2018 FULL YEAR RESULTS

March 2019

LEADERS INNOVATE.

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Agenda

- **CFT Group overview**
- 2018 Financial highlights
- Outlook 2019 and mid term guidance
- Appendix

CFT IN THE FOOD AND BEVERAGE VALUE CHAIN

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Farm
Ranch

Food and beverage producers

Distribution

Restaurants
Grocery
Food Service

Consumer

- Sorting
- Processing
- Primary Packaging
- Product Treatment
- Secondary Packaging

Leading consolidator of processing, packaging and sorting technologies in the food and beverage MACHINERY sector

CFT WELL POSITIONED TO BENEFIT OF POSITIVE MEGATRENDS AND KEY DRIVERS

LEADERS INNOVATE.

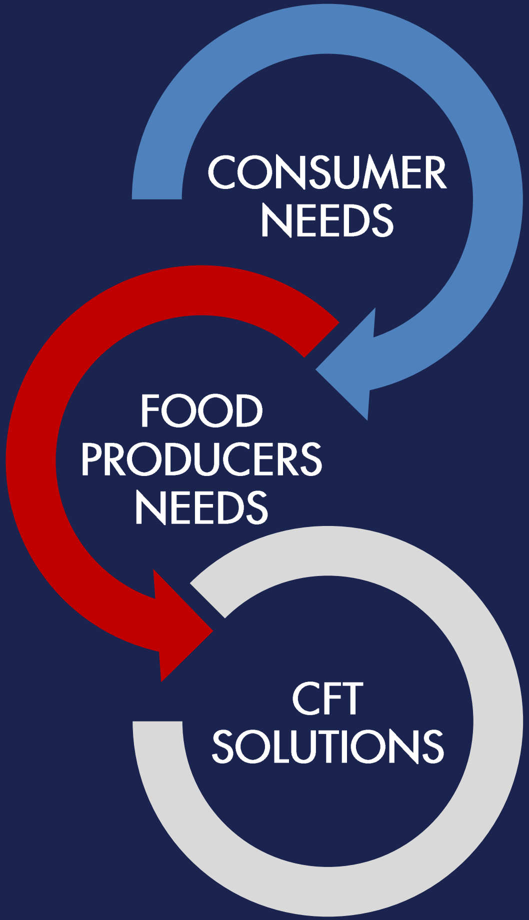
URBANIZATION AND GROWING MIDDLE CLASS

ENERGY SCARCITY AND STRICTER ENVIRONMENTAL REGULATIONS

FOOD SAFETY
HEALTHY AND HIGH QUALITY
CONVENIENCE
SMART PACKAGING
READY TO EAT

SAFETY AND QUALITY CONTROL
ENERGY CONSUMPTION REDUCTION
LABOR COST MINIMIZATION
INCREASING PRODUCTIVITY
REDUCE DOWNTIME

CERTIFIED ASEPTIC PROCESSES AND SORTING SOLUTIONS
ENERGY SAVING MACHINES
COMPLETE AUTOMATION
GLOBAL SERVICE AND SUPPORT



GROWING REVENUES STREAMS

CFT
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~60%

REVENUES

5-6 months

TIME TO MARKET

COMPLETE LINES DEVELOPMENT

- Engineering excellence
- Tailor-made solutions
- Long-term relationship with customers
- **Integration of single machines in CFT complete lines**

~ 25%

REVENUES

2-3 months

TIME TO MARKET

GROWTH OF SINGLE MACHINES

- **Limited investments**
- **High profitability**
- **Directly managed by each legal entity**
- **Growth of installed base**

~ 15%

REVENUES

FOCUS ON AFTER SALES

- **High profitability**
- **Recurring sales**
- **Preventive and predictive maintenance programs**

INCREASE RECURRING REVENUES AND IMPROVE GROUP PROFITABILITY

Agenda

CFT Group overview

2018 Financial highlights

Outlook 2019 and mid term guidance

Appendix

Income statement

2018 Proforma Financial highlights

Pro-forma data include real estate spin off, the merger with Glenalta S.p.A and full year results for the companies acquired in 2018

249 M€ REVENUES **+21% YoY**

Strong growth in sales volumes, mainly thanks to the acquisition of Co.Mac and Packaging del Sur

21 M€ EBITDA **-1,5% YoY**

Profitability afflicted by drop in sales of tomato processing plants (due to the ciclicality of the market) and low margin on strategic projects in beer segments

6 M€ NET PROFIT **-19% YoY**

One-off negative effects:

- M&A transaction costs
- Financial expenses from early repayment of the previous loan
- FX effects

