

ABO-GROUP - Half Year Results 2024

Ghent, 19 September 2024 – 6.30 p.m. CET – Press release / regulated information

Highlights of the first half of 2024

- **ABO-GROUP can once again present a double-digit growth - 14.3% growth due to the integration of the Belgian acquisitions from the second half of 2023, the acquisition of Eau & Perspectives in France in early 2024 and an organic growth of 4.2%**
- **Operating margins in line with the first half of last year as strong performance of the geotechnical activities in Belgium and the Netherlands is partly offset by challenges in the geotechnical and monitoring activities in France**
- **A strong balance sheet and cash flow support the further expansion of ABO-GROUP**

Outlook

- **The integration of the French acquisitions Odace and Soltech, the Belgian Demey INFRAbureau and the Dutch Eco Reest will contribute to the continuous expansion of the specialisms within the group**
- **The second half of the year presents a positive outlook with the expected recovery in geotechnical and mining activities**
- **ABO-GROUP remains on track to achieve revenues ranging between €95 and €100 million this year**



Frank De Palmenaer, CEO of ABO-GROUP Environment: *“The acquisitions from 2023, the recovery of the geotechnical market in the Netherlands and the further development of our environmental activities ensure that we can again report strong growth, despite the declining demand for geotechnical surveying and monitoring in France halfway through this year. We thereby continue to focus on acquiring specialised knowledge and expertise, with a view to gaining a technical leadership position within the market. By means of targeted acquisitions, we aim to create a climate of interaction within our group of companies that is rich in cross-fertilisation, mutual inspiration and bold innovation.*”

Building further on this strategy, we have already acquired five companies this year. The integration of these companies will contribute to the continuous expansion of our knowledge and expertise. For example, Demey INFRAbureau will actively pursue the further development of our digital infrastructure services in collaboration with MEET HET, which was acquired last year. Based on all these aspects, we are fully confident in our continuously growing capacity to provide tailor-made solutions to the increasingly complex demands from the market.”

in €000	1H2024	1H2023	% change
Turnover	45 579	39 886	14.3%
Total operating income	46 240	40 353	14.6%
EBITDA¹	4 781	4 620	3.5%
Depreciation, amortisation and provisions	-3 115	-3 024	3.0%
Operating profit	1 666	1 596	4.4%
Financial result	- 814	- 493	65.2%
Profit before tax	852	1 103	-22.8%
Net profit	493	667	-26.0%
Total result	460	668	-31.2%
Earnings per share for the shareholders	0.05	0.06	-31.2%
Net cash flow from operating activities	1 919	794	141,7%
in €000	1H2024	FY2023	% change
Total equity	26 408	25 831	2.2%
Net financial debt	21 945	16 226	35.2%
Balance sheet total	83 239	86 288	-3.5%

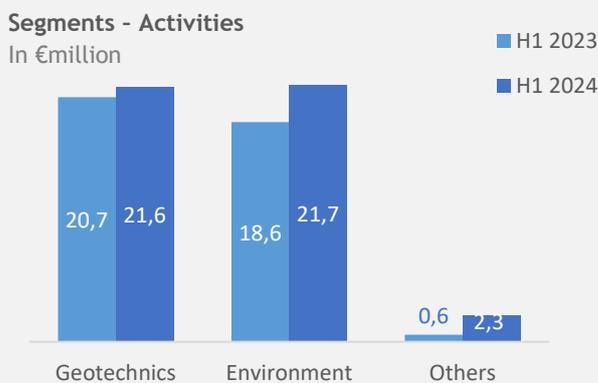
¹ EBITDA defined as operating profit before depreciation, amortisation and provisions

HY 2024 highlights

14% revenue growth due to the combination of the strong contribution from new entities and continued organic expansion

The acquisitions in 2023, i.e., Rimeco, MEET HET, SWBO and SEGED (6 months each, except for SEGED, which contributed an additional 1.5 months compared to the first six months of 2023), together with the new Eau & Perspectives, accounted for €4.0 million in revenue, a growth of 10.1% compared to the first six months of 2023. Despite the challenges in several sub-markets, existing entities also managed to grow by 4%, increasing the total revenues of ABO-GROUP to €45.6 million in the first six months of 2024, an increase of 14% compared to the first half of 2023.

