

so/geFI GROUP

1Q 2022 Results

April 25, 2022

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AGENDA

- Q1 2022 Results
- A Sustainable Transformation
- Market Outlook 2022



so/GEFI GROUP

Q1 2022 Results



Revenues at €381.1m vs 352.8m in Q1 2021	+5.4% at constant exchange benefiting of price increase related to pass-thought
EBITDA at € 50.0m vs €54.2m in Q1 2021	<ul style="list-style-type: none"> • Contribution margin € 106.8m vs € 108.3m in Q1 2021 • EBITDA excluding non-recurring: € 49.1 M€ vs € 49.8m in Q1 2021 • Gross fixed costs reduce to € 58m vs € 60.3m in Q1 2021
EBIT	€ 21.2m vs € 25.4m in Q1 2021
Net Income	Net income at € 10.7m vs € 11.8m in Q1 2021
FCF¹ at € 42.8m vs €33.0m in Q1 2021	Free Cash Flow positive at € 42.8m (€33.0m in Q1 2022) thanks to specific actions on working capital put in place to balance higher raw materials and finished goods necessary in this unprecedented period
Net debt¹ at € 213.4 vs € 258.2m Dec. 2020	Net debt of € 213.4m versus € 258.2m end of 2021 and € 261.1m end March 2021

1. FCF and Net debt excluding IFRS 16

Sales by Geography

€m	Q1 2021	Q1 2022	reported change	constant exchange rates	reference market production	performance vs market (bps)	weight based on Q1 2022
Europe 27	224.9	234.1	4.1%	3.7%	-17.0%	2070	61.4%
North America	69.9	79.4	13.5%	5.6%	-1.8%	740	20.8%
South America	15.9	21.0	31.9%	32.5%	-13.3%	4580	5.5%
Asia	44.7	48.1	7.6%	0.5%	4.7%	-420	12.6%
- of which China	23.8	24.6	3.6%	-5.5%	6.1%	-1160	6.5%
Intercompany	(2.6)	(1.5)					
Total	352.8	381.1	8.0%	5.4%	-4.5%	990	100.0%

- *+5.4% at constant exchange benefiting of price increase related to pass-thought*
- *Outperformance in most areas except China, where Q1 2021 recorded strong growth thanks to the launch of new programs*
- *Russia / Ukraine represents very small amount (0.7% of turnover)*

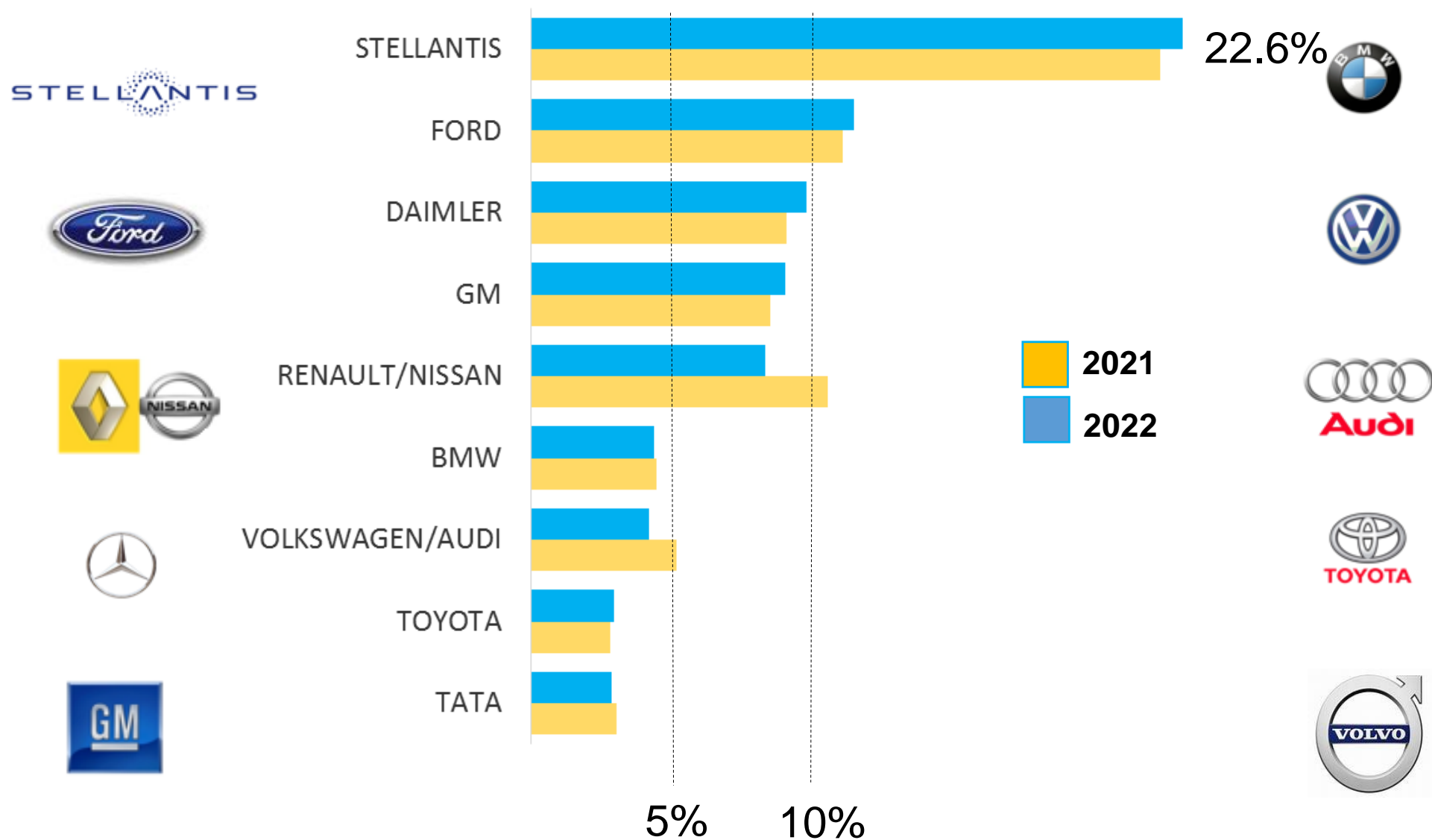
Source: Sogefi and IHS data. Passenger cars and Light commercial vehicles only. Asia is China + India

