

The background of the slide features a photograph of two hands holding a thin, transparent rectangular slab horizontally. The hands are positioned at the bottom, with fingers spread to support the slab. The slab is perfectly clear, revealing the hands and the sky behind it. The sky is a dramatic sunset or sunrise scene with soft, golden light and wispy clouds. The overall composition is clean and modern, with a focus on light and transparency.

Milan, March 21st 2019

COMPANY PRESENTATION

PANARIAgroup®



PANARIAGROUP

Over 40 years of experience

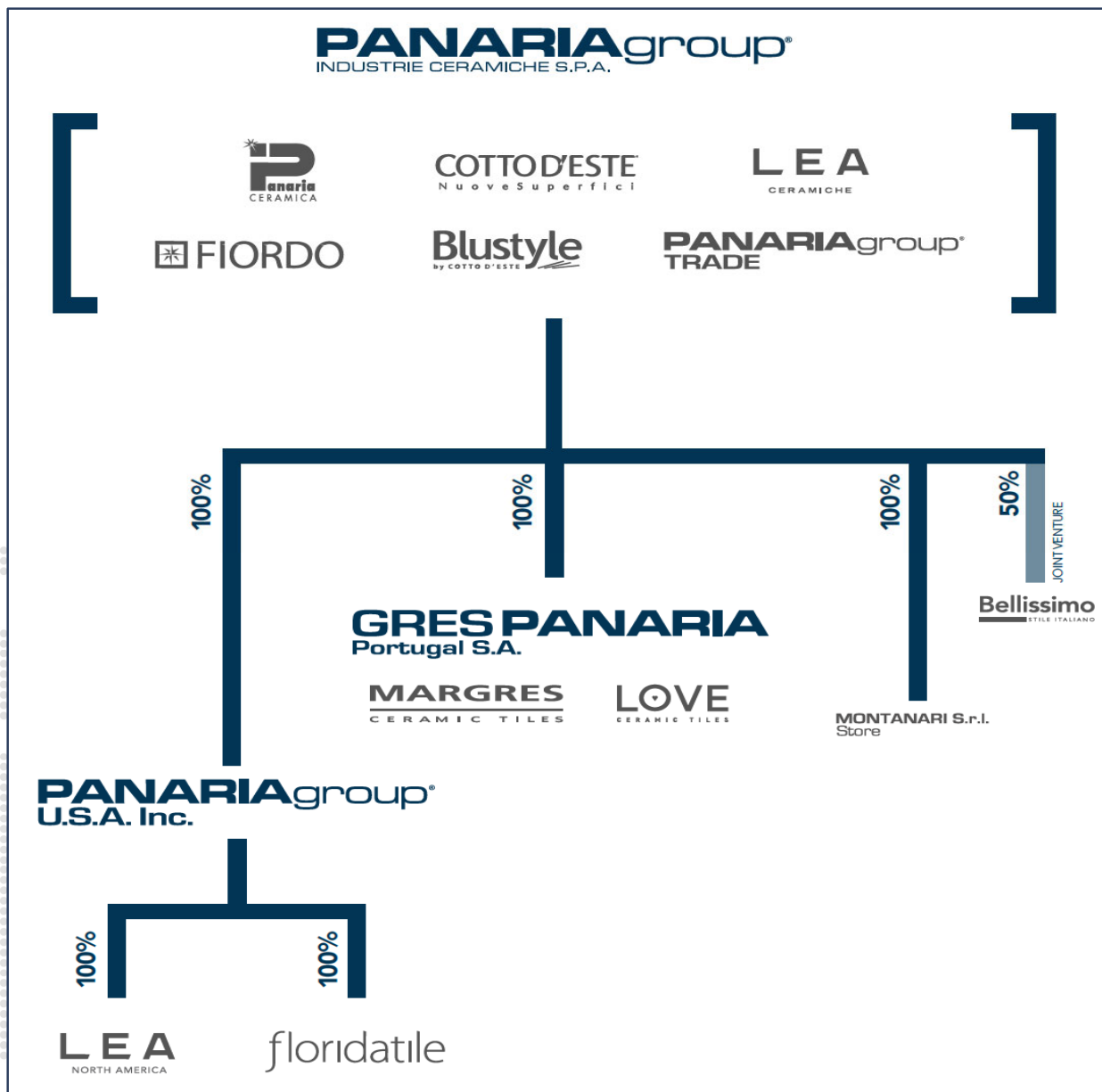
Leading company in high-end and luxury ceramic surfaces

An evolution based on internationalization and technology development

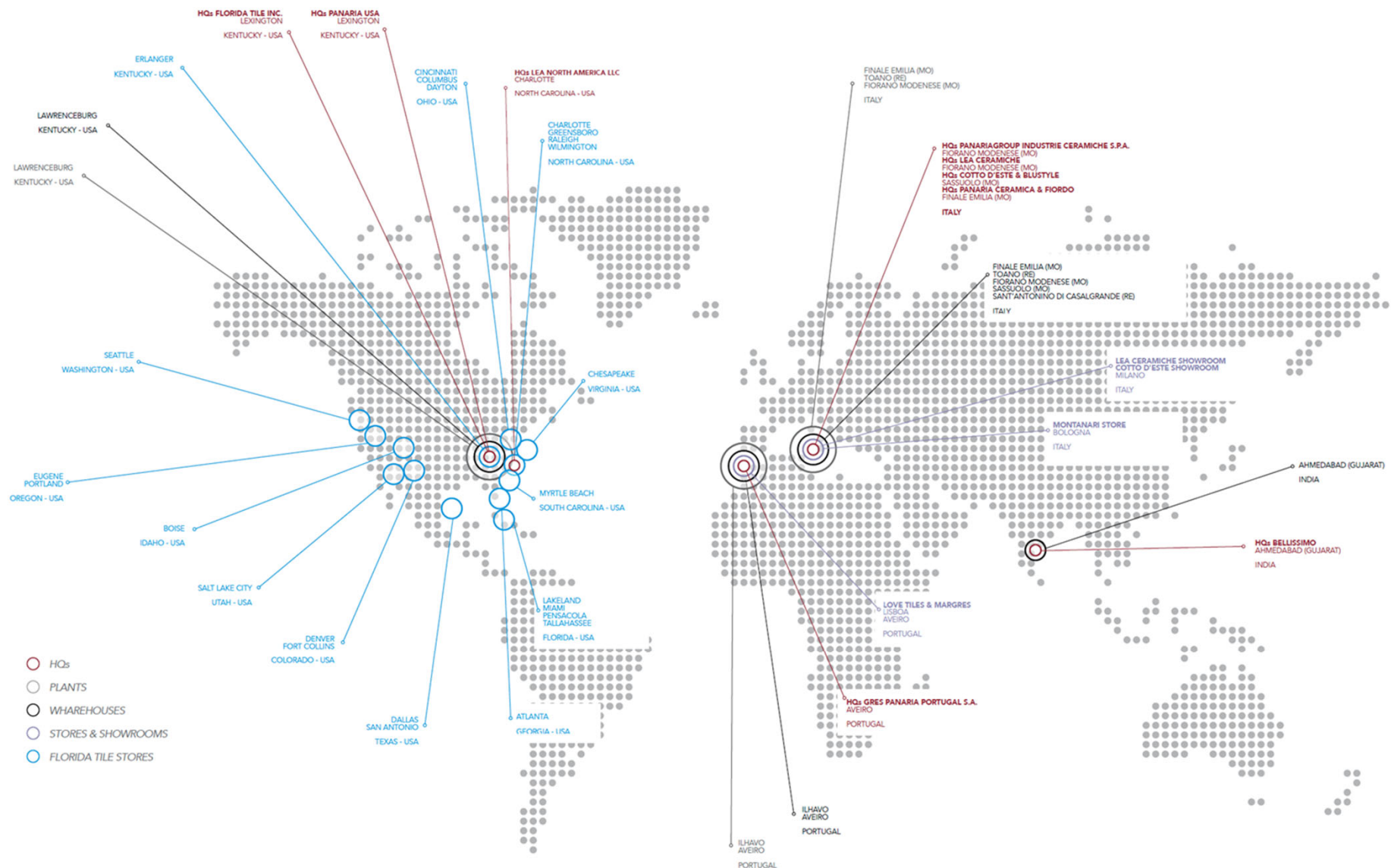
9 commercial brands distributed all over the world

