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Informazione Regolamentata n. 0809-33-2017	Data/Ora Ricezione 11 Maggio 2017 12:29:01	MTA - Star
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Societa' : NICE

Identificativo : 89295

Informazione
Regolamentata

Nome utilizzatore : NICEN04 - Biasini

Tipologia : IRAG 03

Data/Ora Ricezione : 11 Maggio 2017 12:29:01

Data/Ora Inizio : 11 Maggio 2017 12:29:02

Diffusione presunta

Oggetto : Group net profit increased of 52.6% in the first quarter of 2017

Testo del comunicato

Vedi allegato.



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The Board of Directors of Nice S.p.A. approves the Interim Financial Report as at 31 March 2017

Group net profit increased of 52.6% in the first quarter of 2017

- **Consolidated revenues at Euro 75.4 million (+17.8% at current exchange rates compared to the first quarter of 2016 in the Home and Building Automation business)**
- **EBITDA equals to Euro 12.1 million (16.0% of sales), up 33.7% compared to Euro 9.0 million (13.3% of sales) in the first quarter of 2016**
- **Group net profit totalled Euro 4.9 million compared to Euro 3.2 million in the first quarter of 2016**
- **The net financial position stood at Euro -5.2 million compared to Euro -9.5 million as at 31 March 2016**

Oderzo (TV), 11 May 2017: the Board of Directors of Nice S.p.A. – listed on the STAR segment of Borsa Italiana S.p.A. – approved the Interim Financial Report as at 31 March 2017.

Lauro Buoro, Chairman of Nice, said: *"It is with satisfaction that we announce the results of the Nice Group for the first quarter of 2017: double-digit sales growth both in traditional European markets and strongly developing areas, combined with a focus on operational dynamics, have delivered a significant increase in margins at all levels. These results confirm the goodness of the actions undertaken by the Group and, supported by the financial strength of Nice, allow us to push ahead with major plans, already partly in execution, for the development of new technologies, products, processes and systems".*

Consolidated Revenues

The total sales of the Nice Group in the first quarter of 2017 amounted to Euro 75.4 million, up by 11.0% at current exchange rates and by 7.2% at constant exchange rates compared to the previous year, indicating significant growth in some historic markets as well as in emerging markets.

Sales from the Home and Building Automation business amounted to Euro 75.4 million, up by 17.8% at current exchange rates and by 13.8% at constant exchange rates compared to Euro 64.0 million in the first quarter of 2016.

Geographical Sales Breakdown

The following table shows the geographical revenues breakdown:



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(in millions of Euro)	Q1 2017	%	Q1 2016	%	Δ %	Δ % (2)
France	10.9	14.4%	10.4	15.4%	4.3%	4.3%
Italy	8.0	10.6%	9.4	13.8%	-14.7%	-14.7%
Europe 15 (1)	20.1	26.7%	20.5	30.1%	-1.5%	-0.8%
Rest of Europe	11.8	15.6%	10.9	16.1%	7.7%	8.0%
Rest of the world	24.6	32.6%	16.7	24.6%	47.1%	30.7%
Total Revenues	75.4	100.0%	67.9	100.0%	11.0%	7.2%
(1)	<i>Excluding France and Italy</i>					
(2)	<i>At constant exchange rates</i>					

Breakdown of Sales by geographic area – Home and Building Automation business¹

Below is a breakdown of the performance of the Home and Building Automation business in the first quarter of 2017, compared with the same period of the previous year.

(in millions of Euro)	Q1 2017	%	Q1 2016	%	Δ %	Δ % (2)
France	10.9	14.4%	9.9	15.5%	10.0%	10.0%
Italy	8.0	10.6%	7.7	12.0%	4.3%	4.3%
Europe 15 (1)	20.1	26.7%	19.6	30.6%	2.9%	3.7%
Rest of Europe	11.8	15.6%	10.7	16.8%	9.6%	9.9%
Rest of the world	24.6	32.6%	16.1	25.2%	52.5%	35.5%
Total Revenues	75.4	100.0%	64.0	100.0%	17.8%	13.8%
(1)	<i>Excluding France and Italy</i>					
(2)	<i>At constant exchange rates</i>					

In the first quarter of 2017, sales in France, accounting for 14.4% of Group sales, amounted to Euro 10.9 million and showed an increase of 10.0% compared to the first quarter of 2016.

