

Stezzano, 9 November 2017

BREMBO: REVENUES AT 30 SEPTEMBER 2017 UP +8.1% TO €1,852.0 MILLION, EBITDA AT €369.1 MILLION (+9.5%), EBIT AT €270.3 MILLION (+6.4%)

Compared to the first nine months of 2016:

- Strong global investments in the period, to sustain the future growth in the markets where the Group operates
- **Revenues** grew by 8.1% to €1,852.0 million
- Good margin performance: **EBITDA** at €369.1 million (EBITDA margin: 19.9%); **EBIT** at €270.3 million (EBIT margin: 14.6%)
- **Net profit** was €196.4 million (+5.5%)
- **Net financial debt** was €250.4 million, down by €9.3 million compared to 30 June 2017
- **Net investments** amounted to €251.2 million

Results at 30 September 2017:

(€ million)	2017	2016	Change
Revenues	1,852.0	1,713.7	+8.1%
EBITDA	369.1	337.1	+9.5%
% on revenues	19.9%	19.7%	
EBIT	270.3	254.1	+6.4%
% on revenues	14.6%	14.8%	
Pre-tax profit	264.4	242.3	+9.1%
% on revenues	14.3%	14.1%	
Net profit	196.4	186.2	+5.5%
% on revenues	10.6%	10.9%	
	30.09.2017	30.06.2017	
Net financial debt	250.4	259.7	€ mio -9.3

Q3 2017 results:

(€ million)	2017	2016	Change
Revenues	589.6	566.8	+4.0%
EBITDA	113.6	110.6	+2.8%
% on revenues	19.3%	19.5%	
EBIT	80.8	80.7	+0.1%
% on revenues	13.7%	14.2%	
Pre-tax profit	77.9	76.3	+2.1%
% on revenues	13.2%	13.5%	
Net profit	59.8	59.1	+1.1%
% on revenues	10.1%	10.4%	

Chairman Alberto Bombassei stated: “As shown by the results approved by the Board of Directors’ today, Brembo’s satisfactory growth continued in the third quarter of this year. Car and motorbike applications continued to drive performance, and there were encouraging signs from the commercial vehicles sector. The implementation of our new plants in Mexico, Poland and China is proceeding according to our development plans. The aim of this new cycle of investments is to further strengthen our global production capacity to sustain the Group’s future growth, in line with our long-term strategic vision.”

Executive Deputy Chairman Matteo Tiraboschi stated: “The figures examined today for the period ended 30 September contain multiple elements that demonstrate the solidity of our investment strategies and the dynamic nature of our business. Among these, I would particularly like to stress margins, with good EBITDA and EBIT levels, and the decline in financial debt despite the ongoing intensive investment programmes. The business solid volumes are well spread across an innovative, dynamic product portfolio and are leading us towards significant medium- and long-term results, despite a certain degree of market volatility.”

Results for the period ended 30 September 2017

Brembo’s Board of Directors chaired by Alberto Bombassei met today and approved the Group’s results at 30 September 2017.

Brembo Group’s net consolidated revenues for the first nine months of 2017 amounted to €1,852.0 million, up 8.1% compared to the same period of the previous year. On a like-for-like consolidation basis — therefore excluding the contribution of the recently acquired Asimco Meilian Braking Systems, included as of 1 May 2016 — the increase for the period was 6.7%.

Car applications contributed the most to revenue growth with a 9.1% increase. Growth was also reported by both the motorbike sector, which recorded an 11.2% increase, and the racing sector, up by 4.4%, whereas commercial vehicle applications slightly declined (-1.0%).

At geographical level, in the first nine months of 2017 sales increased in Italy (+14.4%), Germany (+4.5%) and the United Kingdom (+1.7%), whereas France declined by 11.6%.

In Asia, the Indian market rose by 28.9% (+25.0% net of exchange rate effect). China performed well, growing by 44.8%, also thanks to the inclusion of Asimco Meilian Braking Systems (+29.1% on a like-for-like consolidation basis).

