

MIRA INFORM REPORT

Report No. :	545537
Report Date :	15.12.2018

IDENTIFICATION DETAILS

Name :	PICANOL NV
Registered Office :	Steverlyncklaan 15, 8900 Ieper
Country :	Belgium
Financials (as on) :	31.12.2017
Date of Incorporation :	22.11.1928
Com. Reg. No.:	405502362
Legal Form :	Public Limited Company
Line of Business :	Manufacture of Machinery for Textile, Apparel and Leather Production.
No. of Employees :	697 (2017)

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES:

Any query related to this report can be made on e-mail: while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Belgium	A2	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

BELGIUM - ECONOMIC OVERVIEW

Belgium's central geographic location and highly developed transport network have helped develop a well-diversified economy, with a broad mix of transport, services, manufacturing, and high tech. Service and high-tech industries are concentrated in the northern Flanders region while the southern region of Wallonia is home to industries like coal and steel manufacturing. Belgium is completely reliant on foreign sources of fossil fuels, and the planned closure of its seven nuclear plants by 2025 should increase its dependence on foreign energy. Its role as a regional logistical hub makes its economy vulnerable to shifts in foreign demand, particularly with EU trading partners. Roughly three-quarters of Belgium's trade is with other EU countries, and the port of Zeebrugge conducts almost half its trade with the United Kingdom alone, leaving Belgium's economy vulnerable to the outcome of negotiations on the UK's exit from the EU.

Belgium's GDP grew by 1.7% in 2017 and the budget deficit was 1.5% of GDP. Unemployment stood at 7.3%, however the unemployment rate is lower in Flanders than Wallonia, 4.4% compared to 9.4%, because of industrial differences between the regions. The economy largely recovered from the March 2016 terrorist attacks that mainly impacted the Brussels region tourist and hospitality industry. Prime Minister Charles MICHEL's center-right government has pledged to further reduce the deficit in response to EU pressure to decrease Belgium's high public debt of about 104% of GDP, but such efforts would also dampen economic growth. In addition to restrained public spending, low wage growth and higher inflation promise to curtail a more robust recovery in private consumption.

The government has pledged to pursue a reform program to improve Belgium's competitiveness, including changes to labor market rules and welfare benefits. These changes have generally made Belgian wages more competitive regionally, but have raised tensions with trade unions, which have called for extended strikes. In 2017, Belgium approved a tax reform plan to ease corporate rates from 33% to 29% by 2018 and down to 25% by 2020. The tax plan also included benefits for innovation and SMEs, intended to spur competitiveness and private investment.

Source : CIA

COMPANY NAME AND ADDRESS

Company name	PICANOL NV
Trading name	PICANOL
Registered address	STEVERLYNCKLAAN 15 8900 IEPER
Correspondence address	STEVERLYNCKLAAN 15 8900 IEPER
Telephone number	+3257222111
Website	www.picanol.be

REGISTRATION

Registration number	405502362
VAT-number	BE.0405.502.362
Status	active
Establishment date	22/11/1928
Legal form	Public limited company
Subscribed share capital	€ 22,200,000

ACTIVITIES

Manufacture of machinery for textile, apparel and leather production

RELATIONS

Shareholders	ARTELA NV
Structure	Subsidiaries/participations: - - - MELOTTE NV - - - PROFERRO NV - - - PSICONTROL NV - - - VERBRUGGE NV

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	<p>--- BURCKLE ET CIE S.A., France --- PICANOL (SUZHOU) TRADING CO LTD, China --- PICANOL TEKSTIL MAKINALARI TIC. LTD. STI, Turkey --- PICANOL DO BRASIL, Brazil --- PT PICANOL INDONESIA, Indonesia --- PICANOL INDIA PRIVATE LTD, India --- PICANOL DE MEXICO S.A. DE C.V., Mexico --- PICANOL OF AMERICA INC., USA</p>
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MANAGEMENT

