Q1 2020 RESULTS

Milano – April 21th, 2020

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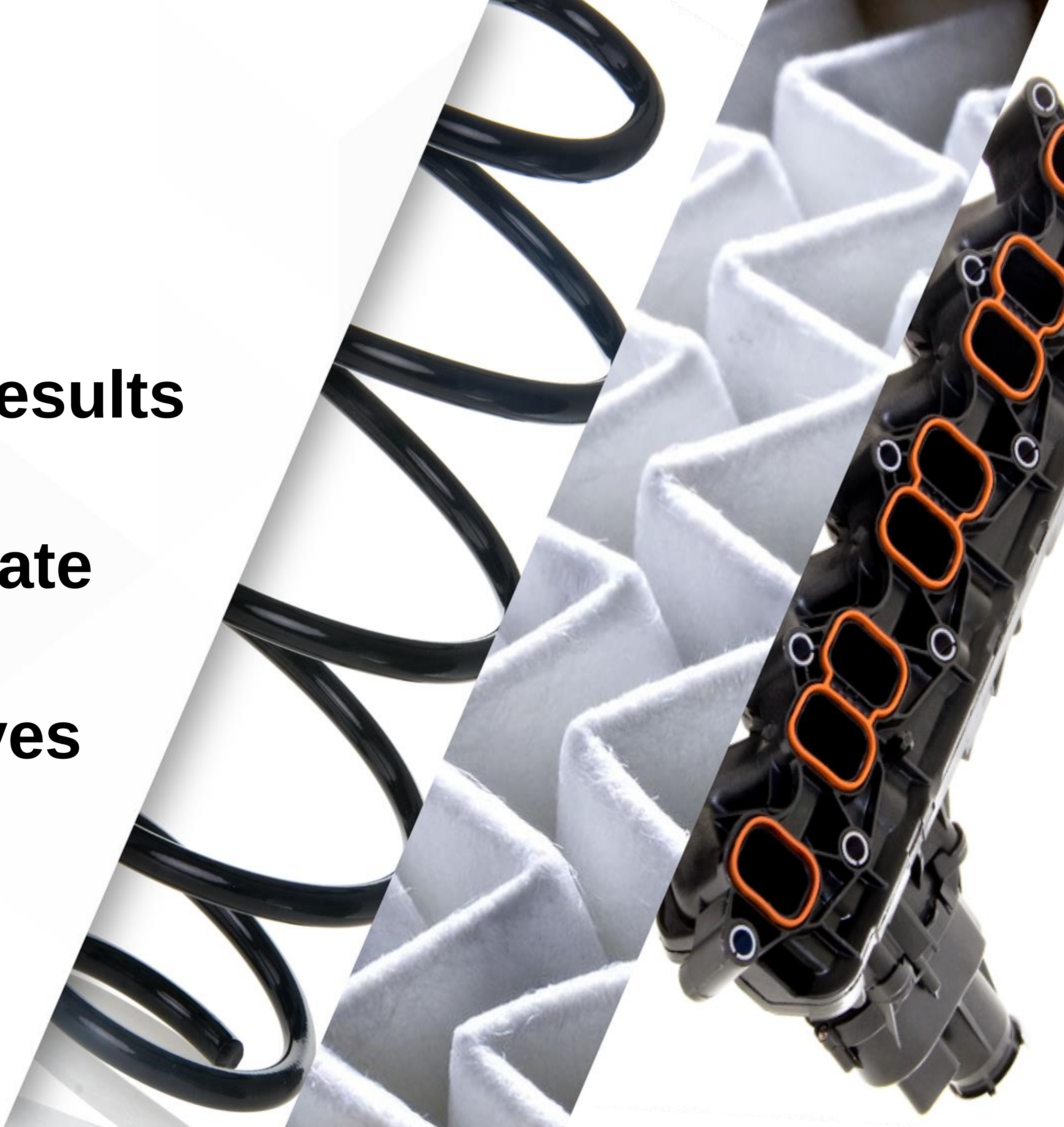


