



Press release

**The Indel B BoD approves
the consolidated half-year report as at 30 June 2018**

**Significant growth in revenues +46%; adjusted EBITDA +29%; adjusted EBIT +27%
Net financial position improves
Indel B resolves to sell its investment in Guandong Indel B Enterprise**

- **Consolidated revenues: Euro 80.7 million as compared with Euro 55.4 million for the half-year of 2017, up 46%. Like for like* +16%**
- **Adjusted EBITDA Euro 13.2 million vs Euro 10.2 million for the half-year of 2017, up 29% (reported EBITDA: Euro 10.2 million +17% vs Euro 8.7 million as at 30 June 2017). Like for like* +5%**
- **Adjusted EBIT: Euro 11.8 million vs Euro 9.3 million for the half-year of 2017, up 27% (reported EBIT: Euro 8.8 million + 13% vs Euro 7.8 million as at 30 June 2017). Like for like* +5%**
- **Adjusted net profit: Euro 8.8 million vs Euro 7.0 million for the half-year of 2017, up 26% (Reported net profit: Euro 5.9 million +3% vs Euro 5.7 million as at 30 June 2017). Like for like* +14%**
- **Net financial position as at 30 June 2018 records debt of Euro 12.4 million, an improvement on the debt of Euro 14.7 million booked as at 31 December 2017**

* without considering the Autoclima Group acquired on 08 September 2017

Sant'Agata Feltria (Rimini), 27 September 2018 – Indel B S.p.A. - a company listed on the Borsa Italiana MTA and parent of a group that operates in the manufacture of cooling systems for mobile and mobile living for the automotive, hospitality and leisure time (pleasure boats and recreational vehicles) markets - reports that the Board of Directors met today and approved the consolidated half-year report as at 30 June 2018.

Growth of the Indel B Group continues in the first six months of 2018, recording a solid increase in total revenues, which come in at Euro 80.7 million as compared with the Euro 55.4 million during the same period of 2017, up 46% and up 16% like for like*. This result confirms the positive trend of the organic growth that can be traced to the increase in revenues from the sale of products in all markets in which the Group operates: Automotive, Hospitality, Leisure time, Cooling Appliance and Components & Spare.

During the same meeting, the Board of Directors of Indel B also resolved to sell its entire equity investment in the Chinese company *Guandong Indel B Enterprise* (Guangdong), following the divergence on industrial strategy, both in terms of guidance and investments, adopted by the majority Chinese shareholder. This strategy envisages a massive advertising campaign, with considerable advertising costs incurred to promote the sale of portable refrigerators as consumer goods, and therefore targeting a different buyer with respect to the target of Indel B products, shifting the company's focus to a market segment that does not come under the scope of Indel B's core business. The investments in advertising and promotion required led to a significant loss with the consequent zeroing of the value of the equity investment, equal to Euro 3.0 million in

the period under review. In any case, Indel B's exit from the Chinese company does not affect the excellent client-supplier relationship enjoyed for some time now between the two companies.

Luca Bora – Managing Director of Indel B – comments: *“We are very happy with the results of the first six months of 2018 and are booking a favourable phase in our markets, which highlight a scenario of possible additional growth. Future revenues will benefit further from a positive general macro economic situation and the acquisition of new strategic clients” - Mr Bora continues:* *“We have begun the process of integrating the company Autoclima, acquired in 2017, and are working very well indeed with our Brazilian partner, strengthening both growth and its operational structure. We have reviewed our position with the Chinese company Guangdong and decided to sell our shareholding, because the change in industrial strategy adopted by the majority shareholder of Guangdong - which regards the products on which the Company is focussing and which has led to a loss - moves away from our core business and also requires considerable investments that would not be strategic for our Group. We will remain in China and continue to produce some of our products, also thanks to the good relations and commercial agreements that will remain in place in Guangdong, whilst we will continue to refine and further develop our potential on all markets in which the Group is present, with a special focus on Europe and America”.*

Consolidated total revenues by market

<i>(in thousands of Euro)</i>	1H18	%	1H17	%	Change	% change
Automotive	49,404	62%	32,852	61%	16,552	50.4%
Hospitality	8,722	11%	7,641	14%	1,081	14.1%
Leisure	7,272	9%	7,244	13%	28	0.4%
Cooling Appl.	2,719	3%	1,951	4%	768	39.4%
Components & Spare parts	11,266	14%	4,576	8%	6,690	146.2%
REVENUES FROM PRODUCT SALES	79,383	100%	54,264	100%	25,119	46.3%
Other revenues from sales	387		112		275	244.1%
REVENUES FROM SALES	79,770		54,376		25,394	46.7%
Other income	887		979		-92	-9.4%
TOTAL INCOME	80,657		55,355		25,302	45.7%

In greater detail:

In the period under review, considerable growth is recorded in the Automotive segment (+50%), due to the consolidation of Autoclima, to a greater penetration of the Group's products in terms of the number of devices installed both as the first plant (OEM) and After Market (AM), and also to the acquisition of important new customers in North America that in the course of 2018 brought their purchases to full capacity. In Hospitality, on the other hand, the increase (+14%) derives from the increase in volumes of products for hotels. Significant growth is also recorded on the Cooling Appliance market (+39%), due to new orders and on the Components & Spare Parts market (+146%), due to larger volumes of components sold, the revenues from Autoclima sales and the economic recovery, above all in Europe.

