



EXACOMPTA CLAIREFONTAINE

Dear Shareholders,

At its 24 March 2022 meeting in Paris, the EXACOMPTA CLAIREFONTAINE Board of Directors, chaired by Mr François Nusse, reviewed and approved the Group financial statements for the year ended 31 December 2021.

Consolidated results

(€000)	2021	2020
Income from continuing activities (Revenue)	726,789	689,597
Operating income	30,417	14,727
Net income before tax	29,631	12,837
Net income after tax	21,463	11,613
Minority interests	786	(702)
Group share	20,677	12,315

A €2 million goodwill impairment charge was recorded in the 2020 consolidated financial statements.

Segment information

(€000)	Paper	Processing	Inter-segment transactions	Total
Revenue	288,159	563,272	(124,642)	726,789
Operating income	16,994	13,760	(337)	30,417

(€000)	France	Europe	Outside Europe	Total
Revenue	390,283	309,406	27,100	726,789

Economic conditions

The COVID-19 epidemic has heavily disrupted international trade since 2020 and seems to have radically modified consumer behaviour. 2021 saw an overall economic recovery but this has not been homogeneous.

Paper

Commercial pulp prices jumped by around €400/tonne in the first half of 2021 (source: RISI) while European production capacity for printing and writing papers was reduced. Customer concerns over these two phenomena resulted in a surge in orders, which disrupted machine schedules. In total, deliveries of printing and writing papers in Western Europe increased by 9% over 2020 but were still 7% lower than in 2019.

Our own production increased by 1.7% to 235,000 tonnes of paper reels. Tonnage sold was up 10.5%. 2021 earnings were driven by this vigorous activity and the clearing of surplus pulp and paper stocks from the end of 2020.

Processing

The French stationery market posted an average decline of 0.4% for manufactured papers and 0.7% for filing articles (source: GFK). This sector was marked by supply difficulties and drastic fluctuation in costs; the price of some materials such as grey cardboard almost doubled.

Our prices have remained relatively stable and the start of the 2021 school year was similar to 2020. Our various departments posted strong overall business with variable earnings depending on the product family.

🔗 **Outlook**

Our 2022 earnings will not benefit from inventory clearance and will bear the full brunt of rising raw material prices, exacerbated by a surge in energy prices not covered by previously negotiated contracts. While the conflict in Ukraine has not had a significant direct impact on our supplies or sales, it does open up a period of uncertainty regarding supply volumes and the price of gas. We have no operations in Russia.

The increase in our sales prices is absolutely necessary while demand for our products is still strong.

Under the present circumstances it is difficult to provide a forecast of 2022 earnings.

🔗 **Group financial results**

2021 revenue amounted to €726,589,000. On 31 December 2021, gross borrowings stood at €264,132,000 including €44,943,000 of financial liabilities arising from the capitalisation of leases. Consolidated shareholders' equity was €442,065,000.

The Group has negotiated additional lines of credit with its banks totalling €21 million. At the balance sheet date, outstanding commercial paper issued by the Group amounted to €50 million out of a global programme of €125 million.

With gross cash and cash equivalents of €192,840,000 at 31 December 2021, Group net borrowings amounted to €71,292,000.

Excluding technical financial liabilities generated by the application of IFRS 16, net debt at 31 December 2021 was €26,349,000 compared to €43,340,000 the previous year.

The 2021 financial statements have been audited and the certification reports are currently being prepared.

- The Board is calling an Ordinary General Meeting to be held on 31 May 2022, at which it will recommend a dividend of €3.68 per share.
- The next release will be published after the Board meeting called to approve the first half 2022 financial statements, scheduled for 15 September 2022.

THE BOARD OF DIRECTORS

Head of Financial Reporting
Jean-Marie Nusse - Executive Vice President