

SO/GEFI GROUP

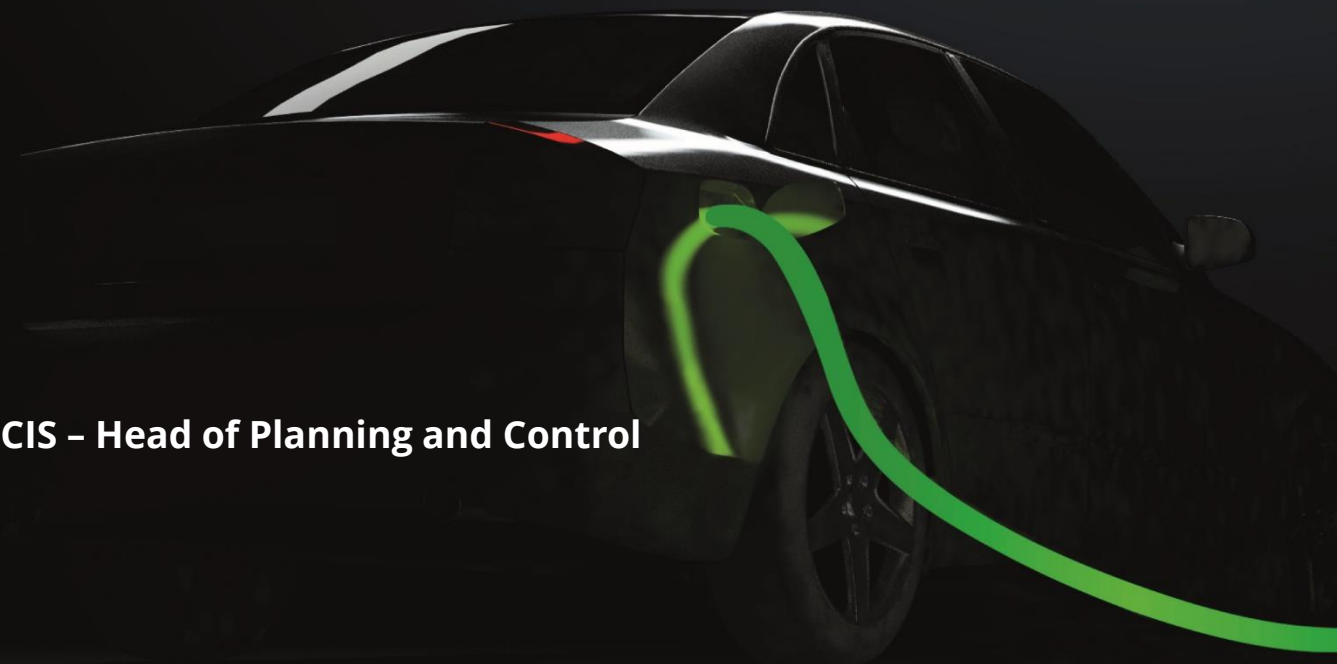
Q1 2024 Results

April 22, 2024

Frédéric SIPAHI – CEO

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AGENDA

- Q1 2024 Results
- A resilient business model and a Sustainable Transformation
- Market Outlook 2024



Revenues at €263.2m
Vs 274.0 in Q1 2023

- -3.1% at constant exchange (-3.9% at current), mainly reflecting the market decline in Europe. Selling prices substantially stable

EBITDA at € 33.7m
vs €25.8m in Q1 2023

- Contribution margin € 74.7m vs € 70.7m in Q1 2023 (up from 25.8% to 28.4%)
- EBITDA excluding non-recurring: € 33.6 m vs € 28.2m in Q1 2023
- Fixed costs in value substantially stable vs Q1 2023, despite inflationary pressures on labor costs in certain geographical areas

EBIT

- € 14.6m vs € 6.5m in Q1 2023 (excluding non-recurring € 14.5m vs € 9.0m) thanks to the recovery of Suspensions margin

Net Income

Net income of operating activities (Suspensions and A&C at € 5.6m vs breakeven in Q1 2023)
Net income including discontinued operations (i.e. Filter expected disposal) at € 15.0m vs € 13.2m

FCF¹ at € 29.6m
vs €38.0m in Q1 2023

Free Cash Flow positive at € 29.6m, up vs €38.0m in Q1 2023 reflecting lower use of factoring.

