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2019 ANNUAL RESULTS

- **Sales up by 18% over 2018**
- **EBITDA/Sales improved to 21.0% (2018: 16.5%)**
- **Net profit of €1.0 million (2018: € 0.1),**
- **Net financial debt reduced to 28% shareholders' equity, compared to 44% in 2018**

COIL, world leader in aluminium anodising, has released its annual results for the 2019 financial year.

❖ Significant events of the financial year

COIL recorded a strong commercial performance in 2019 with sales of €29.8 million, up by 18% compared to 2018. An increase in Package Sales (where the Company sells metal plus anodising directly to the end-customer), of +244% offset a fall in Tolling Anodising (-8%) due to a shortage of anodising quality aluminium in the early part of the year. This produced a significant shift in the Company's product mix and Gross Margin.

On an industrial level, COIL has continued to optimise its resources with the ramp up of its two new production facilities. Continuous anodising Line 6 in Germany, (with its unrivalled quality, dimensional capacity and range of treatments) gradually absorbed the production of Line 3 in Belgium, which was mothballed at the end of September, after 34 years of service. This closure eliminated duplication of certain costs in Q4. It has also allowed more resources to be allocated to the strategic development of the new vertical anodising line in Belgium, which allows "just-in-time" production of small batches in a wide range of finishes and sizes.

❖ Results

The shift in business mix from tolling to package had a negative impact on Gross Margin but a very positive effect on sales. The Company continued to bear 9 months of non-productive costs of commissioning the two new production lines. Notwithstanding with increased sales and better control of operating expenses, the Company was able to report a 50% increase in EBITDA to €6.3 million, equivalent to 21.0% of Sales (2018: 16.5%).

After an increase in Depreciation of €0.4 million, Operating Profit improved in 2019 to €2.1 million (7.1% of sales), compared to €0.4 million in 2018.

Interest expense (- €1.0 million) was down €0.6 million compared to 2018 after taking into account exceptional expenses related to the restructuring of the Company's financial debt, including transitional financial expenses and penalties for early repayment of bank debt.

After tax of €0.1 million, Net Profit was € 1.0 million, representing a Net Margin of 3.3%.

❖ Summary income statement

	2019	2018	Variation
Sales	29.8	25.2	+ 18 %
EBITDA	6.3	4.2	+ 50 %
<i>% of sales</i>	21.0%	16.5%	
Operating result	2.1	0.4	+ 1.7 M€
<i>% of sales</i>	7.1%	1.6%	
Pre-tax result	1.1	0.0	+ 1.1 M€
Net result	1.0	0.1	+ 0.9 M€
<i>% of sales</i>	3.3%	0.3%	

❖ Review

Shareholder equity stood at €30.4 million, up by €0.9 million compared to 31 December 2018. Net financial debt at 31 December 2019 amounted to € 8.4 million, down by € 4.5 million compared to 31 December 2018, and represents 28% of shareholders' equity, a ratio that has improved significantly compared to the previous year (44%).

It should be noted that the Company refinanced part of its bank debt in Germany, by entering into a new €4.2 million long term loan on 30th December 2019, repayable over 8 years. This loan replaced two lines of credit for a similar amount granted on 30 June 2019 but increased the average maturity of the Company's debt.

❖ 2020 first-quarter sales and outlook

Sales for the first quarter of 2020 amounted to €5.6 million, up by 3.5% compared to the first quarter of 2019. While packaged offers show continued strong growth (+123%), tolling activities for rolling mills and distributors in Europe slowed (-9%) during the period.

In the context of the Covid-19 epidemic, COIL quickly adapted its organisational structure by taking all necessary measures to ensure the safety of its staff. Since the beginning of the crisis, the Company has continued to sell, manufacture and deliver in normal conditions. However, based on its experience of the 2008/9 economic crisis, the Company has anticipated a potential slowdown in its business and restructured its production capacity in Belgium and Germany in order to make its costs as variable as possible.

At this stage, it is impossible to anticipate how the business will evolve for the rest of the year. The Chinese market has largely recovered since the lifting of most restrictions. The Company continues to receive new inquiries from other Asian countries. In Europe, market recovery will depend on the timing and effectiveness of relaxing of the confinement measures. As a precaution, the Company has made use of all government support programs in Belgium and Germany to defer, as far as possible, its loan repayments and taxes.

Despite the current profound economic uncertainties, the Company is confident in its long-term development prospects thanks to a unique range of premium anodised products, an optimised industrial organisation and a growing commercial presence throughout the world. The launch of its new website www.aloxide.com during the first quarter of 2020 highlights its commitment to support the expansion of its direct sales under its ALOXIDE® brand to a global customer base.

❖ Additional information

The financial statements were approved by the Board of Directors on 27 April 2020. They can be found on the Company's financial website (<http://investors.coil.be>).

❖ Agenda

- 3 June 2020: Annual General Meeting
- 29 July 2020: 2020 half-year sales
- 28 October 2020: 2020 half-year results

ABOUT COIL

COIL is the world's leading anodiser in the building and industrial sectors and trades under the ALOXIDE® brand name.

Anodising is an electrochemical process which develops a natural, protective oxide layer on the surface of aluminium and can be coloured in a range of UV-proof finishes. It gives the metal excellent resistance to corrosion and/or reinforces its functional qualities. Anodising preserves all the natural and ecological properties of aluminium; it retains its high rigidity and excellent strength-to-weight ratio, its non-magnetic properties, its exceptional resistance to corrosion. The metal remains totally and repeatedly recyclable through simple re-melting. Anodised aluminium is used in a wide variety of industries and applications: architecture, design, manufacturing and the automotive sector.

COIL deploys an industrial model that creates value by leveraging its unique know-how, its operational excellence, the quality of its investments and the expertise of its people. COIL has around 130 employees in Belgium and Germany and generated a turnover of around €30 million in 2019.

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For more information, please visit www.aloxide.com

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