



**INVESTOR PRESENTATION**

*October 2024*

Your Strategic Partner

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**GM is a strategic partner of leading brands in the luxury sectors** (leather goods and footwear) **and lifestyle** (medium and high-end furniture). The Veneto-based group is an **international reference player**, headquartered in Arzignano and listed on **Euronext Growth Milan** since 2022.

*«Our goal is to achieve sustainable growth while preserving the authenticity and passion that define us. We are confident that the industrial and commercial platform we have built enables us, and will continue to enable us, to provide our clients with high-quality, sustainable solutions and products. These proposition reflect our total dedication to excellence and innovation».*



**Simone Voltolin**  
Group CEO

EQUITY PILLARS	DESCRIPTION
<p data-bbox="137 448 173 519">1</p> <p data-bbox="234 348 741 468"><b>Strategic partner in markets with sustainable growth rate (Luxury fashion and Furniture)</b></p> 	<ul data-bbox="833 348 2346 586" style="list-style-type: none"> <li>▪ <b>GM is recognized as a premium strategic partner in both the Luxury, Fashion and Furniture market segments</b>, offering an extensive selection of modern and stylish solutions and products.</li> <li>▪ During the forecasting horizon 2024-2030 the <b>Luxury fashion</b> market is expected to experience an annual growth rate of 5%, whereas the <b>Furniture</b> market is projected to grow at a rate of 4,5% per annum.</li> <li>▪ <b>Leather market size</b> in the Luxury fashion &amp; Furniture industries amounts respectively to <b>€81bn and €17bn</b>.</li> </ul> 
<p data-bbox="127 762 173 833">2</p> <p data-bbox="333 662 639 786"><b>Agile warehouse management - the real minery</b></p> 	<ul data-bbox="833 686 2277 925" style="list-style-type: none"> <li>▪ <b>GM currently has a high level of inventory of non-perishable raw materials</b>, while processing costs have been already covered.</li> <li>▪ <b>GM has shifted its supplier from Brazil to Europe</b> to improve product characteristics in terms of both quality and sustainability.</li> <li>▪ <b>GM has the capability to deliver fast the final product within 10 days from the order.</b></li> </ul> 
<p data-bbox="132 1090 183 1162">3</p> <p data-bbox="282 996 723 1119"><b>Resilient and state-of-art industrial platform ready to scale</b></p> 	<ul data-bbox="833 991 2288 1282" style="list-style-type: none"> <li>▪ <b>Despite the challenging market situation, GM has obtained excellent results in FY2023 and H1 2024.</b></li> <li>▪ <b>GM's strategic M&amp;A have streamlined operations and enhanced customer service</b>, contributing significantly to GM's capability to exceed the €70 million revenue threshold as soon as the market recovers from the actual moment.</li> <li>▪ <b>As an industrial platform, GM is designed for scalability</b>, integrating quickly new acquisitions thanks to strong execution and efficiency. It is ready to be the <b>real alternative</b> in the European market.</li> </ul> 

## Key information on the Company



### SNAPSHOT



Managed by Simone Voltolin and Carmen Marcigaglia.



Active in leather tanning and processing for over 50 years based in the hearth of Arzignano district (Vicenza).



Strategic partner for primary international and Italian customers in the Furniture, Fashion and Leather goods.



Customized solutions designed with clients.  
Excellent capacity to delivery respecting competitive deadlines.

### KEY PEOPLE & INFORMATION



EXPORT ON  
TOTAL REVENUES



1 WAREHOUSE IN UK  
8 INTERNATIONAL PARTNERS



QUALIFIED  
RESOURCES



SAMPLES REALISED IN  
THE LAST 2 YEARS



INVESTMENTS  
IN R&D



YEARS OF  
EXPERIENCE



Carmen Marcigaglia  
Chairwoman



Simone Voltolin  
Group CEO



Christian Guerra  
Group CFO & IR

# Company pillars: an integrated platform



## FROM PRODUCER TO STRATEGIC PARTNER

GM is recognized as strategic partner for the most important brands in the highest segment of Luxury and Lifestyle, with a special focus on tailor-made projects related to leather goods.

## STATE OF ART FACILITIES



3 production sites



3 warehouses

More than 30.000 Sqm

GM has a global exposition with more than 80% of business abroad, granting the company an excellent diversification and risk mitigation.



## READY TO SCALE

In the current conditions GM is already prepared to overcome the € 70 mln revenue threshold, also thanks to the supply chain verticalization process achieved in 2023 through M&A to better serve customers.

## COMMITMENT TOWARDS SUSTAINABILITY

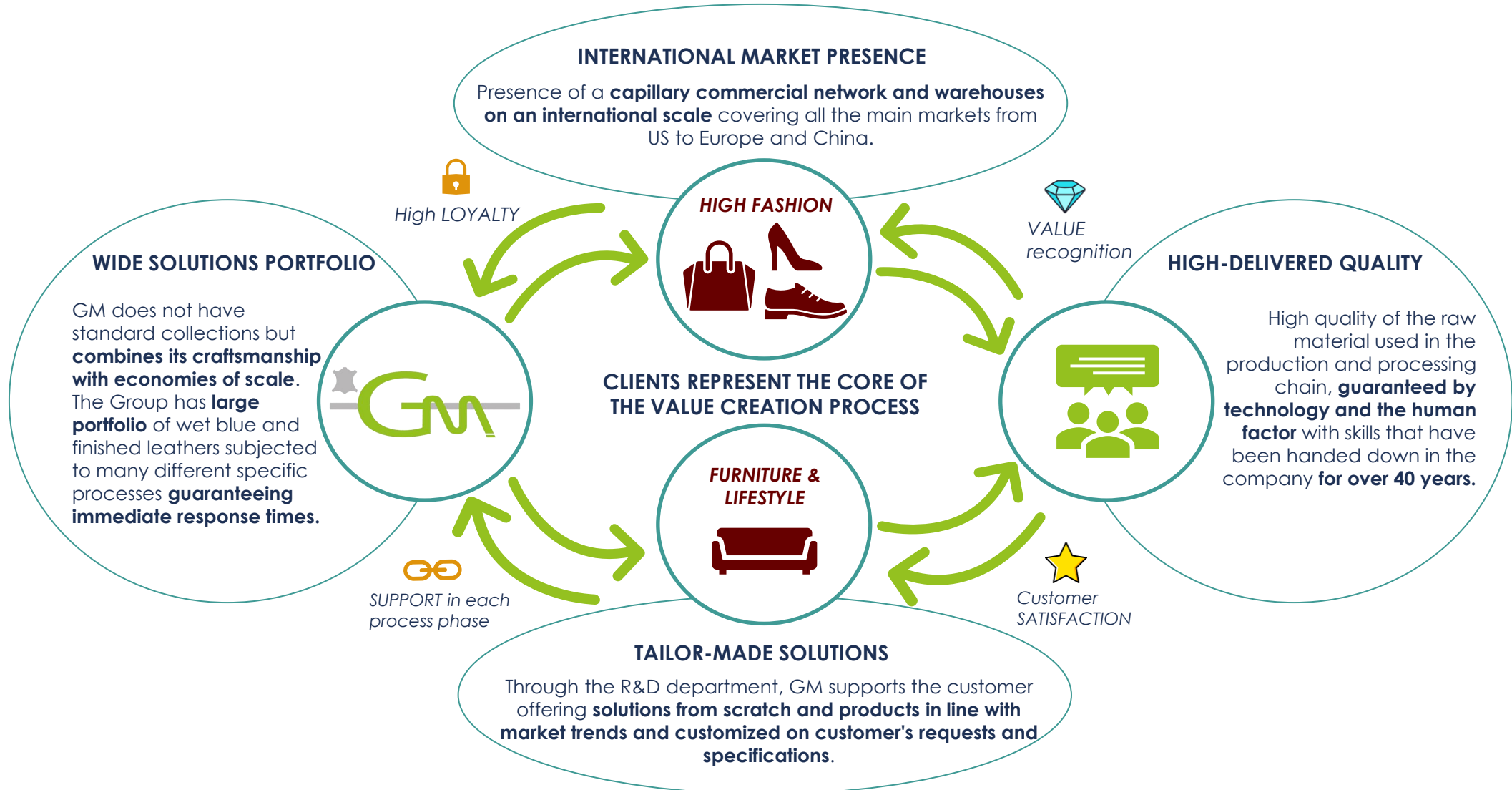
GM is located within the largest European tanning district which has deeply invested in the circularity and sustainability of processes, services and products.

