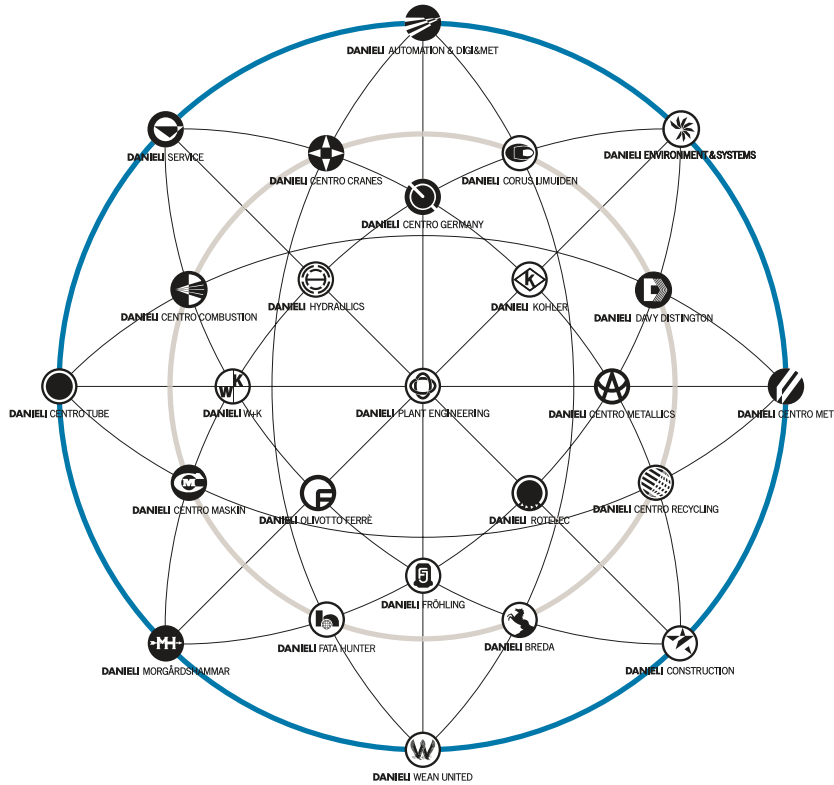


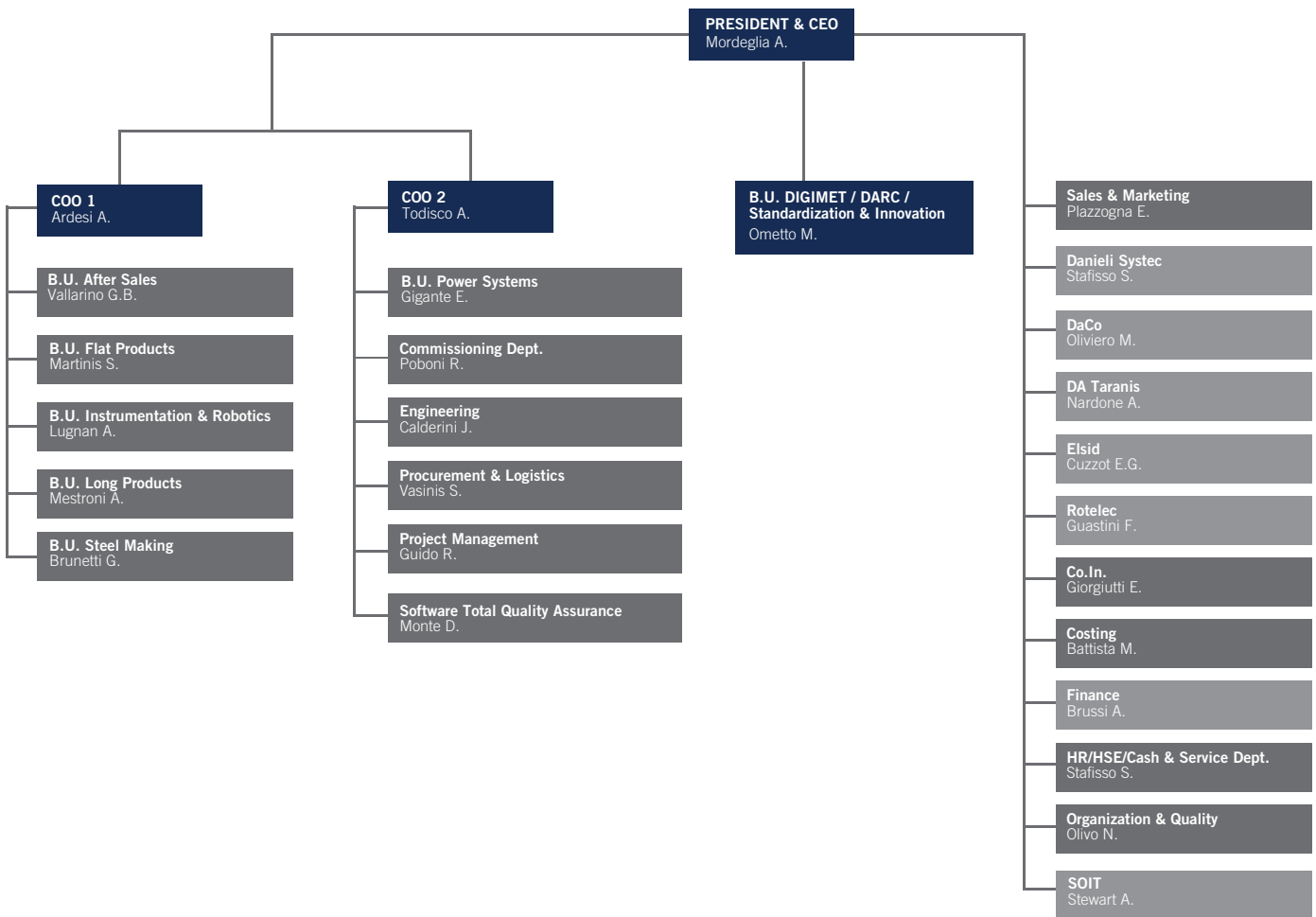
DANIELI  
AUTOMATION

2018 Annual Report

**Danieli Group**



<b>Danieli Plant Engineering</b>	Since 1964	Italy	Turnkey Plants and Systems Engineering
<b>Danieli Fata EPC</b>	Since 1965	Italy, USA, India, China, UAE	Turnkey Plant Engineering, Procurement, Construction
<b>Danieli Automation &amp; Digi&amp;Met</b>	Since 1969	Italy, USA	Process Control Systems
<b>Danieli Centro Metallics</b>	Since 1987	Italy	Ore Processing and Direct Reduction Plants
<b>Danieli Corus IJmuiden</b>	Since 1977	The Netherlands	Integrated Steelmaking Plants
<b>Danieli Centro Germany</b>	Since 2011	Austria, Germany	Oxygen Converter Steelmaking Plants
<b>Danieli Centro Recycling</b>	Since 1998	Italy, UK, France, Germany, USA	Scrap Processing Plants
<b>Danieli Centro Met</b>	Since 1914	Italy, Austria	Electric Steelmaking and Long Product Casters
<b>Danieli Davy Distington</b>	Since 1951	UK, Italy	Thick and Thin Slab Casters
<b>Danieli Wean United</b>	Since 1901	Italy, USA, Germany	Flat Product Rolling Mills and Strip Processing Lines
<b>Danieli Kohler</b>	Since 1959	USA, Italy	Air Wiping Equipment for Zinc Coating
<b>Danieli Fröhling</b>	Since 1947	Germany	Speciality Mills and Strip Finishing Lines
