



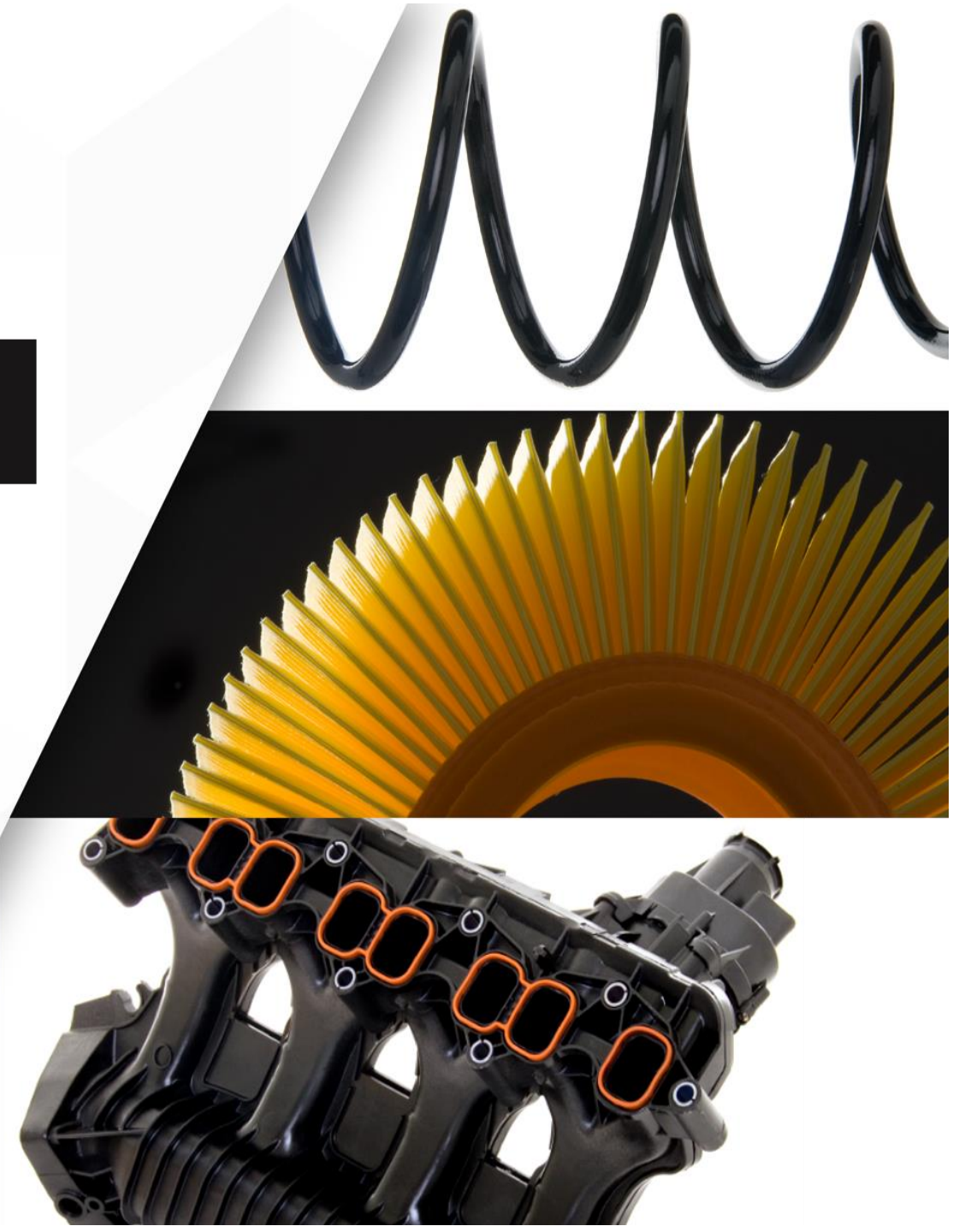
FY 2019 RESULTS

Milano – February 24th, 2019

Mauro FENZI - Chief Executive Officer

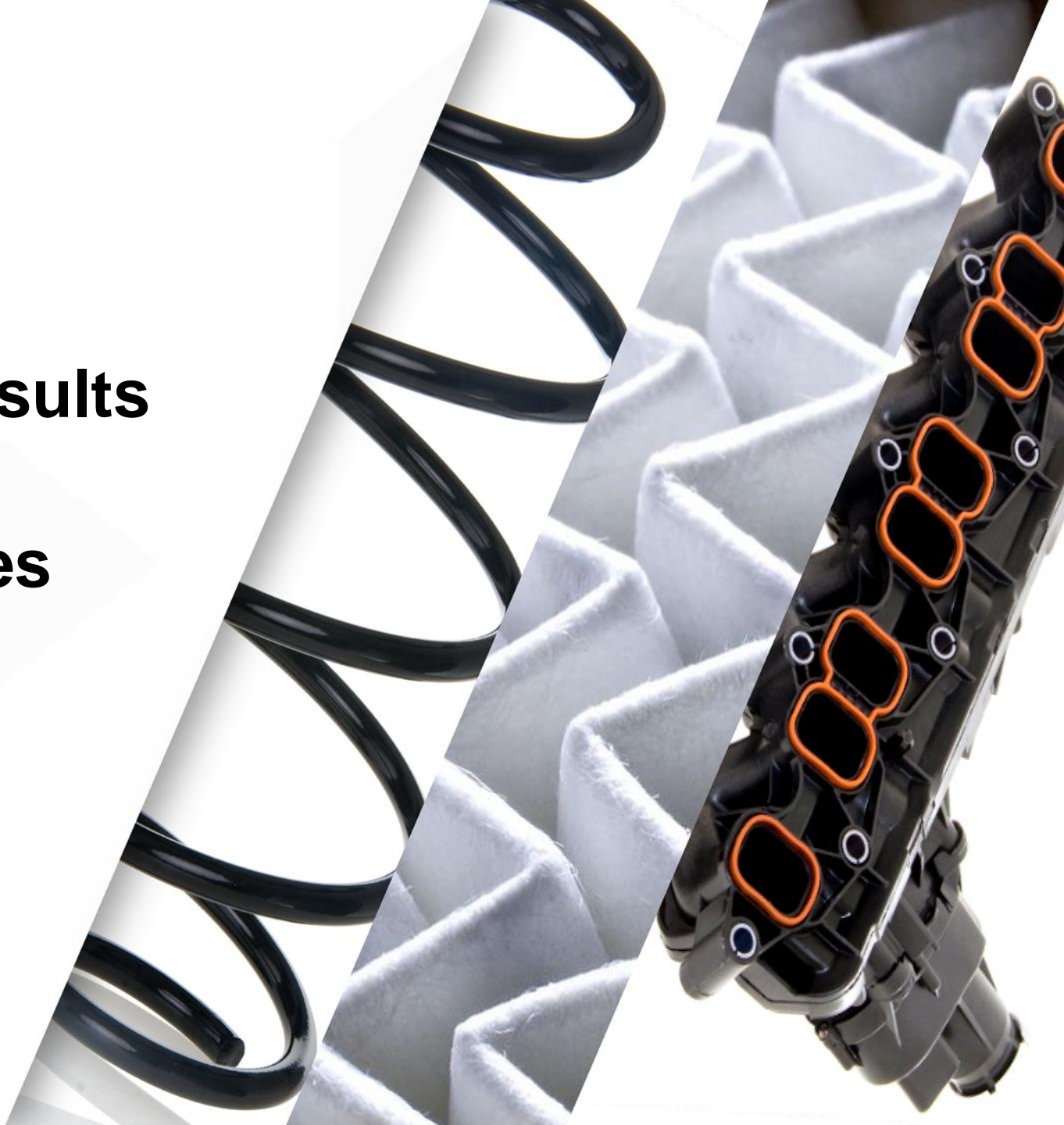
Yann ALBRAND - Chief Financial Officer

Stefano CANU - Investor Relations



Agenda

- 1** **FY 2019 Results**
- 2** **Perspectives**
- 3** **Annex**



Full Year 2019 Highlights

Figures at constant accounting principles and excluding Dayco claim

Revenues at € 1519.2m

vs. €1570.7m in 2018

- Down 3.3% on a reported basis and -2.2% at constant exchange rate
- Overperforming the market by 360 bps

EBITDA at € 174.3m

vs. €179.9m in 2018¹

- 11.5% on sales in line with PY (11.5% excluding positive Dayco claim effect)
- Confirming Q4 YoY and 2019 quarterly improvement

EBIT at € 39.6m

vs. €55.3m in 2018¹

- 2.6% on sales in FY 2018 vs 3.5% on sales in FY 2018
- Negatively affected by € 10.6m of non-cash asset write-downs (€ 5.3m in 2018) and including start-up costs in Morocco/Romania

Net Income at € 3.2

vs. € 8.3m end 2018¹

- Including € 4.0m coming from the Fraize plant disposal (€ 1.1m in 2018)

FCF² at +€ 3.9m

vs. €14.2m in 2018¹

- Positive Free Cash Flow +€ 3.9m vs +€ 14.2m in 2018 (excluding one-offs)

Net debt² at € 256.2

