

Press release

## The Board of Directors approves the draft Company Statutory Financial Statements and the Consolidated Financial Statements for the year 2018

### Proposed dividend of € 0.045 per share

#### Consolidated results

Revenues from sales € 452.8 million - € 422.2 million in 2017

EBITDA € 49.4 million (€ 50.8 million *adjusted*) - € 43.9 million in 2017 (€ 45.6 million *adjusted*)

EBIT € 34 million - € 30 million in 2017

Consolidated net result € 25.6 million - € 16.4 million in 2017

Net negative financial position € 117.4 million (of which € 17.2 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 March 2019- 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, 2018.

#### 2018 CONSOLIDATED RESULTS

Emak Group achieved **consolidated revenues of € 452.8 million**, compared to € 422.2 million of last year, an increase of 7.3%. This increase derives from the contribution of the change in the scope of consolidation for 7.1%, the negative exchange rate effect for 1.4% and an organic growth of 1.6%.

The year saw a positive performance in the Pumps and High Pressure Water Jetting segment (+ 32% compared to 2017), which benefited from both organic growth (+ 3.7%) and full consolidation of the Lavorwash group. The Outdoor Power Equipment recorded a slight decrease (-1.6%) mainly due to the negative season for gardening products which also affected the Components and Accessories sector. The decline in sales of the latter (-9.6%) was also affected by the sale during the year of the company Raico S.r.l.. At the same consolidation area, the delay would have been 1.5%.

**EBITDA (\*)** reached € 49.4 million (€ 50.8 million *adjusted*), compared to € 43.9 million in 2017 (€ 45.6 million *adjusted*). The incidence on revenues stands at 10.9% (11.2% *adjusted*) in spite of 10.4% (10.8% *adjusted*) in 2017.

**EBIT** was € 34 million, in spite of € 30 million of last year. 2018 figure includes impairment losses for an amount of € 0.6 million (in line with what registered in 2017).

**Net result** of 2018 is € 25.6 milioni, compared to € 16.4 million of 2017. 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 € 41.1 million, in spite of € 30.4 million of 2017.

**Net negative financial position** stands at € 117.4 million compared to € 125.3 million at 31 December 2017.

**Investments in property, plant and equipment and intangible assets** realized during 2018 amount to a total of € 18.2 million, focused on product and process innovation.

**Consolidated net equity** at 31 December 2018 is € 205.8 million compared to € 187.5 million at 31 December 2017.

### **Subsequent events**

#### **Acquisition of 30% of Agres Sistemas Eletrônicos SA**

On January 25, 2019 the subsidiary Tecomec S.r.l. has completed the purchase of 30% of the share capital of Agres Sistemas Eletrônicos S.A. ("Agres"), a Brazilian company based in Pinais (Paraná) active in the development and supply, mainly on the local market, of electronic systems (software, hardware and related services) for agricultural machines, in particular spraying and weeding machines and seeders.

The transaction is part of the Group's external growth strategy through the expansion and completion of its product range.

In 2017, the company achieved sales of 26.6 million Reais and EBITDA of approximately 6.2 million Reais. The value of the transaction was 11.7 million Reais (approximately € 2.8 million). The agreements governing the transaction also provide for Put & Call Option on a further 55% stake to be exercised in 2023.

### **Outlook**

For 2019 the Group's prospects remain cautiously optimistic despite an external scenario characterized by persistent macroeconomic uncertainty. The Group will continue its policy of investment in innovation and product development and rationalization of its internal processes with the aim of generating value for all its stakeholders.

### **Shareholders meeting**

#### **Dividend proposal**

The Board of Directors resolved to propose to the General Meeting of Shareholders, convened to meet on 30 April 2019, the **proposal for the distribution of a dividend of € 0.045 per share (coupon no.22)**. The dividend, if approved, will be paid on 5 June 2019, with ex-dividend date 3 June 2019 and record date 4 June 2019.

#### **Remuneration policy**

The Shareholders Meeting will also be called to resolve on the policy of remuneration of directors.

#### **Authorization for the purchase and disposal of treasury shares**

The ordinary Shareholder Meeting will be called to resolve on the proposal for renewal of authorization for the purchase and disposal of treasury shares.

