



Joint-stock Company
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 Share Capital: € 8,840,000 fully paid up
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Press release

The Board of Directors approved the Draft Financial Statements of Cembre S.p.A. and the Consolidated Financial Statements at December 31, 2018

- **CEMBRE (STAR): The Board proposes a €0.90 dividend per share (+12.5%)**
Consolidated sales grew to €144.1 million (+8.6%)
Consolidated net profit amounted to €22.7 million
- Consolidated net financial position positive for €7.5 million
- Tax benefit from application of Patent Box tax regime for 2018 amounting to €1.8 million
- Shareholders' Meeting called on April 18
- Requisites for the independence of Independent Directors were assessed
- Request to the Shareholders' Meeting convened for April 18 to resolve on the proposal for an incentive plan pursuant to article 114-*bis* of Legislative Decree 58/1998 and to resolve on the request for authorization to purchase and dispose of own shares

(euro '000)	2018	Margin %	2017	Margin %	change
Revenues from consolidated sales	144,096	100	132,637	100	8.6%
Consolidated gross operating result	35,650	24.7	33,434	25.2	6.6%
Consolidated operating result	28,496	19.8	27,036	20.4	5.4%
Consolidated pre-tax result	28,365	19.7	26,575	20.0	6.7%
Consolidated net result	22,736	15.8	22,727	17.1	0.0%
Consolidated net financial position	7,531		20,232		

Brescia, March 11, 2019 - The Board of Directors of Cembre S.p.A. – a STAR segment listed company and one of the largest European producers of electrical connectors and tools for their installation – approved at today's meeting chaired by its Chairman and Managing Director Giovanni Rosani the Draft Statutory Accounts of Cembre S.p.A. and the Consolidated Financial Statements at December 31, 2018. With regard to Corporate Governance, the Board, having acknowledged the representations made by Independent Directors and on the basis of independent information acquired, ascertained the possession of requisites for independence – pursuant to article 148, paragraph 3, of Legislative Decree 58/1998, as referred to by article 147-*ter*, paragraph 4 of Legislative Decree 58/1998 and article 3 of the Code of Conduct issued by the Corporate Governance Committee – of said Independent Directors.

The Board of Directors of Cembre also resolved to propose to the Shareholders' Meeting called on April 18, 2019 (April 19 on second call, if necessary), the distribution of a €0.90 dividend for each of the shares in circulation according to the following calendar: ex-dividend date May 6, 2019; record date May 7, 2019 and payment date May 8, 2019.

At the end of 2018, **consolidated revenues** amounted to €144.1 million, up 8.6% on €132.6 million at the end of 2017.

In 2018, Group sales in Italy amounted to €59.0 million, up 6.2% on the previous year; revenues in the rest of Europe increased by 15.3% to €62.6 million, while sales in non-European markets decreased by 1.4% to €22.4 million. A total of 41.0% of Group sales in 2018 were represented by Italy (as compared with 41.9% in 2017), 43.5% by the rest of Europe (41.0% in 2017), and the remaining 15.5% by the rest of the World (17.1% in 2017).

Consolidated revenues for 2018 benefited from the acquisition of the German company IKUMA KG which, in the relevant period (from 05.01.2018 to 12.31.2018), achieved a turnover of €5.2 million; without this contribution, the increase in consolidated sales would have been equal to 4.6%.

Consolidated gross operating profit amounted in 2018 to €35.7 million, representing a 24.7% margin on sales, up 6.6% on €33.4 million in 2017, when it represented a 25.2% margin on sales. The incidence of cost of sales decreased compared to 2017, from 33.1% to 32.6%, while the weight of services costs rose slightly, from 13.1% to 13.5%. On the other hand, the incidence of personnel costs decreased from 28.1% to 27.8%, despite the average workforce having grown from 689 units in 2017 (including 39 temporary workers) to 747 units in 2018 (including 58 temporary workers and 18 employees of IKUMA KG).

Consolidated operating profit for 2018 amounted to €28.5 million, representing a 19.8% margin on sales, up 5.4% on €27.0 million in 2017, when it represented a 20.4% margin on sales.

