



## 2023 Full-Year Results

- ▶ Profitability impacted by lower sales volumes in the Group's main markets
- ▶ Continuation and reinforcement of the TRANSFORM 2025 plan to increase the Group's resilience in the face of shortened economic cycles by enhancing the flexibility of its cost structure

**Saint-Jean-de-Soudain, March 26<sup>th</sup>, 2024, 5:45 p.m. CET** – SergeFerrari Group (FR0011950682 – SEFER), a leading global supplier of innovative flexible composite materials, listed on Euronext Paris – Compartment C, today announced its consolidated full-year results for the year ended December 31<sup>st</sup>, 2023, as approved by the Supervisory Board on March 26<sup>th</sup>, 2024. These consolidated financial statements have been audited by the Statutory Auditors, whose report is currently being prepared.

### Audited consolidated financial statements (report being prepared)

in €m	Dec 31, 2023	Déc 31, 2022	Change
Revenue	327.6	338.7	-3.3%
Adjusted EBIT <sup>1</sup>	11.3	26.5	-57.5%
Operating Income	12.6	25.1	-50.0%
Net Income, Group Share	4.7	15.5	-69.6%

**Sébastien Baril, SergeFerrari Group's Chairman of the Executive Board**, stated: " Although the adverse environment in its historic businesses led to a drop in volumes and profitability, SergeFerrari Group continued to develop its Solutions activities by extending its geographical coverage in 2023. This development ambition must, however, be coupled with an adjustment in the allocation of resources and production facilities to market conditions and trends. The Group is exposed to ever-shortening economic cycles. Faced with this reality and driven by the aim of returning to profitability in line with its standards, the Group is reconsidering its organization as part of the TRANSFORM 2025 plan. The plan sets out our strategic direction, while detailing the operational and financial roadmap that supports it, with the objective of creating greater value for the Group as a whole."

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

## 2023 Revenues and profitability

Revenues (in €m)	2023	2022	Change at current scope and currency	Change at constant scope and currency
1 <sup>st</sup> quarter	84.8	79.0	+7.3%	+0.2%
2 <sup>nd</sup> quarter	90.7	91.0	-0.3%	-5.6%
3 <sup>rd</sup> quarter	73.0	79.7	-8.3%	-12.8%
4 <sup>th</sup> quarter	79.1	89.0	-11.2%	-10.8%
<b>Full Year Total</b>	<b>327.6</b>	<b>338.7</b>	<b>-3.3%</b>	<b>-6.8%</b>

The Group reported revenues of €327.6 million in 2023, down -3.3% on a current scope and exchange rate basis and -6.8% on a constant scope and exchange rate basis, impacted by the contraction of its historical markets in Europe. The downturn is more pronounced in innovative materials (around 73% of sales), with sales volumes down by 12% compared with 2022. This situation is partially offset by the growth dynamic observed in the SOLUTIONS activities, with strong organic growth and the impact of acquisitions made during the period, namely Markleen and BSI. By the end of December 2023, SOLUTIONS activities represented 12% of the Group's consolidated sales, or over €40 million.

### Audited consolidated financial statements (report being prepared)

in €m	Dec 31, 2023	Déc 31, 2022	Change
Revenue	327.6	338.7	-3.3%
Adjusted EBIT <sup>2</sup>	11.3	26.5	-57.5%
Operating Income	12.6	25.1	-50.0%
Net Income, Group Share	4.7	15.5	-69.6%

The decline in the margin rate on purchases consumed over the period, from 52.3% of revenues in 2022 to 50.6% in 2023, is explained by the combination of a negative volume effect on sales and rising energy costs. The sharp reduction in volumes produced in 2023 has enabled the Group to achieve the inventory reduction targets but has contributed to the recognition of an under-activity charge.

The Group's adjusted EBIT therefore came to €11.3 million, compared with €26.5 million the previous year. In conclusion, SergeFerrari Group recorded operating income of €12.6 million, compared with €25.1 million in 2022, and net income, Group share, of €4.7 million, compared with €15.5 million in 2022.

