



Star Conference 2018, Milan
March 27-28, 2018

**Emak Group
is a global
player in
three
business
segments**

Outdoor Power Equipment



Pumps & High Pressure Water Jetting



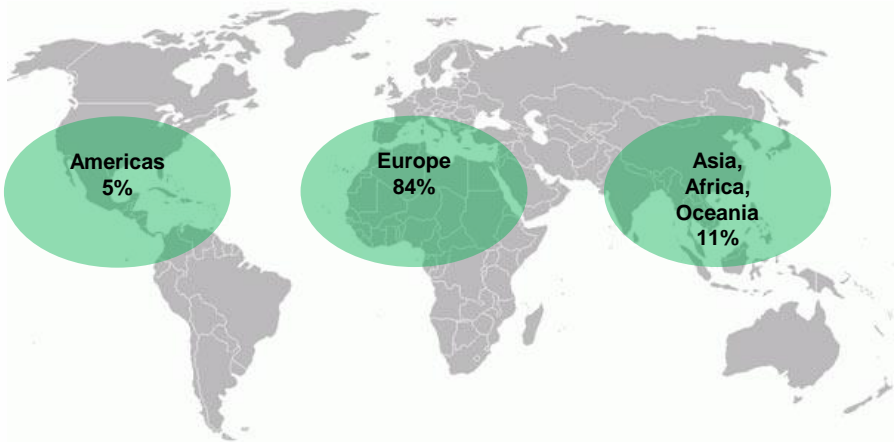
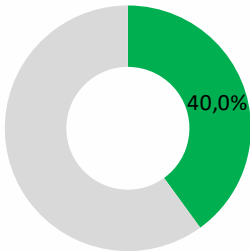
Components & Accessories





	FY 2017
Sales (€m)	170
Ebitda margin	5.5%

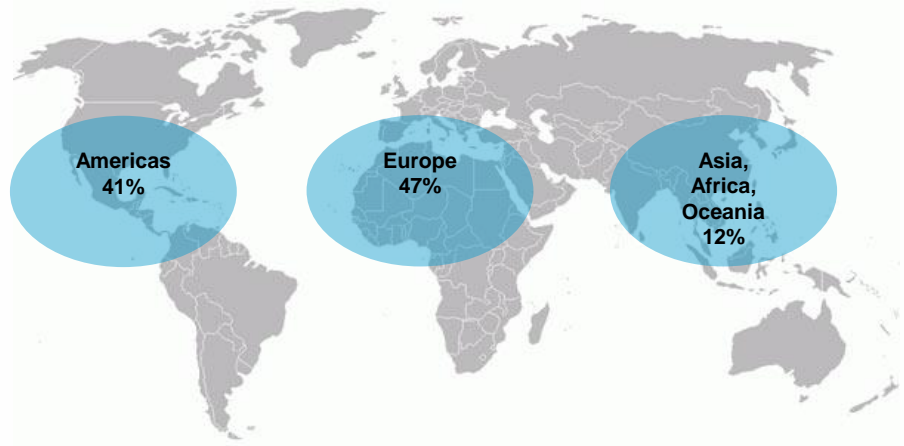
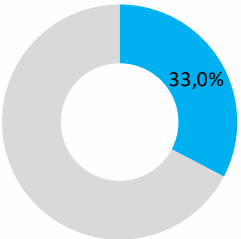
Share of Group sales (2017)



Main brands	Product range	End-users	Distribution channel	Strategic priorities
 	<ul style="list-style-type: none"> Hand held products: trimmers, chainsaws, blowers. Wheeled products: lawnmowers, garden tractors, tillers, transporters. Accessories and spare parts 	<ul style="list-style-type: none"> Professional users High demanding private users (prosumer) 	<ul style="list-style-type: none"> Specialised dealers 	<ul style="list-style-type: none"> Product innovation Distribution network Efficiency

