

# Bit Market Services

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Oggetto : The Board of Directors of Gefran S.p.A.  
approves the semi-annual financial report  
at 30 June 2016

*Testo del comunicato*

Vedi allegato.

## The Board of Directors of Gefran S.p.A. approves the semi-annual financial report at 30 June 2016.

- Revenues came to EUR 59.7 million, EUR 59.9 million in the first half of 2015.
- Backlog improved by 23% compared to the figure at 30 June 2015.
- EBITDA amounted to EUR 4.6 million, representing 7.8% of revenues.
- EBIT presented a positive balance of EUR 1.5 million, 2.5% of sales revenues.
- Net profit was EUR 0.5 million.
- The net financial position improved by EUR 6.4 million.

### Group income statement highlights

(EUR /000)	30 June 2016		30 June 2015		2Q 2016		2Q 2015	
Revenues	59,662	100.0%	59,865	100.0%	30,138	100.0%	29,556	100.0%
EBITDA	4,626	7.8%	2,737	4.6%	2,912	9.7%	883	3.0%
EBIT	1,512	2.5%	(460)	-0.8%	1,355	4.5%	(713)	-2.4%
Profit (loss) before tax	846	1.4%	(305)	-0.5%	1,528	5.1%	(1,739)	-5.9%
Result from operating activities	55	0.1%	(1,234)	-2.1%	1,253	4.2%	(2,439)	-8.3%
Profit (loss) from assets held for sale	486	0.8%	(187)	-0.3%	0	0.0%	(46)	-0.2%
Group net profit (loss)	541	0.9%	(1,421)	-2.4%	1,253	4.2%	(2,485)	-8.4%

### Group statement of financial position highlights

(EUR /000)	30 June 2016	31 December 2015
Net invested capital from operations	79,837	86,508
Net working capital	36,185	40,166
Shareholders' equity	62,567	62,984
Net debt	(18,484)	(24,878)

(EUR /000)	30 June 2016	30 June 2015
Operating cash flow	8,638	(1,469)
Investments	1,563	2,736

**Provaglio d'Iseo (BS)**, 4 August 2016 – 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 semi-annual financial report at 30 June 2016.

The **revenues** totalled EUR 59,662 thousand in the first half of 2016, compared with revenues of EUR 59,865 thousand in the same period of 2015 (-0.3%).

The breakdown by **geographical region** shows growth in North America (+7.2% versus the same period of 2015), the European Union (+1.2%), non-EU Europe (+1.9%) and the rest of the world (+15.9%), with Italy stable (-0.4%), while the other reference markets fell.

Sales on the South American market dropped EUR 462 thousand compared with the first half of 2015 and were negatively affected by the performance of the Brazilian Real compared with the Euro, which had a negative impact on revenues in the period for EUR 386 thousand, net of which sales in the area would have disclosed a less significant decrease (-3.3%).

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Revenues in the Asiatic area totalled EUR 12,567 thousand at 30 June 2016, compared with revenues of EUR 13,034 thousand in the same period of 2015. Sales in the area were negatively affected by the dynamics of the exchange rates, which overall influenced the revenues for the period by EUR 425 thousand.

The breakdown of **revenues by business line** disclosed slight growth in the sensors business (+0.8%), stable revenues for the Components for automation and a drop of 2.9% for Drives.

The backlog came to EUR 21,740 thousand, an improvement of 23% compared to the figure at 30 June 2015.

**Added value** was EUR 40,297 thousand in the first half, 67.5% of revenues, down compared with the first half of 2015, both in absolute terms (EUR 746 thousand) and in percentage terms (-1.0%).

**Personnel costs** were EUR 24,480 thousand in the first half of 2016, compared with EUR 25,238 thousand in the same period of 2015. The decrease of EUR 758 thousand reflects the positive effect of the significant reorganisation of the Group subsidiaries and the same Gefran S.p.A. The benefits on this semi-annual financial report exceed the effect of the non-recurring restructuring costs borne by the Parent Company Gefran S.p.A. for winding-up the Spanish branch (EUR 192 thousand), the opening of a procedure for redundancies of 55 employees in the Italian factories (EUR 1,700 thousand) and the German and Chinese branches (EUR 147 thousand) for targeted restructuring transactions.

