

Press Release

THE BOARD OF EPTA APPROVES THE CONSOLIDATED FINANCIAL STATEMENT FOR 2018

Milan, 29 April 2019 – the Board of Directors of Epta S.p.A., chaired by **Marco Nocivelli**, has approved the consolidated financial statement of the Company as at 31 December 2018, drafted in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and homologated by the European Union.

In **2018**, the favourable climate witnessed in the previous two years of the world economic scenario saw a number of changes occur. **The average global growth rate of 3.7%** (-0.1% on 2017) was driven by trends in emerging countries, particularly India and China. In Europe, a slowdown was witnessed owing to a number of factors of uncertainty which continue to persist. The Retail Equipment sector in which **Epta S.p.A.** – *a multinational group specialising in commercial refrigeration* – operates has seen a concentration phenomenon driven by mergers and alliances. The Major Retail Brands are in the process of repositioning themselves. In so doing, they are reducing non-food spaces and expanding areas dedicated to fresh products, catering and entertainment. The strategy of Retailers also revolves around technological innovation, which involves environmentally-friendly systems complying with strict international regulations, and greater integration between actual shops and online stores to counterbalance growth of e-commerce businesses. In addition, businesses are tackling changes in consumer habits by offering new, smaller formats that focus on enhancing the customer's experience in terms of involvement, customisation and added services.

Marco Nocivelli, Chairman and Managing Director of Epta S.p.A. says *"In this context, the Group is closing **2018 with positive results**, even more so if we view them in terms of the competitive dynamics of today's market. Our growth strategy for internal and external lines has once again yielded the expected results, bringing us within reach of the considerable economic and financial goal we set ourselves: to achieve a turnover of **1 billion Euro and an EBITDA of more than 100 million by 2020**. The initiatives we concluded in 2018 allowed us to enhance our direct presence in strategic areas, enabling us to seize major opportunities*

*in the short term. We have also increased our share of the market even more thanks to sizeable investments totalling **26 million Euro in operations**, innovation and ongoing improvements both in terms of the products themselves and production plant renovations.”*

THE MAIN CONSOLIDATED RESULTS FOR 2018

Consolidated revenue, up 3.7% on 2017, reached a figure of **€921 million**, of which around €789 million in the EMEA macro area, €92 million within the APAC and €40 million in LATAM.

The net profit for the financial year achieved by the Group totals **€44 million**, up 12% or + €5 million if compared with 2017 figures.

Net Financial Borrowing totalled **€42.6 million**, with a considerable drop on the previous financial year, during which it reached €86 million. This included approximately €20 million in the form of a debenture loan, which was finalised on 10 March 2016 through a bond placement with Pricoa Capital Group – a company of American group Prudential Financial (a major player in the private placement market). The contract includes the option of placing further bond issues up to an overall total of US\$ 20 million (or equivalent in EURO).

2018 closed with Net Equity of €272 million, that is increasing compared to last year figure

SIGNIFICANT EVENTS DURING THE COURSE OF THE FINANCIAL YEAR

Acquisition of DAAS

Epta S.p.A. continued to grow in Europe with the **acquisition of DAAS** – a leading company in Romania’s commercial, industrial and Ho.Re.Ca refrigeration sector – in October 2018. With headquarters in Ploiesti and three further sites in Bucharest, Iasi and Cluj, DAAS boasts 25 years of expertise and operates with a team of over 200 professionals that have accrued engineering, project management, installation and aftersales assistance know-how, guaranteeing a service with high added value.

The acquisition was part of the Group’s internationalisation strategies, which aim to ensure it consolidates its position in its core market, the Old Continent, by establishing direct control of

markets offering the greatest potential. From a broader perspective, this operation has offered the Group the chance to increase its presence in central and eastern Europe, where it operates with Epta International, a technical and commercial coordination centre in Budapest, Hungary, and Epta Polska, established at the same time as the buyout of Libre Sp. z o.o. Sp.K. in Poland last year.

The closing of the operation on 28 February 2019 was subject to the authorisation of the Romanian antitrust authority (and other authorisations required by law).

SIGNIFICANT EVENTS FOLLOWING THE CLOSE OF THE FINANCIAL YEAR

Acquisition of Kysor Warren

Epta S.p.A. acquired **Kysor Warren** – *America’s third-biggest manufacturer of refrigerated cabinets and commercial refrigeration systems, in business for over 135 years* – which had previously belonged to Heatcraft Worldwide Refrigeration, the division of Lennox International Inc. specialising in refrigeration. This acquisition led to the birth of a new company, **Kysor Warren Epta US Corp.**

Kysor Warren employs a team of over 500 staff and operates in the US and Mexico. The company’s strengths lie in designing, producing and selling efficient, technologically advanced cabinets and systems to supermarkets, convenience stores and other sections of the Retail and foodservice sector.

The operation was conducted in keeping with Epta’s expansion strategy, and allowed the Group to break into the highly competitive, innovative North and Central American market, which is currently witnessing boom conditions: at present, this market alone is worth over one third of the world’s refrigeration market.

The closing has been completed, and came into effect on 29 March 2019.

Epta. Advanced solutions for your store.

EPTA – A multinational Group specialising in commercial refrigeration, **Epta** operates globally through its brands **Costan** (1946), **Bonnet Névé** (1930), **George Barker** (1928), **Eurocryor** (1991), **Misa** (1969), **Iarp** (1983), **Knudsen Køling** (1961) and **Kysor Warren** (1882). On both the domestic and international markets, Epta is a partner capable of producing and marketing complete refrigeration systems, thanks to the integration of specific product ranges including traditional, vertical and semi-vertical positive fridge cabinets, negative vertical and horizontal cabinets, built-in units (plug-ins) for the Retail and Food&Beverage sector, mid- and high-power units, and coldrooms. Based in Milan, it has almost 6,000 employees. It boasts different production sites, both in Italy and abroad, far-reaching technical and sales forces located worldwide guaranteed by over 40 direct branches. In 2018, it notched up a turnover of 921 million Euro.

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