Name	Luc Tack
Position	Managing Director
Start Date	09/07/2009
Position	Director
Start Date	09/07/2009
Name	7 CAPITAL SPRL
Position	Director
Start Date	14/06/2017
Name	THE MARBLE BVBA
Position	Director
Start Date	27/04/2016
Name	KANTOOR TORRIMMO NV
Position	Director
Start Date	20/04/2011
Name	Stefaan Haspeslagh
Position	Director
Start Date	21/04/2010

Name	PASMA NV
Position	Director
Start Date	21/12/2009
Name	Chantal De Vrieze
Position	Permanent representative legal entity
Start Date	14/06/2017
Name	Luc Van Nevel
Position	Permanent representative legal entity
Start Date	27/04/2016
Name	Jean Dejaeghere
Position	Permanent representative legal entity
Start Date	20/04/2011
Name	Patrick Steverlynck

EMPLOYEES

Date	31/12/2017
	697

BANK

ABN AMRO
ING

PAYMENTS

Total number of Invoices available	2069
Total number of Invoices paid within or up to 30 days after the due date	1995
Total number of Invoices paid more than 30 days after the due date	61
Total number of Invoices currently outstanding where the due date has not yet been reached	7
Total number of Invoices currently outstanding beyond the due date	6

REMARKS

Auditor: Deloitte

FINANCIALS

Assets									
Annual accounts	31-12-2017	%	31-12-2016	%	31-12-2015	%	31-12-2014	%	31-12-2013
Weeks	52		52		52		52		52
Currency	EUR		EUR		EUR		EUR		EUR
Total fixed assets	123,613,435	-0.32	124,005,718	0.15	123,815,657	0.00	123,816,275	44.90	85,448,680
Intangible fixed assets	587,055	8.13	542,927	74.47	311,187	-35.69	483,873	14.35	423,158
Tangible fixed assets	13,218,303	-3.19	13,654,314	1.40	13,466,307	-12.42	15,376,546	68.56	9,122,479
Land & building	7,074,453	-4.07	7,374,354	-8.87	8,091,806	-8.66	8,859,163	113	4,147,409
Plant & machinery	3,831,162	26.43	3,030,260	-28.53	4,239,999	-22.90	5,499,281	364	1,183,582
Furniture & Vehicles	306,320	-25.32	410,150	6.67	384,503	-49.94	768,102	12.53	682,597
Leasing & Other Similar	185,805	-	0	-	0	-	0	-	0

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Rights									
Other tangible assets	1,820,563	-35.89	2,839,550	278	750,000	200	250,000	-91.96	3,108,890
Financial fixed assets	109,808,077	0.00	109,808,477	-0.21	110,038,163	1.93	107,955,856	42.23	75,903,044
Total current assets	466,645,031	16.39	400,938,846	18.91	337,167,232	35.61	248,627,518	3.59	240,021,678
Inventories	23,248,831	-7.22	25,057,890	19.98	20,884,787	27.57	16,371,765	-26.53	22,283,346
Raw materials & consumables	16,647,985	0.66	16,538,696	20.38	13,739,048	16.27	11,816,470	-21.59	15,069,462
Work in progress	2,322,058	-15.17	2,737,211	-18.92	3,375,920	33.35	2,531,680	-10.60	2,831,844
Finished goods	4,278,788	-26.00	5,781,983	53.38	3,769,819	86.29	2,023,615	-53.82	4,382,040
Other stocks	0	-	0	-	0	-	0	-	0
Trade debtors	54,495,023	29.69	42,018,726	13.42	37,046,477	61.45	22,946,542	-36.60	36,190,703
Other amounts receivable	287,269,205	2.05	281,501,361	27.52	220,759,382	9.75	201,142,438	24.55	161,492,891
Cash	41,216,629	53.77	26,804,526	-53.82	58,045,527	650	7,735,045	18.34	6,536,246
Miscellaneous current assets	60,415,344	136	25,556,342	5828	431,060	-0.15	431,728	-96.81	13,518,491
Total Assets	590,258,466	12.44	524,944,564	13.88	460,982,889	23.77	372,443,793	14.43	325,470,358