Sales in North America (USA, Canada and Mexico) were essentially in line with the figures of the same period of the previous year (-0.6%).

The decline in the third quarter alone (-13.8%, or -8.9% on a like-for-like exchange rate basis) was due not only to the general weakness of this market, but also to a delay in a project in the phase-out process before the entry into production of the subsequent model, also featuring Brembo technology. Such situations are typical in the automotive industry and their effects, in cases of projects involving high volumes or with significant technological content, may temporarily emerge in a specific period. South America (Argentina and Brazil) continued its positive performance, with a +19.0% increase.

In the period ended 30 September 2017, the cost of sales and other net operating expenses amounted to €1,170.2 million, up 6.7% compared to €1,096.8 million for the same period of the previous year. In percentage terms, the ratio to sales of this item decreased to 63.2% from 64.0% for the same period of 2016.

Personnel expenses totalled €321.6 million, with a 17.4% ratio to revenues, slightly up compared to 16.8% for the same period of the previous year. At 30 September 2017, workforce numbered 9,666 (9,007 at 30 September 2016 and 9,042 at 31 December 2016).

EBITDA for the period amounted to €369.1 million (EBITDA margin: 19.9%), up by 9.5% compared to the same period of 2016.

Amortisation, depreciation and impairment losses rose by 19.1% to €98.8 million.

EBIT amounted to €270.3 million (EBIT margin: 14.6%), up 6.4% compared to the same period of 2016.

In the reporting period, net interest expense totalled €6.1 million (€11.8 million in 2016). This item includes interest expense amounting to €6.7 million (€7.0 million in the first nine months of 2016) and net exchange losses of €0.6 million (net exchange losses at €4.8 million in the same period of the previous year).

Pre-tax profit was €264.4 million (14.3% of revenues), compared to €242.3 million for the same period of 2016.

Based on the tax rates applicable under current tax regulations, estimated taxes amounted to €64.9 million (€54.7 million in 2016), with a tax rate of 24.5% compared to 22.6% for the same period of 2016.

The period ended with a net profit of €196.4 million, up 5.5% compared to €186.2 million for the same period of the previous year.

Net financial debt at 30 September 2017 was €250.4 million, essentially in line with the figure at 30 June 2017 (€259.7 million) and compared to €195.7 million at 31 December 2016.

Q3 2017 Results

In the third quarter of 2017 alone, Brembo Group's net consolidated revenues rose by 4.0% to €589.6 million (+6.2% net of exchange rate effect).

EBITDA amounted to €113.6 million (EBITDA margin: 19.3%), up by 2.8% compared to Q3 2016.

EBIT amounted to €80.8 million (EBIT margin: 13.7%), up 0.1% compared to Q3 2016.

The period ended with a net profit of €59.8 million, up 1.1% compared to €59.1 million for Q3 2016.

Foreseeable Evolution

Despite the scenario of high volatility marking the main markets in which the Group operates, order book projections for the remaining part of the year allow us to look towards the coming months with cautious optimism. The investment plan for the remainder of 2017 and for 2018 will contribute to strengthening our global production capacity and thus support our future sustainable growth.

The manager in charge of the Company's financial reports, Matteo Tiraboschi, 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 unaudited Statement of Income and Statement of Financial Position.

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CONSOLIDATED STATEMENT OF INCOME

