

SOMFY

# Presentation of 2016 Half-Year Results



7 SEPTEMBER 2016



## Analysis of results



## Key half-year figures

Sales	€587.5 m
Current operating result	€114.4 m
Net profit	€92.7 m
Cash flow	€108.8 m
Net financial debt	€24.6 m

# Overview of the first six months



Confirmation of business upturn seen in the previous half-year



Sustained growth in results\*



Continued implementation of the strategic investment plan

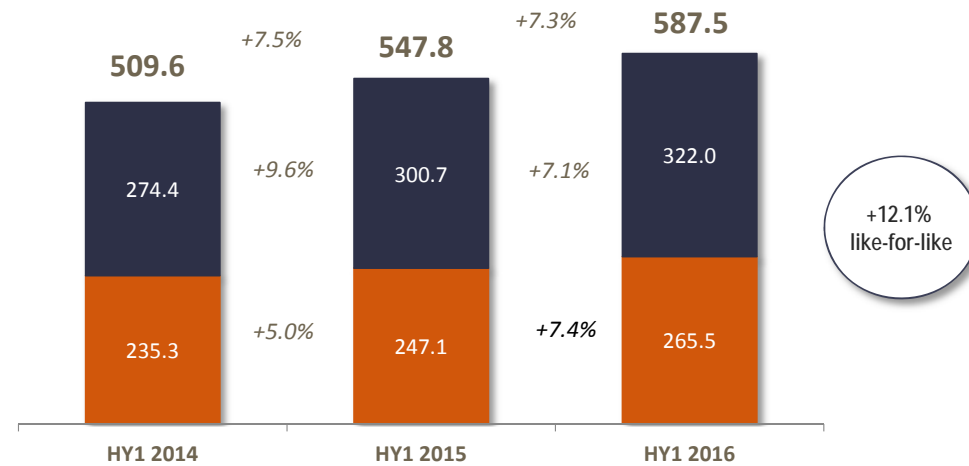


Consolidation of financial position

*\* Excluding exceptional items*

# Sales

Consolidated data (€ millions)	30/06/2015	30/06/2016	2015/16 change
Sales	547.8	587.5	+7.3%



Significant sales growth in the first quarter



Continuation of trend into the second quarter

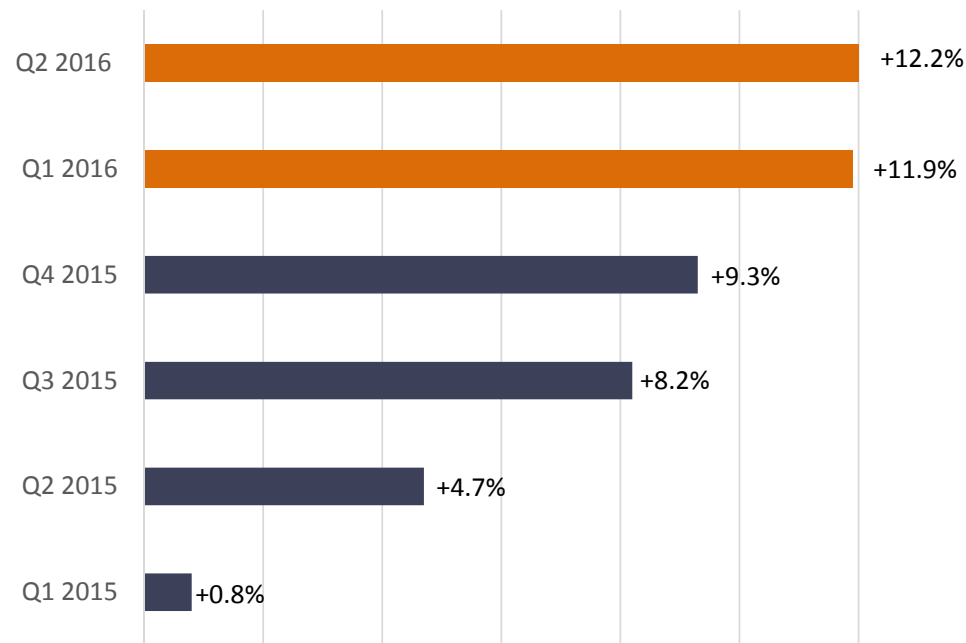
# Sales (continued)



