

**2018 operating performances in line with the most recent objectives communicated to the market. highlighting Antalis' resilience in a complex economic environment**

Low single-digit decrease in sales on a comparable basis to €2.311 million;  
EBITDA margin at 3.2%

- Sales at €2.311 million, down 1.0% on a comparable basis (down 2.8% on a reported basis)
- EBITDA down 10.7% on a comparable basis to €75 million (down 11.5% on a reported basis); EBITDA margin at 3.2% (down 0.4 points)
- Packaging gross margin up 3.5%; Packaging and Visual Communication now represent 37% of Antalis' consolidated gross margin (up 2 points)
- Net debt of €288 million
- Net loss attributable to owners of €30 million

Commenting on the full-year results, Hervé Poncin, Chief Operating Officer of Antalis said: "In 2018, subdued economic growth and significant price increases driven by soaring paper pulp prices weighed on the European distribution market, especially on volumes in the Papers sector. In this context, at constant perimeter and exchange rates, our operating performances held up well. Our sales decreased slightly to €2,311 million and our EBITDA margin came in at 3.2%. These performances – in line with the most recent objectives communicated to the market – reflect higher selling prices, effective margin management and solid growth in Packaging. The transformation of our business model continues to move forward and the Packaging and Visual Communication sectors now contribute 37% of consolidated gross margin, up 2 points year on year."

**Consolidated income statement**

Antalis' Board of Directors meeting on 28 March 2019 examined and approved the 2018 consolidated financial statements.

(in € millions)	2018	2017	Δ as reported	Δ on a comparable basis <sup>(1)</sup>
<b>Sales</b>	<b>2,311.0</b>	<b>2,377.4</b>	- 2.8%	- 1.0%
Gross margin	560.2	582.4	- 3.8%	- 1.9%
Gross margin rate (% of sales)	24.2%	24.5%	- 0.3 points	-
<b>EBITDA</b>	<b>74.7</b>	<b>84.4</b>	- 11.5%	- 10.7%
EBITDA margin (% of sales)	3.2%	3.6%	- 0.4 points	-
<b>Current operating income</b>	<b>52.6</b>	<b>65.8 <sup>(2)</sup></b>	- 20.1%	- 16.6% <sup>(3)</sup>
Current operating margin (% of sales)	2.3%	2.8%	-0.5 points	-
<b>Net income (loss) attributable to owners</b>	<b>(29.8)</b>	<b>9.4</b>	-	-
Diluted earnings (loss) per share (€)	(0.42)	0.13	-	-
Average number of shares after dilution	70,792,514	70,951,156	-	-

(1) Changes in comparable figures reflect FX and perimeter impacts.

(2) Including a €2.3 million gain arising on a change to a Swiss pension plan.

(3) Also excluding the aforementioned gain.

Sales were down by 2.8% year-on-year to €2,311 million (down 1.0% on a comparable basis). This drop mainly reflects the decline in Papers volumes in a European market that contracted by approximately 7% in volume terms, the negative forex impact amounting to €29 million (chiefly attributable to sterling and the Swiss franc), and a negative €24 million impact from the sale of subsidiaries in South Africa and Botswana. The acquisitions completed in 2018 in the Papers and Packaging sectors added €9 million to full-year sales.

Gross margin came in at €560 million, down 3.8% (down 1.9% on a comparable basis), mainly due to the decline in Papers volumes, partially offset by higher selling prices. The gross margin rate was 24.2%, 0.3 points lower than in 2017. The contribution of Packaging and Visual Communication to Antalis' consolidated gross margin continued to grow and now stands at 37%, up 2 points compared to last year.

EBITDA were down 11.5% year on year to €75 million (down 10.7% on a comparable basis). The negative forex impact (€1.4 million) and the decline in Papers volumes were partially offset by an improved product mix. EBITDA margin came in at 3.2%, down by 0.4 points.

Current operating income was €53 million for the year (down 20.1%), compared to €66 million for 2017, which included a €2 million gain arising on a change to a Swiss pension plan. Excluding this gain and at constant perimeter and exchange rates, current operating income declined by 16.6%.

