

SOGEFI

H1 2018 RESULTS

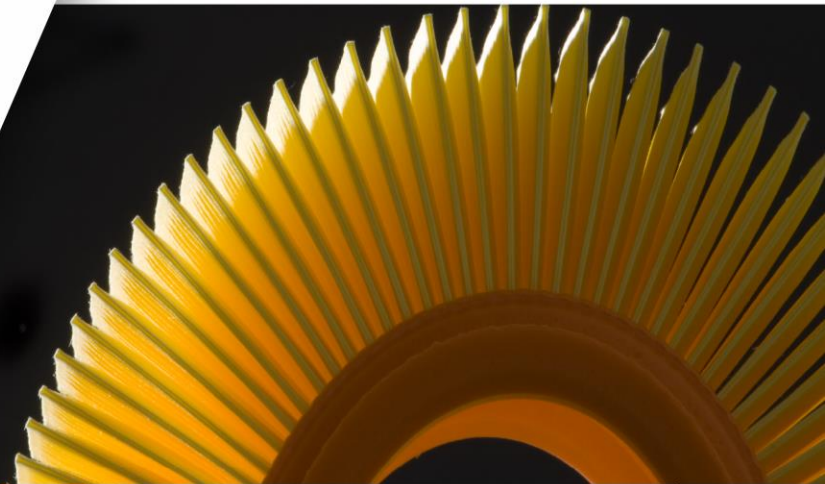
Milano – July 24th, 2018

Laurent HEBENSTREIT - Chief Executive Officer

Yann ALBRAND - Chief Financial Officer

Stefano Canu - Investor Relations

1. H1 2018 Results



H1 2018 Highlights

- Revenues at constant exchange rates up by 3.2% at € 839.1m, outperforming the market (+1.7%)
- EBITDA at € 104.0m at 12.4% on sales (13.3% in H1 17)
- EBIT at € 44.4m at 5.3% on sales (5.7% n H1 17)
- Net result at € 17.0m (€ 19.4m in H1 17)
- Free cash flow at + € 3.9m (€ 19.0m in H1 17)
- DEBT/EBITDA Ratio Improved from 1.5 to 1.3

H1 results at current exchange rate reflect a stronger Euro

H1 results are presented according to IFRS 15

Revenues by Business Unit

At constant exchange rate, all BU grew in Q2

€m	Q2 2017	Q2 2018	reported change	constant exchange rates
Air&Cooling	127.1	124.1	-2.4%	0.7%
Filtration	143.9	137.8	-4.2%	2.2%
Suspensions	154.8	156.9	1.4%	7.0%
Intercompany eliminations	-1.0	-0.9		
Total	424.8	418.0	-1.6%	3.5%

H1 2017	H1 2018	reported change	constant exchange rates
262.3	248.9	-5.1%	-1.2%
288.6	277.2	-4.0%	2.7%
308.7	314.7	1.9%	7.1%
-2.1	-1.7		
857.5	839.1	-2.1%	3.2%

