

Perrot Duval Holding S.A.

HALF-YEAR REPORT 2022/23
(FROM 1 MAY TO 31 OCTOBER 2022)





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KEY FIGURES

KEY FIGURES

CHF 1,000	1 st half-year 22/23	1 st half-year 21/22
Order intake	11,013	5,065
Change versus previous year	117.4%	13.7%
Net sales	7,284	6,065
Change versus previous year	20.1%	363.6%
Gross margin	74.9%	73.6%
EBITDA	474	-67
as % of net sales	6.5%	-1.1%
Depreciation and amortisation	-699	-355
EBIT	-224	-423
as % of net sales	-3.1%	-7.0%
Net profit/(loss)	-591	-696
as % of sales	-8.1%	-11.5%
	31.10.22	31.10.21
Total assets	22,887	26,610
Shareholders' equity	14,854	18,481
Equity ratio (%)	64.9%	69.5%
Employees (full time equivalent)	109	103

PERROT DUVAL SECURITIES

		1 st half-year 22/23	1 st half-year 21/22
Bearer shares			
High	CHF	102.00	113.00
Low	CHF	76.00	95.00
As at 31.10.	CHF	80.50	104.00
Market capitalisation		31.10.22	31.10.21
Market capitalisation	CHF mio	10,8	14,0

REPORT OF THE BOARD OF DIRECTORS

ACTIVITIES

The Perrot Duval Group aims to be solid, dynamic, profitable and active in future-oriented market niches. Its growth is achieved both organically and through acquisitions.

To date, Perrot Duval Holding S.A. has oriented its investments as follows:

- **the automation of processes** used in the manufacture of chemical and pharmaceutical products. This is the domain of the subsidiary Füll Process S.A., 100% owned (38% of consolidated sales as of 31 October 2022).

The Füll Division provides fully automated systems and components for dispensing and safety that improve or simplify certain manufacturing processes for chemicals - such as paints, printing inks, food and cosmetics - and pharmaceuticals. As of March 2022, its products and services address both production and laboratory applications (see page 5),

- the **decorative cosmetic chemistry**, more particularly in the field of nail gels and lacquers. This is the core business of the 100% owned subsidiary Polystone Holding S.A. which acquired two companies in Germany and France on 1 October 2021 (62% of consolidated sales as of 31 October 2022).

Polystone products are mainly intended for international wholesalers, but also for professional studios. The continuous development and adaptation of the products meet the high quality requirements of this industry (see page 6).

THE FÜLL PROCESS GROUP – (OWNED 100%) «PROCESS AUTOMATION» SEGMENT

First half year results - preparation of second half-year sales

The first half of the year was marked by a significant increase in incoming orders (6.0 million CHF), representing an increase of 54% compared to the same period a year earlier. A significant portion of these orders will be delivered in the second half of the current fiscal year and will be added to the already substantial volume of deliveries from the deferred deliveries of the 2021/22 fiscal year (total order backlog of 6.8 million CHF as of 31 October 2022).

In general, the management of the Füll Group feels that the period of various restrictions resulting from the effects of Covid-19 has given way to a catch-up of industrial projects. In addition, customers are once again directing their investments in production and/or laboratory facilities more towards Europe.

As usual, the Füll Group's sales from current activities remained low at this time of the year (sales fell by 47% to 2.8 million CHF compared with 5.2 million CHF at the same time last year). A sales increase is expected in the second half of the year. A large number of projects in progress as of 31 October 2022 reflects this outlook.

Füll Lab Automation GmbH provides innovative automation systems - modular or custom-built - for the automation, processing and high throughput formulation of liquids, viscous materials and powders (particularly in the fields of paints and varnishes, cosmetics, adhesives, pharmaceuticals), for laboratories as well as for the quality control of the newly developed

REPORT OF THE BOARD OF DIRECTORS

products. Its products are accompanied by the sale of patented dispensing syringes. Füll Lab Automation GmbH technologies are protected by numerous patents granted or in the process of being granted.

