



Investor Presentation

Results of the First Nine Months of 2017

Cembre at a Glance

- ① Cembre is Europe's leading manufacturer of electrical crimp type connectors and related installation tools;
- ① The Group has grown its revenues by a **CAGR of 5.4%** in the last 16 years (2001-2016), from €56 mn in 2001 to €122.6 mn in 2016;
- ① It is a dividend-payer with a 16 years **average dividend payout ratio of 39.4%**, and an **average dividend yield of 3.6%** (2001-2016);
- ① In 2016, the Group invested **€7.6 mn**; the total amount of investments made by the company in the last five years (2012-2016) is **€44.6 mn**; at December 31, 2015 investments amounted to **€7.1 mn**;
- ① The product mix (a total of more than **12k** end products sold during 2016) is offered to around **8k** single clients around the world, with 10-biggest clients' purchases corresponding to **c.19%** of the consolidated turnover.

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Management team

Giovanni Rosani

Chief Executive Officer (CEO)

Aldo Bottini Bongrani

Sales and Marketing Director

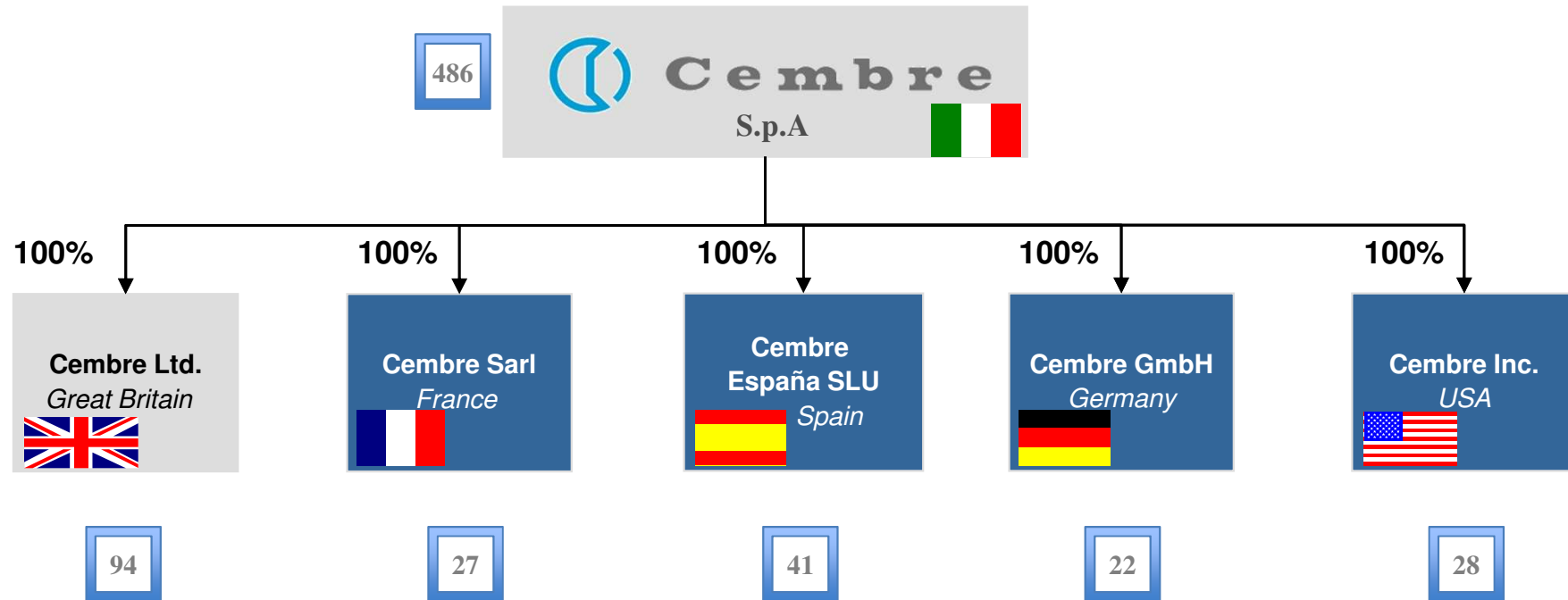
Claudio Bornati




Chief Financial Officer (CFO)

OUR MISSION

Cembre cooperates with the users of its products to find *the best technical and economical solutions* related to electrical connection applications.

Group Structure



-  Production and commercial units
-  Commercial units
-  Number of employees at September 30, 2017

Business Overview

Cembre is Europe's leading manufacturer of electrical crimp type connectors and related installation tools.

Electrical Connectors



Tools



Railway Products



Identification Systems



Cable Glands, Accessories and



Made in Brescia...

Cembre, established in 1969, manufactures its products in its state-of-art production facility located in Brescia. The facility covers an area of 51,000 m² on a total land area of 121,000 m².



... and U.K.

In addition, Cembre has a production facility in the UK which operates on a 8,800 m² land. This plant in Birmingham manufactures mainly for the local market. The sales generated in the UK are 14% of the First Nine Months of 2017 consolidated turnover.



Cembre Ltd.
Factory in Curdworth Birmingham (UK)

An Integrated Business Partner...

The Group employs 698 employees worldwide.



23

Production

414

Marketing/Sales/Distribution

191

Administration/Services

70

Cembre has extensive know-how in its operating field, and its strong R&D team allows it to respond quickly to market demands.

Sharp focus on customer needs and the efficient international sales network (99 salesmen) are significant competitive advantages for Cembre.



Very Strong in Europe...

Cembre is present all over the Italian territory through a network of salesmen and representatives who are able to offer fast and constant technical assistance.

Abroad, it operates through 4 subsidiaries in Europe (UK, France, Spain, Germany) and 1 in the USA.

