

The pandemic doesn't stop the Sabaf Group

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Despite the pandemic, the **Sabaf Group** recorded positive results both for the fourth quarter of 2020 and for the full year 2020. **Revenue amounted to €59.5 million in the fourth quarter, up 46.2%** from €40.7 million in the same period of 2019. This is an unprecedented result in the Group's history to which the start of



the supply of burners on a global scale to strategic customers and cross-selling between the gas and electronics divisions contributed significantly. The latter, in particular, recorded a 77% increase in sales in the fourth quarter of 2020. To cope with the sudden increase in orders, the Group promptly implemented measures to increase and maximise production capacity. This resulted in a substantial improvement in profitability: EBITDA for the fourth quarter of 2020 was €14.2 million, or 23.9% of sales, up by 116% compared to the figure of €6.6 million in the fourth quarter of 2019 (16.2% of sales). EBIT was €9.9 million or 16.6% of sales, and 360.4% higher than €2.1 million of the same quarter in 2019 (5.3% of sales). The net profit for the period was €9.7 million, up by 211.1% compared to the figure of €3.1 million in the fourth quarter of 2019. Besides, **in the whole of 2020, revenue totalled €184.9 million, up by 18.6%** compared to €155.9 million in 2019 (+8.4% on a like-for-like consolidation scope). EBITDA was €37.1 million (20.1% of turnover), up 37.2% compared to €27 million last year (17.3% of turnover) and EBIT was €20.1 million (10.9% of turnover) with a 68.9% increase compared to €11.9 million in 2019. The net profit for 2020 was €14 million, up by 40.8% compared to the figure of €9.9 million in 2019.

Considering investments and financial position, in the fourth quarter of 2020, the positive free cash flow was €9.1 million. During the same period, investments amounted to €5 million (€4.9 million in the fourth quarter of 2019), bringing total investments for the year to €17.3 million (€12 million in 2019). Investments in 2020 were mainly aimed at industrialising new products to significantly increase shares with certain strategic customers.

As regards to the outlook, the Group communicated that, **in the first half of 2021, sales and orders will remain at the high levels of the end of 2020**, considering that all markets continue to show very strong demand. This trend is expected to continue in the third quarter, fuelled, for the Sabaf Group, by the supply contracts launched in 2020 and the business plans in progress.

Therefore, for the whole of 2021, it is believed that it will be possible to achieve revenue in excess of €200 million, up at least 8% on 2020. Furthermore, it is expected that the diversification of the Group's offer, the favourable trend in sales prices and the full utilisation of the production capacity will be able to balance the increase in the cost of raw materials and a possible unfavourable exchange rate trend, allowing the Group to maintain an operating profitability (EBITDA %) close to 20%. "I am very pleased with the results that the Sabaf Group has been able to achieve in what has certainly been a complicated year – said the **Chief Executive Officer Pietro Iotti** -. Our efforts in innovation, product range expansion and internationalisation provide a solid foundation for robust and sustainable growth in the future. We expect to drive the Group's expansion also through further acquisitions".