

We are invisible!
But we are everywhere!

Industrie Chimiche Forestali S.p.A.

Investor presentation

April 2021

**INDUSTRIE
CHIMICHE
FORESTALI**

SINCE 1918

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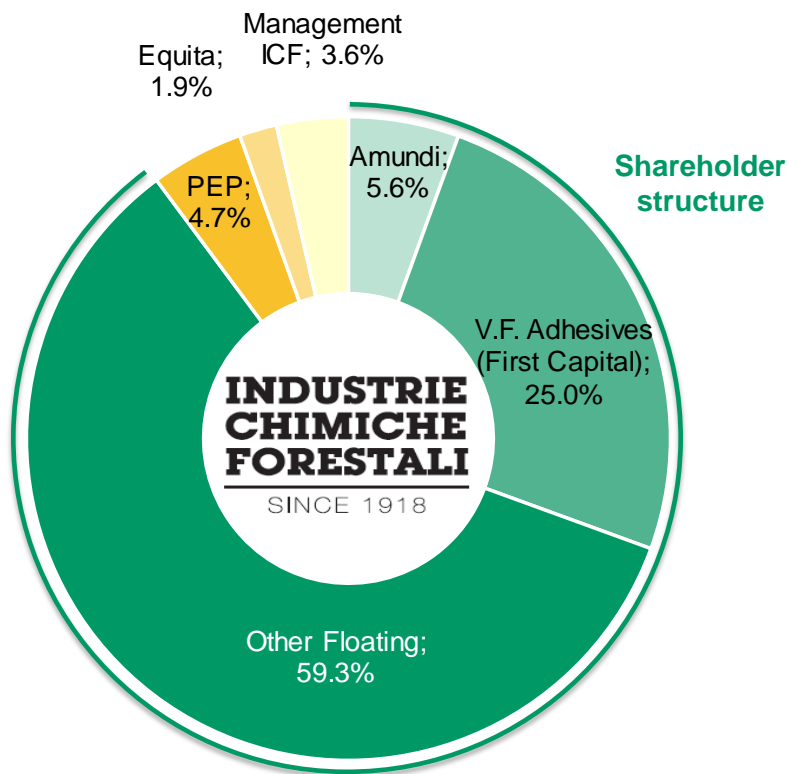
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Industrie Chimiche Forestali

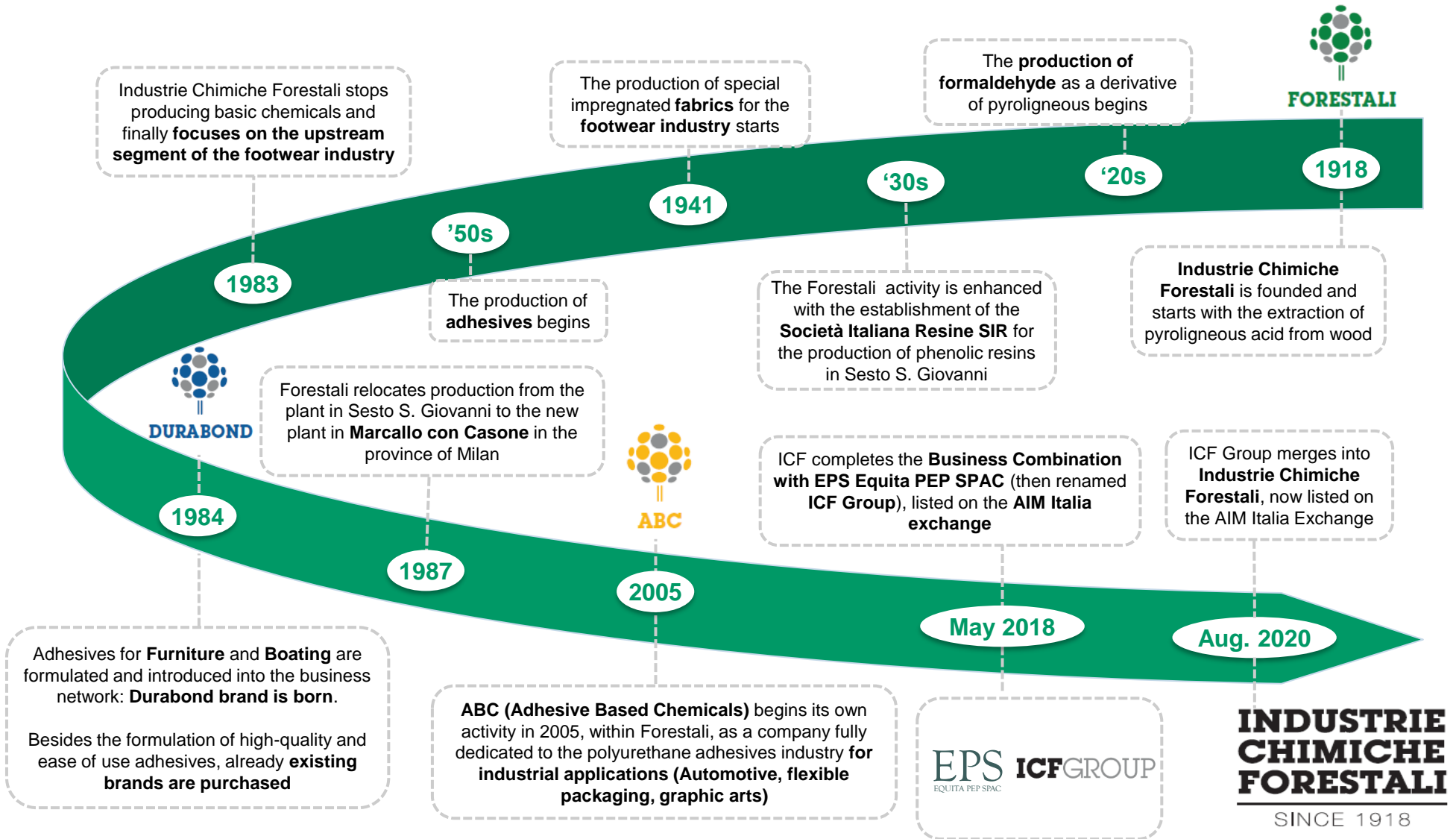
ICF is a leading player in the technical adhesive and fabric business with the **mission** to pursue organic expansion of its operations while acting as an aggregator of companies operating in complementary businesses exploiting the robust Free Cash Flow generation