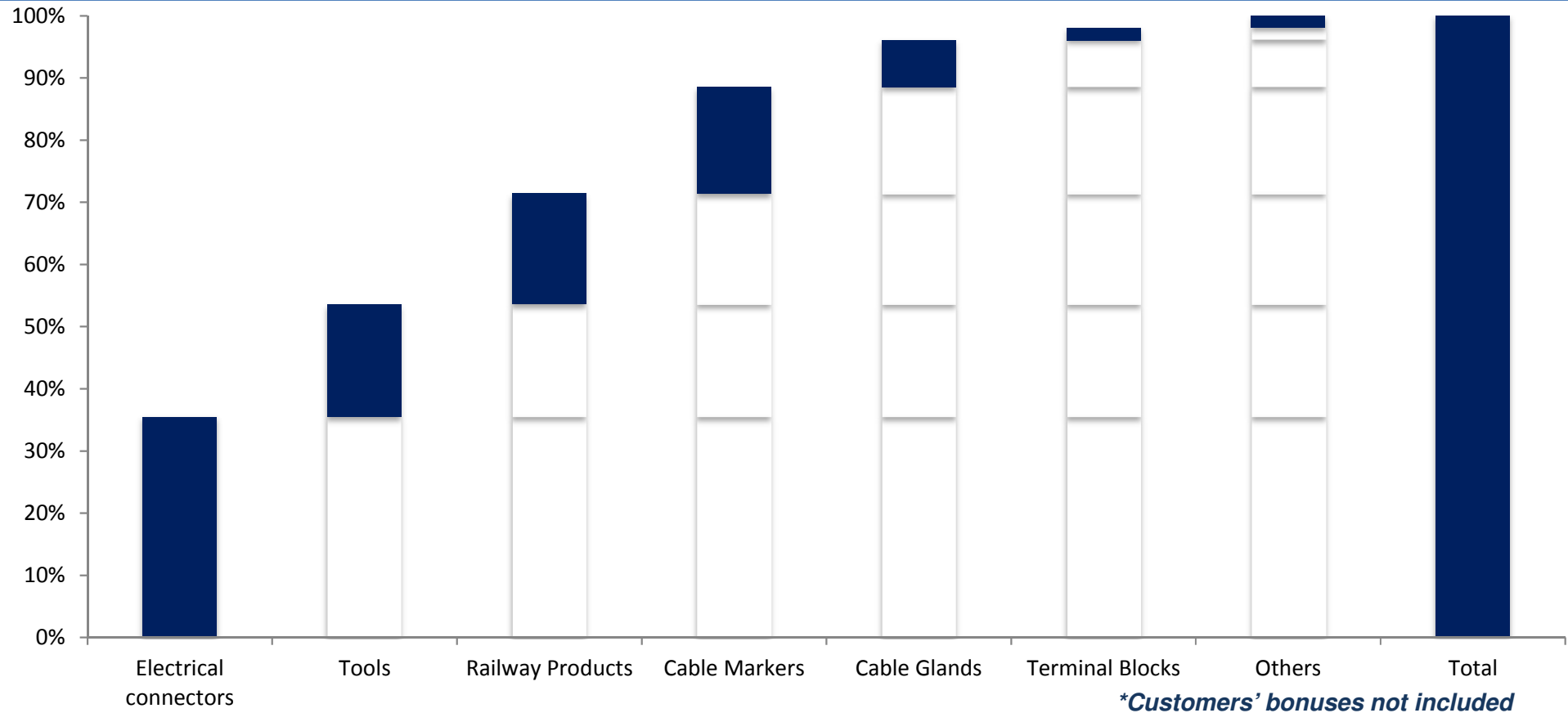


Present All Around the World...

Cembre has a network of importers and agents who provide technical and commercial assistance and rapid delivery all around the world...



Revenues* breakdown by Product Family (€ '000)



	9 Months 2017	9 Months 2016	Change
Electrical connectors	36,412 35.5%	33,108 35.3%	10.0%
Tools	18,602 18.1%	17,140 18.3%	8.5%
Railway Products	18,202 17.7%	18,495 19.7%	-1.6%
Cable Markers	17,571 17.1%	14,577 15.5%	20.5%
Cable Glands	7,770 7.6%	6,928 7.4%	12.2%
Terminal Blocks	2,038 2.0%	1,905 2.0%	7.0%
Others	1,988 1.9%	1,625 1.7%	22.3%
Total	102,583 100%	93,778 100%	9.4%