Q1 2020 Highlights

SOGEFI

Revenues at €350,2m
vs. €389.9m in Q1 2019

- Down 10.2% on a reported basis and -8.8% at constant exchange rate (overperforming the market by 1591 bps)
- In YTD February at constant exchange rates +1.0%, thanks to the good performance of all geographic areas except for China, in March at -30%

EBITDA at € 34.9m
vs. €41.3m in Q1 2019

- 10.0% on sales vs 10.6%in PY.
- In YTD February at 11.4% vs 9.6% thanks to Suspensions improvement, March at 6.2%

EBIT at € 3.7m
vs. €11.3m in Q1 2019

- 1.1% on sales in Q1 2020 vs 2.9% on sales in Q1 2019. Q1 2020 affected by € 5.3m of negative exchange rate effect (North and South America).
- March € -4.9m due to the higher % incidence on revenues of fixed costs and despite € 3m of first cost efficiency measures

Net Income at € -5.6
vs. € 1.6m end Q1 2019

- After tax charges for € 2.5 million vs €3.6 million in Q1 2019

FCF[1] at -€ 0.4m
vs. €-1.6m in Q1 2019

- Free Cash Flow - € 0.4 million vs €-1.6m in Q1 2019

Net debt[1] at € 256.7
vs. € 256.2m end of 2019

- Net debt down to € 256.7 vs € 256.2m end of 2019 and € 262.1m end March 2019

1. FCF and Net debt excluding IFRS 16

Revenues by Geographical Area

€m	Q1 2019	Q1 2020	reported change	constant exchange rates	reference market production	performance vs market (bps)	weight based on Q1 2020
Europe	244.3	222.4	-9.0%	-9.0%	-21.3%	1230	63.5%
North America	74.1	72.7	-1.9%	-4.0%	-10.8%	680	20.8%
South America	37.6	29.0	-22.8%	-3.1%	-16.3%	1320	8.3%
Asia	36.1	27.9	-22.7%	-22.8%	-44.7%	2190	8.0%
- of which China	*17.2*	*11.8*	*-31.2%*	*-30.9%*	*-49.5%*	*1860*	*3.4%*
Intercompany	(2.2)	*-1.8*					
Total	**389.9**	**350.2**	**-10.2%**	**-8.8%**	**-24.4%**	**1560**	**100.0%**

