



# PRESENTATION OF 2019 ANNUAL RESULTS

SOMFY 

## 2019 HIGHLIGHTS

- **Innovation gathering pace** with the launch of more than 70 new products and services during the year
- **Development of the first automated and connected sliding glass door**, building on the momentum of the partnership agreed with France's leading window manufacturer Liébot (Innovation Award at the Batimat tradeshow)
- **Implementation of an ERP (SAP)** initiated as part of the process to digitalise operations and transform the company
- **Application of the new IFRS 16 international accounting standard**, and corresponding restatement of leases
- **Work on the Group vision and project for the next ten years (2030 Ambition)**, including the implementation of a new organization, already in place

# 2019 KEY FIGURES

€1,200 m

Sales

22.2%

Return on capital  
employed

€163 m

Net profit

€311 m

Net financial  
surplus

6,070

Staff

76

Products and services  
launched

44

Patent  
applications

5,167,909

Connected devices



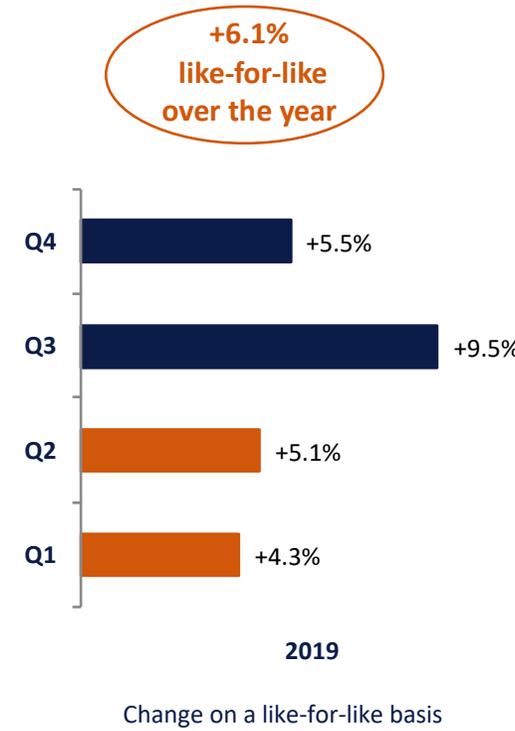
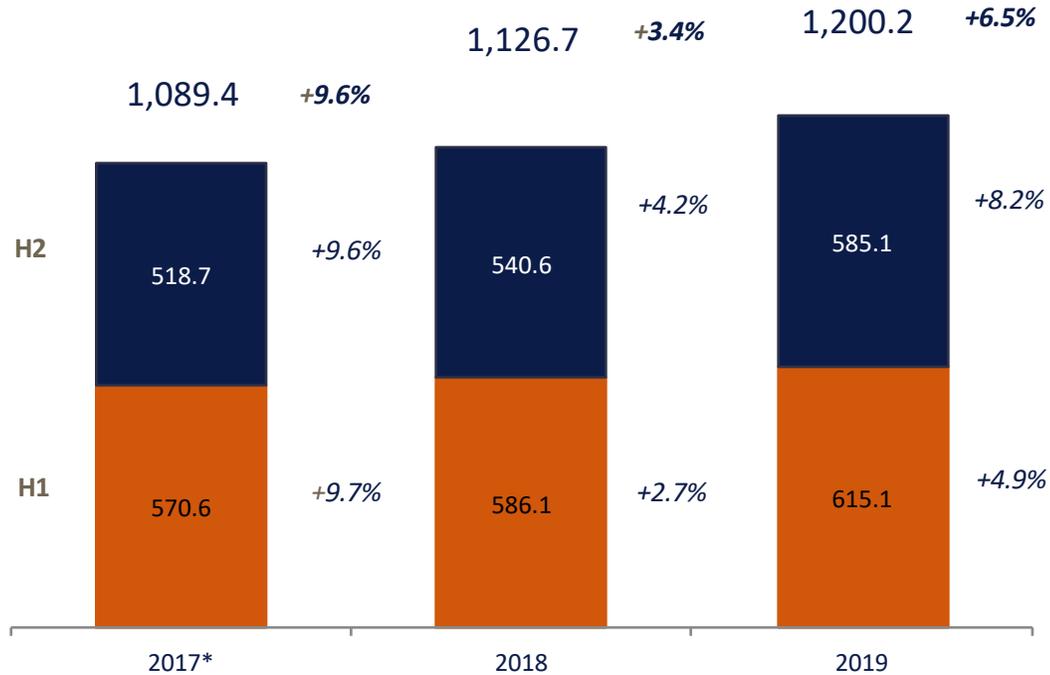
# ANALYSIS OF **2019** ANNUAL RESULTS

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Presentation of 2019 Annual Results

# SALES

Data in € millions	2017*	2018	2019	2019/18 change
Sales	1,089.4	1,126.7	1,200.2	+6.5%



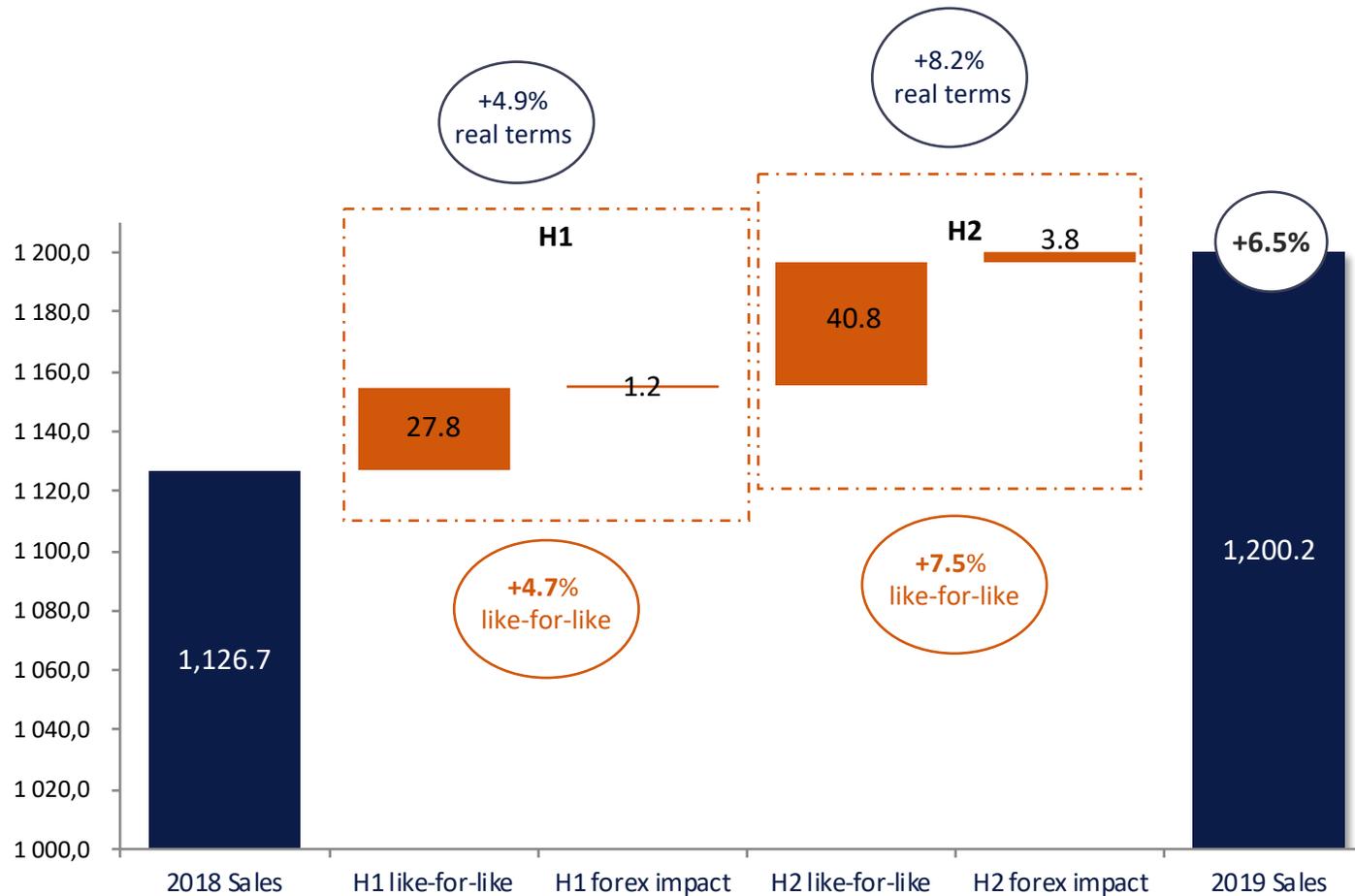
- Growth in line with long-term trend (average annual pro forma growth of 6.2% over 5 years<sup>1</sup>)
- Acceleration over the second half-year, thanks to a spike in sales over the third quarter