Why invest in Industrie Chimiche Forestali



- 1 A **public company**. The market is the dominant shareholder
- 2 More than **100 years of history** in the chemical industry
- 3 **Leading player in Technical Adhesive niche** with expertise in adhesives and technical fabrics for the Footwear, Leather Goods, Automotive, Packaging and Upholstery sectors
- 4 **Export oriented**
- 5 Substantial **Free Cash Flow generation**
- 6 Strong focus on **sustainability and environmental issues**

Industrie Chimiche Forestali: a 100-year History



The «Invisible Power»

Footwear & Leather Goods



FORESTALI



- Adhesives:**
- Solvent-based
 - Solvent-free
 - Water-based

Technical fabrics:

- Toe-puff, counters / stiffeners
- Linings and reinforcing



Technical fabric is used in the toe puffs and counters of the shoe. **Adhesive** is used to put together mainly uppers, insoles and sole units



Technical fabric goes to reinforce the handle, bottom and sides of the bag. **Adhesive** is used to glue the linings



Adhesive is used to glue different components of the upholstery

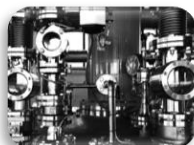
The «Invisible Power»

Adhesives have a **negligible impact** on cost of production of the final article...

Automotive



ABC



- Adhesives:**
- Solvent-based
 - Solvent-free
 - Water-based



The layers of the headliner in a vehicle. It can be applied to light vehicles (passenger and commercial)

Adhesives are used to glue



The layers of films comprising the package for various applications (food and non food)



