

Stezzano, 7 November 2018

BREMBO: REVENUE AT 30 SEPTEMBER 2018 UP +8.0% TO €1,999.7 MILLION, EBITDA AT €380.0 MILLION (EBITDA MARGIN: 19.0%), EBIT AT €266.8 MILLION (EBIT MARGIN: 13.3%). NET FINANCIAL DEBT DOWN BY €22.4 MILLION COMPARED TO 30 JUNE 2018.

Compared to the first nine months of 2017:

- **Revenue** grew by 8.0% to €1,999.7 million
- **EBITDA** at €380.0 million (EBITDA margin: 19.0%), EBIT at €266.8 million (EBIT margin: 13.3%)
- **Net profit** was €197.2 million (+0.4%)
- **Net financial debt** was €240.7 million, down by €22.4 million compared to 30 June 2018
- **Net investments** amounted to €184.1 million

Results at 30 September 2018:

(€ million)	2018	2017	Change
Revenue	1,999.7	1,852.0	+8.0%
EBITDA	380.0	369.1	+2.9%
% of sales	19.0%	19.9%	
EBIT	266.8	270.3	-1.3%
% of sales	13.3%	14.6%	
Pre-tax profit	256.4	264.4	-3.0%
% of sales	12.8%	14.3%	
Net profit	197.2	196.4	+0.4%
% of sales	9.9%	10.6%	
	30.09.2018	30.06.2018	€ million
Net financial debt	240.7	263.1	-22.4

Q3 2018 results:

(€ million)	2018	2017	Change
Revenue	660.1	589.6	+12.0%
EBITDA	120.1	113.6	+5.8%
% of sales	18.2%	19.3%	
EBIT	80.7	80.8	-0.1%
% of sales	12.2%	13.7%	
Pre-tax profit	75.8	77.9	-2.7%
% of sales	11.5%	13.2%	
Net profit	57.1	59.8	-4.4%
% of sales	8.7%	10.1%	

Chairman Alberto Bombassei stated: “Brembo achieved good results in the third quarter of 2018. The Company is continuing determinedly with its process of growth and consolidation on both its main markets of operation and on markets where it has further increased its production capacity in recent years, such as the USA, China and India. We are also stepping up our commitment to research and development, in terms of both investments and the creation of dedicated facilities, in order to ensure the innovation necessary to keep pace with — or even to anticipate — the future needs of the automotive industry, which is undergoing rapid transformation, as may be seen from the gradual emergence of EVs.”

Executive Deputy Chairman Matteo Tiraboschi stated: "With regard to the figures approved today by the Board of Directors, I deem it important to emphasise the positive results achieved in the third quarter driven by our performance on the U.S. market, and activity at our new plants in China, Poland and North America, which are now near maximum productivity levels, in full accordance with Brembo strategic plan and in line with the investment plan. Although the tensions caused by macroeconomic scenarios remain considerably high, the solidity of our fundamentals and the dynamism of our operations at the global level allow us to look towards the remainder of 2018 with cautious optimism."

Results for the period ended 30 September 2018

Brembo's Board of Directors chaired by Alberto Bombassei met today and approved the Group's results at 30 September 2018.

Brembo Group's net consolidated revenue for the reporting period amounted to €1,999.7 million, up 8.0% compared to the same period of the previous year. On a like-for-like exchange rate basis, revenue increased by 11.0%.

Almost all market segments in which the Group operates positively contributed to the results of the period under review: car applications rose by 8.0%, motorbike applications by 7.0% and those for commercial vehicles by 14.7%. By contrast, the racing sector declined slightly (-3.2%).

At geographical level, sales for the first nine months of 2018 shrank by 4.0% in Italy compared to the same period of the previous year, whereas growth was reported by Germany (+9.2%), France (+25.9%) and the United Kingdom (+9.1%).

In Asia, the Indian market rose by 15.0% (+27.0% on a like-for-like exchange rate basis), China grew by 13.4% (+16.4% on a like-for-like exchange rate basis), whereas Japan declined by 6.9% (-6.2% on a like-for-like exchange rate basis).

