



PRESS RELEASE

SCM Group presents its 2015 results

Total revenues exceed 500 million Euro. The Woodworking Division records an extraordinary performance, with sales topping 380 million Euro, confirming the Group as the "World second largest player".

The **SCM Group** held its press conference this morning as part of the 18th **Holz-Handwerk** trade fair in Nuremberg, Germany. The Group is a leading producer of advanced technology solutions for the woodworking industry.

Andrea Aureli, the SCM Group Chief Executive Officer, underscored the outstanding 2015 results, achieved thanks to the unique values that helped make SCM a world leader. The Group, headquartered in Rimini, Italy, includes 20 overseas branches, 3 main production centres in Italy with total area of 600,000 square meters, and over **3,000 employees, 1,000 assistance technicians** and over **350 distributors** and agents operating in 120 countries.

"We are extremely pleased with the 2015 results. We closed the year with over 500 million Euro in sales, a 10% growth compared to 2014, and with 56 million of gross operating margin, a net profit of 17 million and debt down to zero," said Mr. Aureli. "We also recorded significant achievements in overseas markets, which account for 90% of our business. We opened three new branches in Dubai, Kuala Lumpur and the U.S. West Coast, expanding our already widespread international network."

Mr. Andrea Aureli also stressed the importance of investments the Group intends to make as part of its 2016-2018 business plan: "Our 2016 – 2018 business plan is to continue to make significant investments in R&D to fill market needs. These investments, along with our unique ability to identify the specific needs of our customers, give us the power to develop **effective** business solutions."

The second to take the stage at Holz-Handwerk was Mr. Luigi De Vito, Director of the SCM Group Woodworking Machinery Division, who presented the outstanding results of the Woodworking Division, an excellent worldwide leader. "With our Woodworking Machinery Division – whose offering addresses the entire secondary wood processing sector, with a market value estimated at 3,300 million Euro – we have reached a turnover exceeding 380 million Euro, a brilliant result which places us as the second player in the sector.

The Division's turnover has increased by 23% compared to 2014, with over 17,000 machines sold. Mr. De Vito explained that behind this growth "The top performers are without a question two technologies: all models of our machining centres and our edgebanders achieving over 30% in orders total growth. Without forgetting a 16% rise in orders for our classic machines, all while our competitors are reporting declining sales. Regarding specific markets, we are proud of our growth in the Western European area, a +40% surge, with Italy leading the way with +70%; followed by the Asia & Pacific markets, with a +60% growth."

Mr. De Vito also listed the major *investments* the Group plans to make in the coming years: "We will continue to *invest heavily in international markets*, particularly in emerging markets such as the Asian Far East, in order to accompany our customers more closely." Also in more consolidated markets, such as Europe, "we are going to boost our position by establishing partnerships with top-quality companies, in Austria and Switzerland for example, where our product line will be marketed by leading local distributors, with first-rate specialists, impeccable service and technical support."

Another market which the Group has been studying with great interest is the wood construction industry, in which, according Mr. De Vito, "our CNC machining technologies are the jewels in our crown thanks to their machining versatility and reliability, and in which we are committed to continue investing in both product development and distribution."





Mr. De Vito then recalled **the Group's great commitment to R&D**, in which it invests annually 5% of sales, "and thanks to which we can easily confirm our leadership in CNC machining centres, with excellent brands such as Morbidelli, Routech, SCM, CMS and Balestrini" and the "amazing results in software development, a fundamental building block in the logic of 'Smart Manufacturing'." Talking about software, Mr. De Vito noted that "we offer the widest range of software solutions, assembled in a single suite developed entirely by our Group and designed to optimize and facilitate the operation of our machines. The **Maestro suite is easy to use and easy to programme, with maximum design flexibility**."

Another great success mentioned by Mr. De Vito and of which the Group is very proud is that of our **Engineering Division**, which focuses on designing and building large integrated lines and systems, and recorded a **30% growth rate in 2015**, a clear sign that the market appreciates a lot our ability to stay close to clients by designing customised solutions that meet their actual specific needs.

During the press conference the new concept behind the Group communication campaign at the fair was introduced with its motto, "Strong Reasons Why", illustrating why working with the SCM Group and establishing a partnership leads to a path of success. The idea is to focus on the Group's strong values, which translate into tangible benefits for operators, and to demonstrate the company's ability to offer industry professionals an extremely wide and complete range of woodworking products and solutions.

Please find the complete Scm Group – HolzHandwerk PR Kit at: www.scmgroup.com/press/holzhandwerk

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