



**Press release**

***Indel B S.p.A.'s Board of Directors approves  
the consolidated half-year report at 30 June 2019***

***Growth continues in the half year: Revenues +6.2%; EBITDA +41.2%; EBIT +36.0%***

- **Consolidated revenues: Euro 85.7 million, up 6.2% on the Euro 80.7 million of 1H2018.**
- **EBITDA: Euro 14.4 million, up 41.2% on the Euro 10.2 million of 1H2018 and equal to 16.8% of turnover**
- **EBIT: Euro 12.0 million, up 36.0% on the Euro 8.8 million of 1H2018 and equal to 14.0% of turnover**
- **Profit for the period: Euro 8.6 million up +45.3% on the Euro 5.9 million of 1H2018 and equal to 10.0% of turnover**
- **Net financial debt: Euro 14.8 million at 30 June 2019, compared to Euro 5.9 million at 31 December 2018 and Euro 12.4 million at 30 June 2018**

*Sant'Agata Feltria (Rimini), 26 September 2019 – Indel B S.p.A.* - a company listed on Borsa Italiana's MTA market and parent of a group that manufactures mobile and mobile living cooling systems for the automotive, hospitality and leisure time markets (pleasure boats and recreational vehicles) - reports that its Board of Directors met today and approved the half-year report at 30 June 2019.

The Indel B Group continued to grow in the first six months of 2019, posting total revenues of Euro 85.7 million, up 6.2% on the Euro 80.7 million of the same period of 2018. These revenues continue to demonstrate the positive growth trend fuelled by rising revenues from product sales on the *Automotive*, *Leisure Time*, and *Components & Spare Parts* markets, which remain growth drivers, while the *Hospitality and Cooling Appliance* markets experience a temporary downturn.

**Luca Bora, Managing Director of Indel B, noted,** *"We are delighted with the results for the first six months of 2019, which highlight continued growth despite the not entirely positive current macro-economic context, which is generating signs of a downturn on various markets. We will intensify our efforts and determination as we continue to perfect and develop our potential on the Group's markets, especially those that are proving to be anti-cyclical."*

## Total consolidated revenues by market

| <i>(in thousands of Euro)</i>      | <b>1H19</b>   | <b>%</b>    | <b>1H18</b>   | <b>%</b>    | <b>Change</b> | <b>% change</b> |
|------------------------------------|---------------|-------------|---------------|-------------|---------------|-----------------|
| Automotive                         | 51,473        | 62%         | 49,404        | 62%         | 2,069         | 4.2%            |
| Hospitality                        | 8,099         | 10%         | 8,722         | 11%         | -623          | -7.1%           |
| Leisure                            | 8,486         | 10%         | 7,272         | 9%          | 1,214         | 16.7%           |
| Cooling Appl.                      | 1,954         | 2%          | 2,719         | 3%          | -765          | -28.1%          |
| Components & Spare Parts           | 13,122        | 16%         | 11,266        | 14%         | 1,856         | 16.5%           |
| <b>REVENUES FROM PRODUCT SALES</b> | <b>83,134</b> | <b>100%</b> | <b>79,383</b> | <b>100%</b> | <b>3,751</b>  | <b>4.7%</b>     |
| Other revenues                     | 1,374         |             | 387           |             | 987           | 255.0%          |
| <b>REVENUES FROM SALES</b>         | <b>84,508</b> |             | <b>79,770</b> |             | <b>4,738</b>  | <b>5.9%</b>     |
| Other revenues                     | 1,156         |             | 887           |             | 269           | 30.3%           |
| <b>TOTAL REVENUES</b>              | <b>85,664</b> |             | <b>80,657</b> |             | <b>5,007</b>  | <b>6.2%</b>     |

### *In more detail:*

The *Leisure Time* and *Components & Spare Parts* segments show the most growth in the period, both of which were up over 16%. *Leisure Time* turnover reached Euro 8.5 million, up 16.7% on the Euro 7.3 million of the same period of the previous year, mainly due to the recovery achieved with the new stock policy implemented by the joint venture Indel Webasto Marine at year end, to a good performance and greater watercraft market penetration. *Components & Spare Parts* turnover totalled Euro 13.1 million, up 16.5% on the Euro 11.3 million of the same period of 2018, due to the rise in sales mainly concentrated in Europe.

The *Automotive* market saw growth (+4.2%) in turnover, up from Euro 49.4 million in the period ended 30 June 2018 to Euro 51.5 million in the reporting period. This increase was due to the growth on the Automotive market, driven by the greater production and sales of commercial vehicles on which the Group's products can be installed, and the greater penetration of the Group's products, as the number of installed OEM and Afer Market (AM) appliances rises.