CHF I 000	22/23 (6 months)	21/22 (6 months)
Order intake	5,969	3,875
change versus previous year	54.0%	–13.0%
Net sales	2,780	5,205
change versus previous year	–46.6%	297.6%
EBITDA	–335	166
as % of net sales	–12.1%	3.2%
Depreciation and amortisation	–237	–240
EBIT	–572	–74
as % of net sales	–20.6%	–1.4%
Employees (full time equivalent)	41	40

The interim EBIT (earnings before interest and taxes) loss of 0.6 million CHF at the end of the first half of the financial year 2022/23 (loss of 0.1 million CHF a year earlier) is explained by the temporary lack of sales.

Outlook of the Füll Division

The outstanding orders as of 31 October 2022 for completion before the end of the fiscal year (CHF 6.8 million, significantly higher than the previous year's 4.7 million CHF) are expected to exceed annual sales of 9.0 million CHF (9.7 million CHF achieved in the fiscal year 2021/22).

The companies of the Füll Group address the same customers in different markets but are active in complementary processes in companies. Internally, the Füll Group continues to combine the range of all

products, their design, their production facilities and their sales networks in order to reduce their administrative overhead.

While the traditional activities of Füll Systembau GmbH and Tecos Bruhin AG (production dosing installations for liquid and pasty products) are performing significantly better during the current fiscal year and are giving rise to an increase in sales, the same cannot be said of the laboratory dosing activities, carried out by Füll Lab Automation GmbH, whose sales are expected to be temporarily down by more than 60% compared to the previous fiscal year.

Füll Lab Automation GmbH is able to offer automation solutions for liquids, viscose products, powders as well as adhesives. Their products offer customers the possibility to enter into high-throughput research. The company is pursuing several important projects, which are only expected to materialize in the fiscal year 2023/24, while development and marketing efforts are being carried out in the current fiscal year.

THE POLYSTONE GROUP – (OWNED 100%) «CHEMICAL COSMETICS» SEGMENT

First half year results - significant growth of the Polystone Group

A year ago, the Perrot Duval Group announced that it had created a strategic business unit through the acquisition of the German and French companies Polystone Chemical GmbH and Polystone France Sarl, which are among the European leaders in the decorative cosmetics industry.

Its revenues are derived 85% from the sale of UV nail gels, 10% from tattoo inks and 5% from colors for permanent make-up. For the time being, it only targets professional customers (B to B).

REPORT OF THE BOARD OF DIRECTORS

The Polystone Group has 65 employees and caters primarily to international wholesalers and professional studios located in Europe, with a focus on France, Italy and Eastern Europe. The wide range of services offered for Polystone products includes development, coloring, packaging, custom graphic design of packaging, labels and advertising materials, packaging of gels in folding boxes and other customer-specific requirements.

CHF I 000	22/23 (6 months)	21/22 (1 month)
Order intake	5,044	1,190
change versus previous year	323.9%	n/a
Net sales	4,504	860
change versus previous year	423.7%	n/a
EBITDA	1,021	331
as % of net sales	22.7%	20.5%
Depreciation and amortisation	-456	-109
EBIT	565	222
as % of net sales	12.5%	25.8%
Employees (full time equivalent)	65	60

In the field of UV gels, Polystone has a leading position in Europe, with a solid reputation for organic growth. It produces and sells nail preparation adhesives for UV application, some 2'000 different colors of gels, as well as products for solidifying the gels once applied.

Regarding the domain of tattoo colors, which has become highly regulated through European regulations, its recent developments allow it to foresee rapid growth as well. Finally, its permanent make-up colors niche is growing at a significant rate.

Duval group, Polystone has focused its efforts on optimizing production, increasing the pace of research and development, opening up its products to the B-to-C market, and internationalizing its sales and marketing activities.

In the first six months of the financial year 2022/23, the Polystone Group recorded an order intake of 5.0 million CHF and sales of 4.5 million CHF. The EBIT result (earnings before interest and taxes) of 0.6 million CHF is fully in line with the budgetary expectations.

Outlook of the Polystone Division

Polystone is pursuing several new product developments in UV gels, tattoo inks and permanent make-up. The current ambitious prospects, provided supplies follow, are solid and profitable. Recent applications from the American continent have also been submitted.

