



The Group



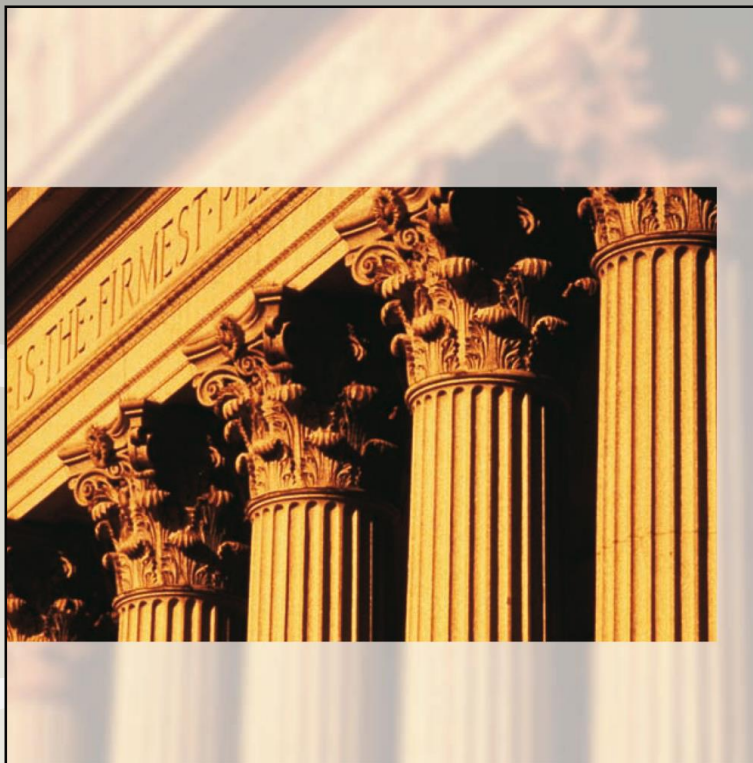
Financial Results



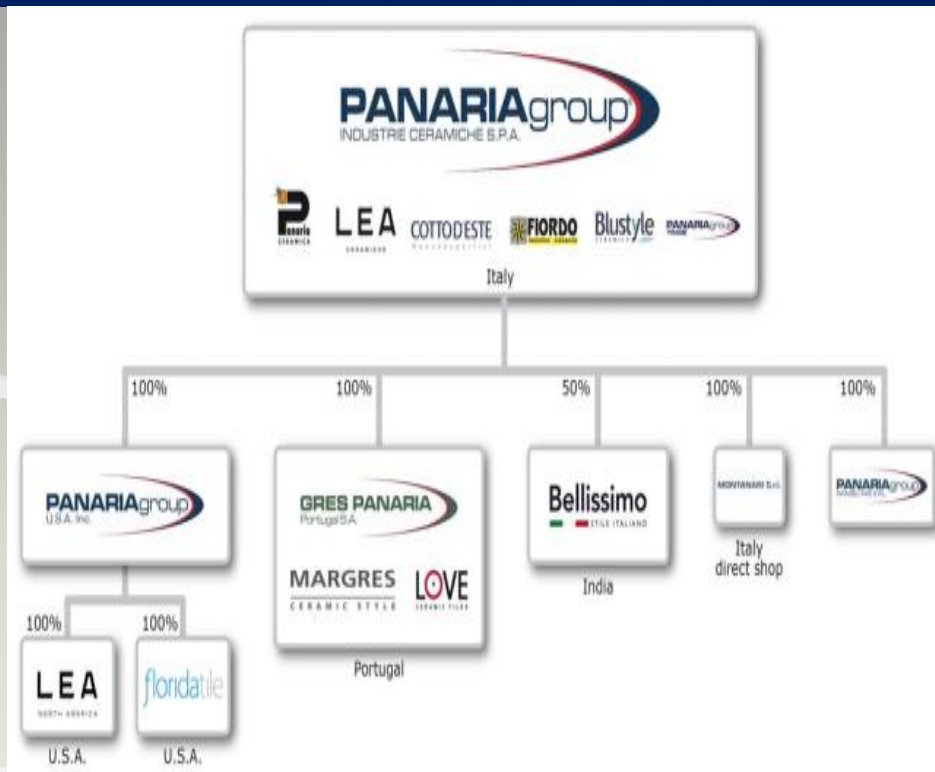
Europe & Usa



Appendix



THE GROUP



- ✓ Stock is traded on Milan Stock Exchange since 2004
- ✓ Employs 1.625 people worldwide

