



# EXACOMPTA CLAIREFONTAINE

Dear Shareholders,

At its 28 March 2024 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 2023.

## Consolidated results

(€000)	2023	2022
Revenue	843,249	835,604
Operating income	72,063	48,382
Net income before tax	56,852	38,110
Net income after tax	43,116	27,056
Group share	43,116	27,056

2023 earnings were boosted by two non-recurring items:

- a €10.5 million capital gain on sale of real estate;
- €5.5 million of subsidies awarded in 2023 to cover electricity costs from prior years, primarily through the carbon offsetting scheme.

Furthermore, an €11,996,000 goodwill impairment charge was recorded in the 2023 consolidated financial statements, compared to a €7 million impairment charge in 2022.

Operating income is presented before this goodwill impairment.

## Segment information

(€000)	Paper	Processing	Inter-segment transactions	Total
Revenue	368,579	613,229	(138,559)	843,249
Operating income	46,205	26,292	(434)	72,063

(€000)	France	Europe	Outside Europe	Total
Revenue	438,130	374,674	30,445	843,249

## Economic conditions

After a year 2022 in which demand for paper and stationery was bolstered by fear of shortages, 2023 was marked by a dramatic decline in demand for stationery items across Europe. Consumption remains on a downward trend due to changes in consumer habits.

## Paper

Customer requirements were influenced by the considerable swelling of inventories in 2022. Production of fine uncoated paper in Western Europe fell 25.8% (source: CEPI). Meanwhile, production at our four paper mills dropped 5.8% to 237,000 tonnes of paper reels.

We continued to develop specialty products, which allowed us to limit the decline in tonnage sold and maintain our commercial conditions.

We saw a reversal of the trend in pulp prices, down 13% for long fibres and 28% for short fibres at 2023 year-end compared to 2022 (PIX index). The EUR/USD exchange rate averaged 1.08 in 2023 compared to 1.05 in 2022.

We also benefited from favourable conditions regarding our energy expenditure.

### Processing

The French stationery market posted an average 5.5% decline in volume for manufactured papers and 9.5% for filing articles (source: GFK). Distributor inventory clearances and heightened caution among consumers due to the return of inflation slowed sales in this sector.

Despite recording a slight drop in the number of items sold, our product categories largely generated satisfactory margins and we were able to consolidate our export positioning.

Energy costs curbed earnings in this segment.

### ↪ **Outlook**

Business momentum in our segments is uncertain.

Moreover, pulp market prices have soared and our energy costs are expected to increase by around €15 million compared to 2023.

### ↪ **Group financial results**

2023 revenue amounted to €843,249,000. At 31 December 2023, gross borrowings stood at €208,698,000 including €52,689,000 of financial liabilities arising from the capitalisation of leases. Consolidated shareholders' equity was €512,467,000.

The Group has negotiated additional lines of credit with its banks totalling €20.9 million. At the balance sheet date, outstanding commercial paper issued by the Group amounted to €10 million out of a global programme of €125 million.

With gross cash and cash equivalents of €167,098,000 at 31 December 2023, Group net borrowings amounted to €41.6 million.

Excluding technical financial liabilities generated by the application of IFRS 16, the Group posted net cash of €11,089,000 at 31 December 2023 compared to net debt of €62,126,000 the previous year.

The audit procedures for the 2023 financial statements are almost complete and the reports will be published shortly.

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- The Board is calling an Ordinary General Meeting to be held on 29 May 2024, at which it will recommend a dividend of €6.70 per share.
- The next release will be published after the Board meeting called to approve the first half 2024 financial statements, scheduled for 19 September 2024.

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THE BOARD OF DIRECTORS

Head of Financial Reporting

Jean-Marie Nusse - Executive Vice President