PRESENTATION OF 2022 HALF-YEAR RESULTS

7 September 2022

SOMFY

HIGHLIGHTS

- **Slowdown in sales growth over the half-year to 5.1% as a result of the weaker economic and geopolitical environment**
- **Decline in net profit with a lower current operating margin that nevertheless remained higher than the levels seen during the pre-Covid period**
- **Continuation of measures implemented to limit the impact of pressures on the electronic component market**
- **Continuation of strategic structuring projects including the successful roll-out of SAP in the Cluses factory**
- **Acquisition of a 6.33% stake in the share capital of Elcia, French leader for configurators and costing software for the windows, doors, roller shutters and shading systems sector**
- **Acquisition of 75% of the share capital of Italian group Teleco Automation, the leader in automation systems for bioclimatic pergolas effective on 4 July 2022**

KEY FIGURES

€846 m

+5.1%

Sales

23.4%

vs. 26.6% in June 2021

Current operating margin

€162 m

-11.9%

Net profit

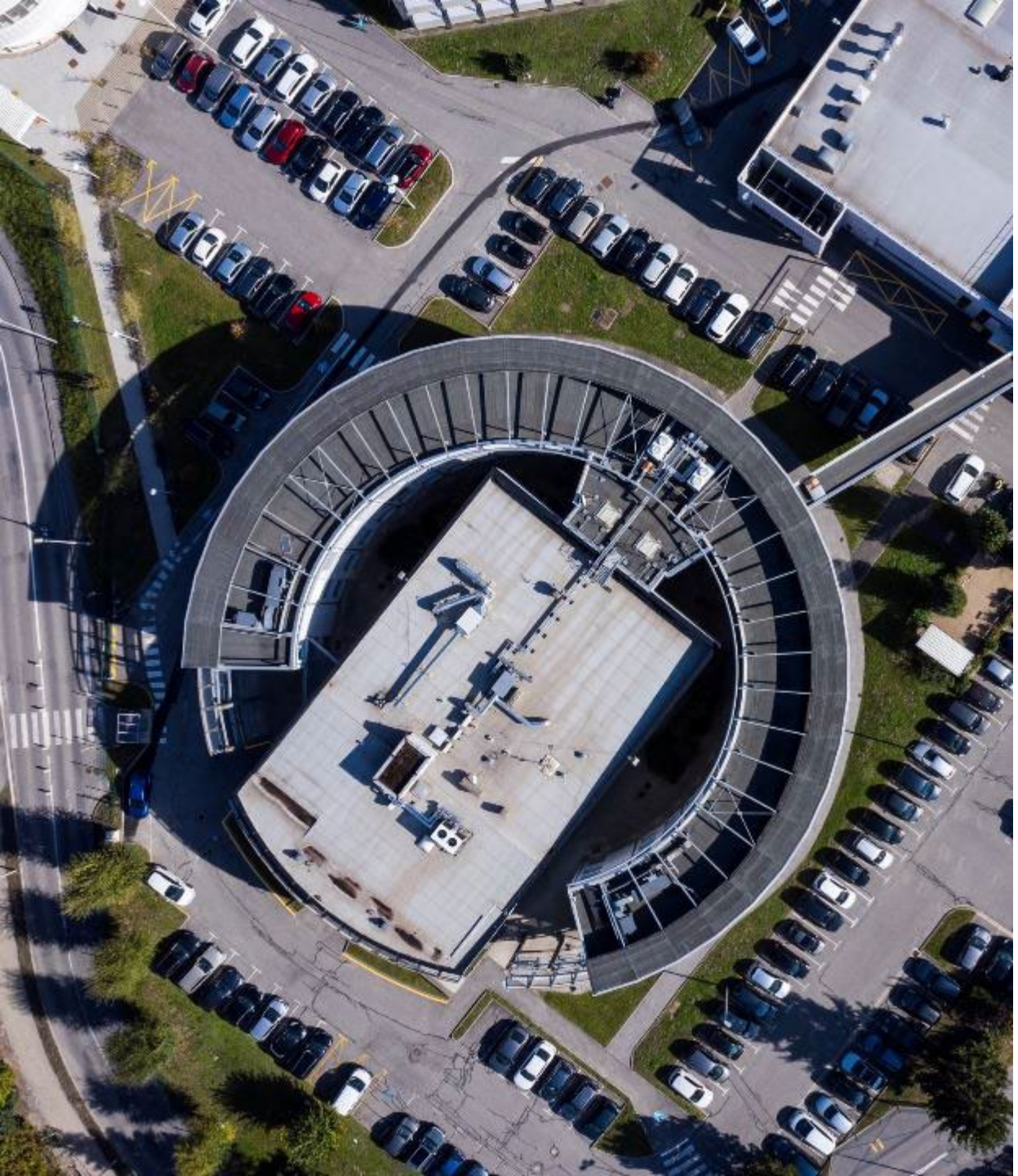
€588 m

Net financial surplus

€181 m

-12.1%

Cash flow



UPDATE ON MARKET ENVIRONMENT

Presentation of 2022 half-year results

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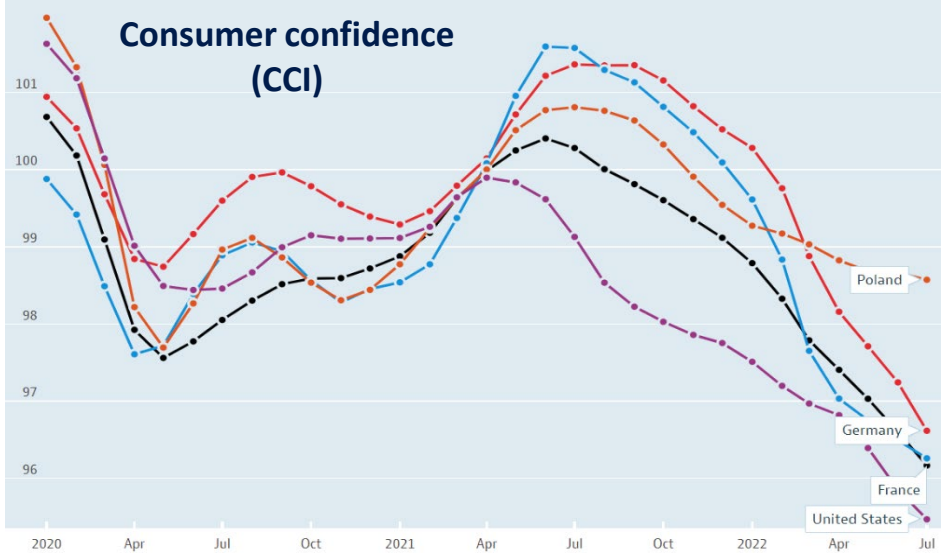
ECONOMIC AND GEOPOLITICAL SITUATION

