

Press release

The Board of Directors approves the draft Company Statutory Financial Statements and the Consolidated Financial Statements for the year 2019

Consolidated results

Revenues from sales € 434 million; € 452.8 million in 2018

EBITDA € 46.1 million (€ 46.9 million *adjusted*); € 49.4 million in 2018 (€ 50.8 million *adjusted*)

EBIT € 22 million; € 34 million in 2018

Consolidated net result € 13.1 million; € 25.6 million in 2018

Net negative financial position: € 146.9 million, € 116.5 million excluding the effect of the accounting principle IFRS 16, (of which € 15.9 million of debts for future commitments relating to the purchase of residual minority interests), compared to € 117.4 million at 31 December 2018.

During the same meeting the Board of Directors has:

- Approved the Report on Corporate Governance and Ownership Structure and Report on the policy regarding Remuneration and Fees paid
- Convened the Ordinary Shareholders' Meeting
- Approved the reports and related deliberative proposals for the Shareholders' Meeting
- Approved the non-financial Report as at December 31, 2019 pursuant to Legislative Decree n. 254/2016

Bagnolo in Piano (RE), 13 March 2020 – 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 draft Company Statutory Financial Statements and the Consolidated Financial Statements for the year ended at December 31, 2019.

2019 CONSOLIDATED RESULTS

Emak Group achieved **consolidated revenues of € 434 million**, compared to € 452.8 million of last year, a decrease of 4.2%. This change is due to the exit from the scope of consolidation of the company Raico S.r.l. for 0.7%, to the positive effect of the exchange rate for 0.6% and to the reduction of sales volume for 4.1%

EBITDA (*) reached € 46.1 million (€ 46.9 million *adjusted*), compared to € 49.4 million (€ 50.8 million *adjusted*) in 2018. The incidence on revenues stands at 10.6% (10.8% *adjusted*) in spite of 10.9% (11.2% *adjusted*) in 2018. The application of the new IFRS 16 principle has resulted in a positive effect on the EBITDA for 2019 for € 6 million

EBIT was € 22 million, in spite of € 34 million of last year. 2019 figure includes depreciations for € 2.1 million.

Net profit of 2019 is € 13.1 million, compared to € 25.6 million of 2018. The result of the year was penalized by the accounting of depreciations for € 2.1 million. During 2018, capital gains and contingent financial assets were recorded for a total amount of € 4.5 million.

Free cash flow from operations (*) is at € 37.2 million, in spite of € 41.1 million of 2018 million (figure including a financial gain).

Investments in property, plant and equipment and intangible assets realized during 2019 amount to a total of € 18.5 million, focused on product and process innovation.

Consolidated net equity at 31 December 2019 is € 211.5 million compared to € 205.8 million at 31 December 2018.

Net negative financial position stands at € 146.9 million (of which € 15.9 million of debts for future commitments relating to the purchase of residual minority interests) compared to € 117.4 million at 31 December 2018.

The adoption of IFRS 16 accounting standard resulted in the recognition of financial liabilities amounting to € 30.4 million. Net of this effect, the net negative financial position would have been € 116.5 million. The figure for the period also includes higher dividends distributed and the financial investment of € 2.8 million for the acquisition of 30% of the Brazilian company Agres

Subsequent events

Acquisition of 51% of Swedish company Markusson Professional Grinders AB

On January 31, 2020, the controlled company Tecomec S.r.l. completed the purchase of 51% of the share capital of the Swedish company Markusson Professional Grinders AB, active in the development and marketing of professional sharpeners for chainsaw chains.

The transaction is part of the Group's external growth strategy through the expansion and completion of its product range, in the specific case of the *Components and Accessories* segment.

The consideration paid for the acquisition amounts to SEK 17.8 million (equal to approximately € 1.7 million). The agreements that regulate the operation also provide for a Put & Call Option on the remaining 49% to be exercised in 2023. The company develops a turnover of approximately € 2 million and an EBITDA of approximately € 0.5 million.

Outlook

Following the recent measures taken by the Italian government, the Group has adopted for its employees all the health precautions recommended by the authorities in order to preserve their health and reduce the spread of the Covid-19 infection. The Group remains vigilant and ready to activate any further measures that may become necessary according to the evolution of the situation.

