



our power, your passion

Investor Presentation – FY 2013

- ✓ **COMPANY PROFILE**
- ✓ **FY 2013 RESULTS**
- ✓ **FOR NEW INVESTORS**



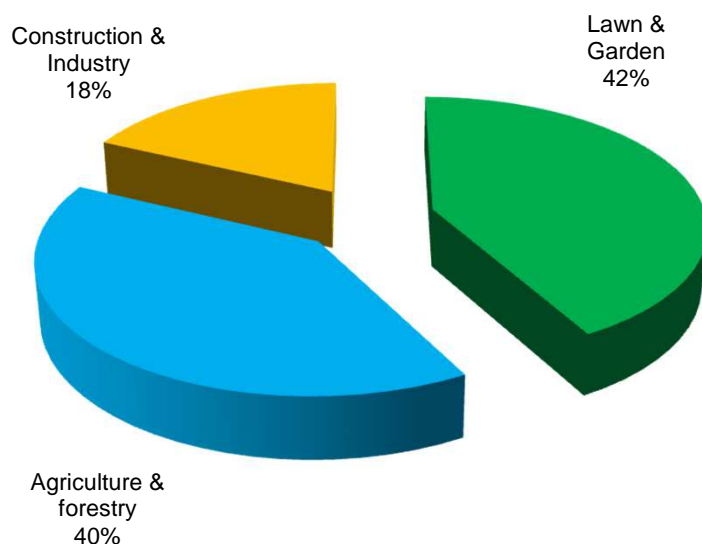
our power, your passion

✓ COMPANY PROFILE



- ✓ Emak Group is a global leading player in the production and distribution of machines, components and accessories for gardening, forestry, agriculture and industry
- ✓ The group operates worldwide and currently has a direct presence in Italy and in other 10 markets: France, Germany, Spain, UK, Poland, Ukraine, USA, China, South Africa and Brazil; serving more than 85 countries through independent distributors
- ✓ The company closed FY2013 with a consolidated turnover of € 355 million and a Net Profit of € 10.5 million

Sales breakdown FY2013



- ✓ **Gardening:** products are hand-held and wheeled machines with internal combustion or electrical engines. The group's range covers all the main products including trimmers, lawnmowers, blowers and garden tractors
- ✓ **Agriculture & Forestry:** Emak's presence in the sector is focused on the production of chainsaws, rotary tillers, flail mowers, rotary cultivators
- ✓ **Construction & Industry:** the company operates in the industrial sector, particularly in power cutters, industrial pumps and high pressure washers
- ✓ The Group also produces and distributes a wide range of components and accessories for all three product lines.

