

## ABO-GROUP - Half-year results 2023

Ghent, 14 September 2023 – 6:30 p.m. – Press Release/Regulatory Information

### Highlights first half of 2023

- **ABO-Group continues on its growth path and sees its total sales rise by another 10% to 40.4 million euros, amongst others due to strong organic growth of 14% in Belgium and the integration of the recent acquisitions of SEGED and DynaOpt in France**
- **Operating margins and net result were under pressure due to challenging (construction) market conditions in both France and the Netherlands, as well as the impact of rising interest rates**
- **Robust debt and solvency ratios provide a strong basis for further expansion of the activities**

### Outlook

- **Well-filled order book for the second half of the year – further development of the European mining sector expected to support geotechnical activities**
- **Integration of the two French and two Belgian acquisitions will further strengthen cross-fertilisation within the Group**
- **Continued focus on M&A for additional support of organic growth**
- **Current trend brings the "100 million euro turnover by the end of 2025" mark into sharper focus**



**Frank De Palmenaer, CEO ABO-GROUP Environment:** *"I am proud to see how ABO-Group has managed to continue its growth curve in the first half of 2023 despite challenging conditions, once again setting record sales. We were able to realize this thanks to the recent acquisitions of SEGED and DynaOpt and the increasing demand for PFAS studies in Belgium. Although increased personnel costs and further indexation of the broader cost base put pressure on our margins, our business again delivered solid operating cash flow in the first six months.*

*Moreover, the second half of the year looks positive: our well-filled order books, combined with the acquisitions of the innovative surveying company MEET HET and the Tienen based soil remediation expert Rimeco that were already announced in July, give us a solid foundation for the following months. Both in our environmental division and in our geotech business, the acquired French and Belgian entities provide an additional boost through the combined range of services we can offer our customers. We are confident that this will allow us to respond to the increasing demand for services in the context of climate change, energy transition and general improvement of our environment."*

000€	1H2023	1H2022	% change
Sales	39 886	36 354	9,7%
<b>Total operating income</b>	<b>40 353</b>	<b>36 758</b>	<b>9,8%</b>
<b>EBITDA<sup>1</sup></b>	<b>4 619</b>	<b>5 418</b>	<b>-14,8%</b>
Depreciation, amortisation and provisions	-3 024	-3 299	-8,3%
<b>Operating profit</b>	<b>1 595</b>	<b>2 120</b>	<b>-24,8%</b>
Financial result	- 493	- 346	42,2%
<b>Profit before taxes</b>	<b>1 102</b>	<b>1 773</b>	<b>-37,9%</b>
<b>Net profit</b>	<b>666</b>	<b>1 242</b>	<b>-46,4%</b>
Comprehensive result	668	1 252	-46,6%
<b>Earnings per share for shareholders</b>	<b>0,06</b>	<b>0,12</b>	<b>-46,6%</b>
<b>Net cash flow from operating activities</b>	<b>794</b>	<b>- 84</b>	<b>-</b>
<b>x 1,000€</b>	<b>1H2023</b>	<b>FY2022</b>	<b>% change</b>
Total equity	22 428	21 760	3,1%
<b>Net financial debt</b>	<b>14 642</b>	<b>10 639</b>	<b>37,6%</b>
<b>Balance sheet total</b>	<b>72 115</b>	<b>70 761</b>	<b>1,9%</b>

<sup>1</sup> EBITDA is defined as operating profit before depreciation, amortisation and provisions

## HY 2023 highlights

### Combination of solid organic growth and external expansion again results in a 10% increase in revenue

The acquisitions of DynaOpt and SEGED each contributed 6 and 4.5 months, respectively, to ABO-GROUP's results, accounting for 1.7 million euros in sales. Together with the previously unconsolidated parts of the Geo-Supporting and Colsen operations acquired in 2022, the acquisitions contributed 5.2% growth over the first half of 2022. Additionally, the existing entities also managed to expand their operations by 4.2%, bringing ABO-GROUP's total operating income to 40.4 million euros in the first six months of 2023. This constitutes a 10% growth on the result of the previous year.

