

Press release
28 September 2023

FIRST HALF OF 2023

3-PERCENTAGE POINT DECLINE IN THE PROFITABILITY OF PORTFOLIO COMPANIES, AGAINST A BACKDROP OF WORSENING ECONOMIC CONDITIONS

Consolidated data € millions	HI 2022	HI 2023	23/22 change Real terms	23/22 change Pro forma*
Sales	457.5	408.2	-10.8%	-2.9%
EBITDA	41.1	22.5	-18.5	-12.4
Current operating profit	25.7	5.6	-20.1	-13.1
Consolidated net profit**	96.5	-16.7	/	/
Operating cash flow	36.0	9.9	/	/
Net financial debt***	300.7	377.3	76.6	/

* Change on a pro forma basis, i.e. on a comparable portfolio basis: exclusion of both Zurflüh Feller, which was sold in June 2022, and Agromillora, acquired in April 2022.

** Consolidated net profit for the six months to June 2022 includes approximately €82 million in capital gains

*** Net financial debt corresponds to total financial and banking liabilities less cash and cash equivalents. The figure also includes earn-out liability and deferred settlements related to acquisitions and disposals of equity investments.

SALES

Edify's consolidated sales stood at €408.2 million over the first half-year, a decline of 2.9% on a comparable portfolio basis and 10.8% in real terms, primarily due to the disposal of Zurflüh-Feller in 2022. This decline followed strong growth over the same period in 2021 (up 16% on a like-for-like basis). It took place within an economic environment marked by a decline in consumer spending coupled with an increase in interest rates, which triggered a slowdown in orders for equipment.

Pellenc, La Brigade de Buyer and Usines Métallurgiques de Vallorbe all posted reductions in sales of 5 to 10%.

Agromillora, Ligier and Thermo Technologies all held up well, while Gaviota posted growth over the half year.

RESULTS

Consolidated EBITDA stood at €22.5 million over the first half year, down €12.4 million on a comparable portfolio basis, representing a 3-percentage point reduction in EBITDA margin. This decline was due to lower sales, significantly higher energy costs and, for some companies, an increase in structure costs incurred during 2022, a period of strong business activity.

Excluding the capital gains from Zurflüh-Feller in 2022, consolidated net profit fell by €30 million. This was due to lower operating profit, higher financial expenses and amortisation of goodwill.

FINANCIAL POSITION

Consolidated net financial debt was €377.3 million at the end of the first half-year, an increase of €76.6 million in relation to the end of June 2022. This was due to an increase in high quality inventory levels – primarily driven by Pellenc – which should be partially cleared by the end of the year.

OUTLOOK

A number of companies (Gaviota, Ligier and La Brigade de Buyer) are forecasting an improvement in business conditions over the second half year. However, this is by no means certain given that the economic environment will remain challenging over the next few quarters. There will be a particular focus on structure costs, with adjustments to them supporting a gradual improvement in profitability.

With €170 million in available cash, EDIFY will continue to support the strategic operations of its portfolio companies.

CORPORATE PROFILE

Edify is an industrial holding company. Its portfolio is comprised of majority and minority shareholdings in European industrial medium-sized businesses and SMEs, namely Gaviota (components and motors for awnings and roller shutters), Pellenc (portable power tools and machinery for winegrowing, olive growing and green spaces), Usines Métallurgiques de Vallorbe (precision files and tools for the jewellery, watchmaking, forestry, car and aeronautical industries), La Brigade de Buyer (cookery and baking/patisserie utensils), Ligier Group (licence-free microcars), Thermo-Technologies (surface coating with precious metals using chemical or electrolytic processes and high-tech wires), K-Ryole (smart electric trailers for bicycles) and Agromillora (provider of cutting-edge specialist solutions for plant propagation).

CONSOLIDATION SCOPE

The consolidation scope includes the parent company Edify and equity interests in La Brigade de Buyer, Usines Métallurgiques de Vallorbe, Ligier Group, Pellenc and Thermo-Technologies, which are fully consolidated, and Agromillora and Gaviota, which are proportionally consolidated.

SHAREHOLDERS' AGENDA

Publication of third quarter sales: 23 November 2023

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