



**Emak<sup>®</sup>**

**our power, your passion**

**Investor Presentation October 2013**

✓ COMPANY PROFILE



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, power cutters, high pressure pumps and pressure washers.

<b>1972</b>	Establishment of <b>Oleo-Mac</b>
<b>1978</b>	Establishment of <b>Efco</b>
<b>1997</b>	Establishment of <b>Comag</b> , production plant in southern Italy
<b>1998</b>	<b>Listing</b> on the Milan Stock Exchange [STAR segment]
<b>1998</b>	Establishment of the <b>5 European subsidiaries</b>
<b>2004</b>	Establishment of <b>Emak Jiangmen</b> , production plant in China
<b>2005</b>	Acquisition of <b>Victus</b> , polish subsidiary
<b>2006</b>	Establishment of <b>Emak U.S.A.</b>
<b>2008</b>	Acquisition of <b>Bertolini</b> , small agriculture machines (Bertolini/Nibbi) Acquisition of <b>Tailong</b> , Chinese cylinders manufacturer
<b>2011</b>	Acquisition of <b>Epicentre</b> , ukrainian subsidiary Acquisition of <b>Tecomec, Comet, Sabart and Raico</b>
<b>2012</b>	Establishment of <b>Emak do Brasil Ltda</b> , brazilian subsidiary

