



Floridienne Group - Press release – Regulated information – Embargo 30/09/2020 5.40 pm - Transmitted on 30/09/2020 at 8.40 pm

Interim management report 30 JUNE 2020

Resilience of our activities in the face of the crisis linked to COVID-19

Continuation of the Gourmet Food Division recovery plan which is withstanding the sluggishness of activities intended for the hospitality sector

Growth of the Life Sciences Division in a complicated operating context owing to the restrictions imposed by some countries on the free movement of goods and people resulting in substantial logistics costs

Divestment of our German subsidiary IKA, active in the production and marketing of PVC stabilisers, under way

Floridienne Group interim management report

1. Consolidated results

The Floridienne Group turnover as at 30 June 2020 amounted to EUR 174.1 million, down 6.5% compared with the figure of EUR 186.3 million recorded as at 30 June 2019. This fall can mainly be attributed to the loss of certain salmon trading markets in our Gourmet Food Division.

The EBITDA stood at EUR 16.5 million as at 30 June 2020, remaining stable compared with 30 June 2019. This reflects the ability of the Group's activities to withstand the current crisis linked to the COVID-19 pandemic.

Amortisation and impairments amounted to EUR 8.2 million. Amortisation increased by EUR 1.0 million compared with the first half of 2019 owing to investments made in our subsidiaries. An impairment of EUR 1.2 million was recorded on the goodwill of the activities of the German company IKA Innovative Kunststoffaufbereitung GmbH & Co KG and its subsidiaries ('IKA'). In 2020, the Group began the process of disposing of IKA. This process was completed on 31 August 2020 with the signing of a contract of sale to a group of industrial experts and professional investors brought in by Invest Equity. This divestment is subject to the approval of the competition authorities. The activities of IKA are therefore included as non-current assets held for sale (IFRS 5). Impairments of EUR 1.2 million were recorded in 2020 to bring the book value of these activities to their market value less the costs linked to their disposal.

The financial result is negative, standing at -EUR 0.3 million, a variation of -EUR 1.2 million compared with the first half of 2019 owing to exchange rate fluctuations.

The pre-tax result amounts to EUR 6.4 million, a fall of EUR 3.0 million affected by an extraordinary impairment of EUR 1.2 million, the increase in amortisation (+EUR 1.0 million) owing to the Group's investment policy and the fall in financial results owing to currency fluctuations.

The consolidated net result amounts to EUR 4.0 million, of which EUR 2.1 million can be allocated to Floridienne shareholders (down EUR 1.5 million, mainly due to the acknowledged impairment of EUR 1.2 million on IKA) and EUR 1.9 million to third-party interests (-12.8%).

The consolidated equity and the group's share of the equity are stable and amounted respectively to EUR 144 million and EUR 120.4 million as at 30 June 2020.

The group's net financial debt as at 30 June 2020 amounted to EUR 86.0 million, compared with EUR 96.8 million as at 31 December 2019. This fall can mainly be attributed to the seasonal nature of part of our activities and in particular to the importance of the sales made by our Gourmet Food Division during the end-of-year festivities.

The Group had substantial liquid assets of EUR 31.4 million as at 30 June 2020, enabling it to continue its growth strategy in its future business lines. In addition, the disposal of all the activities of IKA in the second half of the year will further strengthen the Group's cash flow and allow it to continue supporting its subsidiaries.

Consolidated financial data of Floridienne Group

In EUR millions	30/06/20	30/06/19
Turnover	174.1	186.3
EBITDA	16.5	16.1
EBIT	8.3	10.1
Share of the net result of equity-accounted companies	0.1	0.2
Financial result	-2.0	-0.9
Result before tax	6.4	9.4
Consolidated net result	4.0	5.8
Consolidated net result Floridienne share	2.1	3.6

In EUR millions	30/06/20	30/06/19
Equity capital and non-current liabilities	242.8	227.1
- Floridienne equity	120.4	113.5
- Non-controlling interests	23.6	20.3
- Non-current liabilities	98.9	93.3
Current liabilities	93.2	99.1
Non-current assets	160.2	162.9
Current assets	175.8	163.3
Stock market capitalisation end of period	224.3	189.4

In EUR millions	30/06/20	30/06/19
Details per share		
Number of shares	996,857	996,857
Operating result	8.3	10.1
Consolidated net result Floridienne share	2.2	3.7
Share price end of period (in EUR)	225.00	190.00

In EUR millions	Turnover		Net result after tax	
	30/06/20	30/06/19	30/06/20	30/06/19
Gourmet Food Division	67.1	83.2	-3.0	-3.1
Life Sciences Division	77.8	73.4	8.7	8.0
Chemicals Division	29.2	29.7	-0.5	1.9
Corporate Division	-	-	-1.3	-1.1
Total	174.1	186.3	4.0	5.8

