



LEADERS
INNOVATE.

Financial Highlights

30/06/2018

Parma, 28th September 2018

Disclaimer

This report (the "Report") was drawn up and is published by CFT S.p.A. (the "Company") only for information and illustrative purposes; therefore, the Report does not represent, nor it can be meant in any way as, a proposal for the conclusion of a contract, an offer to the public of financial products, an advice or recommendation to buy or sell any financial product, nor an investment solicitation.

The information contained in the Report shall not be considered complete and exhaustive, as well as the accuracy of the same information can not be guaranteed in any way. It should also be noted that the information contained in the Report and/or the assessments set out therein have not been subject to any verification by independent experts or auditors.

The Report's drafting was based on data and information held by the Company an/or publicly available, and on parameters and assumptions established in good faith by the Company; however, such parameters and assumptions are not exclusive of any others that could have been selected for the purpose of preparing the Report, so that the application of further parameters and assumptions, as well as the existence of different market conditions, might lead to analyses and evaluations fully or partially divergent from those contained in the Report.

Part of the information contained in the Report concerns future expectations and/or forecasts. Such information is based on estimates and projections by the Company management and, by nature, inevitably entails risks and uncertainties, for referring to future events and circumstances: the actual economic results, performances and returns of the Company may substantially vary from those indicated in the Report or underlying such information.

The content of the Report is also subject to amendments and/or updates, without the Company being held responsible for preventively or subsequently notifying such changes, in the event that said amendments and/or additions become necessary or appropriate.

In any case, the content of the Report may not in any way be meant as a guarantee or an indication of the actual economic, financial and equity future results of the Company. Therefore, to the extent permitted by applicable law, the Company and the relevant company representatives, managers, employees and consultants do not issue any statement, offer no guarantee, assume no obligation, nor assume any responsibility concerning the accuracy, sufficiency, completeness and updating of the information contained in the Report, as well as concerning any error, omission, inaccuracy or negligence possibly included in the same Report.

The Report is the exclusive property of the Company; without the prior written authorization by the Company, it is not permitted to copy, transfer, transcribe, distribute, publish, reproduce and/or use for commercial purposes the Report and the information contained therein.

- **CFT Group overview**

- Strategic guidelines

- Financial highlights

- Appendix

History of the CFT Group



In **1945** Camillo Catelli started manufacturing tomato processing machinery, setting up the Rossi & Catelli Company



In the **1970s**, CFT launched Vesuvio peeler, Venus and Califfo evaporators and Stematic Long Run and Olimpik sterilizers with various applications in the dairy sector



The **1990s** featured a market boost in China for 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 merged into a single company providing both processing and packaging solutions. In **2013** FBR Elpo was divested.



In **2016** CFT invested equity into Rolec, a German brewery system manufacturer, with a view to strengthening their presence in this sector.



Glenalta

In **2018** the merger with SPAC Glenalta was finalized, which brought about approximately 80 M€ capital. Since 30 July 2018 CFT has been listed on AIM Italia.

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

In the **1980s** innovation continued with new products such as Eldorado enzymatic inactivator

In **2001** the Sacmi & Catelli JV was created, owned by Sacmi (60%) and the Catelli family (40%), in order to perform acquisitions within the processing & packaging sector. In **2001** Raytec Vision was established and FBR Elpo joined the JV in **2003**.

In **2005** Rossi & Catelli acquired Manzini and Comaco. In **2006** CFT Packaging was set up by merging Comaco and Sima, a company acquired in the same year. Rossi & Catelli and Manzini became CFT.

In **2011**, SBC was acquired and CFT expanded into the beverage sector.



In **2015** CFT divests Bertoli assets (pumps and homogenizers) by selling them to the Interpump Group. The End-of-Line and Product Treatment Divisions are established, including the acquisition of Labs



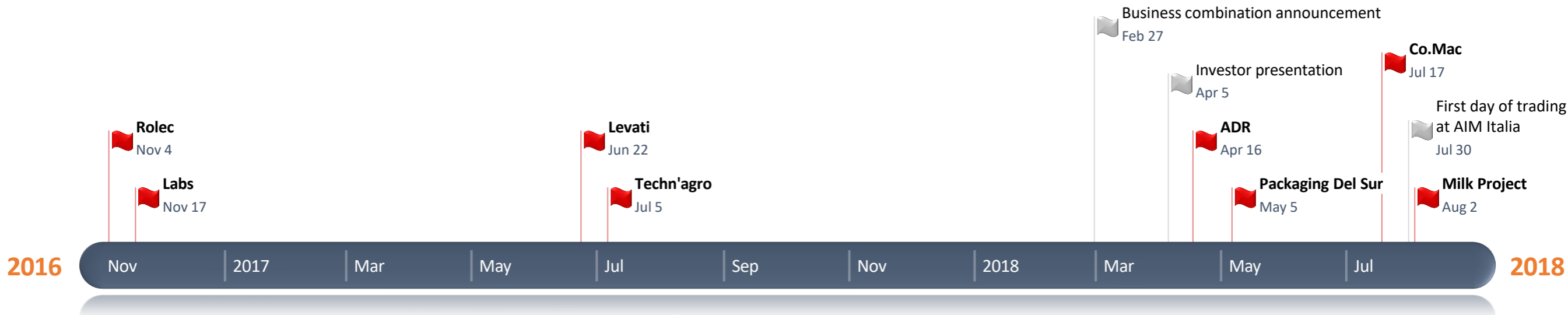
In **2017** Levati Food Tech, a company specializing in pasteurisation and sterilization as well as end-of-line processes, was acquired. Furthermore, the Technagro partnership was strengthened as the latter company joined the CFT Group



Acquisitions have continued throughout **2018** - ADR, Packaging del Sur and Comac joined the Group and a minority stake in Milk Project was acquired.



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.