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

<sup>1</sup> Contribution of Dooya to sales neutralised between 2015 and 2017

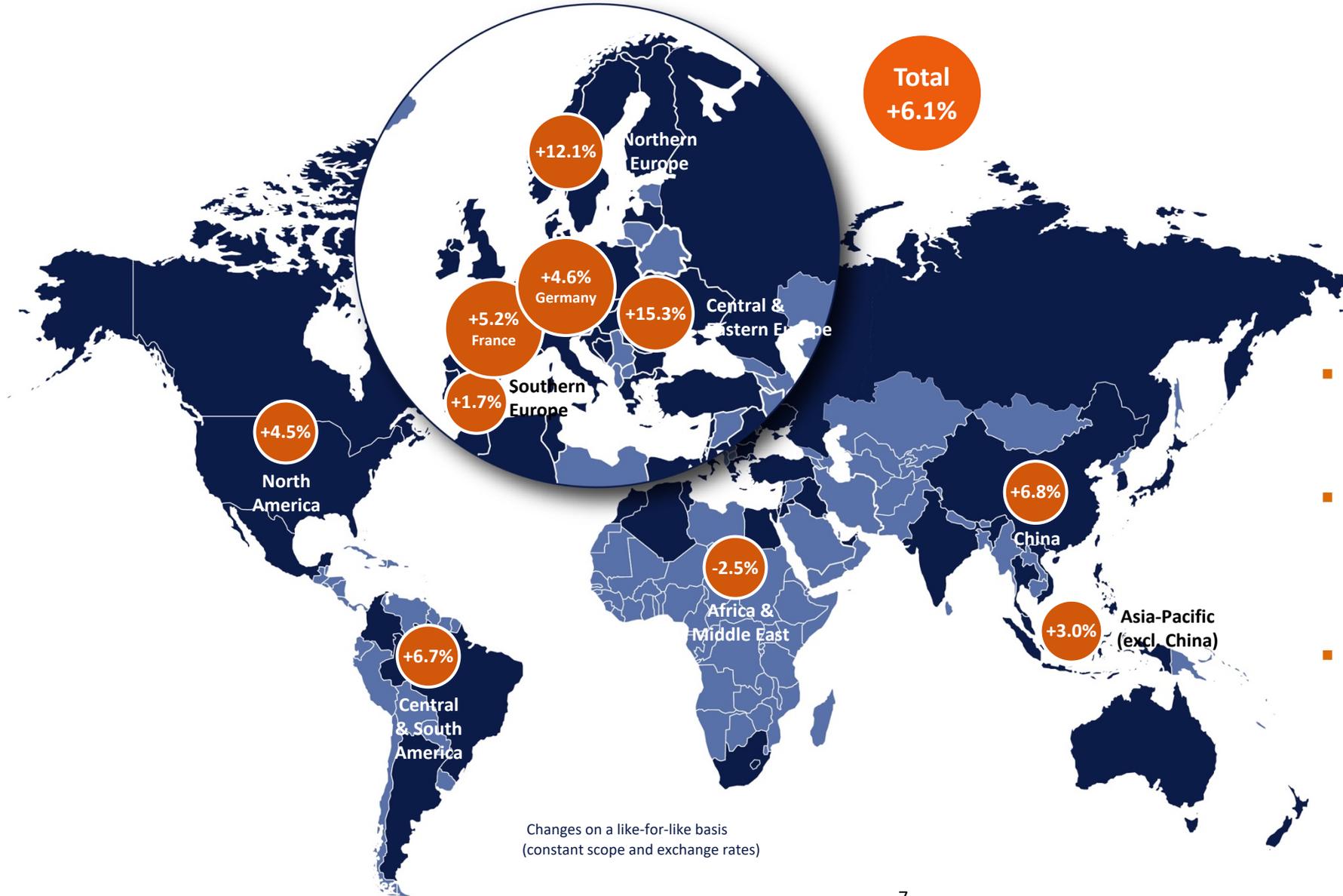
# SALES (continued)

Data in € millions	2018	2019	2019/18 change
Sales	1,126.7	1,200.2	+6.5%



- Positive forex impact (mainly US dollar), compared to a significant negative impact in the previous year

