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Informazione Regolamentata n. 0136-4-2017	Data/Ora Ricezione 09 Marzo 2017 14:12:11	MTA - Star
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Societa' : GEFRAN

Identificativo : 85972

Informazione
Regolamentata

Nome utilizzatore : GEFRANN04 - FRANCESCHETTI

Tipologia : IRED 02; IRAG 01; IRCG 03

Data/Ora Ricezione : 09 Marzo 2017 14:12:11

Data/Ora Inizio : 09 Marzo 2017 14:27:12

Diffusione presunta

Oggetto : Gefran: the Board of Directors approves
the draft financial statements for the year
ending 31 December 2016

Testo del comunicato

Vedi allegato.

Gefran: the Board of Directors approves the draft financial statements for the year ending 31 December 2016

- EUR 119.3 million in revenues, up 3.4%
- EBITDA of EUR 11.3 million
- EBIT of EUR 5.1 million
- Net debt of EUR 12.9 million, EUR 11,9 million better than 31 December 2015
- The Board of Directors will propose distribution of a dividend of 0.25 EUR per share at the Shareholders' meeting

Group income statement highlights

(EUR /000)	31 Dec. 2016		31 Dec. 2015		4Q 2016		4Q 2015	
Revenues	119,330	100.0%	115,352	100.0%	30,763	100.0%	28,728	100.0%
Gross operating margin (EBITDA)	11,324	9.5%	5,681	4.9%	3,727	12.1%	2,421	8.4%
Earnings before interest and taxes (EBIT)	5,115	4.3%	(630)	-0.5%	2,192	7.1%	838	2.9%
Profit (loss) before tax	4,297	3.6%	(1,634)	-1.4%	2,359	7.7%	971	3.4%
Result from operating activities	3,462	2.9%	(4,582)	-4.0%	2,947	9.6%	(641)	-2.2%
Profit (loss) from assets held for sale	486	0.4%	(187)	-0.2%	0	0.0%	0	0.0%
Group net profit (loss)	3,948	3.3%	(4,769)	-4.1%	2,947	9.6%	(641)	-2.2%

Group statement of financial position highlights

(EUR /000)	31 Dec. 2016	31 Dec. 2015
Invested capital from operations	78,612	86,508
Net working capital	35,754	40,166
Shareholders' equity	66,908	62,984
Net financial position	(12,918)	(24,878)
Operating cash flow	15,935	7,285
Investments	2,965	4,733

Provaglio d'Iseo (BS), 9 March 2017 - 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), and unanimously approved the results for the year ending 31 December 2016.

Revenues came in at EUR 119,330 thousand for the year ending 31 December 2016, compared with EUR 115,352 thousand in 2015, up 3.4% over the previous year.

The evolution of revenues by geographic area sees positive results in all the areas the group works in: specifically, Italy, up 3.9%, the European Union, up 6.3%, North America, up 1.8%, and South America, up 3.4%.

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Revenues from Asia reversed the negative trend of 2015, with 1.6% growth: sales were negatively impacted (by EUR 756 thousand) by the dynamics of the Chinese Renminbi exchange rate in relation to the EUR, without which the upswing would have been more significant.

Growth was apparent in all three business areas (sensors, automation and motion control), with a positive trend as of 31 December 2016 of 5.1% for sensors and 6.6% for automation components; the performance of drives was in line with the previous year (+0.2%).

Added value at 31 December 2016 amounted to EUR 78,723 thousand (EUR 77,795 thousand on 31 December 2015) and is equal to 66% of revenues (67.4% of revenues in 2015). EUR 928 thousand in growth of added value over the previous year was achieved thanks to growing volumes and improvement in profit margins on sales. Significantly increased devaluation of inventories, worth EUR 1,716 thousand, has an impact on this figure, as does the EUR 630 thousand reduction in capitalisation for research and development.

Other operating costs as of 31 December 2016 total EUR 22,052 thousand (EUR 25,801 thousand on 31 December 2015), down EUR 3,749 thousand (-14.5%) since 2015. The savings are generated by the efficiency achieved following reorganisation of Group processes, particularly those of Gefran S.p.A..

Personnel costs as of 31 December 2016 were EUR 45,347 thousand (representing 38 % of revenues), compared to EUR 46,313 thousand on 31 December 2015 (40.1% of revenues); the reduction of EUR 966 thousand in the year reflects the positive effect of the significant reorganisation of the Group's subsidiaries and of Gefran S.p.A..