ROLEC
Prozess- und Brautechnik GmbH

60%

LABS

100%

LEVATI
Food Tech

100%

TECHN'AGRO s.a.s

70%

A.D.R. s.r.l.
Costruzioni Meccaniche

75%

pks

51.03%

comac
kegging, bottling & canning plants

61.72%

MilkProject

40%

Business overview – Technologies and brands



SORTING

ROSSI & CATELLI

MANZINI



PROCESSING

COMACO

comac
kegging, bottling & canning plants



**PRIMARY
PACKAGING**



**LEVATI®
Food Tech**








**PRODUCT
TREATMENT**



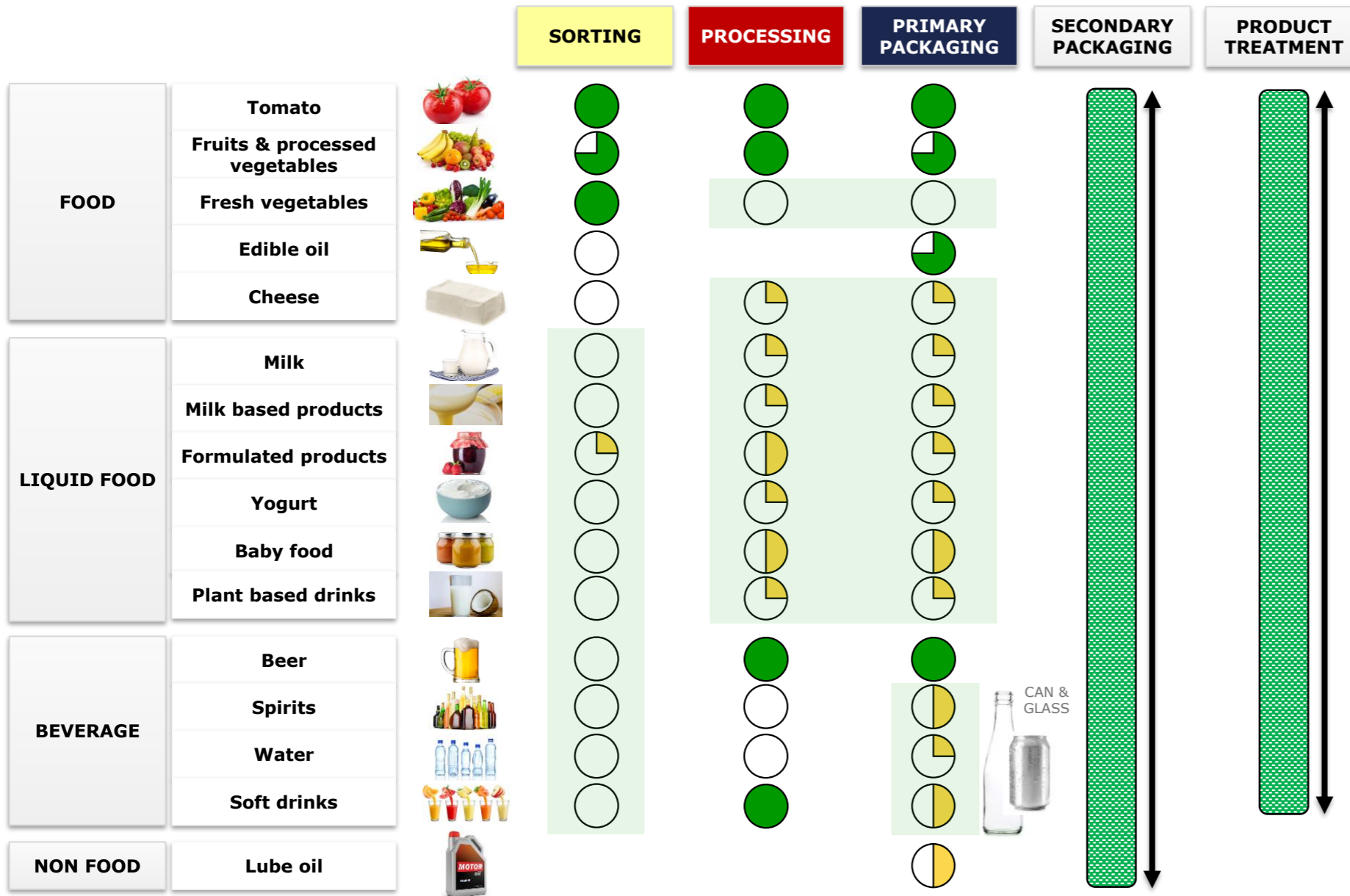
**LEVATI®
Food Tech**

**SECONDARY
PACKAGING**

Business overview – Product portfolio

	TECHNOLOGY	MACHINES	
SORTING	Optical sorting and inspection systems for performing quality control activities	Optical sorters with cameras and pulsed-light sensors, X-ray machines and systems for inspecting food in cans, jars or bags	
PROCESSING	Machinery and systems for processing raw materials into semi-finished and/or finished products	Receiving and washing systems, peelers, choppers, extractors, refiners, mixer, cookers, evaporators, sterilizers, pasteurizers, aseptic fillers, processed cheese systems, breweries	
PRIMARY PACKAGING	Packaging and bottling machinery for liquid and viscous products	Volumetric, weight, telescopic, rotary, gas and vacuum fillers, electronic and vacuum seamers	
PRODUCT TREATMENT	Heat treatment solutions	Tunnel pasteurisers, spirals, freezers, dryers, batch retorts, air separators, cooling system, portion formers	
SECONDARY PACKAGING	End of line, wrapping and palletizing machines	Palletizers and depalletizers, packers, pick and place, robotic systems	

