



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  
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## Press release

The Board of Directors approved the interim report on operations as at March 31, 2019

### **Cembre (STAR): consolidated sales up in the first quarter (+6.8%)**

- Sales in Italy down slightly (-0.4%) while foreign sales grow (+12.1%)
- As at April 30, 2019, consolidated revenues signal an increase of 7.4%
- The Board resolved the start of a share buy-back programme

<b>CONSOLIDATED FIGURES</b> (euro '000)	<b>1<sup>st</sup></b> <b>QUARTER</b> <b>2019</b>	<b>Marg.</b> <b>%</b>	<b>1<sup>st</sup></b> <b>QUARTER</b> <b>2018</b>	<b>Marg.</b> <b>%</b>	<b>Change</b>
<b>Sales</b>	38,401	100	35,970	100	6.8%
<b>Gross operating profit</b>	10,485	27.3	10,037	27.9	4.5%
<b>Operating profit</b>	8,144	21.2	8,395	23.3	-3.0%
<b>Profit before taxes</b>	8,176	21.3	8,299	23.1	-1.5%
<b>Net Profit</b>	6,255	16.3	6,227	17.3	0.4%
<b>Net financial position</b>	3,078		18,474		

Brescia, May 14, 2019 – 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 2019**.

Compared with the first quarter of 2018, **consolidated revenues** grew by 6.8%, from €36.0 million to €38.4 million. This increase was due, in particular, to the consolidation of the German company IKUMA KG, acquired effective from May 1, 2018, whose turnover in the first quarter of 2019 came to €2.2 million; this company was not included in the Group results in the first quarter of 2018, and without said contribution the increase in consolidated sales in the first quarter of 2019 would have been 0.7%.

In the first three months of 2019, domestic sales, amounting to €15.3 million, fell by 0.4%, while exports, amounting to €23.1 million, grew by 12.1%.

In the first quarter of 2019, 40.0% of sales were represented by Italy, 46.7% by the rest of Europe and 13.3% by the rest of the world.

The **consolidated gross operating result (EBITDA)** rose by 4.5% in the first quarter, up from €10.0 million, equal to 27.9% of sales in the first quarter of 2018, to €10.5 million, equal to 27.3% of sales

in the first quarter of 2019. The percentage incidence of the cost of sales rose, especially following the consolidation of the sales company IKUMA KG, acquired effective from May 1, 2018. The average number of employees in the period rose, from 726 in the first quarter of 2018, to 730 in the first quarter of 2019.

**Consolidated operating profit (EBIT)** amounted to €8.1 million, representing a 21.2% margin on sales, down 3.0% on €8.4 million in the first three months of the previous year, when it represented a 23.3% margin on sales.

**Consolidated profit before taxes** for the first three months was equal to €8.2 million, representing a 21.3% margin on sales, down 1.5% on €8.3 million in the three months of 2018, when it represented 23.1% of sales.

**Consolidated net profit** for the first quarter was equal to €6.3 million, representing a 16.3% margin on sales; this is an increase of 0.4% compared to 2018, when it represented 17.3% of sales in the same period.

Effective from January 1, 2019, the Group adopted the new IFRS 16 to account for leases and lease agreements. The application of this new standard involved an insignificant reduction in Group profit of €16 thousand; for more details on the effects of the application of the aforementioned accounting standard, please refer to the Interim Report on Operations as at March 31, 2019.

The **consolidated net financial position** went from a surplus of €18.5 million at March 31, 2018 to a surplus of €3.1 million at March 31, 2019. At December 31, 2018, the net financial position was equal to a surplus of €7.5 million. The net financial position as at March 31, 2019 was impacted by the adoption of IFRS 16, which involved the recognition of financial leasing payables totalling €6.7 million. Net of this item, the net financial position would have been €9.8 million. Short-term financial debt does not include €15.0 million of dividends to shareholders for the 2018 financial year (similar to the approach adopted in the previous year, amounting to €13.4 million), payable on May 8, 2019, as resolved by the Shareholders' Meeting on April 18, 2019.

**Capital expenditure** for the first quarter of 2019 by the Group amounted to €2.5 million, down on the corresponding period in 2018 when it amounted to €3.8 million.