vs. € 260.5m end of 2018

- Net debt down to € 256.2 vs € 260.5m end of 2018 and € 264.6m end September 2019

2019 figures from 1st of January including IFRS 16. 2018 with IFRS 16 are calculated solely for management purposes.

1. Dayco Claim effects on 2018 figures are: EBITDA/EBIT +€ 6.6m, Net Income +€ 4.3m, FCF +€ 5.5m. On 2019 FCF - € 1.8m

2. FCF and Net debt excluding IFRS 16



Revenues by Geographical Area



€m	Q4 2018	Q4 2019	reported change	constant exchange rates	reference market production	performance vs market (bps)	FY 2018	FY 2019	reported change	constant exchange rates	reference market production	performance vs market (bps)	weight based on FY 2019
Europe	227.6	223.6	-1.8%	-2.0%	-6.3%	434	944.5	928.7	-1.7%	-1.7%	-4.7%	305	61.1%
North America	75.1	67.9	-9.6%	-12.7%	-8.9%	-375	294.7	288.7	-2.1%	-6.3%	-3.9%	-239	19.0%
South America	46.4	39.9	-14.1%	6.6%	-6.5%	1314	182.0	160.6	-11.8%	8.1%	-4.0%	1209	10.6%
Asia	37.0	40.9	10.4%	7.5%	-0.2%	769	160.9	149.9	-6.8%	-8.2%	-8.9%	68	9.9%
- of which China	20.6	22.4	8.9%	7.6%	0.9%	668	91.1	75.5	-17.1%	-17.9%	-8.5%	-936	5.0%
Intercompany	(2.5)	-2.0					(11.4)	(8.7)					
Total	383.6	370.3	-3.5%	-2.2%	-5.4%	321	1570.7	1519.2	-3.3%	-2.2%	-5.8%	359	100.0%

