

**We are invisible.  
But we are everywhere.**

**ICF Group  
Investor presentation**

February 18, 2020

**ICF**GROUP

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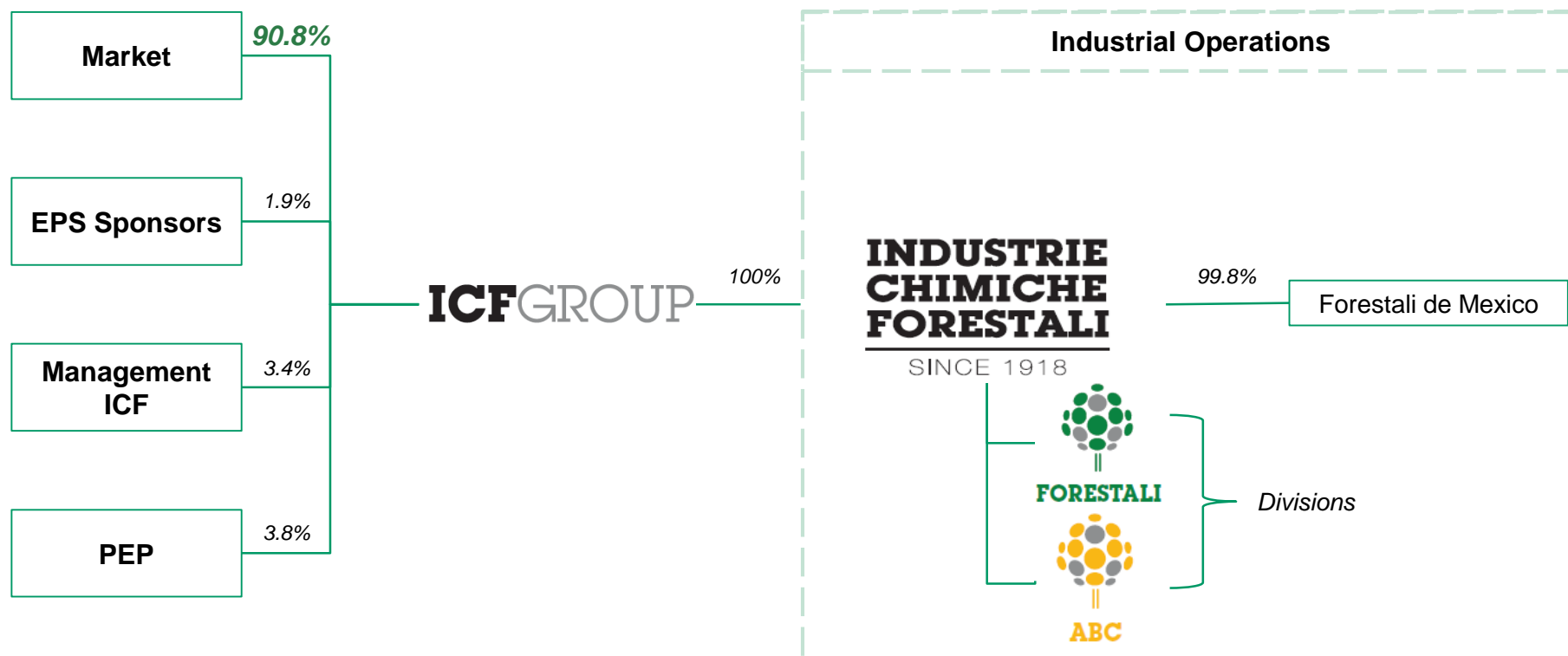
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## ICF Group, a public company listed on AIM Italia

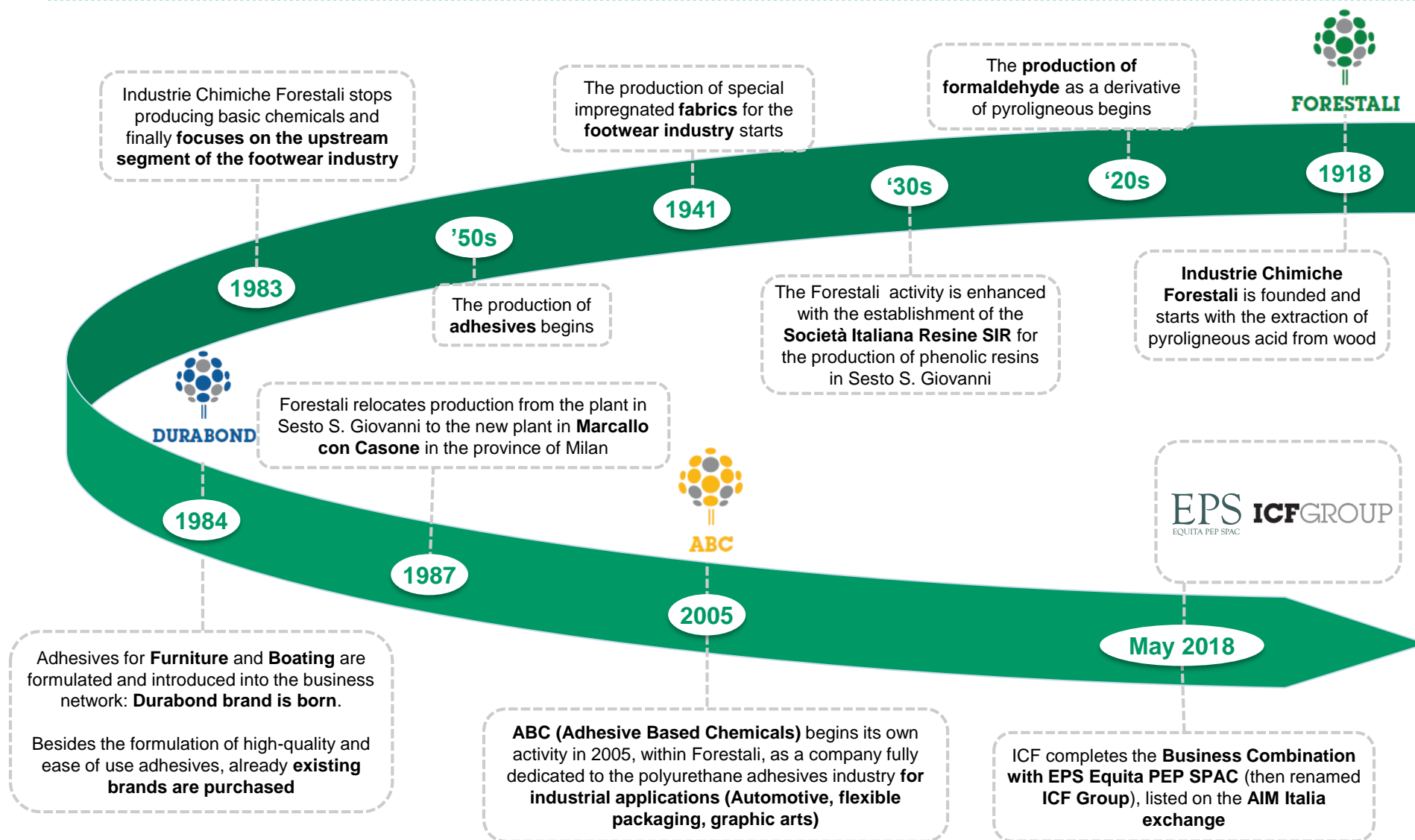
ICF Group is a **public company**, with over 90% free float, controlling 100% of ICF S.p.A., a leading player in the technical adhesives and fabrics business.

