



# SPAFID CONNECT

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Diffusione presunta

Oggetto : Gefran: the Board of Directors approves  
the draft financial statements for the year  
ending 31 December 2019

*Testo del comunicato*

Vedi allegato.

**GEFRAN S.p.A. BOARD OF DIRECTORS APPROVES  
DRAFT CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019**

- Revenues of 140.6 million Euro (+5 million Euro over 2018)
- EBITDA positive by 19.7 million Euro, equal to 14% of revenues (-0.3 million Euro less than 2018)
- Net profit of 7 million Euro (-1.1 million Euro since 2018)
- Net financial position was a negative 13.3 million Euro, following investment of 16 million Euro (as compared to a negative 4.5 million Euro at 31 December 2018)
- Dividend of 0.15 Euro per share proposed

**Group income statement highlights**

(Euro / 000)	31 December 2019		31 December 2018	
Revenues	140,535	100.0%	135,571	100.0%
EBITDA	19,730	14.0%	20,058	14.8%
EBIT	10,375	7.4%	13,743	10.1%
Profit (loss) before tax	10,069	7.2%	13,187	9.7%
Result from operating activities	7,042	5.0%	9,026	6.7%
Net profit (loss) from assets held for sale	-	0.0%	(875)	-0.6%
Group net profit (loss)	7,042	5.0%	8,151	6.0%

**Group statement of financial position highlights**

(Euro / 000)	31 December 2019	31 December 2018
Invested capital from operations	88,331	77,335
Net working capital	28,542	32,055
Shareholders' equity	75,044	72,814
Net financial position	(13,287)	(4,521)
Operating cash flow	18,045	18,992
Investments	16,006	9,438

**Provaglio d'Iseo (BS), 12 March 2020** – The GEFRAN S.p.A. Board of Directors met today, chaired by Maria Chiara Franceschetti, via video conference and unanimously approved the company's draft financial statement, consolidated financial statement and non-financial consolidated statement at 31 December 2019.

With reference to consolidated results, **revenues** as of 31 December 2019 amount to Euro 140.535 million, as compared with revenues of Euro 135.571 million in the same period in 2018, registering Euro 4.964 million in growth. The growth rate of +3.7% is a result of the change in the scope of

consolidation resulting from the takeover of Elettropiemme S.r.l. in January of last year. Without this effect, revenues would be lower than in the same period in the previous year (-0.6%).

The breakdown of revenues by **geographical region** shows strong growth in North America (+42.3%, net of the positive effect of the favourable exchange rate trend), particularly in the second half, and in South America (+10.1%), while sales fell in non-EU Europe (-34.2%) and the European Union (-3.7%). The growth recorded in Italy (+4.9%) was due to the change in the scope of the consolidation, without which there would have been a decrease in sales compared to the previous year (-7.5%).

The breakdown of revenues by **business area** reveals growth in the motion control business thanks to increased sales of products for custom projects (+5.3%) and of automation components (+10.4%). In the second case, the increase was generated by the newly purchased Elettropiemme S.r.l., without which sales in the business line would have been less than in the previous period (-4.4%). On the other hand, sales in the sensors business line contracted (-2.1%), mainly in the Asian, European and Italian markets.

**Added value** at 31 December 2019 amounted to 92.901 million Euro (89.754 at 31 December 2018) and corresponded to 66.1% of revenues (similar to the previous year's percentage). The entry of Elettropiemme S.r.l. into the Group contributed to the increase in added value, net of which the figure for the year 2019 would have been 89.896 million Euro, representing 66.7% of revenues.

**Other operating costs** in the year 2019 amounted to 23.921 million Euro, down compared to the 2018 figure of 23,799 million Euro, representing 17% of revenues (as compared to 17.6% in 2018). These cost items include the entry of Elettropiemme S.r.l. into the Group (0.434 million Euro) and a decrease in the cost of third-party assets due to application of the new accounting standard IFRS16, which sees the transfer of lease payments for the period (1.002 million Euro).

**Personnel costs** in the year 2019 amounted to 49.250 million Euro, as compared to 45.897 million Euro in 2018, an increase originated both by the newly acquired Elettropiemme S.r.l., which had 41 employees at the time of the purchase, and by new hiring by the Group, growing from 771 employees on 31 December 2018 to a total of 829 on 31 December 2019.

