

Results first half 2020

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Headlines - Financial results

During the first semester of 2020 Campine achieved a revenue of 82,7 mio € (2019: 102,9 mio €). Profit after taxes amounted to 103 K€ (2019: 2,33 mio €). The reduction in sales and profit is entirely related to the impact of the Corona pandemic. Volumes as well as metal prices were on average substantially lower compared to the same period in 2019.

Strict cost control and some ambitious initiatives helped Campine to navigate quite well through this crisis. "The company saved 1,5 mio € in expenses in the first semester and seized several opportunities to limit the volume loss." explains CEO De Vos "We also managed to advance our yearly maintenance shutdown and carry it out with more own personnel. With strict cash management and a better spread of our investments, we managed to retain our strong 2019 year-end balance sheet" he concludes. With a solvency ratio of 54%, Campine does not expect financing problems in the near future.

To minimise the Covid-19 contagion risks for its employees, Campine implemented a large number of measures. Campine used several government measures, such as temporary unemployment, to counterbalance the lower market demands. The different manufacturing units were alternately closed to keep the efficiency as high as possible. Several expenses were avoided or delayed whenever possible. All planned investments will be carried out, but some will be rescheduled in time. Some investment projects were delayed because some subcontractors were unable to continue their work seen the Covid pandemic.

Performances per division

Division Specialty Chemicals

Market and Operations

- The first effects of the Covid pandemic were experienced early February when antimony metal prices started to rise due to fears of shortages on the world market. The centre of the antimony production is found in China's Hunan province, which is adjacent to Wuhan (Hubei province) where the pandemic originated. Fear for shortages helped the antimonytrioxide demand to remain at normal levels during the first quarter. Only early May the impact became clear in our Specialty Chemicals division, with customers in some market segments reducing their demand by 30 to 40%. This decrease in demand ultimately lead to a fast price decline of antimony raw materials.
- Sales revenue decreased to 34,2 mio € (-22% versus 2019) as a result of lower volumes (-10% compared to 2019) and lower sales prices of our antimony products.
- Thanks to cost savings and better operational efficiency, a positive operational result of 1.077 K€ was reached (compared to a break-even results of 10 K€ in 2019).



Division Metals Recycling

Market and Operations

- We experienced the impact of the Corona crisis immediately from early March onwards in our lead unit, where more than 80% of our products are being used for batteries, with the automotive sector as largest segment. The shutdown of many assembly lines throughout Europe caused the demand for lead to drop dramatically. Volume reductions at some industrial customers of 50 to 60% were no exception. Despite this we were able to keep sales volumes on decent levels thanks to seizing new opportunities at new customers and with different metal traders. By the end of April the supply chain of our main raw material – scrap batteries – dried up completely; due to forced closures of car workshops and scrap dealers, scrap batteries no longer reached our suppliers. We therefore decided to bring forward our yearly maintenance shutdown from July to May.
- The Metals Recovery activities, in which we recycle other metals, was not impacted by the Covid pandemic.
- Sales revenue decreased to 54,2 mio € (-19% tov 2019) as a result of lower volumes (-12% compared to 2019) and lower LME lead prices, which are the basis of our lead products sales prices. The average LME lead prices during the first half of 2020 were substantially lower than in the first semester of last year: 1.597 €/ton versus 1.735 €/ton in 2019.
- The operational result was a loss of -970 K € in comparison with a profit in 2019 of 3.168 mio €. Beside lower volumes and lower sales prices, we additionally had the shift of the full maintenance shutdown expenses into our first year half in 2020.

Outlook 2020

Making a prognosis for the full year 2020 remains very difficult considering the volatile and uncertain market conditions. If however raw material prices retain their rise, we expect to close the year with profit.

Demand for our Specialty Chemicals products is restoring very slowly. We expect to reach pre-Covid levels only by the last quarter of 2020. Antimony metal prices are on the rise since early August, mainly related to some shortages on the antimony ore markets.

