



LEADERS  
INNOVATE.

# Investor Presentation

*Milan, 5 April 2018*

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- **Why we are here**

- Overview of the CFT group
- Principal financial data
- Transaction overview
- Future strategy
- Next steps

# Why we are here

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We are here because:

- ✓ We want to become an **aggregating pole** of Processing, Packaging and Sorting technologies in the *food & beverage* sector
- ✓ We have a **long-term project** based on a path of consolidation and international growth
- ✓ We believe we have what it takes to represent the excellence that is **Made in Italy** around the world

The speakers:

- Luca Giacometti, *President, Glenalta*
- Roberto Catelli, *President, CFT Group*
- Alessandro Merusi, *CEO, CFT Group*
- Martino Pozzi, *CFO, CFT Group*
- Stefano Malagoli, *Promoter, Glenalta*

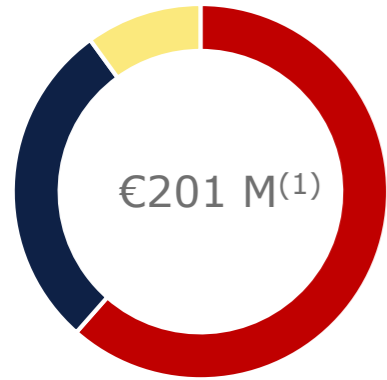


**CFT.**

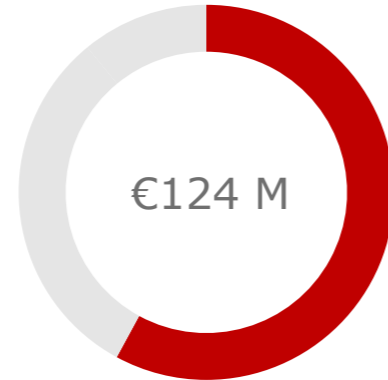
A seventy years experience in continuous evolution

- Why we are here
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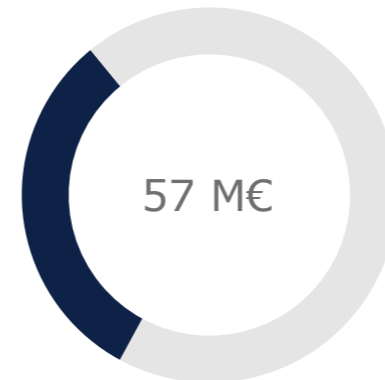
# Overview of the group



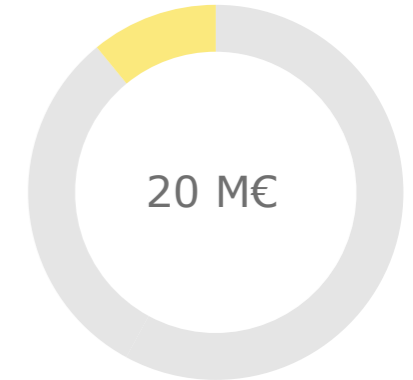
CFT GROUP



PROCESSING



PACKAGING



SORTING

Technology

Machinery and systems for the transformation of raw materials into semi-finished and/or finished products

Machines for packaging and bottling liquid and viscous products

Optical selection and inspection systems for performing quality control activities

Time to Market

~ 5/6 months

~ 5/6 months

~ 2/3 months

(1) 2016 Pro-forma revenues (including the full-year pro-forma acquisition of Rolec)

# The history of CFT



In **1945** Camillo Catelli started producing machines for processing tomatoes, founding Rossi & Catelli



In the **'70s**, CFT launched the Vesuvio peeler, the Venus and Califfo evaporators and the Stematic Long Run and Olympic sterilizers with various applications in the dairy sector



The **'90s** saw the boom in the Chinese market of tomato processing: Rossi & Catelli strengthened their industrial presence in the sector, also through the acquisition of FBR Elpo



In **2007**, after the dissolution of JV with Sacmi, Raytec and FBR Elpo remained part of the CFT Group. The first branches were established in China and Ukraine.

In **2012**, CFT and CFT Packaging were merged into a single company capable of providing solutions for both *processing* and *packaging*. In **2013** FBR Elpo was sold.



In **2015** CFT sold Bertoli (pumps and homogenizers) to the Interpump group. The End of Line and Product Treatment divisions were founded, including the acquisition of Labs



**2017** saw the purchase of Levati Food Tech, specialized in pasteurization and sterilization processes as well as end-of-line. The partnership with Technagro, which joined the CFT Group, was also strengthened

In **1957** the patent of the first evaporator was deposited

In the **'80s** the innovation continued with new products such as the Eldorado enzymatic inactivator



In **2001** JV Sacmi & Catelli was created, owned by Sacmi (60%) and the Catelli family (40%), for making acquisitions in the *processing & packaging* sphere. In **2001** Raytec Vision was created and in **2003** FBR Elpo was conferred into JV.

In **2005** Rossi & Catelli acquired Manzini and Comaco. In **2006** CFT Packaging was established, resulting from the union of Comaco and Sima, a company acquired the same year. Together, Rossi & Catelli and Manzini became CFT.



In **2011**, SBC was acquired and CFT Packaging USA was founded: hence, CFT expanded into the *beverage* sector.

The international expansion continued with the opening of commercial branches in Brazil and in India.



Since **2014**, operational and commercial activities in Italy have been concentrated in a single production facility in Parma.

A residual part of the production activity is carried out in the branch in Ukraine

In **2016** CFT invested in the capital of Rolec, a German producer of brewery plant, with a view to strengthening its presence in this sector



Since 1945, CFT has developed extensive know-how in the design and manufacture of machinery for the food industry, in both the processing and the packaging sectors. Continuous investment in the development of new technologies, together with the acquisition of leading brands in their respective sectors, have led CFT to become an internationally active reference group that is able to offer a complete product portfolio based on the most advanced technologies.

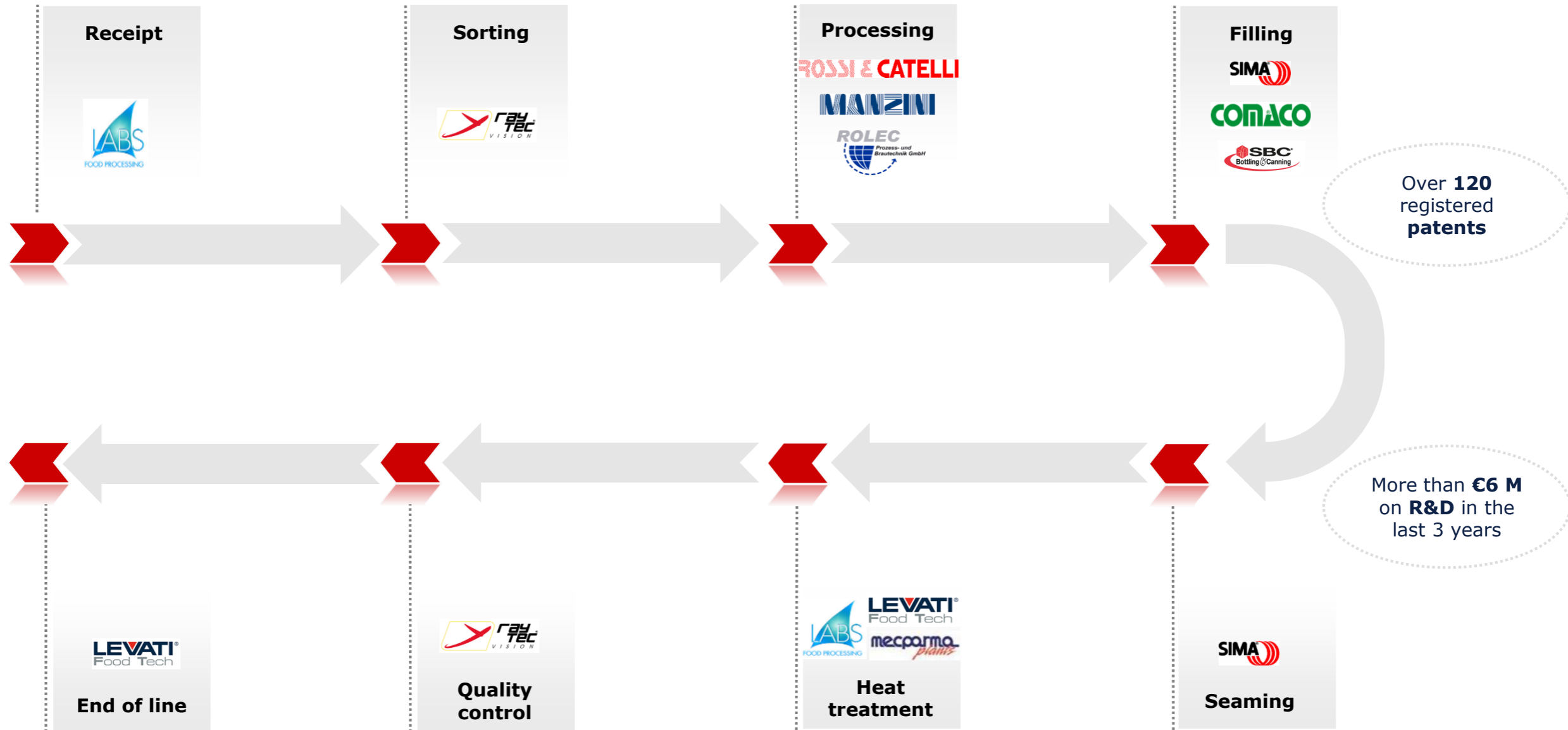
# Business overview – Products treated

The CFT group is able to process, fill and select most food products within its lines.





