Q1 2019 RESULTS

Milano – April 29th, 2019

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Q1 2019 Highlights

- Revenues at € 389.9m, at constant exchange down 2.9%, outperforming the market (-6.7%)
- EBITDA at € 41.3m at 10.6% on sales (12.0% in 2018)
- EBIT at € 11.3m at 2.9% on sales (5.6% in 2018)
- Net result at € 1.6m (€ 11.2m in 2018)
- Free cash flow at - € 9.1m (+€ 9,3m in 2018) includes € 7.5 million of impact of IFRS 16 (Leasing) and € 1.6 million of operating cash consumption of which € 3.1 million due to the start-up of the new production plant in Morocco
- Net debt at € 328.9m. The application of IFRS 16 million determined the recognition in the accounts of financial debts for right of use for € 66.8 million. Excluding this amount Net debt at € 262.1m (€ 260.5m at end of 2018)

Q1 2018 & 2019 results are presented according IFRS 5 and IAS29 (Hyperinflation). From 1st of January results including IFRS 16

Revenues by Geographical Area

€m	Q1 2018	Q1 2019	reported change	constant exchange rates	reference market production	weight based on Q1 2019
Europe	253.2	244.3	-3.5%	-3.6%	-5.0%	62.7%
North America	71.8	74.1	3.2%	-2.6%	-2.5%	19.0%
South America	44.7	37.6	-16.0%	6.4%	-4.9%	9.6%
Asia	39.5	36.1	-8.6%	-9.1%	-11.8%	9.3%
- *of which China*	22.2	17.2	-22.5%	-24.0%	-13.5%	4.4%
Intercompany eliminations	-2.9	-2.2				
Total	**406.3**	**389.9**	**-4.0%**	**-2.9%**	**-6.7%**	**100.0%**

