

CONDENSED CONSOLIDATED INTERIM STATEMENTS

AS OF JUNE 2019



ROBERTET
GROUPE

S U M M A R Y

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FINANCIAL STATEMENTS FOR THE PERIOD ENDING 30 JUNE 2019



ROBERTET
GROUPE

STATEMENT OF INCOME FOR THE PERIOD in thousands of euros

	NOTE	30-June-19	30-June-18	31-Dec-18
Sale of products	12	287 710	270 931	524 901
REVENUE FROM ORDINARY ACTIVITIES		287 710	270 931	524 901
Other operating income		872	1 482	3 407
Purchases consumed		-133 158	-124 452	-241 820
External expenses		-39 277	-40 617	-80 226
Personel cost		-58 601	-55 279	-110 233
Taxes and duties		- 5 367	-6 163	-10 207
Depreciation, amortization,provisions and reversals	13	-11 364	-9 806	-16 826
Other operating expenses		-36	-125	-148
CURRENT OPERATING INCOME	12	40 778	35 971	68 848
Asset disposals		98	29	
OPERATING INCOME		40 876	36 000	68 848
Income from cash and cash equivalents		132	19	72
Gross cost of financial debt		-830	--453	-915
Net financial cost	14	-698	-434	-843
Other financial income and expenses	14	794	1 393	1 425
INCOME BEFORE TAXES		40 972	36 959	69 430
Current and deferred taxes	15	-11 716	-9 267	-17 611
Share in the net income of equity affiliates		245	-3	119
NET INCOME OF CONSOLIDATED COMPANIES		29 256	27 691	51 819
NET INCOME OF THE CONSOLIDATED GROUP		29 501	27 688	51 938
Net income attributable to minority interest		80	36	187
NET INCOME (Group share)	12	29 422	27 652	51 751
NET INCOME PER EXISTING SHARE (in euros)		12,75	12,00	22,45
BASIC NET INCOME PER SHARE (in euros)	17	12,76	12,00	22,41
DILUTED NET INCOME (in euros)	17	12,76	12,00	22,41

Certain items in the income statement have been impacted by the application of IFRS 16. These are the following items :

- "External charges", by cancelling a rent charge of €1.7 million ;
- "Depreciation, amortization, provisions and reversals", by amortizing €1.5 million over the period of the right of use;€ ;
- "Financial income and expenses", by recognizing an interest expense on rental obligations of €0.3 million.

This new standard therefore has a positive impact on Ebitda (1), a key performance indicator, for an amount of €1.7 million.

(1) This is current operating income before depreciation, amortization, provisions and reversals and excluding other operating expenses (considered non-current).

STATEMENT OF COMPREHENSIVE INCOME in thousands of euros

	NOTE	30-June-19	30-June-18	31-Dec-18
Income net		29 501	27 688	51 938
Recyclable components		1 084	1 524	3 371
Currency translation differential	EVCP ₍₁₎	1 084	1 524	3 363
Effective portion of gains and losses on hedging instruments				12
Relative tax impact on hedging instruments				-4
Non-recyclable components		-688	30	121
Actuarial gains and losses on pension benefits	9	-1 012	45	184
Tax impact on actuarial gains and losses		324	-16	-63
Global Income	EVCP ₍₁₎	29 897	29 242	55 430
Income attributable to shareholders of Robertet SA	EVCP ₍₁₎	29 818	29 197	55 243
Income attributable to minority interests	EVCP ₍₁₎	80	45	187

(1) SCSE : Statement of changes in shareholders' equity



BALANCE SHEET in thousands of euros

	NOTE	30-June-19	31-Dec-18
NON-CURRENT ASSETS		215 079	200 050
GOODWILL	3	27 621	27 621
INTANGIBLE ASSETS		1 689	1 710
TANGIBLE ASSETS	4	155 322	153 274
RIGHTS OF USE	4	12 003	
FINANCIAL ASSETS	5	14 708	14 041
INVESTISSEMENT IN ASSETS		2 421	2 304
DEFERRED TAXES	15	1 315	1 099
CURRENT ASSETS		446 725	419 474
INVENTORIES AND WORK IN PROGRESS	6	191 916	187 746
ACCOUNTS RECEIVABLE AND RELATED ACCOUNTS	7	130 567	107 753
OTHER RECEIVABLES AND PREPAID EXPENSES	8	18 661	15 445
CURRENT TAX ASSETS	8	608	3 568
OTHER CURRENT FINANCIAL ASSETS		94	594
CASH AND CASH EQUIVALENTS		104 879	104 368
TOTAL ASSETS		661 804	619 524
SHAREHOLDERS' EQUITY		427 946	410 959
CAPITAL		5 769	5 763
SHARE PREMIUMS		12 432	12 432
CONSOLIDATED RESERVES		408 477	391 575
SHAREHOLDERS' EQUITY (GROUP SHARE)		426 678	409 770
MINORITY INTERESTS		1 268	1 189
NON-CURRENT LIABILITIES		95 757	93 306
PROVISIONS - LONG-TERM PORTION	9	13 188	11 555
FINANCIAL LIABILITIES - LONG-TERM PORTION	10	62 576	72 172
RENTAL DEBTS - LONG-TERM PORTION		11 032	
DEFERRED TAXES	15	8 961	9 578
CURRENT LIABILITIES		138 101	115 259
PROVISIONS - SHORT-TERM PORTION	9	1 716	1 858
FINANCIAL LIABILITIES - CURRENT PORTION	10	51 063	38 479
RENTAL DEBTS - SHORT-TERM PORTION		2 293	
CURRENT TAX LIABILITIES		4 969	4 019
SUPPLIERS		41 533	36 393
OTHER CURRENT LIABILITIES	11	36 526	34 510
TOTAL LIABILITIES		661 804	619 524

