

Bit Market Services

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Oggetto : First-quarter 2016 results approved

Testo del comunicato

Vedi allegato.

SABAF: FIRST-QUARTER 2016 RESULTS APPROVED

- **Revenue of € 30.9 million (-17.7%) recorded in first quarter of 2016; EBITDA of € 5.6 million (-27.5%); EBIT € 2.5 million (-48%); net profit € 1.6 million (-50%)**
- **A moderate decline in sales and profitability is expected for the full year 2016**

The Board of Directors of Sabaf S.p.A. met today in Ospitaletto (BS) to approve the Interim Management Statement for the first quarter of 2016.

Consolidated results for 1Q16

In the first quarter of 2016, the revenues of the Sabaf Group amounted to €30.9 million, down 17.7% from €37.5 million in the same period of the previous year, which had been a particularly good quarter.

In a context in which the Sabaf Group is maintaining its market share unchanged, the negative figure is to be attributed to the difficult economic situation of some important markets in which the Group operates, such as Egypt, Brazil and Turkey. The only area that has confirmed a very positive trend in sales is the North American market.

The decline in business volumes negatively affected profitability, which also maintained a good level: EBITDA for the period was €5.6 million, equal to 18.1% of sales, down 27.5% compared to €7.7 million (20.5% of sales) for the first quarter 2015. EBIT was €2.5 million, equivalent to 8% of sales, and down by 48% from €4.7 million in the same quarter in 2015 (12.6% of sales). Net profit for the period was €1.6 million, down by 50% from €3.1 million in the first quarter 2015.

Investments for the quarter totalled €4.2 million, mainly allocated to the expansion of the plants in Turkey and Brazil (€2.7 million in the first quarter 2015, and €12.1 million for the full year 2015). At 31 March 2016, net financial debt was €24.8 million, versus €25.9 million at 31 December 2015.

Outlook

Also in April, sales have maintained a downward trend, while in May there is a decent recovery of business. In the second half of 2016, the Group expects an increase in sales due to the increase in supplies to some major customers and a possible recovery in some markets. However, based on the poor performance of the first part of the year, the Group expects a modest decline in sales and profitability for the full year 2016. These targets assume a macroeconomic situation that is not affected by unpredictable events. If the economic situation were to change significantly, the actual figures might diverge from the forecasts.

Remuneration and Appointments Committee

The Board of Directors has also decided to increase to four the number of members of the Remuneration and Appointments Committee, appointing Alessandro Potestà as a new member. The Remuneration and Appointments Committee is now thus composed by Fausto Gardoni (Chairman), Renato Camodeca, Giuseppe Cavalli and Alessandro Potestà.



We burn for technology and safety.

Today at 3:00 p.m. CET there will be a conference call to explain the 1Q16 results to financial analysts and institutional investors (please dial +39 02-8058811).

The Interim Management Statement for 1Q 2016, which has not been independently audited, is available in the Investor Relations section of the website www.sabaf.it.

Pursuant to Article 154-bis, paragraph 2 of the Italian Consolidated Finance Act (Testo Unico della Finanza), the company's Financial Reporting Officer Gianluca Beschi declares that the financial disclosure contained in this press release corresponds to the company's records, books and accounting entries.

The consolidated financial statements are attached.

For more information:

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Founded at the beginning of the 1950s, SABAF has grown constantly and has today become the main producer in Italy and one of the world's leading producers of components for kitchens and gas-burning domestic appliances.

Production is based on four main lines: valves, thermostats and burners for gas-burning appliances and hinges for ovens, washing machines and dishwashers.

Technological know-how, production flexibility and the capacity to offer a wide range of components – also planned on the basis of the needs of individual kitchen producers, hob ranges and built-in ovens, and in line with the specific characteristics of the various reference markets – are SABAF's main strong points in a highly specialised sector, in which demand is continuously evolving and increasingly oriented towards products which guarantee absolute reliability and safety.

