



# C e m b r e

Joint-stock Company  
 Main Office: Via Serenissima, 9 – 25135 Brescia  
 VAT no: 00541390175  
 Share Capital: € 8.840.000 fully paid up  
 Registration no: 00541390175  
 tel.: +39 0303692.1 fax: +39 0303365766

## Press Release

### BOARD APPROVES THE INTERIM REPORT AT SEPTEMBER 30, 2017

#### **CEMBRE (A STAR LISTED COMPANY): IN THE FIRST NINE MONTHS OF 2017 CONSOLIDATED TURNOVER GREW BY 7.8%**

#### **NET FINANCIAL POSITION AT SEPTEMBER 30, 2017 AMOUNTED TO A SURPLUS OF €20.4 MILLION**

- Consolidated sales for the first nine months of 2017 grew by 7.8% worldwide, with domestic sales and exports up respectively by 11.0% and 5.6%
- Capital expenditure for the first nine months of 2017 amounted to €9.3 million
- Sales for the first ten months of 2017 grew by 8.3%, while the net financial position at October 31<sup>st</sup> amounted to a surplus of €22.6 million

(€'000)	First nine months 2017	Sales margin %	First nine months 2016	Sales margin %	% change	3 <sup>rd</sup> Qtr. 2017	Sales margin	3 <sup>rd</sup> Qtr. 2016	Sales margin	% change
<b>Sales</b>	97,555	100	90,518	100	7.8%	30,959	100	27,833	100	11.2%
<b>Gross operating profit (Ebitda)</b>	25,292	25.9	22,237	24.6	13.7%	7,956	25.7	7,027	25.2	13.2%
<b>Operating profit (Ebit)</b>	20,564	21.1	17,824	19.7	15.4%	6,337	20.5	5,530	19.9	14.6%
<b>Profit before taxes</b>	20,182	20.7	17,770	19.6	13.6%	5,960	19.3	5,576	20.0	6.9%
<b>Net profit</b>	14,416	14.8	12,716	14.0	13.4%	4,266	13.8	4,206	15.1	1.4%
<b>Net financial position</b>	20,363		23,122							

*Brescia, November 14, 2017* - The Board of Directors of Cembre Spa – a company listed in the STAR segment of the Milan Stock Exchange and one of the largest European manufacturers of electrical connectors and tools for their installation – chaired by its Chairman and Managing Director Giovanni Rosani, approved at today's meeting the Report on the 3<sup>rd</sup> Quarter of 2017.

**Consolidated sales** for the first nine months of 2017 grew by 7.8% on the corresponding period in 2016, up from €90.5 million to €97.6 million. In the 3<sup>rd</sup> Quarter of 2017, consolidated revenues grew by 11.2% on the 3<sup>rd</sup> Quarter of 2016 from €27.8 million to €31.0 million.

In the first nine months of 2017, 41.8% of Group sales were represented by Italy (as compared with 40.6% in the first nine months of 2016), 42.0% by the rest of Europe (42.9% in the first nine months of 2016), and the remaining 16.2% by the rest of the World (16.5% in the first nine months of 2016). Consolidated domestic sales grew in the period by 11.0% while exports grew by 5.6%.

**Consolidated gross operating profit** (Ebitda) for the first nine months of 2017 amounted to €25.3 million, corresponding to a 25.9% margin on sales, up 13.7% from €22.2 million reported in the first nine months of 2016, representing a 24.6% margin on sales.

Gross operating profit for the 3<sup>rd</sup> Quarter of 2017 grew by 13.2% on the 3<sup>rd</sup> Quarter of 2016.

**Consolidated operating profit** (Ebit) for the first nine months of 2017 amounted to €20.6 million, a 21.1% margin on sales, up 15.4% on €17.8 million in the first nine months of 2016, when it represented a 19.7% margin on sales.

Consolidated operating profit for the 3<sup>rd</sup> Quarter of 2017 amounted to €6.3, a 20.5% margin on sales, up 14.6% on €5.5 million in the corresponding period in the previous year, when it represented a 19.9% margin on sales.

**Consolidated profit before taxes** for the first nine months of 2017 amounted to €20.2 million, representing a 20.7% margin on sales, up 13.6% on the profit before taxes reported in the first nine months of 2016, amounting to €17.8 million and corresponding to a 19.6% margin on sales.

