

PRESS RELEASE

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FINANCIAL RESULTS OF FIRST HALF 2020

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The purpose of the current release is to present the Group's financial results for the first half of the current year.

The spread of the Covid-19 pandemic from the beginning of 2020 until today has resulted into substantial changes and disruptions in global supply and demand. As the pandemic is ongoing, there is still an inability to assess both its duration and intensity, but also its potential impact. In the midst of these conditions, the Group has managed to date to offset the negative consequences and to ensure its smooth and uninterrupted operation, while always having as its primary objective the health and safety of its employees.

This effort of the Management is reflected in the positive course of the results of the Group for the first half of the current year. The main reasons that contributed into the resilience of sales (from continuing operations) and the significant improvement of profit margins are the following:

- The reorganization of the Group's activities, which was implemented during the previous years.
- The higher demand for products related to personal protection and health, an increase that offset the decline in demand for products related to catering and tourism, as well as the development of new products and activities.
- The expansion of the Group's customer base. The customers in the context of the conditions of uncertainty prevailing in the market showed and continue to demonstrate real trust but also to recognize the reliability and consistency of the Group as a supplier.

The reduction of Net Debt by €36,556 thousand has been also a very significant development in the period under consideration (on 30.06.2020 the Net Debt amounted to €46,972 thousand, compared to €83,528 thousand on 31.12.2019, posting a drop of 43.8%). The Net Debt / Equity ratio settled at 0.31x compared to 0.57x on 31.12.2019, whereas the Net Debt / EBITDA ratio stood at 1.30x on 30.06.2020, compared to 2.91x on 31.12.2019 and 3.31x on 30.06.2019.

The total Equity on 30.06.2020 amounted to €151,851 thousand compared to €146,349 thousand on 31.12.2019.

More specifically, the following table presents the main financial figures of the Group in the first half of 2020 in relation to the corresponding period of 2019. It is also noted that the discontinued operations concern the termination of production activities of the US subsidiary Thrace Linq Inc.

CONSOLIDATED FIGURES OF THE GROUP (in € thous.)	30/06/2020	30/06/2019	Change (%)
Turnover (Continuing Operations)	155,376	155,173	+0.1%
Gross Profit (Continuing Operations)	42,141	32,440	+29.9%
EBIT* (Continuing Operations)	17,734	9,434	+88.0%
EBITDA* (Continuing Operations)	26,033	16,468	+58.1%
Adjusted EBITDA*	26,787	16,468	+62.7%
EBT (Continuing Operations)	16,855	7,487	+125.1%
Earnings after Taxes (Continuing Operations)	12,830	5,255	+144.1%
Earnings/(Losses) after Taxes (Discontinued Operations)	(2,809)	(902)	
EAT (Total Operations)	10,021	4,353	+130.2%
Earnings after Taxes and Minority Interests (Continuing Operations)	12,548	5,103	+145.9%
Earnings/(Losses) after Taxes and Minority Interests (Discontinued Operations)	(2,809)	(902)	
EATAM (Total Operations)	9,739	4,201	+131.8%

Basic Earnings per Share (Continuing Operations)	0.2869	0.1167	+145.8%
Basic Earnings / (Losses) per Share (Discontinued Operations)	(0.0642)	(0.0206)	
Basic Earnings per Share (Total Operations)	0.2227	0.0961	131.7%

It should be noted that the **Adjusted EBITDA in the first half of 2020** does not include costs related to the operational reorganization of the Scottish subsidiary Don & Low Ltd.

Outlook for the Second Half 2020

Regarding the third quarter of the year, demand for most products in the portfolio remains unaffected, while there is an increased demand for existing and new products related to personal protection and health. These events are expected to offset the decline in demand for products related to catering and tourism. These developments are expected to result in the third quarter of the year to show significantly improved profitability, compared to the corresponding period of the previous year, despite the possible negative effects of the pandemic which may occur by the end of the third quarter.

Regarding the prospects for the entire second half of 2020, at the time of preparation of the current report, the Management estimates that the financial performance of the Group will continue to show a significant improvement, compared to the corresponding period of the previous year, both in terms of profitability, as well as in terms of liquidity. However, given the intense uncertainty created by the second phase of the pandemic, it should be reiterated that it is not unlikely the second half of the year to be, on a case-by-case basis, negatively affected by adverse economic conditions, whereas at this point in time no estimate or assessment can be made regarding the degree of such effect.

