Q1 2018 RESULTS

Milano – April 24th, 2018

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Q1 2018 Highlights

- Revenues at constant exchange rates up by 2.8% at € 421.1m, outperforming the market
- EBITDA at € 53.1m up 5.1% at constant exchange, i.e. 12.6% on sales
- EBIT at € 25.6m up 7.5% at constant exchange, i.e. 6.1% on sales
- Net result at € 12.0m (vs € 10.5m in Q1 17)
- Free cash flow at + € 9.3m (vs € 6.9m in Q1 17)
- Net debt at € 254.3 million, down € 9.7 million vs December 31 2017 and € 37.1 million vs March 31 2017
- DEBT/EBITDA Ratio Improved to 1.26

Q1 results at current exchange rate reflect a stronger Euro

Q1 results are presented according to IFRS 15

3 Business Units

MAIN PRODUCTS

Suspensions

- Stabilizer Bars
- Coil Springs

€ 607M

36%

Filtration

- Oil Filters
- Engine Air Filters
- Fuel Filters
- Cabin Air Filters

€ 566M

34%

Air & Cooling

- Manifolds
- Coolant Pumps
- Coolant Outlet Housings

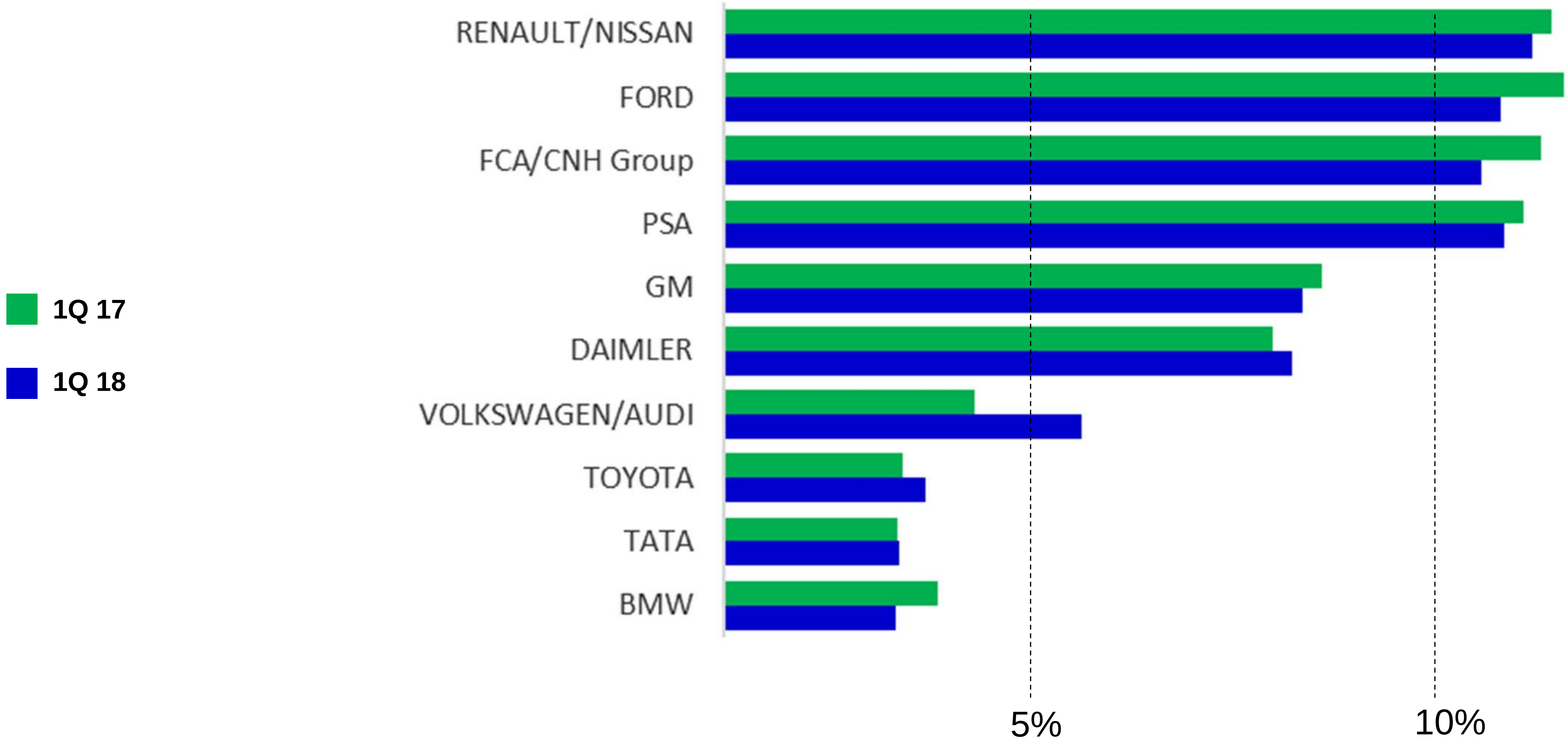
€ 504M

30%

€ 1.672M

2017 Sales

Well balanced clients mix



Growth with Premium Car OEMs

At constant exchange rates

Revenues by Business Unit

€m	Q1 2017	Q1 2018	reported change	constant exchange rates
Air&Cooling	135.5	124.8	-7.9%	-3.1%
Filtration	144.7	139.4	-3.7%	3.3%
Suspensions	153.9	157.8	2.5%	7.2%
Intercompany eliminations	-1.2	-0.9		
Total	**432.9**	**421.1**	**-2.7%**	**2.8%**

Revenues by Geographical Area

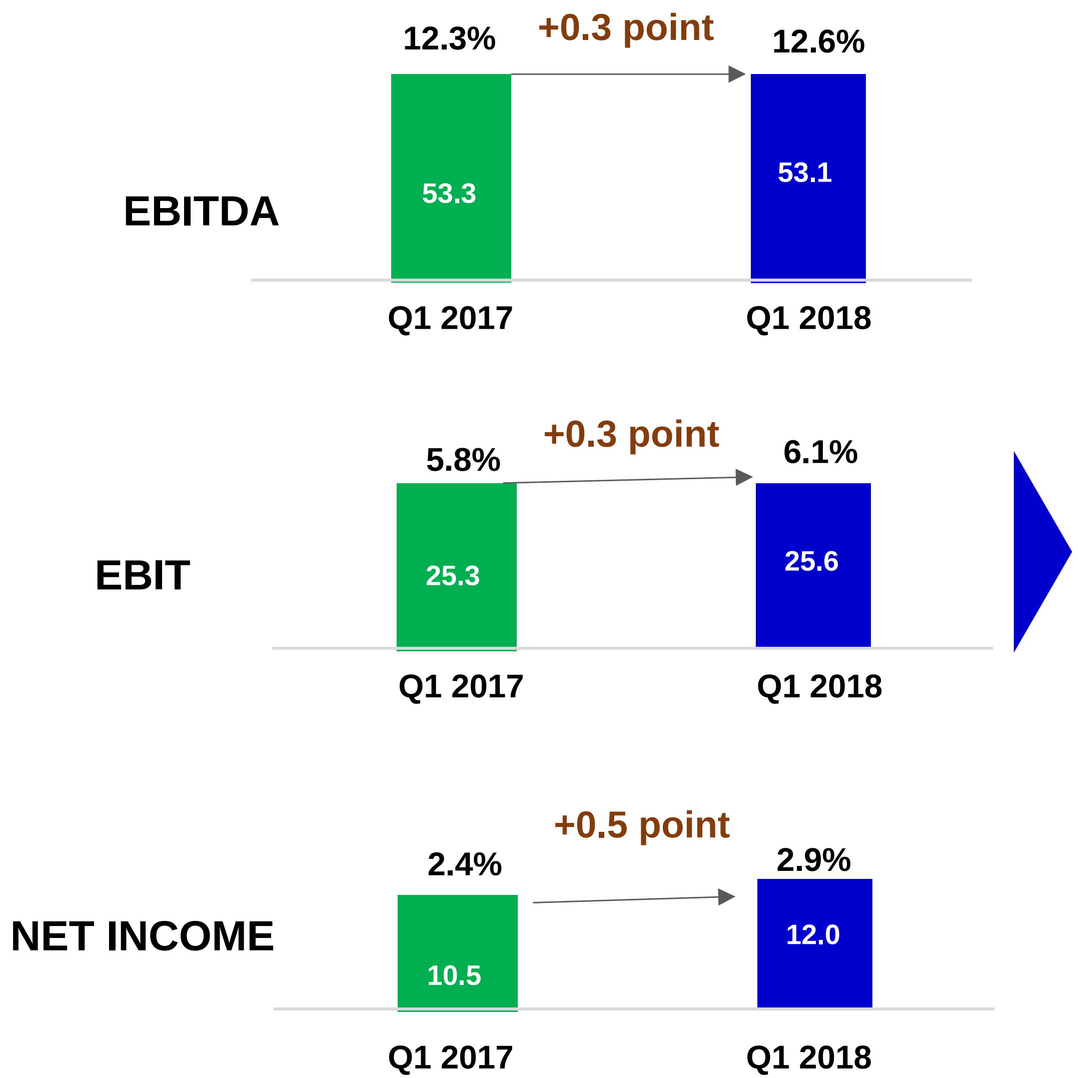
At constant exchange rate, all regions outperform the market