Overperforming the market by 321 bps due to overperformance in Europe and China (new programs)

Overperforming the market by 359 bps due to overperformance in Europe and despite UAW strike at GM

Source: Sogefi and IHS data. Passenger cars and Light commercial vehicles only. Europe is Europe 28 and Asia is China + India

Air & Cooling



Filtration



Suspensions



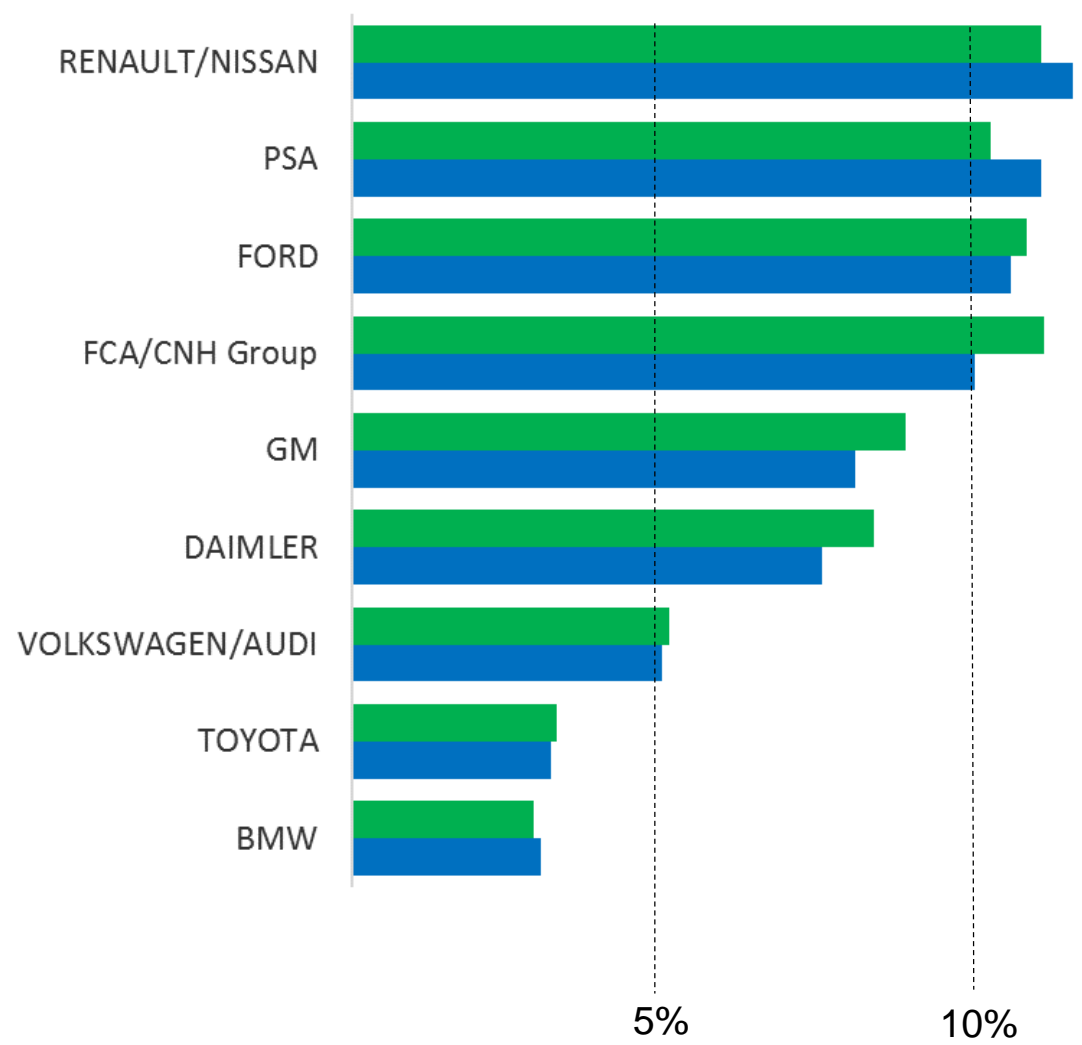
Revenues by Business Unit

€m	Q4 2018	Q4 2019	reported change	constant exchange rates change	performance vs market (bps)
Air&Cooling	108.0	105.8	-2.1%	-3.7%	173
Filtration	129.7	138.4	6.8%	7.7%	1310
Suspensions	146.4	126.8	-13.4%	-9.9%	-451
Intercompany	(0.5)	(0.7)			
Total	383.6	370.3	-3.5%	-2.2%	321

FY 2018	FY 2019	reported change	constant exchange rates change	performance vs market (bps)
433.5	426.1	-1.7%	-3.5%	225
537.2	546.4	1.7%	2.7%	848
602.6	549.7	-8.8%	-5.6%	23
(2.6)	(3.0)			
1,570.7	1,519.2	-3.3%	-2.2%	359