- Panariagroup designs, manufactures and distributes floor and wall ceramic tiles since 1974
- The Group is specialized in the production of porcelain grès tiles with a complete positioning in the high-end and deluxe market segment
- It closed 3 acquisitions in the last 10 years becoming one of the major Italian groups with an international scope, three manufacturing plants in Italy, two in Portugal and one in the US.
- The Group distributes its products through 8 brands in more than 100 Countries, thanks to sales channels composed by mid size distributors and a chain of 22 directly managed branches in USA.
- The Group relies on State of the Art plants
- The JV in India with Asian Granito India Ltd will allow the Group to have a direct presence in the emerging markets



- Following the IPO (2004), the Group targeted an international expansion that sustained the impressive growth of 2006;
- 2007 has been an year of consolidation of the structure after the rapid growth through acquisitions of the previous years. Despite the critical situation of the US market and the devaluation of US Dollar the company maintained the important level of sales reached in 2006;
- From 2008 to 2012 Sales reduction due to a weak trend of the worldwide economy in line with the overall market trend;
- In 2013 Overall Sales reduction of 2,8% due to the decline of Europe and Italy partially offset by the grew in the US Market
- In 2014 >6% increase in sales thanks to a >10% growth in US and Portugal
- In 2015 +18% growth in sales: +10% BU Italy, +32% BU USA and +18% BU Portugal

Panariagroup is a listed company world leader:

FINANCIAL
STRENGTH

• *Historical
Performance*

Leverage

Premium
Price

• *High-end
products*

LUXURY
BRAND

TECHNOLOGY
& INNOVATION

State of Art Plant

WORLD WIDE

Sales



Production
facilities in key
countries

FINANCIAL STRENGTH

- Italian Stock Exchange
- International funding

WORLD WIDE

- Production facility: USA, Italy, Portugal and India (JV)
- Distribution all over the countries

LUXURY BRAND

- Global position of the brand in the high and luxury segments
- High quality standards in the research and selection of raw materials
- Strong R&D activity, aimed at product and manufacturing process innovation
- Focus on service, delivery efficiency, careful customer relationship

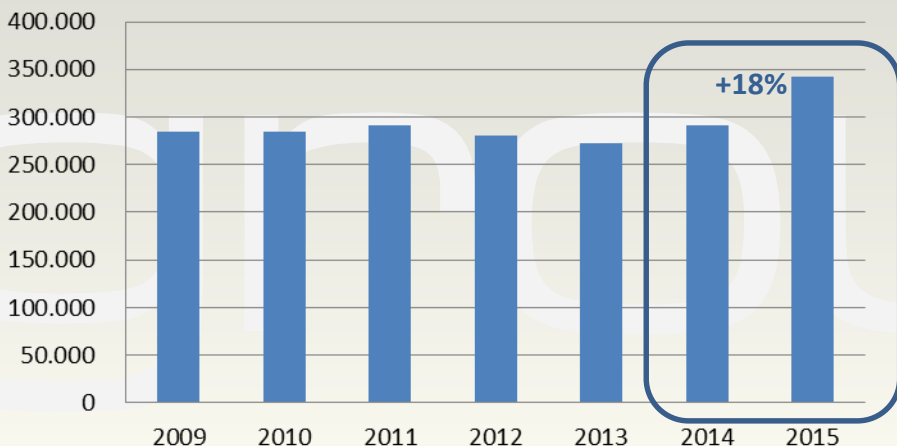
TECHNOLOGY & INNOVATION

- Digital Print Capacity and State of the Art Technology
- Extremely innovative productive system for production of Gres Laminated Porcelain

