



Highlights 2020



UMBRA GROUP

Dear Shareholders,

2020 will remain etched in our minds as a year that has severely tested the health, economic and social stability of the entire planet due to the spread of the Covid-19 pandemic.

The health emergency has changed the world and the scars will also have strong repercussions in the medium and long term, forever changing economic and social priorities. Our company is committed to implementing a series of preventive measures to contain the effects of the Coronavirus and safeguard the health of all our employees and collaborators and allow them to work safely.

The pandemic has also made us rethink the way we work, hence the timely activation of smart working, for all those activities that could be carried out remotely. This was possible thanks to technology but also to all the Group's teams who have demonstrated a high level of professionalism and a willingness to continue to dialogue and find solutions even in the most difficult and complex moments.

All sectors have come to a halt with strong travel limitations to overcome the pandemic.

The segregation of territories has negatively affected air traffic. The grounding of 80% of aircraft fleets, significantly decreased the production of aircraft and led to an abrupt halt to our activities.

Despite such a strong and overwhelming impact, the Group's response was swift, releasing energy and team spirit that allowed us to act promptly with determination, passion and motivation, which showed the organization's ability to manage complexity and unforeseen changes.

All this is evidenced by the performance achieved during the year. Despite a 23% drop in revenues we were able to limit the negative impact of Covid-19, demonstrating resilience and performance orientation.

In 2020, the consolidated revenues of the Group amounted to € 180,918 thousand with an Adjusted Ebitda of € 28,786 thousand, a decrease of 18.8% compared to the previous year. The positive net financial position amounted to Euro 25,165 thousand, an improvement of Euro 8,482 thousand compared to the previous year, confirms a solid "Cash" position.

As for the current year, uncertainty, especially for the Aerospace sector, still seems to have a dominant role, while the industrial sector bodes well.



Antonello Marcucci

President

UMBRA GROUP S.p.A.

When we submit the 2020 budget for your approval, the external scenario shows signs of optimism due to the intensification of vaccinations. There is a strong propensity to return to normal, and a desire for everyone to resume traveling, giving new impetus to the aviation sector. During 2020 we did not simply limit ourselves to containing the damage caused by the pandemic, but we tried to interpret the changes in the best possible way and to transfer them into a new business plan which will, through sustainable organic growth, create value for all shareholders and stakeholders.

Among the strategic objectives of the plan an important role will be played by projects linked to social and environmental aspects, with the awareness of contributing to building a better world where health, the environment and poverty reduction are at the center. Our commitment to helping the most fragile and vulnerable people on the planet will be overseen by the Valter Baldaccini Foundation.

I would like to thank the Board of Directors, our shareholders and all the stakeholders for the support they have given in this very complex year and not least all our collaborators, men and women, who forge ahead with their energy and engagement and will continue to write the Umbragroup success story.

Foligno, March 30, 2021

President



Consolidate the past to face new departures Strengthened by the past to face new challenges

*Engaging in visionary thinking may seem like
a high-risk approach.*

*It actually allows you to make dreams come true
by starting new and unprecedented departures.*





Antonio Baldaccini

CEO UMBRAGROUP

Manage the crisis and turn it into an opportunity

UMBRA GROUP, which has always been characterized by a strong, pragmatic spirit, faced 2020 by projecting its heart and mind beyond the obstacle: for the first time in post-war history, in fact, the Covid-19 pandemic has made economic growth anything but certain. With an ever-vigilant gaze, we promptly strengthened the organizational system.

We intervened in a consistent way to give deeper value to the brand and to all our stakeholders. Always attuned to the protection and well-being of our employees, we meticulously strengthened the management system for the health and safety of workers.

We responded to the emergency by facing it proactively and strategically through a marked reduction in company costs. This goal has affected all areas: the pandemic has slowed growth but has not blocked our vocation for innovation. Human vision, technology and the use of digital technology have permeated the entire Group.

To encourage integration and achieve effective synergy, we have chosen to pay attention to the link between the subsidiaries, with a view to ever stronger cooperation and effective sharing of processes.

