



1H-2021 RESULTS PRESENTATION

5 October 2021

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Agenda

- ❑ Company at a Glance
- ❑ 1H 2021 Results & Outlook
- ❑ Achievements
- ❑ Market & Competitive Positioning
- ❑ Appendix
 - Business Overview



Marzocchi Pompe at a Glance: market leader on a global basis

Company

Marzocchi Pompe is a leading world player in the design, production and marketing of high performance external gear pumps and motors, which are used in sectors like: industrial (textile machines, machine tools, plastic injection machines, medical equipment, energy, etc.), mobile (agricultural machines, forklift trucks, etc.) and automotive (transmissions, power steering, attitude adjusters,...).

Key Success Factors

MP boasts a wide range of products well known for its high performance and great reliability, covering most of the market needs in terms of displacements and interfacing. The Company is focused on the production of very small displacement pumps, particularly suitable for automotive applications. A key feature is the continuous investment in R&D aimed at satisfying the customer demand for high performance products.

The production of the historical brand «Marzocchi Pompe» is entirely carried out in Italy, in two locations nearby Bologna: Zola Predosa and Casalecchio di Reno, through an extremely verticalized process that allows to keep the product quality under control.

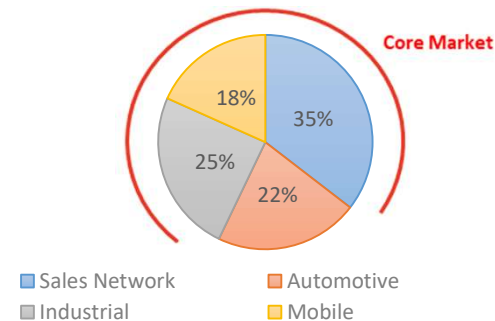
Main Consolidated Financials

€/000	2018	2019	2020	1H 2021
Net Sales	42.719	39.171	34.143	19.928
EBITDA	7.516	5.422	4.129	3.877
EBITDA Margin	17,6%	14,4%	12,2%	17,6%
Net Income	2.926	203	229	1.034
Net Equity	10.984	18.676	18.444	19.136
Net Financial Debt	19.217	12.535	9.252	8.452

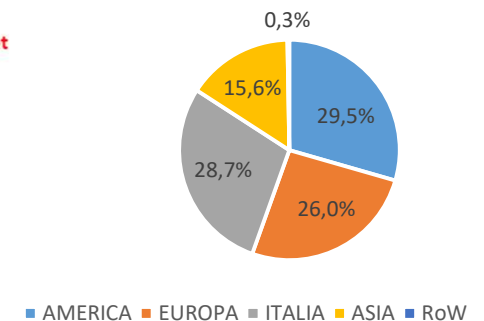
2020 KPI

- Nearly 1,0 mln pumps produced
- More than 800 active clients
- Average employees number: 243

1H 2021 Revenues by Business Line



1H 2021 Revenues by geographic area



Strategy

Marzocchi Pompe aims to continue:

- to upgrade the production plant in order to expand its capacity and improve efficiency
- to invest in R&D in order to enlarge the product range, consolidating its position in the reference market
- to increase penetration on Mobile and Industrial applications such as the forklift trucks (mobile) and plastic injection machines (ind.)
- to develop innovative products for the Automotive market, as witnessed by the important award from a leading world player

Shareholders & Top Management: full alignment of interest

TOP MANAGEMENT

Paolo MARZOCCHI

*Main Shareholder,
Executive Chairman*



Gabriele BONFIGLIOLI

CEO e General Manager



BOARD OF DIRECTORS

Paolo MARZOCCHI
Executive Chairman

Carlo MARZOCCHI TABACCHI
Vice Chairman

Gabriele BONFIGLIOLI
CEO

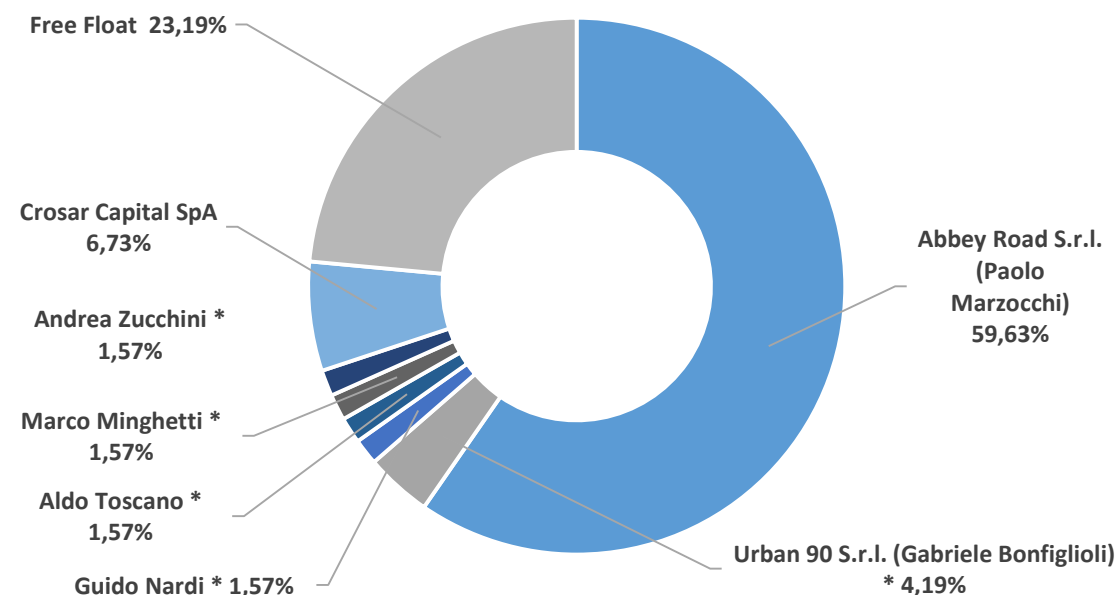
Guido NARDI
CFO, Executive Director

Valentina CAMORANI SCARPA
Board Member

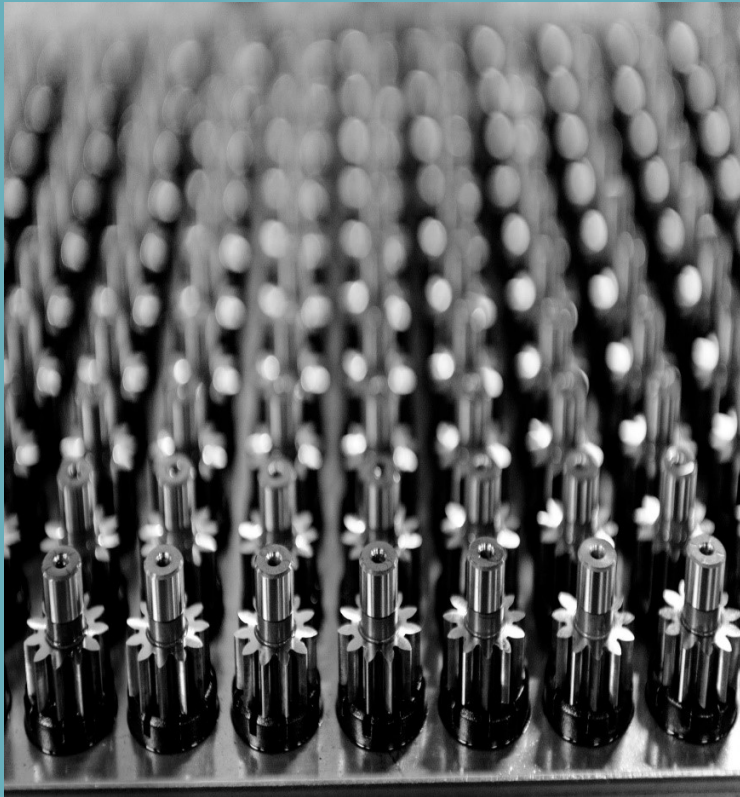
Matteo TAMBURINI
Board Member

Giuseppe ZOTTOLI
Independent Board Member

SHAREHOLDERS



*Note: * Marzocchi Pompe's Key Managers (Mr Bonfiglioli, Mr Nardi, Mr Toscano, Mr Minghetti and Mr Zucchini) just renewed the Stability Pact until June 2023*



1H 2021 Results

1H 2021 Results back to pre-Covid levels, fuelled by sustained growth

➤ NET SALES UP 28% AT EURO 19.9 MLN MAINLY DRIVEN BY CORE BUSINESS +34.5%

THE CORE BUSINESS SALES REACHED EURO 15.6 MLN (+34.5%) BENEFITING FROM THE ECONOMIC RECOVERY TREND ALREADY VISIBLE IN 2H 2020, WHILE THE AUTOMOTIVE SALES ROSE 8.4% TO EURO 4.3 MLN AS ORDERS WERE DELAYED BY THE CHIP SHORTAGE AT WORLDWIDE LEVEL.

➤ EBITDA MARGIN JUMPED TO ALL-TIME HIGH 17.6% (vs 7.9% in H1 2020) THANKS TO SALES GROWTH & CONSTANTLY IMPROVING OPERATING EFFICIENCY

THE RISING WEIGHT OF TOP-PERFORMING “ELIKA” PUMPS POWERFULLY DROVE MARGIN RECOVERY BACK TO MARZOCCHI’S ALL-TIME HIGHS.