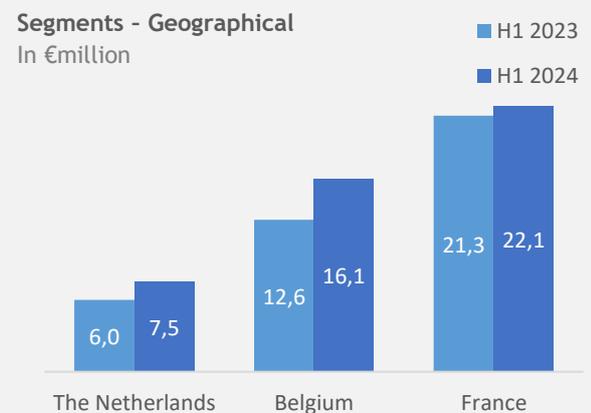
Geotechnical activities in France came under pressure. Due to project delays and unscheduled machine maintenance, the mining operations faced a temporary decline in revenue. Thanks to the strong performance in Belgium and the Netherlands, however, the geotechnical branch can still record a first-rate growth of 4%, with a revenue of €21.6 million, representing 47% of the total revenue of ABO-GROUP (€20.7 million in 1H 2023). The impact of the acquisitions of SEGED and Rimeco in 2023 and Eau & Perspectives in 2024 ensured a strong increase of €2.3 million for environmental activities. In addition, a strong organic growth of 4% was also recorded in this segment, with the environmental activities increasing their revenue by a total of €3.1 million, to €21.7 million, which represents an increase of 17% compared to the €18.6 million in the first half of 2023. As a result, the share of the environmental branch further



increased to 48%. Monitoring and infrastructure services contributed €2.3 million to the revenue in 1H24, of which €1.7 million originated from the new entities MEET HET and SWBO, accounting for 5% of the total revenue.

Geographically, the Belgian operations made a strong leap in revenue, from €12.6 million to €16.1 million, an increase of no less than 27%. The acquisitions of SWBO, Rimeco and MEET HET represent an increase of €3.1 million, or a growth of 25%. The geotechnical activities of Geosonda in Belgium also recorded a pleasing increase in revenue, thanks to the further expansion of its innovative supporting services in the area of preliminary studies and soil modelling. This was partially offset, however, by the decline in demand for asbestos-related lab services at Translab, resulting in the organic growth in Belgium settling at 2%. The result is a total growth in revenue, from €12.6 million in the first semester of 2023 to €16.1 million in the first half of 2024, which represents a 35% share of the total ABO-GROUP revenue.

The part of SEGED not previously consolidated and the contribution of the newly-acquired Eau & Perspectives led to a 4% increase in revenue in France. The above-mentioned slowdown in mining activities at Geosonic, however, as well as a decline in demand for DynaOpt's monitoring services in the Paris region after the end of the Olympics ensured that the French business remained organically stable compared to the first half of 2023. As a result, the French revenue amounts to €22.1 million after the first 6 months of 2024. Due to the strong growth of the Belgian branch, this means that the contribution of the French activities falls from 53% to 48% of total Group revenue.



The Dutch entities ended the first half of the year with a strong revenue of €7.5 million, a fully organic growth of 25% compared to the €6.0 million in 1H 2023 which was impacted by cost increases and the nitrogen issue.

Geomet's consultancy division and Geosonda Nederland's geotechnical survey took full advantage of the upturn in the construction market. Thanks to targeted investments in the expansion of their teams and machinery, ABO-Milieuconsult and Sialtech were also able to further develop their consulting and fieldwork activities.

Investments and delays affected the operating margins

In the first half of 2024, several entities within ABO-GROUP were committed to expanding their teams to enable further growth in the future. In addition, further investments were made in the expansion of the geotechnical laboratory activities at Translab in Belgium. Together with the temporary delays at GeoSonic and the decline in the demand at DynaOpt, this had an impact on the operating margins. The settlement of the legal dispute at ABO Logistics further impacted the EBITDA for the first six months of 2024, whereby the provision of €0.5 million (below EBITDA) was converted into a non-recurring cost of €0.5 million (above EBITDA). Adjusted for this effect, the EBITDA in the first half of 2024 amounts to €5.3 million, representing a margin of 11.4% and up 14% from the €4.6 million in the same period one year earlier.

Due to the reversal of the ABO Logistics provision, depreciation and provisions increased slightly to €3.1 million (€3.6 million when adjusted for this effect). This resulted in an increase in operating profit to €1.7 million (compared to €1.6 million in 1H 2023).

As a result of the M&A financing from the second half of 2023 and the increased interest rates, ABO-GROUP was faced with an increase of the negative financial result from €0.5 million to €0.8 million. This reduces the net profit of ABO-GROUP from €0.7 million (€0.06 per share) to €0.5 million (€0.05 per share).

Robust cash-flow generation and debt position

ABO-GROUP succeeded in achieving a solid operating cash flow of €1.9 million (compared to €0.8 million in the first half of 2023) for the first half of the year. In the first half of the year, efforts were again made to limit the annual seasonal increase in working capital (€3.0 million, as in the first 6 months of 2023), which partially absorbed the lower margins.

