



FY 2020 Results Presentation

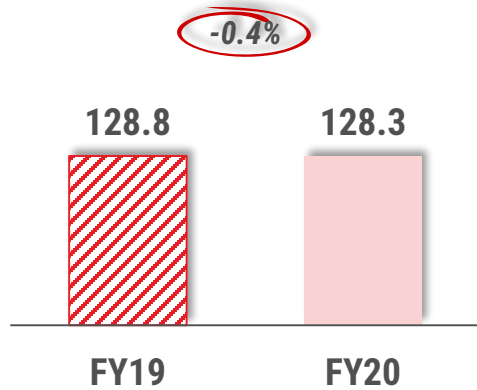
23rd February 2021

**LIVING TECHNOLOGY FOR A HEALTHIER
AND SAFER WORLD.**

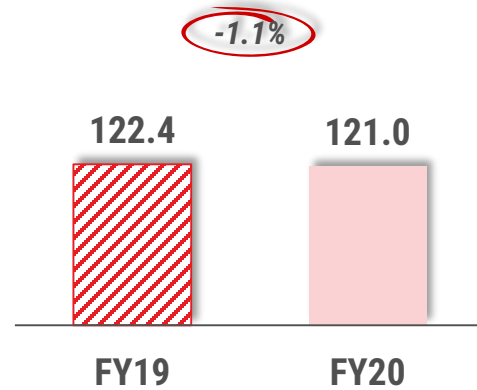


FY2020 ROBUST AND RESILIENT PERFORMANCE

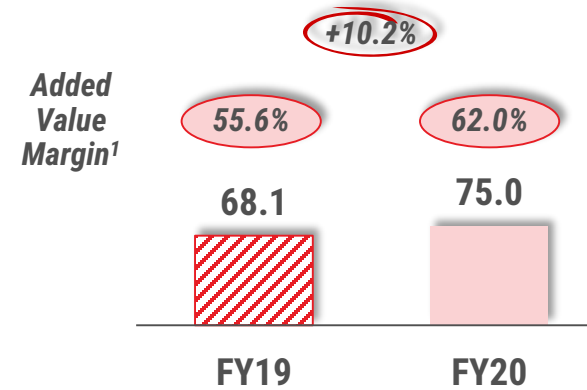
Value of Production (€m)



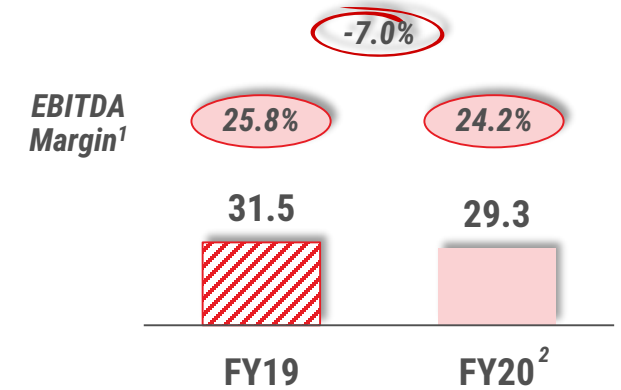
Revenues (€m)



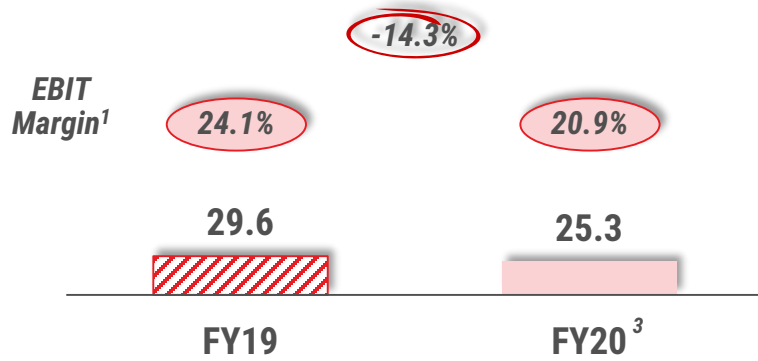
Added Value (€m)



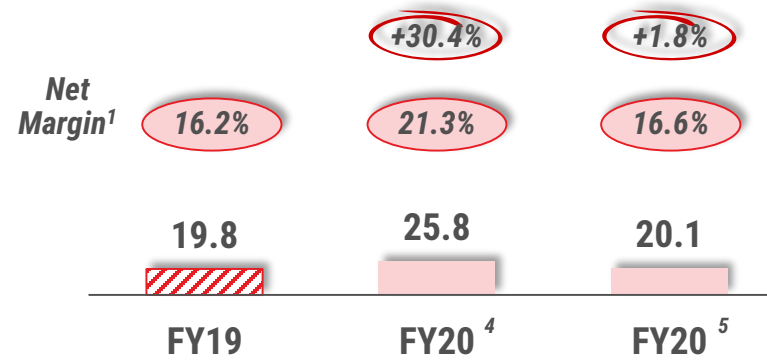
EBITDA (€m)



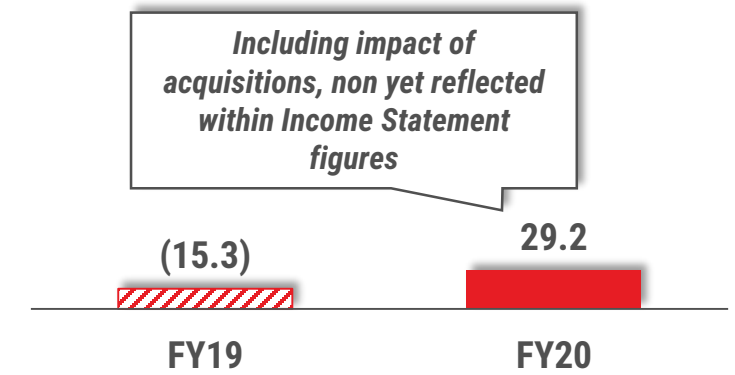
EBIT (€m)



Net Profit Adjusted (€m)



Net Debt (Cash)⁶ (€m)