<b>Danieli Fata Hunter</b>	Since 1936	Italy, USA	Aluminium Casting, Rolling and Coil Coating Lines
<b>Danieli Morgårdshammar</b>	Since 1856	Italy, Sweden	Long Product Rolling Mills
<b>Danieli Centro Tube</b>	Since 2004	Italy	Seamless Pipe Plants
<b>Danieli W+K</b>	Since 1968	Germany, Italy	Longitudinal and Spiral Welded Pipe Plants
<b>Danieli Centro Maskin</b>	Since 1953	Italy, Sweden	Conditioning, Drawing and Finishing Plants
<b>Danieli Rotelec</b>	Since 1977	France, Italy	EMS and Induction Heating Systems
<b>Danieli Hydraulics</b>	Since 2008	Italy, Thailand	Industrial Hydraulic and Lubrication Equipment
<b>Danieli Breda</b>	Since 1950	Italy	Extrusion and Forging Plants
<b>Danieli Centro Combustion</b>	Since 1981	Italy	Heating Systems
<b>Danieli Olivotto Ferrè</b>	Since 1927	Italy	Heat Treatment Furnaces
<b>Danieli Centro Cranes</b>	Since 1958	Italy	Heavy-duty Cranes
<b>Danieli Environment &amp; Systems</b>	Since 1973	Italy	Green Technology and Systems
<b>Danieli Construction</b>	Since 2003	Italy, Thailand	Turnkey Construction, Erection & Systems Engineering
<b>Danieli Service</b>	Since 1961	Italy, Austria, China, India, Russia USA, Brazil, Thailand	Technical Service and Original Spare Parts



