Privas, the 24 avril 2023, 18h

Annual Results 2022

The consolidated financial statements for the year 2022 were approved by the Executive Board and presented to the Supervisory Board on April 24, 2023. These accounts are currently being audited.

(in K€)	2022	2021	Var
Consolidated revenues	**158 435**	**150 711**	*5%*
Operating Income	**9 661**	**14 458**	*-33%*
As a % of revenues	*6,10%*	*9,59%*	*-*
Net Income, Group share	**5 617**	**9 250**	*-39%*
As a % of revenues	*3,55%*	*6,14%*	*-*
Earnings per share (in Euros)	1,04	1,71	*-39%*

Increase in order book and revenues to €158 million, 38% of which was generated internationally

The Precia Molen Group has achieved a **turnover of €158.4 million for the** year 2022. This figure is 5.1% higher than in 2021; in France it is penalized by shifts in deliveries to 2023 of around €2 million. Excluding the perimeter effect (€1.6 million), growth is mainly in France and India

Excluding the perimeter effect, sales in France increased by 4% (3% for Precia SA, 5% for PMS, which represents the services activity, and 19% for Creative IT). **Europe**, for its part, fell slightly **by 2%** with very good performances by PM Ireland (+16%) and PM UK (+8%), but a decline in Milviteka in Lithuania (-13%) impacted by the war in Ukraine.

Revenues for the "rest of the world" area rose by 13% thanks to all continents, thanks to the very strong momentum of PM USA and PM Brazil (respectively +282% and +21%), PM Morocco (+88%), and PM India (+29%), which compensated for the decline in PM Malaysia and PM China (respectively -65% and -50%).

In 2022, Precia Molen Group had a record level of order intake, with an end-of-year backlog that was 29% higher than at the end of 2021.

Impact of non-recurring costs on operating income

In 2022, Operating Income was impacted by the following two non-recurring events:

- The liquidation of the Australian and Norwegian subsidiaries, which generated costs of €1.3M, plus operating losses of about €1M, which will remain as in 2021 in Operating Income
- Provisions for guarantees related to quality problems and litigation of €1.4M

Adjusted for these two elements, the Operating Profit would be close to €12.4M (or 7.8% of the Revenues) compared to €14.5M in 2021 (or 9.6% of the Revenues).

Excluding non-recurring effects, the operating margin declined mainly in France, impacted by high raw material and wage inflation, which had a punctual negative impact on the gross margin. However, the services business with PMS maintained its high level of operating profit, and Créative IT, for software solutions, saw its operating profit increase by 50%.

Some subsidiaries are demonstrating their profitability model with a strong increase in operating profit, such as India (+45%), Morocco (+382%) and the Ivory Coast (+30%). At the same time, the Group has consolidated the profitability of historically fragile subsidiaries such as Brazil and the USA.

Three subsidiaries remain points of attention for 2023, namely PM UK, PM Polska and Milviteka (Lithuania). Because of the war in Ukraine, Milviteka has seen its two main markets disappear, and must find new growth drivers.

After taking into account a net financial result of + 0.2M€ and a tax charge reflecting a higher tax rate (32.4% of the result), the net result (group share) for 2022 reaches 5.6 M€ representing 3.6% of the turnover, against 6.1% in 2021.

Considering these elements, earnings per share are down to €1.04 per share compared to €1.71 in 2021.

Balance sheet position still very strong

Given the growth of the order book, delivery delays, and the constitution of strategic stocks to secure component shortages, net inventory has risen sharply by €6.5M. Investments are up by 0.9M€ compared to 2021, and acquisitions of subsidiaries are down to 1.4M€ for 5.6M€ in 2021.

Gross cash (cash and cash equivalents) amounts to 28.9 M€ compared to 36.8 M€ in 2021.

Net cash (excluding lease debt) remains strongly positive at 16.0M€ compared to 20.7M€ a year earlier. This decrease in cash is entirely explained by the increase in working capital requirements.

The Group's equity reached €91.5 million on December 31, 2022.

Dividends

In a context of declining results, but with a positive future outlook and a very solid balance sheet, the amount of the dividend per share that will be proposed to the General Meeting scheduled for June 26, 2023 is €0.35 per share compared to €0.40 last year.

Outlook 2023

The level of order intake remains excellent at the beginning of the year, with an order book that continues to grow very dynamically. The Group is therefore relying on a solid backlog to achieve its 2023 revenues, which will however be impacted by the stop of sales to Russia.

In terms of operating income, fiscal year 2023 should benefit from the restructuring carried out in Australia and Norway, putting an end to operating losses in excess of one million euros.

Précia SA's profitability has been eroding for several years. Restoring it is a priority. Several actions have been taken in this direction, including the implementation of a management control system initiated in the last quarter of 2022 and the recruitment of a Director of Operations and Operational Excellence in April 2023, whose mission will be to implement planning and continuous improvement tools.

As for the balance sheet, the normalization of inventory levels, combined with increased management of working capital requirements, should enable a return to a historical level of cash flow.

Provision of the annual financial report

The annual financial report as of December 31, 2022, will be available as of April 28, 2023 on the company's website: http://www.preciamolen.com/informations-reglementees/

Next publication

Precia Molen Group's consolidated sales for the first quarter of 2022 will be published on May 30, 2023.

The Chairman of the Board of Directors
Frédéric MEY

Contacts :
PRECIA MOLEN
BP 106 - 07001 PRIVAS CEDEX
Phone: +33 4 75 66 46 77
E-mail pmcontact@preciamolen.com

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About Precia Molen Group

For more than 70 years, PRECIA MOLEN has been designing, manufacturing, selling, installing, maintaining and checking industrial and commercial static weighing and continuous weighing and batching instruments. These solutions are intended for heavy industry (mines, quarries, steel industry, energy, environment...) as well as for light industry (food industry, chemical industry, transport and logistics...) and also for administrations (post office, local authorities...). From design to maintenance, the PRECIA MOLEN group covers all the needs of professionals in weighing. Founded in 1951 and based in Privas in the Ardèche region of France, PRECIA MOLEN is present on all five continents, close to its customers' needs. The group has nine production sites around the world and employs a total of more than 1,350 people. PRECIA MOLEN is listed on compartment B of NYSE-Euronext Paris (ISIN code FR0014004EC4 - Mnemo: PREC).
More information on www.preciamolen.com