

2020 Results:
Careful management of all operational areas hit by the health crisis
Cash generation and big reduction in net debt
Finalizing our strategic realignment and sustaining future investments

Consolidated data (in millions of euros)	2020	2019 IFRS5	Variation
Revenues	150.1	202	- 25.7%
EBITDA¹	5.9	20.5	-71.3%
<i>As % of revenue</i>	3.9 %	10.2 %	
Pre-goodwill operating profit (EBITA)	-7.1	9.6	
Net income for continuing operations	- 21.6	6.2	
Group share of net income	-45.6	11.9	
Net Cash Flow from continuing operations	14.9	18.4	-19 %
Net Financial Debt	5.9	13.2	-55.3%

"2020 will be an extraordinary year for the company. As well as mobilizing all our employees against COVID-19 and implementing a radical savings plan, PSB Industries has succeeded in finalizing its strategic realignment to become the pure-player of Luxury and Beauty, as set out by the 2018-2020 roadmap. With the newly globalized and unified One-Texten, the company wants to harness its significant financial clout to step up its contribution to economic recovery and actively participate in the eco-design transformation of its markets."

François-Xavier Entremont, CEO

PSB Industries' consolidated revenues amounted to **€150.1 million**, down 25.7% (down 24.5% like-for-like at constant exchange rates), 51% of which was generated outside of France. The company's activities have been deeply affected by the global health crisis, which has led to the partial or total closure of its industrial sites and of the entire value chain, including suppliers, customers and distributors. Given the social distancing measures in operation around the world, end markets remain greatly affected with strong geographic and sector-specific disparities.

Industrial operational performance has contracted significantly. In March 2020, the company implemented an ambitious plan to reduce costs - a reduction of €7 million in variable costs and €7.3 million in fixed costs compared to 2019 - which enabled it to **reduce its cost of goods sold² by 16.6%** thanks to its agile manufacturing approach and because it maintained a positive **EBITDA of €5.9 million (3.9% of revenue)** throughout 2020. Thanks to the savings plan and the gradual upturn in activity, EBITDA improved in the second half (6% of revenue) compared to the first half (1.8% of revenue). Furthermore, the company has sustained all the costs of deploying its strategy (SAP, overhauling of the tender strategy, Operations, the modernisation of surface treatment and eco-design dynamics).

The pre-goodwill operating profit of PSB Industries amounted to a loss of €7.1 million, including a tax depreciation of €11.3 million. The company listed an amortization of its intangible assets for an amount of €12.5 million in order to account for the temporary slowdown in activity, resulting in an operating profit loss of €19.8 million. The net income from continuing operations is a €21.6-million loss. The company net prof, including a €24-million loss from discontinued operations (€22 million of which is non-cash and related to depreciation and amortization) was a €45.6-million loss.

In this exceptional situation, the company's liquidity has been carefully managed by its strict control of its working capital requirements, enabling it to generate a positive operating cash flow of €14.9 million for its continuing operations (down only 19% from 2019).

¹ EBITDA = earnings before interest, taxes, depreciation, and amortization

² Costs of Goods Sold = labour + amortizations + other fixed costs

The company has reached a historic level of financial strength and flexibility. Net financial debt was €5.9 million, compared to € 13.2 million as of 31 December 2019, meaning a 55.3% reduction, and equity in 2020, including losses for the year, was €102.7 million. As the company had an available cash flow of €88.7 million (including a €50-million credit facility set up as a precaution), it did not request a *PGE (Prêt Garanti par l'Etat*, the state-guaranteed loan scheme set up by the French government).

PSB Industries, confident in the eventual recovery of the Luxury and Beauty market, added reinforcements to its management team in 2020. A new, global organization, with the roadmap of the eco-transition of Luxury and Beauty packaging at its heart and dedicated to the deployment and promotion of a product range, was formalized in early 2021. Despite the unsettled state of public health and an uncertain outlook for 2021, with the measures we implemented in 2020, we are expecting to see a gradual improvement in annual operational profit in 2021.

PSB Industries is an innovative industrial group and a market leader in Luxury & Beauty: its mission is to turn virtuous materials into positive experiences.
In 2020, the company achieved a revenue of €207 million, over 50% of which was generated internationally,
with production facilities in France, Poland, the US and Mexico.

