

# Announcement annual results 2016



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### Ardooie, 24 February 2017

Sioen Industries NV, a diversified stock quoted Group with an extensive portfolio of products and activities: extrusion of man-made fibers, manufacturer of woven- and non-woven fabrics and scrims, coater of technical textiles, manufacturer of technical protective garments for professional use and producer of color dispersions.

**Net sales**  
**363.4 million €**

*(+ 11.3%)*

**EBT**  
**38.0 million €**

*(+ 16.1%)*

**REBITDA**  
**59.9 million €**

*(+ 13.3%)*

**Group profit**  
**26.0 million €**

*(+ 12.4%)*

**Proposed dividend**  
**0.53 € per share**

## 1. Summary of consolidated income statement

IN THOUSANDS OF EUROS

|  | 2016          | 2015 <sup>(1)</sup> | Var (%)      |
|--|---------------|---------------------|--------------|
| Net sales  | 363 367       | 326 395             | 11.3%        |
| Changes in stocks and WIP (work in progress)                         | 8 803         | -3 906              |              |
| Other operating income   | 6 570         | 4 785               |              |
| Raw materials and consumables used                                   | -182 299      | -152 519            |              |
| <b>Operating result</b>  | <b>44 697</b> | <b>35 804</b>       | <b>24.8%</b> |
| Financial result   | -6 648        | -3 022              |              |
| <b>Profit (loss) before taxes</b>                                    | <b>38 049</b> | <b>32 782</b>       | <b>16.1%</b> |
| Income tax   | -12 054       | -10 171             |              |
| <b>Profit (loss) after taxes</b>                                     | <b>25 996</b> | <b>22 612</b>       | <b>15.0%</b> |
| Share in the results of associates                                   | -37           |                     |              |
| <b>Profit (loss) for the period from continuing operations</b>       | <b>25 958</b> | <b>22 612</b>       | <b>14.8%</b> |
| Profit (loss) for the period from discontinued operations            |               | 488                 |              |
| <b>Group profit (loss)</b>   | <b>25 958</b> | <b>23 099</b>       | <b>12.4%</b> |
| Group profit (loss) attributable to shareholders of Sioen Industries | 25 958        | 23 099              | 12.4%        |
| Group profit (loss) attributable to non-controlling interest         | 0             | 0                   |              |
| <b>EBIT</b>  | <b>44 697</b> | <b>36 170</b>       | <b>23.6%</b> |
| <b>EBITDA</b>  | <b>59 149</b> | <b>52 161</b>       | <b>13.4%</b> |
| <b>REBIT</b>   | <b>45 525</b> | <b>37 775</b>       | <b>20.5%</b> |
| <b>REBITDA</b>   | <b>59 850</b> | <b>52 807</b>       | <b>13.3%</b> |
| <b>Net cash flow</b>   | <b>40 448</b> | <b>39 090</b>       | <b>3.5%</b>  |

Definitions and reconciliations for non-GAAP measures can be found on pages 16 & 17 of this press release.

- (1) As a consequence of the European Securities and Markets Authority (ESMA)'s guidelines on the use of Alternative Performance Measures (APMs), the presentation of the 2015 figures has been adjusted to be comparable with the presentation of the 2016 figures.

## 2. Comments on the consolidated income statement

### Net sales:

Over the past year sales grew with 11.3% to EUR 363.4 million compared to EUR 326.4 million in 2015. This sales figure includes the sales of the recently acquired companies:

- Manifattura Fontana, accounted for as of 1 April 2016 and
- Dimension Polyant, accounted for as of 1 August 2016

Excluding those recently acquired companies the Sioen Industries Group realized an organic growth of 3.3% compared to the same period previous year.

*Note: at constant currency sales would have reached approximately EUR 366.4 million or a growth ratio of 12.3% and an organic growth ratio of 4.2%.*

### Operating result:

The operating result has evolved from EUR 35.8 million last year to EUR 44.7 million over 2016 or an increase with 24.8%.

Favorable market conditions combined with continuous improvement programs, an everlasting cost consciousness and a strong focus on more value added products are the main drivers supporting this positive evolution.

### Financial result:

Financial result of the Group amounted to EUR -6.6 million over the year 2016 against EUR -3.0 million in 2015. An increase solely due to negative currency results for a total of 4.2 million.

### Income tax:

Income tax amounts to EUR 12.1 million over the year 2016 against EUR 10.2 million over 2015.

### Profit (loss) for the period from continuing operations:

The company recorded EUR 26.0 million profit over the year 2016 against EUR 22.6 million over 2015 or an increase with 14.8%.