As a result of investments in working capital and fixed assets, and the Eau & Perspectives acquisition, which was financed with own cash resources, the net financial debt increased from €16.2 million at the end of 2023 to €21.9 million at the end of June 2024. The annualised debt ratio thereby increased to 1.9x relative to the EBITDA (1.5x at the end of 2023), and thereby remains healthy.

The balance sheet total at the end of June 2024 amounted to €83.2 million, a decrease of 3.5% from €86.3 million at year-end 2023. On the assets side, this was mainly the result of the decrease in the cash position, which more than offsets the increase in fixed assets. On the liabilities side, this arose from the decrease in trade and tax liabilities. Total equity amounts to €26.4 million, up €0.6 million over the first semester of 2024. The equity ratio settled at 31.7% (compared to 29.9% at the end of last year).

The full consolidated income statement and balance sheet, the statement of changes in equity and the consolidated cash flow statement are shown below.

Outlook

A positive outlook for the second half of the year

Based on the order books and project planning at ABO-GROUP entities, the second half of the year is expected to be positive. Whereas the Belgian and Dutch companies active in the geotechnical and environmental markets can build further on their strong first half of the year, the French geotechnical and mining services are expected to recover thanks to the resumption of a number of large contracts. Moreover, with the integration of the French acquisitions Odace and Soltech, the Belgian Demey INFRA agency and the Dutch Eco Reest, ABO-GROUP aims to give an additional boost to internal commercial cooperation and development of new services to support the Group's further growth.

Thanks to the recent acquisitions and robust underlying organic growth, ABO-GROUP remains on track to achieve revenues between €95m and €100m this year, one year ahead of its 2025 plan.

Financial calendar

27/03/2025: Annual figures for 2024

28/05/2025: General Meeting

Statement regarding the fair presentation of the interim condensed consolidated financial information and the fair overview of the interim report

Frank De Palmenaer, CEO, declares that, to his knowledge, the interim condensed consolidated financial information for the six-month period ending 30 June 2024, which was prepared in accordance with IAS 34 “Interim Financial Reporting” as approved by the European Union, gives a true and fair view of the assets, the financial position and the results of the company and the companies included in the consolidation. The interim report gives a fair overview of the most significant events and key transactions with associated parties that have taken place during the first six months of the financial year, and their impact on the interim condensed financial information, as well as a description of the major risks and uncertainties for the remaining months of the financial year.

About ABO-GROUP

ABO-GROUP is a specialised, listed engineering company focused on geotechnical engineering, the environment and soil remediation. Through its consultancy and testing & monitoring departments, ABO-GROUP operates in Belgium, the Netherlands and France, as well as internationally. ABO-GROUP guarantees its customers a sustainable solution. For a more detailed description of the operations of the group, please consult the ABO-GROUP website (www.abo-group.eu).

For more information:

Frank De Palmenaer
CEO ABO-Group Environment NV
frank.depalmenaer@abo-group.eu
T +32 496 59 88 88

Derbystraat 255, Maaltecenter Block G, B-9051 Ghent (SDW), Belgium

This press release is available on our website www.abo-group.eu

Consolidated interim profit and loss account (non-audited)

in €000	For the 6 months ending 30 June	
	2024	2023
Revenue	45 579	39 886
Other operating income	661	467
Total operating income	46 240	40 353
Purchases of goods and services for sale	-5 928	-5 212
Services and other goods	-13 465	-12 712
Employee benefits	-20 821	-17 456
Depreciations	-3 724	-3 064
Other operating expenses	-636	-314
Operating profit	1 666	1 595
Financial expenses	-882	-508
Financial income	66	15
Profit before tax	852	1 102
Taxes	-359	-436
Net profit	493	666
Net profit (loss) attributable to the		
shareholders of the parent company	460	668
Minority interests	33	-2
Earnings per share for the shareholders		
Basic and diluted	0.05	0.06

Interim segment split - Turnover (non-audited)

Geographically - in €000	For the 6 months ending 30 June	
	2024	2023
Belgium	16 052	12 791
<i>% of total</i>	35.2%	31.7%
The Netherlands	7 469	6 068
<i>% of total</i>	16.4%	15.0%
France	22 057	21 494
<i>% of total</i>	48.4%	53.3%
Total	45 579	40 353

Activity - in €000	For the 6 months ending 30 June	
	2024	2023
Geotechnics	21 619	20 691
<i>% of total</i>	47.4%	51.9%
Environment	21 689	18 588
<i>% of total</i>	47.6%	46.6%
Others	2 270	607
<i>% of total</i>	5.0%	1.5%
Total	45 579	39 886

Consolidated interim total result (non-audited)

in €000€	For the 6 months ending 30 June	
	2024	2023
Net profit	493	666
Unrealised results - transferable to the profit and loss account		
Change in the fair value of financial assets with changes in fair value via the unrealised results	-	1
Unrealised results - non-transferable to the income statement		
Revaluation of buildings	-83	-
Impact of taxes	21	-
Unrealised results, after tax	-62	1
Total result after taxes	431	667
Total result attributable to the		
shareholders of the parent company	398	669
Minority interests	33	-2

