



PRESS RELEASE

SOGEFI: PRELIMINARY RESULTS FOR 2018

Milan, February 4 2019 – The Board of Directors of Sogefi S.p.A., which met today, examined the preliminary results for financial year 2018. These results are not definitive and are undergoing auditor certification, so there could still be some variations, even if not significant. The complete and final results for the year 2018 will be examined and approved by the Board of Directors at the meeting to be held on February 25th 2019.

The Board acknowledges that the sales revenues of the last quarter (applying the same accounting principles) were down by 3.7% (compared to -1.8% at the end of September 2018), due to the performance of the market and the trend of exchange rates. At the same time, the upward trend of commodity prices, especially steel, continued to have a negative impact on profitability and this trend came to a halt only at the end of the year.

Because of the above, EBITDA for 2018 is expected to be approximately € 189 million (€ 206.9 million in 2017) and the net result for the year around € 14 million (€ 26.6 million in 2017). It should be noted that the decline in the net result has also been affected by non-recurring factors, specifically the application of accounting standard IAS29 (hyperinflation) to the subsidiaries in Argentina (-€ 3.4 million) and the write-down of the asset referring to the Fraize plant in France (-€ 3.3 million), which are held for sale. This is only partly offset by the profit (of € 4.3 million) resulting from the agreement with the other side signed during the year regarding the claims made against Systèmes Moteurs S.A.S..

As forecast, the Group generated a positive free cash flow of around € 25.7 million in the fourth quarter and expects to close the year with net debt of approximately € 261 million, down from the figure at September 30 2018 (€ 286.2 million).

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This press release can also be consulted on the website: <http://www.sogefigroup.com/it/area-stampa/index.html>