Not including non-recurrent components, which were related to restructuring costs and equalled EUR 1,864 thousand, personnel costs totalled EUR 43,483 thousand (36.6% of revenues), down over the 2015 figure of EUR 2,830 thousand.

Gross Operating Margin (EBITDA) of the year 2016 is therefore positive by EUR 11,324 thousand (EUR 5,681 thousand on 31 December 2015), equal to 9.5% of revenues (4.9% in 2015), EUR 5,643 thousand higher in absolute terms and 4.6 percentage points higher than in 2015. Growth is primarily due to reduction of operating costs (EUR 3,749 thousand), reduction of personnel costs (EUR 966 thousand) and an improvement in added value linked with the dynamics described above (EUR 928 thousand).

Excluding the above-mentioned non-recurrent components, EBITDA is EUR 12,513 thousand (10.5% of revenues).

Earnings before interest and taxes (EBIT) as of 31 December 2016 totalled EUR 5.115 thousand (4.3% of revenues), as compared to a loss of EUR 630 thousand in December 2015. Excluding non-recurrent components, earnings before interest and taxes in the year 2016 amounted to EUR 6,304 thousand (5.3% of revenues).

Financial income and charges as of 31 December 2016 equalled EUR 823 thousand (EUR 1,123 thousand as of 31 December 2015) including EUR 239 thousand in financial income (EUR 162 thousand in 2015); financial charges, primarily linked with the Group's debts, totalled EUR 829 thousand (EUR 1,319 thousand in 2015), down thanks to rescaling of the Group's medium to long-term debt; exchange rate differences were negative by EUR 234 thousand, as compared to a positive result of EUR 152 thousand in 2015.

Current taxes and deferred tax assets and liabilities were negative and amounted to EUR 835 thousand at 31 December 2016, compared with negative taxes of EUR 2,948 thousand in 2015.

Earnings from operating activities amounted to EUR 3,462 thousand as of 31 December 2016, compared with a loss of EUR 4,582 thousand in the year 2015.

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Excluding all non-recurrent components, earnings from operating activities amounted to EUR 4,651 thousand, EUR 9,233 thousand higher than in 2015, representing 3.9% of revenues.

Group net profit in 2016 amounted to EUR 3,948 thousand, as compared to a net loss of EUR 4,769 thousand in the year 2015.

Excluding the impact of non-recurrent components, Group net profit totalled EUR 5,137 thousand, up EUR 9,906 thousand over the year 2015.

Net **non-current assets** at 31 December 2016 were EUR 61,460 thousand, compared with EUR 63,126 thousand at 31 December 2015.

Net Working capital was EUR 25,829 thousand at 31 December 2016, compared with EUR 31,511 thousand at 31 December 2015, an overall decrease of EUR 5,682 thousand.

Shareholders' equity as of 31 December 2016 was EUR 66,908 thousand, compared to EUR 62,984 thousand on 31 December 2015. The increase was generated by the positive result of EUR 3,948 thousand in the year, though this was partially absorbed by the change in other capital reserves.

Net debt at 31 December 2016 was EUR 12,918 thousand, EUR 11,960 thousand better than 31 December 2015.

The change in net debt was mainly due to positive cash flows from ordinary operations (EUR 15,449 thousand), partially mitigated by technical investments (EUR 2,984 thousand).

Gefran CEO Maria Chiara Franceschetti comments: *“The effects of the new strategy undertaken in the second half of 2015, based on increased business focus, became fully apparent in 2016. The principal financial indicators registered a positive trend which often exceeded the targets established at the start of the year. Growth took place throughout the company, originating in all the company's different lines of business and geographic areas. The margins of the Motion Control Business Unit continue to improve, aiming for the break-even point. Actions taken on the organisational front not only had a positive impact on the company's income statement but improved the overall efficiency of its operations. The company's financial position benefited from good management, as demonstrated by the fact that net indebtedness was halved, among other achievements.*

Our primary goal in 2017 is to consolidate the profit margins we have achieved while maintaining the Group's ability to respond to demand on the market with technologically advanced solutions. The portfolio of new and back orders promises positive results for the year in terms of revenues (+6%), EBIT (6% on sales) and EBITDA (12% on sales)”.

Performance of the parent company, Gefran S.p.A.

As for **revenues from Gefran S.p.A.** alone, the year 2016 closed with revenues of EUR 78,020 thousand, up 4.3% over 2015.

EBITDA was 9.6% of revenues, while EBIT margin was 3.1%.

