

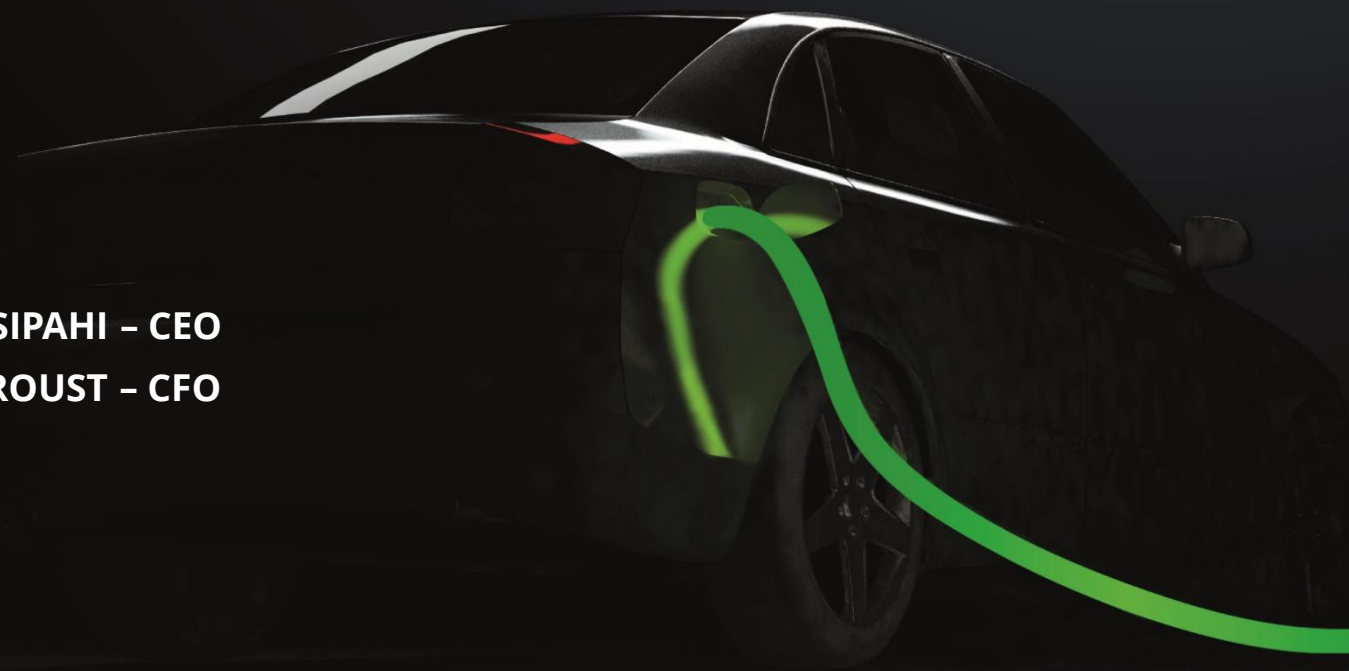
so/GEFI GROUP

Q1 2023 Results

April 21, 2023

Frédéric SIPAHI – CEO

Olivier PROUST – CFO



AGENDA

- Q1 2023 Results
- A resilient business model and a Sustainable Transformation
- Market Outlook 2023



Revenues at €431.6m
vs 381.1m in Q1 2022

- +13.1% at constant exchange (13.2% at current) benefiting of price increase related to pass-through (+5.4%)
- Volume positive (+7.3%), over performing the market (+5.7%)

EBITDA at € 53.7m
vs €50.0m in Q1 2022

- Contribution margin € 118.8m vs € 106.8m in Q1 2022
- EBITDA excluding non-recurring: € 56.4 m€ vs € 49.1m in Q1 2022
- Gross fixed costs substantially stable at € 63.3m vs € 58.0m in Q1 2022 with ratio to sales down from 15.2% to 14.7%

EBIT

- € 25.7m vs € 21.2m in Q1 2022 with higher growth in value excluding non-recurring
- (€ 28.4m vs € 20.3m)

Net Income

Net income up at € 13.2m vs € 10.7m in Q1 2022

FCF¹ at € 39.6m
vs €43.7m in Q1 2022

Free Cash Flow positive at € 39.6m vs €43.7m in Q1 2022 (benefiting of specific actions on working capital put in place to balance higher inventories)

Net debt¹ at € 186.9
vs € 224.3m Dec. 2022

Net debt end March 2023 of € 186.9m versus € 224.3m end of 2022 and € 213.4m end March 2022

