



6 MARCH  
2014

## Financial information meeting

Presentation of results for the financial year 2013



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Somfy Group

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Somfy Group

6 MARCH  
2014

## Financial information meeting

Presentation of results for the financial year 2013



Somfy Group  
Paul Georges Despature



# 2013 Key Figures





# 2013 Highlights



Return of investment to a "normal" level .....

Return to growth across all geographic regions .....

Healthy activity maintained in France and Germany .....

Significant improvement in profits .....

Growth in NAV .....

Marked improvement of Group companies in second half-year .....



Somfy Group  
Pierre Ribeiro

# Financial year figures

## Results

### Condensed income statement

Consolidated data (€ millions)	2012*	2013	13/12 change
Sales	989.6	<b>996.8</b>	0.7%
Current operating result	132.2	<b>150.6</b>	13.9%
Non-recurring operating items	(17.3)	<b>(11.8)</b>	32.0%
Financial items	5.7	<b>(0.1)</b>	-101.2%
Income tax	(26.1)	<b>(39.0)</b>	49.7%
Share of profit of EACs**	(10.1)	<b>1.5</b>	114.9%
<b>Net profit</b>	<b>84.4</b>	<b>101.2</b>	<b>19.9%</b>
Cash flow	150.9	<b>145.0</b>	-3.9%

\* Financial statements restated in accordance with the revised IAS 19 standard and the change in the CVAE accounting method

\*\* Equity-accounted companies



# Financial year figures

## Results



### Recovery in current operating result

- Sales growth

- Development costs back to normal levels

- Effort to reduce operating and structure costs

### Lower incidence of non-recurring operating items

### Increase in corporate income tax

- Automatic increase as results improve and corporation tax rate rises, primarily in France

- Provision for the ongoing tax dispute

### Improvement in the share of profit of equity-accounted companies

### High level of cash flow maintained

# Financial year figures

## Financial position

### Condensed cash flow statement

Consolidated data (€ millions)	2012	2013
Net cash flow from operating activities	143.6	160.3
Net cash flow from investment activities	(35.1)	(59.0)
Net cash flow from financing activities	(103.7)	(52.6)
Impact of exchange rate movements	(0.3)	(3.4)
Net change in cash position	4.4	45.2

# Financial year figures

## Financial position

### Condensed balance sheet

Consolidated data (€ millions)	2012*	2013
Shareholders' equity	863.2	928.6
Other non-current items	51.1	68.6
Net financial debt **	(31.1)	(92.3)
Financial items excluded from net financial debt	(0.3)	(0.5)
Non-current assets, net	754.6	802.9
Working capital requirements	128.3	101.5
<b>Details of financial debt</b>		
Net financial debt before bonds receivable	38.3	(18.9)
Unlisted bonds receivable	(69.4)	(73.4)
Net financial debt	(31.1)	(92.3)

\* Financial statements restated in accordance with revised IAS 19 , for the change in the CVAE accounting method and for deferred repayments of a financial nature recorded under financial debt

