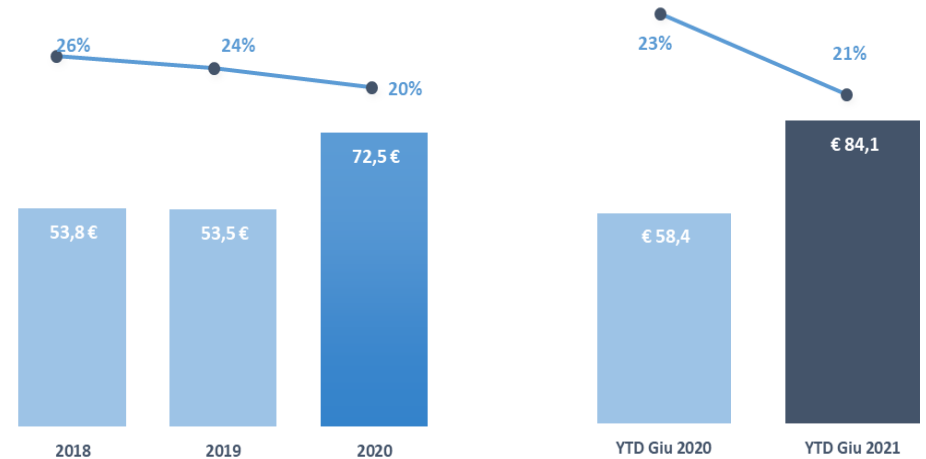
## CAPEX<sup>1</sup> (€M)

% on Sales



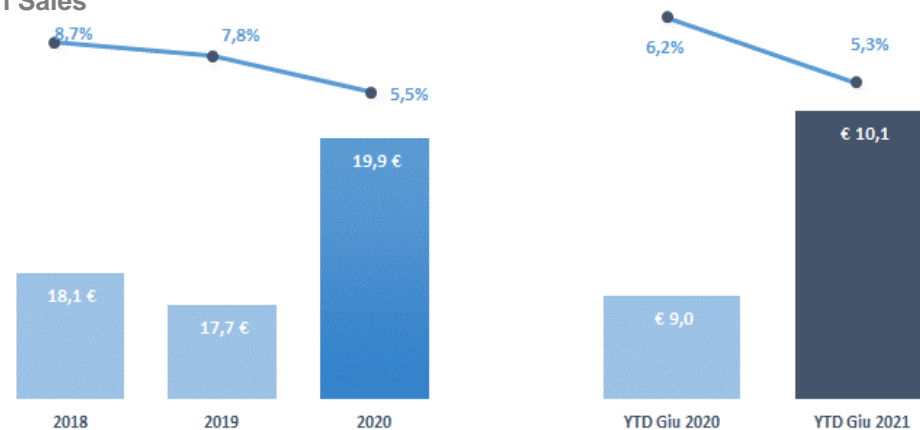
## TRADE WORKING CAPITAL (€M)

% on LTM Sales



## R&D<sup>2</sup> (€M)

% on Sales



## KEY COMMENTS

- About 11,5 M€ as Capex related to the new production lines and maintenance, with a trend in line with the normal ongoing of the Group.
- TWC is increasing in value on year end 2020 but improving in term of sales percentage incidence.
- GVS is increasing the R&D investment are higher in value compared with the previous year even if the % incidence on sales is still low because of the sales level.

Note: Capex and R&D % of revenues calculated on revenues from contracts with customers excluding other income

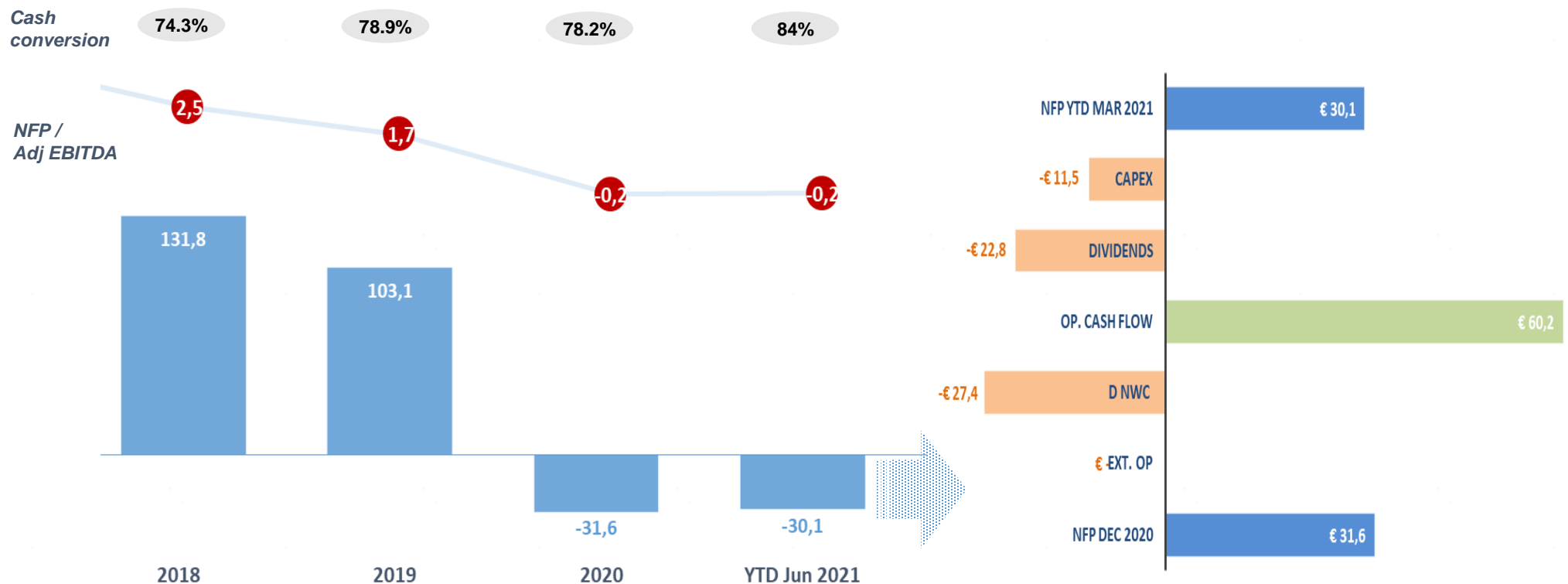
1. Exclude investments in financial assets; 2 Includes R&D expenses included in income statement and capitalized costs



