

PRESS RELEASE

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FINANCIAL RESULTS OF THE 9-MONTH PERIOD 2019

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The purpose of the current press release is to present the Group's financial results for the 9-month period of 2019 and to highlight the basic factors that contributed to such.

The key features of the period did not differ significantly compared to the first half of the year, although the profitability of the third quarter posted an improvement compared to the corresponding quarter of 2018, according to the Management's estimates. Specifically, the 9-month period of the fiscal year 2019 was characterized by the following:

- Increase in the consolidated turnover by 1.9% and marginal drop in the volume of consolidated sales by 0.2% which is attributed to the lower volume realized from the Technical Fabrics Sector.
- Decreased demand in the geosynthetics sector in the US market, in the carpet backing sector and the products of big bags for the fertilizer market. The above decrease was offset by the increase in the sales volume from the new investments in the subsidiary company in Scotland as well as the Greek subsidiaries in the Packaging Sector.
- Decrease of Gross Profit by 1.8 percentage points and compression of Gross Profit margin which was due to the Technical Fabrics Sector and mainly to the compression of the carpet backing margins because of the declining market trend and the significantly stronger competition arising from low cost countries. The improvement in the profit margins of the Greek subsidiaries of the Group in the Packaging and Technical Fabrics Sector partially offset the loss in the profit margin of the Technical Fabrics Sector concerning the foreign companies of the Group.
- Relatively low effect on the results of the Group from the positive foreign exchange differences.

It is noted that in the context of the internal restructuring of the Group's holdings with the aim of improving the financial results, the Management decided the following: (a) the permanent cessation of the labor intensive manufacturing process of woven big bags (FIBC) in Sofia, Bulgaria, an operation which is under the supervision and control of the subsidiary company Thrace Ipoma AD, and the replacement of the volume produced by existing as well as new sub-contractors, and (b) focusing on Europe's activities and reducing the presence in the geotextile market of America. For this reason, the Group decided to transfer the needle-punch production line from the wholly owned by 100% subsidiary Thrace Linq Inc which is headquartered in South Carolina, USA, to the wholly owned by 100% subsidiary Don & Low Ltd, based in Forfar, Scotland, with the aim of strengthening and further consolidating the Group's products in the markets of Great Britain and Northwestern Europe.

Specifically, the major financial figures of the Group during the 9-month period of the current year as compared to the same period of 2018 settled as follows:

<i>(amounts in EUR million)</i>	9-Month 2019	9-Month 2018	% Change
Consolidated Turnover	254.36	249.56	+1.9%
Consolidated Gross Profit	50.40	51.31	-1.8%
Consolidated EBIT*	13.75	14.93	-7.9%
Consolidated EBITDA*	25.47	25.16	+1.2%
Consolidated EBT	11.79	12.21	-3.5%
Consolidated EATAM	8.00	8.65	-7.5%
Basic Earnings per Share (in Euro)	0.1829	0.1978	-7.5%

The total **Equity** on 30.09.2019 amounted to € 142.2 million compared to € 141.6 million on 31.12.2018 and the **Net Bank Debt** amounted to € 84.6 million compared to € 78.3 million on 31.12.2018. The ratio **Net Bank Debt / Total Equity** settled at 0,60x compared to 0.55x on 31.12.2018.

*** 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.

ANALYSIS OF MAJOR FINANCIAL RESULTS OF THE 9-MONTH PERIOD OF 2019 (in € thousand)

Turnover	€254,358	(+1.9%)
Increase of Turnover in the Unit of Technical Fabrics by 0.8% and in the Packaging Unit by 3.6% (prior to elimination of intra-group transactions).		
Gross Profit	€50,404	(-1.8 %)
Gross profit margin settled at 19.8% compared to 20.6% in the 9-month period of 2018.		
Other Operating Income	€1,344	(-6.5%)
Other Operating Income posted a decrease of 6.5% (it concerned mainly grants, rental income, income related to electric energy management programs, income from provision of services and revenues from maquettes).		
Distribution Expenses	€23,688	(+1.8%)
As % of Turnover, Distribution Expenses stood at 9.3% unchanged in terms of percentage compared to the same period of 2018.		
Administrative Expenses	€12,938	(+4.6%)
Administrative Expenses settled at 5.1% of Turnover, almost unchanged in terms of percentage compared to the same period of 2018.		
The Research & Development Expenses accounted for € 1,209 (-21.7%) and settled at 0.5% of Turnover.		
Other Operating Expenses	€1,413	(+28.9%)
The increase was mainly due to the higher personnel indemnities and bank expenses.		
Other Profit	€1,254	(+169.1%)
The other profit increased by € 788 thousand and concerned profit from the sale of fixed assets of the subsidiary Don & Low Ltd in the context of the plan to reduce the production of carpet products.		
EBITDA	€25,469	(+1.2%)
EBITDA margin remained almost unchanged settling at 10.0% in 9-month 2019 versus 10.1% in 9-month 2018.		
Financial Result	-€3,277	(-8.7%)
Increase of the positive result of foreign exchange differences by € 203 thousand and decrease of the debit interest by € 111 thousand.		
EBT	€11,791	(-3.5%)
EBT Margin settled at 4.6% versus 4.9% in the 9-month period of 2018.		
EATAM	€8,000	(-7.5%)
EATAM Margin settled at 3.1% versus 3.5% in the 9-month period of 2018.		
Earnings per Share	€0.1829	(-7.5%)
Inventories	€62,562	(-6.5%)
Trade Receivables	€67,744	(+26.4%)
Suppliers	€44,088	(+9.8%)
Net Bank Debt	€84,613	(+8.0%)
The Net Bank Debt / Equity ratio settled at 0.60x on 30.09.2019 compared to 0,55x on 31.12.2018.		
Provisions for Employee Benefits	€23,164	(+49.8%)
The above increase is due to the increase of the actuarial deficit of Don & Low LTD, which derived from the increase in the present value of the liability.		