The **mission** is to pursue further organic expansion of ICF S.p.A. operations while acting as an aggregator of companies operating in complementary businesses exploiting the robust Free Cash Flow generation

### Shareholding structure



# 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

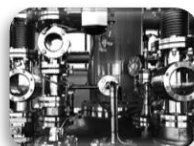


**Adhesive** is used to glue different components of the upholstery

## The «Invisible Power»

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

## Automotive



### 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

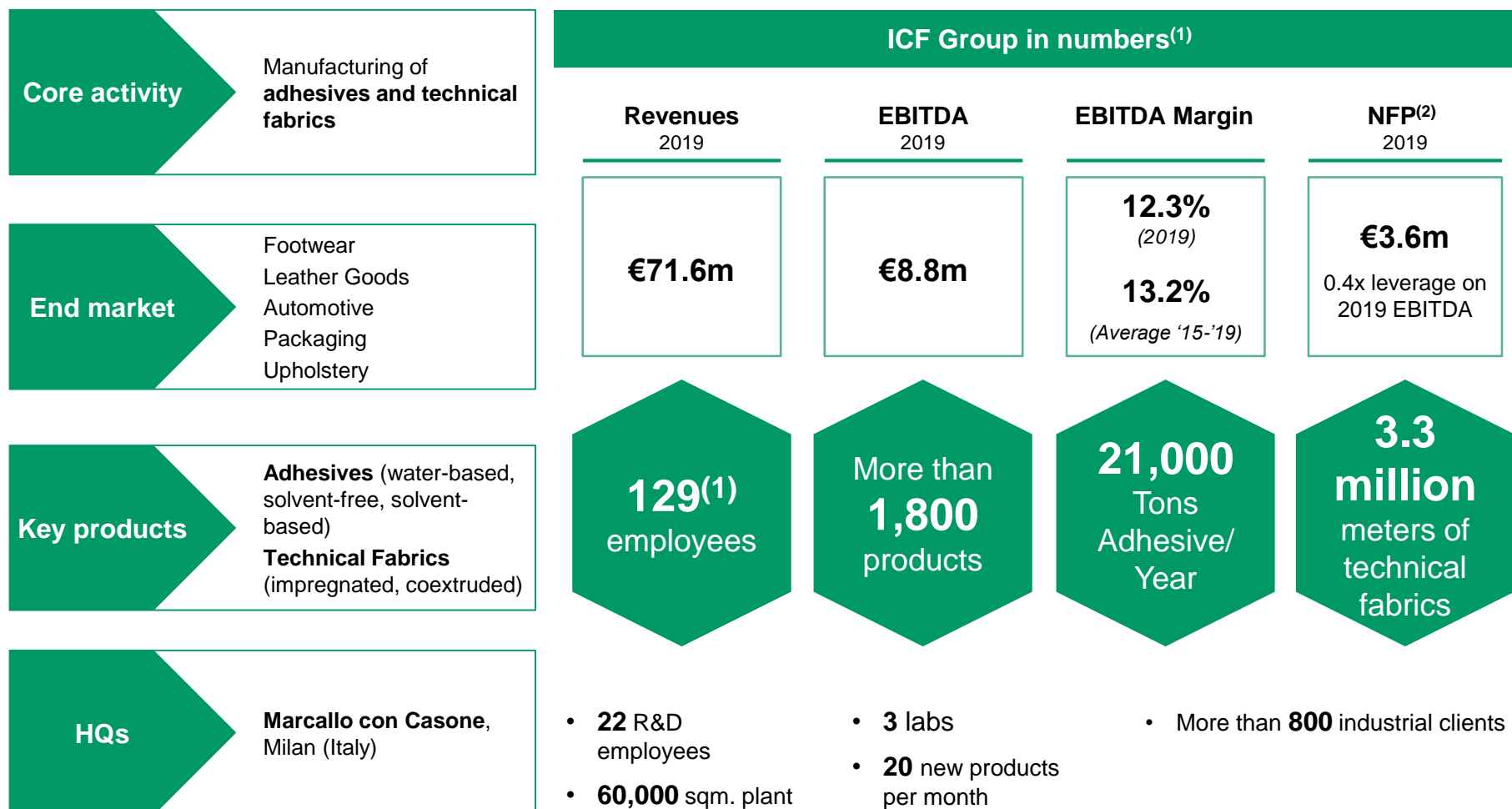


The pins used in the staplers and similar objects

...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

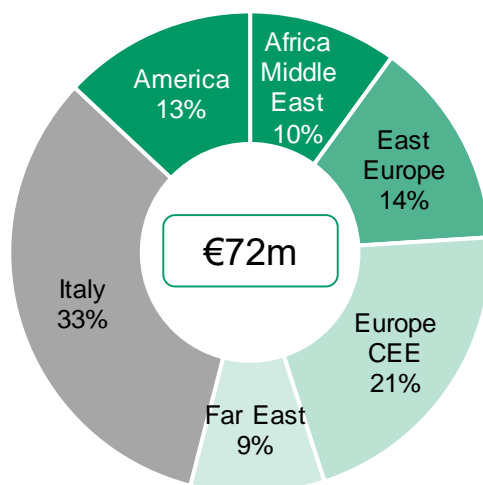
# Industrie Chimiche Forestali: a Leading Player in the Technical Adhesive World



## A Balanced Portfolio with a Global Exposure

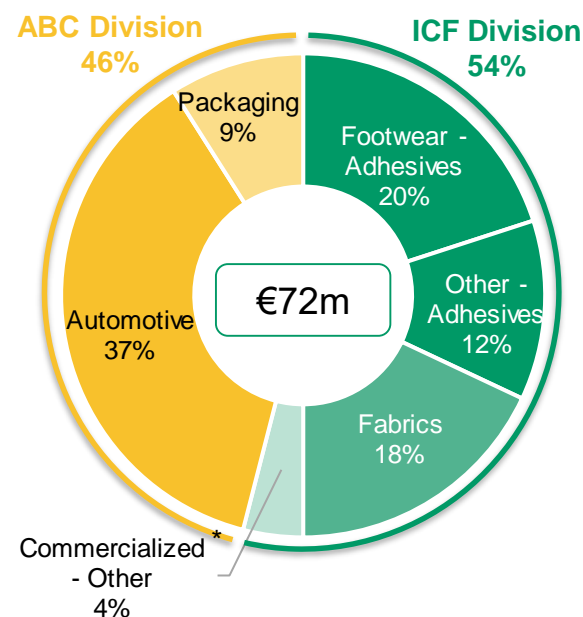
The company is export-oriented, with a balanced exposure to the Automotive, Footwear and Packaging sectors

