

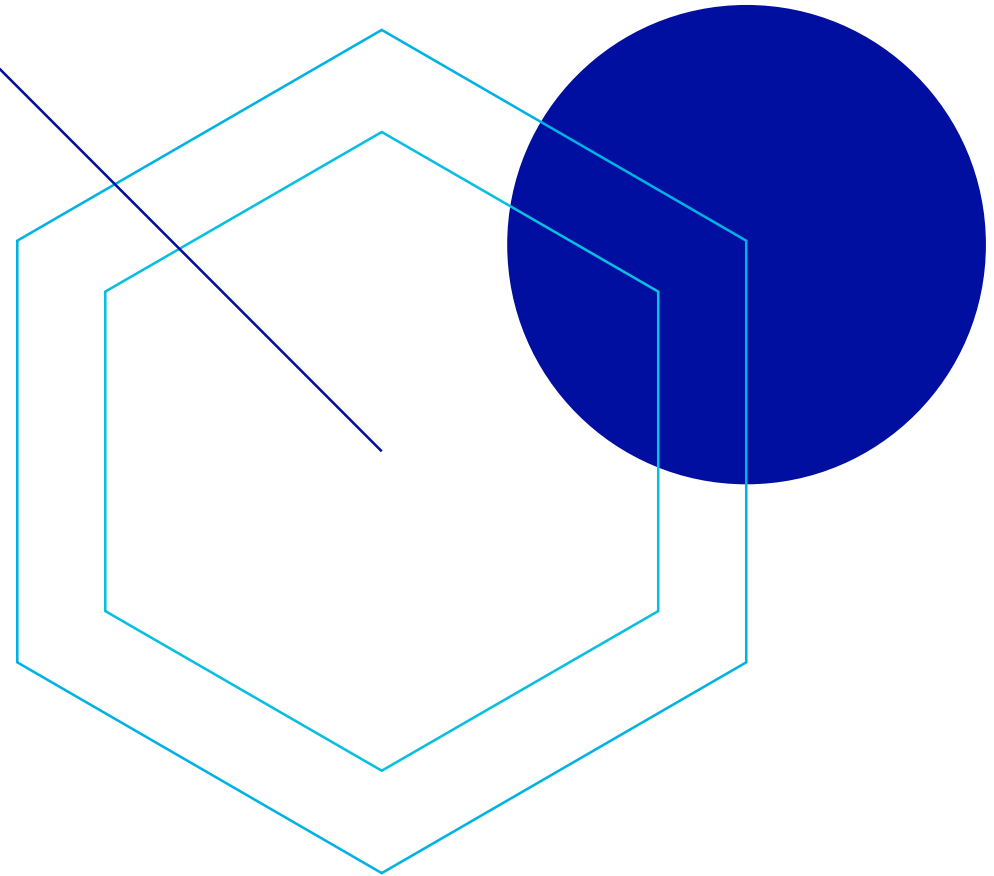
# Sfpi Group

## Annual Results 2018

Henri Morel, CEO

Damien Chauveinc, Deputy CEO

Nicolas Loyau, CFO



18th April 2019

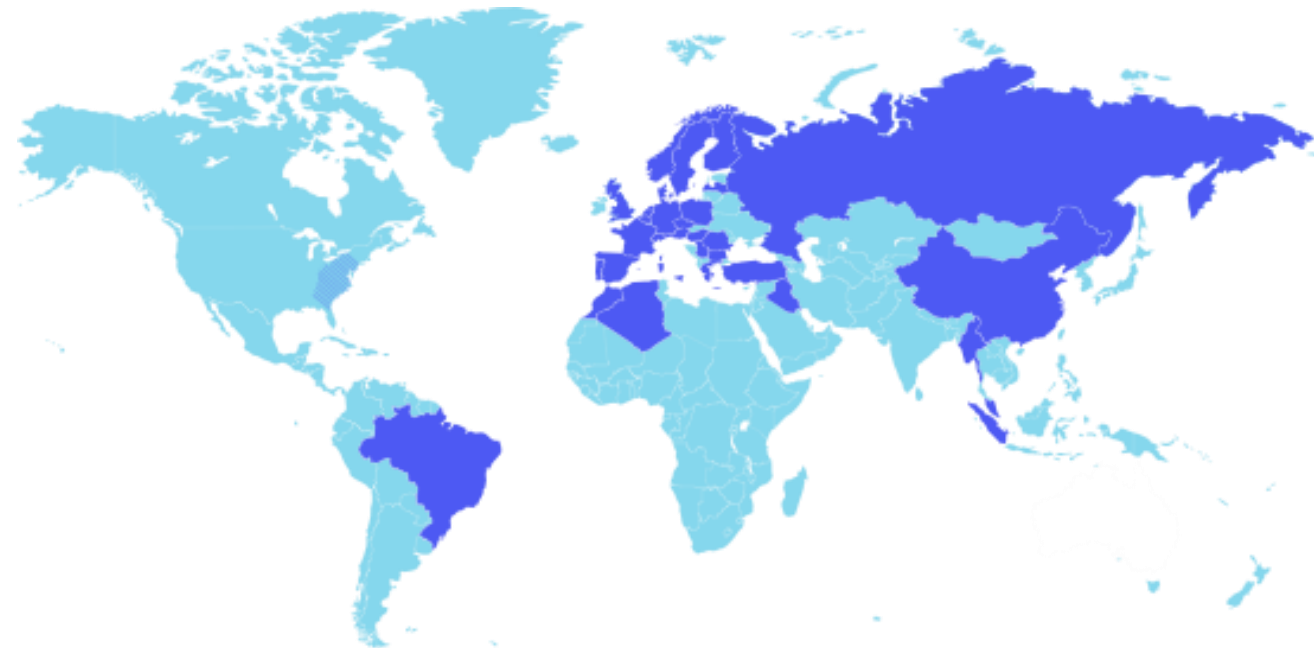
# Independent, industrial, international

SFPI Group was created in France in 1985 by entrepreneurs led by Henri Morel, who wanted to engage in the recovery and development of industrial companies.

In 2018, SFPI Group generated a turnover of about 550 million Euros, in the safety industry.

41% of revenues are generated outside of France.

SFPI Group has 3 858 employees, 39% of whom are based outside of France.