In both the Dutch and French markets, Geotechnics was under pressure. Thanks to the acquisition of DynaOpt and the residual impact of Geo-Supporting, this branch managed to achieve another 3% growth with a total of €21.5 million (€20.9 million in 1H 2022). However, after adjusting for the effect of the aforementioned

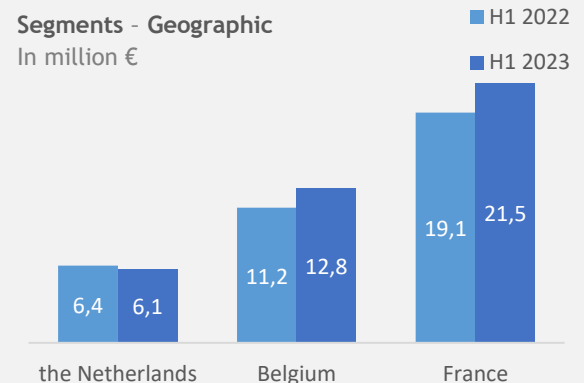
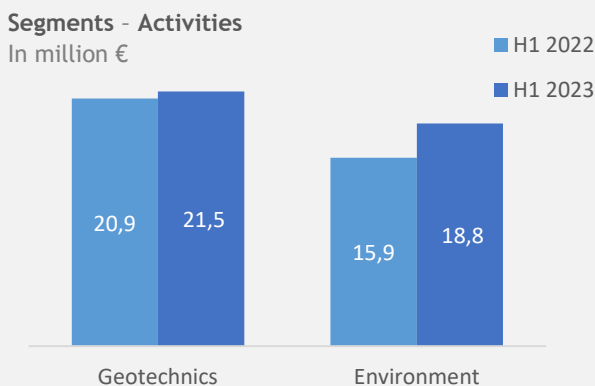
acquisitions, the geotechnical business experienced negative growth of -0.5%. The acquisition of SEGED and the last months of Colsen accounted for an 11% revenue increase in the Environment business. In addition, the strong organic growth of 7% in this segment allowed the environmental business to close the first half of the year with a 18.8 million euros of sales total, 18% higher than 1H 2022 at 15.9 million euros. This increased the environmental division's share from 43% to 47%.

At the level of French operations, the revenue contribution of SEGED and DynaOpt represented an increase of 8%, based on a 3% autonomous increase. Meanwhile, the consulting services of ABO-Innogeo and ABO-Geo+ Environment, among

others, recorded good growth and a strong performance. The fieldwork and drilling divisions of Geosonic and ABO-ERG Géotechnique suffered from price pressure and a number of project-related changes in timing. Combined, this resulted in a healthy 12% increase in sales.

Thanks to the continued demand for support in the context of the PFAS case files and the boost in the market for asbestos surveys as a result of the tightened regulations, the environmental divisions of both ABO NV and Translab saw sales increase by as much as 16%. Also in the geotechnical field, Geosonda managed to expand its activities, resulting in a solid 7% growth. Together, this results in an overall growth of 14% in the Belgian operations, amounting to a sales total of 12.8 million euros in the first six months of 2023 (compared with 11.2 million euros in the first half of the previous financial year).

Also in the Netherlands, the environmental services of ABO Milieuconsult and Sialtech benefited from solid demand for (guidance on) soil surveys. The challenges in residential construction due to the increase in building materials and interest rates, in combination with the nitrogen problem, put pressure on the consulting division and the geotechnical surveys in the first half of the year. Despite the contribution of previously unconsolidated results from the Colsen and Geo-Supporting acquisitions (achieving 3% growth), total Dutch sales fell from 6.4 million euros to 6.1 million euros, down 5% from 2022 (8% organic).



### Operating margins and net result under pressure

Due to the highly competitive geotechnical market in France and the weaker Dutch housing market, the increase in labour cost and broader cost indexations could not be fully recharged to our customers. This has depressed the operating margins. Over the first six months of 2023, EBITDA comes in at 4.6 million euros, which is 15% below the 5.4 million euros in the same period last year. Depreciation and provisions decreased slightly from 3.3 to 3.0 million euros, mainly due to a specific provision of 0.5 million euros related to a legal dispute of ABO Logistics in the first half of the previous financial year.

