



# TOWARDS A CLEANER FUTURE, TOGETHER

## COMPANY PRESENTATION

MID & SMALL IN LONDON 2022

**INNOVATEC GROUP**

31 March 2022



**Elio Catania**  
*Chairman*



**Raffaele Vanni**  
*Head of Investor  
Relations*

**TODAY'S SPEAKERS**



# COMPANY PRESENTATION MID & SMALL IN LONDON 2022

INNOVATEC GROUP

## ✓ **INDUSTRY AND INNOVATEC OVERVIEW**

- BUSINESS MODEL & STRATEGY
- 2022-2024 PLAN
- FY2021 RESULTS
- GOVERNANCE





# CLEANTECH INDUSTRY

Any **process, product or service** that aims at **reducing negative environmental impacts** through:



**Environmental protection** activities – recovery, recycling and disposal of materials



Sustainable **use of resources**: water, air and the environment as a whole



Significant improvements in terms of **energy efficiency**



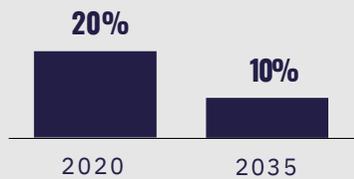
**WHAT IS CLEANTECH?**





# FOCUS ON ENERGY TRANSITION

## LANDFILL WASTE DISPOSAL TARGET



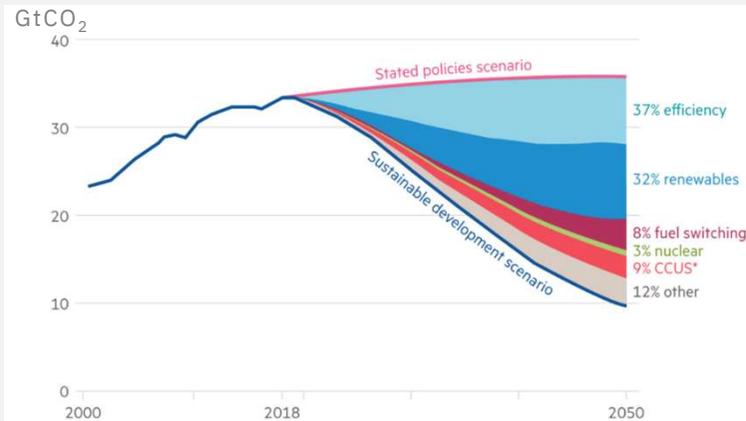
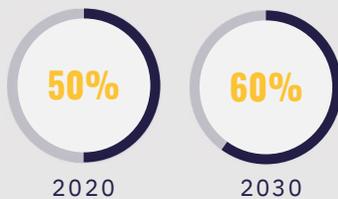
## TARGETED EMISSIONS REDUCTION\*



## RES INSTALLED CAPACITY



## RECYCLED WASTE



## ELECTRICITY GENERATION FROM RES



**CIRCULAR ECONOMY TO MAXIMIZE THE RE-USE OF RESOURCES**

**STRONG EXPANSION IN EE**

**UNPRECEDENTED GROWTH IN RENEWABLES**

Source: European Commission

\*Reduction of GHGs emissions vs 1990 baseline



# WE ARE IN AN ATTRACTIVE BUSINESS

## EU INVESTMENTS



European Green Deal

at least **€1 trillion** of sustainable investments over the next 10 years

## ITALIAN GOVERNMENT INVESTMENTS



IT Recovery Plan

**€60 billion** for the Italian Green revolution and ecological transition

## 4 ACCESSIBLE MARKETS FOR INNOVATEC:

1

### SUPERBONUS 110%

Deduction for interventions dedicated to households' insulation and energy saving  
**€14 bn**

2

### ENERGY TRANSITION

Funding for innovative projects ("Progetti Faro), promotion of innovative power plants, biomethane, Green Ports  
**€3.5 bn**

3

### ENERGY COMMUNITIES

Funding for the development of renewable energies in energy communities  
**€2.2 bn**

4

### AGRO-PV

Funding for the development of PV plants in agriculture and farming  
**€2.6 bn**

INNOVATEC CAN INTERCEPT RELEVANT FUNDS FOR BUSINESS DEVELOPMENTS





# INNOVATEC GROUP

WHO WE ARE

 CLEANTECH INDUSTRY

INTEGRATION

ENVIRONMENT & CIRCULAR ECONOMY

INNOVATION & CONSULTANCY SERVICES

EE & RENEWABLES



Circularity



INNOVATEC VENTURE



INNOVATEC POWER



**TRADITIONAL ENVIRONMENTAL SERVICES**

- Collection
- Selection
- Recovery of Materials
- Disposal

**CIRCULAR ECONOMY SERVICES**

- Recycling
- Energy recovery
- EPR driven services

High level advisory in circular economy  
+  
Cleantech corporate venture capital

**B2B**

- Energy efficiency EPC
- PV plants
- Smart vertical technologies

**B2C**

- HouseVerde (“HV”)
- Energy communities

**PA**

- Kyoto fund
- Energy communities



The Italian leading operator providing **360-degree services** in circularity and sustainability



We integrate **Energy Efficiency services** and the full cycle of **Environmental services**, from recovery to recycling



We also have an impact in **helping other Companies improve the circularity** in their products and processes



# OUR STRATEGY

HOW WE MEAN TO PLAY A ROLE

BE A LEADER IN THE **CLEANTECH INDUSTRY TO REWRITE THE FUTURE FOR NEXT GENERATIONS**



A clear strategic path and a serious commitment **in our 2022-2024 business plan:**



**Strong Investment Plan** to strengthen and deepen our footprint in circular economy



**Leveraging** our **unique Asset Base**



Investing in **human capital** to fuel the EE business



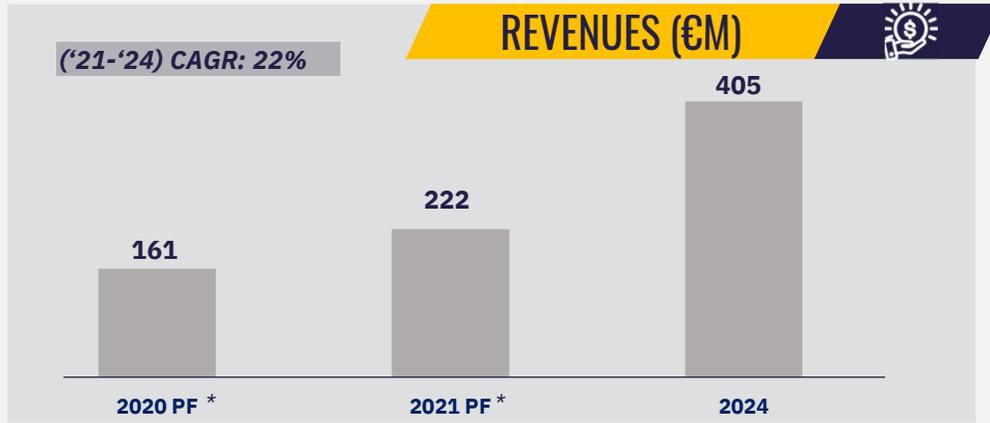
Ready to surf the industry momentum to seize **opportunities** that open up in the **regulatory context**



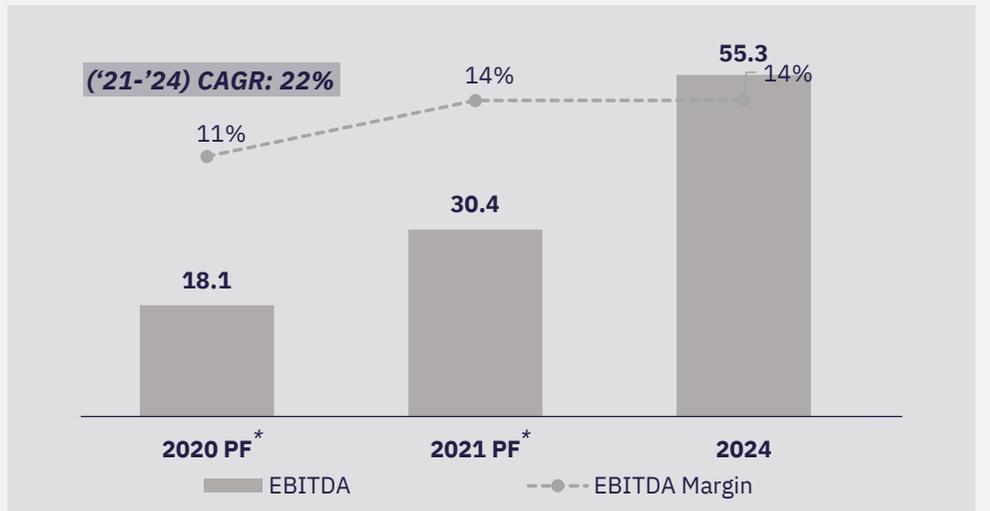
**Combining growth and financial discipline**



