

Bit Market Services

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Diffusione presunta

Oggetto : The Board of Directors of Gefran S.p.A.
approves the results as at 30 September
2016

Testo del comunicato

Vedi allegato.

The Board of Directors of Gefran S.p.A. approves the results as at 30 September 2016

- Revenues of EUR 88.6 million for the first 9 months of the year, up 2.2% compared to 2015.
- EBITDA of EUR 7.6 million, amounting to 8.6% of revenues.
- EBIT of EUR 2.9 million, amounting to 3.3% of revenues.
- Net profit of EUR 1 million.
- Net debt of EUR 16.1 million, an improvement of EUR 8.7 million compared to December 2015.

Group income statement highlights

(EUR /000)	30 September 2016		30 September 2015		3Q 2016		3Q 2015	
Revenues	88,567	100.0%	86,624	100.0%	28,905	100.0%	26,759	100.0%
EBITDA	7,597	8.6%	3,260	3.8%	2,971	10.3%	523	2.0%
EBIT	2,923	3.3%	(1,468)	-1.7%	1,411	4.9%	(1,008)	-3.8%
Profit (loss) before tax	1,938	2.2%	(2,605)	-3.0%	1,091	3.8%	(2,300)	-8.6%
Result from operating activities	515	0.6%	(3,941)	-4.5%	460	1.6%	(2,707)	-10.1%
Profit (loss) from assets held for sale	486	0.5%	(187)	-0.2%	0	0.0%	0	0.0%
Group net profit (loss)	1,001	1.1%	(4,128)	-4.8%	460	1.6%	(2,707)	-10.1%

Group statement of financial position highlights

(EUR /000)	30 September 2016	31 December 2015
Invested capital from operations	77,999	86,508
Net working capital	34,986	40,166
Shareholders' equity	63,091	62,984
Net debt	(16,122)	(24,878)

(EUR /000)	30 September 2016	30 September 2015
Operating cash flow	11,920	2,513
Investments	2,048	3,484

Provaglio d'Iseo (BS), 10 November 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 results at 30 September 2016.

Revenues for the first nine months of 2016 are up by 2.2% compared to the same period of 2015, amounting to EUR 88,567 thousand. Sales continue to grow, amounting to EUR 28,905 thousand in the third quarter, up 8% compared to the same period of 2015 (EUR 2,146 thousand).

The breakdown of revenues by **geographic area** shows that compared to the same period of 2015, growth in Italy stood at +4.8%, in the European Union at 4.1%, and in North America at +3.1%. Revenues fell in Asia and South America by 1.4% and 9.8% respectively, with the South American figure reflecting negative exchange rate trends; performance by the Brazilian associate in local currency was on a par with the previous year.

Billing was up compared to the same period of 2015 in all Group businesses.

Revenues from automation components were up 5.8% compared to the same period of 2015 (+EUR 1,327 thousand). The sensors business increased revenues by EUR 856 thousand compared to September 2015 (+2.4%). Finally, the drive business was substantially stable.

Added value as at 30 September was EUR 58,965 thousand, amounting to 66.6% of revenues, a decrease compared to the first nine months of 2015 both in absolute terms (EUR 187 thousand), and as a percentage to revenues (-1.7%). This decrease in added value is due to stock depreciation for the motion business in China of EUR 783 thousand, in the lower sales margins of EUR 198 thousand and the decrease in capitalised research and development costs of EUR 480 thousand, only partially offset by the positive effect of the increase in volumes, equal to EUR 1,274 thousand.

Other operating costs amounted to EUR 16,879 thousand as at 30 September 2016 (EUR 19,914 thousand in the same period of 2015), a decrease of EUR 3,035 thousand (-15.2%); these savings were achieved through improved efficiency following the reorganisation of the Group processes and especially in Gefran S.p.A. as a percentage of revenues, these costs therefore fell from 23.0% in the first nine months of 2015 to the current figure of 19.1%.

