

First-half 2023-2024 results:
 Revenue down by a limited 3.7%
 EBITDA margin slightly increases to 8.1%
 Free positive cash flow of almost €9 million

2023-2024 adjusted outlook

In € million <i>Unaudited figures</i>	H1 2022-2023	H1 2023-2024
Revenue	420.8	405.4
Gross margin	183.4	190.6
EBITDA*	33.4	32.7
<i>EBITDA margin</i>	7.9%	8.1%
Recurring operating income	6.9	8.4
<i>Recurring operating margin</i>	1.6%	2.1%
Operating income (loss)	(9.1)	6.0
Net income (loss)	(13.7)	(0.7)
Net income (loss) attributable to equity holders of the parent	(15.9)	(2.0)

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

Plastivaloire Group's Board of Directors, which met on June 13, 2024, approved the 2023-2024 half-yearly financial statements as at March 31, 2024. The half-yearly report will be published on June 28, 2024.

For the first half of the 2023-2024 financial year, Plastivaloire Group recorded revenue of €405.4 million, a limited decline of 3.7% compared with the record level achieved in the first half of 2022-2023.

This level of activity, in line with the slowdown in the motor vehicle market over the past few months, was accompanied by a slight improvement in operating performance, thanks in particular to a recovery in gross margin. EBITDA margin therefore came in at 8.1% (up 0.2 points year on year) and recurring operating income at €8.4 million (€6.9 million in the first half of 2022-2023).

The attributable net loss for the period, which includes €2.4 million in net non-recurring expenses (including €1.5 million in expenses related to restructuring operations in Germany), was contained at €2.0 million, but showed a marked improvement compared with the first half of 2022-2023.

In line with the previous year, the Group generated free cash flow of €9.2 million over the half-year, up €9.5 million on the first half of 2022-2023, enabling it to continue its debt reduction program. Available cash stood at €83.2 million.

First-half revenue: €405.4 million

Plastivaloire Group posted revenue of €405.4 million, a limited decline of 3.7% (down 3.1% at constant exchange rates). Business was conducted in a less favorable economic environment for automotive and industrial production, as shown by the delay in the launch of two new programs, representing a shortfall in revenue of around €4 million over the half-year.

Revenue for the Motor Vehicle division (parts and tooling) amounted to €334.0 million, a slight contraction of 2.6%. The Industries division recorded revenue of €71.4 million, down 8.3%, but maintained good momentum in order intake. The Motor Vehicle and Industries divisions accounted for 82.4% and 17.6% of the Group's first-half revenue, respectively.

By geographic region, Europe represented revenue of €355.0 million, a 3.7% decline (a 2.9% decline at constant exchange rates). Revenue in the Americas region (United States and Mexico) stood at €50.4 million, down 3.4% (down 4.1% at constant exchange rates).

First-half EBITDA margin: 8.1%

The gradual easing of inflationary pressure on raw material costs and the renegotiated prices obtained with certain partners enabled the Group to **significantly improve its gross margin**, which reached 47.0% for the half-year (up 3.4 points compared with the first half of 2022-2023).

However, this improvement was offset by higher other operating costs. Payroll costs were up to €107.6 million (vs. €103.6 million in H1 2022-2023), reflecting controlled wage inflation and a reinforcement of the workforce to cover the launch of new programs, two of which were delayed by a few months and did not contribute to revenue over the period.

First-half EBITDA margin rose slightly to 8.1% (vs. 7.9% in the first half of 2022-2023).

After net allocations to amortization, depreciation and provisions of €24.3 million (versus €26.4 million), recurring operating income totaled €8.4 million, €1.5 million higher than in the first half of 2022-2023.

Excluding other non-recurring operating income and expenses, operating income amounted to €6.0 million, an improvement of €15.1 million compared with the loss recorded in the first six months of 2022.

The net financial expense amounted to €4.5 million, while the tax expense for the year was €2.2 million. The net loss after tax came to €0.7 million, and the net loss attributable to equity holders of the parent, after minority interests, to €2.0 million.

Stronger financial footing of the Group

Cash flow stood at €30.7 million, due to an effective conversion of EBITDA. Working capital requirement was well controlled, reducing by €4.4 million. Cash flow from operating activities thus amounted to €32.7 million, almost double the first-half 2022-2023 figure (€16.4 million).

