



Investor Presentation

1st Half 2019 Results

Cembre at a Glance

- 🕒 Cembre is Europe's leading manufacturer of electrical crimp type connectors and related installation tools;
- 🕒 The Group has grown its revenues by a **CAGR of 5.7%** in the last 18 years (2001-2018), from €56 mn in 2001 to €144.1 mn in 2018;
- 🕒 It is a dividend-payer with a 18 years **average dividend payout ratio of 49.0%**, and an **average dividend yield of 3.6%** (2001-2018);
- 🕒 In 2018, the Group invested **€18.5 mn**; the total amount of investments made by the company in the last five years (2014-2018) is **€55.3 mn**; at December 31, 2017 investments amounted to **€12.8 mn**;
- 🕒 The product mix (a total of more than 15k end products sold during 2018) is offered to around 8k single clients around the world, with 10-biggest clients' purchases corresponding to **c.19% of the consolidated turnover**.

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Management team

Giovanni Rosani

Chief Executive Officer (CEO)

Aldo Bottini Bongrani

Member of the Board

M&A and Special Projects Manager

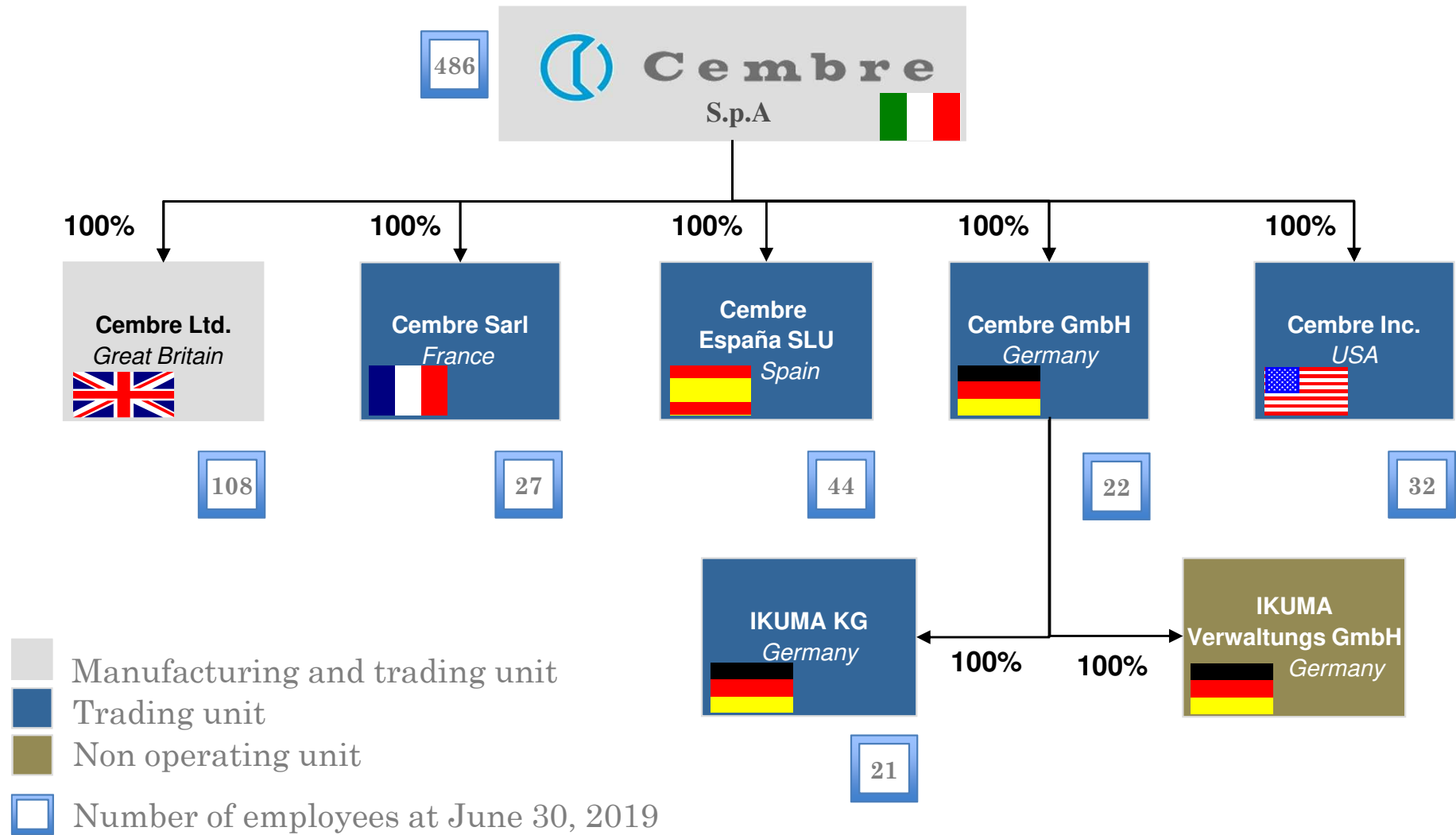
Claudio Bornati

Chief Financial Officer (CFO)

OUR MISSION

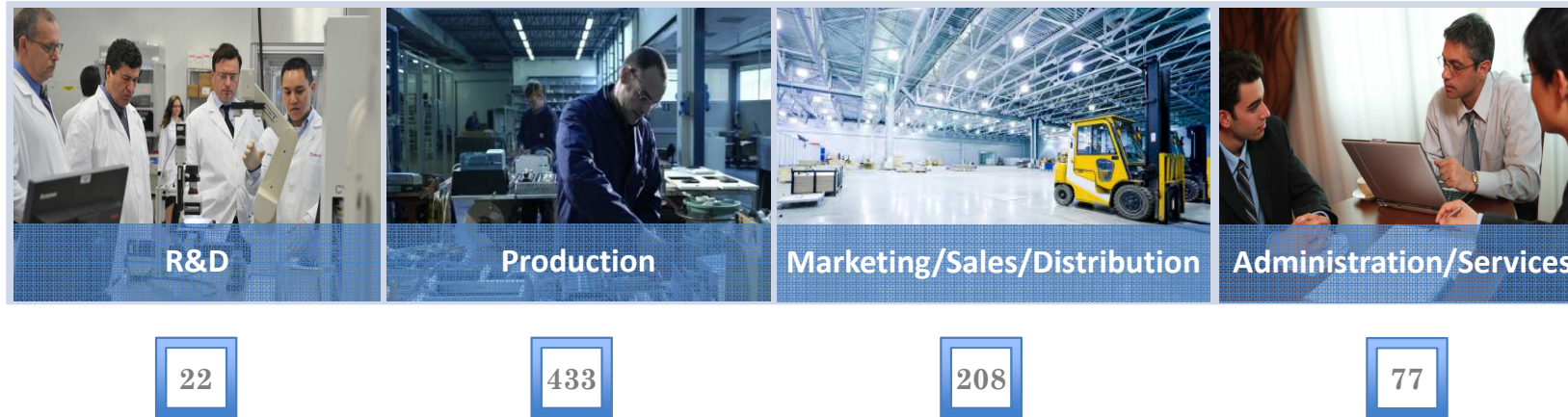
Cembre cooperates with the users of its products to find *the best technical and economical solutions* related to electrical connection applications.

