



Joint stock company  
 Headquarters: Via Serenissima 9 – 25135 Brescia  
 VAT and Tax ID: 00541390175  
 Share capital € 8,840,000 fully paid up  
 Registration number with the Brescia Companies  
 Register no. 00541390175  
 tel.: 0303692.1 fax: 0303365766

## Press release

The Board of Directors approved the Interim Report as at March 31, 2020

### **Cembre (STAR): consolidated sales down in the first quarter (-5.1%)**

- Sales fell by 6.5% in Italy and 4.1% abroad in the first three months
- As at April 30, 2020, consolidated revenues recorded a drop of 16.6% compared to the first 4 months of 2019
- Net consolidated financial position at April 30, 2020 was a surplus of €5.5 million

<b>CONSOLIDATED FIGURES (euro '000)</b>	<b>1<sup>st</sup> Quarter 2020</b>	<b>Marg. %</b>	<b>1<sup>st</sup> Quarter 2019</b>	<b>Marg. %</b>	<b>Change</b>
<b>Revenues from sales</b>	36,459	100	38,401	100	-5.1%
<b>Gross operating profit</b>	9,866	27.1	10,485	27.3	-5.9%
<b>Operating profit</b>	7,199	19.7	8,144	21.2	-11.6%
<b>Profit before taxes</b>	7,227	19.8	8,176	21.3	-11.6%
<b>Net Profit</b>	5,251	14.4	6,255	16.3	-16.1%
<b>Net financial position</b>	4,735		3,078		

Brescia, May 14, 2020 – The Board of Directors of Cembre, which met today in Brescia, chaired by the Chairman and Managing Director Giovanni Rosani, approved the results of the **first quarter of 2020**.

Consolidated revenues from sales fell by 5.1% compared to the first quarter of 2019, down from €38.4 million to €36.5 million, due also to the first effects of the economic slowdown, as a result of the health emergency linked to the COVID-19 epidemic.

In the first three months of 2020, domestic sales, amounting to €14.3 million, fell by 6.5%, while exports, amounting to €22.1 million, dropped by 4.1%.

In the first quarter of 2020, 39.3% of sales were represented by Italy, 47.8% by the rest of Europe and 12.9% by the rest of the world.

The **consolidated gross operating result (EBITDA)** fell by 5.9% in the first quarter, down from €10.5 million, equal to 27.3% of sales in the first quarter of 2019, to €9.9 million, equal to 27.1% of sales in the first quarter of 2020. Both the incidence of the cost of goods sold and the weight of the cost for services fell during the period. Personnel costs rose compared to the first quarter of 2019, due to the increase in the average number of Group employees in the period, up from 730 to 754.

**Consolidated operating profit (EBIT)** amounted to €7.2 million in the first quarter of 2020, representing a 19.7% margin on sales, down 11.6% on €8.1 million in the first three months of the previous year, when it represented a 21.2% margin on sales.

**Consolidated profit before taxes** for the first three months of 2020 was equal to €7.2 million, representing a 19.8% margin on sales, down 11.6% on €8.2 million in the three months of 2019, when it represented 21.3% of sales.

**Consolidated net profit** for the first quarter of 2020 was equal to €5.3 million, representing a 14.4% margin on sales, down 16.1% on €6.3 million in the first quarter of 2019, when it represented 16.3% of sales.

The **consolidated net financial position** went from a surplus of €3.1 million at March 31, 2019 to a surplus of €4.7 million at March 31, 2020. At December 31, 2019, the net financial position was equal to a surplus of €5.6 million. We should point out that, from January 1, 2019, the Group applied IFRS 16 for the accounting of leases, which involved the recognition of current and non-current financial payables for leases. Without the application of IFRS 16, the net financial position as March 31, 2020 would have been a positive €10.9 million; as at December 31, 2019, it would have come to a positive €11.9 million, while as at March 31, 2019, it would have been a positive €9.8 million.

**Capital expenditure** for the first quarter of 2020 by the Group amounted to €1.9 million, down on the corresponding period in 2019 when it amounted to €2.5 million.

