

Bit Market Services

Informazione Regolamentata n. 0136-35-2015	Data/Ora Ricezione 06 Agosto 2015 13:18:35	MTA - Star
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Societa' : GEFRAN

Identificativo : 61941

Informazione
Regolamentata

Nome utilizzatore : GEFRANN02 - FRANCESCHETTI

Tipologia : IRAG 07; IRAG 02

Data/Ora Ricezione : 06 Agosto 2015 13:18:35

Data/Ora Inizio : 06 Agosto 2015 13:33:36

Diffusione presunta

Oggetto : The Board of Directors of Gefran S.p.A.
approves the interim financial statements to
30 June 2015

Testo del comunicato

Vedi allegato.

The Board of Directors of Gefran S.p.A. approves the interim financial statements to 30 June 2015.

- Sales at EUR 59.865 million, down 3% versus the first half of 2014.
- Revenues down sharply in Asia (-27,1%).
- Added value up by 3.1 percentage points versus 2014.
- EBITDA at EUR 2.737 million, with an EBITDA margin of 4.6%.
- EBIT negative at EUR 460 thousand.
- Net debt of EUR 29.527 million.

Group income statement highlights

(Amounts in EUR /000)	1H 2015	1H 2014	Chg %
Revenues	59,865	61,740	-3%
EBITDA	2,737	5,645	-52%
EBIT	(460)	2,360	n.s.
Profit (loss) before tax	(305)	1,661	n.s.
Net profit (loss)	(1,421)	(1,332)	n.s.

Group statement of financial position highlights

(Amounts in EUR /000)	30 June 2015	31 Dec 2014
Net invested capital	93,709	90,471
Net working capital	44,480	43,494
Shareholders' equity	67,109	65,980
Net financial position	(29,527)	(27,605)

(Amounts in EUR /000)	30 June 2015	30 June 2014
Operating cash flow	(1,469)	(846)
Investments	2,736	2,887

Provaglio d'Iseo (BS), 6 August 2015 – The Board of Directors of GEFran S.p.A. met today under the chairmanship of Ennio Franceschetti at the company's headquarters in Provaglio d'Iseo (BS), to approve the interim financial statements to 30 June 2014.

Operating performance to 30 June 2015

Revenues totalled EUR 59,865 thousand in the first half of 2015, compared with EUR 61,740 thousand in the first half of 2014, an overall fall of 3%; this was mainly the result of the contraction registered on the Asian market in the second quarter, which was only partly offset by growth in other geographical regions. Revenues from the second quarter alone totalled EUR 29,556 thousand, down EUR 2,588 thousand (-8.15) versus the same period of 2014.

The **breakdown of revenues by geographical region** shows significant growth in North America (+33.2%), the European Union (+11.6%) and non-EU Europe (+14.7%); a marginally positive result was also registered on the domestic market. Revenues fell in South America, and were down significantly in Asia.

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In Asia, the 27.1% drop in revenues versus the first half of 2014 was due to a broadly unchanged first quarter compared with the same period of last year, and a 46.4% fall in the second quarter. Finally, note that the Asia region includes the Chinese and Singapore affiliates, as well as affiliate Gefran India (which sells in India and in Gulf countries), which posted growth of 106% versus the first half of 2014, with revenues up from EUR 1,083 thousand to EUR 2,234 thousand.

The breakdown of **revenues by business area** shows growth in the sensors business of EUR 2,487 thousand (+11.0%), chiefly thanks to the performance of the melt product family and synergies in the distribution of Sensormate products. Revenues generated by the automation components business, totalling EUR 16,494 thousand, grew by EUR 1,056 thousand (+6.8%) compared with the same period of 2014. The drives business posted a fall of 21.5% in revenues to EUR 20,126 thousand, wholly due to the lower revenues figure for the Asia region.

Added value was EUR 40,060 thousand at 30 June 2015 (EUR 39,429 thousand at 30 June 2014), equivalent to 66.9% of revenues, up 3.1 points from the figure for the first half of 2014 (63.9% of revenues) This improvement, which came despite the contraction in volumes that absorbed added value of EUR 1,255 thousand, was achieved thanks to savings on raw material purchases and an improvement in margins and the mix of products sold, which had a positive impact of EUR 1,886 thousand.

EBITDA was positive at EUR 2,737 thousand in the first half of 2015, a decrease of EUR 2,908 thousand from EUR 5,645 thousand in the same period of 2014, with an EBITDA margin of 4.6%.

The fall in EBITDA was due to higher personnel costs and other operating costs.

EBIT was negative at EUR 460 thousand in the first half of 2015, compared with a positive result of EUR 2,360 thousand in the first half of 2014. The reasons for this performance are the same as commented on under EBITDA.