With an order backlog of 1.6 million CHF as of 31 October 2022 and based on the continuation of its current solid growth rate, the Polystone Group should exceed sales of 9.0 million CHF.

CONSOLIDATED BALANCE SHEET

CHF 1,000	Note	31.10.22	30.04.22
Assets			
Cash and cash equivalents	5,7	5,758	8,179
Trade accounts receivable		819	1,098
Other receivables		1,109	757
Inventories	8	6,034	4,132
Prepaid expenses		170	209
Total current assets		13,890	14,375
Financial assets		150	0
Property, plant and equipment		7,403	8,079
Intangible assets		1,444	1,593
Total non-current assets	9	8,997	9,672
Total assets		22,887	24,047
Liabilities			
Interest-bearing current financial liabilities	5	654	827
Trade accounts payable		694	671
Other current liabilities	10	4,049	3,510
Accruals		1,167	1,281
Short-term provisions		466	519
Provision for income taxes		591	582
Total current liabilities		7,621	7,390
Interest-bearing non-current financial liabilities	5	238	254
Subordinated loan of related parties		0	12
Long term provisions		174	180
Total non-current liabilities		412	446
Total liabilities		8,033	7,836
Equity			
Share capital		6,725	6,725
Reserves from capital contribution		519	788
Accumulated Profits	11	8,433	9,293
Currency translation differences		-823	-595
Total shareholders' equity		14,854	16,211
Total liabilities and shareholders' equity		22,887	24,047

CONSOLIDATED INCOME STATEMENT

CHF 1,000		1 st half-year 22/23	1 st half-year 21/22
Net sales	6	7,284	6,065
Other operating income		85	54
Cost of materials		-2,991	-3,320
Change in inventories (work in progress & finished goods)		1,528	988
Personnel costs		-3,685	-2,654
General and administrative costs		-551	-443
Sales costs		-178	-113
Other operating expenses		-1,017	-645
Depreciation and amortisation		-699	-355
Operating result (EBIT)		-224	-423
Financial income		0	0
Financial expenses		-176	-233
Financial result		-176	-233
Loss before taxes		-400	-656
Income tax expenses		-191	-40
Net loss		-591	-696

EARNINGS PER SHARE FOR SHAREHOLDERS

CHF		22/23	21/22
Undiluted/diluted earnings per share for shareholders			
Profit (+)/loss (-) (CHF) per bearer share	2	-4,39	-5,18
	Diluted	-4,39	-5,18
Profit (+)/loss (-) (CHF) per registered share	2	-0,88	-1,03
	Diluted	-0,88	-1,03

CONSOLIDATED CASH FLOW STATEMENT

CHF 1,000	1st half-year	1st half-year
Indirect method with cash and cash equivalents	22/23	21/22
Net loss	–591	–696
Depreciation/amortisation of fixed assets	699	355
Financial result (non-cash)	176	233
Taxes (non-cash)	–424	40
Exchanges variances	159	0
Other non-cash items	–246	0
Change in provisions	–44	485
Change in trade accounts receivable	250	534
Change in inventories	7	–2,060
Change in other current assets	–72	–1,481
Change in trade accounts payable	45	1,546
Change in other current liabilities	619	1,147
Cash flow from operating activities	–1,345	201
Change in short-term financial assets	–150	0
Investments in property, plant and equipment	–108	–83
Investments in intangible assets	–112	–35
Disposal of intangible assets	74	0
Payment for business acquisition	0	–7,331
Cash flow used in investing activities	–296	–7,449
Change in current financial liabilities	–175	98
Change in non-current financial liabilities	0	38
Interests and other financial expenses paid	–28	–34
Distribution from the capital contribution reserves	7	–269
Dividend paid	7	–269
Cash flow from/used in financing activities	–741	–301
Currency translation differences on cash and cash equivalents	–39	–49
Change in cash and cash equivalents	–2,421	–7,598
Cash and cash equivalents at the beginning of the year	8,179	17,143
Cash and cash equivalents at the end of the half-year	5,758	9,545
Total cash and cash equivalents	5,758	9,545
Change in cash and cash equivalents	–2,421	–7,598

