



Stezzano, 26 July 2018

H1 2018 REVENUES €1,339.7 MILLION: +6.1%
(+10.1% LIKE-FOR-LIKE)
EBITDA AT €259.9 MILLION (EBITDA MARGIN: 19.4%)
NET PROFIT AT €140.1 MILLION (+2.5%).

Compared to H1 2017:

- **Revenues** grew by 6.1% to €1,339.7 million (+10.1% on a like-for-like exchange rate basis)
- **EBITDA margin** at 19.4% to €259.9 million; **EBIT margin** at 13.9% to €186.1 million
- **Net investments** amounted to €120.8 million
- **Net financial debt** at €263.1 million

H1 2018 results:

(€ million)	2018	2017	Change
Revenues	1,339.7	1,262.4	+6.1%
EBITDA % on revenues	259.9 19.4%	255.5 20.2%	+1.7%
EBIT % on revenues	186.1 13.9%	189.5 15.0%	-1.8%
Pre-tax profit % on revenues	180.6 13.5%	186.5 14.8%	-3.1%
Net profit % on revenues	140.1 10.5%	136.7 10.8%	+2.5%
	30.6.18	31.3.18	
Net financial debt	263.1	275.7	-4.6%

Chairman Alberto Bombassei stated: “We wanted to begin the Board of Directors' session by remembering a man who had a deep impact on the global automotive market. For me, personally, Sergio Marchionne's death is the loss of a friend, as well as of an extraordinary manager. Brembo's results for the first six months of 2018 confirm its ability to compete on changing international markets.

This encourages us to pursue our recently announced industrial initiatives with renewed enthusiasm. The new plants will help expand our Group's global production capacity and ensure that we are increasingly better positioned to meet demand from our main clients for products with a rising level of innovative content.

Despite our satisfaction with these results, it is however essential for us to remain highly vigilant with regard to the development of trade tensions and the international geopolitical scenario.”

Executive Deputy Chairman Matteo Tiraboschi stated: “Among the positive elements that emerge from the results approved today, it is important to emphasise the good revenue growth, achieved despite the unfavourable currency scenario. This confirms Brembo's ability to grasp business opportunities in the various markets and segments in which it operates.

I would also like to stress the significant cash generation attained, which made it possible to reduce our financial debt level compared to the previous reporting period, despite the significant investments undertaken and dividends paid during the first half of the year.

According to plan, the new plants in China, Poland and Mexico are being placed in full operation, which will be reached by the end of this year.”

H1 2018 Results

Brembo's Board of Directors chaired by Alberto Bombassei examined and approved the Group's half-year results at 30 June 2018

Brembo Group's net consolidated revenues amounted to €1,339.7 million in the first half of 2018, up by 6.1% compared to the same period of the previous year. On a like-for-like exchange rate basis, revenues increased by 10.1%.

Almost all market segments in which the Group operates positively contributed to the results of the reporting period: car applications rose by 6.9%, motorbikes by 2.7% and commercial vehicles by 10.5%, while the racing sector showed a 6.6% decline.

At geographical level, sales in Italy decreased slightly by -3.2%, while in Germany sales rose by 11.0%, in France by 20.7% and in the United Kingdom by 6.8%.

Asia continued to report growth: India grew by 13.3% (+26.7% on a like-for-like exchange rate basis), and China by 15.5% (19.6% on a like-for-like exchange rate basis). By contrast, Japan declined by 13.0% (-11.9% on a like-for-like exchange rate basis).

The North American market (the United States, Mexico and Canada) decreased by 6.6%, but reported a 3.4% increase on a like-for-like exchange rate basis. South America (Brazil and Argentina) declined by 6.4%, but reported an 18.8% increase on a like-for-like exchange rate basis.

In H1 2018, the cost of sales and other net operating costs amounted to €852.2 million, with a 63.6% ratio to sales, virtually in line with the same period of the previous year (H1 2017: 63.2%).

Personnel expenses amounted to €236.1 million, with a 17.6% ratio to sales, compared to €215.8 million (17.1% of sales) for the first half of 2017. Workforce at 30 June 2018 numbered 10,384, an increase of 547 employees compared to 31 December 2017 (total workforce: 9,837) and of 955 employees compared to 30 June 2017 (total workforce: 9,429).