Statement of Income during the 9-Month Period of 2019			
	9-Month 2019	9-Month 2018	% Change
<i>(amounts in thousand euro)</i>			
Turnover	254,358	249,559	1.9%
Gross Profit	50,404	51,309	-1.8%
Gross Profit Margin	19.8%	20.6%	
Other Operating Income	1,344	1,438	-6.5%
<i>As % of Turnover</i>	<i>0.5%</i>	<i>0.6%</i>	
Distribution Expenses	23,688	23,276	1.8%
<i>As % of Turnover</i>	<i>9.3%</i>	<i>9.3%</i>	
Administrative Expenses	12,938	12,368	4.6%
<i>As % of Turnover</i>	<i>5.1%</i>	<i>5.0%</i>	
Research & Development Expenses	1,209	1,545	-21.7%
<i>As % of Turnover</i>	<i>0.5%</i>	<i>0.6%</i>	
Other Operating Expenses	1,413	1,096	28.9%
<i>As % of Turnover</i>	<i>0.6%</i>	<i>0.4%</i>	
Other Earnings	1,254	466	169.1%
EBIT	13,754	14,928	-7.9%
EBIT Margin	5.4%	6.0%	
EBITDA	25,469	25,162	1.2%
EBITDA Margin	10.0%	10.1%	
Financial Income / (Expenses)	-3,277	-3,589	-8.7%
Earnings / (Losses) from Companies consolidated with the Equity Method			
	1,314	874	50.3%
EBT	11,791	12,213	-3.5%
EBT Margin	4.6%	4.9%	
Income Tax	3,548	3,338	6.3%
Total EAT	8,243	8,875	-7.1%
EAT Margin	3.2%	3.6%	
Minority Interest	243	226	7.5%
Total EATAM	8,000	8,649	-7.5%
EATAM Margin	3.1%	3.5%	
Earnings per Share (in Euro)	0.1829	0.1978	-7.5%

Results per Business Unit in the 9-Month Period of 2019

Sector	Technical Fabrics			Packaging			Other		Eliminations	
	9-Month 2019	9-Month 2018	% Ch.	9-Month 2019	9-Month 2018	% Ch.	9-Month 2019	9-Month 2018	9-Month 2019	9-Month 2018
<i>(Amounts in € thous.)</i>										
Turnover	187,264	188,773	-0.8%	73,267	70,693	3.6%	3,875	3,788	-10,048	-13,695
Gross Profit	34,418	36,258	-5.1%	15,779	14,553	8.4%	565	444	-358	54
Gross Profit Margin	18.4%	19.2%		21.5%	20.6%		14.6%	11.7%	-	-
Total EBITDA	15,270	15,528	-1.7%	10,458	9,811	6.6%	-175	-77	-84	-100
EBITDA Margin	8.2%	8.2%		14.3%	13.9%		-	-	-	-

Basic Balance Sheet Accounts as of 30.09.2019

	30.09.2019	31.12.2018	% Change
<i>(amounts in thousand euro)</i>			
Tangible Fixed Assets	117,936	135,963	-13.3%
Right-of-use Assets	26,163	0	-
Investment Property	113	113	0.0%
Intangible Assets	11,150	11,567	-3.6%
Interests in Joint Ventures	14,928	13,355	11.8%
Other Long-term Receivables	5,090	5,087	0.1%
Deferred Tax Assets	2,136	935	128.4%
Total Fixed Assets	177,516	167,020	6.3%
Inventories	62,562	66,896	-6.5%
Income Tax Prepaid	1,078	2,058	-47.6%
Trade Receivables	67,744	53,603	26.4%
Other Receivables	7,458	7,824	-4.7%
Cash & Cash Equivalents	19,433	22,824	-14.9%
Total Current Assets	158,275	153,205	3.3%
TOTAL ASSETS	335,791	320,225	4.9%
Shareholders' Equity	139,282	138,935	0.2%
Minority Interest	2,918	2,680	8.9%
TOTAL EQUITY	142,200	141,615	0.4%
Long-term Loans	20,390	29,136	-30.0%
Liabilities from Leases	10,634	0	-
Provisions for Employee Benefits	23,164	15,468	49.8%
Other Long-term Liabilities	2,778	2,946	-5.7%
Total Long-term Liabilities	56,966	47,550	19.8%
Short-term Bank Debt	68,347	72,050	-5.1%
Liabilities from Leases	4,675	0	-
Suppliers	44,088	40,163	9.8%
Other Short-term Liabilities	19,515	18,847	3.5%
Total Short-term Liabilities	136,625	131,060	4.2%
TOTAL LIABILITIES	193,591	178,610	8.4%
TOTAL EQUITY & LIABILITIES	335,791	320,225	4.9%