

PRESS RELEASE

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FINANCIAL RESULTS OF YEAR 2019

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The purpose of the current release is to present the Group's financial results for the fiscal year 2019 and to highlight the basic factors that contributed to such.

The major developments of the financial year 2019 are highlighted as following:

The sales volume of the Group amounted to 121.3 thousand tons, marginally reduced compared to the year 2018. In particular, the sales volume in Technical Fabrics Unit amounted to 90.3 thousand tons in year 2019 compared to 93.5 thousand tons in 2018 (-3.4%) whereas in Packaging Unit it settled at 35.7 thousand tons in 2019 compared to 34.4 thousand tons in 2018 (+3.6%). The changes in the Technical Fabrics Unit are mainly due to the closure of the woven mega sacks (FIBC) factory in Bulgaria and the reduction in sales of subsidiaries in Scotland and the United States. On the contrary, the rise in the Packaging Unit came mainly from the Greek market, due to an increase in sales volume in the food and paint industries.

The consolidated Turnover for the fiscal year 2019 amounted to **€ 327.8 million** compared to **€ 322.7 million in 2018 (+1.6%)**

The consolidated Gross Profit amounted to **€ 63.5 million** compared to **€ 63.2 million in 2018**. The reduction in Gross Profit margin was marginal, settling at 19.4% compared to 19.6% in 2018. The reduction in the gross profit margin was mainly due to the drop in the gross profit margin of the Group's subsidiary in Scotland, due to the internal restructuring of factories in order to prepare for the installation of the new needlepunch line, and also due to the increased competition in the UK market. The preparation for the relocation of the new line in Scotland has also resulted in a reduction in the relative production of the subsidiary in the United States.

The consolidated **EBITDA for the fiscal year 2019 increased by 4.5% (€ 28.7 million compared to € 27.5 million in 2018)**. In addition, within the year 2019 there were expenses and income items that do not relate to the ordinary business activity of the Group and which affected accordingly the EBITDA level. In particular, **the "adjusted" EBITDA for the year 2019 amounted to € 30.6 million versus the corresponding "adjusted" EBITDA of year 2018 which amounted to € 29 million, posting an increase of 5.6%.**

The non-recurring expenses and income for the years 2019 and 2018 are analyzed as follows:

Non-Recurring Expenses for the Fiscal Year 2019

(amounts in EUR thousand)

- € 1,679 Impairments and provisions for indemnities at Thrace Linq *
- € 273 Internal reorganization in Thrace Ipoma – final termination of the (labor intensive) production process of woven mega sacks (FIBC) in Bulgaria
- € 549 Provisions for staff indemnities in the context of the internal restructuring of Don & Low Ltd**

Non-Recurring Income for the Fiscal Year 2019

- € 640 Profit from the sale of fixed assets at Don & Low Ltd in the context of its internal reorganization**

* The Group decided to discontinue the business activity of the above mentioned company within the year 2020 and to cover the market of Geosynthetic Fabrics in the United States through subsidiaries in Europe and its joint venture in the US Lumite Inc. For this reason, the company proceeded with the appropriate impairments and provisions.

** Don & Low LTD reduced its presence in Woven Technical Fabrics while it increased its production capacity in the Non-Woven Technical Fabrics. In this context, there were profits emerging from the sale of fixed assets (looms) as well as expenses relating to staff indemnities.

Specifically, a summary of the financial results of the Group for the financial year 2019 compared to the financial year 2018 is provided below:

<i>(amounts in EUR million)</i>	2019	2018	% Change
Consolidated Turnover	327.8	322.7	+1.6%
Consolidated Gross Profit	63.5	63.2	+0.5%
Consolidated EBITDA*	28.7	27.5	+4.5%
Adjusted Consolidated EBITDA*	30.6	29.0	+5.6%
Consolidated EBIT*	12.1	13.7	-11.6%
Consolidated EBT	8.3	10.0	-16.6%

Consolidated EATAM	3.7	7.7	-51.9%
Basic Earnings per Share (in Euro)	0.0850	0.1765	-51.8%

The total **Equity** on 31.12.2019 amounted to € 146.3 million compared to € 141.6 million on 31.12.2018 with the **Net Debt** standing at € 83.5 million compared to € 78.4 million on 31.12.2018. The ratio **Net Debt / Total Equity** settled at 0.57x compared to 0.55x on 31.12.2018.

