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ANNUAL RESULTS 2017

RESULTS

- **Operating results before disposals, changes in fair value and depreciations at EUR 51.1 million (vs. 39.2 million in 2016).**
- **Net result, group share, totals EUR 45.3 million compared to 31.4 million in 2016.**

INTRINSIC VALUE

- **Intrinsic value amounts to EUR 435.5 per share on 31 December 2017 compared to EUR 369 on 31 December 2016.**

DIVIDEND

- **Proposed gross dividend of EUR 7.60 per share (+1.1% versus 2016).**

MAIN OPERATIONS CARRIED OUT IN 2017

In 2017, the Company continued to expand its real estate portfolio and to support its strategic holdings while seizing opportunities to realise potential gains on non-core assets.

In that respect, the Company has in particular:

- invested directly and via its subsidiary, Parfina, an amount of 7 million (respectively EUR 1.1 million and EUR 5.9 million) in the real estate “**Oxygen**” project in Auderghem, at 50/50 with Besix Real Estate Development (Besix RED),
- paid up EUR 4.8 million towards the “**First Retail International 2**” (FRI2) and “**Valiance Life Sciences**” funds,
- acquired 1,083 bonds convertible into Compagnie du Bois Sauvage shares issued by Entreprises et Chemins de Fer en Chine for an amount of EUR 1.4 million. In the case of conversion of all of these bonds in June 2019, Compagnie du Bois Sauvage will receive 4,332 own shares,
- invested through its American subsidiary Surongo America an amount of USD 1.4 million in “**Vinventions**” via “**Global Vine 2 LLC**”
- sold its shareholding in “**Ogeda**” – formerly Euroscreen – to Astellas Pharma Inc. (under Japanese Law) active in the pharmaceutical sector. As a result of this transaction, the company generated on December 31, 2017, a positive non-recurrent income of EUR 5.5 per Compagnie du Bois Sauvage share for a total of EUR 9.2 million. Depending on objectives to be achieved an additional price could be paid in the coming years for up to a maximum amount of EUR 6 million,
- benefited from the sale of the insulation activity of “**Noël Group**” (USA) which represented 55% of the company’s turnover. This sale generated a positive net pre-tax income (Group’s share) of EUR 13.4 million. In order to reduce the carrying value to its fair value, an impairment loss of EUR 3.8 million was also recorded at December 31, 2017,
- received reimbursements of EUR 2.2 million from the “**Matignon Technologies II**” and “**Theodorus II**” funds and of USD 12.5 million (including a capital gain) from the American funds “**DSF III**” and “**Gotham City I**”.

CHANGES IN SHARE CAPITAL IN 2017

The Company strengthened its equity by EUR 0.7 million as a result of the exercise of 2,300 subscription rights at a unit price of EUR 290.92 in April 2017.

In the context of the renewal of the authorisation given by the extraordinary general shareholders meeting on 27 April 2016 for the buy-back of own shares, Compagnie du Bois Sauvage proceeded in 2017 to the buy-back of a total of 359 own shares for a total amount of EUR 0.1 million. The 2.854 own shares acquired until January 20, 2017 have been cancelled by a notarial deed on April 26, 2017.

OTHER NOTEWORTHY DEVELOPMENTS SINCE THE END OF THE FINANCIAL YEAR

Compagnie du Bois Sauvage subscribed to the capital increase of Umicore which was completed in February 2018 via an "Accelerated Book Build". 360,000 shares were allocated to Compagnie du Bois Sauvage for an amount of EUR 14.3 million. As a result of this subscription, the Company holds directly and indirectly 4,370,000 Umicore shares.

Vinventions carried out a capital increase of an amount of USD 40 million in February 2018 of which Compagnie du Bois Sauvage subscribed for an amount of USD 20 million.