Revenues by Geographical Area

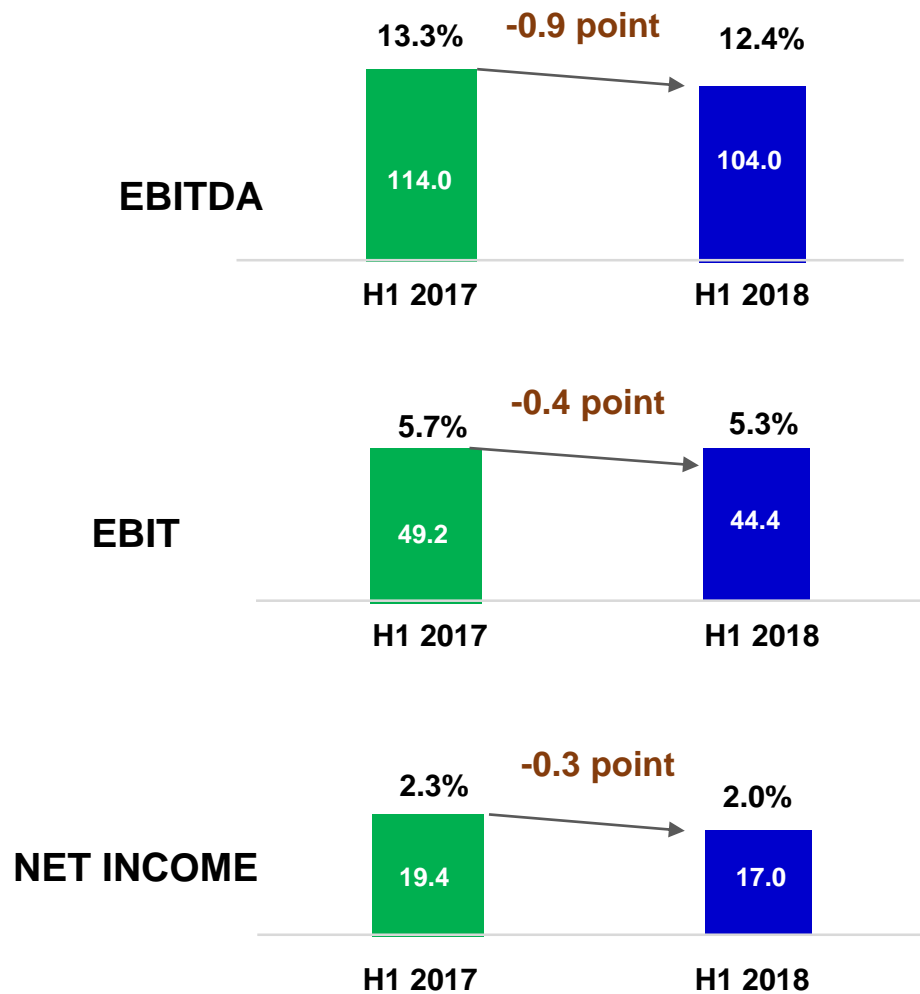
Outperforming the market in H1 at constant exchange rate

€m	Q2 2017	Q2 2018	reported change	constant exchange rates	reference market production	H1 2017	H1 2018	reported change	reference market production	constant exchange rates	weight based on H1 2018
Europe	261.0	263.9	1.1%	1.3%	4.7%	529.9	532.2	0.4%	1.8%	0.7%	63.4%
North America	76.6	73.2	-4.3%	2.5%	-2.5%	156.5	145.0	-7.3%	-2.9%	1.6%	17.3%
South America	51.0	41.4	-18.8%	10.6%	9.6%	100.0	85.9	-14.1%	10.7%	13.5%	10.2%
Asia	40.4	42.9	6.0%	11.5%	9.5%	79.8	82.4	3.3%	4.2%	10.0%	9.8%
Intercompany eliminations	-4.2	-3.4				-8.7	-6.4				
Total	424.8	418.0	-1.6%	3.5%	3.9%	857.5	839.1	-2.1%	1.7%	3.2%	100.0%

