Driving Human Audio Experience

CORPORATE PRESENTATION

Alantra Virtual Roadshow

27/28 October 2021

A WORLDWIDE LEADER IN PROFESSIONAL AMPLIFIERS

POWERSOFT AT A GLANCE

Powersoft is a global leader in **audio amplification technologies**, **advanced signal processing**, and **unique transducer systems** for the pro-audio sector

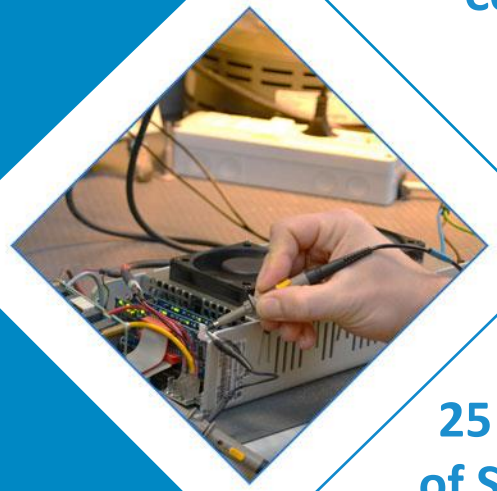
Powersoft specializes in the **design, production, and marketing of landmark products** for sophisticated customers and operators of the professional audio market. These products are the result of its strong emphasis on **R&D and continuous innovation**

EBITDA Margin 13.4%

Revenues €16.1m

Net Profit €0.9m

4 Production Plants*



~30 International Patents

25 Years of Success

110 Headcounts

1H2021
FINANCIAL FIGURES

* 3 production plants are in outsourcing

A HISTORY OF CONSISTENT GROWTH

1995 - 1998

BIRTH AND DEVELOPMENT

Powersoft

Specialized in design, production and marketing of high-end **patented technologies** for professional audio applications

1998 - 2008

COMPANY GROWTH

2008 -2018

CONSOLIDATION AND DIVERSIFICATION

Pioneer in switch-mode technology, **worldwide credited** as a standard setter and industry innovator

