



Campine reports best results ever

With a net result of € 7 million, Campine recorded its best result ever.

2017 had a difficult start, related to the announcement of the EU commission fining Campine € 8.2 million for alleged purchase agreements in the used battery market. But the increasing metal prices and a good operational performance contributed to strong financial results throughout the year.

The excellent results allowed the company to pay the fine (which was recorded in the 2016 financials) from its own cash-flows. Campine also applied for appeal against the fine, for which a final decision is expected by mid 2019.

The company wants to build on these strong results: “For 2018 we have foreseen an investment budget of over € 7 million to allow capacity increases and productivity improvements” says Chairman Patrick De Groote. “It is the first step of a new business plan that will be rolled out later in the year”. Campine appointed board member Willem De Vos as new CEO in August 2017, who is expected to grab new business opportunities in the circular economy.

“Our extensive knowledge in lead recycling from car batteries and metal scraps allowed us to gain expertise in extracting different other metals from post-consumer and industrial waste streams and this opens many doors for synergies in the future” says CEO De Vos, who also clarifies that “The Lead-acid battery still has a long life, because electric cars need such battery to power all systems other than the engine”. De Vos’s former experience is mainly in the chemicals and plastics sector and also there he sees opportunities: “We are speeding up innovation in our product portfolio for polymer fire protection solutions in a market where demand for flame retardant plastics grows yearly with double digits.”

“Additionally, there are possibilities to combine our metal recycling expertise with plastics, leading to a diversified product offering, which will allow Campine to continue on a stable growth path” concludes De Vos.

Financial Results

In 2017, Campine achieved a € 216.50 million turnover, compared with € 170.86 million in 2016 (+27%). Higher volumes were realised in all Business Units.

The EBIT reached € 12.62 million, an increase of 29% compared to the € 9.79 million (excl. EC fine) in 2016. The **net result for the year reached € 7.01 million**, compared with a profit of € 4.35 million (excluding the EC fine) in 2016 (+61%).

The Board of Directors proposes that the company pays a total dividend of € 2.325 million on the basis of the 2017 result. An interim dividend of € 1.5 mio (€ 1 gross per share) was already distributed on 7 November 2017. A dividend of € 0.825 million (€ 0.55 gross per share) will be distributed on 1 June 2018.

Results per Business Unit

- **Lead:** The Lead Business Unit realised a turnover of € 130.52 million (€ 106.37 million in 2016) (+23%) with comparable volumes as last year. The sales increase is mostly related to the continued upward trend of the Lead LME prices during 2017, reaching an average of € 2,052/mT compared to € 1,694/mT for 2016.
- **Antimony:** The turnover increased significantly by 32% to € 68.37 million due to the climbing antimony market prices. The Metal Bulletin index, which records antimony market metal prices, reported for 2017 an average of € 7,400/mT, compared to € 5,966/mT in 2016.
- **Plastics:** The turnover grew to € 28.13 million (+21%).

Perspectives for 2018

2018 has started well in all BU's with strong demand. The metal prices markets are more volatile due to potential metal import-duties in the USA, large stock-volume changes on the LME and uncertain demand in China. Campine's investment projects in additional capacity and productivity improvements are on track to be taken into production at the end of Q3, 2018.

Consolidated income statement for the year on 31 December 2017

'000 EUR	Year ended 31/12/2017	Year ended 31/12/2016
Revenue	216,501	170,855
Other operating income	3,289	1,988
Raw materials and consumables used	- 179,535	- 138,363
Employee benefits expense	- 13,403	- 12,230
Depreciation and amortisation expense	- 2,689	- 2,771
Changes in restoration cost	- 520	555
Other operating expenses	- 11,021	- 18,403
- Other operating expenses	- 11,021	- 10,245
- Fine European Commission	-	- 8,158
Operating result (EBIT)	12,622	1,631
Operating result (EBIT) excl. EC fine (*)	12,622	9,789
Hedging results	- 1,057	- 2,708
- Closed Hedges	- 642	- 3,744
- Change in open position	- 415	1,036
Finance costs	- 678	- 544
Net Financial Result	- 1,735	- 3,252
Result before tax (EBT)	10,887	- 1,621
Result before tax (EBT) excl. EC fine (*)	10,887	6,537
Income tax expense	- 3,879	- 2,189
Result for the year (EAT)	7,008	- 3,810
Result for the year (EAT) excl. EC fine (*)	7,008	4,348
<i>Attributable to:</i>		
Non-controlling interest	-	-
Equity holders of the parent	7,008	- 3,810
RESULT PER SHARE (in EUR)		
Number of shares	1,500,000	1,500,000
Result for the year (basic & diluted)	4.67	- 2.54
Result for the year (basic & diluted) excl. EC fine (*)	4.67	2.90

*Fine imposed by the European Commission. To ensure comparability with last year, the figures of 2016 are provided both inclusive and exclusive the fine imposed by the European Commission.

'000 EUR	Year ended 31/12/2017		Year ended 31/12/2016
Result for the year	7,008	-	3,810
<i>Other comprehensive income:</i>			
Comprehensive income to be reclassified to the profit or loss statement in the future	-		-
Comprehensive income not to be reclassified to the profit or loss statement in the future (*)	- 113	-	199
<i>(*) actuarial results of retirement benefit obligations</i>			
Total result for the year	6,895	-	4,009
<i>Attributable to:</i>			
Non-controlling interest	-		-
Equity holders of the parent	6,895	-	4,009

Our auditor, Deloitte Bedrijfsrevisoren, represented by Luc Van Coppenolle, has confirmed that the audit procedures of the consolidated financial statements are substantially completed and that these procedures have not revealed any material modification that would have to be made to the accounting information, derived from the consolidated financial statements and included in this communiqué.

The annual financial report will be made available for the public on 20 April 2018 on the website of Campine.

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