

– CONSOLIDATED & AUDITED RESULTS 2017 –

PICANOL GROUP REPORTS EIGHTH CONSECUTIVE YEAR OF STRONG RESULTS - WELL-FILLED ORDER BOOK FOR H1 2018

25 MIO EUROS INVESTMENTS PLANNED AND 100 VACANCIES IN YPRES

- In line with the previously announced forecast, the Picanol Group (Euronext: PIC) realized a consolidated turnover of 688.93 million euros over the full 2017 financial year, a turnover increase of 8% compared to the 639.78 million euros recorded in 2016 (the best year in the history of the Picanol Group).

In 2017, the Weaving Machines division again experienced a record breaking year. The rising demand for quality and technology resulted in strong sales – mainly in Asia – and this led to further market share growth in many countries and weaving market segments. This resulted in Picanol putting a record number of weaving machines on the market in 2017. The sales of spare parts and accessories followed the positive trend of the weaving machines.

The Industries division (Proferro, PsiControl and Melotte) also showed strong sales growth in various market segments while making an increasing contribution to the group's turnover. On the other hand, rising material prices and a higher share of subcontracting versus own production had an adverse effect on the result. Within Industries, Proferro continues to modernize its machine park in order to increase profitability and production capacity.

The activities of the Picanol Group resulted in 2017 in a net profit of 91.64 million euros compared to 88.38 million euros in 2016. In addition, Tessengerlo Group nv made a positive contribution to the net profit of 10.07 million euros in 2017 (compared to 31.34 million euros in 2016). The group closed 2017 with a net profit of 101.71 million euros, compared to 119.72 million euros in 2016.

- The Board of Directors will propose the payment of a gross dividend of 0.2 euros at the annual general meeting on April 18, 2018, for a total amount of 3.54 million euros.
- For the first six months of 2018, the order book is well-filled. For the first half of 2018 the Picanol Group expects to realize a turnover in line with that of the first half of 2017, but is taking into account a further negative impact of rising commodity prices.

- **The Picanol Group currently has some 100 vacancies that are aimed at further strengthening its technological leadership position. The vacancies include roles for CNC operators, field technicians and quality engineers. In addition, the group also has several vacancies for R&D engineers and various positions in IT and Sales & Services. All of the vacancies are published on the website www.picanolgroup.com.**

NOTES TO THE PROFIT AND LOSS ACCOUNT

In 2017, the Picanol Group realized a consolidated turnover of 688.93 million euros over the full financial year, which represented an increase in turnover of 8% compared to the 639.78 million euros in 2016. The turnover of Picanol nv increased in 2017 by 3% compared to 2016, from 510.1 million euros to 526.9 million euros. The gross profit of the Picanol Group for the 2017 financial year amounted to 159.39 million euros, compared to 158.4 million euros in 2016. The gross profit percentage decreased slightly from 25% to 23%. The operating result is stable at 120.77 million euros in 2017 compared to 120.98 million euros in 2016.

The Picanol Group closed 2017 with a net profit of 101.71 million euros, compared to a net profit of 119.72 million euros in 2016. The share of the results of Tessenderlo Group nv for the full financial year 2017 was 10.07 million euros (compared to 31.34 million euros in 2016).

Dividend

The Board of Directors will propose the payment of a gross dividend of 0.2 euros at the annual general meeting on April 18, 2018, for a total amount of 3.54 million euros.

Outlook

For the first six months of 2018, the order book is well-filled. For the first half of 2018 the Picanol Group expects to realize a turnover in line with that of the first half of 2017, but is taking into account a further negative impact of rising commodity prices.

The Picanol Group remains cautious, as it is active as an export-oriented company in a volatile world economy. Due to the cyclical nature of the textile market, strict cost-control remains of the essence.

Beyond Industry 4.0: Let's Make it Together

Currently, the Picanol Group operates in a constantly changing world of ever-increasing complexity and this creates many challenges. In addition to automation, product development, innovation and quality - of both products and services - agility, teamwork and, above all, smart responses to new technological challenges will be the keys to becoming and remaining successful in the future. The Picanol Group firmly believes in the further growth of its manufacturing industry in Belgium. And the company is also committed to the future and to sustainable growth, with its employees as the driving force.

