



Press release

Full-year 2022 results

A sustainable and profitable growth model

- **50 years of growth and entrepreneurship, from a family-owned SME to a world leader in the innovative membrane market**
- **Profitable organic growth in 2022, combined with a targeted acquisition strategy**
- **"Act now to build a better tomorrow": a mobilised player to a mission providing commitment and value to its stakeholders**

Saint-Jean-de-Soudain, March 2, 2023, 5:45 p.m. CET - SergeFerrari Group (FR0011950682 - SEFER), a leading global supplier of innovative flexible composite materials under the Serge Ferrari and Verseidag brands and listed on Euronext Paris – Compartment C, today announces its consolidated annual results for the year ended December 31, 2022, as approved by the Supervisory Board on March 2, 2023. These consolidated financial statements have been audited by the Statutory Auditors, whose reports are currently being prepared.

Sébastien Ferrari, Chairman of the Supervisory Board, comments on the Group's fiftieth anniversary: *"In 2023, the Serge Ferrari Group celebrates its 50th anniversary. Born in 1973 from a breakthrough innovation, the Prestressed, the Group has remained faithful to its DNA of constantly identifying new solutions to meet the changing expectations of its clients. It has shown the agility to absorb growth and become a medium-sized company with a revenue of more than 300 million euros and to take on new markets such as biogas today.*

The Group now has a new governance structure with a Management Board that embodies the need for a company concerned with durability to know how to structure and renew itself while maintaining the key values of innovation and sustainability on which the family company has built its success. The solid performance achieved in 2022, a difficult year for the economy as a whole, shows that Serge Ferrari is on the right track to meet the new challenges it has set itself, such as producing more sustainable and efficient membranes or keeping on promoting new solutions for its customers. "

Sébastien Baril, Chairman of the Executive Board, looks back on the achievements of 2022 and states: *"In a still very demanding environment, SergeFerrari Group recorded strong growth in all its financial indicators in 2022. In particular, we have been able to capitalise on our strategic positioning in our historical markets to maintain our margins and improve our operating leverage thanks to the first industrial synergies generated by recent acquisitions. In an environment that will remain marked by high volatility in energy and raw material costs, in this 50th anniversary year, the Group will focus on further developing its sustainable and profitable growth model by providing its customers with increasingly alternative and innovative solutions, which are practical answers to the challenges of the ecological transition."*

Development of profitable organic growth along with a targeted acquisition strategy

2022 Revenue evolution

SergeFerrari Group achieved record sales of €338.7m in 2022, above its target of €335m raised during the year, and up 18.5% on a current scope and exchange rate basis. The Group is achieving solid growth in all its geographical areas thanks to its continued development in its four historical markets and the initial contributions of acquisitions operating in high-potential businesses from the second half of 2022.

Revenues (in €m)	2022	2021	Change at current scope and currency	Change at constant scope and currency
1 st quarter	79.0	64.1	+23.4%	+22.4%
2 nd quarter	91.0	80.6	+12.8%	+10.8%
3 rd quarter	79.7	70.2	+13.5%	+7.1%
4 th quarter	89.0	71.0	+25.4%	+17.5%
Full year total	338.7	285.9	+18.5%	+14.2%

Solutions business development

Following the acquisition of Verseidag in 2020, which included DBDS among its subsidiaries, the Group pursued its biogas activities by becoming the majority shareholder of MSE and DCS, companies specialising in the design and implementation of methanisation domes. These activities allow the Group to progress in the value chain resulting from the transformation of its innovative membranes and to increase its proximity to end customers.

Consolidated accounts that have been subject to a limited review (reports being prepared)

€m	Dec 31, 2022	Dec 31, 2021	Change
Revenue	338.7	285.9	+18.5%
Adjusted EBIT ¹	26.5	20.0	+32.5%
Operating income	25.1	18.2	+37.9%
Net income, Group share	15.5	10.2	+52.0%

¹REBIT = Operating income +/- restructuring costs +/- balance sheet effect of acquired companies' purchase price allocation operations

In 2022, SergeFerrari Group improved its operating leverage compared to 2021, driven by its ability to pass on part of the price increases in raw materials and energy, and by its work to rationalise its industrial facilities with the first effects of synergies from the transfer of production from the Eglisau site to the Krefeld site. As a result, the Group is reporting a +32.5% increase in Adjusted EBIT compared to 2021 at €26.5m. The operating income is rising even more significantly at 37.9% to €25.1m. In total, thanks to active debt management, the Net income, Group share increase by 52% to €15.5 million compared to €10.1 million in 2021.