Income from financial assets/liabilities was EUR 80 thousand in the first half of 2015, versus charges of EUR 724 thousand in the first half of 2014.

Current deferred tax assets and liabilities were negative at EUR 929 thousand at 30 June 2015, compared with a negative figure of EUR 1,315 thousand in the first half of 2014.

The **result from operating activities** in the first half of 2015 was negative in the amount of EUR 1,234 thousand, compared with a positive figure of EUR 346 thousand in the first half of 2014 (negative at EUR 417 thousand stripping out non-recurring components, which at 30 June 2014, had an overall positive impact of EUR 763 thousand).

The **loss from assets held for sale** was EUR 187 thousand in the first half of 2015, an improvement of EUR 1,491 thousand compared with the figure for the same period of 2014. This result was generated by the management of the photovoltaic segment, following the Board of Director's decision to sell the business.

The Group **net loss** was EUR 1,421 thousand in the first half of 2015, compared with a net loss of EUR 1,332 thousand in the same period of 2014.

Stripping out all non-recurring components (overall positive at EUR 513 thousand in the first half of 2014), the Group net loss was EUR 1,421 thousand, an improvement of EUR 424 thousand on the figure of EUR 1,845 thousand in the first half of the previous year.

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Net non-current assets at 30 June 2015 were EUR 64,991 thousand, broadly in line with the figure of EUR 64,900 thousand at 31 December 2014.

Operating capital was EUR 36,618 thousand at 30 June 2015, compared with EUR 34,009 thousand at 31 December 2014, an overall increase of EUR 2,609 thousand.

Shareholders' equity at 30 June 2015 was EUR 67,109 thousand, compared with EUR 65,980 thousand at 31 December 2014. The increase is mainly due to the translation of subsidiaries' shareholders' equity figures expressed in local currency into the presentation currency, which had a positive effect of EUR 2,606 thousand on the translation reserve.

Net debt at 30 June 2015 was EUR 29,527 thousand, up by EUR 1,922 thousand from 31 December 2014 but down versus 31 March 2015, when it was EUR 31,439 thousand. The change in the net debt figure is mainly due to negative cash flow from ordinary operations (EUR 1,469 thousand) and from technical investments (EUR 2,629 thousand), stripping out the positive impact of the change in the shareholders' equity reserve (EUR 2,550 thousand).

Main events and outlook

In the month of April 2015 Gefran SpA transferred to the newly established Gefran Solutions Srl the business unit concerning the production systems and panels for industrial automation.

In June Gefran has opened a new representative office in South Korea. The new office, located in the outskirts of Seoul, is meant to strengthen the Group's position in the Korean market.

Despite putting in place the measures and projects set out in the business plan, in the first half of the year, the Gefran Group's results were overall below our expectations, which has led to a temporary slowdown in the recovery plan launched by the company.

The trend in revenues shows growth in the sensors and automation components business areas, but a significant contraction in the drives business, registered in the second quarter wholly in products for the lifts market in Asia.

The lower revenues were due to a combination of two factors: the technological change under way in the inverter market and lower government investment in construction.

The impact of the lower revenues from this business in the two affiliates of China and Singapore had a negative impact on the results of the entire group.

The fall in volumes dragged profitability into negative territory, despite the improvement in added value.

Chief Executive Officer Maria Chiara Franceschetti commented: "To face the difficulties experienced by the drives business in Asia, the company has launched immediate corrective measures to diversify company risk and develop other growth opportunities: a change in terms of organisation, to safeguard the projects and investments implemented to date. The new line of lift products, aligned with new technology requirements, was launched in Shanghai in July, and at the same time, we will do more to press on with projects and sales initiatives for sensors and automation components, the two business lines that are achieving excellent results in all other geographical regions. The US in fact, grew by 33%, Europe more than 10%, and even Italy is proving receptive to commercial actions taken in the last year".

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With the current order backlog and the trends in Asia described above, the Group will only manage to make up part of the ground lost in the first half of the year. For 2015, revenues are expected to be down on 2014, with an EBITDA margin seen at around 7% of revenues.

Fausta Coffano, the Director responsible for drawing up the Company's accounting statements, hereby declares, pursuant to paragraph 2, article 154-bis of the TUF, that the information contained in this press release accurately represents the figures contained in the Group's accounting records.

The interim financial statements to 30 June 2015 are available at the Company's headquarters and at Borsa Italiana S.p.A.. They may also be viewed in the "investor relations/reports and financial statements" section of the Company's website www.gefran.com) and on the website (www.emarketstorage.com) managed by Blt Market Services S.p.A..