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Balance sheet

2018 Financial highlights

14 M€

NET FINANCIAL POSITION

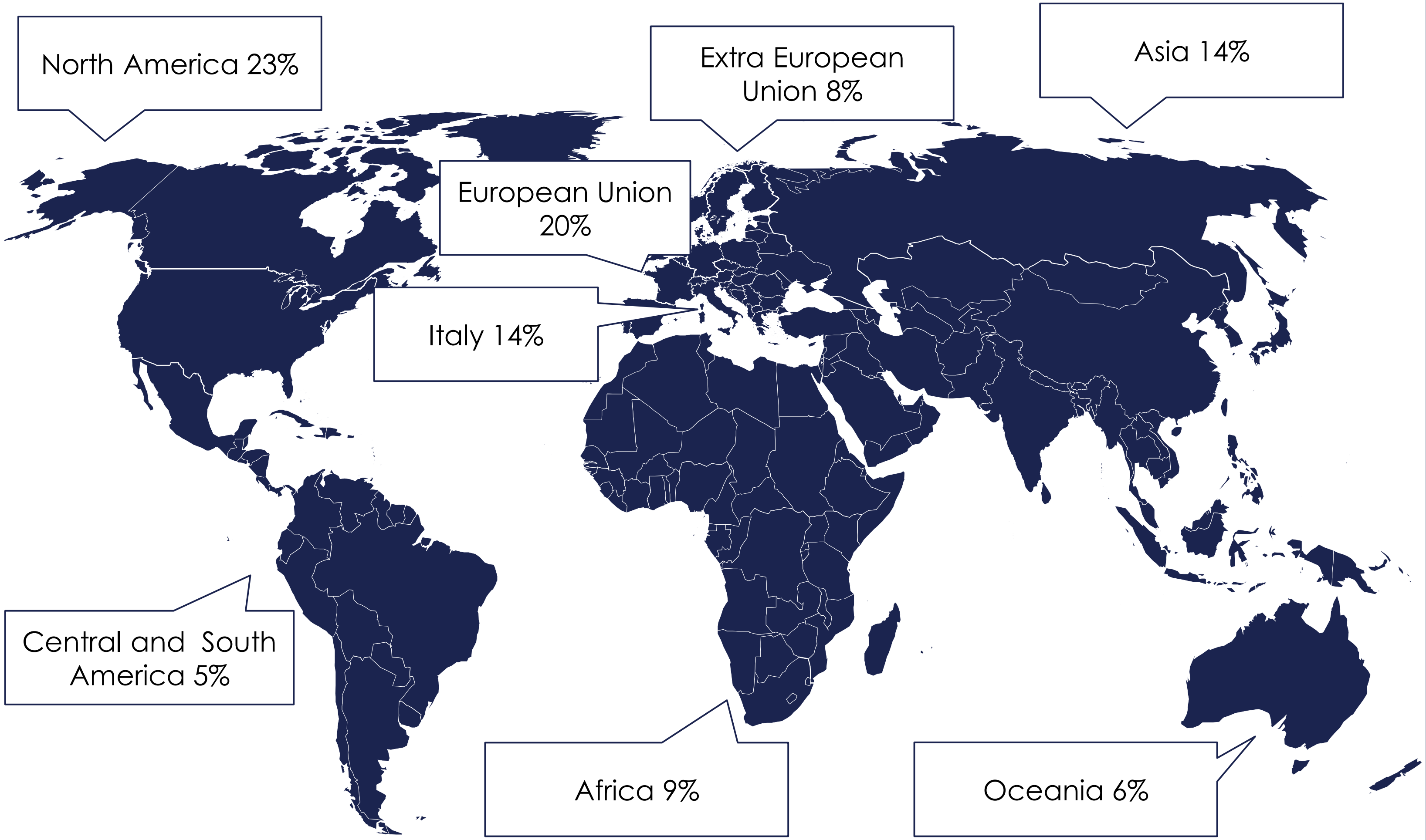
Including IFRS16, excluding put option fair value

46 M€

EQUITY

Including the effects from the business combination with Glenalta

REVENUES BY AREA



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GEOGRAPHICAL DIVERSIFICATION

Sales in over 90 countries worldwide. Over 85% of revenue is generated abroad

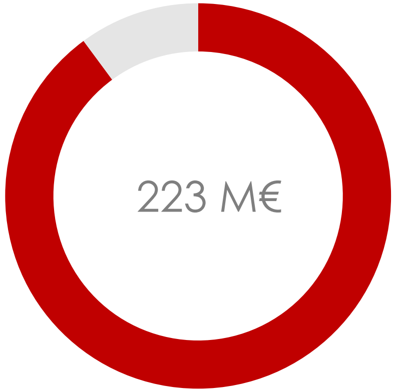
LOW CUSTOMER CONCENTRATION

Due to the multi-year nature of investments, the customer portfolio is constantly growing.

The leading 5 customers generate less than 25% of turnover and they change year on year

REVENUES BY DIVISION

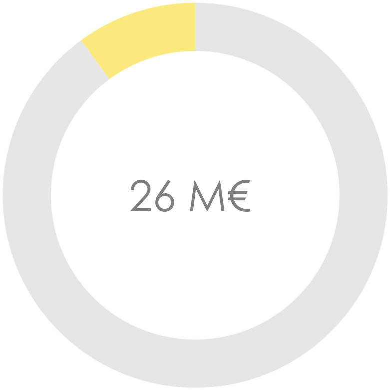
LEADERS INNOVATE.