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHF 1,000	Share capital	Treasury shares	Reserves from capital contribution	Accumulated profit/(losses)	Currency translation differences	Total shareholders' equity attributable to Perrot Duval Shareholders	Minority interest	Total shareholders' equity
Balance at 30.04.21	6,725	0	990	10,370	-281	17,804	0	17,804
Dividend paid			-201	-202		-403		-403
Badwill resulting from acquisitions				1,959		1,959		1,959
Net currency translation differences					-183	-183		-183
Net profit/(loss)				-696		-696	0	-696
Balance at 31.10.21	6,725	0	789	11,431	-464	18,481	0	18,481
Balance at 30.04.22	6,725	0	788	9,293	-595	16,211	0	16,211
Dividend paid			-269	-269		-538		-538
Net currency translation differences					-228	-228		-228
Net profit/(loss)				-591		-591	0	-591
Balance at 31.10.22	6,725	0	519	8,433	-823	14,854	0	14,854

Definitions of the components in equity

- The **share capital** is the share capital of the parent company, Perrot Duval Holding S.A.
- **Reserves from capital contribution** are the sole reserve from such type.
- **Accumulated profits/(losses)** comprise accumulated results retained in Group companies and the goodwill from business acquisitions that was offset with equity in the past as well as the non-distributable reserves resulting from profits.
- **Currency translation differences** comprise all currency-translation differences arising from the currency conversions of foreign Group entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. Segment report

The split of the segments by business is based on two strategic pillars of the Group within the automation industry and chemical cosmetic activity. Their reports are based on the figures used for the internal reporting purposes (management approach).

No sales have been recorded between these segments. General Group expenses that cannot be assigned are shown separately.

Perrot Duval Holding S.A. has acquired the two companies Polystone Chemical GmbH and Polystone France Sarl on 1 October 2021 through its fully owned participation Polystone Holding S.A. creating a new segment or business unit.

The presentation below separates the automated production processes activity (Füll) from the chemical cosmetics activity (Polystone).

Segment	Automated production processes		Chemical cosmetics		Others		Total group	
CHF 1,000	FUELL GROUP		POLYSTONE GROUP		Others		Total group	
1st half (1.5.-31.10.)	22/23	21/22	22/23	21/22 (1 month)	22/23	21/22	22/23	21/22
Net sales	2,780	5,205	4,504	860	0	0	7,284	6,065
Change versus previous year	-46.6%	297.6%	n/a	n/a	0.0%	0.0%	20.1%	363.3%
EBITDA	-335	166	1,021	331	-212	-564	474	-67
as % of net sales	-12.1%	3.2%	22.7%	38.5%	0.0%	0.0%	6.5%	-1.1%
Depreciation and amortisation	-237	-240	-456	-109	-6	-6	-699	-355
Operating result (EBIT)	-572	-74	565	222	-217	-571	-224	-423
as % of net sales	-20.6%	-1.4%	12.5%	25.8%	0.0%	0.0%	-3.1%	-7.0%
Financial items (net)							-176	-233
Income taxes							-191	-40
Net profit/(loss)							-591	-696
as % of sales (with minority interest)							-8.1%	-11.5%
Employees (full time equivalent)	41	40	65	60	3	3	109	103
Total assets	6,648	6,281	12,105	15,481	4,134	4,848	22,887	26,610

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Earnings per share

CHF 1,000	31.10.22	31.10.21
Earnings/(loss) per share		
Profit/(loss) attributable to equity holders of Perrot Duval Holding S.A. (kCHF)	-591	-696
Registered shares		
Percentage of registered shares outstanding in comparison with the share capital outstanding	11,0%	11,0%
Profit/(loss) attributable to registered shareholders	-65	-77
Average number of shares outstanding	74,300	74,300
Basic profit/(loss) per share (in CHF)	-0,88	-1,03
Bearer shares		
Percentage of bearer shares outstanding in comparison with the share capital outstanding	89,0%	89,0%
Profit/(loss) attributable to bearer shareholders	-526	-619
Average number of shares outstanding	119,632	119,632
Basic profit/(loss) per share (in CHF)	-4,39	-5,18

3. Principles for preparing the Group financial statements

The unaudited and condensed consolidated semi-annual financial statements for the period from 1 May 2022 to 31 October 2022 have been prepared in accordance with the rules of Swiss GAAP FER 31 "Complementary recommendation for listed companies", which – compared with the annual financial statements – permit shorter versions in terms of presentation and disclosure.