Products

Key Brands

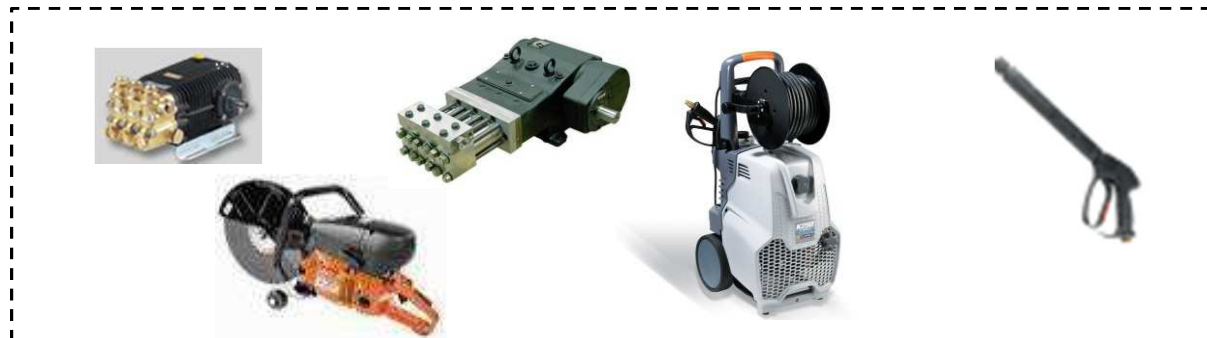
Gardening

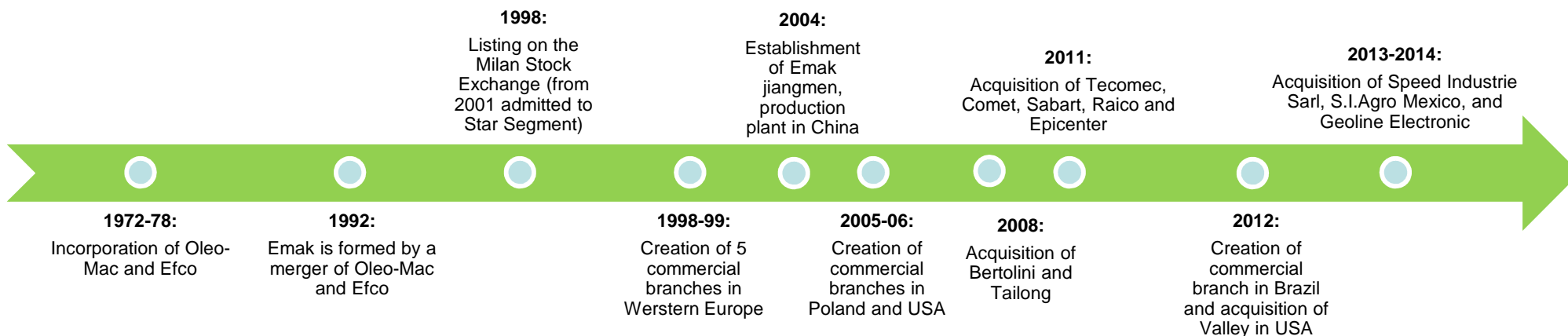


Agriculture & Forestry

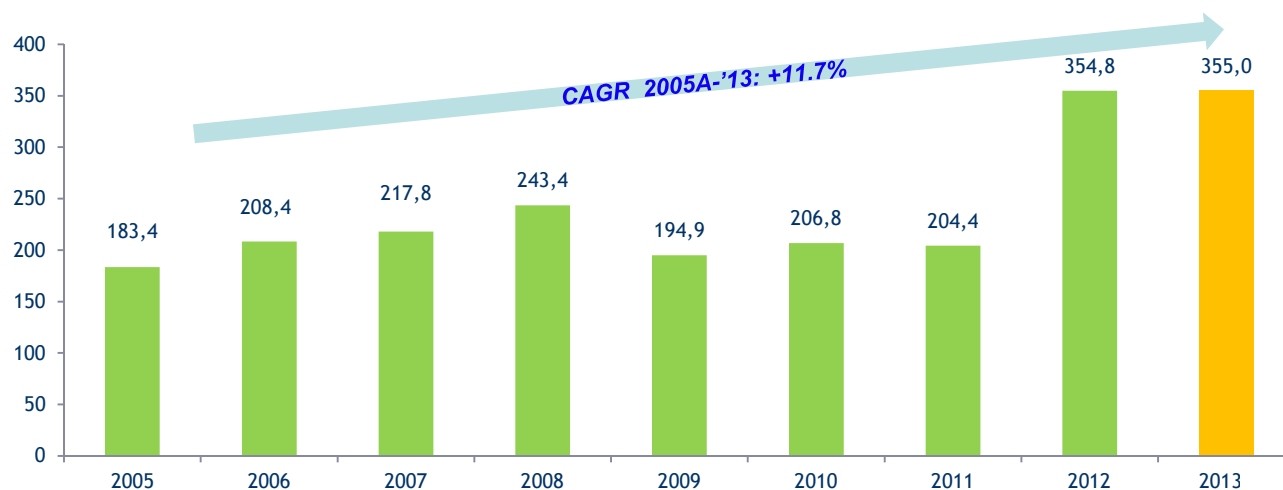


Construction & Industry





Sales FY 2005-2013E



An optimal mix of internal and external growth

The group grew both interally and through acquisitions, achieving a 11.7% sales' CAGR in the period 2005-13

Key drivers of Emak strategy

Innovation

More than 50% of capex. product innovation, through new technologies, aims to increase the safety, comfort and reduce emissions

Distribution

Strengthening our distribution network in markets with high growth potential

Efficiency

Improving our lean manufacturing system and the efficiency of our supply chain and reducing cost

Acquisition

Strengthening through acquisition which are aimed at penetrating new high potential markets, completing the product range and obtain new technologies

Flexible production model

- ✓ The production model is flexible, due to the Group's focus on high value-added phases of engineering and assembly
- ✓ Production is based on the integration between the Group's internal structures and its supply chain
- ✓ The Group's production facilities are oriented to the lean manufacturing. Volumes can be easily modified according to fluctuations in demand operating on direct personnel.
- ✓ Group's capacity could even double by simply adding work shifts, fully exploiting the available space and modifying logistics