Source: Antares Vision

Notes: IFRS accounting principles

(1) Margin calculated on Revenues

(2) Excluding provisions for products warranty, supplementary clients indemnity and other risks, and bank fees

(3) Excluding the effect of PPA-GW amortization and bank fees

(4) Including Patent Box 2016-2019

(5) Including Patent Box 2019

(6) Excluding warrants effect and not including liabilities for financial derivatives, credit cards and agents

FY20 YoY % Change

PERFORMANCE HIGHLIGHTS

- **Value of Production basically flat at -0.4% YoY**, as a result of the combination of a limited impact of the Covid-19 crisis on Revenues compensated by the contribution of FT System which has proved to be a successful acquisition
- **First Margin is up 6.8% YoY** (margin on Revenues is up +5.9 p.p.) and **Added Value is up 10.2% YoY** (margin on Revenues is up +6.4 p.p.) benefitting from lower installation expenses (-68%) and lower cost of goods sold (-10.4%), in connection with lower recourse of external providers thanks to a wider geographic footprint and internal resources, coupled with higher portion of sales coming from Smart Data and Services which benefit from higher margins
- The margin improvement dynamic almost fully compensated the increased labour cost (+25.1%) as a consequence of the recent acquisitions and a strong hiring campaign to support future growth, leading to a resilient EBITDA margin (24.2%, -1.6 p.p.) and **EBITDA** (-7.0% YoY)
- **Net Profit Adjusted** including Patent Box positive impacts for the period 2016-2019 was up 30.4% at €25.8m

SUCCESSFUL MANAGEMENT OF COVID-19 OUTBREAK

- AV management has followed the evolution of the situation with **great attention** and has implemented all the guidelines issued by the competent authorities with the utmost promptness
- **Health and well-being of employees, collaborators and business partners have been put first** by adopting protection and prevention measures such as the activation of smart working, the organization of videoconferences to replace meetings, an intelligent and prudent management of production activities and installation
- From a business perspective, overall **2020 showed a lower number of installations** if compared to 2019 however it is extremely important to distinguish the dynamics of the first semester, impacted by the first wave shock, from the ones of the second semester characterized by a strong recovery, already from June
- **1H2020 was negatively impacted by the first and unprecedented wave of COVID-19** pandemic, mainly due to:
 - **deferment of the deadlines** for the preparation and assignment of **tender procedures**, which led to a slowdown in new contracts awarding processes
 - **postponement of installation activities**
- **In 2H2020**, on the other hand, there was a fast recovery of the **number of lines installed which showed an overall increase** (if compared to 2H2019) with **AV business performance appearing less sensitive to the effects of the social distancing measures introduced globally** thanks to the exposure to resilient end-markets

#ANTARESVISIONEVERSTOP

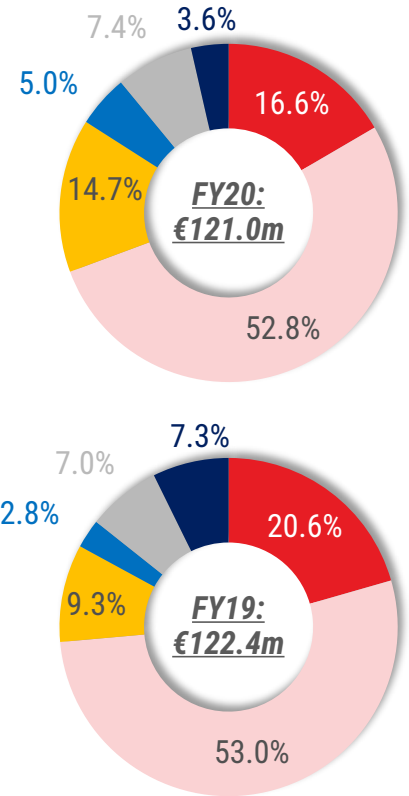
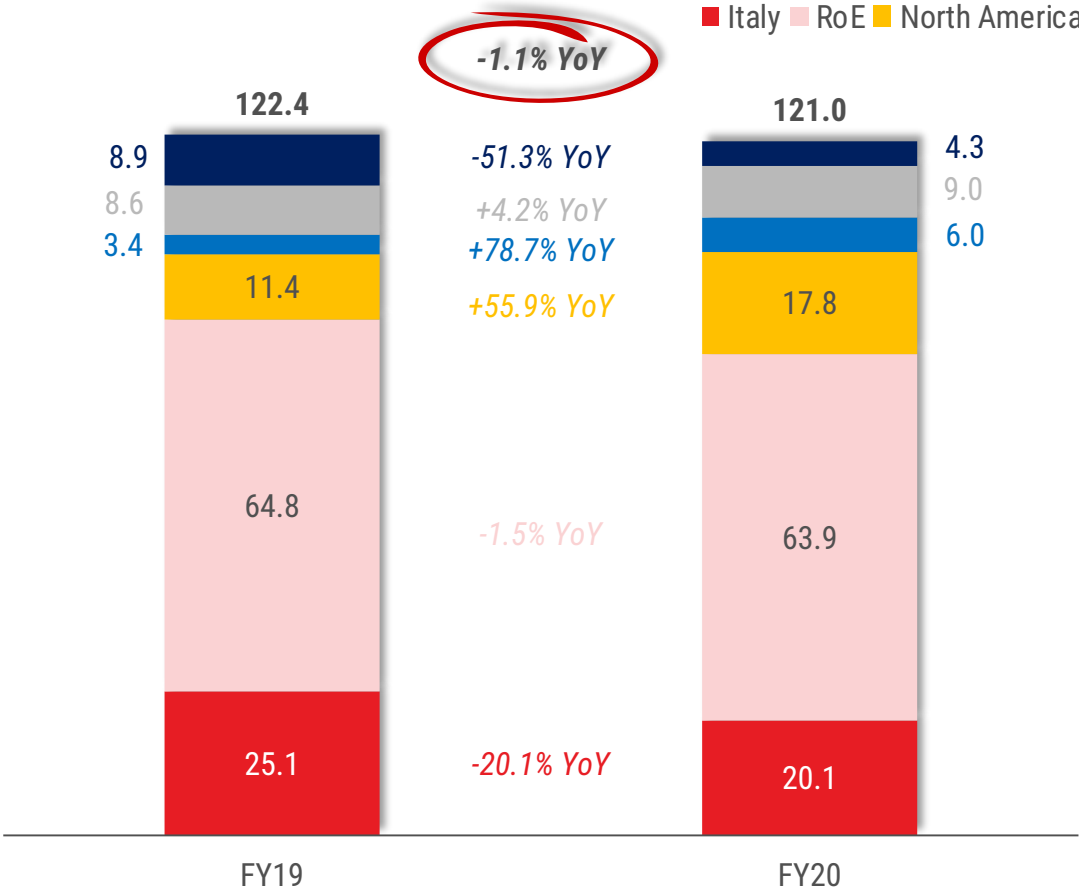
- In 2020 AV has continued its journey of strengthening and strategically diversifying its business despite the extraordinary market context affected by Covid-19 outbreak
- Consistently with a strategy aimed at expanding its position as a leading global provider of T&T, Inspection and Smart Data Management solutions, in 2020 AV managed to **further consolidate its presence abroad, further penetrate Extra Life Science end-markets and accelerate digitalization** also thanks to a number of strategic initiatives
 - Set up of a **new branch in Germany**, fully controlled by AV, in order to strengthen local presence
 - Acquisition of **Tradeticity**, specialized in T&T software solutions
 - Launch of **Track My Health platform**
 - **Partnership agreement with IMA**, focusing on the development and implementation of innovative solutions in specific projects, new business and products
 - Acquisition of **Convel**, specialized in automated inspection in the pharmaceutical industry operating in Italy and boasting an extensive sales network abroad
 - Investment in the start-up **NEURALA**, vaunting innovative AI technology applied to vision systems for Inspection solutions
 - Acquisition of **Adents'** assets to expand AV portfolio of software solutions able to T&T the end-to-end supply chain
 - Acquisition of **Applied Vision Corporation**, a US based global leader in high-speed vision inspection systems for F&B industry
- Recently announced (February 16, 2021) the **agreement for the acquisition of rfXcel** aimed at **strengthening software** offering across key end-markets, expand **Smart Data Service offering** and rapidly **accelerating digitalization** of end-to-end supply chain

