

2018-2019 results hard hit by slowdown in activity Positive outlook for 2019-2020

Significant points 2018-2019:

- ➔ The -11.2% downturn in activity (-22.2% constant perimeter) is essentially due to the Hardware activity, currently hit by delayed deliveries and a pronounced wait-and-see policy among clients,
- ➔ Operating loss of - €2.3 million includes non-recurring expenses of €0.5 million,
- ➔ Net debt-to-equity ratio is under control at 57%,
- ➔ Strategic structuring plans for the future: accelerating US market penetration with the recent acquisition of Anthem Displays, enhancing the Print offer with FPI and deployment in S2 2018-2019 of a cost-savings plan that will generate around €1 million savings in 2019-2020.

Positive outlook 2019-2020:

- ➔ Commercial activity has been positive since the start of the period, notably in the United States with promising market potential. At the end of May, order backlog was at €10 million,
- ➔ Profitability improvement actions (cost reduction plan, integration of out-sourced activities, ...) will have a positive impact on profitability this year,
- ➔ The Group expects a significative return in organic growth and profit.

Main consolidated figures (01/04/2018 – 31/03/2019)¹

In €M (audit in progress)	31.03.19	31.03.18
Total sales	48.72	54.83
Current operating profit	-1.85	3.23
Operating profit	-2.32	3.23
Financial result excl. foreign exchange	-0.51	-0.28
Financial exchanges losses and gains	-0.09	-0.15
Pre-tax current profit	-2.92	2.80
Taxes	-0.59	-0.60
Contribution of equity affiliates	-0.01	-
Net result	-3.53	2.19
Net consolidated result	-3.25	2.16
Cash flow	-1.69	3.59
Consolidated equity capital	21.30	17.34
Net debt	12.06	4.60
Gearing	57%	27%

2018-2019 impacted by the economic situation

The 2018-2019 financial year was marked by contrasting evolutions in the Group's two activities in a globally unfavourable economic climate. Printing activity resisted well with total sales at €31.0 million, up 0.5% (-2.3% organic growth). Hardware was hard hit by delayed deliveries and a pronounced wait-and-see attitude among clients. Total sales for Hardware are down - €6.3 million (- €11.2 million on a comparable basis).

¹ On June 11, 2019 the Prismaflex International board closed the accounts for the 2018/2019 period as of March 31, 2019.



This downturn in activity automatically impacts the results for the period, resulting in an operating loss of - €2.3 million, as detailed below:

- - €1.4 million operating loss on a comparable basis, fixed costs not yet totally absorbed
- - €0.4 million loss recorded on new perimeter, including a €0.5 million loss for Anthem Displays. The profitability of the American firm, still at a commercial deployment phase, was impacted by a sharp rise in sub-contracting costs, internalised in the first quarter of the 2019-2020 financial year.
- - €0.5 million various non-recurring expenses (reorganisation, legal fees)

Current result before tax stands at - €2.9 million including the cost of gross financial debt of €0.3 million, stable compared to last year.

Net result stands at - €3.5 million compared with €2.2 million the previous year.

Financial structure: Working capital needs are down €1.1 million at €9.7 million to represent 20% of total sales.

Consolidated equity capital stands at €21.3 million. Cash flow from operating activities are almost even (- €0.5 million). Investments relating to operations stand at €2.7 million and external growth operations (€3.6 million) were financed by available cash and new bank loans.

Net debt subsequently increases to €12.3 million vs €4.6 million on March 31, 2018. Gearing ratio remains under control at 0.57.

Positive outlook for 2019-2020

After this somewhat difficult 2018-2019 period, Prismaflex International expects a rapid recovery and a level of performance in line with its economic fundamentals. The first benefits of the strategic actions deployed in 2018-2019 should begin to appear during the first six-month period.

Commercial activity for the Hardware activity is significantly better since April, notably with major contracts signed by Anthem Displays in the United States and also other major business opportunities in Europe and Africa. The delayed deliveries to Germany during the 2018-2019 period will be delivered during S2 of the current period. The outlook for Printing, with the integration of FPI, is also good. Order backlog on May 31, 2019 stands at €10 million (+10% on April 30, 2019).

In view of these elements, Prismaflex International expects to return to profitable growth in 2019-2020. The Group will build on increased sales volumes, the effects of the cost reduction plan (savings of around €1 million), and the internalisation of production operations, until now sub-contracted out, of the cabinets integrated in the United States into Anthem Display LED signs, a source of additional gross profit earnings.

Forthcoming dates

Prismaflex International results will be presented at 10.00AM on June 20, 2019 to the SFAF
Press release: 1st quarter sales figures 2019-2020 (June 2019), July 22, 2019 after closure

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