Sales by client



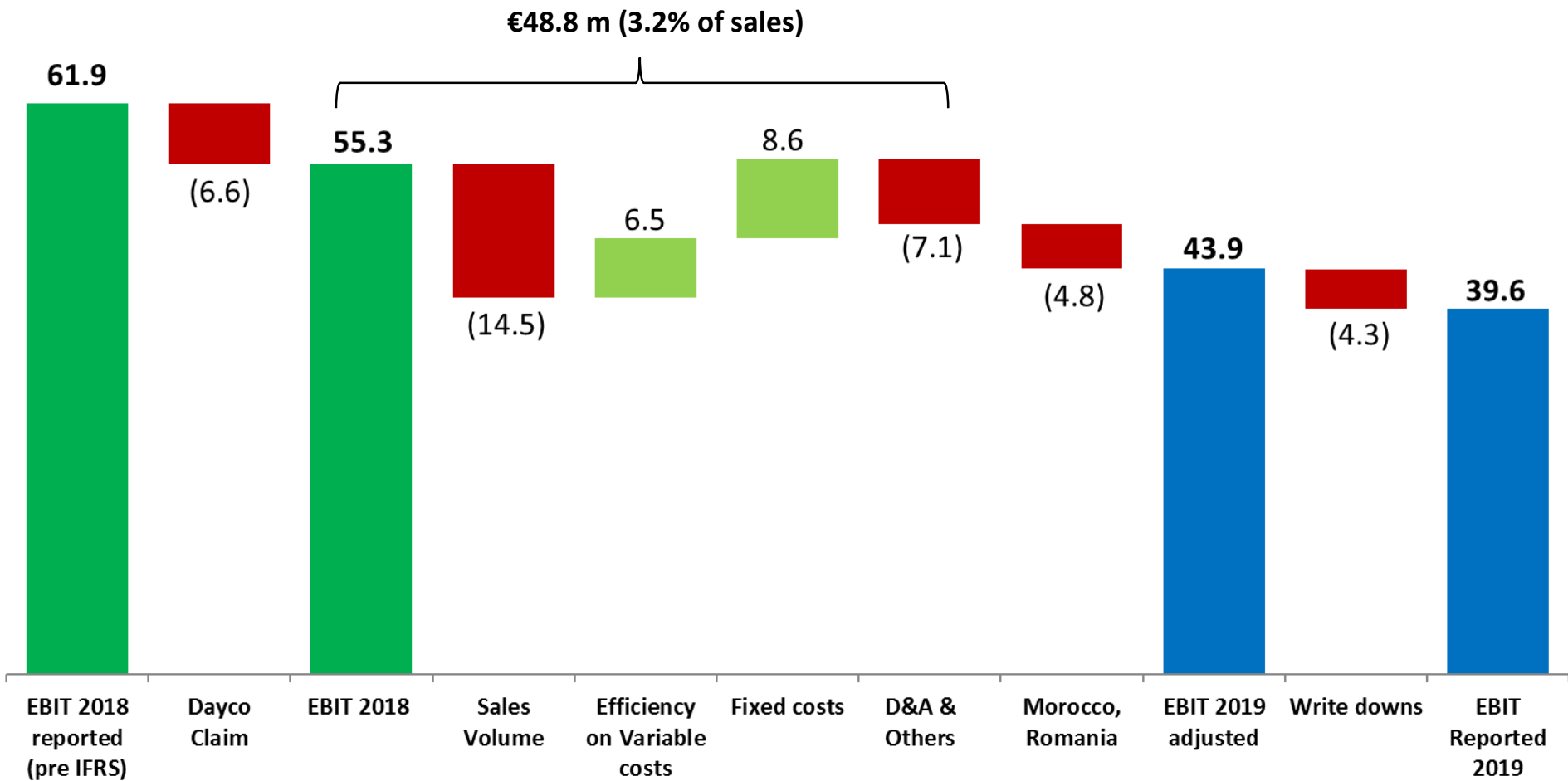
FY 2018
 FY 2019



FY 2019 EBIT performance breakdown – Sogefi Group - €m / % sales



Figures at constant accounting principles



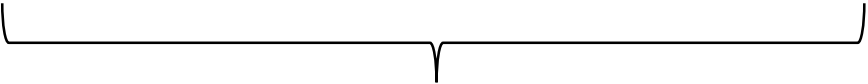
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Improving quarterly profitability

Figures at constant accounting principles

	Q1 2019	%	Q2 2019	%	Q3 2019	%	Q4 2019	%	Q4 2018	%
TOTAL NET SALES	389.9		388.0		371.1		370.3		383.6	
EBITDA	41.3	10.6%	45.1	11.6%	44.4	12.0%	43.6	11.8%	37.3	9.7%
EBIT	11.3	2.9%	13.0	3.4%	13.1	3.5%	2.2	0.6%	4.3	1.1%
EBIT excluding write-downs							10.7	2.9%	5.7	1.5%

