



9M 2022 RESULTS

TOWARDS A CLEANER FUTURE, TOGETHER

INNOVATEC GROUP

18 November 2022

SOLID PERFORMANCE IN ALL KEY INDICATORS

REVENUES €M 222 (PF21 FY: €M 238)
EBITDA €M 27 (PF21 FY: €M 33)
EBIT €M 15.6 (PF21 FY: €M 10.7)

M&A: €15.9M
CAPEX: €12.4M
HR count: +78



- **Execution** of the growth strategy in line with the BP22-24 trends
- **Prompt reaction** to new scenarios
- Timely **M&A deals**
- Asset base **consolidation**

- **Business verticalization continues**
- Significant **strengthening of core business portfolio** achieved through **attractive M&A** deals that open up in the regulatory context (   and new PV Bu)

- Investment in **Human Capital** to fuel the EE business



EBIT margin reached 7.0% (PF21: 4.5%)

EBIT already exceeded PF21 FY figure (+46%)

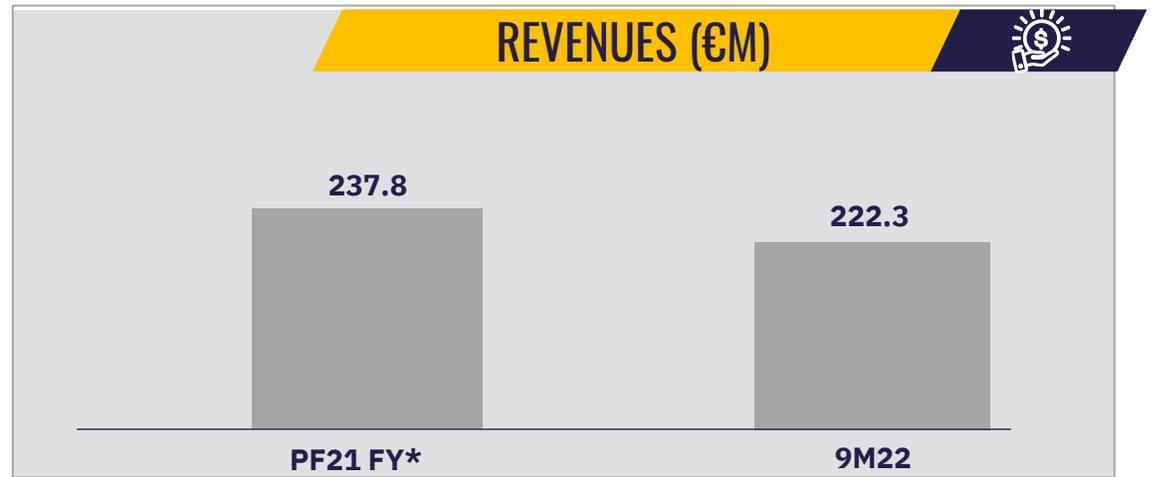
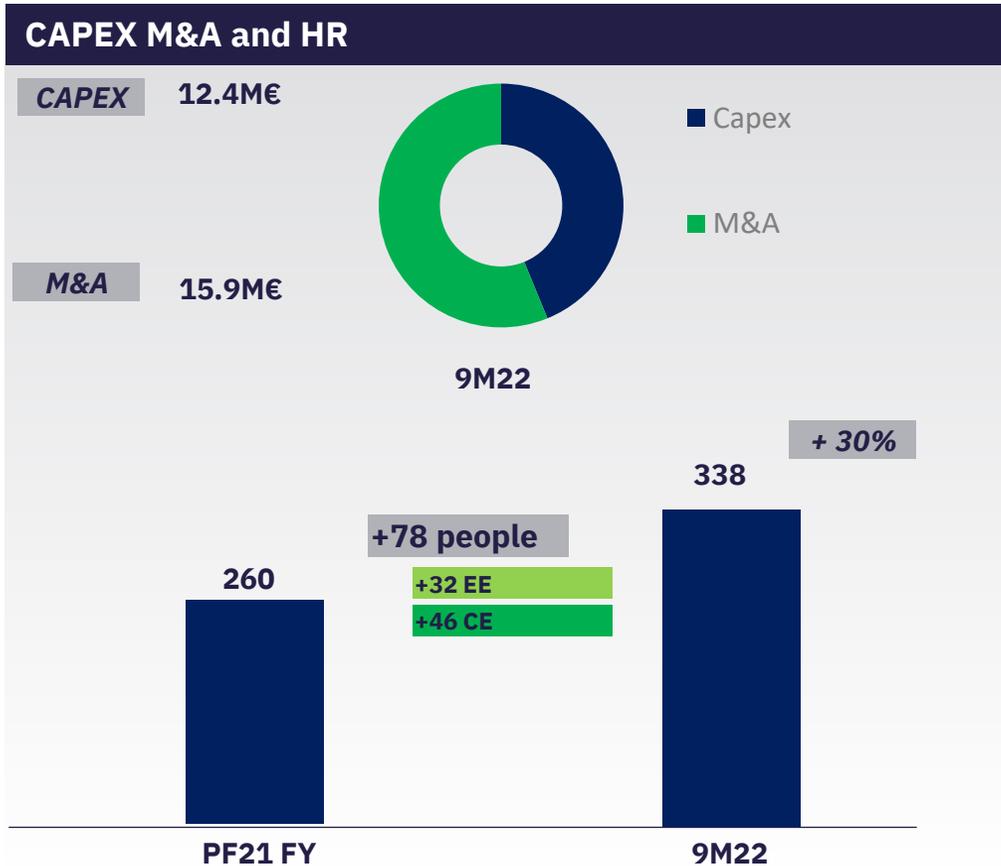
TIMELY EXECUTION OF CLEAR STRATEGIC PATH, BOTH IN ORGANIC GROWTH AND IN M&A

