

PRESS RELEASE

H1 2019 Results
Solid growth in France
Fast-paced international development
Confirmation of 2021 ambitions

Mortagne-sur-Sèvre, France, 30 September 2019 - COGELEC (ISIN: FR0013335742/ticker: COGEC), the French leader in access control systems for building complexes, is today releasing its results for the first half of 2019.

The Board of Directors approved the 2019 half-year financial statements at its meeting of 30 September 2019. These financial statements were audited, and the associated certification reports are currently being prepared.

International accounting standard IFRS 16, concerning the treatment of leases in the consolidated financial statements, came into force on 1 January 2019. The COGELEC Group chose to apply this standard using the simplified retroactive approach, in which there are no adjustments for the previous year. Note that the implementation of IFRS 16 requires a change in the presentation of the consolidated financial statements as approved at 30 June 2019, with the balance sheet showing a liability in respect of future lease payments and an asset in respect of rights-of-use. On the income statement, the lease expense previously recognised under operating costs is now to be recognised partly as a depreciation charge and partly as a financial cost.

IFRS (€m)	H1 2019 IFRS 16	H1 2018	Change	Impact IFRS 16
Revenue	19.0	15.7	+21.1%	
- France	17.3	14.5	+19.0%	
- Exports	1.7	1.2	+47.2%	
Gross margin	11.9	9.7	+23.4%	
<i>As a % of revenue</i>	63.0%	61.9%	-	
Personnel expenses	-7.0	-4.4	+59.1%	
External charges	-3.8	-2.9	+28.6%	+ 0.3
EBITDA⁽¹⁾	1.0	1.9	-55.7%	+ 0.3
Depreciation and amortisation allocations/reversals	-1.4	-0.9	+64.0%	- 0.3
Current operating income	-0.5	1.1	-42.5%	
Operating income	-0.4	0.7	-64.5%	
Financial result	-0.08	-0.15	NS	NS
Tax expenses	-0.9	-0.5	+68.6%	
Net income	-1.4	0.03	-	

¹ COGELEC defines EBITDA as operating income before depreciation, amortisation and impairment of assets, net of reversals.

Solid growth in France

First-half 2019 revenue amounted to €19.0m versus €15.7m in H1 2018, up 21.1%. This growth was driven in France by equipment sales (€14.2m, +18.8%) and subscriptions (€4.8m, +28.7%). COGELEC now services over one million homes. The gross margin was up 23.4% at €11.9m, representing 63% of revenue. This growth confirms the increase in terms of subscribers.

In line with the ambitious recruitment plan both internationally and in France, and in accordance with our expectations H1 2019 showed an increase in personnel expenses to €7.0m vs. €4.4m a year earlier with the finalisation of international recruitment (+40 persons) and the strengthening of the R&D and production teams in France as part of Kibolt's industrialisation. COGELEC had a total of 235 employees at 30 June 2019 vs. 167 employees at 30 June 2018.

With a dynamic innovation policy and the implementation of subsidiaries internationally, external charges were also higher at €3.8m vs. €2.9m, including in particular an increase in accounting, legal and consulting costs (patent study) and an increase in communication and advertising budgets for our operations in Europe.

In accordance with IFRS 16, rental expenses are restated for an amount of €0.26m with an impact on allocations to depreciation, amortisation and provisions of €0.3m.

EBITDA therefore came out at €1.0m and operating income at -€0.4m. The tax expense is up, compared to the same period of the previous year, which benefited from a deferred tax income. Net income showed a loss of -€1.4m.

At 30 June 2019, shareholders' equity stood at €17.8m vs. €19.5m at 31 December 2018. Financial debt was higher at €8.6m vs. €7.9m at 31 December 2018, including €1.8m, in accordance with IFRS 16. The Group ended H1 2019 with a gross cash position of €14.9m.

2019: COGELEC is implementing its roadmap, in accordance with the strategic plan

The strategy announced at the initial public offering is progressing as planned:

- The opening of subsidiaries and the recruitment plan in 5 target countries in Europe (Germany, Belgium, Luxembourg, Netherlands and United Kingdom) are in the completion phase. The Group now has 53 fully operational employees internationally;
- The launch of new products with, in particular, the marketing of the Kibolt universal key which has been very favourably received and whose initial sales are expected before the end of the 2019 financial year;

- The strengthening of the R&D teams for the development of new product ranges intended for building complexes such as the Connect.it solution for connected building halls, digital interactive display tables or the connected letterbox label.

Over the whole of 2019, COGELEC will benefit from the ongoing solid growth of Intratone in France and the intensive commercial activity implemented in the Group's European operations.

Longer term, COGELEC has confirmed its target of achieving revenue of €90 million by 2021.

*The financial report for the 2019 interim financial statements
has been made public and filed with the AMF.
It is available in English on the Company's website at:
<https://www.cogelec.fr/en/investors/documentations/>*

Upcoming events

Third quarter 2019 revenue: 24 October, 2019

Contacts

Cogelec

Véronique Pochet
Chief Financial Officer
+33 (0)2 72 67 00 91
investors@cogelec.fr

Actifin, Financial Communication

Ghislaine Gasparetto
+33 (0)1 56 88 11 22
ggasparetto@actifin.fr

Actifin, Financial Press Relations

Jennifer Jullia
+33 (0)1 56 88 11 19
jjullia@actifin.fr



About COGELEC

COGELEC is the French leader in access control systems for building complexes. As early as 2007, COGELEC created the first universal wireless intercom solution under the Intratone brand. COGELEC has already outfitted 1 million homes, out of a potential total of 15.4 million homes in France. COGELEC is an international group also offering its solutions in Germany, the United Kingdom, the Netherlands, Belgium and Luxembourg.

Based on an indirect distribution model, combined with very close-knit relations with end clients (social landlords and building complex management associations), COGELEC posted revenue of nearly €34m in 2018.

COGELEC is listed on Euronext, compartment C and is listed on the CAC SMALL, CAC MID & SMALL and CAC ALL TRADABLE indices.

For more information: www.cogelec.fr