



Investor Presentation October 2012





✓ **EMAK AT A GLANCE**



**Emak**

efco



**Emak**

leo-Mac



## Emak S.p.A.

Headquarter: Bagnolo in Piano, Reggio Emilia, Italy

Emak is one of the main global players in the production and distribution of machines, components and accessories for gardening, agriculture, forestry and industry such as chainsaws, brushcutters, lawnmowers, garden tractors, motor hoes and power cutters.

### Business sectors

#### Gardening

#### Agriculture & Forestry

#### Construction&Industry

### Products

Brushcutters  
Lawn mowers  
Garden tractors  
Blowers

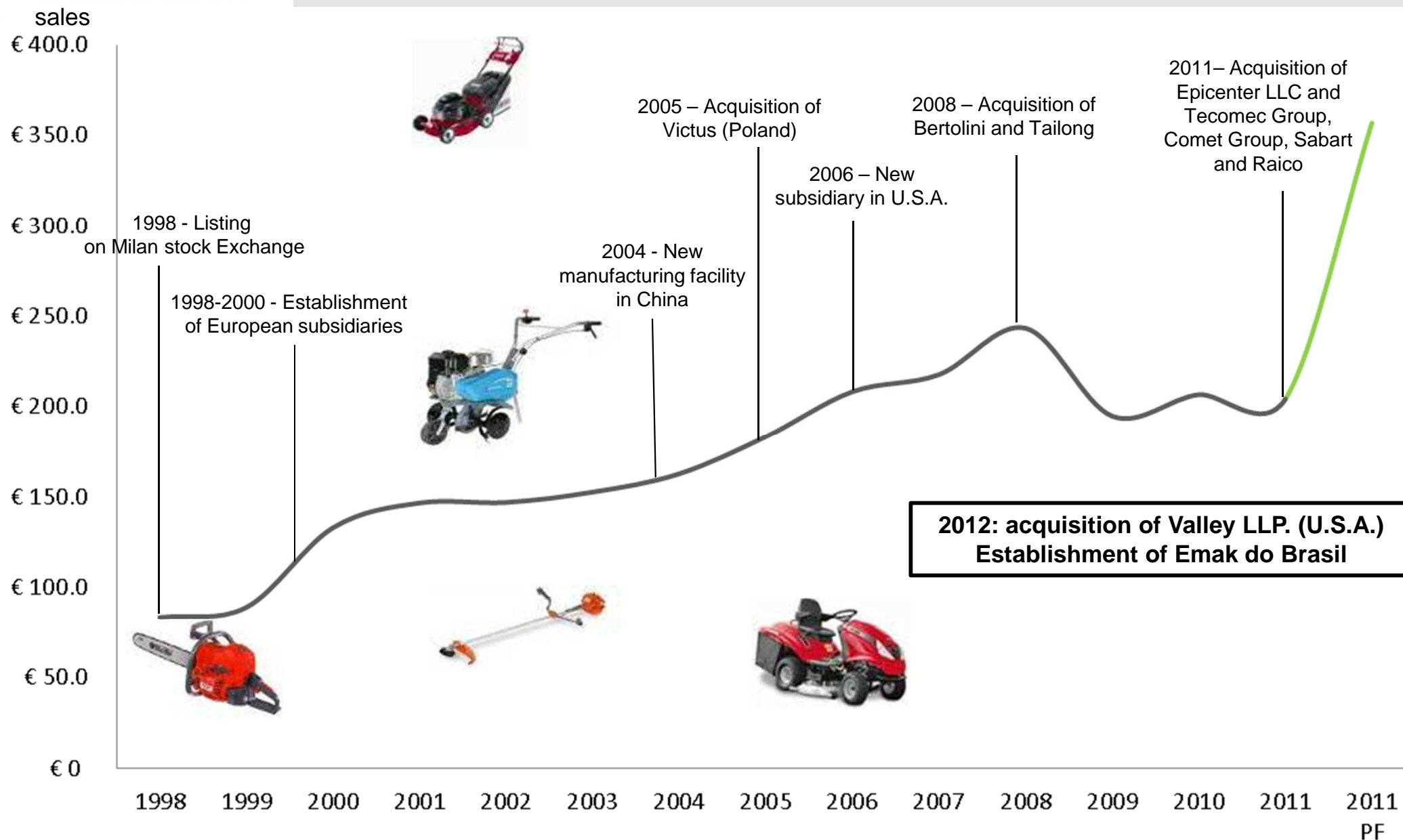


Chain saws  
Tillers  
Transporters  
Diaphragm pumps



Power cutters  
High pressure washers  
Piston pumps





## Greenfield 2011 acquisition - Companies' overview

**Tecomec**, is one of the market leaders in the production and sale of accessories for gardening & forestry, agriculture and cleaning industry (high pressure washers).