#### **Corporate bodies' renewal**

With the approval of the financial statements at December 31, 2018 the Board of Directors and the Board of Statutory Auditors will end their mandate. Therefore, the Shareholders' Meeting called in ordinary session will be called to elect the new members.

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.

## **Participation at Star Conference, Milan 2019**

Top management will present the results during the meetings with the financial community at the Star Conference organized by the Italian Stock Exchange on 20 and 21 March 2019. The presentation that will be used will be available on the website of the company and the storage mechanism eMarket Storage before the event begins.

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, headcount reorganization and restructuring charges.
- 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.

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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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017
€'000										
Sales to third parties	165,770	168,402	183,111	138,770	103,944	114,983			452,825	422,155
Intersegment sales	1,694	1,851	1,649	1,456	7,988	7,767	(11,331)	(11,074)		
Revenues from sales	167,464	170,253	184,760	140,226	111,932	122,750	(11,331)	(11,074)	452,825	422,155
Ebitda	11,859	9,400	25,356	19,546	13,550	17,372	(1,316)	(2,386)	49,449	43,932
Ebitda/Total Revenues %	7.1%	5.5%	13.7%	13.9%	12.1%	14.2%			10.9%	10.4%
Ebitda before non ordinary expenses	13,599	9,840	25,855	20,804	13,748	17,354	(2,439)	(2,386)	50,763	45,612
Ebitda before non ordinary expenses/Total Revenues %	8.2%	5.8%	14.1%	15.0%	13.2%	15.1%			11.2%	10.8%
Operating result	5,882	3,787	20,255	15,503	9,155	13,073	(1,316)	(2,386)	33,976	29,977
Operating result/Total Revenues %	3.5%	2.2%	11.0%	11.1%	8.2%	10.7%			7.5%	7.1%
Net financial expenses (1)									884	(6,842)
Profit before taxes									34,860	23,135
Income taxes									9,213	6,700
Net profit									25,647	16,435
Net profit/Total Revenues%									5.7%	3.9%

(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	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Net debt	24,025	27,297	86,597	91,969	7,094	7,031	(289)	(1,003)	117,427	125,294
Shareholders' Equity	176,750	176,986	56,259	44,002	48,899	48,975	(76,088)	(82,458)	205,820	187,505
Total Shareholders' Equity and Net debt	200,775	204,283	142,856	135,971	55,993	56,006	(76,377)	(83,461)	323,247	312,799
Net non-current assets (2)	134,048	136,604	77,937	76,648	18,557	19,076	(75,616)	(81,366)	154,926	150,962
Net working capital	66,727	67,679	64,919	59,323	37,436	36,930	(761)	(2,095)	168,321	161,837
Total net capital employed	200,775	204,283	142,856	135,971	55,993	56,006	(76,377)	(83,461)	323,247	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	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Number of employees at period end	764	801	736	704	490	516	9	8	1,999	2,029

OTHER INFORMATIONS	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Amortization, depreciation and impairment losses	5,977	5,613	5,101	4,043	4,395	4,299			15,473	13,955
Investment in property, plant and equipment and in intangible assets	8,100	8,346	5,997	3,767	4,097	5,315			18,194	17,428