The company has obtained the Silver certification by the Leather Working Group and Blue Angel certification.



## INNOVATIVE APPROACH

Several investments in R&D with more than 1.000 samples realized in the last 2 years for brands in the Luxury segment.



# Processes & supply chain verticalization



The Group operates in the Arzignano district, through a highly integrated structure:

**GM S.p.A.** and the subsidiary **SNAM S.r.l.**, are responsible for:

- raw material procurement (raw bovine hides and semi-finished so-called "wet blue" hides);
- marketing of both the raw material and the finished product.



The production chain of the tanning industry is managed through:

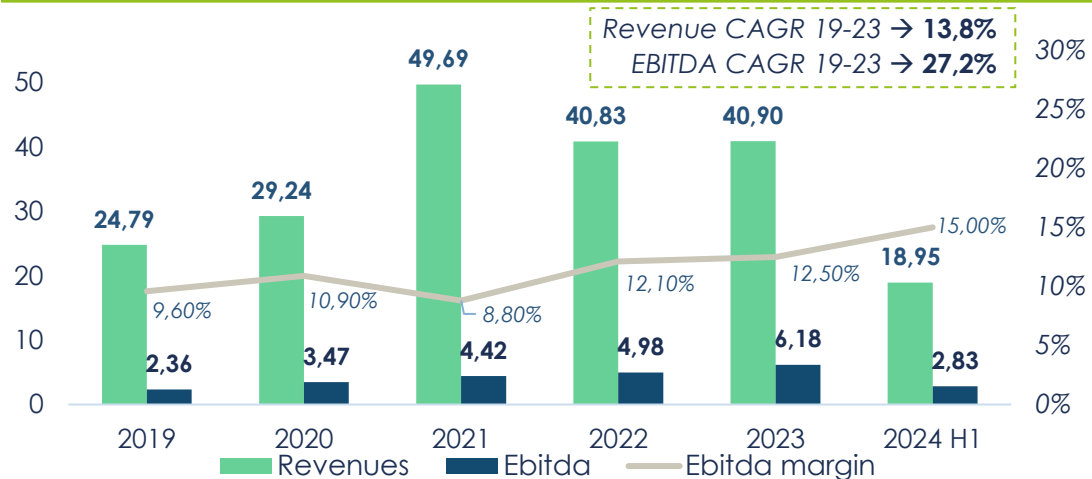
- the subsidiary **Genesi S.r.l.** which deals with processes with greater added value and customization (retanning, dyeing, finishing, quality control and liming/tanning with the Genesi Palladio Division);
- historical relationship settlement** with several partners active within the district to scale production in order to be prepared to properly manage market peaks.



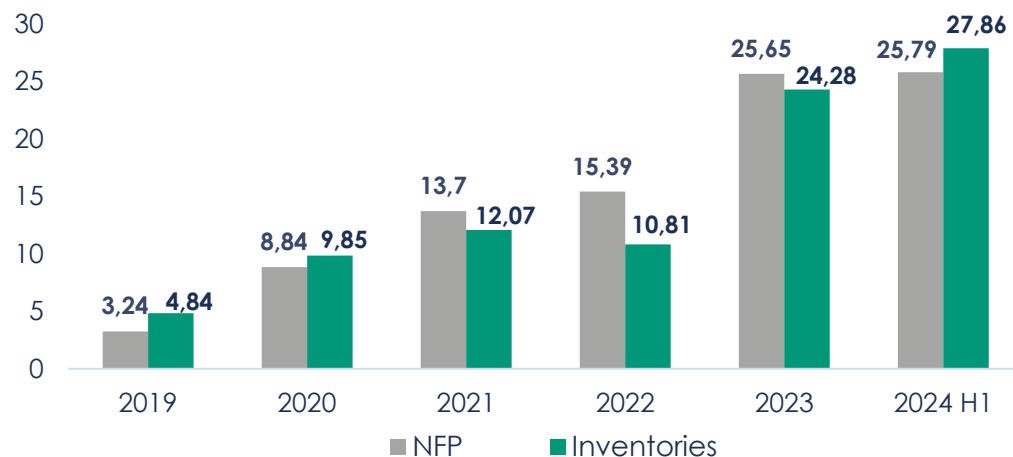
## KPIs and key financials



### Revenues, EBITDA [€ million] & EBITDA margin [%]



### NET FINANCIAL POSITION & INVENTORIES [€ million]



### Comments on Revenues and EBITDA

After 2021, the furniture market has experienced a tough period. In this context, **GM has preferred to focus on marginality increase** by working on industrial processes' efficiency. The aim is to improve customers' satisfaction with new innovative solutions, focusing on the luxury segment. EBITDA reflects GM's capability to generate a positive cash flow from its ordinary activities. Since the IPO date in 2022, **GM has been able to keep EBITDA margin above 12% threshold, with continuous improvement along years.**

### Flexible Warehouse Management as a tool to support growth

The company has strategically exploited positive past supply market momentum, when leather price was at its lowest. This strategy will positively impact on Revenues and EBITDA as soon as the market recovers.

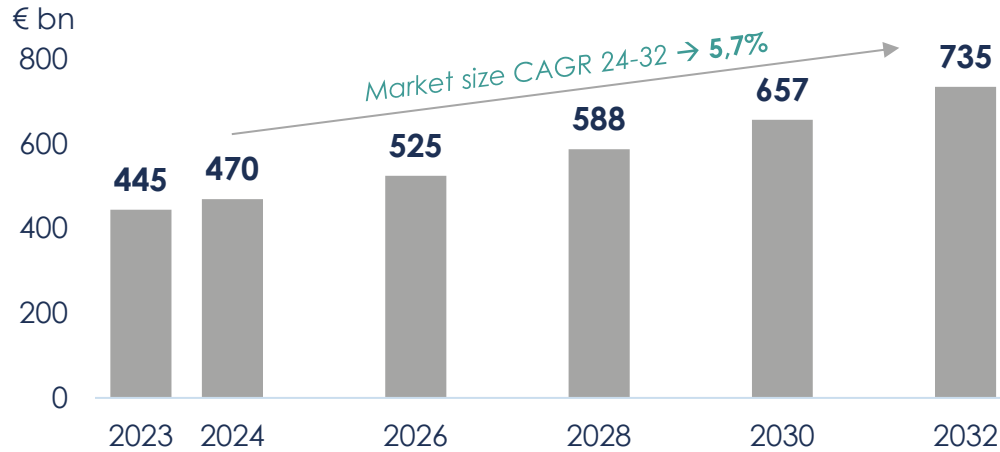
### GM exploits M&A opportunities to consolidate its market position:

1. Acquisition in 2023 of **Palladio tanning division enhancing vertical integration** (for a total investment equal to € 7,73 mln resulting from € 5,07 mln for the acquisition plus € 2,66 mln of further investments);
2. Establishment of a NewCo, **Chiorino Leather Srl reinforcing the partnership** of the most important **luxury brand of the market** (for a total investment equal to € 0,35 mln).

