

2018 FULL-YEAR EARNINGS

- **2018 complicated by high volatility on the markets and the impact of non-recurring costs linked to the development of industrial capabilities**
- **Improvement in results over the second half of 2018, making it possible to close out the year with net income breaking even**
- **Sound balance sheet, with net financial debt representing 44% of shareholders' equity**
- **Targeting an upturn in business in 2019 thanks to a gradual return to a more standard environment**

Brussels, April 29, 2019 (5:45pm) – COIL, the world leader for aluminium anodising, is releasing its full-year earnings for 2018.

Year's key developments

From a commercial perspective, COIL's revenues of €25.2m are down 15% from 2017. The general environment was dominated by the continued increase in economic uncertainty and high volatility for demand on the end markets. In this context, the anodising services business was penalised in particular i) by a significant destocking trend within the distribution chain in the first quarter due to major fluctuations in aluminium prices, and ii) by a sharp decline in demand in the fourth quarter. Alongside this, the packaged solutions business – for which the Company covers both metal supplies and surface treatments for architectural projects - was unexpectedly weak in Europe.

From an industrial perspective, COIL completed its drive to strengthen its industrial facilities, with two new production lines starting up:

- In Germany, a series of technical issues on the new Line 6 affected its automation, as well as its mechanical and environmental facilities, delaying the transfer of production from Line 3 in Belgium at the end of the year, which resulted in significant non-recurring costs and higher production costs.
- In Belgium, the vertical anodising line was successfully brought into service during the first quarter of 2018; however, as this concerns a new extension of the continuous anodising business, its contribution to revenues is not significant, as expected for a year when it is starting up.

Earnings

Against a backdrop of a marked slowdown in business and an increase in the cost structure linked to the development of industrial capabilities, EBITDA is down €3.6m to €4.2m, representing 16.5% of revenues. This primarily reflects the recognition of: i/ non-recurring costs to bring the two new production lines into service (€0.6m), ii/ the increase in payroll costs (+€0.4m) linked to the recruitment of additional staff to cover the launch of operations for Line 6 in Germany, and iii/ the increase in other costs (+€0.5m) due to higher environmental taxes and lower subsidies in Germany. These elements, recorded primarily during the first half of the year, had less of an impact on EBITDA for the second half of 2018, which represents 22.3% of revenues, compared with 10.3% for the first half of 2018 and 25.5% for the second half of 2017.

Depreciation (€3.7m) is up €0.9m and for the first time includes Line 6 in Germany and the vertical anodising line in Belgium. Operating income came to €0.4m, compared with €4.9m in 2017. Adjusted for non-recurring costs for bringing the two new production lines into service, restated operating income represents €1.0m for 2018.

With financial expenses notably down to €0.2m, net income came to €0.1m, compared with €4.2m in 2017.

Condensed income statement

€m	2018	2017
Revenues	25.2	29.7
EBITDA	4.2	7.8
<i>% of revenues</i>	16.5%	26.2%
Operating income	0.4	4.9
<i>% of revenues</i>	1.6%	16.7%
Pre-tax income	0.0	4.3
Net income	0.1	4.2
<i>% of revenues</i>	0.3%	14.1%

Balance sheet

Shareholders' equity represents €29.5m, down €2.8m from December 31, 2017, factoring in full-year earnings and the dividend (€2.8m) paid out in September. Net financial debt totalled €12.9m at December 31, 2018, down €0.1m from December 31, 2017, and represents 44% of equity, close to the previous year's level (40%).

Outlook

COIL is maintaining its cautious approach for the first half of 2019, in line with the persistent global economic uncertainties. Nevertheless, its optimised industrial organisation will enable it to respond quickly to any improvement in demand. In this environment, COIL expects the European distribution market to be stable over the full year, with the vertical anodising business developing and a significant upturn for the packaged solutions business in Europe, Asia and North America.

Over the longer term, the Company is confident about its prospects, capitalising on its outstanding anodised product with unrivalled performance levels and an unprecedented range of dimensions, textures and colours. COIL intends to sustainably ramp up its leadership and build on the numerous opportunities for development that exist around the world.

Additional information

The financial statements were approved by the Board of Directors on April 26, 2019. They are included in the consolidated annual accounts for 2018, available on the company's financial site (<http://investors.coil.be>).

Next dates

- June 5, 2019 General Meeting
- July 30, 2019 2019 first-half revenues
- October 29, 2019 2019 first-half earnings



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 functionality for the metal.

Anodising preserves all the natural and ecological properties of aluminium - it retains its high strength-to-weight ratio, non-magnetic properties and exceptional corrosion resistance without any impact on the total and repeated recyclability of the metal.

Anodised aluminium is used across a wide range of architectural, designer, industrial and automotive applications.

Euronext Growth Paris
ISIN: BE0160342011 - ALCOI
Reuters: ALCOI.PA
Bloomberg: ALCOI:FP
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