



CEMBRE

INTERIM REPORT

2024 FIRST QUARTER

Cembre S.p.A.

Head Office: Via Serenissima 9, Brescia, Italy
Share Capital: EUR 8,840,000 (fully paid-up).
Registration no: 00541390175 (Commercial Register of Brescia)

This document contains translations of the Interim Report drawn up in the Italian language

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Corporate Boards and Independent Auditors

Board of Directors

Giovanni Rosani	Chairman and Managing Director
Aldo Bottini Bongrani	Deputy Chairman
Anna Maria Onofri	Director
Sara Rosani	Director
Felice Albertazzi	Director
Franco Celli	Director
Paola Carrara	Independent Director
Elisabetta Ceretti	Independent Director

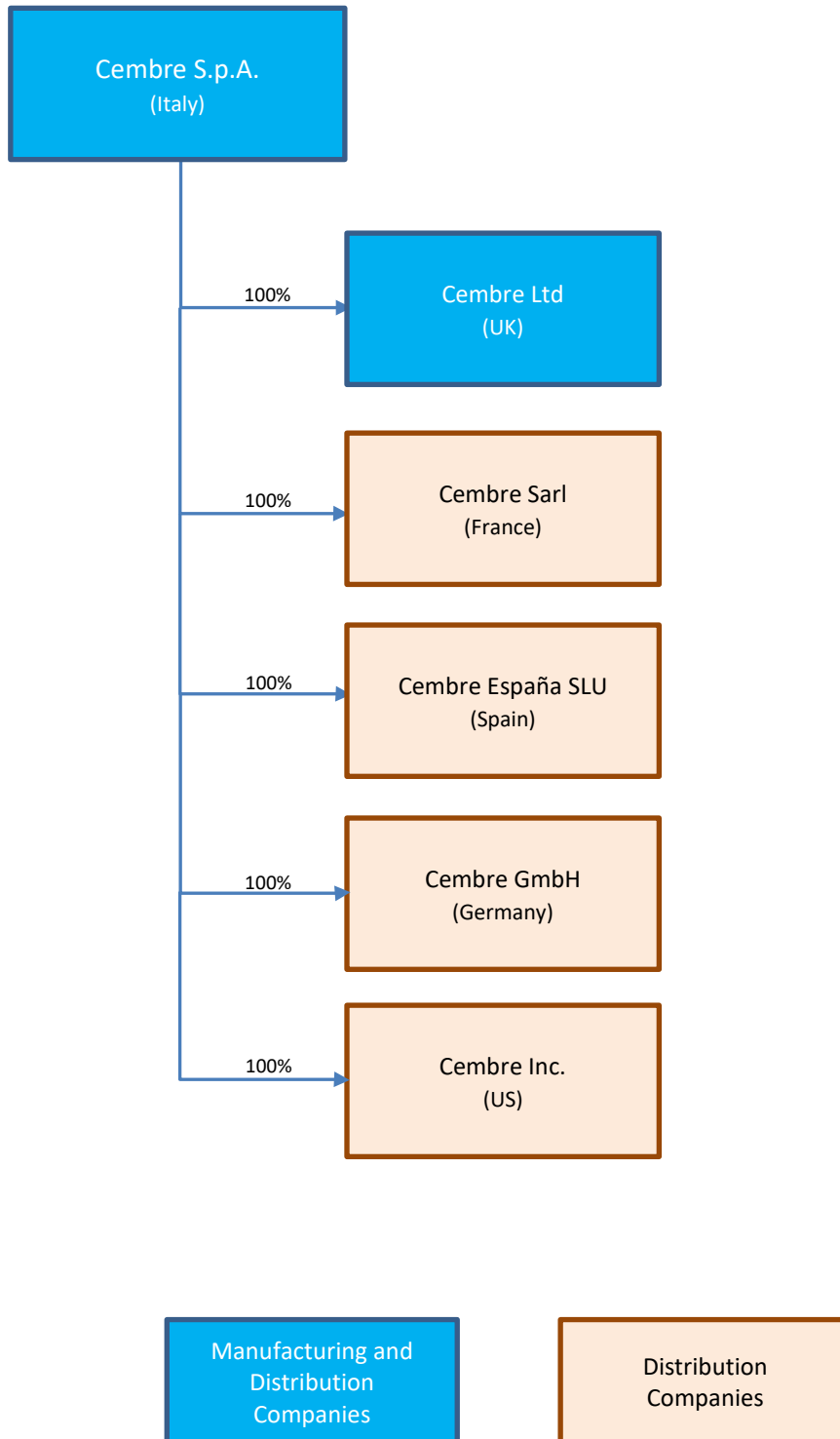
Board of Statutory Auditors

Stefano Colpani	Chairman
Riccardo Astori	Auditor
Rosanna Angela Pilenga	Auditor
Maria Grazia Lizzini	Substitute Auditor
Alessandra Biggi	Substitute Auditor