Not including these non-recurring components, amounting to a total negative amount of EUR 2,039 thousand, personnel costs amounted to EUR 22,441 thousand, down EUR 2,797 thousand compared to the first half of 2015, representing 37.9% of revenues, 4.2 percentage points lower than the figure for the first half of 2015.

**EBITDA** came in at EUR 4,626 thousand in the first half (EUR 2,737 thousand in the same period of 2015), and represented 7.8% of revenues, up with respect to the same period in 2015 by EUR 1,889 thousand in absolute value and 3.2 points in terms of a percentage of revenues.

Excluding the non-recurring components, EBITDA for the first half of 2016 was EUR 6,144 thousand (10.4% of revenues), up compared to the same period in 2015 in both absolute terms (EUR 3,407 thousand) and as a percentage of revenues (5.8%).

**EBIT** presented a positive balance of EUR 1,512 thousand in the first half of 2016, compared with a negative EUR 460 thousand in the same period of 2015.

Excluding the above-mentioned non-recurring negative components for EUR 1,518 thousand, EBIT amounted to EUR 3,030 thousand, an improvement of EUR 3,490 thousand over the first half of 2015. The EBIT performance mirrored the dynamics of the EBITDA performance.

The **net financial charges** totalled EUR 622 thousand in the first half of 2016, compared with net financial income of EUR 80 thousand in the same period of 2015. They include financial charges relating to Group debt for EUR 461 thousand (EUR 723 thousand at 30 June 2015), financial income for EUR 60 thousand (EUR 89 thousand at 30 June 2015) and the negative balance of the differences deriving from currency transactions for EUR 221 thousand (the latter presented a positive balance of EUR 832 thousand in the first half of 2015).

**Taxes** were negative in the amount of EUR 791 thousand at 30 June 2016, compared with EUR 929 thousand in the first half of 2015.

**Group net profit** was EUR 541 thousand, compared with a loss of EUR 1,421 thousand in the first half of 2015.



Excluding the impact of the non-recurring components, the result for the first half of 2016 was a profit of EUR 2,059 thousand, disclosing an improvement on the same period in 2015 of EUR 3,480 thousand.

Net **non-current assets** at 30 June 2016 were EUR 60,833 thousand, compared with EUR 62,717 thousand at 31 December 2015.

**Operating capital** was EUR 28,324 thousand at 30 June 2016, compared with EUR 31,920 thousand at 31 December 2015, disclosing an overall decrease of EUR 3,596 thousand.

**Provisions for risks and future liabilities** were EUR 3,036 thousand, presenting an increase of EUR 1,180 thousand compared with 31 December 2015, due to the amounts set aside to the provision for the restructuring of the Parent Company Gefran S.p.A., whose residual balance at 30 June 2016 came to EUR 1,443 thousand.

**Shareholders' equity** at 30 June 2016 came to EUR 62,567 thousand, compared with EUR 62,984 thousand at 31 December 2015. The decrease was generated by the negative change in the reserves for EUR 958 thousand, partly absorbed by the positive result for the first half of EUR 541 thousand.

**Net debt** at 30 June 2016 was negative in the amount of EUR 18,484 thousand, disclosing an improvement of EUR 6,394 thousand on 31 December 2015; it comprises short-term financial funds for EUR 2,233 thousand and medium/long-term debt of EUR 20,717 thousand.

The improvement in the net debt figure is mainly due to positive cash flows from ordinary operations (EUR 8,638 thousand) partly mitigated by the technical investments (EUR 1,554 thousand) and the negative impact of the change in the shareholders' equity reserves (EUR 735 thousand).

Maria Chiara Franceschetti, Gefran Spa's Chief Executive Officer, declared: "The profit and the improvement, for the fourth consecutive quarter, of the main financial statement indicators shows that we are on the right track. We have carried out measures to increase the organisational flexibility (in Italy and in the subsidiaries) and the focus on business; we are now in the position to efficiently deal with the economic slowdown in certain geographic areas".

