Press release
28 March 2019

2018 ANNUAL RESULTS

Sales growth
NAV up 6.1% to €466.9 million

Consolidated data (€ millions)*	2018	2017	Change
Sales	549.6	461.9	+19.0%
EBITDA	61.9	57.7	+7.2%
Current operating profit	38.3	40.4	-5.2%
Net profit	17.9	21.4	-16.5%
Operating cash flow	49.4	46.6	+5.6%
Net financial debt	85.8	88.9	-3.1
Net asset value	466.9	440.1	+6.1%
Net Asset Value per share (€)	*96.1*	*90.6*	*+6.1%*

**The financial statements will be submitted for approval at the Annual General Meeting of 16 May 2019*

REMINDER
The consolidation scope includes the Edify parent company and the subsidiaries de Buyer, Pellenc, Sirem, Thermo-Technologies, Usines Métallurgiques de Vallorbe and Zurflüh-Feller, which are fully consolidated, Gaviota-Simbac, which is proportionally consolidated, and Ligier, which is equity accounted.

SALES

Edify's consolidated sales grew from €461.9 million to €549.6 million over the financial year just ended, representing an increase of 19%.

Based on a like-for-like shareholding portfolio (excluding Thermo-Technologies, acquired in September 2017), growth was 3% following two years of sustained growth (5.9% in 2017 and 8.1% in 2016).

All shareholdings ended the financial year on a positive note, with the exception of de Buyer which faced challenging export conditions. The most significant growth was recorded by Usines Métallurgiques de Vallorbe (upturn in the forestry business), Thermo-Technologies (strong sales across most of its segments) and Gaviota (continued international expansion). Following an excellent 2017, the primary shareholding, Pellenc, posted modest growth in sales.

RESULTS

Over the year, consolidated EBITDA stood at €61.9 million (up 7.2%) and current operating profit at €38.3 million (down 5.2%). As expected, EBITDA was higher than in 2017 due to the sharp upturn recorded over the second half-year, but lower on a comparable shareholding portfolio basis, excluding Thermo-Technologies (down €6.5 million).
This decline was due to the increase in development and transformation costs incurred within most of the companies, as well as to the expansion of the Edify holding company structure.

With results making a significant recovery over the second half-year, net profit totalled €17.9 million, compared with €21.4 million in 2017. It takes into account the straight-line amortisation of goodwill, pursuant to Luxembourg accounting standards, and a positive contribution from the equity-accounted companies, thanks to the strong performance of Ligier. In addition, 2017 had benefited from capital gains on the sale of shareholdings (€4.2 million), including those of Babeau-Seguin and La Buvette.

FINANCIAL POSITION

Consolidated net financial debt[1] fell from €88.9 million to €85.8 million, despite the policy of making significant investments implemented in the portfolio companies and slightly higher working capital requirements.

Net financial debt compares to shareholders' equity of €310.3 million, resulting in a gearing ratio of 27.7%.

The holding company's investment capacity was strengthened and diversified, with the issue of a 7-year private bond placement of €50 million, and the arrangement of €30 million in additional credit facilities, taking available cash at any time to €180 million.

NET ASSETS

Edify's net assets – valued under standard methods[2] – totalled €466.9 million at the end of the year. It corresponds to a value of €96.1 per share and increases by 6.1%.

Its growth reflects the soundness of the portfolio and the potential of the main shareholdings.

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[1] Net financial debt corresponds to the difference between financial debt and cash and cash equivalents.

[2] The published net asset value does not take into account the holding company discount. It is the result of combining standard valuation formulas (market capitalisation based on the multiples of comparable listed companies and future discounted cash flow).

OUTLOOK

The strategy remains unchanged. Its priorities are to support existing portfolio companies with their transformation and development, and to enhance the portfolio by making selective disposals while exploring investment opportunities of growing significance.

The sale of the minority shareholding in Cotherm at the start of the year was in line with this policy of selective disposals.

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),* ***Thermo-Technologies*** *(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

Annual General Meeting: 16 May 2019
Publication of first quarter sales: 23 May 2019

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