

so/GEFI GROUP

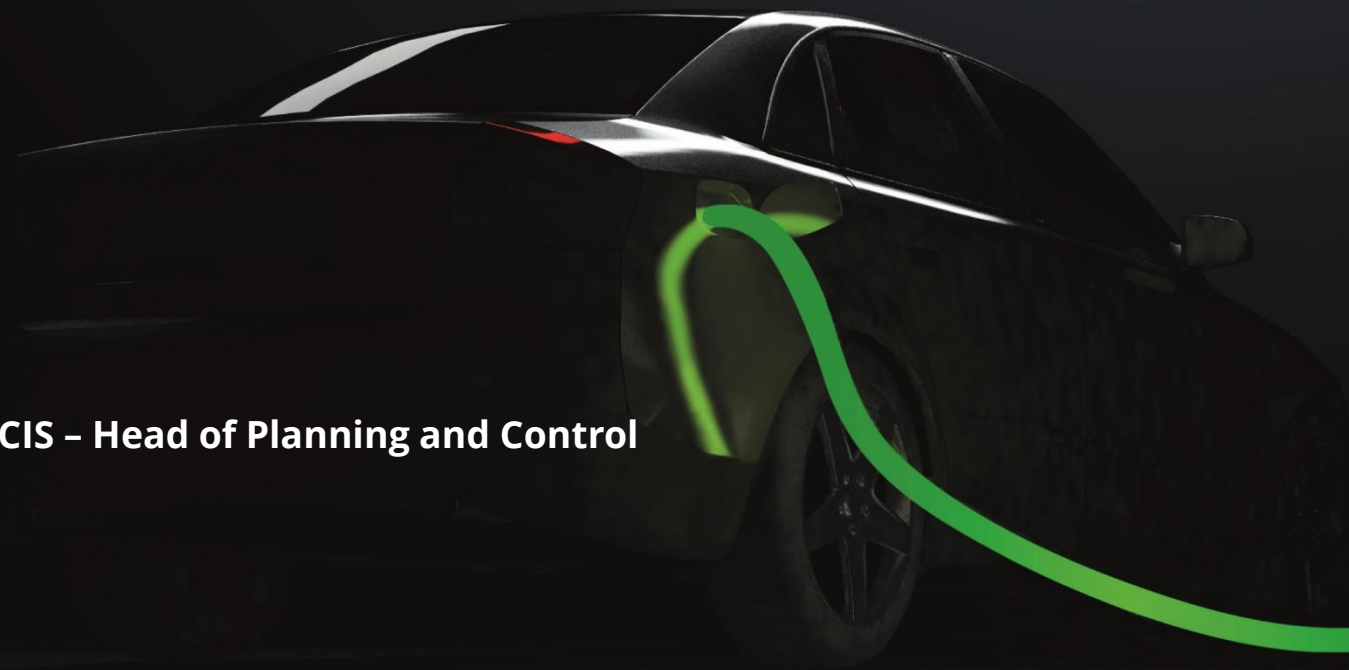
H1 2023 Results

July 24, 2023

Frédéric SIPAHI – CEO

Olivier PROUST – CFO

Maria Beatrice DE MINICIS – Head of Planning and Control



AGENDA

- H1 2023 Results
- A resilient business model and a Sustainable Transformation
- Market Outlook 2023



Revenues at €852.4m
vs 756.0m in H1 2022

- +14.0% at constant exchange (12.8% at current) benefiting of price increase related to pass-through (+4.2%)
- Volume positive (+9.4%), substantially in line with the market (+11.2%)
- Q2 up +15.0% at constant exchange

EBITDA at € 111.1m
vs €99.8m in H1 2022

- Contribution margin € 239.6m vs € 212.3m in H1 2022
- EBITDA excluding non-recurring: € 116.4 m€ vs € 95.9m in H1 2022
- Gross fixed costs slightly up at € 126.7m vs € 116.5m in H1 2022 with ratio to sales down from 15.4% to 14.9%

EBIT

- € 54.8m vs € 40.4m in H1 2022 with higher growth in value excluding non-recurring
- (€ 60.1m vs € 36.5m)

Net Income

Net income up at € 31.4m vs € 20.8m in H1 2022

FCF¹ at € 39.7m
vs €40.6m in H1 2022

Free Cash Flow positive at € 39.7m vs €40.6m in H1 2022 (benefiting of specific actions on working capital put in place to balance higher inventories)

Net debt¹ at € 185.3
vs € 224.3m Dec. 2022

Net debt end June 2023 of € 185.3m versus € 224.3m end of 2022 and € 216.4m end June 2022