Annual net profit at 31 December 2016 was EUR 8,196 thousand, compared to a net loss of EUR 1,346 thousand in 2015.

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Net non-current assets amounted to EUR 71,714 thousand, **working capital** was EUR 14,576 thousand, and **Shareholders' equity** amounted to EUR 55,059 thousand. **Net debt** amounted to EUR 26,094 thousand, EUR 10,437 thousand higher than on 31 December 2015.

Notice of Ordinary Shareholders' Meeting

The Ordinary Shareholders' Meeting will be held at the registered office of GEFRAN S.p.A., at Via Statale Sebina 74, Provaglio d'Iseo (BS), at 5 p.m. on 20 April 2017 (first call), and if necessary, at the same time and place on 21 April 2017 (second call), to discuss and vote on the following

AGENDA

1. Annual financial statements for the year ending 31 December 2016.

- 1.1 Approval of the annual financial statements for the year ending 31 December 2016; reports of the Board of Directors, Board of Statutory Auditors and External Auditors.
- 1.2 Approval of the distribution of dividends.

2. Appointment of the Board of Directors.

- 2.1 Determination of the number of members of the Board of Directors.
- 2.2 Appointment of directors.
- 2.3 Determination of the duration of their term of office.
- 2.4 Determination of the annual fee paid to members of the Board of Directors.

3. General Group Remuneration Policy. Consultation on the first section of the Remuneration Report pursuant to subsection 6, art. 123-ter, of Legislative Decree no. 58/1998.

4. Revoking of the previous authorisation to buy and sell own shares and release of new authorisation.

5. Completion of the Board of Statutory Auditors following the resignation of a Standing Auditor.

Result of the year

In view of the result of the year 2016, the Board of Directors has resolved to propose to the Shareholders' Meeting the distribution of a dividend of Eur 0.25 per share in circulation (not including own shares), through use of the necessary amount of the net profit for the year, allocating the remainder to previous years' profits.

Authorisation to buy own shares

The Board of Directors has resolved to ask the Shareholders' Meeting to authorise the purchase and disposal of ordinary shares in the Company up to a maximum of 1,440,000 shares, equivalent to 10% of the share capital. The authorisation is requested for a period of 18 months from the date of the shareholders' resolution.

Authorisation to buy and dispose of own shares is required for the following purposes:

- to trade on the market, in accordance with the regulations in force;
- to offer shareholders an additional tool to monetise investments.

Acquisitions and disposals of own shares, which must comply with market practices and the regulatory provisions in force, will involve the 227,394 own shares currently in the portfolio, representing 1.58% of the share capital.

Own shares will be purchased at a unit price that is not less than their nominal value and not higher than the average price over the last three trading days prior to the purchase date plus 15%.

The sale price will be established on each occasion by the Board, based on the share price trend prior to the transaction and in the Company's best interest. The minimum price may not be more than 10% lower than the price registered during the trading session prior to each disposal; this price limit shall not be applied in the case of a disposal other than sale.

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Resignation of a Standing Auditor

Standing Auditor Ms. Alessandra Zunino de Pignier has resigned her post for personal reasons, effective as of the date of the next shareholders' meeting, summoned for 20 April 2017. On that date the Shareholders' meeting will therefore complete the Board of Statutory Auditors by appointing a new member.

For further details, please see the Explanatory Report on items on the agenda of the Shareholders' Meeting, published on the Company's website www.gefran.com.

Fausta Coffano, the Director responsible for drawing up the company's accounting statements, hereby declares, pursuant to paragraph 2, article 154-bis of the Testo Unico della Finanza (Consolidated Financial Act), that the information contained in this press release accurately represents the figures contained in the Group's accounting records.

Please note that the draft financial statements and the consolidated financial statements for the year ending 31 December 2016, together with the associated reports, the Annual report on corporate governance and ownership structure, and the Report on Remuneration, will be available from 29 March 2017 at the Company's registered office and at Borsa Italiana S.p.A.. and may also be viewed on the Company's website www.gefran.com.

Please note that the financial statements figures are currently subject to audit by the Board of Statutory Auditors and by the Independent Audit Firm.

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Gefran is an Italian multinational leader in the design and production of systems and components for automation and control of industrial processes. The company is based in Provaglio d'Iseo (BS) and has production plants in Italy (3), Germany (1), Switzerland (1), Brazil (1), the United States (1), India (1) and China (1) and sales offices in France, Germany, the United Kingdom, Belgium, Turkey, the United States, Brazil, China and Singapore.

