

February 21, 2023

Dear Shareholder,

Our Board of Directors met today for final closing of the 2022 accounts, which present as follows:

2022 TURNOVER: +13.8% AND AT CONSTANT SCOPE: +12.0 %

In thousands of euros	2022	2022 Constant scope*	2021	Variation 2022/2021	Variation 2022 Constant scope* /2021
Total at 31 December according to IFRS 15	553,859	544,789	486,500	13.8%	12.0%
1 st quarter	142,682	142,682	127,007	12.3%	12.3%
2 ^d quarter	144,871	144,871	135,742	6.7%	6.7%
3 rd quarter	130,168	130,168	114,087	14.1%	14.1%
4 th quarter	136,138	127,068	109,664	24.1%	15.9%

Breakdown by business:

Mecafer and Domac, equipment tools	37,327	37,327	36,349	2.7%	2.7%
Odrea (Dipra/Rousseau), pumps, technical plumbing accessories and taps	70,548	70,548	70,351	0.3%	0.3%
Isocel, supply of components to OEM	10,543	10,543	8,630	22.2%	22.2%
Aello, equipment for swimming pools	20,309	20,309	19,367	4.9%	4.9%
DPI*, plastic piping for wet and dry networks	9,070	-	-	-	-
Jetly, pumps	59,127	59,127	55,688	6.2%	6.2%
Thermador, central heating and domestic water accessories	102,265	102,265	76,164	34.3%	34.3%
PBtub	28,838	28,838	27,013	6.8%	6.8%
Thermacome	22,583	22,583	22,026	2.5%	2.5%
Heating - cooling surfaces and piping systems					
Axelair, ventilation equipment and accessories	7,199	7,199	6,119	17.6%	17.6%
Sferaco, valves, meters and connectors	73,626	73,626	66,836	10.2%	10.2%
Sectoriel, motorised valves and air compressors	29,538	29,538	26,401	11.9%	11.9%
Distrilabo, measure and control	6,335	6,335	6,068	4.4%	4.4%
FGinox, stainless steel connectors, flanges, valves and accessories	17,688	17,688	16,212	9.1%	9.1%
Syveco, international	33,950	33,950	29,520	15.0%	15.0%
Sodeco Valves, industrial valves	24,556	24,556	19,427	26.4%	26.4%
Other structures	357	357	329	8.5%	8.5%

* 2022 turnover: with acquisition of DPI on October 31, 2022 by Thermador Groupe. Its turnover has been consolidated since November 1st, 2022.

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BUSINESS AND RESULTS

After a year of record sales volumes in 2021, we were expecting a return to normality early 2022. Unfortunately, Russia's invasion of sovereign Ukrainian soil caused a global shockwave, the many and sudden knock-on effects of which are still with us today and will probably be felt for decades to come. Some have directly affected our business.

First of all, this fresh crisis has once again put our staff to the test. We thank them for their agility, commitment, resilience and loyalty.

Secondly, it represents a further catalyst to an existing situation of underlying inflation. We had to pass on a 10.8% price increase to our customers.

On the upside, the end of cheap electricity and the prospect of possible shortages have put savings and frugality centre-stage, especially in the area of energy efficiency in the home. The success of our ranges of solar water heaters, heat pump and solid fuel boiler accessories has not waned and has catapulted our subsidiary Thermador past the €100 million turnover mark.

Finally, the risk of further armed conflicts in areas where we have suppliers will inevitably lead our organisations to seek alternatives, if possible in Europe.

In this general state of turmoil, we seized an opportunity to add public works to our product ranges by acquiring DPI (see page 121 of our Universal Registration Document).

Finally, our consolidated turnover was €554 million, our operating profit 14.2% and our net profit 10.5%.

Operating profit: +8.7% and net profit as a portion of the Group: +11.3%

In thousands of euros	2022	2022 constant scope	2021	Variation 2022 / 2021	Variation 2022 constant scope / 2021
Operating profit	79,592	78,676	73,201	+ 8.7 %	+ 7.5 %
Portion of net profit allocated of the Group	58,899	58,253	52,899	+ 11.3 %	+ 10.1 %

FINANCIAL STRUCTURE AND PROSPECTS

Our stock level decreased to 192 days of purchases consumed, compared to 201 days at the end of December 2021. Our consolidated operating working capital requirement finished the year at 39.7% of sales.

We have taken out two new fixed-rate bank loans totalling €31m over 7 years to finance the acquisition of DPI. As the probability of meeting the conditions required for the payment of an earn-out of €5,160,000 was very high, we made a provision for the full amount.

At December 31, 2022, our cash position was €16m, our bank debt €46.6m and our equity after allocation of profit, €299.7m. Our financial structure remains very sound.

We maintain ten-year targets based on an average annual turnover growth of 7%, respecting the environment and our stakeholders (see pages 10, 11 and 21). For more details, we invite you to read our extra-financial performance statement on page 59.

We go into 2023 with the certainty of having to pass on an average price increase in excess of 4%. For the time being, we cannot assess the extent of the impact of inflation on volumes and on investment. In the construction market, we expect renovation to offset the expected decline in new housing starts. In parallel with the gradual onboarding of DPI, we will focus on possible synergies with the public works sector. In industry and internationally, where our development potential is high, we will seek to grow market share. Finally, we anticipate a difficult year for consumer-facing business as a direct consequence of the decline in purchasing power of the French population.

DIVIDEND AND AGM

In December 2022, institutional investors held 49.1% of the capital, private shareholders 37.8% and our active or retired employees, 7%. We are committed to a policy of distributing dividends to our shareholders, and therefore propose a 4% increase in the dividend to €2.08, or 32.5% of net earnings per share.

Our AGM will be held in Lyon on April 3, 2023 at 5pm at the Théâtre des Célestins. We count on your presence or your votes to once again get past the 73% attendance rate.

We will also organise an information meeting **in Paris on April 6, 2023 at 4pm at Salons Hoche.**

Yours faithfully,

The Chairman
Guillaume Robin



The webinar presenting our annual results will take place on Friday 24th February at 6 pm.

Sign up via this link: <https://www.thermador-groupe.fr/en/home/>