\*\* (-) Net financial surplus



# Financial year figures

## Financial position

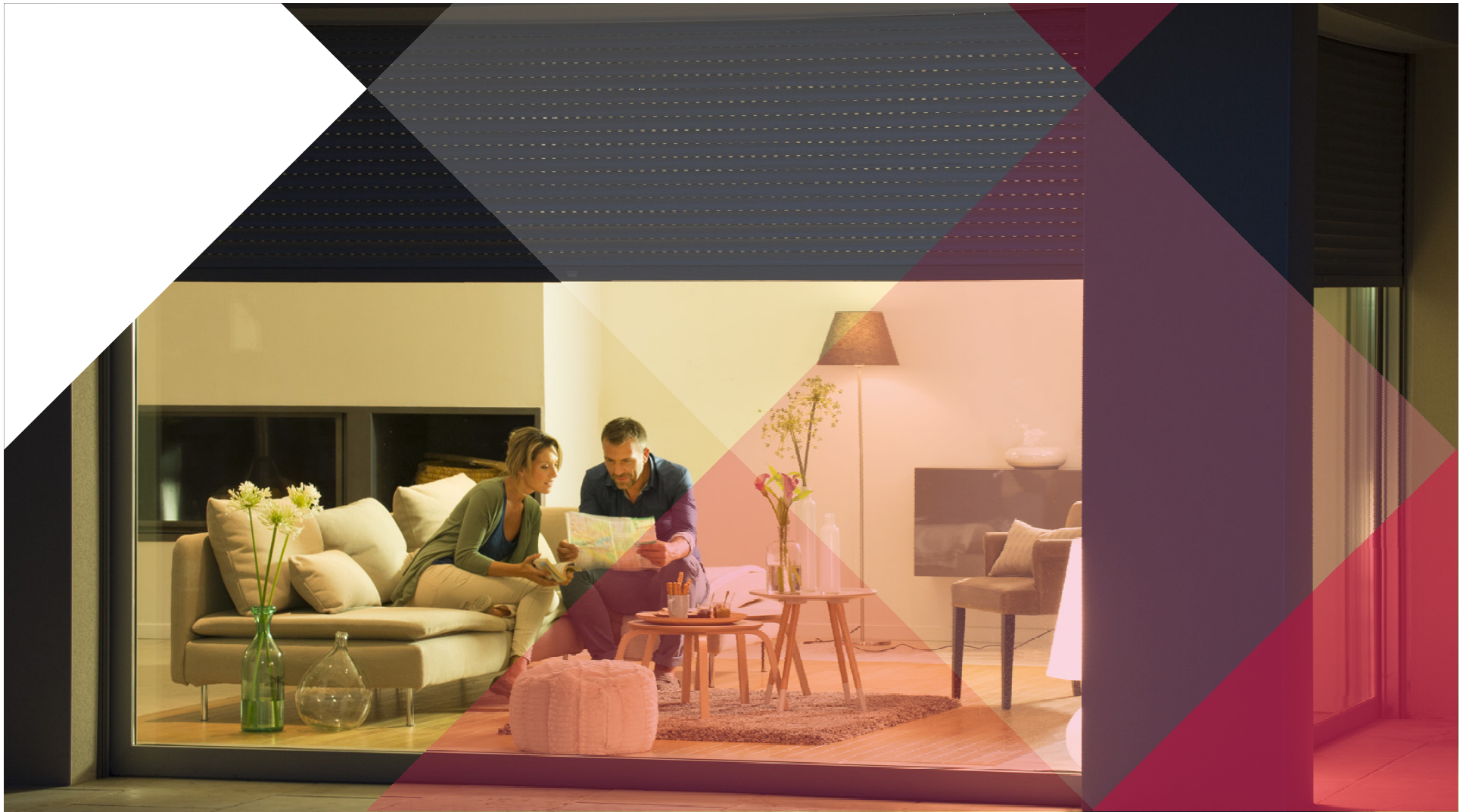


Control of working capital requirements

Increase in investments

Construction of a new factory (Poland)

Acquisition of several companies (Brazil)



## Somfy Activities

Jean-Philippe Demaël

# 2013 Key figures





# 2013 Highlights



Stronger growth than the sector's leading players

Several growth drivers (product ranges, geography, acquisitions, etc.)

Improved profitability

Highly unfavourable forex effect especially over the second half-year

# Development of the construction market

% (EU19)	2012	2013
New residential	- 6.7	- 3.6
Residential renovation	- 2.1	- 1.3
Non-residential	- 4.1	- 3.4

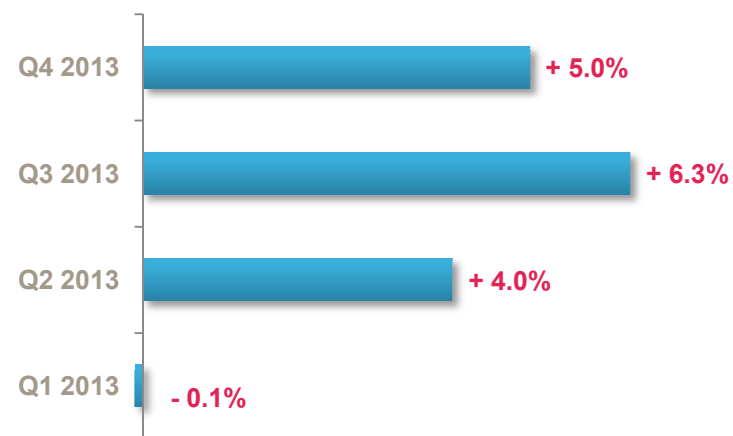
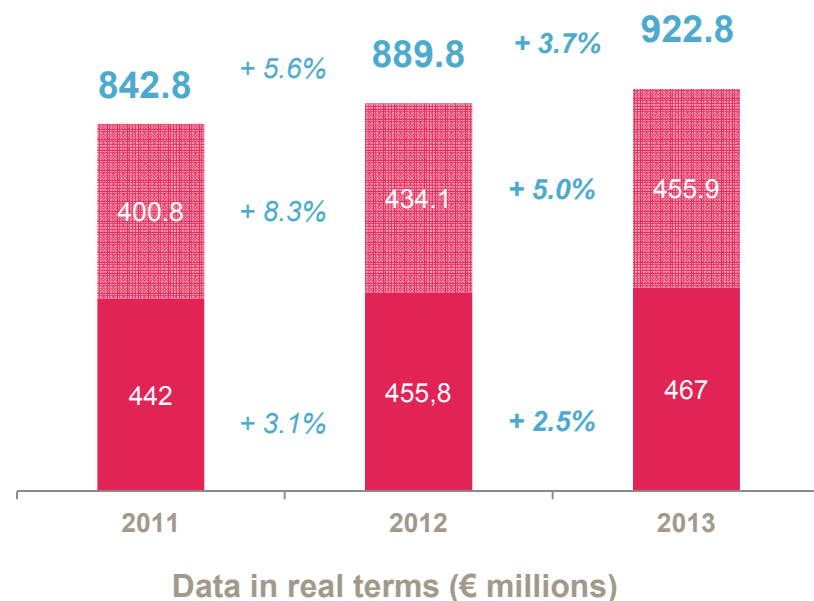
(Euroconstruct)