## Gardening

Brushcutters  
Lawn mowers  
Garden tractors  
Blowers  
Nylon line



40.9% of FY12 total sales

## Agriculture & Forestry

Chain saws  
Tillers  
Transporters  
Diaphragm pumps



40.9% of FY12 total sales

## Construction & Industry

Power cutters  
High pressure washers  
Piston pumps



18.2% of FY12 total sales

## Gardening

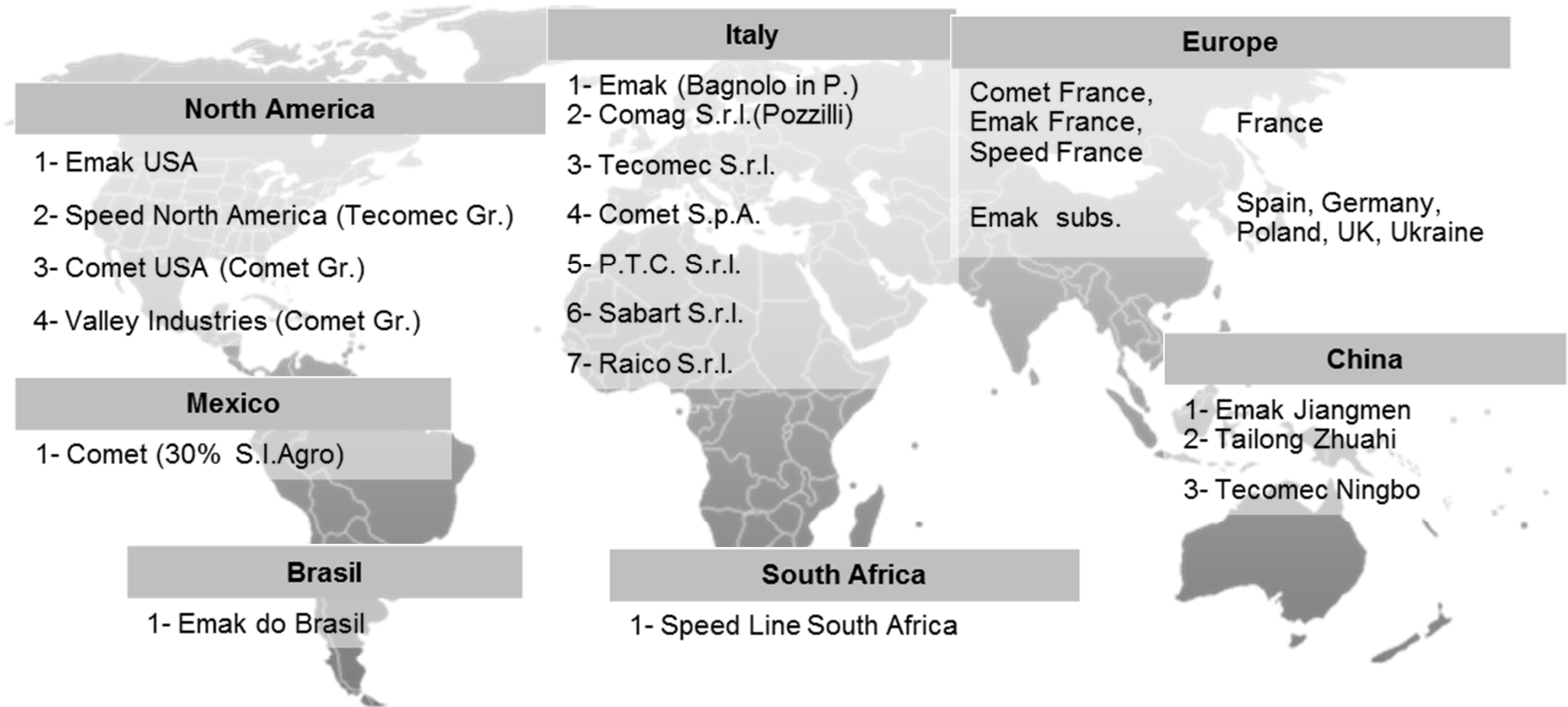


## Agriculture & Forestry



## Construction & Industry





**Americas**  
18.6% of FY 2012 total sales

**Europe**  
68.8% of FY 2012 total sales

**Asia, Africa, Oceania**  
12.6% of FY 2012 total sales

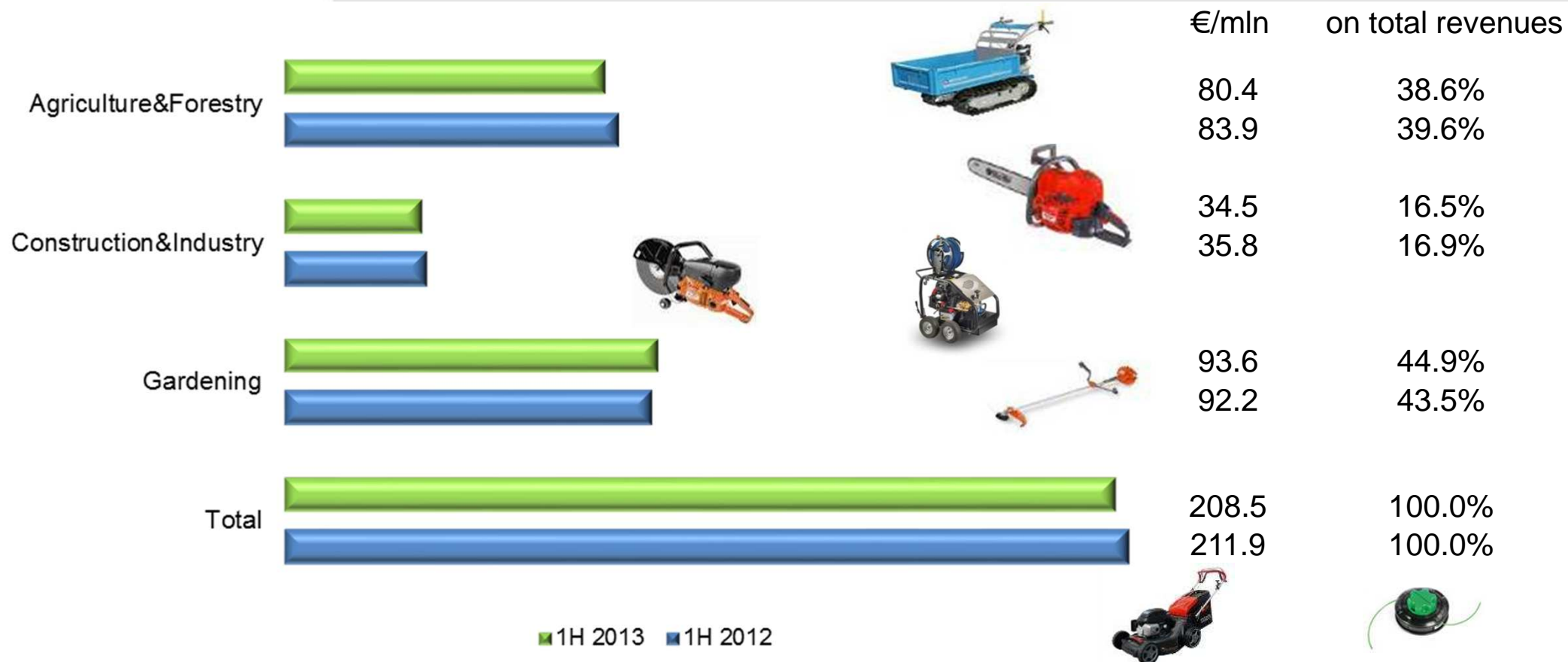
Company	Location	Output
Emak	Bagnolo in Piano (RE) – Italia	Chaisaws, brushcutters, power cutters, cultivators, transporters
Comag	Pozzilli (IS) – Italia	Lawnmowers and rotary tillers
Emak Tailong	Zhuhai – Cina	Cylinders
Emak Jiangmen	Jiangmen – Cina	Chainsaws, brushcutters for price sensitive segment
Tecomec	Reggio Emilia – Italia	Accessories for agricultural machinery for spraying and weeding and accessories and components for pressure washers
Speed France	Arnas – Francia	Nylon line and heads for brushcutters
Speed North America	Wooster, Ohio – USA	Nylon line for brushcutters
Speed Line South Africa	Pietermaritzburg - Sud Africa	Nylon line for brushcutters
Ningbo Tecomec	Ningbo – Cina	Production of accessories and components for high pressure washing and chain saws and brushcutters
Comet	Reggio Emilia – Italia	Pumps, motor pumps and control units for agriculture and industry and pressure washers for the cleaning sector
PTC	Genova – Italia	Systems and technological applications high-pressure water
Valley	Paynesville - Minnesota – Usa	Components and accessories for industry and agriculture sectors