As an optimist, I recognize that the year 2020 has served us in accelerating and focusing on our future strategy, especially towards a greater portfolio balance between segments, products and technologies. We have tenaciously managed to develop new businesses. In these difficult moments we are increasingly aware that our team is our strength. Calmness, patience and ability are needed: evolution requires enlightened and willing minds at all levels of the organizational chain.

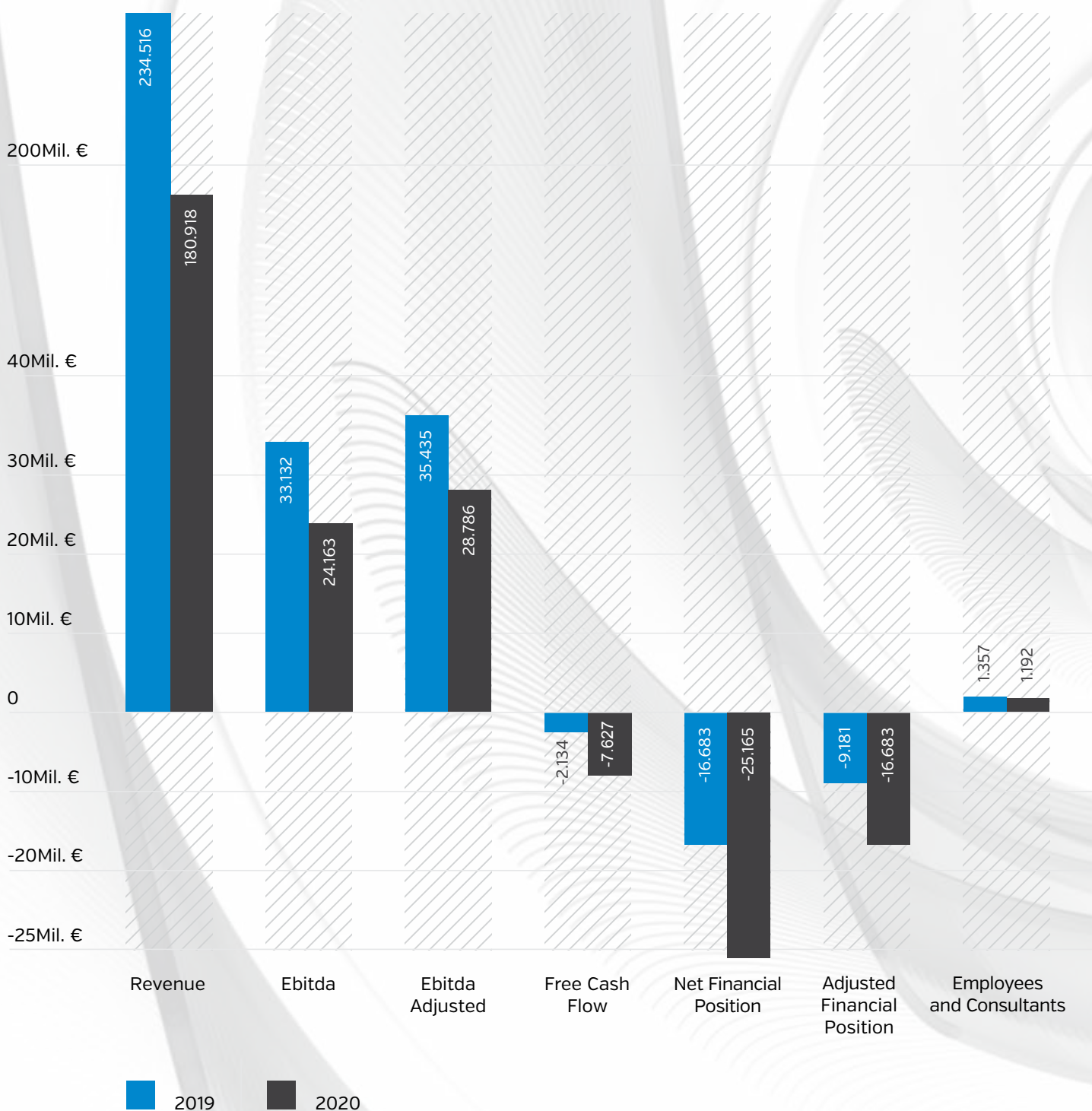
I am sure that the UMBRAGROUP Team will continue to evaluate and implement its strategic moves and objectives with a clear vision. We will improve effectiveness and efficiency to reach new heights of success together, always keeping our values clear.

