

# INVESTORS PRESENTATION 2023 Q1 RESULTS

06th June 2023



# Index



**CONSOLIDATED  
FINANCIALS**



**Q&A**



**APPENDIX**

**PASUBIO**





01.

# **Consolidated financials**

**PASUBIO**

# KEY FINANCIAL FIGURES



1Q 2023

94

EUR/MIL

+2%  
vs 1Q22

LTM 2023.03

352

EUR/MIL

+1%  
vs FY22

FY 2022

350

EUR/MIL

- 1Q23 +2% vs 1Q22 net revenue mainly due to new projects and the price increase effect
- 2023.03 LTM +1% vs 2022 FY net revenue due to the organic growth of our business



17

EUR/MIL

+12%  
vs 1Q22

74

EUR/MIL  
PRO FORMA

+5%  
vs FY22

70

EUR/MIL

- 1Q23 +12% vs 1Q22 EBITDA mainly due to operational improvements
- 2023.03 LTM +5% vs 2022 FY EBITDA mainly driven by the optimization of our operating processes



351

EUR/MIL

+3M  
vs FY22

348

EUR/MIL

- Total Liquidity available is €79M (including €55M of undrawn RCF)
- The NFP without the M&A effect for the March closing is equal to € 346M (€ -2M if compared to the December closing)

346

EUR/MIL  
w/OUT M&A  
vs FY22

PASUBIO



# CONSOLIDATED INCOME STATEMENT

€ million	1Q23 LTM	% Rev	2022 FY	% Rev	2021 FY	% Rev
Pro-Forma Net Revenue	352.3	100.0%	350.2	100.0%	322.2	100.0%
EBITDA Adj.	65.6	18.6%	63.7	18.2%	62.2	19.3%
Pro-Forma EBITDA Adj.	73.9	21.0%	70.3	20.1%	67.4	20.9%
Pro-Forma EBITA Adj.	64.6	18.3%	60.9	17.4%	59.0	18.3%

## KEY OBSERVATIONS

- Pro Forma Net Revenue includes 12 months of HEWA acquisition for the period 2021 shown in the table. 1Q23 LTM Revenue +1% vs FY 2022 revenue. thanks to an organic growth of the Group.
- 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 2023 above full year 2022 due to the pass-through with customers in order to offset the increase of costs of other raw materials (chemicals, energy and gas costs)
- Adjusted Pro Forma EBITDA margin in Q1 2023 above full year 2021 due to due to a strong capability of the Group of improving the industrial processes.
- FY 2021 and FY 2022 margins reflect the impact of inflation on other raw materials.

Notes: PROFORMA including Pasubio as the Acquisition occurred on 1st January 2021 and Hewa as the Acquisition occurred on 30th June 2020

# CONSOLIDATED CASH FLOW

€ million	3 month at March 31, 2023	12 month at December 31, 2022	Pro-Forma 12 month at December 31, 2021
Cash flow from operating activities	9.8	31.6	8.6
Cash flow used in investing activities	(5.0)	(13.2)	(13.6)
Cash flow used in M&A activities	(4.9)	(3.3)	(472.8)
Cash flow used in financing activities	0.8	(20.1)	510.7
<b>Increase/(Decrease) cash and cash equivalents</b>	<b>0.7</b>	<b>(5.0)</b>	<b>32.9</b>
RCF Increase / (Decrease)	-	(12.0)	22.0
<b>Post RCF Increase/(Decrease) cash and cash equivalents</b>	<b>0.7</b>	<b>7.0</b>	<b>10.9</b>

## KEY OBSERVATIONS

- Twelve months at December 31, 2021 is shown Pro-Forma as Leather 2 acquired Conceria Pasubio S.p.A. as of January 1, 2021 in order to represent 12 months of cash flow.
- Operating cash flow at March 31, 2023 is primarily driven by the growth of the business
- Investing cash flow includes the investments on fix assets (CAPEX) which amounted to €5.0 million in the first quarter 2023. Please noticed that this amount does not include the new amount of leasing debt for capex which amount to € 1.5M.

