



SPAFID

CONNECT

Informazione Regolamentata n. 0868-119-2019	Data/Ora Ricezione 14 Novembre 2019 15:02:00	MTA - Star
--	---	-------------------

Societa' : SERVIZI ITALIA S.P.A.
Identificativo : 124766
Informazione
Regolamentata
Nome utilizzatore : SERVIZITAN03 - Manti
Tipologia : REGEM
Data/Ora Ricezione : 14 Novembre 2019 15:02:00
Data/Ora Inizio : 14 Novembre 2019 15:02:01
Diffusione presunta
Oggetto : The Board of Directors of Servizi Italia
approves the results as at 30 September
2019

Testo del comunicato

Vedi allegato.

Servizi Italia S.p.A.: The Board of Directors approves the results as at 30 September 2019

- **Revenues equal to Euro 196.4 million, up compared to the same period in 2018, 15.2% of revenues coming from abroad**
- **EBITDA equal to Euro 52.2 million (Euro 50.2 million in the first nine months of 2018)**
- **EBIT equal to Euro 9.8 million (Euro 13.1 million in the first nine months of 2018)**
- **Net Profit equal to Euro 7.7 million (Euro 10.3 million in the first nine months of 2018)**

Castellina di Soragna, 14 November 2019

The Board of Directors of Servizi Italia - a company listed on the STAR segment of the Italian Stock Exchange and leader in the outsourcing of hospital services in Italy, Brazil, Turkey, India, Albania, Morocco and Singapore - today approved the Interim Management Report at 30 September 2019.

*"The Group's results in the third quarter of 2019 - declared **Enea Righi, Deputy Chairman and Managing Director of Servizi Italia** - show an improvement in margins compared to the first six months of 2019, confirming the continuity of the factors supporting medium/long-term revenues and operating results already highlighted during the year, despite some elements of contraction in results, especially in Italy. We believe that internationalisation continues to be a particularly important strategy for the Group, as demonstrated by the excellent organic performance achieved in Brazil and Turkey during the period, only partly offset by a negative exchange rate translation effect. Equally strategic is the development of the surgical instrument sterilization sector, which is characterized by interesting margins in Italy. On the contrary, as already mentioned in the past, the first nine months of 2019 were burdened by a contraction in revenues for the period in the textile sterilization area, as well as by extraordinary charges, higher than expected, in the wash-hire sector in Italy. In line with what already stated, we therefore believe that the improvement in results can continue in the last quarter of the year, which will benefit more from the contributions of extraordinary operations carried out in recent months."*

Consolidated results as at 30 September 2019

With effect from 1 January 2019, the Group applied the new accounting standard IFRS 16 "Leases", which replaces IAS 17 and its interpretations. IFRS 16 implies the recognition among fixed assets of the rights to use leased assets that fall within the scope of application of the standard and the recognition among liabilities of the related financial debt. As allowed by the transition rules, the Group has chosen to apply IFRS 16 retrospectively, recording the cumulative effect of the application of the standard in shareholders' equity as at 1 January 2019, therefore the comparative data have not been restated. Where relevant, the effects of adopting the new standard are described in the following comparative analyses.

PRESS RELEASE

14 November 2019

As regards the business performance, during the first nine months of 2019, the Servizi Italia Group recorded an increase of 5.3% in **consolidated turnover** (+5.9% at constant exchange rates) compared to the financial statements as at 30 September 2018, with revenues from sales and services totaling Euro 196.407 million.

Please note what follows with reference to the three business lines of the Group:

- **Wash-hire services (74.3% of Group's revenues):** rose from Euro 136.125 million in the first nine months of 2018 to Euro 146.0 million, registering an increase of 7.3% mainly coming from the positive growth in foreign turnover (+10.5% in Brazil and +10.3% in Turkey), as well as from the acquisitions of Wash Service S.r.l., Ekolav S.r.l. and the business unit relating to Lavanderia Bolognini M&S S.r.l. With reference to the increase in revenues generated abroad, it should be noted in particular that this development has been sustained by an excellent organic growth in local currency (+12.2% in Brazil and +26.9% in Turkey), partly however impacted by a negative exchange rate translation effect both with reference to the Brazilian Real (negative exchange rate effect of 1.7% on revenues in the Brazil area) and with reference to the Turkish Lira (negative exchange rate effect of 16.6% on revenues in the Turkey area).
- **Linen sterilization services (7.7% of Group's revenues):** decreased from Euro 16 million in the first nine months of 2018 to Euro 15 million, with a decrease of 6.3% due to the termination of some contracts in Friuli Venezia Giulia and Emilia Romagna areas together with the contraction of some supplies to foreign countries.
- **Surgical instruments sterilization services (18.0% of Group's revenues):** rose from Euro 34.4 million in the first nine months of 2018 to Euro 35.4 million, up by 2.8%. This growth is also influenced by the new sector of turnkey supplies, global services and project financing for healthcare/O.T. construction and design.

