



Joint stock company
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 VAT and Tax ID: 00541390175
 Share capital €8,840,000 fully paid up
 Registration number with the Brescia Companies
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Press release

The Shareholders' Meeting approves the financial statements as at 12/31/2019

Cembre (STAR): a €0.90 dividend per share

- *The Shareholders' Meeting authorises the purchase of own shares*
- *The Shareholders' Meeting approves the Report on Remuneration Policy and compensation paid*
- *The Board resolved the start of a programme for the purchase of own shares*

Brescia, May 20, 2020 – The Shareholders' Meeting of Cembre S.p.A. – a STAR segment company listed on the MTA (screen-based equities market) and one of the largest European producers of electrical connectors and tools for their installation, held today at 9:30am and chaired by Giovanni Rosani, resolved the approval of 2019 financial statements of Cembre S.p.A. and the allocation of profit for the year. The Shareholders' Meeting resolved the distribution of a **€0.90 dividend** per share, gross of withholding taxes (for an amount equal to the dividend distributed in relation to 2018 profit).

The no. 23 ex-dividend date is June 1, 2020, the record date is June 2, 2020, while dividends will be paid out from June 3, 2020.

In 2019, the **parent company Cembre S.p.A.** recorded **sales revenues** of €108.8 million, down 0.2% on 2018.

Cembre S.p.A.'s **operating result** decreased by 2.4%, from €3.2 million in 2018 to €2.7 million in 2019.

Cembre S.p.A.'s **pre-tax profit** increased by 3.3%, from €5.9 million in 2018 to €6.7 million in 2019. Cembre S.p.A.'s **net profit** rose from €1.3 million in 2018 to €2.6 million in 2019. This increase is also due to higher dividends that Cembre S.p.A. collected in 2019 from its subsidiaries totalling €4.3 million, while in 2018 the dividends collected came to €2.7 million.

The 2019 **Consolidated Financial Statements**, whose highlights are shown below, were presented to the Shareholders' Meeting.

(euro '000)	2019	Margin %	2018	Margin %	change
Consolidated revenues from sales	146,296	100	144,096	100	1.5%
Consolidated gross operating result	37,098	25.4	35,650	24.7	4.1%
Consolidated operating result	27,181	18.6	28,496	19.8	-4.6%
Consolidated pre-tax result	26,937	18.4	28,365	19.7	-5.0%
Consolidated net result	21,690	14.8	22,736	15.8	-4.6%
Consolidated net financial position	5,562		7,531		

In 2019, **consolidated revenues** amounted to €146.3 million, up 1.5% on €144.1 million at the end of 2018.

The consolidated turnover in 2018 only partially included the figure for IKUMA KG, acquired with effect from May 1, 2018. This value amounted to €5.2 million, while in 2019, IKUMA KG's turnover included in the Group's turnover amounted to €7.3 million. Excluding the contribution of IKUMA KG, consolidated sales would have increased by 0.1%.

Consolidated gross operating result in the year came to €37.1 million, representing a 25.4% margin on sales, up 4.1% on €35.7 million in 2018, when it represented a 24.7% margin on sales. The incidence of cost of sales decreased slightly compared to 2018, from 32.6% to 32.3%, while the weight of services costs rose slightly, from 13.5% to 13.9%. The incidence of personnel costs also increased, from 27.8% to 28.5%; the average workforce rose from 743 units in 2018 (including 54 temporary workers) to 744 units in 2019 (including 35 temporary workers).

Effective from January 1, 2019, the Group adopted IFRS 16 to account for leasing contracts and leases; the application of the new standard involved a reduction in consolidated pre-tax profit of €41 thousand. It should be noted that, following the application of the aforementioned new standard, the consolidated gross operating result in 2019 benefitted from the cancellation of leasing fees of €1.53 million; therefore, without said effect, the consolidated gross operating result in 2019 would have been €35.6 million, corresponding to 24.3% of revenues from sales. The table below summarises the main income results, after the effects of the adoption of IFRS 16:

(euro '000)	2019	%	2018	%	Change
Revenues from sales and services	146,296	100.0%	144,096	100.0%	1.5%
Gross operating result	35,566	24.3%	35,650	24.7%	-0.2%
Operating result	27,097	18.5%	28,496	19.8%	-4.9%
Pre-tax result	26,978	18.4%	28,365	19.7%	-4.9%

Consolidated operating result amounted to €27.2 million, representing a 18.6% margin on sales, down 4.6% on €28.5 million in the previous year, when it represented a 19.8% margin on sales.

Consolidated pre-tax result amounted to €26.9 million, representing a 18.4% margin on sales, down 5.0% on €28.4 million in 2018, when it represented a 19.7% margin on sales.