# Specialized in the safety industry for people, goods and environment

## Business Group « Construction » Security and comfort for buildings

376 M€  
68% of 2018 Group revenues

### MAC

Windows, blinds,  
awnings, shutters,  
garage doors for  
residential and non  
residential buildings

### DOM Security

Locking and access  
control equipment and  
systems

## Business Group « Industry » Air treatment and energy control

174 M€  
32% of 2018 Group revenues

### MMD

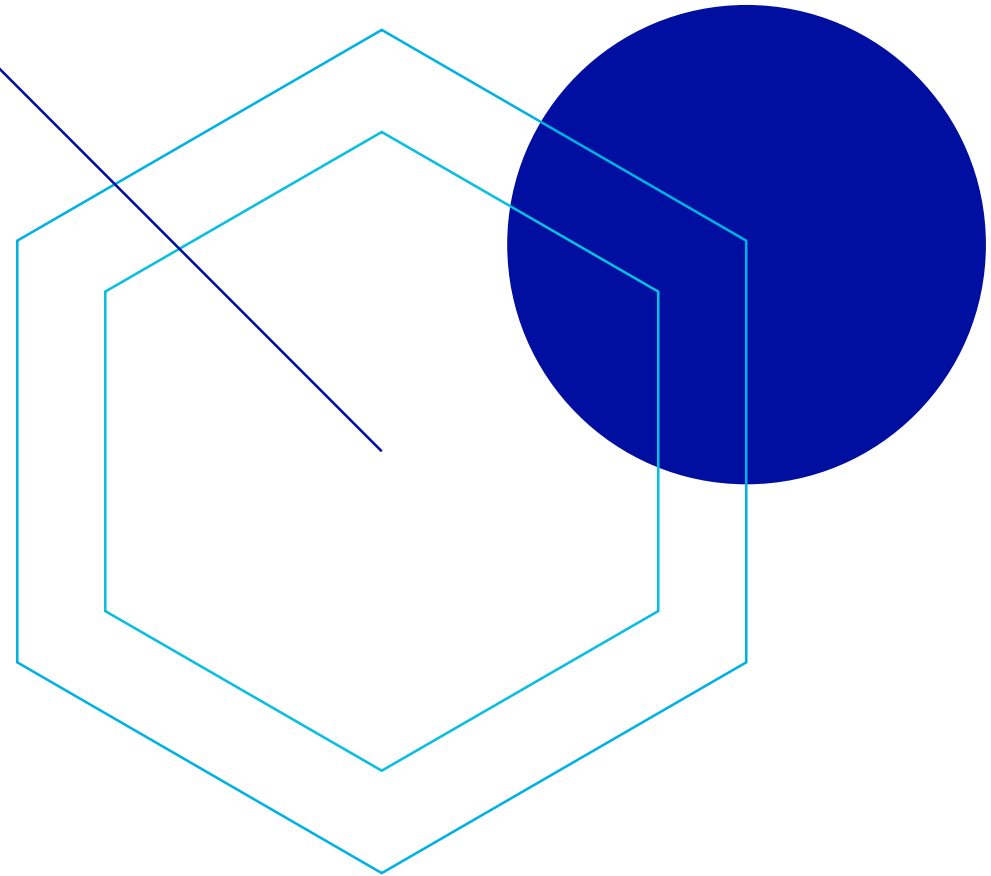
Heat exchanger and  
sterilization equipment  
and systems

### NEU-JKF

Air treatment solutions for  
the industry

# Highlights

- Tender offer (OPAS)
- Merger
- Acquisition



# Purpose of the tender offer (OPAS) - Merger

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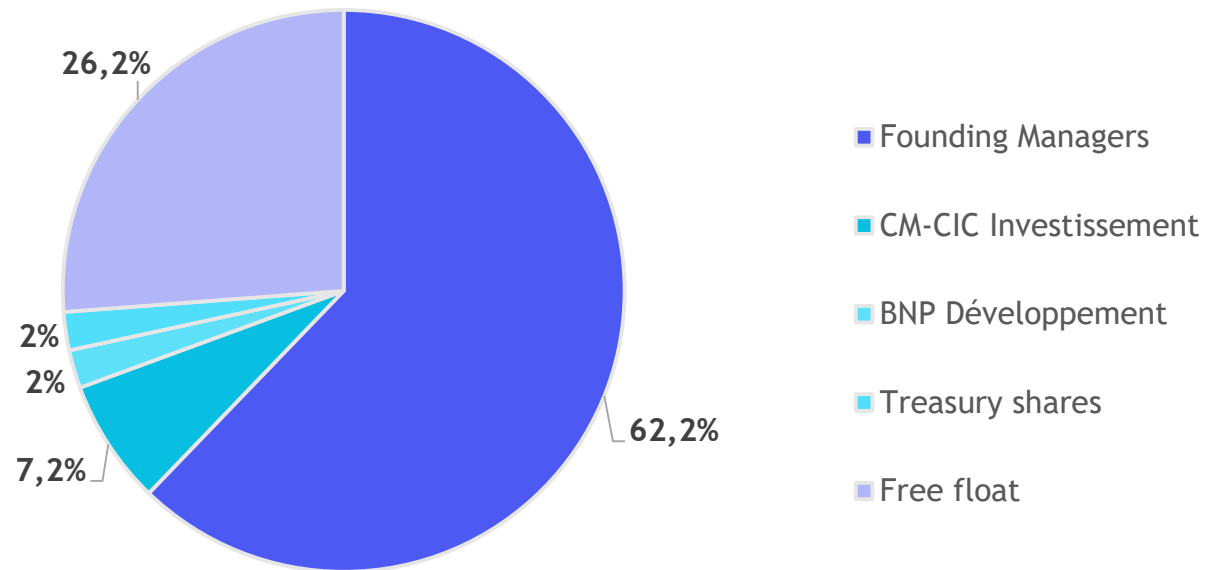
- Unification and simplification of the Group's stock market structure
- Increase in Liquidity of SFPI shares
- Simplification of the Group's operational management
- Increase in group consolidated profit and group equity share
- Costs savings

# Key milestones - OPAS & Merger

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- June 2018 :
  - Decision to implement a Simplified Public Tender (OPAS) for 240,000 DOM Security shares, at a price of € 75 per share
  - The SFPI Group and DOM Security announce their merger project
- July 13-26 2018 : Realization and success of the OPAS financed by bank loans (€18 million)
- September 5 2018 : DOM Security capital reduction by cancellation of shares
- November 16 2018 : Finalization of the merger by absorption of DOM Security by Groupe SFPI following the board of directors. Cancellation of Dom Shares on November 20, 2018
- December 19 2018 : Reconstitution of the DOM Business Unit by contribution of shares
- Total costs OPAS - Merger - Contribution: 2,7 M€

# Stock market mapping



- Free Float 31/12/2017 : 18,9 %
- Free Float 31/12/2018 : 26,2 %

- Number of shares: 99 317 902
- ISIN Code : FR0004155000
- Listing market: Euronext compartment B