A construction market that remained affected by the economic crisis

# Financial year figures

## Change in sales



2013 changes in sales on a like-for-like basis

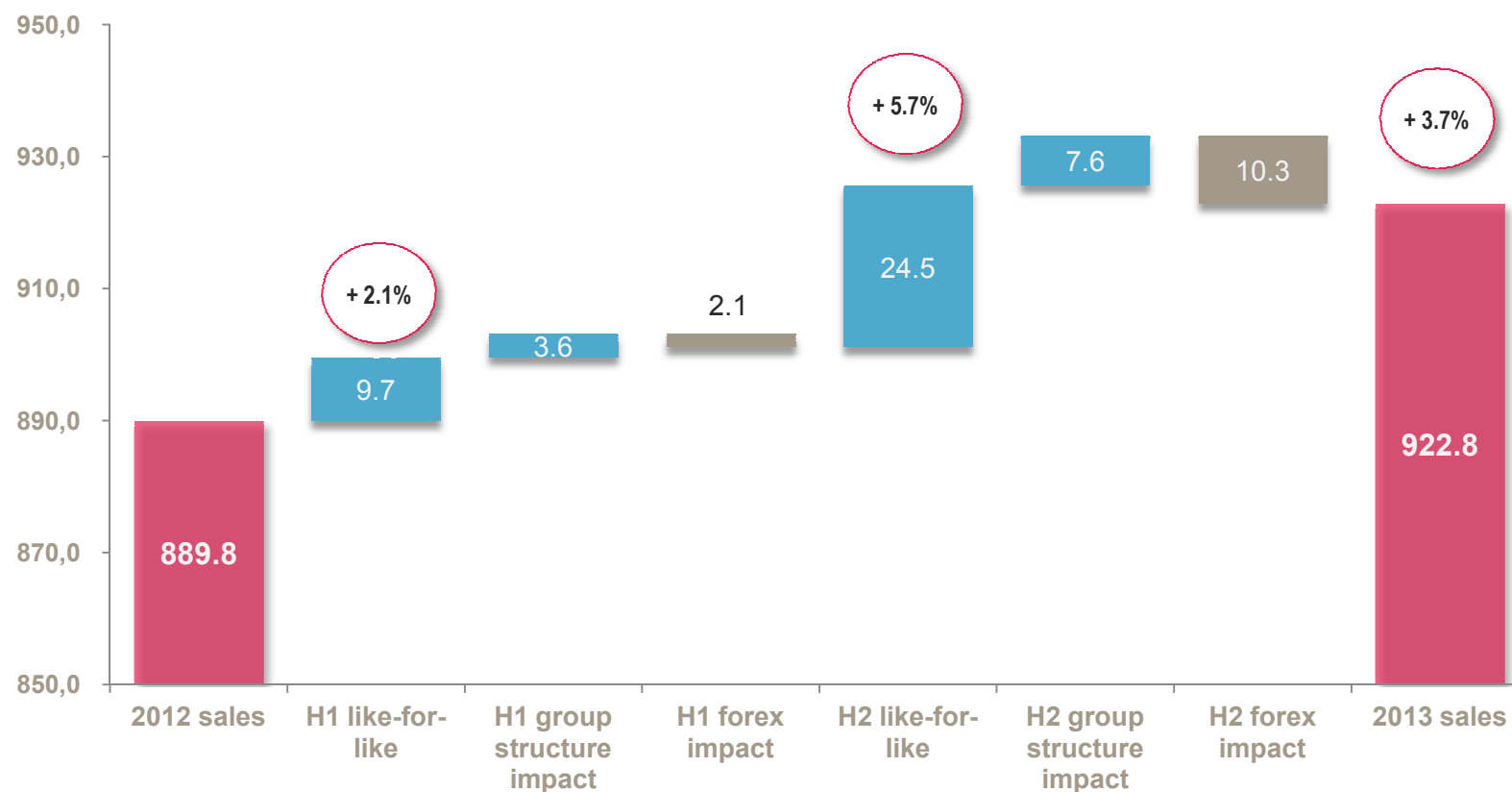


**Strong recovery in the second half-year**



# Financial year figures

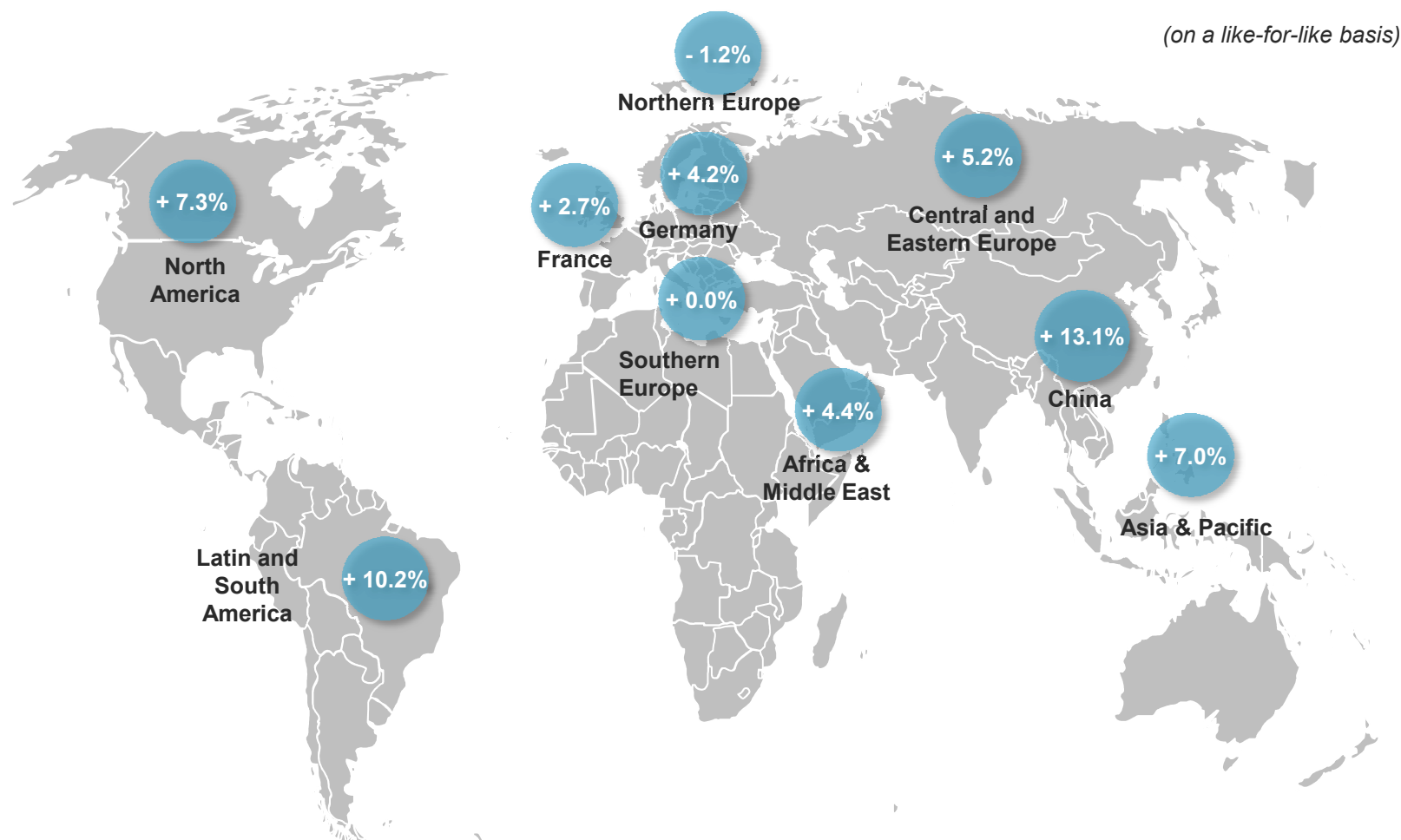
Change in sales: Impact of exchange rates



