



COMPANY PRESENTATION

May 2021



Agenda

Company Presentation

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3. ESSENCE
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2. BUSINESS MODEL
3. STRATEGY AND KSF
4. MARKET

3. TEAM

1. MANAGEMENT TEAM

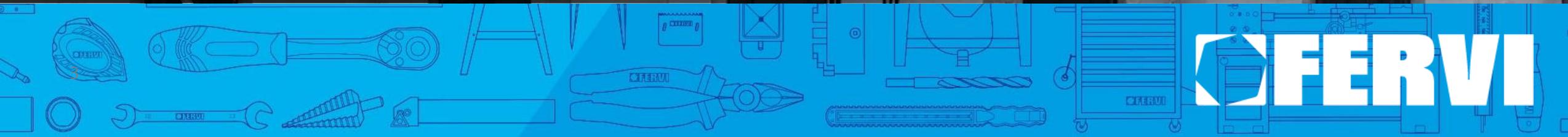
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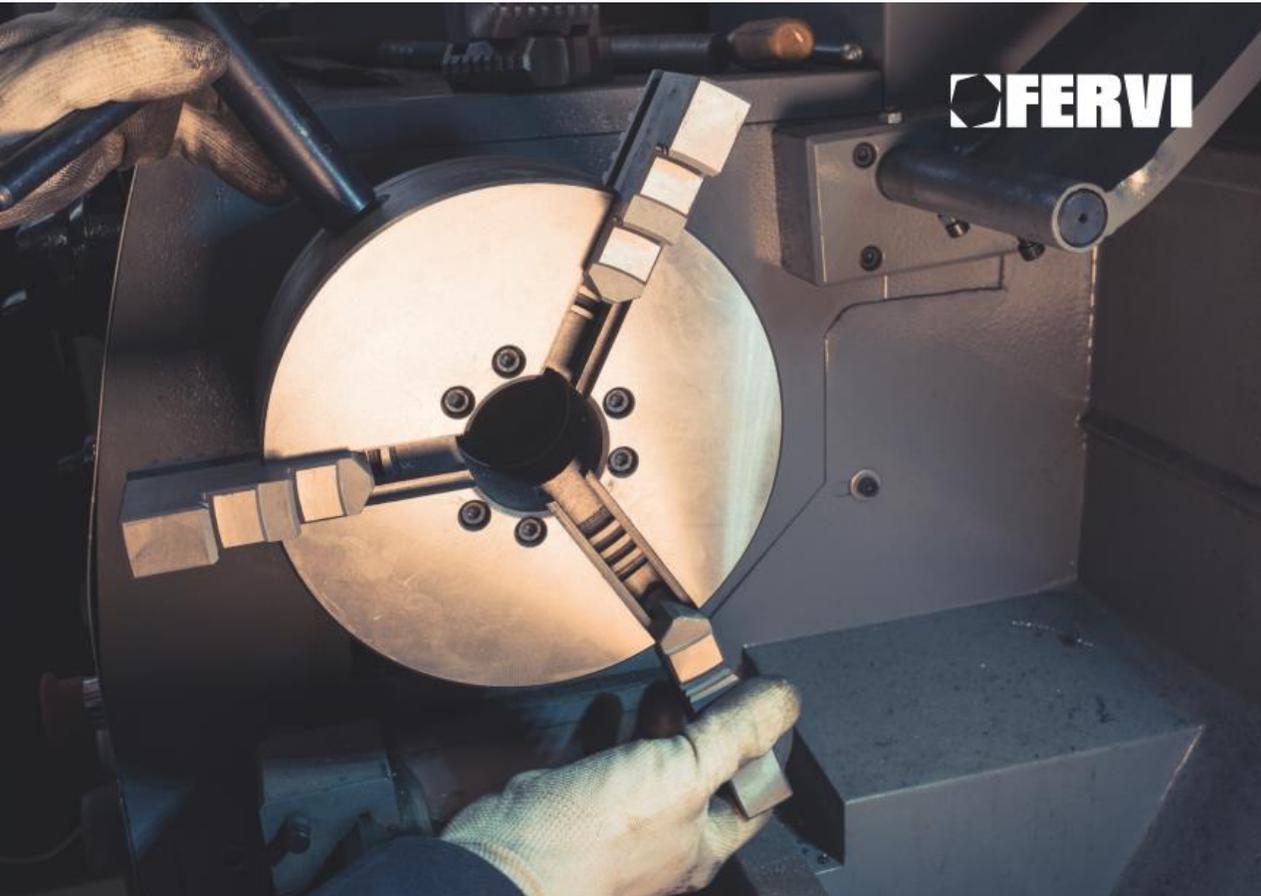
1. ACCOUNTING STATEMENTS