**Board of Directors**

**Board of Directors**

- Ing. Antonello Mordegia  
PRESIDENT
- Dr. Alessandro Brussi  
VICE PRESIDENT
- Dr. Stefano Stafisso  
ADMINISTRATOR
- Sig. Antonio Todisco  
ADMINISTRATOR
- Sig. Marco Ometto  
ADMINISTRATOR

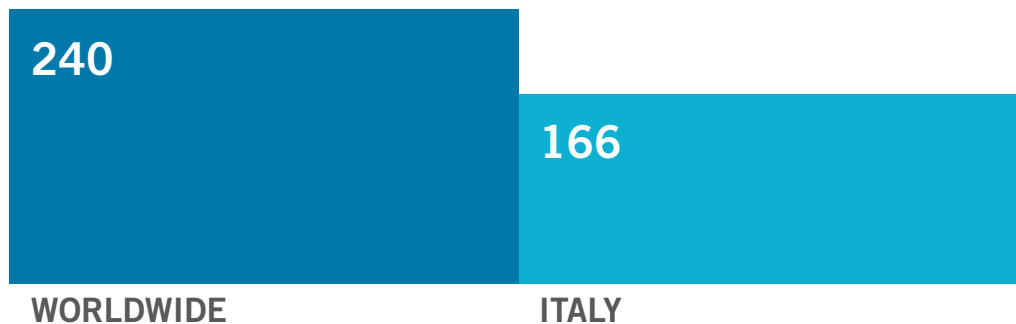
**Board of Statutory Auditors**

**Board of Statutory Auditors**

- Dr. Renato Venturini  
PRESIDENT
- Dr. Laura Piusi  
AUDITOR
- Dr. Giuliano Ravasio  
AUDITOR
- Dr. Michele Del Fabbro  
DEPUTY AUDITOR
- Dr. Edgardo Fattor  
DEPUTY AUDITOR

