

INVESTORS PRESENTATION 2023 FY RESULTS

07th May 2024

Index



**GENERAL
UPDATE**



**CONSOLIDATED
FINANCIALS**



Q&A



APPENDIX

PASUBIO

The background of the slide is composed of several layers of red paper. The top layer is a textured, slightly mottled red. Below it, there are several pieces of red paper that have been torn or cut out, revealing darker, more saturated red layers underneath. The edges of the paper are irregular and frayed, creating a layered, collage-like effect. The lighting is soft, highlighting the texture of the paper.

O1. **General Update**

PASUBIO

BUSINESS UPDATE



K1 Porsche

PASUBIO



CORPORATE UPDATE

Pasubio Mexico



PASUBIO



Location	<ul style="list-style-type: none">• León, Mexico
Gross Area (sq mt)	<ul style="list-style-type: none">• 12,847



02. Consolidated financials

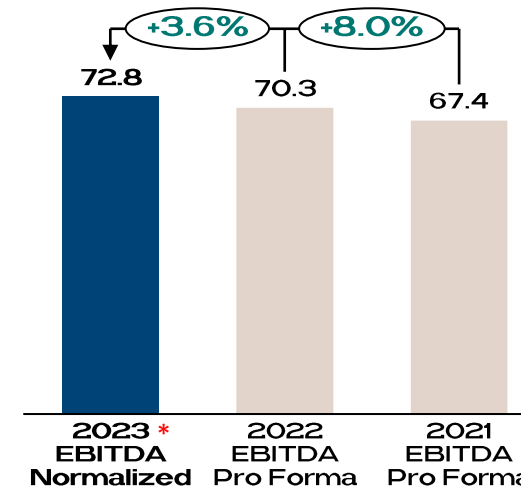
PASUBIO

KEY FINANCIAL FIGURES

	FY 2023	FY 2022	4Q 2023	
<div>Net SALES</div>	<div>351</div> <div>EUR/MIL</div> <div>+0.2% vs FY22</div>	<div>350</div> <div>EUR/MIL</div>	<div>83</div> <div>EUR/MIL</div> <div>-7% vs 4Q22</div>	<ul style="list-style-type: none"> FY23 +0.2% vs FY22 net revenue mainly in line although a slight decrease of demand coming from the last months of the year 4Q23 -7% vs 4Q22 net revenue due to slight demand reduction mainly driven by the European luxury segment
<div>EBITDA ADJ</div>	<div>68</div> <div>EUR/MIL PRO FORMA</div> <div>-3% vs FY22</div> <div>73</div> <div>EUR/MIL NORMALIZED</div> <div>+4% vs FY22</div>	<div>70</div> <div>EUR/MIL PRO FORMA</div>	<div>14</div> <div>EUR/MIL</div> <div>-26% vs 4Q22</div>	<ul style="list-style-type: none"> FY23 -3% vs FY22 EBITDA mainly due to temporary spike in scrap rate due to new material and technology introduced in production process 4Q23 -26% vs 4Q22 EBITDA mainly attributed to the spike in scrap experienced during the last quarter of 2023. During the first months of 2024 the Group has seen normalization in scrap rate We define EBITDA Normalized as the EBITDA Pro Forma normalized for the extraordinary scrap effect
<div>NFP</div>	<div>343</div> <div>EUR/MIL</div> <div>-5M vs FY22</div> <div>334</div> <div>EUR/MIL w/OUT M&A</div> <div>-14M vs FY22</div>	<div>348</div> <div>EUR/MIL</div>		<ul style="list-style-type: none"> Total Liquidity available is €81M (including €58M of undrawn RCF) The NFP without the M&A effect for the June closing is equal to € 334M (€ -14M if compared to the December closing) At the end of April the Group repaid all € 7M drawn RCF