Conversely, both the *Hospitality* and *Cooling Appliances* markets declined. In particular, in the *Hospitality* market (-7.1%), the lower volumes of products for hotels led to a drop in turnover from Euro 8.7 million in the first half of 2018 to Euro 8.1 million in the reporting period. The *Cooling Appliances* market dropped 28.1% due to the temporary slowdown in demand from our main customer for milk refrigerators, although it is expected to recover partially in the second half of the year.

OEM<sup>1</sup> (Original Equipment Manufacturer) revenues increased to Euro 2.7 million in the first half of 2019 (+7%), due to growth in the *Automotive* market, particularly in North America. AM<sup>2</sup> (After Market) revenues also rose on the same period of 2018, up Euro 0.3 million thanks to the growth in the *Leisure* market, partially offset by Hospitality.

An analysis by geographical area shows that the Americas were the region with the most significant growth (+28.1%), posting turnover of Euro 17.6 million, compared to Euro 13.8 million in the first half of 2018. This was mainly driven by the *Automotive* market, which accounted for 21% of total revenues from the sale of products. The second fastest growing region was Italy (+3.8%) with Euro 23.3 million in revenues and 28% of total turnover. In Europe, results were substantially in line with the first half of 2018, with total revenues of Euro 39.3 million, accounting for 47% of total turnover in the first half of 2019, compared to Euro 39.5 million in the first six months of 2018. Meanwhile, the rest of the world posted a 21.3% decline, with revenues of Euro 2.9 million, equal to 4% of total turnover, compared to Euro 3.6 million in the same period of 2018.

<sup>1</sup> Original Equipment Manufacturer. The Group's sales as an original equipment manufacturer refer to parts specifically designed for use in the finished products of a third party and therefore marketed under the third party's brand.

<sup>2</sup> After Market sales refer to the production of goods developed not for customised projects commissioned upon a customer's specific request, but rather in order to be marketed by Indel B under either its own brand or the "ISOTHERM" brand owned by Indel Webasto Marine.

## EBITDA

Consolidated EBITDA in the first half of 2019 reached Euro 14.4 million, up 41.2% on the Euro 10.2 million of the six months ended 30 June 2018. As a percentage of total revenues, EBITDA improved from 12.6% in the half year ended 30 June 2018 to 16.8% in the half year ended 30 June 2019, mainly due to the non-recurring items that had impacted this indicator in the first half of 2018 following the associated company Guangdong's loss.

## Operating profit - EBIT

In the half year ended 30 June 2019, the operating profit was up 36.0% from the Euro 8.8 million of the half year ended 30 June 2018 to roughly Euro 12.0 million, equal to 14.0% of turnover. This performance is due to the rise in EBITDA, partially offset by greater amortisation mainly due to the allocation of the Autoclina acquisition price.

## Profit attributable to the owners of the parent

The Group's profit for the half year ended 30 June 2019 was up 45.3% from the Euro 5.9 million in the half year ended 30 June 2018 to Euro 8.6 million, equal to 10.0% on turnover.

## Net financial debt

Net financial debt at 30 June 2019 totals Euro 14.8 million, compared with net financial debt of Euro 5.9 million at 31 December 2018. Other financial liabilities include the earn-out of Euro 1.6 million on the Elber acquisition for 2018-2021. The adoption of the new IFRS 16, applicable for reporting periods beginning on or after 1 January 2019, also generated an increase in net financial debt. Its impact amounted to Euro 1.2 million.

## **Outlook**

The global macro-economic situation, which remains uncertain, combined with market instability, is giving rise to signs of economic slowdown with potential future repercussions on Indel B's results. The downturn could affect the North American Automotive market mainly, where production could slump significantly in the near future, while Europe is expected to enter a shorter, less pronounced slowdown than the North American market. A temporary slight contraction in revenues is to be expected due to the generally weak performance of major markets and their cyclical nature. At the same time, this adverse phase of the cycle should be short-lived with a recovery forecast starting from 2021. On the other hand, there are positive signals from South America, and Brazil in particular seems to be bucking the trend with an anti-cyclical performance compared to the Automotive markets in North America and Europe.

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"The Manager appointed to prepare the company's accounting documents, Mirco Manganello, states, in accordance with paragraph 2, Article 154bis of the Consolidated Finance Act, that the accounting disclosures contained in this release coincide with the documentary results, ledgers and accounting entries".

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This press release has been published in the Investor Relations section of the company's website: [www.indelbgroup.com](http://www.indelbgroup.com).