The company sells its products through more than 80 distributors. The Group has about 750 employees.

Its products are applied in a variety of sectors: plastics processing machinery, the food and pharmaceutical industries, packaging and die casting, industrial furnaces, mobile hydraulics, elevators and industrial lifts.

Gefran has been listed on the stock exchange since 1998. It joined the Segmento Titoli ad Alti Requisiti (STAR) index in 2001.

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:

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- **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

Attachments: Breakdown of revenues by geographic area; Summary of consolidated income statement by business segment; Consolidated income statement; Consolidated Statement of Financial Position; Consolidated Cash Flow Statement; Gefran S.p.A. income statement highlights; Gefran S.p.A. statement of financial position highlights.

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Breakdown of revenues by geographic area (Auditing still in progress):

(EUR /000)	31 December 2016		31 December 2015		Var. 2016-2015	
	Value	%	Value	%	Value	%
Italy	34,794	29.2%	33,475	29.0%	1,319	3.9%
European Union	33,065	27.7%	31,100	27.0%	1,965	6.3%
Europe non-EU	6,672	5.6%	6,412	5.6%	260	4.1%
North America	13,929	11.7%	13,679	11.9%	250	1.8%
South America	3,883	3.3%	3,755	3.3%	128	3.4%
Asia	26,377	22.1%	25,960	22.5%	417	1.6%
Rest of the World	610	0.5%	971	0.8%	(361)	-37.2%
Total	119,330	100.0%	115,352	100.0%	3,978	3.4%

Summary of consolidated income statement by business segment (Auditing still in progress):

(EUR /000)	31 December 2016					31 December 2015				
	Revenues	EBITDA	% of revenues	EBIT	% of revenues	Revenues	EBITDA	% of revenues	EBIT	% of revenues
Sensors	50,069	13,390	26.7%	11,152	22.3%	47,630	11,949	25.1%	9,837	20.7%
Automation components	32,435	2,401	7.4%	577	1.8%	30,432	388	1.3%	(1,632)	-5.4%
Drives	40,217	(4,467)	-11.1%	(6,614)	-16.4%	40,134	(6,656)	-16.6%	(8,835)	-22.0%
Eliminations	(3,391)					(2,844)				
Total	119,330	11,324	9.5%	5,115	4.3%	115,352	5,681	4.9%	(630)	-0.5%

Consolidated Income Statement (Auditing still in progress)

(EUR /000)	31 December 2016			31 December 2015			Var. 2016-2015	
	Esc. non rec.	Comp. non rec.	Final	Esc. non rec.	Comp. non rec.	Final	Value	%
a Revenues	118,655	(675)	119,330	115,352		115,352	3,303	2.9%
b Increases for internal work	1,119		1,119	1,749		1,749	(630)	36.0%
c Consumption of materials and products	41,726		41,726	39,306		39,306	2,420	6.2%
d Added Value (a+b-c)	78,048	(675)	78,723	77,795		77,795	253	0.3%
e Other operating costs	22,052		22,052	25,801		25,801	(3,749)	14.5%
f Personnel costs	43,483	(1,864)	45,347	46,313		46,313	(2,830)	6.1%
g Gross operating margin - EBITDA (d-e-f)	12,513	1,189	11,324	5,681		5,681	6,832	120.3%
h Depreciation, amortisation and impairments	6,209		6,209	6,311		6,311	(102)	1.6%
i EBIT (g-h)	6,304	1,189	5,115	(630)		(630)	6,934	1100.6%
l Gains (losses) from financial assets/liabilities	(823)		(823)	(1,123)		(1,123)	300	26.7%
m Gains (losses) from shareholdings valued at equity	5		5	119		119	(114)	95.8%
n Profit (loss) before tax (i±l±m)	5,486	1,189	4,297	(1,634)		(1,634)	7,120	435.7%
o Taxes	(835)		(835)	(2,948)		(2,948)	2,113	71.7%
p Result from operating activities (n±o)	4,651	1,189	3,462	(4,582)		(4,582)	9,233	201.5%
q Profit (loss) from assets held for sale	486		486	(187)		(187)	673	359.9%
r Group net profit (loss) (p±q)	5,137	1,189	3,948	(4,769)		(4,769)	9,906	207.7%

Consolidated Statement of Financial Position (Auditing still in progress)

