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Oggetto : IMMSI GROUP: RESULTS AT 30
SEPTEMBER 2019

Testo del comunicato

Vedi allegato.

PRESS RELEASE

IMMSI GROUP: RESULTS AT 30 SEPTEMBER 2019¹

As of 30 September 2019, the Immsi Group registered the best nine-month period in the past nine years, revealing its continually improving performance.

Consolidated net sales 1,253.8 million euro, up 8.9% (1,151.6 €/mln at 30.09.2018)

Ebitda 192.2 million euro, up 9.1%
(186.2 €/mln ex IFRS 16) (176.2 €/mln at 30.09.2018). **Ebitda margin 15.3%**

Ebit 99.8 million euro, up 8.1% (92.4 €/mln at 30.09.2018). **Ebit margin 8%**

Profit before tax 68.5 million euro, up 12.5%
(68.9 €/mln ex IFRS 16) (60.9 €/mln at 30.09.2018)

Net profit including minority interests 32.8 million euro, up 12.4%
(29.2 €/mln at 30.09.2018)

Consolidated net profit 16.4 million euro, up 10.1% (14.9 €/mln at 30.09.2018)

Adjusted net financial position² -795.8 €/mln, an improvement of 56.2 €/mln from
-852 €/mln at 31.12.2018 and 25.9 €/mln from -821,7 €/mln at 30.09.2018

Capital expenditure 93.8 million euro, up 26.8% (74 €/mln at 30.09.2018)

Mantua, 13 November 2019 – At a meeting today chaired by Roberto Colaninno, the Board of Directors of **Immsi S.p.A.** (IMS.MI) examined and approved the interim report on operations as at and for the nine months to 30 September 2019.

Immsi Group financial and business performance at 30 September 2019

The Immsi Group is continuing its strategic focus on geographical expansion consistent with product strategies and with world macro-economic trends. This management model significantly reduces the risks of an excessive concentration of production and sources of income in a single country, and enables the Group to maximise returns in countries with the highest economic growth rates. At the same time, on-going analysis of the latest international trade policies and current socio-political developments confirms that geographical diversification enables the Group to meet the growing demand for quality among all the customers of its subsidiaries without increasing production costs, while simultaneously improving time to market.

Consolidated net sales in the first nine months to 30 September 2019 totalled **1,253.8 million euro, up by 8.9%** from 1,151.6 million euro in the year-earlier period. At constant exchange rates, consolidated net sales rose by 7.4%.

¹ The results of operations, equity and financial figures for the year to 30 September 2019 reflect the effects of IFRS 16 on the accounting treatment of operating leases. For the purposes of comparison with the year-earlier period, which has not been restated in accordance with the new reporting standard, the most significant effects of the standard are highlighted in the comments on the individual items.

² Adjusted net financial position: Net financial position at 30 September 2019 net of 21.4 €/mln from application of IFRS 16 as from 1 January 2019 and net of 9.8 €/mln as a result of a change in the Piaggio & C. S.p.A. dividend distribution policy introduced in July 2019.

Immsi Group consolidated **Ebitda** amounted to **192.2 million euro, the best figure for the first nine months since 2007, with an increase of 9.1%** from 176.2 million euro in the year-earlier period. The **Ebitda margin** was **15.3%**, stable with the year-earlier period. Excluding the effects of IFRS 16, Ebitda at 30 September 2019 would have been 186.2 million euro.

Ebit was **99.8 million euro, an increase of 8.1%** from 92.4 million euro at 30 September 2018. The **Ebit margin** was **8%**, stable with the year-earlier period. Excluding the effects of IFRS 16, Ebit at 30 September 2019 would have been 99.2 million euro.

The Group posted a **profit before tax of 68.5 million euro, an increase of 12.5%** (68.9 million euro in the first nine months of 2018). Excluding the effects of IFRS 16, profit before tax at 30 September 2019 would have been 68.9 million euro.