Net debt¹ at € 171.4
vs € 186.9m March 2023

Net debt end March 2024 of € 171.4m vs € 200.7m end of 2023

Dividend Approval

Shareholders assembly approved for FY 2023 dividend distribution of €0.2 per share (€ 23.7m)

€m	Q1 2023	Q1 2024	change	constant exchange rates	reference market production	performance vs market (bps)	weight based on 2024
Europe 27	166.1	152.1	-8.5%	-8.4%	-5.9%	-250	57.8%
North America	56.5	56.1	-0.7%	0.3%	1.4%	-110	21.3%
South America	24.7	25.1	1.6%	1.5%	-5.6%	710	9.5%
Cina	23.9	25.8	8.0%	14.9%	4.3%	1060	9.8%
India	4.5	4.9	7.5%	9.9%	6.6%	330	1.9%
Intercompany	(1.7)	(0.8)					
Total	274.0	263.2	-3.9%	-3.1%	-0.8%	-230	100.0%

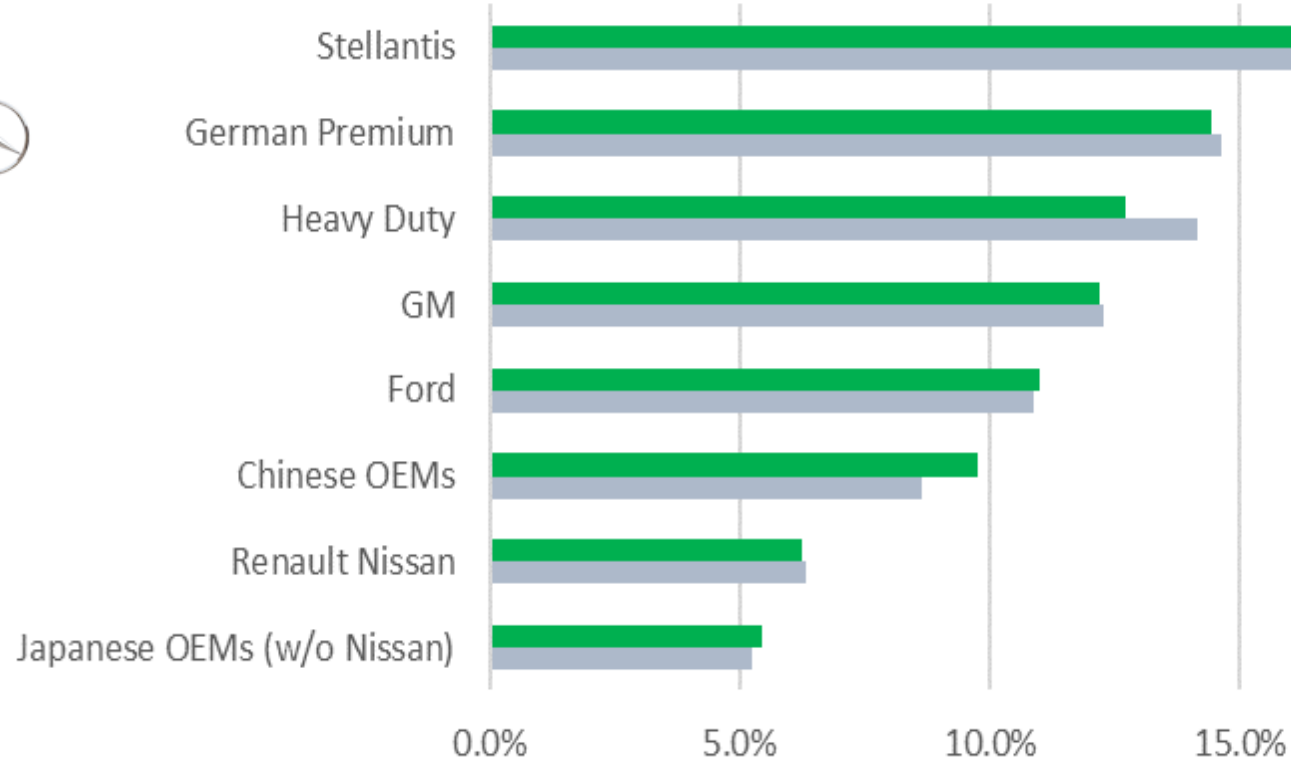
- **-3.1%** at constant exchange mainly reflecting the decline in Europe (-8.4%), a result affected by a difficult market (-5.9%)
- Good growth in **China** and **India** overperforming the market