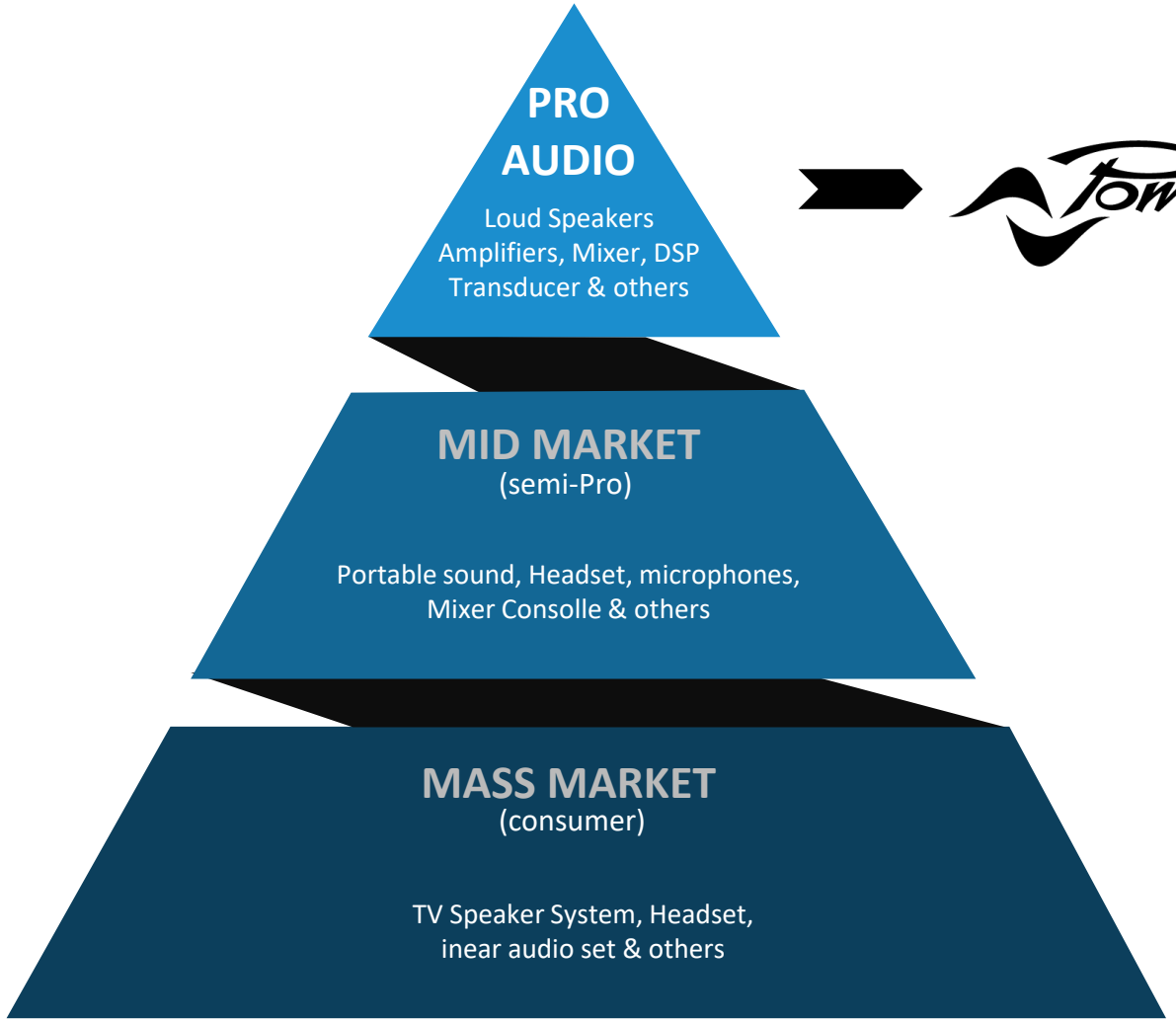
DEC 17, 2018

IPO

TODAY

OVER 26 YEARS OF SUCCESS

AN ITALIAN EXCELLENCE POSITIONED AT THE HIGH-END PROFESSIONAL AUDIO MARKET

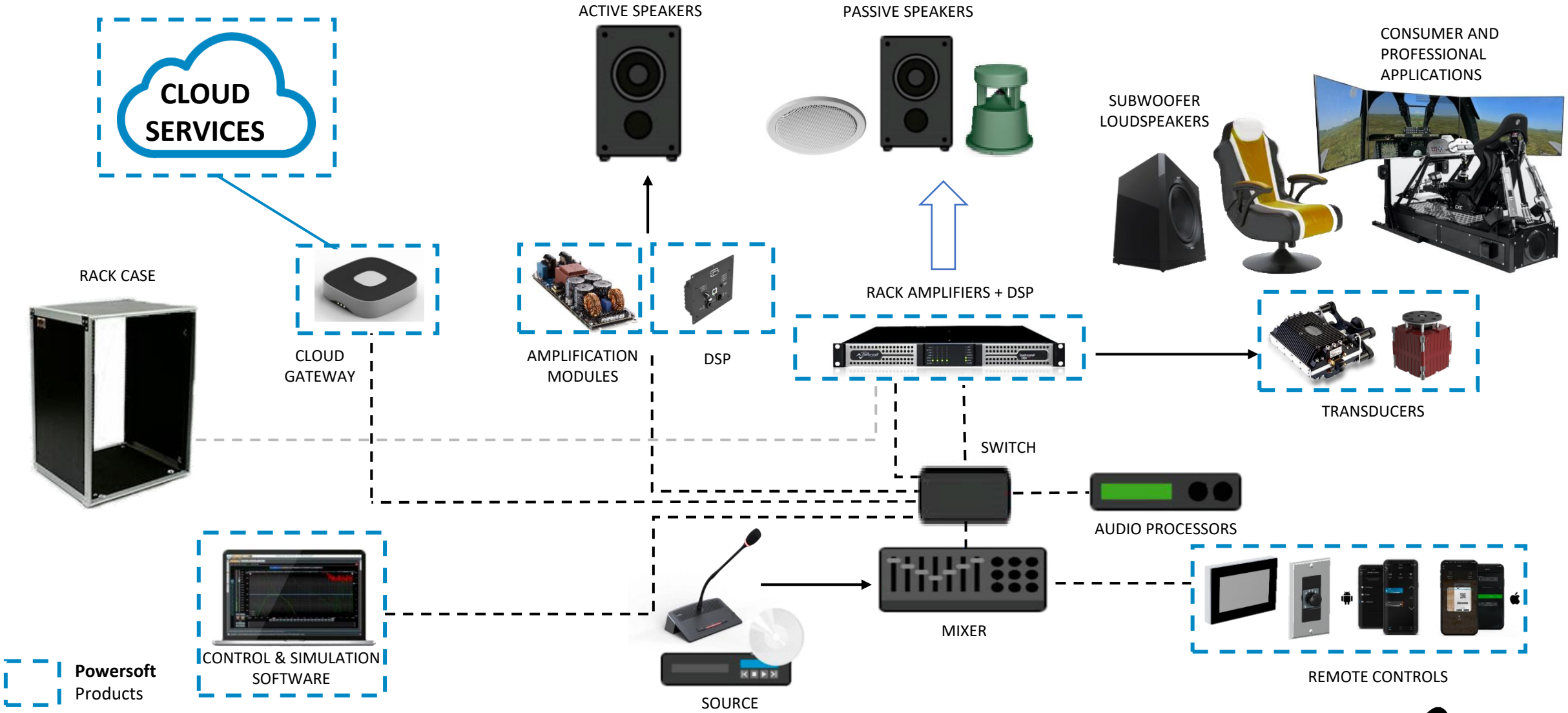


Powersoft

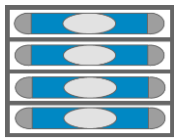
AT THE TOP OF THE PIRAMID

- A pioneer in the **high-end professional audio market**
- Globally recognized **market setter of unrivalled cutting-hedge products** in a thriving market
- Serving a broad range of clients, both **professional customers and audio-device makers**
- **Over 26 years as a forefront player in the market**, set to face future challenges and to exploit new opportunities

