



2016 Annual Results and Outlook

Ormes, 31 March 2017

The Supervisory Board meeting on 31 March 2017 approved the 2016 full-year financial statements.

In € million	2016	2015
Revenue	22.8	30.0
Other operating income	3.6	6.3
Consumed purchases	(11.8)	(16.4)
Personnel expenditure	(9.6)	(9.9)
Other operating expenditure	(5.5)	(7.4)
Taxes and duties	(0.7)	(0.4)
Depreciation, amortisation and provisions	(2.2)	(2.2)
Operating income	(3.4)	(0.0)
Financial income (loss)	(0.9)	(0.5)
Ordinary pre-tax income (loss)	(4.3)	(0.5)
Extraordinary income	-	-
Income tax	(0.6)	(0.4)
Minority interests	-	-
Net income, group share	(4.9)	(0.9)

Note: the consolidated accounts are currently being audited.

Project delays in the second half weighed on operating income

The Vergnet Group posted consolidated revenue of €22.8 million for the 2016 financial year, driven by the launch of projects in Kiffa, Mauritania, in Yap and in Chad signed during the year as well as maintenance operations.

Despite a 14% increase during the first half compared with the same period in 2015, the second half was impacted by a significant slowdown in the group's activity with sales down 24% over the year. This major decrease is due to a delay in bringing the Osun project in Nigeria onstream, which had a -€3.4 million impact on operating income for the financial year after being at breakeven in 2015.

The group posted a net loss of -€4.9 million, including amortisation and interest on convertible bonds, as well as taxes for its subsidiary in New Caledonia.

At 31 December 2016, Vergnet SA's equity was negative, at -€5.3 million, financial debt included €6.4 million in convertible bonds, borrowing and financial liabilities of €3.7 million and no bank debt. The group's net cash position at 31 December 2016 was €2.4 million.

The Equity Line, established in October 2016, enabled 715,000 shares to be exercised at 28 February 2017, for an amount of €775,000, of which €535,000 as of December 31, 2016.

The search is on for a financial or industrial investor

At 31 December 2016, the group's order book totalled €23 million for 2017 and a further €12 million beyond that (excluding the Osun project whose launch is expected before the end of 2017).

Against a challenging backdrop of major project delays which are weighing on the group's performance and cash position, Vergnet SA has chosen to seek a financial or industrial partner. The aim of this move is to provide the group with the long-term capacity to continue to support the growth of its long-cycle business.

The group has appointed a financial advisor to assist it in its search.

Upcoming events

22 May 2017: Annual General Meeting

About Vergnet SA

The Vergnet group specialises in generating renewable energy from wind, solar and hybrid sources. On the strength of these unique technologies, the group developed the Hybrid Wizard, a hybrid system that coordinates, in real time, the percentage of renewable energies that can be sent to the electricity grid while ensuring the operational safety and security of insular or isolated networks.

The group has installed more than 900 wind turbines. It is active in more than 40 countries and has 166 employees in 10 locations.

Vergnet has been listed on the Alternext market since 12 June 2007.

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