



Highlights 2021

UMBRA GROUP
50th ANNIVERSARY



UMBRA GROUP

The pandemic affected 2021 with uncertainties and challenges. In spite of this, the Group laid out foundations to start a new phase of growth to ensure a progressive development into the future guided by the unanimously shared principles of solidity, professionalism and passion.

The 2021-2025 Business Plan approved by the Board of Directors on 29 January 2021 testifies that the Group's results have proven resilient despite the factors of external criticalities and the uncertainty of the commercial aerospace sector.

And indeed, the structure's durability achieved € 171,441 thousand in revenues, registering only a slight decrease of 5.2% compared to the previous year; more specifically, the Industrial sector achieved € 75,220 thousand in revenues. Aerospace recorded a decline of 9.0%. Despite the decrease in volumes, the Ebitda margin was 13.8%, up from 13.4% in 2021.

From a financial point of view, it should be noted that in 2021 the Group generated a cash flow of € 28,021 thousand. It should also be noted that the latter must be considered as an amount much higher than the set target, resulting in a positive net financial debt of € 41,337 thousand, and therefore higher by € 16,213 thousand compared to the previous year.

The solid performances recorded in 2021, taking into account the aforementioned critical issues in the Aerospace sector, testify to the Group's ability to prepare efficient solutions in the electromechanical implementation sector thanks to the undisputed know-how, 'commitment and passion', which represent factors, principles and values that have always been shared by the company's human capital, whose great value will allow the constant expression of a continuously growing potential.

Also, during the year, the Group looked in depth at issues related to non-financial criteria that measures environmental impact, respect for social values and aspects of good management. More specifically, these are the criteria called ESG (i.e. Environmental, Social, Governance) which are increasingly being considered, especially by international groups, to build a business model capable of implementing responsible investment projects, not only with regard to financial management of their own companies, but also paying attention to the aforementioned environmental, social and governance aspects.

Going even further, it should be noted that the first few months of 2022 were positive in terms of revenues despite the rapid evolution of the Russia-Ukraine crisis, which the Group continues to monitor extremely closely.

At present, the Group is not yet particularly affected and the impact of the above situation is considered to be rather limited; however, the supervision set up on the procurement of raw materials and production costs remains considerable; the repercussions on energy costs are also significant.

Despite the complexities imposed by the national and international scenario, the Group continues to invest in projects that support fragile communities through the Valter Baldaccini Foundation, which the company has always strongly supported financially and collaboratively.

This year we are celebrating UMBRAGROUP's 50th anniversary. We have come a long way, just think of the old headquarters in Via Piave, where it all began, thanks to our visionary managers Valter Baldaccini and Reno Ortolani.

We want to celebrate this event with all our offices and collaborators around the world, expressing our appreciation to all of them because each has contributed to making this success story possible.



Antonello Marcucci

President

UMBRA GROUP S.p.A.

We can be proud of UMBRAGROUP's predominance in the market. The brand is a leader in the production of ball screws and electromechanical actuators and this is thanks to an organized, compact and cohesive Group, which has made innovation its creed.

On this anniversary, we want to celebrate our entire community inspired by solid values, and built on a sense of family as well as a corporate culture of "WE", which we all share.

Thanks to our customers and suppliers, who have allowed us to pursue our goals through relationships of trust and solid collaboration.

We strongly believe that with everyone's commitment and collaboration we will find ourselves celebrating many more birthdays together.

We would like to take this opportunity, having reached the end of our mandate, to thank all the the Board of Directors for the excellent work done together, the members of the Board of Statutory Auditors who participated in our work, UMBRAGROUP's Management for their collaboration, and all those whose various titles intervened in the Council's work, for the valuable contribution provided but above all, thanks to all of you for the trust you have placed in us over the years.

Happy 50th UMBRAGROUP.

Foligno, March 25, 2022

UMBRA GROUP culture to overcome difficulties

2021 made its entrance by renewing the difficulties already highlighted in 2020: the Covid-19 pandemic continued to jeopardize economic growth.



Matteo Notarangelo

CEO UMBRAGROUP



Despite the difficulties, the UMBRAGROUP Team has constantly worked with professionalism, heart and dedication, facing the obstacle with optimism.

We have continued to manage the challenges resulting from the pandemic, paying attention to internal costs and above all to the criticalities relating to the supply chain. With a spirit of initiative, we are looking into the future trying to anticipate market trends and offering our customers solutions that can put them increasingly in a position of competitive advantage.

