



CEMBRE

Press release

The Board of Directors has approved the Interim Report on Operations as at September 30, 2021

Cembre (STAR): consolidated turnover up in the first nine months (+26.0% compared to the first nine months of 2020 and +12.7% over the first nine months of 2019)

- In the first 9 months, domestic sales were up +36.2% while sales outside Italy grew by +19.3% compared to the same period of 2020
- Pre-tax profit of 21.9% of revenues (up by 71.5% compared to 2020 and 28.4% over 2019)
- As at October 31, 2021, consolidated revenues rose by 22.0% compared to the first 10 months of 2020, and 11.4% when compared to the first 10 months of 2019

(euro '000)	1/1-9/30 2021	Marg. %	1/1-9/30 2020	Marg. %	change	3 rd Qtr. 2021	Marg.	3 rd Qtr. 2020	Marg.	change
Revenues from sales	124,285	100	98,655	100	26.0%	39,738	100	33,999	100	16.9%
Gross operating profit (Ebitda)	35,571	28.6	24,113	24.4	47.5%	10,346	26.0	8,535	25.1	21.2%
Operating profit (Ebit)	27,072	21.8	15,953	16.2	69.7%	7,476	18.8	5,751	16.9	30.0%
Profit before taxes	27,263	21.9	15,901	16.1	71.5%	7,587	19.1	5,702	16.8	33.1%
Net profit	20,205	16.3	11,895	12.1	69.9%	5,555	14.0	4,295	12.6	29.3%
Net financial position	15,287		3,724							

Brescia, November 11, 2021 - The Board of Directors of Cembre S.p.A., company listed on the 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, met today in Brescia, and approved the Interim Report on Operations as at September 30, 2021.

In the first nine months of 2021, the Group reported **consolidated revenues from sales** of €124.3 million, up 26.0% from €98.7 million in the first nine months of 2020; revenues rose by 12.7% also compared to those recorded in the first nine months of 2019.



CEMBRE

Domestic sales of the Group amounted to €53.1 million, up by 36.2%, while sales outside Italy amounted to €71.2 million, up 19.3%. In the first nine months of the year, a total of 42.7% of Group sales were represented by Italy (as compared with 39.5% in the first nine months of 2020), 47.2% by the rest of Europe (47.5% in the first nine months of 2020), and the remaining 10.1% by the rest of the World (13.0% in the first nine months of 2020).

Consolidated gross operating profit (EBITDA) for the first nine months of 2021 amounted to €35.6 million, representing a 28.6% margin on sales, up 47.5% on the first nine months of 2020 when it amounted to €24.1 million, representing a 24.4% margin on sales. This result also marks an increase of 24.1% compared to the first nine months of 2019.

The incidence of the cost of sales rose during the period, while both the incidence of the cost of services and the incidence of personnel costs fell, the latter up in absolute terms but by a smaller amount than the increase in turnover. The average number of Group employees in the period went from 754 to 780.

Consolidated operating profit (EBIT) for first nine months of 2021 amounted to €27.1 million, representing a 21.8% margin on sales, up 69.7% on €16.0 million in the first nine months of last year, when it represented a 16.2% margin on sales. This result also rose by 26.7% compared to the first nine months of 2019.

Consolidated profit before taxes amounted to €27.3 million, representing a 21.9% margin on sales, up by 71.5% on €15.9 million in the first nine months of 2020, when it represented a 16.1% margin on sales. This result also marks an increase of 28.4% compared to the first nine months of 2019.

Net income for the period reached €20.2 million, up by 69.9% from €11.9 million in the same period of last year. The percentage incidence of net profit on turnover therefore represents 16.3% of sales, compared to 12.1% in the same period of 2020. The net profit is up 21.5% also compared to the first nine months of 2019.

The **consolidated net financial position** went from a surplus of €8.4 million as at December 31, 2020 to a surplus of €15.3 million as at September 30, 2021, reflecting the effects of the payment of dividends of €15 million by the Parent company and capital expenditure amounting to €7.0 million. At September 30, 2020, the net financial position was equal to a surplus of €3.7 million.

Capital expenditure in the period amounted to €7.0 million and consisted primarily of investments in plant and equipment. In the same period of 2020 they amounted to €5.3 million.

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



CEMBRE

Consolidated figures (euro '000)	1/1-30/9 2021	Marg. %	1/1-30/9 2019	Marg. %	change
Revenues from sales	124,285	100	110,306	100	12.7%
Gross operating profit	35,571	28.6	28,661	26.0	24.1%
Operating profit	27,072	21.8	31,374	19.4	26.7%
Profit before taxes	27,263	21.9	21,239	19.3	28.4%
Net profit for the period	20,205	16.3	16,633	15.1	21.5%
Net financial position	15,287		1,040		

“The results of the first nine months of 2021 are better than those recorded in the first nine months of 2020 and when compared to those of the first nine months of 2019. We can be satisfied with the income results recorded, with pre-tax profit of 21.9% of revenues, up by 71.5% compared to 2020 and 28.4% over 2019. Consolidated revenues at the end of October 2021 recorded growth of 22.0%, and also an improvement of 11.4% compared to the same period in 2019. These results allow us to forecast, with a reasonable degree of certainty, growth in turnover and in all profit margins of the Group at the end of the year” stated Cembre’s Chairman and Managing Director Giovanni Rosani.

* * * *

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 797 employees (data updated as at September 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:

Claudio Bornati (Cembre S.p.A.) 030/36921 claudio.bornati@cembre.com



CEMBRE

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.

Consolidated financial statements relating to the Interim report on operations as at September 30, 2021 attached.

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.