Sales in North America (USA, Canada and Mexico) rose by 1.5% (+8.2% on a like-for-like exchange rate basis). South America decreased by 7.9%, but reported a 20.2% increase on a like-for-like exchange rate basis.

In the period ended 30 September 2018, the cost of sales and other net operating costs amounted to €1,281.6 million, up 9.5% compared to €1,170.2 million for the same period of the previous year. In percentage terms, the ratio to sales of this item increased slightly to 64.1% from 63.2% for the same period of 2017.

Personnel expenses totalled €350.8 million, with a 17.5% ratio to sales, in line with the same period of the previous year. At 30 September 2018, workforce numbered 10,595 (9,666 at 30 September 2017 and 9,837 at 31 December 2017).

EBITDA for the period amounted to €380.0 million (EBITDA margin: 19.0%), up by 2.9% compared to the same period of 2017.

Amortisation, depreciation and impairment losses rose by 14.5% to €113.2 million.

EBIT was €266.8 million (EBIT margin: 13.3%), down 1.3% compared to the same period of 2017.

In the reporting period, net interest expense totalled €10.6 million (€6.1 million in 2017). This item included interest expense amounting to €7.1 million (€6.7 million in the first nine months of 2017) and net exchange losses of €3.5 million (net exchange gains of €0.6 million in the same period of the previous year).

Pre-tax profit was €256.4 million (12.8% of sales) compared to €264.4 million for the same period of 2017.

Based on the tax rates applicable under current tax regulations, estimated taxes amounted to €57.3 million (€64.9 million in 2017), with a tax rate of 22.3% compared to 24.5% for the same period of 2017.

The reporting period ended with a net profit of €197.2 million, up 0.4% compared to €196.4 million for the same period of the previous year.

Net financial debt at 30 September 2018 stood at €240.7 million, decreasing by €22.4 million compared to 30 June 2018 (€263.1 million).

Q3 2018 Results

In the third quarter of 2018 alone, Brembo Group's net consolidated revenue rose by 12.0% to €660.1 million (+13.1% on a like-for-like exchange rate basis).

EBITDA amounted to €120.1 million (EBITDA margin: 18.2%), up by 5.8% compared to Q3 2017.

EBIT was €80.7 million (EBIT margin: 12.2%), down slightly (-0.1%) compared to Q3 2017.

The period ended with a net profit of €57.1 million, down 4.4% compared to €59.8 million for the same period of the previous year.

Foreseeable Evolution

The order backlog projections for the remaining part of the year confirm the trends reported to date, although the macroeconomic and industry scenario remains complex. The Company will continue to closely monitor the evolution of the industry dynamics.

The manager in charge of the Company's financial reports, Andrea Pazzi, declares, pursuant to paragraph 2 of Article 154-bis of Italy's Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

Annexed hereto are the Statement of Income and the Statement of Financial Position.

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CONSOLIDATED STATEMENT OF INCOME

