LED BILLBOARDS
STREET FURNITURE AND OOH
POINT OF SALES & PRINT

PRESS RELEASE **Lyon, June 22, 2020**

2019-2020 annual results:

Growth offset in Q4 by the Covid-19 crisis
Significant reduction of net debt

Significant points 2019-2020

- **Return to growth** (+5%) with a buoyant Printing activity and a rebound in LED display sales.
- **EBITDA return to positive at €2.1 million** (**€1.3 million** excluding application of the IFRS 16 standard – lease agreements).
- **Operating profit** affected by non-recurring charges of €1.0 million.
- **Positive Free cash-flow** of €3.0 million for the period reflecting an increase in cash flow and reduction in working capital requirement.
- **Net debt-to-equity ratio (excluding IFRS 16)** down to 51%.

Annual results (01/04/2019 – 31/03/2020)

On June 15, 2020, the Prismaflex International board closed the accounts for the 2019/2020 period. Statutory auditors performed the audit procedures. Certification reports will be issued once the necessary procedures are finalised prior to publication of the annual financial report.

In €M (audit in progress)	31.03.20 12 months[1]	30.03.19 12 months	Variation (€M)
Total sales	**51.23**	**48.72**	**+2.51**
EBITDA[2]	**2.10**	**-0.42**	**+2.52**
Current operating profit	**-0.86**	**-1.85**	**+0.99**
Operating profit	**-1.89**	**-2.32**	**+0.43**
Financial result excl. foreign exchange	-0.24	-0.51	
Financial exchanges losses and gains / Other elements	-0.17	-0.09	
Pre-tax current profit	**-2.30**	**-2.92**	**+0.62**
Taxes	-0.15	-0.59	
Net result	**-2.45**	**-3.53**	**+1.09**
Net consolidated result	**-2.47**	**-3.25**	**+0.78**
Cash flow	**1.55**	**-0.81**	**+2.35**

[1] 1st application of IFRS 16 standard as of April 1, 2019, no retrospective change for 2018/2019
[2] Current operating profit + net depreciation expense and provisions

Prismaflex International records a significant improvement in results for the 2019-2020 period with a return to growth and positive EBITDA. As announced at the end of March, the objective of seeing current operating profit at breakeven level could not be achieved due to a downturn activity in Q4 (-16.9%) following the spread of the Covid-19 pandemic. Hardware activity at the start of the quarter was affected due to delayed component supplies from Asia. The impact on all other activities then followed.

Total sales for the Group are up 5.2% at €51.2 million (+2.9% at constant scope). Both divisions contributed to this growth**.**

Total sales for Printing activity stand at €32.3 million, up +3.9%, with scope effect at €1.4 million. Nine months of buoyant activity (+10.4%) however came to an end in Q4.

Hardware activity returns to growth (+7.3% at €19.0 million), thanks to strong LED display sales making up for poor Street furniture activity.

Driven by an upturn in activity and reduced operating costs and **with the application of the IFRS 16 standard for €0.8 million, EBITDA is noticeably positive at €2.1 million.** Excluding IFRS 16, EBITDA stand at €1.3 million compared with -€0.3 million the previous year.

After depreciation and provisions**, current operating loss is down at - €0.86 million** (vs -€1.85 million in 2018-2019)**.** The impact of the application of IFRS 16 standard on this indicator is not significant.

Operating profit includes non-recurring charges of €1.0 million, half of which concern an intellectual property dispute in the United States, and half the impairment of goodwill for the Swedish subsidiary (impairment test).

Pre-tax current profit stands at -€2.3 million and integrates the cost of gross financial debt (-€0.24 million) and a foreign exchange loss of - €0.17 million.

Net consolidated result stands at -€2.47 million compared with -€3.25 million for the 2018-2019 financial year.

Reduction in net debt

	31.03.20	31.03.19	Variation
Consolidated equity capital (including minority shareholders)	**18.86**	**21.30**	**-2.44 €M**
Net debt (excl. IFRS 16)	**9.57**	**12.06**	**-2.49 €M**
Gearing (Excl. IFRS 16)	51%	57%	-6 points

Consolidated equity capital stands at €18.9 million on March 31, 2020. Cash flow from operating activities is significantly up at €4.5 million, reflecting an increase in cash flow and a sharp reduction in working capital requirement (controlled stock management). Investments relating to operations stand at €1.5 million for the period. The resulting free cash flow was used notably to pay down financial debt.

Net debt, including leasing agreements of €1.9 million in line with the IFRS 16 standard stands at €11.5 million (€9.6 million excluding IFRS 16 compared with €12.1 million on March 31, 2019). **Gearing ratio is at 0.61 (0.51 before IFRS 16 vs 0.57 in 2019-2018).**

Outlook 2020-2021

Q1 2020-2021 (April-June) is affected by the economic slowdown due to the current health crisis. The drop in activity will probably be around 40% compared with Q1 2019-2020 with Printing activity hardest hit due to its business links with the sectors strongly affected by the crisis such as the events, advertising and retail sectors. Online sales however perform well, notably for the Home Décor activity. Hardware activity, specifically for LED displays in Europe is less affected thanks to a large order backlog and continued deliveries to clients.

The Group continues to optimise its costs and staff organisation by adopting measures to facilitate part-time work. Cash-flow has been maintained with loans totalling €2.8 million from its banks (including €1.5 million in French state-backed loans) to anticipate and prepare for the post-crisis period.

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Following the relaxing of the lockdown, the Group is gradually increasing its activity in an uncertain economic context with little movement from the order issuers. However, the Printing Division has recently signed an exclusive multi-year agreement to supply a key player on the Canadian e-commerce sector with home décor products for the North American market.

An update will be published with the 1st quarter 2020-2021 sales figures on July 23, 2020.

Forthcoming dates
Press release: *1st quarter 2020-2021 sales figures, July 23, 2020 after closure*

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