PRESS
RELEASE
10 MARCH 2021

STRONG GROWTH IN PROFITS IN 2020
GRADUAL RETURN TO NORMAL IN 2021

Consolidated data to 31 December (€ millions)	2020	2019	Change
Sales	1,257.1	1,200.2	+4.7%
Current operating result	260.7	204.8	+27.3%
Consolidated net profit	213.0	163.2	+30.5%
Cash flow	274.5	220.1	+24.7%

Somfy announces significant growth in profits, thanks to the upturn in sales over the second half-year following a first half disrupted by the Covid pandemic, and to the improvement in current operating margin, given the non-recurring savings made during the crisis.

SALES

Group sales were €1,257.1 million for the financial year just ended, an increase of 4.7% compared with the previous financial year (up 6.1% on a like-for-like basis). They fell 7.5% over the first six months (down 7.2% on a like-for-like basis), due to the health crisis stemming from the Covid-19 pandemic, and recorded an upturn of 17.6% in the second half-year (up 20.1% on a like-for-like basis).

Several regions ended the financial year on a clear positive trend, as was the case for Eastern Europe and Central Europe, which again performed very strongly, as well as Northern Europe and North America, which both performed well.

The other territories were more adversely affected by the crisis, due in particular to the unavoidable operational disruption and interruption caused by the lockdown measures in the spring, but showed good resilience over the year as a whole. This was the case for France and the Africa & the Middle East region, as well as for Southern Europe and Latin America.

All regions recovered over the second six months and several of them succeeded in offsetting a large proportion of the fall recorded between March and May. Their recovery is all the more encouraging given that it is not based on a period of several weeks, meaning it was merely a question of catching up, but on the entire third and fourth quarters. It also provides evidence of a base trend that was confirmed – even accentuated – by recent events, as a result of the increasingly important role played by the home in everyone's lives, notably due to the increase in remote working and the development of online services.

Sales for the equity-accounted Chinese subsidiary Dooya totalled €201.1 million over the financial year, an increase of 7.3% in real terms and 9.2% on a like-for-like basis. They fell in China, a country severely impacted by the pandemic early in the year, but grew strongly in the rest of the World.

RESULTS

Current operating result stood at €260.7 million for the financial year just ended, up 27.3% (up 31.3% on a like-for-like basis), and thus represented 20.7% of sales, compared with 17.1% the previous year.

The combined effect of the recovery in sales recorded in the second half-year, a favourable mix of products, and cost savings stemming from the measures taken within the context of the health crisis is behind this growth, which is partially non-structural given the exceptional and provisional nature of these measures (reduction in consulting, marketing and travel budgets).

The impact of the pandemic was particularly pronounced over the first half of the year with, on the one hand, a substantial loss in income, due to the loss in revenues, and on the other, significant production and supply chain disruption, due to the temporary shutdown of several manufacturing sites and disorganisation of certain sources of supply.

Conversely, the protective measures have had a moderate impact on the financial statements, even though the safety of employees and compliance with guidelines from the administrative authorities, as well as the safeguarding of jobs, have been the priorities. The impact of external support also proved to be marginal since the decision was taken to make minimal use of it in certain countries.

Consolidated net profit totalled €213.0 million, an increase of 30.5%. It takes into account a positive contribution of €10.9 million from associates, thanks to the improvement recorded at Dooya, and €52.5 million in income tax.

The return on capital employed (ROCE) stood at 29.6%, compared with 22.2% the previous year, testament to the quality of these results.

FINANCIAL POSITION

Shareholders' equity grew from €1,012.8 to €1,171.0 million over the financial year just ended, and the net financial surplus increased from €310.5 to €517.7 million.

The growth in net financial surplus was due to the increase in cash flow, the decline in working capital requirements and the relative stability of other cash flow items.

DIVIDEND

The Management Board will propose the payment of a dividend of €1.85 per share at the next Annual General Meeting, corresponding to a pay-out ratio of 32%, in line with pre-crisis ratios.

OUTLOOK

The recent period has made it possible to gauge the strength of the residential and commercial digitalisation market, and as such to better measure the impact of the digital revolution, demographic and society changes and the energy transition on the demand for automated and connected solutions.

However, visibility remains limited over the short-term due to the ongoing uncertainty regarding the development of the current health and economic crisis.

Nevertheless, growth in sales is expected over the current financial year. It should be all the stronger over the first six months given that the base effect will play out favourably in major regions such as France, Southern Europe and North America.

Similarly, a return of the current operating margin to pre-crisis levels is envisioned as there will be no renewal of savings made last year in the fields of consulting and marketing.

The current financial year will also see the roll-out of the new strategic plan, Ambition 2030, with the aim of seeking increased efficiency in processes and an optimised allocation of resources by harmonising practices and increasing synergies, as well as increased added value in terms of the range, thanks to the digitalisation of products, the interoperability of solutions and the development of services.

Potential acquisitions will also continue to be assessed in parallel and implemented where appropriate, as can be seen in the recent takeover of Repar'stores, the French specialist in the restoration of roller shutters[1].

[1] *Repar'stores, founded in 2009, is currently the French leader of the fast-growing roller shutter modernisation and repair market. It employs more than 100 staff and has approximately 190 franchisees, and has revenues in the region of €30 million.*

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CORPORATE PROFILE

Founded in France in 1969, and today operating in 58 countries, Somfy Group is the global leader in opening and closing automation for both residential and commercial buildings.

