



THERMADOR GROUPE: CONSOLIDATED HALF YEAR POSITION ON JUNE 30, 2018

Simplified P&L statement (thousand euros) - Half year	2018	2018 constant scope*	2017	Variation 2018/2017	Variation 2018 constant scope* /2017
Turnover (before IFRS 15)	168,149	144,964	139,754	+ 20.3%	+ 3.7%
Current operating income for the business	23,454	21,408	19,716	+ 19.0%	+ 8.6%
Net profit as a portion of the group	15,455	14,134	12,684	+ 21.8%	+ 11.4%

(*) 2018 turnover taking into account acquisition of Domac consolidated since March 1, 2017, acquisition of Sodeco Valves consolidated since September 1, 2017, acquisition of FGinox consolidated since October 1, 2017, acquisition of Groupe Valfit consolidated since January 1, 2018. Axelair's 2018 turnover includes the turnover generated further to the acquisition of the Vortice France business from January 1, 2018.

Detailed accounts will be available on our website www.thermador-groupe.fr

BUSINESS

A very rainy spring and its negative impact on sales of Jetly and Dipra's watering pumps does not fully explain a fairly low level of growth during the first half year, for comparable scope. We thought there would be a slowdown after a strong growth in 2017, but not as sharp as this, especially as the 2018 inflation rate is higher than last year. So, we have to face the truth: the French construction market that involves six of our thirteen subsidiaries is showing signs of a slowdown. This is also confirmed by public figures and statistics sent to us by our customers.

Fortunately, some of our subsidiaries like Sectoriel in the industrial field and Aello on the swimming pool market are reporting very substantial growth.

Likewise, Thermador International grew more than 14% in Europe and has recorded some encouraging successes in a number of African countries. The group's export activities now account for 17% of total business.

Finally, the five acquisitions made last year are contributing strongly to the 20.3% increase in turnover of the first half of 2018 compared to 2017.

INTEGRATION OF COMPANIES AND BUSINESSES ACQUIRED IN 2017

Domac, a Mecafer subsidiary, reported an excellent first half year.

FGinox is progressing. Geographical proximity and the existence of common suppliers and customers with Sferaco and Sectoriel is making its integration easier.

The merger of Sferaco and Groupe Valfit has been effective since July 1, 2018. Our teams have shown exceptional commitment to bringing on board nine new suppliers in the space of just six months and 2,600 additional references!

The activities of Axelair and Vortice France are now together in Saint-Quentin-Fallavier. We have lost no major customers and have strengthened our team, which now comprises of 10 people.

Sodeco Valves' sales in the Benelux countries have fallen back. It goes without saying that we are working to reverse that trend. In France, we are planning to sell the majority of the goodwill to Bouley, a longstanding customer of Sferaco, Sectoriel and Sodeco Valves (cf. our press release of June 14, 2018).

FINANCIAL RESULTS AND SITUATION

There is a slight growth differential between operating profit and turnover, mostly down to the profitability levels of Sodeco Valves and Groupe Valfit that are lower than the average for the group. Conversely, subsidiaries buying in dollars enjoyed a favourable exchange rate over the first half of the year.

Cash-flow grew by 19.4% to €17.5m, the net cash position was €4.6m and financial debt €26.2m. Our solid financial base allows us to carry high levels of stock, guaranteeing excellent service quality to our customers.

PROSPECTS

The positive effect of external growth on the business will substantially drop off during the second half, Sodeco Valves and FGinox having joined us in September and October 2017. We are not counting on any major changes to growth for constant scope, especially as the last quarter of 2017 was a very buoyant one.

We will, however, have to manage a much less favourable euro-dollar exchange rate and pass on new price rises imposed upon us by some of our European, Asian and South American suppliers.

On the other hand, promising synergies should operate as of September, firstly at Thermador International who have just added 6,200 new references to its catalogue of industrial valves and connectors from FGinox, Groupe Valfit and Sodeco Valves, and also at Sferaco which is now able to sell Groupe Valfit products to its 2,900 active customers.