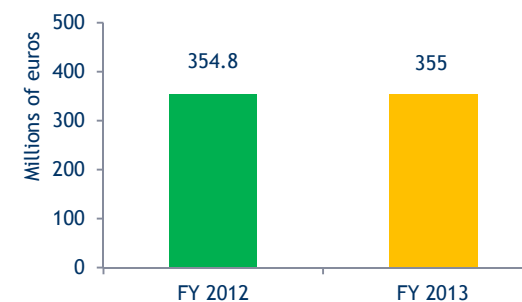
Company	Location	Output
Emak	Italy	Chainsaws, trimmers, power cutters, cultivators, transporters
Comag	Italy	Lawnmowers and rotary tillers
Emak Tailong	China	Cylinders
Emak Jiangmen	China	Chainsaws, trimmers for price sensitive segment
Tecomec	Italy	Accessories for agricultural machinery for spraying and weeding and accessories and components for pressure washers
Speed Group	France – USA – South Africa	Nylon line and heads for trimmers
Ningbo Tecomec	China	Accessories and components for high pressure washers, chainsaws and trimmers
Comet	Italy	Pumps, motor pumps and control units for agriculture and industry and pressure washers for the cleaning sector
P.T.C.	Italy	Systems and technological applications high-pressure water

A scenic mountain landscape featuring a river flowing through a rocky valley. In the foreground, a hiker wearing a red hat and a backpack stands on a large rock, looking towards the river. The middle ground shows a dense forest of trees with autumn-colored foliage. In the background, rugged mountains are partially covered in snow under a clear blue sky. A white banner with green text is overlaid on the right side of the image.

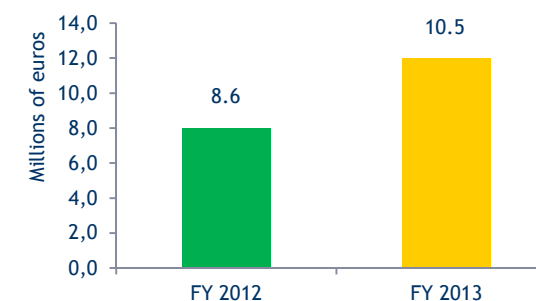
✓ FY 2013 RESULTS

- ✓ **Revenues** of FY 2013 amounted to € 355mln,
- ✓ **EBITDA** moved to € 34.2mln from € 28.8mln with a margin on the sales equal to 9.6% (8.1% last year)
- ✓ **Forex** negative for € 1.4mln mainly due to USD/€ exchange rate
- ✓ **Tax rate** of 39.6% (28.3% in FY2012): 2013 was negatively affected by tax debt for € 0.4mln, while 2012 benefited from tax credit for € 1.4mln, both relating to prior years
- ✓ **Net Profit** was € 10.5mln (€ 8.6mln in the FY2012)
- ✓ **Net Debt** decreased from € 99.9 to € 76.4mln. The improvement is related to cash flow from operations and lower net working capital.
- ✓ **Capex**: was € 9.1mln (2.6% on sales), in line with last year

