



ABO-Group - Half Year Results 2017

Ghent, 15 September 2017 – 6.00 p.m. – Press Release / Regulated Information

ABO-Group, an engineering firm specializing in construction, environment and energy, today announces its 2017 consolidated financial half-year results.

Highlights of the first half of 2017

- Revenue growth of 24%, of which 13% organic
- EBITDA +128%
- Increase in machinery

Outlook 2017

- Ambition of further organic and acquisitive growth
- Increase of stake in Translab to 74%
- Revenue in 2017 projected to exceed €42 million

	H1 2016 In € 000	H1 2017 In € 000	Change In € 000	Change In %	Per share In €
Revenue	17,119	21,200	+4,081	+23.8	
Total operating income	17,408	21,914	+4,506	+25.9	
EBITDA	1,101	2,509	+1,408	+127.9	0.24
Amortisation/Depreciation	891	1,276	+385	+43.2	
Operating profit	210	1,233	+1,023	+487.1	0.12
Financial result	-76	-240	-164	-215.8	
Profit before tax	134	993	+859	+641.0	
Net profit	6	635	+629	+10483.3	
Net profit (group share)	114	617	+503	+441.2	0.06

Highlights of the first half of 2017

Revenue growth of 24%, of which 13% organic

France

The geotechnical division, which accounts for 85% of revenue generated in France, reported an organic growth of 27%, driven by the start-up of several large projects. In order to maintain internal flexibility, external personnel was hired to realize this growth. The environmental division reported a downturn in business, with certain customers adopting a wait-and-see attitude.

Belgium

Belgium reported an organic growth of 7%, fuelled by strong growth at ABO (archaeology, BREEAM), Energy to Zero (energy consulting) and Geosonda (geotechnical fieldwork). Environmental fieldwork and the international division recorded a year-on-year decline. The activities of Translab asbestos laboratory were consolidated for the first time, resulting in an additional 6% revenue growth.

The Netherlands

The strong growth in the Netherlands (+84%) is largely attributable to the consolidation of Geomet (consulting and fieldwork) (+€1.5 million). An organic growth of 14% was realized. All divisions (soil, environmental and geotechnical fieldwork) are feeling the effect of a recovery of the Dutch construction market. The group invested more than €1 million in its Dutch fieldwork activities during the first six months.

The group reported an overall 24% revenue growth, of which 13% organic.

	H1 2016 In € 000	H1 2017 In € 000	Change In € 000	Change In %
France	8,041	9,381	+1,340	+16.7
Belgium	6,918	7,838	+920	+13.3
The Netherlands	2,160	3,981	+1,821	+84.3
Total revenue	17,119	21,200	+4,081	+23.8

EBITDA + 128%

The solid revenue growth resulted in a more than twofold increase in operating profit before amortisation/depreciation (EBITDA) from €1,101k to €2,509k (€0.24 per share). The investment programme of the past few months and years is bearing fruit. This is also borne out by the higher depreciation (+ €385k, from €891k to €1,276k). The operating profit increased sixfold from €210k to €1,233k. The reversal of provisions that had been set aside for disputes had a positive non-recurring impact of €350k. However, the group is still confronted with the negative effects of the loss of export subsidies for its international activities. As those two elements offset each other, a substantial underlying operational improvement can be observed.

The higher financial costs are attributable to the consolidation of Geomet and to additional finance costs connected with the increase in machinery. The consolidation of Translab shifts the profit contribution of this activity from the financial to the operating result.

The net profit (group share) rose from €114k to €617k.



Solid financial position

The total equity of the group amounts to €13 million, with a balance sheet total of €39 million. The net financial debt increased from €5.6 million at year-end 2016 to €7.5 million at mid-2017 as a result of the acquisition and lease of new machines (+ €1 million), the consolidation of the debts of Translab (+ €0.76 million), and the financing of the increased working capital requirement.