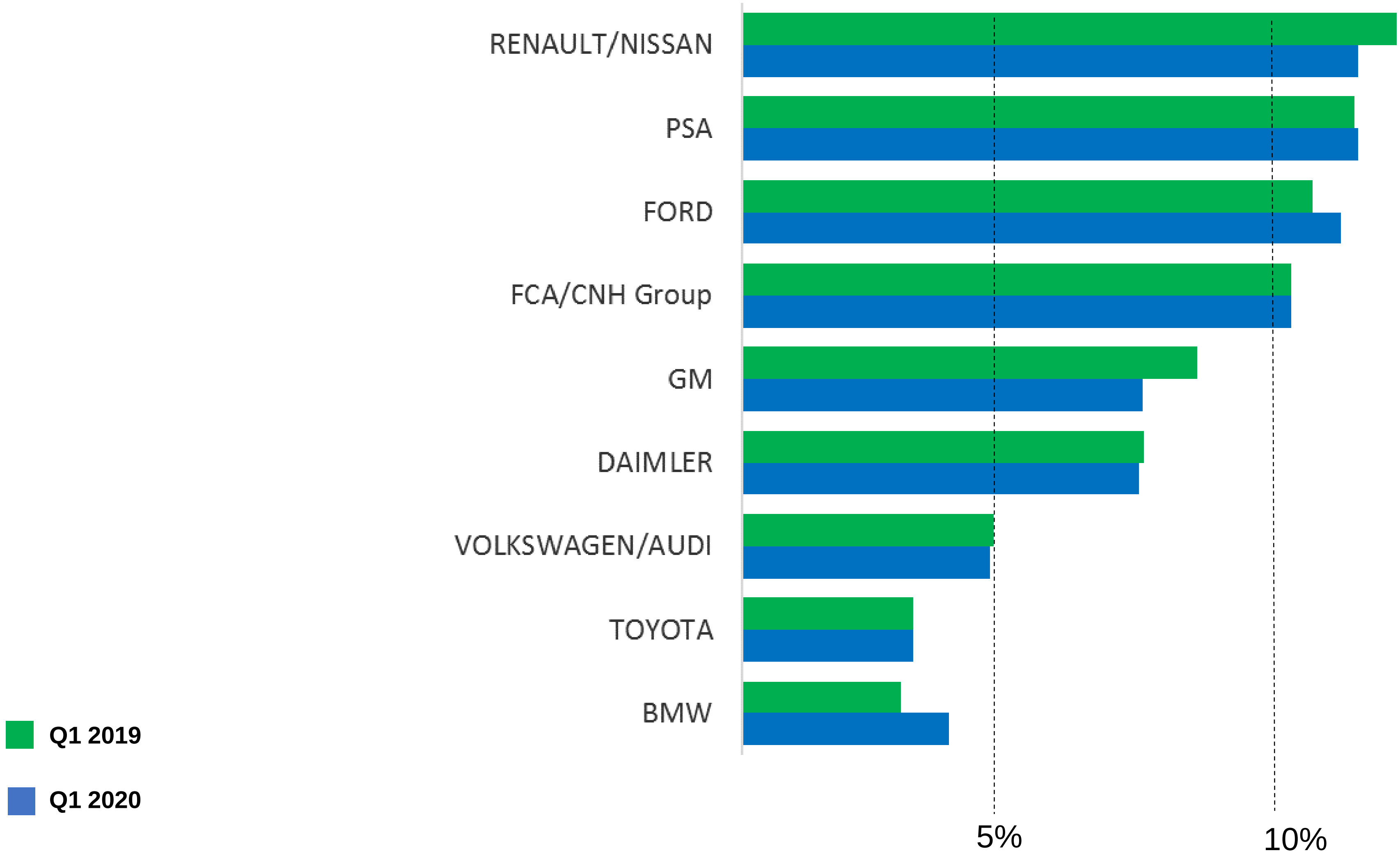
Overperforming the market by 1560 bps due to overperformance in Europe (new Marocco plant and Aftermarket) and USA (new SOPs)

Source: Sogefi and IHS data. Passenger cars and Light commercial vehicles only. Europe is Europe 28 and Asia is China + India

