



# 1H2024 Results

29 July 2024



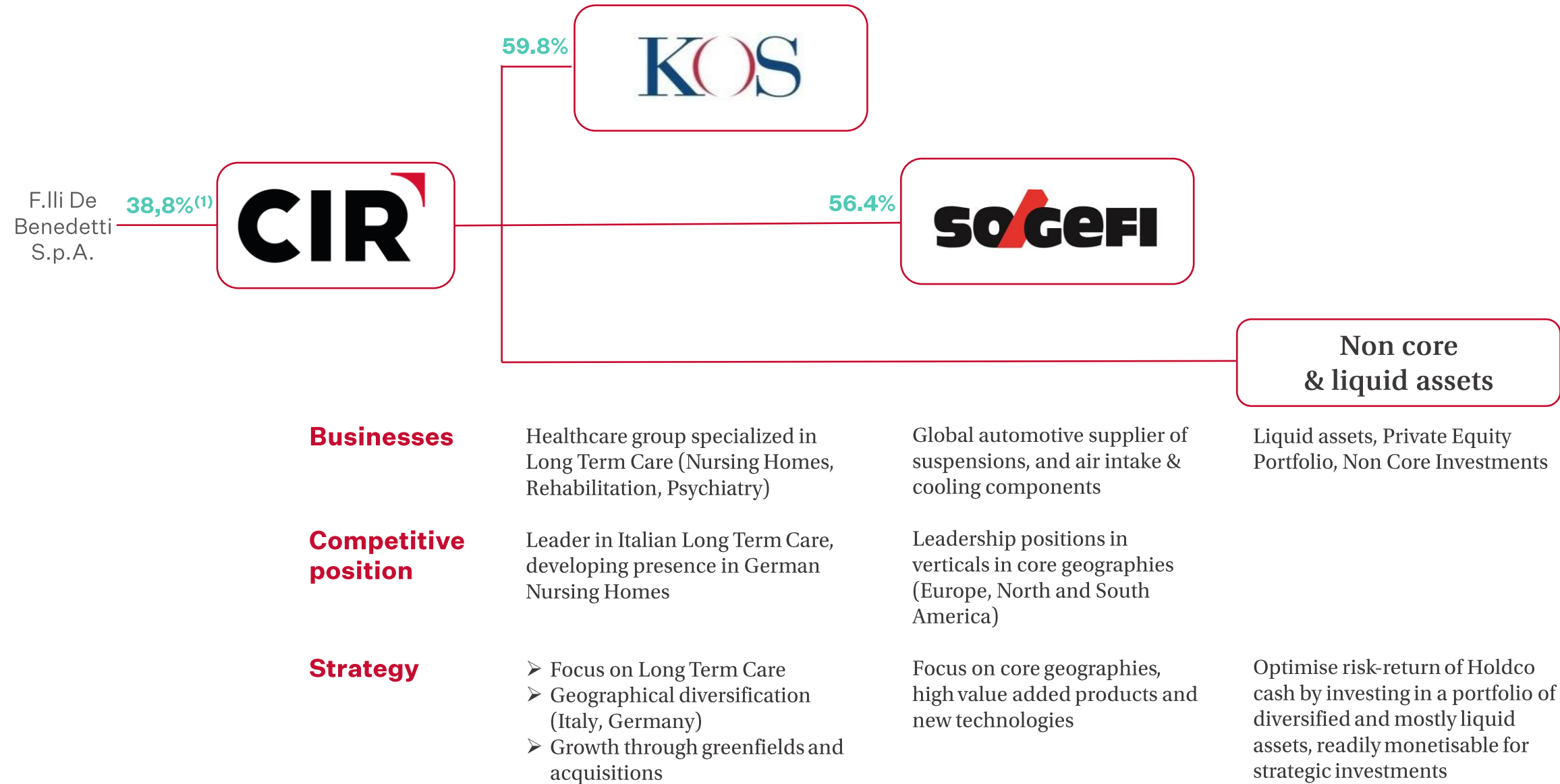
**Executive  
Summary**

**Group  
Consolidated  
Results**

**KOS and Sogefi**

**Group  
ESG  
strategy**

# Group structure and strategy



(1) 50,0% voting rights

All % as of June 30, 2024, calculated net of treasury shares (equal to 2,00% of the share capital of CIR)

# 1H2024 Highlights

## Relevant events

- On May 31, 2024 Sogefi closed the sale of its Filtration division for € 331,2M and subsequently distributed a € 110M extraordinary dividend (see details on next page)
- On June 6, 2024, CIR closed the sale of its remaining 5% stake in GEDI to EXOR
- On June 25, 2024, CIR closed the sale of its Real Estate property in Milan to RE fund Merope, for an amount of € 38,0M (of which € 7,0M already cashed in as deposit in previous years)
- In 1H2024 CIR S.p.A. bought back 23,4M treasury shares, for a total amount of € 12,4M and equal to 2,2% of its share capital, and cancelled 60M treasury shares (5,7% of share capital)

