



# Investor Presentation

Consolidated results for the first 9 months of 2015

# Cembre at a Glance

- ① Cembre is Europe's leading manufacturer of electrical crimp type connectors and related installation tools;
- ① The Group has grown its revenues by a **CAGR of 5.5%** in the last 13 years (2001-2014), from €56 mn in 2001 to €112,9 mn in 2014;
- ① It is a dividend-payer with a 13 years **average dividend payout ratio of 36,5%**, and an **average dividend yield of 3.5%** (2001-2014);
- ① In 2014, the Group invested **€9.2 mn**; the total amount of investments made by the company in the last five years (2010-2014) is **€50.4 mn**; at September 30, 2015 investments amounted to **€4.9 mn**;
- ①  
The product mix (a total of more than **15k** end products sold during 2014) is offered to around **8k** single clients around the world, with 10-biggest clients' purchases corresponding to **c.15% of the consolidated turnover**.

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# Management team

Giovanni Rosani

**Chief Executive Officer (CEO)**

Aldo Bottini Bongrani

**Sales and Marketing Director**

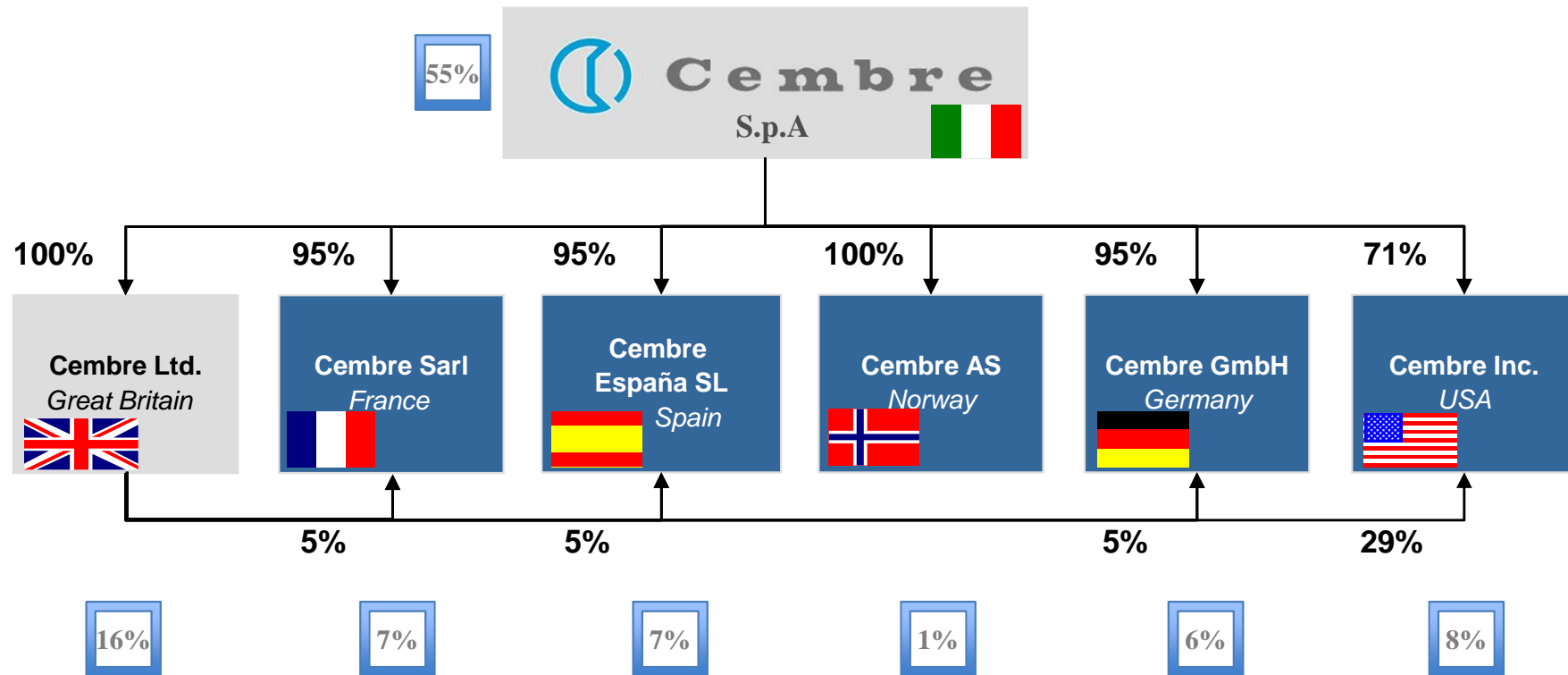
Claudio Bornati

**Chief Financial Officer (CFO)**

## OUR MISSION

**Cembre cooperates with the users of its products to find *the best technical and economical solutions* related to electrical connection applications.**

# Group Structure



■ Production and commercial units

■ Commercial units

□ % contribution to consolidated sales in the first nine months of 2015 (net of intra-groups sales)

# Business Overview

**Cembre is Europe's leading manufacturer of electrical crimp type connectors and related installation tools.**

Electrical Connectors



Tools



Railway Products



Identification Systems



Cable Glands, Accessories and other



# Made in Brescia...

Cembre, established in 1969, manufactures its products in its state-of-art production facility located in Brescia. The facility covers an area of 51,000 m<sup>2</sup> on a total land area of 121,000 m<sup>2</sup>.