We see the energy transition as an important opportunity for growth.

In the aerospace sector, in line with other companies in the sector, UMBRAGROUP had to face a drop in civil aviation volumes which, for some important customers, exceeded 60%.

However, we recognized this challenge as an opportunity to look at new segments, products and technologies. The Sales, Engineering and Operations Teams have worked in perfect synergy to accelerate the times both for the acquisition of new opportunities and for development, qualification and industrialization.

We were thus able to strengthen some partnerships and reach new customers thanks to long-term contract renewals with established customers and new orders for new businesses and new applications.

As for **New Technologies development**, 2021 was an eventful year with many projects reaching the final phase of prototype construction and qualification.

While it is true that we are waiting for the Covid emergency to end which will allow existing programs to resume volumes and capture the growth linked to the macroeconomic factors that are restarting air transport, we are convinced that these conditions have created new opportunities for enhanced future growth.

In the industrial market, a growing trend was confirmed, albeit still below pre-pandemic levels.

In particular, the second half recorded a very positive trend thanks to the restart of some important UMBRAGROUP sectors, which in the COVID period had experienced significant slowdowns, such as entertainment, water cutting and food homogenization.

To seize all the opportunities related to the Industrial sector's restart and growth, it will be increasingly important to move into the market in close collaboration and harmony with our customers.

On a global level, we have given priority to process standardization, the sharing of best practices and the achievement of KPIs throughout the Group's production sites.

The future will see us move more and more as one team globally.

As for our future, we are focusing on two guidelines: Innovation and Quality. By following them, we will reach our growth targets as early as 2022.

We must continue to promote new technologies with excellent quality products and services. This goal can be achieved thanks to our people, who manage to make a difference even in a complex historical moment.

Our team represents our values and our future.

UMBAGROUP is a winning culture, capable of transforming threats into growth opportunities for a better tomorrow.

