

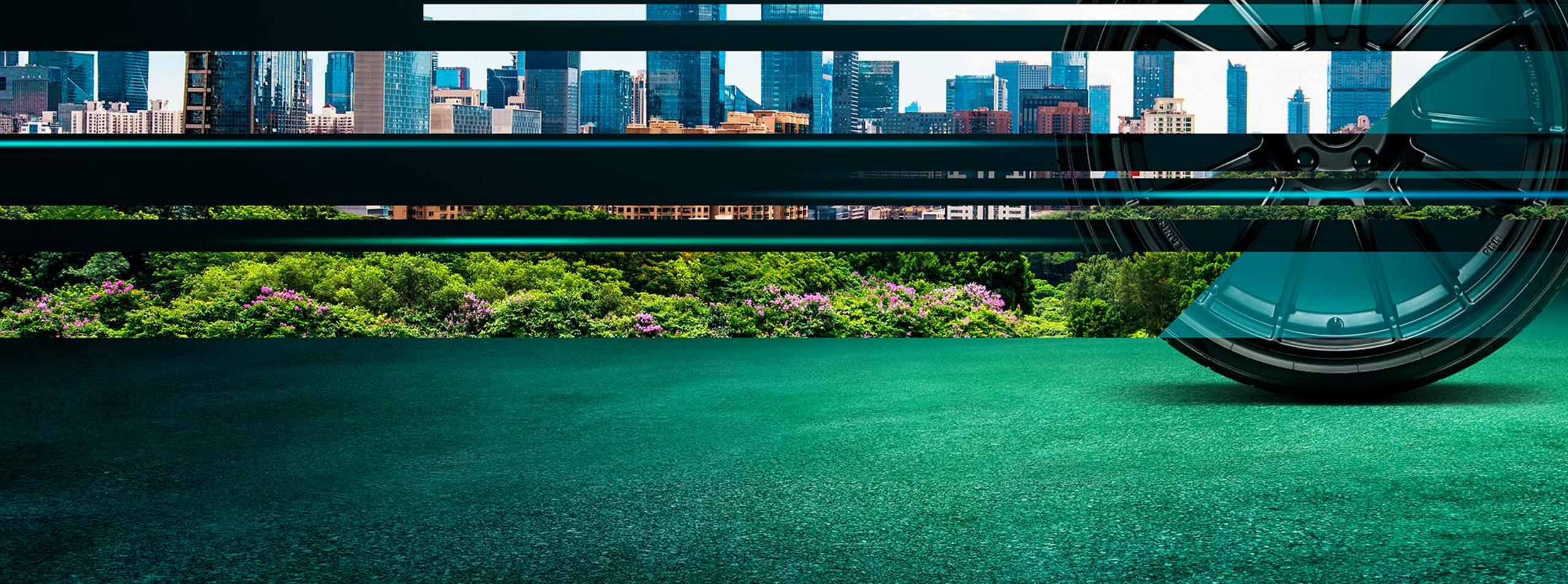


POWER IS NOTHING WITHOUT CONTROL

2021 - 2022 | 2025 INDUSTRIAL PLAN

TARGETS

Fabio Bocchio - SVP Planning & Controlling



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The APIs presented herein are EBIT, EBIT margin, EBITDA, EBITDA margin, net income and net income margin.

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bond impact, Net cash flow before dividends and Net cash flow.

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AGENDA

1 | STRATEGIC GUIDELINES & PLAN SUMMARY

2 | MARKET OUTLOOK & STRATEGY IMPLEMENTATION PLAN

2.1 | COMMERCIAL

2.2 | INNOVATION

2.3 | COMPETITIVENESS

2.4 | OPERATIONS

2.5 | DIGITIZATION

3 | TARGETS

2021-22/25 TARGETS

€ billion

	2020 A	2021 E	2022 E	2025 E
Net Sales	4.3	~4.7 ÷ ~4.8	~5.1 ÷ ~5.3	~5.7 ÷ ~6.2
Adjusted EBIT margin	11.6%	>14% ÷ ~15%	>16% ÷ ~17%	~19% ÷ ~20%
CapEx (% on sales)	0.14 (3.3%)	~0.33 (~7%)	~0.38 ÷ ~0.4 (~7.5%)	~1.2 ÷ ~1.3 cum '23-'25 (~7.5% avg)
Net Cash Flow bef. Dividends & conv. Bond impact	0.21	~0.30 ÷ ~0.34	~0.42 ÷ ~0.46	~1.7 ÷ ~1.9 cum '23-'25
Net Financial Position NFP / adj. EBITDA	3.3 3.65x	~3.0 ~2.7x	~2.75 ÷ ~2.65 ~2x	~1.6 ÷ ~1.4 ~1x
ROIC Post taxes	10.4%	~16%	~19%	~25%