Prospects and Outlook of the Group for the Financial Year 2020

The uncertainty in the broader macroeconomic and financial environment along with the volatile business climate as well as the effects of the spread of the COVID-19 pandemic, are risk factors that do not allow for reliable assessments regarding the Group's future performance. At the same time, the Management continues to monitor and assess these risk factors. Especially in relation to the effects of the pandemic and the potential recession it has already had on the local economies, the impact that it would have on the Group's financial statements cannot be accurately estimated. In any case, the Management evaluates the data on an ongoing basis in order to ensure that all necessary and possible measures and actions are taken in order to reduce the negative effects on the Group's business activity, as a result of this event.

In relation to the current financial conditions, the improved financial results of the first quarter of 2020, compared to the previous financial year, will increase the capability of limiting potential risks if they arise in the future.

Regarding the second quarter financial performance, the Group does not face significant impact from the adverse conditions due to the spread of the pandemic. This development is a result of the fact that the decreased product sales in sectors with limited activity (e.g. catering, tourism), are counterbalanced by the increased sales of products that demonstrate significantly increased demand, as they relate to the areas of personal health protection, hygiene and food packaging and for which demand is expected to remain high in the near future.

Maintaining the Group's strong capital structure and the necessary liquidity, combined with continuous monitoring of the operating parameters and the action plan developed in a timely manner, are necessary conditions to reduce the potential negative effects due to the spread of the pandemic and to ensure operational and business continuity. The Management of the Group takes all the necessary decisions and actions and continues to work towards this direction.

* 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 also 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.

Adjusted EBITDA (The adjusted indicator of operating earnings before the financial and investment activities as well as the depreciation, amortization, impairment and taxes): The adjusted EBITDA equals with the EBITDA excluding any extraordinary Expenses/Income.

ANALYSIS OF FINANCIAL RESULTS OF THE YEAR 2019 (in € thousand)

Turnover	€327,795	(+1.6%)
Decrease of Turnover in the Unit of Technical Fabrics by 1.4% and increase in the Packaging Unit by 3.5% (prior to elimination of intra-group transactions).		
Gross Profit	€63,548	(+0.5%)
Gross profit margin settled at 19.4% compared to 19.6% in year 2018.		
Other Operating Income	€1,981	(-17.1%)
Other Operating Income in 2019 mainly concerned subsidies for the recruitment of new graduates, rental income, as well as revenue from Electricity management programs.		
Distribution Expenses	€31,156	(-0.5%)
As % of Turnover, the Distribution Expenses stood at 9.5% compared to 9.7% in the year 2018.		
Administrative Expenses	€17,204	(+2.3%)
Administrative Expenses settled at 5.2% of Turnover, unchanged in terms of percentage compared to the year 2018.		
Research & Development Expenses	€1,568	(-26.5%)
Research and Development Expenses amounted to € 1,568 (and as percentage of turnover accounted for 0.5% versus 0.7% in 2018).		
Other Operating Expenses	€4,257	(+97.4%)
This significant increase has resulted from the extraordinary expenses incurred due to the final termination of Thrace Linq (USA) and the reorganization of Thrace Ipoma (Bulgaria) and Don & Low (UK).		
Other Profit	€758	(+49.8%)
It mainly concerned income from the sale of fixed assets implemented by the Group's subsidiary in Scotland under the framework of internal restructuring and reorganization.		
EBITDA	€28,745	(+4.5%)
EBITDA margin settled at 8.8% compared to 8.5% in year 2018.		
"Adjusted" EBITDA	€ 30,606	(+5.6%)
"Adjusted" EBITDA margin settled at 9.3% compared to 9.0% in year 2018		
Financial Expenses	-€4,920	(+8.2%)
The increase was due to the negative foreign exchange differences for the period (change of GBP versus the EURO and USD).		
EBT	€8,348	(-16.6%)
EBT margin settled at 2.5% versus 3.1% in 2018.		
EATAM	€3,716	(-51.9%)
EATAM margin settled at 1.1% compared to 2.4% in 2018		
Earnings per Share	€0.0850	(-51.8%)
Earnings per share settled at €0.085 in 2019.		
Inventory	€59,158	(-11.6%)
Average Turnover ratio of Inventory at 87 versus 89 in 2018		
Trade Receivables	€57,428	(+7.1%)
Average Turnover ratio of Trade Receivables at 62 versus 63 in 2018		
Suppliers	€36,187	(-9.9%)
Average Turnover ratio of Suppliers at 53 compared to 54 in 2018.		
Net Debt	€83,528	(+6.6%)
The Net Debt / Total Equity ratio settled at 0.57x on 31.12.2019 compared to 0.55x on 31.12.2018		
Provisions for Employee Benefits	€15,252	(-1.4%)
The above reduction is mainly due to the decrease of the actuarial deficit of Don & Low LTD, which derived from the appreciation of the assets (equities, bond securities, diversified growth funds and other).		

