



Home Automation

The Board of Directors of Nice S.p.A. approves the Half-Year Financial Report as at 30 June 2017

Revenues and profitability show strong growth in the 1H 2017

- **Consolidated revenues of Euro 164.0 million (+14.7% at current exchange rates on 1H 2016 in the Home and Building Automation business)**
- **EBITDA of Euro 27.3 million (16.6% of sales), up 21.0% on the Euro 22.6 million (15.0% of sales) of 1H 2016**
- **Group net income Euro 12.5 million (Euro 9.7 million adjusted 1H 2016)**
- **Net financial position = Euro -13.5 million compared to Euro -4.5 million as at 30 June 2016**

Oderzo (TV), 03 August 2017 – The Board of Directors of Nice S.p.A. - listed on the STAR segment of Borsa Italiana - has approved the Half-Year Financial Report as at 30 June 2017.

Lauro Buoro, Chairman of Nice, commented: *“It gives us great satisfaction to present you with the results obtained by the Nice Group as at 30 June 2017, which show a progress in revenues for the fourteenth quarter running and significant growth in profitability on all levels of profit and loss. This trend confirms the effectiveness of the strategy adopted by the Group and, accordingly, its capacity to create lasting, sustainable value. We look enthusiastically to our ambitious plans to develop new technologies, products, processes and systems by which to make the most of the opportunities offered up by the market, improving our operative performance”.*

Consolidated Revenues

In the first half of 2017, the Nice Group posted revenues of Euro 164.0 million, up 9.2% at current exchange rates and 6.4% at constant exchange rates on the first half of 2016, showing significant improvement both in some long-standing markets and in the emerging markets.

As specifically regards the Home and Building Automation business, period sales came in at Euro 164.0 million, up 14.7% at current exchange rates and 11.7% at constant exchange rates, as compared with the Euro 143.0 million of the same period of last year.

Geographical Sales Breakdown

The following chart shows the geographical revenue breakdown:



Home Automation

(in millions of Euro)	1H 2017	%	1H 2016	%	Δ %	Δ % (2)
France	24.0	14.6%	23.6	15.7%	1.5%	1.5%
Italy	17.1	10.4%	20.4	13.6%	-15.9%	-15.9%
Europe 15 (1)	43.8	26.7%	44.0	29.3%	-0.5%	0.2%
Rest of Europe	27.4	16.7%	26.0	17.3%	5.5%	5.0%
Rest of the world	51.6	31.5%	36.2	24.1%	42.9%	30.6%
Total Revenues	164.0	100.0%	150.2	100.0%	9.2%	6.4%
(1)	<i>Excludes France and Italy</i>					
(2)	<i>At constant exchange rates</i>					

Geographical Sales Breakdown - Home and Building Automation business¹

Below is an analysis of the trend of revenues recorded by the Home and Building Automation business in the first half of 2017, compared with the corresponding period of the previous year.

(in millions of Euro)	1H 2017	%	1H 2016	%	Δ %	Δ % (2)
France	24.0	14.6%	22.7	15.9%	5.8%	5.8%
Italy	17.1	10.4%	17.3	12.1%	-1.3%	-1.3%
Europe 15 (1)	43.8	26.7%	42.5	29.7%	3.1%	3.8%
Rest of Europe	27.4	16.7%	25.6	17.9%	7.0%	6.5%
Rest of the world	51.6	31.5%	34.9	24.4%	48.1%	35.4%
Total Revenues	164.0	100.0%	143.0	100.0%	14.7%	11.7%
(1)	<i>Excludes France and Italy</i>					
(2)	<i>At constant exchange rates</i>					

In the first half of this year, sales in France, which represents 14.6% of Group sales, totalled Euro 24.0 million, up 5.8% compared with the same period of 2016.

In Italy, revenues came to Euro 17.1 million, down 1.3% on the first half of last year.

Sales in the remaining Europe-15 countries in the first half of 2017 amounted to Euro 43.8 million, up 3.1% at current exchange rates and 3.8% at constant exchange rates compared to the first half of last year.

