

Brussels, 31 October 2023 (17.45)

2023 FIRST-HALF RESULTS

- **Sales at €11.8M (down 15.4%), affected by the contraction of the tolling business in a challenging economic climate.**
- **Current operating income down by €(1.4)M due to lower sales and inflation in operating costs**
- **Non-recurring income of €1.5M relating to exceptional write-backs of depreciation and provisions in respect of investment subsidies in Germany**
- **Minor net income loss of €(0.1)M**
- **Net debt under control at 27% of equity at 30 June 2023**
- **Market recovery expected in 2024**

COIL, world leader in aluminium anodising, has released its results for the first half of the 2023 financial year.

❖ Half-year highlights

The first half of 2023 was marked by a sharp slowdown in global growth, high inflation and rising interest rates. Like all industrial sectors, the Company's activities were heavily impacted by these difficult macroeconomic conditions.

During the period, tolling activities (79% of 2023 half-year sales) were adversely affected by i) metal distributors' conservative expectations of market trends, based on a sharp fall in the LME aluminium price, which led them to keep their inventories at minimum levels, and ii) the emergence of a competitor in the European continuous anodising market. Against this backdrop, tolling sales declined by -20.6% compared with an unfavourable basis of comparison in the first half of 2022, which had grown by +18.5% driven by the post-COVID19 economic recovery.

Package sales, which include metal, (21% of first-half 2023 sales) recorded solid growth of +11.1%, driven mainly by the development of sales in Europe, with major deliveries made during the period for top-of-the-range architectural projects. Meanwhile, the Company strengthened its pipeline of prospects in Asia, which will lead to new orders in 2024.

The Company has done its utmost to limit the impact of the slowdown in tolling activities, by raising its prices in line with inflation and by adapting its investments and production capacity to the lower level of demand. Nevertheless, the impact of a sharp fall in sales on the Company's results was significant since variable costs represent only around 36% of sales.

On the positive side, half-year results were positively impacted by €1.5M of exceptional items (exceptional write-back of depreciation on investment subsidies in Germany and write-back of provisions for interest due in the event of repayment of these subsidies). These items follow the audit carried out this summer by the German authorities (Landesförderinstitut Sachsen-Anhalt) in connection with the subsidies paid for the construction of the Bernburg plant -the examination of the award certificates having revealed that the requirements of the award notice dated 2 May 2012 had been met.

Overall, in a difficult economic climate, the Company managed to record a net income close to breakeven, while continuing to post a solid balance sheet at 30 June 2023.

❖ Results

Sales for the first half of 2023 came to €11.8M, down €2.2M on the high basis of comparison in the first half of 2022.

EBITDA fell by €2.5M to break even. This was mainly due to (i) a lower gross margin, reflecting lower sales, changes in the product mix and higher variable production costs, and (ii) higher operating expenses in an inflationary environment.

The contraction in volumes in tolling activities weighed significantly on recurring operating income, which fell by €2.4M to a loss of €(1.4)M, compared with a profit of €1.1M in the first half of 2022.

Operating profit was €0.7M, including €0.7M of non-recurring items relating to an exceptional write-back of depreciation on investment subsidies in Germany, which had no impact on the Company's cash position.

Net income fell by €0.1M. It includes exceptional financial income of €0.7M, relating to a reversal of provisions for interest due in the event of repayment of the subsidies in Germany.

❖ Simplified income statement

(€M)	2023 H1 (6 months)	2022 H1 (6 months)	Variation	2022 (12 months)
Sales	11.79	13.95	- 15.4 %	26.7
<i>Tolling sales</i>	9.28	11.68	- 20.6 %	20.6
<i>Package sales¹</i>	2.52	2.27	+ 11.1 %	5.9
EBITDA	0.01	2.52	- 2.5 M€	2.9
<i>% of sales</i>	0.1%	18.1%		10.9%
Recurring operating profit	(1.40)	1.01	- 2.4 M€	(0.1)
<i>% of sales</i>	(11.9)%	7.2%		(0.4)%
Operating profit	(0.66)	1.01	- 1.7 M€	(2.6)
<i>% of sales</i>	(5.6)%	7.2%		(9.9)%
Income before tax	(0.10)	0.85	- 1.0 M€	(2.9)
Net income	(0.11)	0.80	- 0.9 M€	(3.0)
<i>% of sales</i>	(0.9)%	5.7%		(11.2)%

❖ Review

After taking into account profit for the half-year, shareholders' equity at 30 June 2023 was €23.5M, down €0.1M on 31 December 2022. Net financial debt at 30 June 2023 was €6.3M (up €0.1M on the end of 2022) and remained at a reasonable level, representing 27% of equity, compared with 26% at 31 December 2022.

¹ Anodising and metal included.

❖ 2023 third quarter sales

Sales for the third quarter of 2023 came to €5.3M, down 21.5% year-on-year. Over the first 9 months of the year, sales came to €17.1M, down by -17.4% on the same period last year, with tolling sales (€13.5M) down 18.8% and package sales (€3.6M) down 11.7%.

❖ Outlook

In a difficult economic climate, the Company is maintaining a cautious approach and does not anticipate a recovery in demand for tolling services before the end of the financial year. The Company is taking steps to limit the impact of this slowdown on its results by supporting the commercial development of its package sales and by maximising the flexibility of its industrial facilities.

The Company is confident in its long-term development prospects, and is capitalising on its broad portfolio of premium, sustainable products with a lower carbon footprint to prepare for the expected upturn in its markets from 2024 onwards.

❖ Additional information

The financial statements were approved by the Board of Directors on 31 October 2023. They are included in the half-yearly financial report for 2023 available on the Company's financial website. (<http://investors.coil.be>).

❖ Agenda

2023 annual sales figures will be published on 2 February 2024 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.

Anodising is an electrochemical process (electrolysis) 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 110 employees in Belgium and Germany and generated a turnover of €26,5 million in 2022.

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For more information, please visit www.aloxide.com

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