The plastic cover of magazines and periodicals

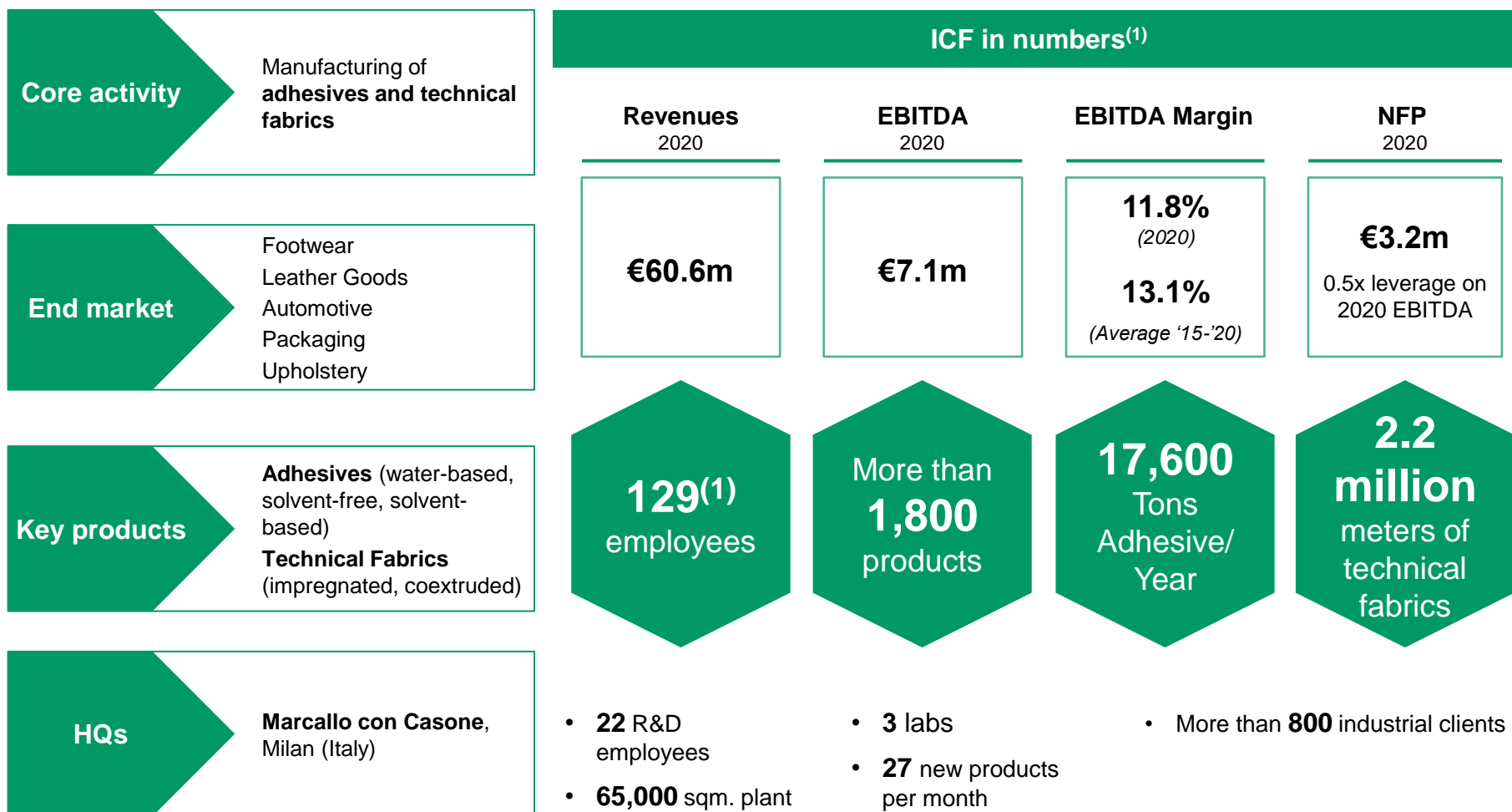


The pins used in the staplers and similar objects

...But a **relevant impact on the performance**. A low quality adhesive can lead to serious issues and costs (eg. destroyed shoes or stained car roof)

Product quality, customized solutions and reliability are key drivers to serve clients

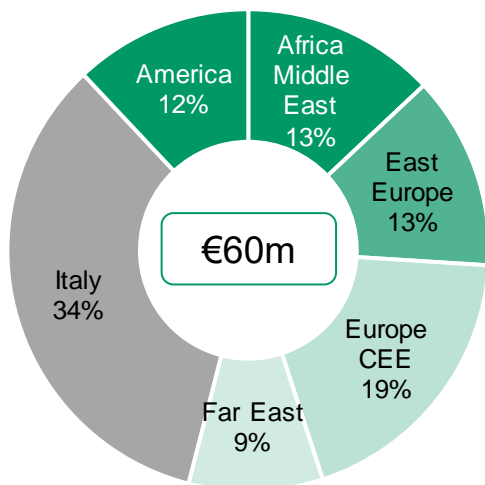
Industrie Chimiche Forestali: a Leading Player in the Technical Adhesive World



A Balanced Portfolio with a Global Exposure

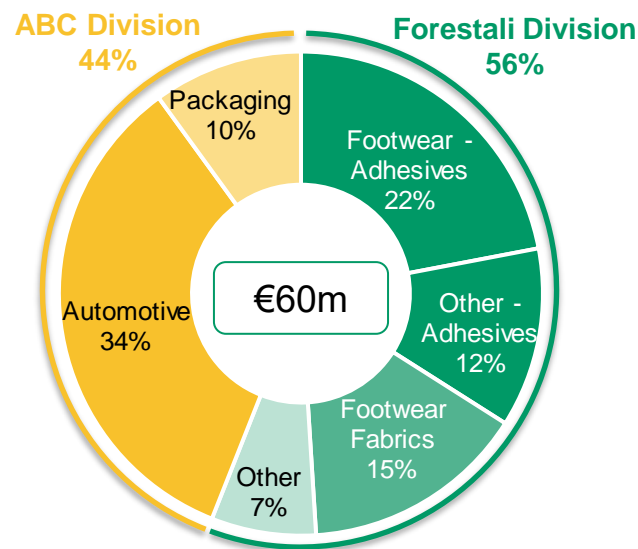
The company is export-oriented, with a balanced exposure to the Automotive, Footwear and Packaging sectors