Independent Auditors

EY S.p.A.

Group Structure



Interim Report on Operations

In the first quarter of 2024, consolidated revenues stood at €58,654 thousand, marking an increase of 1.5% compared to €57,789 thousand recorded in the first three months of 2023.

Consolidated sales by geographical area show growth in the Italian market of 9.1% compared to the first quarter of 2023, and amount €27.0 million; revenues in other European markets amount to €26.4 million and declined by 2.6% compared to the first quarter of 2023; finally, non-European sales amounted to €5.2 million, marking a decrease of 11.5%. In the 1st Quarter of 2024, 46.1% of Group sales were represented by Italy (as compared with 42.9% in the first three months of 2023), 45.0% by the rest of Europe (46.9% in the first three months of 2023), and the remaining 8.9% by the rest of the World (10.2% in the 1st Quarter of 2023).

The summary table of sales by geographical area is reported below:

(euro '000)	1st Quarter 2024	1st Quarter 2023	Change	1st Quarter 2022	1st Quarter 2021	1st Quarter 2020
Italy	27,038	24,777	9.1%	21,433	15,697	14,341
Rest of Europe	26,381	27,098	-2.6%	22,240	18,812	17,432
Rest of the World	5,235	5,914	-11.5%	4,974	3,758	4,686
Total	58,654	57,789	1.5%	48,647	38,267	36,459

Revenues from sales and services in the first three months of 2024 by Group company (net of intragroup sales):

(euro '000)	1st Quarter 2024	1st Quarter 2023	Change	1st Quarter 2022	1st Quarter 2021	1st Quarter 2020
Parent Company	32,972	30,402	8.5%	27,187	20,194	18,464
Cembre Ltd. (UK)	6,755	6,735	0.3%	6,130	5,162	4,976
Cembre S.a.r.l. (F)	4,151	3,765	10.3%	2,796	2,907	2,405
Cembre España S.L.U. (E)	5,485	5,699	-3.8%	3,985	3,234	3,042
Cembre GmbH (D)	5,855	7,195	-18.6%	5,407	4,498	4,236
Cembre Inc. (USA)	3,436	3,993	-14.0%	3,142	2,272	3,336
Total	58,654	57,789	1.5%	48,647	38,267	36,459

In the first three months of 2024, Group companies reported the following pre-consolidated sales revenues and results:

(euro '000)	Sales revenues (pre-consolidation)					
	1st Quarter 2024	1st Quarter 2023	Change	1st Quarter 2022	1st Quarter 2021	1st Quarter 2020
Cembre S.p.A.	47,802	44,487	7.5%	37,543	28,662	27,692
Cembre Ltd. (UK)	7,399	7,211	2.6%	6,745	5,453	5,345
Cembre S.a.r.l. (F)	4,177	3,789	10.2%	2,894	2,965	2,450
Cembre España S.L.U. (E)	5,490	5,710	-3.9%	3,987	3,241	3,043
Cembre GmbH (D)	5,883	7,256	-18.9%	5,429	4,537	4,254
Cembre Inc. (USA)	3,437	3,999	-14.1%	3,144	2,281	3,338

(euro '000)	Pre-tax result (pre-consolidation)					
	1st Quarter 2024	1st Quarter 2023	Change	1st Quarter 2022	1st Quarter 2021	1st Quarter 2020
Cembre S.p.A.	14,177	15,523	-8.7%	12,427	8,439	7,506
Cembre Ltd. (UK)	502	811	-38.1%	801	727	576
Cembre S.a.r.l. (F)	145	151	-4.0%	93	169	81
Cembre España S.L.U. (E)	698	855	-18.4%	611	270	136
Cembre GmbH (D)	(99)	771	n.a.	442	182	165
Cembre Inc. (USA)	(130)	358	n.a.	317	88	267

For a more direct evaluation of the effect of foreign exchange translations, we include below sales figures and pre-tax result figures of the companies operating outside the euro area in the respective currency.