Shareholder structure on 31/12/2018

# Acquisitions & divestment in 2018

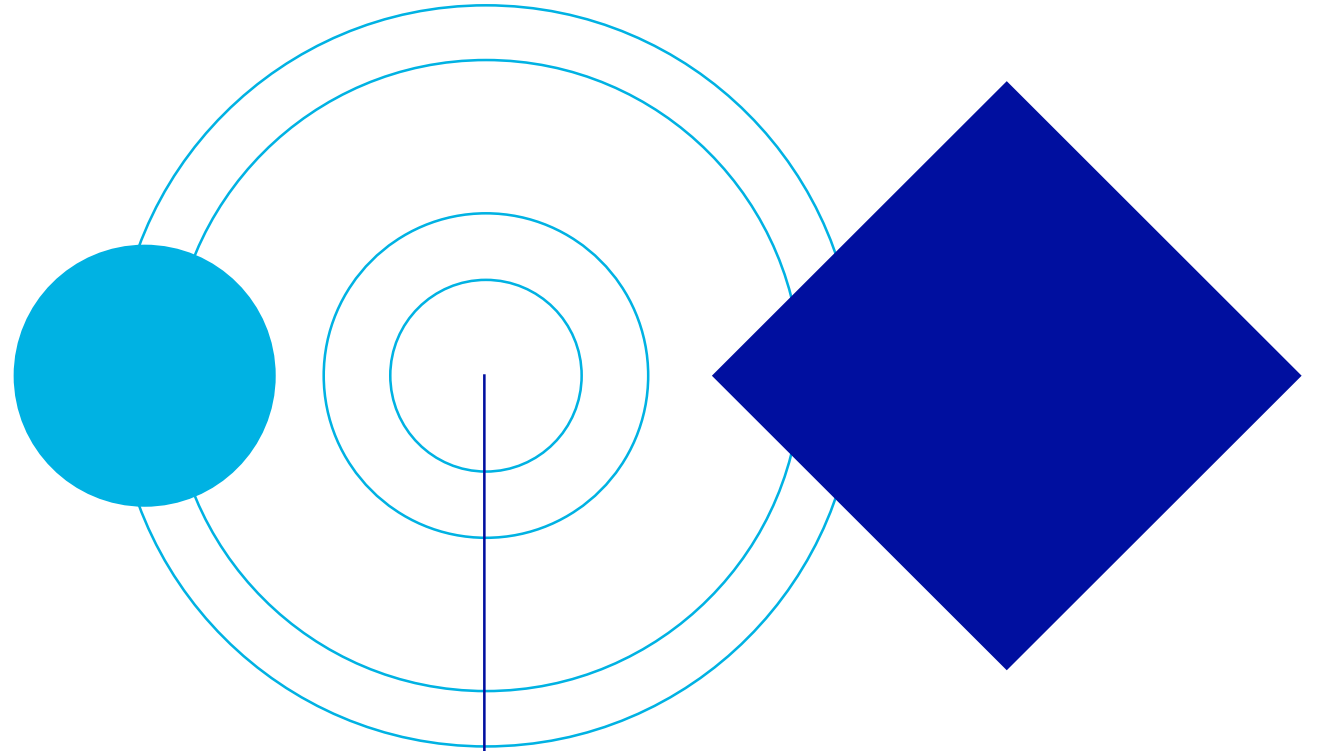
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- April 30 2018: Divestment of 100 % of Spomasz (MMD)
- May 31 2018: Acquisition of 70 % stakes in Eliot et Cie (DOM Security)
- 29 June 2018: Acquisition of 100 % stakes in Cipriani (MMD)
- 20 September 2018: Acquisition of 74 % stakes in Antipanic (DOM Security)

➤ Cash in for Spomasz divestment	6,6 M€
➤ Cash out for the 3 acquisitions (financed by loans for 14,1 M€)	16,9 M€



# Key figures 2018



# Key figures 2018

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Sales	549,8 M€
Recurring operating income	30,4 M€
Net Income	16,3 M€
Cash flow	33,3 M€
Net Financial excess	27,5 M€

# Consolidated 2018 revenues: 550 M€

## Consolidated sales increase

- ▶ Organic growth of 3,4 % on a comparable basis
- ▶ Sales contribution of 2018 acquisitions
- ▶ Sales contribution of JKF (2017 acquisition)
- ▶ Divestment of Spomasz

45 M€ ie + 9,0 %

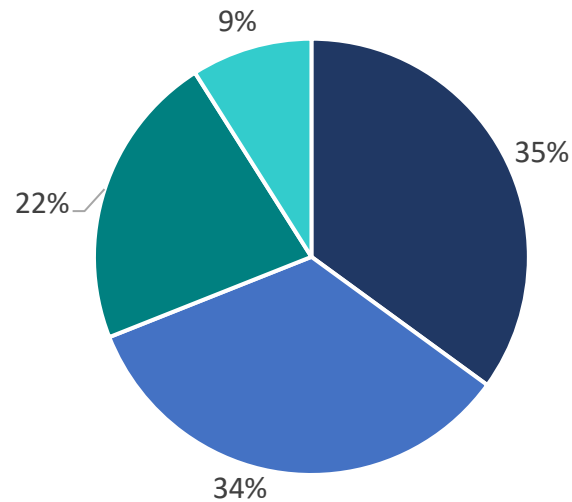
16 M€

9 M€

24 M€

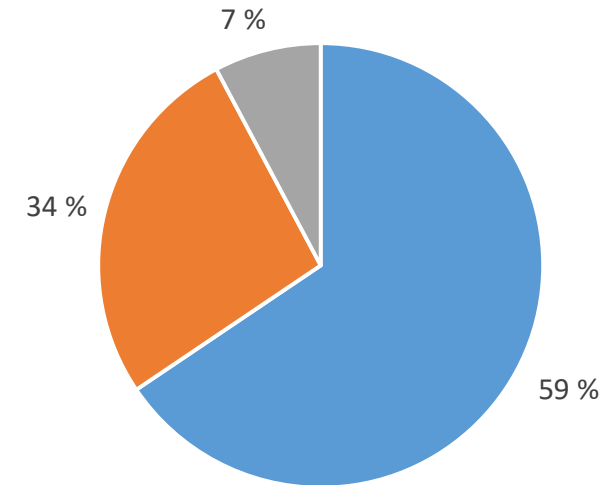
(4) M€

2018 Sales split per Business Units



■ MAC ■ DOM Security ■ NEU-JKF ■ MMD

2017 Sales split per Geographies



■ France ■ Europe ■ Rest of the world

Sales outside of  
France: 226 M€

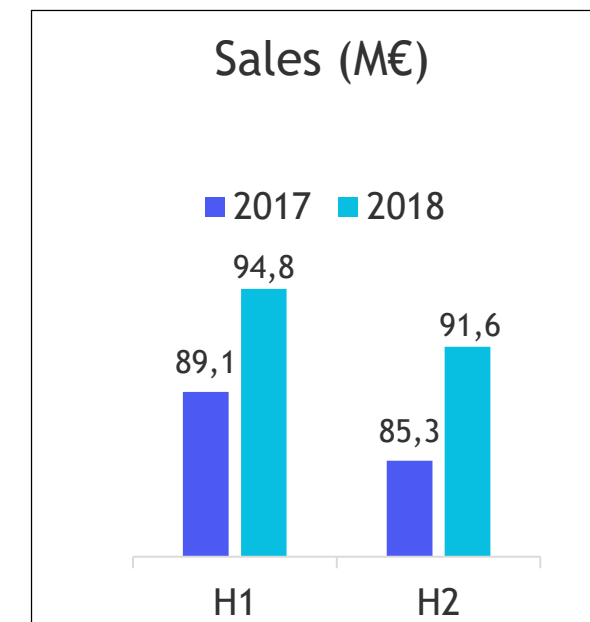
# Financials & Highlights 2018

## DOM SECURITY

M€	2017	2018	
Sales	174,4	186,4	← Increase in sales: + 6,8 % o/w +4,9 % of organic growth
Gross margin, as % of revenues	71,0%	69,7%	← Increase in raw materials costs
Recurring operating income	16,0	17,0	
Operating income	16,2	15,6	← Impact of fixed assets and goodwill impairments