2022 ACHIEVEMENTS

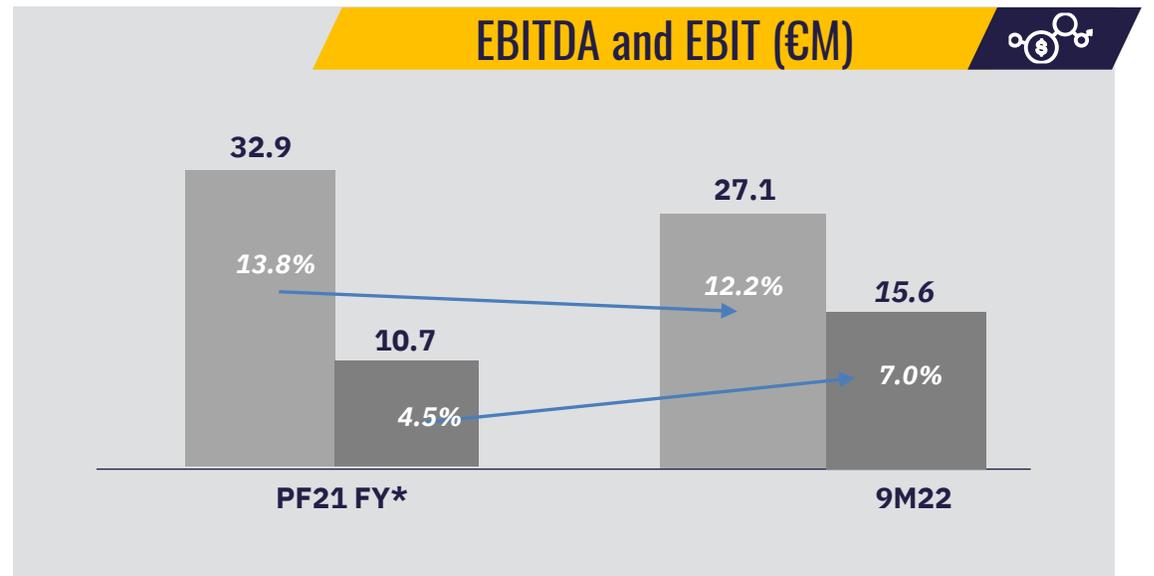


ALWAYS THERE TO SEIZE THE NEXT OPPORTUNITY

9M22 AT A GLANCE

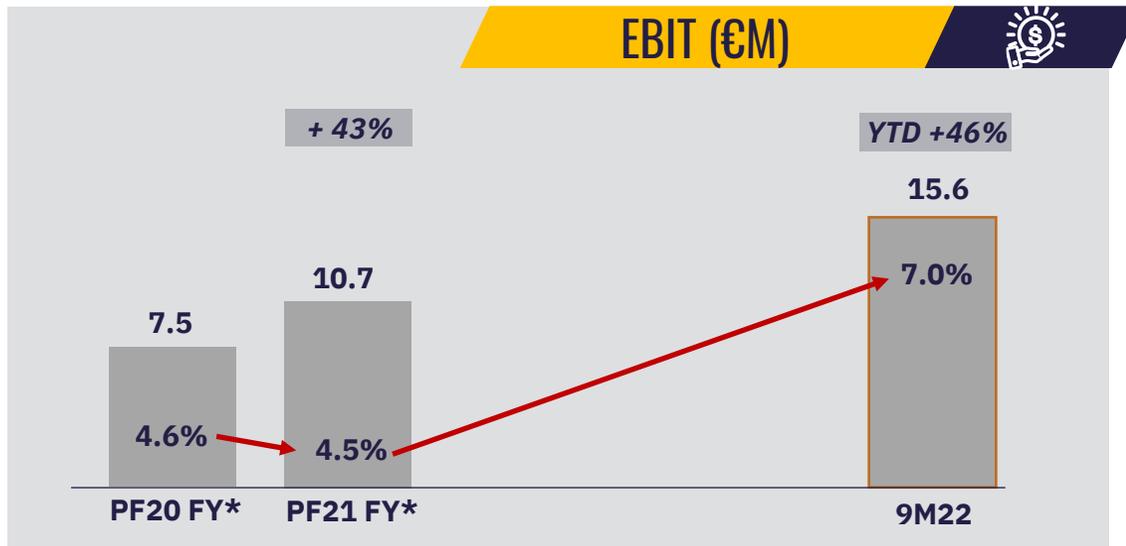


* PF FY figures include COBAT results

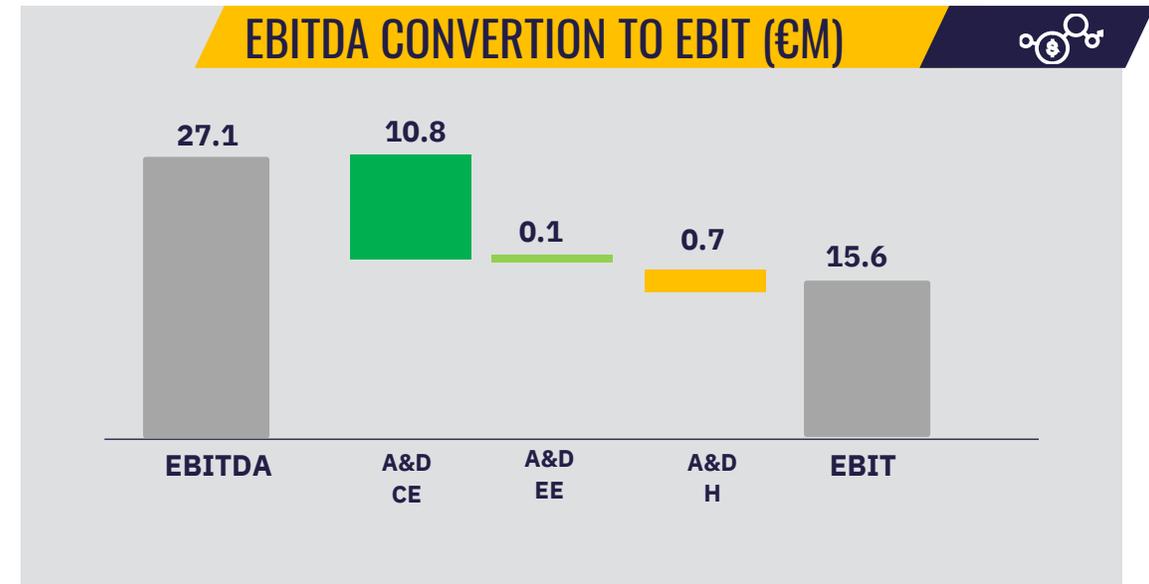


A SOUND SET OF RESULTS

9M22 AT A GLANCE



* PF figures include COBAT results



9M22 EBIT MARGIN INCREASE TO 7% +46% VS PF21 FY



KEY FIGURES P&L

€m

1

	30-Sep-22	% on Revenues	30-Jun-22	% on Revenues	31-Dec-21 Pro-Forma	% on Revenues
Env. & Circular Economy	142,6	64%	102,0	63%	169,8	71%
Energy Efficiency	79,5	36%	61,0	37%	67,4	28%
Others	0,2	0%	0,0	0%	0,6	0%
Revenues	222,3	100%	163,0	100%	237,8	100%

