

PRESS RELEASE

Approval of Consolidated Interim Financial Statements at 31 October 2019

- **Total consolidated revenue € 115.7 million (+3.8% versus € 111.5 million at 31 October 2018).**
- **Adjusted EBITDA approximately € 15.1 million, in line with the figure at 31 October 2018.**
- **Net financial debt € 43.4 million at 31 October 2019, improving by € 9 million versus the net financial position of € 52.4 million at 31 October 2018. Net financial debt at 31 October 2019 € 0.9 million lower than at 31 December 2018.**
- **Guidance on financial statements at 31 December 2019: consolidated revenue forecast at approximately € 136 million, margins steady versus the figures in the Interim Financial Statements at 31 October 2019. Financial debt improves further. Consolidated financial statements at 31 December 2019 to be approved by 31 January 2020.**

Filago, 9 December 2019

Neodecortech S.p.A. ("NDT" or the "Company"), the Italian market leader in the production of decorative papers for laminated panels and flooring for interior design, listed on AIM Italia, a multilateral trading system organized and managed by Borsa Italiana S.p.A., hereby announces that the Board of Directors met today and approved the Consolidated Interim Financial Statements at 31 October 2019, which will be fully audited by the Independent Auditors BDO Italia S.p.A..

CONSOLIDATED FINANCIAL HIGHLIGHTS AT 31 OCTOBER 2019

Total consolidated revenue at 31 October 2019 amounted to € 115.7 million (figure net of estimate on premiums to customers) versus € 111.5 million in the same period of 2018, up by 3.8%.

Consolidated EBITDA at 31 October 2019 came to approximately € 13.9 million (12% of total consolidated revenue) versus € 14.4 million in the same period of 2018 (12.9% of consolidated revenue). Mention should be made that adjusted EBITDA at 31 October 2019 has been adjusted due to the extraordinary items from higher costs arising from the MTA translisting process (to date approx. € 0.5 million) and the non-monetary impact of the 2017-2020 Stock Grant Plan (approx. € 0.7 million). Adjusted EBITDA is equal to € 15.1 million: -2.3% versus the same period of 2018 (€ 15.4 million).

The consolidated net financial position (NFP) at 31 October 2019 stands at € 43.4 million versus € 52.4 million at 31 October 2018, decreasing by € 9 million. The reduction is, instead, equal to € 0.9 million versus 31 December 2018 (€ 44.3 million).

Guidance on the consolidated financial statements at 31/12/2019

Forecasts on the financial statements at 31 December 2019: consolidated revenue is forecast at approximately € 136 million, with percentage margins steady versus the figures in the Interim Financial Statements at 31 October 2019. Financial debt is expected to improve further.

The financial statements at 31 December 2019 will be approved by 31 January 2020.

CEO Luigi Cologni, commenting on the results, says that: “The figures appearing in the interim financial statements confirm the trend seen in recent months and show a healthy picture revenue-wise. The margin figure should be read in an extremely positive light, given the record year achieved in 2018 by the subsidiary BEG, unrepeated however in 2019 due to the increase in the raw material. Most importantly from my point of view, the net financial position has decreased sharply, after making investments of € 6.5 million (at the date of this press release) and paying out dividends of € 2 million. We have full visibility in terms of revenue on the pre-closure of the year, which reassures us on the strategy chosen and pursued: thanks to product innovation and greater agility, we have managed to outdistance our European competitors who have, instead, suffered badly. As further proof of our strategic positioning, we will kick off 2020 with a new plant to release a new product that represents the cutting edge in terms of market proposition and innovation. On top of that, at the turn of this month and next January, a major review will have been completed of both the PPLF (Plastic Printed Laminated Film) plant and the other plant that will allow us to achieve a new width in plastic laminates.”

Attached are the tables of the consolidated Income Statement, the consolidated Statement of Financial Position and the consolidated Statement of Cash Flows at 31 October 2019, prepared in accordance with international accounting standards.

For the other statements and the Independent Auditors’ Report, reference should be made to the Consolidated Interim Financial Statements at 31 October 2019, which will be made available on the Company website.

The Income Statement at 31 October 2019 and the comparison at 31 October 2018 is shown below:

CONSOLIDATED FIGURES IN EURO THOUSANDS	31 OCTOBER 2019	% ON REVENUE	31 OCTOBER 2018	% ON REVENUE	Change	% change
Revenue from sales and services	66.366	100,0%	65.759	100,0%	606	0,9%
Changes in work in progress, semi-finished and finished products	(452)	(0,7%)	724	1,1%	(1.176)	(162,4%)
Other revenue	2.323	3,5%	1.438	2,2%	885	61,5%
Value of Production	68.237	102,8%	67.920	103,3%	317	0,5%
Raw and ancillary materials and consumables	(38.780)	58,4%	(40.405)	61,4%	1.625	(4,0%)
Other operating expense	(11.376)	17,1%	(10.190)	15,5%	(1.186)	11,6%
Value Added	18.081	27,2%	17.325	26,3%	756	4,4%
Personnel expense	(11.015)	16,6%	(9.148)	13,9%	(1.867)	20,4%
EBITDA	7.065	10,6%	8.177	12,4%	(1.112)	(13,6%)
Amortization, depreciation	(4.174)	6,3%	(3.502)	5,3%	(672)	19,2%
Allocations	-	0,0%	(19)	0,0%	19	0,0%
EBIT	2.892	4,4%	4.657	7,1%	(1.765)	(37,9%)
Financial components	(976)	1,5%	(1.516)	2,3%	540	(35,6%)
Exchange gains and losses	(19)	0,0%	254	-0,4%	(273)	(107,5%)
Profit (loss) before tax	1.896	2,9%	3.394	5,2%	(1.498)	(44,1%)
Income tax	(797)	1,2%	(677)	1,0%	(120)	17,7%
Profit (loss) for the period	1.099	1,7%	2.717	4,1%	(1.618)	(59,6%)

