

We are invisible!
But we are everywhere!

ICF Group
Investor presentation

April 29, 2020

ICFGROUP

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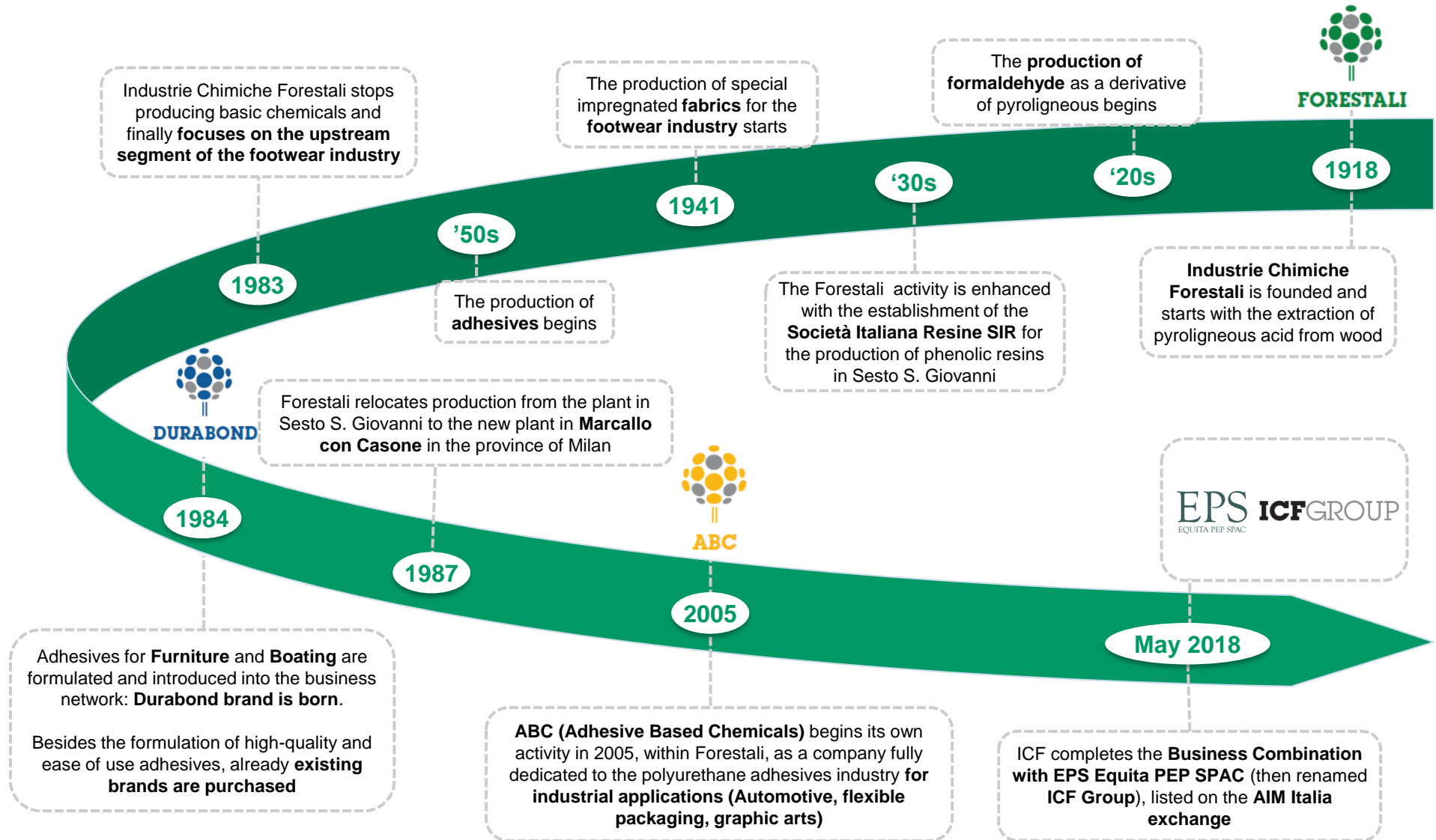
ICF Group, a public company listed on AIM Italia

ICF Group is a leading player in the technical adhesives and fabrics business with over 90% free float and 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

Current 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

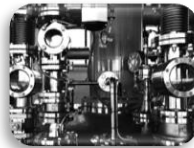
The «Invisible Power»

