



# *Presentation of 2018 half-year results*

SOMFY 



# ***Overview of the first six months***

PRESENTATION OF  
2018 HALF-YEAR  
RESULTS



# **HIGHLIGHTS**

- Change in Dooya's position and accounting treatment within the Group
- Lower sales growth due to a less favourable environment in a number of regions
- Increase in current operating margin rate as a result of the equity accounting of Dooya and stability based on a comparable consolidation method thanks to steady prices and costs
- Unfavourable exchange rate impacts
- Attendance at the Stuttgart R+T trade fair, the world's leading industry event for roller shutters, automatic doors and gates (more than 65,000 visitors and 1,000 exhibitors)

## **HIGHLIGHTS – FOCUS ON DOOYA**

- Decision by the Group to manage its Chinese subsidiary Dooya as an autonomous entity, in partnership with the minority shareholder
- Adoption of new governance rules with no changes to the capital structure, resulting in joint control of Dooya and to ensure better control of the company's development and competitive environment
- Dooya's exit from the Group's full consolidation scope and consolidation under the equity method going forward
- Restatement of the 2017 and 2018 income statement and cash flow statement in accordance with IFRS 5 and for comparability purposes
- Positive impacts of the transaction: €2.6 million on net profit, €35.8 million on equity and €42.1 million on the Group's net cash position

Note: please see the appendices for Dooya's key financial indicators



## ***HIGHLIGHTS – PARTNERSHIPS***

- Continued digitalisation drive, with the launch of the So Open project and the signing of partnerships with the brands Schneider Electric and Danfoss
- Signing of partnerships with major property developers in France including Nexity and Bouygues Immobilier for the delivery of new connected apartments
- Completion of 500 pilot projects in 2018 to connect non-connected housing units sold off-plan

# *Analysis of results*

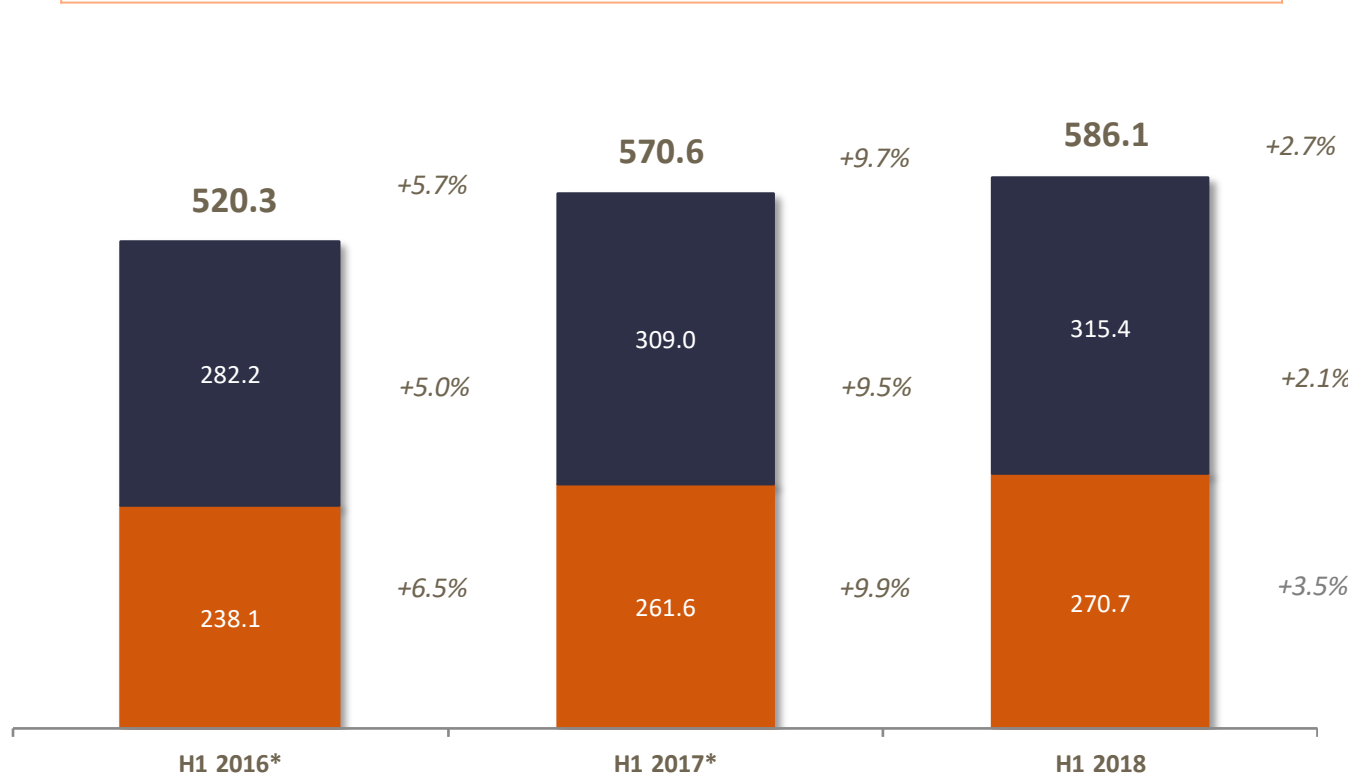
PRESENTATION OF  
2018 HALF-YEAR  
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# SALES