### Balance sheet:

At the end of the year Group equity amounted to EUR 189.2 million or 51.4% of the balance sheet total. Net financial debt of the group, at year end, is 79.4 million or 1.3 times the current year EBITDA.

### 3. Earnings per share

IN EURO

The company realized earnings per share amounting to EUR 1.31. The Board of Directors will be proposing to the General Shareholders' Meeting of 28 April that the company declares a gross dividend of EUR 0.53 per share.

|   | 2016 | 2015 |
|---|------|------|
| <b>Basic earnings per share</b>             |      |      |
| From continuing operations                  | 1.31 | 1.14 |
| From continuing and discontinued operations | 1.31 | 1.17 |
| <b>Diluted earnings per share</b>           |      |      |
| From continuing operations                  | 1.31 | 1.14 |
| From continuing and discontinued operations | 1.31 | 1.17 |

### 4. Outlook

A change in the political scenery combined with the announcement of protectionist measures and a worldwide revival on the raw materials markets incite us to be prudent. Nevertheless, the Sioen Industries Group will continue to pursue growth through the development of new and complementary business lines in technical textiles.

Sioen core values: a strong focus on innovation, customer intimacy, an extensive product portfolio, a strong focus on added value products and sustained cost efficiency are the foundations upon which we build our future.

As Ursuit, Verseidag Ballistic Protection and UV Curable Systems were acquired at or after year end, they are not included in our figures.

### 5. Sioen Industries Group

Full information and the complete annual report will be made available on 28 March 2017 on [www.sioen.com](http://www.sioen.com).

## 6. Status external audit

To the Board of Directors

The auditor confirms that the audit is substantially completed and did not reveal any significant adjustments to the financial information included in the press release.

## 7. Financial calendar

|                                   |                  |
|-----------------------------------|------------------|
| Trading update first quarter 2017 | 27 April 2017    |
| General Shareholders' meeting     | 28 April 2017    |
| Half year results 2017            | 28 August 2017   |
| Trading update third quarter 2017 | 15 November 2017 |

## 8. Annexes

All figures and tables in this press release have been prepared in accordance with the IFRS valuation principles as accepted in the European Union. The valuation principles set out in the latest available annual report (31 December 2015) have been consistently applied to the figures given in this press release.

A risk management analysis can be found in the 2015 annual report that is available on [www.sioen.com](http://www.sioen.com).

### For further information/Financial information/Investor relations

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Financial servicing is provided by KBC Bank, BNP Paribas Fortis Bank, ING Bank, Belfius Bank and Bank Degroof Petercam.

# Annexes



# 1. Consolidated income statement

IN THOUSANDS OF EUROS

|  | 2016          | 2015 <sup>(1)</sup> |
|--|---------------|---------------------|
| Net sales  | 363 367       | 326 395             |
| Changes in stocks and WIP (work in progress)                         | 8 803         | -3 906              |
| Other operating income   | 6 570         | 4 785               |
| Raw materials and consumables used                                   | -182 299      | -152 519            |
| <b>Gross margin</b>  | <b>52.25%</b> | <b>52.07%</b>       |
| Services and other goods   | -57 644       | -50 490             |
| Remuneration, social security and pensions                           | -75 203       | -69 011             |
| Depreciations  | -16 417       | -15 451             |
| Write off inventories and receivables                                | 1 952         | -104                |
| Provisions for liabilities and charges                               | 13            | -504                |
| Other operating charges  | -4 446        | -3 390              |
| <b>Operating result</b>  | <b>44 697</b> | <b>35 804</b>       |
| Financial result   | -6 648        | -3 022              |
| • Financial income   | 1 695         | 7 764               |
| • Financial charges  | -8 343        | -10 786             |
| <b>Profit (loss) before taxes</b>                                    | <b>38 049</b> | <b>32 782</b>       |
| Income tax   | -12 054       | -10 171             |
| <b>Profit (loss) after taxes</b>                                     | <b>25 996</b> | <b>22 612</b>       |
| Share in the results of associates                                   | -37           |                     |
| <b>Profit (loss) for the period from continuing operations</b>       | <b>25 958</b> | <b>22 612</b>       |
| Profit (loss) for the period from discontinued operations            |               | 488                 |
| <b>Group profit (loss)</b>   | <b>25 958</b> | <b>23 099</b>       |
| Group profit (loss) attributable to shareholders of Sioen Industries | 25 958        | 23 099              |
| Group profit (loss) attributable to non-controlling interest         | 0             | 0                   |
| <b>EBIT</b>  | <b>44 697</b> | <b>36 170</b>       |
| <b>EBITDA</b>  | <b>59 149</b> | <b>52 161</b>       |
| <b>REBIT</b>   | <b>45 525</b> | <b>37 775</b>       |
| <b>REBITDA</b>   | <b>59 850</b> | <b>52 807</b>       |
| <b>Net cash flow</b>   | <b>40 448</b> | <b>39 090</b>       |

Definitions and reconciliations for non-GAAP measures can be found on pages 16 & 17 of this press release.