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

Automotive

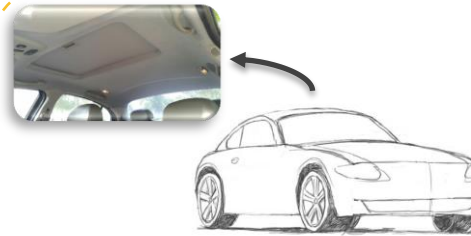


ABC



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



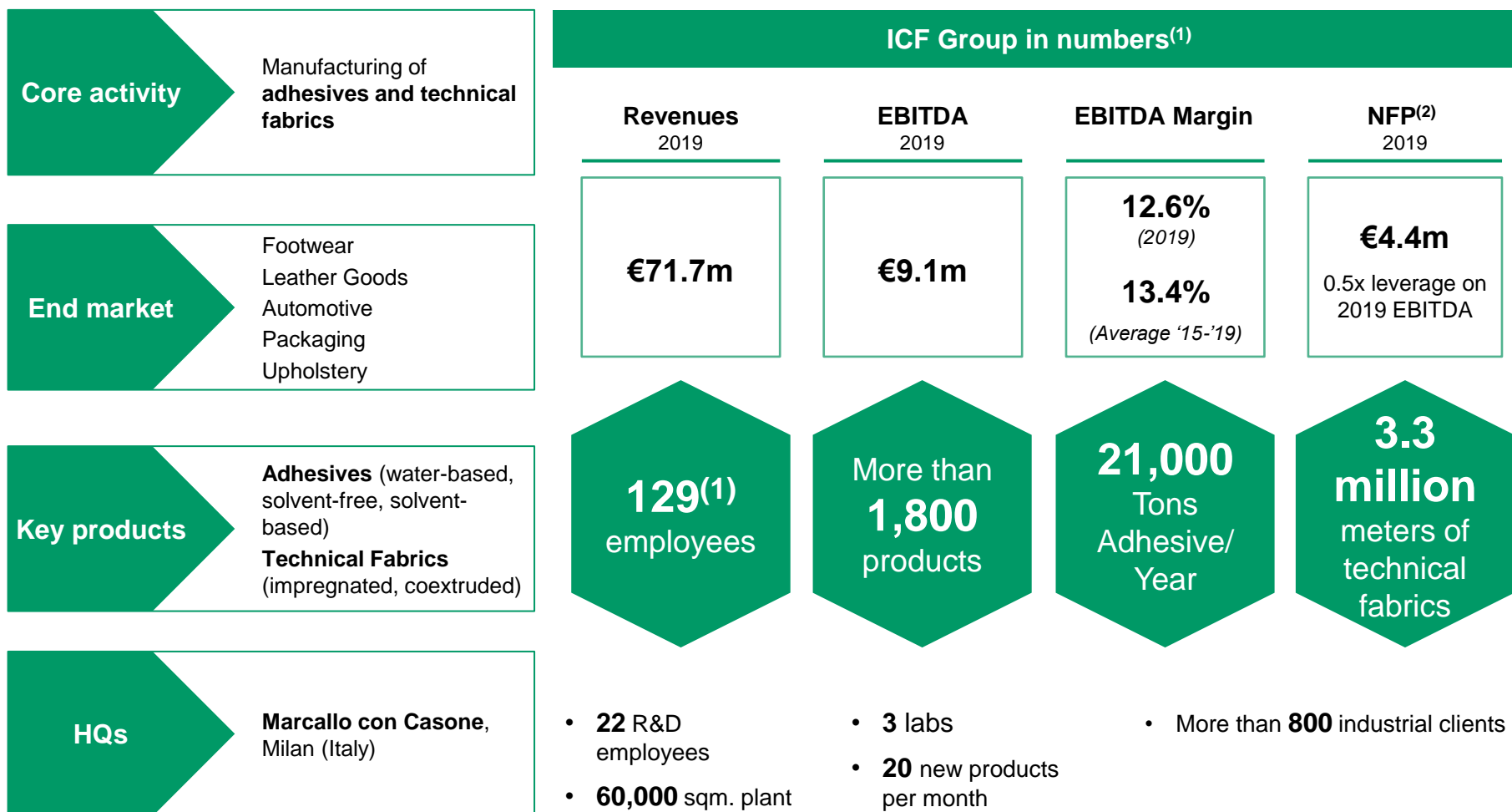
The layers of films comprising the package for various applications (food and non food)

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

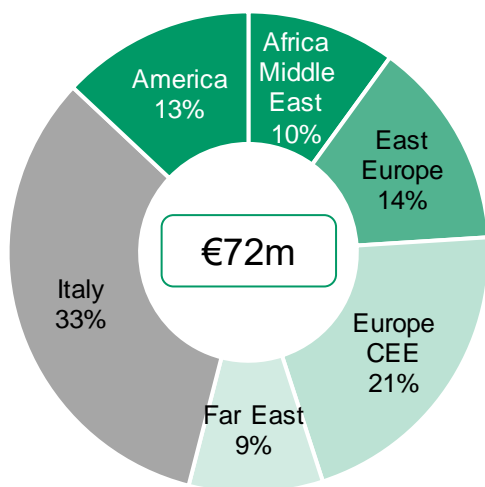
Industrie Chimiche Forestali: a Leading Player in the Technical Adhesive World



