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Informazione Regolamentata n. 20138-9-2021	Data/Ora Ricezione 18 Marzo 2021 17:45:03	AIM -Italia/Mercato Alternativo del Capitale
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Societa' : FRANCHI UMBERTO MARMI

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Informazione  
Regolamentata

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Diffusione presunta

Oggetto : FUM - The Board of Directors approves the  
draft financial statements as of December  
31, 2020

*Testo del comunicato*

Vedi allegato.

## PRESS RELEASE

## FRANCHI UMBERTO MARMI S.P.A.:

THE BOARD OF DIRECTORS APPROVES THE DRAFT FINANCIAL STATEMENTS AS OF  
DECEMBER 31, 2020

**Sustained revenue growth in the last quarter compared to both the previous period of 2020 and the same period of 2019**

- **Total Revenues and Other Income as of December 31, 2020: €51.2 million compared to €65.2 million as of December 31, 2019 (-21.5%), decrease attributable to the effects of the Covid-19 pandemic and substantially concentrated in the second quarter. Strong sales recovery in the last quarter of 2020 of €15.3 million up 53.0% compared to the third quarter of 2020 and up 19.5% compared to the fourth quarter of 2019;**
- ***Adjusted*<sup>1</sup> Ebitda as of December 31, 2020: €17.9 million compared to €27.0 million as of December 31, 2019 (-33.6%). Adjusted Ebitda margin is 34.9% of revenues (at December 31, 2019 was 41.3%);**
- **Net income of €10.3 million at December 31, 2020 compared to €16.6 million at December 31, 2019;**
- **Positive net cash position of €1.0 million as of December 31, 2020 (€6.4 million as of December 31, 2019);**
- **Ordinary and extraordinary shareholders' meeting convened to: (i) approve the financial statements on 19 April 2021 with a proposed dividend of €0.241/share corresponding to a payout ratio of 70% and a dividend yield of 2.9% comparing the unit amount to the price of EUR 8.30 per share recorded on 17 March 2021; (ii) amend the Articles of Association mainly in order to adapt them to the new provisions of the AIM Issuers' Regulations as well as to the provisions of Article 2441, paragraph 4, of the Italian Civil Code.**
- **To meet with Investors via videoconference on Monday, March 22, 2021 at 6:00 p.m. CET to present the 2020 results.**

**Alberto Franchi, Chairman and CEO of the Company, commented as follows:** "2020 will remain in everyone's memory as a very painful period but also a time of great changes. Our company has worked to take all the necessary measures to protect the safety of our employees; we managed to achieve revenues of more than €51 million, confirming the solidity of our Company, which overcame

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<sup>1</sup> The Adjustment excludes the effects of non-recurring one-off extraordinary costs related to the business combination with TheSpac SpA through which, after the merger, the Company was listed on the AIM Italia market, as well as those related to the acquisition of 50% of the shares of Ingegner Giulio Faggioni Carrara Srl in January 2021.

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a lockdown period, in which we were closed for more than a month, recovering significantly in the last quarter of 2020 with a recovery in revenues even increasing compared to the same period in 2019. We hope that, in the coming months, the situation will improve and the economic outlook for the Carrara marble district and for our Company can become positive again, recovering the results that had been achieved and preparing for a new development cycle.

*We are very satisfied because, despite the very complicated period, we never stopped and we completed, at the beginning of this year, the acquisition of 50% of Ingegner Giulio Faggioni Carrara S.r.l. thus improving our strategic positioning and expectations of future profitability.*

*Many new features have been introduced: we completed the construction of new display areas at our headquarters in Carrara in line with the objectives of Industry 4.0, we signed a partnership with a distributor in Australia where we opened a new showroom and introduced the sale of our products also remotely uploading all our inventory in digital format.*

*All this has enabled us to maintain our profitability at extraordinary levels with an adjusted EBITDA margin close to 40% and a net profit of over €10 million . The Board of Directors has proposed to the next Shareholders' Meeting the distribution of a dividend equal to 70% of Net Income corresponding to a dividend yield of approximately 3%. [comparing price on March 17, 2021].*

*In these first months of 2021 we have acquired important orders from China and the United States, our reference markets, and above all we are very confident about the results that we could achieve on the Chinese market, where the exhibition fair of Xiamen has been confirmed in where we will be present with a dedicated stand managed by our local agents. We believe we can return to the levels reached during 2019 both in terms of revenues and profitability and we are confident that all the actions we are putting in place can produce important results allowing us to achieve our growth targets on international markets".*

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Carrara, March 18, 2021 - The Board of Directors of Franchi Umberto Marmi S.p.A., an international leader in the processing and marketing of Carrara marble, listed on the AIM Italia market (Ticker: FUM) (the "Company"), approved the draft financial statements as of December 31, 2020 prepared in accordance with IFRS.

