

Current operating result for the first half-year: € 89.3M

Trigano achieved sales of € 1,163.4M in the first half-year 2019/2020, up 2.3% compared to the first half of previous financial year (+ 1.9% at constant scope).

Consolidated current operating profit for the first half-year reached € 89.3M and represents 7.7% of sales (8.8% in 2018/2019). First half-year results were affected by an unfavourable sales mix in terms of margin, by a level of productivity below expectations in the factories that were refitted a few months ago, as well as by an increase in warranty costs.

The financial result (€ -4.0M) benefited from an adjustment of the minority debt amounting € 3.1M. Considering a corporate tax expense of € 22.4M and the positive contribution of equity affiliates (€ 2.1M), the net consolidated profit reached € 65.7M (€ 72.0M in 2018/2019) and represents € 3.41 per share:

in €M	H1 2020	H1 2019
Sales	1,163.4	1,136.8
Leisure vehicles	1,082.5	1,054.7
Leisure Equipment	80.9	82.1
Current operating result	89.3	100.2
of which leisure vehicles	86.4	98.9
of which leisure equipment	2.9	1.3
Other operating income and charges	0.7	(0.6)
Operating result	90.0	99.6
Net result	65.7	72.0

The level of investments is stable compared to the first half of the previous financial year (€ 20.1M compared to € 19.9M in 2018/2019). In addition, Trigano acquired a factory previously rented in Poggibonsi (Tuscany) for € 9M, generating annual rental savings of around € 1M. This transaction is not considered as an investment under IFRS 16.

During this half-year, Trigano again strengthened its financial structure: net debt, traditionally at its peak at the end of February, reached € 78.0M (€ 174.3M on 2019/02/28), i.e. 8.4% of consolidated shareholders' equity (21.6% on 2019/02/28). The application of IFRS 16 had the effect of increasing financial debt by € 17.1 million as of February 29, 2020 (rental debts).

Covid-19 crisis management

Established in Europe and Tunisia, Trigano was affected since mid-March by sanitary measures intended to curb the spread of the Covid-19 virus.

Trigano implemented an action programme to manage this crisis taking into account, as a priority, the respect for the physical integrity of its personnel, but also the interest of its dealer networks and suppliers.

The main components of these programmes are:

- Implementation of a remote working organisation for a large number of key functions
- Limitation of the activity of most business units to the completion of incomplete vehicles, delivery to still open retail customers and to websites as well as the reception of components to facilitate a restart of production
- Reduction of staff costs by anticipating holiday taking, termination of temporary contracts, non-renewal of fixed-term contracts and using partial unemployment compensation systems offered in different countries.
- Focus on the recovery of customer receivables as part of an active steering of cash management.
- Reorganisation of production schedules so as to favour the manufacture of vehicles already sold to end customers as soon as production resumes
- Solicitation of possible cancellations of orders from networks so as not to excessively delay the manufacture of new collections or overload dealers with unsold products.

Production activities resumed gradually since mid-April and almost all sites should be operative from mid-May. To this end, in strict compliance with instructions of the authorities, procedures were put in place, production lines were refurbished, personal protective equipment was supplied and the social premises were rearranged or even closed.

Trigano benefits from a solid financial structure supported by a high amount of equity and a low financial debt. The company's cash flow level and the benefit of undrawn credit facilities amounting to € 138M to date will enable it to weather this crisis and to emerge from it stronger compared to the competition.

Outlook

Activity and results of the second half-year will be strongly impacted by the crisis we are going through. It will not be possible to make up losses in manufacturing volumes before the end of the financial year and expected levels of productivity during the phases of restarting the production tool will be significantly lowered due to sanitary constraints.

The Covid-19 crisis caused a major economic shock, consequences of which on European demand for leisure vehicles are difficult to predict.

In the short term, restrictions on gathering people in one place could disturb or even hinder the holding of fall fairs and exhibitions, and weakened dealers could reduce their commitments to order new model vehicles. In this context, Trigano will intensify its efforts to control its working capital requirement and will remain attentive to the evolution of demand in order to adapt its production means and the level of overhead costs.

In the medium and long term, Trigano's outlook for main European markets is positive. Indeed, the leisure lifestyle made possible by the motorhome is an individual lifestyle which avoids collective means of catering, accommodation and transport. This gives motorhomes a decisive advantage in terms of sanitary security which will be all the more taken into account by consumers after the epidemic that we are experiencing. In addition, taxes based on CO₂ emissions from motorhomes have been fully lifted in the UK and are expected to be largely lifted in Sweden.

2019/2020 Third-Quarter Sales will be disclosed on 29 June 2020

2019/2020 First Half-Year Sales: 1.2 Billion Euros (+2.3%)

Trigano achieved sales of € 603.4M in the second quarter of 2019/2020, up 7.3% at constant scope and exchange rates:

in €M <i>(Non-audited figures)</i>					2019/2020 change		
		2020 Financial year	2019 Financial year	2018 Financial year	Current change	of which exchange rate effect **	Change at constant scope* and exchange rates
Leisure vehicles	Q1 (Sept-Nov)	518.7	535.6	506.2	-3.2%	+0.1%	-3.3%
	Q2 (Dec-Feb)	563.6	519.1	513.8	+8.6%	+0.7%	+7.9%
	Half-Year	1,082.3	1,054.7	1,020.0	+2.6%	+0.4%	+2.2%
Leisure equipment	Q1 (Sept-Nov)	41.0	42.2	38.5	-2.8%	-0.2%	-2.6%
	Q2 (Dec-Feb)	39.8	40.0	37.9	-0.5%	+0.3%	-0.8%
	Half-Year	80.8	82.2	76.4	-1.7%	0.0%	-1.7%
Q2 Sales		603.4	559.1	551.7	+7.9%	+0.6%	+7.3%
Half-Year Sales		1,163.1	1,136.9	1,096.4	+2.3%	0.4%	+1.9%

* Restatement of perimeter effect of newly consolidated entities consists of:

- for entities entering the consolidation scope in the current year, subtracting the contribution of the acquisition from the aggregates of the current year;
- for entities entering the consolidation scope in the previous year, subtracting the contribution of the acquisition from September 1 of the current year, until the last day of the month of the current year when the acquisition was made the previous year.

