

IR RELEASE

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FY 2016 ANNUAL FINANCIAL RESULTS

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The purpose of the current release is to present the Group's financial results for the year 2016 and to highlight the basic factors that contributed to such.

The major highlights of the period are summarized as follows:

- Increase of sales volume in both sectors of business activity (Technical Fabrics & Packaging)
- Reduction of raw material prices
- Further containment of the fixed production expenses
- Improvement of the product mix in both sectors of the Group's business activity
- Increase of the Net Bank Debt as result of the extended investment program of the Group which was financed in part via the use of bank debt

Basic Financial Figures of the Group for Fiscal Year 2016

The basic financial figures of the Group during the financial year 2016 compared the year 2015, settled as follows:

<i>(amounts in Euro thousand)</i>	2016	2015	% Change
Group Turnover	291,900	289,396	0.9%
Group Gross Profit	66,403	59,374	11.8%
Group EBIT*	22,905	19,080	20.0%
Group EBITDA*	35,160	28,980	21.3%
Group Earnings before Taxes	18,327	13,284	38.0%
Group Earnings after Taxes & MI	13,384	9,788	36.7%
Earnings per share (in euro)	0.304	0.2204	37.9%

***Note**

Alternative Performance Measures (APM)

During the description of the developments and the performance of the Group, ratios such as the EBIT and the EBITDA are utilized.

EBIT (The indicator of earnings before the financial and investment activities as well as the taxes)

The EBIT serves the better analysis of the Group's operating results and is calculated as follows: Turnover plus other operating income minus the total operating expenses, before the financial and investment activities. The EBIT margin (%) is calculated by dividing the EBIT by the turnover.

EBITDA (The indicator of operating earnings before the financial and investment activities as well as the depreciation, amortization, impairment and taxes)

The EBITDA serves the better analysis of the Group's operating results and is calculated as follows: Turnover plus other operating income minus the total operating expenses before the depreciation of fixed assets, the amortization of grants and the impairments, as well as before the financial and investment activities. The EBITDA margin (%) is calculated by dividing the EBITDA by the turnover.

Investments

Investments (in million Euro)	2016	2015
Technical Fabrics	22.5	18.2
Packaging	7.4	7.0
Agricultural Unit	-	1.6
Total Investments	29.9	26.9
Investments of Greek subsidiaries	23.8	18.9
Investments of Group's subsidiaries abroad	6.1	7.9

The Company through a relevant announcement on 8/7/2016 informed the investors' community about the progress of the investment program and particularly it announced that at the end of June 2016 the normal operation of the new production facilities commenced. The new facilities concerned investments of EUR 32 million approximately. Specifically, the investments which were implemented in Greece, of EUR 23 million, and particularly in Xanthi, concerned mainly equipment and infrastructure for the production of innovative technical fabrics with application in the markets of the geosynthetics, the insulating roofing membranes, the filter industry, the auto industry, the hospital products as well as the expansion of greenhouses (implementation of phase B'). Furthermore, the new investments implemented in the subsidiaries abroad were also set in full operation status. The investments implemented outside Greece, of EUR 9 million, concerned mainly the installation of a new production line in Scotland for the production of technical fabrics, of meltblown type, with applications in the markets of the insulating roofing membranes, the hospital products, the hygiene products and the filter industry, while they also concerned a new "thermoforming" line which was installed in the plant of Bulgaria for the production of packaging products for yogurt and production of one-use plastic cups for the markets of Bulgaria and S.E. Europe.

Additional investments of EUR 24.5 million were implemented until the end of fiscal year 2016. The particular investments concern the acquisition of new production lines in the above areas of technical fabrics, the new "thermoforming" and "injection" lines of the plant in Ioannina, as well the modernization of existing machinery equipment and infrastructure. The Greek subsidiaries of the Group implemented the largest part of the above additional investments, of EUR 19.8 million approximately, while the remaining amount of EUR 4.7 million concerned investments implemented by the Group's subsidiaries abroad. In total, the Group's investments amounted to EUR 56.7 million during the period 2015 – 2016.

