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The Board of Directors approves consolidated results at 30 September 2018

Revenues from sales € 355.1 million - € 322.2 million in first nine months 2017

EBITDA *adjusted* (*) € 45.5 million - € 38.4 million in first nine months 2017

EBIT € 33.1 million - € 27.8 million in first nine months 2017

Consolidated net profit € 23.3 million - € 15.7 million in first nine months 2017

Net negative financial position € 117.4 million (of which € 18.7 million of debts for future commitments relating to the purchase of the residual minority shares), compared to € 125.3 at 31 December 2017.

Bagnolo in Piano (RE), 14 November 2018 - The Board of Directors of **Emak S.p.A.**, (MTA– STAR), parent company of one of world major groups working in the sectors of outdoor power equipment, pumps and water jetting, and of the related components and accessories, has approved the consolidated results of the first nine months 2018.

CONSOLIDATED RESULTS FOR THE FIRST NINE MONTHS 2018

Emak Group achieved in the first nine months **consolidated revenues of € 355.1 milioni**, compared to € 322.2 million of the same period last year, an increase of 10.2%. The scope of consolidation contributed for 10.2%, the organic growth for 1.7%, while the exchange rate effect was negative for 1.7%.

Ebitda *adjusted* (*) amounted to € 45.5 milioni (12.8% of revenues) compared to € 38.4 million of the same period of 2017 (11.9% of revenues), an improvement of 18.5%, with the positive contribution of the change in the scope of consolidation for € 7 million and despite of a general increase in cost of raw materials.

Operating result was € 33.1 million, in spite of € 27.8 million in the same period of last year, an increase of 19.1%.

Net income for the first nine months 2018 was € 23.3 million, compared to € 15.7 million of the same period 2017, an increase of 48%. The result reports an improvement of the exchange rate management compared to the first nine months 2017. Moreover, in 2018, a financial capital gain was recorded for an amount equal to € 2.5 million.

Free cash flow from operations (*) amounts to € 34.3 million, in spite of € 25.1 million in the first nine months 2017.

Investments in property, plant and equipment and intangible assets realized during the period amount to a total of € 11 million.

Consolidated net equity at 30 September 2018 is € 202.2 million compared to € 187.5 million at 31 December 2017.

Net negative financial position stands at € 117.4 million (of which € 18.7 million of debts for future commitments relating to the purchase of the remaining minority shares) compared to € 120.6 million at 30 September 2017 and € 125.3million at 31 December 2017.

Outlook

Given the overall positive result of the first nine months, the order backlog and the stock situation at the network, the Group expects that the positive trend recorded so far will continue in the fourth quarter and then close the year with improved results compared to last year.

(*) Alternative performance indicators

Below are presented the criteria used for the construction of key performance indicators that management considers necessary to the monitoring the Group performance.

- EBITDA: calculated by adding the items "Operating result" plus "Amortization, depreciation and impairment losses".
- Adjusted EBITDA (EBITDA before non ordinary income and expenses): is obtained by deducting at EBITDA the impact of charges and income for litigation, expenses related to M&A transaction, headcount reorganization and restructuring charges.
- Free cash flow from operations: calculated by adding the items "Net profit" plus "Amortization, depreciation and impairment losses".

The highlights from the interim report of the Group at September 30, 2018 are attached to the present press release.

Pursuant to the law, the interim report at September 30, 2018 and this press release are available to the public at the Company's registered office, on the company website www.emak.it, in the "Investor Relations" section and on the storage mechanism eMarket Storage (www.emarketstorage.it).

Aimone Burani, the executive responsible for the preparation of the corporate accounting documents, declares and certifies in accordance with article 154 bis, paragraph 2, of the Consolidated Finance Act, that the financial statements contained in the present press release correspond to the underlying accounting documents, records and accounting entries.

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Emak Group develops, produces and distributes a wide range of products in three business areas: (i) outdoor power equipment, which includes products for gardening, forestry and agriculture such as trimmers, lawn mowers, garden tractors, chain saws, tillers, rotary tiller;(ii) pumps and high pressure water jetting including products (a) for agriculture as centrifugal and diaphragm pumps for spraying and weeding; (b) for industry, including industrial pumps, high and high pressure systems and urban cleaning equipment; (c) for cleaning, as professional and semiprofessional high pressure washers, floor scrubbers and vacuum cleaners; (iii) components and accessories for the abovementioned sectors, the most representative of which are line and heads for trimmers, accessories for chain saws (i.e. sharpeners), guns, nozzles and valves for high pressure washers and agricultural applications, precision farming (sensors and computers). In 2017 Emak Group realized a total turnover of € 422.2 million

Highlights of the consolidated financial statement broken down by operating segment for the first nine months 2018