**IN THE LAST 5 YEARS
€90 MILLIONS CAPEX
(capital expenditure)**

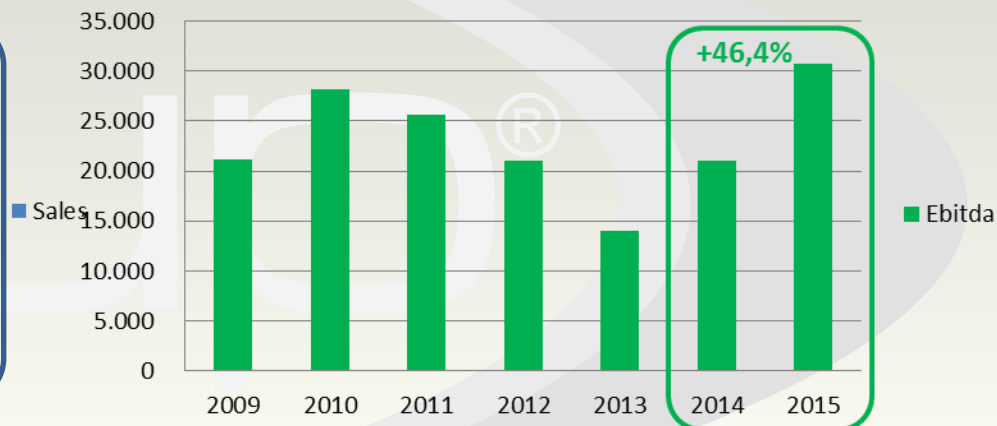
**WE ARE READY TO TAKE WORLD
ECONOMIC RECOVERY THANKS TO OUR
INVESTMENT DURING THE CRISIS AND OUR
FINANCIAL STRENGTH**

