



# CEMBRE

## Press release

The Board of Directors approved the 2021 Half-yearly Financial Report

### **Cembre (STAR): growth of consolidated turnover in the half year (+30.8% compared to the first half of 2020 and +10.0% over the first half of 2019)**

- In the first 6 months, domestic sales were up +43.2% while sales outside Italy grew by +22.7%
- Pre-tax profit of 23.3% of revenues (up by 92.9% compared to 2020 and 22.7% over 2019)
- As at August 31, 2021, consolidated revenues rose by 25.5% compared to the first 8 months of 2020, and 10.1% when compared to the first 8 months of 2019.

<u>Consolidated figures</u> (euro '000)	<b>1<sup>st</sup> Half</b>		<b>1<sup>st</sup> Half</b>		<b>change</b>	<b>Full year</b>	
	<b>2021</b>	<b>Marg.</b>	<b>2020</b>	<b>Marg.</b>		<b>2020</b>	<b>Marg.</b>
		<b>%</b>		<b>%</b>			<b>%</b>
<b>Revenues from sales</b>	84,547	100	64,656	100	30.8%	137,137	100
<b>Gross operating profit</b>	25,225	29.8	15,578	24.1	61.9%	36,297	26.5
<b>Operating profit</b>	19,596	23.2	10,202	15.8	92.1%	25,200	18.4
<b>Profit before taxes</b>	19,676	23.3	10,199	15.8	92.9%	24,902	18.2
<b>Net profit for the period</b>	14,650	17.3	7,600	11.8	92.8%	18,975	13.8
<b>Net financial position</b>	1,259		(4,704)			8,408	

*Brescia, September 9, 2021* – The Board of Directors of Cembre S.p.A. – a Borsa Italiana STAR listed company and one of the largest European manufacturers of electrical connectors and tools for their installation – chaired by its Chairman and Managing Director Giovanni Rosani, approved at today's meeting the Report on the first half of 2021.

In the first half of 2021, the Group reported **consolidated revenues from sales** of €84.5 million, up 30.8% from €64.7 million in the first half of 2020. Revenues rose by 10.0% also compared to those recorded in the first half of 2019.

Domestic sales of the Group amounted to €36.4 million, up by 43.2%, while sales outside Italy amounted to €48.2 million, up 22.7%. In the first six months, a total of 43.0% of Group sales were represented by Italy (as compared with 39.3% in the first half of 2020), 46.8% by the rest of Europe



# CEMBRE

(47.0% in the first half of 2020), and the remaining 10.2% by the rest of the World (13.7% in the first half of 2020).

**Consolidated gross operating profit (EBITDA)** for the first half of 2021 amounted to €25.2 million, representing a 29.8% margin on sales, up 61.9% on the first half of 2020 when it amounted to €15.6 million, representing a 24.1% margin on sales. This result is an increase of 20.6% also compared to the first half of 2019.

The incidence of the cost of sales rose during the half, while both the incidence of the cost of services and the incidence of personnel costs fell, up in absolute terms but by a lower percentage than the increase in turnover. The average number of Group employees in the period went from 755 to 774.

**Consolidated operating profit (EBIT)** for the first six months of 2021 amounted to €19.6 million, representing a 23.2% margin on sales, up 92.1% on €10.2 million in the first six months of last year, when it represented a 15.8% margin on sales. This result is an increase of 21.2% also compared to the first half of 2019.

**Consolidated profit before taxes** amounted to €19.7 million, representing a 23.3% margin on sales, up by 92.9% on €10.2 million in the first half of 2020, when it represented a 15.8% margin on sales. This result is an increase of 22.7% also compared to the first half of 2019.

**Net income for the period** reached €14.7 million, up by 92.8% from €7.6 million in the same period of last year. The percentage incidence of net profit on turnover therefore represents 17.3% of sales, compared to 11.8% in the first half of 2020. The net profit is up 18.4% also compared to the first half of 2019.

The **consolidated net financial position** went from a surplus of €8.4 million as at December 31, 2020 to a surplus of €1.3 million as at June 30, 2021, reflecting the effects of the payment of dividends of €15 million by the Parent company and capital expenditure amounting to €5.3 million. At June 30, 2020, the net financial position was equal to a deficit of €4.7 million.

**Capital expenditure** in the period amounted to €5.3 million and consisted primarily of investments in plant and equipment. In the first half of 2020 they amounted to €3.5 million.

For a better understanding of the Group's performance in the first six months of 2021, the comparison with the results of the first half of 2019 is provided below.

