

October 15, 2021

Dear Shareholder,

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

**TURNOVER AT SEPTEMBER 30, +27.3%**  
**AT CONSTANT SCOPE: +24.7%**

In thousands of euros	2021	2021 Constant scope*	2020	Variation 2021/2020	Variation 2021 Constant scope* /2020	Variation 2021 Constant scope* /2019
<b>Total at 30 September - according to IFRS 15</b>	<b>376,836</b>	<b>369,293</b>	<b>296,075</b>	<b>27.3%</b>	<b>24.7%</b>	<b>25.6%</b>
1 <sup>st</sup> quarter	127,007	121,513	94,952	33.8%	28.0%	28.7%
2 <sup>nd</sup> quarter	135,742	133,693	92,917	46.1%	43.9%	31.1%
3 <sup>rd</sup> quarter	114,087	114,087	108,206	5.4%	5.4%	16.6%

**Breakdown by business:**

Mecafer and Domac, equipment tools	27,165	27,165	23,478	15.7%	15.7%	23.9%
Dipra / Rousseau, pumps, technical plumbing accessories and taps	54,589	54,589	47,536	14.8%	14.8%	27.1%
Isocel, supply of components to OEM	6,434	6,434	4,567	40.9%	40.9%	37.1%
Aello, equipment for swimming pools	16,852	16,852	11,003	53.2%	53.2%	113.1%
Jetly, pumps	45,197	45,197	39,255	15.1%	15.1%	15.0%
Thermador, central heating and domestic water accessories	54,651	54,651	34,565	58.1%	58.1%	62.6%
PBtub	21,780	21,780	16,875	29.1%	29.1%	13.9%
Thermacome *	17,362	9,819	7,638	127.3%	28.6%	Not available **
Axelair, ventilation equipment and accessories	4,551	4,551	4,935	-7.8%	-7.8%	-3.7%
Sferaco, valves, meters and connectors	53,447	53,447	40,776	31.1%	31.1%	20.3%
Sectoriel, motorised valves and air compressors	19,882	19,882	16,084	23.6%	23.6%	22.5%
Distrilabo, measure and control	4,655	4,655	3,586	29.8%	29.8%	Not available **
FGinox, stainless steel connectors, flanges, valves and accessories	12,679	12,679	10,714	18.3%	18.3%	4.0%
Syveco, international	22,489	22,489	19,290	16.6%	16.6%	9.4%
Sodeco Valves, industrial valves	14,864	14,864	15,534	-4.3%	-4.3%	2.0%
Other structures	239	239	239	0.0%	0.0%	2.6%

\* 2021 turnover: with the acquisition of Thermacome on April 30, 2020 by Thermador Groupe, its sales are consolidated since 1 May 2020.

\*\* Distrilabo and Thermacome were acquired on December 31, 2019 and April 30, 2020 respectively. Sales data for 2019 are not available.

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## BUSINESS

Our third quarter trend is as we anticipated in our most recent communication at the end of July. Companies operating in the consumer channel slowed sharply in terms of turnover (-10.1% compared to 2020 and +16.9% compared to 2019), those in the professional channels are holding up better, partly thanks to inflation (+10.8% compared to 2020 and +16.5% compared to 2019).

Our longest-standing subsidiary, Thermador, continues to perform exceptionally. Its main Italian suppliers (Caleffi, DAB, Cordivari and Zilmet) remain steadfastly behind it and are investing to support its growth in the vast energy renovation market.

Internationally, our sales teams can once again travel to physically visit their customers. Syveco's return to growth could thus be confirmed.

## INVENTORY AND SUPPLY CHAIN

We are pleased to report that the decline in stock levels has halted (€138 million compared to €117 million at the end of June). We owe this to our purchasing teams and strong relationships with our suppliers. They are historically located in Europe (2/3<sup>ds</sup> of our purchases in value), where we note few delivery delays. As experienced by all the players in the market, we face major difficulties in Asia. Indeed, our Chinese partners are often forced to limit the activity of their factories to 2, 3 or 4 days a week, depending on the region and the rhythm of the power cuts imposed by the authorities. To date, of 80,000 listed items, 1,400 are not immediately available, representing approximately 4.5% of our turnover for a full year. This does not mean that this activity is totally lost, as our customers seem willing to accept limited additional delays. Often, our staff are able to propose alternative solutions, whilst our competitors are frequently less well-placed than us.

## PROSPECTS

We are likely to see erosion of our gross margin at the end of the second half-year, as not all price increases have yet been fully passed on. Nevertheless, we expect a record year in terms of turnover and operating profit thanks to great efficiency amongst our employees.

The confirmation of the public authorities' support for the *Ma Prime Rénov'* scheme to the tune of €2 billion bodes well for the construction business, and especially renovation. At the same time, energy suppliers will continue to finance energy renovation via energy saving certificates, all of which represents a financial windfall that will undoubtedly be difficult to exploit to the full, due to a lack of human resources - and perhaps even of equipment - among installers.

*A minima*, and all activities combined, the additional delays announced by our Chinese suppliers will have an impact on deliveries over the next 9 months. Given our extraordinary turnover between January and June 2021 (cf: our letter to shareholders n°103), the first half of 2022 is shaping up to be a huge challenge. This does not dampen the optimism of the managers of the subsidiaries who are preparing for the future by recruiting new talent. Hence, our head-count has increased from 684 to 714 people within the space of three months.

## COMMUNICATION

We will be hosting a webinar (in French and English) on October 15 at 6pm to discuss these results and answer your questions. You can register for the live webinar or get the replay on our website:

<https://www.thermador-groupe.fr/en/videos-en/>

On November 23 in Paris (Palais Brongniart), we will come to meet you at the Investir Day trade fair. You can already register on the event's website: <https://event.investirday.fr/>

Yours faithfully,

The Chairman  
Guillaume Robin