A scenic mountain landscape featuring a river flowing through a rocky stream bed. In the foreground, a hiker wearing a red hat and a backpack is standing on a large rock, looking towards the river. The middle ground is filled with dense evergreen trees, some of which have turned a golden-brown color, suggesting autumn. In the background, rugged mountain peaks are partially covered in snow under a clear blue sky with light, wispy clouds. The overall scene is bright and clear, with strong sunlight creating shadows on the rocks and trees.

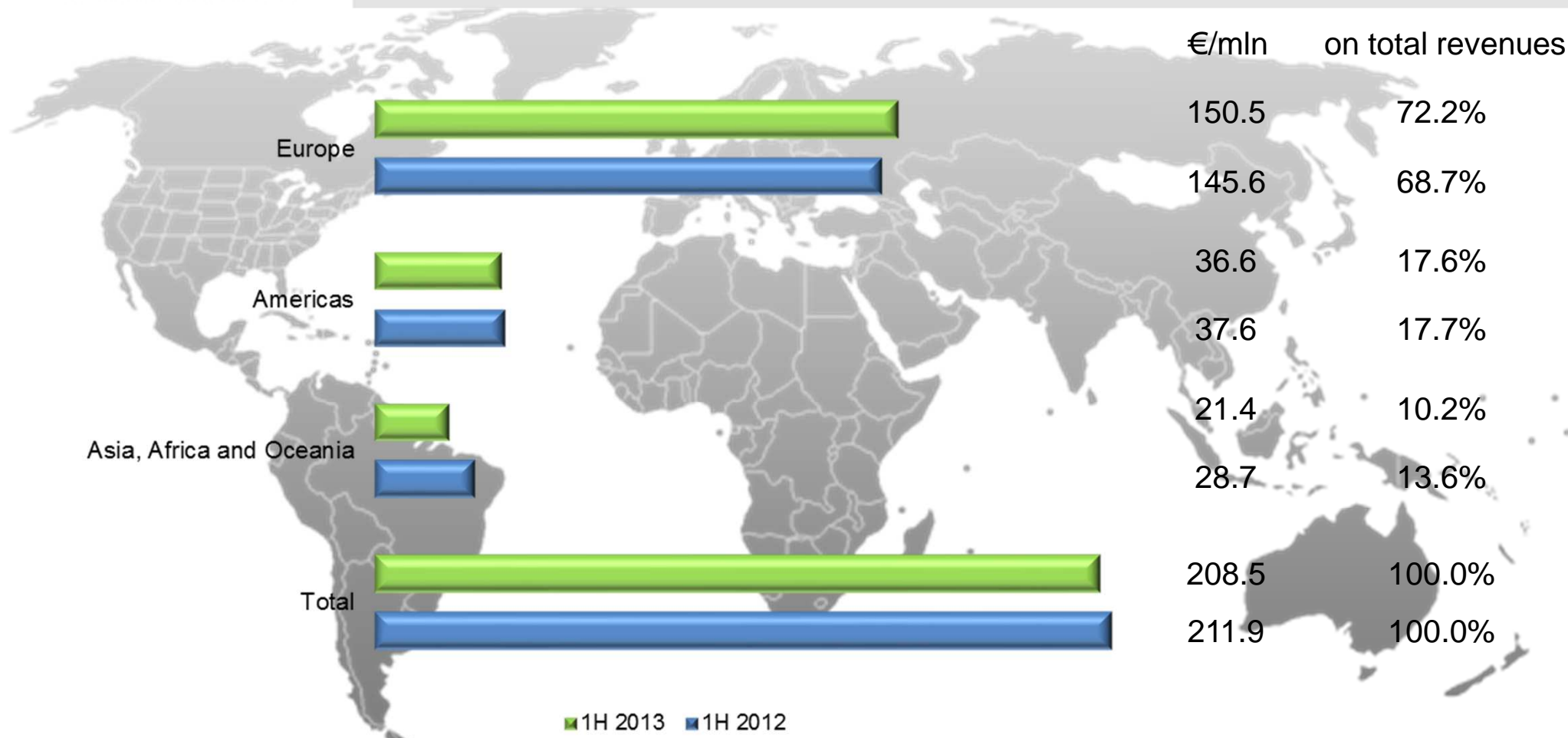
✓ 1H 2013 RESULTS

## Sales by product line



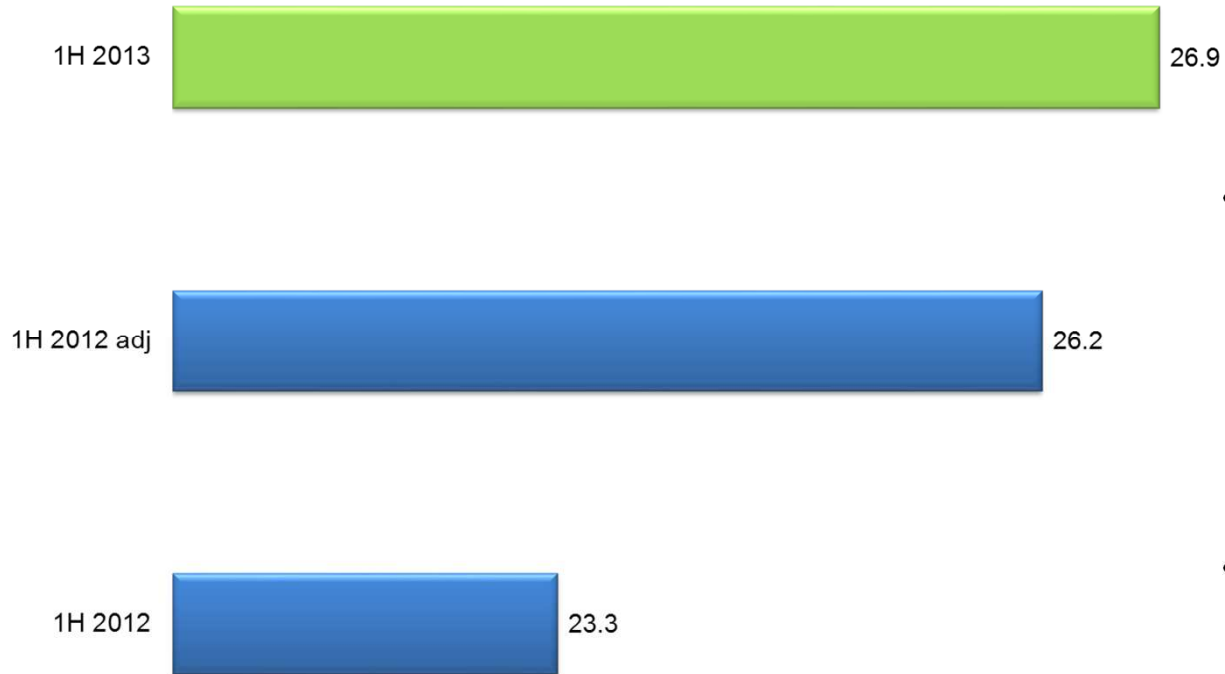
- Agriculture&Forestry: sales penalized by the late start of the season.
- Construction&Industry: sales influenced by the slowdown in demand during the second quarter
- Gardening: higher sales than the same period of last year due to the good performance achieved in the second quarter of the year.

## Sales by geographic area



- Europe: good performance in the last months of the period. Sales on the Italian market have benefited from the commercial initiatives undertaken by the Group from the beginning of the year.
- Americas: good results in Latin America
- Asia, Africa and Oceania: the decrease is mostly due to the lower shipments to Turkey.