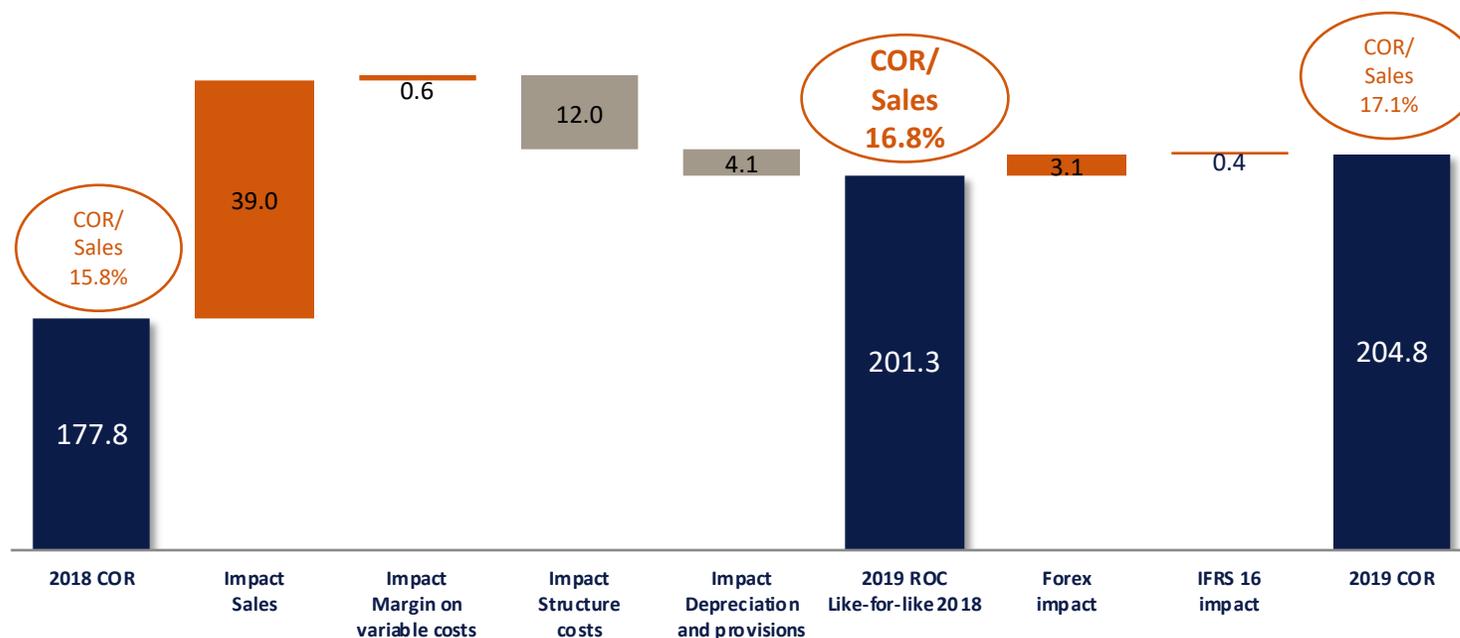
# SALES (continued)



- Double-digit growth in Central & Eastern Europe and Northern Europe
- Solid growth in France, despite the change in fiscal framework (CITE), and Germany
- End-of-year recovery in Central & South America, North America and Africa & the Middle East

# CURRENT OPERATING RESULT

Data in € millions	2018	2019	2019/18 change
Sales	1,126.7	1,200.2	+6.5%
Current operating result	177.8	204.8	+15.2%
Current operating margin (COR/Sales)	15.8%	17.1%	+130 bps



- Positive impact of healthy sales levels, especially in the third quarter
- Stability in gross margin rate
- Controlled increase in structure costs
- Negligible impact of the change in the accounting treatment of leases (application of IFRS 16)
- Improved profitability (current operating margin > 17%)

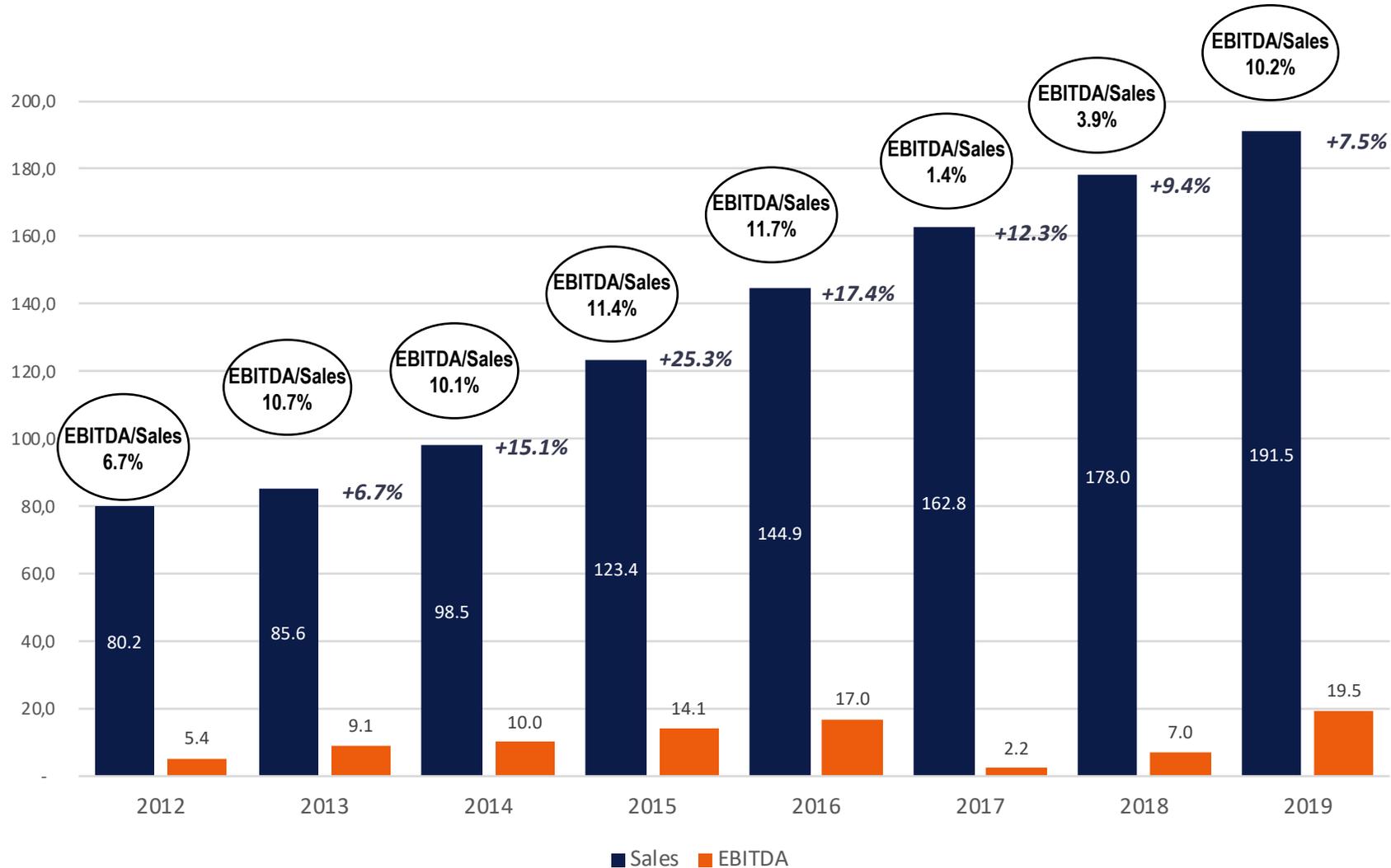
IFRS 16 was applied in the 2019 financial statements using the simplified approach, i.e. without any adjustment being made to comparative periods.

