



Press Release

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

Successful fiscal year 2019 and uncertainties for 2020

Increased revenues

In FY 2019, A.S. Création was able to halt the decline in sales revenues seen in the past years. At € 141.1 million, consolidated revenues were up by 4.9% on the previous year's € 134.5 million. This successful revenue growth is attributable to the deliveries to an international DIY store chain which implemented a major product range update as well as to the increased revenues generated by the Belarusian production company and the successful sale of the new collections.

Greatly improved results from operations

The earnings position has also improved significantly. While a loss of € -2.9 million had been posted in the previous year, A.S. Création returned to profit in FY 2019 and reported an operating profit of € 4.5 million. Adjusted for currency effects, EBIT improved by € 5.1 million from € -1.7 million in the previous year to € 3.4 million in 2019. The improved result is primarily due to the increase in revenues, which was achieved with a simultaneous increase in the gross profit margin from 49.4% in the previous year to 50.5% in the fiscal year 2019. This trend reflects the increased share of higher-quality and higher-priced products in the overall product range and, hence, the success of the product policy of the past years.

Apart from the improved result from operations, the company generated a high extraordinary profit in the year under review, which resulted from the sale of the 50% stake in OOO A.S. & Palitra, the Russian joint venture. A.S. Création thus closed the fiscal year 2019 with a very high bottom-line profit after tax of € 14.1 million, compared to a loss after tax of € -6.0 million in the previous year.

Dividend of € 0.90 per share planned

The Managing Board and the Supervisory Board propose to pay a dividend of € 0.90 per share, which corresponds to a payout ratio of 17.5% of earnings per share. Compared to the payout ratio of approx. 45%, which used to characterise A.S. Création's dividend policy in the past, a larger share of the profit will thus be retained in the company. In view of the planned investments in the expansion of the company's own business segments and the as yet unpredictable consequences of the coronavirus crisis, the Managing Board and Supervisory Board consider such a step to be necessary.

The Group's key figures for the fiscal year 2019 are summarised below:

		2019	2018	Change
Sales	EUR m	141.1	134.5	4.9%
Earnings before interest and taxes (EBIT)	EUR m	4.5	- 2.9	n.a.
Earnings after taxes	EUR m	14.1	- 6.0	n.a.
Earnings per share	EUR/share	5.13	- 2.17	n.a.
Number of employees (average)		750	755	- 0.7%

Uncertain outlook on 2020

As the Managing Board is currently unable to reliably quantify the effects of the coronavirus crisis on A.S. Création, the original projections for FY 2020 have not been revised yet. "Under normal circumstances, A.S. Création would realistically have been able to generate revenues of between € 143 million and € 153 million and currency-adjusted EBIT of between € 4 million and € 5 million in 2020", says Maik Krämer, Director of Finance and Controlling of A.S. Création. While sales revenues until the middle of March 2020 were still in line with the company's plans, declining revenues are projected for the coming months as many retail stores in Western and Eastern Europe have been closed in the context of the coronavirus crisis. "The critical question is how long the restrictions imposed on the private, public and economic sectors will remain in place and whether there will be catch-up effects after the return to normality", says Daniel Barth, CEO of A.S. Création.

Changes on the Managing Board

Roland Bantel, who joined A.S. Création in 1997 and was appointed member of the Managing Board on April 1, 2015, left the Managing Board by mutual agreement with effect from March 31, 2020. Mr Bantel had informed the Supervisory Board that he would not be available for a further term of office after expiry of his contract, as he wants to take up a new professional challenge. Mr Bantel's responsibilities will be assumed by CEO Daniel Barth. Going forward, Mr Barth will thus be responsible for Corporate Strategy, Marketing and Sales. Besides Mr Barth, the Managing Board of A.S. Création continues to be composed of Mr Maik Krämer (Finance and Controlling) and Mr Suskas (Production and Logistics).

Gummersbach, April 2, 2020

A.S. Création Tapeten AG

The Managing Board

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The 2019 Annual Report is available at

<http://www.as-creation.com/investor-relations/annual-reports.html> or from:

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