PRESS RELEASE

Annual results 2024

Paris, March 27, 2025 - 6:00 pm

Continued profitable growth and strong cash generation at the end of fiscal 2024

- Sales up +3.2% for FY 2024 (+2.8% like-for-like), excluding discontinued additives business
- EBITDA[1] up +2.1% - EBITDA margin improves to 12.7% (+0.1 pt)
- Free cash flow (including IFRS 16) of €40.0 million in 2024 (+147%)
- Proposed dividend payment of 1.50 € per share (+50%)

The Board of Directors of EPC Group (Euronext - EXPL) met on March 27, 2025, under the chairmanship of Olivier Obst, to approve the financial statements for the year ended December 31, 2024. The audit procedures on the consolidated financial statements have been completed, and the certification report will be issued shortly by the statutory auditors.

The financial indicators presented in the table below are derived from Segment Information, presented in Note 4 of the consolidated financial statements, which is based on internal management data used to analyze business performance, i.e. with proportional consolidation of joint ventures. Reconciliation tables from published segment information to the consolidated income statement are provided in the appendix to this press release.

	IFRS	Segment reporting		
In thousands of euros	12M 2024	12M 2024	12M 2023	Variation
Proceeds from	**490,156**	**558,152**	**548,277**	**+1.8%**
Explosives and Drilling & Blasting	374,753	442,749	418,437	
Urban mine	106,410	106,410	114,156	
Other	8,994	8,994	8,200	
Additives activity stopped	0	0	7,486	
Revenue from activities other than additives	**490,156**	**558,152**	**540,791**	**+3.2%**
Share of profit of associates	12,661	-	-	
EBITDA[1] including share of associates	**63,736**	**70,677**	**69,190**	**+2.1%**
%	*13,0%*	*12,7%*	*12,6%*	
Current operating income	**33,303**	**36,250**	**35,081**	**+3.3%**
%	*6,8%*	*6,5%*	*6,4%*	
Operating income	**33,101**	**36,048**	**34,461**	**+4.6%**
Net financial income	(4,125)	(5,214)	(6,153)	(15.3)%
IS	(4,122)	(5,980)	(5,425)	+10.2%
Net income	24,854	24,854	22,883	+8.6%
Net income, Groupe share	23,370	23,370	21,349	+9.5%

[1] Alternative performance indicator: EBITDA is calculated from operating income recurring adjusted for depreciation, amortization and provisions (including those relating to WCR).

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Olivier Obst, Chairman and CEO of EPC Groupe, comments:

"The FY 2024 results illustrate EPC Groupe's ability to maintain steady, profitable growth, despite an economic environment marked by cyclical disruptions. This performance testifies to the Groupe's operating efficiency, financial strength and ability to generate cash while actively pursuing its debt reduction.

In 2025, we intend to accelerate this momentum by strengthening our international presence in new strategic markets, diversifying our product offering and consolidating our expertise, particularly in the field of Urban Mining."

GROWTH IN REVENUES FROM CONSOLIDATED ACTIVITIES DRIVEN BY CIVIL EXPLOSIVES

Revenues from consolidated activities (excluding the discontinued additives business) came to €558.2 million in 2024, compared with €540.8 million in 2023, representing growth of +3.2% (+2.8% at constant exchange rates and scope of consolidation). The companies acquired and consolidated in 2024, Vibraquipo (on January 1 2024) and Blastcon Australia (on July 1 2024), had a positive impact of+ 0.2 points on growth, while exchange rate fluctuations had a favorable impact of+ 0.2 points.

The Group's performance was driven by the historic **Explosives and Drilling & Blasting** business, which contributed €442.7 million, or 79% of consolidated sales, and grew by 5.8% year-on-year. The **Urban Mining** business (comprising Deconstruction and Circular Economy) experienced a cyclical slowdown (-6.8%) due to the sharp slowdown in construction activity in the Paris region, before, during and after the Paris 2024 Olympic and Paralympic Games, in a generally lacklustre environment for new construction.

RETURN TO GROWTH IN EUROPE AND CONTINUED STRONG MOMENTUM IN AFRICA ASIA PACIFIC

The **Europe-Mediterranean-America** zone reported consolidated sales (excluding discontinued additives business) of €401.1 million, up +1.0%, driven by the Explosives and Drilling-Blasting business (+3.9%), which offset the 6.8% drop in business in the Urban Mining sector due to the Olympic Games in Paris.

The **Africa-Asia-Pacific** region posted growth of +9.4% for the full year 2024. Most of this growth was organic, driven by higher volumes.

