



**CEMBRE**

# Investor presentation

Results of the first quarter 2021

- CEMBRE at a glance
- Group management team
- Main product lines & applications
- Results of the first quarter 2021
- Financial year 2020 guidance
- Stock data & shareholding structure
- Contact

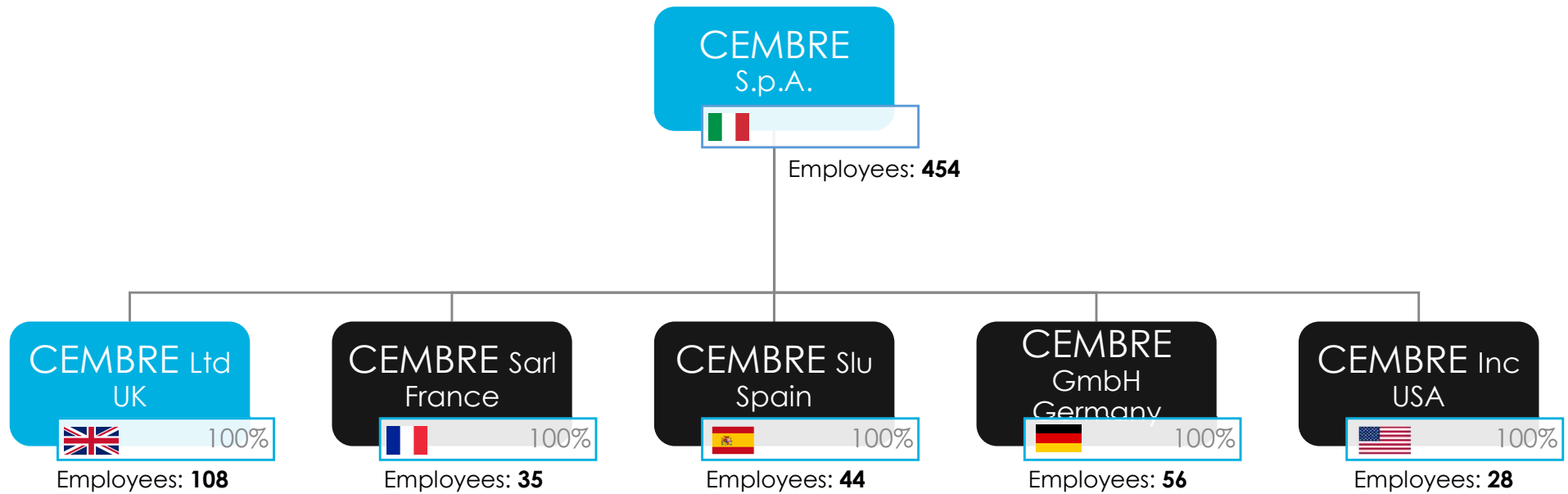
- CEMBRE is **Europe's leading** manufacturer of electrical crimp type connectors and related installation tools.
- The Group has grown its revenues by a **CAGR of 4.8%** in the last 20 years (2001-2020), from 56 M€ in 2001 to 137.1 M€ in 2020. In the last 5 years the Group has grown by a **CAGR of 2.8%** (2016-2020).
- It is a dividend payer with a 20 years average dividend **payout ratio of 45.2%**, and an **average dividend yield of 3.7%** (2000-2020). The average dividend yield in the last 5 years has been of **4.3%** (2016-2020).
- In 2020, the Group invested **8.0 M€**; the total amount of investments made by the company in the last five years (2016-2020) is **58.6 M€**; at December 31, 2019 investments amounted to **11.7 M€**.
- The product mix (a total of more than 18K end products sold during 2020) is offered to around 7K single clients around the world, with 10-biggest clients' purchases corresponding to **c.18% of the consolidated turnover**.

CEMBRE cooperates with the users of its products  
to search the **best technical and economical  
solutions** related to **electrical connection  
applications**

- **Giovanni Rosani**  
Chief Executive Officer (CEO)
- **Aldo Bottini Bongrani**  
Member of the board  
M&A and Special Projects
- **Claudio Bornati**  
Chief Financial Officer (CFO)
- **Felice Albertazzi**  
Member of the board  
Chief Sales & Marketing Officer (CSMO)
- **Franco Celli**  
Member of the board  
Chief Operating Officer (COO)



## GROUP MANAGEMENT TEAM



- Manufacturing and trading unit
- Trading unit

The Group employs **765 employees** worldwide  
(at March 31, 2021)



CEMBRE has extensive know-how in its operating field and **its strong R&D team** allows it to respond quickly to market demands.

Sharp focus on customer needs and the efficient **international sales network (121 salesmen)** are significant competitive advantages for CEMBRE.

CEMBRE is **Europe's leading manufacturer** of electrical crimp type connectors and related installation tools



Electrical connectors



Tools



Railway products



Identification systems



Cable glands, accessories & other



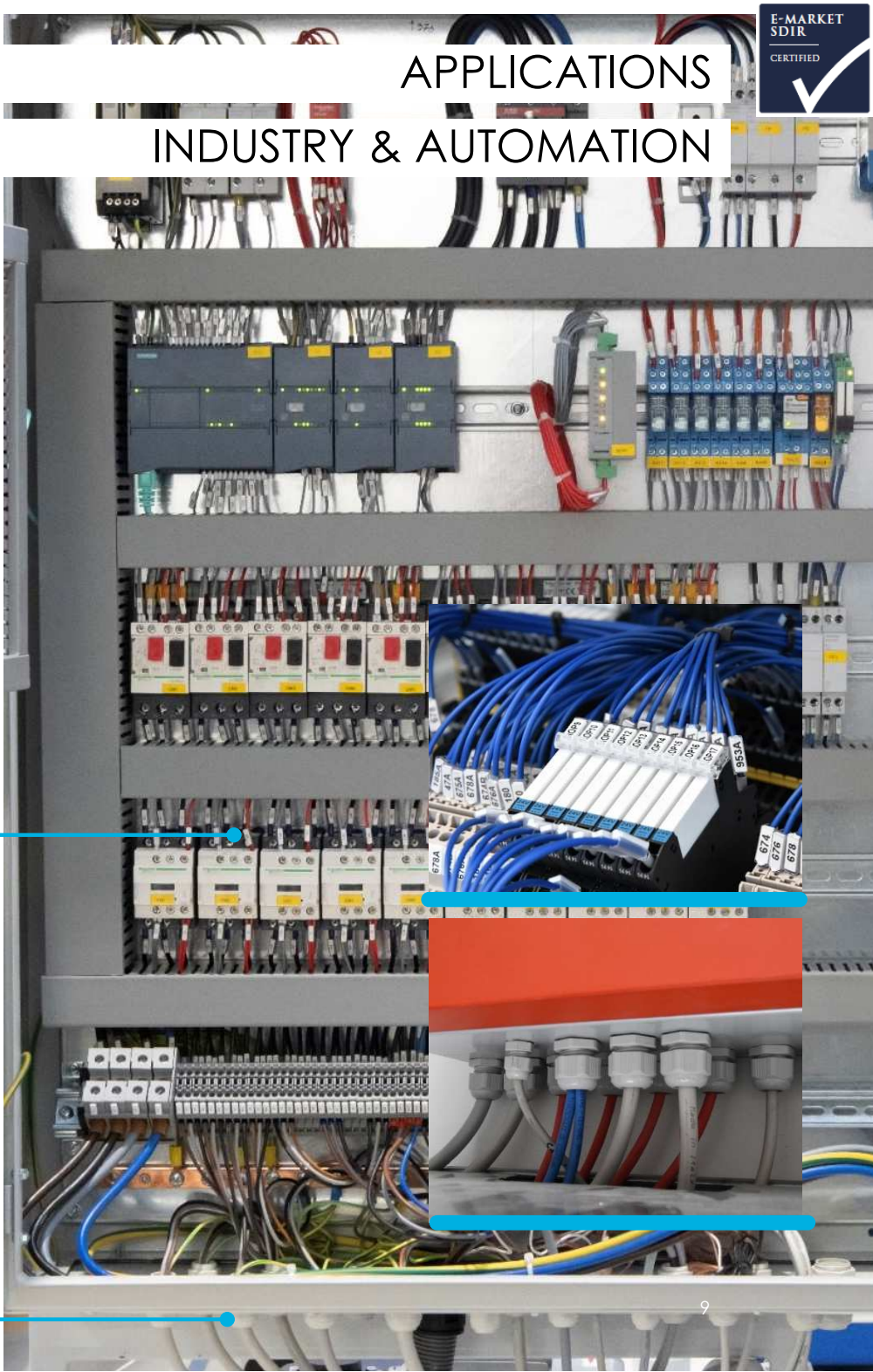


Connectors

Tools

Labelling

Cable glands



POWER DISTRIBUTION

Rail drilling machine



Sleeper drilling machine



APPLICATIONS: RAILWAY

**18,000** product types  
sold every year

**4.5 Millions** electrical  
connectors sold by  
CEMBRE Group  
each working day

**22,800** product types  
for immediate delivery

CEMBRE has been established in 1969 and manufactures its products in its state-of-art **production facility located in Brescia.**

The facility covers an **area of 60,000 m<sup>2</sup>** on a **total land area of 121,000 m<sup>2</sup>.**

In December 2011 CEMBRE purchased a 13,500 m<sup>2</sup> industrial area next to its plant, by investing 9.7 M€.



