



# 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  
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## Press release

### BOARD APPROVES INTERIM REPORT ON THE 1<sup>st</sup> QUARTER OF 2017

#### **Cembre (STAR): in the 1<sup>st</sup> Quarter consolidated sales grow (up 9.4%) and net profit improves by 28.5%**

- In the 1<sup>st</sup> Quarter of 2017 domestic sales were up 14.3% while exports grew by 6.1%
- Consolidated sales for the first four months of 2017 were also up 7.4% on the corresponding period in 2016, while at April 30, 2017 the consolidated financial position amounted to a surplus of €25.2 million
- The Board resolved the start of a share buy-back program

Consolidated figures (€'000)	1 <sup>st</sup> Qtr. 2017	Sales margin %	1 <sup>st</sup> Qtr. 2016	Sales margin %	Change
Sales	33,187	100	30,327	100	9.4%
Gross operating profit	8,916	26.9	7,372	24.3	20.9%
Operating profit	7,388	22.3	5,930	19.6	24.6%
Pre-tax profit	7,326	22.1	5,763	19.0	27.1%
Net profit	5,100	15.4	3,968	13.1	28.5%
Net financial position	26,720		19,182		

Brescia, May 12, 2017 – The Board of Directors of Cembre Spa, chaired by the Chairman and Managing Director Giovanni Rosani, approved at today's meeting the Consolidated Financial Statements at **March 31, 2017**.

In the 1<sup>st</sup> Quarter of 2017, **consolidated revenues** grew by 9.4% on the corresponding period in 2016 from €30.3 million to €33.2 million. In the same period, domestic sales, amounting to €14.0 million, grew by 14.3%, while exports, amounting to €19.1 million, grew by 6.1% on the 1<sup>st</sup> Quarter of 2016. In the 1<sup>st</sup> Quarter of 2017, 42.3% of sales were represented by Italy, 41.9% by the rest of Europe and 15.8% by the rest of the world.

**Consolidated gross operating profit (EBITDA)** grew by 20.9% from €7.4 million in the 1<sup>st</sup> Quarter of 2016 (representing a 24.3% margin on sales), to €8.9 million (a 26.9% margin on sales) in the 1<sup>st</sup>

Quarter of 2017. The increase is due primarily to the decline in personnel costs a percentage of sales achieved despite the increase in the average number of employees from 647 in the 1<sup>st</sup> Quarter of 2016 to 677 in the 1<sup>st</sup> Quarter of 2017. Such increase is due primarily to hiring in the sales department to implement the expansive sales policy of the Group. The cost of goods sold as a percentage of sales also declined over the 1<sup>st</sup> Quarter of 2016.

**Consolidated operating profit (EBIT)** for the 1<sup>st</sup> Quarter of 2017 amounted to €7.4 million, representing a 22.3% margin on sales, up 24.6% on €5.9 million in the 1<sup>st</sup> Quarter of 2016 when it represented a 19.6% margin on sales.

**Consolidated profit before taxes** for the 1<sup>st</sup> Quarter of 2017 was equal to €7.3 million, representing a 22.1% margin on sales, up 27.1% on €5.8 million in the 1<sup>st</sup> Quarter of 2016, when it represented 19.0% of sales.

**Consolidated net profit** before taxes for the 1<sup>st</sup> Quarter of 2017 was equal to €5.1 million, representing a 15.4% margin on sales, up 28.5% on €4.0 million in the 1<sup>st</sup> Quarter of 2016, when it represented 13.1% of sales.

The **consolidated net financial position** of the Group improved from a surplus of €19.2 million at March 31, 2016, to a surplus of €26.7 million at March 31, 2017. At December 31, 2016, the net financial position amounted to a surplus of €26.7 million. Short-term financial debt does not include €11.8 million of dividends for the 2016 financial year (€7.8 million in the previous year) payable to Shareholders on May 10, 2017, as resolved by the Shareholders' Meeting on April 20, 2017.

**Capital expenditure** for the 1<sup>st</sup> Quarter of 2017 by the Group amounted to €3.4 million, up on the corresponding period in 2016 when it amounted to €0.8 million.

*“We are satisfied with the results achieved for the 1<sup>st</sup> Quarter of 2017 both in terms of consolidated sales (up 9.4%) and profit margins (EBITDA equal to a 26.9% margin on sales). Figures for the first four months of the year confirm these results with consolidated revenues up 7.4% on the corresponding period in 2016 and a net financial position equal at April 30, 2017 to a surplus of €25.2 million. We therefore expect to close 2017 reporting an increase in sales and a further improvement in profits”* – commented Cembre’s Chairman and Managing Director, Giovanni Rosani.