*“The results of the first quarter of 2018 show growth in consolidated revenues (+6.8%), thanks to the positive contribution of the consolidation of IKUMA KG, acquired effective from May 1, 2018. Without this contribution, the increase in consolidated sales in the first quarter of 2019 would have been 0.7%. The figures as at April 30 confirm the growth of 7.4% in consolidated revenues, without the consolidation of IKUMA KG the growth would have been 1.7%. Despite the difficulty in formulating forecasts, connected with the situation of global uncertainty, the Cembre Group expects slight growth compared to 2018”,* stated Cembre Managing Director Giovanni Rosani.

### **The Board resolved the start of a programme for the purchase of own shares**

The Board of Directors, as a result of the authorisation to purchase and sell own shares granted by the Shareholders' Meeting of April 18, 2019 and following the conclusion of the purchase programme started on May 14, 2018, also resolved the launch of a programme for the purchase of own shares - which represents a useful strategic investment opportunity for all purposes allowed by current regulations, including those set forth in article 5 of EU Regulation no. 593/2014 (Market Abuse Regulation, **MAR**) and in the procedures allowed under article 13 of the MAR, as well as, where necessary, for the provision of own shares to be allocated to beneficiaries of the incentive plan known as “*Premio Carlo Rosani per i 50 anni dalla fondazione della Società*” approved by the Shareholders'

Meeting on April 18, 2019 - with the following characteristics in compliance with the resolution passed by the aforementioned Shareholders' Meeting.

- the number of ordinary shares of par value €0.52 purchased may not exceed 5% of the share capital and therefore a maximum of 850,000 ordinary Cembre S.p.A. shares for a total consideration that shall not exceed €10,000,000;
- the purchase must take place on a market regulated pursuant to article 144-bis, par. b), of Consob Regulation 11971/1999 and other applicable regulations, so as to ensure the equal treatment of shareholders as per article 132 of Legislative Decree no. 58/1998, keeping into account terms set for the negotiation as per article 3 of EU Delegated Regulation 1052/2016 (“**Regulation 1052**”) implementing the MAR;
- the price per share 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 volume of daily purchases may not exceed 25% of the average daily trading volume of Cembre shares in the market in which the purchase is carried out, calculated in accordance with parameters set in article 3 of Regulation 1052;
- the purchase plan shall be implemented within 18 months of the Shareholders' Meeting resolution passed on April 18, 2019.

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

\* \* \* \*

*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 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 734 (figure updated as of March 31, 2019). 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 on Cembre's website, in the Investor Relations section, [www.cembre.com](http://www.cembre.com)

**Attachments: Financial Statements at March 31, 2019**

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 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 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 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: 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, 2019**  
**Consolidated Financial Statements**  
**Consolidated Comprehensive Income Statement**

	1 <sup>st</sup> Quarter 2019	1 <sup>st</sup> Quarter 2018
(euro '000)		
Revenues from contract with customers	38.401	35.970
Other revenues	342	125
<b>TOTAL REVENUES</b>	<b>38.743</b>	<b>36.095</b>
Cost of goods and merchandise	(12.262)	(15.145)
Change in inventories	(47)	4.398
Cost of services received	(4.890)	(4.775)
Lease and rental costs	(117)	(390)
Personnel costs	(10.851)	(10.052)
Other operating costs	(407)	(363)
Increase in assets due to internal construction	323	349
Impairment losses on contract assets	(1)	(74)
Accruals to provisions for risks and charges	(6)	(6)
<b>GROSS OPERATING PROFIT</b>	<b>10.485</b>	<b>10.037</b>
Property, plant and equipment depreciation	(1.784)	(1.499)
Intangible asset amortization	(215)	(143)
Depreciation of lease assets	(342)	-
<b>OPERATING PROFIT</b>	<b>8.144</b>	<b>8.395</b>
Financial income	1	2
Financial expenses	(34)	-
Foreign exchange gains (losses)	65	(98)
<b>PROFIT BEFORE TAXES</b>	<b>8.176</b>	<b>8.299</b>
Income taxes	(1.921)	(2.072)
<b>NET PROFIT FROM ORDINARY ACTIVITIES</b>	<b>6.255</b>	<b>6.227</b>
<b>Items that may be reclassified subsequently to profit and loss</b>		
Conversion differences included in equity	678	39
<b>COMPREHENSIVE INCOME</b>	<b>6.933</b>	<b>6.266</b>

**Interim Report at March 31, 2019**  
**Consolidated Financial Statements**  
**Consolidated Statement of Financial Position - Assets**