In the OEM¹ (Original Equipment Manufacturer) channel, an increase has been seen in revenues in the amount of Euro 10.9 million as at 30 June 2018; this is due to both organic growth and the acquisition of new clients in North America; in the AM² (After Market) channel, revenues increase by Euro 7.5 million as compared with the same period of 2017, thanks to the development generated in both Automotive and Hospitality.

¹ OEM Original Equipment Manufacturer. Customer segment that purchases third party manufacturer components specifically designed for use in the products sold or finished products, which are therefore marketed under own brand.

² AM (After Market) Sales channel characterised by the manufacture of goods developed not according to customised projects commissioned on specific customer request, but rather intended for marketing under own brand or the "ISOTHERM" brand owned by Indel Webasto Marine, by Indel B.

Geographically, the most significant growth (+62%) is seen in the Americas, for turnover of Euro 13.7 million with respect to Euro 8.5 million for the half-year 2017, primarily due to the Automotive, which accounts for 17% of total revenues from product sales; this is followed by Italy (+60%), with Euro 22.5 million and 28% of turnover. In Europe, an increase (+35%) is recorded in the absolute value of revenues, taking them to Euro 39.5 million, accounting for 50% of turnover as compared with the Euro 29.2 million of the first half of 2017. Finally, in the rest of the world, the growth recorded comes to +44%, with revenues of Euro 3.6 million as compared with Euro 2.5 million for the same period in the half-year 2017, in both periods accounting for 5% of turnover.

EBITDA and Adjusted EBITDA

During the first half of 2018, EBITDA is positive and comes to Euro 10.2 million, up 17% on the Euro 8.7 million for the half-year closed as at 30 June 2017. Adjusted EBITDA, net of non-recurring items, shows growth of 29%, going from Euro 10.2 million in the half-year ended on 30 June 2017 to Euro 13.2 million as at 30 June 2018. In percentage terms, Adjusted EBITDA accounts for 16.4% of Total Revenues for the half-year ended on 30 June 2018, down on the 18.5% for the half-year closed at 30 June 2017. This decrease is determined by three main factors: i) increase in transport and logistics costs for new North American OEM automotive customers; ii) decrease in profits from companies consolidated under equity method; iii) consolidation of Autoclima, which has a slightly lower EBITDA margin than Indel B and Condor. Non-recurring expenses for the half-year ended on 30 June 2018, of Euro 3 million, relate entirely to the loss of the associate Guangdong, whilst for the half-year closed at 30 June 2017, equal to Euro 1.5 million, they relate to costs incurred for admission to the MTA and expenses connected with the acquisition of the companies Elber Industria de Refrigeraçao and Autoclima.

Operating profit and Adjusted Operating profit

Operating profit came to Euro 8.8 million (+13%) as compared with the Euro 7.8 million for the half-year closed as at 30 June 2017. The Adjusted Operating profit, net of non-recurring expenses, comes to Euro 11.8 million, as compared with Euro 9.3 million as at 30 June 2017, up 27%.

Net profit and adjusted net profit

The Group closes the half-year with Net Profit of Euro 5.9 million (+3%), as compared with the Euro 5.7 million booked as at 30 June 2017. An improvement is recorded in the financial part, mainly due to the increase in the "Operating profit" and the rise in financial exchange gains linked to the Elber ear-out, which is based on Brazilian real and the decrease of interest payable, due to the June 2017 closure of the loans stipulated with GE Capital.

Net of the non-recurring items described previously, Adjusted net profit comes in at Euro 8.8 million as compared with the Euro 7.0 million as at 30 June 2017. The incidence with respect to Total revenues is down from the 12.6% for the half-year closed as at 30 June 2017, to 10.9% for the half-year closed as at 30 June 2018, as explained above.

Net financial position

The net financial position as at 30 June 2018 is negative for Euro 12.4 million, an improvement of Euro 2.3 million on 31 December 2017, when the negative balance was Euro 14.7 million. The Group's financial debt is mainly expressed at fixed rates. Other financial payables include the earn-out of Euro 1.9 million in connection with the Elber acquisition for the period 2018-2021. In 2018, the first tranche of Euro 3.3 million was paid.