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY in thousands of euros

	Capital	Premiums	Consolidated reserve	Conversion	Equity Group share	Minority interests	Total shareholders equity
Total shareholders' equity as of 31 December 2017	5 756	12 432	346 662	-344	364 506	1 481	365 988
Overall income			27 681	1 515	29 197	45	29 242
Dividends paid			-11 987		-11 987		-11 987
Changes in scope of consolidation			-25		-25		-25
Allocation of free shares			537		537		537
Other variations			31		31		31
Total other changes in shareholders' equity			-11 443		-11 443		-11 443
Total shareholders' equity as of 30 June 2018	5 756	12 432	362 900	1 171	382 259	1 526	383 786
Total shareholders' equity as of 31 December 2018	5 763	12 432	388 556	3 019	409 770	1 189	410 959
Overall income			28 734	1 084	29 818	80	29 897
Dividends paid			-12 922		-12 922		-12 922
Changes in scope of consolidation							
Allocation of free shares			808		808		808
Capital increase	6		-6				
Impact of IFRS16 (1)			-1 047		-1 047		-1 047
Other variations			251		251		251
Total other changes in shareholders' equity	6		-12 917		-12 911		-12 911
Total shareholders' equity as of June 30, 2019	5 769	12 432	404 373	4 103	426 677	1 269	427 946

(1) The "IFRS16" line corresponds to the impact on shareholders' equity at the opening of the effective date of IFRS 16 applicable as from 1 January 2019, for an amount of €1.0 million. Indeed, Robertet opted for the simplified retrospective method, the impact of the transition was thus recognized in shareholders' equity at the beginning of the 2019 financial year without restatement of previously published information

STATEMENT OF CASH FLOW in thousands of euros

	NOTE	30-June-19	30-June-18	31-Dec-18
Consolidated net income	17	29 422	27 652	51 751
Minority interests		80	36	187
Elimination of net income from EAE (Equity Affiliates and Minorities)		95	103	-19
Amortization of fixed tangible and intangible assets	13	10 010	8 135	16 135
Net allocations to provisions		241	807	33
(Gains) / losses on disposals of assets		-98	-29	
Charges and expenses without impact on cash flow		786	687	1 148
Current and deferred taxes	15	11 716	9 267	17 612
Cost of net financial debt		412	214	297
Impact of local re-evaluation		157		265
Operating cash flow before cost of net financial debt and tax		52 628	46 872	87 409
Stock variations	6	-3 371	-11 079	-18 410
Change in trade and other receivables	7/8	-25 560	-23 253	2 244
Change in trade payables and other accounts payable		6 709	6 782	-3 214
Impact of changes in working capital requirements		-22 583	-27 550	-19 380
Interest paid and received		-440	-251	-310
Taxes paid		-7 613	-7 714	-17 099
Net cash flow from operating activities		21 992	11 356	50 621
Industrial investments and finance leases	4	-11 235	-5 968	-17 027
Financial investments net of divestments		-110	-1 581	-1 567
Disposal of assets		161	81	328
Dividends received		24		
Impact of changes in the scope of consolidation			-25	-25
Cash flow used in investing activities		-11 160	-7 493	-18 291
Dividends paid out by the parent company	EVCP ⁽¹⁾	-12 922	-11 987	-11 987
Loans taken out		300	2 290	24 681
Loans reimbursed		-11 989	-11 249	-25 696
Net change in other financial debts		637	-226	-41
Cash flow from financing activities		-23 975	-21 171	-13 043
Effect of exchange rate changes on cash and cash equivalents		53	694	899
Overall changes in cash and cash equivalents		-13 090	-16 614	20 186
Net cash and cash equivalents at fiscal year opening		90 126	69 940	69 940
Net cash and cash equivalents at fiscal year closing		77 036	53 326	90 126
Net cash :		30-june-19	30-June-18	31-Dec-18
Liquid assets		95 922	86 820	98 153
Investment securities	16	8 957	4 314	6 215
Bank overdrafts	10	-27 843	-37 808	-14 242
TOTAL		77 036	53 326	90 126

(1) SCSE : Statement of Changes in Shareholders' Equity

The effective date of IFRS 16 on 1 January 2019 changed the presentation of the statement of cash flows. Rent payments previously presented in net cash flow from operating activities are now deferred in net cash flow from financing activities (see Note 10).