# CONDENSED INCOME STATEMENT

Data in € millions	2018	2019	2019/18 change	IFRS 16 impacts at 31/12/19
<b>Sales</b>	<b>1,126.7</b>	<b>1,200.2</b>	<b>+6.5%</b>	-
<b>Current operating result</b>	<b>177.8</b>	<b>204.8</b>	<b>+15.2%</b>	<b>0.4</b>
Non-recurring operating items	(7.7)	(3.2)	NS	-
Net financial expense	(4.3)	(5.1)	-17.7%	(1.1)
Income tax	(29.5)	(37.2)	+25.9%	-
Share of net profit from associates	1.4	3.8	NS	-
<b>Net profit from continuing operations</b>	<b>137.7</b>	<b>163.2</b>	<b>+18.5%</b>	<b>(0.7)</b>
Net profit from operations treated in accordance with IFRS 5 (Dooya)	2.6	0.0	NS	-
<b>Consolidated net profit</b>	<b>140.4</b>	<b>163.2</b>	<b>+16.3%</b>	<b>(0.7)</b>

IFRS 16 was applied in the 2019 financial statements using the simplified approach, i.e. without any adjustment being made to comparative periods.

# UPDATE ON DOOYA



- First full-year under new governance structure
- Continued strong sales growth
- Continued international expansion
- Downturn in the Chinese market due to local economic challenges
- Marked recovery in profitability

Dooya sales with non-Group customers totalled €187.5 million in 2019 compared with €171.6 million in 2018, an increase of 9.3% in real terms.

# OVERVIEW OF RESULTS

- **Growth in sales, with a peak in the second half-year**
- **Significant increase in current operating margin**
- **Slightly positive foreign exchange impact**
- **Limited impact of non-recurring operating and financial items**
- **Negligible impact of IFRS 16**
- **Growth in net profit**

# CONDENSED CASH FLOW STATEMENT

Data in € millions	2018	2019	IFRS 16 impacts at 31/12/19
<b>Cash flow</b>	<b>178.6</b>	<b>220.1</b>	<b>13.0</b>
Change in working capital requirements	(8.7)	25.7	-
Other cash flows	1.2	2.0	1.1
<b>Net cash flow from operating activities</b>	<b>171.1</b>	<b>247.8</b>	<b>14.1</b>
<b>Net cash flow from investing activities</b>	<b>(60.8)</b>	<b>(51.6)</b>	-
<b>Net cash flow from financing and equity activities</b>	<b>(49.2)</b>	<b>(65.5)</b>	<b>(14.1)</b>
<b>Net cash flow from operations treated in accordance with IFRS 5 (Dooya)</b>	<b>(20.3)</b>	<b>0.0</b>	-
Impact of changes in exchange rates	0.0	2.2	-
<b>Net change in cash and cash equivalents</b>	<b>40.8</b>	<b>132.8</b>	-

- Sharp increase in cash and cash equivalents under the combined effect of an increase in cash flow and a decline in working capital requirements
- IFRS 16 impacted a number of items (increase in cash flow and net cash flow from financing activities), but had no impact on the change in cash and cash equivalents
- Technical impact of IFRS 5 on the previous financial year due to the change in Dooya's consolidation method

IFRS 16 was applied in the 2019 financial statements using the simplified approach, i.e. without any adjustment being made to comparative periods.

# CONDENSED BALANCE SHEET

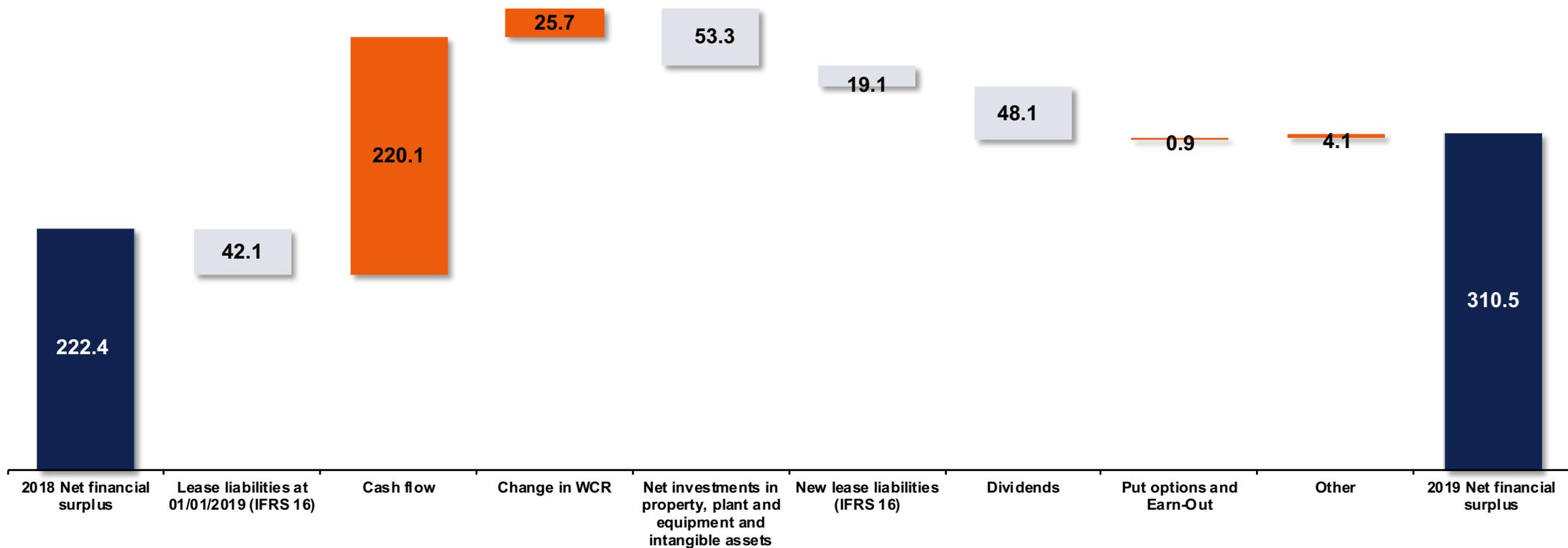
Data in € millions	2018	2019	IFRS 16 impacts at 31/12/19
<b>Equity</b>	<b>894.4</b>	<b>1,012.8</b>	<b>(0.7)</b>
Long-term borrowings	11.6	45.0	36.3
Provisions and retirement commitments	36.4	39.1	-
Other non-current liabilities	18.0	17.5	-
<b>Permanent capital</b>	<b>960.4</b>	<b>1,114.5</b>	<b>35.6</b>
Goodwill	96.2	95.6	-
Net non-current assets	284.8	340.7	47.6
Investments in associates	132.8	136.5	-
Other non-current receivables	26.4	26.0	-
<b>Working capital</b>	<b>420.2</b>	<b>515.6</b>	<b>(12.0)</b>
<b>Working capital requirements</b>	<b>186.1</b>	<b>159.8</b>	<b>-</b>
Cash and cash equivalents*	234.1	355.8	(12.0)
<b>Net financial debt/(surplus)</b>	<b>(222.4)</b>	<b>(310.5)</b>	<b>48.3</b>

- Increase in shareholders' equity
- Growth in non-current assets and financial debt due to the application of IFRS 16 (adding €48 million to financial liabilities)
- Significant increase in cash and cash equivalents and net financial surplus

\* This item includes the current portion of financial debt.

IFRS 16 was applied in the 2019 financial statements using the simplified approach, i.e. without any adjustment being made to comparative periods.

