

July 29, 2024

Dear Shareholder,

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

2024 HALF YEAR TURNOVER: -16.1%

In thousands of euros	2024	2023	Variation 2024/2023
Total half year (according to IFRS 15)	271,534	323,665	-16.1%
1 st quarter	141,190	170,513	-17.2%
2 ^d quarter	130,344	153,152	-14.9%

Breakdown by business:

Mecafer and Domac: air compressors, generators, power packs, solar panels, welding stations and high-pressure cleaners	13,987	17,982	-22.2%
Odrea, pumps, technical plumbing accessories and taps	32,717	38,882	-15.9%
Isocel, supply of components to OEM	3,361	6,024	-44.2%
Aello, equipment for swimming pools	11,789	13,128	-10.2%
DPI, plastic piping for wet and dry networks	18,402	24,299	-24.3%
Jetly, pumps, tanks and lifting stations	32,098	34,658	-7.4%
Thermador, central heating, solar and domestic water accessories	36,466	55,868	-34.7%
PBtub	11,488	15,886	-27.7%
Thermacome	9,018	11,800	-23.6%
Axelair, ventilation equipment and accessories	4,104	4,126	-0.5%
Sferaco, valves, meters and connectors	40,803	43,340	-5.9%
Sectoriel, motorised valves and air compressors	15,520	15,599	-0.5%
Distrilabo, measure and control	3,769	3,521	7.0%
FGinox, stainless steel connectors, flanges, valves and accessories	8,469	8,865	-4.5%
Syveco, international	18,211	17,590	3.5%
Sodeco Valves, industrial valves	11,154	11,878	-6.1%
Other structures	178	219	-18.7%

CONSOLIDATED HALF YEARLY SITUATION AT JUNE 30, 2024

Simplified Profit & Loss statement in thousands of euros first half year	2024	2023	Variation 2024/2023
Turnover (according to IFRS 15)	271,534	323,665	-16.1%
Current operating income for the business	34,086	47,181	-27.8%
Net profit as a portion of the group	25,320	34,515	-26.6%

Detailed accounts will be soon available on our website <https://www.thermador-groupe.fr/en/finance-en/regulated-information/>

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BUSINESS

We have faced what is arguably the most challenging circumstances we have experienced in the past 25 years. The anticipated improvement in the second quarter did not materialise, for several reasons:

- The energy renovation market has remained subdued, despite the greater flexibility in MaPrimeRénov' subsidy allocations proposed by the public authorities. Sharp falls in sales for our subsidiaries Thermador (-34.7%) and Isocel (-44.2%) reflect the impact of this on our Group.
- DPI continues to experience the dual impact of reduced volumes from its major clients and lower raw material prices this year.
- Heavy rainfall in France has decimated the watering business of our subsidiaries Jetly and Odra. We estimate that we have lost €4.2 million turnover in 6 months.
- The DIY market (17.2% of Odra and Mecafer/Domac turnover) continued to decline.
- Finally, we reduced prices for our customers by an estimated average of 2.5% over the first half of the year.

Only our industry (France and international) and water cycle product ranges are standing up.

This adjustment does not in any way deflect us from our development strategy over the long term. It is partly a consequence of an extraordinary period of overly-high growth and excessive inflation.

Reflecting our confidence about the future, on July 4, 2024 we signed a memorandum of understanding to acquire 100% of the shares in Compteur-energie.com, OTMetric and MyMeterInfo (cf: [press release](#) on our website).

RESULTS AND FINANCIAL POSITION

Despite the decline in business, we continue to protect our human resources. Our experience shows that this is the best way of being ready to seize any opportunity for recovery. This largely explains that our operating profit has fallen more sharply (-27.8%) and now represents 12.6% of sales (14.6% at the end of June 2023).

Our stock value has declined by 6.2%, but the number of days of purchases covered remains steady at 196 days compared to June 2023. Our consolidated operating working capital requirement represents 40.1% of sales over a rolling 12-month period.

At June 30, 2024, our cash position net of bank overdrafts reached €47.7 million. It now exceeds our bank debt, which stands at €33 million. Our financial structure is extremely robust, supported by €365 million in equity.

Our new investment estimate for 2024 amounts to €7.3 million, of which €3.2 million is allocated to real estate.

Between July 3rd and 26th, we have acquired 17,041 Thermador Groupe shares at an average price of 79.42 euros (cf: [press release](#) dated June 28, 2024 on our website).

PROSPECTS

The adjustments tabled by the public authorities in May to kick-start the energy renovation drive will clearly not have the desired effect in 2024, even though industry stakeholders expect a slight upturn from September onwards. The processing time it takes to process applications and release subsidies has made a substantial dent in professionals' trust in the system. Private individuals, for their part, are clearly at a loss when faced with rules that change too often to generate a steady flow of work.

We believe that the authorities have become aware of these obstacles and we are counting on a stabilization of the measures by January 2025, so that work to energy renovation of buildings in France can proceed steadily and intelligently. This remains a key challenge if France is to reduce its CO₂ emissions and comply with the European Green Deal guidelines. Our Group has everything it takes to be a player in this huge project, which is likely to take more than 15 years to complete.

As regards new-build housing in France, we are still not seeing any increase in the number of new housing starts. Although things haven't got worse, the market is stagnating at a historically very low level, which will have a very adverse effect on our two subsidiaries PBtub and Thermacome over the coming 12 months.

In the water cycle market, we are studying the theoretically positive impacts of the order of July 8, 2024 on water reused for the preparation, processing and conservation in the food industry of all foodstuffs and goods intended for human consumption.

We are sticking with our forecast of a negative price effect of 3% for 2024 as a whole.

The trend for the first 20 days of July was slightly less bad (-13%). Clearly, the return to revenue stabilisation and then to growth is taking longer than we had imagined at the end of March. We remain confident in the resilience of our business model, which is based essentially on the sale of solutions and products that meet primary needs.

We are particularly grateful to our long-term shareholders, who have remained loyal to us during this difficult period, and we have every intention of maintaining our dividend despite the announced fall in earnings, in line with what we have always done since we floated in 1987.

Yours faithfully,

The Chairman
Guillaume Robin