



SPAFID
CONNECT

Informazione Regolamentata n. 0136-33-2020	Data/Ora Ricezione 12 Novembre 2020 12:51:52	MTA - Star
--	--	------------

Societa' : GEFRAN
Identificativo : 139149
Informazione
Regolamentata
Nome utilizzatore : GEFRANN04 - Coffano
Tipologia : REGEM
Data/Ora Ricezione : 12 Novembre 2020 12:51:52
Data/Ora Inizio : 12 Novembre 2020 12:51:53
Diffusione presunta
Oggetto : GEFRAN S.p.A.: BOARD APPROVES
CONSOLIDATED RESULTS AT 30
September 2020

Testo del comunicato

Vedi allegato.

GEFRAN S.p.A. BOARD APPROVES CONSOLIDATED RESULTS AT 30 September 2020

- Revenues of 93.9 million Euro (-10.6% compared to the first nine months of 2019)
- Positive EBITDA of 11.9 million Euro (positive at 15.1 million Euro at 30 September 2019)
- Net profit of 2.7 million Euro (5.7 million Euro at 30 September 2019)
- Net financial position was a negative EUR 9.3 million, improved by 4 million compared to EUR 13.3 million at 31 December 2019

Group income statement highlights

(Euro / 000)	30 September 2020		30 September 2019		3Q 2020		3Q 2019	
Revenues	93,921	100.0%	105,114	100.0%	31,186	100.0%	33,015	100.0%
EBITDA	11,935	12.7%	15,063	14.3%	4,599	14.7%	4,328	13.1%
EBIT	5,865	6.2%	7,728	7.4%	2,544	8.2%	2,352	7.1%
Profit (loss) before tax	4,293	4.6%	7,946	7.6%	2,079	6.7%	2,438	7.4%
Group net profit (loss)	2,686	2.9%	5,660	5.4%	1,547	5.0%	1,631	4.9%

Group statement of financial position highlights

(Euro / 000)	30 September 2020	31 December 2019
Invested capital from operations	86,146	88,331
Net working capital	31,891	28,542
Shareholders' equity	76,879	75,044
Net financial position	(9,267)	(13,287)

(Euro / 000)	30 September 2020	30 September 2019
Operating cash flow	8,919	10,327
Investments	4,112	11,244

Provaglio d'Iseo (BS), 12 November 2020 – The GEFran S.p.A. Board of Directors met today chaired by Maria Chiara Franceschetti to approve its financial statement at 30 September 2020.

Revenues in the first nine months of 2020 amounted to 93.921 million Euro, compared to 105.144 million Euro in revenues in the same period in 2019, a decrease of 11.193 million Euro (-10.6%). The spread of Coronavirus in the current year has led to a drop in revenues in all business lines and all the **geographical areas** in which the Group operates, and specifically: Italy (-15.3%), the European Union (-14.3%), and North and South America (-20.6% and -21.9%, respectively). On the other hand, revenues increased in non-EU Europe (+6.5%) and Asia (+5.1%), thanks to the good performance of the motion control business in the first case and the sensors business in the second.

The breakdown of **revenues by business area** compared to 30 September 2019 saw a drop in revenues from motion control (11.3%), automation components (14.1%) and sensors (-7.4%). A drop in sales of sensors was reported in Italy, Europe and the United States, while sales in Asia grew in the first nine months of 2020 as compared to the same period in the previous year.

Added value as of 30 September 2020 amounted to 61.150 million Euro, down 8.982 million Euro over the figure for the same period in 2019 as a result of decreased revenues.

As soon as the first signs of the COVID-19 pandemic appeared, new organisational methods and cost-saving measures were adopted, redefining the company's activities and priorities. These actions permitted the company to cut **operating costs** and **personnel costs** by 2.609 and 3.245 million Euro, respectively, over the same period in 2019. The operating costs that were reduced most sharply were the cost of travel and participation in trade fairs. The cost of labour was limited through use of the redundancy fund wherever possible, and reduction of performance-related bonuses.

EBITDA at 30 September 2020 was positive by 11.935 million Euro (equal to 12.7% of revenues), 3.128 million Euro lower than on 30 September 2019, when it was 15.063 million Euro. The reduction in operating costs was not sufficient to offset the reduction in added value.