Sales by Business Unit

€m	Q1 2021	Q1 2022	reported change vs 2020	constant exchange rates change
Air&Cooling	111.8	114.8	2.7%	-1.7%
Filtration	119.7	133.6	11.6%	9.1%
Suspensions	122.1	133.7	9.5%	8.5%
Intercompany	(0.8)	(1.0)		
<i>Total</i>	352.8	381.1	8.0%	5.4%

- *Suspensions benefiting of the higher price increase related to steel pass-thought. Slightly negative without price effect*
- *Air &Cooling benefiting of the lower price increase related to pass-thought*
- *Filtration is growing mid-single digit without price effect*

Sales by Customers

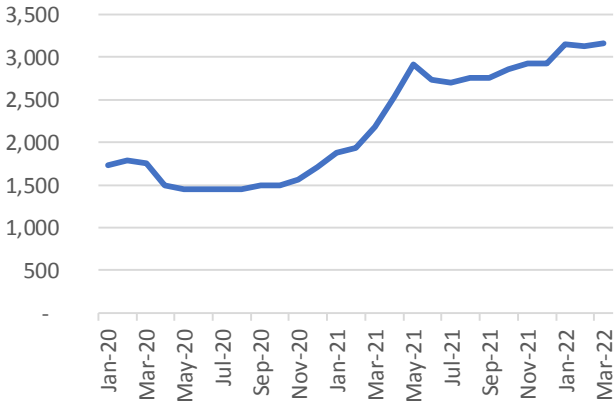


Raw Material Prices

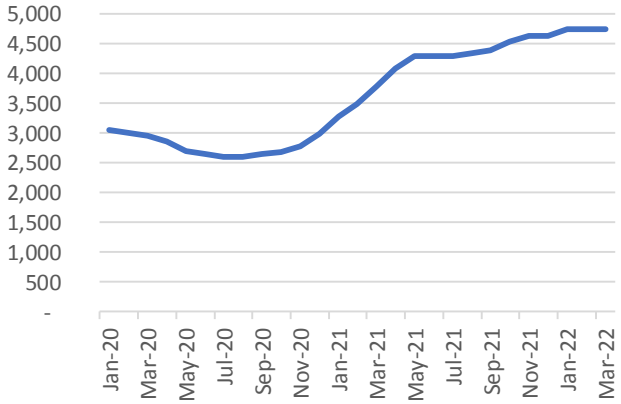
Chemicals leaded by

Metals leaded by steel

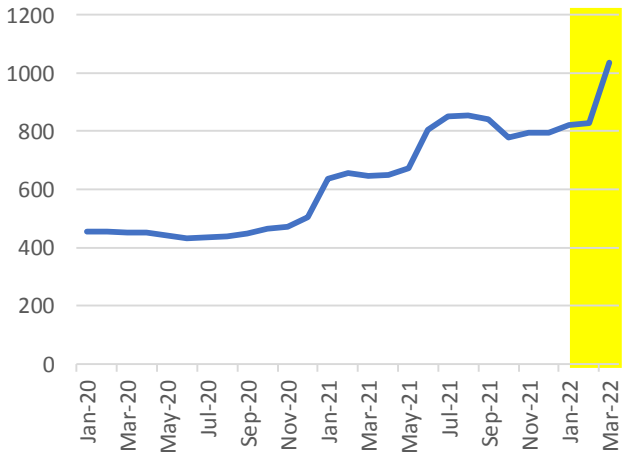
PA6
(€/T)



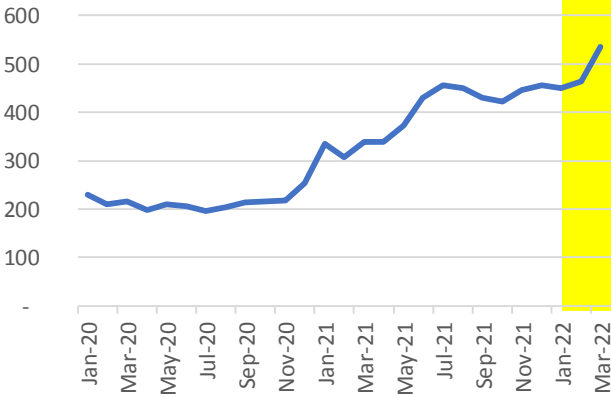
PA66
(€/T)



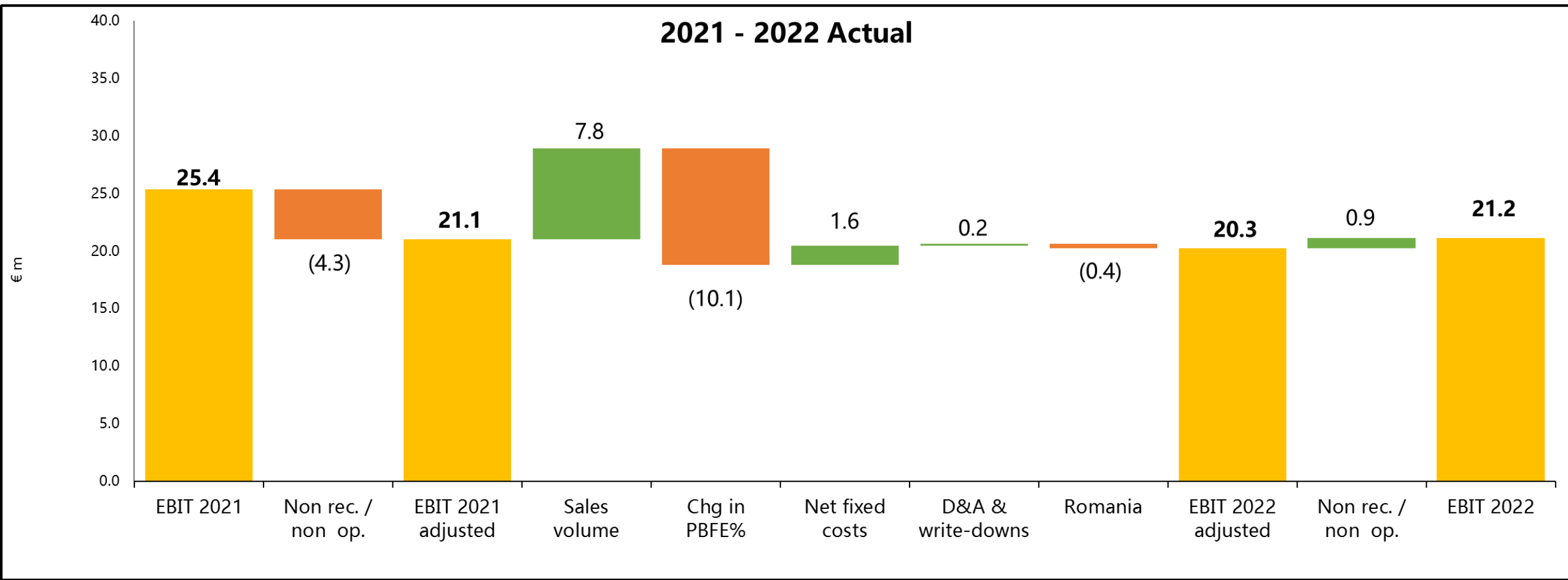
WIRE MEPS (€/T)