Favourable base effect over the early part of the year



Four consecutive quarters of strong growth

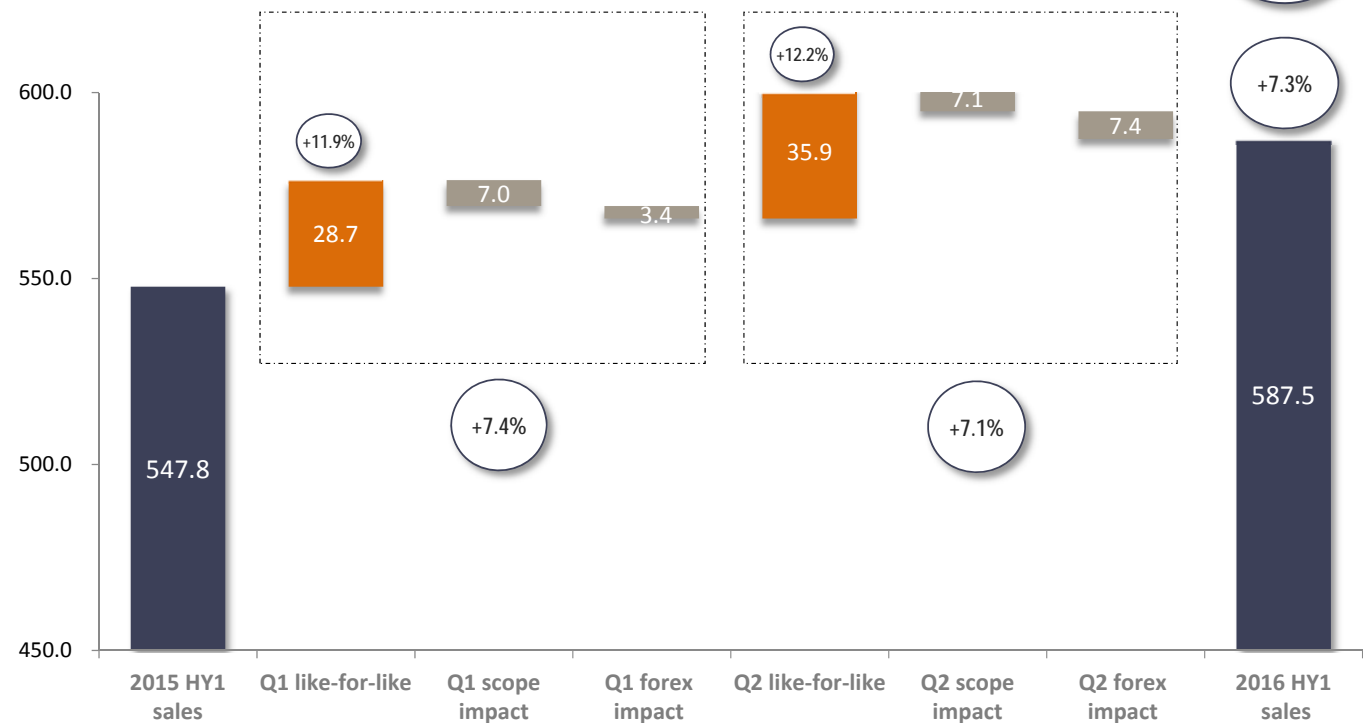


Changes on a like-for-like basis (constant scope and exchange rates)



# Sales (continued)

Consolidated data (€ millions)	30/06/2015	30/06/2016	2015/16 change
Sales	547.8	587.5	+7.3%



Negative exchange rate and scope effects over both quarters (exit of Garen Automação and Giga)



# Business overview



Favourable base effect and weather conditions




Negative exchange rate and scope effects (exit of the Brazilian companies Garen Automação and Giga)