Outlook

Despite a complex geopolitical situation with possible negative fallout on a macroeconomic level, at present the markets continue to enjoy a favourable phase, which is less marked in Europe but still strong in terms of North America, meaning that a positive scenario can be forecast and further growth involving almost all business areas. In this context, it is expected that revenues for the second half of the year will be in line with the previous figure yet will suffer a slight effect linked to the seasonal nature of the business, which is a little more marked following the acquisition of Autoclima.

During September 2018, the United States of America introduced customs duties for certain types of products. This legislation also affects the business of Indel B, specifically for the products that the Group produces in China and sells on the American market.

The impact on the business of the Group, deriving from the introduction of such duties, will be marginal in the second half of 2018, while it could influence 2019 margins. The Company is analyzing the issue in order to identify the best possible solutions to minimize the impact on the Group's margins.

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“The Manager appointed to prepare the company accounting documents, Anna Grazia Bartolini, declares in accordance with paragraph 2, Article 154bis of the Consolidated Finance Act that the accounting disclosure contained in this release coincides with the results of the documents, books and accounting entries”.

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This press release is available from the Investor Relations section of the Company website www.indelbgroup.com.

In compliance with the provisions of Consob's Issuers' Regulation, please note that the half-year report as at 30 June 2018 will be made available to the public at the company offices, at Borsa Italiana S.p.A, on the website www.indelbgroup.com, within the legal terms, in the section "Investor Relations / Financial Statements and Reports" and at the storage mechanism "1Info", available for consultation at www.1info.it.

CONFERENCE CALL

On Thursday, 27 September 2018, at 6:30 pm CET (5:30 pm GMT) (12:30 EST), Indel B will hold a conference call with the financial community, during which the Group's economic-financial results will be discussed.

Connect by dialling:

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Before the telephone conference, the presentation slides can be downloaded from the Investor Relations page www.indelbgroup.com.

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Indel B S.p.A. is a company listed on the MTA segment of the Italian stock exchange and is controlled by AMP.FIN S.r.l., in turn held entirely by the Berloni family. Indel B S.p.A. heads an important Group that operates worldwide and has been active for the last 50 years in the mobile cooling sector applicable to the Automotive, Leisure time and Hospitality cooling segments. The Group also operates in mobile climate control, with specific reference to the Automotive market, represented by commercial vehicles, minibuses, ambulances, agricultural and earth-moving machinery, and in the Cooling Appliances sector, which mainly comprises cellars for storing wine and small refrigerators for storing milk. The company has a market cap of approximately Euro 198 million.

Contact details

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Summary tables

Consolidated income statement

<i>(In thousands of Euro)</i>	30/06/2018	30/06/2017
Income	79,770	54,376
Other revenue and income	887	979
Total revenues	80,657	55,355
Raw materials, components and finished goods	(46,907)	(32,210)
Costs for services	(8,504)	(7,583)
Personnel costs	(12,014)	(7,618)
Other operating costs	(669)	(452)
Portion of the results of equity investments measured using the equity method	(2,384)	1,234
Amortisation, depreciation, provisions and impairments	(1,388)	(942)
Operating profit	8,791	7,784
Net financial income (expense)	366	(731)
Profit before taxes	9,157	7,053
Income tax expense	(3,294)	(1,329)
Profit for the year	5,863	5,724
Profit (Loss) for the year attributable to minorities	(8)	-
Net results attributable to the Group	5,871	5,724
<i>Basic and diluted earnings per share (in Euro)</i>	<i>1.00</i>	<i>1.19</i>

Consolidated Statement of Financial Position

<i>(In thousands of Euro)</i>	30/06/2018	31/12/2017
ASSETS		
Non-current assets		
Goodwill	14,404	14,404
Other intangible assets	1,717	1,784
Property, plant and equipment	25,339	25,003
Equity investments measured using the equity method	12,095	15,197
Other Equity Investments	66	66
Non-current financial assets	105	105
Other receivables and non-current assets	253	226
Deferred tax assets	278	209
Total non-current assets	54,257	56,994
Current assets		
Inventories	35,758	34,306
Trade receivables	37,967	29,672
Cash and cash equivalents	13,478	14,039
Income tax receivables	-	558
Current financial assets	-	-
Derivative financial instruments	-	-
Other current assets	4,379	2,802
Total current assets	91,582	81,377
TOTAL ASSETS	145,839	138,371
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	5,842	5,842
Reserves	64,958	55,018
Year's profits (loss)	5,871	13,964
Total shareholders' equity	76,671	74,824
Net minority interest		
Minority interests in capital share and reserves	33	11
Minority interests period result	(8)	(3)
Total net equity of minority interests	25	8
Non-current liabilities		
Provisions for risks and charges	1,754	1,933
Employee benefit obligations	2,028	2,055
Non-current financial liabilities	20,352	19,896
Total non-current liabilities	24,135	23,884
Current liabilities		
Trade payables	29,889	24,830
Income tax payables	2,963	168
Current financial liabilities	5,516	8,828
Other current liabilities	6,640	5,829
Total current liabilities	45,008	39,655
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	145,839	138,371