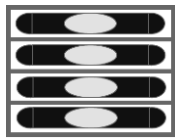
AT THE HEART OF THE AUDIO SYSTEM



PRODUCTS AND SOLUTIONS VS MARKETS

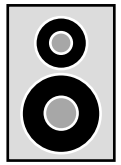


RACK AMPLIFIER

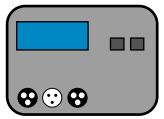


OEM RACK AMPLIFIER

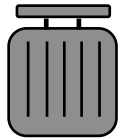
REMOTE CONTROL



ACTIVE SPEAKER AMPLIFIER



DSP SIGNAL PROCESSING



BASS SHAKERS TRANSDUCERS

SECURITY MULTIMEDIA DEVICE

DIAGNOSTIC AND PROGNISTIC SERVICES

CORPORATE

CONVENTION & EXHIBITION CENTERS

AIRPORTS

THEME PARKS

STADIUMS & ARENAS

CONFERENCE & BOARD ROOMS

EMERGENCY AND SECURITY

RETAIL

HOUSES OF WORSHIP

INDUSTRIAL

HOTELS & RESORTS

BARS & RESTAURANTS

THEATRES

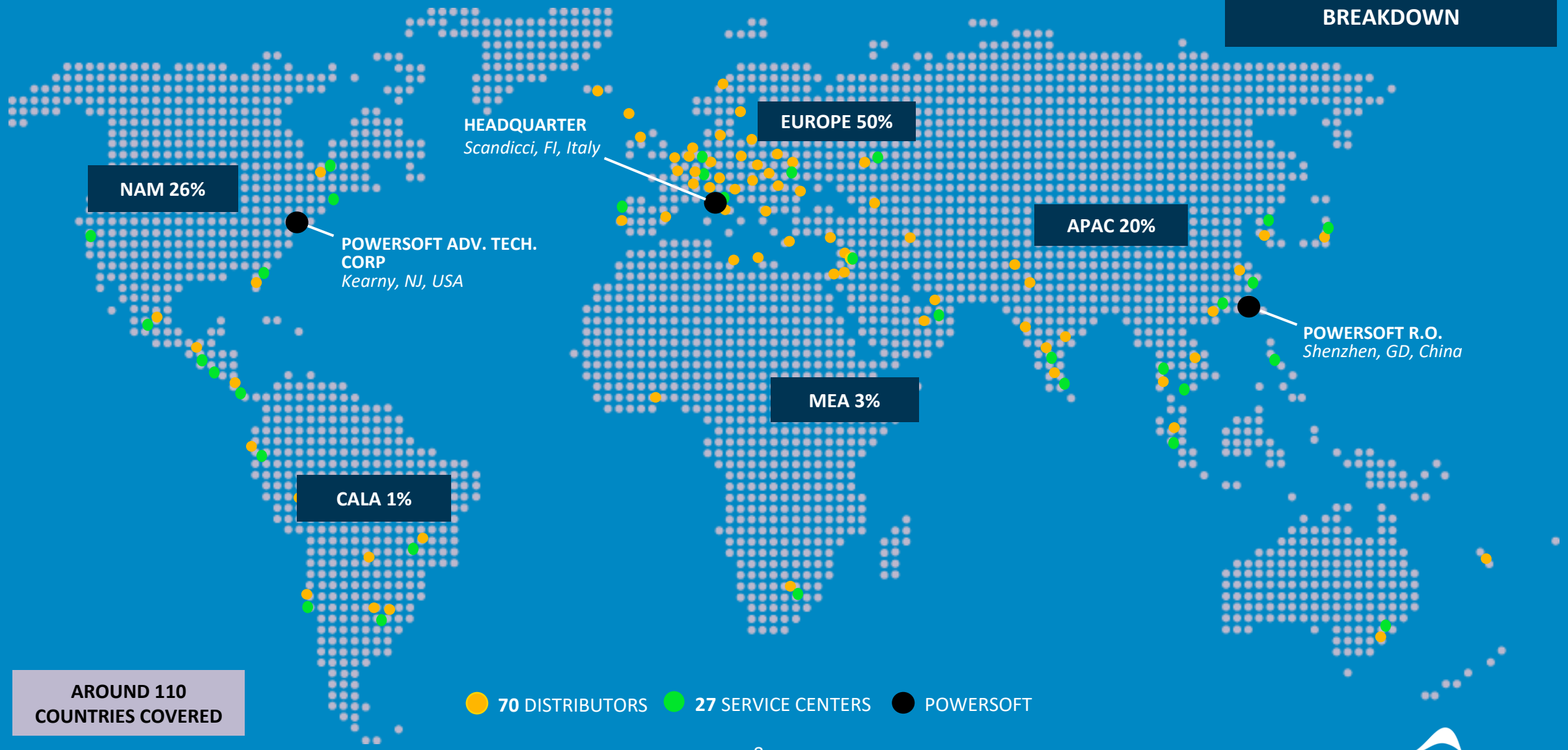
MUSEUMS

MALLS & SHOPPING CENTERS

CRUISE SHIPS

STRONG INTERNATIONAL PRESENCE

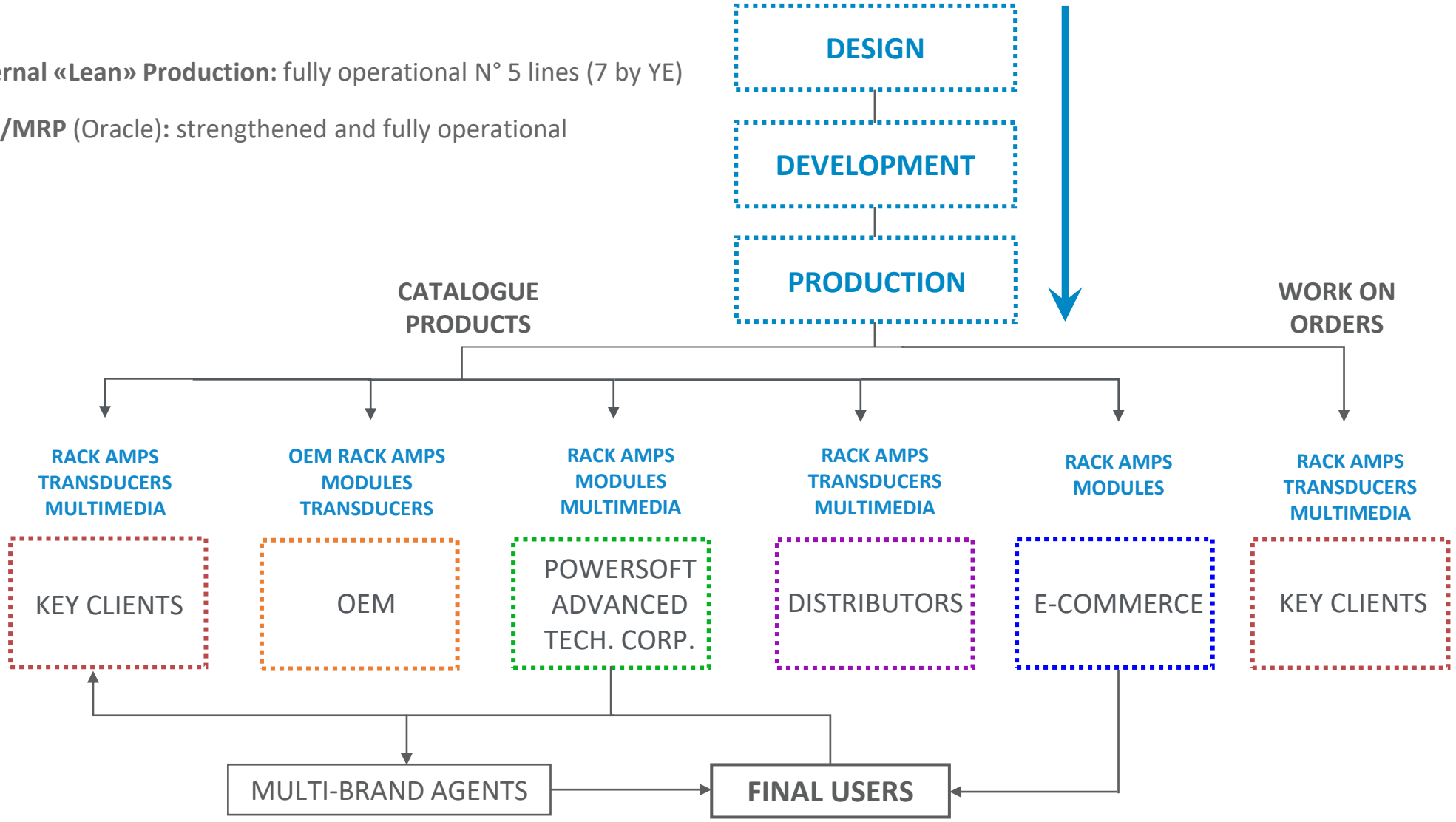
1H2021 REVENUES BREAKDOWN



AROUND 110 COUNTRIES COVERED

DIVERSIFIED AND EFFICIENT BUSINESS MODEL

- **Internal «Lean» Production:** fully operational N° 5 lines (7 by YE)
- **ERP/MRP** (Oracle)**:** strengthened and fully operational

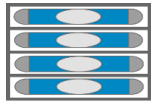


MARKET TREND & STRATEGY

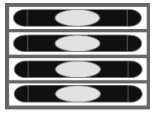
Photo credit: Ezra Shaw, Getty Images

RACK AMPLIFIER MARKET: INTERESTING RECOVERY PROSPECTS

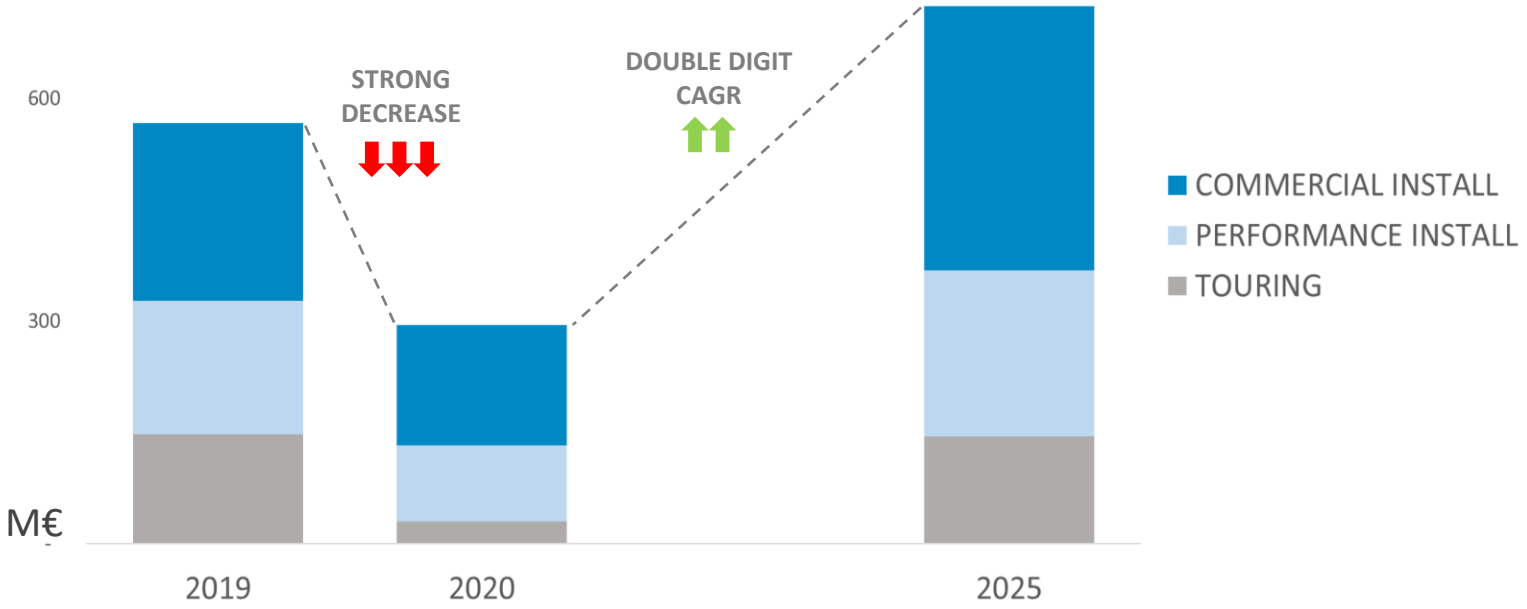
- **Powersoft outperforming vs market average in 2020**
- **Market growing high single digit 2020-25**, Touring expected to gradually recover
- **Installed business remains the strongest** and most resilient, with relevant acceleration of technology adoption



RACK AMPLIFIER



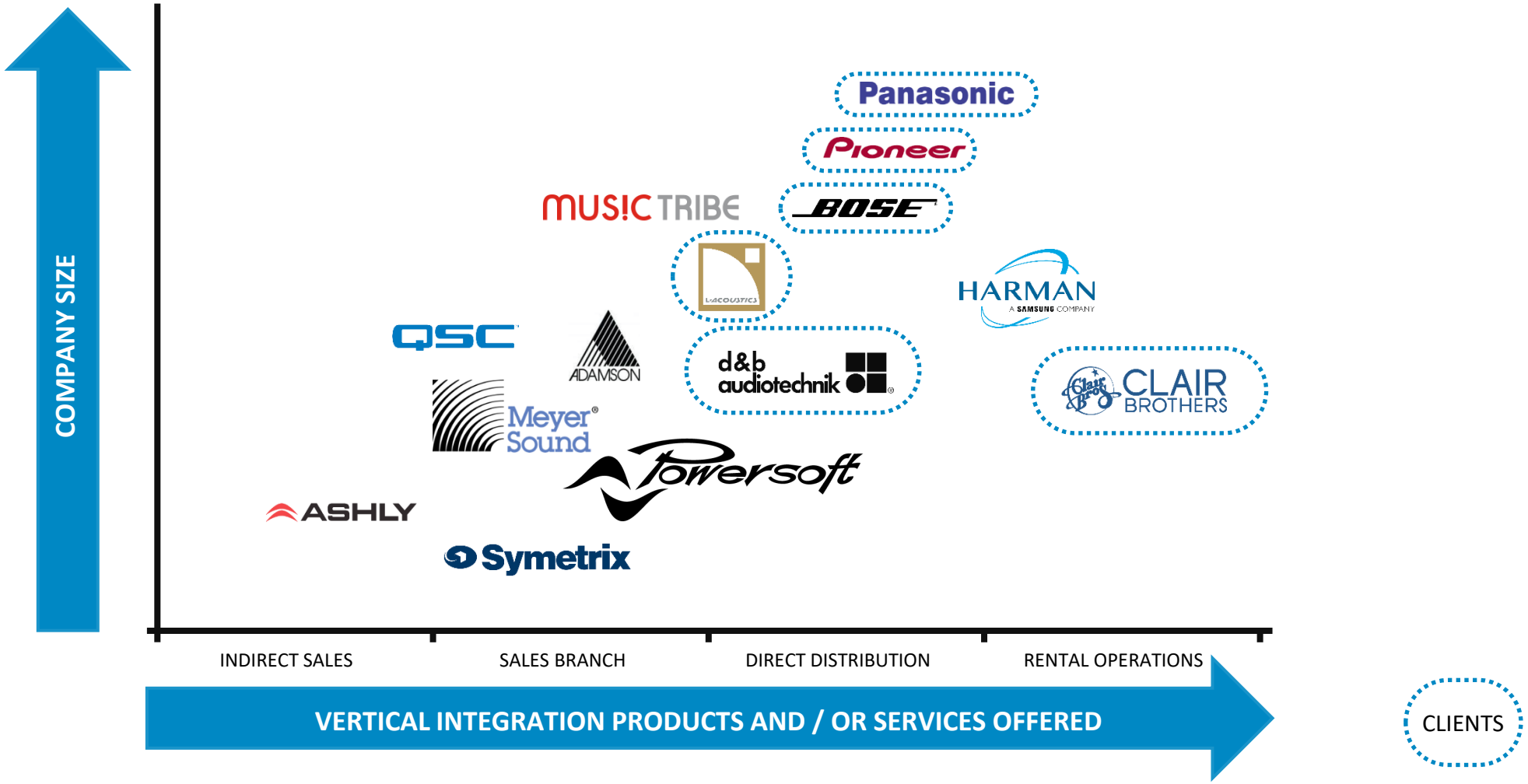
OEM RACK AMPLIFIER



Data source: Powersoft elaboration based on primary research panels

A VERY FRAGMENTED MARKET WITH ROOM FOR CONSOLIDATION

Main market players for company size and level of vertical integration of products and / or offered services



