

Press Statement

**The 2017 Consolidated Financial Statement of the Group Epta S.p.A. has been approved**

**Milan, 16<sup>th</sup> May 2018** - The AGM of Epta S.p.A., a multinational group specialising in commercial refrigeration, approved the consolidated financial statement for the year ending on 31<sup>st</sup> December 2017, which was prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union.

The global economy slightly outperformed forecasts to grow by 3.7%, with growth rates of 3.1% in Spain, 2.6% in Germany, 1.9% in France and 1.5% in Italy. This global trend was confirmed even in the Retail Equipment and Food & Beverage sectors - the markets Epta S.p.A. operates in - with a slight acceleration of the recovery which began in developed countries in 2015.

In the large-scale retail segment, European brands are pursuing a process of repositioning their sales networks in both domestic and international markets, with increasing concentration in Europe, the US and Canada. They are also searching for new business models to respond to changes in purchasing behaviour which have seen, on the one hand, a major increase in e-commerce and, on the other, the return of smaller retail stores in cities.

**Marco Nocivelli, Chairman and CEO of Epta S.p.A. stated:** *"In this market the Epta Group results for 2017 are positive and in line with its Industrial Plan. These important results are the outcome of a development project based on growth by acquisitions, with the M&A operations we completed during 2017, and organic growth, with an increased diversification of our offer even through online channels and an intensified capacity for our production plants. Internationalisation plays a strategic role for the Group, and last*

*year we acquired distributors that are strongly rooted in target markets in Central Europe, Asia and South America.” And, he continued “We firmly believe in constant improvement and we invest in R&D, innovation and enabling technologies for Industry 4.0, to continue to enhance our flexibility and combine increased productivity, the saving of resources and the satisfaction of new consumer requirements, in compliance with our entrepreneurial strategy that includes social and community-based commitments.”*

## **THE MAIN CONSOLIDATED RESULTS OF 2017**

**Consolidated revenues** reached € 888 million, up 9% on 2016 (+ € 74 million). Specifically, 777 million of turnover comes from the EMEA macro area, € 70.7 million from APAC and € 40.2 million from LATAM.

The increase in revenues derives from both organic causes and as a result of the strategy of geographical expansion which led to the completion of the acquisition of three partner companies: **Portanuova in Chile and Peru** in April 2017, **King Richard Shop System Inc. in the Philippines** in July 2017 and **Libre Sp. z o.o. Sp.K in Poland** at the end of August 2017.

**The net result in the financial year** for the Group is € 39 million (i.e. + € 1.7 million compared with the figures for 2016).

**Net Debt** is € 86.3 million and includes approximately € 20 million long term notes issued on 10<sup>th</sup> March 2016 within the shelf facility agreed with Pricoa Capital Group – a company from the US Group Prudential Financial (a leading player in the private placement market). The shelf facility agreement provides for the possibility to place additional note issues up to a total value of US\$ 120 million (or EURO equivalent).

**2017 closed with a Shareholders’ Equity of € 238.8 million.**

## **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

### **Merger by incorporation of the Italian subsidiaries with Epta S.p.A.**

On 1<sup>st</sup> March 2017 we completed the merger by incorporation of the subsidiaries Misa S.r.l, Costan S.r.l. and Iarp S.r.l. within the parent company Epta S.p.A., while the merger by incorporation of the subsidiary Eurocryor S.r.l. within the parent company was completed on 26<sup>th</sup> October 2017. The main objective of the merger is the simplification of the corporate structure of the Epta Group in Italy and, as a result, a simplification of the Group's governance model.

### **Acquisition of partner companies in Poland, the Philippines, Chile and Peru**

In 2017, Epta has strengthened its global presence, with the acquisition of three partner companies specialising in distribution, installation and services for Retail, Food&Beverage and Ho.re.ca: Libre Sp. z o.o. Sp.K in Poland at the end of August 2017, King Richard Shop System Inc. in the Philippines in July 2017 and Portanuova in Chile and Peru in April 2017. These transactions are part of the Group's strategy to offer, through a direct presence, cutting-edge and energy-efficient solutions and services in markets with a high growth potential.

## **BUSINESS OUTLOOK**

The initial months of the 2018 financial year have been in line with the Group's long term development plan. In 2018 Epta will focus on consolidation activities in the EMEA area and will seek to develop its market shares in developing countries - following significant turnover increases in these areas in 2017 - including by evaluating additional M&A operations.

## INNOVATIONS

During the course of 2017 the Epta Group continued to invest in R&D, services and processes, pursuing a long term strategy to consolidate its presence in the market. An innovation of its production plants, conducted through the adoption of enabling technologies for Industry 4.0 and the increase of its production capacity.

An additional strategic guideline is the extension of its offer of products and services with a strong focus on energy efficiency thanks to exclusive and patented systems using natural refrigerants like the CO<sub>2</sub> FTE, that has already picked up a series of awards internationally, including the RAC Cooling Industry Awards in the UK and the recent Deutscher Kältepreis from the German Ministry of the Environment. Finally, innovation also extends to people through the EptAcademy, a new venture in partnership with Milan's Bocconi University for training the group's current and future managers.

### **Epta. Advanced solutions for your store.**

**EPTA** – A multinational Group specialising in commercial refrigeration, operates at a global level through its brands **Costan** (1946), **Bonnet Névé** (1930), **George Barker** (1928), **Eurocryor** (1991), **Misa** (1969), **Iarp** (1983) and **Knudsen Køling** (1961). Epta positions itself on domestic and international markets as a partner able to produce and commercialise complete systems for refrigeration, thanks to the integration of specific product lines such as: traditional refrigeration cabinets, positive vertical and semi-vertical cabinets, negative vertical and horizontal cabinets, Plug-ins, medium and high capacity plants and cold rooms. The Group's headquarters are in Milan and it operates all over the world with a widespread commercial presence and a total workforce of 5,000 employees. Its 2017 turnover was 888 Million Euro. In 2017, at Euroshop, the Group presented its new concept "*#EptaExperience is the way*" that summarises the corporate vocation with which Epta reconfirmed its capacity to combine expertise, innovation and personalisation of its brands' solutions, in order to offer Customers in stores a unique and engaging experience.

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