**Significant impact of foreign exchange rates over the second half-year**

# Financial year figures

Sales distribution and growth by geographic region

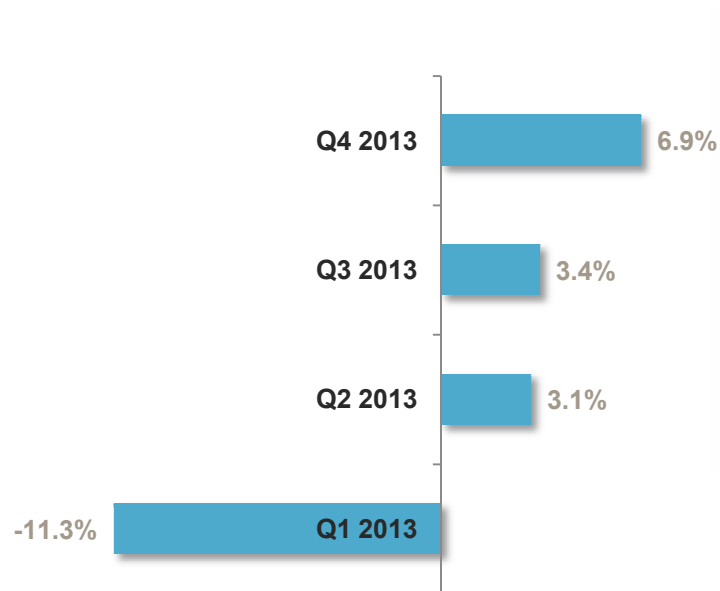


**Good resilience in Europe**

**Continued sustained growth in countries with strong potential**

# Financial year figures

Focus on Southern Europe



2013 change in Southern Europe sales

Somfy Iberic (Spain and Portugal):

up 6.3% in second half-year

Somfy Italy:

up 14% in second half-year

Strategy to restructure product range and

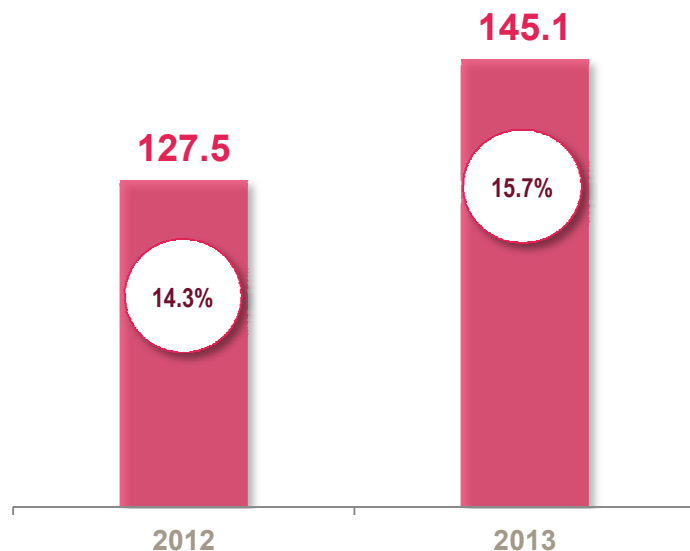
TV advertising maintained



**A region deeply affected by the economic crisis which is now recovering for the first time in 5 years**

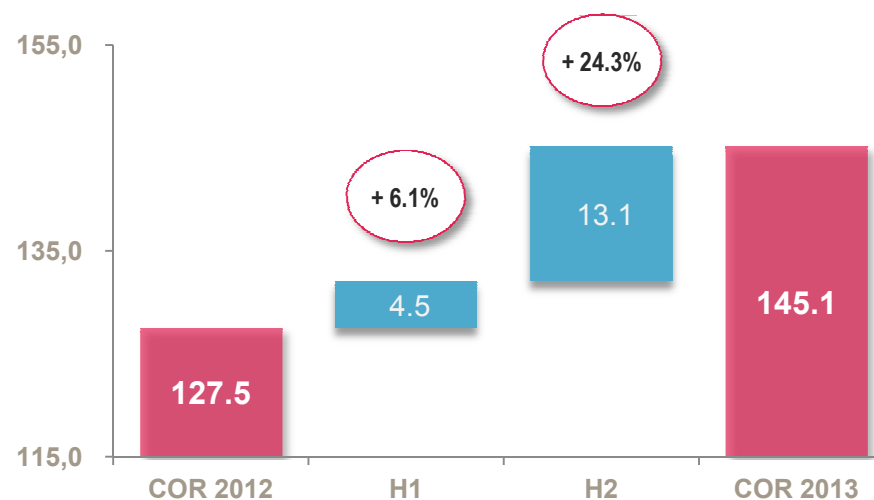
# Financial year figures

## Current operating result (€ millions)



 **Improved operating margin rate**

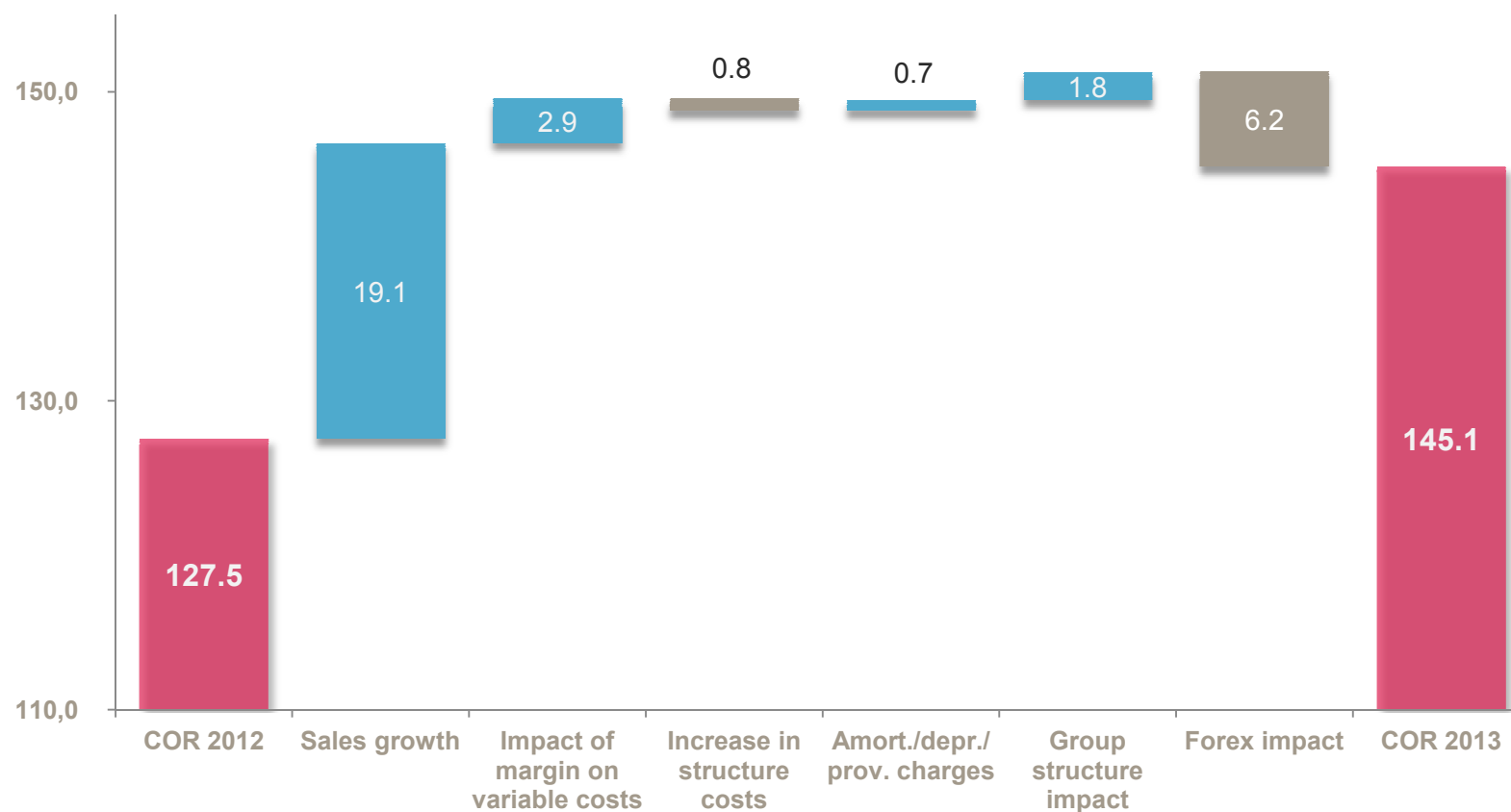
**Significant upturn in the second half-year**





