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IMPROVED RESULTS FOR THE FIRST HALF OF 2024

- **Sales and license revenues: €13.1M (+11.3%)**
- **EBITDA: €2.0M (compared to €0M), with a margin of 15.5%**
- **Operating income: €0.7M, an improvement of +€1.4M**
- **Net income: €0.5M, with a margin of 3.4%**
- **Net financial debt reduced to 15.5% of equity at June 30, 2024**
- **COIL demonstrates its ability to develop its business model and enhance profitability despite uncertain economic conditions**

COIL, world leader in aluminium anodising, has released its results for the first half of the 2024 financial year.

❖ Half-year highlights

Implementation of a strategic agreement in China

In February 2024, COIL signed a collaboration and licensing agreement with a Chinese company to leverage its advanced technology in the People's Republic of China and Eastern Asia. The agreement includes the establishment of a new factory in Fuzhou, Jiangxi province, equipped with a state-of-the-art continuous anodising line for the architectural market.

COIL will provide technical expertise and engineering support for the construction of the production line, while the Chinese company will be responsible for all purchases related to the construction of this line. In addition, COIL has granted an exclusive and permanent license to the Chinese company for the use of its technology and brands in China, Southeast Asia, and Northeast Asia. In return, COIL will receive upfront and milestone payments, as well as royalties on future sales. Initial upfront payments (€2.0M) were received during the first half of the year, and COIL will also take a 5% stake in the Chinese company.

This strategic agreement in China represents a key lever for COIL's development, creating long-term value while opening up new opportunities in the Asian market.

Solid growth despite challenging market conditions

Despite a global economic slowdown and declining demand in key markets, COIL recorded an 11.3% increase in business revenues in the first half of 2024. This performance was driven by a positive trend in tolling sales and the initial royalties from the collaboration and licensing agreement in China.

Tolling activities (83% of first-half 2024 sales) picked up in the second quarter, boosted by a major order for a rolling mill, which offset the sluggish start to the year still impacted by the slowdown in 2023. Over the half-year, tolling sales were nearly stable at €9.2M. After a long period of destocking in the distribution chain, these sales are expected to continue to recover against a backdrop of rising aluminium prices, prompting distributors to restock.

Packaged sales, including metal (17% of first-half 2024 sales), were €1.9M, down 23.0% due to the slowdown in demand in the European market.

Licensing revenues from the collaboration agreement in China have already generated €2.0M in royalties during the half-year, with further payments of €2.0M expected in the coming months. This agreement is therefore expected to generate a total of €4.0M in non-recurring revenues over the 2024 and 2025 financial years.

❖ Results

The financial statements for the half-year show a clear improvement compared to the first half of 2023. The Company succeeded in mitigating the impact of the low level of tolling activities by focusing production on a limited number of lines, both at its Landen site in Belgium and its Bernburg site in Germany. Growth in revenues, driven by the initial royalties in China and a more favourable revenue mix, also had a significant effect on the Company's profitability.

EBITDA came to €2.0M, a significant improvement compared to the nearly breakeven level in the first half of 2023. This change was mainly driven by an increase in gross margin and a reduction in operating expenses.

After a €0.1M reduction in provisions and depreciation, operating income stood at €0.7M, up €1.4M year-on-year, representing an operating margin of 5.7%.

Taking into account net financial expenses of €0.1M and taxes of €0.2M, net income reached €0.5M, compared with a loss of (€0.1)M. It's worth noting that the results for the first half of 2023 were positively impacted by €1.5M in non-recurring items.

Overall, despite a highly uncertain economic climate, COIL has demonstrated its ability to develop its business model and enhance profitability.

❖ Simplified income statement

(€M)	2024 H1 (6 months)	2023 H1 (6 months)	Change	2023 (12 months)
Sales and license revenues	13.1	11.8	+11.3%	21.8
<i>Tolling sales</i>	9.2	9.3	-0.9%	17.4
<i>Package sales¹</i>	1.9	2.5	-23.0%	4.4
<i>Licensing & Royalties</i>	2.0	-	<i>n.a.</i>	-
EBITDA	2.0	0.0	+€2.0m	0.6
<i>% of sales and revenues</i>	15.5%	0.1%		2.6%
Recurring operating profit	0.7	(1.4)	+€2.2m	(2.1)
<i>% of sales and revenues</i>	5.7%	(11.9)%		(9.8)%
Operating profit	0.7	(0.7)	+€1.4m	(2.7)
<i>% of sales and revenues</i>	5.7%	(5.6)%		(12.3)%
Income before tax	0.6	(0.1)	+€0.7m	(2.2)
Net income	0.5	(0.1)	+€0.6m	(2.2)
<i>% of sales and revenues</i>	3.4%	(0.9)%		(10.2)%

¹ Anodising and metal included.

❖ Balance Sheet

After taking into account profit for the half-year, shareholders' equity at 30 June 2024 was €21.8M, up €0.5M compared to 31 December 2023. Net financial debt at 30 June 2024 was €3.4M, down €1.8M from the end of 2023, representing 15.5% of equity, compared to 24.3% at 31 December 2023.

❖ 2024 third quarter sales

Sales for the third quarter of 2024 totaled €5.2M, down slightly by 0.8% year-on-year. This reflects an increase in tolling sales to €4.4M (+3.4%), while packaged sales came to €0.9M (-17.6%). No royalties were received in China during this quarter.

For the first nine months of the year, sales and license revenues came to €18.4M, up 7.6% compared with the same period in 2023. Tolling sales increased by +0.5% to €13.6M, while packaged sales fell by -21.4% to €2.8M. License revenues from the strategic agreement in China amounted to €2.0M over the period.

❖ Outlook

The Company aims to replicate its success in continuous anodising in the Asian market, where demand for anodised aluminium remains strong, by leveraging a competitive and value-creating business model. In Europe, the Company remains cautious in view of macroeconomic challenges and volatile demand. With its flexible industrial resources, the company is ready to quickly react to any sustained market upturn.

By leveraging its technological and commercial assets and diversifying its positions in mature and emerging markets, the Company is confident in its development prospects, capitalising on its broad portfolio of premium, sustainable products with a smaller carbon footprint to boost its business potential and seize future opportunities.

❖ Additional information

The financial statements were approved by the Board of Directors on 30 October 2024. They are included in the half-yearly financial report for 2024 available on the Company's financial website. (<http://investors.coil.be>).

❖ Agenda

2024 annual sales figures will be published on 4 February 2025 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 has recently broadened its business model with the signing of license agreement accelerating the diffusion of its technology in Asia. The Company generated a turnover of €21,8 million in 2023.

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For more information, please visit www.aloxide.com

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