Prospects and Outlook of the Group for the Financial Year 2017

With regard to financial performance during the fiscal year 2017, it should be noted that in the 1st quarter of the current fiscal year the sales volume posted a two digit growth rate compared to the same period of year 2016. As result of the investments implemented for new production lines during the period 2015 – 2016, the technical fabrics sector was the largest contributor in the above sales volume growth. Despite the above but also in line with the management's expectations, the sales volume growth was not reflected into the profit mainly due to the actions taken for the distribution of the increased production volumes and the increase of raw material prices. It is estimated that the raw material prices are likely to appreciate during the second quarter of the year as well therefore the Group has planned all the necessary actions for the rollover of raw material price increases into the final sale prices as well as for the utilization of the new production lines.

Certainly, the prospects of the Group during the current fiscal year 2017 depend directly on the conditions prevailing in both the domestic as well as the global market and economy. However the strong capital structure of the Group in combination with the healthy operating and organizational structures it possesses provide the Management with the ability to effectively manage any difficulties arising and to continue implementing its strategic plan on an uninterrupted basis.

Analysis of the Basic Group Financial Results for Fiscal Year 2016 and Balance Sheet Items on 31.12.2016

I) Group Financial Results for Fiscal Year 2016

Group Financial Results for Fiscal Year 2016			
(amounts in Euro thousand)	2016	2015	% Met.
Turnover	291,900	289,396	0.9%
Gross Profit	66,403	59,374	11.8%
Gross Profit Margin	22.7%	20.5%	
Other Operating Income	1,688	3,192	-47.1%
% of Turnover	0.6%	1.1%	
Distribution Expenses	26,727	25,030	6.8%
% of Turnover	9.2%	8.6%	
Administrative Expenses	17,214	18,066	-4.7%
% of Turnover	5.9%	6.2%	
Other Operating Expenses	1,510	1,482	1.9%
% of Turnover	0.5%	0.5%	
Other Income/(Losses)	265	1,092	-75.7%
EBIT	22,905	19,080	20.0%
EBIT Margin	7.8%	6.6%	
EBITDA	35,160	28,980	21.3%
EBITDA Margin	12.0%	10.0%	
Financial Income	2,646	410	545.4%
Financial Expenses	8,500	7,722	10.1%
Income from Companies consolidated with the Equity Method	1,276	1,516	-15.8%
EBT	18,327	13,284	38.0%
EBT Margin	6.3%	4.6%	
Income Tax	4,668	3,263	43.1%
EAT	13,659	10,021	36.3%
EAT Margin	4.7%	3.5%	
Minority Interest	275	233	
EAT&MI	13,384	9,788	36.7%
EAT&MI Margin	4.6%	3.4%	
Earnings per Share (in euro)	0.304	0.2204	37.9%

Turnover

The turnover of the Group amounted to 291,900 thousand Euro in year 2016 versus 289,396 thousand Euro in the previous year, posting an increase of 0.9% compared to the year 2015. The sales volume of the Group increased by 7.7% as result of the higher sales volumes in the sectors of the Technical Fabrics by 7.0% and of the Packaging by 10.4%. The above increases in sale volumes were not reflected in the value of turnover given the fact that the reduction of raw material prices were fully transferred into the final sale prices.

Gross Profit

In year 2016, Gross Profit accounted for 66,403 thousand Euro compared to 59,374 thousand Euro in 2015, posting an increase of 11.8%. The Gross Profit Margin settled at 22.7% versus 20.5% in 2015. In the sector of Technical Fabrics the Gross Profit Margin increased by 1.6 percentage points and in the Packaging Sector increased by 4.1 percentage points in year 2016 compared to 2015. The improvement of the Gross Profit margins is attributed to the higher sale volumes which resulted into the reduction of the fixed cost per product unit and also to the improvement of the product mix.

EBIT

The operating earnings before financial and investment activities and taxes amounted to 22,905 thousand Euro compared to 19,080 thousand Euro in 2015 (+20.0%).

EBIT margin settled at 7.8% from 6.6% in 2015.

The above EBIT performance was due to the following:

- Reduction of the Other Operating Income by 1,504 thousand Euro in 2016 compared to 2015 due to the termination of the subsidy on labor cost (12%) concerning companies located in the country's borderlines, including the county of Xanthi.
- Increase of the Distribution Expenses on proportional basis with the increase of sales volume.
- Contraction of the Administrative Expenses.

