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PRESS RELEASE OF 29 AUGUST 2019 FROM PERROT DUVAL HOLDING S.A.

Presentation of the balance sheet for 2018/19 financial year

Significant increase in Perrot Duval's earnings

In its 114th financial year ended April 30, 2019, the Perrot Duval Group (Perrot Duval Holding, Inc.), specialist in the field of automation, increased its net profit after tax, including minority interests, to CHF 1.0 million (CHF 0.3 million as at 30 April 2018), while it recorded a slight decline in sales to CHF 48.3 million, or -2.5% compared to the previous year (CHF 49.5 million). On a comparable basis, the Perrot Duval Group is aiming for a slight increase in sales for the current financial year.

Perrot Duval Group in numbers for the past financial year

In this context, the 2018/19 financial year saw the two main investments enjoy apparently contrasting fortunes. The Füll Division was back in the black, having improved profitability once more, while turnover remained stable. By contrast, the Infranor Division saw its results tail off following a temporary slump in sales in the United States, the United Kingdom and Germany.

The Perrot Duval Group's consolidated sales fell by 2.5 per cent to 48.3 million CHF (49.5 million CHF was generated in the previous fi nancial year) and the gross margin (i.e. sales after deduction of the costs of materials and inventory differences) contracted to 26.4 million CHF (27.0 million CHF in 2017/18), although this actually represented a marginal increase from 54.5 per cent to 54.8 per cent in relative terms. Overheads, including depreciation and amortisation, fell from 25.1 million CHF to 24.1 million CHF, a reduction of 1.0 million CHF, thanks to an improved cost control. Finally, net profit after tax (including minority interests) amounted to 1.0 million CHF, which is triple the figure achieved the previous year (0.3 million CHF).

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The result boosted equity, which is up from 6.4 million CHF (an equity ratio of 16.0 per cent as at 30 April 2018) to 6.6 million CHF (an equity ratio of 16.5 per cent as at 30 April 2019). Net debt was also reduced from 16.7 million CHF to 16.4 million CHF year on year.

Activities of operating participations

Consolidated sales of the **Füll** investment- which supplies dispensing and storage systems for liquids and pastes in a chemical and pharmaceutical environment - remained at the same level (CHF 9.4 million compared to CHF 9.5 million a year earlier).

The consolidated gross margin was 56.3 per cent, which represents a net increase on the previous financial year (47.7 per cent). Operating costs (5.2 million CHF) were reduced compared with the 2017/18 financial year (5.6 million CHF) thanks to a 0.4 million CHF reduction in personnel costs across the group. Finally, the EBIT (0.1 million CHF) shows a clear improvement on the previous financial year (loss of 1.1 million CHF).

The orders received in the 2018/19 financial year by the **Infranor** investment (39.6 million CHF) were 3 per cent up on the previous year (38.5 million CHF). The opposite happened in regard to the sales (38.9 million CHF compared with 40.0 million CHF the previous year). Much of the difference might be explained by the "quiet" year experienced by the main customer of Infranor in the USA, to whom sales showed a temporary decline of almost

1.2 million CHF, and by the 0.3 million CHF slump associated with the main customer of Infranor in the UK on the back of some internal realignment following Brexit negotiations.

The relative gross margin was eroded to 54.4% (56.2% a year earlier). This is mainly due to major customers with higher volumes but lower gross margins. An assessment of operating expenses (18.9 million CHF versus 19.4 million a year earlier) revealed that spending was more or less kept under control. The EBIT result of CHF 2.3 million (5.9% of consolidated sales), is noticeably less than that recorded at 30 April 2018 (CHF 3.1 million or 7.7% of turnover).

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Outlook

The **Füll** Group's Orders on hand as at 30 April 2019 and in the first few days of the current financial year (4.6 million CHF) were lower than those for the previous year (5.5 million CHF), both in local currency and when converted into Swiss francs. As a result, the group remains cautious about the prospects for its markets, which, although on a sound footing, is dependent on what is happening in house at individual customers (with more of them taking longer to make decisions). In view of the above, the Füll Division however expects to be in a position to significantly increase its sales to CHF 10 million in 2019/20 financial year.

For **Infranor**, the order book as at 30 April 2019 was worth 6.1 million CHF, which equates to a 6.5 per cent increase on the previous year (5.9 million CHF). Provided that the situation does not worsen in the coming months, the Infranor Group expects an increase in sales to take it back over the 40 million CHF mark.

Proposed sale of Infranor and Bleu-Indim subsidiairies

The most important event in 2019 was undoubtedly the signing of the sale agreement for all shares of Infranor Holding S.A., its subsidiaries and Bleu-Indim S.A. to the Chinese company Guangzhou Hao Zhi Industrial Co., Ltd., whose shares are listed on the Shenzhen stock exchange – although this actually took place on 8 May 2019, which is outside the period under review.

Since then, the issues associated with local authorisations for the takeover from a Swiss owner of the companies belonging to the Infranor Group by a new, Chinese buyer have been solved.and both parties have obtained the approval of their shareholders through two extraordinary general meetings held on 10 and 17 July 2019. The final approval of the Chinese central authorities still remains to be obtained.

The completion of the transaction, when the parties will exchange shares for cash, is scheduled to take place not before September 2019.

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Dividend

In the light of the development of the company and the need to conserve the liquid assets within the group – and with the sale of the investment in Infranor Holding S.A., its own investments and Bleu-Indim S.A. not being definitively concluded – the Board proposes that the retained earnings be carried forward.

Key figures of Perrot Duval Group

CHF 1'000	**1.05.18-30.04.19**	1.05.17-30.04.18
Consolidated sales	**48'272**	49'486
Change versus previous year as %	**- 2,5**	6,5
Net result (incl. Minority interests)	**979**	274
as % of sales	**2,0**	0,6
Operating cash-flow	**1'299**	2'645
as % of sales	**2,7**	5,3
CHF 1'000	**30.04.19**	30.04.18
Total assets	**40'384**	39'644
Equity including minority interests	**6'645**	6'361
Equity ration as %	**16,5**	16,0
Return on equity as %	**15,4**	5,3

This press release is available on the company's website of Perrot Duval and can be downloaded from http://www.perrotduval.com/article.php3?id_article=7. The Annual Report 2018/19 of Perrot Duval are also available in PDF format on our website and can be downloaded from http://www.perrotduval.com/article.php3?id_article=8.

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