

First-half 2022-2023 results:

Record revenue of €421 million (up 24%)
 EBITDA margin up to 7.9% but still below pre-covid levels
 Net income affected by non-recurring expenses

Strengthening of the Group's financial structure:

Extension of debt maturity and new financing resources

In € million Unaudited figures	H1 2021-2022	H1 2022-2023
Revenue	339.3	420.8
Gross margin	156.8	182.8
EBITDA*	24.0	33.4
<i>EBITDA margin</i>	7.1%	7.9%
Recurring operating income	0.2	6.9
<i>Recurring operating margin</i>	0.1%	1.6%
Operating income (loss)	0.4	(9.1)
Net income (loss)	(4.6)	(13.7)
Net income (loss) attributable to equity holders of the parent	(6.1)	(15.9)

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

Plastivoire Group's Board of Directors, which met on July 10, 2023, approved the financial statements as at March 31, 2023. The half-yearly report will be published in July.

In the first half of 2022-2023, Plastivoire Group recorded its highest first-half revenue ever, at €420.8 million (up 24.0% compared with the same period in 2021-2022; up 23.9% at constant exchange rates). In the second quarter, the Group passed the symbolic €200 million mark in quarterly revenue for the first time, with revenue of €231.8 million.

This dynamic performance made it possible to continue the gradual improvement in the EBITDA margin, which rose to 7.9% (up 0.8 points vs. H1 2021-2022), in line with Group expectations. This level is nonetheless still well below Plastivoire's performance before the health crisis¹, as a result of inflation in supply and energy costs, which could only be partially passed on to clients.

The first half was also marked by the impairment of goodwill on a German asset, with no cash impact, in order to adapt to current local market conditions. Net income fell sharply as a result, but would have been close to breakeven if it were not for this non-recurring item.

The Group also announced that it strengthened its short- and medium-term financial structure, by extending its debt maturity, with no major repayment schedules within the next two years, and by obtaining new financial resources worth €40 million to support its growth (see details below).

¹ EBITDA margin of 10.4%, in 2018-2019.

First-half revenue: €420.8 million

Plastivoire Group posted record revenue of €420.8 million (up 24% compared to the same period in 2021-2022 and up 23.9% at constant exchange rates). Business was buoyed by the strong recovery in automotive production in Europe, which had been severely impacted by the series of crises.

Revenue in the Motor Vehicle division amounted to €343.0 million, up sharply by 28.5%. The Industries division grew by 7.6% and contributed €77.9 million. The Motor Vehicles and Industries divisions accounted for 81.5% and 18.5% of the Group's half-yearly revenue, respectively.

Revenue in Europe was up 27.2% to €368.6 million (up 28.8% at constant exchange rates). The Americas region (United States – Mexico) recorded revenue of €52.2 million, up 5.5% (5.2% at constant exchange rates).

First-half EBITDA margin: 7.9%

The Group's operating profitability is still being heavily impacted by inflation in raw material prices, energy and transport. In spite of ongoing negotiations with clients since the second half of 2021-2022, which allowed Plastivoire to pass on more than 50% of these cost increases during the first half of the year, gross margin fell to 43.4%, down by 2.7 points compared with the first half of 2021-2022.

Efficient management of payroll costs and fixed costs have mitigated this impact, leading to a 0.8-point improvement in the EBITDA margin compared with the first half of 2021-2022.

After net allocations to amortization, depreciation and provisions at €26.4 million, the Group's recurring operating income totaled €6.9 million.

Operating income was heavily impacted by non-recurring items, consisting of a €15.3 million goodwill impairment charge on the German subsidiary². Accordingly, the Group reported a loss of €9.1 million.

Net financial expense came to €2.7 million, while the tax expense for the year was €1.4 million. After taking into account the €0.5 million share of earnings from the joint venture with BIA that was sold in December 2022, the Group reported a net loss of €13.9 million, of which €15.9 million was attributable to equity holders of the parent.

Changes in financial structure

Cash flow amounted to €33.9 million, due to an effective conversion of EBITDA. Cash flow from operating activities came to €16.4 million, including a €17.8 million increase in working capital, due to a high level of billing in February and March.

These cash flows cover net investments of €20.9 million (including finance leases). Free cash flow was a negative €0.5 million.

Available cash amounted to €31.4 million at March 31, 2023 (versus €49.8 million a year earlier), following the repayment of bank loans. The Group's net debt was €244.0 million (including €36.5 million in lease liabilities) with shareholders' equity of €241.5 million at March 31, 2023, representing a net gearing ratio of 1.0 (0.9 excluding IFRS 16).

