



Condensed consolidated half yearly statements at June 30

THERMADOR GROUPE

Private limited company with capital of €36,803,396
Head office : SAINT QUENTIN FALLAVIER (France / Isère).
80 rue du Ruisseau.

339 159 402 companies register of Vienne

This is a free translation into English of the condensed consolidated half yearly statements issued in the French language and is provided solely for the convenience of English-speaking readers. The report must be read in conjunction and construed in accordance with French law and French auditing professional standards.

2020

I.- Financial statement at 30 June 2020
(In thousands of euros)

Assets	30/06/2020	30/06/2019	31/12/2019
<u>Non-current assets:</u>			
Consolidated goodwill	56 365	50 804	53 286
Intangible assets	9 363	4 841	6 818
Tangible assets:	64 198	58 578	61 619
Land	10 834	10 834	10 834
Buildings	34 757	36 267	35 795
Other tangible assets	6 562	5 650	5 770
Other tangible assets in progress	8 768	2 707	6 265
Right of use in rental contracts	3 277	3 120	2 955
Financial investments	312	296	298
Deferred tax assets	1 251	1 204	1 270
Total non-current assets	131 489	115 723	123 291
<u>Current assets:</u>			
Stock (goods)	124 118	117 726	123 046
Trade notes and accounts receivable	92 261	84 428	63 931
Corporate tax	1 018	421	685
Deferred tax assets	378	409	487
Other receivables	12 482	11 433	12 597
Financial instruments			
Cash and cash equivalent	9 247	13 672	32 494
Total current assets	239 504	228 089	233 240
Total assets	370 993	343 812	356 531

Liabilities	30/06/2020	30/06/2019	31/12/2019
Shareholders' equity:			
Share capital and reserves	88 908	82 897	82 897
Consolidated reserves	117 024	104 455	104 216
Portion of net profit allocated to the group	16 471	16 981	32 373
Minority interests	180	175	177
Total shareholders' equity	222 583	204 508	219 663
Non-current liabilities:			
Loans and long-term financial debt	32 372	30 428	29 764
Rental obligations over one year	2 194	2 289	1 951
Deferred tax liabilities	3 815	2 968	3 329
Provisions for end-of-career commitment	4 106	3 270	3 724
Total non-current liabilities	42 487	38 955	38 768
Current liabilities:			
Current provisions	663	565	606
Rental obligation under one year	1 101	845	1 018
Short-term loans	554	1 170	189
Current portion of loans and financial long-term debt	14 595	10 538	11 760
Accounts payable	52 200	55 470	52 254
Equipment supply accounts payable	726	988	1 510
Tax payable	714	1 214	1 983
Tax and social charges debt	20 684	17 304	13 927
Other liabilities	14 686	12 255	14 853
Total current liabilities	105 923	100 349	98 100
Total liabilities and shareholders' equity	370 993	343 812	356 531

II.- Global consolidated profit statement (In thousands of euros)

Consolidated profit and loss account	1 st half 2020	1 st half 2019	FY 2019
Net turnover	187 869	190 699	368 836
Other income from activity	317	418	718
Purchases consumed	-120 589	-121 919	-234 593
Personnel charges	-22 693	-21 597	-42 867
External costs	-14 922	-16 636	-33 380
Taxes	-2 924	-2 969	-4 586
Depreciation and amortisation	-2 583	-2 301	-4 663
Depreciation and amortisation – IFRS 16 impacts	-554	-434	-854
Increase in provisions	-377	-143	-464
Other earnings, other operating expenditure	-186	-101	-326
Operating profit	23 358	25 017	47 821
Variation of fair value of financial instruments			
Cash earnings and equivalent	-13	-17	-25
Gross cost of debt	-98	-90	-182
Finance charges – IFRS 16 impacts	-24	-23	-31
Taxes	-6 746	-7 903	-15 205
Net profit	16 477	16 984	32 378
Net profit as a portion of the group	16 472	16 981	32 373
Net profit attributable to minority interests	5	3	5
Net profit as a portion of the group per share in euros *	1,79	1,86	3,55
Net profit per share after dilution in euros **	1,70	1,77	3,37

* Earning per share was calculated on 9,199,649 shares, 9,200,849 shares from which we have deducted the 1,200 own shares on 30 June 2020. It is calculated on 9,108,752 shares (see note 8), 9,109,752 shares minus 1,200 own shares on 30 June 2019 and 31 December 2019.

**Result per share after dilution is calculated from 9,699,649 shares, i.e. existing shares minus 1,200 own shares plus 500,000 shares corresponding authorised non-issued capital of €2,000,000.

It is calculated on 9,608,552 shares on 30 June 2019 and on 31 December 2019, i.e. existing shares minus 1,200 own shares plus 500,000 shares corresponding authorised non-issued capital of €2,000,000.

Statement of other elements of net overall consolidated profit	1 st half 2020	1 st half 2019	FY 2019
Net profit	16 477	16 984	32 378
Other elements of overall profit:			
Actuarial discrepancy on end-of-career commitment provision			-260
Fair value of financial instruments	-14	-10	32
Total overall profit	16 463	16 974	32 150
Total overall profit – Portion of the group	16 458	16 971	32 145

III.- Cash flow statement (In thousands of euros)

Cash flow statement	1st half 2020	1st half 2019	FY 2019
Consolidated net profit	16 477	16 984	32 378
Plus, or minus latent gains due to fair value variations		-	
Plus or minus net depreciation expense and provisions (non-current)	2 668	2 636	4 712
Plus or minus depreciation allowance - IFRS 16 impacts	554		854
Plus financial charges – IFRS 16 impacts	24		31
Capital gains or losses from disposals	1	-8	68
Cash flow from operations after net financial cost and taxes	19 724	19 612	38 043
Taxes	6 747	7 903	15 205
Cash flow from operations before net financial cost and taxes	26 471	27 515	53 248
Taxes paid	- 6 892	-7 990	-15 269
Cash flow from operations before net financial cost and after taxes	19 579	19 525	37 979
Change in operating working capital	-24 020	- 5 994	5 206
- Of which, Variation in trade receivables	-26 139	-26 310	-4874
- Of which, stock variations	521	5 056	936
- Of which, accounts payable variations	-1 692	11 202	7 226
- Of which, other receivables variations	305	-1 545	-2 862
- Of which, other debt variations	2 985	5 603	4 780
Net cash flow from operating activities	- 4 441	13 531	43 185
Net cash flow from operations of change in scope	-4 967		-4 779
Disbursements for property, plant and equipment and intangible assets	-4 644	-3 131	-8 589
Receipts from sale of assets	14	589	595
Owing to suppliers of fixed assets (variation)	-784	571	1 093
Net cash flow from investments	-10 381	-1 971	-11 680
Free cash flow	-14 822	11 560	31 505
Dividends paid to shareholders of the parent company	-16 395	-15 940	-15 940
Loans subscriptions	7 000		5 200
Increase in capital	2 851		
IFRS 16 financing flows	-574		-871
Loan repayments	-1 672	-6 158	-10 629
Net cash flow from financing activities	-8 790	-22 098	-22 240
Net cash flow	-23 612	-10 538	9 265
Opening cash	32 305	23 040	23 040
Closing cash	8 693	12 502	32 305

Opening and closing cash position' reflects the difference between a positive cash position and bank overdrafts. On June 30, 2020, the positive cash position was €9,247k and bank overdrafts €554,000.