Group Structure



Human resources

The Group employs 740 employees worldwide.



Cembre has extensive know-how in its operating field, and its strong R&D team allows it to respond quickly to market demands.

Sharp focus on customer needs and the efficient international sales network (108 salesmen) are significant competitive advantages for Cembre.

Business Overview

Cembre is Europe's leading manufacturer of electrical crimp type connectors and related installation tools.

Electrical Connectors



Tools



Railway Products



Identification Systems



Cable Glands, Accessories and



Made in Brescia...

Cembre, established in 1969, manufactures its products in its state-of-art production facility located in Brescia. The facility covers an area of 60,000 m² on a total land area of 121,000 m².

In December 2011 Cembre purchased a 13,500 m² industrial area next to its plant, by investing €9.7 mn.



... and U.K.

In addition, Cembre has a production facility in the UK which operates on a 8,800 m² land. This plant in Birmingham manufactures mainly for the local market. The sales generated in the UK are 14% of the 1st Half 2019 consolidated turnover.



Cembre Ltd.
Factory in Curdworth Birmingham (UK)

Very Strong in Europe...

Cembre is present all over the Italian territory through a network of salesmen and representatives who are able to offer fast and constant technical assistance.

Abroad, it operates through 5 subsidiaries in Europe (UK, France, Spain, 2 in Germany) and 1 in the USA.

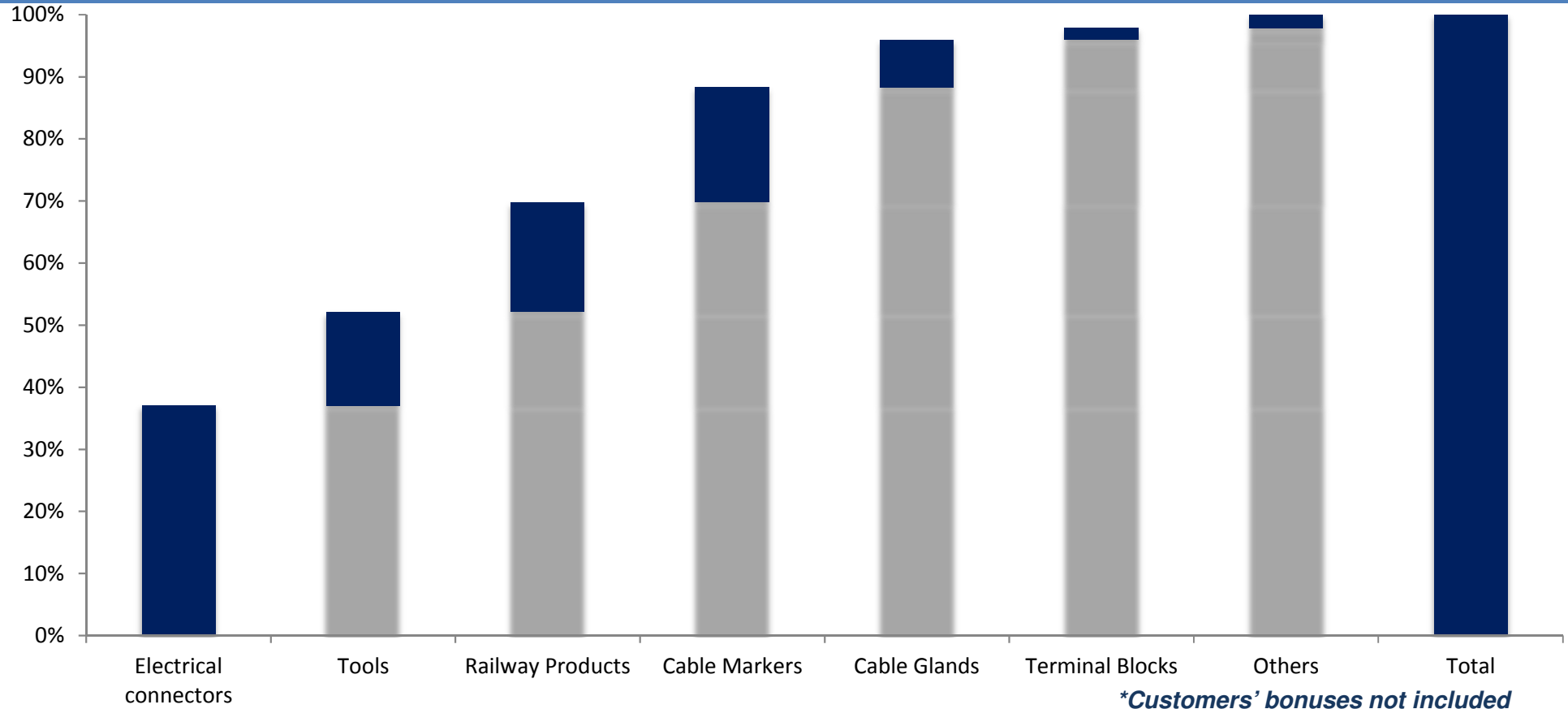


Present All Around the World...

Cembre has a network of importers and agents who provide technical and commercial assistance and rapid delivery all around the world...



Revenues* breakdown by Product Family (€ '000)



| | | | | | | | | |
|---------------------------------|--------------|--------------|--------------|--------------|-------------|-------------|--------------|-------------|
| 1st Half 2019 | 30,809 | 12,581 | 14,691 | 15,400 | 6,385 | 1,587 | 1,790 | 83,243 |
| | 37.0% | 15.1% | 17.6% | 18.5% | 7.7% | 1.9% | 2.2% | 100% |
| 1st Half 2018 | 26,636 | 12,671 | 14,953 | 14,234 | 5,875 | 1,501 | 1,945 | 76,340 |
| | 34.2% | 16.3% | 19.2% | 18.3% | 7.5% | 1.9% | 2.5% | 100% |
| Change | 15.7% | -0.7% | -1.8% | 8.2% | 8.7% | 5.7% | -8.0% | 7.0% |

