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PRO-GEST GROUP

Financial Highlights 1H 2018

11th September, 2018

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Introducing Pro-Gest

Presenters



Bruno Zago

- ➡ Chief Executive Officer, Founder and Owner
- ➡ Established the first Company of the Pro-Gest Group in 1973



Francesco Zago

- ➡ Managing Director and Owner
- ➡ Joined Pro-Gest in 2007



Paolo Facchin

- ➡ Chief Financial Officer
- ➡ Joined Pro-Gest in 1988

Key developments

A number of milestones were achieved in 1H 2018:

Financial performance

- Achieved revenues of €247m (+4% vs 1H 2017) and EBITDA of €53m (-2% vs 1H 2017)
 - ✓ Industry leading EBITDA margins of 21% in 1H 2018 (compared to 23% in 1H 2017)

Financial Position

- Closed 1H 2018 with Net Financial Indebtedness of €281m

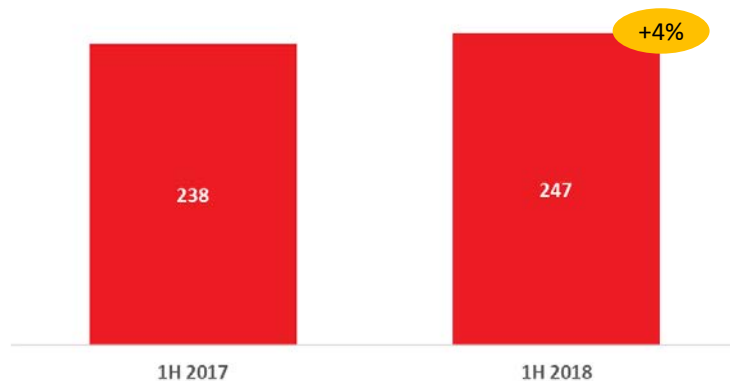
Update on Mantova

The Mantova Project continued to proceed as planned:

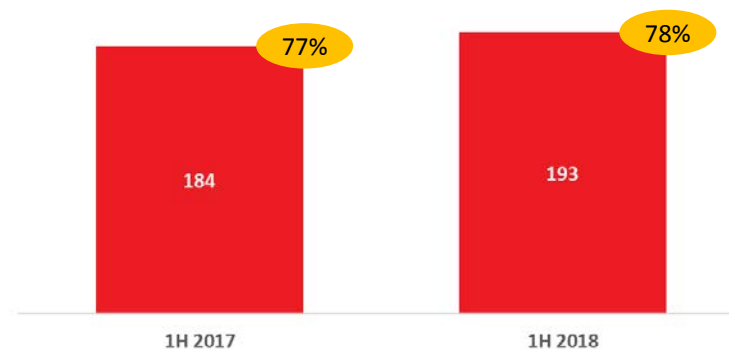
- The procedures regarding the plant's testing phase have been completed
- Produced first rolls for testing
- As of 30th June 2018, the Group has invested €190m in technical investments. The Group expects that the total investment for the Mantova Project will be generally around €200m

1H 18 results update

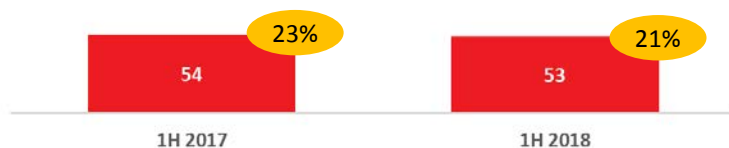
Historical Revenues (€m) and Var YoY



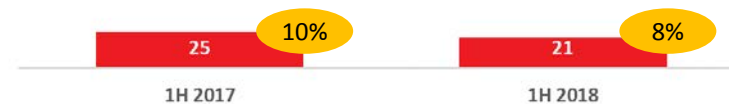
Operating expenses (€m, excluding D&A) and % on revenues