Strengthening of the short and medium-term financial structure

Following discussions mentioned in previous press releases, Plastivoire Group announced that major agreements have been signed with its main financial partners and majority shareholders. These agreements will enable the Group to adapt its financial structure to the current environment and secure new financing, in order to support growth and the launch of new programs.

² Residual goodwill amounted to €5.3 million.

The implementation of these agreements will be set out in amendments to existing agreements and new agreements with our financial partners, which are expected to be signed by September 29, 2023. The agreements comprise three sections:

1. Extension of existing debt maturities

The agreements provide for the extension of the maturity of the Group's main financing lines, which represent a total outstanding principal amount of €133.1 million at the date of signature, including:

- the syndicated loan, with an outstanding principal amount of €50.4 million;
- State-guaranteed loans (*Prêts garantis par l'Etat – PGE*), with an outstanding principal amount of €52.0 million; and
- bilateral bank loans, with an outstanding principal amount of €30.7 million.

All these financing lines will now benefit from an exemption period on principal repayments until June 30, 2025, and, once principal repayments resume, a 48-month maturity extension.

The aggregate additional cost of this financing, compared with the previously negotiated terms, was 125 basis points on the syndicated loan and bilateral loans. The revaluation of State-guaranteed loan rates at current market conditions is estimated at around 250 basis points at the current date.

In addition, Plastivoire obtained the renewal of short-term bank loans (overdrafts) for a total authorized amount of €9.2 million from April 1, 2024, decreasing thereafter until April 2, 2026.

As regards the debt specifically attached to the Plastivoire Germany – Karl Hess scope, with a total outstanding principal amount of €41.8 million, the following conditions were obtained:

- Repayments on long-term loans with outstanding capital of €12.9 million, contractually scheduled between April 1, 2023 and September 30, 2024, have been suspended and postponed until the end of the contract terms, thanks to an extension of the terms of these loans.
- The roll-over credit agreements, with an outstanding principal amount of €17.0 million, and the current account agreements, with an outstanding principal amount of €11.9 million, have been extended to September 30, 2025.

2. Securing a new €40 million financing line

The Group obtained new, State-guaranteed "Resilience" loans (PGE), from several different French financial institutions, for a total principal amount of €40 million, with a one-year exemption period on principal repayments. These loans may be extended for a further year at the Company's discretion, and amortizable over a period of up to four or five years, depending on the length of the exemption period.

The financing lines mentioned **in points 1 and 2 above** are subject in particular to compliance with:

- a decreasing leverage ratio (debt/EBITDA), ranging from a maximum of 5 for fiscal 2023-2024 to 3 from fiscal 2026-2027 onwards;
- a minimum level of annual EBITDA ranging from €60 million for fiscal year 2023-2024 to €75 million for fiscal year 2026-2027, part of which will be dedicated to debt servicing; and
- a minimum gross cash position (excluding Karl Hess and Plastivoire Germany) of €12 million at September 30 and March 31 of each year, starting from September 30, 2024.

3. Commitments made by majority shareholders and the Company

The Findeling family, which holds 57.4% of share capital, has undertaken to make a €1.0 million current account contribution by September 30, 2024 at the latest.

Under the terms of the agreements, the payment of dividends will be suspended until June 30, 2027.

Outlook: continuation of recovery momentum

Building on the lead achieved in the first half of the year, in May 2023, the Group revised its revenue target upwards to €780 million (compared with the initial €730 million), taking into account the traditional seasonal trends of its business.

This strong level of business has allowed Plastivaloire to target an annual EBITDA margin in line with that of the first half of 2022-2023, despite the inflationary context, which is still very present, and the difficulty of passing on all increases to customers. The Group thus confirms its target of improving its EBITDA margin compared with 2021-2022 (7.4%).

Looking beyond 2022-2023, Plastivaloire Group has a clear view of the future of its business, having enjoyed a strong sales momentum in recent years. In the first seven months of 2022-2023, Plastivaloire booked a high order intake of €501 million, which is close to the historic levels seen in the first seven months of 2021-2022 (€527 million).

These commercial successes confirm the relevance of Plastivaloire's strategy and its product development and innovation policy, in order to adapt to new client demand, with a particular focus on products that are more environmentally friendly. The Group is therefore confident it will gradually return to its habitual business performance levels, once the context returns to normal.

**Next financial publication: August 28, 2023:
Third quarter 2022-2023 revenue**

If you would like to receive financial information about Plastivaloire Group by e-mail, go to: www.actusnews.com

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 30 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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