Consolidated data (€ millions)	30/06/17*	30/06/18	Change 2018/17
Sales	570.6	586.1	+2.7%



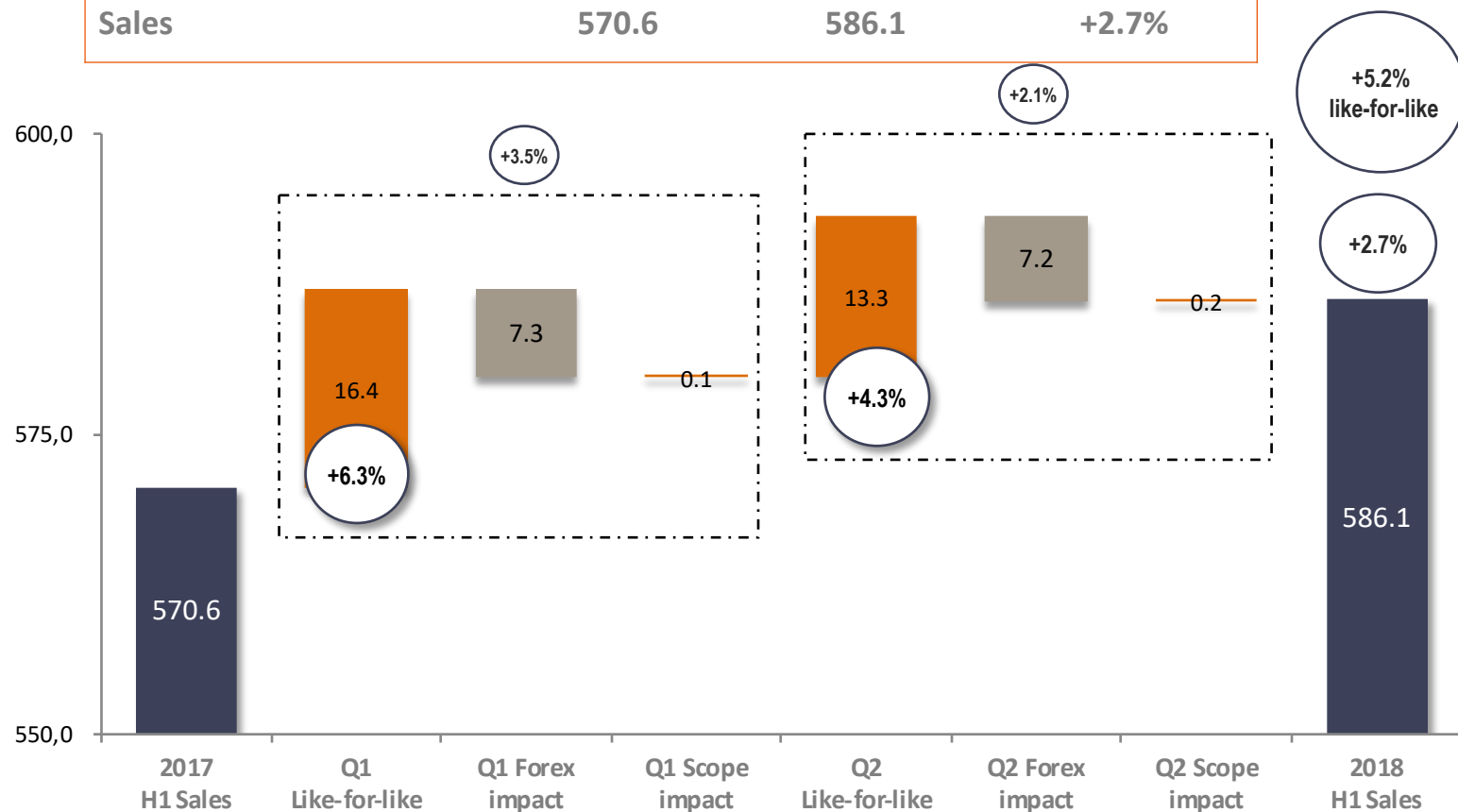
+5.2%  
like-for-like

- The trend dipped at the start of the year but remained clearly positive overall
- Challenging base effect due to excellent performances in previous financial years