1 633 employees

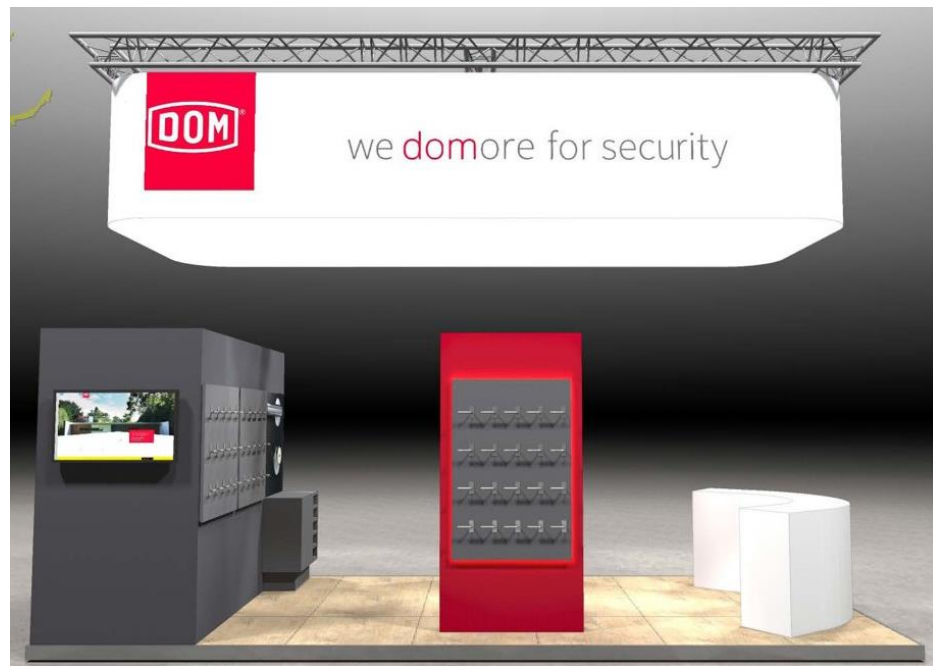
CAPEX: 10,5 M€



### Highlights

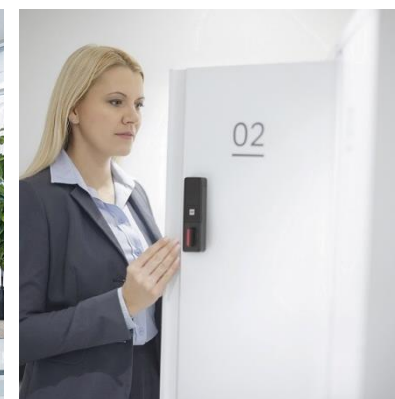
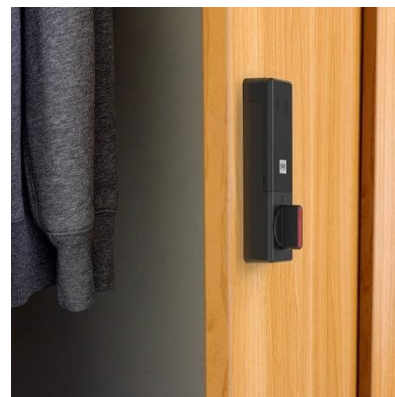
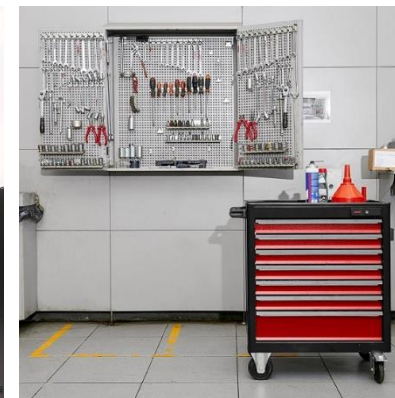
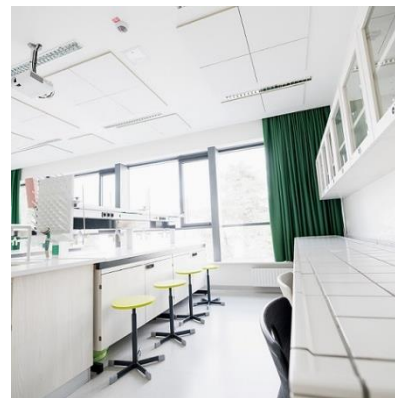
- July: OPAS Realization - Acquisition of shares for 18M€
- End of May: Acquisition of 70 % stakes in Eliot ET Cie for 2,1 M€
- End of September: Acquisition of 74% stakes in Italian company Antipanic for 5,3 M€
  - Contribution of 2,1 M€ to 2018 sales
  - Yearly Sales revenues of 7,0M€ / ROI 9 %

Come and meet us at Porte de Versailles  
Workspace Expo Paris from  
April 16 to 18 2019



### Market size 2017

- ▶ Locks: 600M€ +2,3 %
- ▶ Access control: 1600M€ +6 %



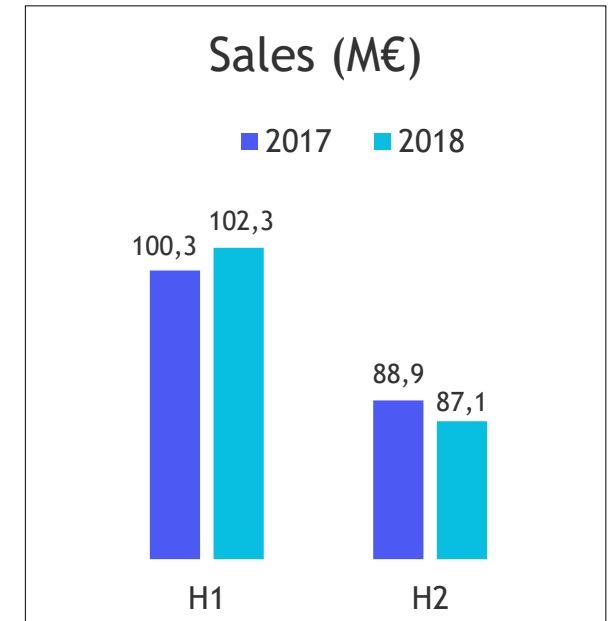
# Financials & Highlights 2018

## MAC

M€	2017	2018	
Sales	189,2	189,4	← Strong drop in sales in Q4 from independent installers & price pressure
Gross margin, as % of revenues	54,8%	52,8%	← Increase in raw materials costs
Recurring operating income	8,8	4,0	← Impact strike & gross margin
Operating income	9,8	0,7	← Impact of restructuring costs for Rousset and Toulouse industrial plants