EBITDA (€m) and EBITDA %

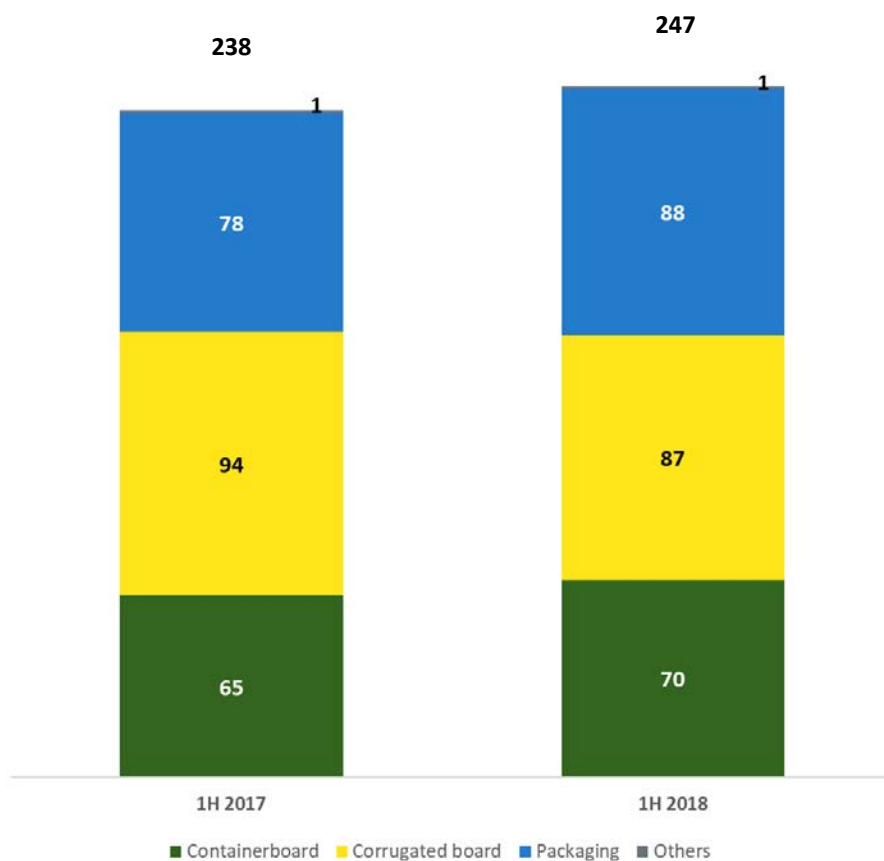


Net Income (€m) and Net Income %



Revenues Performance

Revenues breakdown (€m)