PANARIAgroup®

THE GROUP ORGANIZATION



PLACES



THE FIGURES 2018

23
MLN SQMT MANUFACTURED
EVERY YEAR

MORE THAN
1,700
EMPLOYEES

371
MLN EUROS
TURNOVER
IN 2018

6
MANUFACTURING
PLANTS

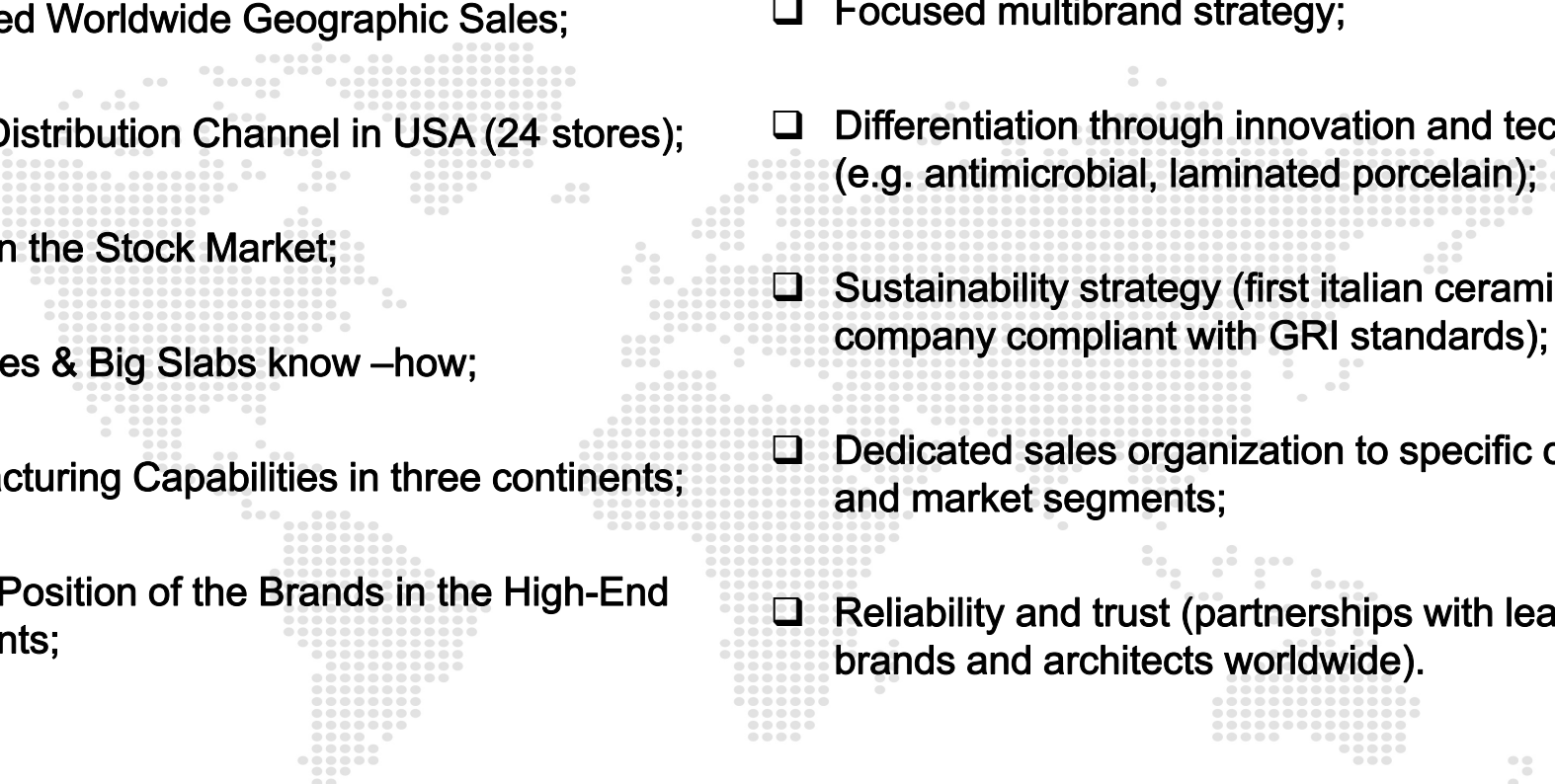
MORE THAN
10,000
PROFESSIONAL CUSTOMERS

9
BRANDS

19
MLN EUROS IN
INVESTMENTS IN 2018

SALES IN MORE THAN
120
COUNTRIES

OUR COMPETITIVE ADVANTAGES

- 
- ❑ Balanced Worldwide Geographic Sales;
 - ❑ Retail Distribution Channel in USA (24 stores);
 - ❑ Listed in the Stock Market;
 - ❑ Thin Tiles & Big Slabs know –how;
 - ❑ Manufacturing Capabilities in three continents;
 - ❑ Global Position of the Brands in the High-End Segments;
 - ❑ Focused multibrand strategy;
 - ❑ Differentiation through innovation and technology (e.g. antimicrobial, laminated porcelain);
 - ❑ Sustainability strategy (first italian ceramic company compliant with GRI standards);
 - ❑ Dedicated sales organization to specific channels and market segments;
 - ❑ Reliability and trust (partnerships with leading brands and architects worldwide).

VISION AND STRATEGY STATEMENTS

- ❑ Reach 480M€ in Sales with organic growth (with no acquisitions) with current Capacity and organization;
- ❑ Enforce Balanced worldwide geographic sales by increasing market share in high growth markets (Far East, Middle East, North America);
- ❑ Increase market share in Europe;
- ❑ Growth in Big Slabs Market;
- ❑ Growth in the «Projects» and Key Accounts channel.



OUR VALUES

TECHNOLOGICAL LEADERSHIP

We continuously invest in research, technology, and cutting-edge facilities to respond to every need of architecture and interior design with innovative solutions that become a reference point in the industry.

QUALITY AND AESTHETIC EXCELLENCE

We strive for industrial excellence, from the quality of raw materials to process efficiency, to achieve products that combine the utmost aesthetic value with the highest technical performance.

RESPONSIBILITY

We always place people and quality of life at the centre of our activities, with products that are safe and environmentally sustainable while operating with maximum respect for those who work with us.

RELIABILITY

The reliability of a Group that, from its family roots within the ceramic district of Sassuolo to its listing in Milan Stock Exchange, has grown to become an international company, operating worldwide while maintaining its Italian soul.