Statement of Income of Year 2019

(amounts in thousand euro)	2019	2018	% Change
Turnover	327.795	322.733	1,6%
Gross Profit	63.548	63.225	0,5%
Gross Profit Margin	19,4%	19,6%	
Other Operating Income	1.981	2.390	-17,1%
As % of Turnover	0,6%	0,7%	
Distribution Expenses	31.156	31.312	-0,5%
As % of Turnover	9,5%	9,7%	
Administrative Expenses	17.204	16.823	2,3%
As % of Turnover	5,2%	5,2%	
Research & Development Expenses	1.568	2.133	-26,5%
As % of Turnover	0,5%	0,7%	
Other Operating Expenses	4.257	2.156	97,4%
As % of Turnover	1,3%	0,7%	
Other Earnings	758	506	49,8%
EBIT	12.102	13.697	-11,6%
EBIT Margin	3,7%	4,2%	
EBITDA	28.745	27.500	4,5%
EBITDA Margin	8,8%	8,5%	
Adjusted EBITDA	30.606	28.986	5,6%
Adjusted EBITDA Margin	9,3%	9,0%	
Financial Income / (Expenses)	-4.920	-4.547	8,2%
Earnings / (Losses) from Companies consolidated with the Equity Method	1.166	855	36,4%
Profit / (Losses) from Participations	-	-	-
EBT	8.348	10.005	-16,6%
EBT Margin	2,5%	3,1%	
Income Tax	4.331	1.976	119,2%
Total EAT	4.017	8.029	-50,0%
EAT Margin	1,2%	2,5%	
Minority Interest	301	308	
Total EATAM	3.716	7.721	-51,9%
EATAM Margin	1,1%	2,4%	
Earnings per Share (in Euro)	0,0850	0,1765	-51,8%

Results per Business Unit for the Year 2019

Sector	Technical Fabrics			Packaging			Other		Eliminations		
(Amounts in € thous.)	2019	2018	% Ch.	2019	2018	% Ch.	2019	2018	2019	2018	
Turnover	240,604	243,980	-1.4%	94,895	91,642	3.5%	4,993	4,896	-12,697	-17,785	
Gross Profit	42,736	44,310	-3.6%	20,437	18,220	12.2%	404	354	-29	341	
Gross Profit Margin	17.8%	18.2%		21.5%	19.9%		8.1%	7.2%	-	-	
Total EBITDA	15,745	15,528	1.4%	13,280	11,978	10.9%	-264	78	-16	-84	
EBITDA Margin	6.5%	6.4%		14.0%	13.1%		-	-	-	-	

Basic Balance Sheet Accounts on 31.12.2019

(amounts in thousand euro)	31.12.2019	31.12.2018	% Change
Tangible Fixed Assets	123.210	135.963	-9,4%
Right-of-use Assets	14.972	-	-
Investment Property	113	113	0,0%
Intangible Assets	11.350	11.567	-1,9%
Interests in Joint Ventures	14.547	13.355	8,9%
Other Long-term Receivables	5.091	5.087	0,1%
Deferred Tax Assets	833	935	-10,9%
Total Fixed Assets	170.116	167.020	1,9%
Inventories	59.158	66.896	-11,6%
Income Tax Prepaid	588	2.058	-71,4%
Trade Receivables	57.428	53.603	7,1%
Other Receivables	7.844	7.824	0,3%
Assets Held for Sale	6.155	-	-
Cash & Cash Equivalents	22.051	22.824	-3,4%
Total Current Assets	153.224	153.205	0,01%
TOTAL ASSETS	323.340	320.225	1,0%
Shareholders' Equity	143.378	138.935	3,2%
Minority Interest	2.971	2.680	10,9%
TOTAL EQUITY	146.349	141.615	3,3%
Long-term Loans	52.871	29.136	81,5%
Liabilities from Leases	4.439	-	-
Provisions for Employee Benefits	15.252	15.468	-1,4%
Other Long-term Liabilities	2.636	2.269	16,2%
Total Long-term Liabilities	75.198	46.873	60,4%
Short-term Bank Debt	43.496	72.050	-39,6%
Liabilities from Leases	4.773	-	-
Suppliers	36.187	40.163	-9,9%
Other Short-term Liabilities	17.337	19.524	-11,2%
Total Short-term Liabilities	101.793	131.737	-22,7%
TOTAL LIABILITIES	176.991	178.610	-0,9%
TOTAL EQUITY & LIABILITIES	323.340	320.225	1,0%