	FY 2017
Sales (€m)	140
Ebitda margin	13.9%

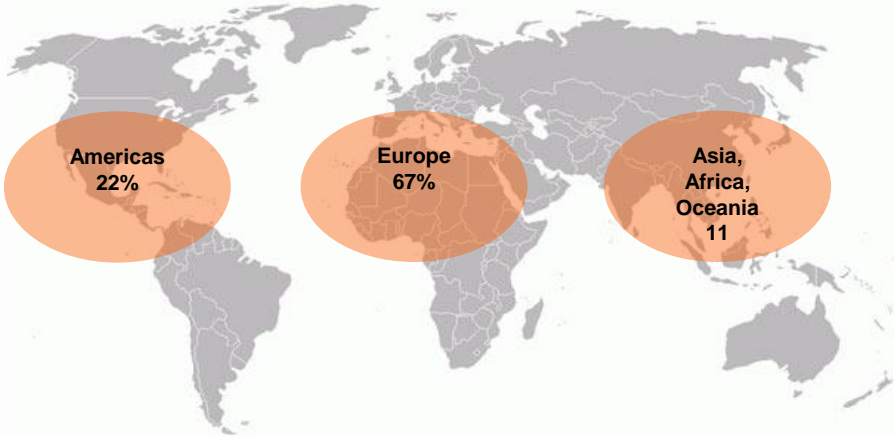
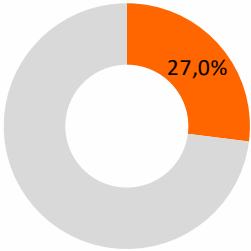
Share of Group sales (2017)



Main brands	Product range	Application / End user	Clients / distribution channel	Strategic priorities
 	<ul style="list-style-type: none"> Agriculture products: diaphragm, centrifugal and piston pumps Industrial products: piston pumps, hydrodynamic units and urban cleaning equipment. Cleaning products: complete range of high pressure washers, floor care equipment 	<ul style="list-style-type: none"> Agriculture: spraying and weeding Several industries: <ul style="list-style-type: none"> ✓ Oil & gas ✓ Sugar cane ✓ Shipyard ✓ Cleaning Professional Hobby 	<ul style="list-style-type: none"> Manufacturers of spraying and weeding machines Manufacturers of hydrodynamic units and high pressure washers, contractors, independent distributors Specialised dealers and DIY 	<ul style="list-style-type: none"> Product innovation Cost and efficiency improvements Maximize synergies from acquisitions Focus on key attractive segments

	FY 2017
Sales (€m)	123
Ebitda margin	14.2%

Share of Group sales (2017)



Main brands	Product range	End-users	Distribution channel	Strategic priorities
 	<ul style="list-style-type: none"> Nylon line and heads for trimmers Chain grinders Spray guns Nozzles Control systems 	<ul style="list-style-type: none"> Professional users High demanding private users (prosumers) 	<ul style="list-style-type: none"> Outdoor Power Equipment manufacturers Manufacturers of spraying and weeding machines Manufacturers of hydrodynamic units and high pressure washers Specialised dealers and DIY 	<ul style="list-style-type: none"> Product innovation Strengthening of OEM relations Focus on key attractive segments

Innovation

- Continuous product and process innovation.
- Focus on: new technologies, new applications, safety, comfort, emissions control.

Distribution

- Strengthen the position in the markets with direct presence.
- Expand distribution network in markets with high growth potential.