SOGEFI Q1 2024 : SALES BY BUSINESS UNIT

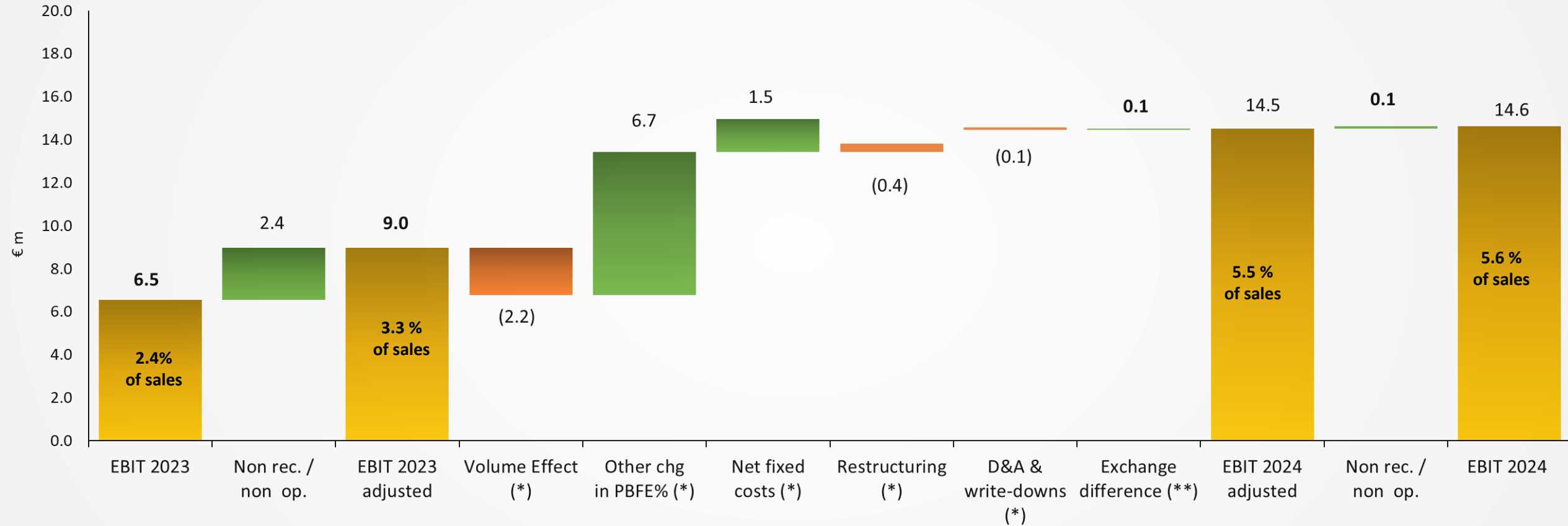
€m	Q1 2023	Q1 2024	change	constant exchange rates change
Air&Cooling	118.7	117.1	-1.4%	-0.1%
Suspensions	155.3	146.5	-5.7%	-5.2%
Intercompany	0.0	(0.3)		
<i>Total</i>	274.0	263.2	-3.9%	-3.1%

- Suspensions reflecting the difficult market start in Europe
- Air and Cooling stable at constant exchange rates thanks to a better-than-market performance in Europe

SO/GEFI OUR CUSTOMERS (% of sales)



