



BALYO publishes its results for the first half of 2018

- **56% increase in sales revenue compared to H1 2017**
- **€19.2 million in cash available at June 30, 2018**
- **2018 operating loss similar to that of 2017**

Ivry-sur-Seine, France, September 27, 2018, 8:00 AM – **BALYO** (FR0013258399, Ticker: BALYO, eligible for the PEA-PME plan), a technological leader in the design and development of innovative robotic solutions for material handling trucks, announces its results today for the first half of the 2018 fiscal year, as approved by the Board of Directors on September 26, 2018.

Fabien Bardinet, Chairman and Chief Executive Officer, stated: *“The increase in sales revenue in the first six months of 2018 confirms the dynamic sales performance of our solutions. Our teams have been bolstered thanks to the hiring of 25 additional employees since the beginning of the year and the recent appointment of a Chief Manufacturing Officer, who is a specialist in the development and industrialization of robots. We are therefore now able to accelerate the production and deployment of our solutions as of H2 2018.*

As we encountered difficulties with deliveries in the first half of the year, we will not be able to reach our goal of reducing our operating loss. We now forecast an operating loss in 2018 that will be similar to that of 2017. The work performed by Balyo’s teams is exceptional; our range of products is unique in terms of both substance and geographic availability, and my confidence in terms of our development prospects has never been so high.”

<i>In millions of euros</i>	June 30, 2018	June 30, 2017
Sales revenue	9.71	6.23
Cost of sales	-7.56	-4.28
Gross margin	2.15	1.95
Gross margin ratio	22.1%	31.3%
Research and development	-3.17	-1.95
Sales and marketing	-2.71	-2.07
Overhead	-3.37	-1.77
Payments in shares	-0.76	-0.46
Operating loss/gain	-7.86	-4.30
Financial income	0.16	-0.33
Net loss/gain	-7.70	-4.63
Cash position	19.2	42.3



Financial results for the first half of 2018

As announced when the half-year sales revenue was published, revenue totaled €9.7 million, a 56% increase compared to the first half of 2017, and a clear indication that the Company's dynamic performance continues. BALYO's market success is also illustrated by an increase in orders placed: €20.2 million at June 30, 2018 - a 50% increase over the previous year.

The decline of the gross margin -22.1% over the period - results from difficulties encountered in deploying our solutions on site. The new composition of our growing teams along with the implementation of new-generation robots had a major impact on the installation time lines, which were much greater than the Company's initial forecasts. These problems were progressively corrected and the Company is confident in its ability to improve the gross margin in the second half of 2018.

Furthermore, in light of the delays referred to above, the Company launched a number of structural initiatives leading to a significant rise in R&D and Sales and Marketing expenditure, and increased its staff. The Company's workforce grew from 111 employees on June 30, 2017 to 181 as at June 30, 2018.

In parallel, the Company is pursuing its international development strategy, mainly in the United States and Southeast Asia, and expanding its product range with its two industrial partners, as well as developing tools to support its growth.

The increase in these expenses boosts BALYO's growth, but led to a deterioration of its operating income: -€7.9 million, compared to -€4.3 million one year ago.

After taking into account balanced financial income of €0.2 million, net financial income totals -€7.7 million compared to -€4.6 million in the first half of 2017.

Cash available as at June 30, 2018 totaled €19.2 million.

Significant events in H1 2018 and post-closing

In the second quarter of 2018, the Company reached a record level of business activity, with €7.5 million in new orders and without any grouped order. Sustained demand for BALYO's innovative solutions continues quarter after quarter, as also illustrated by the steady deployment of our robots.

Indeed, at the end of H1 2018, the number of robots installed and in service totaled 296, representing a solid growth (96%), compared to the 151 robots installed as at June 30, 2017.

With deliveries stepping up in the second half of the year, a portion of the first half-year's delays should be rectified.

In parallel, BALYO's teams are managing more than 120 projects on three continents. The robots installed at BALYO's customers move hundreds of thousands of pallets every month, covering more than 10,000 km every day.

Strategy and outlook

BALYO is continuing to implement its development plan and the integration of its technological solutions among leading international industrial groups thanks to structural investments that are necessary to ensure market growth. The Company continues to work towards its objective of €200 million in sales revenue by 2022 and an operating margin rate of 20% over the medium term.



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

Next financial release: sales revenue for the third quarter on October 31, 2018, after the market closes.

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 €16.4 million in 2017. For more information, please visit our website at www.balyo.com.



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