The item **depreciation, amortisation and impairment** was worth 6.070 million Euro in the first nine months of 2020, as compared to 7.335 million Euro in the same period in the previous year, a drop of 1.265 million Euro. The change is primarily a result of entry of impairment of assets in the sensors business in the first nine months of 2019 totalling 1.531 million Euro, as a result of a property that was incapable of guaranteeing sufficient technological and energy performance to be sustainable in the long term.

EBIT at 30 September 2020 was positive by 5.865 million Euro (6.2% of revenues), compared to an EBIT of 7.728 million Euro for the same period in 2019 (7.4% of revenues), 1.863 million Euro lower. The change is a result of reduced revenues, only partially compensated by the decrease in operating costs and in depreciation/amortisation.

Charges from financial assets/liabilities at 30 September 2020 total 1,573 thousand Euro (as compared to 72 thousand Euro of charges in 2019) and include mainly the negative result of differences in foreign currency transactions of Euro 1,243 thousand, as compared to a positive result of Euro 232 thousand at 30 September 2019. The change is primarily a result of the exchange rates in effect between the Euro, the Brazilian Real and the Indian Rupee.

Group net profit in the first nine months of 2020 was 2.686 million Euro, as compared to a net profit of 5.660 million Euro in the same period in the previous year, down 2.974 million Euro.

Working capital was 26.330 million Euro at 30 September 2020, compared with 25.058 million Euro at 31 December 2019, an overall increase of 1.272 million Euro. The change in working capital is mainly due to the decrease in trade payables of 4.988 million Euro: at the end of 2019, trade payables related to the purchase of materials for production, but mainly to payables to suppliers for investments made during the last quarter of 2019 which were settled in the first quarter of 2020. The Parent Company participated in the "I pay suppliers" initiative promoted by the Industrialists' Association of Brescia, reflecting the Group's ethics in fulfilling its commitments to suppliers.

Shareholders' equity as of 30 September 2020 amounted to 76.879 million Euro, compared to 75.044 million Euro on 31 December 2019, up 1.835 million. The change mainly relates to the positive result for the period, partially offset by the negative impact generated by changes in the translation reserve.

Investment in the first nine months of 2020 amounted to 4.112 million Euro, as compared to 11.244 million Euro in the same period in 2019, and primarily represented Research and Development costs.

Net financial position as of 30 September 2020 is negative by 9.267 million Euro, down 4.020 million Euro over the end of 2019, when it was, on the whole, negative by 13.287 million Euro. The change in net financial position is essentially due to the positive cash flows generated by ordinary operations (8.919 million Euro) and the proceeds from the reimbursement of part of the share capital of the subsidiary Ensun S.r.l. (1.000 million Euro), absorbed by disbursements for technical investments made in the first half of 2020 and the payment of interest, taxes and rents (a total of 6.136 million Euro).

Net financial debt comprises short-term cash and cash equivalents of 23.727 thousand Euro and medium-/long-term debts of 32.994 thousand Euro.

Impact of Covid-19 and related actions

The Gefran Group suffered from the impact of the Covid-19 pandemic in all the countries where it works either directly with its own branches or indirectly through customers and suppliers, primarily as a result of partial or total suspension of production.

Resort was made to use of redundancy funds, and the required procedures were begun for requesting government aid wherever available. In addition, actions have been put in place aimed at cutting costs and redefining the Group's actions and priorities.

In response to the recent upswing in the contagion curve, especially in Europe, governments have adopted new measures to protect citizens' health which could give rise to further uncertainty and concern and may have an impact on the economy.

All the measures introduced by Gefran since the first signs of the pandemic began remain in effect and allow the company to address the situation.

The Group continues regular production in its main sectors, while office staff continue to work partly from home and partly in the office in order to guarantee the necessary social distancing.

Marcello Perini, Chief Executive Officer of the Gefran Group, comments: *"The positive results of the quarter demonstrate an upturn compared to recent months.*

The capacity of our production plants and the flexibility and efficiency of our operations have allowed us to respond to growing demand, led primarily by the Asian markets, and particularly China, allowing us to achieve better than expected results.

We expect this to continue in the final quarter of the year. This would allow us to close the year mitigating the fears of the first half of the year in terms of revenues and profit margins.