## Emak Group– Consolidated income statement and comprehensive income statement

CONSOLIDATED INCOME STATEMENT	Notes	Year 2018	of which to related parties	Year 2017	of which to related parties
<b>Revenues from sales</b>	10	<b>452,825</b>	<b>778</b>	<b>422,155</b>	<b>1,308</b>
Other operating incomes	10	5,465		3,684	
Change in inventories		4,621		14,168	
Raw materials, consumable and goods	11	(243,182)	(4,545)	(234,565)	(6,640)
Personnel expenses	12	(83,310)		(80,055)	
Other operating costs and provisions	13	(86,970)	(2,361)	(81,455)	(2,531)
Amortization, depreciation and impairment losses	14	(15,473)		(13,955)	
<b>Operating result</b>		<b>33,976</b>		<b>29,977</b>	
Financial income	15	5,316	2	1,807	8
Financial expenses	15	(4,784)		(4,820)	
Exchange gains and losses	15	86		(4,218)	
Income from/(expenses on) equity investment	21	266		389	
<b>Profit before taxes</b>		<b>34,860</b>		<b>23,135</b>	
Income taxes	16	(9,213)		(6,700)	
<b>Net profit (A)</b>		<b>25,647</b>		<b>16,435</b>	
(Profit)/loss attributable to non controlling interests		(250)		(270)	
<b>Net profit attributable to the Group</b>		<b>25,397</b>		<b>16,165</b>	
<b>Basic earnings per share</b>	17	<b>0.155</b>		<b>0.099</b>	
<b>Diluted earnings per share</b>	17	<b>0.155</b>		<b>0.099</b>	
<b>CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME</b>					
	Notes	Year 2018		Year 2017	
<b>Net profit (A)</b>		<b>25,647</b>		<b>16,435</b>	
Profits/(losses) deriving from the conversion of foreign company accounts		(1,041)		(5,330)	
Actuarial profits/(losses) deriving from defined benefit plans (*)		45		(470)	
Income taxes on OCI (*)		(13)		133	
<b>Total other components to be included in the comprehensive income statement (B)</b>		<b>(1,009)</b>		<b>(5,667)</b>	
<b>Total comprehensive income for the period (A)+(B)</b>		<b>24,638</b>		<b>10,768</b>	
Comprehensive net profit attributable to non controlling interests		(205)		(166)	
Comprehensive net profit attributable to the Group		24,433		10,602	
(*) Items will not be classified in the income statement					

## Emak Group – Consolidated statement of financial position

Thousand of Euro

ASSETS	Notes	31.12.2018	of which to related parties	31.12.2017	of which to related parties
<b>Non-current assets</b>					
Property, plant and equipment	18	75,446		73,275	
Intangible assets	19	20,195		20,327	
Goodwill	20	65,773	14,646	67,112	14,670
Equity investments in other companies	21	230		230	
Equity investments in associates	21	4,550		4,284	
Deferred tax assets	30	8,480		9,068	
Other financial assets	26	2,464	260	752	297
Other assets	23	65		65	
<b>Total non-current assets</b>		<b>177,203</b>	<b>14,906</b>	<b>175,113</b>	<b>14,967</b>
<b>Current assets</b>					
Inventories	24	156,678		155,727	
Trade and other receivables	23	108,328	935	109,394	1,227
Current tax receivables	30	6,043		5,428	
Other financial assets	26	554	37	7,348	449
Derivative financial instruments	22	283		201	
Cash and cash equivalents	25	62,602		40,812	
<b>Total current assets</b>		<b>334,488</b>	<b>972</b>	<b>318,910</b>	<b>1,676</b>
<b>TOTAL ASSETS</b>		<b>511,691</b>	<b>15,878</b>	<b>494,023</b>	<b>16,643</b>

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	31.12.2018	of which to related parties	31.12.2017	of which to related parties
<b>Shareholders' Equity</b>					
Shareholders' Equity of the Group	27	203,744		184,783	
Non-controlling interest		2,076		2,722	
<b>Total Shareholders' Equity</b>		<b>205,820</b>		<b>187,505</b>	
<b>Non-current liabilities</b>					
Loans and borrowings due to banks and other lenders	29	113,328		95,730	
Deferred tax liabilities	30	8,355		9,622	
Employee benefits	31	8,764		10,932	
Provisions for risks and charges	32	2,173		2,265	
Other non-current liabilities	33	520		579	
<b>Total non-current liabilities</b>		<b>133,140</b>		<b>119,128</b>	
<b>Current liabilities</b>					
Trade and other payables	28	95,938	3,623	101,515	3,444
Current tax liabilities	30	4,913		4,676	
Loans and borrowings due to banks and other lenders	29	69,359		78,469	
Derivative financial instruments	22	643		208	
Provisions for risks and charges	32	1,878		2,522	
<b>Total current liabilities</b>		<b>172,731</b>	<b>3,623</b>	<b>187,390</b>	<b>3,444</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>511,691</b>	<b>3,623</b>	<b>494,023</b>	<b>3,444</b>