1 234 employees

CAPEX: 1,9 M€



### Highlights

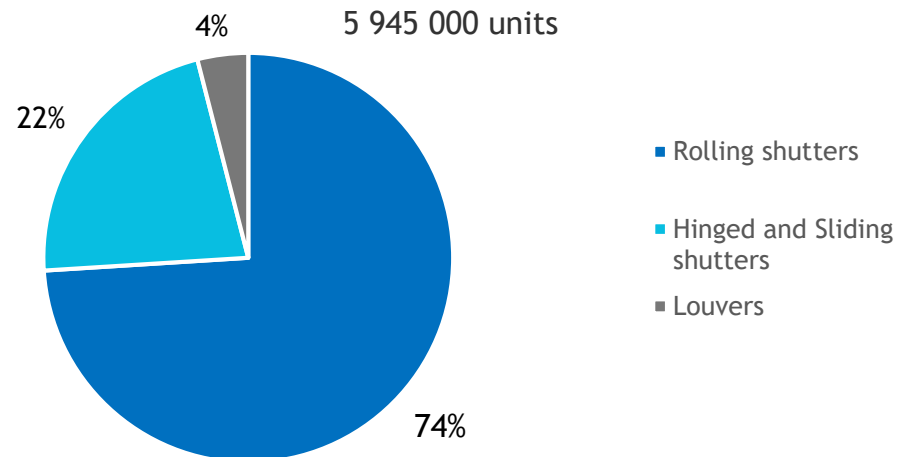
- Strong growth of our markets early 2018
- Drop in sales in November and December (uncertainty around CITE et social climate in France)
- Strike at France Fermetures in April / May with (1,3) impact on ROI
- Plant closures of Toulouse & Rousset the productions of which are transferred to existing sites (restructuring costs 2,6 M€)



# Windows, blinds, awnings, shutters, garage doors

- Launch of the Franciaflex webstore with rolling shutters, interior blinds and awnings
- France Fermetures webstore : 28% of sales from 24% in 2017 (+1,2M€). 85% of product lines are now available (100% in 2019)

Shutters markets in France  
Stable vs 2017



# Financials & Highlights 2018

## NEU-JKF

M€	2017	2018
Sales	92,2	122,5
Gross margin, as % of revenues	50,1%	49,7%
Recurring operating income	3,2	4,0
Operating income	2,5	3,3

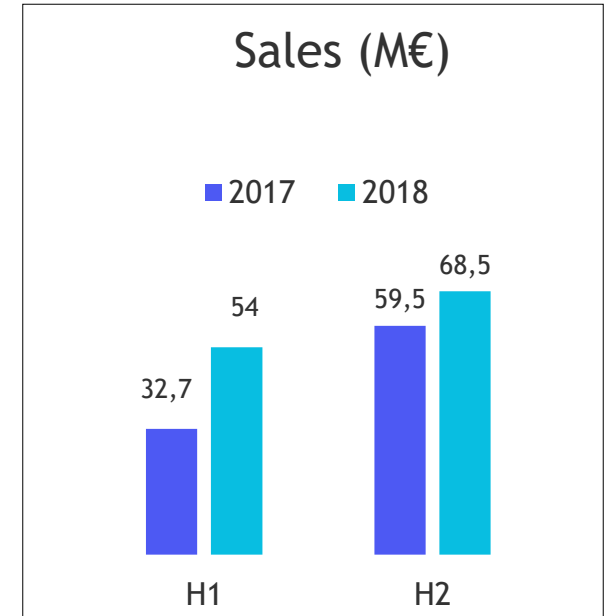
← Increase in sales  
+ 30,3 M€ o/w 24 M€ from JKF

← More large projects in France & Poland

← Below expectations due to increase in production of costs in Denmark and restructuring costs

713 Employees

CAPEX: 2,6 M€



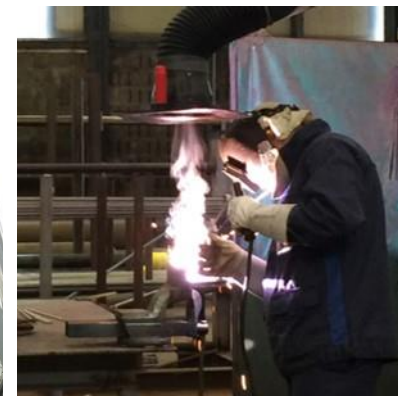
### Highlights

- Increase in order intake in France, Eastern Europe and Asia for dedusting systems (+9%)
- Grand opening of the Indonesian subsidiary PT NEU JKF Indonesia
- Investment in a new office building at Delta NEU
- Synergies NEU-JKF :
  - NEU-JKF Strategy formalization and design of a new global matrix organization
  - Internalization : 0,9M€
  - Restructuring costs



# Air treatment solutions for the industry

- Digital: 2,1M€ of revenues coming from the web for NEU (x4 in 2018 vs 2017)
- CYCLAIR®300, mobile dedusting system for nuclear particles, awarded of 2019 Performance et Innovation challenge of EDF



# Financials & Highlights 2018

## MMD

M€	2017	2018
Sales	48,7	51,7
Gross margin, as % of revenues	61,1%	57,9%
Recurring operating income	5,8	6,4
Operating income	5,8	10,6

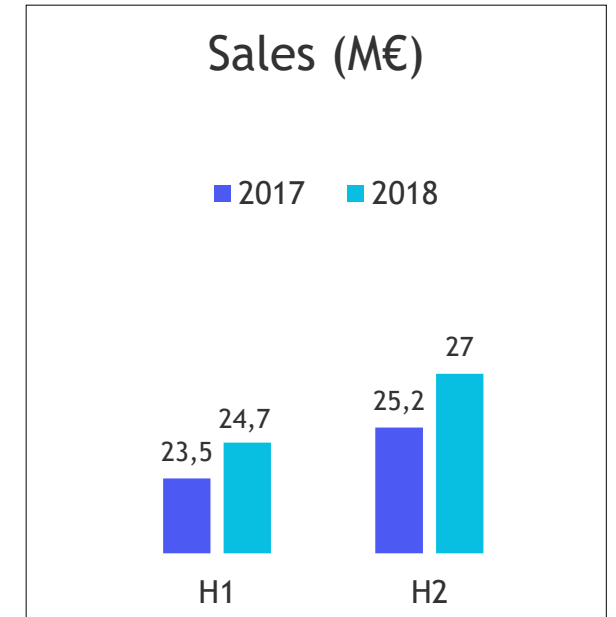
Increase in sales: + 6 %  
Cipriani acquisition: +5,4 M€  
Spomasz divestment: -4,4 M€