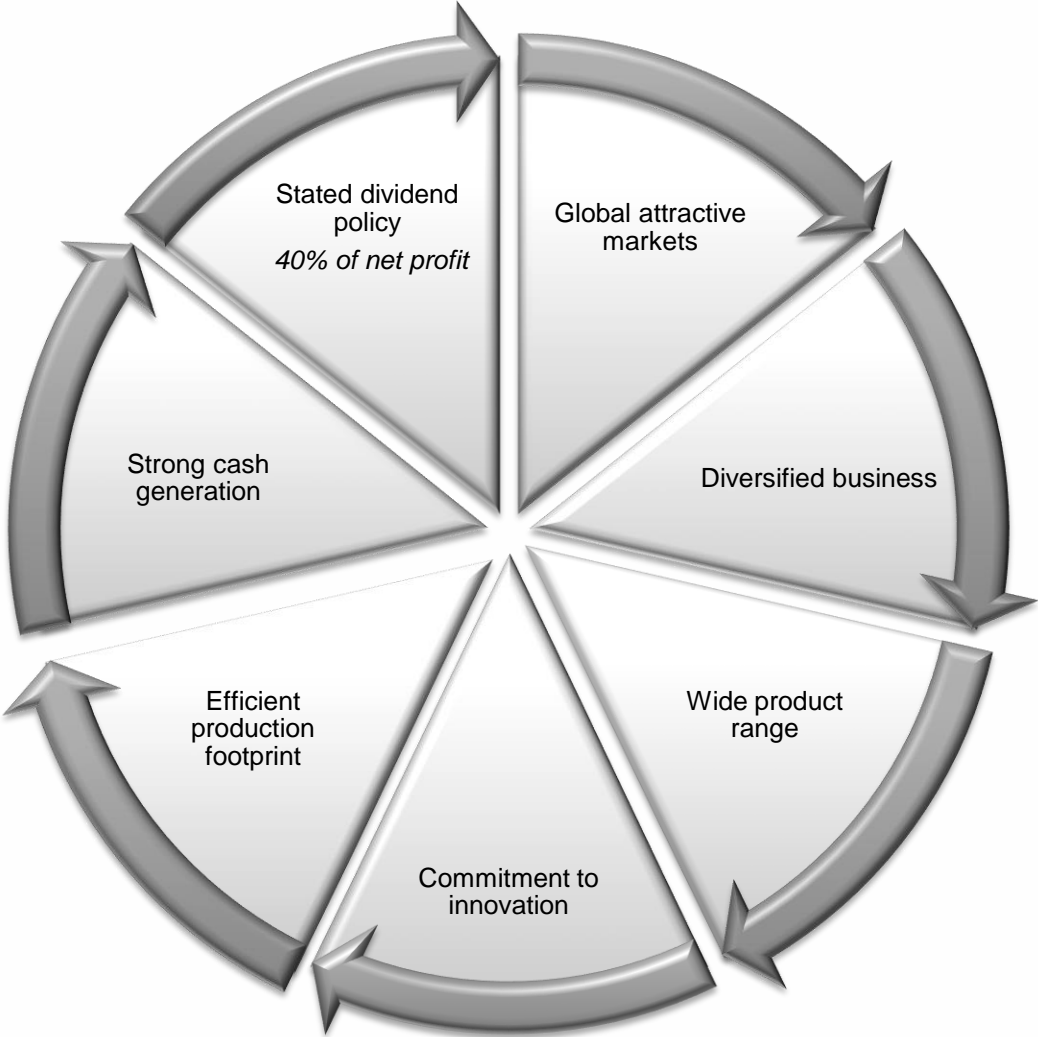
Efficiency

- Improve lean manufacturing system .
- Exploit supply chain efficiencies.

Acquisitions

- Access new technologies.
- Complete product range.
- Penetrate new markets.