Sogefi H1 2023: SALES BY GEOGRAPHY

€m	H1 2022	H1 2023	change	constant exchange rates	reference market production	performance vs market (bps)	weight based on H1 2023
Europe 27	450.3	513.3	14.0%	14.4%	20.2%	-580	60.2%
North America	162.5	188.1	15.8%	17.2%	12.2%	500	22.1%
South America	49.9	52.7	5.6%	3.9%	9.7%	-580	6.2%
Cina	47.9	49.0	2.3%	8.2%	7.0%	120	5.7%
India	48.5	53.5	10.3%	17.7%	6.5%	1120	6.3%
Intercompany	(3.1)	(4.2)					
Total	756.0	852.4	12.8%	14.0%	11.2%	280	100.0%

- **+14.0%** at constant exchange benefiting of price increase related to pass-thought
- **Outperformance** at group level, in Europe the good performance of the Aftermarket (+13.6%) cannot be compared with the car manufacturing market (+20.2%)

SOGEFI H1 2023: SALES BY BUSINESS UNIT

€m	H1 2022	H1 2023	change	constant exchange rates change
Air&Cooling	221.2	248.2	12.2%	14.4%
Filtration	268.1	297.6	11.0%	12.4%
Suspensions	268.8	310.1	15.4%	15.7%
Intercompany	(2.1)	(3.5)		
<i>Total</i>	756.0	852.4	12.8%	14.0%

Suspension revenues up by 15.7% benefiting of price increase related to pass-through, **A&C** driven by strong growth in North America

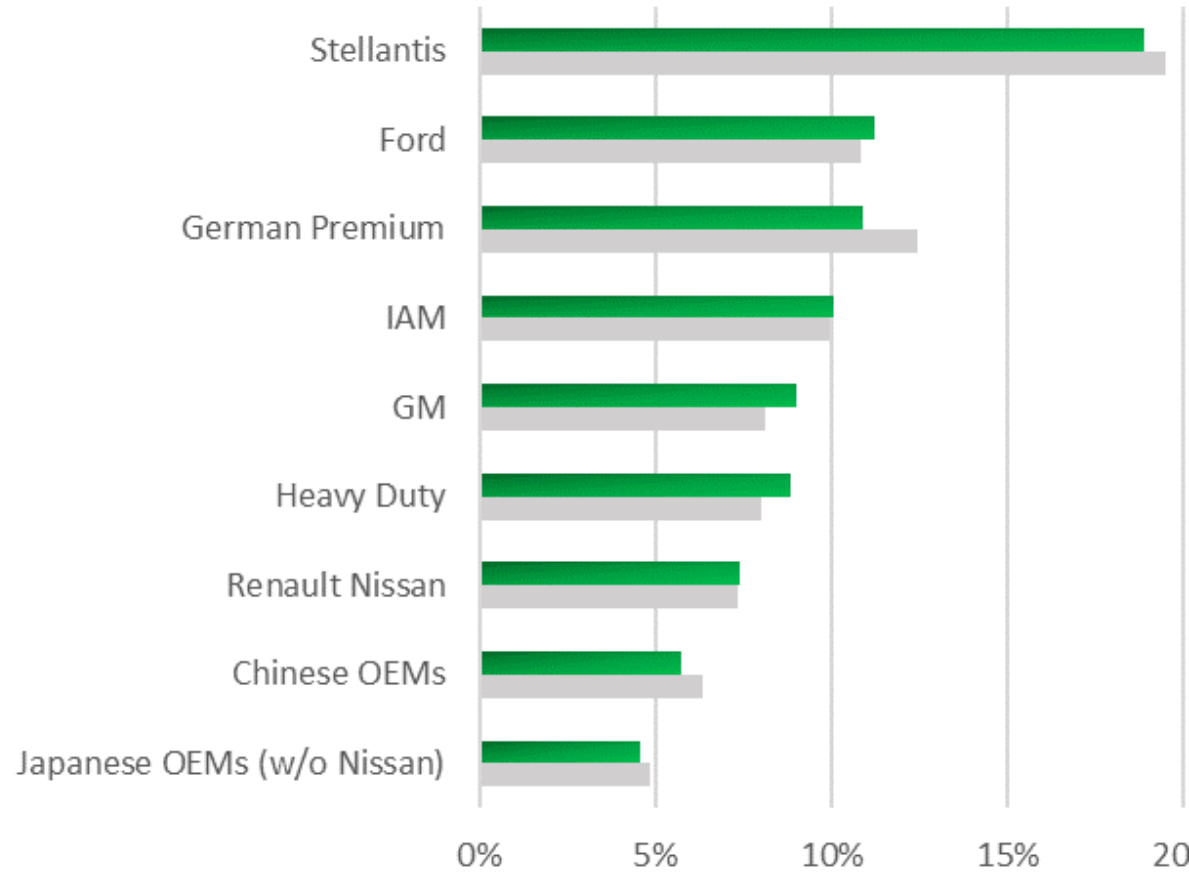
OUR CUSTOMERS (% of sales)



