

## First-half 2021-2022 results: EBITDA margin: 7.1% Strong sales momentum

### Change in governance Shaping of the climate strategy

In € million Unaudited figures	H1 2020-2021	H1 2021-2022
<b>Revenue</b>	<b>373.3</b>	<b>339.3</b>
Gross margin	182.5	156.8
<b>EBITDA*</b>	<b>41.1</b>	<b>24.0</b>
<i>EBITDA margin</i>	11.0%	7.1%
<b>Recurring operating income</b>	<b>18.5</b>	<b>0.2</b>
Operating income	18.6	0.4
<b>Net income</b>	<b>13.3</b>	<b>(4.6)</b>
Net income attributable to equity holders of the parent	<b>11.5</b>	<b>(6.1)</b>

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

The first half of 2021-2022 was strongly affected by electronic components shortages, which are still causing automakers to resort to "stop & go" measures. The period also saw an upsurge in inflationary pressures, particularly on raw materials, energy and transportation, which intensified due to the conflict in Ukraine and negatively impacted margins. As a result, Plastivaloire Group made efforts to limit, insofar as possible, the impact of these external factors and delivered revenue of €339.3 million, down 9.1%, and an EBITDA margin of 7.1%.

From a sales standpoint, the momentum is however promising, with a return to high order intake during the period (up 16.6% in the first seven months of the fiscal year compared to the same period in 2020-2021, at a level close to the record figure achieved in the first seven months of 2018-2019). The Group is therefore increasing its visibility in the medium term, with a view to returning to an economic performance more in line with its standards once the situation returns to normal.

The Group also took advantage of the recent trends to define its climate strategy and will continue adjusting its governance structure by separating the roles of Chairman of the Board of Directors and Chief Executive Officer. Patrick Findeling remains Chairman of the Board of Directors while Antoine Doutriaux becomes Chief Executive Officer.

## **First-half revenue: €339.3 million**

Plastivaloire Group posted record revenue of €339.3 million, down 9.1% compared to the same period in 2020-2021. As expected, business levels improved quarter-on-quarter, with a recovery in the second quarter of the year very similar to that achieved in second-quarter 2020-2021, and in second-quarter 2019-2020 before the crisis.

Like-for-like revenues in Europe<sup>1</sup> came in at €289.8 million, down 12.2%. North and South America (United States – Mexico) recorded revenue of €49.5 million, up 14.6%.

Revenue in the Motor Vehicle division, which was harder hit by the supply chain crisis, dropped by 12.6% to €266.9 million. The Industries division grew by 6.4% and contributed €72.4 million. The Motor Vehicles and Industries divisions accounted for 78.7% and 21.3% of the Group's first-half revenue, respectively.

## **First-half EBITDA margin: 7.1%**

The Group's operating margin was sharply impacted by inflationary pressures, which were not immediately reflected in sales prices, and the lack of revenue resulting from the slump in production linked to the "stop & go" measures taken by automakers. Increase in raw material, energy and transportation costs caused virtually all of the 3.9% decline in EBITDA margin compared to first-half 2020-2021. EBITDA margin stood at 7.1% for the six-month period.

Net allocations to amortization, depreciation and provisions remained stable at €23.8 million. Recurring operating income and operating income were €0.2 million (€18.5 million in first-half 2020-2021) and €0.4 million (€18.6 million in first-half 2020-2021) respectively, just above the breakeven point.

Net financial expense came to €2.9 million, while the tax expense for the year was €2.1 million. This brought net income for the period to €4.6 million, of which €6.1 million attributable to equity holders of the parent.

## **Changes in financial structure**

Cash flow amounted to €23.7 million, due to effective conversion of EBITDA. Cash flow from operating activities came to €9.1 million, including a €10.9 million increase in working capital, due to seasonal trends, the restructuring of tax and social charges towards the end of the health crisis, and billing delays related to product development. These cash flows largely cover net investments of €13.7 million (including finance leases). Free cash flow was a negative €4.6 million.

After a dividend payout of €7.0 million during the prior year, available cash amounted to €49.8 million at March 31, 2022 (versus €54.0 million a year ago). Events after the reporting date include a new State-guaranteed loan taken out in April 2022 for an amount of €15 million to boost cash flow in this unique environment.

The Group's net debt was €227.2 million (including €20.9 million in lease liabilities) with shareholders' equity of €271.4 million at March 31, 2022, representing a net gearing ratio of 83.7%.

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<sup>1</sup> Including the activity in Tunisia.

## **Outlook: a transitional 2021-2022 fiscal year pending an upturn in 2022-2023**

Disruptions caused by the shortage of electric components and the geopolitical situation are ongoing. In May, forecasts once again presented new downward margins of nearly 4% in global automotive production in 2022, compared with the forecasts at the beginning of the year (source: S&P Global Mobility, formerly IHS Markit).

Thanks to its positioning on high-potential programs and its geographic diversification, Plastivaloire Group maintains its forecast of a return to growth during the second half of the year, with reversed seasonal trends compared to 2020-2021, and full-year revenue of around €680 million.

The Group is committed to gradually increasing its margins through strict cost management, while constantly adapting production capacity to meet demand. It is also committed to passing on the prevailing price increases. For the second half of the year, the Group is aiming for an increase in EBITDA margin compared to the first half, as a first step towards returning to its usual standards.

A return to free cash flow generation is also a priority for the Group. Plastivaloire is working, in particular, to reduce its working capital and scale back its investments as a way to resume its debt reduction program.

Plastivaloire Group recorded an order intake level amounting to €527.0 million in April 2022, up 16.6% compared to the same period in 2020-2021 and close to the historical levels seen in the first seven months of 2018-2019. This excellent sales momentum reflects the Group's ability to win market share and confirms the relevance of the measures taken in this area, in product development and innovation in particular. It also enhances its visibility into future years and lays the foundation for increasing economic performance going forward.

## **Governance**

As part of the managerial transition undertaken a year ago, Plastivaloire Group has separated the roles of Chairman of the Board of Directors and Chief Executive Officer. Patrick Findeling remains Chairman of the Board while Antoine Doutriaux is now an executive corporate officer in his capacity as Chief Executive Officer.

As a reminder, Antoine Doutriaux joined Plastivaloire Group in July 2021 as Deputy Chief Executive Officer. Since then, he has been working alongside Patrick Findeling on the Group's operational and business development.

## **Climate Strategy**

Plastivaloire Group defined its climate strategy in order to join in the fight against climate change. By adopting a pragmatic approach, it is focused on reducing its main environmental impacts: greenhouse gas emissions, raw material use and waste production. It has set out objectives for each impact, committing to achieving them by 2030 through identified initiatives. The Group's progress will be presented on an annual basis, in particular as part of its non-financial statement.

### Commitments

- Reduce greenhouse gas (GHG) emissions
- Reduce raw material use by increasing the proportion of recycled materials in overall consumption
- Reduce waste

### Targets for 2030

- 50%** reduction in GHG emissions (Scopes 1 and 2)
- 30%** of recycled materials used, including 15% by 2025
- 50%** waste reduction

**Next financial publication: August 25, 2022: Third quarter 2021-2022 revenue**

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### About Plastivaloire Group:

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 31 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

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