RAPIDLY CHANGING MACRO-ECONOMIC ENVIRONMENT

Source: ECB forecast



Source: OECD

- **Lack of visibility exacerbated by the war in Ukraine and geopolitical tensions that are impacting consumer confidence**
- **Inflation at highest level in Europe and the United States for decades and decline in purchasing power**
- **Significant rise in interest rates**
- **Growth outlook in the coming months significantly lower than expected**

According to French national statistics institute INSEE, in July 2022, in France:

- **Decline in consumer confidence for the 7th consecutive month**
- **Further deterioration in business sentiment**

ONGOING SUPPLY CHAIN PRESSURES

SUPPLY CHAIN UNDER PRESSURE AT A GLOBAL LEVEL

- Global shortage in electronic components affecting the entire industry
- Rising energy costs
- Additional costs for certain supplies due to higher transportation costs

GROUP-WIDE ACTION MAINTAINED TO ADDRESS AND RESOLVE THESE PROBLEMS

- Retention of dedicated crisis unit
- Continuation of product redesign strategy
- Improved situation thanks to these measures

BFM BUSINESS

SEMI-CONDUCTEURS: LA PRODUCTION AUGMENTE MAIS NE SUIT TOUJOURS PAS LA DEMANDE

Olivier Chicheportiche Le 10/05/2022 à 16:17

Les Echos

Zone euro : la production industrielle donne des signes de faiblesse

Publié le 12 août 2022

Les Echos investir

La contraction se poursuit dans la zone euro, l'horizon s'assombrit-PMI

REUTERS | LE 23/08/22 À 11:33

A RESIDENTIAL MARKET THAT REMAINS BUOYANT

SOLID STRUCTURAL TRENDS

Numerous growth drivers:

- **Growing environmental awareness with a very strong challenge of energy performance**
- **Societal changes and new ways of working that support the demand for smart living: greater comfort and security, and increased digitalisation thanks to connected objects**

However:

- **Consumers caution in the face of a deteriorated macro-economic situation and changes in spending priorities in favour of leisure activities, generating a short-term contraction in demand in residential market**

BREAKDOWN OF 2022 HALF-YEAR SALES BY GEOGRAPHIC REGION

Presentation of 2022 half-year results

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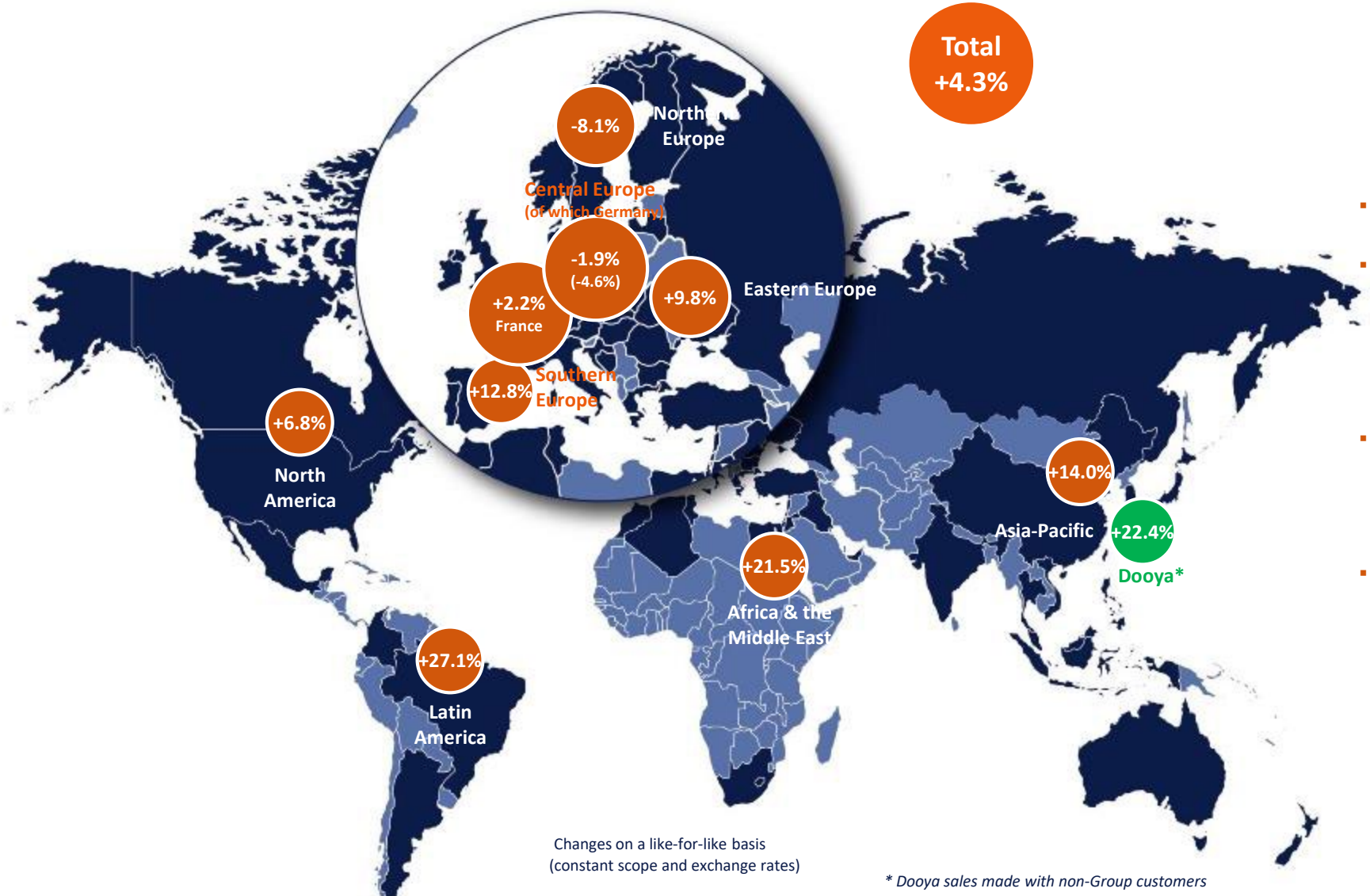
SALES - First half-year