In our Metals Recycling division we reached normal demand levels since July. This is potentially related to temporary shutdowns at some of our regional competitors. LME lead prices increased substantially during the summer months from a level below 1.500 €/ton mid-May to above 1.650 €/ton and fluctuates around a level of 1.600 €/t in the meantime.



Condensed consolidated income statement

'000 €	Notes	30/06/20	30/06/19
Revenue	3	82.733	102.950
Other operating income	4	517	666
Raw materials and consumables used		-69.724	-85.410
Employee benefits expense		-6.660	-7.292
Depreciation and amortisation expense		-1.530	-1.530
Changes in restoration provision		-	-
Other operating expenses	4	-5.229	-6.206
Operating result (EBIT)		107	3.178
Investment revenues		-	-
Hedging results:	11	209	337
- <i>Closed hedges</i>		585	266
- <i>Change in open position</i>		-376	71
Finance costs		-119	-185
Net financial result		90	152
Result before tax (EBT)		197	3.330
Income tax expense	5	-94	-997
Result for the period (EAT)		103	2.333
Attributable to:			
Equity holders of the parent		103	2.333
Non-controlling interest		-	-
RESULT PER SHARE (in €)			
Basic & diluted		0,07	1,56



Condensed consolidated balance sheet

'000 €	Notes	30/06/20	31/12/19
ASSETS			
Non-current assets			
Property, plant and equipment	7	14.909	12.978
Right-of-use assets	12	375	355
Intangible assets	8	150	170
Deferred tax assets		459	93
Cash restricted in its use		-	-
		15.893	13.596
Current assets			
Inventories	9	28.576	25.942
Trade and other receivables	10 / 14	15.939	15.231
Derivatives	11 / 14	22	291
Cash and cash equivalents	14	207	2.685
		44.744	44.149
TOTAL ASSETS		60.637	57.745
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		4.000	4.000
Translation reserves		-	-
Retained earnings		28.879	31.491
- <i>Legal reserves</i>		965	965
- <i>Other reserves and retained results</i>		27.914	30.526
Equity attributable to equity holders of the parent		32.879	35.491
Total equity		32.879	35.491
Non-current liabilities			
Retirement benefit obligation		1.162	1.215
Deferred tax liabilities			
Bank loans	12	1.875	2.625
Obligations under leases	12	245	232
Provisions	15	1.090	1.090
		4.372	5.162
Current liabilities			
Retirement benefit obligation		63	101
Trade and other payables	13	15.601	15.105
Derivatives	11	107	-
Current tax liabilities		245	143
Obligations under leases	12	130	123
Bank overdrafts and loans	12	2.605	1.620
Advances on factoring	12	4.635	-
Provisions		-	-
		23.386	17.092
Total liabilities		27.758	22.254
TOTAL EQUITY AND LIABILITIES		60.637	57.745



Condensed consolidated statement of changes in equity

'000 €	Share capital	Retained earnings	Attributable to equity holders of the parent	Total
Balance on 31/12/18	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 30/06/19	4.000	25.926	29.926	29.926
Total result of the period	-	5.565	5.565	5.565
Dividends and tantièmes	-	-	-	-
Balance on 31/12/19	4.000	31.491	35.491	35.491
Total result of the period	-	103	103	103
Dividends and tantièmes (see note 6)	-	-2.715	-2.715	-2.715
Balance on 30/06/20	4.000	28.879	32.879	32.879

Related party transactions

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

Risks and uncertainties

The Covid-19-risks and uncertainties are mentioned in the Headlines – Financial results at the start of this document.

Other risks and uncertainties Campine faces have had no significant evolution since the closure of the 2019 financial year. We refer to note 17 in the interim financial report.

Important events after balance sheet date

Between 30/06/20 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 30/06/20, 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 30/06/20, 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 17/09/20.

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 2020.

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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