**Comet Group**, manufactures and sells diaphragm pumps for agriculture, piston pumps for industrial and high pressure washers for professional and hobby users.

**Sabart**, is an Italian distributor of spare parts and accessories for agriculture, forestry and gardening equipment.

**Raico** is an Italian distributor of technical spare parts and components for tractors and agriculture equipment



### **Le.Ma. (Italy) – acquisition – January 2012**

Raico S.r.l. has acquired the business activity of LE.MA. S.r.l., that commercializes agricultural spare parts, accessories and tools.

### **Valley Industries (USA) – acquisition – February 2012**

Comet U.S.A has acquired the 90% of Valley Industries, which distributes a wide range of products, components and accessories for Industrial and Agriculture sectors, including Comet's diaphragm pumps, with a widespread distribution network in the entire area of North America.

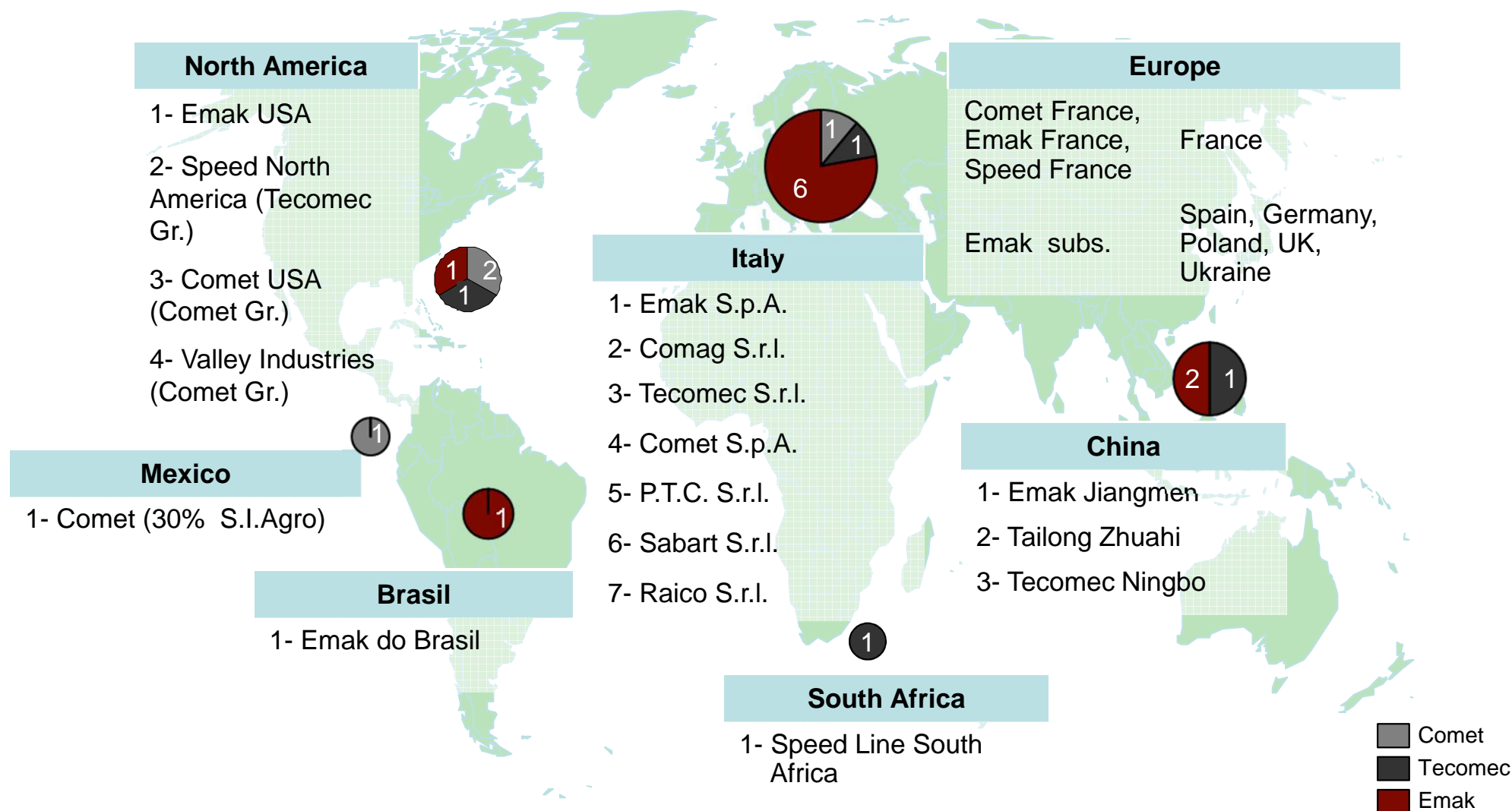
### **Emak do Brasil - establishment – June 2012**