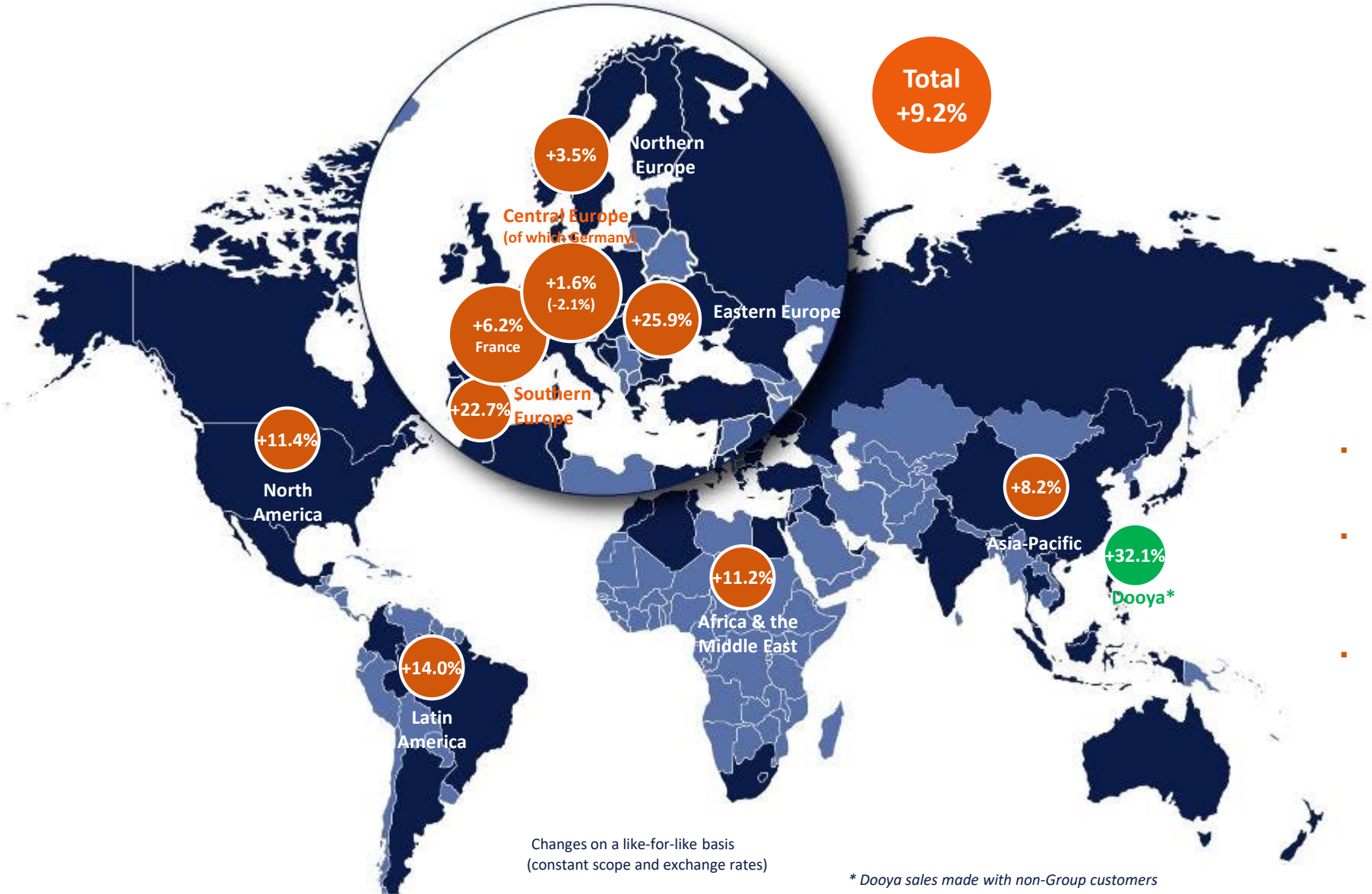


Changes on a like-for-like basis
(constant scope and exchange rates)

** Dooya sales made with non-Group customers*

- **Structurally buoyant market**
- **Slowdown notably in Europe due to a high comparison base and a fall in demand due to the macro-economic environment**
- **Significant growth in Southern Europe, Latin America, Africa & the Middle East and Asia-Pacific**
- **Strong performance by Dooya, posting growth of 22.4% (domestic market up 24.8% and export market up 20.8%)**