Geographic Area



Export makes up for c. 66% of revenues for 2020

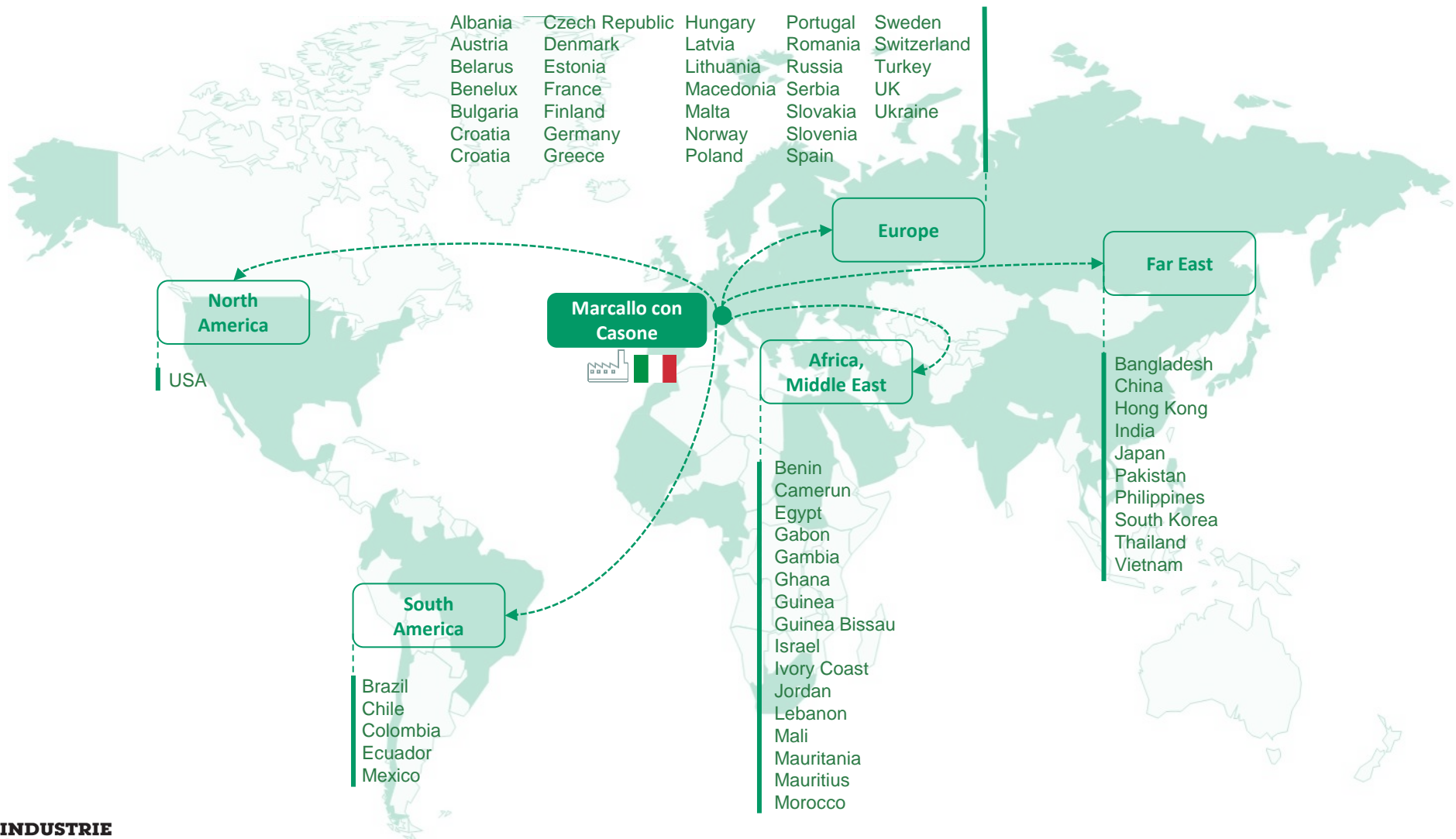
Business Line



Forestali manufactures both adhesives (c. 34%) and fabrics (c. 15%), while ABC manufactures adhesives only