# Financial year figures

## Breakdown of current operating result



**Current operating result benefited from the sales growth and the effects of the efficiency plans**

# Somfy Activities' strategic portfolio

## Control of traditional markets

By channel

By brand

## Market growth drivers

Interior blinds

Security

Home automation

## Geographical growth drivers

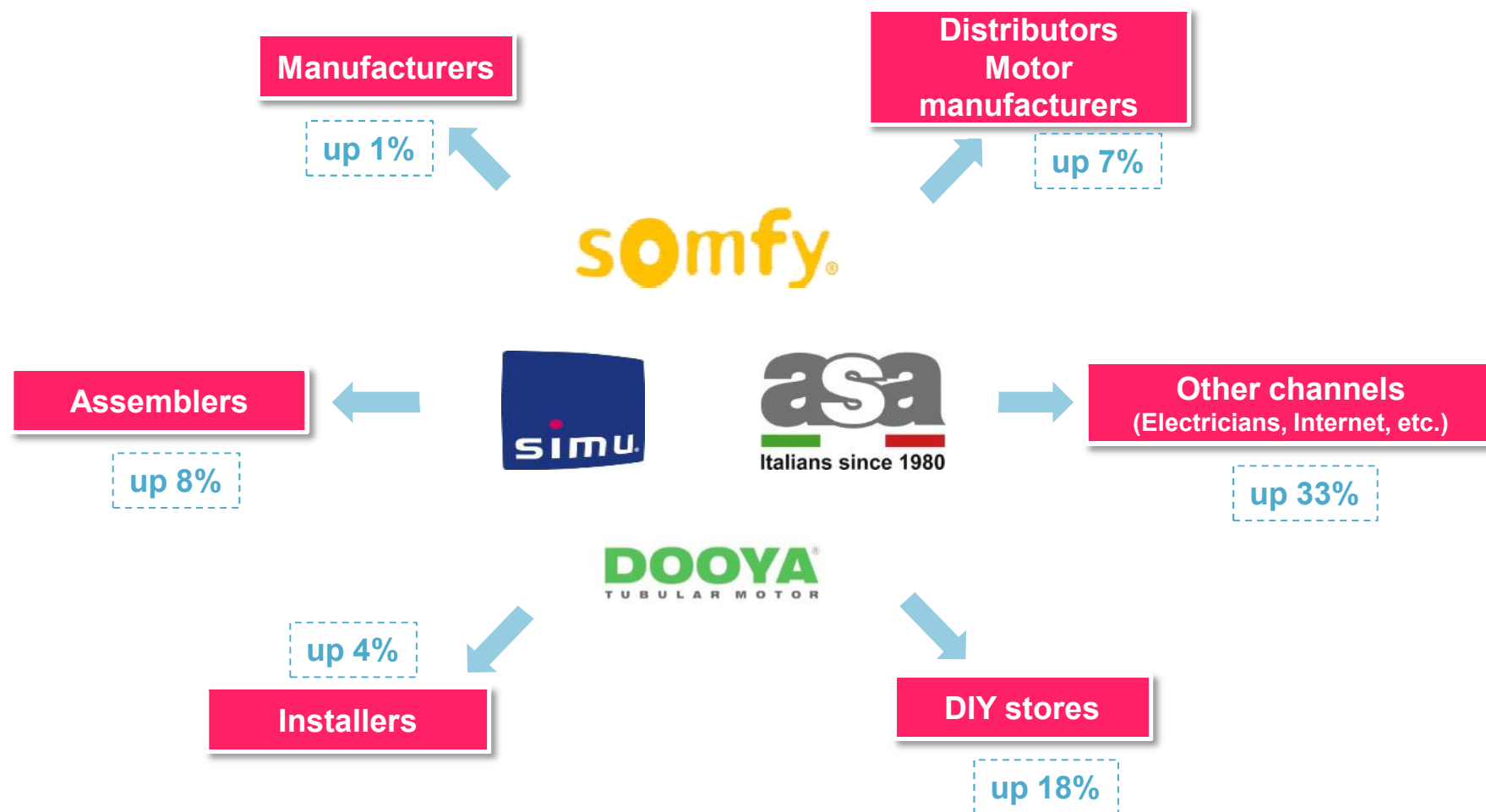
Brazil

China

Somfy Activities  
relies on a  
strategic  
multi-faceted  
portfolio

# Control of awnings and rolling shutters markets

by distribution channel







**A multi-brand, multi-channel strategy**

2013 growth rate

# Control of awnings and rolling shutters markets

by range / by brand

## Sales breakdown by market segment

			 Italians since 1980	 TUBULAR MOTOR
High-end	75%	55%	25%	10%
Mid-range	15%	20%	10%	10%
Entry level	10%	25%	65%	80%



A portfolio of brands to cover the whole market



# Market growth drivers

## Interior blinds



Somfy brand sales: € 116 M

Growing market: up 9.6%

Somfy products sold in 47 countries

Residential market: significant markets in Asia, the US and the Middle East

Non-residential market: driven by energy savings

Highly innovative market (silent operation, smart motors, curtains, etc.)



Innovation is driving growth



Somfy  
DESIGNED FOR  
SILENCE

# Market growth drivers

## Security



Gateway to home automation .....

Development of the product range (alarms, cameras, videophones, motion sensors, etc.) .....

..... Somfy Security sales:

€ 14.8 M sales in 2013 (up 25%)

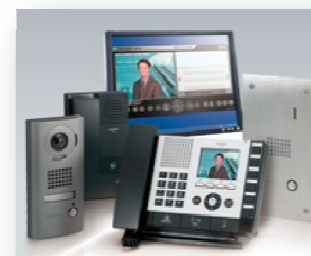
..... Somfy alarm range:

€ 10 M sales in 2013 (up 30%)

..... Sales growth by distribution channel:

DIY stores: up 20%

Pro: up 10%



**A growing security market, closely linked to home automation**

# Market growth drivers

## Home automation



Extension of the product range:  
energy (thermostat, consumption  
monitoring)

Development of partnerships  
GDF, Hitachi, De Dietrich, Atlantic, etc.

Growth in sales:  
**50%** growth in home automation  
DIY stores: sales of € **2.8 M** (up **219%**)  
Pro: sales of € **1.7 M** (up **82%**)

**150,000 devices connected** at end 2013



**Determination to maintain our lead in our  
category of the connected devices market**

# Geographical growth drivers

Development in emerging countries: the Brazil project

## Brazil project



Reach a **critical size** .....

Play a **major role** in the Access segment .....

Expand the current **applications portfolio** .....

Develop all **distribution channels** .....

# Geographical growth drivers

Development in emerging countries: the Brazil project



## Security

Video surveillance cameras  
Infrared cameras  
Video player-recorders  
Access control systems

2013: acquisition of 51% of  
the capital for € 7 M

Sales: € 11 M  
150 employees





# Geographical growth drivers

Development in emerging countries: the Brazil project



Access

Door and gate automation

2011: Signing of a partnership and subscription to a convertible bond issue for € 14 M