# Business overview - Technologies



# Business overview – Product portfolio

## PROCESSING

## PACKAGING

## SORTING

### Functionality

Machinery for the transformation of raw materials into semi-finished and/or finished products

Machines for packaging and bottling liquid and viscous products

Optical selection and inspection systems for performing quality control activities

### Machines constructed

Extractors, enzymatic inactivators, reception lines, peelers, concentrators and pre-concentrators, sterilizers, aseptic fillers, syrup salts, cooking salts, pasteurisers, autoclaves and heat treatment machines

Volumetric, weighted, telescopic, gasizing, vacuum and seaming filling machines

Optical sorters with cameras and pulsed-light sensors, X-ray machines and systems for inspecting food in cans, glass or packets

### Reference brands



### Products treated

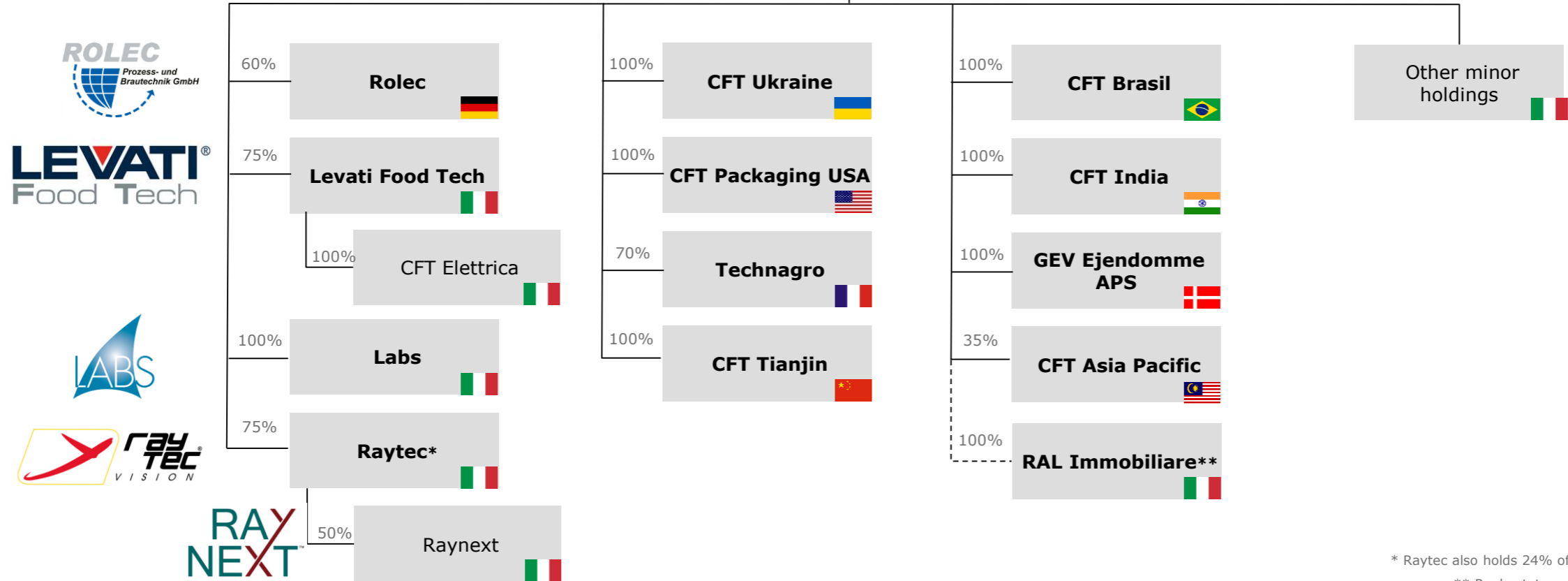
Preparation of sauces and ragouts, purées and fruit juices, concentrated/diced/peeled tomatoes, ketchup, jams, jellies, yogurt, syrups and baby food, beer

Filling and sealing of plastic, metal and glass containers with food, beverages (carbonated and still, such as spirits, beer, soft drinks...), food oils and lubricants

Selection of fruit, vegetables, salads, legumes, seafood, grapes. Inspection of glass containers, cartons, jars, tubes, packets, PET and bulk products

PROCESS PHASES	PROCESS DESCRIPTION	SUCCESS FACTORS
Request for offer	The area manager (if necessary with the support of an agent) and the engineering team tender an offer to the customer, formulated on the basis of specific requests and requirements, which will be followed by negotiation and agreement on the price.	<ul style="list-style-type: none"> <li>• <b>Adaptability</b></li> <li>• <b>Customization</b></li> </ul>
Sale	A network consisting of area managers and agents that are active worldwide ensure constant and direct contact with customers in the various reference sectors, and guarantee coverage of various niche markets.	<ul style="list-style-type: none"> <li>• Brand awareness</li> <li>• International presence</li> </ul>
Study and design	In-depth research is carried out by highly qualified personnel so as to identify the material, the components required, and the most suitable suppliers for the construction of the installation, as well as the timing envisaged for its production and delivery.	<ul style="list-style-type: none"> <li>• Performance</li> <li>• Technological innovation</li> </ul>
Outsourced production	The production phases that have low value added are carried out by production partners, mostly located in the Food District in Parma. The installations, often subject to their final assembly at the CFT plant, are constantly monitored by specialized technicians in order to verify their progress and compliance with quality standards.	<ul style="list-style-type: none"> <li>• Rapidity</li> <li>• <b>Flexibility</b></li> </ul>
Assembly and testing	The specialized personnel of the CFT Group carries out checks and inspections on all machines produced externally. Once assembled, the customer may visit the CFT plant to check the operation of the installation during the inspection phase. Finally, the finished product is shipped to and installed in the customer's plant.	<ul style="list-style-type: none"> <li>• Reliability</li> <li>• Quality</li> </ul>
After sales	The CFT group provides qualified technical assistance, spare parts storage, and training of customer personnel dedicated to the installations and the technical maintenance of the machinery. Technical assistance and the supply of spare parts is constantly guaranteed by the Spare Parts & Services division, which is always in direct contact with the customers.	<ul style="list-style-type: none"> <li>• Customer support</li> <li>• Customer loyalty</li> </ul>

# Corporate organization chart



\* Raytec also holds 24% of Gemini and 1.08% of XNext

\*\* Real estate company subject to divestment

# Management overview – CFT Group

## Alessandro Merusi



Born in Parma in 1978. After graduating in Management Engineering and gaining a Master in Business Administration from SDA Bocconi, he began his career as a consultant, first in SACMI and then in BCG. In 2008 he joined the CFT Group as a controller. In 2011 he took on the role of CFO and since 2013 he has been CEO of CFT Group.

## Martino Pozzi



Born in Piacenza in 1986. After graduating in Economics and gaining his Master in Finance and Risk Management from Parma University, he started working in Bain & Company. Chief Financial Officer of Bonatti S.p.A. since 2014, he joined CFT Group in 2016 as CFO.

## Emanuele Piva



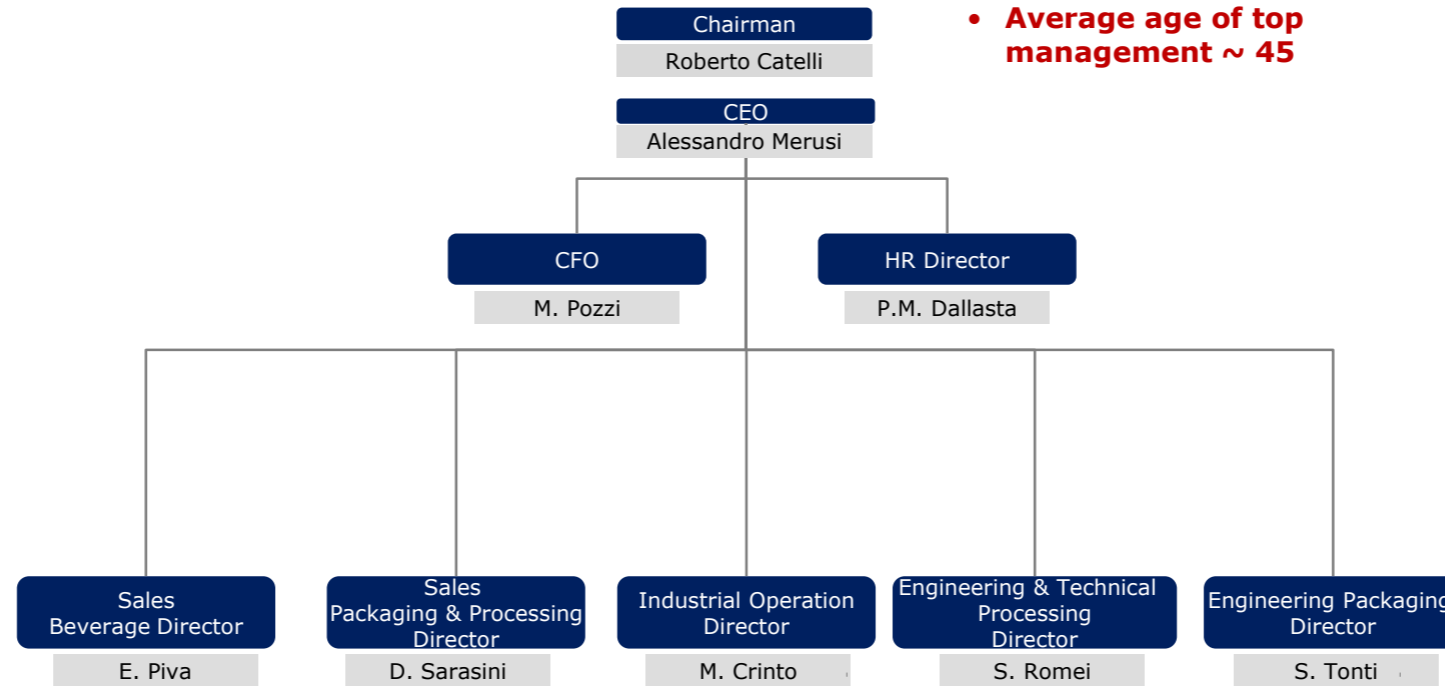
Born in Ferrara in 1969. After graduating in Political Sciences and International Relations and attaining a Master in Marketing from Bologna University, he started working in the marketing department in Stiassi. He continued his career in several companies of the Aetna group as Export Manager and in 2008 he joined SBC Bottling & Canning, primarily following sales for the beer sector. In 2010, after SBC's entry into CFT, he took on the role of Sales & Commercial Director of the Beverage division.