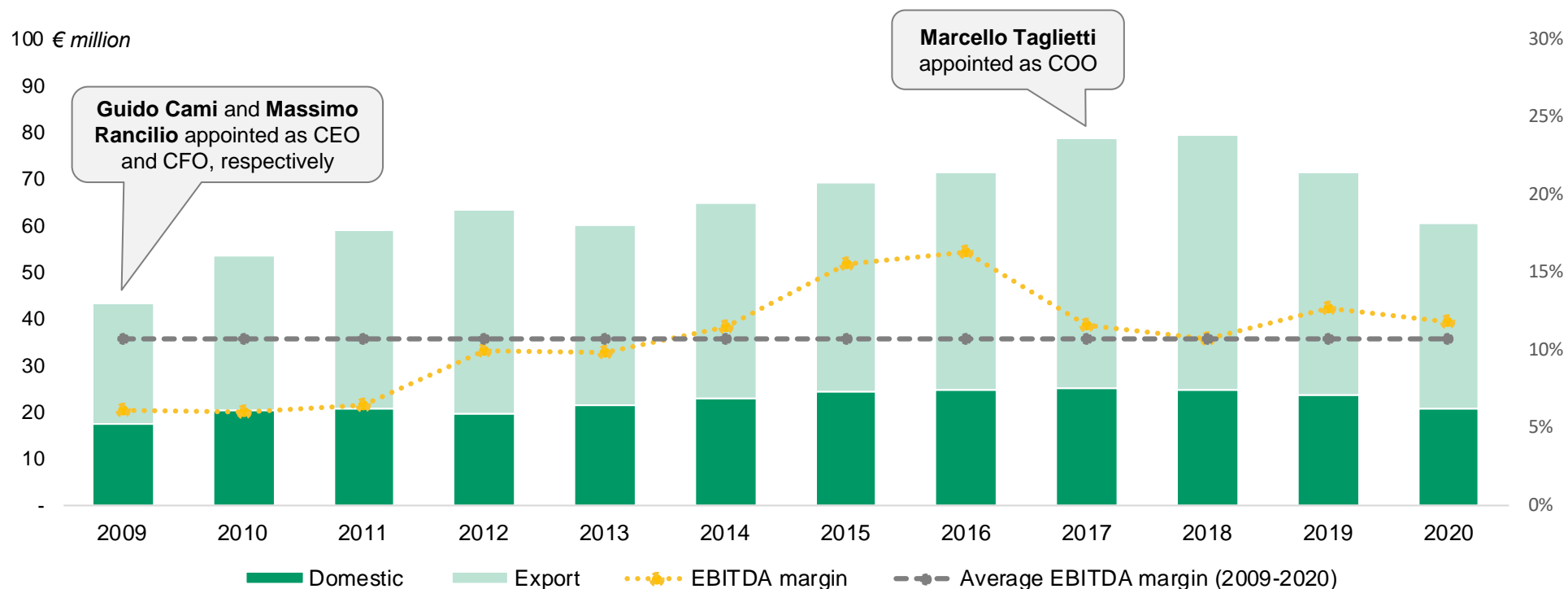
From Italy to the rest of the world

From the headquarter of Marcallo con Casone ICF reaches 80 countries all over the world



Expansion mainly based on Export

Historically, sales have been growing at mid single digit since 2009 with export accounting for c. 66% EBITDA margin in the double-digit area in the last 7 years including 2020 despite the Covid-19 crisis



Export (% on revenues)