EBITDA amounted to €259.9 million (EBITDA margin: 19.4%), up by 1.7% compared to the same period of 2017.

Depreciation and amortisation for the reporting period grew by 11.7% to €73.8 million, due to the significant investments made in previous periods.

EBIT amounted to €186.1 million (EBIT margin: 13.9%), down 1.8% compared to H1 2017.

Net interest expense for the period amounted to €5.6 million (€3.1 million at 30 June 2017); this item included interest expense amounting to €4.4 million (€4.3 million in H1 2017) and net exchange losses for €1.2 million (net exchange gains of €1.1 million in the same period of the previous year). Pre-tax profit was €180.6 million (13.5% of revenues), compared to €186.5 million for H1 2017.

Based on the tax rates applicable under current tax regulations, estimated taxes amounted to €39.0 million (€48.0 million in H1 2017), with a tax rate of 21.6% (25.7% in the same period of the previous year).

The reporting period ended with net profit of €140.1 million, up 2.5% compared to €136.7 million for the same period of the previous year.

Net financial debt at 30 June 2018 amounted to €263.1 million, decreasing by €12.6 million compared to 31 March 2018.

Foreseeable Evolution

For the remainder of the year, the order backlog confirms a growth in line with that reported to date, although the currency context will continue to be rather volatile. The company will continue to closely monitor the sales towards the main customers, as well as the evolution of the commercial and geopolitical tensions at global level.

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Changes to financial calendar

In partial amendment of the information given in the press release dated 5 December 2017, Brembo announces that the meeting of the Board of Directors for the approval of the Q3 2018 Interim Report will be held on **7 November 2018** instead of 8 November 2018.

The Brembo Group's Six Monthly Report at 30 June 2018, approved by the Board of Directors today, will be available to the public at the Company's registered office, and on the corporate website at www.brembo.com as well as in the authorised central storage mechanism used by the Company at www.1info.com.

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, the Statement of Financial Position and the Cash Flow Statement.

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CONSOLIDATED STATEMENT OF INCOME