# Market Overview: several opportunities to scale up



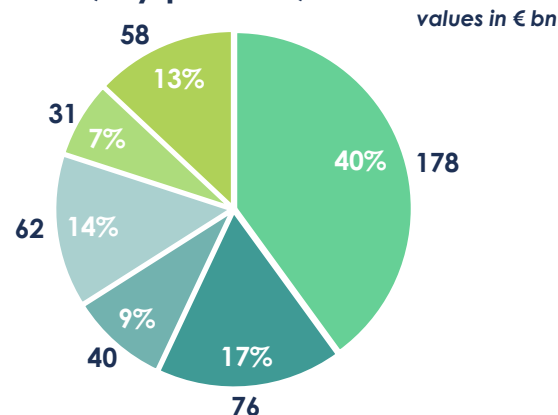
## LEATHER GOODS MARKET SIZE



## SEGMENTATION BY PRODUCT

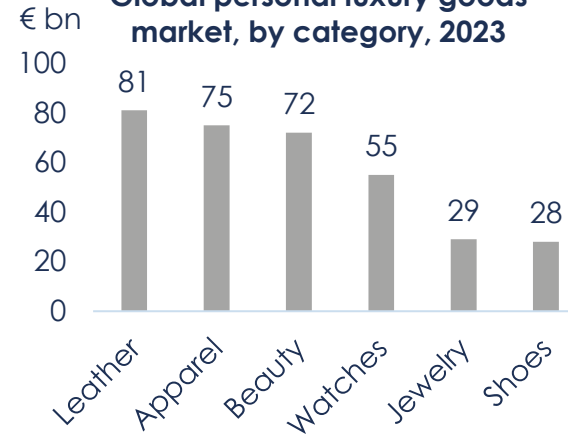
### Global leather goods market, by product, 2023

- Footwear
- Apparel
- Small Leather Goods/ Accessories
- Handbags
- Home Décor & Furnishing
- Automotive Accessories



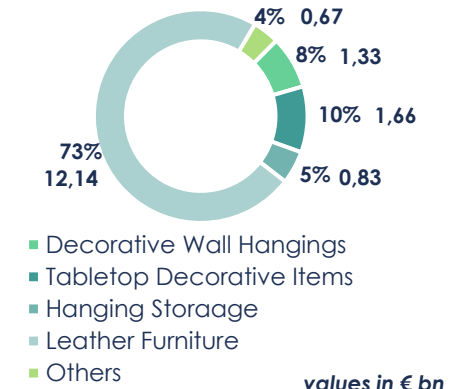
## LUXURY FASHION

### Global personal luxury goods market, by category, 2023



## FURNITURE

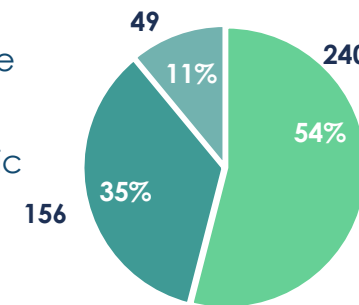
### Leather Home Décor & Furnishing, 2023



## SUSTAINABILITY

### Leather Goods Market by Type Share, by 2023

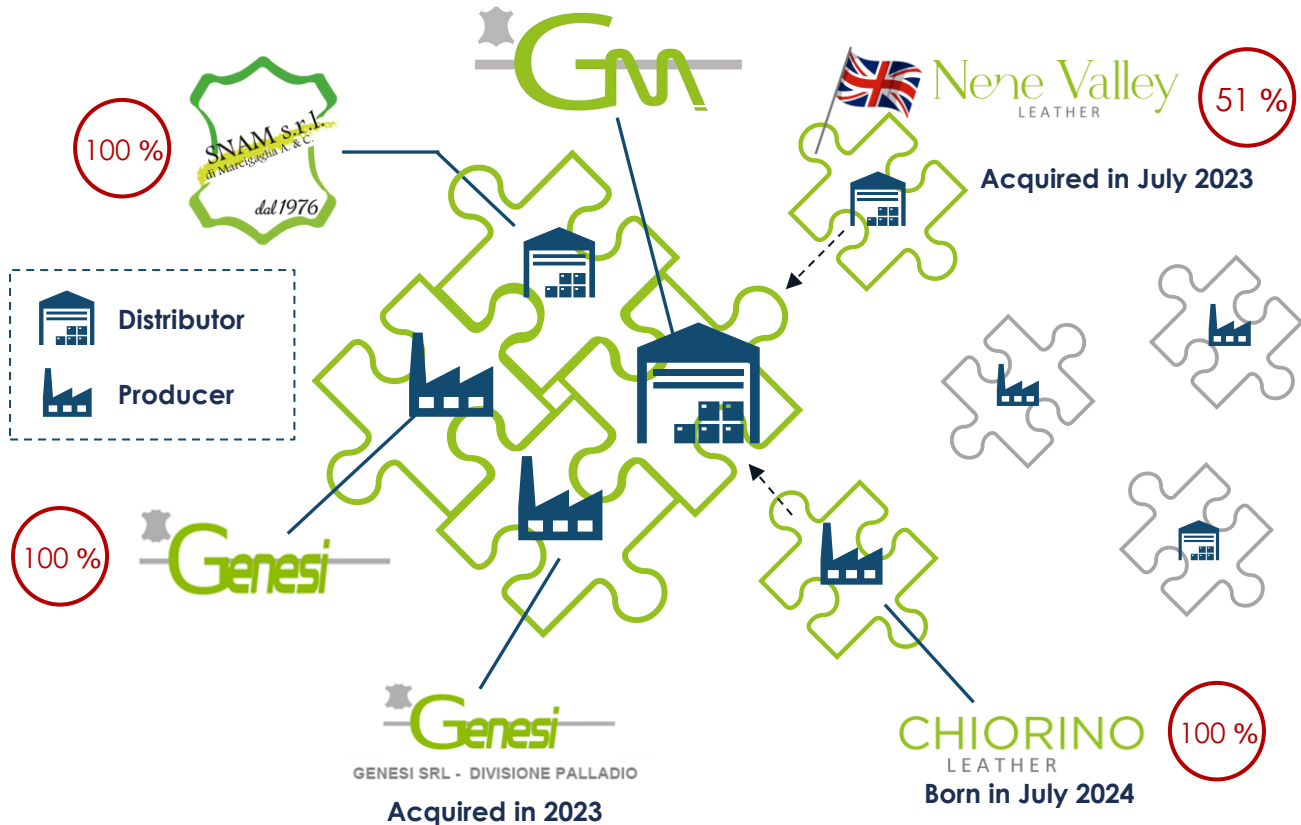
- Genuine
- Synthetic
- Vegan



The leather production process faces challenges related to **environmental concerns**, such as deforestation, water wastage, and pollution from the tanning process.