In this context, the Picanol Group has launched Let's Make it Together in the course of 2017 to focus in the coming years on three priorities that should help it on its way to becoming the (manufacturing) company of and for the future:

1. WORLD CLASS MANUFACTURING TECHNOLOGIES

The Picanol Group will continue to invest in future-oriented equipment and efficient logistics processes. At the same time the company wants to create an appealing working environment.

2. DIGITAL COMPANY

The group is committed to the digitization of production and processes by capturing, making available and using data efficiently. The use of good hardware and software platforms to support the business processes is of central importance in this context.

3. HUMAN-CENTERED COMPANY

The Picanol Group strives for an organization in which engaged employees have room for creativity and initiative. Its employees are actively supported in this regard, receiving ongoing training in order to further develop their talents and provide added value.

ANNUAL RESULTS 2017 (Consolidated & audited)

Picanol Group (in '000 of euros)	2017	2016
Sales	688,928	639,778
Cost of sales	-529,532	-481,378
GROSS PROFIT	159,396	158,400
<i>Gross profit as % on sales</i>	23%	25%
General and administrative costs	-20,449	-18,502
Sales and marketing costs	-18,305	-18,798
Other operating income	138	381
Other operating expenses	-10	-500
OPERATING RESULT	120,771	120,981
Total interest income	4,677	2,785
Total interest expenses	-2,122	-1,734
Other financial income	1,206	446
Other financial expenses	-1,152	-714
PROFIT BEFORE TAXES	123,380	121,765
Taxes	-31,741	-33,381
PROFIT AFTER TAXES	91,640	88,383
Share in the results of associated companies	10,074	31,342
PROFIT	101,714	119,725
SHARE OF THE GROUP IN PROFIT	101,714	119,725
Total comprehensive income for the period	-1,074	-5,860
SHAREHOLDER'S EQUITY	630,214	531,344
TOTAL BALANCE SHEET	777,690	678,504

Condensed cash flow statement

(in '000 of euros)	2017	2016
Net operating cash flow	77,944	81,723
Acquisitions of tangible and intangible fixed assets	-12,319	-7,456
Investments in associated companies	-7,883	-62,513
Cash flow from finance operations	-3,576	-6,727
Adjustments to cash and cash equivalents	52,065	3,934

Key figures per share

(in '000 of euros)	2017	2016
Gross profit	9.01	8.95
Operating result	6.82	6.83
Profit before taxes	6.97	6.88
Basic earnings per share	5.75	6.76
Earnings per share after dilution	5.75	6.76
Number of shares	17,700,000	17,700,000

REPORT BY THE AUDITOR

The auditor, DELOITTE Bedrijfsrevisoren BV ovve. CVBA, represented by Mr. Kurt Dehoorne, confirms that the audit is substantially completed, and did not reveal any significant adjustments to the financial information included in the press release.

FINANCIAL CALENDAR

The annual report for the 2017 financial year is available with effect from March 14, 2018, on the corporate website www.picanolgroup.com.

This year, the Picanol Group has launched a sustainability report for the first time, which marks a new step towards making its sustainability efforts more visible to all stakeholders. The sustainability report of the Picanol Group will be available in a digital version with effect from March 14, 2018 on www.picanolgroup.com.

Annual general meeting	April 18, 2018
Publication of half-year results H1 2018	August 22, 2018

About the Picanol Group

The Picanol Group is an international, customer-oriented group specialized in the development, production and sale of weaving machines (division Weaving Machines), engineered casting solutions and custom-made controllers (division Industries). In 2017, the Picanol Group realized a consolidated turnover of 688.93 million euros. The Picanol Group employs almost 2,300 employees worldwide and is listed on Euronext Brussels (PIC). Since 2013, the Picanol Group has also had a reference interest in the Tessenderlo Group (Euronext: TESB).

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This press release is also available on the Picanol Group's corporate website: www.picanolgroup.com.