HALF-YEARLY RESULTS

June 30th,2021

LISI Group results in H1 2021: annual objectives confirmed

- Continuation of the global plan to adapt to market conditions caused by the global health crisis
- Increase of + 33.5 % in EBIT and 1.6 percentage point in comparable current operating margin[1] despite the unfavorable impact of the industrialization costs of new products
- Main financial indicators improved compared to H2 2020
- Refocus on high added value activities continued with the sales of Jeropa (LISI MEDICAL, United States) on January 11, 2021 and LACE (LISI AEROSPACE, France) on March 4, 2021

Paris, July 22, 2021 - LISI announces today its results for the first half of the year ended June 30, 2021. These accounts were subject to a limited review by the Statutory Auditors and were presented to the Board of Directors which met on July 22, 2021.

Six months ended June 30,		**H1 2021**	**H1 2020**	**Change**
Key components of the income statement				
Sales	€M	593.6	636.7	- 6.8 %
EBITDA	€M	84.0	84.8	- 1.0 %
Published EBIT [2] after IAS 8	*€M*	*40.7*	*22.5*	N.C
Published current operating margin [2] After IAS 8	*%*	*6.9 %*	*3.5 %*	N.C
Published result for the period[2] attributable to equity holders after IAS 8	€M	29.7	4.7	N.C
Diluted earnings per share	€	0.55	0.09	
Key components of the cash flow statement				
Operating cash flow	€M	69.1	70.4	- € 1.3 M
Net industrial CAPEX	€M	25.4	36.3	- € 10.9 M
Free Cash Flow[3]	€M	55.2	900.0	- € 34.8 M
Key components of the financial situation				
		H1 2021	12/31/2020	
Net debt	€M	173.3	220.8	- 47.5 M
Ratio of net debt to equity	*%*	*16.9 %*	*22.3 %*	- 5.4 pts

Six months ended June 30,		**H1 2021**	**H1 2020**	**Change**
Comparable data				
Comparable EBIT	€M	30.0	22.5	+ 33.5 %
Comparable current operating margin	*%*	*5.1 %*	*3.5 %*	+ 1.6 pt
Income for the period attributable to equity holders	*€M*	*21.7*	*4.7*	+ 17.0 M

[1] "**comparable**" refers throughout this press release to data **before** the extension of depreciation periods (See explanation on page 2)
[2] "**published**" refers throughout this press release to data **after** the extension of depreciation periods
[3] **Free Cash Flow**: net operating cash flow minus net CAPEX and changes in working capital requirements

Change in estimate of depreciation periods (IAS 8 standard)

The analysis of recent experience and the technological evolution of production processes have highlighted the need for the LISI Group to extend the depreciation periods for certain pieces of equipment, in particular heavy equipment acquired in recent years, in order to align them with their actual lifespan.

The implementation of more ambitious maintenance plans also extends the useful life of the equipment. These changes were also made necessary by comparison with the accounting principles adopted by certain competitors of LISI.

This analysis made it possible to obtain reliable information meeting the criteria of IAS 8 on changes in accounting estimates. These were accounted for prospectively as of January 1, 2021. The changes made to the depreciation periods mainly relate to the "Equipment and Tools" categories which are now depreciated over 15 to 20 years (compared to 10 years previously) and to a lesser extent to "IT equipments" which are depreciated over 5 years (and no longer over 3 years).

	Difference in depreciation at 30/06/2021 compared to previous estimates			
in €M	LISI AEROSPACE	LISI AUTOMOTIVE	LISI MEDICAL	TOTAL
Technical installations	0,0	0,2	0,0	**0,3**
Industrial equipment	5,5	3,8	0,2	**9,5**
Industrial tools	0,0	0,1	0,0	**0,1**
IT equipment	0,0	0,3	0,0	**0,3**
Other	0,1	0,3	0,2	**0,6**
TOTAL	5,7	4,7	0,4	**10,7**
Breakdown of impacts	***53%***	***44%***	***3%***	***100%***
Gross value of assets concerned	253,8	174,3	28,8	**456,9**
% difference in depreciation compared to gross value	*2,2%*	*2,7%*	*1,2%*	*2,3%*

