

PRESS RELEASE

BURGO GROUP ANNOUNCES RESULTS AT 31 DECEMBER 2018: REDUCTION OF FINANCIAL DEBT CONTINUES AND MARGINS IMPROVE FURTHER

KEY CONSOLIDATED RESULTS FOR FY 2018 (VS FY 2017):

- **OPERATING REVENUE AND INCOME:** € 1,883 MILLION (COMPARED TO € 2,008 MILLION AT 31 DECEMBER 2017). Halfway through FY 2018, Burgo sold the Burgo Energia business unit, relative to sales of electricity and gas. Considering the same scope, 2018 revenue would have been in line with the previous year.
- **REVENUE FROM PAPER AND CELLULOSE:** € 1,548 MILLION (COMPARED TO € 1,524 MILLION AT 31 DECEMBER 2017)
- **EBITDA:** € 137 MILLION (COMPARED TO € 132 MILLION AT 31 DECEMBER 2017)
- **EBIT BEFORE NON-RECURRING EXPENSES:** € 58 MILLION (COMPARED TO € 47 MILLION AT 31 DECEMBER 2017)
- **NET PROFIT: € 9.9 MILLION** (COMPARED TO NET PROFIT OF € 8.7 MILLION AT 31 DECEMBER 2017)
- **NET FINANCIAL DEBT:** € 487 MILLION (COMPARED TO € 535 MILLION AT 31 DECEMBER 2017)

Altavilla Vicentina, Italy **27** May 2019 – **Burgo Group S.p.A.**, one of the leading producers of graphic and special papers, announces its **Results at 31 December 2018**.

At 31 December 2018, **Group operating revenue and income** totalled **€ 1,883 million**, compared to € 2,008 million in 2017. Halfway through FY 2018, Burgo sold the Burgo Energia business unit, relative to sales of electricity and gas, as it was no longer considered a strategic asset. Considering the same scope, 2018 revenue would have been in line with the previous year.

At 31 December 2018, revenue from paper and cellulose was € 1,548 million, **up 1.6%** compared to the € 1,524 million at 31 December 2017.

The **EBITDA** at 31 December 2018 was **€ 137 million, up 3.8%** compared to the € 132 million of 2017. In percentage terms, 2018 EBITDA is 7.3% of turnover, compared to 6.6% at 31 December 2017.

EBIT before non-recurring expenses at 31 December 2018 was **€ 58 million, up 22%** compared to the € 47 million of 2017.

The Group closes the year with **Net Profit** of **€ 9.9 million**, up **13.8%** compared to the € 8.7 million of 2017.

The **profit for the year** and **careful management of working capital** allowed the Group to achieve a **significant reduction** in **net financial debt**, of **€ 48 million**, lowering the figure to € 487 million at 31 December 2018, from € 535 million at the end of 2017.

The Group announces that it has already launched investments linked to converting PM 9 at the Verzuolo (CN), Italy, plant from producing graphic papers to containerboard, improving energy efficiency and production capacity for cellulose production by the Group. It is also noted that, in April 2018, the production of containerboard card was launched at the Avezzano plant, following the conversion project.

On 12 March 2019, the Group signed an update to agreements in existence with credit institutions, regarding short-term credit lines. The new agreement establishes short-term committed credit lines for a total of € 200 million, until 31 March 2022.

Burgo Group

Burgo Group is one of the leading European manufacturers of graphic and special papers. The Group is structured as a true “system” developed around the world of paper: from paper production, distribution and recycling and processing forestry products, through to factoring and energy. Led by Chairman Alberto Marchi and CEO Ignazio Capuano, the Group boasts 3,537 employees, 11 plants in Italy and 1 in Belgium, and 15 continuous papermaking machines. At 31 December 2018, Burgo Group recorded operating revenue and income of € 1,883 million, EBITDA of € 137 million, EBIT of € 58 million before non-recurring expenses and production of 2,039,000 tonnes of paper. Burgo Group offers a full range of extremely high-quality products, with an approach focused on research and development of innovative solutions and careful attention to the environment. This makes Burgo Group the perfect partner in the graphic, printing, publishing and converting sectors, with a unique approach to understanding and experiencing business, viewing it as part of a larger system. It is no surprise that sustainable development is a core principle of Burgo Group, present in all processes, from purchasing and use of resources, to returning wastewater and optimisation of reusing waste materials for generation of energy. Burgo Group is also committed to expanding its business through entry in the packaging cardboard market.

For further information

Image Building – Media Relations

Simona Raffaelli, Lidy Casati, Vanessa Gloria

Tel: +39 02 89011300

E-mail: Burgogroup@imagebuilding.it