

Announcement annual results 2020





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Annexes

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Ardoonie, 3 March 2021

Sioen Industries NV is a diversified stock quoted textile Group with an extensive portfolio of products and activities: extrusion of man-made fibers and yarns, 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.

1. Summary of consolidated income statement

IN THOUSANDS OF EUROS

	2020	2019 ⁽¹⁾	Var (%)
Net sales	510 118	509 620	+0.1%
Material margin	50.64%	48.77%	
Operating result (EBIT)	40 255	42 241	-4.7%
Financial result	-12 046	-1 992	
Profit (loss) before taxes	28 209	40 249	-29.9%
Income tax	-8 923	-10 145	
Group profit (loss)	19 286	30 104	-35.9%
Group profit (loss) attributable to shareholders of Sioen Industries	19 286	30 104	-35.9%
Group profit (loss) attributable to non-controlling interest	0	0	
EBITDA	67 473	67 686	-0.3%
Restated EBITDA ⁽¹⁾⁽²⁾	63 782	65 024	-1.9%

Definitions and reconciliations for non-GAAP measures can be found on pages 18 & 19 of this press release.

(1) The 2019 figures are restated for the fair value assessment and resulting goodwill on a business combination.

(2) The 2020 restated EBITDA is excluding the net gain related to the sale of land and buildings in Indonesia.

2. Comments

Net sales:

The Sioen Industries Group realized in 2020 net sales of EUR 510.1 million compared to EUR 509.6 million in 2019. On a like for like basis, excluding Dickson Saint Clair, for which the results are included as of 1 January 2020 and Techma Coatings, included since May 2019, sales decreased by 6.7% in 2020 compared to 2019.

Coating division

The coating division specializes in the coating (applying a protective layer) of textiles. This division is fully vertically integrated. We extrude granulates (PET, PP, ...) into staple fibers and yarns. We convert those fibers and yarns into fabrics (woven fabrics, non-woven fabrics and laid scrim) and coat these fabrics with various polymers (PVC, PU, silicon, ...). The Group is the only player in the world with full competence in various coating technologies, each with its own specific products and markets.

The coating division realized EUR 328.5 million of external sales in 2020 compared to EUR 310.8 million in 2019.

Organic sales (without Dickson Saint Clair and Techma Coatings) decreased with 5.4% compared to last year. Sales decrease in some business lines (sailing, events, ...) was mitigated by the steep temporary increase in demand in business lines related to the fight against the Covid pandemic (mattress protection, medical gowns, filter material, ...).

Apparel division

This division stands for 'technical protective clothing'. The apparel division is an innovative producer of a wide range of high-quality technical protective garments that meet all European standards.

Sioen Apparel is active in various sectors where attention to safety is a priority. Attention to customer needs, strong quality consciousness and continuing research and development, combined with technically advanced products, are the basis of the successful development of this division.

The apparel division realized EUR 140.4 million of external sales compared to EUR 157.1 million in 2019 or a decrease with 10.6%. All business lines suffered from Covid related disruptions in the supply chain, reduced economic activity in the end markets and postponed public tenders.

Chemicals division

Sioen Chemicals processes basic raw materials (PVC powders, pigments, ...) into high quality technical semi-finished products (pigment pastes and inks) for a wide range of applications.

The chemicals division realized EUR 41.2 million of sales in 2020 compared to EUR 41.7 million in 2019 or a decrease with 1.3%.

As end customers anticipated an economic revival early 2021, sales picked up in the last quarter.

Material margin:

The consolidated material margin of the Group evolved from 48.77% over sales in 2019 to 50.64% over sales in 2020.

The main driver is the worldwide economic slowdown. Demand for basic raw materials and their derivatives dropped dramatically resulting in all time lows in pricing.

Operating result:

Operating result evolves from EUR 42.2 million last year to EUR 40.3 million over 2020 or a decrease with 4.7%.

An impairment loss regarding goodwill on Dimension-Polyant CGU of EUR 2.7 million is included in the 2020 operating result.

