



2016 annual results

- Sales up 7.0%
- Profit from recurring operations up 16.2%

“Following a 2015 that was satisfactory although inflated by the strengthened dollar, 2016 marked a return to growth and an improvement in profitability thanks also to favourable impacts of currencies. With sustained investments in many pre-sales, R&D and industrial projects, the outlook remains favourable. Nevertheless, our geopolitical and economic environment, to which the majority of our markets are sensitive, remains highly uncertain. This context justifies the priority accorded by our teams to the ongoing transformation of our Group and to our Radiall 2025 action plans aimed at making Radiall an ever more agile business to support the developments in customers’ businesses and deal with the constraints of our environment.”

said Pierre Gattaz, Chairman of the Executive Board of RADIALL.

(€ millions) – IFRS – to 31 December	2016	2015	Change
Sales	310.2	289.9	+7.0%
Profit from recurring operations <i>as % of sales</i>	50.1 16.2%	44.0 15.2%	+13.9%
<i>Operating profit</i>	50.1	43.4	+15.5%
<i>Cost of financial debt</i>	0.1	0.1	
<i>Other financial income and expenses</i>	(2.4)	(2.0)	
<i>Income tax</i>	(13.3)	(12.1)	
Net profit <i>as % of sales</i>	34.4 11.1%	29.4 10.1 %	+17.4%
Net profit – Group share <i>as % of sales</i>	33.8 10.9%	28.9 10.0%	+17.1%
Cash Net of debt	75.7	61.7	+22.6%

Sales growth

The Group's consolidated sales amounted to €310.2 million in 2016, compared to €289.9 million in 2015, representing an increase of 7.0% compared with 2015. On a like-for-like basis, sales grew 5.6%, in particular due to the consolidation of the subsidiary Van-System's activity over 12 months compared with 5 months in 2015 while currency fluctuations had little impact on the comparability of sales from these financial years. This performance reflects a return to organic growth over the 2016 financial year.

2016 was characterised by growth in all the Group's markets with the exception of Space. The Telecom market, which had experienced a significant decline in sales in 2015, enjoyed renewed growth over the financial year to return to a level of business similar to 2014.

All geographic regions posted growth. International sales grew by 6.3% and accounted for 87.6% of Group sales for 2016.

Increased profitability

In line with the profitability recorded over the first half-year, benefiting from increased sales and from the favourable impact on margins of the depreciation of the Mexican peso and the strengthening of the dollar, and despite an increase in structural expenditure, in particular R&D and Industrial operations, profit from recurring operations grew to €50.1 million representing 16.2% of sales. Financial income and expenses represented a net expense of €2.4 million, primarily as a result of the recognition of a €1.8 million equity investment writedown and an unfavourable currency result of €0.8 million connected with the negative valuation of hedging agreements at 31 December 2016. Net profit - Group share for 2016 totalled €33.8 million, i.e. 10.9% of sales.

A strengthened balance sheet

At 31 December 2016, RADIALL had a sound balance sheet with shareholders' equity of €230.2 million, gross cash and cash equivalents of €90.2 million and a net cash position of €75.7 million.

Driven by the net profit – Group share of €33.8 million, 2016 financing capacity stood at €63.1 million compared with €52.1 million in 2015. Excluding currency and scope effects, working capital requirements rose €7.4 million. In the absence of any one-off transactions involving mergers and acquisitions or the purchase of shareholdings such as those completed in 2015 for €10.8 million, 2016 investment disbursements of €11.3 million over the financial year were significantly lower than those for 2015 (€22.7 million). A total of €13.9 million was recognised under cash flow related to financing operations in 2016, similar to the €14.7 million recorded in 2015. Following these transactions, total cash flow generated over the financial year stood €12.2 million as against €1.1 million used in 2015.

Dividend

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

2017 outlook

Radiall therefore approaches the new financial year with confidence, given the relevance of its positioning, the satisfactory trajectory of its markets and the launch of many products. Within this context, in 2017 the Group is targeting a continued growth at similar levels to those recorded in 2016 on a like-for-like basis. These forecasts are based on the ongoing growth of the aeronautics business which, despite significant pricing pressure and most of its programmes levelling out, should remain robust, a return to growth in space, new deployments in the industrial market, and a slight increase in sales in other sectors.

The Group nevertheless remains cautious, given the uncertain economic and geopolitical environment and the structural volatility of some of its markets, such as Telecom.

Next communication:

Sales for the first quarter of 2017: 13 April 2017.

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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