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

The Board of Directors, in force of the authorization to purchase and sell own shares granted by the Shareholders' Meeting of April 20, 2017 and following the conclusion of the purchase program started on April 21, 2016, resolved the start of a program for the purchase of own shares with the end of providing the Company with strategic investment opportunities to any end allowed by current regulations, including those contemplated in article 5 of EU Regulation no. 593/2014 (*Market Abuse Regulation, MAR*) and in the procedures contemplated under article 13, MAR, having the following characteristics and in compliance with the resolution passed by said 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 Market Abuse Regulation ("**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 20, 2017.

At the date of the present press release, Cembre holds 94,807 own shares, representing 0.56% 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. 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 major companies in the 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.*

*Established 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 trading subsidiaries (Cembre Ltd. in Birmingham, U.K.), for a total workforce of 676 as of March 31, 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.*

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

**Attachments: Financial Statements at March 31, 2017**

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 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 Quarterly Report at March 31, 2017 has not been audited.

**Interim Report at March 31, 2017**  
**Consolidated Financial Statements**  
**Consolidated Comprehensive Income Statement**

	1 <sup>st</sup> Quarter 2017	1 <sup>st</sup> Quarter 2016
(euro '000)		
Revenues from sales and services provided	33.187	30.327
Other revenues	115	112
<b>TOTAL REVENUES</b>	<b>33.302</b>	<b>30.439</b>
Cost of goods and merchandise	(12.259)	(11.068)
Change in inventories	1.960	1.409
Cost of services received	(4.172)	(3.740)
Lease and rental costs	(392)	(364)
Personnel costs	(9.377)	(9.096)
Other operating costs	(315)	(267)
Increase in assets due to internal construction	300	164
Write-down of receivables	(127)	(101)
Accruals to provisions for risks and charges	(4)	(4)
<b>GROSS OPERATING PROFIT</b>	<b>8.916</b>	<b>7.372</b>
Property, plant and equipment depreciation	(1.396)	(1.314)
Intangible asset amortization	(132)	(128)
<b>OPERATING PROFIT</b>	<b>7.388</b>	<b>5.930</b>
Financial income	6	8
Financial expenses	(3)	0
Foreign exchange gains (losses)	(65)	(175)
<b>PROFIT BEFORE TAXES</b>	<b>7.326</b>	<b>5.763</b>
Income taxes	(2.226)	(1.795)
<b>NET PROFIT FROM ORDINARY ACTIVITIES</b>	<b>5.100</b>	<b>3.968</b>
<b>Items that may be reclassified subsequently to profit and loss</b>		
Conversion differences included in equity	(20)	(1.258)
<b>COMPREHENSIVE INCOME</b>	<b>5.080</b>	<b>2.710</b>

**Interim Report at March 31, 2017**  
**Consolidated Financial Statements**  
**Consolidated Statement of Financial Position - Assets**

<b>ASSETS</b>	<b>Mar. 31, 2017</b>	<b>Dec. 31, 2016</b>
(euro '000)		
<b>NON CURRENT ASSETS</b>		
Tangible assets	68.183	66.298
Investment property	1.631	1.647
Intangible assets	1.372	1.350
Other investments	10	10
Other non-current assets	64	44
Deferred tax assets	2.441	2.502
<b>TOTAL NON CURRENT ASSETS</b>	<b>73.701</b>	<b>71.851</b>
<b>CURRENT ASSETS</b>		
Inventories	40.695	38.796
Trade receivables	27.696	24.885
Tax receivables	831	850
Other receivables	565	560
Cash and cash equivalents	26.737	26.709
<b>TOTAL CURRENT ASSETS</b>	<b>96.524</b>	<b>91.800</b>
<b>NON-CURRENT ASSETS AVAILABLE FOR SALE</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>170.225</b>	<b>163.651</b>

## Interim Report at March 31, 2017

### Consolidated Financial Statements

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Mar. 31, 2017	Dec. 31, 2016
(euro '000)		
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	8.840	8.840
Reserves	128.327	111.860
Net profit	5.100	16.927
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>142.267</b>	<b>137.627</b>
<b>NON-CURRENT LIABILITIES</b>		
Employee Severance Indemnity and other personnel benefits	2.621	2.618
Provisions for risks and charges	475	421
Deferred tax liabilities	2.014	2.043
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5.110</b>	<b>5.082</b>
<b>CURRENT LIABILITIES</b>		
Liabilities on derivative instruments	17	43
Trade payables	13.823	13.306
Tax payables	2.865	921
Other payables	6.143	6.672
<b>TOTAL CURRENT LIABILITIES</b>	<b>22.848</b>	<b>20.942</b>
<b>LIABILITIES ON ASSETS HELD FOR DISPOSAL</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>27.958</b>	<b>26.024</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>170.225</b>	<b>163.651</b>