CEMBRE S.p.A. – Headquarter in Brescia (Italy)



... AND MADE IN UK

In addition, CEMBRE has a production facility in the UK which operates on a **8,800 m<sup>2</sup> land**.

This plant in Birmingham manufactures mainly **for the local market**.




The sales generated in the UK are **13% of the consolidated turnover** of the first quarter 2021



CEMBRE Ltd. – Factory in Curdworth Birmingham (UK)

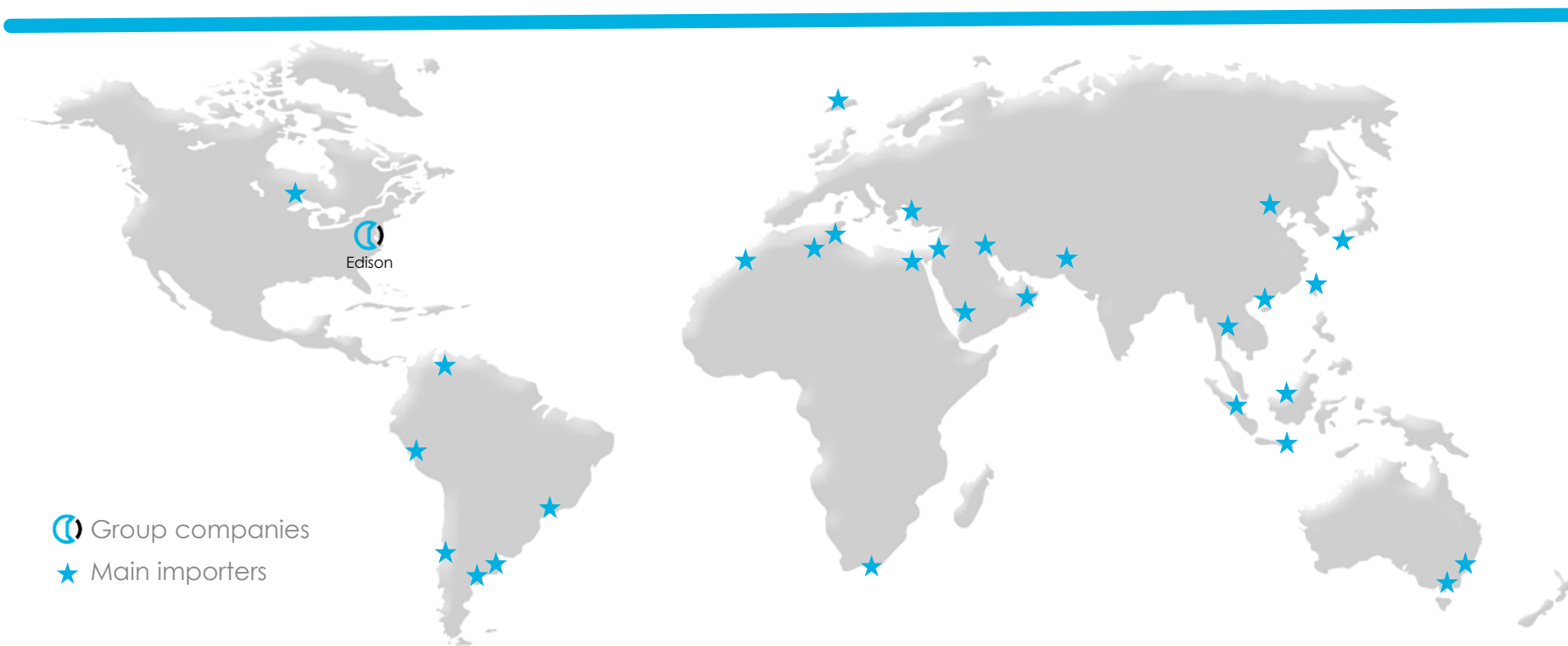
CEMBRE is present all over the Italian territory through a **network of salesmen and representatives** who are able to offer fast and constant technical assistance.

Abroad, it operates through **4 subsidiaries in Europe** (UK, France, Spain and Germany) and **1 in the USA**.

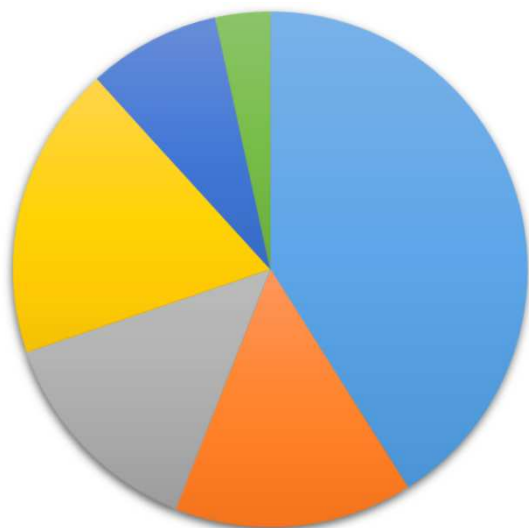
-  Group companies
-  Regional offices
-  Main importers



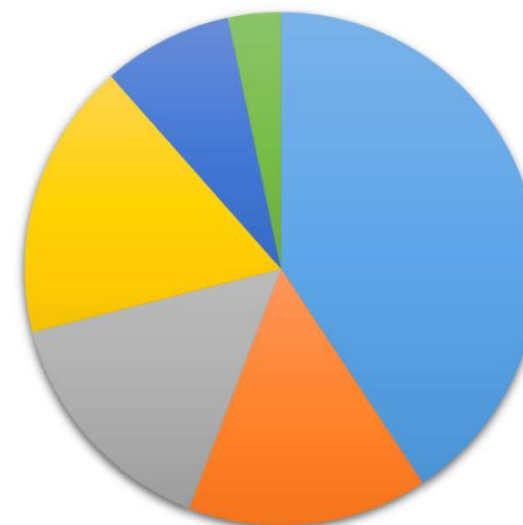
CEMBRE has a **network of importers and agents** who provide **technical and commercial assistance** and **rapid delivery worldwide**



**1<sup>st</sup> Quarter 2021**



**1<sup>st</sup> Quarter 2020**



■ Electrical connectors 
 ■ Tools 
 ■ Railway Products 
 ■ Marking Systems 
 ■ Cable Glands 
 ■ Others

■ Electrical connectors 
 ■ Tools 
 ■ Railway Products 
 ■ Marking Systems 
 ■ Cable Glands 
 ■ Others

|                                    | <b>Electr. connectors</b> | <b>Tools</b>    | <b>Railway products</b> | <b>Marking systems</b> | <b>Cable glands</b> | <b>Others</b>  | <b>Total</b>   |
|------------------------------------|---------------------------|-----------------|-------------------------|------------------------|---------------------|----------------|----------------|
| <b>1<sup>st</sup> Quarter 2021</b> | 16,794<br>41.01%          | 6,140<br>14.99% | 5,641<br>13.78%         | 7,564<br>18.47%        | 3,410<br>8.33%      | 1,401<br>3.42% | 40,950<br>100% |
| <b>1<sup>st</sup> Quarter 2020</b> | 15,972<br>40.70%          | 5,946<br>15.15% | 5,952<br>15.17%         | 6,855<br>17.47%        | 3,213<br>8.19%      | 1,302<br>3.32% | 39,240<br>100% |
| <b>Change</b>                      | <b>5.15%</b>              | <b>3.26%</b>    | <b>-5.23%</b>           | <b>10.34%</b>          | <b>6.13%</b>        | <b>7.60%</b>   | <b>4.36%</b>   |



