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Informazione
Regolamentata

Nome utilizzatore : SOGEFIN01 - YANN ALBRAND / NIVES
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Diffusione presunta

Oggetto : Sogefi: revenues up by 4.6% at € 798.6 m
in H1, net profit € 8.3 m

Testo del comunicato

Vedi allegato.



PRESS RELEASE

Board of Directors approves results as of June 30 2016

SOGEFI (CIR GROUP):

Revenues up by 4.6% in H1 2016 at € 798.6m

EBITDA up by 19.6% at € 74.7m

Net result at € 8.3m (€ 9.7m in H1 2015)

Net debt at € 326.2m (€ 348.0m at 30/6/2015)

Highlights from H1 2016 results

(in millions of €)

	H1 2016	H1 2015	Δ%
Revenues	798.6	763.7	4.6
EBITDA	74.7	62.4	19.6
EBIT	36.6	30.5	20.1
Net Result	8.3	9.7	
Net debt (end of period)	326.2	348.0	

Milan, July 25 2016 - The **Board of Directors** of **Sogefi S.p.A.**, which met today under the chairmanship of **Monica Mondardini**, has approved the **Interim Financial Report** of the group for the **first half of the year 2016**.

Laurent Hebenstreit, Chief Executive Officer of Sogefi, made the following statement:

“The EBITDA improvement reported in the first half of 2016, thanks to higher revenues, to a slight improvement in gross margin and to a slight reduction of indirect expense, confirms our commitment to improving the company’s profitability and cash flow”.

Revenues up by 4.6% in H1 2016

In the first half of 2016, Sogefi reported revenues of € 798.6 million, up 4.6% compared to € 763.7 million in H1 2015 (+10.3% at the same exchange rates).

Revenues by geographical area: strong growth in North America and Asia

€m	Q2 2016	Q2 2015	reported change	H1 2016	H1 2015	reported change	reference market	Constant exchange rate	weight based on H1 2016
Europe	262.5	253.8	3.4%	507.7	498.7	1.8%	6.9%	2.5%	63.5%
North America	75.3	62.9	19.7%	150.6	120.8	24.6%	3.3%	33.0%	18.9%
South America	38.8	45.2	-14.1%	73.8	90.4	-18.3%	-21.8%	14.8%	9.2%
Asia	30.0	27.6	8.6%	63.5	50.6	25.4%	5.9%	32.0%	8.0%
Other	1.8	1.7		3.0	3.2				
Total	408.4	391.2	4.4%	798.6	763.7	4.6%		10.3%	100.0%

Source: Sogefi and IHS data

In Europe revenues grew by 1.8% compared to H1 2015 and business continued to develop vigorously in North America (+24.6%) and in Asia (+25.4%). In South America, sales in euro declined by 18.3% because of the depreciation of the local currencies and the persisting market crisis. Excluding South America, growth was 7.6%.

The contribution of non-European countries to total revenues increased to 36.5% from 34.7% in the first half of 2015 thanks to the positive performance of North America and Asia. In particular, the contribution of the North American and Asian areas rose to 26.9% from 22.4% in H1 2015, while the percentage of the South American region declined from 11.8% to 9.2%.

Revenues by Business Unit: significant increase in the Air & Cooling segment

€m	Q2 2016	Q2 2015	reported change	H1 2016	H1 2015	reported change	Constant exchange rate
Suspensions	146.4	146.0	0.3%	289.5	287.1	0.8%	6.9%
Filtration	139.6	140.0	-0.3%	270.7	274.0	-1.2%	5.2%
Air & Cooling	123.3	106.3	16.1%	240.4	204.7	17.4%	21.4%
intercompany	-0.9	-1.1		-2.0	-2.1		
Total	408.4	391.2	4.4%	798.6	763.7	4.6%	10.3%

Revenue growth in the first six months of 2016 came largely from the Air & Cooling segment, which reported a 17.4% increase. Revenues of the Suspensions segment grew by 0.8%, with a 4.7% increase excluding South America. Revenues of the Filtration Business Unit were down by 1.2%, but experienced a 3.2% rise excluding South America.