A Balanced Portfolio with a Global Exposure

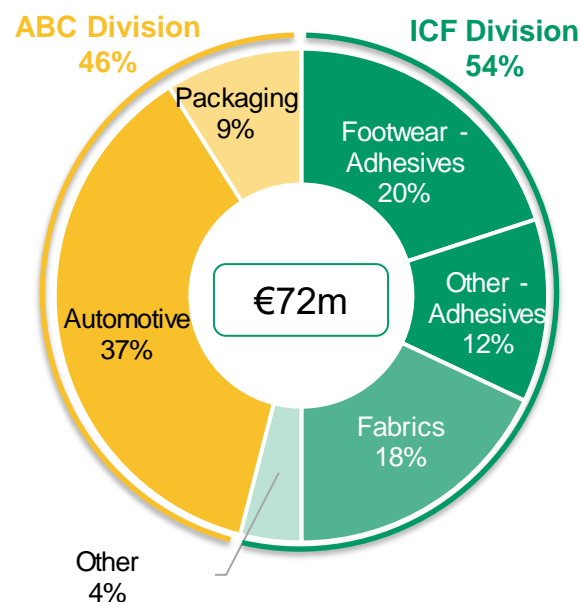
The company is export-oriented, with a balanced exposure to the Automotive, Footwear and Packaging sectors