(1) As a consequence of the European Securities and Markets Authority (ESMA)'s guidelines on the use of Alternative Performance Measures (APMs), the presentation of the 2015 figures has been adjusted to be comparable with the presentation of the 2016 figures.

## 2. Consolidated statement of financial position

IN THOUSANDS OF EUROS

|                                     | 2016           | 2015           |
|-------------------------------------|----------------|----------------|
| Intangible assets                   | 11 519         | 5 487          |
| Goodwill                            | 39 372         | 18 618         |
| Property, plant and equipment       | 110 412        | 80 279         |
| Investment property                 | 5 425          | 5 647          |
| Interest in associates              | 286            |                |
| Other long term assets              | 1 600          | 388            |
| Deferred tax assets                 | 4 002          | 5 909          |
| <b>Non-current assets</b>           | <b>172 616</b> | <b>116 328</b> |
| Inventories                         | 114 473        | 85 366         |
| Trade receivables                   | 57 273         | 46 550         |
| Other receivables                   | 4 966          | 4 479          |
| Other financial assets              |                | 19 030         |
| Cash and cash equivalents           | 16 596         | 89 261         |
| Derivatives fair value              | 1 400          |                |
| Deferred charges and accrued income | 1 082          | 1 437          |
| <b>Current assets</b>               | <b>195 790</b> | <b>246 123</b> |
| <b>Total assets</b>                 | <b>368 406</b> | <b>362 451</b> |

|   | 2016           | 2015           |
|---|----------------|----------------|
| Share capital   | 46 000         | 46 000         |
| Retained earnings                                       | 151 708        | 135 825        |
| Other reserves  | -8 522         | -7 868         |
| <b>Equity attributable to the owners of the company</b> | <b>189 186</b> | <b>173 957</b> |
| Non-controlling interest                                | 0              | 0              |
| <b>Total equity</b>                                     | <b>189 186</b> | <b>173 957</b> |
| Borrowings  | 66 531         |                |
| Provisions  | 2 231          | 1 667          |
| Retirement benefit obligations                          | 4 743          | 3 657          |
| Deferred tax liabilities                                | 18 457         | 8 175          |
| Obligations under finance leases                        | 4 911          | 5 619          |
| Other amounts payable                                   | 120            | 14             |
| <b>Non-current liabilities</b>                          | <b>96 993</b>  | <b>19 132</b>  |
| Trade and other payables                                | 31 135         | 25 620         |
| Borrowings  | 23 655         | 105 719        |
| Provisions  | 190            | 749            |
| Retirement benefit obligations                          | 61             | 82             |
| Current income tax liabilities                          | 3 031          | 2 804          |
| Social debts  | 11 402         | 10 099         |
| Other amounts payable                                   | 5 383          | 4 583          |
| Obligations under finance leases                        | 735            | 1 561          |
| Derivatives fair value                                  | 1 225          | 15 607         |
| Accrued charges and deferred income                     | 5 410          | 2 538          |
| <b>Current liabilities</b>                              | <b>82 227</b>  | <b>169 362</b> |
| <b>Total equity and liabilities</b>                     | <b>368 406</b> | <b>362 451</b> |

## 3. Consolidated statement of cash flows

IN THOUSANDS OF EUROS

|   | 2016          | 2015          |
|---|---------------|---------------|
| Group profit (loss)   | 25 958        | 23 099        |
| Income tax  | 12 054        | 10 049        |
| Financial charges   | 8 343         | 10 786        |
| Financial income  | -1 695        | -7 764        |
| Share in the results of associates  | 37            |               |
| <b>Operating result</b>   | <b>44 697</b> | <b>36 170</b> |
| Depreciation and amortisation of non-current assets   | 16 417        | 15 451        |
| Write off inventories and receivables   | -1 952        | 104           |
| Provisions  | -13           | 436           |
| Movements in working capital:   |               |               |
| • Inventories   | -8 661        | 904           |
| • Trade receivables   | 163           | 1 497         |
| • Other long term assets, other receivables & deferred charges and accrued income                           | 1             | 1 034         |
| • Trade and other payables  | 2 111         | -3 541        |
| • Current income tax liabilities, social debts, other amounts payable & accrued charges and deferred income | -2 730        | 849           |
| • Amounts written off inventories and receivables   | 52            | 160           |
| <b>Cash flow from operating activities</b>  | <b>50 086</b> | <b>53 064</b> |
| Income taxes paid   | -6 140        | -9 650        |
| <b>Net cash flow from operating activities</b>  | <b>43 946</b> | <b>43 413</b> |