<i>(euro million)</i>	30.06.2018	30.06.2017	Change	%	Q2'18	Q2'17	Change	%
Revenue from contract with customers	1,339.7	1,262.4	77.2	6.1%	681.7	629.9	51.8	8.2%
Other revenues and income	13.2	10.7	2.5	23.4%	8.1	6.2	1.9	29.8%
Costs for capitalised internal works	12.6	12.9	(0.3)	-2.5%	6.3	6.3	(0.1)	-0.9%
Raw materials, consumables and goods	(634.7)	(607.6)	(27.1)	4.5%	(322.2)	(299.3)	(22.9)	7.7%
Non-financial interest income (expense) from investments	8.5	6.2	2.3	37.3%	4.3	3.4	0.9	26.2%
Other operating costs	(243.3)	(213.4)	(29.9)	14.0%	(124.2)	(108.5)	(15.8)	14.5%
Personnel expenses	(236.1)	(215.8)	(20.3)	9.4%	(120.7)	(108.1)	(12.6)	11.6%
GROSS OPERATING INCOME	259.9	255.5	4.4	1.7%	133.3	130.0	3.3	2.5%
<i>% of revenue from contract with customer</i>	19.4%	20.2%			19.5%	20.6%		
Depreciation, amortisation and impairment losses	(73.8)	(66.0)	(7.7)	11.7%	(38.7)	(33.3)	(5.5)	16.4%
NET OPERATING INCOME	186.1	189.5	(3.4)	-1.8%	94.6	96.8	(2.2)	-2.3%
<i>% of revenue from contract with customer</i>	13.9%	15.0%			13.9%	15.4%		
Net interest income (expense) and interest income (expense) from investments	(5.5)	(3.0)	(2.5)	82.0%	(4.0)	(1.7)	(2.3)	139.6%
RESULT BEFORE TAXES	180.6	186.5	(5.9)	-3.1%	90.6	95.1	(4.5)	-4.8%
<i>% of revenue from contract with customer</i>	13.5%	14.8%			13.3%	15.1%		
Taxes	(39.0)	(48.0)	9.0	-18.7%	(17.9)	(25.1)	7.2	-28.5%
RESULT BEFORE MINORITY INTERESTS	141.6	138.5	3.1	2.2%	72.6	70.0	2.6	3.8%
<i>% of revenue from contract with customer</i>	10.6%	11.0%			10.7%	11.1%		
Minority interests	(1.5)	(1.8)	0.3	-17.1%	(0.7)	(1.0)	0.3	-28.4%
NET RESULT FOR THE PERIOD	140.1	136.7	3.4	2.5%	71.9	69.0	2.9	4.2%
<i>% of revenue from contract with customer</i>	10.5%	10.8%			10.6%	11.0%		
BASIC/DILUTED EARNINGS PER SHARE (euro)	0.43	0.42			0.22	0.21		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(euro million)</i>	A	B	C	A-B	A-C
	30.06.2018	31.12.2017	30.06.2017	Change	Change
ASSETS					
NON-CURRENT ASSETS					
Property, plant, equipment and other equipment	967.7	933.8	820.0	33.9	147.7
Development costs	67.3	61.3	55.8	6.0	11.5
Goodwill and other indefinite useful life assets	83.4	82.8	84.4	0.6	(1.0)
Other intangible assets	52.9	50.4	51.4	2.4	1.5
Shareholdings valued using the equity method	36.8	34.3	27.2	2.5	9.6
Other financial assets (including investments in other companies and derivatives)	8.2	6.8	6.8	1.4	1.4
Receivables and other non-current assets	3.4	3.8	4.3	(0.5)	(1.0)
Deferred tax assets	65.2	57.8	65.8	7.4	(0.5)
TOTAL NON-CURRENT ASSETS	1,284.9	1,231.1	1,115.8	53.8	169.1
CURRENT ASSETS					
Inventories	367.8	311.1	309.6	56.7	58.2
Trade receivables	476.5	375.7	423.5	100.8	53.0
Other receivables and current assets	80.3	80.5	50.9	(0.1)	29.4
Current financial assets and derivatives	0.3	0.3	0.5	0.0	(0.2)
Cash and cash equivalents	262.8	300.8	286.2	(38.1)	(23.5)
TOTAL CURRENT ASSETS	1,187.7	1,068.4	1,070.7	119.3	117.0
TOTAL ASSETS	2,472.6	2,299.5	2,186.5	173.1	286.1
EQUITY AND LIABILITIES					
GROUP EQUITY					
Share capital	34.7	34.7	34.7	0.0	0.0
Other reserves	102.7	112.8	122.2	(10.2)	(19.6)
Retained earnings/(losses)	818.5	625.8	624.3	192.6	194.2
Net result for the period	140.1	263.4	136.7	(123.3)	3.4
TOTAL GROUP EQUITY	1,096.0	1,036.8	917.9	59.1	178.1
TOTAL MINORITY INTERESTS	28.6	27.6	25.2	1.0	3.4
TOTAL EQUITY	1,124.5	1,064.4	943.1	60.1	181.5
NON-CURRENT LIABILITIES					
Non-current payables to banks	272.4	319.3	345.4	(46.9)	(73.0)
Other non-current financial payables and derivatives	2.0	2.3	2.5	(0.3)	(0.5)
Other non-current liabilities	2.9	19.9	12.2	(17.0)	(9.3)
Provisions	38.6	39.6	38.0	(1.0)	0.6
Provisions for employee benefits	27.5	27.8	30.1	(0.3)	(2.6)
Deferred tax liabilities	24.3	24.7	30.1	(0.4)	(5.8)
TOTAL NON -CURRENT LIABILITIES	367.8	433.7	458.4	(65.9)	(90.6)
CURRENT LIABILITIES					
Current payables to banks	250.5	194.2	195.4	56.3	55.1
Other current financial payables and derivatives	1.2	3.8	3.1	(2.7)	(1.9)
Trade payables	564.1	470.4	462.2	93.8	102.0
Tax payables	14.4	9.7	20.7	4.7	(6.3)
Short term provisions	2.2	2.2	2.2	0.0	0.0
Other current payables	147.9	120.9	101.5	26.9	46.3
TOTAL CURRENT LIABILITIES	980.3	801.4	785.1	178.9	195.2
TOTAL LIABILITIES	1,348.1	1,235.1	1,243.4	113.0	104.6
TOTAL EQUITY AND LIABILITIES	2,472.6	2,299.5	2,186.5	173.1	286.1

