

**We are invisible!**  
**But we are everywhere!**

# **Industrie Chimiche Forestali S.p.A.**

## **Investor presentation**

February 2021

**INDUSTRIE  
CHIMICHE  
FORESTALI**

SINCE 1918

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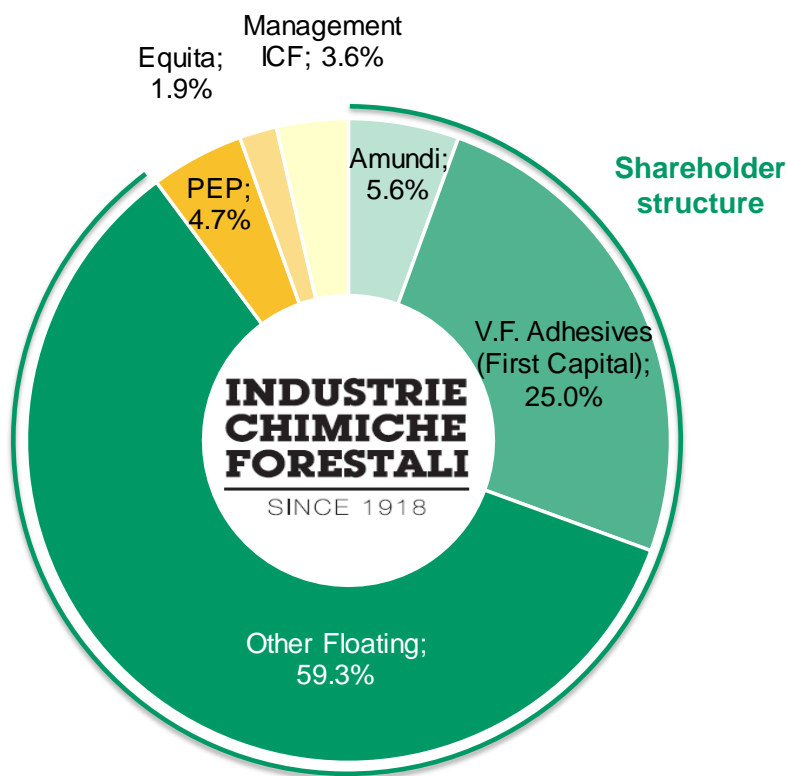
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## Industrie Chimiche Forestali