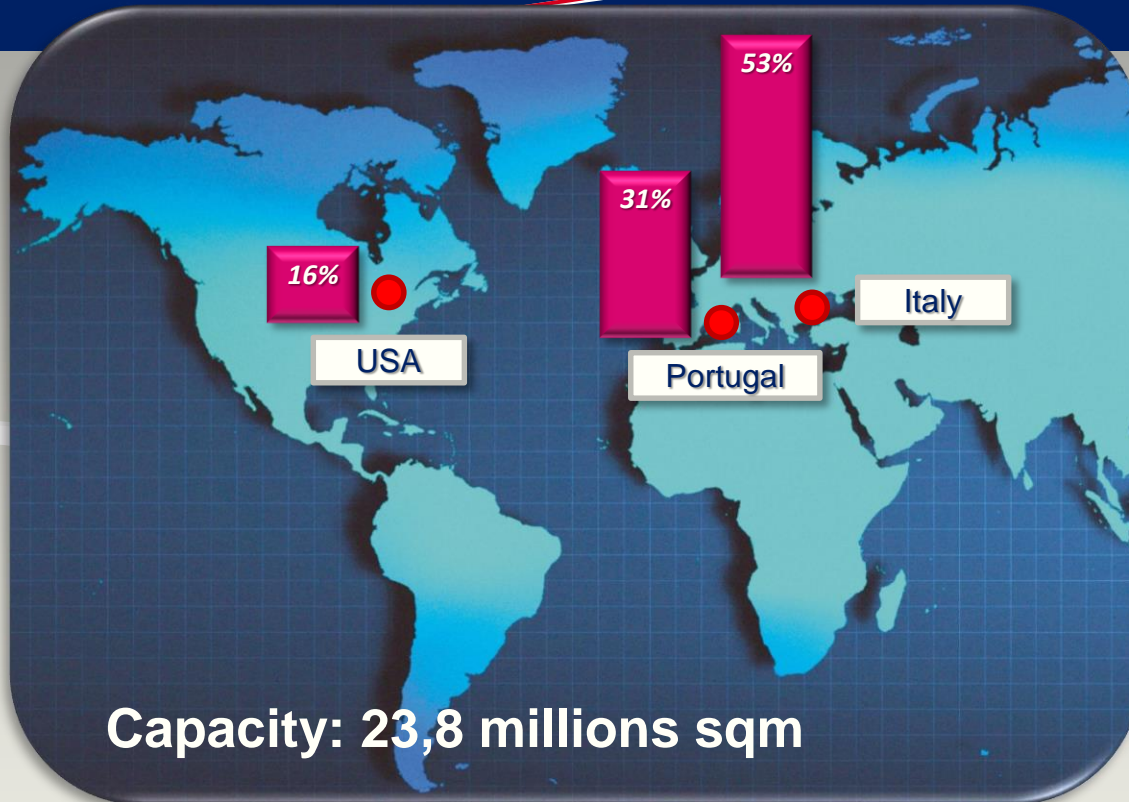
Sales 2009-2015



- In 2011 Capital Investment for €19 million, €7 millions are dedicated to build second line of Gres Laminated Porcelain ("Kerlite") in the Fiorano plant in Italy;
- In 2012 invested 7,7M€ in US for a new porcelain line;
- In 2013 Capital Investment for 16,6M€: 10,6M€ in Italy; 3,3 M€ in Portugal and 2,7M€ invested in US;
- In 2014 Capital Investments for 13,2M€;
- In 2015 38M€ of Capital Investment: 17M€ in Italy (Line 3 Slim Tiles), 13M€ in USA (new complete manufacturing line and SAP project) and 7M€ in Portugal.

Ebitda 2009-2015





ITALY



Panariagroup #1 plant
Finale Emilia (MO)



Panariagroup #2 plant
Toano (RE)



Panariagroup #3 plant
Fiorano (MO)



USA



Panariagroup #6 plant
Lawrenceburg
(Kentucky, USA)