<sup>2</sup> REBIT = Operating income +/- restructuring costs +/- balance sheet effect of acquired companies' purchase price allocation operations

## Financial Structure

in €m	Dec 31, 2023	Dec 31, 2022
Net debt	128.2	85.3
Net debt excl. IFRS 16	78.6	61.2
Shareholders' equity, Group share	118.5	120.0

The operating working capital requirement (WCR) follows the trajectory of the €8.5 million reduction in inventories recorded in 2023, decreasing to €130.1 million and representing 39.7% of revenues in 2023 compared with €135.8 million and 40.0% of revenues in 2022. This decline is also the result of a 6.1% decrease in trade receivables.

In addition, the Group pursued its external growth policy aimed at consolidating its position in SOLUTIONS activities, through the acquisition of a 64% stake in Markleen Management SL in Spain and the acquisition of a 60% stake in BSI in India.

Net debt used to calculate covenants thus came to €78.6 million, representing around 61% of Group shareholders' equity. The Group is in compliance with its banking covenants, the leverage ratio having been waived on December 31, 2023.

## Outlook 2024

Since the end of 2023, SergeFerrari Group has been working to ensure that its organizational structure can more easily absorb the business cycles observed in its historical markets, through the deployment of its TRANSFORM 2025 plan. The first effects of this program were already felt in the 4<sup>th</sup> quarter of 2023, notably the management of working capital through supply chain optimization. These measures were enhanced by using part-time working in the 1<sup>st</sup> quarter 2024.

## TRANSFORM 2025 plan

Given the increasingly cyclical nature of business in its main markets, the Group intends to adapt its cost structure in line with its TRANSFORM 2025 plan launched at the end of 2023.

This plan aims to increase profitability and optimize the allocation of resources through a number of levers:

- ▶ Industrial reorganization in line with the current production perimeter, avoiding duplication of jobs by geographical area;
- ▶ Preservation of strategic investments and limitation of capacity investments;
- ▶ Optimization and adaptation of the organizational structure to the seasonality observed in historical markets, with the aim of achieving a WCR representing 35% of revenues by 2025;
- ▶ Deployment of synergies from recent acquisitions and strengthen the penetration of Solutions activities in new geographies;

- ▶ Securing the Group's competitive advantages by maintaining the momentum of R&D investment, ensuring the renewal of the product portfolio.

## Dividend

---

At the Annual General Meeting of May 16<sup>th</sup>, 2024, the Group will propose a dividend of €0.12 per share for fiscal year 2023, payable in July 2024.

## Governance

---

Philippe Brun, member of the SergeFerrari Group Executive Board, has retired and will step down from his operational functions on March 31<sup>st</sup>, 2024. Philippe Brun will continue to support the majority shareholder in its strategic considerations.

**Sébastien Ferrari, Chairman of the Supervisory Board of SergeFerrari Group,** comments: *"I would like to thank Philippe Brun for his commitment during his fourteen years within the Group and will be delighted to continue to benefit from his support within the Ferrari Participations family holding company. During this period, the Group's revenues more than doubled to €327 million in 2023, thanks in particular to some fifteen external growth operations."*

## Financial calendar

---

- Publication of **2023 Q1 revenues**, on **Tuesday, April 23<sup>rd</sup>, 2024**, after market close
- **Annual General Meeting: Thursday 16<sup>th</sup>, 2024**, at 10:00 am

**ABOUT SERGEFERRARI GROUP**

---

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 2023, Serge Ferrari posted consolidated revenues of €327.6 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](http://www.sergeferrari.com)

**Contacts**

---

**SergeFerrari GROUP****Philippe Brun**

Executive Board Members

**Valentin Chefson**

Head of Investor Relations

[investor@sergeferrari.com](mailto:investor@sergeferrari.com)**NewCap****Investor Relations – Financial Communication**

Théo Martin / Nicolas Fossiez

Tél. : 01 44 71 94 94

[sferrari@newcap.eu](mailto:sferrari@newcap.eu)