LANGLEY

6 months ended

30 June 2017

Langley Holdings plc: Interim Trading Statement

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5 DIVISIONS
over 80 SUBSIDIARIES
circa 4,300 EMPLOYEES

CONTENTS

The Langley racing yacht Gladiator at the 2017 TP52 SuperSeries Miami Royal Cup Regatta. In common with Langley businesses, competitive sailing represents the very best technology in its field, attracts highly talented people and is conducted with the highest standards of integrity.

Company Information

6 Months ended 30 June 2017

DIRECTORS:	A J Langley – Chairman B J Langley B A Watson
SECRETARY:	B A Watson
REGISTERED OFFICE:	Enterprise Way Retford Nottinghamshire DN22 7HH England
REGISTERED IN ENGLAND NUMBER:	1321615
AUDITOR:	Nexia Smith & Williamson Chartered Accountants Statutory Auditor Portwall Place Bristol BS1 6NA England
PRINCIPAL BANKERS:	Barclays Bank plc PO Box 3333 Snowhill Queensway Birmingham B4 6GN England Deutsche Bank AG Adolphsplatz 7 20457 Hamburg Germany Commerzbank AG Sand 5-7 21073 Hamburg Germany

Key Highlights

6 Months ended 30 June 2017

	Actual Year Ended 31 December 2016 €´000	Actual 6 months to 30 June 2017 €´000	Forecast Year Ending 31 December 2017 €´000
REVENUE	900,925	422,571	967,479
OPERATING PROFIT	121,472	45,005	114,171
PRE TAX PROFIT	122,730	45,732	115,667
NET ASSETS	587,377	606,295	654,212
CASH	296,923	297,339	334,955
ORDERS ON HAND	288,589	314,878	316,111
	No.	No.	No.
EMPLOYEES	4,320	4,353	4,367

This Statement has been prepared in accordance with International Financial Reporting Standards (IFRS).

"...both the trading for the first six months and the outlook for the full year, are very positive."

"Forecasts for the year to 31 December indicate a consolidated PBT of circa €116 million..."

Chairman's Review

6 Months ended 30 June 2017

In the six months to 30 June 2017, the group posted a profit before tax of €45.7 million on revenues of €422.6 million. This compares with €48.9 million for the same period last year. Net assets at June 2017 were €606.3 million (June 2016: €539.6 million) and cash €297.3 million (June 2016: €239.2 million). There were no shareholder dividends in the period.

The group's performance for the first six months of 2017 was in line with expectations and on the whole satisfactory. The combined forecasts for the year to 31 December are indicating a consolidated profit before tax of circa €116 million on revenues of €967 million.

The actual profit before tax recorded for 2016 was €122.7 million, the variance being mainly due to currency effects. Of the group's €606 million net assets, a little over half is represented in euros, around 20% in each pounds sterling and US dollars and the balance in a number of other currencies – similar proportions to which the group earns its profits. Any currency fluctuations relative to euros will therefore result in foreign exchange gains or losses in euro terms, the currency we report in.

On the whole our five operating divisions performed as expected:

Piller, the German power protection systems producer, continues to perform very strongly on the back of a still buoyant data centre sector. The acquisition of Texas based kinetic energy storage device specialist, Active Power, towards the end of last year has integrated smoothly into the Piller organisation over the period and is already contributing positively to the division's result.

ARO, our French automobile welding machine producer, once again significantly exceeded plan in the first half. Continuing strong demand for ARO's technically superior products from many of the world's leading motor car producers, continues unabated and the second half of the year is likely to set new records.

Manroland, our German printing press builder, was a little behind plan in the first half in revenue terms but exceeded its profit target. Order intake was also slightly behind at 30 June but is expected to catch up in this current quarter. Profits for the full year are expected to slightly exceed 2016.

Claudius Peters, the German plant machinery builder and aerospace components manufacturer, continued to be affected by a dearth of investment in the cement and steel industries and the situation is unlikely to improve in the immediate future. However, the plant machinery business remained profitable in the period on relatively low levels of activity and will continue to do so for the remainder of the year. Negotiations to renew the five year aerospace components contract, that ends in February 2018, resulted in the signing of a letter of intent during the period and the relationship with Airbus that began in 1983, is expected to continue into the next decade.