ABO-GROUP actively managed to reduce its financial debts by 3.0 million euros. On top of that, the financial result still increased from 0.3 million euros to 0.5 million euros due to the sharp increase in interest rates. As a result of all these factors combined, ABO-GROUP saw its net profit fall from 1.2 million euros (0.12 euros per share) to 0.8 million euros (0.07 euros per share).

### Cash-flow generation and debt position under control despite margin pressure

Despite the above-mentioned margin pressure, the Group managed to achieve a robust 0.7 million euro operating cash-flow (versus -84 thousand euros in the first half of 2022), thanks in part to controlling the annual seasonal increase in working capital at a level of 3.0 million euros (5.0 million in the first semester of 2022).

As a result of ABO-GROUP's investments, both the acquisitions of SEGED and DynaOpt, financed with the Company's internal cash funds and further accrual of working capital and fixed assets, net financial debt closed at 14.6 million euros, up from 10.6 million euros at the closing date of 2022. The annualised debt ratio increased to 1.6x to EBITDA (1.1x at the end of 2022). This remained healthy, giving the Group room to further invest in assets and/or acquisitions.

At the end of June 2023, the balance sheet total was 72.3 million euros, up 2% from 70.8 million euros at year-end 2022. On the asset side, this mainly reflects the recent acquisitions, as well as the aforementioned growth in working capital. However, this is largely offset by the decrease in the cash position. On the liability side, non-current debt and trade payables increased, partially mitigated by the decrease in current debt. Total equity amounts to 22.4 million euros, an increase of 0.7 million euros of result realised over the first part of 2023. The equity ratio at the closing date stood at 31.1% (versus 30.8% in the previous financial year).

*The complete consolidated income statement and balance sheet, statement of movements in equity and consolidated cash flow table are set out below consecutively.*

## Outlook

### Positive outlook for the second half of the year, and confirmation of 2025 plan

Thanks to ABO-GROUP's diversified product offerings and a number of large framework contracts, most entities' order books are well filled for the coming months. In particular, further developments in the European mining sector are expected to support the resumption of geotechnical activities. On this basis, management expects to maintain revenue growth in the second half of this financial year. In addition, the Company will focus on internal efficiency and cost optimisation with renewed effort in order to alleviate margin pressure within the operating entities. However, the Company will in any case continue to invest, both in people, assets and external acquisitions in order to achieve sustainable growth.

Thanks to the sound organic and external growth, combined with the positive outlook for the coming period, ABO-GROUP is perfectly on track in its plan to reach the 100 million euros revenue milestone by the end of 2025 at the latest.

## Financial calendar

28/03/2024 Annual figures 2023

29/05/2024 General Meeting of Shareholders

## Statement concerning the true and fair view of the interim condensed consolidated information and the true and fair view of the interim report

Frank De Palmenaer, Chief Executive Officer, declares that, to the best of his knowledge, the interim condensed consolidated information for the six-month period closed on 30 June 2023, which has been prepared in accordance with IAS 34 "Interim Reporting" as adopted by the European Union, gives a true and fair view of the assets, liabilities, financial position and results of the Company and its consolidated entities; and the interim report gives a true and fair view of the principal events and principal transactions with related parties that have occurred in the first six months of the financial year and their impact on the interim condensed financial information, as well as a description of the principal risks and uncertainties for the remaining months of the financial year.

## About ABO-GROUP

ABO-GROUP is a specialised, publicly traded engineering firm focused on geotechnical and environmental services and soil remediation. Through its consulting and testing & monitoring departments, ABO-GROUP is established in Belgium, the Netherlands and France, and active internationally. ABO-GROUP guarantees its customers a sustainable solution. For a more detailed description of the Group's activities, please visit the ABO-GROUP website ([www.abo-Group.eu](http://www.abo-Group.eu)).

