

August 1, 2019

Dear Shareholder,

Here are the main indicators on the current situation of our group.

**● HALF YEAR TURNOVER 2019 : +14.8%**  
**AT CONSTANT SCOPE : +5.0%**

In thousands of euros	2019	2019 constant scope*	2018	2018 constant scope*	Variation 2019/2018	Variation 2019 constant scope*/2018
<b>Total half year - according to IFRS 15</b>	<b>190,699</b>	<b>172,671</b>	<b>166,055</b>	<b>164,511</b>	<b>+14.8%</b>	<b>+5.0%</b>
1 <sup>st</sup> quarter	93,048	84,140	81,349	80,706	+14.4%	+4.3%
2 <sup>nd</sup> quarter	97,651	88,531	84,706	83,805	+15.3%	+5.6%
<b>Breakdown by business:</b>						
Mecafer and Domac, equipment tools	14,581	14,581	15,186	15,186	-4.0%	-4.0%
Dipra / Rousseau, pumps, plumbing and taps*	28,847	10,837	11,490	11,490	+151.1%	-5.7%
Isocel, components for boilers	3,057	3,057	3,009	3,009	+1.6%	+1.6%
Aello, equipment for swimming pools	5,863	5,863	4,525	4,525	+29.6%	+29.6%
Jetly, pumps	26,512	26,512	25,358	25,358	+4.6%	+4.6%
Thermador, central heating and domestic hot water accessories	22,234	22,234	20,723	20,723	+7.3%	+7.3%
PBtub, pipework for the distribution	13,523	13,523	13,584	13,584	-0.4%	-0.4%
Axelair, ventilation equipment and accessories	3,320	3,320	2,282	2,282	+45.5%	+45.5%
Sferaco, valve, connectors and meters	29,980	29,980	28,255	28,255	+6.1%	+6.1%
Sectoriel, motorised valves and air compressors	10,865	10,865	10,133	10,133	+7.2%	+7.2%
FGinox, stainless steel connectors, flanges, valves and accessories	8,437	8,437	8,099	8,099	+4.2%	+4.2%
Syveco**	13,925	13,925	12,401	12,401	+12.3%	+12.3%
Sodeco Valves, industrial valves ***	9,393	9,375	10,851	9,307	-13.4%	+0.7%
Other structures	162	162	159	159	+1.9%	+1.9%

\* 2019 turnover: with Thermador Groupe's acquisition of Sanidom / Rousseau on December 31, 2018, which has been consolidated since January 1, 2019.

\*\* Syveco new name of Thermador International.

\*\*\* 2018 turnover: reprocessed according to the sale of the capital of Sodeco Sedin, the French subsidiary of Sodeco Valves.

**● CONSOLIDATED HALF YEAR POSITION ON JUNE 30, 2019**

Simplified P&L statement (thousand euros) - Half year	2019	2019 constant scope*	2018	2018 constant scope*	Variation 2019/2018	Variation 2019 constant scope*/2018
Turnover (according to IFRS 15)	190,699	172,671	166,055	164,511	+14.8%	+5.0%
Current operating income for the business	25,017	23,762	23,454	22,679	+6.7%	+4.8%
Net profit as a portion of the group	16,981	16,076	15,455	14,695	+9.9%	+9.4%

\* 2019 turnover: with Thermador Groupe's acquisition of Sanidom / Rousseau on December 31, 2018, which has been consolidated since January 1, 2019.

 Detailed accounts are available on our website [www.thermador-groupe.fr](http://www.thermador-groupe.fr)

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## BUSINESS

Business growth over the 2<sup>nd</sup> quarter was along the lines of that of the 1<sup>st</sup> quarter, with a few exceptions that require explanation.

Our retail activity has recovered with better performances for Mecafer, Domac and Dipra in Q2. Rousseau reported the forecast level of turnover for its first six months within the group.

Our subsidiary based in Brussels and specialised in the sale of industrial valves to industry, Sodeco Valves, is back on the path to growth to constant scope, which is an encouraging sign for the new director appointed at the beginning of the year.

Axelair has produced an effective response to high demand on the market for mobile air conditioners and fans, whilst continuing its development on ventilation equipment for construction. It is about to hit the break-even point 5½ years after it started up from scratch, very close to the commitments made at the outset.

Aello has made the most of a buoyant swimming pool market and confirms the suitability of its business model, just 4 years after its launch.

Finally, Thermador International continues to grow, and has adopted a new name that better corresponds to its identity. The subsidiary, created in 2006, is now be called SYVECO. The explanation for this choice of name can be found at [www.syveco.com](http://www.syveco.com).

## RESULTS AND FINANCIAL SITUATION

Including Rousseau's results, consolidated operating profit grew 6.7%. To constant scope, it increased 4.8% in spite of a less favourable euro-dollar exchange rate, and a dip in profitability for Dipra and Mecafer. The growth is mainly due to good performances from Thermador, Syveco, Jetly, Aello, FGinox, Sferaco and Sectoriel. We should note Dipra's mark-down provision on inventory of €0.3 million further to our decision to concentrate all the bathroom and kitchen tap retail range from 2020 onwards on the Rousseau logistics platform.

Our stock levels have fallen by 4.1% since 31/12/2018. This is due to very dynamic sales during the months of May and June and the thorough work done on our sourcing processes. Our net cash position has benefited from that and is now €12.5 million. Our financial debt of €41 million remains very reasonable compared to our equity of €204.5 million.

## PROSPECTS

Unsurprisingly, the number of new building starts continues to fall (-6.1% for the quarter). Our wholesale customers from the heating-sanitation and electricity sectors are however reporting sales growth thanks to peak demand for heat pumps and air conditioning. This phenomenon should slow during the 3<sup>rd</sup> quarter, especially as heat pump manufacturers are finding it very difficult to honour wholesalers' orders. Thermador, our subsidiary specialising in heating accessories, could therefore see its growth decelerate.

This will not affect our peace of mind as we head into the 2<sup>nd</sup> half of the year, given that the last quarter of 2018 returned growth of only 1.5%. The base effect therefore seems more favourable. Also, the trend remains positive for our export and industrial valves businesses.

Having focused our attention on the integration of companies having recently joined the group, we have not been active on the market for new businesses to acquire over the past 2 years. However, recent proposals and continued work on a project started at the end of 2016 have led us to submit three suitable external growth opportunities to the Board. In all, these companies would bring additional turnover to our pro channels of a little under €40 million. As always, we will be sure to keep you informed of any developments on these projects.

## INSTITUTIONAL WEBSITE - <https://www.thermador-groupe.fr>

In partnership with Middennext, we have completely revamped our website to make it easier for shareholders to access information. Please do not hesitate to test it and get back to us with any suggestions via your dedicated email address: [actionnaires@thermador-groupe.fr](mailto:actionnaires@thermador-groupe.fr)

Yours faithfully,

The Chairman  
Guillaume Robin