Consolidated statement of changes in equity

<i>(In thousands of Euro)</i>	Share Capital	Reserves	Profit for the year	Total shareholders' equity
As at 01/01/2017	4,582	21,484	9,670	35,736
Allocation of the previous year's result		9,670	(9,670)	-
Transactions with shareholders:				
Distribution of dividends		(3,800)		(3,800)
Share capital increase - IPO	1,260	28,088		29,348
Minority acquisition		(82)		(82)
Total transactions with shareholders	1,260	24,206	-	25,466
Comprehensive income for the year:				
Profit for the year			13,964	13,964
Actuarial gains/(losses) on employee benefits and provisions for supplementary customer indemnity, after the tax effect		(35)		(35)
Exchange differences on translation of investments accounted for using the equity method		(307)		(307)
Total comprehensive income for the year	-	(342)	13,964	13,622
As at 31/12/2017	5,842	55,018	13,964	74,824
Allocation of the previous year's result		13,964	(13,964)	-
Transactions with shareholders:				
Distribution of dividends		(3,973)		(3,973)
Share capital increase	-	-		-
Total transactions with shareholders	-	(3,973)	-	(3,973)
Comprehensive income for the year:				
Profit for the year			5,871	5,871
Actuarial gains/(losses) on employee benefits and provisions for supplementary customer indemnity, after the tax effect		8		8
Exchange differences on translation of investments accounted for using the equity method		(59)		(59)
Total comprehensive income for the year	-	(51)	5,871	5,820
Balance at 30/06/2018	5,842	64,958	5,871	76,671

Consolidated statement of cash flows

<i>(In thousands of Euro)</i>	30/06/2018	30/06/2017
OPERATIONS		
Pre-tax result	9,157	7,053
<i>Adjustments for:</i>		
Amortisation/depreciation of tangible and intangible assets	1,231	721
Provisions for doubtful debt	131	73
Provisions for risks and charges	25	148
Provisions for obsolete warehouse	-	105
Portion of the results of equity investments measured using the equity method	2,384	(1,234)
Net financial expenses	(366)	731
Net exchange differences	15	148
Cash flow from operations before changes to working capital	12,577	7,449
Cash flow generated/(absorbed) by changes in working capital:	(4,843)	(5,283)
- Trade receivables and other assets	(8,716)	(8,228)
- Inventories	(1,452)	(5,270)
- Trade payables and other liabilities	5,325	8,215
Tax paid	-	(1,488)
Net financial expense paid	(196)	(670)
Use of provisions	(216)	(124)
Net exchanges differences realised	369	143
Cash flow generated/(absorbed) by operations (A)	7,691	27
INVESTMENTS		
Net investments in tangible and intangible assets	(1,500)	(1,193)
Net investments in equity investments	(166)	(3,150)
Cash flow generated/(absorbed) by investments (B)	(1,666)	(4,343)
FINANCING		
Stipulation of mortgages and loans	12,000	9,500
Repayment of mortgages and loans	(11,058)	(10,456)
Changes in shareholders' equity	-	21,841
Dividends paid	(3,973)	(3,800)
Other changes in financial assets and liabilities	(3,624)	4,675
Cash flow generated/(absorbed) by financing (C)	(6,655)	21,760
Increase /(decrease) in liquid funds (A)+(B)+(C)	(630)	17,444
Opening cash and equivalents	14,039	6,232
Net effect of the conversion of cash and equivalents carried in foreign currencies	69	13
Closing cash and equivalents	13,478	23,689

The Group uses some alternative performance indicators that are not identified as accounting measures under the scope of the IFRSs to allow for a better assessment of Group performance. Therefore, the determination criterion applied by the Group may not be homogeneous with that adopted by other groups and the balance obtained may not be comparable with that determined by the latter. These alternative performance indicators, determined in compliance with the provisions of the Guidelines to alternative performance indicators issued by ESMA/2015/1415 and adopted by CONSOB by communication no. 92543 of 03 December 2015 only refer to the performance of the accounting period concerned by this press release and the periods provided by way of comparison.

The Group uses the following alternative performance indicators to assess economic performance: EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBIT, Adjusted period result.