The first months of 2020 saw the Group's turnover in line with the same period of the previous year and a good order entry. The operations of the Group's Chinese production facilities are currently overall regular. To date, the Group companies are operating regularly in Italy and in the rest of the world. The Group is also putting in place initiatives to limit the impacts due to any logistical problems to a minimum.

We are facing an unexpected and exogenous element to our industry that threatens to have consequences on the demand. The current phase of uncertainty does not allow estimating the duration or extent of the contagion regarding the possible impact on the global economy and on the evolution of the Group's reference sector.

Allocation of profit for the year

Taking into account the "emergency" situation generated due to the known events due to Covid-19, as well as the difficult assessment of the relevant effects on the economy that this unprecedented situation is potentially able to produce, the Board of Directors reserves the right, in a subsequent meeting to be held before the Shareholders' Meeting called for April 29, 2020, to formulate a proposal for the distribution of dividends to the Shareholders' Meeting, in the hope that the current generalized difficulty situation may resolve or be lessened.

Prudentially, given the current situation of uncertainty, the Board of Directors, today, proposes to the shareholders' meeting to allocate the profit for the year to the legal reserve, for the amount prescribed by law, and to retained earnings for all the residual amount.

Shareholders' Meeting

The Board of Directors which met today resolved to convene the Shareholders' Meeting of Emak S.p.A. in ordinary session for April 29, 2020 in a single call to discuss and resolve on the following agenda:

- 1) Presentation of the Company Statutory and Consolidated Financial Statements at December 31, 2019; reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors:
 - 1.1) Approval of the management report and financial statements;
 - 1.2) Proposal for allocation of profit for the year; inherent and consequent resolutions;
- 2) Presentation of the Remuneration Report ex art. 123-ter, D.Lgs 58/98:
 - 2.1) Approval with binding resolution of the remuneration policy for the 2019-2021 period;
 - 2.2) Approval with non-binding resolution of the second section of the report.
- 3) Proposal for authorization to purchase and dispose of treasury shares; inherent and consequent resolutions.

The documentation regarding the items on the agenda of the Shareholders' Meeting in ordinary session will be published within the time and in the manner prescribed by law.

Attached are the highlights from the consolidated accounts of the Group and separate from that of Emak S.p.A. (the Parent Company).

(*) 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, and costs for staff reorganization and restructuring.
- Free cash flow from operations: calculated by adding the items "Net profit" plus "Amortization, depreciation and impairment losses".

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.

This press release is available to the public at the Company's registered office, on the company website www.emakgroup.it, in the "Investor Relations" section and on the storage mechanism eMarket Storage (www.emarketstorage.com).

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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).

Highlights of the consolidated financial statement broken down by operating segment

	OUTDOOR POWER EQUIPMENT		PUMPS AND HIGH PRESSURE WATER JETTING		COMPONENTS AND ACCESSORIES		Other not allocated / Netting		Consolidated	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018
€/000										
Sales to third parties	148,243	165,770	181,250	183,111	104,460	103,944			433,953	452,825
Intersegment sales	518	1,694	1,693	1,649	7,007	7,988	(9,218)	(11,331)		
Revenues from sales	148,761	167,464	182,943	184,760	111,467	111,932	(9,218)	(11,331)	433,953	452,825
Ebitda	7,283	11,859	26,058	25,356	15,126	13,550	(2,377)	(1,316)	46,090	49,449
<i>Ebitda/Total Revenues %</i>	4.9%	7.1%	14.2%	13.7%	13.6%	12.1%			10.6%	10.9%
Ebitda before non ordinary expenses	7,507	13,599	26,079	25,855	15,669	13,748	(2,377)	(2,439)	46,878	50,763
<i>Ebitda before non ordinary expenses/Total Revenues %</i>	5.0%	8.2%	14.2%	14.1%	14.1%	13.2%			10.8%	11.2%
Operating result	(2,287)	5,882	17,872	20,255	8,814	9,155	(2,377)	(1,316)	22,022	33,976
<i>Operating result/Total Revenues %</i>	-1.5%	3.5%	9.8%	11.0%	7.9%	8.2%			5.1%	7.5%
Net financial expenses (1)									(3,141)	884
Profit before taxes									18,881	34,860
Income taxes									(5,755)	(9,213)
Net profit									13,126	25,647
<i>Net profit/Total Revenues%</i>									3.0%	5.7%