Consolidated EBITDA increased from Euro 50.2 million in the first nine months of 2018 to Euro 52.2 million, with a margin on revenues of 26.6% (considering the accounting effect of the application of the new IFRS16), down compared to 26.9% of the same period last year. It should be noted that, during the period, there have been higher than expected start-up costs related to wash-hire activities in hotel sector (where a diversification process was started from the end of 2018). In this context, the Group recorded an increase in personnel and logistics costs (transport and warehouse rental). The cost of structural personnel increased in line with the need to support the objectives of developing and consolidating the turnover and economic results of recent acquisitions and foreign activities and Group's growth strategies. There was also a decrease in the incidence of raw material costs, offset by an increase in the incidence of service costs due in particular to the growth in energy costs.

PRESS RELEASE14 November 2019

The operating result (**EBIT**) passed from Euro 13.1 million in the first nine months of 2018 (7.0% compared to the turnover of the period) to Euro 9.8 million in the same period of 2019 (5.0%, or 5.7% at constant exchange rates and on a like-for-like basis), due to the dynamics already described in the comment on EBITDA change.

The consolidated interim financial statements as at 30 September 2019 therefore close with a **net profit** of Euro 7.7 million compared to Euro 10.3 million in the same period of the year

Net financial debt as at 30 September 2019 amounted to Euro 134.3 million and takes into account the application of the new accounting standard IFRS 16, which resulted in an increase in net financial debt equal to Euro 35.9 million (as at 1 January 2019 and still taking into account the effects of that accounting standard, the net financial debt was Euro 116.1 million).

Significant events after the end of the period

As at 11 November 2019, the Company has bought on market regulated and managed by Borsa Italiana a total amount of 761,722 treasury shares, equal to 2.39% of the share capital.

Business outlook

From one side, the results achieved at the end of the third quarter of 2019 are affected, from one side, by the start of a process of diversification of the wash-hire business and the integration and optimization of the most recent acquisitions, but on the other side they highlight the growing results in terms of turnover and margins of Group's internationalization strategy, especially in areas where the process of growth and consolidation of results has been underway for a few years now. The Group's target is to strengthen its position in the countries in which it operates, in order to drive organic growth; as well as to record a favorable trend in revenues, thanks to the diversification of services/customers and the main profitability indicators. These objectives will be achieved through investments aimed at external growth and continuing with the constant focus on management and organizational execution.

Treasury shares

As at 30 September 2019, the Company holds 679,322 treasury shares, equal to 2.14% of the share capital, following transactions on the market regulated and managed by Borsa Italiana.

Deposit of documentation

The Interim Management Report as at 30 September 2019 will be made available according to the methods and within the terms established by the law.

PRESS RELEASE

14 November 2019

Declaration of the Executive responsible for the preparation of the accounting documents

The executive responsible for the preparation of the corporate accounting documents, Ilaria Eugeniani, declares in accordance with Article 154 bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

Alternative performance indicators

The present document uses an “alternative performance indicator” not provided by the IFRS accounting standards. Here is the calculation method used and the composition of these ratios, in line with the guidelines of the European Securities and Market Authority (ESMA). The Company management has defined: (i) EBITDA as the difference between the value of sales and services and operating costs before depreciation, amortisation, write-downs, impairment and provisions; (ii) net financial debt as the sum of amounts Due to banks and other lenders net of Cash and cash equivalents and Current financial receivables.

This press release, disclosed by SDIR eMarket system, is now available on Company's website www.servizitaliagroup.com and on eMarket STORAGE (www.emarketstorage.com).

Servizi Italia S.p.A., a company based in Castellina in Soragna (PR), listed on the STAR segment of the Italian Stock Exchange, is the leading operator in Italy in the field of integrated services for hire, washing and sterilization of textile materials and surgical instruments for hospitals. With a technologically advanced production platform, articulated in laundry facilities, textile sterilization centers, surgical instruments sterilization centers and many wardrobes, the Company, which together with its Italian and foreign subsidiaries constitute the Servizi Italia Group, turns primarily to companies in public and private healthcare sector of center / northern Italy and the State of S.Paulo, Brazil, Turkey, India, Albania, Morocco and Singapore with a wide and diversified offer.