ASSETS	Mar. 31, 2019	Dec. 31, 2018
(euro '000)		
<b>NON CURRENT ASSETS</b>		
Tangible assets	83.817	83.294
Investment property	1.059	1.071
Intangible assets	4.346	4.257
Goodwill	4.608	4.608
Lease assets	6.692	-
Other investments	10	10
Other non-current assets	1.490	1.522
Deferred tax assets	2.933	2.767
<b>TOTAL NON CURRENT ASSETS</b>	<b>104.955</b>	<b>97.529</b>
<b>CURRENT ASSETS</b>		
Inventories	50.942	50.619
Trade receivables	30.476	25.626
Tax receivables	2.356	2.035
Other receivables	1.708	1.842
Cash and cash equivalents	16.941	17.198
<b>TOTAL CURRENT ASSETS</b>	<b>102.423</b>	<b>97.320</b>
<b>NON-CURRENT ASSETS AVAILABLE FOR SALE</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>207.378</b>	<b>194.849</b>

## Interim Report at March 31, 2019

### Consolidated Financial Statements

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Mar. 31, 2019	Dec. 31, 2018
(euro '000)		
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	8.840	8.840
Reserves	144.718	121.302
Net profit	6.255	22.736
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>159.813</b>	<b>152.878</b>
<b>NON-CURRENT LIABILITIES</b>		
Non-current financial liabilities	5.869	1.000
Other non-current payables	1.480	1.480
Employee Severance Indemnity and other personnel benefits	2.511	2.557
Provisions for risks and charges	757	606
Deferred tax liabilities	2.857	2.846
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>13.474</b>	<b>8.489</b>
<b>CURRENT LIABILITIES</b>		
Current financial liabilities	7.994	8.667
Trade payables	13.514	14.863
Tax payables	4.410	2.367
Other payables	8.173	7.585
<b>TOTAL CURRENT LIABILITIES</b>	<b>34.091</b>	<b>33.482</b>
<b>LIABILITIES ON ASSETS HELD FOR DISPOSAL</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>47.565</b>	<b>41.971</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>207.378</b>	<b>194.849</b>

**Interim Report at March 31, 2019**  
**Consolidated Financial Statements**  
**Consolidated Statement of Cash Flows**

	1 <sup>st</sup> Quarter 2019	1 <sup>st</sup> Quarter 2018
€ '000		
<b>A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>17.198</b>	<b>20.232</b>
<b>B) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit for the period	6.255	6.227
Depreciation, amortization and write-downs	2.341	1.641
(Gains)/Losses on disposal of assets	(15)	(12)
Net change in Employee Termination Indemnity	(46)	18
Net change in provisions for risks and charges	151	62
<b>Operating profit (loss) before change in working capital</b>	<b>8.686</b>	<b>7.936</b>
(Increase) Decrease in trade receivables	(4.850)	(3.300)
(Increase) Decrease in inventories	(323)	(4.363)
(Increase) Decrease in other receivables and deferred tax assets	(353)	(381)
Increase (Decrease) of trade payables	211	(816)
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	2.642	2.280
<b>Change in working capital</b>	<b>(2.673)</b>	<b>(6.580)</b>
<b>NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>6.013</b>	<b>1.356</b>
<b>C) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets:		
- intangible	(304)	(158)
- tangible	(2.162)	(3.660)
- leasing	(7.034)	-
Proceeds from disposal of tangible, intangible, available-for-sale financial assets		
- tangible	63	123
Increase (Decrease) of trade payables for assets	(1.560)	593
<b>NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>(10.997)</b>	<b>(3.102)</b>
<b>D) CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Increase) Decrease in other non current assets	1.512	2
(Increase) Decrease in other non current payables	(1.480)	-
Increase (Decrease) in bank payables	(2.499)	-
Increase (Decrease) in other loans	6.695	-
<b>NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>4.228</b>	<b>2</b>
<b>E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)</b>	<b>(756)</b>	<b>(1.744)</b>
F) Foreign exchange conversion differences	499	(14)
<b>G) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (A+E+F)</b>	<b>16.941</b>	<b>18.474</b>
Of which: assets held for disposal	-	-
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>16.941</b>	<b>18.474</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>16.941</b>	<b>18.474</b>
Current financial liabilities	(7.994)	-
Non current financial liabilities	(5.869)	-
<b>NET CONSOLIDATED FINANCIAL POSITION</b>	<b>3.078</b>	<b>18.474</b>
<b>INTERESTS PAID IN THE PERIOD</b>	<b>5</b>	<b>-</b>
<b>BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		
Cash	14	88
Bank deposits	16.927	18.386
	<b>16.941</b>	<b>18.474</b>