# Key Financial Highlights — Net Financial Position



## NET FIN. INDEBTEDNESS (€M) AND CASH CONVERSION<sup>1</sup>



## KEY COMMENTS

NFP stable on the 2020 year end level after the H1 2021 due to the dividend and tax payments:

- No Extraordinary activities in the H1 2021.
- Net Operative Cash flow about **32 M€** in the period.

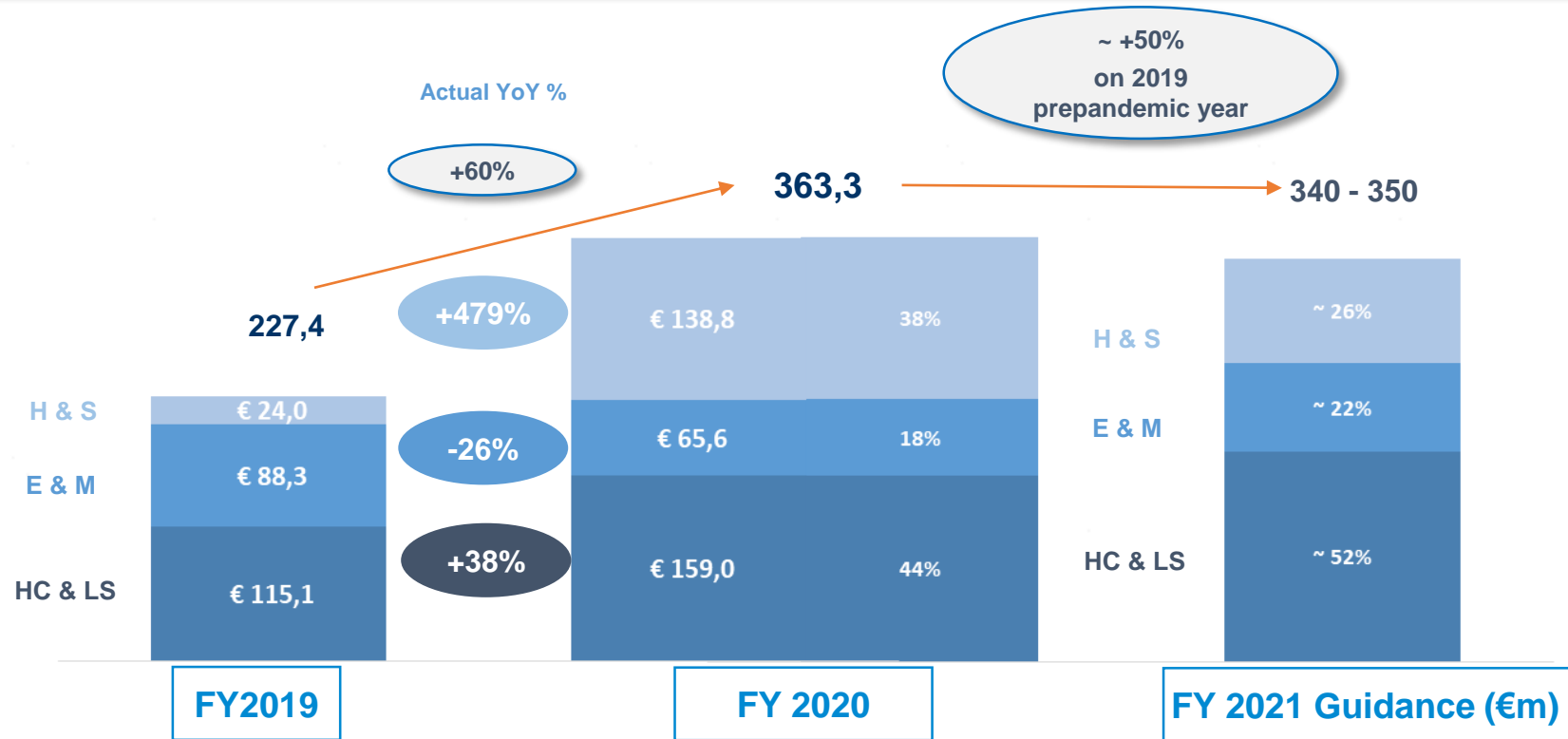
Cash Conversion improved in the H1.

1. Cash conversion calculates as (Adjusted EBITDA- Ordinary Capex)/Adjusted EBITDA). Capex exclude M&A investments.

# VISIBILITY ON FY 2021 PERFORMANCE



The actual expectation is to close in a range between 340 – 350 M€ including the addition of the last acquisition which will compensate part of the delay due to the Health & Safety transition which is slower than the initial previsions.



We expect a full year EBITDA margin between 32% and 35%.