Geographic Area



**Export** makes up for c. **67%** of revenues for 2019

Business Line

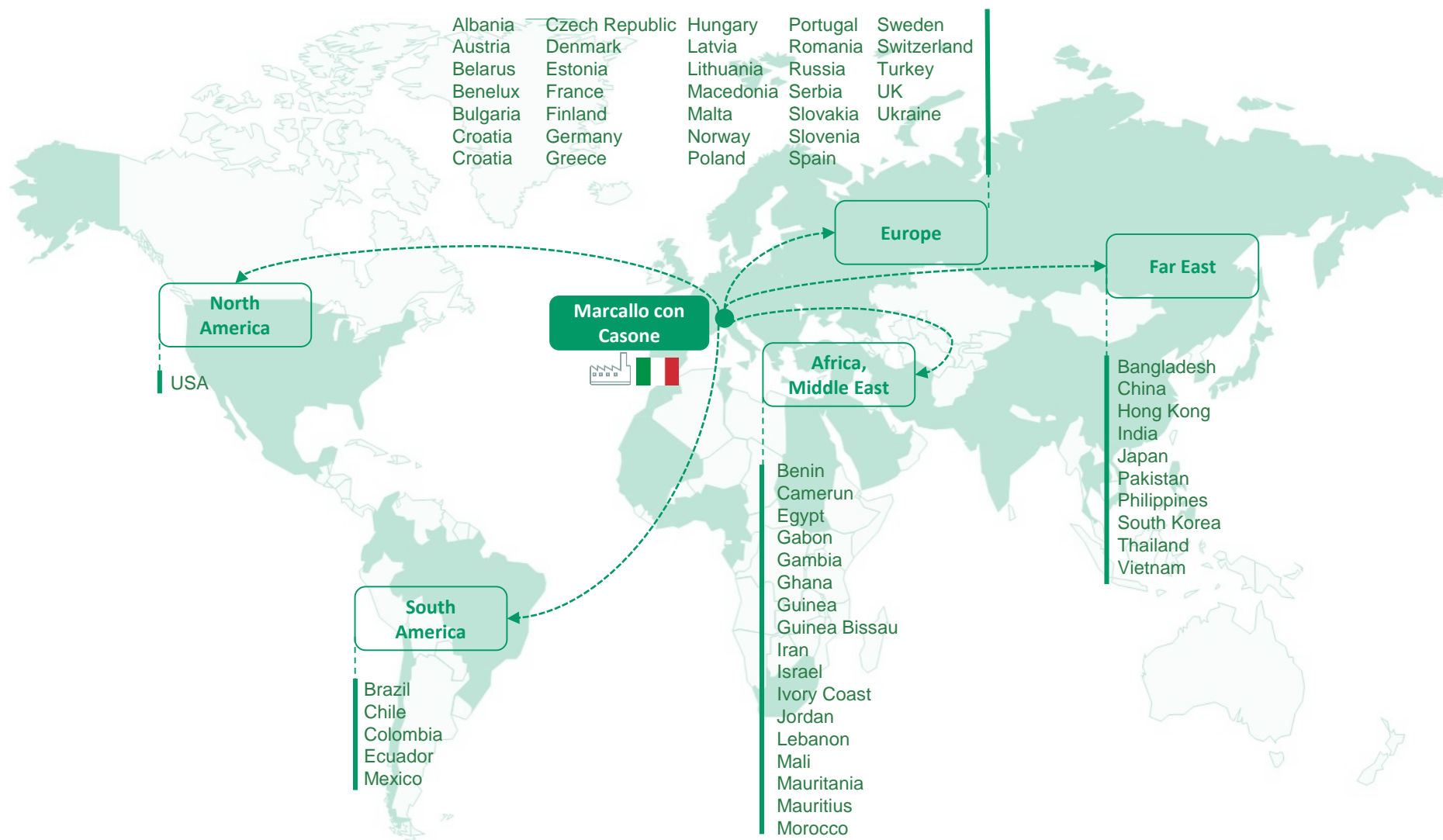


The **Automotive** and the **Footwear** market segments account for the **large majority** of revenues

