

Annual results 31 March, 2016

Significant points:

- Printing activity is buoyant with an annual growth of 2.4%. Hardware has profited from the strong growth in LED sales (increasing from €1 million to €5.8 million)
- Operating profit is positive with operating and production costs under control (savings made on traditional group activities)
- S2 impacted by a less favourable product mix
- Net result penalised by an unfavourable currency effect
- Balanced financial structure with gearing at 0.54

Objectives 2016/2017:

- Reorganisation of Hardware activity to follow the on-going digitalisation of billboards; the Group has high hopes for the growth of LED sales;
- Development of Printing activity excluding Home Décor (to include new digitalisation solutions)
- Upgrading of Home Décor product line; launch of activities on the Canadian market.

Main consolidated figures (April 1st 2015 – March 31st 2016)¹

In €M	12 months		Var. In €M	Period 15-16	
	31.03.16	31.03.15		6 months	6 months
(audit in progress)				S2	S1
Total Sales	50.53	48.57	1.96	25.15	25.38
EBITDA	2.53	1.38	1.15	0.59	1.94
Current operating profit	0.67	0.04	0.63	-0.38	1.05
Loss of goodwill – Other expenses - profit	-0.21	-0.35	0.14	-0.21	0.00
Operating profit	0.46	-0.31	0.78	-0.59	1.05
Financial result excl. Foreign exchange	-0.25	-0.32	+0.06	-0.07	-0.18
Financial exchanges losses and gains	-0.43	0.34	-0.77	-0.17	-0.26
Taxes	-0.18	0.08	-0.26	-0.04	-0.14
Contribution of equity affiliates	-0.27	-0.07	-0.20	-0.16	-0.11
Net result	-0.67	-0.28	-0.40	-1.03	0.36
Net consolidated result	-0.62	-0.20	-0.42	-0.99	0.37
Cash flow	1.46	1.83	-0.37	0.10	1.36
Consolidated equity capital	13.00	13.75	-0.75		
Net debt	7.02	7.50	-0.48		
Gearing	0.54	0.55			

Significant points 2015/2016

The period ending 31 March 2016 reflects a growth in Hardware activity (€18.26 million vs €15.95 million in N-1) with a significant increase in LED display sales that confirms the OOH advertising market's appetite for digital signage solutions.

Prismaflex International is deploying the industrial means necessary to control the entire production process and progressively improve margins (LED modules produced in PrismaChina production unit and specialization of the French site for the integration of technical and innovative solutions). Printing activity at €22.74 million remains buoyant. Home Décor activity is down at €9.53 million.

Margins are down due to a changing product mix. However, well-controlled operating costs and a slight increase in sales volume mean the operating result is positive for the period at €0.46 million against a loss of €0.31 million the previous year.

¹ On June 17, 2016 the Prismaflex International board closed the accounts for the 2015/2016 period as of March 31, 2016.

Current operating profit before taxes is impacted by exchange losses of €0.43 million that includes a €0.28 million loss linked to the ZAR (a loan from the parent company to the subsidiary) compared to gains of €0.34 million in N-1.

Taxes amount to €0.18 million (the Group has not activated its S2 losses in France and in England), and net result stands at -€0.67 million compared with -€0.28 million the previous year.

The capital structure remains healthy

Working capital needs at €8.2 million represent 16% of total sales (compared with 19% in N-1). Gearing is stable at 0.54.

Performance and outlook

On May 31, 2016, order backlog, essentially for Hardware, is at €5.2 million (as in N-1) with increasing numbers of consultations for digital billboards solutions.

Once again, Printing, excluding Home Decor, should confirm its resilience.

In 2016, one of the Group's key challenges will be an acceleration in the transformation of its business model to coincide with a growth in digital products.

The Group will complete the specialization of its different sites:

- Distec focuses on the production of analogue products excluding trivision.
- The French subsidiary with expertise in the design and integration of LED components and advanced know-how in digital signage will concentrate on the full integration process of the digital solutions as the market develops.
- The French Printing site is expanding as the market develops and goes digital.

Forthcoming dates

Prismaflex International results will be presented at 10AM on June 21, 2016 to the SFAF

Next press release: 1st quarter sales figures (June 2016), July 20, 2016 after closure

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