COMPANY PROFILE



FERVI: The Smart Company

The sector

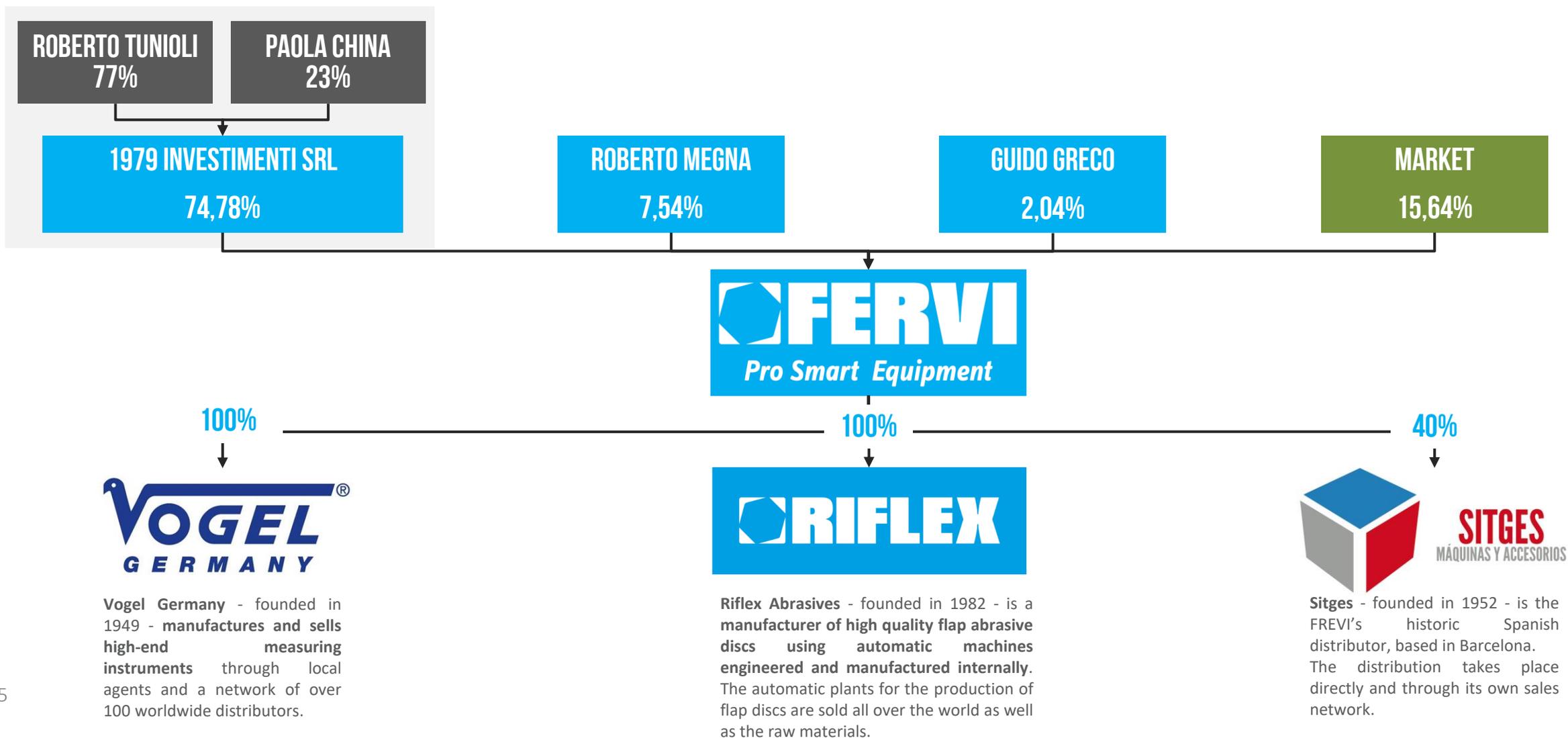


We are the leading company in the MRO market

The Fervi Group operates in the professional equipment supply sector, mainly for mechanical workshops, car workshops, carpentry and construction and everything revolves around the so-called “MRO” (*maintenance, repair and operations*) sector, i.e. the supply of equipment to maintenance and repair professionals and for craft production (prototyping, sampling, limited series) plus in the advanced DIY (“Do-it-yourself”) sector.

FERVI: The Smart Company

Shareholding and Group structure



FERVI

CONSOLIDATED 2020: At a glance

NET REVENUES	26,284 M€
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EBITDA	4,095 M€
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CASH FLOW	2,599 M€
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EMPLOYEES	88
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LOCATIONS	4
------------------	----------



OUR CERTIFICATIONS

FERVI

A QUALITY THAT STEMS FROM RESPONSIBILITY

Fervi's sense of social and business responsibility is the basis of every initiative and activity undertaken by the members of the Fervi Group and by those involved in it.

towards
CUSTOMERS



towards
ENVIRONMENT



towards
EMPLOYEES

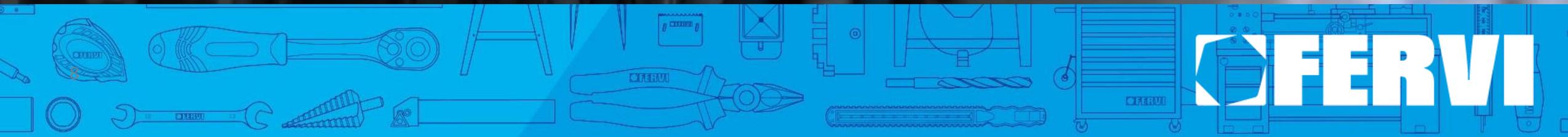


towards
PARTNERS



FERVI COMPETENCE

The method



FERVI COMPETENCE

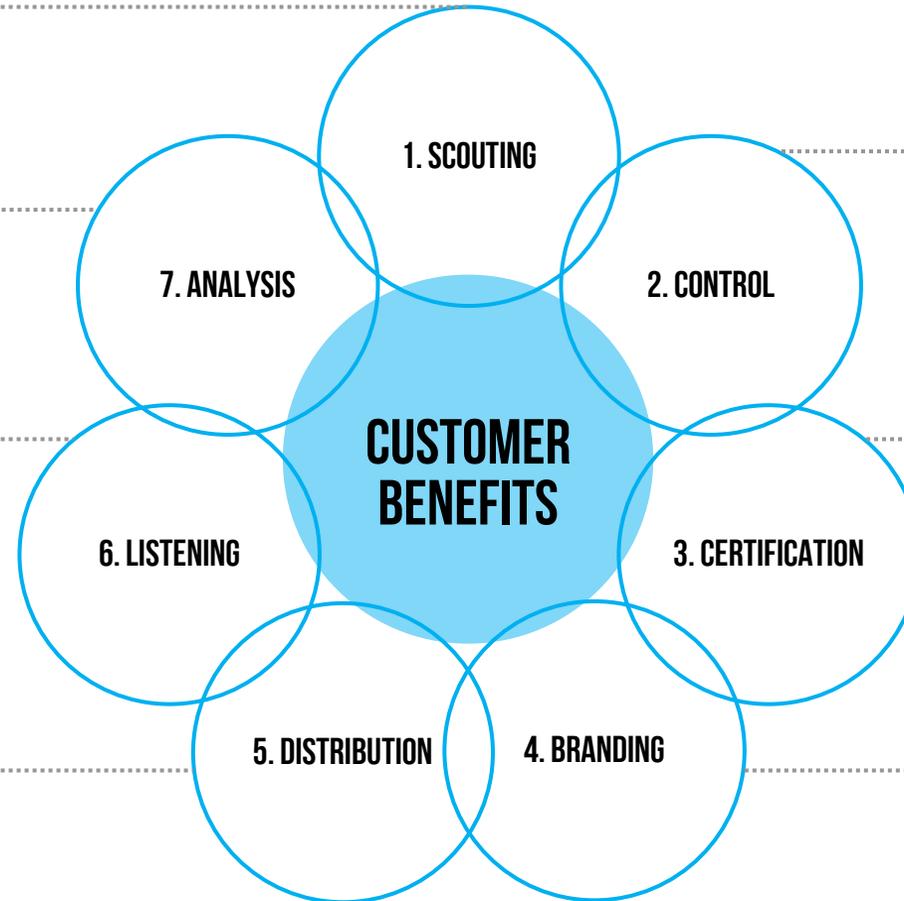
THE FERVI METHOD

For new products and companies on the market

On customer comments and adequate response

To customer needs and feedback

Synergy process with our partners

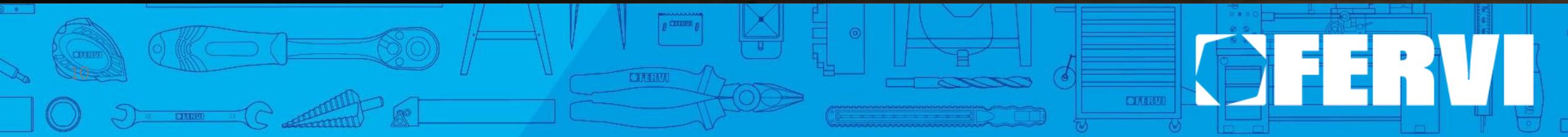


Careful verification of quality and standards compliance

Risk analysis, production of technical documentation and EC brand

FERVI brand marking

THE ESSENCE



THE ESSENCE

FERVI THE SMART COMPANY

FERVI confirms its **leadership** in the **MRO** (**M**aintenance, **R**epair and **O**perations) sector, answering more and more to professional and hobby needs, for the construction, maintenance and repair of any kind of object.

We are a **solid, reliable** and **competitive** company, a key point in the European scenario for the research, design, production and distribution of machine tools and hand-tools that meet the highest quality and reliability requirements, leading players in a market that is growing with us.