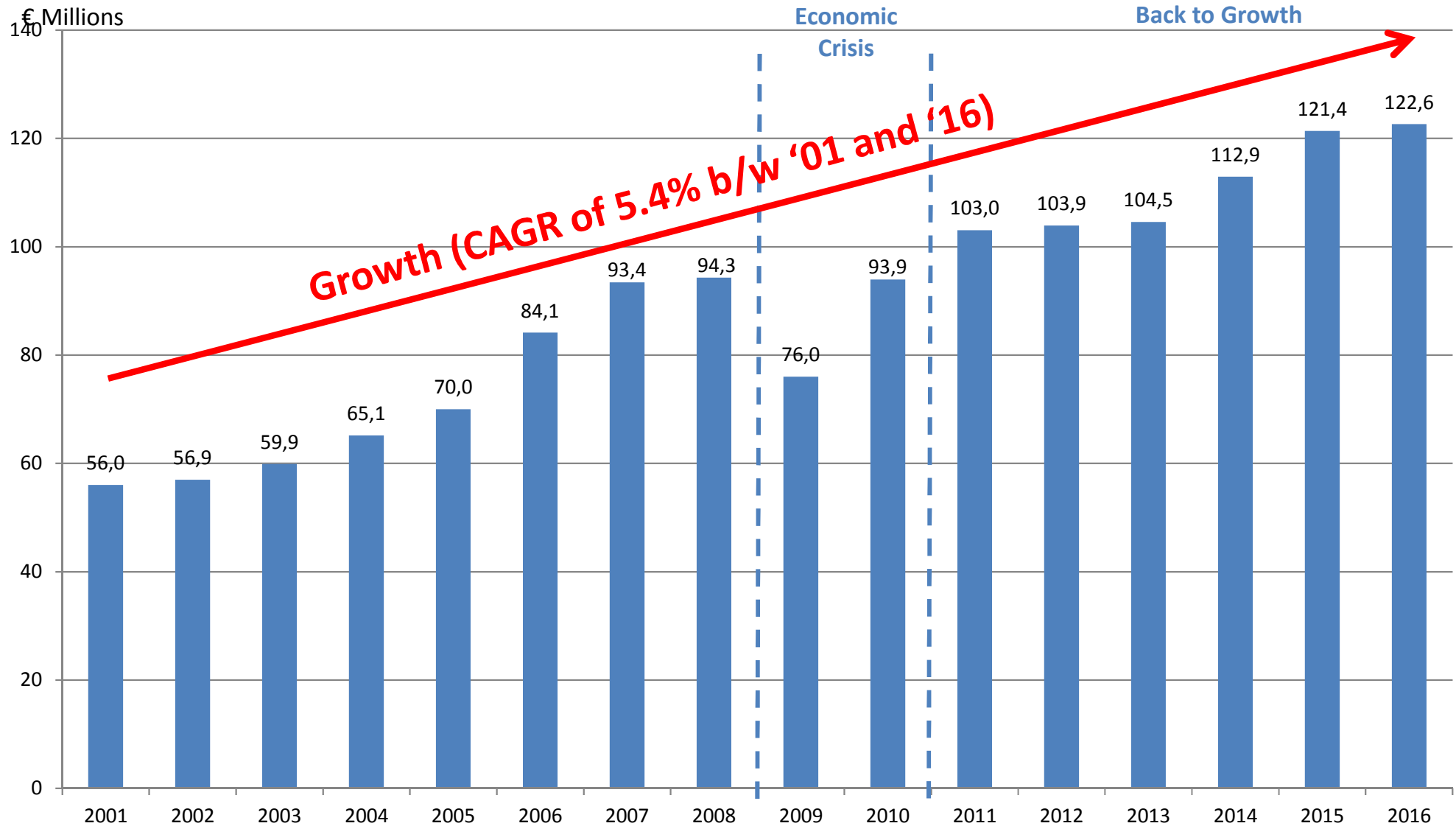
Geographical Revenue Breakdown

Italy	9 Months 2017	9 Months 2016	Δ
Sales	40.8 mn	36.7 mn	11.0%
% in total	41.8%	40.6%	1.2 pp

Europe (ex-IT)	9 Months 2017	9 Months 2016	Δ
Sales	41.0 mn	38.8 mn	5.5%
% in total	42.0%	42.9%	-0.9 pp

Rest of the World	9 Months 2017	9 Months 2016	Δ
Sales	15.8 mn	15.0 mn	5.6%
% in total	16.2%	16.5%	-0.3 pp

16-Year Revenue Evolution



A Wide Product-Mix

In order to maintain its leading position and increase the penetration of market, Cembre had sensibly enlarged the range of products offered through:

- **Research activities** mainly focused on the development of innovative products for the sectors with the highest growth potential (rail transportation, civil and industrial plant engineering),
- **Improvement and update of existing products** to get them easier to use and more efficient in their performances,
- **Introduction of complementary products** (e.g. cable markers).

Electrical Connectors: 10.0% increase in Sales



Electrical Connectors:	9 Months 2017	9 Months 2016	Δ
Total Sales	36.4 € mn	33.1 € mn	10.0%
Sales in Italy (% share)	17.3 € mn (16.9%)	15.9 € mn (16.9%)	9.2%
Sales in Europe ex-IT (% share)	16.1 € mn (15.7%)	14.2 € mn (15.2%)	13.0%
Sales in RoW (% share)	3.0 € mn (2.9%)	3.0 € mn (3.2%)	0.0%

Characteristics:

- high and safe performance guaranteed by effective Quality Control during production process
- high level automation of manufacturing process and consequent costs reduction
- quick adaptation of products to clients' needs, thanks to its high flexible productivity

Tools: 8.5% increase in Sales



Tools:	9 Months 2017	9 Months 2016	Δ
Total Sales	18.6 € mn	17.1 € mn	8.5%
Sales in Italy (% share)	4.9 € mn (4.8%)	4.4 € mn (4.6%)	12.9%
Sales in Europe ex-IT (% share)	7.1 € mn (6.9%)	7.0 € mn (7.5%)	0.8%
Sales in RoW (% share)	6.6 € mn (6.5%)	5.8 € mn (6.2%)	14.6%

Characteristics:

- quick installation of connectors thanks to tools used for compressing and cutting the conductors
- wide products range: mechanical, pneumatic, hydraulic and battery operated tools

Development of new products in last years:

- B15-B54 battery operated “in line” hand-tools
- hydraulic battery operated pump already marketed in Italy and Europe
- the new generation of battery tools is intended to progressively substitute the traditional ones, as they are more appreciated thanks to the elimination of physical endeavour

Railway Products: 1.6% decrease in Sales



Railway Products:	9 Months 2017	9 Months 2016	Δ
Total Sales	18.2 € mn	18.5 € mn	-1.6%
Sales in Italy (% share)	1.9 € mn (1.9%)	1.3 € mn (1.4%)	44.4%
Sales in Europe ex-IT (% share)	11.8 € mn (11.5%)	12.0 € mn (12.8%)	-1.4%
Sales in RoW (% share)	4.5 € mn (4.4%)	5.2 € mn (5.5%)	-13.7%

Characteristics:

- high quality products
- constant R&D activities
- high potential growth

Development of new products:

- Nut Runner - NR-11P
- Battery drill

Both the products are very competitive on the market since they offer superior flexibility, lightness and velocity against alternative products



Cable Markers: 20.5% increase in Sales



Cable Markers:	9 Months 2017	9 Months 2016	Δ
Total Sales	17.6 € mn	14.6 € mn	20.5%
Sales in Italy (% share)	11.1 € mn (10.8%)	9.3 € mn (9.9%)	18.7%
Sales in Europe ex-IT (% share)	5.2 € mn (5.1%)	4.5 € mn (4.8%)	15.2%
Sales in RoW (% share)	1.3 € mn (1.3%)	0.7 € mn (0.8%)	77.9%

With the introduction of these new products Cembre:

- further enriched its offer with thousand of new articles (electrical equipment wholesalers prefer supplier with a wide catalogue)
- strengthened its competitive position in Italy and created big opportunities to enter the European markets
- entered a market, worth of Euro 25 million considering only Italy
- improved the production structure

Development and production, in Brescia (Italy), of thermal printer MG3

Cable Glands:

12.1% increase in Sales



Cable Glands:	9 Months 2017	9 Months 2016	Δ
Total Sales	7.8 € mn	6.9 € mn	12.1%
Sales in Italy (% share)	6.6 € mn (6.4%)	5.8 € mn (6.2%)	13.5%
Sales in Europe ex-IT (% share)	1.0 € mn (1.0%)	0.9 € mn (1.0%)	9.1%
Sales in RoW (% share)	0.2 € mn (0.2%)	0.2 € mn (0.2%)	-10.1%



Terminal Blocks:	9 Months 2017	9 Months 2016	Δ
Total Sales	2.0 € mn	1.9 € mn	7.0%
Sales in Italy (% share)	1.8 € mn (1.8%)	1.7 € mn (1.8%)	10.2%
Sales in Europe ex-IT (% share)	0.2 € mn (0.2%)	0.2 € mn (0.3%)	-16.5%