PROCESSING & PACKAGING

Market leader in the tomato processing business and in the beer keg filling

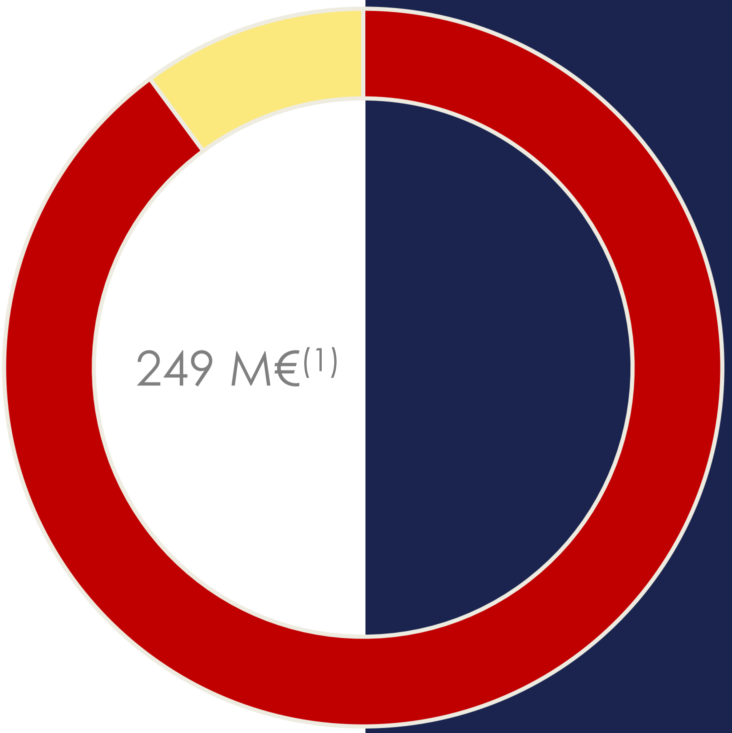
Machinery and systems for processing raw materials into semi-finished and/or finished products; packaging and bottling machinery for liquid and viscous products



SORTING

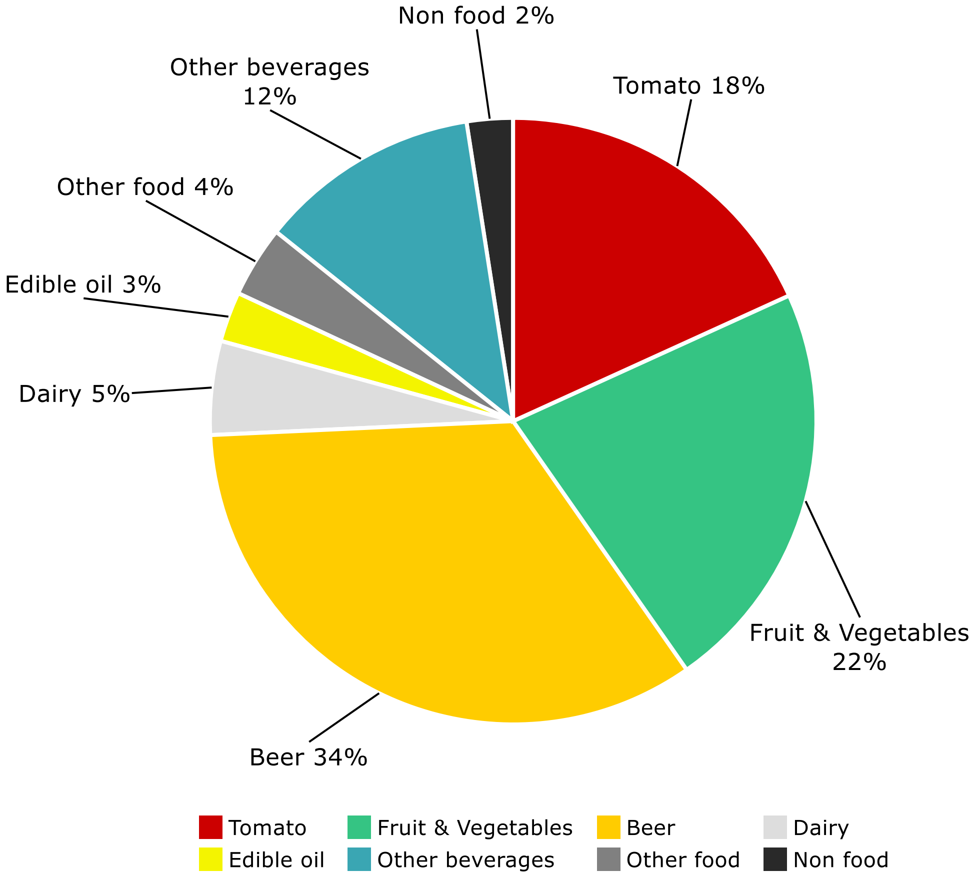
Market leader in the vegetables applications

Optical sorting and inspection systems for performing quality control activities



(1) Pro-forma revenues include full year results for the companies acquired in 2018