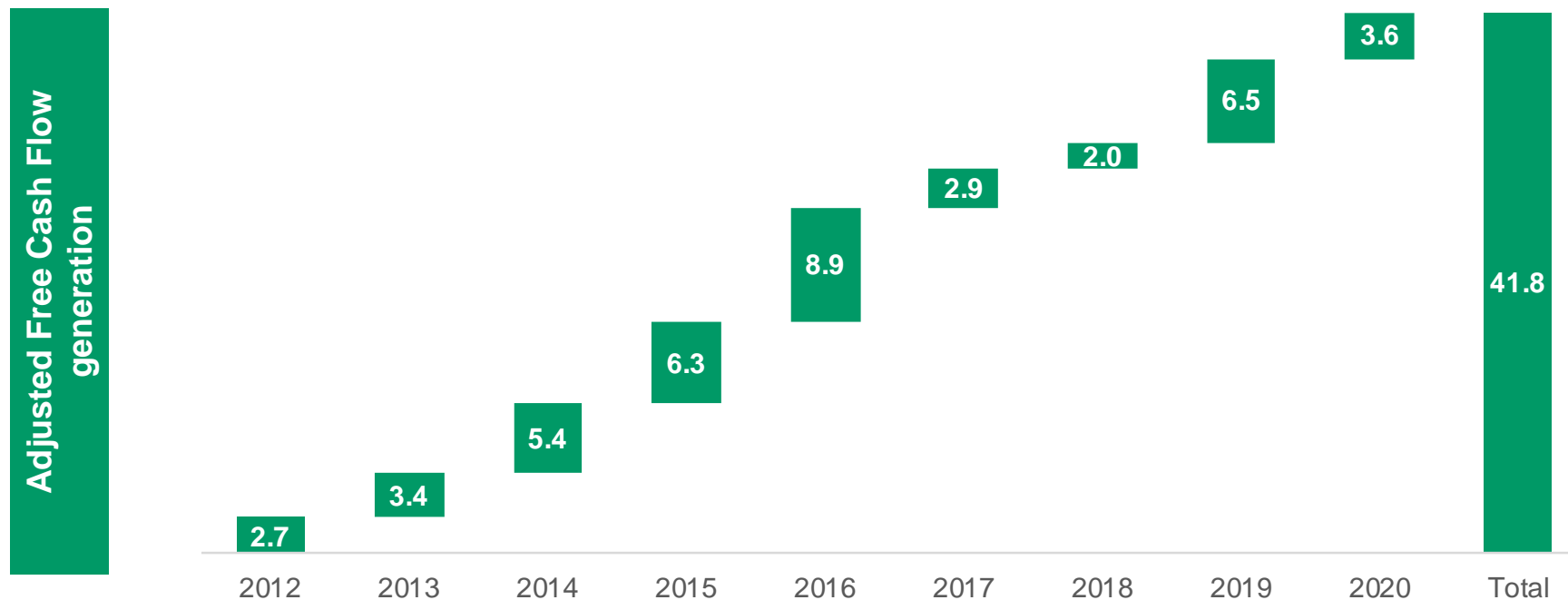


Domestic (% on revenues)



Material Free Cash Flow Generation

Cumulative Free Cash Flow Generation above €41.8m over the last 9 years



Comment

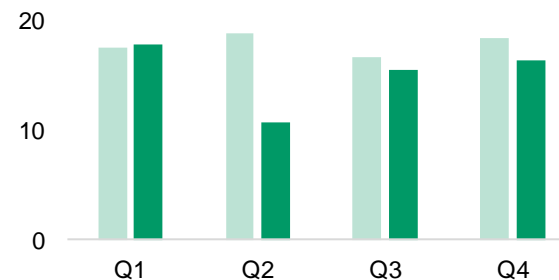
Over the last 9 years, **ICF generated a cumulated Free Cash Flow of €41.8m**, which were used also to sustain an extraordinary capex of €13m in 2013, a €21m re-leverage in 2016, €2.6m of buy-back from May 2019 and €1.0m of extraordinary capex in 2020

2020 financial highlights ICF

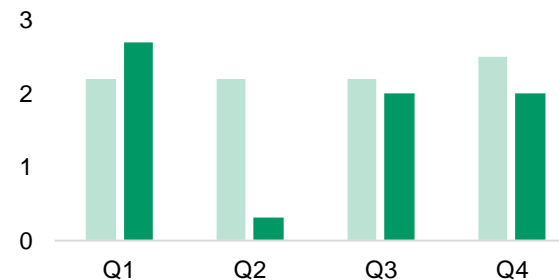
	Income Statement (€m)	2019	2020*
1	Revenues	71.7	60.6
	YoY growth (%)	-9.5%	-15.4%
	Gross margin	26.8	24.0
	margin (%)	37.3%	39.6%
2	EBITDA	9.1	7.1
3	margin (%)	12.6%	11.8%

- 1 In 2020, ICF recorded around €60.6m in revenues. Volumes decreased by –20% in the automotive business, –12% in the manufacturing (mainly footwear and leather goods) and –10% in the packaging
- 2 EBITDA decreased to around €7.1m. The decline in results was **almost entirely attributable to Q2** and more specifically to the collapse in sales in the two months of April and May when most of the global clients were closed because of the lockdown. The remaining part of the year had a quite regular level of sales and margins despite the global tough scenario
- 3 EBITDA margin confirmed at double digit level (11.8%) also thanks to management actions for efficiency enhancement while tackling Covid-19 emergency

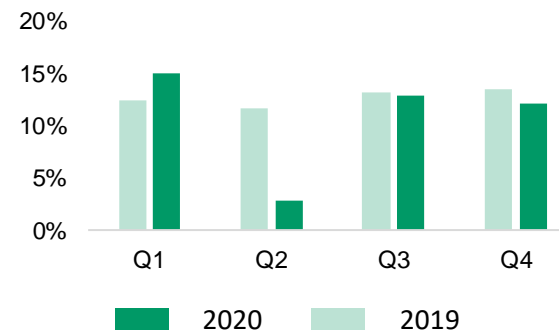
Revenues



EBITDA



EBITDA margin



2020 financial highlights ICF

Income Statement (€m)		
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margin (%)	37.3%	39.6%
EBITDA	9.1	7.1
margin (%)	12.6%	11.8%
Net Income	3.5	2.2
margin (%)	4.8%	3.7%
4 Adjusted Net Income	4.5	3.3
margin (%)	6.3%	5.5%
Balance Sheet (€m)		
	2019	2020
Trade Working Capital	14.4	15.0
5 Net Debt	4.4	3.2
Net Debt/EBITDA	0.5x	0.5x
Cash Flow Statement (€m)		
	2019	2020
Free Cash Flow	5.3	1.2
6 Adjusted Free Cash Flow	6.5	3.6
cash conversion (%)	72.1%	50.1%
Other		
	2019	2020
7 Outstanding shares (m)	7.5	7.2
o.w. Treasury shares (m)	0.2	0.1
8 Dividend per share (€)	-	0.14