Data source: Powersoft elaboration based on primary research panels

GROWTH DRIVERS: THREE PILLARS STRATEGY

FROM PRODUCT COMPANY TO SOLUTION PROVIDER

MOVING TOWARDS A TRUE MULTINATIONAL GROUP

FOCUS ON INNOVATION AND NEW TECHNOLOGIES

GROWTH DRIVERS:
FROM PRODUCT COMPANY TO SOLUTION PROVIDER

STRATEGY

Focus on **proprietary solutions** designed for **specific target proAudio applications** suitable for **installed vertical markets**:

- **Hospitality**
- **Retail**
- **Higher Education**
- **Houses of Worship**
- **Venues**

Launch of value added and software-based services with cloud-based features to exploit **upselling/cross-selling potential**

ACTION

- **Akira Mochimaru** as new Global Marketing Director, previous General Manager for Bose Professional
- **Leverage company's WW presence** by partnerships with WW Key Accounts
- **New distribution channels:** E-commerce for B2B
- **New Salesforce CRM platform** to improve process automation
- **New products roadmap** to fulfil Powersoft offer
- **IoT & Cloud based services**

Dynamic Music Distribution

High-quality music distribution in multi-zone/source applications

Smart Cities

Connecting city and people through DEVA, a device that integrates multiple data gathering accessories

GROWTH DRIVERS:
MOVING TOWARDS A TRUE MULTINATIONAL GROUP

USA

Boost presence in **US, Canada and Latin America** market*:

- **Strengthen US headquarter** by hiring new management, operational and sales staff
- **Focus on key clients** with dedicated sales force

CHINA

Presence strengthened in **China***:

- **Opening a local office** with new professionals to strengthen the **direct commercial presence**, alongside the local distributor

EMEA

Consolidate Leadership in **EMEA**:

- **Widen presence** through additional distributors in strong potential markets as **Italy, France, Greece, Denmark, Norway and Sweden**
- **Partnership with strategic players** (ie Holoplot) to enter new markets

*China + US expected to be accounting **over 40%** of the total Professional Amplifier market by 2025.

GROWTH DRIVERS:
FOCUS ON INNOVATION AND NEW TECHNOLOGIES

Ideofarm

Powersoft's own **growth accelerator** to support **new projects** and **innovative technologies**

Powersoft's **Trademark which identifies environmental friendly products**

Powersoft is the winner of the **Corporate & Social Responsibility Awards 2021**

INNOVATIONS

High entry barriers

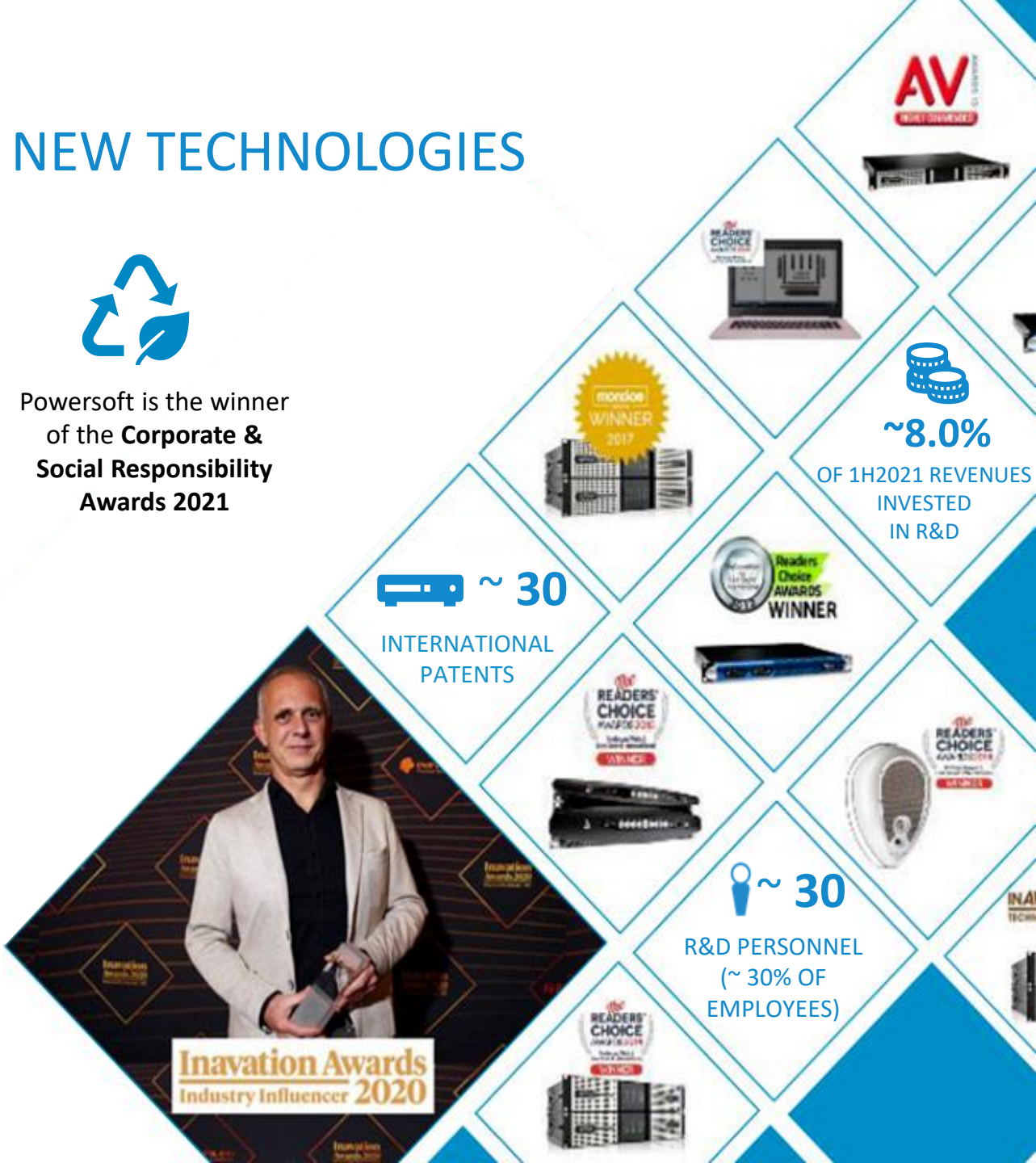
- Top level R&D laboratory
- More than 30 international patents
- Many trademarks registered in over 30 countries
- **Innovative SME** (certified in the Italian Innovators public register)

High Energy Efficiency

- Environmentally friend products
- Small sizes, huge power

ADDED VALUE SERVICES

My Powersoft In Cloud Platform



GROWTH DRIVERS:
POWERSOFT AS PIONEER IN THE MARKET

1995

Class D POWER AMPS

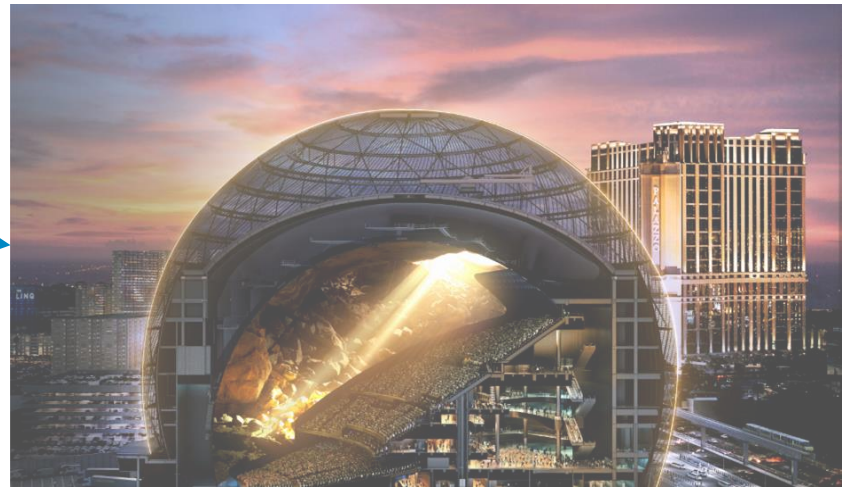
2005

AMPLIFICATION MODULS

2021

SYSTEM SOLUTIONS

- Dynamic Music Distribution systems
- Multi channels amps for immersive systems



PATENTED TECHNOLOGIES

- Innovative topologies for efficiency improvement in **switchmode power converters**
- **Control methods** for optimizing and compensating acoustical systems non linearities and enhancing global performances
- **Electromechanical conversion systems** for highly efficient and powerful acoustic transduction
- **Acoustical solutions** to increase compactness of acoustical cabinets and sound pressure level capabilities
- **Modular and flexible multichannel amplification platform** for large scale/channels count applications
- Efficient **Long Range Wireless Power Distribution** for domestic and commercial appliances
- **Self sufficient acoustical ambient enhancement**, for domestic and commercial applications

?

