

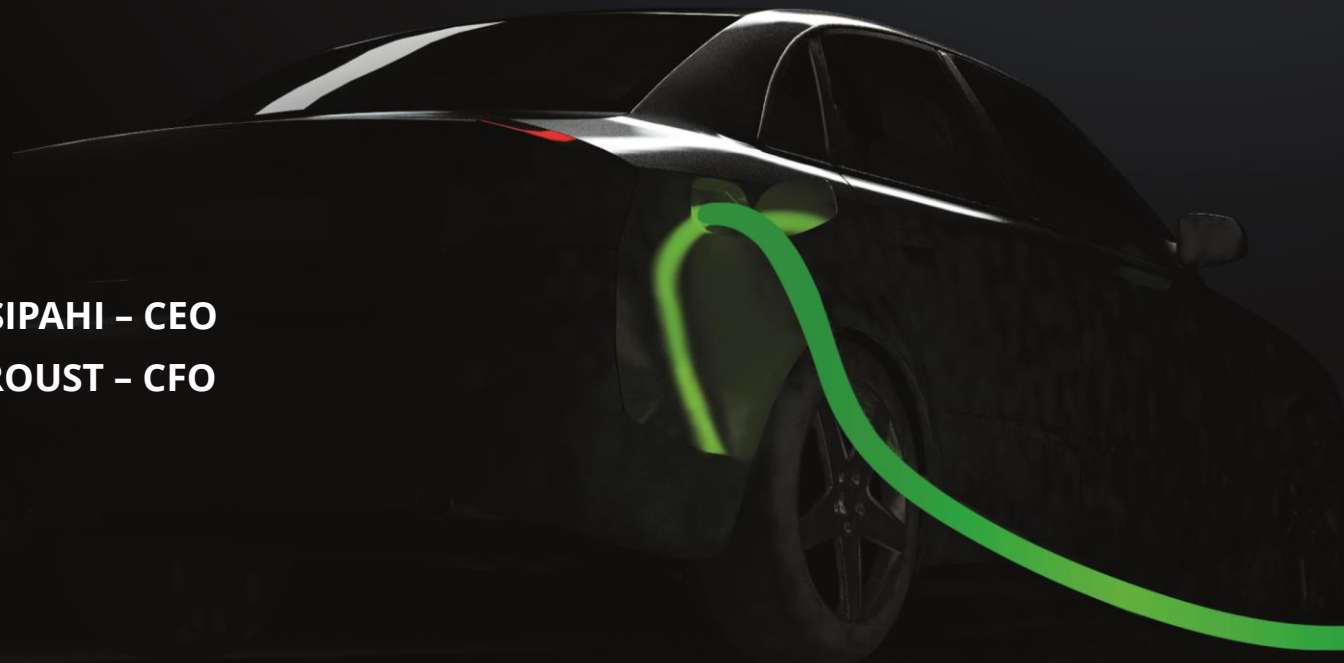


FY 2022 Results

February 24, 2023

Frédéric SIPAHI – CEO

Olivier PROUST – CFO





AGENDA

- 
- FY 2022 Results
 - A resilient business model and a Sustainable Transformation
 - Market Outlook 2023



01

FY 2022 Results

FY 2022: Strong Results in an Unprecedented Market Scenario



Sales up thanks to market outperformance and benefiting of price increase related to pass-thought and positive exchange



Managing raw and energy price increase with pass-thought, indexation and **internal efficiency actions** to reduce energy intensity



Rapid cost base and organization adaptation to current market conditions thanks to execution of **strong structural actions**



Despite of **supply chain disruption**, Covid, Russia/Ukraine and customer stop and go's'



Despite of huge material price and energy **costs increase** group defending margin / cash



The current **unprecedented scenario** (material shortage, lockdowns, customers/suppliers stop and go's) was faced with a more agile internal organization

FY 2022 Financial Highlights

Revenues at €1552.1m
vs 1320.6m in 2021

- +12.6% at constant exchange benefiting of price increase related to pass-thought and good Aftermarket performance, over performing the market (+6.2%)
- Volume positive (+3.9%)

EBITDA at € 194.7m
vs €192.5m in 2021

- Contribution margin € 425.1m vs € 403.7m in 2021
- EBITDA excluding non-recurring: € 193.2 m€ vs € 180.4m in 2021
- Gross fixed costs substantially stable at € 231.8m vs € 226.1m in 2021 with ratio to sales down from 17.1% to 14.9%

EBIT

- € 68.3m vs € 58.4m in 2021 with higher growth in value excluding non-recurring
- (€ 74.2m vs € 51.7m)

Net Income

Net income up at € 29.6m vs € 26.4m in 2021 excluding the accounting impact of Argentina disposal

FCF¹ at € 30.5m
vs €35.0m in 2021

Free Cash Flow positive at € 30.5m vs €35.0m in 2021 (including positive non-cash effect of the Argentina disposal)

Net debt¹ at € 224.3
vs € 258.2m Dec. 2021

Net debt end 2022 of € 224.3m versus € 258.2m end of 2021 and € 267.4m end September 2021

1. FCF and Net debt excluding IFRS 16

FY 2022 Sales by Geography

| €m | FY 2021 | FY 2022 | change | constant exchange rates | reference market production | performance vs market (bps) | weight based on FY 2022 |
|----------------------|---------------|---------------|--------------|-------------------------------|-----------------------------------|-----------------------------------|-------------------------------|
| Europe 27 | 813.6 | 890.9 | 9.5% | 9.5% | 5.7% | 378 | 57.4% |
| North America | 262.4 | 340.3 | 29.7% | 17.2% | 9.7% | 754 | 21.9% |
| South America | 77.8 | 108.0 | 38.8% | 15.8% | 8.3% | 750 | 7.0% |
| Cina | 100.5 | 115.6 | 15.0% | 6.7% | 6.1% | 56 | 7.4% |
| India | 76.4 | 104.5 | 36.8% | 29.4% | 22.7% | 671 | 6.7% |
| Intercompany | (9.9) | (7.1) | | | | | |
| Total | 1320.6 | 1552.1 | 17.5% | 12.6% | 6.2% | 637 | 100.0% |