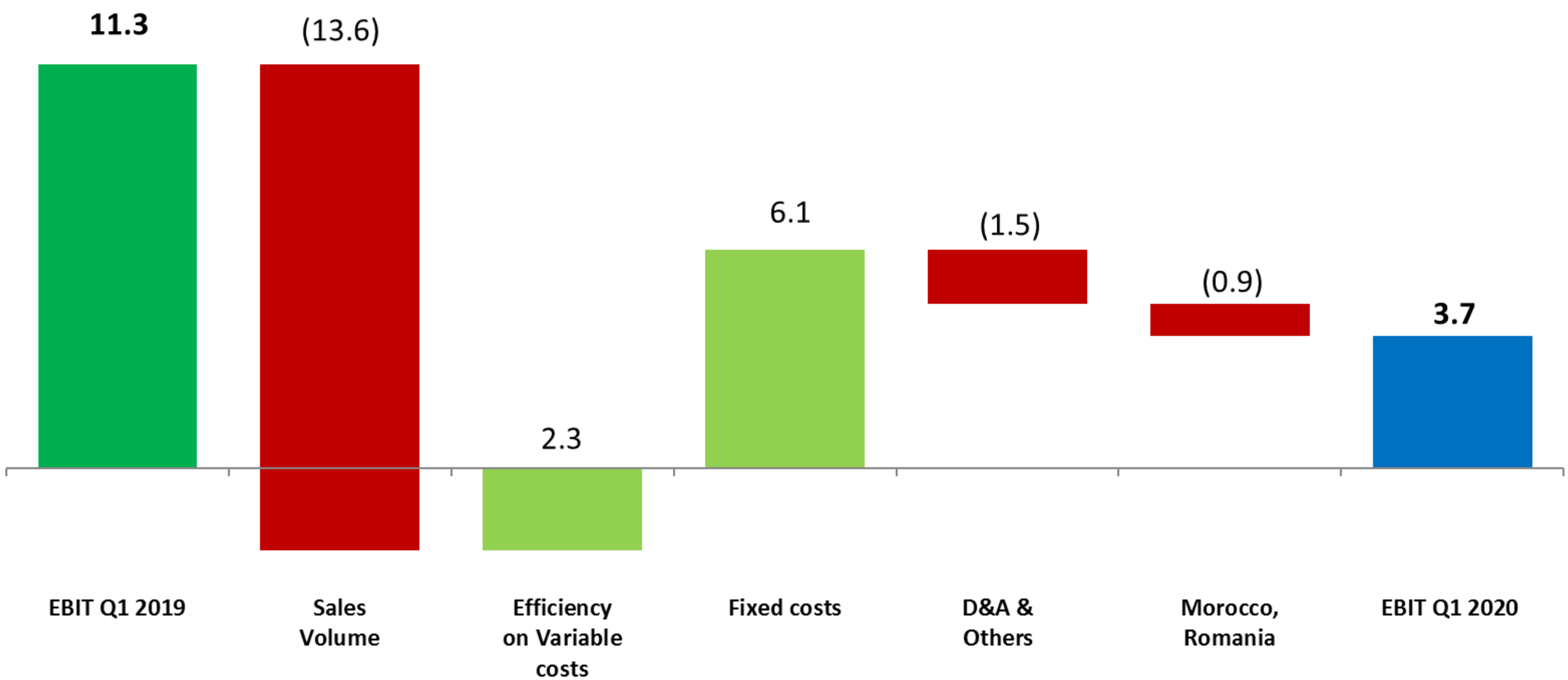
Revenues by Business Unit

€m	Q1 2019	Q1 2020	reported change	constant exchange rates change	performance vs market (bps)
Air&Cooling	108.9	100.0	-8.2%	-8.7%	1570
Filtration	134.8	134.7	0.0%	1.8%	2620
Suspensions	147.0	116.3	-20.9%	-18.5%	590
Intercompany	(0.8)	(0.8)			
Total	**389.9**	**350.2**	**-10.2%**	**-8.8%**	**1560**

Sales by client



Q1 2020 EBIT performance breakdown – Sogefi Group - €m / % sales



Improving profitability up to February

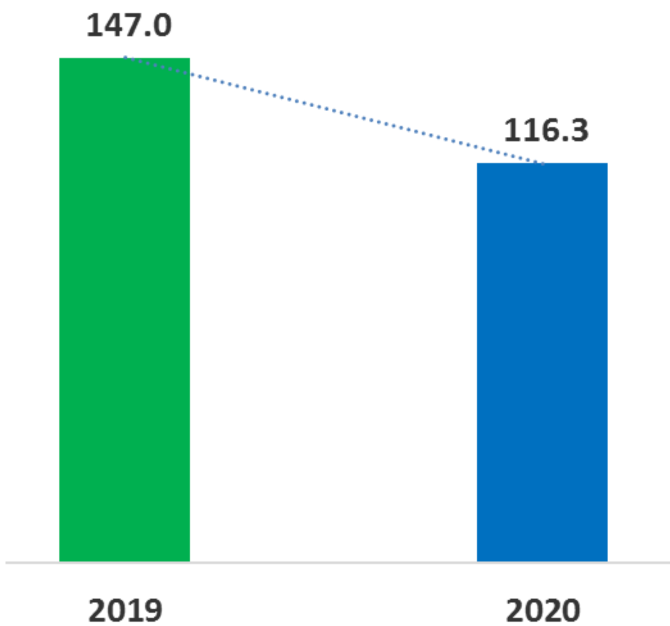
	Jan-February 2019	%	Jan-February 2020	%	March 2019	%	March 2020	%
TOTAL NET SALES	254.7		255.6		135.2		94.6	
EBITDA	24.4	**9.6%**	29.0	**11.4%**	16.9	**12.5%**	5.9	**6.2%**
EBIT	4.4	**1.7%**	8.6	**3.4%**	6.9	**5.1%**	(4.9)	**-5.2%**

Profitability improvement up to February thanks to good result in Europe

March affected by Covid, the major drop in volumes affected margin also taking into account the technical time needed to implement cost containment actions