<b>Consolidated figures</b> (euro '000)	<b>1<sup>st</sup> Half</b> <b>2021</b>	<b>Marg.</b> <b>%</b>	<b>1<sup>st</sup> Half</b> <b>2019</b>	<b>Marg.</b> <b>%</b>	<b>change</b>
<b>Revenues from sales</b>	84,547	100	76,878	100	10.0%
<b>Gross operating profit</b>	25,225	29.8	20,912	27.2	20.6%
<b>Operating profit</b>	19,596	23.2	16,167	21.0	21.2%



# CEMBRE

<b>Profit before taxes</b>	19,676	23.3	16,033	20.9	22.7%
<b>Net profit for the period</b>	14,650	17.3	12,375	16.1	18.4%
<b>Net financial position</b>	1,259		(4,712)		

*“The results of the first half of 2021 are better than those recorded in the first half of 2020 and when compared to those of the first half of 2019. We can be satisfied with the income results recorded, with pre-tax profit of 23.3% of revenues, up by 92.9% compared to 2020 and 22.7% over 2019. The consolidated revenues at the end of August 2021 show growth of 25.5% compared to the first eight months of 2020 and also an improvement of 10.1% compared to the same period of 2019. We forecast an increase in consolidated turnover in 2021 and the achievement of a positive economic result”,* stated Giovanni Rosani, Cembre S.p.A.’s President and Managing Director.

\* \* \* \*

*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 789 employees (data updated as at June 30, 2021). 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.*

## Contacts:

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Further information is available at Cembre’s institutional website [www.cembre.com](http://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 2021:**

- Consolidated Balance Sheet



## **CEMBRE**

- 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, 2021

### Consolidated Statements of Financial Position

ASSETS	Jun. 30, 2021		Dec. 31, 2020	
	(euro '000)	of which: related parties		of which: related parties
<b>NON CURRENT ASSETS</b>				
Property, plant and equipment	85.547		84.880	
Investment property	834		855	
Intangible assets	4.509		4.392	
Goodwill	4.608		4.608	
Right of use assets	6.887	3.780	6.653	3.458
Other investments	5		5	
Other non-current assets	58		548	
Deferred tax assets	2.992		2.889	
<b>TOTAL NON-CURRENT ASSETS</b>	<b>105.440</b>		<b>104.830</b>	
<b>CURRENT ASSETS</b>				
Inventories	51.026		50.435	
Trade receivables	38.230		25.799	
Tax receivables	502		577	
Other receivables	1.686		1.575	
Cash and cash equivalents	29.380		37.688	
<b>TOTAL CURRENT ASSETS</b>	<b>120.824</b>		<b>116.074</b>	
<b>NON-CURRENT ASSETS AVAILABLE FOR SALE</b>	<b>-</b>		<b>-</b>	
<b>TOTAL ASSETS</b>	<b>226.264</b>		<b>220.904</b>	

LIABILITIES AND SHAREHOLDERS' EQUITY	Jun. 30, 2021		Dec. 31, 2020	
	(euro '000)	of which: related parties		of which: related parties
<b>SHAREHOLDERS' EQUITY</b>				
Capital stock	8.840		8.840	
Reserves	140.896		135.774	
Net profit	14.650		18.975	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>164.386</b>		<b>163.589</b>	
<b>NON-CURRENT LIABILITIES</b>				
Non-current financial liabilities	5.175	3.130	5.010	3.066
Other non-current payables	-		496	496
Employee termination indemnity and other personnel benefits	2.151	106	2.178	110
Provisions for risks and charges	328		265	
Deferred tax liabilities	3.050		2.938	
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>10.704</b>		<b>10.887</b>	
<b>CURRENT LIABILITIES</b>				
Current financial liabilities	22.946	707	24.270	622
Trade payables	14.648		11.588	
Tax payables	2.847		1.344	
Other payables	10.733	-	9.226	498
<b>TOTAL CURRENT LIABILITIES</b>	<b>51.174</b>		<b>46.428</b>	
<b>LIABILITIES ON ASSETS HELD FOR DISPOSAL</b>	<b>-</b>		<b>-</b>	
<b>TOTAL LIABILITIES</b>	<b>61.878</b>		<b>57.315</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>226.264</b>		<b>220.904</b>	