As at 30 June 2017, revenues booked in the Rest of Europe totalled Euro 27.4 million, rising 7.0% at current exchange rates and 6.5% at constant exchange rates compared to the same period of last year.

During the first half of 2017, turnover booked in the Rest of the world, accounting for 31.5% of the Group's turnover, rose by 48.1% at current exchange rates and by 35.4% at constant exchange rates as compared with the same period of last year, coming in at Euro 51.6 million.

Profitability Indicators

As at 30 June 2017, gross profit (calculated as the difference between revenues and cost of goods sold) totalled Euro 88.3 million, up 9.5% compared to Euro 80.6 million in the corresponding period of last year, and amounted to 53.8% as a percentage of sales, compared to 53.7% in the first half of 2016.

¹ 2016 results have been restated pro-forma, excluding sales made by the FontanaArte operative business unit.



Home Automation

In 1H of 2017, EBITDA totalled Euro 27.3 million, 16.6% of sales, compared to Euro 22.6 million and a 15.0% of sales in the first half of 2016.

As at 30 June 2017, net profit from financial operations was Euro -2.1 million, compared to Euro -1.6 million in the first half of 2016.

The Group net profit was Euro 12.5 million, compared to Euro 4.7 million (Euro 9.7 million adjusted) in the first half of 2016.

Statement of Financial Position and Statement of Cash Flows

As at 30 June 2017, net working capital amounted to Euro 68.3 million, compared to Euro 77.6 million as at 30 June the previous year and 62.2 million Euro as at 31 December 2016.

As at 30 June 2017, the Group's net financial position was Euro -13.5 million, compared to Euro -4.5 million as at 30 June 2016.

Nice S.p.A.

Established in the early 1990s and listed on the STAR Segment of Borsa Italiana, Nice S.p.A. is international reference Group in the Home and Building Automation industry, with a comprehensive offering of integrated automation systems for gates, garage doors, parking systems, wireless alarm systems and solar screens, for residential, commercial and industrial buildings.

The Nice Group is pursuing a strategy of expanding geographically and strengthening its position in high-growth potential markets; broadening, completing and integrating the product lines of the various business units; implementing branding actions to compete in new market segments. Nice exports its products, which combine technological innovation and design, to over 100 countries, generating more than 85% of the Group's consolidated revenues abroad.

www.thenicegroup.com

Statement of the assigned Manager in charge of the editing of corporate accounting documents

Under Art. 154 *bis*, par. 2 of the Italian Consolidated Finance Act, the assigned Manager in charge of the editing of corporate accounting documents, Ms Denise Cimolai, states that the accounting information contained in this press release complies with all documentary evidence, books and accounting records.

This press release is available on the Company's website www.thenicegroup.com and on the authorised storage mechanism eMarket Storage mechanism (www.emarketstorage.com).

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Home Automation

Attachments:

Consolidated Nice²

Income Statement

(in millions of Euro)	1H 2017	%	1H 2016	%	Δ %
Revenues	164.0	100.0%	150.2	100.0%	9.2%
Cost of goods sold	(75.7)	-46.2%	(69.5)	-46.3%	
Gross profit	88.3	53.8%	80.6	53.7%	9.5%
Industrial costs	(4.3)	-2.6%	(5.0)	-3.3%	
Marketing costs	(4.9)	-3.0%	(4.3)	-2.9%	
Trade costs	(7.4)	-4.5%	(7.5)	-5.0%	
General costs	(11.7)	-7.2%	(12.8)	-8.5%	
Personnel costs	(32.6)	-19.9%	(28.5)	-19.0%	
Total operating costs	(61.0)	-37.2%	(58.1)	-38.7%	5.1%
EBITDA	27.3	16.6%	22.6	15.0%	21.0%
Depreciation and amortisation	(5.1)	-3.1%	(11.2)	-7.5%	
EBIT	22.2	13.5%	11.3	7.6%	
EBIT adjusted (1)	22.2	13.5%	18.1	12.1%	22.4%
Financial management and other costs	(2.1)	-1.3%	(1.6)	-1.1%	
Pre-tax result	20.1	12.3%	9.7	6.5%	
Taxes	(7.3)	-4.5%	(4.9)	-3.3%	
Net profit/loss	12.8	7.8%	4.8	3.2%	
Net profit/loss adjusted (1)	12.8	7.8%	9.7	6.5%	31.4%
Profit/Loss attributable to non-controlling interests	0.3	0.2%	0.1	0.1%	
Group net profit/loss	12.5	7.6%	4.7	3.1%	
Group net profit/loss adjusted (2)	12.5	7.6%	9.7	6.4%	29.4%