Note: Division and sub-division figures rounded to first decimal point

# UPDATE ON GVS BUSINESS



**1 Organization Empowerment** with main focus on Human Resources and Sales

**2 M&A** pushing in different geographic areas, with focus on HC&LS and H&S.

**3** Launch of **new Products** for each Commercial Division

**4 Geographical Expansion** new commercial offices in Asia

**5** Increase **production capacity** to support Healthcare Growth

**6 R&D** investment in new membrane development

**7 ESG** Focus

**8 Puerto Rico** Integration process

**9 RPB** Integration process

**GVS  
H2 2021  
Focus**

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Appendix: Additional Materials



FILTER TECHNOLOGY

# COMPANY PRESENTATION



HEALTHCARE & LIFE SCIENCES

*THE ONLY WAY TO SAY FILTRATION*



ENERGY & MOBILITY



HEALTH & SAFETY

# BOARD OF DIRECTOR



**Grazia Valentini**  
Chairman



**Massimo Scagliarini**  
CEO



**Marco Scagliarini**  
VP Energy & Mobility



**Matteo Viola**  
COO



**Mario Saccone**  
CFO



**Nadia Buttignol**  
Independent  
Director



**Arabella Caporello**  
Independent  
Director



**Alessandro Nasi**  
Independent  
Director



**Michela Schizzi**  
Independent  
Director

# KEY PEOPLE



**Massimo Scagliarini**  
**CEO**

*36 years in GVS*

- In GVS since 1985, started as Sales Manager and currently serves as CEO
- Holds a diploma in Accounting



**Mario Saccone**  
**CFO**

*25 years in GVS*

- MBA from Profingest Management School, Bologna, Italy
- MSc in Economics from University Federico II, Naples



**Matteo Viola**  
**COO**

*12 years in GVS*

- In GVS since 2008, started as controller and currently serves as COO
- MSc in Economics from University of Parma



**Marco Scagliarini**  
**VP Energy & Mobility**

*36 years in GVS*

- Held several managerial position in GVS
- Currently CEO of GVS Real Estate



**Luca Zanini**  
**VP Healthcare & Life Sciences**

*21 years in GVS*

- In GVS since 2000
- Previously a sales manager in Comar Condensatori and in SMS srl were he started his career



**Pierre Dizier**  
**VP Health & Safety**

*7 years in GVS*

- MSC in International Business and Finance from Université de la Méditerranée (Marseille)
- 17 years experience in Personal Safety



**Luca Querzè**  
**Research & Development VP**

*23 years in GVS*

- In GVS since 1998 covering different managerial roles
- MSc Engineering from University of Bologna, MBA from Profingest, Bologna



**Paola Musuraca**  
**Corporate HR Director**

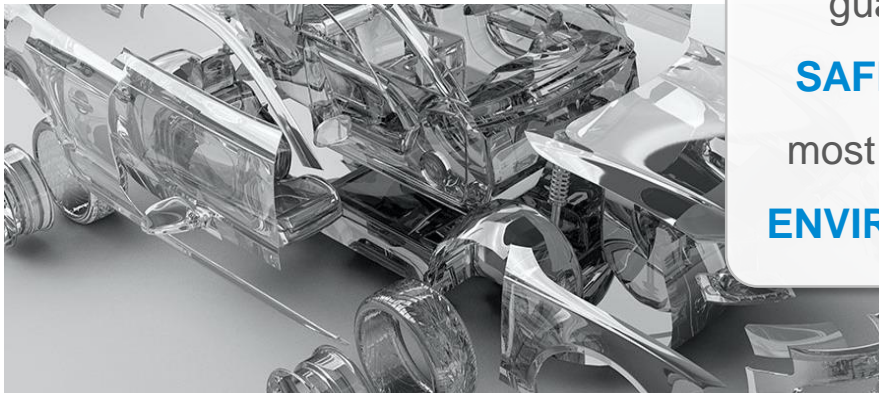
*New Entry in GVS*

- Master's degree in Management Engineering – Bologna University
- More than 10 years experience in HR development and management

# GVS provides advanced filtration solution for critical application in Highly-regulated end markets



Our  
**TECHNOLOGY**  
supports **LIFE** and  
guarantees  
**SAFETY** in the  
most **CRITICAL**  
**ENVIRONMENTS**

