

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

1st SEMESTER 2020

Good resilience of results in the context of the Covid-19 pandemic

While Le Bélier showed a notable drop in activity over the first semester, the measures taken by the Group in a context of unprecedented global health crisis help it to get through this tough period.

Over the half year, net result was almost balanced and the financial structure remained excellent.

In M€	S1 2019	S1 2020
Turnover (TO)	167.6	109.7
EBITDA	22.5	11.4
% TO	13.4%	10.4%
Activities Operational Results AOR (1)	10.8	-0.4
Operating Result	10.1	-1.4
% TO	6.0%	-1.3%
Financial Result	-0.4	1.5
Taxes	-2.9	-1.6
Net Result	6.8	-1.5
% TO	4.1%	-1.4%

(1) *Activities Operational Result: Operating Result before "Performance Actions Plan" and "other operating income and expenses"*

1st semester 2020 activity

For the first half of 2020, the consolidated sales of Le Bélier 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).

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 global automotive production market showed a slightly higher global decline (-33.7%*) with a larger drop in Europe and in North America (-39.6%* and -40%* respectively) and a less regression in China (-20.6%*).

Commercial activity was, occasionally, sharply slowed down at the end of the first quarter and until May, when a gradual recovery was seen.

1st semester 2020 results

In this context of significant activity decrease (-60 M€ in turnover over the period), the Group quickly took the necessary measures to optimize its breakeven point. Le Bélier has thus once again demonstrated its adaptability and its reactivity in period of crisis, linked to the flexibility of its business model.

- **L'EBITDA** of 11.4 M€ representing 10.4% of consolidated sales;
- **Operating result** is -1.4 M€, including 0.6 M€ in asset depreciation and 0.4 M€ in charges for restructuring and operating costs;
- **Net result** is -1.5 M€ and the **Free-cash-flow** is -5.7 M€;

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Lastly, **shareholders' equity** stands at 154.9 M€ while **net financial debt is negative at -3.5 M€, ie cash in excess of debts.**

Perspectives remaining promising

The short-term outlook is improving; the tonnage for the 3rd quarter of 2020 should be at the same level as that recorded for the same period of 2019.

Development activity and the number of new product launches remain very high. Even if some of these will be postponed to 2021, this will be very profitable for future activity.

In the long term, the challenges linked to the vehicles weight reduction and the absolute need to reduce CO2 emissions are fundamental assets for the automotive aluminum market - including for electric vehicles - in particular for the Chassis and Braking product lines, which still open up favorable prospects for Le Bélier.

Reminder of current operations

Le Bélier reminds that, on July 28, 2020, in accordance with the provisions of the share purchase agreement entered into on January 8, 2020 and amended on July 1, 2020, Wencan Holding (France) SAS, a company indirectly wholly-owned by Guangdong Wencan Die Casting Co., Ltd., a company listed on the Shanghai Stock Exchange (603348 (SHA)) ("**Wencan**"), acquired a majority stake representing approximately 61.34% of the share capital of Le Bélier from Copernic, the holding company controlled by the Galland family, at a price per Le Bélier share of 35.12 euros for all of its Le Bélier shares representing 57.68% of the share capital of Le Bélier and from Mr. Philippe Galland and Mr. Philippe Dizier, at a price per Le Bélier share of 38.18 euros for the shares they held in Le Bélier; it being specified that the managers of Le Bélier also received via Copernic a price per Le Bélier share of 38.18 euros.

Following the completion of Wencan's acquisition of a majority stake in Le Bélier, the Company's Board of Directors met to reorganize the Company's governance to reflect its new shareholder structure.

On September 3, 2020, Wencan also acquired 40,390 shares representing 0.61% of Le Bélier's share capital from Mr. Philippe Dizier following his resignation from his position as CEO of Le Bélier.

In accordance with applicable laws and regulations, Wencan will file, at the latest during the month of October 2020, a draft simplified mandatory takeover bid on the remaining share capital of Le Bélier at a price of 38.18 euros per Le Bélier share (the "**Offer**").

Le Bélier reminds that, in the context of the Offer, 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*) ("**AMF**") regulation, the firm Accuracy, represented by Mr. Henri Philippe, as independent expert.

The Board of Directors of Le Bélier 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 employees, in particular in the light 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 to be prepared by Le Bélier in the context of the Offer and submitted to the AMF for review, which will assess its compliance with applicable laws and regulations.

In the event that Wencan reaches the threshold necessary to implement a squeeze-out following the Offer, Wencan has the intention to implement such squeeze-out on the Le Bélier shares that would not have been tendered to the Offer by the minority shareholders of Le Bélier.

In accordance with the rules applicable to the financial communication of listed companies, le Bélier will communicate again on the operation at its next stage.

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Next meeting: 2020 3rd quarter turnover on October 20, 2020 (after Market closure)

NYSE Euronext Compartment B - ISIN: FR0000072399 – BELI



Le Bélier: Cécile FRANCOUT

Tel: +33 05 57 55 03 02

cecile.francout@lebelier.com

ASSETCOM: Laurence COSTES

Tel: +33 06 20 41 46 08

www.lebelier.com

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