REVENUES BY GEOGRAPHY

Revenues by Geography (€m)

Revenues by Geography (%)

■ Italy ■ RoE ■ North America ■ South America ■ Asia ■ Middle East and Africa

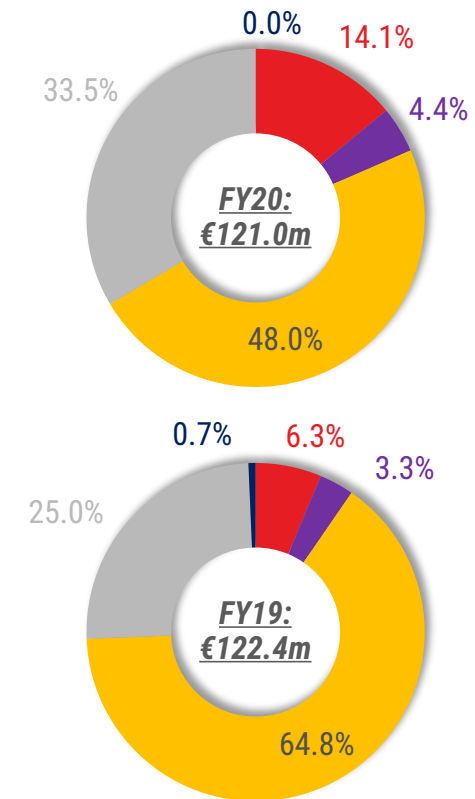
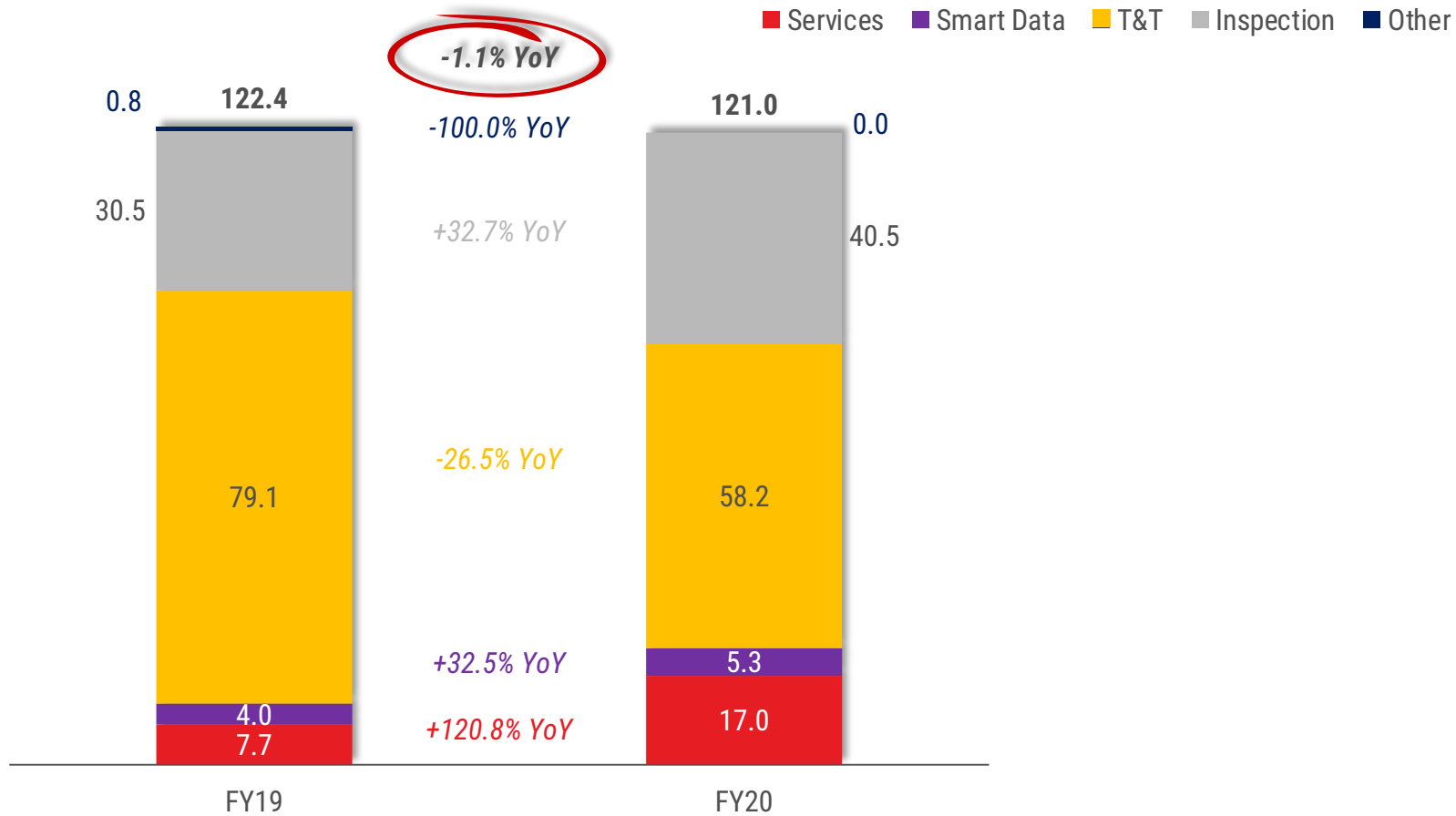