EBITDA GROWTH OF +2% IN 2024, REPRESENTING AN EBITDA MARGIN OF 12.7%

EBITDA[2] (including the share of joint ventures accounted for by the equity method) to €70.7 million, up +2% on FY 2023, despite the absence of any significant property disposals over the period (€2.9 million capital gain in FY 2023) and a non-cash personnel expense of €2.7 million in FY 2024 linked to the accounting valuation of the EPC Share employee stock ownership plan. Without these two items, which have no direct link with the Groupe's operating performance, annual EBITDA growth would have been around+ 11%.

As a result, EBITDA margin was 12.7% in 2024, compared with 12.6% a year earlier.

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[2] Alternative performance indicator: EBITDA is calculated from operating income recurring adjusted for depreciation, amortization and provisions (including those relating to WCR).

This good momentum can be attributed to several factors:

- the closure of the loss-making diesel additives business in 2023;
- good management of the decline in raw material prices, which enabled us to maintain margins in value terms in both mature and growing countries;
- a favorable geographic mix, with volume growth in countries with above-average profitability (Sub-Saharan Africa, Asia);
- pro-active resource management in the Urban Mining sector, which has enabled us to make greater use of in-house resources and reduce subcontracting.

Operating income recurring (including the share of joint ventures accounted for by the equity method) came to €36.3 million, an increase of+ 3%. As a reminder, FY 2023 included a significant level of provisions linked to the shutdown of a production line in Italy. The increase in depreciation and amortization over the year (€18.5 M in 2024 vs. €15.5 M in 2023) is the result of the major investment programs carried out in recent years. Excluding the real estate disposal in 2023 and the EPC Share personnel expense, current operating income would have risen by around+ 21%. The operating margin before non-recurring items was 6.5% in 2024, compared with 6.4% a year earlier.

Operating income (including the share of joint ventures accounted for by the equity method) came to €36.0m. Other operating income and expenses (-€0.2m) mainly comprise costs related to the acquisitions of Vibraquipo and Blastcon Australia.

Net financial expense amounted to -€5.2m for the year ended December 31, 2009, compared with -€6.in 2023, and consisted mainly of interest expense. The change reflects lower indebtedness, net foreign exchange gains (+0.2 M€) versus net foreign exchange losses in 2023 (-0.9 M€), and an accretion income on the environmental provision resulting from the rise in interest rates used to calculate this provision.

After corporate income tax of €6.0 million, net income came to €24.9 million in 2024, compared with €22.9 million the previous year, up+ 9%.

OPERATING CASH FLOW TO DOUBLE BY 2024 TO €67.0 M

Cash flow amounted to €56.0 million, a sustained increase of +30%, reflecting EPC Groupe's ability to generate cash through its business.

Driven by tight control of working capital requirements and optimized management of accounts receivable and payable, operating cash flow came to €67.0 million, double the figure for 2023.

Capital expenditure amounted to €27.0 million, reflecting a sustained level of investment and the completion of two acquisitions during the year (Vibraquipo and Blastcon Australia). At the end of fiscal 2024, EPC Groupe generated free cash flow of €40.0 million, compared with €16.2 million a year earlier.

Fiscal 2024 also saw the continuation of EPC Groupe's financial debt reduction policy initiated in the previous year, with €15.7m in net loan repayments (€20.8m in bank loan repayments and €5.0m in new loan issues) and the amortization of €12.0m in lease liabilities (IFRS 16).

At the end of the 2024 financial year, the change in cash and cash equivalents is positive at +3.4 M€.

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In thousands of euros	12M 2024 IFRS	12M 2023 IFRS	Variation
Cash flow from operations	**55,993**	**43,064**	**+12,929**
Change in WCR	6,778	(15,076)	
Taxes paid	5,754	4,224	
Operating cash flow (A)	**67,004**	**33,129**	**+33,875**
Cash flow from investing activities (B)	**(26,995)**	**(16,932)**	**-10,063**
of which Acquisition of tangible and intangible fixed assets	(26,496)	(22,573)	
Free cash flow (A) + (B)	**40,009**	**16,197**	**+23,812**
of which amortization of rights of use IFRS 16.	12,165	10,236	
Cash flow from financing activities	**(36,708)**	**(18,334)**	**-18,374**
of which Repayments of borrowings (net of issues)	(15,735)	(1,354)	
Change in cash and cash equivalents	**3,429**	**(2,376)**	

CONTINUED FINANCIAL DEBT: NET GEARING OF 28% AT END 2024 (VS. 46% AT END 2023)