# NET FINANCIAL SURPLUS



- Negative impact related to the recognition of financial liabilities related to leases (application of IFRS 16)
- Self-financing of the various requirements (capital expenditure and payment of dividends)

# OVERVIEW OF FINANCIAL POSITION

- **Very solid financial position**
- **Significant cash generation**
- **Material impact of the application of IFRS 16 on non-current assets and financial liabilities**

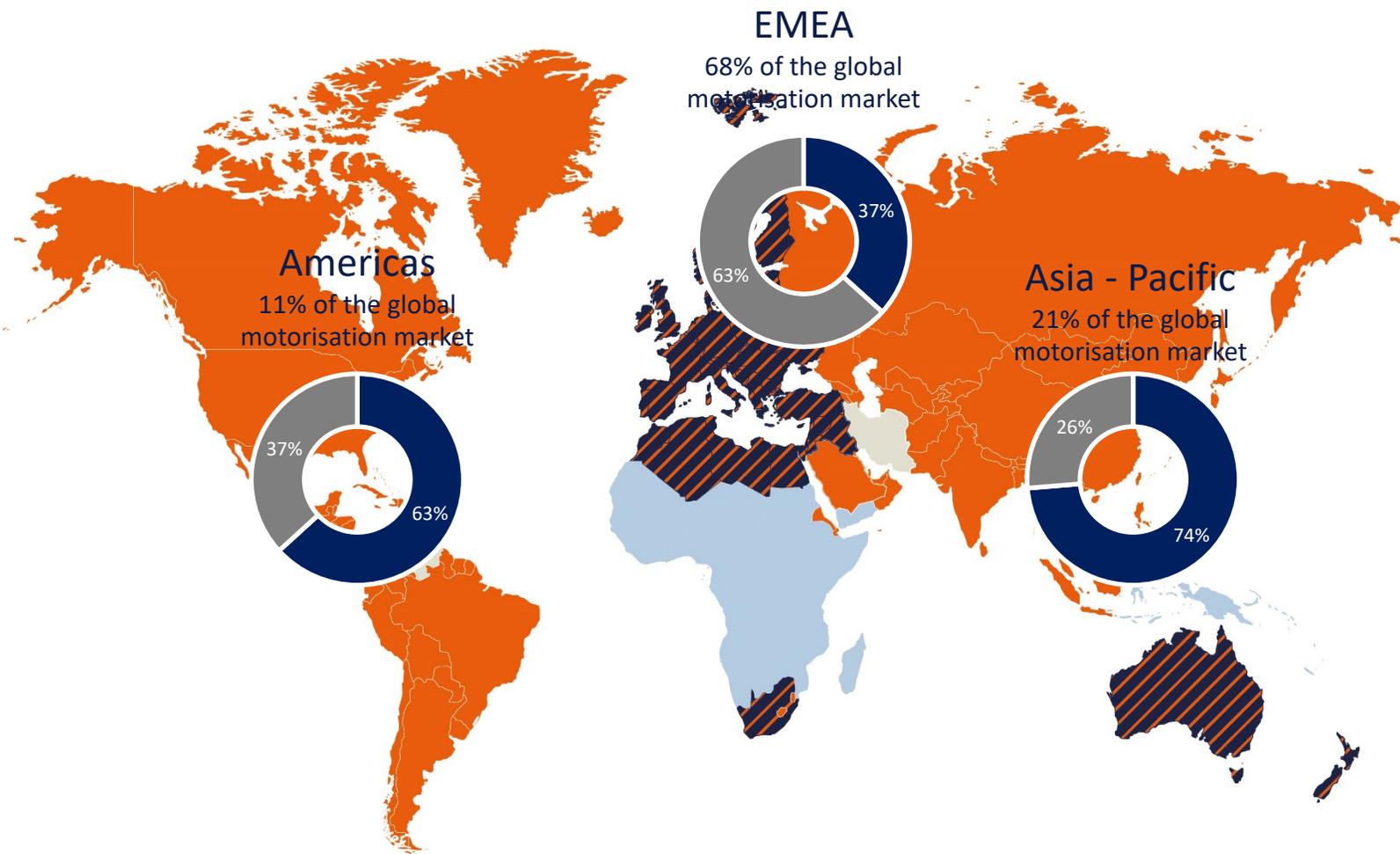


# REVIEW OF THE MAIN ACHIEVEMENTS OF THE **2019** FINANCIAL YEAR

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Presentation of 2019 Annual Results