## ... and U.K.

In addition, Cembre has a production facility in the UK which operates on a 8,800 m<sup>2</sup> land. This plant in Birmingham manufactures mainly for the local market. The sales generated in the UK are 16% of consolidated turnover for the first nine months of 2015.



Cembre Ltd.  
Factory in Curdworth Birmingham (UK)



# An Integrated Business Partner...

The Group employs 632 employees worldwide.



23

369

162

78

Cembre has extensive know-how in its operating field, and its strong R&D team allows it to respond quickly to market demands.

Sharp focus on customer needs and the efficient international sales network (84 salesmen) are significant competitive advantages for Cembre.

# Very Strong in Europe...

**Cembre is present all over the Italian territory through a network of salesmen and representatives who are able to offer fast and constant technical assistance.**

**Abroad, it operates through 5 subsidiaries in Europe (UK, France, Spain, Germany and Norway) and 1 in the USA.**

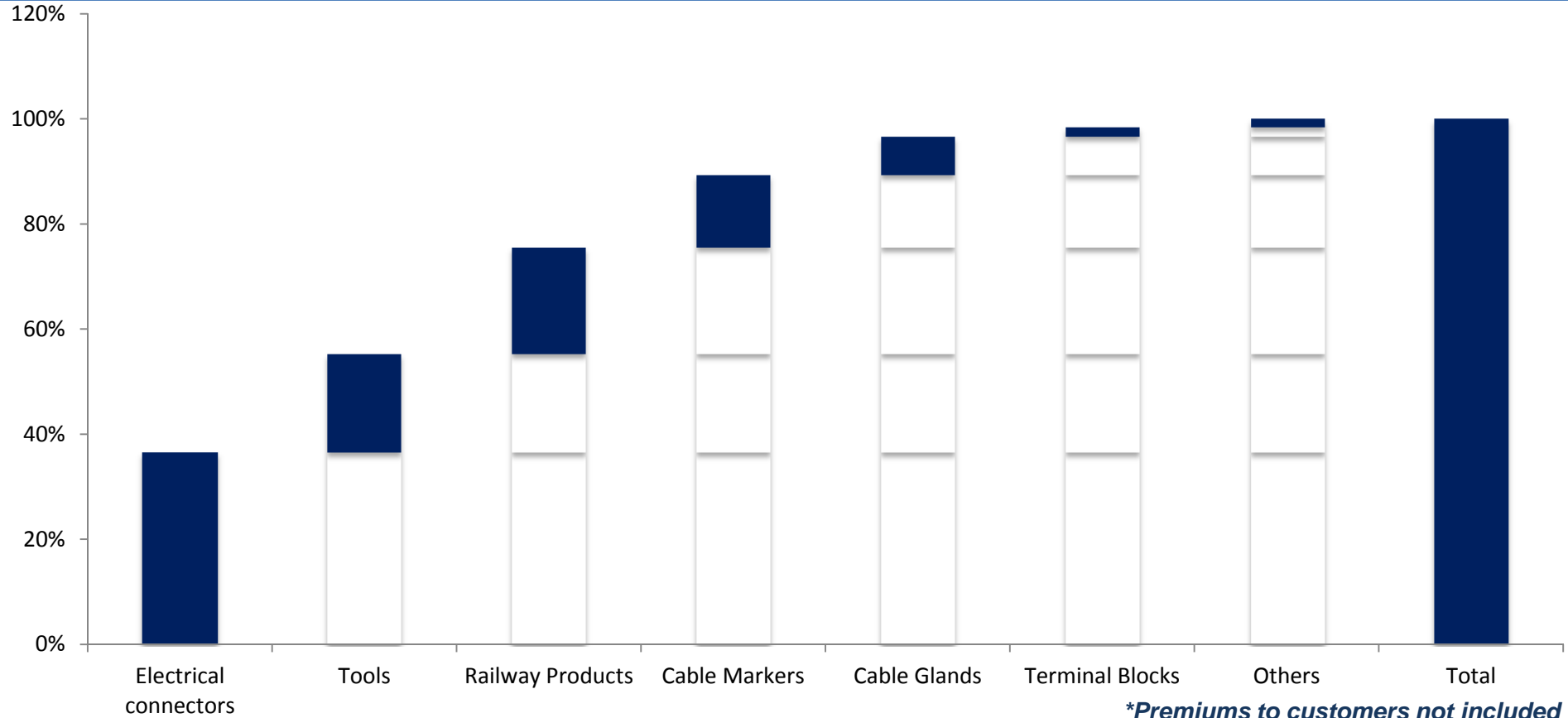


# Present All Around the World...

**Cembre has a network of importers and agents who provide technical and commercial assistance and rapid delivery all around the world...**



# Revenues\* Composition by Product Family (€ '000)



<b>9 months 2015</b>	33,850	17,480	18,745	12,861	6,716	1,697	1,417	92,766
	<b>36.5%</b>	<b>18.8%</b>	<b>20.2%</b>	<b>13.9%</b>	<b>7.2%</b>	<b>1.8%</b>	<b>1.5%</b>	<b>100%</b>
<b>9 months 2014</b>	32,380	16,006	16,531	10,858	5,812	1,778	1,422	84,787
	<b>38.2%</b>	<b>18.9%</b>	<b>19.5%</b>	<b>12.8%</b>	<b>6.9%</b>	<b>2.1%</b>	<b>1.7%</b>	<b>100%</b>