➤ NET FINANCIAL DEBT FURTHER DECREASED TO EURO 8.5 MLN (VS. 9.3 MLN AT END-2020) THANKS TO PERSISTENTLY HEALTHY CASH GENERATION

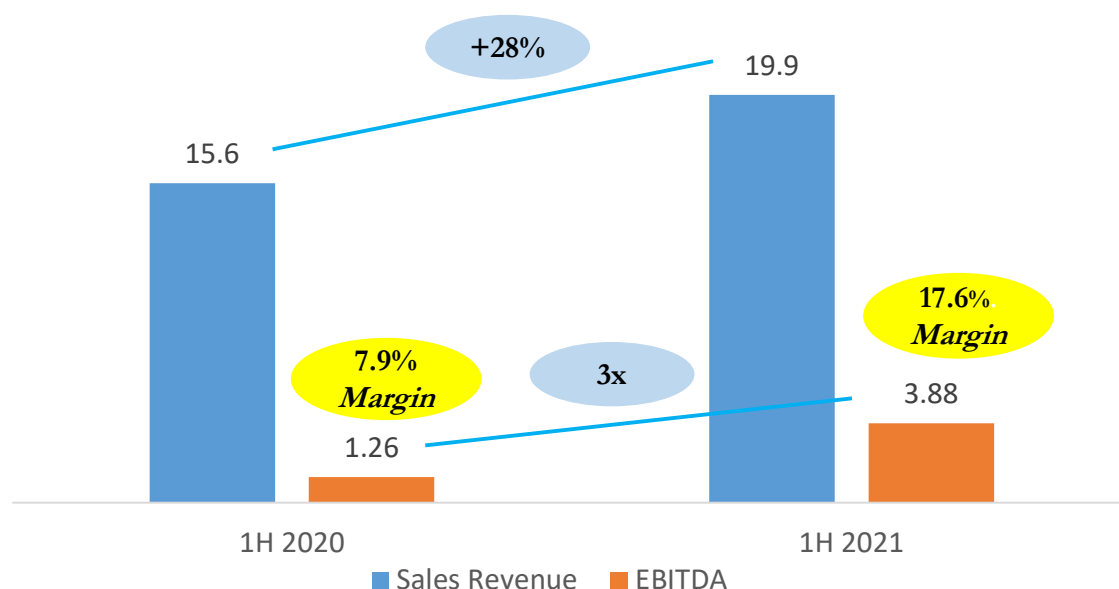
DESPITE WORKING CAPITAL REQUIREMENTS’ PHYSIOLOGICAL GROWTH, MARZOCCHI POMPE BOASTS A VERY TIGHT CONTROL ON CASH MANAGEMENT.

➤ MARZOCCHI POMPE’S “IN-HOUSE” MANAGEMENT OF KEY PRODUCTION PROCESSES TOGETHER WITH ITS “MAKE” CHOICE REGARDING CORE COMPONENTS DO PREVENT ANY BUSINESS INTERRUPTION

IN ADDITION TO THESE KEY STRATEGIC STRENGTHS, RELENTLESS PRODUCT INNOVATION & PARTNERSHIP WITH MAIN CLIENTS FOR TAILOR-MADE TOP-PERFORMING PRODUCTS FURTHER ENHANCE THE GROUP’S BRIGHT FUTURE PROSPECTS. IN THIS PROMISING SCENARIO THE “ELIKA” BUSINESS LINE RECENTLY ENLARGED REPRESENTS THE KEY DRIVER FOR GROWTH.

Revenues up 28% to € 19.9 mln, EBITDA margin at all-time high 17.6%

Sales Revenue and EBITDA (€m)



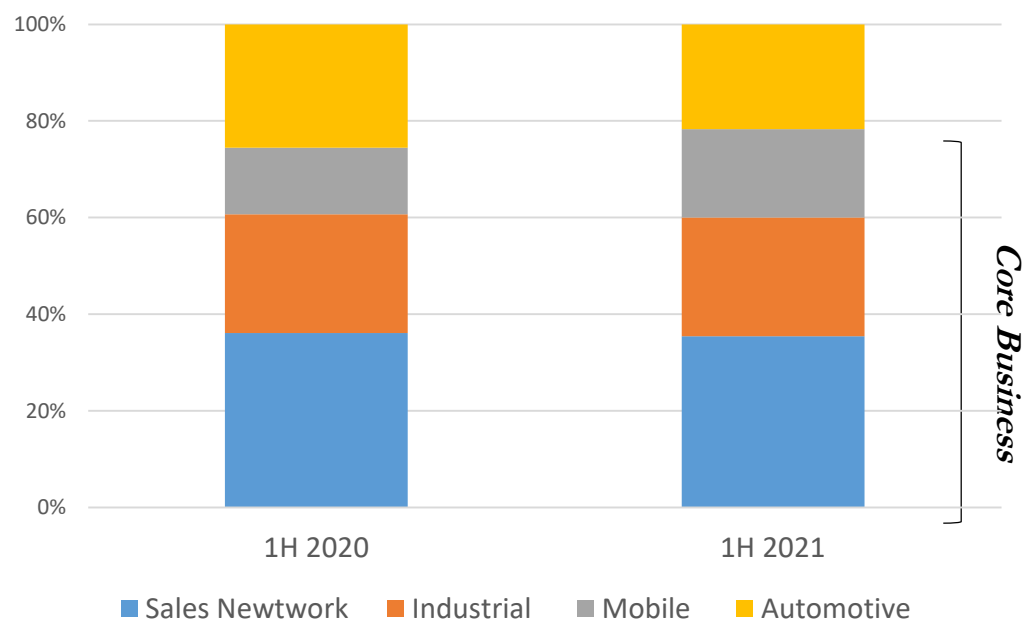
* EBITDA Margin based on Sales Revenue + WIP

Source: consolidated financial statements

- Revenues jumped to Euro 19.9 million in 1H-21, recording a healthy 28% growth thus fully recovering the pre-Covid levels
- Growth was driven by the Core Business which topped Euro 15.6 million (+34.5%), while Automotive sales were up 8.4% (Euro 4.3 million)
- EBITDA more than tripled at Euro 3.88 million (vs. Euro 1.26 million in H1 2020), bringing the EBITDA margin to the all-time high levels reached by Marzocchi Pompe in the pre-Covid era: 17.6% vs. 7.9% as at 30 June 2020
- Aside the strong sales increase, the outstanding growth in profitability benefited on the one hand from Marzocchi's relentless drive for operational efficiency, which gained even more momentum during the pandemic, and on the other hand from the growing importance of the **Elika** family, which is a major driver for sales acceleration

Core business topped 78% of revenues riding economic uprise

Revenue Breakdown



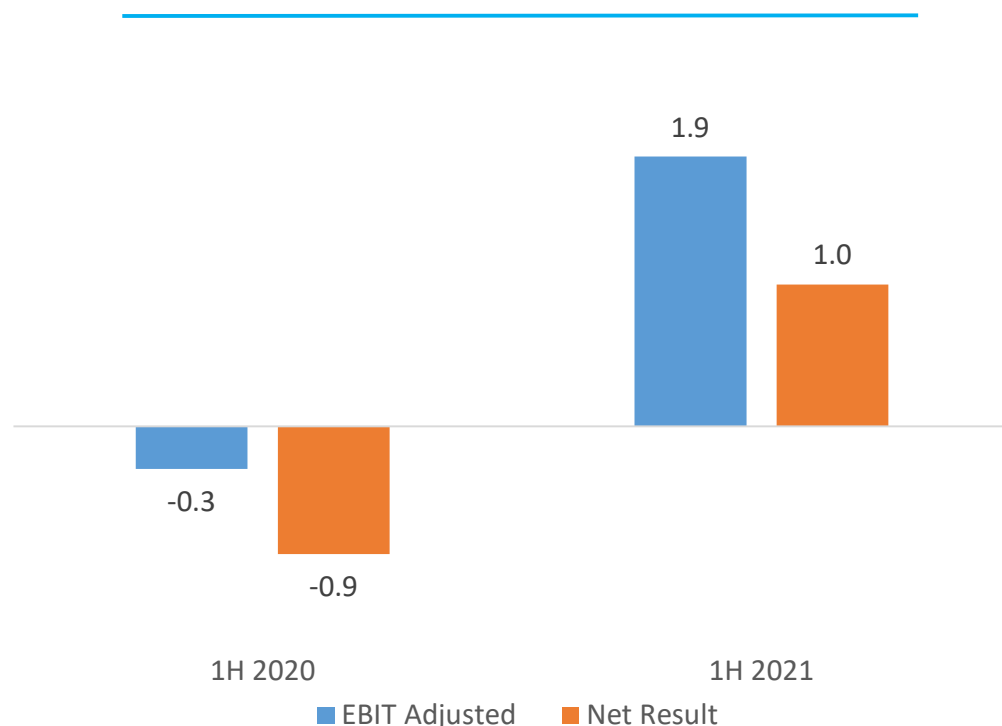
- Revenues by Core market segments (Sales Network, Industrial and Mobile), accounting for nearly three quarters of Total Revenues, reached Euro 15.6 million vs. Euro 11.6 million in 1H 2020 thanks to the economic recovery gaining pace on a global basis which strongly pushed industry demand