TOYOTA



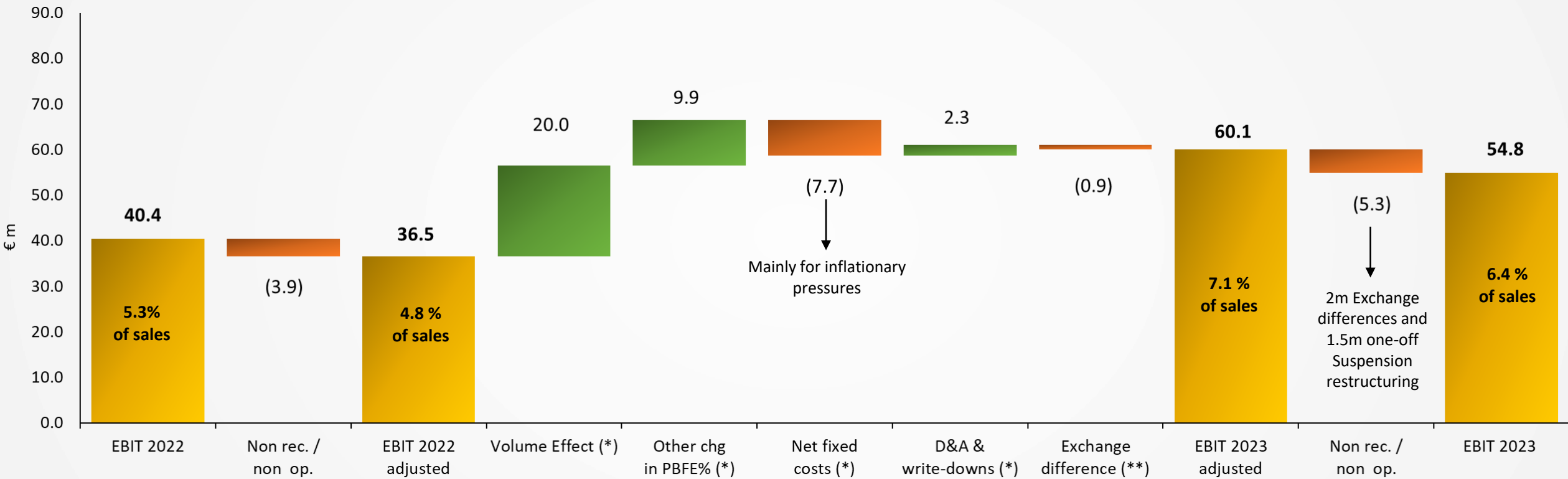
SUZUKI



1H 2022

1H 2023

SOGEFI H1 2023: EBIT PERFORMANCE BREAKDOWN VS 2022



(*) Variances calculated at stable FX

(**) Exchange rate impact net of Argentinian inflation

SOGEFI H1 2023: P&L

€m	H1 2022	%	H1 2023	%
REVENUES	756.0	100.0%	852.4	100.0%
CONTRIBUTION MARGIN	212.3	28.1%	239.6	28.1%
Gross Fixed Costs	116.5	15.4%	126.7	14.9%
Restructuring	4.1	0.5%	1.5	0.2%
Exchange Differences	-3.9	-0.5%	2.0	0.2%
EBITDA	99.8	13.2%	111.1	13.0%
EBITDA excluding non-recurring	95.9	12.7%	116.4	13.6%
D&A	58.7	7.8%	56.7	6.7%
Write downs	0.8	0.1%	-0.4	0.0%
EBIT	40.4	5.3%	54.8	6.4%
EBIT excluding non-recurring	36.5	4.8%	60.1	7.1%
Financial results	9.1	1.2%	11.1	1.3%
Income Tax	10.3	1.4%	10.8	1.3%
Minority Interest	0.3	0.0%	1.6	0.2%
NET INCOME OF OPERATING ACTIVITIES	20.8	2.8%	31.4	3.7%
Net income from discontinued operations	-		-	
NET INCOME	20.8	2.7%	31.4	3.7%

→ Contribution margin maintained despite energy costs

→ Up 21.3% excluding non-recurring thanks to volumes growth

→ Up 64.6% excluding non-recurring
→ Slightly higher cost of debt due to interest rates increase

SOGEFI

Q2 2023: P&L

€m	Q2 2022	%	Q2 2023	%	
REVENUES	374.9	100.0%	420.9	100.0%	➔ +15.0% at constant exchange
CONTRIBUTION MARGIN	105.5	28.1%	120.8	28.7%	➔ Contribution margin up in value and in %
Gross Fixed Costs	58.5	15.6%	63.5	15.1%	
Restructuring	2.2	0.6%	0.7	0.2%	
Exchange Differences	-2.7	-0.7%	0.0	0.0%	
EBITDA	49.8	13.3%	57.4	13.6%	
EBITDA excluding non-recurring	46.8	12.5%	60.0	14.3%	➔ Up 28.2% excluding non-recurring thanks to volumes growth
D&A	29.8	7.9%	28.7	6.8%	
Write downs	0.8	0.2%	-0.4	-0.1%	
EBIT	19.3	5.1%	29.2	6.9%	
EBIT excluding non-recurring	16.3	4.3%	31.7	7.5%	➔ Strong growth in value and in %
Financial results	4.6	1.2%	5.4	1.3%	
Income Tax	4.4	1.2%	4.8	1.1%	
Minority Interest	0.2	0.1%	0.7	0.2%	
NET INCOME OF OPERATING ACTIVITIES	10.0	2.7%	18.2	4.3%	
Net income from discontinued operations	-		-		
NET INCOME	10.0	2.7%	18.2	4.3%	