Q1 2023
 Q1 2024



(*) Variances calculated at stable FX

(**) Exchange rate impact net of Argentinian inflation

SOGEFI Q1 2024 : P&L

€m	Q1 2023	%	Q1 2024	%	
REVENUES	274.0	100.0%	263.2	100.0%	
CONTRIBUTION MARGIN	70.7	25.8%	74.7	28.4%	Higher contribution margin thanks to Squeeze management
Gross Fixed Costs	43.6	15.9%	43.6	16.6%	Fixed costs in value stable despite inflationary pressure on labor costs in certain geographical areas
Restructuring	0.3	0.1%	0.7	0.2%	
Exchange Differences	2.0	0.7%	-0.7	-0.2%	
EBITDA	25.8	9.4%	33.7	12.8%	
EBITDA excluding non-recurring	28.2	10.3%	33.6	12.8%	Up 19.1% excluding non-recurring
D&A	19.2	7.0%	19.2	7.3%	
Write downs	0.0	0.0%	0.1	0.0%	
EBIT	6.5	2.4%	14.6	5.6%	
EBIT excluding non-recurring	9.0	3.3%	14.5	5.5%	Up 61.6% excluding non-recurring
Financial results	4.1	1.5%	5.1	1.9%	Growth (no cash) linked to IAS 29 application (hyperinflation in Argentina)
Income Tax	1.6	0.6%	3.9	1.5%	
Minority Interest	0.8	0.3%	1.0	0.4%	
NET INCOME OF OPERATING ACTIVITIES	0.8	0.3%	5.6	2.1%	Progression in the Net income of the new perimeter (Suspensions and Air & Cooling)
Net income from discontinued operations	13.2		10.4		Expected disposal of Filtration division (net result) including deal costs
NET INCOME	13.2	4.8%	15.0	5.7%	

SOGEFI Q1 2024 : FREE CASH FLOW

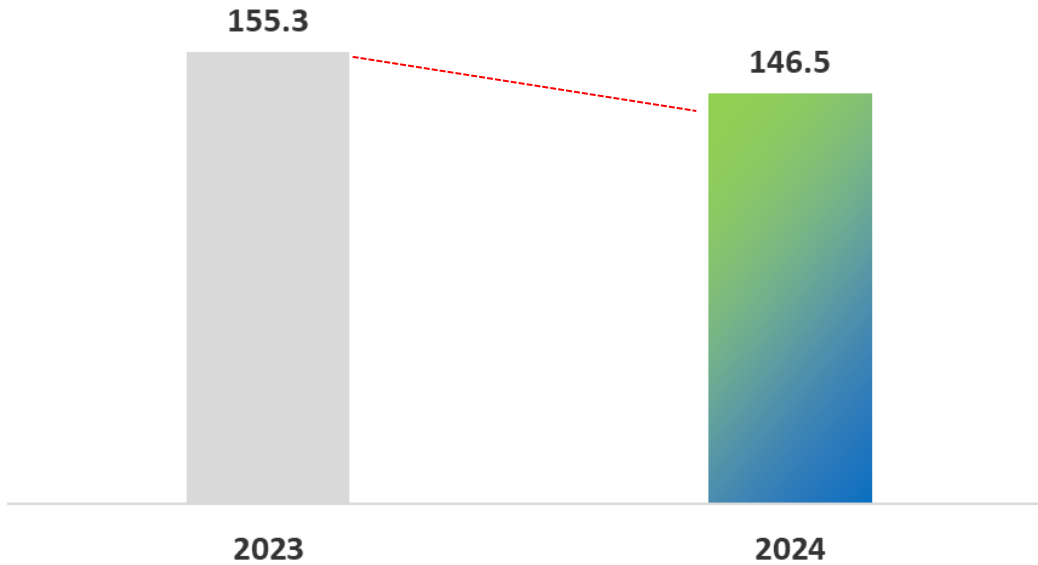
€m	2023	2024
FUNDS PROVIDED BY OPERATIONS	40.0	41.1
Working Capital	18.3	7.3
Capex (Tangible, Intangibles & IFRS15)	-19.1	-17.6
Others	-1.2	-1.2
FREE CASH FLOW (NET)	38.0	29.6
NET DEBT	186.9	171.4
FACTORING	118.0	99.3