(1) Net financial expenses includes the amount of Financial income and expenses, Exchange gains and losses and the amount of the Income from equity investment

STATEMENT OF FINANCIAL POSITION	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Net debt	29,304	24,025	98,863	86,597	19,071	7,094	(303)	(289)	146,935	117,427
Shareholders' Equity	176,334	176,750	62,460	56,259	50,295	48,899	(77,557)	(76,088)	211,532	205,820
Total Shareholders' Equity and Net debt	205,638	200,775	161,323	142,856	69,366	55,993	(77,860)	(76,377)	358,467	323,247
Net non-current assets (2)	137,483	134,048	94,433	77,937	30,577	18,557	(75,504)	(75,616)	186,989	154,926
Net working capital	68,155	66,727	66,890	64,919	38,789	37,436	(2,356)	(761)	171,478	168,321
Total net capital employed	205,638	200,775	161,323	142,856	69,366	55,993	(77,860)	(76,377)	358,467	323,247

(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	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Number of employees at period end	743	764	731	736	506	490	8	9	1,988	1,999

OTHER INFORMATIONS	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	30.09.2019	31.12.2018
Amortization, depreciation and impairment losses	9,570	5,977	8,186	5,101	6,312	4,395			24,068	15,473
Investment in property, plant and equipment and in intangible assets	8,573	8,100	3,983	5,997	5,897	4,097			18,453	18,194

Emak Group– Consolidated income statement and comprehensive income statement

Thousand of Euro

CONSOLIDATED INCOME STATEMENT	Notes	Year 2019	of which to related parties	Year 2018	of which to related parties
Revenues from sales	10	433,953	695	452,825	778
Other operating incomes	10	4,668		5,465	
Change in inventories		854		4,621	
Raw materials, consumable and goods	11	(230,213)	(3,322)	(243,182)	(4,545)
Personnel expenses	12	(81,106)		(83,310)	
Other operating costs and provisions	13	(82,066)	(2,377)	(86,970)	(2,361)
Amortization, depreciation and impairment losses	14	(24,068)		(15,473)	
Operating result		22,022		33,976	
Financial income	15	1,370	22	5,316	2
Financial expenses	15	(5,366)		(4,784)	
Exchange gains and losses	15	766		86	
Income from/(expenses on) equity investment	22	89		266	
Profit before taxes		18,881		34,860	
Income taxes	16	(5,755)		(9,213)	
Net profit (A)		13,126		25,647	
(Profit)/loss attributable to non controlling interests		(177)		(250)	
Net profit attributable to the Group		12,949		25,397	
Basic earnings per share	17	0.079		0.155	
Diluted earnings per share	17	0.079		0.155	

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME	Notes	Year 2019	Year 2018
Net profit (A)		13,126	25,647
Profits/(losses) deriving from the conversion of foreign company accounts		989	(1,041)
Actuarial profits/(losses) deriving from defined benefit plans (*)		(245)	45
Income taxes on OCI (*)		68	(13)
Total other components to be included in the comprehensive income statement (B)		812	(1,009)
Total comprehensive income for the period (A)+(B)		13,938	24,638
Comprehensive net profit attributable to non controlling interests		(185)	(205)
Comprehensive net profit attributable to the Group		13,753	24,433

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

Emak Group – Consolidated statement of financial position

Thousand of Euro

ASSETS	Notes	31.12.2019	of which to related parties	31.12.2018	of which to related parties
Non-current assets					
Property, plant and equipment	18	76,591		75,446	
Intangible assets	19	20,498		20,195	
Rights of use	20	29,716		-	
Goodwill	21	63,844	12,590	65,773	14,646
Equity investments in other companies	22	8		230	
Equity investments in associates	22	7,399		4,550	
Deferred tax assets	32	8,106		8,480	
Other financial assets	27	2,423	1,223	2,464	260
Other assets	24	63		65	
Total non-current assets		208,648	13,813	177,203	14,906
Current assets					
Inventories	25	158,336		156,678	
Trade and other receivables	24	104,304	1,870	108,328	935
Current tax receivables	32	5,225		6,043	
Other financial assets	27	465	37	554	37
Derivative financial instruments	23	301		283	
Cash and cash equivalents	26	47,695		62,602	
Total current assets		316,326	1,907	334,488	972
TOTAL ASSETS		524,974	15,720	511,691	15,878