## Consolidated financials

# TRADE WORKING CAPITAL

€ million	As of March 31. 2023	As of December 31. 2022	As of December 31. 2021
Inventory	94.6	93.4	93.8
Receivables	38.7	40.7	30.1
Payables	(57.7)	(57.6)	(55.9)
<b>TWC</b>	<b>75.6</b>	<b>76.5</b>	<b>68.0</b>
as % on LTM NET REVENUE	21.5%	21.9%	21.1%
Other WC Items	(6.2)	(6.1)	(4.6)
<b>WC</b>	<b>69.4</b>	<b>70.4</b>	<b>63.4</b>
as % on LTM NET REVENUE	19.7%	20.1%	19.7%

Please notice that we have reclassified the amount of €3.7 in the figures as of December 31. 2022 from Trade receivables to Other receivables for comparability purpose

## Key Observations

- Working capital at March 31. 2023 shows a slight decrease as % of sales vs FY 2022.
- Inventory at March 31. 2023 vs Inventory at December 31. 2022 slightly increase mainly for the work in progress inventory which includes the R&D production which has increased in the first quarter 2023
- Receivables decrease mainly due to temporary payments delay from customers for the FY 2022 which were cashed in during first quarter of 2023

## Consolidated financials

# NET FINANCIAL POSITION

€ million	3 month at March 31. 2023	12 month at December 31. 2022	12 month at December 31. 2021
Cash and cash equivalents	(23.6)	(22.9)	(28.0)
Revolving Credit Facility	10.1	10.2	22.2
Senior Secured Notes	340.1	340.1	340.0
<b>Senior Secured Net Debt</b>	<b>326.6</b>	<b>327.4</b>	<b>334.3</b>
SSND / PF EBITDA Adj.	4.4x	4.7x	5.0x
Unsecured other Financial Debt	24.1	20.7	23.4
<b>NFP</b>	<b>350.8</b>	<b>348.1</b>	<b>357.7</b>
NFP / PF EBITDA Adj.	4.7x	5.0x	5.3x

## Key Observations

- Cash and cash equivalents remains in line with FY 2022 although Pasubio has paid the amount of € 5.6M for FRN interest.
- Pasubio has acquired the new company Innova paying € 4.9M.
- Other financial debt mainly refers to Pasubio and Hewa local credit facilities which are unsecured.
- Total Liquidity available is € 79M (including €55M 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.





## 03. Q&A

PASUBIO





## 04. **Appendix**

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# NET REVENUES Q1 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 March 31, 2023	As of December 31, 2022
Goodwill	455,425	461,552
Intangible assets	24,399	24,948
Property, plant and equipment	61,973	58,608
Investments in associated and other companies	5,072	106
Other assets	4,533	4,788
<b>Non-current Assets</b>	<b>551,402</b>	<b>550,001</b>
Inventories	94,612	93,390
Trade receivables	38,693	40,745
Tax receivables	4,099	3,224
Deferred tax assets	1,050	1,163
Other receivables	7,123	8,499
Prepaid expenses and accrued income	2,399	2,205
Cash at bank and on hand	23,581	22,928
<b>Total current Assets</b>	<b>171,557</b>	<b>172,154</b>
<b>Total Assets</b>	<b>722,959</b>	<b>722,155</b>
<b>Shareholders' equity</b>	<b>(120,046)</b>	<b>(125,122)</b>
Deferred tax liabilities	(6,348)	(6,570)
Provisions for employee severance indemnities	(1,526)	(1,673)
Provision for risks and charges	(686)	(686)
Bank Loan	(13,324)	(11,604)
Notes	(328,536)	(328,124)
Shareholders' loan	(148,340)	(144,751)
Other financial liabilities	(4,245)	(3,226)
<b>Non-Current Liabilities</b>	<b>(503,004)</b>	<b>(496,634)</b>
Bank Loan	(15,292)	(14,923)
Notes	(70)	(63)
Other financial liabilities	(3,303)	(4,106)
Trade payables	(61,422)	(61,300)
Tax payables	(3,140)	(2,158)
Social security payables	(2,496)	(3,165)
Other payables	(9,088)	(8,553)
Accrued expenses	(5,098)	(6,131)
<b>Current Liabilities</b>	<b>(99,909)</b>	<b>(100,399)</b>
<b>Total Liabilities and Shareholders' equity</b>	<b>(722,959)</b>	<b>(722,155)</b>