ANALYSIS OF CHANGES IN WORKING CAPITAL REQUIREMENT in thousands of euros

	31-Dec-18	Foreign exchange and other flows	Cash flow	30-june-19
Inventories and work in progress	195 322	432	4 671	200 425
Trade and other accounts receivable	126 723	488	25 564	152 775
Payable to suppliers and other accounts payable	-70 903	-447	-6 709	-78 059
Gross working capital requirement	251 141	473	23 527	275 142
Depreciation	-11 100	-12	-944	-12 056
Net working capital requirement	240 040	461	22 583	263 085



NOTE TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PERIOD ENDING 30 JUNE 2019



ROBERTET
GROUPE

NOTE 1 - SIGNIFICANT GENERAL INFORMATION AND EVENTS DURING THE PERIOD

The Robertet Group's condensed consolidated financial statements for the first half of 2019 include Robertet and its subsidiaries. Robertet is a Group fully focused on the conception, manufacture and marketing of aromatic products. Robertet is a company incorporated under French law, listed on the Paris Stock Exchange (Euronext compartment B), whose registered office is located at 37, avenue Sidi-Brahim, 06130 Grasse.

Robertet's condensed consolidated interim financial statements were approved by the Board of Directors on 17 September 2019.

As already described in the financial statements as of 31 December 2018, the new integration phase of Charabot is preparing for the merger of this entity into Robertet SA on 1 January 2020.

Meanwhile, the American company Charabot Inc. merged on January 1, 2019 into Robertet USA

NOTE 2 - SUMMARY OF MAIN ACCOUNTING RULES AND METHODS

Basis for the preparation of the financial statements

The Robertet Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The condensed consolidated financial statements for the six months ending June 30, 2019 have been prepared in accordance with the provisions of IAS 34 on interim financial reporting. In accordance with the latter, only a selection of explanatory notes are included in these condensed financial statements. These notes may be supplemented by a reading of the consolidated financial statements for the year ending 31 December 2018. The accounting principles are identical to those applied for the consolidated financial statements for the year ending 31 December 2018.

The Group has not anticipated any standards and interpretations that are not mandatory in 2019.

For the presentation of the condensed half-year consolidated financial statements for the six months ending 30 June 2019, the Group has applied all the standards and interpretations that have taken effect at European level and are applicable to financial years beginning on or after 1 January 2019.

The new standards applicable in 2019 are as follows:

IFRS 16. Leases - Change in accounting policy

On 13 January 2016, the IASB published IFRS 16 to redefine the recognition, measurement and presentation of leases. IFRS 16 replaces IAS 17 and the associated IFRIC and SIC interpretations and removes, for lessees, the distinction previously made between "operating leases" and "finance leases". Lessees must now recognize all leases with a term of more than one year by recognizing an asset and a liability for the rights and obligations created by a lease.

The Group has opted for the simplified retrospective transition method, which consists of restating the amount of the residual rent liability at the transition date and recognizing the impact of the transition in opening equity without restating comparative information. It was also decided to use the simplification measures provided for in the standard and not to take into account leases with terms of less than twelve months or those for low-value assets.

Lease terms correspond to non-cancellable periods plus, where applicable, renewal options, the exercise of which by the Group is considered reasonably certain.

For the identification of contracts, the Group has developed a questionnaire to collect all the information relating to contracts, as required by the standard, and to carry out an initial impact study in 2018. For the purposes of the 2019 half-yearly closing, this inventory was completed with the new contracts. The company has implemented a software solution dedicated to the automated processing of lease contracts and the management of financial calculations of the effects of the standard.

The amortization periods of the rights of use used correspond to the terms of the contracts.

The discount rates used apply to the initial terms of the contracts and have been determined by taking into account the lessee's marginal debt rate. This rate was determined by taking into account the country risk of each entity. The conversion rates used for the simplified retrospective method are the average rates for the period.

In terms of presentation of the financial statements, the Group has chosen to isolate the rights of use on the one hand, as well as the rental obligations on the other hand, on dedicated lines in the statement of financial position.

The impacts of this new standard on the Group's consolidated financial statements are presented in notes 4 and 10.

IFRIC 23. Uncertainty regarding the treatment of income taxes

This interpretation clarifies how to recognize and measure the tax consequences of tax uncertainty, in accordance with IAS 12 ("Uncertainty over tax treatments").

Amendments to IAS 19. Plan amendment, reduction or winding-up

This amendment clarifies that such events are taken into account in determining the current service cost and net interest expense for the period, which must be revalued from the event using the actuarial assumptions available at that date.

Amendments to IAS 28. Long-term interests in associates and joint ventures

This amendment clarifies the application of IFRS 9, including impairment, to long-term investments in an associate or joint venture that form part of the associate's net investment.

Amendments to IFRS 9. Prepayment clauses with a symmetrical penalty

Improvements to IFRSs (2015-2017 cycle)

These improvements relate to IAS 12 (tax consequences of payments for financial instruments classified as equity instruments), IAS 23 (borrowing costs capitalized), IFRS 3 and IFRS 11 (interests previously held in a joint venture).

With the exception of IFRS 16, these new standards had no impact on the Group's financial statements

Use of estimates

The preparation of financial statements requires Robertet to make estimates and assumptions that may affect the amounts of assets and liabilities and income and expenses. The estimates and underlying assumptions are based on past experience and other factors considered reasonable in the circumstances. They thus serve as a basis for the exercise of judgment in determining the carrying amounts of assets and liabilities, which cannot be obtained directly from other sources. The amounts in Robertet's future financial statements may differ from the currently estimated values. These estimates and assumptions are reviewed on an ongoing basis.