**Forestali** manufactures both **adhesives** (c. 32%) and **fabrics** (c. 18%), while **ABC** manufactures adhesives only

## From Italy to the rest of the world

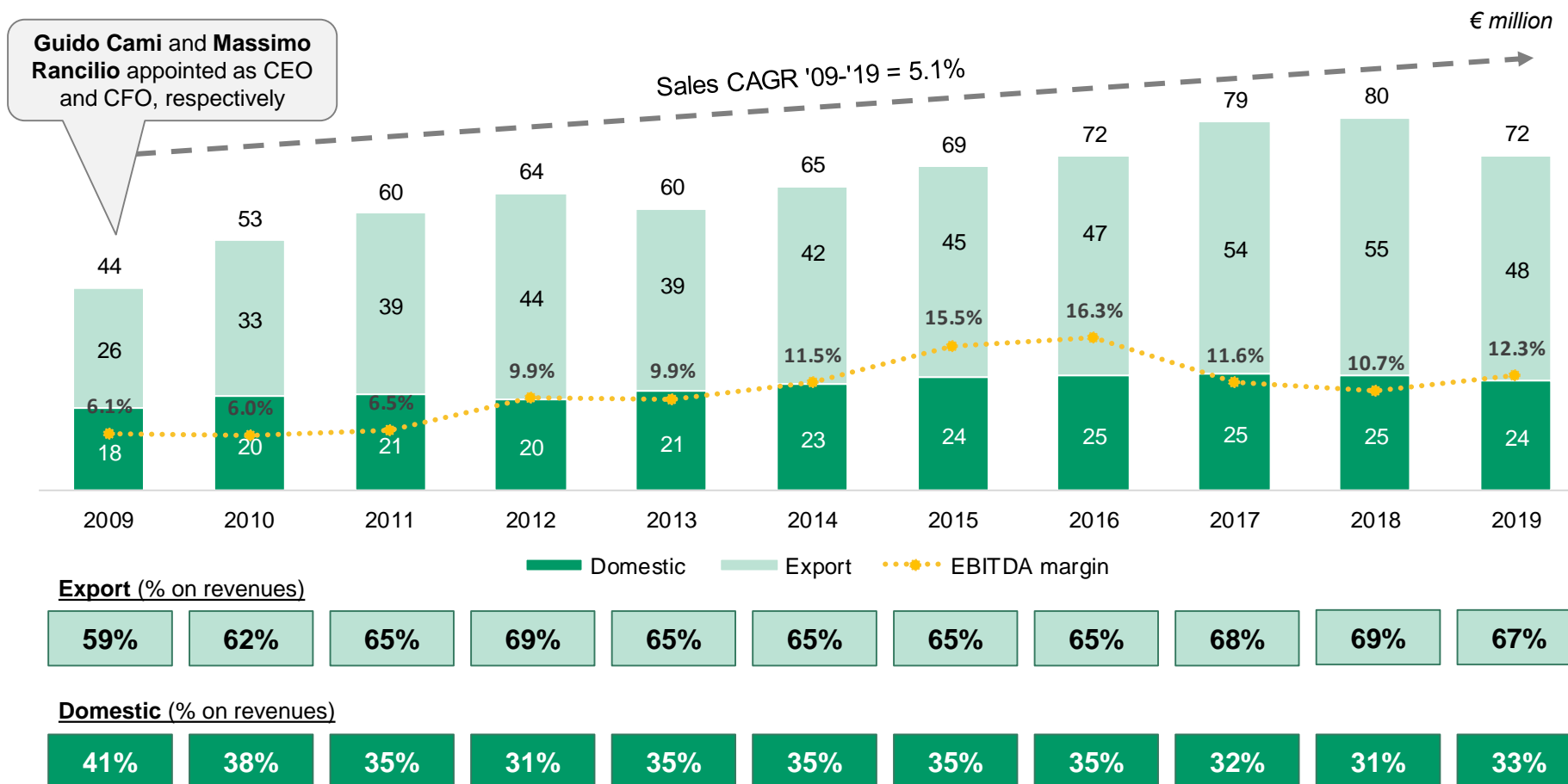
From the headquarter of Marcallo con Casone ICF reaches 80 countries all over the world