SALES – First quarter

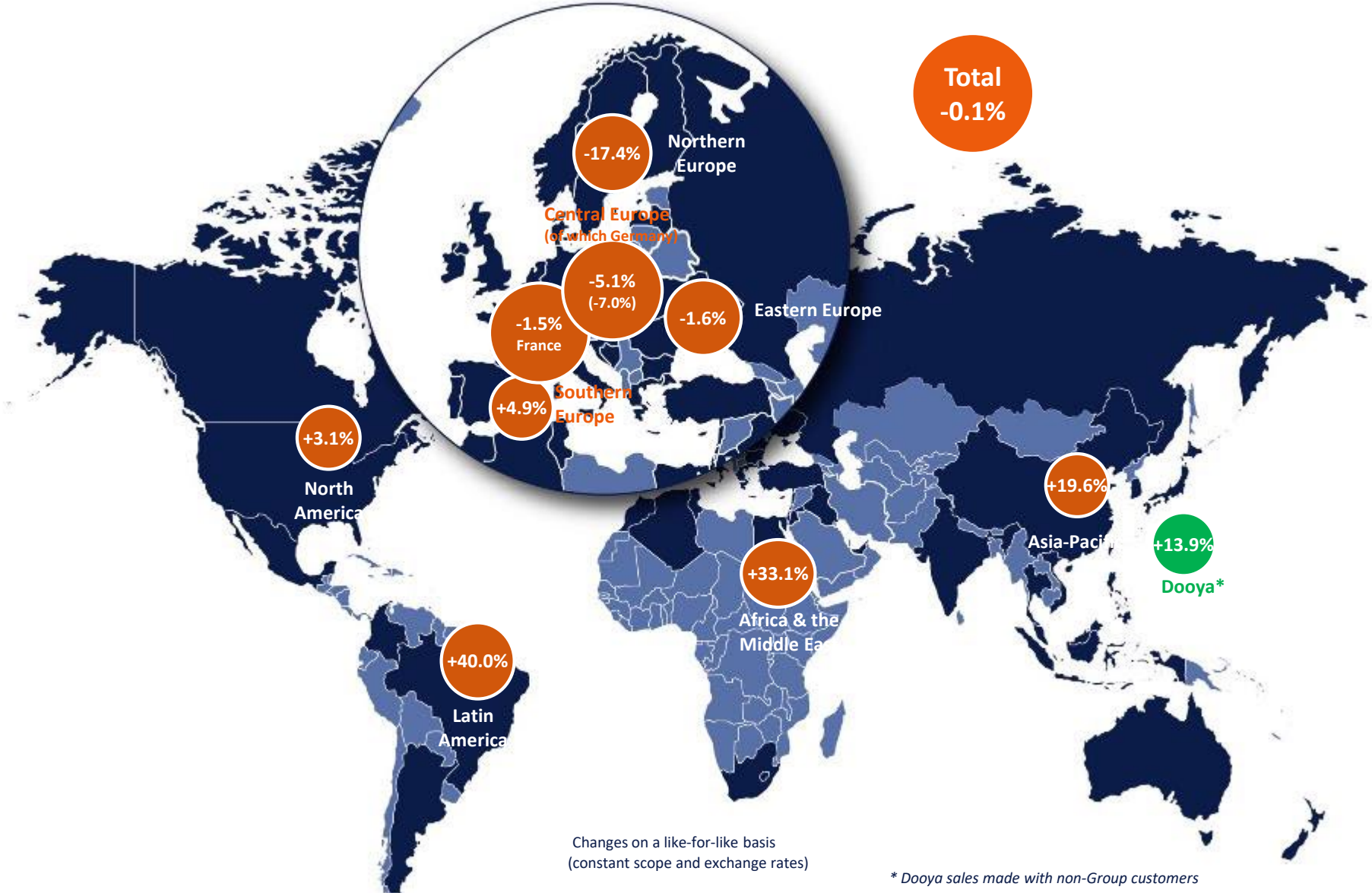


Changes on a like-for-like basis
(constant scope and exchange rates)

** Dooya sales made with non-Group customers*

- **Upward trend in most regions, driven by a buoyant market**
- **First signs of the effects of the Russian-Ukrainian crisis and its impact of the global economy**
- **Dooya achieved strong growth despite new lockdowns in China**

SALES – Second quarter



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

** Dooya sales made with non-Group customers*

- **Decline in sales in Europe and slowdown in growth in North America, given an unfavourable base effect and the challenging economic environment**
- **Sales remained healthy in emerging regions**
- **Slowdown in Dooya's growth too**

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ANALYSIS OF 2022 HALF-YEAR RESULTS

Presentation of 2022 half-year results

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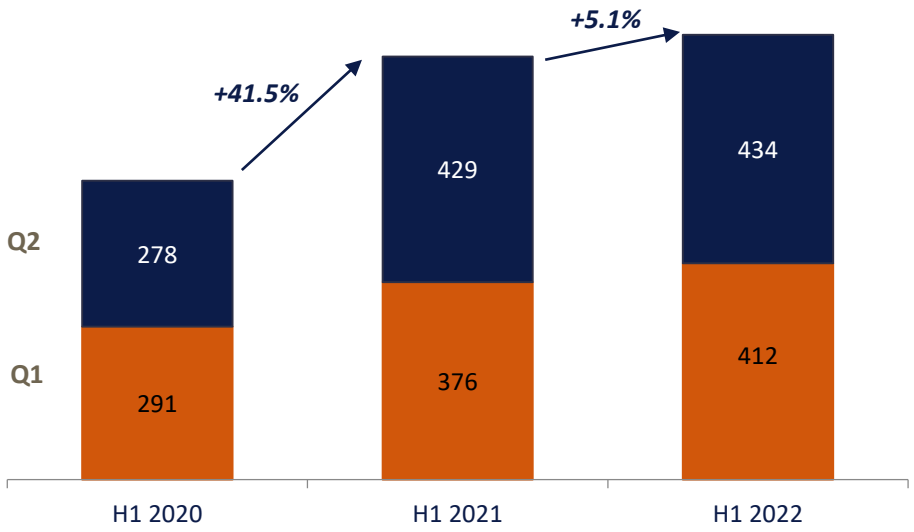
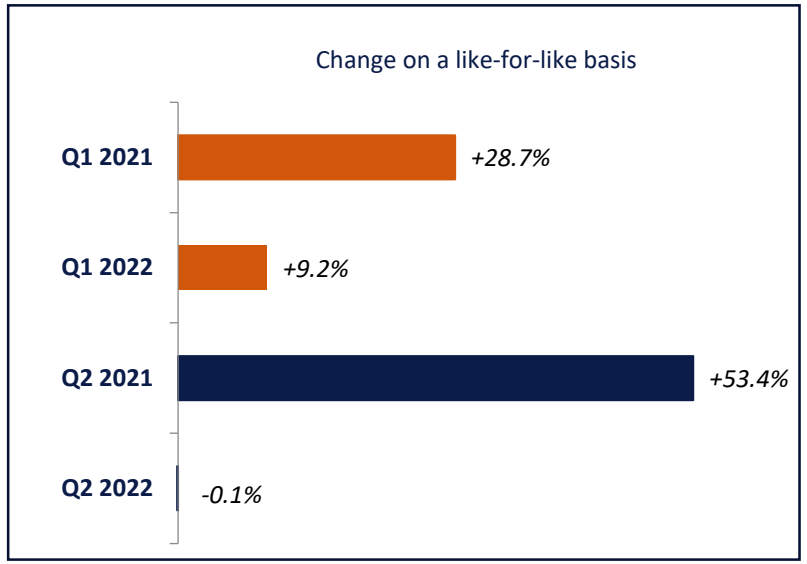
SALES

Data in € millions	30/6/20	30/6/21	30/6/22	*Change 2022/21*
Sales	569	805	846	*+5.1%*