REVENUES BY BUSINESS



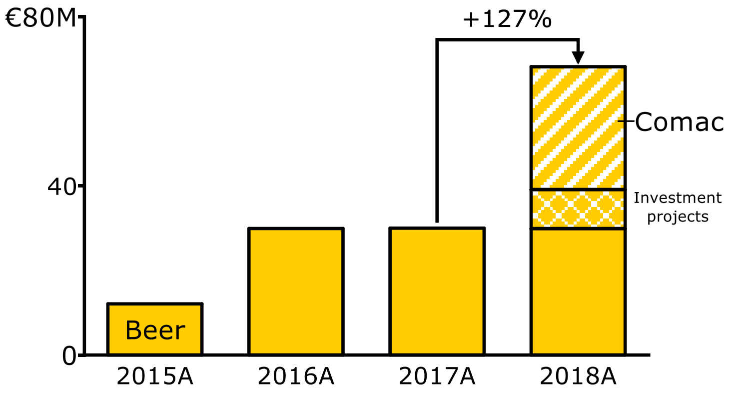
The **Beer** segment, further strengthened by the acquisition of *Co.Mac*, proves to be the CFT Group's primary market

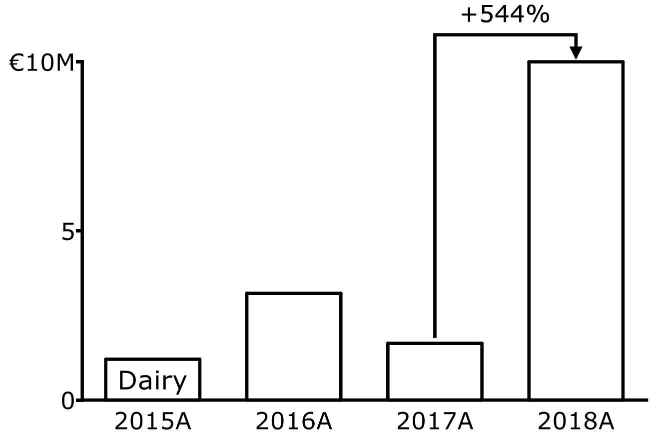
As a result of the contribution provided by Raytec Vision and the development of multi-purpose machines in the Processing division, **Fruit & Vegetable** plants account for more than 20% of 2018 pro-forma revenues[1]

The **Tomato** sector has fallen to 18% of pro-forma revenues in 2018

(1) Pro-forma revenues include full year results for the companies acquired in 2018

REVENUES BY BUSINESS



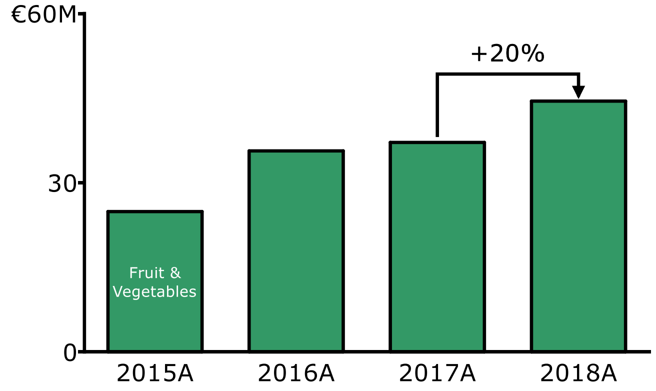


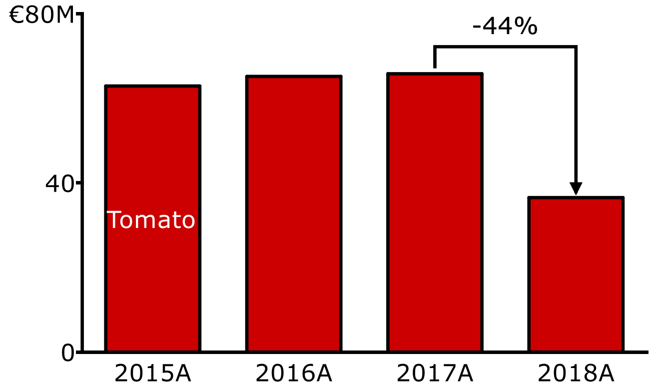
Tomato affected by cyclicality

Strong growth in other business

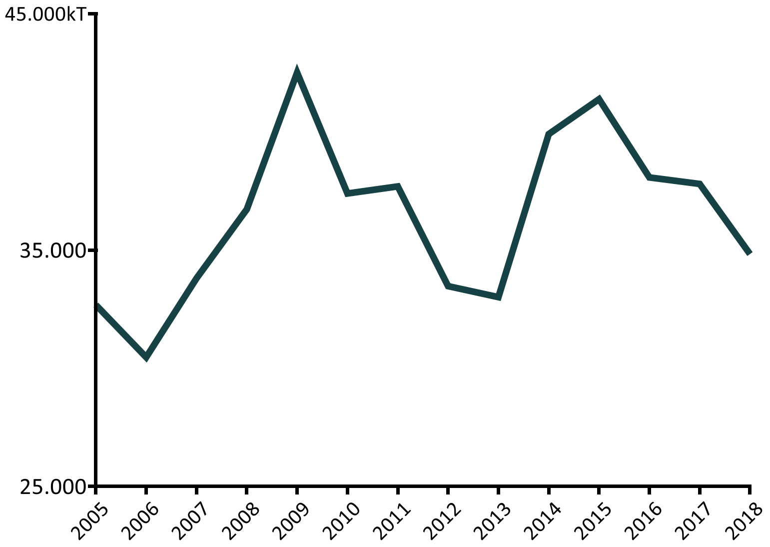
2018 pro-forma revenues of machines and plants show:

- A strong growth:
  - In the ***Beer*** business, mainly driven by the acquisition of Co.Mac;
  - In the ***Fruit & Vegetables*** business, particularly in *Sorting* technology and processing plants;
  - In the **Milk & Dairy** business, mainly within the Processing division;
- A significant reduction in the ***Tomato*** business due to cyclicality.





