

Le Bélier is a specialist in cast aluminum parts for the global automotive industry

1st semester 2020 consolidated turnover

In the context of the COVID-19 pandemic and its effects on the year 2020, announced as the worst year recorded for the global automotive market, the consolidated sales of Le Bélier for the first half of 2020 amounted to 109.7 M€, down by -34.5% compared to the first half of 2019 (-32.7% excluding aluminum price variations and foreign exchange effects).

In this context, Le Bélier's revenue for the second quarter of 2020 decreased by -54.1% compared to the same period in 2019 (-53.2% excluding aluminum price variations and foreign exchange effects).

KEUR	30/06/2020	30/06/2019	variation
FOUNDRIES	89 989	141 158	-36,2%
MACHINING	13 535	19 857	-31,8%
TOOLING	4 354	3 788	14,9%
OTHERS	1 865	2 763	-32,5%
TOTAL	109 743	167 567	-34,5%
Q1	73 449	88 412	-16,9%
Q2	36 295	79 155	-54,1%

Over the semester, compared to the same period of 2019, the tonnages sold by the Group were down by -32.8% with an almost similar split by activity zone (-32.7% in Europe, -34.5 % in Mexico, and -31.8% in China). The automotive production market showed a slightly higher global decline (-33.7%) with a larger drop in Europe and North America (-39.6% and -40% respectively) and a less regression in China (-20.6%).

Likewise, the machining activity declined of -31.8% over the period, while the tooling activity grew by 14.9%, thanks in particular to the launch of new projects.

In view of the level of activity, cost reduction measures have been implemented in all areas, raw material supplies have been adjusted and investments reduced to critical requirements for the launches of certain new products.

In this context, the Group anticipates EBITDA exceeding 10% of sales for 1st semester.

Despite the surrounding tensions, cash remains in excess of debts (negative net debt).

Perspectives that remain promising

In the second half of the year, efforts to optimize the breakeven point will be continued, with full effect expected by the end of the year.

The Group is maintaining a very significant program of new product launches this year, as demonstrated by the tooling activity, which is progressing compared to 2019. Among the 85 programs originally planned, some of them will be postponed to 2021, in particular those related to market consolidation programs initiated by some customers.

In the long term, in view of the challenges linked to the vehicles weight reduction, Le Bélier remains confident in the aluminum automotive market including for electric vehicles - in particular for the Chassis and Braking product lines.

Reminder of current operations

Le Bélier reminds the signature on 8 January 2020 by the main majority shareholders of Le Bélier and Wencan of a share purchase agreement regarding the sale of a majority stake in Le Bélier to Wencan representing approximately in aggregate 61.96% of the share capital of Le Bélier, as amended on 1 July 2020, at a price of 35.12 euros per Le Bélier share received by Copernic for its Le Bélier shares, representing 57.68% of the share capital of Le Bélier and at a price of 38.18 euros per Le Bélier share received by the managers of Le Bélier via Copernic and by Mr. Philippe Galland and Mr. Philippe Dizier for their Le Bélier shares, representing 4.28% of the share capital of Le Bélier.

As a consequence of the completion of the acquisition of the majority stake in Le Bélier, Wencan will file a simplified mandatory takeover offer bid at a price of 38.18 euros per Le Bélier share (the “**Offer**”).

Following the clearance on 20 July 2020 of the regulatory authorization in France with regards to foreign investment control and the approval of the acquisition by more than two thirds of the voting rights of the shareholders of Wencan on the same date, all the conditions precedent provided in the share purchase agreement have been satisfied.

Therefore, the completion of the sale of the majority block should take place by end of July 2020 and at the latest by 30 September 2020.

Le Bélier reminds that, the Board of Directors of Le Bélier has appointed, pursuant to article 261-1 I 1°, 2° and 4° and II of the French Financial Markets Authority’s (Autorité des Marchés Financiers) (the “AMF”), the firm Accuracy, represented by Mr. Henri Philippe, as independent expert in the context of the Offer.

The Board of Directors monitors the work of the independent expert within the framework provided for by applicable regulation and will issue its opinion on the interest of the Offer and its consequences for Le Bélier, its shareholders and its employees, in light particularly of the conclusions of the independent expert’s report.

The independent expert’s report and the Board of Directors’ opinion will be included in the draft Offer document in response that will be prepared by Le Bélier in the context of the Offer and submitted to the AMF, which will assess its compliance with applicable laws and regulations.

In accordance with the rules applicable to the financial communication of listed companies, Le Bélier will communicate again on the transaction at the time of its next development.

Next meeting:

Half-year results on September 23, 2020 (after Market closure)

Third quarter 2020 revenue on October 21, 2020 (after Market closure)

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