Operating results and net income

EBITDA¹ was € 74.7 million, up by 19.6% compared to the figure reported in the same period of 2015 (€ 62.4 million). The increase was due to revenue growth and to the improvement in profitability which rose to 9.3% from 8.2% in H1 2015, thanks to a slight improvement in the contribution margin and a slight reduction of indirect costs. In particular, the ratio of total labour costs to Group revenues declined to 21.7% from the previous 22.6%.

¹ EBITDA is calculated by adding to EBIT the items "Amortization and depreciation" and the amount of write-downs of tangible and intangible assets included in the item "Other non-operating costs (income)", which came to € 4.5 million in the first half of 2016 (zero in the same period of last year).

EBITDA increased in all regions with the exception of South America.

Regarding the risks resulting from the claims made against the company Systèmes Moteurs Sas, in the first half of 2016, there were no developments in the “product guarantee” issue that warranted a change in the provision made at December 31 2015. As for recovery from the company Dayco, vendor of Systèmes Moteurs Sas, in May the arbitration process ended with Dayco being sentenced to pay Sogefi € 9.4 million for the claims already settled. However, this decision reduced the amount expected to be recovered by Sogefi by € 4 million, with a negative impact of the same amount on the accounts of the first half of 2016.

EBIT increased by 20.1% to € 36.6 million compared to the first six months of 2015, after higher amortization and write-downs of fixed assets.

Financial expense increase to € 16.8 million, versus € 14.7 million in the corresponding period of 2015; this increase is mainly due to the proceeds posted in H1 2015 for the fair value measurement of the derivative embedded in the convertible bond.

The net result was a positive **€ 8.3 million**, versus € 9.7 million in the first half of 2015 as an effect of higher income taxes.

Net debt

Net financial debt stood at **€ 326.2 million** at June 30 2016, broadly in line with December 31 2015 (€ 322.3 million) and showing an improvement of € 21.8 million on the figure at June 30 2015 (€ 348 million).

Free Cash Flow in first half 2016 amounted to € -0.2 million, compared to € -51.9 million in H1 2015. The improvement is attributable for approximately € 19 million to lower disbursements of a non-ordinary nature for product guarantees and restructuring and, for the remaining part, to a better performance in operating cash flow and to more factoring.

Shareholders' equity

At June 30 2016 **shareholders' equity** excluding minority interests amounted to **€ 168.2 million** (€ 170.8 million at December 31 2015).

Employees

The Sogefi group had **6,795 employees** at June 30 2016 compared to 6,702 at December 31 2015.

Results of the parent company Sogefi S.p.A.

In the first half of the year the **parent company Sogefi S.p.A.** reported **net income of € 13.8 million**, up from € 9.1 million in the same period of 2015. The increase came mainly from higher dividend flows from the subsidiaries (€ 6.7 million) partially offset by higher net financial expense (€ 2.5 million).

Net debt stood at **€ 307.6 million** at June 30 2016 (€ 305.8 million at December 31 2015).

The **shareholders' equity** of the company amounted to **€ 183.6 million** at June 30 2016 (€ 167.5 million at December 31 2015).

Outlook for the year

For the whole of 2016 Sogefi expects a positive contribution from North America, China and India. In Europe, in line with what was observed in the first half, growth could be more limited than in 2015, while in the South American market conditions remain difficult.

The executive responsible for the preparation of the Company's financial statements, Yann Albrand, hereby declares, in compliance with the terms of paragraph 2 Article 154-bis of the Finance Consolidation Act (TUF), that the accounting figures contained in this press release correspond to the results documented in the Company's accounts and general ledger.

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This press release can also be consulted on the website: <http://www.sogefigroup.com/it/area-stampa/index.html>

Attached are the key figures from the Income Statement and the Statement of Financial Position as of June 30 2016 of the Sogefi Group.