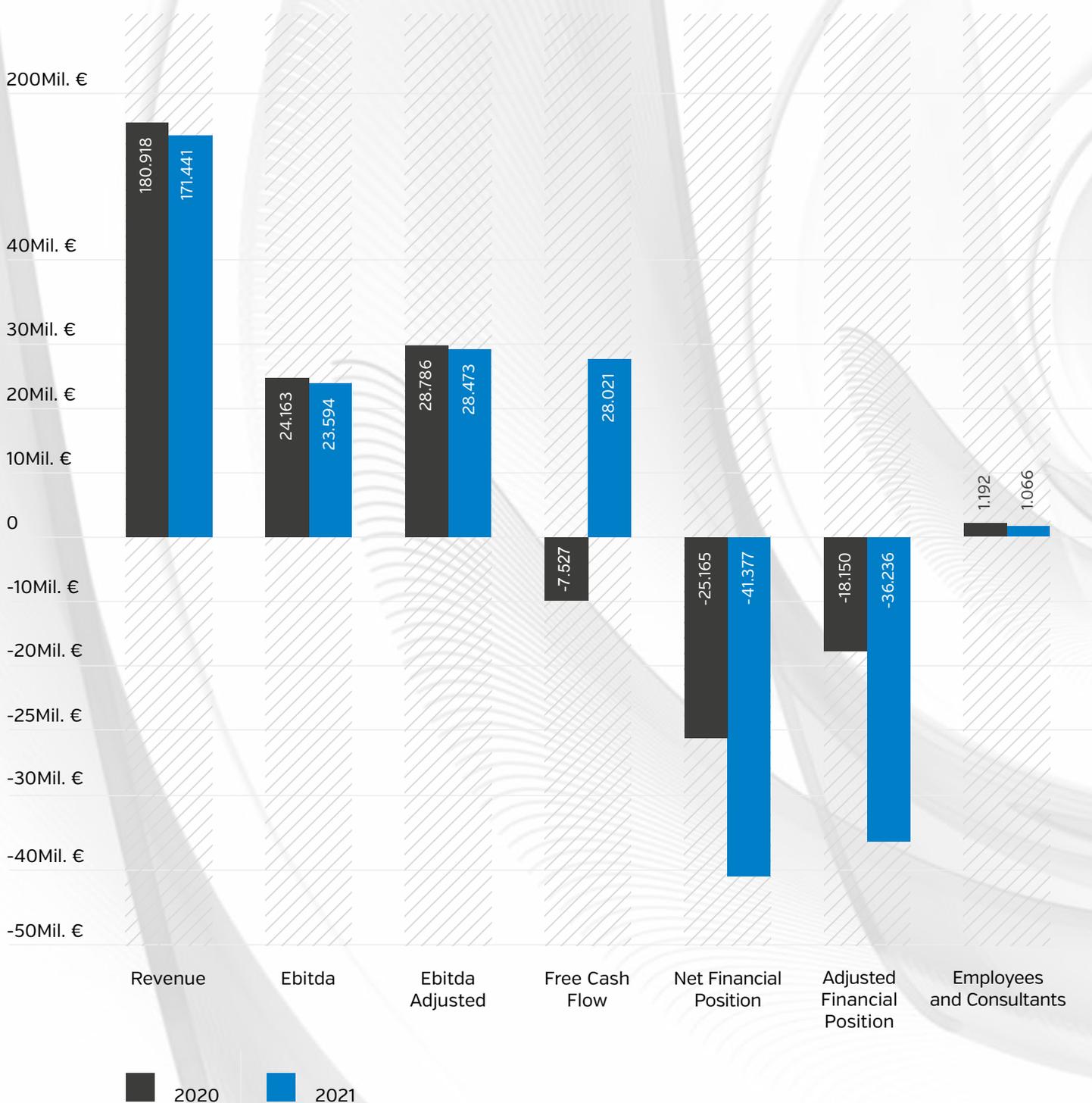
Matteo Notarangelo
UMBAGROUP CEO

2021

UMBRAGROUP 2021

Even though 2021 was significantly affected by the Covid-19 pandemic which continued to impact business development, UMBRAGROUP managed to generate an absolute value EBITDA almost in line with the previous year, to improve profitability on revenues and considerably increased its positive Net Financial Position.

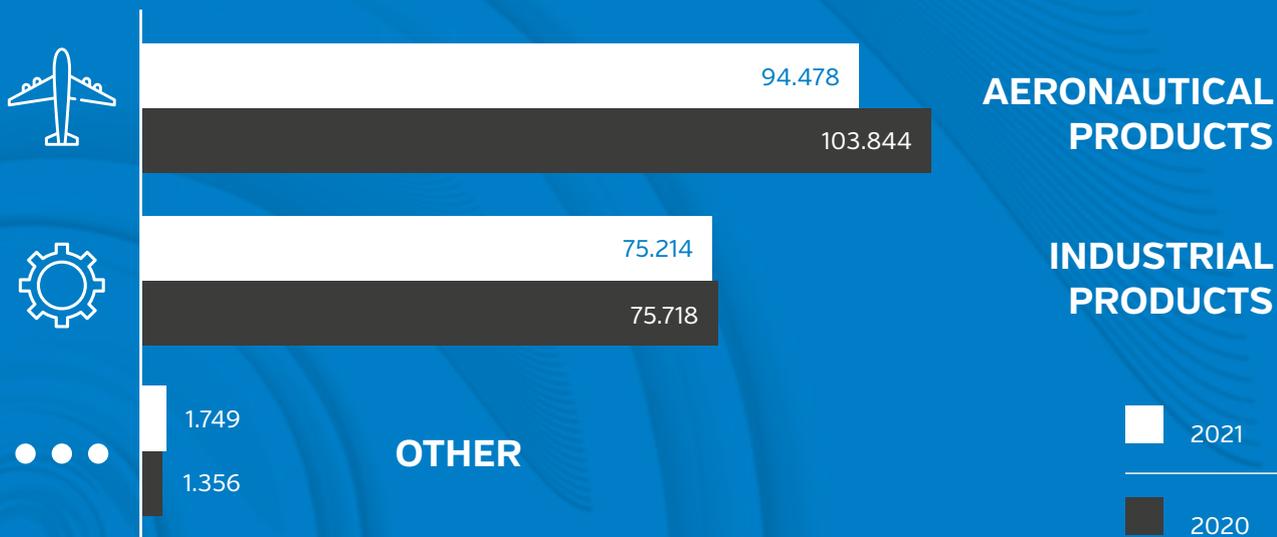
Consolidated revenues recorded a decrease of 5.2% compared to 2020, due to the expected contraction in the Aerospace Line sales. The performance of the Industrial Line, on the other hand, was better than expected, thanks to a sharp recovery in demand, especially in the second half of the year. EBITDA, substantially in line with 2020, recorded a margin on revenues which rose to 13.8%, compared to 13.4% the previous year. Finally, the Net Financial Position grew by + 64.4% compared to 2020, reaching € 41.4 million at the end of the year.