Consolidated profit before taxes amounted in 2018 to €28.4 million, representing a 19.7% margin on sales, up 6.7% on €26.6 million in 2017, when it represented a 20.0% margin on sales.

Consolidated net profit for the year amounted to €22.7 million, representing a 15.8% margin on sales, stable compared to 2017, when it also amounted to €22.7 million and represented a 17.1% margin on sales. On December 22, 2017, Cembre S.p.A. had reached an agreement with Tax Authorities on the application of the Patent Box Regime, as a result of which a total tax benefit of €3.9 million had been recorded for the 2015, 2016 and 2017 financial years, while for 2018, €1.8 million was recorded. By eliminating the effect of the tax benefit related to the application of the Patent Box regime, the consolidated net result would have been equal to €20.9 million, corresponding to 14.5% of sales and would have increased by 11.2% compared to the net result for the previous year, which, after adjusting for the same tax benefit, would have amounted to €18.8 million.

In 2018, non-recurring costs related to the acquisition of IKUMA KG were incurred for €411 thousand; in 2017, similar costs were incurred for €52 thousand and non-recurring revenues of €502 thousand were realized, deriving from the sale of the property former office of Cembre Espana SLU. Eliminating the incidence of these non-recurring components, the following profit margins are obtained:

(euro '000)	2018	%	2017	%	Change
Revenues from sales and services	144,096	100.0%	132,637	100.0%	8.6%
Gross Operating Result	36,061	25.0%	32,984	24.9%	9.3%
Operating Result	28,907	20.1%	26,586	20.0%	8.7%
Pre-tax result	28,776	20.0%	26,125	19.7%	10.1%

The net financial position went from a surplus of €20.2 million at December 31, 2017 to a surplus of €7.5 million at December 31, 2018. In this regard, it is noted that the acquisition of IKUMA KG involved an outlay of €8.6 million and that, in 2018, dividends were paid for €13.4 million, higher than those paid in 2017 of €11.8 million.

Investments made in the period amounted to €17.8 million in tangible assets (€11.7 million in 2017) and €3.2 million in intangible assets (€1.1 million in 2017). Increases in intangible assets include €2.0 million relating to the value of the IKUMA KG customer list and €0.5 million related to the IKUMA KG brand value, deriving from the purchase value allocation of said company. In addition to the foregoing, with regard to investments, it is noted that Goodwill of €4.6 million was recorded as assets for the acquisition of IKUMA KG.

“In 2018, the Cembre Group reported consolidated revenues of €144.1 million, up 8.6% on the previous year. Consolidated net profit reached €22.7 million, remaining unchanged compared to 2017; however, eliminating the effect of the tax benefit related to the application of the Patent Box regime, the consolidated net result would have been equal to €20.9 million, up 11.2% compared to the net result of the previous year which, after adjusting for the same tax benefit, would have amounted to €18.8 million. The turnover of the Cembre Group in the first two months of 2019 has increased by 8.2%. We trust that the Group’s turnover will continue to grow in 2019” - said CEO Giovanni Rosani.

“The Group has a solid financial position amounting at December 31, 2018 to a surplus of €7.5 million, remaining stable at February 28, 2019 at €8.7 million. A proposal for the distribution of a €0.90 dividend per share (the dividend paid for financial year 2017 amounted to €0.80). The proposed dividend corresponds to 66.2% of consolidated net profit” - continued G. Rosani.

In 2018, the **parent company Cembre S.p.A.** recorded **sales revenues** of €109.1 million, up 5.4% on the same period of 2017. The **gross operating result** went from €26.9 million to €29.4 million, up 9.5%. Instead, the **operating result** increased by 9.3%, from €21.2 million in 2017 to €23.2 million in 2018. The **net profit** of Cembre S.p.A. was €21.3 million, compared to €24.4 million in the previous year, a decrease of 13.0%. The net result for 2017 of Cembre S.p.A. had benefited from a positive tax component of €3.9 million, deriving from the application of the Patent Box regime for 2015, 2016 and 2017, while this benefit in 2018 was €1.8 million. Net of said tax benefit, net profit for 2018 would have amounted to €19.4 million, representing a 17.8% margin on sales and an 8.4% decrease on 2017, net of the same benefit. This decrease is also due to the fact that, in 2018, Cembre S.p.A. collected dividends from its subsidiaries for a total of €2.7 million, while in 2017 the dividends collected amounted to €5.3 million.