Source: Sogefi and IHS data

Profitability reflecting exchange rates and higher steel prices

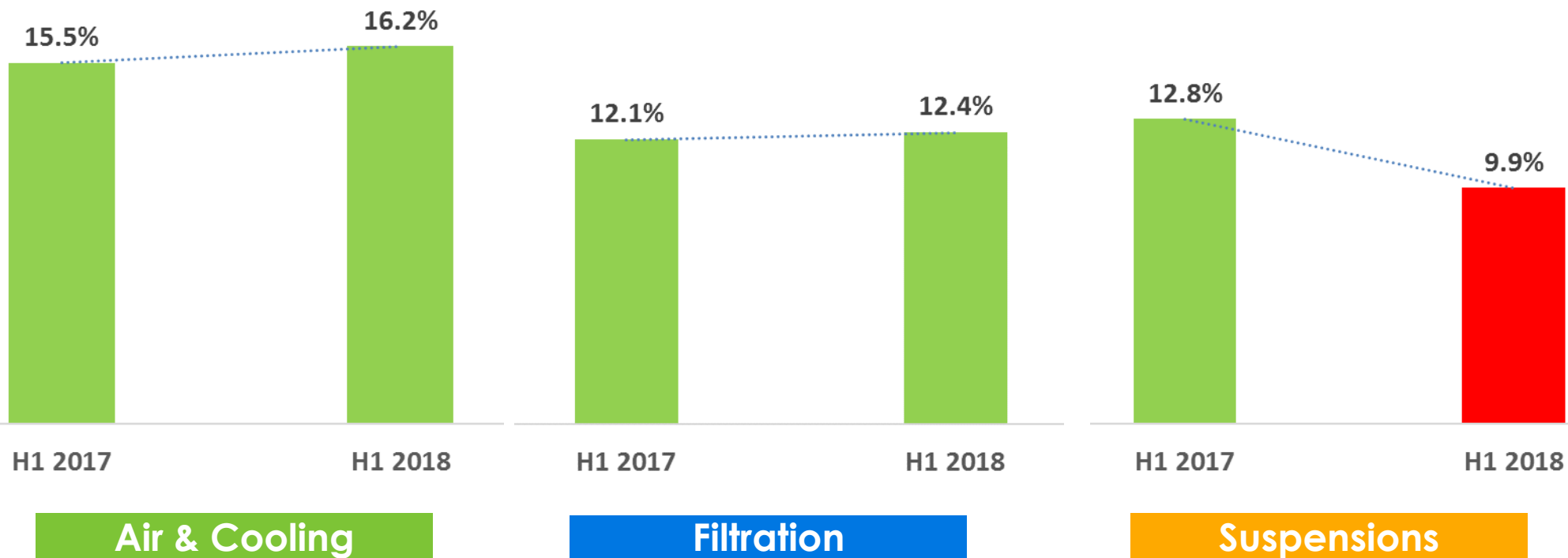
€m / % sales



2018 margin reflecting:

- The exchange rates trend (with a total effect of € 5.4m)
- The negative impact of higher steel prices (€ 6.0 million) on Suspensions
- Net income at € 17.0 million, after € 11.8 million of tax expense in 2018 down from the € 14.9 million in H1 17