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	31.12.2019	of which to related parties	31.12.2018	of which to related parties
Shareholders' Equity					
Shareholders' Equity of the Group	28	209,495		203,744	
Non-controlling interest		2,037		2,076	
Total Shareholders' Equity		211,532		205,820	
Non-current liabilities					
Loans and borrowings due to banks and other lenders	30	98,153		113,328	
Liabilities for leasing	31	25,426		-	
Deferred tax liabilities	32	8,337		8,355	
Employee benefits	33	8,110		8,764	
Provisions for risks and charges	34	2,304		2,173	
Other non-current liabilities	35	486		520	
Total non-current liabilities		142,816		133,140	
Current liabilities					
Trade and other payables	29	90,477	1,349	95,938	3,623
Current tax liabilities	32	4,174		4,913	
Loans and borrowings due to banks and other lenders	30	68,373		69,359	
Liabilities for leasing	31	4,959		-	
Derivative financial instruments	23	908		643	
Provisions for risks and charges	34	1,735		1,878	
Total current liabilities		170,626	1,349	172,731	3,623
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		524,974	1,349	511,691	3,623

Emak Group – Consolidated cash flow statement

(€/000)	Notes	31.12.2019	31.12.2018
Cash flow from operations			
Net profit for the period		13,126	25,647
Amortization, depreciation and impairment losses	14	24,068	15,473
Financial expenses from discounting of debts	15	806	1,194
Income from/(expenses on) equity investment	22	(89)	(266)
Capital (gains)/losses from change in scope of consolidation	15	-	(2,472)
Financial (income)/ Expenses from adjustment of estimated liabilities for outstanding commitment associates' shares	15	(549)	(2,074)
Capital (gains)/losses on disposal of property, plant and equipment		(191)	(140)
Decreases/(increases) in trade and other receivables		3,232	(2,411)
Decreases/(increases) in inventories		(761)	(5,411)
(Decreases)/increases in trade and other payables		(4,229)	(3,714)
Change in employee benefits		(656)	(905)
(Decreases)/increases in provisions for risks and charges		(39)	(628)
Change in derivative financial instruments		246	360
Cash flow from operations		34,964	24,653
Cash flow from investing activities			
Change in property, plant and equipment and intangible assets		(17,732)	(18,157)
(Increases) and decreases in financial assets		(2,405)	4,342
Proceeds from disposal of property, plant and equipment		191	140
Change in scope of consolidation		-	5,484
Cash flow from investing activities		(19,946)	(8,191)
Cash flow from financing activities			
Change in equity		(542)	(349)
Change in short and long-term loans and borrowings		(15,712)	18,018
Liabilities for leasing refund		(5,067)	-
Dividends paid		(7,540)	(5,942)
Cash flow from financing activities		(28,861)	11,727
Total cash flow from operations, investing and financing activities		(13,843)	28,189
Effect of changes from exchange rates and translation reserve		(274)	149
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(14,117)	28,338
OPENING CASH AND CASH EQUIVALENTS		56,106	27,768
CLOSING CASH AND CASH EQUIVALENTS		41,989	56,106
ADDITIONAL INFORMATION ON THE CASH FLOW STATEMENT			
(€/000)		31.12.2019	31.12.2018
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Opening cash and cash equivalents, detailed as follows:		56,106	27,768
Cash and cash equivalents		62,602	40,812
Overdrafts		(6,496)	(13,044)
Closing cash and cash equivalents, detailed as follows:		41,989	56,106
Cash and cash equivalents		47,695	62,602
Overdrafts		(5,706)	(6,496)
Other information:			
Income taxes paid		(7,366)	(7,674)
Financial interest income		244	471
Financial expenses paid		(2,124)	(2,039)
Change in related party receivables and service transactions		(935)	292
Change in related party payables and service transactions		(2,274)	196
Change in trade and other receivables related to tax assets		818	(615)
Change in trade payables and other liabilities related to tax liabilities		(739)	407
Change in related party financial assets		(963)	449
Change in related party financial loans and borrowings		-	-