**EBITDA** at 31 December 2019 amounted to 19.730 million Euro (20.058 million Euro at 31 December 2018), corresponding to 14% of revenues (14.8% at 31 December 2018), down by 0.328 million Euro. The addition of Elettropiemme S.r.l. to the Group brought an increase of 1,033 million Euro, without which EBITDA would have been 1.361 million Euro lower than in 2018. The decrease is primarily attributable to higher operating costs during the period, only partly compensated by the greater added value earned and the positive effect of application of the new IFRS16 accounting standard, which requires reversal of leasing fees in the period.

**EBIT** as of 31 December 2019 was positive and equal to 10.375 million Euro, representing 7.4% of revenues, compared to an EBIT of 13.743 million Euro (10.1% of revenues) at 31 December 2018, a decrease of 3.368 million Euro. EBIT reflects a 1.531 million Euro drop in the value of assets as a result of demolition of a building used by the sensors business, expansion of which required additional space for new production lines. Considering that the building originally identified for this purpose was unable to guarantee sufficient technological and energy performance and long-term sustainability, it was demolished to permit construction of a more advanced, functional building. The work was completed in December 2019, and work on the new plant began in January 2020. If this loss is eliminated, along with the positive impact of the addition of Elettropiemme S.r.l. to the Group, EBIT in 2019 would total 11.136 million Euro, 2.607 million Euro lower than the 2018 figure.

The **net profit from assets held for sale** at 31 December 2019 was zero, while the figure for 31 December 2018 was negative by 0.875 million Euro and related to the adjustment of the amount of

assets held for sale relating to know-how in the photovoltaic business at its estimated realisable value, minus taxes.

**Group net profit** in the year 2019 was 7.042 million Euro, compared with a profit of 8.151 million Euro in 2018. When the positive impact of the newly purchased Elettropiemme S.r.l. and the loss of value of assets described above are eliminated, net profit at 31 December 2019 is 8,061 million Euro, 0.090 million Euro higher than the 2018 figure.

**Net working capital** at 31 December 2019 is 28.542 million Euro, as compared with 32.055 million Euro at 31 December 2018, a total decrease of 3.513 million Euro: inventory increased by 1.570 million Euro, trade receivables dropped by 0.877 million Euro and trade payables increased by 4.206 million Euro over 31 December 2018.

**Shareholders' equity** at 31 December 2019 was 75.044 million Euro, compared with 72.814 million Euro at 31 December 2018. The change was primarily a result of the positive result in the period, totalling 7.042 million Euro, absorbed by distribution of 4.599 million Euro in dividends on profit in 2018.

**Investment** in 2019 amounted to 16.006 million Euro (9.438 million Euro in the previous year).

**Net financial position** at 31 December 2019 was negative and equal to 13.287 million Euro, 8.766 million Euro worse than the figure for 31 December 2018, when it was negative by 4.521 million Euro. This change is mainly due to positive cash flows from ordinary operations (18.045 million Euro), absorbed by technical investments in the period (15.644 million Euro), distribution of dividends (4.599 million Euro), the net effect of the acquisition of Elettropiemme S.r.l. (0.231 million Euro) and payment of taxes (2.183 million Euro). In addition to this, there was the negative effect of the application of IFRS 16, which led to a worsening of the company's net financial position (3.084 million Euro).

Net financial debt comprises short-term cash and cash equivalents of 10.713 million Euro and medium-/long-term debt of 24 million Euro.

## Outlook

Considering further events unforeseeable as of today, Gefran reconsiders the growing perspectives previously expected and foresees revenues in line with the previous financial year and margins that could possibly decrease.

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Maria Chiara Franceschetti, Chairman of the Gefran Group, comments: *"The results of the year 2019 confirm the Group's stable ability to grow and generate value even in a complex economic scenario with growing competition on the market. In 2019 we concentrated on our core business and continued implementing our three-year plan for investment in technological capital (plants and equipment for innovating and increasing the efficiency of our production) and human capital (increasing our professional staff)".*

*"The implementation of our plan reinforces our technologies, productive assets and know-how, adding to the Group's capacity to respond to demand for efficiency, quality and dependability as a result of the evolution of the market. We're doing all this while safeguarding the Group's solidity, as demonstrated by our net financial position at 31 December".*