IV.- Equity variation statement (in thousands of euros)

Equity variation statements	Capital	Reserves linked to capital	Shares held internally	Retained earnings	Profits recorded directly as shareholders' equity	Total group share	Minority shareholders	Total shareholder s' equity
Situation on 31/12/2018	36 439	44 807		122 100	-51	203 295	174	203 469
Dividends paid *				-15 940		-15 940	-2	-15 942
Allocation of profits the reserves		1 651						
Fair value on financial instruments					32	32		32
Foreign exchange differential					-14	-14		-14
Other variations								
Actuarial gains					-260	-260		-260
Capital increase				32 373		32 373	5	32 378
Situation on 31/12/2019	36 439	46 458		136 882	-293	219 486	177	219 663
Dividends paid**				-16 395		-16 395	-2	-16 397
Allocation of profits the reserves		3 160		-3 160				
Fair value on financial instruments	364	2 487				2 851		2 851
Foreign exchange differential					-14	-14		-14
Other variations					3	3		3
Half Year net profit								
Dividends paid**				16 472		16 472	5	16 477
Situation on 30/06/2020	36 803	52 105		133 799	-304	222 403	180	222 583

* 2018 dividend: €1.75 on 9,108,552 shares; treasury shares owned on the day of detachment of dividend rights (i.e. 1,200 shares) did not result in dividends being paid.

** 2019 dividend: 1.80 € on 9,108,552 shares, treasury shares owned on the day of detachment of dividend rights (i.e. 1,200 shares) did not result in dividends being paid.

V- Notes to the condensed financial consolidated statements for the half year

(In thousands of euros)

The condensed consolidated half yearly statements on June 30, 2020 were closed by the Board on July 29, 2020.

1) Main events of the financial half year:

COVID-19 crisis:

During the first half of 2020 the worldwide COVID-19 pandemic impacted global economic activity and by extension, that of Thermador Groupe and its subsidiaries.

Our devolved organisation, made up of small structures, enabled us to take health safety measures extremely quickly. Fortunately, none of our employees were seriously affected by the Covid-19 pandemic.

The digitisation of our organisations was already well advanced on 14 March 2020. Homeworking came on stream very quickly and efficiently for all employees who could do their jobs remotely.

Our logistics and management staff were physically present. Only Rousseau's Spanish site in Madrid had to close its doors for 15 days to protect employee health. All the other companies in the group continued to serve their customers, in some cases winning us market share. Overall, the commitment and sturdiness of our staff during this period was a major asset.

The closures of our suppliers' plants in France and around the world lasted only a few weeks. They did not all occur simultaneously, but in line with the lockdown measures taken independently by the different governments. At the same time, sales slowed enormously, meaning stock-outs were never a problem.

On the contrary, we had to limit inventory growth that could have resulted from the sharp drop in sales. Sourcing control was orchestrated by each subsidiary, in close cooperation with our suppliers. Number of days of consumed purchases, stock increased from 168 days on June 30, 2019 to 177 days on June 30, 2020.

To date, none of our customers or suppliers has been placed under safeguard procedures. In number of days' sales, receivables increased from 57.2 days on June 30, 2019 to 64.5 days on June 30, 2020. This is the result of excellent follow-up by our subsidiaries and the loyalty of our customers.

The French government and the European authorities adopted some forceful measures to support the economy, which have helped keep many of our customers in business. State-guaranteed loans have been granted to several of them. In addition, partial unemployment was financed for us by the State, which we used as a last resort, for a consolidated total of €485,000 during the first half of the year, representing 12% of our worked hours between March 16 and June 30.

Our two banking partners have supported us unreservedly by deferring loan instalments for a total amount of €4.6m, by financing an external growth operation for €7m on April 30, 2020 and by granting us additional overdraft facilities.

From the beginning of the crisis to 9 June 2020, we published information on the impact of the crisis every two weeks. We have also increased the number of video-conferences with our shareholders.

As our debt ratio is extremely low, we have been able to maintain the proposed dividend for 2019. This resolution was approved at a digital AGM attended by 65.8% of voting rights.

We will be in a position to better quantify the impact of all of this at the end of 2020. To date, we have seen a 4.3% decline in turnover and a 7.1% decline in operating profit at the end of the first half of 2020 (at constant scope).

Acquisition of Thermacome :

On April 30, 2020, THERMADOR GROUPE has finalized with ACOME group the acquisition of all THERMACOME's shares, a company based in Saint-James (Manche county, France) for a total of €7 million via a cash payment on April 30, 2020. For the purpose, THERMADOR GROUPE has taken out two very competitive, fixed-rate, five-year loans with CIC Lyonnaise de Banque and Société Générale banks.

THERMACOME is specialised in conception, thermal engineering and distribution of sanitation water pipework systems and heating and thermal comfort in buildings. It is in the same markets as PBtub (THERMADOR GROUPE subsidiary), with highly complementary know-how and development projects, both in terms of clientele and market segment. In 2019 THERMACOME and its 32 employees reported turnover of €19.4m and €972,000 operating profit. On December 31, 2019, the company's net cash position was €1.8m.

The project includes keeping the Saint-James site and the skills associated with it, and developing a close, long-standing partnership for the supply of PER tubes by ACOME, manufactured in their Mortain industrial site (Manche county, France).

2) Accounting reference set:

Note 1 - Accounting reference set

In application of European regulation 1606/2002 of July 19th 2002, the consolidated financial statements of Thermador Groupe are prepared according to international financial information standards (IAS/IFRS compliant with IFRS and IASB) as adopted by the European Union on June 30, 2020. With the exception of the points mentioned below, the accounting principles used are identical to those adopted for the financial statements of December 31, 2019.

In the financial statements presented hereafter, all standards and compulsory application interpretations on January 1, 2020 have been applied. No accounting standard is applied by anticipation.

IFRS 15

The IFRS 15 standard, first applied on January 1, 2018 only concerns the reclassification of advertising expenditure.

- Recognition of our turnover

Our turnovers mainly comprise sales of finished products. Sales are stated net of trade discounts and customer rebates, as well as net of costs relating to trade support and listing or linked to occasional promotional actions invoiced by customers. Turnover recognition applies as of the moment of delivery. Our group is not subject to other performance obligations linked to ancillary services (installation and/or maintenance of merchandise, etc.).

Concerning warrantees, our Group only complies with legal warrantees. The impacts of these warrantees in respect of IFRS 15 are insignificant and therefore are not reprocessed.

- Advertising spending

Advertising spend having given rise to reclassification according to IFRS 15 reflect discounts or payments for separate services to our distributor customers, the amount of which is calculated as a percentage of turnover. These advertising spends were accounted for as external charges. This reclassification has no impact on the result. In the absence of an impact on equity at the start of the financial period, Thermador Groupe applied the so-called 'simplified' retrospective transition method on January 1st, 2018.

The table below details financial aggregates as they would have been if IAS 11 and IAS 18 had been applied for that financial year:

In thousands of euros	30/06/2020	30/06/2019	31/12/2019
Turnover according to IAS 11 and IAS 18	190 778	193 562	373 343
Impact IFRS 15	(2 909)	(2 863)	(4 507)
Turnover according to IFRS 15	187 869	190 699	368 836
External charges before IFRS 15	(17 831)	(19 499)	(37 887)
Impact IFRS 15	2 909	2 863	4 507
External charges after IFRS 15	(14 922)	(16 636)	(33 380)

IFRS 9

IFRS standard 9 requires application of the depreciation model based on expected losses on all financial assets, including commercial debt, as of January 1, 2018. On the basis of these past five years, irrecoverable losses have represented an average of 0.1% of consolidated turnover. This non-significant impact did not justify an equity-type provision at the beginning of the financial period on June 30, 2018 or for the end-of-year results of December 31, 2019, and of June 30, 2020.