SCRAP
(€/T)



Q1 2022 EBIT Performance Breakdown vs Q1 2021



Q1 2022 P&L

€m	Q1 2021	%	Q1 2022	%
REVENUES	352.8	100.0%	381.1	100.0%
CONTRIBUTION MARGIN	108.3	30.7%	106.8	28.0%
Gross Fixed Costs	60.3	17.1%	58.0	15.2%
Restructuring	1.4	0.4%	1.9	0.5%
Exchange Differences	(1.6)	-0.5%	(1.2)	-0.3%
EBITDA	54.2	15.4%	50.0	13.1%
EBITDA excluding non-recurring	49.8	14.1%	49.1	12.9%
D&A	28.3	8.0%	28.8	7.6%
Write downs	0.5	0.1%	0.0	0.0%
EBIT	25.4	7.2%	21.2	5.6%
EBIT excluding non-recurring	21.1	6.0%	20.3	5.3%
Financial results	5.8	1.7%	4.5	1.2%
Income Tax	5.9	1.7%	5.8	1.5%
Minority Interest	1.0	0.3%	0.1	0.0%
NET INCOME OF OPERATING ACTIVITIES	12.7	3.6%	10.7	2.8%
Net income from discontinued operations	(0.8)		-	
NET INCOME	11.8	3.4%	10.7	2.8%

30% without dilution effect due to selling price increase

Fixed cost reduced by € 2m

Q1 2022 Free Cash Flow

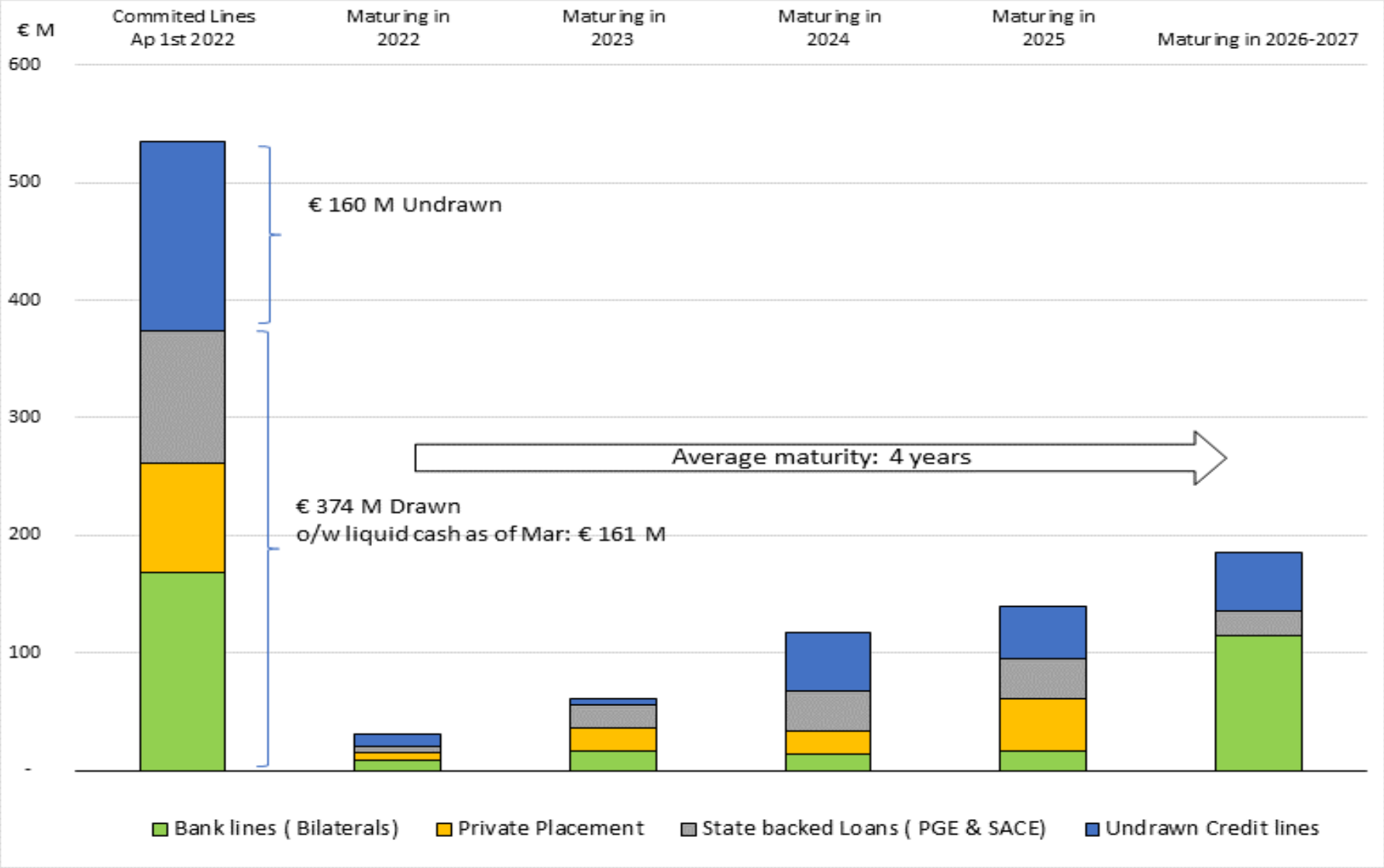
€m	2021	2022
FUNDS PROVIDED BY OPERATIONS	39.0	36.5
Working Capital	9.3	24.0
Capex (Tangible, Intangibles & IFRS15)	(22.7)	(18.9)
Others	7.4	1.2
FREE CASH FLOW (NET)	33.0	42.8
NET DEBT	261.1	213.4
FACTORING	103.9	107.5



