



# SPAFID CONNECT

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*Testo del comunicato*

Vedi allegato.

Press release

## The Board of Directors approves results for the first quarter 2017

**Net sales at € 119.2 million** - € 114.3 million in the first quarter 2016

**EBITDA at € 17.3 million** - € 15.7 million in the first quarter 2016

**EBIT at € 14.2 million** - € 12.7 million in the first quarter 2016

**Consolidated net income at € 9.2 million** - € 7.3 million in the first quarter 2016

**Net negative financial position at € 100.9 million (of which € 14,1 million of commitments for the purchase of the remaining shares held by minorities), compared to € 125.1 at March 31, 2016**

*Bagnolo in Piano (RE), 12 May 2017* – The Board of Directors of **Emak S.p.A.** (MTA, STAR), parent company of one of world major groups working in the sectors of outdoor power equipment, pumps and water jetting, and of the related components and accessories, has approved the results for the first quarter 2017.

### CONSOLIDATED RESULTS FOR THE FIRST QUARTER 2017

Emak Group achieved in the first quarter **consolidated revenues of € 119.2 million**, compared to € 114.3 million last year, an increase of 4.3%. The improvement is due to organic growth for 3.5% and positive currency effect for 0.8%.

**EBITDA (\*)** reached € 17.3 million, representing 14.5% of sales, compared to € 15.7 million, equal to 13.8% of sales, in the first quarter 2016. The 9.8% increase is mainly due to sales increase that generated a positive operating leverage.

**EBIT** amounted to € 14.2 million, in spite of € 12.7 million of last year.

**Net profit** for the first quarter 2017 amounts to € 9.2 million, compared to € 7.3 million in the same period of 2016, an increase of 26.3%.

**Free cash flow from operations (\*)** is € 12.3 million, in spite of € 10.3 million in the first quarter 2016.

**Investments in tangible and intangible assets** made during the first quarter 2017 amount to € 4.2 million.

**Consolidated net equity** at March 31, 2017 is € 191.1 million compared to € 181.7 million at December 31, 2016.

**Net negative financial position** stands at € 100.9 million at March 31, 2017, compared to € 125.1 million at March 31, 2016 and € 80.1 million at December 31, 2016.

## **Subsequent events**

On May 10, 2017 the subsidiary Comet S.p.A. signed a binding contract for the acquisition of 83.1% of the Lavorwash Group, headquartered in Pegognaga (MN), a Group active in the design, production and marketing of a wide range of both hobby and professional machines for the cleaning sector such as high pressure washers, vacuum cleaners, floor scrubbers.

Payment of the consideration for the acquisition of 83.1% of the capital will take place at the closing, scheduled for July 3, 2017, on the basis of a provisional price determined at € 54.8 million, which will be corrected on the basis of the results achieved on June 30, 2017.

Further details of the operation are given in the press release published on May 10, 2017.

## **Outlook**

Given the good overall results achieved in the quarter, the Group estimates organic growth of the year-end turnover of 3%-4%, with the positive contribution of all sectors. The Group will also continue to implement useful activities for more efficient business management, including the ERP transformation project. Particular attention will be given to the integration of upcoming acquisition of Lavorwash, which will be consolidated from the closing date.

## **(\*) Alternative performance indicators**

The following are the criteria used for the construction of key performance indicators that management considers necessary to the monitoring Group.

- EBITDA: calculated by adding the items "Net profit" plus "Amortization, depreciation and impairment losses" ..
- Free cash flow from operations: calculated by adding the items "Net profit" plus "Amortization, depreciation and impairment losses".

The highlights from the consolidated accounts of the Group at March 31, 2017 are attached to the present press release.

Pursuant to the law, the interim report at March 31, 2017 and this press release are available to the public at the Company's registered office, on the company website [www.emak.it](http://www.emak.it), in the "Investor Relations" section and on the storage mechanism eMarket Storage ([www.emarketstorage.it](http://www.emarketstorage.it)).

Aimone Burani, the executive responsible for the preparation of the corporate accounting documents, declares and certifies in accordance with article 154 bis, paragraph 2, of the Consolidated Finance Act, that the financial statements contained in the present press release correspond to the underlying accounting documents, records and accounting entries.