<i>(euro million)</i>	30.09.2017	30.09.2016	Change	%	Q3'17	Q3'16	Change	%
Sales of goods and services	1,852.0	1,713.7	138.4	8.1%	589.6	566.8	22.8	4.0%
Other revenues and income	15.0	20.1	(5.1)	-25.2%	4.3	4.5	(0.2)	-5.3%
Costs for capitalised internal works	18.1	11.8	6.3	53.1%	5.2	3.5	1.6	46.4%
Raw materials, consumables and goods	(888.0)	(853.7)	(34.4)	4.0%	(280.5)	(279.4)	(1.1)	0.4%
Non-financial interest income (expense) from investments	9.0	8.7	0.3	3.0%	2.8	2.8	0.0	-0.2%
Other operating costs	(315.3)	(275.0)	(40.3)	14.6%	(101.9)	(91.4)	(10.4)	11.4%
Personnel expenses	(321.6)	(288.5)	(33.2)	11.5%	(105.9)	(96.3)	(9.6)	10.0%
GROSS OPERATING INCOME	369.1	337.1	32.1	9.5%	113.6	110.6	3.0	2.8%
<i>% of sales of goods and services</i>	19.9%	19.7%			19.3%	19.5%		
Depreciation, amortisation and impairment losses	(98.8)	(83.0)	(15.8)	19.1%	(32.8)	(29.8)	(3.0)	9.9%
NET OPERATING INCOME	270.3	254.1	16.2	6.4%	80.8	80.7	0.1	0.1%
<i>% of sales of goods and services</i>	14.6%	14.8%			13.7%	14.2%		
Net interest income (expense) and interest income (expense) from investments	(5.9)	(11.8)	5.9	-49.7%	(2.9)	(4.5)	1.6	-34.8%
RESULT BEFORE TAXES	264.4	242.3	22.1	9.1%	77.9	76.3	1.6	2.1%
<i>% of sales of goods and services</i>	14.3%	14.1%			13.2%	13.5%		
Taxes	(64.9)	(54.7)	(10.2)	18.6%	(16.9)	(16.2)	(0.8)	4.7%
RESULT BEFORE MINORITY INTERESTS	199.5	187.5	11.9	6.4%	61.0	60.1	0.9	1.5%
<i>% of sales of goods and services</i>	10.8%	10.9%			10.3%	10.6%		
Minority interests	(3.0)	(1.4)	(1.7)	121.5%	(1.2)	(1.0)	(0.2)	22.9%
NET RESULT FOR THE PERIOD	196.4	186.2	10.3	5.5%	59.8	59.1	0.7	1.1%
<i>% of sales of goods and services</i>	10.6%	10.9%			10.1%	10.4%		
BASIC/DILUTED EARNINGS PER SHARE (euro)	0.60	0,57*			0.18	0,18*		

* Adjusted after the 5-for-1 stock split effective 29 May 2017.