# 2022-24 BP AT A GLANCE

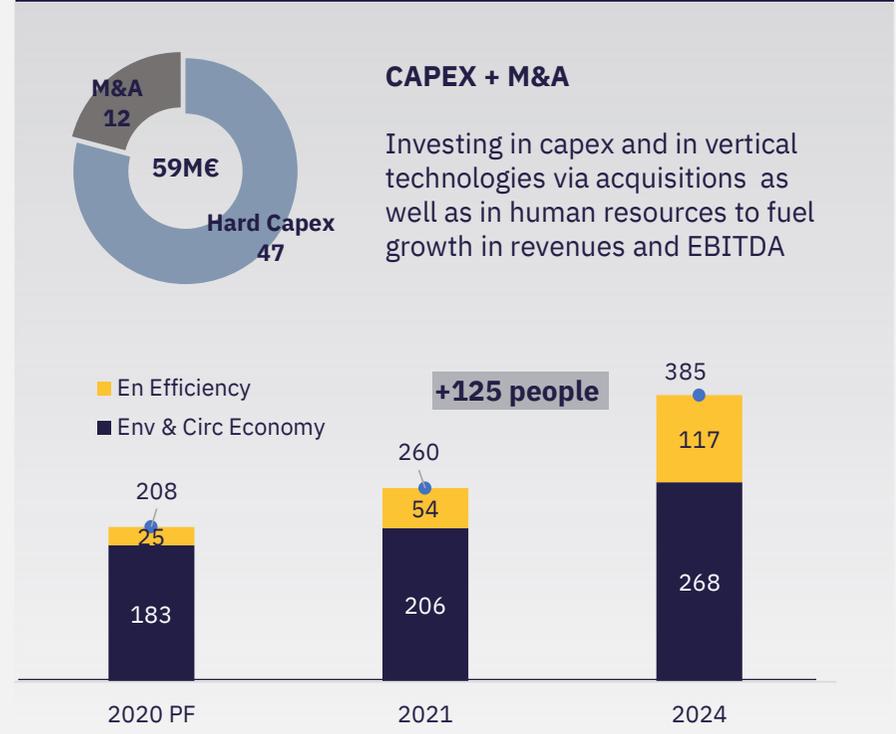


\* 2020 and 2021 Revenues and EBITDA including COBAT financial results



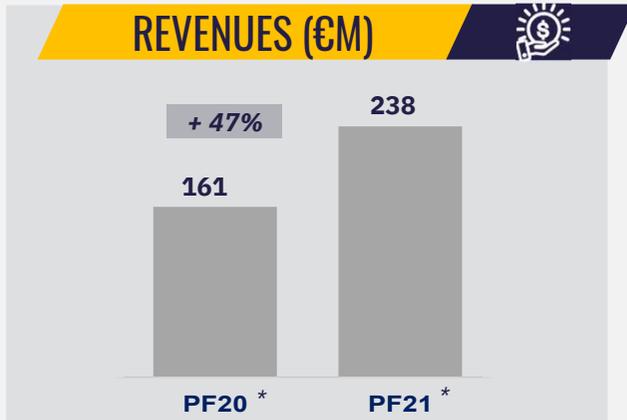
### EBITDA (€M)

### Cumulative CAPEX and Recruitments (2022-2024)

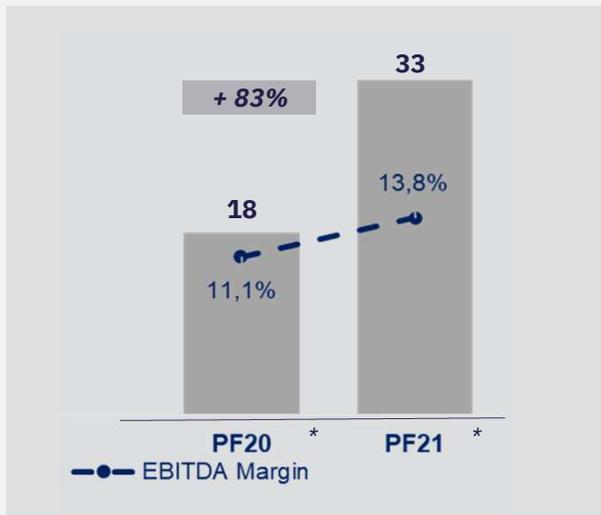




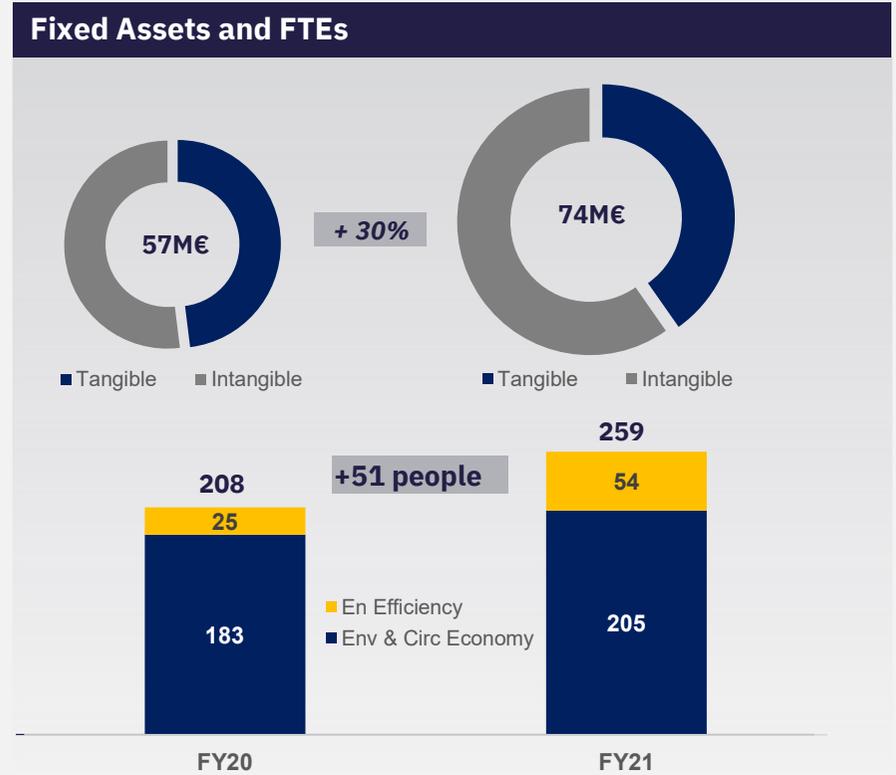
# FY21 AT A GLANCE



\* PF figures include COBAT results

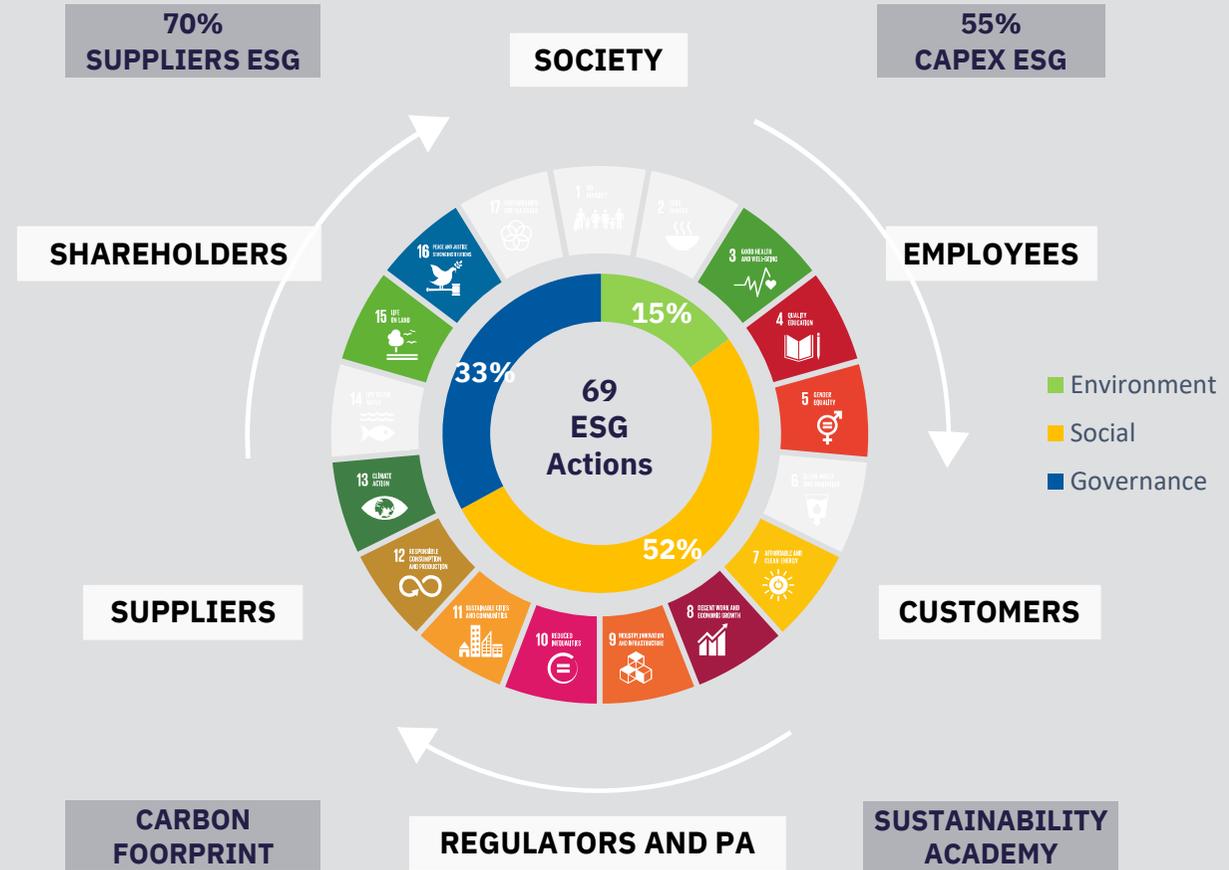


### EBITDA (€M)



# A KEY ENABLER OF SUSTAINABILITY

ESG – AT THE CORE OF INNOVATEC'S PURPOSE



SUSTAINABILITY IS AT THE HEART OF INNOVATEC BUSINESS AND FULLY INTEGRATED IN CORPORATE STRATEGY





# COMPANY PRESENTATION MID & SMALL IN LONDON 2022

INNOVATEC GROUP

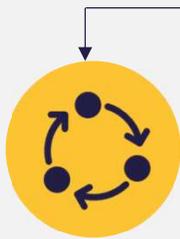
- INDUSTRY AND INNOVATEC OVERVIEW
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# GUIDELINES FOR EXECUTION