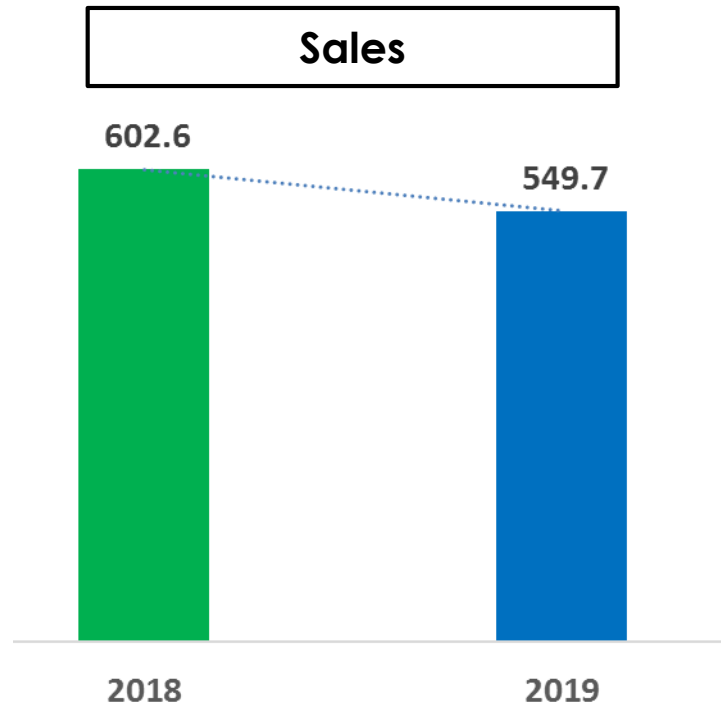


Confirming 2019 quarterly improvement at EBITDA level

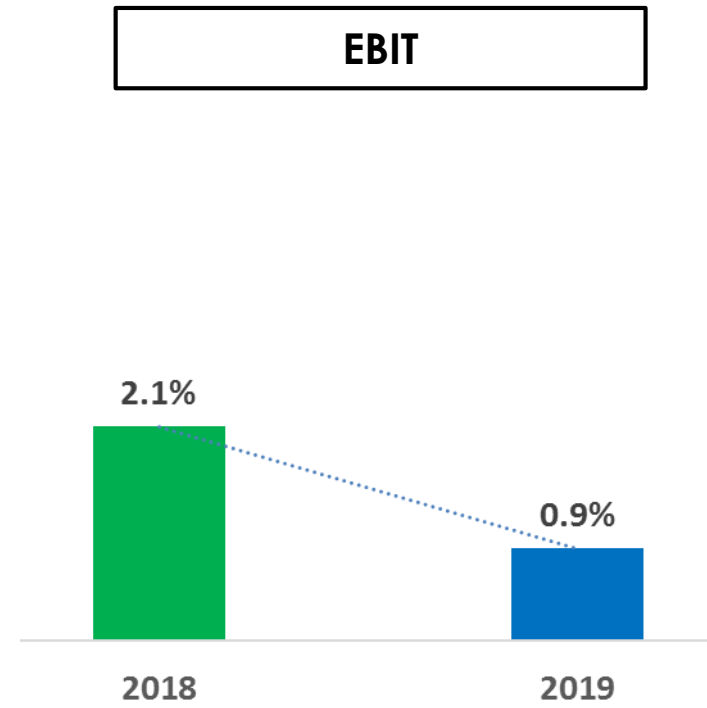


Improving margin YOY





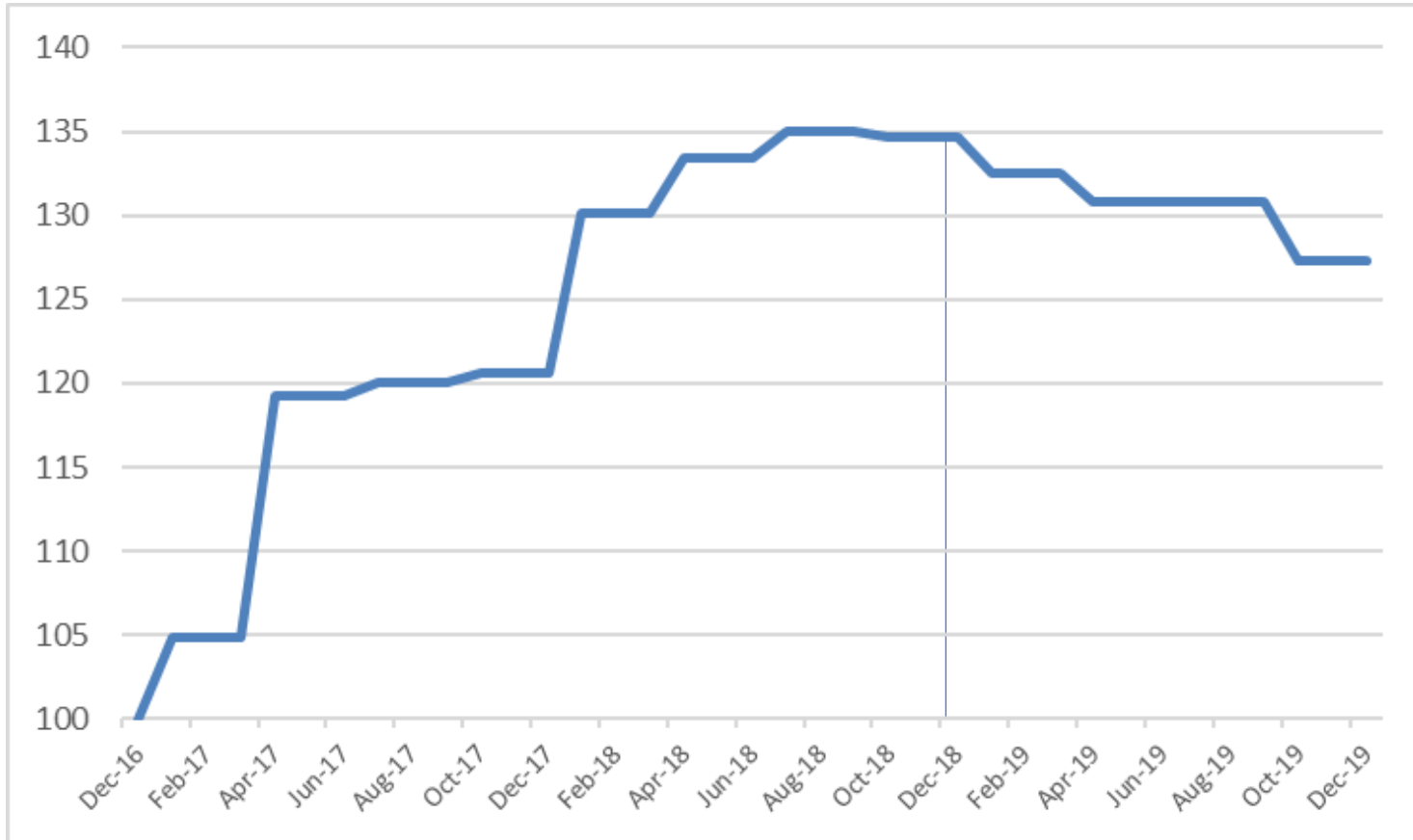
- Down 8.8% (-5.6% at constant exchange)
- Europe -6.5%