In conclusion, the Group's Management remains optimistic over the achievement of particularly positive results for the entire financial year 2020. The commitment to the further improvement of profitability as well as to stronger free cash flows creates favorable conditions for even greater improvement of financial performance, despite the uncertain conditions which, as already mentioned, are being created by the course of the pandemic. These conditions, which are carefully monitored and evaluated on a daily basis by the Management, inevitably affect the business environment and potentially the respective projections and estimates.

For further clarifications or information regarding the present release you may refer to Ms Ioanna Karathanasi, Head of Investor Relations, tel.: + 30 210-9875081.

* 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 MAIN FINANCIAL FIGURES OF THE FIRST HALF 2020 (in € thousand)

Turnover	€155,376 (+0.1%)
Marginal increase in consolidated sales from continuing operations, which resulted mainly from the increase in sales of the Packaging Unit.	
Gross Profit	€42,141 (+29.9%)
Gross profit margin settled at 27.1% in the first half of 2020 compared to 20.9% in the same period of 2019.	
Other Operating Income	€270 (-65.7%)
Other Operating Income in the first half of 2020 relates mainly to grants for the recruitment of new graduates and reversal of unused provisions.	
Distribution Expenses	€14,766 (-0.7%)
As % of Turnover, Distribution Expenses stood at 9.5% compared to 9.6% in the first half of 2019.	
Administrative Expenses	€7,536 (-1.3%)
Administrative Expenses settled at 4.9% of Turnover remaining at the same level with the previous year.	
Research and Development Expenses	€733 (-5.4%)
They settled at 0.5% of Turnover remaining at the same levels with the first half of 2019.	
Other Operating Expenses	€1,786 (+182.6%)
The significant increase emerged from the extraordinary expenses (non recurring) due to the operational reorganization of Don & Low.	
Other Profits	€144 (+15.2%)
They mainly concern positive operating foreign exchange differences.	
EBITDA (Continuing Operations)	€26,033 (+58.1%)
EBITDA margin settled at 16.8% compared to 10.6% in the first half of 2019.	
Adjusted EBITDA (Continuing Operations)	€26,787 (+62.7%)
The adjusted EBITDA margin settled at 17.2% compared to 10.6% in the first half of 2019.	
Financial Expenses (net)	-€1,831 (-23.4%)
The decrease is due to the repayment and consequently the reduction of bank debt, in combination with the relative reduction of interest rates.	
EBT (Continuing Operations)	€16,855 (+125.1%)
EBT Margin settled at 10.8% compared to 4.8% in first half of 2019.	
Earnings after Taxes (Total Operations)*	€10,021 (+130.2%)
EAT Margin settled at 6.2% compared to 2.5% in first half of 2019 calculated as percentage of the Total Turnover (Continuing and Discontinued Activities).	
EATAM (Total Operations)*	€9,739 (+131.8%)
EAT Margin settled at 6.1% compared to 2.5% in first half of 2019 calculated as percentage of the Total Turnover.	
Earnings per Share (Continuing Operations)	€0.2869 (+145.8%)
Earnings per Share (Total Operations)	€0.2227 (+131.7%)
Inventory	€55,659 (+5.9%)
The drop in inventory is mainly due to the decrease of the finished products.	
Trade Receivables	€58,100 (+1.2%)
Increase of trade receivables due to seasonality factors.	
Suppliers	€39,470 (+9.1%)
Increase of liabilities towards suppliers due to seasonality factors.	
Net Debt	€46,972 (-43.8%)
The ratio Net Debt / Total Equity settled at 0.31x on 30.06.2020 versus 0.57x on 31.12.2019.	