## Emak Group – Consolidated cash flow statement

( €/000 )	Notes	31.12.2018	31.12.2017
<b>Cash flow from operations</b>			
<b>Net profit for the period</b>		<b>25,647</b>	<b>16,435</b>
Amortization, depreciation and impairment losses	14	15,473	13,955
Financial expenses from discounting of debts	15	1,194	1,691
Income from equity investment	21	(266)	(389)
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	(2,074)	(281)
Capital (gains)/losses on disposal of property, plant and equipment		(140)	(184)
Decreases/(increases) in trade and other receivables		(2,411)	4,336
Decreases/(increases) in inventories		(5,411)	(13,713)
(Decreases)/increases in trade and other payables		(3,714)	5,269
Change in employee benefits		(905)	(44)
(Decreases)/increases in provisions for risks and charges		(628)	(12)
Change in derivative financial instruments		360	(297)
<b>Cash flow from operations</b>		<b>24,653</b>	<b>26,766</b>
<b>Cash flow from investing activities</b>			
Change in property, plant and equipment and intangible assets		(18,157)	(16,164)
(Increases) and decreases in financial assets		4,342	1,257
Proceeds from disposal of property, plant and equipment		140	184
Change in scope of consolidation		5,484	(40,905)
<b>Cash flow from investing activities</b>		<b>(8,191)</b>	<b>(55,628)</b>
<b>Cash flow from financing activities</b>			
Change in equity		(349)	(612)
Change in short and long-term loans and borrowings		18,018	35,201
Dividends paid		(5,942)	(5,815)
<b>Cash flow from financing activities</b>		<b>11,727</b>	<b>28,774</b>
<b>Total cash flow from operations, investing and financing activities</b>		<b>28,189</b>	<b>(88)</b>
<b>Effect of changes from exchange rates and translation reserve</b>		<b>149</b>	<b>836</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>28,338</b>	<b>748</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>		<b>27,768</b>	<b>27,020</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<b>56,106</b>	<b>27,768</b>
<b>ADDITIONAL INFORMATION ON THE CASH FLOW STATEMENT</b>			
( €/000 )		31.12.2018	31.12.2017
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
<b>Opening cash and cash equivalents, detailed as follows:</b>	25	<b>27,768</b>	<b>27,020</b>
Cash and cash equivalents		40,812	32,545
Overdrafts		(13,044)	(5,525)
<b>Closing cash and cash equivalents, detailed as follows:</b>	25	<b>56,106</b>	<b>27,768</b>
Cash and cash equivalents		62,602	40,812
Overdrafts		(6,496)	(13,044)
<b>Other information:</b>			
Income taxes paid		(7,674)	(11,419)
Financial interest income		471	304
Financial expenses paid		(2,039)	(1,802)
Change in related party receivables and service transactions		292	454
Change in related party payables and service transactions		196	19
Change in trade and other receivables related to tax assets		(615)	(451)
Change in trade payables and other liabilities related to tax liabilities		407	(920)
Change in related party financial assets		449	37
Change in related party financial loans and borrowings		-	-

**Emak Group – Consolidated net financial position**

Thousand of Euro	31/12/2018	31/12/2017
A. Cash	62,602	40,812
B. Other cash at bank and on hand (held-to-maturity investments)	-	-
C. Financial instruments held for trading	-	-
<b>D. Liquidity funds (A+B+C)</b>	<b>62,602</b>	<b>40,812</b>
<b>E. Current financial receivables</b>	<b>837</b>	<b>7,549</b>
F. Current payables to banks	(18,086)	(36,570)
G. Current portion of non current indebtedness	(46,152)	(31,956)
H. Other current financial debts	(5,764)	(10,151)
<b>I. Current financial indebtedness (F+G+H)</b>	<b>(70,002)</b>	<b>(78,677)</b>
<b>J. Current financial indebtedness, net (I+E+D)</b>	<b>(6,563)</b>	<b>(30,316)</b>
K. Non-current payables to banks	(99,817)	(80,084)
L. Bonds issued	-	-
M. Other non-current financial debts	(13,511)	(15,646)
<b>N. Non-current financial indebtedness (K+L+M)</b>	<b>(113,328)</b>	<b>(95,730)</b>
<b>O. Net indebtedness (J+N)</b>	<b>(119,891)</b>	<b>(126,046)</b>
P. Non current financial receivables	2,464	752
<b>Q. Net financial position (O+P)</b>	<b>(117,427)</b>	<b>(125,294)</b>