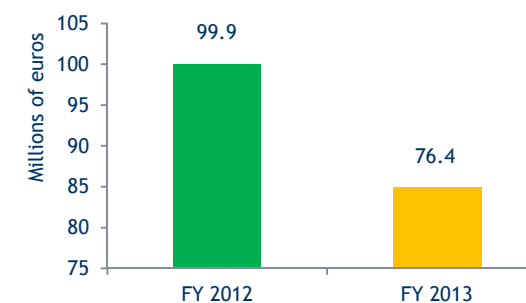
Revenues



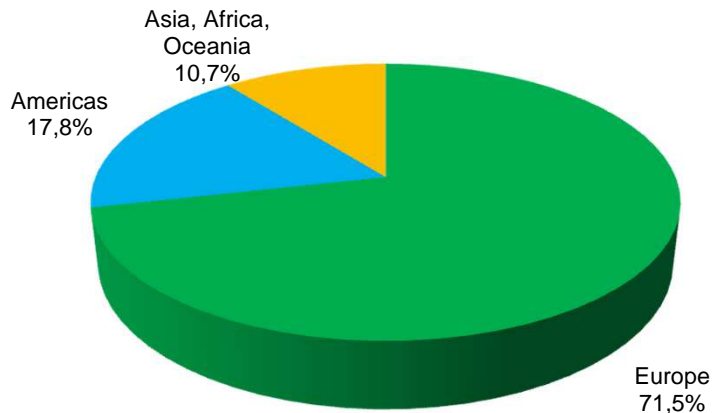
Net Profit



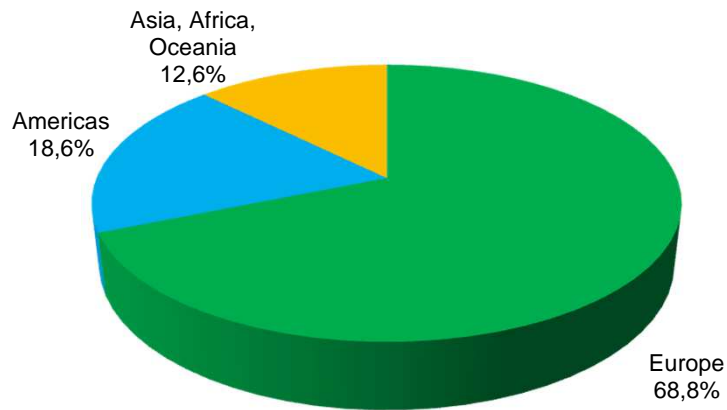
Net Debt



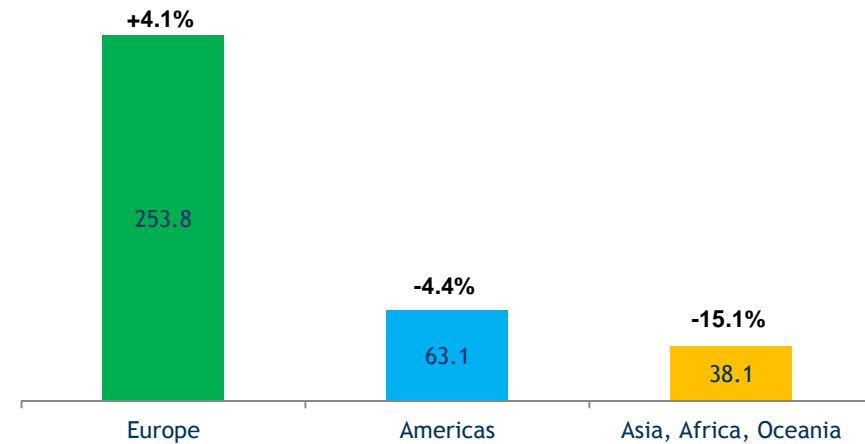
FY 2013 € 355 million



FY 2012 € 354.8 million

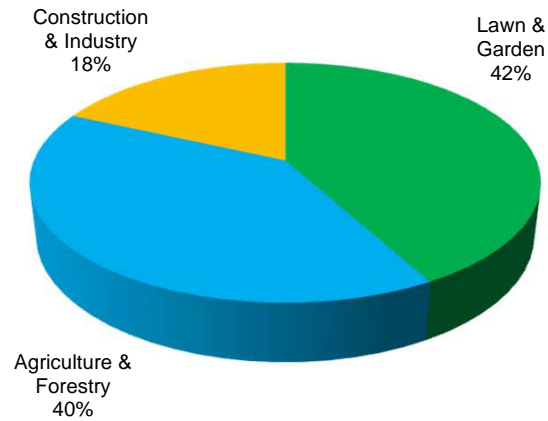


Total revenues €/mln

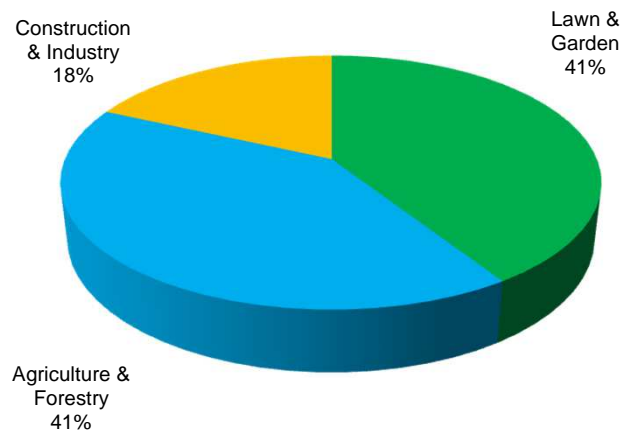


- ✓ Sales in Europe benefited from the good performance recorded in Italy and in western Europe where the Group has a direct presence
- ✓ In Americas, despite good results in some important Latin America countries, sales remain overall lower than the same period of last year, mainly due to the import restriction on the Venezuelan market.
- ✓ The decrease in Asia, Africa and Oceania is mainly related to the difficulties of the Turkish market. Good and encouraging results on the Chinese market.