SOGEFI H1 2023: FREE CASH FLOW

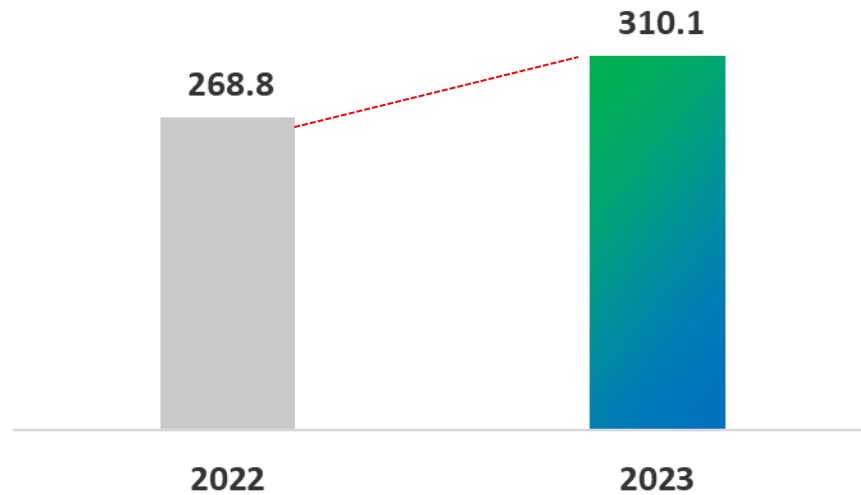
€m	H1 2022	H1 2023
FUNDS PROVIDED BY OPERATIONS	72.7	83.3
Working Capital	5.7	-1.8
Capex (Tangible, Intangibles & IFRS15)	-41.7	-40.1
Others	3.9	-1.7
FREE CASH FLOW (NET)	40.6	39.7
NET DEBT	216.4	185.3
FACTORING	112.2	113.3



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

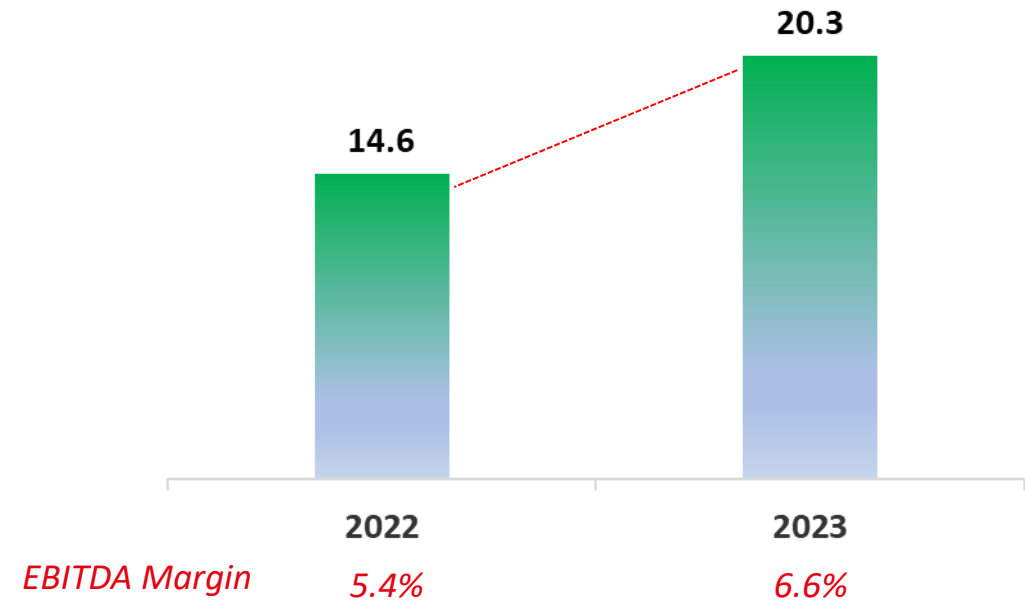
SOGEFI H1 2023: SUSPENSIONS

SALES (€m)



- H1 2023 **up 15.4%** (+15.7% at constant exchange) thanks to good performance in Europe, North America, India and repricing