Instead of being disposed of, **food industry's wastes are recycled as input in the tanning processes for leather industry.**

# Growth strategy and next steps



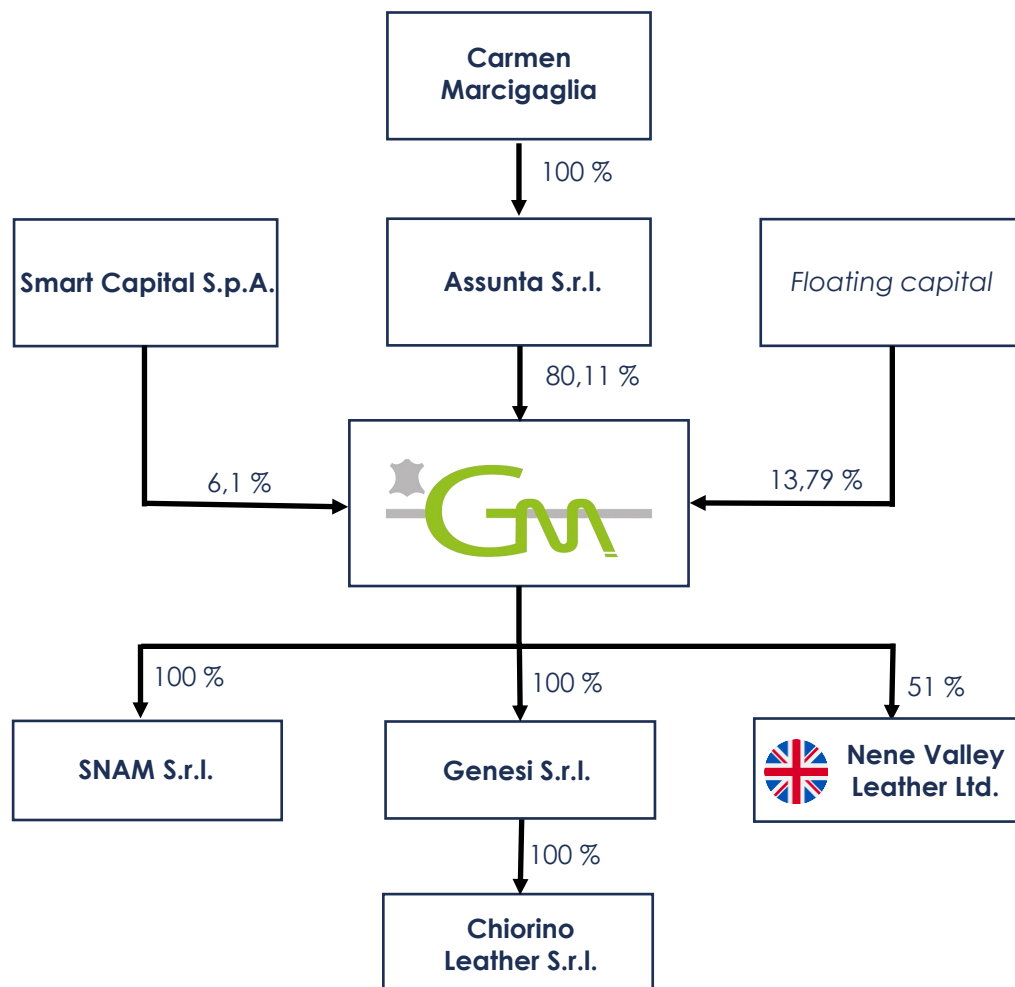
Acquisition from **Conceria Palladio S.p.A.** of the division that deals with liming/tanning. The operation allowed us to internalize production processes with **high added value and strategic from a green perspective.**

GM owns 100% of the **Chiorino Leather S.r.l.**'s share capital, with the aim of **developing industrial and commercial synergies.** Chiorino operates in the leather goods and luxury footwear segments through refining, printing and finishing process production.

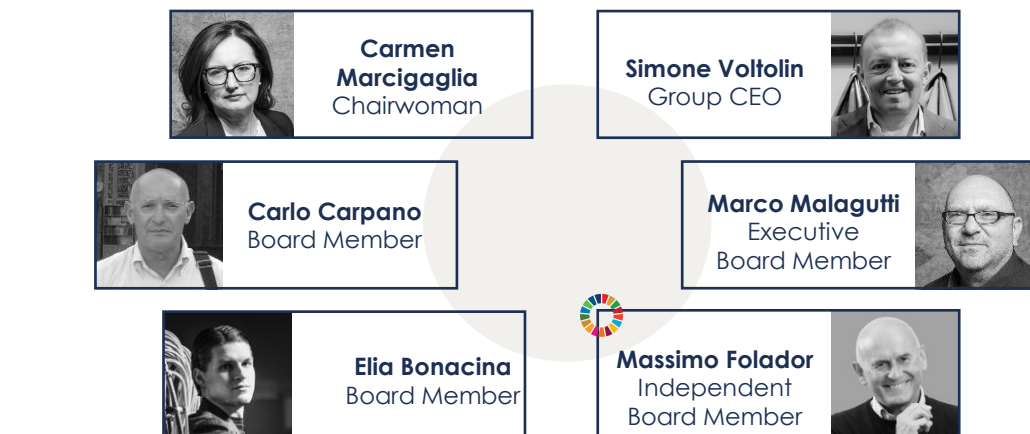
The objective for the next years is to consolidate GM's positioning as **market aggregator**, exploiting **disciplined M&A** opportunities to **increase market share and strengthen supply chain verticalization.**

DIVISION		STATUS	DESCRIPTION
	Fashion	Active ✓	Leather goods for the most important brands in the fashion industry
	Lifestyle	Active ✓	Medium-high range leather items for the furniture industry
	Trading	Active ✓	Recognized supplier of several tier 1 player especially in Asia market