HISTORY

1974

Panaria Ceramica founded

1992

Cotto d'Este established

Acquisition of Ceramiche Artistiche Lea

2002

First acquisition in Portugal

2004

*Panariagroup established and
listed on the Stock Exchange*

2006

Acquisition of Florida Tile

Gres Panaria Portugal founded

2010

New Business Unit Panariagroup Trade

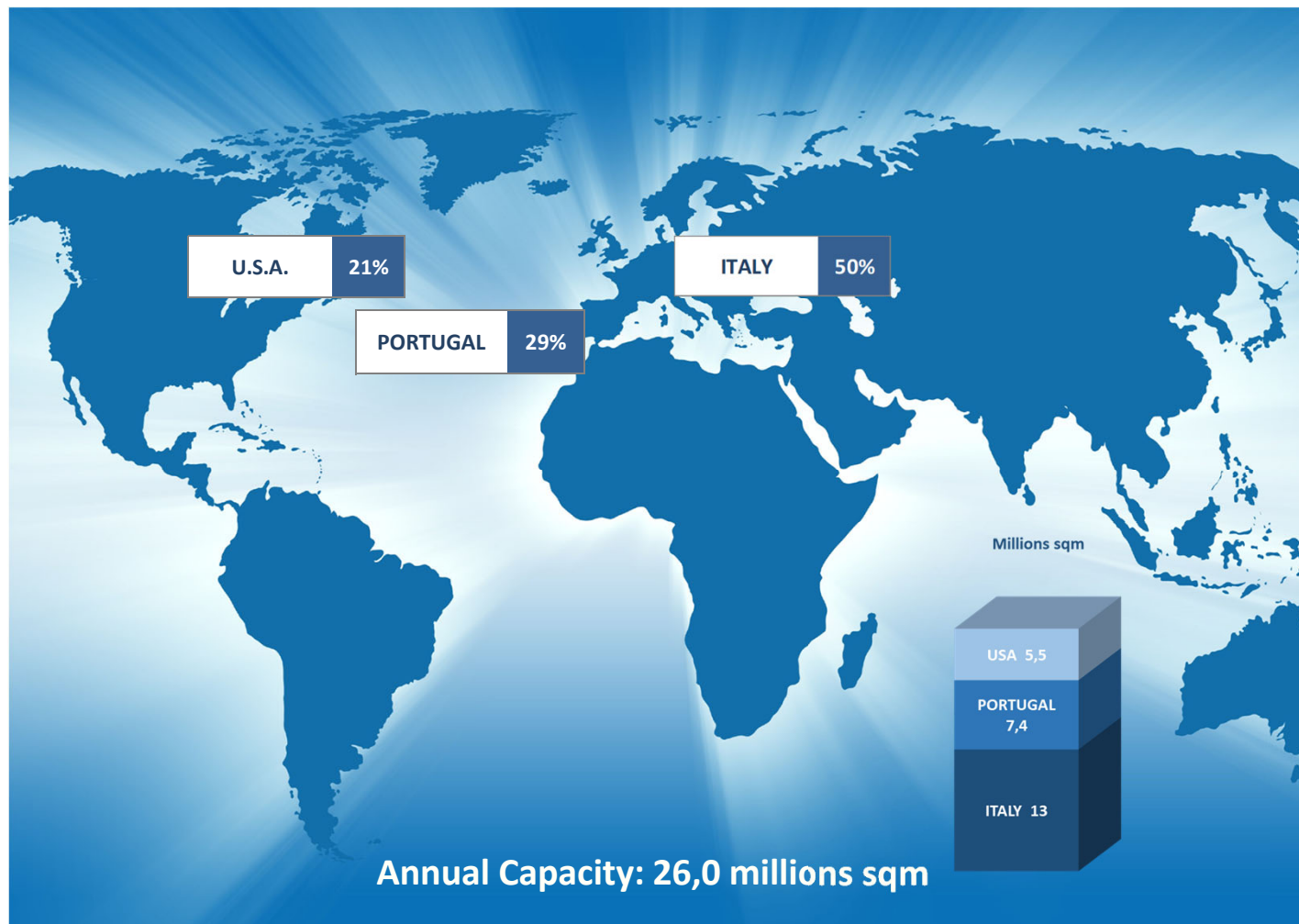
2012

Joint Venture in India

2017

*New Business Unit
dedicated to Projects*

WORLDWIDE PRODUCTIONS

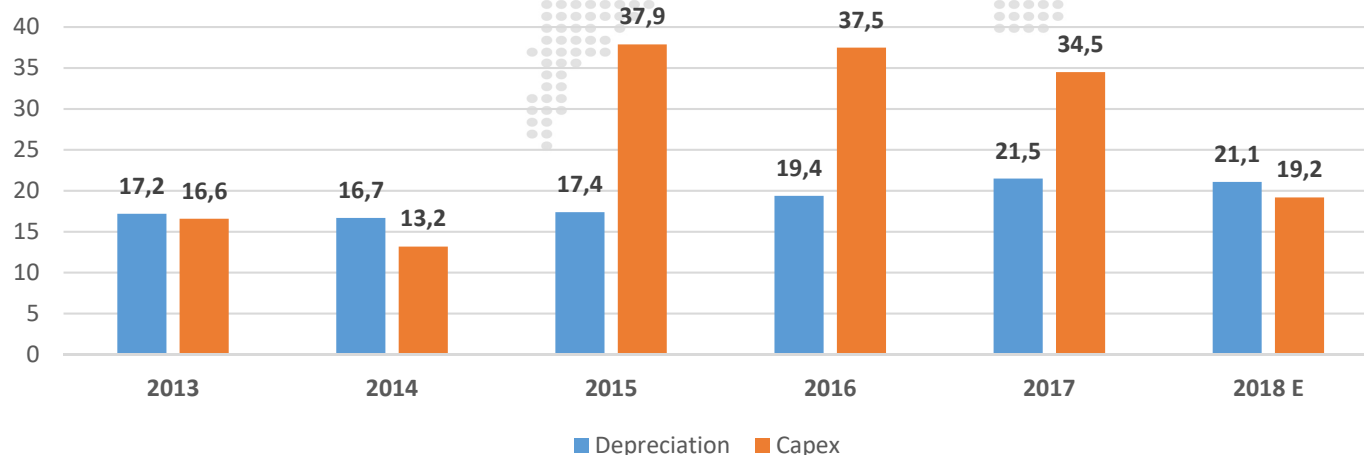


CAPITAL EXPENDITURE

- ❑ In 2015, 37,6 M€ in Capital investments: in Italy 3rd new line of Gres Laminated Porcelain 3/5 mm in the Fiorano plant, in USA new complete manufacturing Line;
- ❑ In 2016, 37,5 M€ in Capital investments: in Italy completion of 3rd new line of Gres Laminated Porcelain 3/5 mm in the Fiorano plant, in USA National Distribution Center expansion;
- ❑ In 2017, 34,5 M€ in Capital investments: in Gres Panaria new complete manufacturing line in Aveiro plant; in Italy digital machines, rectifying line and new dryer in Finale Emilia and Toano plant, new cutting line in the Fiorano plant; in USA completion of the National Distribution Center expansion;
- ❑ In 2018, 19,2 M€ in Capital Investments: after 110M€ investments in 2015-2017, Company invested lower then depreciation in 2018.

Thanks to the investments made, we have capacity available to growth around 80 M€ in Revenues without increasing capacity.

DEPRECIATION VS CAPEX



PANARIAgroup®

GROUP PLANTS



ITALY

Panariagroup #1 Plant
Finale Emilia (MO)



Panariagroup #2 Plant
Toano (RE)



Panariagroup #3 Plant
Fiorano (MO)



PORTUGAL

Panariagroup #4 Plant
Ilhavo



Panariagroup #5 Plant
Aveiro



USA

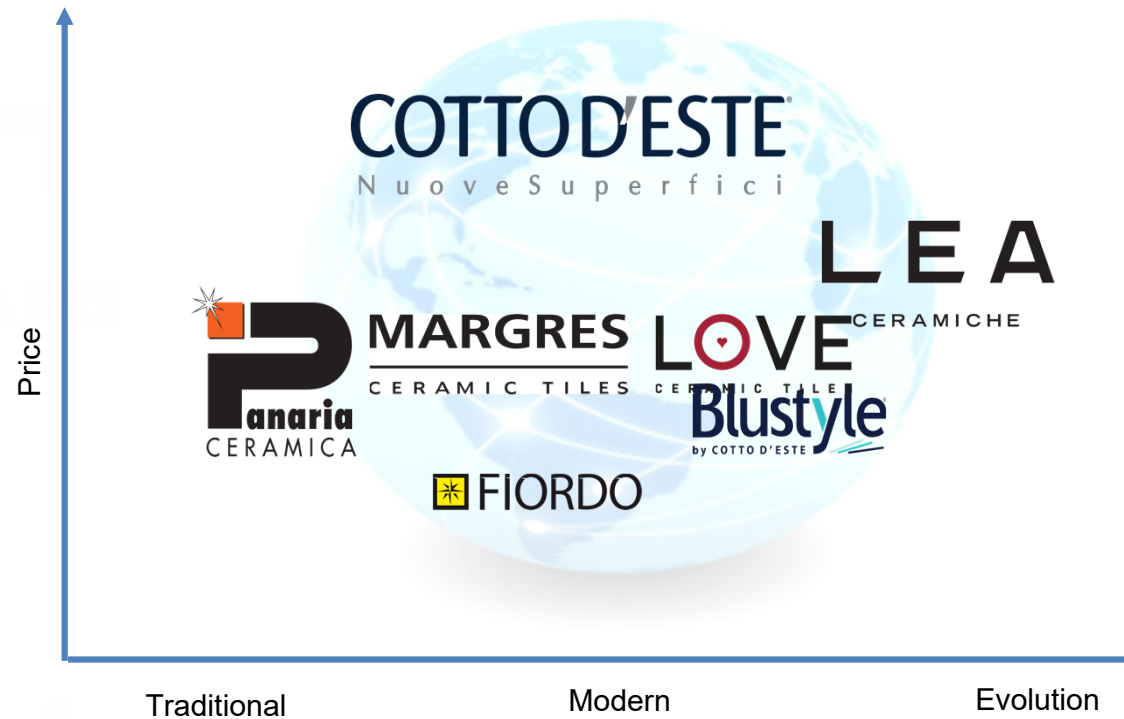
Panariagroup #6 Plant
Lawrenceburg (KY)