# Income Statements

€ thousand	3 month at March 31, 2023	3 month at March 31, 2022
Revenue	96,277	93,930
Other revenue and income	1,170	234
<b>Total revenue and other income</b>	<b>97,447</b>	<b>94,164</b>
Purchase of goods and changes in inventory	(49,535)	(50,855)
Cost of services	(17,795)	(14,637)
Use of third party assets	(312)	(256)
Personnel costs	(13,285)	(13,101)
Other operating costs	(275)	(227)
Capitalization in fixed assets for internal work	216	-
Depreciation - tangible assets	(2,300)	(2,479)
Amortization - intangible assets	(7,582)	(7,407)
Write-down of trade receivables	(66)	-
<b>Total operating costs</b>	<b>(90,933)</b>	<b>(88,963)</b>
<b>Operating profit / (loss)</b>	<b>6,514</b>	<b>5,201</b>
Financial income (expenses)	(10,389)	(7,964)
Net exchange rate gain (losses)	(125)	108
<b>Profit (Loss) before tax</b>	<b>(4,000)</b>	<b>(2,655)</b>
Income taxes	(947)	(2,592)
<b>Profit (Loss) for the year</b>	<b>(4,947)</b>	<b>(5,247)</b>
<b>ATTRIBUTABLE TO:</b>		
Owners of the parent	(4,947)	(5,302)
Non-controlling interests	-	55

# Consolidated Reported Cash Flow

€ thousands	3 month at March 31, 2023	3 month at March 31, 2022
<b>Cash flow from operating activities</b>		
<b>Profit (Loss) for the year</b>	<b>(4,947)</b>	<b>(5,247)</b>
Income Taxes	947	2,592
Net financial expenses	10,389	7,964
(Capital gains) Capital losses deriving from disposal assets	-	(95)
<b>1. Profit (loss) for the year before income taxes, interest, dividends and capital gains / losses on disposal</b>	<b>6,390</b>	<b>5,214</b>
<b>Non cash adjustments</b>		
Depreciation and Amortization	9,881	9,886
Non-monetary adjustments that have not had a counterpart in working capital	61	-
Provisions (Uses) for contingencies	(146)	22
<b>Total non-monetary adjustments without effects in working capital</b>	<b>9,796</b>	<b>9,908</b>
<b>2. Cash flow from operating activities before changes in net working capital</b>	<b>16,186</b>	<b>15,122</b>
<b>Changes in Net Working Capital</b>		
Decrease (Increase) of inventories	(1,222)	2,768
Decrease (Increase) of trade receivables	2,052	(11,815)
(Decrease) Increase in trade payables	121	(4,223)
Decrease (Increase) in accrued income and prepaid expenses	(250)	1,048
(Decrease) Increase in accrued expenses and deferred income	-	17
Other working capital items	(248)	(2,616)
<b>Total changes in working capital</b>	<b>454</b>	<b>(14,821)</b>
<b>3. Cash flow from operating activities after changes in working capital</b>	<b>16,640</b>	<b>301</b>
<b>Other Adjustments</b>		
(Income tax paid)	(642)	-
(Interests paid)	(6,267)	(3,942)
<b>Total other adjustments</b>	<b>(6,909)</b>	<b>(3,942)</b>
<b>Cash flow from operating activities (A)</b>	<b>9,731</b>	<b>(3,641)</b>

€ thousands	3 month at March 31, 2023	3 month at March 31, 2022
<b>Cash flow from investing activities</b>		
(Payments for tangible assets)	(4,043)	(2,159)
Proceeds from sale of tangible assets	-	69
(Payments for intangible assets)	(905)	(1,069)
(Payments for financial fixed assets)	(25)	(16)
Net cash used in acquisition of Innova	(4,941)	-
Net cash flow for the acquisition of Conceria Pasubio Group	-	(4,362)
<b>Cash flow from investing activities (B)</b>	<b>(9,914)</b>	<b>(7,537)</b>
<b>Cash flow from financing activities</b>		
Proceeds and repayment of short term loan	75	457
Proceeds of new long term loan	1,720	13,506
Repayment of long term loan	(958)	(1,255)
<b>Cash flow from financing activities (C)</b>	<b>837</b>	<b>12,708</b>
<b>Increase/(Decrease) cash and cash equivalents (A ± B ± C)</b>	<b>653</b>	<b>1,530</b>
<b>Cash at hand and on bank at beginning of the period</b>	<b>22,928</b>	<b>27,969</b>
<b>Cash at hand and on bank at the end of the period</b>	<b>23,581</b>	<b>29,499</b>



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