SOGEFI GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

ASSETS	June 30, 2016	December 31, 2015	June 30, 2015
CURRENT ASSETS			
Cash and cash equivalents	97.3	121.9	85.8
Other financial assets	5.0	6.3	7.0
<i>Working capital</i>			
Inventories	162.1	159.7	168.5
Trade receivables	190.3	143.5	199.2
Other receivables	6.7	7.9	9.2
Tax receivables	27.0	26.8	23.1
Other assets	6.2	4.0	5.8
TOTAL WORKING CAPITAL	392.3	341.9	405.8
TOTAL CURRENT ASSETS	494.6	470.1	498.6
NON-CURRENT ASSETS			
Fixed assets			
Land	14.1	14.3	14.4
Property, plant and equipment	227.8	232.6	232.2
Other tangible fixed assets	6.3	5.3	5.0
<i>Of wich: leases</i>	<i>6.1</i>	<i>6.8</i>	<i>5.0</i>
Intangible assets	282.4	284.0	288.8
TOTAL FIXED ASSETS	530.6	536.2	540.4
OTHER NON-CURRENT ASSETS			
Investments in joint ventures	-	-	-
Other financial assets available for sale	-	0.4	0.4
Long term trade receivables	-	-	-
Financial receivables	12.5	13.2	10.5
Other receivables	32.6	34.7	36.2
Deferred tax assets	66.2	65.3	78.4
TOTAL OTHER NON-CURRENT ASSETS	111.3	113.6	125.5
TOTAL NON-CURRENT ASSETS	641.9	649.8	665.9
NON-CURRENT ASSETS HELD FOR SALE	-	-	-
TOTAL ASSETS	1,136.5	1,119.9	1,164.5

LIABILITIES	June 30, 2016	December 31, 2015	June 30, 2015
CURRENT LIABILITIES			
Bank overdrafts and short-term loans	22.2	17.8	41.2
Current portion of medium/long-term financial debts and other loans	123.8	74.4	88.7
<i>Of which: leases</i>	1.2	1.3	1.0
TOTAL SHORT-TERM FINANCIAL DEBTS	146.0	92.2	129.9
Other short-term liabilities for derivative financial instruments	0.6	0.3	0.2
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	146.6	92.5	130.1
Trade and other payables	354.8	325.4	354.3
Tax payables	9.9	6.1	8.6
Other current liabilities	9.2	9.7	8.5
TOTAL CURRENT LIABILITIES	520.5	433.7	501.5
NON-CURRENT LIABILITIES			
FINANCIAL INSTRUMENTS			
Financial debts to bank	82.4	141.1	95.8
Other medium/long-term financial debts	201.7	218.4	213.0
<i>Of which: leases</i>	7.1	8.1	6.6
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	284.1	359.5	308.8
Other medium/long-term financial liabilities for derivative financial instruments	10.3	11.6	12.4
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	294.4	371.1	321.2
OTHER LONG-TERM LIABILITIES			
Long-term provisions	88.0	79.2	91.2
Other payables	11.9	9.2	6.9
Deferred tax liabilities	36.6	36.3	39.5
TOTAL OTHER LONG-TERM LIABILITIES	136.5	124.7	137.6
TOTAL NON-CURRENT LIABILITIES	430.9	495.8	458.8
SHAREHOLDERS' EQUITY			
Share capital	61.7	61.7	61.7
Reserves and retained earnings (accumulated losses)	98.2	108.0	114.2
Group net result for the period	8.3	1.1	9.7
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	168.2	170.8	185.6
Non-controlling interests	16.9	19.6	18.6
TOTAL SHAREHOLDERS' EQUITY	185.1	190.4	204.2
TOTAL LIABILITIES AND EQUITY	1,136.5	1,119.9	1,164.5

RECLASSIFIED CONSOLIDATED INCOME STATEMENT FROM 01.01.2016 TO 06.30.2016

(in millions of Euro)

	1st half 2016		1st half 2015		Year 2015	
	Amount	%	Amount	%	Amount	%
Sales revenues	798.6	100.0	763.7	100.0	1,499.1	100.0
Variable cost of sales	570.0	71.4	548.7	71.8	1,079.1	72.0
CONTRIBUTION MARGIN	228.6	28.6	215.0	28.2	420.0	28.0
Manufacturing and R&D overheads	74.6	9.4	71.3	9.3	146.1	9.7
Depreciation and amortization	33.6	4.2	31.9	4.2	64.4	4.3
Distribution and sales fixed expenses	23.1	2.9	23.4	3.0	45.2	3.0
Administrative and general expenses	42.7	5.4	42.5	5.6	84.2	5.6
Restructuring costs	3.5	0.4	2.0	0.3	7.3	0.5
Losses (gains) on disposal	-	-	(1.6)	(0.2)	(1.6)	(0.1)
Exchange losses (gains)	(0.6)	(0.1)	1.3	0.2	3.6	0.2
Other non-operating expenses (income)	15.1	1.9	13.7	1.8	20.1	1.4
- of which not ordinary	8.4	-	12.2	-	15.7	-
EBIT	36.6	4.5	30.5	4.0	50.7	3.4
Financial expenses (income), net	16.8	2.1	14.7	1.9	32.8	2.2
- of which fair value of the embedded derivative (convertible bond)	-	-	(1.5)	-	(1.5)	-
(income)	16.8	-	16.2	-	34.3	-
Losses (gains) from equity investments	0.4	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	19.4	2.4	15.8	2.1	17.9	1.2
Income taxes	8.5	1.1	4.2	0.5	12.9	0.9
NET RESULT BEFORE NON-CONTROLLING INTERESTS	10.9	1.3	11.6	1.6	5.0	0.3
Loss (income) attributable to non-controlling interests	(2.6)	(0.3)	(1.9)	(0.3)	(3.9)	(0.2)
GROUP NET RESULT	8.3	1.0	9.7	1.3	1.1	0.1