In thousands of euros	31/12/2024 IFRS	31/12/2023 IFRS
Non-current assets	**225,463**	**208,874**
of which property, plant & equipmt & intang. assets	129,669	121,990
of which Rights of use	30,011	27,044
Current assets	**213,339**	**210,513**
of which Inventories	62,023	54,235
of which trade receivables	138,347	143,362
Treasury	**30,738**	**26,245**
TOTAL ASSETS	**469,540**	**445,632**

In thousands of euros	31/12/2024 IFRS	31/12/2023 IFRS
Shareholders' equity	**172,414**	**144,925**
Financial liabilities	**78,424**	**93,020**
of which non-current	45,968	67,760
of which current	32,456	25,260
Lease liabilities	**28,040**	**25,040**
Other liabilities	**190,662**	**182,647**
TOTAL LIABILITIES	**469,540**	**445,632**

Growth in non-current assets is mainly due to continued investment in new production plants in 2024, notably in Ivory Coast, Senegal, Canada and the United Kingdom.

The increase in inventory levels, linked to growth in the Explosives and Drilling & Blasting businesses, was offset by a fall in trade receivables, reflecting rigorous and effective management of trade receivables, particularly in the Urban Mining business.

Available cash is up by+ 4.5 M€ to 30.7 M€ at the end of 2024.

Shareholders' equity continued to rise, reaching €172.4 million.

As a result of the Group's debt reduction policy, gross financial debt stood at €78.4 million at the end of 2024 (of which 59% non-current financial debt), compared with €93.0 million a year earlier.

Net financial debt stood at €47.7 million at December 31, 2024, compared with €66.8 million at the end of 2023. The net gearing ratio stood at 28% at the end of 2024, compared with 46% a year earlier. The leverage

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ratio monitored by financial partners (net financial debt/EBITDA on the scope including JVs) will continue to improve in 2024, coming in at 1.04 compared with 1.30 at the end of 2023 and 1.68 at the end of 2022.

The Groupe also has €48.4 million in unused credit lines at December 31, 2024.

PROPOSED DISTRIBUTION OF A DIVIDEND OF 1.50 € PER SHARE FOR THE 2024 FINANCIAL YEAR

The Board of Directors will propose to the Annual General Meeting of Shareholders on June 30, 2025 the payment of a dividend of 1.50 € per share in respect of the 2024 financial year, up +50% on the dividend paid in respect of the 2023 financial year. This represents a payout ratio of 15% of net income, Groupe share.

OUTLOOK

Well positioned in its markets and in tune with the expectations of its main stakeholders, EPC Groupe has everything it takes to continue growing strongly in the years ahead.

Faced with an uncertain international economic environment, the Group's main development priorities for 2025 will be :

- **Continued international growth**, with expansion into new high-potential geographies, such as Malaysia in 2024;
- **The development of new production lines** for shooting accessories to expand the product range;
- **The pursuit,** in volumes still limited in 2025 by the economic situation**, of sophistication in the Urban Mining businesses**, to capture more added value, by mastering upstream sorting in deconstruction operations and downstream recycling channels.

On the financial front, the strong improvement in cash generation in 2024 will be pursued, with the aim of continuing to invest for growth, ensuring the profitability of operations and returning cash to shareholders.

GLOBAL TECHNICAL SOLUTIONS (GTS) BUSINESS CREATED

Against a backdrop of accelerating innovation and digital transformation, EPC Groupe has decided to create the Global Technical Solutions (GTS) business, dedicated to optimizing mining and quarrying operations through cutting-edge technological solutions.

Designed by engineers for engineers, GTS marks a major step forward in the digitization of mining operations. GTS brings together the expertise of the Group's technical teams and its subsidiaries Diogen, Vibraquipo, Vibratesting, Blastcon Australia and EPC Chile, consolidating a unique know-how to offer ever more effective and innovative solutions. By combining state-of-the-art numerical simulation software and cutting-edge mining design, proven hardware capabilities and renowned technical expertise, this business aims to transform industrial practices by helping to reduce operating costs, optimize the performance of mining and quarrying sites, and ensure rigorous compliance with environmental and safety standards.

GTS is headed by Ben Williams, an experienced executive from EPC Groupe, which he joined in November 2000. Since 2011, Ben Williams has been Managing Director of EPC-UK. He has expanded his responsibilities, becoming first Director of the Atlantic Zone and then of the Northern Europe Zone until December 2024.