This cash flow covers the Group's investment requirements, which were higher this year, amounting to €23.4 million over the half-year.

Free cash flow was therefore positive at €9.2 million, a clear improvement on the first half of 2022-2023 (a negative €0.3 million), contributing to the reduction in net debt after payment of financial expenses.

The Group's net debt was €218.7 million (including €40.0 million in financial and operating lease liabilities) with shareholders' equity of €241.1 million at March 31, 2024, representing a net gearing ratio of 91% (74.1% excluding IFRS 16).

Cash assets amounted to €83.2 million at March 31, 2024, compared with €31.4 million at March 31, 2023 and €71.1 million at September 30, 2023.

In line with the Group's debt restructuring agreements signed in July 2023, **medium-term bank debt repayments are low for the year**, and concern €4.6 million in medium-term loans (of which €2.3 million were already repaid in the first half).

As announced in the first-half 2022-2023 results press release¹, dividend payments have been suspended until June 30, 2027. For the period from July 1, 2027 to September 30, 2030, dividend payments may not exceed 10% of net income, and will be subject to cumulative conditions defined with our financial partners, including the generation of excess cash flow (ECF) dedicated to the accelerated repayment of bank debt, and the achievement of a gearing ratio of less than 2.8.

Adjusted outlook for 2023-2024

The Group is approaching the second half of 2023-2024 with caution, given the impact on revenue, estimated at around €30 million, of the delay of several months in the launch of three major Motor Vehicle programs, and the sluggish economic climate, which tends to weigh on the production rates requested by customers.

As a result, the Group now expects to achieve revenue of around €770 million (versus the initial forecast of over €800 million) for the 2023-2024 financial year, with an EBITDA margin below that for the 2022-2023 financial year (versus the initial forecast of slightly above 8.3%). If necessary, the Group will seek a waiver from its banking partners to comply with the EBITDA covenant (€60 million in 2023-2024).

The downturn in business due to delays is temporary and does not call into question the Group's medium-term business plan, thanks in particular to the expected ramp-up of many recently launched programs.

Over the first eight months of the year, order intake appears to be down (€410.3 million versus €535.5 million over the same period in 2022-2023), but this is solely due to the low volumes of orders received for a major French automaker (€10.9 million vs. €138.6 million). Order intake over eight months for all other customers (Motor Vehicle and Industries divisions) rose slightly (€399.3 million vs. €396.9 million), reflecting strong sales momentum.

Furthermore, the restructuring project in Germany (closure of a site and transfer of the technical center's business to France) is ongoing and will enable us to reduce structural costs. Negotiations to complete the sale of the Burbach site are well underway.

Antoine Doutriaux, Chief Executive Officer of Plastivaloire Group, said; "Our first-half results are in line with our expectations. Despite the slowdown in business in our markets, the start of a return to normal raw material costs and the efforts undertaken over the last few months have enabled us to improve the Group's half-year profitability and strengthen our free cash flow. Nevertheless, we are forced to cautiously adjust our ambitions for the second half of the year in view of customer delays in the launch of three main programs. Against this less favorable backdrop, we are actively pursuing our streamlining initiatives to serve the Group."

¹ Press release July 11, 2023



**Next financial publication: August 29, 2024:
Third quarter 2023-2024 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 7,000 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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APPENDICES (figures are currently being audited)

Income statement

(€ thousands)	H1 2023-2024	H1 2022-2023
Income from ordinary activities	405,401	420,828
- Sales of products	401,492	419,013
- Sales of services	3,909	1,815
Other operating income	1,052	750
Goods and materials consumed	214,791	237,466
Payroll expenses	107,635	103,622
Other operating expenses	51,362	47,101
EBITDA	32,665	33,389
Net depreciation, amortization and provisions	24,259	26,447
RECURRING OPERATING INCOME	8,406	6,942
Other operating income	9,663	1,859
Other operating expenses	12,029	17,874
OPERATING INCOME (LOSS)	6,040	(9,073)
Cost of net debt	(6,490)	(3,603)
Other financial income and expenses	1,967	885
Share in net income (loss) of equity-accounted companies		(470)
Income tax expenses	(2,204)	(1,430)
Consolidated net income (loss)	(687)	(13,691)
Net income of non-controlling interests	1,304	2,230
Net income (loss) attributable to equity holders of the parent	(1,991)	(15,921)