A pioneer in the connected home, the Group is constantly innovating to guarantee comfort, wellbeing and security in the home and is fully committed to promoting sustainable development.

For 50 years, Somfy has been using automation to improve living environments and has been committed to creating reliable and sustainable solutions, which help promote better living and wellbeing for all.

FINANCIAL STATEMENTS

The annual financial statements have been audited by the Statutory Auditors and were reviewed by the Supervisory Board on 10 March 2021.

The Statutory Auditors' reports, which are in the process of being issued, and detailed financial statements will be released on 28 April 2021 and will be available on the Company's website (www.somfyfinance.com).

DISCLAIMER

The Group has not been adversely affected by Brexit to date and does not expect to be in the future. It may, however, be further impacted by the health crisis if new restrictive measures are imposed in its main regions of operation (Europe, the United States and China).

CONTACTS

Somfy: Pierre Ribeiro: +33 (0)4 50 40 48 49
Shan: François-Xavier Dupont: +33 (0)1 44 50 58 74 - Alexandre Daudin: +33 (0)1 44 50 51 76

SHAREHOLDERS' AGENDA

Publication of first quarter sales: 20 April 2021
Publication of the Annual Financial Report: 28 April 2021 (as opposed to 15 April 2021 as originally scheduled)
Annual General Meeting: 2 June 2021

GLOSSARY

Sales: The sales figures refer to the sales amounts generated with customers outside the Group. They are calculated based on customer location and therefore the destination of the sales.

Change in real terms: The change in real terms corresponds to the change at actual consolidation method and scope, and actual exchange rates.

Change on a like-for-like basis: The change on a like-for-like basis corresponds to the change at constant consolidation method and scope, and constant exchange rates.

Geographic regions: The Group is organised into two geographic divisions, the first made up of Central Europe, Northern Europe, North America and Latin America (North & West), and the second made up of France, Southern Europe, Africa & the Middle East, Eastern Europe and Asia-Pacific (South & East).

Current operating margin: Current operating margin corresponds to current operating result as a proportion of sales (COR/Sales).

Return on capital employed: The return on capital employed is equal to the ratio between current operating result less normative tax, and total shareholders' equity, after offsetting the impact of goodwill impairment, and net financial debt.

Net financial surplus: The net financial surplus corresponds to the difference between cash and cash equivalents and financial liabilities.

APPENDICES

SALES

Consolidated data (€ millions)	2020	2019	△ Real terms	△ Like-for-like
Central Europe	261.0	231.7	+12.7%	+12.2%
of which Germany	212.2	186.5	+13.7%	+13.7%
Northern Europe	146.6	134.9	+8.7%	+9.5%
North America	107.1	103.0	+4.0%	+6.2%
Latin America	19.3	23.3	-17.3%	-2.1%
Total North & West	**534.1**	**492.9**	**+8.3%**	**+9.5%**
France	347.4	341.5	+1.7%	+1.7%
Southern Europe	119.9	121.9	-1.7%	-1.8%
Africa & the Middle East	60.6	64.2	-5.7%	+1.6%
Eastern Europe	127.2	107.1	+18.8%	+23.2%
Asia-Pacific	67.9	72.5	-6.3%	-4.3%
Total South & East	**723.1**	**707.3**	**+2.2%**	**+3.7%**
Group Total	**1,257.1**	**1,200.2**	**+4.7%**	**+6.1%**

CONDENSED INCOME STATEMENT

Consolidated data (€ millions)	2020	2019
Sales	1,257.1	1,200.2
EBITDA	322.4	262.4
Current operating result	260.7	204.8
Non-recurring operating items	(0.9)	(3.2)
Net financial expense	(5.1)	(5.1)
Income tax	(52.5)	(37.2)
Share of net profit from associates and joint ventures	10.9	3.8
Consolidated net profit	213.0	163.2
Attributable to Non-controlling interests	0.0	0.0
Attributable to Group share	213.0	163.2

RECONCILIATION OF CHANGES IN SALES AND CURRENT OPERATING RESULT ON A LIKE-FOR-LIKE BASIS AND IN REAL TERMS

	Sales	COR
Change on a like-for-like basis	**+6.1%**	**+31.3%**
Forex impact	-1.4%	-4.0%
Scope impact	0	0
Impact of change in accounting policy	0	0
Change in real terms	**+4.7%**	**+27.3%**

CONDENSED CASH FLOW STATEMENT

Consolidated data (€ millions)	2020	2019
Cash flow	*274.5*	*220.1*
Change in working capital requirements	*40.1*	*25.7*
Net cash flow from operating activities	316.9	247.8
Net cash flow from investing activities	(48.9)	(51.6)
Net cash flow from financing and equity activities	(60.0)	(65.5)
Net change in cash and cash equivalents	202.3	132.8

CONDENSED BALANCE SHEET

Consolidated data (€ millions)	2020	2019
Equity	1,171.0	1,012.8
Goodwill	94.4	95.6
Net non-current assets	337.7	340.7
Investments in associates and joint ventures	145.5	136.5
Working capital	669.6	515.6
Working capital requirements	111.1	159.8
Net financial surplus	517.7	310.5