

FINANCIAL ANALYSTS BRIEFING ABOUT FISCAL YEAR 2019 FINANCIAL RESULTS

The briefing to financial analysts about the Financial Results 2019 of Flexopack SA (hereinafter “Company”), took place today, Thursday 30th of April, via teleconference.

The financial performance and results of both the Group and the Company in fiscal year 2019, compared to fiscal year 2018, are following:

STATEMENT OF INCOME
EUR THOUS.

	GROUP				COMPANY			
	1/1-31/12/2019	1/1-31/12/2018	Met.	% Met.	1/1-31/12/2019	1/1-31/12/2018	Met.	% Met.
Turnover	89.277	84.492	4.785	5,7%	77.260	72.424	4.836	6,7%
Gross Profit	21.523	21.046	477	2,3%	18.545	18.116	429	2,4%
Administrative Expenses	(4.405)	(4.088)	(317)	7,7%	(3.393)	(3.154)	(239)	7,6%
Research & Development Expenses	(1.431)	(1.089)	(343)	31,5%	(1.156)	(1.058)	(98)	9,3%
Distribution Expenses	(6.819)	(5.881)	(938)	16,0%	(4.109)	(3.734)	(375)	10,0%
Other Operating Income-Expenses	397	572	(176)	-30,7%	230	496	(265)	-53,5%
Operating Profit	9.264	10.560	(1.296)	-12,3%	10.118	10.666	(548)	-5,1%
Financial (expenses) - income	(679)	(678)	(1)	0,1%	(516)	(585)	69	-11,8%
Other Financial Results	337	(570)	906	-159,0%	194	67	127	189,1%
Proportional result of related companies	563	560	3	0,6%	-	-	-	-
Earnings before taxes	9.485	9.872	(387)	-3,9%	9.795	10.148	(353)	-3,5%
Income tax	(2.290)	(2.776)	486	-17,5%	(2.197)	(2.546)	349	-13,7%
Earnings after taxes	7.195	7.096	99	1,4%	7.598	7.602	(4)	-0,1%
Depreciation / Amortization	5.391	3.714	1.678	45,2%	3.874	2.823	1.051	37,2%
EBITDA	14.656	14.274	382	2,7%	13.991	13.489	503	3,7%

Consolidated sales amounted to 89,277 million Euros, posting an increase of 5,7%, while gross profit amounted to 21,523 million Euros, posting an increase of 2,3%.

Operating profit settled at € 9,264 million, down by 12,3%, mainly due to a 45,2% increase in depreciation and operating expenses (Administrative expenses, Distribution expenses, Research & Development, other operating income-expenses) by 14,7% compared to the previous fiscal year 2018.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 14,656 million, up by 2,7% from the previous fiscal year (2018).

Profit before tax amounted to 9,485 million Euros, posting a decrease of 3,9%.

Profit after taxes amounted to 7,195 million Euros increased by 1,4% compared to the fiscal year 2018. The income tax for year 2019 was calculated based on a tax rate of 24%. The corresponding tax rate for the fiscal year 2018 had settled at 29%.

STATEMENT OF FINANCIAL POSITION

EUR THOUS.

	GROUP				COMPANY			
	31/12/2019	31/12/2018	Met.	% Met.	31/12/2019	31/12/2018	Met.	% Met.
ASSETS								
Non-current assets	61.463	59.175	2.288	3,9%	56.338	55.083	1.256	2,3%
Cash and cash equivalents	15.470	13.223	2.248	17,0%	13.285	10.529	2.755	26,2%
Other current assets	36.369	37.982	-1.614	-4,2%	41.204	41.767	-563	-1,3%
Total Assets	113.302	110.380	2.922	2,6%	110.827	107.379	3.448	3,2%
EQUITY & LIABILITIES								
Total Shareholders' Equity	74.280	67.741	6.539	9,7%	77.187	70.332	6.855	9,7%
Total Equity	74.280	67.741	6.539	9,7%	77.187	70.332	6.855	9,7%
LIABILITIES								
Long-term liabilities	11.359	14.143	-2.784	-19,7%	10.645	13.073	-2.427	-18,6%
Other long-term liabilities	5.720	5.243	477	9,1%	4.497	3.933	564	14,3%
Short-term bank liabilities	4.255	4.324	-69	-1,6%	3.627	3.627	0	0,0%
Other short-term liabilities	17.688	18.929	-1.242	-6,6%	14.871	16.414	-1.543	-9,4%
Total Liabilities	39.022	42.639	-3.617	-8,5%	33.640	37.047	-3.407	-9,2%
Total Equity & Liabilities	113.302	110.380	2.922	2,6%	110.827	107.379	3.448	3,2%

