

## **PRESS RELEASE OF SIDMA S.A.**

**Athens, 27<sup>th</sup> April 2017**

### **Announcement of the publication of the financial results for the fiscal year 2016**

2016 was not a year of growth for the Greek economy, while 2017 is in anticipation of the economic developments regarding the settlement of the Greek debt, which will correspondingly affect the course of growth of the industry in which we operate. In this uncertain and difficult economic environment, SIDMA further improved its market share in 2016, increased its operational profitability and dramatically improved its results at both parent company and Group levels.

Namely, in 2016 the consolidated turnover of SIDMA amounted to € 104.1 million compared to € 96.5 million in the corresponding period or 7.9% higher, with the average selling price of its products reduced by 4.7%, while together with dealership sales it amounted to € 132.5 million, increased by 6.4% compared to the one last year. Moreover, earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € 4.9 million compared to € 2.2 million in 2015, mainly due to the significant increase in gross profit by 53% or € 4.2 million approximately. Last but not least, earnings before taxes improved by 46% compared to the same period last year or € 2.7 million, representing a loss of € 3.2 million, disregarding the negative adjustments of SIDMA's fixed assets. The revaluation of its assets on 31/12/2016 resulted in a net appreciation of their value by € 2.4 million. However, under international accounting standards, negative adjustments, which amounted to € 1.2 million affect the operating results statement, while positive adjustments, amounting to € 3.6 million, directly count towards the Stockholders' Equity of the Group. Taking into account the negative adjustments too, its net loss amounted to € 4.4 million, reduced by 25% compared to last year.

At Company level, in 2016 SIDMA's turnover was set to €70.9 million from €51.3 million, while together with dealership sales it was set to €99.2 million from €79.4 million in the corresponding period of 2015. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to profits of € 4.0 million from € 1.3 million in the corresponding period last year, while earnings before taxes, improved by 42% or € 1.7 million compared to those of the corresponding period last year, amounted to losses of € 2.4 million, disregarding the

negative adjustments of its fixed assets. Within the framework of the revaluation of assets on 31/12/2016, mentioned above, the negative adjustments, which amounted to € 1.2 million, affected the operating results statement and so losses amounted to € 3.6 million, improved by 13% compared to last year.

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 € 5.2 million approximately or 105%.

However, we should mention that this year's results include the sales of the subsidiary PANELCO, absorbed by the parent company at the end of 2015, which are not included in the results of that year. If we isolate the absorbed PANELCO, in 2016 SIDMA's turnover increased by 14.3% to € 58.7 million, the improvement in gross profit amounted to € 3.4 million or 68%, operational profitability (EBITDA) increased by 177% or € 2.3 million and earnings before taxes improved by € 1.4 million or 35% compared to the same period last year.

The above financial figures of the Company and therefore the Group also include exceptional provisions of € 1.2 million for the impairment of bad debts. Without these provisions, at Group level, earnings before interest, taxes, depreciation and amortization (EBITDA) would amount to € 6.1 million, while earnings before taxes to losses of € 2.0 million, disregarding the negative adjustments of fixed assets. Similarly, at company level, earnings before interest, taxes, depreciation and amortization (EBITDA) would amount to € 5.2 million, while earnings before taxes to losses of € 1.2 million, disregarding the negative adjustments of fixed assets.

As for the subsidiaries in the Balkans, SIDMA Bulgaria recorded a reduction in its turnover by 1% with the average selling price decreased by 5.2% and SIDMA Romania recorded a reduction in its turnover by 2% with the average selling price decreased by 5.6% compared to last year. Namely, the turnover of SIDMA Bulgaria amounted to € 16.2 million compared to € 16.3 million, while the turnover of SIDMA Romania amounted to € 17.8 million compared to € 18.3 million in 2015.

Moreover, SIDMA Bulgaria recorded a significant improvement by 30% in its operating profitability (EBITDA) (it amounted to € 614 thousand) and in its earnings before taxes, since it managed to become profitable, compared to 2015. Regarding SIDMA Romania, at

the level of operating profitability (EBITDA) it recorded a decrease by 14% or € 54 thousand approximately, while at the level of earnings before taxes it recorded an improvement by € 67 thousand or 8% compared to the same period last year. The company's Management is focused on increasing its sales volume while maintaining the already improved gross profit percentage by 8% compared to last year.

The Group's liquidity amounted to € 7.3 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.

Last but not least, 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 and the improvement in the percentage of gross profit, as mentioned above.