



## BALYO publishes its results for the first half of 2020

- H1 2020 revenues down 29% to €8.7m, but renewed momentum in order intake in Q2 2020 at €4.6m (+25% vs. Q2 2019)
- Deployment of the commercial strategy with the signing of 22 new sales agreements with intralogistics integrators
- Installed base at 629 units as of June 30, 2020, up 23% over one year
- Operating expenses (R&D, Sales and Marketing and General and Administrative expenses) reduced by 29% vs. H1 2019
- Strengthening of the cash position to €8.7 million following the signature of a State-guaranteed loan

Ivry-sur-Seine, France, September 30, 2020, 5:45 pm CEST – **BALYO** (FR0013258399, Ticker: BALYO, eligible for PEA-PME), a technological leader in the design and development of innovative robotic solutions, today announces its 2020 half-year results, as approved by the Board of Directors on September, 29 2020.

**Pascal Rialland, CEO of BALYO, says:** « *The first half of 2020 was marked by the COVID-19 crisis, which on the one hand slowed down BALYO's sales momentum and on the other hand led the Company to reorganize itself to better adapt its business to the new constraints related to the pandemic. Figures for the first half of the year should not offset the many business and operating achievements made by the Company during the past six months thanks to the commitment and expertise of our teams. The significant decrease in the number of complex projects delayed, the renewal of part of the range of robots with new high value-added features, and the signature of numerous partnerships with international intralogistics integrators are among the most significant achievements. These key milestones for BALYO's future growth, combined with the strengthening of our cash position, will provide the Company with enough visibility to effectively pursue the successful deployment of its strategy over the coming semesters. Our mid-term ambitions remain intact, supported by the increased needs for innovative robotic solutions.* »

In € million	H1 2020	H1 2019
Sales revenue	8.67	12.14
IFRS 2 charge	-0.01	-0.69
Sales revenue reported	8.67	11.45
Cost of sales	-8.33	-9.71
Gross margin	0.33	1.74
Gross margin ratio	4%	15%
Research and development	-2.39	-2.70
Sales and marketing	-1.26	-3.27
Overhead	-3.09	-3.55
Payments in shares	-0.06	-0.16
Operating loss/gain	-6.46	-7.94
Financial income	-0.24	-0.13
Net profit/loss	-6.69	-8.08
Cash position as of June, 30 2020	8.70	7.99

## Activity in the 1<sup>st</sup> half of 2020

During the first half of 2020, BALYO generated revenues of €8.7 million, down 29%<sup>1</sup> compared to the same period in 2019. In the second quarter of 2020, the decline in revenues was less significant at 17% compared with Q2 2019.

After taking into account new orders of €7.5 million, the order book at June 30, 2020 was €11.7 million, compared to €15.2 million a year ago.

At the end of July, BALYO also announced the launch of a new generation of reach truck robots (R-MATIC). Designed specifically for the handling and storage of pallets at high heights in racking warehouses, the second generation of reach truck robots integrates differentiating improvements for manufacturers, optimizing their storage space and operating costs.

Regarding the business development, the number of new sales agreements with solution integrators exceeded expectations, with 22 new agreements signed in nine countries over the period, twice its objective and thus paving the way for BALYO's future growth in line with the strategy announced at the beginning of the year.

<sup>1</sup> Before integrating the IFRS2 charge associated with the allocation of BSA equity warrants: in accordance with the agreement signed on January 10, 2019, the beneficiary of BSAs can exercise these warrants depending on that Company's purchase of products incorporating BALYO technology.



### **Financial results for the first half of 2020**

The decrease in gross margin to 4% compared to 15% in the first half of 2019 is mainly due to the recognition of warranty costs of €1.1 million (€0.5 million in respect of warranty claims) accepted in respect of prior years and €0.6 million in respect of a warranty provision for future reporting periods.

Operating expenses decreased by 29% (-11% for Research and Development expenses, -62% for Sales and Marketing expenses and -13% for General and Administrative expenses). This change is mainly explained by a decrease in payroll costs related to the reduction in headcount over the period (from 210 at the end of June 2019 to 168 at the end of June 2020) as well as a reduction in travel expenses due to the health context.

After taking these elements into account, the operating loss for the period was €(6.5) million compared to €(7.9) million in the first half of 2019.

The financial result was -€0.2 million at June 30, 2020, compared to -€0.1 million at June 30, 2019.

Overall, net income for the first half of 2020 was €(6.7) million, compared to €(8.1) million for the first half of 2019.

### **Strengthening of the cash position to €8.7 million**

During the past six months, the Company has used various measures to alleviate short-term cash pressure, such as partial unemployment and shifting the payment of employer social charges.

In addition, the Company has obtained a loan of €9.5 million with a 90% guarantee from the French State, of which €6.5 million has been received by June 30, 2020 (and €3.0 million in July). This financing has thus strengthened the Company's cash position, giving it greater visibility for the implementation of its commercial strategy.

Cash available at June 30, 2020 amounted to €8.7 million. The Company currently has cash visibility over 2021 and can still use complementary financing solutions.

### **Strategy and outlook: improved sales trend confirmed in the second half of 2020**

As previously announced, the impact of the health crisis led the Company to suspend its financial objectives for 2020. Given the uncertainties surrounding the economic recovery, BALYO is not yet in a position to assess its outlook for 2020 more precisely, but nevertheless reaffirms its confidence in the continued improvement of its business in the second half of the year.

The half-year financial report is available on the Company's website under the "Investors" heading: <https://www.balyo.fr/Societe/Investisseurs>.



## ABOUT BALYO

Balyo transforms standard forklift trucks into standalone intelligent robots thanks to its breakthrough proprietary Driven by Balyo™ technology. The geoguidance navigation system developed by Balyo allows vehicles equipped with the system to locate their position and navigate autonomously inside buildings. Within the automated handling vehicle market, Balyo has entered into two strategic agreements with Kion Group AG (Linde Material Handling's parent company) and Hyster-Yale Group, two major operators in the material handling sector. Balyo is present in three major geographic regions (Americas, Europe and Asia-Pacific). Its sales revenue reached €20.4 million in 2019. For more information, please visit our website at [www.balyo.com](http://www.balyo.com).



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