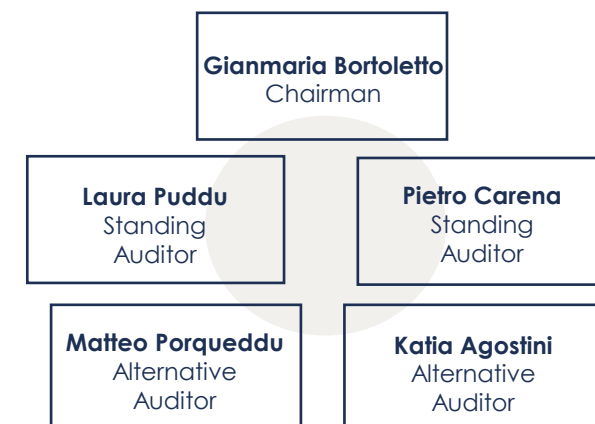
## GROUP STRUCTURE



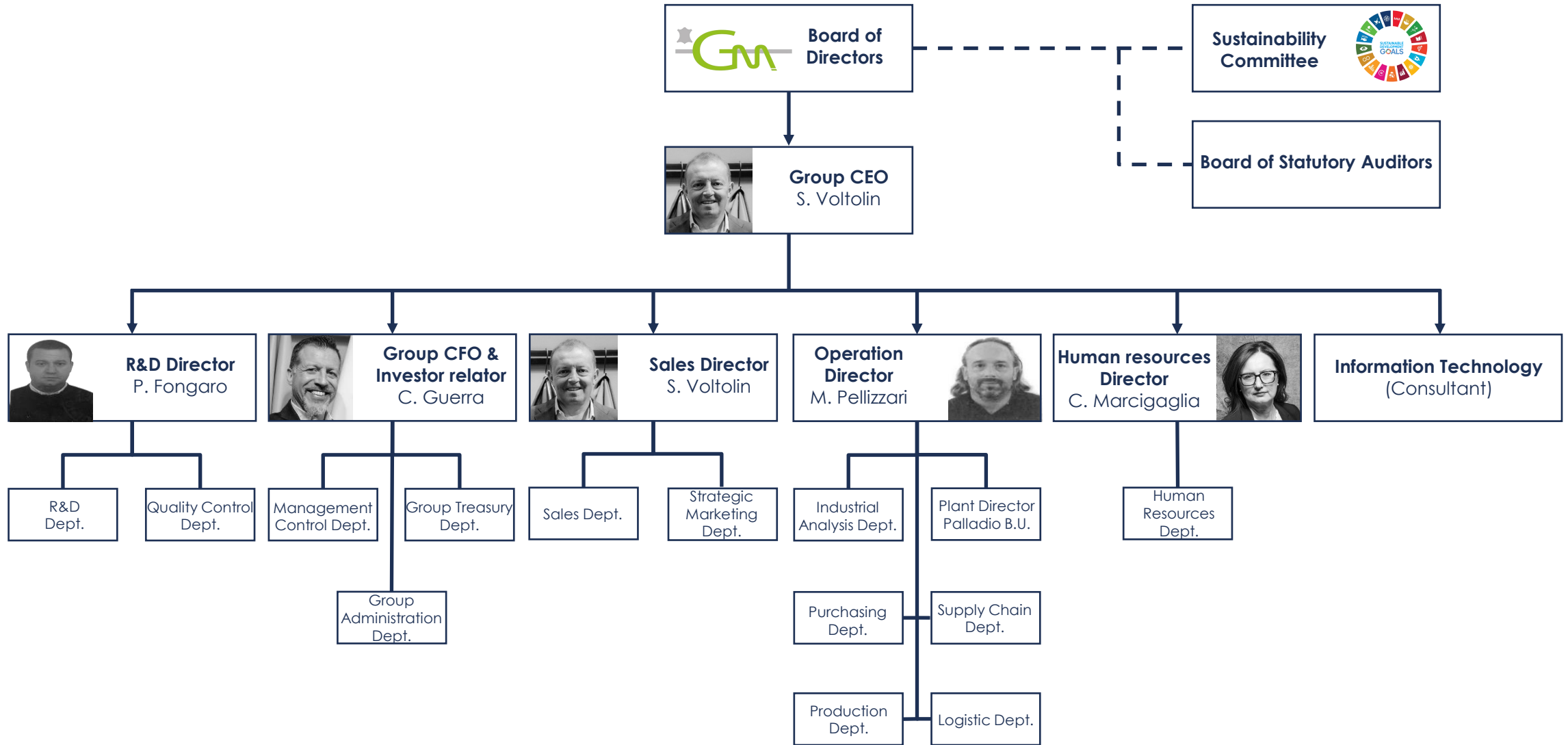
## BOARD OF DIRECTORS



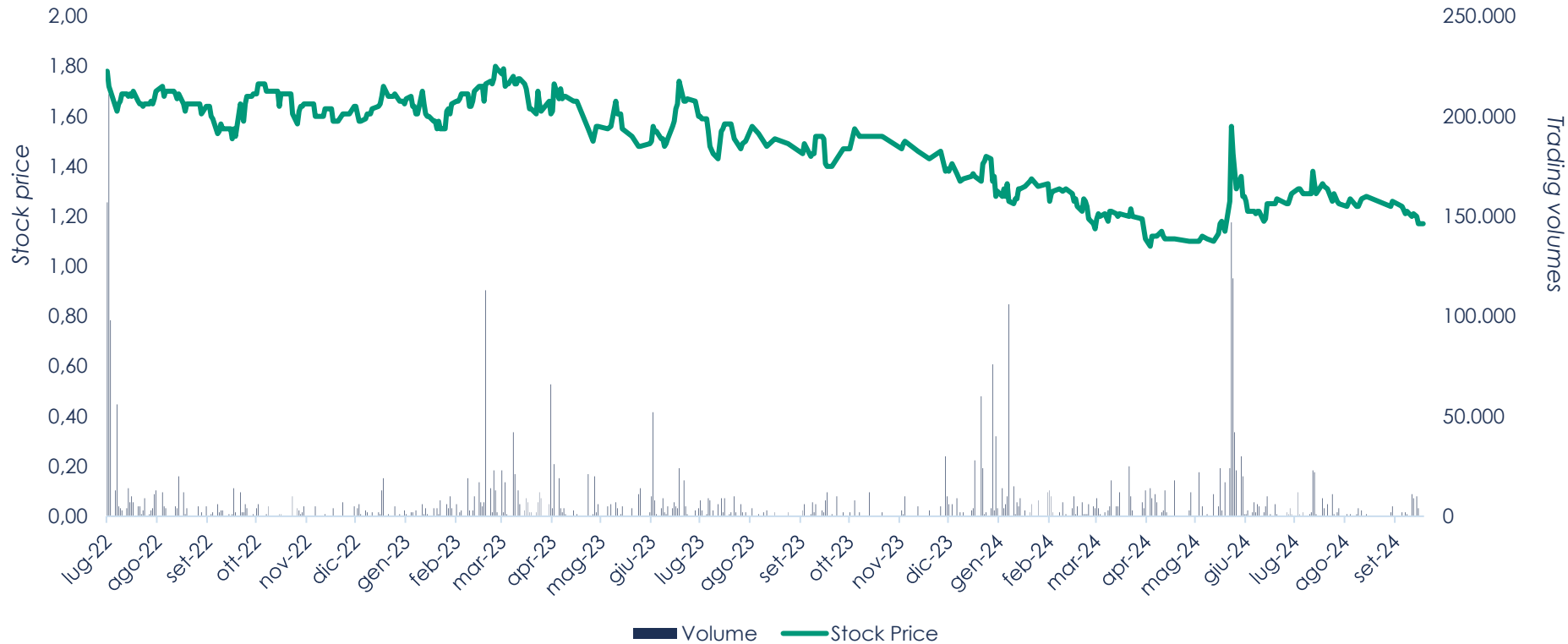
## BOARD OF STATUTORY AUDITORS



# Organization chart



## STOCK PRICE [€] & TRADING VOLUMES



## Euronext Growth Advisor

**BPER:**  
Banca

**contact:**  
Alessio Previati

## Specialist

**KT&P** PARTNERS

**contact:**  
Maria Teresa Di Grado

**publication date:**  
22<sup>nd</sup> October 2024

**target price:**  
4,88 €/share

# Sustainable commitment



Over the years, GM's people have built a **business model considering environmental, social and economic aspects** aimed at preserving the environment for our employees, for the population and the new generations.

GM is certificated with the Silver rating by the Leather Working Group.



**Reduction of energy requirements**

**Replacement of solvents with water-based formulations**

**Chrome and tanning salts are recovered and reintroduced**

**New technologies for reducing emissions**



**People are the key resource:** listening, discussion and continuous training contribute every day to our mutual improvement.



**GM's heart is in the territory where we were born.** We participate in local initiatives at a sporting, environmental and social level.



**In our company there is a meeting of multiculturalism:** men and women, managers and technicians, young people and expert professionals who work together speaking different languages.



We have an **internal code of ethics** and we operate with standards of legality and social integrity in which everyone has the right to report non-compliant behavior and acts.

GM is also actively involved in local initiatives:

**beleafing**  
-176 tons of CO2  
600 trees donated  
350 citizens involved

Arzignano **Capitale della Pelle**<sup>®</sup>

**I BAMBINI DELLE FATE**  
per l'inclusione sociale

**PROGETTI DEL CUORE**

WelfareCare

**Mammografia** ed Ecografia gratuita

# Green commitment: products & ESG initiatives



## SUSTAINABILITY COMMITTEE



GM S.p.A. is following a precise path focused on Sustainability, positioning itself as the primary interlocutor for the large brands that have signed the FASHION PACT, and which aim to obtain 25% of the supply of raw materials with low environmental impact by 2025.

### 100% NATURAL AND INIMITABLE

Only real leather is sustainable and has unique characteristics:

- natural, renewable and biodegradable;
- durable and repairable, for a longer life cycle;
- breathable, insulating, water resistant.