<i>(euro million)</i>	30.09.2018	30.09.2017	Change	%	Q3'18	Q3'17	Change	%
Revenue from contract with customers	1,999.7	1,852.0	147.7	8.0%	660.1	589.6	70.5	12.0%
Other revenues and income	15.8	15.0	0.8	5.4%	2.6	4.3	(1.7)	-39.9%
Costs for capitalised internal works	17.4	18.1	(0.7)	-3.9%	4.8	5.2	(0.4)	-7.3%
Raw materials, consumables and goods	(956.0)	(888.0)	(67.9)	7.6%	(321.3)	(280.5)	(40.8)	14.5%
Non-financial interest income (expense) from investments	12.6	9.0	3.6	40.2%	4.1	2.8	1.3	46.4%
Other operating costs	(358.8)	(315.3)	(43.5)	13.8%	(115.5)	(101.9)	(13.6)	13.4%
Personnel expenses	(350.8)	(321.6)	(29.1)	9.0%	(114.6)	(105.9)	(8.8)	8.3%
GROSS OPERATING INCOME	380.0	369.1	10.9	2.9%	120.1	113.6	6.5	5.8%
<i>% of revenue from contract with customer</i>	19.0%	19.9%			18.2%	19.3%		
Depreciation, amortisation and impairment losses	(113.2)	(98.8)	(14.4)	14.5%	(39.4)	(32.8)	(6.6)	20.2%
NET OPERATING INCOME	266.8	270.3	(3.5)	-1.3%	80.7	80.8	(0.1)	-0.1%
<i>% of revenue from contract with customer</i>	13.3%	14.6%			12.2%	13.7%		
Net interest income (expense) and interest income (expense) from investments	(10.4)	(5.9)	(4.5)	75.7%	(4.9)	(2.9)	(2.0)	69.2%
RESULT BEFORE TAXES	256.4	264.4	(8.0)	-3.0%	75.8	77.9	(2.1)	-2.7%
<i>% of revenue from contract with customer</i>	12.8%	14.3%			11.5%	13.2%		
Taxes	(57.3)	(64.9)	7.6	-11.7%	(18.3)	(16.9)	(1.4)	8.1%
RESULT BEFORE MINORITY INTERESTS	199.1	199.5	(0.4)	-0.2%	57.5	61.0	(3.5)	-5.7%
<i>% of revenue from contract with customer</i>	10.0%	10.8%			8.7%	10.3%		
Minority interests	(1.9)	(3.0)	1.1	-37.8%	(0.4)	(1.2)	0.8	-69.0%
NET RESULT FOR THE PERIOD	197.2	196.4	0.8	0.4%	57.1	59.8	(2.6)	-4.4%
<i>% of revenue from contract with customer</i>	9.9%	10.6%			8.7%	10.1%		
BASIC/DILUTED EARNINGS PER SHARE (euro)	0.61	0.60			0.18	0.18		