2

Env. & Circular Economy	17,8	12,5%	13,6	13,3%	22,6	13,3%
Energy Efficiency	10,9	13,7%	10,1	16,6%	11,2	16,6%
Others	(1,6)		(1,3)		(0,9)	
EBITDA	27,1	12,2%	22,4	13,7%	32,9	13,8%

3

Env. & Circular Economy	7,7	5,4%	6,1	6,0%	2,0	1,2%
Energy Efficiency	10,1	12,7%	9,9	16,2%	9,7	14,4%
Others	(2,3)		(1,9)		(1,0)	
EBIT	15,6	7,0%	14,1	8,6%	10,7	4,5%

HIGHLIGHTS

1

Revenues €M 222.3

- ✓ Organic growth in **Environmental & Circular** business thanks to volumes and prices. Disposal activities volumes decreased as forecasted while price increased in the period (+14pts vs LY).
- ✓ **Energy Efficiency** revenues generation was strategically slowed down in order to better assess ecobonus 110% tax assignments issue (most of the Condo projects were postponed to 2023).

2

EBITDA €M 27.2, EBITDA margin 12,2%

Despite the worsening macro-economic climate, the Group successfully upheld its marginality (-1,6pts vs PF21).

- ✓ **Environmental & Circular** business confirmed a coherent marginality to LY results (-0,8% vs PF21) and was slightly impacted by direct and indirect cost increase (only partially rebated on customers).
- ✓ **Energy Efficiency** business EBITDA margin in 3Q22 suffered by the combined effect of lower revenues (that is expected to be offset in 4Q22) and a moderate increase in direct costs.

The overall general costs increased to support the business development and M&A activity.