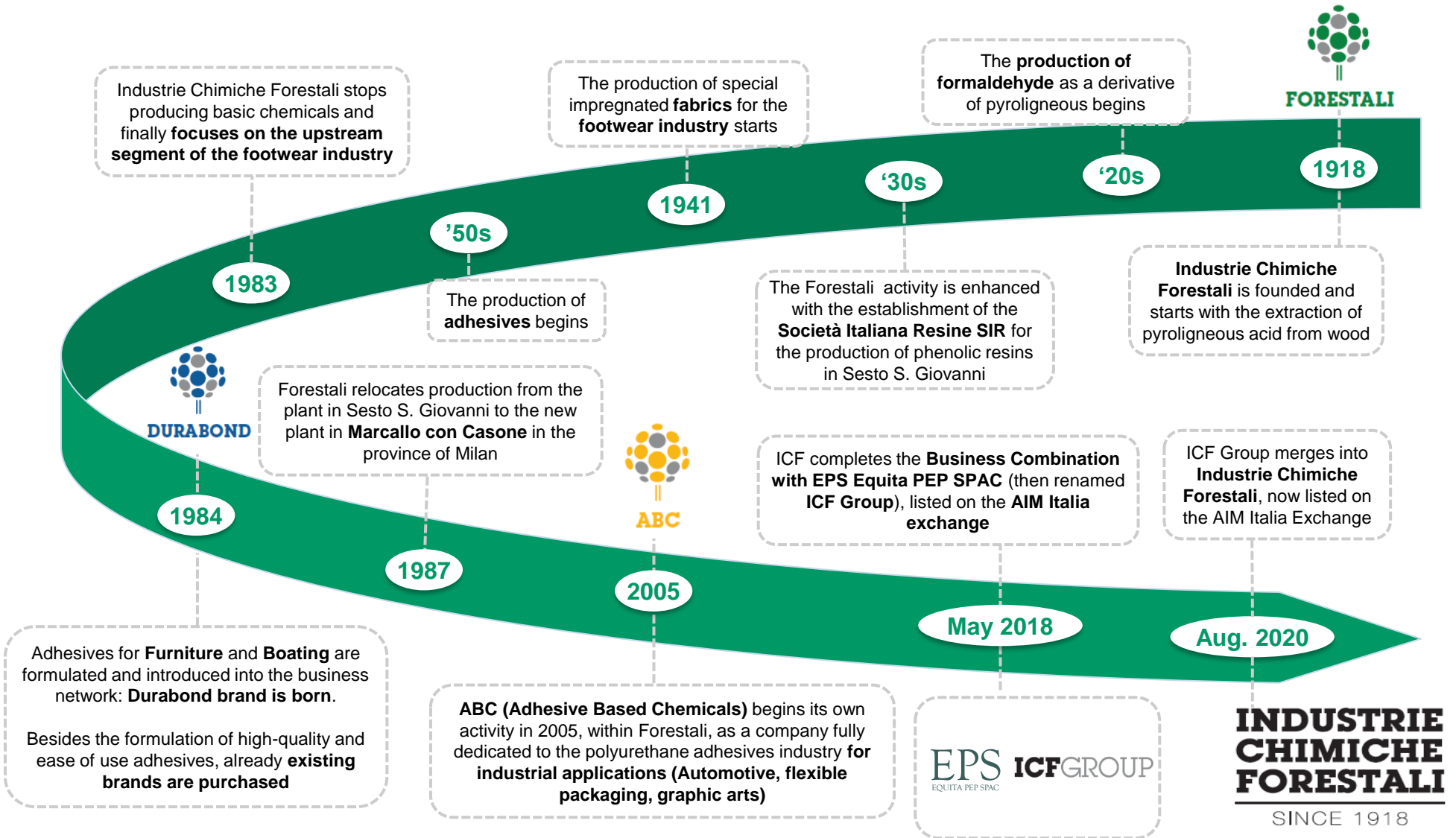
ICF is a leading player in the technical adhesive and fabric business with the **mission** to pursue organic expansion of its operations while acting as an aggregator of companies operating in complementary businesses exploiting the robust Free Cash Flow generation

### 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

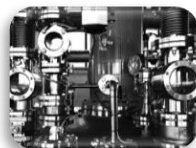
**The «Invisible Power»**

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)

...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)

**Packaging**



**ABC**

**Adhesives are used to glue**



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



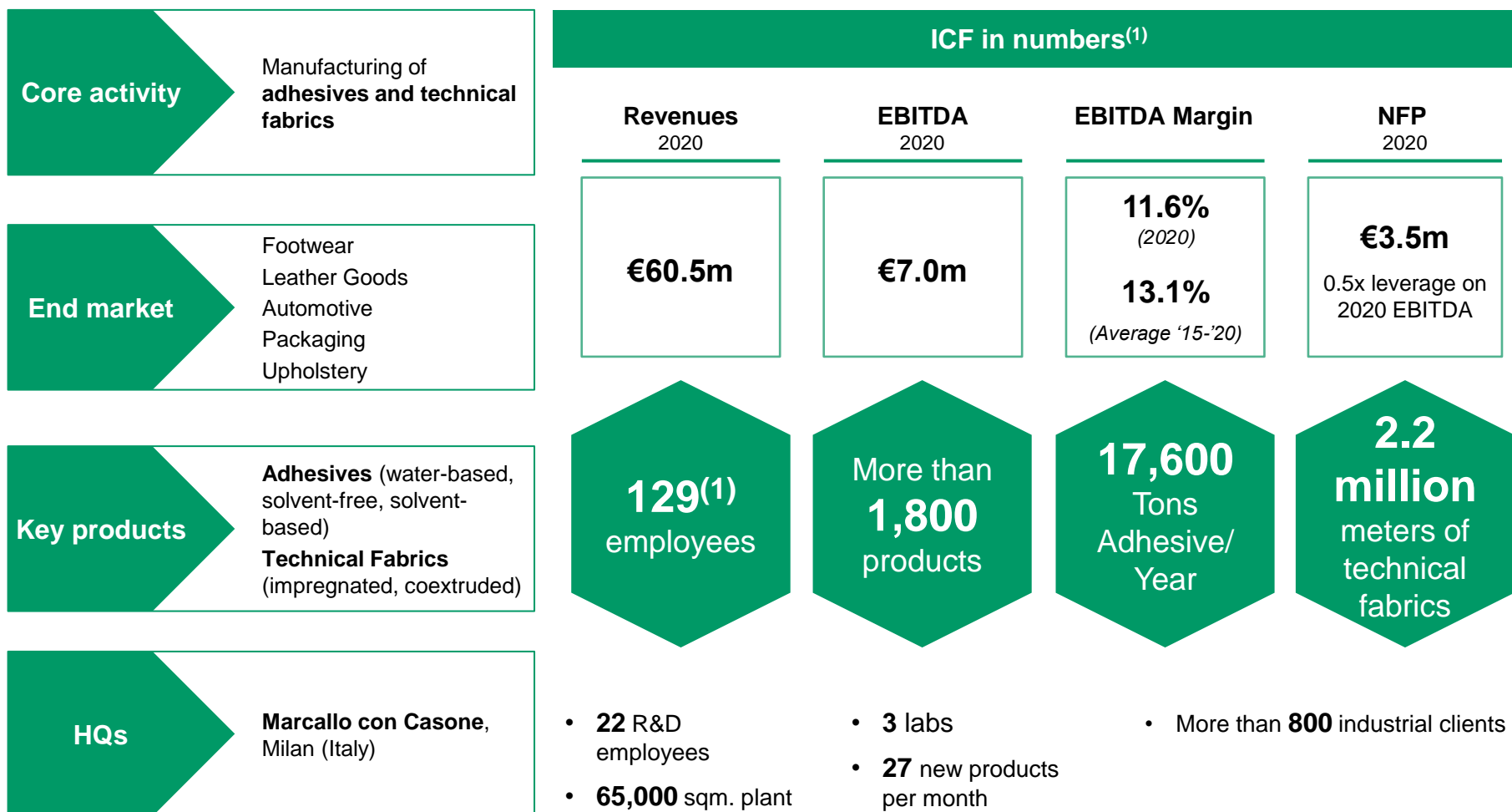
The plastic cover of magazines and periodicals