Other operating income and expenses totalled €44 million and mainly consisted of restructuring and refinancing costs.

After deducting net finance costs and taxes, the net loss for the year was €30 million, compared with net income of €9 million for 2017.

Antalis' net debt stood at €288 million at 31 December 2018, €40 million higher than at end-December 2017, notably as a result of the refinancing completed in mid-2018.

The consolidated financial statements are currently being audited and the audit report will be issued once procedures have been completed.

### Significant events of the year

During the first six months of the year, Antalis completed the refinancing of its syndicated credit facility (€285 million) and its main factoring contract (€215 million), thus securing its financing through 31 December 2021 and enabling the Group to continue to pursue its targeted external acquisition strategy. The inception of the new contractual financing conditions increased Antalis' average effective financing rate by around 200 basis points compared to last year.

Antalis continued the transformation of its business model towards more dynamic sectors while consolidating its leadership in the European Papers sector. The Group acquired the Swedish Packaging products distribution business of Alos and Igepa's Papers distribution business in the Nordic countries (Sweden and Norway). Furthermore, as satisfactory terms with Verla could not be agreed, Antalis put an end to this planned Romanian acquisition in early November.

At the beginning of October, the Group sold its South African and Botswana subsidiaries – essentially focused on the Papers sector – to the local management team. These businesses reported sales of approximately €70 million in 2017. This sale generated a loss on disposal of approximately €9 million in the consolidated financial statements.

## Key figures by geography

(in € millions)	2018	2017	Δ
<b>Sales</b>			
Main European Geographies	1,179.4	1,203.0	- 2.0%
- UK & Ireland	594.8	619.3	- 4.0%
- Germany & Austria	309.3	312.7	- 1.1%
- France	275.3	271.0	+1.6%
Rest of Europe	929.6	944.6	- 1.6%
Rest of the World	202.0	229.8	- 12.1%
<b>TOTAL</b>	<b>2,311.0</b>	<b>2,377.4</b>	<b>-2.8%</b>
<b>Gross margin</b>			
Main European Geographies	267.8	273.1	- 1.9%
Rest of Europe	235.4	245.0	- 3.9%
Rest of the World	57.0	64.3	- 11.4%
<b>TOTAL</b>	<b>560.2</b>	<b>582.4</b>	<b>-3.8%</b>
<b>EBITDA</b>			
Main European Geographies	38.4	41.9	- 8.5%
- EBITDA margin	3.3%	3.5%	-0.2 points
Rest of Europe	28.2	32.8	- 14.0%
- EBITDA margin	3.0%	3.5%	-0.5 points
Rest of the World	8.1	9.7	- 16.2%
- EBITDA margin	4.0%	4.2%	-0.2 points
<b>TOTAL</b>	<b>74.7</b>	<b>84.4</b>	<b>- 11.5%</b>

- **Main European Geographies**

The Main European Geographies generated sales of €1,179 million, down 2.0% year-on year (down 1.5% at constant exchange rates), reflecting the decline in Papers volumes and the drop in business in the UK Visual Communication sector in the context of Brexit. These unfavourable impacts were partially offset by good momentum in Packaging in Germany and the UK.

Gross margin was down 1.9% to €268 million (down 1.6% at constant exchange rates), giving a gross margin rate of 22.7% which was stable year on year.

The UK & Ireland reported sales of €595 million (down 4.0% on a reported basis and down 3.1% at constant exchange rates), Germany & Austria €309 million (down 1.1%) and France €275 million (up 1.6%).

EBITDA for the Main European Geographies fell by 8.5% to €38 million (down 8.2% at constant exchange rates). Better operating performances in France and the positive impact of an improved product mix partially offset lower volumes in Papers and the depreciation of sterling. EBITDA margin was 3.3%, a year-on-year decline of 0.2 points.

- **Rest of Europe**

Sales for the Rest of Europe decreased by 1.6% year-on-year to €930 million (down 0.9% on a comparable basis), mainly reflecting the decline in Papers volumes and the negative forex impact (chiefly attributable to the Swiss franc, Turkish lira and Swedish krona). The acquisition of the Packaging distribution business of Alos and Igepa's Papers distribution business had a positive impact on sales (€9 million).