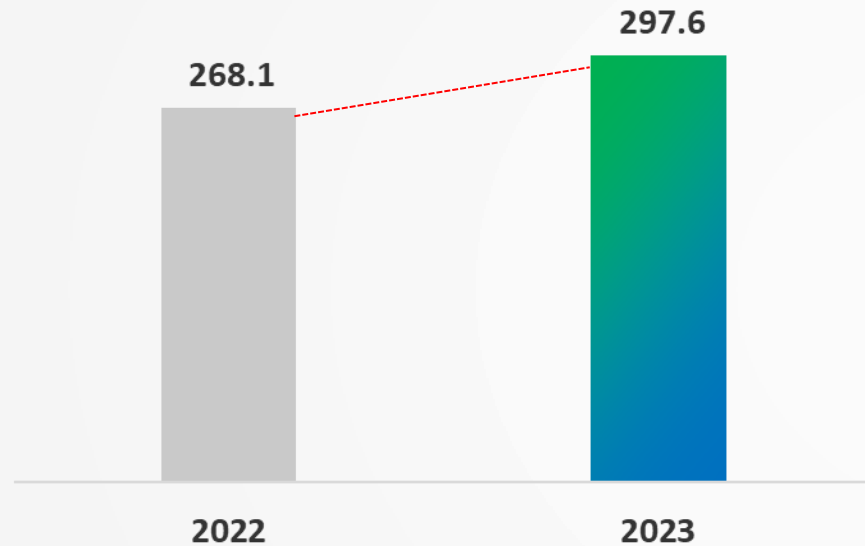
EBITDA (€m) excluding non-recurring



- EBITDA higher than last year in absolute value and in % despite repricing effect dilution
- Contribution margin up 14.2% vs 1H 2022
- Margin improvement in Europe

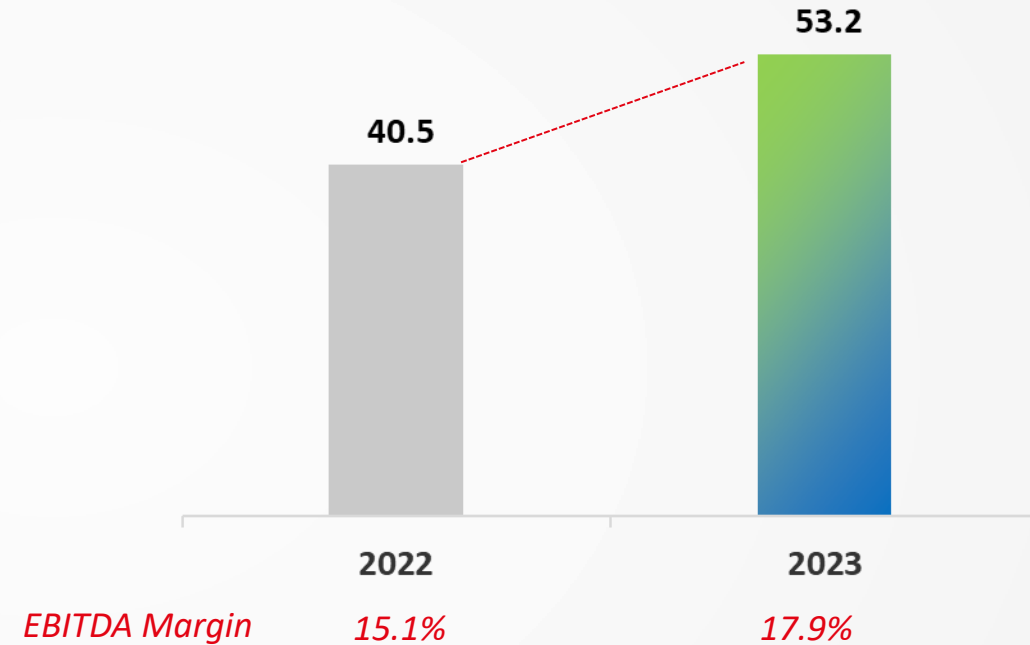
SOGEFI H1 2023: FILTRATION

SALES (€m)



- Revenues **up 11.0%** at current exchange rates (+12.4% at constant exchange rates) thanks to good performance in all areas
- Growth in India (+16.9% at constant exchange rates) and Aftermarket with market shares gain in both markets