o/w
~9% in '23
~7.5% in '24
~6% in '25

o/w
~0.5 in '23
~0.6 in '24
~0.7 in '25

Dividend policy: ~50% pay out of 2021-22 net income; 40% of 2023-24 net income

OUR VALUE ROADMAP

- ▶ **Volume:** seizing market growth in H.V., gaining share
- ▶ **Price/Mix:** reaping the benefits of our commercial actions while keeping price discipline
- ▶ **Net Efficiencies:** 2020-22 Competitiveness plan delivered with an add-on wave in '23-'25

- ▶ **Operating Cash Flow:** improving despite high investment for growth in '23-'25
- ▶ Cash out for restructuring
- ▶ Keep a **tight working capital management**

Adjusted EBIT
(€ million)

501
2020 A

2021E-22E
'22 end: Next Normal
(back to pre-Covid level)

Δ '20-'22 2022 E



2023E-25E
'25 end > Fully deleveraged

Δ '22-'25 2025 E



NCF generation
(€ million)

208
2020 A

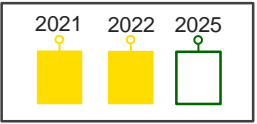
Δ '20-'22 Cum '21-22



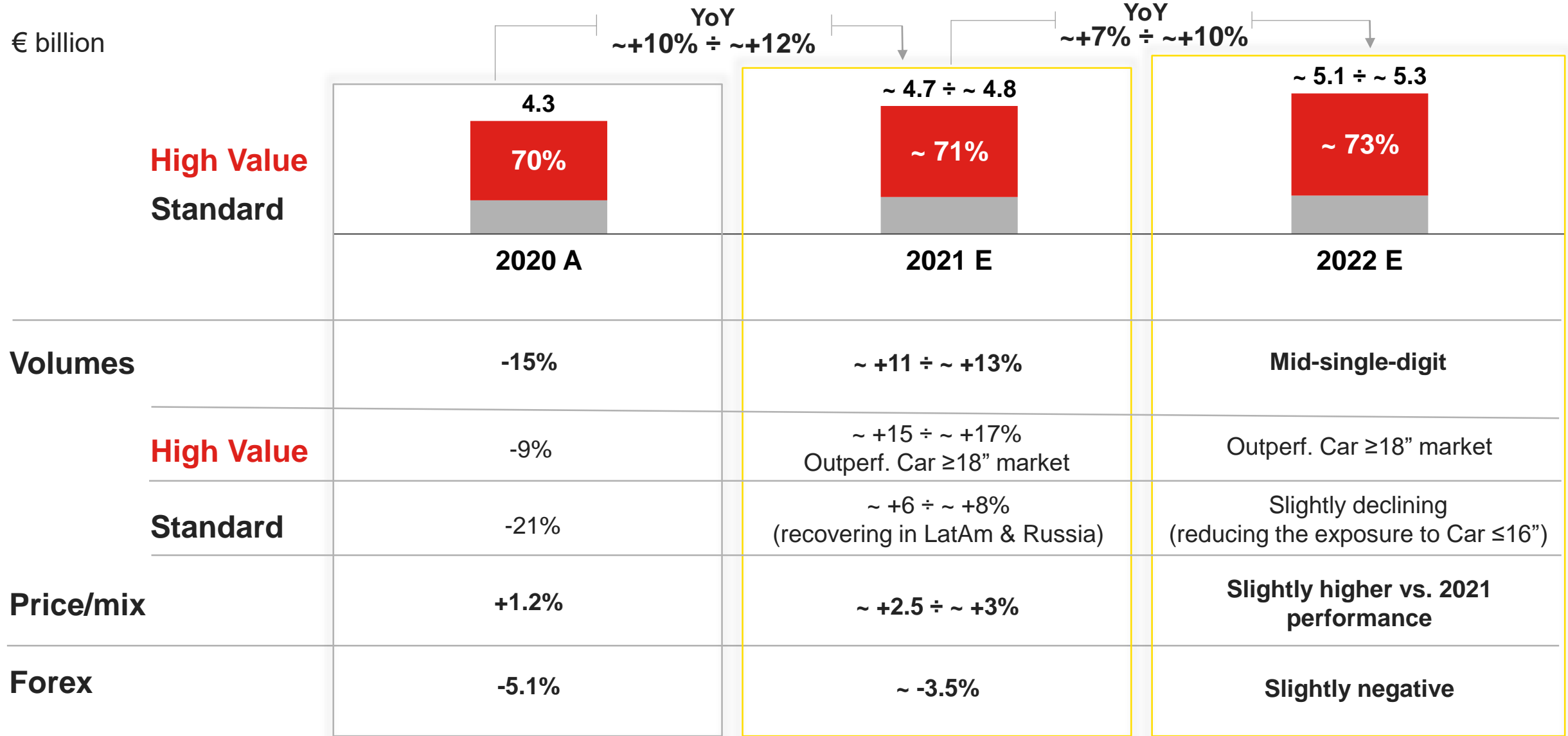
Δ '22-'25 Cum '23-25



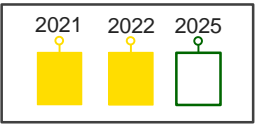