The pins used in the staplers and similar objects

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

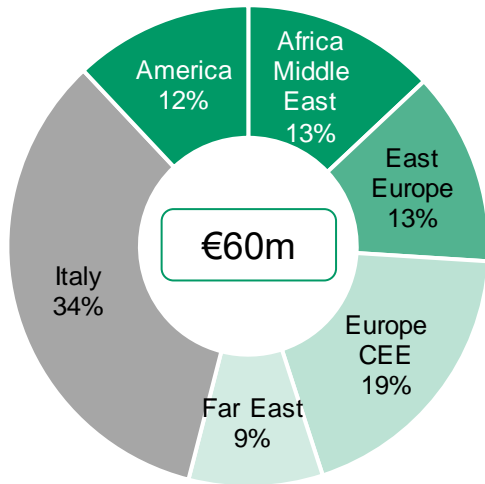
# Industrie Chimiche Forestali: a Leading Player in the Technical Adhesive World



# A Balanced Portfolio with a Global Exposure

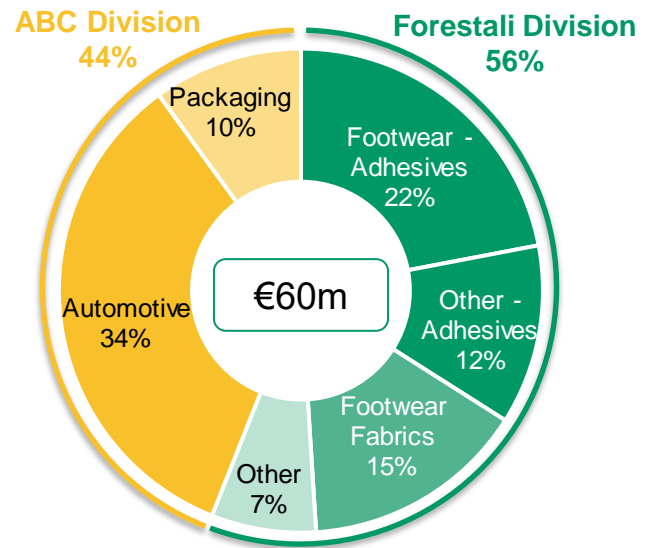
The company is export-oriented, with a balanced exposure to the Automotive, Footwear and Packaging sectors