Revenues by Business line

The Aerospace Line in 2021 recorded a turnover of € 94.5 million, down by 9% compared to 2020 due to an extremely weak global demand in the aeronautical market due to the consequences of the pandemic, which also significantly impacted the volume of passenger air traffic in 2021.

The Industrial Line, with a substantially stable turnover of € 75.2 million, showed an increasingly sustained recovery in 2021, especially in the second half of the year, thanks to a decisive recovery in demand from the European machine tool market.



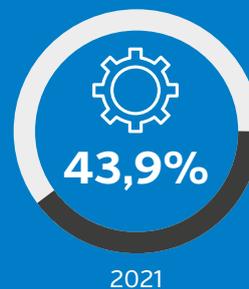
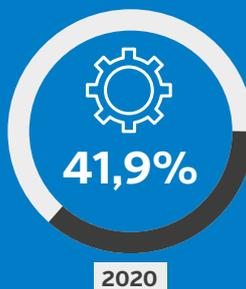
Revenues by Business Line Percentage

The results by business line are shown below, comparing 2020 and 2021.

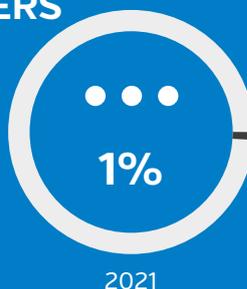
AERONAUTICAL PRODUCTS



INDUSTRIAL PRODUCTS



OTHERS

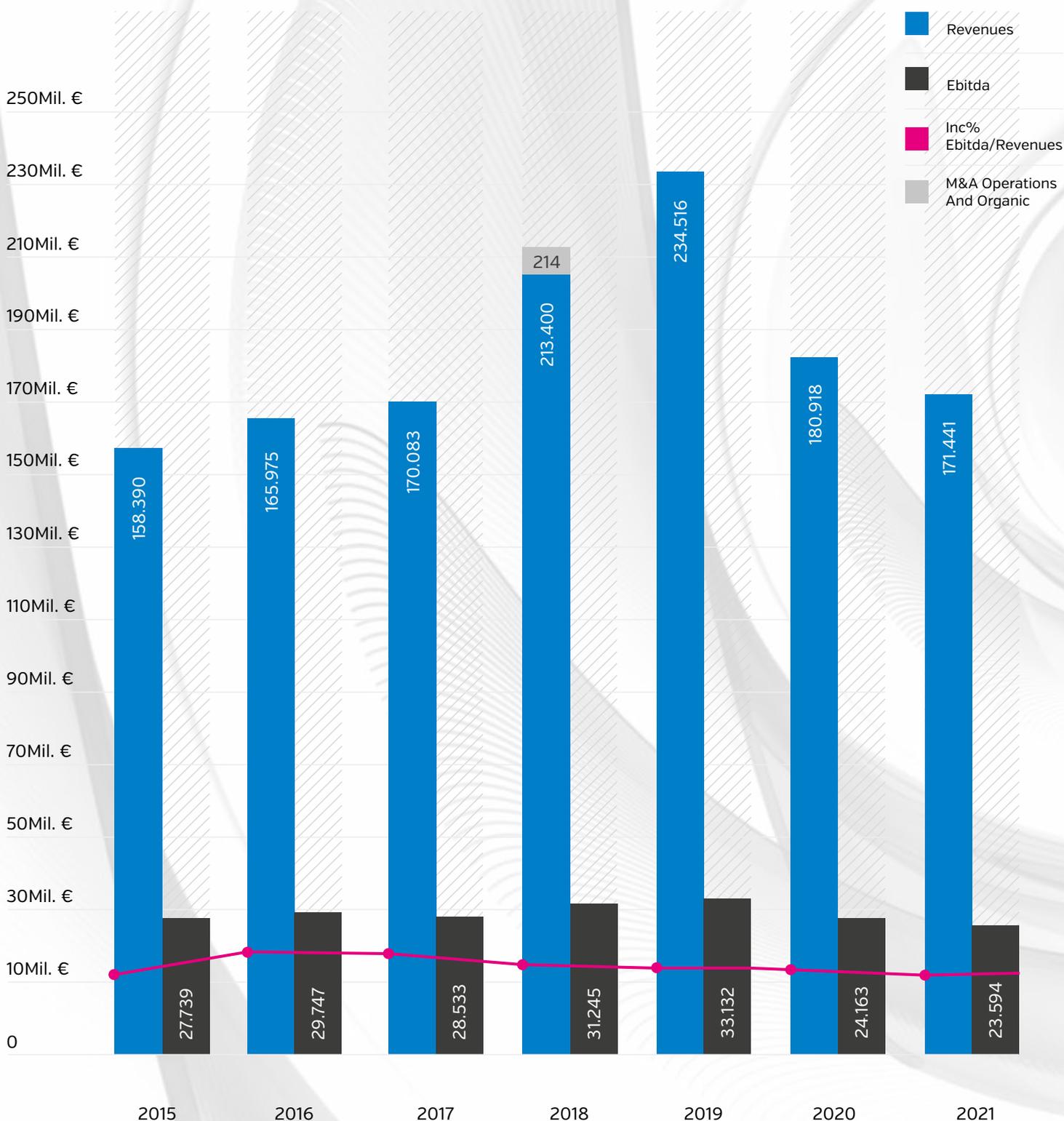


Trends, revenues and historical results

Before the Covid-19 pandemic, UMBRAGROUP recorded a weighted average annual growth rate (CAGR) in turnover of 10.32% from 2015 to 2019.

The exploration of new acquisition opportunities is an integral part of the development strategies outlined in the Group's 2021-2025 Business Plan.

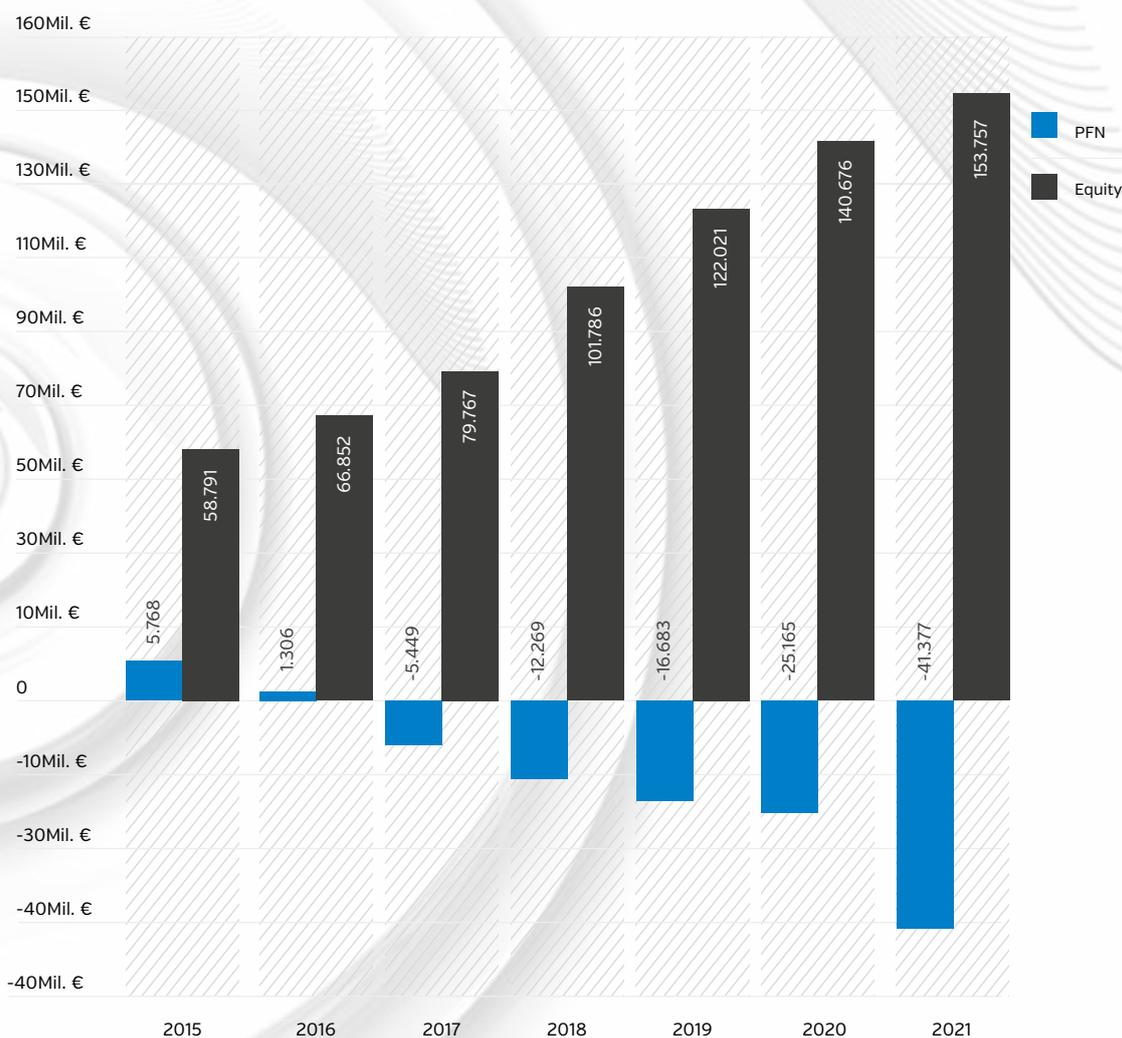
Today the Group is composed of seven companies that allow it to offer the market a wide range of products and services for numerous sectors and applications.