- Decrease of the Other Earnings by 827 thousand Euro due to the reduction of the positive operating foreign exchange differences in USD..

EBITDA

The Operating Earnings before financial and investment activities, depreciation, amortization, impairment and taxes amounted to 35,160 thousand compared to 28,980 thousand in year 2015 (+21.3%).

Profit from Consolidation via the Equity Method

The above profit derived from the associate companies of the Group Thrace Sarantis, Lumite Inc in which the Group participates with 50%, and Thrace Greiner Packaging SRL and Thrace Eurobent S.A. in which the Group holds 46.42% and 51% of their capital respectively. The above companies are now consolidated according to the equity method following the change that occurred in the consolidation method of joint ventures (IFRS 10, IFRS 11, IFRS 12).

Earnings before Taxes

Earnings before Taxes amounted to 18,327 thousand Euro compared to 13,284 thousand Euro in 2015 (+38.0%). The EBT margin settled at 6.3% from 4.6% in 2015

Earnings after Taxes and Minority Rights (EATAM)

The Earnings after Taxes and Minority Rights amounted to 13,384 thousand Euro compared to 9,788 thousand Euro in 2015 (+36.7%)

EATAM margin settled at 4.6% compared to 3.4% in 2015

II) Financial Position of the Group on 31.12.2016

Consolidated Balance Sheet			
<i>(amounts in Euro thousand)</i>	31.12.2016	31.12.2015	% Change
Tangible Fixed Assets	107,437	92,268	16.4%
Investment Property	113	113	0.0%
Intangible Assets	11,605	11,522	0.7%
Interests in Related Companies	11,347	10,251	10.7%
Other Long Term Receivables	7,387	8,387	-11.9%
Deffered Tax Assets	2,633	128	1957.0%
Total Fixed Assets	140,522	122,669	14.6%
Inventories	57,695	52,981	8.9%
Income Tax Prepaid	1,526	1,078	41.6%
Trade Receivables	50,640	52,618	-3.8%
Other Receivables	8,028	8,774	-8.5%
Cash & Cash Equivalents	31,080	26,411	17.7%
Total Current Assets	148,969	141,862	5.0%
TOTAL ASSETS	289,491	264,531	9.4%
Shareholder's Equity	120,672	127,394	-5.3%
Minority Interest	2,116	1,844	14.8%
TOTAL EQUITY	122,788	129,238	-5.0%
<u>Long Term Liabilities</u>			
Long Term Loans	18,663	9,799	90.5%
Provisions for Employee Benefits	24,369	9,546	155.3%
Other Long Term Liabilities	5,624	6,731	-16.4%
Total Long Term Liabilities	48,656	26,076	86.6%
<u>Short Term Liabilities</u>			
Short Term Bank Loans	67,139	59,025	13.7%
Suppliers	33,029	31,632	4.4%
Other Short Term Liabilities	17,879	18,560	-3.7%
Total Short Term Liabilities	118,047	109,217	8.1%
TOTAL LIABILITIES	166,703	135,293	23.2%
TOTAL EQUITY & LIABILITIES	289,491	264,531	9.4%

Non-Current Assets

The Non-Current Assets on 31.12.2016 amounted to 140,522 thousand Euro compared to 122,669 thousand Euro previously (+14.6%).

- Significant increase of the tangible fixed assets by € 15,169 thousand. The change mainly resulted from the implementation of the investment plan of the Group for the period 2015 – 2016.
- Increase of the deferred taxes by € 2,505 thousand due to the increase of the liability that is generated by the pension plan of Don & Low LTD.

Current Assets

- Inventories amounted to € 57,695 thousand on 31.12.2016 increased by 8.9% compared to 31.12.2015.
- The average inventories turnover ratio settled at 90 days compared to 81 in 2015.
- Trade Receivables amounted to € 50,640 decreased by 3.8% compared to 31.12.2015.
- The average Trade Receivables Turnover ratio settled at 65 days compared to 67 days in 2015.

Equity

Equity settled at € 122,788 thousand posting a decrease of 5.0% mainly due to the increase of the actuarial deficit of the pension plan of Don & Low Ltd as well as due to the foreign exchange differences from the conversion of the Balance Sheets in foreign currency (British Pound).