2021-2022 REVENUES TREND



€ billion

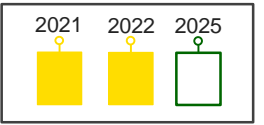


2021-2022 PRICE-MIX TREND



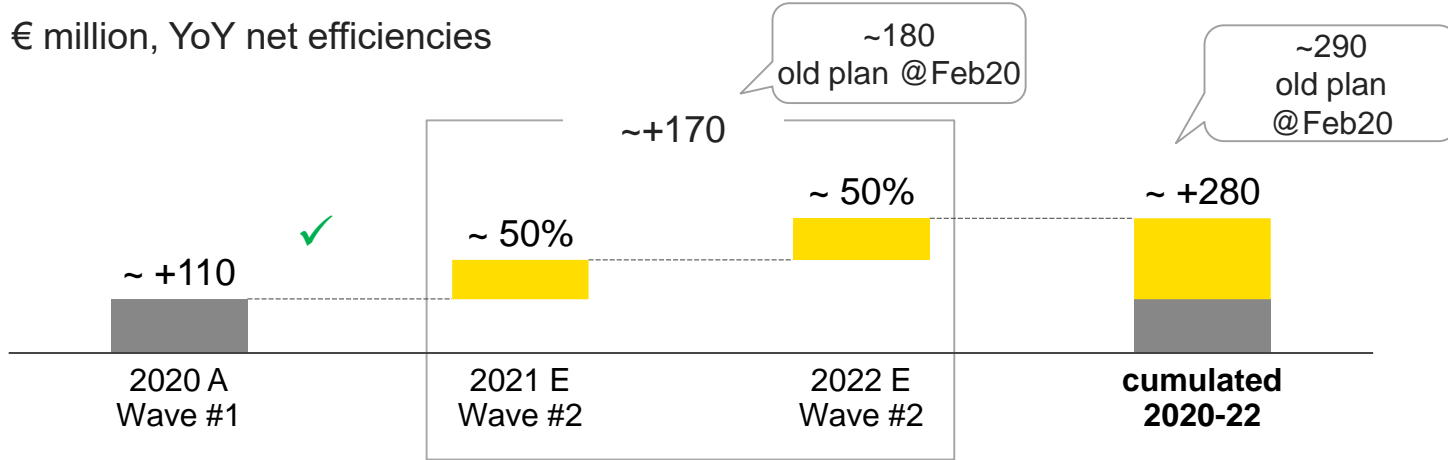
	1.2%	~ +2.5 ÷ ~ +3%	slightly higher vs. 2021 performance
	2020 A	2021 E	2022 E
Product Mix	+ H.V. vs. Standard outperformance	++ H.V. vs. Standard outperformance Mix improvem. within segments	++ H.V. vs. Standard outperformance Mix improvem. within segments thanks to new product launch in '21-'22
Region Mix	+ solid demand in China from 2Q and EU and N.A. recovery in 2H	+ H.V. Regions outperformance	++ H.V. Regions outperformance higher APac contribution (market share increase in ≥19", pull-through effect)
Channel Mix	- stronger O.E. vs. Repl. (Prem./Prestige demand rebound in 2H; client base expansion)	= balanced O.E. / Repl. trend	+ Fully seizing the benefits of O.E. previous years growth
Price	- slightly negative, mainly on O.E.	+ increasing linked to raw mat. headwind	= Assuming a contained raw mat. impact