Balance sheet

(€ thousands)	March 31, 2024	September 30, 2023
NON-CURRENT ASSETS	362,785	364,141
Goodwill	44,071	44,071
Intangible assets	34,508	34,305
Property, plant & equipment	276,640	278,662
Investments in equity-accounted companies		
Other financial assets	1,975	1,831
Deferred tax assets	5,591	5,272
CURRENT ASSETS	457,862	441,583
Inventories	63,003	64,070
Trade receivables	249,268	244,850
Other receivables	62,395	61,610
Cash and cash equivalents	83,196	71,053
Assets held for sale		
TOTAL ASSETS	820,647	805,724
SHAREHOLDERS' EQUITY	241,084	244,100
Capital	20,000	20,000
Premiums	4,442	4,442
Consolidated reserves	204,628	222,791
Consolidated net income (loss) attributable to equity holders of the parent	(1,991)	(16,330)
Equity issued and reserves attributable to equity holders of the parent	227,079	230,903
Non-controlling interests	14,005	13,197
NON-CURRENT LIABILITIES	228,859	222,280
Long-term loans	207,730	198,992
Deferred taxes	10,014	11,743
Post employment liabilities	11,115	11,545
CURRENT LIABILITIES	350,704	339,344
Trade payables and other payables	126,738	116,417
Other current liabilities	115,240	107,002
Short-term loans	94,197	94,238
Provisions	11,510	17,944
Corporate income tax liabilities	3,019	3,743
Liabilities directly related to assets held for sale		
TOTAL EQUITY AND LIABILITIES	820,647	805,724

Statement of cash flows

(€ thousands)	HI 2023-2024	HI 2022-2023
OPERATING ACTIVITIES		
NET INCOME (LOSS) (attributable to equity holders of the parent)	(1,991)	(15,921)
Non-controlling interests in net income of consolidated companies	1,304	2,230
Share in net income of equity-accounted companies		471
Items without any cash impact		
Amortization, depreciation and provisions	26,779	42,164
Reversals of amortization, depreciation and provisions	(5,441)	(426)
Other income and expenses		
Gains and losses on disposals of fixed assets	736	417
Current and deferred taxes	2,204	1,430
Interest expenses	6,495	3,603
Subsidies transferred to income	653	
CASH FLOW	30,739	33,968
<i>Net change in cash flows from operating activities</i>	7,485	(13,074)
Change in inventories	1,145	7,358
Transfer of deferred charges	(42)	
Change in operating receivables	(4,780)	(48,108)
Change in operating payables	11,162	27,676
Net changes in non-operating items	(3,037)	(4,107)
Change in working capital requirement	4,448	(17,181)
Taxes paid	(2,529)	(428)
Net cash flow from operating activities	32,658	16,359
INVESTING ACTIVITIES		
Outflows/acquisition of intangible assets	(1,828)	(1,106)
Net outflows/acquisition of property, plant and equipment	(24,833)	(19,342)
Inflows/disposals of property, plant & equipment and intangible assets	6,864	
Non-cash investments	(3,628)	
Outflows/acquisition of financial assets	(155)	(106)
Inflows/disposals of financial assets	129	3,879
Net cash/acquisitions and disposals of subsidiaries	(5)	
Net cash flow linked to investing activities	(23,456)	(16,675)
FINANCING ACTIVITIES		
Capital increase or contribution		
Dividends paid to equity holders of the parent		
Dividends paid to non-controlling interests	(892)	(636)
Net outflow/acquisition of treasury shares		
Inflows from borrowings	10,967	3,409
Non-cash borrowings	3,628	
Repayment of loan debt	(12,036)	(25,379)
Net interest paid	(6,067)	(3,591)
Net cash flow linked to financing activities	(4,400)	(26,197)
Impact of changes in foreign exchange rates	585	108



GROUPE PLASTIVALOIRE

CHANGE IN CASH AND CASH EQUIVALENTS	5,387	(26,405)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	37,903	12,813
CASH AND CASH EQUIVALENTS AT END OF PERIOD	43,292	(13,593)