Focus on **value creation** and **medium-term return**



## CIRCULAR ECONOMY

- Strengthen our **asset base**
- Broaden our **service proposal**
- Transfer our **know how**



## INNOVATION

- **Invest** in breakthrough technologies
- Promote **technology transfer**
- Support **innovative start ups**



## EE & RENEWABLES

- Become a **leader in our sector**
- Facilitate **energy transition**
- Become an **energy problem solver**

INTEGRATION OF COMMERCIAL OFFERING

END-TO-END



# ROADMAP TO 2024 LEADERSHIP

## MAIN DRIVERS

ENVIRONMENT & CIRCULAR ECONOMY		INNOVATION & CONSULTANCY SERVICES	EE & RENEWABLES
<b>STRENGTHEN OUR ASSET BASE</b> <ul style="list-style-type: none"> <li>Enhance traditional treatment facilities</li> <li>Expand our customer base</li> <li>Extend landfills' residual life</li> </ul>	Invest in breakthrough technologies + Promote transition to circular economy + Support innovative start up	<b>BECOME A LEADER IN OUR SECTOR</b> <ul style="list-style-type: none"> <li>HouseVerde (HV) Market share increase</li> <li>Integrate HV social housing proposal</li> <li>Integrate HV hotel proposal</li> </ul>	
<b>BROADEN OUR SERVICE PROPOSAL</b> <ul style="list-style-type: none"> <li>Develop recycling facilities</li> <li>Implement consortium management to other waste classes</li> <li>EPR driven services</li> </ul>		<b>FACILITATE ENERGY TRANSITION</b> <ul style="list-style-type: none"> <li>Create energy communities</li> <li>Develop &amp; build large scale PV plants as EPC contractor</li> </ul>	
<b>TRANSFER OUR KNOW HOW</b> <ul style="list-style-type: none"> <li>Advanced recovery facilities dedicated to municipal waste</li> </ul>		<b>BECOME A PROBLEM SOLVER TO REDUCE EMISSIONS</b> <ul style="list-style-type: none"> <li>Smart vertical technologies</li> </ul>	

**FOCUS ON VALUE CREATION AND MEDIUM-TERM RETURN**

**ESG DRIVEN**

**A vertically integrated structure, with a presence at every step of the cycle, which ensures cost efficiency and flexibility, underpinned by complementary customer service**

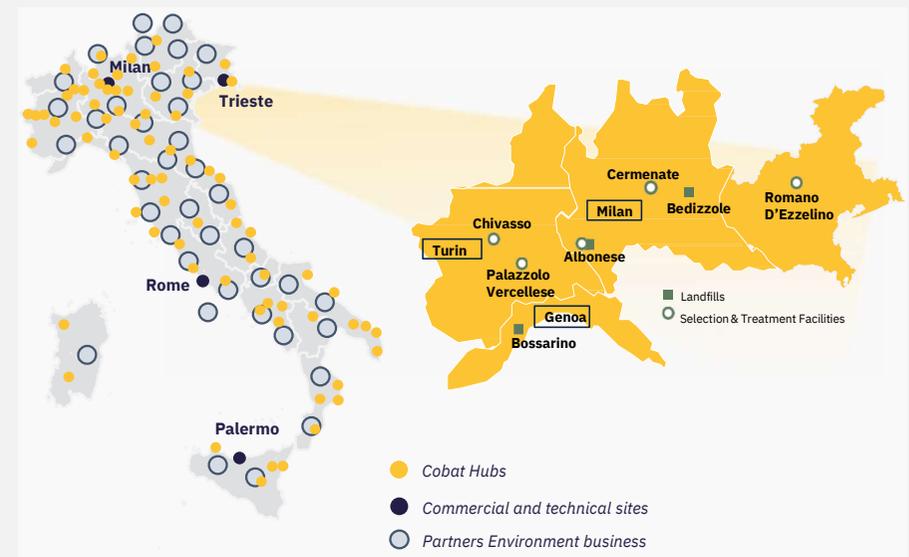
Area of Operations		Italy
Sorting & treatment plants (North Italy)		5
Bio-gas Plants		5
Landfills proprietary/under management		2/1
PV Plants		2
Proprietary vehicles		100
Equipments		3,300
Patents ( <i>Lithium Batteries recovery</i> )		2
Corporate Clients ( <i>Environment services</i> )	around	1,600
Loyalty rate		95%
Partners ( <i>Environmental services</i> )		50
COBAT Collection Hubs		60
Clients ( <i>Energy Efficiency</i> )	around	400
Sale force (in house and partners)	around	200
Technicians		30

## KEY FIGURES



# OUR ASSET BASE

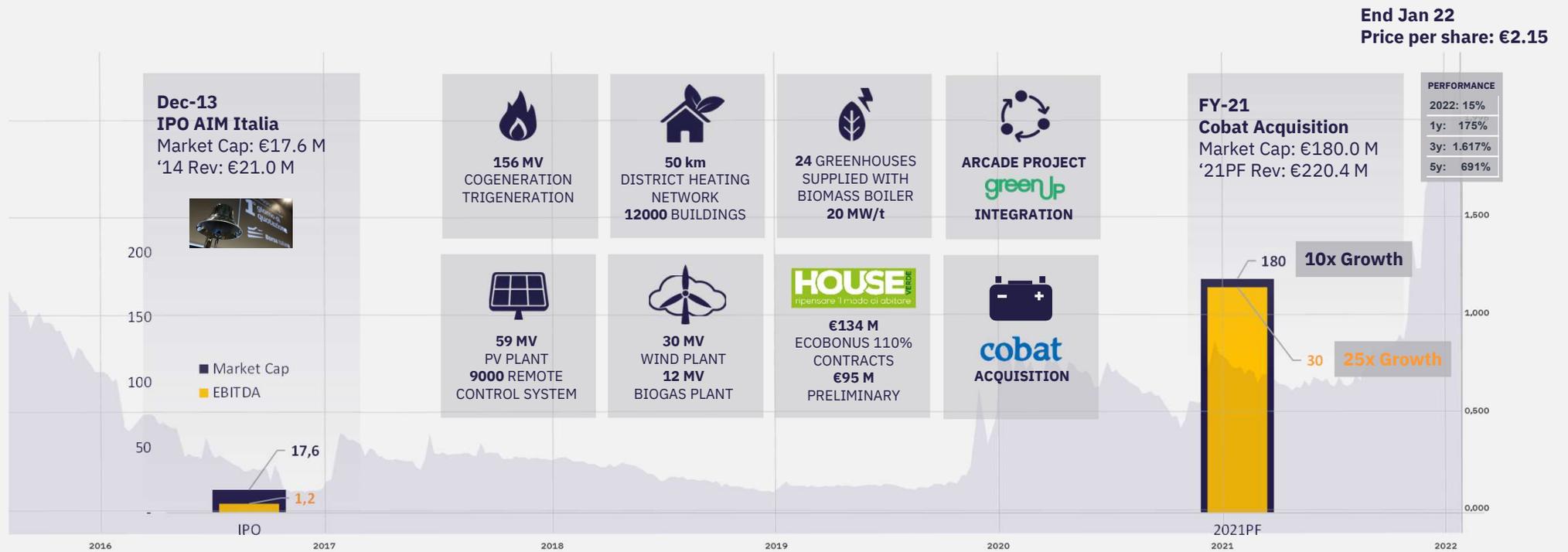
**Unmatched presence in Lombardy and Piedmont**



**Business model based on Innovatec sale force and consolidated partnerships**



# COMPANY MILESTONES



ALWAYS THERE TO SEIZE THE NEXT OPPORTUNITY

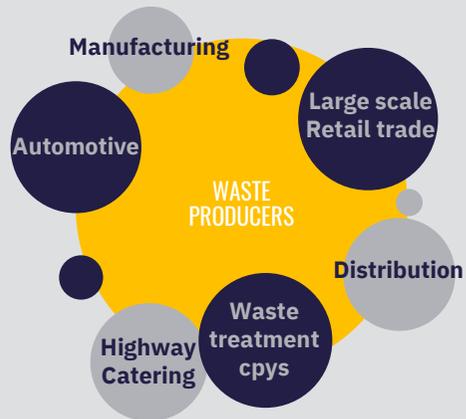
ACHIEVEMENTS



# ENVIRONMENT & CIRCULAR ECONOMY

A vertically integrated structure, with a presence at every step of the cycle, which ensures cost efficiency and flexibility, underpinned by complementary customer service