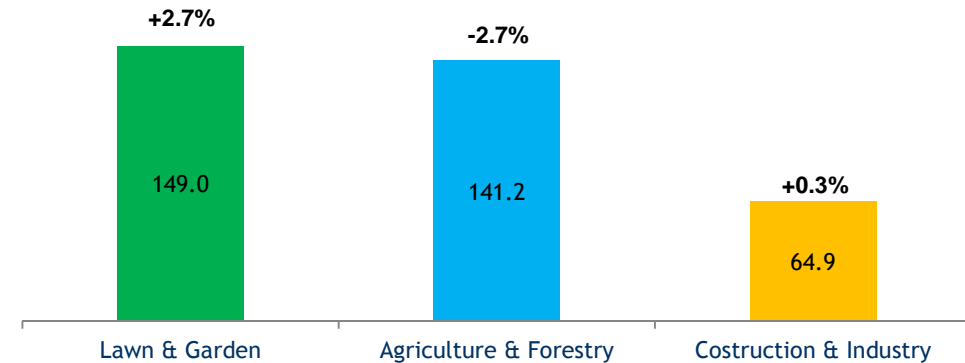
FY 2013 € 355 million



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Total revenues €/mln

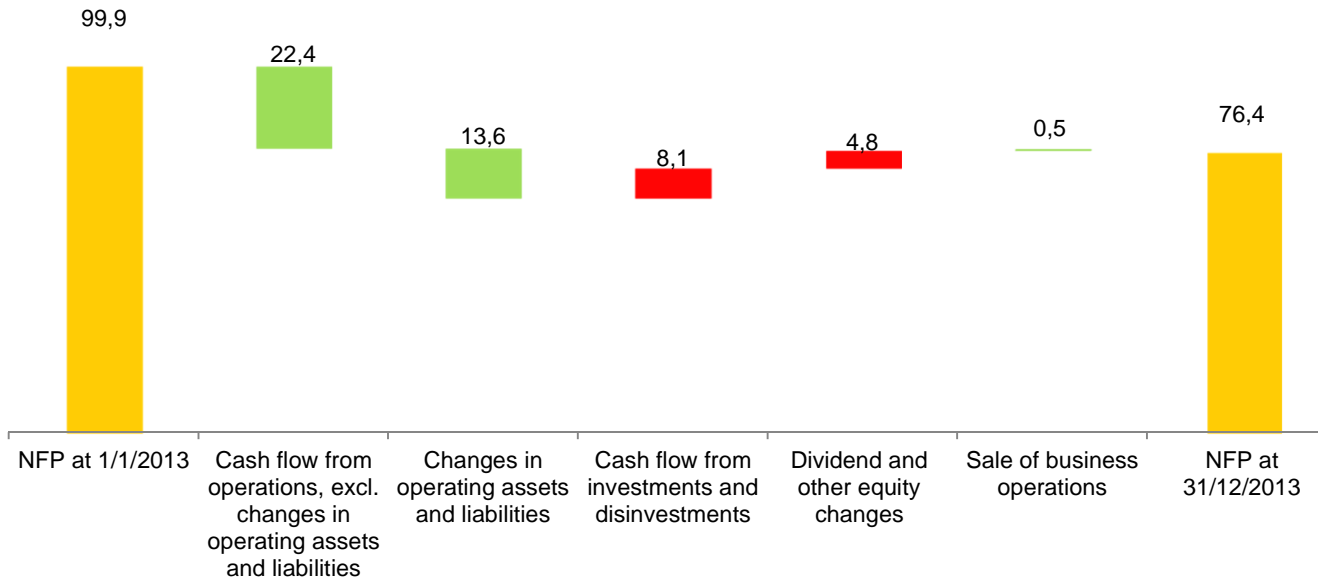


- ✓ Agriculture & Forestry reported a slowdown, despite significant recovery in the latter part of the year
- ✓ Construction & Industry in line with last year
- ✓ Good performance for Lawn & Garden due to the marketing initiatives, the contribution of new products and the prolongation of the season