Summary of the impacts on the Group's key financial aggregates as at June 30, 2021:

in €M	**30/06/2021 comparable**	**Impact of change in estimate**	**30/06/2021 published**
Impacts on result			
Depreciation	-57,5	10,7	-46,8
Current operating profit (EBIT)	30,0	10,7	40,7
Current operating margin	5,1%	1,8 point	6,9%
Result for the period	21,8	7,9	29,7
Result for the period attributable as company shareholders' equity	21,7	7,9	29,7
Balance sheet impacts			
Net tangible assets	662,6	10,7	673,3
Ratios			
ROCE	5,4%	1,8 point	7,1%
ROE	4,2%	1,5 point	5,8%

Business review and results for the half year

Sales in €M	**2021**	**2020**	**2021 / 2020**	**On a like-for-like and constant exchange rate basis**
Q1	309.4	397.9	- 22.2 %	- 18.8 %
Q2	284.3	238.8	+ 19.0 %	+ 25.9 %
Six months ended June 30,	**593.6**	**636.7**	**- 6.8 %**	**- 2.0 %**

Consolidated sales for H1 2021 amounted to € 593.6 million, down 6.8 % compared to last year and taking into account the following elements:

- an unfavorable currency effect of - € 19.6 million (i.e. - 3.3 % of sales), mainly tied to the weakening of the US dollar against the euro,

- a scope effect of - € 10.8 million (i.e. - 1.8 % of sales) reflecting the deconsolidation of LISI AUTOMOTIVE Mohr+Friedrich GmbH on June 26, 2020, LISI MEDICAL Jeropa in the United States on January 11, 2021, and LACE (LISI AEROSPACE) on March 4, 2021,

- an unfavorable basis of comparison compared to Q1 2020, which had benefited from a sustained level of activity in the aeronautical "Fasteners" sector.

On a like-for-like and constant exchange rate basis, sales are down - 2 % compared to H1 2020.

The margin on EBITDA reached 14.1 %, up 0.8 percentage point compared to H1 2020. It benefits from the cost optimization and adaptation efforts launched across all divisions at the start of the COVID-19 crisis as part of the NEW DEAL plan.

Depreciation is down 1.4 percentage points compared to H1 2020 due in particular to the above-mentioned change in estimated depreciation periods and the decline in the level of investments. The effect of depreciation and amortization provisions (mainly on inventories) is favorable compared to H1 2020 at € 3.5 million, but does not improve the earnings. In fact, these provision reversals were mainly applied to operating expenses.

EBIT before change in depreciation periods picked up and reached € 30.0 million. At 5.1 %, the comparable operating margin gained 1.6 percentage points on the same period the previous year. EBIT after change in depreciation periods (€ 10.7 million) reached € 40.7 million. At 6.9 %, the published operating margin gained 3.3 percentage points on the same period the previous year.

Non-current operating income and expenses amounted to - € 1.3 million, a very marked decrease compared to H1 2020 (- € 20.1 million) which reflected the costs of the disposal of Mohr & Friedrich GmbH (LISI AUTOMOTIVE), industrial reorganization costs as well as costs related to the adjustments generated by the reduction in activity over the half-year (COVID-19 crisis).

Financial income amounted to + €1.4 million, (+ € 4.7 million in H1 2020), due to the following main factors:

- currency effects related to the revaluation of debts and receivables and the change in the fair value of hedging instruments (+ € 4.5 million vs. + € 7.4 million in H1 2020),

- the financial expenses, which represent the cost of the long-term net debt, amounted to - € 3.3 million (- € 3.4 million in H1 2020), i.e. an average fixed interest rate of 1.5 % (1.4 % in H1 2020). Gains on current cash investments amounted to + € 0.2 million versus + € 0.7 million in H1 2020. Net financial expenses to net debt therefore amount to less than 1.4 %.

