



SPAFID CONNECT

Informazione Regolamentata n. 0226-59-2018	Data/Ora Ricezione 15 Maggio 2018 12:37:17	MTA - Star
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Societa' : SABAF
Identificativo : 103882
Informazione
Regolamentata
Nome utilizzatore : SABAFN03 - Beschi
Tipologia : REGEM
Data/Ora Ricezione : 15 Maggio 2018 12:37:17
Data/Ora Inizio : 15 Maggio 2018 12:37:18
Diffusione presunta
Oggetto : First - quarter 2018 results approved

Testo del comunicato

Vedi allegato.

SABAF: FIRST-QUARTER 2018 RESULTS APPROVED

- **In the first quarter of 2018, revenue was €38.5 million, up by 3.9% (+7.1% at constant exchange rates)**
- **EBITDA was €7.7 million (+2.1%); EBIT was €4.6 million (+5.2%); net profit was €3.4 million (+9.3%)**
- **For the entire 2018 financial year, the forecast of an increase in sales ranging from 3% to 5% and an operating profitability (EBITDA%) in line with 2017 are confirmed.**

The Board of Directors of Sabaf S.p.A. met today in Ospitaletto to approve the Interim Management Statement of the first quarter of 2018.

Consolidated results for Q1 2018

The Sabaf Group recorded sales revenue of €38.5 million in the first quarter of 2018, up 3.9% from €37.1 million in the same quarter of 2017. On a like-for-like exchange rate basis, the increase in revenue would have been 7.1%.

The market that contributed most to growth is Eastern Europe, thanks above all to the further increase in market share that the Group has achieved in Turkey. Double-digit growth was also recorded in the Middle East and Africa, South America and North America, areas in which the Group is consolidating the excellent results of 2017. Italy, on the other hand, shows a slowdown compared to the first quarter of last year. The product families that recorded the most marked improvement were those of special burners, professional burners and hinges.

During the first quarter of 2018, average sales prices were substantially unchanged compared to the same period of the previous year. Despite the negative impact of exchange rates (which weighed on profitability by €0.7 million, equal to 1.8% of sales) and the increase in raw material costs (which had a negative impact on profitability of €0.6 million, equal to 1.6% of sales), the Group maintained more than satisfactory margins: EBITDA for the period was €7.7 million, or 20.1% of sales, up by 2.1% compared to the figure of €7.6 million (20.4% of sales) in the first quarter of 2017. EBIT for the quarter was €4.6 million, or 11.8% of sales, up by 5.2% compared to €4.3 million in the same period of 2017 (11.7% of sales). Net profit for the period was €3.4 million, up by 9.3% compared to €3.1 million in the first quarter of 2017.

Net investments for the quarter came to € 3 million (€2.9 million in Q1 2017 and €13.9 million for the whole of 2017), mainly dedicated to the industrialisation of new products and the automation of production processes.

At 31 March 2018, the impact of the net working capital on revenue was 34.3% (33.8% at 31 December 2017 and 32.9% at 31 March 2017).

At 31 March 2018 net financial debt was €26.4 million (€25.5 million at 31 December 2017), after having purchased 95,168 treasury shares (0.82% of the share capital) during the quarter, for a total value of €1.8 million.

Outlook

The Group estimates that revenues for the entire 2018 financial year will increase ranging from 3% to 5% compared to 2017 and an operating profitability (EBITDA%) in line with 2017.

These forecasts assume a macroeconomic scenario not affected by unpredictable events. If the economic situation were to change significantly, actual figures might diverge from forecasts.

Free allocation plan of shares

With reference to the plan for the free allocation of shares to directors and employees of the Company and its subsidiaries approved by the Shareholders' Meeting on 8 May 2018 ("the Plan"), the Board of Directors resolved:

- to approve the related Regulations;
- to identify the Beneficiaries of Cluster 1 of the Plan to whom a total of 185,600 rights are assigned;
- to delegate to the Chief Executive Officer the carrying-out of the management deeds and implementation of the Plan.

Today at 3.00 p.m. CET, there will be a conference call to illustrate the results of the first quarter of 2018 to financial analysts and institutional investors (please call the number +39 02 805 88 11 a few minutes before it begins).

The Interim Management Statement for Q1 2018, which has not been independently audited, is available in the Investor Relations section of the website www.sabaf.it.

Pursuant to Article 154-bis, paragraph 2 of the Italian Consolidated Finance Act (Testo Unico della Finanza), the company's Financial Reporting Officer Gianluca Beschi declares that the financial disclosure contained in this press release corresponds to the company's records, books and accounting entries.