## WASTE SERVICE CLIENTS



## ACTIVITIES

COLLECTION / TRANSPORT	SORTING & TREATMENT	DISPOSAL	RECYCLE / RECOVERY
	circular economy		circular economy
Collection and transportation of waste from producers via own fleet and third-party collectors	Sorting materials into recoverable and non-recoverable	Permanent disposal of waste	Biogas from landfill
Transportation to selection & treatment facilities and landfills	Compacting	Recycling	EPR
	Refuse-derived fuel ("RDF")	Biogas recovery	Valuable Materials recovery from "RAEE"
	Processing and trading wastepaper and other recovered materials		

## CIRCULAR ECONOMY SERVICES



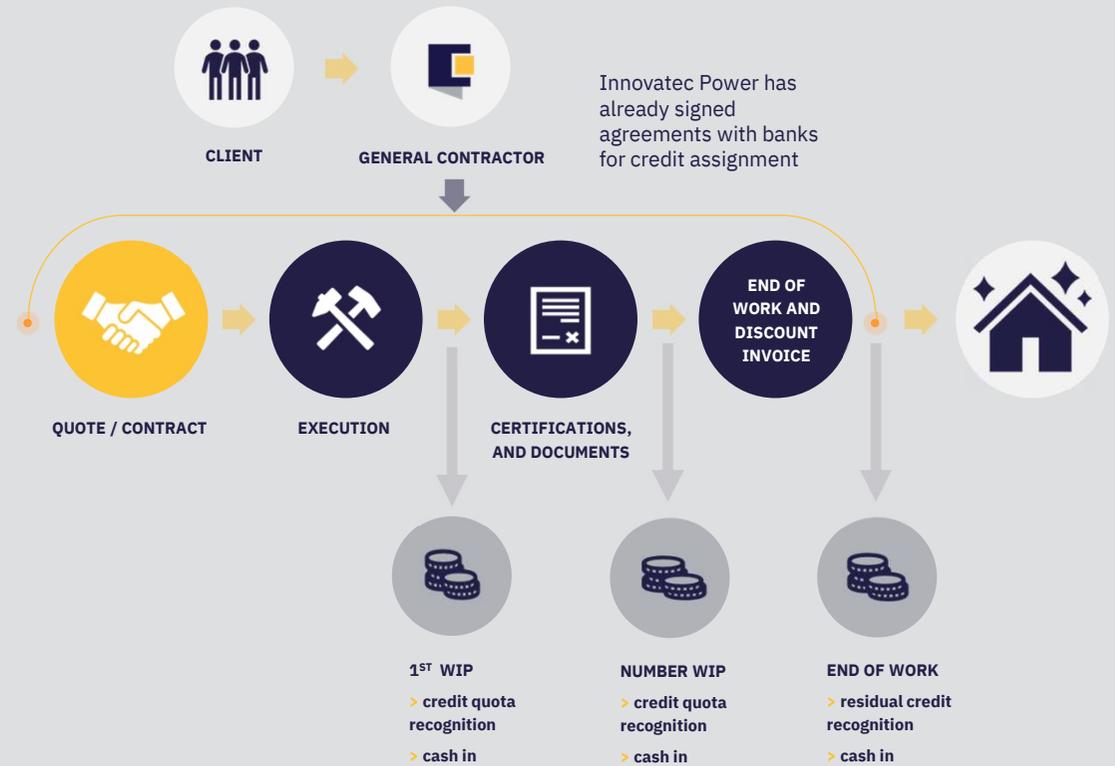
## ENVIRONMENT & CIRCULAR ECONOMY BUSINESS DIVISION

## BUSINESS

# EE – B2C

**HOUSE**  
VERDE  
ripensare il modo di abitare

- Zero-cost EE building/house renovations or securing with anti-seismic renovations benefitting from the Italian incentives “Superbonus”
- Innovatec’s value proposition is to ensure the completion of the entire project, facilitating the execution of technical works - assuming the role of General Contractor - with no cost to be beared by the client



THE HOUSEVERDE PROPOSAL



# EE – B2B



## “AS IS” ANALYSIS

Energy consumption analysis of companies that use energy fossil fuels and coal



## ENERGY EFFICIENCY

Design, installation and management technologies to improve EE to clients



## CONTRACTUAL ANALYSIS

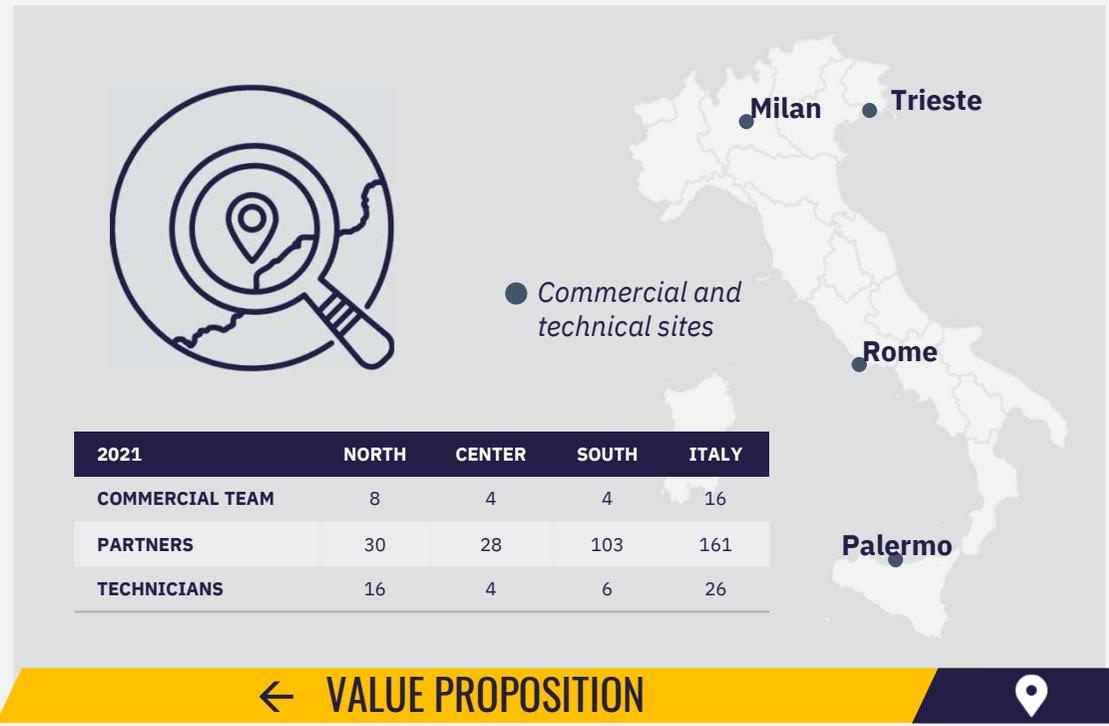
Resource recovery and purchase price reductions



## RENEWABLE SOURCES

Improve sustainability and produce energy independently

- Solar thermal
- Wind power
- Biogas / Biomethane



## MONITORING CONSUMPTION

Monitoring and identification of the company's energy profile

- Energy audit + ISO 5001
- Evaluation of efficiency measures
- Support for access to incentive mechanisms (TEE).



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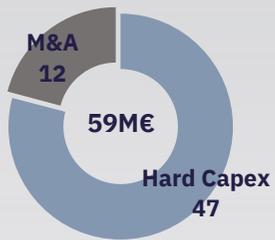
- INDUSTRY AND INNOVATEC OVERVIEW
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# MAIN GROWTH DRIVERS