2. Gourmet Food Division

The turnover of the Gourmet Food Division fell by 19% during the first half-year period to EUR 67.1 million, compared with EUR 83.2 million a year earlier. This fall can largely be explained by the loss of certain smoked salmon trading markets (estimated impact of EUR 10 million for the first half of the year) and to a lesser extent the decline in sales intended for the hospitality sector. The lockdown measures applied in Belgium and France in response to the COVID-19 coronavirus pandemic between mid-March and early June temporarily halted our activities intended for the hospitality sector. The increase in sales to the mass distribution sector partially offset this reduction in activity.

The EBITDA of this Division increased by EUR 0.6 million to stand at EUR -0.3 million as at 30 June 2020 compared with EUR -0.9 million as at 30 June 2019. The activity of the Gourmet Food Division is highly seasonal and its sales are closely linked to the end-of-year festivities. This Division therefore records weak results in the first half of every year in structural terms.

The increase in profitability may be mainly attributed to the positive effects of the strategic plan for simplification and specialisation in the Division's production sites and organisational structures and to the easing observed in the prices of certain basic ingredients (butter, eggs, scallops).

The net result after tax was stable at EUR -3.0 million as at 30 June 2020, compared with a loss of EUR -3.1 million as at 30 June 2019.

The Gourmet Food Division will continue to suffer during the second half of the year from the sluggishness in the hospitality sector owing to the restrictions imposed to curb the Covid-19 pandemic. However, the effects of its recovery plan and the easing observed in the prices of certain basic ingredients should enable the Division to achieve improved operating results for the current financial year compared with last year.

Note on LARZUL

Various legal proceedings are still ongoing concerning this company. The main one relates to control. No significant progress was made as regards these proceedings during the first half of 2020 enabling us to exercise our rights here or deploy our industrial strategy.

In the absence of any negative indicators concerning the profitability of Larzul, the Board has decided to maintain the values of this holding and of our claim in the consolidated accounts unchanged compared with the historic accounting values at EUR 2.6 million and EUR 1.5 million respectively. In accounting terms, this holding is booked under 'Other non-current financial assets' in the consolidated balance sheet as we do not have control over the company. The situation is being closely monitored and will be reassessed during the second half of the year.

3. Life Sciences Division

The turnover of the Life Sciences Division amounted to EUR 77.8 million as at 30 June 2020, up 6% compared with EUR 73.4 million as at 30 June 2019. This rise may be attributed to the dynamism of all the Division's activities, a sign of their good health and the appropriate nature of the strategic choices made here.

Biobest, which is active in the field of integrated pest management solutions in agriculture, has recorded growth in sales but was unable to meet demand in full owing to logistics difficulties linked to the restrictions imposed by certain countries on the movement of goods in response to the COVID-19 coronavirus pandemic.

The Enzymes activity began the year well and also benefited from the wish of its main customers to build up stocks.

The EBITDA rose by 3% to EUR 15.6 million, as against EUR 15.2 million as at 30 June 2019. The Division is having to cope with certain extraordinary costs linked to the current pandemic and is in particular experiencing higher logistics costs owing to the disruption in air travel at the moment.

The net result after tax of the Life Sciences Division amounted to EUR 8.7 million, compared with EUR 8.0 million as at 30 June 2019, up 7%.

The current pandemic will continue to affect the Division during the second half of the year, having a negative impact on sales growth and operating costs. However, the markets in which the Life Sciences Division is evolving remain favourable, holding out the hope of an increase in the result for the year as a whole.

4. Chemicals Division

The turnover of the Chemicals Division fell by 2% to EUR 29.2 million as at 30 June 2020 compared with EUR 29.7 million as at 30 June 2019. This fall is mainly due to the fall in the value of the Turkish lira which is adversely affecting our Kimflor subsidiary.

SNAM's recycling activities are upheld by the rise in the volumes of batteries collected, particularly in the segment of hybrid and electric vehicle batteries. However, the profitability of this subsidiary remains susceptible to fluctuations in the price of purified metals resold on the market.

Kimflor, our subsidiary active in PVC stabilisers in Turkey, made progress at constant exchange rates, but this progress was offset in euros, owing to the steady fall in the value of the Turkish lira during the first half of the year.

The EBITDA and the net result after tax of this Division are down and amounted respectfully to EUR 2.2 million and EUR -0.5 million as at 30 June 2020 (compared with EUR 2.8 million and EUR 1.9 million respectively as at 30 June 2019). The profitability of SNAM during the first half of the year was negatively impacted by the low price of purified metals and certain extraordinary costs linked to the current COVID-19 pandemic. The negative impact of the Turkish lira is limited by Kimflor's good management of its current assets which yields positive exchange rate results.