Trends, equity and financial results

The Group further strengthened its equity in 2021 thanks to the profit made.

The Net Financial Position, the traditional strength of UMBRAGROUP, shows a continuous improvement from 2015 to 2021, the result of the excellent cash generation by all the Group's. In 2021, despite the contraction in turnover caused by the pandemic, the Net Financial Position grew by 64% compared to the previous year. This is the result of actions aimed at streamlining processes, reducing costs, optimizing working capital - in particular reducing inventories - and rationalizing investments.



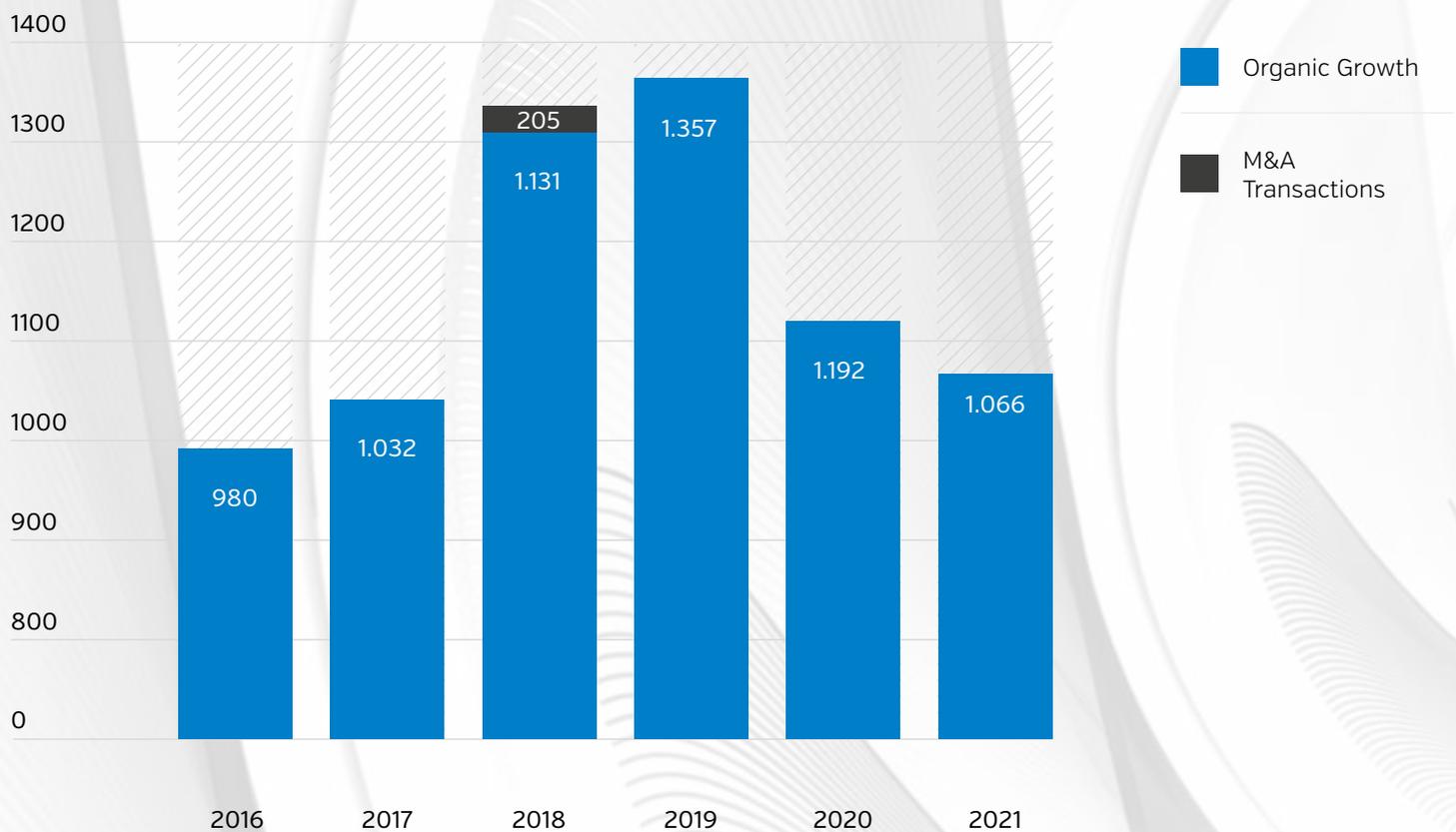
2021

Human resources of the group

The following graph shows the trend relating to the Group's personnel from 2016 to 2021. As of 31/12/2021, the Group employs 1,066 employees.

For UMBRAGROUP, people are at the center of the work activity, and their development in a context of trust, collaboration and team spirit is a key competitive advantage for lasting success.

Continuous investments in training, development and corporate welfare have allowed all Group's companies to achieve excellent results over the years and to retain their employees.



“Teamwork is the ability to work together for a common vision; the ability to direct individual work towards the goals of the entire organization. It is the fuel that allows ordinary people to achieve uncommon results ”

Andrew Carnegie



The Valter Baldaccini Foundation was established in 2015, one year after the passage to eternal life of Valter Baldaccini, founder of UMBRAGROUP. It was created to honor his legacy, his values and his actions as a Christian man and enlightened entrepreneur. The Foundation supports those most in need of help by creating projects designed for families in difficulty, initiatives that create job opportunities and educational paths that are opportunities for redemption in Italy and around the world.

Projects 2021 - ITALY

WITH FAMILIES [third year] Parenting support for 15 fragile families in the area [Foligno].

With the **ANT Umbria Foundation**, home visits to 34 cancer patients and 115 interviews at the free psychological support desk for those who have suffered a bereavement.