Geographic Area



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

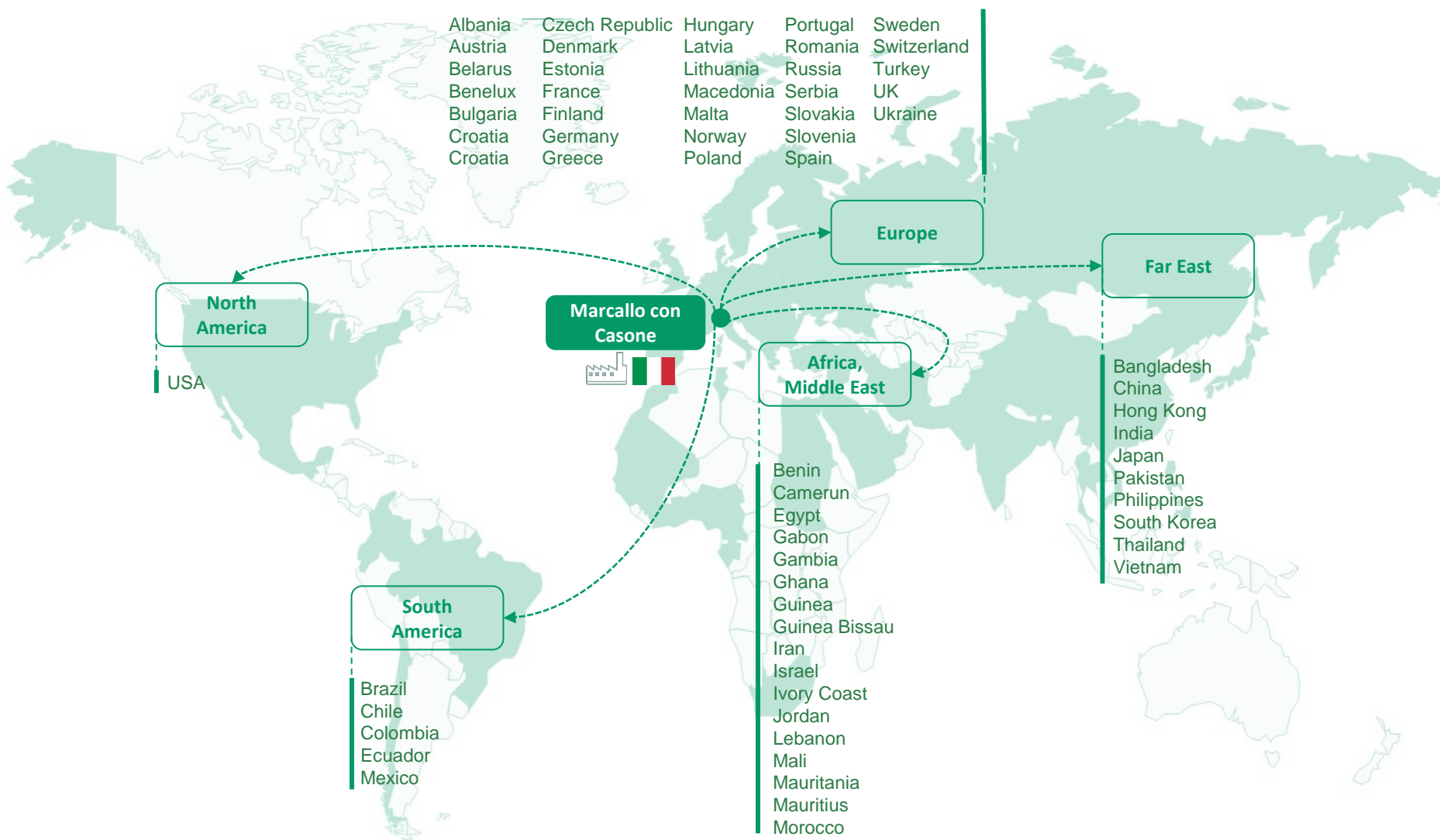
Business Line



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

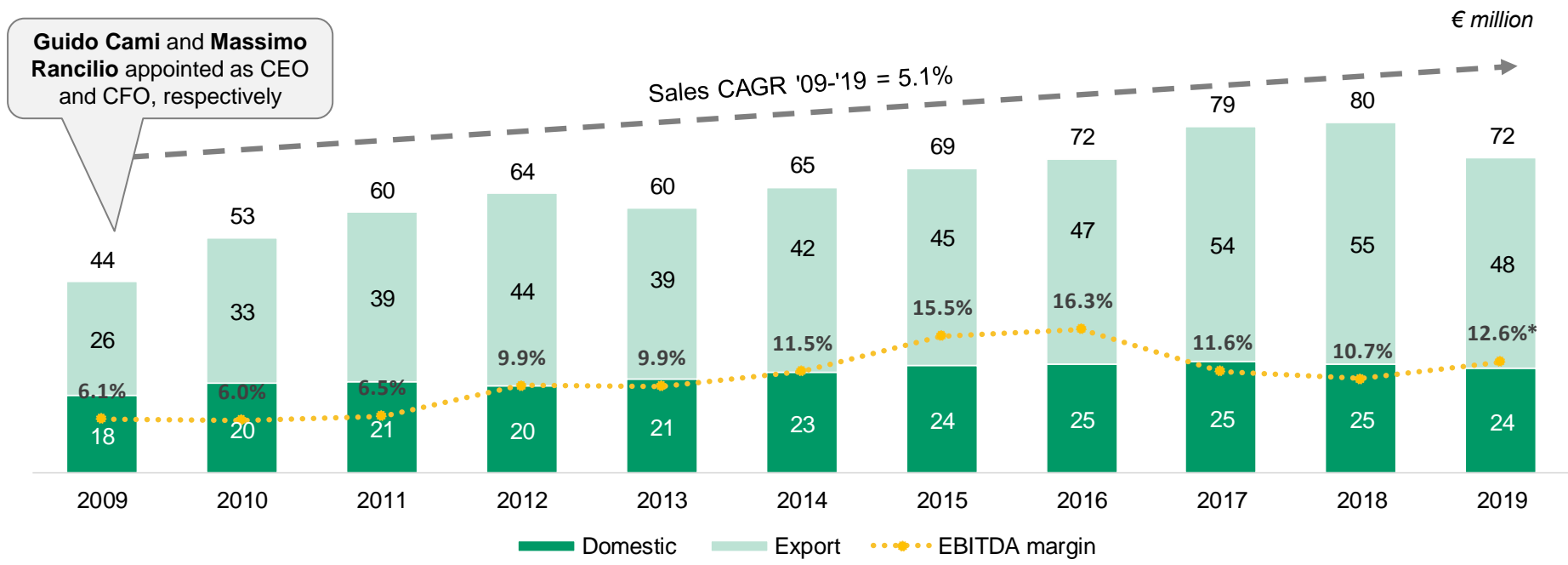
From Italy to the rest of the world

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

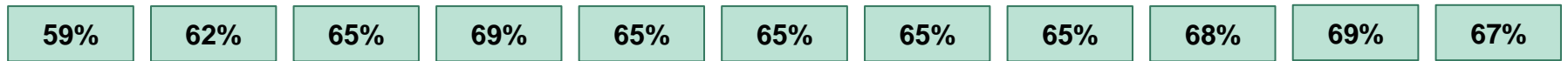


Substantial growth mainly based on Export

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



Export (% on revenues)