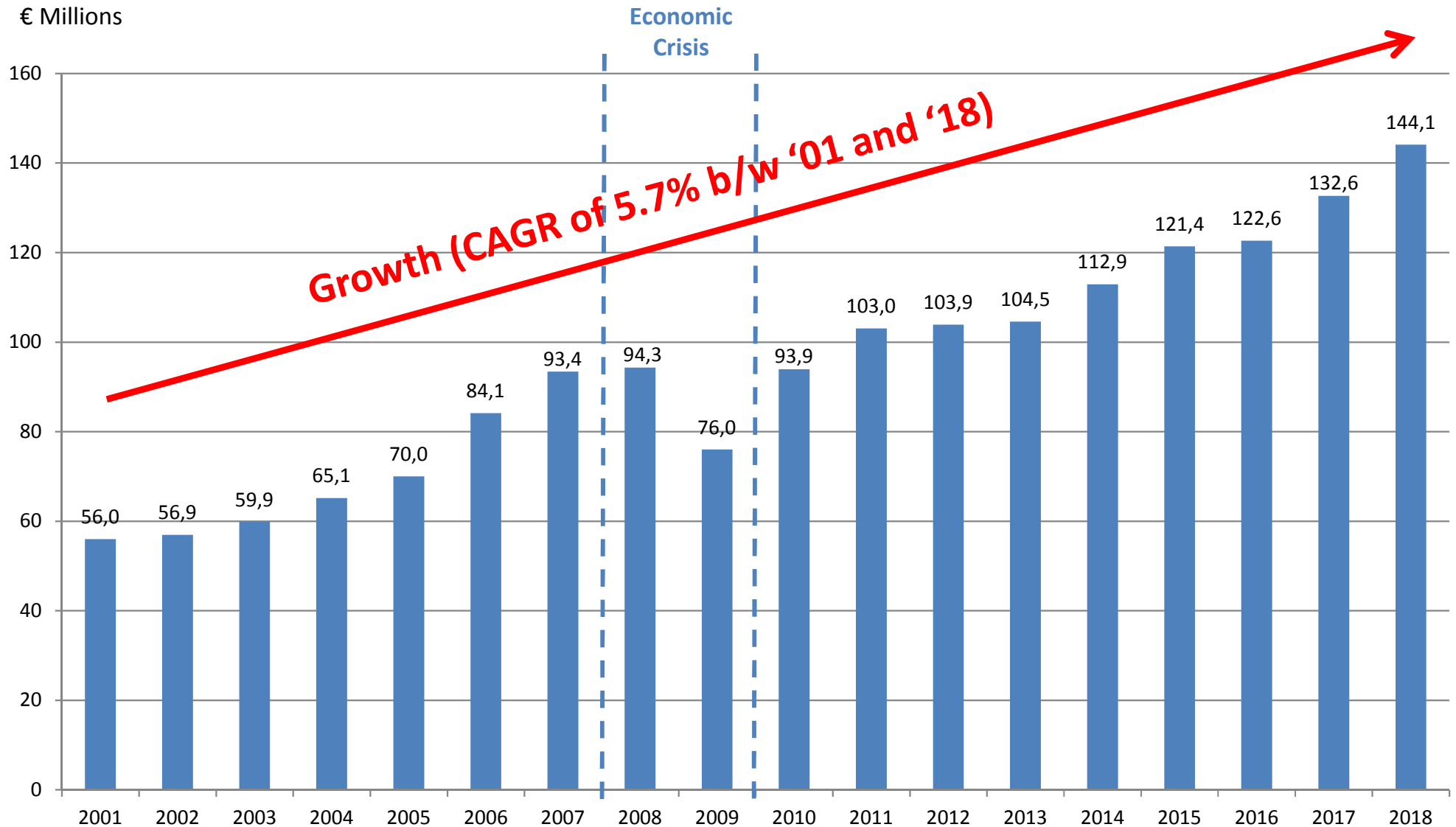
Geographical Revenue Breakdown

| Italy | 1 st Half 2019 | 1 st Half 2018 | Δ |
|------------|---------------------------|---------------------------|---------|
| Sales | 30.8 mn | 31.3 mn | -1.8% |
| % in total | 40.1% | 42.8% | -2.7 pp |

| Europe (ex-IT) | 1 st Half 2019 | 1 st Half 2018 | Δ |
|----------------|---------------------------|---------------------------|--------|
| Sales | 35.7 mn | 30.7 mn | 16.3% |
| % in total | 46.5% | 41.9% | 4.6 pp |

| Rest of the World | 1 st Half 2019 | 1 st Half 2018 | Δ |
|-------------------|---------------------------|---------------------------|---------|
| Sales | 10.4 mn | 11.2 mn | -7.8% |
| % in total | 13.4% | 15.3% | -1.9 pp |

18-Year Revenue Evolution



A Wide Product-Mix

In order to maintain its leading position and increase the penetration of market, Cembre had sensibly enlarged the range of products offered through:

- **Research activities** mainly focused on the development of innovative products for the sectors with the highest growth potential (rail transportation, civil and industrial plant engineering),
- **Improvement and update of existing products** to get them easier to use and more efficient in their performances,
- **Introduction of complementary products** (e.g. cable markers).

Electrical Connectors: 15.7% increase in Sales



| Electrical Connectors: | 1 st Half 2019 | 1 st Half 2018 | Δ |
|---------------------------------|---------------------------|---------------------------|-------|
| Total Sales | 30.8 € mn | 26.6 € mn | 15.7% |
| Sales in Italy (% share) | 13.9 € mn (16.7%) | 12.9 € mn (16,6%) | 7.8% |
| Sales in Europe ex-IT (% share) | 14.9 € mn (17.9%) | 11.7 € mn (15.1%) | 26.7% |
| Sales in RoW (% share) | 2.0 € mn (2.4%) | 2.0 € mn (2.5%) | 1.7% |

Characteristics:

- high and safe performance guaranteed by effective Quality Control during production process
- high level automation of manufacturing process and consequent costs reduction
- quick adaptation of products to clients' needs, thanks to its high flexible productivity

Tools:

0.7% decrease in Sales



| Tools: | 1 st Half 2019 | 1 st Half 2018 | Δ |
|---------------------------------|---------------------------|---------------------------|--------|
| Total Sales | 12.6 € mn | 12.7 € mn | -0.7% |
| Sales in Italy (% share) | 3.6 € mn (4.3%) | 3.5 € mn (4.5%) | 3.4% |
| Sales in Europe ex-IT (% share) | 6.0 € mn (7.2%) | 5.6 € mn (7.2%) | 6.1% |
| Sales in RoW (% share) | 3.0 € mn (3.6%) | 3.5 € mn (4.5%) | -15.7% |

Characteristics:

- quick installation of connectors thanks to tools used for compressing and cutting the conductors
- wide products range: mechanical, pneumatic, hydraulic and battery operated tools