The tax expense, calculated on the basis of the corporation tax as a percentage of the net income before taxes, reflects an effective average tax rate of 27.3 %. It compares to a rate of 37.5 % in H1 2020 which would have been 24.1 % after restating the depreciation of a non-current asset in the previous year.

Comparable net income is up to € 21.7 million (or 3.7 % of sales), compared to € 4.7 million (0.7 % of sales) in H1 2020. Net income after the impact of the change in depreciation periods (€ 7.9 million) reached € 29.7 million (or 5.0 % of sales).

At € 69.1 million, cash flow remains at a satisfactory level and represents 11.6 % of sales. It makes it possible to fund the investment program of € 25.4 million (4.3 % of sales) mainly focused on the pursuit of initiatives leading to future growth such as the development of new products, innovation and multi-year industrial programs (Forge 2022, ERP, digitization, robotization, etc.).

The increase in working capital requirements (80 days of sales, compared to 72 days in the same period the previous fiscal year), is explained by the preparation of the expected resumption of business in the coming months.

The Group generated Free Cash Flow of € 55.2 million in the first half of the year, which is excellent performance given the record amount of € 90.0 million recorded in the same period of the previous fiscal year.

Net financial debt fell to € 173.3 million (i.e. 16.9 % of shareholders' equity) compared to € 220.8 million as at December 31, 2020 (i.e. 22.3 % of shareholders' equity). It represents 1.0 x EBITDA lower than that of December 31, 2020 (1.3 x).

LISI AEROSPACE (46 % of total consolidated sales)

- Business level at a low ebb in a context of gradual recovery in global air traffic
- Unfavorable basis of comparison given the strength of the "Fasteners" sector in Q1 2020
- Main management indicators improved compared to H2 2020 despite the numerous new product launches that weigh on the margin

Analysis of sales developments

Sales in €M	**2021**	**2020**	**2021 / 2020**	**On a like-for-like and constant exchange rate basis**
Q1	139.4	226.7	- 38.5 %	- 35.8 %
Q2	134.7	154.3	- 12.7 %	- 7.0 %
Six months ended June 30,	**274.1**	**381.0**	**- 28.0 %**	**- 24.1 %**

Aircraft market

The global aviation market is showing signs of gradual improvement: at the end of June, it represented 70 % of the 2019 level (40 % at the end of December 2020). Driven by the success of vaccination campaigns, it remains fragile, and dependent on health restrictions imposed by the various countries.

As for major contractors, Boeing has posted a return to a net total of 243 orders since the start of the year, higher than deliveries which stood at 156 over the same period. Airbus has recorded 38 net orders since January 2021, made 297 deliveries over the same period, i.e. 101 more aircraft than in 2020; this still remains well below 2019.

Business review and results for the half year

At € 274.1 million, the division's sales were down - 28.0 % compared to the same period of 2020. The strengthening of demand is confirmed for the "Structural Components" segment (- 0.2 % compared to - 47.5 % in H1 2020). These are the primary parts intended for the engines which show a strong progression of order books. The "Fasteners" segment reached a low point in H1 (- 39.6 % compared to the same period of 2020) amplified by an unfavorable basis of comparison. However, the division has strengthened its relations with major contractors with the start of deliveries of Eddy Bolt™ fasteners for the Lockheed Martin F35, as well as the extension in approvals and the number of references in the OPTIBLIND™ range with a major customer.

Sales were also adversely affected by the weakening of currencies (mainly the dollar) against the euro, which weighs for € 12.8 million (4.7 % of sales).

On a like-for-like and constant exchange rate basis, business is down - 24.1 % over the six-month period.

Results

EBITDA stood at € 42.7 million (15.6 % of sales), up 3.5 percentage points compared to H2 2020 (EBITDA margin at 12.1 %).

The favorable impact of 2.1 percentage points linked to the change in estimate of depreciation periods for fixed assets mentioned above is concealed by the sharp drop in sales. Depreciation is thus up by 1.1 percentage points.