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

€	Notes	Year 2018	of which to related parties	Year 2017	of which to related parties
<b>Revenues from sales</b>	<b>8</b>	<b>124,240,305</b>	<b>27,345,046</b>	<b>125,425,877</b>	<b>32,177,519</b>
Other operating incomes	8	825,384	2,380	456,805	1,400
Change in inventories		(1,744,433)		3,434,425	
Raw materials, consumable and goods	9	(73,648,027)	(26,607,686)	(80,936,263)	(28,386,543)
Personnel expenses	10	(24,225,205)		(24,697,104)	
Other operating costs and provisions	11	(19,661,085)	(610,493)	(19,872,125)	(896,187)
Impairment gains and losses, Amortization and depreciation	12	(5,158,035)		(4,944,401)	
<b>Operating result</b>		<b>628,904</b>		<b>(1,132,786)</b>	
Financial income	13	5,511,678	5,366,169	5,544,914	5,254,631
Financial expenses	13	(862,095)	(2,146)	(692,222)	(8,943)
Exchange gains and losses	13	873,670		(2,288,067)	
<b>Profit before taxes</b>		<b>6,152,157</b>		<b>1,431,839</b>	
Income taxes	14	(319,751)		1,327,595	
<b>Net profit</b>		<b>5,832,406</b>		<b>2,759,434</b>	

**Statement of other comprehensive income**

€	Notes	Year 2018	Year 2017
<b>Net profit (A)</b>		<b>5,832,406</b>	<b>2,759,434</b>
Actuarial profits/(losses) deriving from defined benefit plans (*)	29	60,000	(207,000)
Income taxes on OCI (*)		(17,000)	58,000
<b>Total other components to be included in the comprehensive income statement (B)</b>		<b>43,000</b>	<b>(149,000)</b>
<b>Total comprehensive income for the period (A)+(B)</b>		<b>5,875,406</b>	<b>2,610,434</b>

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

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

€	Notes	31.12.2018	of which to related parties	31.12.2017	of which to related parties
<b>Non-current assets</b>					
Property, plant and equipment	16	30,113,313		29,415,087	
Intangible assets	17	3,741,384		2,338,252	
Goodwill	18	2,074,305	2,074,305	2,074,305	2,074,305
Equity investments	19	93,681,189		97,397,145	
Deferred tax assets	28	1,853,733		2,215,690	
Other financial assets	21	20,617,970	20,617,970	18,071,986	18,071,986
Other assets	22	3,350		3,350	
<b>Total non-current assets</b>		<b>152,085,244</b>	<b>22,692,275</b>	<b>151,515,815</b>	<b>20,146,291</b>
<b>Current assets</b>					
Inventories	23	35,063,752		36,808,185	
Trade and other receivables	22	44,908,272	15,797,327	40,708,259	12,036,246
Current tax assets	28	1,434,597		1,154,694	
Other financial assets	21	910,468	910,468	1,883,168	1,883,168
Derivative financial instruments	20	200,106		79,003	
Cash and cash equivalents	24	31,086,293		8,337,136	
<b>Total current assets</b>		<b>113,603,488</b>	<b>16,707,795</b>	<b>88,970,445</b>	<b>13,919,414</b>
<b>TOTAL ASSETS</b>		<b>265,688,732</b>	<b>39,400,070</b>	<b>240,486,260</b>	<b>34,065,705</b>