EFFICIENCIES 2020-22



Competitiveness plan '20-22

€ million, YoY net efficiencies

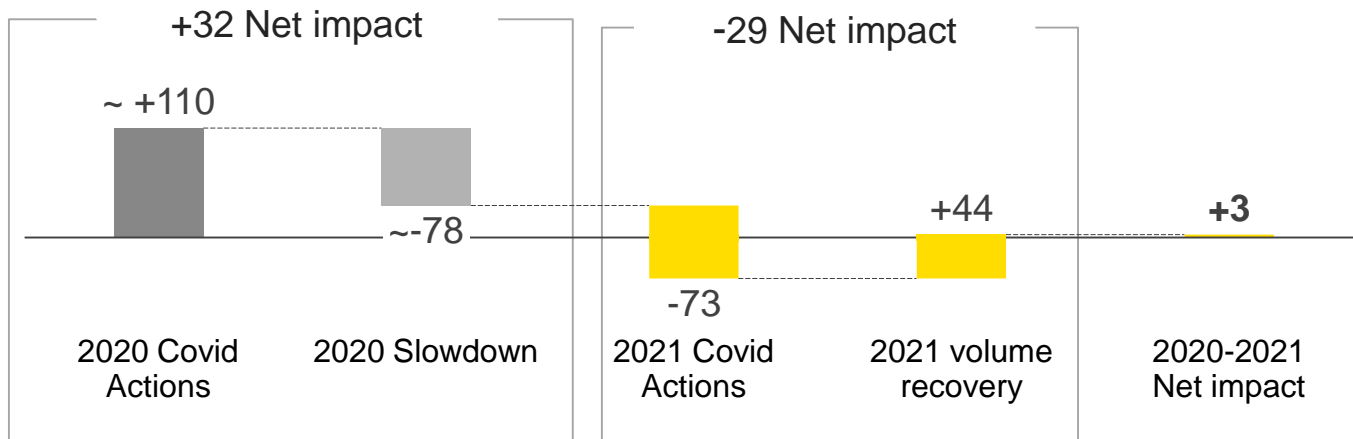


► 20-22 Competitiveness Plan confirmed

- 2nd Wave almost in line with 2020 Feb plan despite a lower Standard production saturation vs. the old plan
- Lower benefits on manufacturing and product cost partially covered by higher SG&A and Organization savings

Covid actions '20-21

€ million, YoY net impact

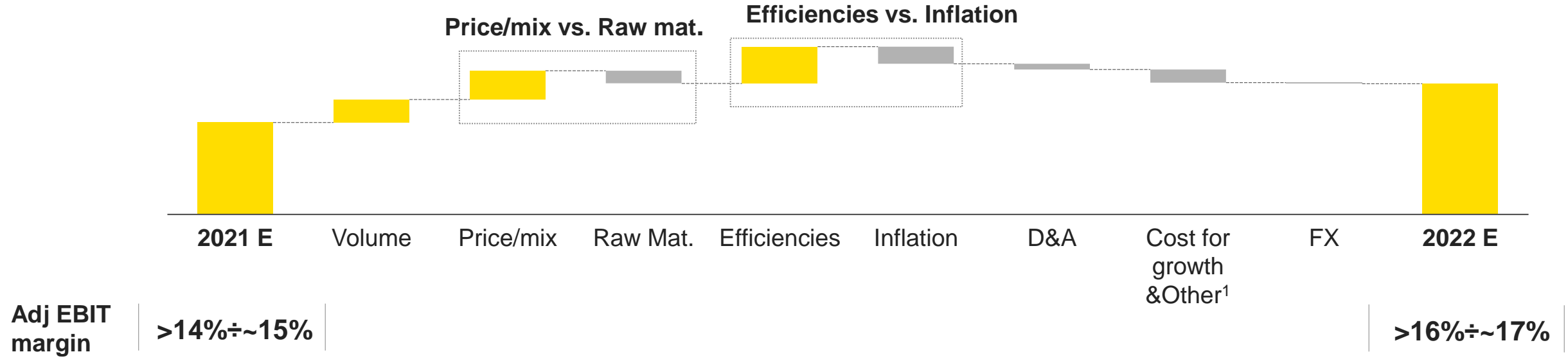
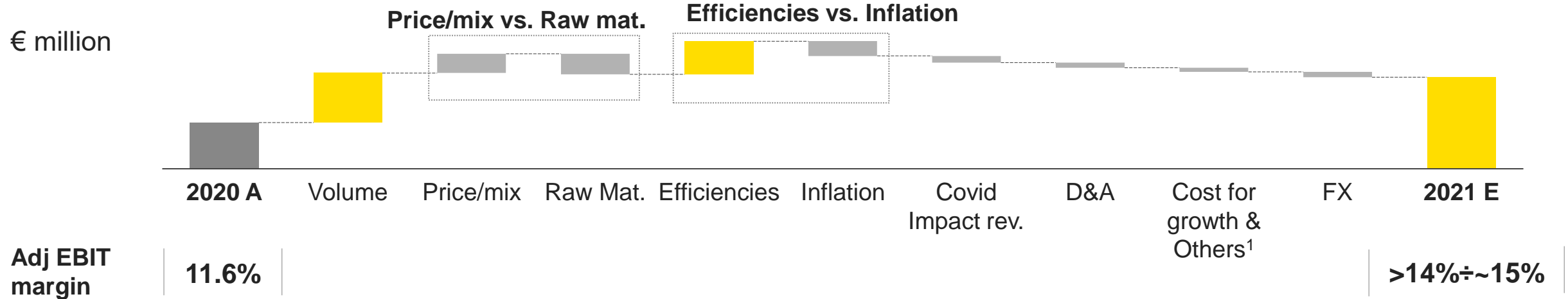
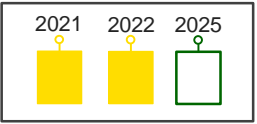