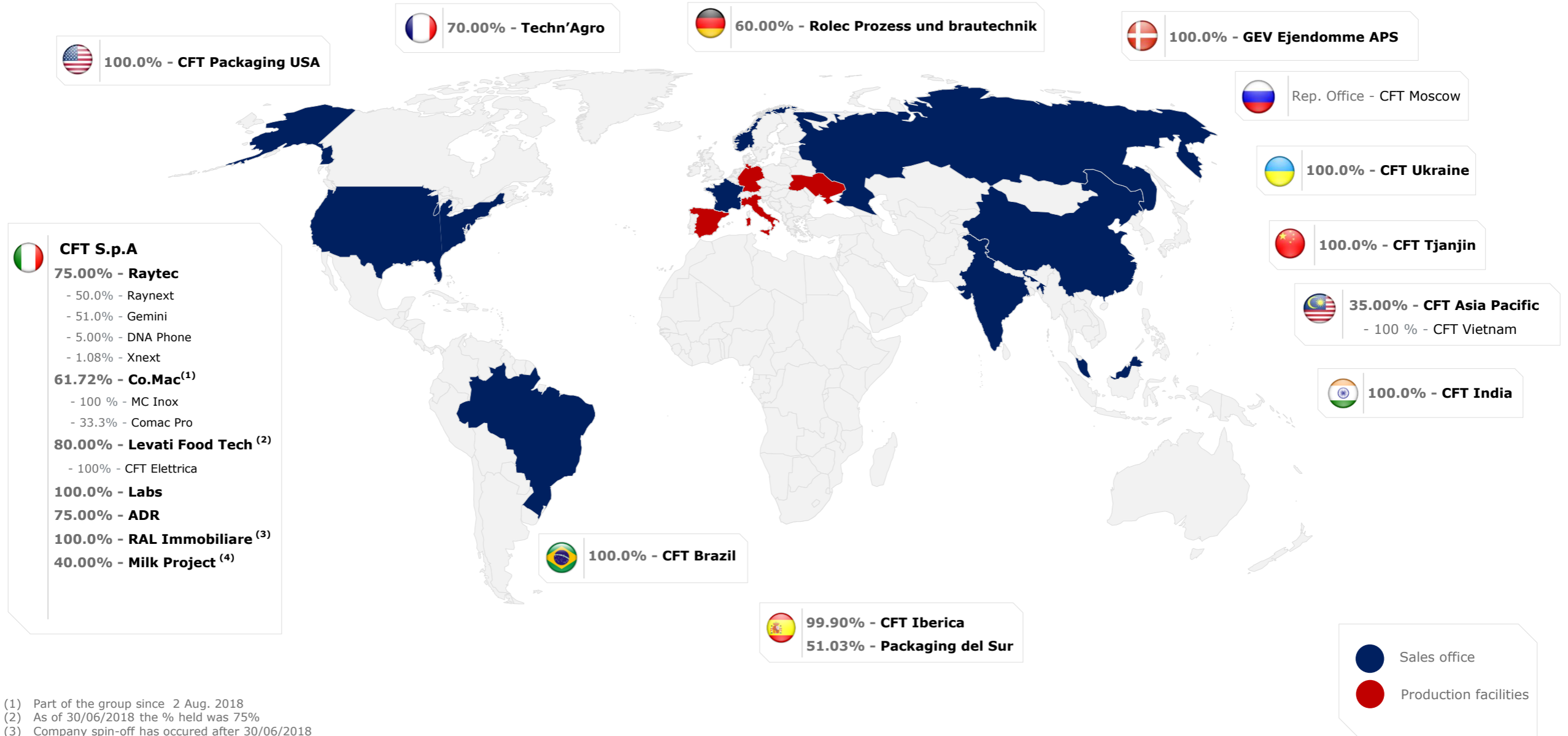
Technologies-products matrix



- In the **Sorting** sector, thanks to Raytec Vision, the CFT Group can provide high technology optical sorting and quality control solutions for several products in the food sector
- With over 70 years of experience of Rossi&Catelli and Manzini brands, CFT is leader in the food **Processing** sector
- In the **Primary Packaging** sector, CFT provides filling and seaming solutions for several products and container types
- With the acquisition of Packaging del Sur, CFT group is able to offer solutions in **Secondary Packaging** that can be used for a wide variety of products
- The **Product treatment** machines can be inserted in to the food&beverage complete lines offered by the CFT group