Gross margin was down 3.9% to €235 million (down 2.9% on a comparable basis), giving a gross margin rate of 25.3%, down 0.6 points year-on-year.

EBITDA declined by 14.0% to €28 million (down 15.1% on a comparable basis). Italy, Eastern Europe and the Baltic countries improved their performances, thanks notably to growth in Packaging. EBITDA margin was 3.0%, a year-on-year decline of 0.5 points.

- *Rest of the World*

Sales for the Rest of the World declined by 12.1% in 2018 to €202 million (up 2.4% on a comparable basis), mainly reflecting the negative impact from the sale of subsidiaries in Southern Africa (€24 million) and the negative forex impact (Brazilian real, South African rand, US dollar).

Gross margin was down 11.4% to €57 million (up 0.8% on a comparable basis), giving a gross margin rate of 28.2% which was 0.2 points higher than in 2017.

EBITDA decreased 16.2% to €8 million (down 3.5% on a comparable basis). The Asia-Pacific region delivered improved operating performances when compared with last year. The Rest of the World generated an EBITDA margin of 4.0%, a year-on-year decrease of 0.2 points.

**Key figures by business sector**

(in € millions)	Sales			Gross margin			Gross margin/sales		
	2018	2017	Δ	2018	2017	Δ	2018	2017	Δ
Papers	1,580.7	1,654.5	- 4.5%	355.9	380.7	- 6.5%	22.5%	23.0%	-0.5 points
Packaging	517.2	501.6	+3.1%	144.4	139.5	+3.5%	27.9%	27.8%	+ 0.1 point
Visual Communication	213.1	221.3	- 3.7%	59.9	62.2	- 3.7%	28.1%	28.1%	-
<b>TOTAL</b>	<b>2,311.0</b>	<b>2,377.4</b>	<b>-2.8%</b>	<b>560.2</b>	<b>582.4</b>	<b>-3.8%</b>	<b>24.2%</b>	<b>24.5%</b>	<b>- 0.3 points</b>

- *Papers*

In 2018, the European Papers market recorded a decline in production volumes of around 7%, notably attributable to higher prices due to increases in paper pulp prices. In this context, Antalis generated sales of €1,581 million, down 4.5% (down 2.1% on a comparable basis). Business was more resilient in the higher value-added printing papers segment. France continued to benefit from the consolidation of the sector and delivered an increase in its sales. The consolidation of Igepa's Papers distribution business in the Nordic countries (Sweden and Norway) had a positive impact on full-year sales.

Gross margin was down 6.5% to €356 million (down 3.7% on a comparable basis) and the gross margin rate was 22.5%, 0.5 points lower than in 2017.

- *Packaging*

In a market that grew by around 1% to 2% in Europe, Antalis outperformed the market and increased its sales by 3.1% to €517 million (up 3.2% on a comparable basis). In the main European countries, Antalis benefited from the positive impact of its strategic project, underpinned notably by new business models, which has enabled Antalis to increase its customer base, particularly in the logistics and industry sectors. The acquisition of Alos' distribution business in Sweden had a positive impact on full-year sales.

Gross margin rose 3.5% to €144 million (up 3.4% on a comparable basis) and the gross margin rate improved slightly by 0.1 point to 27.9%. The contribution of Packaging to Antalis' consolidated gross margin continues to grow and now stands at 26%, up 2 points year on year.

- *Visual Communication*

The Visual Communication sector reported full-year sales of €213 million, down 3.7% (down 1.8% on a comparable basis) in a sluggish European market. This decline is essentially due to the impact of Brexit on the retail trade in the UK where signage and display are key markets for the Group's customers. In Scandinavia, the Baltic countries and Poland, the Visual Communication sector grew when compared to last year.

Gross margin was down 3.7% to €60 million (down 2.2% on a comparable basis) and the gross margin rate was stable at 28.1%. The contribution of Visual Communication to Antalis' consolidated gross margin remained stable year-on-year at 11%.

### e-commerce

Antalis generated sales of €320 million via its e-platforms (e-commerce websites, EDI). The e-penetration rate in terms of stock lines ordered via the e-platforms was 35.9%, a rise of 1.1 points (including a 1.3 point rise for e-commerce websites).