"In the meantime, we are working to consolidate our international presence, with particular attention on India and China", explained the Chief Executive Officer. "The short-term objective is to make the production structures for the Motion Business more efficient. A new production unit for inverters dedicated to the local and Middle Eastern markets has been operative in Pune (120 km south-east of Mumbai) since June. It is a localisation which allows us to be more competitive through a product and a supply chain optimised for the local customers".

"In the absence of extraordinary events", concluded Maria Chiara Franceschetti, "we count on achieving the targets established at the start of the year, with an EBITDA margin of around 8% and EBIT roughly 3.5%".

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*Fausta Coffano, the Director responsible for corporate financial reporting, 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.*

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# GEFRAN

The Semi-annual financial report at 30 June 2016 is available at the Company's headquarters and at Borsa Italiana S.p.A. and may also be viewed in the "investor relations/reports and financial statements" section of the Company's website ([www.gefran.com](http://www.gefran.com)) and on the website ([www.emarketstorage.com](http://www.emarketstorage.com)) managed by Blt Market Services S.p.A..

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**Gefran** is an Italian multi-national, leader in the design and manufacturing of systems and components for automation and the control of industrial processes. Its headquarters are in Provaglio d'Iseo (BS) and it has production units in Italy (3), Germany (1), Switzerland (1), Brazil (1), the USA (1), India (1) and China (1) and commercial branches in France, Germany, the UK, Belgium, Turkey, the USA, Brazil, China and Singapore. The sales activities involve more than 80 distributors. The Group has approximately 750 employees. The products are employed in various sectors: machinery for the processing of plastic materials, the food and pharmaceutical industry, packing and pressure die-casting, industrial kilns, mobile hydraulics, civil (elevators) and industrial lifting.

**Gefran** has been listed on the stock market since 1998. As from 2001 it joined the STAR (high-requisite stock) segment.

## CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2016

(EUR /000)	30 June 2016			30 June 2015			Chg. '16-'15	
	Excl. non-rec.	Non-rec. comp.	Final	Excl. non-rec.	Non-rec. comp.	Final	Excl. non-rec. Value	-%
a Revenues	59,141	(521)	59,662	59,865		59,865	(724)	-1.2%
b Increases for internal work	700		700	983		983	(283)	-28.8%
c Consumption of materials and products	20,065		20,065	EUR 19,805		EUR 19,805	260	1.3%
d Added Value (a+b+c)	39,776	(521)	40,297	41,043	0	41,043	(1,267)	-3.1%
e Other operating costs	11,191		11,191	13,068		13,068	(1,877)	-14.4%
f Personnel costs	22,441	(2,039)	24,480	25,238		25,238	2,797	-11.1%
g EBITDA (d-e-f)	6,144	1,518	4,626	2,737	0	2,737	3,407	124.5%
h Depreciation, amortisation and impairment	3,114		3,114	3,197		3,197	(83)	-2.6%
i EBIT (g-h)	3,030	1,518	1,512	(460)	0	(460)	3,490	-758.7%
l Gains (losses) from financial assets/liabilities	(622)		(622)	80		80	(702)	-877.5%
m Gains (losses) from shareholdings value at equity	(44)		(44)	75		75	(119)	-158.7%
n Profit (loss) before tax (i+l+m)	2,364	1,518	846	(305)	0	(305)	2,669	-875.1%
o Taxes	(791)		(791)	(929)		(929)	138	-14.9%
p Result from operating activities (n±o)	1,573	1,518	55	(1,234)	0	(1,234)	2,807	-227.5%
q Profit (loss) from assets held for sale	486		486	(187)		(187)	673	-359.9%
r Group net profit (loss) (p±q)	2,059	1,518	541	(1,421)	0	(1,421)	3,480	-244.9%