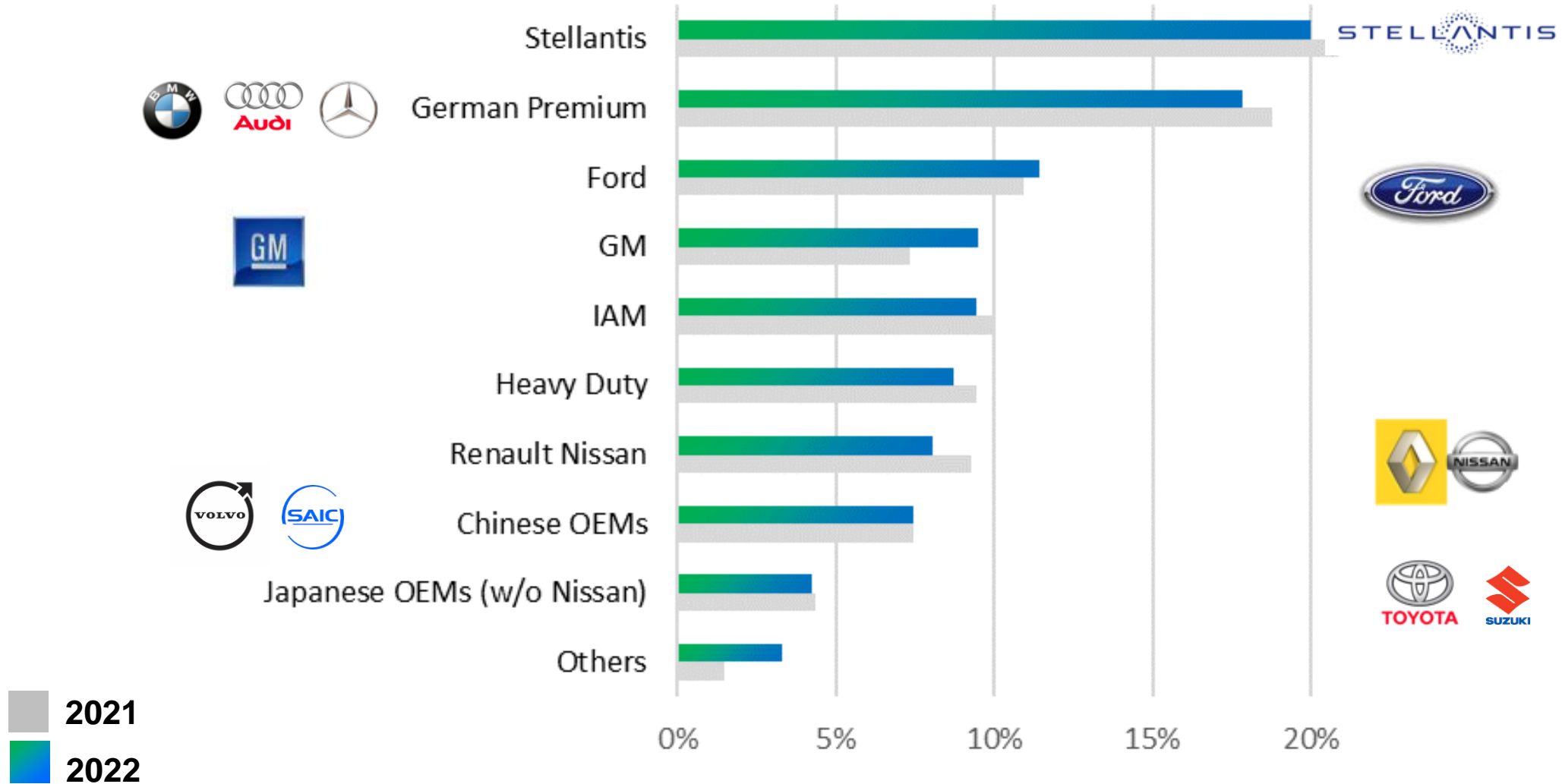
- **+12.6%** at constant exchange benefiting of price increase related to pass-thought
- **Outperformance** in all areas except China (in line with the market despite some regions in lockdown) and where 2021 recorded good growth thanks to the launch of new programs