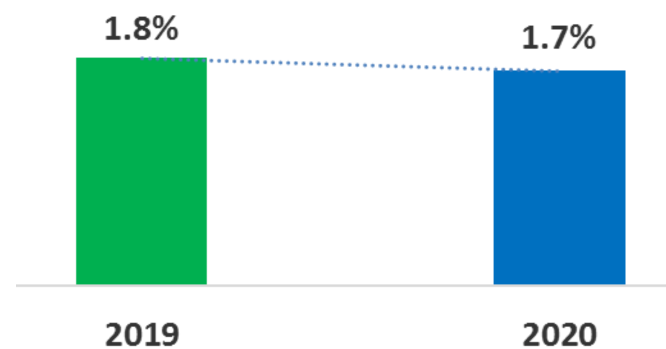
Suspensions

Sales *(€m)*



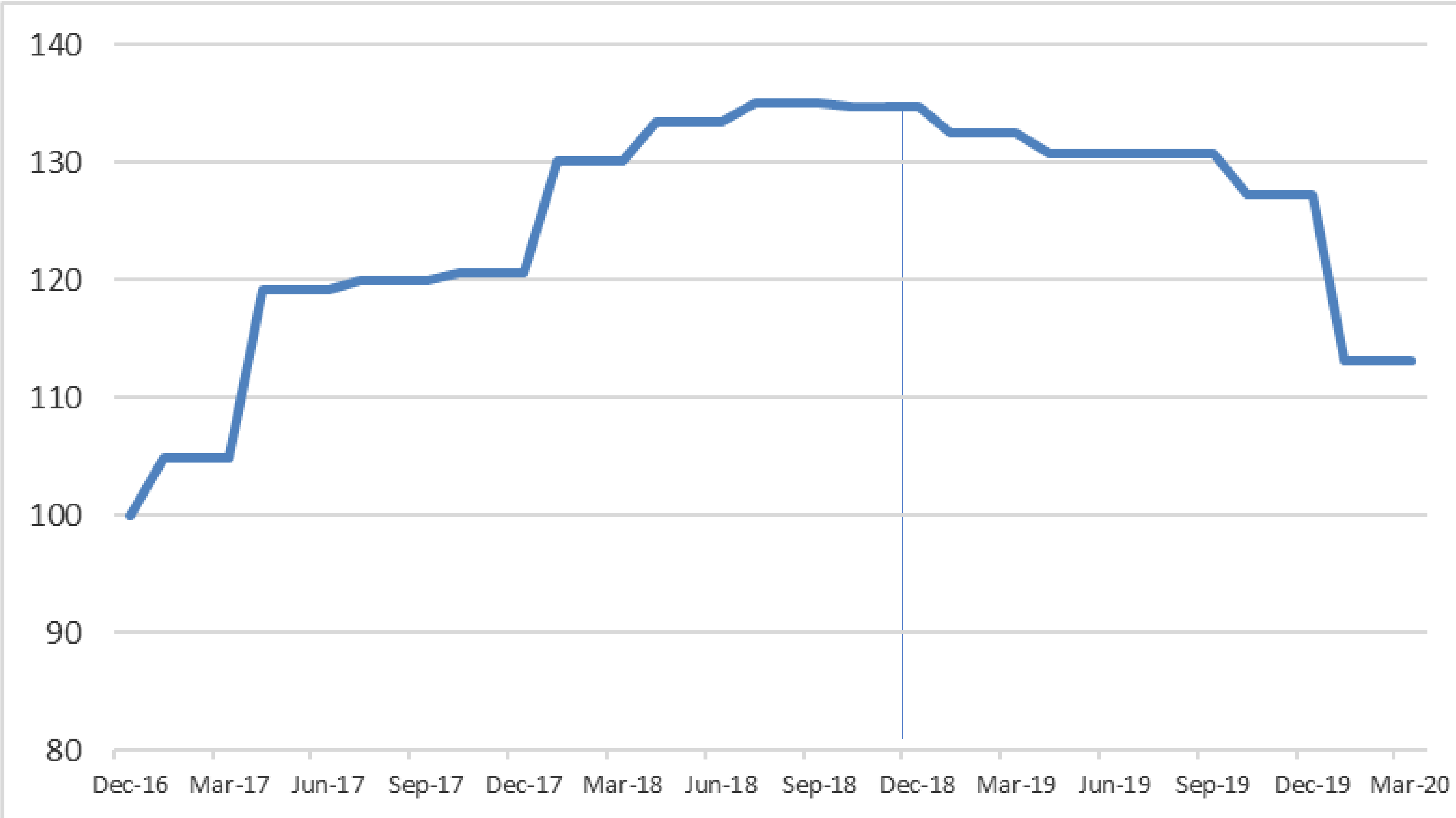
- Down 20.9% (-18.5% at constant exchange)
- Nord America sales up
- China -38.7%