The Group's tax charge was calculated on the basis of the estimated effective tax rate for the period. This rate, determined on the basis of the tax rates applicable in the Group's tax entities, is applied to pre-tax income.

Consolidation rules

Significant subsidiaries under exclusive direct or indirect control are fully consolidated. Companies over which Robertet exercises joint control or significant influence are consolidated using the equity method. All these companies have been consolidated on the basis of the financial statements for the six months ended 30 June 2019.

All intra-group balances and transactions are eliminated at the consolidation level.

The financial statements of foreign companies whose functional currency is not the euro are converted according to the following principles:

- balance sheet items are converted at the rates in effect at the end of the period. The conversion difference resulting from the application of a different exchange rate to opening shareholders' equity is recorded in shareholders' equity in the consolidated balance sheet;
- income statements are converted at the average rate for the period. The conversion difference resulting from the application of an exchange rate different from the balance sheet rate is recorded in shareholders' equity in the consolidated balance sheet.

The risks identified within the Robertet Group are identical to those described in the consolidated financial statements for the year ended 31 December 2018.

Scope of consolidation

The condensed interim financial statements as at 30 June 2019 include the financial statements of companies over which the Robertet Group has direct or indirect control, in law or in fact.

Description of the main risks and uncertainties for the remaining six months

The risk factors are of the same nature as those described in the 2018 Annual Report (management report) and do not present any significant changes during the first half of 2019.

Main related party transactions

Information on related parties is detailed in Note 18, which presents the main developments in the first half of the year.



NOTE 3 - GOODWILL in a thousands of euros

Goodwill on the assets side breaks down as follows

	30-June-19	31-Dec-18
Flavors Division		
Gross Value	7 879	7 879
Depreciation		
Net Asset Value	7 879	7 879
Fragrance Division		
Gross Value	17 808	17 808
Depreciation		
Net Value	17 808	17 808
Raw Materials Division		
Gross Value	1 934	1 934
Depreciation		
Net Value	1 934	1 934
Total Nt Value		
	27 621	27 621

The change in net values is analyzed as follows :

	30-June-19	31-Dec-18
Opening Net Values	27 621	27 621
Total	27 621	27 621

The goodwill analysis did not reveal any indication of impairment since the opening balance sheet. It should be noted that the application of IRS 16 and the linkage of new assets to CGUs or groups of CGUs was taken into consideration, which had no impact on the impairment tests conducted.

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT & RIGHTS OF USE in thousands of euros

• 1 Tangible fixed assets

FIXED ASSETS	Value at 31-Dec-18	Exchange differential	Acquisitions	Divestmen	Other movements	Changes in scope of consolidation	Value at 30-June-19
Land	28 335	67	382	12	41		28 813
Buildings	148 418	328	2 505	1	54		151 304
Technical facilities	152 488	274	5 985	142	-4	133	158 734
Other fixed assets	20 422	30	471	23	13	-133	20 780
Assets in progress	8 893	60	801				9 754
TOTAL	358 557	759	10 144	178	104		369 386

DEPRECIATION	Value at 31-Dec-18	Exchange differential	Allocations	Reversals	Other movement	Changes in scope of consolidation	Value at 30-June-19
Lands	2 996		118				3 114
Buildings	65 679	122	2 968		31		68 800
Technical facilities	120 416	246	4 527	115	18	60	125 152
Other fixes assets	16 192	16	861	18	7	-60	16 998
TOTAL	205 283	384	8 474	133	56		214 064

NET VALUE	153 274						155 322
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Assets under construction mainly consist of industrial projects for the parent company and the Brazilian entity.

• 2 Rights of use

In presenting its financial statements, the Robertet Group has chosen to isolate the rights of use resulting from contracts falling within the scope of IFRS 16 on a dedicated line in the statement of financial position.



Changes in rights of use during the first half of 2019 can be analyzed as follows:

DROITS D'UTILISATION	Value at 31-Dec-18	Exchange differential	Acquisitions	Divestmen	Impact of first time adoption	Changes in scope of consolidation	Value at 30-June-19
Buildings		56	539	-19	7 231		7 807
Technical facilities		34	-99		14 384		14 319
Other fixed assets		1	580		625		1 206
TOTAL		91	1 020	-19	22 240		23 332

DEPRECIATION AND AMORTIZATION RIGHTS OF USE	Value at 31-Dec-18	Exchange differential	Allocations	Reversals	Impact of first-time adoption	Changes in scope of consolidation	Value at 30-June-19
Buildings		38	427		2 726		3 191
Technical facilities		-1	877		6 958		7 834
Other fixed assets			135		169		304
TOTAL		37	1 439		9 853		11 329

NET VALUE							12 003
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The amount of residual rent expense at 30 June 2019 amounts to €0.8 million and represents rents resulting from non-capitalized leases under the exceptions provided for by the standard.