Development of new products in last years:

- B15-B54 battery operated “in line” hand-tools
- hydraulic battery operated pump already marketed in Italy and Europe
- the new generation of battery tools is intended to progressively substitute the traditional ones, as they are more appreciated thanks to the elimination of physical endeavour

Railway Products: 1.8% decrease in Sales



| Railway Products: | 1 st Half 2019 | 1 st Half 2018 | Δ |
|---------------------------------|---------------------------|---------------------------|--------|
| Total Sales | 14.7 € mn | 15.0 € mn | -1.8% |
| Sales in Italy (% share) | 1.5 € mn (1.8%) | 2.0 € mn (2.5%) | -24.1% |
| Sales in Europe ex-IT (% share) | 9.1 € mn (10.9%) | 8.4 € mn (10.8%) | 8.0% |
| Sales in RoW (% share) | 4.1 € mn (4.9%) | 4.6 € mn (5.9%) | -10.1% |

Characteristics:

- high quality products
- constant R&D activities
- high potential growth

Development of new products:

- Nut Runner - NR-11P
- Battery drill

Both the products are very competitive on the market since they offer superior flexibility, lightness and velocity against alternative products



Cable Markers: 8.2% increase in Sales

ROILY



RING
cablesys



mg3
MARKINGENIUS 3



Cembre

| Cable Markers: | 1 st Half 2019 | 1 st Half 2018 | Δ |
|---------------------------------|---------------------------|---------------------------|-------|
| Total Sales | 15.4 € mn | 14.2 € mn | 8.2% |
| Sales in Italy (% share) | 9.7 € mn (11.6%) | 9.5 € mn (12.1%) | 2.5% |
| Sales in Europe ex-IT (% share) | 4.8 € mn (5.8%) | 4.1 € mn (5.3%) | 16.0% |
| Sales in RoW (% share) | 0.9 € mn (1.1%) | 0.6 € mn (0.8%) | 42.2% |

With the introduction of these new products Cembre:

- further enriched its offer with thousand of new articles (electrical equipment wholesalers prefer supplier with a wide catalogue)
- strengthened its competitive position in Italy and created big opportunities to enter the European markets
- entered a market, worth of Euro 25 million considering only Italy
- improved the production structure

Development and production, in Brescia (Italy), of thermal printer MG3

Cable Glands:

8.7% increase in Sales



| Cable Glands: | 1 st Half 2019 | 1 st Half 2018 | Δ |
|---------------------------------|---------------------------|---------------------------|-------|
| Total Sales | 6.4 € mn | 5.9 € mn | 8.7% |
| Sales in Italy (% share) | 5.4 € mn (6.5%) | 5.0 € mn (6.4%) | 7.5% |
| Sales in Europe ex-IT (% share) | 0.9 € mn (1.0%) | 0.7 € mn (1.0%) | 14.4% |
| Sales in RoW (% share) | 0.1 € mn (0.2%) | 0.1 € mn (0.1%) | 25.5% |



| Terminal Blocks: | 1 st Half 2019 | 1 st Half 2018 | Δ |
|---------------------------------|---------------------------|---------------------------|--------|
| Total Sales | 1.6 € mn | 1.5 € mn | 5.7% |
| Sales in Italy (% share) | 1.4 € mn (1.7%) | 1.3 € mn (1.7%) | 7.5% |
| Sales in Europe ex-IT (% share) | 0.1 € mn (0.2%) | 0.1 € mn (0.2%) | -10.3% |

1st Half 2019 Consolidated Results

| Euro Millions | 1 st Half 2019 | 1 st Half 2018 | Changes % | 1 st Half 2017 |
|------------------------------------|------------------------------|------------------------------|--------------|------------------------------|
| Sales | 76.9 | 73.3 | 4.9% | 66.6 |
| EBITDA <i>In % of sales</i> | 20.9 <i>27.2%</i> | 18.9 <i>25.7%</i> | 10.9% | 17.3 <i>26.0%</i> |
| EBIT <i>In % of sales</i> | 16.2 <i>21.0%</i> | 15.5 <i>21.1%</i> | 4.4% | 14.2 <i>21.4%</i> |
| EBT <i>In % of sales</i> | 16.0 <i>20.9%</i> | 15.4 <i>21.0%</i> | 4.0% | 14.2 <i>21.4%</i> |
| Net Profit <i>In % of Sales</i> | 12.4 <i>16.1%</i> | 11.7 <i>16.0%</i> | 5.8% | 10.2 <i>15.2%</i> |
| Tax rate % | 22.8% | 24.1% | | 28.6% |

Patent Box Fiscal Benefit

The Parent Company Cembre S.p.A. in December 2017 signed, with the support of Business Tax and Consulting firm Deloitte, an agreement with the Italian Revenue Office defining the calculation methods and criteria for the economic contribution to business revenue of intangible assets in the context of the «Patent Box» scheme, for tax years 2015-2019.

| Euro Millions | 2018 | 2017 |
|------------------------------------|-------------|-------------|
| Fiscal benefit | 1.8 | 1.6 |
| Fiscal benefit for years 2015-2016 | - | 2.3 |
| Tax rate % | 19.8% | 14.5% |
| Normalised tax rate % | 26.2% | 29.2% |

1st Half 2019 Group's Companies Turnover*

| Company (Euro thousands) | 1 st Half 2019 | 1 st Half 2018 | Changes % | 1 st Half 2017 |
|-----------------------------|------------------------------|------------------------------|--------------|------------------------------|
| Cembre S.p.A. (Italy) | 40,361 | 40,680 | -0.8% | 37,303 |
| Cembre Ltd. (UK) | 10,401 | 9,320 | 11.6% | 8,883 |
| Cembre S.a.r.l. (France) | 5,633 | 5,270 | 6.9% | 5,025 |
| Cembre España S.L. (Spain) | 6,045 | 5,366 | 12.7% | 5,093 |
| Cembre GmbH (Germany) | 3,710 | 4,041 | -8.2% | 4,319 |
| IKUMA KG (Germany)** | 3,979 | 1,450 | n.a. | n.a. |
| Cembre Inc. (US) | 6,749 | 7,168 | -5.8% | 5,973 |
| Cembre Group | 76,878 | 73,295 | 4.9% | 66,596 |