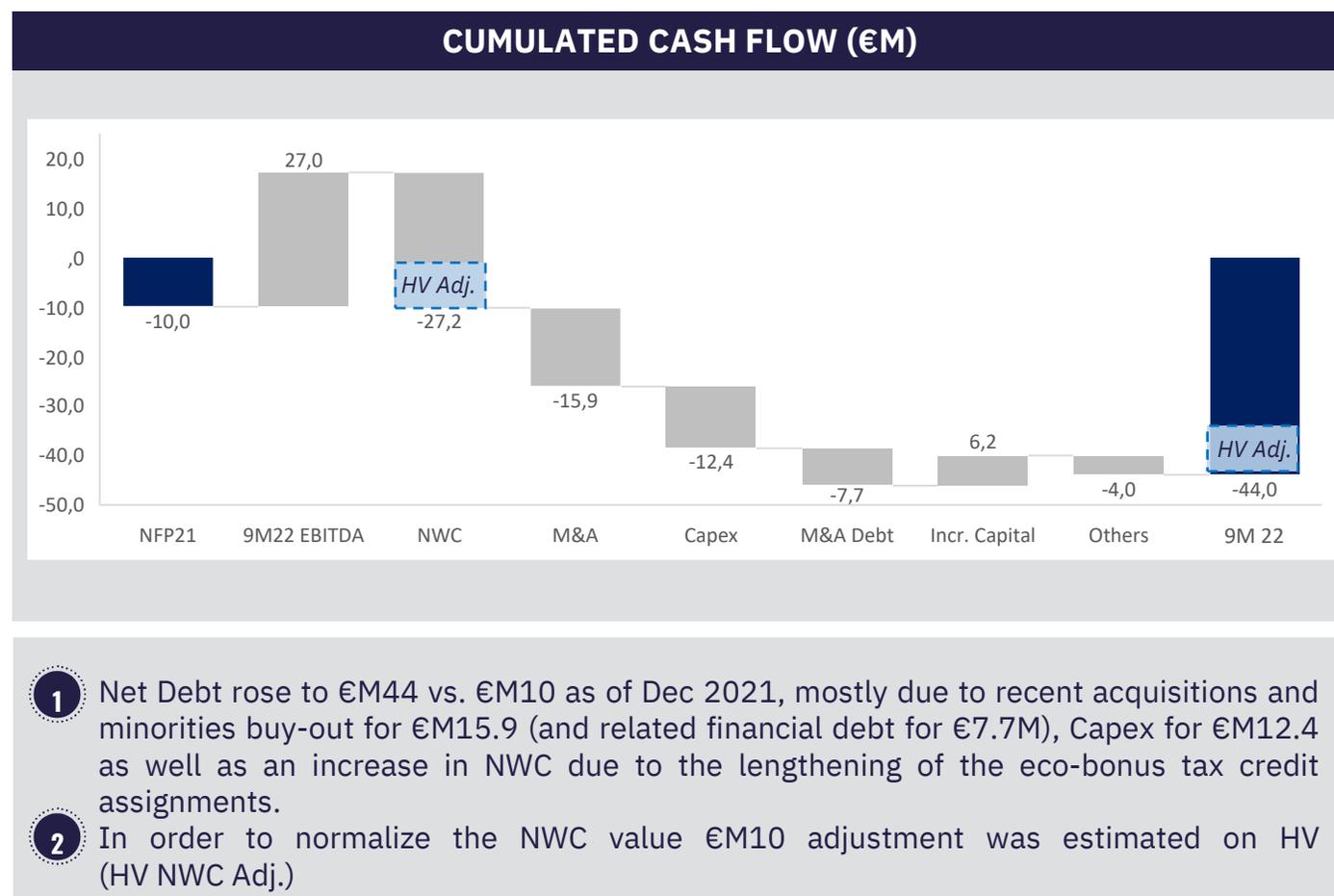
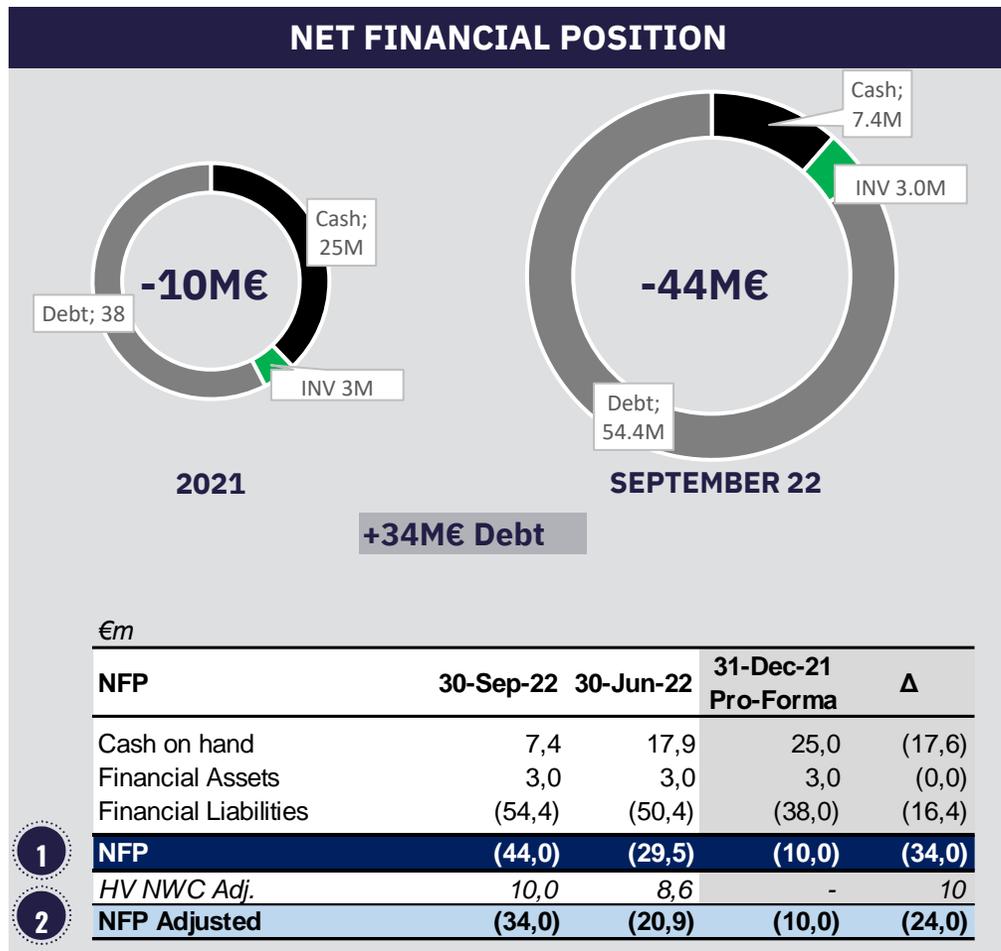
3