Consolidated Results of the First Nine Months of 2017

Euro Millions	9 Months 2017	9 Months 2016	Changes %	9 Months 2015
Sales	97.6	90.5	7.8%	91.3
EBITDA <i>In % of sales</i>	25.3 <i>25.9%</i>	22.2 <i>24.6%</i>	13.7%	22.2 <i>24.3%</i>
EBIT <i>In % of sales</i>	20.6 <i>21.1%</i>	17.8 <i>19.7%</i>	15.4%	18.0 <i>19.7%</i>
EBT <i>In % of sales</i>	20.2 <i>20.7%</i>	17.8 <i>19.6%</i>	13.6%	18.1 <i>19.8%</i>
Net Profit <i>In % of Sales</i>	14.4 <i>14.8%</i>	12.7 <i>14.0%</i>	13.4%	12.9 <i>14.2%</i>
Tax rate %	28.6%	28.4%		28.5%

Group's Companies Turnover* of the first nine months of 2017

Company (Euro thousands)	9 Months 2017	9 Months 2016	Changes %	9 Months 2015
Cembre S.p.A. (Italy)	54,587	50,142	8.9%	49,924
Cembre Ltd. (UK)	13,209	13,633	-3.1%	14,479
Cembre S.a.r.l. (France)	7,215	6,899	4.6%	6,481
Cembre España S.L. (Spain)	7,237	5,990	20.8%	6,217
Cembre GmbH (Germany)	6,552	5,953	10.1%	5,869
Cembre Inc. (US)	8,755	7,878	11.1%	7,553
Cembre AS (Norway)**	-	23	n.a.	755
Cembre Group	97,555	90,518	7.8%	91,278

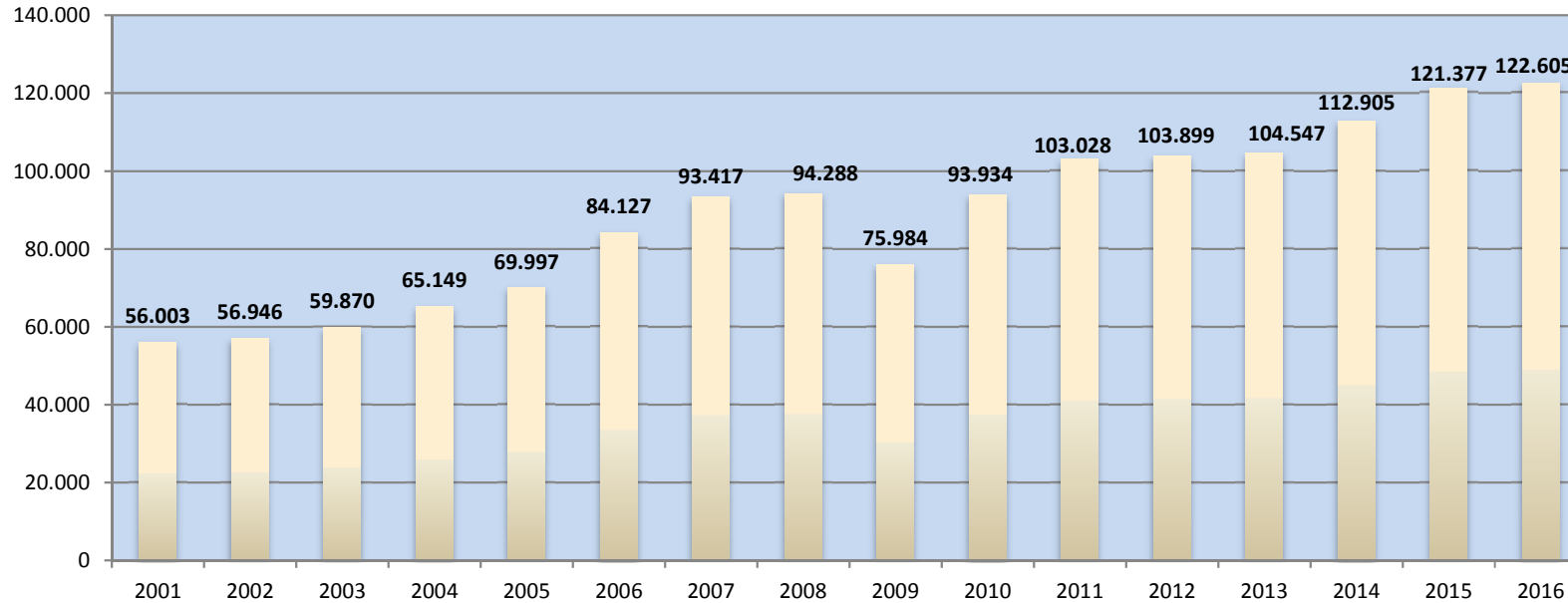
* net of intragroup sales

** company liquidated in December 2016

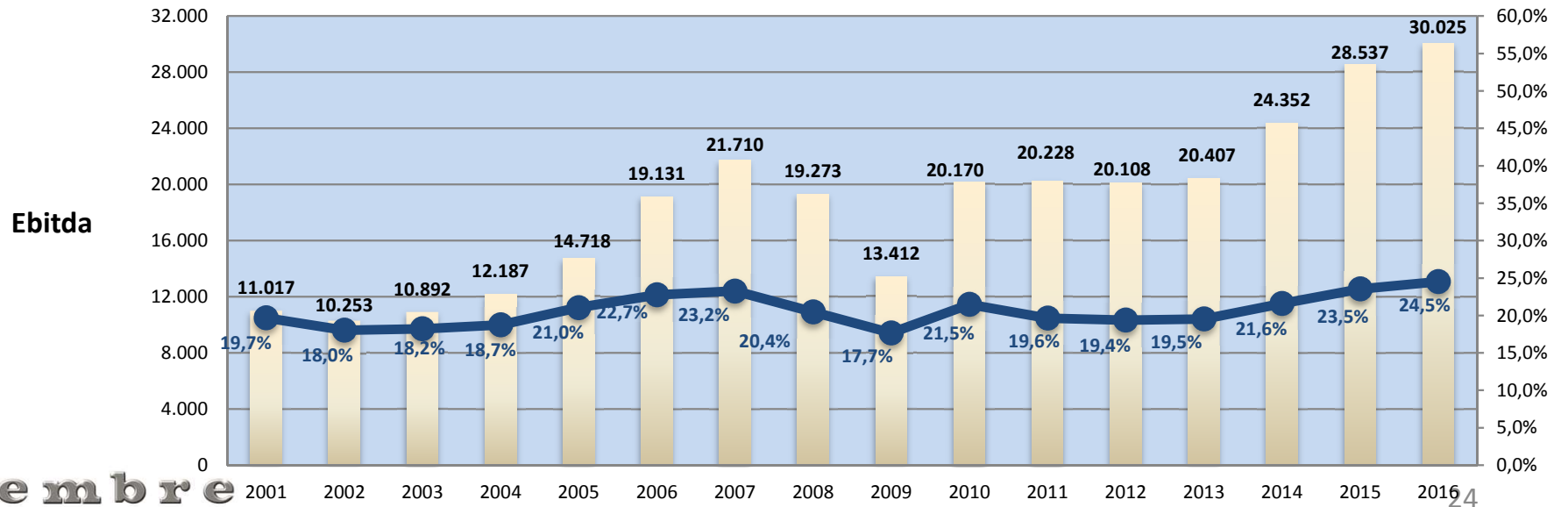
September 30, 2017 Consolidated Balance Sheet

