



Press release

SergeFerrari Group posts Q1 2020 revenues of €42.5 million

- Upturn in industrial activities, gradually gaining momentum
- Addressing the current crisis thanks to a solid financial position

Saint-Jean-de-Soudain, April 28, 2020, 5:45 pm CEST – SergeFerrari Group (FR0011950682 - SEFER) designs, develops and manufactures innovative composite membranes for lightweight architectural and outdoor applications and is listed on Euronext Paris - Compartment C. The Group today announces its revenues for Q1 2020.

Revenue breakdown by region (unaudited)

	Q1 2020	Q1 2019	Ch. at current rates	Ch. at constant rates
€'000				
Europe	34,137	36,162	-5.6%	-6.0%
Americas	3,887	3,556	+9.3%	+8.6%
Asia-Africa-Pacific	4,480	6,486	-30.9%	-31.2%
Total revenues	42,504	46,204	-8.0%	-8.4%

Sébastien Ferrari, SergeFerrari Group Chairman and CEO, commented: "First quarter figures are in line with our expectations, despite the current global pandemic and the incident on one of our production lines in December last year. Business held up well in the first quarter, thanks to our international model that also covers multiple priority market segments. We are extremely satisfied with the dedication and agility of our teams in rapidly resuming production following the lockdown measures announced mid-March in France. Thanks to a dedicated committee, the appropriate safety measures were rolled out at the sites, and today we are proud to be operating at 75% production capacity. At this stage, it is very difficult to predict how long this situation will last and the consequences it may have, and of course, the second quarter will be a complex one. However, we have already noticed a progressive upturn in certain sectors and regions. Our fundamentals are solid, and we are heading into the coming months with confidence thanks to a strong and healthy financial position and production capabilities ready for a recovery across all business segments."

Q1 2020 revenues

SergeFerrari Group began 2020 with reduced inventories due to the incident in La Tour du Pin in December 2019, with an impact on 2020 sales that had been estimated by the Group at €5 million. In addition, during the week of March 16, 2020¹, production at the French sites was gradually suspended due to the pandemic. The Group's essential logistics business, which ensures the distribution and shipping of orders throughout

¹ See press release published March 23, 2020.

France, Switzerland and the rest of Europe, continued on a reduced scale. Using their own inventories, the Group's other international subsidiaries maintained operations in line with the progression of the pandemic and government recommendations in each country.

As such, sales in the **Americas**, impacted later than other regions, increased 8.6% (at constant exchange rates) to €3.9 million.

In terms of volumes, **Europe** was hit the hardest in the first quarter. Sales came to €34.1 million, down 6.0% at constant exchange rates.

Asia-Africa-Pacific posted a significant 31.2% decrease in sales (at constant exchange rates), which came to €4.5 million. However, this decrease should be viewed in light of the extremely challenging results posted last year: Q1 2019 sales rose 61.1% versus the same period in 2018.

Total Group sales in the first quarter were down 8.4% compared to the first quarter of 2019, at constant consolidation scope and exchange rates, and down 8.0% at current exchange rates.

The Group's priority business segments held up well over the first quarter. Amid all of these challenges, the Group continued to illustrate its strong capacity for adaptation: its materials were used in particular in the modular structures for field hospitals built to handle the influx of patients.

Encouraging resumption of production

As previously announced by the Group², production gradually resumed at its La Tour du Pin site from April 1, 2020. The necessary measures have been undertaken to protect its teams, in cooperation with staff representatives, and all employees are committed to adopting the preventive reflexes necessary to protect themselves and those around them.

Over the past few weeks, the recovery has continued with the re-commissioning of new production lines and an increase in the number of teams. Thanks to the commitment of its employees and the measures rolled out by the recovery and safety committee, production is now operating at 75% of its pre-crisis levels, and is expected to continue rising over the coming weeks. Logistics operations have also continued in order to handle the ramp-up in the distribution and shipping of orders.

Acquisition of a capital stake in F.I.T in Taiwan

The Group continues to progress with the acquisition of a 55% stake in the capital of F.I.T., a Taiwanese company that designs, manufactures and distributes high-tech non-combustible materials, through the purchase of securities from the current family shareholders. As a reminder, F.I.T. generated revenues of around €12 million in 2019 from a base of around 100 customers in 15 countries. This transaction is scheduled to close by the end of the second quarter of 2020.

² See press release published April 15, 2020.

Outlook

At this stage, the Group is not in a position to determine precisely the impacts of the current crisis. However, given the scope of the pandemic, the Group expects the second quarter to be significantly impacted. Various strict cost control measures are already in place, and an investment reduction plan has been launched.

To preserve the Group's cash position, the Board of Directors has decided to ask the General Meeting to approve a reduction in the 2019 dividend from €0.16 to €0.12 per share, with a delay in the pay-out of this dividend to September 30, 2020. Furthermore, the Ferrari family group, which directly and indirectly held 71.2% of the Group's share capital at December 31, 2019, has decided that the dividends due to it will only be paid out when the current situation allows, and will therefore be recorded in the current account in the meantime.

At March 31, 2020, the Group was in a very healthy financial position, which may be further strengthened by the use of confirmed but yet unused lines of credit³. Backed by its strategic positioning around four priority market segments, a new, more agile organizational structure, a diversified international presence and a new foothold in Asia, the Group has the solid fundamentals required in order to face this crisis and take advantage of the gradual economic recovery.

Calendar

- **Annual General Meeting: Thursday, May 14, 2020 at 5:00 pm** (in closed session)
- Publication of **H1 2020 revenues** on **Tuesday July 28, 2020** after market close
- Publication of **H1 2020 results** on **Wednesday, September 9, 2020**, after market close.

ABOUT SERGE FERRARI

The 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. 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 2019, Serge Ferrari posted consolidated revenues of €189 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. www.sergeferrari.com

Contacts

Serge Ferrari
Philippe Brun
Chief Financial Officer
investor@sergeferrari.com

NewCap
Investor Relations
Sandrine Boussard-Gallien
Théodora Xu
Tél.: +33(0) 1 44 71 94 94
sferrari@newcap.eu

NewCap
Media Relations
Nicolas Mériageau
Tél.: +33(0) 1 44 71 94 98
nmerigeau@newcap.fr

³ See press release published March 23, 2020.