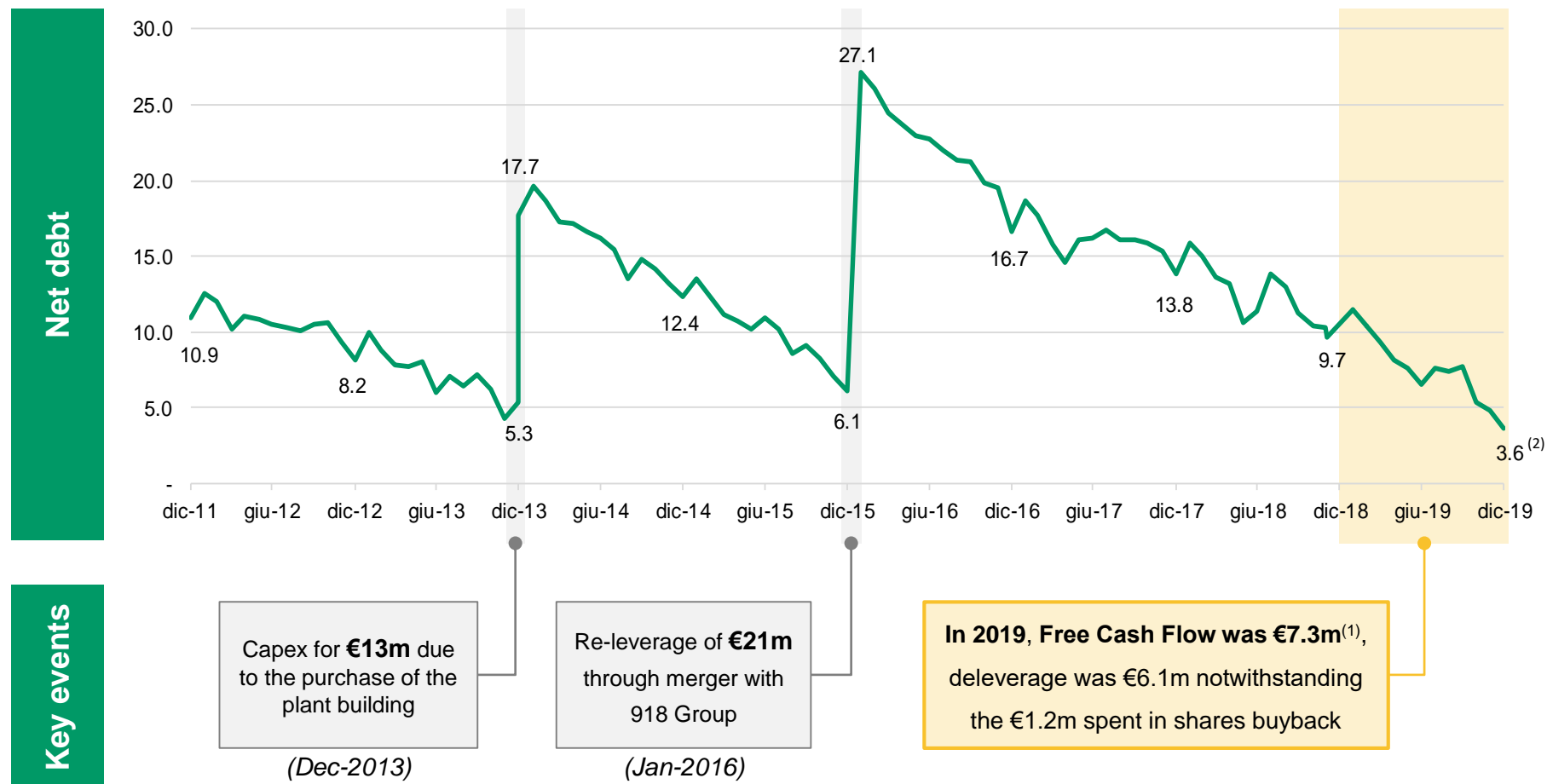
## Substantial growth mainly based on Export

Historically, sales have been growing at mid single digit since 2009 with export accounting for 67% of group revenues in 2019