\* 2016 and 2017 sales have been restated following the change in the consolidation method of Dooya (application of IFRS 5)

# SALES (continued)

Consolidated data (€ millions)	30/06/17*	30/06/18	Change 2018/17
Sales	570.6	586.1	+2.7%

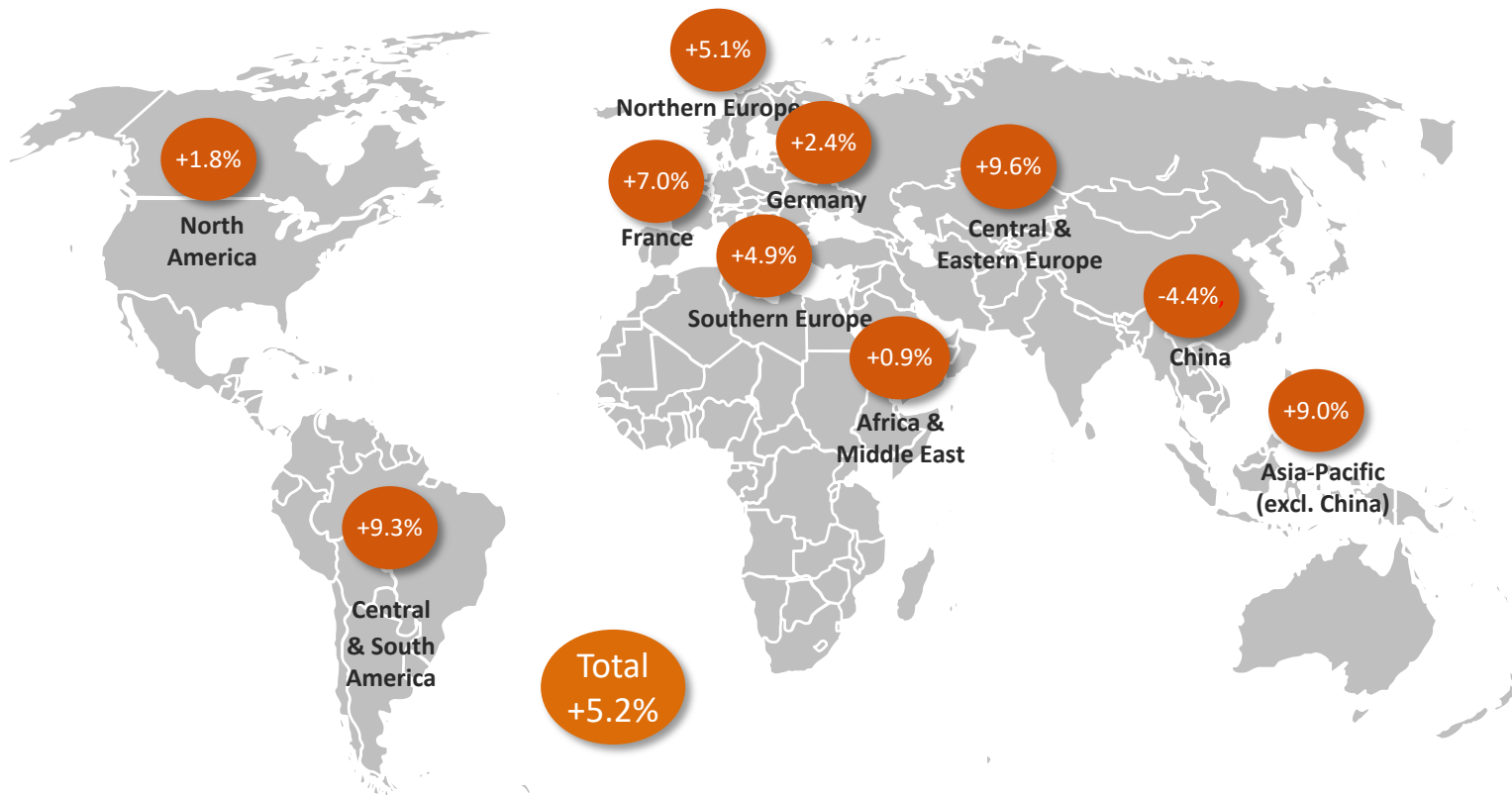


- Negative impact of exchange rate differences due to a stronger euro over the last few months of 2017
- Negligible impact of changes to the consolidation scope

\* 2017 sales have been restated following the change in the consolidation method of Dooya (application of IFRS 5)