## Davide Sarasini



Born in Colorno (PR) in 1970. After graduating in Economics from Parma University, he specialized in the Sales area for the Food & Beverage sector, developing in-depth knowledge of the food plant design market. In 2000 he started working in the CFT group, first in Comaco and then in Manzini, as Sales Area Manager. Since 2012 he has been Sales Director of the Food Processing & Packaging division of the CFT Group.

• Average age of top management ~ 45



## Mirko Crinto



Born in Parma in 1975, he graduated in Mechanical Engineering from Parma University. From 2002 he developed his career in Sidel S.p.A., participating in international projects up to the role of Industrial Engineering and Material Manager. In 2013 he joined CFT with the role of Operation Director.

## Pier Mauro Dallasta



Born in Brescello (RE) in 1966. After graduating in Law and attaining a Master in Organization and Human Resources from SDA Bocconi in Milan, he began his career in the Arquati group as HR manager. He joined the CFT Group in 2008 as HR Manager.

## Stefano Tonti



Born in Milan in 1966. After graduating in Mechanical Engineering from Milan Polytechnic, he started his career in 1990 at the Fiat Research Centre. He continued his professional path in the Bertolaso Group until 1998, when he joined the Sasib Group as Technical Director of Comaco. In CFT he holds the role of Engineering Director of the packaging division.

## Stefano Romei



Born in Parma in 1963. After graduating in Electronic Engineering from Parma University, he started to collaborate with Rossi & Catelli in 1993. In 2006 he became Technical Director of the processing division of CFT.

# Management Overview – Subsidiaries



**Domenico Palandri**

Born in 1977 in Chicago, he began his career in SBC in 2000. After gaining experience in Bang & Olufsen as head of B2B relations, he joined the CFT group, taking on the role of Managing Director of CFT Packaging USA.



**Eugenia Onyshko**

Born in 1980 in Lviv, having attained an MBA from the Carlson School of Management (University of Minnesota), she started her professional path in Pepsico. After some years on the board of the EBA (European Business Association), in 2006 she joined the CFT group, taking on the role of Managing Director of CFT Ukraine.



**Raffaele Pezzoli**

Born in Parma in 1961, since the beginning of his career, he has specialized in designing advanced vision systems. Having held positions of increasing responsibility in the technical departments of companies in the industrial electronics sector, in 2002, together with the CFT group, he founded Raytec Vision where he holds the role of Managing Director.



**Alessio Lazzari**

Born in Monchio delle Corti (PR) in 1961, his career began in the technical department of Rossi and Catelli. Having held positions of increasing responsibility in various companies of the group, in 1996 he became technical director of the CFT Group. In 2007 he took on the role of CEO of Bertoli. He is currently CEO of Levati Food Tech.



**Wolfgang Roth**

Born in Stetten (Germany) in 1958, he graduated as Master Brewer from the Ulm Master Brewing School. After 7 years as Master Brewer in the United States and having held various roles in Sales in companies specialized in the production of breweries, in 2003, together with Karl Lechner, he founded ROLEC Prozess-und-Brautechnik, where he holds the role of Managing Director.



**Karl Lechner**

Born in Tegernsee (Germany) in 1960, he graduated as Master Brewer from DOEMENS in Munich. His career developed in the technical departments of companies specialized in the production of breweries. In 1993 he became technical director of Beraplan Harter, a role he held until 2003, when, together with Wolfgang Roth, he founded ROLEC Prozess-und-Brautechnik where he holds the role of Managing Director.



# Main customers



## GEOGRAPHICAL DIVERSIFICATION



Sales in over 90 countries worldwide. More than 86% of revenues are generated abroad

## LOW CUSTOMER CONCENTRATION



Given the nature of multi-year investment, the customer base is constantly growing. The first 5 customers generate less than 25% of turnover, and vary every year

# What has been done

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## BUSINESS

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- Technological '*Fill the gap*' (Labs and Levati acquisitions)
- Entry into high-potential markets (craft beer via the acquisition of Rolec)
- Rationalization of the product portfolio (e.g. sale of Fbr-Elpo and Bertoli Homogenizers)
- Rationalization and development of the packaging product portfolio
- After-Sales focus
- High-potential joint venture (XNext)

## OPERATION

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- Unification of production sites (sole plant in Parma)
- Complete renovation of the production plant
- Investment in production unit for Pal/Depal
- Outsourcing of some low-efficiency production phases
- Investment in machine tool department
- Order management and rationalization of the warehouse

## HUMAN RESOURCES

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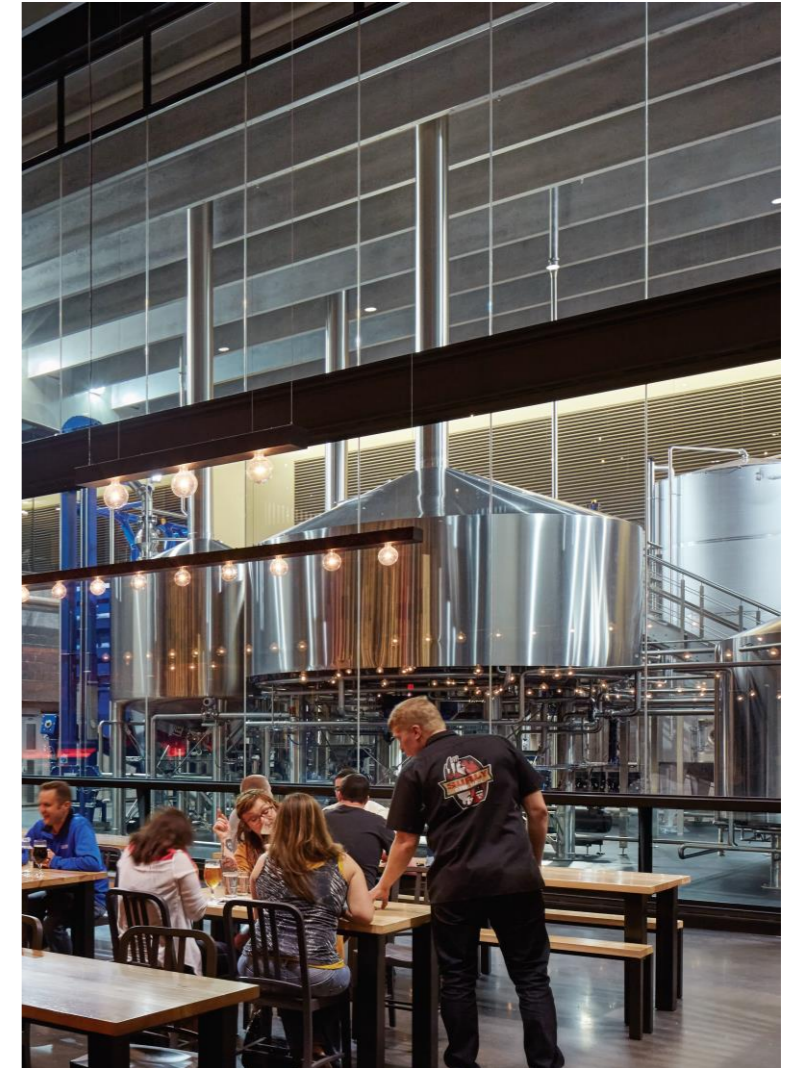
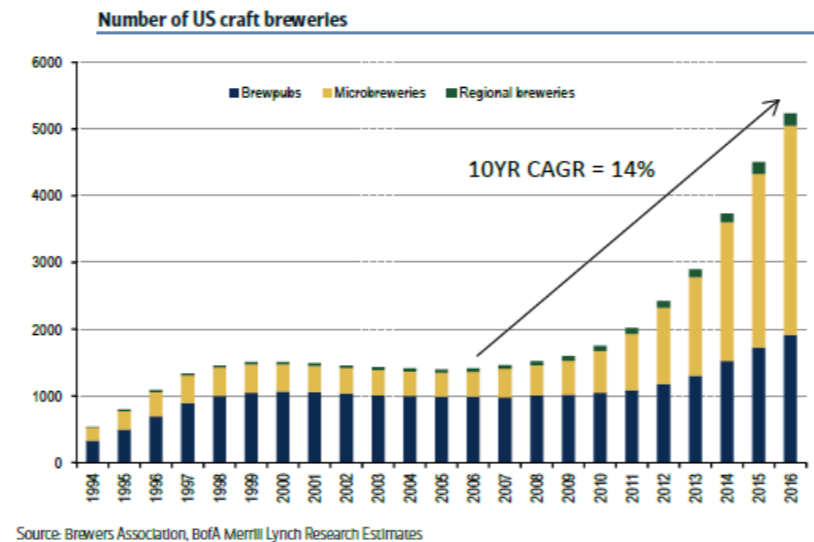
- Review of the company structure
- Renewal of top management (CEO, COO, CFO)
- Reduction of the average age and increase in quality (experience and know-how)