### Geographic Area



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

### Business Line

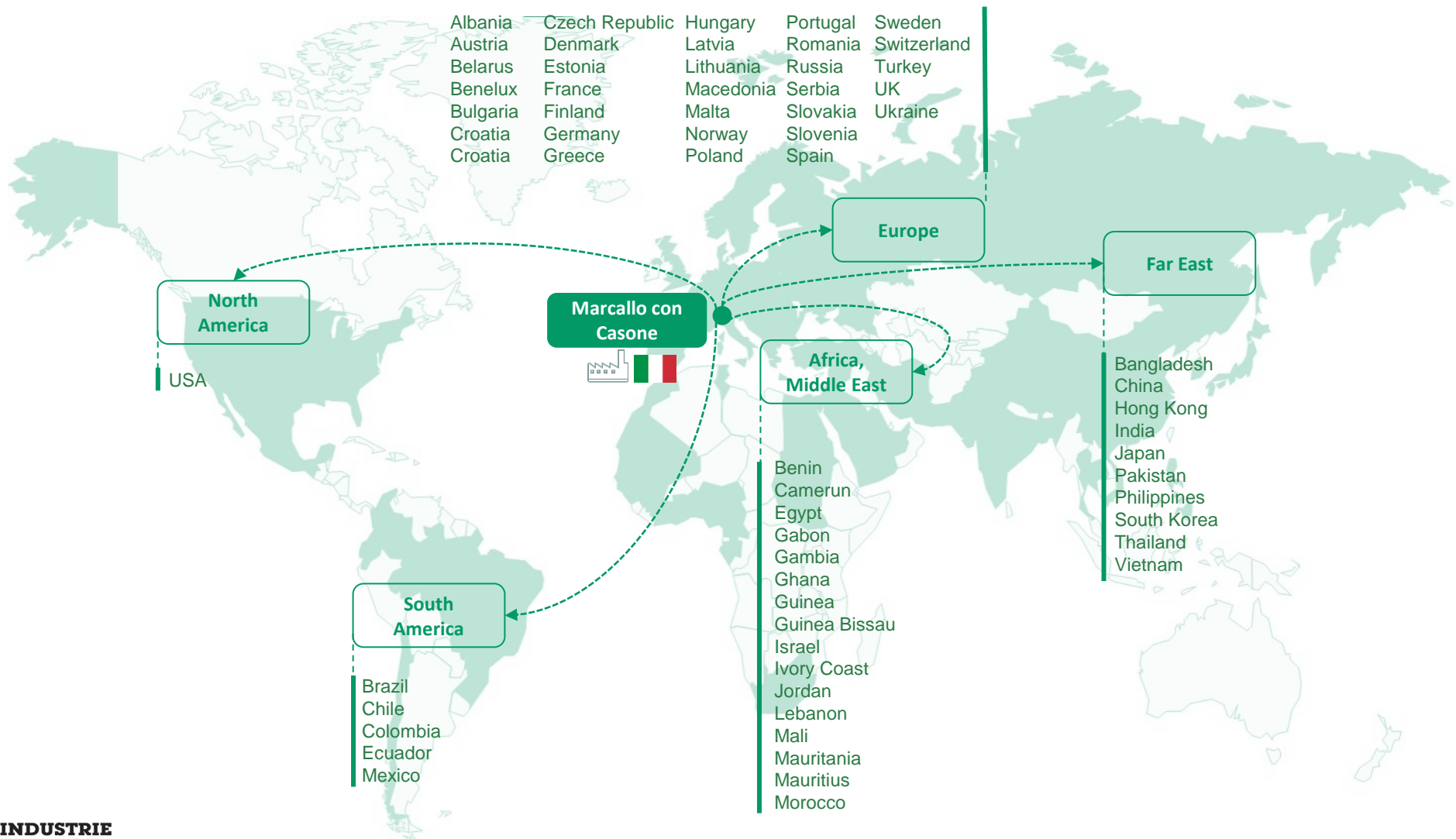


Forestali manufactures both adhesives (c. 34%) and fabrics (c. 15%), while ABC manufactures adhesives only



