



Press Release

First half results of 2023

- Revenues up +3.2% at current scope and currency
- Sustained dynamism in the Americas and in Solutions activities
- Profitability impacted by persistently high raw material and energy costs

Saint-Jean-de-Soudain, September 14, 2023 5:45 pm CEST - SergeFerrari Group (FR0011950682 - SEFER), a leading global supplier of innovative flexible composite materials, listed on Euronext Paris – Compartment C, today announced its consolidated first half results to June 30, 2023, approved by the Supervisory Board at its meeting of September 14, 2023. These consolidated accounts have been the subject of a limited review by the Statutory Auditors, whose report is currently being prepared.

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

€m	H1 2023	H1 2022	Change
Revenues	175.5	170.0	+3.2%
Adjusted EBIT ¹	11.7	16.1	-27.3%
Operating income	10.7	15.9	-32.7%
Operating income (% revenues)	6.1 %	9.3%	
Net income Group share	5.1	10.3	-50.5%

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

Sébastien Baril, Chairman of the SergeFerrari Group's Executive Board, comments: *"In a first half of 2023 marked by persistently high energy and raw materials costs, we preserved an operating margin of 6.1%. This demanding environment is an opportunity for us to consolidate and strengthen our medium-term priorities -in particular, operating profitability and optimizing management of cash. Despite the current economic situation, we are relying on our business plan, which now combines a stronger presence in our four priority markets with accelerated development of our Solutions business, to a deliver profitable and sustainable growth."*

In a difficult environment, well-oriented activities and areas

Faced with declining demand for consumer equipment, SergeFerrari Group reported revenues of €175.5 million, up +3.2% at current scope and currency and -2.9% at constant scope and currency, with a high basis of comparison (record sales volume achieved in the first half of 2022).

Sales for the first half of the year were boosted by the high-potential activities of the Solutions segment (biogas, fish-farming and composite materials processing), and by the recent integration of Markleen.

The Americas region stood out for strong growth: +17.9% at current scope and currency, and 16.3% at constant scope and currency. This good performance, driven mainly by sales of Modular Structures and Tensile Architecture also illustrates the commercial synergies resulting from the acquisition of Verseidag Indutex GmbH.

Resilient profitability despite energy and raw material prices

SergeFerrari Group recorded adjusted EBIT of €11.7 million and operating income of €10.7 million in H1 2023, impacted by persistently high purchasing prices for certain raw materials and energy. Although below the record level of 2022, the operating margin of 6.1% in H1 2023 illustrates the Group's resilience.

Financial situation

€m	30.06.2023	31.12.2022
Net debt	-121.3	-85.3
Net debt excl. IFRS 16	-96.2	-61.2
Shareholders' equity, Group share	119.5	119.9

Cash consumption resulting from operating WCR was significantly reduced in H1 2023 (€19.2 million) compared with H1 2022 (€34.4 million), reflecting the impact of measures implemented over the last few months to optimize the Group's supply chain. Working capital represented 44.2% of revenues in H1 2023, compared with 45.3% of revenues in H1 2022.

In addition, during H1 2023, the Group financed 17.7 million for its external growth operations (acquisition of Markleen integrated since April 1st, 2023, payments of additional consideration of Verseidag Indutex GmbH and Baltijos Tentas and the refinancing of MSE and DCS).

Lastly, the Group strengthened its post-closing financial structure by securing a €10 million loan on July 13, 2023, as a part of the "Prêts Participatifs Relance" scheme.

Outlook

For the 2023 financial year, SergeFerrari Group confirms its revised financial targets, i.e. sales growth of +4% compared with 2022 and operating profit between 5% and 5.5% of its 2023 revenues.

The Group will continue the cost optimization efforts initiated in its historical activities since the beginning of the year, adapt its cost structure to an environment that will remain challenging, and free up resources to pursue the development of its high-potential Solutions activities. In this respect,

the Company is considering new partnerships outside Europe in the biogas sector. Finally, SergeFerrari Group will accelerate the deployment of its strategic CSHR initiatives: the development of its range of "loop" recycled products, the decarbonization of its production processes and the preservation of natural resources such as water.

Financial calendar

- ▶ Publication of **Q3 2023 revenues**, on Wednesday, October 18, 2023, after market close

About SergeFerrari Group

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 2022, Serge Ferrari posted consolidated revenues of €338.7 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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