WHAT'S NEXT?

IMMERSIVE SOUND

KEY TAKEAWAYS

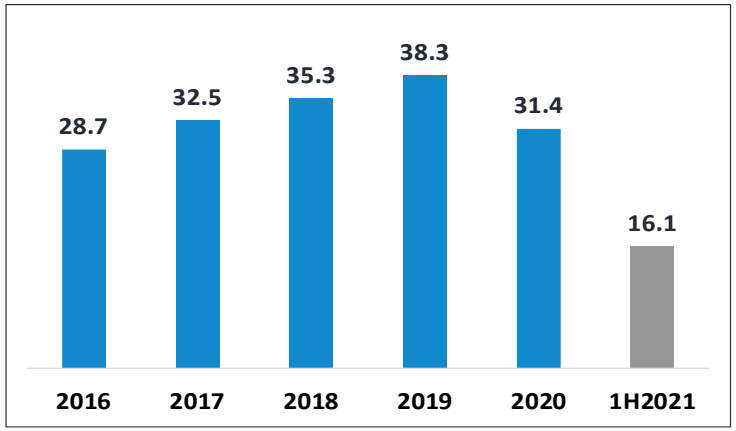
- Accelerated positioning **from Product Company to Solution Provider**
- **Faster growth** and **strong competitive positioning** thanks to **R&D investments** in **product innovation** and **offering expansion**
- **Improving market share in US and in China** by strengthening traditional sales channels and the development of new ones
- **Partnerships with industry players** and **opportunities** for long-term organic growth
- **Large install projects** and **audio immersive venues**: potential add on
- Using **M&A** to accelerate our **strategy implementation**
- The **strong order intake and backlog in all geographical areas,** driven by reference market recovery and supply shortage, **improve visibility going forward**

STRONG EQUITY STORY BACKED BY SOLID FINANCIALS

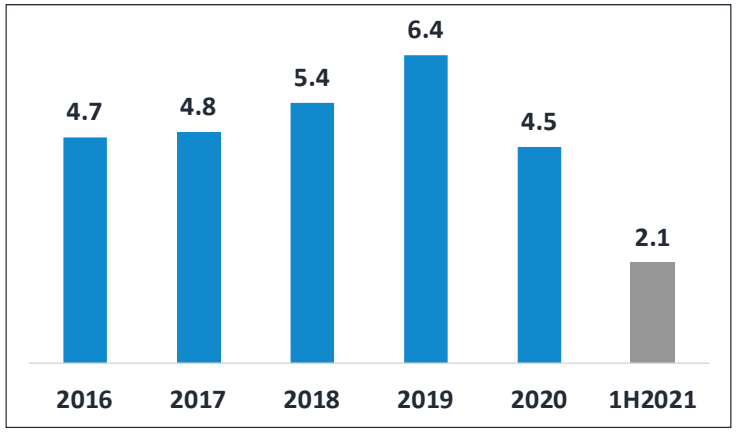
ASCENDAS HEADQUARTERS
SINGAPORE

FINANCIAL HIGHLIGHTS

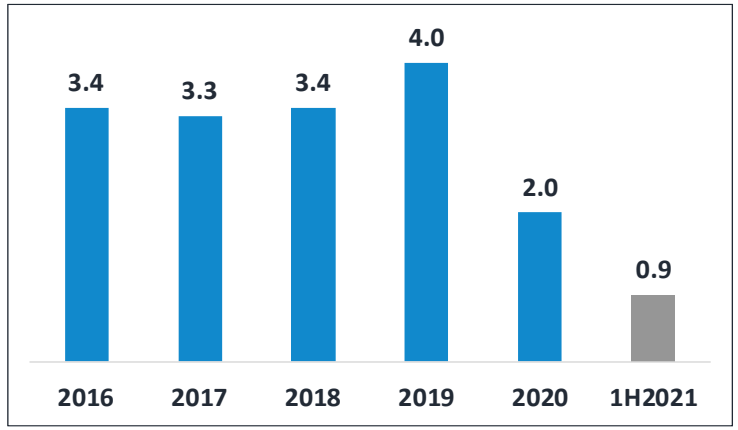
REVENUES €/M



EBITDA €/M

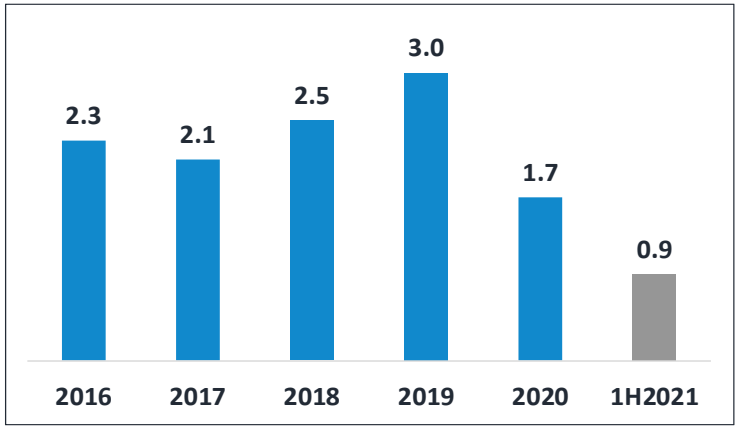


EBIT €/M

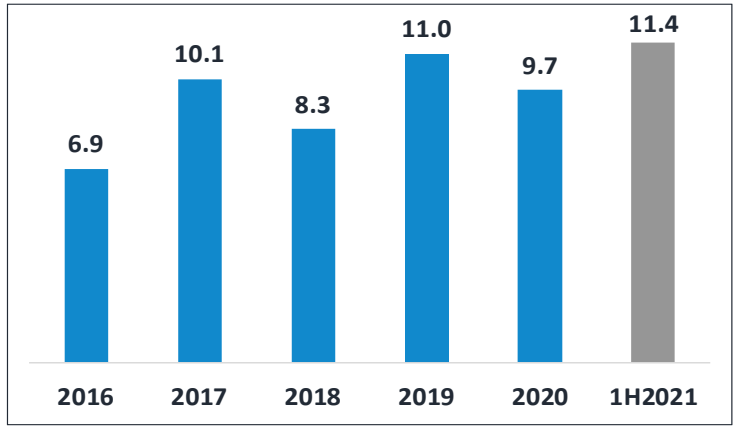


A solid equity story and sound financials, which allows the company to face, with flexibility and speed, the changing commercial and industrial needs, the current pandemia and growth goals

