



Press release

Serge Ferrari Group posts 2019 revenues of €189.0 million

For the year ended December 31, 2019:

- Growth in total Group revenues at constant exchange rates and in all regions
- Suspension of activity on a production line due to incident in late 2019: estimated impact of -€2.2 million on Q4 2019 revenues

Saint-Jean-de-Soudain, January 29, 2020, 5:45pm CET – Serge Ferrari Group (FR0011950682 - SEFER) designs, manufactures and distributes innovative flexible composite materials and is listed on Euronext Paris – Compartment C. The Group today announces its revenues for Q4 2019 and consolidated revenues for the 12 months ended December 31, 2019.

Revenue breakdown by region (unaudited)

| €'000 | Q4 2019 | Q4 2018 | Ch. at current rates | Ch. at constant rates | 2019 | 2018 | Ch. at current rates | Ch. at constant rates |
|-----------------------|---------------|---------|----------------------|-----------------------|----------------|---------|----------------------|-----------------------|
| Europe | 32,314 | 33,391 | -3.2% | -3.2% | 142,476 | 141,723 | +0.5% | +0.4% |
| Americas | 4,624 | 5,301 | -12.8% | -14.6% | 19,349 | 18,025 | +7.3% | +3.0% |
| Asia-Africa-Pacific | 7,429 | 7,999 | -7.1% | -8.3% | 27,222 | 25,156 | +8.2% | +6.9% |
| Total revenues | 44,367 | 46,691 | -5.0% | -5.4% | 189,047 | 184,904 | +2.2% | +1.6% |

Q4 2019 revenues: €44.4 million, down 5.4% at constant exchange rates

At current exchange rates and due to the interruption of one production line since December 1, 2019, Q4 sales fell 5.0%. The Group estimates that its sales fell by €2.2 million due to this stoppage. The Europe region was particularly hit by this loss of revenues in 2019. The Asia-Africa-Pacific region was also affected to a lesser extent.

Excluding this exceptional occurrence, Q4 2019 revenues would have been in line with those of Q4 2018, a particularly dynamic period with revenues up 5.9% versus the previous year.

The impact of changes in exchange rates on revenues – which has been positive since January 2019 – dropped significantly in Q4 2019, while remaining positive at +0.4% versus +0.8% for the first nine months of 2019. The volume effect had a negative impact of -5.4% on revenues compared to 2018.

2019 revenues: €189.0 million, up 1.6% at constant exchange rates

Organic revenue growth in 2019 amounted to 2.2% at current exchange rates and 1.6% at constant exchange rates. Excluding the exceptional impact of the December 2019 production interruption, sales growth would have amounted to 3.4% and 2.7% respectively.

Changes in exchange rates increased revenues by 0.6% or €1.3 million, with two-thirds of this amount stemming from the Americas region. In the Europe region, aggregate changes in exchange rates had a neutral impact in 2019.

At constant exchange rates, revenues rose in all three regions:

- The 0.4% growth recorded in **Europe** was impacted in December 2019 by the interruption of production on the main coating line. The slower growth recorded in this region in 2019 was mainly due to less significant infrastructure projects compared to other regions;
- The **Americas** posted overall growth of 3.0% at constant exchange rates, with sustained growth in the USA, Canada and Brazil but a sharp drop in Mexico, where the Group completed a number of projects in 2018, particularly in sports infrastructure;
- In the **Asia-Pacific-Africa** region, growth amounted to 6.9% at constant exchange rates and was particularly strong in India and China where the Group set up subsidiaries in 2017. Conversely, in the Middle East, sales remained flat compared to 2018.

Outlook

As announced, the Group is maintaining its target of improving its 2019 operating margin, despite the incident affecting the La Tour-du-Pin production line on December 1, 2019.

The line has gradually resumed production as from January 21, 2020. The Group estimates that H1 2020 revenues could be reduced by around €5 million. The Group is using all alternative measures at its disposal to try and minimize the impact on customers.

For 2020, at this stage, the Group is expecting revenues of around €195 million at constant perimeter. This figure could increase, depending on the measures taken with respect to customers. Barring any incident, the Group's target of 4.5% year-on-year organic growth is confirmed.

As of December 31, 2019, the Group has a strong financial position and will continue to review acquisition opportunities specifically intended to strengthen its commercial, product and technical bases.

Calendar

- Publication of **2019 results** on **Wednesday, March 11, 2020** after market close, with Results presentation on March 12
- Publication of **Q1 2020 revenues** on **Tuesday, April 28, 2020** after market close
- **Annual General Meeting: Thursday, May 14, 2020 at 5:00pm**

ABOUT SERGE FERRARI

The Serge Ferrari Group designs, makes and distributes high-tech eco-responsible flexible composite materials in a global market with an estimated medium-term value of €6 billion. The unique characteristics of these products make them ideal for technical applications in three fields: architecture, specialties for industry professionals, and composite membranes for the consumer market. Its main competitive advantage is based on the implementation of differentiating proprietary technologies and know-how. The Group has three production sites: one in France and two in Switzerland. Serge Ferrari operates in 80 countries via eight subsidiaries (USA, Japan, Hong Kong, Brazil, India, China, Turkey and Germany), two sales offices (Spain and Dubai), the distribution business of the Giofex Group in Europe, and a network of over 100 independent distributors world-wide.

At the end of 2019, Serge Ferrari posted consolidated revenues of €189 million of which 75% was achieved outside France. The company SergeFerrari Group is listed on Euronext Paris – Compartment C (ISIN code: FR0011950682). The SergeFerrari Group share is eligible for PEA-SME and FCPI Investment.

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