## SALES (continued)



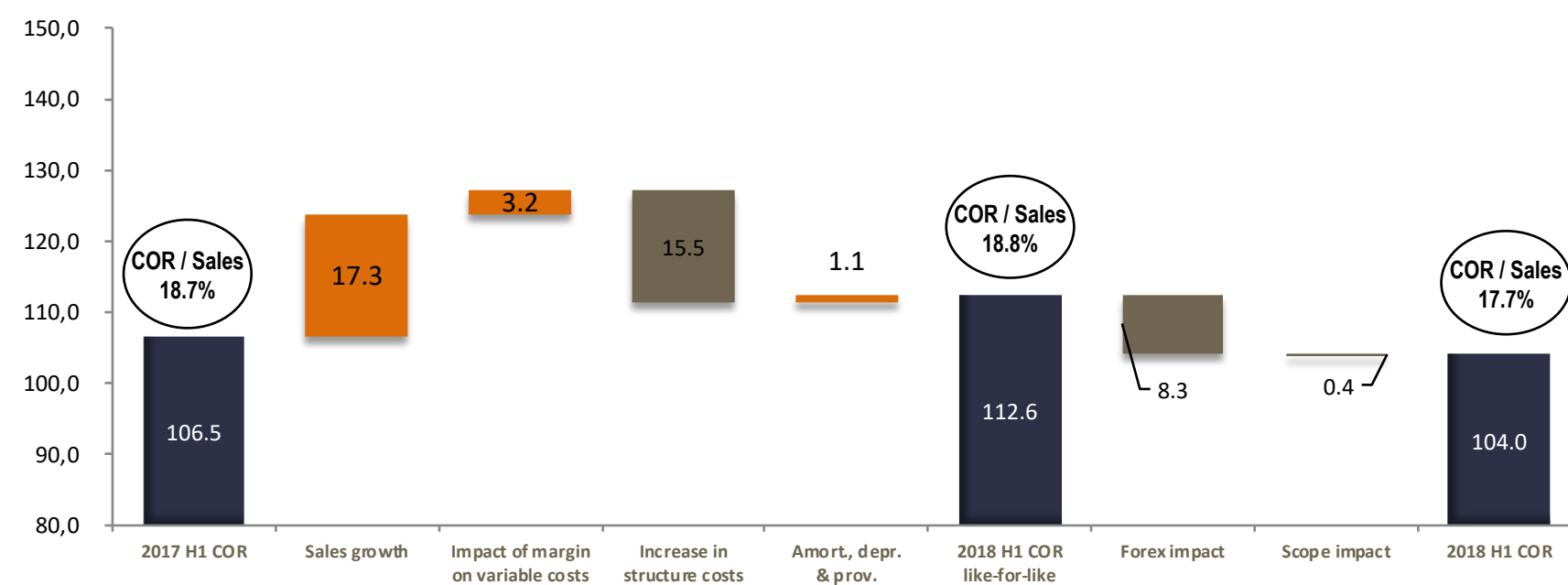
- Sustained growth in Central & South America, Asia-Pacific (excluding China) and France
- Slowdown in the Middle East due to an unstable economic and political environment
- One-off dip in North America due to the change in the main business partner's inventory policy

Changes on a like-for-like basis (constant scope and exchange rates)

# CURRENT OPERATING RESULT

Consolidated data (€ millions)	30/06/17*	30/06/18	Change 2018/17
Sales	570.6	586.1	+2.7%
Current operating result	106.5	104.0	-2.3%

- Increase in gross margin (stabilisation of selling prices, increase in raw material prices offset by productivity gains)
- Continued implementation of strategic investments (digitalisation of operations, strengthening of research and distribution teams)
- Participation in major industry events (CES and R+T)
- Current operating margin rate stable on a like-for-like basis
- Unfavourable exchange rate impacts



\* 2017 data has been restated following the change in the consolidation method of Dooya (application of IFRS 5)



# CONDENSED INCOME STATEMENT

Consolidated data (€ millions)	30/06/17*	30/06/18	Change 2018/17
Sales	570.6	586.1	+2.7%
Current operating result	106.5	104.0	-2.3%
Non-recurring operating items	(0.3)	(0.2)	NS
Financial items	(4.7)	(2.5)	+47.4%
Income tax	(16.5)	(20.7)	+25.7%
Contribution of equity-accounted companies	(0.2)	0.0	NS
<b>Net profit from continuing operations</b>	<b>84.7</b>	<b>80.6</b>	<b>-4.9%</b>
Net profit from operations treated in accordance with IFRS 5 (Dooya)	(1.2)	2.6	NS
<b>Consolidated net profit</b>	<b>83.5</b>	<b>83.2</b>	<b>-0.4%</b>

\* Financial statements have been restated following the change in the consolidation method of Dooya (application of IFRS 5)