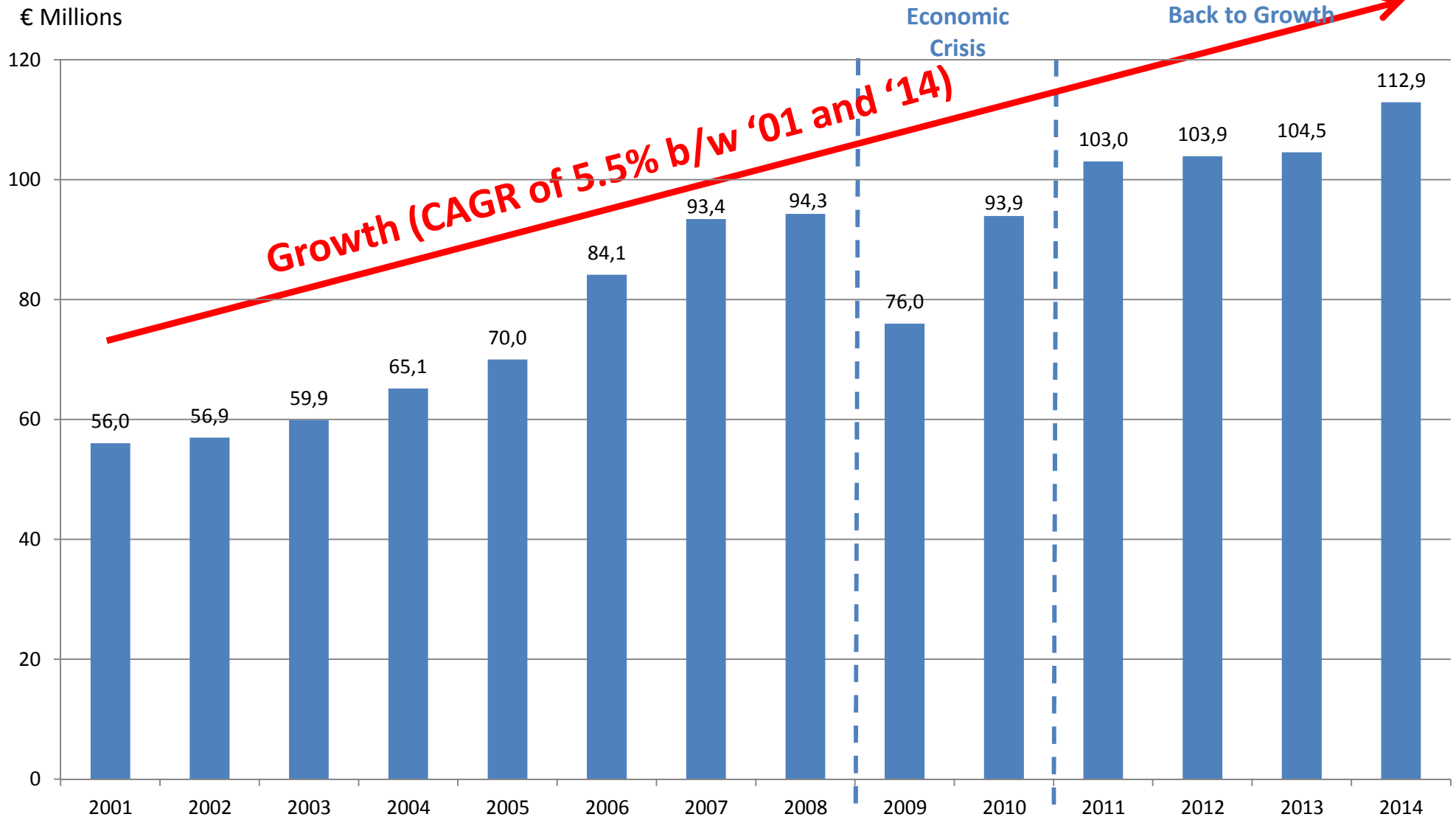
# Geographical Revenue Breakdown

Europe (ex-IT)	9 Months 2014	9 Months 2015	Δ
Sales	38.0 mn	38.7 mn	2.1%
% in total	45.4%	42.5%	-2.9pp

Italy	9 Months 2014	9 Months 2015	Δ
Sales	32.8 mn	36.6 mn	11.8%
% in total	39.2%	40.1%	0.9pp

Rest of the World	9 Months 2014	9 Months 2015	Δ
Sales	12.9 mn	15.9 mn	23.0%
% in total	15.4%	17.4%	2.0pp

# 13-Year Revenue Evolution



# A Wide Product-Mix

In order to maintain its leading position and increase the penetration of market, Cembre had sensibly enlarged the range of products offered through:

- **Research activities** mainly focused on the development of innovative products for the sectors with the highest growth potential (rail transportation, civil and industrial plant engineering),
- **Improvement and update of existing products** to get them easier to use and more efficient in their performances,
- **Introduction of complementary products** (e.g. cable markers).