€/m



- Positive product mix and good results from materials and operating costs optimization compensated lower sales and a slightly higher salaries due to use of temporary workers for production peaks
- EBITDA margin from 11% (12.4% adj) to 12.9%

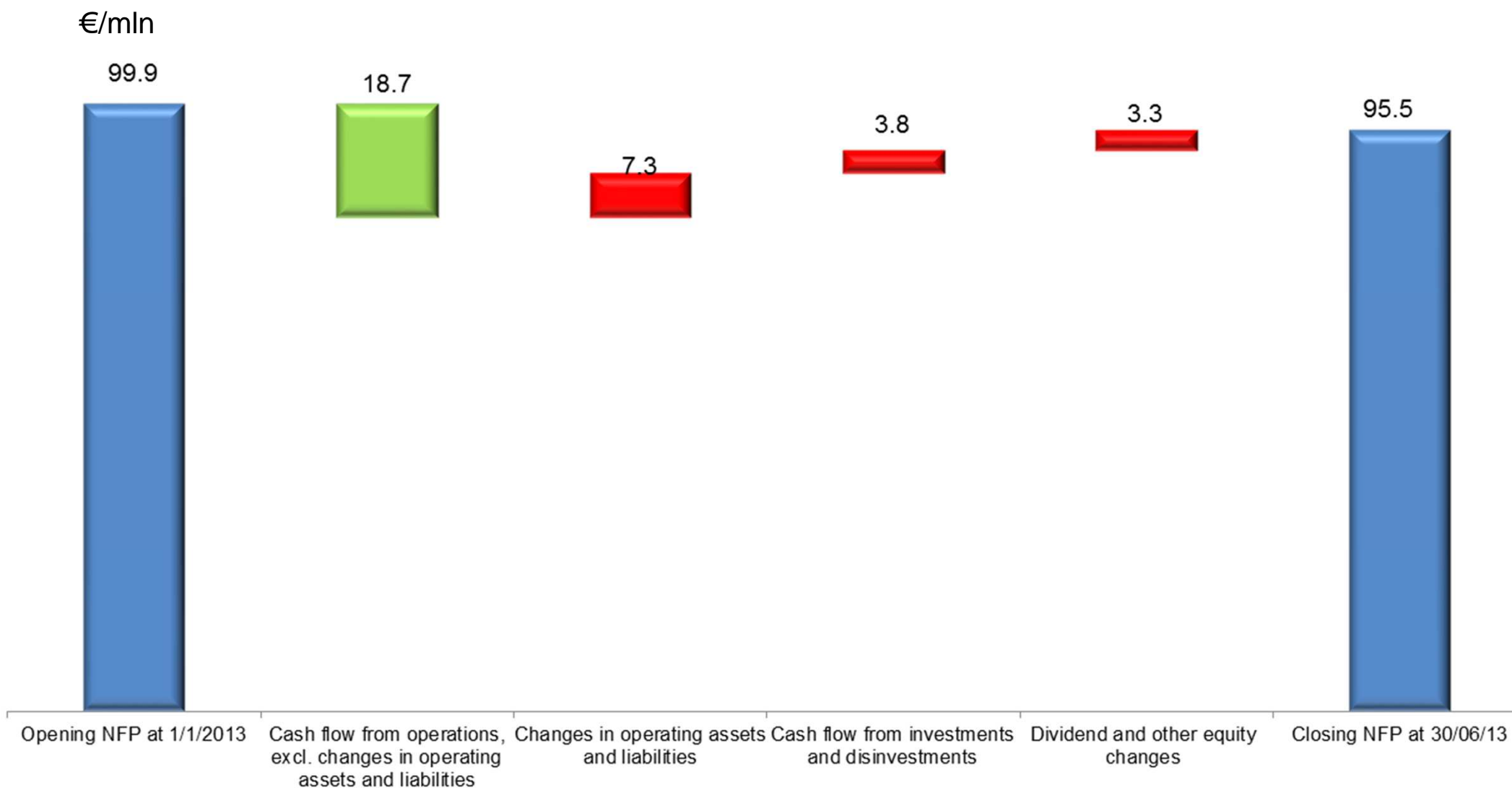


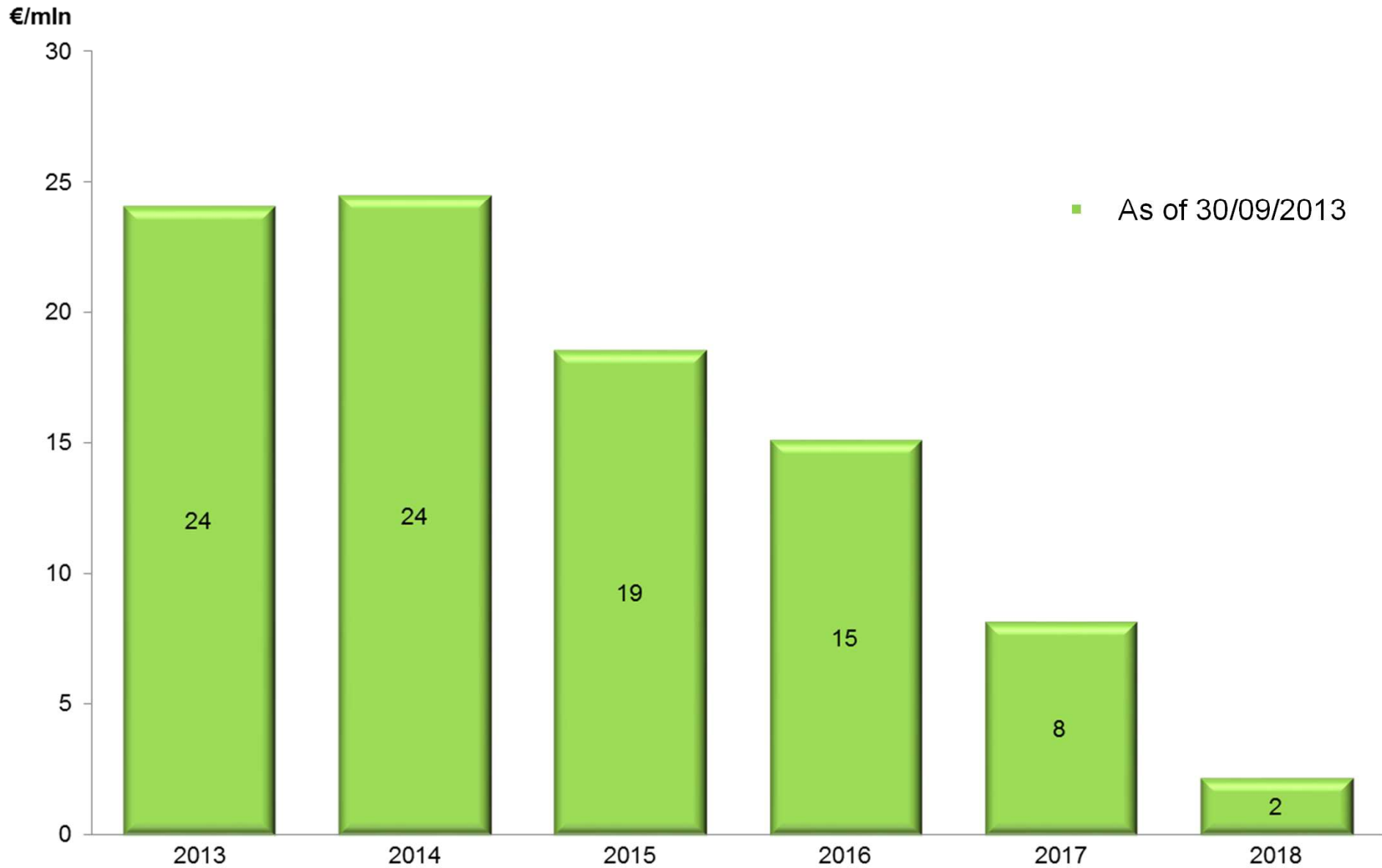
€/mln	1H 2013	1H 2012	Δ %	FY 2012
<b>Sales</b>	<b>208.5</b>	<b>211.9</b>	<b>-1.6%</b>	<b>354.8</b>
<b>EBITDA</b> <i>% on revenues</i>	<b>26.9</b> 12.9%	<b>23.3</b> 11.0%	<b>15.4%</b>	<b>28.8</b> 8,1%
<b>EBITDA ADJ</b> <i>% on revenues</i>	<b>26.9</b> 12.9%	<b>26.2*</b> 12.4%	<b>2.9%</b>	<b>31.7*</b> 8.9%
<b>EBIT</b> <i>% on revenues</i>	<b>21.2</b> 10.1%	<b>17.3</b> 8.1%	<b>22.5%</b>	<b>16.6</b> 4.7%
<b>EBT</b> <i>% on revenues</i>	<b>19.4</b> 9.3%	<b>14.8</b> 7.0%	<b>31.0%</b>	<b>12.0</b> 3.4%
<b>Net profit</b> <i>% on revenues</i>	<b>12.9</b> 6.2%	<b>9.4</b> 4.4%	<b>37.2%</b>	<b>8.6</b> 2.4%
<b>Avg. n. of employees</b>	<b>1,733</b>	<b>1,731</b>		<b>1,681</b>

\* Adjusted for non recurring items related to: M&A amounting to € 0.3 mln for FY 2012 and € 0.2 mln for 1H 2012; the reversal of intercompany margins resulting from enlargement of the scope of consolidation amounting to €2.6 mln for FY 2012 and €2.6 mln for first 1H 2012.