Profit before taxes for the 3<sup>rd</sup> Quarter of 2017 amounts to €6.0 million, corresponding to a 19.3% margin on sales, up 6.9% on €5.6 million in the 3<sup>rd</sup> Quarter of 2016, when it amounted to a 20.0% margin on sales.

**Consolidated net profit** for the first nine months of 2017 amounted to €14.4 million, representing a 14.8% margin on sales, up 13.4% on €12.7 million in the first nine months of 2016, when it represented a 14.0% margin on sales.

Net profit for the 3<sup>rd</sup> Quarter of 2017 amounted to €4.3 million, representing a 13.8% margin on sales, up 1.4% on €4.2 million in the 3<sup>rd</sup> Quarter of 2016, when it represented a 15.1% margin on sales.

Net profit was positively affected by the €502 thousand capital gain reported in September 2017 by Spanish subsidiary Cembre España S.L.U. on the sale of the industrial building located in Coslada (Madrid) formerly hosting the subsidiary's operations; the capital gain is classified in the Income Statement under *other non-recurrent income*.

**The consolidated net financial position** at September 30, 2017 amounted to a surplus of €20.4 million, improving on June 30, 2017, when it amounted to a surplus of €14.6 million. The consolidated net financial position at September 30, 2016 amounted to a surplus of €23.1 million.

**Capital investments** in the first nine months of 2017 amounted to €9.3 million, up strongly on the corresponding period in 2016 when they amounted to €4.3 million.

*“In the first nine months of 2017 consolidated sales grew by 7.8% on the corresponding period in 2016 while sales for the ten months to the end of October 2017 grew by 8.3% on the corresponding period in 2016. We expect therefore to close 2017 reporting both an increase in turnover and in profits over the previous year”* – commented the Chairman and Managing Director, Giovanni Rosani. *“In the first nine months of the year we invested €9.3 million while the net financial position continues to be solid, amounting at October 31, 2017 to a surplus of €22.6 million”* continued Giovanni Rosani.

\*\*\*

*Cembre designs, manufactures and distributes electrical connectors and cable accessories. It enjoys a leadership position in Italy and significant market shares in the rest of Europe. It is also the world's*

*largest producer of connector installation tools (mechanical, pneumatic and hydraulic) and tools for cable shearing. The products it has developed for connection to the rail and for other railway applications are used by the main companies in this sector round the world. Cembre owes its success to an insistence on innovative, high-quality products, a broad and thorough collection, and an extensive distribution network both in Italy and abroad.*

*Founded in Brescia in 1969, the Cembre Group is now a full-fledged international force. Along with the parent company in Brescia it has five subsidiaries: four trading companies (in Germany, France, Spain and the United States) and one manufacturing and a trading subsidiary (Cembre Ltd. in Birmingham, U.K.), for a total workforce of 698 as of September 30, 2017. Since 1990 its products have been certified by Lloyd's Register Quality Assurance for the design and production of accessories for cables, electrical connectors and tools for their installation.*

*Cembre has been listed on the Italian Stock Exchange since December 15, 1997, and on the STAR section since September 24, 2001.*

**Contacts:**

*Claudio Bornati (Cembre S.p.A.) +39 030 36921 [claudio.bornati@cembre.com](mailto:claudio.bornati@cembre.com)*

For further information please visit the Investor Relation section in the [www.cembre.com](http://www.cembre.com) site.

**The manager responsible for preparing the Company's financial reports, Claudio Bornati, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.**

**Attachments: Financial Statements at September 30, 2017**

In the present press release use is made of certain alternative performance indicators that are not envisaged in IFRS-EU accounting principles, and whose significance and content are illustrated below, in line with the CESR/05-178b recommendation published on November 3, 2005:

Gross operating profit (EBITDA): defined as the difference between sales revenues and costs for materials, of services received, and the net balance of operating income and charges. It represents the profit before depreciation, amortization and write-downs, cash flow from financial activities and taxes.

Operating profit (EBIT): defined as the difference between Gross operating profit and the value of depreciation, amortization and write-downs. It represents the profit achieved before financial activities and taxes.