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Proposal to the Shareholders’ Meeting to adopt an incentive plan pursuant to art. 114-bis of Legislative Decree 58/1998 called “Carlo Rosani Prize for the 50th anniversary of the foundation of the Company”

The Board of Directors resolved to submit to the next Shareholders’ Meeting the adoption of an incentive plan pursuant to art. 114-bis of the TUF based on Cembre shares and intended for employees (or however holders of a comparable relationship pursuant to the legislation applicable from time to time) of Cembre and/or its subsidiaries that will be identified by the Board of Directors. The relative illustrative report and the annexed Information Document prepared pursuant to art. 84-bis of Consob Regulation no. 11971/1999 will be made available on the Cembre website www.cembre.com in accordance with the law.

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Request of the Board of Directors to the Shareholders' Meeting of an authorization to purchase own shares

At today's meeting, the Board of Directors resolved to submit to the upcoming Shareholders' Meeting a request to be authorized to purchase own shares after the authorization granted by the Shareholders' Meeting of April 26, 2018 has been revoked with reference to the unexercised part. The request aims at providing the Company with strategic investment opportunities to any end allowed by current regulations, including those contemplated under article 5 of EU Regulation 596/2014 (Market Abuse Regulation, **MAR**) and in the procedures contemplated under article 13, **MAR**, as well as, where necessary, for the provision of own shares to be allocated to the beneficiaries of the incentive plan pursuant to art. 114-*bis* of the TUF called "*Carlo Rosani Prize for the 50th anniversary of the foundation of the Company*", which will be submitted to the next Shareholders' Meeting.

The authorization to purchase own shares is requested for a period of 18 months from the date of the Shareholders' Meeting and is intended for the purchase of Cembre ordinary shares of par value €0.52, up to a the maximum limit established by current regulations for a consideration that shall not exceed the higher between the price at which the last independent transaction was concluded and the last independent bid price in the market in which the purchase is carried out. For any single purchase, such price per share shall in any case not be more than 20% lower or higher than the closing price registered by Cembre shares on the previous trading day.

The authorization to sell own shares is requested without a time limit; the Board resolved to propose that the provision can take place, among other things, by means of provision thereof in favor of the beneficiaries of the incentive plan pursuant to art. 114-*bis* of Legislative Decree 58/1998 called "*Carlo Rosani Prize for the 50th anniversary of the foundation of the Company*", under the terms, conditions and methods provided therein and, in particular, at the price of €10 per share.

At the date of the present press release, Cembre holds 280,041 own shares, representing 1.647% of the share capital of the Company.

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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 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 729 as of December 31, 2018. 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.

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Further information is available at Cembre's institutional website www.cembre.com in the Investor Relations section.

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 - 2018 Financial Statements:

- Consolidated Balance Sheet
- Consolidated Comprehensive Income Statement
- Consolidated Statement of Cash Flows
- Balance Sheet of parent company Cembre S.p.A.
- Comprehensive Income Statement of parent company Cembre S.p.A.
- Statement of Cash Flows of parent company Cembre S.p.A.

At the date of the present press release the auditing of the financial statements has not yet been completed.

In the present document use is made of “alternative performance indicators” which are not provided for under European IFRS, and whose significance and content are illustrated below (in line with Recommendation CESR/05-178b published on November 3, 2005):

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 amortization, financial 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 financial flows and taxes.

