



Press release

SergeFerrari Group announces 2020 Q3 revenues

- Business upturn confirmed in all geographical regions within the historical scope
- Implementation of initial synergies following the start of the commercial and industrial integration of F.I.T and Verseidag acquisitions
- A financial position providing a solid basis for finalizing both the acquisitions and the development plan for the next two years

Saint-Jean-de-Soudain, October 28, 2020, 5:45pm CET – SergeFerrari Group (FR0011950682 - SEFER) a leading global manufacturer of innovative flexible composite materials marketed under the SergeFerrari and Verseidag brands, listed on Euronext Paris – Compartment C, today announces its 2020 Q3 and consolidated revenues for the nine months ended September 30, 2020.

Revenue breakdown by region (unaudited)

(€'000)	Q3 2020	Q3 2019	Ch. at current scope and exchange rates	Ch. at constant scope and exchange rates	9 months 2020	9 months 2019	Ch. at current scope and exchange rates	Ch. at constant scope and exchange rates
Europe	36,840	31,673	16.3%	-1.5%	101,027	110,162	-8.3%	-13.6%
Americas	6,246	5,355	16.6%	3.3%	12,921	14,725	-12.3%	-16.9%
Asia-Africa-Pacific	10,859	6,286	72.7%	18.5%	19,685	19,793	-0.5%	-17.7%
Total revenues	53,945	43,314	24.5%	2.0%	133,633	144,680	-7.6%	-14.5%

Sébastien Ferrari, SergeFerrari Group Chairman and CEO, commented: *"The overall performance for the quarter shows an upturn in commercial activity in all territories within the historical scope. This third quarter also marks the start of the implementation of strong synergies relating to the commercial and industrial integration of the recent acquisitions. The newly formed Group is now the leader in all four of its strategic markets. We have never been better armed and agile to confront the unprecedented context of health and economic crisis that is set to last. We are particularly confident in continuing the execution of our strategy, thanks to our extended innovative product ranges, our very strong and extended international presence and our unrivalled sales teams in our markets".*

An upturn in business activity confirmed in Q3 2020 within the historical scope

At constant consolidation scope and exchange rates, and despite the effects of the persistent health and economic crisis, SergeFerrari Group Q3 revenues were up 2% versus Q3 2019. Revenues included for the first time the recent acquisitions, F.I.T for the full quarter, and Verseidag, for two months, yielding a global impact of €10.6 million. At current consolidation scope and exchange rates, Serge Ferrari Group thus posted an increase of +24.5% over the period, with revenues of €53.9 million compared to €43.3 million in 2019.

In **Europe**, at constant consolidation scope and exchange rates, the business upturn is confirmed with a limited decrease of 1.5%. Following the integration of Verseidag, revenue growth at current consolidation scope and exchange rates was strong at +16.3%.

Revenues for the **Americas** region are particularly encouraging, with a resumption of projects during this quarter (+3.3% at constant consolidation scope and exchange rates, and +16.6% at current consolidation scope and exchange rates), particularly in Brazil.

Sales performance in the **Asia-Africa-Pacific** region also registered a very healthy trend, with a marked upturn in the activities in China. At constant consolidation scope and exchange rates, revenues for the region posted a growth of 18.5%. Following the integration of the recent acquisition, the much strengthened Group presence drove Q3 revenues to €10.9 million, equivalent to a 72.7% rise at current consolidation scope and exchange rates.

These performances confirm the upturn and improvement of the Group's commercial activity in all geographical regions. An encouraging increase in distribution activities was also recorded with double-digit growth for Giofex in September 2020.

During the period, the impact of exchange rates variation on revenue growth for the newly formed Group was -2% (vs 1.1% in Q3 2019). The volume effect contribution accounted for 2.2%.

Activity as of September 30, 2020: revenues of €133.6 million

Over the first nine months of 2020, the Group posted revenues of €133.6 million, down 14.5% at constant consolidation scope and exchange rates and a decline reduced to -7.6% at current consolidation scope and exchange rates. The impact on the period mainly related to the Covid-19 pandemic effects in the second quarter and was largely limited despite the extent and duration of this health and economic crisis.