In the period examined, sales in Italy amounted to Euro 8.0 million, up 4.3% from the first quarter of the previous year.

Sales in the remaining Europe-15 states in the first quarter of 2017 amounted to Euro 20.1 million, up 2.9% at current exchange rates and 3.7% at constant exchange rates compared to the first quarter of the previous year.

Sales in the Rest of Europe in the first quarter of 2017 totalled Euro 11.8 million, rising 9.6% at current exchange rates and 9.9% at constant exchange rates compared to the first quarter of 2016.

Turnover in the Rest of the World in the first quarter of 2017, accounting for 32.6% of Group sales, was up 52.5% at current exchange rates and up 35.5% at constant exchange rates compared to the previous year, posting Euro 24.6 million in sales.

Profitability Indicators

In the first quarter of 2017, gross profit (calculated as the difference between revenues and cost of goods sold) totalled Euro 41.2 million, up 13.0% from Euro 36.4 million in the first quarter of 2016, and amounted to 54.6% as a percentage of sales, compared to 53.7% in the first quarter of 2016.

¹ The 2016 results have been restated pro-forma excluding sales from the FontanaArte operating branch.



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The EBITDA in the first quarter of 2017 amounted to Euro 12.1 million with a margin of 16.0%, compared to Euro 9.0 million in the first quarter of 2016 with an impact on sales of 13.3%.

In the first quarter of 2017 the net result of financial activities amounted to Euro -1.3 million, compared with Euro -0.9 million in the first quarter of 2016.

The Group net profit totalled Euro 4.9 million compared to Euro 3.2 million in the first quarter of 2016.

Statement of Financial Position and Statement of Cash Flow

As at 31 March 2017 net working capital amounted to Euro 76.6 million, compared to Euro 86.5 million at 31 March of the previous year and to Euro 62.2 million at 31 December 2016.

At 31 March 2017 the Group's net financial position totalled Euro -5.2 million compared to Euro -9.5 million at 31 March 2016.

Identification of a new key executive of the Nice Group

On 11 May 2017 Nice S.p.A. identified Davide Callegari, the *Group Operations and Supply Chain Director*, as a director with strategic responsibilities of the Nice Group.

Davide Callegari's CV is available at the www.niceforyou.com under Investor Relations – Corporate Governance – Other Documents.

It should be noted that at the date of this press release Davide Callegari does not hold shares in the company.

Nice S.p.A.

Founded in the early 1990s and listed on the STAR segment run by Borsa Italiana, Nice S.p.A. is an international benchmark Group in the field of Home and Building Automation with a broad range of integrated systems for the automation of gates, garages, parking systems, wireless alarm solar screen systems, for residential, commercial and industrial applications.

The Nice Group is pursuing a strategy of geographical expansion and strengthening of 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 85% of the Group's consolidated revenue abroad.

www.thenicegroup.com

Statement of the director responsible for preparing company accounting documents

Under Art. 154 bis, par. 2 of the Italian Consolidated Finance Act, the Assigned Manager in charge of the editing of corporate accounting documents, Ms Denise Cimolai, states that the accounting information in this press release complies with all documentary evidence, books and accounting records.



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This press release is available also on the Company website www.thenicegroup.com and on the authorised central storage mechanism called eMarket Storage (www.emarketstorage.com).