GEFRAN GROUP	31 December 2016		31 December 2015	
(EUR /000)	Value	%	Value	%
Intangible assets	14,353	18.0	15,126	17.2
Tangible assets	36,931	46.3	39,389	44.8
Financial assets	10,176	12.7	8,611	9.8
Net fixed assets	61,460	77.0	63,126	71.8
Inventories	21,589	27.0	22,674	25.8
Trade receivables	30,745	38.5	34,023	38.7
Trade payables	(16,580)	(20.8)	(16,531)	(18.8)
Other assets/liabilities	(9,925)	(12.4)	(8,655)	(9.9)
Working capital	25,829	32.4	31,511	35.9
Provisions for risks and future liabilities	(2,460)	(3.1)	(1,856)	(2.1)
Deferred tax provisions	(1,005)	(1.3)	(868)	(1.0)
Employee benefits	(5,212)	(6.5)	(5,405)	(6.2)
Invested capital from operations	78,612	98.5	86,508	98.5
Invested capital from assets held for sale	1,214	1.5	1,354	1.5
Net invested capital	79,826	100.0	87,862	100.0
Shareholders' equity	66,908	83.8	62,984	71.7
Non-current financial payables	16,045	20.1	10,879	12.4
Current financial payables	17,134	21.5	38,352	43.7
Financial liabilities for derivatives	220	0.3	274	0.3
Financial assets for derivatives	(4)	(0.0)	(25)	(0.0)
Cash on hand and current financial receivables	(20,477)	(25.7)	(24,602)	(28.0)
Net debt relating to operations	12,918	16.2	24,878	28.3
Total sources of financing	79,826	100.0	87,862	100.0

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Consolidated Cash Flow Statement (Auditing still in progress)

(EUR /000)	31 Dec 2016	31 Dec 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:		
Net profit (loss) for the period	3,948	(4,769)
Depreciation/amortisation	6,209	6,311
Capital losses (gains) on the sale of non-current assets	101	(4)
Capital losses (gains) on the sale of assets held for sale	(486)	0
Net result from financial operations	818	1,004
Change in provisions for risks and future liabilities	411	(417)
Change in other assets and liabilities	1,270	(1,239)
Change in deferred taxes	(1,234)	1,171
Change in trade receivables	3,278	8,209
Change in inventories	1,085	(1,670)
Change in trade payables	49	(1,311)
TOTAL	15,449	7,285
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES		
Investments in:		
- Property, plant & equipment and intangible assets	(2,965)	(4,733)
- Equity investments and securities	5	0
- Acquisitions net of acquired cash	0	0
- Financial receivables	(33)	0
Disposal of non-current assets	9	97
TOTAL	(2,984)	(4,636)
D) FREE CASH FLOW (B+C)	12,465	2,649
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES		
New financial payables	0	18,000
Repayment of financial payables	(11,853)	(17,791)
Increase (decrease) in current financial payables	(4,199)	1,002
Interest received (paid)	(898)	(1,311)
Change in shareholders' equity reserves	(20)	865
Dividends paid	0	0
TOTAL	(16,970)	765
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)	(4,505)	3,414
G) CASH FLOW FROM OPERATIONS AVAILABLE FOR SALE	626	-
H) Currency translation differences on cash at hand	(246)	456
I) NET CHANGE IN CASH AT HAND (F+G+H)	(4,125)	3,870
J) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+I)	20,477	24,602



Gefran S.p.A. income statement highlights (Auditing still in progress)

<i>(EUR /000)</i>	31 December 2016		31 December 2015	
Revenues	78,020	100.0%	74,771	100.0%
Gross operating margin (EBITDA)	7,500	9.6%	1,332	1.8%
Earnings before interest and taxes (EBIT)	2,410	3.1%	(3,735)	-5.0%
Profit (loss) before tax	6,336	8.1%	(412)	-0.6%
Result from operating activities	7,710	9.9%	(1,170)	-1.6%
Profit (loss) from assets held for sale	486	0.6%	(175)	-0.2%
Net profit (loss)	8,196	10.5%	(1,346)	-1.8%

Gefran S.p.A. statement of financial position highlights (Auditing still in progress)

<i>(EUR /000)</i>	31 December 2016	31 December 2015
Invested capital from operations	79,946	81,881
Working capital	21,966	20,320
Shareholders' equity	55,059	46,698
Net financial position	(26,094)	(36,531)
Operating cash flow	12,964	9,846
Investments	2,599	4,123

Fine Comunicato n.0136-4

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