Provisions of Employee Benefits

The Provisions for Employee Benefits amounted to 24,369 thousand Euro compared to Euro 9,546 thousand Euro previously, posting an increase of 155.36%. The above development was due to the significant increase of the actuarial deficit of the pension plan of Don & Low Ltd, which was mainly due to the reduction of the discount rate, from 3.8% to 2.7%, which is utilized for the estimation of the present value of the liability, as well as the change of the British pound which recorded a significant depreciation.

Net Bank Debt

The Net Bank Debt amounted to 54,722 thousand Euro increased by 29.0% compared to the level of 31.12.2015.

Basic Financial Ratios	2016	2015
Net Bank Debt / Sales	18.7%	14.7%
Net Bank Debt / Equity	44.6%	32.8%
EV/EBITDA	4.7	5.3
ROCE	10.6%	10.2%
ROE	11.1%	7.8%
ROIC	10.3%	9.2%
Average Inventory Turnover (days)	90	81
Average Customer Turnover (days)	65	67
Average Suppliers Turnover (days)	52	48

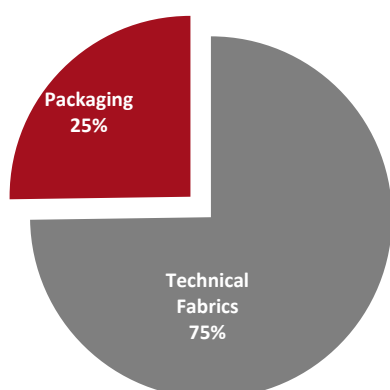
Ratios	Explanation
Net Bank Debt / Sales	Relation between Bank Debt and Sales
Net Bank Debt / Equity	Relation between Bank Debt and Equity
EV/EBITDA: Value of the Company / Operating Earnings before Financial and Investment Activities, Depreciation, Amortization, Impairments and Taxes	Current Market Capitalization, plus the Company's Debt, minus its Cash, divided by the Operating Earnings before Financial and Investment Activities, Depreciation, Amortization, Impairments and Taxes
ROCE: Return on Capital Employed	Operating Earnings before Financial and Investment Activities and Taxes minus the Taxes / Total Assets minus Current Liabilities
ROE: Return on Equity	Earnings after Taxes and Minority Rights / Equity attributable to shareholders of the Company

ROIC: Return on Invested Capital	Operating Earnings before Financial and Investment Activities and Taxes minus the Taxes divided by the Invested Capital (Bank Debt + Equity – Cash)
Receivables and Turnover Ratios (in days)	
Average Customer Turnover (days)	$[(\text{Customers 2016} + \text{Customers 2015})/2]/\text{Sales 2016} \times 365$ days
Average Inventory Turnover (days)	$[(\text{Inventory 2016} + \text{Inventory 2015})/2]/\text{Cost of Goods Sold 2016} \times 365$ days
Average Suppliers Turnover (days)	$[(\text{Suppliers 2016} + \text{Suppliers 2015})/2]/\text{Cost of Goods Sold 2016} \times 365$ days

III) Analysis of Basic Financial Results by Business Unit

	Technical Fabrics			Packaging			Agricultural Unit		
	2016	2015	Δ %	2016	2015	Δ %	2016	2015	Δ %
Sales	225.299	228.540	-1,4%	76.021	70.433	7,9%	1.618	1.035	56,3%
Gross Profit	48.333	45.539	6,1%	17.035	12.874	32,3%	311	292	6,5%
GP Margin	21,5%	19,9%		22,4%	18,3%		19,2%	28,2%	
EBITDA	22.560	19.746	14,3%	12.357	9.018	37,0%	244	206	18,4%
EBITDA Margin	10,0%	8,6%		16,3%	12,8%		15,1%	19,9%	

*Any differences appearing as compared to the published results are due to eliminations between business units.



***Note:** From the current fiscal year and for the purpose of the proper depiction of the Group's sectors, the Management decided to categorize the Group's commercial companies Thrace Synthetic Packaging LTD, Thrace Polybulk AS and Thrace Polybulk AB under the technical fabrics sector instead of the packaging sector, since the majority of the products of these companies belong to the category of technical fabrics. For comparability purposes the same adjustment was also made for fiscal year 2015.