- Weight of Automotive sales slid to 21.7% from 25.6% in 1H-20 due to the chip shortage mainly affecting the Asian suppliers that is slowing production in the automotive sector at worldwide level

Source: consolidated financial statements

EBIT & Net Result back to Profit witnessing business model solidity

EBIT Adjusted and Net Result (€m)



- EBIT turned positive at Euro 1.4 million compared to a loss of €1.0 million at 30 June 2020, even though impacted by depreciation and amortisation

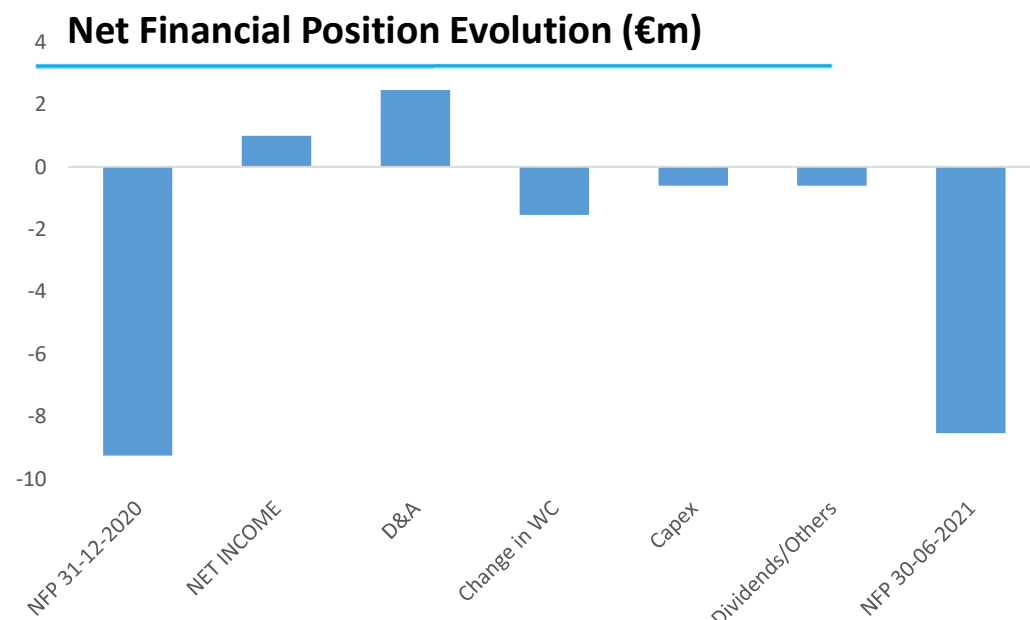
- Adjusted EBIT, calculated net of revaluation depreciation and amortisation resulting from the merger from LBO, amounting to Euro 0.5 million in the half-year, equalled Euro 1.9 million profit compared to Euro 0.3 million loss in the first half of 2020

- The first half of 2021 saw Marzocchi to close with a positive Net Result of Euro 1.0 million, compared to a loss of Euro 0.9 million at 30 June 2020

* EBIT Adjusted is Net of depreciation from revaluation resulting from the merger from LBO

Source: consolidated financial statements

Net Financial Debt further down thanks to healthy cash generation



Change in Shareholders' Equity (€/000)

	30-Jun-21	31-Dec-20
Share Capital	6.539	6.539
Share premium reserve	6.463	6.463
Revaluation reserve	1.867	1.867
Legal reserve	1.000	1.000
Other reserves	2.349	2.467
Cash flow hedge reserve	(116)	(121)
Profit/(loss) for the period	1.034	229
Total Shareholders' Equity	19.136	18.444

Source: consolidated financial statements

- Net Financial Debt further improved to Euro 8.5 million at 30 June 2021, down from Euro 9.3 million at 31 December 2020, despite the physiological growth in working capital linked to the strong sales growth, further demonstrating the Group's proven equity and financial solidity, as well as its great capability to generate cash flow
- In detail, the optimal management of Working Capital and the regular management of orders and payments allowed for a considerable cash generation of Euro 0.8 million, reflected in the Net Financial Position improvement
- The increase in Shareholders' Equity in the first 6 months of 2021 is totally due to the Net Profitability's turnaround



Achievements

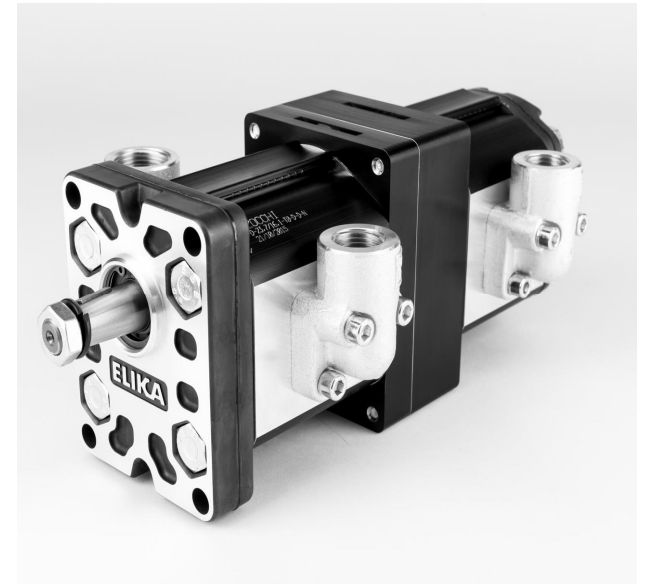
2021 Highlights & Outlook

- 2021 SAW THE ACCELERATION OF ECONOMIC RECOVERY FROM THE COVID-19 PANDEMIA AT WORLD LEVEL, ALREADY STARTED IN 2H 2020: MARZOCCHI POMPE RECORDED VERY STRONG ORDERS IN ITS CORE BUSINESS, WHILE AUTOMOTIVE SALES GROWTH WAS PARTIALLY HALTED BY THE CHIP SHORTAGE COMING FROM THE ASIAN SUPPLIERS
- SUCH A BOUYANT MARKET SCENARIO ALLOWED MARZOCCHI TO RETURN TO PRE-COVID SALES LEVEL AND ALL-TIME HIGH PROFIT MARGINS, WITNESSING THE STRENGTH OF ITS BUSINESS MODEL
- MARZOCCHI POMPE'S TOP PERFORMING PRODUCT RANGE HAD BEEN RECENTLY EMPOWERED WITH THE LAUNCH OF THE NEW "FTP" ELIKA LINE IN SEPTEMBER, WHICH OPENED BRAND NEW MARKETS AND WHOSE BENEFICIARY EFFECTS WILL DISPLAY STARTING FROM THE SECOND HALF OF THE YEAR
- THE ROBUST ORDER BACKLOG TO DATE COUPLED WITH THE PRODUCTION FLEXIBILITY AND AN ENVIABLE FINANCIAL SOLIDITY WILL LIKELY ALLOW MARZOCCHI TO OUTPERFORM EXPECTATIONS IN FY 2021
- RELENTLESS EFFORTS TO DEVELOP NEW INNOVATIVE PRODUCTS AND PARTNERSHIP WITH KEY CLIENTS FOR CUSTOMIZED TOP-PERFORMING LINES ARE FURTHER STRENGTHENING MARZOCCHI'S REPUTATION AND LEADERSHIP POSITION ON THE INTERNATIONAL MARKETS

Focus on ELIKA, Marzocchi Pompe top-performing pump

- IN 2019 THE NEW ELIKA DEPARTMENT HAD BEEN COMPLETED WITH AN INVESTMENT OF MORE THAN 1 MILLION EUROS IN THE PRODUCTION SITE OF CASALECCHIO (BO)
- COVERED BY TWO PATENTS, ELIKA IS MARZOCCHI POMPE'S FLAGSHIP PRODUCT CHARACTERIZED BY LOW NOISE & HIGH EFFICIENCY
- THE PLANNED RANGE EXTENSION WAS RECENTLY BOOSTED BY THE LAUNCH OF THE NEW “FTP – FLUID TRANSMISSION PUMP”, WHICH ALSO OPENS UP NEW MARKETS FOR MARZOCCHI, THAT WAS PRESENTED IN SEPTEMBER AT THE “IVT EXPO”
- IN 2020 A NEW IMPORTANT AWARD WAS ACHIEVED FROM A LEADING WORLD PLAYER IN THE HEAVY AUTOMOTIVE INDUSTRY WITH PRODUCTION EXPECTED TO START IN 2023

"We are very pleased to have completed this first and important piece of our business plan. In 2019 we have already invested over 1 million euros, in a recently renovated area of the historic headquarters of Casalecchio (BO), a new department focused on the production of the ELIKA pump in its various versions. We want to focus on the product, with higher margins than traditional ones, which we believe may be one of our main drivers of growth for the coming years. Also thanks to the proceeds of the listing, in the second half of the year we will continue with further investments, for about half a million euros, aimed at launching new products and increasing the efficiency and productivity of our production sites." declared Gabriele Bonfiglioli, CEO of Marzocchi Pompe.