Sogefi Q1 2023: SALES BY GEOGRAPHY

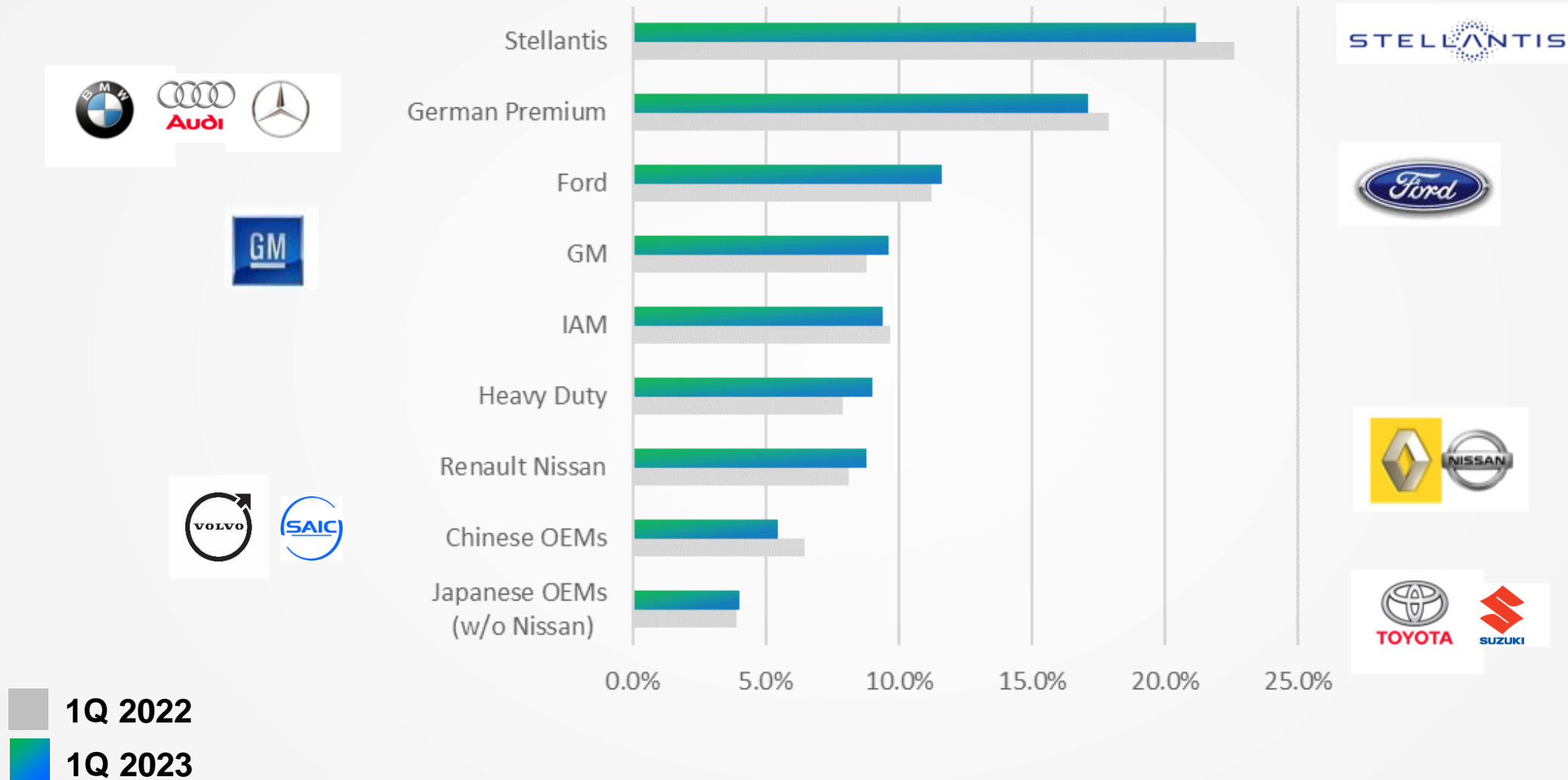
€m	Q1 2022	Q1 2023	change	constant exchange rates	reference market production	performance vs market (bps)	weight based on Q1 2023
Europe 27	234.1	262.0	11.9%	12.4%	25.6%	-1320	60.7%
North America	79.4	96.4	21.5%	19.2%	9.8%	940	22.3%
South America	21.0	24.7	17.6%	8.8%	14.2%	-540	5.7%
Cina	24.6	23.9	-3.0%	-0.1%	-7.9%	781	5.5%
India	23.5	27.2	15.9%	21.3%	9.4%	1192	6.3%
Intercompany	(1.5)	(2.6)					
Total	381.1	431.6	13.2%	13.1%	5.7%	738	100.0%

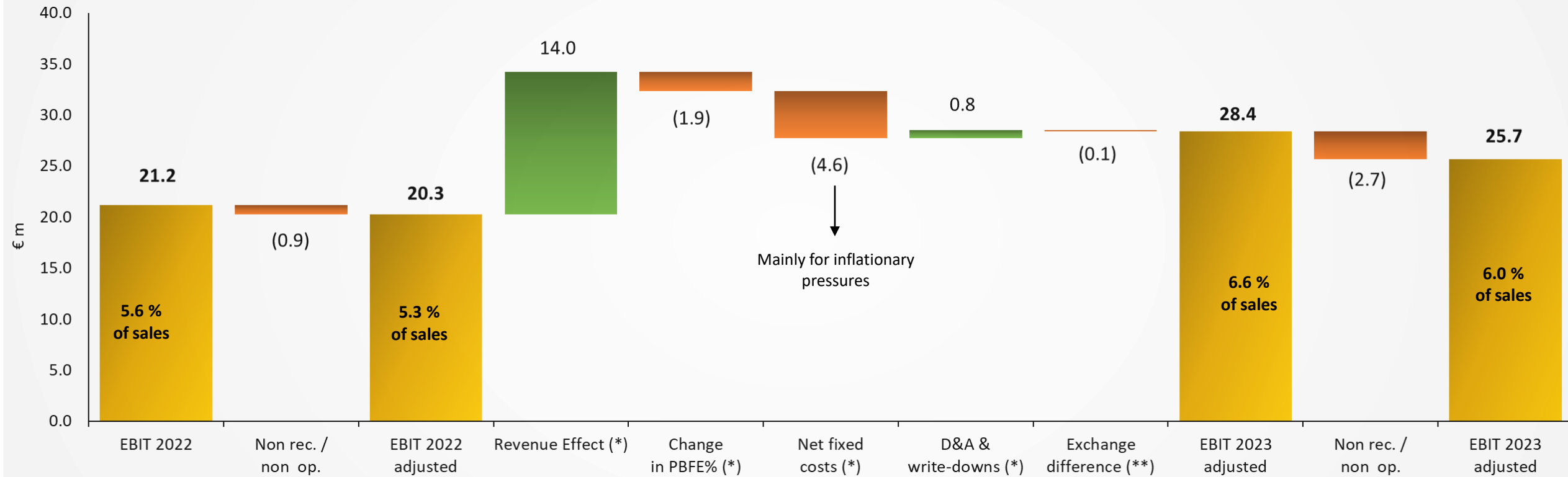
- **+13.1%** at constant exchange benefiting of price increase related to pass-thought
- **Outperformance** in all areas except Europe where the good performance of the Aftermarket (+9.4%) cannot be compared with the world car manufacturing market (+25.6%).

