

Boulogne-Billancourt, 28 October 2019

Operating results at end-September 2019 (prior to first-time application of IFRS 16)

- Sales down 7.2% to €1,563 million on a comparable basis (down 9.7% as reported)
- EBITDA down 16.2% to €41.5 million on a comparable basis and at constant accounting methods (down 17.5% as reported); EBITDA margin down 0.2 points to 2.7%
- Current operating income down 22.7% to €25 million on a comparable basis and at constant accounting methods (down 23.4% as reported)

Confirmation of financial guidance for FY 2019 provided in the half-year results

Key operating indicators at end-September 2019 (on a comparable basis and at constant accounting methods)

(€ millions)	9M 2019	9M 2018	Δ as reported	Δ on a comparable basis ⁽¹⁾
Sales	1,563.1	1,730.5	- 9.7%	- 7.2%
Gross margin	380.4	419.3	- 9.3%	- 7.2%
Gross margin rate (% of sales)	24.3 %	24.2 %	+ 0.1 points	
EBITDA	41.5	50.3	- 17.5%	- 16.2%
EBITDA margin (% of sales)	2.7%	2.9%	- 0.2 points	
Current operating income	25.2	32.9	- 23.4%	- 22.7%
Operating margin (% of sales)	1.6%	1.9 %	- 0.3 points	

(1) Changes on a comparable basis are restated without FX, calendar and perimeter impacts

The following table shows the impact of first-time application of IFRS 16 on key operating indicators in the nine months to end-September 2019:

(€ millions)	9M 2019 (before application of IFRS16)	Cancellation of lease payments	Depreciation of right-of-use assets	9M 2019 (after application of IFRS16)
Sales	1,563.1			1,563.1
Gross margin	380.4			380.4
Gross margin rate (as % of sales)	24.3 %			24.3 %
EBITDA	41.5	31.5	-	73.0
EBITDA margin (% of sales)	2.7 %			4.7 %
Current operating income	25.2	31.5	(27.9)	28.8
Operating margin (% of sales)	1.6%			1.8%

The business environment continued to deteriorate during the third quarter in Europe, Asia and Latin America, with knock-on effects on sales in the Group's various business sectors and geographies. In particular, volumes in the European Papers market contracted sharply by 8% in the nine months to 30 September 2019 when compared to 9M 2018 and prices reversed their upward trend and began to decrease in the Spring. Industrial Packaging markets, especially in the automotive sector, were also affected to a lesser extent.

In the nine months through end-September 2019, Antalis delivered sales of €1,563 million, down 7.2% on a comparable basis (down 9.7% on a reported basis). The FX impact on sales was negligible for the period.

Gross margin came in at €380 million, down 7.2% on a comparable basis (down 9.3% on a reported basis). The gross margin rate held up well at 24.3% (up 0.1 points), partly due to the increased contribution of the higher-margin Packaging and Visual Communication sectors.

Thanks to the continued reduction in supply chain and commercial costs, EBITDA came in at €41.5 million, down 16.2% on a comparable basis and at constant accounting methods (and down 17.5% at constant accounting methods). This includes the unfavourable €1 million impact arising from the disposal of the Group's Southern African subsidiaries. The EBITDA margin rate was down by 0.2 points to 2.7%.

Current operating income for 9M 2019 was €25 million, compared to €33 million for 9M 2018. Current operating margin was 0.3 points lower at 1.6%. On a comparable basis and at constant accounting methods, current operating income declined by 22.7% (down 23.4% at constant accounting methods).

Breakdown of sales by geography

(€ millions)	9M 2019	9M 2018	Δ as reported
Sales			
Main European Geographies	805.5	884.0	- 8.9%
Rest of Europe	648.2	686.3	- 5.6%
Rest of the World	109.4	160.2	- 31.7%
TOTAL	1,563.1	1,730.5	- 9.7%

In the nine months to 30 September, the Main European Geographies (UK & Ireland, France, Germany & Austria) generated sales of €806 million, down 8.9% on 9M 2018 (down 9.0% at constant exchange rates). This drop reflected the sharp contraction in Papers volumes coupled with the negative impact of the bankruptcy of one of Antalis' graphic and recycled papers suppliers, partially offset by the resilience of the Packaging and Visual Communication business sectors.

Sales for the Rest of Europe declined by 5.6% year-on-year to €648 million (down 5.5 % at constant exchange rates). There were contrasting performances depending on the country and business sector, with notably good performances in Eastern European countries and in Italy.

Sales for the Rest of the World declined by 31.7% to €109 million (down 7.2 % at constant perimeter and exchange rates), chiefly due to the impact of the disposal of the Southern African businesses in October 2018.

Outlook

As the business outlook remains uncertain in many countries in which the Group does business, Antalis will continue to leverage its strong market positions to improve its product mix and to cut costs.

Based on its operating performance through 30 September, Antalis confirms that, on a comparable basis and at constant accounting methods, it should record a year-on-year decrease in sales of between 5% and 7% compared to 2018 and deliver an EBITDA margin of between 2.7% and 2.9% for full-year 2019.

Finally, Antalis continues to progress in the search for a new shareholding structure and it will inform the market once it is in a position to announce definitive steps.

About Antalis

Antalis (Euronext Paris: ANTA) is the leader in B2B distribution of Papers (number 1 worldwide outside the United States) and industrial Packaging, and number two in the distribution of Visual Communication media in Europe. In 2018, the Group reported sales of €2.3 billion and employed 5,200 people serving over 120,000 customers, companies and printers in 41 countries. Through its 115 distribution centres, Antalis makes around 12,000 deliveries per day worldwide and it distributed 1.3 million tons of paper in 2018.

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