# Electrical Connectors: 4.5% increase in Sales



Electrical Connectors:	9 Months 2015	9 Months 2015	Δ
Total Sales	33.9 € mn	32.4 € mn	4.5%
Sales in Italy (% share)	15.5 € mn (16.7%)	14.7 € mn (17.4%)	5.5%
Sales in Europe ex-IT (% share)	15.4 € mn (16.6%)	15.2 € mn (17.9%)	1.6%
Sales in RoW (% share)	2.9 € mn (3.1%)	2.5 € mn (2.9%)	16.7%

## Characteristics:

- high and safe performance guaranteed by effective Quality Control during production process
- high level automation of manufacturing process and consequent costs reduction
- quick adaptation of products to clients' needs, thanks to its high flexible productivity



# Tools:

## 9.2% increase in Sales



Tools:	9 Months 2015	9 Months 2015	Δ
Total Sales	17.5 € mn	16.0 € mn	9.2%
Sales in Italy (% share)	3.6 € mn (3.9%)	3.1 € mn (3.6%)	17.1%
Sales in Europe ex-IT (% share)	6.9 € mn (7.5%)	7.0 € mn (8.2%)	-0.5%
Sales in RoW (% share)	7.0 € mn (7.5%)	6.0 € mn (7.1%)	16.4%

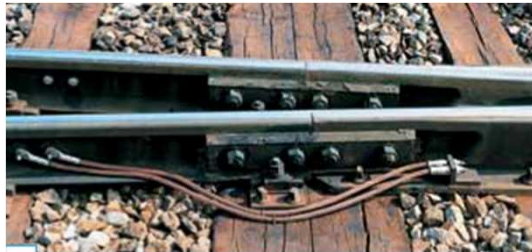
### Characteristics:

- quick installation of connectors thanks to tools used for compressing and cutting the conductors
- wide products range: mechanical, pneumatic, hydraulic and battery operated tools

### Development of new products in last years:

- B15-B54 battery operated “in line” hand-tools
- hydraulic battery operated pump already marketed in Italy and Europe
- the new generation of battery tools is intended to progressively substitute the traditional ones, as they are more appreciated thanks to the elimination of physical endeavour

# Railway Products: 13.4% increase in Sales



Railway Products:	9 Months 2015	9 Months 2015	Δ
Total Sales	18.7 € mn	16.5 € mn	13.4%
Sales in Italy (% share)	2.1 € mn (2.3%)	1.1 € mn (1.3%)	90.7%
Sales in Europe ex-IT (% share)	11.6 € mn (12.5%)	11.8 € mn (13.9%)	-1.5%
Sales in RoW (% share)	5.0 € mn (5.4%)	3.7 € mn (4.3%)	37.6%

## Characteristics:

- high quality products
- constant R&D activities
- high potential growth

## Development of new products:

- Nut Runner - NR-11P
- Automatic Rail Cutter (with better safety standards for workers)

Both the products are very competitive on the market since they offer superior flexibility, lightness and velocity against alternative products

# Cable Markers: 18.4% increase in Sales



Cable Markers:	9 Months 2015	9 Months 2015	Δ
Total Sales	12.9 € mn	10.9 € mn	18.4%
Sales in Italy (% share)	8.4 € mn (9.0%)	7.1 € mn (8.4%)	17.9%
Sales in Europe ex-IT (% share)	3.9 € mn (4.2%)	3.4 € mn (4.0%)	17.4%
Sales in RoW (% share)	0.5 € mn (0.6%)	0.4 € mn (0.5%)	38.4%

With the introduction of these new products Cembre:

- further enriched its offer with thousand of new articles (electrical equipment wholesalers prefer supplier with a wide catalogue)
- strengthened its competitive position in Italy and created big opportunities to enter the European markets
- entered a market, worth of Euro 25 million considering only Italy
- improved the production structure

Development and production, in Brescia (Italy), of thermal printer MG3

# Cable Glands:

## 15.6% increase in Sales



Cable Glands:	9 Months 2015	9 Months 2015	Δ
Total Sales	6.7 € mn	5.8 € mn	15.6%
Sales in Italy (% share)	5.7 € mn (6.2%)	5.0 € mn (5.9%)	14.0%
Sales in Europe ex-IT (% share)	0.8 € mn (0.9%)	0.7 € mn (0.8%)	19.9%
Sales in RoW (% share)	0.2 € mn (0.2%)	0.1 € mn (0.1%)	66.0%



Terminal Blocks:	9 Months 2015	9 Months 2015	Δ
Total Sales	1.7 € mn	1.8 € mn	-4.6%
Sales in Italy (% share)	1.5 € mn (1.6%)	1.5 € mn (1.8%)	-3.1%
Sales in Europe ex-IT (% share)	0.2 € mn (0.2%)	0.3 € mn (0.3%)	-9.6%

# Consolidated Results for the first nine months of 2015

Euro Millions	9 Months 2015	9 Months 2014	Changes %	9 Months 2013	Full Year 2014
Sales	91,3	83.7	9.1%	76.7	112.9
EBITDA <i>In % of sales</i>	22.2 24.3%	18.2 21.7%	22.2%	14.9 19.5%	24.4 21.6%
EBIT <i>In % of sales</i>	18.0 19.7%	14.5 17.3%	24.2%	11.6 15.2%	19.4 17.2%
EBT <i>In % of sales</i>	18.1 19.8%	14.7 17.5%	23.3%	11.5 15.0%	19.7 17.5%
Net Profit <i>In % of Sales</i>	12.9 14.2%	9.8 11.8%	31.3%	7.6 9.9%	13.5 12.0%
Tax rate %	28.5%	32.9%		33.9%	31.3%