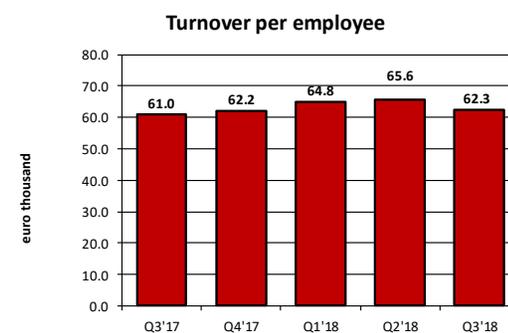
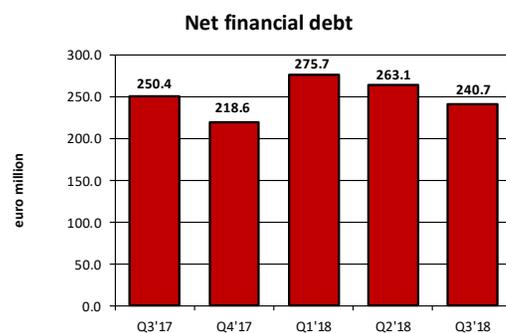
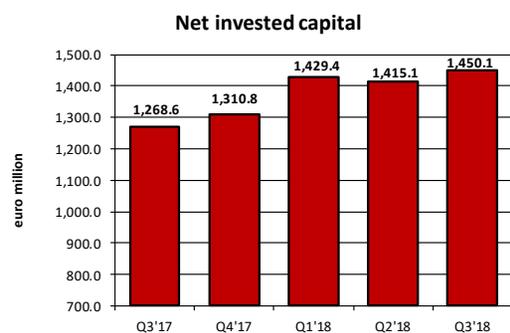
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(euro million)</i>	A 30.09.2018	B 31.12.2017	C 30.09.2017	A-B Change	A-C Change
ASSETS					
NON-CURRENT ASSETS					
Property, plant, equipment and other equipment	988.5	933.8	864.7	54.8	123.8
Development costs	69.3	61.3	58.2	8.0	11.1
Goodwill and other indefinite useful life assets	81.7	82.8	82.8	(1.1)	(1.1)
Other intangible assets	49.9	50.4	49.3	(0.5)	0.7
Investments valued using the equity method	40.8	34.3	30.0	6.5	10.8
Other financial assets (including investments in other companies and derivatives)	8.2	6.8	6.8	1.4	1.3
Receivables and other non-current assets	3.1	3.8	4.2	(0.8)	(1.1)
Deferred tax assets	63.9	57.8	67.8	6.1	(3.9)
TOTAL NON-CURRENT ASSETS	1,305.5	1,231.1	1,163.9	74.4	141.6
CURRENT ASSETS					
Inventories	363.0	311.1	310.2	51.9	52.8
Trade receivables	483.8	375.7	408.5	108.1	75.3
Other receivables and current assets	71.3	80.5	59.1	(9.2)	12.2
Current financial assets and derivatives	0.4	0.3	0.4	0.1	0.1
Cash and cash equivalents	262.5	300.8	323.1	(38.3)	(60.6)
TOTAL CURRENT ASSETS	1,181.0	1,068.4	1,101.3	112.6	79.7
TOTAL ASSETS	2,486.5	2,299.5	2,265.2	187.0	221.3
EQUITY AND LIABILITIES					
GROUP EQUITY					
Share capital	34.7	34.7	34.7	0.0	0.0
Other reserves	103.8	112.8	107.1	(9.1)	(3.3)
Retained earnings/(losses)	818.4	625.8	624.3	192.6	194.1
Net result for the period	197.2	263.4	196.4	(66.2)	0.8
TOTAL GROUP EQUITY	1,154.1	1,036.8	962.5	117.3	191.6
TOTAL MINORITY INTERESTS	28.3	27.6	26.1	0.6	2.2
TOTAL EQUITY	1,182.3	1,064.4	988.5	117.9	193.8
NON-CURRENT LIABILITIES					
Non-current payables to banks	247.7	319.3	359.1	(71.7)	(111.4)
Other non-current financial payables and derivatives	1.8	2.3	2.4	(0.6)	(0.6)
Other non-current liabilities	3.3	19.9	16.7	(16.6)	(13.4)
Provisions	34.3	39.6	34.2	(5.3)	0.2
Provisions for employee benefits	27.1	27.8	29.7	(0.7)	(2.6)
Deferred tax liabilities	23.8	24.7	30.9	(1.0)	(7.2)
TOTAL NON -CURRENT LIABILITIES	337.9	433.7	473.0	(95.8)	(135.1)
CURRENT LIABILITIES					
Current payables to banks	253.5	194.2	208.4	59.2	45.1
Other current financial payables and derivatives	0.8	3.8	4.0	(3.1)	(3.2)
Trade payables	533.1	470.4	447.7	62.7	85.4
Tax payables	23.8	9.7	29.3	14.1	(5.5)
Short term provisions	2.2	2.2	2.2	0.0	0.0
Other current payables	152.8	120.9	112.0	31.9	40.8
TOTAL CURRENT LIABILITIES	966.2	801.4	803.7	164.9	162.5
TOTAL LIABILITIES	1,304.1	1,235.1	1,276.7	69.1	27.5
TOTAL EQUITY AND LIABILITIES	2,486.5	2,299.5	2,265.2	187.0	221.3