2013: Acquisition of usufruct for € 6 M

Sales: € 21 M\*

344 employees

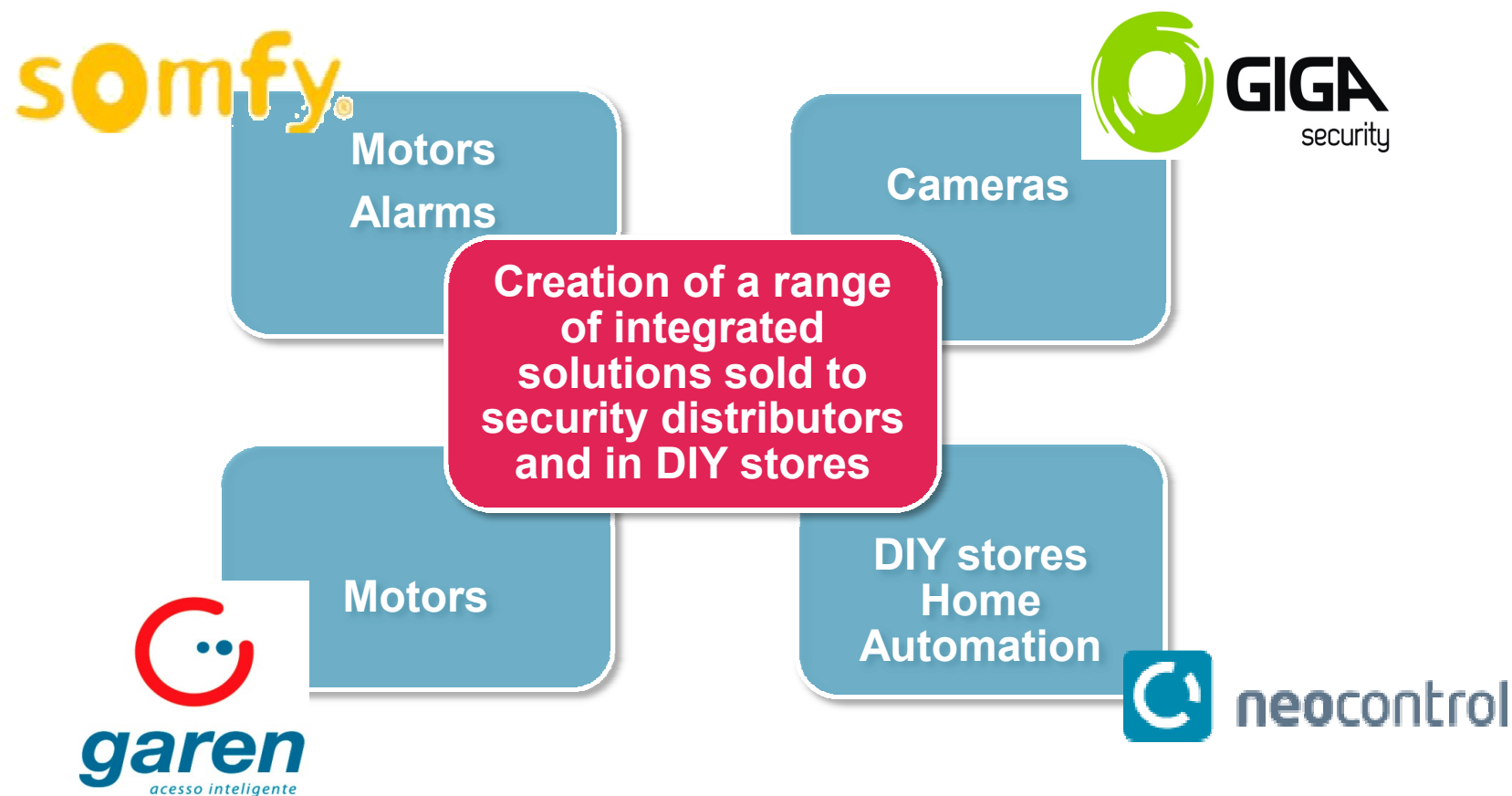
30% market share in Brazil

400,000 motors per year

*\*Not consolidated in 2013*

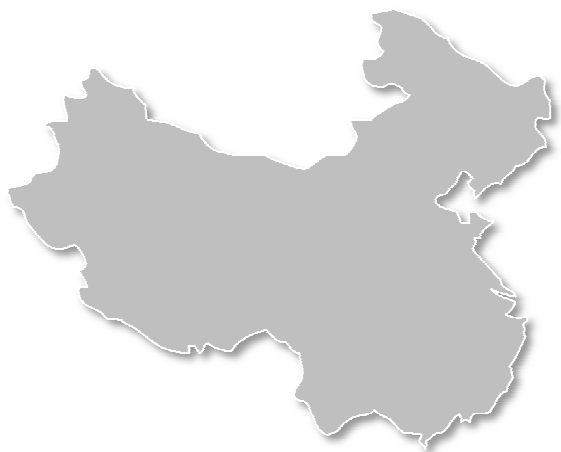
# Geographical growth drivers

Development in emerging countries: the Brazil project



# Geographical growth drivers

Development in emerging countries: China - Dooya



Dooya results after 3 years:  
2013 sales: € 85.5 M (up 6.6%) .....  
up 46.4% since 2011

Geographical rebalancing of the portfolio  
Sales: 42% achieved in China in 2013 .....

..... Leadership maintained in entry level

..... Improved margin, lower  
than Group average

..... Opening of a new factory in 2014



The acquisition of Dooya made it possible to capitalise on growth in the Chinese market

# 2014 Outlook

Fragile recovery of the construction industry in Europe

Ongoing work to improve efficiency

Where the economic climate permits, marketing and R&D efforts will be increased

Continued rollout of the strategic plan and new growth drivers



## Somfy Participations

Wilfrid Le Naour



# Portfolio at 31/12/2013

## Equity

(€ millions)	Sales	% held
<b>CIAT</b>	256.1	46.1%
<b>FAAC</b>	284.2*	34.0%
<b>Gaviota</b>	59.6	46.5%
<b>La Buvette Group</b>	20.3*	25.0%
<b>Pellenc</b>	133.2	47.3%
<b>Sirem</b>	20.2	87.5%
<b>Zurflüh-Feller</b>	57.1	100.0%
<b>Cotharm Evolution</b>	29.5*	10.0%
<b>Babeau Seguin Group</b>	NS	1.4%

\* estimate

# Portfolio at 31/12/2013

## Miscellaneous and Mezzanines

Private Equity Funds

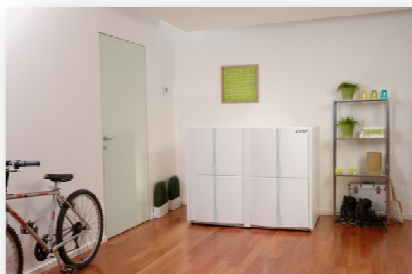
€ 4.1 M

Mezzanines

€ 77.7 M

Convertible bonds

€ 1.3 M



\* estimate

# Business activity

A difficult first half overall

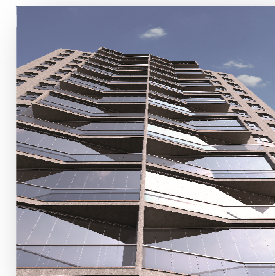
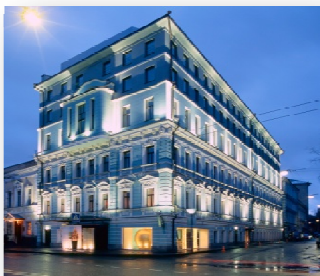
- especially in France
- progress internationally

Strong recovery in the second half



# Highlights

- CIAT: reduction in the break-even point, improvement in orders over the second half of 2013
- Sirem: EBITDA recovery, further improvements to come
- Pellenc, FAAC, Gaviota: build-up, investments  $\cong$  € 28.0 M
- Gaviota: EBITDA up 37%