Statement of Income – 1 st Half 2020			
(amounts in thousand euro)	H1 2020	H1 2019	% Ch.
Turnover	155,376	155,173	0.1%
Gross Profit	42,141	32,440	29.9%
Gross Profit Margin	27.1%	20.9%	
Other Operating Income	270	787	-65.7%
Distribution Expenses	14,766	14,875	-0.7%
As % of Turnover	9.5%	9.6%	
Administrative Expenses	7,536	7,636	-1.3%
As % of Turnover	4.9%	4.9%	
Research & Development Expenses	733	775	-5.4%
As % of Turnover	0.5%	0.5%	
Other Operating Expenses	1,786	632	182.6%
Other Earnings / (Losses)	144	125	15.2%
EBIT*	17,734	9,434	88.0%
EBIT Margin	11.4%	6.1%	
EBITDA*	26,033	16,468	58.1%
EBITDA Margin	16.8%	10.6%	
Adjusted EBITDA*	26,787	16,468	62.7%
Adjusted EBITDA Margin	17.2%	10.6%	
Financial Expenses (Net)	-1,831	-2,390	-23.4%
Earnings / (Losses) from Companies consolidated with the Equity Method	952	443	114.9%
EBT	16,855	7,487	125.1%
EBT Margin	10.8%	4.8%	
Income Tax	4,025	2,232	80.3%
EAT (Continuing Operations)	12,830	5,255	144.1%
Earnings / (Losses) after Taxes (Discontinued Operations)	-2,809	-902	
EAT (Total Operations)	10,021	4,353	130.2%
EAT Margin*	6.2%	2.5%	
EATAM (Continuing Operations)	12,548	5,103	145.9%
Earnings / (Losses) after taxes and minorities (Discontinued Oper.)	-2,809	-902	
EATAM (Total Operations)	9,739	4,201	131.8%
EATAM Margin*	6.1%	2.5%	
Earnings per Share (from Continuing Operations)	0,2869	0,1167	145.8%
Earnings / (Losses) per Share (from Discontinued Operations)	-0,0642	-0,0206	
Earnings per Share from Total Operations (in Euro)	0,2227	0,0961	131.7%

Results per Business Unit – 1st Half 2020

Results per Business Unit (from Continuing Operations)										
Sector	Technical Fabrics			Packaging			Other		Eliminations	
	H1 2020	H1 2019	% Met.	H1 2020	H1 2019	% Met.	H1 2020	H1 2019	H1 2020	H1 2019
(Amounts in € thous.)										
Turnover	108,061	111,912	-3.4%	51,073	48,227	5.9%	2,569	2,619	-6,327	-7,585
Gross Profit	27,456	22,016	24.7%	14,520	10,219	42.1%	485	273	-320	-69
Gross Profit Margin	25.4%	19.7%		28.4%	21.2%		18.9%	10.4%		
Total EBITDA	15,670	9,960	57.3%	10,313	6,839	50.8%	88	-299	-38	-32
EBITDA Margin	14.5%	8.9%		20.2%	14.2%					

Basic Balance Sheet Accounts as of 30.06.2020

(amounts in thousand euro)	30/6/2020	31/12/2019	% Change
Tangible Fixed Assets	125,055	123,210	1.5%
Right-of-use Assets	13,286	14,972	-11.3%
Investment Property	113	113	0.0%
Intangible Assets	10,719	11,350	-5.6%
Interests in Joint Ventures	14,915	14,547	2.5%
Other Long-term Receivables	5,083	5,091	-0.2%
Deferred Tax Assets	1,030	833	23.6%
Total Fixed Assets	170,201	170,116	0.05%
Inventories	55,659	59,158	-5.9%
Income Tax Prepaid	453	588	-23.0%
Trade Receivables	58,100	57,428	1.2%
Other Receivables	8,415	7,844	7.3%
Fixed Assets Available for Sale	6,022	6,155	-2.2%
Cash & Cash Equivalents	40,660	22,051	84.4%
Total Current Assets	169,309	153,224	10.50%
TOTAL ASSETS	339,510	323,340	5.0%
TOTAL EQUITY	151,851	146,349	3.8%
Long-term Loans	46,377	52,871	-12.3%
Liabilities from Leases	3,001	4,439	-32.4%
Provisions for Employee Benefits	15,630	15,252	2.5%
Other Long-term Liabilities	3,634	2,636	37.9%
Total Long-term Liabilities	68,642	75,198	-8.7%
Short-term Bank Debt	34,466	43,496	-20.8%
Liabilities from Leases	3,788	4,773	-20.6%
Suppliers	39,470	36,187	9.1%
Other Short-term Liabilities	41,293	17,337	138.2%
Total Short-term Liabilities	119,017	101,793	16.9%
TOTAL EQUITY & LIABILITIES	339,510	323,340	5.0%