FY 2022 Sales by Business Unit

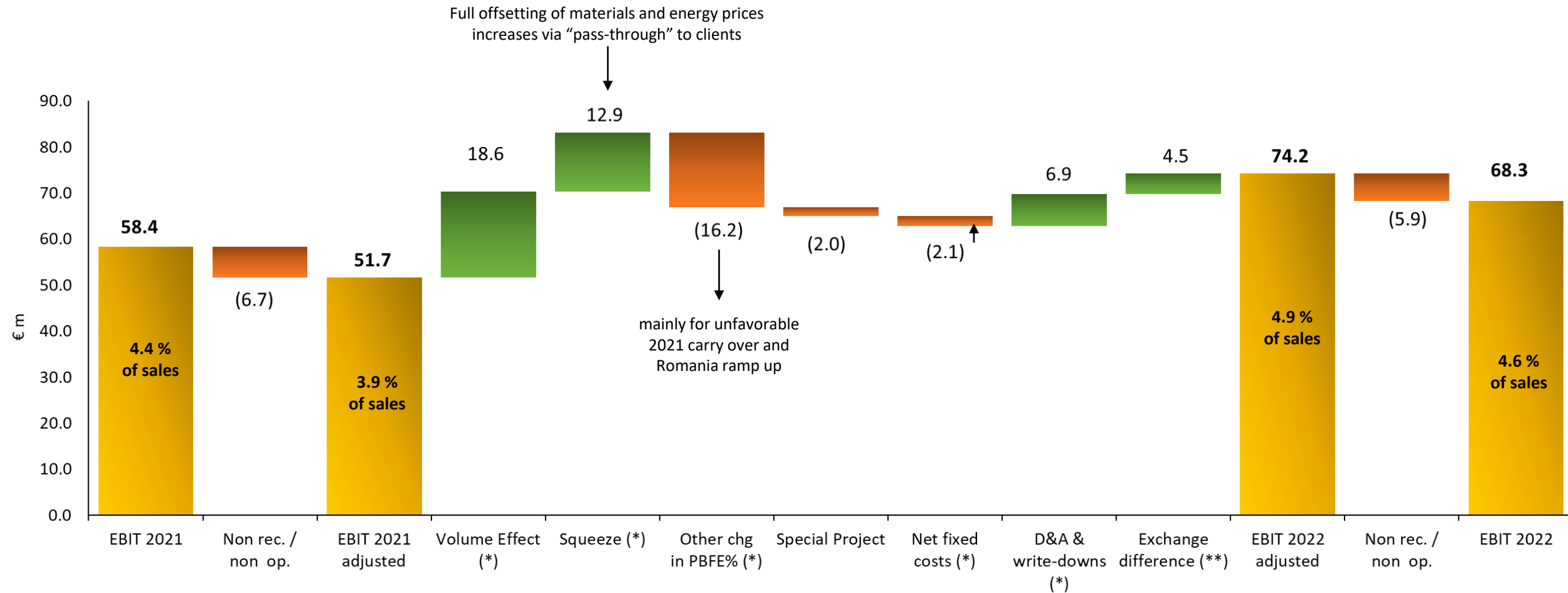
| €m | FY 2021 | FY 2022 | reported change vs 2021 | constant exchange rates change |
|------------------------|---------------|---------------|-------------------------------|--------------------------------------|
| Air&Cooling | 402.0 | 464.0 | 15.4% | 8.9% |
| Filtration | 463.4 | 535.7 | 15.6% | 12.1% |
| Suspensions | 458.2 | 556.7 | 21.5% | 16.6% |
| Intercompany | (3.0) | (4.4) | | |
| <i>Total</i> | 1320.6 | 1552.1 | 17.5% | 12.6% |

- Air and Cooling revenues up by 18.8% excluding 2021 non-recurring revenue stream relating to the sale of a special project

FY 2022 by Customers (% of sales)



FY 2022 EBIT Performance Breakdown vs 2021



(*) Variances calculated at stable FX

(**) Exchange rate impact net of Argentinian inflation

FY 2022 P&L

| €m | 2021 | % | 2022 | % |
|---|----------------|--------|----------------|--------|
| REVENUES | 1,320.6 | 100.0% | 1,552.1 | 100.0% |
| CONTRIBUTION MARGIN | 403.7 | 30.6% | 425.1 | 27.4% |
| Gross Fixed Costs | 226.1 | 17.1% | 231.8 | 14.9% |
| Restructuring | 8.0 | 0.6% | 8.7 | 0.6% |
| Exchange Differences | -2.5 | -0.2% | 1.1 | 0.1% |
| EBITDA | 192.5 | 14.6% | 194.7 | 12.5% |
| EBITDA excluding non-recurring | 180.4 | 13.7% | 193.2 | 12.4% |
| D&A | 115.6 | 8.8% | 117.5 | 7.6% |
| Write downs | 13.1 | 1.0% | 1.6 | 0.1% |
| EBIT | 58.4 | 4.4% | 68.3 | 4.4% |
| EBIT excluding non-recurring | 51.7 | 3.9% | 74.2 | 4.8% |
| Financial results | 17.8 | 1.3% | 18.8 | 1.2% |
| Income Tax | 13.5 | 1.0% | 18.4 | 1.2% |
| Minority Interest | 2.2 | 0.2% | 1.6 | 0.1% |
| NET INCOME OF OPERATING ACTIVITIES | 26.4 | 2.0% | 29.6 | 1.9% |
| Net income from discontinued operations | (24.5) | -1.9% | - | |
| NET INCOME | 2.0 | 0.1% | 29.6 | 1.9% |



28.7% without dilution effect due to selling price increase (raw material and energy costs rise fully compensated by repricing)



EBIT 2021 sustained by positive non-recurring/operating items

Q4 2022 P&L

| €m | Q4 2021 | % | Q4 2022 | % |
|---|--------------|--------|--------------|--------|
| REVENUES | 330.6 | 100.0% | 386.5 | 100.0% |
| CONTRIBUTION MARGIN | 92.9 | 28.1% | 102.3 | 26.5% |
| Gross Fixed Costs | 56.1 | 17.0% | 56.8 | 14.7% |
| Restructuring | 4.0 | 1.2% | 0.8 | 0.2% |
| Exchange Differences | -0.4 | -0.1% | 6.3 | 1.6% |
| EBITDA | 48.3 | 14.6% | 43.3 | 11.2% |
| EBITDA excluding non-recurring | 47.2 | 14.3% | 47.3 | 12.2% |
| D&A | 29.1 | 8.8% | 29.3 | 7.6% |
| Write downs | 6.7 | 2.0% | 0.6 | 0.2% |
| EBIT | 8.9 | 2.7% | 6.0 | 1.6% |
| EBIT excluding non-recurring | 11.4 | 3.4% | 17.4 | 4.5% |
| Financial results | 4.4 | 1.3% | 5.2 | 1.3% |
| Income Tax | 0.3 | 0.1% | 3.8 | 1.0% |
| Minority Interest | 0.5 | 0.2% | 0.5 | 0.1% |
| NET INCOME OF OPERATING ACTIVITIES | 3.7 | 1.1% | (3.4) | -0.9% |
| Net income from discontinued operations | 0.2 | | - | |
| NET INCOME | 3.9 | 1.2% | (3.4) | -0.9% |