Financial result:

Financial result of the Group amounted to EUR -12.0 million over the year 2020 against EUR -2.0 million in 2019. The 2020 financial result includes (in increasing order of importance);

- Realized and unrealized currency fluctuations
- Interests on outstanding loans and leasings
- The cost, without cash flow impact, of unwinding the existing hedge instrument; in the light of the anticipated refinancing of the Group, the cost of unwinding of the existing interest rate hedge instrument must be reflected in this year's financial result, in accordance with IFRS regulations.

Income tax:

Income tax cost amounts to EUR 8.9 million over the year 2020 against EUR 10.1 million over 2019.

Group profit (loss):

The company recorded EUR 19.3 million profit over the year 2020 against EUR 30.1 million over 2019 or a decrease with 35.9%.

Balance sheet:

At the end of the year Group equity amounted to EUR 264.5 million or 52.4% of the balance sheet total.

Net financial debt of the Group, at year end, is EUR 84.4 million.

3. Earnings per share

The company realized earnings per share amounting to EUR 0.98.

4. Dividend

The Board of Directors will propose to the General Shareholders' Meeting of 30 April not to distribute a dividend.

5. Outlook

2020 was, to say the least, an exceptional year in every way; a hard Brexit, rising East West geopolitical tensions and a pandemic causing lockdowns and unprecedented economic damage.

The first half of 2021 continues to be impacted by Covid. This combined with the increases in prices of raw materials will continue to create a challenging environment.

Despite this temporary setback Sioen will, loyal to its long term strategy, continue to invest in diversification into new markets, complementary acquisitions, investments in new product lines and innovative products.

6. 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.

7. Sioen Industries Group

Full information and the complete annual report will be made available on 30 March 2021 on www.sioen.com.

8. Status external audit

The statutory auditor, Deloitte Bedrijfsrevisoren CVBA, represented by Kurt Dehoorne, has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement in the draft consolidated income statement, consolidated statement of total comprehensive income, consolidated statement of financial position and consolidated statement of cash flows, and that the accounting data reported in the press release is consistent, in all material respects, with the draft consolidated income statement, consolidated statement of total comprehensive income, consolidated statement of financial position and consolidated statement of cash flows from which it has been derived.

9. Financial calendar

Annual report 2020 ⁽²⁾	30 March 2021
Trading update first quarter 2021 ⁽¹⁾	29 April 2021
General Shareholders' Meeting	30 April 2021 - 14h
Half year results 2021 ⁽¹⁾	31 August 2021
Trading update third quarter 2021 ⁽¹⁾	17 November 2021

(1) Publication after stock market closing

(2) Publication before stock market opening

10. 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 2019), have been consistently applied to the figures given in this press release.

A risk management analysis can be found in the 2019 annual report that is available on 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 by nature

IN THOUSANDS OF EUROS

	2020	2019 ⁽¹⁾
Net sales	510 118	509 620
Changes in stocks and WIP (work in progress)	-9 420	4 413
Other operating income	11 482	10 791
Raw materials and consumables used	-242 387	-265 504
Material margin	50.64%	48.77%
Services and other goods	-74 237	-75 173
Remuneration, social security and pensions	-117 325	-111 243
Depreciations	-27 217	-25 445
Impairment loss	-2 668	
Write off inventories and receivables	-1 489	1 880
Provisions for liabilities and charges	-577	-1 025
Other operating charges	-6 026	-6 074
Operating result (EBIT)	40 255	42 241
Financial result	-12 046	-1 992
Financial income	1 992	1 942
Financial charges	-14 039	-3 934
Profit (loss) before taxes	28 209	40 249
Income tax	-8 923	-10 145
Group profit (loss)	19 286	30 104
Group profit (loss) attributable to shareholders of Sioen Industries	19 286	30 104
Group profit (loss) attributable to non-controlling interest	0	0
EBITDA	67 473	67 686
REBITDA^{(1) (2)}	63 782	65 024

Definitions and reconciliations for non-GAAP measures can be found on pages 18 & 19 of this press release.

(1) The 2019 figures are restated for the fair value assessment and resulting badwill on a business combination.

(2) The 2020 restated EBITDA is excluding the net gain related to the sale of land and buildings in Indonesia.