This Interim Report on Operations has not been audited.



CEMBRE

Interim Report on Operations at September 30, 2021
Consolidated Financial Statements
Consolidated Comprehensive Income Statement

	9 months 2021	9 months 2020
(euro '000)		
Revenues from contract with customers	124.285	98.655
Other revenues	541	492
TOTAL REVENUES	124.826	99.147
Cost of goods and merchandise	(42.898)	(31.183)
Change in inventories	1.950	282
Cost of services received	(14.202)	(12.345)
Lease and rental costs	(134)	(100)
Personnel costs	(34.311)	(30.513)
Other operating costs	(1.164)	(1.211)
Increase in assets due to internal construction	1.624	794
Write-down of receivables	(13)	(83)
Accruals to provisions for risks and charges	(107)	(675)
GROSS OPERATING PROFIT	35.571	24.113
Property, plant and equipment depreciation	(6.484)	(6.274)
Intangible asset amortization	(617)	(631)
Depreciation of right of use assets	(1.398)	(1.255)
OPERATING PROFIT	27.072	15.953
Financial income	2	4
Financial expenses	(72)	(86)
Foreign exchange gains (losses)	261	30
PROFIT BEFORE TAXES	27.263	15.901
Income taxes	(7.058)	(4.006)
NET PROFIT FROM ORDINARY ACTIVITIES	20.205	11.895
Items that may be reclassified subsequently to profit and loss		
Conversion differences included in equity	1.088	(1.238)
COMPREHENSIVE INCOME	21.293	10.657



CEMBRE

Interim Report on Operations at September 30, 2021

Consolidated Financial Statements

Consolidated Statement of Financial Position - Assets

ASSETS	Sept. 30, 2021	Dec. 31, 2020
(euro '000)		
NON CURRENT ASSETS		
Property, plant and equipment	84.911	84.880
Investment property	823	855
Intangible fixed assets	4.462	4.392
Goodwill	4.608	4.608
Right of use assets	6.573	6.653
Other investments	5	5
Other non-current assets	58	548
Deferred tax assets	3.172	2.889
TOTAL NON CURRENT ASSETS	104.612	106.984
CURRENT ASSETS		
Inventories	53.250	50.435
Trade receivables	29.890	25.799
Tax receivables	362	577
Other receivables	1.935	1.575
Cash and cash equivalents	44.379	37.688
TOTAL CURRENT ASSETS	129.816	116.074
NON-CURRENT ASSETS AVAILABLE FOR SALE	-	-
TOTAL ASSETS	234.428	220.904



CEMBRE

Interim Report on Operations at September 30, 2021

Consolidated Financial Statements

Consolidated Statement of Financial Position - Liabilities and Shareholders' Equity

LIABILITIES AND SHAREHOLDERS' EQUITY	Sept. 30, 2021	Dec. 31, 2020
(euro '000)		
SHAREHOLDERS' EQUITY		
Capital stock	8.840	8.840
Reserves	141.115	135.774
Net profit	20.205	18.975
TOTAL SHAREHOLDERS' EQUITY	170.160	163.589
NON-CURRENT LIABILITIES		
Non-current financial liabilities	4.837	5.010
Other non-current payables	-	496
Employee Severance Indemnity and other personnel benefits	2.151	2.178
Provisions for risks and charges	576	265
Deferred tax liabilities	3.101	2.938
TOTAL NON-CURRENT LIABILITIES	10.665	10.887
CURRENT LIABILITIES		
Current financial liabilities	24.255	24.270
Trade payables	13.547	11.588
Tax payables	4.709	1.344
Other payables	11.092	9.226
TOTAL CURRENT LIABILITIES	53.603	46.428
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-	-
TOTAL LIABILITIES	64.268	57.315
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	234.428	220.904

Interim Report on Operations at September 30, 2021
Consolidated Financial Statements
Consolidated Statement of Cash Flows

	First nine months 2021	First nine months 2020
€ '000		
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	37.688	20.983
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	20.205	5.251
Depreciation, amortization and write-downs	8.499	2.667
(Gains)/Losses on disposal of assets	34	15
Net change in Employee Termination Indemnity	(27)	(16)
Net change in provisions for risks and charges	311	18
Operating profit (loss) before change in working capital	29.022	7.935
(Increase) Decrease in trade receivables	(4.091)	(4.503)
(Increase) Decrease in inventories	(2.815)	(396)
(Increase) Decrease in other receivables and deferred tax assets	(441)	(317)
Increase (Decrease) of trade payables	1.118	(902)
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	5.394	627
Change in working capital	(835)	(5.491)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	28.187	2.444
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(699)	(213)
- tangible	(6.328)	(1.717)
Proceeds from disposal of tangible, intangible, available-for-sale financial assets		
- intangible	13	-
- tangible	35	7
Increase (Decrease) of trade payables for assets	841	(939)
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(6.138)	(2.862)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	490,00	(8)
(Increase) Decrease in other non current payables	(496)	-
Increase (Decrease) in bank payables	(101)	16.675
Repayment of leasing liabilities	(1.392)	(402)
Change in stock option reserve	358	-
Dividends distributed	(15.068)	-
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(16.209)	16.265
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	5.840	15.847
F) Foreign exchange conversion differences	851	(195)
G) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (A+E+F)	44.379	36.635
Of which: assets held for disposal	-	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	44.379	36.635
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	44.379	36.635
Current financial liabilities	(24.255)	(24.766)
Non current financial liabilities	(4.837)	(7.134)
NET CONSOLIDATED FINANCIAL POSITION	15.287	4.735
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash	10	18
Bank deposits	44.369	36.617
	44.379	36.635