In accordance with the provisions of Consob's Issuers Regulation, the half-year report at 30 June 2019 will be made available to the public at the corporate offices, with Borsa Italiana S.p.A., on the website in the "Investor Relations / Financial Statements and Reports" section of [www.indelbgroup.com](http://www.indelbgroup.com) within the terms of law and with the "1Info" platform for the storage of regulated information at [www.1info.it](http://www.1info.it).

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## CONFERENCE CALL

On Friday 27 September 2019 at 10:00 am CET (9:00 am GMT) (4:00 am EST), Indel B will hold a conference call with the financial community in which the Group's results will be discussed. You may join the conference call by dialling:

Italy + 39 02 8058811 / UK + 44 121 2818003 / USA +1 718 7058794 - USA Toll-free number: 1 (8552656959)

Before the conference call, the presentation slides can be downloaded from the Investor Relations page [www.indelbgroup.com](http://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 wholly owned by the Berloni family. Indel B S.p.A. heads an important Group operating worldwide and has been active for 50 years in the mobile cooling sector for the Automotive, Leisure Time and Hospitality cooling segments. The Group also operates in mobile climate control, particularly for the Automotive market in commercial vehicles, minibuses, ambulances, farming and earth-moving machinery, and in the Cooling Appliances sector, mainly for wine cellars and small refrigerators for storing milk. The company has a market cap of approximately Euro 132 million.*

## Contacts

|  |  |   |
|--|--|---|
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## Highlights

### Consolidated income statement

| <i>(In thousands of Euro)</i>   | <b>1H 2019</b> | <b>1H 2018</b> |
|---|----------------|----------------|
| Revenues  | 84,508         | 79,770         |
| Other revenues and income   | 1,156          | 887            |
| <b>Total revenues</b>   | <b>85,664</b>  | <b>80,657</b>  |
| Raw materials and semi-finished and finished products                 | (48,112)       | (46,907)       |
| Service costs   | (9,874)        | (8,504)        |
| Personnel expense   | (13,838)       | (12,014)       |
| Other operating costs   | (407)          | (669)          |
| Share of profit (losses) of equity-accounted investees                | 938            | (2,384)        |
| Amortisation, depreciation, provisions and impairment                 | (2,415)        | (1,388)        |
| <b>Operating profit</b>   | <b>11,956</b>  | <b>8,791</b>   |
| Net financial income (expense)  | (220)          | 366            |
| <b>Pre-tax profit</b>   | <b>11,736</b>  | <b>9,157</b>   |
| Income taxes  | (3,173)        | (3,294)        |
| <b>Profit for the period</b>  | <b>8,563</b>   | <b>5,863</b>   |
| Profit for the period attributable to non-controlling interests       | 30             | (8)            |
| <b>Profit for the period attributable to the owners of the parent</b> | <b>8,533</b>   | <b>5,871</b>   |
| <i>Basic and diluted earnings per share (in Euro)</i>                 | <i>1.46</i>    | <i>1.00</i>    |

## Consolidated Statement of Financial Position

| <i>(In thousands of Euro)</i>  | <b>30/06/2019</b> | <b>31/12/2018</b> |
|--|-------------------|-------------------|
| <b>ASSETS</b>  |                   |                   |
| <b>Non-current assets</b>  |                   |                   |
| Goodwill   | 8,527             | 7,146             |
| Other intangible assets  | 9,550             | 10,203            |
| Property, plant and equipment  | 29,829            | 27,085            |
| Licences   | 1,761             | -                 |
| Equity investments measured using the equity method                  | 11,148            | 10,870            |
| Other equity investments   | 66                | 66                |
| Other receivables and non-current assets                             | 60                | 243               |
| Deferred tax assets  | 1,116             | 913               |
| <b>Total non-current assets</b>                                      | <b>62,057</b>     | <b>56,526</b>     |
| <b>Current assets</b>  |                   |                   |
| Inventories  | 41,271            | 38,811            |
| Trade receivables  | 39,010            | 28,446            |
| Cash and equivalents   | 13,809            | 19,009            |
| Income tax assets  | 44                | 77                |
| Other receivables and current assets                                 | 4,879             | 2,996             |
| Available-for-sale assets  | -                 | -                 |
| <b>Total current assets</b>  | <b>99,013</b>     | <b>89,339</b>     |
| <b>TOTAL ASSETS</b>  | <b>161,070</b>    | <b>145,865</b>    |
| <b>NET EQUITY AND LIABILITIES</b>                                    |                   |                   |
| <b>Net equity</b>  |                   |                   |
| Share capital  | 5,842             | 5,842             |
| Reserves   | 70,725            | 63,476            |
| Profit for the period/year   | 8,533             | 11,528            |
| <b>Total net equity</b>  | <b>85,100</b>     | <b>80,846</b>     |
| <b>Net equity attributable to non-controlling interests</b>          |                   |                   |
| Share capital and reserves attributable to non-controlling interests | 32                | 32                |
| Profit for the period/year attributable to non-controlling interests | 30                | (12)              |
| <b>Net equity attributable to non-controlling interests</b>          | <b>62</b>         | <b>20</b>         |
| <b>Non-current liabilities</b>                                       |                   |                   |
| Provisions for risks and charges                                     | 2,037             | 1,715             |
| Employee benefits  | 1,991             | 1,902             |
| Non-current financial liabilities                                    | 18,262            | 18,642            |
| Deferred tax liabilities   | 2,875             | 3,035             |
| Other non-current liabilities  | -                 | -                 |
| <b>Total non-current liabilities</b>                                 | <b>25,165</b>     | <b>25,294</b>     |
| <b>Current liabilities</b>   |                   |                   |
| Trade payables   | 27,750            | 25,376            |
| Income tax liabilities   | 4,629             | 1,214             |
| Current financial liabilities  | 10,371            | 6,228             |
| Other current liabilities  | 7,993             | 6,887             |
| <b>Total current liabilities</b>                                     | <b>50,743</b>     | <b>39,705</b>     |
| <b>TOTAL NET EQUITY AND LIABILITIES</b>                              | <b>161,070</b>    | <b>145,865</b>    |