IFRS 16

The 'rental contracts' IFRS 16 standards came into force for financial years beginning as of January 1, 2019. We opted for the simplified retrospective method.

Application of the IFRS 16 standard concerns the presentation and accounting of rental contracts. Rental contracts such as those defined by the 'rental contracts' IFRS 16 standards are booked on the balance sheet which results in the recognition:

- of an asset which corresponds to the right of use of the asset rented throughout the period of the contract,
- of a debt for the lease liabilities.

Assessment of the right-of-use assets

On the starting date of a rental contract, the right of use is assessed at its cost (i.e. the total of rents discounted against the period of the contract) and includes the initial amount of the debt. For rental contracts with a starting date prior to January 1, 2019 the starting date applied was January 1, 2019.

The right-of-use is amortised over the period of use of the subjacent assets (lease term for the rent component).

Assessment of lease liabilities

On the starting date of a rental contract, the lease liability is booked for an amount equal to the discounted value of rents over the period of the contract. The amounts taken into account for rents in the assessment of debt are as follows:

- Fixed rent (including fixed rents in substance, i.e. even if they contain variability in the presentation, they are, in substance, unavoidable),
- Payments to be made by the tenant on account of an option to buy.

Assessment of liabilities linked to the rental contract:

- It is increased to include interest charges determined by implementation of a discount rate to the debt, at the beginning of the period,
- It is reduced by the amount of the payments already made.

Also, the liabilities can be re-valued in the following situations:

- Revision of the rental period,
- Modification linked to an assessment of the reasonable certainty (or otherwise) of exercising an option,
- Revision of the rates or index upon which rents are based when the adjustment of rents takes place.

Typology of capitalised rental contracts

- **'Real estate' rental contracts**

The group has identified rental contracts according to the standard for the buildings rented by its subsidiaries Mecafer, FGinox, Rousseau, Distrilabo and Thermacome. Those rental contracts have a duration of 3-6-9 years without a renewal option on the lease term, excepted for that of Thermacome, which is three years. The duration used to calculate the lease liabilities is 9 years (excepted for Thermacome, which is three years) in compliance with the ANC recommendations.

The discount rate used to calculate the rental debt for each asset is determined according to the marginal indebtedness rate on the starting date of the contract. We have used one single rate for all the buildings, the properties being usually purchased by S.C.I. Thely which is 100% held by Thermador Groupe. This rate corresponds to the interest rate that the tenant would, at the beginning of the rental period, obtain to borrow the funds necessary to purchase the asset over a period with a similar guarantee and in a similar economic environment. The rate is obtained by adding the '10-year lead borrowing rate' and the spread that is specific to Thermador Groupe (the rate gap between Thermador Groupe's marginal lending rate and the '10-year lead borrowing rate').

- 'Other assets' rental contracts

The main lease contracts identified are for vehicles and photocopiers. The capitalisation period for rents corresponds to the compulsory engagement period of the contract, with the majority of contracts not including renewal options. The discount rate used to calculate the rental debt is determined for each asset according to the marginal indebtedness rate at the date the contract comes into force (cf. paragraph 'real estate' to understand how the marginal indebtedness rate is determined). This discount rate is different from the discount rate used for 'real estate' rental contracts.

Typology of non-capitalised rental contracts

The group uses two exceptions allowed by the IFRS 16 standard which means that they do not need to be booked on the balance sheet: short-period contracts and contracts concerning low-value assets:

- Short-term rental contracts for twelve months or less,
- Rental contracts concerning low-value assets: these contracts concern rents for which the new replacement value of the asset is \$5,000 US or less.

Summary of the financial statement impacts

30/06/2020	IFRS 16 impacts
<u>Financial statement</u>	
Non-current assets before IFRS 16	128 213
Right-of-use assets	3 276
Non-current assets after IFRS 16	131 489
Non-current liabilities before IFRS 16	40 293
Lease liabilities over 1 year	2 194
Non-current liabilities after IFRS 16	42 487
Current liabilities before IFRS 16	104 822
Lease liabilities under 1 year	1 101
Current liabilities after IFRS 16	105 923
<u>Global consolidated profit statement</u>	
External costs before IFRS 16	-15 496
Cancellation of the rental costs	574
External costs after IFRS 16	-14 922
Depreciation and amortisation before IFRS 16	-2 583
Depreciation and amortisation - IFRS 16 impact	-554
Depreciation and amortisation after IFRS 16	-3 137
Gross cost of debt before IFRS 16	-98
Finance cost - IFRS 16 impact	-24
Gross cost of debt après IFRS 16	-122
Taxes before IFRS 16	-6 747
Deferred taxes - IFRS 16 impact	1
Taxes after IFRS 16	-6 746
Total impact on profit	-3

IFRIC 23

The IFRIC 23 'uncertainty relating to fiscal processing' interpretation became compulsory as of January 1st, 2019. On 30 June 2020, its application has no impact on our account or the half yearly statements.

3) Consolidated subsidiaries

Consolidated subsidiaries are all companies in which Thermador Groupe held directly or indirectly at least 20% of the voting rights on June 30, 2020:

Name	Location	Ownership interest (%)	Consolidation method
Sferaco	France	99.9975%	Fully consolidated subsidiaries
Thermador	France	99.9975%	Fully consolidated subsidiaries
Jetly	France	99.9972%	Fully consolidated subsidiaries
Dipra	France	97.9933%	Fully consolidated subsidiaries
PB Tub	France	99.9800%	Fully consolidated subsidiaries
Isocel	France	99.9000%	Fully consolidated subsidiaries
Sectoriel	France	99.9631%	Fully consolidated subsidiaries
Syveco (formerly called Thermador International) *	France	99.9888%	Fully consolidated subsidiaries
Axelair	France	99.9958%	Fully consolidated subsidiaries
Mecafer	France	100.0000%	Fully consolidated subsidiaries
Domac	France	100.0000%	Fully consolidated subsidiaries
Aello	France	99.9992%	Fully consolidated subsidiaries
Thely	France	99.9999%	Fully consolidated subsidiaries
Opaline	France	100.0000%	Fully consolidated subsidiaries
Tagest	France	99.8000%	Fully consolidated subsidiaries
Deco holding (Sodeco Valves)***	Belgium	100.0000%	Fully consolidated subsidiaries
FGinox	France	100.0000%	Fully consolidated subsidiaries
Edouard Rousseau (formerly called Sanidom)	France	100.0000%	Fully consolidated subsidiaries
Rousseau SA**	Spain	100.0000%	Fully consolidated subsidiaries
Distrilabo	France	100.0000%	Fully consolidated subsidiaries
Thermacome	France	100.0000%	Fully consolidated subsidiaries

The consolidation scope concerns all companies of the group. This was modified in 2020: acquisition of 100 % of Thermacome's capital on April 30, 2020.

(*) Thermador International changed its name and is now called Syveco.

(**) Rousseau SA was consolidated in the Rousseau sub-perimeter on December 31, 2019. On June 30, 2020, Rousseau SA is consolidated in the Thermador Groupe perimeter.

(***) Deco holding (Sodeco Valves) is the sub-perimeter made of Sodeco Distribution (Belgium), Sodalis Investment (Belgium), Sodeco Valves BV (Netherlands), Sodeco Valves AG (Switzerland), Sodeco Armaturen GMBH (Germany) and Sodeco Sedin (France).

4) Material accounting rules and methods

The base method used to assess elements entered into the accounts is the historical cost method except for financial instruments (short-terms and derivatives) which are assessed at their actual value.