2017 financial highlights

€m	FY 2017	%	FY 2016	%	Δ %
Net sales	422.2	100	391.9	100	7.7
Ebitda Adj (*)	45.6	10.8	40.5	10.3	12.7
Ebitda	43.4	10.4	39.5	10.1	11.3
Ebit	30.0	7.1	21.9	5.6	37.1
Profit before taxes	23.1	5.5	26.5	6.8	(12.9)
Net profit	16.4	3.9	17.7	4.5	(7.1)

(*) Excluding items affecting comparability

€m	31.12.2017	31.12.2016
Net non-current assets	151.0	116.1
Net working capital	161.8	145.6
Net capital employed	312.8	261.8
Total Equity	187.5	181.7
Net debt	(125.3)	(80.1)

- ✓ Sales: positive contribution of newly acquired Lavorwash Group for 29.6€m.
- ✓ EBITDA: positive leverage for higher sales; favorable sales mix among businesses and contribution of Lavorwash Group.
- ✓ Financial items
 - Decrease of financial expenses linked to lower cost of debt
- ✓ Net profit
 - Lower cost of debt
 - Negative forex for 4.2€m (positive for 3.4€m in 2016)
 - Lower tax rate: 29% vs 33%.
- ✓ Net debt: change in scope of consolidation accounted for 51.8 €m. Figure includes commitments of 23.9 €m to acquire minority interests in subsidiaries
- ✓ Capex: 17.4 €m, mostly concentrated in product and process innovation, construction of the new R&D center in Emak S.p.A. and in the ERP transformation project.

€m	2017	2016	Δ %
Europe	141,0	148,7	-5,2
Americas	8,1	7,2	12,7
Asia, Africa and Oceania	19,3	21,1	-8,5
Sales to third parties	168,4	177,0	-4,9
Intersegment sales	1,9	1,5	
Revenues from sales	170,3	178,5	-4,6
Ebitda*	9,4	11,0	
% on Revenues from sales**	5,5%	6,2%	

* Figure doesn't include common costs for shared functions of management and coordination.

** Total net sales also include sales to other Group companies, for the purposes of comparability the percentage is calculated on total sales.

- SALES:

- ✓ Europe: good performance in Eastern countries; signs of recovery during 4Q in Western markets
- ✓ Americas: positive performance in Latin American markets
- ✓ Asia, Africa, Oceania: negative trend in the Middle East

- EBITDA:

- ✓ Negative impact of lower sales
- ✓ Recovery in contribution margin
- ✓ Lower fixed costs
- ✓ Non recurring costs for € 0.4 million



€m	2017	2016	Δ %
<i>Europe</i>	64,8	44,6	45,3
<i>Americas</i>	57,1	47,8	19,5
<i>Asia, Africa and Oceania</i>	16,9	10,6	60,0
Sales to third parties	138,8	102,9	34,8
<i>Intersegment sales</i>	1,5	1,4	
Revenues from sales	140,2	104,3	34,4
Ebitda*	19,5	14,0	
<i>% on Revenues from sales**</i>	13,9%	13,4%	

* Figure doesn't include common costs for shared functions of management and coordination.

** Total net sales also include sales to other Group companies, for the purposes of comparability the percentage is calculated on total sales.

- SALES:

- ✓ Contribution of Lavorwash from July for € 29.6 million
- ✓ Europe: organic growth driven by Eastern countries
- ✓ Americas: general increase in all markets
- ✓ Asia, Africa, Oceania: good performance especially in Middle East and the Far East.

- EBITDA:

- ✓ Increase in sales
- ✓ Expansion of the scope of consolidation
- ✓ M&A costs for € 1.2 million



€m	2017	2016	Δ %
<i>Europe</i>	76,5	72,2	6,0
<i>Americas</i>	25,8	28,7	-10,1
<i>Asia, Africa and Oceania</i>	12,7	11,1	14,3
Net sales external to the Group	115,0	112,0	2,7
<i>Sales between sectors</i>	7,8	6,7	
Total net sales	122,8	118,6	3,5
Ebitda*	17,4	17,0	
<i>% on total net sales**</i>	14,2%	14,3%	

* Figure doesn't include common costs for shared functions of management and coordination.

** Total net sales also include sales to other Group companies, for the purposes of comparability the percentage is calculated on total sales.