FOCUS ON THE TOMATO MARKET



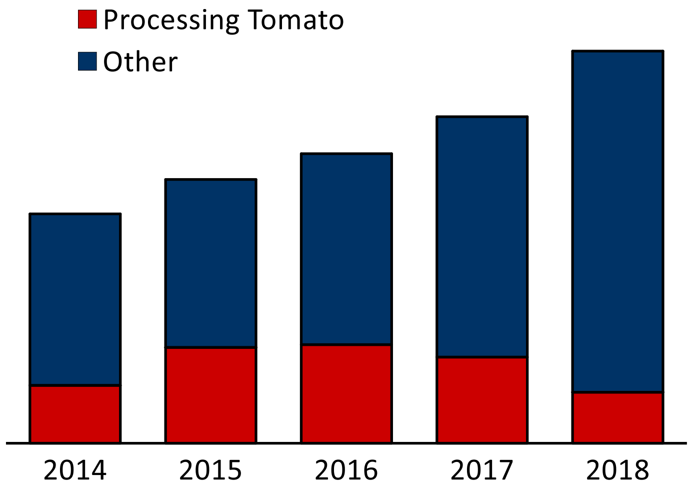
World production of tomatoes for processing[1]

The tomato processing 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 that affects profitability for tomato by-product producers, and as a consequence affects 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 over the past few years has allowed CFT Group to continue growing despite the high volatility of Tomato Processing turnover



CFT Group sales volume of tomato processing equipment

(1) Source: World Tomato Processing Council

KEY FIGURES 2018

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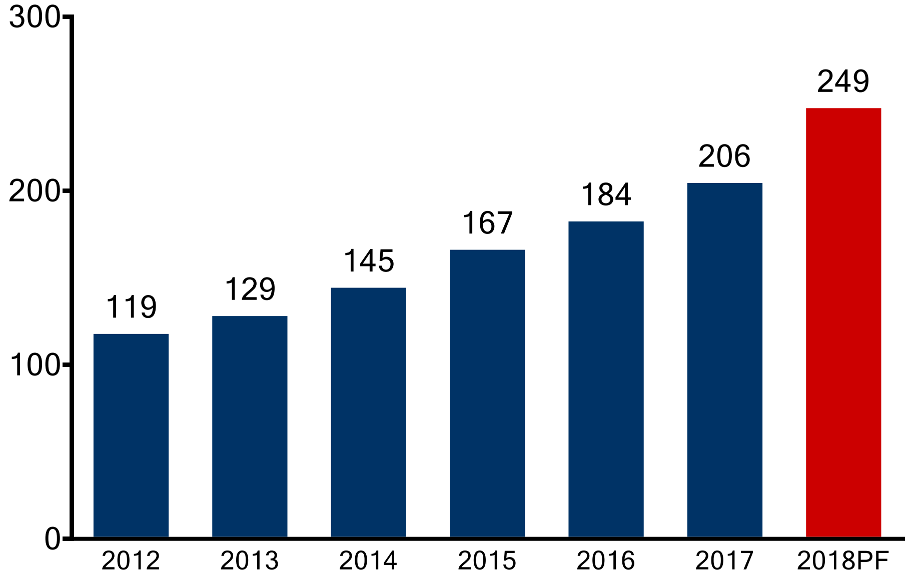
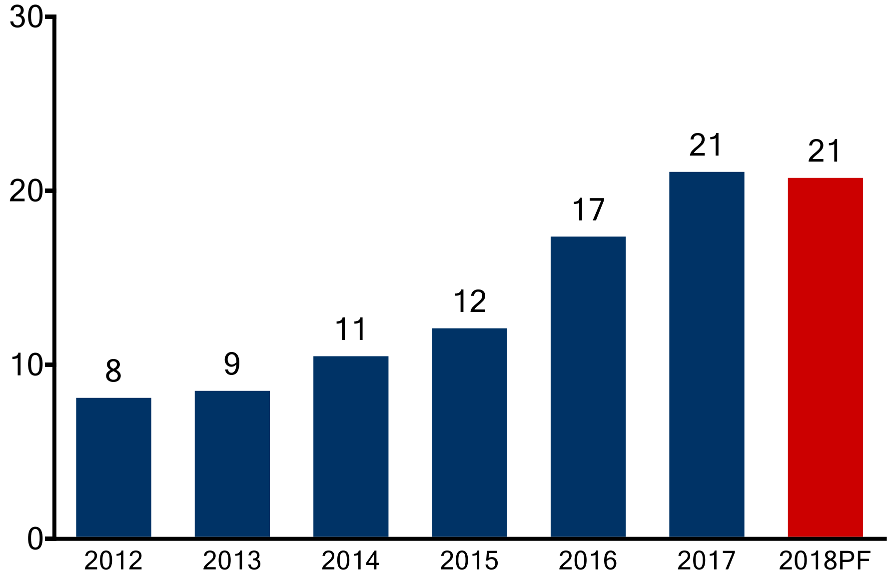
REVENUES