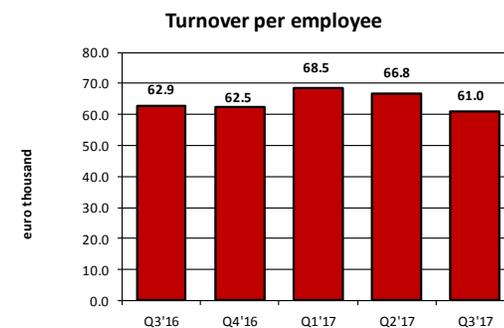
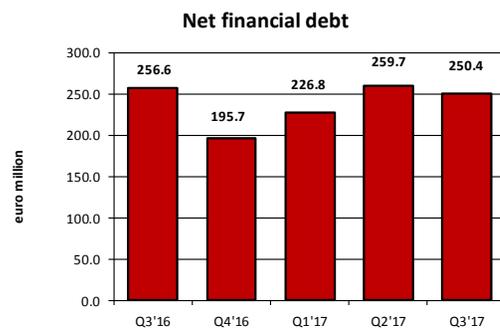
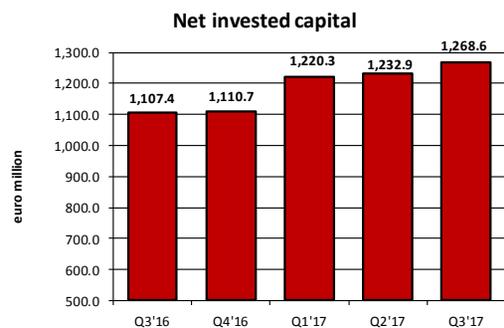
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(euro million)</i>	A	B	C	A-B	A-C
	30.09.2017	31.12.2016	30.09.2016	Change	Change
ASSETS					
NON-CURRENT ASSETS					
Property, plant, equipment and other equipment	864.7	746.9	694.8	117.8	170.0
Development costs	58.2	49.3	45.3	8.9	12.9
Goodwill and other indefinite useful life assets	82.8	88.9	90.9	(6.1)	(8.1)
Other intangible assets	49.3	52.1	49.7	(2.8)	(0.4)
Shareholdings valued using the equity method	30.0	27.0	30.8	3.1	(0.7)
Other financial assets (including investments in other companies and derivatives)	6.8	6.9	7.1	(0.1)	(0.3)
Receivables and other non-current assets	4.2	4.8	4.3	(0.6)	(0.2)
Deferred tax assets	67.8	57.7	58.3	10.1	9.5
TOTAL NON-CURRENT ASSETS	1,163.9	1,033.5	981.2	130.4	182.7
CURRENT ASSETS					
Inventories	310.2	283.2	276.0	27.0	34.2
Trade receivables	408.5	357.4	392.3	51.1	16.3
Other receivables and current assets	59.1	43.8	41.5	15.3	17.6
Current financial assets and derivatives	0.4	0.9	1.3	(0.5)	(0.9)
Cash and cash equivalents	323.1	245.7	202.6	77.4	120.6
TOTAL CURRENT ASSETS	1,101.3	931.0	913.6	170.3	187.7
TOTAL ASSETS	2,265.2	1,964.5	1,894.8	300.7	370.4
EQUITY AND LIABILITIES					
GROUP EQUITY					
Share capital	34.7	34.7	34.7	0.0	0.0
Other reserves	107.1	135.7	151.5	(28.7)	(44.5)
Retained earnings/(losses)	624.3	446.8	425.6	177.4	198.6
Net result for the period	196.4	240.6	186.2	(44.2)	10.3
TOTAL GROUP EQUITY	962.5	857.9	798.0	104.6	164.4
TOTAL MINORITY INTERESTS	26.1	24.4	21.7	1.7	4.3
TOTAL EQUITY	988.5	882.3	819.8	106.2	168.8
NON-CURRENT LIABILITIES					
Non-current payables to banks	359.1	210.7	212.9	148.4	146.2
Other non-current financial payables and derivatives	2.4	5.2	5.4	(2.9)	(3.0)
Other non-current liabilities	16.7	8.7	5.7	8.1	11.1
Provisions	34.2	21.7	19.1	12.5	15.1
Provisions for employee benefits	29.7	32.7	31.0	(3.0)	(1.3)
Deferred tax liabilities	30.9	31.6	22.9	(0.7)	8.1
TOTAL NON -CURRENT LIABILITIES	473.0	310.6	296.9	162.4	176.1
CURRENT LIABILITIES					
Current payables to banks	208.4	225.6	241.2	(17.2)	(32.8)
Other current financial payables and derivatives	4.0	0.8	1.0	3.3	3.0
Trade payables	447.7	428.5	391.1	19.2	56.6
Tax payables	29.3	11.8	24.3	17.5	5.0
Short term provisions	2.2	2.5	2.3	(0.3)	(0.1)
Other current payables	112.0	102.4	118.2	9.6	(6.1)
TOTAL CURRENT LIABILITIES	803.7	771.7	778.1	32.0	25.6
TOTAL LIABILITIES	1,276.7	1,082.2	1,075.0	194.5	201.6
TOTAL EQUITY AND LIABILITIES	2,265.2	1,964.5	1,894.8	300.7	370.4