Note 1 - Goodwill

Goodwill arising from the acquisition of S.C.I Thely shares by Thermador Groupe in 1987 and 1990 was allocated to Land and Buildings: this adjustment was not applied to minority interests. This goodwill is amortised through income statement in accordance with the accounting principles applying to the related fixed assets. Thus, the spread attributed to land was not amortised and the spread allocated to constructions was amortised according to the forecast residual service life of the constructions.

	Land	Buildings	Total
Gross purchase discrepancy value	39	468	507
Start-of-period depreciations		(468)	(468)
End-of-period depreciations		(468)	(468)
Net purchase discrepancy value	39		39

With Thermador Groupe's purchase of **Sodeco Valves** shares on August 31, 2017, a purchase discrepancy of €300,000 was allocated to the buildings item. Via the profit and loss statement, this purchase discrepancy was depreciated in compliance with rules applying to the asset concerned. Thus, the purchase discrepancy for constructions was written down over 20 years.

	Buildings
Gross purchase discrepancy value	300
Start-of-period depreciations	(35)
End-of-period depreciations	(43)
Net purchase discrepancy value	257

At the time of purchase of **Sanidom** shares (today: Etablissements Edouard Rousseau) by Thermador Groupe on December 31, 2018, a purchase discrepancy of k€3,536 was allocated to the land & buildings item.

	Land	Buildings	Total
Gross purchase discrepancy value	952	2 584	3 536
Start-of-period depreciations		(119)	(119)
End-of-period depreciations		(178)	(178)
Net purchase discrepancy value	952	2 406	3 358

The purchase discrepancy allocated to buildings will be amortised using write-down periods according to items.

Items	Depreciation period (number of years)
Primary works	40
Wall frames and roof frames	25
Electricity	20
Heating and plumbing	15
Paintwork and partitions	10
Roof	20

A purchase discrepancy of €3,700,000 was attributed to the brand for a total of €1,200,000 and customer relations for €2,500,000. The latter is written down over a period of 10 years starting on January 1, 2019. Therefore, a depreciation charge is accounted €125,000 on June 30, 2020.

	Brand	Customer relations	Total
Gross purchase discrepancy value	1 200	2 500	3 700
Start-of-period depreciations		(250)	(250)
End-of-period depreciations		(375)	(375)
Net purchase discrepancy value	1 200	2 125	3 325

At the time of Thermador Groupe's purchase of **Distrilabo's** shares on December 31, 2019, goodwill of €1,900,000 was attributed to the brand for a total of €550,000 and customer relations for €1,350,000. The customer relations item will be written down over a period of 10 years starting on January 1, 2020. Therefore, a depreciation charge is accounted €68,000 on June 30, 2020.

	Brand	Customer relations	Total
Gross purchase discrepancy value	550	1 350	1 900
Start-of-period depreciations			
End-of-period depreciations		(68)	(68)
Net purchase discrepancy value	550	1 282	1 832

At the time of Thermador Groupe's purchase of **Thermacome's** shares on April 30, 2020, goodwill of €2,600,000 was attributed to the brand for a total of €1,600,000 and customer relations for €1,000,000. The customer relations item will be written down over a period of 10 years starting on June 30, 2020.

	Brand	Customer relations	Total
Gross purchase discrepancy value	1 600	1 000	2 600
Start-of-period depreciations			
End-of-period depreciations		(67)	(67)
Net purchase discrepancy value	1 600	933	2 533

Note 2 – Non-allocated goodwill

The balance sheet includes a ‘goodwill’ item for €56,365,000:

In thousands of euros	Book value, pre-harmonisation purchase	Adjustments	Book value purchased	Acquisition cost	Goodwill
PBtub, Isocel, Dipra, Thermador, Jetly Sferaco				6 136	6 136
Mecafer	8 940	(298)	8 642	24 300	15 658
Nuair	741		741	2 700	1 959
Sodeco Valves	5 922	170	6 092	10 000	3 908
FGinox	6 930	21	6 951	22 881	15 930
Groupe Valfit	2 653	(13)	2 640	7 600	4 960
Vortice France				850	850
Sanidom / Rousseau	15 184	5 388	20 572	22 000	1 428
Sale of the Sodeco Sedin business				(31)	(31)
Distrilabo	1 293	1 419	2 712	5 200	2 488
Thermacome	2 354	1 947	4 301	7 000	2 699
Thermacome business				380	380
TOTAL 30/06/2020	41 663	6 687	52 651	109 016	56 365

Movements over the period can be broken down as follows:

In thousands of euros at 31/12/2019	53 286
- Movements over the period:	
- Goodwill on Thermacome	2 699
- Thermacome business	380
At 30/06/2020	56 365

When new subsidiaries were included in the scope, in application of the revised version of IFRS 3, goodwill was recorded. This accounts for synergies we would expect from the inclusion of new activities of the new businesses acquired, as well as economies of scale generated by sharing resources. It is attributed to groups of cash generating units (CGU), represented by each company acquired.

The acquisition price of the companies corresponds to the fair value on the date of acquisition of the elements of earnings given to the seller in exchange for the control of the acquired assets, excluding any element which remunerates any transaction separate from the takeover.

Detail of amounts and adjustments:

2015 - Mecafer / Nuair:

In thousands of euros	Mecafer	Nuair France	Total
Book value, pre-harmonisation purchase	8 940	741	9 681
Adjustments	(298)		(298)
Book value purchased	8 642	741	9 383
Acquisition cost	24 300	2 700	27 000
Goodwill	15 658	1 959	17 617

This goodwill is wholly allocated to the goodwill item.

2017 - Sodeco Valves:

Reprocessing pertained to:

- Allocation of the part of the goodwill to the fair value of Sodeco Valves' building on August 31, 2017 for a total of €300,000, minus a deferred tax liability of €102,000.
- Deferred tax on the pension provision, i.e. €3,000.
- The business value of €32,000 of Sodeco Sedin, the French subsidiary of Sodeco Valves.

2017 - FGinox:

Reprocessing pertained to:

- Deferred taxation on the pension provision, i.e. €21,000.

2017 - Groupe Valfit:

Reprocessing pertained to:

- Harmonisation of the method used for pension provision, i.e. an additional charge of €29,000 and deferred taxation on the pension provision, i.e. €16,000.

2017 - Vortice France:

Via its subsidiary Axelair, Thermador Groupe acquired Vortice France on December 31, 2017 for €850,000. The portion attributable to African customers, valued at €30,000 was transferred to Syveco on December 31, 2018.

2018 - Sodeco Valves:

On October 30th 2018, Sodeco Sedin sold 80% of its business for €550,000. The net accounting value of this asset was €25,000 on October 30th 2018. The €525,000 gain was booked as 'other operating incomes' in Sodeco Valves' CGU. The purchase price of €10m for Sodeco Valves was not reduced as a result because no portion of this price was attributable to Sodeco Sedin's business capital. We should remind you that Sodeco Sedin was in competition with distributor customers of our subsidiaries Sferaco and Sectoriel, and continued operation of this business could have been unfavourable to those two subsidiaries. Furthermore, Sodeco Sedin recorded operating losses for 2017, 2016 and 2015.