As part of its omni-channel strategy, in November 2018 Antalis launched a new version of its e-commerce website in France while stepping up the deployment of online services in the main European countries. This strategy should continue to boost the e-penetration rate in 2019 and enhance customer satisfaction and loyalty.

### Outlook

In the context of a global economic slowdown and economic uncertainty, especially in the UK, Antalis should benefit from growth in Packaging driven by the deployment of its specialisation strategy and the resilience of Visual Communication, particularly in the large-format printing segment. Their contribution to Antalis' consolidated gross margin should continue to grow.

In the Papers segment, higher selling prices should partially absorb the impact of lower volumes.

In 2019, Antalis should be affected by the problems of its supplier, Arjowiggins Graphic, which accounts for around 4% of its purchases in value terms. The search for a buyer for Arjowiggins Creative Papers' businesses is continuing and should enable it to pursue its activity. In this context, Antalis is contemplating various alternative options that will enable it to continue serving its customers.

Throughout the year, Antalis should continue to benefit from lower overheads driven by greater flexibility in the supply chain and enhanced commercial productivity.

In view of the aforementioned uncertainties, Antalis will publish its objectives for 2019 when it reports its operating results for first-quarter 2019.

Antalis, with the support of Goldman Sachs, is continuing the process aimed at putting in place a new shareholding structure which will enable it to consolidate the deployment and financing of its strategic plan.

### Financial disclosures

Antalis complied with all bank covenants concerning its syndicated credit facilities at 31 December 2018:

Net debt / EBITDA = 3.90 ( $\leq 4.30$ )

Current operating income/net interest expense = 2.72 ( $\geq 2.55$ )

A detailed presentation of its full-year 2018 results is available on the Antalis website at: [www.antalis.com](http://www.antalis.com)

**Upcoming events**

24 April 2019: operating results for first-quarter 2019

**About Antalis**

Antalis (Euronext Paris : ANTA) is the leader in B2B distribution of Papers (number 1 worldwide outside the United States) and industrial Packaging, and number three in the distribution of Visual Communication media in Europe. In 2018, the Group reported sales of €2.3 billion and employed 5,200 people serving around 126,000 customers, companies and printers in 41 countries. Through its 115 distribution centres, Antalis makes around 12,000 deliveries per day worldwide and it distributed 1.3 million tons of paper in 2018.

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## Appendices

### Consolidated statement of financial position

#### Assets

<i>(€ millions)</i>	31.12.2018	31.12.2017
<b>Non-current assets</b>		
Goodwill	120.0	141.1
Other intangible assets	42.8	41.7
Property, plant and equipment	38.7	42.3
Non-current financial assets	5.9	4.4
Deferred tax assets	6.6	7.6
Other non-current assets	59.6	13.1
<b>Total non-current assets</b>	<b>273.6</b>	<b>250.2</b>
<b>Current assets</b>		
Inventories	194.2	212.1
Trade receivables	369.5	400.5
Other receivables	71.0	75.1
Current financial assets	3.0	3.6
Cash and cash equivalents	125.0	116.6
<b>Total current assets</b>	<b>762.7</b>	<b>807.9</b>
<b>TOTAL ASSETS</b>	<b>1,036.3</b>	<b>1,058.1</b>

#### Equity and liabilities

<i>(€ millions)</i>	31.12.2018	31.12.2017
<b>Equity</b>		
Share capital	213.0	213.0
Additional paid-in capital	50.9	50.9
Cumulative translation adjustment	(72.5)	(67.6)
Retained earnings and other consolidated reserves	(78.7)	(72.5)
<b>Shareholders' equity</b>	<b>112.7</b>	<b>123.8</b>
Non-controlling interests	0.7	0.5
<b>TOTAL EQUITY</b>	<b>113.4</b>	<b>124.3</b>
<b>Non-current liabilities</b>		
Provisions	42.7	55.2
Short-term debt	257.9	1.0
Deferred tax liabilities	0.8	0.8
<b>Total non-current liabilities</b>	<b>301.4</b>	<b>57.0</b>
<b>Current liabilities</b>		
Provisions	11.4	5.9
Short-term debt	154.9	363.2
Trade payables	336.6	386.0
Other payables	118.6	121.7
<b>Total current liabilities</b>	<b>621.5</b>	<b>876.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,036.3</b>	<b>1,058.1</b>