- SALES:
 - ✓ Europe: overall growth
 - ✓ Americas: increase in South America, slow down in 4Q in North America
 - ✓ Asia, Africa, Oceania: increase mainly in Far East, Australia and South Africa

- EBITDA:
 - ✓ Positive volume effect
 - ✓ Increase in the cost of raw materials



Sale of 100% of Raico S.r.l.

- On March 6, 2018 the parent company Emak S.p.A. has signed a binding agreement for the sale of 100% of the share capital of Raico S.r.l. for a consideration of 5.5 €m. The closing of the transaction, with payment and transfer of shares, is expected by the end of March.
- Raico is specialised in the distribution of spare parts and accessories for agricultural tractors, industrial and construction machines, with a turnover of around 12.8 €m, EBITDA of 0.5 €m and a net negative financial position of 0.7 €m at 31 December 2017.



Raico

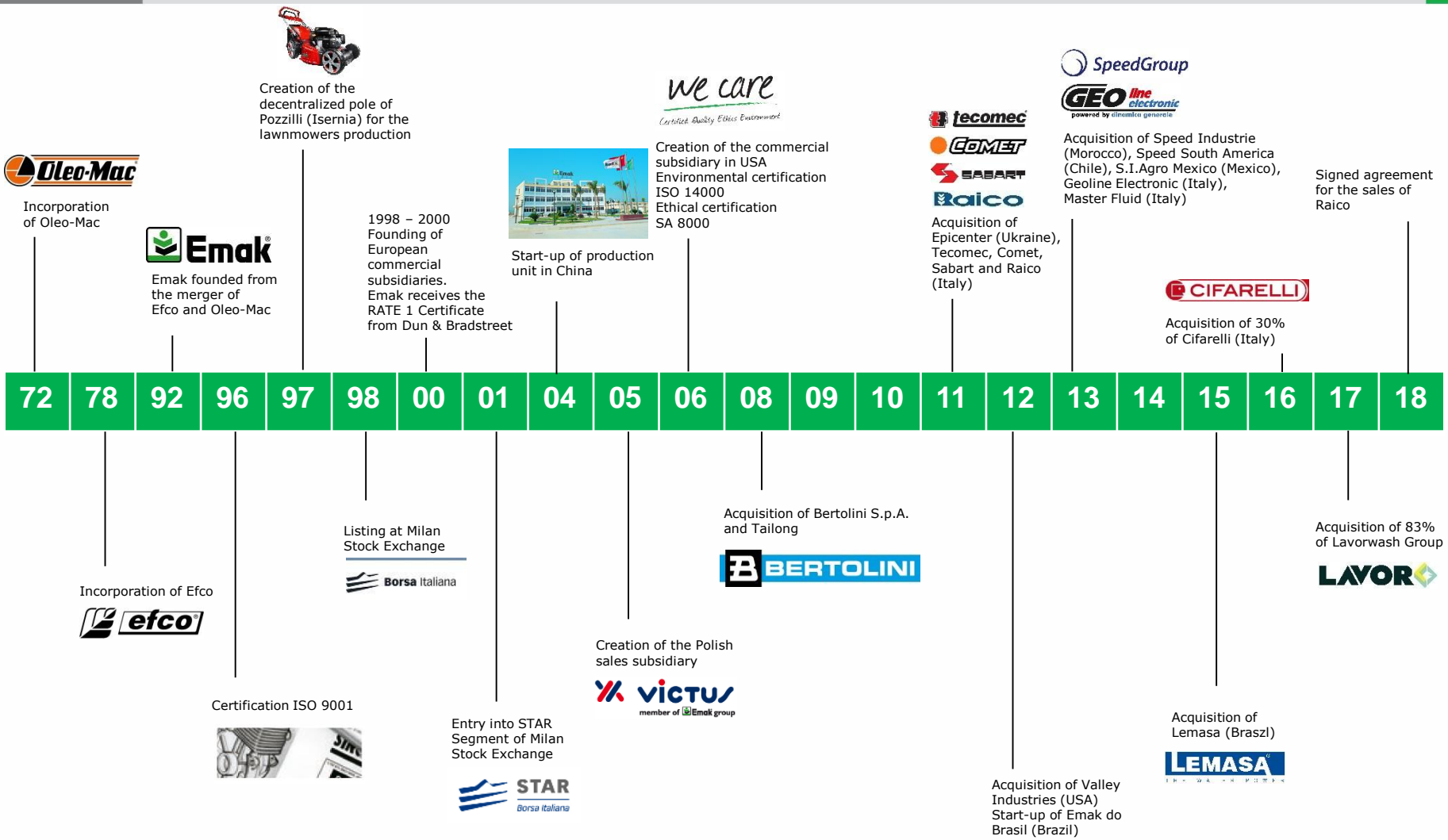
Synthesis of results

€/mln	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sales	84.4	89.5	133.0	146.7	147.0	152.7	163.2	183.4	208.4	217.8	243.4	194.9	206.8	204.4	354.8	355.0	354.8	381.6	391.9	422.2
EBITDA adj	12.9	12.8	16.0	20.6	22.9	23.9	22.6	22.3	25.1	30.0	31.7	21.7	21.3	19.6	31.7	34.2	33.1	37.5	40.5	45.6
margin	15.3%	14.3%	12.0%	14.1%	15.6%	15.7%	13.9%	12.1%	12.1%	13.8%	13.0%	11.1%	10.3%	9.6%	8.9%	9.6%	9.3%	9.8%	10.3%	10.8%
