

# Financial information meeting

Presentation of results for the financial year 2012



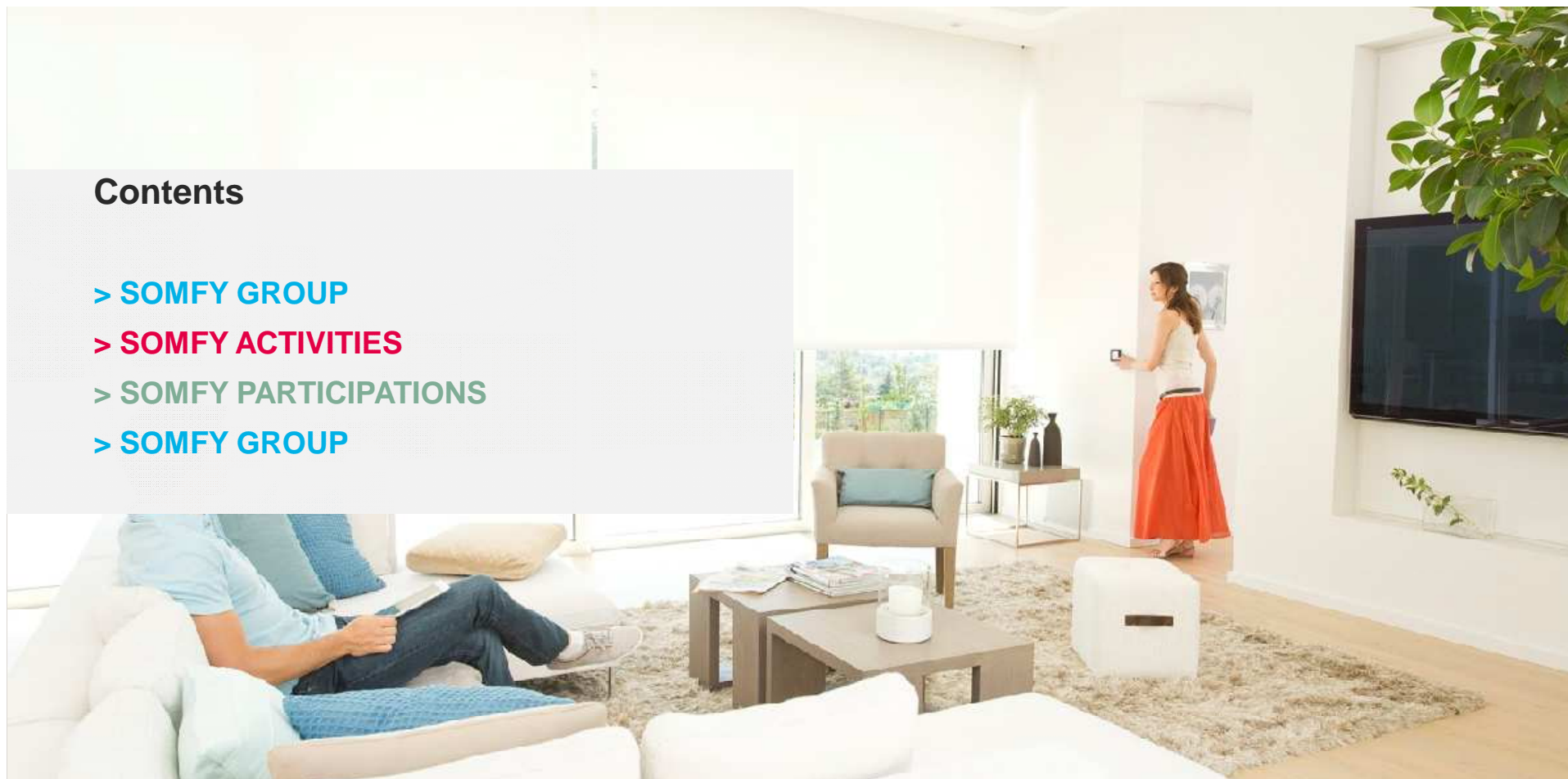
1 March 2013

# Financial information meeting

Presentation of results for the financial year 2012

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1 March 2013





**SOMFY GROUP**

Paul Georges Despature



# 2012 Key Figures

**€ 990 M** Sales

**up 3.9%** in real terms

**€ 127 M** Current operating result

**€ 151 M** Cash flow

**7,600** Employees

Operating in **60** countries



# Background and highlights

- > Healthy business activity in a challenging European environment
- > Current operating margin maintained
- > Financial position consolidated
- > Confirmation of Somfy Activities' ambitious strategy
- > Validation of Somfy Participations' positioning: LBO and development capital / business transfers



**SOMFY GROUP**

Pierre Ribeiro

# Financial year figures

## Results

### Condensed income statement

Consolidated data (€ millions)	2011	2012	12/11 change
Sales	952.4	<b>989.6</b>	3.9%
Current operating result	124.7	<b>126.9</b>	1.8%
Non-recurring operating items	(8.3)	<b>(17.3)</b>	-
Financial items	70.4	<b>6.1</b>	-
Income tax	(24.9)	<b>(22.0)</b>	-11.6%
Share of profit of EACs*	(0.5)	<b>(10.1)</b>	-
Net profit	161.4	<b>83.5</b>	-48.2%
Restated net profit**	99.5	<b>83.5</b>	-16%
Cash flow	149.0	<b>150.9</b>	1.3%

\* Equity-accounted companies/ \*\* Net profit less capital gain on the disposal of agta record

**Increase in current operating result despite a challenging environment in the first half of the year**  
**Net profit adversely affected by non-recurring items**



# Financial year figures

## Financial position

### Condensed cash flow statement

Consolidated data (€ millions)	2011	2012
Net cash flow from operating activities	96.0	143.6
Net cash flow from investment activities	(2.6)	(35.1)
Net cash flow from financing activities	(113.0)	(103.7)
Impact of exchange rate movements	0.7	(0.3)
Net change in cash position	(18.9)	4.4

### Positive change in cash and cash equivalents

# Financial year figures

## Financial position

### Condensed balance sheet

Consolidated data (€ millions)	2011	2012
Shareholders' equity	841.2	864.2
Other non-current items	51.6	50.1
Net financial debt	15.7	(36.5)
Non-current assets, net	773.2	754.6
Working capital requirements	135.3	123.2
<b>Details of financial debt</b>		
<i>Net financial debt before bonds receivable</i>	81.0	32.9
<i>Unlisted bonds receivables</i>	(65.3)	(69.4)
<i>Net financial debt</i>	15.7	(36.5)

