



## ABO-Group - Half Year Results 2018

Ghent, 14 September 2018 – 5.30 p.m. – Press Release / Regulated Information

ABO-Group, an engineering firm specializing in construction, environment and energy, today announces its 2018 consolidated financial half-year results.

### Highlights of the first half of 2018

- Organic revenue growth of 2.75%
- Operating profit impacted by product mix and expansion of the organization
- Steady expansion of staff and machinery

### Outlook

- Higher anticipated revenue and net profit in 2018

	H1 2017 In € 000	H1 2018 In € 000	Change In € 000	Change In %	Per share In €
<b>Revenue</b>	<b>21,200</b>	<b>21,782</b>	<b>+582</b>	<b>+2.75%</b>	
Total operating income	21,914	22,348	+434	+1.98%	
<b>EBITDA</b>	<b>2,509</b>	<b>2,046</b>	<b>-463</b>	<b>-18.45%</b>	<b>0.19</b>
Depreciation	1,276	1,296	+20	+1.57%	
<b>Operating profit</b>	<b>1,233</b>	<b>750</b>	<b>-483</b>	<b>-39.17%</b>	<b>0.07</b>
Financial result	-240	-185	+55	-22.92%	
Profit before tax	993	565	-428	-43.10%	
Net profit	635	328	-307	-48.35%	
<b>Net profit (group share)</b>	<b>617</b>	<b>326</b>	<b>-291</b>	<b>-47.16%</b>	<b>0.03</b>

### Highlights of the first half of 2018

#### Organic revenue growth of 2.75%

#### France

The geotechnical division, which accounts for more than 80% of revenue, experienced a difficult start in 2018. Numerous external factors (long winter period, cancellation of projects connected with Grand Paris, and social unrest in France, leading customers to postpone projects) made an efficient planning extremely challenging. This led to an increase in non-billable hours. Nevertheless, the order book was, and still is, well filled. The environmental division reported a double-digit growth.



## Belgium

Belgium reported an organic growth of 3%, driven by strong growth at Geosonda (geotechnical and environmental fieldwork), Translab (measurement of asbestos in ambient air) and the international activities (completion of Uganda project). ABO NV's soil division reported a downturn due to internal movements at the Brussels and Namèche offices. The archaeology and environmental divisions were further expanded and recorded a matching revenue growth.

## The Netherlands

The Dutch construction market is experiencing a persistently vigorous macroeconomic momentum. All divisions (consulting as well as fieldwork) reported a solid revenue growth. An organic growth of more than 15% was realized. The group invested more than €0.6 million in high-tech drilling and probing equipment during the first six months.

The group reported an overall 2.75% organic revenue growth.

	H1 2017 In € 000	H1 2018 In € 000	Change In € 000	Change In %
France	9,381	9,119	-262	-2.79%
Belgium	7,838	8,064	+226	+2.88%
The Netherlands	3,981	4,599	+618	+15.52%
<b>Total revenue</b>	<b>21,200</b>	<b>21,782</b>	<b>+582</b>	<b>+2.75%</b>

## **Operating profit impacted by product mix and expansion**

The fall in revenue reported by traditional mainstays of the group (ERG Géotechnique and ABO NV) is reflected in lower contributions of those entities to various result levels. At the same time, the group focused on attracting new staff with the necessary experience in order to keep the road open to further growth. The labour costs increased by €0.4 million. The figures for the first six months of 2017 contained a non-recurring contribution of €350k (as a result of a reversal of provisions for disputes). This qualifies the decrease in EBITDA from €2,509k to €2,046k (€0.19 per share). The change in product mix and the extra costs for the expansion of the group are also reflected in the operating profit (decrease from €1,233k to €750k). A better financial result, in combination with a lower taxable profit, has led to a smaller nominal decrease in net profit. The net profit (group share) fell from €617k to €326k.

## **Steady expansion of staff and machinery**

The group invested €1.5 million in the acquisition and lease of machines. As a result, the net financial debt increased from €7.9 million at year-end 2017 to €9.4 million at mid-2018. The total equity of the group amounts to €14 million, with a balance sheet total of €40 million. There was a net growth in the number of staff (in FTE) from 351 to 357.

*The full set of figures (consolidated income statement, balance sheet and cash flow statement, and statement of changes in equity) is attached to this press release.*



## **Outlook**

### **Higher anticipated revenue and net profit in 2018**

Despite a weaker first half of the year, ABO-Group confirms its medium-term ambition of double-digit organic and acquisitive revenue growth. Focus is on the organic expansion of the product offering (towards infrastructure, stability, urban development, etc), machinery (sonic drilling techniques), and tapping into new growth markets (Scandinavia). The group also continues to seek to strengthen its market position in the home countries Belgium, the Netherlands and France through acquisitions. The group screens the market on an ongoing basis, in search of businesses that fit into its strategy.

The order book of ABO-Group is well-filled in each of its markets. This leads us to expect a better second half of the year, based on a high-quality execution of orders. For 2018, the group focuses on achieving a year-on-year higher revenue and higher net profit.