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

Consolidated Financial Statements at December 31, 2018

Consolidated Statement of Financial Position

ASSETS	Dec. 31, 2018		Dec. 31, 2017	
	(euro '000)		of which: related parties	of which: related parties
NON CURRENT ASSETS				
Tangible assets	83.294		72.082	
Investment property	1.071		1.126	
Intangible assets	4.257		1.867	
Goodwill	4.608		-	
Other investments	10		10	
Other non-current assets	1.522		41	
Deferred tax assets	2.767		2.294	
TOTAL NON-CURRENT ASSETS	97.529		77.420	
CURRENT ASSETS				
Inventories	50.619		41.673	
Trade receivables	25.626		26.520	
Tax receivables	2.035		4.299	
Other receivables	1.842		465	
Cash and cash equivalents	17.198		20.232	
TOTAL CURRENT ASSETS	97.320		93.189	
NON-CURRENT ASSETS AVAILABLE FOR SALE	-		-	
TOTAL ASSETS	194.849		170.609	

LIABILITIES AND SHAREHOLDERS' EQUITY	Dec. 31, 2018		Dec. 31, 2017	
	(euro '000)		of which: related parties	of which: related parties
SHAREHOLDERS' EQUITY				
Capital stock	8.840		8.840	
Reserves	121.302		111.508	
Net profit	22.736		22.727	
TOTAL SHAREHOLDERS' EQUITY	152.878		143.075	
NON-CURRENT LIABILITIES				
Non-current financial liabilities	1.000		-	
Other non-current payables	1.480	1.480	-	
Employee termination indemnity and other personnel benefits	2.557	278	2.664	184
Provisions for risks and charges	606	50	448	-
Deferred tax liabilities	2.846		2.047	
TOTAL NON-CURRENT LIABILITIES	8.489		5.159	
CURRENT LIABILITIES				
Current financial liabilities	8.667		-	
Trade payables	14.863		14.581	
Tax payables	2.367		268	
Other payables	7.585	498	7.526	200
TOTAL CURRENT LIABILITIES	33.482		22.375	
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-		-	
TOTAL LIABILITIES	41.971		27.534	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	194.849		170.609	

Consolidated Financial Statements at December 31, 2018

Statement of Consolidated Comprehensive Income

	2018		2017	
(euro '000)		<i>of which: related parties</i>		<i>of which: related parties</i>
Revenues from contracts with customers	144.096		132.637	
Other revenues	874		653	
Non recurring other revenues	-		502	
TOTAL REVENUES	144.970		133.792	
Cost of goods and merchandise	(53.653)		(47.487)	
Change in inventories	6.637		3.630	
Cost of services received	(19.421)	(889)	(17.316)	(665)
Non-recurring cost of services	(411)		(52)	
Lease and rental costs	(1.644)	(674)	(1.598)	(669)
Personnel costs	(39.989)	(890)	(37.251)	(335)
Other operating costs	(1.685)		(1.198)	
Increase in assets due to internal construction	958		939	
Write-down of receivables	(89)		(7)	
Accruals to provisions for risks and charges	(23)		(18)	
GROSS OPERATING PROFIT	35.650		33.434	
Property, plant and equipment depreciation	(6.393)		(5.814)	
Intangible asset amortization	(761)		(584)	
OPERATING PROFIT	28.496		27.036	
Financial income	8		86	
Financial expenses	(57)		(35)	
Foreign exchange gains (losses)	(82)		(512)	
PROFIT BEFORE TAXES	28.365		26.575	
Benefit from the application of Patent Box Regime on previous years	-		2.279	
Income taxes	(5.629)		(6.127)	
NET PROFIT FROM ORDINARY ACTIVITIES	22.736		22.727	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-		-	
NET PROFIT	22.736		22.727	
Items that will not be reclassified to profit and loss				
Gains (losses) from discounting of Employees' Termination Indemnity	91		38	
Income tax relating to items that will not be reclassified	(22)		(9)	
Items that may be reclassified subsequently to profit and loss				
Conversion differences included in equity	251		(934)	
COMPREHENSIVE INCOME	23.056		21.822	
BASIC AND DILUTED EARNINGS PER SHARE	1,36		1,36	