OUR BRANDS



Global brands



Local brands



floridatile

Bellissimo
STILE ITALIANO

PANARIAgroup®

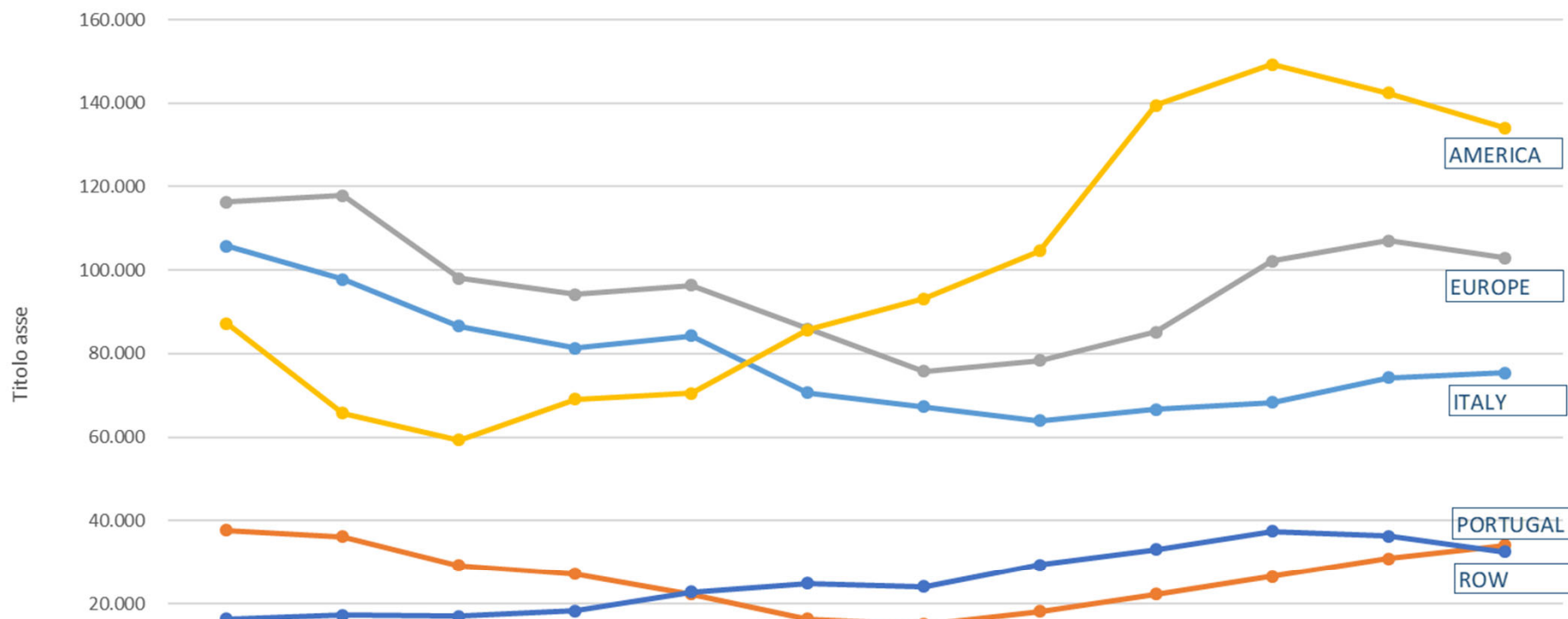
SALES



PANARIAgroup®

MAIN MARKETS

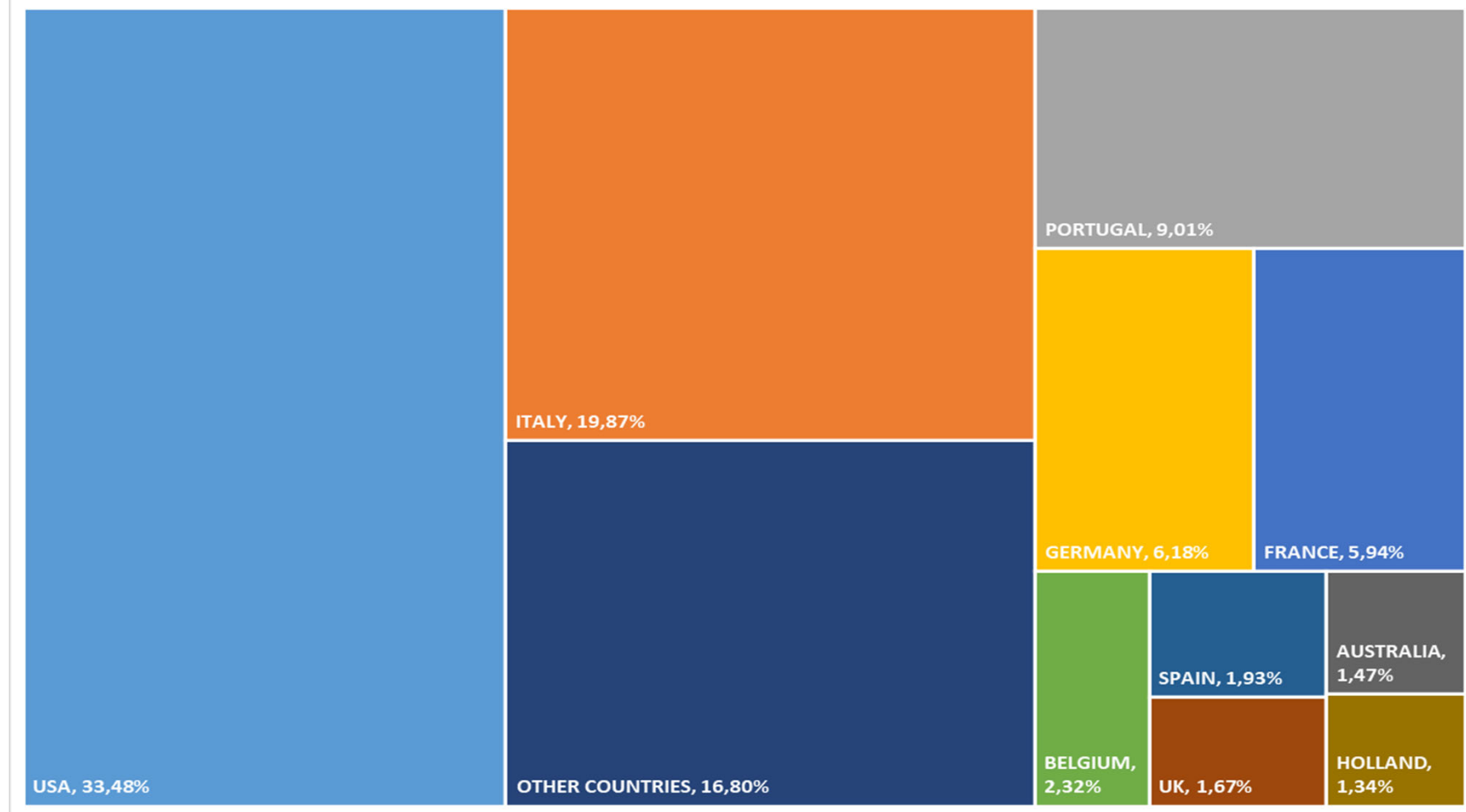
MAIN MARKETS (€/000)



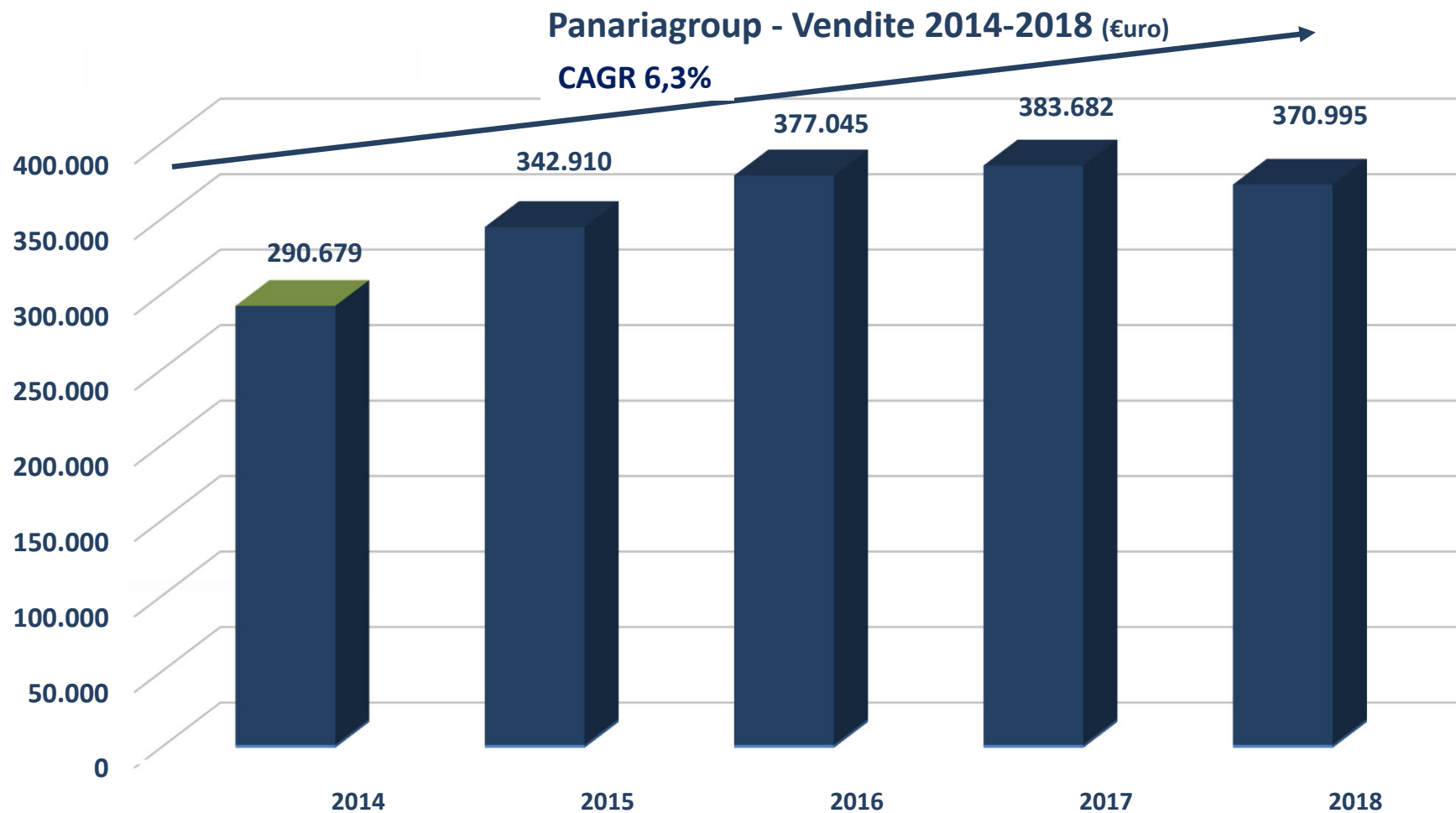
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
ITALY	105.760	97.771	86.564	81.361	84.220	70.595	67.312	63.888	66.693	68.271	74.257	75.341
PORTUGAL	37.719	36.132	29.164	27.144	22.298	16.397	15.061	18.201	22.234	26.464	30.926	34.158
EUROPE	116.275	117.873	98.019	94.160	96.386	85.953	75.783	78.398	85.171	102.119	106.989	102.967
AMERICA	87.263	65.815	59.373	69.087	70.507	85.649	93.130	104.571	139.540	149.266	142.419	134.104
ROW	16.349	17.227	17.040	18.217	22.809	24.860	24.055	29.343	33.013	37.426	36.268	32.574