NET PROFIT €/M

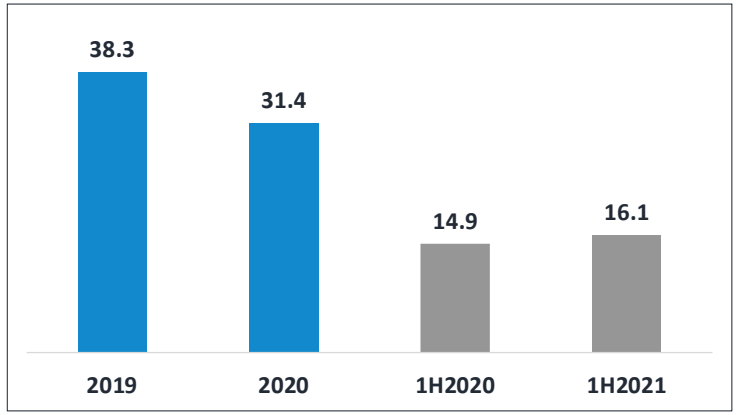


NFP (CASH) €/M

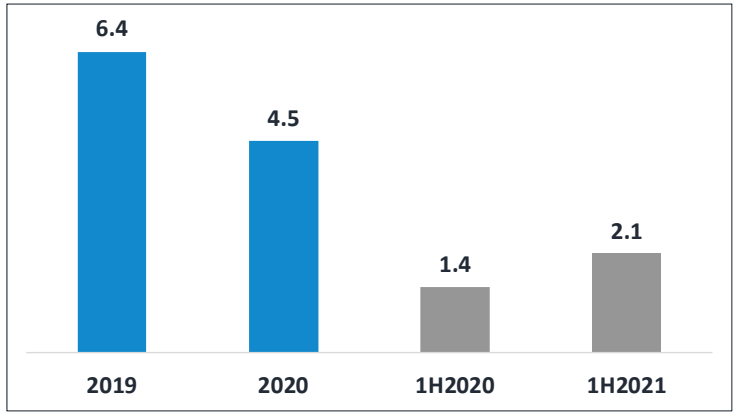


STRONG GROWTH RECORDED IN H1 2021

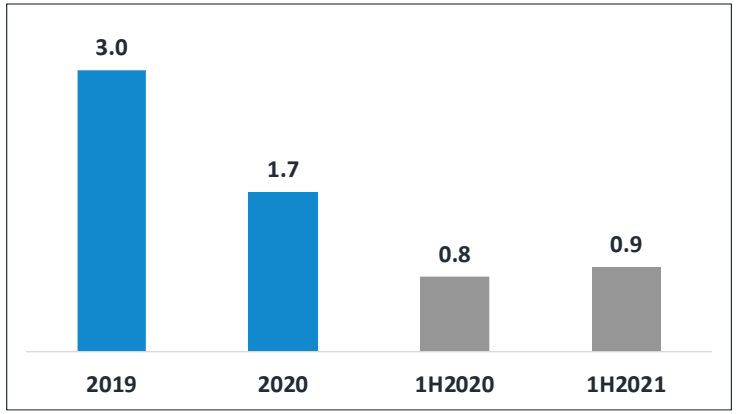
REVENUES €/M



EBITDA €/M



NET PROFIT €/M



- **Total Revenues** at **€16.1 M**, +8.6% YoY
- **Sales Revenues at** to **€15.6 M +10.5% YoY**
- Signs of **partial recovery of the reference market** confirmed
- **Solid order book** sustains growth

EBITDA at €2.1 M, + 45.4% YoY & **EBITDA margin** at **13.4%**

Reduction in operating costs:

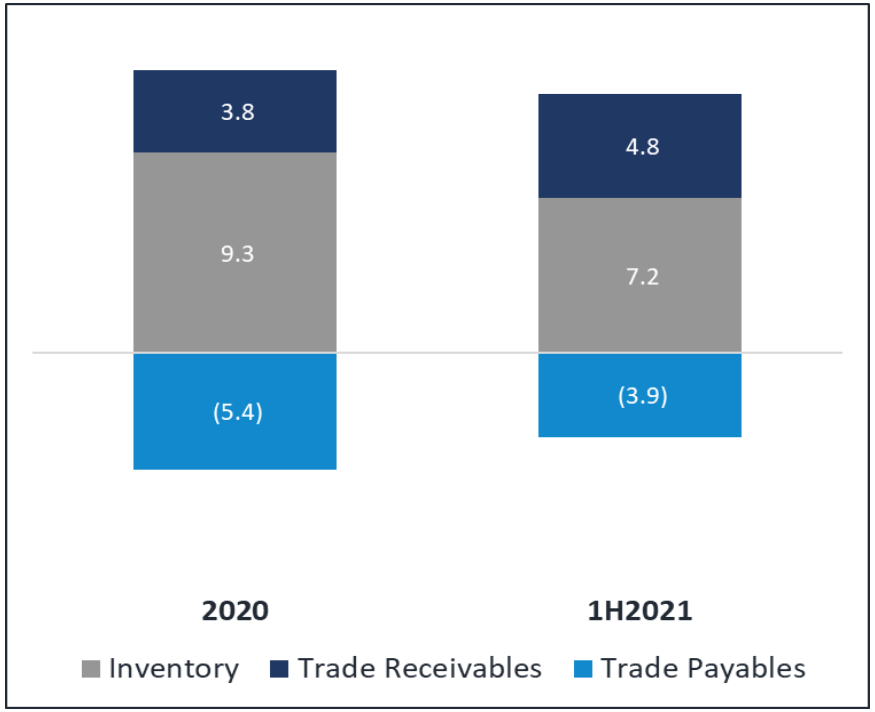
- Personnel costs up 8%
- Commercial expenses down 54%

R&D investments at **€1.3 M**, including €0.6 M of capitalized costs

Net Profit at **€1 M, +7.5%** vs € 0.8 M in H12020 with an incidence on turnover of 5.8%

