

October 17, 2017

Dear Shareholder,

Here are the main indicators on the current situation of our group.

**TURNOVER AT SEPTEMBER 30, 2017 : +12.5%**

In thousands of euros	2017	2017 constant scope	2016	variation 2017/2016	variation 2017/2016 constant scope
1 <sup>st</sup> quarter	68,513	67,942	59,776	+14.6%	+13.7%
2 <sup>d</sup> quarter	71,241	69,637	64,637	+10.2%	+7.7%
3 <sup>rd</sup> quarter	63,012	59,564	55,819	+12.9%	+6.7%
<b>Total at 30 September</b>	<b>202,766</b>	<b>197,143</b>	<b>180,232</b>	<b>+12.5%</b>	<b>+9.4%</b>
<b>Breakdown by business:</b>					
Jetly, pumps	37,325	37,325	36,058	+3.5%	+3.5%
Sferaco, valves	36,671	36,671	33,526	+9.4%	+9.4%
Thermador, accessories for central heating	28,539	28,539	26,175	+9.0%	+9.0%
Mecafer and Domac, heavy tools in DIY stores*	23,177	19,021	17,444	+32.9%	+9.0%
PBtub, tubes in synthetic materials	18,692	18,692	17,363	+7.7%	+7.7%
Dipra, pumps and plumbing in DIY stores	16,641	16,641	15,808	+5.3%	+5.3%
Thermador International	16,079	16,079	14,644	+9.8%	+9.8%
Sectoriel, motorised valves and air compressors	13,550	13,550	12,536	+8.1%	+8.1%
Aello, equipment for swimming pools	4,472	4,472	1,443	+209.9%	+209.9%
Isocel, components for boilers	4,038	4,038	3,774	+7.0%	+7.0%
Axelair, ventilation equipment	1,878	1,878	1,152	+63.0%	+63.0%
Sodeco Valves, industrial valves and fittings*	1,467				
Other structures	237	237	309	-23.3%	-23.3%

\* 2017 turnover taking into account acquisition of Domac by Mecafer since March 1, 2017, consolidated since March 1, 2017 and acquisition of Sodeco Valves by Thermador Groupe since August 31, 2017, consolidated since September, 1 2017.

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Private limited company with capital of €36,439,008 - 339 159 402 companies register of Vienne - SIRET n°: 339 159 402 00017

## BUSINESS AND PROSPECTS

Our 2017 watering pumps sales clustered around May, June and July, with the counterpoint of deflated third quarter figures for Jetly and Dipra. Over that period however, the Group's consolidated turnover did show 6.7% growth (excluding external growth), compared to 10.6% in the first half. This confirms that the companies of the Group that sell equipment to the finishing trades of the construction industry are well positioned to make the most of the recovery observed amongst our wholesaler customers.

To summarise, since the beginning of the year we have recorded organic growth at an average of 9.4% and an even better improvement in operating profit.

We think that this favourable market context, the development of our product ranges and the proven return of inflation will support our growth over the coming months.

## EXTERNAL GROWTH AND FINANCIAL STRUCTURE

The acquisitions of Sodeco and FGinox announced\* in August and September show Thermador Groupe's intention to reduce its dependency on the French construction and new builds market cycles and to continue to develop internationally. As of 2018, the industrial valve business could account for 30% of consolidated turnover and 16% of exports.

The three companies purchased in 2017 (Domac, Sodeco and FGinox) represent cumulatively an annual turnover of around €44m and employ 110 people.

These acquisition ventures and the financing of the stocks of our fledging companies Axelair and Aello have led us to take out a reasonable level of debt on particularly beneficial terms.

We are now focusing our resources and energies on onboarding the companies that have recently joined us and activating operational synergies between all our subsidiaries. This will allow us to return quickly to a net positive cash position.

At the same time, we are talking with our Italian supplier Vortice about the acquisition of the Vortice France business by our subsidiary Axelair\*\*.

This resurgence of new projects has elicited enthusiasm and commitment from our teams who are doing all they can to contribute to the long-term success of our most recent initiatives.

The Chairman  
Guillaume Robin

\* As per our press release of August 31 and September 25, 2017

\*\* As per our press release of October 16, 2017