► 2020 Short term cost cutting plan to counterbalance Covid-19

► 2021 Reverse Impact

- - €73 million of costs related to activities kept on-hold in 2020 (65% of 2020 gross efficiencies)
- + €44 million linked to volume rebound (55% of 2020 slowdown): production recovery still below the old plan and furlough not contributing anymore

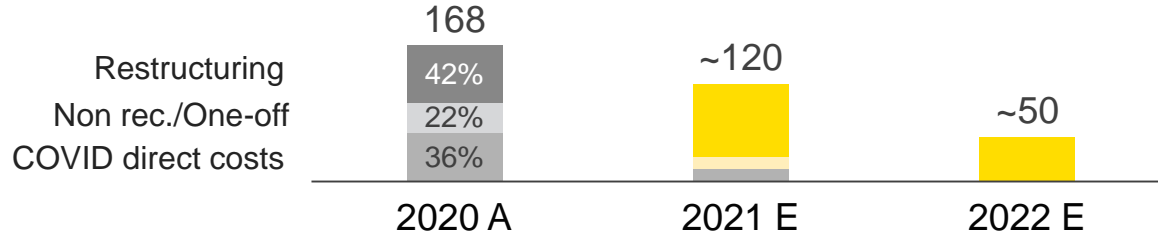
2021-2022 PROFITABILITY TREND



BELOW ADJUSTED EBIT

Restructuring and non recurring costs

€ million



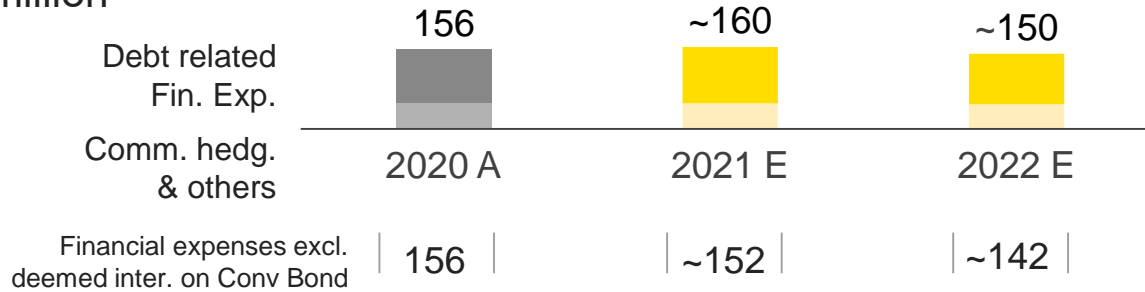
► Restructuring:

- ▷ on-going plant restructuring (Brazil, Italy, Burton MIRS), rightsizing / organization streamlining and early retirement programs
- ▷ benefits already visible within competitiveness program
- ▷ cash-out ~+20% vs P&L in both '21-22 (previous years accruals)

- **2021 Non Recurring:** mainly Retention and other costs not related to the business (e.g. pension fund de-risking actions)

Financial income and expenses

€ million



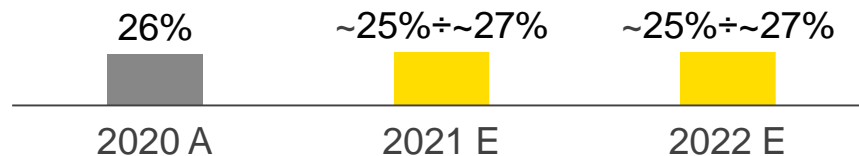
- **Cost of Debt 2022E:** 2.2% vs. 1.94% in 2020A

due to higher interest rate in Emerging Markets (~17% of gross debt)

