



CEMBRE

Press release

The Board of Directors approved the Interim Financial Report 2023

Cembre (Euronext STAR): consolidated turnover up +12.7% in the first half-year

- In the first 6 months, domestic sales were up +12.1% while sales outside Italy grew by +13.2%
- Net profit for the half-year of 20.3% of revenues (up 31.3% from 2022)
- As at August 31, 2023, consolidated revenues rose by 14.2% compared to the first eight months of 2022, and there was a positive net financial position of €7.9 million.

Consolidated figures (euro '000)	1st Half 2023	Marg. %	1st Half 2022	Marg. %	change	Full year 2022	Marg. %
Revenues from sales	117,642	100	104,359	100	12.7%	198,796	100
Gross operating profit	38,649	32.9	30,505	29.2	26.7%	54,593	27.5
Operating profit	32,428	27.6	24,648	23.6	31.6%	42,572	21.4
Profit prior to taxes	32,450	27.6	24,672	23.6	31.5%	42,619	21.4
Net profit for the period	23,880	20.3	18,192	17.4	31.3%	31,918	16.1
Net financial position	(5,228)		(302)			14,596	

Brescia, September 12, 2023 - The Board of Directors of Cembre S.p.A., Company listed on the Euronext STAR segment of the Italian Stock Exchange – one of the largest European manufacturers of electrical connectors and tools for their installation – chaired by its Chairman and Managing Director Giovanni Rosani, approved the Report for the first half of 2023.

In the first six months of 2023, the Group reported **consolidated revenues from sales** of €117.6 million, up 12.7% on €104.4 million in the first half of 2022.

Domestic sales of the Group amounted to €52.0 million, up by 12.1%, while sales outside Italy amounted to €65.6 million, up 13.2%. A total of 44.2% of Group sales were represented by Italy (as compared with 44.5% in the first half of 2022), 45.9% by the rest of Europe (45.2% in the first half of 2022), and the remaining 9.9% by the rest of the world (10.3% in the first half of 2022).

Consolidated gross operating profit (EBITDA) for the first half of 2023 amounted to €38.6 million, representing a 32.9% margin on sales, up 26.7% on the first half of 2022 when it amounted to €30.5



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million, representing a 29.2% margin on sales. This increase was nearly entirely due to the decline in the impact of the cost of goods sold. The weight of the cost for services in the first half of 2023 increased due to higher energy costs, transport costs, travelling expenses and maintenance costs. The incidence of personnel costs is decreasing. However, this cost has increased in absolute terms but less than proportionally to the increase in turnover. The average number of Group employees in the period went from 822 (2022 average figure) to 856.

Consolidated operating profit (EBIT) for first six months of 2023 amounted to €32.4 million, representing a 27.6% margin on revenues from sales, up 31.6% on €24.6 million in the first six months of last year, when it represented a 23.6% margin on sales.

Consolidated profit before taxes amounted to €32.5 million, representing a 27.6% margin on sales, up by 31.5% on €24.7 million in the first half of 2022, when it represented a 23.6% margin on sales.

Net income for the period reached €23.9 million, up by 31.3% from €18.2 million in the same period of last year. The percentage incidence of net profit on turnover therefore represents 20.3% of sales, compared to 17.4% in the first half of 2022.

The consolidated net financial position went from a surplus of €14.6 million as at December 31, 2022 to a loss of €5.2 million as at June 30, 2023, reflecting the effects of the payment of dividends of €23.5 million by the Parent company and capital expenditure amounting to €7.8 million. At June 30, 2022, the net financial position was equal to a deficit of €0.3 million.

Capital expenditure in the period amounted to €7.8 million and consisted primarily of investments in plant and equipment. In the same period of 2022 they amounted to €5.1 million.

“The Cembre Group's consolidated revenues in the first six months of 2023 amounted to €117.6 million, up 12.7% year-on-year. The months of July and August also marked positive performance, causing the Group's sales in the first eight months of 2023 to grow by 14.2% compared to the first eight months of 2022; furthermore, the net financial position as at August 31, 2023 was a surplus of €7.9 million.” - commented Chair Giovanni Rosani.

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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. 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 five subsidiaries: four trading companies (in Germany, France, Spain and the United States) and a manufacturing and trading subsidiary (Cembre Ltd, with registered office in Birmingham), for a total of 870 employees (data updated as at June 30, 2023).



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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 Euronext 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 - Interim Financial Report 2023:

- Consolidated Balance Sheet
- Consolidated Statement of Comprehensive Income
- Consolidated Cash Flow Statement

In this 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 recommendations 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.

Consolidated Financial Statements at June 30, 2023

Consolidated Statements of Financial Position

ASSETS	Jun. 30, 2023		Dec. 31, 2022	
(euro '000)		<i>of which: related parties</i>		<i>of which: related parties</i>
NON CURRENT ASSETS				
Property, plant and equipment	89.095		86.567	
Investment property	750		770	
Intangible assets	4.625		4.394	
Goodwill	4.608		4.608	
Right of use assets	7.057	4.514	5.038	2.501
Other investments	5		5	
Other non-current assets	78		79	
Deferred tax assets	3.375		3.358	
TOTAL NON-CURRENT ASSETS	109.593		104.819	
CURRENT ASSETS				
Inventories	72.927		71.571	
Trade receivables	49.309		31.656	
Other financial assets	-		15.000	
Tax receivables	143		2.169	
Other receivables	1.219		1.080	
Cash and cash equivalents	12.933		15.028	
TOTAL CURRENT ASSETS	136.531		136.504	
NON-CURRENT ASSETS AVAILABLE FOR SALE	-		-	
TOTAL ASSETS	246.124		241.323	