Net profit including minority interests totalled **32.8 million euro, up 12.4%** from 29.2 million euro in the year-earlier period.

Consolidated net profit was **16.4 million euro, an increase of 10.1%** from 14.9 million euro at 30 September 2018.

Immsi Group net financial debt at 30 September 2019 (including the negative effects of 21.4 million euro from application of IFRS 16 and 9.8 million euro from the interim dividend distributed by Piaggio & C. S.p.A.) was 827 million euro.

Adjusted net financial debt excluding the above effects stood at 795.8 million euro, an improvement of 56.2 million euro from 852 million euro at 31 December 2018 and an improvement of 25.9 million euro from 821.7 million euro at 30 September 2018.

In the first nine months of 2019, Immsi Group **capital expenditure amounted to 93.8 million euro, an increase of 26.8%** from 74 million euro in the year-earlier period.

The Group's operations present seasonal variations in sales over the course of the year, especially in the industrial sector.

Performance of the Immsi Group businesses at 30 September 2019

Industrial Sector: Piaggio Group

In the industrial sector, at 30 September 2019, the Piaggio Group reported a significant improvement in performance from the year-earlier period, with progress on all the main earnings indicators, an increase in net profit, higher capital expenditure and a reduction in debt.

At 30 September 2019, Piaggio Group consolidated net sales totalled 1,200.5 million euro (+9.8%); consolidated Ebitda was 188.8 million euro (+13.8%), with an Ebitda margin of 15.7%; Ebit was 99.5 million euro (+17.2%), with an Ebit margin of 8.3%; net profit rose by 26.7% to 46 million euro.

Piaggio Group adjusted net financial debt³ at 30 September 2019 stood at 366.5 million euro, an improvement of 38.6 million euro from 405.1 million euro at 30 September 2018 and an improvement of 62.7 million euro from 429.2 million euro at 31 December 2018.

³ Adjusted net financial position: Net financial position of the Piaggio Group at 30 September 2019 net of 19 €/mln from application of IFRS 16 as from 1 January 2019 and net of 19.6 €/mln as a result of a change in the dividend distribution policy introduced in July 2019.

In the first nine months of 2019, the Piaggio Group sold 479,200 vehicles worldwide, an increase of 2.1%.

Naval Sector: Intermarine S.p.A.

In the naval sector, at 30 September 2019 **Intermarine S.p.A.** reported consolidated net sales of 49.2 million euro, Ebitda of 5.2 million euro (Ebitda margin of 10.6%); Ebit of 2.6 million euro (Ebit margin 5.3%) and net profit of 0.6 million euro.

Specifically, net sales consisted of 40.4 million euro in the Military Sector and 8.8 million euro in the Fast Ferries and Yacht division, relating largely to operations at the Messina shipyard and the Marine Systems division.

Real Estate and Holding sector

Net sales in the real estate and holding sector totalled 4.1 million euro in the first nine months to 30 September 2019, an improvement of 2.7% from the year-earlier period.

The subsidiary **Is Molas S.p.A.**, which manages the Is Molas Golf Resort project in the province of Cagliari, completed four showhomes and took the remaining 11 villas in the first batch to an advanced unfinished stage, to enable potential clients to select floorings and internal finishes. The company examined the possibility of leasing the showhomes in order to enable end customers, including investors, to become familiar with the product and related services on offer. Commercial operations are underway to identify possible national/international purchasers.

Significant events in and after the first nine months of 2019

Supplementing the information published above or at the time of approval of the 2019 first-half results (directors' meeting of 2 September 2019), this section illustrates key events in and after the first nine months of 2019.

