

Airwell

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DOUBLE-DIGIT GROWTH IN FIRST-HALF 2023 RESULTS

- **STRONG INCREASE IN REVENUE (+13%) AND EBITDA (+10%) IN H1 2023**
- **FINANCIAL STRUCTURE STRENGTHENED BY CAPITAL RAISING**

French standards (in €m)	H1 2022	H1 2023	Change
Revenue	28.8	32.5	+12.8%
EBITDA ¹	1.6	1.8	+10.0%
EBIT ²	1.3	1.6	+15.8%
Net profit	0.9	1.0	+11.4%

Laurent Roegel, CEO of Airwell: "Airwell delivered a solid performance in H1 2023, combining strong revenue growth with an increase in our results. It serves to recognise the hard work of our teams day-to-day and our ability to win new market share in an environment still favouring our solutions.

During the first half, we also strengthened our equity and cash position thanks to a successful capital increase of €6.1m in June as part of the transfer of our shares to Euronext Growth® Paris. We therefore have the financial resources to meet our ambitions. To this end, in July, we completed the acquisition of Amzair Industrie which will enhance our premium solutions and integrate all added value by controlling the value chain, from design through to distribution.

This first-half performance fully aligns with our growth trajectory as we target revenue in excess of €100m by 2025 and EBITDA margin of more than 5%."

¹ EBITDA: Operating income before depreciation, amortisation and impairment of goodwill

² EBIT: Operating income after depreciation and amortisation and before goodwill



Solid results in H1 2023: double-digit growth in EBITDA

In the first half of 2023, the Airwell Group (Euronext Growth, ALAIR), supplier and creator of smart energy ecosystems, generated consolidated revenue of €32.5m, up 12.8% year-on-year. This growth was driven by the residential market, with demand still sustained, notably in sales for Air-Water Heat Pumps which doubled over the period.

France remained the Group's leading market, with 47% of total revenue (up 23.3%), while exports also rose substantially, particularly in Northern and Eastern Europe.

Gross margin totalled €10.1m, up 9.8% on the same period a year earlier. It accounted for 31.1% of revenue versus 31.9% in H1 2022, reflecting a change in the product mix. This indicator illustrates how the Group is able to maintain margins despite an inflationary environment.

During the period, the Group continued developing its training course (Airwell Academy) as well as new offers (Leezy, Hybrid House). As a result, marketing and commercial costs respectively totalled €1.1m (+46.1%) and €4.0m (+10.7%). Supply chain and distribution costs returned to a more normal amount of €1.4m (vs. €1.8m in H1 2022). Lastly, overheads amounted to €1.9m (vs. €1.5m) with €0.3m non-recurring costs (one-off fees).

EBITDA³ grew at almost the same pace as revenue to €1.8m in H1 2023, versus €1.6m exactly a year earlier, representing an increase of 10.0%.

After depreciation and amortisation, EBIT⁴ stood at €1.6m, up 15.8% year-on-year from €1.3m. Operating margin totalled 4.8% for H1 2023 (vs. 4.7% in H1 2022).

Net financial loss was -€0.4m, including interest on the €5m bond issue with Delta AM in January 2023.

After accounting corporate income tax (€0.3m), net profit totalled €1.0m (vs. €0.9m in H1 2022), with a net margin of 3.0%.

Financial structure strengthened by recent capital raising

At 30 June 2023, Airwell's equity amounted to €10.3m versus €3.9m at 31 December 2022, strengthened by the gross capital increase of €6.1m issued in June as part of the transfer of Group shares to Euronext Growth[®] Paris. This new stock market listing will increase Airwell's visibility among investors and the liquidity of the share.

As of 30 June 2023, cash flow from operating activities of integrated companies remained solid at €1.2m (vs. €1.3m at end-June 2022).

Cash flow from operating activities totalled €(4.9)m at end-June 2023, compared to €0.0m on 30 June 2022. This reflected a €(6.1)m change in WCR (working capital requirement), due to a one-time effect on inventories (significant build-up of Air-Water Heat Pumps combined with peak season at

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end-June) and an increase in trade receivables (increased invoicing at the end of the period). WCR has since returned to more normal levels.

Cash flow from investing activities amounted to €(0.9)m (with €(0.3)m in investments and €(0.6)m in changes in financial assets versus €0.6m at 30 June 2022 (reflecting exceptional income from the disposal of the Johnson brand).

Cash flow from financing activities totalled €9.4m (vs. €(2.1)m at 30 June 2022), including the capital increase (€6.1m gross) and the €5m bond issue. Also note that a bank loan of €0.9m was repaid during the period.

Gross financial debt was €7.8m (vs. €3.8m at 31 December 2022). Net debt remained under full control, amounting to €2.3m at end-June 2023 (vs. €1.8m at 31 December 2022).

Recent acquisition to continue accelerating development and control the value chain

In the second half of 2023, the Group intends to continue capitalising on commercial momentum in its buoyant markets while continuing to invest in the deployment of new, innovative and distinctive solutions that combine products and services.

Most recently, the Group announced it had acquired the assets of Amzair Industrie – renamed Airwell Industrie – a French designer and manufacturer of high-end connected heat pumps for residential and tertiary buildings, consolidated in Airwell's financial statements since 1 July 2023⁵.

This transaction falls squarely within the Group's growth strategy, as it gradually seeks to control the value chain, from the design through to the production of a premium connected solution with a low carbon footprint. As such, Airwell will integrate 1 Made in France plant including 15 production staff as well as strengthening its technological capabilities with four new HVAC and AI engineers and enhancing its salesforce (two additional sales representatives). The synergies achieved will help the Group to create value in the years ahead, bolstering the ramp-up in new service offerings.

All told, for the fiscal year 2023 the Group is targeting double-digit growth in revenue as in the first half. After a third quarter expected stable, notably owing to the temporary slowdown in French overseas territories (reorganisation of a distributor in the Antilles), there should be a marked acceleration in growth in the latter part of the year.

Besides, the Group reiterates its targets for 2025 which were recently raised, namely revenue in excess of €100m and EBITDA margin of more than 5%.

Next publication: Revenue for the third quarter of 2023: Monday 6 November 2023, after market close.

⁵ See the press release of 29 June 2023



About Airwell

Founded in 1947 in France, Airwell is the leading French designer of heat pumps in the field of climatic and thermal engineering. A major operator, the French pioneer in heat pumps and then the leading European manufacturer in the 1970s, Airwell became Groupe Airwell in 2021. In a market driven by the energy transition, the company aims to become a leader in Europe, and a key player in climate and thermal solutions based on needs and uses on a global level, with presence in 80 countries. In 2022, the French developer of climatic and thermal solutions continued to develop in an effort to optimise the energy consumption of its products, protect natural resources and capture solar energy, thereby significantly reducing its customers' environmental footprints. Based in Montigny-le-Bretonneux (78), Groupe Airwell has 100 employees. In March 2023, Groupe Airwell became a member of the Communauté du Coq Vert run by Bpi France and ADEME.

Compartment: Euronext Growth® Paris; Ticker: ALAIR

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