### Controlled working capital requirements

### A sound financial position



## **SOMFY ACTIVITIES**

Jean-Philippe Demaël





# Key figures

**€ 890 M** 2012 Sales

**up 3.4%** on a like-for-like basis

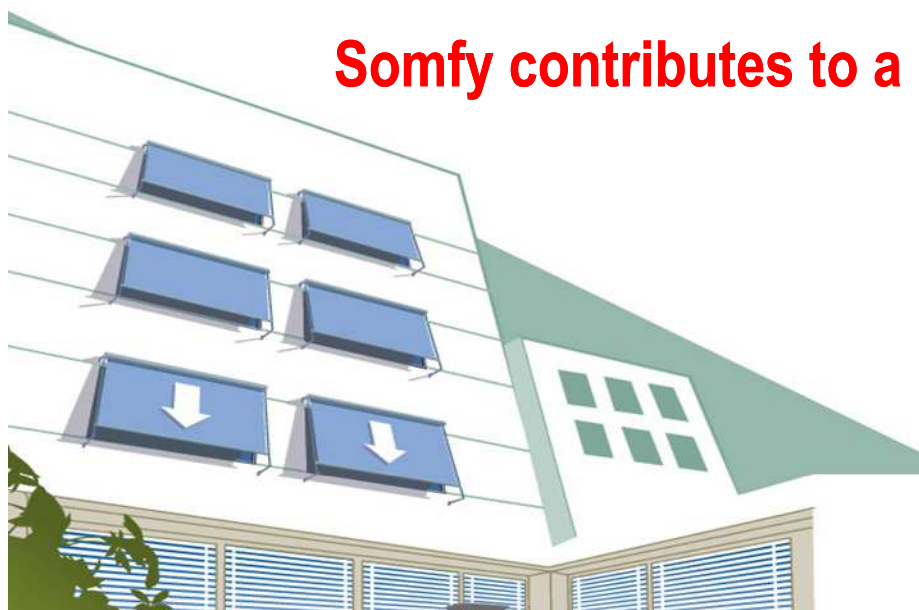
**€ 123 M** 2012 current operating result

**100,000,000 +** motors manufactured since 1980



# Positioning

**Somfy contributes to a higher quality of living space**



## Service industry

- > Energy savings
- > Natural ventilation and good visual appearance



## Residential

- > Comfort
- > Security
- > Energy savings
- > Autonomy



# 2012 Background

- > Economic crisis in Southern Europe and Northern Europe
- > Adverse weather conditions in Europe during the first half-year (season for blinds)
- > Confirmed recovery in the US
- > Buoyant environment in markets experiencing strong growth
- > Favourable comparatives in the second half-year



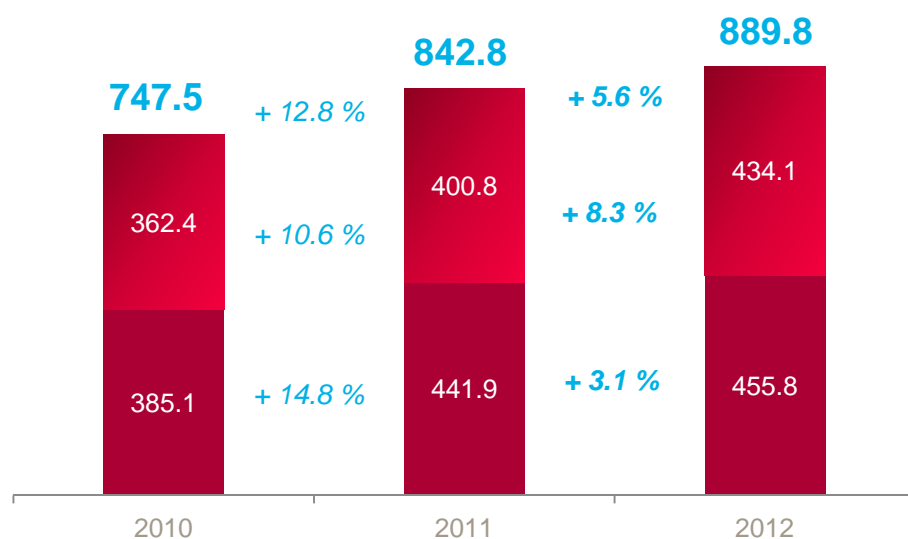
## Construction market

<b>As % (EU19)</b>	<b>2011</b>	<b>2012</b>
<b>New residential</b>	<b>+3.0</b>	<b>-6.7</b>
<b>Residential renovation</b>	<b>+1.2</b>	<b>-2.1</b>
<b>Non-residential</b>	<b>-0.2</b>	<b>-4.1</b>

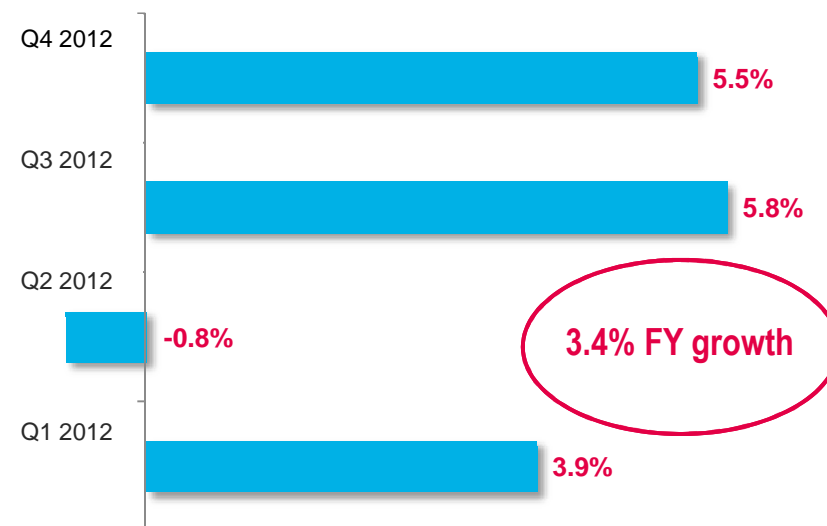
*(Euroconstruct)*

# Financial year figures

## Change in sales



Data in real terms (€ millions)