+16.9% (+15.4% at constant exchange rates)
thanks to repricing and positive volume (+5.8%)
over performing the market (+1.7% global)

EBIT 2022 including negative non-
recurring/operating items (exchange differences
and pension funds settlement)

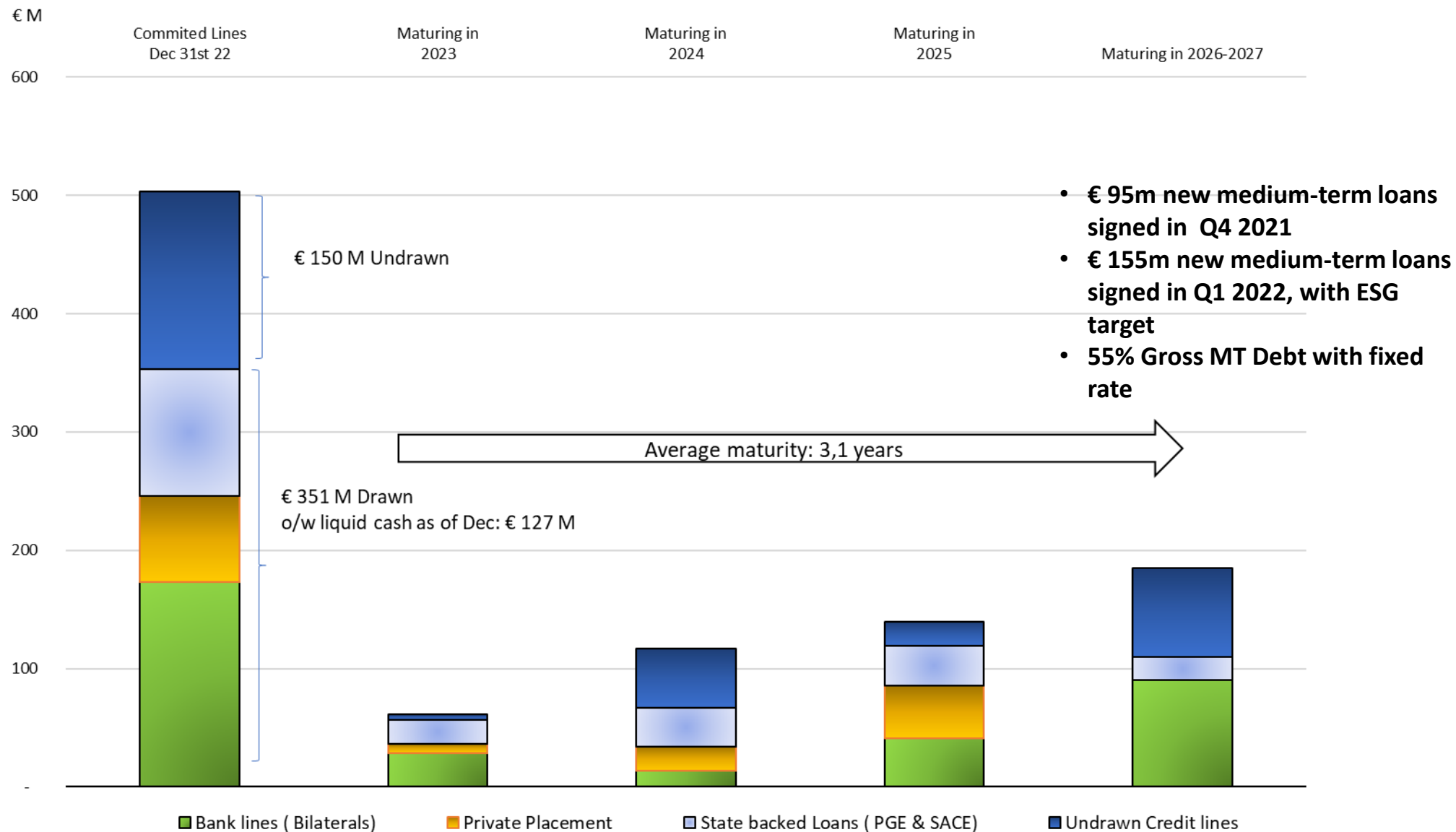
Raw material/energy costs compensated by
repricing

Q4 2021 benefited from the recognition
of deferred tax assets (€ 4.3m)

FY 2022 Free Cash Flow

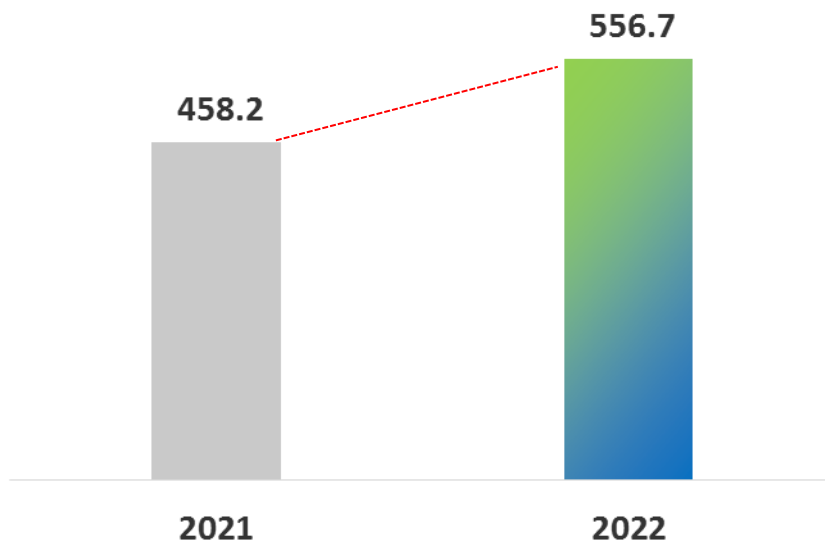
| €m | 2021 | 2022 | |
|--|--------------|--------------|---|
| FUNDS PROVIDED BY OPERATIONS | 114.6 | 128.0 | |
| Working Capital | -13.0 | -11.9 | |
| Capex (Tangible, Intangibles & IFRS15) | -109.7 | -98.8 | → Capex containment |
| Others | 43.1 | 13.2 | → In 2021 € 21m of Argentina disposal (non-cash) |
| FREE CASH FLOW (NET) | 35.0 | 30.5 | |
| NET DEBT | 258.2 | 224.3 | |
| FACTORING | 89.4 | 101.7 | → Factoring without recourse up in line with revenues/invoices growth |