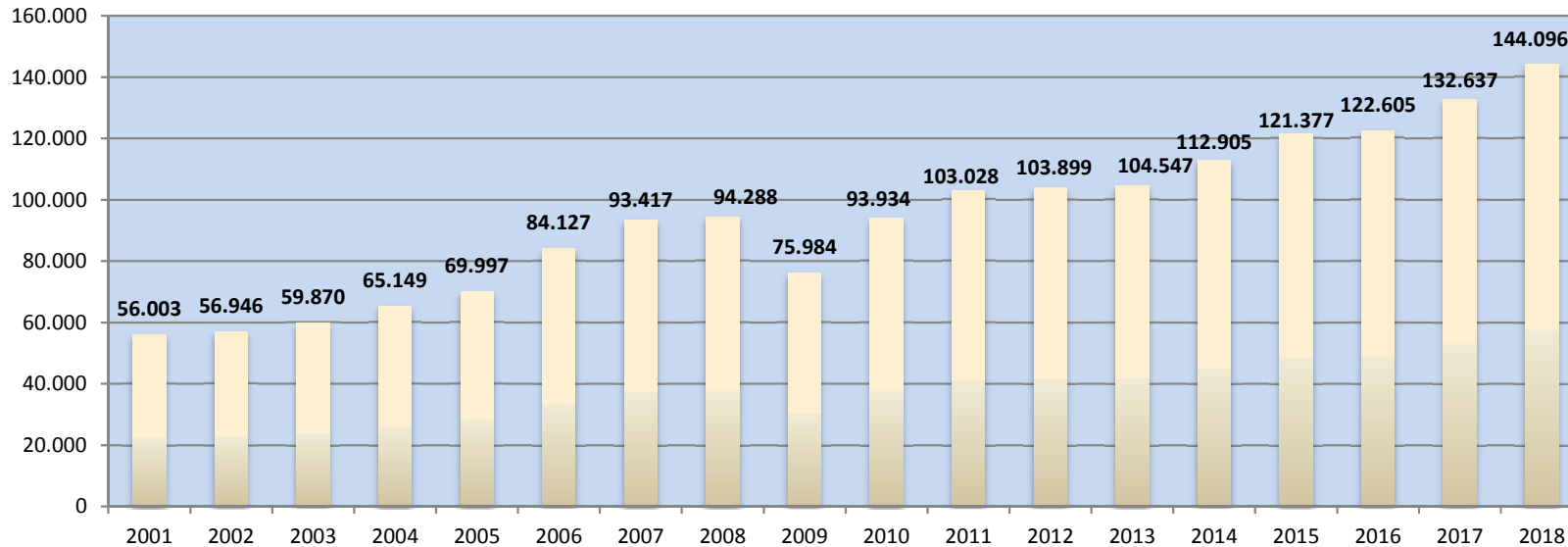
* net of intragroup sales

** company acquired in May 2018

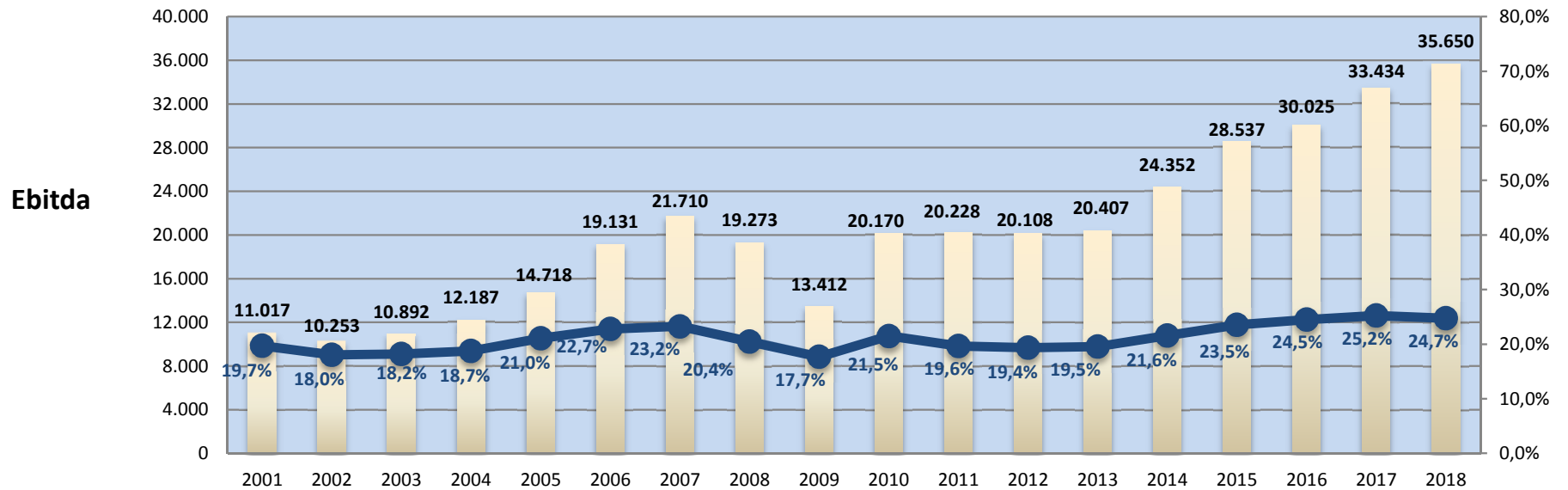
June 30, 2019 Consolidated Balance Sheet

| | Euro Millions | Jun. 30, 2019 | Dec. 31, 2018 | Jun. 30, 2018 |
|----------|--|----------------------|----------------------|----------------------|
| <i>a</i> | Net operating working capital <i>% of sales</i> | 56.6 <i>36.8%</i> | 55.3 <i>38.4%</i> | 55.1 <i>37.6%</i> |
| <i>b</i> | Net fixed assets | 104.1 | 96.0 | 88.8 |
| <i>c</i> | Assets available for sales | - | - | - |
| <i>d</i> | Employees' severance indemnities | 2.4 | 2.5 | 2.7 |
| <i>e</i> | Provisions for risks and charges | 0.7 | 0.6 | 0.6 |
| <i>F</i> | Deferred taxes | 2.6 | 2.8 | 2.9 |
| | Net invested capital (a+b+c-d-e-f) | 155.0 | 145.4 | 137.7 |
| <i>g</i> | Equity | 150.2 | 152.9 | 141.7 |
| <i>H</i> | Net financial position | 4.8 | (7.5) | (4.0) |
| | Total sources (g+h) | 155.0 | 145.4 | 137.7 |

Cembre's Revenue and Profitability Trend (€ '000)