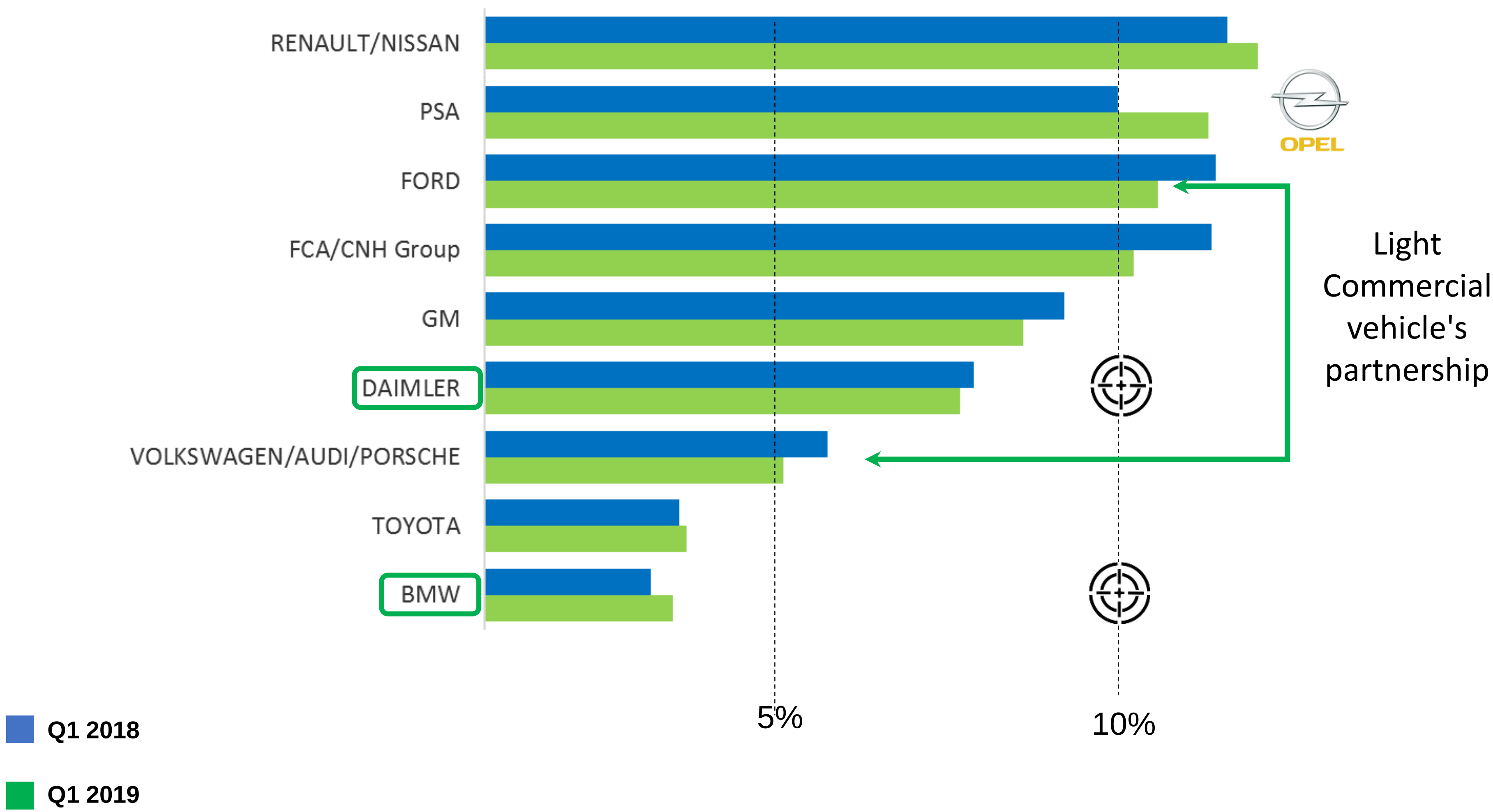
Source: Sogefi and IHS data

Revenues by Business Unit

At constant exchange all BU outperformed the market

€m	Q1 2018	Q1 2019	reported change	constant exchange rates change
Air&Cooling	109.6	109.6	0.0%	-2.1%
Filtration	139.5	133.9	-4.1%	-2.7%
Suspensions	157.9	147.0	-6.9%	-3.9%
Intercompany eliminations	-0.7	-0.6		
Total	**406.3**	**389.9**	**-4.0%**	**-2.9%**

Client perspectives



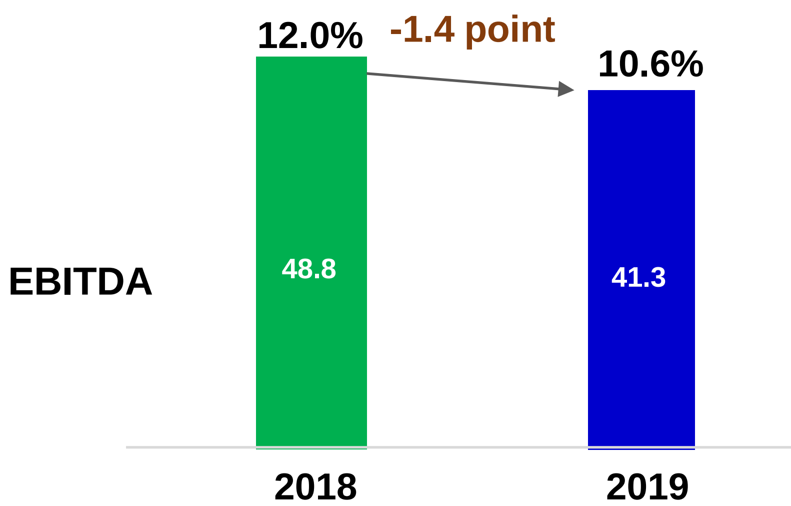
Auto production by quarter and Q2 2019 expectation

	2018 - Market				2019	IHS Forecast
€m	Q1	Q2	Q3	Q4	Q1	Q2 2019
Europa	-0.7%	4.8%	-7.3%	-6.8%	-5.0%	-7.7%
Nord America	-3.3%	-2.2%	1.3%	2.1%	-2.5%	-1.1%
Sud America	11.9%	9.5%	2.5%	-9.2%	-4.9%	4.9%
Asia	-0.2%	11.3%	-2.8%	-13.8%	-11.8%	-2.9%
- of which China	-1.8%	10.9%	-4.5%	-15.2%	-13.5%	-3.4%
Totale	**-0.1%**	**4.7%**	**-2.9%**	**-5.4%**	**-6.7%**	**-3.4%**