# 2018 ANNUAL REPORT

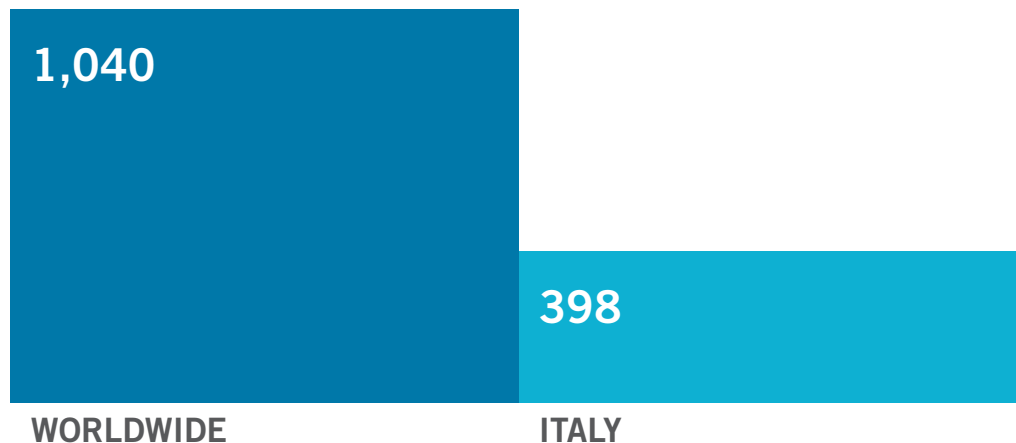
REVENUES in millions of Euro



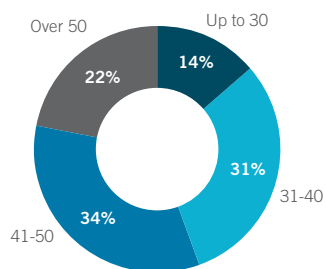
RESEARCH & DEVELOPMENTS in millions of Euro



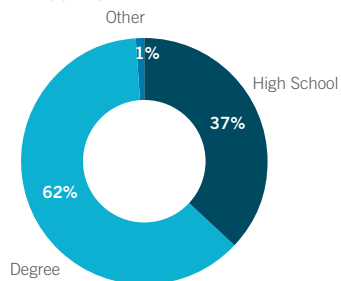
EMPLOYEES



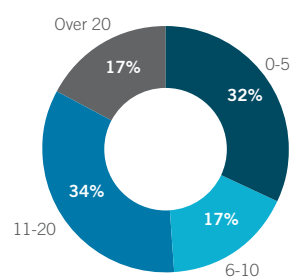
AGE OF EMPLOYEES



EDUCATIONAL LEVEL



SENIORITY OF SERVICE





## Fixed assets

in euro	June 30, 2017	June 30, 2018
<b>B) FIXED ASSETS</b>		
I. Intangible assets		
3) Patents and intellectual property rights	292.436	223.544
7) Other intangible assets	651.515	630.606
<b>TOTAL</b>	<b>943.951</b>	<b>854.150</b>
II. Property, plant and equipment		
1) Land and buildings	2.737.540	2.676.459
2) Plant and machinery	245.612	302.858
3) Industrial and commercial equipment	155.990	131.521
4) Other assets	375.813	234.178
5) Assets under construction and advances	2.759.322	5.320.000
<b>TOTAL</b>	<b>6.274.276</b>	<b>8.665.216</b>
III. Investments		
1) Equity investments:		
a) Subsidiary companies	1.039.523	1.539.523
b) Associated companies	156.599.500	156.599.500
d) Other companies	1.033	1.033
Total	157.640.056	158.140.056
2) Receivables:		
a) Subsidiary companies	200.000	0
d-bis) From others		
- beyond the next financial year	32.626	32.586
Total	232.626	32.586
<b>TOTAL</b>	<b>157.872.682</b>	<b>158.172.643</b>
<b>TOTAL FIXED ASSETS (B)</b>	<b>165.090.909</b>	<b>167.692.009</b>