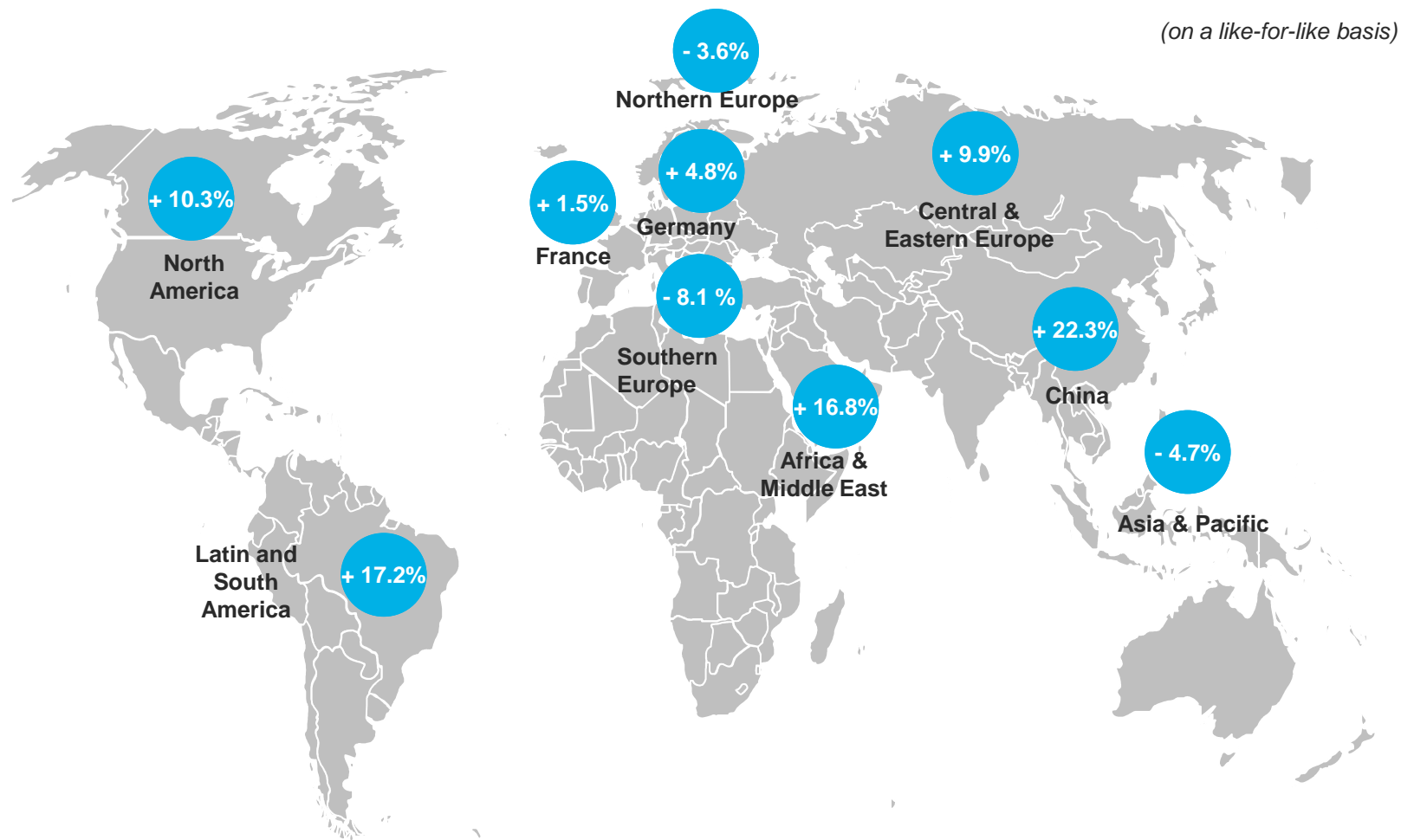


2012 changes in sales on a like-for-like basis

## Business recovery in the second half-year

# Financial year figures

Sales distribution and growth by geographic region

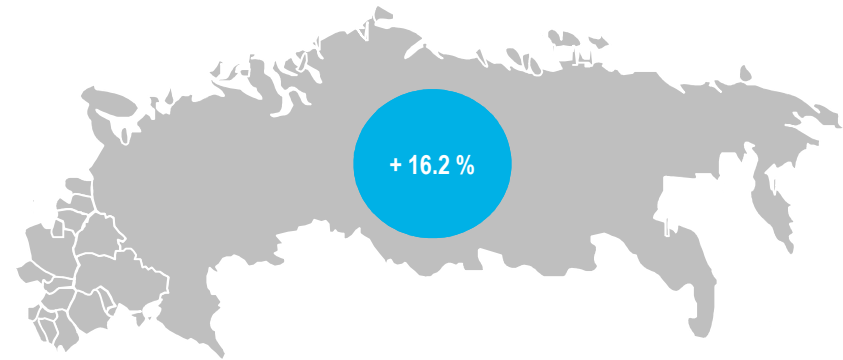


**Varying market dynamics**



# Financial year figures

## Focus on Eastern Europe

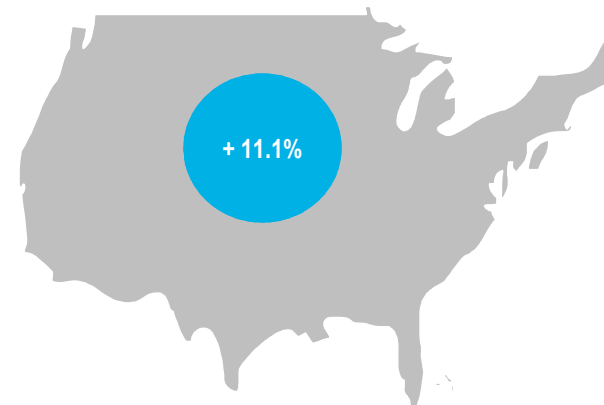


- > Growth of 13 to 24% depending on country
- > Breakdown by activity: multi-product market
  - 48% blinds and rolling shutters
  - 30.8% service industry and interior blinds
  - 21.2% gates and garage doors
- > Strong competition from Asia
- > Develop the “high value” segment via the Somfy brand

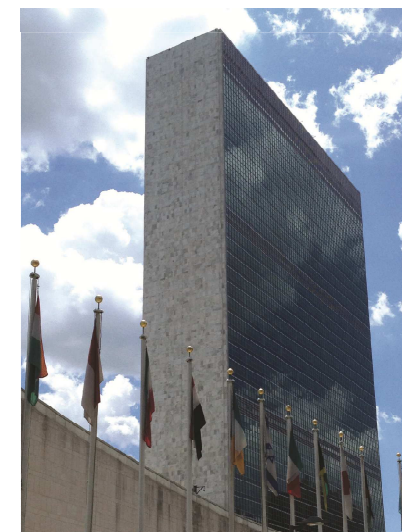
**One of the most buoyant regions with significant development potential**

# Financial year figures

## Focus on the US



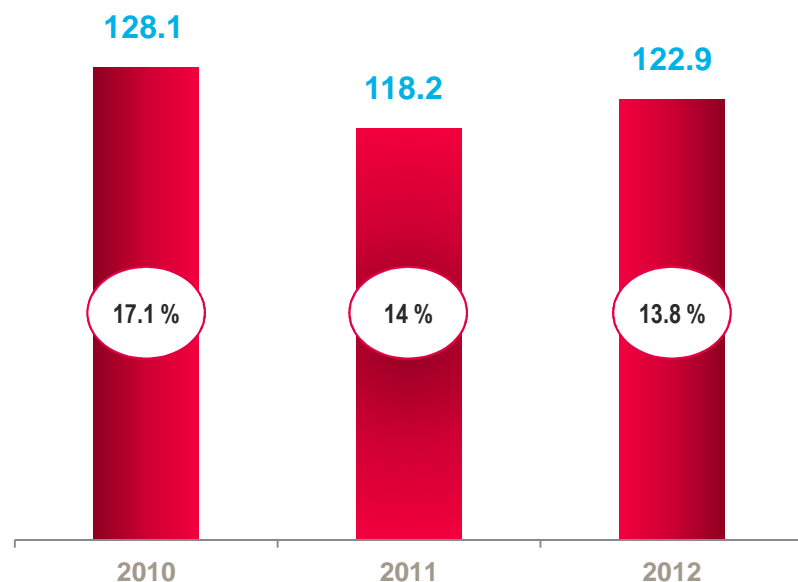
- > Renewed confidence due to stabilisation of the economy
- > Balanced growth
  - exterior blinds +14%
  - interior blinds +14%
  - service industry +15%
- > Market taking advantage of partnerships with major players:
  - "Spring" for interior blinds: +30% in 2012
  - "Crestron" in home automation: development of silent motors
  - "Philipps" in service industry: more than 40 projects awarded
  - "Sunsetter" US leader for exterior blinds (40% market share) –  
Joint advertising campaign + dedicated product range
- > Flagship projects awarded: UN in New York