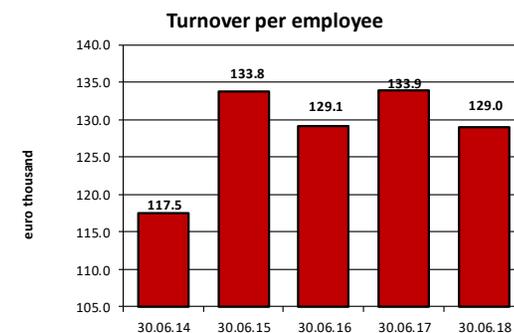
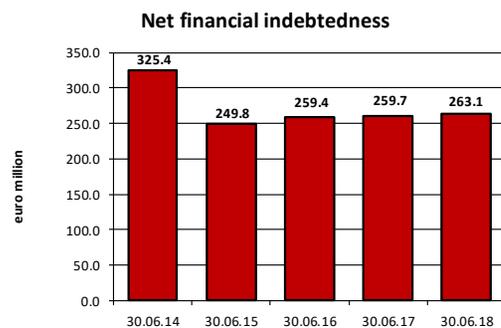
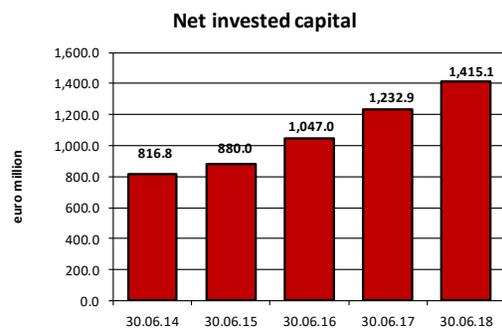
CONSOLIDATED STATEMENT OF CASH-FLOW

<i>(euro million)</i>	30.06.2018	30.06.2017
Cash and cash equivalents at beginning of period	156.0	63.9
Result before taxes	180.6	186.5
Depreciation, amortisation/Impairment losses	73.8	66.0
Capital gains/losses	(1.5)	0.0
Income/expense from investments, net of dividends received	(2.5)	(0.2)
Financial portion of provisions for defined benefits and payables for personnel	0.3	0.3
Long-term provisions for employee benefits	2.3	0.5
Other provisions net of utilisations	6.7	19.8
Cash flows generated by operating activities	259.7	272.9
Paid current taxes	(24.6)	(35.4)
Uses of long-term provisions for employee benefits	(1.9)	(1.6)
<i>(Increase) reduction in current assets:</i>		
inventories	(61.6)	(31.9)
financial assets	(0.1)	0.0
trade receivables	(100.6)	(65.8)
receivables from others and other assets	(12.9)	(15.4)
<i>Increase (reduction) in current liabilities:</i>		
trade payables	93.8	33.6
payables to others and other liabilities	7.4	2.6
Translation differences on current assets	1.3	(6.4)
Net cash flows from/(for) operating activities	160.5	152.7
<i>Investments in:</i>		
intangible assets	(19.1)	(19.0)
property, plant and equipment	(102.9)	(145.2)
financial assets (shareholdings)	(1.4)	0.0
Price for disposal or reimbursement value of fixed assets	2.6	2.6
Net cash flows from/(for) investing activities	(120.7)	(161.5)
Dividends paid in the period	(71.5)	(65.0)
Dividends paid to minority interests in the period	(0.8)	0.0
Change in fair value of derivatives	0.4	0.4
Loans and financing granted by banks and other financial institutions in the period	0.1	155.1
Repayment of long-term loans	(19.6)	(24.9)
Net cash flows from/(for) financing activities	(91.5)	65.6
Total cash flows	(51.7)	56.8
Translation differences on cash and cash equivalents	(5.3)	8.1
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	99.0	128.8