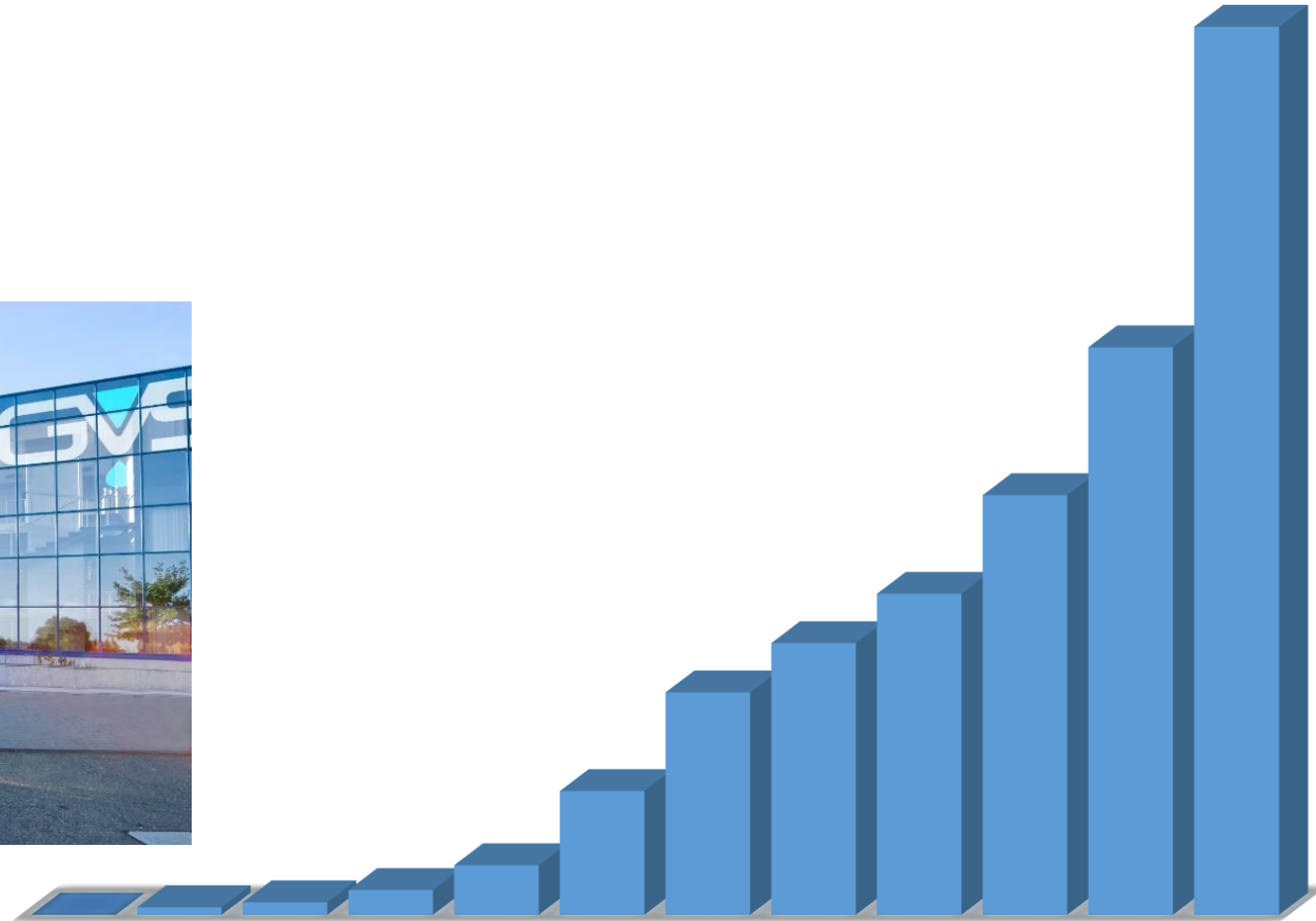




# GVS economic and production improvement over the last 40 years



2020 Turnover € 360M

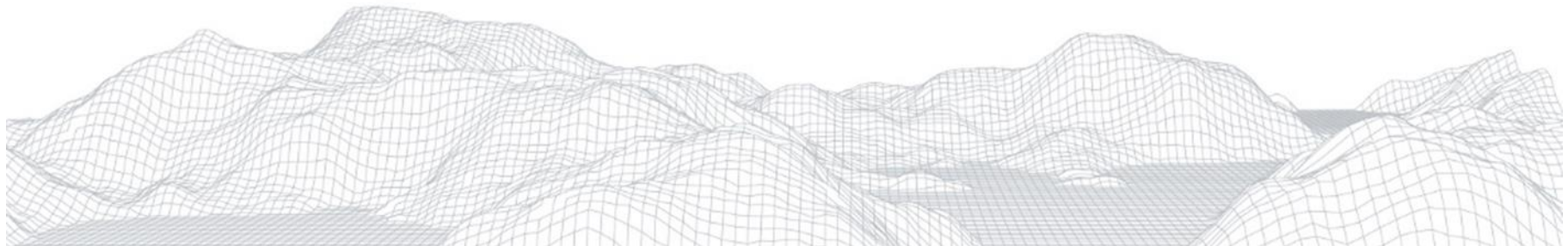


1979 1984 1989 1994 1999 2004 2009 2012 2015 2018 2019 2020

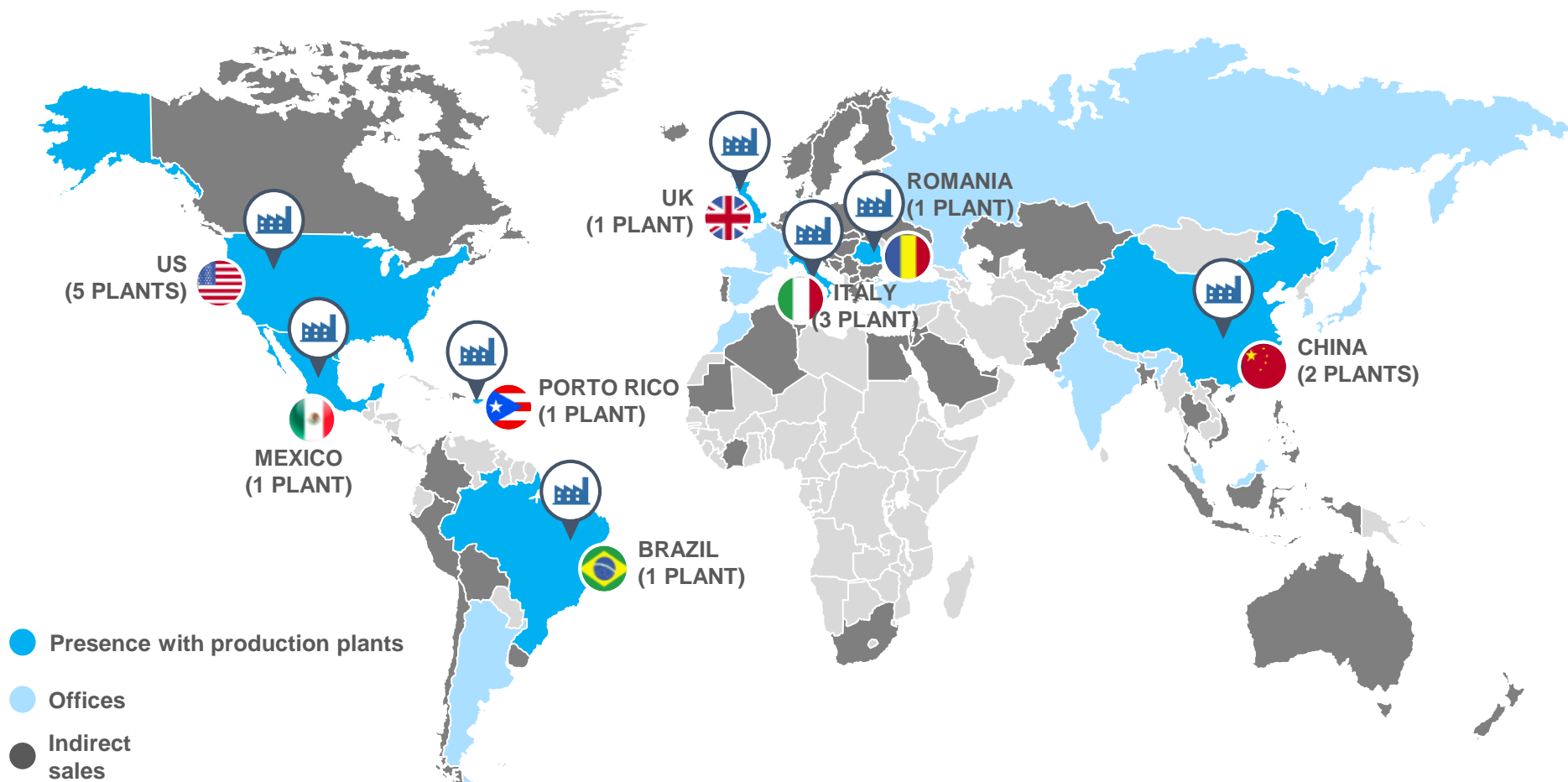
# The Head Office and 3 manufacturing facilities are based in Italy