€m	Q1 2022	Q1 2023	change	constant exchange rates change
Air&Cooling	114.8	127.1	10.7%	10.7%
Filtration	133.6	147.8	10.6%	11.1%
Suspensions	133.7	158.3	18.4%	17.4%
Intercompany	(1.0)	(1.6)		
<i>Total</i>	381.1	431.6	13.2%	13.1%

Suspension revenues up by 17.4% benefiting of price increase related to pass-through

OUR CUSTOMERS (% of sales)





(*) Variances calculated at stable FX

(**) Exchange rate impact net of Argentinian inflation

SOGEFI Q1 2023: P&L

€m	Q1 2022	%	Q1 2023	%
REVENUES	381.1	100.0%	431.6	100.0%
CONTRIBUTION MARGIN	106.8	28.0%	118.8	27.5%
Gross Fixed Costs	58.0	15.2%	63.3	14.7%
Restructuring	1.9	0.5%	0.8	0.2%
Exchange Differences	-1.2	-0.3%	1.9	0.4%
EBITDA	50.0	13.1%	53.7	12.4%
EBITDA excluding non-recurring	49.1	12.9%	56.4	13.1%
D&A	28.8	7.6%	28.0	6.5%
Write downs	0.0	0.0%	0.0	0.0%
EBIT	21.2	5.6%	25.7	6.0%
EBIT excluding non-recurring	20.3	5.3%	28.4	6.6%
Financial results	4.5	1.2%	5.7	1.3%
Income Tax	5.8	1.5%	6.0	1.4%
Minority Interest	0.1	0.0%	0.8	0.2%
NET INCOME OF OPERATING ACTIVITIES	10.7	2.8%	13.2	3.1%
Net income from discontinued operations	-		-	
NET INCOME	10.7	2.8%	13.2	3.1%

→ Contribution margin maintained despite energy costs

→ Up 14.8% excluding non-recurring thanks to volumes growth

→ Up 40.1% excluding non-recurring
→ Slightly higher cost of debt due to interest rates increase

SOGEFI Q1 2023: FREE CASH FLOW

€m	Q1 2022	Q1 2023
FUNDS PROVIDED BY OPERATIONS	36.2	39.9
Working Capital	24.0	18.3
Capex (Tangible, Intangibles & IFRS15)	-18.9	-16.9
Others	2.4	-1.7
FREE CASH FLOW (NET)	43.7	39.6
NET DEBT	213.4	186.9
FACTORING	107.5	118.0



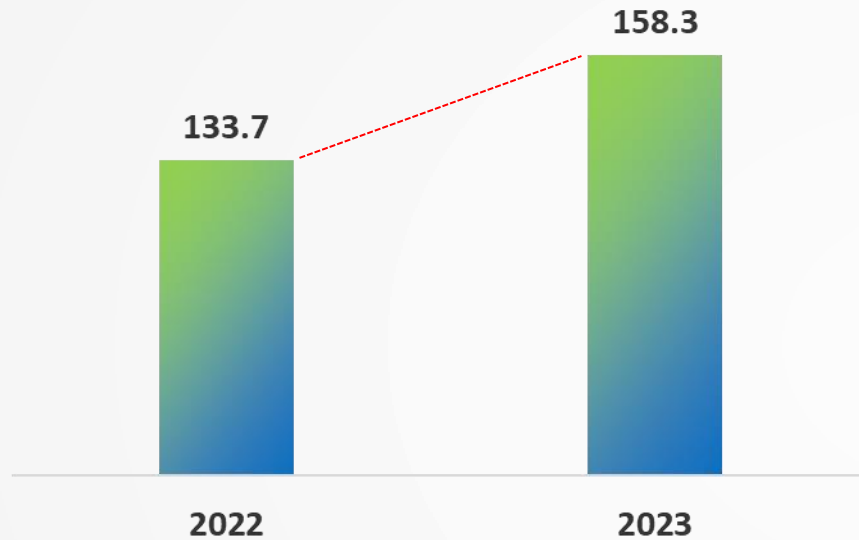
In 2022 implemented one-off actions to offset the higher inventories needed to manage supply chain disruption



