



Results first half 2018: Continued good results in volatile market conditions

Regulated information - 27 September 2018 – 18:00

Headlines

During the first semester of 2018 Campine achieved a revenue of 113.8 Mio € (2017: 116.5 Mio €). Profit after taxes amounted to 4.67 Mio €, (2017: 4.98 Mio €). The slight reduction in Sales (-2.3%) and profit (-6.2%) are solely related to the volatile and lower lead prices in 2018.

“The metal markets have been more volatile in 2018 due to threats of trade wars” explains CEO De Vos and adds that “Despite similar average metal prices in the first half of 2017, the LME lead price in 2018 showed a downward trend. In combination with increased used-battery purchase prices, this has a short term negative impact on margins.”

Campine confirms that since August battery prices are lowering and availability improves. In combination with the new lead furnace filter and related increased output capacity, Campine is looking forward to a positive second semester with good filled orderbooks for all businesses.

Re-aligned Business Units

Campine has aligned its business organisation into 2 segments in conformance with its markets served. This orientation also fits with our internal management structure says De Vos: “The Plastics and Antimony Business Units are serving the same customers, often even for the same applications, so it is logical to bring them in one Segment called **Specialty Chemicals**.”

In May 2018 the company announced its new business plan, in which it confirmed also to increasingly recycle other metals besides Lead. “What started as an attempt to recover antimony from our drosses and other industrial waste streams, resulted in the recovery, concentration or extraction of different other metals. The metallurgical process to do this and the suppliers and customers involved, are more linked to our lead recycling operations, so these businesses fit very well under the Segment header of **Metals Recycling**” adds De Vos.

Specialty Chemicals hosts all businesses which serve end-markets with chemical products and derivatives. The manufacturing of antimony trioxide used as flame-retardant, polymerization catalyst and pigment reagent (formerly reported under the Antimony unit) and the production of different types of polymer and plastic masterbatches (formerly reported under BU Plastics) are hosted in this Segment, which now comprises the BU Antimony and BU Plastics.

Metals Recycling hosts the businesses in which metals are being recovered from industrial and post-consumer waste streams. The main activity is the manufacturing of lead alloys (formerly reported in the BU Lead). To this business is now added the growing activity of the recycling of other metals such as antimony and tin (formerly integrated in the BU Antimony). This Segment now comprises the BU Lead and BU Metals Recovery.

The financial reporting is adapted according to this modification.

The full interim financial report is available on our website via http://www.campine.biz/images/interim_financial_report.pdf

Performances per Segment

Specialty Chemicals

Market and Operations

- The demand for flame retardants continues to increase. Despite regulatory pressure, antimony trioxide remains the most widely used and most efficient product in the fire protection of plastics.
- Sales volumes increased to 8,078 mT compared to 7,855 mT over the same period in 2017, which is an increase of 3 %. Demand remains strong for the rest of the year.
- The operating result improved substantially to 2.70 Mio € (from 1.20 Mio € in 2017), due to increased operational efficiencies.
- Campine keeps expanding its range of plastic masterbatches with the addition of a 4th mixing unit.

Specialty Chemicals	BU Antimony			BU Plastics			Total		
	30/06/18	30/06/17		30/06/18	30/06/17		30/06/18	30/06/17	
Turnover in € '000*	34,015	31,662	7%	13,573	13,989	-3%	47,588	45,651	4%

Outlook 2018

The demand for Campine's chemical products remains strong. The expectation is that the Specialty Chemicals Segment will continue to perform better than in 2017 throughout the year.

Metals Recycling

Market and Operations

- The demand for Lead products remains high and similar to last year. Sales volumes in the first semester were however about 1,120 mT below last year's first semester (30,469 mT versus 31,585 mT). This was caused by capacity limitations related to the old filter, which was replaced during the summer shutdown. The new furnace filter (building) was taken into operation as planned on August 1st and gives Campine about 15% additional lead recycling capacity.
- LME lead prices were very volatile. The average LME lead prices of the first 6 months 2018 were comparable with those of the first semester 2017. However there are some substantial differences: In 2017 LME lead prices started relatively low around 1,900 €/mT and increased thereafter. In 2018 LME lead prices started relatively high (2,100 €/mT) and dropped considerably by begin of March towards 1,900 €/mT after president Trump's announcement of metal import duties. Prices remained very volatile since then, even reaching 1,700 €/mT in September.
- The operating result reduced accordingly to 6,245 Mio € (from 8,897 Mio € in 2017).
- Our process knowledge to recycle other metals such as antimony and tin has reached a more mature stage, allowing us to run our equipment more efficiently.

Metals Recycling	BU Metals Recovery			BU Lead			Total		
	30/06/18	30/06/17		30/06/18	30/06/17		30/06/18	30/06/17	
Turnover in € '000*	5,334	4,164	28%	68,240	72,232	-6%	73,574	76,396	-4%

Outlook 2018

The increased capacity will be gradually filled during Q3 and we expect a strong output during Q4 to satisfy the high market demand. Campine expects the Metals Recycling Segment to end the year 2018 with similar or even higher volumes than in 2017. Margins are progressively restoring as used-battery prices are adapting to the lowered lead LME rates.