NOTE 5 - FINANCIAL ASSETS in thousands of euros

NON-CURRENT FINANCIAL ASSETS	30-june-19	31-Dec-18
Equity investments recorded at cost	1 586	1 417
Deposits and guarantees	2 404	1 978
Receivables from equity interests	7 684	5 963
Other immobilized securities (1)	2 845	4 519
Prêts	189	164
TOTAL	14 708	14 041

(1) These are long-term investments of the American subsidiary Robertet USA

NOTE 6 - STOCKS in thousands euros

	30-June-19	31-Dec-18
Raw materials	135 374	132 791
Work in progress and finished goods	65 051	62 530
Gross value	200 425	195 322
Provisions	-8 509	-7 575
NET VALUE	191 916	187 746

Provisions for depreciation are analyzed as follows:

	30-June-19	31-Dec-18
Balance at opening of the fiscal period	7 575	7 298
Increases	1 259	824
Reversals and uses	-319	-458
Conversion differential	-6	-89
Balance at the closing of the fiscal period	8 509	7 575

NOTE 7 – TRADE RECEIVABLES in thousands of euros

Breakdown of trade receivables	30-June-19	31-Dec-18
Europe	44 131	34 304
North America	35 246	26 220
South America	13 912	13 984
Asia	29 588	28 574
Other countries	11 237	8 196
TOTAL GROSS RECEIVABLES	134 114	111 278
Provisions for depreciation	3 547	3 525
TOTAL NET RECEIVABLES	130 567	107 753

Provisions for impairment are as follows:

	30-June-19	31-Dec-18
Balance at opening of the fiscal period	3 525	3 958
Increases	317	827
Reversals and uses	-313	-1 226
Conversion differential	18	27
Other movements		-60
Balance at closing of the fiscal period	3 547	3 525

The increase in gross trade receivables is due to the growth in activity during the last quarter of the period.

NOTE 8 – OTHER ASSETS in thousands of euros

	30-June-19	31-Dec-18
Prepaid expenses	6 928	7 454
Other receivables	11 733	7 991
TOTAL OTHER RECEIVABLES AND ACCRUALS	18 661	15 445
Current tax assets	608	3 568
Deferred tax assets	1 315	1 099
TOTAL	20 584	20 112

NOTE 9 – PROVISIONS in thousands of euros

	Opening	Allocations	Uses	Exchange rate variation	Equity	Other	Closing
RETIREMENT BENEFITS (2)	10 049	588	-201	2	1 012	200	11 649
Other employee benefits (2)	1 868	143	-40	37			2 008
Other risks (1)	1 496	198	-447	-22		21	1 246
RISKS AND EXPENSES	3 364	341	-487	15		21	3 254
TOTAL PROVISIONS	13 413	929	-688	17	1 012	221	14 903
of which current liabilities	1 858						1 716
of which non-current liabilities	11 555						13 188

(1) The other risks mainly correspond to social, tax and commercial risks.

Each of the known disputes in which Robertet or Group companies are involved was reviewed at the balance sheet date and, after consulting legal counsel, any provisions deemed necessary were recorded to cover the estimated risks.

(2) The actuarial assumptions have not changed since 31 December 2018 for the calculation of pension benefits and other employee benefits for the Group's French entities (commitments in France representing 98.6% of the Group's pension provisions, which is why only the assumptions concerning France are detailed), excluding the discount rate:

	30-June-19	30-June-18	31-Dec-18
Discount rate (1)	0,77%	1,45%	1,57%

(1) This corresponds to the Iboxx AA10+ rate

NOTE 10 - FINANCIAL & LEASING DEBT in thousands of euros

• 1 Financial liabilities

Analysis by debt category	30-June-19	31-Dec-18
Long- and medium-term borrowings	78 061	88 487
Finance lease borrowings	141	142
Bank overdrafts	27 843	14 242
Other financial debts (1)	6 661	6 651
Partners' current accounts	933	1 129
TOTAL	113 639	110 651

(1) These debts include:

- a financial debt of €2,552,000 in respect of a put option on a minority stake in SAPAD.
- a financial debt of €4,000,000,000 in respect of a put option on minority interests in Robertet Goldfield.

Analysis by payment due date	30-June-19	31-Dec-18
Within one year (1)	51 063	38 479
Due in more than one year and less than five years	62 553	67 124
More than five years	23	5 048
TOTAL	113 639	110 651

of which in Euros	99 852	105 150
of which in USD	10 620	2 802
Other currencies	3 167	2 699

(1) The portion of financial debts due within one year breaks down as follows:

	30-June-19	31-Dec-18
Current portion of borrowings	19 653	20 427
Current portion of miscellaneous financial debts	3 485	3 787
Current portion of finance lease borrowings	82	23
Bank overdrafts	27 843	14 242
TOTAL	51 063	38 479

Loan repayments for the first half of the year amounted to €11,989 thousand, compared with €11,249 thousand at the end of the first half of 2018 and €25,696 thousand at the end of 2018.

Borrowings amounted to €300k over the first half of the year.

The breakdown of fixed-rate and variable-rate borrowings is as follows :

	30-June-19	31-Dec-18
Fixed rate loans	76 642	80 443
Variable rate loans	1 419	9 005
TOTAL	78 061	89 448

• 2 Capital lease debts

These debts represent the Group's financial liabilities on all its leases following the implementation of IFRS 16.