# What has been done - Business

## BUSINESS

- Technological '*Fill the gap*' (Labs and Levati acquisitions)
- **Entry into high-potential markets (craft beer via Rolec acquisition)**
- Rationalization of the product portfolio (e.g. sale of Fbr-Elpo and Bertoli Homogenizers)
- Rationalization and development of the packaging product portfolio
- After-Sales focus
- High-potential joint venture (XNext)



# What has been done - Operation

## OPERATION

- Unification of production sites (sole plant in Parma)
- **Complete renovation of the production plant**
- **Investment in production unit for Pal/Depal**
- Outsourcing of some low-efficiency production phases
- Investment in machine tool department
- Order management and rationalization of the warehouse

## BEFORE



## AFTER



# What has been done - Operation

## OPERATION

- Unification of production sites (sole plant in Parma)
- Complete renovation of the production plant
- Investment in production unit for Pal/Depal
- Outsourcing of some low-efficiency production phases
- **Investment in machine tool department**
- Order management and rationalization of the warehouse

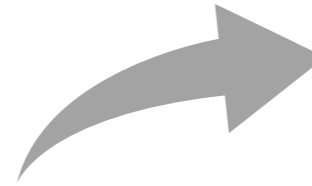


# What has been done – Human Resources

## HUMAN RESOURCES

- Review of the organizational structure
- Renewal of top management (CEO, COO, CFO)

- **Reduction of the average age and increase in quality (experience & know-how)**



### TRAINING



10,000 hours in the last 3 years

### SKILLS



64 graduates recruited in the last 3 years

### RECRUITMENT



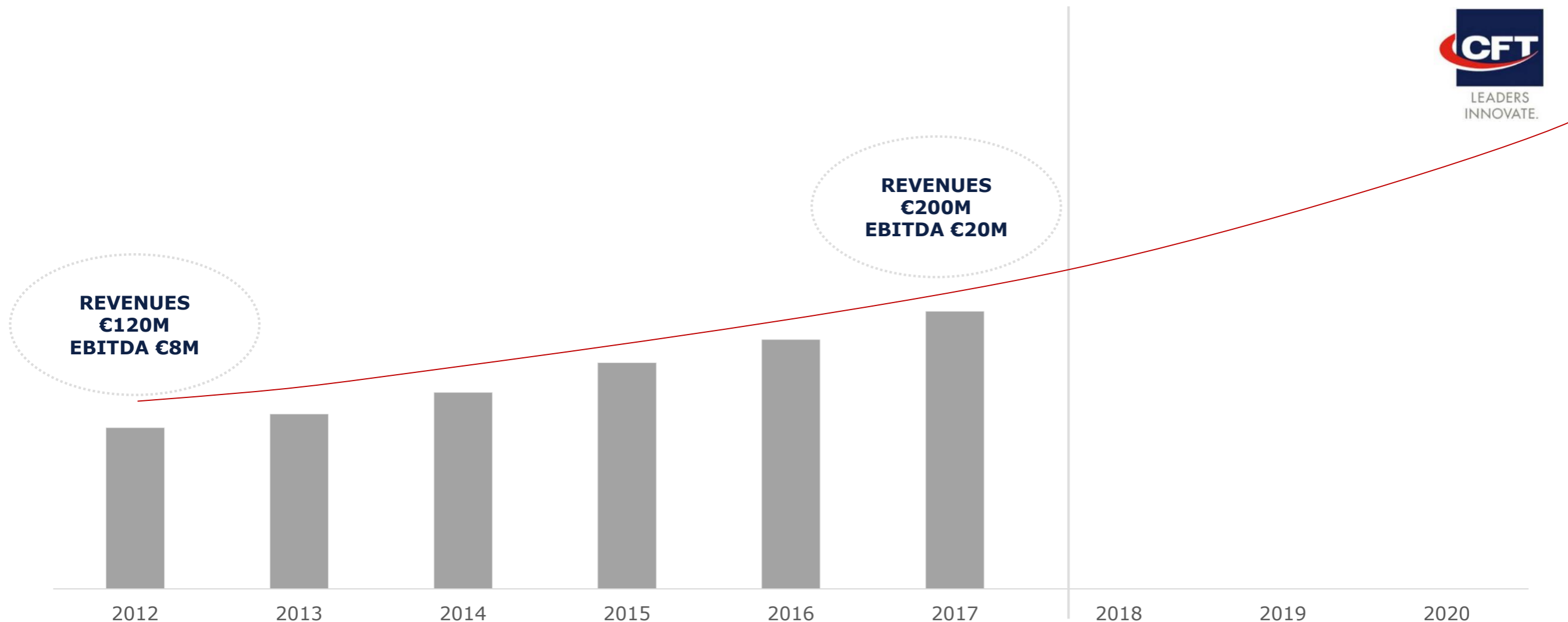
51 recruitments in 2017

Average age 32

### FEMALE PRESENCE



~30% of new recruitments



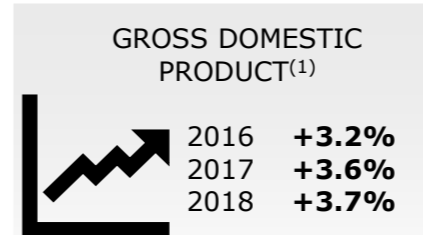
**Significant renewal and strong growth without capital injection**

**Growth through acquisitions with the business combination operation**

# Megatrends of the target market

The underlying scenario on which the development of the CFT group is based is influenced by globally expected megatrends, such as:

- the general **progress of the economy**
- the continuous **expansion of the population**
- the **growth** of the so-called **middle class** and the shift **from rural areas to cities**
- the consolidation of the **demand** for **high quality** food and drink products
- the sustained increase in the demand for increasingly **cost-effective machinery** and production systems

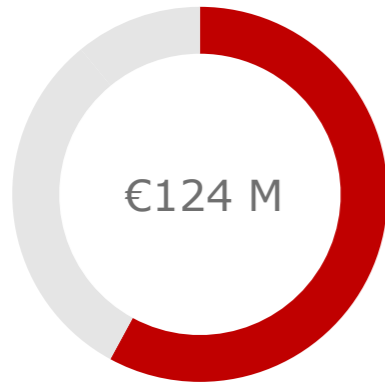


(1) International Monetary Fund estimates (IMF – October 2017)

(2) United Nations Organization data

(3) United Nations Organization data

# Competitive scenario (1/2)



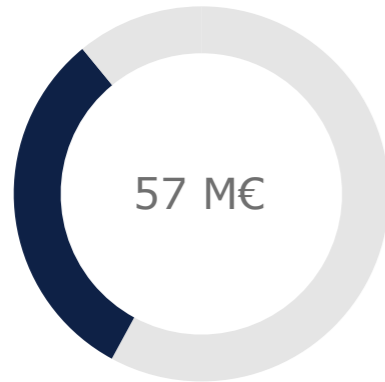
PROCESSING

The competitive dynamics in the processing market can be analyzed with reference to the underlying product. In particular:

- in the **tomato market** the dynamics are influenced by the type of reference market:
  - in **mature markets**, investments are guided by the **major global players**, who are constantly looking for **greater energy efficiency** and savings in production costs
  - in **emerging markets**, investments derive from **local players** who turn to the internal market and are looking for the **best price**, the principal driver in these contexts
- in the **fruit sector**, there is a **very fragmented context** in which there are no reference leaders or global players, but rather operators who are specialized in certain product niches and/or geographical markets
- in the **craft beer** sector, the trend towards **consolidating mature markets** (USA in particular) is continuing, and there are development prospects in other markets (Europe and Oceania).

Unlike large international groups, which hold the largest market shares, smaller operators are characterized by a lower degree of diversification, as they are often focused on specific technologies, process phases or application areas. Compared to these players, the **CFT group offers a more complete portfolio in terms of processing phases covered and products treated.**

# Competitive scenario (2/2)

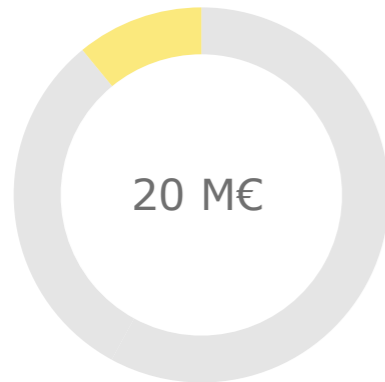


PACKAGING

In the **Packaging** sector, it is necessary to differentiate the competition on the basis of the business and the geographical area of reference, specifically:

- in the segment of **vegetable, meat and animal preserves**, the competition consists mainly of **small and medium sized companies**. Investments are characterized by the search for **innovative packaging**, also for purposes of **marketing**
- in the **beverage** segment, competition exists at a global level with **major players** who operate by seeking **excellence** in **technology** and innovation.

Taken as a whole, the Packaging segment is more concentrated than Processing, with three major players holding the majority of the market share.

