



# CEMBRE

## Press release

The Board of Directors has approved the Interim Report on Operations as at September 30, 2022

### **Cembre (Euronext STAR): consolidated turnover up +19.9% in the first nine months of the year compared to the first nine months of 2021**

- In the first 9 months, domestic sales were up +21.4% while sales outside Italy grew by +18.7% compared to the same period of 2021
- Pre-tax profit of 22.1% of revenues (up by 20.8% compared to 2021)
- As at October 31, 2022, consolidated revenues recorded growth of 19.4% compared to the first ten months of 2021

(euro '000)	1/1-9/30 2022	Marg. %	1/1-9/30 2021	Marg. %	change	3rd Qtr. 2022	Marg.	3rd Qtr. 2021	Marg.	change
<b>Revenues from sales</b>	148,978	100	124,285	100	19.9%	44,619	100	39,738	100	12.3%
<b>Gross operating profit (Ebitda)</b>	41,723	28.0	35,571	28.6	17.3%	11,218	25.1	10,346	26.0	8.4%
<b>Operating profit (Ebit)</b>	32,823	22.0	27,072	21.8	21.2%	8,175	18.3	7,476	18.8	9.3%
<b>Profit before taxes</b>	32,938	22.1	27,263	21.9	20.8%	8,266	18.5	7,587	19.1	8.9%
<b>Net profit</b>	24,325	16.3	20,205	16.3	20.4%	6,133	13.7	5,555	14.0	10.4%
<b>Net financial position</b>	11,013		15,287							

*Brescia, November 14, 2022* - 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, 2022.

In the first nine months of 2022, the Group reported **consolidated revenues from sales** of €149.0 million, up 19.9% from €124.3 million in the first nine months of 2021.

Domestic sales of the Group amounted to €64.4 million, up by 21.4%, while sales outside Italy amounted to €84.6 million, up 18.7%. In the first nine months of the year, a total of 43.2% of Group sales were represented by Italy (as compared with 42.7% in the first nine months of 2021), 46.6% by the rest of Europe (47.2% in the first nine months of 2021), and the remaining 10.2% by the rest of the World (10.1% in the first nine months of 2021).



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**Consolidated gross operating profit (EBITDA)** for the first nine months of 2022 amounted to €41.7 million, representing a 28.0% margin on sales, up 17.3% on the first nine months of 2021 when it amounted to €35.6 million, representing a 28.6% margin on sales.

The incidence of cost of sales and cost of services increased during the period, mainly due to the increase in the inflation rate. However, the list price increases introduced in January 2022 made it possible to absorb, at least partially, the increases seen in the various production factors, helping to contain the increase in the incidence of the cost of sales on sales revenues.

Personnel costs in absolute terms in the first nine months of 2022 increased by 10.1% compared to the same period of the previous year, mainly as a result of the increase in the average number of Group workers from 780 in the first nine months of 2021 to 818 in the first nine months of 2022. However, despite this increase in absolute value, personnel costs as a percentage of turnover decreased from 27.6% to 25.4%.

**Consolidated operating profit (EBIT)** for first nine months of 2022 amounted to €32.8 million, representing a 22.0% margin on sales, up 21.2% on €27.1 million in the first nine months of last year, when it represented a 21.8% margin on sales.

**Consolidated profit before taxes** amounted to €32.9 million, representing a 22.1% margin on sales, up by 20.8% on €27.3 million in the first nine months of 2021, when it represented a 21.9% margin on sales.

**Net income for the period** reached €24.3 million, up by 20.4% from €20.2 million in the same period of last year. The percentage incidence of net profit on turnover therefore represents 16.3%, in line with the same period of 2021.

The **consolidated net financial position** went from a surplus of €20.6 million as at December 31, 2021 to a surplus of €11.0 million as at September 30, 2022, reflecting the effects of the payment of dividends of €20.1 million by the Parent Company, capital expenditure amounting to €8.3 million and a considerable rise of inventories. At September 30, 2021, the net financial position was equal to a surplus of €15.3 million.

**Capital expenditure** in the period amounted to €8.3 million and consisted primarily of investments in plant and equipment. In the same period of 2021 they amounted to €7.0 million.

*"Revenues for the first 9 months rose by 19.9%, showing good growth compared to the first 9 months of 2021; despite the recent inflationary pressure, profit margins also remained satisfactory, in fact, consolidated profit before taxes of the first nine months amounted to €32.9 million, representing a 22.1% margin on sales. The consolidated revenues at the end of October 2022 show growth of 19.4% compared to the first ten months of FY 2021." - commented Chair 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*



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*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 839 employees (data updated as at September 30, 2022). 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](mailto:claudio.bornati@cembre.com)*

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.**

**Consolidated financial statements relating to the Interim report on operations as at September 30, 2022 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.