EBITDA margin – BU Breakdown

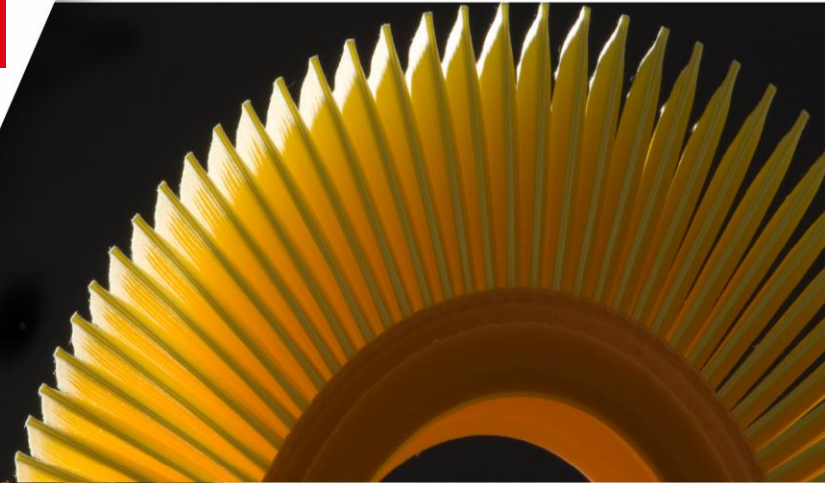


FCF Highlights – Free Cash Flow Generation

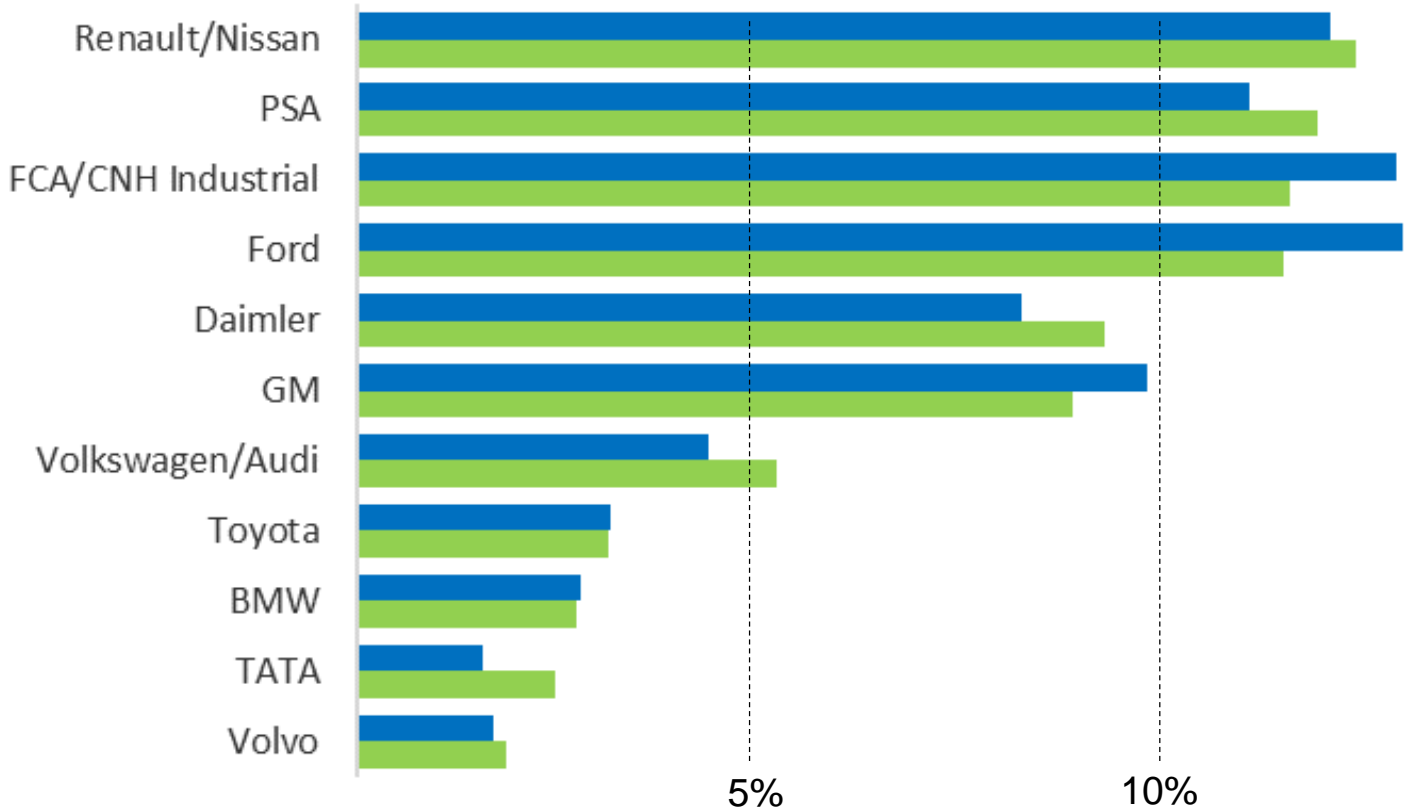
€m	H1 2017	H1 2018	
OPERATING CASH FLOW	34.2	19.0	Net of € 27.5m of tangible CAPEX vs € 23.5m in H1 2017 (+17%)
Taxes	(4.2)	(4.9)	
Interests	(11.0)	(10.2)	Cash-out relating to the start-up of the new plant in Morocco (around € 9 million)
FREE CASH FLOW (NET)	19.0	3.9	
NET DEBT	280.4	259.6	Down € 20.9 million vs June 30 2017

Factoring at € 108.6m end June 2018 vs € 104.9m end June 2017

2. Profitable And Sustainable Growth Strategy



Growth with Premium Car OEMs



■ H1 17
■ H1 18











Product Strategies – Harvest, Challenger, Leader

- Harvest ✓
- Challenger ✓
- Leader ✓

Filtration

Air & Cooling

Suspensions

OEM	AFTERMARKET
 Oil Filter ✓ ^{N°4} Worldwide	 
 Engine Air ✓	 ✓
 Fuel Filter ✓	 ✓
 Cabin Air Filter ✓	 ✓
	 European Car Park 10 years average age

 Manifold ✓ ^{N°2} Worldwide
 Coolant Pump ✓
 Coolant Outlet Housing ✓

 Stabilizer Bar ✓ ^{N°2} Europe
 Coil Spring ✓

Performance drivers to increase profitability

4 performance drivers to increase operational efficiency

1 PURCHASING

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

2 SHOPFLOOR

- Costs reduction plan
- Sogefi Excellence System
- Industry 4.0
- Direct labor productivity
 - Higher automatization
 - Shorter reaction times to deviations
- Inventory and Scrap reduction