Factoring without recourse up in line with revenues/invoices growth

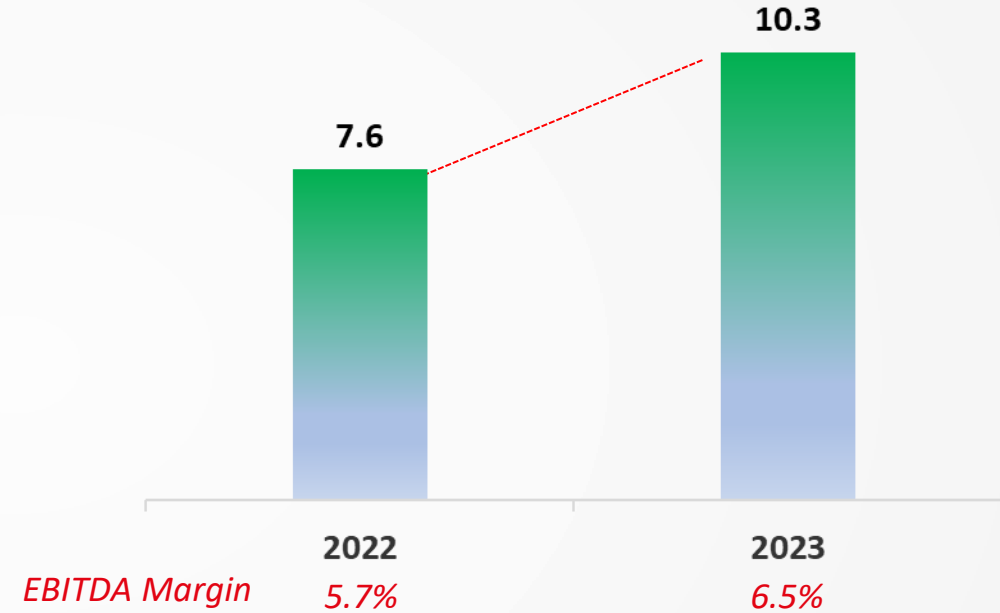
SOGEFI Q1 2023: SUSPENSIONS

SALES (€m)



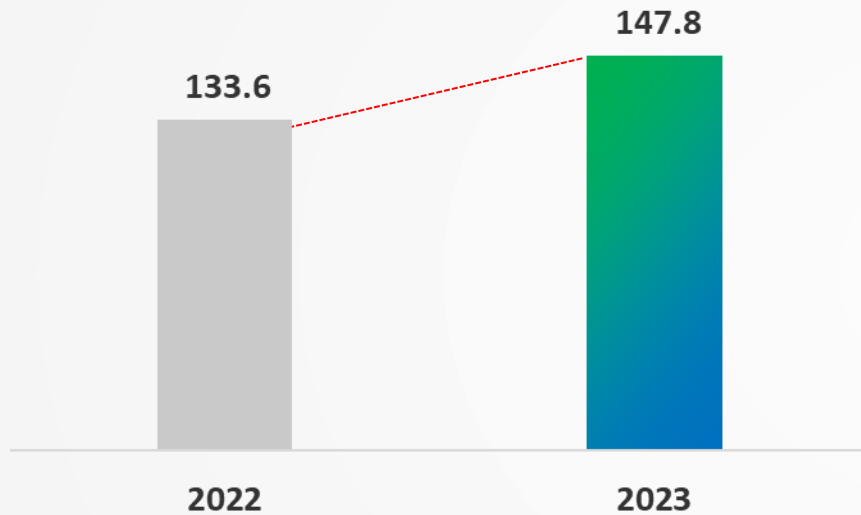
- Q1 2023 **up 18.4%** (+17.4% at constant exchange) thanks to good performance in North, India, South America, Europe and repricing
- China slightly down due local market performance

EBITDA (€m) excluding non-recurring



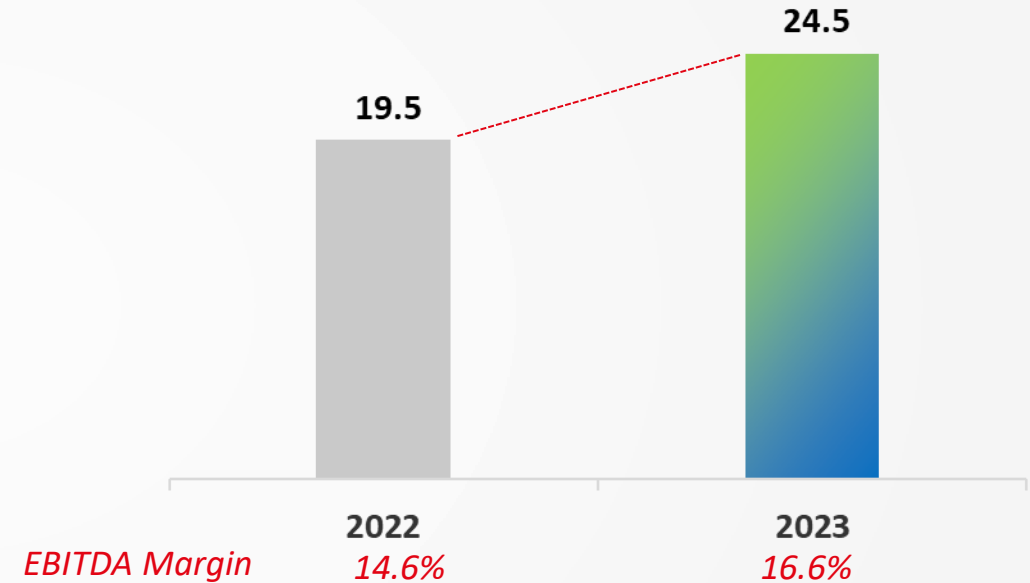
- EBITDA higher than last year in absolute value and in % despite repricing effect dilution