Total liabilities of the Group on 31/12/2019 amounted to 39,022 million Euros whereas the total equity amounted to 74,280 million Euros.

STATEMENT OF CASH FLOWS

EUR THOUS.

	GROUP		COMPANY	
	1/1- 31/12/2019	1/1- 31/12/2018	1/1- 31/12/2019	1/1- 31/12/2018
Net cash flows from operating activities	13.198	9.713	11.371	7.226
Net cash flows from investment activities	(6.266)	(8.895)	(4.652)	(7.010)
Net Cash flows from financing activities	(4.730)	468	(3.964)	974
Net (decrease)/ increase in cash and cash equivalents	2.201	1.287	2.755	1.190
Cash and cash equivalents at the beginning of the period	13.223	12.046	10.529	9.339
Effect from foreign exchange differences	46	(109)	0	0
Cash and cash equivalents at the end of the period	15.470	13.223	13.285	10.529

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The cash outflows for the Group's investment activities amounted to 6,266 million Euros and were covered in entirety by the cash and cash equivalents that derived from the operating activities of the Group.

Capital Management

EUR THOUS.

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Long-term debt obligations	11.359	14.143	10.645	13.073
Short-term debt obligations	4.255	4.324	3.627	3.627
Total bank debt	15.614	18.467	14.273	16.700
Liabilities for Leases	1.183	0	636	0
Total Debt	16.797	18.467	14.909	16.700
Minus : Cash and cash equivalents	15.470	13.223	13.285	10.529
Net Debt (1)	1.327	5.244	1.624	6.171
Total Equity (2)	74.280	67.741	77.187	70.332
Total Employed Capital (1)+(2)	75.607	72.985	78.811	76.502
Net Debt / Total Employed Capital	1,8%	7,2%	2,1%	8,1%

Group's course and outlook for the current financial year 2020

Given the Group's strong export orientation, the prospects, results and the course of both the Company and the Group for the current year, 2020, depend directly on the conditions prevailing primarily in the global and secondarily in the domestic economy and market.

During the present period, there are external factors that create fair and justified concerns about the course of the global economy, such as the threats from protectionism, the geopolitical uncertainty, the anxiety over Brexit and its final implementation, and mainly the declaration of pandemic by the WHO with respect to the corona virus (Covid-19).

The rapid spread of covid-19 in Europe and around the world, with restrictive measures being announced one after the other in recent days, will have a significant impact on the economy and will require corresponding drastic measures to control such impact.

Despite extraordinary and boldly measures to support and channel liquidity by national governments and central banks around the world, the impact on entire sectors from governments' restrictive measures is severe, production is negatively affected and overall demand in the economy is declining.

As deep uncertainty about the spread of Covid-19 remains significant, its economic impact, both globally and internationally, will depend on the duration, severity and spread level of the disease.

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The Management of the Group closely monitors the developments and takes care of the taking of the procedures and especially of the measures and policies that are considered intentional and necessary in order to ensure its business continuity, its smooth operation and the reduction of negative consequences to the smallest possible extent.

Based on the data available at the time of preparing of this report, no substantially negative impact exists on the Company's business activity and particularly on its production, sales and supply chain.

In view of the above, as the duration of the ongoing pandemic as well as of the restrictive measures cannot be determined, certain conclusions cannot be drawn with certainty regarding the risks, impact and possible effects of this event on commercial activity and financial results of the Company and the Group and therefore the financial position and the performance of the Company and the Group may be adversely affected.

The Group, both on the reporting date of the Annual Consolidated Financial Statements and on the date of their approval, maintains sufficient capital adequacy and liquidity and continues to be fully consistent with its obligations to suppliers, Greek State, social security organizations and other creditors.