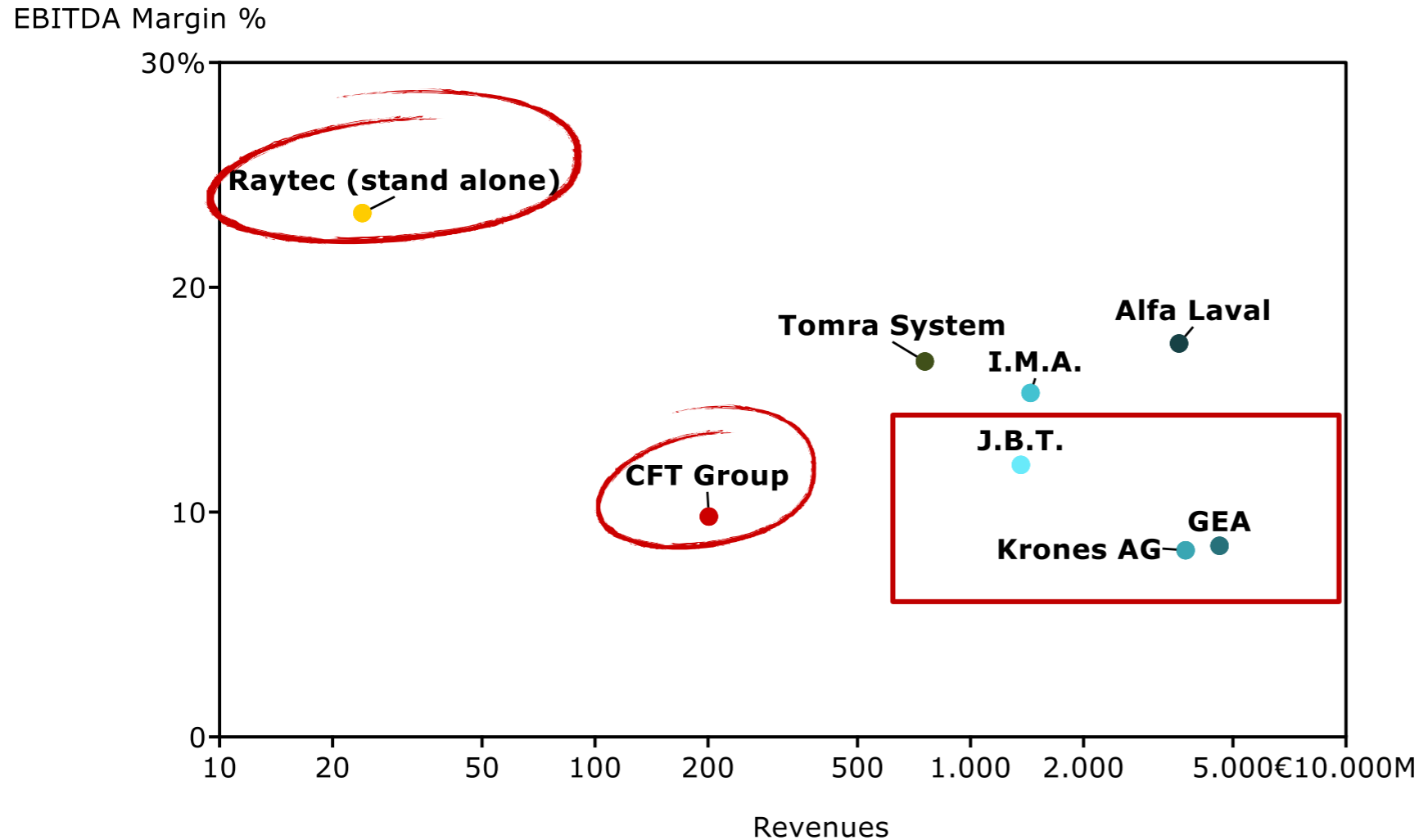


SORTING

The market leaders in the **Sorting** sector are present not only in the **Food** segment, but also in a broader range of application areas such as Mining, Recycling, Chemical, Cosmetics and others. Nonetheless, the **high expectations for growth** and consolidation of this market also leave room for the development of other players.



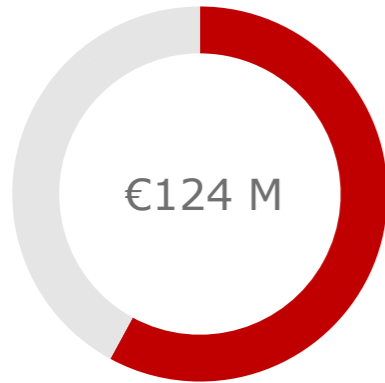
# Revenue analysis – EBITDA listed peers



- **The CFT group is significantly smaller** than its **peers** in the stock market
- **The EBITDA margin** of the CFT group **is similar** to that expressed by **JBT, Kronos** and **GEA**
- **The EBITDA margin** of **Raytec** stand alone (the group company with the highest growth rate), **is higher than its market peers**

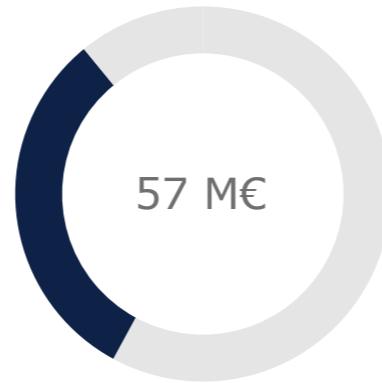
Source: Capital IQ – S&P at 27 March 2018. CFT Group data from financial highlights 2017

# Strengths of the CFT group



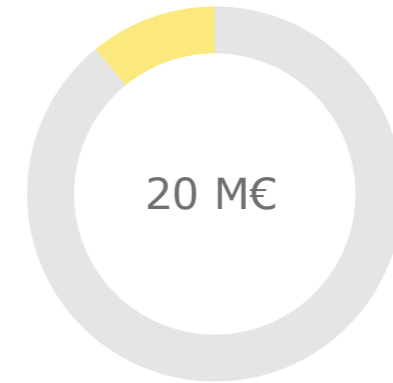
PROCESSING

- Market leader in the Tomato business
- Large capacity plant
- Development in the craft beer market



PACKAGING

- Diversification of technologies and treatable products
- Possibility of selling complete lines
- Integration with the Processing division



SORTING

- Strong growth in market
- High marginality
- Leader in the Salads market

Supply of **complete turnkey lines**, from plant layout to finished product

- Why we are here
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Data in Millions of €

<b>PROFIT &amp; LOSS</b>	<b>31/12/2016</b>	<b>31/10/2017</b>
<b>Value of production</b>	<b>211,7</b>	<b>185,9</b>
Raw material	(92,3)	(77,9)
Services	(64,6)	(56,2)
Lease and rental	(3,2)	(3,1)
Personnel expenses	(32,1)	(30,2)
Other operating expenses	(2,3)	(1,7)
<b>EBITDA</b>	<b>17,1</b>	<b>16,9</b>
EBITDA %	8,1%	9,1%
Depreciation and amortization	(5,0)	(5,2)
<b>EBIT</b>	<b>12,1</b>	<b>11,7</b>
Financial income and expenses	(1,3)	(0,4)
Taxes on income	(4,3)	(3,6)
<b>Net income</b>	<b>6,5</b>	<b>7,7</b>

- **The reference financial situation of the merger project was prepared on 31/10/2017**
- The pro-forma **value of production**<sup>(1)</sup> of the first ten months of 2017 is **in line** with the 2016 values
- The **improvement in the EBITDA margin** derives mainly from:
  - **Greater impact of high-marginality business** (sorting)
  - **Improved efficiency of the production structure**
- **Reduced financial charges** (reduction in the interest rates applied and exchange rate effects)

(1) In order to represent the data on a comparable basis, pro-forma statements that retroactively represent the effects of the acquisitions of Rolec, Levati and Techn'agro, and the effects of real estate divestment, have been drawn up.

Data in Millions of €

BALANCE SHEET	31/12/2016	31/10/2017
Trade receivables	29,5	43,9
Trade payables	(58,7)	(54,9)
Inventories	66,1	75,5
Prepayment income	(35,7)	(34,9)
<b>Commercial working capital</b>	<b>1,2</b>	<b>29,6</b>
Other assets	13,1	10,5
Other liabilities	(13,4)	(12,2)
Accrued expenses and deferred income	0,7	(3,3)
<b>Net working capital</b>	<b>1,7</b>	<b>24,6</b>
Tangible fixed assets	9,0	10,4
Intangible fixed assets	12,6	12,5
Financial fixed assets	2,3	1,3
<b>Fixed assets</b>	<b>24,0</b>	<b>24,2</b>
Provision for risks and charges	(7,3)	(5,5)
Employees severance fund	(3,7)	(3,5)
<b>Net invested capital</b>	<b>14,6</b>	<b>39,7</b>
Bank debt	23,2	46,9
Other financial debt	0,3	0,3
Cash and cash equivalents	(13,1)	(11,6)
<b>Net financial position</b>	<b>10,3</b>	<b>35,6</b>
<b>Net equity</b>	<b>4,3</b>	<b>4,1</b>
<b>Funding sources</b>	<b>14,6</b>	<b>39,7</b>

- **Rapidly-growing working capital** deriving from:
  - **Implicit volatility of Net Working Capital** in contract business
  - **Marked seasonality** (deriving from fruit and vegetables)
  - **Payment conditions that are particularly deferred** on two orders of significant commercial importance
  
- **Fixed assets in line** with a slight increase in property, plant and equipment
  
- **Strongly increasing net financial position** deriving from the performance of the NWC