**Market undergoing a revival with very strong growth potential**

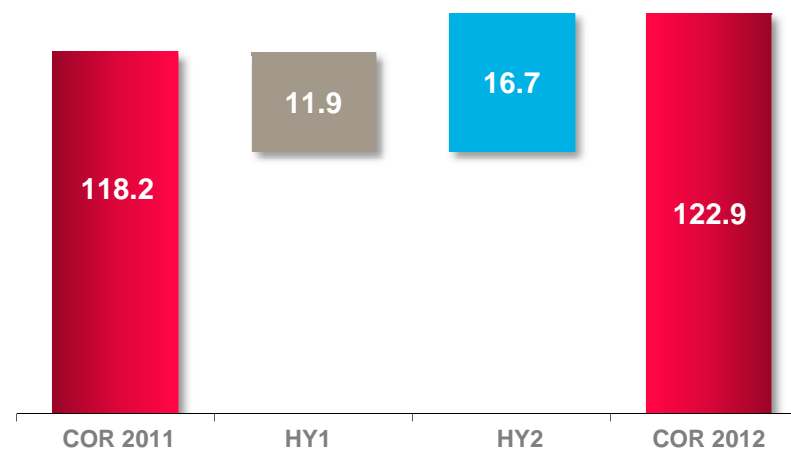
# Financial year figures

Current operating result (€ millions)



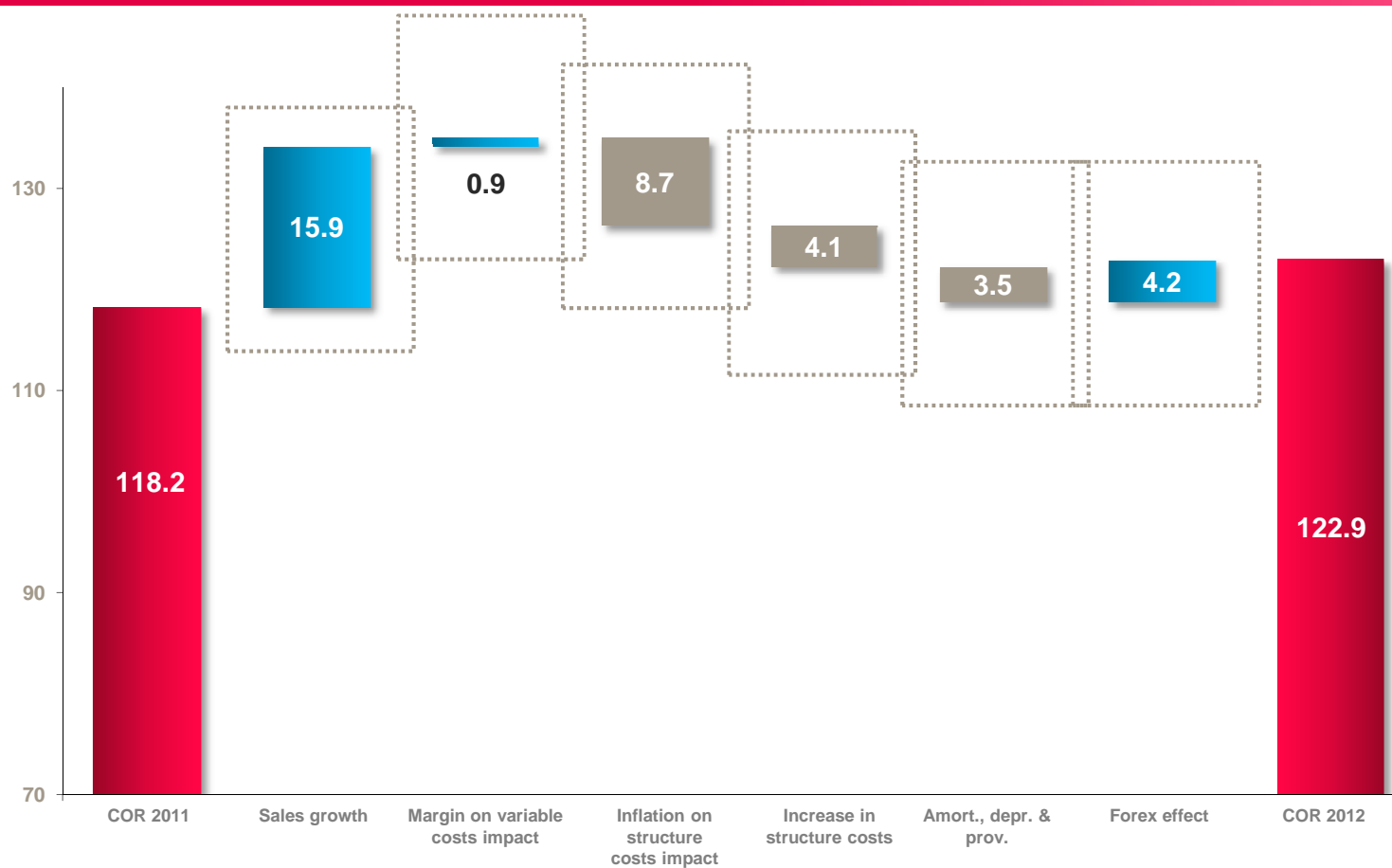
**Stable operating margin rate**

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



# Financial year figures

## Breakdown of current operating result



**Operating result benefited from the sales growth but remained impacted by structure costs**

# Financial year achievements

## Controlled profitability

- > Disposal of non-strategic entities (Klereo, I-Blind, Energy Eye)
- > Restructuring in progress in Italy (Way)
- > Plan to control structure costs

