

## Press release

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# Roctool announces its 2017 annual results

- **Record turnover growth in the 2<sup>nd</sup> half-year: +48%**
- **Result impacted by investments related to the implementation of the new model in line with the strategic plan**

**Roctool** (Euronext Growth – FR0010523167 – ALROC), specialist in mold heating and cooling technologies for plastics and composites, today announces its consolidated annual results closed on December 31, 2017 (audited).

Mathieu Boulanger, CEO of Roctool, comments: *“In 2017, our turnover grew strongly, validating our commercial strategy targeting directly the brands. In accordance with the announced deployment of this new commercial strategy, we continue to invest heavily in research and innovation, in our demonstration platforms, and in new recruitments, which weighs on our expenses and our results in the short term. These investments are necessary and in line with our growth plan. For 2018, we are pursuing our growth strategy, our investments particularly with strong ambitions in the Asian market.”*

P&L * – K€	31/12/2017	31/12/2016	Δ
<b>Revenues</b>	<b>8,033</b>	<b>6,375</b>	<b>26%</b>
Sale of goods	5,072	3,478	46%
Cost of goods sold	2,988	1,628	83%
<b>Goods gross profit</b>	<b>2,084</b>	<b>1,850</b>	<b>13%</b>
Licensing	592	612	-3%
Royalties	1,140	1,046	9%
Other services	1,229	1,239	-1%
<b>Sale of services</b>	<b>2,961</b>	<b>2,897</b>	<b>2%</b>
<b>Total gross profit</b>	<b>5,045</b>	<b>4,747</b>	<b>6%</b>
	<i>% of sales</i>	<i>63%</i>	<i>74%</i>
<b>Operational costs</b>	<b>6,177</b>	<b>5,009</b>	<b>23%</b>
<b>Personnel</b>	<b>3,491</b>	<b>2,670</b>	<b>31%</b>
<b>Other operational costs</b>	<b>2,686</b>	<b>2,339</b>	<b>15%</b>
Subsidies	360	371	-3%
<b>EBITDA</b>	<b>(748)</b>	<b>109</b>	<b>n.a.</b>
Capitalized production, provisions write-back, etc.	540	539	0%
Depreciations and amortizations	808	651	24%
<b>EBIT</b>	<b>(1,015)</b>	<b>(3)</b>	<b>n.a.</b>
Financial result	(470)	25	n.a.
<b>Current result</b>	<b>(1,485)</b>	<b>22</b>	<b>n.a.</b>
Extraordinary result	(92)	(105)	12%
Income tax	(12)	17	n.a.
<b>Net result</b>	<b>(1,565)</b>	<b>(100)</b>	<b>n.a.</b>

\*Audited

## **Record turnover growth in the 2<sup>nd</sup> half-year: +48%**

Roctool's consolidated sales for 2017 rose to €8.0M, up 26% on 2016, driven by record sales growth in the second half of the year which stood at €4.9M, a strong increase of +48% compared to the second half of 2016 and the sale of 47 Roctool systems in 2017 (versus 25 in 2016).

Sale of goods over the past financial year rose sharply, reaching €5.1M (+46% compared to 2016), confirming the success of the new commercial offer. License sales and other services remained stable (€0.6M and €1.2M respectively). Royalties, for their part, continued to rise to more than €1.1M in 2017 (+9% compared to 2016).

Roctool technology is increasingly present internationally with the continued gain of new customers and new brands that use Roctool technologies. Export sales thus represent an increasing share of total sales in 2017 with 90% versus 80% in 2016. The American market remains an important one for Roctool, and Asia is growing strongly. Already present in Asia through two sites in Japan and Taiwan, the Group strengthened its presence in 2017 with the opening of a subsidiary in Shanghai, China. The platform in China will be operational in June 2018. The Group's ambition is to accelerate the penetration of new Chinese customers, support the ongoing production of existing customers, and strengthen the relationship with its partners in Asia.

## **Result impacted by investments related to the implementation of the new model in line with the strategic plan**

The Roctool Group continues to invest in line with its growth strategy. Personnel costs are an important part of the expenses in order to train teams and to anticipate the resource requirements related to the future increase of the activity. Operating expenses increased by +23%, reaching €6.2M.

This investment also takes the form of a temporary reduction in gross margins for the sale of goods. In order to increase the speed of market penetration and thus be able to demonstrate the relevance of the technology, the Roctool Group has developed specific offers for "first users", which has a short-term impact on the gross margin, but facilitates subsequent adoption of the systems and services attached to them.

Roctool is also continuing its efforts in research and innovation, at the heart of the Group's know-how, as well as in new application development programs.

As a result, the Group's EBITDA at the end of December 2017 showed a loss of €0.7M (versus a profit of €0.1M in 2016).

Given a negative financial result of €0.5M (mainly related to EUR/USD exchange losses) and an extraordinary result of -€0.1M (mainly due to the extraordinary amortization of a research project), the consolidated net income of the Group represents a loss of €1.5M (compared to a loss of €100k the previous year).

## **Cash position of €1.9M**

At the end of December 2017, Roctool Group's financial position remained solid with net cash available of €1.9M versus €1.1M on December 31, 2016 (with a large item of trade receivables on December 31, 2017 related to a high level activity at the end of the year). Consolidated shareholders' equity at the end of December 2017 rose to €6.0M versus €2.3M as of December 31, 2016.

To accelerate the deployment of its strategic plan, Roctool continues to study ways to strengthen its cash position and its level of capital.

During the 2<sup>nd</sup> quarter, Roctool fully refinanced – for an amount of €0.8M – the bond issued at the end of 2012 with three lines of traditional bank loan repayable over 5 years.

**About Roctool:** [www.roctool.com](http://www.roctool.com)

Created in 2000, Roctool is a Technology & Manufacturing solutions provider offering engineering services and systems for injection and compression molding. Its R&D team is constantly adapting its induction technologies to more materials, in order to draw benefits such as reduced cycle times, surface quality, lightweighting, product performance, and overall cost reductions. Roctool's latest technology: IDH™ - Induction Dual Heating, is a leading Heat &Cool process combining composites with overmolded plastic features, which targets major brands in innovative industries, e.g. automotive, aerospace, consumer products, and electronics. Roctool technologies are already in production, in particular HD Plastics™ capabilities for plastic molding and Light Induction Tooling - LIT™ for composite parts. Roctool is listed on Euronext Growth. Its headquarters and R&D center is situated at Le Bourget du Lac (France). Roctool also has offices and platforms in North America, Japan, Taiwan, and Germany.

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