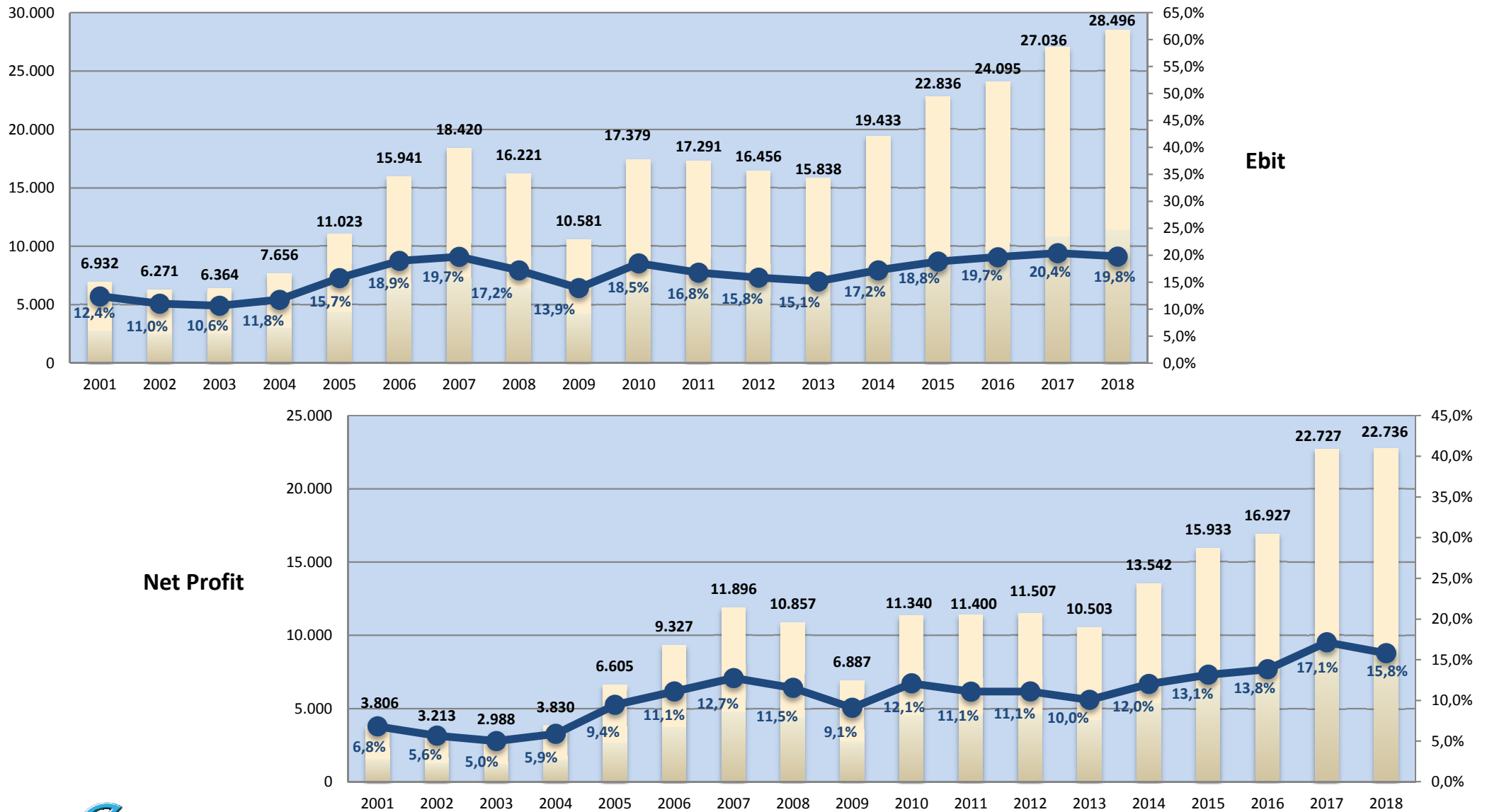


Revenues



Ebitda

Cembre's Revenue and Profitability Trend (€ '000)

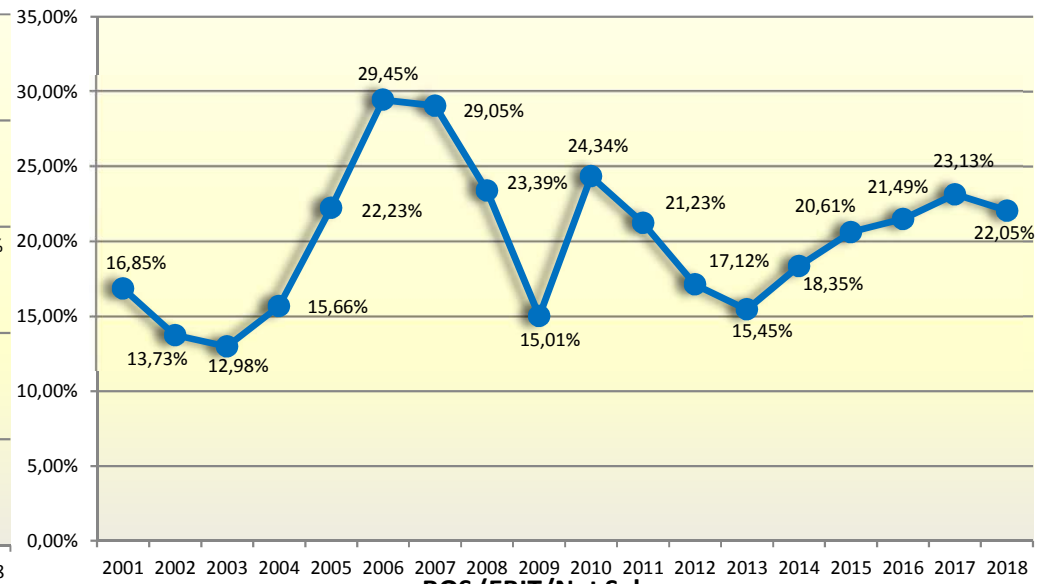


Index analysis

ROI (EBIT/Investments)



ROACE (EBIT/Net Capital Employed)