MAIN COUNTRIES

Revenues - Main Countries 2018



GROUP SALES 2014-2018



Sales +80 M€ 2014-2018

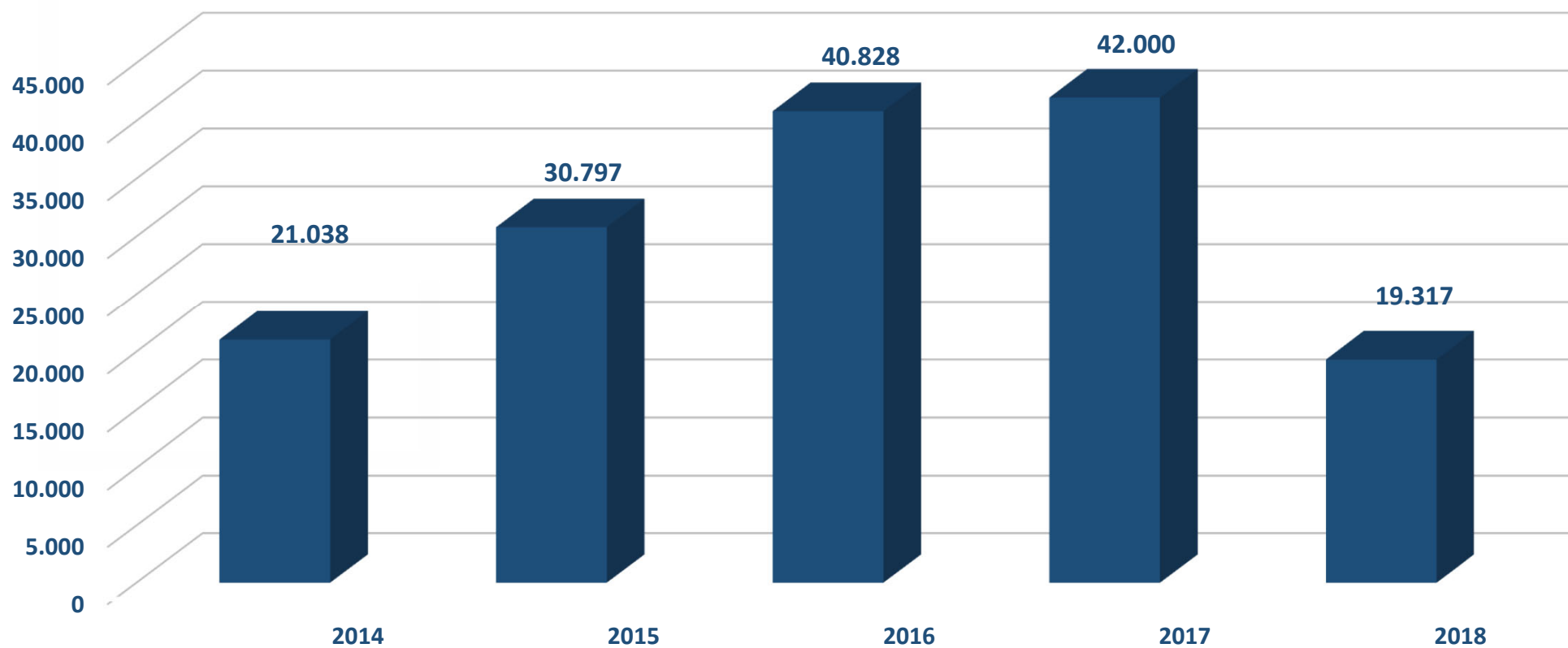
FINANCIAL RESULTS – Consolidated Income Statement

<i>Euro/000</i>	2014	%	2015	%	2016	%	2017	%	2018	%
Gross revenues	290.679	97,5%	342.910	95,5%	377.045	96,3%	383.682	92,7%	370.995	94,7%
Growth	6,49%		17,97%		9,95%		1,76%		-3,31%	
Value of Production	298.247	100,0%	359.248	100,0%	391.440	100,0%	413.959	100,0%	391.566	100,0%
Growth	10,27%		20,45%		8,96%		5,75%		-5,41%	
EBITDA	21.038	7,1%	30.797	8,6%	40.828	10,4%	42.000	10,1%	19.317	4,9%
Growth	49,80%		46,39%		32,57%		2,87%		-54,01%	
EBIT	1.920	0,6%	11.097	3,1%	19.066	4,9%	18.179	4,4%	-5.257	-1,3%
Growth					71,81%		-4,65%		-128,92%	
Net income	-1.840	-0,6%	5.865	1,6%	11.215	2,9%	11.356	2,7%	-4.098	-1,0%
					91,22%		1,26%		-136,09%	
			Dividend		3.145	28,0%	3.145	27,7%	3.145	-76,7%

GROUP EBITDA 2014-2018

Panariagroup - EBITDA 2014-2018

(€uro)