Emak Group – Consolidated net financial position

Thousand of Euro	31/12/2019	31/12/2019 NO IFRS 16	31/12/2018
A. Cash and cash equivalents	47,695	47,695	62,602
B. Other cash at bank and on hand (held-to-maturity investments)	-	-	-
C. Financial instruments held for trading	-	-	-
D. Liquidity funds (A+B+C)	47,695	47,695	62,602
E. Current financial receivables	766	766	837
F. Current payables to banks	(13,963)	(13,963)	(18,086)
G. Current portion of non current indebtedness	(38,176)	(38,176)	(46,152)
H. Other current financial debts	(22,101)	(17,142)	(5,764)
I. Current financial indebtedness (F+G+H)	(74,240)	(69,281)	(70,002)
J. Current financial indebtedness, net (I+E+D)	(25,779)	(20,820)	(6,563)
K. Non-current payables to banks	(97,802)	(97,802)	(99,817)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(25,777)	(351)	(13,511)
N. Non-current financial indebtedness (K+L+M)	(123,579)	(98,153)	(113,328)
O. Net indebtedness (ESMA) (J+N)	(149,358)	(118,973)	(119,891)
P. Non current financial receivables	2,423	2,423	2,464
Q. Net financial position (O+P)	(146,935)	(116,550)	(117,427)

Emak S.p.A. –Income statement and comprehensive income statement

€	Notes	Year 2019	of which to related parties	Year 2018	of which to related parties
Revenues from sales	8	107,060,957	23,664,483	124,240,305	27,345,046
Other operating incomes	8	2,245,031	1,548,336	825,384	2,380
Change in inventories		(890,144)		(1,744,433)	
Raw materials, consumable and goods	9	(65,312,645)	(25,295,338)	(73,648,027)	(26,607,686)
Personnel expenses	10	(21,628,773)		(24,225,205)	
Other operating costs and provisions	11	(19,589,310)	(876,977)	(19,661,085)	(610,493)
Impairment gains and losses, Amortization and depreciation	12	(10,133,577)		(5,158,035)	
Operating result		(8,248,461)		628,904	
Financial income	13	9,731,250	9,573,536	5,511,678	5,366,169
Financial expenses	13	(803,287)	(829)	(862,095)	(2,146)
Exchange gains and losses	13	788,872		873,670	
Profit before taxes		1,468,374		6,152,157	
Income taxes	14	970,636		(319,751)	
Net profit		2,439,010		5,832,406	

Statement of other comprehensive income

€	Notes	Year 2019	Year 2018
Net profit (A)		2,439,010	5,832,406
Actuarial profits/(losses) deriving from defined benefit plans (*)	31	(98,000)	60,000
Income taxes on OCI (*)		27,000	(17,000)
Total other components to be included in the comprehensive income statement (B)		(71,000)	43,000
Total comprehensive income for the period (A)+(B)		2,368,010	5,875,406

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

Emak S.p.A. - Schedule showing financial statement
ASSETS

€	Notes	31.12.2019	of which to related parties	31.12.2018	of which to related parties
Non-current assets					
Property, plant and equipment	16	30,213,047		30,113,313	
Intangible assets	17	5,402,568		3,741,384	
Goodwill	19	-	-	2,074,305	2,074,305
Rights of use	18	150,349		0	
Equity investments	20	94,326,609		93,681,189	
Deferred tax assets	30	1,693,051		1,853,733	
Other financial assets	22	15,835,150	15,680,864	20,617,970	20,617,970
Other assets	23	2,549		3,350	
Total non-current assets		147,623,323	15,680,864	152,085,244	22,692,275
Current assets					
Inventories	24	34,173,607		35,063,752	
Trade and other receivables	23	38,987,219	11,731,370	44,908,272	15,797,327
Current tax assets	30	1,138,468		1,434,597	
Other financial assets	22	4,927,261	4,927,261	910,468	910,468
Derivative financial instruments	21	178,577		200,106	
Cash and cash equivalents	25	22,323,281		31,086,293	
Total current assets		101,728,413	16,658,631	113,603,488	16,707,795
TOTAL ASSETS		249,351,736	32,339,495	265,688,732	39,400,070