FY 2022 Debt Profile

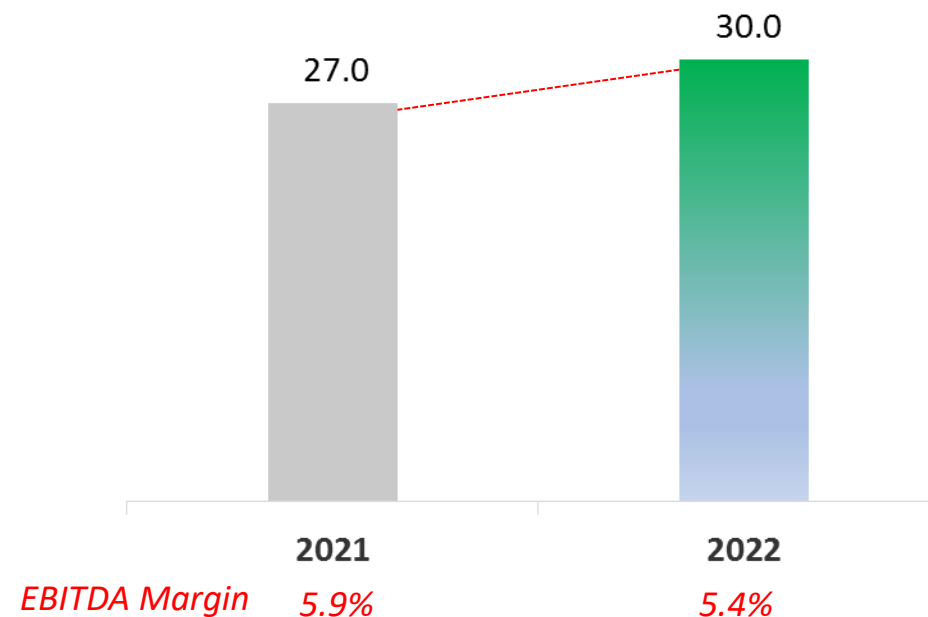


FY 2022 Suspension

SALES (€m)



EBITDA (€m) excluding non-recurring

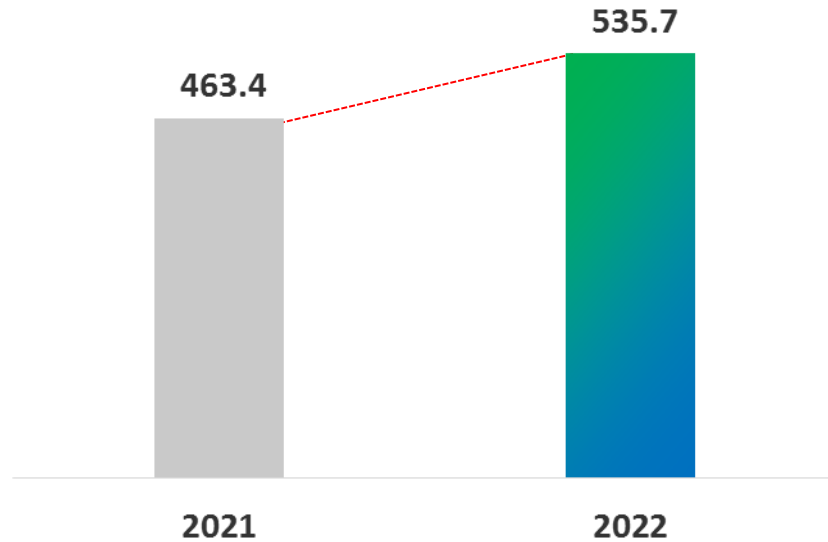


- 2022 **up 21.5%** (+16.6% at constant exchange) thanks to good performance in South/North America, India, Europe and repricing

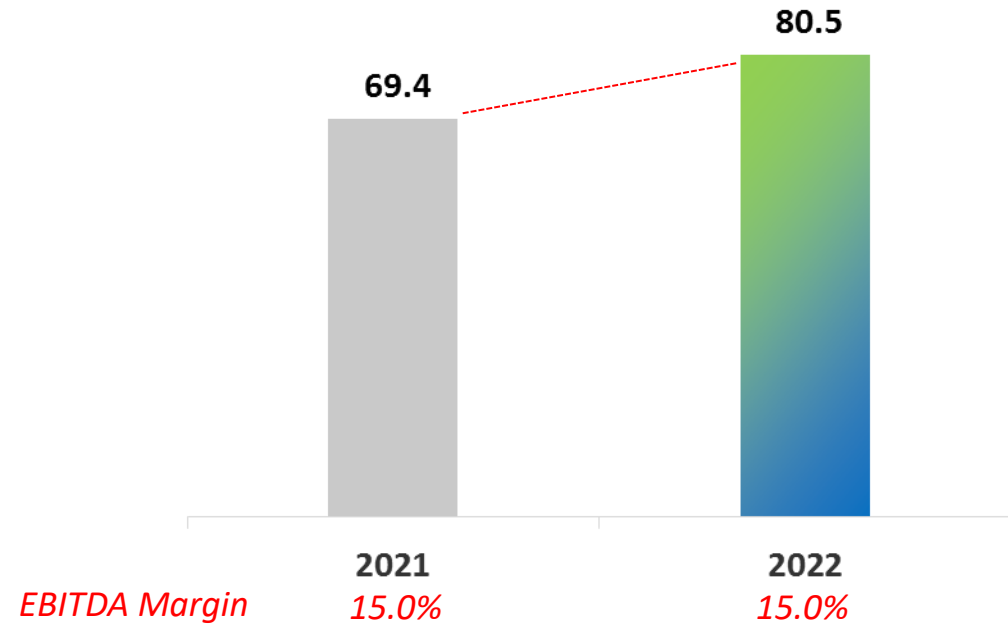
- EBITDA higher than last year in absolute value, % diluted by repricing effect