## Consolidated Financial results

**Sales:**  
+2,0% vs 1H2023



- KOS +9,0% vs 1H2023
- Sogefi -2,7% vs 1H2023 (+1,9% at constant FX)

**Net result: +€ 114,3M**  
(vs +€ 14,0M in 1H2023)



- +€ 5,3M contribution by Sogefi's continuing operations, improving vs. 1H 2023 despite market challenges, +€ 76,8M related to the sale of Filtration
- KOS turning positive, thanks to ongoing recovery (+€ 3,0M contribution)
- Strong HoldCo contribution: +€ 11,5M from continuing operations + € 17,7M from the sale of Real Estate

**NFP<sup>(1)</sup>: + € 316,2 M**  
vs. -€ 17,8M at Dec. 2023



- Strong reduction of consolidated debt before IFRS16, thanks to divestitures, operational cash flow of Sogefi and HoldCo financial assets

## Outlook

- **KOS:** after the return to full activity in most regions of Italy and Germany, KOS expects occupancy to reach close-to-regime levels by year end. 2024 results expected to be improving vs 2023, as ongoing alignment of tariffs is progressively compensating accumulated cost inflation (mainly due to renewal of labor contracts)
- **Sogefi:** based on conservative market forecasts, Sogefi expects a low-single-digit decline in revenues in 2024 and, absent unforeseeable events, an increasing recurring operational profitability

# Sogefi: Closing of the sale of the Filtration division



- On May 31, 2024 Sogefi completed the sale of its Filtration division US private equity fund Pacific Avenue Capital Partners
- Enterprise value of € 374 M; Equity Value at closing (subject to post-closing adjustments) of € 331,2 M, based on:
  - customary adjustments of Working Capital and Net Financial Position
  - transfer to the Buyer of ca. € 4,9M cash and no debts (except for ca. € 19 M IFRS16 liabilities)
- Strategic rationale for the sale was:
  - Realizing the value of the Filtration activity in a phase when the business unit has achieved unprecedented results
  - Reducing the combustion engine component in Sogefi's business portfolio, making it less exposed to the e-mobility transition risks
  - Reducing complexity and diversification, in order to focus on the two remaining high-potential sectors: Suspension, which is undergoing a turnaround, and Air&Cooling
  - Achieving a very solid financial position, which will allow enhanced investments in the development of EV components
- On July 18, 2024 Sogefi's Shareholders' meeting approved a partial distribution of transaction proceeds, in the form of an € 110,0 M **extraordinary dividend**. The dividend was paid on July 24, 2024 and CIR received an amount of € 61,9 M



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Summary**

**Group  
Consolidated  
Results**

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# Consolidated P&L main elements

€/M	1H2023	1H2024
Revenues	909,6	928,2
<i>% change vs 2021</i>		2,0%
EBITDA	111,3	134,4
<i>% on revenues</i>	12,2%	14,5%
EBIT	28,6	49,5
<i>% on revenues</i>	3,1%	5,3%
Financial result	(24,3)	(8,9)
Taxes	(4,5)	(12,9)
Third party result	(3,0)	(7,9)
<b>Net result from continuing operations</b>	<b>(3,2)</b>	<b>19,8</b>
Assets held for sale	17,2	94,5
<b>Group net result</b>	<b>14,0</b>	<b>114,3</b>

## Revenues

	1H2023	1H2024	% 23/22
KOS - Italy	264,0	282,2	6,9%
KOS - Germany	106,7	121,9	14,2%
KOS - total	370,7	404,1	9,0%
SOGEFI	538,9	524,1	-2,7%
<b>GROUP revenues</b>	<b>909,6</b>	<b>928,2</b>	<b>2,0%</b>

## Financial result

	1H2023	1H2024
Cost of financing	(13,6)	(14,1)
IFRS16 accounting	(11,6)	(12,1)
HoldCo financial assets	0,9	17,3
<b>GROUP financial result</b>	<b>(24,3)</b>	<b>(8,9)</b>

## Contribution to Net Result

€/M	1H2023	1H2024
KOS Group **	(0,2)	3,0
Sogefi Group **	1,2	5,3
<b>Total core businesses</b>	<b>1,0</b>	<b>8,3</b>
CIR Holding	(4,2)	11,5
<b>Net result from continuing operations</b>	<b>(3,2)</b>	<b>19,8</b>
Sogefi	16,5	76,8
KOS	0,7	0,0
CIR Holding	0,0	17,7
<b>Assets held for sale</b>	<b>17,2</b>	<b>94,5</b>
<b>GROUP NET RESULT</b>	<b>14,0</b>	<b>114,3</b>

Net result improvement at CIR Holding, due to good performance of financial assets