EBIT *(%)*



- EBITDA margin up from 7.9% to 9.4% benefiting lower material costs
- EBIT margin reflecting higher incidence of depreciation

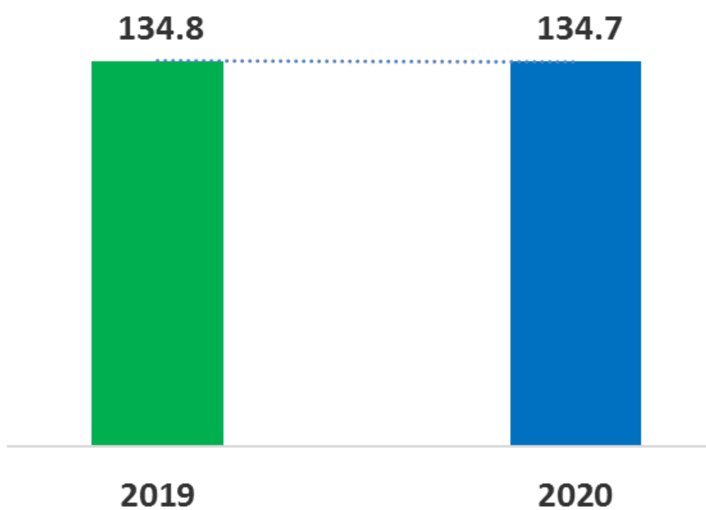
Suspensions - Indicative steel prices evolutions €/ton

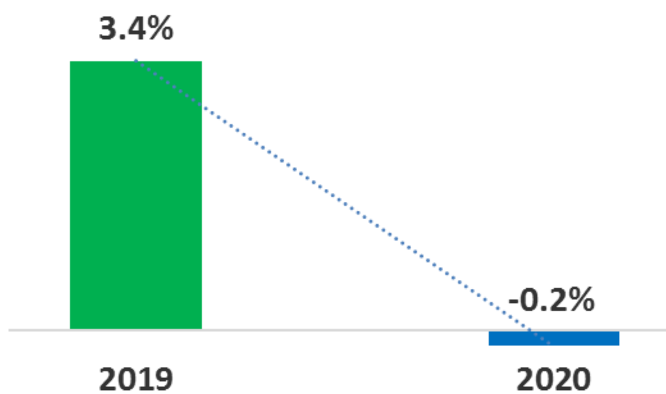


Source: Indexed number. Base is the price of the steel in EURO/tn (actual price paid by SOGEFI for one type of steel)