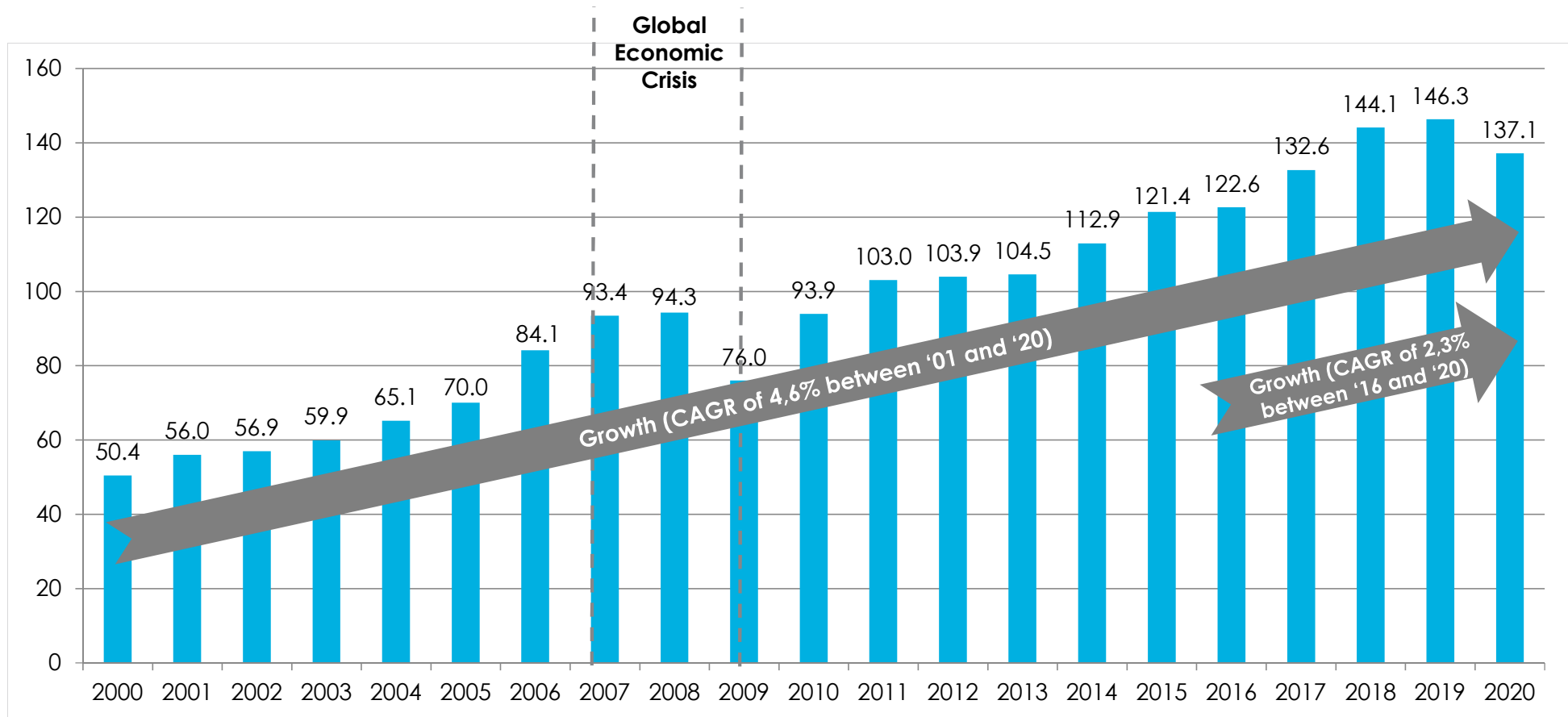
## GEOGRAPHICAL REVENUES BREAKDOWN

| Italy      | 1 <sup>st</sup> Quarter 2021 | 1 <sup>st</sup> Quarter 2020 | Δ    |
|------------|------------------------------|------------------------------|------|
| Sales      | 15.7 M                       | 14.3M                        | 9,5% |
| % on total | 41.0%                        | 39.3%                        |      |

| Europe<br>(Italy excluded) | 1 <sup>st</sup> Quarter 2021 | 1 <sup>st</sup> Quarter 2020 | Δ    |
|----------------------------|------------------------------|------------------------------|------|
| Sales                      | 18.8 M                       | 17.4 M                       | 7.9% |
| % on total                 | 49.2%                        | 47.8%                        |      |

| Rest of the World | 1 <sup>st</sup> Quarter 2021 | 1 <sup>st</sup> Quarter 2020 | Δ      |
|-------------------|------------------------------|------------------------------|--------|
| Sales             | 3.8 M                        | 4.7 M                        | -19.8% |
| % on total        | 9.8%                         | 12.9%                        |        |

€ Millions



| € Millions                      | 1 <sup>st</sup> Quarter<br>2021 | 1 <sup>st</sup> Quarter<br>2020 | Change % | 1 <sup>st</sup> Quarter<br>2019 |
|---------------------------------|---------------------------------|---------------------------------|----------|---------------------------------|
| Sales                           | 38.3                            | 36.5                            | 5.0%     | 38.4                            |
| EBITDA<br><i>% of sales</i>     | 10.2<br>26.6%                   | 9.9<br>27.1%                    | 3.0%     | 10.5<br>27.3%                   |
| EBIT<br><i>% of sales</i>       | 7.4<br>19.3%                    | 7.2<br>19.7%                    | 2.4%     | 8.1<br>21.2%                    |
| EBT<br><i>% of sales</i>        | 7.5<br>19.6%                    | 7.2<br>19.8%                    | 3.7%     | 8.2<br>21.3%                    |
| Net profit<br><i>% of sales</i> | 5.6<br>14.7%                    | 5.3<br>14.4%                    | 7.4%     | 6.3<br>16.3%                    |
| <b>Tax rate %</b>               | 24.7%                           | 27.3%                           |          | 23.5%                           |

The parent company CEMBRE S.p.A. in December 2017 signed, with the support of Business Tax and Consulting firm Deloitte, an agreement with the Italian Revenue Office defining the calculation methods and criteria for the economic contribution to business revenue of intangible assets in the context of the «**Patent Box**» scheme, for tax years 2015-2019. The renewal of the agreement for tax years 2020-2024 is under evaluation, but, at the time of present document, the closing date and the result of this process is not foreseeable.

| € Millions                         | 2019  | 2018  | 2017  |
|------------------------------------|-------|-------|-------|
| Fiscal benefit                     | 1.7   | 1.8   | 1.7   |
| Fiscal benefit for years 2015-2016 | -     | -     | 2.3   |
| Tax rate %                         | 19.5% | 19.8% | 14.5% |
| Normalised tax rate %              | 26.0% | 26.2% | 29.2% |