3 PRICING POWER

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

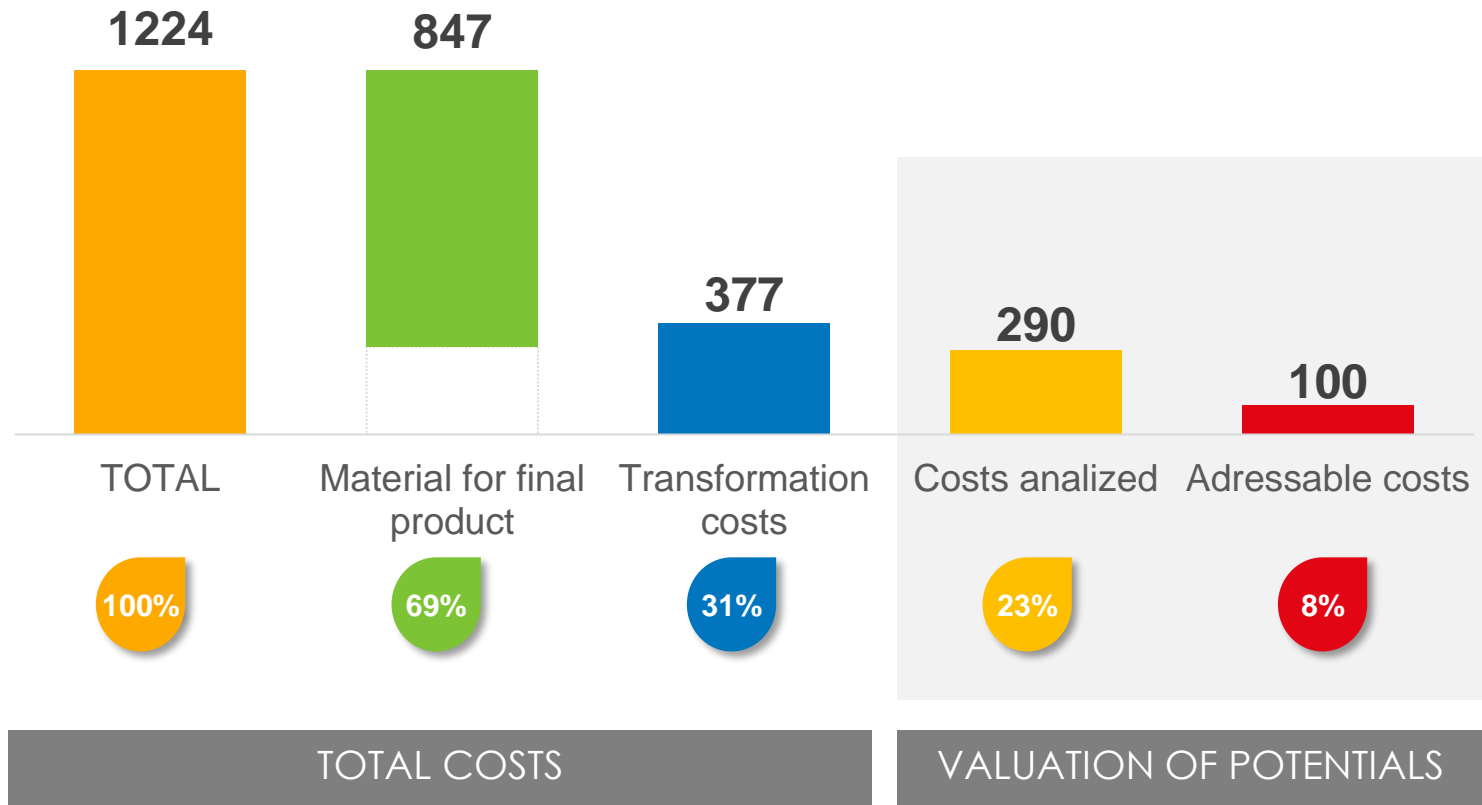
4 INDIRECT COSTS REDUCTION

- Polyvalence and Polycompetence
- Process redesign
- Organization right sizing

Focus on Profitability – Costs reduction plan

2. Shopfloor

➔ 75 M€ costs reduction target over 5 years



Data: 2016 cost base

Focus on Profitability – Industry 4.0 deployment

2. Shopfloor



Automated Guided Vehicles (AGV) in Montreal



Internet of Things (IOT) Manufacturing Execution System (MES): Sherpa software

