



## 2014: An excellent year, the result of a long-term strategy

- Sales up 20.9 %
- Profit from recurring operations up 82.3 %

"Driven by a healthy aeronautics industry and the rollout of 4<sup>th</sup> generation telecom networks, 2014 was marked by very strong organic growth and an excellent operational performance, allowing us to meet or exceed all our objectives. These good results reflect a strategy based on close relationships with our customers, which enables the Group's staff to constantly build innovative solutions. Radiall and its employees are now collectively reaping the rewards of investment made several years ago. In markets such as aeronautics, defence, space and telecommunications, results are measured over the long term" commented Pierre Gattaz, Chairman of the Executive Board of RADIALL.



(€ millions) – IFRS – to 31 December	2014	2013 *	Change
<b>Sales</b>	<b>279.3</b>	<b>230.9</b>	<b>+20.9%</b>
<b>Profit from recurring operations</b> <i>as % of sales</i>	<b>45.5</b> 16.3%	<b>24.9</b> 10.8%	<b>+82.3%</b>
<i>Operating profit</i>	44.7	24.9	+79.3%
<i>Cost of financial debt</i>	(0.1)	(0.5)	
<i>Other income and expenses</i>	(1.2)	(0.0)	
<i>Income tax</i>	(9.4)	(5.9)	
<b>Net profit</b> <i>as % of sales</i>	<b>33.9</b> 12.2%	<b>18.5</b> 8.0%	<b>+83.1%</b>
<b>Net cash</b>	<b>65.8</b>	<b>34.4</b>	<b>+91.3%</b>

\* Financial statements restated following the equity-accounting of Raydiall in accordance with IFRS 11

### Very strong sales growth

Radiall achieved consolidated sales of €279.3 million in 2014, compared with €230.9 million in 2013, after restatement of 2013 data for the equity-accounting of the subsidiary Raydiall in accordance with IFRS 11 as of 1 January 2014. Sales growth was 20.9% on a constant consolidation basis compared with 2013 and 21.2% at constant exchange rates.

This strong increase illustrates the relevance of the Group's strategy, which for the fifth consecutive year continued to report sales growth in a sometimes difficult economic environment, particularly in Europe.

International sales, which grew by 24.8%, accounted for 87.7% of Radiall sales for the year as a whole. This was driven by the strong recovery of the telecoms sector in China, the continued good performance of aeronautics, particularly in the Americas region, as well as other markets in which the Group operates.

## **New profitability level reached**

Strong sales growth in 2014, combined with a more favourable product and market mix, as well as a controlled increase in structural costs, enabled Radiall to increase its profit from recurring operations very significantly in 2014.

This performance was all the more remarkable given that it was achieved against a backdrop of strong R&D investment totalling €19.2 million, i.e. 6.9% of 2014 sales. The Group's profit from recurring operations totalled €45.5 million (16.3% of sales), against €24.9 million in 2013 (10.8% of sales), an increase of 82.3% compared with the previous financial year.

After recognition of a non-recurring exceptional loss of €0.8 million, primarily due to goodwill impairment, 2014 operating profit was €44.7 million, an increase of 79.3%.

Net financial expense was €1.3 million, compared with a net expense of €0.5 million in 2013, mainly due to unfavourable exchange rate movements. After an income tax charge of €9.4 million, against €5.9 million in 2013, 2014 net profit amounted to €33.9 million, an increase of 83.1% compared with the previous financial year and represented 12.2% of sales.

## **Already sound balance sheet further strengthened**

Driven by sales growth and the strong rise in profitability, the Group's self-financing capacity grew by 62% compared with 2013 to €56.5 million at 31 December 2014. Without currency change effect, working capital requirements declined by €3.5 million, primarily due to the increase in liabilities related to employee variable remuneration. After the impacts of cash outflows of capital expenditure of €10.3 million and of €5.2 million related to funding transactions, total cash flow generated over the financial year totalled €30.2 million, against €4.3 million in 2013.

At 31 December 2014, RADIALL had a very sound balance sheet with shareholders' equity of €188.6 million and cash net of debt of €65.8 million.

## **Dividend**

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

## **2015 outlook**

Although business in 2015 should continue to rely on the momentum of the aeronautics and telecoms markets and an exchange rate environment becoming much more favourable, for 2015 Radiall is targeting more moderate growth that is more in line with the average of the connector industry, due to:

- a slower increase in production rates at airplane manufacturers,
- signs of a slowdown in orders noted over the last few months,
- added price pressure in a highly competitive market.

## **Next communication:**

Sales for the first quarter of 2015: 15 April 2015.

## **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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