2. Consolidated statement of total comprehensive income

IN THOUSANDS OF EUROS

	2020	2019 ⁽¹⁾
Group profit (loss)	19 286	30 104
Exchange differences on translating foreign operations:		
• Exchange difference arising during the period	-3 923	2 615
• Reclassification to income statement of exchange differences previously recognized in other comprehensive income	80	
Cash flow hedges:		
• Reclassification to income statement of fair value changes previously recognized in other comprehensive income	10 311	1 432
• Income tax	-2 578	-424
<i>Net other comprehensive income (loss) potentially to be reclassified to profit or loss in subsequent periods</i>	3 890	3 624
Remeasurement of defined benefit obligation:		
• Gains (losses) arising during the period	-285	-460
• Income tax	58	118
<i>Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods</i>	-228	-343
Other comprehensive income (loss) after tax impact	3 662	3 281
Total comprehensive income (loss) for the period	22 948	33 385
Attributable to shareholders of Sioen Industries	22 948	33 385
Attributable to non-controlling interests	0	0

(1) The 2019 figures are restated for the fair value assessment and resulting goodwill on a business combination.

3. Consolidated statement of financial position

IN THOUSANDS OF EUROS

	2020	2019 ⁽¹⁾
Intangible assets	38 929	44 284
Goodwill	40 607	43 417
Property, plant and equipment	159 450	167 934
Investment property	3 867	4 247
Other long term assets	801	815
Deferred tax assets	1 823	1 754
Non-current assets	245 477	262 451
Inventories	129 946	143 293
Trade receivables	66 877	67 172
Other receivables	6 772	10 021
Cash and cash equivalents	51 109	18 198
Derivatives fair value	3 014	2 240
Deferred charges and accrued income	1 357	1 296
Current assets	259 075	242 220
Assets classified as held for sale		694
Total assets	504 552	505 366

(1) The 2019 figures are restated for the fair value assessment and resulting badwill on a business combination.

	2020	2019⁽¹⁾
Share capital	46 000	46 000
Retained earnings	223 004	203 670
Other reserves	-4 521	-5 572
Equity attributable to the owners of the company	264 483	244 099
Non-controlling interest	0	0
Total equity	264 483	244 099
Borrowings	94 407	102 772
Provisions	650	416
Retirement benefit obligations	5 418	5 147
Deferred tax liabilities	19 900	21 075
Lease liabilities	6 745	8 097
Other amounts payable	18	1 332
Non-current liabilities	127 138	138 838
Trade and other payables	45 505	46 222
Borrowings	30 962	41 322
Provisions	2 124	1 782
Retirement benefit obligations	190	66
Current income tax liabilities	1 643	2 214
Social debts	15 199	15 542
Other amounts payable	7 875	6 881
Lease liabilities	3 350	3 405
Derivatives fair value	1 698	1 331
Accrued charges and deferred income	4 385	3 664
Current liabilities	112 931	122 429
Total equity and liabilities	504 552	505 366

(1) The 2019 figures are restated for the fair value assessment and resulting goodwill on a business combination.

4. Consolidated statement of cash flows

IN THOUSANDS OF EUROS

	2020	2019 ⁽¹⁾
Group profit (loss)	19 286	30 104
Income tax	8 923	10 145
Financial charges	14 039	3 934
Financial income	-1 992	-1 942
Share in the results of associates		
Operating result	40 255	42 241
Depreciation and amortization of non-current assets	27 217	25 445
Impairment loss	2 668	
Badwill	59	-3 639
Write off inventories and receivables	1 489	-1 880
Provisions	577	1 025
Gain/loss on disposal and sale of intangibles, property, plant and equipment and investment property	-3 909	-95
Equity-settled share-based payments	48	24
Movements in working capital:		
• Inventories	12 111	-3 523
• Trade receivables	379	5 563
• Other long term assets, other receivables & deferred charges and accrued income	2 801	-325
• Trade and other payables	-1 172	-1 237
• Social debts, other amounts payable & accrued charges and deferred income	117	712
Cash flow from operating activities	82 641	64 311
Income taxes paid	-12 619	-17 890
Net cash flow from operating activities	70 021	46 421

(1) The 2019 figures are restated for the fair value assessment and resulting badwill on a business combination.