# ***OVERVIEW OF RESULTS***

- Sales growth
- Slight decline in current operating result on a comparable consolidation method but increase on a like-for-like basis
- Limited impact of non-recurring operating and financial items
- Standardisation of the tax rate
- Negligible impact of the change in the accounting treatment of Dooya on net profit
- Net profit virtually unchanged



# CONDENSED CASH FLOW STATEMENT

Consolidated data (€ millions)	30/06/17*	30/06/18
Cash flow	106.5	101.7
Change in working capital requirements	(60.8)	(58.1)
Other flows	0.1	0.6
<b>Net cash flow from operating activities</b>	<b>45.8</b>	<b>44.2</b>
<b>Net cash flow from investing activities</b>	<b>(23.3)</b>	<b>(28.0)</b>
<b>Net cash flow from financing and capital activities</b>	<b>(43.1)</b>	<b>(47.3)</b>
<b>Net cash flow from operations treated in accordance with IFRS 5</b>	<b>0.1</b>	<b>(20.3)</b>
Impact of changes in exchange rate	(0.9)	(0.7)
<b>Net change in cash and cash equivalents</b>	<b>(21.3)</b>	<b>(52.0)</b>

\* Financial statements have been restated following the change in the consolidation method of Dooya (application of IFRS 5)

- Cash flow stable after restatement of tax reliefs recognised in 2017
- Controlled increase in WCR despite the significant increase in inventories (increased security of supplies)
- Increasing capacity expansion investments
- “Technical” flow related to the change in the consolidation method of Dooya

# CONDENSED BALANCE SHEET

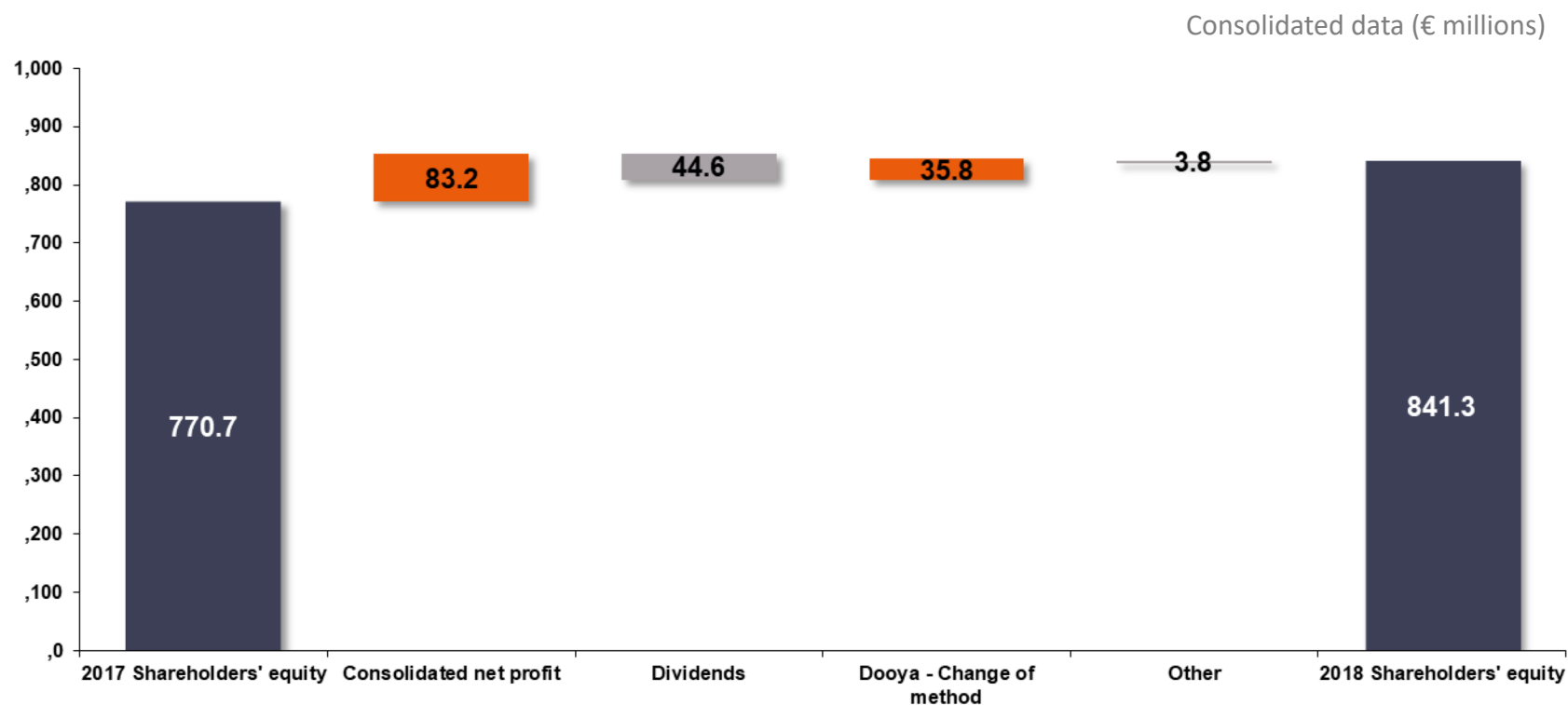
Consolidated data (€ millions)	30/06/17	31/12/17	30/06/18
<b>Equity</b>	<b>694.5</b>	<b>770.7</b>	<b>841.3</b>
Long-term borrowings	34.8	33.5	11.9
Provisions and retirement commitments	36.5	35.3	33.5
Other non-current liabilities	16.6	17.3	16.9
<b>Permanent capital</b>	<b>782.4</b>	<b>856.9</b>	<b>903.6</b>
Goodwill	197.6	196.8	96.8
Net non-current assets	312.6	323.2	276.1
Investments in associates and joint ventures	1.6	0.9	132.9
Other non-current assets	26.4	27.3	26.5
<b>Working capital</b>	<b>244.3</b>	<b>308.6</b>	<b>371.3</b>
<b>Working capital requirements</b>	<b>219.6</b>	<b>171.7</b>	<b>234.9</b>
<b>Cash and cash equivalents</b>	<b>24.7</b>	<b>136.9</b>	<b>136.4</b>
<b>Net financial debt*</b>	<b>10.7</b>	<b>(104.6)</b>	<b>(124.0)</b>

