



Press release

Saint Jean de Soudain, March 7, 2019

2018 RESULTS

ORGANIC GROWTH OF 4.6% AT CONSTANT EXCHANGE RATES, IN LINE WITH THE STRATEGIC PLAN

2018 EARNINGS IMPACTED BY MATERIAL NON-RECURRING ITEMS

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

On March 7, 2019 the Board of Directors approved the 2018 consolidated financial statements. The Statutory Auditors have conducted a review of these consolidated financial statements.

(financial statements audited, reports currently under preparation)

€'000	2018	2017
Revenues	184,904	172,139
Adjusted EBITDA ¹	10,812 ²	14,151
EBIT	2,829	5,853
Income after tax	1,806	3,456
Net income/(loss), Group share	(123)	2,780
Shareholders' equity, Group share	91,201	92,551

¹ Adjusted EBITDA: EBIT +/- depreciation, amortization and provisions + CVAE

² Including a €2,127,000 deduction for non-recurring items

2018 results

In line with its SF2020 strategic plan, the Serge Ferrari Group recorded a 7.4% increase in sales in 2018, including 4.6% organic growth at constant exchange rates. This performance is the result of significant investments made since 2014 aimed at adapting the Group's organization for international expansion.

All regions posted year-on-year growth at constant exchange rates.

Changes in consolidation scope (consolidation of Plastitex) contributed 4.3% to annual revenue growth, while exchange losses curtailed growth by 1.5%.



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During 2018, the Group:

- continued and finalized organizational adjustments in the sales, industrial and innovation segments of its operations, in order to support expected growth over the coming years;
- implemented an action plan focusing its resources on four priority markets (tensile architecture, solar protection, modular structures, and marine and furniture).

These decisions gave rise to non-recurring expenses of €2.1 million (abandonment of development projects, inventory impairment, organization transformation costs) over the financial year. 2018 EBIT therefore came to €2.9 million compared to €5.9 million the previous year.

Income after tax was €1.8 million.

Allowing for the impact of the shutdown of Vinyloop operations and the resulting non-recurring loss, the Group posted a net loss, Group share of €0.1 million for 2018.

At December 31, 2018, gross cash and cash equivalents amounted to €25.1 million versus gross debt of €24.5 million, resulting in net cash of €0.6 million, a clear improvement from the June 30, 2018 position (€7.7 million cash generated during H2 2018, twice the amount generated in H2 2017).

Outlook

After a period of necessary structuring, and focusing on its four buoyant priority markets, the management team, now complete, moves into 2019 with ambition determined to reap the benefits of the investments made over the past few years.

In an uncertain economic environment, the Group is aiming at organic growth (at constant exchange rates) of over 4.5% in 2019, as set out in the SF2020 strategic plan. Year-to-date revenues at February 28, 2019 are in line with this target, thus confirming the trend already observed over three consecutive quarters. As stated in prior releases, Serge Ferrari's key priorities are improving operating profit margins, focusing on product development projects ensuring faster time-to-market, improving industrial efficiency and appropriate sizing of capacity investments.

General Meeting

At the General Meeting scheduled for May 16, 2019, the Group will request shareholder approval of a dividend of €0.05 per share to be paid out on June 6, 2019.

Calendar

Q1 2019 revenues, April 25, 2019 after market close

General Meeting: May 16, 2019, 5.00pm



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ABOUT SERGE FERRARI

The 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 €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: one in France, one in Italia and two in Switzerland. Serge Ferrari operates in 80 countries via eight subsidiaries (USA, Japan, Hong Kong, Brazil, India, China, Turkey and Germany), two sales offices (Spain and Dubai), the distribution business of the Giofex Group in Europe, and a network of over 100 independent distributors world-wide.

At the end of 2018, Serge Ferrari posted consolidated revenues of €185 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.

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