Liabilities									
Total shareholders equity	472,164,286	16.55	405,134,053	20.25	336,896,622	22.97	273,970,183	20.60	227,167,627
Issued share capital	22,200,000	0	22,200,000	0	22,200,000	0	22,200,000	0	22,200,000

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Share premium account	1,518,428	0	1,518,428	0	1,518,428	0	1,518,428	0	1,518,428
Revaluation reserve	0	-	0	-	0	-	0	-	0
Reserves	448,445,858	17.57	381,415,625	21.79	313,178,195	25.15	250,251,755	23.00	203,449,199
Provisions for Liabilities & Charges	10,932,118	-9.77	12,116,152	-0.16	12,135,643	-16.88	14,599,798	0.12	14,582,973
Deffered taxes	0	-	0	-	0	-	0	-	0
Creditors	107,162,062	-0.49	107,694,358	-3.80	111,950,624	33.48	83,873,812	0.18	83,719,758
Other long term loans	114,330	-	0	-	0	-	0	-100	89,427
Other long term liabilities	0	-	0	-	0	-	0	-	0
Total long term debts	11,046,448	-8.83	12,116,152	-0.16	12,135,643	-16.88	14,599,798	-0.49	14,672,400
Current portion of long term debt	70,438	-	0	-	0	-100	89,427	-21.77	114,316
Financial debts	8,741,309	0.18	8,725,418	-46.09	16,186,167	-9.71	17,926,769	34.04	13,374,417
Trade creditors	62,480,300	-9.09	68,730,384	22.58	56,069,999	41.23	39,702,284	-13.77	46,041,556
Amounts Payable for Taxes, Remuneration & Social Security	9,190,455	-10.36	10,252,417	18.43	8,656,641	24.25	6,967,247	-10.66	7,798,541
Miscellaneous current liabilities	26,565,231	32.92	19,986,140	-35.61	31,037,817	61.76	19,188,085	17.71	16,301,501

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Total current liabilities	107,047,732	-0.60	107,694,358	-3.80	111,950,624	33.48	83,873,812	0.29	83,630,331
Total Liabilities	590,258,466	12.44	524,944,564	13.88	460,982,889	23.77	372,443,793	14.43	325,470,358

RATIO ANALYSIS									
TRADING PERFORMANCE									
Profit Before Tax	18.00	-5.01	18.95	-4.96	19.94	1.22	19.70	-0.71	19.84
Return on capital employed	19.63	-15.28	23.17	-1.03	23.41	12.22	20.86	-41.14	35.44
Return on total assets employed	16.07	-12.71	18.41	3.89	17.72	9.65	16.16	-38.63	26.33
Return on net assets employed	20.08	-15.84	23.86	-1.61	24.25	10.38	21.97	-41.77	37.73
Sales / net working capital	1.47	-15.52	1.74	-4.40	1.82	-1.62	1.85	-32.97	2.76
Stock turnover ratio	4.41	-10.18	4.91	-3.73	5.10	-4.85	5.36	3.88	5.16
Creditor days	51.44	-13.37	59.38	1.63	58.43	6.10	55.07	17.47	46.88
Debtor days	37.75	25.54	30.07	-8.88	33.00	20.39	27.41	-10.37	30.58
SHORT TERM STABILITY									
Current ratio	4.36	17.20	3.72	23.59	3.01	1.69	2.96	3.14	2.87
Liquidity ratio / acid ratio	4.14	18.62	3.49	23.32	2.83	2.17	2.77	6.54	2.60

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Current debt ratio	0.23	- 14.8 1	0.27	- 18.1 8	0.33	6.45	0.31	- 16.2 2	0.37
Cashflow	73,720,710	1.26	72,801,556	6.65	68,259,918	34.8 9	50,605,354	- 23.0 8	65,789,584
Net worth	471,577,23 1	16.5 6	404,591,12 6	20.2 0	336,585,43 6	23.0 7	273,486,31 0	20.6 1	226,744,46 9