- Comparability difficult
- Dooya shares equity accounted for a fair value of €132 million
- Increase in shareholders' equity
- Significant net cash surplus maintained

\* The balance equates to a debt where it is positive and a surplus where it is negative

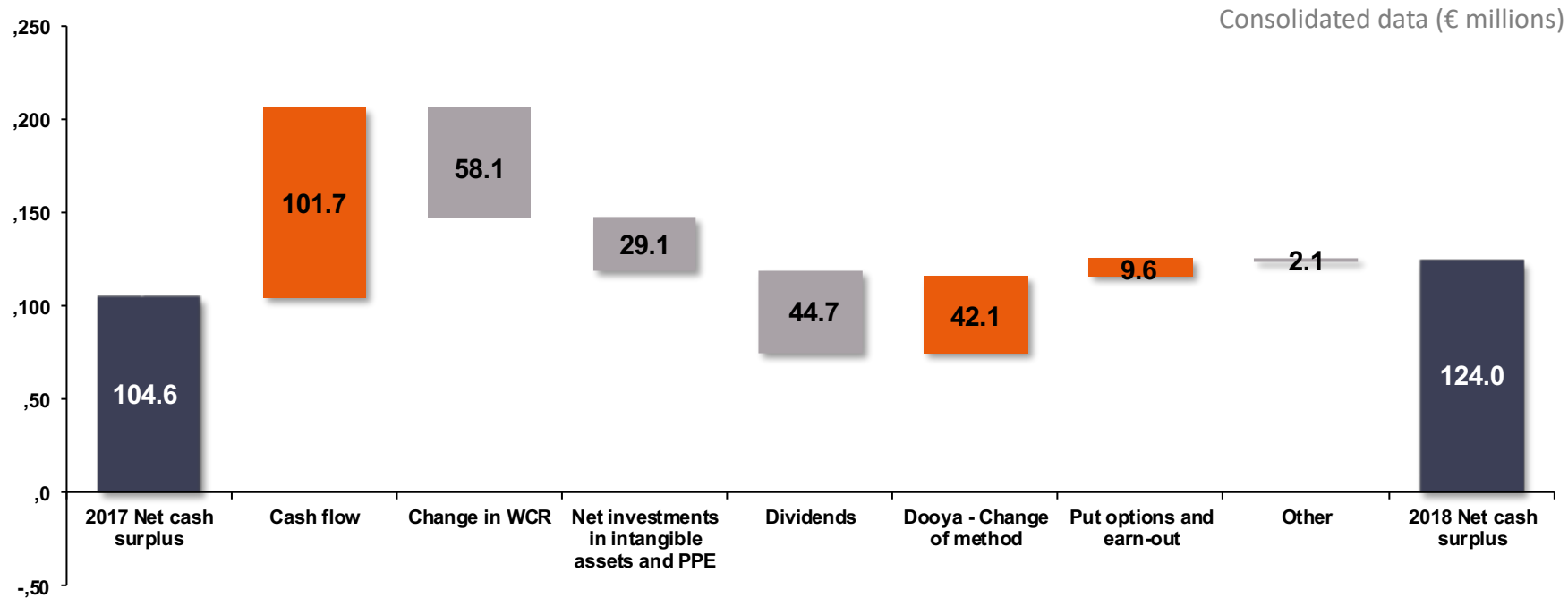
2017 balance sheets have not been restated following the change in the consolidation method of Dooya (application of IFRS 5).