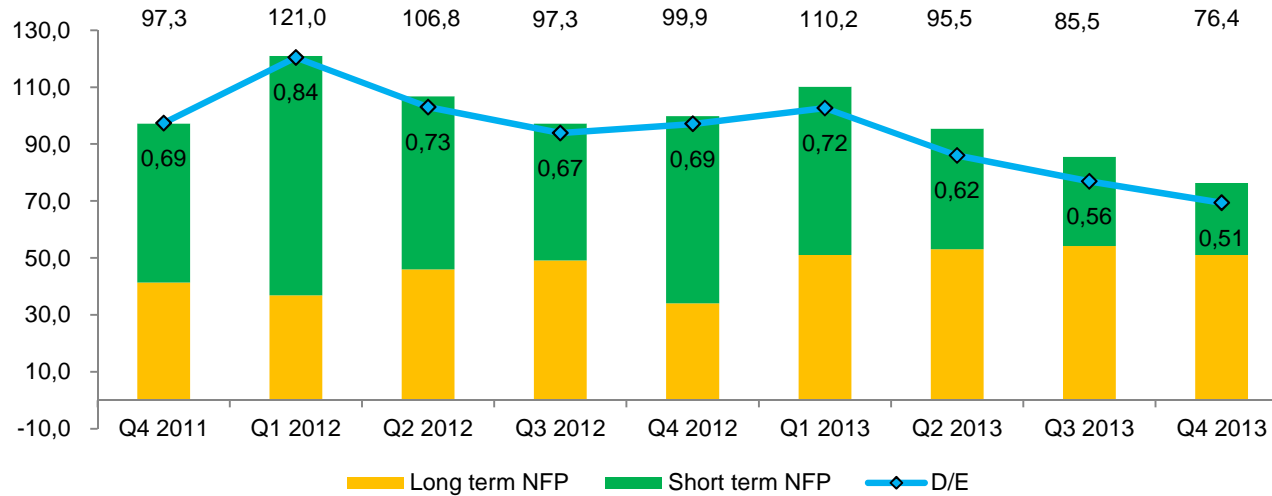


- ✓ Positive product mix
- ✓ Efficiencies on purchasing and operative costs
- ✓ EBITDA margin moved to 9.6% from 8.1% (8.9% adj for non recurring items for € 2.9mln)

€/mln

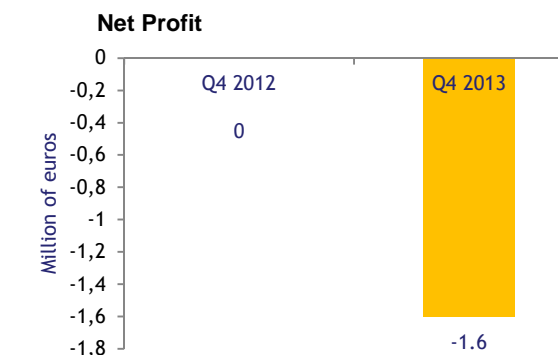
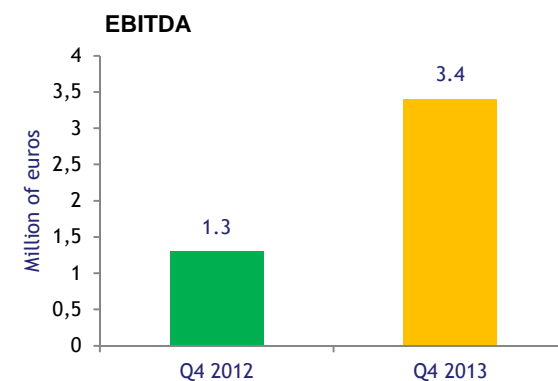
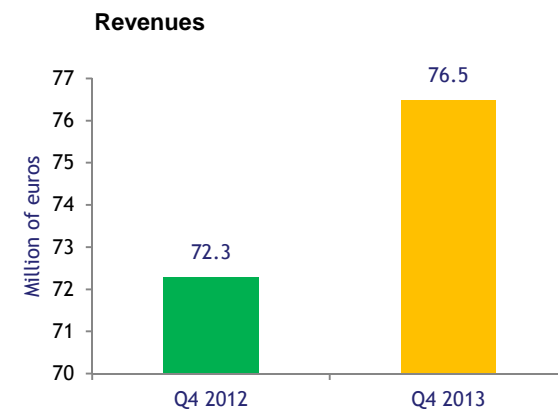


- ✓ Improved cash generation through the increase of the cash flow from operations and efficiencies on the net working capital
- ✓ Net working capital reduction mainly due to lean production initiatives



- ✓ In the early months of 2013 the Group rescheduled the long term deadlines of its loans in order to achieve a better financial balance
- ✓ D/E declined substantially, moving to 0.51 from 0.69 (Q4 2011)

- ✓ **Revenues** of Q4 2013 amounted to € 76.5mln, with a 5.7% increase over the Q4 2012 (€ 72.3mln)
- ✓ **EBITDA** moved to € 3.4mln from € 1.3mln with a margin on the sales equal to 4.4% (1.8% last year)
- ✓ **Forex** negative for € 0.7mln mainly due to USD/€ exchange rate
- ✓ **Tax rate** Q4 2013 was negatively affected by tax debt for € 0.4mh, while 2012 benefited from tax credit for € 1.4mln, both relating to prior years
- ✓ **Net Result** was negative for € 1.6mln (€ 0mln in the Q4 2012)



Income statement (€/mln)	2013	2012
Net sales	355,0	354,8
EBITDA	34,2	28,8
EBIT	22,4	16,6
Net profit	10,5	8,6

Balance sheet (€/mln)	31.12.2013	31.12.2012
Net fixed assets	85,0	89,0
Net working capital	142,2	155,9
Net capital employed	227,2	244,9
Net debt	(76,4)	(99,9)
Total equity	150,8	145,0

Investment and free cash flow (€/mln)	2013	2012
Capex	9,1	9,2
Free cash flow from operations	22,4	20,8

