



2019-2020 half year results: Return to positive current operating income

2019-2020 six-month period analysis

- ➔ **Return to growth (+10%)** following positive Print activity performance and a pick-up in Hardware business activity, notably for LED displays.
- ➔ **Positive six-month current operating income at €0.2 million** thanks to the « volume » effect and careful cost management.
- ➔ **Positive free cash flow** of €1.3 million for the period.
- ➔ **Net debt (excluding IFRS 16)** down to 54% of equity capital.
- ➔ **Annual outlook confirmed.**

Half year results (01/04/2019 – 30/09/2019)

The 2019-2020 half year consolidated financial statements – that were subjected to a limited examination by the statutory auditors – were authorised for issue by the Prismaflex International Board of directors on December 5, 2019.

In € Million	30.09.19 6 months	30.09.18 6 months restated ¹	30.09.18 6 months published	Variation /restated (€M)
(audit in progress)				
Total sales	26.06	23.60	23.60	+2.45
Current operating income	0.22	-0.71	-0.60	+0.93
Operating income	0.06	-0.71	-0.60	+0.77
Financial result excl. foreign exchange	-0.16	-0.13	-0.13	
Foreign exchange gains & losses / Other	0.02	-0.09	-0.09	
Pre-tax current result	-0.08	-0.93	-0.82	+0.85
Income taxes	-0.11	-0.21	-0.24	
Net result	-0.19	-1.14	-1.06	+0.95
Net consolidated result, Group	-0.21	-0.91	-0.87	+0.70
Cash flow	1.67	-0.01	-0.01	+1.68

¹ For a better comparability of results, S1 2018-2019 statements were restated in accordance with IFRS 3R of the final valuation of the assets and liabilities on March 31, 2019 of Anthem Displays (impact on depreciation charges and deferred taxes)

The first half of the current financial year reflects a significant improvement in the Group's two activities. The strong measures deployed during the past year are beginning to pay off.

Printing activity generated sales of €17.1 million, up +14,5% (+6,5% organic growth), thanks to a commercial conquest strategy and investment in new machines. **Hardware activity returns to growth (+3,4% at €9 million)**, following increased LED display sales to compensate a lack of any significant business in Street furniture during the period.

Six-month current operating income is positive at €0.22 million, compared with an adjusted loss of -€0.71 million for S1 2018-2019. The application of IFRS 16 has no major impact on this indicator.

The Group has therefore achieved its objective as of the first semester. Over and above the positive impacts of the cost-savings policy, the improved performance is the result of Printing activity with a current operating profit that is evolving fast, notably due a better absorption of fixed costs. Hardware activity again recorded a loss, due to a poor level of activity for the period, notably in Europe. In the United States Anthem Displays are close to breakeven, even without having fully

benefitted from the insourcing-related savings the subsidiary began to benefit from at the end of the six-month period.

Operating profit at €0.06 million includes costs relating to an intellectual property dispute amounting to €0.16 million.

Pre-tax current result stands at €0.08 million, which includes a low gross financial debt (€0.16 million).

Net loss, (Group share) has significantly reduced from €0.91 million (S1 2018-2019 restated) to €0.21 million.

Effectively managed financial structure

	30.09.19	31.03.19	Variation
Equity capital (including minority shareholders)	21.17	21.30	-0.13 M€
Net debt (before IFRS 16)	11.32	12.06	-0.73 M€
Gearing (before IFRS 16)	54%	57%	-3 points

Equity capital stood at €21.2 million on September 30, 2019. Cash flow generated by the activity, standing at €1.9 million following an increase in cash flow and good management of working capital, covers production-related investments (€0.6 million for the period). Free cash-flow was used largely to repay the Group's financial debt.

Net debt, including €1.7 million IFRS 16-related lease debt, stands at €13.9 million. **Gearing is at 0.62 (0.54 before IFRS 16).**

Outlook confirmed

On September 30, 2019, order backlog stands at €8.7 million and Prismaflex International is confident the upturn in growth will continue into the second six-month period, for both Printing activity and Hardware activity. Hardware activity will continue to benefit from a growth in business in the United States and is currently well placed in the race for a number of major contracts, one of which Prismaflex recently won for Italy late November.

Forthcoming dates

Press release: Q3 2019-2020 results, January 23, 2020 after closure

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