## For more information:

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**Consolidated interim income statement (not audited)**

x 1,000€	For the first 6 months closed on 30 June	
	2023	2022
Sales	39 886	36 354
Other operating income	467	404
<b>Total operating income</b>	<b>40 353</b>	<b>36 758</b>
Purchases of goods and services for resale	-5 212	-4 704
Services and miscellaneous goods	-12 712	-11 066
Employee Benefits	-17 456	-15 035
Depreciation	-3 064	-2 789
Other operating expenses	-314	-1 044
<b>Operating profit</b>	<b>1 595</b>	<b>2 120</b>
Financial charges	-508	-349
Financial income	15	2
<b>Profit before taxes</b>	<b>1 102</b>	<b>1 773</b>
Taxes	-436	-531
<b>Net profit</b>	<b>666</b>	<b>1 242</b>
Net profit (loss) attributable to the		
shareholders of the parent company	668	1 252
third-party interests in the Company	-2	-10
<b>Earnings per share for shareholders</b>		
Ordinary and diluted	0,06	0,12

Interim segment split (not audited)

Geographic - x €1,000	For the first 6 months closed on 30 June	
	2023	2022
Belgium	12 791	11,228
<i>% total</i>	<i>31,7%</i>	<i>30.5%</i>
The Netherlands	6 068	6,404
<i>% total</i>	<i>15,0%</i>	<i>17.4%</i>
France	21 494	19,126
<i>% total</i>	<i>53,3%</i>	<i>52.0%</i>
<b>Total</b>	<b>40 353</b>	<b>36,758</b>

Activity - x €1,000	For the first 6 months closed on 30 June	
	2023	2022
Geotech	21 527	20,863
<i>% total</i>	<i>53,3%</i>	<i>56.8%</i>
Environment	18 826	15,896
<i>% total</i>	<i>46,7%</i>	<i>43.2%</i>
<b>Total</b>	<b>40 353</b>	<b>36,758</b>

**Consolidated interim comprehensive income (not audited)**

x 1,000€	For the first 6 months closed on 30 June	
	2023	2022
Net profit	666	1 242
<b>Other comprehensive income - transferable to the income statement</b>		
Movement in fair value of financial assets with fair value adjustments through other comprehensive income	1	-5
<b>Other comprehensive income, after tax</b>	<b>1</b>	<b>-5</b>
<b>Comprehensive result after tax</b>	<b>667</b>	<b>1 237</b>
Comprehensive result attributable to the		
shareholders of the parent company	669	1 247
third-party interests in the Company	-2	-10



**Consolidated interim balance sheet (not audited)**

x 1,000€	30 June 2023	31 December 2022
<b>Non-current assets</b>		
Goodwill	985	979
Intangible fixed assets	3 448	2 262
Property, plant and equipment	23 542	23 466
Participations in associated companies	170	–
Deferred tax assets	732	759
Financial assets with fair value adjustments through other comprehensive income	16	25
Other financial assets	596	588
<b>Total non-current assets</b>	<b>29 489</b>	<b>28 079</b>
<b>Current assets</b>		
Stock	1 283	1 266
Trade receivables	16 955	14 035
Contract assets	12 547	9 539
Other current assets	1 041	1 095
Cash and cash equivalents	10 799	16 747
<b>Total current assets</b>	<b>42 625</b>	<b>42 682</b>
<b>Total assets</b>	<b>72 114</b>	<b>70 761</b>

x 1,000€	30 June 2023	31 December 2022
<b>Total equity</b>		
Capital	4 857	4 857
Consolidated reserves	15 066	14 315
Other comprehensive income	2 408	2 490
<b>Equity attributable to Group shareholders</b>	<b>22 331</b>	<b>21 662</b>
Third-party interests in the Company	97	98
<b>Total equity</b>	<b>22 428</b>	<b>21 760</b>
<b>Non-current liabilities</b>		
Financial liabilities	10 671	11 110
Deferred tax liabilities	1 644	1 353
Provisions	1 163	1 112
Other non-current liabilities	969	914
<b>Total non-current liabilities</b>	<b>14 447</b>	<b>14 489</b>
<b>Current liabilities</b>		
Financial liabilities	14 769	16 276
Trade payables	9 371	7 770
Tax liabilities	1 326	1 330
Other current liabilities	9 773	9 136
<b>Total current liabilities</b>	<b>35 239</b>	<b>34 512</b>
<b>Total equity and liabilities</b>	<b>72 114</b>	<b>70 761</b>