Consolidated net result for the year amounted to €21.7 million, representing a 14.8% margin on sales, down 4.6% on 2018, when it amounted to €22.7 million and represented a 15.8% margin on sales.

The net financial position, which went from a positive balance of €7.5 million at December 31, 2018 to a positive value of €5.6 million at December 31, 2019, reflects the effects of the application of the new international accounting standard IFRS 16, which resulted in the recognition under non-current financial liabilities of €4.9 million and €1.5 million under current financial liabilities, as liabilities for leased assets, as well as the payment of dividends of €15 million by the Parent Company and capital expenditure of €1.7 million. Excluding the effect of IFRS 16 entries, the net financial position would have been a positive €2.0 million.

“The Shareholders’ Meeting, considering the company strength and the positive net financial position, confirmed the payment of a €0.90 dividend per share on today’s date, unchanged with respect to the previous year, as per the proposal of the Board of Directors. The dividend corresponds to 6.4% of the closing price of the Cembre share on May 19, 2020” - commented the Chief Executive Officer Giovanni Rosani.

Shareholders’ Meeting resolves to authorise the purchase of own shares

The Shareholders’ Meeting also resolved to authorise the purchase and disposal of own shares, after revoking the resolution passed on April 18, 2019 for the part still not used, with the objective of

providing the Company with strategic investment opportunities permitted for any purpose by current regulations, including those set forth 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 beneficiaries of the incentive plan called “*Premio Carlo Rosani per i 50 anni dalla fondazione della Società*” approved by said Shareholders’ Meeting (the “Plan”).

The authorisation 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 authorisation to dispose own shares - including therein their disposal in favour of Plan beneficiaries, according to the terms, conditions and methods envisaged therein, and in particular at the price of €10.00 per share - was granted without time limits.

At the date of the present press release, Cembre holds 280,041 own shares, representing 1.647% of the capital stock of the Company.

Report on Remuneration Policy and compensation paid

The Shareholders’ Meeting, pursuant to art. 123-ter of the TUF, approved, by means of a binding resolution, Section I of the Remuneration Report, containing the Remuneration Policy of the Directors, the Managers with strategic responsibilities and the Statutory Auditors adopted by the Company and approved, by means of a non-binding resolution, Section II of said Report, regarding the compensation paid to the aforementioned persons in the reference year.

The Board resolved the start of a programme for the purchase of own shares

The Board of Directors, which met at the end of the Shareholders’ Meeting, resolved to launch a programme for the purchase of treasury shares following the authorization to purchase and dispose of treasury shares approved by the Shareholders’ Meeting today and the conclusion of the purchase program started on May 14, 2019.

The programme represents a useful strategic investment opportunity for all purposes allowed by current regulations, including those set forth in article 5 of EU Regulation no. 593/2014 (Market Abuse Regulation, MAR) and in the procedures allowed under article 13 of the MAR, as well as, where necessary, for the provision of own shares to be allocated to beneficiaries of the incentive plan known as “*Premio Carlo Rosani per i 50 anni dalla fondazione della Società*” approved by the Shareholders’ Meeting on April 18, 2019 - with the following characteristics in compliance with the resolution passed by the aforementioned Shareholders’ Meeting:

- the number of ordinary shares of par value €0.52 purchased may not exceed 5% of the share capital and therefore a maximum of 850,000 ordinary Cembre S.p.A. shares for a total consideration that shall not exceed €10,000,000;
- the purchase must take place on a market regulated pursuant to article 144-bis, par. b), of Consob Regulation 11971/1999 and other applicable regulations, so as to ensure the equal treatment of shareholders as per article 132 of Legislative Decree no. 58/1998, keeping into account terms set for the negotiation as per article 3 of EU Delegated Regulation 1052/2016 implementing the MAR (“Regulation 1052”);
- the price per share 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 volume of daily purchases may not exceed 25% of the average daily trading volume of Cembre shares in the market in which the purchase is carried out, calculated in accordance with parameters set in article 3 of Regulation 1052;
- the purchase plan shall be implemented within 18 months of the Shareholders' Meeting resolution passed on May 20, 2020.

At the date of this 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 the minutes of the Shareholders' Meeting that will be deposited within the legal term at the Company's Registered Office and published on the company website 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. 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 six subsidiaries: five trading companies (2 in Germany, 1 in France, Spain and the United States) and one manufacturing and trading subsidiary (Cembre Ltd., in Birmingham, U.K.), for a total workforce of 752 as of March 31, 2020. 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 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.

In this present 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 recommendation 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.