# ANALYSIS OF SHAREHOLDERS' EQUITY



- Sound equity structure maintained
- Positive impact of the change in the consolidation method of Dooya

# NET FINANCIAL DEBT/NET CASH



- Knock-on increase in working capital requirements (weaker sales growth, safety stock of components and raw materials)
- Self-financing of the majority of the half-year's requirements (dividends, investments, working capital requirements)
- Positive impact of the change in the consolidation method of Dooya



# ***OVERVIEW OF FINANCIAL POSITION***

- Cash flow maintained at a high level
- Controlled increase in working capital requirements
- Positive impact of Dooya's new consolidation method
- Sound financial structure maintained
- Increase in net cash surplus (cash & cash equivalents)

# *Full-year outlook*

PRESENTATION OF  
2018 HALF-YEAR  
RESULTS



## ***TRENDS FOR THE SECOND HALF-YEAR***

- Sales growth in line with the trend seen in the early part of the year
- Continued development and investment efforts
- Diminishing impact of changes in exchange rates
- Hedging of changes in raw material prices

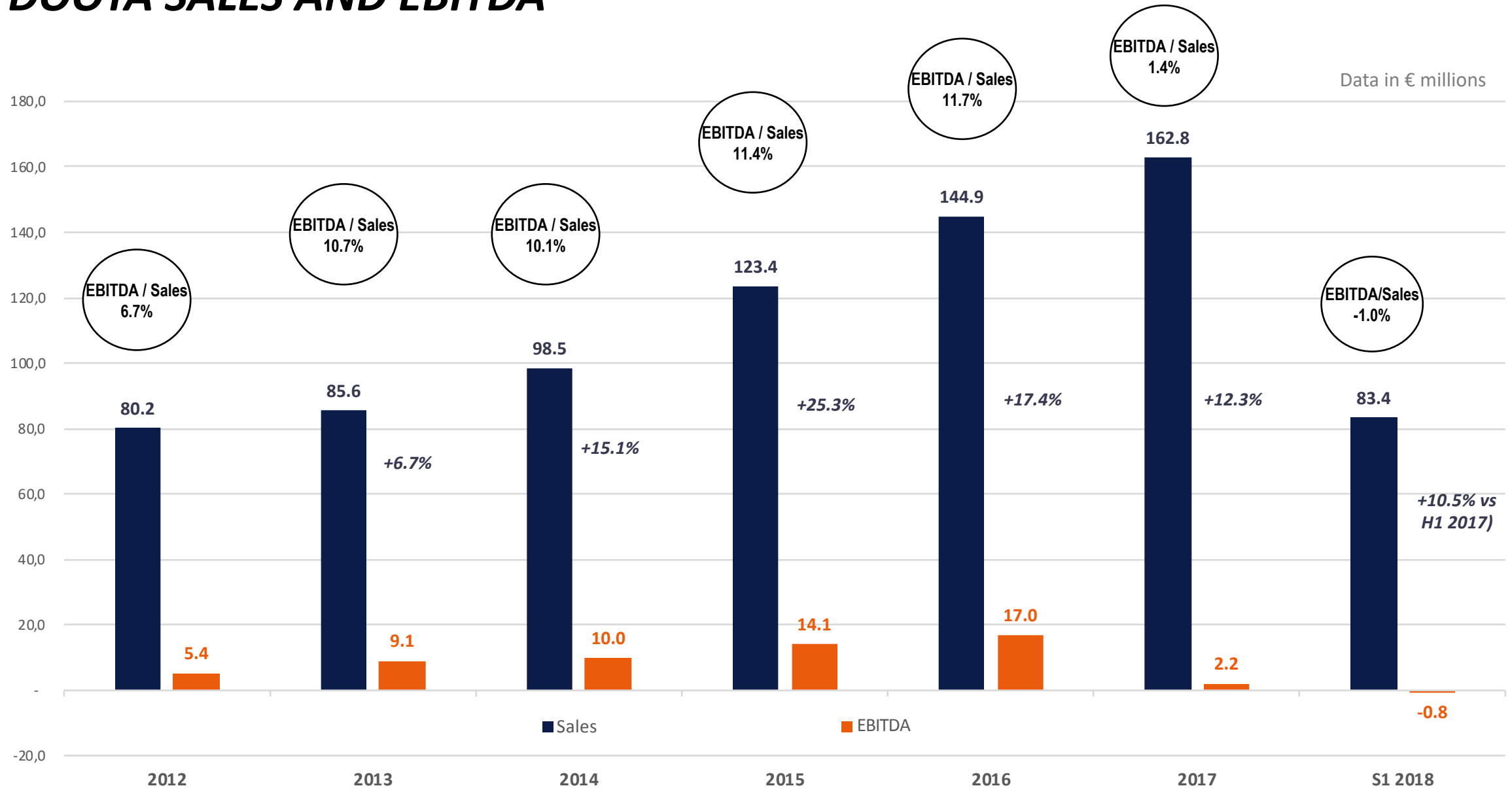


# *Appendices*

PRESENTATION OF  
2018 HALF-YEAR  
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# DOOYA SALES AND EBITDA



# RESTATED 2017 INCOME STATEMENTS

- The 2017 income statements have been restated following the change in the consolidation method of Dooya (IFRS 5).

Consolidated data (€ millions)	30/06/17 published	Dooya contribution	30/06/17 restated
Sales	643.5	(72.9)	570.6
Current operating result	106.2	0.3	106.5
Non-recurring operating items	(0.3)	0.0	(0.3)
Financial items	(5.3)	0.5	(4.7)
Income tax	(16.5)	0.0	(16.5)
Contribution of equity-accounted companies	(0.2)	0.0	(0.2)
Net profit from continuing operations	84.0	0.8	84.7
Net profit from operations treated in accordance with IFRS 5	0.0	(1.2)	(1.2)
Consolidated net profit	84.0	(0.4)	83.5

31/12/17 published	Dooya contribution	31/12/17 restated
1,246.6	(157.2)	1,089.4