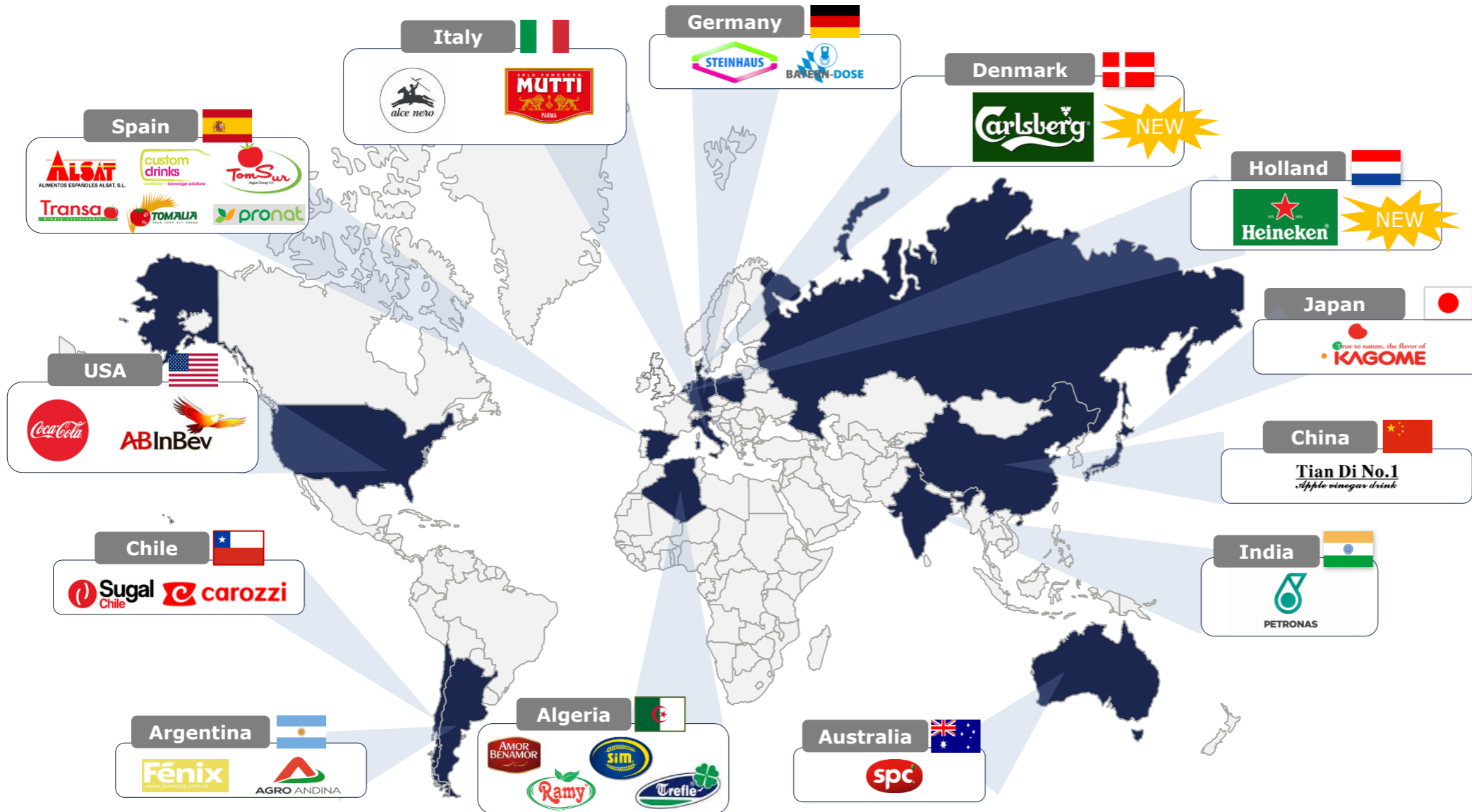
LEADERSHIP TECNOLOGICA
 OPPORTUNITY

CFT global footprint



(1) Part of the group since 2 Aug. 2018
 (2) As of 30/06/2018 the % held was 75%
 (3) Company spin-off has occurred after 30/06/2018
 (4) Part of the group since 10 Sept. 2018

Main Customers



GEOGRAPHICAL DIVERSIFICATION

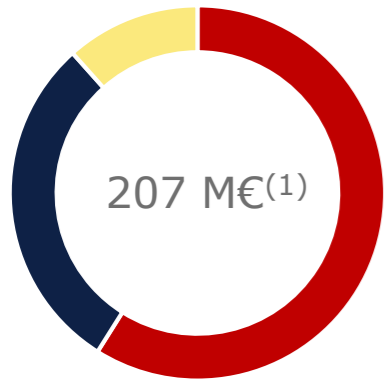


Sales in over 90 countries worldwide. Over 86% of the revenues generated abroad

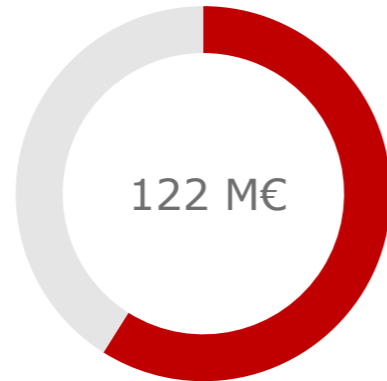
LOW CUSTOMER CONCENTRATION



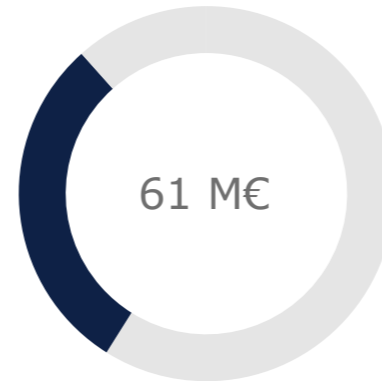
Due to the multi-year nature of the investments, the customer portfolio is constantly growing. The first 5 customers generate less than 25% of the turnover and they change year on year



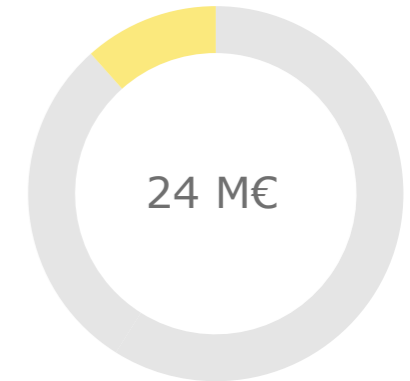
CFT GROUP



PROCESSING



PACKAGING



SORTING

Technology

- Machinery and systems for processing raw materials into semi-finished and/or finished products
- Packaging and bottling machinery for liquid and viscous products
- Optical sorting and inspection systems for performing quality control activities


Time to Market

~ 5/6 months

~ 5/6 months

~ 2/3 months

Strengths

- Market leader in the Tomato business
- High capacity plants
- Development in the craft brewery market
- Diversification of technologies and processable products
- Opportunity of selling complete lines
- Integration with the Processing Division
- Market leader in beer filling 
- Strong market growth
- High profit margin
- Leader in the salad market

(1) 2017 Revenus (source: consolidated financial statements)