The Sabaf Group employs more than 700 persons and operates together with the parent company SABAF S.p.A. and with the subsidiaries Faringosi Hinges, leader in the production of hinges for ovens and dishwashers, Sabaf do Brasil, Sabaf Turkey and Sabaf China, operating in the production of burners.

Consolidated statement of financial position

(€/000)	31.03.2016	31.12.2015	31.03.2015
ASSETS			
NON-CURRENT ASSETS			
Tangible assets (property, plant, and equipment)	74,234	73,037	74,190
Investments property	6,601	6,712	7,048
Intangible assets	7,565	7,525	7,494
Equity investments	204	204	204
Non-current receivables	558	432	365
Deferred tax assets	4,841	4,887	5,647
Total non-current assets	94,003	92,797	94,948
CURRENT ASSETS			
Inventories	31,722	31,009	33,010
Trade receivables	37,750	40,425	41,939
Tax receivables	2,836	2,489	1,507
Other current receivables	1,620	1,447	1,581
Current financial assets	190	69	0
Cash and cash equivalents	3,530	3,991	3,635
Total current assets	77,648	79,430	81,672
ASSETS HELD FOR SALE	0	0	0
TOTAL ASSETS	171,651	172,227	176,620
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	11,533	11,533	11,533
Retained earnings, other reserves	99,073	90,509	98,757
Net profit for the period	1,557	8,998	3,114
<i>Total equity interest of the Parent Company</i>	<i>112,163</i>	<i>111,040</i>	<i>113,404</i>
<i>Minority interests</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total shareholders' equity	112,163	111,040	113,404
NON-CURRENT LIABILITIES			
Loans	5,669	6,388	9,466
Post-employment benefits and retirement reserves	2,908	2,914	2,979
Reserves for risks and contingencies	347	395	588
Deferred taxes	755	772	795
Total non-current liabilities	9,679	10,469	13,828
CURRENT LIABILITIES			
Loans	22,642	23,480	17,436
Other financial liabilities	24	31	180
Trade payables	19,189	19,450	22,027
Tax payables	1,509	1,219	2,725
Other liabilities	6,445	6,538	7,020
Total current liabilities	49,809	50,718	49,388
LIABILITIES HELD FOR SALE	0	0	0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	171,651	172,227	176,620

Consolidated income statement

	Q1 2016		Q1 2015		12M 2015	
<i>(€/000)</i>						
CONTINUING OPERATIONS						
OPERATING REVENUE AND INCOME						
Revenue	30,860	100.0%	37,501	100.0%	138,003	100.0%
Other income	611	2.0%	1,063	2.8%	3,758	2.7%
Total operating revenue and income	31,471	102.0%	38,564	102.8%	141,761	102.7%
OPERATING COSTS						
Materials	(11,448)	-37.1%	(15,262)	-40.7%	(54,366)	-39.4%
Change in inventories	622	2.0%	2,012	5.4%	1,025	0.7%
Services	(6,948)	-22.5%	(8,636)	-23.0%	(29,759)	-21.6%
Payroll costs	(8,117)	-26.3%	(8,655)	-23.1%	(32,526)	-23.6%
Other operating costs	(217)	-0.7%	(594)	-1.6%	(1,193)	-0.9%
Costs for capitalised in-house work	220	0.7%	274	0.7%	1,230	0.9%
Total operating costs	(25,888)	-83.9%	(30,861)	-82.3%	(115,589)	-83.8%
OPERATING PROFIT BEFORE DEPRECIATION & AMORTISATION, CAPITAL GAINS/LOSSES, AND WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS (EBITDA)						
	5,583	18.1%	7,703	20.5%	26,172	19.0%
Depreciation & amortisation	(3,133)	-10.2%	(3,011)	-8.0%	(12,185)	-8.8%
Capital gains/(losses) on disposals of non-current assets	10	0.0%	42	0.1%	104	0.1%
Write-downs of non-current assets	0	0.0%	0	0.0%	0	0.0%
OPERATING PROFIT (EBIT)						
	2,460	8.0%	4,734	12.6%	14,091	10.2%
Financial income	22	0.1%	8	0.0%	67	0.0%
Financial expenses	(135)	-0.4%	(151)	-0.4%	(596)	-0.4%
Exchange rate gains and losses	(3)	0.0%	111	0.3%	(89)	-0.1%
Profits and losses from equity investments	0	0.0%	0	0.0%	0	0.0%
PROFIT BEFORE TAXES						
	2,344	7.6%	4,702	12.5%	13,473	9.8%
Income taxes	(787)	-2.6%	(1,588)	-4.2%	(4,475)	-3.2%
Minority interests	0	0.0%	0	0.0%	0	0.0%
NET PROFIT FOR THE PERIOD						
	1,557	5.0%	3,114	8.3%	8,998	6.5%