(euro '000)	Currency	Sales revenues (pre-consolidation)					
		1st Quarter 2024	1st Quarter 2023	Change	1st Quarter 2022	1st Quarter 2021	1st Quarter 2020
Cembre Ltd. (UK)	Gbp	6,335	6,368	-0.5%	5,641	4,766	4,609
Cembre Inc. (USA)	US\$	3,732	4,291	-13.0%	3,526	2,478	3,681

(euro '000)	Currency	Pre-tax result (pre-consolidation)					
		1st Quarter 2024	1st Quarter 2023	Change	1st Quarter 2022	1st Quarter 2021	1st Quarter 2020
Cembre Ltd. (UK)	Gbp	430	716	-40%	670	635	497
Cembre Inc. (USA)	US\$	(141)	385	n.a.	356	106	296

To provide a better understanding of the Company's financial performance for the first three months of 2024, a Reclassified Consolidated Income Statement for the same period and the corresponding period in 2023 showing percentage changes is enclosed as Attachment 1.

Consolidated gross operating profit for the first quarter of 2024 amounted to €16,521 thousand, corresponding to a 28.2% margin on sales, down by 7.0% on €17,770 thousand reported in the first three months of 2023 (30.7% margin on sales). The incidence of the cost of goods sold rose while the weight of the cost for services declined during the period. Personnel costs in absolute terms increased by 9.0% compared to the first quarter of 2023, mainly as a result of the increase in the average number of Group workers from 834 in the first quarter of 2023 to 885 in the first quarter of 2024. Personnel costs as a percentage of turnover increased from 24.3% to 26.1%.

The consolidated operating profit for the first quarter of 2024 amounted to €13,299 thousand, corresponding to a 22.7% margin on sales, down by 9.4% on €14,678 thousand reported in the first three months of 2023 (25.4% margin on sales).

Consolidated profit before taxes for the first three months of 2024 amounted to €13,462 thousand, representing a 23.0% margin on sales, down by 8.7% on the profit before taxes reported in the first quarter of 2023, amounting to €14,742 thousand and corresponding to a 25.5% margin on sales.

Consolidated net profit for the period fell by 10.6% compared to 2023 from €10,864 thousand, representing 18.8% of sales, to €9,715 thousand, representing 16.6% of sales.

The net financial position as at March 31, 2024 is composed as follows:

	(euro '000)	03/31/2024	12/31/2023	03/31/2023
A	Cash	9	5	8
B	Bank deposits	12,815	20,877	11,991
C	Other financial assets	8,000	4,000	6,000
D	Cash and cash equivalents (A+B+C)	20,824	24,882	17,999
E	Current bank payables	(102)	(128)	(1)
F	Current financial leasing liabilities	(1,848)	(1,840)	(1,841)
G	Current financial indebtedness (E+F)	(1,950)	(1,968)	(1,842)
H	Net current financial position (G+D)	18,874	22,914	16,157
I	Non-current bank payables	-	-	-
J	Non-current financial leasing liabilities	(4,493)	(4,693)	(5,475)

K	Non-current financial debt (I+J)	(4,493)	(4,693)	(5,475)
L	Net financial position (H+K)	14,381	18,221	10,682

The net financial position as at March 31, 2024, amounting to a positive €14.4 million, was down compared to December 31, 2023, when it amounted to €18.2 million.

The net financial position at March 31, 2023 was a positive €10.7 million.

Investments made by the Group in the first quarter of the current year totalled €6.1 million in property, plant and equipment (€3.6 million in the first three months of 2023) and €0.3 million in intangible fixed assets (€0.3 million in the first three months of 2023).

Subsequent events

No event having significant effects on the Group's operations and results occurred after the close of the period.

Outlook

In the initial months of 2024, the monetary policy implemented by the various banking institutions continues to remain restrictive in order to restore price stability; this, combined with the continuing conflicts in Ukraine and Gaza, makes the macro-economic situation extremely uncertain.

It is extremely complicated for companies to make reliable forecasts. Nevertheless, in light of the positive results achieved in the first quarter, it is estimated that the Cembre Group's consolidated revenues will grow and the consolidated economic result will be positive in 2024.