**IF YOU NEED IT, WE HAVE IT. IF YOU DON'T KNOW
WHAT YOU NEED, LET'S TALK ABOUT IT!**

ESSENCE

FERVI THE SMART COMPANY

OUR VISION

Provide industry workers and those in the DIY sector with the **most suitable, functional, safe** products which can significantly **improve** the **productivity** and **quality** of their daily work.



OUR MISSION

Design and **produce**, **search** and **select**, and **distribute** tool Machinery and Equipment with the **best quality-price ratio**, guaranteeing safety and service **quality standards** greatly **superior** to those of our closest competitors.

Our passion for the **continuous renewal** of products and services, the considerable **respect** for the work of our clients and sound **awareness** of the **needs** of our industry make us the **ideal partner** for any kind of large project or for small, everyday **maintenance** and **repair** jobs.



OUR VALUES

Everything revolves around the client

Transparency

Team spirit

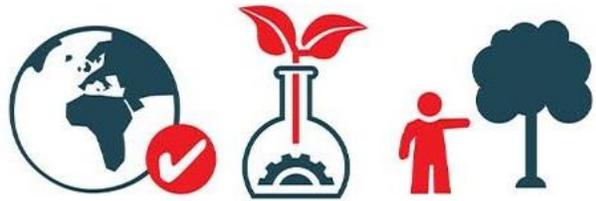
Continuous improvement



ESSENCE

ESG ATTITUDE

ESG



ENVIRONMENTAL

- ✓ Fervi Group has obtained ISO 14001 certification for its entire environmental management system. This certification was issued by an independent third party.
- ✓ It implements a recycling system.
- ✓ It adopts measures to reduce water consumption.
- ✓ It uses low-energy instruments.
- ✓ It monitors and adopts measures to optimise logistics.
- ✓ All products offered by Fervi Group are subjected to numerous quality checks and tests before being put on the market. The quality and safety of such products is approved and certified by an independent accredited body. The company has obtained ISO 9001 certification for its Quality Management System.
- ✓ The Group has obtained ISO 45001 certification on its health and safety management system.



SOCIAL

- ✓ Fervi is focused on gender equality and the representation of women.
- ✓ It adopts the necessary personal data protection procedures.
- ✓ It implements talent development policies.
- ✓ It operates in compliance with the provisions of Leg. Dec. 81/08 on safety at work.
- ✓ It collaborates with universities and research bodies.
- ✓ Policies for safeguarding corporate information are adopted: An internal regulation is in place on the use of computers, the internal network and professional secrecy and data confidentiality.
- ✓ The Group collaborates with major Italian universities on research projects for sports competitions.

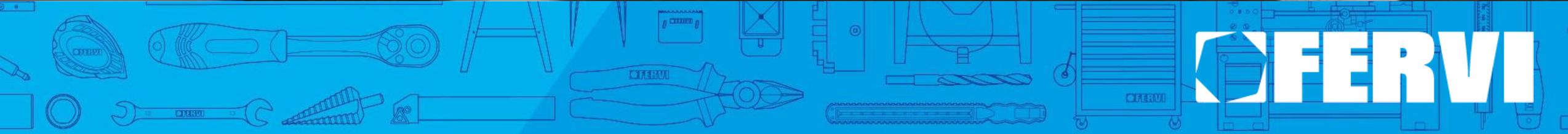


GOVERNANCE

- ✓ Corporate governance is focused on decision-making transparency and sharing by applying international best practice.
- ✓ The company's board of directors is made up of 5 directors, 2 of whom are independent.
- ✓ The company has adopted the "Organisation, Management and Control Model" pursuant to Legislative Decree 231/2001 and has appointed a supervisory committee consisting of one person.
- ✓ The managing director's remuneration is partly variable, in line with company policy.