**Achieve strategic priorities whilst preserving profitability**



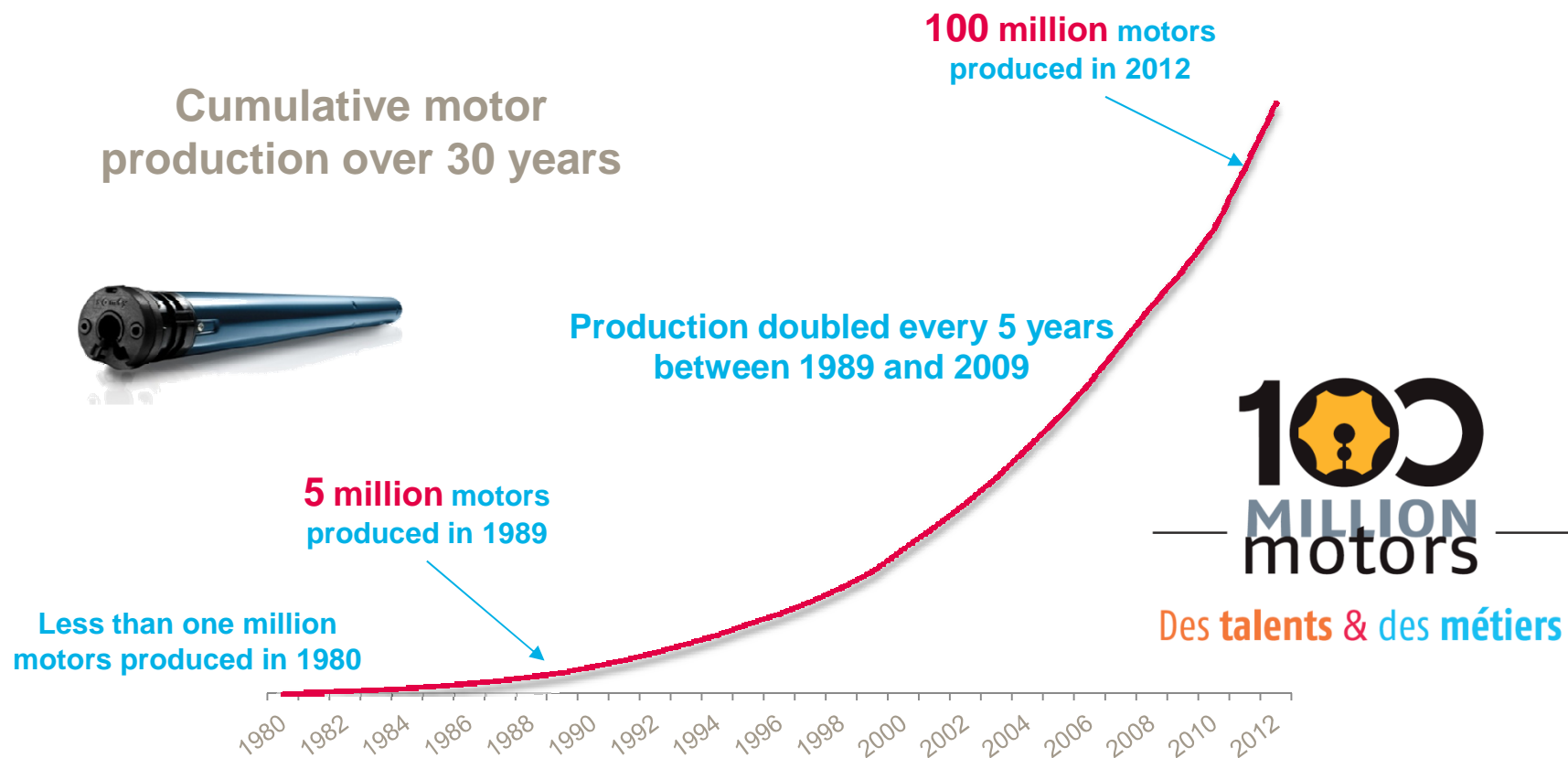
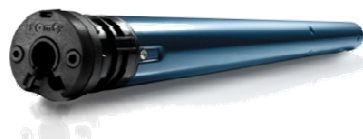
# 100 million motors: symbolic milestone reached in 2012

- > Development of the **production capacity**
- > Expansion of the **product range**
- > Enhanced **distribution** and **geographical spread**
- > On-going investment in the **brand**

**Somfy's DNA**

# Development of the production capacity

Cumulative motor  
production over 30 years



**Rapid growth requiring highly flexible production capacity**

# Development of the production capacity

## Poland (SOPEM)

- > Strong growth in Eastern European and Middle East markets
- > Need for local industrial and logistics services