2018 - Etablissements Edouard Rousseau (formerly called Sanidom):

The €1,428,000 goodwill was wholly allocated 'goodwill' item. Reprocessing pertained to:

- Allocation of a part of the fair value acquisition of the Sanidom/ Rousseau land on December 31, 2018 of €952,000 minus a deferred taxation liability of €238,000,
- Allocation of a part of the fair value acquisition of the Rousseau building on December 31, 2018 for a total of €2,584,000 minus a deferred tax liability of €659,000,
- Allocation of a part of the fair value acquisition of the 'Edouard Rousseau' brand on December 31, 2018 for a total of €1,200,000 minus a deferred taxation liability of €300,000,
- Allocation of a part of the fair value acquisition of the customer base on December 31, 2018 for a total of €2,500,000 minus a deferred taxation liability of €651,000.

2019 - Distrilabo:

The €2,488,000 goodwill was wholly allocated 'goodwill' item.

Reprocessing pertained to:

- Allocation of a part of the acquisition of the 'Distrilabo' brand on December 31, 2019 of €550,000 minus a deferred taxation liability of €137,500,
- Allocation of a part of the acquisition of the customer base on December 31, 2019 for a total of €1,350,000 minus a deferred tax liability of €343,500.

2020 - Thermacome

The €2,699,000 goodwill was wholly allocated 'goodwill' item.

Reprocessing pertained to:

- Allocation of a part of the acquisition of the 'Thermacome' brand on June 30, 2020 of €1,600,000 minus a deferred taxation liability of €400,000,
- Allocation of a part of the fair value acquisition of the customer on 30 June 2020 for a total of €1,000k minus a deferred tax liability of €253,500.

Impairment tests on goodwill:

Impairment tests (IAS 36) are performed once a year at least for units generating cash having acquired goodwill in compliance with IAS 8 as per the presentation of sector-based information. These cash generating units were defined according to business sector criteria. Given the group's organisation and the distribution of the different business fields, the cash generating units chosen by the group comprise of the legal entities Jetly, Sferaco, Thermador, Dipra, Isocel, PBtub, Sectoriel, Syveco, Axelair, Mecafer/ Domac, Aello, Sodoco Valves, FGinox, Edouard Rousseau, Distrilabo, and Thermacome, and a separate grouping comprising Thely, Opaline, Tagest and Thermador Groupe (cf. note 18). Following the COVID-19 crisis we have performed impairment tests on the cash generating units that might have showed value decrease.

The results of impairment tests on this 'goodwill', based in particular on future forecast net cash flows over a period of five years and a subsequent growth rate of 1%, discounted at 8.3%, explain the absence of provisions. The discount rate was calculated according to the 30-year treasury bond rate TEC (Constant Maturity Treasuries), French market risk, and sector risk, i.e. 1.11%, a specific risk premium and a COVID-19 premium of 0.5%. A reasonable variation of the discount rate of +/- 0.5% was applied in our depreciation tests.

Revision on the key assumptions of turnover, profits, working capital and cash have taken the COVID-19 crisis impacts into account.

A recent variation of the key assumptions including this discount rate variation does not show any particular sensitivity in any of the CGUs assessed.

Note 4 – Deferred taxes:

Deferred taxes were calculated on all items of the balance sheet and profit and loss account. In thousands of euros

Pre-tax net (accounting profit)	23 223
Tax rate on ordinary activities	28.01%
Theoretical tax burden	6 505
Social contribution	101
Non-deductible costs and charges on subsidiaries 'dividends (2)	153
Variation in deferred tax rate (3)	19
Non-deductible charges and impact of non-French rate	(32)
Taxes	6 746
Actual tax rate	29.04%

Corporate tax rate on June 30, 2020:

Profits from ordinary activities (1)	28.01%
Social contribution	0.43%
Non-deductible costs and charges on subsidiaries 'dividends (2)	0.66%
Variation in deferred tax rate (3)	0.08%
Non-deductible charges and impact of non-French rate	(0.13%)
Rate of corporation tax on profit from ordinary business	29.05%

- (1) The finance law introduced a sliding scale element in the tax rate applicable as of January 1, 2018. A 28% tax rate has been used on French profits, the tax rate in Belgium is 25%, the one in Spain is 25%.
- (2) The finance law fixed the percentage of non-deductible fees and charges on subsidiaries' dividends at 5%. This represents a corporation tax charge on dividends of €538,000 which will be paid to Thermador Groupe in 2020.
- (3) The tax rate of 28% for 2020, 26.5% for 2021 and 25% as of 2022 were observed for June 30, 2020 to take into account the programmed changes to the tax rate according to the size of the company in the 2018 finance law (article 84). The impact of the variation in deferred tax rates is a €19,000 charge. This quantum concerns legal participation, losses carried forward, pension provisions and non-deductible provisions on stock.

Non-current deferred tax assets	30/06/2020	30/06/2019	31/12/2019
Provision for end-of-career commitment	748	638	718
Axelair and Aello deficit	498	563	549
IFRS 16 impact	5	3	3
Total	1 251	1 204	1 270

Current deferred tax assets	30/06/2020	30/06/2019	31/12/2019
Axelair and Aello deficit			76
Temporary differences	378	409	411
Total	378	409	487

Non-current deferred tax liabilities	30/06/2020	30/06/2019	31/12/2019
Goodwill *	1 429	1 429	1 429
Excess value on buildings and land	880	916	898
Provision for end-of-career commitment	-283	-188	-221
Sodeco valves deficit carried over	-69	-91	-69
Gain on building	75	98	79
Brand and customer relations	1 818	839	1 248
Depreciation on building	-35	-35	-35
Total	3 815	2 968	3 329

* Goodwill recorded in the assets of Thermador Groupe are in deferred taxes.

Current deferred tax liabilities	30/06/2020	30/06/2019	31/12/2019
Tax on subsidiaries dividends	142	143	315
Fair value of financial instruments	-9	-23	-3
Goodwill of land and construction	36	39	36
Excess value on buildings	8	9	8
Brand and customer relations	132	74	108
Temporary differences	-102	-78	-80
Total	207	164	384

Note 5 - Operations in foreign currencies, financial instruments and derivatives

Operations in foreign currencies are registered for their value at the date of the operation.

Debt and credit in foreign currency appear on the balance sheet for their value in the course of the financial year or of the financial commitments made. The difference resulting from the reassessment of debt and credit in foreign currency at the most recent rate is included in the P&L account.

Amount of accounts payable on June 30, 2020 in the main foreign currency (US Dollars): 2,176,000.

Thermador Groupe uses no financial derivatives for speculative purposes.

The derivatives used serve only to cover exchange rate fluctuations corresponding to purchase of merchandise in foreign currencies. Thermador Groupe decided to introduce centralised management of cash in dollars as of January 1, 2018 to cover the requirements of all the group subsidiaries.

In this respect, Thermador Groupe subscribed to USD forward currency purchases for 35,650,000 USD with instalments in the second half of 2020.

The IAS 39.9 criteria are respected, allowing the group to book this hedging according to hedging accounting methods. An effectiveness test was carried out on June 30, 2020.

The fair value of such financial instruments is recorded for -€31k in equity.

There is no compensation between financial assets and liabilities.

