

October 12, 2023

Dear Shareholder,

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

● TURNOVER AT SEPTEMBER 30, 2023: +8.7%
AT CONSTANT SCOPE: +0.8%

In thousands of euros	2023	2023 Constant scope*	2022	Variation 2023/2022	Variation 2023 /2022 Constant scope*
Total at 30 September - according to IFRS 15	454,185	421,175	417,721	8.7%	0.8%
1 st quarter	170,513	157,411	142,682	19.5%	10.3%
2 nd quarter	153,152	141,955	144,871	5.7%	-2.0%
3 rd quarter	130,520	121,809	130,168	0.3%	-6.4%

Breakdown by business:

Mecafer and Domac, equipment and tools	25,311	25,311	27,445	-7.8%	-7.8%	
Odrea (Dipra / Rousseau), pumps, technical plumbing accessories and taps	55,817	55,817	54,607	2.2%	2.2%	
Isocel, supply of components to OEMs	7,950	7,950	8,034	-1.0%	-1.0%	
Aello, equipment for swimming pools	16,955	16,955	17,760	-4.5%	-4.5%	
DPI*, plastic piping for wet and dry networks	33,010					
Jetly, pumps, tanks and lifting stations	49,526	49,526	47,061	5.2%	5.2%	
Thermador, accessories for central heating solar and domestic water	75,605	75,605	73,463	2.9%	2.9%	
PBtub	Heating - cooling surfaces and piping systems	21,149	21,149	22,307	-5.2%	-5.2%
Thermacome		15,620	15,620	17,806	-12.3%	-12.3%
Axelair, ventilation equipment and accessories	5,628	5,628	5,563	1.2%	1.2%	
Sferaco, valves, meters and connectors	61,496	61,496	57,176	7.6%	7.6%	
Sectoriel, motorised valves and air compressors	22,208	22,208	22,383	-0.8%	-0.8%	
Distrilabo, measurement and control	5,184	5,184	4,902	5.8%	5.8%	
FGinox stainless steel connectors, flanges, valves and accessories	12,762	12,762	13,834	-7.7%	-7.7%	
Syveco, international	27,169	27,169	25,489	6.6%	6.6%	
Sodeco valves, industrial valves	18,486	18,486	19,588	-5.6%	-5.6%	
Other structures	309	309	303	2.0%	2.0%	

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

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BUSINESS

The downturn that began in Q2 was confirmed in Q3, with turnover down 6.4% at constant scope.

The nine-month rolling average of price increases passed on to customers was 7.2%, lower than our end-of-June estimate of 8.2%. According to our latest forecasts, it could be 6% for 2023 overall, compared to 10.8% in 2022.

The economic slowdown, resulting from the interest rate hikes orchestrated by the ECB to combat inflation, is now affecting most of our markets: construction, public works, industry, swimming pools and DIY.

At this point, of our 17 subsidiaries, only Distrilabo, Jetly, Sferaco and Syveco are reporting a significant increase in turnover.

Although the payment periods for investments eligible for the MaPrimeRénov' scheme seem to be getting shorter for certain actors considered to be playing the game, our customers involved in the sale of energy renovation equipment have generally reduced their orders with our subsidiary Thermador. Mechanically, the markets for solar water heaters and air-to-water heat pumps have suffered a severe slow-down.

STOCK AND WORKING CAPITAL

Our purchasing teams have managed to contain our stock to 195 days of consumed purchases, whereas in October 2022 we recorded 200 days.

So far, we have not seen any significant deterioration in our customers' payment terms.

PROSPECTS

In line with Q3 and our comments on prospects in Letter to Shareholders No. 111, we are forecasting a decline in turnover in Q4 to constant scope and are preparing for a particularly challenging 2024.

We've been through this before and remain confident that we will come out of it stronger than ever.

And this in no way calls into question our dividend policy, which, since 1987, has never seen us reduce the return paid to our shareholders.

EMPLOYEE AND CORPORATE OFFICER SHAREHOLDING

In order to reward the loyalty of all our employees and directors and to increase their participation in the Group's capital, we are currently considering a free share plan which will be submitted to you for approval at our next Annual General Meeting, to be held in Lyon on April 2, 2024. It will be limited to 0.66% of the capital per year for the next 10 years and may be financed by share buy-backs or the creation of new shares, depending on the share price and available cash. The granting of those shares would be subject to a minimum of three months' service, three years' presence in Thermador Groupe following your approval, and the achievement of our collective sustainable development goals as outlined on page 21 of our URD. A maximum of 350 shares could be allocated to any one individual.

COMMUNICATIONS

We will be holding a web conference (in French and English) on October 16 at 6 pm to comment on these results and answer any questions you may have. You can register for the live webcast or the replay on our website:

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

On November 28, we will be in Paris (Carrousel du Louvre), hoping to see you at the Investir Day event. You can register now on the event website: <https://event.investirday.fr/>

Yours faithfully,

The Chairman
Guillaume Robin