Actions on working capital to offset the higher inventories needed to managed current uncertain situation

FCF and Net debt excluding IFRS 16

2022 Debt Profile

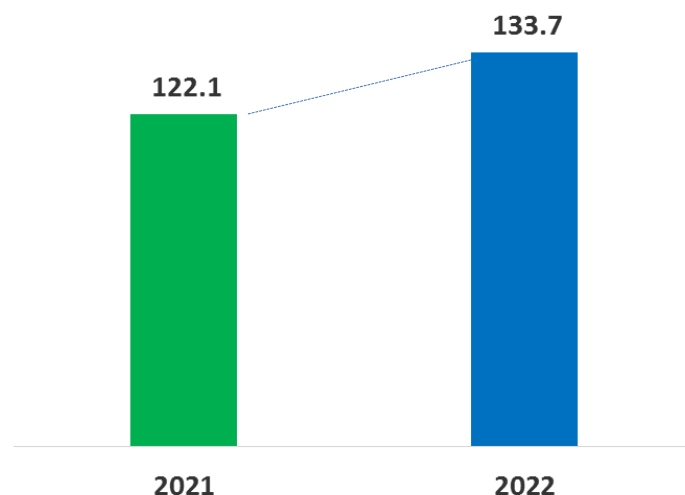


- € 95m new medium-term loans signed in 2021
- € 155m new medium-term loans signed in 2022

Figures as of April 1st 2022

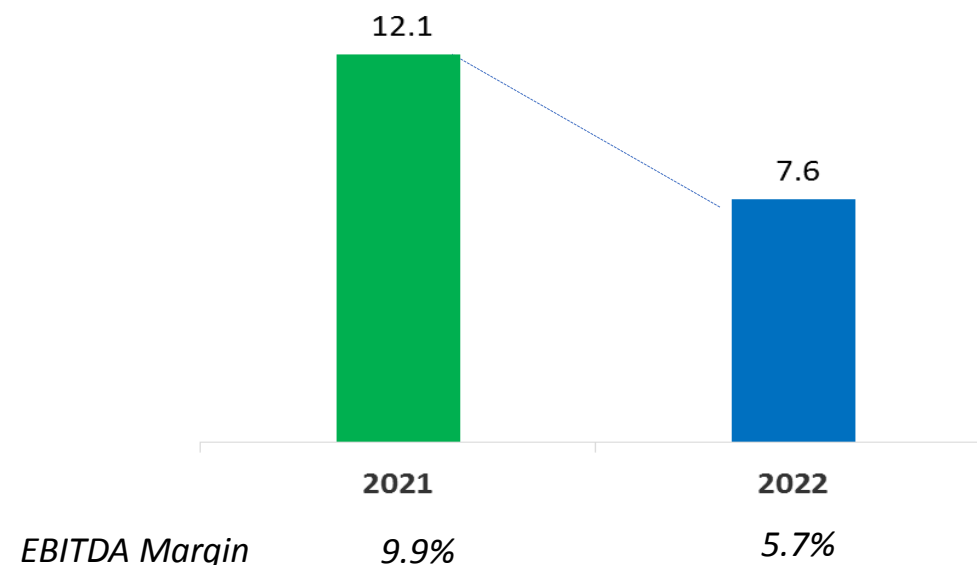
Suspension

Sales (€m)



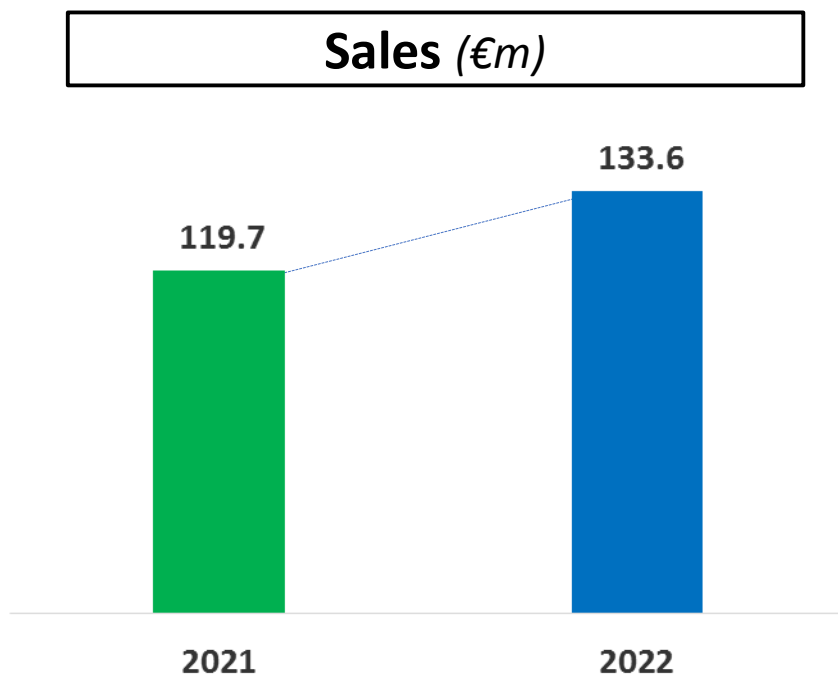
- Q1 2022 up 9.5% (+8.5% at constant exchange) thanks to good performance in South/North America, India and repricing
- Suspensions benefiting of the higher price increase related to steel pass-thought. Sales slightly negative without price effect