Source: Sogefi and IHS data. Passenger cars and Light commercial vehicles only

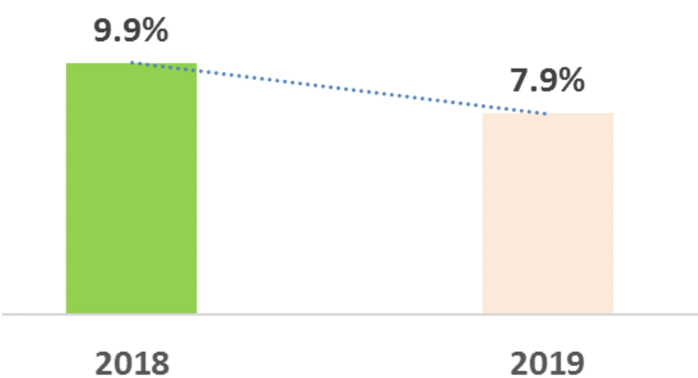
Q1 EBITDA margin – Sogefi Group

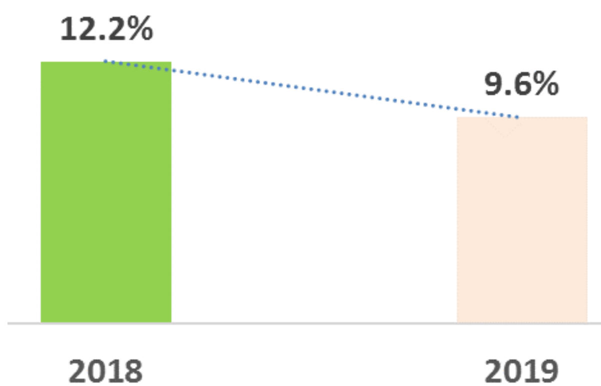
€m / % sales

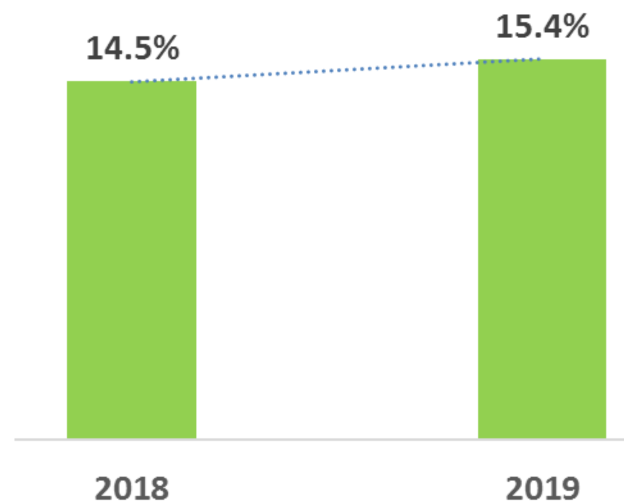


- The reduction in EBITDA reflects the lower volumes and the margins erosion occurred in 2018 in Filtration and Suspensions
- Including -€ 1.9 million of restructuring (-€ 1.1 million in Q1 2018)

Q1 EBITDA margin – BU Breakdown







Suspensions

The reduction in profitability is mainly due to South America and China

Filtration

Margin reduction is mainly due to the decline in business in Europe, the worsening of results in Brazil and the costs for the start-up of the new plant in Morocco

