



Press release

FIRST HALF 2017 REVENUES UP 4.7%

SergeFerrari Group (FR0011950682) designs, manufactures and distributes innovative flexible composite materials and is listed on Euronext Paris - Compartment C.

Saint Jean de Soudain, July 20, 2017

Revenues by region (unaudited)

(€000)	Q2 2017	Q2 2016	Change	H1 2017	H1 2016	Change
Southern Europe (SEUR)	16,002	16,648	-3.9%	30,522	31,553	-3.3%
Wide Europe (WEUR)	15,250	16,876	-9.6%	28,219	29,014	-2.7%
Rest of World (ROW)	10,996	10,851	+1.3%	19,764	20,864	-5.3%
Total flexible composite materials	42,248	44,375	-4.8%	78,504	81,431	-3.6%
Other products	5,926	1,825	ns	10,463	3,583	ns
Total revenues	48,174	46,200	+4.3%	88,967	85,014	+4.7%

Acquisition of Milton Ltd in the United Kingdom

In line with the SF2020 strategic plan, on April 28, 2017 Giofex Group Srl acquired Milton Ltd, a UK-based distributor of flexible composite materials. With a warehouse in Leicester and 6 employees, Milton Ltd posts annual revenues of around €1.2 million. This acquisition follows the January 2017 purchase of the FERRATEKS business, a Turkish distributor of composite materials.

Key analysis factors for the first half

Q2 2017 sales of flexible composite materials fell 5.8% in terms of volumes, following a particularly challenging performance in 2016 (up 6%). The change in sales includes a +0.7% price/mix effect and currency gains of 0.3%.

H1 revenues increased 4.7% to €89.0 million.

Sales of composite materials fell 3.6% (impacted by an 8.5% spike in 2016): H2 organic growth is expected to be stronger thanks to a less challenging performance in H2 2016 and the reorganization measures implemented.

Companies acquired since 2016 posted strong performances, with 10.5% growth versus the previous year. Giofex Group, FERRAMAT and Milton, grouped under "Other operations", posted a total of €11 million for the period, including a €7.0 million net contribution to consolidated revenues. These companies are being integrated in accordance with the Group's development plan.



The price increases on raw materials specialties combined to non-recurring expenses will impact H1 2017 operating income for an estimated amount of € -2,5 million. Commercial costs, adjusted of non-recurring expenses, are now plateauing.

Outlook

The SF2020 plan, which combines organic growth and acquisitions, is being rolled out in line with the business plan adopted by the Group.

Serge Ferrari thus confirms a step-up in sales in H2 2017.

Calendar

First half 2017 results: September 13, after market close

Find all Company details at www.sergeferrari.com.

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ABOUT SERGE FERRARI

SergeFerrari Group designs, makes and distributes high-tech eco-responsible flexible composite materials in a global market with an estimated medium-term value of €6 billion. The unique characteristics of these products make them ideal for technical applications in three fields: architecture, specialties for industry professionals, and composite membranes for the consumer market. The Group's principal competitive advantage lies in its differentiating technology – Précontraint® - and its associated proprietary industrial know-how. The Group has three production sites: one in France and two in Switzerland. Serge Ferrari is present in 80 countries through eight subsidiaries (in the US, Japan, Hong Kong, Brazil, India, China, Turkey and Germany), 2 representative offices (in Spain and Dubai) and a network of more than 100 distributors. At the end of 2016, Serge Ferrari posted consolidated revenue of €158,5 million of which 75% was achieved outside France. The company SergeFerrari Group is listed on Euronext Paris – Compartment C (ISIN code: FR0011950682). The SergeFerrari Group share is eligible for PEA-SME and FCPI Investment.

www.sergeferrari.com