Source: Antares Vision
Notes: IFRS accounting principles

REVENUES BY SEGMENT

Revenues by Segment (€m)

Revenues by Segment (%)

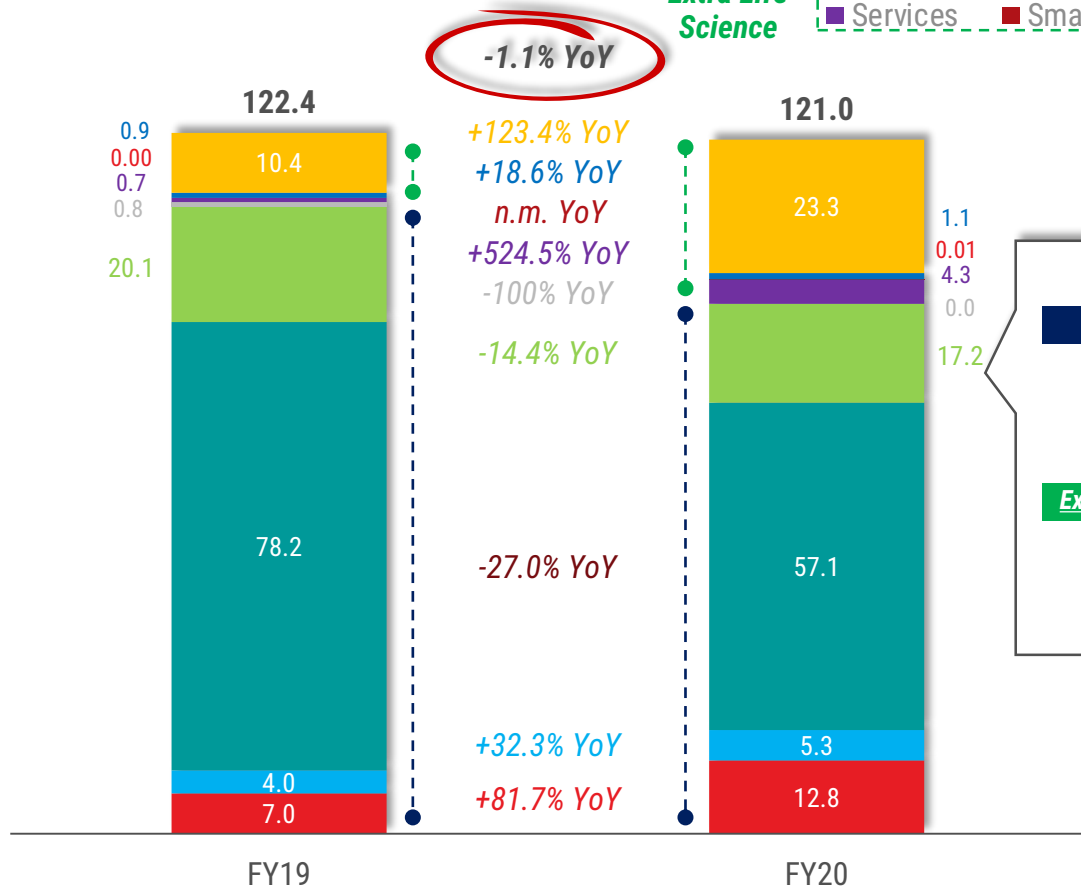


REVENUES BY END-MARKET

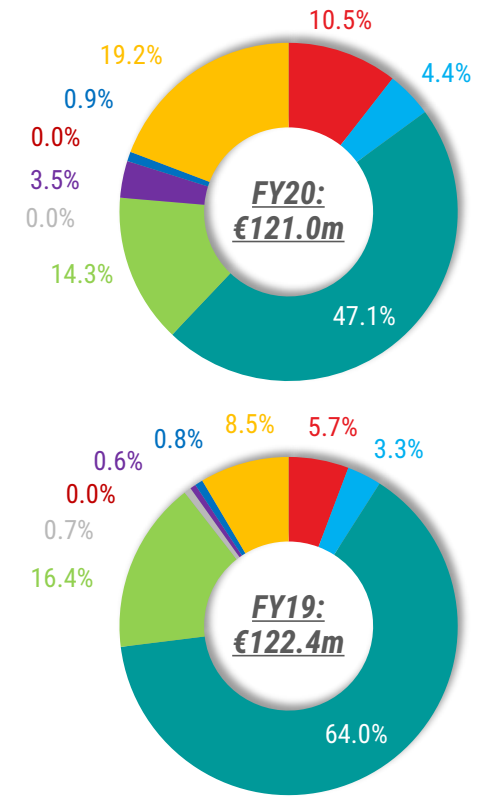
Revenues by End-market (€m)

