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Diffusione presunta

Oggetto : Revenue up 9.8% at constant exchange rates in the first half 2016 and announced the sale of FontanaArte

Testo del comunicato

Vedi allegato.



Home Automation

The Board of Directors of Nice S.p.A. approved the Half-Year Financial Report as at 30 June 2016 and announced the sale of FontanaArte to Italian Creation Group S.p.A.

Revenue up 9.8% at constant exchange rates in the first half 2016 and announced the sale of FontanaArte

- **Consolidated revenue = Euro 150.2 million (+5.3% compared to the first half of 2015 at current exchange rates)**
- **EBITDA = Euro 22.6 million, compared to Euro 20.9 million in the first half of 2015**
- **Adjusted¹ group net profit= Euro 9.7 million, compared to Euro 6.9 million in the first half of 2015**
- **Net financial position = negative Euro 4.5 million compared to negative Euro 6.2 million as at 30 June 2015**
- **Announcement of the sale of FontanaArte to Italian Creation Group S.p.A.**

Oderzo (Province of Treviso), 5 August 2016 – The Board of Directors of Nice S.p.A. – listed on the STAR segment of Borsa Italiana – which met today under the chairmanship of Lauro Buoro, has approved the Half-Year Financial Report as at 30 June 2016.

Lauro Buoro, Chairman of Nice, commented: *“Today’s results confirm the Group can successfully achieve the targets set for 2016. We made progress on several fronts: the Group grew across all areas, including European markets such as Italy and France, as well as increased EBITDA and managed its working capital effectively. This caused Adjusted¹ net profit for the first six months of 2016 to rise steadily.*

We look forward with determination and confidence to the second half of 2016. We are going to carry on with the bold investment plans already set in place and increasingly focus on the Home and Building Automation business—as showed by the deals announced in recent weeks”.

Consolidated Revenue

In the first half of 2016, the Nice Group generated Euro 150.2 million in sales, up 5.3% at current exchange rates and 9.8% at constant exchange rates from the prior-year period, as business grew across all markets.

¹ The adjustment referred to the exclusion of the impairment loss on the FontanaArte brand as well as the building that houses FontanaArte’s activity following their measurement at fair value. They were written down by Euro 4.8 million and Euro 2.0 million, respectively, resulting in an overall Euro 1.9 million tax impact.



Home Automation

Geographical Sales Breakdown

(in millions of Euro)	1st half 2016	%	1st half 2015	%	Δ %	Δ % (b)
France	23.6	15.7%	21.9	15.3%	8.1%	8.1%
Italy	20.4	13.6%	19.0	13.3%	7.1%	7.1%
Europe 15 (a)	44.0	29.3%	39.8	27.9%	10.5%	10.9%
Rest of Europe	26.0	17.3%	24.4	17.1%	6.7%	12.4%
Rest of the World	36.1	24.1%	37.5	26.3%	-3.7%	9.2%
Total Revenue	150.2	100.0%	142.6	100.0%	5.3%	9.8%

(a) Excluding France and Italy

(b) At constant exchange rates

In the first half of 2016, sales in France, accounting for 15.7% of the Group's sales, amounted to Euro 23.6 million, up 8.1% from the prior-year period. There, sales grew double-digit in the second quarter of 2016.

Sales in Italy totalled Euro 20.4 million, up 7.1% from the prior-year period, and rose double-digit over the last three months there as well.

Sales in Europe-15 in the first half of 2016 amounted to Euro 44.0 million, up 10.5% at current exchange rates and 10.9% at constant exchange rates compared to the prior-year period.

In the first six months of the year, sales in the Rest of Europe totalled Euro 26.0 million, rising 6.7% at current exchange rates and 12.4% at constant exchange rates compared to the first half of 2015.

The Rest of the World, accounting for 24.1% of Group sales, was down 3.7% at current exchange rates and up 9.2% at constant exchange rates, posting Euro 36.1 million in sales.

Profitability Indicators

Gross profit (calculated as the difference between revenues and cost of goods sold) in the first half of 2016 totalled Euro 80.6 million, up 2.7% compared to Euro 78.5 million in the prior-year period, and amounted to 53.7% as a percentage of sales, compared to 55.1% in the first half of 2015.

In the first half of 2016, EBITDA totalled Euro 22.6 million with a margin of 15.0%, compared to Euro 20.9 and a 14.7% margin in the prior-year period.