Comparable EBIT reached € 13.7 million (5.0 % of sales). It marks a clear recovery compared to H2 2020, which was negative (- € 1.0 million). The division benefits fully from the cost adjustment measures initiated at the start of the health crisis. In fact, despite sales being down by € 8.3 million compared to H2 2020, the division generated € 14.7 million of additional comparable EBIT. EBIT after change in depreciation periods (€ 5.7 million) reached € 19.4 million. At 7.1 %, the published operating margin is down 3.1 percentage points compared to the same period the previous fiscal year, but has gained more than 7 percentage points compared to H2 2020.

The division maintains a definitely positive Free Cash Flow at € 38.3 million (14.0 % of sales). The working capital requirement in anticipation of future rate increases remains under pressure.

LISI AUTOMOTIVE (44 % of total consolidated sales)

- Significant rebound in global sales of passenger vehicles which benefited from a very favorable base effect after the closure of car dealerships in Q1 2020 in China and in Q2 2020 in Europe and the United States
- Positive sales momentum disrupted in Q2 2021 by the impact of the global shortage of electronic components affecting all car makers
- Global tensions particularly marked in Europe and North America on the prices and supply of steel and plastics

- Sustained level of business in the development and industrialization of new products intended for new electric vehicle platforms, which weighs on the margin
- Good level of operating margin and definitely positive Free Cash Flow

Analysis of sales developments

Sales in €M	**2021**	**2020**	**2021 / 2020**	**On a like-for-like and constant exchange rate basis**
Q1	140.3	136.3	+ 2.9 %	+ 6.9 %
Q2	119.7	60.4	+ 98.2 %	+ 106.1 %
Six months ended June 30,	**260.0**	**196.7**	**+ 32.2 %**	**+ 37.2 %**

Automotive market

Global registrations increased by + 27.9 % compared to the same period the previous fiscal year which marked the peak of the health crisis. The positive momentum initiated in H2 2020 was disrupted in spring 2021 by the consequences of the global shortage of electronic components.

All the major world markets recorded in H1 2021 increases of more than 20 % compared to H1 2020 (Europe + 27.1 %; NAFTA-Canada-United States-Mexico + 29.4 % and China + 24.4 %). However, only China displayed higher registration levels than in H1 2019 (+0.8 %); the NAFTA zone is approaching it (- 3.5 %) while Europe is still very far from it (- 33.1 %).

Business review and results for the half year

At € 260.0 million, the division's sales were 32.2 % higher than those of the same period of 2020, marked by the peak of the health crisis in Q2 2020 (- 60.1 % compared to the previous year). It suffered a marked deceleration in Q2 2021 due to numerous assembly line shutdowns caused by the global shortage of electronic components.

On a like-for-like and constant exchange rate basis, sales for the first half were up 37.2 %. They are growing faster than the worldwide production of its customers, which is increasing by 27.5 %, thus reflecting, once again, market share gains.

The division is maintaining very positive momentum in order intake for new products at 13.7 % of annual sales (10.9 % in H1 2020), or around € 35 million over the first half (€ 21 million in H1 2020). These order intakes are particularly well oriented in "Screwed Fasteners" which are gradually evolving from chassis / combustion engine applications to assembly wrapping / optimization applications intended mainly for the electrified vehicle markets.

Results

EBITDA amounted to € 33.7 million (13.0 % of sales). It is significantly higher than that of the same period the previous fiscal year (€ 2.7 million and 1.4 % of sales). The cost adjustment measures initiated at the start of the COVID-19 crisis have made it possible to limit the unfavorable effects of the sharp fluctuations in demand from the division's main customers (consequence of shortages of electronic components) and partially those linked to the increase in the cost of raw materials (steels and plastics).

Depreciation is down 4.5 percentage points compared to H1 2020 due in particular to the change in estimated durations mentioned above and the decline in the level of investments.

Comparable EBIT remained definitely positive and reached € 14.0 million. At 5.4 %, the comparable current operating margin marks a significant recovery compared to that of the same period the previous year (- 9.0 %). EBIT after change in depreciation periods (€ 4.7 million) reached € 18.7 million (ie 7.2 % of sales).