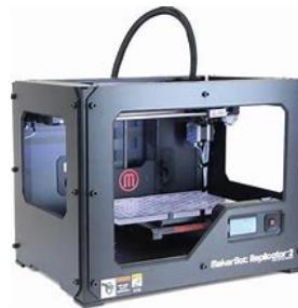


Cobots in Orbey, Wujiang, Sant Antonino

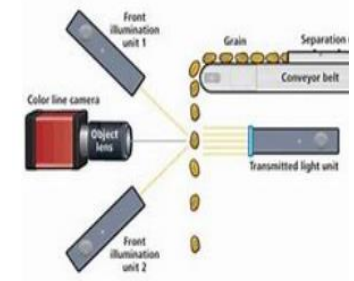


Dematerialization: Production Boards

25 digital initiatives



3D Printing in Orbey



Smart vision in Vire, Douai, Alsasua, Marcillac

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

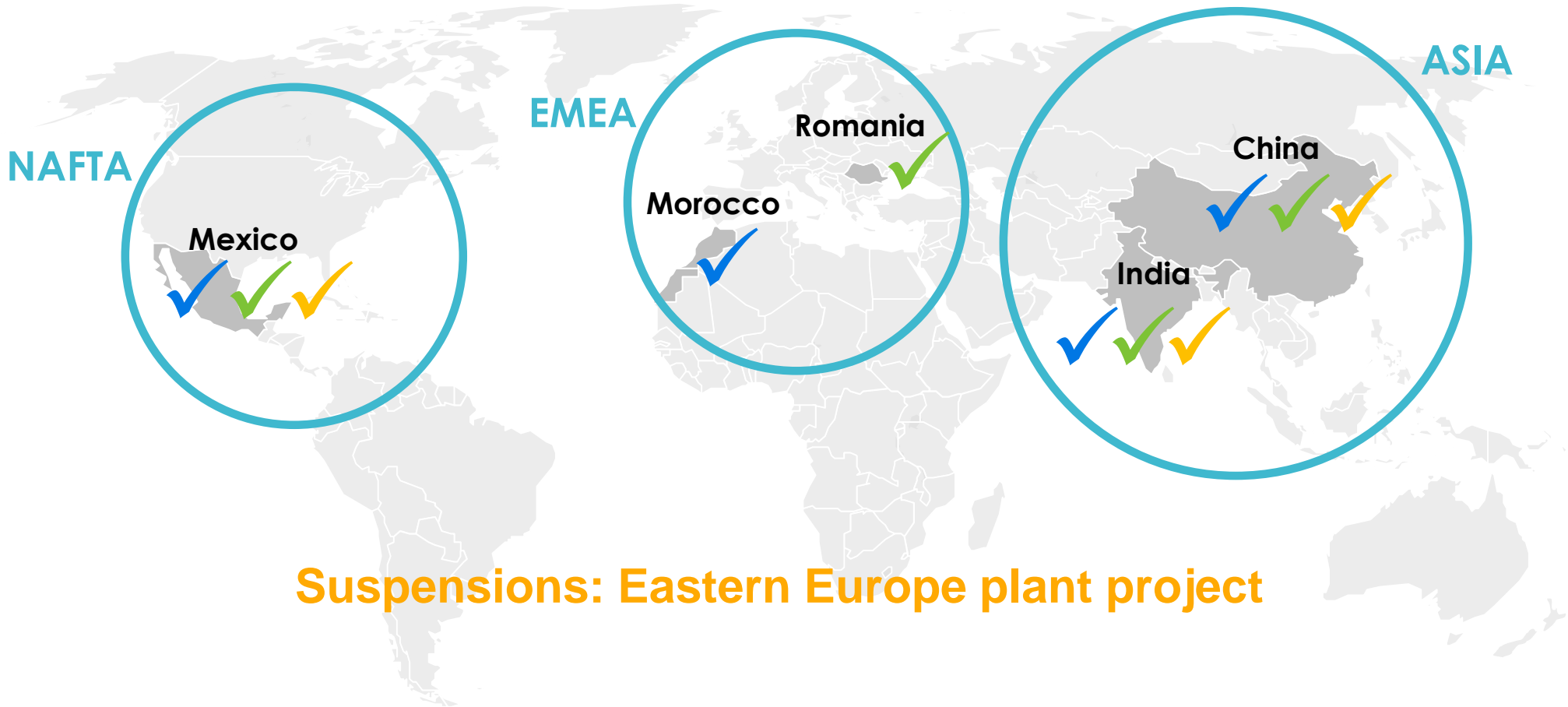


Filtration

- Filter production line installed and injection presses installation in progress
- H1 2018 cash-out relating to the start-up of the new plant in Morocco (around € 9 million) which will start operating in Q4 2018