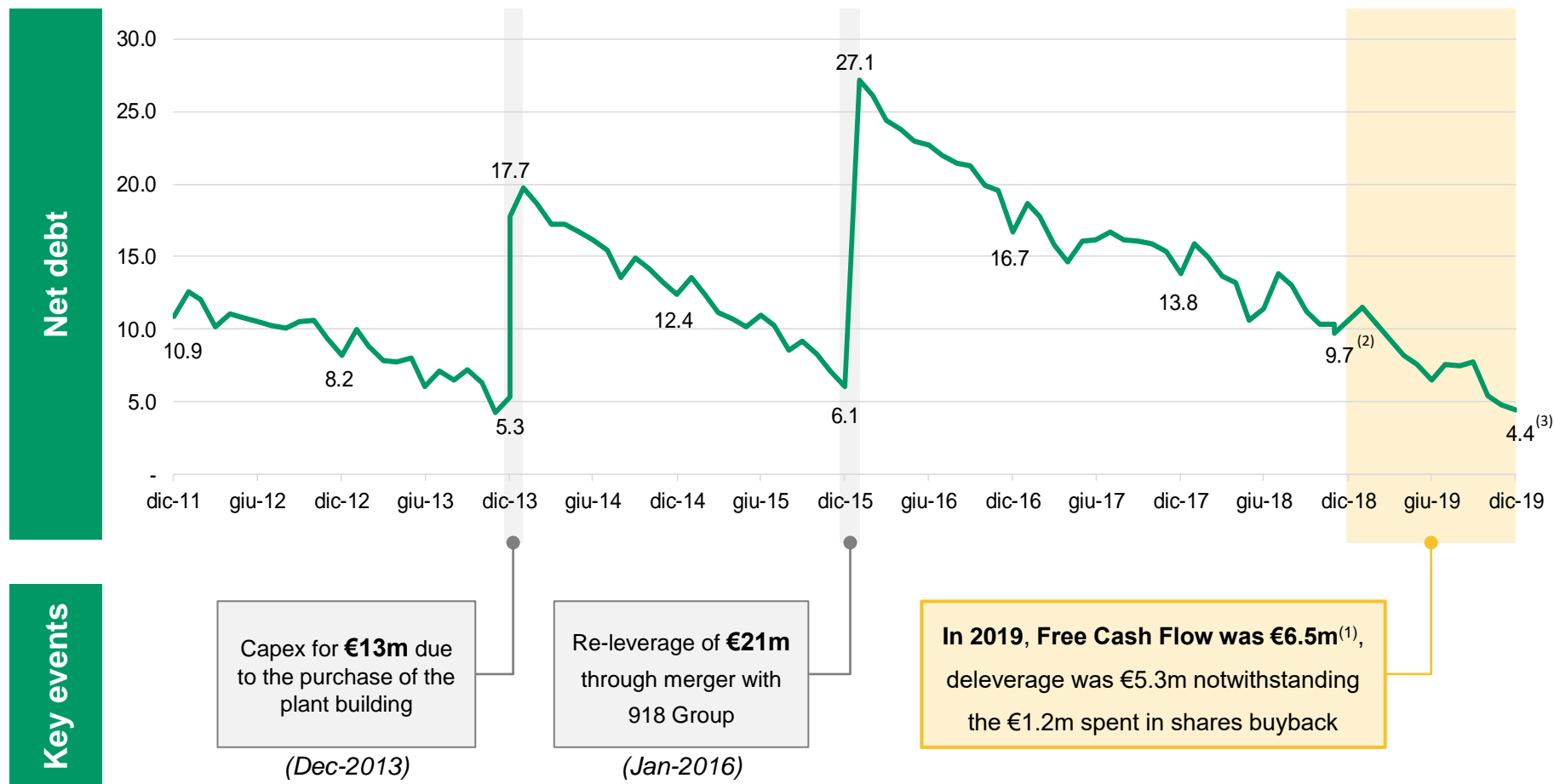


Domestic (% on revenues)



Material Free Cash Flow Generation

2012-2019 Cumulative Free Cash Flow Generation was €38.2m



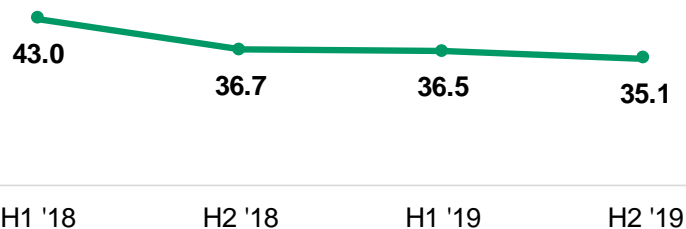
Note: (1) Adjusted for extraordinary outflow given by the share buyback program;

(2) compliant with ITA GAAP reporting standards

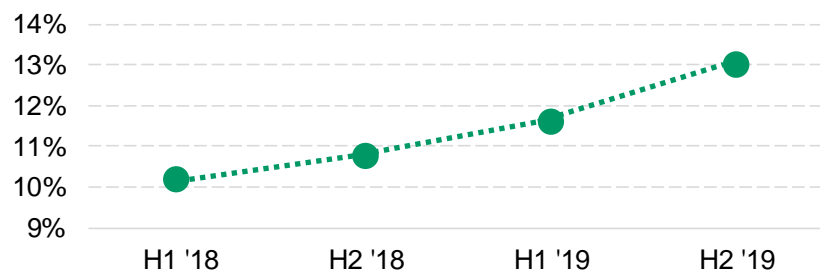
(3) compliant with IAS/IFRS reporting standards and including €6.2m are real estate leasing

2019 financial highlights: margins recovery and robust FCF

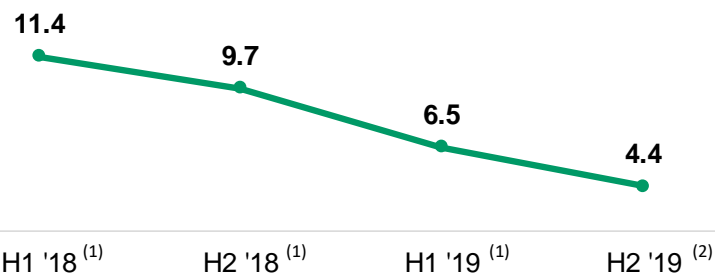
Revenues



EBITDA %



Net Debt



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

EBITDA: EBITDA double digit growing in H2 '19. Margin improving by 190 b.p. YTD driven by production efficiencies and decrease in material costs

Net Debt: Deleverage by €5.3m over the last twelve months thanks to strong cash generation and notwithstanding €1.2m spent in shares buyback and the increase of €1.1m deriving from the adoption of IFRS 16.