We work to be FIRST!

2020

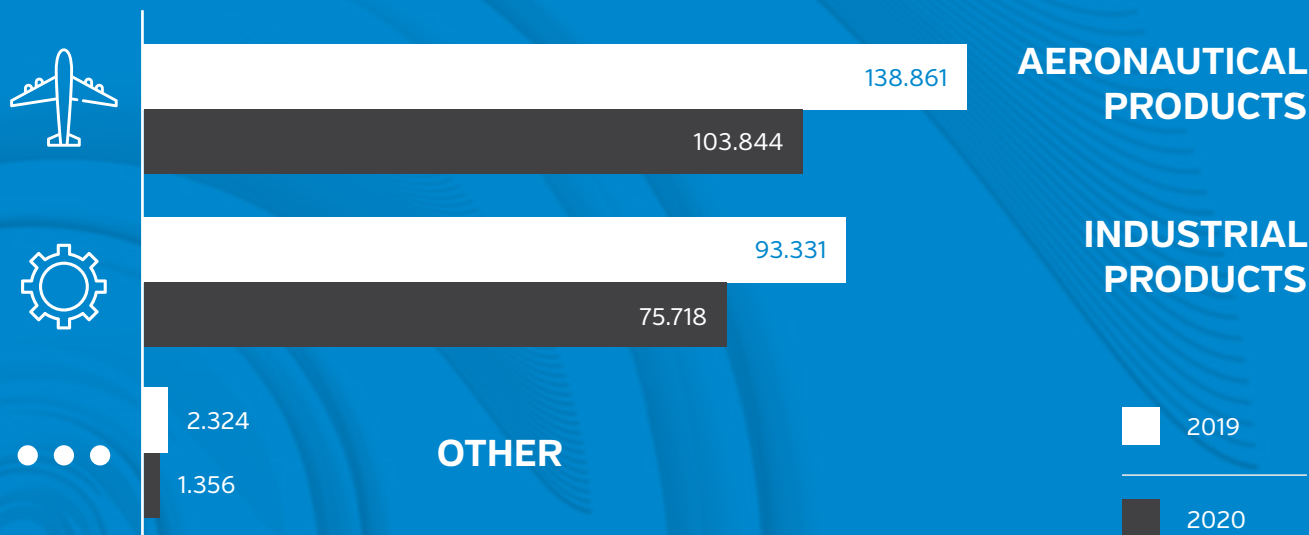
2020 in Umbra

The Covid-19 pandemic had a significant impact on UMBRAGROUP's business during 2020; nevertheless, the Group managed to maintain double-digit EBITDA and significantly improved its net financial position thanks to the resilience of some business areas, fast reaction capacity, efficiency and cost control. Consolidated revenues recorded a contraction equal to -22.9% compared to 2019; The Aerospace Line was impacted the most where the market suffered the worst collapse in its history due to the pandemic. There was less impact on the Industrial Line with a smaller decline in turnover. It showed the first signs of recovery in the last quarter of the year. EBITDA, although down by -27.1% compared to the previous year, maintained a margin of 13.4% on revenues, only slightly lower than in 2019. Finally, the Net Financial Position showed a net improvement (+ 50.8%) compared to 2019.



Revenues by Business Line

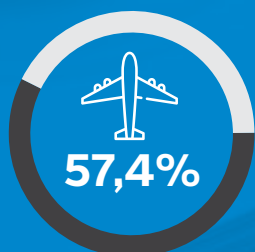
The Aerospace Line in 2020 recorded a turnover of almost € 104 million, a sharp decline compared to 2019 due to the collapse in demand in the aeronautical market triggered by the pandemic. The Industrial Line, with a turnover of over € 75 million, also recorded a decrease compared to the previous year due to the impact of the pandemic on the European machine tool and bearing market; however, the first signs of recovery began to appear in the last months of the year.



