Press release
27 September 2018

2018 HALF-YEAR RESULTS
CONTINUED SALES GROWTH,
STRENGTHENING AND DIVERSIFICATION OF EDIFY'S SOURCES OF FUNDING

Consolidated data (unaudited) € millions	H1 2018	H1 2017	Change
Sales	252.6	197.9	+27.6%
EBITDA	18.2	20.0	-€1.8 m
Current Operating Profit	6.7	12.5	-€5.8 m
Net profit/(loss)	(0.5)	6.6	-€7.1 m
Operating cash flow	13.2	16.3	-€3.1 m

REMINDER

Edify's half-year consolidated financial statements cannot be extrapolated over the full year due to both the significance and strong seasonality of Pellenc (financial performance primarily achieved over the second half-year).

Edify's consolidation scope includes the Edify parent company and the equity interests Pellenc, de Buyer, Sirem, Usines Métallurgiques de Vallorbe, Zurflüh-Feller and Thermocompact, which are fully consolidated, and Gaviota-Simbac, which is proportionally consolidated.

SALES

Edify's consolidated sales totalled €252.6 million for the first six months of the financial year, an increase of 27.6% compared with the same period last year.

The increase stood at 2.5% based on a comparable shareholding portfolio (i.e. restated for the acquisition of Thermocompact[1]) following 2 years of strong growth (8.3% on a like-for-like basis over the first half of 2017 and 17.1% on a like-for-like basis over the first half of 2016).

[1] Thermocompact entered the consolidation scope in October 2017.

Zurflüh-Feller and Gaviota-Simbac both achieved strong sales, sustaining their momentum and benefiting from the contribution of sales from their recent acquisitions.

In addition, Pellenc and Thermocompact both consolidated their high levels of business. Conversely, de Buyer experienced a downward trend, impacted by a more challenging export market.

RESULTS

Consolidated EBITDA totalled €18.2 million for the first six months, a decrease of €1.8 million in real terms and €8.5 million on a like-for-like portfolio basis.

This expected decline was mainly the result of Pellenc posting unusual 2017 EBITDA (2017 H2 profit anticipated in H1 following fiscal incentive measures that were not renewed in 2018) and the consolidation of its structure (primarily in R&D and marketing), necessary in order to prepare for growth in future years. Teams within the holding company Edify were also strengthened in order to maintain a strong level of involvement in the support and monitoring of the companies.

These choices made by the companies and Edify are testament to their development ambitions.

The EBITDA generated by the other companies in the portfolio remained stable overall with the exception of de Buyer, which was slightly impacted by the decline in its sales.

Current Operating Profit and Net Profit fell €5.8 million and €7.1 million respectively in comparison with last year. Both were impacted by non-cash items related to the acquisition of Thermocompact (€1.2 million amortisation of intangible assets and systematic amortisation of goodwill, for €2.2 million, pursuant to the application of Luxembourg accounting standards).

FINANCIAL POSITION

Consolidated Net Financial Debt increased from €88.9 to €101.7 million between December 2017 and June 2018, a consequence of the seasonal nature of the companies' WCR. This compares with a net financial position of €292.4 million at the end of June 2018, resulting in a gearing ratio of 34.8%.

EDIFY
Investment Partner

OUTLOOK

Edify expects a sharp rebound of its results over the second half 2018 in line with the usual seasonality.

The strategy remains unchanged. Its priorities are to support existing portfolio companies with their transformation and development, and to enrich the portfolio by making selective disposals and investments of increasing importance.

It is with this in mind that Edify's financial resources have been significantly strengthened and diversified since the beginning of the year, thanks to the issue in May of a private bond loan for €50 million, and the introduction in August of a new bank credit facility of €30 million, taking its investment capacity to €180 million.

CORPORATE PROFILE

***Edify** is an industrial holding company listed on the Euro-MTF Market of the Luxembourg Stock Exchange.*

*Its portfolio is comprised of majority and minority shareholdings in French, Spanish and Swiss industrial medium-sized businesses and SMEs, namely **Zurflüh-Feller** (accessories and systems for roller shutters and industrial closing mechanisms), **Sirem** (motorised solutions for swimming pool covers, milk tank agitators and aqua fitness equipment), **Pellenc** (portable power tools and machinery for winegrowing, olive growing and green spaces), **Usines Métallurgiques de Vallorbe** (filing tools for the jewellery, watchmaking, forestry, car and aeronautical industries), **De Buyer** (items and utensils for cookery and patisserie), **Thermocompact** (surface coating with precious metals using chemical or electrolytic processes and high-tech wires), **Gaviota-Simbac** (components and motors for awnings and roller shutters), **Ligier Group** (microcars for unlicensed drivers), and **Lacroix Emballages** (packaging for solid dairy products).*

SHAREHOLDERS' AGENDA

Publication of third quarter sales: 29 November 2018

CONTACTS

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