PORTUGAL

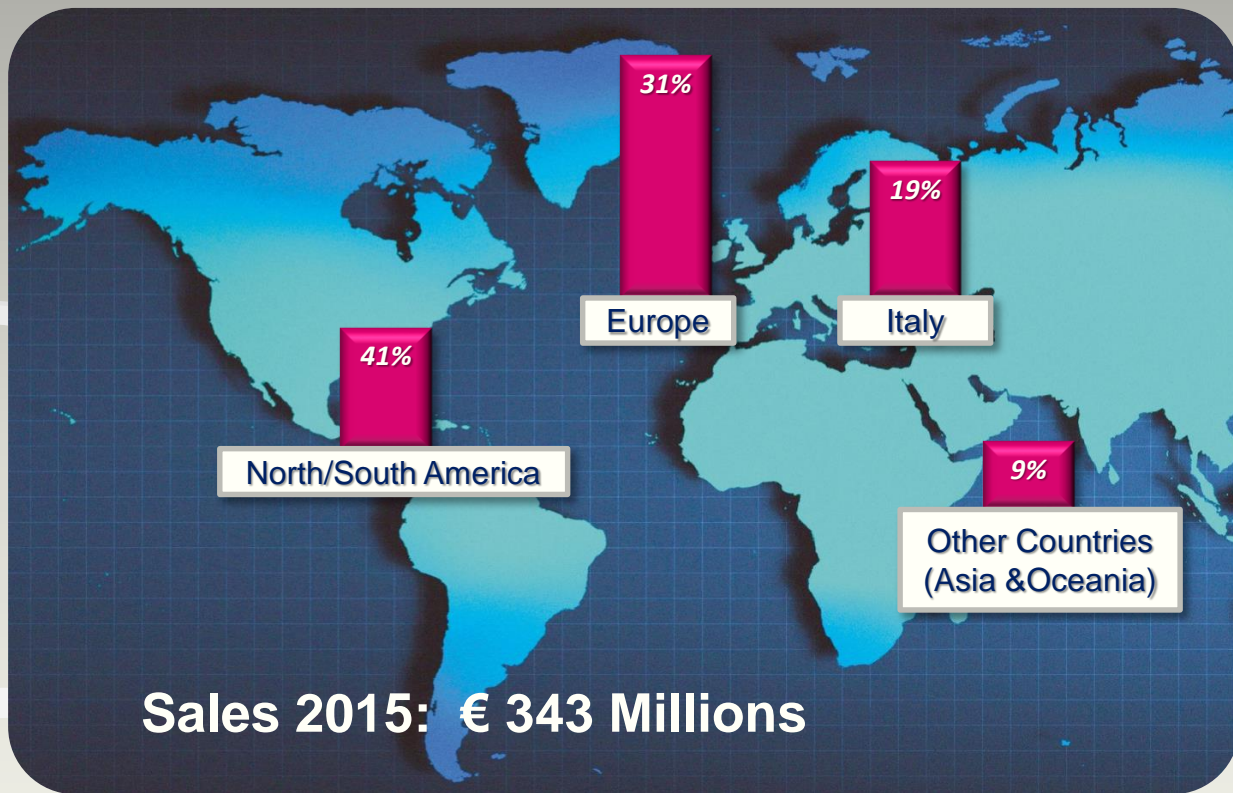


Panariagroup #4 plant
Ilaho (P)



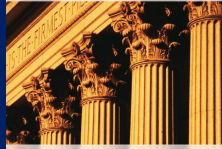
Panariagroup #5 plant
Aveiro (P)



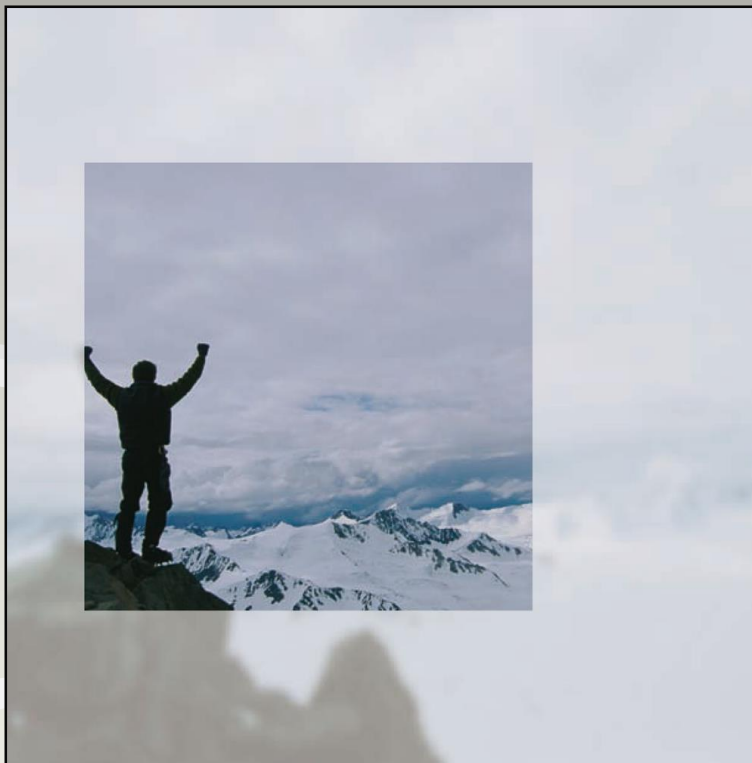


Sales by Area (M€)





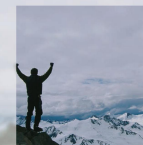
- The Group offers a wide range of product lines
- Eight different brands, all well known
- Each brand has its own specific and distinctive characteristics, in order to meet the needs of the more sophisticated customers
- In 2012 a new brand has been created called Bellissimo, dedicated to the Indian market