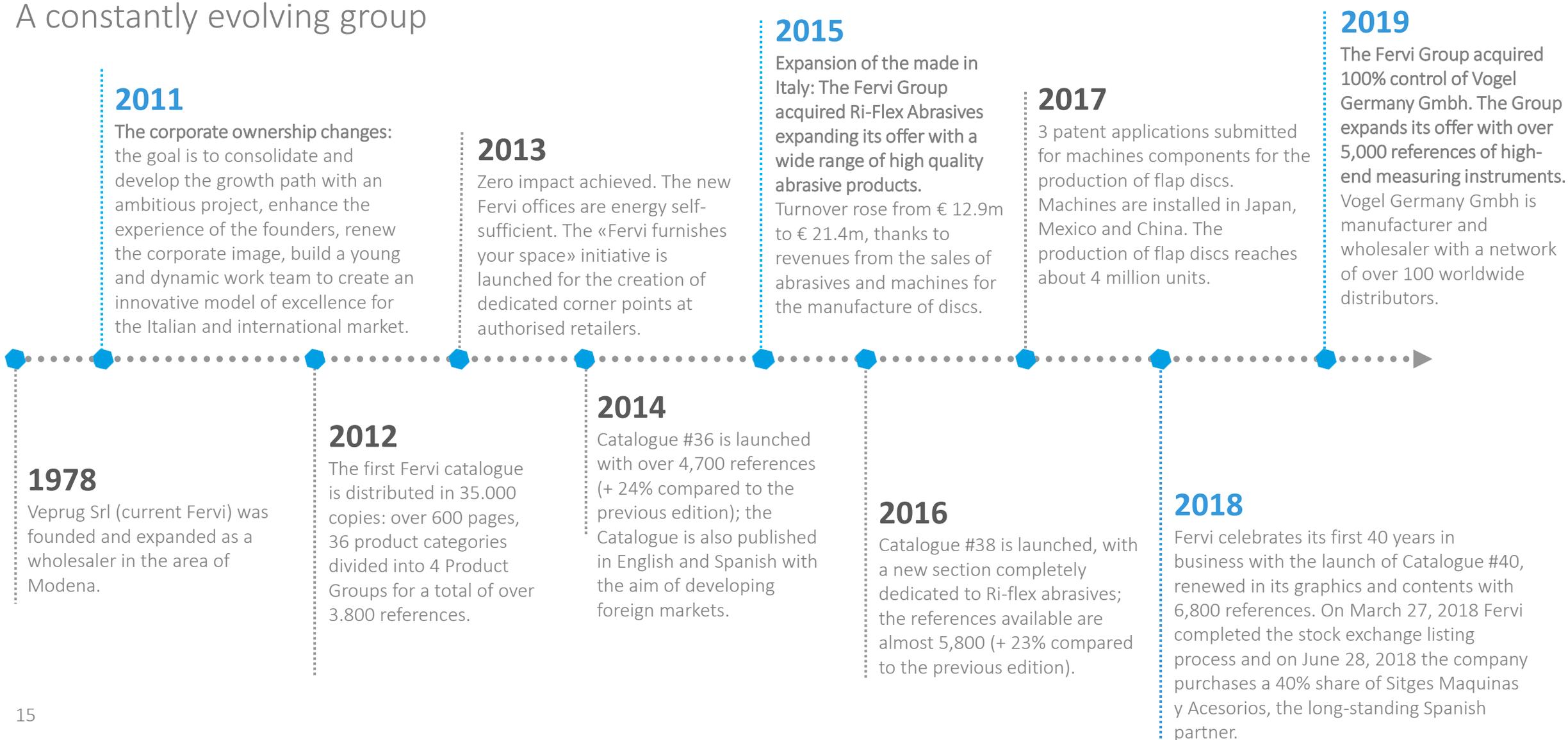
MILESTONES

FERVI



MILESTONES

A constantly evolving group



MILESTONES

Post Covid-19 actions

January 2020

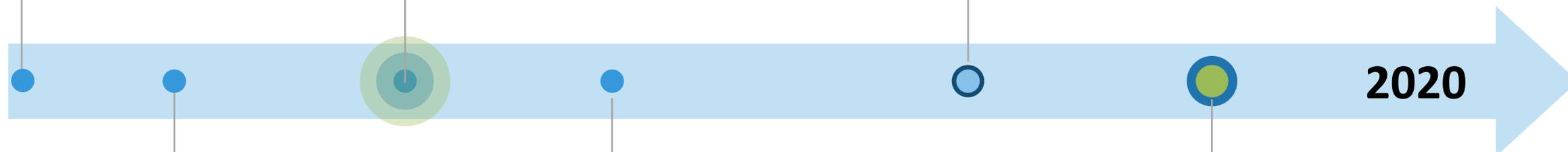
before the outbreak of the pandemic, Fervi launched Catalog #42 which includes over 8.500 references, an increase of 25% compared to the previous version.

Use of annual leave vs CIG

Thanks to the agreement for staff rotation through the disposal of past annual leave (with corresponding benefit on the income statement), the company did not have to activate social safety nets and other forms of public support and kept employees' salary levels unchanged.

Covid-19 related products

The company activated supply relationships for material related to the protection of people and sanitation for which demand has exploded, partially mitigating the expected decline in volumes due to the lockdown. In this regard, it is worth mentioning the important agreement with GEL which between May and December will supply 10 new product references for a purchase value of approximately 0.8 million, whose sales have partially offset the lower sales volumes due to the general lockdown in March / April.



Employee health protection

To combat the effects of the pandemic, Fervi's priority was to secure the company and all employees, promptly creating a crisis committee made up of the President and the DGs of the Group companies from 8 March 2020 to manage the emergency.

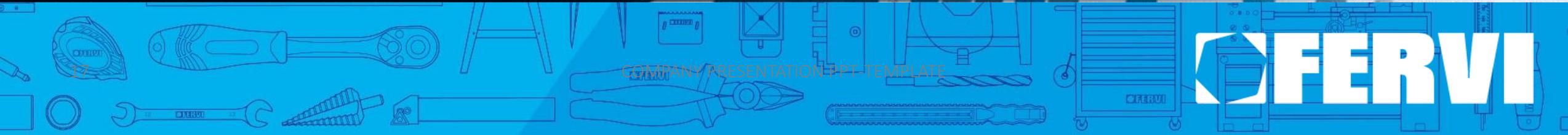
Reduction of Board of Directors' fees

Fervi board members have voluntarily waived 32% of their remuneration for the current year for a total of approximately 132,500 euros, as a strong sign of the sensitivity and commitment of management in a difficult economic time.

Liquidity control

The Group has joined to the moratorium on existing loans and has recently obtained unsecured loans for a total value of approximately 10 million that will allow it to carry out the planned development and investment programs with greater speed and intensity.