€m	Q1 2017	Q1 2018	reported change	constant exchange rates	reference market production	weight based on Q1 2018
Europe	269.0	268.4	-0.2%	0.1%	-1.1%	63.7%
North America	80.2	71.8	-10.5%	0.4%	-2.7%	17.0%
South America	49.0	44.4	-9.3%	16.3%	11.9%	10.5%
Asia	39.4	39.5	0.4%	8.5%	-0.9%	9.4%
Intercompany eliminations	-4.7	-3.0				
Total	**432.9**	**421.1**	**-2.7%**	**2.8%**	**-0.7%**	**100.0%**

Source: Sogefi and IHS data

Profitability Increase

€m / % sales



2018 margin improvement mostly driven by:

- Contribution margin impacted by € 3m of adverse steel impact
- Lower restructuring costs
- Neutral non-ordinary and write-offs
- Net income was € 12.0 million (€ 10.5 million in Q1 2017) after € 5.8 million of tax expense in Q1 2018 vs € 7.3 million in Q1 2017

P&L Highlights - Profitability increase

€m	Q1 2017	%	Q1 2018	%	YoY
TOTAL NET SALES	432.9		421.1		**-2.7%**
EBITDA	53.3	**12.3%**	53.1	**12.6%**	**+0.3 point**
EBIT	25.3	**5.8%**	25.6	**6.1%**	**+0.3 point**
Financial expense (income)	-6.4	1.4%	-6.8	1.6%	
PRE-TAX INCOME (LOSS)	18.9	4.4%	18.8	4.5%	-0.6%
Income Tax	-7.3	1.7%	-5.8	1.4%	
Minority Interest	-1.1	0.3%	-1.0	0.2%	
NET INCOME (LOSS)	10.5	2.4%	12.0	2.9%	**+0.5 point**

FCF Highlights - Free Cash Flow generation

€m	Q1 2017	Q1 2018
OPERATING CASH FLOW	**15.5**	**17.0**
Other	0.1	0.0
Non ordinary items	**0.1**	**-**
Taxes	(3.3)	(1.9)
Interests	(5.4)	(5.8)
FREE CASH FLOW (NET)	**6.9**	**9.3**
NET DEBT	**291.4**	**254.3**

After € 10.6m of tangible CAPEX vs € 8.7m in Q1 2017 (+22%)

Interests includes fair value of interest rate swaps

FCF represents 2.2% of sales

Down€ 37.1 million vs March 31 2017 and

9.8 million vs December 31 2017

Factoring at € 112.3m end march Q1 2018 vs € 107.7m end march 2017

Profitability improvement plan

5 performance drivers to increase operational efficiency

1 PURCHASING

- Cost reduction through technical modifications
- Pluriannual price and productivity negotiations
- Low Cost Country sourcing

2 SHOPFLOOR

- Inventory and Scrap reduction
- Direct labor productivity
  - Higher automatization
  - Shorter reaction times to deviations
- Indirect labor productivity increase
  - Lean organizations

3 PROGRAM MANAGEMENT

- Price increases for technical modifications
- Systematic price increases for volume fluctuations
- Development and tooling cash payment