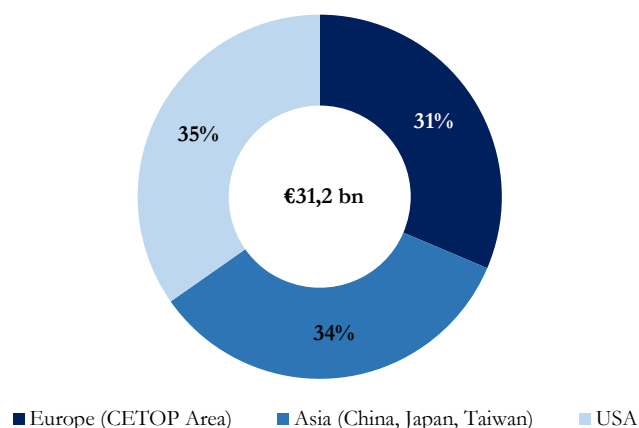


Market & Competitive Positioning

Fluid Power market and growth forecasts

The Fluid Power market is made up by the hydraulic segment and the pneumatic segment. In Asia, Europe and USA the Fluid Power *home*¹ market went from Euro 25,7 billions in 2000, to around Euro 43,6 billions in 2017, of which Euro 31,2 billion (72%) stemming from the hydraulic sector, and Euro 12,3 billion (28%) from the pneumatic sector (Source: ISC² – World Fluid Power Summit 2017 e Statistics Results 2017). In Italy, the Fluid Power market in 2017 was estimated to be around Euro 2,2 billion, of which Euro 1,4 billion (63%) stemming from the hydraulic sector, and Euro 0,8 billion (37%) from the pneumatic sector. (Source: Assofluid – Il Fluid Power in Italia, Rapporto di settore 2017). Below is given a geographic breakdown of the *home* hydraulic market, estimated by ISC, and the weighted growth forecast for the hydraulic end-use markets, published by Oxford Economics.

Hydraulic market – geographic breakdown



Source: CETOP³– ISC Statistics Results 2017

Hydraulic end - use markets' forecasts

Weighted growth forecasts for hydraulic end-use markets

Annual percentage changes	2017	2018f	2019f	2020f	2021f	2022f	Average '18-'22
North America	7,6%	5,2%	3,8%	2,3%	1,9%	2,2%	3,1%
South America	3,8%	11,4%	3,3%	2,7%	2,6%	2,8%	4,6%
Europe	7,3%	5,3%	2,1%	1,6%	1,2%	1,0%	2,2%
Asia	8,3%	3,5%	3,1%	2,3%	2,8%	2,8%	2,9%
Middle East & Africa	6,0%	1,7%	3,6%	3,0%	3,4%	3,4%	3,0%
World	8,2%	4,6%	3,1%	2,2%	2,2%	2,3%	2,9%

Notes: World and regional aggregates consist of the 21 countries included within the analysis

Source: Oxford Economics – National Fluid Power Association, Industry and Economic Outlook conference - August 2018

Note (1) The *Home Market* concept is used, as explained by CETOP on the report *European Fluid Power Directory 2017/2018*, for the market estimates in order to cover all of the fluid power market, and not exclusively that segment covered by companies which are part of the organization. For statistic's sake, the country where the product was built is irrelevant, while the country where the product was sold is considered.

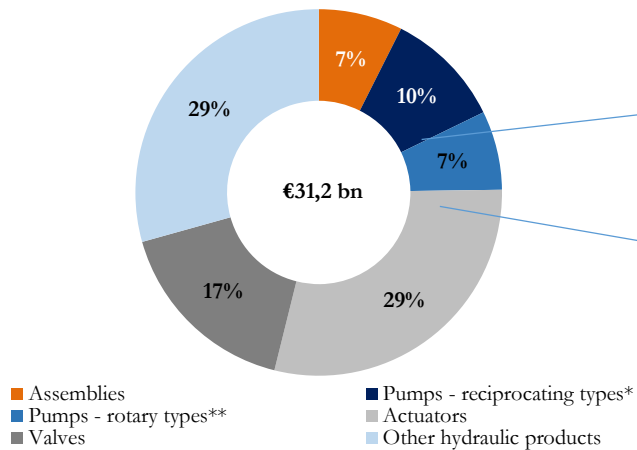
Note (2): ISC - International Statistics Committee project has the objective of providing comparable information on Fluid Power markets in Europe, USA and Asia.

Note (3) CETOP - *European Fluid Power Committee* – is an organization of associations present in 17 European countries and representing more than 1.000 companies operating Fluid Power, representing 80 to 90% of the country's industry, most of the times.

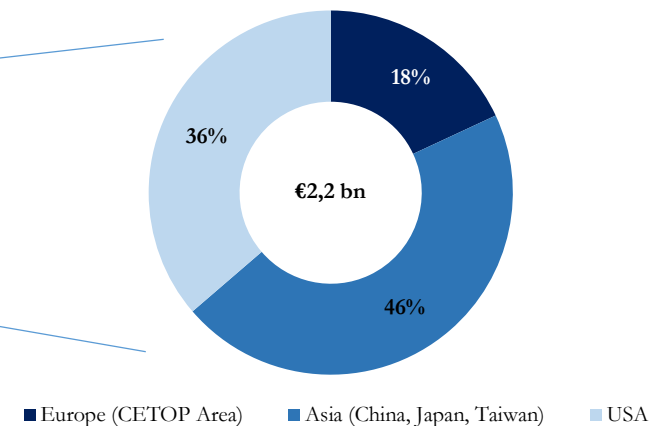
Focus on hydraulic pumps' market

Within the Hydraulic *home*¹ market, the pumps' segment is estimated by ISC to be around Euro 5,4 billion in 2017 (17%), of which Euro 3,2 billion (10%) coming from the reciprocating pumps' segment (axial and radial piston pumps) and Euro 2,2 billion (7%) from the rotary pumps' segment (gear, vane, orbital, screw and other types of pumps). Focusing on the rotary pumps sector, in which MP operates, Asia stands out as the main marketplace with around Euro 1 billion (46%) activity, followed by USA, with Euro 0,8 billion (36%), and Europe with Euro 0,4 billion (18%).

Hydraulic market - breakdown per product



Rotary pumps' global market



* Reciprocating types: axial and radial piston; ** Rotary types: gear, vane, orbital, screw and other types of pumps. Source: CETOP³ – ISC Statistics Results 2017

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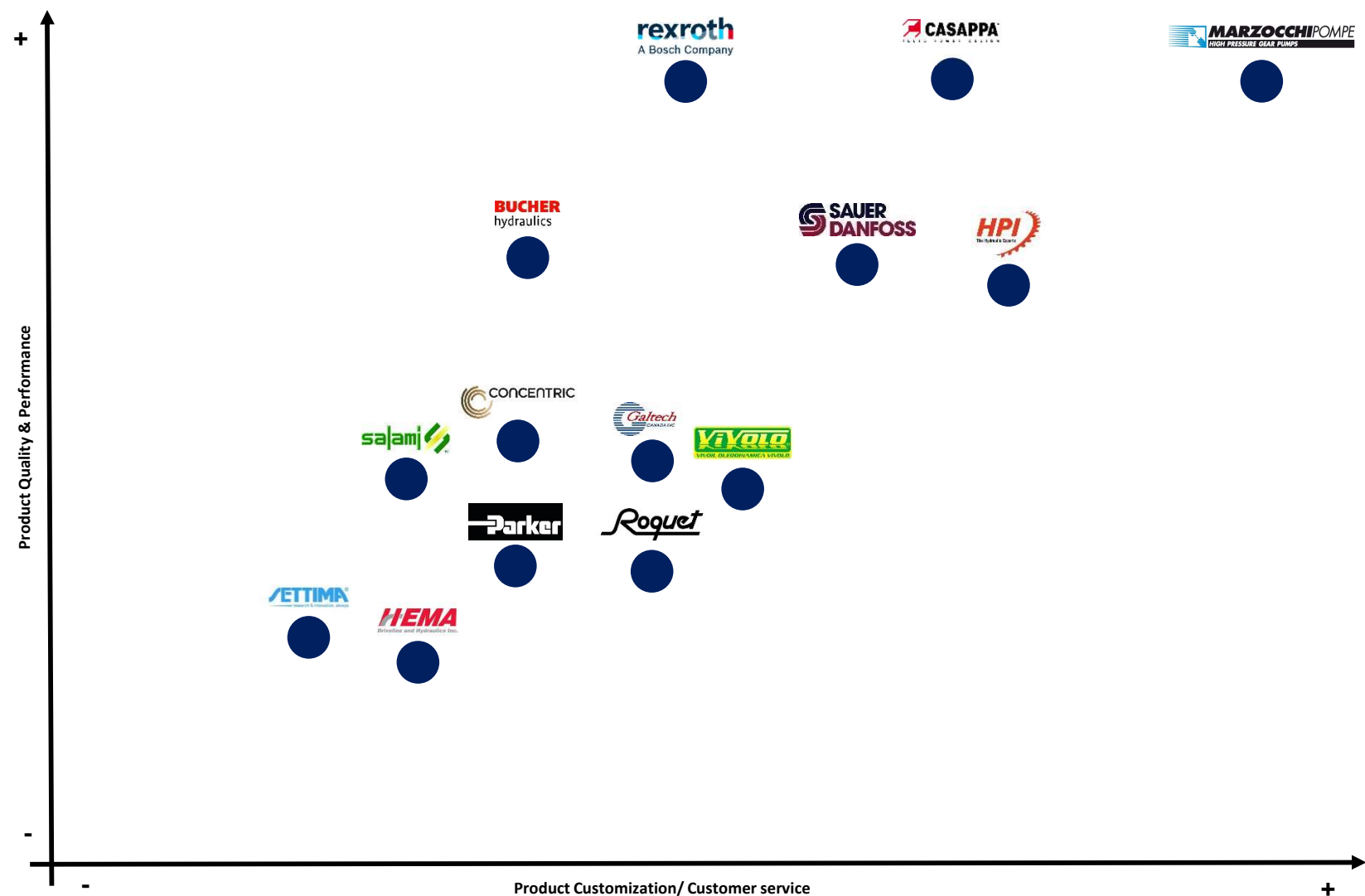
Competitive positioning