EQUITY AND LIABILITIES

€	Notes	31.12.2019	of which to related parties	31.12.2018	of which to related parties
Capital and reserves					
Issued capital		42,519,776		42,519,776	
Share premium		40,529,032		40,529,032	
Other reserves		35,720,787		34,865,509	
Retained earnings		26,873,124		32,724,349	
Total equity	26	145,642,719		150,638,666	
Non-current liabilities					
Loans and borrowings due to banks and other lenders	28	42,251,605	222,636	46,762,042	259,742
Liabilities for leasing	29	89,839		0	
Deferred tax liabilities	30	1,307,134		1,306,127	
Employee benefits	31	2,982,105		3,124,136	
Provisions for risks and charges	32	355,103		1,935,342	
Other non-current liabilities	33	486,245		519,747	
Total non-current liabilities		47,472,031	222,636	53,647,394	259,742
Current liabilities					
Trade and other payables	27	31,935,206	7,202,229	34,874,629	5,473,571
Current tax liabilities	30	832,304		1,042,986	
Loans and borrowings due to banks and other lenders	28	22,790,578	1,745,825	24,753,268	2,465,962
Liabilities for leasing	29	64,985		0	
Derivative financial instruments	21	314,413		266,267	
Provisions for risks and charges	32	299,500		465,522	
Total current liabilities		56,236,986	8,948,054	61,402,672	7,939,533
TOTAL EQUITY AND LIABILITIES		249,351,736	9,170,690	265,688,732	8,199,275

Emak S.p.A. – Cash flow statement

€/000	Notes	2019	2018
Cash flow from operations			
Net profit for the period		2,439	5,832
Impairment gains and losses, Amortization and depreciation	12	10,134	5,158
Capital (gains)/losses on disposal of property, plant and equipment		15	(14)
Dividends income		(9,022)	(4,804)
Decreases/(increases) in trade and other receivables		1,740	(4,530)
Decreases/(increases) in inventories		890	1,744
(Decreases)/increases in trade and other payables		(883)	(631)
Change in employee benefits	31	(213)	(645)
Revaluation of equity investment	20	-	(1,020)
(Decreases)/increases in provisions for risks and charges	32	(126)	1,605
Change in derivate financial instruments		70	70
Cash flow from operations		5,044	2,765
Cash flow from investing activities			
Dividends income		5,022	4,804
Change in property, plant and equipment and intangible assets		(6,897)	(7,259)
(Increases) and decreases in financial assets		1,989	3,575
Proceeds from disposal of property, plant and equipment		(15)	14
Cash flow from investing activities		99	1,134
Cash flow from financing activities			
Dividends paid		(7,359)	(5,723)
Change in short and long-term loans and borrowings		(6,456)	27,135
Liabilities for leasing refund		(74)	-
Other change in equity		0	43
Cash flow from financing activities		(13,889)	21,455
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(8,746)	25,354
OPENING CASH AND CASH EQUIVALENTS		30,822	5,467
CLOSING CASH AND CASH EQUIVALENTS		22,076	30,822
ADDITIONAL INFORMATION ON THE CASH FLOW STATEMENT			
€/000		2019	2018
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Opening cash and cash equivalents, detailed as follows:		30,822	5,467
Cash and cash equivalents		31,086	8,337
Overdrafts		(264)	(2,870)
Closing cash and cash equivalents, detailed as follows:		22,076	30,822
Cash and cash equivalents		22,323	31,086
Overdrafts		(247)	(264)
Other information:			
Income taxes paid		(136)	(52)
Financial expenses paid		(663)	(518)
Interest IFRS 16		(2)	-
Interest on financings to subsidiary companies		501	539
Interest on financings to parent company		-	2
Interest on financings from subsidiary companies		(1)	(2)
Interest receivable on bank account		48	50
Interest receivable on trade receivables		35	74
Interest receivable on subsidiaries trade receivables		51	21
Effects of exchange rate changes		188	(24)
Change in related party financial assets		921	(1,573)
Change in related party financial loans and borrowings		(757)	1,951
Change in related party receivables and service transactions		4,066	(3,761)
Change in related party payables and service transactions		1,728	(965)
Change in trade and other receivables related to tax assets		457	107
Change in trade payables and other liabilities related to tax liabilities		(210)	149