Personnel costs amounted to EUR 34,489 thousand in the first nine months of 2016 compared to EUR 35,978 thousand in the same period of 2015; the decrease of EUR 1,489 thousand reflects the positive effect of significant reorganisation of the Group subsidiaries and of Gefran S.p.A..

Not including these non-recurring components (restructuring costs), negative as a whole and amounting to EUR 2,039 thousand, personnel costs amounted to EUR 32,450 thousand, down EUR 3,528 thousand compared to 30 September 2015, amounting to 36.9% of revenues, 4.7 percentage points lower than the figure for the same period of 2015.

EBITDA amounted to EUR 7,597 thousand as at 30 September 2016 (EUR 3,260 thousand in the same period of 2015), equal to 8.6% of revenues, up by EUR 4,337 thousand compared to the same period of 2015 in absolute terms and by 4.8 points as a percentage of revenues.

EBIT as at 30 September 2016 was a positive amount of EUR 2,923 thousand (+3.3% as a percentage of revenues) against a negative EBIT of EUR 1,468 thousand in the same period of 2015.

Net financial charges were EUR 1,000 thousand as at 30 September 2016 compared to net financial charges of EUR 1,263 thousand for the same period of 2015. They include financial charges relating to Group debt of EUR 651 thousand (EUR 1,033 thousand at 30 September 2015), financial income of EUR 72 thousand (EUR 132 thousand as at 30 September 2015), and the negative balance of the differences in currency transactions of EUR 421 thousand (this was a negative amount of EUR 244 thousand in the same period of 2015).

Taxes were negative and amounted to EUR 1,423 thousand as at 30 September 2016, compared with EUR 1,336 thousand in the same period of 2015.

The **result from operating activities** as at 30 September 2016 was positive in the amount of EUR 515 thousand, compared to a negative figure of EUR 3,941 thousand in the same period of 2015.

Excluding all the above-mentioned non-recurring components, the result from operating activities was a positive EUR 2,033 thousand, amounting to 2.3% of revenues, an improvement of EUR 5,974 thousand compared to 30 September 2015.

Group net profit was EUR 1,001 thousand, compared to a loss of EUR 4,128 thousand as at 30 September 2015.

Excluding the non-recurring components, the result for the first nine months of 2016 was a profit of EUR 2,519 thousand, an improvement compared to the same period of 2015 of EUR 6,647 thousand.

Operating capital was EUR 27,310 thousand as at 30 September 2016, compared to EUR 31,920 thousand as at 31 December 2015, an overall decrease of EUR 4,610 thousand.

The **shareholders' equity** as at 30 September 2016 was EUR 63,091 thousand, compared to EUR 62,984 thousand as at 31 December 2015.

Net debt as at 30 September 2016 was negative and equal to EUR 16,122 thousand, an improvement of EUR 8,756 thousand over the figure as at 31 December 2015.

Net debt comprises short-term cash and cash equivalents of EUR 2,386 thousand and medium-/long-term debt of EUR 18,508 thousand.

The change in the net debt figure is mainly due to positive cash flow from ordinary operations (EUR 11,920 thousand), partially mitigated by the technical investments (EUR 2,057 thousand) and the negative impact of the change in the shareholders' equity reserve (EUR 1,107 thousand).

Chief Executive Officer, Maria Chiara Franceschetti, made the following comments on the results:

"The positive development, confirmed in the third quarter, of all economic and financial indicators shows that Gefran is moving in the right direction. The effects of the implemented strategy, based on a greater business focus, and of actions taken to increase the overall efficiency of the organization, are evident.

The dynamics of sales was positive, despite the economic difficulties of some countries in which we operate, and orders are higher than those recorded in the same period last year. That's reasonable to assume that sales and margins continue to be positive in the coming months.

For 2016, we expect to achieve consolidated revenues of around 118 million euros. EBITDA Margin and Ebit may exceed the target indicated (Ebitda around 8% and Ebit around 3.5%)"

Pursuant to paragraph 2, article 154-bis of the Consolidated Law on Finance, Fausta Coffano, the Director responsible for drawing up the company's accounting statements, declared that the information contained in this press release accurately represents the figures contained in the Group's accounting records.

