

PRESS RELEASE

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FINANCIAL RESULTS OF YEAR 2018

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The purpose of the current release is to present the Group's financial results for the fiscal year 2018 and to highlight the basic factors that contributed to such.

The major developments of the year are highlighted as following:

- The Group's sales volume remained in the same levels with the year 2017 settling at 121.9 thousand tons. Specifically, the sales volume in Technical Fabrics B.U. reached 93.5 thousand tons in 2018 versus 96.3 thousand tons in 2017 (-2.9%) and in the Packaging B.U. it settled at 34.5 thousand tons in 2018 versus 30.7 thousand tons in 2017 (+12.4%). The drop in the sales volume of the Technical Fabrics Unit was mainly due to the reorganization of the subsidiary company Thrace Nonwovens & Geosynthetics with the aim to optimize the production process and assist the company's exit from loss-making markets.
- The consolidated turnover for the year 2018 reached € 322.7 million versus € 318.5 million in 2017 (+1.3%). The turnover growth was attributed to the Packaging B.U. which posted an increase by 9.5%, whereas the Technical Fabrics Unit posted a drop of 1.5% for the reasons mentioned above.
- The consolidated Gross Profit declined by 5.5% and settled at € 63.2 million compared to € 66.9 million in 2017. The drop was due to the following factors:
 - Raw material prices continued their upward trend. Specifically, polypropylene prices increased by 9.3% since the start of 2017, with the 12-month moving average increase settled at 6.2%. Although the Group's subsidiaries proceeded with corresponding increases in the final sale prices, the time lag observed as well as the inability to transfer the entire increase into the final sales price, had a negative effect on the consolidated Gross Profit.
 - The Group's subsidiary in Scotland has been affected by the BREXIT since the EUR/GBP rate has resulted into an incremental increase in the raw material prices, which is not feasible to be transferred into the final sales price. In addition, the uncertainty that is observed in the market due to BREXIT has also resulted into a lower demand for certain products and to a stronger competition in the market of the United Kingdom.
 - There has been a significant increase in the energy cost in several subsidiaries of the Group and mainly in the subsidiaries of Scotland and Bulgaria.
 - There have been also higher production costs in the subsidiaries of Scotland and USA as during the year 2018 the Group implemented new investments aiming at a higher production capacity and the decrease of production cost in the particular companies.
- The consolidated EBITDA for the year 2018 amounted to € 27.5 million compared to € 30.1 million in 2017 decreased by 8.7%. Apart from the reasons mentioned above, the consolidated EBITDA were affected by non-recurring expenses of € 1.5 million which emerged within the year 2018 and were not part of the ordinary business activity of the Group. Specifically the non-recurring expenses for the year 2018 are being analyzed as following:
 - a) An amount of € 686 thousand concerned an extraordinary expense in relation to a decision of the High Court of England, according to which the pension plans of the United Kingdom with Guaranteed Minimum Pensions (GMP) should be readjusted in order their provisions are equivalent as far as male and female employees are concerned.
 - b) An amount of € 800 thousand which concerns the internal reorganization of the companies Thrace Nonwovens & Geosynthetics SA and EL.VIS. SA.
- The adjusted consolidated EBITDA for the year 2018 amounted to € 29 million posting a drop of 3.8 versus the year 2017.

Specifically, the major results of the Group for the financial year 2018 compared to the year 2017 settled as follows:

<i>(amounts in € million)</i>	2018	2017	% Change
Consolidated Turnover	322.7	318.5	+1.3%
Consolidated Gross Profit	63.2	66.9	-5.5%
Consolidated EBIT*	13.7	17.2	-20.3%
Consolidated EBITDA*	27.5	30.1	-8.7%
Adjusted Consolidated EBITDA*	28.9	30.1	-3.8%
Consolidated EBT	10.0	13.8	-27.7%
Adjusted EBT	11.5	13.8	-16.9%
Consolidated EATAM	7.7	10.6	-26.8%
Basic Earnings per share (in €)	0.1765	0.2412	-26.8%

The total **Equity** on 31.12.2018 amounted to € 141.6 million compared to € 137.5 million on 31.12.2017 with the **Net Bank Debt** standing at € 78.3 million compared to € 57.8 million on 31.12.2017. The ratio **Net Bank Debt / Total Equity** settled at 0.55x compared to 0.42x on 31.12.2017.