LONG TERM STABILITY

Gearing	1.89	- 12.0 9	2.15	- 55.2 1	4.80	- 27.0 5	6.58	10.0 3	5.98
Equity in percentage	80.07	3.64	77.26	5.65	73.13	-0.72	73.66	5.39	69.89
Total debt ratio	0.25	- 16.6 7	0.30	- 18.9 2	0.37	2.78	0.36	- 16.2 8	0.43
Working capital	359,597,29 9	22.6 3	293,244,48 7	30.2 1	225,216,60 8	36.7 0	164,753,70 6	5.35	156,391,34 7

Profit & loss

Operating Income	538,836,66 9	2.96	523,361,14 2	23.1 6	424,927,34 2	33.5 1	318,267,90 7	- 28.5 4	445,365,90 0
Turnover	526,865,40 4	3.29	510,095,87 0	24.4 8	409,770,34 0	34.0 8	305,611,57 9	- 29.2 4	431,919,34 7
Total operating expenses	443,337,38 4	4.94	422,468,46 8	20.6 2	350,255,04 6	33.1 0	263,145,55 5	- 26.6 0	358,492,29 4
Gross Operating Margin	-	-	-	-	-	-	-	-	-
Operating Charges	538,884,56 4	2.97	523,365,18 5	43.2 3	365,412,04 8	32.4 9	275,801,88 3	- 25.8 5	371,938,84 7
Employee costs	44,516,024	5.32	42,268,537	7.81	39,207,197	9.92	35,669,318	-9.22	39,290,260

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Wages and salary	29,502,399	4.69	28,181,481	11.36	25,306,784	9.52	23,106,687	-9.33	25,485,216
Employee pension costs	819,907	-9.63	907,268	-12.78	1,040,222	-13.45	1,201,874	2.59	1,171,484
Social security contributions	9,326,858	5.89	8,807,650	3.73	8,490,596	12.95	7,516,979	-12.65	8,605,095
Other employee costs	4,866,860	11.32	4,372,138	0.06	4,369,595	13.68	3,843,778	-4.58	4,028,466
Director remuneration	195,917	-7.26	211,250	0.12	211,000	14.67	184,000	18.14	155,750
Amortization and depreciation	3,150,477	12.75	2,794,125	-21.59	3,563,479	75.30	2,032,798	19.59	1,699,798
Operating result	83,528,020	-4.68	87,627,403	47.24	59,515,294	40.15	42,466,024	-42.17	73,427,053
Total financial income	14,098,748	23.67	11,400,687	-52.88	24,197,054	27.03	19,048,244	24.08	15,352,135
Total financial expenses	2,747,708	16.60	2,356,600	17.02	2,013,793	52.78	1,318,065	-57.18	3,077,985
Results on ordinary operations before taxation	94,831,165	-1.90	96,667,446	18.32	81,698,555	35.72	60,196,204	-29.76	85,701,202
Extraordinary Income	47,920	684	6,105	-87.45	48,652	53.54	31,688	-98.81	2,668,218
Extraordinary Charges	26	-98.76	2,061	277	546	-93.69	8,654	-99	3,085,835
Extraordinary items	47,895	1084	4,044	-91.59	48,106	108	23,034	5.52	-417,617
Results for the Year Before Taxation	94,879,060	-1.85	96,671,490	18.26	81,746,662	35.75	60,219,237	-29.39	85,283,586

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Taxation	24,308,827	-8.83	26,664,059	56.39	17,050,222	46.40	11,646,681	-45.05	21,193,801
Results on ordinary operations after taxation	70,522,338	0.74	70,003,387	8.28	64,648,333	33.16	48,549,522	-24.74	64,507,402
Net result	70,570,233	0.80	70,007,431	8.21	64,696,440	33.20	48,572,556	-24.21	64,089,785
Profit (Loss) for the Year to be appropriated	70,565,131	0.80	70,007,431	8.21	64,696,440	33.20	48,572,556	-24.21	64,089,785
Dividends	3,540,000	100	1,770,000	0	1,770,000	0	1,770,000	-	-

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.74
UK Pound	1	INR 90.58
Euro	1	INR 81.46
EUR	1	INR 81.34

Note: Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	TRU

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)