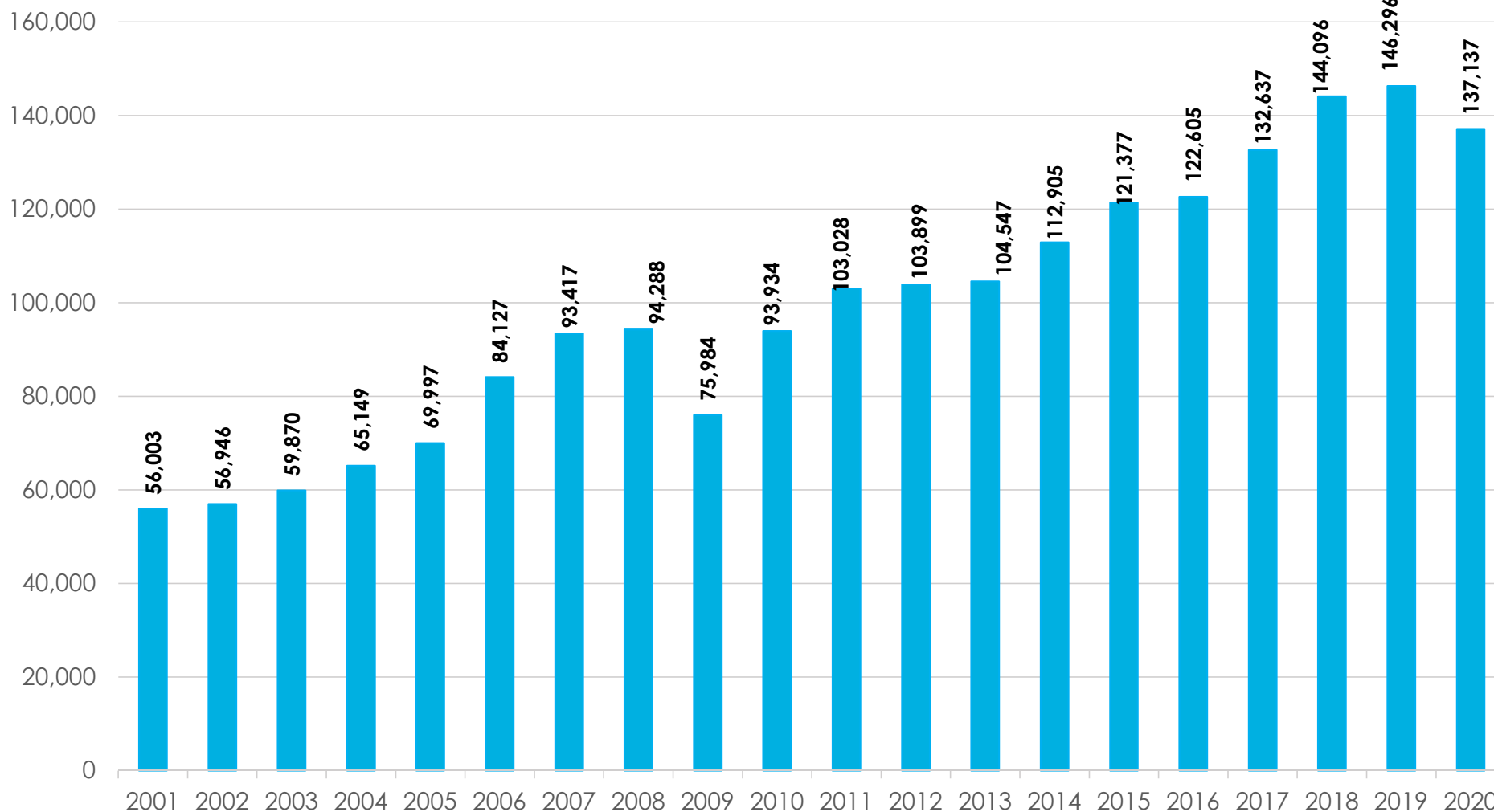
| Company<br><i>(Euro thousands)</i> | 1 <sup>st</sup> Quarter<br>2021 | 1 <sup>st</sup> Quarter<br>2020 | Changes<br>% | 1 <sup>st</sup> Quarter<br>2019 |
|------------------------------------|---------------------------------|---------------------------------|--------------|---------------------------------|
| CEMBRE S.p.A. (Italy)              | 20,194                          | 18,464                          | 9.4%         | 19,594                          |
| CEMBRE Ltd. (UK)                   | 5,162                           | 4,976                           | 3.7%         | 5,682                           |
| CEMBRE S.a.r.l. (France)           | 2,907                           | 2,405                           | 20.9%        | 2,780                           |
| CEMBRE España S.L.U. (Spain)       | 3,234                           | 3,042                           | 6.3%         | 2,877                           |
| CEMBRE GmbH (Germany)**            | 4,498                           | 4,236                           | 6.2%         | 3,947                           |
| CEMBRE Inc. (USA)                  | 2,272                           | 3,336                           | -31.9%       | 3,521                           |
| <b>CEMBRE Group</b>                | <b>38,267</b>                   | <b>36,459</b>                   | <b>5.0%</b>  | <b>38,401</b>                   |

\* net of intragroup sales

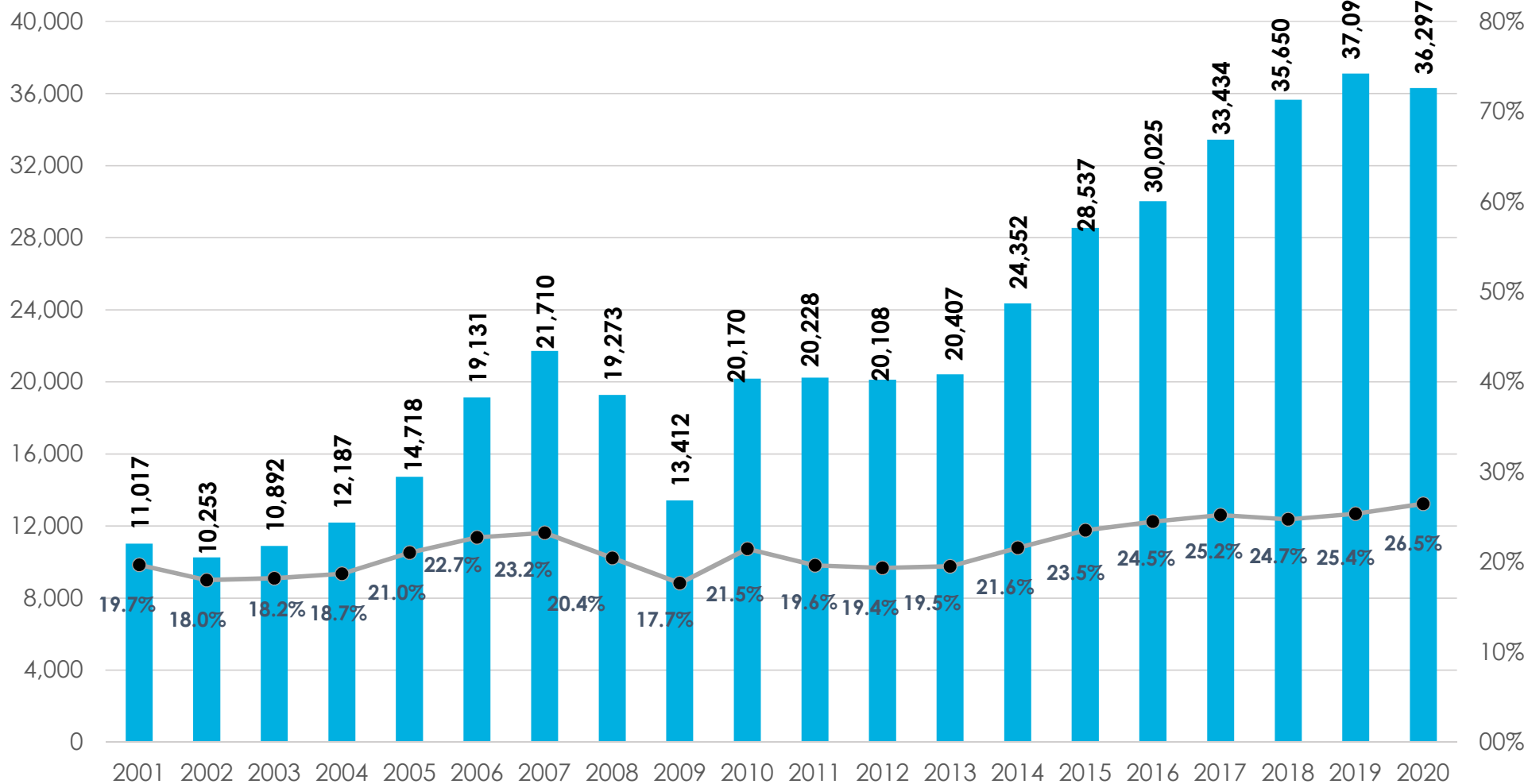
\*\* 2019 datum includes IKUMA turnover

|   | € Millions   | Ma. 31,<br>2021 | Dec. 31,<br>2020 | Mar. 31,<br>2019 |
|---|--|-----------------|------------------|------------------|
| a | Net operating working capital<br><i>% of sales</i> | 60.5<br>43.1%   | 56.2<br>41.0%    | 60.7<br>45.4%    |
| b | Net fixed assets                                   | 105.9           | 104.3            | 105.3            |
| c | Assets available for sales                         | -               | -                | -                |
| d | Employees' severance indemnities                   | 2.2             | 2.2              | 2.3              |
| e | Provisions for risks and charges                   | 0.3             | 0.2              | 0.3              |
| f | Deferred taxes                                     | 2.9             | 2.9              | 2.8              |
|   | <b>Net invested capital (a+b+c-d-e-f)</b>          | <b>161.0</b>    | <b>155.2</b>     | <b>160.6</b>     |
| g | Equity   | 170.6           | 163.6            | 165.3            |
| h | Net financial position                             | (9.6)           | (8.4)            | -4.7             |
|   | <b>Total sources (g+h)</b>                         | <b>161.0</b>    | <b>155.2</b>     | <b>160.6</b>     |