For additional information:

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*Emak Group develops, produces and distributes a wide range of products in three business areas: (i) outdoor power equipment, which includes products for gardening, forestry and agriculture such as trimmers, lawn mowers, tractors, chain saws, tillers, rotary tiller; (ii) pumps and high pressure water jetting, that include diaphragm pumps for agriculture, piston pumps for industrial applications, high pressure washers and hydrodynamic units; (iii) components and accessories for the abovementioned sectors, the most representative of which are line and heads for trimmers, accessories for chain saws (i.e. sharpeners), guns, nozzles and valves for pressure washers and agricultural applications, seats and technical spare parts for tractors. The Group distributes its products worldwide through 29 companies, more than 150 distributors and over 30,000 specialized dealers. In 2016 Emak Group realized a total turnover of € 391.9 million and counted 1,686 employees.*

## Highlights of the consolidated financial statement broken down by operating segment for the first quarter 2017

	OUTDOOR POWER EQUIPMENT		PUMPS AND HIGH PRESSURE WATER JETTING		COMPONENTS AND ACCESSORIES		Other not allocated / Netting		Consolidated	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
€/000										
Sales to third parties	52,468	53,435	30,195	28,508	36,541	32,328	-	-	119,204	114,271
Intersegment sales	457	386	546	557	2,398	2,022	-	3,401 - 2,965		
Revenues from sales	52,925	53,821	30,741	29,065	38,939	34,350	-	3,401 - 2,965	119,204	114,271
Ebitda	4,883	5,858	5,234	4,652	8,058	6,010	-	884 - 777	17,291	15,743
Ebitda/Total Revenues %	9.2%	10.9%	17.0%	16.0%	20.7%	17.5%			14.5%	13.8%
Operating profit	3,472	4,373	4,493	3,980	7,160	5,166	-	884 - 777	14,241	12,742
Operating profit/Total Revenues %	6.6%	8.1%	14.6%	13.7%	18.4%	15.0%			11.9%	11.2%
Net financial expenses									- 739 -	1,618
Profit before tax									13,177	10,761
Income taxes									3,927	3,439
Net profit									9,250	7,322
Net profit/Total Revenues %									7.8%	6.4%

### STATEMENT OF FINANCIAL POSITION

Net debt	36,852	50,355	52,646	56,428	12,191	19,133	-	793 - 835	100,896	125,081
Shareholders' Equity	182,412	180,723	41,102	32,606	50,222	43,123	-	82,614 - 82,581	191,122	173,871
Total Shareholders' Equity and Net debt	219,264	231,078	93,748	89,034	62,413	62,256	-	83,407 - 83,416	292,018	298,952
Net non-current assets (*)	133,163	129,262	47,299	46,389	19,722	19,135	-	81,361 - 81,368	118,823	113,418
Net working capital	86,101	101,816	46,449	42,645	42,691	43,121	-	2,046 - 2,048	173,195	185,534
Total net capital employed	219,264	231,078	93,748	89,034	62,413	62,256	-	83,407 - 83,416	292,018	298,952

(\*) The net non-current assets of the Outdoor Power Equipment area includes the amount of Equity investments for 81,150 thousand Euro

### OTHER STATISTICS

Number of employees at period end	799	801	392	381	518	505	7	7	1,716	1,694
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### OTHER INFORMATIONS

Amortization, depreciation and impairment losses	1,411	1,485	741	672	898	844			3,050	3,001
Investment in property, plant and equipment and in intangible assets	1,382	970	1,224	1,483	1,546	932			4,152	3,385

## Emak Group– Consolidated income statement and comprehensive income statement

Thousand of Euro

FY 2016	CONSOLIDATED INCOME STATEMENT	1 Q 2017	1 Q 2016
<b>391,879</b>	<b>Revenues from sales</b>	<b>119,204</b>	<b>114,271</b>
2,589	Other operating incomes	618	600
(12,116)	Change in inventories	1,719	7,579
(198,172)	Raw materials, consumable and goods	(64,842)	(67,670)
(73,039)	Personnel expenses	(19,819)	(19,401)
(71,672)	Other operating costs and provisions	(19,589)	(19,636)
(17,600)	Amortization, depreciation and impairment losses	(3,050)	(3,001)
<b>21,869</b>	<b>Operating profit</b>	<b>14,241</b>	<b>12,742</b>
7,105	Financial income	460	342
(6,056)	Financial expenses	(1,199)	(1,960)
3,407	Exchange gains and losses	(371)	(363)
205	Income from/(expenses on) equity investment	46	-
<b>26,530</b>	<b>Profit before taxes</b>	<b>13,177</b>	<b>10,761</b>
(8,847)	Income taxes	(3,927)	(3,439)
<b>17,683</b>	<b>Net profit (A)</b>	<b>9,250</b>	<b>7,322</b>
(88)	(Profit)/loss attributable to non controlling interests	(125)	(13)
<b>17,595</b>	<b>Net profit attributable to the Group</b>	<b>9,125</b>	<b>7,309</b>
<b>0.108</b>	<b>Basic earnings per share</b>	<b>0.056</b>	<b>0.045</b>
<b>0.108</b>	<b>Diluted earnings per share</b>	<b>0.056</b>	<b>0.045</b>
<b>FY 2016</b>	<b>CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME</b>	<b>1 Q 2017</b>	<b>1 Q 2016</b>
<b>17,683</b>	<b>Net profit (A)</b>	<b>9,250</b>	<b>7,322</b>
(190)	Profits/(losses) deriving from the conversion of foreign company accounts	271	(1,877)
(137)	Actuarial profits/(losses) deriving from defined benefit plans (*)	0	0
1	Income taxes on OCI (*)	0	0
<b>(326)</b>	<b>Total other components to be included in the comprehensive income statement (B)</b>	<b>271</b>	<b>(1,877)</b>
<b>17,357</b>	<b>Total comprehensive income for the period (A)+(B)</b>	<b>9,521</b>	<b>5,445</b>
(88)	Comprehensive net profit attributable to non controlling interests	(140)	47
17,269	Comprehensive net profit attributable to the Group	9,381	5,492