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**Interim Report on Operations at September 30, 2022**  
**Consolidated Financial Statements**  
**Consolidated Comprehensive Income Statement**

	9 Months 2022	9 Months 2021
(euro '000)		
Revenues from contract with customers	148.978	124.285
Other revenues	759	541
<b>TOTAL REVENUES</b>	<b>149.737</b>	<b>124.826</b>
Cost of goods and merchandise	(65.085)	(42.898)
Change in inventories	13.000	1.950
Cost of services received	(17.973)	(14.202)
Lease and rental costs	(171)	(134)
Personnel costs	(37.773)	(34.311)
Other operating costs	(1.202)	(1.164)
Increase in assets due to internal construction	1.329	1.624
Write-down of receivables	(116)	(13)
Accruals to provisions for risks and charges	(23)	(107)
<b>GROSS OPERATING PROFIT</b>	<b>41.723</b>	<b>35.571</b>
Property, plant and equipment depreciation	(6.879)	(6.484)
Intangible asset amortization	(602)	(617)
Depreciation of right of use assets	(1.419)	(1.398)
<b>OPERATING PROFIT</b>	<b>32.823</b>	<b>27.072</b>
Financial income	5	2
Financial expenses	(63)	(72)
Foreign exchange gains (losses)	173	261
<b>PROFIT BEFORE TAXES</b>	<b>32.938</b>	<b>27.263</b>
Income taxes	(8.613)	(7.058)
<b>NET PROFIT FROM ORDINARY ACTIVITIES</b>	<b>24.325</b>	<b>20.205</b>
<b>Items that may be reclassified subsequently to profit and loss</b>		
Conversion differences included in equity	518	1.088
<b>COMPREHENSIVE INCOME</b>	<b>24.843</b>	<b>21.293</b>



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**Interim Report on Operations at September 30, 2022**  
**Consolidated Financial Statements**  
**Consolidated Statement of Financial Position - Assets**

<b>ASSETS</b>	<b>Sept. 30, 2022</b>	<b>Dec. 31, 2021</b>
(euro '000)		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	85.232	84.501
Investment property	781	813
Intangible fixed assets	4.427	4.476
Goodwill	4.608	4.608
Right of use assets	5.076	5.960
Other investments	5	5
Other non-current assets	85	81
Deferred tax assets	3.385	3.057
<b>TOTAL NON CURRENT ASSETS</b>	<b>103.599</b>	<b>103.501</b>
<b>CURRENT ASSETS</b>		
Inventories	70.876	57.617
Trade receivables	30.953	28.164
Tax receivables	2.401	683
Other receivables	945	1.218
Cash and cash equivalents	26.105	46.636
<b>TOTAL CURRENT ASSETS</b>	<b>131.280</b>	<b>134.318</b>
<b>NON-CURRENT ASSETS AVAILABLE FOR SALE</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>234.879</b>	<b>237.819</b>



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**Interim Report on Operations at September 30, 2022**

**Consolidated Financial Statements**

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

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>Sept. 30, 2022</b>	<b>Dec. 31, 2021</b>
(euro '000)		
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	8.840	8.840
Reserves	147.843	141.997
Net profit	24.325	25.321
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>181.008</b>	<b>176.158</b>
<b>NON-CURRENT LIABILITIES</b>		
Non-current financial liabilities	3.414	4.279
Employee Severance Indemnity and other personnel benefits	2.062	1.989
Provisions for risks and charges	522	372
Deferred tax liabilities	3.475	3.371
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>9.473</b>	<b>10.011</b>
<b>CURRENT LIABILITIES</b>		
Current financial liabilities	11.678	21.710
Trade payables	15.735	16.261
Tax payables	5.130	2.774
Other payables	11.855	10.905
<b>TOTAL CURRENT LIABILITIES</b>	<b>44.398</b>	<b>51.650</b>
<b>LIABILITIES ON ASSETS HELD FOR DISPOSAL</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>53.871</b>	<b>61.661</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>234.879</b>	<b>237.819</b>

**Interim Report on Operations at September 30, 2022**  
**Consolidated Financial Statements**  
**Consolidated Statement of Cash Flows**

	First nine months 2022	First nine months 2021
€ '000		
<b>A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>46.636</b>	<b>37.688</b>
<b>B) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit for the period	24.325	20.205
Depreciation, amortization and write-downs	8.900	8.499
(Gains)/Losses on disposal of assets	(27)	34
Net change in Employee Termination Indemnity	73	(27)
Net change in provisions for risks and charges	150	311
<b>Operating profit (loss) before change in working capital</b>	<b>33.421</b>	<b>29.022</b>
(Increase) Decrease in trade receivables	(2.789)	(4.091)
(Increase) Decrease in inventories	(13.259)	(2.815)
(Increase) Decrease in other receivables and deferred tax assets	(1.773)	(441)
Increase (Decrease) of trade payables	(960)	1.118
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	3.410	5.394
<b>Change in working capital</b>	<b>(15.371)</b>	<b>(835)</b>
<b>NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>18.050</b>	<b>28.187</b>
<b>C) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets:		
- intangible	(554)	(699)
- tangible	(7.759)	(6.328)
Proceeds from disposal of tangible, intangible, available-for-sale financial assets		
- tangible	65	35
Increase (Decrease) of trade payables for assets	434	841
<b>NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>(7.814)</b>	<b>(6.138)</b>
<b>D) CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Increase) Decrease in other non current assets	(4)	490
(Increase) Decrease in other non current payables	-	(496)
Increase (Decrease) in bank payables	(10.000)	(101)
Repayment of leasing liabilities	(1.427)	(1.392)
Change in stock option reserve	123	358
<b>NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>(31.424)</b>	<b>(16.209)</b>
<b>E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)</b>	<b>(21.188)</b>	<b>5.840</b>
F) Foreign exchange conversion differences	657	851
<b>G) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (A+E+F)</b>	<b>26.105</b>	<b>44.379</b>
Of which: assets held for disposal	-	-
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>26.105</b>	<b>44.379</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>26.105</b>	<b>44.379</b>
Current financial liabilities	(11.678)	(24.255)
Non current financial liabilities	(3.414)	(4.837)
<b>NET CONSOLIDATED FINANCIAL POSITION</b>	<b>11.013</b>	<b>15.287</b>
<b>BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		
Cash	10	10
Bank deposits	26.095	44.369
	<b>26.105</b>	<b>44.379</b>