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Diffusione presunta

Oggetto : The Board of Directors of Nice S.p.A.
approves the draft financial statements as
at 31 December 2018

Testo del comunicato

Vedi allegato.

The Board of Directors of Nice S.p.A. approves the draft financial statements as at 31 December 2018

Oderzo (TV), 13 March 2019 – The Board of Directors of Nice S.p.A. – listed on the STAR segment of Borsa Italiana – approved the draft annual financial statements and the consolidated financial statements as at 31 December 2018.

Consolidated Revenues

In 2018, revenues achieved by the Nice Group increased by 13.3% at current exchange rates and by 17.3% at constant exchange rates compared to the previous year. Sales for the year amounted to Euro 368.2 million compared to Euro 325.0 million in 2017.

Geographical Sales Breakdown

| (Euro Million) | 2018 | % | 2017 | % | Δ % | Δ % (2) |
|-----------------------|--------------|---------------|--------------|---------------|--------------|--------------|
| France | 48.7 | 13.2% | 43.1 | 13.3% | 13.0% | 13.0% |
| Italy | 31.7 | 8.6% | 32.2 | 9.9% | -1.5% | -1.5% |
| Europe 15 (1) | 100.1 | 27.2% | 87.3 | 26.9% | 14.7% | 14.9% |
| Rest of Europe | 68.4 | 18.6% | 58.1 | 17.9% | 17.8% | 23.2% |
| Rest of the world | 119.3 | 32.4% | 104.3 | 32.1% | 14.4% | 23.6% |
| Total Revenues | 368.2 | 100.0% | 325.0 | 100.0% | 13.3% | 17.3% |

(1) Excludes France and Italy

(2) At constant exchange rates

In 2018, sales in France, accounting for 13.2% of the Group's sales, amounted to Euro 48.7 million and showed an increase of 13.0% compared to 2017.

In Italy, revenues came to Euro 31.7 million, down 1.5% compared to 2017.

In 2018, in other EU States 15, sales amounted to Euro 100.1 million, up 14.7% at current exchange rates and 14.9% at constant exchange rates compared to the previous year.

As at 31 December 2018, revenues in the Rest of Europe totalled Euro 68.4 million, up 17.8% at current exchange rates and 23.2% at constant exchange rates compared to the previous year.

In 2018, turnover achieved in the Rest of the world – representing 32.4% of the Group's turnover – is up 14.4% at current exchange rates and 23.6% at constant exchange rates compared to 2017, amounting to Euro 119.3 million.

Profitability Indicators

In 2018, gross margin (the difference between revenues and cost of goods sold) was Euro 192.4 million, up 11.3% compared to Euro 172.9 million in 2017, equivalent to 52.3% of turnover, compared to 53.2% in the previous year.

As at 31 December 2018, adjusted EBITDA¹ totalled Euro 50.8 million (compared to a reported EBITDA of Euro 44.5 million), representing 13.8% of sales, versus Euro 52.4 million in 2017 (compared to a reported EBITDA of Euro 50.5 million), representing a 16.1% margin on sales.

The Group's adjusted net profit² amounted to Euro 20.0 million in 2018 (versus a reported net profit of Euro 18.8 million), compared to Euro 24.3 million in 2017 (versus a reported net profit of Euro 22.9 million).

Statement of Financial Position and Cash Flow Statement

Net working capital as at 31 December 2018 amounted to Euro 76.0 million, compared to Euro 54.9 million as at 31 December 2017.

As at 31 December 2018, the Group's net financial position was Euro -146.5 million, compared to Euro 1.4 million as at 31 December 2017. During the year, investments were made in durable goods for Euro 23.2 million.

Significant events after the reporting period

At the beginning of January 2019, the Nice Group finalized the acquisition of 100% of the capital of Micanan, North American excellence in the offer of systems for the automation of garage doors, for commercial and industrial applications, for an amount of 8 million Canadian dollars. The purchase is being financed through own funds and credit facilities already available to Nice S.p.A.

Dividends

In consideration of the effects deriving from the recent extraordinary transactions involving the Group, the Board of Directors did not deem it appropriate to propose to the Shareholders' Meeting the distribution of a dividend.

Other resolutions of the Board of Directors and the Shareholders' Meeting

The Board of Directors of Nice S.p.A. also examined and approved the merger by incorporation in Nice S.p.A. of the wholly-owned company Building App S.r.l.

The operation is a natural evolution of the process of integration of administrative, financial, commercial, management, control and IT activities of the two de facto entities already in place.

The merger will take place through the incorporation of the company Building App S.r.l. into Nice S.p.A., stating that, at the time of stipulation of the merger deed, the entire share capital of the merged company will be entirely and directly owned by the merging company.