- Margin decrease in LATAM and China
- EMEA improving profitability
- EBIT at 1.9% excluding one-offs and Romania start up costs

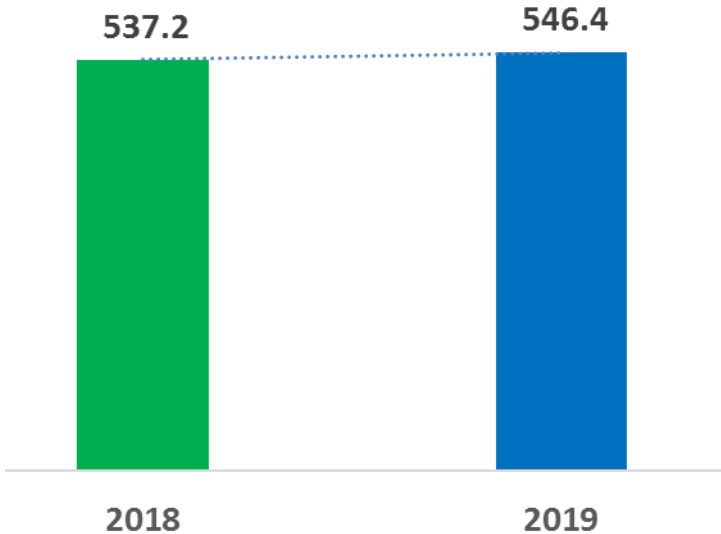


Suspensions - Indicative steel prices evolutions €/ton



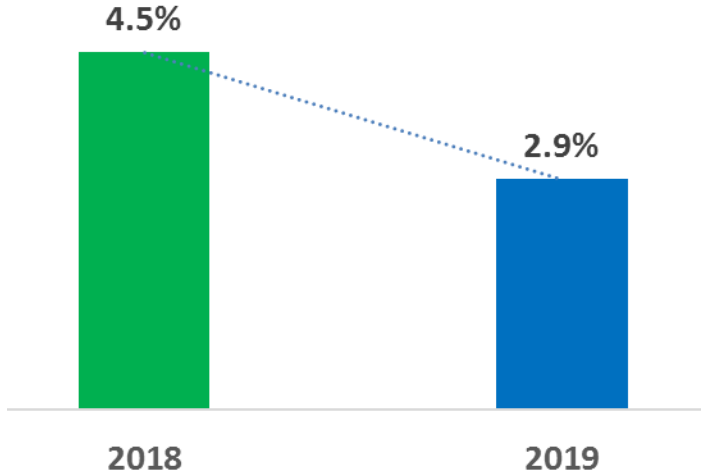
Source: Indexed number. Base is the price of the steel in EURO/tn (actual price paid by SOGEFI for one type of steel)

Sales



- Growth of 1.7% (+2.7% at constant exchange)
- The activity recorded growth in all the main areas except North America

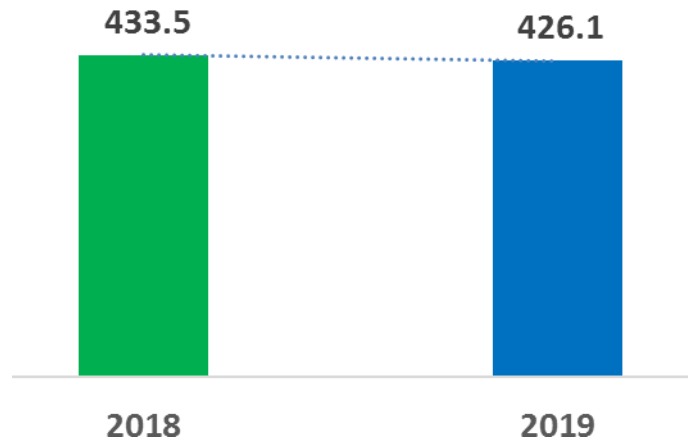
EBIT



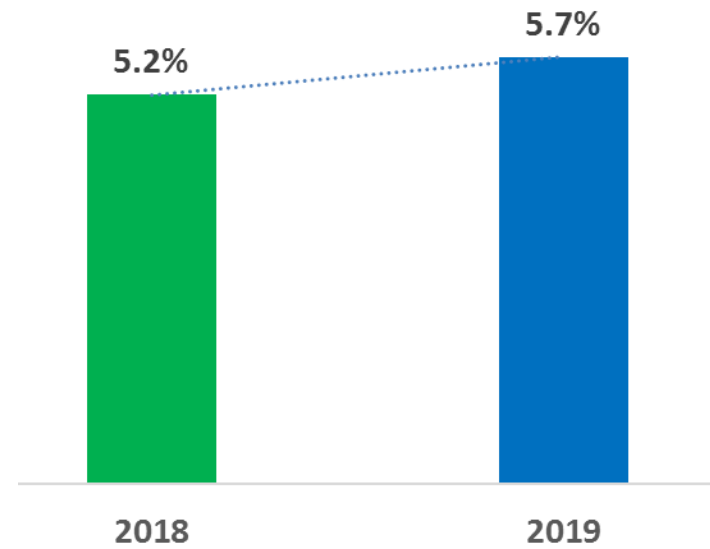
- EMEA & NAFTA improving profitability
- LATAM still a point of attention
- EBIT at 4.2% without Morocco start up costs