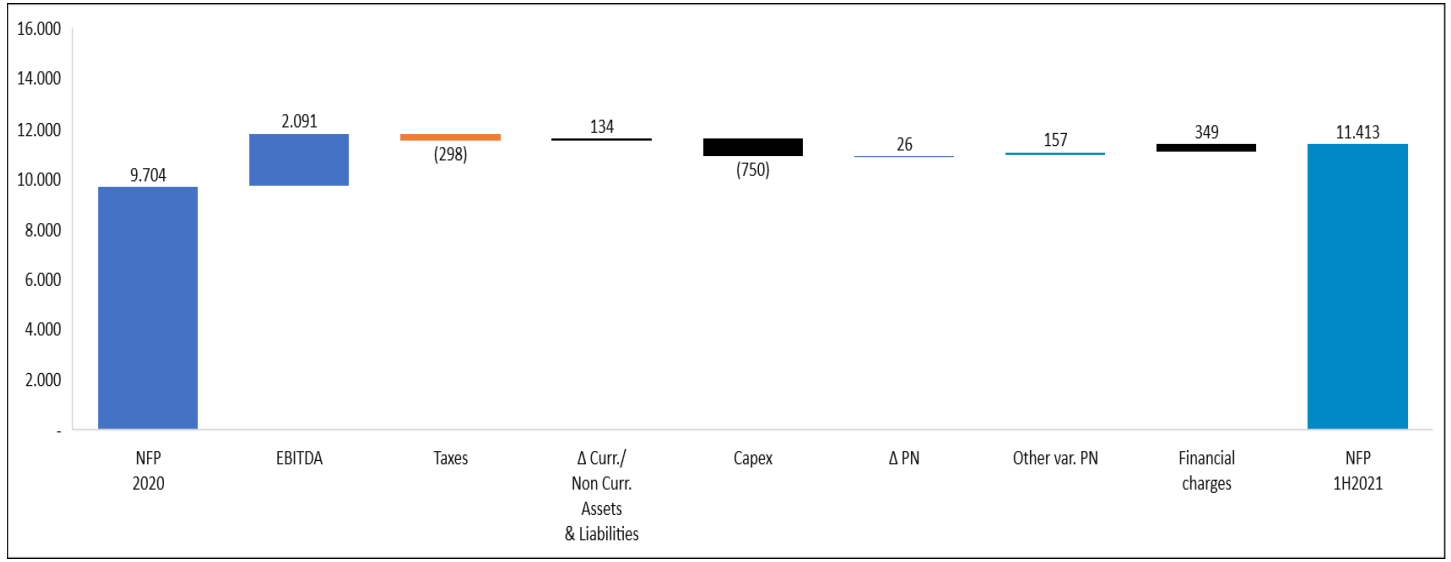
SOUND BALANCE SHEET

NET WORKING CAPITAL €/M

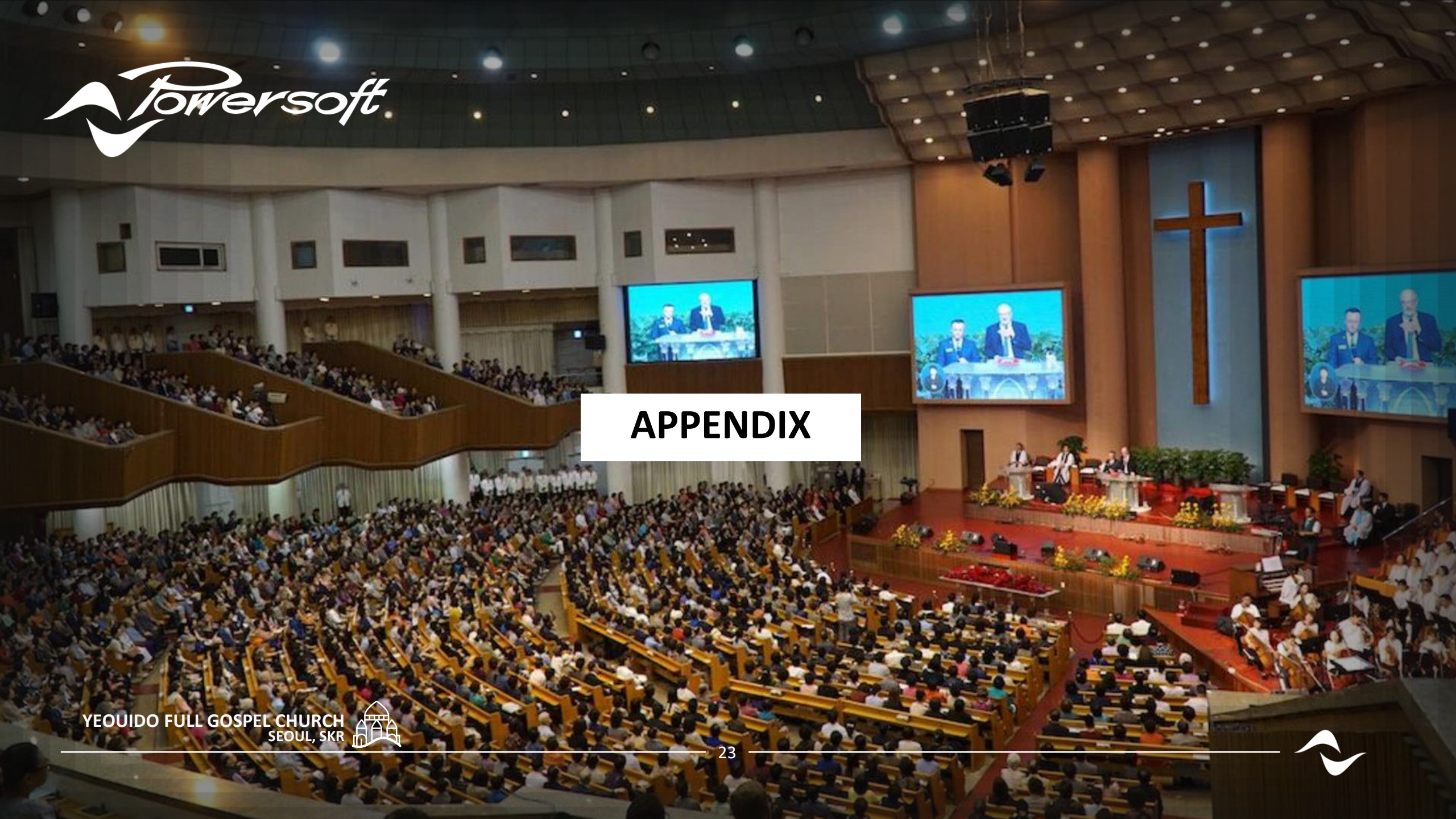


Net Working Capital down to € 8.5 M vs 31 December 2020 mainly due to **improvement in trade payables** owed to suppliers, only partially offset by the **increase in trade receivables** and a **reduction in inventories** resulting from careful management of stocks

NET FINANCIAL POSITION €/K



NFP positive (Net Cash) for **€11.4 M** as results of Cash for €12.5 M and debt for leasing for € 1.1 M (IFRS 16 accounting)



APPENDIX

YEOUIDO FULL GOSPEL CHURCH
SEOUL, SKR

GOVERNANCE

BOARD OF DIRECTORS

Carlo Lastrucci
Chairman

Luca Lastrucci
CEO

Claudio Lastrucci
Director

Antonio Peruch
Director

Luca Giorgi
Director

Paolo Blasi
Independent Director

Lorenzo Lepri
Non-executive Director

BOARD OF STATUTORY AUDITORS

Luigi Fazzini
Chairman

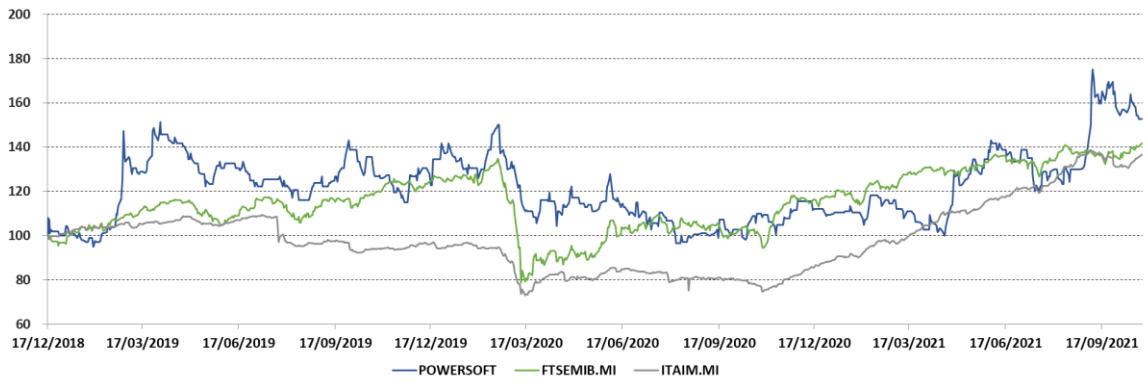
Carlo Consigli
Standing Statutory Auditor

Federica Menichetti
Standing Statutory Auditor

Massimiliano Manfredi
Alternate Statutory Auditor

Paolo Limberti
Alternate Statutory Auditor

STOCK FIGURES



IPO: 17/12/2018

Shares: 11,074,236

Market: Euronext Growth Milan

Price (25/10/2021): €5.50

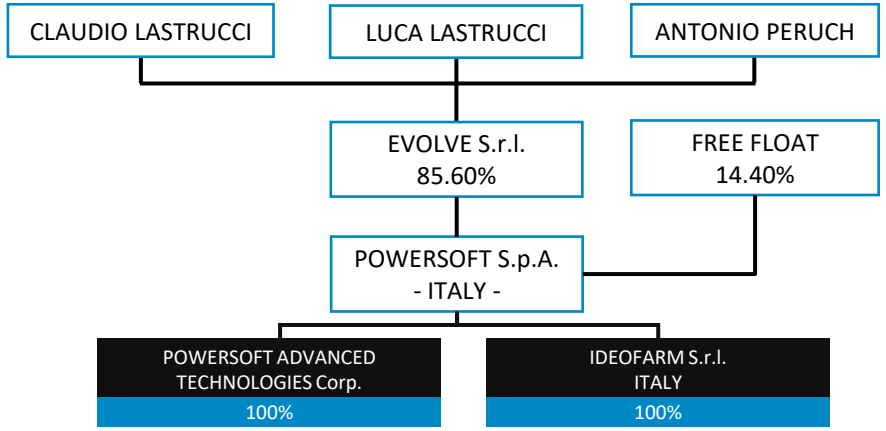
Market Cap (25/10/2021): €60.9M

Average Daily Volume*: 8.5K

AUDIT FIRM

KPMG

SHAREHOLDINGS AND GROUP ORGANIZATION CHART



MARKET SETTER OF UNRIVALLED CUTTING-HEDGE PRODUCTS

SAFETY MULTIMEDIA DEVICES

DEVA

CONTROLLER

WM TOUCH

TRANSDUCERS

IPALMOD

M-FORCE

M-DRIVE

MOVER

RACK AMPLIFIERS

Q SERIES/D SERIES*

DUECANALI SERIES

OTTOCANALI SERIES

MEZZO SERIES

QUATTROCANALI SERIES

TTM

DIGAM 3000*

K SERIES

M SERIES

X SERIES

T SERIES

AMPLIFICATION MODULES

DIGIMOD

DIGIMOD PFC

D-CELL 504

DIGIMOD PFC2/PFC4

DIGIMOD IS

LITEMOD

MINIMOD

LOTO

1995-2003	2004-2009	2010-2013	2014-2019	2020-2021 →

* OUT OF ORDER PRODUCTS

ACTIONS AFTER COVID-19

- Acceleration of the **transformation process to system solution**
- Focus on some **vertical market channels**
- **Development of products and applications** for install applications
- Revision of some **internal processes and logistics**
- Long-term procurement and **production planning** to respond to component shortage
- Introduction of **new tools (CRM, Cloud, ...)**
- Revision of **contracts with suppliers**
- **Revision of organization chart** and insertion of some strategic figures
- Focus on **strategic geographical areas**
- Opening of **new sales channels** (e-commerce and services)
- **Revision of classes of service** for the sale of some products

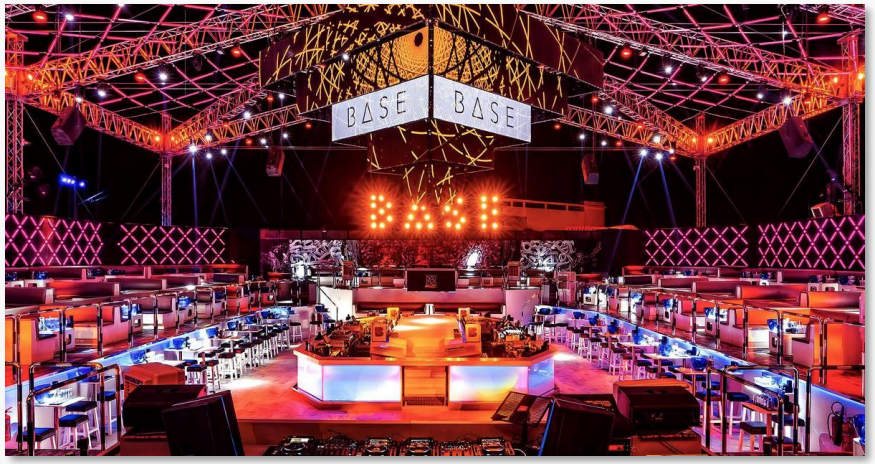
MUSIC CLUB SYSTEM

BASE NIGHTCLUB
DUBAI, UAE

CHALLENGE:
Open-air nightclub with the requirement to complete the project in 23 days.