> 10% CAGR 2012-2018

EBITDA

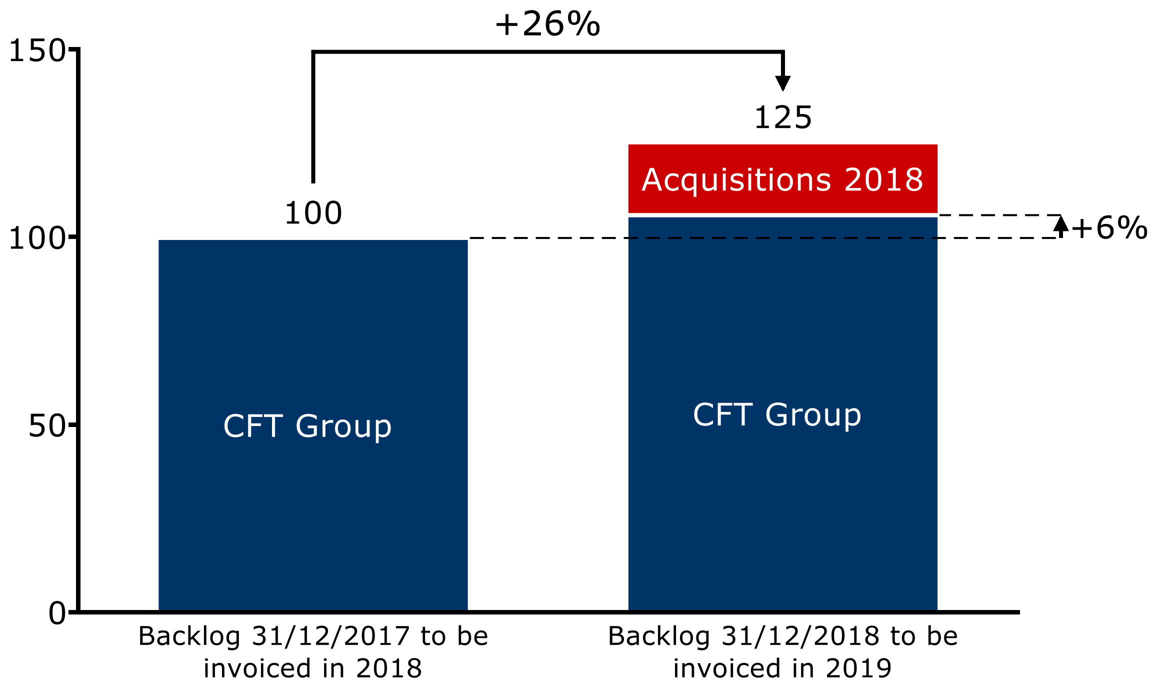


> 15% CAGR 2012-2018

Agenda

BACKLOG 2019

Positive outlook for 2019



CFT group backlog[1] as of December 31st 2018 is 6% higher than December 31st 2017

Strong trend of order intake continuing also in the first quarter of 2019 with a considerable number of negotiations currently underway

Preliminary backlog as of March 31st 2019 is expected to be **10% higher** than the previous year

(1) Excluding backlog related to the companies acquired in 2018

BACKLOG 2019

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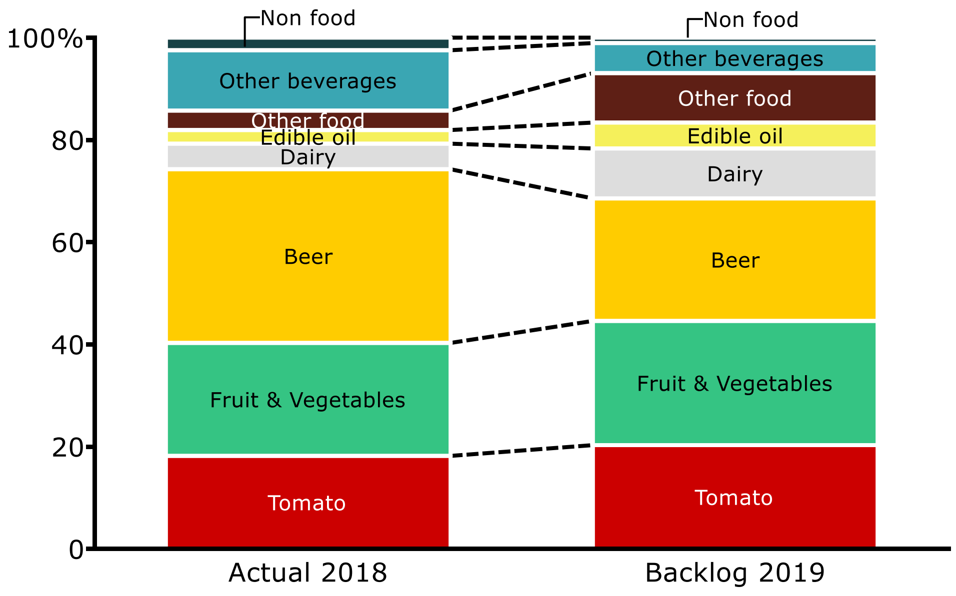
Product mix 2018 - 2019