## Consolidated Financial Statements at June 30, 2021

### Statement of Consolidated Comprehensive Income

	1 <sup>st</sup> Half 2021		1 <sup>st</sup> Half 2020	
	(euro '000)	<i>of which: related parties</i>		<i>of which: related parties</i>
Revenues from contracts with customers	84.547		64.656	
Other revenues	345		368	
<b>TOTAL REVENUES</b>	<b>84.892</b>		<b>65.024</b>	
Cost of goods and merchandise	(27.488)		(22.646)	
Change in inventories	125		3.013	
Cost of services received	(9.146)	(351)	(8.364)	(416)
Lease and rental costs	(84)		(77)	
Personnel costs	(23.288)	(398)	(20.352)	(395)
Other operating costs	(967)		(888)	
Increase in assets due to internal construction	1.246		576	
Write-down of receivables	(52)		(34)	
Accruals to provisions for risks and charges	(13)		(674)	
<b>GROSS OPERATING PROFIT</b>	<b>25.225</b>		<b>15.578</b>	
Property, plant and equipment depreciation	(4.285)		(4.162)	
Intangible asset amortization	(412)		(399)	
Depreciation of right of use assets	(932)	(346)	(815)	(309)
<b>OPERATING PROFIT</b>	<b>19.596</b>		<b>10.202</b>	
Financial income	2		3	
Financial expenses	(49)	(35)	(57)	(39)
Foreign exchange gains (losses)	127		51	
<b>PROFIT BEFORE TAXES</b>	<b>19.676</b>		<b>10.199</b>	
Income taxes	(5.026)		(2.599)	
<b>NET PROFIT FROM ORDINARY ACTIVITIES</b>	<b>14.650</b>		<b>7.600</b>	
<b>NET PROFIT FROM ASSETS HELD FOR DISPOSAL</b>	<b>-</b>		<b>-</b>	
<b>NET PROFIT</b>	<b>14.650</b>		<b>7.600</b>	
<b>Items that may be reclassified subsequently to profit and loss</b>				
Conversion differences included in equity	1.107		(904)	
<b>COMPREHENSIVE INCOME</b>	<b>15.757</b>		<b>6.696</b>	
<b>BASIC EARNINGS PER SHARE</b>	<b>0,88</b>		<b>0,45</b>	
<b>DILUTED EARNINGS PER SHARE</b>	<b>0,87</b>		<b>0,45</b>	

## Consolidated Financial Statements at June 30, 2021

### Consolidated Statement of Cash Flows

	1 <sup>st</sup> Half 2021	1 <sup>st</sup> Half 2020
€ '000		
<b>A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>37.688</b>	<b>20.983</b>
<b>B) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit for the period	14.650	7.600
Depreciation, amortization and write-downs	5.629	5.376
(Gains)/Losses on disposal of assets	33	16
Net change in Employee Termination Indemnity	(27)	(99)
Net change in provisions for risks and charges	63	707
<b>Operating profit (loss) before change in working capital</b>	<b>20.348</b>	<b>13.600</b>
(Increase) Decrease in trade receivables	(12.431)	(1.657)
(Increase) Decrease in inventories	(591)	(2.503)
(Increase) Decrease in other receivables and deferred tax assets	(139)	(89)
Increase (Decrease) of trade payables	2.431	(2.064)
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	3.122	2.554
<b>Change in working capital</b>	<b>(7.608)</b>	<b>(3.759)</b>
<b>NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>12.740</b>	<b>9.841</b>
<b>C) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets:		
- intangible	(541)	(343)
- tangible	(4.774)	(3.186)
Proceeds from disposal of tangible, intangible, available-for-sale financial assets		
- intangible	13	-
- tangible	35	83
Increase (Decrease) of trade payables for assets	629	(1.252)
<b>NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>(4.638)</b>	<b>(4.698)</b>
<b>D) CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Increase) Decrease in other non current assets	490	464
(Increase) Decrease in other non current payables	(496)	(493)
Increase (Decrease) in bank payables	(1.400)	15.963
Repayment of leasing liabilities	(925)	(806)
Change in stock option reserve	108	274
Dividends distributed	(15.068)	(15.048)
<b>NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>(17.291)</b>	<b>354</b>
<b>E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)</b>	<b>(9.189)</b>	<b>5.497</b>
F) Foreign exchange conversion differences	881	(619)
<b>G) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (A+E+F)</b>	<b>29.380</b>	<b>25.861</b>
Of which: assets held for disposal	-	-
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>29.380</b>	<b>25.861</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>29.380</b>	<b>25.861</b>
Current financial liabilities	(22.946)	(25.179)
Non current financial liabilities	(5.175)	(5.386)
<b>NET CONSOLIDATED FINANCIAL POSITION</b>	<b>1.259</b>	<b>(4.704)</b>
<b>BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		
Cash	11	19
Bank deposits	29.369	25.842
	<b>29.380</b>	<b>25.861</b>