In France, construction of the new multipurpose and green office building in Marseille (Vitrolles, near the airport and high-speed rail link) is progressing well. Completion is due at the beginning of 2019. The group also continues to invest fully in its fieldwork divisions. In the second half of the year, a number of new state-of-the-art machines will be added to the group's facilities, which should bring in extra orders. The laboratory activities in Belgium are also due to start up shortly.

The group is looking into the commercial structure of its international division. The idea is to operate on a cross-border basis so that the best skills can be made available to the customer in a complex project. ABO Belgium will open a new office in West Flanders on 1 October. The group regards local presence as a factor that strengthens the relationship with the customer. After the balance sheet date of 30/06, ABO NV decided to dispose of its stake in Esher BVBA. This will have no significant impact on revenue and/or result. On the other hand, as of 1 July the group acquired an additional 9.3% interest in Sialtech BV.

### **Financial calendar**

29/03/2019: 2018 annual figures

29/05/2019: General Meeting



## **Statement regarding the fair presentation of the interim condensed consolidated financial information and the fair overview of the interim report**

Frank De Palmenaer, CEO, and Johan Reybroeck, CFO, declare that, to their knowledge, the interim condensed consolidated financial information for the six-month period ending 30 June 2018, which was prepared in accordance with IAS 34 “Interim Financial Reporting” as approved by the European Union, gives a true and fair view of the assets, the financial position and the results of the company and the companies included in the consolidation. The interim report gives a fair overview of the most significant events and key transactions with related parties that have taken place during the first six months of the financial year and their effect on the interim condensed financial information, as well as a description of the most significant risks and uncertainties for the remaining months of the financial year.

### **About ABO-Group**

ABO-Group is a company listed on Euronext Brussels, specializing in consultancy & engineering, testing & monitoring in the areas of construction, environment and energy. ABO-Group endeavours to offer its customers a sustainable solution in its three home countries (Belgium, the Netherlands and France) and internationally.

A more detailed description of the group’s activities can be found on the website of ABO-Group ([www.abo-group.eu](http://www.abo-group.eu)).

### **For more information, please contact:**

Frank De Palmenaer  
CEO ABO-Group Environment NV

Johan Reybroeck  
CFO ABO-Group Environment NV

[investors@abo-group.eu](mailto:investors@abo-group.eu)

T +32 9 242 88 88  
Maaltecenter Blok G, Derbystraat 255,  
B-9051 Ghent (SDW), Belgium

This press release is available on our website [www.abo-group.eu](http://www.abo-group.eu).



## Consolidated interim profit and loss account (non-audited)

In €000	For the six months ending on 30 June	
	2018	2017
Revenue	21 782	21 200
Other operating income	566	714
<b>Total operating income</b>	<b>22 348</b>	<b>21 914</b>
Purchases	-2 583	-2 441
Services and other goods	-7 353	-7 041
Employee benefit obligations	-10 115	-9 683
Depreciation	-1 296	-1 276
Other operating expenses	-251	-240
<b>Operating profit</b>	<b>750</b>	<b>1 233</b>
Financial charges	-192	-247
Financial income	7	7
<b>Profit before taxes from continued operations</b>	<b>565</b>	<b>993</b>
Taxes	-235	-350
<b>Net profit from continued operations</b>	<b>330</b>	<b>643</b>
Loss from discontinued operations, after tax	-2	-8
<b>Net profit</b>	<b>328</b>	<b>635</b>
Net profit (loss) attributable to the parent company's shareholders	326	617
minority interests	2	18
<b>Earnings per share for the shareholders</b>		
Basic and diluted	0.031	0.060
<b>Earnings per share (continued operations)</b>		
Basic and diluted	0.031	0.061
<b>Earnings (loss) per share (discontinued operations)</b>		
Basic and diluted	-0.000	-0.001
Weighted number of shares (basic earnings per share)	10 569	10 569
Weighted number of shares with impact of dilution	10 569	10 569



## Consolidated interim total result (non-audited)

In €000	For the six months ending on 30 June	
	2018	2017
Net profit	328	635
<b>Unrealized profit - transferable to the income statement</b>		
Revaluation of buildings	-	-
Impact of taxes	-	-
Change in fair value of financial assets held for sale	-23	5
Impact of taxes	-	-
<b>Unrealized profit - non-transferable to the income statement</b>		
Revaluation of net pension commitments	27	40
Impact of taxes	-7	-13
<b>Unrealized earnings, after tax</b>	<b>-3</b>	<b>32</b>
<b>Total result, after tax</b>	<b>325</b>	<b>667</b>
Total result attributable to		
parent company's shareholders	323	649
minority interests	2	18



**Consolidated interim balance sheet (non-audited)**

In €000	30 June 2018	31 December 2017
<b>Fixed assets</b>		
Goodwill	844	844
Intangible fixed assets	1 720	1 817
Tangible fixed assets	13 707	13 408
Investments in associated companies	-	136
Deferred tax assets	977	1 011
Financial assets held for sale	58	71
Other financial assets	648	647
<b>Total fixed assets</b>	<b>17 954</b>	<b>17 934</b>
<b>Short-term assets</b>		
Stocks	597	538
Trade receivables	17 642	17 913
Other current assets	1 217	891
Cash and cash equivalents	2 525	3 525
<b>Total short-term assets</b>	<b>21 981</b>	<b>22 867</b>
<b>Total assets</b>	<b>39 935</b>	<b>40 801</b>