In the first half of 2016, the Group reported a Euro 1.6 million net loss from financing activities, in line with the prior-year period.

Adjusted² group net profit totalled Euro 9.7 million, compared to Euro 6.9 million in the first half of 2015.

² The adjustment referred to the exclusion of the impairment loss on the FontanaArte brand as well as the building that houses FontanaArte's operations following their measurement at fair value. They were written down by Euro 4.8 million and Euro 2.0 million, respectively, resulting in an overall Euro 1.9 million tax impact.



Home Automation

Statement of Financial Position and Statement of Cash Flows

As at 30 June 2016, net working capital amounted to Euro 77.6 million, compared to Euro 80.6 million one year before and 75.8 million Euro as at 31 December 2015.

The Group's net financial position was negative Euro 4.5 million, compared to a negative Euro 6.2 million as at 30 June 2015.

Nice S.p.A. confirmed its focus on Home and Building Automation, its core business, by announcing it would sell FontanaArte to Italian Creation Group S.p.A.

Under the agreements reached today, FontanaArte Spa, 100%-owned by Nice SpA, resolved to spin off its operating unit into a new company, entirely owned by FontanaArte S.p.A. and that will eventually be sold to Italian Creation Group S.p.A.

There will be no price adjustment mechanism, and the consideration was agreed at Euro 15,000,000 in enterprise value plus the net financial position of the new company as at the date of the sale. An independent expert provided a fairness opinion on the enterprise value offered by Italian Creation Group S.p.A.. FontanaArte S.p.A.'s assets and liabilities, to be transferred within 2016, will be appraised by an expert in accordance with Article 2465 of the Italian Civil Code.

The transaction will improve Nice S.p.A.'s financial position by Euro 15,000,000. The sale of FontanaArte S.p.A.'s operating unit will allow Nice S.p.A. to continue supporting the growth and development strategy for its core business, i.e. Home and Building Automation.

"This represents a strategic focusing of the Nice Group – said Lauro Buoro, Nice S.p.A. Chairman – The goal is to maintain and consolidate our presence in the reference sectors".

The sale qualifies as material under Article 5 of the Regulations approved by Consob with resolution no. 17221 of 12 March 2010 as amended by resolution no. 17389 of 23 June 2010, containing provisions relating to transactions with related parties, as well as Article 7.2 of the "Related-Party Transaction Procedures" approved by Nice S.p.A.'s Board of Directors on 30 November 2010 as amended on 7 June 2013. In accordance with the regulations, Nice S.p.A. will make the information document prepared pursuant to the requirements of Annex 3B of the Issuers' Regulations available to the public.



Home Automation

Nice S.p.A.

Established in the early 1990s and listed on the STAR Segment of Borsa Italiana, Nice S.p.A. is international reference Group in the Home Automation industry, with a comprehensive offering of integrated automation systems for gates, garage doors and barriers, awnings, shutters and blinds for residential, commercial and industrial buildings, wireless alarm systems and FontanaArte-branded lighting systems.

The Nice Group is pursuing a strategy of expanding geographically and strengthening its position in high-growth potential markets; broadening, completing and integrating the product lines of the various business units; implementing branding actions to compete in new market segments. Nice exports its products, which combine technological innovation and design, to over 100 countries, generating more than 80% of the Group's consolidated revenues abroad.

www.thenicegroup.com

Certification of the Financial Reporting Manager

Under Art. 154 bis, par. 2 of the Italian Consolidated Finance Act, the Financial Reporting Manager, Ms Denise Cimolai, certifies that the accounting information contained in this press release is consistent with documentary evidence as well as accounting books and records.

This press release is available also from the Company's website www.thenicegroup.com as well as the authorised storage mechanism eMarket Storage (www.emarketstorage.com).