## From Italy to the rest of the world

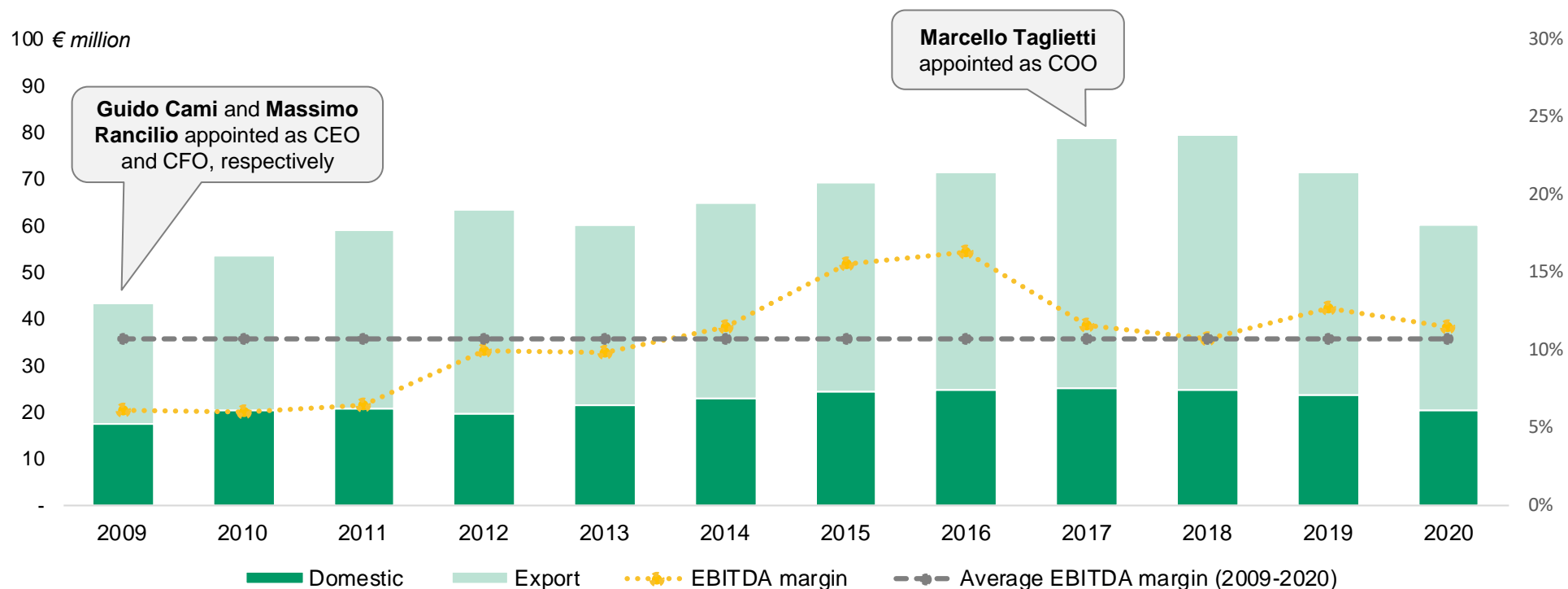
From the headquarter of Marcallo con Casone ICF reaches 80 countries all over the world