EBITDA (€m) excluding non-recurring

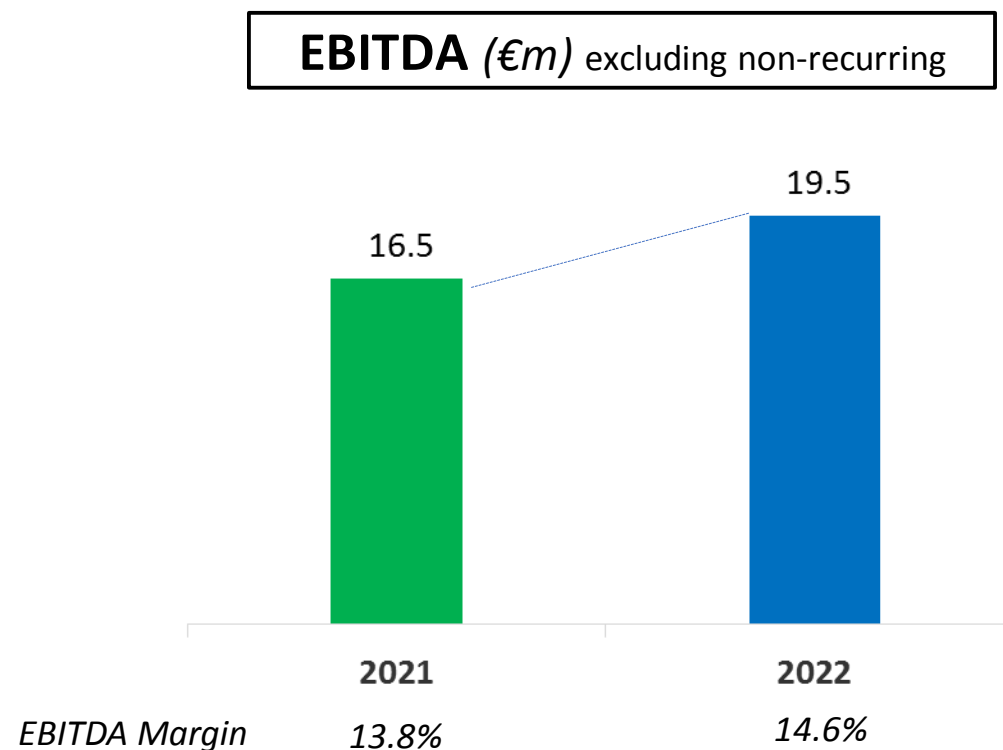


- Contribution margin down from 30.0% to 24.7% (27.2% without dilution effect due to selling price increase)
- Gross fixed costs ratio down from 21.1% to 18.9%. Gross fixed costs down 2.0% in absolute value

Filtration



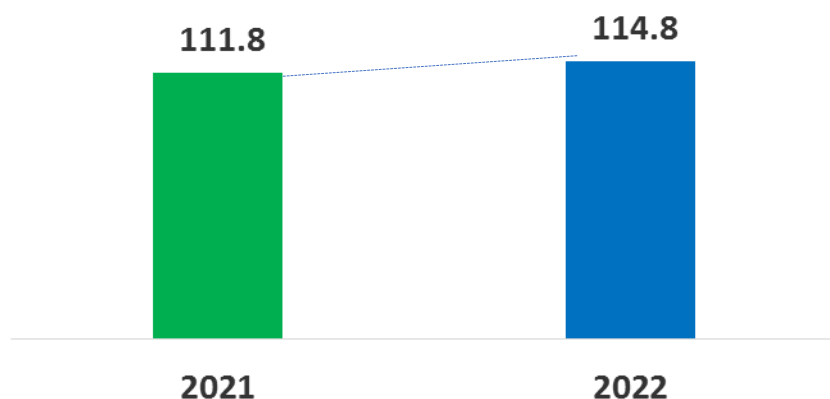
- Q1 2022 revenues up 11.6% at current exchange rates and up 9.1% at constant exchange rates thanks to sound performance of *After Market* in Europe and activities in North America
- Filtration is growing mid-single digit without price effect



- Contribution margin down from 30.7% to 29.1% (30.1% without dilution effect due to selling price increase)
- Gross fixed costs ratio down from 17.1% to 14.2%. Gross fixed costs down 7.7% in absolute value

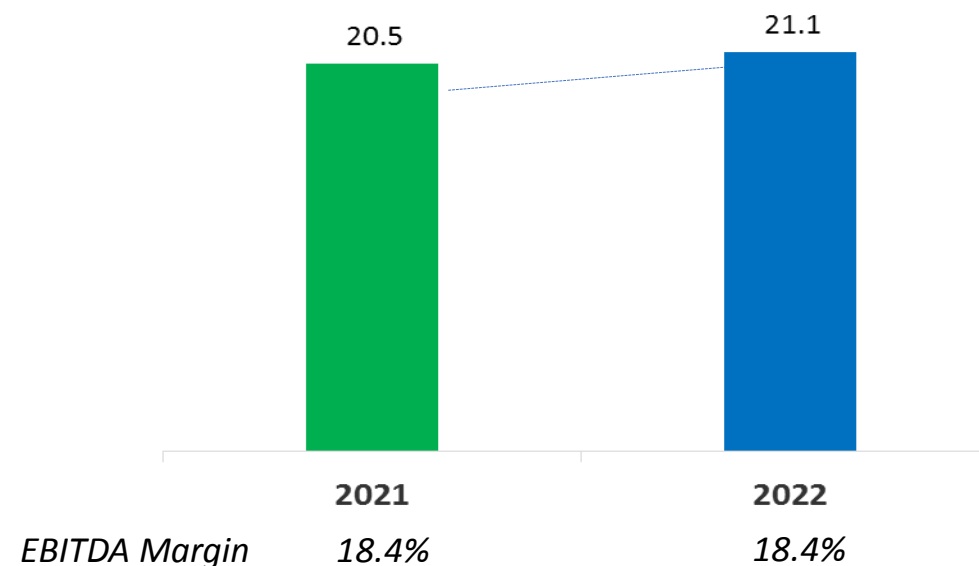
Air & Cooling

Sales (€m)



- In Q1 2022 up 2.7% (-1.7% at constant exchange)
- At constant exchange rates, sales down in Europe, due to market, and in China where Q1 2021 had a strong growth (+100%) thanks to the launch of new programs

EBITDA (€m) excluding non-recurring



- Contribution margin down from 31.2% to 30.4% (30.6% without dilution effect due to selling price increase)
- Gross fixed costs ratio down from 13.8% to 13.0%. Gross fixed costs down 3.3% in absolute value

2022 Business Award

- The A&C division has concluded important contracts in NAFTA for the supply of thermal management products and cooling plates for electric mobility. In particular, a new contract was signed, the largest electric mobility contract ever concluded by Sogefi, with a LCV manufacturer, for the production of aluminum cooling plates welded with laser technology to regulate the temperature of the battery
- Filtration has been awarded several contracts for the supply of oil filters and air purification
- Suspensions have concluded contracts in Europe for coil springs and stabilizer bars, which will be produced mostly in Romania

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**A Sustainable
Transformation**



A Sustainable Transformation

- **Air & Cooling: a transition to E-Mobility started 5 years ago**
- **Filtration: a transition from Diesel products to new products for Purification**
- **Suspensions: Operational improvements and new footprint**
- **Environment, Social and Governance achievements and strong commitment**

A Transformation to E-Mobility Started Five Year Ago

Legacy products

MANIFOLD



Manifolds distribute fresh air into the engine

AIR DUCTS



High Pressure Air Ducts distribute the charged air to the air intake manifold

COOLING



Coolant pumps inject the coolant
Coolant outlet housings distribute coolant
Coolant ducts

FUEL FILTRATION



Diesel/Gas. Fuel Filters separate fuel/water and filters to the smallest particles.