The consolidated half-year financial statements are based on the accounting principles set out in the 2021/22 Annual Report, which has been prepared in accordance with Swiss Gaap FER.

The half-year statements are presented in Swiss francs. However, the majority of the Group's transactions are conducted in euros.

The half-year financial statements have been released by the Board of Directors of Perrot Duval Holding S.A. for publication on 15 December 2022.

4. Exchange rates

	Closing rates		Average rates for the first half-year	
	31.10.22	30.04.22	22/23	21/22
EUR	0.9915	1.0265	1.0114	1.0580

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. Net indebtedness

CHF 1,000	31.10.22	30.04.22
Cash and cash equivalent	5,758	8,179
Short-term financial assets	0	0
Current interest-bearing financial liabilities	-654	-827
Non-current interest -bearing financial liabilities	-238	-254
Subordinated loan of related parties	0	-12
Total net indebtedness	4,866	7,086

The current financial liabilities are solely in EUR. Their effective interests rates represent 5.8%. The non-current financial liabilities (due no later than 30 April 2025) are solely in CHF. Their effective interests rates are nil.

6. New activities and seasonal influences

Comparisons between the figures for the balance sheet as at 31 October 2022 and the one drawn up both one year earlier and as at 30 April 2022.

It should be remembered that Perrot Duval Holding S.A. had acquired, through its wholly owned subsidiary Polystone Holding AG, the companies Polystone Chemical GmbH as well as Polystone France Sarl and various related assets on 1 October 2021, thereby creating the eponymous division.

The figures achieved by the Polystone Division as of 31 October 2022 are therefore more favorable than those recorded one year earlier, the latter containing only one month of Polystone Group activities as of 31 October 2021.

Irrespective of the above observation, a certain seasonality in the development of the figures within the Füll Group must be noted. The figures are usually less favorable in the first half of the year than in the second. This was not the case in the previous year, however,

when the Füll Group's sales and results were better in the first two quarters than in the second two.

7. Cash and cash equivalents

The change in cash and cash equivalents from 8.2 million CHF to 5.8 million CHF since 30 April 2022 is mainly the consequence of the financing of the increase in inventories and work in progress (CHF 2.1 million), as well as of the payment of a dividend and the partial repayment of the capital contribution reserve (CHF 0.5 million).

8. Inventories

The increase in inventories of 1.9 million CHF compared to 30 April 2022 is due to higher work in progress at the Füll Group (CHF 1.5 million) and current raw materials at both companies (CHF 0.4 million). The work in progress covers sales in the second half of the 2022/23 financial year.

9. Total non-current assets

The decrease in total non-current assets of 0.7 million CHF compared to 30 April 2022 is explained by the absence of investments in favor of depreciation only over the period.

10. Other current liabilities

The other current liabilities increased from 3.5 million CHF to CHF 4.0 million CHF. This is mainly due to the receipt of advances from customers to finance the construction of automated dosing systems within the Füll Group.

11. Events after the balance sheet date

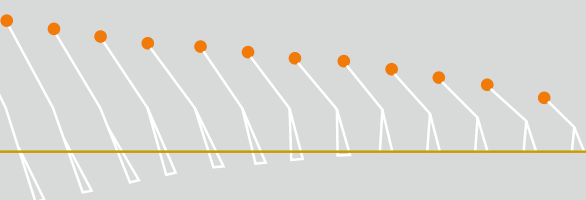
The financial statements have been prepared on a going concern basis which the Directors and the Group Management believe to be appropriate.

Between the balance sheet date and the date of publication of this half-year report, no operational events occurred which could have a material impact on the consolidated financial statements for the half-year 2022/23.

ADDRESSES

AS AT 31 OCTOBER 2022

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