

PRESS RELEASE

Thursday, 19 April 2018

ANNUAL FINANCIAL RESULTS OF YEAR 2017

ATHEX: PLAT
Reuters: THRr.AT
Bloomberg: PLATGA

The purpose of the current release is to present the Group's financial results for the fiscal year 2017 and to highlight the basic factors that contributed to such.

The major developments of the period are highlighted as following:

- Growth in the consolidated sales volume (+10.9%) as a result of the investments in new production lines during the 2-year period 2015-2016. The Sales volume increase refers to both business units of the Group (Technical Fabrics +11.5% and Packaging +9.1%).
- Increase of consolidated Turnover by 9.1% - the sales volume growth was not fully reflected into the value of the consolidated sales due to a more elastic pricing policy followed by the Group in order to sell the additional production volumes. Also, a negative effect on consolidated turnover emerged from foreign exchange differences that resulted from the depreciation of the dollar and the English pound against the Euro.
- Lower demand for the products of Technical Fabrics Unit in the American market
- Gross profit margin contraction mainly due to the following factors:
 - Following the efforts to achieve the main objective which was the exploitation of the production capacity and the sale of the increased product volumes, a more elastic pricing policy was followed which resulted to lower profit margins.
 - The fact that the raw material prices increased gradually during the first four months of 2017 did not enable the transfer of the higher cost into the sale prices. The particular factor was more evident in the Group's subsidiary in Scotland where the raw material prices were further increased due to the exchange rate GBP/EUR.
- Higher Distribution Expenses due to the reinforcement of the sales divisions with new personnel, necessary in order to support the higher sales volumes.
- Effect on the operating results from the negative foreign exchange differences due to the depreciation of the dollar and the English pound against the Euro.

Specifically, the major results of the Group for the year 2017 compared to the year 2016 are summarized as follows:

<i>(amounts in € million)</i>	2017	2016	Change (%)
Consolidated Turnover	318.5	291.9	+9.1%
Consolidated Gross Profit	66.9	66.4	+0.7%
Consolidated EBIT*	17.2	22.9	-25.0%
Consolidated EBITDA*	30.1	35.2	-14.3%
Consolidated EBT	13.8	18.3	-24.5%
Consolidated EATAM	10.6	13.4	-21.2%
Basic Earnings per share (in €)	0.2412	0.3040	-20.7%

The total **Equity** on 31.12.2017 amounted to € 137.4 million compared to € 122.8 million on 31.12.2016 with the **Net Bank Debt** standing at € 57.8 million compared to € 54.7 million on 31.12.2016. The ratio **Net Bank Debt / Total Equity** settled at 0.42x compared to 0.45x on 31.12.2016 and the ratio **Net Bank Debt / EBITDA** settled at 1.9x versus 1.6x on 31.12.2016, remaining within the range targeted by the Group's Management as far as the particular ratio is concerned.

Investments of Fiscal Year 2017

For the fiscal year 2017, the Group implemented investments of 21.7 million Euros of which 14.1 million Euros concerned the Technical Fabrics Unit and mainly the Group's subsidiaries in Xanthi, Greece and Scotland, and 7.6 million Euros concerned the Packaging Unit and mainly the subsidiaries in Ioannina, Greece and Bulgaria.

Proposed Dividend of Fiscal Year 2017

At the Ordinary General Meeting of the Company's Shareholders which will convene on May 15th, 2018, the Board of Directors will propose the distribution of a total gross dividend amounting to 2,058,217 Euros. Specifically, the Board of Directors will propose the distribution of a gross dividend amounting to 0.047054 Euros per share, which has included the incremental dividend corresponding to the treasury shares held by the Company (4,324 own shares). The net amount which will be received by the shareholders after the withheld tax of 15% according to L. 4172/2013 will settle at 0.04 Euros per share.

Prospects and Outlook of the Group for the Financial Year 2018

The evolution of the Group's financial performance during the first quarter of the current year in terms of turnover and operating profit compared to the corresponding period of 2017 is deemed as positive, since during the first quarter of 2018 there is an increase in sales volume of both sectors for the Group's activities, namely Technical Fabrics and Packaging. At the same time as result of the maturity of new investments, there is also a recovery in the previously weak profitability of the Technical Fabrics unit seen in year 2017. Following the completion of the investment plan of the Greek subsidiaries which was implemented during the years 2015 – 2016 for an amount of 52 million Euros, the Group continues with the implementation of the investment plan for the period 2017 – 2018 towards its foreign subsidiaries. The investment plan is estimated to account for 44 million Euros.