With **VIDES MIC MAG TBM** and the **Parish of Santa Maria Madre del Redentore in Tor Bella Monaca [Rome]**, support for the work of an educator in the day center for minors and renewal of the playground for younger children.

Conclusion of the post-earthquake renovation of the **Foligno youth house**.

Support for **"The city in your pocket"**, an event with workshops and games dedicated to families and their children at Villa Fidelia, Spello [PG].

Support for the research of Dr. Francesca Scordamaglia *"The effects of the health emergency linked to covid-19 in the matter of contracts and obligations: regulatory interventions and Umbrian Court jurisprudence guidelines"*, coordinated by Prof. Orestano of the Department of Law of the University of Perugia [co-financed with the University of Perugia and the Cassa di Risparmio di Perugia Foundation].

Projects 2021 - WORLD

Support for the third year to the house managers of **Emmaus House** which supports women marked by a difficult past to regain autonomy [Saginaw, Michigan, U.S.A.].

At the **Leskoc House, in Kosovo**, training and job placement of a group of women in the dairy and in the bakery / pastry shop. Support for the first year of the University for two young girls who have started attending the Faculties of History and Exercise Sciences.

MUTANU L'ORTO ROSA: greenhouse for vegetables and rearing of goats cared for by 20 women [Kenya]. For the fourth year of the project, the creation of a course dedicated to microcredit and one to the development of agricultural skills.

A JOB FOR MOMS IN MATHARE [Kenya] job training and psychological support project for 15 very young mothers, some minors, who were forced into prostitution due to the pandemic.

Distance support for 35 children and young people and a university course [KENYA].

Distance support for 24 children [BURKINA FASO].

2021
MAIN
NUMBERS

The number of projects in Italy and in the world **12**

Total donations received **€ 186.409,00**

UMBAGROUP Donations **€ 70.000,00**

Disbursements for projects **€ 115.824,00**



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