The Interim financial statements at 30 September 2016 are available at the registered office of the company, and at Borsa Italiana S.p.A. and can be viewed on the Internet site of the company (www.gefran.com), under the section "investor relations/bilanci e relazioni" and the internet site (www.emarketstorage.com) managed by Bit Market Services S.p.A.

Certain "alternative performance indicators" were used in this press release that are not included in the IFRS accounting standards, and in line with ESMA/2015/1415 recommendation of 5 October 2015, the meaning and content are illustrated below:

Specifically, the alternative indicators used in the Income Statement include:

- **Added value:** The direct margin resulting from revenues, including only direct material, gross of other production costs, such as personnel costs, services and other sundry costs;
- **EBITDA:** operating result before depreciation, amortisation and write-downs. The purpose of this indicator is to present the Group's operating profitability before the main non-monetary items;
- **EBIT:** operating result before financial operations and taxes. The purpose of this indicator is to present the Group's operating profitability.

Alternative indicators used in the Reclassified Statement of Financial Position are:

- **Net non-current assets:** the algebraic sum of the following items in the statement of financial position:
 - Goodwill
 - Intangible assets
 - Property, plant, machinery and tools
 - Equity investments valued at equity
 - Equity investments in other companies
 - Receivables and other non-current assets
 - Deferred tax assets
- **Operating capital:** the algebraic sum of the following items in the statement of financial position:
 - Inventories
 - Trade receivables
 - Trade payables
 - Other assets
 - Tax receivables
 - Current provisions
 - Tax payables
 - Other liabilities
- **Net invested capital:** the algebraic sum of fixed assets, operating capital and provisions;
- **Net debt:** the algebraic sum of the following items:
 - Medium- to long-term financial payables
 - Short-term financial payables
 - Financial liabilities for derivatives
 - Financial assets for derivatives
 - Cash and cash equivalents and short-term financial receivables

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Gefran is an Italian multinational, and leader in the design and manufacture 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, packaging and pressure die-casting, industrial kilns, mobile hydraulics, civil (elevators) and industrial lifting.

Gefran has been listed on the stock market since 1998. It joined the STAR (high-requisite stock) segment in 2001.

CONSOLIDATED INCOME STATEMENT AT 30 SEPTEMBER 2016

(EUR /000)	30 September 2016			30 September 2015			Chg. '16-'15	
	Excl. non-rec.	Non-rec. comp.	Final	Excl. non-rec.	Non-rec. comp.	Final	Excl. non-rec. Value	-%
a Revenues	88,046	(521)	88,567	86,624	0	86,624	1,422	1.6%
b Increases for internal work	879		879	1,359		1,359	(480)	-35.3%
c Consumption of materials and products	30,481		30,481	28,831		28,831	1,650	5.7%
d Added Value (a+b+c)	58,444	(521)	58,965	59,152	0	59,152	(708)	-1.2%
e Other operating costs	16,879		16,879	19,914		19,914	(3,035)	-15.2%
f Personnel costs	32,450	(2,039)	34,489	35,978	0	35,978	(3,528)	-9.8%
g EBITDA (d-e-f)	9,115	1,518	7,597	3,260	0	3,260	5,855	179.6%
h Depreciation, amortisation and impairment	4,674		4,674	4,728		4,728	(54)	-1.1%
i EBIT (g-h)	4,441	1,518	2,923	(1,468)	0	(1,468)	5,909	402.5%
l Gains (losses) from financial assets/liabilities	(1,000)		(1,000)	(1,263)		(1,263)	263	-20.8%
m Gains (losses) from shareholdings value at equity	15		15	126		126	(111)	-88.1%
n Profit (loss) before tax (i±l±m)	3,456	1,518	1,938	(2,605)	0	(2,605)	6,061	232.7%
o Taxes	(1,423)		(1,423)	(1,336)		(1,336)	(87)	6.5%
p Result from operating activities (n±o)	2,033	1,518	515	(3,941)	0	(3,941)	5,974	151.6%
q Profit (loss) from assets held for sale	486		486	(187)		(187)	673	359.9%
r Group net profit (loss) (p±q)	2,519	1,518	1,001	(4,128)	0	(4,128)	6,647	161.0%