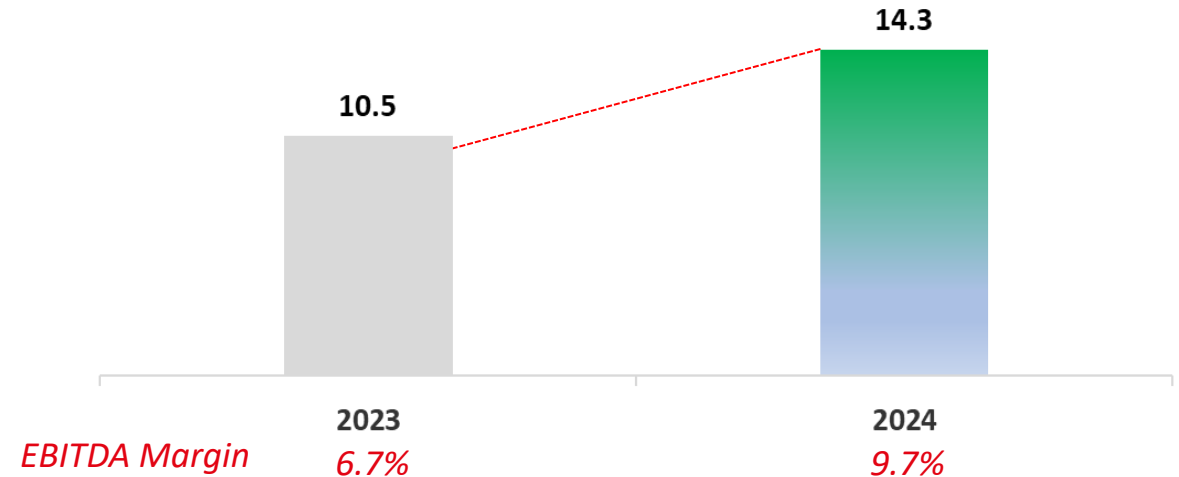
Reflecting lower use of factoring

SOGEFI Q1 2024: SUSPENSIONS

SALES (€m)



EBITDA (€m) excluding non-recurring

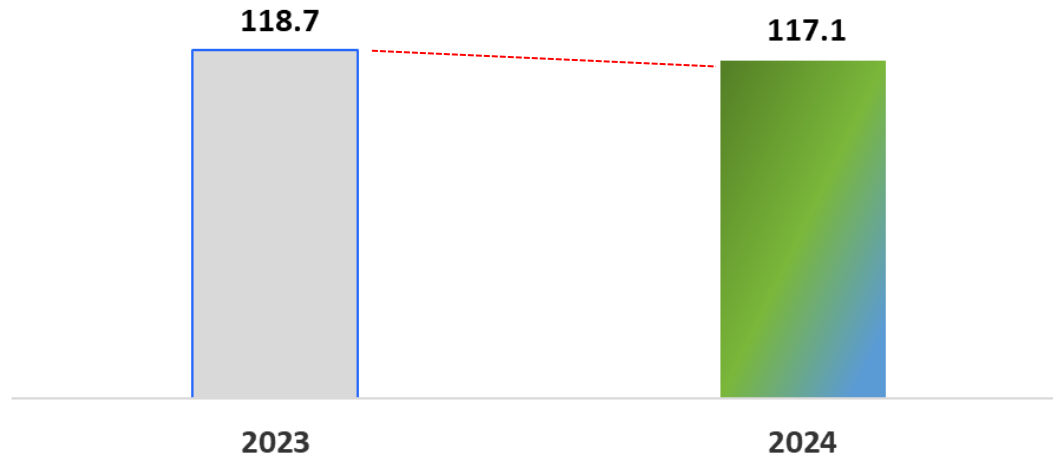


- Q1 2024 **down 5.2% at constant** (-5.7% at current exchange) mainly affected by the difficult market in Europe
- Sales positive trend in China and India (+55.7%, and +9.9% respectively at constant exchange)