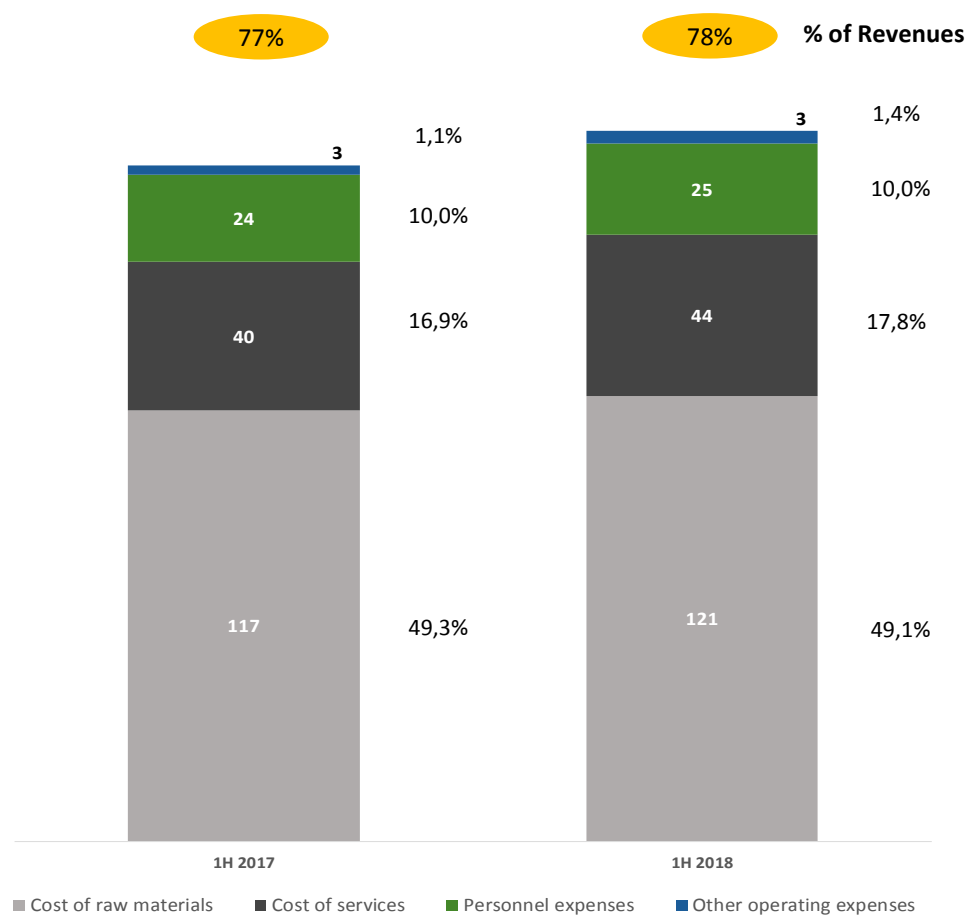


■ Revenues reached €247m in 1H 2018 compared to €238m in 1H 2017, mainly driven by:

- ✓ average sales prices increase that involved the sector starting from the second part of the previous year
- ✓ higher sales volumes

Cost structure

Operating expenses evolution (€m, excluding D&A)



■ The incidence of operating expenses increased of 1% in 1H 2018 vs 1H 2017

■ Cost of raw materials:

✓ linked to the sales variation and market turbulence

■ The cost of services:

✓ value increased for about €1m related to the rent of buildings sold at the end of 2017 (plants of Altopascio and Sesto Fiorentino)

■ Personnel costs:

✓ €1.4m related to new workforce of Mantova paper mill (€0.4m in 1H 2017)

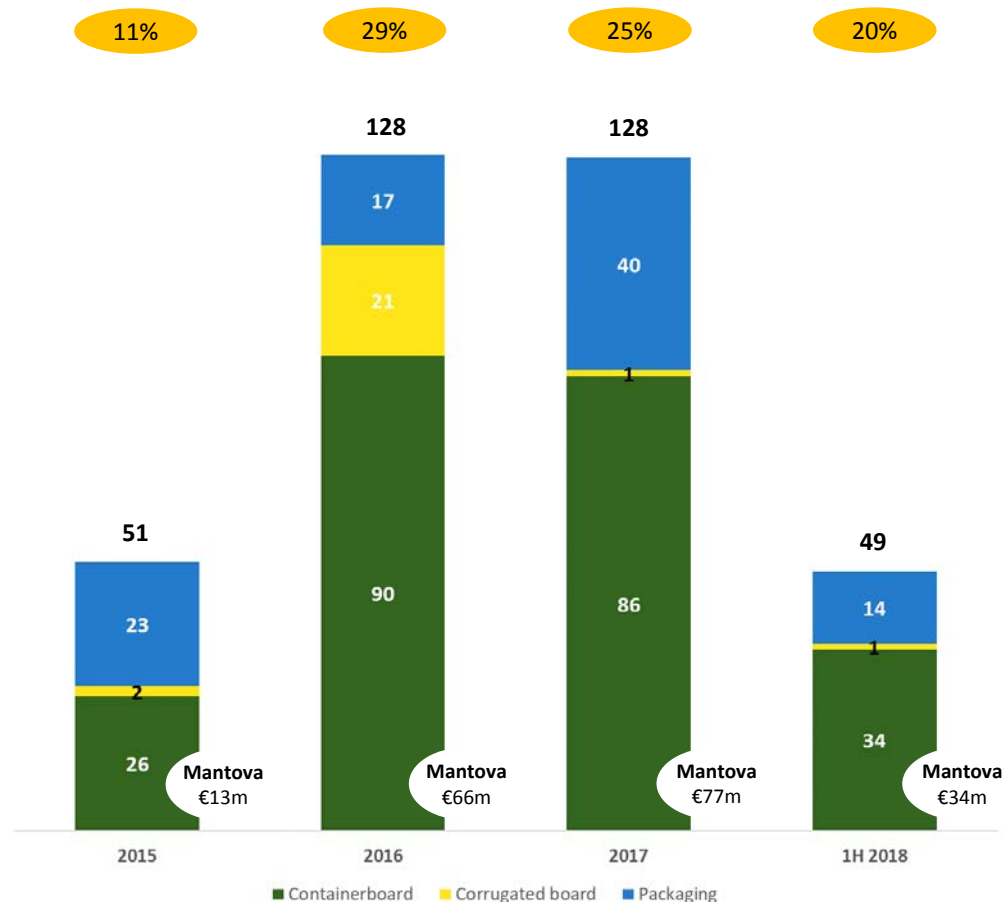
■ Other operating expenses (+€1m in 1H 2018 vs 1H 2017)