*“During the lock-down period, Cembre Spa halted part of its production, but kept its shipping active, in order to continue to provide products to customers operating in essential sectors, including, for example, rail transport and electricity distribution. The automated warehouse at the central Brescia headquarters proved useful, which guaranteed not only efficient deliveries, but also the safety of workers, who, thanks to the high level of automation, can always keep themselves properly distanced. As a result of the aforementioned slowdown of activities, consolidated turnover in April was heavily penalised; in fact, a reduction of 51.7% was recorded compared to April 2019, meaning consolidated revenues for the first 4 months of 2020 fell by 16.6% compared to the same period in 2019.*

*Cembre S.p.A. fully restarted production activities in all departments and re-opened all offices on May 4, 2020, adopting the precautionary measures and restrictions prescribed by the specific legislation for the protection of its employees.*

*In consideration of the current situation, making forecasts is extremely difficult. In any case, it is estimated that Cembre Group revenues will fall in 2020, with a subsequent drop in profit margins. The Group's net financial position as at April 30, 2020 was confirmed as a positive €5.5 million; in addition, without considering the application of IFRS 16, which concerns the accounting of leases, this net financial position as at April 30, 2020 would have been a positive €11.6 million”, stated Cembre’s Managing Director 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. Cembre is one of the world’s leading manufacturers of tools (mechanical, pneumatic and hydraulic) for the installation of connectors and the shearing of cables. 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 fully-fledged international force. Along with the parent company in Brescia it has six subsidiaries: five trading companies (2 in Germany, 1 in France, Spain and the United States) and one manufacturing and trading subsidiary (Cembre Ltd., in Birmingham, U.K.), for a total workforce of 752 (figure updated as of March 31, 2020). 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.) 030/36921 [claudio.bornati@cembre.com](mailto:claudio.bornati@cembre.com)

Further information is available on Cembre's website, in the Investor Relations section, [www.cembre.com](http://www.cembre.com)

**Attachments: Financial Statements at March 31, 2020**

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.

In this present press release, use is made of certain alternative performance indicators that are not envisaged in IFRS-EU accounting standards, and whose significance and content are illustrated below, in line with the ESMA/2015/1415 recommendation published on October 5, 2015:

Gross Operating Result (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 achieved before amortisation, cash flows and taxes.

Operating Result (EBIT): defined as the difference between the Gross Operating Result and the value of amortization/impairment. It represents the profit before cash flows and taxes.

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

This Interim Report on Operations has not been audited.

**Interim Report at March 31, 2020**  
**Consolidated Financial Statements**  
**Consolidated Comprehensive Income Statement**

	1 <sup>st</sup> Quarter 2020	1 <sup>st</sup> Quarter 2019
(euro '000)		
Revenues from contract with customers	36.459	38.401
Other revenues	206	342
<b>TOTAL REVENUES</b>	<b>36.665</b>	<b>38.743</b>
Cost of goods and merchandise	(12.029)	(12.262)
Change in inventories	524	(47)
Cost of services received	(4.554)	(4.890)
Lease and rental costs	(30)	(117)
Personnel costs	(10.622)	(10.851)
Other operating costs	(456)	(407)
Increase in assets due to internal construction	377	323
Impairment losses on contract assets	(3)	(1)
Accruals to provisions for risks and charges	(6)	(6)
<b>GROSS OPERATING PROFIT</b>	<b>9.866</b>	<b>10.485</b>
Property, plant and equipment depreciation	(2.060)	(1.784)
Intangible asset amortization	(194)	(215)
Depreciation of lease assets	(413)	(342)
<b>OPERATING PROFIT</b>	<b>7.199</b>	<b>8.144</b>
Financial income	1	1
Financial expenses	(32)	(34)
Foreign exchange gains (losses)	59	65
<b>PROFIT BEFORE TAXES</b>	<b>7.227</b>	<b>8.176</b>
Income taxes	(1.976)	(1.921)
<b>NET PROFIT FROM ORDINARY ACTIVITIES</b>	<b>5.251</b>	<b>6.255</b>
<b>Items that may be reclassified subsequently to profit and loss</b>		
Conversion differences included in equity	(362)	678
<b>COMPREHENSIVE INCOME</b>	<b>4.889</b>	<b>6.933</b>

**Interim Report at March 31, 2020**  
**Consolidated Financial Statements**  
**Consolidated Statement of Financial Position - Assets**