The division posted a good level of Free Cash Flow at € 13.1 million (5.0 % of sales), higher than that of the same period the previous year, which stood at € 8.4 million (4.3 % of sales).

LISI MEDICAL (10 % of total consolidated sales)

- Good visibility due to the resumption of surgical activities (minimally invasive and orthopedic)
- Ramp-up of new products in the minimally invasive surgery sector
- Improved operating margin for the third consecutive six-month period
- Continued refocus on high value-added activities with the sale of Jeropa in the United States on January 11, 2021 (€ 8.4 million sales in 2020).

Analysis of sales developments

Sales in €M	**2021**	**2020**	**2021 / 2020**	**On a like-for-like and constant exchange rate basis**
Q1	29.8	35.1	- 15.1 %	- 6.0 %
Q2	29.9	24.4	+ 22.6 %	+ 38.0 %
Six months ended June 30,	**59.7**	**59.5**	**+0.4 %**	**+ 11.9 %**

Medical market

The global market benefits from good visibility due to the resumption of surgical procedures, particularly in the United States with the progress of vaccination campaigns, which allows a gradual return to normalized activity in hospitals. Procedures considered less urgent, which had been postponed to give precedence to the large number of people infected with the coronavirus, are again scheduled and carried out.

Business review and results for the half year

At € 59.7 million, the division's sales were up 0.4 % compared to the same period of 2020. As expected, the division benefited from the ramp-up of new products in the minimally invasive surgery sector and increased volumes on implant programs to fulfill orders from major orthopedic surgery contractors.

On a like-for-like and constant exchange rate basis, sales growth was + 11.9 %.

Results

EBITDA reached € 7.8 million at 13.0 % of sales and reflects the effects of the implementation of cost adjustment plans initiated at the start of the health crisis.

Depreciation is down 1.1 percentage points compared to H1 2020 due in particular to the change in estimated durations mentioned above.

Comparable EBIT reached € 3.0 million. At 4.9 %, the comparable operating margin marks a clear recovery compared to that of the same period the previous year, which was negative (- 1.2 %). EBIT after change in depreciation periods (€ 0.4 million) reached € 3.3 million. At 5.6 %, the published operating margin increased by 6.8 percentage points on H1 2020.

The division posted a good level of Free Cash Flow at € 5.1 million (8.5% of sales).

LISI GROUP OUTLOOK & TARGETS FOR 2021

LISI AEROSPACE

The first perceptible signs of recovery in the global aeronautics market should be gradually confirmed during the second half of the year and more likely in 2022. The harbingers of this recovery are reflected for the division in the strengthening of orders for long-cycle equipment (engines and structural parts). As far as fasteners are concerned, despite a certain lag, customers seem to be taking precautionary measures to anticipate their ramp-up.

In this context, the division will benefit from the launch of new products resulting from the agreements entered into recently with MTU for the supply of high pressure compressor blades for the GTF engine and with Lockheed Martin for the supply of fasteners for the F35 program.

From an operational standpoint, the division has organized itself to prepare for the rebound in activity by maintaining its vital forces and its production capacities intact while optimizing its cost base. As an indication, the division retained 138 people (full-time equivalents) in long-term partial employment in France over H1 2021.

LISI AUTOMOTIVE

The LISI AUTOMOTIVE division will be faced with a double imperative in the second half of the year:

- continue to adapt its production capacities to fluctuations in demand from its major contractors faced with the global shortage of electronic components which should last for most of the second half of the year,
- neutralize as much as possible the effects of rising raw material prices (steel and plastics).

Concurrently, the division will continue to focus its efforts on the development and industrialization of new products with high added value. These are the result of commercial successes linked to the rise of electric and hybrid vehicles.

LISI MEDICAL

The markets for minimally invasive surgery, like that of orthopedic reconstruction, are doing well and benefiting from the resumption of more standardized activity in hospitals. The division's priority will be given to continued development and compliance with ramp-up programs for new products.