Ratios	2013	2012
EBITDA / Net sales (%)	9,6%	8,1%
EBIT/ Net sales (%)	6,3%	4,7%
Net profit / Net sales (%)	3,0%	2,4%
EBIT / Net capital employed (%)	9,8%	6,8%
Net Debt / Equity	0,51	0,69
Net Debt / EBITDA	2,2	3,5

€/000	FY 2013	FY 2012	Variation
Sales	355,033	354,780	0.1%
Other operating incomes	2,405	3,506	
Change in inventories	(1,019)	(8,410)	
Raw and consumable materials and goods	(193,162)	(193,035)	
Salaries and employee benefits	(62,746)	(61,196)	
Other operating costs	(66,315)	(66,838)	
EBITDA	34,196	28,807	18.7%
<i>% on sales</i>	<i>9.6%</i>	<i>8.1%</i>	<i>1.5 bps</i>
D&A	(11,821)	(12,160)	
EBIT	22,375	16,647	34.4%
<i>% on sales</i>	<i>6.3%</i>	<i>4.7%</i>	<i>1.6 bps</i>
Financial income	917	882	
Financial expenses	(4,472)	(5,086)	
Exchange gains and losses	(1,393)	(387)	
EBT	17,427	12,056	44.6%
<i>% on sales</i>	<i>4.9%</i>	<i>3.4%</i>	<i>1.5 bps</i>
Income taxes	(6,894)	(3,416)	
Net profit	10,533	8,640	21.9%
<i>% on sales</i>	<i>3.0%</i>	<i>2.4%</i>	<i>0.6 bps</i>

€/000	31.12.2013	31.12.2012
Non-current assets		
Property, plant and equipment	56,079	59,155
Intangible assets other than goodwill	4,555	4,823
Goodwill	30,229	30,809
Equity investments	230	232
Equity investments in related company	18	18
Deferred tax assets	7,621	7,543
Other non current financial assets	178	320
Other receivables	2,464	2,503
Total	101,374	105,403
Current assets		
Inventories	118,515	120,958
Trade and other receivables	98,541	102,825
Current tax assets	4,805	6,023
Other financial assets	1,503	2
Derivative financial instruments	101	61
Cash and cash equivalents	15,122	16,229
Total	238,587	246,098
TOTAL ASSETS	339,961	351,501

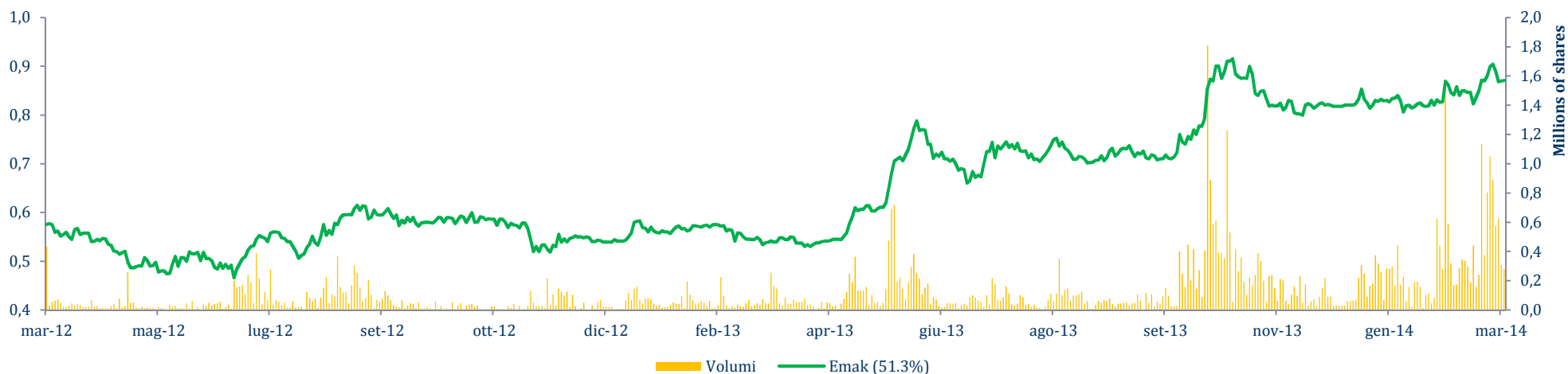
Balance sheet – Equity and Liabilities

€/000	31.12.2013	31.12.2012
Capital and reserves		
Total Group	149,041	143,226
Minorities interest	1,753	1,815
Total equity	150,794	145,041
Non-current liabilities		
Loans and borrowings	51,240	34,326
Deferred tax liabilities	3,881	4,182
Provisions for employee benefits	9,490	9,071
Provisions	1,762	1,696
Other non-current liabilities	1,039	1,150
Total	67,412	50,425
Current liabilities		
Trade and other payables	74,699	69,111
Current tax liabilities	3,419	3,488
Loans and borrowings	41,197	80,822
Derivative financial instruments	848	1,330
Provisions	1,592	1,284
Total	121,755	156,035
TOTAL EQUITY AND LIABILITIES	339,961	351,501