The maintenance of the healthy financial structure of the Group, despite its expanded investment program during the past four years, in conjunction with the healthy operating and organizational structures which are in effect, provide the Management of the Group with the ability to continue its efforts towards the attainment of its strategic goals. For the fiscal year 2018, the Group's Management estimates that there will be an increase in the sales volume and turnover, and it also expects an improvement in the profitability of the Group. However the above estimates and outlook should not be taken for granted as they may be affected by a major international event.

* **Note**

Alternative Performance Measures (APM): During the description of the developments and the performance of the Group, ratios such as the EBIT and the EBITDA are utilized.

EBIT (The indicator of earnings before the financial and investment activities as well as the taxes): The EBIT serves the better analysis of the Group's operating results and is calculated as follows: Turnover plus other operating income minus the total operating expenses, before the financial and investment activities. The EBIT margin (%) is calculated by dividing the EBIT by the turnover.

EBITDA (The indicator of operating earnings before the financial and investment activities as well as the depreciation, amortization, impairment and taxes): The EBITDA serves the better analysis of the Group's operating results and is calculated as follows: Turnover plus other operating income minus the total operating expenses before the depreciation of fixed assets, the amortization of grants and the impairments, as well as before the financial and investment activities. The EBITDA margin (%) is calculated by dividing the EBITDA by the turnover.

ANALYSIS OF MAJOR FINANCIAL RESULTS OF THE YEAR 2017 (in € thousand)

Turnover	€318,519	(+9.1%)
Increase in turnover of the Technical Fabrics Unit by 10.0% and of the Packaging Unit by 10.1% (prior to intra-group transactions)		
Gross Profit	€66,890	(+0.7%)
Gross profit margin settled at 21.0% compared to 22.7% in year 2016.		
Other Operating Income	€2,144	(+27.0%)
The increase is mainly due to an income from ADMIE in the context of a more efficient electric energy management.		
Distribution Expenses	€30,146	(+12.8%)
Distribution expenses settled at 9.5% of total turnover versus 9.2% in year 2016.		
Administrative Expenses	€16,839	(+4.7%)
The administrative expenses as percentage of total turnover settled at 5.3% compared to 5.5% in year 2016.		
The Research & Development Expenses settled at € 1,948 (+71.8%)		
Other Operating Expenses	€1,808	(+19.7%)
They mainly concern taxes and duties non-incorporated into the operating cost, bank expenses as well as expenses for the purchase of maquettes.		
Other Losses	€1,114	(Profit € 265)
The increase in losses is mainly due to the negative foreign exchange differences which were generated from the receivables of the Group's subsidiaries in US dollar as result of the decline of the dollar against the Euro.		
EBITDA	€30,130	(-14.3%)
EBITDA margin settled at 9.5% compared to 12.0% in year 2016.		
Financial Results	-€5,439	(-7.1%)
They concern mainly credit and debit interest, as well as foreign exchange differences from the valuation of financial instruments.		
EBT	€13,834	(-24.5%)
EBT margin settled at 4.3% compared to 6.3% in year 2016.		
EATAM	€10,551	(-21.2%)
EATAM margin settled at 3.3% compared to 4.6% in year 2016.		
Earnings per Share	€0.2412	(-20.7%)
Inventories	€59,634	(+3.4%)
Average Turnover Ratio of Inventories: 85 compared to 90 days in year 2016		
Trade Receivables	€57,332	(+13.2%)
Average Turnover Ratio of Trade Receivables: 62 days compared to 65 days in 2016		
Suppliers	€37,021	(+16.4%)
Average Turnover Ratio of Suppliers: 50 days compared to 51 days in 2016		
Net Bank Debt	€57,807	(+5.6%)
The Net Bank Debt / Total Equity ratio settled at 0.42x compared to 0.45x on 31.12.2016		
Provisions for Employee Benefits	€15,847	(-35.0%)
The Provisions for Employee Benefits amounted to € 15,847 thous. on 31.12.2017 compared to € 24,369 thous. on 31.12.2016 posting a decrease of 35.0%. The above reduction is due to the decrease of the actuarial deficit of Don & Low LTD, which derived from the appreciation of the assets and specifically of the equities and bond securities.		