### LEATHER FROM OLIVE OIL WASTES

GM's technology allows to produce tanning agents from the Olive Mill Wastewater, a food industry waste harmful to the environment due to its low biodegradability. This technology allows to reduce the greenhouse gases (GHG) effect and therefore the environmental impact of the manufacturing process.



## WE HAVE ALWAYS BEEN COMMITTED TO RESPECT THE ENVIRONMENT

R&D activities are developed according to precise bottom lines including the reduction of resource consumption and environmental impacts, which transversally concern all dimensions of innovation.



We have installed a co-generator to produce electricity and heat for the operation of machinery, heating and the production of hot water.

Energy consumption reduced by ↓ 39%.



We have eliminated carburation oil (BTZ).

CO2 emissions reduced by ↓ 21,3%.



Joint study and analysis project in partnership with Medio Chiampo Spa for the study of innovative solutions for reducing the polluting load on wastewater.

Pollutant load on wastewater already reduced by ↓ 6%



GM has made application for obtaining the Blue Angel certification.

Chemical consumption reduced by ↓ 14%.

Solvent emission factor reduced by ↓ 10%







“Distretto Veneto della Pelle”, of which GM is active partner, is participating in various projects, such as “Concia verso l’impatto zero”, to support the **circular economy** and to create a more sustainable **supply chain**. Among these, the most important aim at maximizing the recovery of waste materials and reducing energy consumption, also through cooperation with strategic partners.

### Key characteristics:

**1<sup>st</sup> Italian hub for leather production**



**59% of the Italian tanning Total Value of Production**

**More than 440 tanning companies**



**More than 8,5k employees across the leather supply chain**



**More than 20% of the area manufacturing sector employees**

**Over €2,5 bn Total Value of Production**





Area of **132km** between Vicenza e Verona





## CIRCULAR ECONOMY

**Hides are wastes coming from the food industry, recovered from tanneries:** every year, worldwide, it is possible to estimate around 1,700 km<sup>2</sup> of raw hides (8 million tonnes), the disposal of which would generate 5 million tonnes of greenhouse gases.

product tracing



**The Italian tanning industry is committed to providing information on its supply chain**, with the aim of providing guarantees on important ethical aspects such as animal and ecosystem welfare (*opposite deforestation*).



“second life” for wastes

**In Arzignano district, wastes from production processes** (*sewage sludge, chips, clippings, splits, ...*) **are used as secondary raw materials:**



- Fertilizers and bio-stimulants for organic farming;



- Gelatin for the food and pharmaceutical sectors;



- Collagen for cosmetics, nutraceuticals and adhesives;



- Inert granulates and bituminous conglomerates for construction.

# Income Statement (FY 2019 – H1 2024)



Euro '000	2019	%	2020	%	2021	%	2022	%	2023	%	H1 2024	%
Revenues from Sales and Services	24.791	100,9%	29.239	92,2%	49.692	99,2%	40.829	99,1%	40.898	82,7%	18.953	100,1%
Other Revenues and Income	12	0,0%	387	1,2%	221	0,4%	1.880	4,6%	699	1,4%	309	1,6%
<b>Total Revenues and Other Revenues</b>	<b>24.803</b>	<b>100,9%</b>	<b>29.626</b>	<b>93,4%</b>	<b>49.913</b>	<b>99,6%</b>	<b>42.709</b>	<b>103,7%</b>	<b>41.598</b>	<b>84,1%</b>	<b>19.263</b>	<b>101,8%</b>
<b>Growth YoY%</b>			<b>19,4%</b>		<b>68,5%</b>		<b>-14,4%</b>		<b>-2,6%</b>			
Change in Inventories of WIP, Semi-Finished and Finished Products	-230	-0,9%	2.077	6,6%	186	0,4%	-1.514	-3,7%	7.865	15,9%	-332	-1,8%
<b>Value of Production</b>	<b>24.573</b>	<b>100,0%</b>	<b>31.703</b>	<b>100,0%</b>	<b>50.099</b>	<b>100,0%</b>	<b>41.194</b>	<b>100,0%</b>	<b>49.463</b>	<b>100,0%</b>	<b>18.931</b>	<b>100,0%</b>
<b>Growth YoY%</b>			<b>29,0%</b>		<b>58,0%</b>		<b>-17,8%</b>		<b>20,1%</b>			
Cost of Raw, Ancillary and Consumable Materials and Goods for Resale	-11.135	-45,3%	-14.316	-45,2%	-27.790	-55,5%	-19.362	-47,0%	-30.735	-62,1%	-10.098	-53,3%
Changes in inventories of raw, ancillary and consumable materials and goods for resale	-82	-0,3%	665	2,1%	2.128	4,2%	-82	-0,2%	5.714	11,6%	3.908	20,6%
Service Costs	-7.453	-30,3%	-11.075	-34,9%	-15.543	-31,0%	-11.612	-28,2%	-11.856	-24,0%	-5.659	-29,9%
Labor Costs	-2.474	-10,1%	-2.848	-9,0%	-3.705	-7,4%	-4.103	-10,0%	-5.368	-10,9%	-3.004	-15,9%
Leasehold Costs	-593	-2,4%	-499	-1,6%	-587	-1,2%	-759	-1,8%	-762	-1,5%	-561	-3,0%
Other Operating Expenses	-475	-1,9%	-158	-0,5%	-181	-0,4%	-297	-0,7%	-271	-0,5%	-686	-3,6%
<b>EBITDA</b>	<b>2.361</b>	<b>9,6%</b>	<b>3.470</b>	<b>10,9%</b>	<b>4.420</b>	<b>8,8%</b>	<b>4.978</b>	<b>12,1%</b>	<b>6.184</b>	<b>12,5%</b>	<b>2.831</b>	<b>15,0%</b>
Amortization of Intangible Assets	-177	-0,7%	-311	-1,0%	-454	-0,9%	-1.070	-2,6%	-1.439	-2,9%	-728	-3,8%
Depreciation of Tangible Assets	-106	-0,4%	-256	-0,8%	-382	-0,8%	-482	-1,2%	-820	-1,7%	-576	-3,0%
Write-Downs of Current Receivables and Cash and Cash Equivalents	0	0,0%	-341	-1,1%	0	0,0%	-125	-0,3%	0	0,0%	0	0,0%
<b>EBIT</b>	<b>2.078</b>	<b>8,5%</b>	<b>2.56</b>	<b>8,1%</b>	<b>3.584</b>	<b>7,2%</b>	<b>3.301</b>	<b>8,0%</b>	<b>3.925</b>	<b>7,9%</b>	<b>1.527</b>	<b>8,1%</b>
Financial Income/Charges	-230	-0,9%	-257	-0,8%	-304	-0,6%	-976	-2,4%	-1.156	-2,3%	-881	-4,7%
Extraordinary Income/Charges	30	0,1%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
<b>EBT</b>	<b>1.878</b>	<b>7,6%</b>	<b>2.304</b>	<b>7,3%</b>	<b>3.280</b>	<b>6,5%</b>	<b>2.324</b>	<b>5,6%</b>	<b>2.769</b>	<b>5,6%</b>	<b>646</b>	<b>3,4%</b>
Income Taxes for the Period Current, Deferred and Prepaid	-542	-2,2%	-484	-1,5%	-827	-1,7%	-312	-0,8%	-729	-1,5%	-388	-2,0%
<b>Profit (Loss) for the Period</b>	<b>1.336</b>	<b>5,4%</b>	<b>1.820</b>	<b>5,7%</b>	<b>2.454</b>	<b>4,9%</b>	<b>2.012</b>	<b>4,9%</b>	<b>2.040</b>	<b>4,1%</b>	<b>258</b>	<b>1,4%</b>