# Pro-forma of CFT – Glenalta merger on 31/10/2017

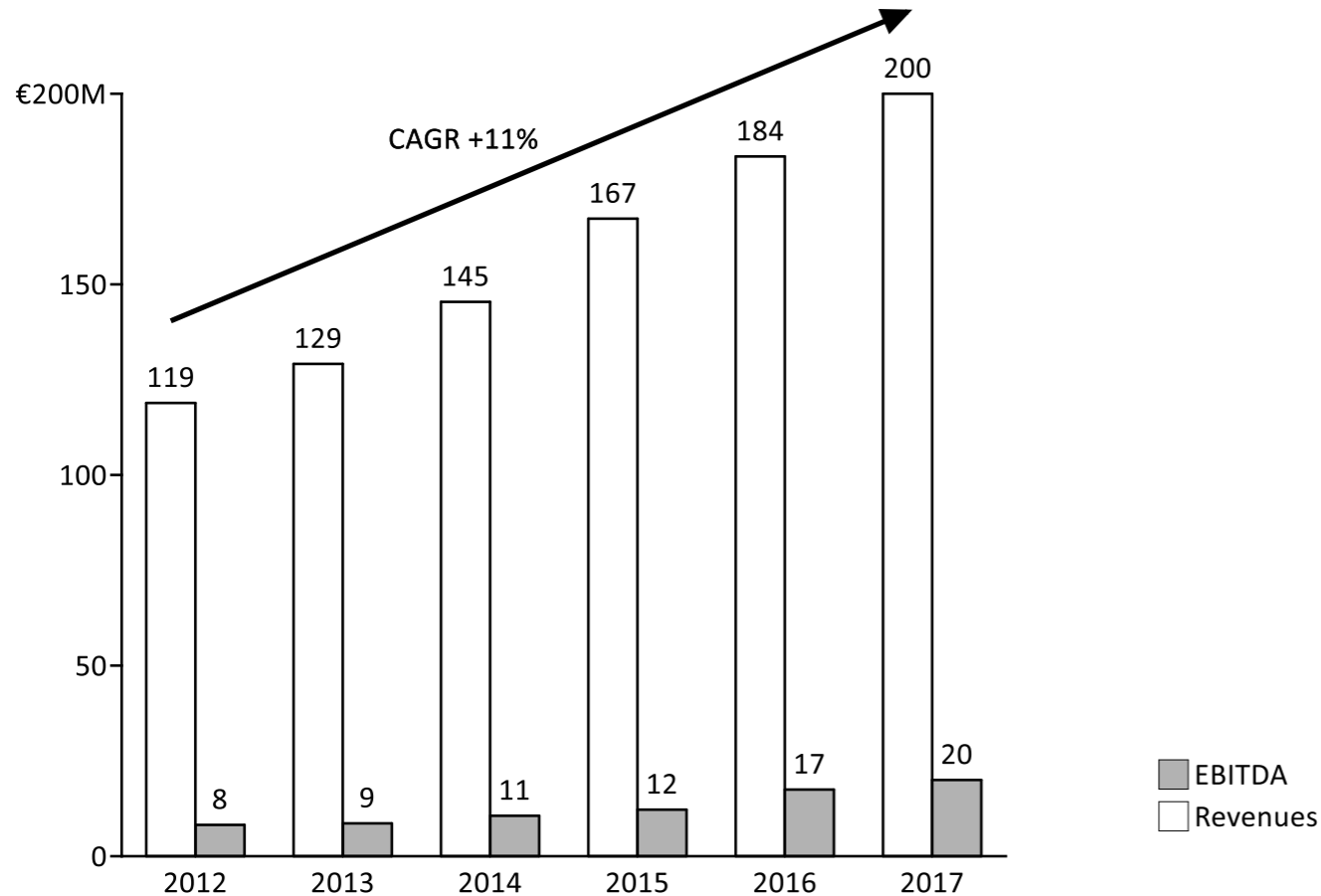
<i>Data in Millions of €</i>	<b>PRO-FORMA CFT 31/10/2017</b>	<b>POST MERGER – ZERO WITHDRAWAL</b>	<b>POST MERGER – MAXIMUM WITHDRAWAL</b>
<b>BALANCE SHEET</b>			
Trade receivables	43,9	43,9	43,9
Trade payables	(54,9)	(54,9)	(54,9)
Inventories	75,5	75,5	75,5
Prepayment income	(34,9)	(34,9)	(34,9)
<b>Commercial working capital</b>	<b>29,6</b>	<b>29,5</b>	<b>29,5</b>
Other assets	10,5	10,7	10,7
Other liabilities	(12,2)	(12,2)	(12,2)
Accrued expenses and deferred income	(3,3)	(3,3)	(3,3)
<b>Net working capital</b>	<b>24,6</b>	<b>24,7</b>	<b>24,7</b>
Tangible fixed assets	10,4	10,4	10,4
Intangible fixed assets	12,5	113,8	113,4
Financial fixed assets	1,3	1,3	1,3
<b>Fixed assets</b>	<b>24,2</b>	<b>125,5</b>	<b>125,1</b>
Provision for risks and charges	(5,5)	(5,5)	(5,5)
Employees severance fund	(3,5)	(3,5)	(3,5)
<b>Net invested capital</b>	<b>39,7</b>	<b>141,2</b>	<b>140,8</b>
Bank debt	46,9	46,9	46,9
Other financial debt	0,3	0,3	0,3
Cash and cash equivalents	(11,6)	(95,7)	(63,7)
<b>Net financial position</b>	<b>35,6</b>	<b>(48,5)</b>	<b>(16,5)</b>
<b>Net equity</b>	<b>4,1</b>	<b>189,7</b>	<b>157,4</b>
<b>Funding sources</b>	<b>39,7</b>	<b>141,2</b>	<b>140,8</b>

- The pro-forma **NFP** of the *combined entity* varies from a minimum of €-48.5 M in the event of minimum withdrawal and a maximum of €-16.5 M in the event of maximum withdrawal
- The pro-forma **net equity** of the *combined entity* varies from a maximum of €189.7 M in the event of minimum withdrawal to a minimum of €157.4 M in the event of maximum withdrawal, of which €95.5 M deriving from the writing of goodwill from the merger in accordance with Italian accounting principles.\*

\*It should be noted that said goodwill could be subject to adjustment in the event of transition to IAS/IFRS accounting standards

# Overview of the CFT group 2012-2017

Data in Millions of € - Data from the consolidated financial statements of the CFT group



## ESTIMATED PRO-FORMA FINANCIAL HIGHLIGHTS 31/12/2017

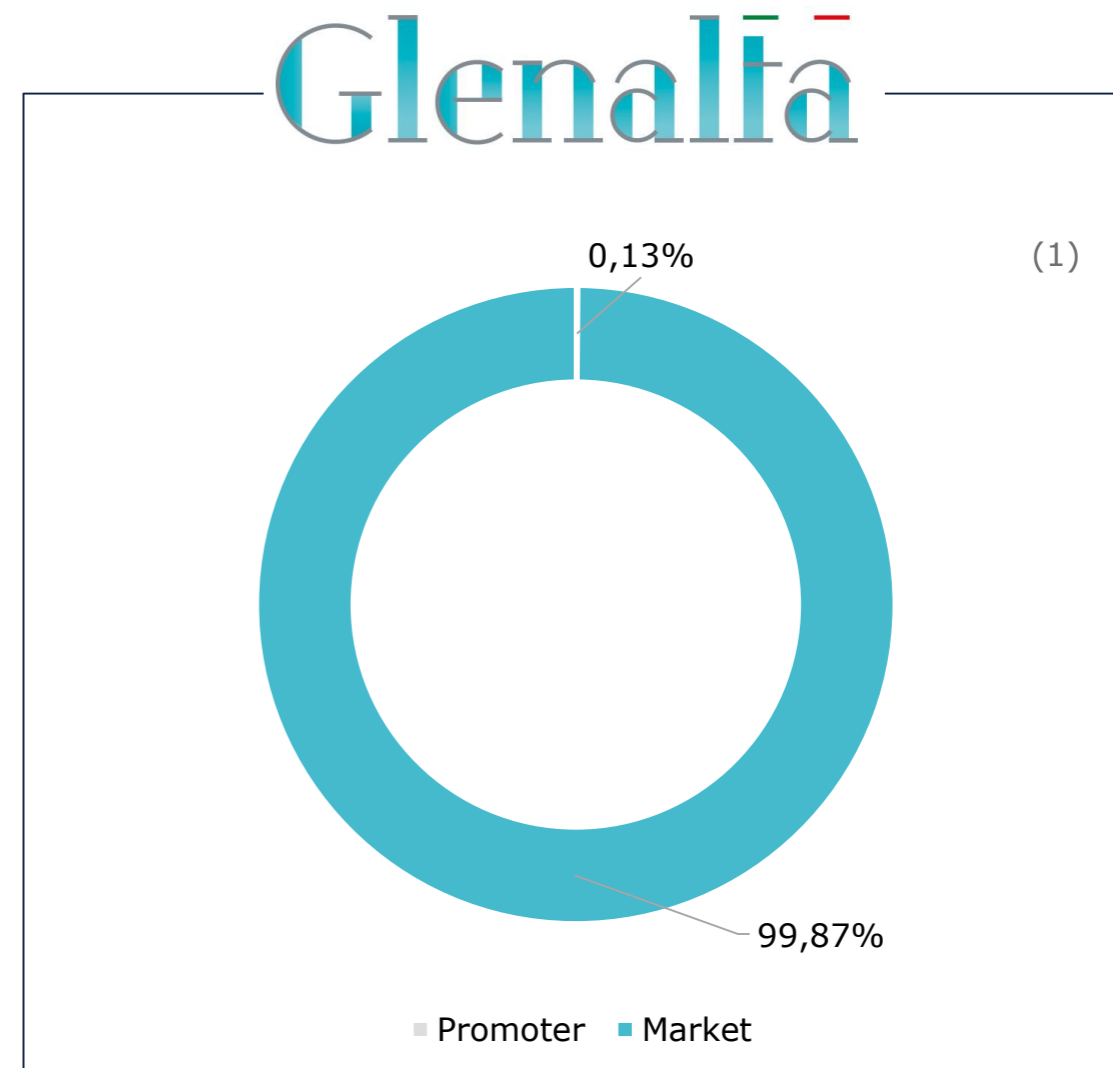
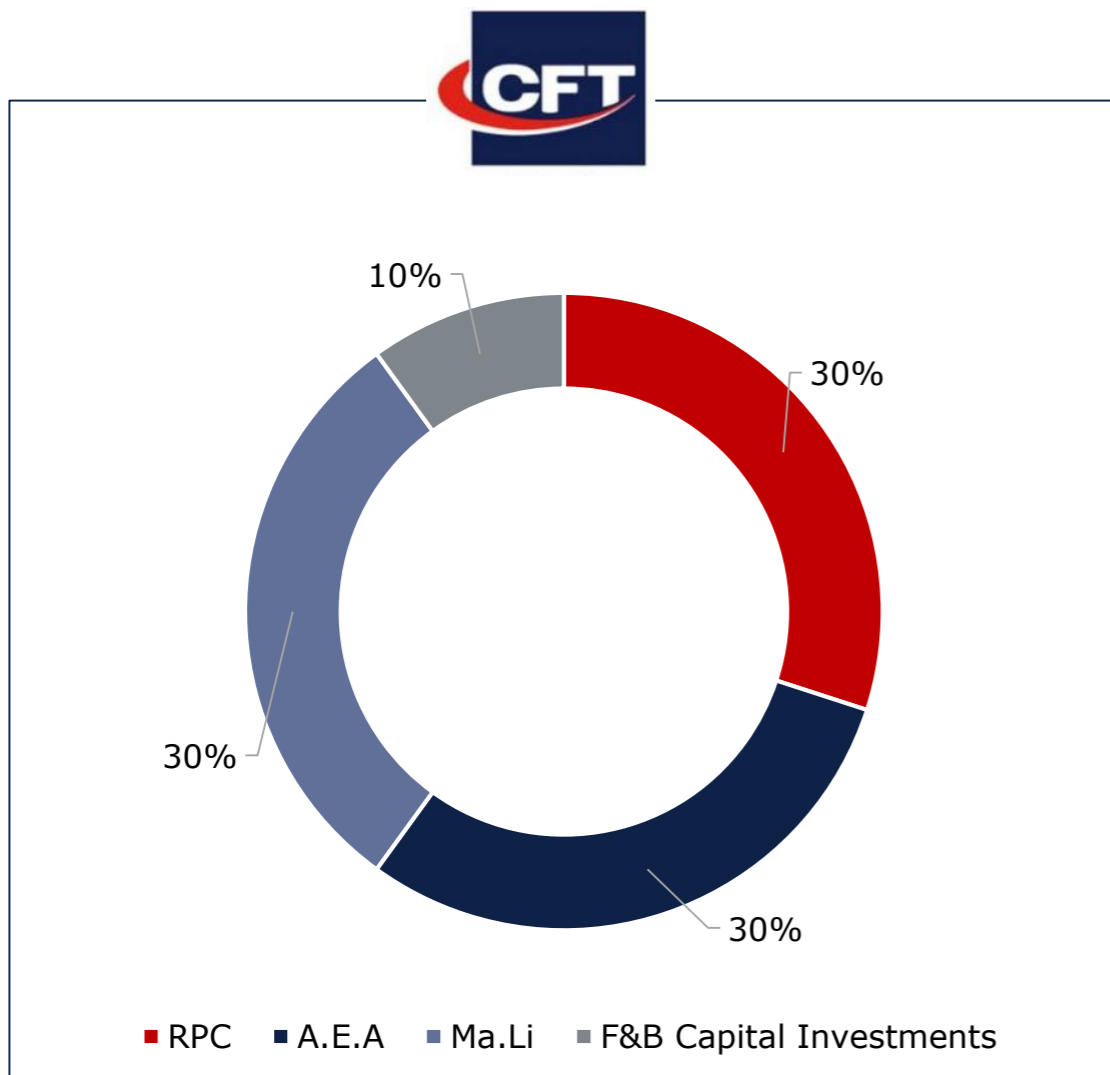
<b>REVENUES</b>	<b>~200.8</b>
<b>EBITDA</b>	<b>~19.7</b>
<b>NFP<sup>(1)</sup></b>	<b>~30.3</b>
<b>NET INCOME</b>	<b>≥7.4</b>