¹ As at 30 June 2016, the adjustment referred to the exclusion of the one-off impairment applied on the FontanaArte brand and the property used as the FontanaArte premises, written down respectively by Euro 5.1 million and Euro 2.0 million.

² The adjustment refers to what is indicated in note (1) and to the related tax effect for a total of Euro 2.3 million.

² The consolidated results as at 30 June 2017 and 30 June 2016 have been subjected to a limited audit. Results as at 31 December 2016 have been fully audited. This press release includes non-IFRS Alternative Performance Measures in order to provide a better understanding of the Group's financial performance and financial position. Here below are the Alternative Performance Measures: 'Gross Profit' is defined as the difference between revenue and the cost of goods sold (consisting of the sub-items purchase of basic components, outsourced processing, and change in inventories).

- 'EBITDA' represents net profit before depreciation & amortisation, impairment, finance income & expenses, and taxes.
- 'Net working capital' is defined as the sum of inventories, trade receivables, tax receivables, other current assets, trade payables, tax payables (due within 12 months) and other current liabilities when referring to core business.
- 'Net capital invested' is defined as the algebraic sum of Net working capital (as defined above), fixed assets, other non-current assets and non-current liabilities (the latter net of medium/long-term loans).
- The 'Net financial debt' or 'Net financial position' is a measure of the Company's financial structure and is defined as current and non-current financial debts less cash and cash equivalents.
- 'Free cash flow' is defined as the sum of cash flows from/(used in) operating activities and cash flows from/(used in) investing activities.



Home Automation

Statement of Financial Position

(in millions of Euro)	30/06/2017	31/12/2016
Intangible assets	113.0	114.0
Tangible assets	54.2	51.2
Other fixed assets	11.4	13.0
Fixed assets	178.6	178.2
Commercial credits	66.4	56.7
Inventory	62.4	62.6
Commercial debts	(49.6)	(49.9)
Other current assets/(liabilities)	(11.0)	(7.2)
Net working capital	68.3	62.2
<i>% on sales (LTM)</i>	21.3%	19.4%
Post-employment benefits and other provisions	(19.8)	(28.1)
Net capital invested	227.1	212.3
Shareholders' equity	214.5	219.4
Minorities	(0.9)	(1.2)
Total shareholders' equity	213.6	218.2
Cash & cash equivalents	(46.9)	(70.6)
Financial assets	(5.0)	(4.8)
Total debt	65.4	69.4
Net debt	13.5	(5.9)
Net capital invested	227.1	212.3



Home Automation

Statement of Cash Flows

(in millions of Euro)	1H 2017	1H 2016 *
Net profit/loss	12.8	4.8
D&A and other non cash items	6.9	10.0
Change in Net working capital	(8.2)	(1.2)
Operating cash flow	11.5	13.6
Capex	(9.3)	(10.7)
Operating free cash flow	2.2	2.8
Acquisitions	(9.7)	0.0
Free cash flow	(7.5)	2.8
Dividend paid out	(11.1)	(7.8)
Other	(0.9)	0.0
Subtotal	(12.0)	(7.8)
Variation of net financial position	(19.5)	(5.0)
Initial net financial position	5.9	0.5
Final net financial position	(13.5)	(4.5)

* Some items of the Consolidated Statement of Cash Flows as at 30 June 2016 have been reclassified to allow for comparison with the figures as at 30 June 2017