



# EXACOMPTA CLAIREFONTAINE

Dear Shareholders,

At its 25 March 2021 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 2020.

## ↵ Consolidated results

(€000)	2020	2019
Income from continuing activities (Revenue)	689,597	703,436
Operating income	14,727	19,828
Net income before tax	12,837	22,571
Net income after tax	11,574	17,067
Minority interests	(702)	0
Group share	12,276	17,067

The Eurowrap and Biella entities were consolidated for nine and six months respectively in the 2019 consolidated accounts. 2019 net income included a €5,024,000 badwill gain on first-time consolidation. A €2 million goodwill impairment charge was recorded in the 2020 consolidated financial statements.

## ↵ Segment information

(€000)	Paper	Processing	Inter-segment transactions	Total
Revenue	254,296	555,369	(120,068)	689,597
Operating income/(loss)	14,801	(191)	117	14,727

(€000)	France	Europe	Outside Europe	Total
Revenue	371,037	292,571	25,989	689,597

## Paper

In 2020, deliveries of uncoated printing and writing papers from European plants to Western Europe fell 15% (source: CEPI).

Our own paper production remained virtually stable at 231,000 tonnes. Following a fall in the second quarter, demand was sluggish for the rest of the year. A 5% decrease in tonnage sold led to an increase of approximately 7,000 tonnes in our paper stocks.

The relatively weak pulp market allowed us to maintain our margins.

## Processing

The French stationery market posted an average decline of 2.8% for manufactured papers and 11.9% for filing articles (source: GFK). The COVID-19 pandemic led to a drop in our own sales, with variations depending on the product family and the time of year. Production units remained operational but production was partly reduced.

Given the context, the contribution of recently acquired companies and their integration into the Group were quite satisfactory. New specialty products were launched, as continued development is absolutely necessary to keep pace with changes in consumption.

### ↳ **Outlook**

The aftermath of 2020 and the threat of further lockdowns in 2021 do not allow for a recovery in sales of papers for office and printing applications. Pulp prices are rising sharply under the combined effect of hygiene-related purchases and demand in the Far East. This sharp increase in costs will have a significant impact on our profitability.

Stationery sales are still partly affected by the pandemic. The Group does not expect 2021 volumes to return to their pre-crisis level. In addition, higher prices for raw materials such as plastic, metal and grey cardboard will affect margins.

Current projections show a significant decrease in operating income versus 2020.

### ↳ **Group financial results**

2020 revenue amounted to €689,597,000. At 31 December 2020, gross borrowings stood at €291,042,000 including €46,207,000 of financial liabilities arising from the capitalisation of leases. Consolidated shareholders' equity was €423,164,000.

The Group has negotiated additional lines of credit with its banks totalling €36 million. At the balance sheet date, outstanding commercial paper issued by the Group amounted to €50 million out of a global programme of €125 million.

With gross cash and cash equivalents of €202,495,000 at 31 December 2020, Group net borrowings amounted to €89,547,000.

Excluding technical financial liabilities generated by the application of IFRS 16, net debt at 31 December 2020 was €43,340,000 compared to €42,802,000 the previous year.

The 2020 financial statements have been audited and the certification reports are currently being prepared.

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- The Board is calling an Ordinary Shareholders' Meeting to be held on 27 May 2021, at which it will recommend a dividend of €3.00 per share.
- The next release will be published after the Board meeting called to approve the first half 2020 financial statements, scheduled for 16 September 2021.

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THE BOARD OF DIRECTORS

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