GROUPE PLASTIVALOIRE

First-half 2018-2019 results

Impact of the economic climate - Outlook confirmed

In € million *Pre-audit figures*	**H1 17-18 published**	**H1 18-19 restated***	**H1 18-19 published**
Revenue	**340.4**	**361.1**	**360.6**
Gross margin	167.3	176.6	176.1
EBITDA	**42.3**	**30.6**	**36.1**
Recurring operating income	**30.5**	**17.3**	**20.5**
Operating income	30.9	16.6	19.8
Net income of companies accounted for by the equity method	0.5	0.2	0.2
Net income	**25.5**	**12.2**	**15.0**
Net income attributable to equity holders of the parent	**23.5**	**10.0**	**12.8**

* Provisional income statement, restated to reflect the application of IFRS 15 and IFRS 16 in 2018-2019.

The first-half 2018-2019 results reflect less buoyant business levels, chiefly related to an unfavorable economic climate in the automobile sector. Plastivaloire Group nevertheless delivered another strong sales performance, with a persistently high order intake (up 9.5% like-for-like in the first seven months of the year compared to the same period of 2017-2018). The Group is pressing ahead with the roll-out of its development plan and is set to benefit from a leverage effect on profitability when the economic climate improves.

Revenue for the first half of the year came to €360.6 million, representing growth of 5.9%, bolstered by the consolidation since November 1, 2018 of TransNav, which contributed €36.5 million over five months. Like-for-like revenue contracted 4.8%, weighed down by the slump in the automobile sector since September 2018. The Motor Vehicle division (parts and tooling) contributed €292.9 million, or 81.2% of revenue, while the Industries division (parts and tooling) accounted for €67.7 million, or 18.8%.

EBITDA margin of 10.0%

The drop in like-for-like revenue had an automatic impact on operating profitability for the period. The Group's EBITDA margin came to 10.0% (8.5% before the application of IFRS 15 and IFRS 16, compared to 12.4% in firsthalf 2017-2018). It was also penalized by the rise in certain production costs (salary pressures and subcontracting) and a temporary slowdown in operating performance in Germany and the United Kingdom, where corrective measures were rapidly put in place.

After amortization, depreciation and provisions, the Group's recurring operating income totaled €20.5 million (€17.3 million before the application of IFRS 15 and IFRS 16), resulting in a current operating margin of 5.7%.

The joint venture in Slovakia contributed €0.2 million to net income. Net financial expense came to €1.4 million, offset by a €1.2 million foreign exchange gain, while the Group's tax expense was €3.6 million. This brought net income to €15.0 million, of which €12.8 million attributable to equity holders of the parent.

A carefully managed financial structure

Shareholders' equity amounted to €283.1 million, up nearly €17 million year on year.

Cash flow from operating activities came to €24.9 million for the first half of the year, compared with €15.6 million for the same period a year earlier. The increase can be attributed to a controlled increase in working capital €11.1 million lower than in first-half 2017-2018. These flows were used to finance net operating investments for the period, which totaled €23.2 million.

The €88.0 million net outflow arising on the acquisition of TransNav was financed by new bank loans. Consequently, net debt came to €251.6 million (€229.8 million restated for the application of IFRS 15 and IFRS 16), representing a gearing ratio of 89% (80% restated). The Group's available cash amounted to €53.6 million at March 31, 2019. Its earning power and carefully controlled investments should help step up the reduction in its debt over the coming halfyear periods.

Outlook confirmed

The Group anticipates a steady improvement in organic growth over the coming quarters and should benefit from the traditionally more favorable seasonal effect in the second half at TransNav, notably in the Industries division (mass retail orders). Plastivaloire Group therefore confirms its revenue target of €730 million, as adjusted in May, while prudently aiming for an EBITDA margin of at least 10.0% (taking into account the new IFRSs).

The Group's sales performance has remained robust since the beginning of the period, with an excellent order intake in both the Motor Vehicles and Industries divisions. The Group has continued to win new business, which will drive growth in the coming years, in line with its ambition to reach the €1 billion revenue mark in September 2025. Starting in 2020, the Group will be operating two new plants under lease in Poland and the Czech Republic to support its customers in their development.

Plastivaloire Group ranks amongst the very top European manufacturers of complex plastic parts used in retail consumer products. It designs and manufactures these plastic parts as well as handling their mass production. Present within the multimedia, motor vehicle and electric and electrical appliance sectors, the Group has 33 production sites in France, Germany, Poland, Spain, Romania, Turkey, Tunisia, England, Portugal, the Czech Republic, Slovakia and Mexico.

Number of shares: 22,125,600 - Euronext Paris, Segment B - ISIN: FR0000051377 - PVL - Reuters: PLVP.PA - Bloomberg: PVL.FP