Filtration sale

Real estate sale

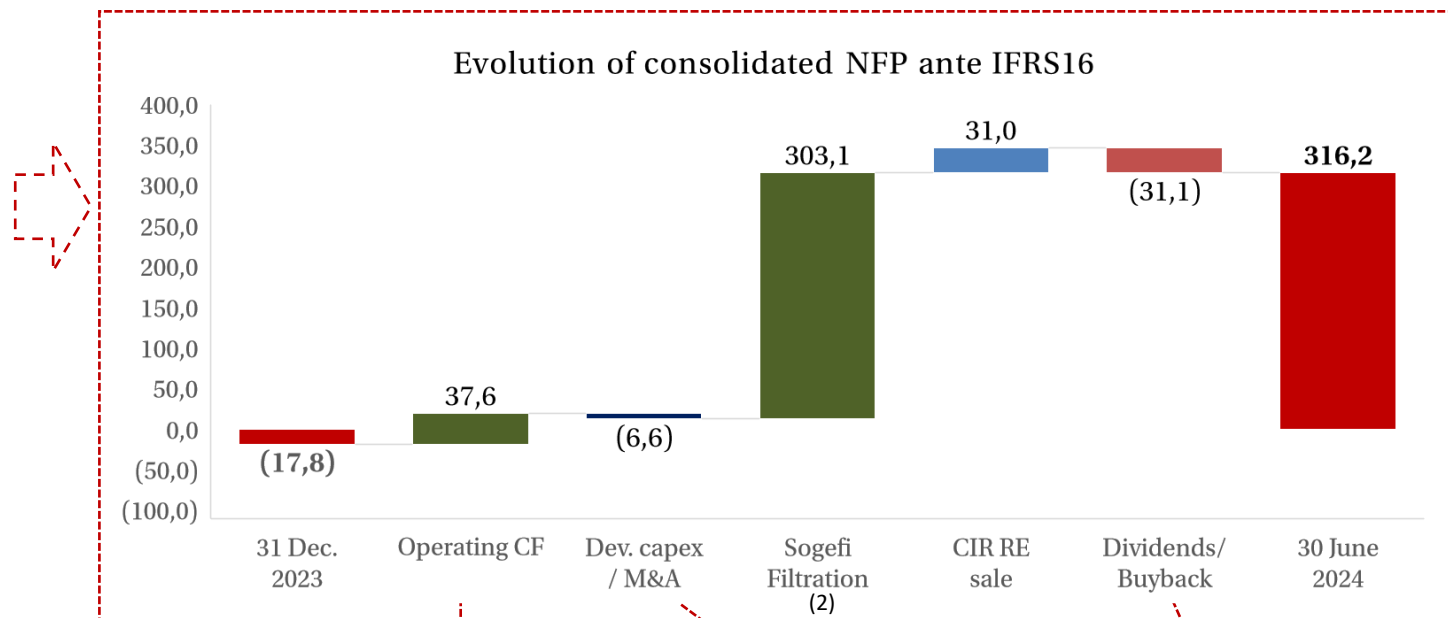
\*\* pro-rata share of subsidiaries' net result

# Group Financial Indebtedness

€/M	NFP Excluding IFRS16	
	31 Dec 2023	30 June 2024
KOS Group	(131,9)	(149,3)
Sogefi Group	(200,7)	95,3
<b>Subsidiaries <sup>(1)</sup></b>	<b>(332,2)</b>	<b>(53,6)</b>
CIR holding	314,4	369,8
<b>Group NFP</b>	<b>(17,8)</b>	<b>316,2</b>

€/M	NFP Including IFRS16	
	31 Dec 2023	30 June 2024
KOS Group	(920,7)	(952,1)
Sogefi Group	(265,5)	49,3
<b>Subsidiaries <sup>(1)</sup></b>	<b>(1.185,8)</b>	<b>(902,4)</b>
CIR holding	314,3	369,8
<b>Group NFP</b>	<b>(871,5)</b>	<b>(532,6)</b>

- KOS: net debt increase of € 17M, mainly due to dividends and NWC
- Sogefi: net debt reduction of € 296M thanks to operating cash generation (€ 22M) and sale of Filtration (€ 303M)



Operating Cash Flow: Funds from Operations (EBITDA, interest, taxes and derivatives FV for Sogefi) +/- Δ NWC - ordinary capex

## Operating CF by business

€/M	Funds from operations	NWC	Ordinary capex	Operating CF
KOS	26,9	(17,3)	(10,0)	(0,4)
Sogefi	38,8	6,1	(23,0)	21,9
CIR	16,1			16,1
<b>Total</b>	<b>81,8</b>	<b>(11,2)</b>	<b>(33,0)</b>	<b>37,6</b>

KOS: dividends (-€ 12,3M)  
Sogefi: dividends (-€ 27,1M)  
CIR: buyback (-€ 12,0M); + pro-rata dividends from subs

KOS: -€ 4,7M capex for greenfields and acquisition of minorities  
Sogefi: -€ 1,9M