* The segment turnover is before eliminations of cross-business unit sales. We refer to note 3 of the interim financial report.

Condensed consolidated income statement

'000 €	30/06/18	30/06/17
Revenue	113,806	116,538
Other operating income	1,286	1,758
Raw materials and consumables used	-93,195	-95,573
Employee benefits expense	-7,083	-6,599
Depreciation and amortisation expense	-1,260	-1,259
Changes in restoration provision	-	-350
Other operating expenses	-6,442	-5,768
Operating result	7,112	8,747
Investment revenues	-	-
Hedging results:	-124	-690
- Closed hedges	150	-14
- Change in open position	-274	-676
Finance costs	-256	-350
Result before tax	6,732	7,707
Income tax expense	-2,060	-2,727
Result for the period	4,672	4,980
Attributable to:		
Equity holders of the parent	4,672	4,980
Non-controlling interest	-	-
	4,672	4,980
RESULT PER SHARE (in €)	3.11	3.32
Basic	3.11	3.32
Diluted	3.11	3.32

Condensed consolidated balance sheet

'000 €	30/06/18	31/12/17	'000 €	30/06/18	31/12/17
ASSETS			EQUITY AND LIABILITIES		
Non-current assets			Capital and reserves		
Property, plant and equipment	8,485	7,386	Share capital	4,000	4,000
Intangible assets	182	259	Translation reserves	-	-
Deferred tax assets	117	153	Retained earnings	24,359	20,582
Cash restricted in its use	275	275	- Legal reserves	965	965
	9,059	8,073	- Other reserves and retained results	23,394	19,617
			Total equity	28,359	24,582
Current assets			Non-current liabilities		
Inventories	31,221	28,226	Retirement benefit obligation	1,271	1,299
Trade and other receivables	30,512	35,513	Deferred tax liabilities	67	18
Derivatives	-	213	Bank loans	-	-
Cash and cash equivalents	650	148	Provisions	1,090	1,090
	62,383	64,100		2,428	2,407
			Current liabilities		
			Retirement benefit obligation	97	83
			Trade and other payables	22,965	20,538
			Derivatives	132	71
			Current tax liabilities	5,350	5,523
			Bank overdrafts and loans	2,186	5,503
			Advances on factoring	9,925	13,466
				40,655	45,184
			Total liabilities	43,083	47,591
TOTAL ASSETS	71,442	72,173	TOTAL EQUITY AND LIABILITIES	71,442	72,173

Condensed consolidated statement of changes in equity

'000 €	Share capital	Retained earnings	Attributable to equity holders of the parent	Total
Balance on 31 December 2016	4,000	15,187	19,187	19,187
Total result of the period	-	4,980	4,980	4,980
Dividends and tantièmes (see note 6)	-	-	-	-
Balance on 30 June 2017	4,000	20,167	24,167	24,167
Total result of the period	-	1,915	1,915	1,915
Dividends and tantièmes (see note 6)	-	-1,500	-1,500	-1,500
Balance on 31 December 2017	4,000	20,582	24,582	24,582
Total result of the period	-	4,672	4,672	4,672
Dividends and tantièmes (see note 6)	-	-895	-895	-895
Balance on 30 June 2018	4,000	24,359	28,359	28,359

Related party transactions

For more information regarding related party transactions, we refer to note 16 in the interim financial report.

Risks and uncertainties

The risks and uncertainties Campine faces have had no significant evolution since the closure of the 2017 financial year. We refer to note 17 in the interim financial report.

Important events after balance sheet date

On 21 November 2018 the hearing before the General Court (the Group's appeal against the fine issued by the EC in 2017) will take place.

Between 30/06/18 and the date the interim financial statements were authorised for issue, no other important events occurred.

Declaration true and fair view

The Board of Directors declares that to their knowledge

- The interim consolidated financial report for the period of 6 months, ending on 30/06/18, gives a true and fair view of the financial position, the financial results of Campine nv, including its consolidated subsidiary ("the Group").
- The interim financial report for the 6 months, ending on 30/06/18, gives a true and fair view of the legal and regulatory required information and corresponds with the condensed interim consolidated financial statements.

Statutory auditor

The statutory auditor has confirmed that based on his audit, which has been worked through thoroughly nothing has come to his attention that gives reason to believe that significant adjustments are required to the half-yearly information in this press release or in the interim financial report.

Approval of interim financial statements

The interim financial statements were approved and authorised for issue by the Board of Directors of 25/09/18.

This information is also available in Dutch. Only the Dutch version is the official version.

The English version is a translation of the original Dutch version.

For further information you can contact Karin Leysen (tel. no +32 14 60 15 49 / email: Karin.Leyesen@campine.be).