RECLASSIFIED CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER 2016

(in millions of Euro)

	04.01 - 06.30.2016		04.01 - 06.30.2015		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	408.4	100.0	391.2	100.0	17.2	4.4
Variable cost of sales	289.0	70.8	279.7	71.5	9.3	3.3
CONTRIBUTION MARGIN	119.4	29.2	111.5	28.5	7.9	7.1
Manufacturing and R&D overheads	38.3	9.4	35.7	9.2	2.6	7.3
Depreciation and amortization	17.0	4.2	16.1	4.1	0.9	5.3
Distribution and sales fixed expenses	11.6	2.8	12.0	3.1	(0.4)	(3.0)
Administrative and general expenses	21.6	5.3	21.4	5.5	0.2	0.8
Restructuring costs	1.6	0.4	1.6	0.4	-	-
Losses (gains) on disposal	-	-	(1.6)	(0.4)	1.6	(101.4)
Exchange losses (gains)	(1.7)	(0.4)	2.1	0.5	(3.8)	(180.5)
Other non-operating expenses (income)	10.4	2.6	12.8	3.3	(2.4)	(18.8)
- of which not ordinary	6.4	-	12.2	-	(5.8)	-
EBIT	20.6	5.1	11.4	2.9	9.2	80.8
Financial expenses (income), net	8.4	2.1	7.9	2.0	0.5	6.3
- of which fair value of the embedded derivative (convertible bond)	-	-	(1.5)	-	1.5	-
- of which other net financial expenses (income)	8.4	-	9.4	-	(1.0)	-
Losses (gains) from equity investments	0.4	0.1	-	-	0.4	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	11.8	2.9	3.5	0.9	8.3	237.5
Income taxes	5.1	1.3	0.3	0.1	4.8	n.a.
NET RESULT BEFORE NON-CONTROLLING INTERESTS	6.7	1.6	3.2	0.8	3.5	(111.9)
Loss (income) attributable to non-controlling interests	(1.3)	(0.3)	(1.1)	(0.3)	(0.2)	(27.2)
GROUP NET RESULT	5.4	1.3	2.1	0.5	3.3	153.6

CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)

	1st half 2016	1st half 2015	Year 2015
SELF-FINANCING	47.7	21.1	53.4
Change in net working capital	(16.3)	(33.6)	(4.2)
Other medium/long-term assets/liabilities	6.2	0.5	4.8
CASH FLOW GENERATED BY OPERATIONS	37.6	(12.0)	54.0
Net decrease from sale of fixed assets	0.2	-	1.0
TOTAL SOURCES	37.8	(12.0)	55.0
Increase in intangible assets	14.8	18.1	30.4
Purchase of tangible assets	18.9	21.6	51.3
TOTAL APPLICATION OF FUNDS	33.7	39.7	81.7
Exchange differences on assets/liabilities and equity	(4.3)	(0.2)	1.9
FREE CASH FLOW	(0.2)	(51.9)	(24.8)
Holding Company increases in capital	0.1	0.1	0.1
Increase in share capital of consolidated subsidiaries	0.1	0.1	0.1
Dividends paid by subsidiaries to non-controlling interests	(5.2)	(3.3)	(4.3)
Change in fair value derivative instruments	1.3	11.3	10.9
CHANGES IN SHAREHOLDERS' EQUITY	(3.7)	8.2	6.8
Change in net financial position	(3.9)	(43.7)	(18.0)
Opening net financial position	(322.3)	(304.3)	(304.3)
CLOSING NET FINANCIAL POSITION	(326.2)	(348.0)	(322.3)