	Opening	New contracts and renewal	Repayments and termination	Impact of the transition	Differences of conversion	Closing
LEASE OBLIGATIONS		796	-1 234	13 685	78	13 325
Of which current liabilities						2 946
Of which non-current liabilities						11 032

Analysis by repayment due date	30-June-19
WITHIN ONE YEAR	2 293
IN MORE THAN ONE YEAR AND LESS THAN FIVE YEARS	4 269
OVER FIVE YEARS	6 762
TOTAL	13 325
Of which in Euros	2 776
Of which in USD	7 283
Other currencies	3 266

NOTE 11 –CURRENT LIABILITIES in thousands of euros

	30-June-19	31-Dec-18
Tax and social security liabilities	20 709	20 598
Other liabilities	15 403	13 462
Deferred income	414	449
TOTAL	36 526	34 510

NOTE 12 – SECTOR INFORMATION in thousands of euros

In accordance with IFRS 8, the Group provides segment information as used internally by the PDO (chief operating decision maker). The PDO is the General Management of the Robertet Group, chaired by Philippe Maubert.

The Group's level of sectoral reporting is the business sector. The breakdown is made on the three Divisions of the Group:

- Raw Materials
- Fragrance
- Flavors

The internal reporting for the PDO corresponds to the operating segments identified above.

As of 30 June 2019

	Raw Materials	Fragrance	Flavors	TOTAL
Consolidated revenue	79 571	104 193	103 946	287 710
Current operating income from ordinary activities	15 143	9 534	16 101	40 778
Net income Group share	10 991	6 741	11 770	29 502
GOODWILL	1 934	17 808	7 879	27 621
TANGIBLE FIXED ASSETS & RIGHTS OF USE	58 279	55 886	53 160	167 325

As of 30 June 2018

	Raw Materials	Fragrance	Flavors	TOTAL
Consolidated revenue	78 997	97 684	94 250	270 931
Current operating income from ordinary activities	12 916	8 149	14 906	35 971
Net income Group share	9 987	5 942	11 723	27 652
GOODWILL	1 934	17 808	7 879	27 621
TANGIBLE FIXED ASSETS	55 170	47 278	47 192	149 640

As of 31 December 2018

	Raw Materials	Fragrance	Flavors	TOTAL
Consolidated revenue	148 004	195 121	181 776	524 901
Current operating income from ordinary activities	26 667	14 899	27 283	68 849
Net income Group share	20 518	9 971	21 262	51 751
GOODWILL	1 934	17 808	7 879	27 621
TANGIBLE FIXED ASSETS	56 484	49 454	47 336	153 274

NOTE 13 - DEPRECIATION, AMORTIZATION AND PROVISIONS in thousands of euros

	30-June-19	30-June-18	31-Dec-18
Depreciation on fixed assets	10 093	8 135	16 206
Charges and reversals of provisions (1)	1 271	1 671	620
TOTAL	11 364	9 806	16 826

(1) Provisions for impairment in value relate to inventories, receivables and provisions for liabilities and charges (see notes 6, 7 and 9).

NOTE 14 – FINANCIAL RESULT in thousands of euros

	30-June-19	30-June-18	31-Dec-18
Interest on borrowings and similar charges	-830	-453	-915
Securities products	132	19	72
Net financial cost	-698	-434	-843
Foreign exchange losses	-508	-313	-3 340
Foreign exchange gains	1 245	1 684	4 488
Other	56	21	277
Other financial income and expenses	794	1 393	1 425
TOTAL	96	959	582

As a result of the application of IFRS 16 as from 1 January 2019, the cost of financial debt now includes interest charges on rental liabilities, which amounted to €278k at 30 June 2019.

NOTE 15 – TAXES in thousands of euros

The income tax expense for the first half of the year is calculated by applying the estimated average effective tax rate for the year to pre-tax income for the period. This calculation is performed individually at the level of each consolidated tax entity of the Group.

	30-June-19		31-Dec-18	
	Net income before taxes	Net tax income/ (expenses)	Net income before taxes	Net tax income/ (expenses)
French companies of the Group	22 023	-7 240	37 676	-10 104
Other companies of the Group	18 949	-4 476	31 754	-7 507
TOTAL	40 972	-11 716	69 430	-17 611

	30-June-19	31-Dec-18
Current tax	-11 516	-17 515
Net deferred tax	-200	-96
TAXES	-11 716	-17 611

Tax assets and liabilities break down as follows :

	30-June-19	31-Dec-18	Variation
Deferred tax assets	1 315	1 099	216
Deferred tax liabilities	-8 961	-9 578	617
Deferred tax Net	-7 646	-8 480	833

	30-June-19	31-Dec-18
Net deferred taxes on 1 January (assets/liabilities)	-8 480	-8 282
Recognized in shareholders' equity	996	-68
(Expense)/income	-200	-96
Conversion differential	38	-33
Other		-1
TOTAL	-7 646	-8 480
Of which deferred tax liabilities	-8 961	-9 578
Of which deferred tax assets	1 315	1 099

NOTE 16 – CASH EQUIVALENTS in thousands of euros

Marketable securities consist of certificates of deposit and other short-term, liquid investment products with a maturity of less than three months:

	31-Dec-18	Variation	Conversion differential	30-June-19
Marketable securities	6 215	2 667	75	8 957
TOTAL	6 125	2 667	75	8 957

NOTE 17 - CALCULATION OF EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the periods ended June 30, 2019, December 31, 2018, and June 30, 2018 is presented below