Filtration

Sales *(€m)*	EBIT *(%)*



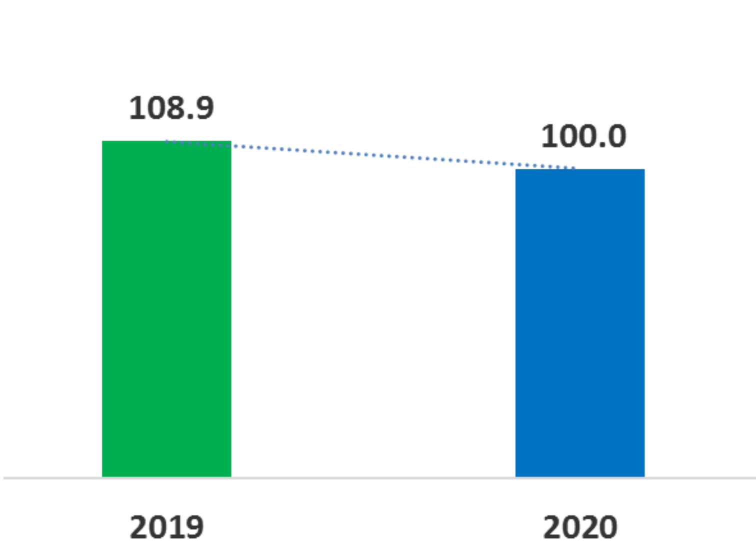


- Stable revenues (+1.8% at constant exchange)
- The activity recorded growth in Europe thanks to Morocco and to Aftermarket
- Sales sustainably stable in North and South America

- Negative exchange rate effect of - € 3.2m mainly in South America
- Decline in India
- EBIT at 1.3% without Morocco start up costs

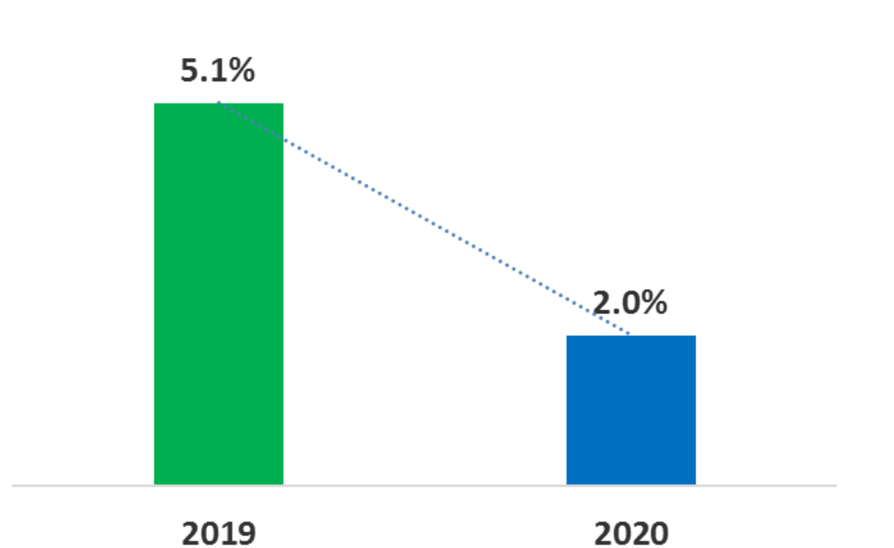
Air & Cooling

Sales *(€m)*



- Down 8.2% (-8.7% at constant exchange)
- Major decline in China but overperforming the market thanks to new SOPs

EBIT *(%)*



- Higher EBIT in Europe was more than offset by the lower profitability in the other areas due to volume decline
- Negative exchange rate effect for € 3.3 millions (North America)

Q1 2020 P&L - Sogefi Group - €m / % sales

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€m	Q1 2019	%	Q1 2020	%
EBITDA	**41.3**	10.6%	**34.9**	10.0%
EBIT	**11.3**	2.9%	**3.7**	1.1%
Financial results	**6.3**	1.6%	**6.8**	1.9%
Income Tax	**3.6**	0.9%	**2.5**	0.7%
Minority Interest	**1.2**	0.3%	**0.0**	0.0%
NET INCOME OF OPERATING ACTIVITIES	**0.3**	0.1%	**(5.6)**	-1.6%
Net income from discontinued operations	**1.3**	0.3%	**0.0**	0.0%
NET INCOME	**1.6**	0.4%	**(5.6)**	-1.6%

Fraize plant contribution in 2019

Q1 2020 FCF Highlights - Cash Flow generation

- *Figures excluding IFRS16*

€m	Q1 2019	Q1 2020	
FUNDS PROVIDED BY OPERATIONS	**32.2**	**23.2**	
Working Capital	(10.6)	(2.0)	
Tangible Capex	(8.9)	(11.1)	of which € 4.3m for new plants
Intangibles & IFRS15	(17.5)	(14.3)	
Others	3.2	3.8	
FREE CASH FLOW (NET)	**(1.6)**	**(0.4)**	
NET DEBT	**262.1**	**256.7**	