FINANCIAL RESULTS

FINANCIAL RESULTS

Consolidated Income Statement



Euro/000	2011	%	2012	%	2013	%	2014	%	2014 - 09	%	2015 - 09	%
Gross revenues	291.397		280.778		272.971		290.679		218.062		259.447	
Growth	2,2%		-3,6%		-2,8%		6,5%				19,0%	
Value of Production	303.636	100%	297.917	100%	270.463	100%	298.247	100%	217.487	100%	268.724	100%
Growth	3,8%		-1,9%		-9,2%		10,3%				23,6%	
EBITDA	25.627	8,4%	21.096	7,1%	14.044	5,2%	21.038	7,1%	14.666	6,7%	24.223	9,0%
Growth	-9,3%		-17,7%		-33,4%		49,8%				65,2%	
EBIT	4.955	1,6%	-5.546	-1,9%	-6.845	-2,5%	1.920	0,6%	661	0,3%	9.265	3,4%
Net income	1.551	0,5%	1.591	0,5%	-7.851	-2,9%	-1.840	-0,6%	-1.983	-0,9%	4.420	1,6%

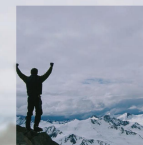
- **Volume** increase has been main driver for the growth of the Consolidated Operating Profit
- **Energy Costs** had a positive impact for 1.7M€

FINANCIAL RESULTS

Consolidated Balance Sheet



Euro/000	2011	2012	2013	2014	2015 - 09
Goodwill	12.789	8.139	8.139	8.139	8.139
Intangible assets	2.697	2.425	2.149	2.202	4.013
Tangible assets	92.221	91.625	90.358	89.851	99.594
Financial fixed assets	5	361	358	458	187
Fixed assets	107.712	102.550	101.004	100.650	111.933
Current assets	231.567	232.677	204.812	208.791	231.548
Current liabilities	(88.812)	(85.231)	(74.325)	(83.752)	(99.045)
Net Working Capital	142.755	147.446	130.487	125.039	132.503
Assets and Liabilities due after the year	(12.340)	(4.154)	2.521	1.723	(2.536)
NET CAPITAL EMPLOYED	238.127	245.842	234.012	227.412	241.900
Net Financial Position	84.874	92.147	90.852	80.292	86.570
Shareholders' equity	153.253	153.695	143.160	147.120	155.330
Dividend Distributed	-	-	-	-	-



Euro/Million	2011	2012	2013	2014	2015 - 09
Short - term financial assets	3,1	4,6	10,0	2,9	5,9
Short-term financial debt	-49,3	-37,1	-44,9	-39,0	-52,6
Mid-long term financial debt	-38,7	-59,6	-55,9	-44,2	-39,9
Net financial debt	-84,9	-92,1	-90,8	-80,3	-86,6

- The **Net Financial Position** remain inline with 2014 despite big capital investments.



EUROPE & USA



- Includes 7 brands and 5 production plants in Italy and in Portugal




- Has a well established presence in the European market;
- All brands are positioned in the high end and deluxe market segment;
- The average selling price in both markets is almost double of the average of the market;
- In 2015 the Italian Business Unit has a growth in Sales for +10% which brought the EBITDA margin to 4,3% (+1,2%);
- In 2015 the Portuguese Business Unit grow in Sales >18% wich brought the EBITDA margin to 11,6% (+1,5%)