- During the period 2012 – 2017, **the CFT group increased its turnover from about €120 M to about €200 M<sup>(2)</sup>**
- In line with the growth in turnover, **EBITDA rose from about €8 M in 2012 to €20 M in 2017**
- The growth in the period occurred without the injection of risk capital

(1) For the purposes of the share exchange, a net normalized financial debt was agreed between the parties at around €11.3 M  
 (2) 2012-2016 data from consolidated financial statements, 2017 data from Financial Highlights

- Why we are here
- Overview of the CFT group
- Principal financial data
- **Transaction overview**
- Future strategy
- Next steps





(1) Conversion of special shares and warrants is not considered

# Evaluation summary



- **Evaluation method:**
  - ✓ *Discounted Cash Flow (DCF)*
  - ✓ Multiples of comparable listed companies and Multiples of transactions in the specific sector as '*sanity checks*'
- **Enterprise Value: € 122.3 million**
- **Adjusted NFP: € 12.7 million**
- **Equity Value net of *minorities*: €96.5 million**
- **Implied multiples:**
  - ✓ *Pro-forma Adjusted EBITDA 2017: 6.2x*



- **Evaluation method:**
    - ✓ *Net Asset Value*
  - **NAV<sup>(1)</sup>: € 98 million**
- 
- **Exchange ratio:**
    - ✓ *every 16 CFT shares will be assigned 21 newly issued Glenalta shares*

(1) Minimum withdrawal hypothesis

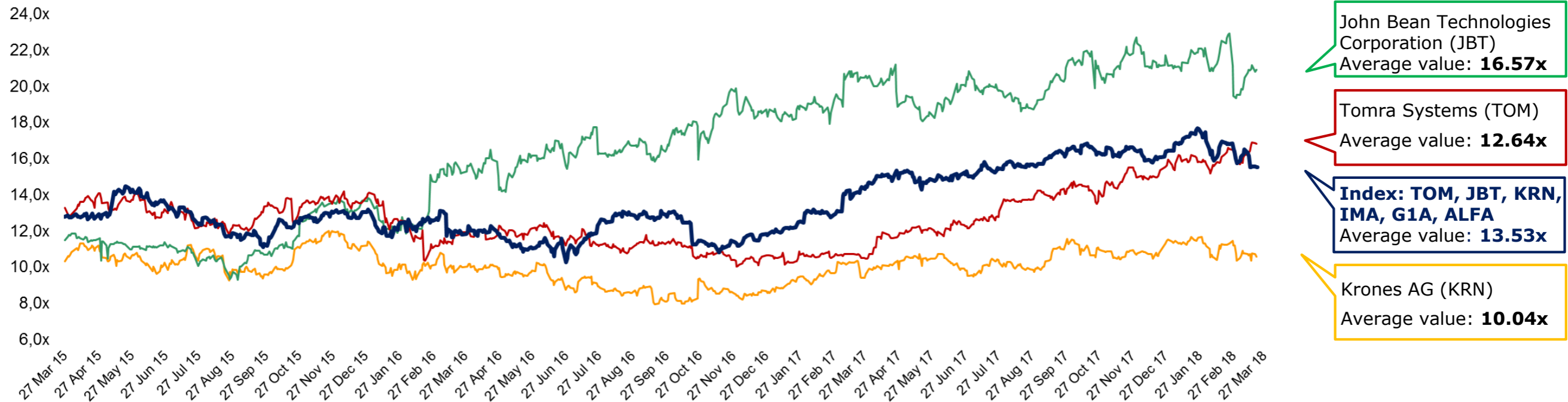
# Comparison with market peers

Here below are the **multiples of listed companies** active worldwide in the design and production of machinery and systems for processing and packaging food products, and optical selectors.

Name	Country	Share price (€)	% of 52 Week High	Market Cap (€m)	Enterprise Value - EV	Revenues LTM	Revenues 2018E	EBITDA LTM	EBITDA % LTM	EBITDA 2018E	EV/ Revenues LTM	EV/ Revenues 2017E	EV/ Revenues 2018E	EV/ EBITDA LTM	EV/ EBITDA 2018E
Alfa Laval AB (publ)	Sweden	19,25	89,5%	8.073	8.829	3.593	3.702	630	17,5%	683	2,5x	2,5x	2,4x	14,0x	12,9x
GEA Group	Germany	36,17	84,6%	6.740	6.325	4.605	4.795	392	8,5%	610	1,4x	1,4x	1,3x	16,1x	10,4x
Krones AG	Germany	110,30	91,0%	3.485	3.365	3.740	3.885	311	8,3%	367	0,9x	0,9x	0,9x	10,8x	9,2x
J.M.A. Industria Macchine	Italy	78,80	92,1%	3.093	3.194	1.445	1.562	221	15,3%	251	2,2x	2,2x	2,0x	14,5x	12,7x
John Bean Technologies	United States	96,88	97,4%	3.059	3.177	1.362	1.485	165	12,1%	196	2,3x	2,4x	2,1x	19,2x	16,2x
Tomra Systems ASA	Norway	15,06	97,2%	2.222	2.406	756	854	126	16,7%	156	3,2x	3,2x	2,8x	19,0x	15,4x
MAX									17,5%		3,2x	3,2x	2,8x	19,2x	16,2x
AVERAGE									13,1%		2,1x	2,1x	1,9x	15,6x	12,8x
MEDIAN									13,7%		2,3x	2,3x	2,1x	15,3x	12,8x
MIN									8,3%		0,9x	0,9x	0,8x	10,8x	9,2x

Source: Capital IQ – S&P as of 27 March 2018

# Evaluation – *EV/EBITDA Through The Cycle Analysis*



- ❖ The values expressed by the **comparable trading samples** identified on the previous page seem high when compared to the average values of the last three years (the observations in December 2017 are in fact close to the maximum values observed in the previous 36 months).
- ❖ The EV/LTM EBITDA multiple of the index shows an average value of **13.53x** over the last 36 months.

Source: Capital IQ – S&P as of 27 March 2018

# Main points of the operation

## Base structure of the transaction

**Cash – out for CFT shareholders:** €10 million.

**The remaining capital** (approx. €88 million in case of zero withdrawal) will be allocated to **growth** projects, mainly **through acquisitions**.

