Joint-stock Company
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Press release

Shareholders' Meeting approves the 2018 Financial Statements

Cembre (a *STAR* listed company): distribution of a €0.90 dividend per share

- *The Shareholders' Meeting authorizes the adoption of an incentive plan pursuant to Art. 114-bis of the TUF, based on Cembre shares and intended for Company's employees*
- *The Shareholders' Meeting authorizes the purchase of own shares*
- *Consolidated sales up by approx. 6.7% in 1st Quarter 2019*

Brescia, April 18, 2019 – The Ordinary Shareholders' Meeting 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 – held today at 9:30 am and chaired by Giovanni Rosani, approved the Statutory Accounts of Cembre S.p.A. at December 31, 2018 and the proposed allocation of net profit, resolving the distribution of a **€0.90 dividend** per share (up 12.5% on the €0.80 dividend distributed for 2017).
The ex-dividend date is May 6, 2019 and the record date is May 7, 2019, while dividends will be paid out from May 8, 2019.

Parent company **Cembre S.p.A.** closed 2018 reporting **sales** of €109.1 million, up 5.4% on 2017. **Gross operating profit** grew by 9.5% from €26.9 million in 2017 to €29.4 million in 2018.
Net operating profit grew by 9.3% to €23.2 million, up from €21.2 million in 2017.
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%. Cembre S.p.A.'s net profit in 2017 had benefited from a positive tax component of €3.9 million, due to application of the Patent Box regime for 2015, 2016 and 2017, while this benefit was €1.8 million in 2018. 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.

The 2018 **Consolidated Financial Statements**, whose highlights are shown below, were presented to the Shareholders' Meeting.

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

At the end of 2018, **consolidated revenues** amounted to €144.1 million, up 8.6% on €132.6 million at the end of 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 in 2018 amounted 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 impact 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 impact 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. reached an agreement with the Italian Tax Authorities on the application of the Patent Box Regime, as a result of which a total tax benefit of €3.9 million was 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 from 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 it 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.

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.

"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 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" - stated Giovanni Rosani, Managing Director.
"Consolidated turnover of the Cembre Group grew 6.7% in the 1st Quarter of 2019, recording an increase abroad but a slight decline in Italy. We trust that the Group's turnover will continue to grow in 2019" - continued Rosani.

The Shareholders' Meeting authorizes adoption of the incentive plan *"Carlo Rosani Prize for the 50th anniversary of the foundation of the Company"*

The Shareholders' Meeting resolved the adoption of an incentive plan pursuant to Art. 114-*bis* of the TUF, namely the "*Carlo Rosani Prize for the 50th anniversary of the foundation of the Company*", based on Cembre shares and intended for employees (or 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, which must also adopt the relative regulations.

The Shareholders' Meeting resolves to authorize the purchase of own shares

The Shareholders' Meeting resolved to authorize – after revoking the previous authorization granted by the same on April 26, 2018, for the part not executed – the purchase of own shares, aimed at providing the Company with strategic investment opportunities for the purposes allowed by the current regulations, including those contemplated in Article 5 of EU Regulation no. 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 "*Carlo Rosani Prize for the 50th anniversary of the foundation of the Company"* incentive plan, authorized by the same Shareholders' Meeting (the "Plan").
The authorization to purchase own shares was granted 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, as well as the provision in favor of the beneficiaries of the incentive plan, under the terms, conditions and methods provided therein and, in particular, at the price of €10 per share, is granted without a time limit.
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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Further information on the above resolutions are contained in the related reports issued by the Board of Directors and in the minutes of the Shareholders' Meeting, filed as required by law at the Company's Registered Office and published on its corporate web site www.cembre.it in the Investor Relations – Shareholders' Meetings section.

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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 rail and for other railway applications are used by the main companies in this sector throughout 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 (two in Germany, one 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 segment since September 24, 2001.

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Further information is available at 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.

This press release uses 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 profit (EBITDA): defined as the difference between sales revenues and costs for materials, services received and labor, 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.