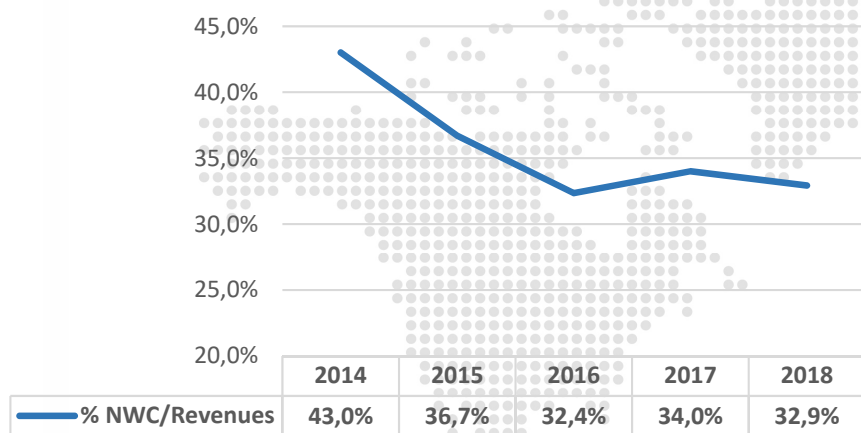


FINANCIAL RESULTS – Consolidated Balance Sheet

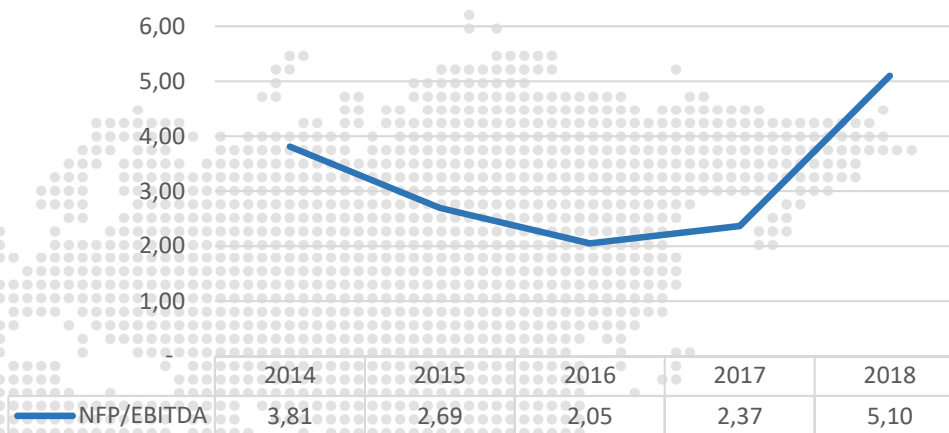
Euro/000	2014	2015	2016	2017	2018
Goodwill	8.139	8.139	8.139	8.139	8.139
Assets	92.053	114.708	133.562	140.244	140.393
Financial fixed assets	458	189	81	300	176
Fixed assets	100.650	123.036	141.782	148.683	148.708
Current assets	208.791	227.314	233.734	242.666	238.720
Current liabilities	(83.752)	(101.466)	(111.744)	(112.178)	(116.548)
Net Working Capital	125.039	125.848	121.990	130.488	122.172
Assets and Liabilities due after	1.723	(6.637)	(7.842)	(8.461)	(5.350)
NET CAPITAL EMPLOYED	227.412	242.247	255.930	270.710	265.530
Net Financial Position	80.292	82.991	83.712	99.401	98.468
Shareholders' equity	147.120	159.256	172.218	171.309	167.062
Total sources of funds	227.412	242.247	255.930	270.710	265.530

WORKING CAPITAL, NET FINANCIAL POSITION RATIO AND EPS

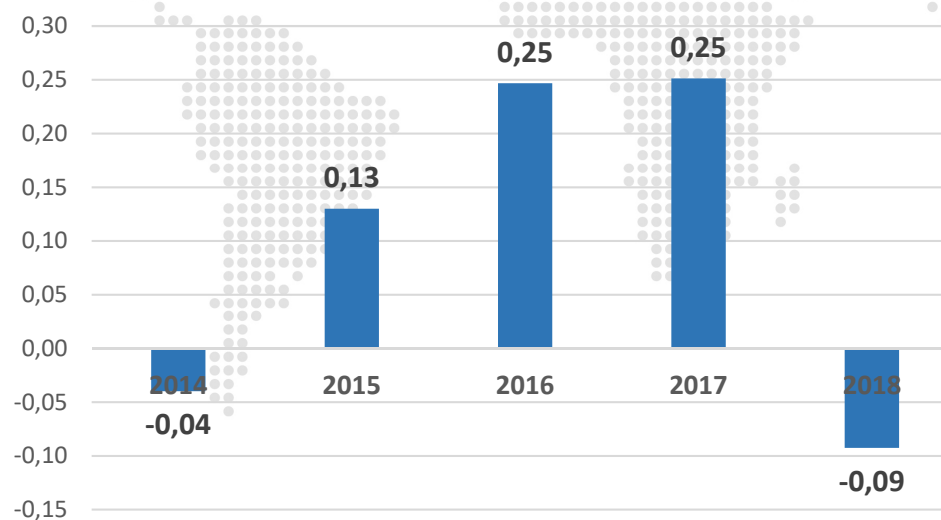
Net Working Capital / Revenues 2014-2018



NFP/EBITDA 2014-20178



EPS 2014-2018



Europe Outlook and Key Initiatives

- 7 Brands (5 Italian and 2 Portuguese) and 5 Plants (3 in Italy and 2 in Portugal);
- Leader position in the Portuguese market;
- Growth in the European markets at a rate greater than overall market;
- All European Brands are in the high end /deluxe market segment;
- In the Italian market, the average selling price of the Italian BU is > 60% of the average overall market;
- Focus on Margin (increase price list) and reduction of overhead costs (marketing) in the Italian Business Unit;
- Continue the deployment of the «Commercial Strategy» in the Italian Business Unit: centralised new products development and marketing activity;
- Come into operation of the New Business Unit dedicated to Big Projects and Key Accounts in the Italian Business Unit.

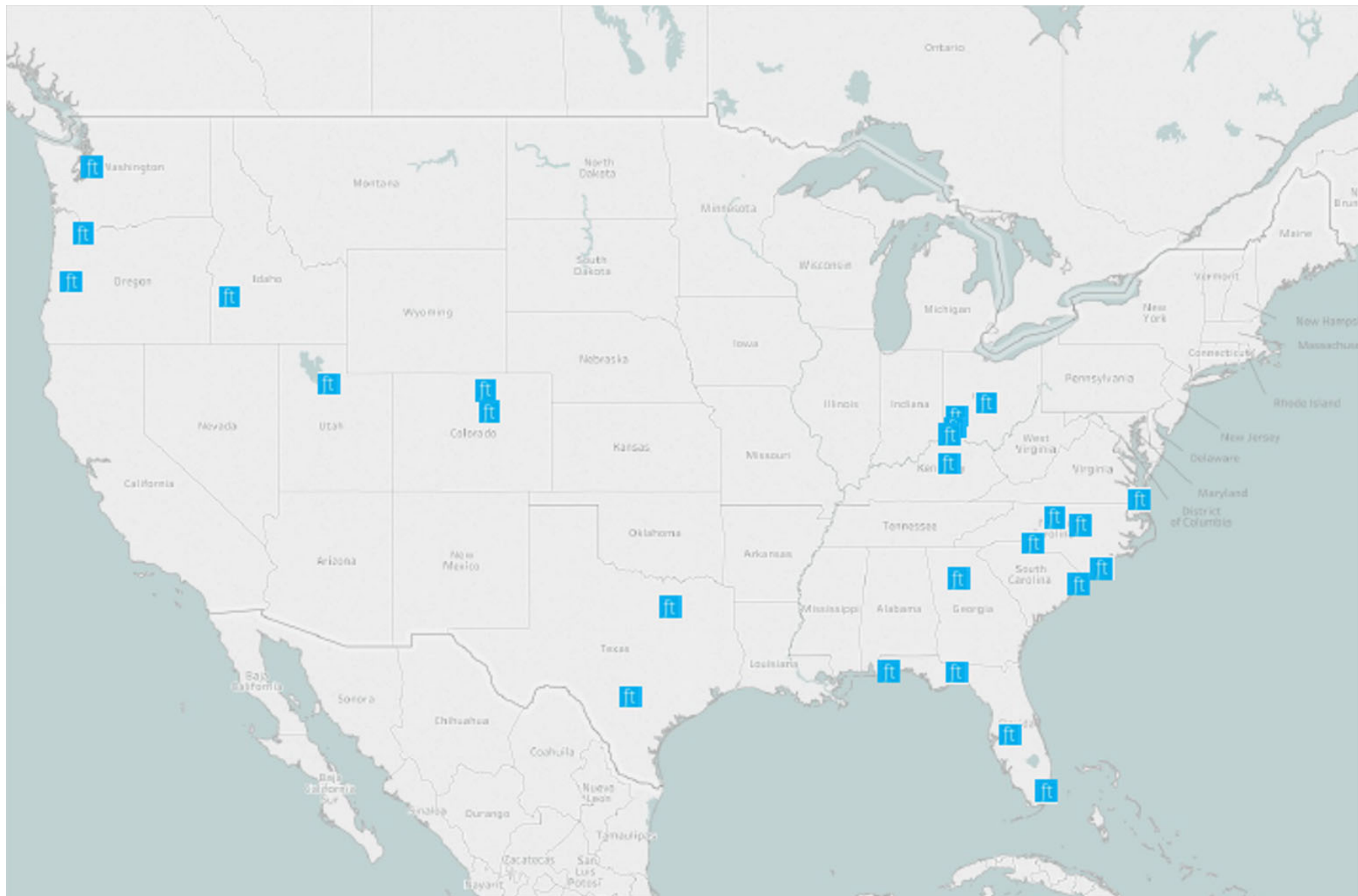
USA Outlook

- The American brand is Florida Tile;
- Plant and Distribution Center in Kentucky;
- 24 branches accross the country;
- Sales Organization and manufacturing in USA also for the Italian brands;
- R&D activity in collaboration with the Italian Business Unit;
- Commercial synergies with the European Business Units (slim tiles and wall tiles).

USA Key Initiatives

- Increase of Product portfolio;
- Growth of the distribution network;
- Focus on high margin products in the branch channel;
- Growth in the Home Center segment;
- Growth in the Third Party channel;
- Distribute Cotto d'Este in US territory with the sales team of Florida tile.




USA Outlook – Floridatile store locations



SYSTEM CERTIFICATIONS












Panariagroup has adopted the ISO 9001 quality management system that is extended to all commercial divisions and services.

This also is evidence of the Group's commitment towards ethical, environmental, safety and quality issues.