Attachments include the statement of financial position, income statement, net financial position and cash flow statement.

For more information:

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Founded in the early fifties, SABAF has grown consistently over the years to become the key manufacturer in Italy – and one of the leading producers in the world – of components for kitchens and domestic gas cooking appliances.

There are four main lines of production: valves, thermostats and burners for gas cooking appliances and hinges for ovens, washing machines and dishwashers.

Technological expertise, manufacturing flexibility, and the ability to offer a vast range of components – tailor-made to meet the requirements of individual manufacturers of cookers and built-in hobs and ovens and in line with the specific characteristics of its core markets – are Sabaf's key strengths in a sector featuring major specialisation, constantly evolving demand and an ever-increasing orientation towards products assuring total reliability and safety.

The Sabaf Group has more than 800 employees. It operates through its parent company SABAF S.p.A. and the subsidiaries Sabaf do Brasil, Sabaf Turkey and Sabaf China, active in the production of domestic burners, A.R.C., which produces burners for professional cooking, and Faringosi Hinges, leader in the production of oven hinges.

Consolidated statement of financial position

(€/000)	31/03/2018	31/12/2017	31/03/2017 (*)
ASSETS			
NON-CURRENT ASSETS			
Property, plant, and equipment	72,493	73,069	73,077
Investment property	5,553	5,697	6,160
Intangible assets	9,263	9,283	9,051
Equity investments	281	281	306
Non-current financial assets	180	180	240
Non-current receivables	221	196	280
Deferred tax assets	4,848	5,096	4,861
Total non-current assets	92,839	93,802	93,975
CURRENT ASSETS			
Inventories	35,130	32,929	32,844
Trade receivables	46,092	42,263	42,470
Tax receivables	2,604	3,065	1,815
Other current receivables	1,675	1,057	1,496
Current financial assets	72	67	68
Cash and cash equivalents	12,899	11,533	11,082
Total current assets	98,472	90,914	89,775
ASSETS HELD FOR SALE	0	0	0
TOTAL ASSETS	191,311	184,716	183,750
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	11,533	11,533	11,533
Retained earnings, other reserves	98,740	87,227	98,129
Net profit for the period	3,353	14,835	3,067
<i>Total equity interest of the Parent Company</i>	<i>113,626</i>	<i>113,595</i>	<i>112,729</i>
<i>Minority interests</i>	<i>1,508</i>	<i>1,460</i>	<i>1,380</i>
Total shareholders' equity	115,124	115,055	114,109
NON-CURRENT LIABILITIES			
Loans	24,988	17,760	17,607
Other financial liabilities	1,943	1,943	1,762
Post-employment benefit and retirement reserves	2,872	2,845	2,979
Provisions for risks and charges	441	385	423
Deferred tax liabilities	797	804	846
Total non-current liabilities	31,041	23,737	23,617
CURRENT LIABILITIES			
Loans	12,354	17,288	16,050
Other financial liabilities	129	75	203
Trade payables	23,837	19,975	21,581
Tax payables	1,460	1,095	1,341
Other payables	7,356	7,491	6,849
Total current liabilities	45,136	45,924	46,024
LIABILITIES HELD FOR SALE	0	0	0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	191,311	184,716	183,750

(*) figures recalculated pursuant to IFRS 3, in order to retrospectively take into account the effects resulting from the fair value measurement of A.R.C's assets and liabilities, at the acquisition date previously considered provisional