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Annexes:

Nice Consolidated Financial Statements²

Profit and Loss

(in millions of Euro)	Q1 2017	%	Q1 2016	%	Δ %
Revenues	75.4	100.0%	67.9	100.0%	11.0%
Cost of sales	(34.2)	-45.4%	(31.5)	-46.3%	
Gross profit	41.2	54.6%	36.4	53.7%	13.0%
Industrial costs	(2.1)	-2.8%	(2.3)	-3.4%	
Marketing costs	(1.8)	-2.4%	(1.5)	-2.2%	
Selling costs	(3.6)	-4.7%	(3.6)	-5.3%	
General costs	(5.6)	-7.5%	(6.0)	-8.8%	
Payroll costs	(15.9)	-21.1%	(14.1)	-20.7%	
Total operating costs	(29.1)	-38.6%	(27.4)	-40.3%	6.2%
EBITDA	12.1	16.0%	9.0	13.3%	33.7%
Depreciation and amortisation	(2.4)	-3.2%	(2.1)	-3.1%	
EBIT	9.7	12.9%	7.0	10.3%	39.5%
Financial management and other costs	(1.3)	-1.8%	(0.9)	-1.3%	
Pre-tax profit	8.4	11.1%	6.1	9.0%	37.1%
Taxes	(3.4)	-4.5%	(2.9)	-4.2%	
Net profit	5.0	6.6%	3.3	4.8%	53.0%
Results attributable to non-controlling interests	0.1	0.1%	0.0	0.1%	
Net results attributable to owners of the parent	4.9	6.5%	3.2	4.7%	52.6%

²The consolidated data at 31 March 2017 and at 30 September 2016 was not subject to audit. The data at 31 December 2016 was subject to audit. This press release contains alternative performance indicators not provided for by IFRS accounting standards, in order to allow a better understanding of the operating performance and the financial position of the Group. The alternative performance indicators are described below:

- “Gross Profit” is defined as the difference between revenues and the cost of sales (being purchases of basic components, outsourced processing and change in inventories).
- “EBITDA” is defined as earnings (net profit) before interest, taxation, depreciation and amortisation.
- “Operating capital” is defined as the sum of inventories, trade receivables, tax receivables, other current assets, trade payables, tax payables (due within 12 months) and other current liabilities that relate to ordinary operations.
- “Net capital invested” is defined as the sum of operating capital (as defined above), fixed assets, other non-current assets and non-current liabilities (excluding long-term loans).
- As financial structure indicators, net borrowing or the net financial position are defined as the sum of current and non-current financial payables, net of cash and cash equivalents.
- “Free cash flow” is defined as the sum of the cash flows generated/(absorbed) by operating activities and the cash flows generated/(absorbed) by investing activities.

Balance Sheet

(in millions of Euro)	31/03/2017	31/12/2016
Intangible assets	114.2	114.0
Property, plant and equipment	53.8	51.2
Other non-current assets	12.4	13.0
Non-current assets	180.4	178.2
Trade receivables	61.5	56.7
Inventories	66.3	62.6
Trade payables	(43.5)	(49.9)
Other current assets/(liabilities)	(7.8)	(7.2)
Net working capital	76.6	62.2
<i>as a % of sales (12 months)</i>	24.1%	19.4%
Post-employment benefits and other provisions	(27.5)	(28.1)
Net invested capital	229.5	212.3
Equity attributable to owners of the parent	225.2	219.4
Equity attributable to non-controlling interests	(0.9)	(1.2)
Total shareholders' equity	224.3	218.2
Cash and cash equivalents	(62.3)	(70.6)
Financial assets	(4.8)	(4.8)
Total debt	72.4	69.4
Net debt	5.2	(5.9)
Net invested capital	229.5	212.3



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Statement of cash flow

<u>(in millions of Euro)</u>	<u>Q1 2017</u>	<u>Q1 2016 *</u>
Net profit	5.0	3.3
Depreciation, amortisation and other non-monetary changes	3.6	1.7
Change in operating capital	(14.9)	(11.9)
Cash flow generated by operating activities	(6.3)	(6.9)
Investment	(5.1)	(4.6)
Free operating cash flow	(11.4)	(11.5)
Free cash flow	(11.4)	(11.5)
Other changes	0.2	1.4
Sub-total	0.2	1.4
Change in net financial position	(11.1)	(10.1)
Opening net financial position	5.9	0.5
Closing net financial position	(5.2)	(9.5)

* Some items on the Consolidated Statements of cash flow at 31 March 2016 have been reclassified for the purposes of comparability with data at 31 March 2017

Fine Comunicato n.0809-33

Numero di Pagine: 9