Revenues by End-market (%)

Life Science ■ Services ■ Smart Data ■ T&T ■ Inspection ■ Other (Sales to suppliers)
Extra Life Science ■ Services ■ Smart Data ■ T&T ■ Inspection

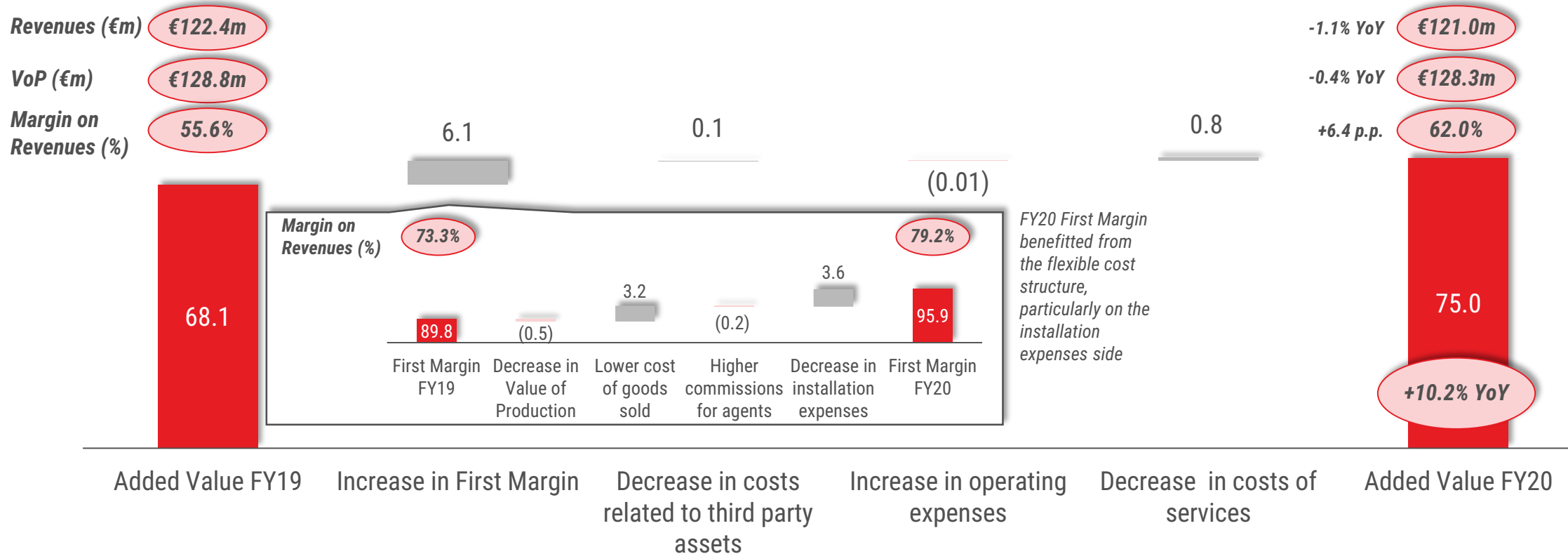


FY20 Breakdown
Life Science
€92.4m
76% of Revenues
Extra Life Science
€28.6m
24% of Revenues



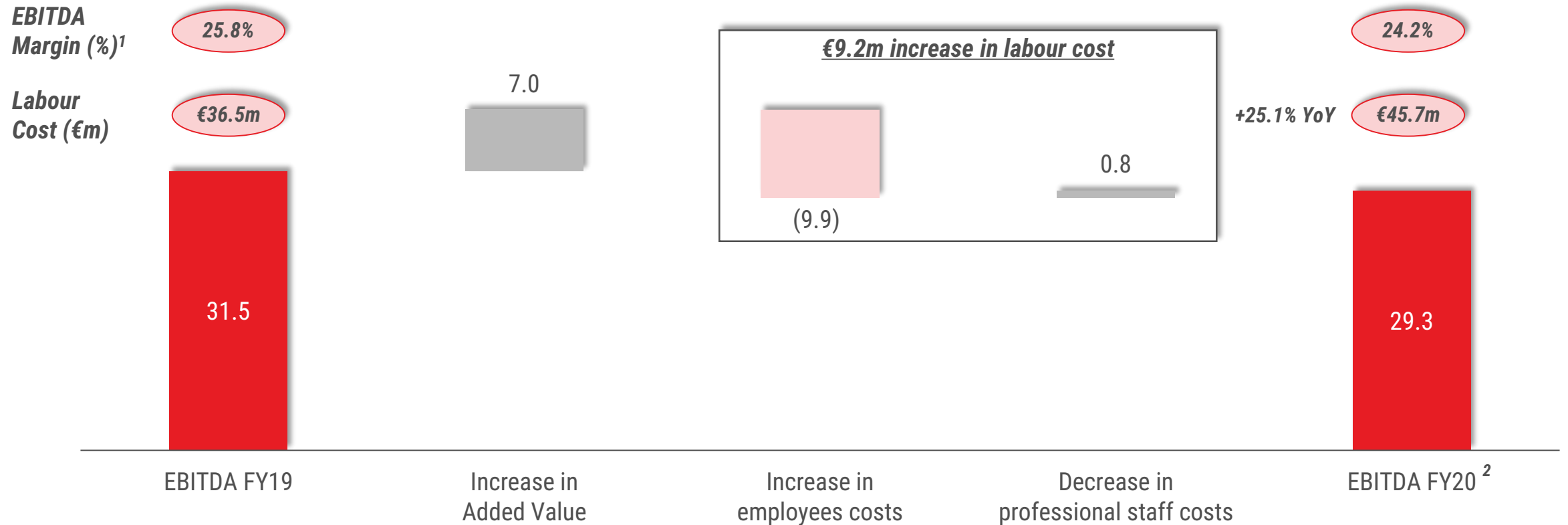
ADDED VALUE

Solid improvement in Added Value thanks to lower cost of goods sold and lower installation expenses combined with increasing incidence of Smart Data and Services benefitting from higher margins