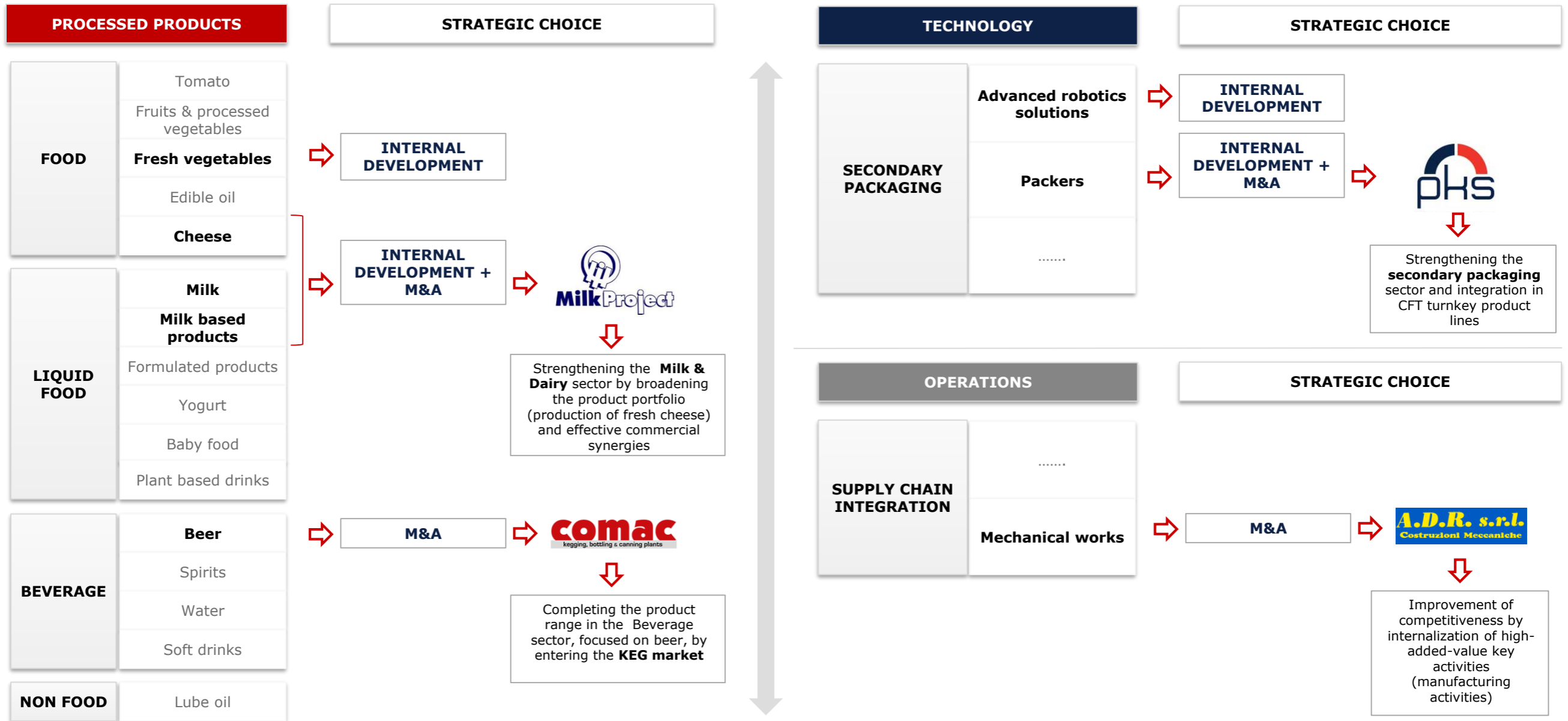
- CFT Group overview

- **Strategic guidelines**

- Financial highlights

- Appendix

Strategic view and key investments





Acquisition of 61.72% for 25 M€ -
- call option 100%

Revenues
33 M€

Leader in the beer keg sector

- Completion of the product range in the Beverage sector and particularly in the filling of beer in keg
- Strong commercial and industrial synergies
- Business integration with the German subsidiary Rolec Prozess und Brautechnik GmbH for turnkey beer systems



Acquisition of 51% for 4 M€ - call option 100%

Revenues
6 M€

Entry in the secondary packaging market

- Completing the End-of-Line range with the supply of wrap-around packers and bundling machines
- Business integration in CFT turnkey lines
- Expansion on the global market through CFT Group's sales team



Acquisition of 75% for 2 M€

Revenues
6 M€

Business integration of high-added-value manufacturing activities

- Time and cost efficiency on critical value chain activities
- Business integration of a more than 10 years' CFT-partner supplier
- High level of service and supply reliability for all Group companies



- **Extension of the product portfolio** with other technologies
- **Integration** of some activities in the **value chain** in order to improve competitiveness
- **Investment in robotics** and automation within the scope of Industry 4.0, focus on the **End-of-line** segment
- **Consolidation of the competitive positioning** in reference business areas such as tomato, beer, fruit and milk both for internal lines through R&D and external lines through acquisitions
- Exploitation of **industrial and commercial synergies** based upon the integration of the **acquired companies**

- CFT Group overview
- Strategic guidelines
- **Financial highlights**
- Appendix

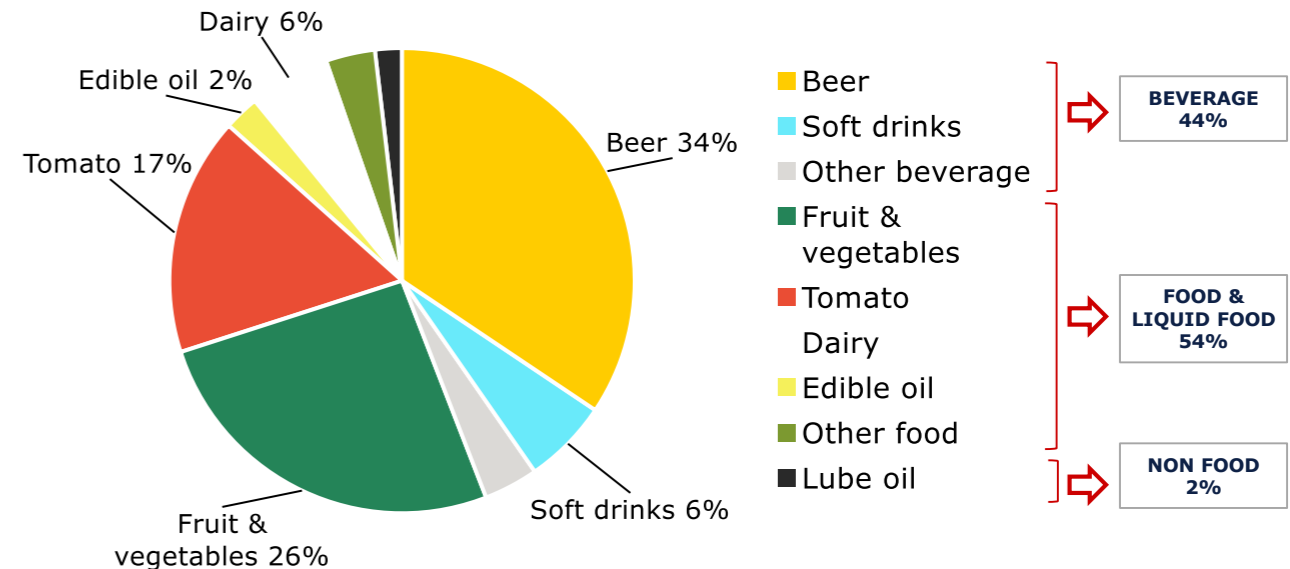
Pro-forma financial highlights 2018

HY1-2018 PRO FORMA ⁽¹⁾

REVENUES	122 M€
EBITDA	10,8 M€
NFP (cash positive)	- 8 M€
NET INCOME adjusted ⁽²⁾	4,4 M€