(1) Including € 0,4M positive NFP related to minor non operating subsidiaries  
(2) Sale price net of taxes, transaction costs and including Filtration 1H cash flow

# CIR Holding Balance Sheet main elements

€/M	31 Dec 2023	30 June 2024
KOS	209,3	205,1
Sogefi	155,8	231,4
<b>Total operating companies</b>	<b>365,1</b>	<b>436,5</b>
Fixed assets	5,0	4,8
Private equity	56,4	59,3
Other investments	8,1	0,5
Other Assets (Liabilities)	1,8	(5,4)
Assets held for sale	2,9	(2,2)
Net cash	314,3	369,8
<b>Total CIR holding level</b>	<b>388,5</b>	<b>426,8</b>
<b>Total CIR Group shareholders' equity</b>	<b>753,6</b>	<b>863,3</b>
Shareholder's equity per share	0,68	0,82
" net of treasury shares <sup>(1)</sup>	0,72	0,84

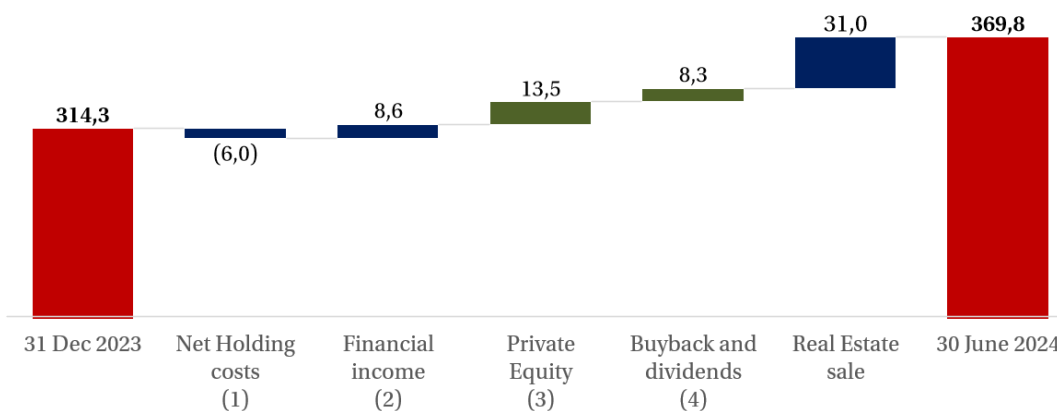
(1) Ordinary shares: 1,107,207,314 on 31/12/2023 and 1.047.207.314 on 30/06/2023;  
Treasury shares: 59.302.753 on 31/12/2023 and 20.970.766 on 30/06/2023

## Non-core investments

€/M	31 Dec 2023	New	Cash In	Fair value / other	30 June 2024
Private Equity	56,4	1,9	(4,3)	5,3	59,3
Other investments	8,1		(11,1)	3,5	0,5

- Diversified portfolio of **private equity funds**, direct minority private equity and **Other investments** in non-strategic direct minority stakes
- The portfolio has reached its maturity/reimbursement phase, as limited investments were added in the recent past

## Evolution of Holding Net cash



- (1) Operating costs, taxes, working capital etc.  
 (2) Performance of liquid assets / Hedge Funds (Fair value + income + trading)  
 (3) Private Equity +2,4M; other investments +11,1M  
 (4) Buyback -12,0M; dividends from KOS and Sogefi +20,3M