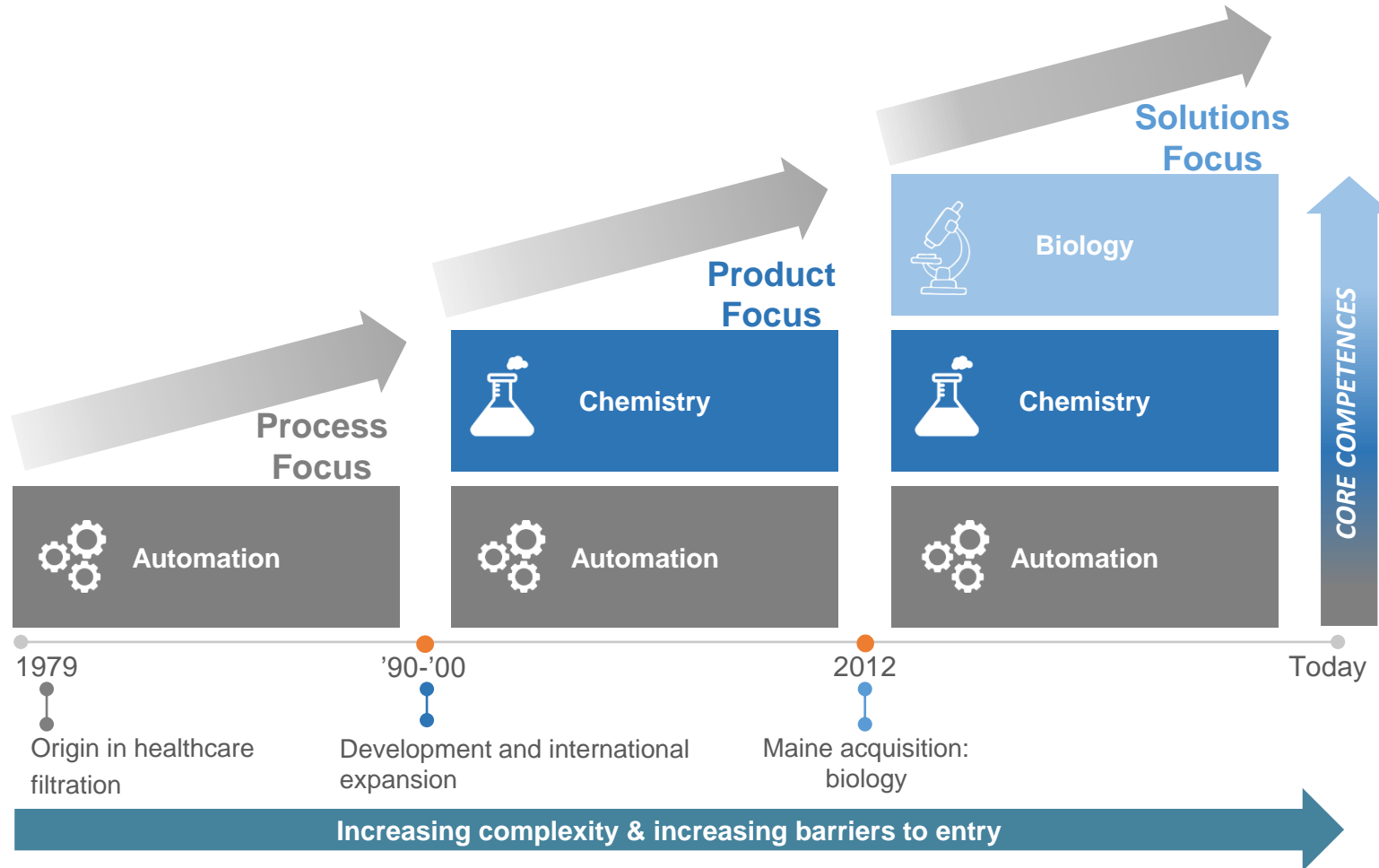
## REVENUES BREAKDOWN BY GEOGRAPHY - 2021