The Other Businesses division more or less performed as expected. Bradman Lake, the food packaging machinery specialist did well and a change of management at the beginning of the year in its underperforming US subsidiary already has the company back on track. Clarke Chapman also performed well and Reader Cement Products saw production at its new state-of-the-art blending and packing facility hit optimum production levels in the second quarter. Druck Chemie, acquired towards the end of 2014, continued to perform steadily and is well on the way to returning our investment in the German print consumables producer.

At the group level we continued to seek out opportunities to further develop our business and examined a number of possible acquisition opportunities during the period, both in Europe and the US. Whilst none of these resulted in a transaction in the first half, efforts continue.

During the period freehold premises were acquired for Bradman Lake's Bristol operations in the UK and Active Power's principal location in Austin, Texas, was purchased. Also on the property front, work began on redeveloping surplus land adjacent to Clarke Chapman's facility in the UK, an option to sell surplus land in Offenbach to develop data centres by a Piller client was signed and surplus office accommodation, also in Offenbach, was leased to the German government.

In conclusion, both the trading for the first six months and the outlook for the full year, are very positive. The group continues to generate cash and has a healthy surplus over working capital requirements available for further development, as and when suitable opportunities occur.

Anthony J Langley
Chairman
27th July 2017

Consolidated Income Statement

6 Months ended 30 June 2017

	Actual Year Ended 31 December 2016 €´000	Actual 6 months to 30 June 2017 €´000	Forecast Year Ending 31 December 2017 €´000
REVENUE	900,925	422,571	967,479
Cost of Sales	(587,673)	(270,809)	(641,332)
GROSS PROFIT	313,252	151,762	326,147
Net operating expenses	(191,780)	(106,757)	(211,976)
OPERATING PROFIT	121,472	45,005	114,171
Finance income	1,502	750	1,578
Finance costs	(244)	(23)	(82)
PROFIT BEFORE TAXATION	**122,730**	**45,732**	**115,667**
Income tax expense	(40,228)	(15,128)	(36,499)
PROFIT FOR THE PERIOD	**82,502**	**30,604**	**79,168**

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Consolidated Statement of Financial Position

6 Months ended 30 June 2017

	Actual Year Ended 31 December 2016 €´000	Actual 6 months to 30 June 2017 €´000	Forecast Year Ending 31 December 2017 €´000
NON-CURRENT ASSETS			
Intangible assets	3,255	2,976	2,820
Property, plant and equipment	200,894	198,436	210,856
Investments	14	14	14
Trade and other receivables	3,041	1,503	2,028
Deferred income tax assets	23,781	20,962	18,205
	230,985	**223,891**	**233,923**
CURRENT ASSETS			
Inventories	160,973	195,647	178,050
Trade and other receivables	182,120	162,479	172,333
Cash and cash equivalents	296,923	297,339	334,955
Current income tax recoverable	4,827	7,471	3,857
	644,843	**662,936**	**689,195**
CURRENT LIABILITIES			
Current portion of long term borrowings	86	50	50
Current income tax liabilities	10,375	5,432	7,708
Trade and other payables	204,721	203,797	195,204
Provisions	27,168	21,748	22,659
	242,350	**231,027**	**225,621**
NET CURRENT ASSETS	**402,493**	**431,909**	**463,574**
Total assets less current liabilities	633,478	655,800	697,497
NON-CURRENT LIABILITIES			
Provisions	2,426	2,339	2,578
Long term borrowings	91	64	39
Trade and other payables	13,214	16,609	11,322
Retirement benefit obligations	13,021	12,666	12,666
Deferred income tax liabilities	17,349	17,827	16,680
	46,101	**49,505**	**43,285**
NET ASSETS	**587,377**	**606,295**	**654,212**
EQUITY			
Share capital	71,227	71,227	71,227
Merger reserve	4,491	4,491	4,491
Revaluation reserve	3,768	3,768	3,768
Retained earnings	507,891	526,809	574,726
TOTAL EQUITY	**587,377**	**606,295**	**654,212**

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Reconciliation of Retained Earnings

6 Months ended 30 June 2017

	Actual 6 months to 30 June 2017 €´000	Forecast Year Ending 31 December 2017 €´000
At 1 January 2017	507,891	507,891
Current profit for the period	30,604	79,168
Currency exchange difference arising on retranslation	(11,686)	(12,333)
TOTAL RETAINED EARNINGS AT PERIOD END	**526,809**	**574,726**

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