SEQUANA

Press release Boulogne-Billancourt, 27 April 2018

First-quarter 2018 results

- **Sales down 4.1% on Q1 2017 to €690 million (down 2.0% at constant exchange rates)**
- **EBITDA of €21 million versus €30 million for Q1 2017; EBITDA margin 3.0% (down 1.2 points)**

Sequana's Board of Directors' meeting in Boulogne-Billancourt on 26 April 2018 examined the unaudited results for Q1 2018.

Key operating indicators

(€ millions)	Q1 2018[3]	Q1 2017[3]	Δ
Sales	**690.3**	**719.7**	**- 4.1%**
EBITDA [1]	**20.7**	**29.9**	**- 30.8%**
EBITDA margin (as % of sales)	*3.0%*	*4.2%*	*-1.2 points*
Current operating income	**12.5**	**23.1** [3]	**- 45.9%**
Current operating margin (as % of sales)	*1.8%*	*3.2%*	*- 1.4 points*

(1) Recurring operating income before depreciation and amortisation and excluding movements in provisions.
(2) Includes a €2.3 million gain arising on a change to a pension plan carried on Antalis' books.
(3) The Security Division has been reclassified in discontinued operations in 2018 and 2017 in accordance with IFRS 5.

During Q1 2018, the Group's distribution business was negatively impacted by the decline in Paper volumes, amplified by a number of working days that was 2% less than in Q1 2017. On the production side of the business, 2017 sales were boosted by exceptionally high volumes of laminated paper (playing cards) in the Graphic division and this accounts for the bulk of the drop in Q1 2018 sales.
Conversely, the Group benefited from the resilience of Antalis' Packaging activity and most of Arjowiggins' other specialty businesses.
Consolidated Q1 2018 sales were €690 million, down 4.1% year-on-year (down 2.0% at constant exchange rates). The negative forex impact amounted to 15 million (mostly affecting Antalis).

EBITDA was €21 million, compared with €30 million in the first three months of 2017. This decline was mainly attributable to the negative impact on Arjowiggins' results of sharp increases in raw material prices (pulp) and a deterioration in the product mix, mainly in the Graphic division (laminated paper). Sequana was also affected by the lower number of working days on the distribution side of the business. Conversely, the Group benefited from the positive impact of lower overheads in Antalis and higher selling prices on both sides of the business. EBITDA margin came in 1.2 points lower at 3.0% of sales.

Current operating income for the quarter was €13 million compared to €23 million in Q1 2017 which included a €2 million gain arising on a change to a pension plan carried on Antalis' books.

OUTLOOK

No significant changes in trends are forecast in the Group's printing paper business over the coming months. Antalis' Packaging and Visual Communications businesses and most of Arjowiggins' specialty businesses should hold up well.

In light of its Q1 2018 results which are in line with its expectations, Antalis confirms that for full-year 2018, at constant perimeter and exchange rates, sales should register a low single-digit decrease compared to 2017, and profitability should be maintained at a level close to last year, by continuing to optimise its supply chain and commercial costs and including the additional costs attributable to a listed, independent company.

In Q2 2018, Arjowiggins should benefit from higher selling prices which will offset higher raw material costs (pulp), however, with a time lag, as well as from lower waste paper prices in its "recycled" business.

Sequana also continues to evaluate its various strategic options in a sector that must continue its process of consolidation.

UPCOMING EVENTS

Annual General Meeting: 24 May 2018

About Sequana

Sequana (Euronext Paris: SEQ) is a major player in the paper industry, boasting leading positions in each of its two businesses:

- **Antalis**: leader in B2B distribution of Papers and industrial Packaging and number two in the distribution of Visual Communication media in Europe with around 5,500 employees based in 43 countries.
- **Arjowiggins**: global producer of recycled and specialty papers with around 2,300 employees.

Sequana reported sales of €2.8 billion in 2017 and employed some 7,800 people worldwide.

* * * * * * * *

Sequana
Analysts & Investors
Xavier Roy-Contancin
+33 (0)1 58 04 22 80
Communication
Sylvie Noqué
+33 (0)1 58 04 22 80

contact@sequana.com

www.sequana.com

Image Sept
Claire Doligez
Priscille Reneaume
+33 (0)1 53 70 74 25
cdoligez@image7.fr
preneaume@image7.fr

APPENDIX: ANALYSIS BY BUSINESS

BREAKDOWN OF SALES BY BUSINESS

(€ millions)	**Q1 2018[1]**	**Q1 2017[1]**	**Δ**
Antalis	589.9	611.9	- 3.6%
Arjowiggins	144.0	150.9	- 4.6%
Eliminations and other	(43.6)	(43.1)	-
Total	**690.3**	**719.7**	**- 4.1%**

(1) the Security Division has been reclassified in discontinued operations in 2018 and 2017 in accordance with IFRS 5.

ANTALIS

Antalis delivered Q1 2018 sales of €590 million, down 3.6% year on year (down 1.8% at constant exchange rates). This figure included 2% less working days than in the first three months of 2017. The negative forex impact amounted to 11 million (mainly attributable to sterling and the Swiss franc).

The Main European Geographies (UK & Ireland, France, Germany & Austria) delivered sales of €304 million, down 1.8% on Q1 2017 (and down 0.8% at constant exchange rates), reflecting the decline in Papers volumes, especially in the UK (Brexit), and the depreciation in sterling.

Sales for the Rest of Europe declined by 5.1% year-on-year to €233 million (down 3.5% at constant exchange rates).

Sales for the Rest of the World decreased by 6.9% to €53 million (but grew by 1.1% at constant exchange rates) due to an unfavourable forex impact (mainly attributable to the Chilean peso and US dollar).

At comparable working days and constant exchange rates, Antalis' consolidated sales were stable year on year: sales for the Main European Geographies grew by 0.9%, those for the Rest of Europe declined by 2.7% and sales for the Rest of the World were up by 3.9% on Q1 2017.

ARJOWIGGINS

Arjowiggins' sales were €144 million for the first three months of the year, down 4.6% on Q1 2017 (down 1.5% at constant exchange rates).

In 2017, sales were boosted by exceptionally high volumes of laminated paper (playing cards) in the Graphic division and this accounts for the bulk of the drop in Q1 2018 sales. The other speciality businesses held up well, especially eco-friendly papers, one-side coated, bookbinding and Priplak.