€/mln	30.06.2013	31.12.2012	30.06.2012
Net fixed assets	87.3	89.0	90.4
Net working capital	162.9	155.9	163.5
<b>Net capital employed</b>	<b>250.2</b>	<b>244.9</b>	<b>253.9</b>
Net equity	154.7	145.0	147.1
Net financial debt	95.5	99.9	106.8
<i>Debt/Equity</i>	<i>0.62</i>	<i>0.69</i>	<i>0.73</i>

- The trend in net working capital in the first half is mainly due to the sales seasonality.







€/mln	FY 2012	FY 2013e
<b>Sales</b>	354.8	<b>355 - 360</b>
<b>EBITDA</b>	28.8	<b>36 - 38</b>
<i>% on sales</i>	8.1%	10%-11%
<b>Net debt</b>	99.9	<b>80 - 85</b>

- Sales influenced by late start of the season in the beginning of the year
- Partial recovery in the second quarter
- Good results from cost optimization policy
- For the second part of the year estimated higher sales than the same period of last year.



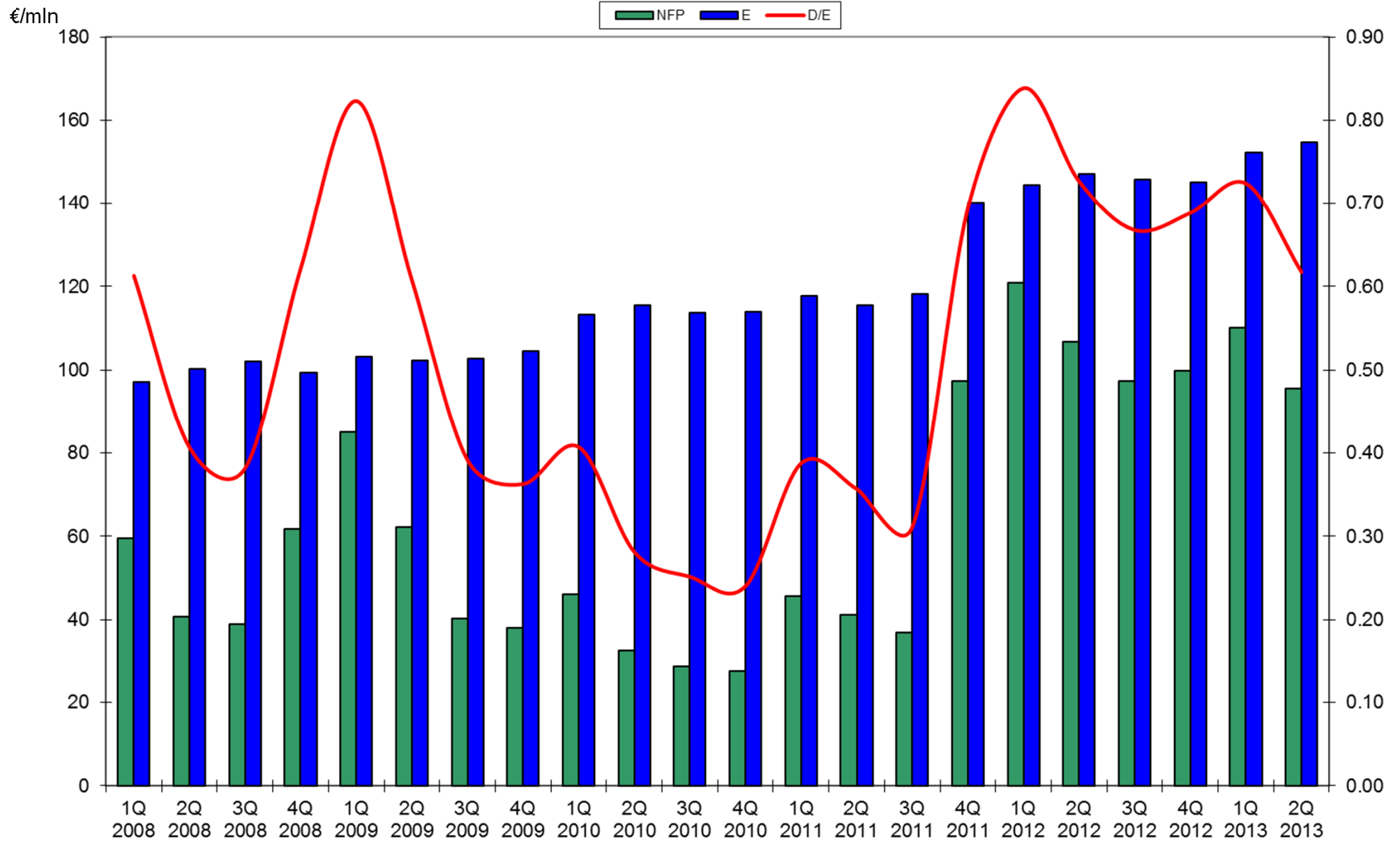
✓ Appendix

<b>FY 2012</b>	<b>€/mln</b>	<b>1H 2013</b>	<b>1H 2012</b>
<b>354.8</b>	<b>Sales</b>	<b>208.5</b>	<b>211.9</b>
3.5	Other operating incomes	0.9	1.2
(8.4)	Change in inventories	(3.9)	(7.5)
(193.0)	Raw and consumable materials and goods	(109.7)	(113.4)
(61.2)	Salaries and employee benefits	(33.0)	(32.6)
(66.8)	Other operating costs	(35.9)	(36.4)
<b>28.8</b>	<b>EBITDA</b>	<b>26.9</b>	<b>23.3</b>
(12.2)	Amortization, depreciation and impairment losses	(5.8)	(6.1)
<b>16.6</b>	<b>EBIT</b>	<b>21.2</b>	<b>17.3</b>
0.9	Financial income	0.6	0.2
(5.1)	Financial expenses	(2.4)	(2.5)
(0.4)	Exchange gains and losses	0.0	(0.1)
<b>12.1</b>	<b>EBT</b>	<b>19.4</b>	<b>14.8</b>
(3.4)	Income taxes	(6.5)	(5.4)
<b>8.6</b>	<b>Net profit</b>	<b>12.9</b>	<b>9.4</b>

31.12.2012	€/mln	30.06.2013	30.06.2012