# Group's Companies Turnover\* for the first 9 months of 2015

Company (Euro thousands)	9 Months 2015	9 Months 2014	Change %	9 Months 2013
Cembre S.p.A. (Italy)	49,924	43,371	15.1%	38,726
Cembre Ltd. (UK)	14,479	15,376	-5.8%	14,295
Cembre S.a.r.l. (France)	6,481	6,188	4.7%	5,853
Cembre España S.L. (Spain)	6,217	5,101	21.9%	4,622
Cembre GmbH (Germany)	5,869	5,706	2.9%	5,478
Cembre AS (Norway)	755	665	13.5%	582
Cembre Inc. (US)	7,553	7,257	4.1%	7,141
<b>Cembre Group</b>	<b>91,278</b>	<b>83,664</b>	<b>9.1%</b>	<b>76,697</b>

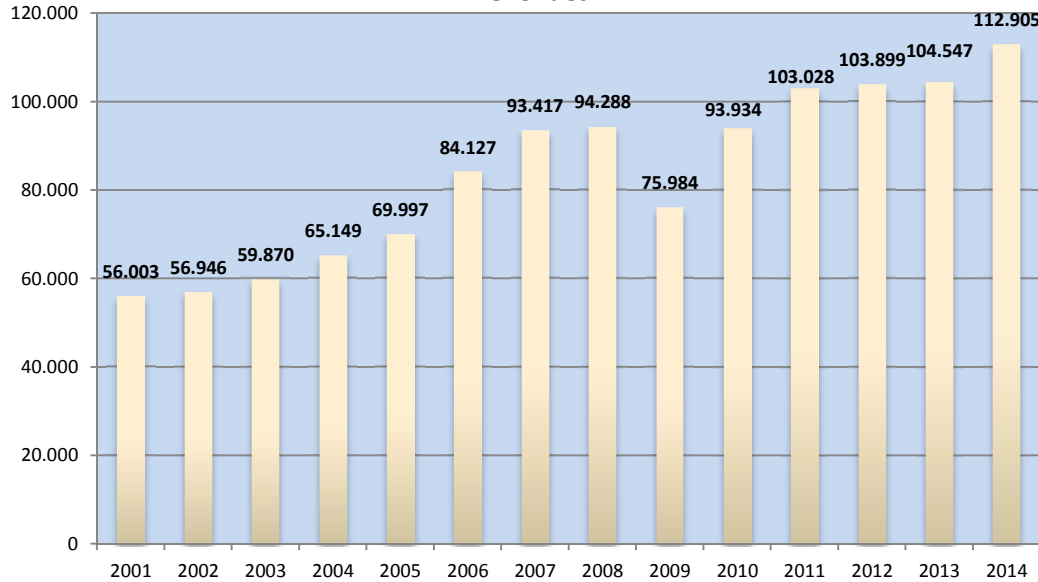
\* net of intragroup sales

# September 30, 2015 Consolidated Balance Sheet

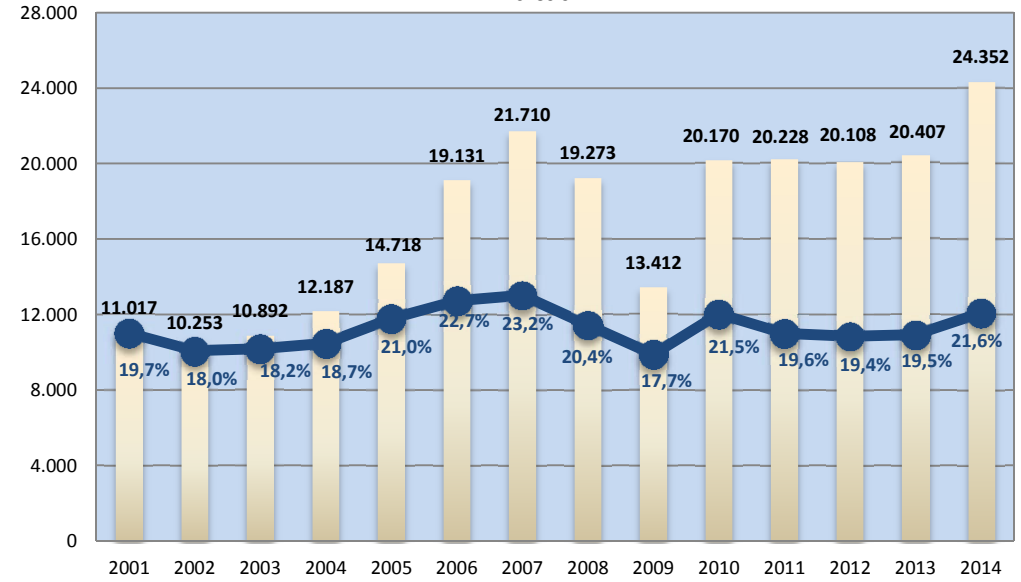
	Euro Millions	Sept. 30, 2015	Dec. 31, 2014	Dec. 31, 2013
<i>a</i>	Net operating working capital <i>% of sales</i>	46.3 <i>38.1%</i>	43.9 <i>38.9%</i>	43.8 <i>41.9%</i>
<i>b</i>	Net fixed assets	70.7	69.6	64.7
<i>c</i>	Assets available for sales	-	-	-
<i>d</i>	Severance indemnities	2.5	2.6	2.4
<i>e</i>	Provisions for risks and charges	0.4	0.3	0.1
<i>F</i>	Deferred taxes	2.5	2.4	2.4
	Net invested capital (a+b+c-d-e-f)	111.6	108.2	103.6
<i>g</i>	Equity	127.7	119.9	109.5
<i>H</i>	Net financial position	(16.1)	(11.7)	(5.9)
	Total sources (g+h)	111.6	108.2	103.6