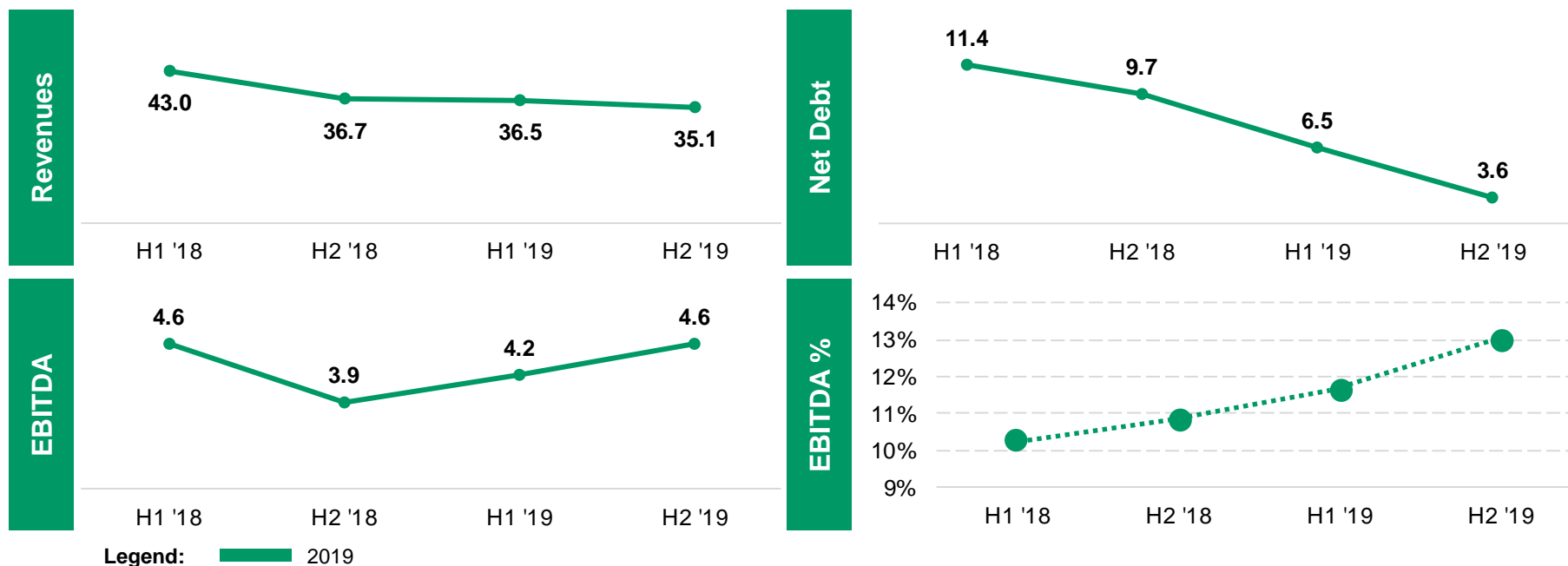
# Material Free Cash Flow Generation

**2012-2019 Cumulative Free Cash Flow Generation was € 38.9m**



Note: (1) Adjusted for extraordinary outflow given by the share buyback program; (2) of which €6.2m are real estate leasing

## 2019 financial highlights: margins recovery and robust FCF



**Revenues:** Sales trend progressively improving during the year being almost flat in H2

**EBITDA:** EBITDA double digit growing in H2 '19. Margin improving by 160 b.p. YTD driven by production efficiencies and decrease in material costs

**Net Debt:** Deleverage by €6.1m over the last twelve months thanks to strong cash generation and notwithstanding the €1.2m spent in shares buyback. Net Debt includes €6.2m of real estate leasing

**Free Cash Flow:** Around €7.3m in the last twelve months

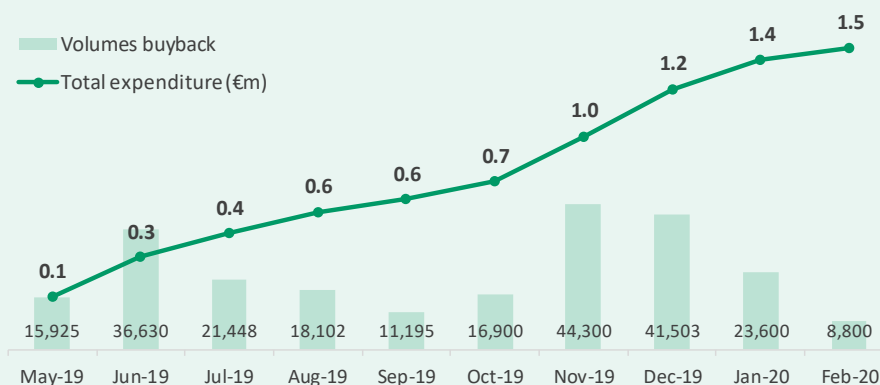
## 2019 financial highlights ICF Group

	€m	2018*	2019
<b>1 Revenues</b>		79.7	71.6
<b>2 EBITDA</b>		<b>8.5</b>	<b>8.8</b>
Margin (%)		10.7%	12.3%
<b>Adj. Net income</b>		<b>3.9</b>	<b>n.a.</b>
<b>3 Net Debt</b>		<b>9.7</b>	<b>3.6</b>
Net Debt/EBITDA		1.1x	0.4x
<b>4 Outstanding shares (m)</b>		<b>7.5</b>	<b>7.5</b>
<i>o.w. Treasury</i>		-	(0.2)

- 1 In 2018, ICF recorded €71.6m in revenues, €8.1m below 2018 mainly due to the slowdown of the automotive sector both in volumes and, especially, in prices. The underperformance was gradually recovered during the second half of 2019;
- 2 EBITDA was equal to €8.8m, an improvement with respect to 2018 both in terms of absolute value (+€0.3m) and of marginality (+160 b.p.) driven also by the stabilization of raw material prices coupled with management actions;
- 3 In 2019, the company deleveraged by €6.1m, notwithstanding €1.2m spent in shares buyback;
- 4 As of December 2019, ordinary shares outstanding were 7.5 million (of which 0.2m were treasury shares)

**Share buyback update:** in May 2019, ICF Group started a share buyback program.

As of 14<sup>th</sup> February 2019, ICF repurchased 238,403 shares, corresponding to 3.16% of the share capital, for a total expenditure of €1.5m.