Consolidated Financial Statements at December 31, 2018

Consolidated Statement of Cash Flows

	2018	2017
€ '000		
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	20.232	26.709
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	22.736	22.727
Depreciation, amortization and write-downs	7.154	6.398
(Gains)/Losses on disposal of assets	(42)	(535)
Net change in Employee Severance Indemnity	(107)	46
Net change in provisions for risks and charges	158	27
Operating profit (loss) before change in working capital	29.899	28.663
(Increase) Decrease in trade receivables	894	(1.635)
(Increase) Decrease in inventories	(8.946)	(2.877)
(Increase) Decrease in other receivables and deferred tax assets	414	(3.146)
Increase (Decrease) of trade payables	(2.863)	2.019
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	2.957	205
Change in working capital	(7.544)	(5.434)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	22.355	23.229
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(3.151)	(1.101)
- tangible	(17.775)	(11.732)
- goodwill	(4.608)	-
Proceeds from disposal of tangible, intangible, financial assets		
- tangible	243	1.644
Increase (Decrease) of trade payables for assets	3.145	(744)
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(22.146)	(11.933)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	(1)	3
Increase (Decrease) in bank loans and borrowings	9.667	-
Increase (Decrease) in derivative instruments	-	(43)
Change in reserves	371	(4.540)
Dividends distributed	(13.373)	(11.834)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(3.336)	(16.414)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	(3.127)	(5.118)
F) Foreign exchange differences	24	(1.388)
G) Discounting of Employee Termination Indemnity	69	29
I) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (A+E+F+G)	17.198	20.232
Assets available for sales included above	-	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	17.198	20.232
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	17.198	20.232
Current financial liabilities	(8.667)	-
Non current financial liabilities	(1.000)	-
NET CONSOLIDATED FINANCIAL POSITION	7.531	20.232
INTERESTS PAID IN THE PERIOD	5	-
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash	12	51
Banks	17.186	20.181
	17.198	20.232

Financial Statement at December 31, 2018

Statement of financial position

ASSETS	Dec. 31, 2018		Dec. 31, 2017	
		<i>of which: related parties</i>		<i>of which: related parties</i>
NON CURRENT ASSETS				
Tangible assets	72.899.598		61.848.636	
Investment property	1.070.773		1.125.532	
Intangible assets	1.941.458		1.855.139	
Investments in subsidiaries	20.909.981		12.609.981	
Other investments	10.333		10.333	
Other non-current assets	8.003		8.003	
Deferred tax assets	848.600		733.592	
TOTAL NON-CURRENT ASSETS	97.688.746		78.191.216	
CURRENT ASSETS				
Inventories	35.657.164		30.946.760	
Trade receivables	15.617.954		16.709.505	
Trade receivables from subsidiaries	3.238.132	3.238.132	2.373.027	2.373.027
Tax receivables	1.912.174		4.287.481	
Other assets	917.943		439.377	
Cash and cash equivalents	11.240.731		13.588.602	
TOTAL CURRENT ASSETS	68.584.098		68.344.752	
NON-CURRENT ASSETS AVAILABLE FOR SALE	-		-	
TOTAL ASSETS	166.272.844		146.535.968	

LIABILITIES AND SHAREHOLDERS' EQUITY	Dec. 31, 2018		Dec. 31, 2017	
		<i>of which: related parties</i>		<i>of which: related parties</i>
EQUITY				
Capital stock	8.840.000		8.840.000	
Reserves	100.965.105		89.704.298	
Net profit	21.257.210		24.444.345	
TOTAL SHAREHOLDERS' EQUITY	131.062.315		122.988.643	
NON-CURRENT LIABILITIES				
Non-current financial liabilities	1.000.375		-	
Employee Severance Indemnity and other personnel benefits	2.203.655	278.402	2.305.696	184.450
Provisions for risks and charges	605.953	50.000	447.892	-
Deferred tax liabilities	1.976.221		1.877.144	
TOTAL NON-CURRENT LIABILITIES	5.786.204		4.630.732	
CURRENT LIABILITIES				
Current financial liabilities	8.667.222		-	
Trade payables	13.413.399		13.665.062	
Trade payables to subsidiaries	93.756	93.756	11.819	11.819
Tax payables	2.011.619,00		-	
Other Payables	5.238.329		5.239.712	
TOTAL CURRENT LIABILITIES	29.424.325		18.916.593	
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-		-	
TOTAL LIABILITIES	35.210.529		23.547.325	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	166.272.844		146.535.968	