Net Debt includes €6.2m of real estate leasing

Free Cash Flow: Around €6.5m in the last twelve months

Note: (1) compliant with ITA GAAP reporting standards

(2) compliant with IAS/IFRS reporting standards and including €6.2m are real estate leasing

2019 financial highlights ICF Group

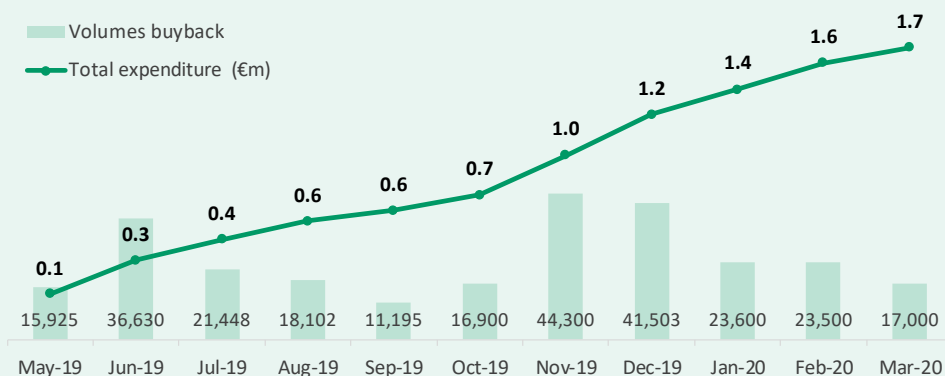
	€m	2018*	2019**
1 Revenues		79.7	71.7
2 EBITDA		8.5	9.1
<i>Margin (%)</i>		10.7%	12.6%
Adj. Net income		3.9	4.5
3 Net Debt		9.7	4.4
Net Debt/EBITDA		1.1x	0.5x
4 Outstanding shares (m)		7.5	7.5
<i>o.w. Treasury</i>		-	(0.2)

- In 2019, ICF recorded €71.7m in revenues, €8.0m 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;
- EBITDA was equal to €9.1m, an improvement with respect to 2018 both in terms of absolute value (+€0.6m) and of marginality (+190 b.p.) driven also by the stabilization of raw material prices coupled with management actions;
- In 2019, the company deleveraged by €5.3m, notwithstanding €1.2m spent in shares buyback and €1.1m of additional debt caused by the adoption of IFRS 16
- 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 27th March 2020, ICF repurchased 270,103 shares, corresponding to 3.58% of the share capital, for a total expenditure of €1.7m.










ICF Group stock performance⁽¹⁾

ICF stock performance since listing (May 2018)⁽¹⁾

ICFGROUP
IPO day=100

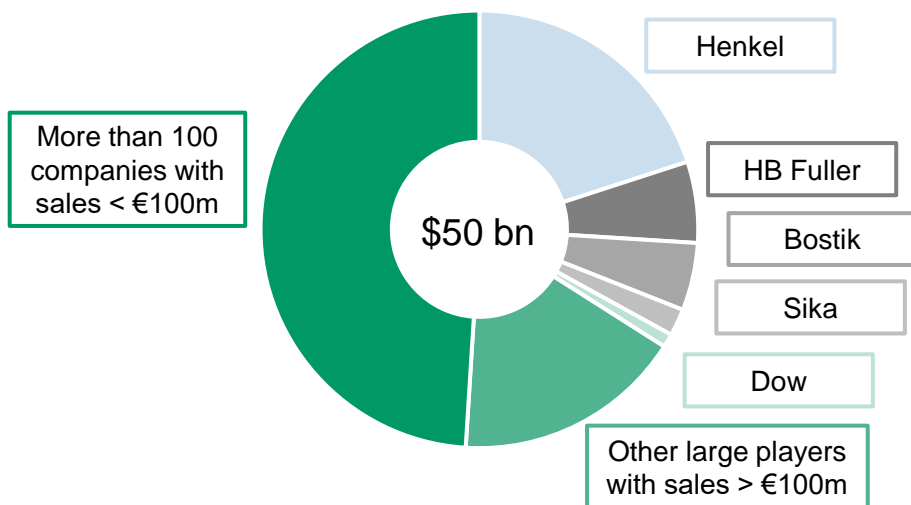


Comparison with main chemical players⁽¹⁾

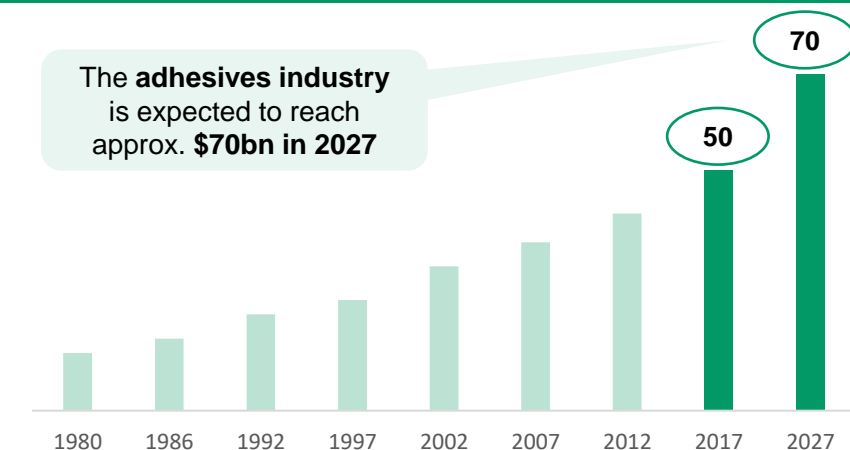
	ICF GROUP	 covestro	 BASF We create chemistry	 HUNTSMAN Enriching lives through innovation	 EASTMAN	 H.B. Fuller	 ARKEMA INNOVATIVE CHEMISTRY	 Henkel
YTD	- 13.8%	- 26.1%	- 32.6%	- 38.4%	- 34.1%	- 42.8%	- 22.3%	- 14.5%
Last 3 months	- 20.6%	- 25.2%	- 29.8%	- 36.3%	- 32.6%	- 40.2%	- 15.8%	- 15.6%
Since ICF listing (May 2018)	- 44.2%	- 61.1%	- 47.5%	- 53.7%	- 51.1%	- 42.5%	- 32.7%	- 25.1%