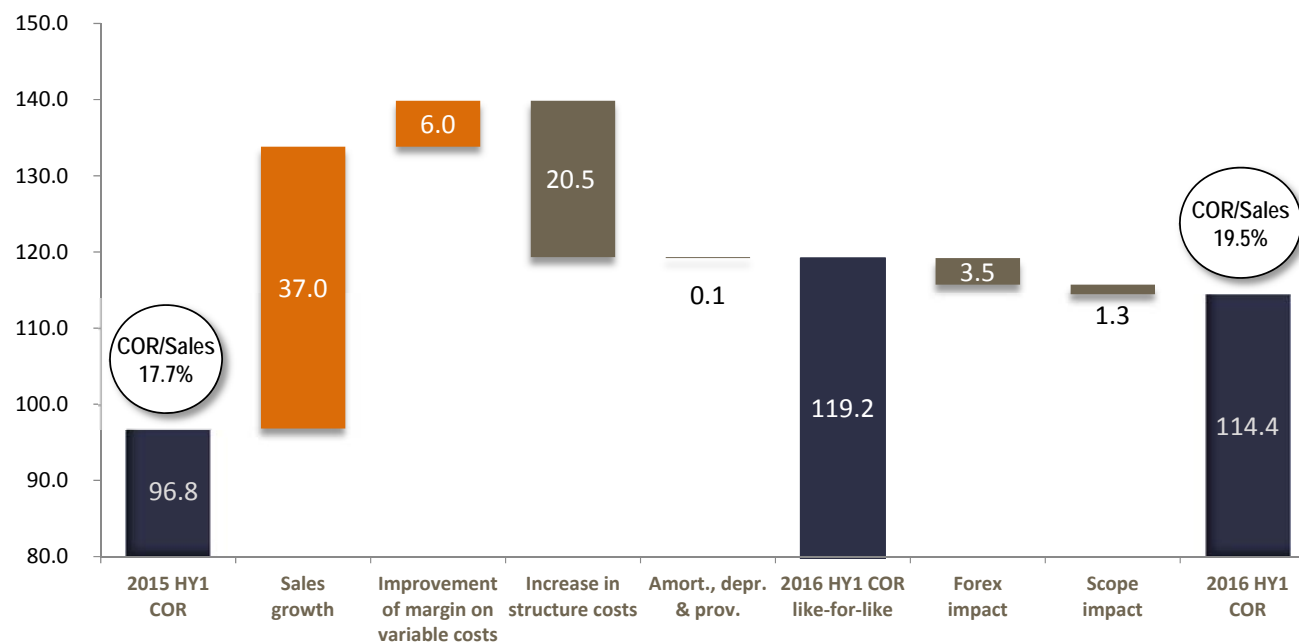
Significant growth of the various geographic regions and main countries

# Current operating result

Consolidated data (€ millions)	30/06/2015	30/06/2016	2015/16 change
Sales	547.8	587.5	+7.3%
Current operating result	96.8	114.4	+18.2%

 Marked positive effect of both sales growth and improved industrial margin

 Negative impact of the increase in structure costs and changes in exchange rate fluctuations



# Condensed income statement



Contribution of non-recurring financial and operational items virtually nil








Standardisation of income tax



Significant increase in net profit restated for exceptional items

Consolidated data (€ millions)	30/06/2015	30/06/2016	2015/16 change
<b>Sales</b>	<b>547.8</b>	<b>587.5</b>	<b>+7.3%</b>
<b>Current operating result</b>	<b>96.8</b>	<b>114.4</b>	<b>+18.2%</b>
Non-recurring operating items	0.6	(0.2)	NS
Financial items	15.7	0.0	NS
Income tax	(12.6)	(21.5)	+71.2%
Contribution of equity-accounted companies	0.1	0.0	NS
Net profit of continuing operations	100.6	92.7	-7.9%
Net profit of operations held for sale and distribution	4.0	0.0	NS
<b>Consolidated net profit</b>	<b>104.6</b>	<b>92.7</b>	<b>-11.4%</b>
<b>Net profit restated for exceptional items</b>	<b>72.0</b>	<b>92.7</b>	<b>+28.8%</b>

# Overview of results

-  Strong growth in sales
-  Industrial margin holding up well (positive influence of product and country mixes)
-  Anticipated increase in structure costs (intensification of research and development, sales force and marketing investments)
-  Negative impact of exchange rate and scope effects (exit of the Brazilian companies Garen Automação and Giga)
-  Negligible effect of non-recurring items over the first six months

# Cash flow statement



Financial flows normalising



Significant growth in cash flow



Increase in working capital requirements related to the acceleration in sales growth

Consolidated data (€ millions)	30/06/2015	30/06/2016
Cash flow	92.2	108.8
Change in working capital requirements	(37.7)	(66.4)
Other cash flows	2.2	0.3
<b>Net cash flow from operating activities</b>	<b>56.8</b>	<b>42.7</b>
<b>Net cash flow from investing activities</b>	<b>124.6</b>	<b>(24.2)</b>
Net cash flow from financing and capital activities	(281.2)	(55.2)
Net cash flow from operations held for sale or distribution	81.6	0.0
Impact of changes in foreign exchange rates	3.6	(1.7)
<b>Net change in cash and cash equivalents</b>	<b>(14.7)</b>	<b>(38.4)</b>