Financial Statement at December 31, 2018

Statement of comprehensive income

	2018		2017	
		<i>of which: related parties</i>		<i>of which: related parties</i>
Revenues from contracts with customers	109.067.580	31.112.671	103.476.300	28.509.756
Other revenues	1.474.821	904.910	1.059.173	712.098
TOTAL REVENUES	110.542.401		104.535.473	
Cost of goods and merchandise	(42.667.705)	(934.740)	(40.277.060)	(433.191)
Change in inventories	4.710.404		2.336.523	
Cost of services received	(14.349.793)	(669.288)	(12.766.571)	(664.856)
Lease and rental costs	(1.019.616)	(534.469)	(983.185)	(527.925)
Personnel costs	(27.549.288)	(890.224)	(25.922.580)	(335.231)
Other operating costs	(1.166.576)		(854.805)	
Increase in assets due to internal construction	934.119		809.631	
Accruals to provisions for risks and charges	(22.601)		(18.264)	
GROSS OPERATING PROFIT	29.411.345		26.859.162	
Tangible asset depreciation	(5.602.465)		(5.039.585)	
Intangible asset amortization	(587.958)		(571.139)	
OPERATING PROFIT	23.220.922		21.248.438	
Financial income	2.689.225	2.683.185	5.393.610	5.315.078
Financial expenses	(34.995)		(31.177)	
Foreign exchange gains (losses)	21.984		(11.114)	
PROFIT BEFORE TAXES	25.897.136		26.599.757	
Benefit from the application of Patent Box Regime on previous years	-		2.279.186	
Income taxes	(4.639.926)		(4.434.598)	
NET PROFIT FROM ORDINARY ACTIVITIES	21.257.210		24.444.345	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-		-	
NET PROFIT	21.257.210		24.444.345	
Items that will not be reclassified to profit and loss				
Gains (losses) from discounting of Employees' Termination Indemnity	90.603		38.522	
Income tax relating to items that will not be reclassified	(21.745)		(9.245)	
COMPREHENSIVE INCOME	21.326.068		24.473.622	

Financial Statement at December 31, 2018

Statement of Cash Flows

	2018	2017
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13.588.602	20.127.391
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the year	21.257.210	24.444.345
Depreciation, amortization and write-downs	6.190.423	5.610.724
(Gains)/Losses on disposal of assets	(24.345)	(25.476)
Net change in Employee Severance Indemnity	(102.041)	(48.203)
Net change in provisions for risks and charges	158.061	26.863
Operating profit (loss) before change in working capital	27.479.308	30.008.253
(Increase) Decrease in trade receivables	226.446	(1.338.605)
(Increase) Decrease in inventories	(4.710.404)	(2.336.524)
(Increase) Decrease in other receivables and deferred tax assets	1.781.733	(3.473.987)
Increase (Decrease) of trade payables	(3.314.306)	2.100.376
Increase (Decrease) of other payables and deferred tax liabilities	2.109.313	245.919
Change in working capital	(3.907.218)	(4.802.821)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	23.572.090	25.205.432
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(674.394)	(1.095.177)
- tangible	(16.793.140)	(10.823.701)
- financial	(8.300.000)	(2.758.968)
Proceeds from disposal of tangible, intangible, financial assets		
- intangible	117,00	-
- tangible	218.817	65.876
Increase (Decrease) of trade payables for assets	3.144.580	(744.291)
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(22.404.020)	(15.356.261)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	-	(212)
Increase (Decrease) in bank loans and borrowings	9.667.597	-
Increase (Decrease) of liabilities from derivative instruments	-	(43.487)
Change in reserves	188.736	(4.539.903)
Dividends distributed	(13.372.274)	(11.833.635)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(3.515.941)	(16.417.237)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	(2.347.871)	(6.568.066)
F) Discounting of employees' termination indemnities	-	29.277
G) CASH AND CASH EQUIVALENTS AT END OF YEAR (A+E+F)	11.240.731	13.588.602
CASH AND CASH EQUIVALENTS AT END OF YEAR	11.240.731	13.588.602
Current financial liabilities	(8.667.222)	-
Non current financial liabilities	(1.000.375)	-
NET FINANCIAL POSITION	1.573.134	13.588.602
INTEREST PAID IN THE YEAR	(1.209)	-
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash	6.756	9.920
Banks	11.233.975	13.578.682
	11.240.731	13.588.602