## Revenues

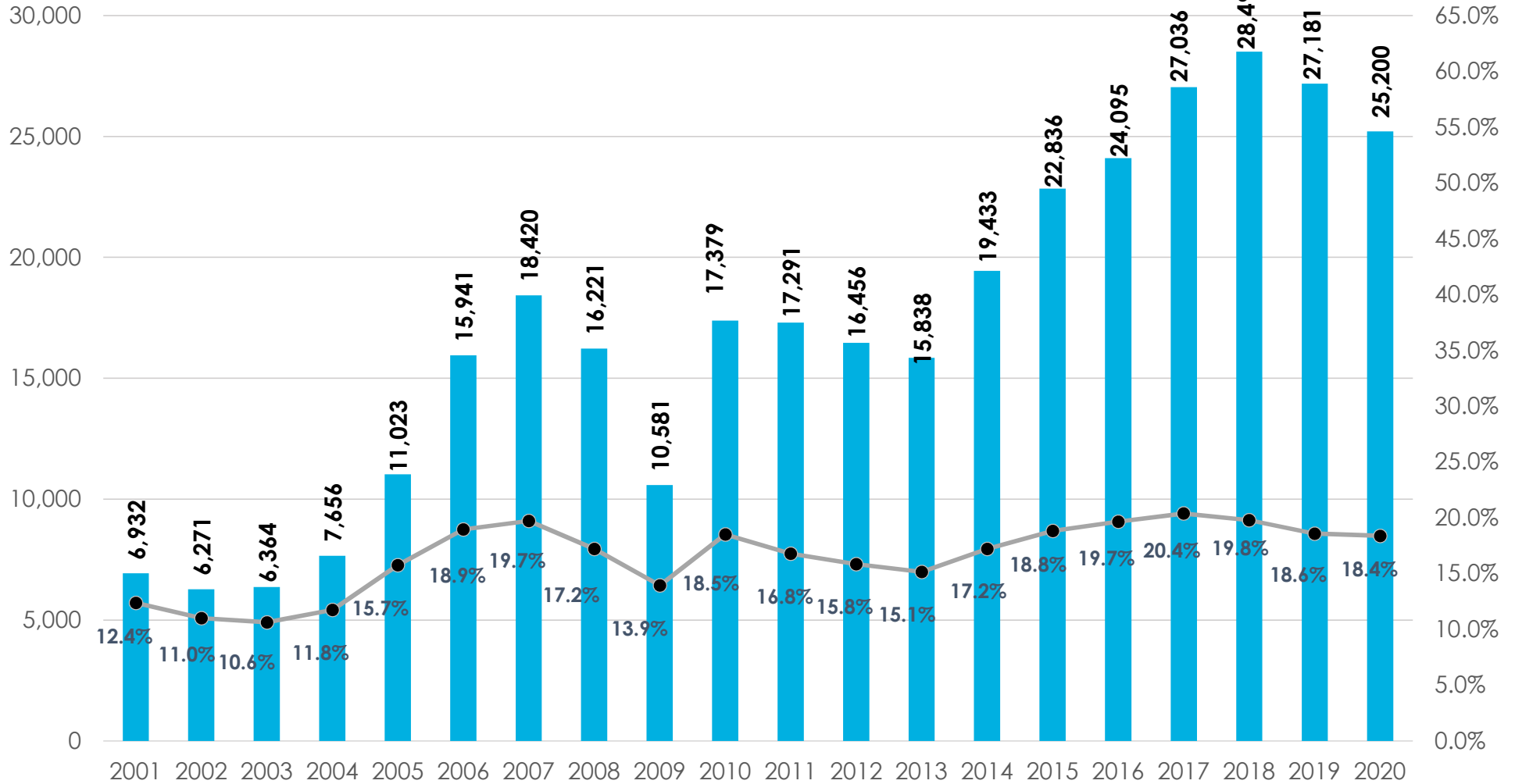


**Ebitda (value and margin % on sales)**

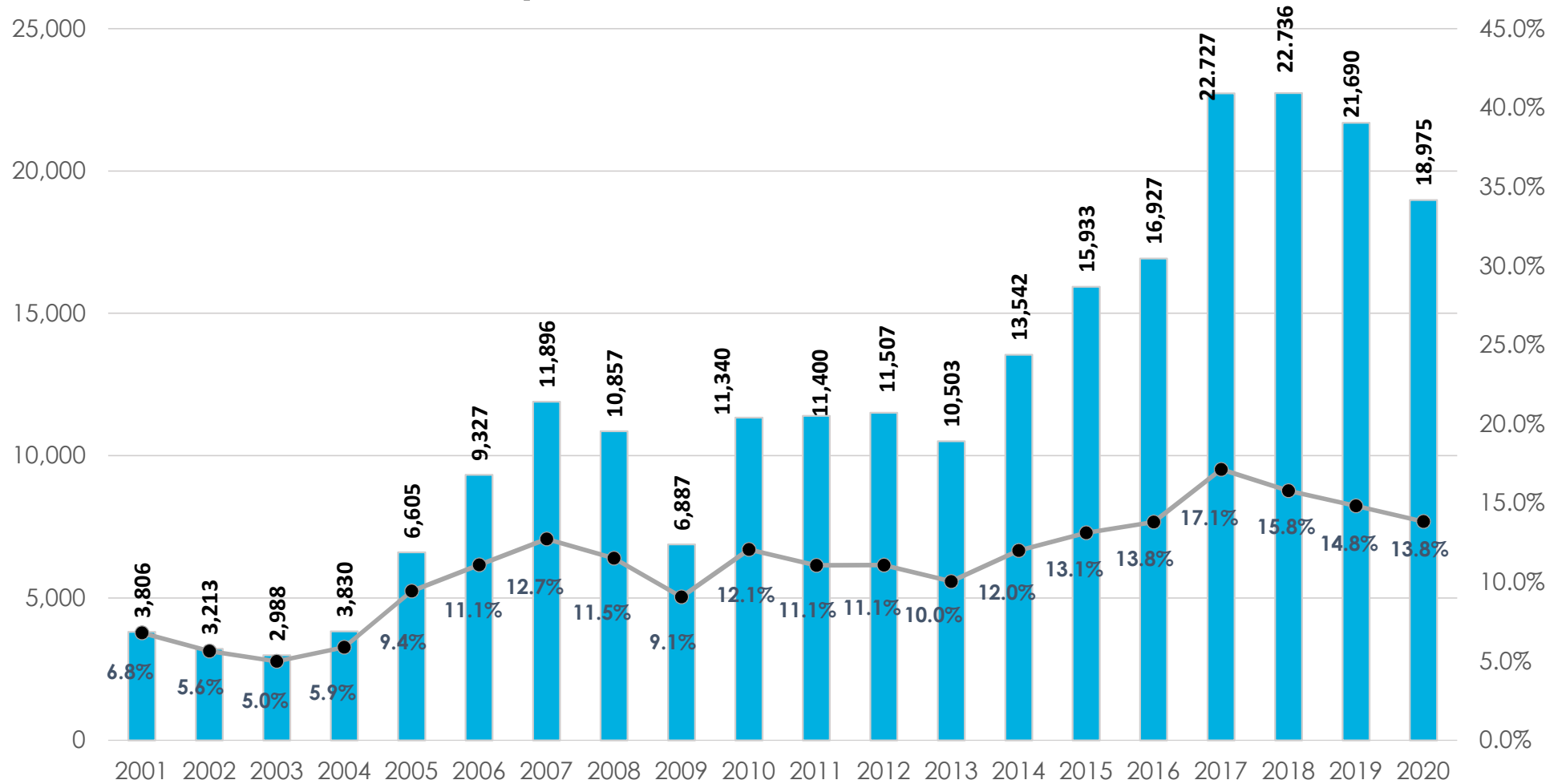




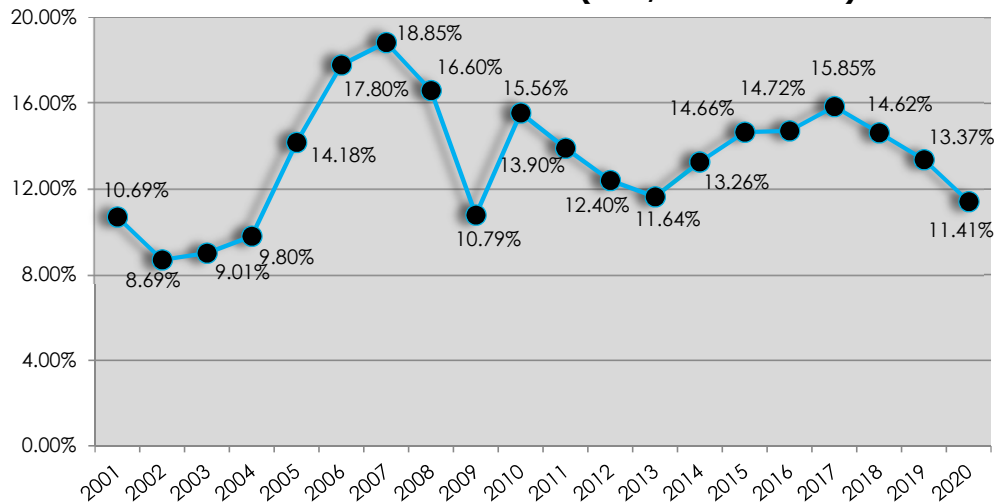
**Ebit (value and margin % on sales)**



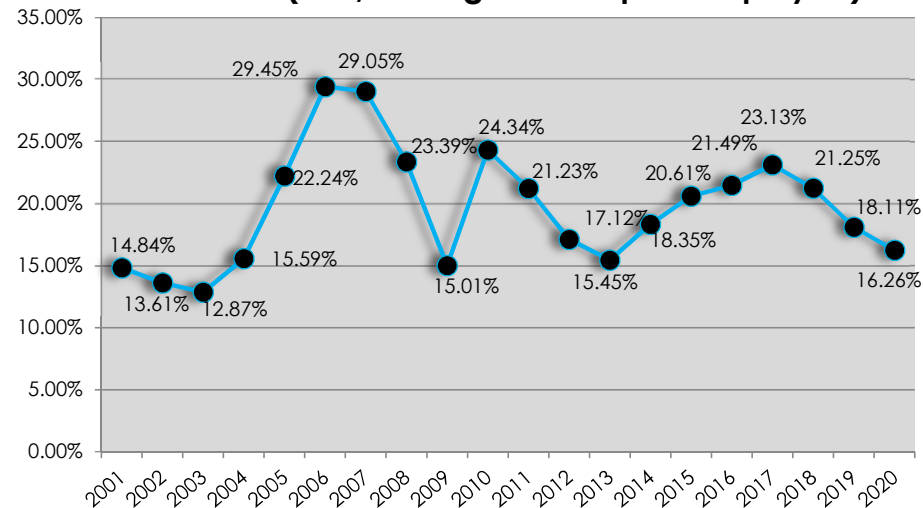