- Pro-forma Revenues in the first half of 2018 have reached around **122 M€**
- The Pro-forma Net Financial Position reaches **8 Mln € cash positive**, mostly through Glenalta capital contribution
- In order to comply with the reference best practices, an update project for adjustment to **IAS/IFRS** international accounting principles is under way, starting with the **2018 financial statements**

PROCESSED PRODUCTS



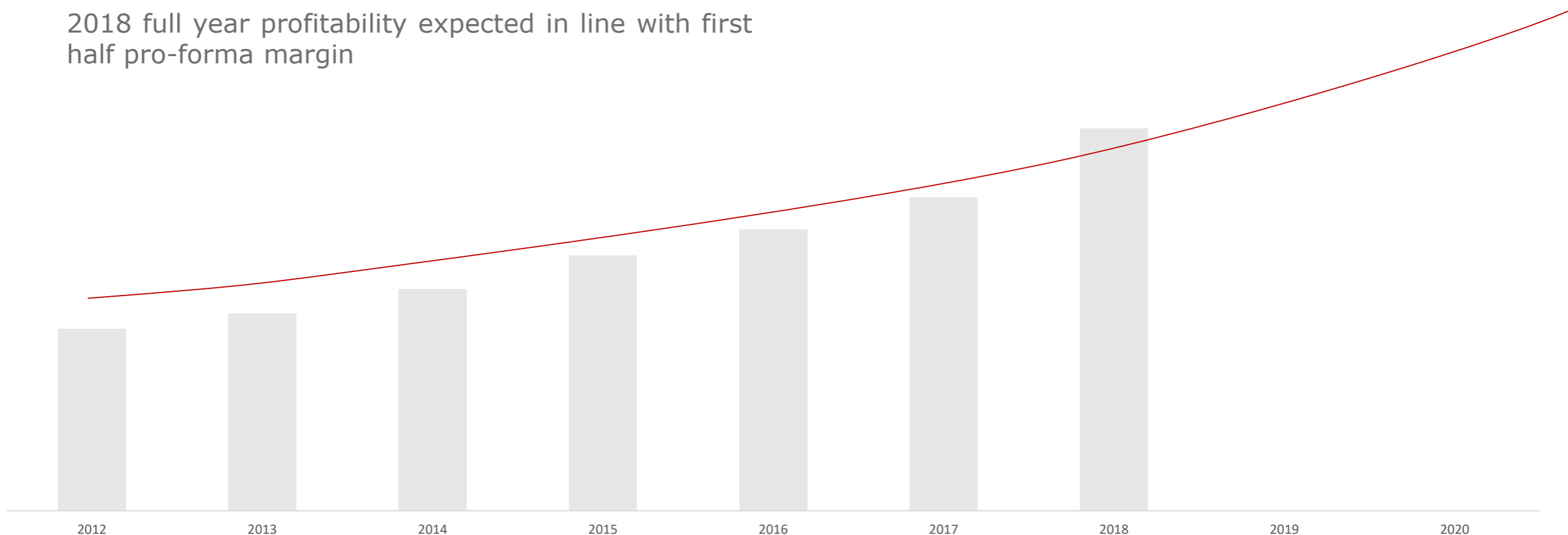
- The **Beer** business segment, further strengthened by *Comac* acquisition, proves to be the primary market for the CFT Group
- Owing to the contribution provided by Raytec Vision and the development of multi-purpose machines in the Processing division, **Fruit & Vegetable** plants account for more than 25% of 2018 pro-forma revenues
- The **Tomato** sector drops to 17% of 2018 pro-forma revenues, owing to the pursuit of the diversification strategy implemented in recent years

(1) Pro-forma data include the asset unbundling, the merger with Glenalta S.p.A and results for the companies acquired in 2018

(2) Adjusted net profit is obtained by adjusting the amortisation relating to goodwill arising from the merger and acquisition operations

Further growth in 2018 pro-forma consolidated revenues is expected (compared to 2017 figures)