in euro	June 30, 2017	June 30, 2018
<b>C) CURRENT ASSETS</b>		
<b>I. Inventories</b>		
1) Raw materials and consumables	4.708.976	6.488.355
3) Construction contracts	29.001.710	25.289.445
5) Advances	607.806	111.828
<b>TOTAL</b>	<b>34.318.491</b>	<b>31.889.628</b>
<b>II. Receivables</b>		
1) Trade receivables:		
- within the next financial year	8.025.076	8.922.914
- beyond the next financial year	0	4.698.251
2) From subsidiary companies	81.028	350.410
4) From parent company	40.593.031	22.512.028
5) From companies controlled by parent companies	36.108.805	34.178.418
5-bis) Tax receivables	2.873.048	4.659.297
5-ter) Deferred tax assets	3.677.569	2.586.898
5-quater) From others:		
- within the next financial year	261.485	217.790
<b>TOTAL</b>	<b>91.620.042</b>	<b>78.126.006</b>
<b>III. Investments other than equity investments</b>		
7) Financial assets for centralised treasury management	15.030.722	14.489.490
<b>IV. Cash and cash equivalents</b>		
1) Bank and postal deposits	19.456.422	28.159.279
3) Cash in hand	39.066	25.710
Total	19.495.488	28.184.988
<b>TOTAL CURRENT ASSETS (C)</b>	<b>160.614.318</b>	<b>152.690.111</b>
<b>D) ACCRUED INCOME AND PREPAYMENTS</b>		
<b>TOTAL ACCRUED INCOME AND PREPAYMENTS (D)</b>	<b>461.591</b>	<b>528.413</b>
<b>TOTAL ASSETS</b>	<b>326.166.818</b>	<b>320.910.533</b>

## Current assets



## Liabilities

in euro	June 30, 2017	June 30, 2018
<b>A) SHAREHOLDERS' EQUITY</b>		
I. Share capital		
<b>TOTAL</b>	<b>10.000.000</b>	<b>10.000.000</b>
<b>IV. Legal reserve</b>		
<b>TOTAL</b>	<b>2.000.000</b>	<b>2.000.000</b>
<b>VII. Other reserves</b>		
b) extraordinary	132.186.401	137.224.025
d) sundry	351.526	320.924
<b>TOTAL</b>	<b>132.537.927</b>	<b>137.544.949</b>
<b>IX. Net profit for the year</b>	<b>20.007.022</b>	<b>17.097.847</b>
<b>TOTAL SHAREHOLDERS' EQUITY (A)</b>	<b>164.544.949</b>	<b>166.642.796</b>
<b>B) PROVISIONS FOR RISKS AND CHARGES</b>		
3) Other	2.943.668	0
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES (B)</b>	<b>2.943.668</b>	<b>0</b>
<b>C) EMPLOYEE SEVERANCE INDEMNITY</b>		
<b>TOTAL PROVISION FOR EMPLOYEE SEVERANCE INDEMNITIES (C)</b>	<b>2.969.493</b>	<b>2.721.893</b>





in euro	June 30, 2017	June 30, 2018
<b>D) PAYABLES</b>		
4) Bank debts		
- within the next financial year	256.749	309.475
6) Advances		
a) Customer advance payments:		
- within the next financial year	7.318.500	3.767.931
b) Group company advance payments		
- within the next financial year	10.224.003	8.603.040
Total advances	17.542.503	12.370.971
c) Third-party turnover in progress		
- within the next financial year	9.048.056	9.252.536
d) Group turnover in progress		
- within the next financial year	42.694.467	36.137.944
Total	51.742.523	45.390.480
<b>TOTAL</b>	<b>69.285.026</b>	<b>57.761.451</b>
7) Due to suppliers:		
- within the next financial year	57.912.629	64.362.067
9) Due to subsidiaries:		
- within the next financial year	7.780.808	8.076.925
- beyond the next financial year	600.000	580.000
<b>TOTAL</b>	<b>8.380.808</b>	<b>8.656.925</b>
11) Due to parent company:		
- within the next financial year	2.571.967	3.468.837
11-bis) Due to companies controlled by parent companies		
- within the next financial year	8.074.826	7.533.200
12) Taxes due:		
- within the next financial year	701.328	939.656
13) Due to social security institutions:		
- within the next financial year	2.380.493	2.685.453
14) Other payables:		
- within the next financial year	5.573.773	5.542.405
- beyond the next financial year	100.000	0
<b>TOTAL</b>	<b>6.081.402</b>	<b>5.542.405</b>
<b>TOTAL PAYABLES (D)</b>	<b>155.388.479</b>	<b>151.259.469</b>
<b>E) ACCRUED LIABILITIES AND DEFERRED INCOME</b>	<b>170.654</b>	<b>286.376</b>
<b>TOTAL LIABILITIES</b>	<b>326.017.244</b>	<b>320.910.533</b>