Certification	Description	Field of application	Italy	Portugal
	In accordance to the ISO 9001 certification, every passage in the production process, from the arrival of the raw material to the packaging of the finished product, is verified by experienced personnel through accurate quality control. The quality of the Panariagroup production sites is audited yearly by an external agency through detailed visits.	WORLDWIDE	FINALE EMILIA TOANO FIORANO MODENESE	AVEIRO ILHAVO
	In accordance to the ISO 14001 certification, all the environmental aspects concerned in the production of our tiles are constantly monitored, guaranteeing the use of the best technologies on the market in order to reduce the environmental impact. The environmental system of the Panariagroup production sites is audited yearly by an external agency through detailed visits.	WORLDWIDE	FINALE EMILIA TOANO FIORANO MODENESE	AVEIRO ILHAVO
	The EU EMAS Eco-Management and Audit Scheme for organization requires the creation of a complete system of environmental management based on constant improvement. The system is based on the establishment of a rapport of cooperation and trust with employees, local authorities and the public. An Environmental Declaration is the final product of such process.	EU	FINALE EMILIA TOANO FIORANO MODENESE	AVEIRO ILHAVO

PRODUCT CERTIFICATIONS

Here are the certifications achieved by Panariagroup for the Group's products in Italy, Portugal and USA; this also is a testimony of the Group's commitment towards ethical, environmental, safety and quality issues.

Certification	Description	Field of application	Italy	Portugal	USA
	UPEC is a product certification issued by the French institution CSTB, verifying the technical suitability of the products related to their intended use.	Francia	•	•	
	The CE mark is a safety certification required by the European Union with the intention of safeguarding health and safety.	EU	•	•	
	The Certif mark confirms that the certified products are compliant with the EU laws regarding ceramic tiles.	EU		•	
	The KEY-MARK and the Certiquality-UNI marks confirm that the certified products are compliant with the EU laws regarding ceramic tiles.	EU	•		
	Since August 2005, it is allowed to export in the People's Republic of China only ceramic tiles bearing the CCC marking, which Panariagroup obtained, on several products, since March 2006.	CINA	•	•	
	FloorScore® is a system certifying the low VOC emissions of floorings and of the products used in their installation. It is one of the best known certifications to determine the quality of the air inside a building.	WORLDWIDE	•	•	
	The EPD declaration is a voluntary declaration that can be applied to all products. It is an important instrument to report on the environmental quality of a product.	WORLDWIDE	•	•	•
	Ecolabel is a system of environmental certifications created by the EU (#66/2010) offering all consumers to purchase eco-compatible goods. This label is a mark of excellence, as it is awarded after a strict analysis of the whole life-cycle of a product (LCA).	EU	•		
	Panariagroup achieved the prestigious Greenguard certification, confirming the compliance of building, furnishing and finishing materials to strict air quality standards as defined by GEI (Greenguard Environmental Institute). Such products undergo strict third-party testing to verify their impact on indoor air pollution.	US			•
	It is a TCNA initiative aimed to recognize and certify sustainable products according to the ANSI 138.1 law. Covered by this certification are the environmental characteristics of the product, its production chain, the extraction of raw materials, the management of end-of-life products and innovation.	US			•
	For most of its products, Panariagroup achieved a certification related to the contents of recycled material pre-consumer. This character of eco-sustainability contributes to the achievement of credits required by several national building standards.	WORLDWIDE	•		

SOUSTAINABILITY

RESPONSIBILITY. BELOW THE SURFACES

Panariagroup's mission statement is about growing and creating well-being in harmony with the people and the environment, with openness, passion and love for our work. In order to achieve such targets, the Group aims to generate sustainable value for its shareholders, employees and business partners respecting society and the environment. The Group has a strong focus on research and innovation, and is resolute to satisfy the highest expectations in the fields of general well-being and of aesthetics, both for professional and private customers, in architecture or in the construction industry.

This statement has been prepared in compliance with the new reporting standards "Global Reporting Initiative Sustainability Reporting Standards" issued in 2016 by the Global Reporting Initiative (GRI), according to the "in accordance - core" option. The Sustainability Report contains information on the business activity, its performance, its results and the impact of the activity

Panariagroup joins the **UN Global Compact**. This is the largest corporate sustainability initiative worldwide and was set up by the United Nations. There are now 10,000 companies participating in 164 countries.

The UN Global Compact encourages its private sector participants to adopt policies in four fundamental areas: respect for human rights, fair labour standards, environmental sustainability and the fight against corruption. These translate into ten principles that member companies must adopt and respect in their approach to business, so that the ethics and values become an integral part of their strategies and operations, in full compliance with the principles of Corporate Social Responsibility.

Panariagroup, by adhering to the UN Global Compact, is committed to these fundamental rules and is open to comparison on decisive issues at the international level, while confirming their central role in the company's development policies.

PROJECTS AND CREDITS

Panariagroup ceramic surfaces chosen for the Holy See Pavilion.

Panariagroup has been chosen for the construction of one of the buildings of the first Holy See Pavilion at the XVI International Architecture Exhibition of the Venice Biennale.

The Group has contributed to the construction the chapel by the architect Francesco Cellini, by providing him with the cutting-edge technology and the aesthetic qualities of large, thin slabs in laminated porcelain stoneware, an example of Italian industrial excellence.



PROJECTS AND CREDITS



RESIDENTIAL TOWERS "VERTICAL FOREST"



NUOVO TEATRO DELL'OPERA DI FIRENZE



TWIRL

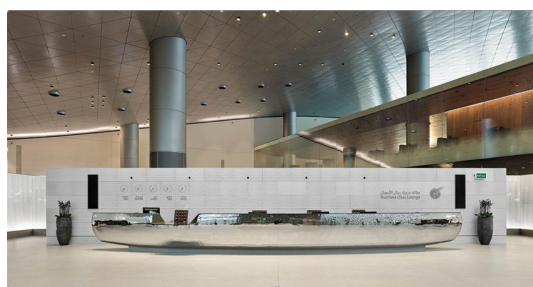


DOHA AIRPORT

PROJECTS AND CREDITS



PROJECTS AND CREDITS



ABDR ARCHITETTI ASSOCIATI
 ANDREA MAFFEI ARCHITECTS
 ANTONIO CITTERIO & PATRICIA VIEL
 INTERIORS
 ARATA ISOZAKI & ASSOCIATES
 ARCH. CILLARA ROSSI
 ARUP ITALIA
 BORIS PODRECCA ARCHITECT
 CIBIC WORKSHOP
 CORGAN ASSOCIATES
 CREW-CREMONESI WORKSHOP
 DIEGO GRANDI
 FABIO NOVEMBRE STUDIO
 HOK PRODUCT DESIGN
 KRAVITZ DESIGN
 M+T & PARTNERS
 MARIO CUCINELLA ARCHITECTS
 OPEN PROJECT
 OVE ARUP & PARTNERS
 PATRICK NORGUET
 PHILIPPE NIGRO
 POLICREO
 STEFANO BOERI ARCHITETTI
 VITTORIO GRASSI ARCHITETTO &
 PARTNERS
 ZAHA HADID ARCHITECTS
 ZAO GORPROJECT