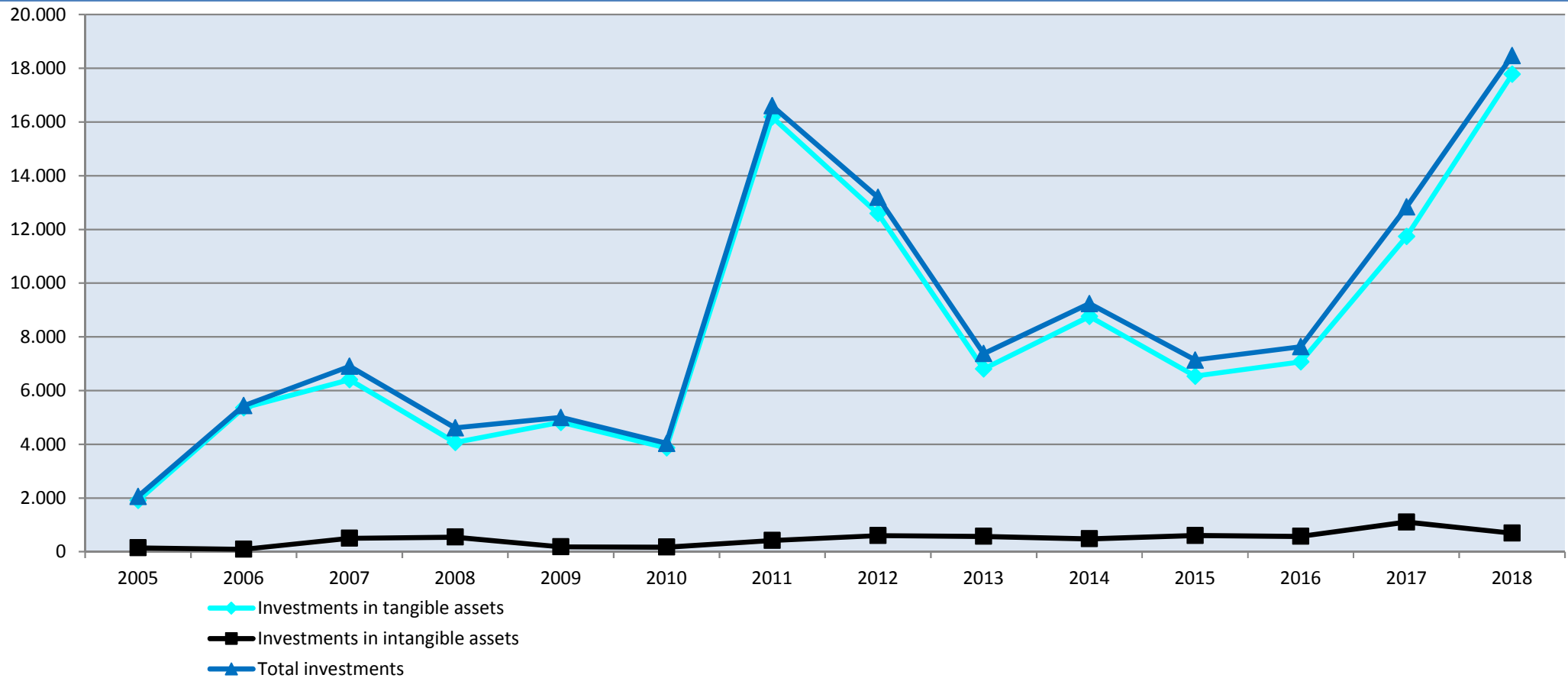
ROE (Net Result/Equity)



ROS (EBIT/Net Sales)



Investments trend



| € '000 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Investments in tangible assets | 1,910 | 5,353 | 6,404 | 4,064 | 4,815 | 3,863 | 16,183 | 12,591 | 6,802 | 8,759 | 6,534 | 7,064 | 11,732 | 17,775 |
| Investments in intangible assets | 142 | 87 | 500 | 544 | 182 | 169 | 418 | 597 | 573 | 477 | 601 | 569 | 1,101 | 691 |
| Total investments | 2,052 | 5,440 | 6,904 | 4,608 | 4,997 | 4,032 | 16,601 | 13,188 | 7,375 | 9,236 | 7,135 | 7,633 | 12,833 | 18,466 |

2019 and onwards...

Cembre focused on these targets:

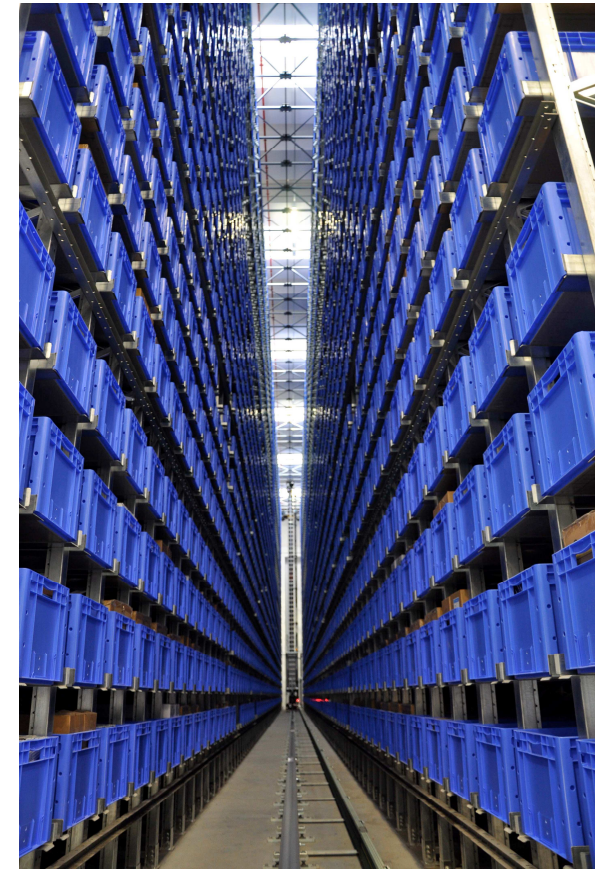
Increase of turnover thanks to:

- A strengthening of Cembre competitive advantage by developing new products and continuous product range renewing by an intense R&D activity,
- A new product line for plumbing sector;
- An higher penetration in the foreign markets, especially in the US,
- A commercial commitment focus on high growing potential products.

Cost management by a better operative efficiency obtained from economies of scale and process innovations;

Enforcing the **manufacturing structure** by investing in high-tech, highly-automated machinery.

2019 and onwards...



The automated warehouse, located in a 4,800 m² industrial building built in 2012, has been operating from January, 2013. This warehouse is 3 time more efficient, and has a 50% increase in end-product capacity warehousing. In 2018, a new 9,600 m² industrial building (two floors) started to be used, increasing the dimension of the new logistic center of the company and production areas.

