perrotduval

PRESS RELEASE OF 23 AUGUST 2018 FROM PERROT DUVAL HOLDING S.A.

Presentation of the balance sheet for the 2017/18 financial year

Perrot Duval enjoys growth in sales

In its 113th year, ended 30 April 2018, the Perrot Duval Group (Perrot Duval Holding S.A.), specialists in the field of automation, increased sales by 6.5 per cent to 49.5 million CHF (as against 46.4 million CHF a year ago) and generated a net profit of 0.7 million CHF excluding minority interests (1.5 million CHF at 30 April 2017). The Perrot Duval Group is aiming to increase sales slightly at constant exchange rates during the current financial year.

The Perrot Duval Group in numbers

Perrot Duval's two investments, Füll and Infranor, enjoyed contrasting fortunes in the 2017/18 financial year. The Infranor Group exceeded its forecasts, both across the world (with one exception) and for all its categories of products, assemblies and services. However, the Füll Group suffered a significant decline due to expected orders being postponed to the new financial year and to the increase in some overheads, for which various causes were responsible.

Driven by the Infranor Group, therefore, sales rose from 46.4 million CHF as at 30 April 2017 to 49.5 million CHF a year later, equating to growth of 3.1 million CHF or 7 per cent.

Although the gross margin increased to 27.0 million CHF (25.9 million CHF a year earlier), it shrank in relative terms from 55.8 per cent to 54.5 per cent. This was essentially due to two factors: the temporary reduction of work in progress at the Füll Group as at 30 April 2018 and the restructuring of outsourcing activities for electronic components and sub-assemblies at an Infranor Group subsidiary.

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Overheads swelled by 1.2 million CHF from 23.8 million CHF to 25.1 million CHF, mainly due to exchange rate effects involving the Swiss franc in the amount of 1.4 million CHF.

Earnings before interest and taxes (EBIT) thus came to 1.9 million CHF as against 2.1 million CHF a year earlier. At 0.7 million CHF, however, net income was down significantly year on year (1.5 million CHF). This was because the 2016/17 figures had been boosted by 0.6 million CHF in proceeds from the sale of the minority investment in Belwag AG, Bern, by Perrot Duval Holding S.A.

A noteworthy factor on the balance sheet was the loan agreement in the amount of 6.0 million CHF that Perrot Duval Holding S.A. signed with private investors on 11 November 2017. The resulting funds primarily enabled certain financial debts to be refinanced.

Equity strengthened to 6.4 million CHF, which corresponds to an equity ratio of 16.0 per cent compared with 15.5 per cent at the same time in the previous year.

Activities

The **Füll** investment, which supplies dispensing and storage systems for liquids and pastes in a chemical and pharmaceutical environment, suffered a five-month slowdown to its orders that had numerous consequences. Firstly, it pushed sales down to 9.5 million CHF, compared with the 10.0 million CHF achieved last year.

Secondly, it weakened the gross margin, which dropped from 5.2 million CHF or 52.0 per cent of consolidated sales at the end of the 2016/17 financial year to 4.5 million CHF or 47.7 per cent. This was due to a lack of work in progress at the closing date.

The trend in overheads illustrates how the Füll Group has also stepped up efforts to streamline its internal organisational structure, gradually centralising production operations in Germany and restructuring its development team by concentrating it at its Swiss site in Altnau in the canton of Thurgau. Finally, Tecos Bruhin AG incurred additional expenditure resulting from upgrading four large-scale systems accounted for 2016/17.

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The operating loss before interest and taxes (EBIT) thus amounted to 1.1 million CHF (previous year: profit of 0.1 million CHF).

The **Infranor** investment generated sales of 40.0 million CHF, up 10 per cent on the previous year (36.5 million CHF). All the sectors served by the Infranor Division were able to contribute to this increase in sales, reflecting the effects of a favourable economic environment. Orders and projects involving robotics (in the broad sense) continued their healthy growth. In the Cybelec Division, meanwhile, sales improved by 15 per cent year on year, up from 9.1 million CHF to 10.5 million CHF, without any marked impact from the Swiss franc exchange rate.

Outlook

As indicated in the previous section, orders received by **Füll** picked up again substantially from March 2018 onwards. Orders on hand as at 30 April 2018 amounted to 5.5 million CHF, up 53 per cent on the same period last year (3.6 million CHF). This is a good sign and points to a rise – at the same exchange rate - in sales in the 2018/19 financial year compared with that just gone.

For **Infranor**, the 2018/19 financial year started with a 3 per cent rise in orders received in line with the prevailing economic climate. Provided that the situation does not worsen in the coming months, the Infranor Group is expecting organic growth in its sales.

Dividend

In view of the company's need to maintain financial assets within the Group in order to pursue its development, the Board of Directors will propose to the Shareholder's Meeting on 20 September 2018 that retained earnings will be carried forward next year.

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Key figures for the Perrot Duval Group

CHF 1 000	**01.05.17-30.04.18**	01.05.16-30.04.17
Consolidated sales	**49,486**	46,446
Change versus previous year as %	**6.5**	6.2
Net result (excluding minority interests)	**700**	1,511
as % of sales	**1.4**	3.3
Operating cash flow	**2,645**	4,285
as % of sales	**5.3**	9.2
CHF 1,000	**30.04.18**	30.04.17
Total assets	**39,644**	33,461
Equity including minority interests	**6,361**	5,192
Equity ratio as %	**16.0**	15.5
Return on equity as %	**5.3**	36.3

This press release is available on the company's website and can be downloaded from http://www.perrotduval.com/article.php3?id_article=7. The Annual Report 2017/2018 is also available in PDF format on our website and can be downloaded from http://www.perrotduval.com/article.php3?id_article=8.

Further information can be obtained from:

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