The Gefran Group Chairman offered the following comments on the situation created by the spread of the COVID-19 virus: *"We're working in full compliance with the orders issued by the medical and government authorities to protect our employees' health and guarantee continuity of supplies and services for our customers. Our production plants are fully operative, as are our offices, through smart*

*working. We believe it is early to speculate on future developments in the medical emergency in the countries where we work, but we're confident we have the solidity required to face its predictable economic impact. As always, we will concentrate on our work and keep working toward achievement of our goals".*

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## **Impact of the new accounting standard IFRS 16 on consolidated figures**

The Group has decided to apply the new standard starting on 1 January 2019, on the basis of what is known as the *modified retrospective approach*, in which the value of the assets is equal to the value of the financial liabilities; moreover, as permitted by the IASB, practical expedients have been used such as exclusion of contracts with a residual duration of less than 12 months or contracts for which the fair value of the asset is calculated to fall under the conventional threshold of 5 thousand American Dollars (modest unitary value). As of 31 December 2019 the Group has a total of 205 contracts in place for leasing of vehicles, machinery, industrial equipment and electronic office machinery, as well as for rental of real estate. On the basis of the values and terms specified above, 172 of these contracts are subject to application of IFRS 16, while 71 are excluded. The overall impact of application of the standard as of 31 December 2019 involves entry of non-current tangible assets under the item "Usage rights" (with a net value of 3.089 million Euro) and financial payables in Net Financial Position under the items "Non-current financial payables for leasing under IFRS 16" and "Current financial payables for leasing under IFRS 16" (totalling 3.084 million Euro). As for economic impact in the year 2019, the item "Amortisation of usage rights" amounts to 1.146 million Euro, while the "Charges for financial liabilities" includes "Interest on financial payables for leasing under IFRS 16" totalling 0.039 million Euro. Also note that IFRS 16 has resulted in a 1.190 million Euro reduction of "Service costs" due to reversal of rental and leasing fees.

## **Performance of the parent company, Gefran S.p.A.**

On 1 October 2018 Gefran S.p.A. contributed its motion control business located in the plant in Gerenzano (VA) to Gefran Drives and Motion S.r.l., established in July 2018. The economic result of Gefran S.p.A. in the first three quarters of 2018 therefore includes the motion control business, while the figures for the last quarter of 2018 are reported by the new entity.

As for the results of Gefran S.p.A. only, the year 2019 closed with **revenues** of 61.034 million Euro, down 23.998 million Euro since 2018, when they included 21.671 million Euro in revenues from products in the motion control business in the first three quarters. With the same scope of consolidation, revenues dropped by 2.327 million Euro (-3.7% over the previous year).

**EBIT** in the year 2019 is positive at 5.516 million Euro (9% of revenues), as compared to a positive EBIT of 8.809 million Euro on 31 December 2018, which included the EBIT of the motion control business unit for the first three quarters of the year, negative by 0.033 million Euro; if this effect is excluded, the drop is a result of lower added value and the loss of value of assets entered as a result of demolition of a building used by the sensors business unit, the expansion of which required additional space for new production lines.

**Net profit** as of 31 December 2019 amounted to 6.222 million Euro, as compared to a net profit of 7.630 million Euro in 2018, a decrease of 1.408 million Euro.

**Working capital** totalled 12.315 million Euro in 2019, down 0.885 million Euro over 31 December 2018; the variation includes a 0.166 million Euro drop in the value of inventory, a 1.545 million Euro drop in trade receivables and a 0.826 million Euro drop in trade payables.

**Shareholders' equity** increased by Euro 1.306 million compared with 31 December 2018 due to recognition of annual profit (Euro 6.222 million ) and decreased by Euro 4.599 million due to the payment of dividends on the 2018 profit.

**Net indebtedness** at 31 December 2019 amounts to 19.846 million Euro, a drop of 2.311 million Euro over 31 December 2018. This change essentially originates from positive cash flows from typical operations (9.710 million Euro), mitigated by the negative flows in technical investments (8.375 million Euro) and distribution of dividends in May 2019 (4.599 million Euro).