CONSOLIDATED INCOME STATEMENT

€ million	2023 FY	% Rev	2022 FY	% Rev	2021 FY	% Rev
Net Revenue	350.8	100%	350.2	100.0%	322.2	100.0%
EBITDA Adj.	63.5	18.1%	63.7	18.2%	62.2	19.3%
Pro-Forma EBITDA Adj.	68.2 [*]	19.4%	70.3	20.1%	67.4	20.9%
Pro-Forma EBITA Adj.	57.6	16.4%	60.9	17.4%	59.0	18.3%



KEY OBSERVATIONS

- Adjusted EBITDA include non-recurring costs such as one-off expensive and non-operating adjustments, start-up costs and other adjustments not reflective of the performance of our business.
- Adjusted Pro Forma EBITDA include pro forma exercise for Hewa acquisition synergies and operational improvement cost savings run rate.
- Adjusted Pro Forma EBITDA margin in Q1, Q2 and Q3 2023 above full year 2022 and mainly in line with full year 2021 due to the time lag of pass-through with customers in order to offset the increase of costs of other raw materials (chemicals, energy and gas costs) and then shows a decrease mainly driven by the extraordinary spike due to scrap rate partially offset by the strong capability of the Group of improving the industrial processes.
- FY 2022 margin reflects the impact of inflation on other raw materials.

CONSOLIDATED CASH FLOW

€ million	12 month at December 31. 2023	12 month at December 31. 2022
Cash flow from operating activities	41.2	31.6
Cash flow used in investing activities	(25.5)	(13.2)
Cash flow used in M&A activities	(8.6)	(3.3)
Cash flow used in financing activities	(7.1)	(20.1)
Increase/(Decrease) cash and cash equivalents	(0.0)	(5.0)
RCF (Increase) / Decrease	3.0	12.0
Post RCF Increase/(Decrease) cash and cash equivalents	3.0	7.0
Cash flow w/o One Off effects	15.1	8.0

KEY OBSERVATIONS

- Operating cash flow for the second half of 2023 increases if compared to the first half of 2023 although the increasing trend of the interest rate influence which is partially offset by hedging instruments in place
- Operating cash flow increase is mainly driven by the positive impact of the trade working capital
- Investing cash flow includes the investments on fix assets (CAPEX) which amounted to €25.5 million for the year 2023, which represents the peak of investments due to continuous improvement, and € 8.6 M of charges for PAI acquisition of Pasubio Group and the acquisition of Innova
- Financing cash flow is primarily driven by the settlement of € 3.5M of unsecured debt and the repayment of € 3.0M of RCF in the second half of 2023
- During the month of April, 2024 the Group repaid the total amount of the RCF outstanding (€ 7M)

TRADE WORKING CAPITAL

€ million	As of December 31. 2023	As of September 30, 2023	As of June 30. 2023	As of March 31. 2023	As of December 31. 2022	As of December 31. 2021
Inventory	78.3	79.0	87.4	94.6	93.4	93.8
Receivables	40.6	40.7	42.9	38.7	40.7	30.1
Payables	(57.7)	(47.9)	(55.2)	(57.7)	(57.6)	(55.9)
TWC	61.2	71.9	75.1	75.6	76.5	68.0
as % on LTM NET REVENUE	17.4%	20.1%	20.9%	21.5%	21.9%	21.1%
Other WC Items	(6.4)	(11.3)	(6.4)	(6.2)	(6.1)	(4.6)
WC	54.8	60.6	68.7	69.4	70.4	63.4
as % on LTM NET REVENUE	15.6%	17.0%	19.1%	19.7%	20.1%	19.7%

Key Observations

- Working capital at December 31, 2023 shows a decrease as % of sales vs FY 2022 and vs FY 2021 respectively of 4.5% and 4.1% primarily driven by the optimization of the inventory level
- Inventory at December 31, 2023 vs Inventory at December 31, 2022 decreases of € 15M driven by inventory rationalization on track and due to coverage strategy on raw material fluctuation
- Receivables and payables remain in line with the value of the FY 2022 and FY 2021