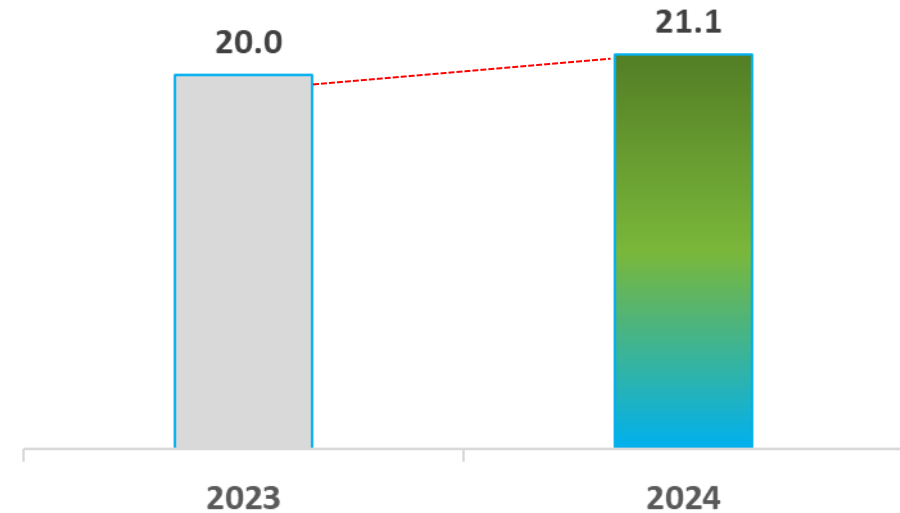
- EBITDA higher in absolute value and in %
- Q1 2024 contribution margin up in % (from 23.9% to 28%) and in value (+10.7 % vs Q1 2023) thanks to squeeze management
- Margin improvements thanks to the actions implemented in Europe (concentration of production capacity after footprint optimization and improvement of Romania performance)

SOGEFI Q1 2024: AIR&COOLING

SALES (€m)