EBIT adj	9.3	8.1	10.6	14.8	16.8	17.5	16.3	17.0	19.8	24.5	24.9	14.9	13.9	12.5	19.6	22.4	21.7	25.0	22.9	31.7
margin	11.1%	9.0%	8.0%	10.1%	11.4%	11.5%	10.0%	9.3%	9.5%	11.2%	10.2%	7.6%	6.7%	6.1%	5.5%	6.3%	6.1%	6.5%	5.8%	7.5%
Net profit	5.5	3.9	6.2	7.9	9.0	9.6	9.0	9.6	11.3	15.2	14.9	9.4	11.6	5.8	8.6	10.5	10.2	9.0	17.7	16.4
margin	6.5%	4.4%	4.7%	5.4%	6.1%	6.3%	5.5%	5.2%	5.4%	7.0%	6.1%	4.8%	5.6%	2.8%	2.4%	3.0%	2.9%	2.4%	4.5%	3.9%
FCF from operations	9.1	8.6	11.6	13.7	15.1	16.0	15.3	14.8	16.7	20.8	21.6	16.2	19.0	12.9	20.8	22.4	21.7	21.5	35.3	30.4
Net Equity	42.1	44.8	48.8	53.8	59.3	65.1	69.8	75.4	81.9	91.4	99.4	104.6	114.0	140.1	145.0	150.8	160.1	168.5	181.7	187.5
Net financial debt	3.2	5.5	14.3	26.4	19.1	21.1	16.4	25.8	37.9	31.0	61.8	38.0	27.4	97.3	99.9	76.4	79.0	99.4	80.1	125.3
Net capital employed	45.3	50.3	63.1	80.3	78.5	86.2	86.3	101.2	119.7	122.5	161.2	142.6	141.4	237.4	244.9	227.2	239.1	267.9	261.8	312.8
Net working capital	27.5	32.1	43.7	55.6	54.2	60.2	59.3	66.4	81.8	81.1	103.2	82.9	83.7	157.5	155.9	142.2	148.6	154.6	145.6	161.8
Debt/Equity	0.1	0.1	0.3	0.5	0.3	0.3	0.2	0.3	0.5	0.3	0.6	0.4	0.2	0.7	0.7	0.5	0.5	0.6	0.4	0.7
Debt/EBITDA adj	0.2	0.4	0.9	1.3	0.8	0.9	0.7	1.2	1.5	1.0	2.0	1.8	1.3	5.0	3.1	2.2	2.4	2.7	2.0	2.7