On 5 November 2019, the Piaggio Group presented a number of new products at the EICMA tradeshow in Milan. Key products in the motorcycle segment were the Aprilia RS 660 mid-range sports roadster, the Aprilia Tuono 660 concept and the Moto Guzzi V85TT Travel, an accessorised version of Moto Guzzi's classic enduro. In scooters, the Group presented the new Piaggio Medley (on which the latest development in the Piaggio I-Get engine family makes its debut, in 125 cc and 150 cc versions), the Vespa Primavera Sean Wotherspoon (a special edition from one of the most creative and influential contemporary designers), the Vespa Racing Sixties special series and the Vespa Elettrica 70km/h scooter with motorcycle type-approval, which flanks the original 45km/h model.

* * *

Outlook

In the **Industrial Sector**, where the Piaggio Group is strengthening its position on the global markets, the Group is committed to:

- confirming its leadership position on the European two-wheeler market, taking full advantage of the expected recovery by further strengthening its scooter and motorcycle ranges;
- maintaining its current positions on the European commercial vehicles market by strengthening the sales network;
- consolidating its presence in Asia Pacific, by exploring new opportunities in countries in the region, with a particular focus on the premium segment of the market;

- increasing sales on the Indian scooter market thanks to the Vespa and Aprilia offers;
- growing the penetration of commercial vehicles in India, in part through the introduction of new engine displacements.

From the technological viewpoint, the Piaggio Group will continue research on new solutions to current and future mobility problems, through the work of Piaggio Fast Forward (Boston) and new advances in design at the PADc (Piaggio Advanced Design center) in Pasadena.

At a more general level, the Group maintains its commitment – a characteristic of recent years and continuing in 2019 – to generate higher productivity through close attention to cost and investment efficiency, in compliance with its ethical principles.

In the **Naval Sector** (Intermarine S.p.A.), the last quarter of 2019 will see advances in production work on contracts, in order to strengthen the financial consolidation of recent years. In the Defence sector, the company is presenting minesweeper and patrol-boat projects to a number of foreign Navies, and is also monitoring the fleet modernisation requirements of the Italian Navy. The aim is to win new orders that would expand the order book and consequently optimise production capacity over the coming years.

In the **Real Estate and Holding Sector**, the Is Molas S.p.A. subsidiary is proceeding with commercial activities to identify possible purchasers, in Italy and abroad.

The manager in charge of preparing the company accounts and documents, Andrea Paroli, certifies, pursuant to paragraph 2 of art. 154-*bis* of the Consolidated Law on Financial Intermediation, that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

This press release may contain forward-looking statements relating to future events and Immsi Group business and financial results. By their nature, these statements are subject to inherent risks and uncertainties, since they relate to events and depend on circumstances that may or may not occur or exist in the future. Actual results may differ materially from those expressed in such statements as a result of a variety of factors.

This press release contains a number of indicators that, though not yet contemplated by the IFRS (“Non-GAAP Measures”), are based on financial measures envisaged by the IFRS. These indicators – presented in order to assist assessment of the Group’s business performance – should not be considered as alternatives to those envisaged by the IFRS and are consistent with those in the Immsi Group 2018 Annual Report and quarterly and half-year reports. Furthermore, since determination of such indicators is not specifically regulated by the IFRS, the methods used may not coincide with those adopted by other companies/groups, and consequently the indicators in question may not be comparable. Specifically, the following alternative performance indicators are used:

- EBITDA: earnings before amortisation and impairment losses on property, plant and equipment and intangible assets, as reflected in the income statement;
- Net financial debt: this reflects financial liabilities (current and non-current), less cash and cash equivalents, and other financial receivables (current and non-current). Determination of net financial debt does not include other financial assets and liabilities arising from measurement at fair value of derivatives designated as hedges, fair value adjustments of the related hedged items, related accruals, interest accrued on loans and financial liabilities relating to discontinued operations. The schedules in the interim report as at and for the nine months to 30 September 2019 include a table illustrating the composition of net financial debt. In this regard, in compliance with CESR recommendation of 10 February 2005 “Recommendation for uniform enactment of the European Commission regulation on disclosures”, attention is drawn to the fact that the indicator determined as described represents the amount as monitored by Group management and differs with respect to Consob Communication no. 6064293 of 28 July 2006, since it also includes non-current financial receivables.