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Attachments:

Nice Consolidated Financial Statements³

Income Statement

(in millions of Euro)	1H 2016	%	1H 2015	%	Δ %
Revenues	150,2	100,0%	142,6	100,0%	5,3%
Cost of goods sold	(69,5)	-46,3%	(64,1)	-44,9%	
Gross Profit	80,6	53,7%	78,5	55,1%	2,7%
Industrial costs	(5,0)	-3,3%	(4,7)	-3,3%	
Marketing costs	(4,3)	-2,9%	(5,2)	-3,7%	
Trade costs	(7,5)	-5,0%	(7,1)	-5,0%	
General costs	(12,8)	-8,5%	(12,8)	-8,9%	
Personnel costs	(28,5)	-19,0%	(27,8)	-19,5%	
Total Operating Costs	(58,1)	-38,7%	(57,6)	-40,4%	
EBITDA	22,6	15,0%	20,9	14,7%	7,9%
Depreciation and amortisation	(11,2)	-7,5%	(4,0)	-2,8%	
EBIT	11,3	7,6%	16,9	11,8%	
EBIT adjusted (4)	18,1	12,1%	16,9	11,8%	7,5%
Financial management and other costs	(1,6)	-1,1%	(1,6)	-1,2%	
Pre-tax profit	9,7	6,5%	15,2	10,7%	
Taxes	(4,9)	-3,3%	(8,3)	-5,8%	
Net profit/loss	4,8	3,2%	7,0	4,9%	
Net profit/loss adjusted (5)	9,7	6,5%	7,0	4,9%	40,0%
Profit/Loss attributable to non-controlling interests	0,1	0,1%	0,0	0,0%	
Group net profit/loss	4,7	3,1%	6,9	4,9%	
Group net profit/loss adjusted (5)	9,7	6,4%	6,9	4,9%	39,6%

³ The consolidated figures as at 30/06/2016 and 30/06/2015 were subject to a limited audit, while those as at 31/12/2015 were fully audited.

This press release includes non-IFRS Alternative Performance Measures in order to provide a better understanding of the Group's financial performance and financial position. Here below are the Alternative Performance Measures:

- Gross Profit is defined as the difference between Revenues and the Cost of goods sold (consisting of the sub-items purchase of base components, outsourced processing and changes in inventories);
- EBITDA represents net profit before depreciation & amortisation, finance income and expenses, and taxes;
- EBIT is defined as profit or loss before financing activities;
- The net financial debt or Net financial position is a measure of the company's financial structure and is defined as current and non-current financial debts less cash and cash equivalents;
- Net invested capital is defined as Current and Non-Current Assets less Current and Non-Current Liabilities, excluding the items previously included in net financial debt.;
- Free Cash Flow is defined as the sum of cash flows from/(used in) operating activities and cash flows from/(used in) investing activities.

⁴ The adjustment refers to the one-off impairment applied on FontanaArte's brand and building that houses the activity of FontanaArte, written down respectively for 4.8 million and 2.0 million.

⁵ The adjustment refers to impairment described in note (4) plus its tax effect amounting to 1.9 million.



Home Automation

Statement of Financial Position

(in millions of Euro)	30/06/2016	31/12/2015
Intangible fixed assets	86.3	86.9
Tangible fixed assets	46.3	41.8
Other non-current assets	13.5	13.1
Fixed Assets	146.2	141.8
Trade receivables	65.9	56.6
Inventories	74.3	69.5
Trade payables	(53.8)	(46.2)
Other current assets/(liabilities)	(8.8)	(4.1)
Net Working Capital	77.6	75.8
<i>% on sales</i>	26.3%	25.8%
Post-employment benefits and other provisions	(14.6)	(15.5)
Net capital invested	209.2	202.1
Shareholders' equity	206.4	204.6
Minorities	(1.6)	(2.0)
Total Shareholders' Equity	204.7	202.6
Cash & cash equivalents	(58.0)	(65.1)
Financial assets	(4.7)	(4.5)
Total debt	67.2	69.0
Net Debt	4.5	(0.5)
Net Capital Employed	209.2	202.1



Home Automation

Statement of Cash Flows

(in millions of Euro)	1H 2016	1H 2015
Net profit/loss	4.8	7.0
Amortisation, depreciation and other non-monetary changes	10.3	5.2
Change in Net Working Capital	(1.2)	(3.7)
Operating Cash Flow	13.9	8.4
Capex	(10.7)	(4.6)
Operating Free Cash Flow	3.1	3.8
Acquisitions	0.0	(9.9)
Free Cash Flow	3.1	(6.1)
Net Financial Position of acquired companies	0.0	1.0
Residual debt for acquisitions	0.0	(5.6)
Dividend paid out	(7.8)	(5.3)
Other changes	(0.4)	(1.9)
Sub-total	(8.1)	(11.7)
Changes in the net financial position	(5.0)	(17.8)
Opening net financial position	0.5	11.6
Closing net financial position	(4.5)	(6.2)

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