Prospects and Outlook of the Group for the Financial Year 2019

The uncertainty prevailing in the broader macroeconomic and financial environment along with the volatile business environment mainly in Europe, in conjunction with the repercussions from a potential exit of the UK from the European Union, comprise risk factors which in turn do not allow the Group to make any safe estimates or projections about the future. Of course the Group evaluates and assesses these risks on a constant basis. Specifically regarding Brexit, the Group cannot at this stage estimate with certainty any potential effect on its financial statements. In any case the Management assesses on a constant basis all elements in order to ensure that it takes the proper measures and proceeds with the respective actions towards the minimization of any negative impact on the Group's business activities due to the above mentioned event.

The maintenance of a healthy financial structure for the Group, despite the extended investment program during the past four years, in conjunction with the healthy operating and organizational structures which are in effect, provide the Management of the Group with the ability to continue its efforts towards the achievement of its strategic goals. For the fiscal year 2019, the Group's Management estimates that the growth course will continue via an increase in the sales volume and turnover, whereas the profitability of the Group is expected slightly improved as compared to the year 2018. However the above estimates might be affected by a major international event or development.

*** 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.

Adjusted EBITDA (the adjusted figure of operating earnings before financial and investment activities, depreciation / amortization, impairments and taxes)
The Adjusted EBITDA equals with the EBITDA figure from which the restructuring costs, merger and acquisitions costs and other non-recurring expenses have been deducted.

ANALYSIS OF MAJOR FINANCIAL RESULTS OF THE YEAR 2018 (in € thousand)

Turnover	€322,733	(+1.3%)
Increase in turnover of the Technical Fabrics Unit by 1.5% and of the Packaging Unit by 9.5% (prior to intra-group transactions)		
Gross Profit	€63,225	(-5.5%)
Gross profit margin settled at 19.6% compared to 21.0% in year 2017.		
Other Operating Income	€2,390	(+11.5%)
Increase due to income from ADMIE (Greece's Independent Power Transmission Operator).		
Distribution Expenses	€31,312	(+3.9%)
Distribution expenses settled at 9.7% of total turnover versus 9.5% in year 2017.		
Administrative Expenses	€16,823	(-0.1%)
The administrative expenses as percentage of total turnover settled at 5.2% compared to 5.3% in year 2017.		
The Research & Development Expenses amounted to € 2,133 (+9.5%) whereas as percentage of turnover settled at 0.7%, almost in the same levels with the previous year (0.6%).		
Other operating expenses	€2,156	(+19.2%)
The mainly relate to personnel indemnities, expenses for the purchase of maquettes and the extraordinary expense that emerged from the new regulation with regard to pension plans in the UK.		
Other earnings	€506	(Loss €1,114)
They mainly concern positive foreign exchange differences and sales of fixed assets.		
EBITDA	€27,500	(-8.7%)
EBITDA margin settled at 8.5% compared to 9.5% in year 2017.		
Financial Results	-€4,547	(-16.4%)
Decrease due to the lower interest rates and the higher levels of the positive foreign exchange differences.		
EBT	€10,005	(-27.7%)
EBT margin settled at 3.1% compared to 4.3% in year 2017.		
EATAM	€7,721	(-26.8%)
EATAM margin settled at 2.4% compared to 3.3% in year 2017.		
Earnings per Share	€0.1765	(-26.8%)

Inventory	€66,896	(+12.2%)
Inventory increase in the Technical Fabrics Unit		
Trade Receivables	€53,603	(-6.5%)
Reduction resulted from the better management of trade receivables in both business units.		
Suppliers	€40,163	(+8.5%)
The average Suppliers Turnover Ratio settled at 54 days versus 50 days in 2017.		
Net Bank Debt	€78,362	(+35.6%)
The Net Bank Debt / Total Equity ratio settled at 0.55x on 31.12.2018 compared to 0.42x on 31.12.2017		
Provisions for Employee Benefits	€15,468	(-2.4%)
The Provisions for Employee Benefits amounted to € 15,468 thous. on 31.12.2018 posting a decrease of 2.4%. The above reduction is due to the decrease of the actuarial deficit of Don & Low LTD, which derived from the appreciation of the assets and specifically of the equities and bond securities.		