# MARKETS



New build

Renovation

## Individual housing



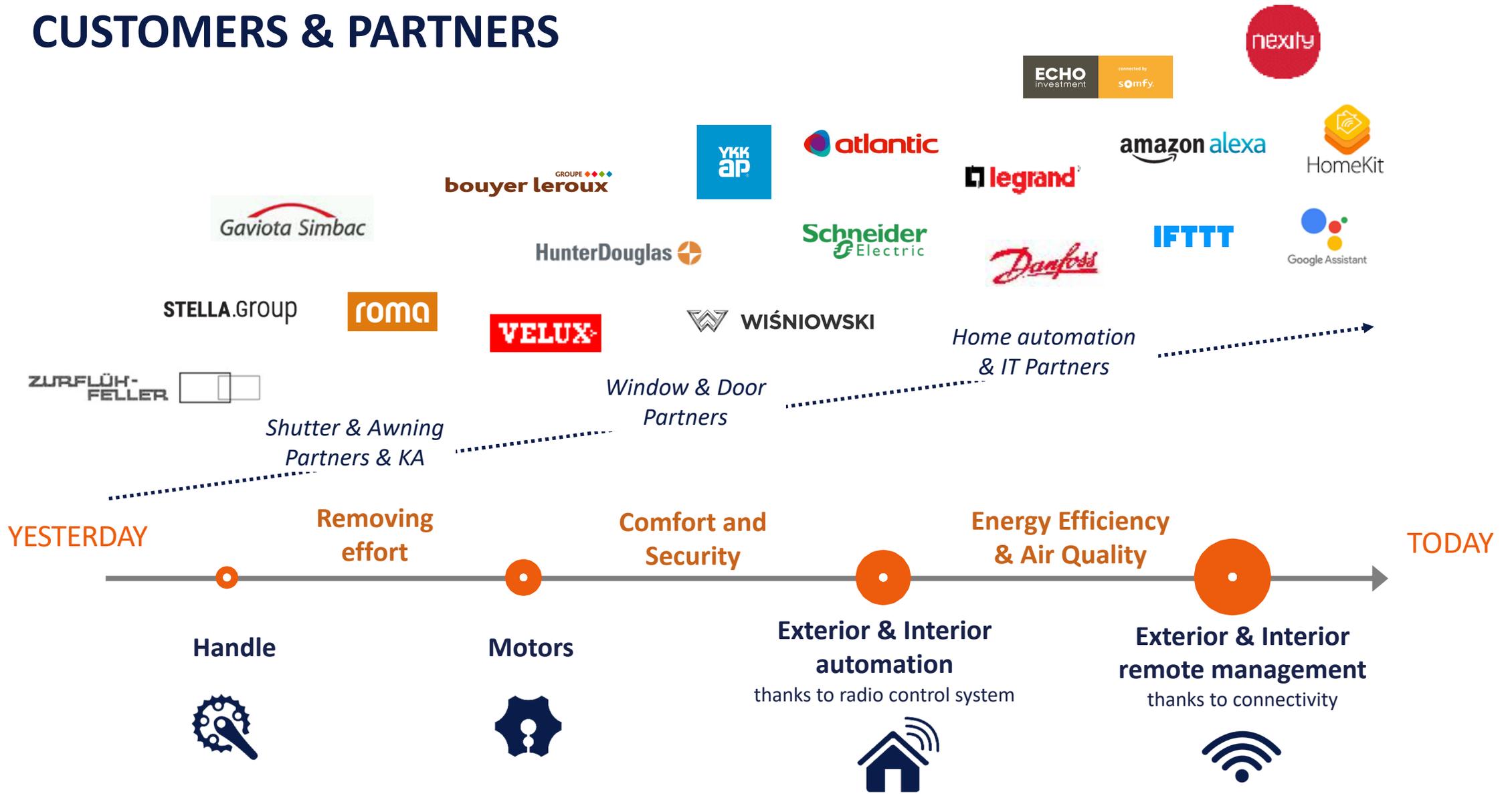
## Collective housing



## Commercial buildings



# 1 CUSTOMERS & PARTNERS



# REVIEW OF BELIEVE & ACT

01

## CLOSER TO OUR END USERS

- Broader interoperability with the adoption of the **Zigbee 3.0** protocol
- Launch of the **IO** thermostatic valve, in association with **Tahoma®**, and of the **Izymo** lighting micromodule
- Presentation of the Smart Window range in partnership with Liébot, award winner at the Batimat trade show

#SOMFYBRAND  
#ENDUSERJOURNEY  
#USEREXPERIENCE  
#CONNECTIVITY

02

## BOLDER ON THE INTERIOR MARKET

- 2019 sales growth: **7.5%**
- **Sonessé 30 Wirefree ZigBee**, award winner at both Cedia 2019 and CES 2020 trade shows



- Scheduled launch of **60 new autonomous motors** between 2018 and 2020

#MASSMARKET  
#BREAKTHROUGH  
INNOVATION  
#PROJECTBUSINESS

## STRONGER ON OPERATIONAL EXCELLENCE

- **Digitalisation of our operations** underway (ERP, MES)
- Continued reduction in **rate of non-quality**
- Decrease in working capital requirements, resulting in **COR growth** when combined with a controlled increase in overheads
- Measurement of Somfy customer engagement, **CNPS: 68**

03

#CUSTOMERSATISFACTION  
#OVERHEADAGILITY  
#BUSINESSMODEL

04

## BETTER TOGETHER



#SOMFYSPIRIT  
#EMPLOYEEJOURNEY  
#CSR

# VISION

Inspiring a better way of living accessible to all



## 2030 ambition

The preferred partner for window  
& door automation



# STRATEGIC FRAMEWORK

## 2030 AMBITION

### THE PREFERRED PARTNER FOR WINDOW AND DOOR AUTOMATION

1

#### Forward-looking in Smart Living

- Supporting the transformation of the building industry.
- Safeguarding market share while anticipating changing demands.
- Pursuing the policy of developing partnerships to build a strong ecosystem.
- Creating homes that combine comfort, well-being and safety with a responsible approach.

3

#### Delivering performance

- Drafting a new roadmap to capture opportunities.
- Strengthening the Somfy brand portfolio and image.
- Placing operational excellence at the heart of the strategy.
- Reducing the environmental footprint for greater corporate responsibility.



2

#### Rising value to customers

- Putting customers at the centre of the organisation.
- Accelerating the digitalisation of core business products.
- Developing high value added services.
- Anticipating and satisfying customers' new habits.

4

#### Inspiring & Engaging

- Focusing on a single vision "One Somfy, One Team" and a collective commitment.
- Supporting the development of in-house talents and offering stimulating careers and career development opportunities.
- Fostering inclusion through diverse recruitment.
- Making teams performance drivers.

# BUSINESS LINE – A NEW SEGMENTATION TO MANAGE THE PRODUCT RANGES



## Core business

**Strengthen leadership in the core business.**

**Innovate, develop brands, digitalise ranges and strengthen partnerships to deliver an increasingly diverse and high-performance offering to customers.**

Exterior Applications\*  
Interior Applications\*  
EMEA residential access

\* Including patios, controls and sensors



## Accelerators

**Optimise the value proposition and business performance.**

**Capture opportunities and anticipate risks.**

Smart windows  
Doorlock  
Security (Europe)  
Urban Road Systems & Parking Management  
Smart Home + Overkiz  
Building controls  
Services



## Add-ons

**Develop alternative revenue streams.**

**Gain market share and adopt a positioning that promotes the new vision.**

Air quality (Thermostat)  
Lighting management  
Swinging shutters  
Industrial and commercial closing systems  
Window opener (Mingardi)  
Projection screens

# SPECIFIC TARGETS BY GEOGRAPHIC REGION



## FORTRESS TO EXPAND



Geographic regions where the Group already enjoys a strong position, with leadership in one of its core businesses

**Become leader in all our core business applications.**



## FORTRESS TO BE



Geographic regions where the Group operates and wants to consolidate its leadership position

**Become leader in at least one of our core business segments.**



## BETS FOR THE FUTURE



Low-risk geographic regions offering growth opportunities

**Identify the fastest growing segment and intensify our development.**



## MATURE CONTRIBUTORS



Mature geographic regions where we want to increase the efficiency of our model

**Secure market share via an appropriate level of investment.**



## GROWING CHALLENGERS



Developing geographic regions with profitable growth outlooks

**Strengthen presence in the core business.**

# VISION

Inspiring a better way of living accessible to all

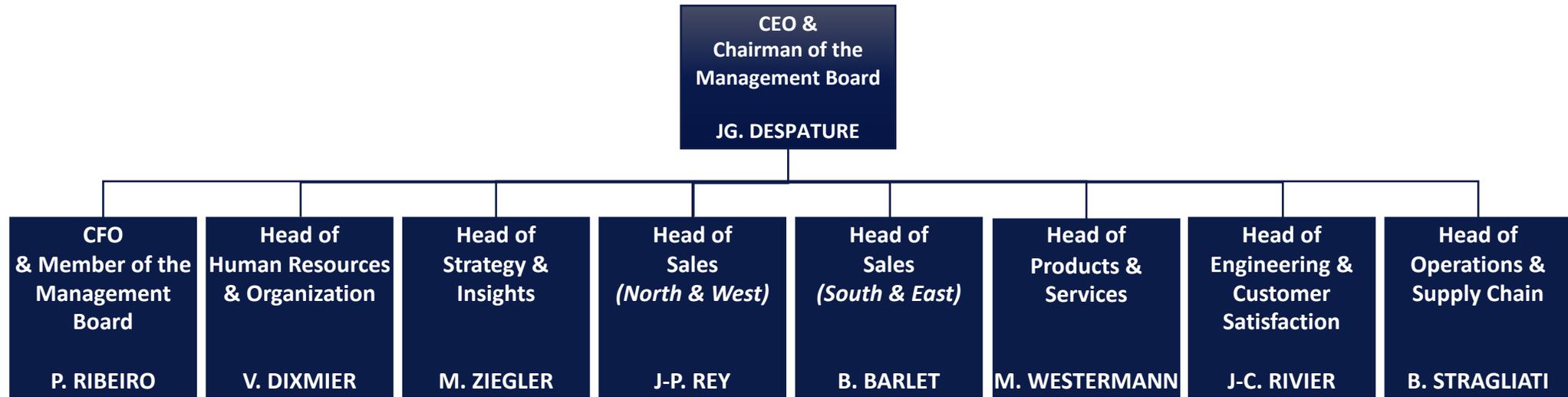


## 2030 ambition

The preferred partner for window & door automation



# NEW ORGANISATION



**One Somfy, One Team:** a function-based structure to support the Group's development and performance, by rolling out standards that apply to all business lines and entities