## Ordinary shares in favor of CFT shareholders

### Ordinary shares in favor of CFT shareholders

Following the share exchange, the CFT shareholders will receive a quota of ordinary shares in the *combined entity*. These shares are subject to a *lock-up* period of 36 months starting from the effective date of the merger.

## Multi-vote shares in favor of CFT shareholders

### Multiple voting shares

The offer envisages the assignment of multiple voting shares (3 votes per share) in favor of the current shareholders. These shares, which are subject to a *lock-up* of 48 months, have been envisaged to facilitate the use of the CFT shares in any future acquisitions, thus increasing the acquisition potential or maintaining it almost unchanged as a function of any withdrawals. These multiple voting shares may not receive dividends unless (i) 48 (forty-eight) months have passed since the effective date of the merger or (ii) the established profitability targets have been achieved and the Acceleration condition<sup>1</sup> (see Warrant Regulations) has been verified.

## Governance

### Governance

The Board of Directors of the post-merger company shall constitute:

- a committee for operations with related parties, in which the independent administrators will participate and, acting as chairman, one of the administrators chosen from among the Glenalta Promoters;
- a remunerations committee, in which the independent administrators will participate and, acting as chairman, one of the administrators chosen among the Glenalta Promoters;
- a committee for extraordinary operations in which the managing director or the chairman of the Board of Directors of the post-merger company, one of the independent directors and a member of the Board of Directors chosen from among the Glenalta Promoters, will participate.

## Bonus shares in favor of the management

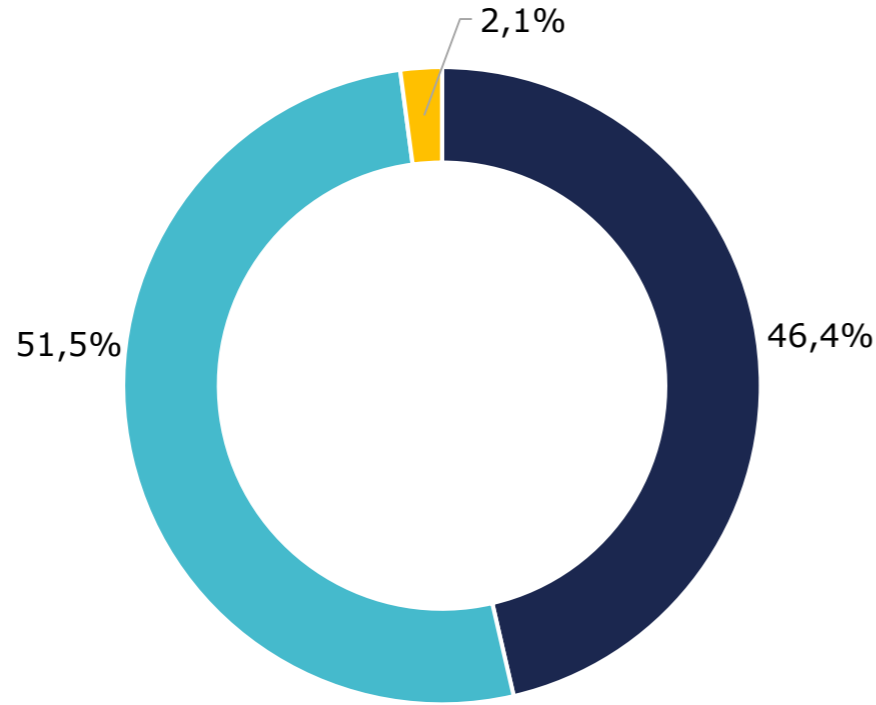
### Bonus shares

For the purpose of motivating the current management in the growth process, for both internal lines and, especially, external lines, bonus shares have been envisaged, under the form of *stock granting*, linked to the achievement of certain productivity and share price targets. In particular, the bonus shares shall be assigned to the beneficiaries once the Acceleration condition<sup>1</sup> has been verified and once the Post-Merger Company has achieved certain Consolidated EBITDA targets, also in relation to the Consolidated Net Financial Position.

(1) The event by which the average monthly price of ordinary shares exceeds €13.30 (see Warrant Regulations).

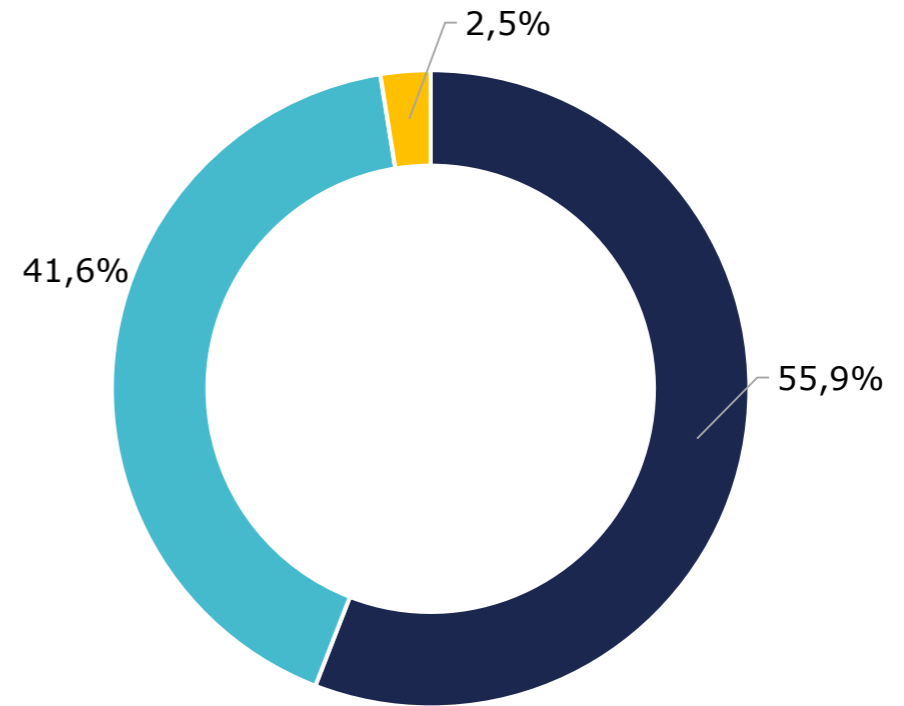
# Post business combination share structure

MINIMUM WITHDRAWAL



■ CFT shareholders ■ Glenalta shareholders ■ Promoter

MAXIMUM WITHDRAWAL




■ CFT shareholders ■ Glenalta shareholders ■ Promoter

The above figures take into account the conversion of the first tranche of Special Shares of the Glenalta Promoter shareholders



# Board and committees

Board of Directors			
POLICY-MAKING BODY	<p><b>Alessandro Merusi</b> CEO</p> <p><b>Martino Pozzi</b> Director</p> <p><b>Daniele Raynaud</b> Independent Director</p>	<p><b>Roberto Catelli</b> Chairman</p> 	<p><b>Livia Catelli</b> Director</p> <p><b>Adele Catelli</b> Director</p> <p><b>Gino Lugli</b> Director</p> <p><b>Stefano Malagoli</b> Director</p> <p><b>Stefano Rossi</b> Independent Director</p>

Board of Statutory Auditors	
SUPERVISORY BODY	<p><b>Guido Riccardi</b> Chairman</p> <p><b>Angelo Anedda</b> Acting Auditor</p> <p><b>Andrea Foschi</b> Acting Auditor</p>
	Independent Auditors
<p><b>pwc</b> PricewaterhouseCoopers S.p.A</p>	

CFT shareholders	
SHAREHOLDERS' AGREEMENT	<p>On 27 February 2018 a new, renewable five-year shareholders' agreement was drawn up, by virtue of which the current CFT shareholders undertake to:</p> <ul style="list-style-type: none"> <li>refrain from giving rise to the transfer of ordinary shares of the post-merger company or of rights attributed to them, for a period of three years;</li> <li>guarantee to the other parties of the shareholders' agreement, in the event of transfer of shares by one of the shareholders of CFT, the right of pre-emption, which may be exercised under certain terms and conditions;</li> <li>present for the appointment of the Board of Directors a single joint list, the first name on which shall always be Roberto Catelli;</li> <li>exercise the right to vote in a consistent manner in harmony with the provisions of the agreement itself; hence, a voting committee is established, consisting of a representative for each CFT shareholder. The chairman of said committee shall be Roberto Catelli.</li> </ul>

CFT shareholders	
LOCK UP AGREEMENT	<p>A <i>lock-up</i> agreement is envisaged for CFT shareholders:</p> <ul style="list-style-type: none"> <li>with reference to <b>ordinary shares</b>, for a period of <b>36 months</b> from the effective date of the merger;</li> <li>with reference to <b>multiple voting shares</b>, for a period of <b>48 months</b> from the effective date of the merger.</li> </ul>
	Glenalta Promoters
<p>A <i>lock-up</i> agreement is envisaged for Glenalta Promoters:</p> <ul style="list-style-type: none"> <li>with reference to <b>ordinary shares</b> held in the post-merger company that derive from the conversion of the special shares within the context of the merger or subsequent to the effective date of the merger, for a period of <b>18 months</b> starting from the date of their conversion into ordinary shares of the post-merger company.</li> </ul>	

- Why we are here
- Overview of the CFT group
- Principal financial data
- Transaction overview
- **Future strategy**
- Next steps



- **Expanding the product portfolio** with other technologies
- **Integration** of some parts of the **value chain** for the purpose of increasing competitiveness
- **Investment in robotics** and automation with a view to Industry 4.0
- **Consolidation of the competitive positioning** in reference businesses such as tomato, fruit and dairy **both for internal lines** through research and development **and for external lines through acquisitions**

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