

Press Release

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

Earnings position improves in first half of 2019

A.S. Création Tapeten AG, Europe's leading wallpaper manufacturer, today published its interim report for the period ended June 30, 2019. A summary is provided below:

High revenue growth in second quarter

The second quarter of 2019 saw A.S. Création's revenues grow by an impressive 15.6%. A.S. Création was thus able to boost its consolidated revenues by € 2.8 million or 3.9% from € 72.8 million in the first half of 2018 to € 75.6 million in the first six months of 2019. One of the reasons of this successful revenue growth in H1 2019 were the deliveries to an international DIY store chain which implemented a major product range update that benefited A.S. Création. Moreover, the Belarusian production company contributed to Group revenues in the full first half of 2019, whereas in the previous year it generated revenues only in the second quarter as it was not taken into operation before the end of March 2018. This means that revenue growth in the year to date is attributable to foreign markets. Both the Wallpaper Division and the Furnishing Fabrics Division contributed to this growth.

Greatly improved earnings position

A.S. Création has been able to improve its earnings position significantly in the current fiscal year. Earnings before interest and taxes of € 3.8 million were generated in the first half of 2019 (previous year: € 0.9 million), with the EBIT margin rising to 5.0% (previous year: 1.2%). Growing by € 1.9 million from € 36.9 million in the previous year to € 38.8 million, gross profit was a key earnings driver in the reporting period. Higher revenues and the increase in the gross profit margin from 49.7% to 51.5% contributed to this gratifying performance. A changed product mix, a price increase implemented in the Wallpaper Division in the second half of 2018 and reduced spending on sample material all had a positive effect on A.S. Création's gross profit margin in the first six months of 2019. In addition, A.S. Création has benefited from a reduced personnel expense ratio in the current fiscal year.

At € -0.5 million, the consolidated financial result was slightly lower in the first half of 2019 (previous year: € -0.3 million). This is due to increased interest expenses under loan agreements signed in the second half of 2018 to cover the long-term financing requirements.

Taking into account the earnings contributions made by A.S. & Palitra, the Russian joint venture which has meanwhile been renamed as OOO Aspect Ru, A.S. Création posted earnings after taxes of € 4.3 million for the first half of 2019. In the corresponding prior-year period, a loss after taxes of € 1.1 million was incurred.

Plans for full year 2019 confirmed

Due to the positive one-time effects on sales revenues in the second quarter, the business trend of the first half of 2019 cannot be extrapolated to the full year. The Managing Board nevertheless assumes that the Group's projections for the full year 2019 will be achieved and that A.S. Création will generate revenues of between € 135 million and € 140 million and earnings before interest and taxes of between € 1 million and € 2 million.

The Group's key figures for the first six months of 2019 are summarised below:

		01.01.-30.06. 2019	01.01.-30.06. 2018	Change
Sales revenues	EUR '000	75,601	72,756	3.9%
Earnings before interest and taxes (EBIT)	EUR '000	3,776	886	326.2%
Earnings after taxes	EUR '000	4,275	-1,074	n.a.
Earnings per share	EUR/share	1.55	-0.39	n.a.
Cash flow from operating activities	EUR '000	3,956	-1,894	n.a.
Capital expenditures	EUR '000	2,539	3,872	- 34.4%
Depreciation	EUR '000	3,114	3,079	1.1%
Number of employees (average)		746	747	- 0.1 %

Gummersbach, August 8, 2019

A.S. Création Tapeten AG

The Managing Board

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The full interim report is available at:

www.as-creation.com or from

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