



Press release

2016 RESULTS

REVENUES UP 7% - EBITDA STABLE

LAUNCH OF "SERGE FERRARI 2020" STRATEGIC PLAN

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

Saint Jean de Soudain, March 8, 2017

(€000)	2016	2015	Change
Revenues	158,469	148,398	+6.8%
Adjusted EBITDA	15,929	15,912	-
EBIT	7,082	8,030	-11.8%
Net income, Group share	4,279	4,787	-10.6%
Net cash and cash equivalents	23,071	20,846	+10.7%

2016 results impacted by investment in growth

2016 revenues rose by 6.8% compared to 2015, including 5.4% organic growth. The distribution group Giofex, consolidated from Q4 2016, contributed €2.1 million to the increase in revenues. Organic growth was mainly driven by a 5.0% increase in volumes boosted by a +0.5% mix/price effect. The impact of changes in exchange rates was minimal (-0.1%).

In 2016, the Group stepped up its transformation in order to improve profitable growth over the coming years. A major hiring initiative was carried out, mainly involving sales staff but also managers with international experience. This recruitment drive inevitably impacted 2016 earnings: EBITDA was flat and represented 10.1% of revenues.

The decline in EBIT was due to a €1.4 million increase in net provisions compared to the previous year, mainly involving provisions for inventories. Without this impact, EBIT would have increased. Net income Group share came to €4.3 million.

Robust financial position

Free cash flow for the year amounted to €14.6 million, up €0.7 million from 2015. These funds were used to finance a €4.6 million increase in working capital related to the consolidation of Giofex and an exceptional increase in inventories, plus €9.0 million of net capital expenditure for the period. This illustrates the Group's ability to continue to fund its growth without resorting to borrowing.

With net cash and cash equivalents of €23.1 million and shareholders' equity of €92.2 million, the Group has all the resources it needs to fund its growth.



No change in dividend

The Board of Directors will propose a dividend of €0.12 per share to the General Meeting, identical to that of 2015, to be paid out on May 23, 2017.

SF 2020 plan: stepping up profitable growth

The Group, which enjoys a worldwide reputation for its products and capacity for innovation, plans to capitalize on its strengths in order to step up its growth over the coming years.

The Group's target market has been revalued at over €6 billion following the integration of innovations currently undergoing industrialization. Action plans for each market segment are currently being rolled out under a more efficient organizational system.

Accordingly, the Group is entering a new business cycle and is aiming at stronger organic growth from H2 2017 onwards, potentially supplemented by acquisitions.

Calendar

General Meeting: April 20, 2017, 10:30 am, head office

Q1 2017 revenues: April 27, 2017 after market close.

ABOUT SERGE FERRARI

Serge Ferrari Group designs, makes and distributes high-tech eco-responsible flexible composite materials in a global market with an estimated medium-term value of €31 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 four subsidiaries (in the US, Japan, Hong Kong, Brazil, India, China, Turkey, 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.