Revenues by Business Line Percentage

The results by business line are shown below, comparing 2020 and 2019.

AERONAUTICAL PRODUCTS

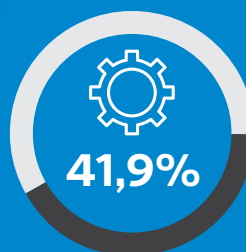


2020

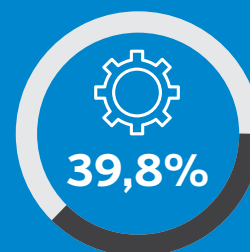


2019

INDUSTRIAL PRODUCTS

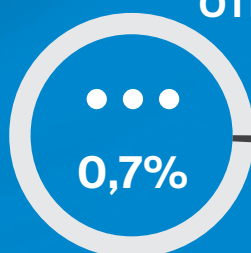


2020

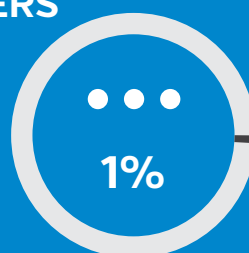


2019

OTHERS



2020



2019

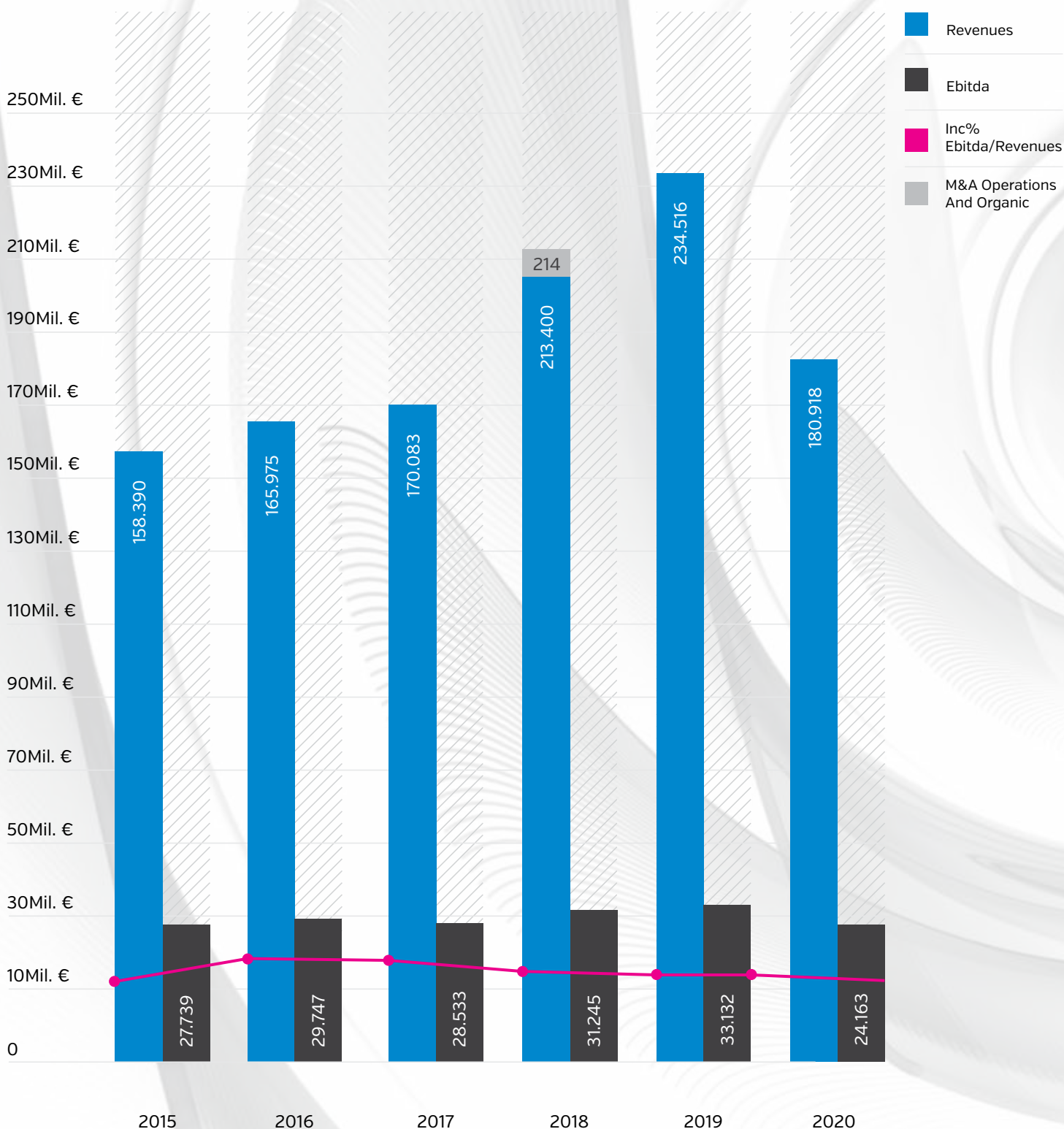
2020