## RESULTS BY BUSINESS AT 30 JUNE 2016

(EUR /000)	30 June 2016					30 June 2015				
	Revenue	EBITDA	% of revenue	EBIT	% of revenue	Revenue	EBITDA	% of revenue	EBIT	% of revenue
Sensors	25,237	6,678	26.5%	5,576	22.1%	25,046	6,125	24.5%	5,077	20.3%
Automation components	16,484	680	4.1%	(253)	-1.5%	16,494	215	1.3%	(828)	-5.0%
Drives	19,536	(2,732)	-14.0%		-19.5%	20,126	(3,603)	-17.9%		-23.4%
Eliminations	(1,595)					(1,801)				
<b>Total</b>	<b>59,662</b>	<b>4,626</b>	<b>7.8%</b>	<b>1,512</b>	<b>2.5%</b>	<b>59,865</b>	<b>2,737</b>	<b>4.6%</b>	<b>(460)</b>	<b>-0.8%</b>

## RESULTS BY GEOGRAPHIC AREA AT 30 JUNE 2016

(EUR /000)	2016	-%	2015	-%	Chg. '16-'15 value	-%
Italy	17,649	29.6%	17,715	29.6%	(66)	-0.4%
European Union	16,567	27.8%	16,378	27.4%	189	1.2%
Europe non-EU	3,274	5.5%	3,212	5.4%	62	1.9%
North America	7,416	12.4%	6,918	11.6%	498	7.2%
South America	1,875	3.1%	2,337	3.9%	(462)	-19.8%
Asia	12,567	21.1%	13,034	21.8%	(467)	-3.6%
Rest of the World	314	0.5%	271	0.5%	43	15.9%
<b>Total</b>	<b>59,662</b>	<b>100%</b>	<b>59,865</b>	<b>100%</b>	<b>(203)</b>	<b>-0.3%</b>

## CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER OF 2016

(EUR /000)	2Q 2016			2Q 2015			Chg. '16-'15	
	Excl. non-rec.	Non-rec. comp.	Final	Excl. non-rec.	Non-rec. comp.	Final	Excl. non-rec. Value	-%
a Revenues	30,138		30,138	29,556		29,556	582	2.0%
b Increases for internal work	292		292	480		480	(188)	-39.2%
c Consumption of materials and products	10,526		10,526	9,995		9,995	531	5.3%
d Added Value (a+b+c)	19,904	0	19,904	20,041	0	20,041	(137)	-0.7%
e Other operating costs	5,628		5,628	6,673		6,673	(1,045)	-15.7%
f Personnel costs	11,217	(147)	11,364	12,485		12,485	(1,268)	-10.2%
g EBITDA (d-e-f)	3,059	147	2,912	883	0	883	2,176	246.4%
h Depreciation, amortisation and impairment	1,557		1,557	1,596		1,596	(39)	-2.4%
i EBIT (g-h)	1,502	147	1,355	(713)	0	(713)	2,215	-310.7%
l Gains (losses) from financial assets/liabilities	139		139	(1,095)		(1,095)	1,234	-112.7%
m Gains (losses) from shareholdings value at equity	34		34	69		69	(35)	-50.7%
n Profit (loss) before tax (i±l±m)	1,675	147	1,528	(1,739)	0	(1,739)	3,414	-196.3%
o Taxes	(275)		(275)	(700)		(700)	425	-60.7%
p Result from operating activities (n±o)	1,400	147	1,253	(2,439)	0	(2,439)	3,839	-157.4%
q Profit (loss) from assets held for sale	0		0	(46)		(46)	46	-100.0%
r Group net profit (loss) (p±q)	1,400	147	1,253	(2,485)	0	(2,485)	3,885	-156.3%

## RESULTS BY BUSINESS IN THE SECOND QUARTER OF 2016

(EUR /000)	2Q 2016					2Q 2015				
	Revenue s	EBITDA	% of revenue s	EBIT	% of revenue s	Revenue s	EBITDA	% of revenue s	EBIT	% of revenue s
Sensors	12,669	3,359	26.5%	2,801	22.1%	12,446	3,093	24.9%	2,573	20.7%
Automation components	8,495	803	9.5%	340	4.0%	8,239	117	1.4%	(387)	-4.7%
Drives	9,842	(1,250)	-12.7%	(1,786)	-18.1%	9,744	(2,327)	-23.9%	(2,899)	-29.8%
Eliminations	(868)					(873)				
Total	30,138	2,912	9.7%	1,355	4.5%	29,556	883	3.0%	(713)	-2.4%