	Euro Millions	Sept. 30, 2017	Dec. 31, 2016	Sept. 30, 2016
<i>a</i>	Net operating working capital <i>% of sales</i>	45.8 <i>35.2%</i>	44.2 <i>36.0%</i>	45.3 <i>37.5%</i>
<i>b</i>	Net fixed assets	75.7	71.8	69.8
<i>c</i>	Assets available for sales	-	-	-
<i>d</i>	Severance indemnities	2.6	2.6	2.5
<i>e</i>	Provisions for risks and charges	0.6	0.4	0.3
<i>F</i>	Deferred taxes	2.2	2.0	2.1
	Net invested capital (a+b+c-d-e-f)	116.1	111.0	110.2
<i>g</i>	Equity	136.5	137.7	133.3
<i>H</i>	Net financial position	(20.4)	(26.7)	(23.1)
	Total sources (g+h)	116.1	111.0	110.2

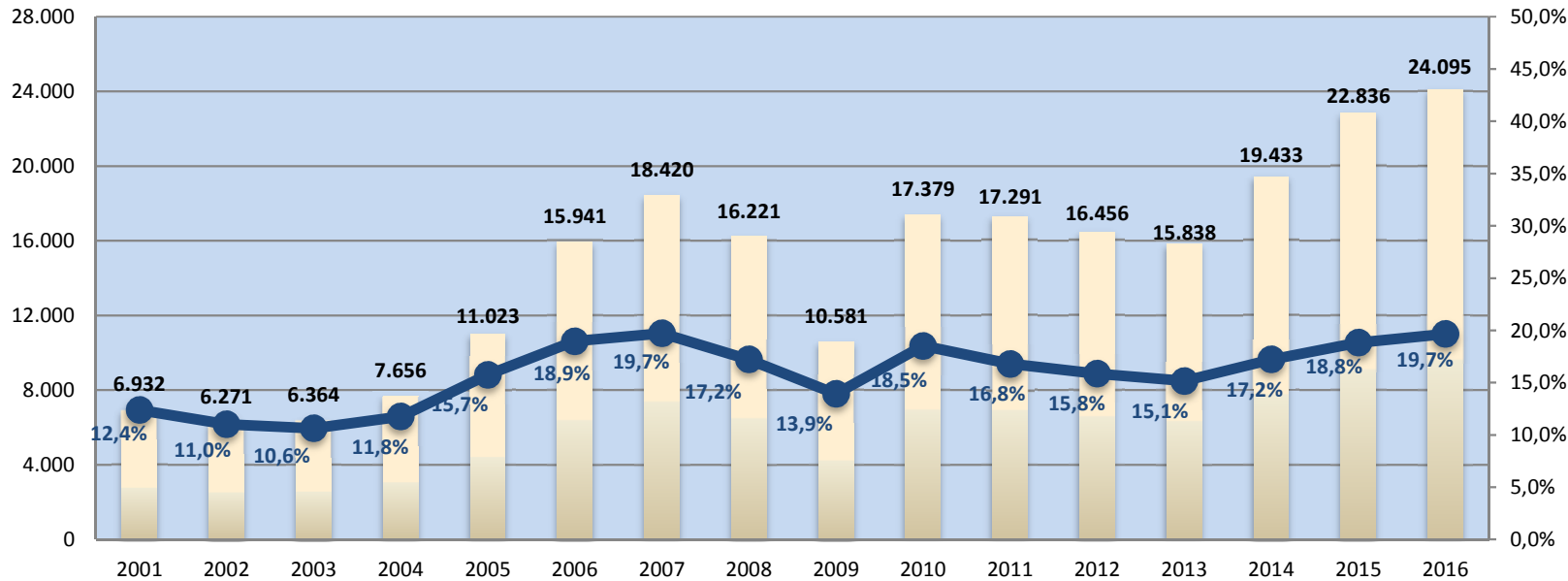
Cembre's Revenue and Profitability Trend (€ '000)



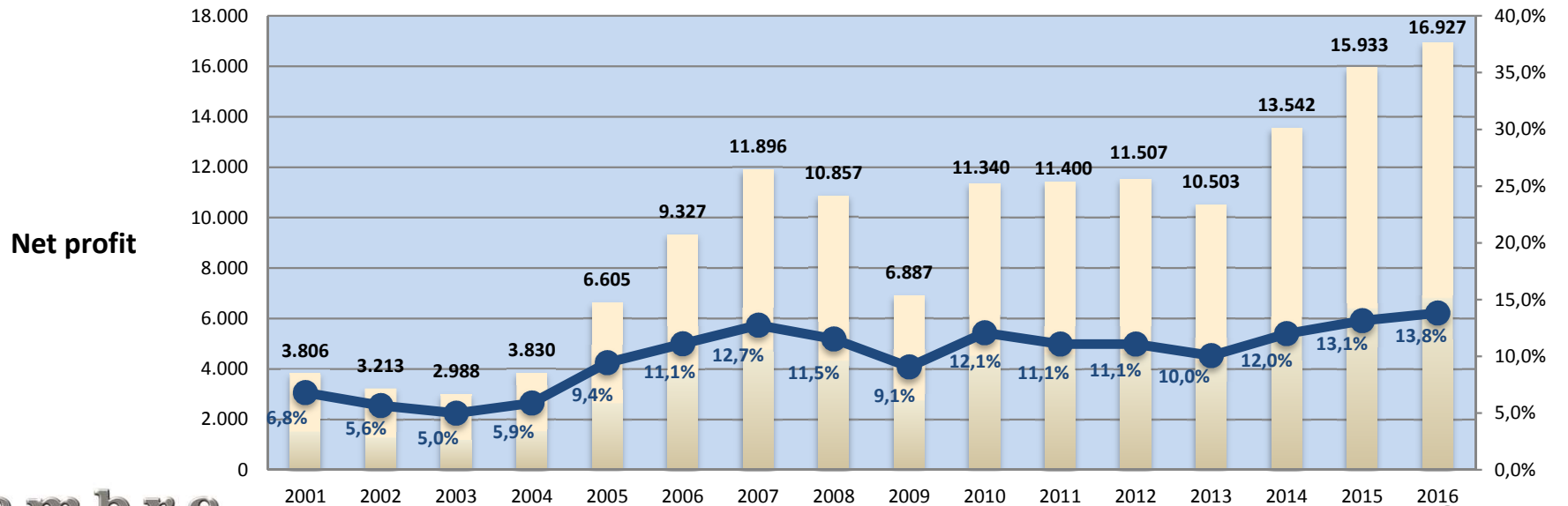
Revenues



Cembre's Revenue and Profitability Trend (€ '000)