**Customer focus:** a customer-centric organization with a streamlined organisational structure to facilitate decision making and optimise resource allocation



**Digitalisation:** a comprehensive approach, aimed at digitalising our operations, products and customer relations

A close-up photograph of a person's hand holding a pencil, poised to write on a document. The document features a table with columns and rows, and some text below it. The background is softly blurred, showing what appears to be an office setting with a wooden desk and a chair.

# OUTLOOK FOR THE 2020 FINANCIAL YEAR

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Presentation of 2019 Annual Results

# 2020 OUTLOOK



**Short-term uncertainties in the environment  
due to economic, geopolitical risks and the  
Covid 19 outbreak**



**Structurally positive market trend due to  
growing needs in terms of comfort, security  
and energy efficiency**



**Continued Group digitalisation  
and transformation process**



**Review of alliance, partnership  
and acquisition opportunities**



# APPENDICES

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Presentation of 2019 Annual Results

# OVERVIEW

Data in € millions	2018	2019
Sales	1,126.7	<b>1,200.2</b>
Current operating result	177.8	<b>204.8</b>
Operating result	170.1	<b>201.6</b>
Net profit from continuing operations	137.7	<b>163.2</b>
Net profit from operations treated in accordance with IFRS 5 (Dooya)	2.6	<b>0.0</b>
Consolidated net profit	140.4	<b>163.2</b>
Cash flow	178.6	<b>220.1</b>
Net investments in intangible assets and property, plant and equipment	57.3	<b>53.3</b>
New right-of-use assets – IFRS 16	0.0	<b>19.1</b>
Depreciation and amortisation charges*	(40.6)	<b>(58.0)</b>
Equity	894.4	<b>1,012.8</b>
Net financial debt	(222.4)	<b>(310.5)</b>
Non-current assets	540.2	<b>598.9</b>
Total workforce	6,120	<b>6,070</b>

\* Excluding goodwill impairment

IFRS 16 was applied in the 2019 financial statements using the simplified approach, i.e. without any adjustment being made to comparative periods.

# SALES BY GEOGRAPHIC REGION

Data in € millions	2018	2019	2019/18 change	2019/18 change on a like-for-like basis
France	324.5	341.5	5.3%	5.2%
Germany	178.3	186.5	4.6%	4.6%
Northern Europe	120.5	134.9	12.0%	12.1%
Central & Eastern Europe	131.5	152.3	15.8%	15.3%
Southern Europe	119.2	121.9	2.3%	1.7%
Africa & Middle East	67.2	64.2	-4.4%	-2.5%
Asia-Pacific (excl. China)	54.8	57.6	5.0%	3.0%
China	13.7	14.9	8.6%	6.8%
North America	93.6	103.0	10.0%	4.5%
Central & South America	23.3	23.3	0.3%	6.7%
<b>TOTAL</b>	<b>1,126.7</b>	<b>1,200.2</b>	<b>6.5%</b>	<b>6.1%</b>

# INCOME STATEMENT

Data in € millions	2018	% sales	2019	% sales	2019/18 change	IFRS 16 impacts at 31/12/19
<b>Sales</b>	<b>1,126.7</b>		<b>1,200.2</b>		<b>6.5%</b>	
<b>Current operating result</b>	<b>177.8</b>	<b>15.8%</b>	<b>204.8</b>	<b>17.1%</b>	<b>15.2%</b>	<b>0.4</b>
Other non-recurring items	2.4		(2.5)			
Impairment of goodwill	(10.1)		(0.7)			
<b>Operating result</b>	<b>170.1</b>	<b>15.1%</b>	<b>201.6</b>	<b>16.8%</b>	<b>18.5%</b>	<b>0.4</b>
Net financial expense	(4.3)		(5.1)			(1.1)
<b>Profit before tax</b>	<b>165.8</b>	<b>14.7%</b>	<b>196.5</b>	<b>16.4%</b>	<b>18.5%</b>	<b>(0.7)</b>
Income tax	(29.5)		(37.2)			
Share of net profit from associates	1.4		3.8			
<b>Net profit from continuing operations</b>	<b>137.7</b>	<b>12.2%</b>	<b>163.2</b>	<b>13.6%</b>	<b>18.5%</b>	<b>(0.7)</b>
<b>Net profit from operations treated in accordance with IFRS 5 (Dooya)</b>	<b>2.6</b>		<b>0.0</b>			
<b>Consolidated net profit</b>	<b>140.4</b>	<b>12.5%</b>	<b>163.2</b>	<b>13.6%</b>	<b>16.3%</b>	<b>(0.7)</b>