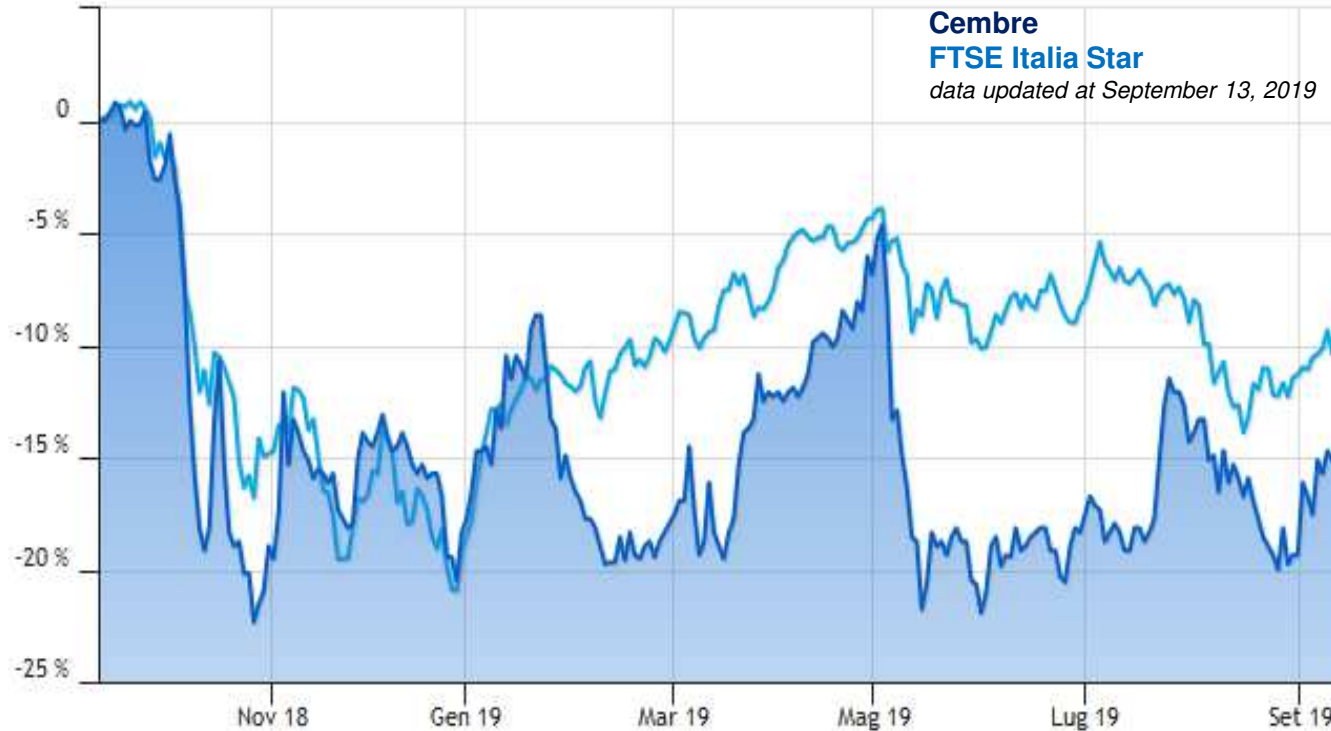
2019 and onwards...



- On May 3rd, 2018 wholly-owned German subsidiary Cembre GmbH acquired the entire capital stock of German company Ikuma GmbH & Co. KG (“Ikuma KG”). Cembre GmbH also acquired the entire capital stock of Ikuma Verwaltungs GmbH, a company whose only activity is to manage and provide strategic advice to Ikuma KG.

Ikuma KG is active on the German market in the electrical equipment sector supplying a number of German distributors and is one of the main domestic suppliers of cable terminals. At June 30, 2019, the company had 21 employees, while turnover for the period amounted to €4.0 million. Its product range is very similar to Cembre’s.

Stock Data & Shareholding Structure



| Shareholders: | Share: |
|-------------------|--------|
| LYSNE Spa | 53.69% |
| Sara Rosani | 8.65% |
| Giovanni Rosani | 8.53% |
| Anna Maria Onofri | 0.71% |
| Altri | 28.42% |

Cembre has been listed since December 1997, and is a part of the Star Index since September 2001.

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Dividend per share (€) | 0.10 | 0.08 | 0.07 | 0.10 | 0.15 | 0.22 | 0.26 | 0.16 | 0.12 | 0.26 | 0.16 | 0.16 | 0.26 | 0.36 | 0.46 | 0.70 | 0.80 | 0.90 |
| Payout Ratio ¹ | 44% | 42% | 41% | 41% | 39% | 40% | 37% | 25% | 30% | 39% | 24% | 24% | 42% | 45% | 49% | 70% | 59% | 66% |
| Dividend Yield ² | 4.1% | 4.4% | 2.9% | 3.3% | 3.2% | 3.6% | 4.2% | 4.8% | 2.6% | 4.2% | 2.9% | 2.5% | 2.9% | 3.5% | 3.3% | 5.0% | 3.7% | 4.4% |

¹ Using consolidated profit

² Using the year-end share price

Share price evolution



Total return
2001-2018
+14.6%
CAGR

Performance
2001-2018
+13.3%
CAGR

Total Return is the average 'Share return' growth in the period
Performance is the average 'Share price' growth in the period

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------------------------------|--------|--------|-------|-------|-------|-------|-------|--------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|
| A) Share price¹ | 2.42 | 1.90 | 2.68 | 2.99 | 4.75 | 6.12 | 6.25 | 3.30 | 4.66 | 6.25 | 5.45 | 6.34 | 8.99 | 10.21 | 13.90 | 13.90 | 21.60 | 20.25 |
| Change in share price | | -21.5% | 41.1% | 11.6% | 58.9% | 28.8% | 2.1% | -47.2% | 41.2% | 34.1% | -12.8% | 16.3% | 41.8% | 13.6% | 36.1% | 0.0% | 55.4% | -6.3% |
| Received dividend | | 0.10 | 0.08 | 0.07 | 0.10 | 0.15 | 0.22 | 0.26 | 0.16 | 0.12 | 0.26 | 0.16 | 0.16 | 0.26 | 0.36 | 0.46 | 0.70 | 0.80 |
| B) Accrued received dividends | | 0.10 | 0.18 | 0.25 | 0.35 | 0.50 | 0.72 | 0.98 | 1.14 | 1.26 | 1.52 | 1.68 | 1.84 | 2.10 | 2.46 | 2.92 | 3.62 | 4.42 |
| Share return (A+B) | 2.42 | 2.00 | 2.86 | 3.24 | 5.10 | 6.62 | 6.97 | 4.28 | 5.80 | 7.51 | 6.97 | 8.02 | 10.83 | 12.31 | 16.36 | 16.82 | 25.22 | 24.67 |
| Price quota | 100.0% | 95.0% | 93.7% | 92.3% | 93.1% | 92.4% | 89.7% | 77.1% | 80.3% | 83.2% | 78.2% | 79.1% | 83.0% | 82.9% | 85.0% | 82.6% | 85.6% | 82.1% |
| Dividend quota | 0.0% | 5.0% | 6.3% | 7.7% | 6.9% | 7.6% | 10.3% | 22.9% | 19.7% | 16.8% | 21.8% | 20.9% | 17.0% | 17.1% | 15.0% | 17.4% | 14.4% | 17.9% |



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The manager responsible for preparing the Company's financial reports, Claudio Bornati, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records.