

GROUPE SFPI : ANNUAL RESULTS 2018

Strong growth of sales revenues (+9%) – light decrease of Growth margin at 58,3%

The board of Directors held on April 17th, 2019 has agreed on the statutory and consolidated statements for the 2018 fiscal year. The accounts for the year 2018 from January 1st to December 31st, 2018 have been audited by our auditors and the audit report on these accounts will be issued.

2018 Annual results and financial structure

in €M	31/12/2018	% Of sales	31/12/2017 (*)	% Of sales	Variation 2018/2017 (%)
Sales	549,8		504,5		+9,0%
<i>Incl. Dom Security Division</i>	186,4		174,4		+7,0%
<i>Incl. MAC Division</i>	189,4		189,2		-
<i>Incl. NEU-JKF Division</i>	122,5		92,2		+32,8%
<i>Incl. MMD Division</i>	51,7		48,7		+6,0%
Growth Margin	320,7	58,3%	303,5	60,2%	-1,9 pt
<i>Incl. Dom Security Division</i>		69,7%		71,0%	
<i>Incl. MAC Division</i>		52,8%		54,8%	
<i>Incl. NEU-JKF Division</i>		49,7%		50,1%	
<i>Incl. MMD Division</i>		57,9%		61,1%	
Recurring Operating Income	30,4	5,5%	32,7	6,5%	-7,0%
<i>Incl. Dom Security Division</i>	17,0		16,0		
<i>Incl. MAC Division</i>	4,0		8,8		
<i>Incl. NEU-JKF Division</i>	4,0		3,2		
<i>Incl. MMD Division</i>	6,4		5,8		
Operating Income	26,6		33,9	6,7%	
Net Income from Continuing Operations	16,3	3,0%	23,0	4,6%	
Net Income From Discontinuing Operations (Eryma Division)	-		6,2		
Consolidated Net Income	16,3	3,0%	29,2	5,8%	
<i>Group Share</i>	13,7		25,0		
<i>Non controlling interest</i>	2,6		4,2		
Earning per share (in euros)	0,15		0,28		

(*) During the first semester 2018 year, the Group finalized, according to IFRS 3, the valuation of the acquisition price, the assets acquired and liabilities assumed of JKF Group acquired on 31/07/2017. Consequently, comparative information have been modified.

Consolidated Sales at december 31, 2018 amount to € 550 M up 9 % compared to 2017. Organic growth, excluding acquisitions and cessions in 2017 and 2018 reaches 3,4 %.

Recurring operating income is € 30.4 million vs. € 32.7 M in 2017 a drop of 7%.

Operating income is € 26.6 million. It includes € 2.7M of expenses related to the merger operation.

Net income from continuing operation reaches € 16.3 M vs € 23M in 2017.

On December, 31st 2018, the Equity group's share amounts to € 204.5 M, compared with € 188.6 M at December, 31st 2017.

In €M	31/12/2018	31/12/2017 (*)
Non-current Assets	166,9	152,5
Current Assets	228,9	229,3
<i>Net Inventories</i>	79,2	72,4
<i>Receivables</i>	102,3	119,1
<i>Others</i>	47,4	37,8
Cash and equivalents	127,9	119,1
Total Asset	523,7	500,8
Equity	206,4	218,5
<i>Incl. Group Share</i>	204,5	188,6
Non current liabilities	140,2	115,1
<i>Long-term financial debt</i>	77,8	55,1
<i>Provisions (employee benefit...)</i>	62,4	60,0
Current liabilities	177,1	167,2
<i>Short term financial debts</i>	22,5	13,5
<i>Payables</i>	62,3	64,2
<i>Other creditors and accrued liabilities</i>	44,5	47,6
<i>Others</i>	47,8	41,9
Total	523,7	500,8

(*) During the first semester 2018 year, the Group finalized, according to IFRS 3, the valuation of the acquisition price, the assets acquired and liabilities assumed of JKF Group acquired on 31/07/2017. Consequently, comparative information have been modified.

The financial structure remains solid, the group has a positive net cash of € 27.5 M split as follows

In €M	31/12/2018	31/12/2017	Variation 2018/2017
Financial debts (Current and non current)	(97,5)	(65,4)	(32,1)
Overdraft	(2,9)	(3,3)	0,4
Cash and cash equivalents	127,9	119,1	8,8
Net Financial Excess	27,5	50,4	(22,9)

The simplified consolidated cash-flow statement is :

In €M	31/12/2018	31/12/2017	Variation 2018/2017
Cash Flow from Operating Activities	30,6	39,6	(9,0)
Cash flow used in Investment activities	(25,3)	(35,5)	10,2
Cash flow from (used in) Financing activities	3,4	9,7	(6,3)
Net increase (decrease) of Cash flow	8,7	13,8	(5,1)
Cash flow	33,3	38,1	(4,8)

In 2018, cash flow from financing activities includes € 28 M of net borrowings, € (18) M of Dom Security shares bought for the public offer and € (6,6) M of dividends to shareholders.

Main facts.

In July 2018, Dom Security releases a simplified tender offer (OPAS) on 240 000 shares at a price of 75 euro per share, for a global cost of € 18M.

On November 16, 2018, boards of directors of Dom Security and Groupe SFPI agreed on the merger between both companies.

Moreover, during the fiscal year, the group :

- Sold the Polish company Spomasz Wronki end of april 2018.
- Acquired 3 companies : Eliot end of may 2018, Cipriani end of june 2018 and Antipanic end of september 2018.

Dividend 2019

The Board of Directors will propose to the General Assembly, which will be held on 7 June 2019 in Paris, the vote of a net dividend of €0.05 per share.

Perspectives

For the financial year 2019, the group expect a turnover around € 570 million on a like-for-like basis.

Find the presentation of results 2018, effective April 18, 2019
on www.finance.groupe-sfpi.com

Next communication: Semiannual financial results published at the end of September 2019

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About Sfpi Group

SFPI Group (Safety for People and Industry) was founded in France in 1985. Today, it constitutes a group of companies specialized in the safety industry for people, goods and environment. They're united within 4 autonomous, innovative and digitalized operating divisions: DOM Security, MAC, MMD, NEU-JKF. SFPI Group generates a turnover of approximately 550 million Euros, employs 3800 people and delivers solutions such as buildings security and convenience, air-treatment and energy saving, both for industrial and private markets. Industrial, responsible and European with global ambitions, SFPI Group is pursuing its international expansion