✓ For new investors

Share performance – last two years



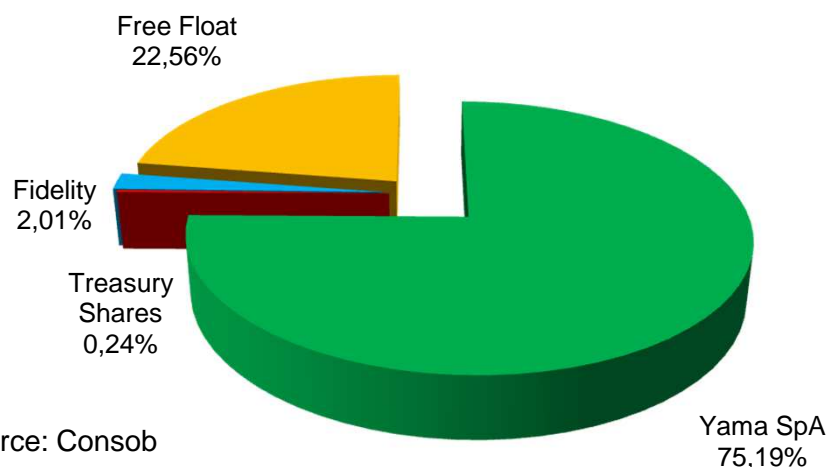
Stock info

Emak	Info
Numbers of shares	163,934,935
Free Float	22.56%
Main Shareholder	Yama S.p.A. (75.19%)
Treasury Shares	397,233
Price at 30/12/13	€ 0.82
Market Cap at 30/12/13	€ 134.43 mln
Reuters/BBG Code	EM.MI / EM IM

Key statistics – last two years

Statistics	Price	Date	Volume
Average	0.6490	-	121,601
Max	0.9150	1/11/13	1,808,226
Min	0.4658	20/6/12	100
Volume at max price		53,930	
Volume at min price		201,929	
Price at max volume		0.8540	

Group's shareholder



Source: Consob

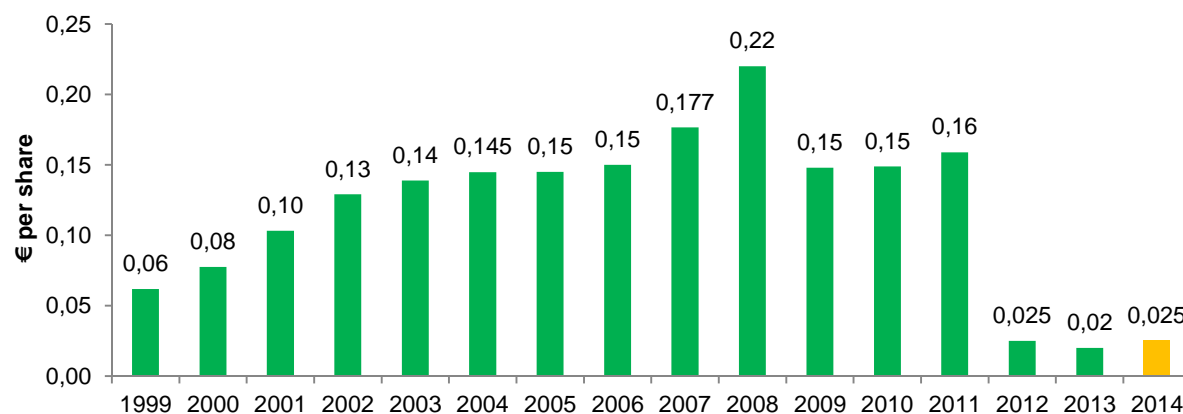
Executive directors

Fausto Bellamico
Chairman & CEO

Aimone Burani
Deputy Chairman & CFO

Stefano Slanzi
General Manager

Dividend policy



- ✓ The Group's dividend policy is to distribute 40% of net profit to shareholders
- ✓ Over the years, the Group has distributed more than €60 million in dividends
- ✓ At the end of 2011 the Group concluded a capital increase. The number of shares increased from 27,653,500 to 163,934,835.

Aimone Burani, the executive responsible for the preparation of the corporate accounting documents, declares and certifies in accordance with article 154 bis, paragraph 2, of the Consolidated Finance Act, that the financial statements contained in this presentation correspond to the underlying accounting documents, records and accounting entries.



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Speakers

Mr. Fausto Bellamico – Chairman and CEO

Mr. Aimone Burani – Deputy Chairman and CFO

Mr. Andrea La Fata – Investor Relator

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