## Liabilities

## Income statement

in euro	June 30, 2017	June 30, 2018
<b>A) VALUE OF PRODUCTION</b>		
1) Revenues from sales and services	216.193.903	160.833.644
3) Change in construction contracts	(55.446.548)	1.875.463
4) Own work capitalised	14.977	3.382
5) Other operating income	401.533	3.204.884
a) Contributions for operating expenses	158.611	146.017
<b>TOTAL VALUE OF PRODUCTION (A)</b>	<b>161.163.866</b>	<b>165.917.373</b>
<b>B) COST OF PRODUCTION</b>		
6) Raw materials and consumables	(52.961.753)	(67.827.871)
7) Services	(53.423.786)	(57.381.891)
8) Use of third-party assets	(464.407)	(575.762)
9) For personnel		
a) Wages and salaries	(17.716.112)	(19.134.209)
b) Social security	(5.029.211)	(5.394.166)
c) Employee severance indemnity	(1.246.128)	(1.369.828)
e) Other costs	(21.325)	(71.406)
<b>TOTAL</b>	<b>(130.862.722)</b>	<b>(151.755.133)</b>
10) Amortization, depreciations and write-downs		
a) Amortization of intangible assets	(235.288)	(297.310)
b) Depreciation of property, plant and equipment	(428.346)	(387.438)
c) Write-down of receivables included in current assets and of cash and cash equivalents	(437.556)	0
<b>TOTAL</b>	<b>(1.101.190)</b>	<b>(684.747)</b>
11) Change in inventories of raw materials, consumables and goods	359.544	1.779.379
12) Provisions for risks	(800.000)	0
14) Sundry costs	(697.327)	(531.768)
<b>TOTAL COST OF PRODUCTION (B)</b>	<b>(133.101.695)</b>	<b>(151.192.269)</b>
<b>DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A - B)</b>	<b>28.062.171</b>	<b>14.725.104</b>



in euro	June 30, 2017	June 30, 2018
<b>C) FINANCIAL INCOME AND CHARGES</b>		
15) Income from participating interests	0	6.469.365
16) Other financial income		
d) Sundry income		
- from parent companies	0	1.307
- from others	14.165	156.509
<b>Total financial income</b>	<b>14.615</b>	<b>6.627.181</b>
17) Interest and other financial charges		
a) To parent companies	(75)	0
c) To others	(99.059)	(109.129)
<b>Total financial charges</b>	<b>(99.134)</b>	<b>(109.129)</b>
17-bis) Foreign exchange (losses)/gains	(34.561)	(68.145)
<b>TOTAL FINANCIAL INCOME AND CHARGES (C)</b>	<b>(119.530)</b>	<b>6.449.907</b>
<b>PROFIT BEFORE TAX</b>	<b>27.942.640</b>	<b>21.175.011</b>
22) Income taxes		
- current taxes	(6.833.978)	(2.986.133)
- deferred tax assets/(liabilities)	(1.101.640)	(1.091.031)
<b>TOTAL</b>	<b>(7.935.618)</b>	<b>(4.077.163)</b>
<b>23) NET PROFIT FOR THE PERIOD</b>	<b>20.007.022</b>	<b>17.097.847</b>

The above Balance Sheet and Income Statement correspond to the Company's accounting records and entries.



## Income statement

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