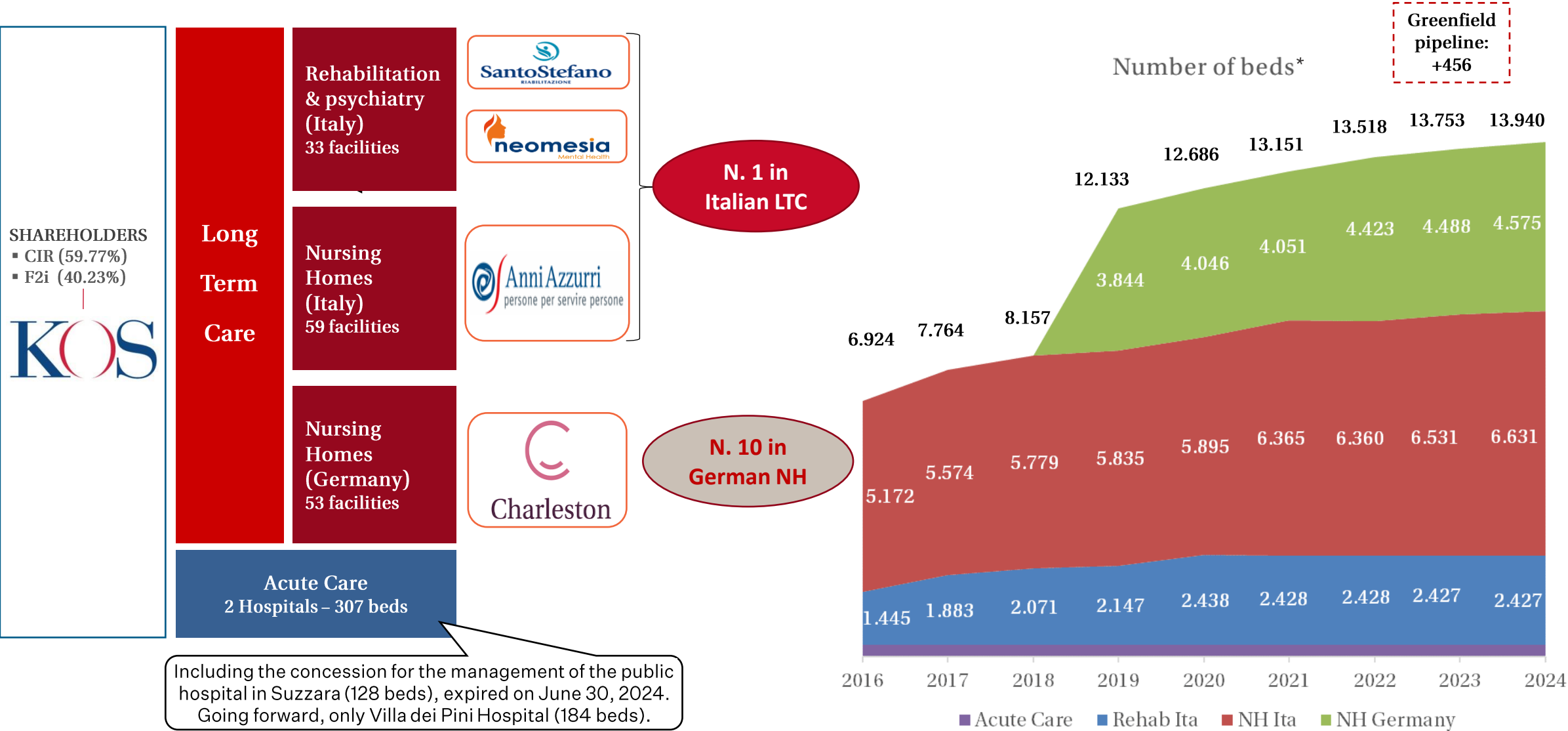
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Summary**

**Group  
Consolidated  
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# KOS - a leader in LTC with a consistent growth track record



# KOS - Summary of 1H2024 results and outlook

€/M	1H2019 *	1H2023	1H2024
Revenues <i>LTC / Acute Italy vs 2019</i>	244,3	370,7 15,6%	404,1 24,0%
EBITDA	55,9	65,6	76,0
EBITDA pre IFRS16	39,5	28,8	35,9
EBIT	27,9	20,8	27,9
Financial result		(16,9)	(17,1)
Taxes		(3,6)	(5,4)
Third party result		(0,7)	(0,4)
<b>Group net result from continuing operations</b>		<b>(0,4)</b>	<b>5,0</b>
Assets held for sale (Medipass India)		1,2	--
<b>Group net result</b>		<b>0,8</b>	<b>5,0</b>

<b>NFP IFRS16</b>	<b>(606,7)</b>	<b>(974,5)</b>	<b>(952,1)</b>
<b>NFP pre IFRS16</b>	<b>(292,7)</b>	<b>(161,9)</b>	<b>(149,3)</b>

Real Estate Assets €/M	31 Dec 2019	31 Dec 2023	30 June 2024
Net Book Value	211,2	154,8	155,7
Fair Value	270,5	217,7	217,7
RE debt (excluding IFRS16)	(80,9)	(89,7)	(89,0)

## KOS 1H 2024 results

- Overall revenues increase by +9,0% vs 1H2023
- At constant perimeter, Rehab and Acute care revenues in Italy were at 2019 levels in 1H 2024, while occupancy at Nursing Homes in Italy increased by 4 p.p., with 2-3 p.p. to go for a full recovery, although regime levels were already reached in most regions
- Occupancy recovery underway also in German NHs (+4.p.p. at constant perimeter); regime levels also reached in some regions, but still 4-5 p.p. below on average, as skilled labour shortages in specific areas still prevent full occupancy
- EBITDA and EBIT growth thanks to increased activity levels and some limited tariff increases in NHs, both in Italy (ca. +3%) and Germany (ca. +6%), although not sufficient to compensate cumulated cost inflation, and despite lower reimbursements compared to 2023.
- Net debt ante IFRS16 increased by € 17,4 M in 1H 2024 due to dividend distribution (-€ 12,3 M) and development capex (-€ 4,7 M); operational cash flow at break even, despite WC absorption of ca. € 17 M, expected to at least partially reverse in 2H.