2018 full year profitability expected in line with first half pro-forma margin

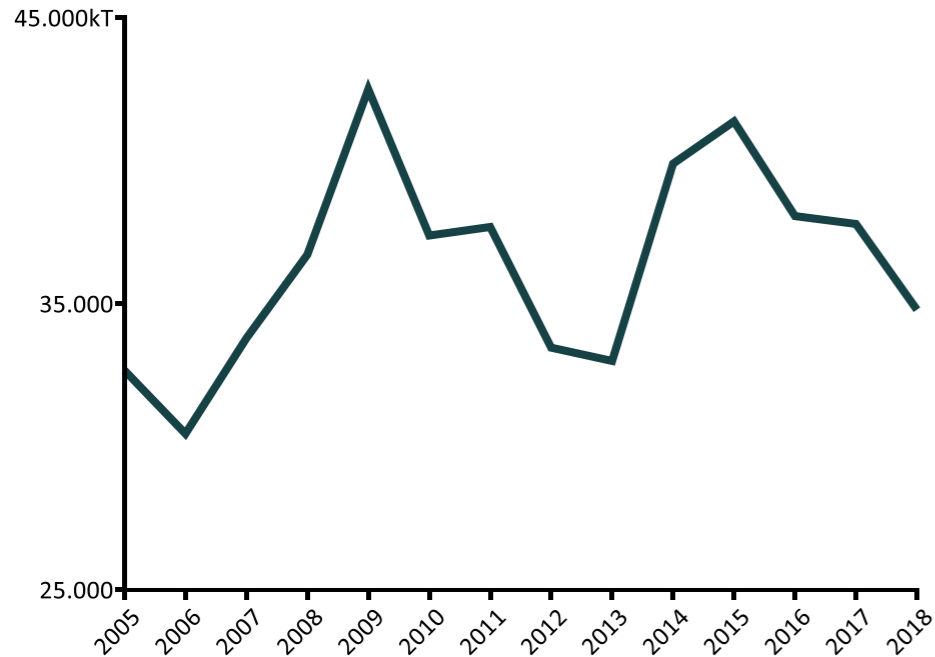


Significant renewal and strong growth with no capital contribution

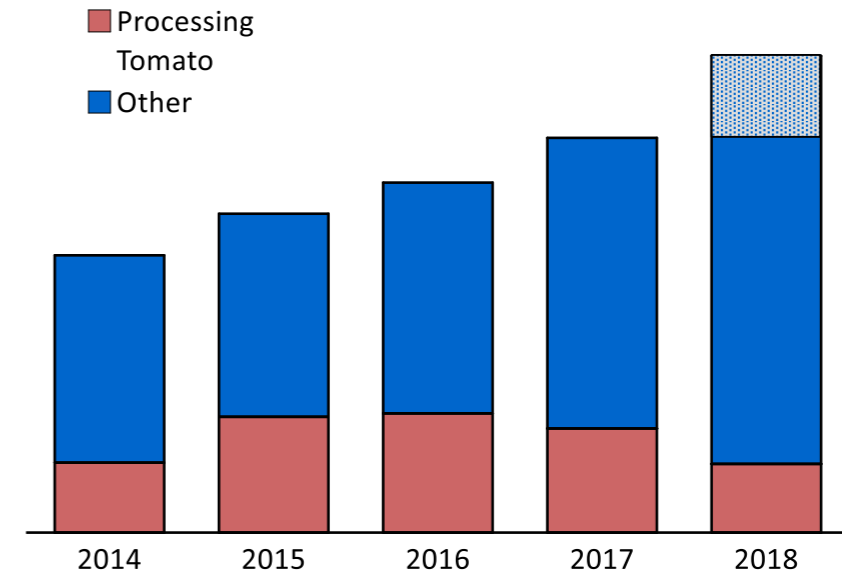
Growth through acquisition via the business combination

- CFT Group overview
- Strategic guidelines
- Financial highlights
- **Appendix**

Focus on processed tomato market



World production estimate of tomatoes for processing⁽¹⁾

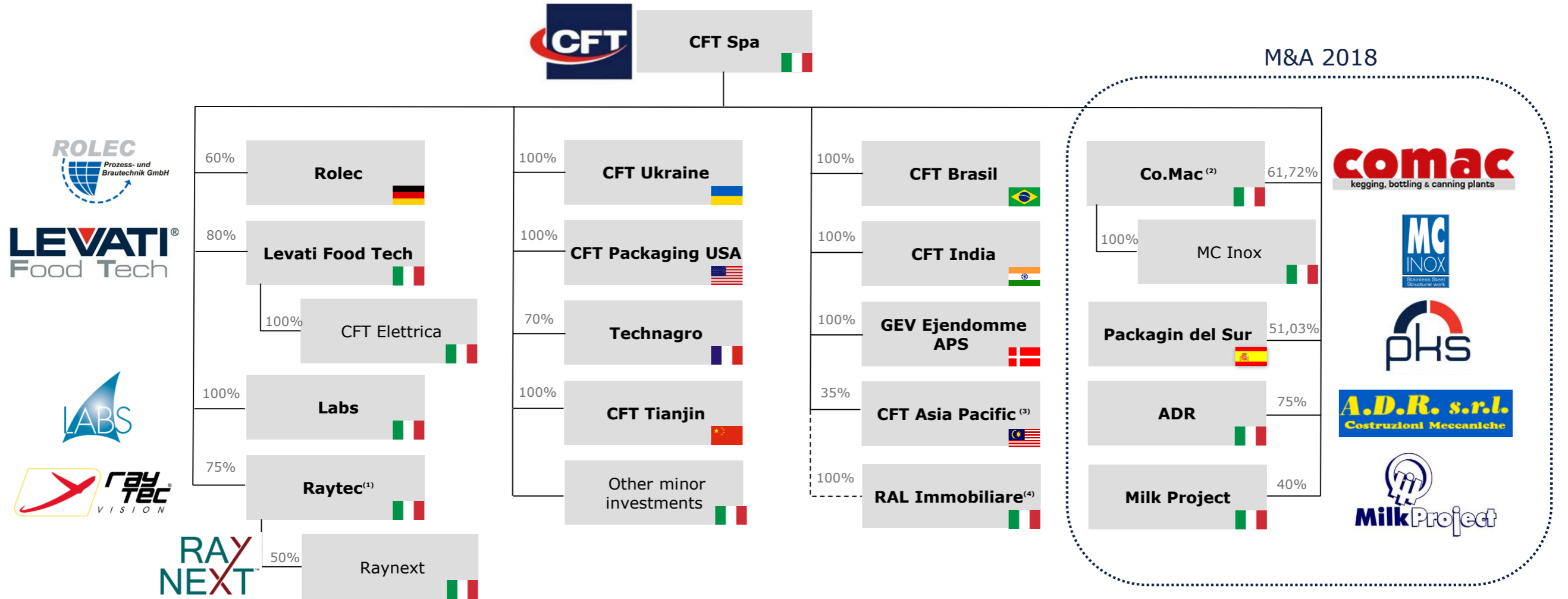


- The processing tomato market is characterised by high volatility, mainly due to climatic factors
- The variable volume of processed product against substantially stable demand causes strong price fluctuation affecting profitability for tomato byproduct producers and, as a consequence, their ability to invest in new production facilities.