Characteristic Company	Quality & Performance	Customer service	Gear Pumps Range	Fluid Power Range	Customization	Competitiveness vs Price	Quality vs Price
Marzocchi Pompe	High	High	High	Medium - high	High	Medium	High
Bosch Rexroth	High	Medium - high	High	High	Medium - high	Medium	High
Bucher	Medium - high	Medium	Medium - high	Medium - high	Medium	Medium - high	Medium
Casappa	Medium - high	Medium	High	Medium - high	Medium - high	Medium - high	Medium - high
Concentric	Medium	Medium	Medium - high	Medium - high	Medium	Medium	Medium
Galtech/Interpump	Medium	Medium	Medium - high	Medium - high	Medium	Medium - high	Medium - high
Hema / DB	Medium - high	Medium - high	Medium	Medium - high	Medium	High	Medium - high
HPI / JTech	Medium - high	Medium - high	Medium - high	Medium - high	Medium	Medium	Medium
Parker	Medium	Medium	Medium - high	High	Medium - high	Medium - high	Medium
Roquet	Medium	Medium	Medium	Medium - high	Medium	Medium - high	Medium - high
Salami	Medium	Medium - high	Medium	Medium - high	Medium	Medium - high	Medium
Turolla/Sauer Danfoss	Medium - high	Medium - high	Medium - high	Medium - high	Medium	Medium - high	Medium - high
Settima	Medium - high	Medium - high	Medium - high	Medium - high	Medium - high	Medium - high	Medium
Vivoil	Medium	Medium	Medium - high	Medium - high	Medium	Medium	High

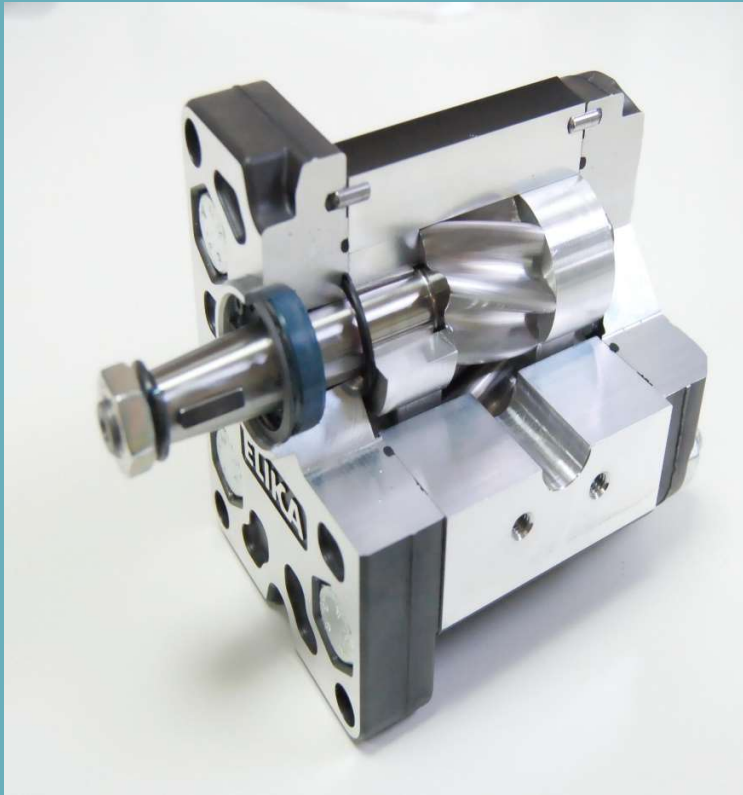
Source: Marzocchi Pompe SpA management estimates

Legend: High Medium - high Medium Low

Leadership in external gear pumps market



Source: Marzocchi Pompe SpA management estimates



Appendix

MP core business: manufacturing of external gear pumps and motors

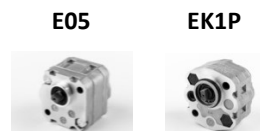
- The pumps have the function of transferring the fluid from a tank to an actuator within an oil-hydraulic circuit. (for example a cylinder that drives the shovel of an excavator). This transfer from the suction circuit to the delivery circuit occurs through the rotation of the two toothed wheels (the so-called "gears") inserted in the pump body, which is realized through the coupling with an endothermic motor or an electric motor. The oil that is transferred is located between the teeth compartments of the gear wheels and the pump body. The pressure that is created in the flow circuit downstream of the pump is proportional to the load determined by use.
- MP produces external gear pumps with straight teeth with an involute profile and helical rotor pumps with a conjugate profile. Both are part of the group of pumps called "volumetric", to which vane pumps, internal gear pumps and screw pumps also belong. The piston pumps also belong to the same category, which differ from the previous ones for the alternative movement instead of the rotary one.
- The gear motor is the actuator that transforms the hydraulic energy supplied by the pump into mechanical energy, creating a rotary motion with a defined number of revolutions and supplying a certain torque to the shaft on which mechanical systems such as fans and pulleys are connected.

Range of external gear pumps and motors by MP



Automotive customization

Regarding the micro-hydraulics (displacements starting from 0.12 cc per revolution) the Company has created customizations specifically for the automotive sector based on the needs and requirements of its customers



Focus on Elika product

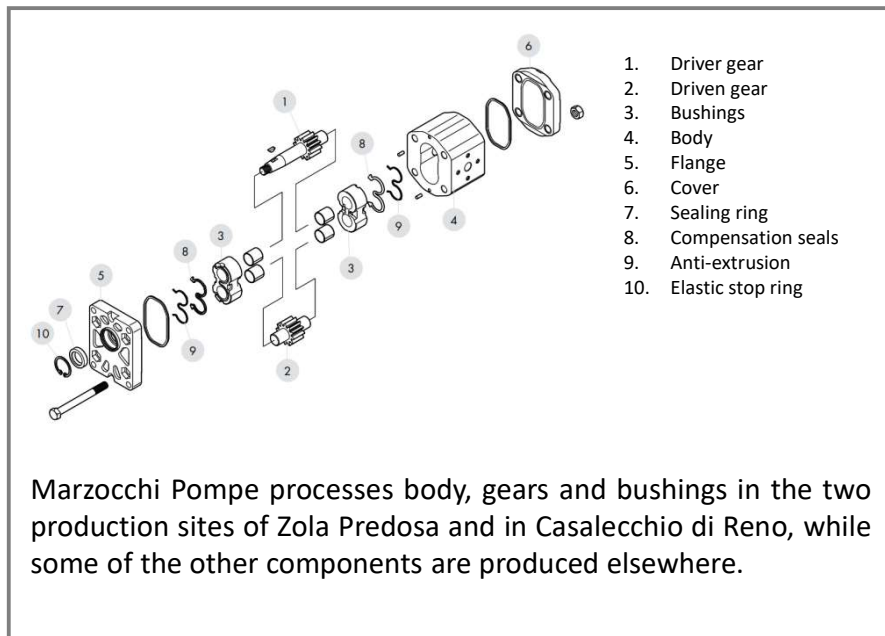
Elika is a helical toothed gear pump with a hydraulic system for balancing axial forces. It is a low noise and high efficiency product developed and patented by MP



Overview of pump composition and application examples

The pumps are composed of the following main parts: body, flange, cover and bushings in aluminium, and gears (driving and driven wheel) in steel. For some types of products, the flange and the cover can be made out of cast iron. Further components can also be integrated (for example valves), which vary depending on the type of product and customization requirements by the customer.

Basic pump components



Examples of application of MP products

Industrial

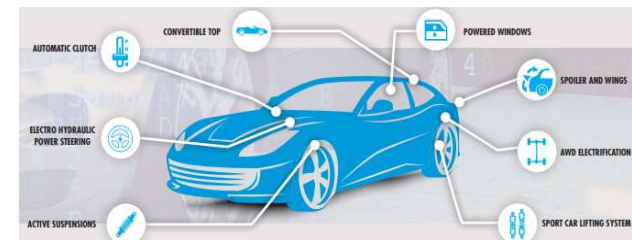


Mobile



In the mobile segment, the ELIKA product received the «Technical Reporting» award during the last Eima, one of the most important agricultural machinery fairs worldwide.

Automotive



Product applications



Medical equipment

Actuators for surgical tables, diagnostic equipment, latest-generation stretchers, dental chairs: in general, for small medical equipment, where reliability and silence are necessary.



Industrial

Fixed applications (eg presses, machine tools, etc.) that require hydraulic power units with high performance levels. This sector was among the first that the company positioned itself in.



Agricultural machinery

Even in agricultural machinery there is an important evolution in terms of hydraulic systems. Increasingly high performance and low noise levels are required.

MICRO-HYDRAULICS



Micro-hydraulics

MP is specialized in the production of very low displacement pumps, which require a high technological level to obtain high efficiency standards.