# GVS has 15 production facilities, in several worldwide locations



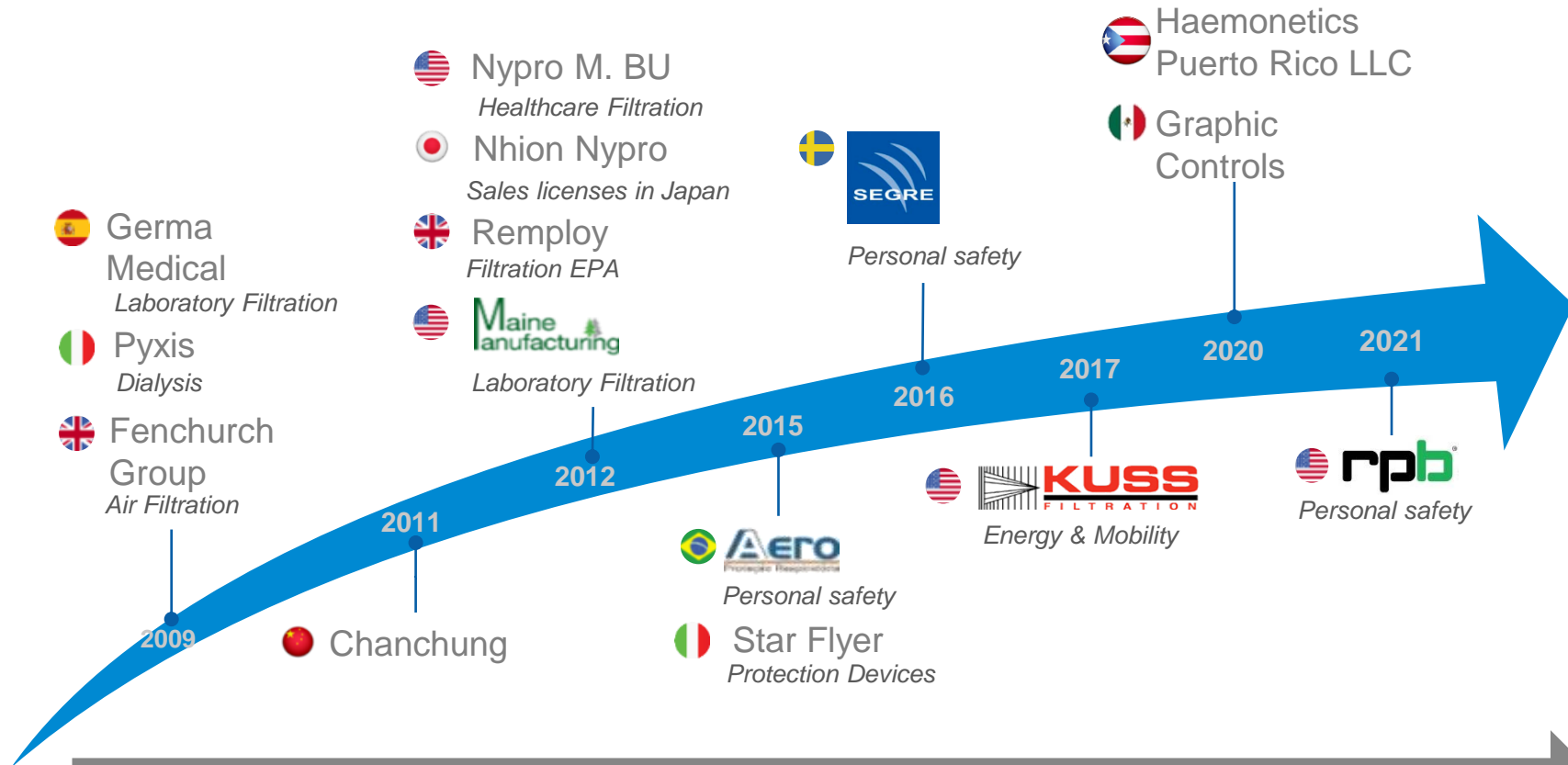
# GVS evolved from a small healthcare components supplier into a global diversified filtration group



# 15 M&A TRANSACTIONS SINCE 2009



Adding capabilities and strengthening presence across China, the UK and North America



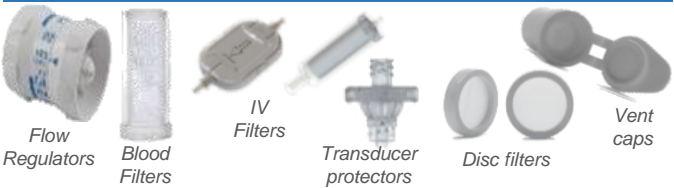
**Strong M&A team with track-record of execution and successful integration**