Statement of Income of Year 2017

(amounts in thousand euro)	2017	2016	% Ch.
Turnover	318,509	291,900	9.1%
Gross Profit	66,890	66,403	0.7%
Gross Profit Margin	21.0%	22.7%	
Other Operating Income	2,144	1,688	27.0%
<i>As % of Turnover</i>	0.7%	0.6%	
Distribution Expenses	30,146	26,727	12.8%
<i>As % of Turnover</i>	9.5%	9.2%	
Administrative Expenses	16,839	16,080	4.7%
<i>As % of Turnover</i>	5.3%	5.5%	
Research & Development Expenses	1,948	1,134	71.8%
<i>As % of Turnover</i>	0.6%	0.4%	
Other Operating Expenses	1,808	1,510	19.7%
<i>As % of Turnover</i>	0.6%	0.5%	
Other Earnings / (Losses)	-1,114	265	-
EBIT	17,179	22,905	-25.0%
EBIT Margin	5.4%	7.8%	
EBITDA	30,130	35,160	-14.3%
EBITDA Margin	9.5%	12.0%	
Financial Income / (Expenses)	-5,439	-5,854	-7.1%
Earnings / (Losses) from Companies consolidated with the Equity Method	996	1,276	-21.9%
Earnings / (Losses) from Participation	1,098	0	-
EBT	13,834	18,327	-24.5%
EBT Margin	4.3%	6.3%	
Income Tax	3,025	4,668	-35.2%
Total EAT	10,809	13,659	-20.9%
EAT Margin	3.4%	4.7%	
Minority Interest	258	275	-
Total EATAM	10,551	13,384	-21.2%
EATAM Margin	3.3%	4.6%	
Earnings per Share (in Euro)	0.241	0.304	-20.7%

Results by Main Business Unit for the Year 2017

Sector	Technical Fabrics			Packaging		
	2017	2016	% Ch.	2017	2016	% Ch.
<i>(amounts in thousand €)</i>						
Turnover	247.789	225.299	10,0%	83.726	76.021	10,1%
Gross Profit	48.990	48.333	1,4%	17.219	17.035	1,1%
Gross Profit Margin	19,8%	21,5%		20,6%	22,4%	
Total EBITDA	18.907	22.560	-16,2%	11.519	10.825	6,4%
EBITDA Margin	7,6%	10,0%		13,8%	14,2%	

Basic Balance Sheet Accounts on 31.12.2017

(amounts in thousand euro)	31.12.2017	31.12.2016	% Change
Tangible Fixed Assets	114,394	107,437	6.5%
Investment Property	113	113	0.0%
Intangible Assets	11,424	11,605	-1.6%
Interests in Related Companies	12,839	11,347	13.1%
Other Long-term Receivables	7,669	7,387	3.8%
Deferred Tax Assets	1,334	2,633	-49.3%
Total Fixed Assets	147,773	140,522	5.2%
Inventories	59,634	57,695	3.4%
Income Tax Prepaid	1,702	1,526	11.5%
Trade Receivables	57,332	50,640	13.2%
Debtors and Other Receivables	7,672	8,028	-4.4%
Cash & Cash Equivalents	30,593	31,080	-1.6%
Total Current Assets	156,933	148,969	5.3%
TOTAL ASSETS	304,706	289,491	5.3%
Shareholders' Equity	135,113	120,672	12.0%
Minority Interest	2,365	2,116	11.8%
TOTAL EQUITY	137,478	122,788	12.0%
Long-term Loans	15,737	18,663	-15.7%
Provisions for Employee Benefits	15,847	24,369	-35.0%
Other Long-term Liabilities	5,130	5,624	-8.8%
Total Long-term Liabilities	36,714	48,656	-24.5%
Short-term Bank Debt	72,663	67,139	8.2%
Suppliers	37,021	31,799	16.4%
Other Short-term Liabilities	20,830	19,109	9.0%
Total Short-term Liabilities	130,514	118,047	10.6%
TOTAL LIABILITIES	167,228	166,703	0.3%
TOTAL EQUITY & LIABILITIES	304,706	289,491	5.3%