Machinery and equipment for *material handling*

Even for these type of machines, very often used inside production facilities, low noise levels are increasingly required in addition to high efficiency standard.



Marine

There are many pump applications in the nautical sector: movable bulkheads, thrusters, opening and closing valves, flap drives, boarding and disembarking ladders, piloting systems.



Gardening machines

In this type of application it is essential that oil-hydraulic pumps and motors guarantee the complete absence of contamination.



Construction machinery

Extreme flexibility in terms of interface versions (shafts, ports, flanges, etc.) and very high reliability are the features required by this market.



Means of transport

Brake systems for trams and city trains as well as for airport vehicles. In a world that makes mobility an irreplaceable necessity, products that guarantee the highest level of reliability and safety are in high demand.



Municipality

Municipality issues require a very wide range of products, all with maximum reliability.



Automotive

Even in electric cars, small displacements gear pumps are increasingly used in many applications such as: powertrain, power steering, attitude regulators (with PPM of defectiveness tending to zero).



New energy sources

In these applications, such as wind and solar, the compatibility with the environment is of fundamental importance.

Technological innovation and quality standards

The Group's business model is focused on the design, production and marketing of high performance external gear pumps and motors. The Company manufactures almost all the main components within its own production sites and uses the historical brand “Marzocchi Pompe”, which is highly recognizable in the sector.

Automated and highly innovative production process

- Technologically advanced production process with a high degree of automation
 - Strategic phases of the production process entirely managed in house
 - Internal department dedicated to the design and production of equipment and machinery for the internal production needs
 - Application of the concepts of lean production, with the aim of maximizing efficiency while minimizing stocks
-

Continuous product and process innovation

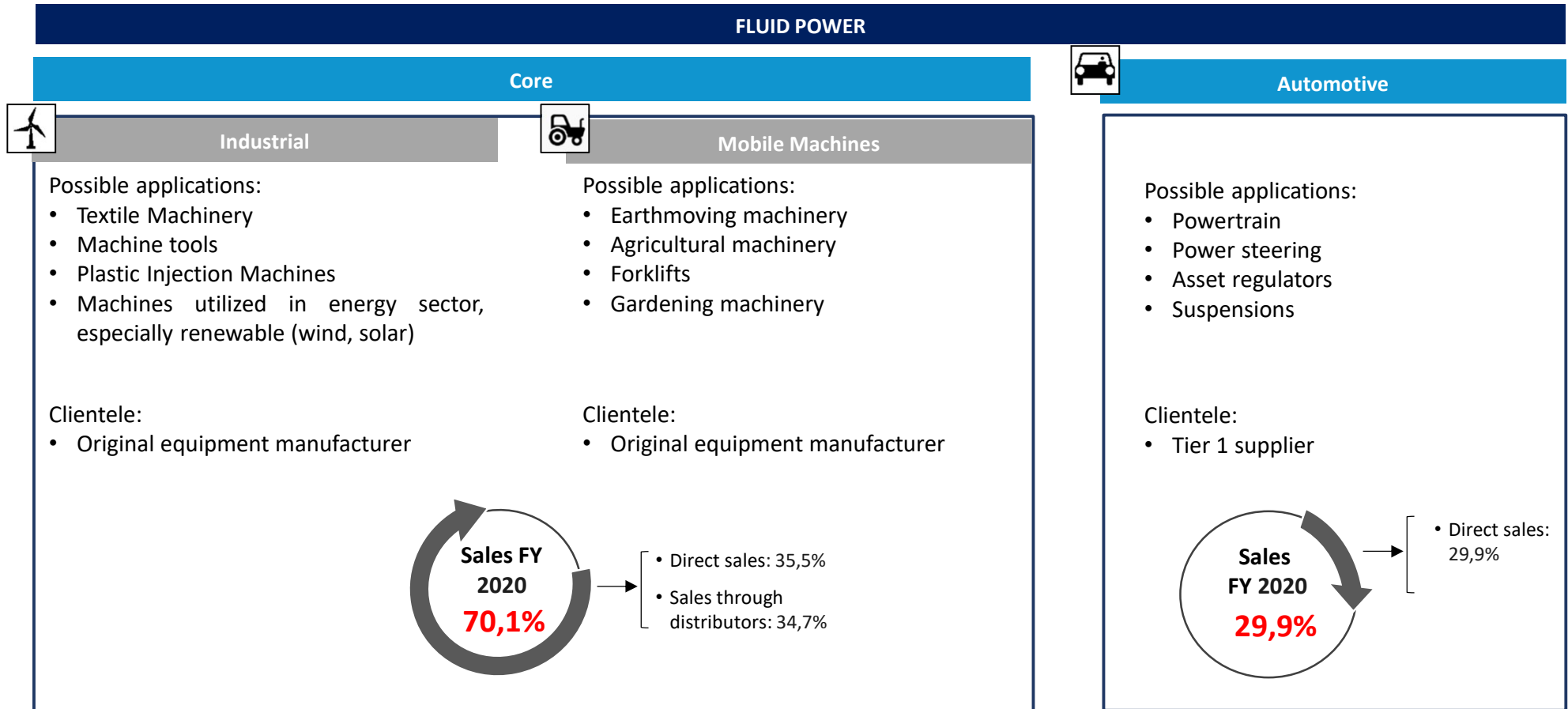
- Continuous product development to meet the increasing market requirements, in terms of silence and efficiency . In particular, the R&D activity has allowed Marzocchi Pompe to stand out for:
 - its wide range of products' cubic capacities (from 0.12 cc to 200 cc)
 - the high performances of its products, with particular reference to the micro hydraulics field (displacements starting from 0.12 cc)
 - the patented ELIKA product, low noise pump, high efficiency even at low speed and flow rate regularity due to low pulsations
-

Focus on quality and excellence

- *Made in Italy* product
- High quality standards
- IATF 16949 (formerly ISO TS) certifications (required for the supply of Automotive customers) and ISO 14001 for the plant in Zola Predosa (BO), and ISO 9001 for the plant in Casalecchio di Reno
- 100% qualified product ensured by a test carried out on specifically designed test benches

Target markets

Core market's revenues include Industrial and Mobile machines applications and represent 70,1% of total 2020 revenues, including sales to distributors /sales network, which alone contribute to 34,7% of MP's total sales^(*)



^(*) The industrial and mobile machines sectors are served by MP both directly, through direct sales, and indirectly, through a distributors' channel/external sales network; the share of sales registered from the sales network can't be attributed to either sector, industrial or mobile machines

Main client composition

- The company benefits from a diversified client base for the Industrial and Mobile machine sectors, having their top 3 clients making up only 11,3% of sales and the top 10 representing 26,9%. The Automotive sector, on the other hand, has fewer clients making up for most of its' sales. In total, the company counts more than 800 active clients
- The following table reports the weight on consolidated revenues of the top 3 and 10 clients for both sectors (Industrial & Mobile and Automotive, accounting for 70,1% and 29,9% of total sales, respectively) according to the financial year's consolidated data of Dec. 31st 2020

Overview weight % top clients¹

	Industrial & Mobile ²		Automotive	
	Revenues 2020	%	Revenues 2020	%
Top 3	2,73 mln	11,3%	10,20 mln	100,0%
Top 10	6,44 mln	26,9%	10,20 mln	100,0%
Total	23,95 mln	100,0%	10,20 mln	100,0%

Note (1): Consolidated data.

Note (2): Revenues from distributors' included.

97% of automotive' s revenues are made from sales to only one client, with whom MP subscribed, on October 2014, a multi-year contract that will expire on December 31st 2022. The contract guarantees the supply of micro-pumps by MP, with the following clauses:

- Minimum order volume, with penalties for violation of amount
- Pre-established price, mainly based on volumes ordered
- Price-adjustment according to previously established mechanisms, based on current raw materials' prices

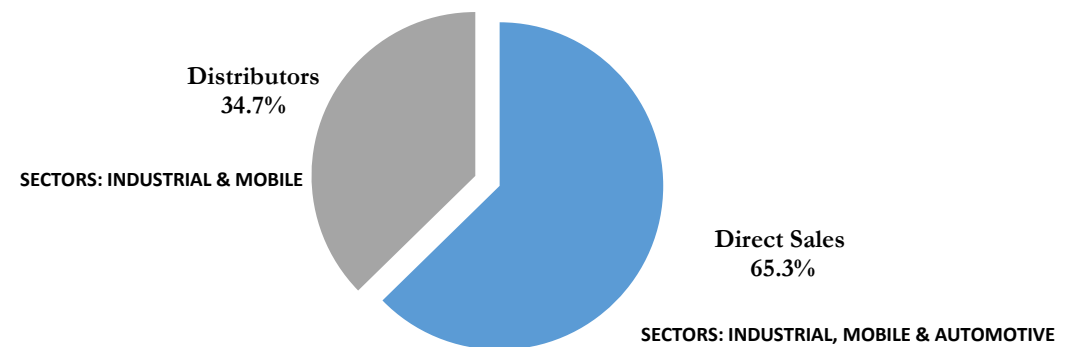
Global distribution network

Marzocchi Pompe relies on an international distribution network present in **over 50 countries**. Products are distributed through various channels, such as direct sales, distributors' sales¹, American branch operations and Chinese branch operations

Distribution network's highlights

- Direct sales and sales through distributors, covering the global market (excluding North America and Far East) are managed by a dedicated internal salesperson, the Area Manager. There are currently 4 Area Managers operating:
 - 1 Area Manager for the Industrial sector
 - 1 Area Manager for the Mobile machinery sector
 - 1 Area Manager for the Distributors' operations
 - 1 Area Manager responsible for the Italian market, coordinating a network of 7 salesmen
- Direct influence on U.S. and Far East markets through the branches Marzocchi USA and Marzocchi Shanghai
- Renowned and large international network of distributors and re-sellers, selected based on their medium-high positioning, outstanding product quality, and high visibility of sold brands.