## Statement of Changes in Consolidated Net Equity

| <i>(In thousands of Euro)</i>   | Share capital | Share premium | Reserves       | Profit for the period/year | Net equity attributable to the owners of the parent | Net equity attributable to non-controlling interests | Total net equity |
|---|---------------|---------------|----------------|----------------------------|---|--|------------------|
| <b>01/01/2018</b>   | <b>5,842</b>  | <b>28,088</b> | <b>26,930</b>  | <b>13,681</b>              | <b>74,541</b>                                       | <b>8</b>   | <b>74,549</b>    |
| Allocation of the profit for the previous year  |               |               | 13,681         | (13,681)                   | -   | -  | -                |
| <b>Transactions with shareholders:</b>  |               |               |                |                            |   |  |                  |
| Distribution of dividends   |               |               | (3,973)        |                            | (3,973)   |  | (3,973)          |
| Change in consolidation scope   |               |               |                |                            |   | 24   | 24               |
| <b>Total transactions with shareholders</b>   | <b>-</b>      | <b>-</b>      | <b>(3,973)</b> | <b>-</b>                   | <b>(3,973)</b>                                      | <b>24</b>  | <b>(3,949)</b>   |
| <b>Comprehensive income:</b>  |               |               |                |                            |   |  |                  |
| Profit for the year   |               |               |                | 11,528                     | 11,528  | (12)   | 11,516           |
| Actuarial gains/(losses) on employee benefits and agent's leaving entitlements, net of the tax effect |               |               | 48             |                            | 48  |  | 48               |
| Translation difference on equity-accounted investees  |               |               | (1,298)        |                            | (1,298)   |  | (1,298)          |
| Other changes   |               |               |                |                            | -   |  | -                |
| <b>Comprehensive income</b>   | <b>-</b>      | <b>-</b>      | <b>(1,250)</b> | <b>11,528</b>              | <b>10,278</b>                                       | <b>(12)</b>  | <b>10,266</b>    |
| <b>31/12/2018</b>   | <b>5,842</b>  | <b>28,088</b> | <b>35,388</b>  | <b>11,528</b>              | <b>80,846</b>                                       | <b>20</b>  | <b>80,866</b>    |
| Allocation of the profit for the previous year  |               |               | 11,528         | (11,528)                   | -   | -  | -                |
| <b>Transactions with shareholders:</b>  |               |               |                |                            |   |  |                  |
| Distribution of dividends   |               |               | (4,027)        |                            | (4,027)   |  | (4,027)          |
| Share capital increase  |               |               |                |                            | -   |  | -                |
| Purchase of treasury shares   |               |               | (328)          |                            | (328)   |  | (328)            |
| Change in consolidation scope   |               |               | 6              |                            |   | 12   | 12               |
| <b>Total transactions with shareholders</b>   | <b>-</b>      | <b>-</b>      | <b>(4,349)</b> | <b>-</b>                   | <b>(4,349)</b>                                      | <b>12</b>  | <b>(4,337)</b>   |
| <b>Comprehensive income:</b>  |               |               |                |                            |   |  |                  |
| Profit for the period   |               |               |                | 8,533                      | 8,533   | 30   | 8,563            |
| Actuarial gains/(losses) on employee benefits and agent's leaving entitlements, net of the tax effect |               |               | (80)           |                            | (80)  |  | (80)             |
| Translation difference on equity-accounted investees  |               |               | 150            |                            | 150   |  | 150              |
| <b>Comprehensive income</b>   | <b>-</b>      | <b>-</b>      | <b>70</b>      | <b>8,533</b>               | <b>8,603</b>  | <b>30</b>  | <b>8,633</b>     |
| <b>30/06/2019</b>   | <b>5,842</b>  | <b>28,088</b> | <b>42,637</b>  | <b>8,533</b>               | <b>85,100</b>                                       | <b>62</b>  | <b>85,162</b>    |