Consolidated Income Statement

(€/000)	Q1 2018		Q1 2017 (*)		12M 2017	
INCOME STATEMENT COMPONENTS						
OPERATING REVENUE AND INCOME						
Revenue	38,503	100.0%	37,073	100.0%	150,223	100.0%
Other income	703	1.8%	710	1.9%	3,361	2.2%
Total operating revenue and income	39,206	101.8%	37,783	101.9%	153,584	102.2%
OPERATING COSTS						
Materials	(16,844)	-43.7%	(14,879)	-40.1%	(59,794)	-39.8%
Change in inventories	2,425	6.3%	1,481	4.0%	2,380	1.6%
Services	(8,144)	-21.2%	(7,937)	-21.4%	(30,227)	-20.1%
Personnel costs	(9,024)	-23.4%	(9,007)	-24.3%	(35,328)	-23.5%
Other operating costs	(333)	-0.9%	(269)	-0.7%	(1,134)	-0.8%
Costs for capitalised in-house work	435	1.1%	388	1.0%	1,474	1.0%
Total operating costs	(31,485)	-81.8%	(30,223)	-81.5%	(122,629)	-81.6%
OPERATING PROFIT BEFORE DEPRECIATION & AMORTISATION, CAPITAL GAINS/LOSSES, AND WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS (EBITDA)						
	7,721	20.1%	7,560	20.4%	30,955	20.6%
Depreciations and amortisation	(3,169)	-8.2%	(3,226)	-8.7%	(12,826)	-8.5%
Capital gains/(losses) on disposals of non-current assets	(1)	0.0%	(9)	0.0%	(12)	0.0%
OPERATING PROFIT (EBIT)						
	4,551	11.8%	4,325	11.7%	18,117	12.1%
Financial income	59	0.2%	88	0.2%	214	0.1%
Financial expenses	(216)	-0.6%	(140)	-0.4%	(804)	-0.5%
Exchange rate gains and losses	235	0.6%	137	0.4%	274	0.2%
Profits and losses from equity investments	0	0.0%	0	0.0%	3	0.0%
PROFIT BEFORE TAXES						
	4,629	12.0%	4,410	11.9%	17,804	11.9%
Income taxes	(1,228)	-3.2%	(1,342)	-3.6%	(2,888)	-1.9%
NET PROFIT FOR THE PERIOD	3,401	8.8%	3,068	8.3%	14,916	9.9%
Minority interests	48	0.1%	1	0.0%	81	0.1%
PROFIT ATTRIBUTABLE TO THE GROUP	3,353	8.7%	3,067	8.3%	14,835	9.9%

Consolidated statement of cash flows

<i>(€/000)</i>	Q1 2018	Q1 2017 (*)	12M 2017
<i>Cash and cash equivalents at beginning of period</i>	11,533	12,143	12,143
Net profit/(loss) for the period	3,401	3,068	14,916
Adjustments for:			
- Depreciation and amortisation for the period	3,169	3,226	12,826
- Realised gains/losses	1	9	12
- Financial income and expenses	157	52	590
- Income tax	1,228	1,342	2,888
Payment of post-employment benefit reserve	(31)	(116)	(189)
Change in risk provisions	107	(11)	(49)
<i>Change in trade receivables</i>	<i>(3,829)</i>	<i>(5,628)</i>	<i>(5,421)</i>
<i>Change in inventories</i>	<i>(2,201)</i>	<i>(1,360)</i>	<i>(1,445)</i>
<i>Change in trade payables</i>	<i>3,862</i>	<i>2,604</i>	<i>998</i>
Change in net working capital	(2,168)	(4,384)	(5,868)
Change in other receivables and payables, deferred tax liabilities	(683)	325	1,029
Payment of taxes	(254)	(175)	(3,058)
Payment of financial expenses	(209)	(131)	(532)
Collection of financial income	59	88	214
Cash flow from operations	4,777	3,293	22,779
Net investments	(2,975)	(2,929)	(13,944)
Repayment of loans	(7,720)	(3,350)	(16,526)
New loans	10,066	3,371	17,751
Change in financial assets	(5)	(308)	(247)
Purchase of treasury shares	(1,766)	(805)	(2,110)
Payment of dividends	0	0	(5,384)
Cash flow from financing activities	575	(1,092)	(6,516)
Foreign exchange differences	(1,011)	(333)	(2,929)
Net financial flows for the period	1,366	(1,061)	(610)
<i>Cash and cash equivalents at end of period</i>	12,899	11,082	11,533
Current financial debt	12,411	16,253	17,363
Non-current financial debt	26,931	19,369	19,703
Net financial debt	26,433	24,540	25,533

Consolidated net financial position

<i>(€/000)</i>	31/03/2018	31/12/2017	31/03/2017
A. Cash	14	14	11
B. Positive balances of unrestricted bank accounts	12,327	11,009	7,931
C. Other cash equivalents	558	510	3,140
D. Liquidity (A+B+C)	12,899	11,533	11,082
E. Current financial receivables	72	0	0
F. Current bank payables	4,732	11,157	9,657
G. Current portion of non-current debt	7,622	6,131	6,393
H. Other current financial payables	129	75	203
I. Current financial debt (F+G+H)	12,483	17,363	16,253
J. Net current financial debt (I-E-D)	(488)	5,830	5,171
K. Non-current bank payables	23,564	16,298	16,033
L. Other non-current financial payables	3,367	3,405	3,336
M. Non-current financial debt (K+L)	26,931	19,703	19,369
N. Net financial debt (J+M)	26,443	25,533	24,540

Fine Comunicato n.0226-59

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