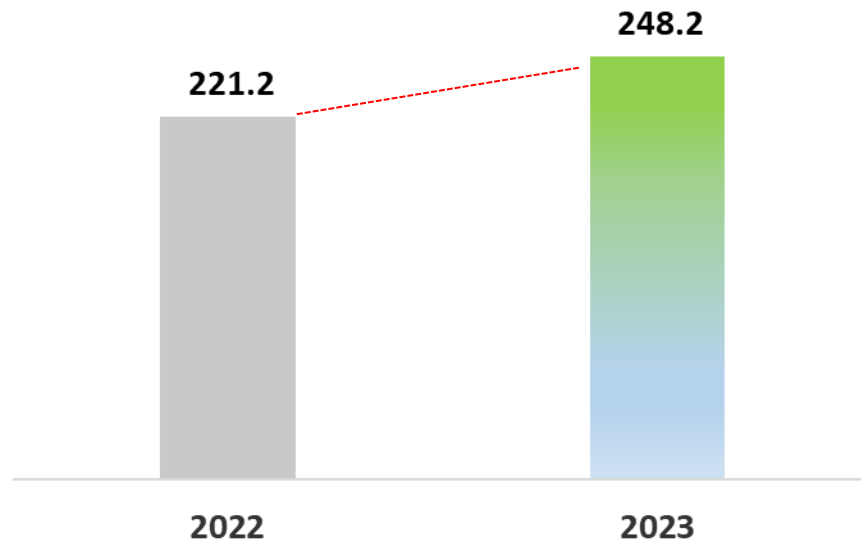
EBITDA (€m) excluding non-recurring



- EBITDA **improved by 12.7M€** vs 1H 2022
- Contribution margin up 19.9% vs 1H 2022

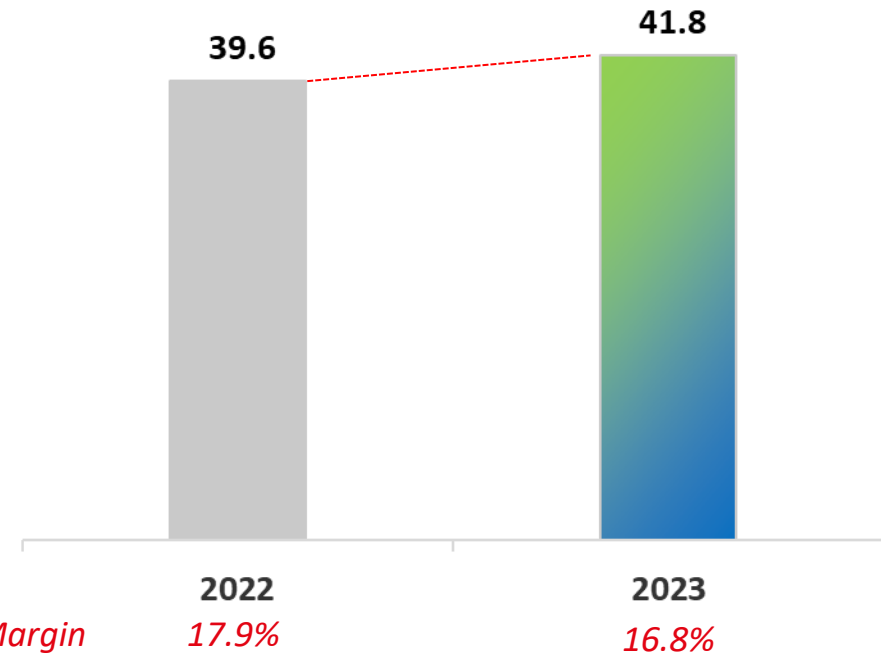
SOGEFI H1 2023: AIR&COOLING

SALES (€m)