Carbon canister filters absorb fuel tank vapors

AIR FILTRATION



Cabin Air Filters protect against external pollution and suspended particles in the air

Air Induction Systems supply clean air to engine

OIL FILTRATION



Oil modules filter and cool the engine oil

Crank-Case Ventilation systems filter & regulate blow-by flow

New Product Lines E-Mobility

AIR PURIFICATION



Air Cabin Purifier captures CO_2 & H_2O in Cabin + enables **Battery Range Extender** through HVAC power saving

FUEL CELL FLUID MANAGEMENT



Cathode Filter removes particulates to Cell Air Inlet

Low pressure Air & H_2 ducts distribute gases to both electrodes

Water Separators separate H_2O from H_2 at anode & cathode outlets

Coolant de-ionizer warrants coolant low conductivity over time

THERMAL MANAGEMENT



E-Pump circulates & regulates the coolant flow

E-Valve + Coolant Manifold distribute the coolant

Battery Cooling plates regulate cells temperature

Battery Pack cooling regulation systems

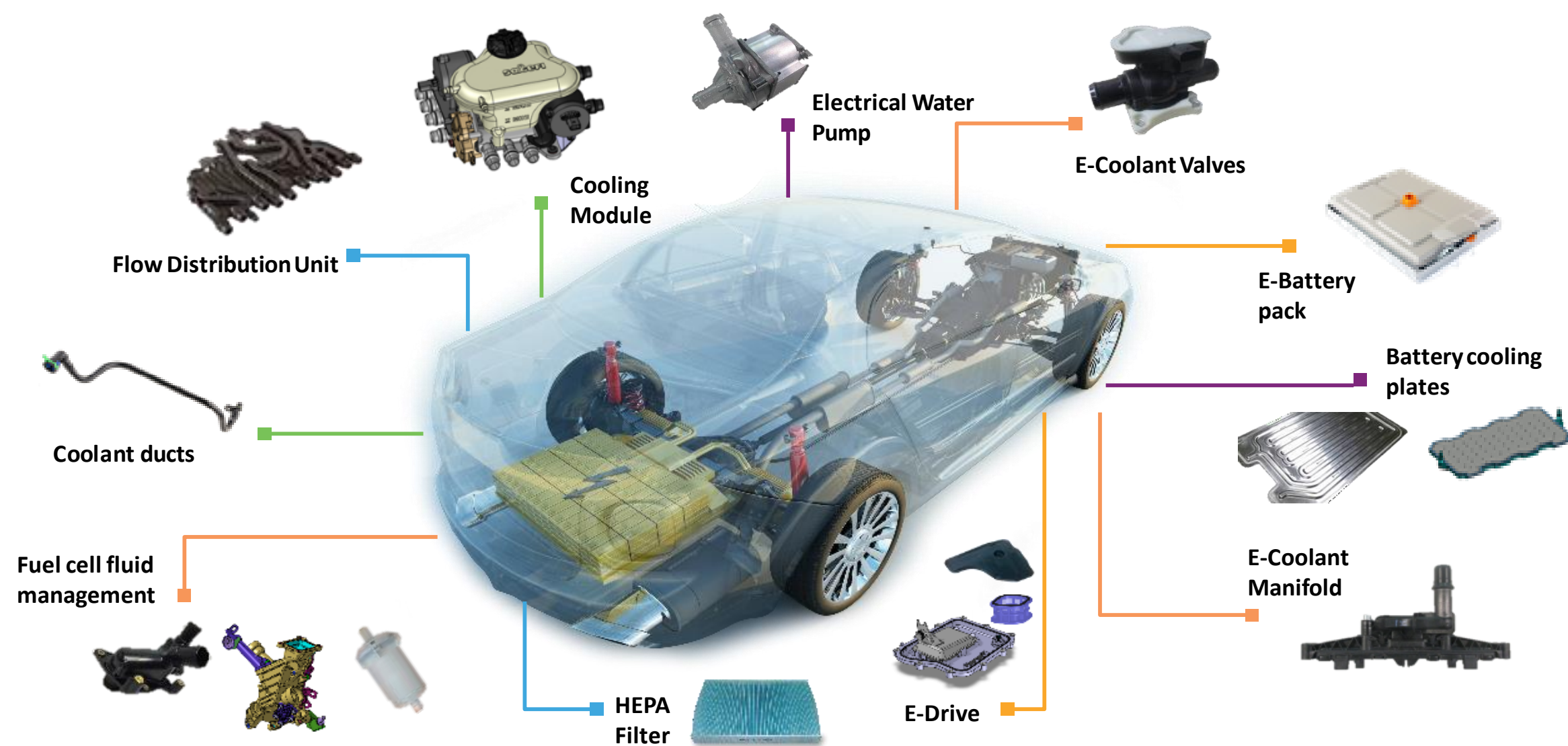
Battery Vent battery protection

E-DRIVE FILTRATION



Suction filter & Pressure filter for Transmission Oil of E-Axle and E-Transmission

E-Mobility Product Portfolio



E-Mobility Product Portfolio



COOLANT PIPE FOR ELECTRIC POWERTRAIN

Powertrain Cooling with oil



CABIN HEATER FLOW MANAGEMENT FOR HEV

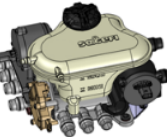
Engine heat during ICE mode

Cabin heater comfort even when ICE engine off



COOLANT BATTERY MANIFOLD FOR ALL COOLING CIRCUITS USED FOR HYBRID, BEV, FUEL CELL CARS

Battery cooling during charging



COOLING MODULE

Controlled distribution of coolant between e-motors – power units - battery packs – heat exchangers.