## 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)

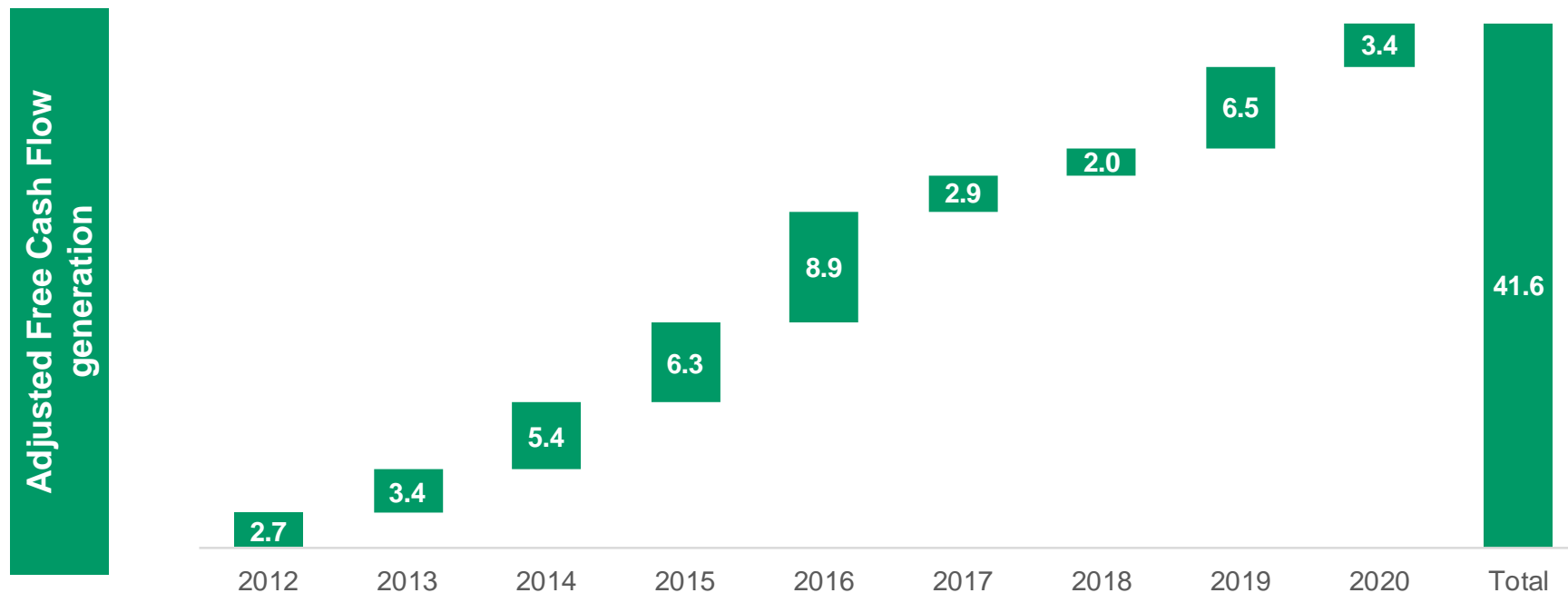


### Domestic (% on revenues)



## Material Free Cash Flow Generation

Cumulative Free Cash Flow Generation above €41.6m over the last 9 years



### Comment

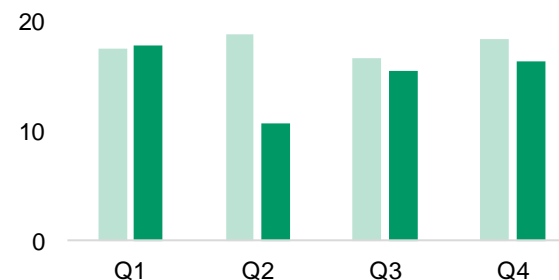
Over the last 9 years, **ICF generated a cumulated Free Cash Flow of €41.6m**, which were used also to sustain an extraordinary capex of €13m in 2013, a €21m re-leverage in 2016, €2.6m of buy-back from May 2019 and €1.0m of extraordinary capex in 2020

## 2020 financial highlights ICF

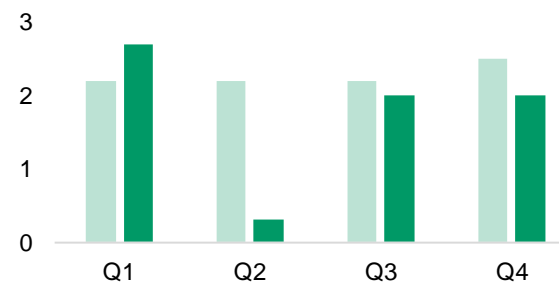
	€m	2019	2020*
1	<b>Revenues</b>	<b>71.7</b>	<b>60.5</b>
2	<b>EBITDA</b>	<b>9.1</b>	<b>7.0</b>
3	<i>Margin (%)</i>	12.6%	11.6%
	<b>Adj. EBIT</b>	<b>4.5</b>	<b>4.4</b>
	<i>Margin (%)</i>	6.3%	7.3%
4	<b>Net Debt</b>	<b>4.4</b>	<b>3.5</b>
	<i>Net Debt/EBITDA</i>	0.3x	0.5x

- 1 In 2020, ICF recorded around €60.5m 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 €7.0m. 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 (11.6%) also thanks to management actions for efficiency enhancement while tackling Covid-19 emergency
- 4 Net debt decreased by almost €1.0m but the actual FCF was around €3.5m once considering around €1.4m of buy-back of shares and an extra investment in an industrial building (c. €1.0m) once rented