Attachment 1 to the Interim Report on Operations

Comparative Consolidated Income Statement

	1 st Quarter 2024	%	1 st Quarter 2023	%	Change
<i>(euro '000)</i>					
Revenue from contracts with customers	58,654	100%	57,789	100.0%	1.5%
Other revenues	152		187		-18.7%
Total Revenues	58,806		57,976		1.4%
Cost of goods and merchandise	(20,420)	-34,8%	(19,167)	-33.2%	6.5%
Change in inventories	962	1,6%	315	0.5%	
Cost of goods sold	(19,458)	-33,2%	(18,852)	-32.6%	3.2%
Cost for services received	(7,090)	-12,1%	(7,207)	-12.5%	-1.6%
Lease and rental costs	(135)	-0,2%	(80)	-0.1%	68.8%
Personnel costs	(15,317)	-26,1%	(14,058)	-24.3%	9.0%
Other operating costs	(420)	-0,7%	(407)	-0.7%	3.2%
Increase in assets due to internal construction	248	0,4%	486	0.8%	-49.0%
Write-down of receivables	(106)	-0.2%	(57)	-0.1%	86.0%
Accruals to provisions for risks and charges	(7)	0,0%	(31)	-0.1%	-77.4%
Gross operating profit	16,521	28,2%	17,770	30.7%	-7.0%
Property, plant and equipment depreciation	(2,426)	-4,1%	(2,329)	-4.0%	4.2%
Intangible asset amortization	(281)	-0.5%	(248)	-0.4%	13.3%
Depreciation of right of use assets	(515)	-0.9%	(515)	-0.9%	0.0%
Operating profit	13,299	22,7%	14,678	25.4%	-9.4%
Financial income	150	0,3%	61	0.1%	
Financial charges	(51)	-0,1%	(41)	-0.1%	24.4%
Foreign exchange gains (losses)	64	0,1%	44	0.1%	45.5%
Profit before taxes	13,462	23,0%	14,742	25.5%	-8.7%
Income taxes	(3,747)	-6,4%	(3,878)	-6.7%	-3.4%
Net profit	9,715	16,6%	10,864	18.8%	-10.6%

Consolidated Financial Statements at March 31, 2024

Consolidated Statement of Comprehensive Income

	1 st Quarter 2024	1 st Quarter 2023
(euro '000)		
Revenue from contracts with customers	58,654	57,789
Other revenues and income	152	187
Total Revenues	58,806	57,976
Cost of goods and merchandise	(20,420)	(19,167)
Change in inventories	962	315
Cost for services received	(7,090)	(7,207)
Lease and rental costs	(135)	(80)
Personnel costs	(15,317)	(14,058)
Other operating costs	(420)	(407)
Increase in assets due to internal construction	248	486
Write-down of receivables	(106)	(57)
Accruals to provisions for risks and charges	(7)	(31)
Gross operating profit	16,521	17,770
Depreciation of property, plant and equipment	(2,426)	(2,329)
Amortisation of intangible fixed assets	(281)	(248)
Depreciation of lease assets	(515)	(515)
Operating profit	13,299	14,678
Financial income	150	61
Financial charges	(51)	(41)
Foreign exchange gains (losses)	64	44
Pre-tax result	13,462	14,742
Income taxes	(3,747)	(3,878)
Net profit for the period	9,715	10,864
Items that may be reclassified subsequently to profit and loss		
Conversion difference included in equity	455	28
Comprehensive income	10,170	10,892

Consolidated Statement of Financial Position – Assets

ASSETS	03.31.2024	12.31.2023
(euro '000)		
NON-CURRENT ASSETS		
Property, plant and equipment	94.001	90.252
Investment property	719	729
Intangible fixed assets	4.742	4.712
Goodwill	4.608	4.608
Right of use assets	6.218	6.422
Other investments	5	5
Other non-current assets	100	78
Deferred tax assets	3.657	3.446
TOTAL NON-CURRENT ASSETS	114.050	110.252
CURRENT ASSETS		
Inventories	70.193	68.743
Trade receivables	55.992	42.493
Other financial assets	8.000	4.000
Tax receivables	1.806	1.583
Other receivables	1.318	1.250
Cash and cash equivalents	12.824	20.882
TOTAL CURRENT ASSETS	150.133	138.951
NON-CURRENT ASSETS AVAILABLE FOR SALE	-	-
TOTAL ASSETS	264.183	249.203