## ICF Group stock performance<sup>(1)</sup>

### ICF stock performance since listing (May 2018) <sup>(1)</sup>

**ICF**GROUP  
IPO day=100

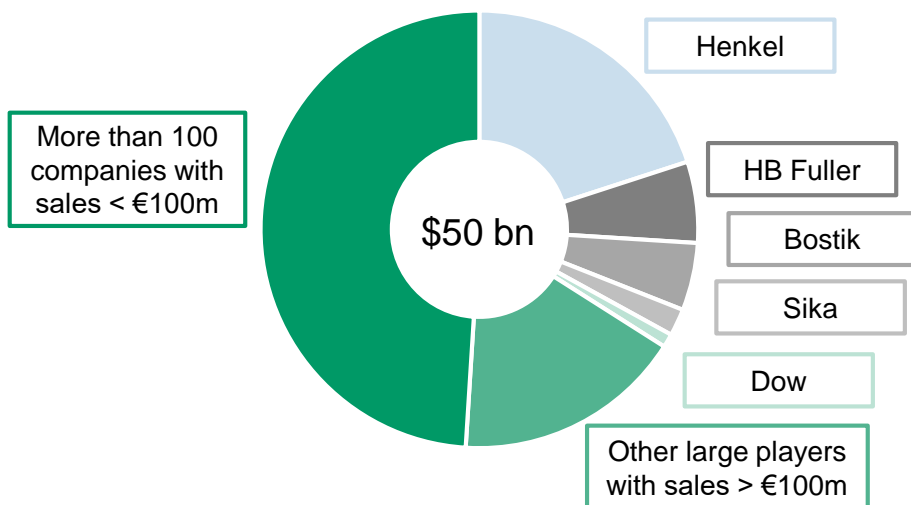


### Comparison with main chemical players<sup>(1)</sup>

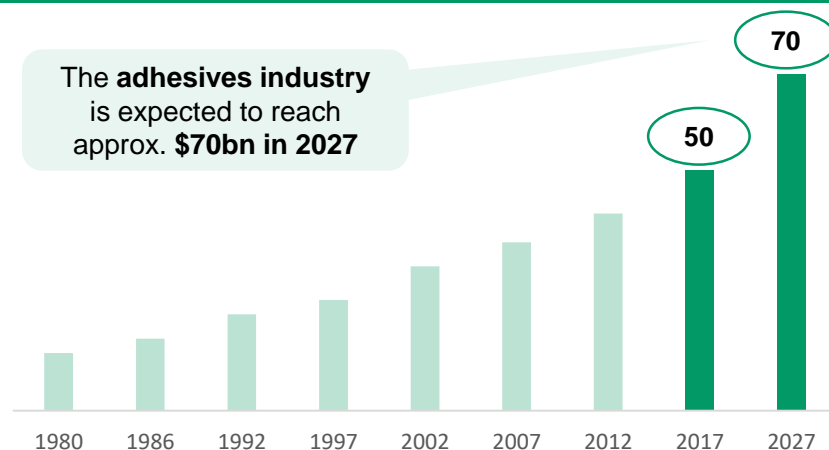
	ICFGROUP	covestro	BASF We create chemistry	HUNTSMAN Enriching lives through innovation	EASTMAN	H.B. Fuller	ARKEMA INNOVATIVE CHEMISTRY	Henkel
YTD	+ 10.9%	- 5.0%	- 4.7%	- 13.8%	- 6.4%	- 5.5%	- 9.2%	+ 1.2%
Last 3 months	+ 24.6%	- 12.1%	- 8.4%	- 10.0%	- 7.0%	- 2.9%	- 10.6%	- 1.8%
Since ICF listing (May 2018)	- 28.3%	- 50.0%	- 25.8%	- 35.2%	- 30.4%	- 5.1%	- 21.3%	- 11.4%

## Adhesives & Sealants Industry: A Fragmented Market Space

Major Players



Adhesives industry – Market value (\$bn)



- A **50 billion dollar market** with strong growth drivers (3% to 3.5% a year), which is expected to reach \$70bn by 2027

ICF Group has been and will be active in selecting **M&A opportunities** both domestically and abroad with a strict discipline in terms of value creation.

Such a possible development will exploit:

- The high level of certifications of its products and processes
- The distribution platform as it exports worldwide 67% of sales
- Substantial free cash flow generation
- Public company status allowing also potential stock for shares deals

## Board of Directors

### ICF Group Board of Directors



**Guido Cami**

*Chairman of the Board & CEO*



**Fabio Sattin**

*Director*



**Stefano Lustig**

*Director*



**Giovanni Campolo**

*Director (Specific mandate on Corporate Development)*



**Rossano Rufini**

*Director*



**Fabio Buttignon**

*Independent Director*



**Stefano Caselli**

*Independent Director*



**Marco Carlizzi**

*Independent Director*



**Giuliano Tomassi  
Marinangeli**

*Independent Director*

New

Active in the chemical industry since 1987.  
**Previous experiences as General Manager in Italy and as Southern Europe President in Dow Chemical Company**



### ICF Board of Directors



**Guido Cami**

*Chairman of the Board & CEO*



**Giovanni Campolo**

*Director*



**Rossano Rufini**

*Director*

# ICF Group ESG Priorities

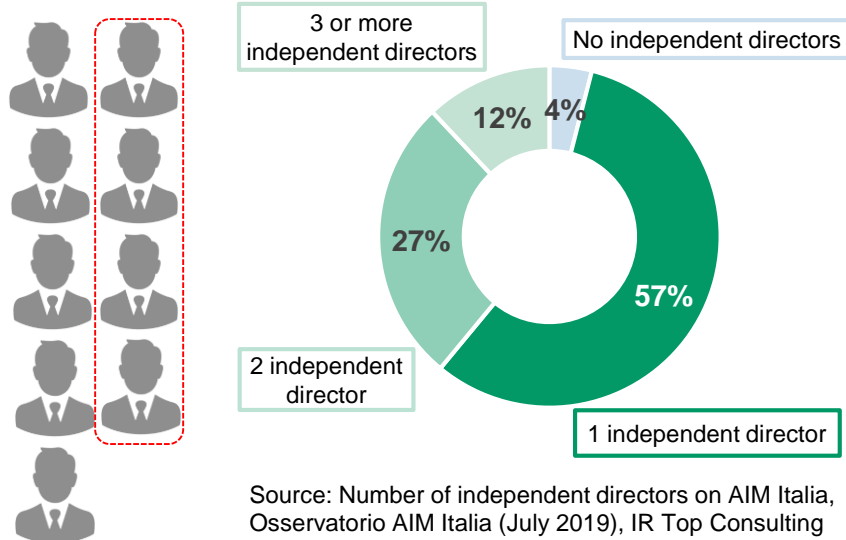
New

Sustainability 2019 report in line with **Global Reporting Initiative standards**