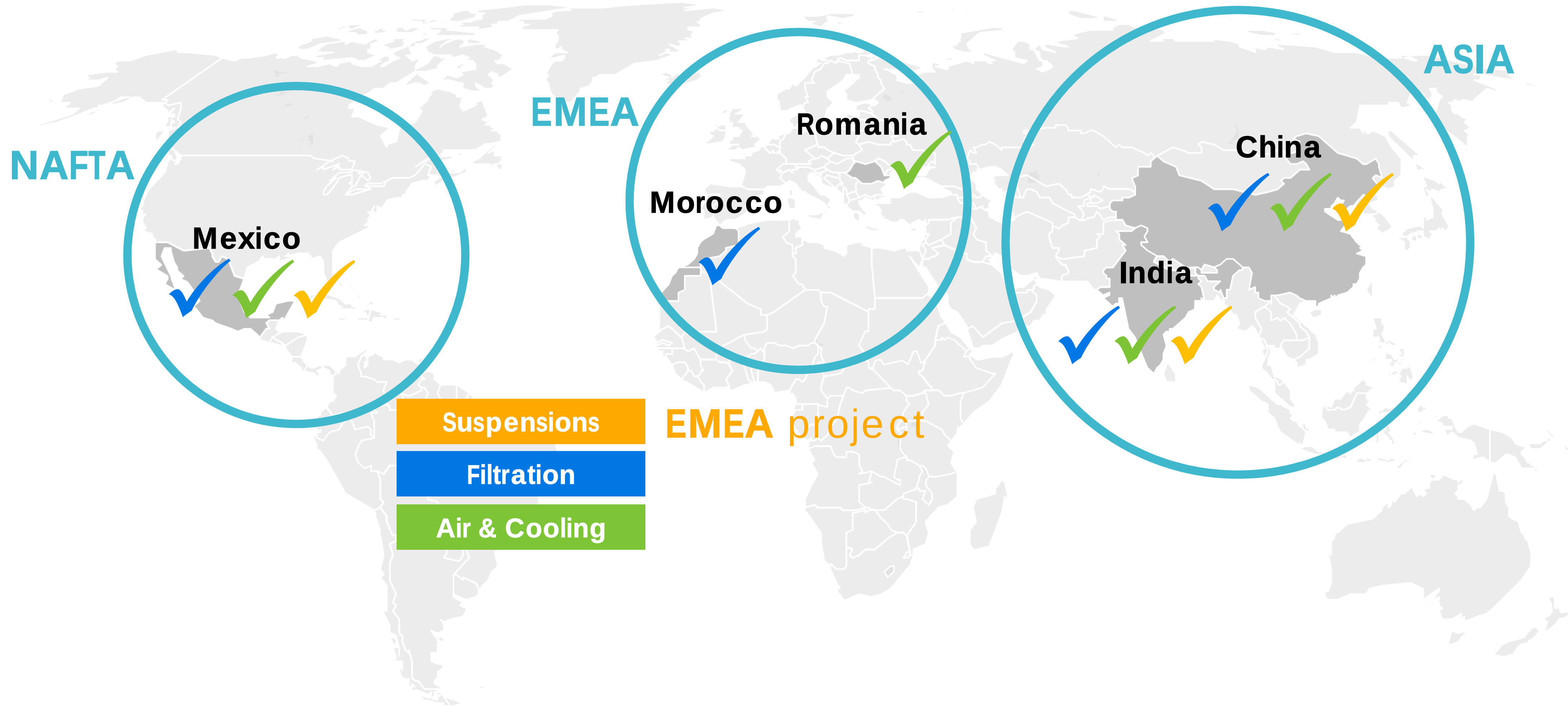
4 INDIRECT COSTS REDUCTION

- Polyvalence and Polycompetence
- Process redesign

5 COMPETITIVE FOOTPRINT

- Industrial excellence
- Plant competitivity plan

Geographical Expansion and cost competitive footprint



Profitability Levers – Update on Shopfloor

2. Shopfloor

- 11 Group Industrial KPIs identified to drive performance level
- Further improvement in Q1 2018 vs Q1 2017