ASSETS	Mar. 31, 2020	Dec. 31, 2019
(euro '000)		
<b>NON CURRENT ASSETS</b>		
Tangible assets	85.910	86.430
Investment property	1.012	1.024
Intangible assets	4.461	4.442
Goodwill	4.608	4.608
Lease assets	6.173	6.366
Other investments	10	10
Other non-current assets	1.021	1.013
Deferred tax assets	3.112	3.091
<b>TOTAL NON CURRENT ASSETS</b>	<b>106.307</b>	<b>106.984</b>
<b>CURRENT ASSETS</b>		
Inventories	51.224	50.828
Trade receivables	26.787	22.284
Tax receivables	641	843
Other receivables	1.880	1.396
Cash and cash equivalents	36.635	20.983
<b>TOTAL CURRENT ASSETS</b>	<b>117.167</b>	<b>96.334</b>
<b>NON-CURRENT ASSETS AVAILABLE FOR SALE</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>223.474</b>	<b>203.318</b>

## Interim Report at March 31, 2020

### Consolidated Financial Statements

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Mar. 31, 2020	Dec. 31, 2019
(euro '000)		
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	8.840	8.840
Reserves	151.224	129.896
Net profit	5.251	21.690
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>165.315</b>	<b>160.426</b>
<b>NON-CURRENT LIABILITIES</b>		
Non-current financial liabilities	7.134	4.901
Other non-current payables	989	989
Employee Severance Indemnity and other personnel benefits	2.340	2.356
Provisions for risks and charges	296	278
Deferred tax liabilities	2.843	2.856
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>13.602</b>	<b>11.380</b>
<b>CURRENT LIABILITIES</b>		
Current financial liabilities	24.766	10.520
Trade payables	10.221	12.062
Tax payables	1.997	309
Other payables	7.573	8.621
<b>TOTAL CURRENT LIABILITIES</b>	<b>44.557</b>	<b>31.512</b>
<b>LIABILITIES ON ASSETS HELD FOR DISPOSAL</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>58.159</b>	<b>42.892</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>223.474</b>	<b>203.318</b>

**Interim Report at March 31, 2020**  
**Consolidated Financial Statements**  
**Consolidated Statement of Cash Flows**

	1 <sup>st</sup> Quarter 2020	1 <sup>st</sup> Quarter 2019
€ '000		
<b>A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>20.983</b>	<b>17.198</b>
<b>B) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit for the period	5.251	6.255
Depreciation, amortization and write-downs	2.667	2.341
(Gains)/Losses on disposal of assets	15	(15)
Net change in Employee Termination Indemnity	(16)	(46)
Net change in provisions for risks and charges	18	151
<b>Operating profit (loss) before change in working capital</b>	<b>7.935</b>	<b>8.686</b>
(Increase) Decrease in trade receivables	(4.503)	(4.850)
(Increase) Decrease in inventories	(396)	(323)
(Increase) Decrease in other receivables and deferred tax assets	(317)	(366)
Increase (Decrease) of trade payables	(902)	211
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	627	2.642
<b>Change in working capital</b>	<b>(5.491)</b>	<b>(2.686)</b>
<b>NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>2.444</b>	<b>6.000</b>
<b>C) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets:		
- intangible	(213)	(304)
- tangible	(1.717)	(2.162)
Proceeds from disposal of tangible, intangible, available-for-sale financial assets		
- tangible	7	63
Increase (Decrease) of trade payables for assets	(939)	(1.560)
<b>NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>(2.862)</b>	<b>(3.963)</b>
<b>D) CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Increase) Decrease in other non current assets	(8)	1.512
(Increase) Decrease in other non current payables	-	(1.480)
Increase (Decrease) in bank payables	16.675	(2.499)
Repayment of leasing liabilities	(402)	(326)
<b>NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>16.265</b>	<b>(2.793)</b>
<b>E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)</b>	<b>15.847</b>	<b>(756)</b>
F) Foreign exchange conversion differences	(195)	499
<b>G) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (A+E+F)</b>	<b>36.635</b>	<b>16.941</b>
Of which: assets held for disposal	-	-
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>36.635</b>	<b>16.941</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>36.635</b>	<b>16.941</b>
Current financial liabilities	(24.766)	(7.994)
Non current financial liabilities	(7.134)	(5.869)
<b>NET CONSOLIDATED FINANCIAL POSITION</b>	<b>4.735</b>	<b>3.078</b>
<b>INTERESTS PAID IN THE PERIOD</b>	<b>(32)</b>	<b>(34)</b>
<b>BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		
Cash	18	14
Bank deposits	36.617	16.927
	<b>36.635</b>	<b>16.941</b>