EBITDA (€m) excluding non-recurring



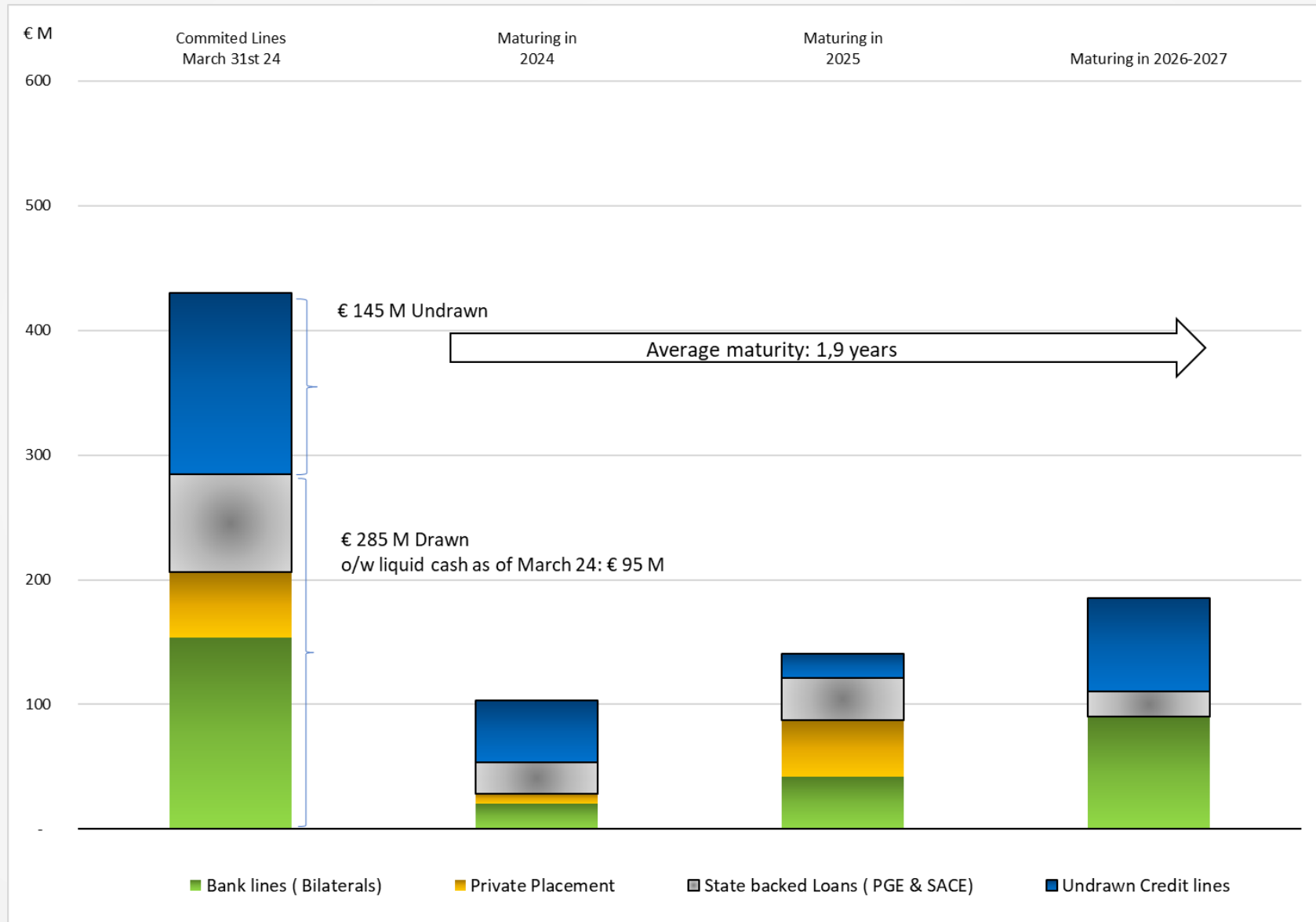
EBITDA Margin 16.9%

18.0%

- In Q1 2024 **down 1.4%**, substantially flat (-0.1%) at constant exchange thanks to Europe (+0.9%) significantly better than the market
- In North America, revenues stable at current exchange rates (+0.8% at constant exchange rates)

- The contribution margin in value up by 1.6% in Q1 2024 with the contribution margin/sales ratio up from 28.3% to 29.2%, thanks to the lower impact of raw material costs

SOGEFI Q1 2024 : DEBT PROFILE



- **48% Gross MT Debt with fixed rate**

A Resilient Business Model and a Sustainable Transformation



Air&Cooling

46% of
the awards
related to
E-mobility

A&C BL concluded new contracts :

- ✓ majority of new orders in **North America and China**, supplying air manifolds and water pumps, all for E-mobility platforms
- ✓ **Europe** has renewed an important order of water pumps for combustion engines

Suspensions

57% of
the awards
related to
E-mobility

Suspensions BL has been awarded:

- ✓ **In China** new businesses mainly for the supply of stabilizer bars, with a fully electric player
- ✓ **in India** for stabilizer bars with an autobus manufacturer

- ✓ **Market flattish** in 2024, growth of pure EV powertrain and low/mid single digit decline in ICE+Hybrid
- ✓ **Steel, aluminum and resins** price upward trend is 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 paid-off in 2023 and Q1 2024, will continue to have positive effects in the next months

S&P Global (IHS) April 2024						
€m	Q1 2024 vs Q1 2023	Q2 2024 vs Q2 2023	Q3 2024 vs Q3 2023	Q4 2024 vs Q4 2023	FY 2024 vs FY 2023	FY 2024 vs FY 2019
Europe 27	-5.9%	-3.6%	2.7%	-0.8%	-2.6%	-14.9%
North America	1.4%	1.5%	1.7%	3.8%	2.1%	-1.9%
South America	-5.6%	0.8%	-0.9%	3.9%	-0.2%	-9.7%
China	4.3%	11.5%	-3.6%	-0.9%	2.3%	20.5%
India	6.6%	3.0%	0.0%	6.3%	3.9%	34.7%
Total	-0.8%	2.9%	-1.8%	-0.4%	0.0%	1.5%