SALES (€m)



- Revenues **up 10.6%** at current exchange rates (+11.1% 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

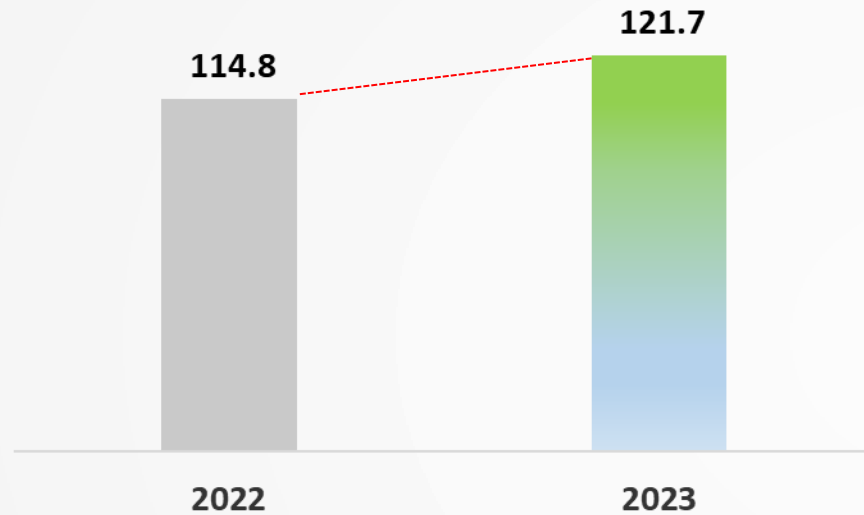
EBITDA (€m) excluding non-recurring



- EBITDA **improved by 5M€** vs 1Q 2022
- Contribution margin up 17.9% vs 1Q 2022

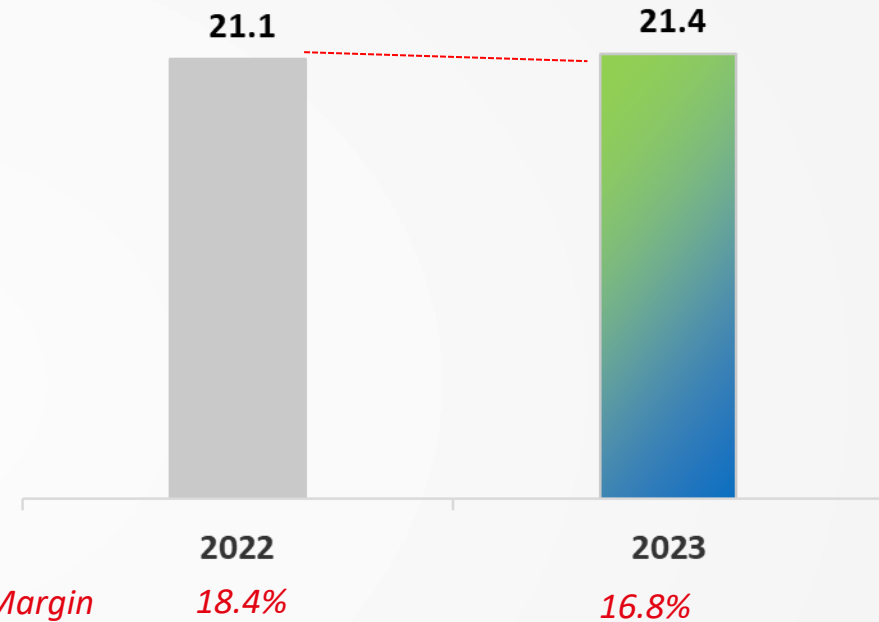
SOGEFI Q1 2023: AIR&COOLING

SALES (€m)