At this time of resurgence of the pandemic, we can only speculate on the future, therefore a possible drop in demand, which has not yet appeared and cannot be predicted with certainty, could have an impact on the annual result. Nevertheless, the company has organised to deal with the medical emergency, adopting all the protocols required to ensure continuity of operations while safeguarding human health".

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.

The Interim Report at 30 September 2020 is available at the company's headquarters and can also be viewed in the "investor relations/reports and financial statements" section of the company's website (www.gefran.com), and on the website (www.emarketstorage.com) managed by Spafid Connect S.p.A.

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

Contacts:

Fausta Coffano
Investor Relations
Gefran SpA, Via Sebina 74
25050 Provaglio d'Iseo (BS)
Tel +39 030 98881
Fax + 39 030 9839063
fausta.coffano@gefran.com
www.gefran.com

Twister communications group SpA
Via Valparaiso,3 – 20144 Milan
Tel +39 02 438114200
Arnaldo Ragozzino (335/6978581)
aragozzino@twistergroup.it
www.twistergroup.it

*The **Gefran Group** operates directly in the main international markets, through sales branches in Italy, France, Germany, Switzerland, the UK, Belgium, 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.

Reclassified schedule of the consolidated Income Statement of the Gefran Group at 30 September 2020

(Not audited by independent auditors)

(Euro / 000)	30	30	Changes 2020-2019	
	September 2020	September 2019	Value	%
	Total	Total		
a Revenues	93,921	105,114	(11,193)	-10.6%
b Increases for internal work	1,462	1,835	(373)	-20.3%
c Consumption of materials and products	34,233	36,817	(2,584)	-7.0%
d Added value (a+b-c)	61,150	70,132	(8,982)	-12.8%
and Other operating costs	14,975	17,584	(2,609)	-14.8%
f Personnel costs	34,240	37,485	(3,245)	-8.7%
g EBITDA (d-e-f)	11,935	15,063	(3,128)	-20.8%
h Depreciation, amortisation and impairment	6,070	7,335	(1,265)	-17.2%
i EBIT (g-h)	5,865	7,728	(1,863)	-24.1%
l Gains (losses) from financial assets/liabilities	(1,573)	(72)	(1,501)	n.s.
m Gains (losses) from shareholdings valued at equity	1	290	(289)	n.s.
n Profit (loss) before tax (i±l±m)	4,293	7,946	(3,653)	-46.0%
o Taxes	(1,607)	(2,286)	679	29.7%
p Group net profit (loss)(n±o)	2,686	5,660	(2,974)	-52.5%

Results by business of the Gefran Group at 30 September 2020

(Not audited by independent auditors)

(Euro / 000)	30 September 2020					30 September 2019				
	Revenues	EBITDA	% of revenues	EBIT	% of revenues	Revenues	EBITDA	% of revenues	EBIT	% of revenues
Sensors	42,510	9,963	23.4%	7,367	17.3%	45,892	11,544	25.2%	7,677	16.7%
Automation components	27,515	2,411	8.8%	521	1.9%	32,031	3,369	10.5%	1,496	4.7%
Motion Control	27,844	(439)	-1.6%	(2,023)	-7.3%	31,383	150	0.5%	(1,445)	-4.6%
Eliminations	(3,948)	-	n.s.	-	n.s.	(4,192)	-	n.s.	-	n.s.
Total	93,921	11,935	12.7%	5,865	6.2%	105,114	15,063	14.3%	7,728	7.4%

Revenues by geographical region of the Gefran Group at 30 September 2020

(Not audited by independent auditors)

(Euro / 000)	30 September 2020		30 September 2019		Changes 2020-2019	
	value	%	value	%	value	%
Italy	28,113	29.9%	33,190	31.6%	(5,077)	-15.3%
European Union	22,873	24.4%	26,686	25.4%	(3,813)	-14.3%
Europe non-EU	3,502	3.7%	3,288	3.1%	214	6.5%
North America	11,635	12.4%	14,649	13.9%	(3,014)	-20.6%
South America	2,638	2.8%	3,379	3.2%	(741)	-21.9%
Asia	24,549	26.1%	23,355	22.2%	1,194	5.1%
Rest of the World	611	0.7%	567	0.5%	44	7.8%
Total	93,921	100%	105,114	100%	(11,193)	-10.6%