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA AND BY APPLICATION

<i>(euro million)</i>	30.06.2018	%	30.06.2017	%	Change	%	Q2'18	%	Q2'17	%	Change	%
GEOGRAPHICAL AREA												
Italy	151.9	11.3%	157.0	12.4%	(5.0)	-3.2%	77.9	11.4%	78.7	12.5%	(0.9)	-1.1%
Germany	312.2	23.3%	281.2	22.3%	31.0	11.0%	158.5	23.2%	140.8	22.4%	17.7	12.6%
France	49.5	3.7%	41.0	3.2%	8.5	20.7%	29.4	4.3%	19.4	3.1%	10.0	51.8%
United Kingdom	105.4	7.9%	98.7	7.8%	6.7	6.8%	47.7	7.0%	46.7	7.4%	1.0	2.2%
Other European countries	145.5	10.9%	115.5	9.2%	30.0	25.9%	74.3	10.9%	58.5	9.3%	15.7	26.9%
India	39.9	3.0%	35.2	2.8%	4.7	13.3%	20.4	3.0%	18.2	2.9%	2.2	11.9%
China	144.8	10.8%	125.4	9.9%	19.4	15.5%	76.9	11.3%	62.1	9.9%	14.7	23.7%
Japan	14.9	1.1%	17.1	1.4%	(2.2)	-13.0%	5.7	0.8%	8.9	1.4%	(3.1)	-35.4%
Other Asian Countries	22.2	1.7%	9.4	0.7%	12.8	135.4%	11.2	1.6%	5.2	0.8%	6.0	113.7%
South America (Argentina and Brazil)	31.0	2.3%	33.2	2.6%	(2.1)	-6.4%	15.3	2.2%	17.7	2.8%	(2.4)	-13.5%
North America (USA, Mexico & Canada)	316.6	23.6%	338.9	26.8%	(22.2)	-6.6%	160.8	23.6%	167.8	26.7%	(7.0)	-4.2%
Other Countries	5.7	0.4%	9.9	0.9%	(4.2)	-42.3%	3.7	0.7%	5.8	0.8%	(2.1)	-35.8%
Total	1,339.7	100.0%	1,262.4	100.0%	77.2	6.1%	681.7	100.0%	629.9	100.0%	51.8	8.2%
<i>(euro million)</i>	30.06.2018	%	30.06.2017	%	Change	%	Q2'18	%	Q2'17	%	Change	%
APPLICATION												
Passenger Cars	1,020.7	76.2%	954.6	75.6%	66.1	6.9%	526.5	77.2%	478.2	75.9%	48.3	10.1%
Motorbike	129.8	9.7%	126.4	10.0%	3.4	2.7%	62.9	9.2%	63.7	10.1%	(0.8)	-1.3%
Commercial Vehicle	126.3	9.4%	114.3	9.1%	12.0	10.5%	62.4	9.2%	56.7	9.0%	5.7	10.1%
Racing	62.6	4.7%	67.0	5.3%	(4.4)	-6.6%	29.8	4.4%	31.3	5.0%	(1.5)	-4.7%
Miscellaneous	0.2	0.0%	0.1	0.0%	0.1	49.3%	0.1	0.0%	0.0	0.0%	0.1	384.6%
Total	1,339.7	100.0%	1,262.4	100.0%	77.2	6.1%	681.7	100.0%	629.9	100.0%	51.8	8.2%

MAIN RATIOS



	30.06.2014	30.06.2015	30.06.2016	30.06.2017	30.06.2018
Net operating income/Revenue from contract with customers	10.4%	11.7%	15.1%	15.0%	13.9%
Result before taxes/Revenue from contract with customers	9.6%	11.3%	14.5%	14.8%	13.5%
Investments/Revenue from contract with customers	6.8%	6.2%	10.1%	13.0%	9.1%
Net Financial indebtedness/Equity	70.4%	41.9%	34.3%	27.5%	23.4%
Net interest expense(*)/Revenue from contract with customers	0.6%	0.7%	0.4%	0.3%	0.3%
Net interest expense(*)/Net operating income	6.2%	5.7%	2.6%	2.3%	2.4%
ROI	23.1%	27.8%	33.4%	31.0%	26.5%
ROE	27.9%	30.6%	34.0%	29.6%	25.4%

Notes:

ROI: Net operating income/ Net invested capital multiply by year days/period days.

ROE: Result before minority interests/ Shareholders equity multiply by year days/period days.

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