LISI Consolidated

Signs of recovery are perceptible in the markets in which the LISI Group's three divisions operate. The perspective of the end of the crisis is however made uncertain by the emergence of variants of the COVID-19 virus.

The robust performance of the Group should be confirmed in the second half of the year. As soon as business volumes pick up, it will be able to benefit from a significant operational leverage effect.

As previously announced, and barring a relapse in the global economic context, the LISI Group confirms that it has set itself the objective of achieving EBIT in 2021 at least equal to that of 2020, positive net income and a good level of Free Cash Flow.

Consolidated income statement 06/30/2021

(in €'000)	06/30/2021	06/30/2020	12/31/2020
PRE-TAX SALES	**593,628**	**636,684**	1,229,958
Changes in stock, finished products and production in progress	14,116	(3,844)	(22,442)
Total production	**607,743**	**632,840**	1,207,515
Other revenues	19,078	23,169	39,507
TOTAL OPERATING REVENUES	**626,822**	**656,009**	1,247,022
Consumed goods	(165,962)	(167,012)	(321,007)
Other purchases and external expenses	(130,550)	(138,528)	(265,251)
Taxes and duties	(7,631)	(9,100)	(12,317)
Personnel expenses (including temporary employees)	(238,701)	(256,523)	(481,762)
EBITDA	**83,978**	**84,846**	166,685
Depreciation	(46,773)	(58,798)	(117,095)
Net provisions	3,506	(3,578)	(8,082)
EBIT	**40,711**	**22,470**	41,509
Non-recurring operating expenses and income	(1,314)	(45,930)	(69,618)
OPERATING PROFIT (LOSS)	**39,397**	**2,400**	**(28,109)**
Financing expenses and revenue on cash	**(2,742)**	**(2,609)**	**(5,164)**
Revenue from cash	577	933	1,231
Financing expenses	(3,319)	(3,542)	(6,396)
Other interest revenue and expenses	**4,176**	**7,279**	**(11,595)**
Other financial items	16,441	17,223	31,866
Other interest expenses	(12,265)	(9,945)	(43,461)
Taxes (of which CVAE (Tax on Companies' Added Value)	(11,101)	(2,647)	7,323
PROFIT (LOSS) FOR THE PERIOD	**29,731**	**4,425**	**(37,544)**
Attributable to equity holders	29,680	4,719	(37,321)
Interest not granting control over the company	51	-294	-223
EARNINGS PER SHARE (IN €):	0,56	0,09	-0,71
DILUTED EARNINGS PER SHARE (IN €):	0,55	0,09	-0,7

Consolidated balance sheet 06/30/2021

ASSETS (in €'000)	06/30/2021	12/31/2020	06/30/2020
LONG-TERM ASSETS			
Goodwill	336,192	332,093	354,946
Other intangible assets	27,834	30,150	31,438
Tangible assets	673,313	680,580	700,612
Long-term financial assets	8,096	6,853	10,897
Deferred tax assets	48,979	48,626	25,797
Other long-term assets	122	143	105
TOTAL LONG-TERM ASSETS	**1,094,537**	**1,098,448**	**1,123,795**
SHORT-TERM ASSETS			
Inventories	318,970	300,389	323,287
Taxes – Claim on the state	12,956	12,977	23,296
Trade and other receivables	203,135	205,367	198,123
Cash and cash equivalents	276,802	242,144	253,276
TOTAL SHORT-TERM ASSETS	**811,864**	**760,877**	**797,981**
TOTAL ASSETS	**1,906,401**	**1,859,324**	**1,921,776**