In €000	30 June 2018	31 December 2017
<b>Total equity</b>		
Capital	4 857	4 857
Consolidated reserves	6 400	6 074
Unrealized profit	1 588	1 591
<b>Equity attributable to the shareholders of the group</b>	<b>12 845</b>	<b>12 522</b>
Minority interests	1 205	1 203
<b>Total equity</b>	<b>14 050</b>	<b>13 725</b>
<b>Long-term liabilities</b>		
Financial debts	4 074	4 290
Deferred tax liabilities	1 079	1 114
Provisions	863	854
Other long-term liabilities	14	-
<b>Total long-term liabilities</b>	<b>6 030</b>	<b>6 258</b>
<b>Current liabilities</b>		
Financial debts	7 808	7 134
Trade debts	5 597	6 596
Tax liabilities	430	789
Other current liabilities	6 020	6 299
<b>Total current liabilities</b>	<b>19 855</b>	<b>20 818</b>
<b>Total equity and liabilities</b>	<b>39 935</b>	<b>40 801</b>





## Consolidated overview of changes in equity

In €000	Attributable to the shareholders of the parent company			Total	Minority interests	Total equity
	Capital	Consolidated reserves	Unrealized profit			
<b>On 1 January 2017</b>	<b>4 857</b>	<b>4 958</b>	<b>1 516</b>	<b>11 331</b>	<b>979</b>	<b>12 310</b>
Net profit		617		617	18	635
Unrealized profit			32	32	-	32
<b>Total Result</b>		<b>617</b>	<b>32</b>	<b>649</b>	<b>18</b>	<b>667</b>
Acquisition Enviromania NV (minority interest)	-	-	-	-	177	177
Dividend Sialtech (minority interest)	-	-	-	-	-30	-30
Transfer depreciation of tangible fixed assets	-	36	-36	-	-	-
<b>On 30 June 2017</b>	<b>4 857</b>	<b>5 611</b>	<b>1 512</b>	<b>11 980</b>	<b>1 144</b>	<b>13 124</b>
<b>On 1 January 2018</b>	<b>4 857</b>	<b>6 074</b>	<b>1 591</b>	<b>12 522</b>	<b>1 203</b>	<b>13 725</b>
Net profit		326		326	2	328
Unrealized profit			-3	-3	-	-3
<b>Total Result</b>		<b>326</b>	<b>-3</b>	<b>323</b>	<b>2</b>	<b>325</b>
<b>On 30 June 2018</b>	<b>4 857</b>	<b>6 400</b>	<b>1 588</b>	<b>12 845</b>	<b>1 205</b>	<b>14 050</b>

## Consolidated cash flow statement

In €000	For the six months ending on 30 June	
	2018	2017
<b>Operating activities</b>		
Net profit	328	635
Non-cash costs and operational adjustments		
Depreciation of tangible fixed assets	1 106	1 213
Depreciation of intangible fixed assets	115	63
Gain on revaluation NCI	-	-29
Profit on sale of tangible fixed assets	-54	-55
Changes in provisions	-57	-208
Changes in impairment losses on clients	3	102
Financial income	-7	-7
Financial charges	192	247
Deferred taxation	-7	-108
Tax charges	242	459
Other	-	38
Adjustments to working capital		
Decrease (increase) in other financial assets, trade receivables and other current assets	-18	17
Decrease (increase) in stocks	-59	1
Increase (decrease) in trade debts and other debts	-1 177	-1 097
	<b>607</b>	<b>1 271</b>
Interest received	5	7
Taxes paid	-510	-118
<b>Net cash flow from operating activities</b>	<b>102</b>	<b>1 160</b>



In €000	For the six months ending on 30 June	
	2018	2017
<b>Investment activities</b>		
Investments in tangible fixed assets	-1 015	-516
Investments in intangible fixed assets	-18	-15
Sale of tangible fixed assets	133	55
Acquisition of subsidiary	-	101
<b>Net cash flow from (used in) investment activities</b>	<b>-900</b>	<b>-375</b>
<b>Financing activities</b>		
Receipts from loans	1 241	1 036
Repayments of loans and leasing debts	-1 496	-1 651
Interest paid	-109	-140
Other financial income (charges)	-82	-107
Dividends paid to minority interests	-	-30
<b>Net cash flow from financing activities</b>	<b>-446</b>	<b>-892</b>
<b>Net increase in cash and cash equivalents</b>	<b>-1 244</b>	<b>-107</b>
Cash and cash equivalents at the start of the year	3 525	2 934
<b>Cash and cash equivalents at the end of the period</b>	<b>2 281</b>	<b>2 827</b>
<b>Other non-cash transactions</b>		
Finance leases	-469	-1 294
Cash from discontinued activities	-	60
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents on the balance sheet	2 525	2 827
Bank overdrafts	-244	-
<b>Cash and cash equivalents in cash flow statement</b>	<b>2 281</b>	<b>2 827</b>