NET FINANCIAL POSITION

€ million	12 month at December 31. 2023	12 month at December 31. 2022	12 month at December 31. 2021
Cash and cash equivalents	(22.9)	(22.9)	(28.0)
Revolving Credit Facility	7.2	10.2	22.2
Senior Secured Notes	340.1	340.1	340.0
Senior Secured Net Debt	324.4	327.4	334.3
SSND / PF EBITDA Adj.	4.8x	4.7x	5.0x
Unsecured other Financial Debt	18.0	20.7	23.4
NFP	342.5	348.1	357.7
NFP / PF EBITDA Adj.	5.0x	5.0x	5.3x

Key Observations

- Cash and cash equivalents remains stable if compared to December 2022 considering the following extraordinary payments:
 - € 4.9 M of Innova acquisition
 - € 3.6 M of charges for PAI acquisition of Pasubio Group
- Moreover, it must be considered that the Group repaid € 3.5M of unsecured debt and € 3M of RCF.
- Other financial debt mainly refers to Pasubio and Hewa local credit facilities which are unsecured.
- Total Liquidity available is € 81M (including €58M of undrawn RCF).
- The Group has hedged its floating rate debt to proactively mitigate exposure to global rising rates entering into a hedging instrument which covers around 50% of its FRN nominal value for the period ending June, 2025.
- During the month of April 2024 further €7M of RCF were repaid.



03. Q&A

PASUBIO



04. **Appendix**

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Revenue Breakdown by Application / Geography

NET REVENUES Q2 2023 LTM BREAKDOWN

By Application



By Geography



Notes: (1) Percentage breakdown by Application and by Geography are not sensitive changed since last quarter

Balance Sheet

€ thousand	As of December 31, 2023	As of December 31, 2022
Goodwill	301,298	461,552
Intangible assets	23,446	24,948
Property, plant and equipment	74,373	58,608
Investments in associated and other companies	106	106
Other assets	2,444	4,788
Non-current Assets	401,667	550,001
Inventories	78,295	93,390
Trade receivables	40,641	40,745
Tax receivables	3,706	3,224
Deferred tax assets	1,026	1,163
Other receivables	7,489	8,499
Prepaid expenses and accrued income	1,821	2,205
Cash at bank and on hand	22,879	22,928
Total current Assets	155,857	172,154
Total Assets	557,524	722,155
Shareholders' equity	(100,650)	(125,122)
Deferred tax liabilities	(6,559)	(6,570)
Provisions for employee severance indemnities	(1,680)	(1,673)
Provision for risks and charges	(640)	(686)
Bank Loan	(8,844)	(11,604)
Notes	(329,801)	(328,124)
Shareholders' loan	(14,034)	(144,751)
Other financial liabilities	(3,432)	(3,226)
Non-Current Liabilities	(364,990)	(496,634)
Bank Loan	(11,834)	(14,923)
Notes	(60)	(63)
Other financial liabilities	(3,542)	(4,106)
Trade payables	(57,740)	(61,300)
Shareholders' loan	-	-
Tax payables	(1,463)	(2,158)
Social security payables	(3,054)	(3,165)
Other payables	(8,881)	(8,553)
Accrued expenses	(5,309)	(6,131)
Current Liabilities	(91,885)	(100,399)
Total Liabilities and Shareholders' equity	(557,524)	(722,155)

