

Press Release

Thursday, 29 September 2016

In the first semester of 2016, SIDMA Group recorded rising sales volumes and a significant improvement in its results at both operating and pre-tax levels, mainly due to the increased contribution of the parent company and the subsidiaries in Romania and Bulgaria.

Namely, during the first semester of the year the consolidated turnover of SIDMA amounted to € 51.7 million compared to € 50.4 million in the corresponding period of 2015 or 2.4% higher, while together with consignment sales it amounted to € 65.4 million, decreased by 0.7% compared to the one last year but with the average selling price of its products reduced by 10%. Moreover, earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € 2,826 thousand compared to € 1,023 thousand last year, mainly due to the significant increase in gross profit by 63% or € 2.7 million approximately. Last but not least, earnings before taxes improved by 57% compared to the same period last year or € 1.7 million, representing a loss of € 1.3 million.

At Company level, in the first semester of the year SIDMA's turnover was set to €35.6 million from €29.2 million, presenting an increase of 22% while together with dealership sales it was set to €49.4 million from €44.6 million in the corresponding period of 2015. However, it is worth mentioning that this year's results include the sales of the subsidiary PANELCO which was absorbed at the end of last year. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to profits of € 2,5 million from € 0,75 million in the corresponding period last year, while earnings before taxes amounted to losses of € 1.0 million, improved by 47% or € 0.9 million compared to those of the corresponding period last year including exceptional provisions of € 500 thousand for the impairment of bad debts. Without these provisions earnings before taxes, depreciation and amortization (EBITDA) and losses before taxes would have improved by 267% and 72% respectively. The improvement recorded in both operating results and earnings before taxes, and mainly at company level, is due to an improvement in gross profit by 97% or € 2.7 million approximately.

As for the subsidiaries in the Balkans, SIDMA Bulgaria recorded a reduction in its turnover by 6% and SIDMA Romania a reduction by 2% compared to the first semester of 2015, but with the average selling price decreased by 12% in Bulgaria and by 14% in Romania respectively compared to last year. Namely, the turnover of SIDMA Bulgaria amounted to € 7.5 million compared to € 8.0 million, while the turnover of SIDMA Romania amounted to € 8.8 million compared to € 9.1 million in the first semester of 2015.

SIDMA Bulgaria recorded a significant improvement at both operating profits and income before tax levels compared to last year. EBITDA amounted to € 291 thousand while profit before taxes were marginally negative at € - 8 million. Both figures were improved by 37% and 92% respectively compared to last year. The company's Management is now aiming to reduce its financial expenses by pooling together its loans under a syndicated loan with a reduced interest rate.

Similarly, SIDMA Romania recorded a considerable improvement at operating profits compared to last year's resulted to € 301 thousand improved by 142%, while recorded losses before taxes € 254 thousand improved by 45% compared to last year's. The company's Management is focused on increasing its sales volume while maintaining the already improved gross profit percentage.

The Group's liquidity amounted to € 8.8 million. In recent years, the company's Management has taken a series of actions that involve reducing the Group's operating costs drastically as well as bolstering up the structure of its operating activities. The cost reduction achieved since the beginning of the crisis is more than 45%. This reduction pertains to a cut in wage costs and expenses, the restructuring of structures and the limitation of supporting expenditure, without affecting the smooth operation of the Group.

Moreover, the company's Management is taking a series of actions in order to bolster up the Group's liquidity and financial position including among others the disposal of assets, further reduction of credit provided to customers and the simultaneous retention/enhancement of the gross profit percentage. At this point, it is worth mentioning that the credit period granted to customers was shortened by 16,5% while the gross profit percentage was improved by 62% compared to the corresponding period last year.

Ordinary and Extraordinary General Meeting Resolutions

19 shareholders representing 77.25% of the share capital and voting rights attended the Ordinary General Meeting of company shareholders that was held in Athens on May 26, 2016 and unanimously approved the following:

- The activity report of the Board of Directors and Auditors and the Annual Financial Statements of the fiscal year 2015; Discharge of the members of the Board of Directors and the Chartered Auditor for 2015;
- Election of Chartered Auditors and approval of their fees for 2016;
- The fees paid to BoD members with respect to dependent labour relation for 2015 and preliminary approval of their fees for 2016;
- Election of a new Board of Directors;
- Election of the members of the audit committee in line with article 37 of Law 3693/2008;
- Providing consent for the completion of Article 4 of the company's statutes with the scope of work of the subsidiary PANELCO SA which absorbed on the 12/29/2015.
- To take measures in accordance with Article 48 of Codified law 2190/1920 due to the reduction of the company's equity to less than one tenth of its share capital.