# Condensed balance sheet



Consolidation of shareholders' equity



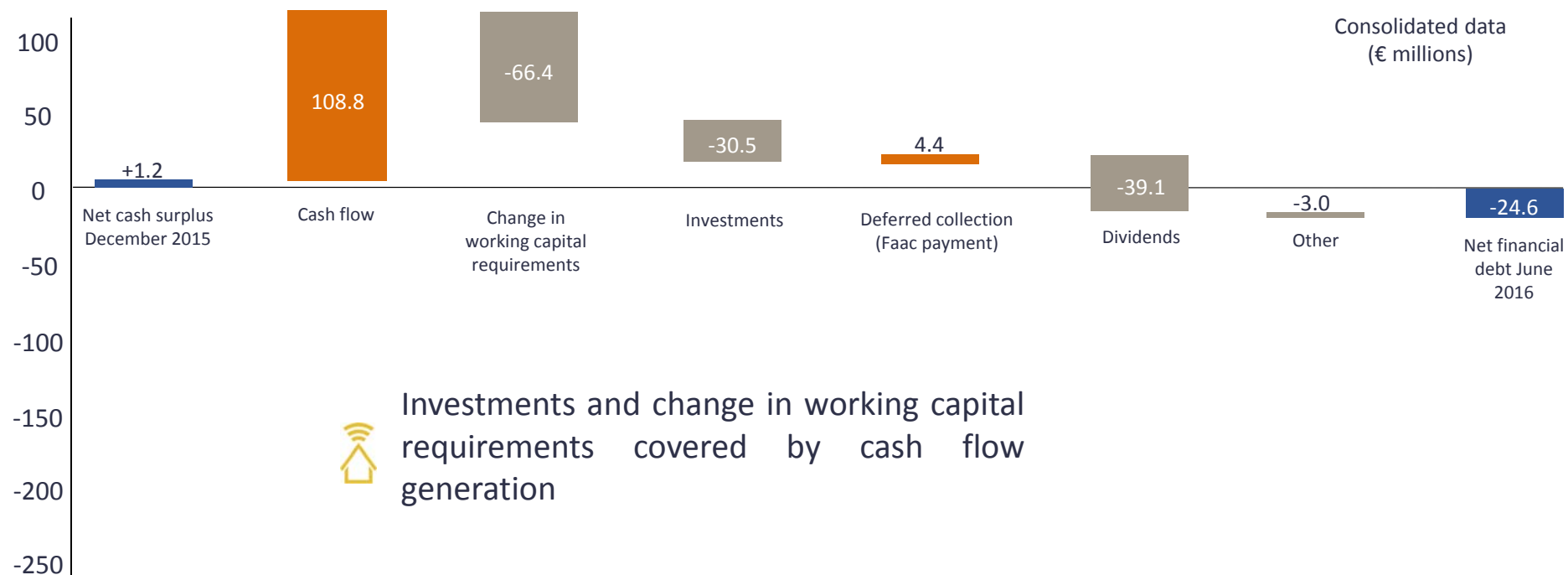
Controlled increase in working capital requirements



Significant debt reduction over the last twelve months

Consolidated data (€ millions)	30/06/2015	31/12/2015	30/06/2016
<b>Equity</b>	<b>518.3</b>	<b>577.9</b>	<b>619.0</b>
Long-term borrowings	65.9	14.7	14.2
Provisions and retirement commitments	35.0	35.2	38.1
Other non-current liabilities	43.7	38.6	37.9
<b>Permanent capital</b>	<b>662.9</b>	<b>666.4</b>	<b>709.3</b>
Goodwill	183.3	182.3	179.9
Net non-current assets	278.3	279.3	286.6
Other non-current assets	61.3	56.7	59.9
Net assets held for sale	0.0	0.9	0.0
<b>Working capital</b>	<b>140.0</b>	<b>147.2</b>	<b>182.9</b>
<b>Working capital requirements</b>	<b>163.9</b>	<b>131.2</b>	<b>192.8</b>
<b>Cash and cash equivalents</b>	<b>(23.9)</b>	<b>16.1</b>	<b>(9.9)</b>
<b>Net financial debt</b>	<b>90.2</b>	<b>(1.2)</b>	<b>24.6</b>

# Net financial debt



# Overview of financial position



High level of cash flow



Controlled increase in working capital requirements



Slight increase in property, plant and equipment investments



Low level of net financial debt





## Business update

# Market conditions



Contrasting situations, but favourable overall in Europe, Asia and America



Limited impact of economic slowdown in China (demographic and urban expansion at local level)



Recovery in new build market and transactions involving older properties in France



# Key achievements



Development of new distribution channels (DIY stores, home furnishing stores, e-commerce sites, etc.) and implementation of the Retail Partnership Program (target of 500 points of sale in China by the end of 2016)



Intensification of marketing initiatives (advertising and promotion of the Somfy brand)



Rollout of the multi-brand strategy, which achieved good results in China despite the economic slowdown at local level

# Key achievements (continued)



Development and promotion of partnerships (Springs in the US)



Continued innovation efforts (recent launches well received: Ultra Quiet, Connexoon, Tahoma Serenity, etc.)