Factoring at € 96.3m end March 2020 vs € 94.2m end 2019 vs € 114.1m end March 2019

Financial Position

- **In November Sogefi completed the issuance of a € 75m non-convertible unsecured bond** (coupon 3%, mature in November 2025)
- At March 31, 2020, the Group has financing in excess for € 298 million (of which € 125 banks lines not utilized) in relation to which all the conditions are met and therefore available for use on simple request
- In Q2 2020 is scheduled the repayment of the Euro PP and a tranche of the US PP (both issued in 2013) for a total amount of € 37.5 million

Covid update

Covid update – Takeaways

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Safety:
Actions taken to protect workforce

- China travel ban and travel limitations, “quarantine” for employees coming back from zones at risk
- Reducing visits from customers/suppliers, wide spreads use of smart working
- Implemented all health safety means defined by local authorities
- Closing plants/ offices involving unions all countries (only exception Argentina)

Plants:
Most of plant close within 18 / 30 March

- Worldwide (excluding China) most of plants close within 18 and 30 of March
- As of today Sogefi has closed almost all plants with the exception (partially) of USA and China (closed in February and reopened March 16)

Main actions:
Using all government incentives + cost efficiency

- Of the 6.800 employees ~85% are in «technical unemployment. Local government support is high in western Europe and not-existing in other regions (i.e. South America or India)
- In addition taking all necessary steps to manage the crisis by assessing liquidity, containing cash-out by reducing costs and investments that are not strictly necessary.

Expectation:
Some customers plants are expected to reopen

- At the moment it is assumed that some plants of Sogefi's main customers may reopen in North America and Europe in May

Covid update – Plants situation & government's incentives

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Europe
(61% of sales)

France	STOP	↑↑↑
Italy	STOP	↑↑↑
Slovenia		↑↑↑
Others	STOP	↑↑↑

Progressive closing
within 18 / 27 of March

Asia
(10% of sales)

China	
India	STOP

China reopened March 16,
India closed March 23

North America
(19% of sales)

USA		↑↑
Canada	STOP	↑↑
Mexico	STOP	

Progressive closing
within 23 / 26 of March

South America
(11% of sales)

Brazil	STOP
Argentina	STOP

Closing March 19
Argentina, March 30 Brazil

Plants Status		***Government's' Incentives***	
STOP	Closed	↑↑↑	High
	Open partially	↑↑	Middle
	Open	↑	Low

Perspectives

Market production evolution

€m	IHS Forecast (April 2020)	
	2Q 2020E	**FY 2020E**
Europe	-57.2%	-24.0%
North America	-67.7%	-25.1%
South America	-73.1%	-29.7%
Asia	-20.8%	-17.1%
- of which China	*-11.7%*	*-15.8%*
Total	**-44.4%**	**-21.2%**

Primary brokers, institutes, consulting firms estimating within a range -20/25% depending on different scenarios

Source: Sogefi and IHS data. Passenger cars and Light commercial vehicles only. Europe is Europe 28 and Asia is China + India

2020 OUTLOOK

SOGEFI

- In an environment with extremely limited visibility, the most recent sector sources are estimating that world car production may fall by between 20% and 25% in 2020 according to different scenarios as to the effects of Covid-19
- Indeed at present all the elements that contribute to the formulation of forecasts for the year remain totally uncertain: the evolution of the pandemic, the decisions to be made by the authorities on the subject of resuming production activity, today in lockdown, and lastly, following the possible startup of activity, the reaction of demand, in a context of the deep recession that could affect various parts of the world. At present the circumstances described above make any forecast that the company could make highly uncertain
- The group is focused on doing all it can to manage the crisis: it has put in place actions to reduce costs and limit as far as possible current costs and investments that are not strictly necessary, it regularly assesses liquidity positions, keeping the Board of Directors informed, liaising with its financial partners, and is preparing to start operating again, introducing higher safety standards for personnel and cost flexibility in relation to volumes that will be affected by circumstances for a certain period of time
- However, both for the period of closure and the first months after business starts up again there will be significant economic losses that will also be reflected in an increase in net debt

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