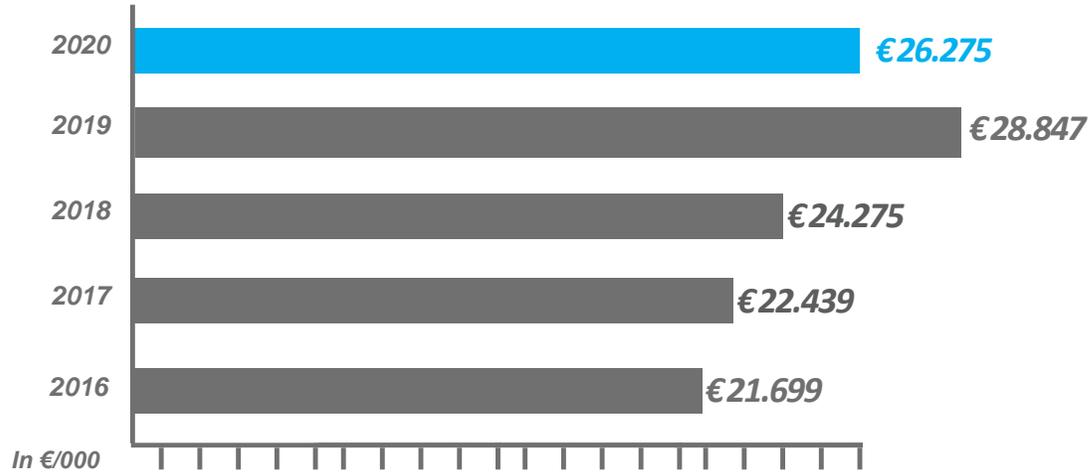
KEY FIGURES



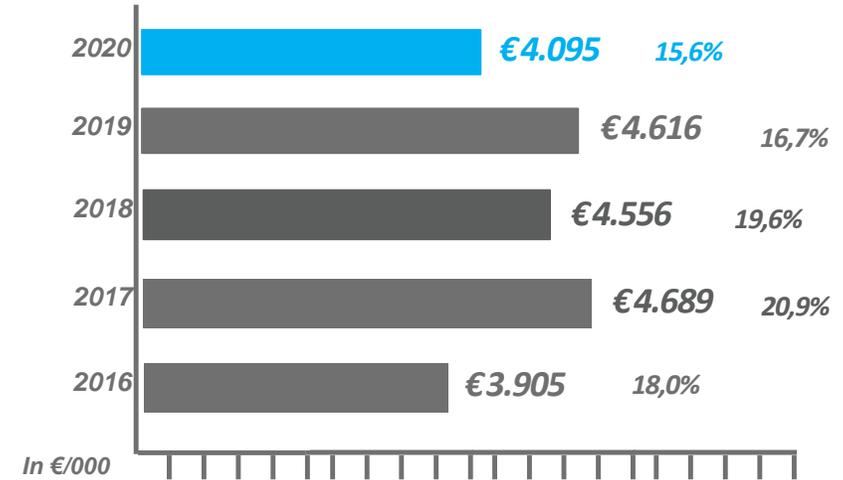
FINANCIAL KEY FIGURES

FERVI THE SMART COMPANY

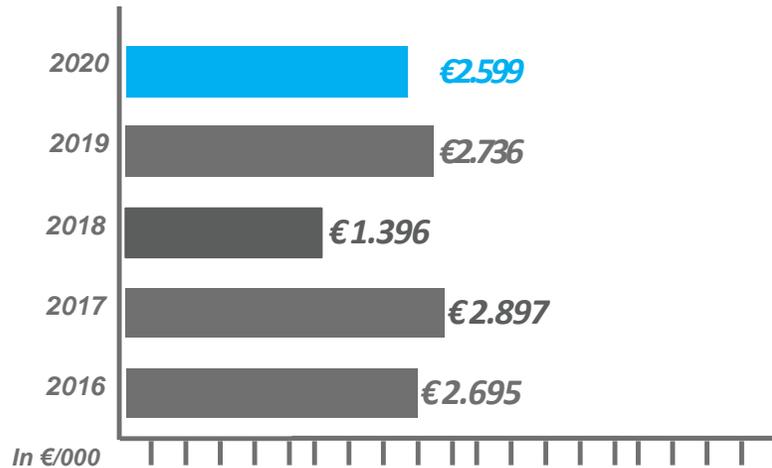
CONSOLIDATED NET REVENUES



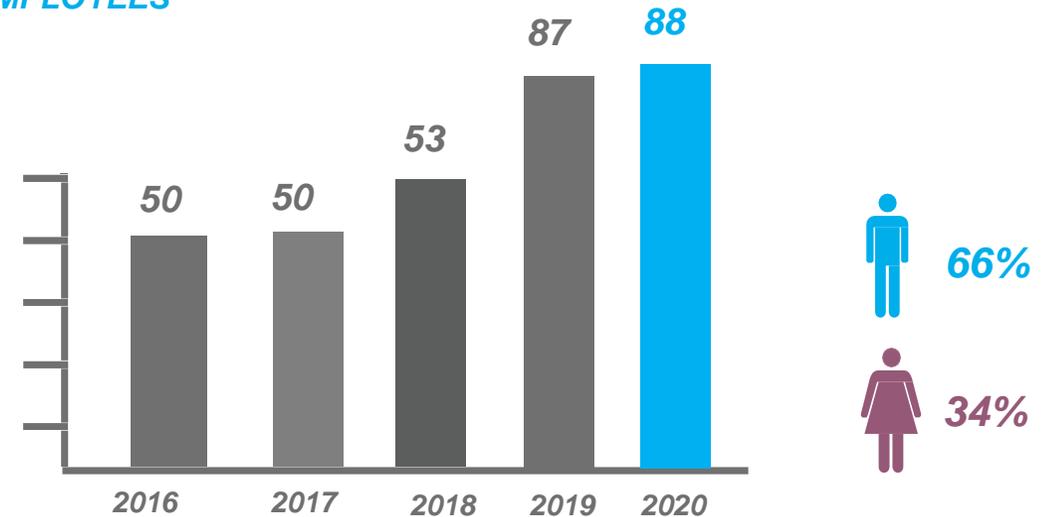
CONSOLIDATED EBITDA



CONSOLIDATED ORDINARY CASH FLOW



EMPLOYEES



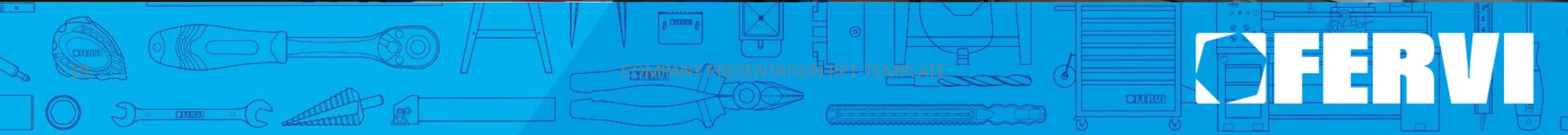


FERVI
PRO SMART EQUIPMENT

PRODUCT PORTFOLIO

If you need it, we have it.

If you don't know what you need, let's talk about it!



THE SOLUTION FOR EVERY NEED

If you need it, we have it. If you don't know what you need, let's talk about it!

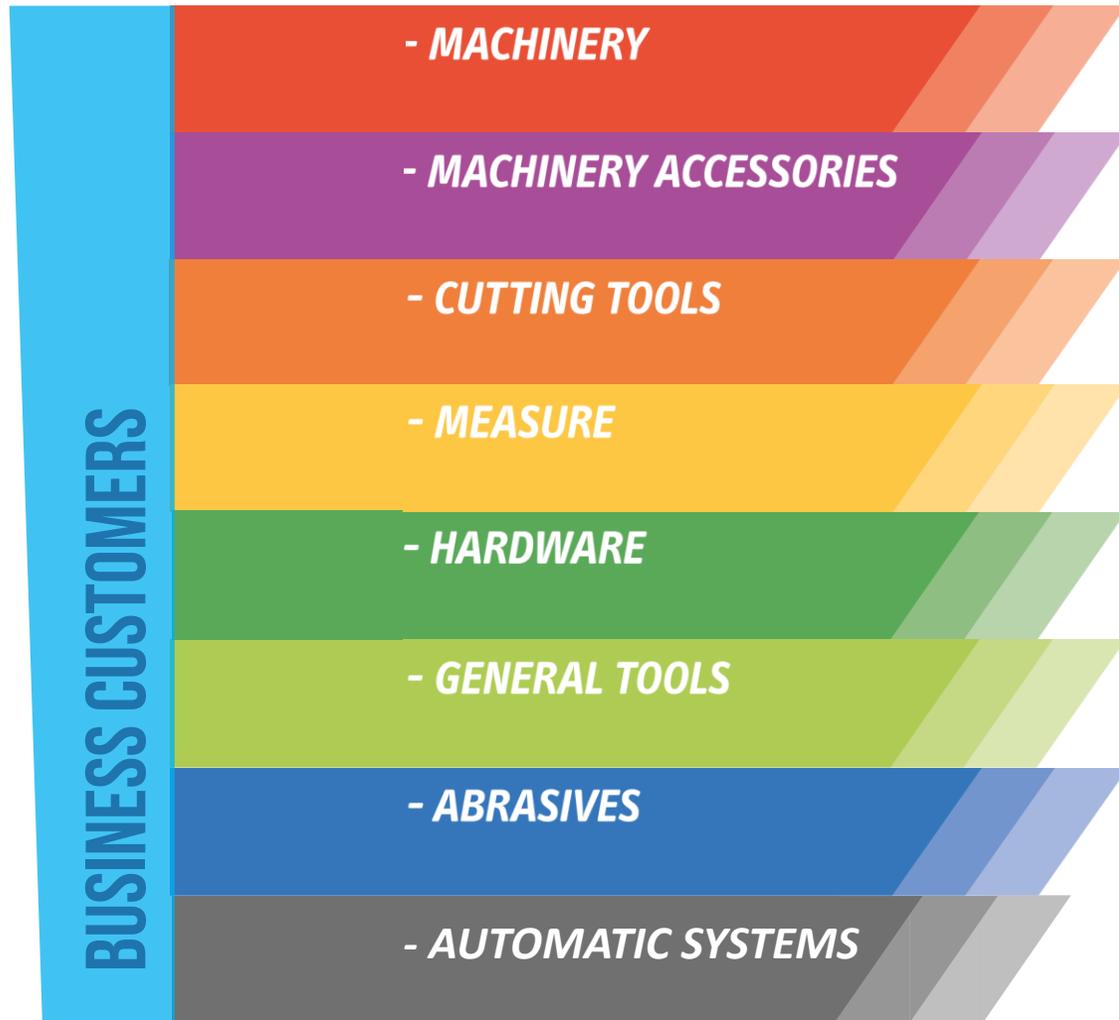


The Group's offer includes machine tools, hand tools and abrasives. More than 15.000 references available to maintenance and repair professionals in the industrial, artisan and automotive sectors

- 7 Product Groups
- 50 Product Families
- 15.000 References - Fervi, Vogel Germany, Riflex (including more than 1.000 spare-parts reference)
- **Automatic systems** for the production of flap discs
- The **raw materials** used in the production process