Statement of Income of Year 2018			
(amounts in thousand euro)	2018	2017	% Ch.
Turnover	322,733	318,509	1.3%
Gross Profit	63,225	66,890	-5.5%
Gross Profit Margin	19.6%	21.0%	
Other Operating Income	2,390	2,144	11.5%
As % of Turnover	0.7%	0.7%	
Distribution Expenses	31,312	30,146	3.9%
As % of Turnover	9.7%	9.5%	
Administrative Expenses	16,823	16,839	-0.1%
As % of Turnover	5.2%	5.3%	
Research & Development Expenses	2,133	1,948	9.5%
As % of Turnover	0.7%	0.6%	
Other Operating Expenses	2,156	1,808	19.2%
As % of Turnover	0.7%	0.6%	
Other Earnings / (Losses)	506	-1,114	-
EBIT*	13,697	17,179	-20.3%
EBIT Margin	4.2%	5.4%	
EBITDA*	27,500	30,131	-8.7%
EBITDA Margin	8.5%	9.5%	
Adjusted EBITDA*	28,986	30,131	-3.8%
Adjusted EBITDA Margin	9.0%	9.5%	
Financial Income / (Expenses)	-4,547	-5,439	-16.4%
Earnings / (Losses) from Companies consolidated with the Equity Method	855	996	-14.2%
Earnings / (Losses) from Participation	0	1,098	-
EBT	10,005	13,834	-27.7%
EBT Margin	3.1%	4.3%	
Income Tax	1,976	3,025	-34.7%
Total EAT	8,029	10,809	-25.7%
EAT Margin	2.5%	3.4%	
Minority Interest	308	258	
Total EATAM	7,721	10,551	-26.8%
EATAM Margin	2.4%	3.3%	
Earnings per Share (in Euro)	0.1765	0.2412	-26.8%

Results per Business Unit for the Year 2018

Sector	Technical Fabrics			Packaging			Other		
	2018	2017	% Ch.	2018	2017	% Ch.	2018	2017	% Ch.
(amounts in thous. €)									
Turnover	243.980	247.789	-1.5%	91.642	83.726	9.5%	4.896	5.130	-4.6%
Gross Profit	44.310	48.990	-9.6%	18.220	17.219	5.8%	354	453	-21.9%
Gross Profit Margin	18.2%	19.8%		19.9%	20.6%		7.2%	8.8%	
Total EBITDA	15.528	18.910	-17.9%	11.978	11.519	4.0%	78	1.474	-94.7%
EBITDA Margin	6.4%	7.6%		13.1%	13.8%		-	-	

Basic Balance Sheet Accounts on 31.12.2018

(amounts in thousand euro)	31.12.2018	31.12.2017	% Change
Tangible Fixed Assets	135,963	114,394	18.9%
Investment Property	113	113	0.0%
Intangible Assets	11,567	11,424	1.3%
Interests in Related Companies	13,355	12,839	4.0%
Other Long-term Receivables	5,087	7,669	-33.7%
Deferred Tax Assets	935	1,334	-29.9%
Total Fixed Assets	167,020	147,773	13.0%
Inventories	66,896	59,634	12.2%
Income Tax Prepaid	2,058	1,702	20.9%
Trade Receivables	53,603	57,332	-6.5%
Other Receivables	7,824	7,672	2.0%
Cash & Cash Equivalents	22,824	30,593	-25.4%
Total Current Assets	153,205	156,933	-2.4%
TOTAL ASSETS	320,225	304,706	5.1%
Shareholders' Equity	138,935	135,113	2.8%
Minority Interest	2,680	2,365	13.3%
TOTAL EQUITY	141,615	137,478	3.0%
Long-term Loans	29,136	15,737	85.1%
Provisions for Employee Benefits	15,468	15,847	-2.4%
Other Long-term Liabilities	2,946	5,130	-42.6%
Total Long-term Liabilities	47,550	36,714	29.5%
Short-term Bank Debt	72,050	72,663	-0.8%
Suppliers	40,163	37,021	8.5%
Other Short-term Liabilities	18,847	20,830	-9.5%
Total Short-term Liabilities	131,060	130,514	0.4%
TOTAL LIABILITIES	178,610	167,228	6.8%
TOTAL EQUITY & LIABILITIES	320,225	304,706	5.1%