	OUTDOOR POWER EQUIPMENT		PUMPS AND HIGH PRESSURE WATER JETTING		COMPONENTS AND ACCESSORIES		Other not allocated / Netting		Consolidated	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017	30.09.2018	30.09.2017	30.09.2018	30.09.2017	30.09.2018	30.09.2017
€/000										
Sales to third parties	131,255	133,503	142,332	97,620	81,568	91,092			355,155	322,215
Intersegment sales	1,462	1,517	1,394	1,239	6,416	6,161	(9,272)	(8,917)		
Revenues from sales	132,717	135,020	143,726	98,859	87,984	97,253	(9,272)	(8,917)	355,155	322,215
Ebitda	11,238	9,409	22,202	13,674	12,619	15,944	(1,964)	(1,828)	44,095	37,199
<i>Ebitda/Total Revenues %</i>	8.5%	7.0%	15.4%	13.8%	14.3%	16.4%			12.4%	11.5%
Ebitda before non ordinary expenses	12,921	9,409	22,199	14,908	12,349	15,926	(1,964)	(1,828)	45,505	38,415
<i>Ebitda before non ordinary expenses/Total Revenues %</i>	9.7%	7.0%	15.4%	15.1%	14.0%	16.4%			12.8%	11.9%
Operating result	6,740	5,208	18,541	11,222	9,820	13,223	(1,964)	(1,828)	33,137	27,825
<i>Operating result/Total Revenues %</i>	5.1%	3.9%	12.9%	11.4%	11.2%	13.6%			9.3%	8.6%
Financial management result (1)									(486)	(5,680)
Profit before tax									32,651	22,145
Income taxes									(9,338)	(6,392)
Net profit									23,313	15,753
<i>Net profit/Total Revenues%</i>									6.6%	4.9%

(1) The "Financial management result" includes financial income and expenses, exchange gain/losses and income from revaluation of equity investments in associates.

STATEMENT OF FINANCIAL POSITION	30.09.2018	31.12.2017	30.09.2018	31.12.2017	30.09.2018	31.12.2017	30.09.2018	31.12.2017	30.09.2018	31.12.2017
Net debt	17,998	27,297	90,086	91,969	10,160	7,031	(853)	(1,003)	117,391	125,294
Shareholders' Equity	177,187	176,986	53,005	44,002	49,260	48,975	(77,246)	(82,458)	202,206	187,505
Total Shareholders' Equity and Net debt	195,185	204,283	143,091	135,971	59,420	56,006	(78,099)	(83,461)	319,597	312,799
Net non-current assets (2)	131,142	136,604	74,822	76,648	19,875	19,076	(76,337)	(81,366)	149,502	150,962
Net Working Capital	64,043	67,679	68,269	59,323	39,545	36,930	(1,762)	(2,095)	170,095	161,837
Total Net Capital Employed	195,185	204,283	143,091	135,971	59,420	56,006	(78,099)	(83,461)	319,597	312,799

(2) The net non-current assets of the Outdoor Power Equipment area includes the amount of Equity investments for 76,074 thousand Euro

OTHER STATISTICS	30.09.2018	31.12.2017	30.09.2018	31.12.2017	30.09.2018	31.12.2017	30.09.2018	31.12.2017	30.09.2018	31.12.2017
Number of employees at period end	761	801	721	704	484	516	8	8	1,974	2,029

OTHER INFORMATIONS	30.09.2018	30.09.2017	30.09.2018	30.09.2017	30.09.2018	30.09.2017	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Amortization, depreciation and impairment losses	4,498	4,201	3,661	2,452	2,799	2,721			10,958	9,374
Investment in property, plant and equipment and in intangible assets	4,578	4,941	3,252	2,749	3,147	3,457			10,977	11,147

Emak Group– Consolidated income statement and comprehensive income statement

Thousand of Euro

Year 2017	CONSOLIDATED INCOME STATEMENT	3 Q 2018	3 Q 2017	9 months 2018	9 months 2017
422,155	Revenues from sales	88,695	88,142	355,155	322,215
3,684	Other operating incomes	1,392	984	4,045	2,401
14,168	Change in inventories	4,034	2,509	456	5,160
(234,565)	Raw materials, consumables and goods	(49,387)	(48,203)	(187,584)	(173,880)
(80,055)	Personnel expenses	(18,277)	(18,900)	(62,442)	(58,209)
(81,455)	Other operating costs and provisions	(19,072)	(19,832)	(65,535)	(60,488)
(13,955)	Amortization, depreciation and impairment losses	(3,712)	(3,262)	(10,958)	(9,374)
29,977	Operating result	3,673	1,438	33,137	27,825
1,807	Financial income	24	262	3,278	1,161
(4,820)	Financial expenses	(987)	(1,216)	(3,509)	(3,554)
(4,218)	Exchange gains and losses	301	(740)	(416)	(3,455)
389	Income from/(expenses on) equity investment	22	67	161	168
23,135	Profit before taxes	3,033	(189)	32,651	22,145
(6,700)	Income taxes	(1,791)	(222)	(9,338)	(6,392)
16,435	Net profit (A)	1,242	(411)	23,313	15,753
(270)	(Profit)/loss attributable to non controlling interests	(56)	(48)	(192)	(266)
16,165	Net profit attributable to the Group	1,186	(459)	23,121	15,487
0.099	Basic earnings per share	0.007	(0.003)	0.141	0.095
0.099	Diluted earnings per share	0.007	(0.003)	0.141	0.095