Mix change following Spomasz divestment and Cipriani acquisition

Capital gain of Spomasz divestment 4,4 M€

262 employess

CAPEX: 1,0 M€



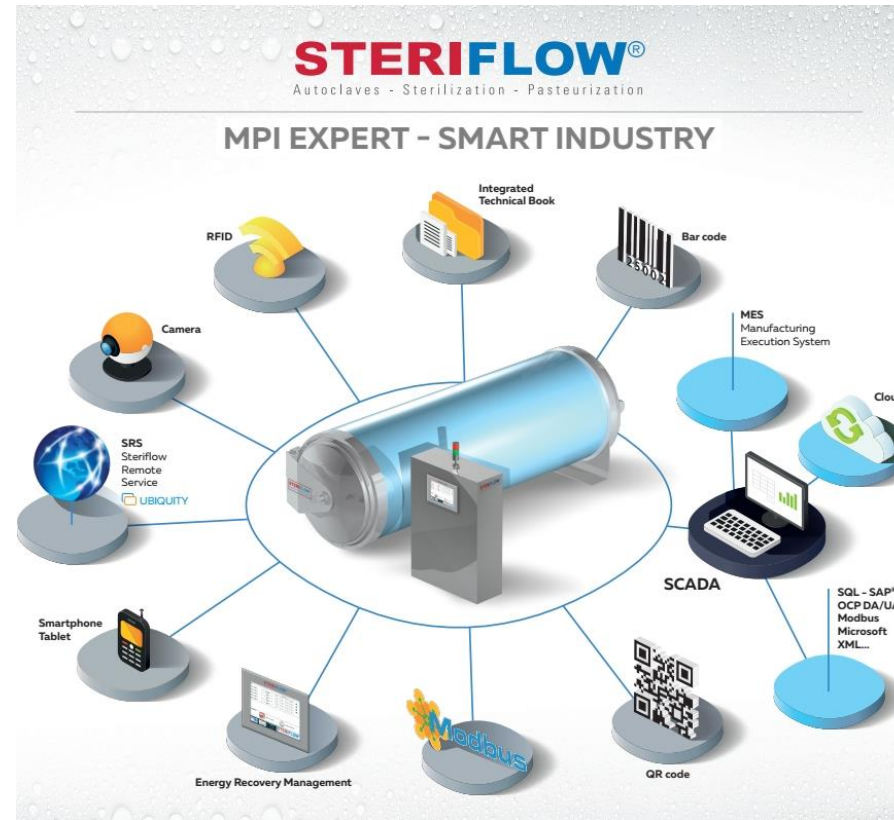
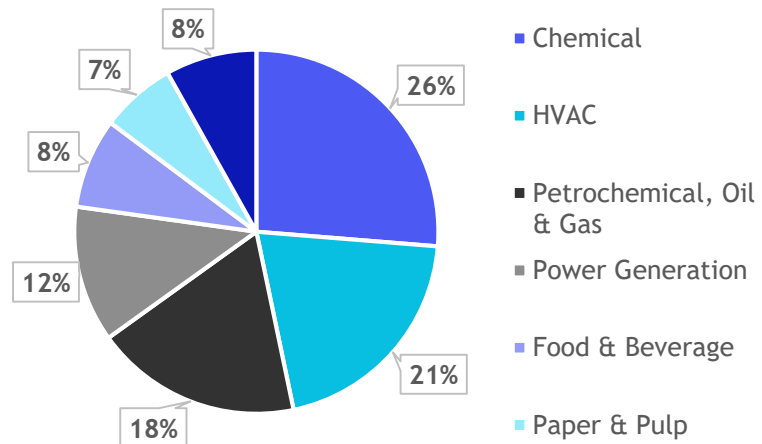
## Highlights

- Spomasz divestment on April 30 2018
- Cipriani Acquisition on June 30 2018:
  - Contribution to sales 5,4 M€/ Contribution to Ebit 0,7 M€
  - Secure our sourcing of gasketed-plate heat exchangers
  - Strengthen our position in HVAC buoyant market

# Heat exchanger & sterilization equipment and systems

Development of connected / smart autoclave (IOT)