## **MAIN RESULTS**

In fiscal year 2020, FUM achieved Total Revenues and Other Income of €51.2 million compared to €65.2 million recorded in the same period of 2019 (-21.5%). The decline in revenues was mainly concentrated in the lockdown phase (substantially in the second quarter) while the last quarter of 2020 saw a strong recovery in sales reaching €15.3 million (+53% compared to the third quarter of 2020 and +19.5% compared to the fourth quarter of 2019).

Sales held up substantially on the Italian market (€24.3 million in 2020 compared to €24.5 million in 2019) and in the United States (€6.5 million in 2020 compared to €7.0 million in 2019), while there

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was a sharp contraction in China (€8.2 million in 2020 compared to €16.3 million in 2019). The result in China can be attributed both to the long period of Chinese and Italian lockdowns but also to logistical difficulties that blocked customer visits to on-site showrooms.

In terms of products sold, there was a significant drop in Calacatta revenues (-€10.7 million compared to 2019) in view of the decline in sales in China where Calacatta is by far the most sought-after product. This was offset by an increase in Statuario (+€0.9 million compared to 2019), Gioia Venato (+1.8 million compared to 2019) and Bianco Carrara (+1.6 million compared to 2019).

As of December 31, 2020, **Adjusted Ebitda** amounted to **€17.9 million** compared to €27.0 million in the same period of the previous year (-33.6%). The decrease is substantially attributable to the contraction in revenues and in particular to lower sales of Calacatta on which industrial margins are particularly high only partially offset by the higher revenues realized by Statuario.

**Adjusted Ebitda margin** as of December 31, 2020 was 34.9% compared to 41.3% in the same period of the previous year, with profitability essentially holding up given the decline in revenues.

**EBITDA** is €14.6 million compared to €25.3 million in 2019 (-42.4%), with a margin on revenues of 28.4% compared to 38.8% in fiscal 2019.

**EBIT** amounted to €13.3 million compared to €24.2 million in the same period last year (-45.0%).

**Net Income** is €10.3 million compared to €16.6 million in fiscal year 2019 (-38.0%).

**Capital expenditure** as of December 31, 2020 amounted to €2.1 million, down from €4.9 million in the previous year both due to the effect of the Covid-19 pandemic but mainly due to the fact that activities related to the expansion of exhibition space at the Company's headquarters were substantially completed in the first months of FY2020.

The **Net Financial Position** as at 31 December 2020 was positive and equal to -€1.0 million compared to -€6.4 million as at December 31, 2019. This result reflects the significant self-financing generated in the period, the increase in working capital related to the increase in inventory in view of the inauguration of the new exhibition spaces at the company's headquarters and the payment facilities granted to Customers as well as the distribution of dividends during 2020.

**Significant events as at 31 December 2020 and afterwards**

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Significant events during 2020 include the business combination with TheSpac S.p.A., already listed on the AIM Italia market through which, following the merger by incorporation of the Company into TheSpac, FUM was listed on the AIM Italia market with effect from October 5, 2020.

In addition, in January 2021 the Company finalized the acquisition of 50% of the shares of Ingegner Giulio Faggioni Carrara S.r.l., owner of an important quarry in the Apuane mining district, through which it has secured an important source of supply of high quality marble (Calacatta and Statuario) thus improving both its strategic positioning and its expected future profitability. Thanks to this important acquisition the Company has guaranteed itself the supply potential to support its growth plan for the future years.