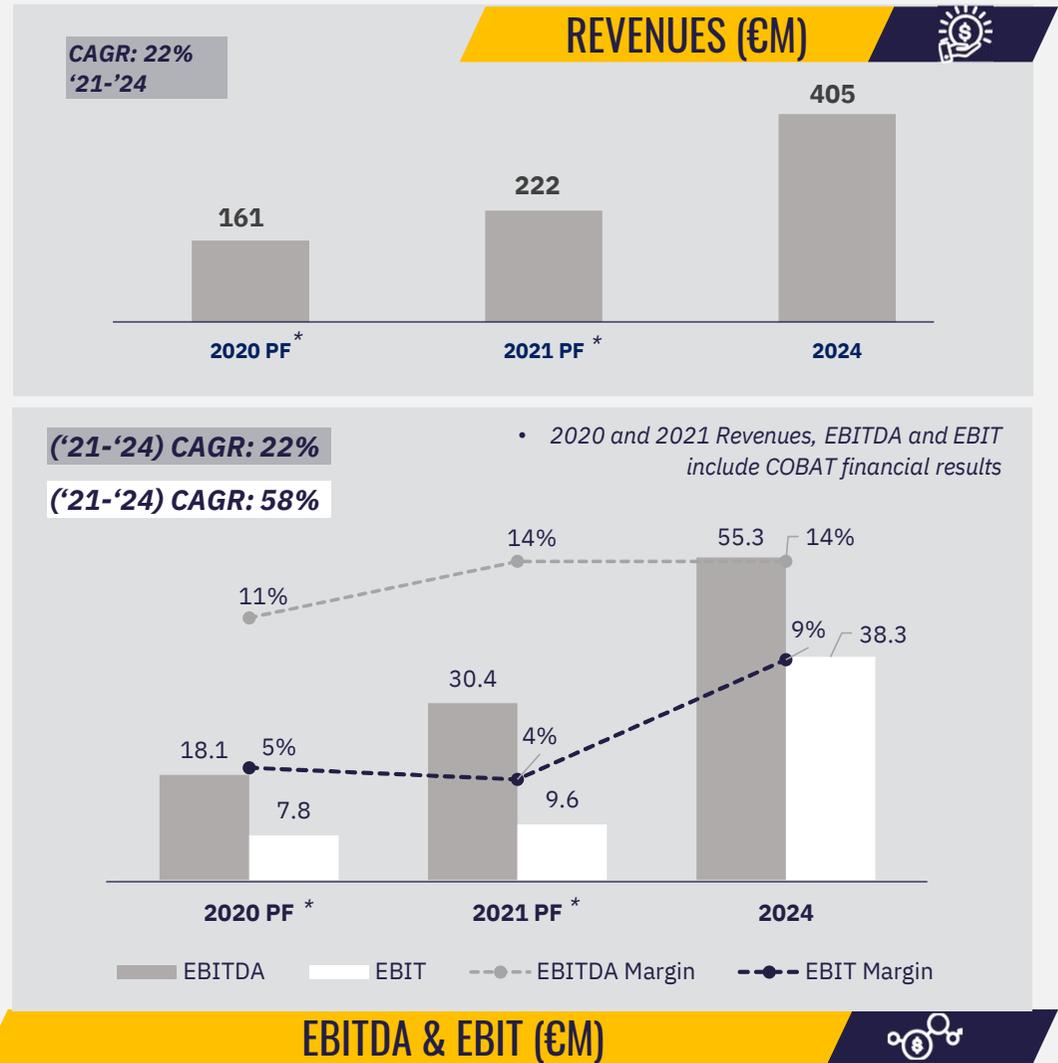
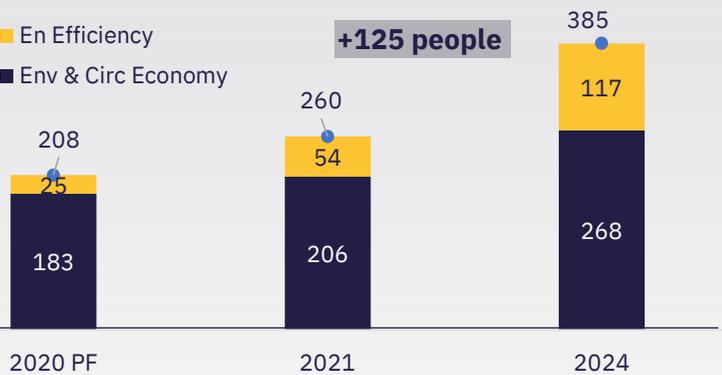
## Cumulative CAPEX and Recruitments (2022-2024)



### CAPEX + M&A

Investing in capex and in vertical technologies via acquisitions as well as in human resources to fuel growth in revenues and EBITDA

- En Efficiency
- Env & Circ Economy

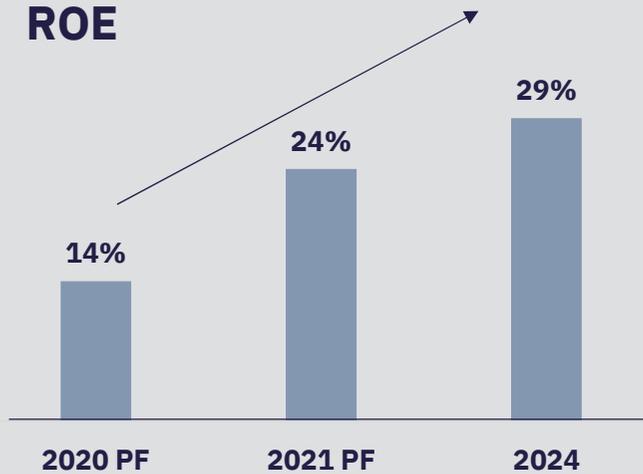




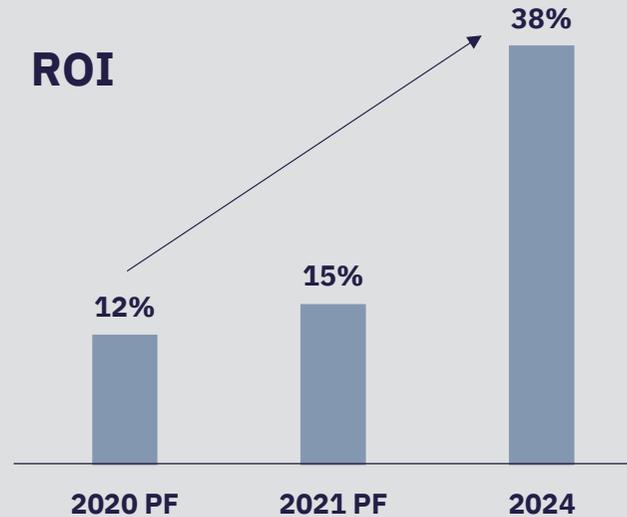
## ROE & ROI

# INCREASED VALUE FOR SHAREHOLDERS

### ROE



### ROI



**29% ROE**

**38% ROI**

The Plan envisages an increasing return for shareholders and on capital invested



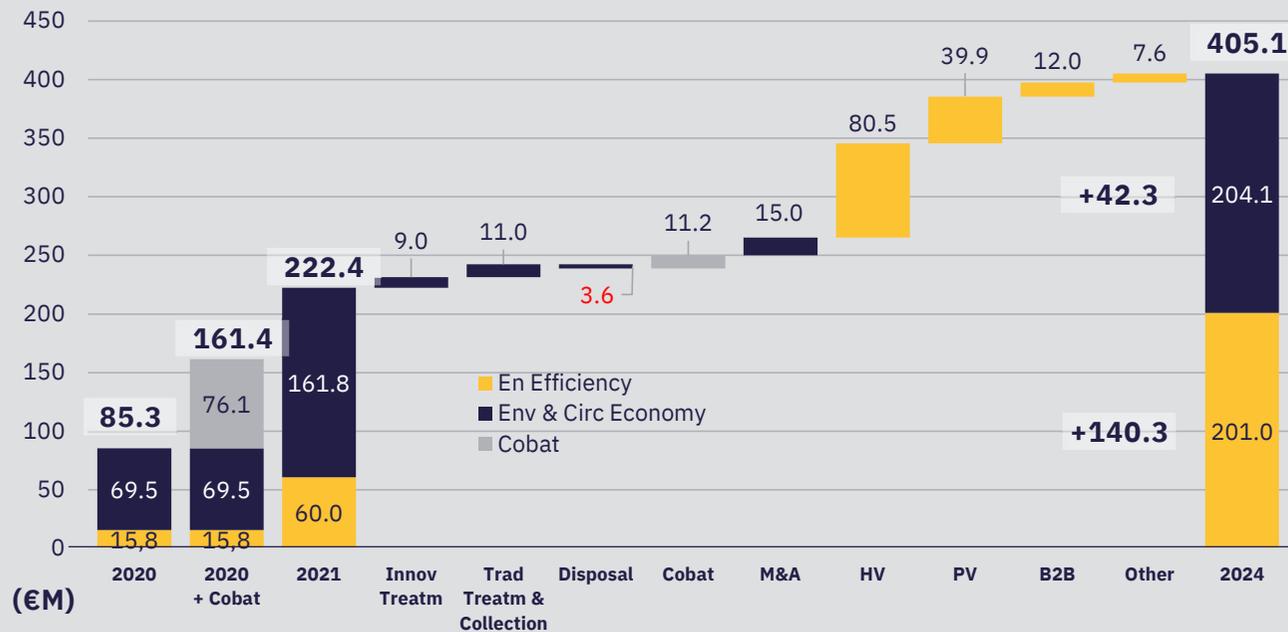
**STRONG INCREASE OF ROE AND ROI OVER THE PLAN**