RESULTS BY BUSINESS AT 30 SEPTEMBER 2016

(EUR /000)	30 September 2016					30 September 2015				
	Revenue s	EBITDA	% of revenue s	EBIT	% of revenue s	Revenue s	EBITDA	% of revenue s	EBIT	% of revenue s
Sensors	37,058	9,917	26.8%	8,244	22.2%	36,202	8,736	24.1%	7,166	19.8%
Automation components	24,134	1,416	5.9%	34	0.1%	22,807	54	0.2%	(1,475)	-6.5%
Drives	29,911	(3,736)	-12.5%	(5,355)	-17.9%	29,878	(5,530)	-18.5%	(7,159)	-24.0%
Eliminations	(2,536)					(2,263)				
Total	88,567	7,597	8.6%	2,923	3.3%	86,624	3,260	3.8%	(1,468)	-1.7%

RESULTS BY GEOGRAPHIC AREA AT 30 SEPTEMBER 2016

(EUR /000)	2016	-%	2015	-%	Chg. '16-'15 value	%
Italy	26,104	29.6%	24,903	28.7%	1,201	4.8%
European Union	24,558	27.9%	23,601	27.2%	957	4.1%
Europe non-EU	4,789	5.4%	4,797	5.5%	(8)	-0.2%
North America	10,663	12.1%	10,341	11.9%	322	3.1%
South America	2,914	3.3%	3,231	3.7%	(317)	-9.8%
Asia	19,046	21.6%	19,321	22.3%	(275)	-1.4%
Rest of the World	493	0.6%	430	0.5%	63	14.7%
Total	88,567	101%	86,624	100%	1,943	2%

Data not audited by the independent auditors.

CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER OF 2016

(EUR /000)	3Q 2016			3Q 2015			Chg, '16-'15	
	Excl, non-rec,	Non-rec, comp,	Final	Excl, non-rec,	Non-rec, comp,	Final	Excl, non-rec, Value	-%
a Revenues	28,905	0	28,905	26,759	0	26,759	2,146	8.0%
b Increases for internal work	179		179	376		376	(197)	-52.4%
c Consumption of materials and products	10,416		10,416	9,026		9,026	1,390	15.4%
d Added Value (a+b+c)	18,668	0	18,668	18,109	0	18,109	559	3.1%
e Other operating costs	5,688		5,688	6,846		6,846	(1,158)	-16.9%
f Personnel costs	10,009	0	10,009	10,740	0	10,740	(731)	-6.8%
g EBITDA (d-e-f)	2,971	0	2,971	523	0	523	2,448	468.1%
h Depreciation, amortisation and impairment	1,560		1,560	1,531		1,531	29	1.9%
i EBIT (g-h)	1,411	0	1,411	(1,008)	0	(1,008)	2,419	240.0%
l Gains (losses) from financial assets/liabilities	(378)		(378)	(1,343)		(1,343)	965	71.9%
m Gains (losses) from shareholdings value at equity	59		59	51		51	8	15.7%
n Profit (loss) before tax (i±l±m)	1,092	0	1,092	(2,300)	0	(2,300)	3,392	147.5%
o Taxes	(632)		(632)	(407)		(407)	(225)	55.3%
p Result from operating activities (n±o)	460	0	460	(2,707)	0	(2,707)	3,167	117.0%
q Profit (loss) from assets held for sale	0		0	0		0	0	
r Group net profit (loss) (p±q)	460	0	460	(2,707)	0	(2,707)	3,167	117.0%