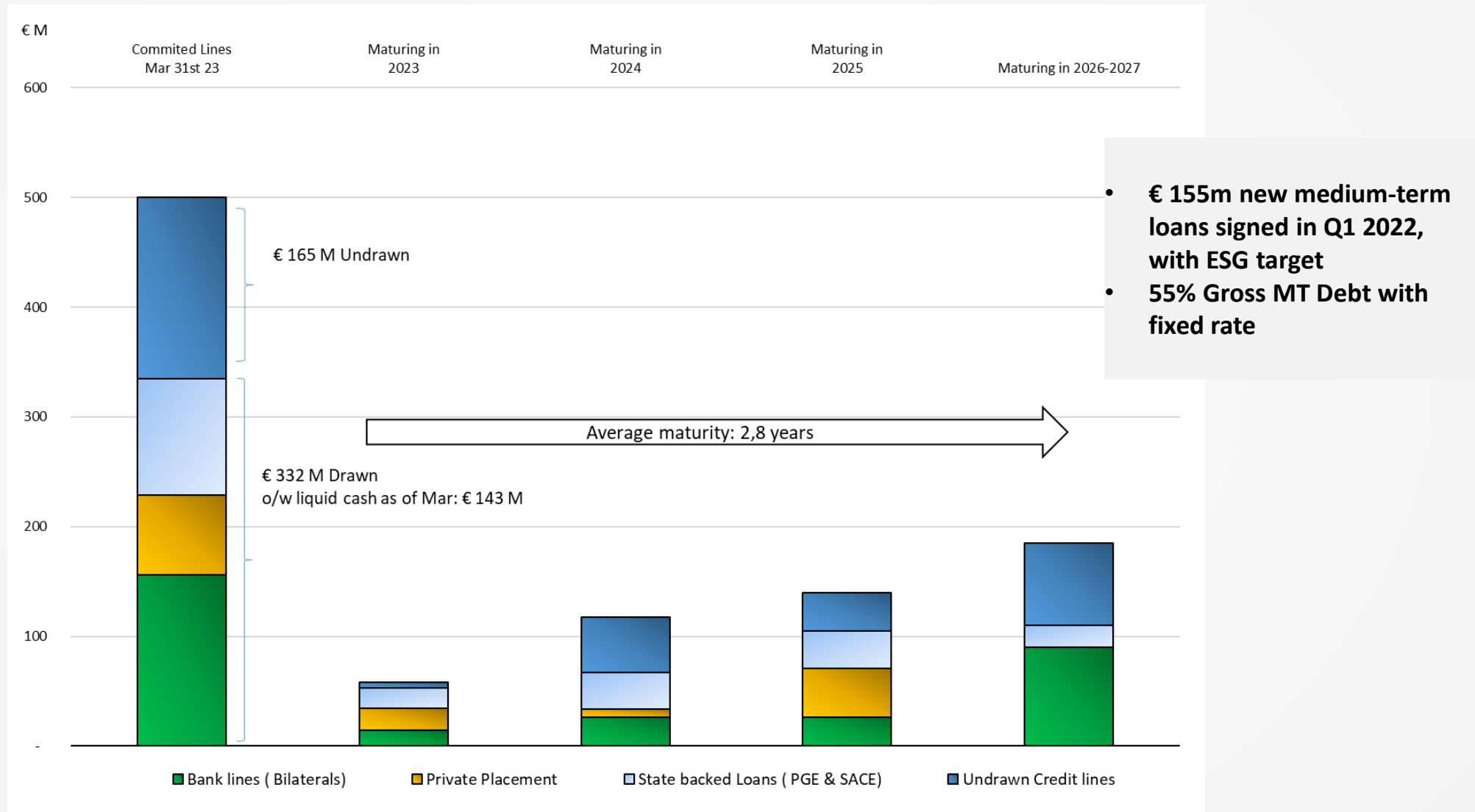
- In Q1 2022 **up 10.7%** thank to a strong performance in NAFTA

EBITDA (€m) excluding non-recurring



- EBITDA margin slightly down, dilution due to price increase offsetting the higher raw material costs
- Margin reflecting different product and geo mix

SOGEFI Q1 2023: DEBT PROFILE



A Resilient Business Model and a Sustainable Transformation



Air&Cooling

66% of
the awards
consisting of
E-mobility
vehicles

A&C BU concluded new contracts :

- ✓ in China, all with **E-mobility key players**,
- ✓ in North America for the supply of **thermal management** products for **E-mobility** platform and **air intake ducts** for ICE vehicle,
- ✓ in Europe for **air intake manifolds** for ICE vehicle.

66% of the value of the new contracts concluded in Q12023 by the Air and Cooling BU concern E-mobility platforms.

Suspensions

Suspensions BU concluded new contracts :

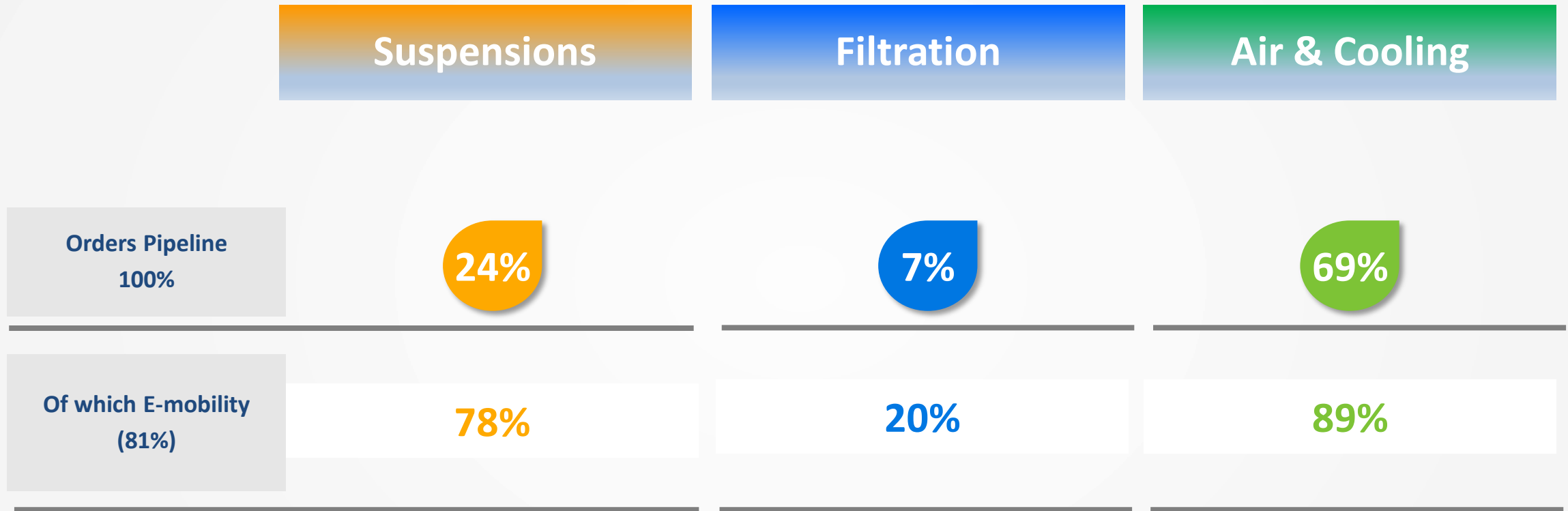
- ✓ in India for **front stabilizer bars** for light commercial vehicles from an innovative new company aiming to become a major **EV market player in India**,
- ✓ in Europe and South America for **stabilizer bars and leaf springs**.