|   | 2016           | 2015           |
|---|----------------|----------------|
| Interest received   | 488            | 846            |
| Other financial assets (deposits)                         | 19 030         | 27 967         |
| Acquisitions/sale of subsidiaries                         | -62 996        | -1 101         |
| Investments in intangible and tangible fixed assets       | -8 537         | -13 287        |
| Disposal and sale of intangible and tangible fixed assets | 72             | 507            |
| <b>Net cash flow from investing activities</b>            | <b>-51 944</b> | <b>14 933</b>  |
| <i>Net cash flow before financing activities</i>          | <i>-7 998</i>  | <i>58 347</i>  |
| Purchase of treasury shares                               |                | -581           |
| Interest paid   | -1 895         | -5 657         |
| Disbursed dividend  | -9 494         | -7 312         |
| Increase/(decrease) borrowings                            | -28 158        | -7 958         |
| Increase/(decrease) obligations under finance leases      | -1 534         | -1 802         |
| Other <sup>(1)</sup>                                      | -18 080        | 110            |
| Currency result   | -4 105         | 1 491          |
| <b>Net cash flow from financing activities</b>            | <b>-63 265</b> | <b>-21 711</b> |
| Impact of cumulative translation adjustments and hedging  | -1 402         | 1 175          |
| <b>Change in cash and cash equivalents</b>                | <b>-72 665</b> | <b>37 811</b>  |
| Cash and cash equivalents at the beginning of the year    | 89 261         | 51 450         |
| Cash and cash equivalents at the end of the year          | 16 596         | 89 261         |

(1) Cash settlement of interest rate collar

## 4. Consolidated statement of changes in equity

IN THOUSANDS OF EUROS

|  | Share capital | Reserves       | other reserves                       |                     |                  |                 |                  | Equity before non-controlling interest | Non-controlling interest | Equity         |
|--|---------------|----------------|--------------------------------------|---------------------|------------------|-----------------|------------------|--|--------------------------|----------------|
|  |               |                | Foreign currency translation reserve | Revaluation surplus | Pension reserves | Treasury shares | Hedging reserves |  |                          |                |
| Balance at 1 January 2016                        | 46 000        | 135 825        | 2 294                                | 76                  | -174             | -581            | -9 483           | 173 957                                |                          | 173 957        |
| Group profit (loss)                              |               | 25 958         |                                      |                     |                  |                 |                  | 25 958                                 |                          | 25 958         |
| Hedging  |               |                |                                      |                     |                  |                 | -1 706           | -1 706                                 |                          | -1 706         |
| Currency translation adjustments                 |               |                | 50                                   |                     |                  |                 |                  | 50                                     |                          | 50             |
| Remeasurement of defined benefit obligation      |               |                |                                      |                     | -230             |                 |                  | -230                                   |                          | -230           |
| Deferred tax                                     |               |                |                                      |                     | 71               |                 | 580              | 650                                    |                          | 650            |
| <b>Total comprehensive income for the period</b> |               | 25 958         | 50                                   |                     | -160             |                 | -1 126           | 24 722                                 |                          | 24 722         |
| Payment of dividends                             |               | -9 494         |                                      |                     |                  |                 |                  | -9 494                                 |                          | -9 494         |
| Purchase of treasury shares                      |               |                |                                      |                     |                  |                 |                  |  |                          |                |
| Elimination of treasury shares purchased         |               | -581           |                                      |                     |                  | 581             |                  |  |                          |                |
| <b>Balance at 31 December 2016</b>               | <b>46 000</b> | <b>151 708</b> | <b>2 344</b>                         | <b>76</b>           | <b>-334</b>      |                 | <b>-10 609</b>   | <b>189 186</b>                         |                          | <b>189 186</b> |