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

Outlook 2017

Ambition of further organic and acquisitive growth

ABO-Group continues its growth strategy, focusing on the organic expansion of its product offering (towards infrastructure, stability, urban development, etc), machinery (sonic drilling techniques), and tapping into new growth markets (Scandinavia, United Kingdom). It also seeks to strengthen the group's market position in the home countries Belgium, the Netherlands and France through acquisitions. To expand the French environmental division, the group invests in the acquisition of a new multipurpose and green building near the high-speed rail link and the airport of Marseille (Vitrolles). Completion is due at the end of 2018.

ABO-Group won several major new contracts in the past few months for both consultancy and fieldwork assignments. The order book is well-filled in each of the markets. This strengthens the outlook for the second half of the year, based on the qualitative execution.

For 2017, the group has set itself the target of €42 million revenue and an EBITDA of at least €4 million.

Increase of stake in Translab to 74%

ABO-Group strongly focuses on asbestos, offering consultancy services (asbestos inventory, advice to policymakers, etc) and building site monitoring (air measurements, analysis of materials). In July, the group increased its stake in Translab from 53.3% to 74.4% through a capital increase. It is also actively investigating opportunities to expand the laboratory activities in Belgium and France (ABO Research).

The group is looking to further streamline its legal structure and operational management.

Impact of Vlarel

According to Article 53 of VLAREL, Flemish law requires that soil experts must be independent of their clients. There is a presumption that ABO is not independent of the Flemish government, based on the supposed shareholding of a former Thenergo shareholder which is linked to the Flemish government. The Council of State has stated that it is possible to request an exemption in this regard from the minister, who will then determine that ABO does in fact carry out its assignments independently. ABO scrupulously follows this procedure each time to obtain the ministerial exemption.



Financial calendar

30/03/2018: 2017 annual figures

30/05/2018: 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 2017, 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 is active in its three home countries (Belgium, the Netherlands and France) as well as on the international market, and offers its customers a sustainable solution. A more detailed description of the group can be found on the website of ABO-Group (www.abo-group.eu).

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This press release is available on our website www.abo-group.eu.

Consolidated interim profit and loss account (non-audited)

In €000	For the six months ending on 30 June	
	2017	2016
Revenue	21 200	17 119
Other operating income	714	289
Total operating income	21 914	17 408
Purchases	-2 441	-2 022
Services and other goods	-7 041	-5 378
Employee benefit obligations	-9 683	-8 568
Depreciation	-1 276	-891
Other operating expenses	-240	-339
Operating profit	1 233	210
Financial charges	-247	-155
Financial income	7	33
Share in the profits of associates	-	46
Profit before taxes from continued operations	993	134
Taxes	-350	-124
Net profit from continued operations	643	10
Loss from discontinued operations, after tax	-8	-4
Net profit	635	6
Net profit (loss) attributable to the		
parent company's shareholders	617	114
minority interests	18	-108
Earnings per share for the shareholders		
Basic and diluted	0,060	0,001
Earnings per share (continued operations)		
Basic and diluted	0,061	0,001
Earnings (loss) per share (discontinued operations)		
Basic and diluted	-0,001	-0,000
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	
	2017	2016
Net profit	635	6
Unrealized profit - transferable to the income statement		
Revaluation of buildings	-	-
Impact of taxes	-	-
Change in fair value of financial assets held for sale	5	61
Impact of taxes	-	-
Unrealized profit - non-transferable to the income statement		
Revaluation of net pension commitments	40	-133
Impact of taxes	-13	45
Unrealized earnings, after tax	32	-27
Total result, after tax	667	-21
Total result attributable to		
parent company's shareholders	649	87
minority interests	18	-108

Consolidated interim balance sheet (non-audited)

In €000	30 June 2017	31 December 2016
Fixed assets		
Goodwill	1 562	154
Intangible fixed assets	966	1 014
Tangible fixed assets	13 590	12 970
Investments in associated companies	-	152
Deferred tax assets	1 904	1 849
Financial assets held for sale	90	96
Other financial assets	331	402
Total fixed assets	18 443	16 637
Short-term assets		
Stocks	468	469
Trade receivables	15 165	14 157
Other current assets	971	1 911
Cash and cash equivalents	2 827	2 934
Total short-term assets	19 431	19 471
Assets held for sale	1 225	1 225
Total assets	39 099	37 333

