

Brussels, 28th October 2020 (17.45)

2020 FIRST-HALF RESULTS

- **Business resilience as a result of a diversified product mix**
- **Results down in a business climate deeply disrupted by the health crisis**
- **Strong balance sheet with net debt at 30% of equity**
- **Solid fundamentals to weather the current crisis successfully**

COIL, world leader in aluminium anodising, announces its 2020 first-half results.

❖ Half-year highlights

In the totally unprecedented context of the current health crisis, COIL recorded sales of €11.7 million in the first half of 2020, a fall of only of 3% compared to the same period in 2019. This change in sales results from two contradictory trends.

On the one hand, on a negative note, Tolling Sales (73% of half-year sales) were down 19% due to the fall in demand from European rolling mills and distributors, who were compelled to downsize their business in the face of destocking and to revise their short-term forecasts downwards in order to cope with the consequences of the Covid-19 pandemic.

On the other hand, on a positive note, Package Sales including metal (27% of half-year sales) grew by 97%, confirming the importance of the recent marketing and commercial actions undertaken by COIL to introduce new high-end products, diversify its end markets and expand its direct sales under the ALOXIDE® brand throughout the world.

COIL succeeded in maintaining production at its two production sites in Germany and Belgium throughout the first half of the year, implementing strict health measures and rapidly reorganising its production capacity to maximise the variability of production costs. Nevertheless, given the large decrease in sales of the Tolling Business, it was inevitable that profitability would be impacted.

In order to protect itself against a very uncertain situation, the Company has taken advantage of all government aid programmes to defer certain tax payments and loan repayments.

❖ Results

Given the fixed cost structure of the business, the decline in sales and change in the product mix inevitably led to a fall in the operating performance of the business.

EBITDA was close to break-even, down €2.2M from the previous year, mainly due to the decline in gross margin and the increase in other operating expenses. After amortisation and depreciation, which remained virtually stable at €1.8m, operating profit amounted to €(1.9)M.

Net income before tax was €(2.1)M; it includes an improved financial result of €(0.2)M.

Net income for the first half of 2020 was €2.1M, compared with a near break-even result for the first half of 2019.

❖ Summary income statement

| M€ | HY1 2020 | HY1 2019 |
|----------------------------|----------------|---------------|
| Sales | 11.69 | 12.09 |
| EBITDA ¹ | (0.05) | 2.23 |
| <i>% of sales</i> | <i>(0.5%)</i> | <i>18.5%</i> |
| Operating profit | (1.86) | 0.34 |
| <i>% of sales</i> | <i>(15.9%)</i> | <i>2.9%</i> |
| Income before tax | (2.06) | (0.00) |
| Net income | (2.07) | (0.03) |
| <i>% of sales</i> | <i>(17.7%)</i> | <i>(0.3%)</i> |

❖ Review

In view of the half-year results, equity at 30th June 2020 amounted to €28.3M, down €2.1M compared with 31st December 2019. Net financial debt at 30th June 2020 was €8.5M, a comparable level to that at 31st December 2019; it represented 30% of equity, compared with 28% at 31st December 2019 and 36% at 30th June 2019.

❖ Outlook

2020 third-quarter sales (€5.3M) were down 50% compared with the previous year due to the sharp slowdown in markets, particularly in Europe. However, it should be noted that the third quarter of 2019 was unusually strong, with major deliveries of Package Sales in China. Sales for the first nine months of the 2020 financial year amounted to €17M, down 25% compared with the same period last year.

The fourth quarter of the year is expected to be much more favourable. If subcontracting sales continue to suffer from the impact of the health crisis on the business of European rolling mill customers and distributors, Package Sales will be much stronger due to significant new projects in Asia.

In this context, given the lack of visibility on the recovery in demand for subcontracting, COIL expects sales of around €24M for the full financial year 2020. Despite a very uncertain economic environment, the Company is nonetheless 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.

❖ Additional information

The financial statements were approved by the Board of Directors on 28th October 2020. They can be found on the Company's financial website (<http://investors.coil.be>).

❖ Agenda

2020 annual sales will be published on 28th January 2021 after the close of trading.

ABOUT COIL

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

¹ EBITDA = operating profit + depreciation, amortisation and provisions

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.

Listed on Euronext Growth Paris | Isin: BE0160342011 | Reuters: ALCOI.PA | Bloomberg: ALCOI: FP

For more information, please visit www.aloxide.com

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