

sidermec

GROUP

Annual report 2017

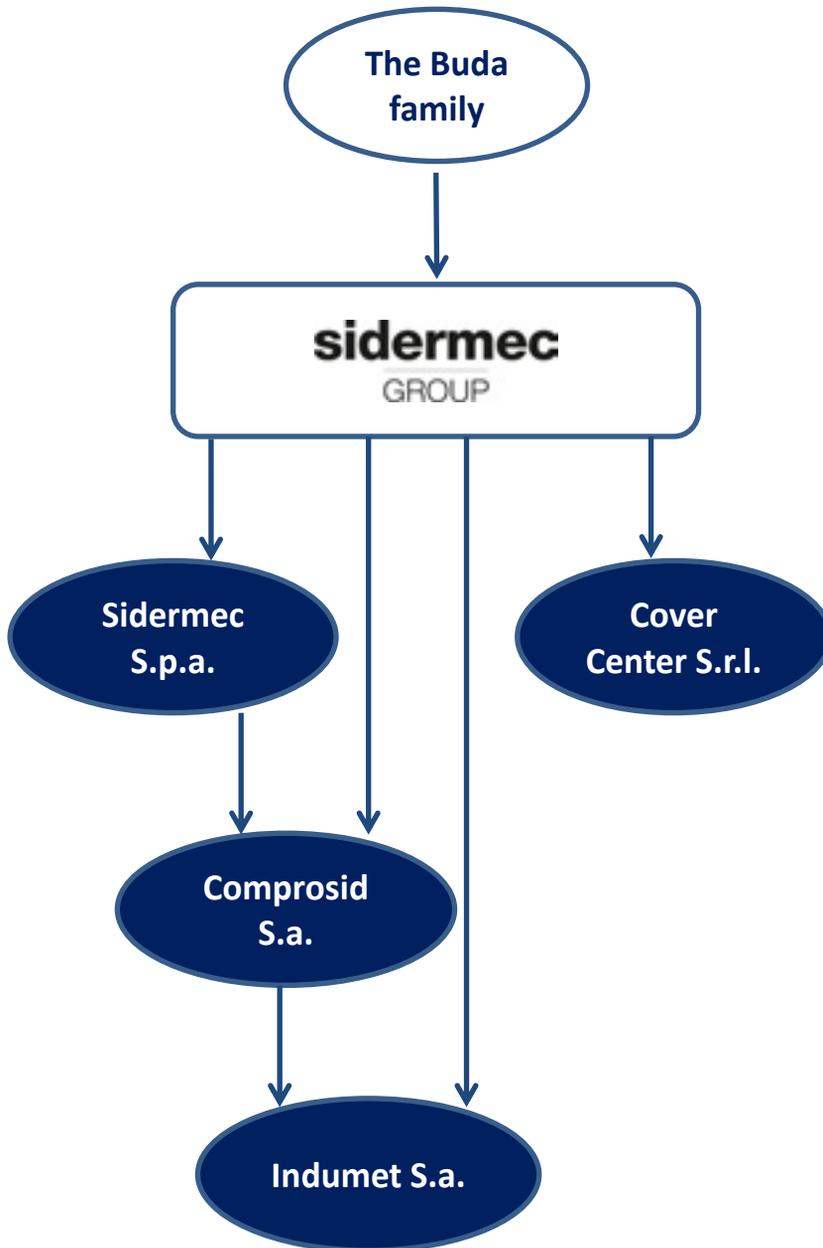
A decorative graphic at the bottom of the page consists of a dark blue background with a lighter blue geometric shape that resembles a stylized 'V' or a corner. The right side of this shape features a series of fine, parallel lines that create a sense of depth and movement.

Annual Report 2017

sidermec
GROUP

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SIDERMEC GROUP

Head offices

Board of Directors

President and legal representative: Alessandro Buda

Advisors: Giuseppe Buda, Angelica Buda

Sole auditor: Giuseppe Chieffo

SIDERMEC S.p.a

Service centre in Italy

Board of Directors

President and legal representative: Giuseppe Buda

Vicepresidente: Annamaria Botticelli

Advisors: Alessandro Buda, Angelica Buda, Marilisa Lessi

Board of Statutory Auditors

President: Giancarlo Cecchi

Mayors: Luca Tommasini, Laurent Casadei

Statutory auditor: Alan Landi

INDUMET S.a.

Service centre in Belgium

Directors: Giuseppe Buda, Alessandro Buda,
Julien Dumez, Gabriele Maffi, Rodolfo Schmid

Auditor: Hault & Associés

COMPROSID S.a.