## **Notice of Extraordinary Shareholders' Meeting**

Shareholders are summoned to an Extraordinary and Ordinary Shareholders' Meeting to be held in GEFran S.P.A.'s offices in Via Statale Sebina, no.74, Provaglio d'Iseo (BS), on 28 April 2020 at 17:00, first call, and, if necessary, in the same place at 17:00 on 19 May 2020, second call, to discuss and resolve on the following

### **AGENDA**

#### Extraordinary portion

1. Proposed amendment of articles 8 and 14 of the company's Articles of Association.

#### Ordinary portion

2. Annual financial statements for the year ending 31 December 2019
  - 1.1 Approval of the Financial Statements for the year ending 31 December 2019; reports by the Board of Directors, the Board of Statutory Auditors and the Independent Auditor.
  - 1.2 Approval of the distribution of dividends.
3. Report on Remuneration Policy and Compensation paid. Approval of the first section of the Report under paragraph 3-ter of art.123-ter of Legislative Decree no. 58/1998.
4. Report on Remuneration Policy and Compensation paid . Consultation on the second section of the Report under paragraph 6 of art.123-ter of Legislative Decree no. 58/1998.
5. Appointment of the Board of Directors.
  - 5.1 Determination of the number of members of the Board of Directors;
  - 5.2 Determination of the duration of the office;
  - 5.3 Appointment of directors;
  - 5.4 Determination of the annual fee of the members of the Board of Directors.
6. Appointment of the Honorary Chairman
7. Revoking of the previous authorisation to buy and sell own shares and release of new authorisation

## Result for the period

In view of the result of the year 2019, the Board of Directors has resolved to propose to the Shareholders' Meeting the distribution of a dividend of 0.15 Euro per share in circulation (not including own shares), through use of the necessary amount of the net profit for the year, and to allocate to retained earnings the remaining amounts. The dividend, in compliance with the provisions of the "Regulation of the markets organised and managed by Borsa Italiana S.p.A.", will be paid as follows: ex-dividend date 11 May 2020, in payment as from 13 May 2020.

## Authorisation to buy own shares

The Board of Directors has resolved to ask the Shareholders' Meeting to authorise the purchase and disposal of ordinary shares in the Company up to a maximum of 1,440,000 shares, equivalent to 10% of the share capital. The authorisation is requested for a period of 18 months from the date of the shareholders' resolution. Authorisation to buy and dispose of own shares is required for the following purposes:

- to trade on the market, in accordance with the regulations in force;
- to offer shareholders an additional tool to monetise investments.

Acquisitions and disposals of own shares, which must comply with market practices and the regulatory provisions in force, will take into account the own shares currently in the portfolio in each case.

Own shares will be purchased at a unit price that is not less than their nominal value and not higher than the average price over the last three trading days prior to the purchase date plus 15%.

The sale price will be established on each occasion by the Board, based on the share price trend prior to the transaction and in the Company's best interest. The minimum price may not be more than 10% lower than the price registered during the trading session prior to each disposal; this price limit shall not be applied in the case of a disposal other than sale.

For further details, please see the Explanatory Report on items on the agenda of the Shareholders' Meeting, published on the Company's website [www.gefran.com](http://www.gefran.com).

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*At the Board meeting, independence requirements were checked in accordance with art. 3.P.2 of the Code of Conduct of Listed Companies. Non-executive directors Mario Mazzoleni, Daniele Piccolo and Monica Vecchiati were found to possess the requirements of independence.*

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*Pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance, Fausta Coffano, the executive in charge of financial reporting, declares that the information contained in this press release accurately represents the figures contained in the Group's accounting records.*

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*Please note that the Financial Statement and the Consolidated Financial Statement at 31 December 2019 with its relevant reports, and the consolidated non financial declaration, together with the Annual Report on Corporate Governance and Ownership Structure, and the Report on Remuneration, will be available from 30 March 2020 at the Company's registered offices and may also be viewed in the "Investors / Financial Reports" and in the "Governance / Shareholders' meeting" section of the*

Company's internet site ([www.gefran.com](http://www.gefran.com)) and on the internet site managed by Spafid Connect S.p.A.. ([www.emarketstorage.com](http://www.emarketstorage.com)).

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Please note that the financial statements figures are currently subject to audit by the Board of Statutory Auditors and by the Independent Audit Firm.

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This press release contains some "alternative performance indicators" not included in the IFRS accounting principles, whose meaning and content, in line with recommendation ESMA/2015/1415 of 5 October 2015, are illustrated below.