2020 sales breakdown per selling channels*



**Consolidated data FY2019*

Nota (1): the term "distributors" describes those subjects that purchase MP's products and then re-sell them, establishing a prolonged business relationship with the company

Investment highlights

Large target market experiencing growth

- The Hydraulic market is large, estimated to be around Euro 8.8 billions in 2016 in Europe (Source: CETOP) and Euro 2.6 billion in 2017 in Italy (Source: Assofluid)
- Evidence of upward trend of Italian hydraulic market in the 2009-2017 period, with an increase of 14,2% in production from 2016 to 2017

Wide range of product applications

- Countless possibilities in terms of MP's pumps' and motors' applications, thanks to the company's versatility and product personalization options

Business model geared towards innovation

- Production process relies on high-tech machinery and extensive use of automation
- Internalization of strategic production process, guaranteeing constant monitoring and high-quality standards
- Continuous product innovation, as it can be seen with ELIKA, one of MP's pumps covered by two patents, which stands out for its outstanding technological level that allows it to have low noise emissions and low pulsations, but high efficiency

High profitability and cash flow generation

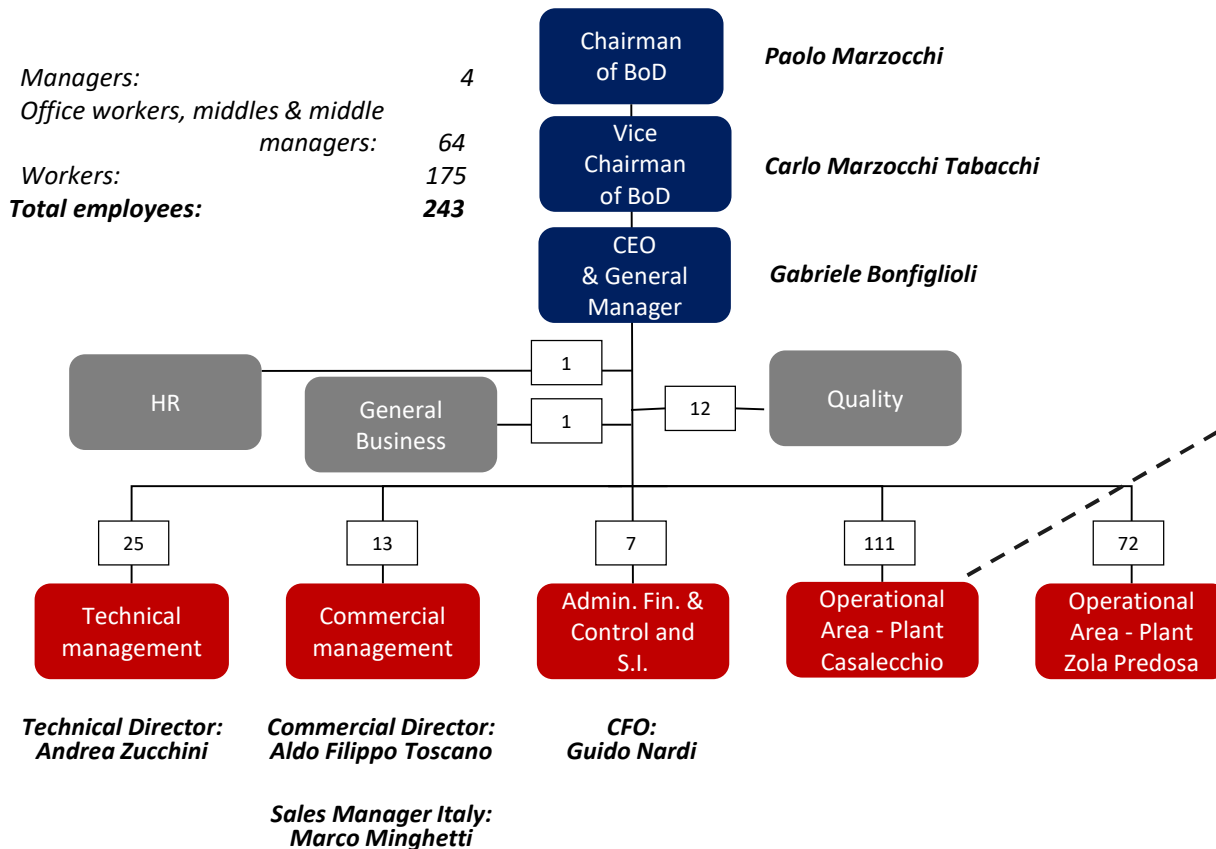
- EBITDA margin at 12,2% in 2020, with the H2 2020 at 16.1% in line with 16,9% for the period 2016-2018
- High operating cash flow (5.8M€ in 2020 vs. 3.9M€ in 2019)

Esteemed execution capabilities

- Renowned production ability for customized products
- High standards on quality, reliability and product performance
- Highly responsive customer service, and competent assistance in pre- and post-order phases

Organizational structure and production sites

- Marzocchi Pompe can count on a team of professionals with consolidated experience. As of 1st January 2021 the workforce consists of **243 resources** (of which 241 are permanent employees), with an heterogeneous background of professional skills that strengthens the efficiency of the work team. The resources operate in two production sites, directly owned by the company, located in Casalecchio di Reno (BO) and Zola Predosa (BO).
- To this date, MP can be defined as a true "pocket multinational", meeting best standard of Made in Italy and excellence.



Casalecchio di Reno (BO)



- Covered area 6.726 sqm
- Pumps produced in 2020: 369.203

- Historic and main production site dedicated to the processing of aluminium components and to the assembly and testing of non-automotive pumps

Zola Predosa (BO)

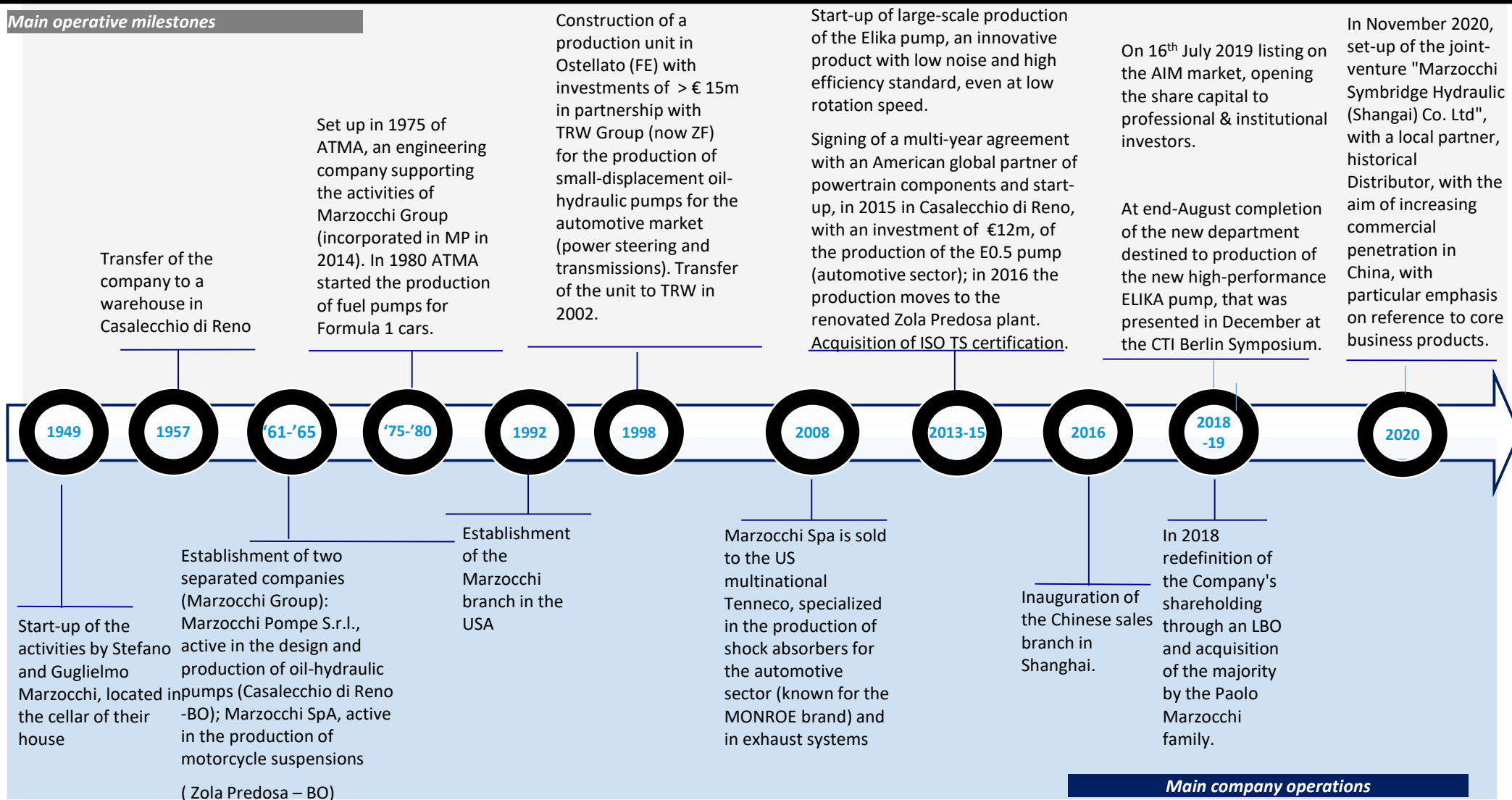


- Covered area 9.648 sqm
- Pumps produced in 2020: 576.869

- Factory dedicated to the production of gears and assembly and testing of automotive pumps