Financial structure

€m	Dec 31, 2022	Dec 31, 2021
Net debt	-85.3	-54.8
Net debt excl. IFRS 16	-61.2	-26.4
Shareholders' equity, Group share	119.9	109.1

Working capital requirement (WCR) increased to €135.8m, representing 40.0% of revenue in 2022, compared with €105.6m and 36.9% of revenue in 2021. This increase is due primarily to the growth in inventories (+26%) but also to the rise in trade receivables (+24%), which is fully correlated with the increase in sales in the 2022 4th quarter. The average collection period for trade receivables is virtually stable at 66 days in 2022.

In addition, the Group pursued the financing of its development investments, in particular through the aforementioned acquisitions, and bought back €7 million of its own shares which had been delivered in July 2021 as partial payment of the acquisition price of Verseidag Indutex GmbH. The net debt used for the calculation of the covenants, respected on December 31, 2022, is thus €61.2 million, representing approximately 51% of the Group's equity and 1.7 times the EBITDA used for the test of its banking covenants.

Outlook of a committed player

"Act now to build a better tomorrow"

Following on from the family values and culture, the strategy of the Executive Board at the head of SergeFerrari Group since January 2022 is in line with the Group's goal: implementing sustainable growth. In particular, this approach ensures that all of the businesses and activities integrate and contribute to the Group's carbon trajectory and to improving resource consumption.

To this end, SergeFerrari Group has updated its business model, developed its **"CSR 2030 doing better with less"** project, updated its dual materiality matrix and carried out its scope 3 carbon assessment. The company's efforts will focus on the incoming flows of materials and energy in order to reduce its carbon emissions. For example, the Group is working to identify and qualify partners who include a proportion of recycled raw materials in their industrial process.

In parallel, from a governance point of view, the Executive Board has expanded the role of its operational bodies, in addition to the CSR Committee created in 2018, to raise awareness, steer and infuse this "CSR doing better with less" project:

- The Strategic Management Committee, which aims to work concretely on the alignment between strategic objectives and operational implementation.
- The AGORA is a participative forum, bringing together some thirty managers who, through their cultural mix, know-how and interpersonal skills, co-construct the future vision of SergeFerrari Group.

The creation in 2022 of the Serge Ferrari Foundation, whose primary vocation is to support people affected by climate change, to accompany and raise awareness of the ecological transition, and to contribute to the search for sustainable solutions to build the world of tomorrow, illustrates this societal commitment. Through the Serge Ferrari Foundation, and in association with Secours Populaire and other associations in France and Turkey, the Group was able to collect donations and send materials for the construction of emergency shelters for the victims of the recent earthquake.

Outlook

To achieve sustainable growth, SergeFerrari Group also intends to keep on implementing the following actions:

- Focusing on its four strategic markets by promoting innovation to address environmental issues, and continuing to expand its commercial offering in the area of Solutions;
- Seizing external growth opportunities, which would complement the Group's range of products and technological solutions and extending its geographical presence close to its distant customers;
- Optimising the components of its working capital, on a like-for-like basis, to bring it back to historical levels.

For the year 2023, in a complex global environment, SergeFerrari Group will aim to increase its revenue and maintain its operating income compared to a high 2022 performance level.

Dividend

At the General Meeting of April 19, 2023 the Group will propose a dividend of €0.40 per share for the year 2022.

Financial calendar

- **Annual General Meeting: Wednesday, April 19, 2023 at 2:30 pm**
- Publication of **Q1 2023 revenues on Thursday, April 20, 2023** after market close

ABOUT SERGEFERRARI GROUP

Marketing its products under two brands, Serge Ferrari and Verseidag, the Serge Ferrari Group is a leading global supplier of composite materials for Tensile Architecture, Modular Structures, Solar Protection and Furniture/Marine, in a global market estimated by the Company at around €6 billion. The unique characteristics of these products enable applications that meet the major technical and societal challenges: energy-efficient buildings, energy management, performance and durability of materials, concern for comfort and safety together, opening up of interior living spaces etc. Its main competitive advantage is based on the implementation of differentiating proprietary technologies and know-how. The Group has manufacturing facilities in France, Switzerland, Germany, Italy and Asia. Serge Ferrari operates in 80 countries via subsidiaries, sales offices and a worldwide network of over 100 independent distributors.

In 2022, Serge Ferrari posted consolidated revenues of €338.7 million, over 80% of which was generated outside France. The SergeFerrari Group share is listed on Euronext Paris – Compartment C (ISIN: FR0011950682). SergeFerrari Group shares are eligible for the French PEA-PME and FCPI investment schemes. www.sergeferrari.com

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