Consolidated interim balance sheet (non-audited)

in €000	30 June 2024	31 December 2023
Fixed assets		
Goodwill	1 603	1 603
Intangible fixed assets	5 904	5 874
Tangible fixed assets	30 517	28 517
Investments in associated enterprises	243	242
Deferred tax assets	732	766
Financial assets with fair value changes via the unrealised results	-	10
Other financial assets	713	716
Total fixed assets	39 712	37 728
Short-term assets		
Stocks	1 149	1 189
Trade receivables	17 255	19 011
Contract assets	15 658	13 115
Other short-term assets	1 412	1 277
Cash and cash equivalents	8 053	13 968
Total short-term assets	43 527	48 560
Total assets	83 239	86 288

in €000	30 June 2024	31 December 2023
Total equity		
Capital	3 863	3 863
Consolidated reserves	17 382	16 882
Unrealised results	4 061	4 246
Equity attributable to the shareholders of the group	25 306	24 991
Minority interests	1 102	839
Total equity	26 408	25 830
Long-term liabilities		
Financial debts	14 490	14 692
Deferred tax liabilities	2 689	2 740
Provisions	1 156	1 673
Other long-term liabilities	1 128	1 144
Total long-term liabilities	19 463	20 249
Short-term debts		
Financial debts	15 508	15 502
Trade payables	8 599	10 325
Tax liabilities	1 196	2 181
Other short-term debts	12 065	12 201
Total short-term debts	37 368	40 209
Total equity and debts	83 239	86 288

Consolidated statement of changes in equity (non-audited)

in €000	Attributable to the shareholders of the parent company					Total equity
	Capital	Consolidated reserves	Unrealised results	Total	Minority interest	
On 1 January 2023	4 857	14 315	2 490	21 662	98	21 760
Net profit	-	668	-	668	-2	666
Unrealised results	-	-	1	1	-	1
Total result	-	668	1	669	-2	667
Transfer of depreciation of tangible fixed assets	-	82	-82	-	-	-
On 30 June 2023	4 857	15 065	2 409	22 331	96	22 427
On 1 January 2024	3 863	16 882	4 246	24 991	839	25 830
Net profit	-	460	-	460	33	493
Unrealised results	-	-	-62	-62	-	-62
Total result	-	460	-62	398	33	431
Transfer of depreciation of tangible fixed assets	-	123	-123	-	-	-
Non-exercised put option for Geosonda BV	-	-83	-	-83	230	147
On 30 June 2024	3 863	17 382	4 061	25 306	1 102	26 408

Consolidated cash flow statement (non-audited)

in €000	For the 6 months ending 30 June	
	2024	2023
Net profit	493	666
Non-cash costs and operating adjustments		
Depreciation of tangible fixed assets	3 281	2 804
Depreciation of intangible fixed assets	443	260
Loss (profit) on sale of tangible fixed assets	57	-62
Fair value adjustments	70	-68
Movements in provisions	-628	-141
Movements in impairments on customers	160	101
Financial income	-60	-15
Financial charges	882	507
Badwill arising from business combinations	-17	-
Share in the profits of associated companies	-2	-
Deferred tax costs (income)	-83	-48
Tax cost	442	484
Fair value adjustment of the amount to be recovered on acquisition	-	53
Others	37	-1
Adjustments to the working capital		
Decrease (increase) in other financial fixed assets, trade receivables and other short-term assets	-976	-4 922
Decrease (increase) in stocks	40	112
Increase (decrease) in trade payables and other debts	-1 088	1 713
Cash flow from operating activities before interest and taxes	3 051	1 443
Interest received	59	14
Taxes paid	-1 191	-663
Net cash flow from operating activities	1 919	794

in €000	For the 6 months ending 30 June	
	2024	2023
Investment activities		
Investments in tangible fixed assets	-2 547	-1 746
Investments in intangible fixed assets	-155	-14
Sales of tangible fixed assets	-21	55
Acquisition of subsidiary	-269	-1 490
Acquisition of minority interest	-	-
Income from financial assets	10	15
Payment of deferred compensation	-	-14
Net cash flow (used in) from investment activities	-2 982	-3 194
Financing activities		
Income from loans	1 690	2 293
Repayment of loans	-3 282	-4 151
Repayment of leasing debts	-1 475	-1 225
Interest paid	-591	-290
Other financial income (costs)	-201	-175
Capital decrease	-993	-
Net cash flow from financing activities	-4 852	-3 548
Net increase in cash and cash equivalents	-5 915	-5 948
Cash and cash equivalents at the beginning of the year	13 968	16 747
Cash and cash equivalents at the end of the year	8 053	10 799