FY 2022 Filtration

SALES (€m)



EBITDA (€m) excluding non-recurring

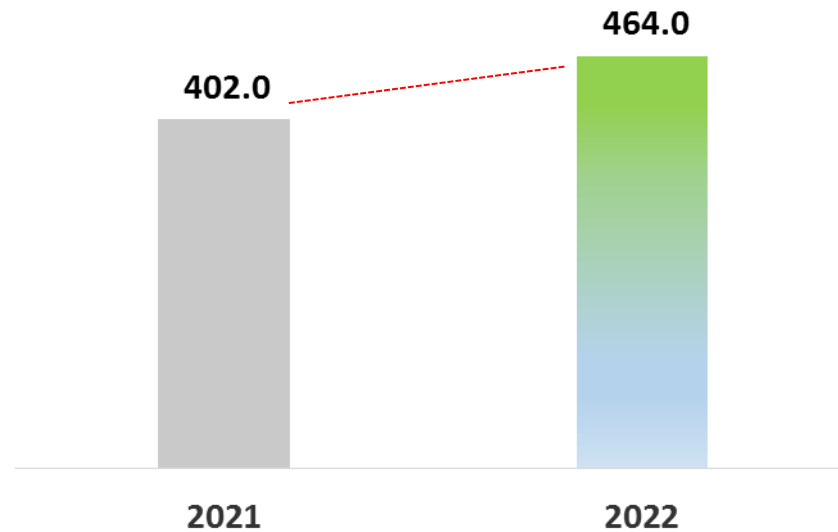


- Revenues **up 15.6%** at current exchange rates (+12.1% at constant exchange rates) thanks to good performance in North America, India and Aftermarket
- Aftermarket is a resilience market with Sogefi responding adequately to customer requests, despite the logistics chain issues, thus acquiring new market shares

- EBITDA **improved by ~11 M€** vs 2021

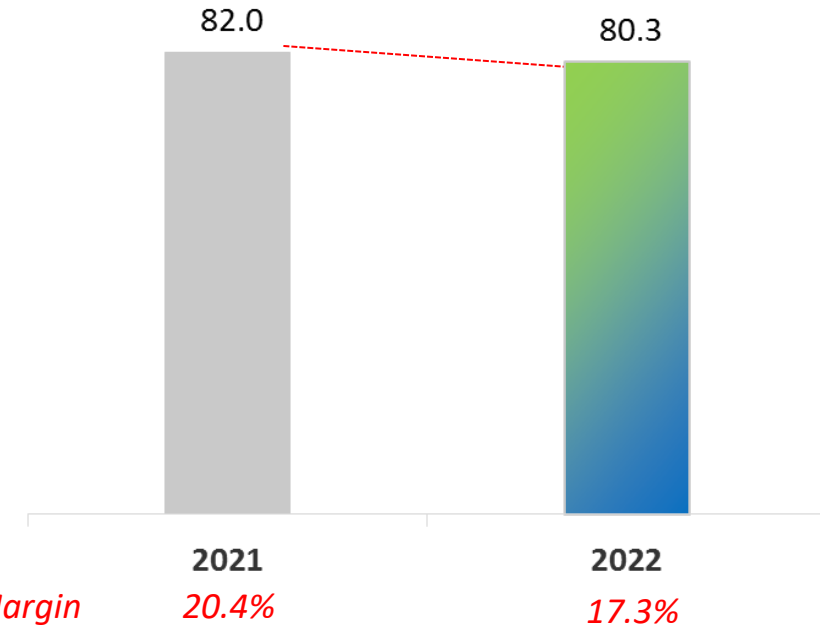
FY 2022 Air & Cooling

SALES (€m)



- In 2022 **up 15.4%** (+18.8% net of 2021 special project sales, +8.9% at constant exchange) thank to good performance in NAFTA and China
- Europe negative but up excluding special project sales

EBITDA (€m) excluding non-recurring



- EBITDA margin slightly down, excluding the effect of the sale of the special project
- Dilution is reflecting the price increase offsetting the higher raw material costs



02

A resilient Business Model and a sustainable Transformation

A Resilient Business Model and a Sustainable Transformation

- ✓ Air & Cooling: a transition to E-Mobility started **6 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

Sogefi Business Development

Air & Cooling

A&C BU concluded in H1 four huge contracts in NAFTA with a local car maker and an LCV manufacturer SOGEFI will supply **water pumps** and **thermal management products** for electric mobility.

After these contracts for premium models and LCV, in the Q3 the first contract in Europe for cooling plates was signed with one of the main generalist car manufacturers

On cooling plates SOGEFI innovations vs main competitors/current market are:

- Welding with laser technology
- Hydroforming

Battery vent systems have been developed together with the Filtration BU and will be produced in several Group locations (Medvode, Orbey, Montreal) to ensure operations and customer satisfaction optimization.