EBIT €M 15.6, EBIT margin 7%

- ✓ EBIT Margin continues to benefit by the increased weight of the **Energy Efficiency** (less capital intensive than Environmental & Circular business) though to a lesser degree than 1H22.

DESPITE THE WORSENING MACRO-ECONOMIC CLIMATE, THE GROUP UPHELD ITS CORE MARGINALITY

NFP & CASH FLOW



NFP INCREASE TO €M 44 DUE TO M&A, CAPEX & NWC

9M22 NFP

€m

	30-Sep-22	30-Jun-22	31-Dec-21 Pro-Forma	Δ
NFP				
1 Cash on hand	7,4	17,9	25,0	(17,6)
2 Financial Assets	3,0	3,0	3,0	(0,0)
Financial Liabilities	(54,4)	(50,4)	(38,0)	(16,4)
NFP	(44,0)	(29,5)	(10,0)	(34,0)
HV NWC Adj.	10,0	8,6	-	10
NFP Adjusted	(34,0)	(20,9)	(10,0)	(24,0)

€m

	30-Sep-22
CASH FLOW	
EBITDA	27,1
3 Delta NWC	(27,2)
4 Capex	(12,4)
5 M&A	(15,9)
Additional Debt from M&A	(7,7)
Others	(4,1)
Operating CF	(40,2)
6 Capital Increase	6,2
Change in NFP	(34,0)

HIGHLIGHTS

- 1 Cash on hand decreased to €M 7.4**
The Group continues to maintain a adequate liquidity for incoming capex expenditures as well as per risk management purposes
- 2 €M 16.4 Financial Debt Increase**
Due to Banca Progetto new €M10 additional financing to support EC business developments and the contribution from acquired entities of €M7.7
- 3 HOUSEVERDE NWC**
Notwithstanding the Group has bank *pro soluto* facilities, the growth in House Verde operations combined with a slowdown on ecobonus 110% tax assignments impacted on NWC of the Group and consequently on the cash on hand available
- 4 CAPEX €M 12.4**
Mainly on landfill €M5.3, treatment plants €M4, waste containers €M1, furniture and furnishings: €M0.8 and new waste trucks €M0.3
- 5 M&A €M15.9 + Related Debt Acquired €M7.7**
In the first 9M22, the Group acquired 29.58% of ESI S.p.A: (€M6.5), SEA (€M3.6), additional shares of Cobat (€M2.3), 30% stake in Frisbi (green energy provider: €M1) and Albarum (PV developer: €M1) as well as the company Bensi 3 S.r.l. which owns an adjacent building near the Group headquarters (€M1.4). The Debt acquired from the acquisitions are mainly in SEA and Bensi are respectively for €M5 and €M2.2
- 6 2 Dedicated Capital Inrese**
 - Istitutional Investment Funds €M4.2 in January
 - ESI Sellers €m 2.0

NET DEBT INCREASE DRIVEN BY BUSINESS DEVELOPMENT (M&A AND CAPEX) & NWC



4Q22 FOCUS AREAS

1

HouseVerde

- Independent **villas** projects finalization
- Additional **credit lines** for ecobonus tax credit assignments
- Managing **pricing structure shift** on ecobonus projects and offering

2

Photovoltaic BU

- Project “**take off**”

3

Environment & Circular Economy

- Review **pricing** in order to rebate part of the costs increase on customers
- Identify and exploit commercial and **cost synergies** among the Group

3

General Costs

- Review cost policies and implement a relevant general-indirect **cost reduction**