



EXACOMPTA CLAIREFONTAINE

Dear Shareholders,

At its 30 March 2023 meeting in Paris, the EXACOMPTA CLAIREFONTAINE Board of Directors, chaired by Mr François Nusse, reviewed and approved the Company and Group financial statements for the year ended 31 December 2022.

↳ Consolidated results

(€000)	2022	2021
Revenue	835,604	726,789
Operating income	48,382	30,417
Net income before tax	38,110	29,631
Net income after tax	27,056	21,463
Minority interests	-	786
Group share	27,056	20,677

A €7 million goodwill impairment charge was recorded in the 2022 consolidated financial statements. Operating income is presented before this goodwill impairment.

↳ Segment information

(€000)	Paper	Processing	Inter-segment transactions	Total
Revenue	373,231	610,241	(147,868)	835,604
Operating income	28,989	21,661	(2,268)	48,382

(€000)	France	Europe	Outside Europe	Total
Revenue	439,474	365,407	30,723	835,604

Economic conditions

While there was hope of a return to stability as the COVID pandemic subsided, the start of the war in Ukraine in February caused energy costs to soar and raw material prices to remain very high. The contracts we negotiated prior to 2022 allowed us to postpone price hikes for a significant portion of our energy consumption.

Paper

Commercial pulp prices increased again by nearly \$200/tonne (source: RISI) between 2021 year-end and 2022 year-end, while the EUR/USD exchange rate fell from 1.13 to 0.95 before jumping back to 1.06, further increasing purchase prices.

Overall production of fine uncoated paper in Western Europe fell 9.8% (source: CEPI), while our own production increased 7.2% to 252,000 tonnes of paper reels. Tonnage sold remained steady at 235,000 tonnes, with inventories swelling towards the end of the year.

Amid customer concerns about the overall situation and the decline in graphic paper supply, the Company sometimes struggled to meet the demand in terms of volumes. Demand fell significantly during the fourth quarter.

Processing

The French stationery market posted an average increase of 4.7% for manufactured papers and 0.6% for filing articles (source: GFK).

There were still significant supply difficulties during the first half and several components saw sharp price increases. This was partly reflected in our prices for the start of the 2022-2023 school year as well as for year-round sales.

Our various departments posted strong business, including those affected by changes in consumer habits linked to the COVID pandemic.

↪ **Outlook**

Projections for Q1 2023 augur strong results for the year as a whole. However, a significant decrease in order intake and stronger competition will affect performance in 2023.

↪ **Group financial results**

2022 revenue amounted to €835,604,000. At 31 December 2022, gross borrowings stood at €224,723,000 including €43,877,000 of financial liabilities arising from the capitalisation of leases. Consolidated shareholders' equity was €471,369,000.

The Group has negotiated additional lines of credit with its banks totalling €25 million. At the balance sheet date, outstanding commercial paper issued by the Group amounted to €30 million out of a global programme of €125 million.

With gross cash and cash equivalents of €118,720,000 at 31 December 2022, Group net borrowings amounted to €106,003,000.

Excluding technical financial liabilities generated by the application of IFRS 16, net debt at 31 December 2022 was €62,126,000 compared to €26,349,000 the previous year.

The audit procedures for the 2022 financial statements are almost complete and the reports will be published shortly.

- The Board is calling an Ordinary General Meeting to be held on 25 May 2023, at which it will recommend a dividend of €4.40 per share.
- The Board will also propose the appointment of two new directors to improve Board representation of the business lines for which they are responsible.
- The next release will be published after the Board meeting called to approve the first half 2023 financial statements, scheduled for 21 September 2023.

THE BOARD OF DIRECTORS

Head of Financial Reporting
Jean-Marie Nusse - Executive Vice President