# Divisions and Products Line

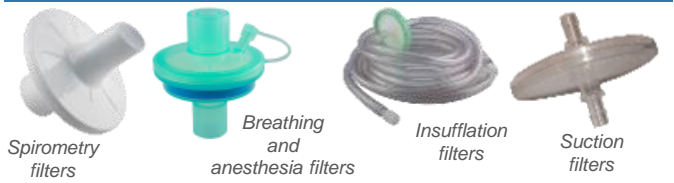


## Healthcare & Life Sciences

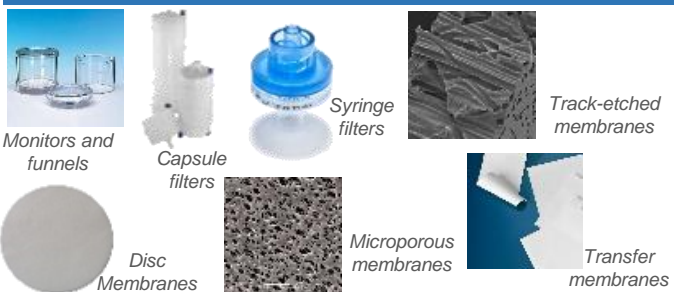
### ➤ Healthcare & Liquid



### ➤ Healthcare Air & Gas



### ➤ Laboratory



## Health & Safety

### ➤ Personal Safety



### ➤ Air Safety



## Energy & Mobility

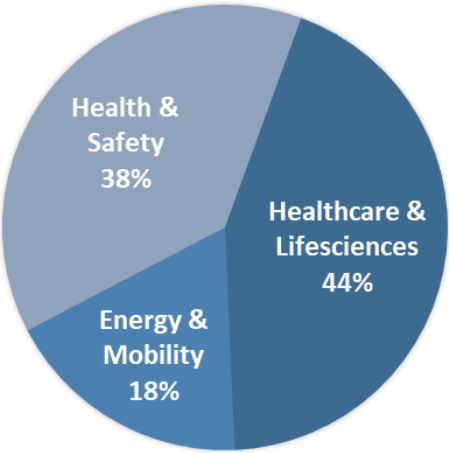
### ➤ Powertrain & Drivetrain



### ➤ Safety & Eletronics



### ➤ Sports & Utility



# Diversified blue-chip client base



Division		2020A Revenues Breakdown <sup>1</sup> (%)	Illustrative example of companies requiring filtration solutions <sup>2</sup>
End Markets	Healthcare & Life Sciences	Healthcare Liquid and Healthcare Air	38% 
		Laboratory	6% 
	Health & Safety	Personal Safety	37% 
		Air Safety	2% 
	Energy & Mobility	Powertrain & Drivetrain and Safety & Electronics	13% 
		Sports & Utilities	5% 

Over 4,600 customers, long-tenured relationship with top clients

1. Excluding €3.2m other income not attributable to single categories; 2. Most of them are GVS clients.



# GVS's divisions differentiate for an integrated and highly synergistic business model



**Healthcare  
& Life Sciences**



**Healthcare  
& Safety**



**Energy  
& Mobility**



**Sales and Distribution**

**Similar stringent approval processes**

**Common Manufacturing processes and technologies**

**High quality standards required**

**Shared R&D activities**



# Our success is based on strong focus on innovation and customer satisfaction



### International quality certificates and awards

### Preferred Supplier

# QUALITY CERTIFICATION



## GVS has obtained several Quality Certification, from several Certification Body

Kiwa Cermet Italia S.p.A.  
Società con socio unico,  
soggetta all'attività di  
direzione e coordinamento di  
Kiwa Italia Holding Srl  
Via Cadriano, 23  
40057 Granarolo dell'Emilia  
(BO)  
Tel +39.051.459.3.111  
Fax +39.051.763.382  
E-mail: info@kiwacermet.it  
www.kiwacermet.it

**CERMET**



**EAC**



*IQNet, the association of the world's first class certification bodies, is the largest provider of management System Certification in the world. IQNet is composed of more than 30 bodies and counts over 150 subsidiaries all over the globe.*



**TIIS**



CISQ AUTOMOTIVE  
Consorzio di Organismi di  
Certificazione Italiani dei  
sistemi di gestione aziendale  
accreditato IATF



**CA**



# AN ESG-COMPLIANT ORGANIZATION



## ENVIRONMENTAL

1

- UNI EN ISO 14001 certification for Environmental Management System (EMS)
- Group environmental policy with annual objectives
- Local for local production strategy to reduce transportation-related pollution
- Constant effort in reducing the use of polluting materials
- Sustainable packaging



## SOCIAL

2

- Support of a range local charitable and non-profit organizations
- Christmas donations
- Collaboration with Schools and Universities
- Occupational Health and Safety certification



**Save the Children**



**Fondazione Ricerca  
Fibrosi Cistica - Onlus**  
*italian cystic fibrosis research foundation*





## GOVERNANCE

3

- Ethics Code
- Board of Statutory auditors with 3 members guaranteeing protection of shareholders' rights
- Supervisory board overseeing and controlling the governance system
- Internal approval procedure with segregation of duty



# STRATEGIC GOALS SETTING

STRATEGIC PILLAR	COMMITMENT	TARGET	
INNOVATIVE AND SUSTAINABLE BUSINESS	INNOVATE TO PROMOTE SAFETY AND WELL-BEING	IMPROVE THE PROTECTION LEVEL OF OUR PPE AND PROMOTE AWARENESS AND BEST PRACTISES IN ALL WORK ENVIRONMENTS	3 GOOD HEALTH 
	WE BRING INNOVATION IN HEALTHCARE USING SCIENCE	DEVELOP AND DELIVER HEALTHCARE DEVICE AND COMPONENTS THAT COMBINE THE SAFETY OF SINGLE-USE WITH RESPONSIBLE CONSUMPTION OF NATURAL RESOURCES. DESIGN AND DEVELOP POLYMERIC MEMBRANES OBTAINED BY MORE ENVIRONMENTAL FRIENDLY SOLVENT.	8 GOOD JOBS AND ECONOMIC GROWTH 
	INNOVATION TO BRING THE ENERGY OF THE MOBILITY INTO THE FUTURE	DEVELOP EFFICIENT MEMBRANES AND SEPARATORS THAT SAVE ENERGY CONSUMPTION IN THE CUSTOMER'S APPLICATION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 
FACILITATE THE ECOLOGICAL TRANSITION	CARBON NEUTRALITY BY 2040	REDUCE BY 30% THE GHG INTENSITY BY 2030, WITH RESPECT TO 2020 LEVEL	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
ENHANCE THE VALUE OF PEOPLE	SAFE AND HEALTHY WORKPLACE	ALL PLANT 45001 CERTIFIED	13 CLIMATE ACTION 
	INCLUSIVE WORKPLACE	NO DISCRIMINATION FOR DIVERSITY IN HIRING, REMUNERATION AND CAREER PATHS	

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# Key Financial Highlights — Income Statement