Financial assets and liabilities appearing on the balance sheet: ventilation per category of instruments

Assets at 30/06/2020	Balance sheet value	Fair value	Fair value per result	Receivables	Hedging instruments
Customers of commercial activities	92 261	92 261		92 261	
Other debtors	13 878	13 878		13 878	
Cash	9 247	9 247	9 247		
Total assets	115 386	115 386	9 247	106 139	

Liabilities at 30/06/2020	Balance sheet value	Fair value	Fair value per result	Payables	Hedging instruments
Long term financial loans and debt	32 372	32 372		32 372	
Lease obligation > one year	2 194	2 194		2 194	
Noncurrent liabilities	7 921	7 921		7 921	
short term financial loans and debt	15 149	15 149		15 149	
Lease obligation < one year	1 101	1 101		1 101	
Suppliers	52 200	52 200		52 200	
Supplier fixed assets	726	726		726	
Instruments financiers	31	31			31
Other creditors	36 716	36 716		36 716	
Total liabilities	148 410	148 410		148 379	31

Note 6 - Bank loans and debts

30/06/2020 In thousands of euros	Current	Non-current	Total	Under one year	Over one year and under five years late	Over five years
Bank loans	15 149	32 372	47 521	15 149	32 339	33
Lease liabilities (IFRS 16)	1 101	2 194	3 295	1 101	2 011	183
Cash and equivalent	9 247		9 247	9 247		
Net cash	(7 003)	(34 566)	(41 569)	(7 003)	(34 350)	(216)

Cash and cash equivalents for €9,247k include bank accounts for €7,429k and term deposits for €1,818k with a maturity of one month or less.

5) Notes on the balance sheet

Fixed assets (note 7)	Gross value at the opening of the period	Included in the scope	Increases	Decreases	Gross value at the end of the period
Goodwill on consolidation	53 286	3 079			56 365
Other intangible assets	10 768	2 705	345		13 818
Total intangible assets	64 054	5 784	345	0	70 183
Land	10 834				10 834
Buildings on own property	65 666		208		65 874
Machinery and equipment	10 917	237	514	49	11 619
General equipment, fixtures and fitments	5 551		772		6 323
Transport material	305		6		311
Office and IT equipment, furniture	4 674	7	289	13	4 957
Other tangible assets in progress	6 265		2 749	246	8 768
Right-of-use assets	3 772	75	801	108	4 540
Total tangible assets	107 984	319	5 339	416	113 226
Other financial assets	298	19	5	10	312
Total financial assets	298	19	5	10	312
Grand total	172 336	6 122	5 689	426	183 721

In 2019, works began on the refurbishment of the building occupied by Dipra so as to improve working conditions for staff in the warehouse and optimise utilisation of the building. This project comes in two phases: delivery of a new building (office and warehouse) for Dipra planned for April 2020, construction of two storage units for Aello and a temporary storage area. Due to COVID-19 crisis, construction have been delayed/ The new Dipra building should be delivered during July 2020.

Total real estate includes 296,166 m² of land and 121,452 m² of buildings (warehouses and offices).

Real estate value was reassessed in December 2016 for buildings in Saint-Quentin-Fallavier, in April 2017 for our subsidiary Domac's building, in August 2018 for our subsidiary Sodeco Valves' building, and in December 2018 for our subsidiary Edouard Rousseau's building at around €60.8m (valuations made by Expertise Galtier, Chemin Moulin Carron-69 Ecully and CBRE in Brussels), which includes built and unbuilt land.

Note 7 – Depreciation and amortisation

Amortisation (note 7)	Amortisation 31/12/2019	Included in the scope	Increases	Decreases	Amortisation 30/06/2020
Goodwill on consolidation					-
Other intangible assets	3 949	79	427		4 455
Total intangible assets	3 949	79	427	-	4 455
Land					
Buildings on own property	29 871		1 246		31 117
Machinery and equipment	8 224	116	399	47	8 692
General equipment, fixtures and fitments	3 608		256		3 864
Transport materials	211		33		244
Office and IT equipment, furniture	3 636	2	222	12	3 848
Right-of-use assets	817		554	108	1 263
Total tangible assets	46 367	118	2 710	167	49 028
Grand total	50 316	197	3 137	167	53 483

Note 8 – Equity

At the beginning of the period, the capital was made up of 9,109,752 shares of €4 nominal value each, i.e. €36,439,008. On April 28, 2020, an increase in capital reserved to employees was realized. 91,097 new shares of €4 nominal value each were issued. On June 30, 2020 the capital is of €36,803,396 divided in 9,200,849 shares of €4 each. There is no stock-options.

Thermador Groupe purchased 1,200 of its own shares during 2018 for a value of €62,000. These shares were valued at the time of closure at €52.2. The purchase price of shares is higher than their price at June 30, 2020 (latent loss of €337).

Note 9 – Commitments or operations with associated parties:

Associated parties concern all Board members of Thermador Groupe who are usually directors of the group's main subsidiaries.

There is no commitment or operation with the associated parties apart from elements of earnings and pension commitments. The Group does not use any assets which belong directly or indirectly to directors or members of their families.

Total gross earnings and benefits of all types, both direct and indirect, for each Corporate Representative of the Group (including consolidated and controlled companies according to Article 357-1 of the law on commercial companies) paid for the financial year to members of the Board on account of their functions total €477.2k distributed as follows:

Earnings fixed and variable (due and paid)									
	Fixed part			Variable part			Total earnings		
	1st half 2020	1st half 2019	2019	1st half 2020	1st half 2019	2019	1st half 2020	1st half 2019	2019
Operational Board members Chairman & CEO and Deputy CEO									
Jean François Bonnefond, Board member, audit committee member and Deputy CEO									
- earnings as Jetly CEO	89	82	163			89	89	82	252
- earnings as Deputy CEO of Thermador Groupe	13	13	26				13	13	26
Lionel Grès, Board member (1)	74	72	140			20	74	72	160
Patricia Mavigner, secretary of the Board of Directors and Deputy CEO since May 1, 2016	73	71	141			91	73	71	232
Guillaume Robin, Chairman and CEO	100	98	197			111	100	98	308
Yves Ruget, Board Member (2)	69	66	132			85	69	66	217
subtotal	418	402	799			396	418	402	1 195
Allocated earnings									
External Board members									
Guy Vincent (3)		4,1	10,4					4,1	10,4
Janis Rentrop	9,5	6,2	11,4				9,5	6,2	11,4
Independent Board members									
Karine Gaudin, audit committee chairman	11,7	8,7	20,5				11,7	8,7	20,5
Caroline Meignen	9,5	6,2	15				9,5	6,2	15
Laurence Paganini	9,5	6,2	13,4				9,5	6,2	13,4
Laurence Verdickt (4)	-	-	2				-	-	2
Olivier V. de la Clergerie, audit committee member	9,5	8,3	19,7				9,5	8,3	19,7
Mathilde Yagoubi	9,5	4,1	11,4				9,5	4,1	11,4
subtotal	59,2	43,8	103,8				59,2	43,8	103,8
TOTAL	477,2	445,8	902,8			396	477,2	445,8	1 298,8

Earnings of operational board members:

- (1) Lionel Grès, Chairman & CEO of Axelair was appointed board member during AGM of April 6, 2020.
- (2) Yves Ruget, Chairman & CEO of Thermador was appointed board member during AGM of April 6, 2020.

Earnings of external board members:

- (3) Guy Vincent, founder of Thermador resigned from his directorship at the Thermador Groupe Board Meeting of January 28, 2020

Earnings of independent board members:

- (4) The mandate of board member Laurence Verdickt was not renewed at the annual general meeting of April 8, 2019.

Corporate representatives receive no fringe benefit or stock options based on performance. There are no golden parachutes or golden handshakes for corporate officers. Corporate officers have no special retirement plan. They do not receive any compensation linked to non-competition clauses or termination compensation.

Commitments to executives:

The retirement commitment concerns the payment of a retirement bonus authorised by the Board Meeting of December 19, 2003. This bonus is calculated in the same way as that paid to a manager according to the conventions of article 5 of amendment I of the industry-wide agreement for the wholesale business.

On June 30, 2020, the total of the commitment corresponding to this bonus for board members and corporate representatives was €356,400.