In preparing the interim report on operations for the first nine months to 30 September 2019, the Immsi Group applied the accounting policies used in preparing the consolidated financial statements as at and for the year ended 31 December 2018 with the exception of the adoption as from 1 January 2019 of IFRS 16 on accounting treatment of operating leases.

Immsi S.p.A. said that the interim report on operations as at and for the nine months to 30 September 2019 will be available to the public at the company registered office, in the “eMarket STORAGE” authorised storage mechanism at

www.emarketstorage.com and on the issuer's website www.immsi.it (section "Investors/Financial Reports/2019") as required by law.

The Immsi Group reclassified consolidated income statement, reclassified consolidated statement of financial position and consolidated statement of cash flows are set out below. In compliance with the Instructions to the Regulation for markets organised and managed by Borsa Italiana S.p.A. section IA.2.6, the reclassified schedules are not subject to auditing by the independent auditors.

For further information:

Immsi Group Press Office

Director Diego Rancati
Via Broletto, 13 - 20121 Milan - Italy
Tel. +39 02.319612.19
E-mail: diego.rancati@immsi.it;

Immsi Group Investor Relations

Andrea Paroli
P.zza Vilfredo Pareto, 3
46100 Mantua (IT)
Tel. +39.0376.2541
E-mail: andrea.paroli@immsi.it

Image Building

Tel. +39 02 89011300
E-mail: immsi@imagebuilding.it

Immsi Group reclassified consolidated income statement

In thousands of euro	30.09.2019		30.09.2018		Change	
Net sales	1,253,752	100%	1,151,599	100%	102,153	8.9%
Cost of materials	740,603	59.1%	658,429	57.2%	82,174	12.5%
Cost of services and use of third-party assets	208,205	16.6%	196,863	17.1%	11,342	5.8%
Employee expense	187,861	15.0%	180,368	15.7%	7,493	4.2%
Other operating income	93,890	7.5%	81,128	7.0%	12,762	15.7%
Impairment reversals (losses) net of trade and other receivables	-1,197	-0.1%	-1,625	-0.1%	428	26.3%
Other operating expense	17,598	1.4%	19,249	1.7%	-1,651	-8.6%
EBITDA	192,178	15.3%	176,193	15.3%	15,985	9.1%
Depreciation and impairment property, plant and equipment	36,931	2.9%	31,053	2.7%	5,878	18.9%
Goodwill impairment	-	-	-	-	-	-
Amortisation and impairment intangible assets with finite life	55,419	4.4%	52,769	4.6%	2,650	5.0%
EBIT	99,828	8.0%	92,371	8.0%	7,457	8.1%
Results of associates	624	0.0%	757	0.1%	-133	-
Finance income	12,931	1.0%	18,979	1.6%	-6,048	31.9%
Finance costs	44,894	3.6%	51,229	4.4%	-6,335	12.4%
PROFIT BEFORE TAX	68,489	5.5%	60,878	5.3%	7,611	12.5%
Income tax	35,727	2.8%	31,722	2.8%	4,005	12.6%
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	32,762	2.6%	29,156	2.5%	3,606	12.4%
Profit (loss) for the period from discontinued operations	-	-	-	-	-	-
PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	32,762	2.6%	29,156	2.5%	3,606	12.4%
Minority interests	16,380	1.3%	14,271	1.2%	2,109	14.8%
GROUP PROFIT (LOSS) FOR THE PERIOD	16,382	1.3%	14,885	1.3%	1,497	10.1%