Emak opened a commercial branch in Brazil, that will be in charge of the distribution on the Brazilian market of the Emak Group's product branded Oleo-Mac. The branch will also commercialize the products of Comet and Tecomec.

### **Emak Benelux (Belgium) – signing of sale agreement – September 2012**

Emak S.p.A. signed an agreement for the sale of its stake in the subsidiary Emak Benelux NV, which was in charge of the distribution of Emak products on the Belgian and Dutch market. A distribution agreement will be signed, allowing Emak to maintain the same distribution model in the area, ensuring greater efficiency considering the size of the business.





# 1H 2012 consolidated results

FY 2011 PF	€/mln	1H 2012	1H 2011 PF (1)	Δ
<b>356.9</b>	<b>Sales</b>	<b>211.9</b>	<b>213.9</b>	<b>-0.9%</b>
203.6	– Emak	112.2	124.5	
151.6	– Greenfield	84.1	89.4	
1.7	– Valley, PTC, Epicenter (2)	15.6		
<b>37.4</b>	<b>EBITDA adjusted</b>	<b>26.1</b>	<b>31.0</b>	<b>-15.8%</b>
-1.7	non recurring items	-2.8	0.1	
0.4	– intercompany margins reversal	-2.6	0.7	
-2.1	– M&A	-0.2	-0.6	
<b>35.7</b>	<b>EBITDA</b>	<b>23.3</b>	<b>31.1</b>	<b>-25.0%</b>
17.5	– Emak	10.7	16.5	
18.2	– Acquisitions	12.6	14.6	
<b>23.7</b>	<b>EBIT</b>	<b>17.3</b>	<b>25.3</b>	<b>-31.9%</b>
10.4	– Emak	7.0	13.0	
13.3	– Acquisitions	10.3	12.3	
<b>13.0</b>	<b>Net profit</b>	<b>9.4</b>	<b>14.4</b>	<b>-34.3%</b>
5.8	– Emak	3.4	7.0	
7.2	– Acquisitions	6.0	7.4	

(1) Pro forma figures for 1H 2011 include Tecomec Group, Comet Group, Sabart and Raico as if acquired January 1, 2011. Data do not include Valley LLP, P.T.C. Srl, Epicenter LLC,

(2) PTC and Epicenter has been consolidated since 1 October 2011, Valley since 1 January 2012.