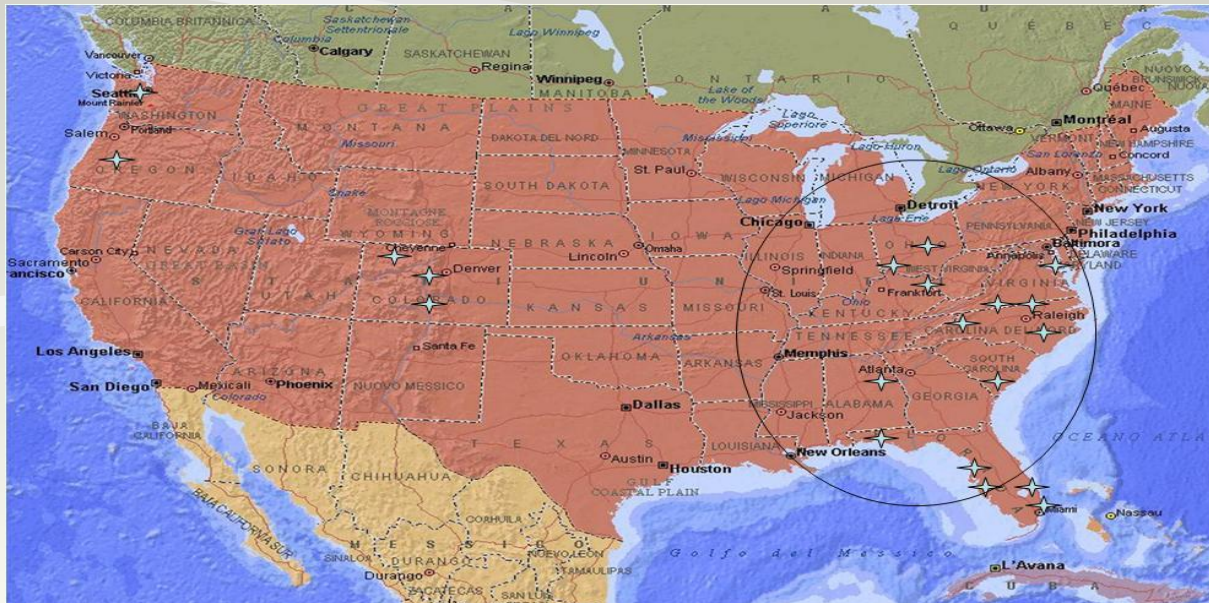
group®



- **Further Growth in Sales Volume (>10%);**
- **Focus on defending market share in Portugal and rationalising commercial networks in Italy;**
- **EBITDA margin increase thanks to Sales Volume Growth;**
- **Introduce new product lines => maintain average selling price;**
- **Continue to invest in new Technology (big size format, digital printers and energy cost reduction focus);**
- **With #27 machines installed Panariagroup is a leader in terms of Digital Print Capacity**



- Includes the acquisition of Florida Tile and in particular:
 - Florida Tile brand; 
 - The new production plant based in Kentucky;
 - Manufacture in the US plant of Italian brand's products;
 - 22 directly managed branches mainly located in the East coast;
 - The distribution center located near the plant in Kentucky.





- **Production facility and Distribution Center in US territory;**
- **#2 World class Porcelain lines (third line will be completely installed during 2016);**
- **Manufacture in the US plant of Italian brand's products;**
- **#5 Digital Print Machines;**
- **State of the Art technology;**
- **Purchasing synergies with Panariagroup®;**
- **R&D activity in collaboration with Italy;**
- **22 fully owned branches**



- Sales growth >10%;
- Improvement of the product portfolio with new porcelain lines;
- Strengthening of the distribution network:
 - ❖ Mid size distributors => high level of service;
 - ❖ Directly managed branches => better control;
- Commercial Relationship with Home Centers will start



- **Estimated Sales FY March 2016 3M€**
- **Sales Budget March 2017 4,5M€;**
- **Improvement of the product portfolio with new porcelain lines from Italy (included slim tiles products) and further “Made in India” products;**
- **Enforce the Distribution network:**
 - ❖ **Small Retailers;**
 - ❖ **B2B (builder, architectural projects);**
 - ❖ **Big Retailers/Importer supplied from Indian warehouses and ex works from Italy**
- **Develop Export channel from India**



APPENDIX

APPENDIX

Share Performance





Giuliano Pini

Corporate CEO

Renato Martelli

Corporate Controller– Investor Relator

Bartolomeo Vultaggio *Corporate Internal Audit – Investor Relator*

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