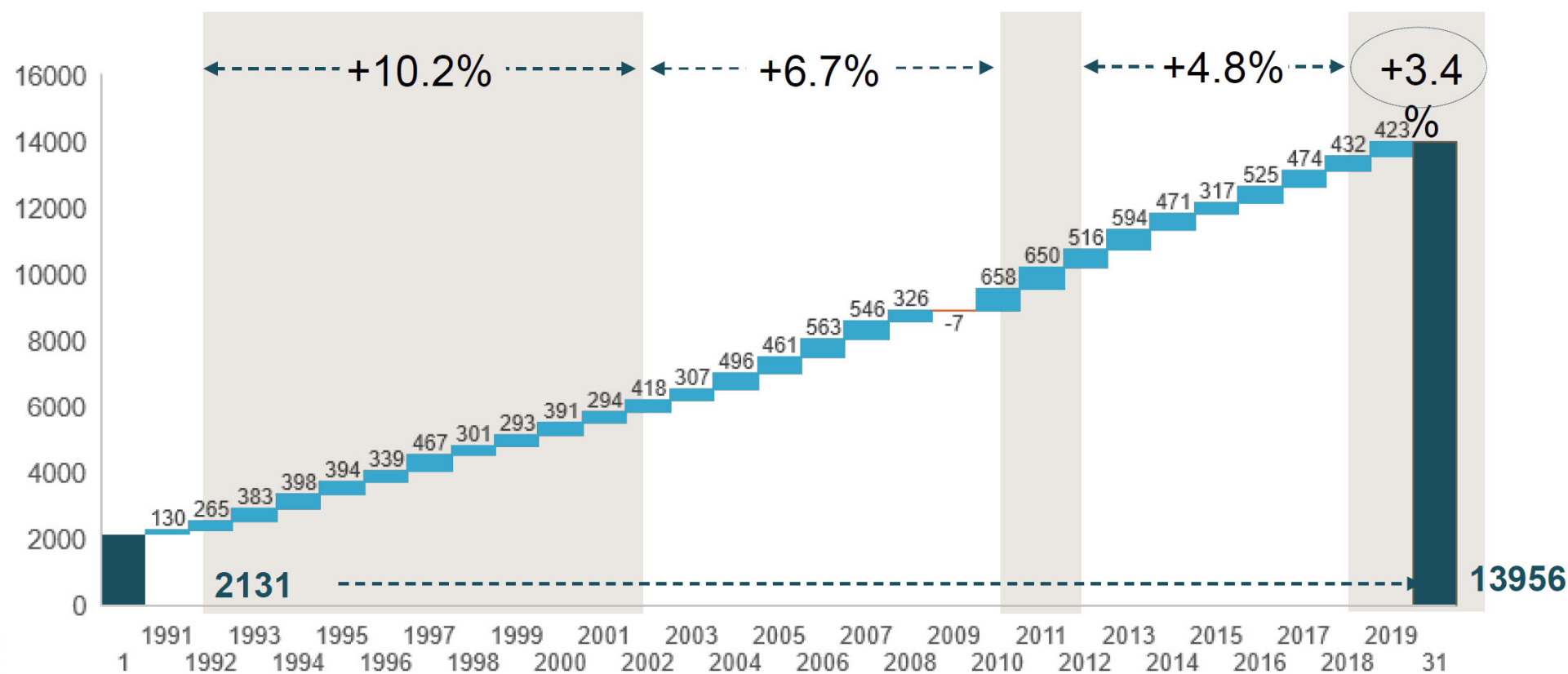
PANARIAgroup®



TILE MARKET

WORLD CONSUMPTION – sqm millions

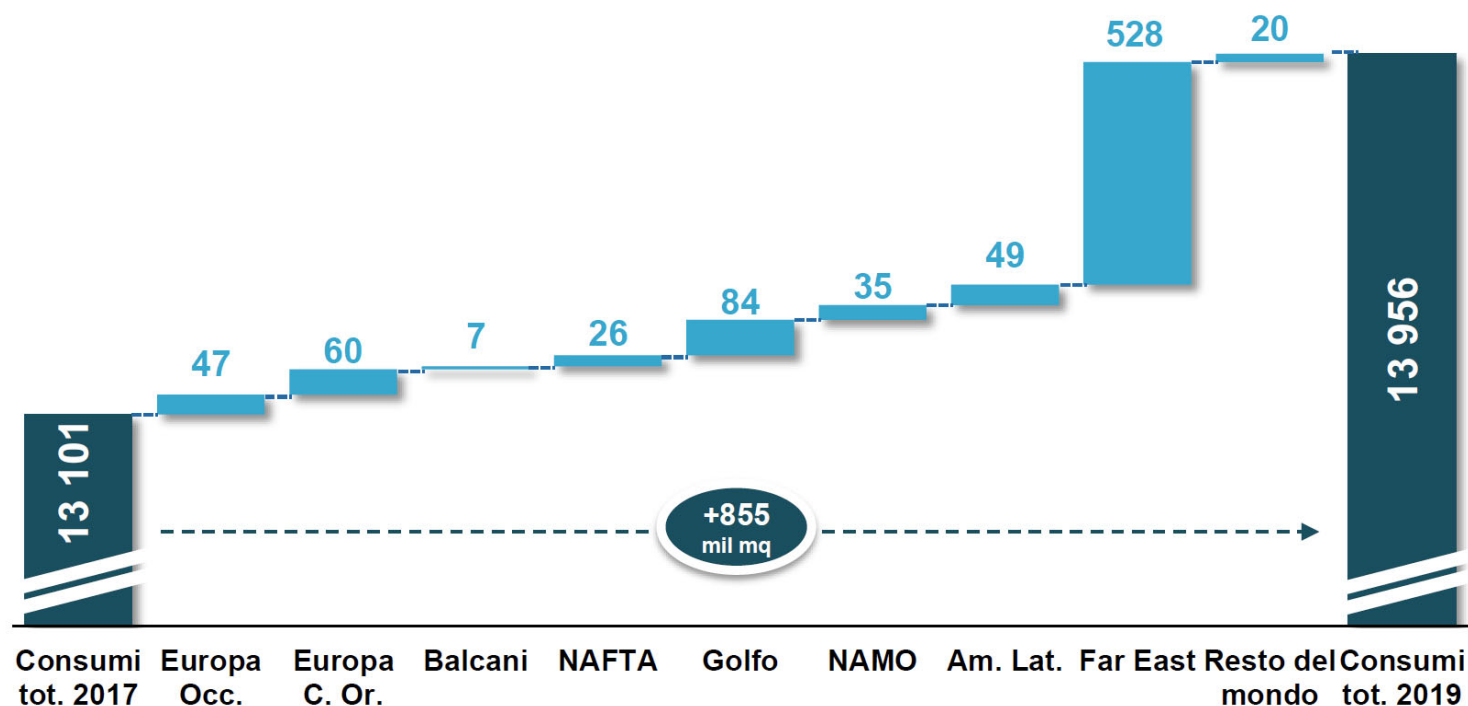
World Consumption CAGR



Source: Confindustria Ceramica & Prometeia

World Tile Consumption 2017-2019 mil/sqm

Contribution by main area



Source: Confindustria Ceramica

WORLD CONSUMPTION – Top Consumption Countries

TOP CONSUMPTION COUNTRIES

COUNTRY	2013 (sqm M)	2014 (Sqm M)	2015 (Sqm M)	2016 (Sqm M)	2017 (Sqm M)	% on 2017 world consumption
CHINA	4.556	4.894	4.885	5.475	5.498	41,4%
INDIA	718	756	763	785	760	5,7%
BRAZIL	837	853	816	706	708	5,3%
VIETNAM	251	310	400	412	580	4,4%
INDONESIA	360	407	357	369	336	2,5%
USA	230	231	254	274	283	2,1%
TURKEY	226	215	234	241	254	1,9%
EGYPT	170	190	190	215	252	1,9%
MEXICO	187	197	218	235	242	1,8%
SAUDI ARABIA	235	244	263	248	203	1,5%
TOTAL	7.770	8.297	8.380	8.960	9.116	68,7%
TOTAL WORLD	11.601	12.132	12.280	12.973	13.270	100,0%

WORLD CONSUMPTION – Top Exporting Countries

TOP EXPORTING COUNTRIES						Value 2017 (million €)	average export price (€/sq.m)
COUNTRY	2014 (Sqm M)	2015 (Sqm M)	2016 (Sqm M)	2017 (Sqm M)	% on 2017 world exports		
CHINA	1.110	1.089	1.025	908	33,0%	4.056	4,5
SPAIN	339	378	395	407	14,8%	2.686	6,6
ITALY	314	316	332	338	12,3%	4.704	13,9
INDIA	102	134	186	228	8,3%	728	3,2
IRAN	109	112	126	148	5,4%	n.a.	n.a.
TURKEY	85	77	81	93	3,4%	488	5,2
BRAZIL	69	77	94	90	3,3%	300	3,3
MEXICO	62	61	56	53	1,9%	243	4,6
UNITED ARAB EMIRATES	55	54	48	46	1,7%	186	4,0
POLAND	42	42	46	45	1,6%	250	5,6
TOTAL	2.287	2.340	2.389	2.356	85,5%		
TOTAL WORLD	2.705	2.746	2.794	2.754	100,0%		

WORLD CONSUMPTION – Top Importing Countries

TOP IMPORTING COUNTRIES

COUNTRY	2013 (sqm M)	2014 (Sqm M)	2015 (Sqm M)	2016 (Sqm M)	2017 (Sqm M)	% on 2017 world imports
USA	165	164	179	194	202	7,3%
SAUDI ARABIA	170	156	188	167	131	4,8%
IRAQ	121	102	106	112	129	4,7%
FRANCE	96	99	99	104	112	4,1%
GERMANY	89	95	100	115	109	4,0%
PHILIPPINES	46	53	60	75	82	3,0%
SOUTH KOREA	65	76	72	75	78	2,8%
INDONESIA	36	46	45	57	64	2,3%
UNITED ARAB EMIRATES	54	54	64	59	62	2,3%
ISRAEL	48	44	52	57	58	2,1%
TOTAL	890	889	965	1.015	1.027	37,3%
TOTAL WORLD	2.670	2.765	2.746	2.794	2.754	100,0%

A pair of hands, one in the foreground and one slightly behind it, are holding a thin, white rectangular object horizontally. The background is a dramatic sky with a bright sun or light source breaking through clouds, creating a strong glow. The overall composition suggests a sense of holding up something new or presenting a vision.

www.panariagroup.it

PANARIAgroup®