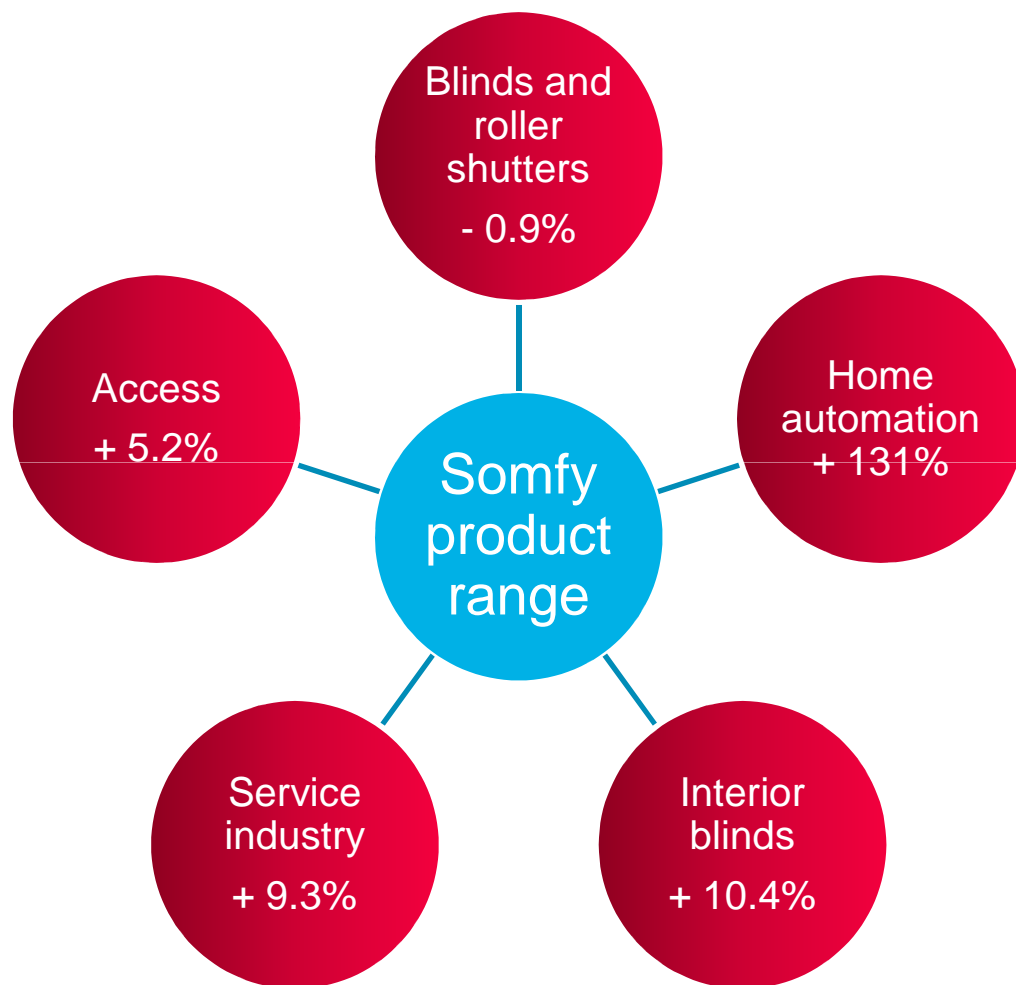


**On-going development of production capacity to continue with a new factory in Poland in 2014.**

# Expansion of the product range



# Expansion of the product range



## Innovation as a growth driver

40 new products launched in 2012

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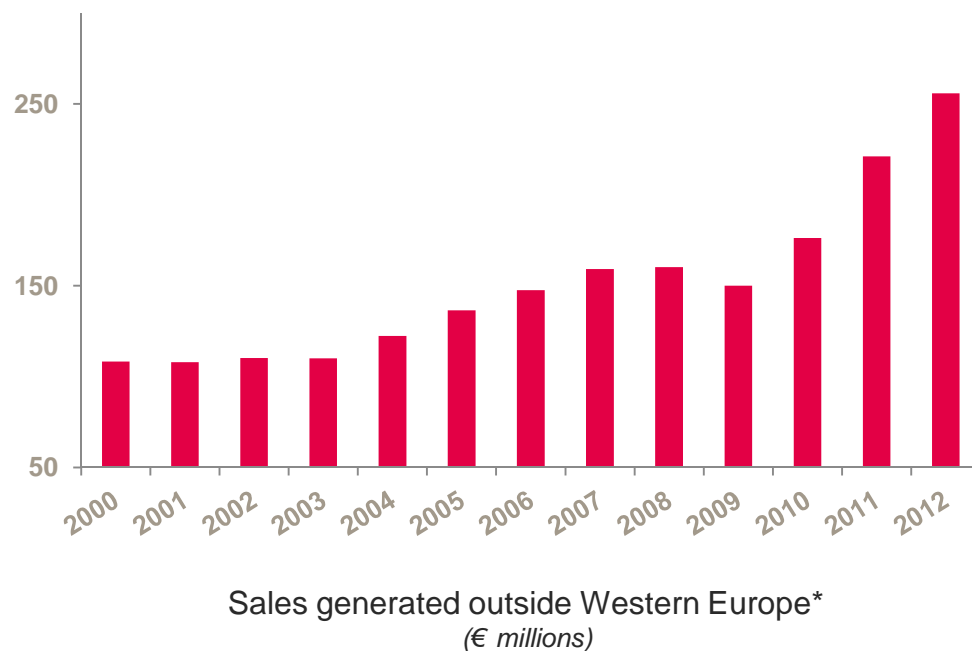
36 patents filed

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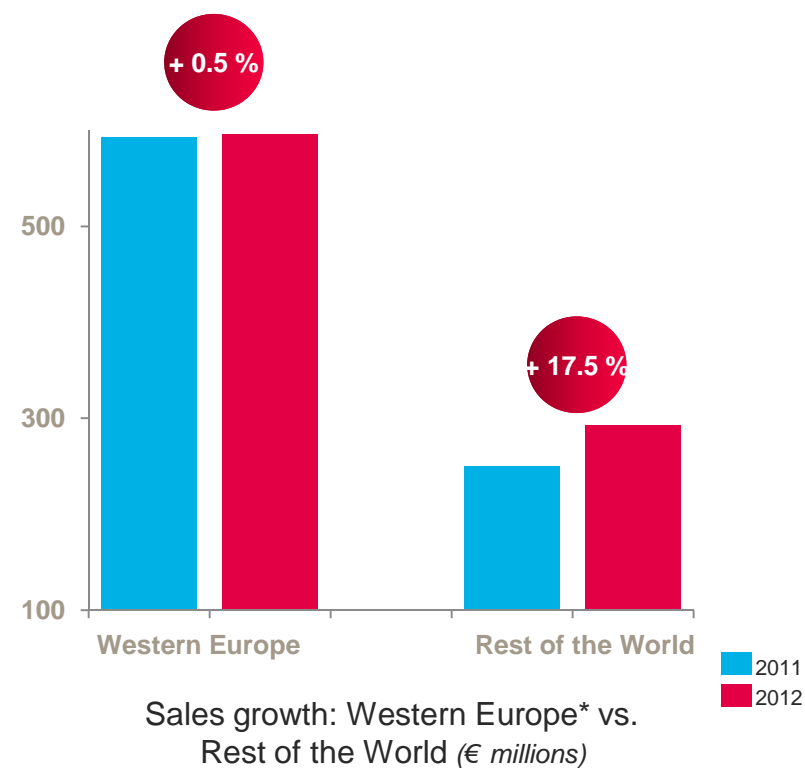