# REVENUES

# DOUBLE-DIGIT GROWTH TARGETS

## INCREASED CONTRIBUTION FROM EE AND ADVANCED TREATMENT ACTIVITIES



### CAGR 22%

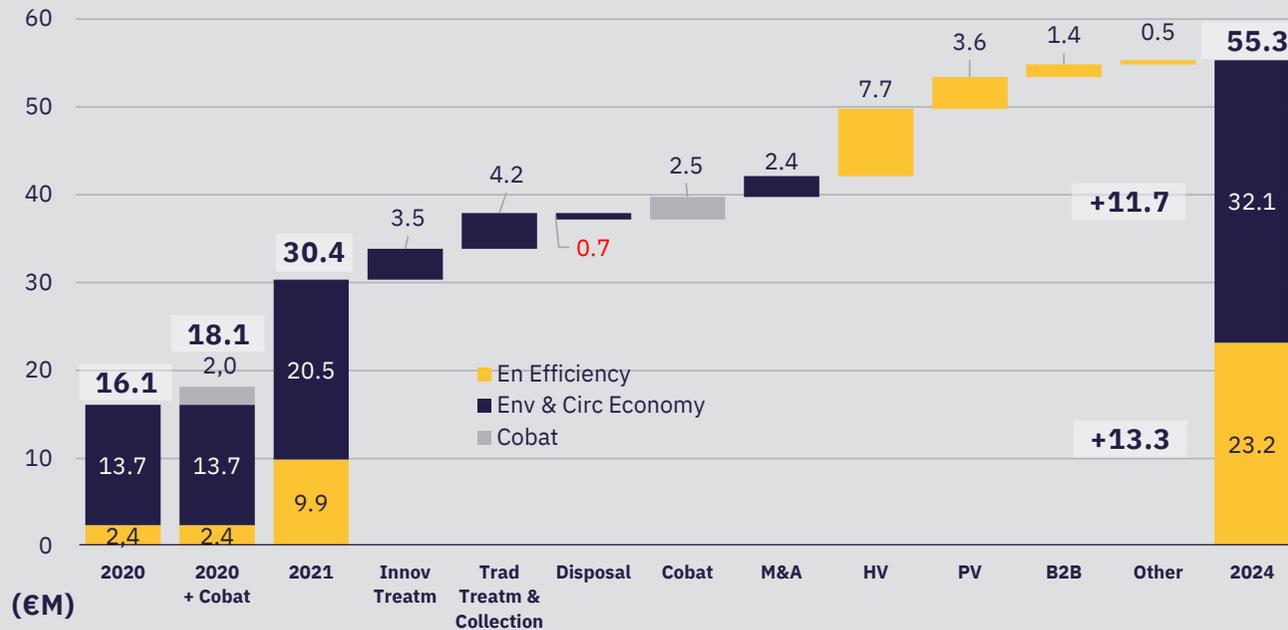
- **14%** organic **CAGR** in **collection** business through corporate client acquisition
- **Expansion** in lithium **batteries** and **PV** modules recycling
- **Disposal activities**: -3% CAGR, the only activity for which a reduction is foreseen
- **Houseverde** in 2024 will contribute €135M to revenues (2024 target: 60% social housing)
- **Energy communities**: €8M revenues in 2024
- **65MWp PV** plants construction all over the Plan
- **New vertical technologies** to reduce emissions €7.6M revenues target 2024
- **M&A activity** focused on treatment facilities: €15M additional revenues by 2024



EBITDA

# DOUBLE-DIGIT GROWTH TARGETS

BALANCED MARGINS EVOLUTION WITH BOTH BUSINESS AREAS CONTRIBUTING EQUALLY TO EBITDA GROWTH



## CAGR 22%

- **10% target EBITDA Margin** for **collection** business by the end of the plan through critical mass increase and lead client acquisition
- **COBAT** increase in **margins** thanks to cost efficiencies and cross selling
- **Disposal activities**: progressively decreasing contribution to environment sector EBITDA
- **8%** of environment sector **EBITDA** foreseen from target **acquisitions** by 2024, potentially further expandible
- **Houseverde** expanding its weight, while reducing marginality because of competitive pressure and increase in equipment costs
- **EPC** activities in **PV sector** contributing **15%** of Energy Efficiency sector EBITDA by 2024



## MARGINS

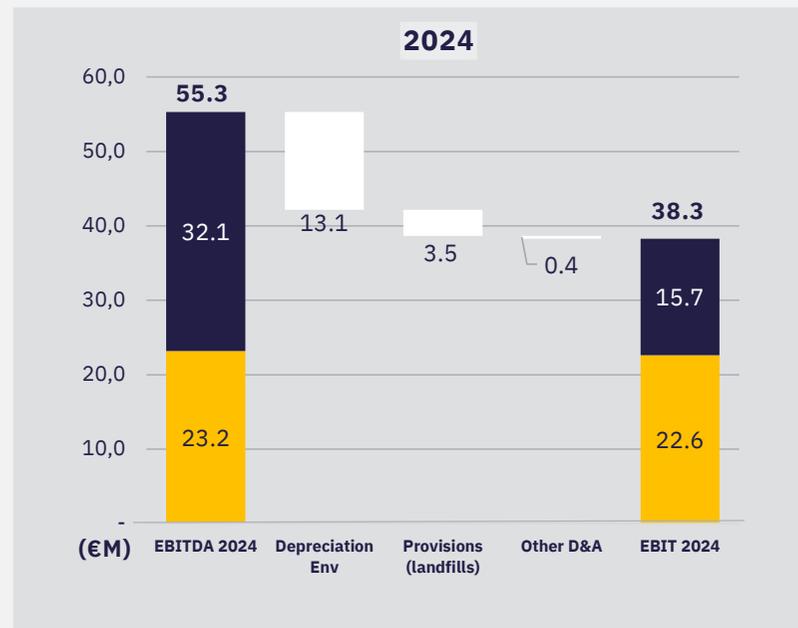
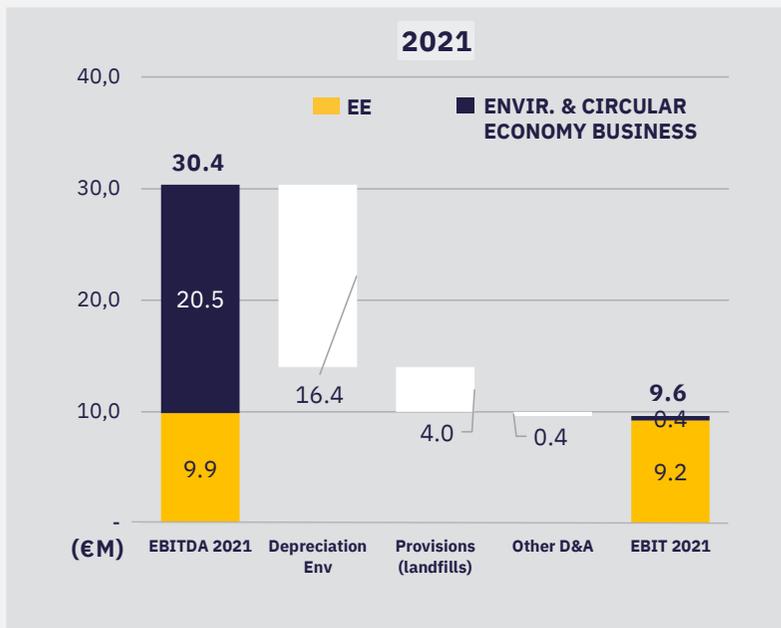
# INCREASING OPERATING MARGINS

EBITDA → 13.7%

EBIT → 4.3%

EBITDA → 13.7%

EBIT → 9.5%



**22% EBITDA CAGR**

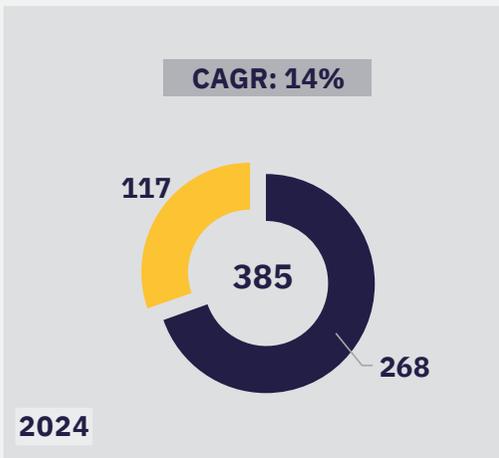
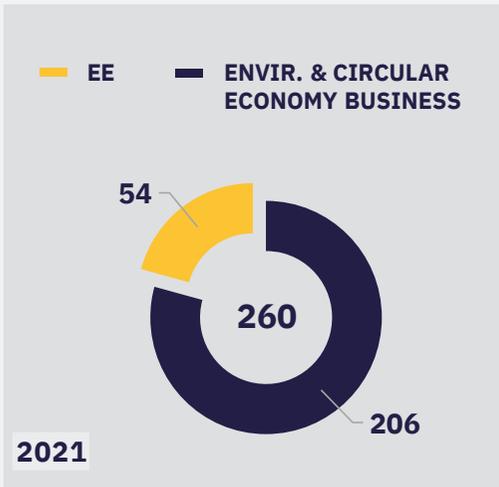
**58% EBIT CAGR**

- EBITDA margin is flat at 14% all over the Plan
- EBIT margin increases over the Plan due to higher contribution of EE business and a steady transition towards more sustainable businesses such as material recovery and advanced waste treatment