Filtration

Filtration BU had a strong development in India in 2022 thanks to **Air and Water Filtration**. Other contract have been awarded for Oil filter and Fuel Filter module in Europe.

In EU one of the biggest nomination is linked to the **battery vent systems** as described above

Suspensions

Suspensions BU has concluded important contracts for **Stabilizer bars** in China with local e-mobility players and in USA for the electric version of a pick-up whose combustion version is one of the best-selling vehicles

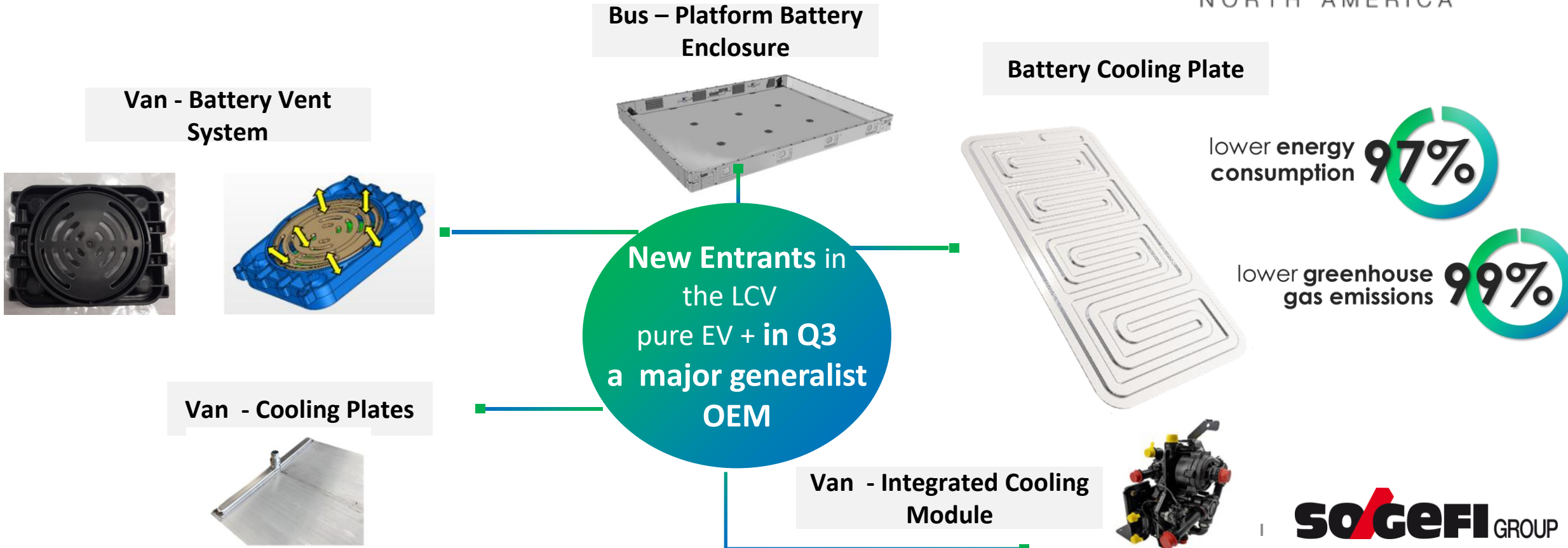
While in EU the biggest nominations were related to **Coil springs**

Air & Cooling Very Positive Commercial Activity in 2022

54% of the awards consisting of **E-mobility** vehicles

- In 2022 the **largest electric mobility contract** was signed with a LCV manufacturer for the production of aluminum cooling plates, further contracts were then signed for **with major generalist OEM for battery cooling plates**
- In September Sogefi presented its innovations in the field of cooling plates for EV platforms at keystone EV and Battery event for North America:

THE **BATTERY** SHOW
NORTH AMERICA



63 % of the awards consisting of **E-mobility** vehicles in Suspensions

Suspensions and Filtration Commercial Activity in 2022

SUSPENSIONS

- In H2 has concluded important contracts:
 - ✓ In China for Stabilizer bars with **local e-mobility player** (new entrant) with SOP 2023/2024.
 - ✓ In USA to supply stabilizer bars for **the electric version** of a pick-up whose combustion version is one of the **best-selling vehicles in the United** with SOP in 2025. The award consists of 5 bars per vehicle.

Stabilizer bars



(Front Bar: 1 Routing, Rear Bar: 2 Routing, 1 U-Ring/Bar)

FILTRATION

- Filtration is focusing on:
 - ✓ **Diesel migration** with development of Air Cabin, Transmission Filters, Battery vent systems and Fuel Cell.
 - ✓ **Aftermarket** set for significant growth in coming years as car parc is still growing and ageing.
- In October Sogefi presented its Aftermarket new products in a major event in Paris.



EQUIP AUTO | PARIS

Clear Brand Strategy

Premium

FILTERS purflux

FRAM

tecnocar FILTRI

Smart Value

COOPERS FIAAM FILTERS

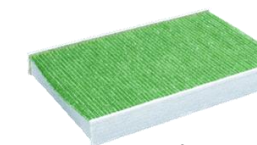
Private Label :