Specifically, the alternative indicators used in the report on the income statement are:

- **Added value:** the direct margin resulting from revenues, including only direct material, gross of other production costs, such as personnel costs, services and other sundry costs;
- **EBITDA:** the operating result before depreciation, amortisation and impairment. The purpose of this indicator is to present the Group's operating profitability before the main non-monetary items;
- **EBIT:** operating profit before financial management and taxes. The purpose of this indicator is to present the Group's operating profitability.

Alternative indicators used in the report on the reclassified statement of financial position are:

- **Net non-current assets:** the algebraic sum of the following items in the statement of financial position:
  - Goodwill
  - Intangible assets
  - Property, plant, machinery and tools
  - Equity investments valued at equity
  - Equity investments in other companies
  - Receivables and other non-current assets
  - Deferred tax assets
- **Working capital:** the algebraic sum of the following items in the statement of financial position:
  - Inventories
  - Trade receivables
  - Trade payables
  - Other assets
  - Tax receivables
  - Current provisions
  - Tax payables
  - Other liabilities
- **Net invested capital:** the algebraic sum of fixed assets, operating capital and provisions;
- **Net financial position:** algebraic sum of the following items:
  - Medium/long-term financial payables
  - Short-term financial payables
  - Financial liabilities for derivatives
  - Financial assets for derivatives
  - Cash and cash equivalents and short-term financial receivables



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The **Gefran Group** operates directly in the main international markets, through sales branches in Italy, France, Germany, Switzerland, the UK, Belgium, Spain, Turkey, the US, Brazil, China, Singapore and India, and through manufacturing branches also in Germany, Switzerland, Brazil, the US and China. The **Gefran Group** currently has more than 800 employees.

The key factors behind **Gefran's** success are specialist know-how, design and production flexibility, capacity for innovation and the quality of its processes and products. With total control of process technology and application know-how, **Gefran** creates instruments and integrated systems for specific applications in various industrial sectors, including plastics processing, food, pharmaceuticals, and packaging and die-casting machines.

**Gefran**, which has been listed on the Italian Stock Exchange since 9 June 1998, became part of the STAR (high-requisite stock) segment in 2001 and has been listed in the ALL STAR class since 31 January 2005 (which became the FTSE Italia STAR Index on 1 June 2009).

Attachments:

Consolidated Income Statement, Consolidated Results by Line of Business, Breakdown of Consolidated Income by Geographical Region, Consolidated Statement of Financial Position and Consolidated Cash Flow Statement.

Income Statement of Gefran S.p.A., Statement of Financial Position of Gefran S.p.A. and Cash Flow Statement of Gefran S.p.A..

**Reclassified schedule of the consolidated Income Statement of the Gefran Group at 31 December 2019**

(Auditing still in progress)

(Euro / 000)	31 December 2019	31 December 2018	Changes 2019-2018	
	Total	Total	Value	%
a Revenues	140,535	135,571	4,964	3.7%
b Increases for internal work	2,574	1,425	1,149	80.6%
c Consumption of materials and products	50,208	47,242	2,966	6.3%
d Added value (a+b-c)	92,901	89,754	3,147	3.5%
and Other operating costs	23,921	23,799	122	0.5%
f Personnel costs	49,250	45,897	3,353	7.3%
g EBITDA (d-e-f)	19,730	20,058	(328)	-1.6%
h Depreciation, amortisation and impairment	9,355	6,315	3,040	48.1%
i EBIT (g-h)	10,375	13,743	(3,368)	-24.5%
l Gains (losses) from financial assets/liabilities	(486)	(501)	15	3.0%
m Gains (losses) from shareholdings valued at equity	180	(55)	235	427.3%
n Profit (loss) before tax (i±l±m)	10,069	13,187	(3,118)	-23.6%
o Taxes	(3,027)	(4,161)	1,134	27.3%

p	Result from operating activities (n±o)	7,042	9,026	(1,984)	-22.0%
q	Net profit (loss) from assets held for sale	-	(875)	875	100.0%
r	Group net profit (loss) (p±q)	7,042	8,151	(1,109)	-13.6%

## Results by business of the Gefran Group at 31 December 2019

(Auditing still in progress)

