Privas, 8 April 2021, 8AM

Annual results 2020 : Stable turnover and improvement of profitability

Target 2021 : Confidence in increasing a profitable growth

Towards industry 4.0 :Signing of Creative IT acquisition

The supervisory board (Conseil de Surveillance), met on 8th April 2021. The Directory President approved and presented the 2020 consolidated financial statements. Those statements are under audit.

(in K€)	**2020**	**2019**
Net Consolidated sales	135 949	136 120
EBITDA	19 135	18 498
In % of net sales	*14.1%*	*13.6%*
Operational result	12 692	11 732
In % of net sales	*9.3%*	*8.6%*
Net Result (controlling interests)	7 061	6 303
In % of net sales	*5.2%*	*4.6%*
Earning per share (in Euros)	13.1	11,7

Stability of the turnover at 136 M€ and a clear improvement in EBITDA and operating margin at 9.3%

The Precia Molen Group achieved a **turnover of 135.9 M€** in the year 2020. This figure is stable compared to the same period in 2019. The contribution from the acquisition of Milviteka UAB (in December 2019) amounts to 5.5% (over 12 months), exchange rate effects amount to -0.8% and the organic performance amounts to -4.9%.

The **operational result for the period reaches 12.7 M€,** corresponding to 9.3% of consolidated sales, up 8.1% on last year (8.6%). **EBITDA** amounted to 19.1 M€, or 14.1% of sales, up 3.4% compared to 2019 (18.5 M€).

The good level of operating result of Milviteka (higher than the average level of the Group) combined with numerous cost control measures on our historical bases thus allows the Group to record a record level of **operating profitability.**

Although our main production subsidiaries in France and India have been impacted by the health crisis, their operations remain profitable. The service activities have also maintained their level of profitability.

The objectives of the 2016-2020 plan in terms of turnover (135 M€) and operating profit (9% of revenues) are therefore exceeded despite the health crisis.

After taking into account a negative net financial result of 81 K€, negative foreign exchange effects of 347 K€ and a tax expense reflecting a lower tax rate (38.9% of income), the net result group share reaches 7.1 M€ (up 12.0%), representing 5.2% of revenues compared to 4.6% in 2019. This level of profit also takes into account slightly lower minority interests at 0.5 M€.

Earnings per share were 13.1 € compared to 11.7 € in 2019.

Operating cash flow up, working capital **maintained at a good level**

Net cash flow from operating activities (after tax) amounted to 14.8 M€ compared with 14.2 M€ a year earlier. This increase was made possible on the one hand by a slightly lower working capital requirements at 18.1 M€ which stood at 13.3% of revenues (identical to 2019), and on the other hand by the reduction in the amount of dividends (0.9 M€ vs. 1.6 M€ in 2019) while maintaining its investments in its production facilities (net investments of 5.8 M€ compared to 5.5 M€ in 2019).

The Group has implemented several cash preservation measures in the context of the health crisis. In 2020, the acquisition of Milviteka was fully refinanced by loan. In addition, repayments of loans taken out in France were suspended for 6 months, at no additionnal cost to the group.

As a result, cash net of financial debts (including lease debts of 8.8 M€) amounted to 6.3 M€ compared to 3.3 M€ a year earlier.

Cash (treasury and cash equivalents) amounted to 31.2 M€ compared to 24.6 M€ a year earlier.

2021 outlook and forecast

The year 2021 should see an expected return to growth thanks to the gradual end of the health crisis and the implementation of various government stimulus plans.

The level of order intake in the first quarter is higher than both the March 2020 pre-covid level and our 2021 budget projection. Overall, activity has picked up, particularly in Europe, India and China. All our plants are operational.

For the 2021 financial year Precia aims to achieve a turnover between 140 and 145 M€ (excluding acquisitions) with an increase in operating profit.

The ongoing acquisition of CREATIVE IT, whose recurring business represents 80% of its revenue, will further strengthen these results thanks to an operating profit rate that is much higher than that of the Group.

The service activities in France and abroad will continue to grow, particularly with large national and international accounts.

However, increases in the price of steel and supply difficulties for certain electronic components could disrupt the business.

Dividends

In view of the level of the Group's profit, the amount of the dividend that will be proposed at the Annual General Meeting scheduled for 17 June 2021 is 2.7 € per share compared with 1.2 € last year.

Par value split

Following a period of significant increase of the share price over the last 10 years and its stabilization above 200 euros over the last 4 years, a proposal will be made at the next annual general meeting to split the nominal of Precia shares by 10 in order to increase the number of shares in circulation. The purpose of this operation is to favor the access of new shareholders' to Precia's capital and thus to favor the liquidity of its shares.

Consolidated financial statements report available

The consolidated financial statements as of 31st December 2020 will be available starting 30th April 2021 on the company internet website: http://www.preciamolen.com/informations-reglementees/ (Fr only)

Signing of a promise to sell for Creative IT

Precia SA and the shareholders of Creative IT signed a promise to sell on March 31, 2021 subject to condition precedent. Closing for the acquisition of Creative IT is expected to be completed during the second quarter. It is envisaged the main managers will hold up to 20% of the capital.

Publisher and integrator of the "Q*u*bes" Manufacturing Execution System (MES) and based in Lyon France, Creative IT employs around 40 people, generates revenues of 3.2 million euros and an EBITDA of more than 25% in 2020.

Q*u*bes is an innovative software solution for the optimization of industrial performance and the integration of the "Industry 4.0" technologies.

It is the indispensable link between operators, equipment and the central information system (ERP).

The company has developed different versions of Q*u*bes that adress companies of all sizes, from SMEs to large international groups. Q*u*bes is available in 12 languages and is already deployed in 25 countries worldwide.

Founded in 1998 the company has installed the Q*u*bes solution with 200 customers and 500 industrial sites worldwide in various sectors ranging from food processing (Sodiaal, Refresco, Captain Cook, Tipiak, ...) to defense and aeronautics (Nexter, Thales, SEAC, ...) and the manufacturing industry (Hublot, Jaeger Lecoultre...) and life sciences (Biomerieux, Delpharm...).

This acquisition allows Precia Molen to position itself in the dynamic MES market and accelerate the development of its software activities around data.

Numerous commercial and technical synergies are also identified. Creative IT and Precia Molen have many common industrial customers. Precia Molen's sales teams with more than a hundred technical sales engineers worldwide will be the ambassadors of this new MES offer. Creative IT will provide a strong technical support for Precia Molen in the implementation of future weighing solutions or new services using the internet of things, artificial intelligence, augmented reality or virtual reality.

With a rich range of products and a wide range of associated services, Precia Molen is enriching its offer with a third brick: data processing to respond to customer issues around the monitoring of productions orders, performance, traceability, quality control...

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About Precia Molen

PRECIA MOLEN designs and manufactures, sells and maintains systems and solutions of industrial and commercial static weighing and of continuous weighing and dosing equipment. Main clients are heavy industries (mines, quarries, steel, environment, energy…) and light industries (food, chemicals, transportation and logistics…) and also public sectors (posts, local authorities…).
From design to after sales service, PRECIA-MOLEN is able to provide total weighing solutions for all businesses Precia Molen is present in 42 countries, with 19 commercial subsidiaries and a large network of selling agents. It has six production plants (France, The Netherlands, India, the United Kingdom, Morocco and Australia) and two assembly sites (Brazil, USA). The Group pursues a large research and innovation program, and has been granted an "Innovating Company" status by French authority Oseo.
Precia Molen is listed on NYSE Euronext's C compartment in Paris (code ISIN FR0000060832 - Mnemo: PREC).
More information on www.preciamolen.com