Year 2017	CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	9 months 2018	9 months 2017
16,435	Net profit (A)	23,313	15,753
(5,330)	Profits/(losses) deriving from the conversion of foreign company accounts	(2,040)	(4,931)
(470)	Actuarial profits/(losses) deriving from defined benefit plans (*)	-	-
133	Income taxes on OCI (*)	-	-
(5,667)	Total other components to be included in the comprehensive income statement (B)	(2,040)	(4,931)
10,768	Total comprehensive income for the period (A)+(B)	21,273	10,822
(166)	Comprehensive net profit attributable to non controlling interests	(122)	(170)
10,602	Comprehensive net profit attributable to the Group	21,151	10,652

(*) Items will not be classified in the income statement

Emak Group – Consolidated statement of financial position

Thousand of Euro

31.12.2017	ASSETS	30.09.2018	30.09.2017
	Non-current assets		
73,275	Property, plant and equipment	72,588	69,944
20,327	Intangible assets	19,469	7,643
67,112	Goodwill	65,729	75,454
230	Equity investments in other companies	230	230
4,284	Equity investments in associates	4,445	4,062
9,068	Deferred tax assets	8,024	8,881
752	Other financial assets	1,548	998
65	Other assets	60	72
175,113	Total non-current assets	172,093	167,284
	Current assets		
155,727	Inventories	151,888	147,496
109,394	Trade and other receivables	107,295	106,592
5,428	Current tax receivables	5,136	4,723
7,348	Other financial assets	1,543	8,517
201	Derivative financial instruments	63	116
40,812	Cash and cash equivalents	73,314	47,283
318,910	Total current assets	339,239	314,727
494,023	TOTAL ASSETS	511,332	482,011

31.12.2017	SHAREHOLDERS' EQUITY AND LIABILITIES	30.09.2018	30.09.2017
	Shareholders' Equity		
184,783	Shareholders' Equity of the Group	200,094	184,785
2,722	Non-controlling interest	2,112	2,454
187,505	Total Shareholders' Equity	202,206	187,239
	Non-current liabilities		
95,730	Loans and borrowings due to banks and others lenders	127,471	118,510
9,622	Deferred tax liabilities	9,232	6,008
10,932	Employee benefits	9,123	10,667
2,265	Provisions for risks and charges	2,153	2,404
579	Other non-current liabilities	534	598
119,128	Total non-current liabilities	148,513	138,187
	Current liabilities		
101,515	Trade and other payables	87,492	89,360
4,676	Current tax liabilities	4,979	6,446
78,469	Loans and borrowings due to banks and others lenders	66,048	58,646
208	Derivative financial instruments	340	395
2,522	Provisions for risks and charges	1,754	1,738
187,390	Total current liabilities	160,613	156,585
494,023	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	511,332	482,011

Emak Group – Consolidated net financial position

Net financial position	30/09/2018	31/12/2017	30/09/2017
A. Cash and cash equivalents	73,314	40,812	47,283
B. Other cash at bank and on hand (held-to-maturity investments)	-	-	-
C. Financial instruments held for trading	-	-	-
D. Liquidity funds (A+B+C)	73,314	40,812	47,283
E. Current financial receivables	1,606	7,549	8,633
F. Current payables to bank	(15,686)	(36,570)	(19,926)
G. Current portion of non current indebtedness	(44,985)	(31,956)	(31,154)
H. Other current financial debts	(5,717)	(10,151)	(7,961)
I. Current financial indebtedness (F+G+H)	(66,388)	(78,677)	(59,041)
J. Current financial indebtedness, net (I+E+D)	8,532	(30,316)	(3,125)
K. Non-current payables to banks	(112,647)	(80,084)	(100,385)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(14,824)	(15,646)	(18,125)
N. Non-current financial indebtedness (K+L+M)	(127,471)	(95,730)	(118,510)
O. Net financial indebtedness (J+N)	(118,939)	(126,046)	(121,635)
P. Non current financial receivables	1,548	752	998
Q. Net financial position (O+P)	(117,391)	(125,294)	(120,637)