THE SOLUTION FOR EVERY NEED

Product Portfolio



- | | | | |
|--|---|---|--|
| METAL WORKING MACHINES | METAL WORKING MACHINERY | WOOD WORKING MACHINES | CAR AND MOTORCYCLE WORKSHOP |
| MACHINES FOR TREATMENTS AND FINISHES | PRESSES AND HYDRAULIC PUMPS | LIFTING AND HANDLING | |
| MACHINE VICES | CHUCKS AND LIVE CENTERS | MACHINERY ACCESSORIES | |
| TABLES AND DIVIDERS | TOOL POSTS AND TOOL HOLDERS | TOOLS FOR TURNING AND MILLING | |
| INSERTS, LATHE TOOLS AND TOOL BITS | DRILLS AND HOLE SAWS | THREAD REPAIR | |
| MILLING TOOLS | TAPS AND DIES | BANDSAW BLADES AND SAW BLADES | |
| CALIPERS, HEIGHT GAUGE AND RULERS | MICROMETERS | MEASURING TOOLS | ANALOGIC AND DIGITAL METERS |
| DIAL INDICATORS | GAUGE BLOCKS, SCREW GAUGE AND HOLE PLAIN GAUGE | PRECISION TAPES, LEVELS AND GONIOMETERS | SCALES |
| BLACK EDITION | SOCKET WRENCHES AND SCREW EXTRACTORS | PLIERS, HAMMERS, FILES AND CHISELS | SETS AND FASTENINGS WORKSHOP FURNITURE |
| WRENCHES | SCREWDRIVERS AND HAND RIVETERS | UTILITY KNIVES, DEBURRING AND CUTTING TOOLS | TOOL CABINETS AND TOOL SETS |
| BENCH VICES, CLAMPS AND ANVILS | SALDATORI, SOLDERINGS, HOT AIR GUNS AND GLUE GUNS | HEATERS, LIGHTING AND LENSES | SAFETY AND PROTECTION |
| PNEUMATIC | EQUIPMENT FOR LIQUIDS AND FLUIDS | CONSTRUCTION AND PACKAGING | ABRASIVE BELTS |
| FLAP DISCS | TUNGSTEN CARBIDE ROTARY BURRS | WIRE BRUSHES | |
| CUTTING WHEELS | ABRASIVE WHEELS | CLEANING AND POLISHING | |
| MACHINES USED FOR THE PRODUCTION OF ABRASIVE DISCS | ELECTRIC OVENS TO COOK THE DISCS | MACHINES FOR SPEED AND SCOPE TESTS | INSTALLATION AND TRAINING |
| | LABELING MACHINES AND PACKAGING MACHINES | MACHINE SPARE PARTS | |

BUSINESS MODEL

42

fervi.com

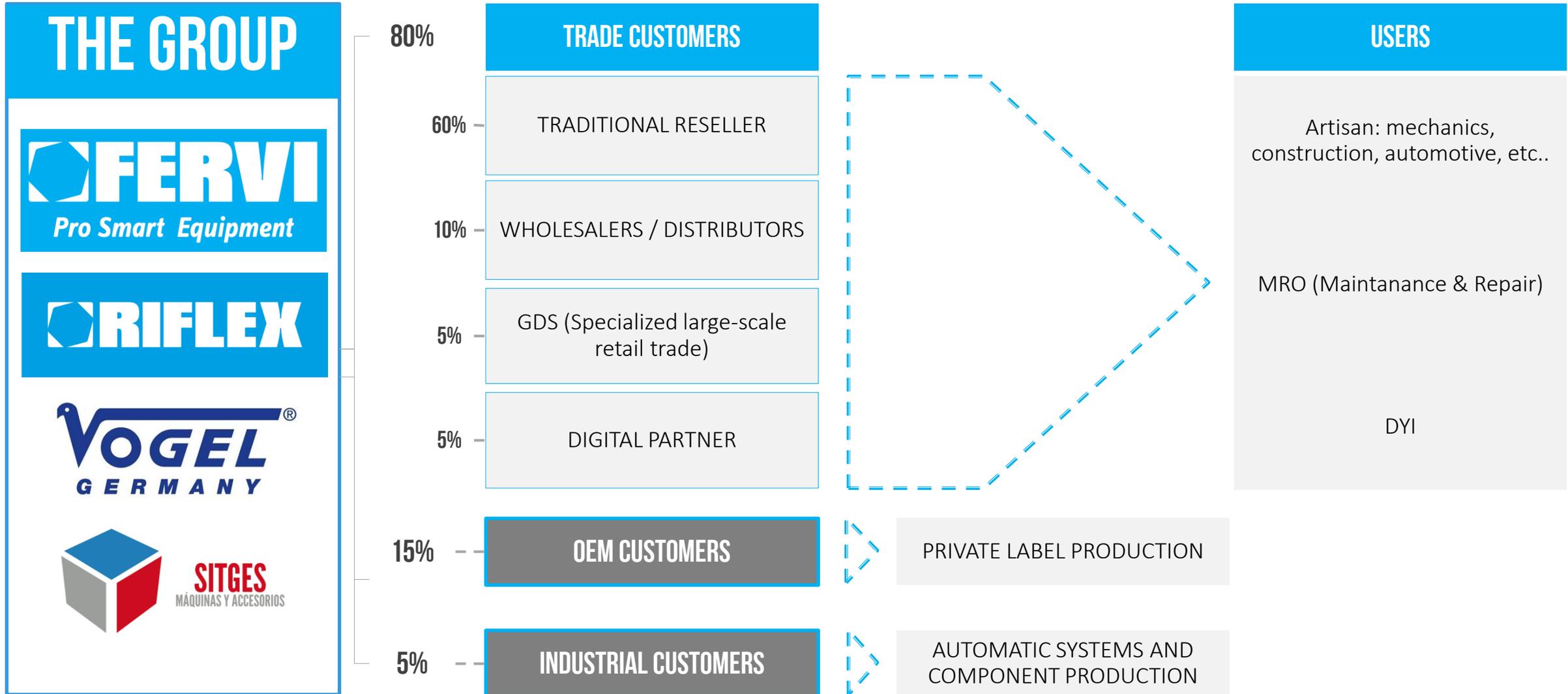
IL CATALOGO PER I PROFESSIONISTI
PREPARAZIONE

COMPANY PRESENTATION PPT TEMPLATE



GO-TO-MARKET MODEL

FERVI



THE GROUP



80%

TRADE CUSTOMERS

60%

TRADITIONAL RESELLER

10%

WHOLESALEERS / DISTRIBUTORS

5%

GDS (Specialized large-scale retail trade)

5%

DIGITAL PARTNER

15%

OEM CUSTOMERS

PRIVATE LABEL PRODUCTION

5%

INDUSTRIAL CUSTOMERS

AUTOMATIC SYSTEMS AND COMPONENT PRODUCTION

USERS

Artisan: mechanics, construction, automotive, etc..

