GROUPE PLASTIVALOIRE

2019-2020 yearly results:

EBITDA margin: 7.4% - Rebound expected in 2020-2021

In € million *Pre-audit figures*	**2018-2019 restated***	**2019-2020 published**
Revenue	**728.4**	**629.2**
Gross margin	352.4	296.7
EBITDA**	**75.5**	**46.4**
EBITDA margin	**10.4%**	**7.4%**
Recurring operating income	40.5	0.1
Operating income (loss)	39.9	(4.7)
Net income (loss)	**27.8**	**(13.7)**
Net income (loss) attributable to equity holders of the parent	**24.6**	**(16.1)**

* Amortization of the goodwill allocated to TransNav's customer relationships has been reclassified from non-current expenses to allocations to depreciation, amortization and provisions.

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

2019-2020 was marked by the difficult economic climate caused by the Covid-19 pandemic. The crisis severely impacted Group revenue in the second half, due to the closure of production sites for almost two months. During the period, the Group strove to contain the impact on its results and strengthen its cash reserves by generating positive free cash flow and securing new medium-term loans (guaranteed by the French State).
Thanks to those efforts, the Group has started 2020-2021 under solid operational and financial conditions and is targeting a major rebound in its economic performance during the year.

Revenue for 2019-2020 came to €629.2 million, down 13.6%. The decline was mainly seen in the third quarter. Geographically, yearly revenue breaks down as 87.8% in Europe (€552.6 million, down 13.0%) and 12.2% in America (€76.6 million, down 18%). The Motor Vehicle (parts and tooling) division posted revenue of €514.0 million, or 81.7% of Group revenue (compared with 80.2% in 2018-2019). The Industries (parts and tooling) division contributed €115.2 million, or 18.3% of annual revenue (compared with 19.8% in 2018-2019).

Yearly EBITDA margin: 7.4%
The yearly EBITDA margin narrowed by just 3 points to 7.4%, in line with expectations as announced in November. The Group was able to mitigate the impact of the drop in activity by paring back its costs insofar as possible and taking advantage of the economic support measures available.

Allocations to depreciation, amortization and provisions increased during the year, weighing on **recurring operating income**, which **was just above break-even at €0.1 million**. The higher depreciation and amortization expense can be partly explained by the start-up of new programs and production sites that required significant investments in recent years.

The operating loss for 2019-2020 came to €4.7 million, including the €4.5 million impairment loss recognized in the first half against the Turkish subsidiary's goodwill, following impairment tests.

The joint venture in Slovakia was also impacted by the decline in activity and made a negative contribution of €0.3 million (versus a positive contribution of €0.3 million in 2018-2019). Net financial expense came to €6.7 million, while the tax expense for the year was €2.0 million. Overall, the net loss for the year therefore came to €13.7 million, of which a €16.1 million loss attributable to equity holders of the parent.

A carefully managed financial structure
Shareholders' equity amounted to €273.7 million at September 30, 2020.
A total of €5.5 million in free cash flow was generated during the year. Cash flow from operating activities came to €45.4 million, more than offsetting the €39.7 million in net investments (including finance leases). As expected, investments decreased sharply in 2019-2020 from the €62.5 million peak (including finance leases) attained in the previous year.
Available cash rose sharply to €55.3 million at September 30, 2020 (versus €36.6 million one year ago). This included more than €32 million in State-guaranteed loans (Prêts garantis par l'Etat – PGE) obtained by the Group from its banking partners, confirming their confidence in its short- and medium-term growth strategy.
Net debt came to €262.1 million, representing a net gearing ratio of 96%. Thanks to its earning power, the Group should be able to reduce its debt over the coming years.

Outlook: Rebound expected in 2020-2021
Plastivaloire Group has a solid multi-year order book, particularly in the Motor Vehicle division. Overall, business has been very robust in the first two months of 2020-2021, despite the impact of the restrictions introduced since November in certain countries in Europe. Throughout the year, the Group will also benefit from the ramp-up of its new production site in the Czech Republic.
Given the ongoing uncertainty surrounding the health crisis and its potential impact, it is difficult to make projections for 2020-2021. Nevertheless, and assuming the economic situation does not get worse, the Group is anticipating a strong business recovery and is aiming to achieve a performance as close as possible to that of 2018 2019, with revenue of more than €700 million and an EBITDA margin of 10%.
The emphasis will once again be placed on increasing free cash flow generation through improved earnings and controlled investments,

Plastivaloire Group ranks amongst the very top European manufacturers of complex plastic parts used in retail consumer products. Using innovative solutions, it designs and manufactures these high-tech plastic parts and handles their mass production for the motor vehicle and industries sectors. Plastivaloire Group has more than 6,000 employees and 32 production sites in France, Germany, the United States, 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