- The sales volume of full lines and machines for tomato processing is affected by the volatility of the underlying market
- The diversification strategy implemented in the past few years has allowed the CFT Group to continue its constant growth process in spite of the high volatility of the turnover for Tomato Processing

(1) Fonte: World Processing Tomato Congress

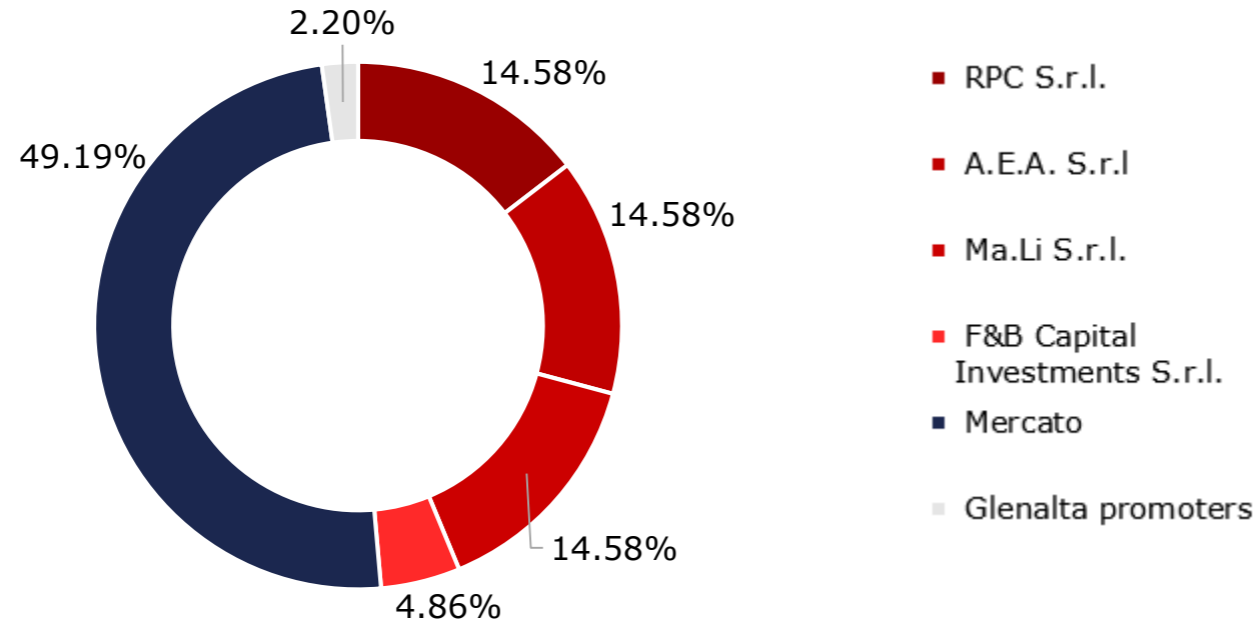
Corporate organizational chart



1)Raytec holds also 51% of Gemini, 5% of DNA Phone and 1,08% of Xnext; 2) Comac holds also 33,3% of Comac Pro; 3) CFT Asia Pacific holds 100% of CFT Vietnam; 4) Real estate company subject to spin-off

Share Structure

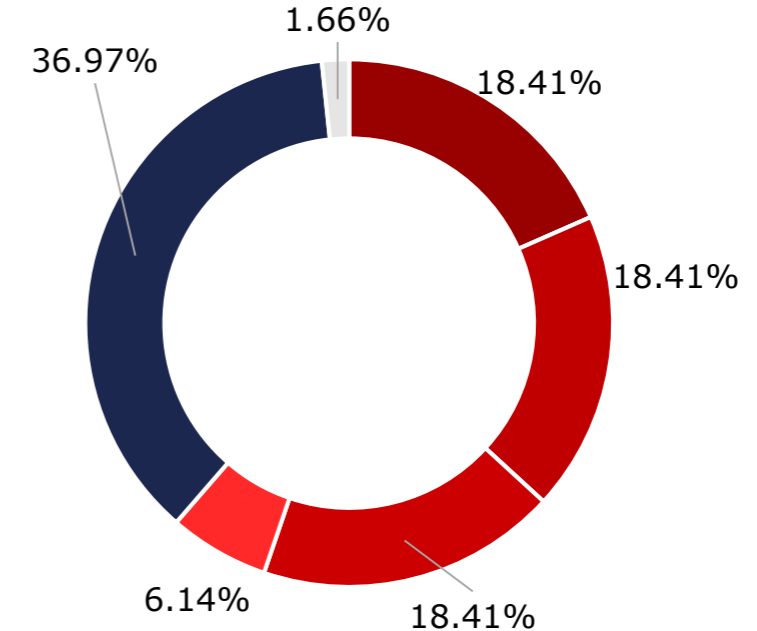
SHARE CAPITAL



On 27 February 2018 a new, renewable five-year shareholders' agreement was drawn up, whereby RPC, A.E.A., Ma.Li and F&B Capital Investment shareholders undertake to:

- refrain from transferring ordinary shares of the post-merger company or rights vested into them, for a three years' period;
- guarantee a pre-emption right, which may be exercised under certain terms and conditions, to the other parties to the shareholders' agreement, in the event of share transfer by any one of CFT shareholders;
- submit a single joint list for the appointment of the Board of Directors, always including Roberto Catelli as the first name on the list;
- exercise the right to vote consistently, in compliance with the provisions of the said agreement; hence, a voting committee is established, consisting of a representative for each CFT shareholder. The chairman of said committee shall be Roberto Catelli.

VOTING RIGHTS



A lock-up agreement is provided for RPC, A.E.A., Ma.Li and F&B Capital Investment shareholders:

- as for **ordinary shares**, for a period of **36 months** from the effective date of the merger;
- as for **multiple voting shares**, for a period of **48 months** from the effective date of the merger.

A lock-up agreement is provided for Glenalta Promoter:

- with reference to **ordinary shares** held in the post-merger company and originating from the conversion of the special shares within the scope of the merger or subsequent to the effective date of the merger, for a period of **18 months** starting on the date of their conversion into ordinary shares of the post-merger company.

BOARD OF DIRECTORS



Roberto Catelli
Chairman



Stefano Malagoli
Director



Alessandro Merusi
CEO



Adele Catelli
Director



Martino Pozzi
CFO



Daniele Raynaud
Independent director



Livia Catelli
Director



Stefano Rossi
Independent director



Gino Lugli
Director

BOARD OF STATUTORY AUDITORS



Guido Riccardi
Chairman



Angelo Anedda
Standing statutory auditor



Andrea Foschi
Standing statutory auditor

AUDITING COMPANY



PricewaterhouseCoopers
S.p.A



CFT S.p.A.
Via Paradigna, 94/A - 43122 Parma - Italy

www.cft-group.com