## Balance Sheet (FY 2019 – H1 2024)



Euro '000	2019	2020	2021	2022	2023	H1 2024
Intangible Assets	533	1.191	1.662	3.822	4.801	5.304
Tangible Assets	959	3.381	3.981	2.016	6.747	6.966
Financial Assets	348	44	34	1	117	477
<b>Total Fixed Assets</b>	<b>1.840</b>	<b>4.616</b>	<b>5.677</b>	<b>5.839</b>	<b>11.665</b>	<b>12.747</b>
Inventories	4.837	9.855	12.071	10.811	24.282	27.858
Receivables from Customers	3.322	8.695	12.428	16.378	10.575	7.135
Other Receivables	702	1.852	2.624	3.487	5.777	5.666
Commercial Payables	-2.570	-7.953	-8.663	-7.476	-10.228	-9.811
Other Payables	-942	-1.211	-2.082	-1.562	-2.343	-3.470
<b>Net Working Capital</b>	<b>5.349</b>	<b>11.238</b>	<b>16.378</b>	<b>21.637</b>	<b>28.062</b>	<b>27.379</b>
Employee Severance Indemnity	-20	-220	-283	-367	-611	-618
Provisions for Risks and Charges	-3	-3	-23	-4	-5	-5
<b>Total</b>	<b>-23</b>	<b>-223</b>	<b>-306</b>	<b>-371</b>	<b>-616</b>	<b>-623</b>
<b>Net Invested Capital</b>	<b>7.165</b>	<b>15.631</b>	<b>21.745</b>	<b>27.104</b>	<b>39.110</b>	<b>39.502</b>
Share Capital	90	90	90	112	112	112
Reserves	2.505	4.882	5.503	9.592	11.303	13.339
Profit (Loss) for the Period	1.336	1.820	2.454	2.012	2.040	258
<b>Shareholders' Equity</b>	<b>3.931</b>	<b>6.793</b>	<b>8.046</b>	<b>11.716</b>	<b>13.456</b>	<b>13.710</b>
Payables to Banks due within one year	3.835	5.681	7.587	8.677	15.591	17.078
Payables to Banks due beyond one year	924	4.387	6.860	7.887	12.018	10.413
Cash and Cash Equivalents	-1.524	-1.230	-746	-1.177	-1.955	-1.699
<b>Net Financial Position (NFP)</b>	<b>3.235</b>	<b>8.838</b>	<b>13.702</b>	<b>15.388</b>	<b>25.654</b>	<b>25.792</b>
<b>Shareholders Equity + NFP</b>	<b>7.165</b>	<b>15.631</b>	<b>21.745</b>	<b>27.104</b>	<b>39.110</b>	<b>39.502</b>

# Cash Flow Statement (FY 2020 – H1 2024)

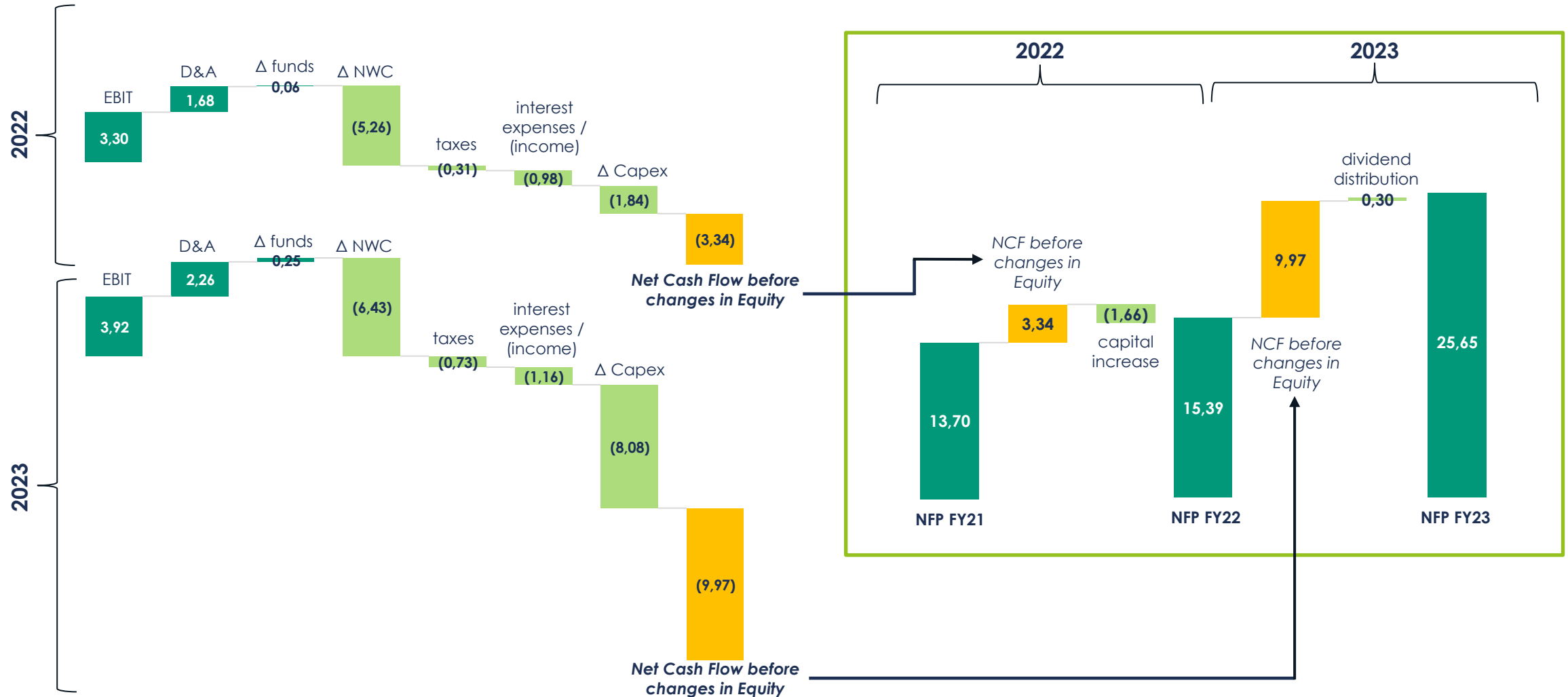


Euro '000	2020	2021	2022	2023	H1 2024
<b>EBIT</b>	<b>2.561</b>	<b>3.584</b>	<b>3.301</b>	<b>3.925</b>	<b>1.527</b>
Amortization	909	836	1.677	2.259	1.303
Delta Employee Severance Indemnity	200	63	84	244	7
Delta Provisions for Risks and Charges	0	20	-19	1	0
Income Taxes	-484	-827	-312	-729	-388
<b>Cash Flow Before Changes in Net Working Capital</b>	<b>3.186</b>	<b>3.677</b>	<b>4.731</b>	<b>5.700</b>	<b>2.449</b>
Delta Receivables from Customers	-5.373	-3.733	-3.950	5.803	3.439
Delta Inventories	-5.018	-2.216	1.260	-13.471	-3.576
Delta Commercial Payables	5.383	710	-1.186	2.751	-416
Delta Other Receivables/Payables	-880	99	-1.383	-1.509	1.237
<b>Delta Net Working Capital</b>	<b>-5.888</b>	<b>-5.140</b>	<b>-5.259</b>	<b>-6.425</b>	<b>683</b>
<b>Cash Flow After Changes in Net Working Capital</b>	<b>-2.702</b>	<b>-1.463</b>	<b>-528</b>	<b>-725</b>	<b>3.132</b>
Investments/Disposals Tangible Assets	-969	-925	-3.231	-2.418	-795
Investments/Disposals Intangible Assets	-2.679	-982	1.483	-5.551	-1.231
Investments/Disposals Financial Assets	304	10	33	-116	-360
Write-Downs	-342	0	-125	0	0
<b>Cash Flows after Investing Activities</b>	<b>-6.387</b>	<b>-3.360</b>	<b>-2.368</b>	<b>-8.810</b>	<b>747</b>
Extraordinary Adjustments	0	0	0	0	0
Delta Shareholders Equity	1.042	-1.200	1.658	-301	-4
<b>Cash Flows before Financing Activities</b>	<b>-5.346</b>	<b>-4.560</b>	<b>-710</b>	<b>-9.111</b>	<b>743</b>
Financial Income/Charges	-257	-304	-976	-1.156	-881
<b>Delta Net Financial Position</b>	<b>-5.603</b>	<b>-4.863</b>	<b>-1.686</b>	<b>-10.266</b>	<b>-138</b>