Net financial position: represents the algebraic sum of cash and cash equivalents, financial receivables and current and non-current financial debt.

The present Interim Report for the 3<sup>rd</sup> Quarter of 2017 has not been audited.

**Interim Report at September 30, 2017**  
**Consolidated Financial Statements**  
**Consolidated Comprehensive Income Statement**

	9 months 2017	9 months 2016
(euro '000)		
Revenues from sales and services provided	97.555	90.518
Other revenues	371	408
Non recurring other revenues	502	-
<b>TOTAL REVENUES</b>	<b>98.428</b>	<b>90.926</b>
Cost of goods and merchandise	(34.759)	(30.758)
Change in inventories	2.657	1.121
Cost of services received	(12.407)	(11.210)
Lease and rental costs	(1.186)	(1.139)
Personnel costs	(27.361)	(26.593)
Other operating costs	(849)	(828)
Increase in assets due to internal construction	816	763
Write-down of receivables	(34)	(34)
Accruals to provisions for risks and charges	(13)	(11)
<b>GROSS OPERATING PROFIT</b>	<b>25.292</b>	<b>22.237</b>
Property, plant and equipment depreciation	(4.301)	(4.017)
Intangible asset amortization	(427)	(396)
<b>OPERATING PROFIT</b>	<b>20.564</b>	<b>17.824</b>
Financial income	76	17
Financial expenses	(4)	(1)
Foreign exchange gains (losses)	(454)	(70)
<b>PROFIT BEFORE TAXES</b>	<b>20.182</b>	<b>17.770</b>
Income taxes	(5.766)	(5.054)
<b>NET PROFIT FROM ORDINARY ACTIVITIES</b>	<b>14.416</b>	<b>12.716</b>
<b>Items that may be reclassified subsequently to profit and loss</b>		
Conversion differences included in equity	(734)	(2.213)
<b>COMPREHENSIVE INCOME</b>	<b>13.682</b>	<b>10.503</b>

**Interim Report at September 30, 2017**  
**Consolidated Financial Statements**  
**Consolidated Statement of Financial Position - Assets**

ASSETS	Sept. 30, 2017	Dec. 31, 2016
(euro '000)		
<b>NON CURRENT ASSETS</b>		
Tangible assets	70.346	66.298
Investment property	1.139	1.647
Intangible assets	1.749	1.350
Other investments	10	10
Other non-current assets	45	44
Deferred tax assets	2.403	2.502
<b>TOTAL NON CURRENT ASSETS</b>	<b>75.692</b>	<b>71.851</b>
<b>CURRENT ASSETS</b>		
Inventories	40.808	38.796
Trade receivables	24.897	24.885
Tax receivables	152	850
Other receivables	296	560
Cash and cash equivalents	20.363	26.709
<b>TOTAL CURRENT ASSETS</b>	<b>86.516</b>	<b>91.800</b>
<b>NON-CURRENT ASSETS AVAILABLE FOR SALE</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>162.208</b>	<b>163.651</b>

## Interim Report at September 30, 2017

### Consolidated Financial Statements

#### Consolidated Statement of Financial Position - Liabilities and Shareholders' Equity

LIABILITIES AND SHAREHOLDERS' EQUITY	Sept. 30, 2017	Dec. 31, 2016
(euro '000)		
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	8.840	8.840
Reserves	113.227	111.860
Net profit	14.416	16.927
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>136.483</b>	<b>137.627</b>
<b>NON-CURRENT LIABILITIES</b>		
Non-current financial liabilities	-	-
Employee Severance Indemnity and other personnel benefits	2.630	2.618
Provisions for risks and charges	585	421
Deferred tax liabilities	2.143	2.043
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5.358</b>	<b>5.082</b>
<b>CURRENT LIABILITIES</b>		
Current financial liabilities	-	-
Liabilities on derivative instruments	-	43
Trade payables	9.405	13.306
Tax payables	2.372	921
Other payables	8.590	6.672
<b>TOTAL CURRENT LIABILITIES</b>	<b>20.367</b>	<b>20.942</b>
<b>LIABILITIES ON ASSETS HELD FOR DISPOSAL</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>25.725</b>	<b>26.024</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>162.208</b>	<b>163.651</b>