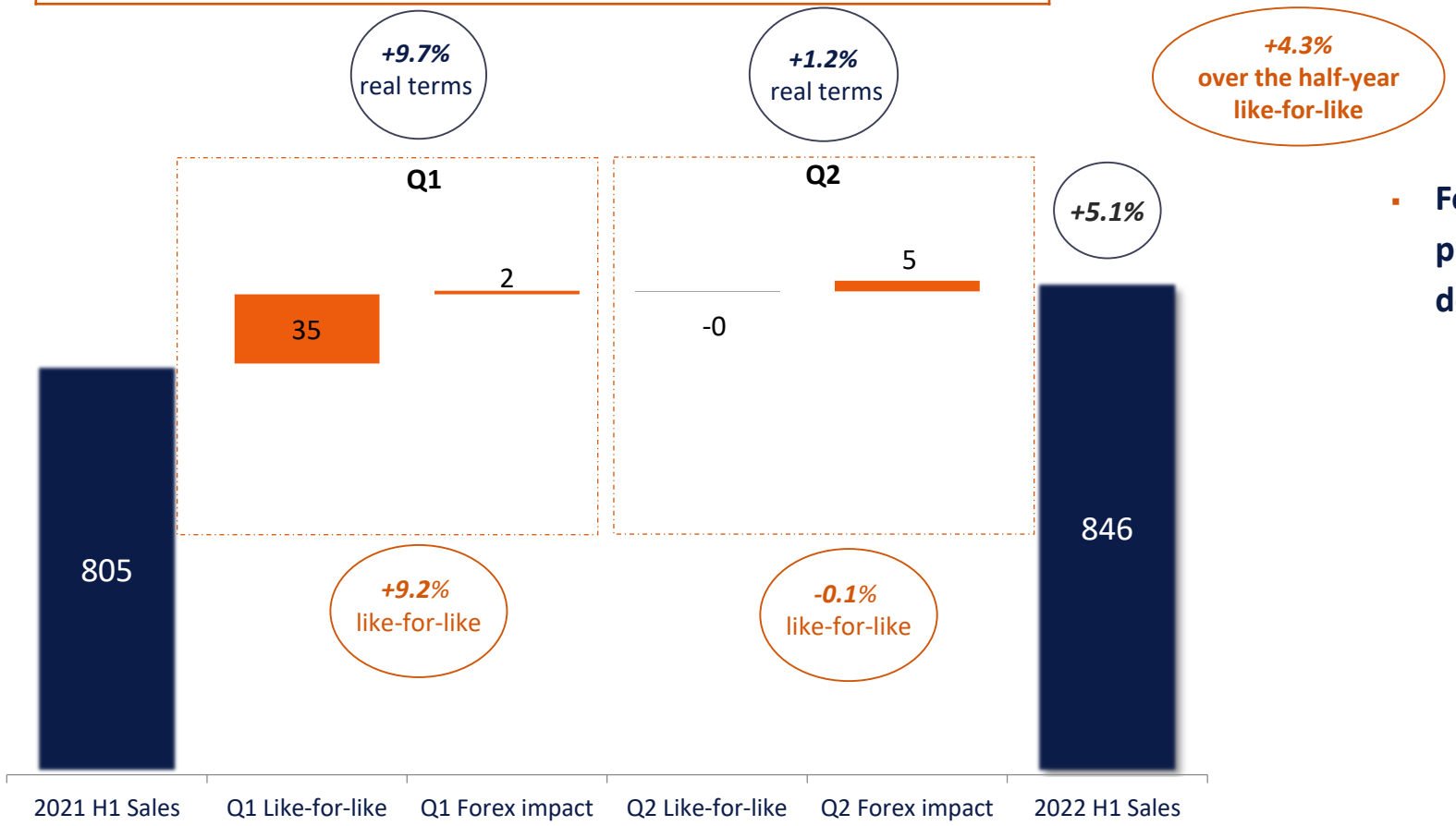
***+4.3%* over the half-year like-for-like**



- **Significant slowdown over the second quarter due to a weaker economic environment and geopolitical situation, and to the resultant fall in demand**
- **High comparison base – notably over the second quarter**
- **As a reminder, 2019 sales (pre-Covid) stood at €615 million.**

SALES (continued)

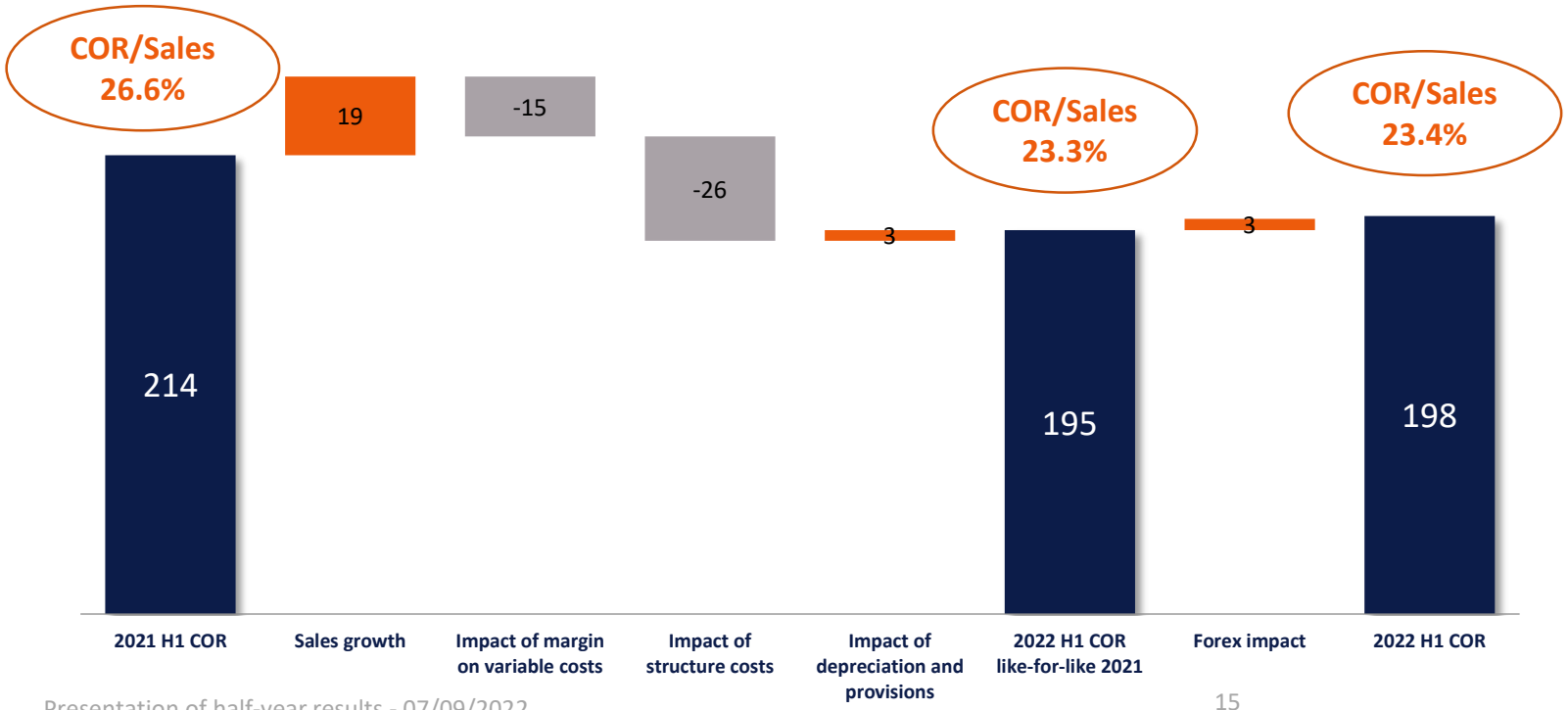
Data in € millions	30/6/20	30/6/21	30/6/22	*Change 2022/21*
Sales	569	805	846	*+5.1%*