(Euro / 000)	31 December 2019					31 December 2018				
	Revenues	EBITDA	% of revenues	EBIT	% of revenues	Revenues	EBITDA	% of revenues	EBIT	% of revenues
Sensors	60,582	14,663	24.2%	9,960	16.4%	61,893	18,439	29.8%	15,930	25.7%
Automation components	41,391	4,128	10.0%	1,608	3.9%	37,475	3,326	8.9%	1,360	3.6%
Motion Control	43,953	939	2.1%	(1,193)	-2.7%	41,740	(1,707)	-4.1%	(3,547)	-8.5%
Eliminations	(5,391)	-	n.s.	-	n.s.	(5,537)	-	n.s.	-	n.s.
<b>Total</b>	<b>140,535</b>	<b>19,730</b>	<b>14.0%</b>	<b>10,375</b>	<b>7.4%</b>	<b>135,571</b>	<b>20,058</b>	<b>14.8%</b>	<b>13,743</b>	<b>10.1%</b>

## Revenues by geographical region of the Gefran Group at 31 December 2019

(Auditing still in progress)

(Euro / 000)	31 December 2019		31 December 2018		Changes 2019-2018	
	value	%	value	%	value	%
Italy	43,342	30.8%	41,305	30.5%	2,037	4.9%
European Union	34,861	24.8%	36,205	26.7%	(1,344)	-3.7%
Non-EU Europe	4,588	3.3%	6,972	5.1%	(2,384)	-34.2%
North America	21,656	15.4%	14,757	10.9%	6,899	46.8%
South America	4,359	3.1%	3,959	2.9%	400	10.1%
Asia	30,987	22.0%	31,621	23.3%	(634)	-2.0%
Rest of World	742	0.5%	752	0.6%	(10)	-1.3%
<b>Total</b>	<b>140,535</b>	<b>100%</b>	<b>135,571</b>	<b>100%</b>	<b>4,964</b>	<b>3.7%</b>

**Reclassified schedule of the Consolidated Statement of Financial Position of the Gefran Group at 31 December 2019**

(Auditing still in progress)

(Euro / 000)	31 December 2019		31 December 2018	
	value	%	value	%
Intangible assets	13,558	15.3	12,376	16.0
Tangible assets	47,850	54.2	38,955	50.4
Other non-current assets	9,536	10.8	9,801	12.7
<b>Net non-current assets</b>	<b>70,944</b>	<b>80.3</b>	<b>61,132</b>	<b>79.0</b>
Inventories	24,548	27.8	22,978	29.7
Trade receivables	28,931	32.8	29,808	38.5
Trade payables	(24,937)	(28.2)	(20,731)	(26.8)
Other assets/liabilities	(3,484)	(3.9)	(9,027)	(11.7)
<b>Working capital</b>	<b>25,058</b>	<b>28.4</b>	<b>23,028</b>	<b>29.8</b>
Provisions for risks and future liabilities	(2,171)	(2.5)	(1,674)	(2.2)
Deferred tax provisions	(647)	(0.7)	(627)	(0.8)
Employee benefits	(4,853)	(5.5)	(4,524)	(5.8)
<b>Invested capital from operations</b>	<b>88,331</b>	<b>100.0</b>	<b>77,335</b>	<b>100.0</b>
<b>Net invested capital</b>	<b>88,331</b>	<b>100.0</b>	<b>77,335</b>	<b>100.0</b>
<b>Shareholders' equity</b>	<b>75,044</b>	<b>85.0</b>	<b>72,814</b>	<b>94.2</b>
Non-current financial payables	21,916	24.8	11,864	15.3
Current financial payables	12,643	14.3	10,817	14.0
Financial payables for IFRS 16 leases (current and non-current)	3,084	3.5	-	-
Financial liabilities for derivatives (current and non-current)	169	0.2	28	0.0
Financial assets for derivatives (current and non-current)	(1)	(0.0)	(19)	(0.0)
Other non-current financial investments	(97)	(0.1)	(126)	(0.2)
Cash and cash equivalents and current financial receivables	(24,427)	(27.7)	(18,043)	(23.3)
<b>Net debt relating to operations</b>	<b>13,287</b>	<b>15.0</b>	<b>4,521</b>	<b>5.8</b>
<b>Total sources of financing</b>	<b>88,331</b>	<b>100.0</b>	<b>77,335</b>	<b>100.0</b>

**Reclassified Schedule of the Consolidated Cash Flow Statement of the Gefran Group at 31 December 2019**

(Auditing still in progress)

