

February 21, 2022

Dear Shareholder,

Our Board of Directors met on February 18 for final closing of the 2021 accounts, which present as follows:

2021 TURNOVER: +23% AND AT CONSTANT SCOPE: +21.1%

In thousands of euros	2021	2021 constant scope*	2020	Variation 2021/2020	Variation 2021 constant scope* /2020	Variation 2021 constant scope* /2019
Total at 31 December – according to IFRS 15	486,500	478,957	395,500	23.0%	21.1%	24.3%
1 st quarter	127,007	121,513	94,952	33.8%	28.0%	28.7%
2 ^d quarter	135,742	133,693	92,917	46.1%	43.9%	31.1%
3 rd quarter	114,087	114,087	108,206	5.4%	5.4%	16.6%
4 th quarter	109,664	109,664	99,425	10.3%	10.3%	19.9%

Breakdown by business:

Mecafer and Domac, equipment tools	36,349	36,349	34,211	6.2%	6.2%	16.8%
Dipra / Rousseau, pumps, technical plumbing accessories and taps	70,351	70,351	62,316	12.9%	12.9%	27.9%
Isocel, supply of components to OEM	8,630	8,630	6,230	38.5%	38.5%	33.7%
Aello, equipment for swimming pools	19,367	19,367	12,519	54.7%	54.7%	118.3%
Jetly, pumps	55,688	55,688	49,996	11.4%	11.4%	13.2%
Thermador, central heating and domestic water accessories	76,164	76,164	49,003	55.4%	55.4%	61.4%
PBtub	27,013	27,013	22,158	21.9%	21.9%	10.1%
Thermacome* Heating - cooling surfaces and piping systems	22,026	14,483	11,905	85.0%	21.7%	Not available **
Axelair, ventilation equipment and accessories	6,119	6,119	5,978	2.4%	2.4%	6.6%
Sferaco, valves, meters and connectors	66,836	66,836	53,431	25.1%	25.1%	18.7%
Sectoriel, motorised valves and air compressors	26,401	26,401	21,924	20.4%	20.4%	22.1%
Distrilabo, measure and control*	6,068	6,068	5,052	20.1%	20.1%	Not available **
FGinox, stainless steel connectors, flanges, valves and accessories	16,212	16,212	14,491	11.9%	11.9%	1.1%
Syveco, international	29,520	29,520	25,378	16.3%	16.3%	10.0%
Sodeco Valves, industrial valves	19,427	19,427	20,607	-5.7%	-5.7%	-0.9%
Other structures	329	329	301	9.3%	9.3%	5.1%

* 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 ACTIVITY AND RESULTS

In July 2021, we thought we would have difficulty improving on the achievements of the second half of 2020. And yet, our people have done exactly that, despite a still very complex situation. Many thanks again to them for their work and loyalty, and congratulations on these results.

Over the past year, the large number of energy renovation projects in France accounted for approximately 30% of the Group's growth, boosting our subsidiary Thermador to more than €76 million in turnover. At the same time, inflation passed by our subsidiaries to our customers averaged 4.3%.

Although they grew by a very respectable 11%, our exports struggled to keep up with the pace recorded in France, reducing its share to 16.4% of consolidated turnover. This is partly due to its high exposure to industrial activity in Europe which, despite the economic recovery, has been slowed by tensions regarding the supply of certain raw materials or components and by the difficulty of physically visiting our customers.

Finally, our consolidated turnover stood at €486.5 million, well above our expectations. Likewise, our operating profit increased to 15% and net profit to 10.9%.

OPERATING PROFIT: UP 42.4% AND PORTION OF NET PROFIT ALLOCATED OF THE GROUP UP 46.2%

In thousands of euros	2021	2021 constant scope	2020	Variation 2021/2020	Variation 2021 constant scope
Operating profit	73,201	72,621	51,411	42.4%	41.3%
Portion of net profit allocated of the Group	52,899	52,482	36,180	46.2%	45.1%

FINANCIAL SITUATION AND PROSPECTS

Our subsidiaries' purchasing teams remained focused on managing price increases, the scarcity of containers shipped from Asia, plant shutdowns and volume increases in product categories boosted by energy renovation programmes for buildings. This is evidenced by our stock level, which has risen to 201 days of purchases consumed, compared with 142 days at the end of June 2021 and 173 at the end of December 2020.

Our rigorous management of trade receivables and payables have resulted in a slightly lower WCR to that of December 31, 2019 when correlated to turnover, and a particularly healthy financial situation. At December 31, 2021, our cash position was €27.4m, our bank debt €28.2m and our equity after earnings distributions €260.2m.

We have kept to our sustainable development goals of doubling size every 10 years whilst respecting the environment and our stakeholders (see pages 10 & 11 of our 2021 universal registration document). In the short term, we need to take a long, hard look at the extraordinary results described above before resuming a more sustainable growth cycle. This relative caution is important, given the ups and downs of the pandemic, geopolitical tensions and the threat of a major ecological crisis. In this respect, our objectives and strategies aimed at reducing greenhouse gas emissions are outlined on page 58 of our 2021 universal registration document, which includes our extra-financial performance statement. A summary of our commitments over time to our key indicators appears on page 21 of that document.

DIVIDEND AND ANNUAL GENERAL MEETING

At December 2021, institutional investors held 48.5% of the capital, individual shareholders 40.9% and current and retired employees 7%. In line with our distribution policy and confident in our ability to meet the challenges ahead, we propose a dividend of €2, i.e. 34.8% of net profit per share.

Until a new variant of the Covid-19 virus forces us to go digital again for our AGM, it will be held **on April 4 at 5pm at Hôtel Dieu in Lyon**. We are counting on your presence or your votes to once again exceed the 70% participation rate, a ratio that is now part of our extra-financial objectives.

If possible, we will also organise an information meeting at **Salons Hoche in Paris on April 7 at 4pm**.

Yours faithfully,

The Chairman
Guillaume Robin