

Cefla annual report, a five-year period of growth

Positive results in 2017.
Value of production 20% higher than in 2016.
Foreign markets performing well.

IMOLA (Bologna), 1 June 2018. A five-year period of growth: this, in sort, defines the performance of the Cefla Group, which closed 2017 with a value of production some 20% higher than that of the previous year. The turnover - some **528 million euro** - incorporated a strengthened contribution from foreign subsidiaries (in both sales and manufacturing) on strategic markets such as the USA, China and Russia, with exports accounting for 54% of sales.

President Gianmaria Balducci points out: "Internationalisation has been - and will continue to be - a guiding force in company growth. Today our Group is made up of five Business Units that are highly differentiated in terms of products and markets, yet some of these are mainly 'domestic' businesses. Today, the Group's economic solidity, its internal skills set and our smooth organisation put us in a position to compete on foreign markets by allowing us to take a more structured approach and draw on an ever-expanding reservoir of experience".

Over the last five years Cefla has enjoyed steadily increasing profit margins, confirming its achievement of the dual goal of enhanced performance and profitability and underscoring its long-standing focus on cost containment. **President Balducci continues:** "Although profitability indicators have increased in absolute terms, the increase in volumes with a different product/country mix compared to 2016 led to a drop of around 1 percentage point in terms of EBITDA. However, the double-digit increase in our turnover largely makes up for the lost margins; our record net result of about 25 million euro confirms the soundness of our choices and rewards all the stakeholders: customers, suppliers, banks and shareholder-employees".

The economic performance of 2017 is matched by an equally positive financial position. Higher volumes have called for an increase in working capital; nevertheless, the net financial position remains positive, net of over 20 million euro being channelled into investment.

Over the coming three years, Group management - which, as of January 2018, has a **new General Manager, Andrea Formica** from the automotive sector - will aim to focus and stabilise the businesses to bring about suitable conditions for a further period of profitable growth, for



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both internal and external lines, characterised not just by internationalisation but by accelerated digital servitization.

The year 2017 also saw the company enter into a preliminary **Patent Box** agreement with Italian Revenue Authorities for a significant part of its portfolio, equal to over 600 intellectual property rights, patents, trademarks and designs. Cefla is one of the first 20 large-scale Italian companies to obtain this acknowledgement of its constant commitment to **Research and Development**.

Cefla is a Cooperative with a mission of creating value over time. After thanking everyone at the company for their contribution to the results, **President Balducci** emphasised the fact that “such results are the outcome of a manufacturing group that employs **about 2000 people worldwide and about 1400 in Italy**; more specifically, in Italy some 150 new jobs were created, with the number of employees rising from 1,269 in 2016 to 1,418 in 2017”.

ABOUT US:

CEFLA is an Italian multi-business group, founded in 1932 in Imola (Bologna) where it has its head offices and large-scale manufacturing facilities. The Group does business all over the world and has some thirty facilities (of which about half engage in manufacturing) in numerous countries. Cefla operates in five specific business areas: Cefla Plant Solutions (plant engineering in the civil, industrial and energy sectors), Cefla Shopfitting (shop equipment and personalised solutions for retail outlets); Cefla Finishing (machines and complete plants for coating and finishing); Cefla Medical Equipment (for the dental and medical sectors) and C-LED (custom design for the lighting and wireless connectivity fields). Cefla's strength stems from its founding principles: strategic vision, long-term planning, investment in technology and innovation, equity-related and financial solidity.

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