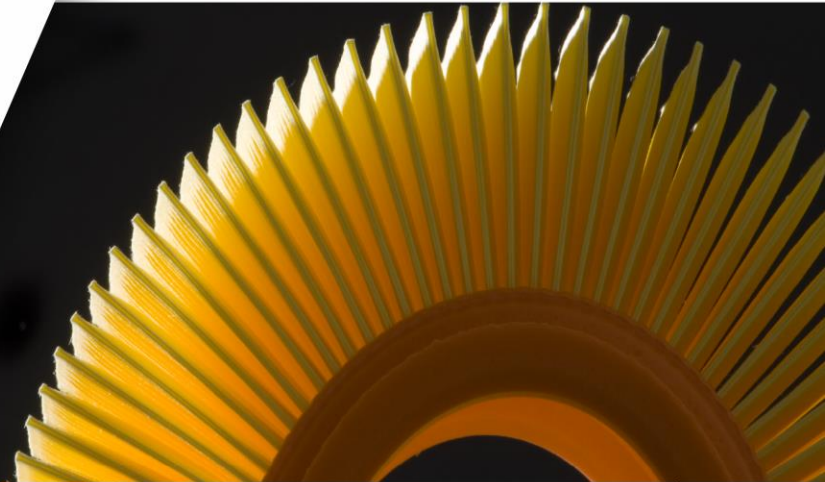
Competitive footprint deployment

5. Competitive Footprint



Suspensions: Eastern Europe plant project

3. Business News



so/GEFI

Electrification trend is shaping the future of the powertrains

New Energy Vehicle (NEV)

Internal Combustion Engine (ICE)



Pure ICE



Hybrid



Electric Vehicle (EV)



Battery (BEV)



Fuel Cell (FCEV)



Recent business awarded

Press Release RENAULT BEV



PRESS RELEASE

SOGEFI (CIR GROUP) WINS RENAULT-NISSAN CONTRACT FOR ITS NEW ELECTRIC VEHICLE 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

Milan, April 3 2018 – Sogefi, the automotive components company of the CIR Group, has won a contract to supply Renault-Nissan with its battery pack cooling manifold for battery electric vehicles (BEV). The Renault - Nissan - Mitsubishi alliance is a world leader in Battery Electric Vehicles. 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.

“This contract is an important milestone in our profitable growth strategy – said Laurent Hebenstreit, Sogefi CEO. It confirms Sogefi’s ability to successfully develop high technology for Battery Electric Vehicles. Sogefi’s close cooperation with vehicle manufacturers’ Research and Development, as well as technical credibility from the concept phase to mass production, were among the key success factors.”

Sogefi is a world leader in Air Intake Manifolds for Internal Combustion Engines and Hybrid Vehicles. This new contract positions Sogefi as a Cooling technology supplier of choice for Hybrid and Battery Electric Vehicles.

Starting in 2021, Sogefi will produce the battery pack cooling manifold at its French plant in Châteauroux.

Press Release VOLVO Hybrid



PRESS RELEASE

SOGEFI (CIR GROUP) SIGNS A NEW ENGINE COOLANT PUMP CONTRACT FOR HYBRID VEHICLES WITH VOLVO CARS IN CHINA

Milan, June 6 2018 – Sogefi, the automotive components company of the CIR Group, has signed a contract with Volvo Cars to supply engine coolant pumps for its future generation XC40, S60, V60, XC90 and S90 hybrid models. This new business will bring € 10 million of additional annual sales at full volume.

Volvo Cars, the premium car maker which is part of Zhejiang Geely Holding Group (ZGH), has announced that every Volvo it launches from 2019 will have an electric motor, placing electrification at the core of its future business.

Laurent Hebenstreit, Chief Executive Officer of Sogefi, declared: *“This new contract confirms Sogefi’s position as the supplier-of-choice for cooling technology in the fast-growing hybrid vehicle market. Sogefi will become the leading supplier for coolant pumps worldwide for the premium car maker Volvo Cars’.”*

Sogefi will start the production of the coolant pumps for Volvo’s vehicles at its Chinese plant of Wujiang in 2019.

2018 OUTLOOK

- Despite the current uncertainties of the global car market, the group confirms the expectation that it will moderately outperform the market at constant exchange rates thanks to the growth initiatives in Mexico (Suspensions) and Morocco (Filtration)
- The group also foresees a net result on a full year basis in line with that of 2017 despite the increases in the cost of raw materials and the adverse exchange rates

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