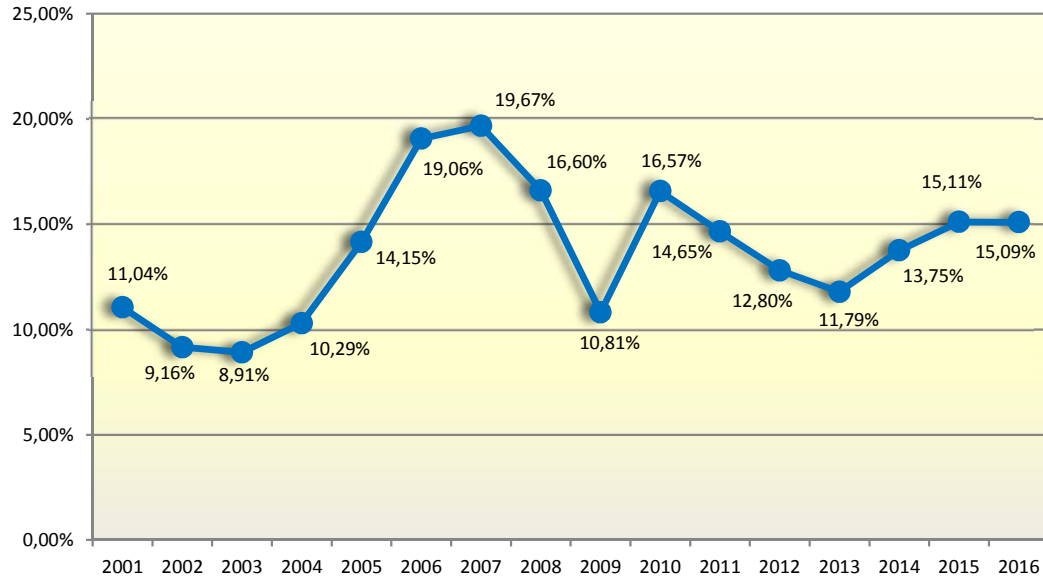
Ebit



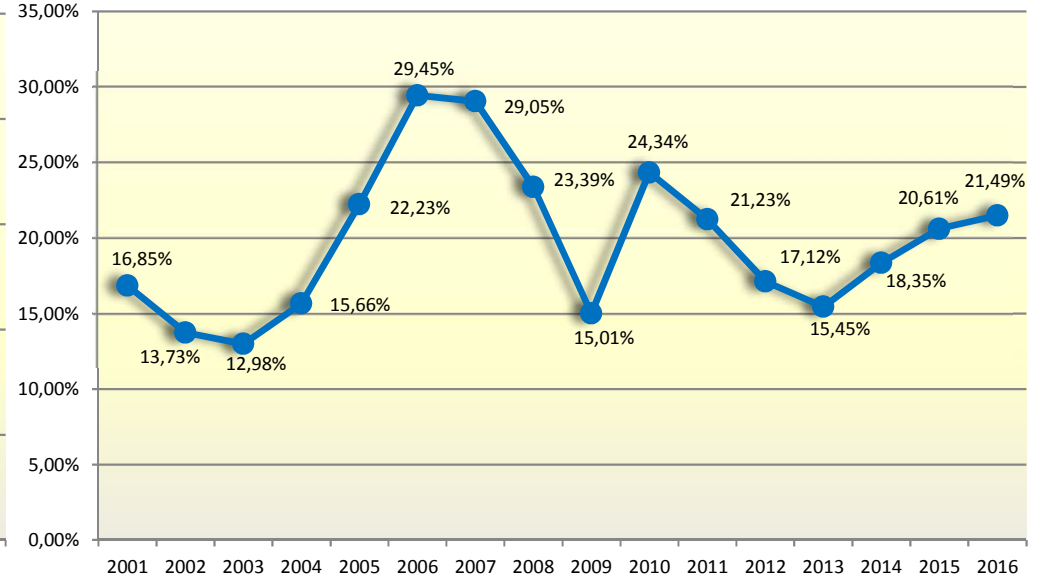
Net profit

Index analysis

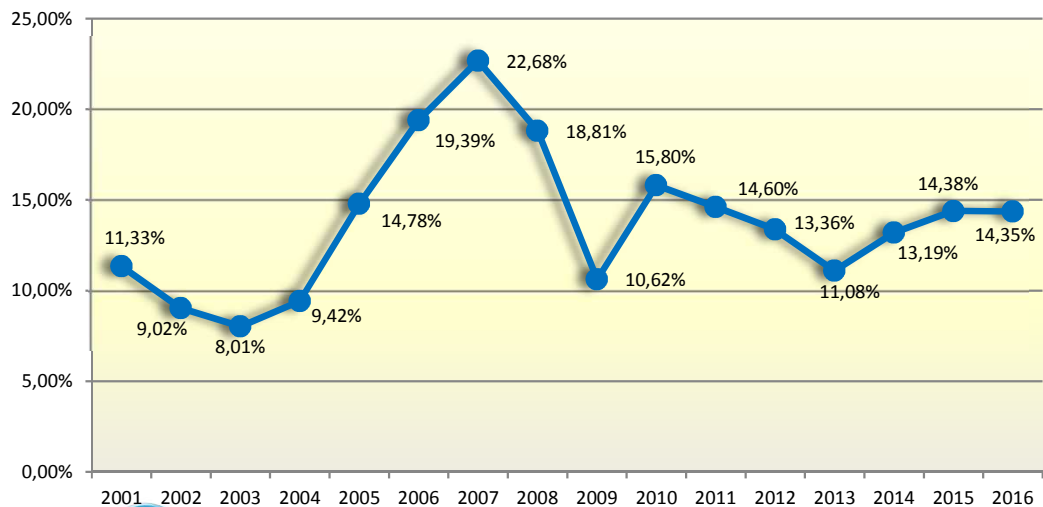
ROI (EBIT/Investments)