No entities left the consolidation scope during the periods mentioned in this press release.

** Restatement of the foreign exchange effect consists of calculating aggregates for the current year at the exchange rate of the previous year.

Leisure vehicles

The European leisure vehicle markets continued to grow in the first half of the year with the exception of the Scandinavian and British markets, which remained depressed, affected by the introduction of high taxes on CO2 emissions.

Activity in the second quarter was marked by the total or partial resolution of problems of vehicles type-approval, chassis availability and refitting of certain plants encountered in the previous months. Sales of **motorhomes** (+ 10.6%) returned to a high pace of growth, while those of **caravans** (-3.2%) were slightly down compared to the previous year.

Deliveries of **static caravans** (-7.9%) were affected by the late receipt of orders from some campground managers. Finally, sales of **accessories for leisure vehicles** (+ 9.7%) benefited from the market dynamism in Netherlands and Germany.

Leisure equipment

Trailers activity (+ 4.9%) remained well oriented, **camping equipment** (-38.2%) and **garden equipment** (+ 8.3%) are in low season and changes in their sales in Q2 are therefore not significant.

COVID-19

The activity of Trigano will naturally be impacted by measures of closure of non-food businesses across a large part of the European territory, as well as by containment measures. Most of production units have been put into reduced activity or temporarily closed.

The experience acquired during the 2008 economic crisis will enable Trigano to take the appropriate measures to emerge strengthened from this ordeal and to be able to restart quickly production in order to satisfy a high order backlog.

The financial strength of Trigano is also a fundamental asset in this crisis period.

Outlook

Excluding the influence of exogenous phenomena, Trigano's prospects on the main markets are positive. Indeed, motorhomes are experiencing a significant expansion in the important markets and the fences corresponding to taxes based on CO2 emissions have been completely removed in United Kingdom and should be largely lifted in Sweden.

The leisure mode made possible by motorhomes is an individual mode which avoids collective means of accommodation and transport. This gives motorhomes a decisive advantage over other means of leisure and this will be especially true after the end of the epidemic that we are experiencing.

The very positive results of sales to the public in January and February 2020 illustrate this.

Trigano will continue to implement all internal growth operations that have been initiated and will seize any acquisition opportunity corresponding to its external growth policy.

2019/2020 First Half-Year results should be published on 6 May 2020



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APPENDIX

Breakdown of sales by product category

2019/2020 Q2 €M (non-audited figures)	from 12/01/19 to 02/29/20	from 12/01/18 to 02/28/19	Current change		Change at constant perimeter* and exchange rates		of which exchange rates effect**	
Motorhomes	465.7	420.9	44.8	10.6%	0.1	0.0%	2.8	0.7%
Caravans	42.1	43.5	-1.4	-3.2%	0.0	0.0%	0.3	0.7%
Static caravans	23.3	25.3	-2.0	-7.9%	0.0	0.0%	0.0	0.0%
Accessories	26.0	23.7	2.3	9.7%	0.0	0.0%	0.2	0.8%
Others	6.5	5.7	0.8	14.0%	0.0	0.0%	0.1	1.8%
Leisure vehicles	563.6	519.1	44.5	8.6%	0.1	0.0%	3.4	0.7%
Trailers	29.9	28.5	1.4	4.9%	0.0	0.0%	0.0	0.0%
Camping equipment	3.4	5.5	-2.1	-38.2%	0.0	0.0%	0.0	0.0%
Garden equipment	6.5	6.0	0.5	8.3%	0.0	0.0%	0.1	1.7%
Leisure equipment	39.8	40.0	-0.2	-0.5%	0.0	0.0%	0.1	0.3%
Total sales	603.4	559.1	44.3	7.9%	0.1	0.0%	3.5	0.6%

2019/2020 H1 €M (non-audited figures)	from 09/01/19 to 02/29/20	from 09/01/18 to 02/28/19	Current change		Change at constant perimeter* and exchange rates		of which exchange rates effect**	
Motorhomes	899.8	869.9	29.9	3.4%	0.1	0.0%	3.4	0.4%
Caravans	86.6	89.4	-2.8	-3.1%	0.0	0.0%	0.3	0.3%
Static caravans	30.8	33.7	-2.9	-8.6%	0.0	0.0%	0.0	0.0%
Accessories	51.6	48.6	3.0	6.2%	0.0	0.0%	0.2	0.4%
Others	13.5	13.1	0.4	3.1%	0.0	0.0%	0.1	0.8%
Leisure vehicles	1,082.3	1,054.7	27.6	2.6%	0.1	0.0%	4.0	0.4%
Trailers	63.9	61.2	2.7	4.4%	0.0	0.0%	-0.1	-0.2%
Camping equipment	5.9	10.5	-4.6	-43.8%	0.0	0.0%	0.0	0.0%
Garden equipment	11.0	10.5	0.5	4.8%	0.0	0.0%	0.1	1.0%
Leisure equipment	80.8	82.2	-1.4	-1.7%	0.0	0.0%	0.0	0.0%
Total sales	1,163.1	1,136.9	26.2	2.3%	0.1	0.0%	4.0	0.4%

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