



## 2015: Sales and profitability level out

- Sales up 3.8%
- Margin from recurring operations: 15.2%

“Following an exceptional 2014 in terms of growth and profitability, the 2015 results have levelled off as we had anticipated. Driven by a favourable dollar/euro parity, these results are however still satisfactory in absolute terms, in comparison with previous years and with the Connector market in 2015. There have been numerous pre-sales, R&D and industrial projects, some of which will come to fruition in 2016. They aim to constantly create ever more innovative solutions for our customers which will be the basis for our future success.”

Pierre Gattaz, Chairman of the Executive Board of RADIALL.

(€ millions) – IFRS – to 31 December	2015	2014*	Change
<b>Sales</b>	<b>289.9</b>	<b>279.3</b>	<b>+3.8%</b>
<b>Profit from recurring operations</b> <i>as % of sales</i>	<b>44.0</b> 15.2%	<b>45.5</b> 16.3%	<b>-3.3%</b>
<i>Operating profit</i>	43.4	44.8	-3.0%
<i>Cost of financial debt</i>	0.1	(0.1)	
<i>Other financial income and expenses</i>	(2.0)	(1.2)	
<i>Income tax</i>	(12.1)	(9.5)	
<b>Net profit</b> <i>as % of sales</i>	<b>29.4</b> 10.1%	<b>34.0</b> 12.2%	<b>-13.6%</b>
<b>Net profit – Group share</b> <i>as % of sales</i>	<b>28.9</b> 10.0%	<b>31.2</b> 11.2%	<b>-7.3%</b>
<b>Net cash</b>	<b>61.7</b>	<b>65.8</b>	<b>-6.2%</b>

\* Restatement pursuant to the application of IFRIC 21 as of January 1st 2015

### A favourable dollar/euro parity

The Group's consolidated sales amounted to €289.9 million in 2015, compared with €279.3 million in 2014, representing an increase of 3.8% compared with 2014. Business greatly benefited from the effects of the far more favourable dollar/euro parity than in 2014 and of a consolidation of the Van-System business over five months. At constant exchange rates, sales for the financial year were down 7.7%.

Following 2014 driven by favourable procurement cycles, the ramp-up of several aeronautical programmes and the strong growth of the Telecoms market in China, organic sales in 2015 declined primarily as a result of the volatility of sales with certain Telecoms customers.

International sales, which benefited from good momentum in the Americas zone thanks in particular to the favourable impact of the dollar, grew 4.7% and represented 88.4% of the Group's sales in 2015.

### Profit from recurring operations maintained at 15.2%

Profit from recurring operations, which benefited from the favourable effect of the stronger US Dollar, dipped 3.3% to €44.0 million (€45.5 million in 2014), mainly due to higher external costs, some of which were non-recurring, than in 2014, as well as to R&D expenditure which grew significantly to €21.3 million, representing 7.3% of 2015 sales as against €19.2 million (6.9% in 2014).

Following the recognition of a non-recurring loss of €0.6 million linked to goodwill impairment, operating profit totalled €43.4 million, a fall of 3.0% in relation to 2014. Financial income and expenses resulted in a net expense of €2.0 million, (€1.2 million in 2014), caused primarily by an unfavourable currency result. After taking into account income tax of €12.1 million as against €9.5 million in 2014, Group share of net profit stood at €28.9 million, down 7.3% in relation to the previous financial year, equating to 10.0% of sales.

### **A very sound balance sheet structure**

Driven by the €28.9 million Group share of net profit, the 2015 self-financing capacity stood at €52.1 million, against €56.5 million in 2014. Excluding the effects of exchange rates and perimeter, working capital requirements grew by €4.4 million, primarily as a result of a slight increase of €1.7 million in inventories, due in the particular to the build-up of safety stock, and a reduction in supplier credit and other assets and liabilities.

Cash outflows related to investments of €22.7 million were significantly higher than in 2014 (€10.3 million). In addition to industrial investments of €12.1 million, they resulted from the acquisition of Van-System and the purchase of the minority shareholding in Radiall Shanghai for a combined outflow of €10.8 million. Cash flow used in financing activities over the financial year totalled €14.7 million in 2015 (€5.2 million in 2014). In addition to the payment of dividends and the repayment of Van-System loans, they include the purchase of Radiall shares for €7.8 million. Following these transactions, total cash flow used over the financial year stood at €1.1 million against €30.2 generated in 2014. At 31 December 2015, RADIALL had a very sound balance sheet with shareholders' equity of €207.9 million, gross cash of €78.0 million and a cash net of debt position of €61.7 million.

### **Dividend**

The Executive Board will ask the Annual General Meeting to approve the payment of a dividend of €2.5 per share.

### **2016 Outlook**

Radiall is entering the new financial year with confidence. With an offer that is keenly competitive, a business heading in the right direction and the launch of numerous projects, the Group anticipates, despite significant pressure on prices, moderate growth in its sales at constant exchange rates based on the continuation of an aeronautics business which should remain strong, and slight growth in sales in other sectors.

The Group nevertheless remains cautious, given the highly uncertain economic environment and the structural volatility of some of its markets, such as Telecoms, in particular in China. 2016 will also be marked by the implementation of a sustained programme of investments aimed at preparing for the industrial and commercial development cycles of future years.

### **Next communication:**

Sales for the first quarter of 2016: 14<sup>th</sup> April 2016.

### **About RADIALL**

*RADIALL designs, develops and manufactures electronic components dedicated to wireless communication, automotive telematics and military and aeronautic equipment applications. ISIN code: FR0000050320 – Eurolist B – NYSE Euronext.*

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