	KPI	Q1 2018 Vs. Q1 2017
Safety	Accident Frequency Rate	**- 39 %**
Quality	Customer Claim Rate	**- 32 %**
	Customer Line Return	**- 58 %**
	Supplier Return	**- 8 %**
	Scrap of Total Product Sales	**- 8 %**
Delivery	Customer Miss Deliveries	**- 65 %**
	Supplier Miss Deliveries	**- 29 %**
People	Direct Absenteeism Rate	**+ 8 %**
Productivity	Direct Worker Efficiency	**+ 4 %**
	Yield Rate of Equipment	**+ 15 %**
Inventory	Days of Production Inventory	**- 11 %**

Mexico and Morocco projects are contributing to the growth

5. Competitive Footprint

Mexico

Filtration

Suspensions

Air & Cooling

- Start of production in 2016 mainly in Filtration and Air & Cooling
- 2018 growth mainly related to Suspensions

Morocco

Filtration

- Filter production line installed and injection presses installation in progress
- Start of production Q3 2018

At Top Level in term of R&D Investments

Il Sole 24 ORE

Dall'Italia 38 aziende nella top 1.000 europea

Total R&D Investment

SOGEFI

Italy	✓ N°14
Europe	✓ N° 292
World	✓ N°1407

Source: Il Sole 24 ore, "The 2017 Eu Industrial R&D Investment Scoreboard"

Renault-Nissan Contract For New BEV Battery Pack Cooling Manifold

- The company has developed, in cooperation with the car manufacturer, its first ever manifold which efficiently distributes coolant liquid to the battery pack. The contract begins in 2021
- This new component regulates battery temperature thereby increasing efficiency and life duration.
- Battery thermal management is essential for the performance optimization of Battery Electric Vehicles, a fast growing market
- The contracts confirms Sogefi's ability to successfully develop high technology for Battery Electric Vehicles in close cooperation with vehicle manufacturers' Research and Development
- Technical credibility from the concept phase to mass production, were among the key success factors

2018 OUTLOOK

Despite the weak performance of the global automotive market in the first quarter of 2018, the Group confirms the expectation to moderately outperform the market at constant exchange rates and to achieve a higher result

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APPENDIX

IFRS 15 - Revenue from contracts with customers (effective Jan. 1st 2018)

- Finished products: no change
- Tooling (€ 35m in 2017): booked on a linear basis over 48 months after Start of Production (at customer validation before)
- Tooling sold through surcharges on piece price (€ 7m in 2017): additional price on top of every part sold (as before)
- Cost of tooling booked as tangible assets (in cost of sales before) and D&A (amortized over 48 months)
- Prototypes (€ 11m in 2017): same as standard tooling (booked in revenue upon delivery before)
- Sales commissions (€ 15m in 2017) deducted from sales (in variable costs before)
- No cash impact

IFRS 15 – Q1 2017 and FY 2017

€m / % sales

€m	Q1 2017	%	Q1 17 IFRS 15	%	Delta Euro	FY 2017	%	FY 17 IFRS 15	%	Delta Euro
TOTAL NET SALES	439.1		432.9		-6.2	1,672.4		1,648.9		-23.5
VARIABLE COSTS	314.1	71.5%	299.7	69.2%	-14.4	1,194.0	71.4%	1,134.9	68.8%	-59.1
EBITDA	45.1	10.3%	53.3	12.3%	8.2	165.8	9.9%	201.4	12.2%	35.6
D&A	17.9	4.1%	27.6	6.4%	9.7	69.3	4.1%	107.3	6.5%	38.0
EBIT	26.8	6.1%	25.3	5.8%	-1.5	85.4	5.1%	83.0	5.0%	-2.4
NET INCOME (LOSS)	11.6	2.6%	10.5	2.4%	-1.1	26.6	1.6%	24.5	1.5%	-2.1

Unaudited figures, subject to changes

Q4 2017 vs Q1 2018

€m / % sales

€m	Q4 2017 IFRS 15	%	Q1 2018	%	Δ%
TOTAL NET SALES	405.8		421.1		3.8%
EBITDA	43.8	10.8%	53.1	12.6%	21.3%
EBIT	14.8	3.6%	25.6	6.1%	73.1%
NET INCOME (LOSS)	(1.8)	-0.4%	12.0	2.8%	-
FREE CASH FLOW (NET)	1.9	0.5%	9.3	2.2%	

Q417 are unaudited figures, subject to changes

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