**Net profit (value and margin % on sales)**



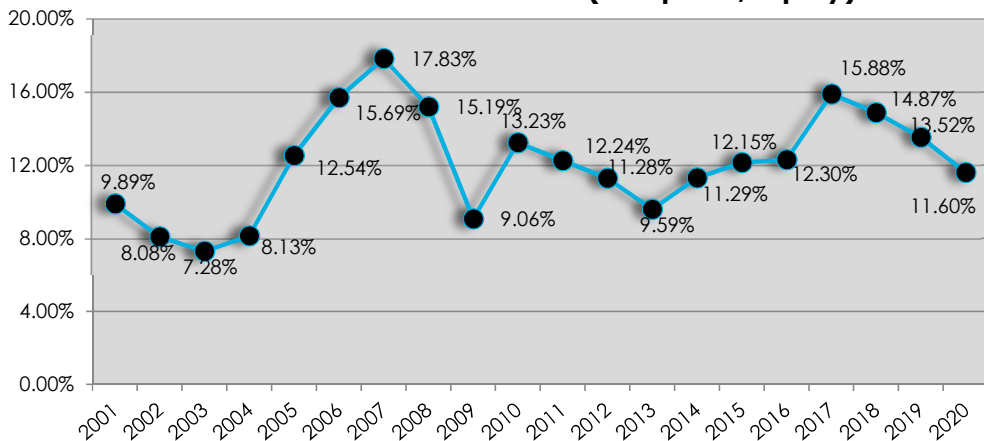
### ROI (EBIT/Investments)



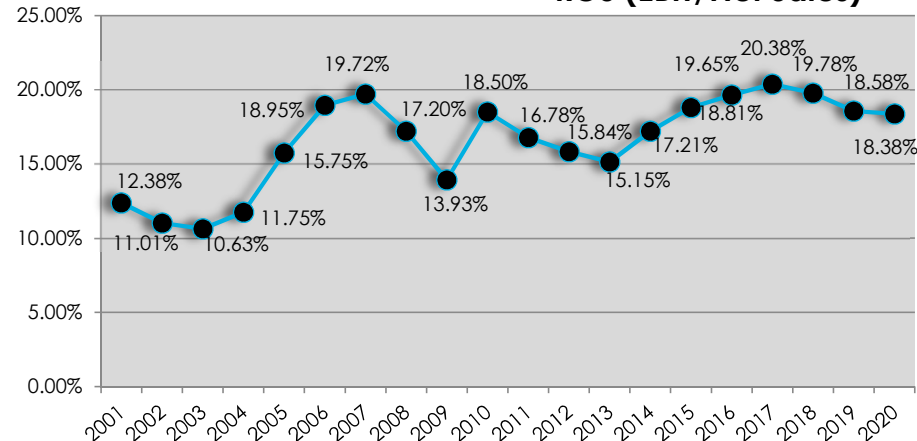
### ROACE (EBIT/Average Net Capital Employed)

