

## Press Release

### **A.S. Création Tapeten AG, Gummersbach (ISIN DE000A1TNNN5)**

#### **Fiscal year 2018 as difficult as expected**

##### **Sales revenues in line with expectations**

A.S. Création's sales revenues declined by € 8.8 million or 6.2% from € 143.3 million in the previous year to € 134.5 million in the fiscal year 2018. Revenues thus came in at the upper end of the most recent expectations for the year 2018 of € 125 million to € 135 million. At 10.7%, A.S. Création recorded the strongest drop in revenues in the EU markets (excl. Germany), whereas domestic revenues declined by only 2.7%. As the new wallpaper production facility in Minsk was taken into operation in March 2018, the Belarus subsidiary, Profistil, made its first contribution to A.S. Création's consolidated revenues. This helped to limit the decline in gross revenues in non-EU Eastern European countries to 6.0% in 2018.

##### **Clearly reduced loss in fiscal year 2018**

A.S. Création posted a loss before taxes of € -5.7 million for the fiscal year 2018 (previous year: € -17.8 million). The losses posted in the past two years are mainly attributable to translation-related exchange losses of € 3.8 million (previous year: € 2.0 million) and, in the previous year, at € 13.1 million, the penalty imposed in the German anti-trust proceedings. Moreover, the result was impacted by restructuring expenses in both 2018 and 2017. Adjusted for these extraordinary effects, earnings before taxes improved by € 0.4 million from € -1.8 million in the previous year to a loss of € -1.4 million in the fiscal year 2018. Given that revenues were down by € 8.8 million on the previous year, this improvement is regarded as positive. The improved result is mainly attributable to the strong reduction in personnel expenses, lower other operating expenses, reduced depreciation and improved earnings before interest and taxes at A.S. & Palitra, which is accounted for using the equity method.

Overall, the result of the fiscal year 2018 is in line with the expectations last published. Nevertheless, the Managing Board is not satisfied with the past fiscal year, as A.S. Création has not yet returned to profit.

## No dividend for the fiscal year 2018

Because of the loss, no dividend will be distributed for the fiscal year 2018, which is in line with the company's traditional dividend policy.

## Positive outlook on 2019

The Managing Board is optimistic about the fiscal year 2019 and expects to be able to initiate a turnaround. At the Heimtextil fair in Frankfurt in January 2019, A.S. Création presented "Metropolitan Stories", an international consumer campaign that will complement the very successful national campaign "Bude 2.0". Moreover, the completion of a major tender in the international DIY store sector will stimulate sales revenues in the course of 2019. Revenues will also be driven by the new production company in Minsk, for which 2019 will be the first full fiscal year. The Managing Board projects consolidated revenues of between € 135 million and € 140 million for 2019. Building on the planned revenue growth and the cost-cutting measures implemented in 2018, A.S. Création should return to profit in 2019. The Managing Board projects earnings before interest and taxes (excl. extraordinary effects) of between € 1.0 million and € 2.0 million.

The Group's key figures for the fiscal year 2018 are summarised below:

		<b>2018</b>	2017	Change
Sales revenues	EUR m	<b>134.5</b>	143.3	-6.2%
Earnings before interest and taxes (EBIT)	EUR m	<b>-2.9</b>	-15.8	n.a.
Earnings before taxes	EUR m	<b>-5.7</b>	-17.8	n.a.
Earnings after taxes	EUR m	<b>-6.0</b>	-17.8	n.a.
Earnings per share	EUR/share	<b>-2.17</b>	-6.45	n.a.
Cash flow from operating activities	EUR m	<b>3.3</b>	3.2	2.8%
Capital expenditures	EUR m	<b>8.3</b>	10.2	-18.7%
Depreciation	EUR m	<b>6.1</b>	6.5	-7.3%
Number of employees (average)		<b>755</b>	761	-0.8%

Gummersbach, March 28, 2019

## A.S. Création Tapeten AG

### The Managing Board

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The 2018 Annual Report is available at [www.as-creation.com](http://www.as-creation.com) or from  
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