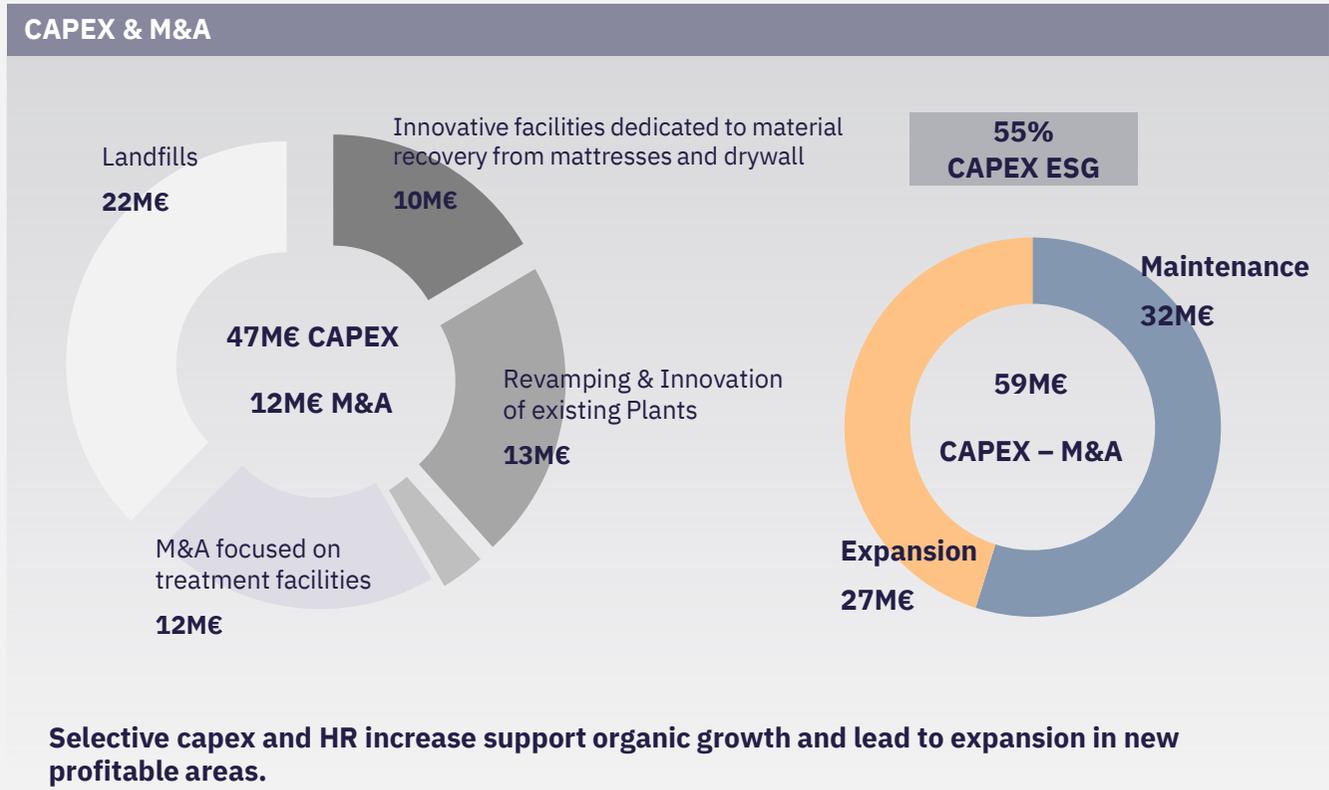
**INCREASE OF EBITDA CONVERSION INTO EBIT OVER THE PLAN; EBIT MARGIN PROGRESSIVELY INCREASING TO 10% IN 2024**



# INVESTMENTS FOR GROWTH



**HR INCREASE**

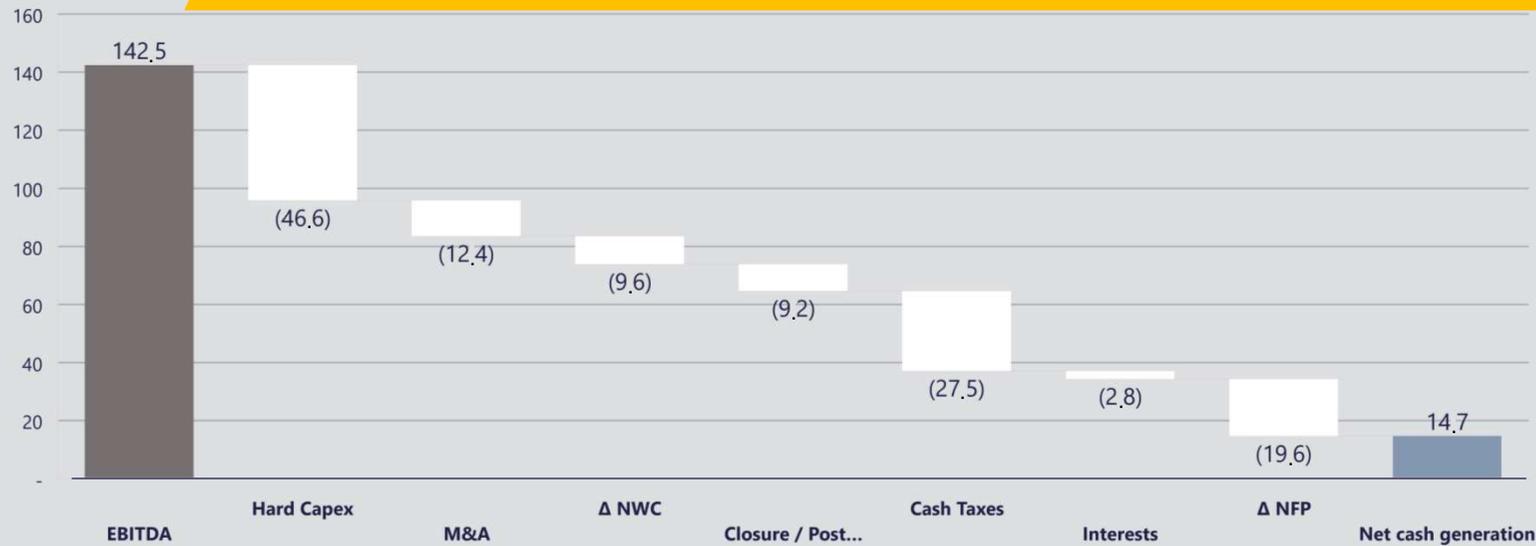




## CASH FLOW

# POSITIVE CASH GENERATION

**+€14.7M STRONG FREE CASH FLOW TO EQUITY**



**60% CASH ON HAND INCREASE TO €40M IN 2024 YE**

**Net consolidated cash** generated during the plan, while repaying €19M financial debt and after €59M Capex and M&A



**STRONG CASH GENERATION OVER THE PLAN**



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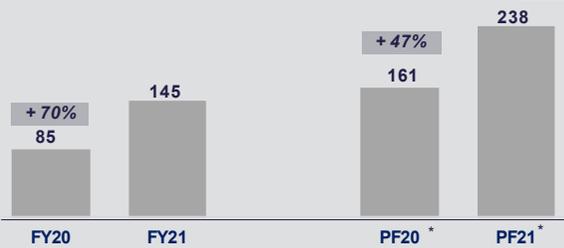
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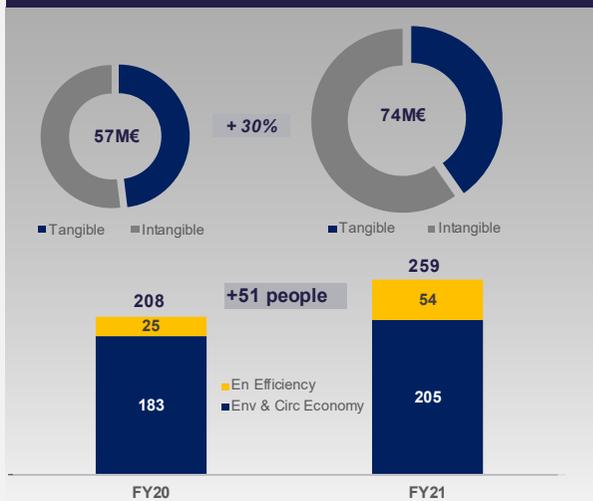
# FY21 AT A GLANCE

## REVENUES (€M)



\* PF figures include COBAT results

## Fixed Assets and FTEs



FY21 business operations confirmed our ability to execute our **growth strategy** thanks to **speed, cost efficiencies** and **timely M&As**



**Energy Efficiency** has demonstrated the ability of profiting from national legislation by building a nation wide partnerships' network dedicated to **HOUSE VERDE**

Rev.  
60 M€



**Environmental core activity**, managed by **greenUp** has reinforced its footprint, by increasing revenues and margins thanks to commercial effort and efficiencies, leveraging on existing strategic assets

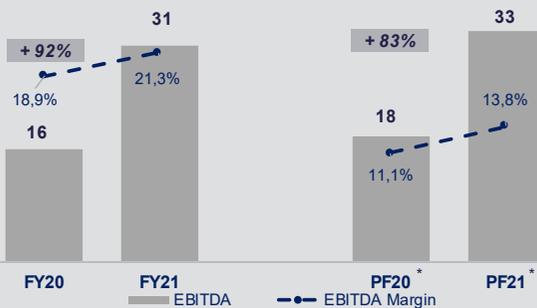
EBITDA  
+6 M€  
+47%



**Strategical M&As** (EoY'21 **cobat** and BoY'22 SEA) have proven to be a powerful instrument to ramp up operations and profit from economies of scale