- **Forex impact of €7 million primarily generated by the US dollar**

CURRENT OPERATING RESULT

Data in € millions	30/6/21	30/6/22	*Change 2022/21*
Sales	805	846	*+5.1%*
Current operating result	214	198	*-7.4%*
Current operating margin (COR/Sales)	26.6%	23.4%	-316 bps



- **Lower current operating result due to an exceptionally high comparison base and the slowdown in sales**
- **Limited decline in margin on variable costs (pricing increases partially offsetting the increase in supply chain, logistics and quality risks costs)**
- **Continuation of strategic spending to transform the company (digitalisation, product redesign, etc.)**
- **Current operating margin remained high despite decreasing in relation to 2021, but remaining above the levels seen between 2018 and 2020 (around 18% on a half-year basis)**

CONDENSED INCOME STATEMENT

Data in € millions	30/6/21	30/6/22	*Change 2022/21*
Sales	**805**	**846**	***+5.1%***
Current operating result	**214**	**198**	***-7.4%***
Non-recurring operating items	(1)	(6)	*N/S*
Net financial income/(expense)	3	(2)	*N/S*
Income tax	(39)	(38)	*+2.4%*
Share of net profit from associates and joint ventures	7	10	*+40.2%*
Consolidated net profit	**183**	**162**	***-11.9%***

- **Increase in non-recurring expenses related to the Russian-Ukrainian crisis (asset impairment of approx. €5 million)**
- **Net financial result cannot be used for comparison (€3 million unwinding of Brazilian assets in 2021)**
- **Average tax rate at a normative level of 20%**
- **Strong growth in Dooya's contribution**
- **Net profit lower but still at a high level**

UPDATE ON DOOYA

Data in € millions	30/6/21	30/6/22	*Change 2022/21*
Sales*	**119**	**161**	*+35.3%*
First quarter	56	81	*+45.2%*
Second quarter	63	80	*+26.6%*

Data in € millions	30/6/21	30/6/22	*Change 2022/21*
Sales*	**119**	**161**	*+35.3%*
Current operating result	**13**	**14**	*+8.7%*
Current operating margin (COR/Sales)	**10.7%**	**8.6%**	*-211 bps*
Net profit	**11**	**15**	*+40.1%*

** Of which €118 million generated with customers outside the Group to 30 June 2021 and €159 million to 30 June 2022*

- **Steady sales growth over the half-year despite a disturbed health context**
- **Increase in current operating result but decline in current operating margin against a backdrop of pressures in the components market and rising labour costs**
- **Significant increase in net profit**

OVERVIEW OF RESULTS

- **Significant slowdown in sales over the second quarter as a result of the economic and geopolitical environment**
- **Current operating margin and net profit both down but still at high levels**
- **Non-recurring items in connection with the Russian-Ukrainian crisis**

CONDENSED CASH FLOW STATEMENT

Data in € millions	30/6/21	30/6/22
Cash flow	207	181
Change in working capital requirements	(65)	(112)
Other cash flows	1	2
Net cash flow from operating activities	**143**	**71**
Net cash flow from investing activities	**(50)**	**(40)**
Net cash flow from financing and capital activities	**(75)**	**(86)**
Impact of changes in exchange rates	2	2
Net change in cash and cash equivalents	**20**	**(53)**

- **Decrease in cash flow in line with lower profit**
- **Seasonal increase in working capital requirements reinforced by a sharper increase in safety inventories**
- **Acquisition of Répar'stores for €27 million in 2021**
- **€10 million growth in industrial and digital investments and acquisition of a €5 million stake in Elcia**
- **Payment of a dividend of €75 million, an increase of 16.2%**
- **Decline in cash and cash equivalents over the half-year**

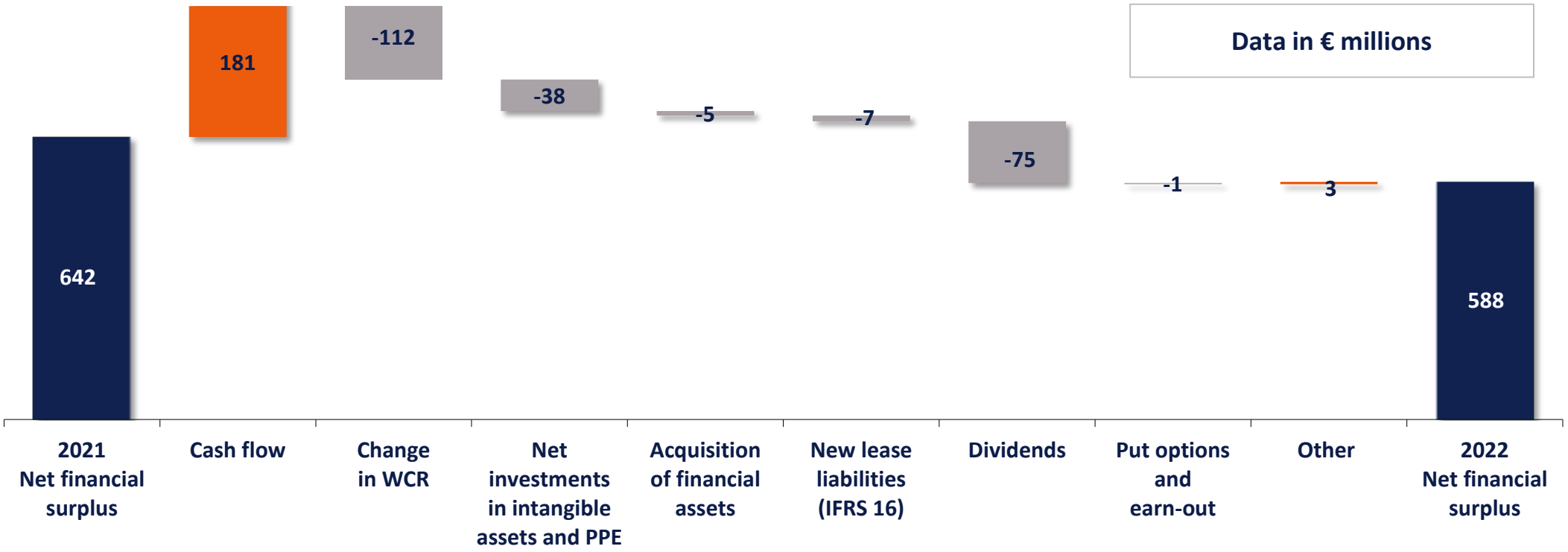
CONDENSED BALANCE SHEET

Data in € millions	30/6/21	31/12/21	30/6/22
Equity	**1,287**	**1,371**	**1,467**
Long-term borrowings	69	64	71
Provisions and retirement commitments	42	40	33
Other non-current liabilities	22	24	24
Permanent capital	**1,420**	**1,499**	**1,595**
Goodwill	119	119	119
Net non-current assets	366	368	388
Investments in associates and joint ventures	157	173	187
Other non-current receivables	23	21	20
Working capital	**756**	**817**	**881**
Working capital requirements	**172**	**111**	**223**
Cash and cash equivalents*	**584**	**706**	**659**
Net financial debt	**(517)**	**(642)**	**(588)**