## 2H 2024 Outlook

- After the return to full activity in most of Italy and Germany, KOS expects occupancy to further improve by year end, thanks to the ongoing recovery in underperforming local areas and the ramp up of greenfield facilities.
- 2024 full-year results expected to be improving vs 2023; in order to achieve a full recovery of margins, a further realignment of tariffs is however needed, in order to compensate accumulated cost inflation (mainly due to renewal of labor contracts)

\* Pro-forma not audited 2019 figures to exclude Medipass

# KOS – Revenues and KPIs by segment

	LTC Italy *									NH Germany		
	NH			Rehab			Acute Care					
	1H2019	1H2023	1H2024	1H2019	1H2023	1H2024	1H2019	1H2023	1H2024	1H2019	1H2023	1H2024
Numer of beds	5.739	6.531	6.631	2.147	2.427	2.427	307	307	307	3.844	4.511	4.575
% change vs 19		13,8%	15,5%		13,0%	13,0%					17,4%	19,0%
Occupancy - average	95,7%	85,5%	90,9%								85,2%	90,1%
Occupancy - June	95,7%	86,6%	90,9%								88,3%	90,0%
Revenues	111,2	121,4	135,5	96,5	101,2	105,4	37,4	42,3	42,1		106,7	121,9
% change vs 19		9,1%	21,8%		4,9%	9,2%		12,9%	12,5%			
% change vs 22			11,6%			4,1%		-0,4%				14,2%

- Recovery in occupancy rate: +5,5 p.p., including greenfields; +4 p.p. in the LxL perimeter, which is still ca. 2-3 p.p. below regime
- Most regions already at regime
- Revenues 1H2024 at +22% vs 2019, with +15% in beds, reflecting still slightly lower occupancy and some tariff increases, variable across regions so far

- 1H 2024 revenues at regime, reflecting full post-Covid recovery of activity
- Tariff review still pending

- Recovery of occupancy rate: +5 p.p., including greenfields; +4 p.p. in the LxL perimeter, which is still ca. 4-5 p.p. below regime
- A few regions already at regime, but full occupancy recovery slowed by qualified staff shortages in specific areas
- Margin recovery still ongoing through tariff renegotiation, after steep inflation of salaries and other costs

\* Following an organizational change in 2023, two facilities with mixed activities were moved from Rehab to NH and the Villa dei Pini Hospital was reclassified from Rehab to Acute Care; past figures are also reclassified accordingly

# KOS – P&L by segment

- Margins of LTC Italy improving in 1H 2024 , but still 2-3 p.p. below 2019, due to increase care personnel costs, only partially compensated by tariff increases so far
- In Germany ongoing profitability recovery, but still dragged by staff shortages preventing a faster occupancy recovery in some regions, ramp up of new facilities and strong personnel cost inflation of past years, only partially compensated so far by ongoing tariff negotiation. Turnaround program underway.

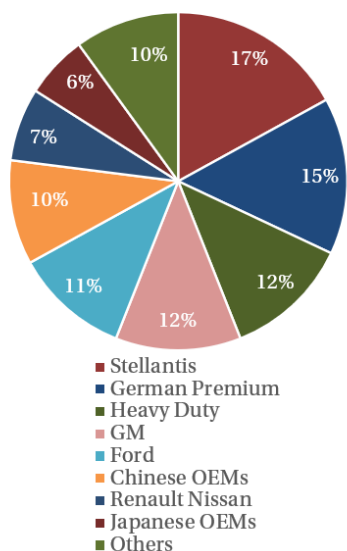
€/M	1H2019*			1H2023			1H2024		
	Italy	Germany	KOS GROUP	Italy	Germany	KOS GROUP	Italy	Germany	KOS GROUP
Revenues	244,3		244,3	282,4	88,3	370,7	302,8	101,3	404,1
EBITDA IFRS16	55,9		55,9	55,6	10,0	65,6	59,8	16,2	76,0
% on revenues	22,9%		22,9%	19,7%	11,3%	17,7%	19,7%	16,0%	18,8%
EBITDA ante IFRS16	39,5		39,5	34,6	(5,8)	28,8	36,9	(1,0)	35,9
% on revenues	16,2%		16,2%	12,3%	-6,6%	7,8%	12,2%	-1,0%	8,9%
EBIT	27,9		27,9	24,9	(4,1)	20,8	28,0	(0,1)	27,9
% on revenues	11,4%		11,4%	8,8%	-4,7%	5,6%	9,3%	-0,1%	6,9%
<b>Net result from continuing operations</b>						<b>(0,4)</b>			<b>5,0</b>
% on revenues						<b>-0,1%</b>			<b>1,2%</b>
Assets held for sale						1,2			--
<b>Group net result</b>						<b>0,8</b>			<b>5,0</b>

\* Pro-forma not audited 2019 figures to exclude Medipass India, following its IFRS5 treatment in 2023 and 2022 figures

