



Press release

Improvement in results in the first half of 2022, driven by strong growth

- Revenues up by 18% in H1 2022
- Improvement in results within a context of sharp cost inflation
- Further external growth operations in high-potential activities
- 2022 revenue target of €335 million confirmed

Saint-Jean-de-Soudain (France), 5 September 2022, 5.45 pm CEST – SergeFerrari Group (FR0011950682 - SEFER), a leading global supplier of innovative flexible composite materials under the Serge Ferrari and Verseidag brands, listed on Euronext Paris - compartment C, today announced its consolidated first-half results to 30 June 2022, as approved by the Board of Directors on 5 September, 2022. These consolidated accounts have been the subject of a limited review by the statutory auditors, whose report is currently being prepared. The first-half 2022 financial report will be available after market on 6 September in the Investors section of the Company's website (www.sergeferrari.com), under Financial Documents.

Consolidated accounts that have been subject to a limited review (report pending)

€m	H1 2022	H1 2021	Change
Revenues	170.0	144.7	+18%
Adjusted EBIT ¹	16.1	14.5	+11%
Operating income	15.9	14.0	+13%
Net profit, Group share	10.3	8.7	+17%

Sébastien Baril, Chairman of the SergeFerrari Group's Executive Board, commented: "SergeFerrari Group recorded a solid performance in the first half of this year within a context marked by the volatility of raw material and energy prices, combined with a disadvantageous public health situation in Asia for business. The teams remained reactive whilst building on our special relationships with our clients and partners. The Group is able to confirm its revised FY 2022 revenue target of €335 million and will continue to optimise the organisation of its activities as best as it can within a complex environment".

¹ Adjusted EBIT = Operating profit +/- restructuring costs +/- balance sheet effect of acquired companies' purchase price allocation operations

Dynamic activity in its strategic markets

Over the first half of 2022, SergeFerrari Group generated revenues of €170.0 million, up 18% at current scope and currency and +15.9% at constant scope and currency, despite an unfavourable base effect (record sales posted in H1 2021). This growth was fuelled by further strong demand on the Group's key markets, notably with:

- a vigorous residential housing sector that notably benefitted **Solar Protection** and the dynamism of household goods that helped **Furniture/Marine** sales;
- the upturn in the event and hospitality market in **Modular Structures**.

The Group has been able to take advantage of these growth factors thanks to the strength of its positioning on its strategic markets, despite supply difficulties and production tool pressure penalising the Group's deliveries in the second quarter of 2022.

Good reactivity to supply cost inflation

Within this context of high inflation on its inputs, SergeFerrari Group recorded an 11% improvement in its adjusted EBIT compared to the first half of 2021, to €16.1 million. The Group mitigated the impact of the rise in raw material prices by passing on part of the increase to its selling prices, and also continued to tightly manage its structural costs. In contrast, operating profit was impacted by an increase in provisions to cover the risk of collecting receivables, for €0.4 million.

Operating profit thus totalled €15.9 million, compared with €14.0 million in H1 2021. Net profit Group share, which also benefits from the reduction in the cost of debt and favourable exchange rate effects, was €10.3 million in H1 2022 versus €8.7 million in H1 2021, a 17% improvement.

Very solid financial situation

€m	30.06.2022	31.12.2021
Net debt	-82.5	-54.8
Net debt excl. IFRS 16	-55.6	-26.4
Shareholders' equity, Group share	123.1	109.1

SergeFerrari Group generated free cash flow of €27.8 million in the first half of 2022, versus €24.4 million in the same half of 2021. The net debt used to calculate banking covenants (excluding IFRS 16 impact) was €56 million, representing approximately 42% of the Group's shareholders' equity.

Events since the end of H1 2022

Acquisition to strengthen the distribution network

SergeFerrari Group has acquired a 60% stake in Lithuanian company Baltijos Tentas, thus strengthening its European distribution network currently comprising Giofex and Ferramat. The company recorded revenues of €2.1 million in 2021. It is active on its local market, but also in neighbouring Nordic countries where it notably distributes Verseidag's products. Baltijos Tentas was consolidated on 1 July, 2022.

Further initiatives in high-potential solutions

SergeFerrari Group has carried out a strategic external growth operation with the acquisition of a 60% stake in two Dutch companies, MSE and DCS, which specialise in designing and engineering methanation domes for Biogaz notably used for agriculture and in food industries. These acquisitions will allow the Group to strengthen its ties with players involved in the transformation of its composite materials and provide MSE and DCS with the means to fund their development. These companies will supplement the business segment already present within the Group thanks to Verseidag subsidiary DBDS. They were consolidated on 1 August, 2022.

Ongoing implementation of the Verseidag acquisition agreement with JAGENBERG AG

On 29 July 2022, Ferrari Participations acquired the SergeFerrari Group shares delivered in payment in July 2021 to Jagenberg AG. These shares will be reclassified on 6 September 2022 to SergeFerrari Group. Following the payment of the second tranche in shares, Jagenberg AG's holding in the capital of SergeFerrari Group has been reduced from 4.8% to 3.0% of the capital of SergeFerrari Group.

2022 outlook

The Company is confirming its 2022 consolidated annual revenue target of €335 million. The Group will continue to pay particular attention to the availability and changing costs of energy sources in the coming months. SergeFerrari Group continues to have confidence in its ability to record further growth within a volatile and testing environment, thanks to its business being spread over more than 80 countries worldwide and to the potential of its 4 strategic markets.

Financial calendar

- **Q3 revenues will be published on Wednesday 19 October, 2022**, after market.

ABOUT SERGEFERRARI GROUP

Marketing its products under two brands, Serge Ferrari and Verseidag, the Serge Ferrari Group is a leading global supplier of composite materials for Tensile Architecture, Modular Structures, Solar Protection and Furniture/Marine, in a global market estimated by the Company at around €6 billion. The unique characteristics of these products enable applications that meet the major technical and societal challenges: energy-efficient buildings, energy management, performance and durability of materials, concern for comfort and safety together, opening up of interior living spaces etc. Its main competitive advantage is based on the implementation of differentiating proprietary technologies and know-how. The Group has manufacturing facilities in France, Switzerland, Germany, Italy and Asia. Serge Ferrari operates in 80 countries via subsidiaries, sales offices and a worldwide network of over 100 independent distributors.

In 2021, Serge Ferrari posted consolidated revenues of €285.9 million, over 80% of which was generated outside France. The SergeFerrari Group share is listed on Euronext Paris – Compartment C (ISIN: FR0011950682). SergeFerrari Group shares are eligible for the French PEA-PME and FCPI investment schemes. www.sergeferrari.com

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