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Serge Ferrari Group posts revenues of €101.4 million for the first half of 2019

- Group first half revenues up 4.4% at constant exchange rates
- Robust growth in Asia driven by infrastructure projects
- Solid growth in the Consumer business driven by indoor and outdoor furniture

SergeFerrari Group (FR0011950682) designs, manufactures and distributes innovative flexible composite materials and is listed on Euronext Paris - Compartment C. The Group today announces its consolidated revenues for the first half of 2019.

Revenue breakdown by geographical region (unaudited)

(€'000)	Q2 2019	Q2 2018	Ch. at current exchange rates	Chr. at constant exchange rates	H1 2019	H1 2018	Ch. at current exchange rates	Chr. at constant exchange rates
Europe	42,327	41,202	2.7%	2.9%	78,489	77,445	1.3%	1.5%
Americas	5,814	5,051	15.1%	8.8%	9,370	8,498	10.3%	4.1%
Asia - Africa - Pacific	7,021	6,651	5.6%	4.1%	13,507	10,702	26.2%	24.9%
Total revenues	55,162	52,904	4.3%	3.6%	101,366	96,645	4.9%	4.4%

Q2 2019 revenues of €55.2 million, up 3.6% at constant exchange rates

At constant consolidation scope and exchange rates (like-for-like), Q2 Group sales were up 3.6% versus Q2 2018, given a strong basis of comparison (11.8% growth in Q2 2018 versus Q2 2017) and taking into account the postponement of some deliveries to the beginning of July. Changes in exchange rates slightly increased revenues by 0.7% in Q2 2019, compared to a 2.0% reduction in Q2 2018.



Price and product mix effects contributed 3.5% to Q2 2019 sales growth.

In **Europe**, sales were up 2.9% at constant exchange rates. With no change in consolidation during the period, growth was driven by the strong demand for architectural investments, the solar protection and outdoor furniture markets. This latter market is enjoying good momentum due to the rising trend in outdoor lifestyle activities. For instance, many renowned international brands use Serge Ferrari Batyline and Stamskin products in the design of their own products.

Americas revenues were also encouraging, up 15.1% at current exchange rates and 8.8% at constant exchange rates, reflecting strong performances in Canada and Brazil.

Meanwhile, the **Asia-Africa-Pacific** region posted strong growth of 5.6%, driven by healthy sales developments in China. The Group continues to benefit from the resilience of tensile architecture projects included in major infrastructure projects in this region.

H1 2019 revenues €101.4 million, up 4.4% at constant exchange rates

For the first half of 2019, the Group reported organic revenue growth of 4.4%, broadly in line with its annual target of 4.5% at constant exchange rates.

First half currency movements impacted revenues by a 0.5% increase, versus a 2.1% reduction in 2018.

As previously indicated, the consolidation scope did not change during the reporting period. Price and product mix effects contributed 2.9% to first half sales growth during the first half.

At constant exchange rates, all three regions posted positive growth during the first half. The **Asia-Africa-Pacific** region performed particularly well, due to a strong demand for architectural and infrastructure projects. **Europe** continued to record moderate growth for the first half despite the strong performances achieved last year, notably in the Germany-Austria region where major projects were implemented in 2018. The **Americas** region, after a weak first quarter, managed to catch up and posted first half growth of 10.3% at current exchange rates and 4.1% at constant exchange rates.



Outlook

SergeFerrari Group's priorities this year are to achieve organic revenue growth of over 4.5% and to improve commercial and operational efficiency. Both these targets are confirmed.

Business growth in the first half, combined with tightened cost control and rigorous selection of development projects, allows the Group to confidently confirm its target to significantly improve its operating margin from the first half of 2019.

In addition to operating income, it should be noted that 2019 net income Group share will benefit from the absence of non-recurring expenses related to the closure of the Vinyloop unit, which amounted to €2.04 million in 2018.

To sum up, the Group has a strong financial position and will continue to review acquisition opportunities specifically intended to strengthen its commercial, product or technological bases.

Calendar

H1 2019 results, Wednesday September 11, 2019 after market close.

The company will hold its results presentation for analysts and investors on Thursday, September 12 at 8.30 am in Paris. For more details, please contact: sferrari@newcap.eu.



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 three production sites: one in France 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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