## RESULTS BY GEOGRAPHIC AREA IN THE SECOND QUARTER OF 2016

(EUR /000)	2Q 2016	-%	2Q 2015	-%	Chg. '16-'15 value	-%
Italy	8,793	29.2%	9,088	30.7%	(295)	-3.2%
European Union	8,301	27.5%	8,215	27.8%	86	1.0%
Europe non-EU	1,805	6.0%	1,632	5.5%	173	10.6%
North America	3,541	11.7%	3,675	12.4%	(134)	-3.6%
South America	1,011	3.4%	1,125	3.8%	(114)	-10.1%

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Asia	6,484	21.5%	5,650	19.1%	834	14.8%
Rest of the World	203	0.7%	171	0.6%	32	18.7%
<b>Total</b>	<b>30,138</b>	<b>100%</b>	<b>29,556</b>	<b>100%</b>	<b>582</b>	<b>2%</b>

## RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016

GEFRAN GROUP	30 June 2016		31 Dec 2015	
(EUR /000)	-	%	-	%
Intangible assets	14,784	18.2	15,126	17.2
Tangible assets	37,856	46.7	39,389	44.8
Financial assets	8,193	10.1	8,202	9.3
<b>Net fixed assets</b>	<b>60,833</b>	<b>75.1</b>	<b>62,717</b>	<b>71.4</b>
Inventories	22,766	28.1	22,674	25.8
Trade receivables	31,926	39.4	34,023	38.7
Trade payables	(18,507)	(22.8)	(16,531)	(18.8)
Other assets/liabilities	(7,861)	(9.7)	(8,246)	(9.4)
<b>Working capital</b>	<b>28,324</b>	<b>34.9</b>	<b>31,920</b>	<b>36.3</b>
Provisions for risks and future liabilities	(3,036)	(3.7)	(1,856)	(2.1)
Deferred tax provisions	(824)	(1.0)	(868)	(1.0)
Employee benefits	(5,460)	(6.7)	(5,405)	(6.2)
<b>Invested capital from operations</b>	<b>79,837</b>	<b>98.5</b>	<b>86,508</b>	<b>98.5</b>
Invested capital from assets held for sale	1,214	1.5	1,354	1.5
<b>Net invested capital</b>	<b>81,051</b>	<b>100.0</b>	<b>87,862</b>	<b>100.0</b>
Shareholders' equity	62,567	77.2	62,984	71.7
Medium to long-term financial payables	20,717	25.6	10,879	12.4
Short-term financial payables	17,801	22.0	38,352	43.7
Financial liabilities for derivatives	320	0.4	274	0.3
Financial assets for derivatives	(6)	(0.0)	(25)	(0.0)
Cash and cash equivalents and short-term financial receivables	(20,348)	(25.1)	(24,602)	(28.0)
<b>Net debt relating to operations</b>	<b>18,484</b>	<b>22.8</b>	<b>24,878</b>	<b>28.3</b>
<b>Total sources of financing</b>	<b>81,051</b>	<b>100.0</b>	<b>87,862</b>	<b>100.0</b>



## CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2016

<i>(EUR /000)</i>	<b>30 June 2016</b>	<b>30 June 2015</b>
A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	24,602	20,732
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD:	8,638	(1,469)
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES	(1,554)	(2,629)
D) FREE CASH FLOW (B+C)	7,084	(4,098)
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES	(11,792)	5,942
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)	(4,708)	1,844
G) CASH FLOW FROM OPERATING ASSETS HELD FOR SALE	626	0
H) Currency translation differences on cash at hand	(172)	556
I) NET CHANGE IN CASH AT HAND (F+G+H)	(4,254)	2,400
J) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+I)	20,348	23,132

Fine Comunicato n.0136-25

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