Heat exchangers Tube / Gasketed-Plate  
% per verticals

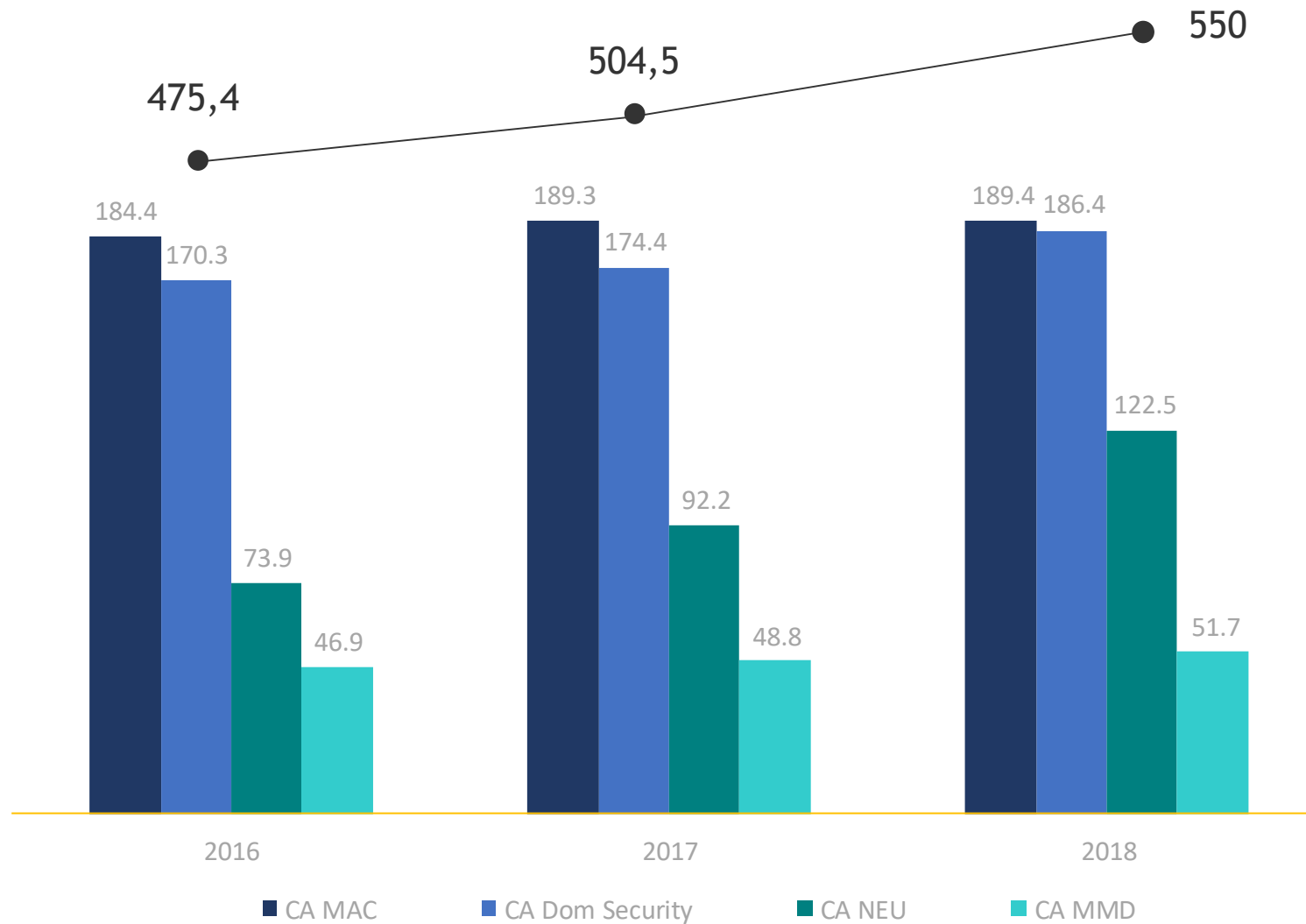


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TECHNOLOGIES  
THERMIQUES

**CIPRIANI**  
HEAT EXCHANGERS

**STERIFLOW®**  
Autoclaves - Sterilization - Pasteurization

# Sales split per Business Units



# Consolidated Financials

M€	2017 restated(*)	% of sales	2018	% of sales
<b>Revenues</b>	<b>504,5</b>		<b>549,8</b>	
Gross Margin	303,5	60,2%	320,7	58,3%
Payroll expenses	(168,8)	33,5%	(182,6)	33,2%
Other charges / income	(82,6)	16,1%	(87,2)	15,9%
Taxes	(5,3)		(5,4)	
Depreciation	(14,1)	2,8%	(15,1)	2,7%
<b>Recurring operating income</b>	<b>32,7</b>	<b>6,5%</b>	<b>30,4</b>	<b>5,5%</b>
Non-recurring charges and amortization	1,2		(3,8)	
<b>Operating income</b>	<b>33,9</b>	<b>6,8%</b>	<b>26,6</b>	<b>4,8%</b>
Financial charges	(0,6)		(0,5)	
Corporate Income Tax	(10,3)		(9,7)	
<b>Net income from continuing operations</b>	<b>23,0</b>	<b>4,6%</b>	<b>16,3</b>	<b>3,0%</b>
Net income from Divestment	6,2			
<b>Consolidated Net Income</b>	<b>29,2</b>	<b>5,8%</b>	<b>16,3</b>	<b>3,0%</b>
<b>Group Share</b>	<b>25,0</b>		<b>13,7</b>	
Non controlling interest	4,2		2,6	

← Margin drop in BU's

↘ Good costs control

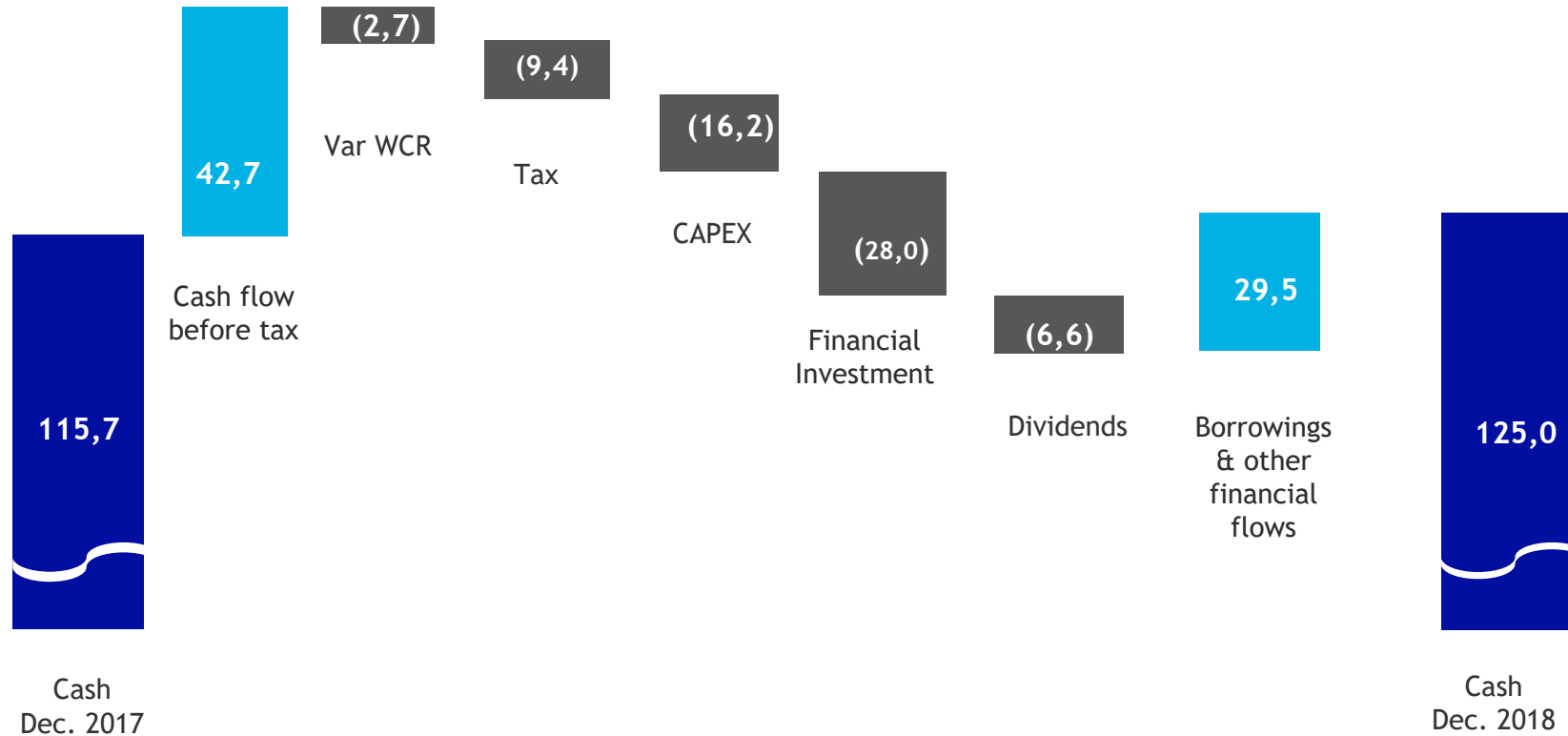
← O/w OPAS / merger costs for 2,7M€

← Impact variation of differed tax rates in France (1,4 M€)

← DOM non controlling interests prior to merger

\* After JKF goodwill allocation

# Cash flow



Consolidated cash flow bridge(M€)



# Simplified consolidated balance sheet

## December 31 2018

2017 restated \*

Assets	Liabilities
Fixed 128,9	Equity Group Share 188,6
Other non-current Assets 23,5	
WCR 86,6	Equity non controlling 29,9
Net financial excess 50,4	Non-current Liabilities and Provisions 70,9

\* After JKF goodwill allocation

2018

Assets	Liabilities
Fixed 143,8	Equity Group Share  204,5
Other non-current Assets 23,1	
WCR 87,3	Equity non controlling 1,9
Net financial excess 27,5	Non-current Liabilities and Provisions 75,3