(\*) Items will not be classified in the income statement

**Emak Group – Consolidated statement of financial position**

Thousand of Euro

31.12.2016	ASSETS	31.03.2017	31.03.2016
	<b>Non-current assets</b>		
61,651	Property, plant and equipment	62,444	60,128
8,380	Intangible assets	8,509	8,142
52,241	Goodwill	53,977	53,248
230	Equity investments in other companies	230	730
3,955	Equity investments in associates	4,001	-
7,370	Deferred tax assets	6,889	8,203
10,098	Other non current financial assets	9,177	8,063
63	Other receivables	63	72
<b>143,988</b>	<b>Total non-current assets</b>	<b>145,290</b>	<b>138,586</b>
	<b>Current assets</b>		
127,362	Inventories	129,205	144,852
96,940	Trade and other receivables	134,992	131,885
4,791	Current tax assets	3,634	4,103
468	Other financial assets	510	658
77	Derivative financial instruments	15	153
32,545	Cash and cash equivalents	21,439	22,050
<b>262,183</b>	<b>Total current assets</b>	<b>289,795</b>	<b>303,701</b>
<b>406,171</b>	<b>TOTAL ASSETS</b>	<b>435,085</b>	<b>442,287</b>

31.12.2016	SHAREHOLDERS' EQUITY AND LIABILITIES	31.03.2017	31.03.2016
	<b>Shareholders' Equity</b>		
180,173	Shareholders' Equity of the Group	189,554	172,490
1,495	Non-controlling interest	1,568	1,381
<b>181,668</b>	<b>Total Shareholders' Equity</b>	<b>191,122</b>	<b>173,871</b>
	<b>Non-current liabilities</b>		
76,107	Loans and borrowings due to banks and other lenders	69,042	89,409
6,391	Deferred tax liabilities	6,195	5,639
9,137	Employee benefits	8,912	8,944
1,566	Provisions for risks and charges	1,604	1,612
668	Other non-current liabilities	579	912
<b>93,869</b>	<b>Total non-current liabilities</b>	<b>86,332</b>	<b>106,516</b>
	<b>Current liabilities</b>		
77,849	Trade and other payables	86,465	87,948
4,184	Current tax liabilities	7,380	5,704
46,770	Loans and borrowings due to banks and other lenders	62,388	65,796
394	Derivative financial instruments	607	800
1,437	Provisions for risks and charges	791	1,652
<b>130,634</b>	<b>Total current liabilities</b>	<b>157,631</b>	<b>161,900</b>
<b>406,171</b>	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>435,085</b>	<b>442,287</b>

**Emak Group – Consolidated net financial position**

Net financial position	31/03/2017	31/12/2016	31/03/2016
A. Cash	21,439	32,545	22,050
B. Other cash at bank and on hand (held-to-maturity investments)	-	-	-
C. Financial instruments held for trading	-	-	-
<b>D. Liquidity funds (A+B+C)</b>	<b>21,439</b>	<b>32,545</b>	<b>22,050</b>
<b>E. Current financial receivables</b>	<b>525</b>	<b>545</b>	<b>811</b>
F. Current payables to banks	(28,582)	(11,833)	(27,189)
G. Current portion of non current indebtedness	(31,415)	(32,862)	(37,559)
H. Other current financial debts	(2,998)	(2,469)	(1,848)
<b>I. Current financial indebtness (F+G+H)</b>	<b>(62,995)</b>	<b>(47,164)</b>	<b>(66,596)</b>
<b>J. Current financial indebtness, net (I+E+D)</b>	<b>(41,031)</b>	<b>(14,074)</b>	<b>(43,735)</b>
K. Non-current payables to banks	(55,271)	(63,249)	(73,383)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(13,771)	(12,858)	(16,026)
<b>N. Non-current financial indebtness (K+L+M)</b>	<b>(69,042)</b>	<b>(76,107)</b>	<b>(89,409)</b>
<b>O. Net indebtness (J+N)</b>	<b>(110,073)</b>	<b>(90,181)</b>	<b>(133,144)</b>
P. Non current financial receivables	9,177	10,098	8,063
<b>Q. Net financial position (O+P)</b>	<b>(100,896)</b>	<b>(80,083)</b>	<b>(125,081)</b>

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Numero di Pagine: 8