**On-going adaptation and innovation allowed for continued growth in 2012**

# Enhanced distribution and geographical spread



**Rapid growth since 2009 in non-European countries**

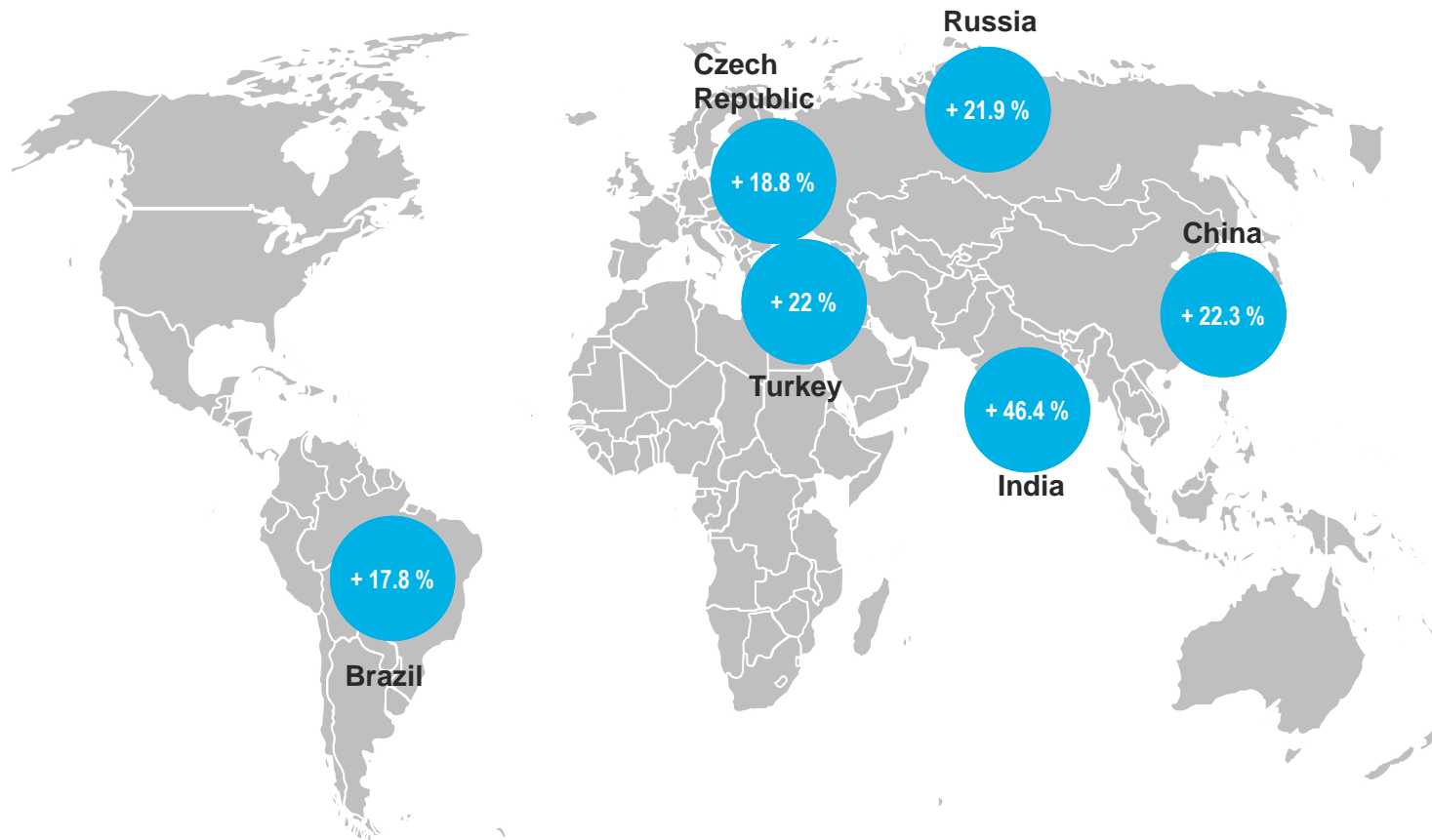


\* France, Germany, Southern Europe and Northern Europe



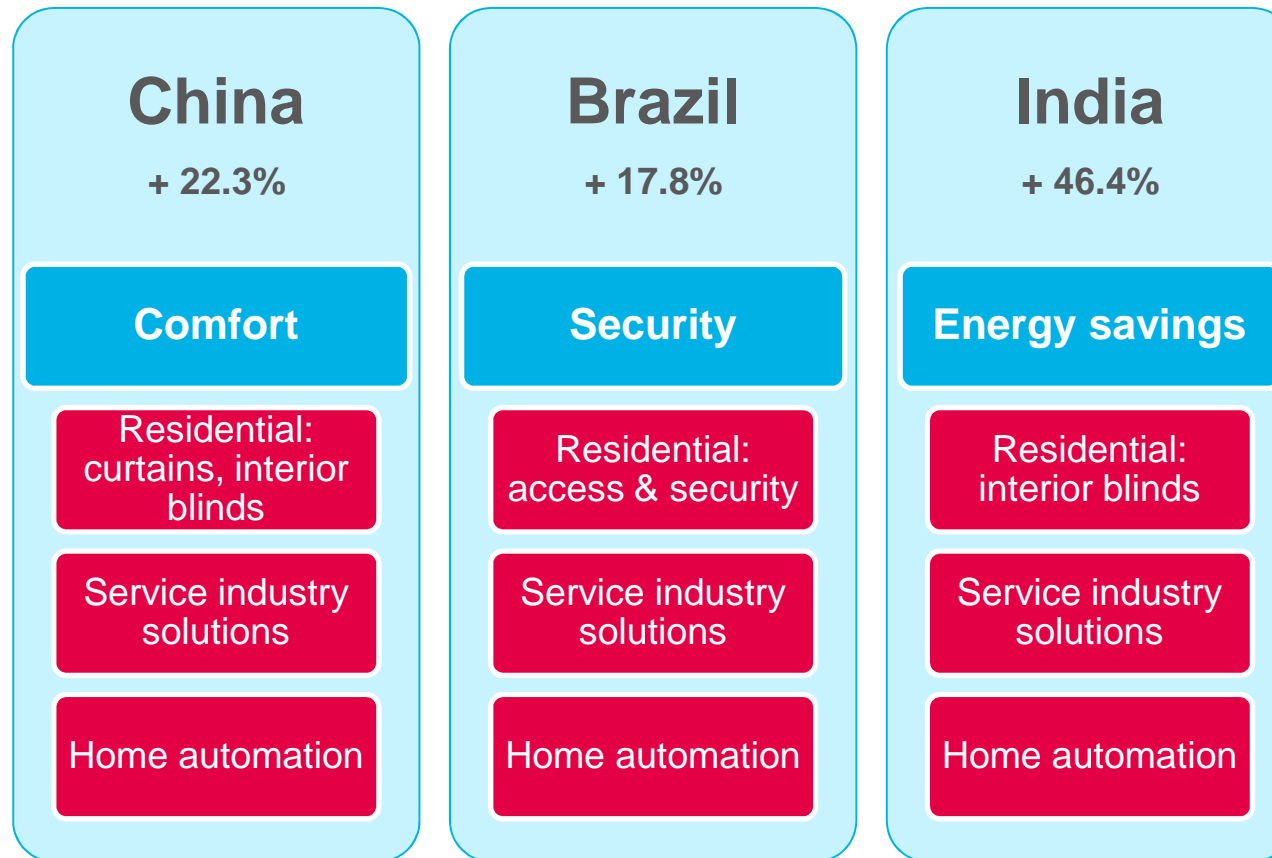


## Enhanced distribution and geographical spread



**Emerging markets still experiencing strong growth**

## Enhanced distribution and geographical spread



**Emerging markets require solutions tailored to each of their needs**

# On-going investment in the brand

- > € 10 million invested in TV commercials in 20 countries in 10 languages
- > High brand awareness in certain countries: 80% aided awareness in France
- > 6,000 Somfy experts worldwide
- > Creation of a new distribution channel for home automation: “Home automation specialists”
  - 17 today in France
  - 50 by end 2013



## A key strength in Somfy's DNA



## A new organisation to give renewed impetus to growth



**A new organisation to accelerate the implementation of our strategy:  
searching for efficiency and synergies**

# 2013 Outlook

- > Uncertain economic climate in European countries
- > Stronger market growth in emerging countries
- > Continued rollout of the strategic plan and new growth drivers
- > On-going work on competitiveness, direct costs and structure costs
- > Acquisitions supporting the strategy, depending on opportunities