Backlog to be invoiced in 2019 shows:

- A slight increase in **Tomato** business compared to 2018 which, however, remains **at low level**
- **A good performance of Fruit & Vegetables** business, with a considerable number of negotiations currently underway for Sorting division and for the new Product Treatment division
- A **stable trend in the Beer** business, excluding the investment projects performed in 2018
- An **increasing trend in Dairy** sector

Mid term outlook

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	2012	2018	2022
Revenues	**120 M€**	**249 M€**	**350 M€**
EBITDA	6,7%	8,4%	10÷11%

2012

- Turnaround
- First M&A Deals
- Focus on diversification in order to mitigate the risk of tomato cyclicality

2018

- Listing on AIM Italia
- 4 acquisitions
- IAS/IFRS transition
- 100 M€ acquisition line
- Start up of new business unit:
  - Product treatment
  - End of line

2022

- Further acquisitions in pipeline to strengthen the technology footprint
- Increasing revenues and improving profitability:
  - Shared sales network
  - Consolidation of procurement
  - High value oriented product mix

Agenda

(Thousands of Euros)	For the year ended December 31,	
	2018	2017
Revenue	223,759	205,615
Other revenue	2,569	3,748
Total revenue	**226,328**	**209,363**
Cost of services	-65,842	-66,748
Cost of raw material, ancillary and goods for resale	-97,772	-84,797
Personnel costs	-44,402	-34,643
Other operating costs	-2,198	-1,991
Depreciation and amortization of property, plant and equipment and intangible assets	-8,582	-6,743
Depreciation of financial assets	-800	-832
Other net provisions	1,019	-1,041
Operating profit	**7,751**	**12,568**
Financial income	183	10
Financial expenses	-1,718	-1,24
Profit / (loss) from investments accounted for using the equity method	80	41
Profit / (loss) from foreign exchange	-1,414	369
Profit before tax	**4,882**	**11,748**
Income taxes	-1,687	-4,221
Profit for the year	**3,195**	**7,527**
Profit for the year attributable to non-controlling interests	2,238	2,041
Profit for the year attributable to equity holders of the Parent	**957**	**5,486**

Consolidated Income Statement

Include the effects related to acquisitions only between the acquisition date and 31 December 2018.

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224 M€

Revenues (249M€ Pro forma)

The acquisitions of Co.Mac, MC Inox, PKS and ADR resulted in increased Group revenues of 26 M€ between the acquisition date and 31 December 2018

3,2 M€

Net Profit (6,1M€ Pro forma)

The acquisitions of Co.Mac, MC Inox, PKS and ADR resulted in increased Group's net profit of 3,1 M€ between the acquisition date and 31 December 2018

0,17 €

Proforma adjusted EPS

The calculation of proforma adjusted earnings per share includes the outstanding shares at the end of the reported period, since they represent the share capital addressed by the result generated by CFT Group during the year and the full year pro forma profit of the Group.

(Thousands of Euros)	As at December 31,	
	2018	2017
ASSETS		
Non-current assets:		
Right of use assets	13,49	13,891
Property, plant and equipment	20,639	26,476
Intangible assets	44,609	12,397
Investments accounted for using the equity method	426	62
Deferred tax assets	4,117	2,428
Non-current financial assets	1,791	1,046
Other non-current assets	-	57
Total non-current assets	85,072	56,357
Current assets:		
Inventory	88,039	74,434
Derivative financial instruments	97	-
Trade and other receivables	61,737	47,089
Income tax receivables	2,834	117
Cash and cash equivalents	41,798	15,873
Current financial assets	-	889
Other current assets	11,085	6,869
Total current assets	205,59	145,271
TOTAL ASSETS	290,662	201,628
EQUITY		
Share capital	98,3	7,5
Statutory reserve	71	388
Share premium reserve	-8,3	-
Other reserves	-47,311	6,157
Retained earnings	2,952	-152
Equity attributable to equity holders of the Parent	45,712	13,893
Non-controlling interests	22,026	3,953
TOTAL EQUITY	67,738	17,846
LIABILITIES		
Non-current liabilities		
Non-current bank borrowings	40,236	27,62
Non-current lease liabilities	10,151	8,535
Non-current put option liabilities	28,603	2,814
Employee defined benefit payables	4,799	3,716
Non-current trade payables	1,151	1,76
Provisions for risks and charges	1,375	2,577
Other non-current liabilities	1,548	-
Total non-current liabilities	87,863	47,022
Current liabilities:		
Current bank borrowings	489	18,793
Current lease liabilities	3,512	1,961
Current put option liabilities	2,848	
Income tax payables	-	-
Derivative financial instruments	120	311
Current trade payables	75,966	62,199
Other current liabilities	52,126	53,496
Total current liabilities	135,061	136,76
TOTAL EQUITY AND LIABILITIES	290,662	201,628

Consolidated statement of financial position

Includes the effects of the real estate spin-off, the business combination with Glenalta and the acquisitions completed in 2018

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13,49 M€ Right of use

In preparing the Consolidated Financial Statements, the Group elected for early adoption of **IFRS 16**. “Right of use assets”, amounting to 13,49 M€ as at 31 December 2018 relates to the assets underlying the lease contracts.