After a negative Q1 expecting a decline in Europe also in Q2

At pre-covid level in 2024 thanks to China and India

SOGEFI MARKET OUTLOOK

- The **visibility** on the automotive market trend in 2024 remains reduced due to the uncertainties related to the macroeconomic and geopolitical evolution. **For 2024**, S&P Global (IHS) expects global auto production to remain stable with Europe down 2.6%, marginal growth in China and India and substantially stability in other geographical areas
- As regards **raw materials and energy prices**, the first 2024 months confirm a certain stability, already recorded in the second part of 2023, but they remain exposed to volatility risks exacerbated by geopolitical tensions. Inflationary tensions also remain on labor costs in certain geographical areas.
- In this scenario, the Group constantly monitors trends in the various geographical areas, seeking fair agreements with all customers on sales prices
- Assuming no further factors of serious deterioration in the macroeconomic scenario from today's level, and assuming the deconsolidation of the Filtration division, on the on continuing perimeter (**Suspensions and Air & Cooling**), **in 2024 a low-single digit revenue growth** is expected, higher than forecasts for the automotive market, **with an improvement in operating profitability and a positive net result**

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SOGEFI

APPENDIX



Quarterly Non-Recurring/Operating

€

Q1 2023
Total -2.4m

- 2.0m Exchange differences
- 0.4m Others

Q1 2024
Total +0.1m

+0.7m Exchange differences
- 0.6m Others

Q2 2023
Total -2.2m

-0.4m Exchange differences
-1.5m one-off Suspension restructuring
-0.3m Others

Q3 2023
Total +0.5m

-0.7 Exchange difference
+0.3m warranties
+0.9 Others

Q4 2023
Total -6.9m

-3.6 Exchange difference
-2.2m One off restructuring Suspensions
-2.5m warranties
+1.4 Others

		KEY PERFORMANCE INDICATORS	Actual 2023	Target 2025
<p>BUSINESS INNOVATION</p> <p>Develop innovative and eco-responsible products and technologies, mainly focused on e-mobility market</p>	1	% of sales for e-mobility products (i.e. electric / hybrid / fuel cell) on total sales	17%	22%
	2	% of orders' value for e-mobility products (i.e. electric / hybrid / fuel cell) on total order intake value	31%	37%
	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)	43%	50%
	4	Number of new patents registered per year	48	50
<p>ECO-EFFICIENCY</p> <p>Reduce CO2 emissions, by improving energy efficiency, cutting energy consumption and promoting renewable energy sources</p> <p>Minimize waste, by limiting the use of potentially hazardous substances and promoting recycling and reusable processes</p> <p>Adopt the best operational practices and processes in business operations</p>	5	ENERGY MIX: % of renewable energy used and purchased from renewable sources / total energy used and purchased	11%	25%
	6	ENERGY INTENSITY: Tot. energy consumed (JG) / Tot. Turnover (M€)	-2% (vs 2022 = 1,315 GJ/M€)	-2% yoy (vs 2022)
	7	WASTE VALORISATION: % variation of valorised waste (focusing on reduction landfill and/or hazardous waste reduction, regrind, recycled, incineration increase) / total waste	+1 bp (vs 2022) = 90% valorized waste	+21 bp (vs 2020) = 93% valorized waste
	8	CERTIFICATION LEVEL: % of sites with quality, environmental and safety systems certified accordingly to international standards:		
		* Quality (QL): IATF 16949:2016	100%	100%
		* Environmental (EV): ISO 14001:2015	100%	100%
		* Health & Safety (HS): ISO 45001:2018	8	10
	<p>PEOPLE</p> <p>Contribute to skills upgrade and "employability"</p> <p>Value the diversity and ensure equality, rejecting any form of discrimination and harassment</p> <p>Ensure a healthy and safe working environment, minimizing OH&S risks and preventing occupational disease and incidents</p> <p>Contribute with positive impacts on communities, respecting local cultures and values</p>	9	Number of training hours per employee per year	30H
10		Gender Equality Index Worldwide application and monitoring	2023 rating: 67.5/100	Improve vs 2022 rating (64/100)
11		People satisfaction Analysis of satisfaction level by conducting internal surveys	2023 rating: 69/100	Improve vs 2022 rating (64/100)
12		Accident frequency rate Number of accidents for employees and supervised workers with lost time per million hours worked (12 months rolling)	1,2	<1,3
13		% of sites engaged in sustainable projects for local communities (i.e. Education; Cleaning of seas and degraded areas; Health; Solidarity)	100%	100%

13 ESG KPI's

defined with 2025 target