

COIL CONFIRMS ITS RECORD EARNINGS FOR 2016

- All-time high of €8.0 million for 2016 EBITDA, representing 24.1% of revenues
- Net income up 30% to €4.7 million
- Significant improvement in gearing to 40%, versus 64% in 2015

Brussels, April 28, 2017 (5:45 pm) – COIL, the world leader for aluminium anodising, is releasing its full-year earnings for 2016.

STRONG GROWTH IN BUSINESS

In a buoyant aluminium market, COIL achieved record revenues of €33 million in 2016, up 32.3% from 2015. Growth has been driven by the ramping up of sales of anodising services (+24%) and the very strong development of sales of packaged offers (including anodising and metal), delivering year-on-year growth of 115%.

Growth reflects the diversification of the product-customer mix, thanks in particular to the broader product ranges introduced. This can be seen in the significant developments recorded on the aluminium composite panels market and the strengthening of positions on architectural markets in Europe, North America and Asia.

INDUSTRIAL FACILITIES FURTHER STRENGTHENED IN 2016

In Belgium, the investments in Line 2 were completed during the first half of the year, notably incorporating the main mechanical elements from the continuous anodising line acquired in Italy in 2015. The refurbishment of Lines 1 and 2, now focused on thin-gauge metal, has contributed to a significant improvement in their quality and productivity, while reducing their costs and increasing their production flexibility.

Line 3 operated at very high levels throughout the year to satisfy strong demand for thicker-gauge metal for architectural applications.

As announced, the Company has permanently shut down Line 4, which never achieved its targets due to its extreme complexity and limited dimensional capacity. The elimination of its high operating costs has had a positive impact on profitability for the year. This line's operations have been successfully transferred to Lines 1 and 2. The closure of Line 4 will make it possible to set up in its place the new batch anodising line, acquired in Italy in 2015, as well as the cut-to-length line (see below).

In Germany, Line 5 maintained a high level of activity throughout the year in 2016 thanks to sustained demand for high-gauge natural anodised products. Investments in the sixth continuous anodising line have continued to move forward effectively without disrupting or affecting production quality for Line 5.

SOLID EARNINGS GROWTH

COIL set new records for its earnings in 2016. Driven by growth in business and effective cost management, EBITDA is up 16% year-on-year to €8.0 million, representing 24.1% of revenues.

Operating income climbed 17% to €5.3 million, factoring in €5.0 million of non-recurring costs. Excluding these non-recurring costs, operating income growth comes out at 127% compared with 2015.

With net financial expenses down to €0.6 million and a €0.1 million tax expense, net income is up 30% from 2015 to €4.7 million.

CONDENSED INCOME STATEMENT

€'000,000	2016	2015	Change
Revenues	33.0	24.9	+32.3%
EBITDA	8.0	6.9	+15.9%
% of revenues	24.1%	27.5%	
Operating income	5.3	4.6	+17.1%
% of revenues	16.1%	18.2%	
Pre-tax income	4.7	3.7	+25.7%
Net income	4.7	3.6	+29.9%
% of revenues	14.1%	14.4%	

FINANCIAL STRUCTURE FURTHER STRENGTHENED

COIL's balance sheet at December 31, 2016 is significantly stronger. Shareholders' equity represents €29.4 million, up 46% from December 31, 2015, taking into account earnings for the year and the €4.4 million reserved capital increase carried out in the first quarter of 2016.

Despite investments being ramped up in Belgium and Germany, net financial debt came to €11.9 million at December 31, 2016, down 7% from December 31, 2015. The ratio of net financial debt to equity shows a significant improvement, down from 64% at December 31, 2015 to 40%.

CONTINUED GROWTH FOR THE FIRST QUARTER OF 2017

Revenues for the first quarter of 2016 climbed 8% from the first quarter of 2016 to €7.5 million. Growth has been built around the good level of outsourcing business (+3.3%) and the strong progress made with sales of packaged offers (14.3% of revenues for the quarter, versus 10.4% one year earlier).

MAJOR INVESTMENT CYCLE FINALISED IN 2017

COIL will be completing its major capital investment cycle in 2017, before returning to more standard levels of investment, focused primarily on maintaining its industrial facilities.

In Germany, the Bernburg site will be further strengthening its specialisation in large-scale production runs for the architectural industry, with the completion of a €23.8 million investment plan, covering a continuous anodising line with cutting-edge technological features. This line will offer over 15,000 tons of additional capacity and will contribute to the creation of the world's most modern continuous anodising plant, with major processing capacity in terms of surface finishings and sizes.

Its opening will make it possible to temporarily shut down Line 3 in Belgium. This 15,000 ton line, which has been the backbone for COIL's architectural operations since 1985, requires certain improvements and refurbishments.

Lastly, in the fourth quarter of 2017, COIL will be finalising the installation of a next-generation batch anodising line in Belgium. This line, which already stood out through its high level of automation, has been substantially improved in order to increase its dimensional capacity. This facility, the only one of its kind in the world, will offer an opportunity to further diversify COIL's core business into anodising flat-rolled laminated aluminium products. More specifically, it will enable it to deliver small quantities of anodised sheets, a major strategic element for designing new colours and finishings, as well as developing new markets.

This new line - Aloxide - will notably offer the following benefits:

- Delivery times reduced to two weeks for Asia
- Anodising of sheets more than 3 mm thick
- Anodising of the four edges of sheets
- Ability to quickly supply mock-ups for architectural projects

- Batch anodising incorporating a flexible continuous anodising component to enable the transformation of sheets after anodising
- Possibility to anodise very small quantities of sheets with a view to developing new markets and products
- Lower limit for minimum orders, enabling COIL to access new markets, such as the interior design market.

Alongside this installation, COIL will be installing the cut-to-length line, acquired in Italy. Refurbished and upgraded, this line is expected to considerably increase the flexibility of the Company's operations, while reducing its dependence on external companies.

OUTLOOK

Considering the significant scale of these investments, 2017 is expected to be a year of transition, particularly with the Company's consolidation of the growth achieved in 2016 and various non-recurring costs linked to starting up the new production lines. However, by the end of the year, the Company will benefit from stronger potential for development, notably using Aloxide as a means of strengthening the appeal of its offers.

At the leading-edge of aluminium anodising, COIL has outstanding fundamentals in place to further strengthen its value creation on a lasting basis in a market for which the long-term outlook is very positive. The wide range of solutions offered by COIL, combined with its unrivalled dimensional capacities, is further strengthening its position to conquer new markets.

Thanks to the progress made with its performances over the past two years, the Company is confident that it will be able to successfully complete the various projects underway, further strengthening its growth and profitability from 2018.

NEXT DATE: General Meeting on June 7, 2017



functionality for the metal.

COIL is the world's largest architectural and industrial anodiser.

Anodising is an electrochemical process - electrolysis - that develops a natural and protective exterior layer on aluminium that can be coloured, providing exceptional corrosion protection and/or increased

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