32,85 M€ Net working capital

Net working capital amounted to 32,855 M€ compared to 12,814 M€. The increase includes the change in the area of consolidation, the effect of which is shown not only by **an increase in trade receivables**, but also by the increase in inventories and current assets.

85,07 M€ Non current assets

Non current assets are affected by a double effect: the **carve-out** of part of the **real estate assets** for a total of approximately 20 M€ and the acquisition of the companies in 2018.

(Thousands of Euros)	For the year ended December 31, 2018	2017
Profit before tax	**4,882**	**11,748**
Adjustments:		
Depreciation and amortization of property, plant and equipment and intangible assets	8,582	6,743
Depreciation of financial assets and other net provisions	-219	1,873
Profit / (loss) from investments accounted for using the equity method	-80	-41
Net financial expenses and Profit / (loss) on foreign exchange	2,949	861
Capital gain / (loss) from disposal of assets	-	220
Other non-monetary movements	247	1,156
Cash flow from operating activities before changes in net working capital	16,361	22,56
Changes in net working capital:		
- Inventory	-4,212	-7,33
- Trade receivables	-1,493	-4,514
- Trade payables	4,261	2,989
- Other changes in net working capital	-10,486	-13,924
Net cash flow from changes in net working capital	-11,93	-22,779
Income tax paid	-3,614	-2,227
Employee defined benefit payables and provisions for risks and charges	-287	-873
Net cash flow provided by / (used in) operating activities	530	-3,319
Net cash flow provided by / (used in) financing activities:		
Investments in:		
-Intangible assets	-5,198	-4,56
-Property, plant and equipment	-11,36	-5,578
-Equity investments	-284	-62
Changes in current and non-current financial assets	-	-499
Disposal of assets	1,277	796
Deferred price of equity investments	-100	-
Net assets acquired	-19,338	305
Net cash flow provided by / (used in) investing activities	-35,003	-9,598
Net cash flow provided by / (used in) financing activities:		
Current bank borrowings	-18,943	9,423
Non-current bank borrowings	6,206	13,643
Financing from shareholders	1,548	
Changes of lease liabilities	-2,579	-1,779
Net financial expenses paid	-2,479	-817
Dividends received	-	102
Dividends paid	-150	-4,84
Glenalta contribution	80,035	-
CFT IPO's costs paid	-3,253	-
Other	13	66
Net cash flow provided by / (used in) financing activities	60,398	15,799
Total cash flow provided / (used) in the year	25,925	2,882
Cash and cash equivalents at the beginning of the period	15,873	12,991
Cash and cash equivalents at the end of the period	41,798	15,873

Consolidated statement of cash flows

Includes the effects of the real estate spin-off, the business combination with Glenalta and the acquisitions completed in 2018

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+16,4 M€ Cash flow from operating activites before changes in net working capital

-11,9 M€ Cash flow from changes in working capital

-35,0 M€ Cash flow used in investing activities

EBITDA RECONCILIATION

(In Euro thousands)	31.12.2018 Pro-forma	31.12.2018	31.12.2017
Net profit	6.104	3.195	7.527
Income taxes	2.256	1.687	4.221
Exchange rate (gains)/losses	1.573	1.414	(369)
Share of profit/(loss) of investments accounted for using the equity method	(80)	(80)	(41)
Financial expenses	1.722	1.718	1.240
Financial income	(860)	(183)	(10)
Impairment of financial assets	833	800	832
Other net provisions	(1.019)	(1.019)	1.041
Depreciation and amortization	9.423	8.582	6.743
Non-monetary costs	134	134	0
Investment acquisition transaction costs	768	768	0
Income and expenses that are not reasonably expected to re-occur in future periods	0	0	0
EBITDA	**20.854**	**17.016**	**21.184**

In preparing these Consolidated Financial Statements, the Company has chosen to make use of the option to adopt IFRS 16 - Leases in advance of its effective date of 1 January 2019, adopting the "modified retrospective approach".

SHAREHOLDING STRUCTURE

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Share capital   Voting rights

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's shareholders undertake to:

- refrain from transferring any of the post-merger company's ordinary shares, or the rights associated with such shares, for a three-year 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 any share transfer by any one of CFT's shareholders;
- submit a single joint list for the appointment of the Board of Directors, with the name of Roberto Catelli as the first on the list;
- exercise the right to vote in compliance with the provisions of said shareholders' agreement; hence, a voting committee is established, consisting of a representative for each CFT shareholder. The chairman of this committee shall be Roberto Catelli.

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

- in the case of **ordinary shares**, for a period of **36 months** from the effective date of the merger;
- in the case of **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 regard to the **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.

GOVERNANCE


Roberto Catelli
Chairman


Alessandro Merusi
CEO


Martino Pozzi
CFO


Stefano Malagoli
Director


Adele Catelli
Director


Gino Lugli
Director


Livia Catelli
Director


Daniele Raynaud
Independent director


Stefano Rossi
Independent director

Board of directors


Guido Riccardi
Chairman


Andrea Foschi
Standing statutory auditor


Angelo Anedda
Standing statutory auditor

Board of statutory auditors

PricewaterhouseCoopers S.p.A

Auditing firm

THANK YOU

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