MRO (Maintenance & Repair)

DIY

SALES & MARKETING TOOLS

Above & Beyond

ATL



Spot TV

SKY Network

Spot RADIO

CRN Network

Magazine

Scheduled activities on magazines in the hardware sector, DIY, Cars / motorcycles

Media PR

Media public relations to amplify the FERVI "voice" on the reference market

BTL

Promotions - Selection

Planned promotions with printed brochure for all European area (more than 500.000 copy/year)

In Store

Visibility detailed program in the retailers' points of sales: around **1 Km** of wall displays and **2.500** square meters of machines

Sponsorship

Worldwide Motorsport Sponsorship with **Team Ducati SBK** (Aruba.it and Go Eleven), Lega **Basket Seria A** with Vanoli Cremona and **Alps Hockey League** with Cortina Hockey

Trade Show

Yearly presence in the Italian and international trade fairs in the machine tools, hand-tools and automotive sector - BIMU, Eisenwarenmesse, Automechanika, Autopromotec, SiFerr

MARKETING CHANNEL

FERVI The Smart Company

MULTI-CHANNEL MARKETING



4 inside sales multi-area
2 inside sales for foreign market
Dedicated sales operation for GDS and Digital Partners

Personal Inside Sales



Annual plan with:
24 Newsletters,
Promotional Newsletters
and Product newsletter

Email-Marketing



48 dynamic post FB per year
36 LinkedIn post per year
Fan reach Campaign
LinkedIn Adv Campaign
Youtube Channel

Social Media



3.000.000 page views
+360.000 Users
+560.000 Sessions

Website



SEO & SEM activities
planned each year

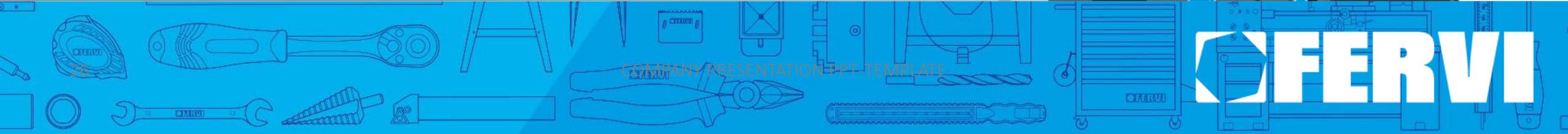
Search Engine Marketing



Day-by-day building of End users DB
Nurturing activities for B2B and EU Data Base

Database Marketing

STRATEGY & KEY FACTORS



COMPANY PRESENTATION PPT TEMPLATE

STRATEGY

Plans and growth strategy

Strategic Management

External growth

Possibility of growth through a process of **consolidation of market shares** both nationally and internationally.

Two main types of Target:

- **Commercial add on:** commercial companies in target countries (Italy, Iberian Peninsula, Eastern Europe, Benelux, UK)
- **Product add on:** companies manufacturing products that can be integrated with the Fervi offer (as happened in 2015 with the acquisition of Reflex and in 2019 with Vogel) with the aim of introducing new Product Groups and / or Product Categories

Organic growth

Expansion of catalogue references through scouting and product marketing with the aim of:

- introducing new product categories;
- expanding the range both in depth and in proximity.

The Fervi catalogue launched in 2020 includes **over 8.500** references, the goal is to significantly **expand** the offer in the coming years.

Strengthening of the internal and external sales force, with the introduction of new area managers - both for Italy and abroad - to support the sales management, the integration of the inside sales department with new resources and the expansion of the sales network external.

Constant updating of the Commercial Policy with a cluster-oriented approach to ensure adequate segmentation of customer needs and requirements.

Continuous **Evolution of the Sales Model** with medium-term projects for multi-channel coverage of the reference market.

Relationship development with Digital e GDS

Development of commercial relationships with the so-called «**Digital Partners**», primary objective in the medium-long term growth strategy by not carrying out direct sales of ecommerce products.

The targets are:

- large marketplaces (i.e. **Amazon**);
- **Specialized** marketplaces (in Italy and abroad);
- Digital retailers who have developed their own e-commerce platforms and / or have their own virtual stores on Amazon, E-Bay and other Market Places.

Offering a **selection of products** available in the Group's offer through the **GDS (Large-scale Specialized Distribution)** to take advantage of:

- distribution capacities
- customer attraction
- spreading the notoriety of the FERVI brand

SUCCESS KEY FACTORS

The basic factors for a substantial and positive development

7 factors for a success strategy:

3 CONSTANT CASH FLOW

that allow the procurement of material with the subsequent availability for sale and for scouting and R&D activities

6 WEALTH OF EXPERIENCE

in the research and introduction of new products: scouting of commercial products by Fervi and production R&D for Reflex

2 CONSOLIDATED MARKET PRESENCE & REPUTATION

FERVI with 43 years (founded in 1978), Reflex with 39 years (founded in 1982), Vogel Germany GmbH with 71 years (founded in 1949) and Sitges with 69 years (founded in 1952)

1 MANAGEMENT TEAM

with extensive experience in both growth through M&A transactions, including cross-border, and in management and control

5 WIDESPREAD SALES NETWORK

widespread presence in Italy; more than 4,500 active resellers. Growing presence on the overseas market

4 COMPETITIVE POSITIONING

Extremely broad competitive positioning “equipment for maintenance and repair professionals (MRO)”

7 COMPLIANCE CONTROL

Strict control of product regulatory compliance (certifications from accredited and independent bodies)

COMPETITIVE ENVIRONMENT

Market Matrix: FERVI positioning

The sector in which the Company operates is characterized by the presence of:

- large multinational groups with both vertical (specialist) and horizontal (generalist/cataloguist) business model
- numerous producers and importers in national and international private labels, both specialized and generalist, of heterogeneous dimensions.

	MULTINATIONAL	ITALY
GENERALIST		
SPECIALIST		

MARKET

Overview

REFERENCE SECTOR

Wholesale Industrial Distribution

MRO MARKET

supply of equipment mainly for mechanical workshops, car repair shops, carpentry, building sites and everything related to maintenance, repair and operations

DIY MERCATO

Global DIY market evolution 2014-2019

In 2019 **North America** and **Europe** together made up approximately **86%** of the entire **DIY market** with market shares of 58% and 28% respectively. Asia Pacific had a 10% share followed by Latin America and Africa/Middle East, both with 2%.

1.338,8 B\$

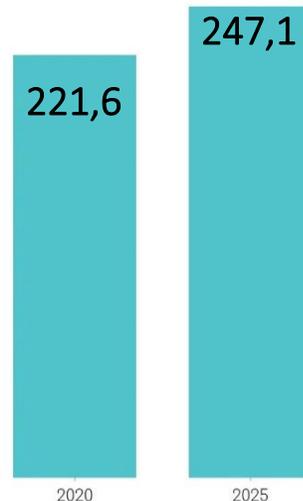
+3,1% vs. N-1 (2019)

Revenue Exposure By Country

Total LTM Revenue 1,338.8B

	% of Tot. Rev.	% Chg (Y/Y)	3 Yr Trend
United States	28.4	6.3	
Japan	21.2	-8.5	
Mainland China	13.6	-15.9	
Canada	4.1	-3.7	
Australia	3.4	29.8	
United Kingdom	3.3	-11.8	
Indonesia	3.0	642.0	
Malaysia	2.4	10.6	

CAGR +2,2%



Source : Mordor Intelligence



Compared growth rate 2014-2019
DIY-GDP



In terms of **per capita expenditure** in 2019, the highest expenditure occurred in **North America** with 720 Euro per year, followed by **Europe with 237 Euro** per year and **Africa with 79 Euro**. Lower levels of per capita expenditure were recorded in **Latin America and Asia (30 Euro per year)**.