SOLUTION:
9x **X4 DSP + ETH t**o save on power consumption and gain amplification output.

RESULT:
Powersoft provided the most cost-efficient power solution per channel, with much simpler configuration requirements than competing products.



STADIUM SYSTEM

PARC OLYMPIQUE LYONNAIS STADIUM
LYON, FR

CHALLENGE:
To serve the 59.000-seat stadium with a pristine and broadcast quality sound reinforcement system.

SOLUTION:
4x **Ottocanali 4K4** and
14x **Ottocanali 12K4** taking analogue feeds from Symetrix matrix router's Dante extension cards.

RESULT:
"When people come to this stadium, they get a real show, both visually and sonically. The result is a great installation for football fans which will resonate in the years to come."

- Nicolas Houel,
Technical Manager at OL Images

CULTURAL CENTRE

HANAHOLMEN
ESPOO, FI

CHALLENGE:
To deliver a high-quality sound system for multi-purpose spaces with a dedicated platform for control and monitoring.

SOLUTION:
Quattrocanali DSP+D and **Duecanali DSP+D**

RESULT:
Customer satisfaction due to amplifier's ease of use and reliability.

WORK SPACE SYSTEM

CROSS CAMPUS
LOS ANGELES, USA

CHALLENGE:
A new system for Cross Campus co-working space, to be as networked and automated as possible, in such a way as not to require having a designated sound engineer present for the vast majority of events.

SOLUTION:
2x **Ottocanali DSP+D**, full system tuning with ArmonìaPlus, Dante connectivity and Symetrix integration.

RESULT:
"Powersoft is the only amp manufacturer that would have allowed me to provide the network and DSP functionality this job required while maintaining a healthy, great sounding system."

- Matt Grossman, Hollywood Sound Systems

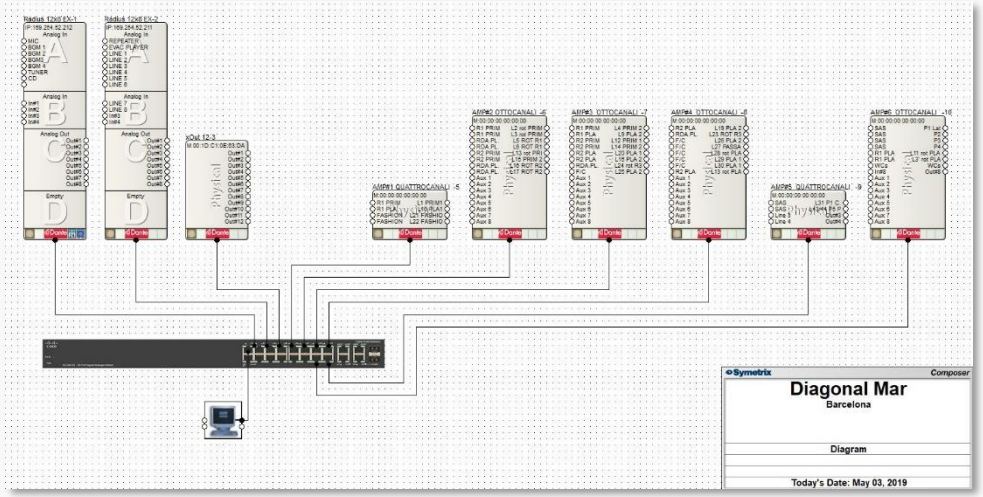
SHOPPING CENTRE SYSTEM

DIAGONAL MAR SHOPPING CENTRE
BARCELONA, ES

CHALLENGE:
A competitive Dante enabled solution for a combination of Hi and Lo-Z speakers distributed in different zones.

SOLUTION:
4x **Ottocanali DSP+D** and 2x **Quattrocanali DSP+D** with full Dante-Symetrix integration.

RESULT:
Flawless system performance and end customer satisfaction.



SHOPPING CENTRE SYSTEM

THE SHOPS AT WILLOW BEND
PLANO - TX, USA

MALL

CHALLENGE:
To upgrade the entire amplification system over 1.3 million square feet of retail space, used for music, entertainment, emergency warnings, desk paging and other announcements both inside the mall and in its parking environments.

SOLUTION:
1x **Ottocanali 4K4**, 1x **Quattrocanali 1204** and 1x **Duecanali 1604**.

RESULT:
"Even though those old speakers have been in the mall for 17 years, everyone I talk to says it sounds better than it ever has once we put the new Powersoft amps in"

- Patrick Burke
BBD Technologies

RESTAURANT SYSTEM

YARD HOUSE RESTAURANT
DENVER, USA

CHALLENGE:
A reliable and efficient system for background music, night after night. To reduce rack space and installation costs.

SOLUTION:
5x **Quattrocanali** units to replace 12x 2-channel amplifiers mixing Lo-Z and 70-Volt distributed line loads.

RESULT:
Reliable and high-power system with zero service required. Saving on racks, cabling and operational costs.

STADIUM SYSTEM

UNIVERSITY OF NEVADA - MACKAY STADIUM
RENO – NV, USA

CHALLENGE:
To provide an amplification solution for the 30.000-seat arena, with low power consumption requirements and low heat dispersion, due to high summer temperatures.

SOLUTION:
4x **Ottocanali 8K4** to replace 12x 3RU pre-existing amplifiers.

RESULT:
"These amplifiers hit a lot harder than others on the market. The sound and clarity was amazing. One of the first comments came from one of the executives asking if we had installed subwoofers in the system, which of course, we hadn't."

- Nathan Barlow, Pro AV & Electronics

HOTEL SYSTEM

NAUTILUS HOTEL
MIAMI, USA

CHALLENGE:

A reliable and efficient system to cover background music night after night, while providing sufficient power and headroom for volume boost in DJ nights and special events.

SOLUTION:

1x **Ottocanali 4K4** for the open-air lounge, and 1x **M30D** and 1x **4K4 Ottocanali** and for the penthouse hi-fi sound system.

RESULT:

“The sound quality of Powersoft is second to none, but we also choose Powersoft because of the consistency and reliability”

HOUSE OF WORSHIP SYSTEM

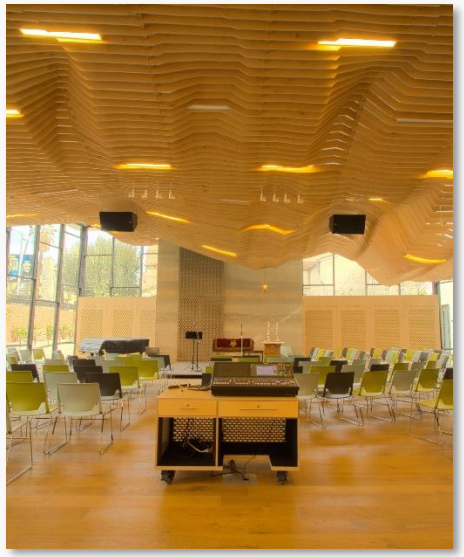
TEMPLE ISRAEL OF HOLLYWOOD
LOS ANGELES, USA

CHALLENGE:
To update systems with a best of breed audio networking solutions. To address the need to reconfigure the layout and change the mix position according to event type, effectively demanding a flexible networking solution.

SOLUTION:
2x **Ottocanali 8K4**, 1x **Ottocanali 12K4** and 1x **Duecanali 3904**

RESULT:
A fully integrated Powersoft, Symetrix and Yamaha system.

"We could not believe our ears the first time we turned the amplifiers on. We are really happy with the result."
- Jon LeBlanc, Project Lead



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