Basic earnings per share	30-June-19	31-Dec-18	30-June-18
Net income attributable to the Company's shareholders (in thousands of euros)	29 422	51 751	27 652
Weighted average number of common shares and investment certificates outstanding (in thousands)	2 306	2 309	2 304
Basic net income per share (in euros)	12,76	22,41	12,00

Résultat dilué	30-June-19	31-Dec-18	30-June-18
Net income attributable to the Company's shareholders (in thousands of euros)	29 422	51 751	27 652
Weighted average number of ordinary shares and investment certificates in circulation (in thousands)	3 306	2 309	2 304
Weighted average number of shares used to calculate diluted earnings (in thousands of euros)	2 306	2 309	2 304
Diluted earnings per share (in euros)	12,76	22,41	12,00



NOTE 18 – INFORMATION REGARDING RELATED PARTIES

Transactions with affiliated companies are only purchases and sales of raw materials between the parent company and the latter. The parent company's purchases and sales to these affiliated companies amounted to €2,961k and €1,443k respectively for the first half of 2019.

With regard to the compensation of executive corporate officers, the only significant change is the implementation of a free share plan detailed below, authorized by the Board of Directors on June 5, 2019:

Concerning the compensation elements of the free shares granted by each executive corporate officer during the half-year period:

	Date of the plan	Number of share	Conditions of acquisition	Acquisition date	Availability date
Philippe MAUBERT	05/06/2019	700	gratuite	05/06/2020	05/06/2022
Christophe MAUBERT	05/06/2019	400	gratuite	05/06/2020	05/06/2022
Olivier MAUBERT	05/06/2019	400	gratuite	05/06/2020	05/06/2022
Lionel PICOLET	05/06/2019	450	gratuite	05/06/2020	05/06/2022

In addition, the free share plan granted in June 2018 was definitively acquired by each executive corporate officer during this half-year period:

	Date of the plan	Number of share	Conditions of acquisition	Acquisition date	Availability date
Philippe MAUBERT	05/06/2018	800	gratuite	05/06/2019	05/06/2021
Christophe MAUBERT	05/06/2018	500	gratuite	05/06/2019	05/06/2021
Olivier MAUBERT	05/06/2018	500	gratuite	05/06/2019	05/06/2021
Lionel PICOLET	05/06/2018	600	gratuite	05/06/2019	05/06/2021

Note 23 to the 2018 annual report details all these remunerations.

NOTE 19 - SEASONALITY

The Group's activity is not highly seasonal. The contribution of the first half of the year to annual revenue is historically slightly higher than that of the second half.

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NOTE 20- LIST OF CONSOLIDATED SUBSIDIARIES

Entity	Country	% of ownership	Consolidation method
Robertet GMBH	Germany	100%	FULL CONSOLIDATION
Robertet Argentina	Argentina	100%	
Robertet Do Brasil	Brazil	100%	
Robertet Espana	Spain	100%	
Robertet USA	United States	100%	
Robertet Italia	Italy	100%	
Robertet Hiyoki	Japan	100%	
Robertet de Mexico	Mexico	100%	
Robertet UK	United Kingdom	100%	
Robertet et Cie SA	Switzerland	100%	
Robertet Turkey	Turkey	100%	
Robertet South Africa Aromatics	South Africa	100%	
Charabot	France	100%	
Arco	France	100%	
Charabot China	China	100%	
Charabot Japon	Japan	100%	
Charabot Corée	Korea	100%	
Robertet China	China	100%	
Robertet India	India	100%	
Plantes Aromatiques du Diois	France	80%	
Robertet Bulgaria	Bulgaria	100%	
Robertet Andina	Colombia	100%	
Robertet Asia	Singapore	100%	
Robertet Goldfield	India	100%	
Hitex SAS	France	50%	EQUITY METHOD
Bionov	France	100%	

BUSINESS REPORT FOR THE FIRST HALF OF 2019

PERIOD ENDING 30 JUNE 2019



ROBERTET
GROUPE

BUSINESS REPORT FOR THE FIRST HALF OF THE YEAR 2019

The Group operated in an uncertain and intensely competitive environment. The general sector was less active.

Even if the situation for Robertet has improved in terms of supply, the cost of raw materials consumed has remained high, particularly specialty chemicals, which faced a difficult period in the previous year, marked by the near absence of some major suppliers.

Anticipating this situation, the Group's business forecasts had been drawn up prudently, but the advance accumulated as of 30 June was fragile.

Consolidated sales at 30 June were €287.7 million, up 6.2%. At constant exchange rates, this growth is 4%, which can be considered as a good performance in this context.

By operational divisions, the results are positive. The Commodities Division grew by 1.5% after several years of sustained growth, Fragrance by 6.5% and Flavors by 9%, with, however, a decrease in the gross margin produced.

By geographical area, the breakdown is essentially the same as in the previous financial year.

36% of sales are made in Europe, 33% in the United States, 19% in Asia, 8% in Latin America and 4% in Africa.

Business was good for Fragrances in the United States, Spain, England and India/China.

On the other hand, the trend in Brazil has been relatively weak as well as for some countries served directly by Robertet Grasse.

The half-yearly results of the Group's entities call for the following comments:

Robertet Grasse, the parent company, holding all the shares in the Group's subsidiaries, posted a 5% increase in sales, with 8% in Fragrances.

Gross margins are stable but earnings are down for the six-month period while remaining at a high level.