Sales



EBIT



- Down 1.7% (-3.5% at constant exchange)
- In Europe activity +4.9%
- In North America -2.5% (-€ 6m GM strike)
- China down YoY with a recovery in Q4 thanks to new SOPs

- Global profitability improving
- EBIT grew significantly in Europe



FY 2019 P&L - Sogefi Group - €m / % sales

Figures at constant accounting principles and excluding Dayco claims

€m	FY 2018	%	FY 2019	%	
EBIT	55.3	3.5%	39.6	2.6%	
Financial results	27.5	1.8%	23.8	1.6%	€ 19.5m excluding IFRS 16
Income Tax	19.6	1.2%	13.7	0.9%	
Minority Interest	3.3	0.2%	3.0	0.2%	
NET INCOME OF OPERATING ACTIVITIES	7.2	0.5%	(0.8)	-0.1%	After the write-downs
Net income from discontinued operations	1.1	0.1%	4.0	0.3%	Fraize plant contribution
NET INCOME	8.3	0.5%	3.2	0.2%	

Dayco Claim effects on 2018 figures are: EBITDA/EBIT +€ 6.6m, Net Income +€ 4.3m, FCF +€ 5.5m . On 2019 FCF - € 1.8m



FY 2019 FCF Highlights - Cash Flow generation

• *Figures at constant accounting principles and excluding IFRS16*

€m	2018	2019
FUNDS PROVIDED BY OPERATIONS	140.3	133.7
Indian subsidiary acquisition	(16.7)	
Dayco claim	5.5	(1.8)
Fraize disposal		7.2
Total FUNDS PROVIDED	129.1	139.1
Working Capital	5.9	(2.1)
Tangible Capex	(58.1)	(60.2)
Intangibles & IFRS15	(74.6)	(67.5)
Others	0.7	0.0
FREE CASH FLOW (NET)	3.0	9.3
FREE CASH FLOW (NET) EXCLUDING ONE-OFFS	14.2	3.9
NET DEBT	260.5	256.2

of which € 9.5m for new plants

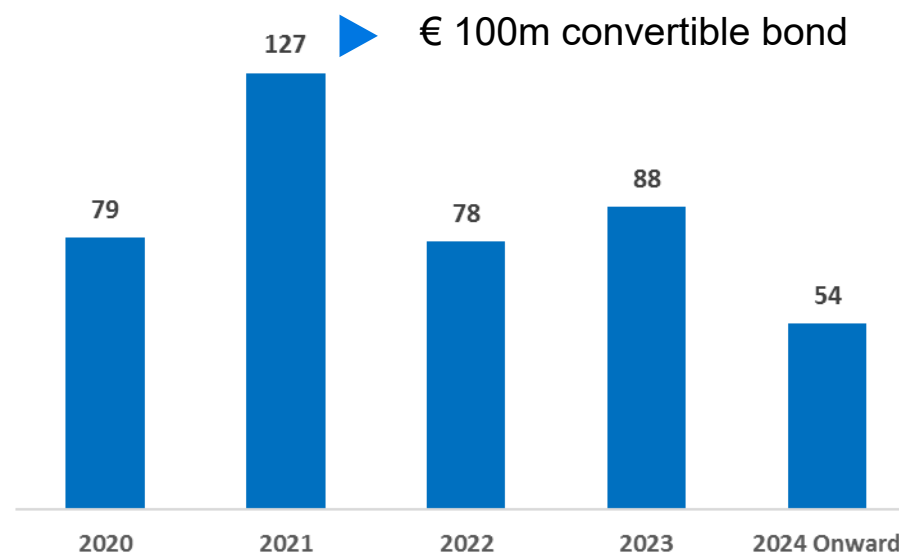
Factoring at € 94.2m end 2019 vs € 103.3m end Sept 2019 and € 99.2m end 2018



2019 New Issuance

- In November Sogefi completed the issuance and placement of a € 75m non-convertible bond
- The Bond is unsecured, with an annual fixed coupon of 3%, and will mature in November 2025
- The deal allows Sogefi to lengthen debt maturities while further diversifying its own funding sources