Consolidated Statement of Financial Position – Liabilities and Shareholders' Equity

LIABILITIES AND SHAREHOLDERS' EQUITY	03.31.2024	12.31.2023
(euro '000)		
SHAREHOLDERS' EQUITY		
Capital Stock	8.840	8.840
Reserves	197.352	156.051
Net profit	9.715	40.828
TOTAL SHAREHOLDERS' EQUITY	215.907	205.719
NON-CURRENT LIABILITIES		
Non-current financial liabilities	4.493	4.693
Employee termination indemnity and other personnel benefits	1.733	1.751
Provisions for risks and charges	213	691
Deferred tax liabilities	3.577	3.570
TOTAL NON-CURRENT LIABILITIES	10.016	10.705
CURRENT LIABILITIES		
Current financial liabilities	1.950	1.968
Trade payables	18.169	14.829
Tax payables	7.824	4.193
Other payables	10.317	11.789
TOTAL CURRENT LIABILITIES	38.260	32.779
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-	-
TOTAL LIABILITIES	48.276	43.484
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	264.183	249.203

Consolidated Cash Flow Statement

	1 st Quarter 2024	1 st Quarter 2023
(euro '000)		
A) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	20,882	15,028
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	9,715	10,864
Income taxes	3,747	3,878
Financial charges/(Financial profits)	(99)	(20)
(Gains)/Losses on disposal of assets	(33)	(15)
Depreciation/amortization and write-downs	3,221	3,902
Net change in Employee Termination Indemnity	(19)	98
Net change in provisions for risks and charges	(478)	39
Stock options plan IFRS2 remeasurement	18	28
Operating profit (loss) before changes in working capital	16,072	17,964
(Increase) Decrease in trade receivables	(13,499)	(13,364)
(Increase) Decrease in inventories	(1,450)	(249)
Increase (Decrease) in trade payables	3,340	(762)
(Increase) Decrease in working capital	(11,609)	(14,375)
Other changes	(1,745)	(643)
Interests received/(Interests paid)	99	20
(Paid income taxes)	(339)	(282)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	2,478	2,684
C) CASH FLOW FROM INVESTING ACTIVITIES		
Investment in fixed assets:		
- intangible	(311)	(298)
- tangible	(6,072)	(3,555)
Proceeds from disposal of tangible, intangible, available-for-sale fixed assets		
- intangible	-	19
- tangible	50	-
- financial	(21)	-
NET CASH FLOW (USED IN)/FROM INVESTMENT ACTIVITIES	(6,354)	(3,834)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other current assets	(4,000)	9,000
(Increase) Decrease in bank payables	(26)	(10,358)
Increase (Decrease) in other financial payables	-	22
Repayment of leasing liabilities	(503)	(495)
Change in reserves	(43)	(48)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(4,572)	(1,879)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	(8,448)	(3,029)
F) Foreign exchange conversion differences	390	-
G) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+E+F)	12,824	11,999
Of which: assets held for disposal	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12,824	11,999

(continued)

(continued from previous page)

	1 st Quarter 2024	1 st Quarter 2023
(euro '000)		
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12,824	11,999
Other financial assets	8,000	6,000
Current financial liabilities	(1,950)	(1,842)
Non-current financial liabilities	(4,493)	(5,475)
NET CONSOLIDATED FINANCIAL POSITION	14,381	10,682

BREAKDOWN OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Cash	9	8
Bank deposits	12,815	11,991
	12,824	11,999

Statement of Changes in the Consolidated Shareholders' Equity

(euro '000)	Balance at December 31, 2023	Allocation of profits to reserves	Valuation of stock option plan - IFRS2	Other changes	Comprehensive Income for the period	Balance at March 31, 2024
Share capital	8,840					8,840
Share premium reserve	12,245					12,245
Legal reserve	1,768					1,768
Reserve for Treasury Shares	(3,844)					(3,844)
Suspended-tax reserves	585					585
Other suspended-tax reserves	68					68
Other reserves	30,526	1,466				31,992
Conversion differences	(1,400)	45			455	(900)
Extraordinary reserve	107,358		7			107,365
First time application of IAS/IFRS reserve	3,715					3,715
Discounting of employee termination indemnities	347					347
Merger differences	4,397					4,397
Stock options reserve	286		11			297
Retained earnings	-	39,317				39,317
Net profit	40,828	(40,828)			9,715	9,715
Total Shareholders' Equity	205,719	-	18		10,170	215,907