History

Main operative milestones



Consolidated Profit & Loss

<i>Eur 000</i>	30-Jun-21		30-Jun-20	
Sales Revenue	19.928	100%	15.584	100%
WIP changes	2.053		397	
Other revenues	829		528	
PRODUCTION VALUE	22.810		16.509	
Raw material consumption	(5.329)	(24,2%)	(3.845)	(24,1%)
Service costs	(6.094)	(27,7%)	(4.756)	(29,8%)
Costs for use of third-party goods	(151)	(0,7%)	(153)	(1,0%)
Various operating costs	(235)	(1,1%)	(131)	(0,8%)
VALUE ADDED	11.001	50,05%	7.624	47,71%
Staff costs	(7.125)	(32,4%)	(6.363)	(39,8%)
EBITDA	3.877	17,64%	1.261	7,89%
Depreciation, amortisations and writedowns	(2.464)	(11,2%)	(2.224)	(13,9%)
OPERATING PROFIT (EBIT)	1.413	6,43%	(963)	(6,0%)
Financial income and charges	(68)	(0,3%)	(175)	(1,1%)
Financial Value Adjustments	(106)	(0,5%)	(120)	(0,8%)
EARNINGS BEFORE TAX	1.238	5,63%	(1.258)	(7,9%)
Income Tax for the year	(204)	(0,9%)	335	2,09%
NET INCOME	1.034	4,71%	(923)	(5,8%)

(National accounting standards + IFRS 16 – Leases)

Consolidated Balance Sheet

<i>Eur 000</i>	30-giu-21
A) NET FIXED ASSETS	20.695
Intangible fixed assets	1.403
Tangible fixed assets	17.906
Financial Fixed assets	1.386
B) NET WORKING CAPITAL	8.474
Inventories	10.308
Advances from customers	(63)
Trade receivables	7.608
Other receivables	1.611
Trade payables	(6.055)
Other payables	(3.304)
Provisions for risks and charges	(1.491)
Other assets/liabilities	(141)
C) GROSS INVESTED CAPITAL	29.169
D) EMPLOYEE SEVERANCE PAY	(1.581)
E) NET INVESTED CAPITAL	27.588
Covered by	
F) NET EQUITY	(19.136)
G) NET FINANCIAL POSITION	(8.452)
Medium/long-term financial payables	(9.852)
Short-term financial payables	(5.189)
Cash and cash equivalents	6.589
H) TOTAL HEDGES	(27.588)

(National accounting standards + IFRS 16 - Leases)

Consolidated Cash Flow Statement

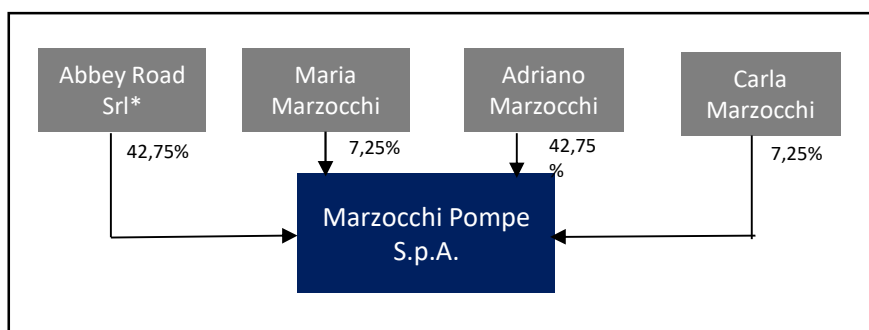
	30-Jun-21	30-Jun-20
	€/000	€/000
Operating profit [EBIT]	1.413	(963)
Tax effect	(204)	335
Change in funds	(85)	220
Provisions and write-downs	2.464	2.224
Income cash-flow	3.588	1.816
Changes in working capital		
Inventories	(2.635)	(813)
Trade receivables	(1.197)	2.402
Other receivables	687	(460)
Trade payables	1.197	(185)
Other payables	409	(174)
Changes in working capital	(1.538)	769
Operating cash flow (Free cash flow)	2.050	2.585
Net tangible & intangible investments	(559)	(726)
Change other fixed assets	(174)	120
Financial value adjustments	(106)	(120)
Cash flow from investing activity	(839)	(725)
Financial charges/income	(68)	(175)
Share capital increases/(decreases)	0	0
Other equity changes	(343)	(352)
Cash flow from financial activities	(411)	(527)
Net cash flow	800	1.333
Start-of-period cash or (exposure)	(9.252)	(12.535)
End-of-period cash or (exposure)	(8.452)	(11.202)
Net cash increase (decrease)	801	1.333

(National accounting standards + IFRS 16 - Leases)

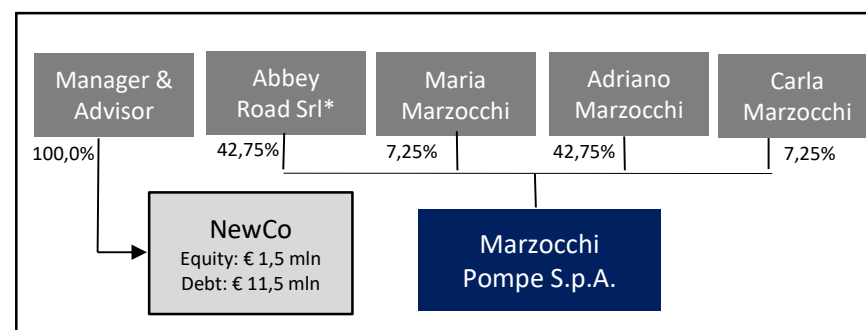
Focus on LBO

During 2018 the company underwent a restructuring procedure that modified the shareholding structure. As of today, the company is owned by Paolo Marzocchi. The operation was completed through the creation of a financial debt with Banca di Bologna, which allowed the release of some shareholders and ease the access of a new group of shareholders formed by the company's managers and a third partner, Crosar Capital, advisor of the operation and of the subsequent IPO.

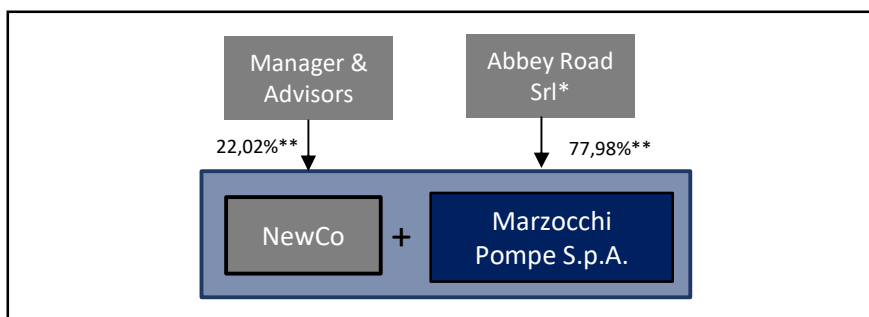
1 Shareholding Marzocchi Pompe pre-LBO



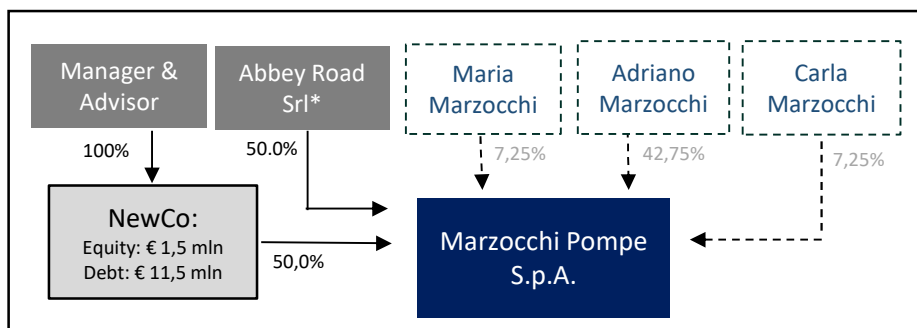
2 Management and advisor create a NewCo for the acquisition of Adriano and Carla Marzocchi's shares (42,75%+7,25%) with Euro 13 mil (Equity + Debt)



4 NewCo reverse merge into Marzocchi Pompe



3 NewCo acquires 50% of MP from Adriano and Carla Marzocchi for Euro 12,5 mil; Paolo Marzocchi acquires 7,5% of MP from Maria Marzocchi



*Abbey Road Srl is owned by Paolo Marzocchi (99,5%) and his nephew Marco Camorani Scarpa (0,5%)

** 89% of Marzocchi Pompe SpA shares is pledged to Banca of Bologna

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