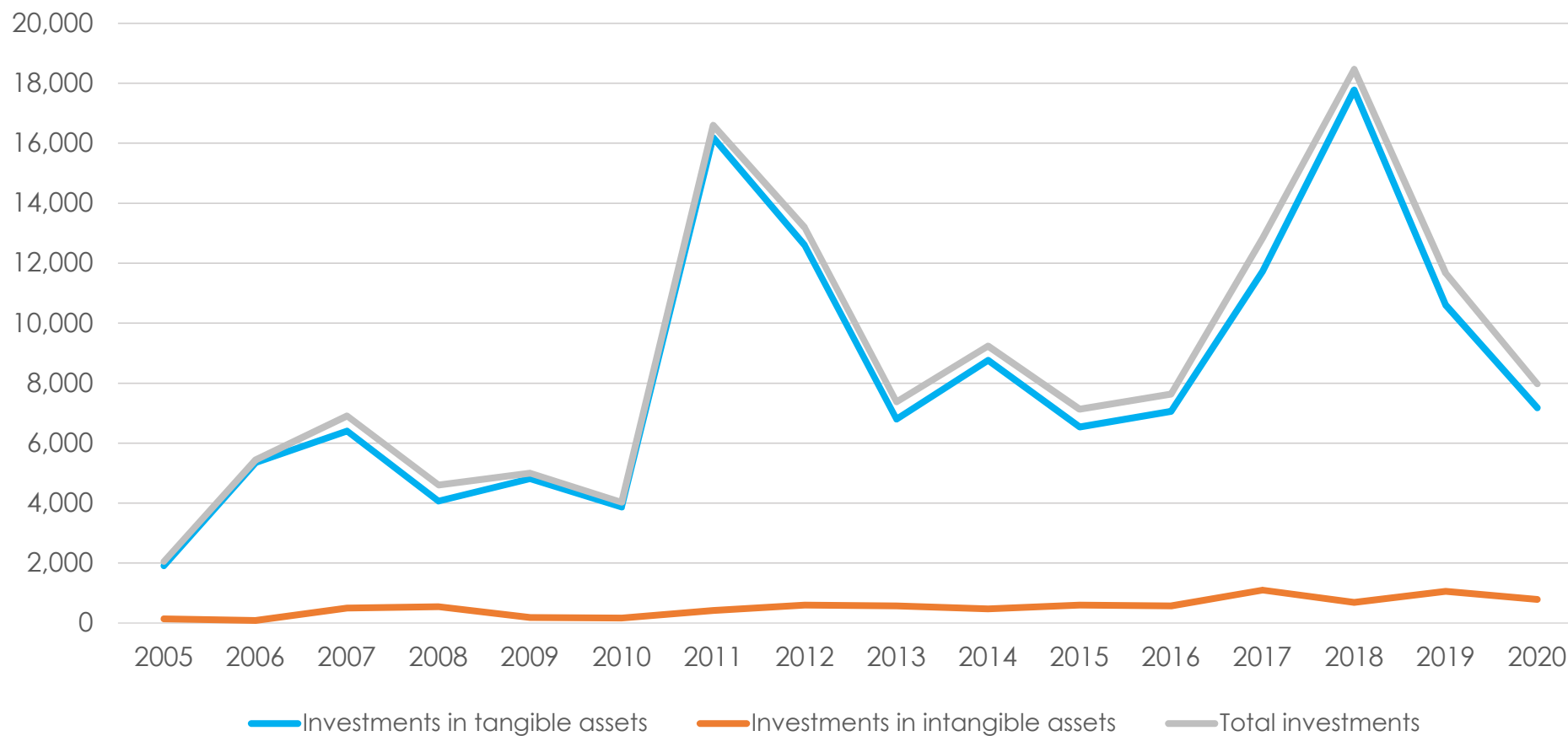


### ROE (Net profit/Equity)



### ROS (EBIT/Net Sales)





| € '000                           | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011          | 2012          | 2013         | 2014         | 2015         | 2016         | 2017          | 2018          | 2019          | 2020         |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|--------------|
| Investments in tangible assets   | 1,910        | 5,353        | 6,404        | 4,064        | 4,815        | 3,863        | 16,183        | 12,591        | 6,802        | 8,759        | 6,534        | 7,064        | 11,732        | 17,775        | 10,609        | 7,181        |
| Investments in intangible assets | 142          | 87           | 500          | 544          | 182          | 169          | 418           | 597           | 573          | 477          | 601          | 569          | 1,101         | 691           | 1,057         | 793          |
| <b>Total investments</b>         | <b>2,052</b> | <b>5,440</b> | <b>6,904</b> | <b>4,608</b> | <b>4,997</b> | <b>4,032</b> | <b>16,601</b> | <b>13,188</b> | <b>7,375</b> | <b>9,236</b> | <b>7,135</b> | <b>7,633</b> | <b>12,833</b> | <b>18,466</b> | <b>11,666</b> | <b>7,974</b> |

## Implications of COVID-19 pandemic

- In **2020** Cembre Group incurred the following additional costs:

| Amount           | Description   |
|------------------|---|
| 196,000 €        | Implementation of COVID-19 prevention measures (purchase of personal protective equipment and of hygiene products, sanitisation of environments, antibody tests and flu vaccination for employees)  |
| 18,000 €         | equipment (thermal scanners)  |
| 410,800 €        | salary compensation (to partially compensate the reduction in wages that occurred during the furlough, used during activities lock-down period) and an attendance bonus for those who worked "in presence" during the 2020 lock-down period from March 23 to April 17 |
| 98,000 €         | donations to institutions committed on the front line of the fight against the virus  |
| <b>722,800 €</b> | <b>TOTAL COSTS</b>  |

- Cembre Group used for the first time in his history Government wages guarantee fund (Cassa Integrazione), but product deliveries have never been interrupted because the Group supplies railway and electrical companies

## CEMBRE focused on these targets:

### Business development thanks to:

- A **strengthening of CEMBRE competitive advantage** by developing **new products and continuous product range renewing** by an **intense R&D activity**
- Improvement of the distributor channel in foreign countries
- An **higher penetration in the foreign markets**, especially in the US and Germany
- A commercial commitment focus on **high growing potential products**

**Cost management** by a better operative efficiency obtained from economies of scale and process innovations;

**Enforcing the manufacturing structure** by investing in high-tech, highly-automated machinery.

The automated warehouse, located in a **4,800 m<sup>2</sup> industrial building** built in 2012, has been operating from January, 2013.

This automated warehouse is **3 time more efficient**, and has a 50% increase in end-product capacity warehousing compared to the previous automated warehouse that has been converted to stock raw material.

In 2018, a **new 9,600 m<sup>2</sup> industrial building** (two floors) started to be used, increasing the dimension of the production and parking area.



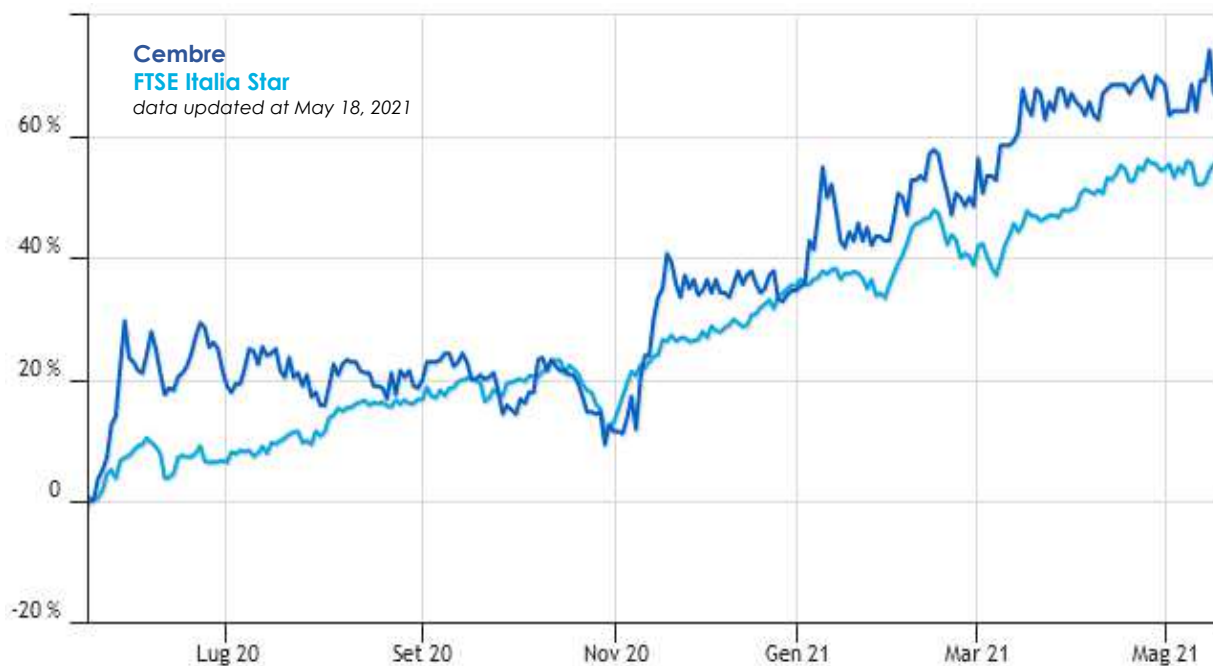


In January 2021 CEMBRE signed the convention for **additional 15,000 m<sup>2</sup> area dedicated to future expansion on the manufacturing plant.**