The acquisition has seen a partial reinvestment by the entrepreneur Gualtiero Vanelli through GVM - La civiltà del marmo S.r.l., who has thus acquired 9% of the share capital of FUM, as well as being appointed as a director of the same. GVM in the signed commitments it also guaranteed the reinvestment of €1.5 million in shares of the Company that today has already been made for a total of 12.100 shares, thus bringing the participation of the shareholder GVM to 9.05%, while the remaining part of the investment will be completed during the year 2021.

## **Impacts and effects of the COVID-19 outbreak**

During 2020, the COVID-19 outbreak significantly affected the Company's operations. During the general lockdown in March and April 2020, product shipments and major manufacturing activities were suspended. The Company took immediate action to perform all possible routine maintenance in order to recover as much as possible and prepare for reopening during April-May. The impact on revenues was significant and was inevitably reflected in the first three quarters of the year in which revenues decreased by €16.5 million compared to the same period in 2019. In the first and second quarters in view of the generalized lockdowns both in Italy and in other countries (with particular reference to China and the United States) and then, albeit to a more limited extent, in the third quarter due to travel constraints that prevented customers from coming to the Company's showrooms. The extraordinary commercial result of the last quarter of 2020 partially offset the decrease in revenues accumulated in the first months of the year.

## **Foreseeable evolution of operations**

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The first months of 2021 confirm the recovery trend highlighted during the last quarter of 2020 in terms of both revenues and profitability. In particular, the intense commercial activity that the Company is planning for the current year, including participation in the trade fairs in China, scheduled for May, and in Verona - Marmomacc, scheduled for late September/early October - should allow it to recover the sales and profitability levels achieved in 2019.

## **Notice of Call for the Shareholders' Meeting**

The Board of Directors resolved to convene the Shareholders' Meeting for April 19, 2021, in a single call, for the approval, in ordinary session, of the financial statements as of December 31, 2020.

In consideration of the economic result resulting from the draft financial statements for 2020 (equal to €10.3 million), the Board of Directors proposed the distribution of a dividend equal to 70% of the Net Profit or equal to €0.241 per share with ISIN IT0005335754.

Moreover, in the context of the same meeting the shareholders will be called upon to approve (i) at extraordinary session, some amendments to the text of the Articles of Association, in order to adapt them, inter alia, to the provisions of the AIM Issuers' Regulations, as last amended, as well as to the provisions of Article 2441, paragraph 4, of the Italian Civil Code, as amended by Law Decree no. 76 2020, regarding the possibility to resolve on capital increases with exclusion of pre-emption rights within the limits of 10% of the pre-existing share capital; and (ii) in the ordinary session, the appointment of Deloitte & Touche S.p.A. as independent auditor for the nine-year period 2021-2028 pursuant to art. 17 of Legislative Decree no. 39/2010, in view of FUM's qualification as "issuer of shares that are widely distributed among the public to a significant extent" pursuant to art. 2-bis, paragraphs 1 and 2 of CONSOB Regulation no. 11971/1999.

Today, the Board of Directors has also verified that all members of the Board of Directors and the Board of Statutory Auditors comply with the requirements for the office, also based on the latest amendments to the AIM Issuers' Regulation. The Directors Maurizia Leto Di Priolo and Roberto Lettieri confirmed compliance with the independence requirements pursuant to art. 148, paragraph 3 of Legislative Decree no. 58 of 24 February 1998.

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## Financial data presentation to the financial community

Alberto Franchi, President and CEO, Carlo Varni, General Manager and Marco Nannini, CFO will meet with Investors via videoconference on Monday, March 22, 2021 at 6:00 p.m. to present 2020 results. A Q&A session will follow.

To register please use the following link:



<https://us02web.zoom.us/meeting/register/tZcldO2srT0rHdAIVOWaY0GNk-btnBYyYVPv>

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*This press release is available on the Company's website [www.franchigroup.it/Investor/comunicatistampapricesensitive](http://www.franchigroup.it/Investor/comunicatistampapricesensitive) and at the EMARKET STORAGE authorized storage facility ([www.emarketstorage.com](http://www.emarketstorage.com)).*

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*The draft annual report and financial statements as at 31 December 2020 will be made available to the public at the Company's registered office and at Borsa Italiana, as well as on the website [www.franchigroup.it/Investor/documentifinanziari](http://www.franchigroup.it/Investor/documentifinanziari).*

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***Franchi Umberto Marmi***, whose origins date back to 1971, is a leading company active in the processing and marketing of blocks and slabs of Carrara marble, a natural stone that is an authentic expression of "Made in Italy" and luxury, with unique features and characteristics on the national and international scene.

