

## **PRESS RELEASE 6.08.2020 – CONSOLIDATED FINANCIAL STATEMENT 2019.**

### **Market scenario and positioning**

According to data processed by the World Steel Association, the world steel market recorded a moderate increase compared to 2018, with a positive variation of +3.4%, and a total of 1,870 million tons produced in 2019. The production of European Union countries is equal to 159.4 million tons of steel (-4.9%). Italy, with a decrease of -5.2%, produced 23.2 million tons of steel, while Germany's share was 39.7 million tons (-6.5%), Spain's share was 13.6 million tons (with a decrease of -5.2% compared to the previous year's production) and finally France's share was 14.5 million tons (-6.1%).

### **The O.R.I. Martin Group**

The ORI Martin Group specializes in the production of quality steels for the automotive and construction industries.

The Group's consolidated financial statement includes the financial statements of O.R.I. Martin SpA, the parent company, and the statements of the subsidiary companies, owned by majority by the parent company, adopting the criterion of full consolidation.

- Sales revenues were € 583.0 million, with an increase of +1.5% compared to revenues (574.7) obtained in 2018;
- Net profit was € 15.3 million, after amortization and saving funds for € 59.5 million, of which € 19.8 million from a re-evaluation, according to Italian Law 147/2013 and 145/2018;
- Profitability indices were positive: EBITDA was € 78.8 million, corresponding to 13.5% of sales, and cash flow reached € 78.3 million equal to 13.4% of revenues. These results were the outcome of a transfer of reserves for € 7.1 million, linked to the positive ruling by the Italian Council of State on the cancellation of an Antitrust sanction for the alleged creation of a rebar cartel.

The group holds a significant share in the European markets of engineering steels especially for automotive applications.

The steelwork and rolling mill for the production of hot rolled high-quality steels for engineering applications are located in Brescia; a second rolling mill acquired in 2018 dedicated to the production

of merchant bars and, after the investments made during the year, quality bars is in Ospitaletto (Brescia); Trafilati Martin, specializing in cold finishing for hot-rolled steels (peeling and machining) for automotive applications is in Cologne (Brescia); Novacciai Martin, acquired in 2016, in San Pietro Mosezzo (Novara), is active in drawing, peeling and grinding bars for general engineering applications. In the constructions field, we have two companies: Siderurgica Latina Martin, in Ceprano (Frosinone), is in charge of wire drawing and the production of strand for prestressed concrete; TTM, in Corbetta (Milan), produces tie-rods for geotechnical applications.

During the month of May ORI Martin SpA acquired 100% of the shares of Sapes Spa, while the acquisitions of ORI Martin Deutschland GmbH (100%), ORI Martin France Sàrl (100%), Trafiliera Lariana Drawing Steels Spa (70%) and Lariana Annealing Steels Srl (70%) were completed in October.

Located in the Italian Region of Trentino, Sapes Spa is a company specialising in hot forging of special steels with an electrical heating process.

Located in Barzago (Lecco), Trafiliera Lariana Drawing Steels Spa produces drawn wire, mainly for clients in the automotive sector for what concerns screws and bolts, as well as the sectors of precision mechanics, furniture, household goods and electronics.

Lariana Annealing Steels Srl focuses on the process of annealing wire rod coils through bell furnaces.

ORI Martin Deutschland GmbH and ORI Martin France Sàrl focus on marketing Group products.

Relevant data of the Consolidated Financial Statement, in thousands of €, are given below:

Data in k€	2019	%	2018	%	2017	%
SALES REVENUES	583,040		574,675		464,237	
EBITDA	78,767	13.5 %	83,752	14.6 %	57,260	12.3 %
EBIT	19,276	3.3%	49,473	8.6%	20,664	4.5%
FINANCIAL COSTS	445	0.1%	651	0.1%	846	0.2%
CASH FLOW	78,322	13.4 %	84,404	14.7 %	58,106	12.5 %
AMORTIZATION AND PROVISIONS	59,490	10.2 %	34,280	6.0%	36,594	7.9%
GROSS PROFITS	19,721	3.4%	50,124	8.7%	21,511	4.6%
TAXES	4,441	0.8%	13,208	2.3%	7,324	1.6%
NET PROFITS	15,281	2.6%	36,916	6.4%	14,187	3.1%

NET FINANCIAL SITUATION	71,553	15.7 %	79,426	18.1 %	1,671	0.6%
NET ASSETS	383,672	84.3 %	359,378	81.9 %	268,909	99.4 %

### **The Group's Investments**

Throughout 2017 total investments made by the Group were about €32 million. They pertained mostly to modernizing the furnaces and the related automation in line with the Italian Government's 4.0 Industry Program standards; building a new reheating furnace in the rolling mill of Ferrosider in

Ospitaletto; the completion and commissioning of the plant for IT wire; the installation of new lines for peeling processes.

The Group has also confirmed a significant consolidation of investments in environmental and safety goals, as has been the case for some years now.

### **Relevant events concerning the first semester of 2020**

The serious global health crisis, due to the Covid-19 pandemic, has severely affected production activity and the aggregate demand of the entire world economy; the latest estimates indicate a drop in Italy's GDP of about 10% in 2020, at levels similar to those recorded in 1995. A difficult scenario is looming, due to the strong and widespread economic repercussions and liquidity tensions that will affect most companies.

The Ori Martin Group has been committed to ensuring the safety and protection of workers at each plant when production resumed.

On this occasion, we would like to remember Mrs. Leontine Martin, Honorary President, who passed away in autumn 2019 and Dr. Annamaria Magri, Vice-President of O.R.I. Martin S.p.A., who passed away in March of this year.

For the three-year term 2019-2022, O.R.I. Martin's Board of Directors is formed by:

Uggero De Miranda (President); Giovanni Marinoni Martin (Vice President); Andrea Agnelli (CEO); Giovanni Comboni (Board Member); Roberto De Miranda (Board Member); Alessandro De Miranda (Board Member); Carlo Garavaglia (Board Member); Guido Rivolta (Board Member).