

Press release

Strong growth in 2021 half-year results

- Record revenues up 81.6% to €144.7 million
- EBIT: €14.3 million
- Strong generation of operating cash flow
- Short to medium-term growth targets confirmed

Saint-Jean-de-Soudain, September 6, 2021, 5:45pm CEST – SergeFerrari Group (FR0011950682 – SEFER) is a leading global supplier of innovative flexible composite membranes under the Serge Ferrari and Verseidag brands and is listed on Euronext Paris – Compartment C. The Group today announced, today announces its consolidated results for the first half of 2021, ended June 30, as approved by the Board of Directors on September 6, 2021. The Statutory Auditors have conducted a limited review of the consolidated financial statements. The 2021 Financial Report will be available on the SergeFerrari Group website (www.sergeferraribourse.com) in the Investors section under Financial documents.

Consolidated financial statements subject to a limited review (reports currently under preparation)

(€m)	H1 2021	H1 2020	Change
Revenues	144.7	79.7	+82%
Adjusted EBITDA*	21.6	9.8	+125%
EBIT	14.3	4.2	x3.4
Operating income	14.0	4.2	x3.3
Net income, Group share	8.7	2.5	x3.5
Net debt**	38.9	15.3	
Shareholders' equity	109.5	98.0	

* Adjusted EBITDA = EBIT +/- change in depreciation, amortization and provisions + CVAE, excluding appropriations related to operating leases (IFRS 16)

** Excluding operating lease liabilities (IFRS 16)

Sébastien Ferrari, SergeFerrari Group Chairman and CEO, commented: *"The outstanding first half sales and operating performance confirms our leadership on our core markets and has driven our profit margins and net income up sharply. In a context of rising raw material prices, partly reflected in the sales prices, our profit margins were boosted by extensive use of industrial capacity and improvements in operating efficiency. Now that commercial leverage has been activated, we will continue to optimize our industrial plant during the second half of the year by generating maximum synergies with Verseidag and F.I.T in order to take full*

advantage of our current growth surge. Encouraged by these excellent first half results, we are confirming our medium-term target to push revenues up to €300 million while improving our EBIT margin."

Robust growth and sharp improvement in operating leverage

The Group posted H1 2021 revenues of €144.7 million, up 81.6% at current consolidation scope and exchange rates and up 42.6% at constant consolidation scope and exchange rates. Growth was fueled by higher volumes, market share gains in most business lines, a highly favorable price impact arising from changes in the mix and contributions from the latest acquisitions.

In a challenging situation with regard to raw material procurement, the Group managed to secure its supplies and leverage its strong position on target markets to gradually reflect price increases for certain components on sales prices. Meanwhile, the use of industrial capacity recovered sharply to a highly satisfactory level at all Group facilities, which discontinued their partial unemployment schemes from the beginning of Q4 2020 except for Krefeld, where the system continued until April 2021.

Coupled with tight control of operating expenses, thriving business allowed SergeFerrari Group to post a sharp improvement in half-year profit margins. Accordingly, adjusted EBITDA excluding IFRS 16 impact came to €21.6 million, up 137% versus H1 2020. EBIT amounted to €14.3 million, a 3.4-fold increase from H1 2020. Lastly, net income, Group share came to €8.7 million, up from €2.5 million in H1 2020 and €4.2 in H1 2019.

Significant generation of free cash flow underpinned by strong financial structure

Adjusted EBITDA for the first six months of 2021 came to €21.6 million, thereby exceeding 2020 full-year adjusted EBITDA and up €8 million versus H1 2019. Operating cash flow came to €13.6 million after a significant €13.4 million reduction in working capital due to the surge in business volumes. Free cash flow amounted to €8.8 million with operating capital expenditure kept under control at €3.6 million. Lastly, cash outflow during the period was limited to €4.2 million while allowing the Group to finance:

- the second installment of the F.I.T acquisition price;
- the second installment of the Verseidag acquisition price;
- repayment of a €3 million shareholder current account advance provided in July 2020 when the financing agreements were signed;
- payment of the 2019 dividend to the Ferrari family group (prudently postponed at the outbreak of the health crisis).

Net debt at June 30, 2021 excluding IFRS 16 impact (excluding operating leases) stood at €38.9 million versus €34.3 million at December 31, 2020.

Jagenberg AG joins the shareholding structure

On July 29, 2021, in accordance with the Verseidag acquisition agreement, SergeFerrari Group paid the second installment of the acquisition price divided into a €4.4 million cash payment and the transfer of SergeFerrari Group shares to Jagenberg AG, which thereby became a shareholder with a 4.8% stake in the Company. The shares were taken from the stock of treasury shares held by SergeFerrari Group as of the payment date.

2021 outlook: confidence in the second half and deployment of industrial synergies

Halfway through the year, SergeFerrari Group looks forward to the second half with confidence, despite a less favorable base effect and seasonality than at the start of year. Nevertheless, the Group will stay alert regarding the developments of the sanitary context. One priority task will be to step up the implementation of industrial synergies in order to finalize the announced production transfers from Eglisau (Switzerland) to Krefeld (Germany) from October 2021 onwards, as planned.

Lastly, SergeFerrari Group confirms its medium-term €300 million revenue target with profit margin growth outpacing sales growth.

Financial calendar

- Next financial press release: **Q3 2021 revenues, Tuesday, October 26, 2021 after market close**

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 2020, Serge Ferrari posted consolidated revenues of €195.3 million, over 80% 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

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