(Euro / 000)	31 December 2019	31 December 2018
<b>A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD</b>	<b>18,043</b>	<b>24,006</b>
<b>B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD:</b>		
Net profit (loss) for the period	7,042	8,151
Depreciation, amortisation and impairment	9,355	6,315
Provisions (Releases)	1,770	2,732
Capital (gains) losses on the sale of non-current assets	(350)	8
Impairment of assets held for sale	-	1,214
<b>Net result from financial operations</b>	<b>345</b>	<b>556</b>

Taxes	1,963	2,293
Change in provisions for risks and future liabilities	(1,012)	(1,097)
Change in other assets and liabilities	(5,004)	1,191
Change in deferred taxes	1,039	1,529
Change in trade receivables	2,017	(651)
	<i>of which related parties:</i>	55
Change in inventories	(2,186)	(4,956)
Change in trade payables	3,066	1,707
	<i>of which related parties:</i>	223
<b>TOTAL</b>	<b>18,045</b>	<b>18,992</b>
<b>C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES</b>		
Investments in:		
- Property, plant & equipment and intangible assets	(15,644)	(9,411)
	<i>of which related parties:</i>	(919)
- Acquisitions net of acquired cash	(231)	-
- Financial receivables	(8)	6
Disposal of non-current assets	1,487	52
<b>TOTAL</b>	<b>(14,396)</b>	<b>(9,353)</b>
<b>D) FREE CASH FLOW (B+C)</b>	<b>3,649</b>	<b>9,639</b>
<b>E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES</b>		
New financial payables	21,785	5,000
Repayment of financial payables	(9,781)	(9,462)
Increase (decrease) in current financial payables	(425)	(1,789)
Outgoing cash flow due to IFRS 16	(1,190)	-
Taxes paid	(2,183)	(3,744)
Interest paid	(756)	(1,491)
Interest received	93	691
Sale (purchase) of own shares	-	(156)
Change in shareholders' equity reserves	-	487
Dividends paid	(4,599)	(5,040)
<b>TOTAL</b>	<b>2,944</b>	<b>(15,504)</b>
<b>F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)</b>	<b>6,593</b>	<b>(5,865)</b>
G) Exchange rate translation differences on cash at hand	(209)	(98)
<b>H) Net change in cash at hand (F+G)</b>	<b>6,384</b>	<b>(5,963)</b>
<b>I) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+H)</b>	<b>24,427</b>	<b>18,043</b>

**Reclassified schedule of the consolidated Income Statement of Gefran S.p.A. at 31 December 2019**

(Auditing still in progress)

(Euro / 000)	31 December 2019	31 December 2018	Changes 2019-2018	
	Total	Total	Value	%
a Revenues	61,034	85,032	(23,998)	-28.2%
b Increases for internal work	1,528	1,242	286	23.0%
c Consumption of materials and products	18,121	31,240	(13,119)	-42.0%
d Added value (a+b-c)	44,441	55,034	(10,593)	-19.2%
and Other operating costs	12,230	14,321	(2,091)	-14.6%
f Personnel costs	20,807	26,872	(6,065)	-22.6%
g EBITDA (d-e-f)	11,404	13,841	(2,437)	-17.6%
h Depreciation, amortisation and impairment	5,888	5,032	856	17.0%
i EBIT (g-h)	5,516	8,809	(3,293)	-37.4%
l Gains (losses) from financial assets/liabilities	2,182	2,302	(120)	-5.2%
n Profit (loss) before tax (i±l)	7,698	11,111	(3,413)	-30.7%
o Taxes	(1,476)	(2,615)	1,139	43.6%
p Result from operating activities (n±o)	6,222	8,496	(2,274)	-26.8%
q Profit (loss) from assets held for sale	-	(866)	866	100.0%
r Net profit (loss) (p±q)	6,222	7,630	(1,408)	-18.5%

**Reclassified schedule of the Statement of Financial Position of Gefran S.p.A. at 31 December 2019**

(Auditing still in progress)