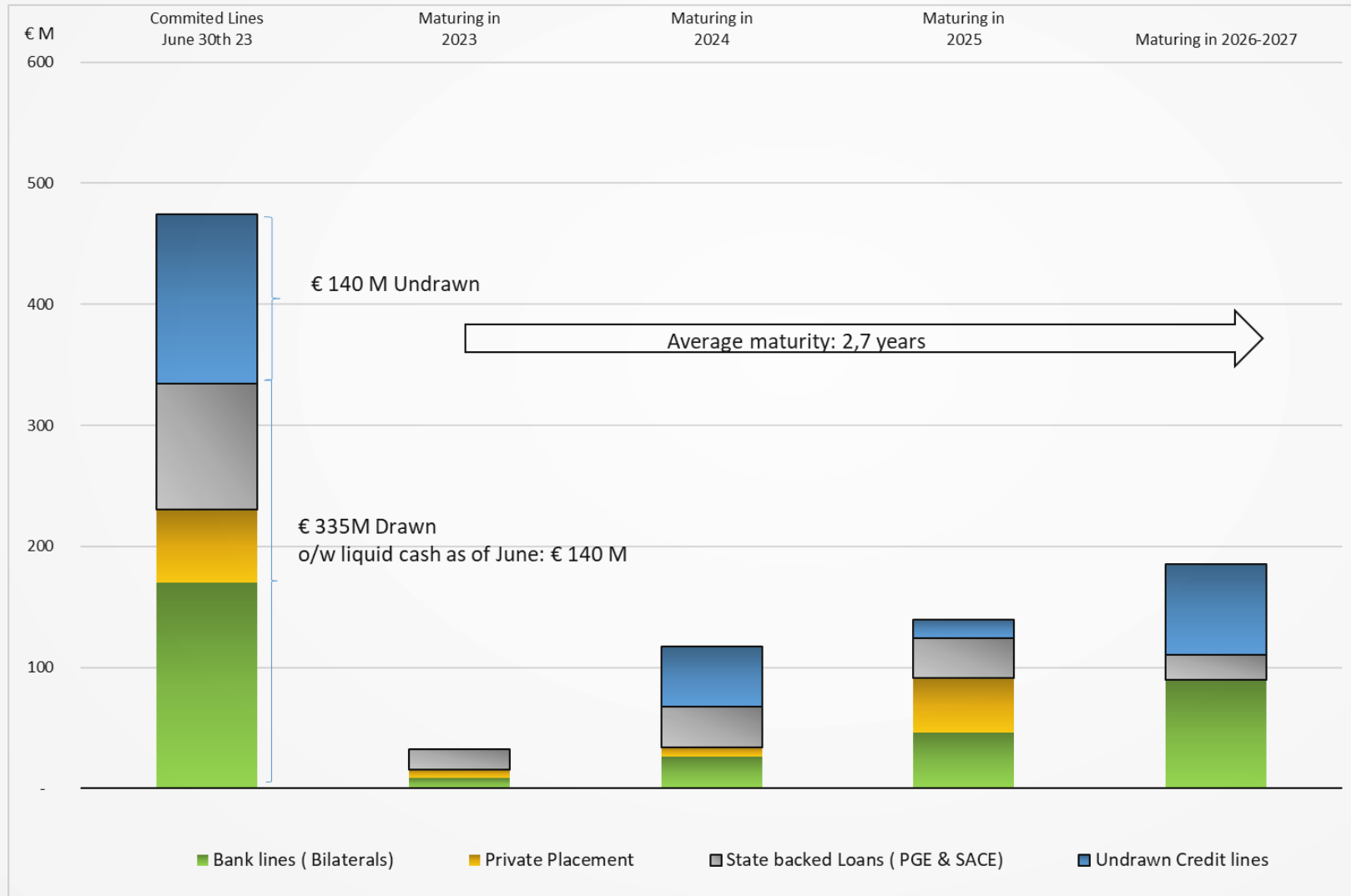
- In H1 2023 **up 12.2%** (+14.4% at constant exchange) thank to a strong performance in NAFTA

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
- Contribution margin up 2.4% vs 1H 2022

SOGEFI H1 2023: DEBT PROFILE



- **55% Gross MT Debt with fixed rate**

A Resilient Business Model and a Sustainable Transformation



Air&Cooling

47% of
the awards
consisting of
E-mobility
vehicles

A&C BL concluded new contracts :

- ✓ in China, all with **E-mobility key players**. Recently a major order was awarded from BYD for a Plug-in-Hybrid platform (air intake manifolds)
- ✓ in China to supply as well "Oil trees" used in EV car to lubricate the inside of the gearbox. These parts, traditionally in metal, are in plastic reducing weight and optimizing design and cost
- ✓ in North America for the supply of **thermal management** products for **E-mobility** platform and **Water Pump**, air intake ducts and manifolds for ICE vehicle
- ✓ in Europe for **E-mobility Thermostat** and air intake manifolds for ICE vehicle

47% of the value of the new contracts concluded in H1 2023 by the Air and Cooling BL concern E-mobility platforms.

Suspensions

Suspensions BL concluded new contracts :

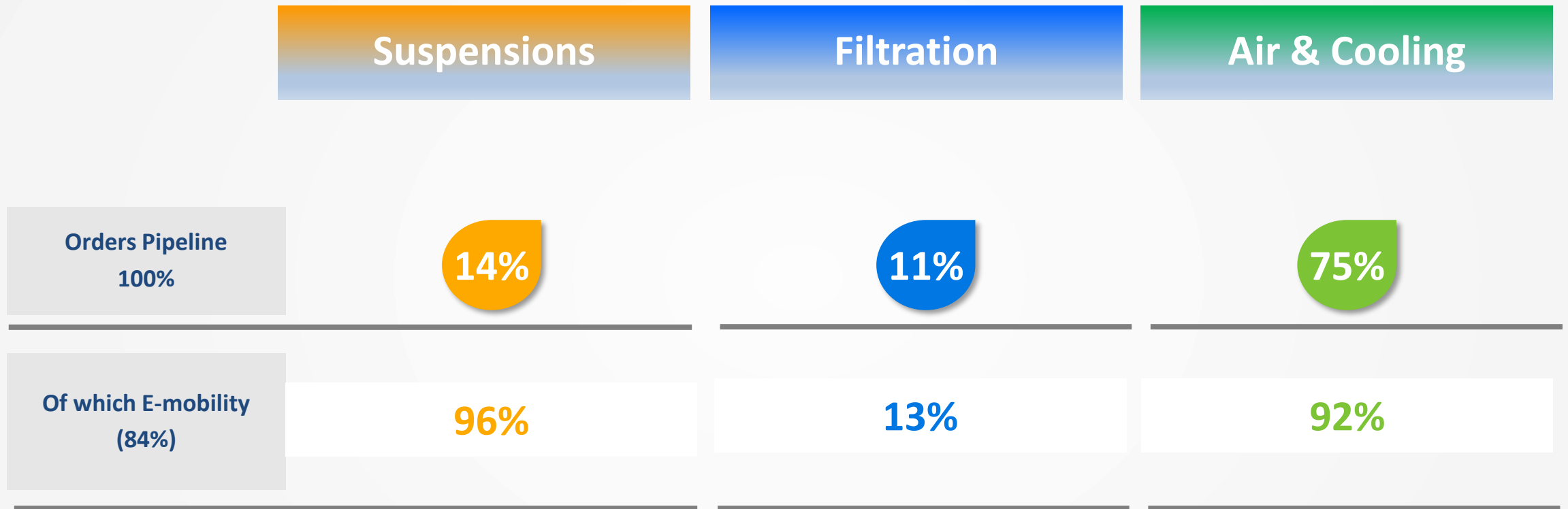
- ✓ in India for **stabilizer bars** for light commercial vehicles from an innovative new company aiming to become a major **EV market player in India**
- ✓ in Europe, for **stabilizer bars** for high-end electric SUVs and ICE programs renewals, for **coil springs** for **E-mobility** platform
- ✓ in South America for **coil/leaf springs and heavy stabilizer bars** for passenger cars and commercial vehicles