Source: Antares Vision
 Notes: IFRS accounting principles
 (1) Margin calculated on Revenues

Solid increase in Added Value compensated higher labour cost



Source: Antares Vision

Notes: IFRS accounting principles

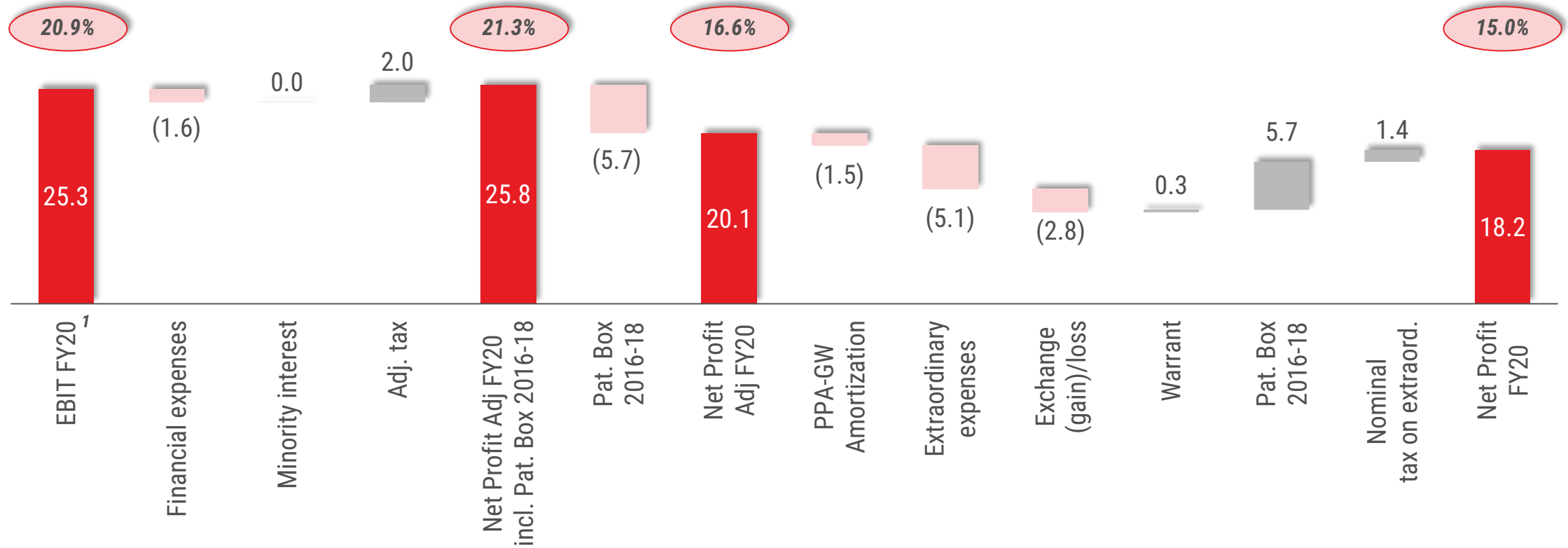
(1) Margin calculated on Revenues

(2) Excluding provisions for products warranty, supplementary clients indemnity and other risks, and bank fees

FROM EBIT TO NET PROFIT ADJUSTED TO NET PROFIT

Significant bottom line profitability adjusted for non-recurring items

Margin on Revenues (%)