Trading

President: Giuseppe Buda

Secretary: Rodolfo Schmid

Member: Silvia Muller

Auditor: Core fiduciaria S.a.

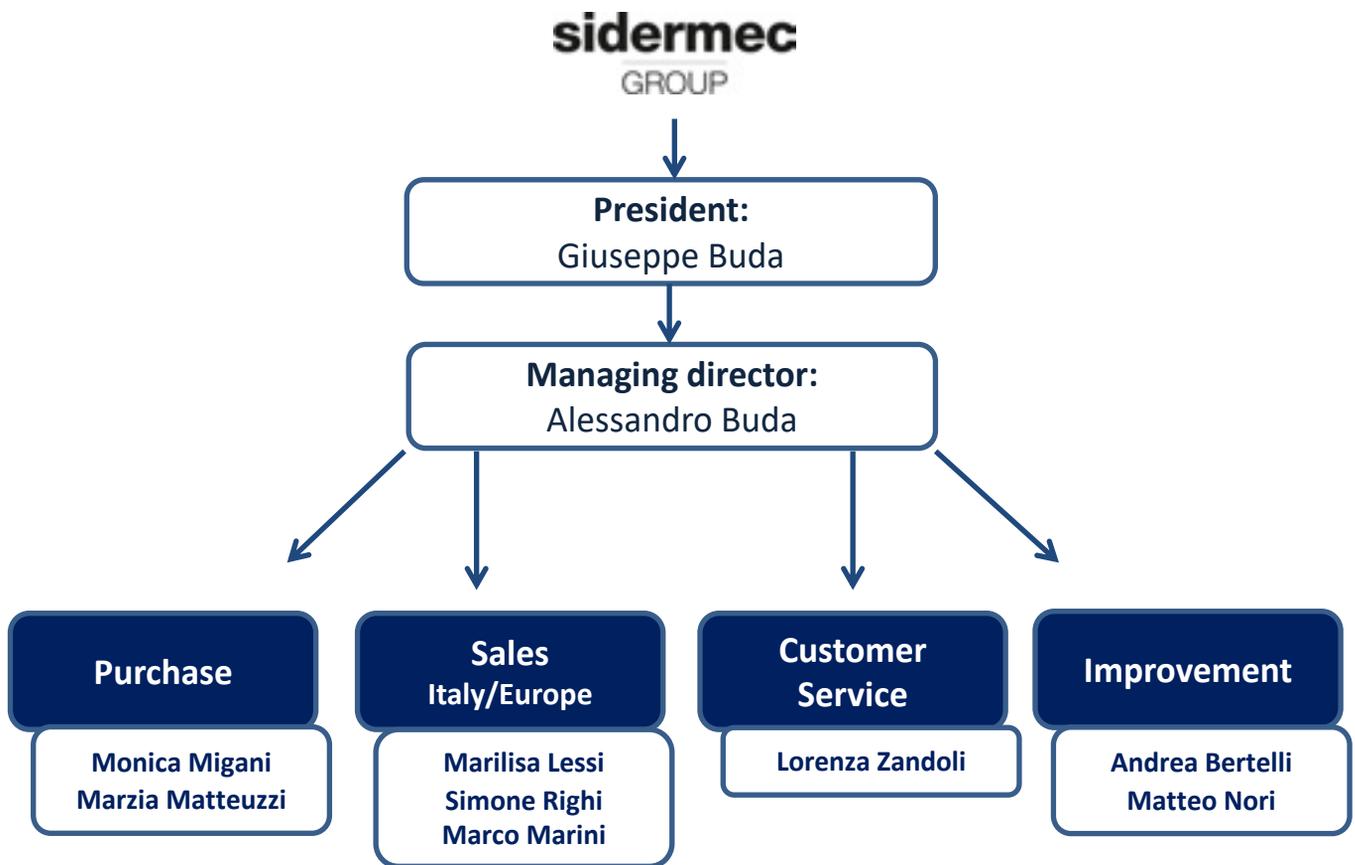
COVER CENTER S.r.l.

Moulding components

Board of Directors

President and legal representative: Alessandro Buda

Councilor: Marilisa Lessi



SIDERMEC S.P.A.

**Production /
Logistics**

**Angelica Buda
Emanuele Buda**

Quality

Silvio Lunedei

INDUMET S.A.