All three regions registered a limited downturn at September 30, 2020, performing as follows:

- **Europe**, the least affected region, reported a 13.6% decline in sales compared to 2019, at constant consolidation scope and exchange rates, and an 8.3% decline at current consolidation scope and exchange rates.

- **Americas** recorded a 16.9% decrease at constant consolidation scope and exchange rates with €12.9 million, and a 12.3% decline at current consolidation scope and exchange rates.
- **Asia-Africa-Pacific**, the most impacted region, with revenues falling 17.7% at constant consolidation scope and exchange rates and a 0.5% decline at current consolidation scope and exchange rates.

In the first nine months of 2020, the impact of exchange rates on revenue growth was -0.5% (compared with +0.8% in the first nine months of 2019).

At the end of September 2020, the market segments that fared best were Solar Protection and, to a lesser extent, Modular Structures and Furniture and Marine.

During the period, the SergeFerrari Group developed new AGIVIR membranes capable of reducing the viral load of coronavirus. Given the strong interest in the product shown by different types of customers, this solution has now been directly integrated in some of the Group's product ranges, such as the Furniture range, whose very high-quality coatings now include the specific features of these membranes. The specific performance inherent in these products reinforces barriers to entry in the face of competition.

Financial position and outlook

At September 30, 2020, the SergeFerrari Group's financial position was strengthened following the refinancing carried out in July, which includes a €75 million bank loan subscribed by the Group's longstanding bank pool and a €30 million Euro PP bond placement subscribed by four top-tier institutional investors. This refinancing secures the finalization of the acquisitions' payments and the development plan for the next two financial years.

The integration plan and work on the synergies of the newly formed Group including F.I.T and Verseidag which were scheduled for the second half of the year have started. These initiatives focus on product-range complementarity, the unification of the sales teams and the manufacturing processes with the specialization of industrial sites. As a result, the resizing of one of the sites in Switzerland has been initiated and will continue until October 2021. With regard to business integration, the combination of organizations is in progress. The commercial function will benefit from strategic unification in three regions, which have been redefined in order to be better balanced: Northern Europe, Southern Europe-Americas, and Asia-Pacific-Middle East-Africa. All these regions will operate with a twofold portfolio of Serge Ferrari and Verseidag brands starting in 2021.

The SergeFerrari Group is confident in its long-term roadmap geared towards increasing profitability and driving growth, thanks to its world leading position on its markets, strengthened by the acquisitions completed, and the quality of its range of solutions combining durability, security, design, comfort and eco-responsibility. The plan for strong synergies and the resizing of the new Group currently in progress, as well as the associated effects, will be detailed at the time of publication of the 2020 annual results.

Financial calendar

- Publication of the 2020 annual revenues on Wednesday January 27, 2021 after market close

ABOUT THE SERGE FERRARI GROUP

The Serge Ferrari Group designs, develops, and manufactures innovative composite materials for lightweight architectural and outdoor applications in a global market estimated by the Company at around €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. Its main competitive advantage is based on the implementation of differentiating proprietary technologies and know-how. 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 and Solar Protection. 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 2019, Serge Ferrari posted consolidated revenues of €189 million, 75% of which was generated outside France. The SergeFerrari Group share is listed on Euronext Paris – Compartment C (ISIN: FR0011950682). The SergeFerrari Group share is eligible for the French PEA-PME and FCPI investment schemes. www.sergeferrari.com

Contacts

Serge Ferrari
Philippe Brun
Chief Financial Officer
investor@sergeferrari.com

NewCap
Investor Relations
Sandrine Boussard-Gallien
Louis Tilquin
Tel.: +33 (0)1 44 71 94 94
sferrari@newcap.eu

NewCap
Media Relations
Nicolas Merigeau
Tel.: +33 (0)1 44 71 94 98
nmerigeau@newcap.fr