

July 29, 2022

Dear Shareholder,

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

### ● 2022 HALF YEAR TURNOVER : +9.4%

In thousands of euros	2022	2021	Variation 2022/2021
<b>Total half year – according to IFRS 15</b>	<b>287,553</b>	<b>262,749</b>	<b>9.4%</b>
1 <sup>st</sup> quarter	142,682	127,007	12.3%
2 <sup>d</sup> quarter	144,871	135,742	6.7%

#### Breakdown by business:

Mecafer and Domac, equipment tools	17,258	18,858	-8.5%
Dipra / Rousseau, pumps, technical plumbing accessories and taps	36,515	37,831	-3.5%
Isocel, supply of components to OEM	5,729	4,164	37.6%
Aello, equipment for swimming pools	13,746	13,192	4.2%
Jetly, pumps	32,798	32,593	0.6%
Thermador, central heating and domestic water accessories	49,023	37,629	30.3%
PBtub	16,323	15,632	4.4%
Thermacome	13,033	11,793	10.5%
Axelair, ventilation equipment and accessories	4,018	3,396	18.3%
Sferaco, valves, meters and connectors	40,288	36,516	10.3%
Sectoriel, motorised valves and air compressors	15,475	13,649	13.4%
Distrilabo, measure and control	3,233	3,117	3.7%
FGinox, stainless steel connectors, flanges, valves and accessories	9,955	8,587	15.9%
Syveco, international	17,272	15,515	11.3%
Sodeco Valves, industrial valves	12,722	10,115	25.8%
Other structures	165	162	1,9 %

### ● CONSOLIDATED HALF YEARLY SITUATION AT JUNE 30, 2022

Simplified Profit & Loss statement in thousands of euros first half year	2022	2021	Variation 2022/2021
<b>Turnover (according to IFRS 15)</b>	<b>287,553</b>	<b>262,749</b>	<b>9.4%</b>
Current operating income for the business	41,311	39,102	5.6%
Net profit as a portion of the group	30,825	28,240	9.2%

Detailed accounts are available on our website <https://www.thermador-groupe.fr/en/finance-en/regulated-information/>

... / ...

## BUSINESS

Since the beginning of the year, the inflation passed on by our subsidiaries to customers has averaged an exceptional 11.4%, putting our reported 9.4% growth into perspective. However, congratulations to our employees on this team performance for three main reasons:

- The working environment for more than two years has been chaotic and challenging.
- In the first half of 2021, like-for-like growth was 35.8%, with anticipated orders from our customers estimated at €4m, who at the time were looking to cushion the effect of price increases.
- Over a rolling 12-month period, we passed the symbolic milestone of €500m turnover.

For the past eight quarters, approximately one third of this growth has been driven by equipment sold by our subsidiary Thermador for the energy renovation of buildings. Accessories for heat pump installations and solar water heaters continue to make a significant contribution.

On July 4, following the purchase of AFY, we were delighted to bring its 8 employees into the fold, all immediately joining our subsidiary Sferaco. We would like to extend a warm welcome to them. AFY sells a targeted range of cast iron and steel fittings and flanges to specialist wholesalers, which perfectly complements and strengthens Sferaco's range of construction and industry products. In 2021, the company reported turnover of €4m and an EBITDA of €0.4m. This acquisition, for a total of €1.5m, was paid for after the June accounts were closed.

## RESULTS AND FINANCIAL SITUATION

In their constant quest to maintain cordial and constructive relations with our clients, our teams have managed to pass on most of the price increases we incurred at the time of purchase. However, the exceptional nature of this wave of inflation brought strong resistance in some cases, particularly in the consumer market, which is currently at a low ebb. This fully explains the drop in the operating margin percentage rate, which is still high (14.4%).

Our stock has remained at a high level for the last 6 months: 204 days of purchases consumed compared to 201 days at the end of December 2021 and 142 days at the end of June 2021. This means a sustained high level of service to our customers despite the countless supply difficulties encountered by our teams. To date, of the 75,000 items catalogued, we have 1,225 items not immediately available, which represents approximately 2.7% of full-year sales. This situation is an improvement on the end of June 2021.

The combined effect of the strong increases recorded on our products over the last 18 months and the reconstitution of our stock compared to the end of June 2021 has led to a very strong increase in its value: up €67.5m in 12 months! This was mainly financed by our own funds and up to €17 million from short-term cash lines granted by our financial partners.

As a result, at June 30, 2022, our net cash position was negative at €15.2m (excluding IFRS 16) and our bank debt was €19.2m. These very reasonable amounts compare favourably to our equity, which stands at €292m.

## PROSPECTS

The excellent results of the first half of the year certainly boost confidence for 2022. However, there is no escaping the fact that the war in Ukraine, shortages, energy prices, the cost of greening the economy, inflation and interest rates probably point to a period of recession from 2023. Fortunately, our group is well positioned in the short term and in France to remain a player in the energy renovation of buildings and in the medium term to accompany industrial redeployment in Europe. In the long term, we hold some good cards to bring development on the African continent.

## SUSTAINABLE DEVELOPMENT (ENVIRONMENT, SOCIAL AND GOVERNANCE)

Caroline Desplats Scotti joined us on June 1, 2022 as Sustainable Development Director and member of the Executive Committee. She will lead a team of specialists serving the subsidiaries who are already working to help us achieve our collective objectives. She will also be there to challenge us and to formulate proposals to continue to move our group forward in the environmental, social, societal and governance fields.

As usual, we invite you to a live webconference on Friday 29 July at 6 pm, [sign up via this link](#).

Yours faithfully.

The Chairman  
Guillaume Robin