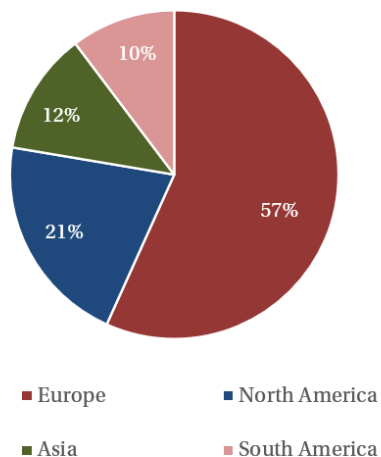
# Sogefi – Summary of 1H2024 results and outlook

€/M	1H2023	1H2024
<b>Revenues</b>	<b>538,9</b>	<b>524,1</b>
EBITDA	52,4	67,0
<i>% on sales</i>	9,7%	12,8%
EBIT	13,8	27,8
<b>Group result from continuing operations</b>	<b>2,1</b>	<b>9,4</b>
Discontinued operations	29,3	136,4
<b>Net result</b>	<b>31,4</b>	<b>145,8</b>

1H2024 sales by customer



1H2024 sales by region



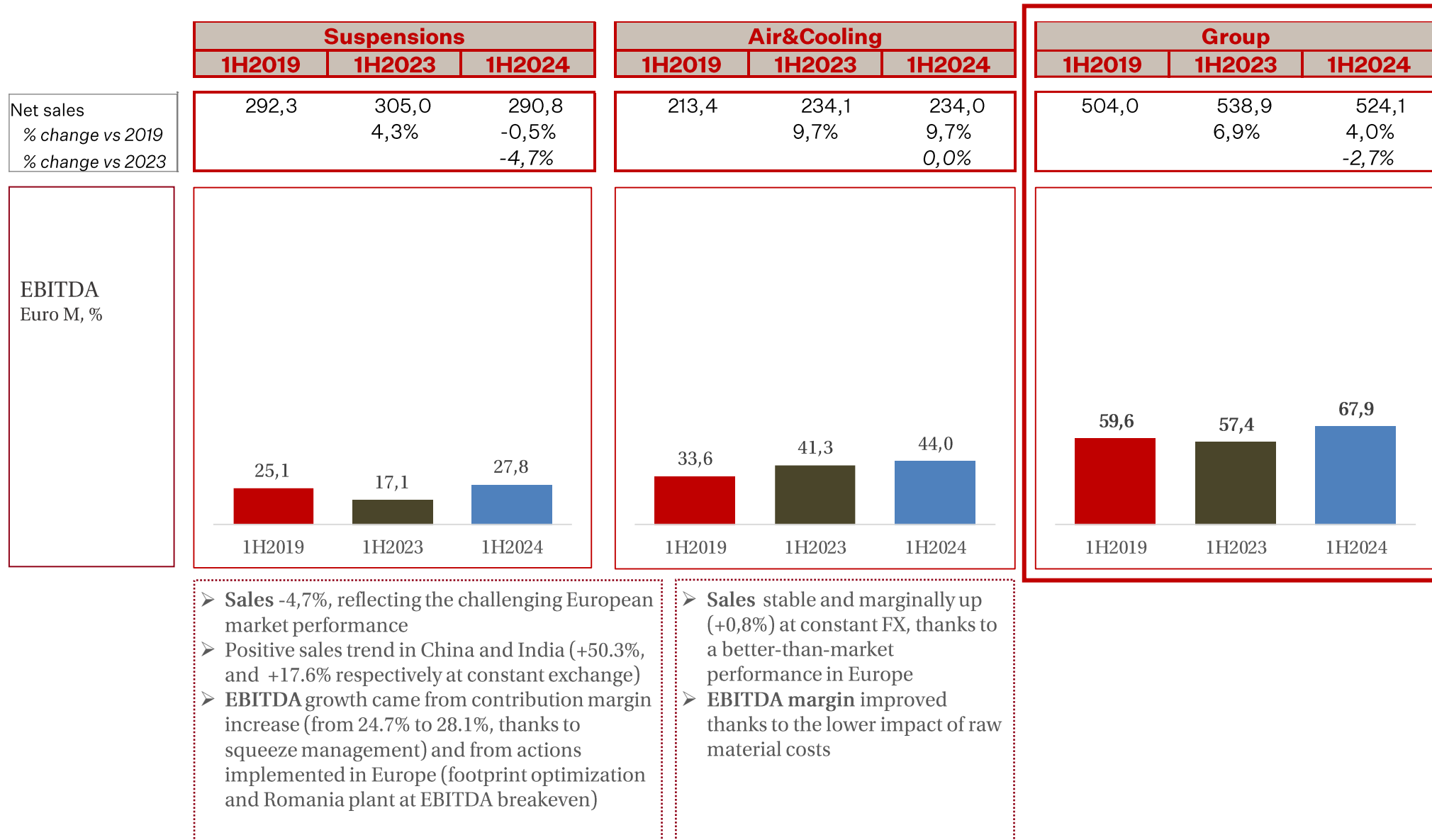
## Sogefi 1H2024 results

- In 1H 2024 world car production decreased by 0,2% vs 2023, with Europe at -5,2%, NAFTA +1,8%, China +5,2%, India at +6,8% and Mercosur at -7,1%
- Sogefi's sales decreased by 2,7%, despite a strong sales performance in India (+16,2%) and China (+10,3%) and market outperformance in Mercosur (+2,7%), as sales declined in core markets (Europe -6,3%, NAFTA -2,6%)
- EBITDA stood at € 67M, up by 27.8% on first half 2023 (€ 52.4M) despite the slight decline in volumes; EBITDA margin rose from 9.7% in 1H2023 to 12.8%
- Free cash flow from operating activities was positive by € 20.7 M, vs. € 3.1 M in 1H 2023
- Discontinued operations (Filtration, including the effects of the sale) contributed with €136,4M to net result and € 321,8M to FCF
- NFP before IFRS16 positive at € 95,3M, before the distribution, on July 24, 2024 of a € 110M extraordinary dividend

## 2H2024 Outlook

- Impact of macroeconomic situation still very unpredictable on car demand. IHS expects 2024 world production to DROP BY 2%
- Raw materials (steel, plastic) stabilised in 2024, but are still exposed to volatility risks; inflationary tensions on labour cost in some geographies
- Sogefi in 2024 expects a low single-digit revenue decline, while confirming its expectation for a higher recurring operating profitability than in 2023, absent unforeseeable events

# Sogefi – Performance by division





**Executive  
Summary**



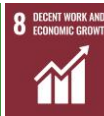









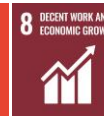


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# ESG plans and performance

- CIR's, KOS' and Sogefi's ESG Plans - contributing to the UN 2030 Agenda – are designed along four pillars (Corporate Governance, ESG-driven Innovation & Care Quality, Eco-Efficiency and People&Community), setting specific objectives for each of them

Strategic pillars	Corporate Governance and Advocacy as «enabling factors»		
	ESG-driven Innovation & Care Quality	Eco Efficiency	People & Community
SDGs	     	  	     
CIR	Excel in Corporate Governance and promote a business culture focused on long term prosperity		
