

2016 full-year earnings

Rougier consolidates its strategic realignment in Africa securing a €15 million long-term loan from Proparco, a subsidiary of the French Development Agency (AFD)

During its meeting today, the Board of Directors approved the full-year accounts for 2016.

Condensed consolidated income statement

	2016		2015		Change
	€M	% of rev.	€M	% of rev.	
Revenues	149.4		164.7		-9%
EBITDA	8.9	6.0%	12.1	7.4%	-26%
Depreciation and provisions*	(8.7)		(9.2)		-6%
Income from ordinary operations	0.2	0.1%	2.9	1.7%	-94%
Disposal of real estate asset	1.3		-		
Depreciation of fixed assets	(1.6)		(1.5)		
EBIT	(0.8)	(0.5%)	1.0	0.6%	NA
Cost of net financial debt	(3.4)		(3.2)		+6%
Other financial income and expenses	(0.7)		(0.5)		+32%
Tax	(1.5)		(0.5)		+196%
Share in earnings of associates	-		(0.2)		NA
Net loss	(6.3)	(4.2%)	(3.3)	(2.0%)	+89%
Net loss (Group share)	(3.9)	(2.6%)	(2.5)	(1.5%)	+55%

* Linked to the amount of investments required for operations.
The audit procedures on the consolidated accounts are underway.

Full-year highlights

In 2016, with lower levels of demand in key emerging countries, the Rougier Afrique International branch generated €124.7 million of revenues, down 11.6% from 2015. This contraction in business reflects the significant drop in export prices for certain timber species, while sales for international trade in Africa are down by just over one third. This contraction has affected the margins recorded, particularly in Cameroon and Congo.

The Import-Distribution France branch has continued to diversify its offering and its customer base. Its performances are reflected in €29.3 million in revenues, up 5.1%, and a significant improvement in EBIT, which became slightly positive again for the full year.

Consolidated accounts

EBIT is negative, coming in at €(0.8) million, compared with a positive result of €1.0 million last year. For 2016, it factors in €(1.6) million of write-downs for impairments of fixed assets in Cameroon; in 2015, €(1.5) million of write-downs were recorded on assets in Gabon. EBIT also includes a capital gain generated on the sale of a real estate asset in France for €1.3 million.

After notably taking into account the cost of net debt for €(3.4) million and a €(1.5) million tax expense, total net income is negative, coming in at €(6.3) million, with €(3.9) million on a Group share basis.

Consolidated shareholders' equity represented €51.8 million at 31 December 2016, down €5.9 million from 31 December 2015. Gross financial debt totaled €58.9 million at 31 December 2016, compared with €63.4 million at 31 December 2015. Cash represented €2.8 million at end-2016, versus €6.3 million at the end of 2015.

Post-balance sheet events

The Rougier Group is focused in priority on restoring its profitability and improving its financial resources. In April, Rougier SA finalized the sale of an investment property in Ivry-sur-Seine, France, for €4.75 million.

On May 12, Rougier Afrique International signed a deal for a 10-year loan from Proparco, a subsidiary of the French Development Agency (AFD), for €15 million, including a three-year interest-only period. This operation will finance the launch of activities in the Central African Republic, as well as some of the Group's other development projects in Africa. This loan will also help diversify the Group's sources of financing.

Rougier SA and its subsidiaries, Rougier Afrique International and Rougier Sylvaco Panneaux, have renegotiated their financing facilities with their banks in France, totaling €21.4 million as of 31 December 2016. The agreement, which has been reached, will secure the Group's financing over the short term.

Outlook

Rougier is moving forward with the strategic realignment of its operations in Africa, focusing on more profitable production activities, while optimizing its supply chains and its organization.

In Gabon, Rougier is developing its timber production by positioning itself as a key player for the development of a responsible timber industry. Since February 2017, this dynamic new approach has led to a major log supply contract being signed with GSEZ (Gabon Special Economic Zone), which will be particularly important for the development of the Group's business in Gabon.

Alongside this, Rougier is preparing to start up its first production operations in the Central African Republic.

The medium-term loan set up with Proparco will give Rougier the means to develop its operations in the Congo Basin.

Rougier is looking to further strengthen its competitive positions and it is expected to benefit from the upturn in sales prices on its market in 2017.



Managing forests. Enriching wood.

Founded in 1923, the Rougier Group is a market leader for certified African tropical timber. The Group has three core business lines: Rougier Afrique International (natural forest harvesting, industrial processing and international trade), Importing and distribution in France of timber from all origins (including Rougier Sylvaco Panneaux) and Plantations (research, management and investment in industrial forest plantations in Africa).

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Reuters: ALRGR.PA
Bloomberg: ALRGR:FP
Eligible for SME share-based savings schemes

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