## Consolidated assets and liabilities

€/mln	30.06.2012	31.12.2011
Net fixed assets	90.4	79.9
Net working capital	163.5	157.5
<b>Net capital employed</b>	<b>253.9</b>	<b>237.4</b>
<b>Net equity</b>	<b>147.1</b>	<b>140.1</b>
<b>Net financial debt</b>	<b>106.8</b>	<b>97.3</b>
Debt/Equity	0.73	0.69

### Net working capital

The trend in NWC is mainly related to sales seasonality and to the change in the scope of consolidation.

### Net debt

The figure includes discounted deferred payment for €14.1mln and the debt deriving from the acquisitions of Valley and Le.Ma amounting to €14.6 mln.



€/000

<b>Opening NFP at 1/1/2012</b>	<b>(97,298)</b>
--------------------------------	-----------------

<i>Cash flow from operations, excl. changes in operating assets and liabilities</i>	15,494
---	--------

<i>Changes in operating assets and liabilities</i>	(2,265)
--	---------

Cash flow from operations	13,229
---------------------------	--------

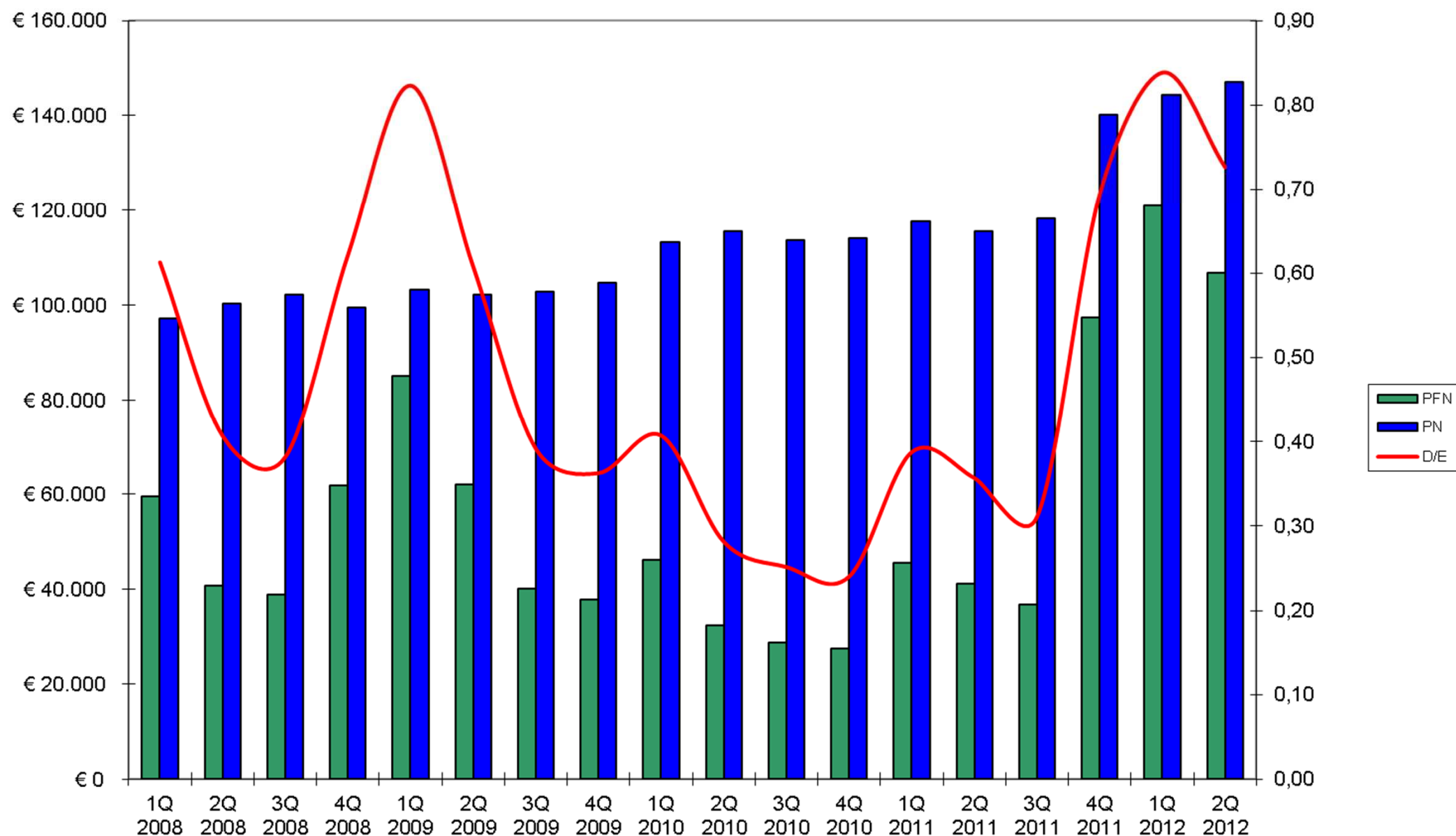
Cash flow from investments and disinvestments	(5,677)
---	---------