1998-1999: Creation of 5 commercial branches in Western Europe. **2004:** Establishment of Emak Jiangmen, production plant in China. **2005:** Creation of Victus, commercial branch in Poland. **2006:** Creation of Emak U.S.A. commercial branch in USA. **2008:** Acquisition of Bertolini and Tailong (cylinder manufacturer) **2011:** Acquisition of Epicenter (Ukraine), Tecomet, Comet, Sabart and Raico **2012:** Start-up of Emak do Brazil, acquisition of Valley in USA **2014:** Acquisition of Speed Industrie Sarl (Marocco), S.I.Agro Mexico, Geoline Electronic, Master Fluid; Speed South America (Chile) **2015:** Acquisition of Lemasa (Brazil) **2016:** Acquisition of 30% of Cifarelli S.p.A. **2017:** Acquisition of Lavorwash Group **2018:** signed agreement for sale of Raico

Appendix

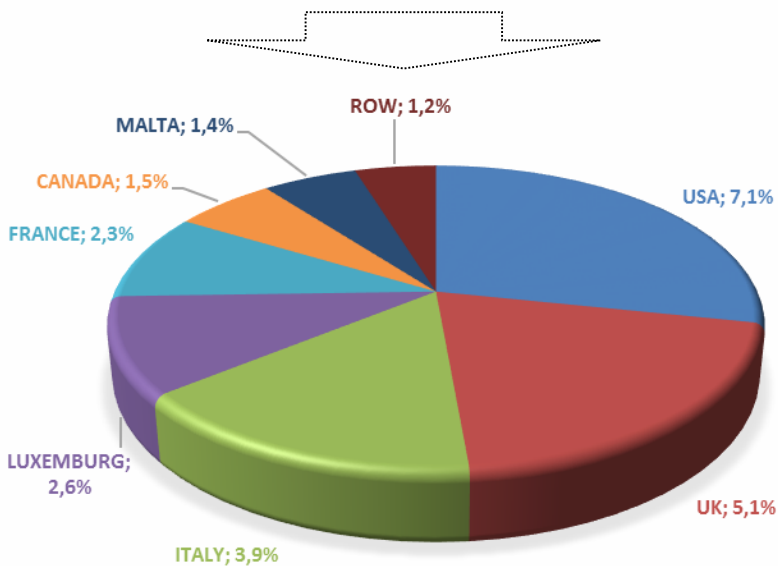
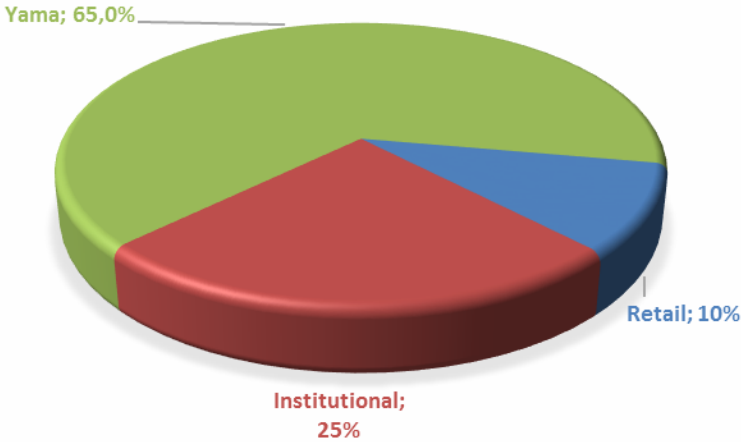
Emak Group – Our History



Shareholders' structure

Main shareholders **Share of capital %**

Yama S.p.A.	65.2%
FMR LLC	5.0%
Treasury shares	0.2%



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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