# Cembre's Revenue and Profitability Trend (€ '000)

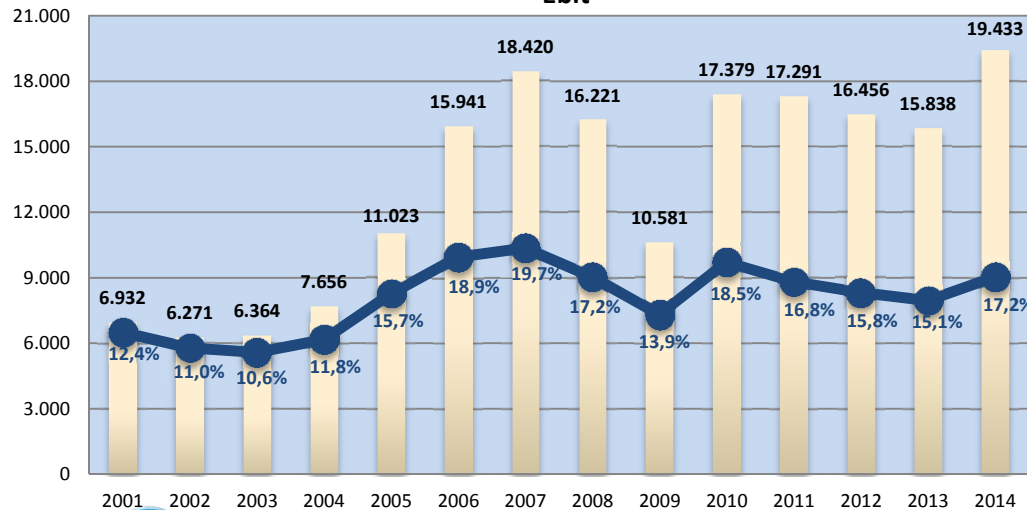
Revenues



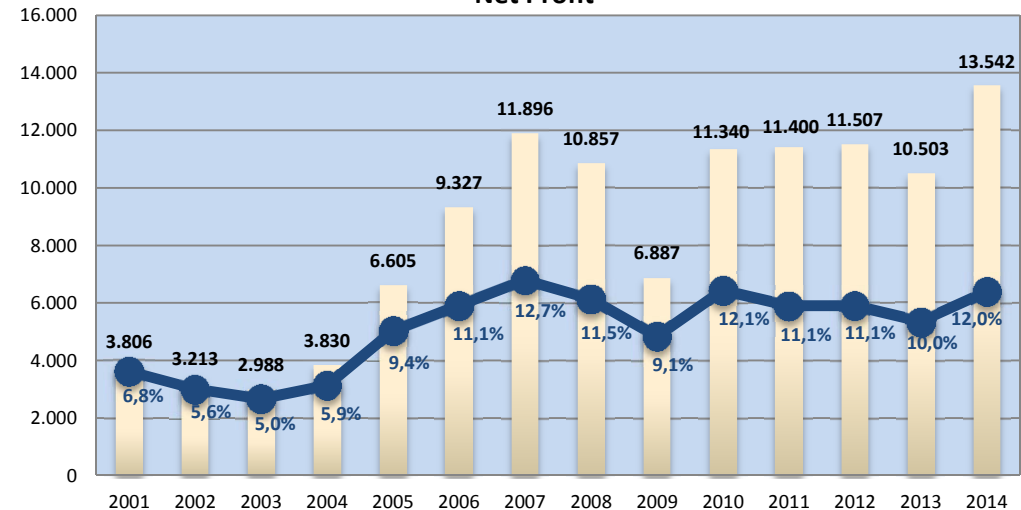
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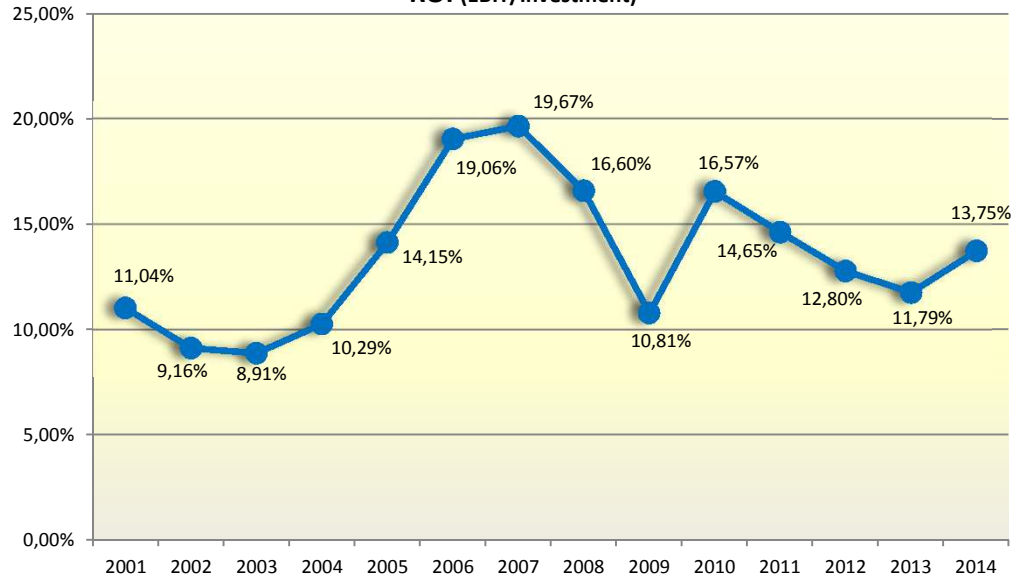
Net Profit