## Consolidated Statement of Cash Flows

| <i>(In thousands of Euro)</i>  | <b>1H 2019</b> | <b>1H 2018</b> |
|--|----------------|----------------|
| <b>OPERATING ACTIVITIES</b>  |                |                |
| Pre-tax profit   | 11,736         | 9,156          |
| <i>Adjustments for:</i>  |                |                |
| Amortisation/depreciation of intangible assets and property, plant and equipment | 2,088          | 1,232          |
| Allowance for impairment   | 102            | 131            |
| Provisions for risks and charges   | 434            | 25             |
| Share of net profit (losses) of equity-accounted investees                       | (938)          | 2,384          |
| Net financial income (expense)   | 220            | (366)          |
| Net exchange differences   | (263)          | 15             |
| <b>Cash flows from operating activities before changes in working capital</b>    | <b>13,379</b>  | <b>12,577</b>  |
| Cash flows generated (absorbed) by changes in working capital:                   | (9,895)        | (4,843)        |
| - Trade receivables and other assets   | (11,404)       | (8,716)        |
| - Inventories  | (1,890)        | (1,452)        |
| - Trade payables and other liabilities   | 3,399          | 5,325          |
| Taxes paid   | (28)           | -              |
| Net financial expense paid   | (45)           | (196)          |
| Use of provisions  | (151)          | (216)          |
| Net realised exchanges differences   | 245            | 369            |
| <b>Cash flows generated by (used in) operating activities (A)</b>                | <b>3,505</b>   | <b>7,691</b>   |
| <b>INVESTING ACTIVITIES</b>  |                |                |
| Net investments in property, plant and equipment and intangible assets           | (3,977)        | (1,500)        |
| Net (investments in) divestments of equity investments                           | -              | (166)          |
| Acquisition of subsidiaries  | (2,420)        | -              |
| <b>Cash flows generated by (used in) investing activities (B)</b>                | <b>(6,397)</b> | <b>(1,666)</b> |
| <b>FINANCING ACTIVITIES</b>  |                |                |
| New mortgages and loans  | 3,000          | 12,000         |
| Repayment of mortgages and loans   | (2,844)        | (11,058)       |
| Dividends paid   | (4,027)        | (3,973)        |
| Purchase of treasury shares  | (328)          | -              |
| Other changes in financial assets and liabilities                                | 1,918          | (3,624)        |
| <b>Net cash flows generated from (used in) financing activities (C)</b>          | <b>(2,281)</b> | <b>(6,655)</b> |
| <b>Increase (decrease) in liquid funds (A)+(B)+(C)</b>                           | <b>(5,173)</b> | <b>(630)</b>   |
| Opening cash and equivalents   | 19,009         | 14,039         |
| Net translation effect of cash and equivalents in foreign currencies             | (27)           | 69             |
| Closing cash and equivalents   | 13,809         | 13,478         |

The Group uses certain alternative performance indicators that are not identified as accounting measures under the IFRSs to provide a better view of the Group's performance. Therefore, the measurement criterion applied by the Group may not be the same as the criterion adopted by other groups, and the indicator may not be comparable with the indicators calculated by such other groups. These alternative performance indicators, determined in compliance with the Guidelines on alternative performance indicators issued by ESMA/2015/1415 and adopted by CONSOB in communication no. 92543 of 3 December 2015, refer to the Group's performance in the accounting period covered by this press release and comparative periods only.

The Group uses the following alternative performance indicators to measure economic performance: EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBIT, Adjusted profit for the period.

Starting from 1 January 2019 IFRS16 required companies to recognise in their accounts the right-of-use of leased assets and the related liability corresponding to the obligation to make lease payments. Assets and liabilities arising from leases are measured in a present value basis. The impacts on Profit and Loss of the new accounting principle are not material.