(euro '000)	Balance at December 31, 2022	Allocation of profits to reserves	Valuation of stock option plan - IFRS2	Other changes	Comprehensive Income for the period	Balance at March 31, 2023
Share capital	8,840					8,840
Share premium reserve	12,245					12,245
Legal reserve	1,768					1,768
Reserve for Treasury Shares	(4,129)					(4,129)
Suspended-tax reserves	585					585
Other suspended-tax reserves	68					68
Other reserves	27,726	2,849		(48)		30,527
Conversion differences	(1,440)				28	(1,412)
Extraordinary reserve	101,722	(48)	(24)			101,650
First time application of IAS/IFRS reserve	3,715					3,715
Discounting of employee termination indemnities	347					347
Merger differences	4,397					4,397
Stock options reserve	333		52			385
Retained earnings	-	29,117				29,117
Net profit	31,918	(31,918)			10,864	10,864
Total Shareholders' Equity	188,095	-	28	(48)	10,892	198,967

Notes to the accounts

Accounting principles, form and content of the Financial Statements, estimates

The Interim Report on Operations of the Cembre Group at March 31, 2024 was prepared in compliance with article 2.2.3, paragraph 3 of the “Rules for Markets organised and managed by Borsa Italiana S.p.A.” and aims to provide a general description of the financial position and the economic performance of the Company and its subsidiaries in the period, in addition to reporting important events occurred and operations carried out and their effect on the financial position of the Company and its subsidiaries.

All the information required by IAS 34 is not provided in this document.

The consolidation principles and measurement criteria adopted conform to the international accounting standards (IAS/IFRS) and are consistent with those adopted to draft the financial statements of the Group for the year ended as at December 31, 2023.

The Group’s financial statements include those as at March 31, 2024 of Cembre S.p.A. (Parent Company) and the following companies:

	Share owned by the Group March 31, 2024	Share owned by the Group March 31, 2023
Cembre Ltd. (UK)	100%	100%
Cembre S.a.r.l. (France)	100%	100%
Cembre España S.L.U. (Spain)	100%	100%
Cembre GmbH (Germany)	100%	100%
Cembre Inc. (USA)	100%	100%

The Parent Company has control of the above companies pursuant to Article 2359 of the Italian Civil Code.

The criteria used in the preparation of the financial statements were applied consistently within the Group. Where necessary, financial data were adjusted and reclassified. In compliance with IAS 1, in the financial statements costs were classified by nature.

Amounts are expressed in thousands of Euro.

The Interim Report was prepared according to the “separation of periods method”, based on which the reference period is considered an autonomous financial year. The income statement for the quarter thus reflects the income components relating to the period based on the accrual method.

Bonuses recognised to customers at the end of the period were estimated based on past sales and their expected future performance.

Translation of financial statements expressed in currencies other than the euro

The functional and reporting currency of the Group is the euro.

Exchange rates applied in the translation of financial statements of subsidiaries are shown in the table below (expressed in currency/€).

Currency	Exchange rate at March 31, 2024	Average exchange rate 2024
British pound	0.8551	0.8563
US Dollar	1.0811	1.0858

Brescia, May 14, 2024

**FOR THE BOARD OF DIRECTORS
OF THE PARENT COMPANY CEMBRE S.P.A.**
Chair and Managing Director
Giovanni Rosani

**CEMBRE**

DECLARATION

pursuant to art 154-bis, Paragraph 2 of Legislative Decree 58 dated Feb. 24, 1998 “Consolidated Law on financial intermediation regulations” and subsequent integrations and updates

Re: 2024 first Quarter Interim Report

The undersigned,

Claudio Bornati, Manager responsible for preparing the Cembre S.p.A. financial reports

DECLARES

pursuant to Paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the financial disclosure contained in the 2024 first Quarter Interim Report corresponds to the document results, books and accounting records.

Brescia, May 14, 2024

Signed by: Claudio Bornati
Manager in charge of drafting
the accounts of Cembre S.p.A.



CEMBRE SpA

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