Filtration

Filtration BL had a good development :

- ✓ in India market share gain thanks to **air** and **fuel filtration products**
- ✓ in Europe to supply filter components for the **truck brake circuit** and oil filters
- ✓ A 3 years exclusivity contract was signed with one of the leaders in the Aftermarket car parts distribution market;

so/geFI BUSINESS QUOTATIONS PORTFOLIO IN E-MOBILITY



84% of our current quotations are for E-mobility
(June 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 H2, vigorous growth of pure EV powertrain (but stable ICE+Hybrid)
- ✓ **Steel, aluminum and resins** price upward trend is substantially reverted but price 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,) launched from 2021 are paying off

Sogefi MARKET OUTLOOK

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

		S&P Global (IHS) July 2023				
€m	H1 2023 vs H1 2022	2023 vs 2022		FY 2023 vs FY 2022	FY 2024 vs FY 2023	FY 2024 vs FY 2019
		Q3	Q4			
Europe 27	20.2%	3.8%	2.0%	11.8%	-1.0%	-14.4%
North America	12.2%	7.6%	0.7%	8.2%	2.4%	-2.9%
South America	9.7%	-9.3%	-8.3%	-0.1%	5.7%	-7.8%
China	7.0%	-15.1%	6.1%	0.6%	6.0%	14.1%
India	6.5%	5.7%	10.5%	7.2%	-2.3%	27.6%
Total	11.2%	-3.2%	3.0%	5.3%	1.4%	-1.2%

H2 expected flat

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, in a context of high inflation and interest rates still on the rise
- **For 2023**, S&P Global (IHS) expects global auto production to grow 5.3% on 2022, with Europe up 11.8%, NAFTA up 8.2%, India up 7.2% and South America and China substantially flat
- As regards for **raw materials** and energy, in the first months of 2023 prices have been trending downwards, but they remain very high and volatile
- Assuming no further factors of serious deterioration in the macroeconomic scenario from today's level, in 2023 the Sogefi Group expects **mid-single digit revenue growth**, in line with forecasts for the automotive market, **and profitability, excluding non-recurring charges, higher than 2022 results**

Olivier Proust, Sogefi Group CFO
Stefano Canu, Investor Relations

Tel: +39 02 46750214

Fax: +39 02 43511348

Mail: ir@sogefigroup.com

- This document has been prepared by SOGEFI S.p.A. for information purposes only and for use in presentations of the Group's results and strategies.
- For further details on the SOGEFI Group, reference should be made to publicly available information, including the Annual Report, the Semi-Annual and Quarterly Reports.
- Statements contained in this document, particularly the ones regarding any SOGEFI Group possible or assumed future performance are or may be forward looking statements and in this respect they involve some risks and uncertainties.
- Any reference to past performance of the SOGEFI Group shall not be taken as an indication of future performance.
- This document does not constitute an offer or invitation to purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.



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

Q2 2022
Total +3.0m

+2.7m Exchange difference
+0.3m Others

Q2 2023
Total -2.6m

-0.1m Exchange differences
-1.5m one-off Suspension restructuring
- 1.0m 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
	10	Gender Equality Index Worldwide application and monitoring	2022 rating: 64/100	Improve vs 2022 rating
	11	People satisfaction Analysis of satisfaction level by conducting internal surveys	2022 rating: 64/100 Strongly Agree & Agree	Improve vs 2022 rating
	12	Accident frequency rate Number of accidents for employees and supervised workers with lost time per million hours worked	2	1,3
	13	% of sites engaged in sustainable projects for local communities (i.e. Education, Sport, Solidarity, Health)	100%	100%