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Upcoming events:

1st quarter 2025 sales, May 13, 2025, after close of Euronext markets

Annual General Meeting, June 30, 2025

EPC Groupe (Euronext - EXPL) is a leader in the manufacture, storage and distribution of explosives, with sales of over 550 million euros in 2024 and more than 2,800 employees working in its 44 subsidiaries in over 29 countries. For 130 years, the Group has mobilized its know-how, technical skills and technological innovations to offer solutions that generate performance and value for its customers in the mining, quarrying, infrastructure and underground sectors. The Group places innovation at the heart of its development strategy in order to meet and anticipate its customers' needs.

EPC Group

Charles-Ernest ARMAND
Chief Financial Officer
01 40 69 80 00
contact.actionnaires@epc-groupe.com

Lilia GONCALVES
Group Communications Director
01 40 69 80 00
lilia.goncalves@epc-groupe.com

ACTUS finance & communication

Mathieu OMNES
Investor Relations
01 53 67 36 92
epc-groupe@actus.fr

Anne-Charlotte DUDICOURT
Press Relations
06 24 03 26 52
acdudicourt@actus.fr

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APPENDIX

Consolidated income statement

In thousands of euros	2024 IFRS	2023 IFRS
Continuing operations		
Income from ordinary activities	**490,156**	**482,265**
Other products	4,232	5,451
Purchases consumed	(197,482)	(214,529)
Other purchases and external charges	(114,843)	(113,310)
Change in inventories of work in progress and finished goods	609	2,307
Personnel expenses	(128,999)	(114,255)
Depreciation, amortization and impairment of fixed assets	(30,739)	(25,704)
Charges to and reversals of provisions	306	(4,806)
Other operating income and expenses	(2,598)	2,744
Share of profit of associates	12,661	13,001
Operating income recurring, including equity affiliates' share	**33,303**	**33,164**
Other operating income and expenses	(202)	(620)
Operating income before goodwill impairment	**33,101**	**32,544**
Impairment of fixed assets	-	-
Impairment of goodwill	-	-
Operating income	**33,101**	**32,544**
Cost of net financial debt	(5,865)	(5,643)
Other financial income and expense	1,740	(296)
Profit before tax	**28,976**	**26,605**
Income tax	(4,122)	(3,722)
Consolidated net income - continuing operations	**24,854**	**22,883**
Net income from discontinued operations	-	-
Consolidated net income - total	**24,854**	**22,883**
Net income - Group share	23,370	21,349
Net income attributable to non-controlling interests (minority interests)	1,484	1,534
Earnings per share	11.22	10.16
Diluted earnings per share	11.22	10.16

Consolidated balance sheet

ASSETS - *In thousands of euros*	**31/12/2024**	**31/12/2023**
Goodwill	11,234	9,332
Intangible assets	5,376	4,334
Property, plant and equipment	124,293	117,656
Rights of use	30,011	27,044
Investments in associates	43,016	39,379
Other non-current financial assets	1,889	2,450
Deferred tax assets	9,644	8,679
Other long-term assets	-	-
Total non-current assets	**225,463**	**208,874**
Stocks	62,023	54,235
Trade and other receivables	138,347	143,362
Tax receivables	1,742	2,110
Other current assets	11,227	10,806
Cash and cash equivalents	30,738	26,245
Total current assets	**244,077**	**236,758**
TOTAL ASSETS	**469,540**	**445,632**

LIABILITIES - *In thousands of euros*	**31/12/2024**	**31/12/2023**
Capital	7,015	7,015
Reserves	136,102	111,448
Net income for the year - Group share	23,370	21,349
Equity attributable to equity holders of the parent	**166,487**	**139,812**
Non-controlling interests (minority interests)	5,927,	5,113
Shareholders' equity	**172,414**	**144,925**
Non-current borrowings	45,968	67,760
Non-current lease liabilities	17,246	15,454
Deferred tax liabilities	2,267	1,658
Provisions for employee benefits	15,044	13,730
Other non-current provisions	21,842	23,741
Other long-term liabilities	1,744	1,305
Total non-current liabilities	**104,111**	**123,648**
Trade and other payables	136,802	129,063
Tax liabilities	2,490	3,331
Current borrowings	32,456	25,260
Current lease liabilities	.10,794	9,586
Other current provisions	1,708	1,696
Other current liabilities	8,765	8,123
Total current liabilities	**193,015**	**177,059**
Total debt	**297,126**	**300,707**
TOTAL LIABILITIES	**469,540**	**445,632**