- **Deleveraged benefits dented by:**

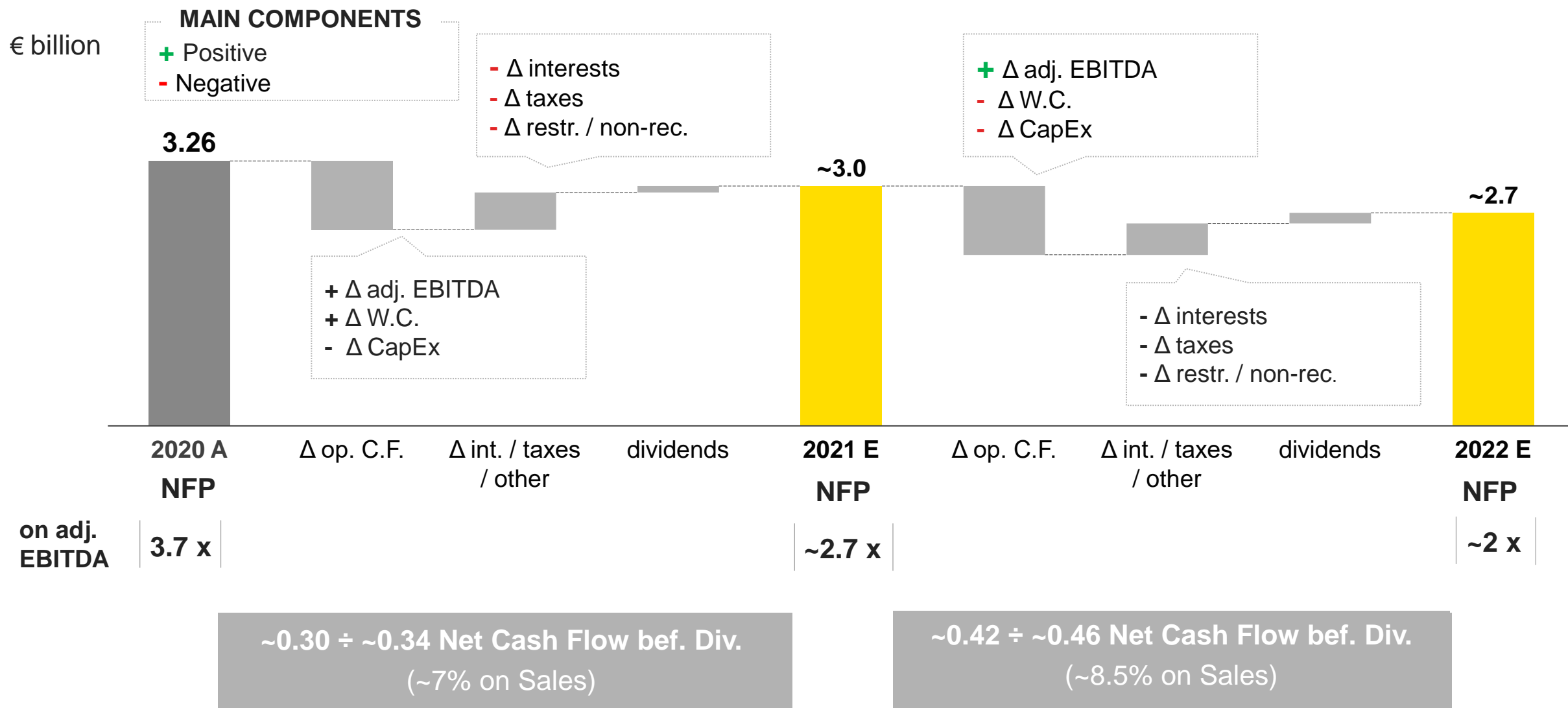
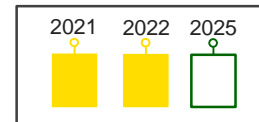
- ▷ commercial hedging increases due to our top-line growth
- ▷ exposure to high yield currencies
- ▷ hyperinflation in Argentina

