



# SPAFID CONNECT

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Oggetto : Sabaf: the Shareholders' Meeting approves  
the 2019 financial statements

*Testo del comunicato*

Vedi allegato.

## **SABAF: THE SHAREHOLDERS' MEETING APPROVES THE 2019 FINANCIAL STATEMENTS**

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The Ordinary and Extraordinary Shareholders' Meeting of Sabaf S.p.A. was held today at Ospitaletto, under the chairmanship of the Chief Executive Officer Pietro Iotti.

### **Consolidated results for 2019 of the Sabaf Group**

The 2019 consolidated results of the Sabaf Group were presented at the shareholders' meeting.

In 2019, the Sabaf Group reported a sales revenue of €155.9 million, an increase of 3.5% versus the figure of €150.6 million in 2018 (-8.9% taking into consideration the same scope of consolidation).

The slowdown in organic activity partly affected profitability, which, however, is at a high level: 2019 EBITDA amounted to €27 million (17.3% of turnover) compared to €30 million (19.9% of turnover) in 2018; EBIT reached €11.9 million (7.6% of turnover) compared to €16.4 million (10.9% of turnover) of the previous year. Net profit of 2019, equal to €9.9 million (6.4% of turnover), was 36.5% lower than the €15.6 million of 2018.

In 2019, positive free cash flow<sup>1</sup>, which benefited from a reduction in net working capital of €16.3 million, was €28.9 million (€14.3 million in 2018).

At 31 December 2019, net financial debt was €55.1 million compared to €53.5 million of 31 December 2018, whereas shareholders' equity amounted to €121.1 million (€119.3 million at 31 December 2018).

### **2019 Financial Statements of Sabaf S.p.A. and allocation of the profit for the year**

The Shareholders' Meeting voted to approve the Sabaf S.p.A. financial statements for FY 2019.

In 2019, the Parent Company Sabaf S.p.A.'s sales revenue totalled €94.9 million (compared to €110.1 million reported in 2018, -13.8%); EBITDA was €13.1 million, down 3.8% from €13.6 million in 2018; EBIT was €2.9 million, down 46.8% from €5.5 million in the previous year and net profit was €3.8 million, down 52.5% compared to 2018.

The Board resolved to allocate the profit for 2019 entirely to the extraordinary reserve.

### **Report on remuneration policy and remuneration paid**

The Shareholders' Meeting also approved the first section of the Report on Remuneration Policy and Remuneration Paid that sets out the policy adopted by the Company with regard to the remuneration of Directors and Executives with Strategic Responsibilities, and expressed a favourable advisory vote on the second section of the same Report, which sets out the remuneration of Directors, Statutory Auditors and other executives with strategic responsibilities for the year 2019.

### **Authorisation to purchase and sell treasury shares**

The Shareholders' Meeting authorised the Board of Directors to purchase and sell treasury shares, in compliance with the equal treatment of shareholders and with the regulations in force, for the following purposes:

- dispose of treasury shares to be used for equity-based incentive plans, reserved for directors and/or employees of the Company or of subsidiary companies and, in particular, the stock grant plan approved by the Shareholders' meeting;

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<sup>1</sup> Free cash flow is defined as the algebraic sum of cash flows from operations and from investment activities, as shown in the Cash Flow Statement.

- in accordance with Company's strategic guidelines, use treasury shares as part of the transactions related to business plans and agreements with strategic partners or as part of investment transactions, or extraordinary financial transactions that imply the assignment or disposal of treasury shares;
- offer shareholders an additional instrument to monetise their investment;
- carry out activities in support of liquidity.

This authorisation allows the Board to purchase up to 1,153,345 ordinary shares on the market, for a period of 18 months, for a maximum total disbursement equal to the available reserves and distributable profits, at a price not higher than 10% the average official prices recorded on the MTA (electronic stock exchange) during the five sessions prior to purchase.

The Board of Directors has also been authorised to dispose of treasury shares without any time restrictions according to any procedure, determined by the Board of Directors itself, that proves advisable for achieving the goals pursued.

### **Delegation of power to the Board of Directors for share capital increase**

The Extraordinary Shareholders' Meeting approved a proxy to the Board of Directors to increase the share capital and the consequent amendment to Article 5 of the Articles of Association. The delegation of powers gives the Board of Directors the power to increase the share capital against payment and by subscription in cash, all at once or in multiple instalments and through splitting shares, with the exclusion of the right of option pursuant to art. 2441, paragraph 4, second sentence, of the Italian Civil Code, through the issue, also in several tranches, of a number of ordinary shares not exceeding 10% of the share capital existing before the date of exercise of the power, if any, and in any case for a nominal amount not exceeding €1,153,450, with the right to establish any additional share premium.

The purpose of the Delegation of Power is to provide the Board of Directors with the necessary flexibility and timeliness in the carrying out of one or more increases in share capital in order to seize the most favourable conditions for the conclusion of agreements with possible partners and/or investors, which would contribute money to the pursuit of the strategic objectives set out in the 2018-2022 Business Plan, including those relating to possible acquisitions.

### **Amendments to the articles of association**

The extraordinary Shareholders' Meeting also approved some amendments to the Articles of Association:

- with reference to the rules governing the allocation of the increased vote, the provision of a separate request of the person entitled as a prerequisite for the increase has been eliminated - in accordance with the most recent indications of Consob - once the other conditions and procedures envisaged by the Articles of Association have been met;
- with regard to the manner in which the Board of Directors is elected on the basis of list voting, provision has been made for the Board of Directors to also have the option of submitting a list of candidates;
- the position of Honorary Chairman was introduced, with the specific aim of establishing an honorary function to be assigned to persons who have contributed to the success or development of the Company;
- the possibility of using electronic mail has been introduced for the convening of the Board of Directors.

### **Management performance**

The Board of Directors of Sabaf S.p.A. will meet on 12 May to approve the Interim Management Statement at 31 March 2020. On that occasion, the Company will provide updated information on business performance, taking account of the visibility of the moment and the elements of uncertainty related to the spread of the coronavirus epidemic worldwide.



*We burn* for technology and safety.

For further information:

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*Founded in the early fifties, SABAF has grown consistently over the years to become one of the leading producers in the world – of components for household appliances.*

*There are three main lines of production: components for gas cooking (valves and burners), hinges and electronic components.*

*Technological expertise, manufacturing flexibility, and the ability to offer a vast range of components – tailor-made to meet the requirements of individual manufacturers of cookers and built-in hobs and ovens and in line with the specific characteristics of its core markets – are Sabaf's key strengths in a sector featuring major specialisation, constantly evolving demand and an ever-increasing orientation towards products assuring total reliability and safety.*

*The Sabaf Group has more than 1,000 employees. It operates through its parent company SABAF S.p.A. and the subsidiaries Sabaf do Brasil, Sabaf Turkey and Sabaf China, active in the production of domestic burners, A.R.C., which produces burners for professional cooking, and Faringosi Hinges and C.M.I., leader in the production of oven hinges and dishwashers and Okida, active in the sector of electronic components for household appliances.*

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