	2020	2019 ⁽¹⁾
Interest received	54	111
Acquisitions of subsidiaries ⁽²⁾	25	-21 639
Investments in intangibles, property, plant and equipment and investment property	-13 716	-20 957
Disposal and sale of intangibles, property, plant and equipment and investment property	5 107	533
Net cash flow from investing activities	-8 529	-41 952
<i>Net cash flow before financing activities</i>	<i>61 492</i>	<i>4 470</i>
Purchase of treasury shares	-2 611	-856
Interest paid	-1 154	-1 282
Disbursed dividend		-12 264
Increase in borrowings	1 066	20 359
Decrease in borrowings	-19 791	-15 538
Loan repayments in the framework of business combinations		-124
Repayment of lease liabilities	-4 012	-3 967
Other	-1 291	116
Currency result	429	-386
Net cash flow from financing activities	-27 364	-13 941
Impact of cumulative translation adjustments and hedging	-1 217	806
Change in cash and cash equivalents	32 911	-8 665
Cash and cash equivalents at the beginning of the year	18 198	26 861
Cash and cash equivalents at the end of the year	51 109	18 198

(1) The 2019 figures are restated for the fair value assessment and resulting goodwill on a business combination.

(2) These amounts are net of cash acquired (EUR 1 664 thousand cash acquired in 2019)

5. Consolidated statement of changes in equity

IN THOUSANDS OF EUROS

	Share capital	Retained earnings	Other reserves				Equity before non-controlling interest	Non-controlling interest	Equity
			Foreign currency translation reserve	Revaluation surplus	Pension reserves	Treasury shares			
Balance at 1 January 2020	46 000	203 670	3 513	76	-572	-856	-7 734	244 099	244 099
Total comprehensive income (loss) for the period		19 286	-3 843		-228		7 734	22 948	22 948
Payment of dividends									
Equity-settled share-based payment plans		48						48	48
Purchase of treasury shares						-2 611		-2 611	-2 611
Balance at 31 December 2020	46 000	223 004	-330	76	-800	-3 467		264 483	264 483

	Share capital	Retained earnings	Other reserves				Equity before non-controlling interest	Non-controlling interest	Equity
			Foreign currency translation reserve	Revaluation surplus	Pension reserves	Treasury shares			
Balance at 1 January 2019	46 000	185 806	898	76	-230		-8 742	223 809	223 809
Total comprehensive income (loss) for the period		30 104	2 615		-343		1 009	33 385	33 385
Payment of dividends		-12 264						-12 264	-12 264
Equity-settled share-based payment plans		24						24	24
Purchase of treasury shares						-856		-856	-856
Balance at 31 December 2019 ⁽¹⁾	46 000	203 670	3 513	76	-572	-856	-7 734	244 099	244 099

(1) The 2019 figures are restated for the fair value assessment and resulting goodwill on a business combination.

6. Definitions

Material margin %	(Net sales +/- changes in stocks and WIP – raw materials and consumables used)/Net sales
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization = Operating result + depreciations
EBIT	Earnings Before Interest and Taxes = Operating result
Net financial debt	Borrowings (non-current and current) + lease liabilities (non-current and current) - other financial assets - cash and cash equivalents

Alternative performance measures (APM's, non-GAAP measures) do not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities.

APM's are used to improve comparability of the actual operational performance of the Group in 2020 compared to 2019.

7. Reconciliations

IN THOUSANDS OF EUROS

		Gain on sale land and buildings in Indonesia, included in 'Other operating income'	Costs related to sale land and buildings in Indonesia, included in 'Services and other goods'	Costs related to sale land and buildings in Indonesia, included in 'Other operating charges'	Badwill included in 'Other operating income'	
2020						
EBIT → Restated EBIT	40 255	-3 942	139	112		36 565
Depreciations	27 217					27 217
EBITDA → Restated EBITDA	67 473	-3 942	139	112		63 782
2019						
EBIT → Restated EBIT	42 241				-2 662	39 579
Depreciations	25 445					25 445
EBITDA → Restated EBITDA	67 686				-2 662	65 024

	31 December 2020	31 December 2019
Borrowings (non-current)	94 407	102 772
Borrowings (current)	30 962	41 322
Lease liabilities (non-current)	6 745	8 097
Lease liabilities (current)	3 350	3 405
Other financial assets		
Cash and cash equivalents	-51 109	-18 198
Net financial debt	84 355	137 398

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Financial calendar

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