## SOMFY PARTICIPATIONS

Wilfrid le Naour

# Profile



**LBO**  
**Development capital / business transfers**

**7 companies**  
Majority or substantial shareholdings



**€ 350 M**  
Net asset value

**€ 828 M**  
Sales of portfolio companies

**5,500**  
Total workforce

# Financial year figures

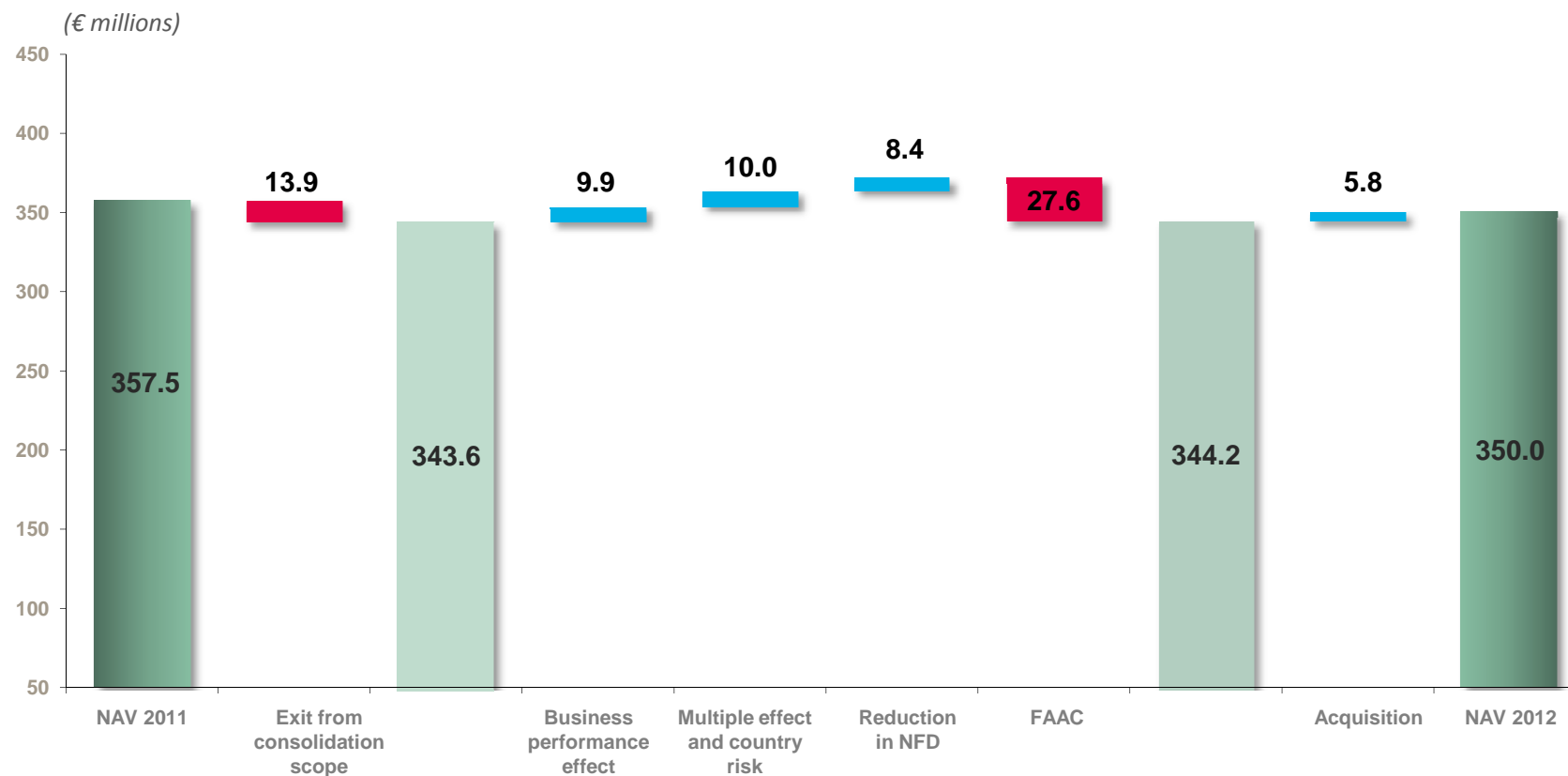
## Company results

(€ millions)	2012 sales	12/11 change	EBITDA	12/11 change	△ NFD*
<b>CIAT</b>	270.6	- 9.1 %	19.9	- 1.8 %	- 17.1
<b>Gaviota-Simbac</b>	56.4	- 0.6 %	5.2	- 6.9 %	- 1.0
<b>FAAC (estimates)</b>	278.3	+ 32.9 %	46.3	+ 29.9 %	100.8
<b>Pellenc</b>	121.0	+ 6.0 %	14.6	+ 15.4 %	1.4
<b>Sirem</b>	21.8	- 8.4 %	0.5	- 67.6 %	0.9
<b>Zurflüh-Feller</b>	58.8	-2.9 %	13.7	- 0.4 %	- 7.5

\* If <0: reduction in Net Financial Debt

# Financial year figures

## Net asset value



LIKE-FOR-LIKE CHANGE IN NAV:

€ 0.7 million, i.e. 0.2% growth

# Financial year figures

2012 performance

>	Change in net asset value (on constant group structure):	+ € 0.7 M
>	Other items of portfolio performance	
	Dividends	+ € 7.8 M
	Net capital gains (Cothem, Marty)	+ € 6.9 M
		<hr/>
		<b>+ € 15.4 M</b>



# Financial year achievements

## 2012 financial transactions

### Cash in

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- > Disposal of Cotherm: € 11.7 M, 2.3 times the original investment
- > Redemption of Marty convertible bonds: € 0.5 M

### Cash out

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- > Equity investments
  - Sofilab4: € 2.4 M
  - Cotherm Evolution: € 1.1 M
- > Additional stake (4.5%) in CIAT: € 3.0 M

# Financial year achievements

CIAT

## Background:

- > Challenging climate but sound financial position
- > Numerous new products to be launched in 2013 and 2014
- > Simplification of industrial footprint
- > Improvement plan, € 10 million over 2 years



## Amendment to the shareholders' agreement:

- > Exit term extended to 1 January 2016
- > Share buyback (Somfy's stake to rise to 44.5 %)



# Financial year achievements

## FAAC

- > Weak traditional markets (gate automation, Europe)
- > Creation of a “car park system” division via an acquisition
- > € 115 M invested in 2012
- > N°3 worldwide in this business, US + emerging country positioning



# Financial year achievements

Pellenc: results of the first year

- > Confirmation of potential for organic sales growth in vinegrowing/winemaking
- > Extension of the product range through innovation and acquisitions
- > Significant increase in results
- > Scope for improvement of WCRs



# 2013 Outlook

## A healthy portfolio:

- > Strategic positions

## Budget assumptions:

- > No improvement in economic climate in the first half of 2013
- > Second half looking more positive

## Priorities:

- > Increase in competitiveness (Sirem, CIAT, FAAC)
- > Innovation, product range (all)
- > Internationalisation (ZF, Pellenc, FAAC, Gaviota)







## SOMFY GROUP

Paul Georges Despature

# 2013 Objectives

- > Somfy Activities: enhance the Group's development in countries experiencing strong growth
- > Balance growth and profitability
- > Somfy Participations: continue to maximise returns on the portfolio
- > Strengthen the Group's capacity to adapt and respond to changes