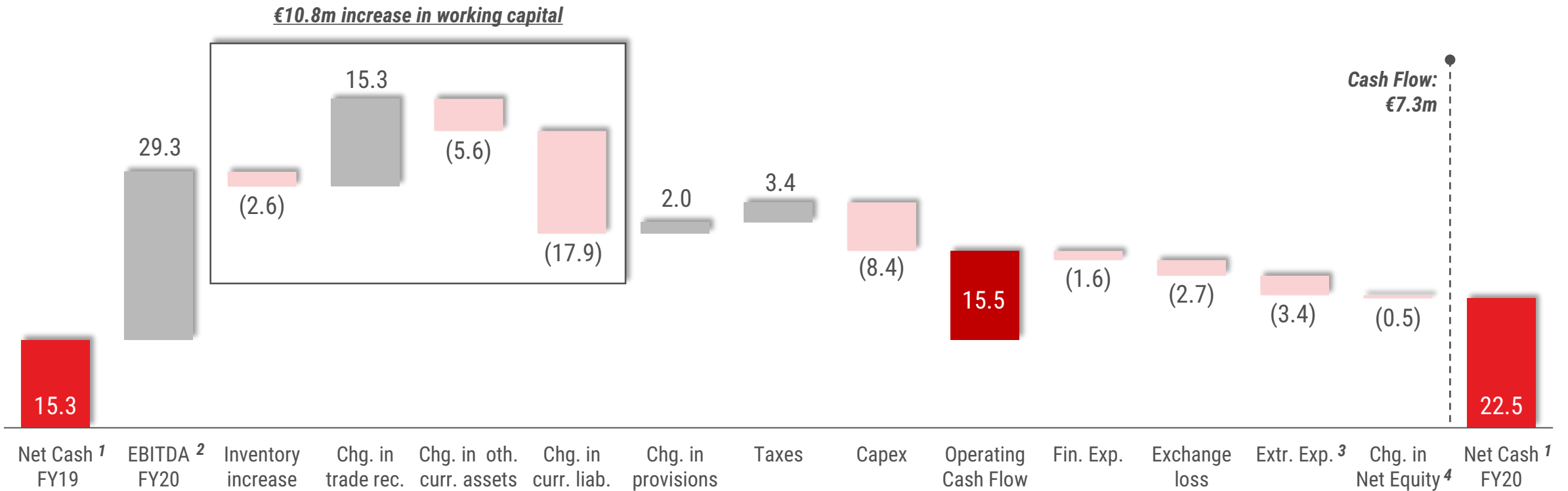
Source: Antares Vision

Notes: IFRS accounting principles

(1) Excluding the effect of PPA-GW amortization and bank fees

ORGANIC CASH FLOW AND NET DEBT EVOLUTION

Solid organic operating cash flow generation



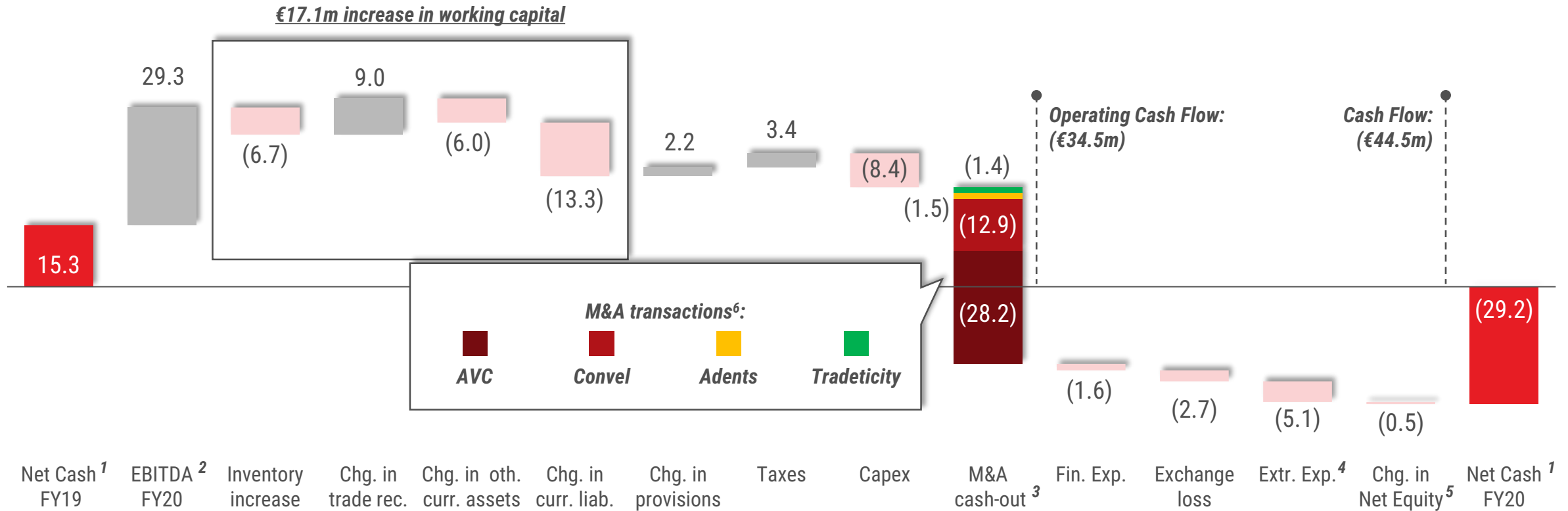
Source: Antares Vision

Notes: IFRS accounting principles

- (1) Excluding warrants effect and not including liabilities for financial derivatives, credit cards and agents
- (2) Excluding provisions for products warranty, supplementary clients indemnity and other risks, and bank fees
- (3) Including €1.3m of derivative fair value and excluding ex. expenses for M&A
- (4) Mainly consolidation effects

CASH FLOW AND NET DEBT EVOLUTION

Solid operating cash flow funding significant M&A



Source: Antares Vision

Notes: IFRS accounting principles

(1) Excluding warrants effect and not including liabilities for financial derivatives, credit cards and agents

(2) Excluding provisions for products warranty, supplementary clients indemnity and other risks, and bank fees

(3) Excluding working capital

(4) Including €1.3m of derivative fair value

(5) Mainly consolidation effects

(6) M&A accounted for €50m

- ***Solid results underpinning the resilience of the business model despite Covid-19***
- ***Strong cash flow generation***
- ***Continued M&A strategy***
- ***Optimistic on the future prospects***

APPENDIX

INCOME STATEMENT

INCOME STATEMENT

€'000	FY19	FY20		Δ% VS FY19
Revenues	122,405	121,030	①	(1.1%)
Capitalization of R&D	3,620	4,721		30.4%
Other Tax Credit	1,718	1,356		(21.1%)
Tax Credit	1,049	1,195		14.0%
Value of Production (VoP)	128,791	128,302		(0.4%)
COGS	(30,692)	(27,489)		(10.4%)
Commercial costs	(3,089)	(3,248)		5.2%
Installation expenses	(5,241)	(1,685)		(67.9%)
First Margin	89,770	95,880	②	6.8%
First Margin % on Revenues	73.3%	79.2%		
Third party assets	(1,394)	(1,319)		(5.4%)
Operating expenses	(133)	(147)		10.8%
Services	(20,171)	(19,382)		(3.9%)
Added Value	68,071	75,032	③	10.2%
Added Value % on Revenues	55.6%	62.0%		
Labour cost	(36,544)	(45,727)		25.1%
EBITDA	31,528	29,305¹	④	(7.0%)
EBITDA % on Revenues	25.8%	24.2%		
D&A and provisions	(1,973)	(3,981)		n.m.
EBIT	29,554	25,324²		(14.3%)
EBIT % on Revenues	24.1%	20.9%		
Financial items	2,882	(4,035)		n.m.
PPA Amortization	(363)	(1,474)		n.m.
Extraordinary and other items	(3,076)	(5,144)		67.2%
Earnings before tax (EBT)	28,997	14,671		(49.4%)
EBT % on Revenues	23.7%	12.1%		
Taxes	(6,670)	3,445		n.m.
Net Profit	22,327	18,116		(18.9%)
Minority interest	(410)	44		n.m.
Net profit of the group	21,918	18,159		(17.1%)
Net profit % on Revenues	17.9%	15.0%		(48.8%)

Source: Antares Vision
Notes: IFRS accounting principles

(1) Excluding provisions for products warranty, supplementary clients indemnity and other risks, and bank fees
(2) Excluding the effect of PPA-GW amortization and bank fees