A sound financial position: Net financial excess at 27,5 M€ on December 31 2018

# SFPI Group financial structure

	2017 Restated (*)	2018
Equity Group share	188,6	204,5
Long and short-term financial debt	68,7	100,4
Cash and equivalents	119,1	127,9
Net financial excess	50,4	27,5
Cash flow after tax from continuing activities	38,1	33,3
Recurring operating income	32,7	30,4
Depreciation	(14,1)	(15,1)

\* After JKF goodwill allocation



- Organic growth: 2 %
- Change in the scope of 2018 acquisitions: 1,5 %
- Change in the scope of 2019 acquisitions allow us to strengthen our position in our different markets
  - 2019 April: Announcement of an acquisition project of HOBURG company (DOM Security)

**2019 Revenue forecast of about 570M€**

# Stock market



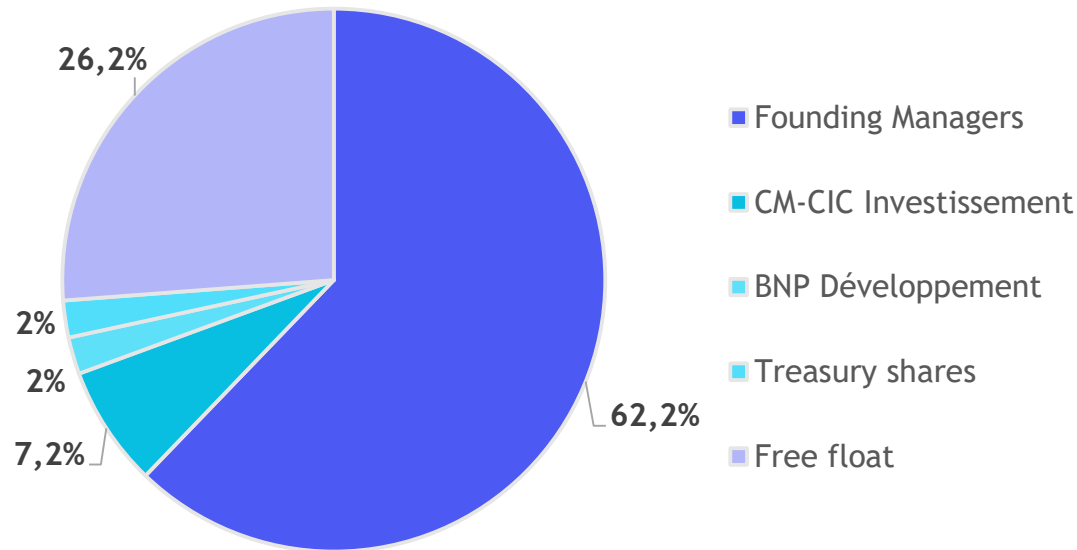
Share price:

- 31/12/2018 : 2,16 €
- 15/04/2019 : 2,49 €

Stock market  
Capitalization

- 31/12/2018 : 215 M€
- 15/04/2019 : 247 M€

# Stock market mapping following merger



Shareholder structure on 31/12/2018

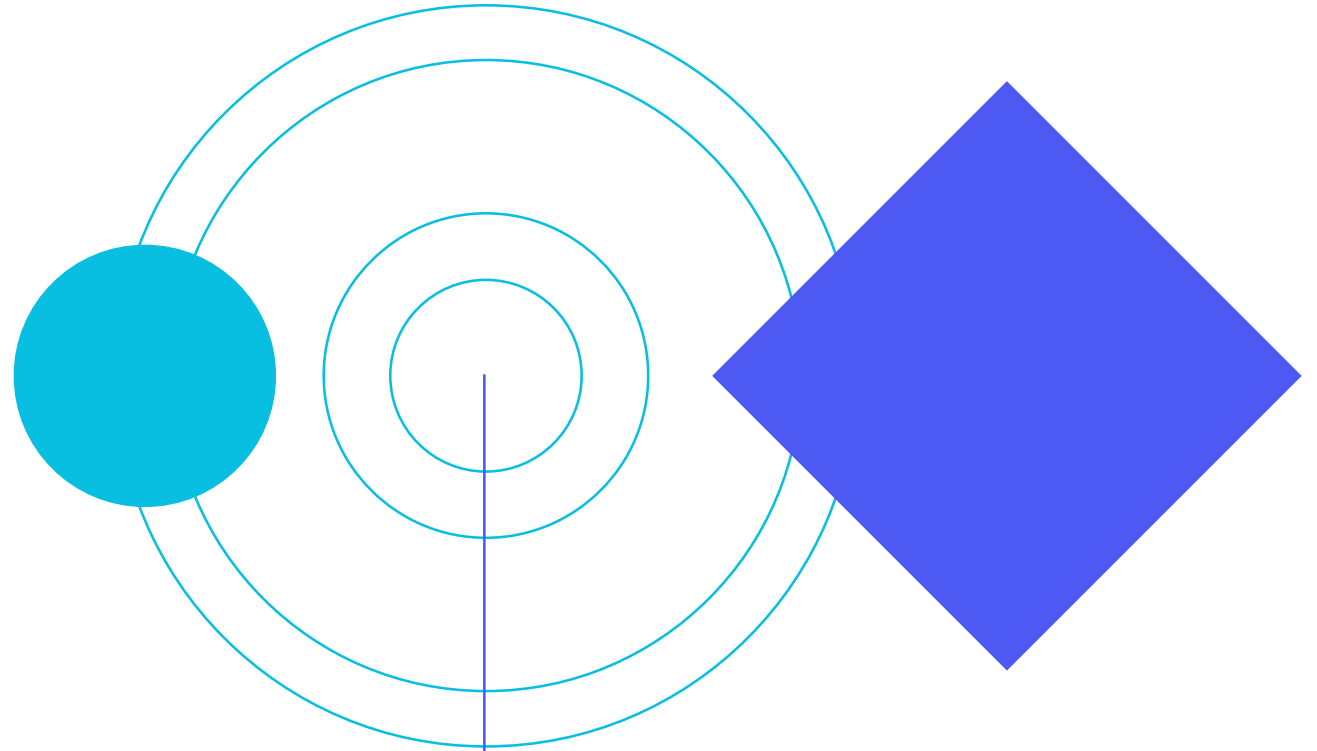
- Free Float 31/12/2017 : 18,9 %
- Free Float 31/12/2018 : 26,2 %

- Number of shares: 99 317 902
- ISIN Code : FR0004155000
- Listing market: Euronext compartment B

- 2019 Dividends: proposal of a 0,05 € dividend per share to be voted at the next AGM June 7 2019



# Appendices



# Kpi's

- The indicators "Current operating income" and "Net financial debt" comply with the 2013-03 recommendation of November 7, 2013 issued by the French Accounting Standards Authority.
- The term "Net Financial excess" refers to a "Net Financial Debt" where the net cash is greater than the gross financial debt.
- The Gross Margin results from the difference from:
  - Sales
  - WIP and finished products inventory
  - Consumed purchases
  - And the external charged allocated to customers orders