ROACE (EBIT/Net Capital Employed)



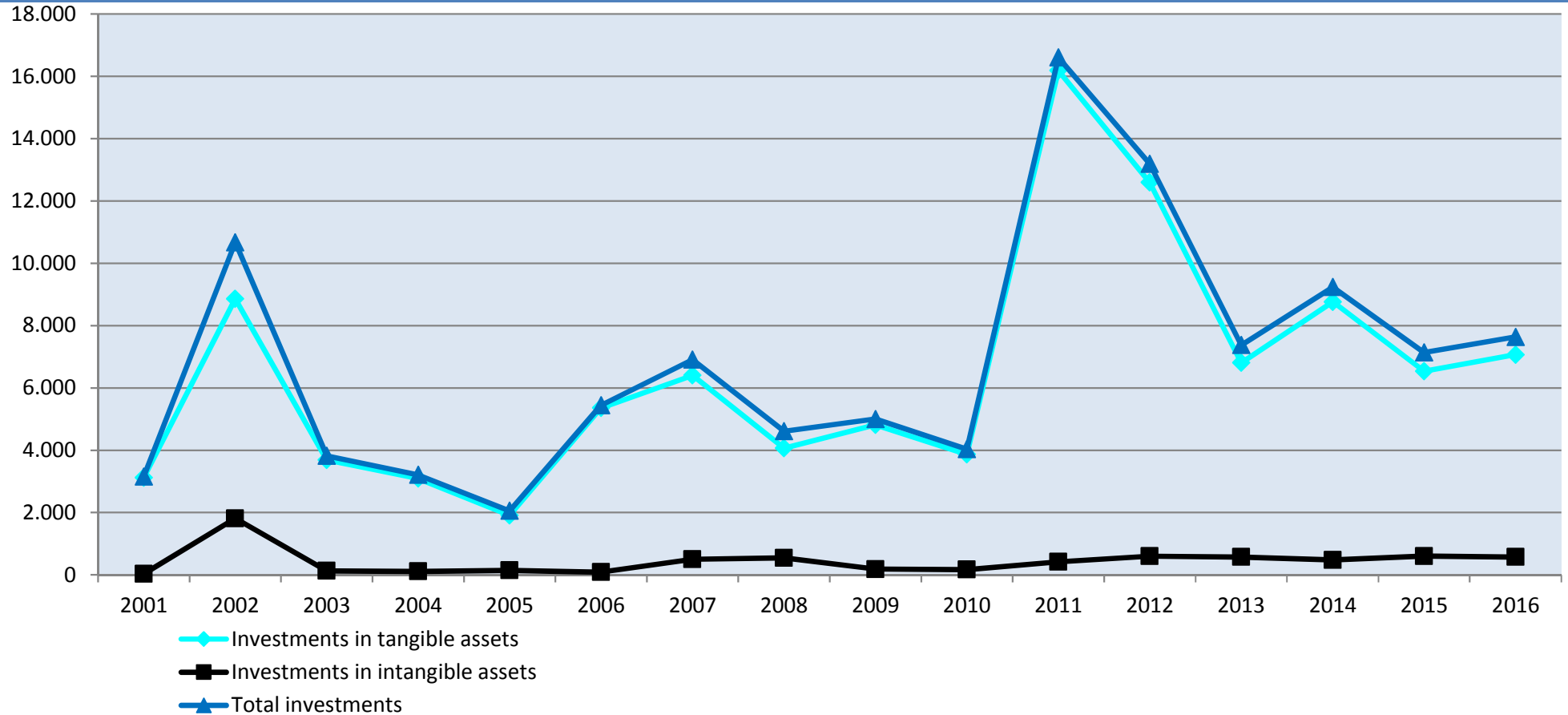
ROE (Net result/Equity)



ROS (EBIT/Net sales)



Investments trend



€ '000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Investments in tangible assets	3,121	8,858	3,687	3,092	1,910	5,353	6,404	4,064	4,815	3,863	16,183	12,591	6,802	8,759	6,534	7,064
Investments in intangible assets	28	1,812	130	112	142	87	500	544	182	169	418	597	573	477	601	569
Total investments	3,149	10,670	3,817	3,204	2,052	5,440	6,904	4,608	4,997	4,032	16,601	13,188	7,375	9,236	7,135	7,633

2017 and onwards...

Cembre focused on these targets:

Increase of turnover thanks to:

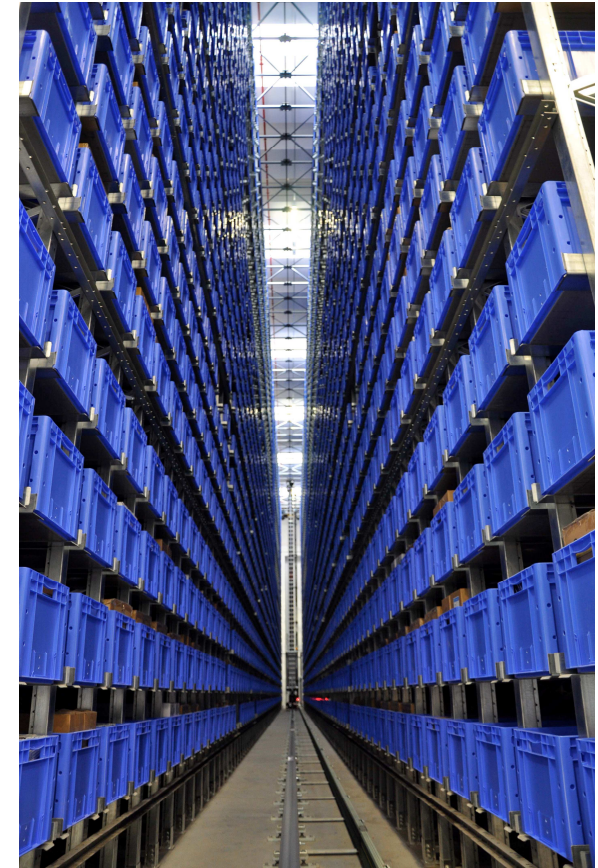
- A strengthening of Cembre competitive advantage by developing new products and continuous product range renewing by an intense R&D activity,
- A new product line for plumbing sector;
- An higher penetration in the foreign markets, especially in the US,
- A commercial commitment focus on high growing potential products.