- 4** In 2020, ICF reported €3.3m of Net Income adjusted mainly for PPA amortization and one-off financial costs and fiscal benefits
- 5 6** Net debt decreased by €1.2m. The actual Free Cash Flow generation was €3.6m once considering around €1.4m of buy-back of shares and an extra investment in an industrial building (c. €1.0m) once rented
- 7** As of December 2020, ICF held 115,900 treasury shares, corresponding to 1.6% of the outstanding capital. As of 29 March 2021, treasury shares amounted to 286,182, 3.974% of ICF's share capital
- 8** Based on 2020's results, the Board proposed a €0.14 dividend per share

Recent events: COVID-19 crisis and new product lines

Guido Cami, CEO and Chairman of Industrie Chimiche Forestali S.p.A., commented:

*“2020 was a year of exceptional conditions. Nonetheless, **ICF has shown great resilience**, achieving economic and financial results that have kept substantially unchanged the profitability at double-digit margins close to 12% with good cash generation. The Company also carried out relevant projects: the **launch of the new "anti-covid" product line**, the execution of the reverse merger with the ICF Group, the **purchase of over 4% of treasury shares**, the purchase of a new industrial building, the **commitment to sustainability and circular economy** also disclosing the Sustainability Report. We adopted all the measures and procedures aimed at protecting the health of employees, collaborators and our interlocutors. We have always worked by supporting customers all over the world without ever resorting to layoffs for our employees. We have met our payment commitments with suppliers, for services and for all salaries on time. **The beginning of 2021 was positive for the recovery of orders overall, but with strong tension on the prices of raw materials and their availability**. We go forward as usual with passion and enthusiasm, trusting in the resumption of social normality”*

In 2020, ICF confirmed its innovative spirit and its R&D capacities by developing **hand sanitizers** as well as **surface sanitizers** and **SMS fabrics for the production of protective masks** in collaboration with Ahlstrom Munksjö. The Company launched its **e-commerce platform** and obtained several **product certifications, including FSC®, GRS, OK-Biobased and OEKO TEX Std 100**



Sustainability at ICF – www.investors.forestali.it/sostenibilita

Sustainability and social and environmental issues have been part of ICF's culture ever since 1998, when we joined the "Responsible Care" program, promoting the Sustainable Development of the Chemical Industry worldwide according to values and behavior oriented towards health, safety and the environment

ICF's commitment to ESG aspects



Products: we offer to our clients **increasingly eco-friendly products** by replacing hazardous substances present in their formulation and developing eco-friendly and **low Volatile Organic Compound** adhesives



People: we strongly believe in the **value of our people** to whom we guarantee the opportunity of a qualified job and on which we invest to enhance their talents



Safety: we operate with respect for the safety not only of our employees but also of our customers and the surrounding population. Properly trained personnel and the development of processes and plants with high standards of **quality and safety are the prerequisite that we put before any other consideration of economic opportunity**



Quality: together with the preservation of the environment and safety, **quality is an inseparable aspect of our entrepreneurial activity**, which is also reflected in the maintenance and continuous improvement of Management System **certifications**, some of which were obtained more than twenty years ago and have therefore become a common working

At Industrie Chimiche Forestali, the integration of economic, environmental and social sustainability into our business has been for years among our core priorities and thanks to that we have been able to build a competitive advantage, recognized by the market in our competitiveness as well as our dynamism and flexibility

ESG – Environment

ICF's commitment towards environmental issues goes **beyond system certifications** and includes its daily operations, its supply chain and its overall impact on the environment. The Company is in fact compliant with system certifications such as the ISO 9001, the ISO 14001, the OHSAS 18001, the EMAS, the IATF 16949 and the Modello 231

Environmental

- Compliance with the **European REACH regulation**⁽¹⁾
- Increase in the production of **water-based and solvent-free adhesives** (50% of total production) and reduction of solvent-based
- **Carbon Foot Print reduction** on CO₂ emissions to optimize energy consumption
- **Recycling of the process wash water**
- Product specific certifications:
 - **Global Recycle Standard**, which guarantees that products are manufactured using at least 20% recycled materials and in compliance with Social and Environmental criteria
 - **Forest Stewardship Council**[®], which certifies that raw materials come from a responsibly managed forest and supply chain
 - **OK biobased**, which guarantees that renewable raw materials are being used in the production process
 - **Standard 100 By Oeko-tex**, which assessed the absence of hazardous materials in ICF's fabrics
 - **Lyfe Cicle Assessment** analysis which has assessed the environmental impacts associated with all the steps of our Fabric's life which is from raw material extraction through materials processing, manufacture and distribution

2019 vs. 2017

5,337 t

↓ -39%

3,241 t

CO, NOx and VOC emissions

Consumption of natural gas, electricity and fuel

43,249 GJ

↓ -18%

35,319 GJ

3,203 t

↓ -18%

2,757 t

CO₂ emissions

ESG – Social and Governance – www.investors.foreitali.it

Governance

ICF **governance** model is **investor friendly** and quite **unique** among companies of similar size listed on the AIM segment of Borsa Italiana:

