



EXACOMPTA CLAIREFONTAINE

Dear Shareholders,

At its 21 September 2023 meeting in Paris, the EXACOMPTA CLAIREFONTAINE Board of Directors, chaired by Mr François Nusse, reviewed and approved the Group financial statements for the six months ended 30 June 2023.

Consolidated results

(€000)	H1 2023	H1 2022
Revenue	421,860	398,210
Operating income	46,206	13,507
Net income before tax	44,831	11,884
Net income after tax	38,218	8,808
Group share	38,218	8,808

First half 2023 earnings were boosted by two non-recurring items:

- a €10.5 million capital gain on sale of real estate;
- the award of subsidies to cover electricity costs, primarily through the carbon offsetting scheme, totalling €6.7 million in first half 2023 including €5.5 million in respect of prior years.

Segment information

(€000)	Paper	Processing	Inter-segment transactions	Total
Revenue	202,348	303,345	(83,833)	421,860
Operating income	31,623	15,696	(1,113)	46,206

(€000)	France	Europe	Outside Europe	Total
Revenue	219,198	185,022	17,640	421,860

Paper

European deliveries of printing and writing papers fell 23% versus first half 2022 (tonnage, CEPI statistics).

Production by our five paper machines fell 8% to 125,140 tonnes of paper reels as a result of scheduled shutdowns due to the low volume of orders. Deliveries of papers dropped 11.5% and inventories swelled considerably.

Our energy contracts signed under highly favourable conditions made a positive contribution to these results. Pulp prices also fell sharply.

Processing

GfK market research consultants again noted real-term stability in revenue from manufactured papers in France and a 2.7% decline in filing item revenue versus first half 2022.

Our sales in this segment rose 4.2% in first half 2023, while volumes declined in most product categories after the stellar first half 2022 performance.

Margins applied allowed us to maintain profits in this segment.

↪ **Outlook**

The outlook for the second half is uncertain, as the order backlog will not allow us to maintain full capacity in several production units. Full-year operating income could be close to the first half figure excluding the €16 million non-recurring items recognised in the first half.

↪ **Group financial results**

At 30 June 2023, gross borrowings stood at €227,638,000 including €48,158,000 of financial liabilities arising from the capitalisation of leases. Consolidated shareholders' equity was €505,632,000.

The Group has negotiated additional lines of credit with its banks totalling €11.1 million. Commercial paper outstanding at 30 June 2023 amounted to €25 million out of a global programme of €125 million. With gross cash and cash equivalents of €79,343,000 at 30 June 2023, Group net borrowings amounted to €148,295,000.

Excluding financial liabilities generated by the application of IFRS 16, net debt at 30 June 2023 was €100,137,000 compared to €118,976,000 at 30 June 2022.

The audit procedures for the financial statements are almost complete and the report will be published shortly.

THE BOARD OF DIRECTORS

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