	<b>Non-current assets</b>		
59.2	Property, plant and equipment	57.2	61.4
4.8	Intangible assets other than goodwill	5.0	5.2
30.8	Goodwill	30.6	31.2
0.2	Equity investments	0.2	0.3
7.5	Deferred tax assets	7.3	7.8
0.3	Other non current financial assets	0.2	0.1
2.5	Other receivables	2.5	0.9
<b>105.4</b>	<b>Total</b>	<b>103.1</b>	<b>106.9</b>
	<b>Current assets</b>		
121.0	Inventories	116.9	123.2
102.8	Trade and other receivables	127.9	129.3
6.0	Current tax assets	4.3	2.4
0.0	Other financial assets	0.0	0.0
0.1	Derivative financial instruments	0.1	0.1
16.2	Cash and cash equivalents	21.2	20.0
<b>246.1</b>	<b>Total</b>	<b>270.4</b>	<b>274.9</b>
<b>351.5</b>	<b>TOTAL ASSETS</b>	<b>373.6</b>	<b>381.8</b>

## Balance sheet – Equity and Liabilities

31.12.2012	€/000	30.06.2013	30.06.2012
	<b>Capital and reserves</b>		
143.2	Total Group	152.8	145.2
1.8	Minority interests	1.9	1.9
<b>145.0</b>	<b>Total equity</b>	<b>154.7</b>	<b>147.1</b>
	<b>Non-current liabilities</b>		
34.3	Loans and borrowings	53.3	46.0
0.0	Derivative financial instruments	0.0	0.1
4.2	Deferred tax liabilities	4.0	4.3
9.1	Provisions for employee benefits	8.9	9.0
1.7	Provisions	1.7	1.8
1.2	Other non-current liabilities	1.1	1.3
<b>50.4</b>	<b>Total</b>	<b>69.0</b>	<b>62.5</b>
	<b>Current liabilities</b>		
69.1	Trade and other payables	79.9	84.0
3.5	Current tax liabilities	5.1	4.9
80.8	Loans and borrowings	62.8	79.6
1.3	Derivative financial instruments	0.9	1.3
1.3	Provisions	1.3	2.5
<b>156.0</b>	<b>Total</b>	<b>149.9</b>	<b>172.3</b>
<b>351.5</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>373.6</b>	<b>381.8</b>





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