168.4	6.3	174.7
(0.2)	0.0	(0.2)
(5.9)	1.2	(4.6)
(3.1)	(0.9)	(4.0)
(1.5)	0.0	(1.5)
157.7	6.6	164.4
0.0	(6.6)	(6.6)
157.7	0.0	157.7



# RESTATED 2017 CASH FLOW STATEMENTS

- The 2017 cash flow statements have been restated following the change in the consolidation method of Dooya (IFRS 5).

Consolidated data (€ millions)	30/06/17 published	Dooya contribution	30/06/17 restated
Cash flow	109.0	(2.5)	106.5
Change in working capital requirements	(62.6)	1.8	(60.8)
Other flows	0.5	(0.4)	0.1
<b>Net cash flow from operating activities</b>	<b>46.9</b>	<b>(1.1)</b>	<b>45.8</b>
<b>Net cash flow from investing activities</b>	<b>(29.0)</b>	<b>5.7</b>	<b>(23.3)</b>
<b>Net cash flow from financing and capital activities</b>	<b>(37.5)</b>	<b>(5.6)</b>	<b>(43.1)</b>
<b>Net cash flow from operations treated in accordance with IFRS 5</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>
Impact of changes in exchange rate	(1.7)	0.8	(0.9)
<b>Net change in cash and cash equivalents</b>	<b>(21.3)</b>	<b>0.0</b>	<b>(21.3)</b>

31/12/17 published	Dooya contribution	31/12/17 restated
208.1	0.4	207.7
(23.5)	(11.0)	(34.5)
1.5	(0.8)	0.6
<b>186.0</b>	<b>(12.2)</b>	<b>173.8</b>
<b>(55.2)</b>	<b>8.7</b>	<b>(46.5)</b>
<b>(41.9)</b>	<b>(4.0)</b>	<b>(46.0)</b>
<b>0.0</b>	<b>6.5</b>	<b>6.5</b>
(2.6)	1.1	(1.6)
<b>86.3</b>	<b>0.0</b>	<b>86.3</b>

# DOOYA 2017 CONTRIBUTION BALANCE SHEETS

Consolidated data (€ millions)	30/06/17	31/12/17
<b>Equity</b>	<b>76.5</b>	<b>75.7</b>
Long-term borrowings	5.3	5.3
Provisions and retirement commitments	2.9	2.7
Other non-current liabilities	2.0	1.2
<b>Permanent capital</b>	<b>86.6</b>	<b>84.9</b>
Goodwill	90.9	90.5
Net non-current assets	54.3	51.4
Investments in associates and joint ventures	0.0	0.0
Other non-current assets	1.6	1.6
<b>Working capital</b>	<b>(60.1)</b>	<b>(58.7)</b>
<b>Working capital requirements</b>	<b>5.6</b>	<b>(5.7)</b>
<b>Cash and cash equivalents</b>	<b>(65.7)</b>	<b>(53.0)</b>
<b>Net financial debt</b>	<b>71.3</b>	<b>58.7</b>