Note 10 – Significant events occurring after the closing statements:

No significant change to the Group's financial or commercial structure has occurred since the end of the financial half year, except for:

In July 2020 one of our customers, the Fransbonhomme group, opted for a €60m state-guaranteed loan (PGE) from a consortium of French banks alongside other creditors of the group. As a result, the whole of the outstanding amount due of €1.3m was settled by July 24, 2020.

Note 11 – Risk assessment

Our principal risks are mentioned in our 2019 universal registration document in chapter 4 – Risk factors
Following sanitary crisis during 2020 first half year, we reviewed our risk factors, and we added the factor « global pandemic » (cf. note1 – Main events of the financial half year)

The nature of the main risks was not modified for the first half of 2020. We however would like to give some more information about note 21 of our 2019 universal registration document.

Credit risk: we have no major customers default for first 2020 half year. We remain particularly vigilant for debt collection in the post-covid period.

Customer receivables on June 30, 2020:

Accounts receivables (excluding bad debts) at 30/06/2020 (in thousands of euros)	Total amount	Total for due dates after 30/06/2020	Under 30 days late	Over 30 days and under 60 days late	Over 60 days and under 90 days late	Over 90 days late
Customer receivables on June 30, 2020	83 451	71 411	6 769	2 316	1 689	1 267
% customer receivables		86%	8%	3%	2%	2%
Customer receivables on December 31, 2019	63 468	53 570	6 835	1 109	697	1 257
% customer receivables		84%	11%	2%	1%	2%

Liquidity risk:

The company has performed a specific liquidity risk review, taking into account the Covid-19 health crisis. It concludes that it is in a position to meet its future financial obligations. The situation at June 30, 2020 is positive (cash flow statements on page 5 of our half-yearly memo). The group can access unused short-term cash facilities. None of the outstanding bank loans contain covenants or guarantees. We are not exposed to any risk of early repayment or interest rate adjustment.

Note 12 - Legal risks:

Over the past twelve months there has been no governmental, judicial, arbitration or administrative procedure (including any procedure of which we may have knowledge, any that may be subject to suspension or any that represents a potential threat) which could have or would recently have had significant effects on the Group's financial situation or profitability.

On April 3rd 2017, Thermador Groupe and its subsidiaries Aello and Jetly were taken before the commercial tribunal of Rennes by the companies Diffusion Equipements Loisirs – D.E.L. and Multifija on the grounds of unfair competition and parasitism on the market for swimming pool equipment and accessories.

We deplore this legal action and fully reject these accusations. On June 26, 2018, our lawyer pleaded before the Court of Appeal against the decision of the Commercial Tribunal of Rennes handed down on March 20, 2018, rejecting our plea on erroneous jurisdiction to the Arbitral Tribunal. The deliberation of the Court of Appeal dated October 2, 2018 rejected our application. The Supreme Court found in favour of our appeal, thus overturning the decision of the Court of Appeal in December 2019.

In February 2020, we represented our erroneous jurisdiction conclusions before the Court of Appeal and our lawyer pleaded in July 2020.

Following the October 2019 hearing before the Commercial Court of Rennes in an unfair competition suit, the latter struck the case off for lack of diligence on the part of the plaintiffs, D.E.L. and Multifija. To date, the case has not reappeared on the court's books.

We remain confident as to the results of these procedures. No provision was entered on June 30, 2020 because to date we have no obligation to do so, and it cannot be estimated in any reliable way.

Note 13- Balance sheet provisions (in thousands of euros)

Provisions (note 13)	Value at the opening of the period	Included in the scope	Increases	Decreases	Value at the end of the period
<u>Non-current provision</u>					-
Provisions for end-of-career commitments	3 724	260	144	22	4 106
Total non-current provision	3 724	260	144	22	4 106
<u>Current provision</u>					-
Other current provision	606	93		36	663
Total current provision	606	93	-	36	663
Grand Total	4 330	353	144	58	4 769

	Value at the opening of the period	Included in the scope	Increases	Decreases	Value at the end of the period
Stock provisions	3 638	37	533	223	3 985
Customers provisions	1 217	6	50	69	1 204
Total impairment provisions	4 855	43	583	292	5 189

Note 14- Receivables (in thousands of euros)

Receivables (note 14)	30/06/2020	30/06/2019	31/12/2019
Trade receivables	91 821	84 095	63 468
Bad debts	440	332	463
Corporate tax	1 018	421	685
Deferred corporate tax assets	378	409	487
Other receivables			
VAT receivables	6 198	5 510	5 434
Other receivables	4 726	4 504	6 450
Prepaid expenses	1 558	1 419	713
Total other receivables	12 482	11 433	12 597
Total receivables	106 139	96 690	77 700

Note 15- Debts (in thousands of euros)

Debts (note 15)	30/06/2020	30/06/2019	31/12/2019
Current provisions	663	565	606
Rental obligations of less than one year	1 101	845	1 018
Short-term loans	554	1 170	189
Current component of loans and debts	14 595	10 538	11 760
Trade payables	52 200	55 470	52 254
Corporate tax	714	1 214	1 983
Fixed assets suppliers accounts payables	726	988	1 510
Tax and social liabilities:			
Salaries and social security liabilities	10 810	9 819	10 419
Deferred corporate tax liabilities	216	164	384
VAT	8 130	6 127	2 392
Other tax liabilities	1 528	1 194	732
Total fiscal and social liabilities	20 684	17 304	13 927
Other debtors	14 686	12 255	14 853
Total debts	105 923	100 349	98 100

6) Notes on the profit and loss account

Note 16 - Explanation concerning turnover for the first half of 2020:

The turnover is made up primarily of sales of merchandise which are accounted for upon delivery.

Distribution of turnover by geographical area: France €156,655,000 and foreign sales: €34,044,000 including Syveco €13,918,000 and Sodeco Valves €9,791,000.

	30/06/2020	2020 constant scope	30/06/2019
Turnover (according to IFRS 15)	187 869	182 548	190 699

To constant scope 2020 turnover is €182,548k compared to constant scope 2019 turnover of €190,699k. 2020 turnover includes that of the company Distrilabo (€2,224k), acquired on December 31, 2019 and that of Thermacome, i.e. €3,097k for 2 months, acquired on April 30, 2020.

Note 17 – Explanation concerning operating income and net profit of the first half of 2020:

	30/06/2020	2020 constant scope	30/06/2019
Current operating income	23 358	23 235	25 017
Net profit as a portion of the group	16 472	16 397	16 981

To constant scope operating profit for 2020 was €23,235k compared to 2019 operating income to a constant scope of €25,017k. Again to constant scope, the net profit as a portion of the group for 2020 was €16,397k compared to a net profit for 2019 to constant scope of €16,981k. Operating profit and net profit as a portion of the group at June 30, 2020 includes Distrilabo's and Thermacome's results, companies acquired on December 31, 2019 and April 30, 2020.