Cost management by a better operative efficiency obtained from economies of scale and process innovations;

Enforcing the manufacturing structure by investing in high-tech, highly-automated machinery:

- The purchase of the 13,500 m² industrial area next to its plant (dec – 2011), by investing €9.7 mn (Brescia plant and offices today cover a floor-space of 51,000 m² while the total plant area reached 121,000 m²), this area will be dedicated to production enforcement.

2017 and onwards...



- The construction of a new 4,800 m² industrial building which is the new logistic center. This center include an automated warehouse with 16-metre-high shelves. The construction started in March 2012, and the new automatic warehouse is operative since January 2013. This warehouse is 3 time more efficient, and has a 50% increase in end-product capacity warehousing.

Stock Data & Shareholding Structure



Shareholders:	Share:
LYSNE Spa	55.92%
Sara Rosani	8.65%
Giovanni Rosani	8.53%
Anna Maria Onofri	0.71%
Altri	26.19%

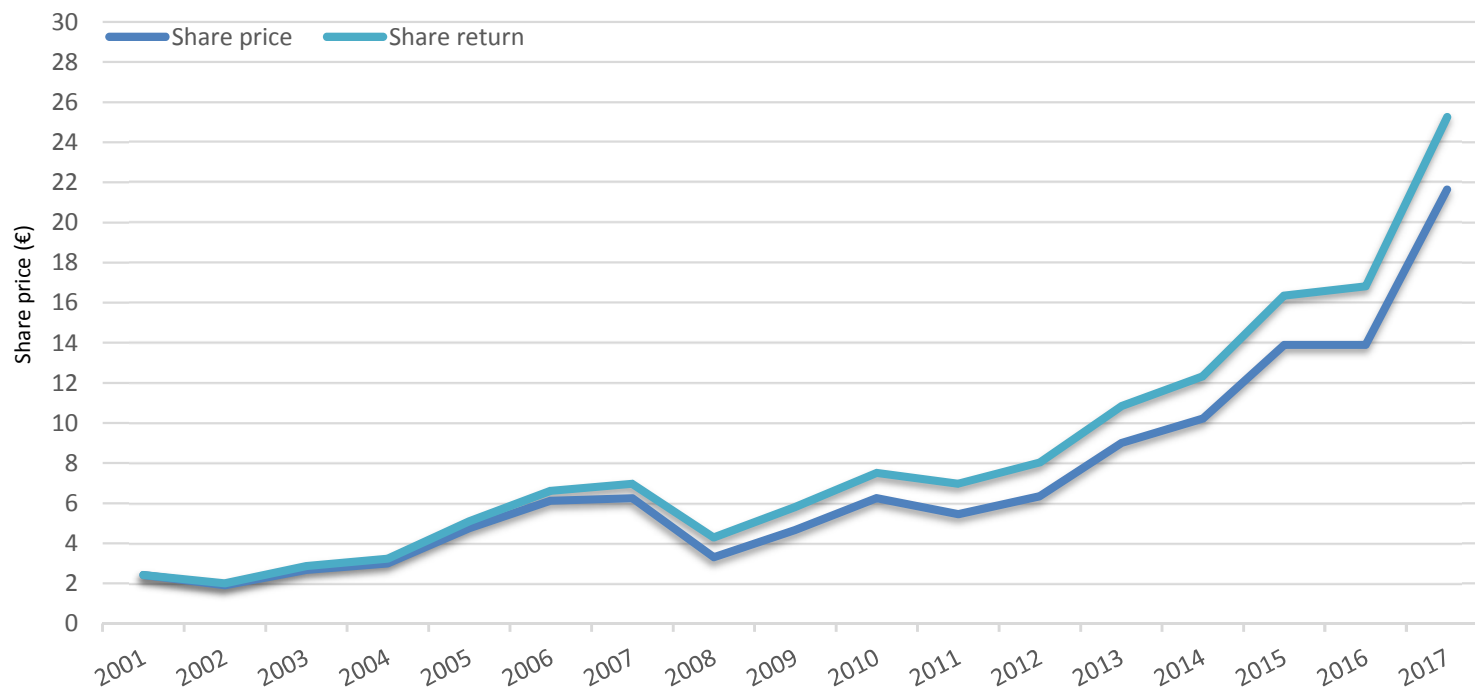
Cembre has been listed since December 1997, and is a part of the Star Index since September 2001.

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Dividend per share (€)	0.10	0.08	0.07	0.10	0.15	0.22	0.26	0.16	0.12	0.26	0.16	0.16	0.26	0.36	0.46	0.70
Payout Ratio ¹	44%	42%	41%	41%	39%	40%	37%	25%	30%	39%	24%	24%	42%	45%	49%	70%
Dividend Yield ²	4.1%	4.4%	2.9%	3.3%	3.2%	3.6%	4.2%	4.8%	2.6%	4.2%	2.9%	2.5%	2.9%	3.5%	3.3%	5.0%

¹ Using consolidated profit

² Using the year-end share price

Share price evolution



Total return
2001-2017
+15.8%
CAGR

Performance
2001-2017
+14.7%
CAGR

Total Return is the average 'Share return' growth in the period
Performance is the average 'Share price' growth in the period

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Share price	2.42	1.90	2.68	2.99	4.75	6.12	6.25	3.30	4.66	6.25	5.45	6.34	8.99	10.21	13.90	13.90	21.64*
Change		-21.5%	41.1%	11.6%	58.9%	28.8%	2.1%	-47.2%	41.2%	34.1%	-12.8%	16.3%	41.8%	13.6%	36.1%	0.0%	55.7%
Received dividend		0.10	0.08	0.07	0.10	0.15	0.22	0.26	0.16	0.12	0.26	0.16	0.16	0.26	0.36	0.46	0.70
Accrued received dividends		0.10	0.18	0.25	0.35	0.50	0.72	0.98	1.14	1.26	1.52	1.68	1.84	2.10	2.46	2.92	3.62
Share return	2.42	2.00	2.86	3.24	5.10	6.62	6.97	4.28	5.80	7.51	6.97	8.02	10.83	12.31	16.36	16.82	25.26
Price quota	100.0%	95.0%	93.7%	92.3%	93.1%	92.4%	89.7%	77.1%	80.3%	83.2%	78.2%	79.1%	83.0%	82.9%	85.0%	82.6%	85.7%
Dividend quota	0.0%	5.0%	6.3%	7.7%	6.9%	7.6%	10.3%	22.9%	19.7%	16.8%	21.8%	20.9%	17.0%	17.1%	15.0%	17.4%	14.3%

*Share price at November 20, 2017



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