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*The **Gefran Group** operates directly on the main international markets, through sales branches in Italy, France, Germany, Switzerland, the UK, Belgium, Spain, Turkey, Russia, the US, Brazil, China, Singapore, India, and through manufacturing branches also in Germany, Switzerland, Brazil, the US and China.*

*The **Gefran Group** currently has more than 850 employees.*

*The **key factors behind Gefran's** success are specialist know-how, design and production flexibility, capacity for innovation and the quality of its processes and products. Absolute control of process technology and application know-how also enable **Gefran** to produce instruments and integrated systems for specific applications in a variety of industrial sectors, including the processing of plastics, the food and pharmaceutical industries, packaging and die casting machines.*

***Gefran** has been listed on the Italian Stock Exchange since 9 June 1998, and became part of the STAR (high-requisite stock) segment in 2001. On 31 January 2005, it became part of ALL STAR, which became the FTSE Italia STAR on 1 June 2009.*

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDING 30 JUNE 2015

(EUR/000)	1H 2015			1H 2014			Chg 2015/14	
	Excl. non-rec.	Incl. non-rec.	Final	Excl. non-rec.	Incl. non-rec.	Final	Excl. non-rec. Value	%
a Revenues	59,865		59,865	61,410	(330)	61,740	(1,545)	-2.5%
b Consumption of materials and products	19,805		19,805	22,311		22,311	(2,506)	-11.2%
c Added value (a-b)	40,060	0	40,060	39,099	(330)	39,429	961	2.5%
d Other operating costs	13,068		13,068	11,548	1,383	10,165	1,520	13.2%
e Personnel costs	25,238		25,238	23,765	(950)	24,715	1,473	6.2%
f Increases for internal work	983		983	1,096		1,096	(113)	-10.3%
g EBITDA (c-d-e+f)	2,737	0	2,737	4,882	(763)	5,645	(2,145)	-43.9%
h Depreciation, amortisation and impairments	3,197		3,197	3,285		3,285	(88)	-2.7%
i EBIT (g-h)	(460)	0	(460)	1,597	(763)	2,360	(2,057)	-128.8%
l Gains (losses) from financial assets/liabilities	80		80	(724)		(724)	804	-111.0%
m Gains (losses) from shareholdings value at equity	75		75	25		25	50	200.0%
n Profit (loss) before tax (i+l+m)	(305)	0	(305)	898	(763)	1,661	(1,203)	-134.0%
o Taxes	(929)		(929)	(1,315)		(1,315)	386	-29.4%
p Result from operating activities (n+o)	(1,234)	0	(1,234)	(417)	(763)	346	(817)	195.9%
q Profit (loss) from assets held for sale	(187)		(187)	(1,428)	250	(1,678)	1,241	-86.9%
r Group net profit (loss) (p+q)	(1,421)	0	(1,421)	(1,845)	(513)	(1,332)	424	-23.0%

RESULTS BY BUSINESS TO 30 JUNE 2015

(EUR/000)	1H 2015					1H 2014				
	Revenue s	EBITDA	% of revenue s	EBIT	% of revenue s	Revenue s	EBITDA	% of revenue s	EBIT	% of revenue s
Sensors	25,046	6,125	24.5%	5,077	20.3%	22,559	6,373	28.3%	5,375	23.8%
Automation components	16,494	215	1.3%	(828)	-5.0%	15,438	143	0.9%	(759)	-4.9%
Drives	20,126	(3,603)	-17.9%		-23.4%	25,650	(871)	-3.4%		-8.8%
Eliminations	(1,801)					(1,907)				
Total	59,865	2,737	4.6%	(460)	-0.8%	61,740	5,645	9.1%	2,360	3.8%

RESULTS BY GEOGRAPHICAL AREA TO 30 JUNE 2015

(Euro /.000)	Q2 2015		Q2 2014		Chg. '15-'14	
	Value	%	Value	%	Value	%
Italy	9.088	30,7%	8.589	26,7%	499	5,8%
UE	8.215	27,8%	7.087	22,0%	1.128	15,9%
Europe non UE	1.632	5,5%	1.507	4,7%	125	8,3%
North America	3.675	12,4%	2.628	8,2%	1.047	39,8%
South America	1.125	3,8%	1.463	4,6%	(338)	-23,1%
Asia	5.650	19,1%	10.533	32,8%	(4.883)	-46,4%
Rest of the world	171	0,6%	337	1,0%	(166)	-49,3%
Total	29.556	100%	32.144	100%	(2.588)	-8%

CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER OF 2015

(EUR/000)	2Q 2013 2015			2Q 2013 2014			Chg 2015/14	
	Excl. non-rec.	Incl. non-rec.	Final	Excl. non-rec.	Incl. non-rec.	Final	Excl. non-rec. Value	%
a Revenues	29,556		29,556	32,144		32,144	(2,588)	-8.1%
b Consumption of materials and products	9,995		9,995	11,875		11,875	(1,880)	-15.8%
c Added value (a-b)	19,561	0	19,561	20,269	0	20,269	(708)	-3.5%
d Other operating costs	6,673		6,673	5,929	1,383	4,546	744	12.5%
e Personnel costs	12,485		12,485	12,028	(950)	12,978	457	3.8%
f Increases for internal work	480		480	548		548	(68)	-12.4%
g EBITDA (c-d-e+f)	883	0	883	2,860	(433)	3,293	(1,977)	-69.1%
h Depreciation, amortisation and impairments	1,596		1,596	1,622		1,622	(26)	-1.6%
i EBIT (g-h)	(713)	0	(713)	1,238	(433)	1,671	(1,951)	-157.6%
l Gains (losses) from financial assets/liabilities	(1,095)		(1,095)	(325)		(325)	(770)	236.9%
m Gains (losses) from shareholdings value at equity	69		69	44		44	25	56.8%
n Profit (loss) before tax (i+l+m)	(1,739)	0	(1,739)	957	(433)	1,390	(2,696)	-281.7%
o Taxes	(700)		(700)	(429)		(429)	(271)	63.2%
p Result from operating activities (n+o)	(2,439)	0	(2,439)	528	(433)	961	(2,967)	Ns.
q Profit (loss) from assets held for sale	(46)		(46)	(759)	250	(1,009)	713	-93.9%
r Group net profit (loss) (p+q)	(2,485)	0	(2,485)	(231)	(183)	(48)	(2,254)	Ns.

RESULTS BY BUSINESS IN THE SECOND QUARTER OF 2015

(EUR/000)	2Q 2015					2Q 2014				
	Revenue s	EBITDA	% of revenue s	EBIT	% of revenue s	Revenue s	EBITDA	% of revenue s	EBIT	% of revenue s
Sensors	12,446	3,093	24.9%	2,573	20.7%	11,535	3,825	33.2%	3,331	28.9%
Automation components	8,239	117	1.4%	(387)	-4.7%	7,465	(184)	-2.5%	(633)	-8.5%
Drives	9,744	(2,327)	-23.9%		-29.8%	14,015	(348)	-2.5%		-7.3%
Eliminations	(873)					(871)				
Total	29,556	883	3.0%	(713)	-2.4%	32,144	3,293	10.2%	1,671	5.2%

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

	30/06/2015	%	31 Dec 2014	%
<i>(EUR/000)</i>				
Intangible assets	15,265	15.8	14,690	15.7
Tangible assets	40,549	42.0	40,997	43.8
Financial assets	9,177	9.5	9,213	9.8
Net fixed assets	64,991	67.3	64,900	69.3
Inventories	23,532	24.4	19,104	20.4
Trade receivables	41,040	42.5	42,232	45.1
Trade payables	(20,092)	(20.8)	(17,842)	(19.1)
Other assets/liabilities	(7,862)	(8.1)	(9,485)	(10.1)
Operating capital	36,618	37.9	34,009	36.3
Provisions for risks and future liabilities	(1,839)	(1.9)	(2,067)	(2.2)
Deferred tax provisions	(820)	(0.8)	(760)	(0.8)
Employee benefits	(5,241)	(5.4)	(5,611)	(6.0)
Invested capital from operations	93,709	97.0	90,471	96.7
Invested capital from assets held for sale	2,927	3.0	3,114	3.3
Net invested capital	96,636	100.0	93,585	100.0
Shareholders' equity	67,109	69.4	65,980	70.5
Medium- to long-term financial payables	24,065	24.9	25,959	27.7
Short-term financial payables	28,380	29.4	22,061	23.6
Financial liabilities for derivatives	261	0.3	343	0.4
Financial assets for derivatives	(47)	(0.0)	(26)	(0.0)
Cash and cash equivalents and short-term financial receivables	(23,132)	(23.9)	(20,732)	(22.2)
Net debt relating to operations	29,527	30.6	27,605	29.5
Total sources of financing	96,636	100.0	93,585	100.0

CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2015

(EUR/000)	30 June 2015	30 June 2014
A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	20,732	25,040
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD:	(1,469)	(846)
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES	(2,629)	(1,573)
D) FREE CASH FLOW (B+C)	(4,098)	(2,419)
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES	5,942	(5,993)
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)	1,844	(8,412)
G) CASH FLOW FROM OPERATING ASSETS HELD FOR SALE	0	(825)
H) Exchange translation differences on cash at hand	556	(44)
I) NET CHANGE IN CASH AT HAND (F+G+H)	2,400	(9,281)
J) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+I)	23,132	15,759

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