



World leader for aluminium anodising

PRESS RELEASE

2019 FIRST-HALF EARNINGS

- **Upturn in profitability despite contrasting half-year business trends**
- **Improvement in the EBITDA margin to 18.5% of revenues**
- **Sound balance sheet with net debt reduced to 36% of shareholders' equity**
- **Leadership ramped up to consolidate development prospects**
- **Robust revenue growth forecast for 2019**

Brussels, October 29, 2019 (5:45pm) – COIL, the world leader for aluminium anodising, is releasing its earnings for the first half of 2019.

First-half key developments

From a commercial perspective, COIL recorded contrasting trends over the first half of 2019. Half-year revenues came to €12.1m, virtually identical to the previous year. The upturn in sales of packaged solutions (+43%), buoyed by high demand for projects in Europe and Asia, made it possible to offset the slowdown in anodising services (-5%), affected by a temporary shortage of anodic-quality metal on the market.

From an industrial perspective, following a difficult start to production in 2018, Line 6 for continuous anodising in Germany has gradually ramped up, reaching the expected levels of quality and reliability, making it possible to gradually take on production from Line 3 in Belgium. This Line 3, which continued operating to cover ad hoc needs during the first half of the year, was shut down at the end of September 2019.

The new vertical anodising line in Belgium has operated in line with expectations. Its contribution to revenues is still marginal as it was launched recently in 2018. This line represents a significant extension of the continuous anodising business. It will enable the Company to extend its range of dimensions, reduce the volumes required for minimum orders and offer quicker delivery times, while guaranteeing the same production quality as for continuous anodising.

Earnings

Earnings for the first half of 2019 show a turnaround in operational profitability, following a year impacted by non-recurring costs in 2018.

EBITDA came to €2.2m, representing 18.5% of revenues, compared with 10.3% for the first half of 2018. It was negatively affected by the drop in the gross margin due to the changes in the product mix and the impact of non-productive costs to bring the two new production lines into operation. However, this lower gross margin is largely offset by the contraction in payroll and other operating expenditure.

Operating income is up €0.9m year-on-year to €0.3m, factoring in a slight increase in amortisation (€1.9m).

After notably taking into account net financial expenses (€0.3m), net income for the first half of 2019 is close to breaking even, compared with a -€0.8m loss for the first half of 2018.

Condensed income statement

| €m | H1 2019 | H1 2018 |
|----------------------|---------|---------|
| Revenues | 12.09 | 12.14 |
| EBITDA* | 2.23 | 1.25 |
| <i>% of revenues</i> | 18.5% | 10.3% |
| Operating income | 0.34 | (0,54) |
| <i>% of revenues</i> | 2.9% | (4.5%) |
| Pre-tax income | (0.00) | (0.73) |
| Net income | (0.03) | (0.79) |
| <i>% of revenues</i> | (0.3%) | (6.5%) |

Balance sheet

In view of these results, shareholders' equity at June 30, 2019 represents €29.5m, stable compared with December 31, 2018. Net financial debt totalled €12.9m at June 30, 2019, down €2.4m from December 31, 2018 and representing 36% of equity, compared with 44% at end-2018.

Outlook

Third-quarter revenues show a significant upturn in growth (+53% to €10.7m), with sales up +19% for the first nine months of 2019. The contraction in the anodising services business with rolling mills (-7%), linked to the general economic climate, is offset to a great extent by the very strong development of sales of packaged solutions (+279%), including over 1,000 tonnes of orders recorded in China since April thanks to the new local distributor.

In this context, COIL is forecasting robust revenue growth for the full year in 2019.

COIL is therefore confident about its prospects, capitalising on an outstanding anodised product and the numerous opportunities for development that exist around the world. Thanks to the major investments completed in the last few years, the Company is ideally positioned to ramp up its leadership and consolidate the development of its product ranges, with the launch of its new commercial brand Aloxide.

Next date: 2019 full-year revenues on January 28, 2020 (after close of trading)



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.

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