**EQUITY AND LIABILITIES**

€	Notes	31.12.2018	of which to related parties	31.12.2017	of which to related parties
<b>Capital and reserves</b>					
Issued capital		42,519,776		42,519,776	
Share premium		40,529,032		40,529,032	
Other reserves		34,865,509		34,516,139	
Retained earnings		32,724,349		32,922,131	
<b>Total equity</b>	<b>25</b>	<b>150,638,666</b>		<b>150,487,078</b>	
<b>Non-current liabilities</b>					
Loans and borrowings due to banks and other lenders	27	46,762,042	259,742	29,854,300	296,848
Deferred tax liabilities	28	1,306,127		1,267,372	
Employee benefits	29	3,124,136		3,768,874	
Provisions for risks and charges	30	1,935,342		346,952	
Other non-current liabilities	31	519,747		578,737	
<b>Total non-current liabilities</b>		<b>53,647,394</b>	<b>259,742</b>	<b>35,816,235</b>	<b>296,848</b>
<b>Current liabilities</b>					
Trade and other payables	26	34,874,629	5,473,571	35,553,118	6,439,675
Current tax liabilities	28	1,042,986		975,589	
Loans and borrowings due to banks and other lenders	27	24,753,268	2,465,962	17,130,820	478,030
Derivative financial instruments	20	266,267		74,898	
Provisions for risks and charges	30	465,522		448,522	
<b>Total current liabilities</b>		<b>61,402,672</b>	<b>7,939,533</b>	<b>54,182,947</b>	<b>6,917,705</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>265,688,732</b>	<b>8,199,275</b>	<b>240,486,260</b>	<b>7,214,553</b>

**Emak S.p.A. – Cash flow statement**

€/000	Notes	2018	2017
<b>Cash flow from operations</b>			
<b>Net profit for the period</b>		<b>5,832</b>	<b>2,759</b>
Impairment gains and losses, Amortization and depreciation	12	5,158	4,944
Capital (gains)/losses on disposal of property, plant and equipment		(14)	(4)
Dividends income		(4,804)	(4,834)
Decreases/(increases) in trade and other receivables		(4,118)	5,778
Decreases/(increases) in inventories		1,744	(3,434)
(Decreases)/increases in trade and other payables		(631)	2,004
Change in employee benefits	29	(645)	(8)
Revaluation of equity investment	19	(1,020)	-
Increase of equity investment for conversion of financial receivables	19	(412)	-
(Decreases)/increases in provisions for risks and charges	30	1,605	(568)
Change in derivate financial instruments		70	(137)
<b>Cash flow from operations</b>		<b>2,765</b>	<b>6,500</b>
<b>Cash flow from investing activities</b>			
Dividends income		4,804	4,834
Change in property, plant and equipment and intangible assets		(7,259)	(7,084)
(Increases) and decreases in financial assets		3,575	(12,825)
Proceeds from disposal of property, plant and equipment		14	4
<b>Cash flow from investing activities</b>		<b>1,134</b>	<b>(15,071)</b>
<b>Cash flow from financing activities</b>			
Dividends paid		(5,723)	(5,723)
Change in short and long-term loans and borrowings		27,135	(1,515)
Change in equity		43	(149)
<b>Cash flow from financing activities</b>		<b>21,455</b>	<b>(7,387)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>25,354</b>	<b>(15,958)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>		<b>5,467</b>	<b>21,425</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<b>30,822</b>	<b>5,467</b>
<b>ADDITIONAL INFORMATION ON THE CASH FLOW STATEMENT</b>			
€/000		2018	2017
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
<b>Opening cash and cash equivalents, detailed as follows:</b>	24	<b>5,467</b>	<b>21,425</b>
Cash and cash equivalents		8,337	21,425
Overdrafts		(2,870)	-
<b>Closing cash and cash equivalents, detailed as follows:</b>	24	<b>30,822</b>	<b>5,467</b>
Cash and cash equivalents		31,086	8,337
Overdrafts		(264)	(2,870)
<b>Other information:</b>			
Income taxes paid		(52)	(50)
Interest paid		(518)	(595)
Interest on financings to subsidiary companies		539	352
Interest on financings to parent company		2	8
Interest on financings from subsidiary companies		(2)	(9)
Interest receivable on bank account		50	114
Interest receivable on trade receivables		74	69
Interest receivable on subsidiaries trade receivables		21	-
Effects of exchange rate changes		(24)	1,354
Change in related party financial assets transactions		(1,573)	(12,832)
Change in related party financial liabilities transactions		1,951	(1,515)
Change in trade receivables and others toward related parties		(3,761)	53
Change in trade payables and others toward related parties		(965)	(2,388)
Change in trade receivables and others related to fiscal assets		107	547
Change trade in payables and others related to fiscal liabilities		149	(309)