Debt Repayment Schedule - €m



Including Fair Value on derivatives, gross debt is without IFRS16



Perspectives

Market production evolution

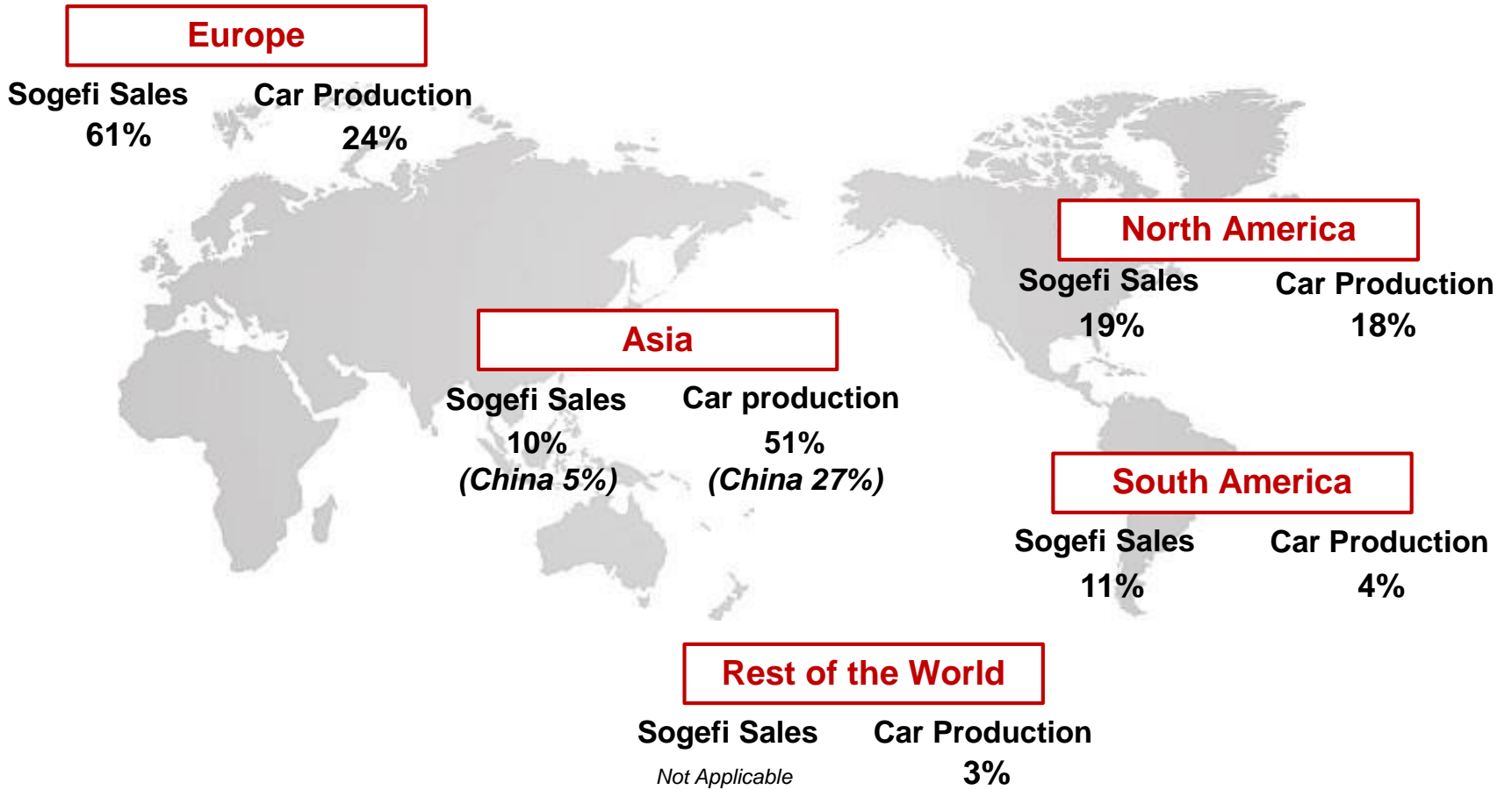


€m	2019				IHS Forecast (February 2020)	
	Q1	Q2	Q3	Q4	1Q 2020E	FY 2020E
Europe	-4.3%	-7.4%	0.1%	-6.3%	-6.1%	-1.4%
North America	-3.3%	-2.6%	-0.9%	-8.9%	2.5%	1.1%
South America	-4.7%	-1.4%	-3.6%	-6.5%	-0.3%	4.8%
Asia	-9.4%	-17.2%	-9.0%	-0.2%	-5.0%	-4.4%
- of which China	-10.6%	-18.1%	-6.7%	0.9%	-27.7%	-4.5%
Total	-5.8%	-8.1%	-3.7%	-5.4%	-10.8%	-1.9%

Source: Sogefi and IHS data. Passenger cars and Light commercial vehicles only. Europe is Europe 28 and Asia is China + India



Sales compared with world car production by region



Source: Sogefi and IHS data



New Suspensions plant in Romania



- Start of production of stabilizer bars and coil springs is expected in 2021
- Initially will supply German Premium OEMs for projects already awarded
- Over 30.000 m2 and more than 250 people at full capacity



- Sector sources expect 2020 global car production to decline slightly, with Europe at -1.4%*; for the first quarter of 2020, the trend should be a major decline, mainly in China, with a recovery in the following quarters. It should be highlighted that the market outlook remains highly uncertain and the visibility low
- Taking into account its contracts portfolio, Sogefi expects sales substantially in line with 2019 and slightly better than the market
- A stable profitability in Europe is expected, thanks to the actions taken particularly in the Suspensions business, and a margin recovery is expected in North America, thanks to the new Air & Cooling contracts acquired
- The current year will be key for the development of the new Suspensions plant in Romania which will contribute to strengthen the EMEA business from 2022 onwards
- These perspectives do not incorporate the effects of Coronavirus; considering the relatively limited exposure of Sogefi to the Chinese market, the main risk is represented by the impact on the world economy and on the car production worldwide

* As of February 2020



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