Revenue trends 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.

Today the Group is made up of 7 companies that allow it to offer the market a wide range of products and services for numerous sectors and applications.

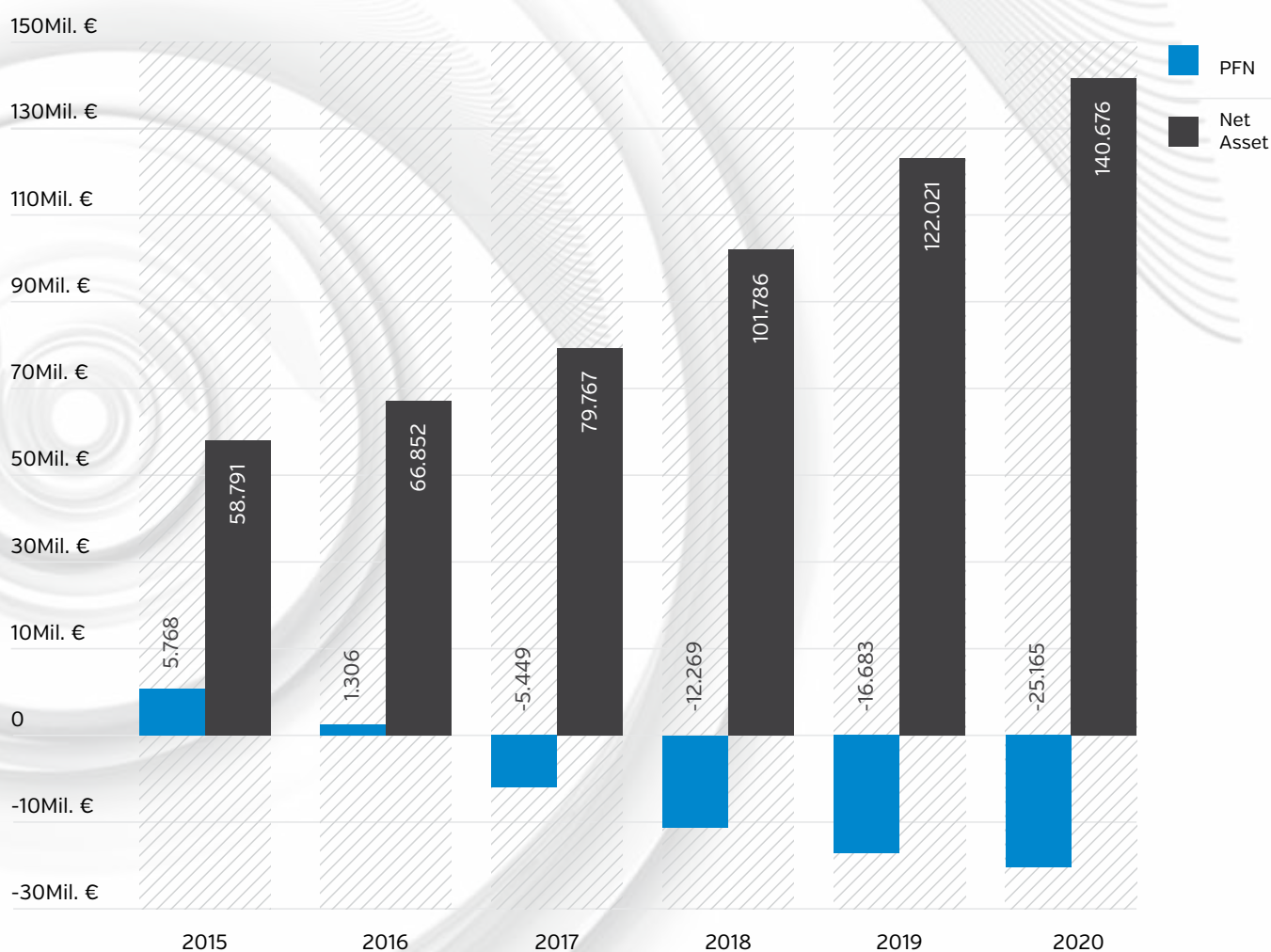
The exploration of new acquisition opportunities is an integral part of the development strategies outlined in the Group's 2021-2025 Business Plan.



