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Press release

Boulogne-Billancourt, 26 October 2018

## Operating results at end-September 2018

- Sales down 0.3% to €1,730 million on a comparable basis (down 2.2% as reported)
- EBITDA down 13.0% to €50 million on a comparable basis (down 15.6% as reported); EBITDA margin down 0.5 points to 2.9%
- Current operating income down 19.3% to €33 million on a comparable basis (down 27.7% as reported)

## Completion of the sale of the subsidiaries in South Africa and Botswana in early October 2018

## Confirmation of financial guidance for FY 2018 provided in the half-year results

### Key operating indicators at end-September 2018

| *(€ millions)* | 9M 2018 | 9M 2017 | Δ as reported | Δ on a comparable basis[1] |
|---|---|---|---|---|
| Sales | 1,730.5 | 1,769.8 | - 2.2% | - 0.3% |
| Gross margin | 419.3 | 433.0 | - 3.2% | - 1.0% |
| *Gross margin rate (% of sales)* | *24.2%* | *24.5%* | *- 0.3 points* | |
| EBITDA | 50.3 | 59.6 | - 15.6% | - 13.0% |
| *EBITDA margin (% of sales)* | *2.9%* | *3.4%* | *-0.5 points* | |
| Current operating income | 32.9 | 45.5[2] | - 27.7% | 19.3%[3] |
| *Operating margin (% of sales)* | *1.9%* | *2.6%* | *-0.7 points* | |

(1) Changes in comparable figures are restated without FX, calendar and perimeter impacts
(2) Including a €2.3 million gain arising on a change to a Swiss pension plan.
(3) Also excluding the impact of the aforementioned changes to a Swiss pension plan

During the third quarter - which traditionally witnesses lower sales – volumes in the paper distribution market continued to decline markedly, notably due to selling price increases driven by spiralling paper pulp prices, which weigh on consumption.

In this context, Antalis' performance in the Papers sector was in line with the market although higher value-added printing papers posted better overall performances. The good sales momentum in the Packaging sector continued through Q3 2018 and helped to partially offset the decline in Papers volumes.

In the nine months through end-September 2018, Antalis delivered sales of €1,730 million, down 0.3% at constant exchange rates, days and perimeter (and down 2.2% on a reported basis). The unfavourable FX impact amounted to €28 million and mainly related to sterling and the Swiss franc.

Gross margin came in at €419 million, down 1.0% at constant exchange rates, days and perimeter (and down 3.2% on a reported basis). This decline mainly reflected lower Papers volumes, partially offset by higher selling prices. The gross margin rate came in at 24.2% (down 0.3 points).

EBITDA for the first nine months of the year came in at €50 million, down 13.0% at constant exchange rates, days and perimeter (and down 15.6% on a reported basis). This figure includes €2 million related to the negative forex impact and the impact of less working days. The EBITDA margin rate was down by 0.5 points to 2.9%. The negative forex and calendar impacts and the decline in Papers volumes were partially offset by an improved product mix.

Current operating income for 9M 2018 was €33 million, compared to €45 million for 9M 2017 which included a €2 million gain arising on a change to a Swiss pension plan. Current operating margin was 0.7 points lower at 1.9%. At constant exchange rates, days and perimeter, and excluding the impact of the change to the Swiss pension plan, current operating income declined by 19.3% (down 27.7% on a reported basis).

## Breakdown of sales by geography

| *(€ millions)* | 9M 2018 | 9M 2017 | Δ as reported |
|---|---|---|---|
| Sales | | | |
| Main European Geographies | 884.0 | 899.4 | - 1.7% |
| Rest of Europe | 686.3 | 700.5 | - 2.0% |
| Rest of the world | 160.2 | 169.9 | - 5.7% |
| TOTAL | 1,730.5 | 1,769.8 | - 2.2% |

In the nine months to 30 September, the Main European Geographies (UK & Ireland, France, Germany & Austria) delivered sales of €884 million, down 1.7% on 9M 2017 (and down 1.1% at constant exchange rates). This decrease mainly reflects the decline in Papers volumes – albeit with good performances in France –, the drop in business in the UK Visual Communication sector in the context of Brexit and the depreciation in sterling.

Sales for the Rest of Europe declined by 2.0% for the first nine months of the year to €686 million (down 0.1% at constant exchange rates) due to the negative forex impact (mainly the Swiss franc, Turkish lira and Swedish krona). There were contrasting performances depending on the country and business sector, with notably good performances in Packaging and in Eastern European countries.

Sales for the Rest of the World decreased by 5.7% to €160 million (down 0.5% at constant exchange rates), chiefly due to an unfavourable forex impact (mainly attributable to the South African rand, Brazilian real and US dollar). In early October, Antalis completed the sale of the South African and Botswana subsidiaries to the local management team.

## Outlook

In Q4 2018, Antalis should benefit from the positive impact of its policy of implementing selling price increases, continued improvements in its product mix driven by growth in Packaging, and the positive impact of the sale of the South African and Botswana subsidiaries.

In light of its operating performance through 30 September, Antalis confirms that, at constant perimeter and exchange rates, it should record a low single-digit decrease in sales when compared with FY 2017 and deliver an EBITDA margin of between 3.0% and 3.4% for full-year 2018.

Moreover, given the current context of declining volumes in the paper market, the distribution sector is undergoing consolidation and Antalis intends to leverage its leading position to play a role in this process.

**About Antalis**

Antalis (Euronext Paris: ANTA) is the leader in B2B distribution of Papers (number 1 worldwide outside the United States) and industrial Packaging, and number two in the distribution of Visual Communication media in Europe. In 2017, the Group reported sales of €2.4 billion and employed 5,500 people serving approximately 140,000 customers, companies and printers in 41 countries. Through its 123 distribution centres, Antalis makes around 13,500 deliveries per day worldwide and it distributed 1.5 million tons of paper in 2017.

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