Based on this assumption, the merger transaction is expected as of now in simplified form in application of the provisions of articles 2505 and 2505-quater of the Civil Code and, therefore, without exchange. For this reason, neither the report of the Administrative Bodies of the company participating in the merger (article 2501-quinquies of the Civil Code) nor the expert report on the adequacy of the exchange ratio (article 2501-sexies of the Civil Code) are necessary.

Pursuant to the second paragraph of article 2501-quater of the Civil Code, the reference balance sheet is replaced: a) for the incorporating company Nice S.p.A. by the draft annual financial statements as at 31.12.2018 approved by the Shareholders' Meeting on 13 March 2019; b) for the merged company Building App S.r.l. by the draft annual financial statements as at 31.12.2018 approved by the Board of Directors on 4 March 2019.

The share capital and articles of association of Nice S.p.A. will not undergo any change. Since the merging company Nice S.p.A., at the date of the merger deed, will hold the entire share capital of the merged company Building App S.r.l., it is not necessary to determine any starting date of the shareholding in the profits of the portion of the merging company. The proposed merger transaction, as a transaction with a subsidiary, with respect to which there are no significant interests of other related parties, falls within the category of the so-called excluded transactions for which, in accordance with the cases and exemption faculties envisaged by the Regulation on transactions with related parties, the provisions of said Regulation do not apply, except for any disclosure obligations. The decision regarding the merger will be submitted to the approval of the Board of Directors of Nice S.p.A. pursuant to article 2505, paragraph 2 of the Civil Code and the Articles of Association.



The documentation related to the merger will be made available to the public in compliance with the law, at the Company's registered office, also available on the Company website www.niceforyou.com and on the authorized central storage mechanism eMarket Storage (www.emarketstorage.com).

The Board of Directors of Nice S.p.A. also resolved to hold the Shareholders' Meeting for the approval, among other things, of the financial statements for the year ended 31 December 2018 following the completion of the Delisting, which was initiated, as already disclosed to the market, by the shareholder Nice Group S.p.A. through its subsidiary B-Age Nice S.p.A. (without prejudice to the maximum term of one hundred and eighty days from the end of the year pursuant to article 2364, paragraph 2, Civil Code).

Nice S.p.A.

Established in 1993, Nice is the leading Italian multinational player in the home automation, home security and smart home sector, with a comprehensive range of integrated automation solutions for gates, garage doors, sun shades, parking systems, and wireless alarm and home security systems for residential, commercial and industrial buildings. The Nice Group has launched a strategic plan for geographic growth and the expansion of its product portfolio and connected platforms, in order to offer a wide range of customizable, user-friendly options for the end customer. It is also seeking to grow and expand on markets with high growth potential, while enhancing and renewing its branding to compete on new market segments. Nice exports its products, which combine technological innovation and design, to over 100 countries, generating more than 90% of the Group's consolidated revenues abroad.

www.niceforyou.com

Statement of the Financial Reporting Manager

Under article 154 *bis*, paragraph 2 of the Italian Consolidated Finance Act, the Financial Reporting Manager, Ms Denise Cimolai, states that the accounting information contained in this press release complies with all documentary evidence, books and accounting records.

This press release is available also on the Company website www.niceforyou.com and on the authorised storage facility eMarket Storage (www.emarketstorage.com).

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Annexes:

Nice Consolidated Report³

Income Statement

| (Euro Million) | 2018 | % | 2017 | % | Δ % |
|--|----------------|---------------|----------------|---------------|---------------|
| Revenues | 368.2 | 100.0% | 325.0 | 100.0% | 13.3% |
| Cost of sales | (175.8) | -47.7% | (152.1) | -46.8% | |
| Gross profit | 192.4 | 52.3% | 172.9 | 53.2% | 11.3% |
| Industrial costs | (14.1) | -3.8% | (9.6) | -3.0% | |
| Marketing costs | (12.9) | -3.5% | (10.8) | -3.3% | |
| Trade costs | (17.2) | -4.7% | (14.4) | -4.4% | |
| General costs | (26.2) | -7.1% | (23.0) | -7.1% | |
| Personnel costs | (77.5) | -21.0% | (64.5) | -19.9% | |
| Total operating costs | (147.9) | -40.2% | (122.4) | -37.7% | |
| EBITDA | 44.5 | 12.1% | 50.5 | 15.5% | |
| EBITDA before non-recurring charges ⁽¹⁾ | 50.8 | 13.8% | 52.4 | 16.1% | -3.0% |
| Depreciation and amortization | (13.2) | -3.6% | (10.3) | -3.2% | |
| EBIT | 31.3 | 8.5% | 40.2 | 12.4% | |
| EBIT before non-recurring charges ⁽¹⁾ | 37.6 | 10.2% | 42.1 | 13.0% | -10.8% |
| Financial management and other costs | (0.4) | -0.1% | (4.5) | -1.4% | |
| EBT | 30.9 | 8.4% | 35.7 | 11.0% | |
| Taxes | (11.8) | -3.2% | (12.3) | -3.8% | |
| Net profit/loss | 19.1 | 5.2% | 23.4 | 7.2% | |
| Net profit/loss before non-recurring charges ⁽²⁾ | 20.3 | 5.5% | 24.8 | 7.6% | -18.0% |
| Net profit/loss attributable to non-controlling interests | 0.3 | 0.1% | 0.5 | 0.2% | |
| Net profit/loss attributable to the Group | 18.8 | 5.1% | 22.9 | 7.1% | |
| Net profit/loss attributable to the Group before non-recurring charges ⁽²⁾ | 20.0 | 5.4% | 24.3 | 7.5% | -17.6% |