Trends equity and financial results

The Group further strengthened its equity in 2020 thanks to both the profit achieved and the revaluation of property, plant and machinery carried out by the parent company UMBRAGROUP S.p.A. and by the subsidiary AMCO S.r.l. pursuant to Legislative Decree 104 of 14/08/2020.

The Net Financial Position, the strength of the consolidated Group shows a continuous improvement from 2015 to 2020, the result of the excellent cash generation by all the companies of the Group. In particular in 2020, despite the contraction in turnover and profitability caused by the pandemic, the Net Financial Position grew by more than 50% compared to the previous year thanks to actions aimed at streamlining processes, reducing costs and optimizing working capital and investments.

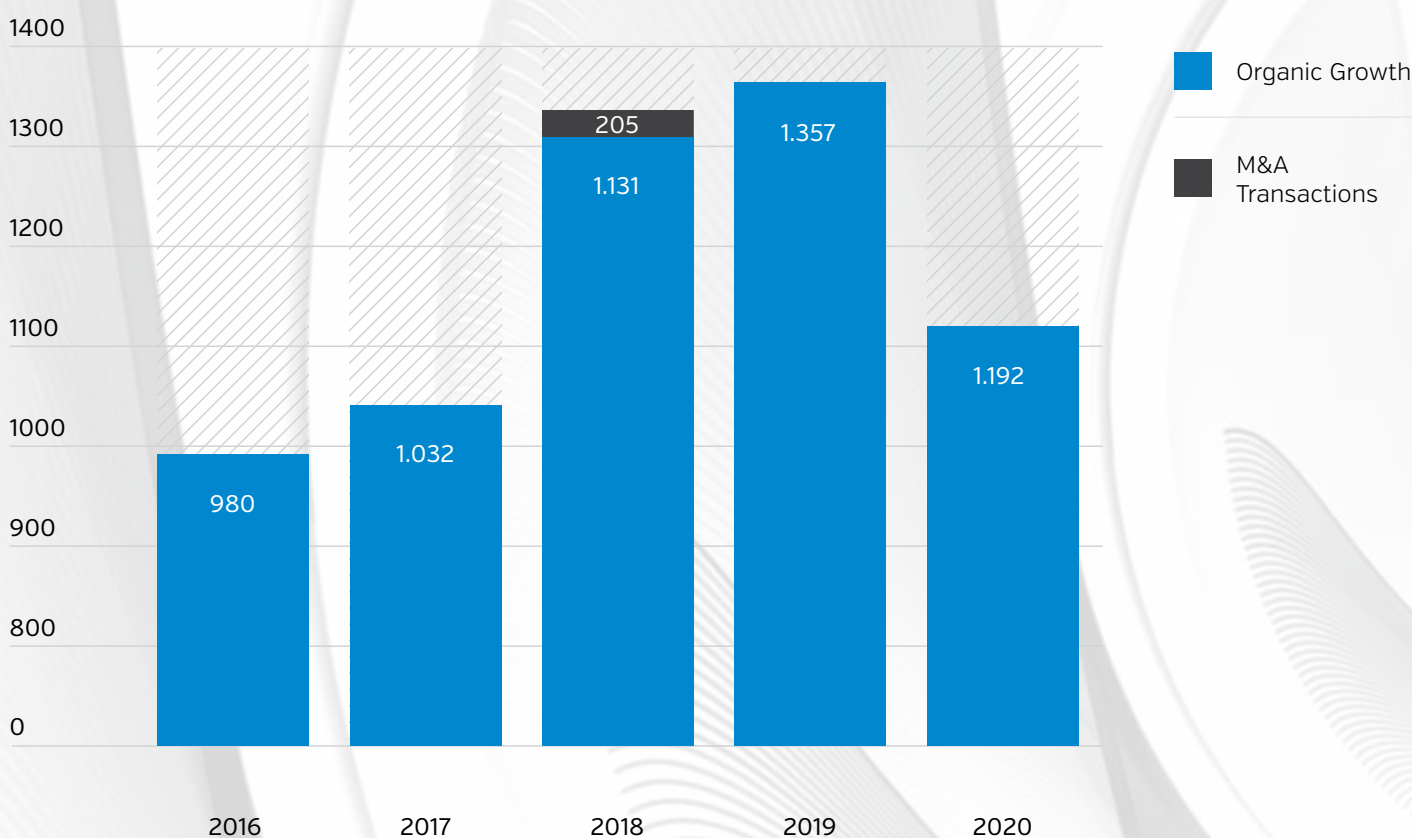


2020

Group Human Resources

The following graph shows the trend relating to Group personnel from 2016 to 2020. As of 31/12/2020, the Group employs 1,192 employees.

For UMBRAGROUP, people are at the center of business and the continuous investments in training, development and corporate welfare have allowed all the companies of the Group to achieve excellent results and retain their employees.



“The only vital value of a company is the experience, skills, innovation and knowledge of its human resources”

Leif Edvinsson



The Valter Baldaccini Foundation was established in 2015 to preserve the legacy of UMBRAGROUP's founder, his values and his actions as a Christian man and enlightened entrepreneur. The Foundation carries out projects designed for families in difficulty in Italy and in the world. These initiatives create **job opportunities** and **educational paths** that are opportunities for redemption.