Income Statements

€ thousand	12 month at December 31, 2023	12 month at December 31, 2022
Revenue	359,479	357,354
Other revenue and income	4,230	6,325
Total revenue and other income	363,709	363,679
Purchase of goods and changes in inventory	(186,081)	(187,305)
Cost of services	(69,729)	(61,902)
Use of third party assets	(1,400)	(1,108)
Personnel costs	(50,567)	(51,116)
Other operating costs	(1,239)	(1,351)
Capitalization in fixed assets for internal work	2,682	776
Depreciation - tangible assets	(10,557)	(9,445)
Amortization - intangible assets	(31,042)	(29,842)
Impairment Loss (non cash)	(136,854)	-
Write-down of trade receivables	(238)	(2)
Total operating costs	(485,024)	(341,295)
Operating profit / (loss)	(121,315)	22,384
Financial income (expenses)	(36,493)	(33,974)
Net exchange rate gain (losses)	(310)	345
Profit (Loss) before tax	(158,118)	(11,245)
Income taxes	(3,169)	(4,130)
Profit (Loss) for the year	(161,287)	(15,375)

Consolidated Reported

Cash Flow

€ thousand	12 month at December 31, 2023	12 month at December 31, 2022
<i>Cash flow from operating activities</i>		
Profit (Loss) for the year	(161,287)	(15,375)
Income Taxes	3,169	4,130
Net financial expenses	36,493	33,974
(Capital gains) Capital losses deriving from disposal assets	(57)	(141)
1. Profit (loss) for the year before income taxes, interest, dividends and capital gains / losses on disposal	(121,683)	22,588
<i>Non cash adjustments</i>		
Depreciation and Amortization	41,599	39,287
Impairment for lasting value losses	136,854	-
Non-monetary adjustments that have not had a counterpart in working capital	4	142
Provisions (Uses) for contingencies	1,372	-
Total non-monetary adjustments without effects in working capital	179,829	39,429
2. Cash flow from operating activities before changes in net working capital	58,146	62,017
<i>Changes in Net Working Capital</i>		
Decrease (Increase) of inventories	15,095	377
Decrease (Increase) of trade receivables	104	(14,347)
(Decrease) Increase in trade payables	730	2,146
Decrease (Increase) in accrued income and prepaid expenses	82	(488)
(Decrease) Increase in accrued expenses and deferred income	(2,323)	3,685
Other working capital items	1,163	1,923
Total changes in working capital	14,852	(6,705)
3. Cash flow from operating activities after changes in working capital	72,998	55,312
<i>Other Adjustments</i>		
(Income tax paid)	(4,023)	(4,648)
(Interests paid)	(26,227)	(19,109)
(Use of provisions)	(1,561)	-
Total other adjustments	(31,812)	(23,757)
Cash flow from operating activities (A)	41,186	31,555

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€ thousand	12 month at December 31, 2023	12 month at December 31, 2022
<i>Cash flow from investing activities</i>		
(Payments for tangible assets)	(20,540)	(9,734)
Proceeds from sale of tangible assets	188	165
(Payments for intangible assets)	(4,982)	(3,383)
(Payments for financial fixed assets)	(194)	(237)
Net cash used in acquisition of Innova	(4,941)	-
Net cash flow for the acquisition of Conceria Pasubio Group	(3,660)	(3,283)
Cash flow from investing activities (B)	(34,129)	(16,473)
<i>Cash flow from financing activities</i>		
Proceeds and repayment of short term loan	(3,505)	2,254
Proceeds of new long term loan	164	14,817
Repayment of long term loan	(3,765)	(37,194)
Cash flow from financing activities (C)	(7,105)	(20,123)
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	(49)	(5,041)
Cash at hand and on bank at beginning of the period	22,928	27,969
Cash at hand and on bank at the end of the period	22,879	22,928

CORPORATE UPDATE



PASUBIO



Starting from 28/02, INNOVA, located in Albaredo d'Adige (VR) and counting 13 employees and about 6.000 sqm of surface, is part of the Pasubio Group.

The new company represent the first step to implement Pillar n° 4 of our strategy: ***Become a one-stop-shop of high-quality materials for automotive interiors.***

In Innova, R&D team will develop alternative materials to leather: synthetic material (PU) and a product line with new bio-chemicals and new green support trying to offer more innovative and sustainable materials.



INNOVA

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