✓ €1.2m of extraordinary items (emissions trading) vs €0.3m in 1H 2017

Breakdown of capital expenditure

Capex (€m)

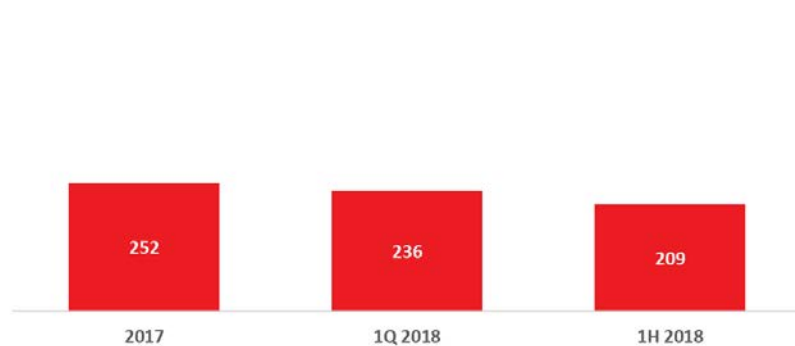
Revenues (%)



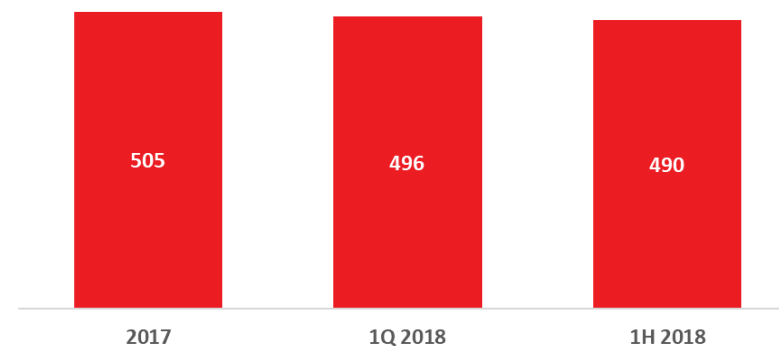
- The investments for the Mantova paper mill production site continued in 1H 2018
- These investments relate to ancillary machinery and equipment necessary for the launch of the new Paper Production Line, for a total of about €34.0m in 1H 2018
- There are also investments for over €1m (Badia mill and others), not shown in the graph, for a total Capex of €51m in 1H 2018

Summary of Net Financial Indebtedness

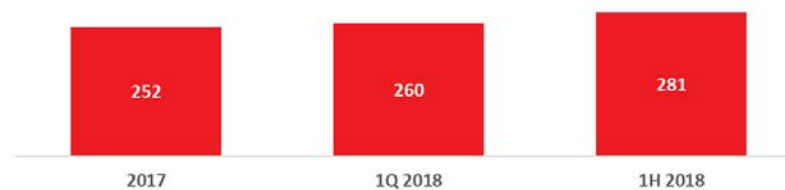
Cash (€m)*



Financial Debts (€m)



Net Financial Indebtedness (€m)*



* Not included securities (€14m) and other financial receivables regarding related parties