Tax rate

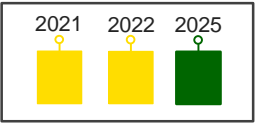


- **In line with Feb 2020 Industrial plan**

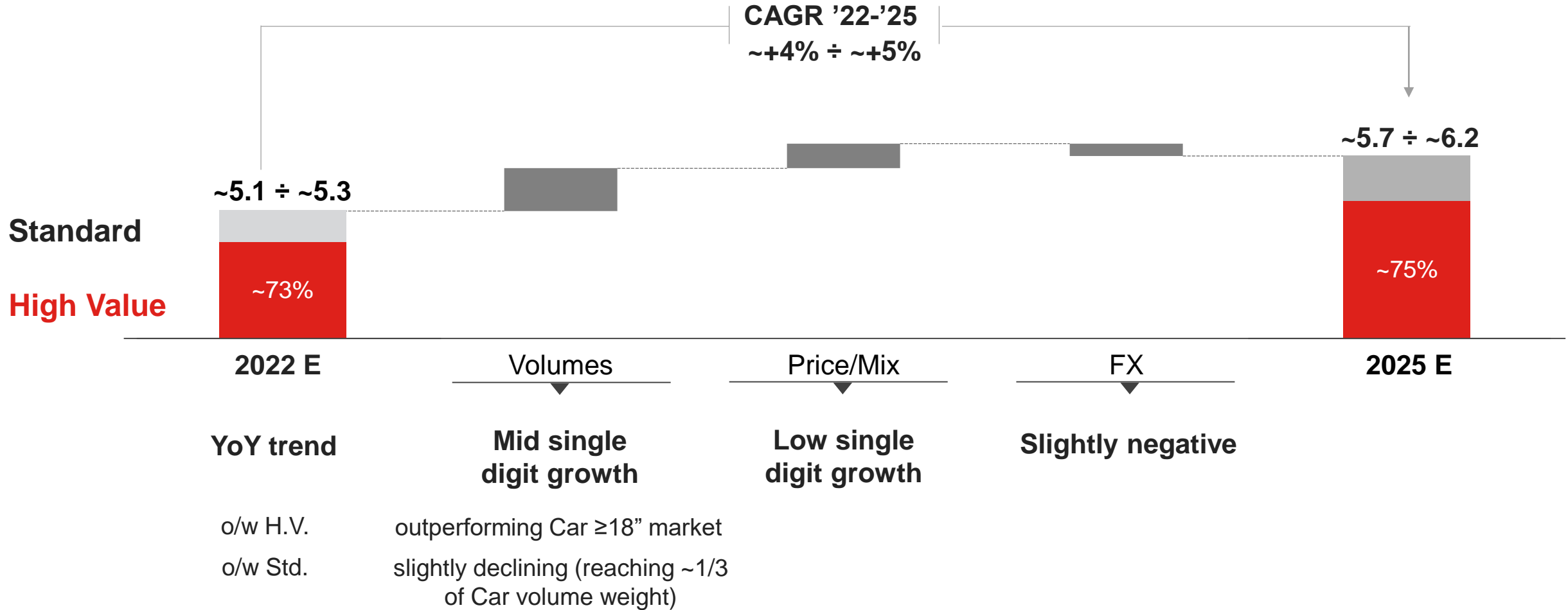
2021-2022 NET CASH FLOW (BEF. DIV.) & NET FIN. POS. TREND



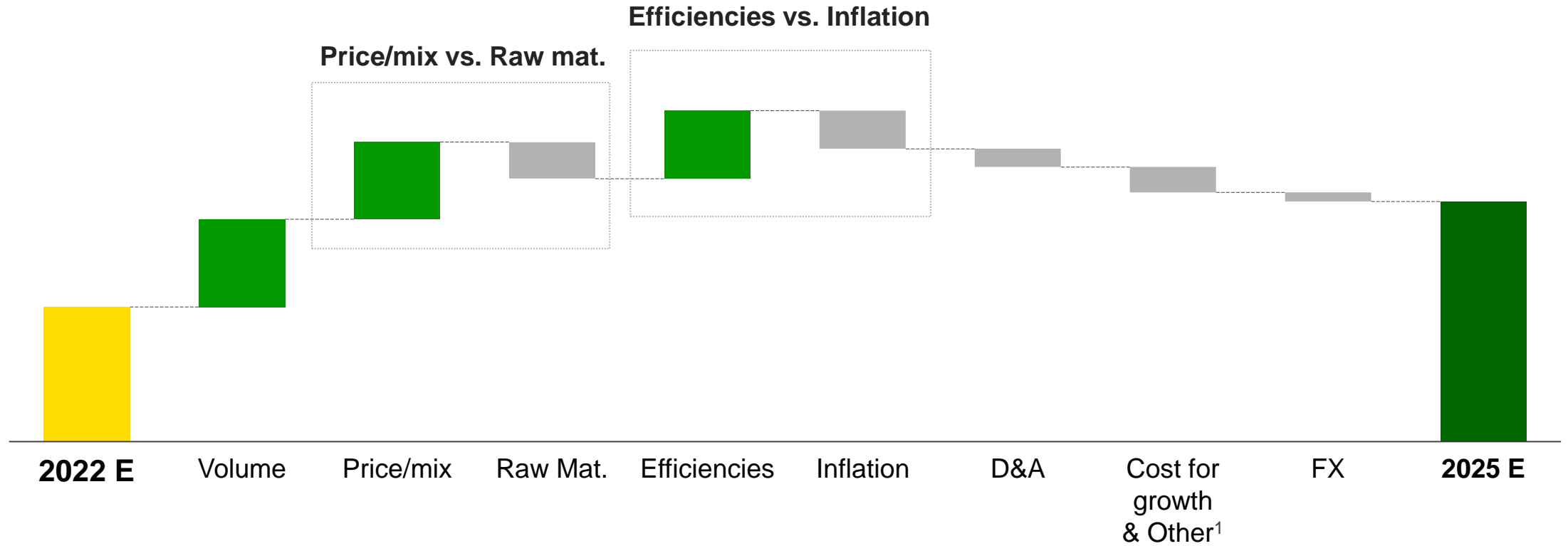
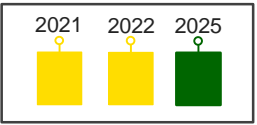
2023-2025 REVENUES TREND