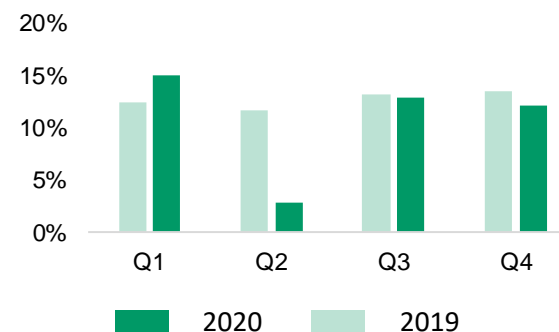
### Revenues



### EBITDA



### EBITDA margin



## 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 full of obstacles that put a strain on companies globally. Thanks to the contribution of all our colleagues, **we tackled the difficulties that emerged, consolidating a good overall result both for the economic-financial aspects and for the social and entrepreneurial ones.** We have **never stopped production and customer service**, we have not made use of temporary layoff, we have paid all suppliers, services and salaries. We have invested in machinery, plants and buildings, developed new product lines for the "common safety" and **vigorously promoted activities aimed at environmental, ethical and economic sustainability.** As usual for us since 1918”*

During the pandemic, ICF has confirmed its innovative spirit and its R&D capacities by developing, in record time, new product lines including **hand sanitizers (VIP & TOP)** as well as **surface sanitizers (GULP and WOW)** and **SMS fabrics (Freedom M1) for the production of protective masks** in collaboration with the Finnish multinational corporation Ahlstrom Munksjö. Lastly, the Company launched its **e-commerce platform** and managed to obtain several **product certifications, including FSC®, GRS, OK-Biobased and OEKO TEX Std 100**



## Sustainability at ICF – [www.investors.forestali.it/sostenibilita](http://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**<sup>(1)</sup>
- 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 CO<sub>2</sub> 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** on the Fabrics product line in order to assess the environmental impacts and the emissions related to the production process

### 2019 vs. 2017

5,337 Kg



-39%

3,241 Kg

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

CO<sub>2</sub> emissions

## ESG – Social and Governance – [www.investors.foreitali.it](http://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.  
www.investors.foreitali.it

### Awards



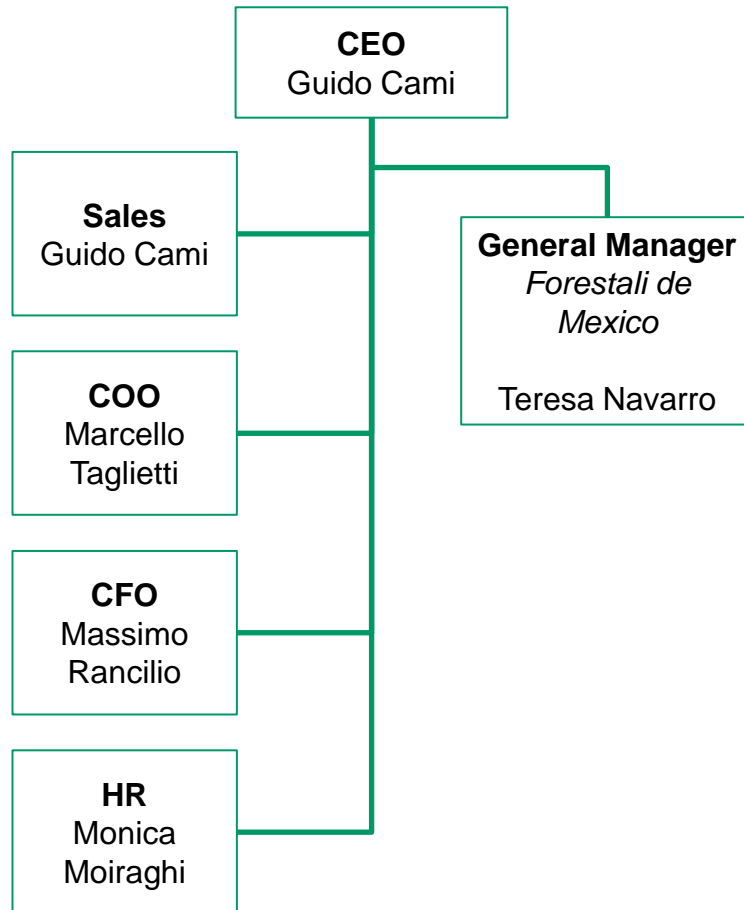
Winner of:

AIM ESG  
AIM Investor  
Day 2018



# Organizational Structure and Key Management

Organizational structure with 129<sup>(1)</sup> 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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[www.forestali.it](http://www.forestali.it)**

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