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA AND BY APPLICATION

<i>(euro million)</i>	30.09.2017	%	30.09.2016	%	Change	%	Q3'17	%	Q3'16	%	Change	%
GEOGRAPHICAL AREA												
Italy	222.2	12.0%	194.3	11.3%	28.0	14.4%	65.3	11.1%	58.5	10.3%	6.7	11.5%
Germany	419.5	22.6%	401.2	23.4%	18.2	4.5%	138.3	23.5%	128.9	22.7%	9.4	7.3%
France	57.9	3.1%	65.5	3.8%	(7.6)	-11.6%	16.9	2.9%	18.3	3.2%	(1.4)	-7.7%
United Kingdom	146.0	7.9%	143.6	8.4%	2.4	1.7%	47.3	8.0%	43.7	7.7%	3.6	8.1%
Other European countries	176.3	9.5%	162.4	9.5%	13.9	8.5%	60.7	10.3%	54.4	9.6%	6.4	11.7%
India	53.6	2.9%	41.6	2.4%	12.0	28.9%	18.4	3.1%	14.9	2.6%	3.6	23.9%
China	195.2	10.5%	134.8	7.9%	60.4	44.8%	69.8	11.8%	58.0	10.2%	11.9	20.5%
Japan	25.1	1.4%	27.1	1.6%	(2.0)	-7.4%	8.0	1.4%	8.0	1.4%	0.0	0.0%
Other Asian Countries	14.4	0.8%	9.1	0.5%	5.3	58.4%	4.9	0.8%	2.4	0.4%	2.5	106.6%
South America (Argentina and Brazil)	50.0	2.7%	42.0	2.5%	8.0	19.0%	16.9	2.9%	15.6	2.7%	1.3	8.5%
North America (USA, Mexico & Canada)	476.6	25.8%	479.4	28.0%	(2.8)	-0.6%	137.8	23.3%	159.7	28.2%	(22.0)	-13.8%
Other Countries	15.2	0.8%	12.6	0.7%	2.6	20.6%	5.3	0.9%	4.4	1.0%	0.8	19.1%
Total	1,852.0	100.0%	1,713.7	100.0%	138.4	8.1%	589.6	100.0%	566.8	100.0%	22.8	4.0%

<i>(euro million)</i>	30.09.2017	%	30.09.2016	%	Change	%	Q3'17	%	Q3'16	%	Change	%
APPLICATION												
Passengers Car	1,413.1	76.3%	1,294.9	75.5%	118.2	9.1%	458.5	77.8%	439.2	77.5%	19.3	4.4%
Motorbike	177.8	9.6%	159.9	9.3%	18.0	11.2%	51.4	8.7%	50.6	8.9%	0.9	1.7%
Commercial Vehicle	167.8	9.1%	169.5	9.9%	(1.7)	-1.0%	53.5	9.1%	52.0	9.2%	1.4	2.7%
Racing	92.9	5.0%	89.0	5.3%	3.9	4.4%	25.8	4.4%	24.9	4.4%	0.9	3.7%
Miscellaneous	0.5	0.0%	0.5	0.0%	0.0	1.7%	0.3	0.0%	0.1	0.0%	0.3	414.9%
Total	1,852.0	100.0%	1,713.7	100.0%	138.4	8.1%	589.6	100.0%	566.8	100.0%	22.8	4.0%



	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Net operating income/Sales of goods and services	14.2%	13.0%	14.7%	15.4%	13.7%
Result before taxes/Sales of goods and services	13.5%	12.4%	14.4%	15.1%	13.2%
Investments/Sales of goods and services	11.1%	15.1%	9.7%	16.3%	15.7%
Net Financial debt/Equity	31.3%	22.2%	23.6%	27.5%	25.3%
Net interest expense(*)/Sales of goods and services	0.4%	0.5%	0.3%	0.4%	0.4%
Net interest expense(*)/Net operating income	3.1%	3.9%	2.1%	2.4%	3.0%
ROI	28.9%	26.2%	30.8%	31.5%	25.3%
ROE	29.1%	24.9%	28.9%	29.8%	24.5%

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.