*Consolidated income statement*

<i>(€ millions)</i>	2018	2017
Sales	2,311.0	2,377.4
<b>Gross margin</b>	<b>560.2</b>	<b>582.4</b>
Personnel expenses	(266.0)	(275.4)
Other selling, general and administrative expenses	(241.6)	(241.2)
<b>Current operating income</b>	<b>52.6</b>	<b>65.8</b>
Other operating income	27.3	6.5
Other operating expenses	(71.7)	(33.0)
<b>Other operating income and expenses, net</b>	<b>(44.4)</b>	<b>(26.5)</b>
<b>Operating income</b>	<b>8.2</b>	<b>39.3</b>
Cost of net debt	(35.6)	(22.5)
Other financial income and expenses, net	(3.0)	(2.9)
<b>Net financial income (expense)</b>	<b>(38.6)</b>	<b>(25.4)</b>
Income tax benefit (expense)	0.8	(4.4)
<b>NET INCOME (LOSS)</b>	<b>(29.6)</b>	<b>9.5</b>
Attributable to:		
- Antalis shareholders	(29.8)	9.4
- Non-controlling interests	0.2	0.1
<b>Earnings per share</b>		
- Weighted average number of shares outstanding	70,792,514	70,951,156
- Diluted number of shares	70,792,514	70,951,156
<b>Basic earnings (loss) per share (in €)</b>		
- Consolidated earnings (loss) per share	(0.42)	0.13
<b>Diluted earnings (loss) per share (in €)</b>		
- Consolidated diluted earnings (loss) per share	(0.42)	0.13



## Consolidated statement of cash flows

<i>(€ millions)</i>	2018	2017
<b>Cash flows from operating activities</b>		
Operating income	8.2	39.3
<i>Elimination of non-cash and non-operating income and expenses:</i>		
Depreciation, amortisation and provisions (except on current assets), net	44.0	13.0
Disposal gains and losses	3.5	(6.5)
Other non-cash items	(20.7)	-
<b>Gross operating cash flow</b>	<b>35.0</b>	<b>45.8</b>
Income taxes paid	(6.3)	(4.8)
Change in operating working capital	(6.2)	8.7
Change in loans and guarantee deposits	1.0	(1.7)
<b>Net cash from operating activities (i)</b>	<b>23.5</b>	<b>48.0</b>
<b>Cash flows from investing activities</b>		
Expenditure on acquisitions of property, plant and equipment and intangible assets	(20.6)	(18.7)
Proceeds from disposals of property, plant and equipment and intangible assets	4.0	11.3
Impact of changes in scope of consolidation	(7.0)	(3.1)
<b>Net cash used in investing activities (ii)</b>	<b>(23.6)</b>	<b>(10.5)</b>
<b>Cash flows from financing activities</b>		
Net change in borrowings and debt	51.6	(20.4)
Net financial expenses paid	(33.2)	(22.7)
Dividends paid	(5.7)	(8.0)
<b>Net cash from (used in) financing activities (iii)</b>	<b>12.7</b>	<b>(51.1)</b>
Effects of fluctuations in foreign exchange rates (iv)	(1.6)	(4.4)
<b>YEAR-ON-YEAR INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (i+ii+iii+iv)</b>	<b>11.0</b>	<b>(18.0)</b>
Net cash and cash equivalents at start of year	113.5	131.5
Net cash and cash equivalents at end of year	124.5	113.5
<b>YEAR-ON-YEAR INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>11.0</b>	<b>(18.0)</b>
<b>Breakdown of net cash and cash equivalents at end of year</b>		
Cash and cash equivalents	125.0	116.6
Short-term bank borrowings and overdrafts	(0.5)	(3.1)
<b>Net cash and cash equivalents at end of year</b>	<b>124.5</b>	<b>113.5</b>