Growth in major product families (shutters, blinds, access) and positioning with several major clients strengthened

# Performance across main regions



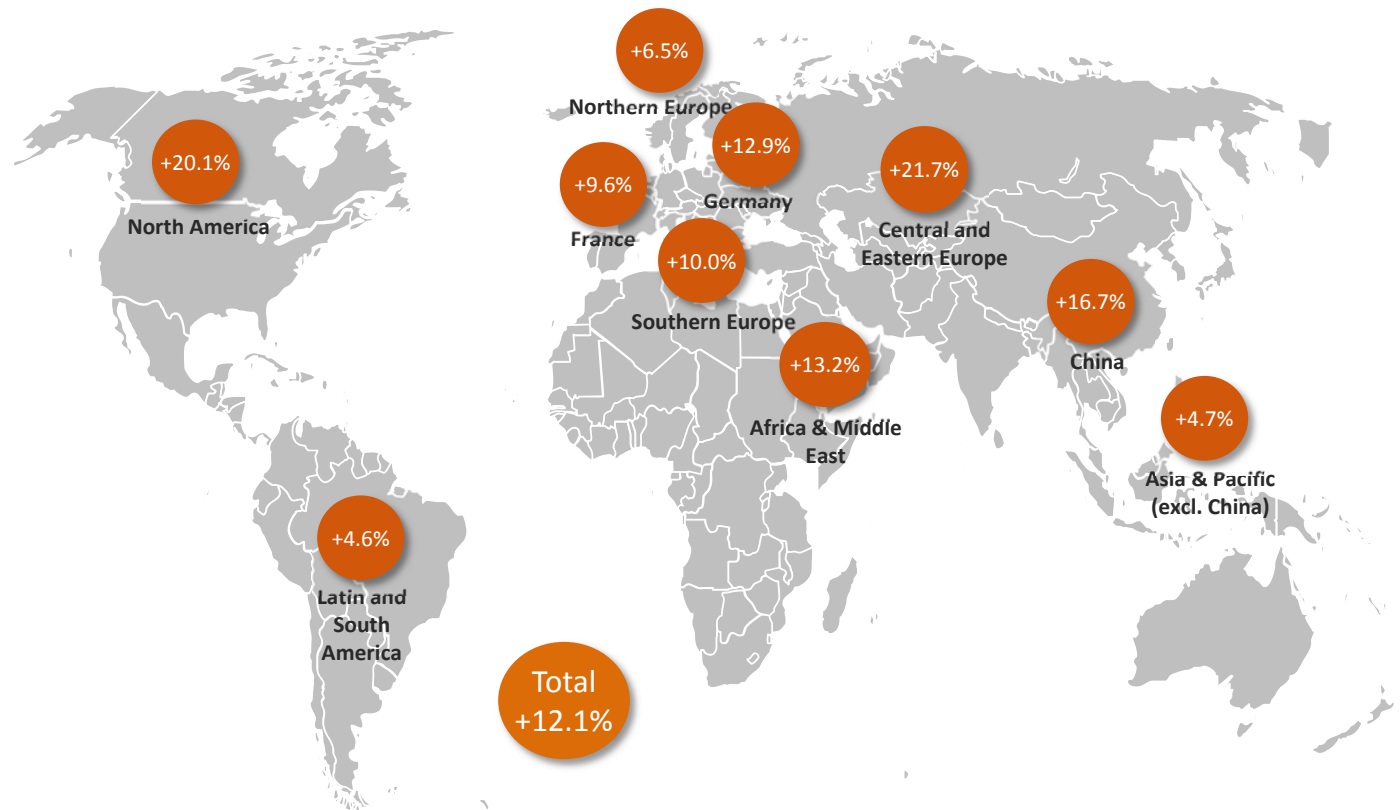
Historic markets holding up well, notably France, Spain and Italy



New markets taking off, such as Eastern Europe and China



Stability or decline in certain individual countries, such as Korea and Mexico



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



## Outlook

# Environment for the second half-year



Disappearance of favourable base effect seen in early part of the year



Ongoing negative exchange effect



Strategic investments maintained (innovation, marketing, sales force)



Analysis of development and strengthening opportunities (acquisitions, partnerships)

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