Immsi Group reclassified consolidated statement of financial position

In thousands of euro	30.09.2019	in %	31.12.2018	in %	30.09.2018	in %
Current assets:						
Cash and cash equivalents	222,617	10.0%	200,450	9.5%	202,058	9.4%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating assets	549,020	24.5%	486,987	23.1%	546,768	25.5%
Total current assets	771,637	34.5%	687,437	32.6%	748,826	34.9%
Non-current assets:						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	840,861	37.6%	833,805	39.5%	823,771	38.4%
Property, plant, equipment	332,380	14.9%	300,860	14.2%	291,417	13.6%
Other assets	291,711	13.0%	289,201	13.7%	280,863	13.1%
Total non-current assets	1,464,952	65.5%	1,423,866	67.4%	1,396,051	65.1%
TOTAL ASSETS	2,236,589	100.0%	2,111,303	100.0%	2,144,877	100.0%
Current liabilities:						
Financial liabilities	455,091	20.3%	532,096	25.2%	464,536	21.7%
Operating liabilities	687,133	30.7%	585,098	27.7%	651,315	30.4%
Total current liabilities	1,142,224	51.1%	1,117,194	52.9%	1,115,851	52.0%
Non-current liabilities:						
Financial liabilities	594,519	26.6%	520,383	24.6%	559,220	26.1%
Other non-current liabilities	112,379	5.0%	94,351	4.5%	91,584	4.3%
Total non-current liabilities	706,898	31.6%	614,734	29.1%	650,804	30.3%
TOTAL LIABILITIES	1,849,122	82.7%	1,731,928	82.0%	1,766,655	82.4%
TOTAL SHAREHOLDERS' EQUITY	387,467	17.3%	379,375	18.0%	378,222	17.6%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,236,589	100.0%	2,111,303	100.0%	2,144,877	100.0%

Immsi Group consolidated statement of cash flows

In thousands of euro	30.09.2019	30.09.2018
<i>Operating assets</i>		
Profit before tax	68,489	60,878
Depreciation of tangible assets (including investment property)	36,931	31,053
Amortisation of intangible assets	55,136	52,176
Provision for risks, severance liabilities and similar obligations	15,708	18,183
Impairment losses / (Reversals of impairment losses to fair value)	2,379	2,389
Losses / (Gains) on the sale of tangible assets (including investment property)	(38)	(98)
Finance income	(2,946)	(7,215)
Dividend income	(111)	(8)
Finance costs	34,796	39,633
Amortisation of public grants	(4,332)	(2,589)
Change in working capital	54,023	(3,003)
Change in non-current provisions and other variations	(40,367)	(15,244)
<i>Cash generated by operating activities</i>	219,668	176,155
Interest expense paid	(26,125)	(31,084)
Tax paid	(23,666)	(20,150)
<i>Cash flow relating to operating activities</i>	169,877	124,921
<i>Investing activities</i>		
Acquisition of subsidiaries, net of cash and cash equivalents	(212)	(1,272)
Investment in tangible assets (including investment property)	(32,344)	(22,656)
Sale price or redemption value of tangible assets (including investment property)	85	948
Investment in intangible assets	(61,452)	(51,313)
Sale price or redemption value of intangible assets	41	65
Interest collected	515	376
Sale price of discontinued operations	(5)	0
Public grants collected	2,114	0
Dividends from equity investments	111	0
Other movements	0	(13)
<i>Cash flow relating to investing activities</i>	(91,147)	(73,865)
<i>Financing activities</i>		
Loans received	72,646	329,090
Outflow for loan repayments	(99,560)	(298,777)
Loans for rights of use	536	0
Repayment of finance leases	(955)	(858)
Reimbursement of rights of use	(5,180)	0
Outflow for dividends paid to Minority Shareholders	(25,802)	(9,835)
<i>Cash flow relating to financing activities</i>	(58,315)	19,620
<i>Increase / (Decrease) in cash and cash equivalents</i>	20,415	70,676
<i>Opening balance</i>	195,968	135,258
Exchange differences	5,803	(3,999)
<i>Closing balance</i>	222,186	201,935

Fine Comunicato n.0368-27

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