Reclassified schedule of the Consolidated Statement of Financial Position of the Gefran Group at 30 September 2020

(Not audited by independent auditors)

(Euro / 000)	30 September 2020		31 December 2019	
	value	%	value	%
Intangible assets	14,570	16.9	13,558	15.3
Tangible assets	44,941	52.2	47,850	54.2
Other non-current assets	7,723	9.0	9,536	10.8
Net non-current assets	67,234	78.0	70,944	80.3
Inventories	23,954	27.8	24,548	27.8
Trade receivables	27,886	32.4	28,931	32.8
Trade payables	(19,949)	(23.2)	(24,937)	(28.2)
Other assets/liabilities	(5,561)	(6.5)	(3,484)	(3.9)
Working capital	26,330	30.6	25,058	28.4
Provisions for risks and future liabilities	(2,094)	(2.4)	(2,171)	(2.5)
Deferred tax provisions	(611)	(0.7)	(647)	(0.7)
Employee benefits	(4,713)	(5.5)	(4,853)	(5.5)
Invested capital from operations	86,146	100.0	88,331	100.0
Net invested capital	86,146	100.0	88,331	100.0
Shareholders' equity	76,879	89.2	75,044	85.0
Non-current financial payables	31,169	36.2	21,916	24.8
Current financial payables	15,031	17.4	12,643	14.3
Financial payables for IFRS 16 leases (current and non-current)	2,725	3.2	3,084	3.5
Financial liabilities for derivatives (current and non-current)	334	0.4	169	0.2
Financial assets for derivatives (current and non-current)	-	-	(1)	(0.0)
Other non-current financial investments	(117)	(0.1)	(97)	(0.1)
Cash and cash equivalents and current financial receivables	(39,875)	(46.3)	(24,427)	(27.7)
Net debt relating to operations	9,267	10.8	13,287	15.0
Total sources of financing	86,146	100.0	88,331	100.0

Reclassified Schedule of the Consolidated Cash Flow Statement of the Gefran Group at 30 September 2020

(Not audited by independent auditors)

(Euro / 000)	30 September 2020	30 September 2019
A) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD		
	24,427	18,043
B) CASH FLOW GENERATED BY (USED IN) OPERATIONS IN THE PERIOD:		
Net profit (loss) for the period	2,686	5,660
Depreciation, amortisation and impairment	6,070	7,335
Provisions (Releases)	1,873	1,626
Capital (gains) losses on the sale of non-current assets	(5)	(351)
Net result from financial operations	1,572	(190)
Taxes	812	1,528
Change in provisions for risks and future liabilities	(383)	(989)
Change in other assets and liabilities	1,549	(4,537)
Change in deferred taxes	793	755
Change in trade receivables	465	1,974
	<i>of which related parties:</i>	(1)
Change in inventories	(1,587)	(4,237)
Change in trade payables	(4,926)	1,753
	<i>of which related parties:</i>	(47)
TOTAL	8,919	10,327
C) CASH FLOW GENERATED BY (USED IN) INVESTMENT ACTIVITIES		
Investments in:		
- Property, plant & equipment and intangible assets	(4,112)	(10,881)
	<i>of which related parties:</i>	(84)
- Equity investments and securities	1,005	-
- Acquisitions net of acquired cash	-	(231)
- Financial receivables	-	(9)
Disposal of non-current assets	9	1,314
TOTAL	(3,098)	(9,807)
D) FREE CASH FLOW (B+C)	5,821	520
E) CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES		
New financial payables	18,036	21,426
Repayment of financial payables	(7,366)	(6,672)
Increase (decrease) in current financial payables	1,036	(1,887)
Outgoing cash flow due to IFRS 16	(967)	(851)
Taxes paid	(186)	(1,152)
Interest paid	(913)	(630)
Interest received	42	294
Dividends paid	-	(4,599)
TOTAL	9,682	5,929
F) CASH FLOW FROM CONTINUING OPERATIONS (D+E)	15,503	6,449
H) Exchange rate translation differences on cash at hand	(55)	73
I) NET CHANGE IN CASH AT HAND (F+G+H)	15,448	6,522
J) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+I)	39,875	24,565

Fine Comunicato n.0136-33

Numero di Pagine: 10