7) Information per business area

Note 18 - (in thousands of euros)

Profit and loss account:		2020		2019	
		Turnover	Profit before tax	Turnover	Profit before tax
Mecafer / Domac (1)	Equipment tools in DIY	14 824	1 116	14 581	864
Dipra / Rousseau (5)	Pumps, plumbing and taps	28 308	1 362	28 847	1330
Isocel	Component for OEM	2 975	388	3 057	394
Aello	Swimming pool equipment	7 800	868	5 863	479
Jetly	Pumps	24 226	5 169	26 512	5 968
Thermador	Central heating and sanitary accessories	22 817	4 464	22 234	4 418
PBtub	Heating - cooling surfaces and piping systems	11 285	725	13 523	1 148
Thermacome (7)		3 097	219		
Axelair	Ventilation equipment and accessories	3 512	50	3 320	-4
Sferaco (4)	Valves, meters and connectors	26 334	5 160	29 980	5 868
Sectoriel	Motorised valves and air compressors	10 571	1 628	10 865	1 693
Distrilabo (6)	Measure and control	2 224	-97		
Syveco	International	13 087	1 778	13 925	1 825
FG Inox (3)	Stainless steel connectors, flanges, valves and accessories	6 824	636	8 437	1066
Sodeco Valves (2)	Industrial valves	9 791	487	9 393	502
Other structures		194	23 436	162	20 912
Eliminations			-24 031		-21 446
Total		187 869	23 358	190 699	25 017

- (1) With acquisition of Domac since March 1, 2017.
- (2) With acquisition of Sodeco Valves since September 1, 2017.
- (3) With acquisition of FGinox since October 1, 2017.
- (4) With acquisition of groupe Valfit since December 31, 2017.
- (5) With acquisition of Rousseau / Sanidom since December 31, 2018.
- (6) With acquisition of Distrilabo since December 31, 2019.
- (7) With acquisition of Thermacome since April 30, 2020.

Cash generating units are defined according to activity sector criteria. Given the group's organisation and the way the distribution of their different professions, cash generating units appointed by the group are made up of the legal entities: Jetly, Sferaco including Groupe Valfit since December 31, 2017, Thermador, Dipra and Edouard Rousseau (since December 31, 2018), Isocel, PBtub, Sectoriel (including Nuair France since July 1, 2015), Syveco, Axelair, Mecafer (July 1, 2015) including Domac (since March 1, 2017), Aello, Sodeco Valves, FGinox, Distrilabo (since December 31, 2019), Thermacome (since April 30, 2020) and a separate unit comprising Thely, Opaline, Tagest and Thermador Groupe.

8) Employees

Note 19

By category	30/06/2020 (*)	30/06/2019	31/12/2019
Management	217	185	187
Supervisory staff	64	50	47
Employees	388	336	365
Total	669	571	599

(*) Headcount on June 30, 2019 includes employees of Distrilabo and Thermacome, acquired on December 31, 2019 and April 30, 2020. Headcounts reported on December 31, 2019 and June 30, 2020 do not include Distrilabo and Thermacome employees.

On June 30, 2020 our subsidiaries Distrilabo and Thermacome employed 56 people.

By age	30/06/2020 (*)	30/06/2019	31/12/2019
From 18 to 29	89	59	62
From 30 to 39	170	160	164
From 40 to 49	214	182	197
Over 50	196	170	176
Total	669	571	599

Business

In publishing our 2019 Universal Registration Document, we made a special effort to describe the risks that our group could face and the consequences of one sort of occurrence or another. This work was somewhat in vain, given that we were not able to predict that a global pandemic would cause the temporary closure of our suppliers' factories, illness affecting some of our employees and the collapse of sales for several weeks. Fortunately, the commitment of our staff and our devolved organisation proved highly resilient in the face of the unexpected, which is very reassuring for the future.

We therefore thank our employees for their courage, lucidity and responsiveness in such difficult circumstances, especially those physically present on our logistics sites.

The group's other stakeholders also rose to the challenge: the majority of our customers met their obligations, our suppliers adapted their manufacturing programmes, our bankers supported our cash flow and the French authorities reacted pragmatically and quickly. You yourselves, as shareholders of Thermador Groupe, held your nerve during the stock market storm that followed the health crisis. We would also like to thank you for your contribution.

These internal and external forces combined to enable us to achieve the impossible in June 2020, as we recorded a 25% increase in turnover compared to June 2019. This rescues our second quarter revenue tally, which is down only 8.9%, and our first half year turnover, which is down only 4.3%. The turnover trends presented here are on a like-for-like basis, without taking into account our two most recent acquisitions.

The onboarding of Distrilabo, acquired on December 31, 2019 and Thermacome, acquired on April 30, 2020, is proceeding as planned, helped by the cooperative approach adopted by the staff concerned. Their objectives and strategies within the group have been presented and challenged by the members of the Executive Committee and of the Board.

Results and financial situation

Effective cost control enabled us to limit the impact on operating income, which only declined 7.1%, at constant scope. If we factor in the results for Distrilabo and Thermacome, the fall is only 6.6%.

Our focus is on our net cash position, which remains at a more than adequate level (€8.7m), despite a relative increase in stock (0.6 months of purchasing consumed) and late payment on the part of a major customer. A post-closing event note 10 page 22 of our half-year does however mention that this unusual situation with the aforementioned customer has now been settled. All in all, customer receivables have only increased by 7.3 days' turnover.

Our financial debt of €47.5m (excl. IFRS16) remains reasonable when set against our equity, which stands at €222.6m.

Main related-party

The main transactions are detailed in note 10 of the notes to the half-year financial statements.

Main risks and uncertainties

Main risks are those related to economic activity. Their type has not been modified during the first half year. These risks are mentioned in our 2019 universal registration document.

Prospects

The decline in GDP in the European countries where we operate and the estimated 46% drop in planning permits for housing construction in France between March and May 2020 will undoubtedly have a negative impact on our business from autumn 2020 onwards. However, the increase in our market share during the crisis and the proven success of certain energy-efficiency product lines mean we can uphold our long-term ambition outlined on page 10 of our 2019 Universal Registration Document.

Governance

Since 2016, we have confirmed the Chairman & CEO succession process in the event of an accident or sudden unavailability on a yearly basis. Since that time, Jean-François Bonnefond, Chairman & CEO of Jetly and Deputy CEO of Thermador Groupe, has been appointed to take over the position. Anticipating his retirement and the end of his term of office as director in April 2021, Thermador Groupe's Executive Committee met for the first time in conclave to identify the person from amongst their number who would have the qualities to succeed him and the will to take on the responsibility. After three rounds of voting, a majority emerged in favour of Lionel Monroe, currently Chairman & CEO of Syveco. The directors, who had been involved in this new process from the outset to identify the required profile, approved this decision at the Board meeting held on July 29. As a result, Lionel Monroe will be put forward as a Board member at the General Meeting scheduled for Tuesday 6 April 2021 and appointed Deputy CEO of Thermador Groupe for a period of 4 years at the Board meeting scheduled for 7 April 2021.

VII. Certification of the author

To my knowledge I certify that the condensed consolidated half yearly statements have been drawn up in compliance with prevailing accounting standards and reliably reflect the assets, financial situation and profits of the company and all the companies in the consolidated accounts, and the half yearly management report presents a reliable account of the business trends of the first six months of the year as well as a description of the main risks and uncertainties which those companies face for the six remaining months of the year.

Saint Quentin Fallavier, July 29, 2020
Guillaume Robin
Chairman &CEO.

VIII.- Statutory Auditors' Review on the Half-yearly Financial Information

To the Shareholders,

In compliance with the assignment entrusted to us by your general assembly and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (« Code monétaire et financier »), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Thermador Groupe, for the period from January 1st, 2020 to June 30th, 2020;
- the verification of the information presented in the half-yearly management report.

The condensed half-yearly consolidated financial statements were prepared under the responsibility of the Board of Directors on July 29th, 2020 on the basis of the information available at that date in the evolving context of the crisis related to Covid-19 and of difficulties in assessing its impact and future prospects. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II – Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review prepared on July 29th, 2020. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

St Etienne and Villeurbanne, July 30, 2020

The Statutory Auditors:

French original signed by

Cabinet Royet
Stéphane Guichard

Mazars
Frédéric Maurel