Statement of financial position

| (Euro million) | 31/12/2018 | 31/12/2017 |
|--|---------------|---------------|
| Intangible fixed assets | 241.4 | 114.6 |
| Tangible assets | 67.5 | 56.1 |
| Other non-current assets | 9.3 | 9.8 |
| Non-current assets | 318.2 | 180.5 |
| Trade receivables | 68.8 | 54.1 |
| Inventories | 86.3 | 62.6 |
| Trade payables | (73.1) | (54.8) |
| Other current assets/(liabilities) | (6.1) | (7.1) |
| Net Working Capital | 76.0 | 54.9 |
| <i>% on sales (12 months)</i> | 18.3% | 16.9% |
| Severance and other provisions | (26.9) | (17.7) |
| Net Invested Capital | 367.3 | 217.8 |
| Equity attributable to the Group | 221.4 | 220.0 |
| Equity attributable to non-controlling interests | (0.7) | (0.8) |
| Total Shareholders' Equity | 220.8 | 219.2 |
| Cash and cash equivalents | (43.1) | (55.7) |
| Financial assets | (7.8) | (2.8) |
| Total debt | 197.5 | 57.1 |
| Net Debt | 146.5 | (1.4) |
| Net Invested Capital | 367.3 | 217.8 |

Cash Flow Statement

| (Euro million) | 2018 | 2017 |
|--|----------------|---------------|
| Net profit/loss | 19.1 | 23.4 |
| Depreciation and amortization and other non-cash changes | 11.4 | 13.8 |
| Change in net working capital | (7.2) | 3.9 |
| Operating cash flow | 23.3 | 41.1 |
| Investments | (23.2) | (20.7) |
| Free operating cash flow | 0.1 | 20.4 |
| Acquisitions | (122.7) | (12.7) |
| Free cash flow | (122.5) | 7.7 |
| Net financial position of acquirees | (11.0) | 0.0 |
| Dividends paid out | (11.1) | (11.1) |
| Other changes | (3.3) | (1.1) |
| Purchase of own shares | | |
| Cash subject to IPO | | |
| Sub-total | (25.4) | (12.2) |
| Change in net financial position | (148.0) | (4.5) |
| Opening net financial position | 1.4 | 5.9 |
| Closing net financial position | (146.5) | 1.4 |

¹ As at 31 December 2018, EBITDA is adjusted excluding the costs incurred for participation in the R+T three-year fair, which was held in February in Stuttgart, for Euro 1.2 million and the expenses incurred for acquisitions and corporate reorganizations for Euro 5.1 million.

² The net profit as at 31 December 2018 is adjusted excluding, in addition to as stated in note (1), the proceeds for the price adjustment related to the exercise of the call option and the amount released following the revision of the earn-out referred to some acquisitions, as well as the related tax effect of Euro 1.3 million.

³ Results as at 31 December 2018 and 31 December 2017 have been fully audited.

This press release includes some non-IFRS Alternative Performance Measures in order to provide a better understanding of the Group's financial performance and financial position. Here below are the alternative performance measures:

- Gross Profit is defined as the difference between revenue and the cost of goods sold (consisting of the sub-items purchase of basic components, outsourced processing, and change in inventories). EBITDA represents net profit before depreciation & amortization, impairment, finance income & expenses, and taxes.
- Net working 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 when referring to core business.
- Net capital invested is defined as the algebraic sum of net working capital (as defined above), fixed assets, other non-current assets and non-current liabilities (the latter net of medium/long-term loans).
- Net financial debt or net financial position is a measure of the Company's financial structure and is defined as current and non-current financial debts less cash and cash equivalents.
- Free cash flow is defined as the sum of cash flows from/(used in) operating activities and cash flows from/(used in) investing activities.

Fine Comunicato n.0809-20

Numero di Pagine: 8