KEY COMMENTS

- ① **Revenues stable YoY in FY20 thanks to the contribution of the acquisitions**
- ② **First Margin** was up by 6.8% and +5.9 p.p.. Positive impact came from lower installation expenses (-68% YoY) and lower cost of goods sold (-10% YoY), as per lower recourse of external providers thanks to a wider geographic footprint and internal resources, coupled with increasing portion of sales from Smart Data and Services which benefit from higher margins
- ③ Positive performance also on the **Added Value** side, which increased by 10.2% and +6.4 p.p. also thanks to the decrease in costs for services
- ④ Higher **labour cost (+25.1% YoY)**, as a consequence of **the acquisitions and a strong organization enhancement**, most of which compensated by the marginality increase, however leading to a lower EBITDA (-7.0% YoY)

ADJUSTED NET PROFIT

INCOME STATEMENT

€'000	FY19	FY20	Δ% VS FY19
Earnings before tax (EBT)	28,997	14,671	(49.4%)
PPA-GW Amortization	363	1,474	n.m.
Extraordinary expenses	3,076	5,144	67.2%
Exchange (gain)/loss	(92)	2,771	n.m.
Warrant + ALPI merger	(4,615)	(303)	(93.4%)
Earnings before tax Adj. (EBT Adj)	27,729	23,756	(13.0%)
EBT Adj % on Revenues	22.7%	19.6%	
Patent Box 2016-18	-	(5,664)	n.m.
Taxes ¹	(7,528)	2,010	n.m.
Minority interest	(410)	44	n.m.
Net profit of the group Adj.	19,791	20,146	4.0%
Net profit Adj % on Revenues	16.2%	16.6%	
Patent Box 2016-18	-	5,664	
Net profit Adj incl. Pat. Box 2016-18	19,791	25,810	+30.4%
Net profit Adj incl. Pat. Box 2016-18% on Revenues	16.2%	21.3%	

Source: Antares Vision

Notes: IFRS accounting principles

(1) Includes Patent Box benefit for 2019

BALANCE SHEET

BALANCE SHEET

€'000	FY19	FY19 % on NIC	FY20	FY20 % on NIC
Tangible assets	13,959	13.1%	21,492	12.8%
Intangible assets	66,778	62.5%	106,306	63.1%
Financial assets	3,813	3.6%	3,971	2.4%
Fixed assets	84,551	79.2%	131,770 ^①	78.2%
Inventory	25,574	23.9%	32,291	19.2%
Trade receivables	56,505	52.9%	47,533	28.2%
Trade payables	(29,731)	27.8%	(29,096)	17.3%
TWC	52,349	49.0%	50,727	30.1%
Other assets	17,167	16.1%	23,172	13.7%
Other liabilities	(39,764)	37.2%	(27,052)	16.0%
NWC	29,752	27.9%	46,848 ^②	27.8%
Employees' leaving indemnity	(5,687)	5.3%	(6,917)	4.1%
Bad debt and other provisions	(1,817)	1.7%	(3,153)	1.9%
Net Invested Capital (NIC)	106,799	100.0%	168,547	100.0%
Cash and cash equivalents	118,380	110.8%	129,189	76.6%
Financial debt	(99,844)	93.5%	(153,903)	91.3%
Leasing debt	(7,760)	7.3%	(8,669)	5.1%
Gross debt	(107,604)	100.8%	(162,572)	96.5%
Net Cash / (Debt)	10,776	10.1%	(33,383) ¹ ^③	19.8%
Warrant mark-to-market	4,514	4.2%	4,211	2.5%
Net Cash / (Debt) Adjusted	15,291 ¹	14.3%	(29,172) ¹	17.3%
Equity	117,575	110.1%	135,164	80.2%

KEY COMMENTS

- ① Fixed assets increase is mainly related to the goodwill from the acquisitions. An increase was also delivered by the investment realized for the branches in Parma and Travagliato as well as by the capitalization of development costs
- ② Net Working Capital increase, also driven by acquisitions, was mainly led by higher inventories and by the effect of IFRS 15 effect, which more than compensated the reduction in trade receivables
- ③ Net Debt position evolution resulting from significant acquisitions, capex in real estate and development costs

Source: Antares Vision

Notes: IFRS accounting principles

(1) Not including liabilities for financial derivatives, credit cards and agents

CASH FLOW STATEMENT

CASH FLOW STATEMENT

€'000	FY19	FY20	FY20 excl. M&A
EBITDA	31,528	29,305	29,305
Inventory	(3,333)	(6,717)	(2,592)
Trade Receivables	(15,054)	8,973	15,270
Other Current Assets	(3,707)	(6,005)	(5,583)
Advances From Clients	(3,744)	4,328	1,398
Trade Payables	7,188	(4,962)	(5,954)
Other Current Liabilities	5,462	(12,713)	(13,338)
Total Change in Working Capital	(13,189)	(17,096)	(10,800)
Employees' leaving indemnity	3,086	1,230	1,129
Other Funds	389	176	23
Bad Debt	535	842	840
Taxation	(6,670)	3,445	3,445
Capex	(77,680)	(52,355)	(8,432)
Operating Cash Flow	(62,001)	(34,454)	15,509
Financial expenses	2,882	(4,339)	(4,339)
Extraordinary expenses	(3,076)	(5,144)	(3,392)
Change in Net Equity	42,588	(526)	(526)
Net Cash Flow	(19,607)	(44,462)	7,252
Net Cash / (Debt) BoP ¹	30,383	10,776	10,776
Net Cash / (Debt) EoP ¹	10,776	(33,686) ²	18,028 ²
Warrants adjustments	4,514	4,514 ²	4,514 ²
Net Cash / (Debt) EoP Adjusted for Warrants ¹	15,291	(29,172)	22,542

Source: Antares Vision

Notes: IFRS accounting principles

(1) Not including liabilities for financial derivatives, credit cards and agents

(2) Adjusted for €0.303m warrant-related expense included in interest expenses

KEY COMMENTS

- Cash generation is linked to the positive EBITDA and to the dynamics of the working capital previously described, which have allowed to more than offset the:
 - tangible investments (mainly for the expansion of the production sites in Italy);
 - intangible investments (capitalization of development costs) and;
 - the investment in subsidiaries (for the opening of the new branch in Germany).

TRADING WORKING CAPITAL DETAILS – MONTHLY EVOLUTION