€ billion



2023-2025 ADJ. EBIT TREND

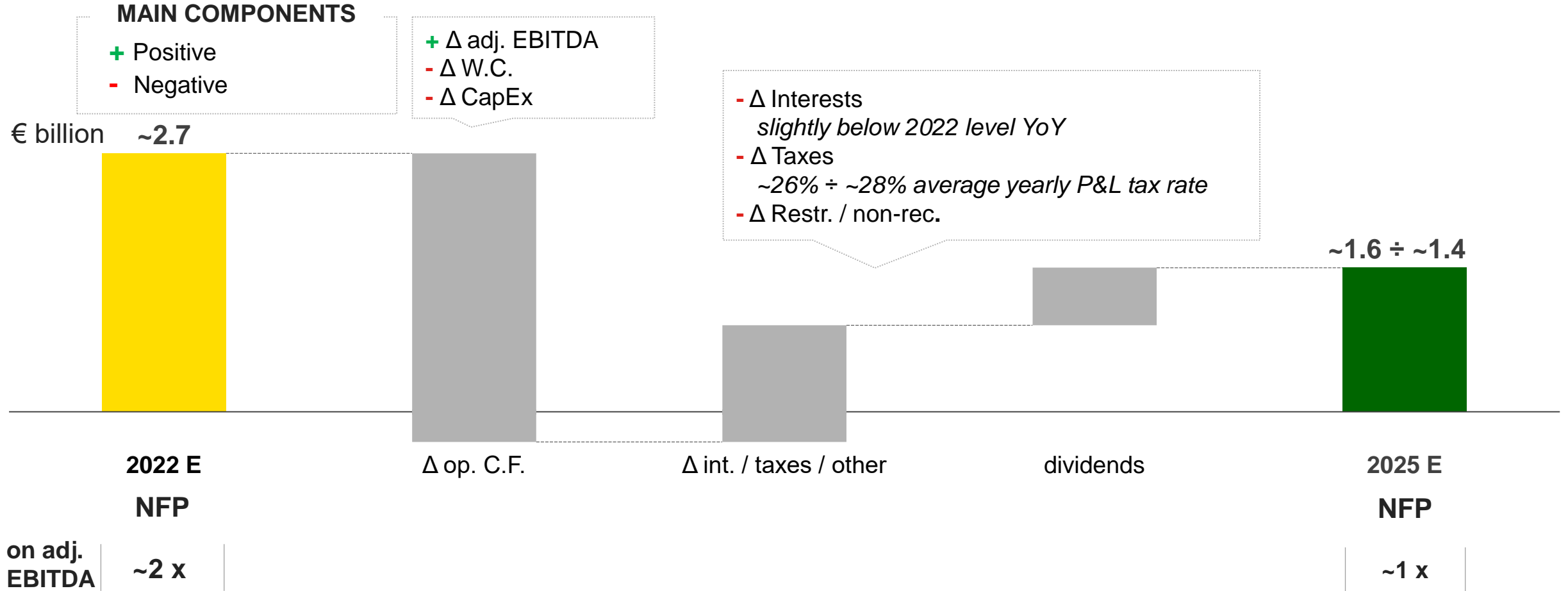
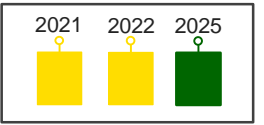


Adj. Ebit margin | >16% ÷ ~17% |

| ~19% ÷ ~20% |



2023-2025 NET CASH FLOW (BEF. DIV.) & NET FIN. POS. TREND



~1.7 ÷ ~1.9 of cum. net cash flow bef. dividends in 2023-25 (~10.5% on sales)