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

Main events in 1Q 2020

COVID-19: ICF Group is active in an industrial segment that has been authorized by the Italian Government to **keep production operating**. As a consequence, the company never stopped operations despite lockdown policies implemented in Italy. **Rigid safety measures** have been adopted in the plant in order to avoid the contagion of employees and prevent the spreading of the virus and all employees adopted the smart working.

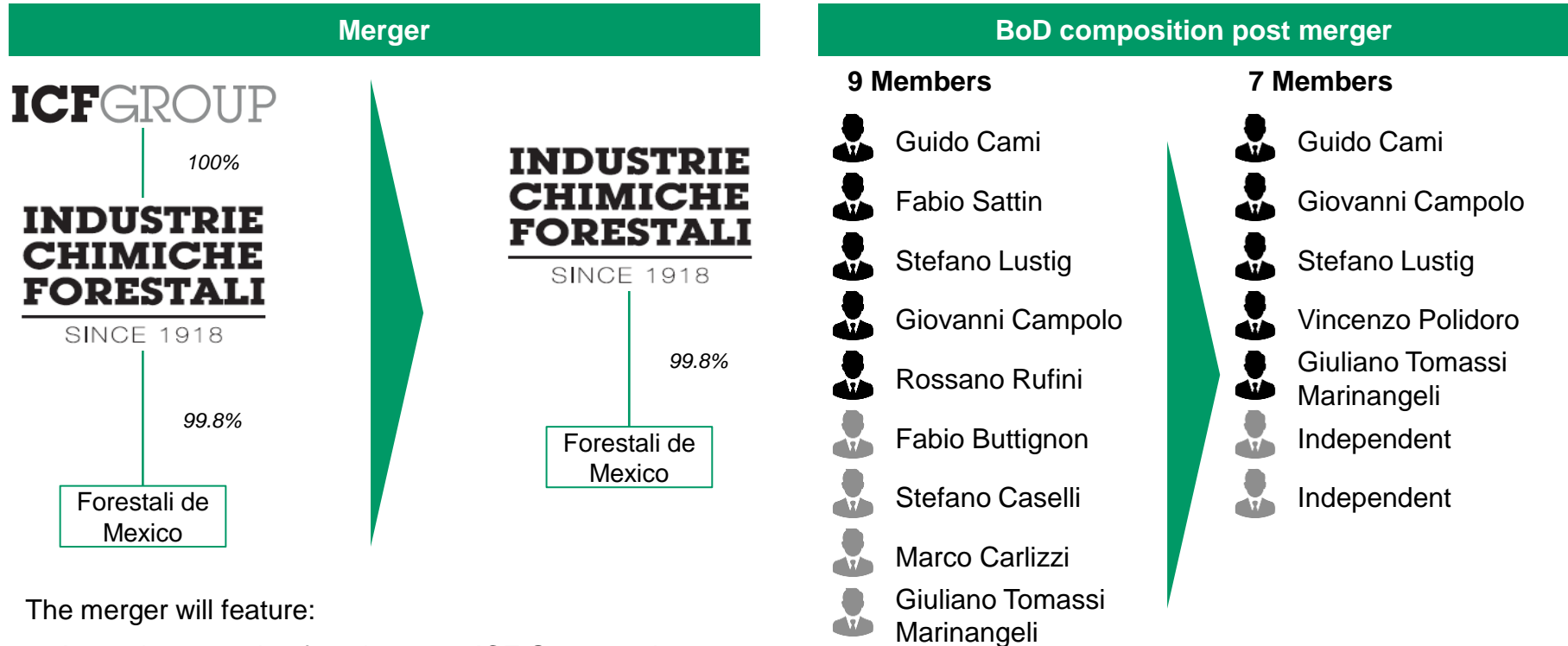
Despite the first signs of the global crisis emerged already since last January, **ICF Group business achievements have been positive in 1Q20 in terms of sales, margins and FCF**. The global spread of the virus and the lockdown policies adopted in many countries create **uncertainty about the developments of the very next weeks/months in light of plant temporary closure by several clients**. However the company has **solid Financial position and a quite low incidence of fixed costs** (around 30%).

Thanks to the quick reaction of the R&D and production department , ICF is going to start the **manufacture and marketing of hand sanitizer (VIP & TOP) as well as TNT fabrics (Freedom M1) for the production of protective masks** entering therefore in a new promising area of business.