The reclassified Statement of Financial Position at 31 October 2019 and the comparison at 31 October 2018 is shown below:

	31 October 2019	31 October 2018	Difference	% Difference
CONSOLIDATED FIGURES IN EURO THOUSANDS				
Trade receivables	22.443	26.554	(4.111)	(15,5%)
Inventory	35.213	35.309	(96)	(0,3%)
Trade payables	(25.221)	(26.471)	1.250	(4,7%)
Operating NWC	32.435	35.392	(2.957)	(8,4%)
Other current receivables	3.917	6.134	(2.217)	(36,1%)
Other current payables	(5.657)	(5.358)	(299)	5,6%
Tax payables	(303)	(1.131)	828	(73,2%)
Payables for tax consolidation	(590)	(643)	53	(8,2%)
Net Working Capital	29.802	34.394	(4.592)	(13,4%)
Property, plant and equipment	77.434	75.870	1.564	2,1%
Intangible assets	2.898	3.349	(451)	(13,5%)
Other financial assets	-	(66)	66	(100,0%)
Non-current financial assets not included in NFP	1.849	3.881	(2.032)	(52,4%)
Other non-current assets	112	52	60	100,0%
Fixed assets	82.294	83.086	(792)	(1,0%)
Post-employment benefits	(2.969)	(2.887)	(82)	2,8%
Provisions for risks and charges	(530)	(455)	(75)	16,5%
Deferred tax assets and liabilities	(4.365)	(4.293)	(72)	1,7%
Net Capital Employed	104.232	109.846	(5.614)	(5,1%)
Equity	(60.785)	(57.424)	(3.361)	5,9%
Cash and cash equivalents	1.309	2.890	(1.581)	(54,7%)
Other current financial receivables	4.328	330	3.998	100,0%
Current financial liabilities	(24.281)	(26.075)	1.794	(6,9%)
Non-current financial liabilities	(24.803)	(29.567)	4.764	(16,1%)
Net Financial Debt	(43.447)	(52.422)	8.975	(17,1%)
Equity and Net Financial Debt	(104.232)	(109.846)	5.614	(5,1%)

The Statement of Cash Flows at 31 October 2019 and the comparison at 31 December 2018 is shown below:

Euro thousands	31 October 2019	31 December 2018
Profit (loss) for the period	3.802	6.030
Income tax	934	1.381
Deferred/(prepaid) tax	291	212
Interest expense/(interest income)	1.581	2.963
(Dividends)		
(Gains)/losses from disposal of assets	(239)	(5)
1 Profit (loss) for the period before income tax, interest, dividends and gains/losses from disposals	6.369	10.590
Adjustments for non-monetary items that had no balancing entry in net working capital:		
Allocation to post-employment benefits	31	34
Allocations to other provisions	75	
Depreciation of fixed assets	7.200	7.157
Write-downs for impairment losses		
Other adjustments for non-monetary items	430	1.376
2 Cash flow before changes in NWC	14.104	19.157
Changes in net working capital		
Decrease/(increase) in receivables from customers	608	3.699
Decrease/(increase) in inventory	735	(2.682)
Increase/(decrease) in payables to suppliers	(7.293)	(2.185)
Decrease/(increase) in other receivables	1.097	1.880
Increase/(decrease) in other payables	(805)	(576)
Other changes in net working capital		(137)
3 Cash flow after changes in NWC	8.446	19.155
Other adjustments		
Interest received/(paid)	(664)	(1.693)
(Income tax paid)	(387)	(265)
(Gains)/losses from disposal of assets		
Dividends received		
(Utilization of provisions)		(546)
(Utilization of provisions for post-employment benefits)	(233)	(178)
4 Cash flow after other adjustments	7.162	16.473

A Cash flow from operations	7.162	16.473
Property, plant and equipment	(6.496)	(6.868)
(Purchase)	(6.532)	(6.868)
Disposal	36	
Intangible assets	(192)	(860)
(Purchase)	(192)	(860)
Disposal		
Non-current financial assets	(76)	
(Purchase)	(76)	
loans granted		
Proceeds from disposal of assets	239	
B Cash flow from investing activities	(6.524)	(7.728)
Liabilities	(3.724)	(6.245)
Increase (decrease) in current bank payables	367	(1.559)
New loans	182	1.128
Repayment of loans	(2.185)	(3.209)
Increase (decrease) in non-current bank payables		
Financial liabilities to other lenders	(1.814)	(3.314)
Change in financial receivables from other lenders	(274)	710
Equity	(2.094)	(2.114)
Share capital increase		
Sale (purchase) of treasury shares	(93)	(94)
Other changes in equity	(2.001)	(2.020)
C Cash flow from financing activities	(5.817)	(8.359)
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(5.180)	386
Cash and cash equivalents at 1 January	6.489	6.103
Cash and cash equivalents at 31 October	1.309	6.489

Neodecortech S.p.A.

Neodecortech is the Italian market leader in the production of decorative papers for laminated panels and flooring for interior design. The Group's business is in the production of complete and technologically advanced solutions for the realization of interior design projects, covering all stages of the production process for the production of decorative paper, from raw material management, through surface finishing and impregnation, up to the finished product and the management of end-of-line logistics. The Group offers 6 product categories: decorative papers; decorative printings; finish foil; melamine film; PPF; laminates (www.neodecortech.it).

ISIN Code ordinary shares: IT0005275778

ISIN Code Warrants: IT0005346785

For further information:

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