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Corporate website: [www.fum.it](http://www.fum.it)



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## INCOME STATEMENT AT 31 DECEMBER 2020

<b>STATEMENT OF PROFIT OR LOSS</b>	<b>2020</b>	<b>2019</b>
<i>(Amounts in Euro)</i>		
Revenues	50.957.427	64.857.969
Other income	242.936	371.981
<b>Total revenues and other income</b>	<b>51.200.362</b>	<b>65.229.950</b>
Purchase of raw materials, consumables, goods and changes in inventories	(21.434.958)	(25.808.274)
Costs for services	(10.635.921)	(10.180.904)
Leases and rentals costs	(5.820)	(1.388)
Personnel costs	(3.093.672)	(2.706.704)
Provisions for risks and charges	-	(9.500)
Other operating costs	(569.756)	(575.011)
Depreciation, amortisation and impairment	(1.250.689)	(1.110.709)
Impairment of receivables	(528.725)	(450.196)
Profit/(loss) from investments measured with the equity method	(378.671)	(217.332)
<b>Total costs</b>	<b>(37.898.212)</b>	<b>(41.060.018)</b>
<b>Operating result</b>	<b>13.302.150</b>	<b>24.169.932</b>
Financial income	216.894	121.721
Financial expenses	(383.862)	(193.566)
Foreign exchange gains / (losses)	(106.376)	(34.726)
<b>Profit before taxation</b>	<b>13.028.806</b>	<b>24.063.361</b>
Taxes on income	(2.702.102)	(7.476.847)
<b>Net profit for the year</b>	<b>10.326.704</b>	<b>16.586.514</b>
<b>Earnings per share</b>	<b>0,34</b>	<b>0,54</b>
<b>EBITDA</b>	<b>14.552.839</b>	<b>25.280.641</b>
<b>ADJUSTED EBITDA</b>	<b>17.893.832</b>	<b>26.958.892</b>

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## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

STATEMENTS OF FINANCIAL POSITION	December 31, 2020	December 31, 2019
<i>(Amounts in Euro)</i>		
Intangible assets	18.244	21.107
Property, plant and equipment	20.376.424	19.466.002
Rights of use	124.192	170.304
Investments	2.332.540	2.542.489
Other non-current assets	433.155	5.012.400
Deferred tax assets	1.189.093	973.557
<b>Total non-current assets</b>	<b>24.473.648</b>	<b>28.185.859</b>
Inventories	19.314.962	17.492.696
Trade receivables	27.289.604	22.335.814
Current financial assets	210.000	208.437
Tax receivables	2.224.732	1.304.122
Other current assets	6.613.948	516.777
Cash and cash equivalents	13.614.049	8.027.342
<b>Total current assets</b>	<b>69.267.294</b>	<b>49.885.188</b>
<b>Total assets</b>	<b>93.740.941</b>	<b>78.071.047</b>
Share capital	6.301.000	6.295.480
Share premium reserve	39.952.418	-
Legal reserve	-	20.308
First-time adoption reserve	117.448	(376.924)
Future employee benefits reserve	(349.717)	(317.672)
Translation reserve	(219.762)	(278.205)
Other reserve	14.890.346	44.110.821
Net profit for the year	10.326.704	16.586.514
<b>Total equity</b>	<b>71.018.436</b>	<b>66.040.323</b>
Non-current financial liabilities	5.055.556	999.548
Non-current lease liabilities	71.132	116.066
Employee benefits	1.429.142	1.869.110
Provisions for risks and charges	80.071	79.500
Deferred tax liabilities	78.979	175.039
<b>Total non-current liabilities</b>	<b>6.772.936</b>	<b>3.239.263</b>
Current portion of non-current financial liabilities	6.943.992	682.752
Current financial liabilities	689.168	1.035
Current lease liabilities	49.475	45.494
Trade payables	7.457.770	7.221.787
Tax and social security payables	379.169	429.897
Other current liabilities	488.051	410.496
<b>Total current liabilities</b>	<b>16.007.625</b>	<b>8.791.461</b>
<b>Total liabilities</b>	<b>22.722.505</b>	<b>12.030.724</b>
<b>Total equity and liabilities</b>	<b>93.740.941</b>	<b>78.071.047</b>