The medium-term outlook for this Division is positive with a sustained rise in the volume of batteries collected by our recycling activities. The Group is counting on an improved result from this Division in the second half of the year compared with the first six months.

5. Holding & Corporate Division

The result of the Holding and Corporate Division stood at EUR -1.3 million as at 30 June 2020, stable compared with the situation on 30 June 2019.

6. COVID-19 pandemic and outlook

In December 2019, a COVID-19 coronavirus epidemic erupted in some parts of China (Wuhan) and then spread throughout the world. Every country is affected and is taking measures to curb the spread of the virus. The lockdowns ordered in some countries and the restrictions on the movement of goods and people had a negative impact on our operations.

The activities of the Gourmet Food Division intended for the hospitality sector were particularly affected by the lockdown measures applied in Belgium and France between mid-March and early June and continue to suffer owing to the sluggishness of this sector. The increase in sales to the mass distribution sector partially offset this reduction in activity.

The Life Sciences Division faces major operational and logistics challenges linked to the current pandemic and the restrictions imposed by some countries on the free movement of goods and people. However, this Division is recording growth in sales and profitability and continues to benefit from strong demand for its products.

Finally, further to the process under way to dispose of our German subsidiary IKA, from now on the Chemicals Division is to comprise only our Turkish PVC stabiliser production and marketing activities (Kimflor) and our battery recycling activities (SNAM). Kimflor is holding its ground despite a difficult environment. The profitability of SNAM during the first half of the year was negatively impacted by the low price of purified metals and certain extraordinary costs linked to the current COVID-19 pandemic. The medium-term outlook for our recycling activity remains positive with a steady rise in the volume of batteries collected.

To sum up, the diversification of our Group and the nature of our activities have enabled us to withstand the negative consequences of this pandemic for the economy. The COVID-19 coronavirus pandemic is considerably increasing uncertainty about the economic environment for the second half of 2020 and presents major operational and logistics challenges which will continue to have a negative impact on our growth. However, the bases of our Group are positive and should enable us to withstand the crisis caused by this pandemic well. To date we are not aware of any impairment indicators that would require a significant revision of the hypotheses adopted during the impairment test carried out at the end of 2019. However, the development of the economic climate is being closely monitored and the situation will be re-assessed at the end of 2020.

The outlook for the second half of 2020 is generally positive, with an anticipated improvement of the situation in the Gourmet Food Division and continued growth in the Life Sciences Division. Finally, the planned disposal of all the IKA securities during the second half of the year will enable the Group to strengthen its cash flow.

Overall, the Board of Directors is confident of the ability of the Group's activities to withstand the current crisis and expects stable results for the 2020 financial year as a whole.

7. Own shares purchased

Floridienne did not purchase any of its own shares during the past six-month period. As at 30 June 2020, the number of own shares held by the group stood at 17,363.

8. Composition of the shareholding body

According to the most recent transparency statements and information sent to Floridienne, the shareholding body is as follows:

Beluflo S.A.	391,996	39.32%
Philippe de Spoelberch	216,428	21.71%
SRIW	84,176	8.44%
Personnes physiques	61,821	6.20%
Gaëtan Waucquez	21,000	2.11%
Finatco S.A.	22,700	2.28%
Floridienne S.A.	17,363	1.74%
Marinvest S.A.	90,800	9.11%
Sigeco S.A.	11,450	1.15%
Free Float	79,123	7.94%
Number of shares	996,857	100.00%

9. Management statement

We the undersigned, Marc Blanpain and Gaëtan Waucquez, directors and members of the management committee, certify in the name and on behalf of Floridienne that to our knowledge:

- The condensed financial statements as at 30 June 2020, drawn up in accordance with the applicable accounting standards, provide a faithful image of the assets, the financial situation and the results of Floridienne and the companies included in the consolidation scope.
- The half-yearly report contains a faithful account of the development of business, the results and the situation of the group and the companies included in the consolidation scope.
- The half-yearly report contains a faithful account of the important events and main transactions between affiliated parties which occurred within the first six months of the financial year and their impact on the condensed financial statements as well as a description of the main risks and uncertainties for the remaining months of the financial year, which are in line with the assessment presented in the section entitled 'Risk management and internal auditing' of the 2019 annual report.

10. External audit

In accordance with Article 13 §7 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted for trading on a Belgian regulated market, we point out that the interim consolidated financial statements given in this document have not undergone an audit or a limited review by the Auditor.