Vinventions is a shareholding which was already in the portfolio of Compagnie du Bois Sauvage through its shareholding in Noël Group (USA), founder of Vinventions. With this additional investment, Compagnie du Bois Sauvage holds directly and indirectly a total of 25.84% of the capital of the company. In addition, Compagnie du Bois Sauvage subscribed to a subordinated loan issued by the Belgian subsidiary of Vinventions LLC, for an amount of EUR 5 million.

Consolidated statement of comprehensive income as at 31 December (IFRS)

x € 1.000	2017	2016
Operating income	221.542	216.404
Sales	207.687	198.798
Interest and dividends	12.946	15.612
Rental income	733	1.120
Other income	176	874
Operating expenses	-188.652	-180.425
Purchasing	-121.524	-114.540
Personnel expenses	-54.059	-53.177
Amortizations, impairments and provisions	-7.420	-8.237
Financial expenses	-4.392	-3.050
Other expenses	-1.257	-1.421
Share in the profit of shareholdings consolidated using the equity method	18.233	3.205
Operating income before disposals, changes in fair value and depreciations	51.123	39.184
Earnings on disposals	15.903	6.675
Changes in fair value and depreciations	-4.144	-1.003
Pre-tax profits	62.882	44.856
Income taxes on profits	-13.399	-9.805
Profit for the year	49.483	35.051
Other elements of the comprehensive income	44.199	13.543
Items that will not be reclassified subsequently to result	-1.357	-1.403
Share in the comprehensive income of shareholdings consolidated using the equity method	-1.357	-1.403
Items that may be reclassified subsequently to result	45.556	14.946
Available for sale shareholdings		
Change in fair value	55.313	17.469
Transfer to profit and loss following depreciation	0	0
Transfer to profit and loss following disposal	-3.971	-2.976
Exchange differences on the conversion of activities abroad	-6.272	-180
Share in the comprehensive income of shareholdings consolidated using the equity method	486	633
Others	0	0
GLOBAL RESULT FOR THE YEAR	93.682	48.594
Profit for the year	49.483	35.051
Group's share	45.251	31.437
Non-controlling interest	4.232	3.614
Global result for the year	93.682	48.594
Group's share	89.450	44.980
Non-controlling interest	4.232	3.614

The “**Operating results before disposals, changes in fair value and depreciations**” of Compagnie du Bois Sauvage were EUR 51.1 million vs EUR 39.2 million in 2016. This improvement of 32% is mainly due to:

- the increase of nearly 4% of UBCM (Chocolate Group: Neuhaus, Jeff de Bruges, Corné Port Royal and Artista Chocolates) and the maintaining of a good operational profitability,
- the equity accounted investments results to EUR 18.2 million in 2017 compared to EUR 3.2 million in 2016. This strong growth is mainly due to the amount of net realized gains by Noël Group on the sale of its insulation division, the results of Recticel and the valuation of the property held by Fidentia,
- the results of Berenberg Bank who, beside its operating result recorded an earnout component on the sale in 2016 of its holding in Universal Investment GmbH,

The “**net result group share**” of EUR 45.3 million takes into account the result of earnings on disposal of EUR 15.9 million of which EUR 9.2 million related to the sale of the holding in Ogeda, an impairment loss of EUR -4.1 million and an income tax expense of EUR 13.4 million.

The “**net global result group share**” is EUR 89.5 million compared to EUR 45 million in 2016. This amount corresponds to the net result (group share) mainly adjusted by the changes in fair value of the stakes in Umicore (EUR 49.3 million), Berenberg Bank (EUR 7.2 million) and Serendip (EUR -1.5 million), transfers to profit and loss following disposal of EUR -4 million (Gotham City I, Matignon Technologies II and Bone Therapeutics), as well as by foreign exchange differences arising from conversion adjustments on non-euro zone currencies (EUR -6.3 million).

The Group showed a net consolidated cash surplus of EUR 11.2 million on 31 December 2017.