** Item includes the current portion of financial liabilities*

- **Financial structure that remains sound**
- **Increase in value of associates and joint ventures (Dooya)**
- **Significant rise in working capital requirements to secure our levels of customer service**
- **Decrease in net financial surplus in relation to December 2021**

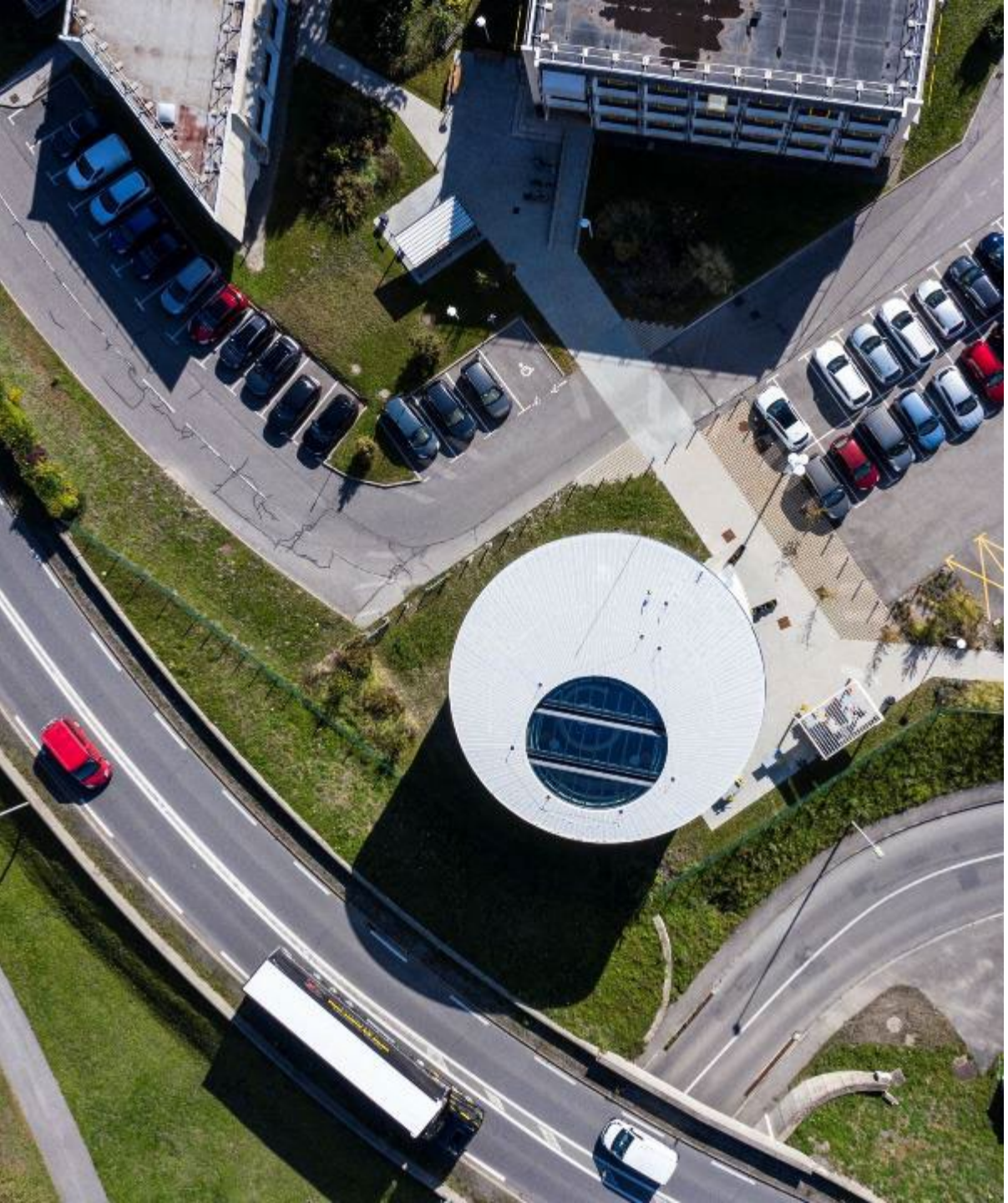
NET FINANCIAL SURPLUS



- **Lower net financial surplus given the growth in working capital requirements and investments and the payment of dividends**

OVERVIEW OF FINANCIAL POSITION

- **Strong equity**
- **Marked seasonal increase in working capital requirements**
- **Lower but still heavily positive net financial surplus**



2022 HALF-YEAR MAIN ACHIEVEMENTS

Presentation of 2022 half-year results

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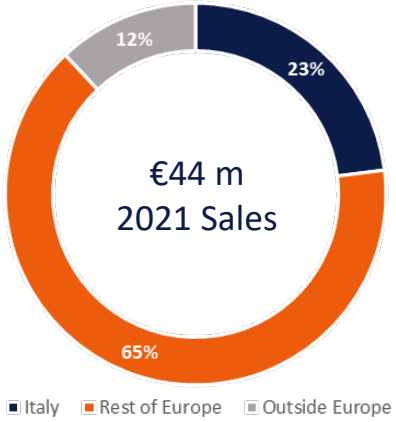
M&A: ACQUISITION OF TELECO AUTOMATION