Plant Manager

Gabriele Maffi

**Sales
(big export)**

Gary Delvaux

**Production /
Logistics**

**Delphine
Stoffels**

Quality

**Annino
Crisigiovanni**

3.

History

2024	50 years ?	
2018	It opens a 2 nd plant in Italy (Vicenza) + 6000 m ²	
2014	Sidermec Group starts the A R T I N communication project 7 th cutting line (Belgium) is purchased, reaching a production capacity of over 200,000 tons per year	
2013	It purchases the 6 ^o cutting line (Italy)	
2012	The sidermec GROUP history begins, the family holding company	
2011 2000	It purchases the 3 ^o cutting line (2000 - Belgium), the 4 ^o cutting line (2009) exceeding 100,000 tons/year production capacity and the 5 ^o cutting line (2011 - Belgium)	
1994	It takes over INDUMET in Belgium 20 years	
1991	Sidermec purchases the 2 ^o cutting line	
1989	It opens Cover Center (bottoms & lids)	
1983	Sidermec starts cycling sponsorships  Sidermec purchases the 1 ^o cutting line	
1974	The story of SIDERMEC begins	

4. Management process

Sidermec Group S.r.l. operates mainly in the wholesale **tinplate** industry through its subsidiaries **Sidermec S.p.a.**, **Indumet S.A.** and **Comprosid S.A.**

Furthermore, the subsidiary **Cover Center S.r.l.** carries out the production activity of bottoms, lids and other small metal parts in tinplate.

+ 122,5 % net profit

The 2016/2017 financial year closed positively with a **net profit** attributable to the Group **increasing** by **122,5%** compared to the previous year.

The marked improvement in consolidated profit is found in both the increase in the **turnover** and simultaneously in the containment of **operating costs** .

The turnover increase and the margin improvements were also positively influenced by the rise in price .

+ 65,2% operational management

To be highlighted is the consistent increase in the feature management result, in particular the 65.2% increase compared to the previous year.

The Asian competition on hot-rolled coils, the raw material for tinplate production was partially blocked by the various **anti-dumping** actions implemented by the European Community.

Furthermore, the actions promoted by the Chinese government to strongly reduce the over production capacity and pollution have exerted pressure **increasing import prices**, bringing the tinplate price to over 70/80 euro per ton in just a few months, when the second part of the year's trend should have been a downward trend.

Our main **product**, from ready to be used and deriving from exclusively European origin surplus, has returned to being highly **competitive** in Europe also helped by the **purchasing race** with a consequent decrease in availability on behalf of customers who had moved away in recent years. The lack of availability at our local suppliers has caused a drop in volumes of first choice for us but well compensated by the increase in **just in time** quantities.

The Group continues its investment strategy to **increase** internal productivity and improve customer service as well as resisting Asian competition.

+ 5,3% of consolidated net revenues

compared to the previous year and are mainly represented by tinplate sales.

5. Management outlook

In the first **three months** of the New Year there was a boom in **sales (+34%)** compared to the same period of the previous year. This is due to the effects that occurred on the market due to the recovery of **competitiveness** of our product in front of a **lack** of import **offer** and **high demand** in Europe.

With presumable double-digit price increases starting in 2018, a policy for increasing purchases has begun in order to be able to sell the **just in time** in the best possible way.

In the first months of the 2017/2018 financial year, the subsidiary Sidermec S.p.a. finalized the **purchase** of a **plant** in the province of Vicenza that will start operating in 2018. This new **investment** aims to improve our **presence** on the Italian and European **market** in a **strategic vision** to bring the major lithographic and general consumption closer together, also satisfying an urgent local demand due to the closure of an important cutting center.

The Italian service center also intends to promote an instrumental investment plan, also in order to facilitate the **Industry 4.0**, to increase the company productivity and the quality of the products offered.

Among the main investment there are production department **computerization**, **remote supervision** on the cutting line department productivity and **camera supervision** of the coil **quality** during production.

Future scenarios which foresee European **mergers** (such as Tata-Thyssen) and **incorporations** (Ilva being purchased by Arcelor Mittal, our main supplier), can only lead to a greater market **stabilization** and further **consolidation** of our position, also taking into account our **double hub** in Italy and Belgium as well as a **leading market share** in Europe among the **independent service centers**.



In the photo, when signing the contract at Sidermec 's headquarters in Gatteo, a handshake between **Gianni Savio** - manager of the cycling team **Androni Giocattoli - Sidermec**, and **Pino Buda**, historical **sponsor**, who is kind-heartedly wearing the team's shirt.



SIDERMEC S.P.A.



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