YTD Jun 21 (€m)	YTD Jun 2020A	YTD Jun 2021A	Var. %
Healthcare & Life Sciences	68,0	94,1	38,4%
Growth %			
Energy & Mobility	30,9	39,0	26,2%
Growth %			
Health & Safety	47,4	56,6	19,4%
Growth %			
Revenues from contracts with customers	146,3	189,7	29,6%
Other Income	0,7	2,9	
Total Revenues	147,0	192,7	31,0%
Raw Materials	(35,3)	(46,6)	
Personnel	(44,0)	(52,9)	
Cost of Services	(16,8)	(18,0)	
Other Costs	(1,3)	(3,6)	
<b>EBITDA</b>	<b>49,7</b>	<b>71,6</b>	<b>44,1%</b>
Margin (%)	34%	38%	
Non recurring costs (income)	5,5	0,3	
<b>Adjusted EBITDA</b>	<b>55,1</b>	<b>71,9</b>	<b>30,4%</b>
Margin (%)	37,7%	37,9%	
D&A and write-offs	(9,2)	(10,6)	
o/w PPA related amortization	(2,0)	(1,8)	
<b>EBIT</b>	<b>40,5</b>	<b>61,0</b>	<b>50,6%</b>
Margin (%)	28%	32%	
<b>Adjusted EBIT</b>	<b>47,9</b>	<b>63,1</b>	<b>31,7%</b>
Margin (%)	32,8%	33,3%	
Net Financial Expenses net of FX gains/(losses)	(1,9)	(1,1)	
FX gains/(losses)	(2,7)	2,5	
<b>EBT</b>	<b>35,9</b>	<b>62,4</b>	<b>73,9%</b>
Margin (%)	24,5%	32,9%	
Taxes	(8,9)	(14,3)	
o/w Non recurring inc./cost tax effect	(1,7)	(0,3)	
<b>Net Income</b>	<b>27,0</b>	<b>48,2</b>	<b>78,3%</b>
Margin (%)	18,5%	25,4%	
<b>Adjusted Net Income</b>	<b>32,8</b>	<b>50,0</b>	<b>52,7%</b>
Margin (%)	22,4%	26,4%	

Note: margins calculated on revenues from contracts with customers excluding other income

# Key Financial Highlights — Adjustments Overview

	YTD Jun 21 (€m)	YTD Jun 2020A	YTD Jun 2021A
<b>EBITDA</b>		49,7	71,6
Capital gains from sale processes and leaseback			(2,1)
Start-up costs			
Write-off of tax receivables			
Personnel reorganization costs		0,2	
Provisions to restructuring fund		0,2	1,4
Valuation of inventory at fair value			
Transaction costs			
IPO costs		5,0	1,0
<b>Adjusted EBITDA</b>		<b>55,1</b>	<b>71,9</b>
<i>Margin (%)</i>		<i>37,7%</i>	<i>37,9%</i>
<b>EBIT</b>		40,5	61,0
Non recurring costs (income)		5,4	0,3
PPA related amortization		2,0	1,8
<b>Adjusted EBIT</b>		<b>47,9</b>	<b>63,1</b>
<i>Margin (%)</i>		<i>32,8%</i>	<i>33,3%</i>
<b>Group Net Income</b>		27,0	48,2
Non recurring costs (income)		5,4	0,3
PPA related amortization		2,0	1,8
Non-recurring interest expenses (gains)			
Fiscal impact of non-recurring interest expenses (gains)			
Fiscal impact of amortization of intangible assets recorded under the PPA method & non recurring		(1,7)	(0,3)
Alignment of tax rates due to fiscal reforms			
<b>Adjusted Group Net Income</b>		<b>32,8</b>	<b>50,0</b>
<i>Margin (%)</i>		<i>22,4%</i>	<i>26,4%</i>

**Non recurring costs (income)**

Note: margins calculated on revenues from contracts with customers excluding other income.



# Key Financial Highlights — Balance Sheet



<i>YTD Jun 21 (€m)</i>	YTD Jun 2020A	YTD Jun 2021A
Property Plant & Equipment	62,5	73,1
Intangible Assets	98,8	92,7
Right of use	9,4	9,8
Financial Fixed Assets	0,5	1,1
<b>Net Fixed Assets</b>	<b>171,3</b>	<b>176,7</b>
Inventories	44,0	56,2
Trade Receivables	47,8	52,2
Trade Payables	(32,6)	(24,2)
<b>Trade Working Capital</b>	<b>59,2</b>	<b>84,1</b>
Other Current Assets / (Liabilities)	(20,2)	(10,9)
<b>Net Working Capital</b>	<b>39,0</b>	<b>73,2</b>
Other Assets / (Liabilities)	0,3	0,6
Funds and Provisions	(4,2)	(7,0)
<b>Net Invested Capital</b>	<b>206,4</b>	<b>243,5</b>
<b>Shareholders' Equity</b>	<b>197,2</b>	<b>273,6</b>
Financial Debt	140,2	84,2
Lease Liabilities	10,1	10,2
(Cash & cash equivalents <sup>1</sup> )	(141,1)	(124,6)
<b>Net Financial Indebtedness</b>	<b>9,2</b>	<b>(30,1)</b>
<i>Net Financial Indebtedness / Adjusted LTM EBITDA</i>	<i>0,1x</i>	<i>-0,2x</i>
<b>Total Sources</b>	<b>206,4</b>	<b>243,5</b>

<sup>1</sup> Includes also the item Current Financial Assets.

# Key Financial Highlights — Cash Flow Statement



<i>YTD Jun 21 (€m)</i>	<i>YTD Jun 2021A</i>
Adjusted EBITDA	71,9
Taxes	(14,3)
Δ Net Working Capital	(27,4)
Net Capex (incl. Financial assets)	(11,5)
<b>Operating Cash Flow</b>	<b>18,7</b>
Net financial results	(1,1)
Extraordinary items	2,2
Δ Funds and provisions	2,3
Δ Equity	(23,6)
<b>Change in net debt</b>	<b>(1,5)</b>
BoP	31,6
EoP	30,1

# Basis of preparation of financials



- Financial Overview slides present consolidated and division financial information of GVS S.p.A. and its reporting units
- The financial information has been prepared in accordance to IFRS
- Due to rounding, numbers expressed in millions throughout this section may differ from those expressed precisely to the totals
- EBITDA is defined as the sum of net income, taxes, net financial expenses, depreciation and amortization and net impairment losses on financial assets