Filtration

Filtration BU had a good development :

- ✓ in India thanks to **air filters**,
- ✓ in Europe to supply filter components for the **truck brake circuit**.

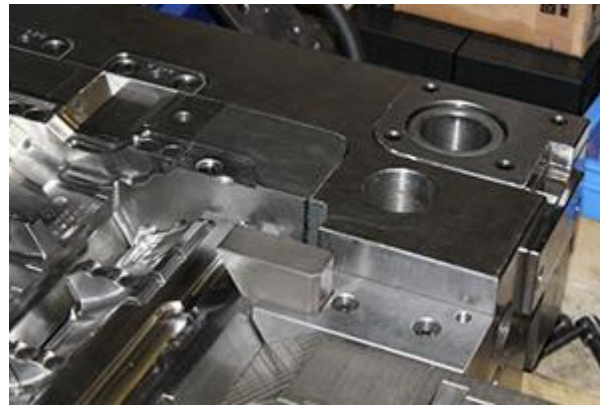
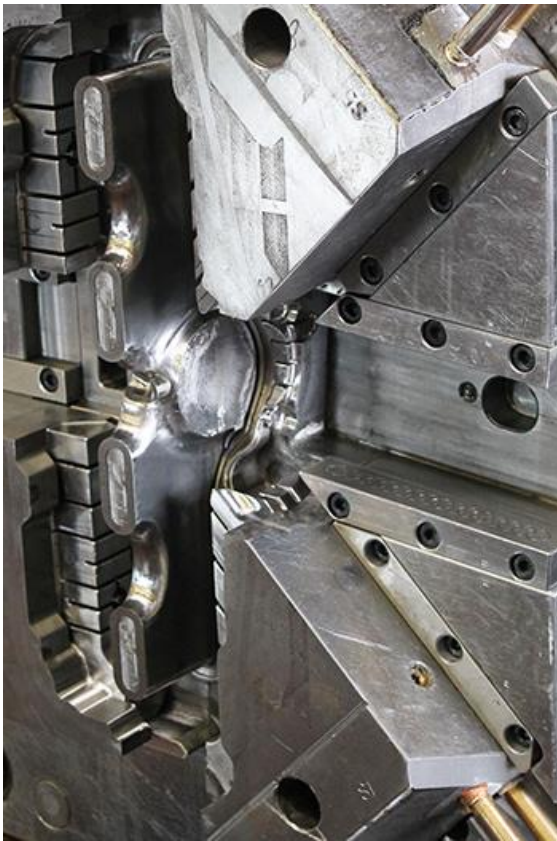
SO/GEFI BUSINESS QUOTATIONS PORTFOLIO IN E-MOBILITY



81% of our current quotations are for E-mobility
(March 2023)

The **INVESTMENT** in **INNOVATION** continues,
with significant progress in Q12023

SOGEFI Reinforces its Innovation, Competitiveness and Reactivity in E-mobility products through the Acquisition of ATN



A specialist with **more than 30 years** in the development of **highly technical tooling** within very short deadlines.

A supplier to the **automotive industry**, specializing in the design and manufacture of injection and welding molds with €3.6m sales.

Located in Alsace (France), 30km from Sogefi A&C plant.

Main customers are the **major groups in France and Germany**.



In the first quarter of 2023, the **ACMA** (Automotive Component Manufacturers Association of India) recognized the Suspensions BU with **three awards for excellence** in:

- ✓ **Digitalization,**
- ✓ **NPDD** (New product design & development) and **Localization,**
- ✓ **Sustainable Business** certification



In the first months of 2023, the **Hololens augmented reality headsets** were introduced which allow:

- ✓ To **virtually visit** the various production sites of the group,
- ✓ To **supporting workplace safety** with remote collaborations and providing instructions in real time.

The goal is to **equip all the group's sites** with this innovative solution by the end of 2023.