Charabot is recording a decline in sales but its profits are on the right track, taking advantage of the synergies generated by the continued merger of its services with those of Robertet Grasse.

This should continue as part of the legal and operational merger project of the latter. This will be effective by 1 January 2020.

The other French companies Hitex (supercritical Co₂) and Sapad (biological products) are growing significantly.

Robertet Grasse and Charabot alone contribute 50% of the Group's profits.

Robertet US reported a slight increase in its results. Robertet Fragrances is still in deficit while having very good commercial performances.

The growth of US Natural Ingredients is well oriented, consolidating the strong developments of previous years, by adopting the so-called and repeated strategy towards New Products / New Markets / New Customers.

Robertet US contributes 30% to the consolidated results.

Robertet Brazil is achieving good financial results, while continuing its major investment program of more than €10 million, which consists of the construction of a new industrial site necessary to improve our credibility, in order to work with the major Brazilian companies in the Fragrance and Flavor sector.

China and India continue to grow their business as part of profitable growth for both countries.

The results of the new Health and Beauty Division can be considered very encouraging. It is progressing rapidly around the investments already made by the Group in connection with the acquisition of certain Hitex and Bionov ingredients, but also in the determined enhancement of the Group's knowledge, particularly its R&D and its Raw Materials Division, of this type of product.

The strategy in this area is to also pursue opportunities to buy out targeted companies of moderate size that have interesting products or assets in the field.

The financial results for the first half of the year are correct with a net profit up 6.5%.

However, this is significant for the calculation of EBITDA. Thus, it is up 13.7% with this IFRS impact, but would only be 10% on a constant method basis.

Taking all this into account, the consolidated profit for the first half of the year is €29.5 million. For the full year 2019, we are being conservative with regard to the Group's projections.

More positive is Robertet's financial balance sheet, without debt and allowing it to seize any external growth opportunity in accordance with its ongoing strategy.

CERTIFICATION OF THE PERSON RESPONSIBLE FOR HALF-YEARLY FINANCIAL REPORT

PERIOD ENDING 30 JUNE 2019



ROBERTET
GROUPE



CERTIFICATION OF THE PERSON RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT 2019

Mr Philippe MAUBERT

Chairman of the Board of Directors

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the company and of all the companies included in the consolidated financial statements, and that the half-yearly management report presents a true and fair view of the significant events that occurred during the first six months of the financial year, their impact on the half-year financial statements, the main transactions between related parties, and the prospects for the remaining six months of the financial year.

Grasse , September 17, 2019

Philippe MAUBERT

Chairman of the Board of Directors.

STATUTORY AUDITORS' REPORT

PERIOD ENDING 30 JUNE 2019



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Statutory auditors' report on the half-year financial information

Period from January 1, 2019 to June 30, 2019

To the shareholders of Robertet,

In accordance with the assignment entrusted to us by your General Meeting and in accordance with Article L. 451-1-2 III of the French Monetary and Financial Code, we have carried out:

- the limited review of the company's condensed half-year consolidated financial statements for the period from 1 January 2019 to 30 June 2019, as attached to this report;
- the verification of the information provided in the half-yearly activity report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. It is our responsibility, based on our limited review, to express our conclusion on these financial statements.

1. Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review consists mainly of making inquiries of persons responsible for accounting and financial matters and applying analytical procedures. This work is less extensive than that required for an audit conducted in accordance with the professional standards applicable in France. Consequently, the assurance that the financial statements, taken as a whole, are free from material misstatement obtained in the course of a limited review is moderate assurance, less than that obtained in the course of an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - IFRS as adopted by the European Union applicable to interim financial information.

Without qualifying the conclusion expressed above, we draw your attention to the note "IFRS 16. Leases - change in accounting policy" in the notes to the condensed consolidated financial statements, which sets out the impacts of the first application of IFRS 16 as from 1 January 2019.

2. Specific verification

We have also verified the information given in the half-year management report commenting on the condensed consolidated half-yearly financial statements subject to our limited review. We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Lyon et Marseille, le 30 septembre 2019.
Les Commissaires aux Comptes

COGEPARC
Anne BRION TURCK

DELOITTE & ASSOCIÉS
Philippe BATTISTI

ROBERTET GROUP

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Robertet Fragrances Inc

Robertet Fragrances Inc.
New York Creative Center

EUROPE

GERMANY

Robertet GMBH

SPAIN

Robertet España SA

GREAT BRITAIN

Robertet UK Ltd.

ITALY

Robertet Italia Srl

SWITZERLAND

Robertet SA

SOUTH AMERICA

ARGENTINA

Robertet Argentina

BRAZIL

Robertet do Brasil Ind. e Com. Ltda

COLOMBIA

Robertet Andina S.A.S.

MEXICO

Robertet de Mexico s.a. de c.v.

ASIA

TURKEY

Robertet Gulyagi ve

Robertet Aroma ue esens
Istanbul

CHINA

Robertet Flavors & Fragrances
(Beijing) CO., LTD.

INDIA

Robertet Flavours & Fragrances Pvt. Ltd.
Robertet Goldfield India

JAPAN

Robertet Japan

VIETNAM

Robertet Vietnam
Representative Office
Hochiminh City

AFRICA

SOUTH AFRICA

Robertet South Africa Aromatics Ltd.



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