PRELIMINARY CONSOLIDATED PRO-FORMA RESULTS AS AT 31 December 2018

Novellara, 20 February 2019

Today, the Board of Directors of Vimi Fasteners S.p.A. examined the main preliminary unaudited operating results for the year ended as at 31 December 2018 (consolidated pro-forma).

Sales:

The preliminary pro-forma consolidated revenues booked by the Vimi Fasteners Group relative to FY 2018 came to Euro 52.3 million, up around 4% on the pro-forma figure for 2017, but down approximately 6% on the mid-year forecasts previously disclosed to the market.

After a first half of 2018, which concluded with consolidated pro-forma turnover of Euro 27.7 million, showing double digit growth on the same period of 2017, in the last four months of 2018, we saw a global decline in automotive production, which negatively impacted sales of automotive components.
Although remaining confident in respect of the world automotive market growth forecasts in the medium/long-term, it should be noted that this sector accounts for 45% of the Group's total turnover.

More specifically, the following events took place in the latter part of the year:

- protectionist trend;
- tension between the USA and China with application of customs duties both ways;
- increased uncertainty deriving from the introduction of new legislation for the approval of new car models;
- deterioration of the European economic scenario also linked to the unknown factors surrounding Brexit.

As a consequence of these various factors, world trade has slowed with a weakening of world exchanges that results in a decline of 1.6% as at November 2018.

EBITDA

The preliminary figure relative to the Vimi Fasteners Group adjusted pro-forma consolidated EBITDA[1] for FY 2018 comes in at around 13.5% of revenues, down on the equivalent figure booked last year, of around 15.9% as at 31 December 2017 pro-forma.

[1] Adjusted EBITDA mainly excludes:

- staff costs relative to the stock grant plan resolved during the IPO. It should be recalled that this is a non-monetary cost accrued by rights, the shares of which will only be assigned in 2021.
- the extraordinary costs for the temporary transfer of production assets needed to extend the Novellara plant.

The preliminary figure also falls below the mid-year forecasts disclosed previously to the market, which envisaged an adjusted EBITDA margin of around 16% of revenues for FY 2018.

The difference with respect to the estimates is also due to production inefficiencies linked to the transfer of part of the industrial activities elsewhere and the construction of the new plant adjacent to the existing one. These negative effects will cease once the new industrial layout has been completed.

NET PROFIT

The downturn to margins described above, coupled with the rise in amortisation/depreciation recorded in FY 2018, has led to a reduction in the Group’s net profit.
The Board of Directors has reasonably forecast adjusted pro-forma consolidated net profit for FY 2018 to come in somewhere between Euro 2.4 million and Euro 2.5 million, down on the same figure of the previous year (Euro 2.7 million).

NET FINANCIAL POSITION

The Consolidated Net Financial Position as at 31 December 2018 of approximately Euro 14.2 million (which, it is recalled, includes the potential earn-out of Euro 4.3 million for the acquisition of MF Inox) shows improvement on the pro-forma figure of 2017 (Euro 19.9 million) and the interim pro-forma figure as at 30 June 2018 (Euro 22.5 million), due to the liquidity obtained from the share capital increase applied to service the listing (approximately Euro 10 million, net of the costs of the IPO).
This figure in any case exceeds previous forecasts, due to a greater need for current assets seen during the latter part of the year.

The financial information given has not yet been audited by the independent auditing firm. Additionally, the final figures are still being prepared for the 2018 financial statements and, therefore, the financial data stated cannot yet be considered final.

Vimi Fasteners, based in Novellara (RE), operates in the field of high-precision mechanics and is a leader in the design and production of highly engineered fasteners for the automotive, industrial, oil & gas, and aerospace sectors. The Group operates in partnership with its customers (OEMs, Tier 1 suppliers, and distributors) and develops customised solutions, which it exports throughout the world, using special steels, superalloys, and cutting-edge technologies in the integrated production of its products.

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Ticker: **VIM**

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