



## Press release

### SergeFerrari Group announces H1 2020 revenues

- All production operations resumed by the end of June 2020
- Q2 sales trends in line with the health and economic situation, with an encouraging turnaround in June 2020 revenues
- Closing of the acquisition of a majority stake in F.I.T based in Taiwan
- Robust financial position

Saint-Jean-de-Soudain, July 28, 2020, 5.45 pm CEST – SergeFerrari Group (FR0011950682 - SEFER), which designs, develops and manufactures innovative composite membranes for lightweight architectural and outdoor applications and is listed on Euronext Paris - Compartment C, today announces its first half 2020 revenues.

#### Revenue breakdown by region (unaudited)

€'000	Q2 2020	Q2 2019	Ch. at current rates	Ch. at constant rates	H1 2020	H1 2019	Ch. at current rates	Ch. at constant rates
Europe	<b>30,050</b>	42,327	-29.0%	-29.3%	<b>64,187</b>	78,489	-18.2%	-18.5%
Americas	<b>2,788</b>	5,814	-52.0%	-51.2%	<b>6,675</b>	9,370	-28.8%	-28.5%
Asia-Africa-Pacific	<b>4,346</b>	7,021	-38.1%	-37.5%	<b>8,826</b>	13,507	-34.7%	-34.5%
Total revenues	<b>37,184</b>	55,162	-32.6%	-32.6%	<b>79,688</b>	101,366	-21.4%	-21.6%

Sébastien Ferrari, SergeFerrari Group Chairman and CEO, commented: "First half revenues were in line with our expectations and reflect the impact of the coronavirus pandemic on the Group's various operating regions. Thanks to the gradual resumption of our production operations, the Group has proved resilient and was able to start rebuilding business momentum towards the end of the second quarter, as confirmed by recent trends. In this regard, I would like to thank all of our employees for their readiness to adapt during these unusual times and for maintaining their commitment to Serge Ferrari's core focus on innovation. This exceptional period has also given the Group the opportunity to rethink and structure its future development. The acquisition of a majority stake in F.I.T., a Taiwanese company specializing in non-combustible materials, was closed as planned. Given the challenging economic environment, we remain cautious and continue to monitor the global pandemic closely. Although certain regions and business sectors have shown tangible signs of economic recovery, figures remain mixed. We will continue to adapt our business as required and maintain a positive view of the Group's potential and underlying market trends."

## Q2 2020 revenues

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At current and constant exchange rates, total Q2 2020 sales fell 32.6% to €37.2 million.

In contrast to Q1, the **Americas** were hardest hit by the global pandemic during the second quarter, posting revenues down 51.2% at constant exchange rates to €2.8 million.

The **Asia-Africa-Pacific region**, where some countries were impacted a little earlier in the year, saw revenues fall 37.5% at constant exchange rates to €4.3 million.

**Europe**, Serge Ferrari's core region, proved to be the most resilient with sales of €30.0 million, down 29.3% at constant exchange rates.

Furthermore, SergeFerrari Group's monthly activity in the 2<sup>nd</sup> quarter of 2020 shows a gradual and visible recovery, particularly in June, and especially in Europe.. Over the period, Giofex's distribution and shipping activities were encouraging, with double-digit growth for the month of June versus 2019.

Production sites are now once again operating at pre-pandemic levels, in strict compliance with applicable health regulations. This transitional period enabled the Group to restore inventories to standard levels.

Regarding product innovations and Serge Ferrari's contribution towards fighting COVID-19, in the second quarter, the Group's teams developed new AGIVIR membranes capable of reducing the viral load of coronavirus. The commercial launch with a dedicated website took place at the end of the quarter. Although various types of customers have expressed serious interest in the product, the number of orders booked is not material at this stage. These membranes meet certain requirements of health crises and will be systematically integrated into a number of the Group's product lines. Our teams are monitoring the pandemic closely and will take quick action if required.

## H1 2020 revenues

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The Group posted total H1 2020 revenues of €79.7 million, down 21.4% at current exchange rates and down 21.6% at constant exchange rates, mainly due to the global impact of the COVID-19 pandemic on economic activity and, as such, Serge Ferrari's business.

The Group's performance in its three regions breaks down as follows:

- **Europe**, the least affected region, posted a 18.5% decline in revenues at constant exchange rates compared to 2019, at €64.2 million.
- **Americas** revenues came to €6.7 million, down 28.5% at constant exchange rates.
- The **Asia-Africa-Pacific** region was hardest hit, posting revenues of €8.8 million, down 34.5% at constant exchange rates.

Overall, the market segments that fared best in H1 2020 were Solar Protection and, to a lesser extent, Modular Structures and Furniture and Marine.

## Outlook

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The market remains fragile and impacted by the global pandemic, while significant uncertainties persist regarding economic recovery. Based on June and July performances, the trends are too mixed for SergeFerrari Group to precisely estimate its revenue or profitability outlook for 2020. However, the Company remains confident that revenues will recover in the second half provided that the health situation stabilizes.

All of the strict cost control measures announced in April will continue to be applied. A number of projects have also been adapted or postponed in line with current priorities. To preserve Group cash resources, the 2019 dividend has been reduced and its payment has been deferred to September 30, 2020 and later for the family group. Finally, initiatives such as the furlough scheme have been and will continue to be activated, depending on needs and the options available. As such, as of June 30, 2020 the Group is still in a robust financial position and is well placed to withstand this year's exceptional challenges.

## Calendar

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- Publication of H1 2020 results on Wednesday, September 9, 2020, after market close

### ABOUT SERGE FERRARI

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Serge Ferrari Group designs, develops, and manufactures innovative composite fabrics 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. The Group has four production sites in Europe and one in Asia. Serge Ferrari operates in 80 countries through subsidiaries and sales offices and through a network of more than 100 independent distributors worldwide. Serge Ferrari posted consolidated revenues of €189 million for 2019 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](http://www.sergeferrari.com)

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