TELECO

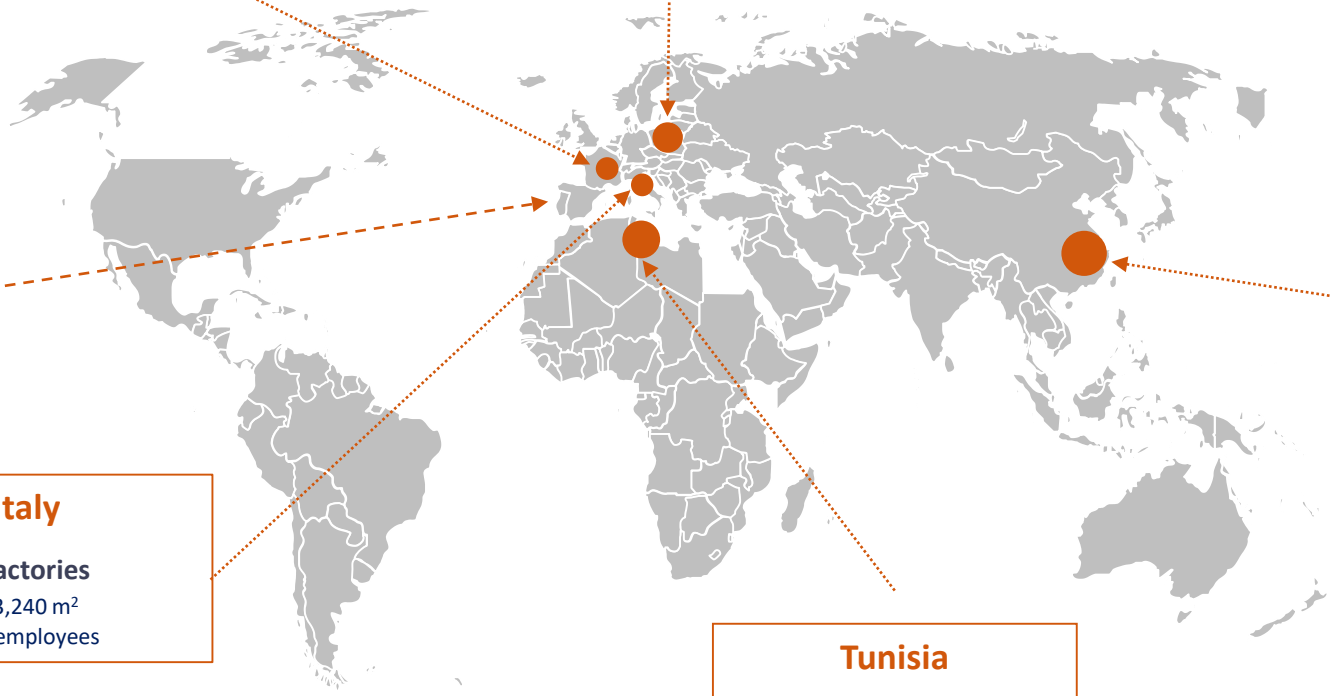
- Acquisition on 4 July 2022 of 75% of the share capital of Italian group Teleco Automation, leader in automation systems for bioclimatic pergolas
- Financed by existing cash
- €142 million acquisition cost
- Integration into the Group's financial statements from the second half of 2022

In line with the Ambition 2030 plan:

- Acceleration of the development of the range of innovative, integrated and connected products for solar protection equipment
- Response to strong demand for outdoor space upgrades
- Value creation for manufacturer and installer customers thanks to synergies in the product ranges



INDUSTRIAL FOOTPRINT: PLANNED NEW FACTORY IN PORTUGAL



Poland

Sopem
36,000 m²
600 employees

France

3 factories
42,000 m²
600 employees

Portugal

New production site
Target:
25,000 m²
700 employees

China

Dooya
89,000 m²
2,500 employees

Lian Da
22,000 m²
280 employees

Italy

2 factories
33,240 m²
260 employees

Tunisia

Sitem
21,000 m²
1,200 employees

CONTINUATION OF THE SUSTAINABLE DEVELOPMENT STRATEGY: REDUCING OUR CARBON FOOTPRINT

GROUP CARBON ASSESSMENT

Carbon footprint[1]:

1,311 kT CO_2 eq

1% scopes 1 & 2[2]

99% scope 3[3]

Somfy's environmental impact is primarily related to carbon emissions (European green taxonomy target to mitigate climate change).

[1] 2020 analysis based on 2019 data

[2] Direct emissions (gas and fuel) and indirect emissions from energy consumption (electricity)

[3] Oher indirect emissions covering the entire value chain such as our product usage, purchasing, transport, etc.

SOMFY'S COMMITMENTS

- **Targets to reduce emissions approved by SBTi:**

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

50% reduction in our own CO_2 emissions by 2030 vs. 2019[4]

-40 % reduction in the electrical consumption of our motors in 2030 vs. 2019[5]

100% green electricity in 2030

Energy efficiency of buildings

100% of products eco-designed in 2030

ACT FOR GREEN

[4] In absolute value for scopes 1 & 2 and in relative value based on the number of products sold for scope 3

[5] Scope 3

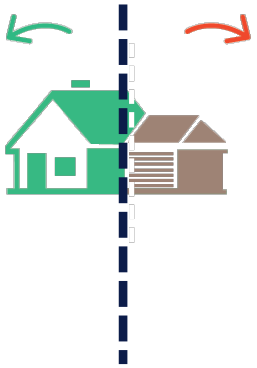
CONTINUATION OF THE SUSTAINABLE DEVELOPMENT STRATEGY: EMISSIONS AVOIDED

FROM CONCEPT TO REALITY

POSITIVE impact of automation on amount of CO_2 emissions avoided

Winter:
Heating savings

Summer:
Air conditioning savings
Thermal comfort



NEGATIVE impact of automation on CO_2 emissions avoided

IC motors and automated solutions
(= CO_2 required for the manufacture and use of our solutions)

Smart motorised solar protection equipment* helps to improve the energy efficiency of housing and to limit CO_2 emissions

** Scope of study: 6 countries, residential market (new build & renovation, houses & apartments), roller shutter application based on 2019 sales. Comparison between the use of manual roller shutters and centralised and/or automated motorised roller shutters. Calculations on the entire lifecycle of the solution (15 years).*

- **Project progress: studies conducted in 6 countries to date on the automation of roller shutters (vs. 2 last year)**

Positive impact of roller shutters in kT CO_2 eq

	Induced	Reduced	Avoided	
	93	-186	-92	1 x
	41	-161	-120	3 x
	7	-49	-42	6 x
	30	-65	-34	1.1 x
	4.5	-13	-8.8	2 x
	6.2	-10.5	-4.3	0.7 x

vs. induced emissions

carbone4

- **Significant differences between countries according to the energy mix, percentage of automated solutions sold, construction methods and climate**

OUTLOOK FOR THE 2022 FINANCIAL YEAR

Presentation of 2022 half-year results

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FULL-YEAR OUTLOOK

- **Base trend in the home renovation market driven by the digitalisation and thermal renovation of buildings**
- **Continuation of strategic structuring projects over the next few financial years (SAP and capacity)**
- **Significant caution and lack of visibility over the coming months given the level of inflation, the rise in interest rates and the prospect of recession in most European economies and the United States**

APPENDICES

Presentation of 2022 half-year results

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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
- **Net financial debt/(surplus)**: difference between financial debt and cash and cash equivalents (a surplus if negative)