## Governance

- ICF Group governance model is quite unique among companies of similar size listed on AIM Italia. The Board of Directors is composed of 9 members, of which **4 qualify as independent directors**



- The free float is more than 90%, so the market is the dominant shareholder
- The interests of ICF top management are aligned with those of the shareholders:** 12 ICF managers, including the CEO Guido Cami, hold 3.4% of the Company's share capital
- Top management incentive system:** ICF top management holds c. 30k special shares that will be converted into ordinary shares based on ICF Group's stock performance (at a price of at least €11/share)

## Environmental

- ISO 14001 Certification
- EMAS Certification
- OHSAS 18000 Certification
- IATF 16949 Certification
- Compliance with the European REACH regulation<sup>(1)</sup>
- Publication of the Environmental Report (every 3 years)
- Increase in the production of water-based adhesives (14% 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

## Social impact

**ICF Group supports the community by sponsoring local organizations:**

- Bambini delle Fate
- Marcallo con Casone local sport team
- Mesero oratory
- Valcaselle *tamburello* team





## Relevant Certifications

To maintain a high commercial standing with clients, ICF obtained all the relevant certifications in the sector

Certification	Field	Obtained in:
UNI EN ISO 9001	Quality	1997
UNI EN ISO 14001	Environmental	1998
Registration EMAS	Integrated	2001
OHSAS 18001	Safety	2009
Modello 231	Auditing	2013
IATF 16949	Automotive	2019

### In addition:

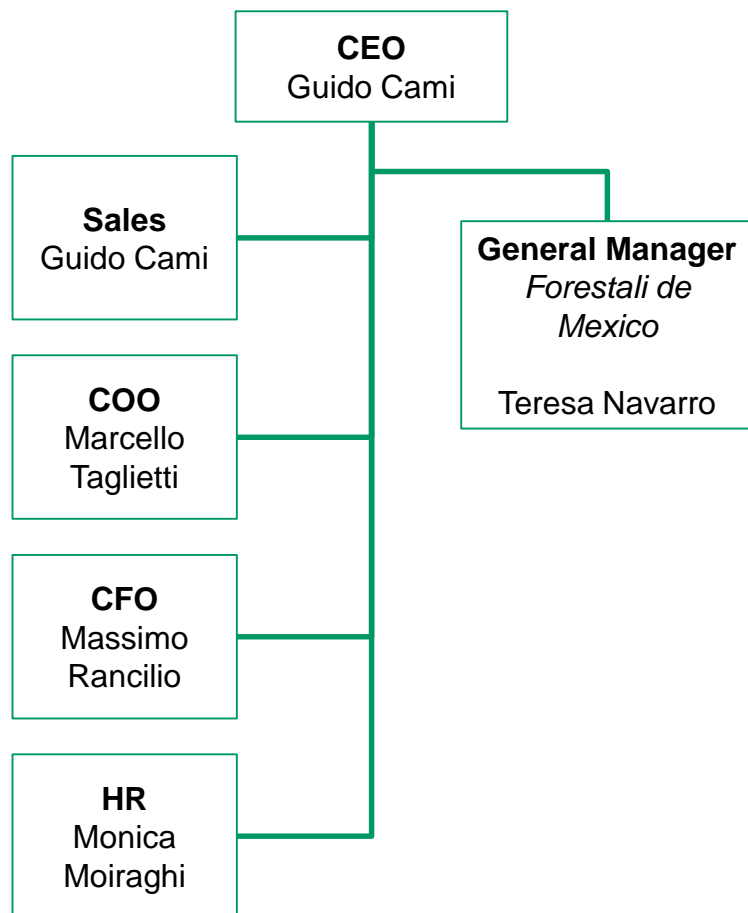
- Three managers fully dedicated to HSE activity
- Compliant with REACH EU Regulation (*«Registration, Evaluation, Authorization and Restriction of Chemicals»*)

**Renewal costs** of certifications  
 +  
 3 dedicated resources  
 =  
**€400k / 500k** per year to maintain **commercial certifications**

ICF complies with the **high standards** to maintain business relationship with **multinational clients** and **differentiate** from smaller competitors

# 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
- Chairman of AVISA – Federchimica (Confindustria)
- Executive Board Member 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
- 10 years in Forestali as CEO



### **Marcello Taglietti** *Chief Operating Officer*

- 26+ years of experience in the Operations function (Ashland Chemicals, Air Products and Chemicals, KMG Chemicals)
- 2 years in Forestali



### **Massimo Rancilio** *Chief Financial Officer*

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



### **Monica Moiraghi** *Human Resources*

- 27 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

**ICF Group S.p.A.  
www.icfgroupspa.it**

**Sede legale in Marcallo con Casone, via Fratelli  
Kennedy, n. 75**

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**www.icfgroupspa.it**

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