FLOW DISTRIBUTION UNIT

Distribution of coolant to:

e-motors – power units - battery packs – heat exchangers

Allows a high number of distribution channels



COOLANT VALVES

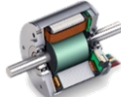
Active flow & thermal control for cooling circuits

Flow progressivity for precise thermal regulation



COOLING PLATE

Cooling of battery cells for optimized battery functionality



E WATER PUMP

Provide flowrate / pressure to coolant circuits (ICE and hybrid engines, battery cooling, e-motor cooling)

Power range 200 W to 400W

Voltage : 12V or 48V

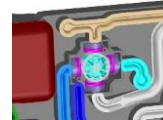


COOLANT VALVE IN FLOW DISTRIBUTION UNIT

Distribution and control of coolant flow

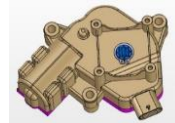
Flow progressivity for precise thermal regulation

High level of sealing with low friction



ACTUATOR FOR COOLANT VALVE

In house actuator, Cost competitive, Integration of added value, Brush motor










BATTERY VENT

Ensure pressure regulation within battery pack, prevent water / dust ingestion and resist to fire


Emergency degassing functions in case of battery cell failure

From 1 to 4 vent per battery pack

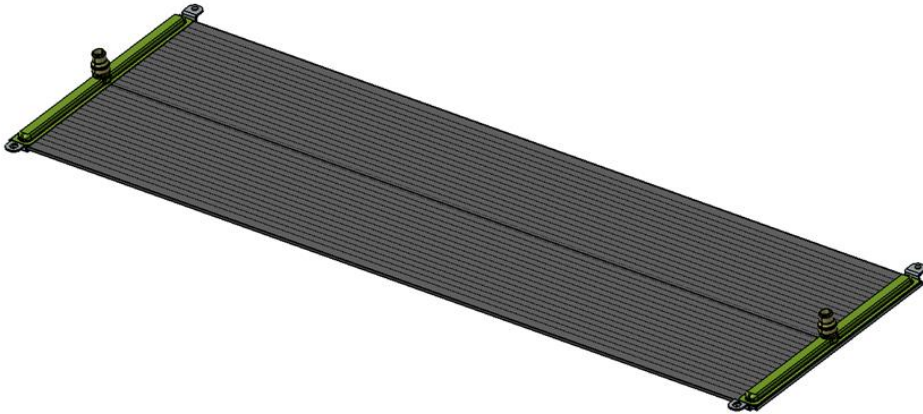
E-Mobility Examples of Business Awarded

CONSUMER	TECHNOLOGY	GEO / SOP	PRODUCT	VOLUMES	DESCRIPTION
<div>NEW</div> <div>LCV PURE ELECTRIC</div> <div>GERMAN PREMIUM OEM</div> <div>LCV PURE ELECTRIC</div> <div>GERMAN PREMIUM OEM</div> <div>SWEDISH OEM</div> <div>GERMAN OEM</div> <div>OTHER OEMs</div>	New Generation Full Electric	North America (CAN) 2022	Aluminum Cold Plate	 1.2M Over 7 years	Extruded aluminum cooling plate to maintain battery temperature
	Next Generation Full Electric	Europe (2023)	E-Thermal Management	 200 000 parts over 7 years	Multilayer cooling module distributing the coolant to the electric motors, battery, power electronics and various coolers
	Full Electric	Nafta (2022)	E-Thermal Management		Active cooling module and cooling plate
	Full Electric	Europe (2023)	E-Thermal Management		Distribute the coolant to the battery, the electric motor and the power electronics
	Hybrid	China (2019)	Motor Coolant Pump		Distribute the coolant to the motor
	Full Electric	Europe (2019)	Coolant Module		Distribute the coolant to the battery, the electric motor and the power electronics
	Fuel Cell	Nafta (2021)	Hydrogen intake manifold & exhaust		Hydrogen, Air and Cooling components

Air & Cooling E-mobility Business Awarded Examples

CONSUMER	TECHNOLOGY	GEO/SOP	PRODUCT	VOLUMES	DESCRIPTION
LCV PURE ELECTRIC	New Generation Full Electric	North America (CAN) 2022	Aluminum Cold Plate	 1.2M Over 7 years	Extruded aluminum cooling plate to maintain battery temperature

P4 Cooling Plate Design



- Consisting of an extruded design coupling two extrusions together to eliminate air gaps in the original customer design.
- Product to start production in 2022 with a ramp up for the first three years, stabilizing at an annual volume of 150k.
- This design allows the customer to effortlessly align the cold plates within the battery pack utilizing a laser welded locating tab x4.
- The coolant manifolds, located on the left and right side are laser welded along with the coolant spigot. The ends of the extrusion or robotically mig welded providing a leak resistant seal.
- This technology has placed Sogefi in a position to quote new cold plate business with new customers as well as previous customers from our ICE portfolio as they are now requiring new forms of thermal management.