LIABILITIES (in €'000)	06/30/2021	12/31/2020	06/30/2020
SHAREHOLDERS' EQUITY			
Share capital	21,646	21,646	21,646
Additional paid-in capital	75,329	75,329	75,329
Treasury shares	(19,518)	(19,788)	(19,845)
Consolidated reserves	905,735	950,203	934,391
Conversion reserves	10,600	(4,757)	16,383
Other income and expenses recorded directly as shareholders' equity	(2,350)	2,664	(9,553)
Profit (loss) for the period	29,680	(37,321)	4,719
TOTAL SHAREHOLDERS' EQUITY - GROUP'S SHARE	**1,021,123**	**987,978**	**1,023,073**
Minority interests	2,734	2,439	2,505
TOTAL SHAREHOLDERS' EQUITY	**1,023,857**	**990,417**	**1,025,578**
LONG-TERM LIABILITIES			
Long-term provisions	66,782	70,698	65,905
Non-current financial debts	328,679	316,719	356,338
Other long-term liabilities	7,508	8,140	7,858
Deferred tax liabilities	37,769	34,697	41,005
TOTAL LONG-TERM LIABILITIES	**440,738**	**430,254**	**471,106**
SHORT-TERM LIABILITIES			
Short-term provisions	27,866	38,606	27,614
Short-term borrowings*	121,403	146,205	134,616
Trade and other accounts payable	290,847	253,842	258,226
Taxes due	1,689	0	4,637
TOTAL SHORT-TERM LIABILITIES	**441,805**	**438,653**	**425,093**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,906,401**	**1,859,324**	**1,921,776**
* Of which banking facilities	2,423	5,981	4,682

Consolidated cash flow statement 06/30/2021

(in €'000)	06/30/2021	06/30/2020	12/31/2020
OPERATING ACTIVITIES			
NET PROFIT (LOSS)	**29,731**	**4,425**	**(37,544)**
Elimination of net expenses not affecting cash flows:			
- Depreciation and non-recurrent financial provisions	47,163	58,636	116,917
- Changes in deferred taxes	2,859	(6,818)	(21,249)
- Income on disposals, provisions for liabilities and others	(9,488)	13,170	49,609
GROSS CASH FLOW MARGIN	**70,265**	**69,413**	**107,732**
Net changes in provisions provided by or used for current operations	(1,149)	990	4,036
CASH FLOW	**69,116**	**70,403**	**111,768**
Income tax expense (revenue)	8,241	9,464	13,927
Elimination of net borrowing costs	2,588	2,783	4,734
Effect of changes in inventory on cash	(25,895)	(5,928)	9,504
Effect of changes in accounts receivable and accounts payable	34,894	65,156	59,364
NET CASH PROVIDED BY OR USED FOR OPERATIONS BEFORE TAX	**88,943**	**141,877**	**199,297**
Taxes paid	(5,736)	(12,866)	(12,580)
CASH PROVIDED BY OR USED FOR OPERATIONS (A)	**83,207**	**129,011**	**186,718**
INVESTMENT ACTIVITIES			
Acquisition of consolidated companies			
Acquisition of tangible and intangible fixed assets	(25,880)	(36,429)	(73,427)
Change in granted loans and advances	-674	2,249	2,394
Dividends received			
TOTAL CASH USED FOR INVESTMENT ACTIVITIES	**(26,554)**	**(34,180)**	**(71,033)**
Divested cash	-1	(2,914)	(2,913)
Disposal of consolidated companies	5,800		3,705
Disposal of tangible and intangible fixed assets	479	171	802
Disposal of financial assets			5
TOTAL CASH FROM DISPOSALS	**6,278**	**(2,743)**	**1,599**
CASH PROVIDED BY OR USED FOR INVESTMENT ACTIVITIES (B)	**(20,276)**	**(36,923)**	**(69,434)**
FINANCING ACTIVITIES			
Capital increase			
Dividends paid to shareholders of the Group	(7,437)		
Dividends paid to minority interests of consolidated companies		-452	-452
TOTAL CASH FROM EQUITY OPERATIONS	**(7,437)**	**-452**	**-452**
Issue of long-term loans	53,620	10,064	11,508
Issue of short-term loans	49,292	1,140	66,856
Repayment of long-term loans	(1,433)	(1,030)	(29,420)
Repayment of short-term loans	(120,894)	(68,492)	(144,105)
Net interest expense paid	(2,587)	(2,782)	(4,734)
TOTAL CASH FROM OPERATIONS ON LOANS AND OTHER FINANCIAL LIABILITIES	**(22,002)**	**(61,101)**	**(99,895)**
CASH PROVIDED BY OR USED FOR FINANCING ACTIVITIES (C)	**(29,439)**	**(61,553)**	**(100,347)**
Effect of change in foreign exchange rates (D)	4,445	(5,089)	(3,955)
Effect of adjustments in treasury shares (D) *	279	(5,388)	(5,352)
CHANGES IN NET CASH (A+B+C+D)	**38,216**	**20,058**	**7,629**
Cash at January 1st (E)	236,163	228,533	228,533
Cash at year end (A+B+C+D+E)	274,379	248,594	236,163
Cash and cash equivalents	276,802	253,276	242,144
Short-term banking facilities	(2,423)	(4,682)	(5,981)
CLOSING CASH POSITION	**274,379**	**248,594**	**236,163**