Other equity changes	(2,510)
----------------------	---------

Change in the scope of consolidation Valley LLP	(14,349)
---	----------

Acquisition of business unit Le.Ma	(228)
------------------------------------	-------

<b>Closing NFP at 30/06/12</b>	<b>(106,833)</b>
--------------------------------	------------------







✓ Appendix



# 1H 2012 Income statement

<b>FY 2011 PF</b>	<b>€/000</b>	<b>I H 2012</b>	<b>I H 2011</b>
<b>356,975</b>	<b>Sales</b>	<b>211,883</b>	<b>124,522</b>
1,921	Other operating incomes	1,183	637
2,784	Change in inventories	(7,468)	471
(197,131)	Raw and consumable materials and goods	(113,352)	(71,522)
(57,392)	Salaries and employee benefits	(32,554)	(17,695)
(71,407)	Other operating costs	(36,359)	(19,874)
<b>35,750</b>	<b>EBITDA</b>	<b>23,333</b>	<b>16,539</b>
(12,046)	Amortization, depreciation and impairment losses	(6,066)	(3,541)
<b>23,704</b>	<b>EBIT</b>	<b>17,267</b>	<b>12,998</b>
877	Financial income	228	299
(3,559)	Financial expenses	(2,523)	(851)
(353)	Exchange gains and losses	(142)	(2,047)
<b>20,669</b>	<b>EBT</b>	<b>14,830</b>	<b>10,399</b>
(7,638)	Income taxes	(5,402)	(3,406)
<b>13,031</b>	<b>Net profit</b>	<b>9,428</b>	<b>6,993</b>

31.12.2011	€/000	30.06.2012	30.06.2011
96,569	Non current assets	106,936	65,926
125,474	Inventories	123,213	70,515
103,521	Trade and other receivables	129,315	74,849
10,901	Cash and cash equivalents	19,972	9,799
4,315	Other current assets	2,407	1,044
<b>340,780</b>	<b>Total assets</b>	<b>381,843</b>	<b>222,133</b>
140,141	Total equity	147,059	115,452
41,398	Long term borrowings	45,990	13,688
16,584	Other non current liabilities	16,509	10,146
65,866	Short term borrowings	79,608	36,538
70,780	Trade and other payables	84,004	40,705
6,011	Other current liabilities	6,011	3,078
<b>340,780</b>	<b>Total equity and liabilities</b>	<b>381,843</b>	<b>222,133</b>





**Emak S.p.A**

Via E. Fermi, 4

42011 Bagnolo in Piano – RE [Italy]

[info@emak.it](mailto:info@emak.it)

[www.emak.it](http://www.emak.it)

### **Speakers**

Mr. Fausto Bellamico – Chairman and CEO

Mr. Aimone Burani – Deputy Chairman and CFO

Mr. Andrea La Fata – Investor Relator

[alafata@emak.it](mailto:alafata@emak.it)

0039-0522.956.332