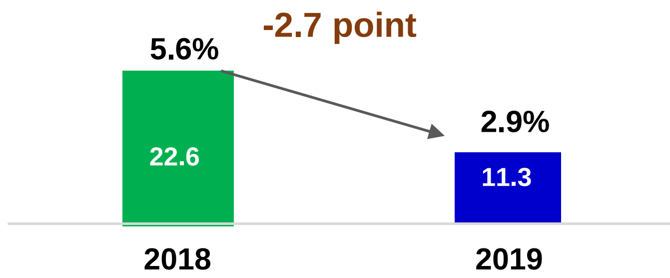
Air & Cooling

- Gross margin improvement
- Focus on high margin products

Q1 P&L - Sogefi Group

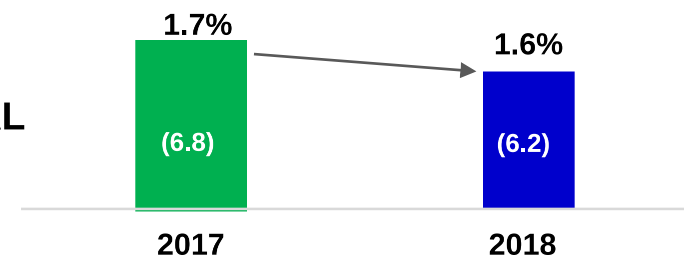
€m / % sales

EBIT



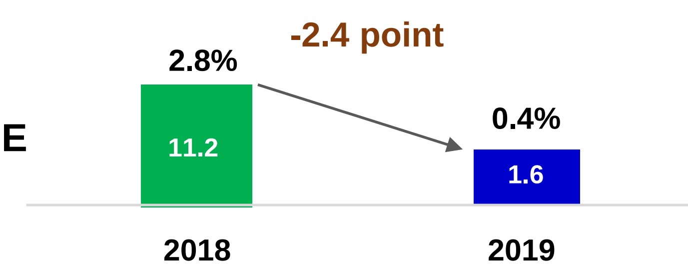
- EBIT reflecting lower EBITDA

FINANCIAL RESULT



- Cash interests down € 1.3m

NET INCOME



- After € 3.6m of tax expense in Q1 2019 vs € 5.2m in Q1 2018
- High tax rate due to non booking of deferred tax assets on companies in losses or in inception

Q1 FCF Highlights - Cash Flow generation

€m	2018	2019	
FUNDS PROVIDED BY OPERATIONS	**40.7**	**33.8**	
Working Capital & Others	(3.8)	(8.1)	
Capex	(10.6)	(8.9)	
Increase in tangible assets - IFRS 16	0.0	(8.3)	Booking of new lease commitments
Intangibles & IFRS15	(17.0)	(17.6)	
FREE CASH FLOW (NET)	**9.3**	**(9.1)**	
NET DEBT	**254.3**	**262.1**	
Leasing and right of use debt (IFRS 16)		(66.8)	-€ 59.6m estimated end 2018
NET DEBT POST IFRS 16	**254.3**	**328.9**	

Factoring at € 114.1m in Q1 2019 vs € 99.2m end 2018 and € 112.3 Q1 2018

Perimeter change

- The closing of the disposal of its Fraize plant in France took place on the 26th of April
- The main activity of the Fraize plant is the production of blow-molded air ducts considered as no longer part of the group's core businesses
- …………..Press release

2019 OUTLOOK

- In the second quarter, the global car market is expected to decline by 3.4% compared to the previous year (-7.7% in Europe). In this environment, in the second quarter Sogefi forecast a lower sales reduction than market forecasts

- In terms of profitability, EBIT for the second quarter is expected to improve compared to the first quarter

APPENDIX

IFRS 16 and IFRS 5 Effect (effective Jan. 1st 2019)

IFRS 16 - Leases

- IFRS 16 is an International Financial Reporting Standard (IFRS) providing guidance on accounting for leases
- The standard introduces a single lessee accounting model for recognizing and evaluating lease agreements, which provides for the underlying asset to be recognized in assets and counterbalanced by a financial liability. Lessees may elect to not recognize agreements for low- value assets (lower than € 5k) or with a term of up to 12 months as leases

IFRS 5 - Held for sale

- IFRS 5 is an International Financial Reporting Standard (IFRS) providing guidance on accounting for assets held for sale
- Assets and liabilities are classified as held for sale when it is highly probable that their book value will be recovered mainly through a sale transaction rather than through their continued use
- Net profit related to assets held for sale is disclosed is a separate line of Profit and loss
- In the second half of 2018, management put forward a plan to sell part of the production plants at the Fraize plant. For this reason, this plant has been presented in the financial statements as an “Asset held for sale”.
- Net profit of Fraize for March 2018 and March 2019 has been included in the line ” Net income (loss) of held for sale activity”.

Full Year 2018 Proforma Data (with IFRS 16 and excluding Fraize)

€m	FY 2018	%
TOTAL NET SALES	1,570.7	
EBITDA	186.5	**11.9%**
EBIT	61.9	**3.9%**
NET INCOME	12.6	0,8%
NET DEBT	320.0	

FY 2018 Proforma are preliminary management accounts and figures are not audited

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