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Consolidated cash flows

In thousands of euros	**2024**	**2023**
Consolidated net income	**24,854**	**22,883**
Elim. of equity affiliates	(12,661)	(13,001)
Elim. of depreciation and provisions	28,998	28,663
Elim. of gains and losses on disposals and dilution gains and losses	256	(3,214)
Elim. other non-cash income and expenses	44	(127)
Elim. of discounting effect	(1,353)	(1,126)
Elim. of profit on sale of treasury shares	2,182	(127)
Calculated income and expenses related to share-based payments	2,741	259
Dividends received from joint ventures	10,932	8,971
Elim. dividend income (non-group)	-	(117)
Cash flow after cost of net financial debt and tax	**55,993**	**43,064**
Elim. tax expense (income)	4,122	3,722
Elim. of net borrowing costs	5,865	5,643
Cash flow from operations before cost of net financial debt and taxes	**65,980**	**52,429**
Impact of changes in WCR	6,778	(15,076)
Taxes paid	(5,754)	(4,224)
Cash flow from operating activities	**67,004**	**33,129**
Impact of changes in scope of consolidation	(1,680)	356
Acquisition of property, plant and equipment and intangible assets	(26,496)	(22,573)
Change in loans and advances	155	(547)
Disposal of property, plant and equipment and intangible assets	1,026	5,715
Dividends received	-	117
Cash flow from investing activities	**(26,995)**	**(16,932)**
Bond issues	5,034	13,549
Loan repayments	(20,769)	(14,903)
Decrease in lease liabilities	(11,979)	(10,569)
Net interest paid	(6,140)	(5,637)
Shareholder transactions: partial acquisitions/divestments	-	(170)
Dividends paid to Group shareholders	(2,111)	(88)
Dividends paid to minority shareholders	(743)	(516)
Cash flows from financing activities	**(36,708)**	**(18,334)**
Impact of changes in exchange rates	128	(239)
Change in cash and cash equivalents	**3,429**	**(2,376)**
Opening cash position	24,542	26,918
Closing cash position	27,971	24,542
Change in cash and cash equivalents	**3,429**	**(2,376)**

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Reconciliation of segment information to the consolidated income statement (IFRS)

In thousands of euros	Fiscal 2024		
	Segment reporting	**IFRS 10 and 11 restatements**	**Consolidated income statement**
Total external revenue	**558,152**	**(67,996)**	**490,156**
Share of profit of associates	-	12,661	12,661
EBITDA including share of associates	**70,677**	**(6,941)**	**63,736**
Depreciation, amortization and impairment of fixed assets	(34,235)	3,496	(30,739)
Charges to and reversals of provisions	(192)	498	306
Operating income recurring including share of joint ventures accounted for by the equity method	**36,250**	**(2,947)**	**33,303**
Other operating income and expenses	(202)	0	(202)
Operating income before goodwill impairment	**36,048**	**(2,947)**	**33,101**
Impairment of goodwill	-	-	-
Impairment of fixed assets	-	-	-
Operating income	**36,048**	**(2,947)**	**33,101**
Financial expenses - net	(5,214)	1,089	(4,125)
Profit before tax	**30,834**	**(1,858)**	**28,976**
Income tax	(5,980)	1,858	(4,122)
Net income - continuing operations	**24,854**	-	**24,854**
Net income - discontinued operations	-	-	-
Total net income	**24,854**	**-**	**24,854**

In thousands of euros	Fiscal 2023		
	Segment reporting	**IFRS 10 and 11 restatements**	**Consolidated income statement**
Total external revenue	**548,277**	**(66,012)**	**482,265**
Share of profit of associates	-	13,001	13,001
EBITDA including share of associates	**69,190**	**(5,516)**	**63,674**
Depreciation, amortization and impairment of fixed assets	(27,812)	2,108	(25,704)
Charges to and reversals of provisions	(6,297)	1,491	(4,806)
Operating income recurring including share of joint ventures accounted for by the equity method	**35,081**	**(1,917)**	**33,164**
Other operating income and expenses	(620)	0	(620)
Operating income before goodwill impairment	**34,461**	**(1,917)**	**32,544**
Impairment of goodwill	-	-	-
Impairment of fixed assets	-	-	-
Operating income	**34,461**	**(1,917)**	**32,544**
Financial expenses - net	(6,153)	213	(5,940)
Profit before tax	**28,308**	**(1,704)**	**26,604**
Income tax	(5,425)	1,704	(3,721)
Net income - continuing operations	**22,883**	-	**22,883**
Net income - discontinued operations	-	-	-
Total net income	**22,883**	**-**	**22,883**

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