After payment of the 2016 dividend (EUR 12.6 million) and after deduction of the Company shares repurchased in 2017 (EUR 0,1 million), the Group’s equity stands at EUR 482.2 million compared to EUR 405.2 million in 2016.

DIVIDEND

The Board of Directors will propose to the ordinary general meeting to continue its policy of steady dividend growth and to raise it to a gross amount of EUR 7.60 per share.

INTRINSIC VALUE

Based on the stock market prices on 31 December 2017 for all listed companies, on an expert valuation for the real estate and the participation in Noël Group, on an internal valuation on the basis of market criteria for the participations in UBCM and Berenberg Bank and on the net asset value (IFRS) or the subscription price for the last capital increases for the other participations, the intrinsic value per share on 31 December 2017 was EUR 435.46 (based upon the number of “in the money” shares that supposes only the exercise of warrants whose strike price is below the stock market price).

The stock market price of Compagnie du Bois Sauvage on 31 December 2017 showed a discount of 17.8% compared to that amount.

PARTICIPATING INTERESTS

The consolidated result on 31 December 2017 is globally in line with forecasts.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR

The Board remains confident in the quality of the group’s assets and cautious about its short/medium-term outlook.

AUDITOR’S REPORT

The auditor Deloitte Réviseurs d’Entreprises confirmed that its audit, completed in substantive terms, did not reveal any major corrections that need to be made to the accounting information provided in the press release.

ALTERNATIVE PERFORMANCE INDICATORS

Intrinsic value: the intrinsic value represents consolidated shareholders' equity adjusted for the difference between the market value and the book value of the fully consolidated holdings or according to the equity method.

Consolidated cash-flow: the consolidated cash-flow is the sum of current and non-current assets, financial assets at fair value through profit or loss, cash and cash equivalents.

Consolidated net debt – consolidated net cash-surplus: the consolidated net debt (if negative) / consolidated net cash-surplus (if positive) is the consolidated cash-flow less current and non-current "borrowings".

FINANCIAL CALENDAR

23 March 2018	Publication of annual report on the www.bois-sauvage.be site
25 April 2018	Ordinary general meeting
2 May 2018	Dividend ex-date
3 May 2018	Dividend record date
4 May 2018	Dividend payment date
7 September 2018 (5:45 pm)	First half 2018 results

Contacts

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Consolidated statement of financial position as at 31 December (IFRS)

x € 1.000	2017	2016
Non-current assets	467.477	413.719
Tangible assets	41.558	39.932
Investment buildings	10.385	10.395
Goodwill	11.003	11.003
Intangible assets	21.418	21.445
Shareholdings consolidated using equity method	118.130	113.240
Available-for-sale shareholdings	240.156	194.283
Other assets	23.936	20.147
Deferred tax assets	891	3.274
Current assets	165.826	144.321
Inventories	22.234	18.789
Customers and other debtors	44.264	43.761
Tax assets payable	6.891	4.594
Financial assets designated at fair value through profit and loss	13.877	13.611
Other assets	2.208	3.437
Cash and cash equivalents	76.352	60.129
Non-current assets held for sale	0	0
Total assets	633.303	558.040

x € 1.000	2017	2016
Equity	507.231	431.138
Group equity	482.156	405.194
Capital	153.517	152.848
Undistributed profit	186.778	155.438
Reserves	141.861	96.908
Non controlling interest	25.075	25.944
Liabilities	126.072	126.902
Non-current liabilities	31.194	76.529
Interest-bearing liabilities	27.093	65.956
Provisions	608	1.951
Deferred tax liabilities	3.356	8.448
Other non-current liabilities	137	174
Current liabilities	94.878	50.373
Interest-bearing liabilities	56.357	14.575
Provisions	1.624	1.430
Suppliers and other creditors	29.125	26.009
Tax liabilities payable	5.972	6.237
Other liabilities	1.800	2.122
Total liabilities and shareholder's equity	633.303	558.040

This press release is available in French and Dutch. In the event of divergence, the French version shall be final.