Filtration Clean Mobility Business Awarded Examples

HEPA FILTER

Our added value

POLLEN FILTRATION

Protect the passengers from suspended particles in the air

ACTIVATED CARBON FILTERS

Neutralize unpleasant and harmful gases entering the vehicle via AC system

CABIN3TECH+ FILTER

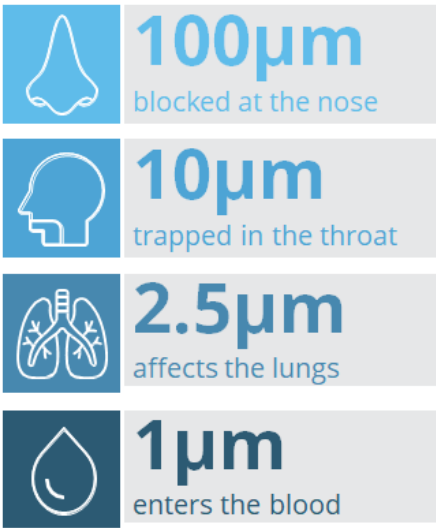
Stop the fine particles > 2.5 microns

HEPA FILTER

Stop the fine particles > 0.3 microns

8 MILLION CABIN FILTERS PRODUCED
IN 2021

Transition from Diesel products to new products for Purification



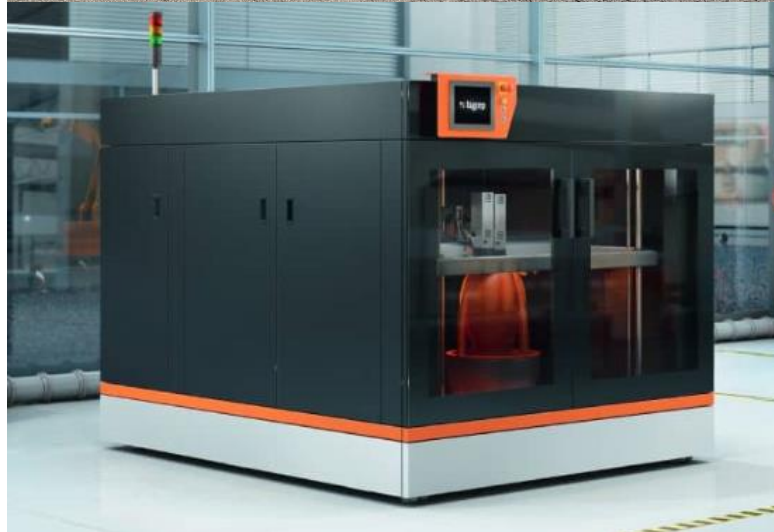
2022 PRODUCT OF THE YEAR

CabinHEPA+ Filter has been elected Product of the Year 2022 by French consumers*



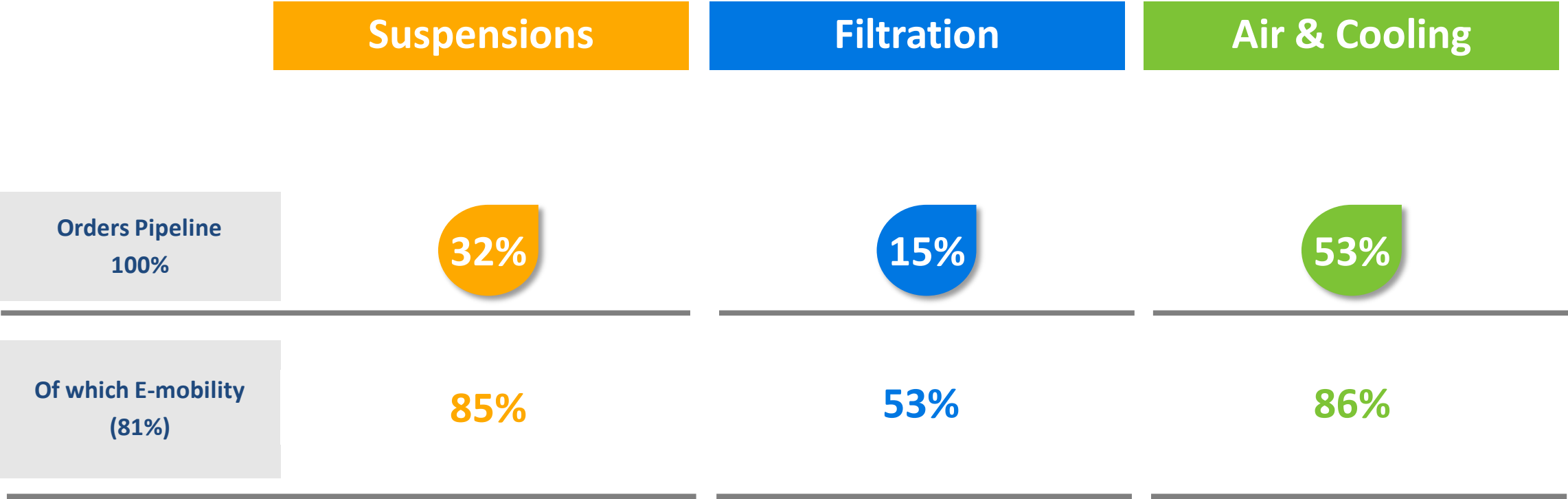
OUR HEPA FILTER FOR YOUR HEALTH

E-Mobility Tech Center Europe



- New E-mobility Tech Center based in East of France, at a few minutes of German border
- Dedicated to E-Mobility developments and new products
- Equipped with the biggest 3D printer in Europe

E-Mobility : Business Quotations Portfolio



81% of our current quotations are for E-mobility

Environment, Social and Governance



The approach to sustainability adopted by Sogefi Group it is inspired by the **Sustainable Development Goals** (SDGs) from the **United Nations**.

Sogefi focus its sustainability approach on **10 SDGs**, to which the Company is contributing with defined ESG targets identified in the **2022-2025 ESG Plan**.

The ESG Plan, formally approved by the Board of Directors on January 2022, is integrated into the financial and strategic plan of the Group.

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Market outlook 2022



Market Outlook

		IHS March 2022					
€m	Q1 2022 vs 2021	Q2 2022 vs 2021	Q3 2022 vs 2021	Q4 2022 vs 2021	FY 2022 vs FY 2021	FY 2023 vs FY 2022	FY 2023 vs FY 2019
Europe 27	-17.0%	4.2%	54.6%	27.8%	11.3%	11.4%	-9.9%
North America	-1.8%	12.7%	29.7%	14.6%	13.0%	11.8%	1.0%
South America	-13.3%	13.8%	37.1%	4.7%	9.6%	10.4%	-2.4%
Asia	4.7%	-1.8%	8.3%	-7.3%	0.4%	8.3%	9.2%
- of which China	6.1%	-5.0%	6.9%	-8.5%	-0.9%	9.5%	9.3%
Total	-4.5%	2.0%	20.5%	2.7%	4.4%	8.9%	-1.3%

Market rebound expected
in Q3 2022

Pre-covid level in
2023

Raw Material Outlook

- As regards raw materials prices, in the first months of 2022 there was a further growth, making it difficult to make forecasts for 2022
- In Q1 2022, sales prices were adjusted to take into account the increases in raw material costs recorded in 2021
- Unfortunately, the Russia-Ukraine conflict led to a further increase in raw material and energy prices
- Sogefi's management is committed to seeking fair agreements with all customers, as already happened in Q1 2022, in order to continue long-term sustainable commercial relationships

2022 Outlook

- Visibility on market trends in the coming months of 2022 is reduced; the uncertainties related to the evolution of the pandemic, the availability and prices of raw materials, transportation and sourcing from Asian markets and therefore the recovery of the *automotive* sector have been amplified by the Russian-Ukrainian conflict
- For 2022, IHS maintains a forecast of recovery in world production volumes of 4.4% compared to 2021, with Europe at + 11.3%, Nafta at + 13.0%, South America at +9.6 % and China substantially at breakeven (- 0.9%)
- Assuming no further factors of serious deterioration of the macro-economic and production scenario (significant tightening of sanctions against Russia, extension of the conflict outside Ukraine, shortage and increases in energy and raw material prices compared to current level such as to compromise the sustainability of the supply chain), Sogefi confirms its target of achieving operating results for the whole of 2022, excluding non-recurring costs, substantially in line with the result recorded in 2021

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