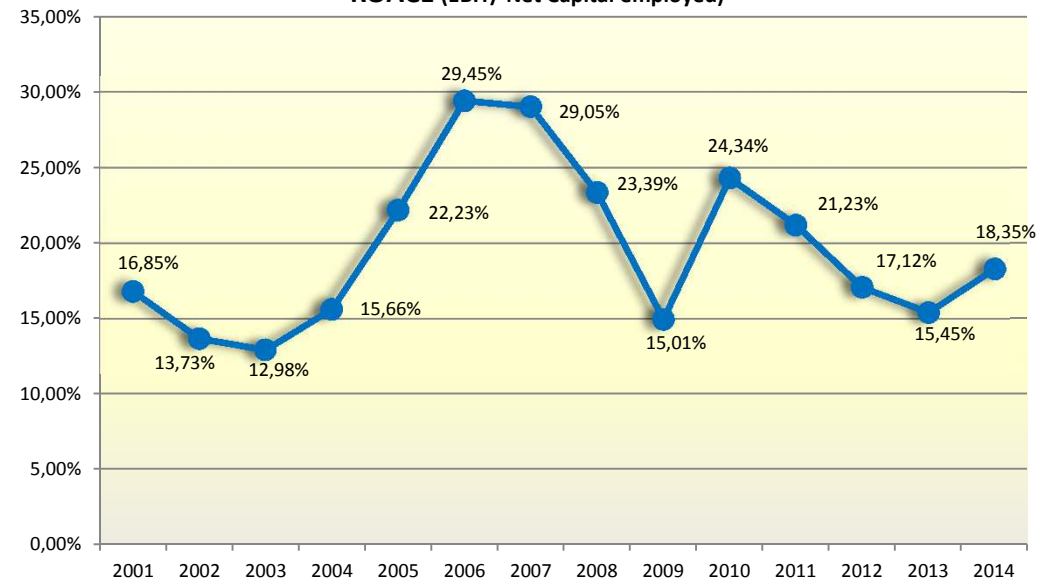


# Index analysis

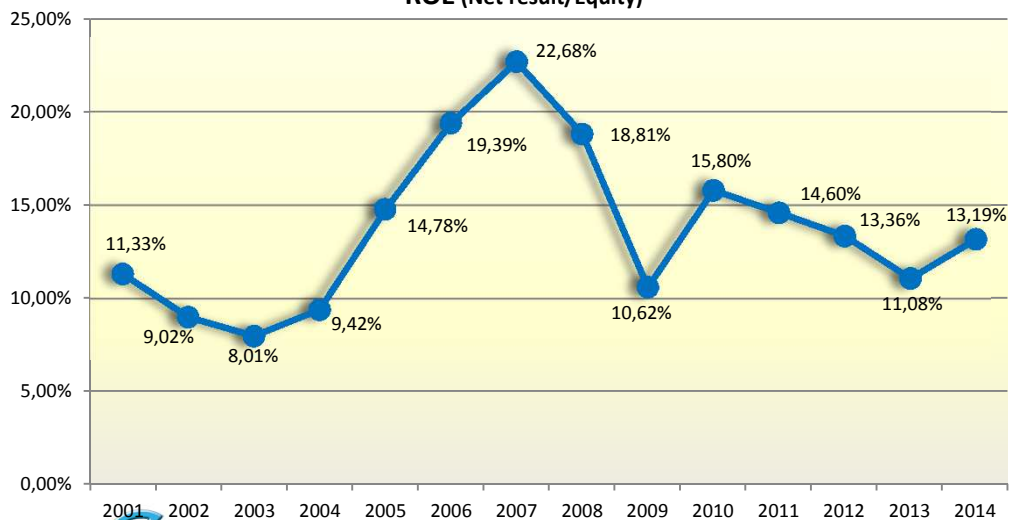
**ROI (EBIT/Investment)**



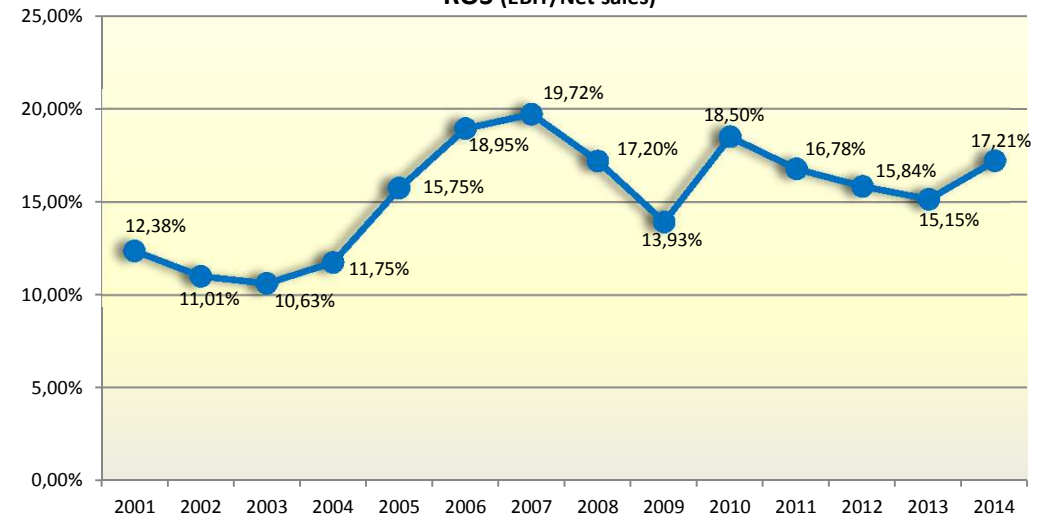
**ROACE (EBIT/ Net Capital employed)**



**ROE (Net result/Equity)**



**ROS (EBIT/Net sales)**



# 2015 and onwards...

## **Cembre focused on these targets:**

### **Increase of turnover** thanks to:

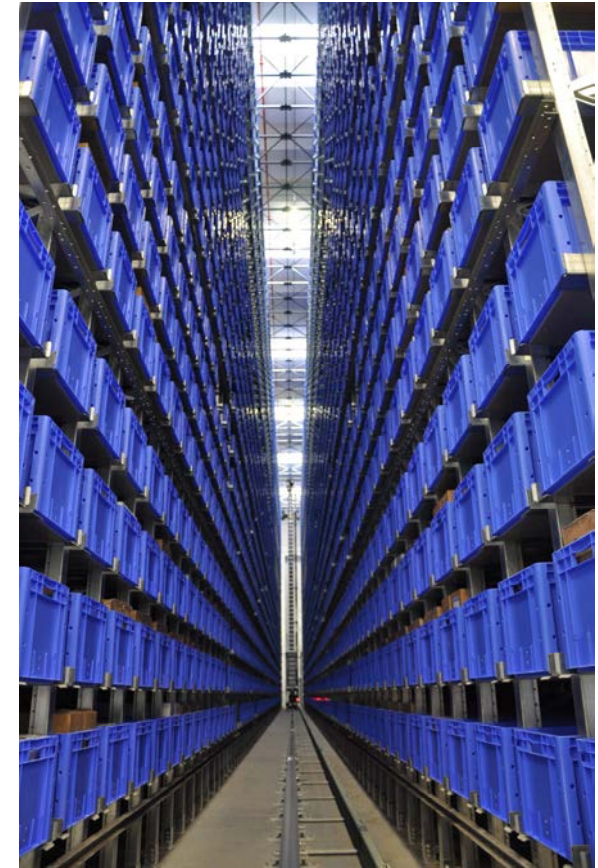
- A strengthening of Cembre competitive advantage by developing new products and continuous product range renewing by an intense R&D activity,
- An higher penetration in the foreign markets, especially in the US,
- A commercial commitment focus on high growing potential products.

**Cost management** by a better operative efficiency obtained from economies of scale and process innovations;

**Enforcing the manufacturing structure** by investing in high-tech, highly-automated machinery:

- The purchase of the 13,500 m<sup>2</sup> industrial area next to its plant (dec – 2011), by investing €9.7 mn (Brescia plant and offices today cover a floor-space of 51,000 m<sup>2</sup> while the total plant area reached 121,000 m<sup>2</sup>), this area will be dedicated to production enforcement.

# 2015 and onwards...



- The construction of a new 4,800 m<sup>2</sup> industrial building which is the new logistic center. This center include an automated warehouse with 16-metre-high shelves. The construction started in March 2012, and the new automatic warehouse is operative since January 2013. This warehouse is 3 time more efficient, and has a 50% increase in end-product capacity warehousing.

# Stock Data & Shareholding Structure



Shareholders:	Share:
LYSNE Spa	55.04%
Anna Maria Onofri	8.35%
Sara Rosani	4.82%
Giovanni Rosani	4.71%
Other	26.38%

Cembre has been listed since December 1997, and is a part of the Star Index since September 2001.

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Dividend Per Share (€)	0.36	0.26	0.16	0.16	0.26	0.12	0.16	0.26	0.22	0.15	0.10	0.07	0.08	0.10
Payout Ratio*	45%	42%	24%	24%	39%	30%	25%	37%	40%	39%	44%	41%	42%	44%
Dividend Yield**	3.5%	2.9%	2.5%	2.9%	4.2%	2.6%	4.8%	4.2%	3.6%	3.2%	3.3%	2.9%	4.4%	4.1%



\* Using consolidated profit

\*\* Using the year-end share price



# Contact

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*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 presentation corresponds to the document results, books and accounting records.*