CHALLENGES

To develop innovative and eco-responsible products and technologies, mainly focused on e-mobility market

KEY PERFORMANCE INDICATORS

Actual 2022

Target 2025

1

% of sales for e-mobility products (i.e. electric / hybrid / fuel cell) on total sales

14%

24%

2

% of orders' value for e-mobility products (i.e. electric / hybrid / fuel cell) on total order intake value

52%

65%

3

% of R&D spending on e-mobility products (i.e. electric / hybrid / fuel cell) on total annual R&D spending (gross of grants received)

35%

50%

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

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

		S&P Global (IHS) March 2023					
		2023 vs 2022			FY 2023 vs FY 2022	FY 2024 vs FY 2023	FY 2024 vs FY 2019
€m	Q1 2023 vs Q1 2022	Q2	Q3	Q4			
Europe 27	25.6%	7.6%	1.2%	-0.5%	8.2%	3.8%	-13.1%
North America	9.8%	9.7%	3.0%	-1.7%	5.2%	3.4%	-4.7%
South America	14.2%	4.5%	0.2%	-2.2%	3.6%	6.0%	-4.1%
China	-7.9%	19.0%	-16.1%	8.8%	0.0%	6.1%	13.6%
India	9.4%	7.1%	5.8%	9.3%	7.8%	-2.8%	27.6%
Total	5.7%	13.0%	-5.0%	2.9%	3.8%	3.2%	-0.9%

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

- The **visibility** on the automotive market trend in 2023 remains reduced due to the uncertainties related to the macroeconomic evolution, the volatility of the raw materials prices (although less pronounced than in 2022), especially energy, and to the trend of inflation and interest rates
- **For 2023**, S&P Global (IHS) expects global auto production to grow 3.8% on 2022, with Europe up 8.2%, NAFTA up 5.2%, South America up + 3.6%
- As for **raw materials** and energy, in the early months of 2023 prices have been trending downwards, but they remain very high and very volatile
- 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 profitability, excluding non-recurring charges, at least in line with the 2022 results**

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APPENDIX



Quarterly Non-Recurring/Operating

€

Q1 2022
Total +0.9m

+1.2m Exchange differences
- 0.3m Others

Q1 2023
Total -2.7m

-1.9m Exchange differences
- 0.8m Others



1/Our range of E-Mobility products has been enlarged thanks to our R&D teams committed on SOGEFI products for the future.

Two of our products received as well French grants thanks to the technological advantages and low Co2 print:

- ✓ **EV Cooling plates** awarded by France 2030 that allow -99% lower gas emissions vs current version
- ✓ Module **Hydrogen+** awarded by France Normandy region

2/The more rational usage of energy with many local initiatives and the completion of Solar panels installation in Spain and India. On a full year basis these two installations will allow us to reduce 1.300 tons of Co2 emissions.

3/The diffusion to all our SOGEFI sites worldwide of the gender equality index according to the French framework that will allow us to reduce year over year the gender gaps.

4/The deployment of new certifications

TISAX (Trusted Information Security Assessment Exchange) for >90% of Group sites as demonstration that SOGEFI commits to information security and secured data handling.

ISO 50001: 3 plants have been certified their energy management

ISO 45001: 7 plants have been certified for their health and safety management

13 ESG KPI's
defined with 2025
target

	KEY PERFORMANCE INDICATORS		Actual 2022	Target 2025
BUSINESS INNOVATION Develop innovative and eco-responsible products and technologies, mainly focused on e-mobility market	1	% of sales for e-mobility products (i.e. electric / hybrid / fuel cell) on total sales	14%	24%
	2	% of orders' value for e-mobility products (i.e. electric / hybrid / fuel cell) on total order intake value	52%	65%
	3	% of R&D spending on e-mobility products (i.e. electric / hybrid / fuel cell) on total annual R&D spending (gross of grants received)	35%	50%
	4	Number of new patents registered per year	37	50
ECO-EFFICIENCY Reduce CO2 emissions, by improving energy efficiency, cutting energy consumption and promoting renewable energy sources Minimize waste, by limiting the use of potentially hazardous substances and promoting recycling and reusable processes Adopt the best operational practices and processes in business operations	ENERGY MIX:			
	5	% of renewable energy used and purchased from renewable sources / total energy used and purchased	8%	25%
	ENERGY INTENSITY:			
	6	Tot. energy consumed / Tot. Turnover	1 345 GJ/M€ -10% vs 2019	-2% per year (vs 2022)
	WASTE VALORISATION:			
	7	% variation of valorised waste (focusing on reduction landfill and/or hazardous waste reduction, regrind, recycled, incineration increase) / total waste	+17 bp (vs 2020)	+25 bp (vs 2020)
	CERTIFICATION LEVEL:			
	8	% of sites with quality, environmental and safety systems certified accordingly to international standards:		
PEOPLE Contribute to skills upgrade and "employability" Value the diversity and ensure equality, rejecting any form of discrimination and harassment Ensure a healthy and safe working environment, minimizing OH&S risks and preventing occupational disease and incidents Contribute with positive impacts on communities, respecting local cultures and values	* Quality (QL): IATF 16949:2016		97%	100%
	* Environmental (EV): ISO 14001:2015		100%	100%
	* Health & Safety (HS): ISO 45001:2018		7	7
	9	Number of training hours per employee per year	18,8H	25H
	Gender Equality Index			
	10	Worldwide application and monitoring	2022 rating: 64/100	Improve vs 2022 rating
	People satisfaction			
	11	Analysis of satisfaction level by conducting internal surveys	2022 rating: 64/100 Strongly Agree & Agree	Improve vs 2022 rating
	Accident frequency rate			
	12	Number of accidents for employees and supervised workers with lost time per million hours worked	2	1,3
	% of sites engaged in sustainable projects for local communities (i.e. Education, Sport, Solidarity, Health)			
	13		100%	100%