CONSOLIDATED NET FINANCIAL POSITION

(in millions of Euro)

	06.30.2016	12.31.2015	06.30.2015
A. Cash	97.2	121.9	85.8
B. Other cash at bank and on hand (included held-to-maturity investments)	4.0	4.0	4.0
C. Financial instruments held for trading	-	-	-
D. Liquid funds (A) + (B) + (C)	101.2	125.9	89.8
E. Current financial receivables	1.0	2.3	3.0
F. Current payables to banks	(22.2)	(17.8)	(41.2)
G. Current portion of non-current indebtedness	(123.7)	(74.5)	(88.7)
H. Other current financial debts	(0.6)	(0.3)	(0.2)
I. Current financial indebtedness (F) + (G) + (H)	(146.5)	(92.6)	(130.1)
J. Current financial indebtedness, net (I) + (E) + (D)	(44.3)	35.6	(37.3)
K. Non-current payables to banks	(82.4)	(141.1)	(95.8)
L. Bonds issued	(193.7)	(208.9)	(204.4)
M. Other non-current financial debts	(18.3)	(21.1)	(21.0)
O. Non-current financial indebtedness (K) + (L) + (M)	(294.4)	(371.1)	(321.2)
P. Net indebtedness (J) + (O)	(338.7)	(335.5)	(358.5)
Non-current financial receivables	12.5	13.2	10.5
Financial indebtedness, net including non-current financial receivables	(326.2)	(322.3)	(348.0)

SOGEFI S.p.A.

STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

	June 30, 2016	December 31, 2015	June 30, 2015
Short-term assets	16.7	17.4	15.3
Short-term liabilities	(9.8)	(10.0)	(10.6)
Net working capital	6.9	7.4	4.7
Equity investments	424.1	404.0	397.5
Other fixed assets	61.2	62.8	69.2
CAPITAL INVESTED	492.2	474.2	471.4
Other medium and long-term liabilities	(1.0)	(0.9)	(1.8)
NET CAPITAL INVESTED	491.2	473.3	469.6
Net financial indebtedness	307.6	305.8	286.9
Shareholders' equity	183.6	167.5	182.7
TOTAL	491.2	473.3	469.6

RECLASSIFIED INCOME STATEMENT FOR THE FIRST HALF 2016

(in millions of Euro)

	1st half 2016	1st half 2015	Year 2015
Financial income/expenses and dividends	15.2	11.0	2.6
Adjustments to financial assets	-	-	-
Other operating revenues	10.8	11.6	23.5
Operating costs	(13.6)	(14.2)	(26.5)
Other non-operating income (expenses)	(0.5)	(1.1)	(10.3)
RESULT BEFORE TAXES	11.9	7.3	(10.7)
Income taxes	(1.9)	(1.8)	(3.9)
NET RESULT	13.8	9.1	(6.8)

CASH FLOW STATEMENT

(in millions of Euro)

	1st half 2016	1st half 2015	Year 2015
SELF-FINANCING	15.5	8.8	(1.6)
Change in net working capital	0.5	0.9	(1.9)
Other medium/long-term assets/liabilities	1.5	1.6	12.2
CASH FLOW GENERATED BY OPERATIONS	17.5	11.3	8.7
TOTAL SOURCES	17.5	11.3	8.7
Increase of intangible assets	0.5	1.7	1.9
Purchase of tangible assets	-	-	0.3
Purchase of equity investments	20.1	0.2	6.6
TOTAL APPLICATION OF FUNDS	20.6	1.9	8.8
FREE CASH FLOW	(3.1)	9.4	(0.1)
Holding Company increases in capital	0.1	0.1	0.1
Change in fair value derivative instruments	1.2	11.3	1.9
CHANGES IN SHAREHOLDER'S EQUITY	1.3	11.4	2.0
Change in net financial position	(1.8)	20.8	1.9
Opening net financial position	(305.8)	(307.7)	(307.7)
CLOSING NET FINANCIAL POSITION	(307.6)	(286.9)	(305.8)

Fine Comunicato n.0246-29

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