	<ul style="list-style-type: none"> <li>➤ Prioritize investments and developments based on both economic and ESG considerations</li> </ul>	<ul style="list-style-type: none"> <li>➤ Source 100% energy from renewable source</li> <li>➤ Ban of avoidable single use plastics</li> </ul>	<ul style="list-style-type: none"> <li>➤ Support <i>Non-For-Profit</i> initiatives which contribute to debate on socially relevant matters</li> </ul>
KOS	<ul style="list-style-type: none"> <li>➤ Enrich “Care philosophy”</li> <li>➤ Continuously improve quality of services</li> </ul>	<ul style="list-style-type: none"> <li>➤ Reduce CO2 emissions by: <ul style="list-style-type: none"> <li>✓ lowering energy intensity</li> <li>✓ increasing sourcing of renewable energy</li> </ul> </li> <li>➤ Minimise waste from operations by: <ul style="list-style-type: none"> <li>✓ lowering waste produced</li> <li>✓ improving waste valorisation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ Promote wellbeing of people by: <ul style="list-style-type: none"> <li>✓ active engagement on satisfaction</li> <li>✓ promote equality and diversity</li> <li>✓ increase training to personnel</li> <li>✓ reduce accident rate</li> </ul> </li> </ul>
Sogefi	<ul style="list-style-type: none"> <li>➤ Develop innovative products and technologies, focused on sustainable mobility / E-Mobility</li> </ul>	<ul style="list-style-type: none"> <li>➤ Adopt the best operational practices by: <ul style="list-style-type: none"> <li>✓ being certified by International institutions</li> <li>✓ promoting better monitoring</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ Engage with and contribute to local community</li> </ul>
Main 2023 results	<p><b>KOS:</b></p> <ul style="list-style-type: none"> <li>- ongoing deployment of Electronic Medical Record</li> <li>- increase of internal quality audits</li> </ul> <p><b>Sogefi:</b></p> <ul style="list-style-type: none"> <li>- increase of e-mobility related sales and R&amp;D</li> </ul>	<p><b>KOS:</b></p> <ul style="list-style-type: none"> <li>- deployment of meal waste containment system</li> </ul> <p><b>Sogefi:</b></p> <ul style="list-style-type: none"> <li>- reduction of energy intensity</li> <li>- increasing use of green energy</li> <li>- nearly 90% of waste valorised</li> </ul>	<p><b>KOS:</b></p> <ul style="list-style-type: none"> <li>- increase in employees training hours</li> <li>- increase of local social engagement initiatives</li> </ul> <p><b>Sogefi:</b></p> <ul style="list-style-type: none"> <li>- reduction of accident rate</li> <li>- increase of gender equality index</li> </ul>

# Disclaimer



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