ISO TECH

Starline



Innovation & New Products



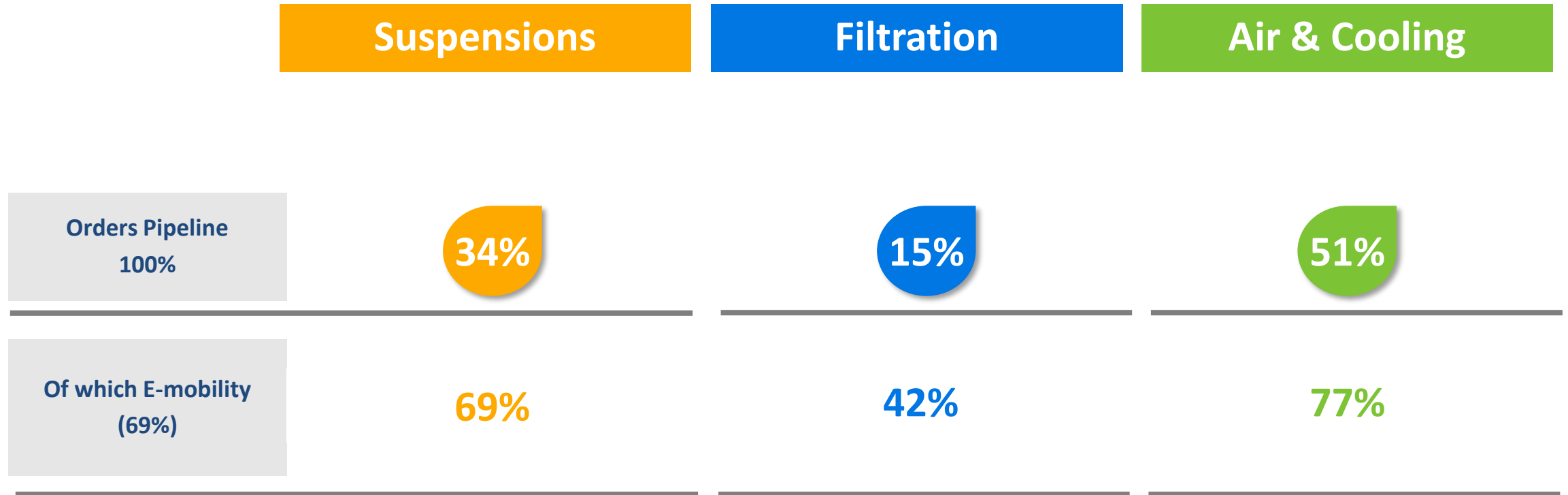
Cabin HEPA Filter



Transmission Filter

soGefi GROUP

Business Quotations Portfolio in E-Mobility



69% of our current quotations are for E-mobility



03



Market Outlook 2023

2023: Management Expectations

- ✓ **Market flattish** in Europe , limited increase in other areas, vigorous growth of pure EV powertrain (but stable ICE+Hybrid)
- ✓ **Steel and resins** price stabilization but to remain high vs 2019, other raw materials (alluminium) still growing. **Energy costs** consensus is to a downward trend but high volatility remain
- ✓ **Generalized inflationary pressures** continue, particularly on labor costs
- ✓ **Full execution of the strong structural actions** (cost rationalization, organization adaptation and footprint redefinition activities,) already launched in 2022

Market Outlook

Sogefi has a more conservative approach on 2023 market expectations vs S&P Global

| | | S&P Global (IHS) January 2023 | | | |
|---------------|-----------------|-------------------------------|--------------------|--------------------|--------------------|
| €m | FY 2022 vs 2021 | Q4 2022 vs Q4 2021 | FY 2023 vs FY 2022 | FY 2024 vs FY 2023 | FY 2024 vs FY 2019 |
| Europe 27 | 5.7% | 13.3% | 7.1% | 6.0% | -12.8% |
| North America | 9.7% | 7.8% | 5.4% | 5.1% | -2.9% |
| South America | 8.3% | 3.6% | 4.9% | 6.4% | -2.5% |
| China | 6.1% | -6.3% | 1.1% | 5.6% | 14.0% |
| India | 22.7% | 15.7% | 7.7% | -2.9% | 26.8% |
| Total | 6.2% | 1.7% | 3.6% | 3.8% | -0.8% |

Still below pre-covid level in 2024
with the exception of China and
India

2023 Outlook

- The **visibility** on the automotive market trend in 2023 remains reduced due to the uncertainties related to the Russia-Ukraine conflict, the macro-economic evolution and the raw materials prices, particular energy
- **For 2023**, S&P Global (IHS) expects global auto production to grow 3.6% over 2022, with Europe up 7.1%, NAFTA up 5.4%, South America up + 4.9% and China at +1.1%
- As regards the prices of **raw materials**, during 2022 the upward trend of steel came to an end, and in the last part of the year, the price of resin and other raw materials, gas and electricity stopped rising although volatility remains high. It should also be noted that there continue to be inflationary pressures on labour costs in certain geographical areas
- Assuming no further factors of serious deterioration of the geopolitical and macroeconomic scenario from today's level, in 2023 the Sogefi Group expects **mid-single digit revenue growth and an operating result, excluding non-recurring charges, at least in line with the 2022 results**

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APPENDIX

Quarterly Non-Recurring/Operating

€

Q1 2021
Total 4.3m

+2.4m UK pension
+0.9m Insurance reimbursement of costs incurred in 2020
+1.6m Exchange difference
-0.6m Others

Q1 2022
Total +0.9m

+1.2m Exchange differences
- 0.3m Others

Q2 2021
Total 6.8m

+2.9m Tax recovery in Brazil
+0.9m Insurance reimbursement of costs incurred in 2020
-0.5m Exchange difference
+1.4m indirect tax reimbursements (China/France)
+2.0m Others

Q2 2022
Total +3.0m

+2.7m Exchange difference
+0.3m Others

Q3 2021
Total -2m

+1.0m Exchange difference
-1.8m non-recurring write-downs
-1.2m Others

Q3 2022
Total +1.5m

+1.3m Exchange difference
+0.2m Others

Q4 2021
Total -2.4m

+0.4m Insurance reimbursement of costs incurred in 2020
+0.4m Exchange difference
-3.6m non-recurring write-downs related to footprint optimization in UK
+0.4m Others

Q4 202
Total -11.4m

-6.3m Exchange difference
-3.5m Pension funds settlement
-1.6m Others