- ICF is a public company with the market being the dominant shareholder
- The BoD is composed of 7 members, of which **2 qualify as independent directors** (Mrs. Balzano and Mr. Rettani)
- **The interests of ICF top management are aligned with those of the shareholders:** 12 ICF managers, including the CEO Guido Cami, hold 3.6% of the Company's share capital

ICF Board of Directors



Guido Cami



Giovanni Campolo



Stefano Lustig



Vincenzo Polidoro



Giuliano Tomassi Marinangeli



Marina Balzano



Roberto Rettani

Independent

43% of AIM listed companies featured **2 or more independent directors** in 2019

Social impact

ICF supports the community by sponsoring local organizations:

- Bambini delle Fate
- Marcallo con Casone local sport team
- Mesero oratory
- Valcaselle *tamburello* team
- Alatha
- Magenta's hospital

Best practices

- Environmental Report (every 3 years)
- **Sustainability report** in line with Global Reporting Initiative standards



ENVIRONMENTAL REPORT
2018 - 2020

INDUSTRIE CHIMICHE FORESTALI S.p.A.
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Awards

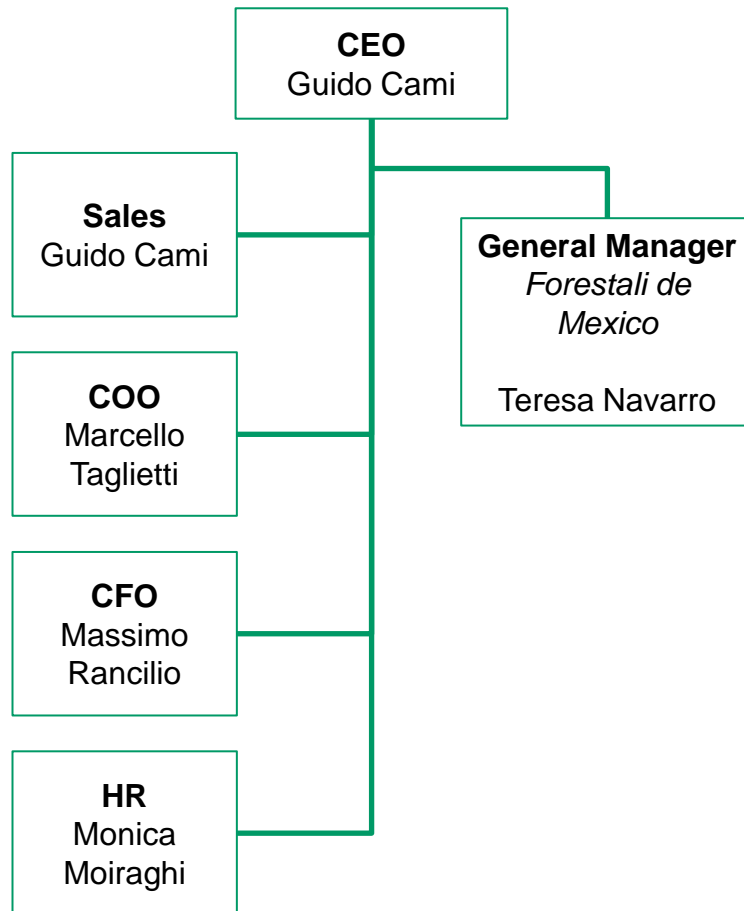


Winner of:

AIM ESG
AIM Investor
Day 2018

Organizational Structure and Key Management

Organizational structure with 129⁽¹⁾ people coordinated by...



...an experienced management



Guido Cami *Chief Executive Officer*

- Graduated in Management Engineering at Politecnico di Milano
- Vice-Chairman of AVISA – Federchimica (Confindustria)
- Chairman of the Adhesive and Sealant division of AVISA
- Vice-Chairman in FEICA (European Adhesives and Sealant Association)
- 30+ years of experience in industrial companies (Pirelli, Manifattura di Legnano, Vibram, Pechiney, Crespi, Forestali)
- Expertise: Production, Logistics, Operations, R&D, Commercial, Managing Direction
- 12 years in Forestali as CEO



Marcello Taglietti *Chief Operating Officer*

- 30 years of experience in the Operations function (Ashland Chemicals, Air Products and Chemicals, KMG Chemicals)
- 4 years in Forestali



Massimo Rancilio *Chief Financial Officer*

- 21 years of experience in the Finance function (Oracle, Accenture, Hexon Specialty Chemicals, MPG Plast)
- 12 years in Forestali



Monica Moiraghi *Human Resources*

- 30 years of experience in the HR function
- 20+ years in Forestali



Teresa Navarro *General Manager*

- General Manager at Forestali de Mexico
- 21+ years in Forestali de Mexico

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