RESULTS BY BUSINESS IN THE THIRD QUARTER OF 2016

(EUR /000)	3Q 2016					3Q 2015				
	Revenue s	EBITD A	% of revenue s	EBIT	% of revenue s	Revenue s	EBITD A	% of revenue s	EBIT	% of revenue s
Sensors	11,821	3,239	27.4%	2,668	22.6%	11,156	2,611	23.4%	2,089	18.7%
Automation components	7,650	736	9.6%	287	3.8%	6,313	(161)	-2.6%	(647)	-10.2%
Drives	10,375	(1,004)	-9.7%	(1,544)	-14.9%	9,752	(1,927)	-19.8%	(2,450)	-25.1%
Eliminations	(941)					(462)				
Total	28,905	2,971	10.3%	1,411	4.9%	26,759	523	2.0%	(1,008)	-3.8%

RESULTS BY GEOGRAPHIC AREA IN THE THIRD QUARTER OF 2016

(EUR /000)	3Q 2016		-%	3Q 2015		-%	Chg, '16-'15	
	value	%		value	%		value	%
Italy	8,455	29.3%		7,188	26.9%		1,267	17.6%
European Union	7,991	27.6%		7,223	27.0%		768	10.6%
Europe non-EU	1,515	5.2%		1,585	5.9%		(70)	-4.4%
North America	3,247	11.2%		3,423	12.8%		(176)	-5.1%
South America	1,039	3.6%		894	3.3%		145	16.2%
Asia	6,479	22.4%		6,287	23.5%		192	3.1%
Rest of the World	179	0.6%		159	0.6%		20	12.6%
Total	28,905	100%		26,759	100%		2,146	8%

Data not audited by the independent auditors.

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2016

(EUR /000)	GEFRAN GROUP		30 Sept. 2016	-%	31 Dec. 2015	-%
Intangible assets			14,387	18.2	15,126	17.2
Tangible assets			37,110	46.8	39,389	44.8
Financial assets			8,458	10.7	8,202	9.3
Net fixed assets			59,955	75.7	62,717	71.4
Inventories			23,432	29.6	22,674	25.8
Trade receivables			31,131	39.3	34,023	38.7
Trade payables			(19,577)	(24.7)	(16,531)	(18.8)
Other assets/liabilities			(7,676)	(9.7)	(8,246)	(9.4)
Working capital			27,310	34.5	31,920	36.3
Provisions for risks and future liabilities			(3,063)	(3.9)	(1,856)	(2.1)
Deferred tax provisions			(820)	(1.0)	(868)	(1.0)
Employee benefits			(5,383)	(6.8)	(5,405)	(6.2)
Invested capital from operations			77,999	98.5	86,508	98.5
Invested capital from assets held for sale			1,214	1.5	1,354	1.5
Net invested capital			79,213	100.0	87,862	100.0
Shareholders' equity			63,091	79.6	62,984	71.7
Medium to long-term financial payables			18,508	23.4	10,879	12.4
Short-term financial payables			12,930	16.3	38,352	43.7
Financial liabilities for derivatives			251	0.3	274	0.3
Financial assets for derivatives			(3)	(0.0)	(25)	(0.0)
Cash and cash equivalents and short-term financial receivables			(15,564)	(19.6)	(24,602)	(28.0)
Net debt relating to operations			16,122	20.4	24,878	28.3
Total sources of financing			79,213	100.0	87,862	100.0

Data not audited by the independent auditors.

CONSOLIDATED CASH FLOW STATEMENT AT 30 SEPTEMBER 2016

<i>(EUR /000)</i>	30 Sept. 2016	30 Sept. 2015
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:	11,920	2,513
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES	(2,057)	(3,443)
D) FREE CASH FLOW (B+C)	9,863	(930)
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES	(19,281)	2,508
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)	(9,418)	1,578
G) CASH FLOW FROM OPERATING ASSETS HELD FOR SALE	626	0
H) Currency translation differences on cash at hand	(246)	382
I) NET CHANGE IN CASH AT HAND (F+G+H)	(9,038)	1,960
J) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+I)	15,564	22,692

Data not audited by the independent auditors.

Fine Comunicato n.0136-31

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