Future structures

Automated warehouse



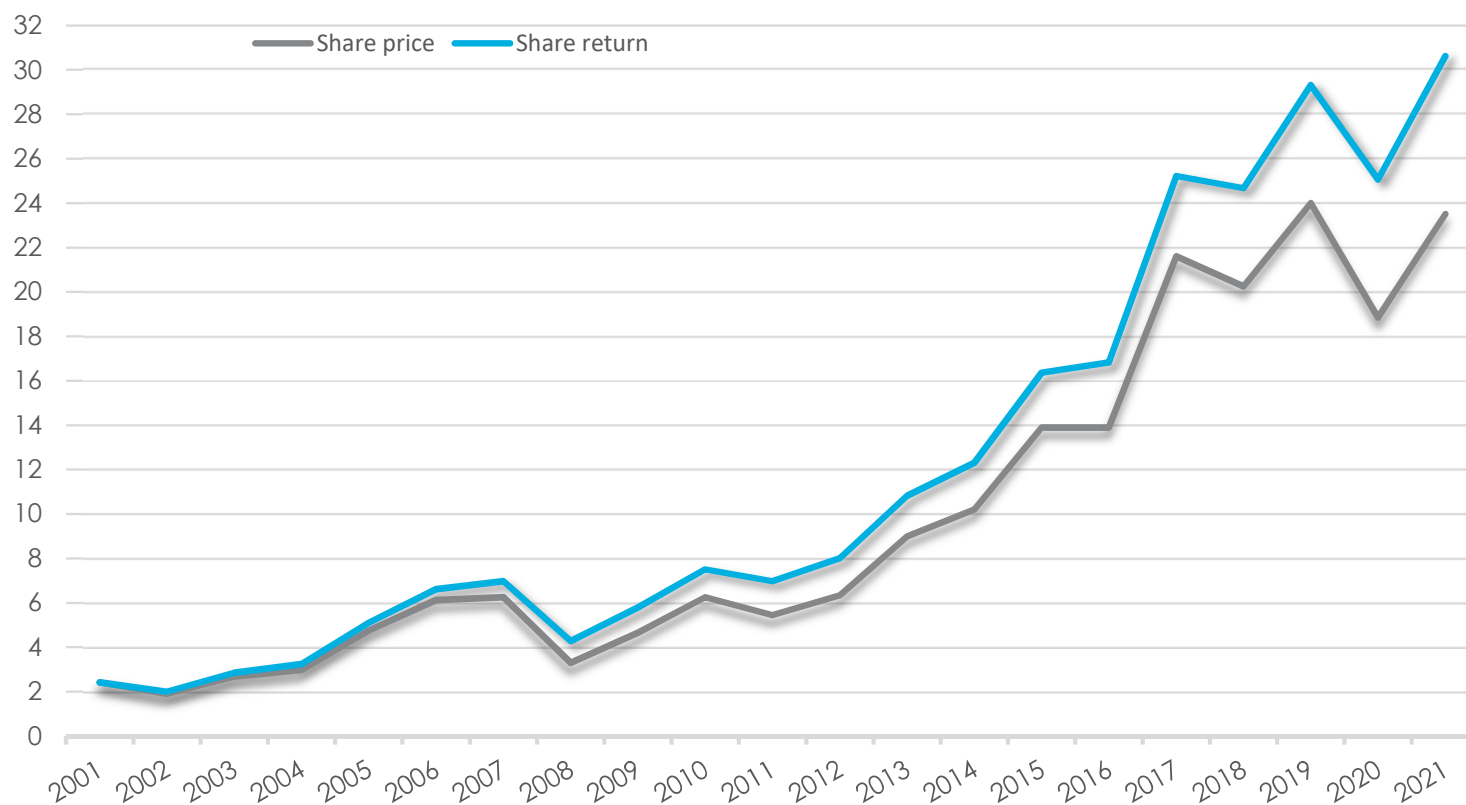
**Cembre has been listed since December 1997**, and is a part of the **Star Index** since September 2001.

| Shareholders      | Share  |
|-------------------|--------|
| LYSNE Spa         | 52.39% |
| Sara Rosani       | 8.65%  |
| Giovanni Rosani   | 8.53%  |
| Anna Maria Onofri | 0.71%  |
| Others            | 29.72% |

|                             | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019              | 2020 |
|-----------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------------------|------|
| Dividend per share (€)      | 0.10 | 0.08 | 0.07 | 0.10 | 0.15 | 0.22 | 0.26 | 0.16 | 0.12 | 0.26 | 0.16 | 0.16 | 0.26 | 0.36 | 0.46 | 0.70 | 0.80 | 0.90 | 0.90              | 0.90 |
| Payout Ratio <sup>1</sup>   | 44%  | 42%  | 41%  | 41%  | 39%  | 40%  | 37%  | 25%  | 30%  | 39%  | 24%  | 24%  | 42%  | 45%  | 49%  | 70%  | 59%  | 66%  | 69%               | 79%  |
| Dividend Yield <sup>2</sup> | 4.1% | 4.4% | 2.9% | 3.3% | 3.2% | 3.6% | 4.2% | 4.8% | 2.6% | 4.2% | 2.9% | 2.5% | 2.9% | 3.5% | 3.3% | 5.0% | 3.7% | 4.4% | 4.8% <sup>3</sup> | 4.8% |

<sup>1</sup> Using consolidated profit

<sup>2</sup> Using the year-end share price



**Total return\* 2001-2021**  
**+13.5%**  
CAGR

**Performance\*\* 2001-2021**  
**+12.0%**  
CAGR

\* **Total Return** is the average 'Share return' growth in the period  
\*\* **Performance** is the average 'Share price' growth in the period

|                                      | 2001   | 2002   | 2003  | 2004  | 2005  | 2006  | 2007  | 2008   | 2009  | 2010  | 2011   | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020   | 2021               |
|--------------------------------------|--------|--------|-------|-------|-------|-------|-------|--------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------------------|
| <b>A) Share price<sup>1</sup></b>    | 2,42   | 1,90   | 2,68  | 2,99  | 4,75  | 6,12  | 6,25  | 3,30   | 4,66  | 6,25  | 5,45   | 6,34  | 8,99  | 10,21 | 13,90 | 13,90 | 21,60 | 20,25 | 24,00 | 18,85  | 23,50 <sup>2</sup> |
| <b>Change in share price</b>         |        | -21.5% | 41.1% | 11.6% | 58.9% | 28.8% | 2.1%  | -47.2% | 41.2% | 34.1% | -12.8% | 16.3% | 41.8% | 13.6% | 36.1% | 0.0%  | 55.4% | -6.3% | 18.5% | -21.5% | 24.67%             |
| <b>Received dividend</b>             |        | 0,10   | 0,08  | 0,07  | 0,10  | 0,15  | 0,22  | 0,26   | 0,16  | 0,12  | 0,26   | 0,16  | 0,16  | 0,26  | 0,36  | 0,46  | 0,70  | 0,80  | 0,90  | 0,90   | 0,90               |
| <b>B) Accrued received dividends</b> |        | 0,10   | 0,18  | 0,25  | 0,35  | 0,50  | 0,72  | 0,98   | 1,14  | 1,26  | 1,52   | 1,68  | 1,84  | 2,10  | 2,46  | 2,92  | 3,62  | 4,42  | 5,32  | 6,22   | 7,12               |
| <b>Share return (A+B)</b>            | 2,42   | 2,00   | 2,86  | 3,24  | 5,10  | 6,62  | 6,97  | 4,28   | 5,80  | 7,51  | 6,97   | 8,02  | 10,83 | 12,31 | 16,36 | 16,82 | 25,22 | 24,67 | 29,32 | 25,07  | 30,62              |
| <b>Price quota</b>                   | 100.0% | 95.0%  | 93.7% | 92.3% | 93.1% | 92.4% | 89.7% | 77.1%  | 80.3% | 83.2% | 78.2%  | 79.1% | 83.0% | 82.9% | 85.0% | 82.6% | 85.6% | 82.1% | 81.9% | 75.2%  | 76.7%              |
| <b>Dividend quota</b>                | 0.0%   | 5.0%   | 6.3%  | 7.7%  | 6.9%  | 7.6%  | 10.3% | 22.9%  | 19.7% | 16.8% | 21.8%  | 20.9% | 17.0% | 17.1% | 15.0% | 17.4% | 14.4% | 17.9% | 18.1% | 24.8%  | 23.3%              |

<sup>1</sup> at the end of the year

<sup>2</sup> at May 18, 2021

# Thank you

**Claudio Bornati**  
CFO & IR

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The manager responsible for preparing the Company's financial reports, Claudio Bornati, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records.