

First Half-Year Results

Current operating result for the first half-year: € 100.2M

In a context marked by persistent economic and political uncertainties in Europe, Trigano achieved sales of € 1,136.8M in the first half-year 2018/19, up 3.7% (+0.1% at constant scope) and maintained a good level of profitability.

Leisure vehicle sales were slightly down from last year's record level (-0.5% at constant scope). Motorhomes dealer networks pursued their significant inventory reduction policy throughout the European territory in anticipation of the arrival of motorhomes meeting new motorisation standards (Euro 6d). However, registrations increased overall in Europe and Trigano further improved its market share.

Sales of leisure equipment (+7.5%) were affected by the wait-and-see attitude of French distributors resulting from a decline in points of sale traffic related to the « gilets jaunes » (yellow jackets) crisis, but they benefited from the supply of stewardship markets.

Consolidated current operating profit reached € 100.2M and represents 8.8% of sales (9.5% in 2017/2018). Trigano managed to maintain a good level of profitability despite the lower productivity of some Business Units faced with lower activity levels and the increase of some promotional costs.

Considering a stable financial result at € - 6.1M, a corporate tax expense of € 23.0M and the positive contribution of equity affiliates (€ 1.5M), the net consolidated result amounted to € 72.0M (€ 72.1M in 2018/2019) and represents € 3.73 per share:

in €M	H1 2019	H1 2018
Sales	1,136.8	1,096.4
Leisure vehicles sales	1,054.7	1,020.0
Leisure equipment sales	82.1	76.4
Current operating profit	100.2	104.0
of which Leisure vehicles	98.9	102.7
of which Leisure equipment	1.3	1.3
Other operating income and charges	(0.6)	(1.6)
Operating profit	99.6	102.4
Net income	72.0	72.1

Furthermore, as previously announced, the level of investments was down compared to the first half of the previous financial year (€ 19.9M versus € 31.1M in 2017/2018).

Trigano maintained a solid financial structure: net debt, traditionally at its peak at the end of the first half-year, reached € 174.3M (€ 160.9M on 2018/02/28), or 21.6% of consolidated shareholders' equity (24.5% on 2018/02/28).

Outlook

The destocking phenomenon in motorhome distribution networks is expected to continue in the third quarter of the year; in this context, Trigano will strictly adapt its production capacity to changes in demand.

The introduction of new Euro 6d engines could lead to disruptions that could impact business and sales in the fourth quarter. Trigano works closely with car manufacturers in order to ensure that they provide new wheel bases under conditions that allow a smooth production of new motorhome ranges.

In the longer term, Trigano is confident about the development potential of the motorhome market in Europe and its ability to improve its performance thanks to the expected outcomes of its recently initiated programmes regarding the commercial coordination, the centralisation of a larger part of its purchases and the industrial cross fertilisation.