In €000	30 June	31 December
	2017	2016
Total equity		
Capital	4 857	4 857
Consolidated reserves	5 611	4 958
Unrealized profit	1 512	1 516
Equity attributable to the shareholders of the group	11 980	11 331
Minority interests	1 144	979
Total equity	13 124	12 310
Long-term liabilities		
Financial debts	4 737	3 401
Deferred tax liabilities	1 257	1 294
Provisions	653	803
Total long-term liabilities	6 647	5 498
Current liabilities		
Financial debts	5 489	5 104
Trade debts	5 947	6 065
Tax liabilities	562	130
Other current liabilities	6 025	6 930
Total current liabilities	18 023	18 229
Debts related to assets held for sale	1 305	1 296
Total equity and liabilities	39 099	37 333

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			
On 1 January 2016	4 857	4 032	1 676	10 565	551	11 116
Net profit		114		114	-108	6
Unrealized profit			-27	-27	-	-27
Total Result		114	-27	87	-108	-21
Acquisition Geosonda BV (minority interest)	-	-	-	-	474	474
Contribution Goorbergh Geotechniek (minority interest)	-	-33	-	-33	33	-
Transfer depreciation of tangible fixed assets	-	87	-87	-	-	-
On 30 June 2016	4 857	4 200	1 562	10 619	950	11 569
On 1 January 2017	4 857	4 958	1 516	11 331	979	12 310
Net profit		617		617	18	635
Unrealized profit			32	32	-	32
Total Result		617	32	649	18	678
Acquisition Enviromania bvba (minority interest)	-	-	-	-	177	177
Dividend Sialtech (minority interest)	-	-	-	-	-30	-30
Transfer depreciation of tangible fixed assets	-	36	-36	-	-	-
Other	-	-	-	-	-	-
On 30 June 2017	4 857	5 611	1 512	11 980	1 144	13 124



Consolidated cash flow statement

In €000	For the six months ending on 30 June	
	2017	2016
Operating activities		
Net profit	635	6
Non-cash costs and operational adjustments		
Depreciation of tangible fixed assets	1 213	863
Depreciation of intangible fixed assets	63	28
Gain on revaluation NCI	-29	-
Profit on sale of tangible fixed assets	-55	-8
Gain on sale of financial assets	-	-
Changes in provisions	-208	-487
Changes in impairment losses on clients	102	21
Financial income	-7	-33
Financial charges	247	155
Share in the profits of associates	-	-46
Deferred taxation	-108	-12
Tax charges	459	136
Other	38	-
Adjustments to working capital		
Decrease (increase) in other financial assets, trade receivables and other current assets	17	24
Decrease (increase) in stocks	1	-8
Increase (decrease) in trade debts and other debts	-1 097	512
	1 271	1 151
Interest received	7	32
Interest paid	-118	-167
Net cash flow from operating activities	1 160	1 016

In €000	For the six months ending on 30 June	
	2017	2016
Investment activities		
Investments in tangible fixed assets	-516	-559
Investments in intangible fixed assets	-15	-31
Sale of tangible fixed assets	55	28
Acquisition of subsidiary	101	-
Sale to minority interests	-	-
Loan provided to associated company	-	-
Investments in associated companies	-	-
Sale of financial assets held for sale	-	-
Net cash flow from (used in) investment activities	-375	-562
Financing activities		
Receipts from loans	1 036	1 539
Repayments of loans and leasing debts	-1 651	-1 795
Interest paid	-140	-84
Other financial income (charges)	-107	-71
Dividends paid to minority interests	-30	-
Net cash flow from financing activities	-892	-411
Net increase in cash and cash equivalents	-107	43
Cash and cash equivalents at the start of the year	2 934	2 499
Cash and cash equivalents at the end of the year	2 827	2 542
Other non-cash transactions		
Finance leases	-1 294	-69
Cash from discontinued activities	60	63