



2017-2018 yearly results: EBITDA margin: 11.0%

In € million <i>Pre-audit figures</i>	2016-2017*	2017-2018	Change
Revenues	627.3	658.9	+5.0%
Gross margin	306.3	316.4	
EBITDA**	82.3	72.2	-12.3%
Recurring operating income	59.0	51.8	-12.2%
Operating income	57.7	50.8	
Cost of net financial debt	(3.0)	(1.4)	
Tax expense	(8.7)	(7.3)	
Net income	46.9	42.8	
Net income attributable to equity holders of the parent	42,5	38.8	-8.7%

* Restated income statement with CVAE (tax on the value added of businesses, levied in France) recognized within tax for comparability purposes.

** Recurring operating income before net allocations to depreciation, amortization and provisions.

Plastivaloire Group reported revenues of €658.9 million for financial year 2017-2018, up 5% on an organic basis. Business was solid across virtually all European production sites, confirming that the Group's manufacturing facilities are particularly well suited to its operations. However, expansion in Mexico slowed due to a delay in the inception of new contracts, meaning that the country's contribution during the period remained negligible.

The Motor Vehicle and Industry (parts and tooling) divisions both contributed to overall growth, accounting for 82.2% (82.8% in 2016-2017) and 17.8% of revenues (17.2% in 2016-2017), respectively.

Yearly EBITDA margin: 11% of revenues

In line with forecasts, EBITDA came to €72.2 million, generating an EBITDA margin of 11.0% (10.7% excluding CVAE). Almost half of the near two point decrease versus the prior period was due to a fall in the gross margin (energy costs and the challenging start of some production lines in Germany), while the other half was due to a lower absorption of operational costs (particularly enhancement of permanent structures as part of the target to generate revenues of €1 billion, salary pressures in Eastern Europe and increased use of sub-contractors for studies) amid a slowdown in the automobile market at the end of the financial year.

After amortization, depreciation and provisions, the Group's recurring operating income totaled €51.8 million.

Net income attributable to equity holders of the parent amounted to €38.8 million, driven by the €0.7 million equity accounting contribution from the joint venture in Slovakia and a sharp increase in financial income.

Robust financial structure

Driven by steady profit, equity stood at €279.5 million at 30 September 2018.

Cash flow linked to operations amounted to €28.7 million, offset by a €32 million increase in working capital during the period, due in particular to delays in contractual payments on tooling and studies. Gross investments (including finance leases) remained high, at around €44.5 million. Dividends in a total amount of €8.6 million were paid during the period.

Net debt at the end of the period consequently stood at €123.1 million, giving a net gearing of 44%. The net debt to EBITDA ratio remained low at 1.7. Following the financing of the acquisition of TransNav in November (valued at six times its 2018 EBITDA, at around USD 18 million), it increased to approximately 2.5, giving a leverage effect that is fully compliant with banking standards.

Proposed dividend of €0.20 per share

Plastivaloire Group will propose a dividend of €0.20 per share at its next Annual General Meeting.

Outlook: on track for €1 billion in revenues

Today, the Group has a high order book in both the Motor Vehicle and Industries divisions. The integration of TransNav since 1 November is progressing well and on schedule. The first business synergies have already been realized, with for example a first order for a total amount of USD 5 million placed by a historic Plastivaloire customer. Work to complete the order will start at the TransNav facility in Puebla in 2020.

For 2018-2019 (TransNav will be consolidated over 11 months), the Group is targeting revenues of €745 million and an EBITDA margin of around 11%, taking into account the more uncertain economic environment.

In the medium term, PVL confirms its ambitious development plan for steady, mostly organic, growth. It aims to reach revenues of €1 billion by September 2025.