

July 27, 2023

Dear Shareholder,

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

2023 HALF YEAR TURNOVER : + 12.6%
AT CONSTANT SCOPE : + 4.1%

In thousands of euros	2023	2023 Constant scope*	2022	Variation 2023/2022	Variation 2023 /2022 Constant scope*
Total half year - according to IFRS 15	323,665	299,366	287,553	12.6%	4.1%
1 st quarter	170,513	157,411	142,682	19.5%	10.3%
2 ^d quarter	153,152	141,955	144,871	5.7%	-2.0%

Breakdown by business:

Mecafer and Domac, equipment and tools	17,982	17,982	17,258	4.2%	4.2%
Odrea (Dipra / Rousseau), pumps, technical plumbing accessories and taps	38,882	38,882	36,515	6.5%	6.5%
Isocel, supply of components to OEMs	6,024	6,024	5,729	5.1%	5.1%
Aello, equipment for swimming pools	13,128	13,128	13,746	-4.5%	-4.5%
DPI*, plastic piping for wet and dry networks	24,299				
Jetly, pumps, tanks and lifting stations	34,658	34,658	32,798	5.7%	5.7%
Thermador, accessories for central heating solar and domestic water	55,868	55,868	49,023	14.0%	14.0%
PBtub	15,886	15,886	16,323	-2.7%	-2.7%
Thermacome	11,800	11,800	13,033	-9.5%	-9.5%
Axelair, ventilation equipment and accessories	4,126	4,126	4,018	2.7%	2.7%
Sferaco, valves, meters and connectors	43,340	43,340	40,288	7.6%	7.6%
Sectoriel, motorised valves and air compressors	15,599	15,599	15,475	0.8%	0.8%
Distrilabo, measurement and control	3,521	3,521	3,233	8.9%	8.9%
FGinox stainless steel connectors, flanges, valves and accessories	8,865	8,865	9,955	-10.9%	-10.9%
Syveco, international	17,590	17,590	17,272	1.8%	1.8%
Sodeco valves, industrial valves	11,878	11,878	12,722	-6.6%	-6.6%
Other structures	219	219	165	32.7%	32.7%

* 2023 turnover: with acquisition of DPI on October 31, 2022 by Thermador Groupe. Its turnover is consolidated since November 1st, 2022.

CONSOLIDATED HALF YEARLY SITUATION AT JUNE 30, 2023

Simplified Profit & Loss statement in thousands of euros first half year	2023	2023 Constant scope*	2022	Variation 2023/2022	Variation 2023 /2022 Constant scope*
Turnover (according to IFRS 15)	323,665	299,366	287,553	12.6%	4.1%
Current operating income for the business	47,182	45,762	41,311	14.2%	10.8%
Net profit as a portion of the group	34,516	33,537	30,816	12.0%	8.8%

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

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BUSINESS

On a like-for-like basis, turnover was stable in the second quarter, taking into account two fewer billing days compared to 2022. However, there was a marked slow-down compared to Q1 2023, due to the unfavourable environment described below.

The MaPrimeRénov' funding mechanism seems to have stopped working. We have had communications to that effect from some of our customers who are experiencing major difficulties in obtaining funding from ANAH, the State-appointed body responsible for checking that work has been done properly and releasing grants accordingly: the engine room driving Thermador sales is clearly losing momentum.

The number of new housing starts continued to fall, with a direct impact on around 10% of consolidated business, affecting PBtub and Thermacome in particular, whose products are almost exclusively designed for this market.

The French swimming pool market is in sharp decline (at least 15%), hitting Aello's sales to their long-standing customers.

Manufacturing activity in France and Europe is declining, reducing demand for our industrial valve ranges.

The prices of certain raw materials, such as polyethylene, PVC and stainless steel, have fallen sharply in recent months, resulting in price-drops for specific products sold by DPI and FGinox. Fortunately, this phenomenon remains marginal. For the activities of Thermador Groupe subsidiaries, the average rate of inflation passed on to customers in the first half of the year was estimated at 8.2%, compared with sales growth of 4.1% at constant scope.

In order to gain greater control over the financing of energy-efficient building renovations and to anticipate regulatory changes affecting our products, we plan to acquire a minority stake in Femat Solutions (cf: our June 29th press release on our website).

RESULTS AND FINANCIAL POSITION

Despite a significant increase in costs (salaries, energy prices), our subsidiaries have managed to maintain their profitability. For Odrea, price increases have resulted in a return to profit levels close to those of June 2021. As a result, consolidated operating profitability is slightly higher than in 2022, at 14.6%.

At constant scope, our inventory continues to decline in line with the economic slowdown: 196 days of purchases, compared with 204 days at the end of June 2022. Our consolidated operating working capital requirement (without the company DPI) represents 42.6% of turnover for a 12-month rolling period (44% in June 2022 on the same basis).

At June 30, 2023, our cash position net of bank overdrafts was €11.9 million and our bank debt was €40.5 million. When compared to our equity of €335 million these are very reasonable amounts.

PROSPECTS

The business context described in the first section above suggests that we are entering a period of several months of decline in demand for many of our products. Our subsidiaries will step up their sales efforts to offset part of this expected downturn and, above all, to prepare for the future.

At the same time, they are working to develop new product ranges to ensure future growth and to meet environmental challenges: reducing greenhouse gas emissions from our products, saving energy and conserving water.

They are also considering how they can best support the energy renovation of buildings. This is a hot topic for the French authorities, who recently announced their intention to increase the 'MaPrimeRénov' budget to €4bn for 2024 onwards (compared to around €2.4bn in 2023).

For context, our sales only fell 5.5% during the 2009 financial crisis. We sell products and solutions that meet essential needs, which makes our Group very resilient. Over a 10-year period, we are therefore in line with the targets outlined on page 10 of our Universal Registration Document.

SUSTAINABLE DEVELOPMENT (ENVIRONMENTAL, SOCIAL AND GOVERNANCE)

We are keeping a close eye on discussions surrounding the new European regulations on the publication of a sustainability report for companies (CSRD), with a view to updating our current extra-financial performance statement when required.

As usual, we invite you to join us for a live web conference on Friday 28 July at 3pm CEST. To register, [please click on this link](#).

Yours faithfully,

The Chairman
Guillaume Robin