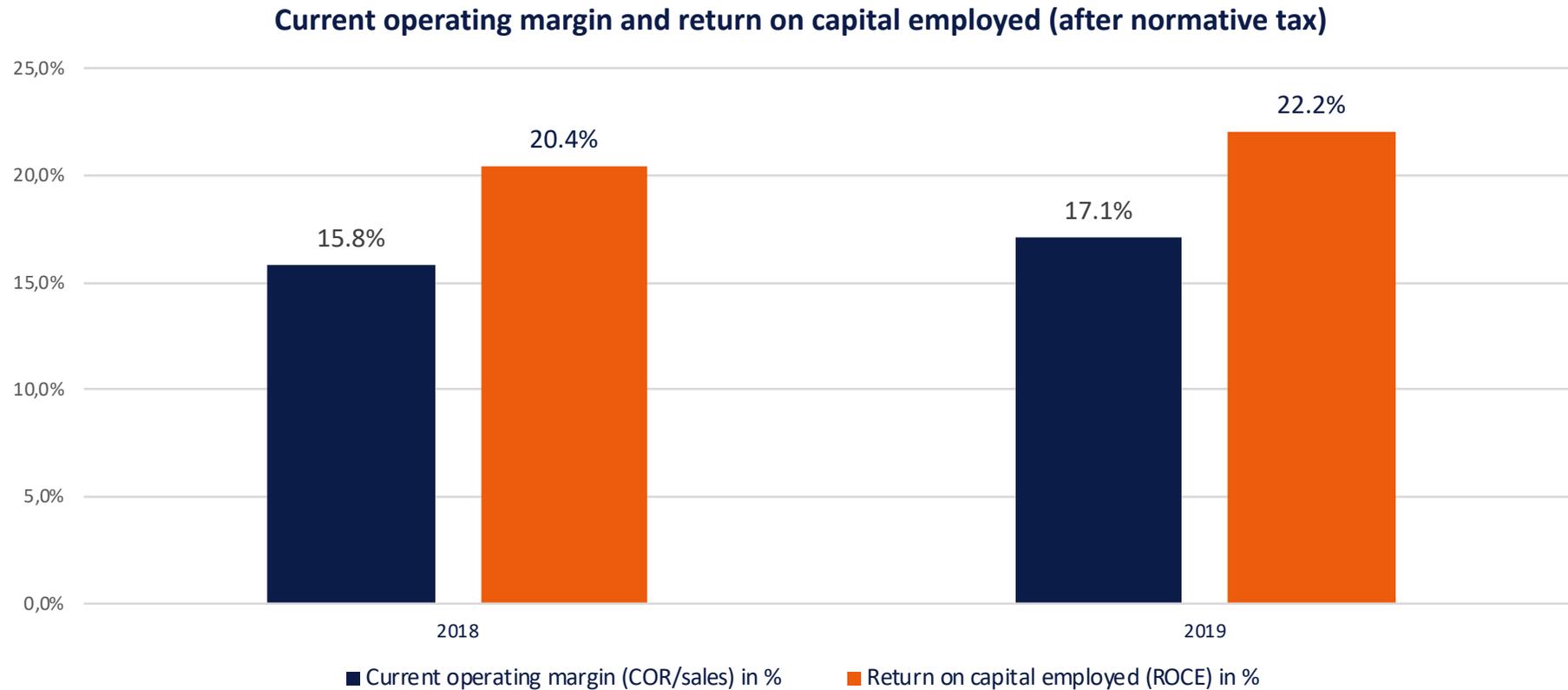
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# CASH FLOW STATEMENT

Data in € millions	2018	2019	IFRS 16 impacts at 31/12/19
Cash flow	178.6	220.1	13.0
Change in working capital requirements	(8.7)	25.7	
Other cash flows	1.2	2.0	1.1
<b>Net cash flow from operating activities</b>	<b>171.1</b>	<b>247.8</b>	<b>14.1</b>
Net investments in property, plant and equipment and intangible assets	(57.3)	(53.3)	
Net non-current financial assets	3.2	1.8	
Acquisition of entities, net of cash acquired	(7.1)	(0.9)	
Interest received	0.4	0.8	
<b>Net cash flow from investing activities</b>	<b>(60.8)</b>	<b>(51.6)</b>	<b>0.0</b>
Dividends paid	(44.7)	(48.1)	
Change in borrowings	(1.7)	(14.9)	(13.0)
Interest paid	(2.3)	(3.3)	(1.1)
Movements in treasury shares	(0.5)	0.7	
<b>Net cash flow from financing and equity activities</b>	<b>(49.2)</b>	<b>(65.5)</b>	<b>(14.1)</b>
Net cash flow from operations treated in accordance with IFRS 5 (Dooya)	(20.3)	0.0	
Impact of changes in exchange rates	0.0	2.2	
<b>Net change in cash and cash equivalents</b>	<b>40.8</b>	<b>132.8</b>	<b>0.0</b>

IFRS 16 was applied in the 2019 financial statements using the simplified approach, i.e. without any adjustment being made to comparative periods.

# PROFITABILITY



IFRS 16 was applied in the 2019 financial statements using the simplified approach, i.e. without any adjustment being made to comparative periods.

# CONDENSED BALANCE SHEET

Data in € millions	2018	2019	IFRS 16 impacts at 31/12/19
<b>Equity</b>	<b>894.4</b>	<b>1,012.8</b>	<b>(0.7)</b>
Long-term borrowings	11.6	45.0	36.3
Provisions and retirement commitments	36.4	39.1	
Other non-current liabilities	18.0	17.5	
<b>Permanent capital</b>	<b>960.4</b>	<b>1,114.5</b>	<b>35.6</b>
Goodwill	96.2	95.6	
Net intangible assets	37.1	39.2	
Net property, plant and equipment	243.9	297.3	47.6
Investments in associates and joint ventures	132.8	136.5	
Net financial assets	3.8	4.2	
Other non-current receivables	26.4	26.0	
<b>Working capital</b>	<b>420.2</b>	<b>515.6</b>	<b>(12.0)</b>
Net inventories	175.0	169.6	
Net trade receivables	140.1	138.0	
Other current receivables	69.2	63.7	
Trade payables	90.1	90.0	
Other current liabilities	108.1	121.5	
<b>Working capital requirements</b>	<b>186.1</b>	<b>159.8</b>	<b>0.0</b>
<b>Cash and cash equivalents</b>	<b>234.1</b>	<b>355.8</b>	<b>(12.0)</b>
<b>Net financial debt/(surplus)</b>	<b>(222.4)</b>	<b>(310.5)</b>	<b>48.3</b>

IFRS 16 was applied in the 2019 financial statements using the simplified approach, i.e. without any adjustment being made to comparative periods.

# ANALYSIS OF NET FINANCIAL DEBT/(SURPLUS)

Data in € millions	2018	2019	IFRS 16 impacts at 31/12/19	
Bank borrowings (non-current portion)	1.2	0.6		2019/18 change from cash flow statement <b>€132.8 m</b>
Lease liabilities (IFRS 16 and IAS 17)	3.8	39.4	36.3	
Liabilities related to put options and earn-out	6.7	5.0		
Other financial liabilities	0.0	0.0		
Non-current financial assets	(0.2)	(0.2)		
<b>Net long-term financial debt</b>	<b>11.4</b>	<b>44.8</b>	<b>36.3</b>	
Bank borrowings (current portion)	0.4	0.3		
Lease liabilities (IFRS 16 and IAS 17)	1.2	12.6	12.0	
Liabilities related to put options and earn-out	18.1	18.0		
Cash and cash equivalents	(253.4)	(386.2)		
Other cash items	(0.1)	(0.1)		
<b>Short-term net financial debt/(surplus)</b>	<b>(233.8)</b>	<b>(355.3)</b>	<b>12.0</b>	
<b>Net financial debt/(surplus)</b>	<b>(222.4)</b>	<b>(310.5)</b>	<b>48.3</b>	

IFRS 16 was applied in the 2019 financial statements using the simplified approach, i.e. without any adjustment being made to comparative periods.

# DEFINITIONS

- **In real terms:** at actual consolidation method and scope, and actual exchange rates
- **On a like-for-like basis:** at constant consolidation method and scope, and constant exchange rates
- **Current operating margin (COR/Sales):** ratio of current operating result to sales
- **Return on capital employed (ROCE):** profitability of capital invested (also termed capital employed) = ratio of current operating result, after normative tax, to capital invested (capital employed)
- **Capital invested (capital employed):** sum of shareholders' equity, after offsetting the effects of goodwill impairment, and net financial debt/(surplus)
- **Net financial debt/(surplus):** difference between financial debt and cash and cash equivalents, corresponding to a surplus if negative