For further information:

Investor Relations

Servizi Italia

Giovanni Manti, Luigi Innocenti

Tel: +39 0524598511

investor@servizitaliagroup.com

Media Relations

iCorporate

Arturo Salerni, Ilaria Mastrogregori

Tel. + 02 4678 749

servizitalia@icorporate.it

In Attachment:

- Consolidated Statement of Financial position as at 30/09/2019
- Consolidated Income Statement as at 30/09/2019
- Comprehensive Consolidated Income Statement as at 30/09/2019
- Net consolidated financial position as at 30/09/2019

PRESS RELEASE

14 November 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(thousands of Euros)</i>	30 September 2019	31 December 2018
ASSETS		
Non-current assets		
Property, plant and equipment	170,331	129,609
Intangible assets	5,936	4,809
Goodwill	71,907	67,926
Equity-accounted investments	24,283	24,463
Equity investments in other companies	3,676	3,725
Financial receivables	5,922	6,844
Deferred tax assets	3,943	3,023
Other assets	5,898	6,444
Total non-current assets	291,896	246,843
Current assets		
Inventories	6,757	6,197
Trade receivables	80,661	75,900
Current tax receivables	1,758	1,961
Financial receivables	9,401	8,030
Other assets	12,742	8,868
Cash and cash equivalents	6,112	7,003
Total current assets	117,431	107,959
TOTAL ASSETS	409,327	354,802
SHAREHOLDERS' EQUITY AND LIABILITIES		
Group shareholders' equity		
Share capital	31,130	31,430
Other reserves and retained earnings	95,764	93,045
Profit (Loss) for the period	7,313	11,600
Total shareholders' equity attributable to shareholders of the parent	134,207	136,075
Total shareholders' equity attributable to non-controlling interests	3,622	2,163
TOTAL SHAREHOLDERS' EQUITY	137,829	138,238
LIABILITIES		
Non-current liabilities		
Due to banks and other lenders	71,930	36,044
Deferred taxes liabilities	2,412	2,014
Employee benefits	11,251	10,179
Provisions for risks and charges	2,574	2,651
Other financial liabilities	3,981	6,421
Total non-current liabilities	92,148	57,309
Current liabilities		
Due to banks and other lenders	77,876	61,184
Trade payables	71,327	74,140
Current tax payables	408	61
Other financial liabilities	8,919	3,602
Other payables	20,820	20,268
Total current liabilities	179,350	159,255
TOTAL LIABILITIES	271,498	216,564
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	409,327	354,802

PRESS RELEASE

14 November 2019

CONSOLIDATED INCOME STATEMENT

<i>(thousands of Euros)</i>	30 September 2019	30 September 2018
Sales revenues	196,407	186,583
Other income	3,291	3,902
Raw materials and consumables	(20,054)	(19,550)
Costs for services	(58,943)	(56,845)
Personnel expense	(67,420)	(62,700)
Other costs	(1,075)	(1,154)
Depreciation, amortization, write-downs, impairment and provisions	(42,371)	(37,174)
Operating profit	9,835	13,062
Financial income	1,568	1,500
Financial expenses	(4,727)	(2,627)
Income/(Expense) from equity investments in other companies	629	143
Revaluation/Impairment of equity-accounted investments	1,091	(350)
Profit before tax	8,396	11,728
Current and deferred taxes	(712)	(1,421)
Profit (Loss) of the period	7,684	10,307
of which: Attributable to shareholders of the parent	7,313	9,825
Attributable to non-controlling interests	371	482

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

<i>(thousands of Euros)</i>	30 September 2019	30 September 2018
Profit (Loss) of the period	7,684	10,307
<i>Other comprehensive income that will not be reclassified to the Income Statement</i>		
Actuarial gains (losses) on defined benefit plans	-	-
Income taxes on other comprehensive income	-	-
<i>Other comprehensive income that may be reclassified to the Income Statement</i>		
Gains (losses) from translation of foreign financial statements	(969)	(11,020)
Portion of comprehensive income of the investments measured using the equity method	(1,394)	(232)
Income taxes on other comprehensive income	-	-
Total other comprehensive income after taxes	(2,363)	(11,252)
Total comprehensive income for the period	5,321	(946)
of which: Attributable to shareholders of the parent	4,990	(852)
Attributable to non-controlling interests	331	(94)

PRESS RELEASE

14 November 2019

CONSOLIDATED NET FINANCIAL POSITION

<i>(thousands of Euros)</i>	30 September 2019	1 January 2019	31 December 2018
Cash and cash equivalents in hand	331	54	54
Cash at bank	5,781	6,949	6,949
Cash and cash equivalents	6,112	7,003	7,003
Current financial liabilities	9,401	8,030	8,030
<i>of which financial liabilities for IFRS 16</i>	<i>(77,876)</i>	<i>(64,848)</i>	<i>(61,184)</i>
Current liabilities to banks and other lenders	(3,726)	(3,664)	
Current net financial debt	(68,475)	(56,818)	(53,154)
Non-current liabilities to banks and other lenders	(71,930)	(66,249)	(36,044)
<i>of which financial liabilities for IFRS 16</i>	<i>(32,125)</i>	<i>(30,205)</i>	
Non-current net financial debt	(71,930)	(66,249)	(36,044)
Net financial debt	(134,293)	(116,064)	(82,195)

Fine Comunicato n.0868-119

Numero di Pagine: 9