# Contribution to Group results

(€ millions)	31/12/2013	31/12/2012 *
Sales	77.3	80.6
EBITDA	12.6	11.1
EBIT	5.7	3.1
Non-recurring income/(expenses)	-0.5	-1.5
Net financial income	6.7	11.8
of which Mezzanines	5.6	5.1
of which Dividends	2.7	7.5
Net profit	9.3	11.1
Share of profit/(loss) of equity-accounted companies	1.4	-9.8
Net profit after share of profit/(loss) of equity-accounted companies	10.7	1.4

\* Excluding Cotherm

# Contribution to Group results

2013 financial transactions (€ millions)

**Cash in**  
**€ 17.7 M**

agta record balance	<b>8.8</b>
Dividends	<b>3.0</b>
FAAC	<b>2.7</b>
Pellenc	<b>0.3</b>
Current account repayment	<b>5.6</b>
Private Equity Funds	<b>0.3</b>

**Cash out**  
**€ 2.3 M**

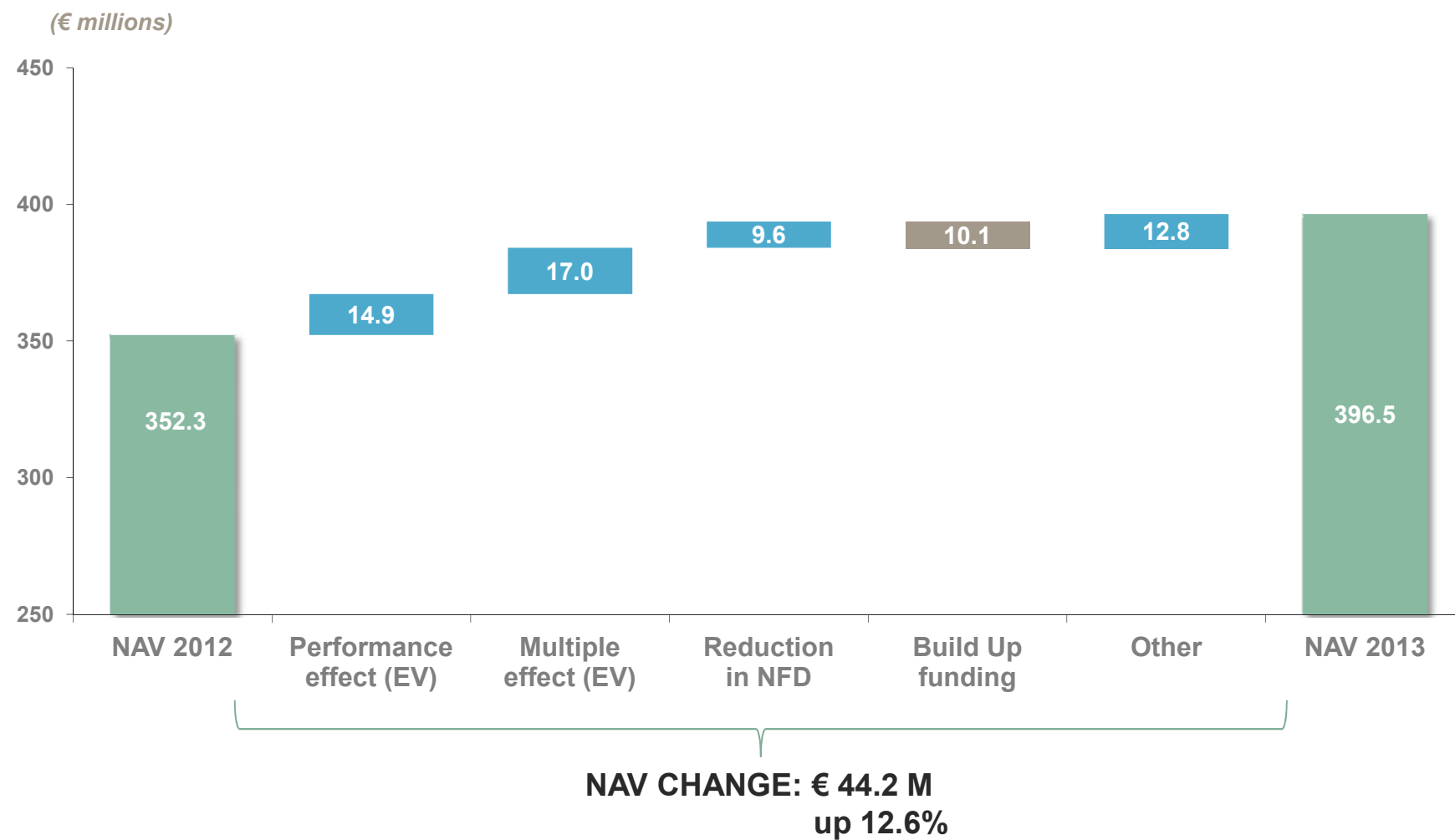
Private Equity Funds	<b>0.9</b>
Subsidiary Loans	<b>0.9</b>
Miscellaneous Equity	<b>0.5</b>



## Change in NAV (€ millions)

	31/12/2013	31/12/2012	2012/13 change
Equity	313.4	275.3	13.8%
Mezzanines + CB	79.0	73.0	8.2%
Private Equity Funds	4.1	4.0	2.3%
<b>Total</b>	<b>396.5</b>	<b>352.3</b>	<b>12.6%</b>

# Change in NAV



# 2014 Outlook

Improvements expected for all companies

Integration of FAAC and Pellenc acquisitions

Explore opportunities for Zurflüh-Feller

Substantial deal flow: selective approach on 1 or 2 deals

Prospecting in Switzerland: possible transactions being negotiated

Remain alert for potential disposal opportunities

A more  
positive year  
for portfolio  
companies



Somfy Group  
Paul Georges Despature

# 2014 Outlook



Continued efforts to maintain the Group's efficiency and competitiveness

Consolidation of Somfy Activities' traditional markets and continued development of new ones

Further investments in Somfy Participations to strengthen the existing companies and enhance the portfolio