Projects 2020 - ITALY

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

160 visits for cancer patients from the **ANT Foundation** and supply of PPE for healthcare professionals.
A free psychological support desk for those who have faced a bereavement [UMBRIA].

FAMILY AND WORK - 5 work grants for those who are unemployed [working together with Caritas Foligno].

Post-earthquake renovation of the **Foligno boy's house**.

PROJECTS 2020 - WORLD

Support for 5 house managers of **Emmaus House** which supports women marked by a difficult past to regain autonomy [Saginaw, Michigan, U.S.A.].

Purchase of 20 calves to ensure sustenance for the **Leskoc House** during the pandemic [KOSOVO].

MUTANU L'ORTO ROSA - Greenhouse for vegetables and rearing of goats cared for by 20 women [KENYA].

Distance support in Kenya for 40 children and young people and a university course.

Distance support in Burkina Faso for 24 children.

Valter Baldaccini Foundation and COVID-19 emergency

DISTANT BUT CLOSE TO FAMILIES - Help with shopping, bills and basic necessities for families and children in difficulty during the lockdown [Gubbio and Foligno].

RI-ESCO - Educational workshop for children in difficulty who have not had access to distance learning [Foligno].

Disinfectants, masks, gowns, shoes, quick tampons for the guests and operators of the **Seraphic of Assisi**.

1000 overalls and masks at the Reanimation Department of the Foligno Hospital.

2020
THE
SIGNIFICANT
NUMBERS

The number of projects in Italy and in the world

12

Total donations received

€ 234.988,00

UMBRA GROUP donations

€ 110.000,00

Disbursements for projects

€ 108.903,00



UMBRAGROUP

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