**Consolidated statement of movement in equity (not audited)**

x 1,000€	Attributable to parent company shareholders				Third-party interests in the Company	Total equity
	Capital	Consolidated reserves	Other comprehensive income	Total		
<b>On 1 January 2022</b>	<b>4 857</b>	<b>12 563</b>	<b>2 196</b>	<b>19 616</b>	<b>880</b>	<b>20 496</b>
Net profit	-	1 252	-	1 252	-10	1 242
Other comprehensive income	-	-	-5	-5	-	-5
<b>Comprehensive Result</b>	<b>-</b>	<b>1 252</b>	<b>-5</b>	<b>1 247</b>	<b>-10</b>	<b>1 237</b>
Acquisition of third-party interest Geosonda	-	-302	-	-302	-258	-560
Put option third-party interest Geosonda	-	-363	-	-363	-515	-878
Transfer depreciation of property, plant and equipment	-	96	-96	-	-	-
<b>On 30 June 2022</b>	<b>4 857</b>	<b>13 246</b>	<b>2 094</b>	<b>20 197</b>	<b>97</b>	<b>20 294</b>
<b>On 1 January 2023</b>	<b>4 857</b>	<b>14 315</b>	<b>2 490</b>	<b>21 662</b>	<b>98</b>	<b>21 760</b>
Net profit	-	668	-	668	-2	666
Other comprehensive income	-	-	1	1	-	1
<b>Comprehensive Result</b>	<b>-</b>	<b>668</b>	<b>1</b>	<b>669</b>	<b>-2</b>	<b>667</b>
Transfer depreciation of property, plant and equipment	-	82	-82	-	-	-
<b>On 30 June 2023</b>	<b>4 857</b>	<b>15 066</b>	<b>2 408</b>	<b>22 331</b>	<b>97</b>	<b>22 428</b>

**Consolidated cash flow table (not audited)**

<b>x 1,000€</b>	<b>For the first 6 months closed on 30 June</b>	
	<b>2023</b>	<b>2022</b>
Net profit	666	1 242
Non-cash expenses and operational adjustments		
Depreciation of property, plant and equipment	2 804	2 579
Amortisation of intangible fixed assets	260	210
Loss (gain) on sale of property, plant and equipment	-62	-33
Fair value adjustments	-68	-
Movement in provisions	-141	435
Movement in customer impairments	101	239
Financial income	-15	-2
Financial charges	507	349
Deferred tax expense (income)	-48	4
Tax cost	484	527
Fair value adjustment of recoverable amount on acquisition	53	-107
Other	-1	-
Working capital adjustments		
Decrease (increase) in other financial fixed assets, trade receivables and other current assets	-4 922	-7 980
Decrease (increase) in stock	112	6
Increase (decrease) in trade and other payables	1 713	2 823
<b>Cash flow from operating activities before interest and taxes</b>	<b>1 443</b>	<b>292</b>
Interest received	14	2
Taxes paid	-663	-378
<b>Net cash flow from operating activities</b>	<b>794</b>	<b>-84</b>

x 1,000€	For the first 6 months closed on 30 June	
	2023	2022
<b>Investment activities</b>		
Investments in property, plant and equipment	-1 746	-2 212
Investments in intangible fixed assets	-14	-
Sale of property, plant and equipment	55	66
Acquisition of subsidiary company	-1 490	-641
Acquisition of third-party interest	-	-560
Income on financial assets	15	-
Payment deferred compensation	-14	-
<b>Net cash flow (used in) from investing activities</b>	<b>-3 194</b>	<b>-3 347</b>
<b>Financing activities</b>		
Repayments received on loans	2 293	1 291
Repayments paid on loans	-4 151	-1 948
Repayments paid on lease debts	-1 225	-1 222
Interest paid	-290	-224
Other financial income (expenses)	-175	-124
<b>Net cash flow from financing activities</b>	<b>-3 548</b>	<b>-2 227</b>
<b>Net increase in cash and cash equivalents</b>	<b>-5 948</b>	<b>-5 658</b>
Cash and cash equivalents at the opening date	16 747	16 172
<b>Cash and cash equivalents at the closing date</b>	<b>10 799</b>	<b>10 514</b>