LIABILITIES AND SHAREHOLDERS' EQUITY	Jun. 30, 2023		Dec. 31, 2022	
(euro '000)		<i>of which: related parties</i>		<i>of which: related parties</i>
SHAREHOLDERS' EQUITY				
Capital stock	8.840		8.840	
Reserves	156.224		147.337	
Net profit	23.880		31.918	
TOTAL SHAREHOLDERS' EQUITY	188.944		188.095	
NON-CURRENT LIABILITIES				
Non-current financial liabilities	5.297	3.764	3.365	1.836
Employee termination indemnity and other personnel benefits	1.689	134	1.682	129
Provisions for risks and charges	730	137	653	110
Deferred tax liabilities	3.539		3.608	
TOTAL NON-CURRENT LIABILITIES	11.255		9.308	
CURRENT LIABILITIES				
Current financial liabilities	12.864	818	12.067	734
Trade payables	16.178		19.203	
Tax payables	4.825		2.292	
Other payables	12.058	189	10.358	422
TOTAL CURRENT LIABILITIES	45.925		43.920	
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-		-	
TOTAL LIABILITIES	57.180		53.228	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	246.124		241.323	

Consolidated Financial Statements at June 30, 2023

Statement of Consolidated Comprehensive Income

	1 st Half 2023		1 st Half 2022	
	(euro '000)	of which: related parties		of which: related parties
Revenues from contracts with customers	117.642		104.359	
Other revenues	460		316	
TOTAL REVENUES	118.102		104.675	
Cost of goods and merchandise	(37.451)		(44.178)	
Change in inventories	1.238		7.517	
Cost of services received	(14.383)	(466)	(11.806)	(444)
Lease and rental costs	(155)		(108)	
Personnel costs	(28.454)	(202)	(25.632)	(195)
Other operating costs	(924)		(828)	
Increase in assets due to internal construction	851		1.026	
Write-down of receivables	(157)		(145)	
Accruals to provisions for risks and charges	(18)		(16)	
GROSS OPERATING PROFIT	38.649		30.505	
Property, plant and equipment depreciation	(4.658)		(4.516)	
Intangible asset amortization	(518)		(400)	
Depreciation of right of use assets	(1.045)	(423)	(941)	(368)
OPERATING PROFIT	32.428		24.648	
Financial income	106		1	
Financial expenses	(133)	(59)	(43)	(29)
Foreign exchange gains (losses)	49		66	
PROFIT BEFORE TAXES	32.450		24.672	
Income taxes	(8.570)		(6.480)	
NET PROFIT FROM ORDINARY ACTIVITIES	23.880		18.192	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-		-	
NET PROFIT	23.880		18.192	
Items of the other comprehensive income that will be reclassified subsequently to profit or loss				
Conversion differences included in equity	408		408	
COMPREHENSIVE INCOME	24.288		18.600	
BASIC EARNINGS PER SHARE	1,42		1,09	
DILUTED EARNINGS PER SHARE	1,42		1,08	

Consolidated Financial Statements at June 30, 2023

Consolidated Statement of Cash Flows

	1 st Half 2023	1 st Half 2022
€ '000		
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	15.028	46.636
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	23.880	18.192
Income taxes	8.570	6.480
Financial charges/(Financial profits)	27	42
(Gains)/Losses on disposal of assets	(43)	(2)
Depreciation, amortization and write-downs	6.221	5.857
Net change in Employee Termination Indemnity	7	55
Net change in provisions for risks and charges	77	98
Stock options plan IFRS2 remeasurement	56	82
Operating profit (loss) before change in working capital	38.795	30.804
(Increase) Decrease in trade receivables	(17.653)	(16.096)
(Increase) Decrease in inventories	(1.356)	(7.620)
Increase (Decrease) of trade payables	(3.025)	1.781
(Increase) Decrease in working capital	(22.034)	(21.935)
Other changes	1.475	1.240
Interests received/(Interests paid)	(27)	(42)
(Paid income taxes)	(4.011)	(5.934)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	14.198	4.133
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(749)	(406)
- tangible	(7.029)	(4.715)
- financial	-	(4)
Proceeds from disposal of tangible, intangible, available-for-sale financial assets		
- tangible	52	37
- financial	1	-
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(7.725)	(5.088)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	15.000	-
Increase (Decrease) in bank payables	666	-
Repayment of leasing liabilities	(1.002)	(941)
Dividends distributed	(23.495)	(20.116)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(8.831)	(21.057)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	(2.358)	(22.012)
F) Foreign exchange conversion differences	263	465
H) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (A+E+F+G)	12.933	25.089
Of which: assets held for disposal	-	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	12.933	25.089
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	12.933	25.089
Current financial liabilities	(12.864)	(21.689)
Non current financial liabilities	(5.297)	(3.702)
NET CONSOLIDATED FINANCIAL POSITION	(5.228)	(302)
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash	6	12
Bank deposits	12.927	25.077
	12.933	25.089

Please note that, in order to facilitate a better understanding of cash flows, the layout of the Statement of Cash Flows has been changed from previous years.