# Net Financial Position's analysis and evolution



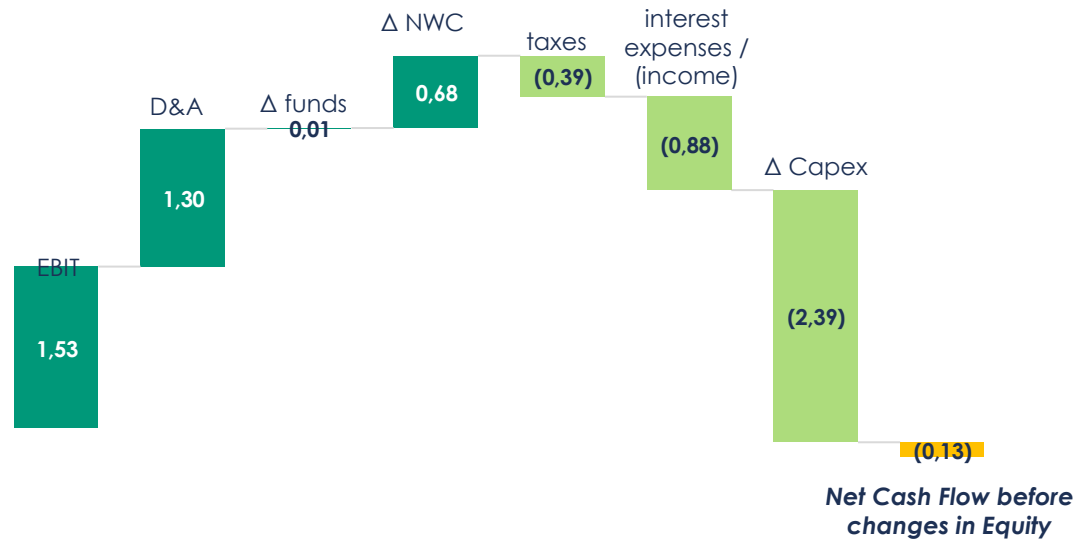
## Net Financial Position Bridge FY21 to FY23



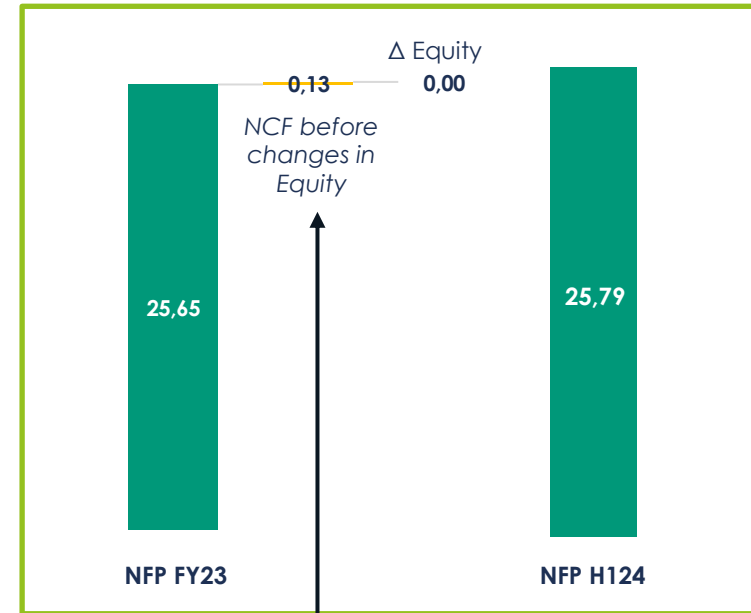
# Net Financial Position's bridge at 30.06.2024



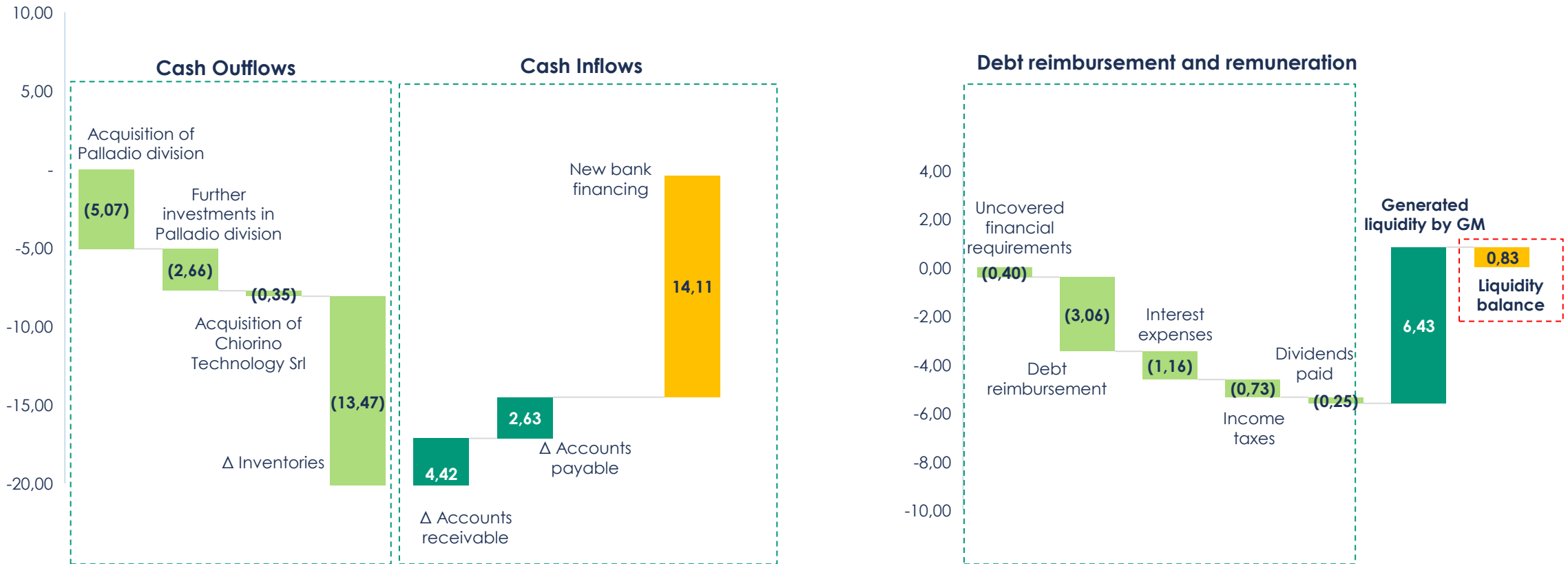
Net Financial Position Bridge FY23 to H1 2024



Net Financial Position Bridge FY23 to H1 2024



## Cash flow management bridge 2022-2023 [€ million]



For further information, please refer to:

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Your Strategic Partner

**THANK YOU**