Reference **B2B market** has shown high interest for our consultancy services and all-around energy efficiency approach



## EBITDA (€M)

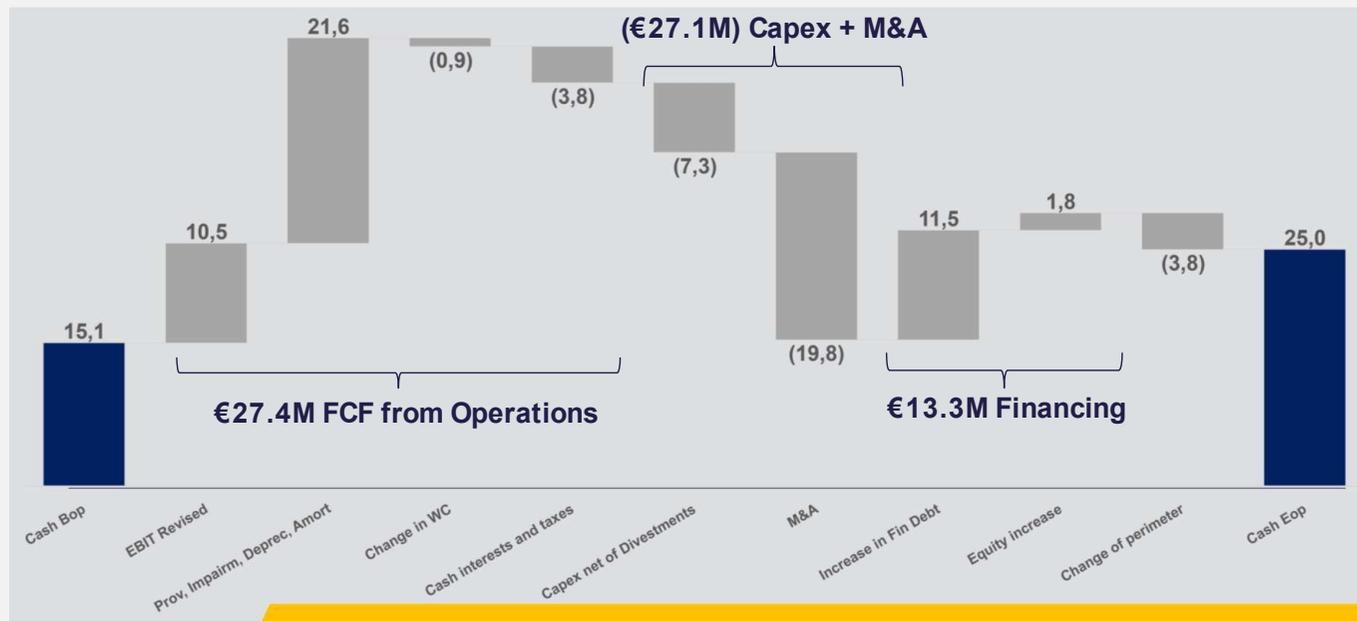
**STRONG GROWTH IN ALL ECONOMIC AND FINANCIAL INDICATORS**

**OUR FY21 RESULTS**



## CASH FLOW

# FY21 CUMULATED CASH FLOW



## +€9.9M FCF

**Solid cash from Operations**  
During FY21 Innovatec generated **€27.4M cash from operations**, both BU contributing to the result

**A clear growth path**  
The group invested its cash in environmental **Capex (€7.3M)** and in expansive **M&As** (Cobat, CleanTech), which consolidated today perimeter

**Healthy Financing management**  
In order to collect the resources needed to continue along the traced development road, the Group raised **additional debt and equity for €13.3 M**

INCREASED CASH ON HAND AVAILABLE FOR FURTHER M&A AND CAPEX DEPLOYMENT

OUR FY21 RESULTS

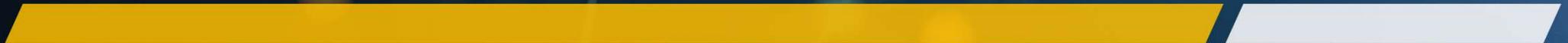
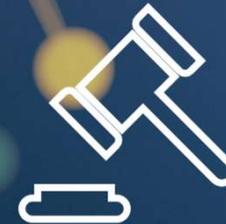


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✓ **GOVERNANCE**





# THE WAY WE WORK

## 3 STRATEGIC PILLARS



**INNOVATION**



**DIGITAL PROFICIENCY**



**SUSTAINABILITY**

## A NEW BUSINESS ATTITUDE

**Integration** of the Group's different natures in order to provide a **360° approach on cleantech** to our clients

**Result oriented** attitude guided by **management by objectives** incentive scheme

**Responsiveness** in order to react swiftly to change in law and continue to seize new market opportunities

**LEADING TO A NEW MINDSET**

**OUR PILLARS**



# NEW GOVERNANCE AND ORGANIZATION

## DECENTRALIZATION

- **Shortening** decision-making chain
- **New Responsibilities transferred** to the Business Units (i.e Business Development, Operational Excellence)

## DIGITALIZATION

- **New ways of working**
- **Digital Planning** implementation

## STREAMLINING THE ORGANIZATIONAL STRUCTURE

- **BUs reduction**
- **Rationalization** of the corporate model



## COMPETENCES

- **Accelerated development paths** for critical roles
- **Key competences mapping** (digital, leadership, etc ..)
- **MBO aligned** with shareholders' interests

## CORPORATE GOVERNANCE

### Traditional administration and control system

- BoD, Statutory Auditors and Shrs' Meeting
- Advisory Board
- Supervisory Board dl 231/2001
- Related Parties Committee
- Sustainability Committee
- Enterprise risk mng. procedures & controls

PROCESS – PEOPLE – TECHNOLOGY – RESOURCES

E-GOVERNANCE



# COMPANY PRESENTATION MID & SMALL IN LONDON 2022

INNOVATEC GROUP



**INNOVATEC STOCK & IR COMMITMENTS**



# INNOVATEC STOCK



Both the improved **liquidity profile** and the recent **price increase** reflect the stronger market interest in the equity story



New **institutional investors** entered the Company's Shareholder Register in January 2022 via ABB



Innovatec is committed to have at least **three analysts** that will soon initiate the **coverage of the stock**



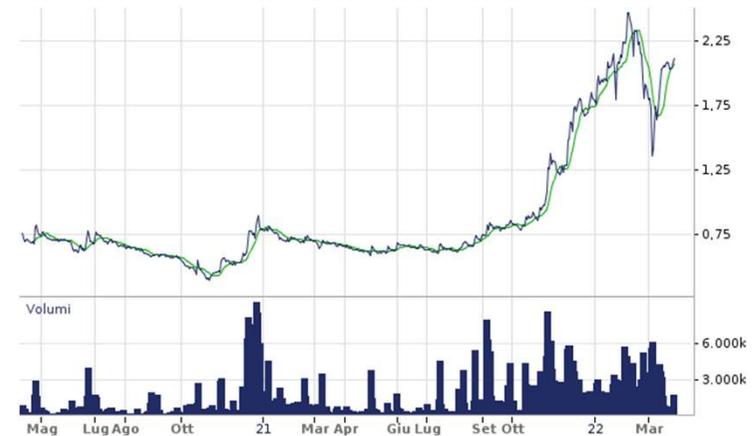
Innovatec aims at **listing its shares on the STAR** segment of **Euronext Milan** over the Plan's period

## STOCK DATA – INNOVATEC SPA

Listing Market	Euronext Growth Milan
ISIN	IT0005412298
BIT	INC
Price per Share (29 Mar 22)	2.11
Mobile average 50 days p.p.s.	2.0377
52 weeks performance	219%
Average volumes 10 days	1.14M
Average volumes (3m)	2.22M

## SHAREHOLDERS DATA

n. Ord. Shares (M)	95.4
Floating	55%
Major Shareholder (Colucci Family)	45%
MKT Cap (€M) (@ €2.145 as of 29/3/22)	201.3
MKT Cap Floating (€M)	110.7



## STOCK & SHAREHOLDERS DATA





# DISCLAIMER

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# ANNEXES

INNOVATEC GROUP





# M&A STRATEGY

## INNOVATEC ACQUISITION STRATEGY



- In its business plan, Innovatec is allocating over **€12 Mln to M&A** in the **cleantech** sector, of which €4 Mln to seeding innovation through startup acquisition via Innovatec Venture
- At least **€8 Mln** will be dedicated to acquire **existing companies** in **bordering areas** – both geographically and from a business perspective – targeting primarily treatment facilities able to complete the Group’s asset base in **waste recovery**. Those funds **could be increased** by using part of the excess cash flow to further enhance the Group’s critical mass, or through additional indebtedness linked to M&A considering the low D/E ratio
- The aim is not only to implement a **more comprehensive treatment proposal**, but also to **acquire specific competences** in material recovery teaming up with technical partners rather than merely incorporating businesses
- Preferentially, Innovatec is targeting to acquire **controlling stakes** in companies in need of a business partner to develop their **industrial plan**, eventually granting an **earn out** in case of positive achievement of the shared objectives
- M&A valuations are made balancing **medium term financial return** with foreseen Capex essentials to scale up the acquired activities