Merger of ICF Group with Industrie Chimiche Forestali

Subject to the approval of the shareholders' EGM, ICF Group will merge into Industrie Chimiche Forestali in order to simplify the organizational structure of the group and reduce costs. The General Meeting will also vote on the new proposed BoD.



The merger will feature:

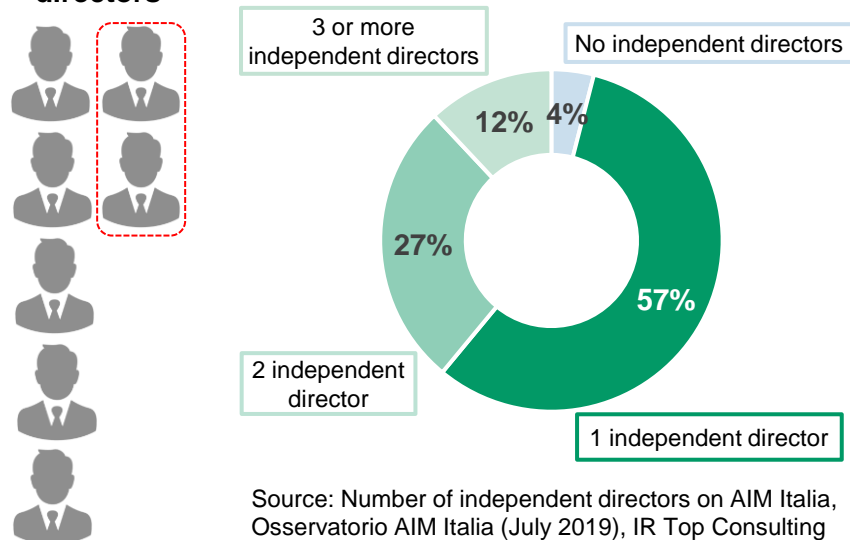
- An exchange ratio of 1:1 between ICF Group and Industrie Chimiche Forestali's shares and warrants;
- **No withdrawal right for ICF Group shareholders because of coincident by-laws**

The merger and the changes in the composition of the BoD of ICF have been approved by the BoD of ICF Group and Industrie Chimiche Forestali and **will be effective when approved by the EGM of the next April 28-29**

ICF Group ESG Priorities

Governance

- ICF Group governance model is quite unique among companies of similar size listed on AIM Italia. The Board of Directors is composed of 7 members, of which **2 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⁽¹⁾
 - 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 CO₂ emissions to optimize energy consumption
 - Recycling of the process wash water
- New** → From 2019, Sustainability report in line with Global Reporting Initiative standards



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
- Alatha



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:

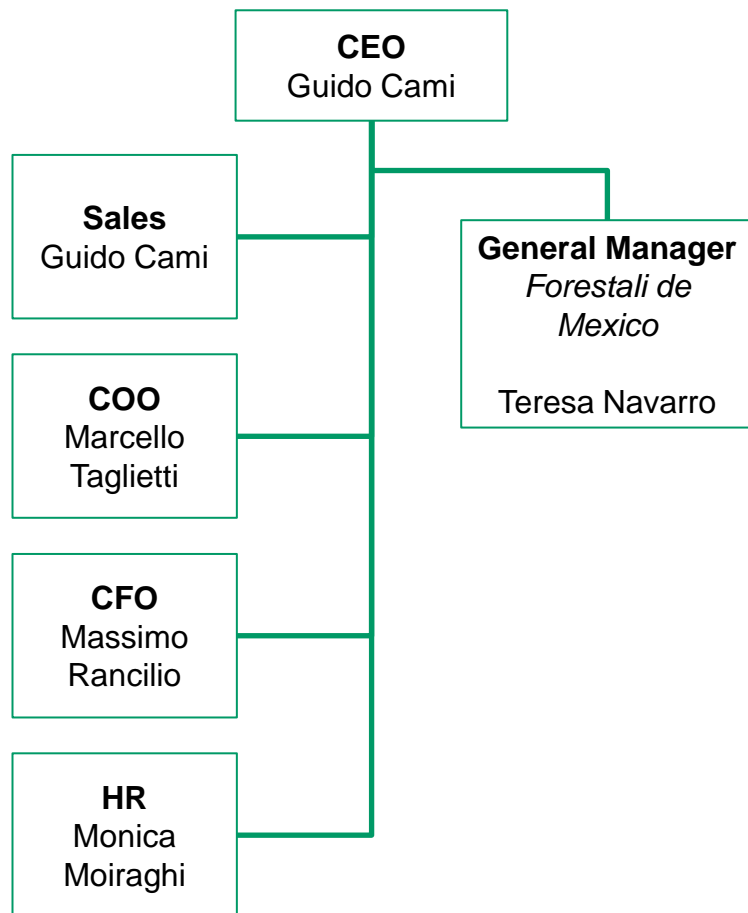
- Three managers fully dedicated to HSE activity
- Compliant with REACH EU Regulation («*Registration, Evaluation, Authorization and Restriction of Chemicals*»)

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⁽¹⁾ 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
- 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

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