PRESS RELEASE

2023 annual results, a record year

- FY'23 Net sales of €m 2,871, +22% vs. FY'22, +23% like for like(1)
- Recurring operating income at €m 211.6 (7.4%) vs. €m 84.6 (3.6%) in 2022
- Net income group part at €m 143.4 vs. €m 54.7 in 2022
- EBITDA(2) at €m 260 (9.0%) vs. €m 130 (5.5%) in 2022
- Net debt(3) at €m 389, gearing(3) at 44%, leverage(3) at 1.5
- Dividend payment proposition at €1.35 per share
- Expectation of stable revenue in 2024 compared with 2023
- Expectation of recurring operating profit for 2024 to be over 6.5% of revenues

Ancenis, March 06, 2024 - Michel Denis, President & Chief Executive Officer, stated *"2023 was a year of further commercial development and strong growth in profitability. The under-performance of 2022 has been completely erased. The Group delivers its historical revenue record and its highest level of recurring operating profit in 15 years. The development of our profitability in 2023 is the result of substantive work initiated at the beginning of 2022 to react to the explosion in inflation following the outbreak of war in Ukraine. Sales price rises have gradually offset inflation in raw materials and expenses, and the supply chain tensions encountered since the Covid pandemic have eased, giving way to improvements in industrial efficiency.*
The improvement of these parameters and the anticipated deflation of our order book have led us to return to the operating modes we knew before the inflation peak of 2022, such as delivery times close to our targets, as well as the fixity of order prices, which we have begun to restore.

For 2024, we anticipate stable revenues compared with 2023. The downturn in European markets, particularly in construction, should be offset by the dynamism of the North American market. This polarisation of markets will affect our production sites in different ways, with some remaining at record production rates, and others slowing down compared with 2023.
This outlook leads us to expect recurring operating profit for 2024 to be over 6.5% of sales."

in millions of euros	Product division 2022	S&S division 2022	Total 2022	Product division 2023	S&S division 2023	Total 2023	Var.
Net sales	1, 971.8	389.9	2 361.6	2,472.4	398.9	2,871.3	+22%
Sales margin	204.1	108.2	312.3	377.8	109.9	487.7	+56%
Sales margin as a % of sales	*10.4%*	*27.8%*	*13.2%*	*15.3%*	*27.6%*	*17.0%*	
Recurring operating income	43.7	41.0	84.6	183.6	28.0	211.6	+150%
Recurring op. income as a % of sales	*2.2%*	*10.5%*	*3.6%*	*7.4%*	*7.0%*	*7.4%*	
Operating income	41.5	40.8	82.3	179.5	28.1	207.6	+152%
Net income attributable to the group			54.7			143.4	+162%
Net debt excluding IFRS 16			213.4			389.4	+82%
Net debt including IFRS 16			234.4			412.8	+76%
Shareholder's equity			791.6			895.2	+13%
% Gearing excluding IFRS 16			27.0%			43.5%	
% Gearing including IFRS 16			29.6%			46.1%	
Working capital requirement			699.6			925.0	+32%

Percentage data in parentheses expresses a percentage of revenue.
Audit procedures performed by the auditors.

Business review by division

The **Product division** reported revenues of €2,472 million, up 25% in 2022 (+27% at constant scope and exchange rates). The division benefited from the policy of increases in selling prices implemented since 2022 to face inflation in raw materials prices, from higher production rates and from steady improvements in the fluidity of the supply chain. The division's margin on cost of sales stood at €377.8 million, up 85% compared with 2022. This variation is explained by the increase in activity and by a margin rate that has improved by 4.9 points thanks to the pricing policy implemented to compensate for the increase in raw materials prices, which had strongly deteriorated the division's margins in 2022. R&D costs were up by €5.1 million, impacted by inflation but also by an increase in resources to continue the deployment of innovation programmes, in particular the development of electric ranges, in order to achieve the objectives of the Group's carbon trajectory. Structure costs were also up by 20.1% (+€25.5 million). This increase was relatively slower than the rise in sales, and is explained by the rise in prices and resources to support the division's growth and structuring.
As a result, the Product division's recurring operating profit is increasing by €139.9 million (+320%) to €183.6 million (7.4% of sales), compared with €43.7 million in 2022 (2.2% of sales).

The **Services & Solutions division** recorded growth revenues of 2% over the year (+3% at constant scope and exchange rates). The division was driven by its spare parts activity, with a gradual improvement in the supply chain. Margin on cost of sales rose by €1.7 million (+1.6%) to €109.9 million. This change is mainly attributable to higher sales. The margin rate over the period was almost stable, thanks to a pricing policy that limited the impact of inflation. Administrative, commercial, marketing and service expenses rose by 22.4% (+€15.0m) in an inflationary environment. The division strengthened its after-sales teams, the capacity of its logistics platforms, and continued to reinforce its service offerings.
As a result, the division's profitability stood at 28.0 million euros (7.0% of sales), down 13.0 million euros compared with 2022 (41.0 million euros, or 10.5% of sales).

Dividend proposed at the next Shareholders' meeting

The Board of Directors has decided to propose to the Annual general shareholders' meeting, to be held on June 13, 2024, the payment of a dividend of €1.35 per share.

Glossary

(1) Like for like, so at constant scope and exchange rates:
- Scope:
- for the company Lifttek acquired in May 2022, restatement from January 1 of the current year to the anniversary date of its acquisition,
- for the companies acquired in 2023 (easyLi in January 2023 and GI.ERRE SRL in March 2023), restatement from the date of their acquisition to December 31, 2023,
- no company exited the scope in 2022 and 2023.
- Application of the exchange rate of the previous year on the aggregates of the current year.

(2) EBITDA: Earnings before interest, taxes, depreciation, and amortization, restated from IFRS 16 impact
(3) Net debt, gearing and leverage: excluding lease commitments IFRS 16

Order book :
The order book corresponds to machine orders received and not yet delivered, for which the group:
- has not yet provided the promised machines to the customer;
- has not yet received consideration and has not yet been entitled to consideration.
These orders are delivered within less than one year and may be cancelled.
The order book may vary due to changes in consolidation scope, adjustments, and foreign currency translation effects.
In order to limit the effects of inflation, the group had integrated since H1 2022 mechanisms for adjusting its sales prices at the time of delivery. These mechanisms were likely to influence the valuation of the orderbook on equipment, which was booked and valued at the price on the day of the order. This mechanism has been stopped for new orders as from the last quarter of 2023.
The Group also introduced during 2022, a new policy of gradually opening the order intake horizons for dealers in order to limit the effects of anticipation without an end market customer.

ISIN code: FR0000038606
Indices: CAC ALL SHARES, CAC ALL-TRADABLE, CAC INDUSTRIALS, CAC MID & SMALL, CAC SMALL, EN FAMILY BUSINESS

FORTHCOMING EVENT

April 25, 2024 (after market closing)
Q1'24 sales revenues

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