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA AND BY APPLICATION

<i>(euro million)</i>	30.09.2018	%	30.09.2017	%	Change	%	Q3'18	%	Q3'17	%	Change	%
GEOGRAPHICAL AREA												
Italy	213.3	10.7%	222.2	12.0%	(8.9)	-4.0%	61.4	9.3%	65.3	11.1%	(3.9)	-6.0%
Germany	457.9	22.9%	419.5	22.6%	38.5	9.2%	145.8	22.1%	138.3	23.5%	7.5	5.4%
France	72.9	3.6%	57.9	3.1%	15.0	25.9%	23.4	3.6%	16.9	2.9%	6.5	38.4%
United Kingdom	159.3	8.0%	146.0	7.9%	13.3	9.1%	53.9	8.2%	47.3	8.0%	6.6	14.0%
Other European countries	219.9	11.0%	176.3	9.5%	43.6	24.7%	74.4	11.3%	60.7	10.3%	13.6	22.5%
India	61.7	3.1%	53.6	2.9%	8.0	15.0%	21.7	3.3%	18.4	3.1%	3.3	18.1%
China	221.3	11.1%	195.2	10.5%	26.1	13.4%	76.5	11.6%	69.8	11.8%	6.7	9.6%
Japan	23.4	1.2%	25.1	1.4%	(1.7)	-6.9%	8.5	1.3%	8.0	1.4%	0.5	6.3%
Other Asian Countries	32.4	1.6%	14.4	0.8%	18.1	125.9%	10.2	1.5%	4.9	0.8%	5.3	107.8%
South America (Argentina and Brazil)	46.1	2.3%	50.0	2.7%	(4.0)	-7.9%	15.0	2.3%	16.9	2.9%	(1.8)	-10.9%
North America (USA, Mexico & Canada)	483.8	24.2%	476.6	25.8%	7.2	1.5%	167.1	25.3%	137.8	23.3%	29.4	21.3%
Other Countries	7.7	0.3%	15.2	0.8%	(7.5)	-49.2%	2.0	0.2%	5.3	0.9%	(3.3)	-62.2%
Total	1,999.7	100.0%	1,852.0	100.0%	147.7	8.0%	660.1	100.0%	589.6	100.0%	70.5	12.0%
<i>(euro million)</i>	30.09.2018	%	30.09.2017	%	Change	%	Q3'18	%	Q3'17	%	Change	%
APPLICATION												
Passenger Cars	1,526.8	76.4%	1,413.1	76.3%	113.7	8.0%	506.1	76.7%	458.5	77.8%	47.6	10.4%
Motorbike	190.2	9.5%	177.8	9.6%	12.4	7.0%	60.4	9.2%	51.4	8.7%	9.0	17.5%
Commercial Vehicle	192.5	9.6%	167.8	9.1%	24.7	14.7%	66.1	10.0%	53.5	9.1%	12.6	23.7%
Racing	89.9	4.5%	92.9	5.0%	(2.9)	-3.2%	27.3	4.1%	25.8	4.4%	1.5	5.7%
Miscellaneous	0.3	0.0%	0.5	0.0%	(0.2)	-31.2%	0.1	0.0%	0.3	0.0%	(0.2)	-64.3%
Total	1,999.7	100.0%	1,852.0	100.0%	147.7	8.0%	660.1	100.0%	589.6	100.0%	70.5	12.0%

MAIN RATIOS



	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
Net operating income/Revenue from contract with customers	13.7%	12.4%	13.9%	13.9%	12.2%
Result before taxes/Revenue from contract with customers	13.2%	11.6%	13.7%	13.3%	11.5%
Investments/Revenue from contract with customers	15.7%	17.0%	7.0%	11.1%	9.6%
Net Financial indebtedness/Equity	25.3%	20.5%	24.5%	23.4%	20.4%
Net interest expense(*)/Revenue from contract with customers	0.4%	0.4%	0.3%	0.3%	0.4%
Net interest expense(*)/Net operating income	3.0%	3.4%	2.3%	2.5%	3.3%
ROI (2)	25.3%	23.0%	26.0%	26.8%	22.1%
ROE (3)	24.5%	25.5%	24.8%	25.9%	19.3%

Notes:

ROI: Net operating income/Net invested capital x annualisation factor(days in the year/days in the reporting period).

ROE: Result before minority interests/Shareholders equity x annualisation factor(days in the year/days in the reporting period).

(*) This item does not include exchange gains and losses.