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## STATEMENT OF CASH FLOWS AT 31 DECEMBER 2020

### STATEMENT OF CASH FLOWS

Amounts in Euro

A. Cash flows from operating activities	2020	2019
<b>Net profit for the year</b>	<b>10.326.704</b>	<b>16.586.514</b>
Taxes on income	2.702.102	7.476.847
Interest (income)/expense	166.969	(71.844)
(Profit) / loss of Investments	368.600	217.332
Revaluations of Financial Instruments	-	(128.822)
(Gains)/losses on the disposal of assets	(43.565)	256.267
<b>1. Profit (loss) for the year before income taxes, interest, dividends and gains/losses on disposal</b>	<b>13.520.809</b>	<b>24.336.294</b>
<i>Adjustments for non-monetary items</i>		
Allocation to provisions	193.486	147.045
Depreciation and amortisation	1.250.689	1.110.709
<b>Impairment of receivables and inventories</b>	<b>720.420</b>	<b>530.170</b>
<b>2. Cash flow before changes in Net Working Capital</b>	<b>15.685.405</b>	<b>26.124.218</b>
<i>Changes in Net Working Capital</i>		
Decrease/(Increase) in inventories	(2.022.569)	(2.123.549)
Decrease/(Increase) in trade receivables	(5.323.714)	1.868.230
(Decrease)/Increase in trade payables	23.109	(2.980.570)
Decrease/(Increase) in other current assets	(1.553.570)	98.456
(Decrease)/Increase in other current liabilities	77.555	22.899
Other changes in Net Working Capital (Deferred tax assets, tax receivables, deferred tax liabilities, tax and social security payables)	(599.615)	(407.885)
<b>3. Cash flow after changes in Net Working Capital</b>	<b>6.286.600</b>	<b>22.601.798</b>
<i>Other adjustments</i>		
Interest collected/(paid)	(30.721)	204.163
(Taxes on income paid)	(3.385.418)	(8.359.341)
Dividends received	-	323.163
Employee benefits (paid)	(645.628)	(422.547)
(Use of provisions)	(168.301)	(583.160)
<b>Cash flow from operating activities (A)</b>	<b>2.056.532</b>	<b>13.764.076</b>
<b>B. Cash flow from investing activities</b>		
<b>Property, plant and equipment</b>		
(Additions)	(2.130.925)	(4.896.488)
Disposals	51.333	155.618
<b>Intangible assets</b>		
(Additions)	(4.400)	(8.289)
Disposals	-	-
<b>Investments</b>		
(Additions)	(91.600)	(180.801)
Disposals	-	-
<b>Non-current financial assets</b>		
(Additions)	-	(5.143.919)
Disposals	-	873.362
<b>Current financial assets</b>		
(Additions)	-	(208.437)
Disposals	378.235	6.245.719
<b>Cash flow from investing activities (B)</b>	<b>(1.797.358)</b>	<b>(3.163.234)</b>
<b>C. Cash flows from financing activities</b>		
<i>Third parties resources</i>		
Proceeds from bank borrowings	11.000.000	-
Payment of bank borrowings	(630.814)	(935.169)
Proceeds from current financial liabilities	13.027	1.035
Payment of current financial liabilities	(30.691)	(4.118.093)
<i>Own resources</i>		
Share capital increase	-	-
Dividends (and dividends advances) paid	(6.596.688)	(9.719.086)
<b>Cash flow from financing activities (C)</b>	<b>3.754.834</b>	<b>(14.771.314)</b>
<b>Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>4.014.008</b>	<b>(4.170.471)</b>
<b>Cash and cash equivalents at January 1</b>	<b>8.027.342</b>	<b>12.197.814</b>
<b>Cash and cash equivalents from Relevant Transaction</b>	<b>1.572.699</b>	<b>-</b>
<b>Cash and cash equivalents at December 31</b>	<b>13.614.049</b>	<b>8.027.342</b>

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