Consolidated statement of cash flows

(€/000)	Q1 2016	Q1 2015	12M 2015
<i>Cash and cash equivalents at beginning of period</i>	3,991	3,675	3,675
Net profit/(loss) for the period	1,557	3,114	8,998
Adjustments for:			
- Depreciation for the period	3,133	3,011	12,185
- Realised gains/losses	(10)	(42)	(104)
- Financial income and expenses	113	143	529
- Income taxes	787	1,588	4,475
Payment of post-employment benefit reserve	(6)	(61)	(129)
Change in risk provisions	(48)	(17)	(210)
<i>Change in trade receivables</i>	<i>2,675</i>	<i>(1,407)</i>	<i>107</i>
<i>Change in inventories</i>	<i>(713)</i>	<i>(2,171)</i>	<i>(170)</i>
<i>Change in trade payables</i>	<i>(261)</i>	<i>2,519</i>	<i>(58)</i>
Change in net working capital	1,701	(1,059)	(121)
Change in other receivables and payables, deferred tax	(1,049)	(628)	(72)
Payment of taxes	(167)	(323)	(5,931)
Payment of financial expenses	(126)	(139)	(556)
Collection of financial income	22	8	67
Cash flow from operations	5,907	5,595	19,131
Net investments	(4,165)	(2,715)	(12,079)
Repayment of loans	(6,324)	(5,608)	(19,480)
New loans	4,760	2,799	19,488
Change in current financial assets	(121)	0	(69)
Purchase of own shares	(587)	0	(718)
Payment of dividends	0	0	(4,613)
Cash flow from financing activities	(2,272)	(2,809)	(5,392)
Foreign exchange differences	69	(111)	(1,344)
Net financial flows for the period	(461)	(40)	316
<i>Cash and cash equivalents at end of period</i>	<i>3,530</i>	<i>3,635</i>	<i>3,991</i>
Current financial debt	22,666	17,616	23,511
Non-current financial debt	5,669	9,466	6,388
Net financial debt	24,805	23,447	25,908

Consolidated net financial position

<i>(€/000)</i>	31.03.2016	31.12.2015	31.03.2015
A. Cash	14	11	15
B. Positive balances of unrestricted bank accounts	2,887	3,822	3,483
C. Other cash equivalents	629	158	137
D. Liquidity (A+B+C)	3,530	3,991	3,635
E. Current bank overdrafts	18,847	19,697	13,702
F. Current portion of non-current debt	3,795	3,783	3,734
G. Other current financial payables	24	31	180
H. Current financial debt (E+F+G)	22,666	23,511	17,616
I. Current net financial debt (H-D)	19,136	19,520	13,981
J. Non-current bank payables	3,948	4,632	7,603
K. Other non-current financial payables	1,721	1,756	1,863
L. Non-current financial debt (J+K)	5,669	6,388	9,466
M. Net financial debt (L+I)	24,805	25,908	23,447

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