

Results first half 2019

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Headlines - Financial results

During the first semester of 2019 Campine achieved a revenue of 101,9 mio € (2018: 113,8 mio €). Profit after taxes amounted to 2,33 mio €, (2017: 4,67 mio €). The reduction in sales (-10,4%) and profit (-50,0%) are solely related to the lower metal prices in 2019.

"2019 turns out to be a difficult year." explains CEO De Vos "The industrial demand for many of our products is currently weak. Additionally, the lead and antimony metal prices, which form the bases of our sales prices, have declined substantially. In the short term, this also puts our margins under pressure."

Antimony metal prices dropped on average 12,5% compared to the 1st semester 2018, whilst LME lead prices dropped even with an average of 14,4%.

"During the summer months the LME lead prices have recovered and in September the continuous decrease in antimony metal price seems to have reached its bottom. These should both have a positive effect on the results in the last quarter. We expect therefore to end 2019 with a relatively good result seen the difficult market conditions." adds De Vos.

"We remain a cyclical company, but through diversification, volume growth and increased operational efficiency Campine managed to realise a positive result during a downward market cycle." concludes Chairman De Groote.

Performances per division

Division Specialty Chemicals

Market and Operations

- The expected growth in the demand for flame retardants did not materialise in 2019. Especially the demand for automotive applications was weak. The uncertainty in many markets and the consecutive price decreases have led to a destocking and maximum postponement of new orders at our customers. Volumes decreased with 8% compared to the 1st semester 2018.
- Sales revenue decreased to 43,7 mio € as a result of lower volumes as well as lower sales prices of our antimony products. The revenue decrease was limited to 8% thanks to a different product mix and higher prices of our other flame retardant masterbatch products.
- The weak demand resulted in higher competition with consequential pressure on the margins. The operating result was also impacted by the devaluation of our stocks due to the lower raw material prices. All this resulted in a break-even result of 0,01 mio € (compared to a profit of 1,87 Mio € in the same period in 2018).



Division Metals Recycling

Market and Operations

- Over 80% of our lead products are used to produce batteries, of which most go to the automotive sector. Despite the lower demand for car batteries we were able to increase our sales volumes to 34.177 ton (in 2018: 32.896 ton) by securing additional business. Thanks to the new filter installation put in operation in the second half of last year, we were able to make gains in efficiency.
- The average LME lead prices during the first 6 months of 2019 (1.735 €/ton) were considerably lower than those of the first semester 2018 (2.028 €/ton). Since our sales prices are directly linked with the LME, revenues consequently reduced to 65,53 mio € (from 73,57 mio € in 2018), which is a decrease of -10,9%.
- The operating result in our recycling business model suffered from the low primary lead LME prices and reduced accordingly to 3.168 mio € (from 5.240 mio € in 2018).
- The activities from the Metals Recovery business, in which other metals are regained from scraps, contributed again substantially to the profit.

Outlook 2019 / 2020

We foresee the weak demand to sustain for the rest of the year in all our businesses. An uptake is only expected during 2020. It seems like the decrease of the antimony metal prices has slowly reached its bottom during September, so we expect better results in the Specialty Chemicals division in the 4th quarter. The positive evolution during the summer months of the LME lead prices from below 1.700 €/ton to over 1.850 €/ton should contribute to a better result for the Metals Recycling unit in the 2nd semester.

All in all, Campine expects to close this difficult year 2019 with an average positive result.



Condensed consolidated income statement

'000 €	30/06/19	30/06/18
Revenue	101.919	113.806
Other operating income	1.697	1.286
Raw materials and consumables used	-85.410	-93.195
Employee benefits expense	-7.292	-7.083
Depreciation and amortisation expense	-1.530	-1.260
Changes in restoration provision	-	-
Other operating expenses	-6.206	-6.442
Operating result (EBIT)	3.178	7.112
Investment revenues	-	-
Hedging results:	337	-124
- <i>Closed hedges</i>	266	150
- <i>Change in open position</i>	71	-274
Finance costs	-185	-256
Net financial result	152	-380
Result before tax (EBT)	3.330	6.732
Income tax expense	-997	-2.060
Result for the period (EAT)	2.333	4.672
Attributable to:		
Equity holders of the parent	2.333	4.672
Non-controlling interest	-	-
RESULT PER SHARE (in €)		
Basic & diluted	1,56	3,11



Condensed consolidated balance sheet

'000 €	30/06/19	31/12/18
ASSETS		
Non-current assets		
Property, plant and equipment	10.883	10.495
Right-of-use assets	255	-
Intangible assets	196	223
Deferred tax assets	15	83
Cash restricted in its use	-	275
	11.349	11.076
Current assets		
Inventories	28.431	27.740
Trade and other receivables	25.359	22.633
Derivatives	14	-
Deferred tax assets	-	-
Cash and cash equivalents	213	121
	54.017	50.494
TOTAL ASSETS	65.366	61.570
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	4.000	4.000
Translation reserves	-	-
Retained earnings	25.926	25.529
- <i>Legal reserves</i>	965	965
- <i>Other reserves and retained results</i>	24.961	24.564
Equity attributable to equity holders of the parent	29.926	29.529
Total equity	29.926	29.529
Non-current liabilities		
Retirement benefit obligation	1.187	1.205
Deferred tax liabilities	54	-
Bank loans	2.475	-
Obligations under finance leases	149	-
Provisions	1.090	1.090
	4.955	2.295
Current liabilities		
Retirement benefit obligation	97	104
Trade and other payables	19.262	16.356
Derivatives	2	59
Current tax liabilities	455	4.020
Obligations under finance leases	106	-
Bank overdrafts and loans	2.652	2.035
Advances on factoring	7.911	7.172
Provisions	-	-
	30.485	29.746
Total liabilities	35.440	32.041
TOTAL EQUITY AND LIABILITIES	65.366	61.570



Condensed consolidated statement of changes in equity

'000 €	Share capital	Retained earnings	Attributable to equity holders of the parent	Total
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	-	-895	-895	-895
Balance on 30 June 2018	4.000	24.359	28.359	28.359
Total result of the period	-	1.170	1.170	1.170
Dividends and tantièmes	-	-	-	-
Balance on 31 December	4.000	25.529	29.529	29.529
Total result of the period	-	2.333	2.333	2.333
Dividends and tantièmes	-	-1.935	-1.935	-1.935
Balance on 30 June 2019	4.000	25.926	29.926	29.926

Related party transactions

For more information regarding related party transactions, we refer to note 17 in the interim financial report.

Risks and uncertainties

The risks and uncertainties Campine faces have had no significant evolution since the closure of the 2018 financial year. We refer to note 18 in the interim financial report.

Important events after balance sheet date

The Group went into appeal against the EC fine issued in 2017. An oral hearing took place on 21 November 2018. The final verdict in this case is expected in the last quarter of 2019.

Between 30/06/19 and the date these interim financial statements were authorised for issue, no 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 30/06/19, 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 30/06/19, 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 12/09/19.

The full interim financial report is available on our website www.campine.com:
Investors/shareholder information/financial reports and calendar/Financial reports/interim financial report 2019.

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.

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