(Euro / 000)	31 December 2019		31 December 2018	
	value	%	value	%
Intangible assets	4,575	5.4	4,009	4.9
Tangible assets	25,787	30.4	23,148	28.5
Other non-current assets	48,211	56.8	49,394	60.8
<b>Net non-current assets</b>	<b>78,573</b>	<b>92.5</b>	<b>76,551</b>	<b>94.2</b>
Inventories	5,225	6.2	5,391	6.6
Trade receivables	20,152	23.7	21,697	26.7
Trade payables	(13,062)	(15.4)	(13,888)	(17.1)
Other assets/liabilities	(2,820)	(3.3)	(5,188)	(6.4)
<b>Working capital</b>	<b>9,495</b>	<b>11.2</b>	<b>8,012</b>	<b>9.9</b>
Provisions for risks and future liabilities	(922)	(1.1)	(866)	(1.1)
Deferred tax provisions	-	-	(4)	(0.0)
Employee benefits	(2,234)	(2.6)	(2,398)	(2.9)
<b>Invested capital from operations</b>	<b>84,912</b>	<b>100.0</b>	<b>81,295</b>	<b>100.0</b>
<b>Invested capital from assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net invested capital</b>	<b>84,912</b>	<b>100.0</b>	<b>81,295</b>	<b>100.0</b>
<b>Shareholders' equity</b>	<b>65,066</b>	<b>76.6</b>	<b>63,760</b>	<b>78.4</b>
Non-current financial payables	21,079	24.8	11,864	14.6
Current financial payables	22,726	26.8	19,738	24.3
Financial payables for IFRS 16 leases (current and non-current)	488	0.6	-	-
Financial liabilities for derivatives (current and non-current)	169	0.2	28	0.0
Financial assets for derivatives (current and non-current)	(1)	(0.0)	(19)	(0.0)
Non-current financial investments	(98)	(0.1)	(126)	(0.2)
Cash and cash equivalents and current financial receivables	(24,517)	(28.9)	(13,950)	(17.2)
<b>Net debt relating to operations</b>	<b>19,846</b>	<b>23.4</b>	<b>17,535</b>	<b>21.6</b>
<b>Total sources of financing</b>	<b>84,912</b>	<b>100.0</b>	<b>81,295</b>	<b>100.0</b>

**Reclassified schedule of the Consolidated Cash Flow Statement of Gefran S.p.A. at 31 December 2019**

(Auditing still in progress)

(Euro / 000)	31 December 2019	31 December 2018
<b>A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD</b>	<b>10,245</b>	<b>11,365</b>
<b>B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD:</b>		
Net profit (loss) for the period	6,222	7,630
Depreciation, amortisation and impairment	5,888	5,032
Provisions (Releases)	1,134	1,772
Capital (gains) losses on the sale of non-current assets	(30)	(4)
Capital (gains) losses on the sale of assets held for sale	-	1,201
Net result from financial operations	(2,177)	(2,302)
Taxes	630	681
Change in provisions for risks and future liabilities	(596)	(629)
Change in other assets and liabilities	(2,340)	1,807
Change in deferred taxes	846	1,599
Change in trade receivables	1,691	4,673
<i>of which related parties:</i>	-	11
Change in inventories	(941)	(4,021)
Change in trade payables	(617)	(2,734)
<i>of which related parties:</i>	(179)	206
<b>TOTAL</b>	<b>9,710</b>	<b>14,705</b>
<b>C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES</b>		
Investments in:		
- Property, plant & equipment and intangible assets	(8,542)	(7,491)
<i>of which related parties:</i>	(357)	(919)
- Equity investments and securities	-	(10)
- Financial receivables	(1)	3
Disposal of non-current assets	168	19
<b>TOTAL</b>	<b>(8,375)</b>	<b>(7,479)</b>
<b>D) FREE CASH FLOW (B+C)</b>	<b>1,335</b>	<b>7,226</b>
<b>E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES</b>		
New financial payables	20,000	5,000
Repayment of financial payables	(9,180)	(9,462)
Increase (decrease) in current financial payables	(2,854)	(6)
Outgoing cash flow due to IFRS 16	(207)	-
Taxes paid	(500)	(808)
Interest (paid)	(263)	(539)
Interest received	38	371
Sale (purchase) of own shares	-	(156)
Dividends received	2,545	2,294
Dividends paid	(4,599)	(5,040)
<b>TOTAL</b>	<b>4,980</b>	<b>(8,346)</b>
<b>F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)</b>	<b>6,315</b>	<b>(1,120)</b>
<b>G) NET CHANGE IN CASH AT HAND (F)</b>	<b>6,315</b>	<b>(1,120)</b>
<b>H) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+ G)</b>	<b>16,560</b>	<b>10,245</b>

Fine Comunicato n.0136-4

Numero di Pagine: 16