MARKET

Overview

DYI ITALY MARKET

Turnover Evolution

Per capita expenditure

12,58 MLD €

+2,4% vs. N-1 (2018)

208 €

-0,96% vs. N-1 (2018)

8°

Country in the European ranking

It should be pointed out that some countries in 2020 saw significantly higher demand for home improvements as a result of COVID-19; some examples are Australia (+8.1%), Netherlands (+4.1%) and South Korea (+1.8%); the United States only grew by 1.0%. However, sales fell in other countries, such as India (-28.6%), South Africa (-10.2%) and Brazil (-6.9%). Despite that, **the sector is expected to recover rapidly worldwide in 2021 (+6.4%), offsetting the losses of 2020, while for 2020-2024 global sales are expected to grow at an average annual rate of 3.5%.**

HOME IMPROVEMENT – World

USD Retail Value Sales (2020) Constant % growth

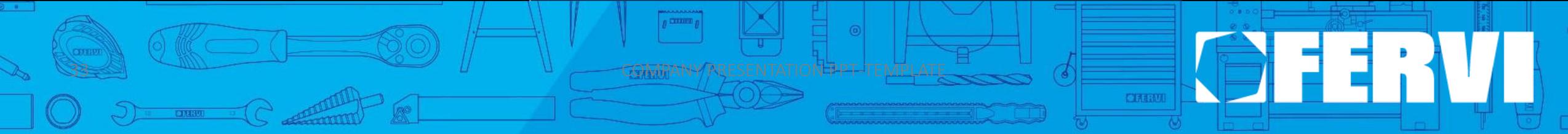


Fonte: Euromonitor International

TEAM



FERVI



COMPANY PRESENTATION PPT TEMPLATE

FERVI

MANAGEMENT TEAM

FERVI The Smart Company

Our team - one entity. A huge and consolidated experience both in growth through M&A transactions, including cross-borders, and in management and control. Years of experience on different markets that consolidate the medium-long term vision guaranteeing effective and valuable strategic approaches.



MANAGEMENT TEAM

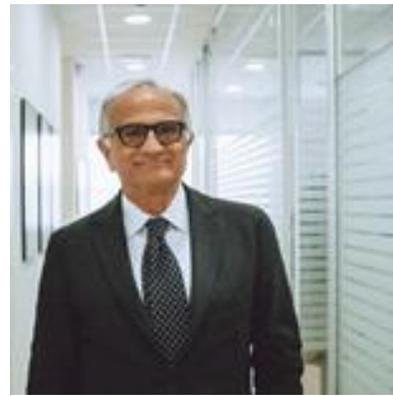
FERVI The Smart Company



ROBERTO TUNIOLI

President e CEO

After almost two decades leading Datalogic Spa, he was awarded for his entrepreneurial drive in the field of technological innovation and international development. In 2011 he acquired the majority of the capital of Fervi, holding the role of Chairman of the Board from that point. He also carries out his professional activity as an independent director in local companies



ROBERTO MEGNA

Vicepresident

In 1986 he becomes a partner of PriceWaterhouseCoopers where he worked until 2009 as partner responsible for the Bologna office. He has had a well-established and diversified career in Italy and abroad at both Italian companies and multinational groups. He is currently the Deputy Chairman and shareholder of Fervi.

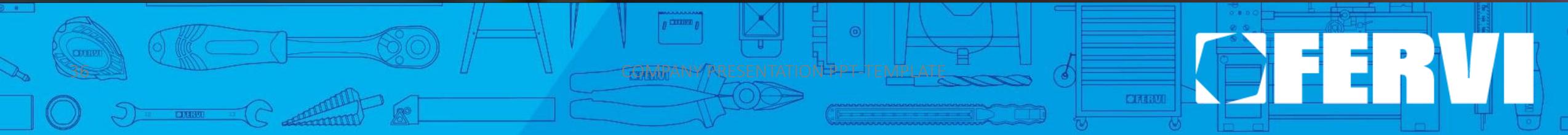


GUIDO GRECO

General Manager

In 2012 he was appointed by the new owners of Fervi as Head of Administration, Finance and Control, contributing to the Company's shift to a management-based approach to the various operating areas thanks to a managerial model. In January 2015, he was appointed General Manager with the objective of consolidating the Group's growth as part of the strategic guidelines shared with the owners.

CONTACT INFORMATION



COMPANY PRESENTATION PPT TEMPLATE

FERVI

CONTACT US



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investor@fervi.com

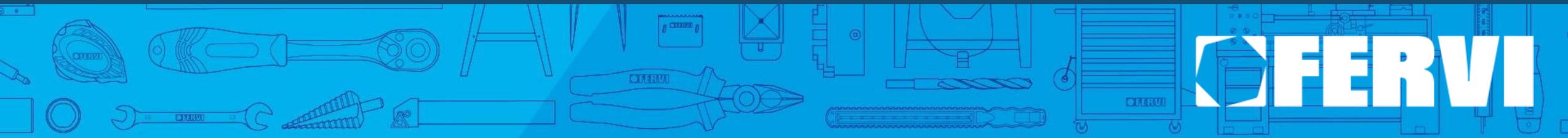


Via del Commercio, 81 – 41058 Vignola, Italy



www.fervi.com

APPENDIX



 **FERVI**

Appendix - A

Income Statement & Balance Sheet

INCOME STATEMENT	31-dic-20		31-dic-19	
Description		%		%
	<i>Gross revenues growth</i>			
		<i>-8,9%</i>		
Gross revenues	26.284	100,0%	28.847	100,0%
Cost of sales	(15.402)	-58,6%	(16.519)	-57,3%
Commerciale Margin	10.882	41,4%	12.328	42,7%
Payroll cost	(3.993)	-15,2%	(4.235)	-14,7%
Other operating (costs) and sundry income	(2.794)	-10,6%	(3.284)	-11,4%
EBITDA Adjusted	4.095	15,6%	4.809	16,7%
M&A Costs / Non-Recurring Costs	0	0,0%	(193)	-0,7%
EBITDA	4.095	15,6%	4.616	16,0%
Provisions	(108)	-0,4%	(61)	-0,2%
Depreciation	(1.022)	-3,9%	(1.030)	-3,6%
EBIT	2.965	11,3%	3.525	12,2%
Financial items	(65)	-0,2%	(112)	-0,4%
Extraordinary items	56	0,2%	(63)	-0,2%
EBT	2.956	11,2%	3.350	11,6%
Curred and deferred taxation	(671)	-2,6%	(767)	-2,7%
Net result	2.285	8,7%	2.583	9,0%
Tax Rate %		-22,7%		-22,9%

BALANCE SHEET	31-dic-20		31-dic-19	
Description		%		%
Capital asset	5.778	28,5%	6.630	31,9%
Trade working capital	16.778	82,7%	16.964	81,6%
Other Assets / (Liabilities)	(214)	-1,1%	(842)	-4,0%
Net working capital	16.564	81,6%	16.122	77,5%
Provisions for risks and charges and for personnel	(2.054)	-10,1%	(1.957)	-9,4%
CAPITAL EMPLOYED	20.288	100,0%	20.795	100,0%
Net Financial position	2.961	14,6%	895	4,3%
Net equity	(23.249)	-114,6%	(21.690)	-104,3%
SOURCE OF FINANCE	(20.288)	-100,0%	(20.795)	-100,0%