Change in consolidated shareholders' equity 06/30/2021

(in €'000)	Share capital	Capital-linked premiums	Treasury shares	Consolidated reserves	Conversion reserves	Other income and expenses recorded directly as shareholders' equity	Profit for the period, group share	Group's share of shareholders' equity	Minority interests	Total shareholders' equity
SHAREHOLDERS' EQUITY AS AT JANUARY 1, 2020	**21,646**	**75,329**	**(14,435)**	**844,386**	**21,819**	**(6,877)**	**69,773**	**1,011,642**	**9,740**	**1,021,382**
Profit (loss) for the period N (a)							(37,321)	(37,321)	-223	(37,544)
Translation differential (b)					(26,576)			(26,576)	(3,540)	(30,116)
Payments in shares (c)				(1,027)				(1,027)		(1,027)
Capital increase		0						0	0	0
Restatements of treasury shares (d)			(5,353)	-169		0		(5,522)		(5,522)
Actuarial gains and losses on employee benefits (g)						4,817		4,817		4,817
Appropriation of N-1 earnings				69,773			(69,773)	0		0
Change in scope				37,460				37,460	(3,066)	34,394
Dividends distributed				0				0	-452	-452
Restatements of financial instruments (f)						4,724		4,724	-20	4,704
Various (e)				-219				-219		-219
SHAREHOLDERS' EQUITY AS AT DECEMBER 31, 2020	**21,646**	**75,329**	**(19,788)**	**950,203**	**(4,757)**	**2,664**	**(37,321)**	**987,977**	**2,439**	**990,416**
including total revenues and expenses posted for the period (a) + (b) + (c) + (d) + (e) + (f)					(26,576)	9,541	(37,321)	(54,356)	(3,783)	(58,139)
SHAREHOLDERS' EQUITY AS AT JANUARY 1, 2021	**21,646**	**75,329**	**(19,788)**	**950,203**	**(4,757)**	**2,664**	**(37,321)**	**987,977**	**2,439**	**990,416**
Profit (loss) for the period N (a)							29,680	29,680	51	29,731
Translation differential (b)					15,357			15,357	36	15,393
Payments in shares (c)				395				395		395
Capital increase										
Restatements of treasury shares (d)			270	104				374		374
Actuarial gains and losses on employee benefits (g)						-43		-43		-43
Appropriation of N-1 earnings				(37,321)			37,321			
Change in scope				-209				-209	207	2
Dividends distributed				(7,437)				(7,437)		(7,437)
Restatements of financial instruments (f)						(4,971)		(4,971)	2	(4,969)
Various (e)										
SHAREHOLDERS' EQUITY AS AT JUNE 30, 2021	**21,646**	**75,329**	**(19,518)**	**905,735**	**10,600**	**(2,350)**	**29,680**	**1,021,123**	**2,734**	**1,023,857**
including total revenues and expenses posted for the period (a) + (b) + (c) + (d) + (e) + (f) + (g)					15,357	(5,014)	29,680	40,023	88	40,112