|  | Share capital | Reserves | other reserves                       |                     |                  |                 |                  | Equity before non-controlling interest | Non-controlling interest | Equity  |
|--|---------------|----------|--------------------------------------|---------------------|------------------|-----------------|------------------|--|--------------------------|---------|
|  |               |          | Foreign currency translation reserve | Revaluation surplus | Pension reserves | Treasury shares | Hedging reserves |  |                          |         |
| Balance at 1 January 2015                        | 46 000        | 120 062  | 1 159                                | 76                  | -324             |                 | -9 468           | 157 505                                |                          | 157 505 |
| Group profit (loss)                              |               | 23 099   |                                      |                     |                  |                 |                  | 23 099                                 |                          | 23 099  |
| Hedging  |               |          |                                      |                     |                  |                 | -22              | -22                                    |                          | -22     |
| Currency translation adjustments                 |               |          | 1 135                                |                     |                  |                 |                  | 1 135                                  |                          | 1 135   |
| Remeasurement of defined benefit obligation      |               |          |                                      |                     | 206              |                 |                  | 206                                    |                          | 206     |
| Deferred tax                                     |               |          |                                      |                     | -56              |                 | 7                | -49                                    |                          | -49     |
| <b>Total comprehensive income for the period</b> |               | 23 099   | 1 135                                |                     | 150              |                 | -15              | 24 369                                 |                          | 24 369  |
| Payment of dividends                             |               | -7 336   |                                      |                     |                  |                 |                  | -7 336                                 |                          | -7 336  |
| Purchase of treasury shares                      |               |          |                                      |                     |                  | -581            |                  | -581                                   |                          | -581    |
| Elimination of treasury shares purchased         |               |          |                                      |                     |                  |                 |                  |  |                          |         |
| Balance at 31 December 2015                      | 46 000        | 135 825  | 2 294                                | 76                  | -174             | -581            | -9 483           | 173 957                                |                          | 173 957 |

## 5. Definitions

|                          |  |
|--------------------------|--|
| <b>Gross margin %</b>    | (Net sales +/- changes in stocks and WIP – raw materials and consumables used)/Net sales   |
| <b>EBITDA</b>            | Earnings Before Interest, Taxes, Depreciation and Amortization = Operating result + amortization + depreciation + write off inventories and receivables + provisions for liabilities and charges |
| <b>EBIT</b>              | Earnings Before Interest and Taxes = Operating result  |
| <b>REBIT</b>             | EBIT without non-recurring result  |
| <b>REBITDA</b>           | EBITDA without non-recurring result  |
| <b>EBT</b>               | Earnings Before Taxes  |
| <b>EAT</b>               | Earnings After Taxes   |
| <b>NOPAT</b>             | EBIT - Taxes   |
| <b>EVA</b>               | NOPAT - cost of capital at start of the period   |
| <b>ROCE</b>              | NOPAT/Capital employed of the period   |
| <b>Net cash flow</b>     | Profit (loss) after taxes + depreciation + amortization + write off inventories and receivables + provisions for liabilities and charges   |
| <b>Free operating CF</b> | Funds from operating activities - funds from investing activities  |
| <b>Working capital</b>   | Interests in associates + current assets (minus other financial assets, cash and cash equivalents) – non-financial debt up to one year - accrued charges and deferred income                     |
| <b>Capital employed</b>  | Working capital + intangible assets + goodwill + property, plant and equipment + investment property   |

## 6. Reconciliations

|  | Total  | Restructuring components included in 'Remuneration, social security and pensions' | Restructuring components included in 'Provisions for liabilities and charges' | Recurring |
|--|--------|---|---|-----------|
| <b>2016</b>                            |        |   |   |           |
| (R)EBIT                                | 44 697 | 701   | 127   | 45 525    |
| Depreciations                          | 16 417 |   |   | 16 417    |
| Write off inventories and receivables  | -1 952 |   |   | -1 952    |
| Provisions for liabilities and charges | -13    |   | -127  | -141      |
| (R)EBITDA                              | 59 149 | 701   |   | 59 850    |
| <b>2015</b>                            |        |   |   |           |
| (R)EBIT                                | 36 170 | 646   | 959   | 37 775    |
| Depreciations                          | 15 451 |   |   | 15 451    |
| Write off inventories and receivables  | 104    |   |   | 104       |
| Provisions for liabilities and charges | 436    |   | -959  | -523      |
| (R)EBITDA                              | 52 161 | 646   |   | 52 807    |





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**Financial calendar**

|                                   |                  |
|-----------------------------------|------------------|
| Trading update first quarter 2017 | 27 April 2017    |
| General Shareholders' meeting     | 28 April 2017    |
| Half year results 2017            | 28 August 2017   |
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