



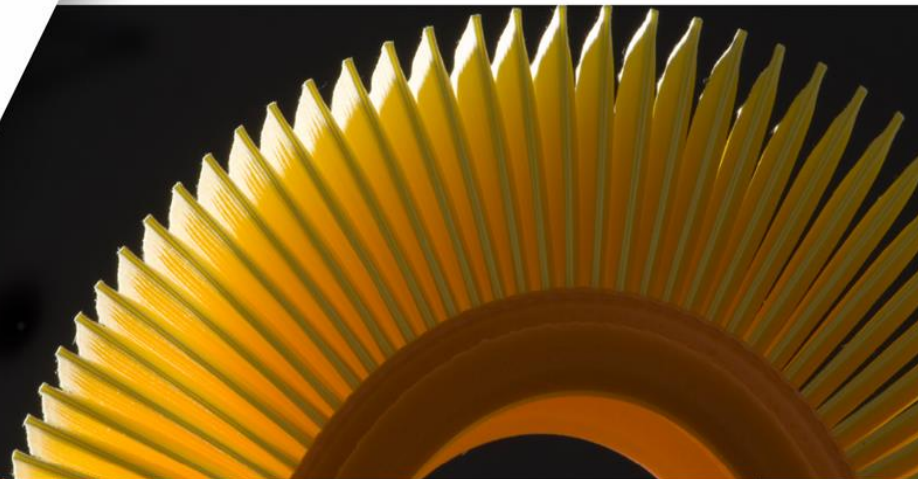
STAR CONFERENCE 2020

Milano – May 27, 2020

Mauro FENZI - Chief Executive Officer

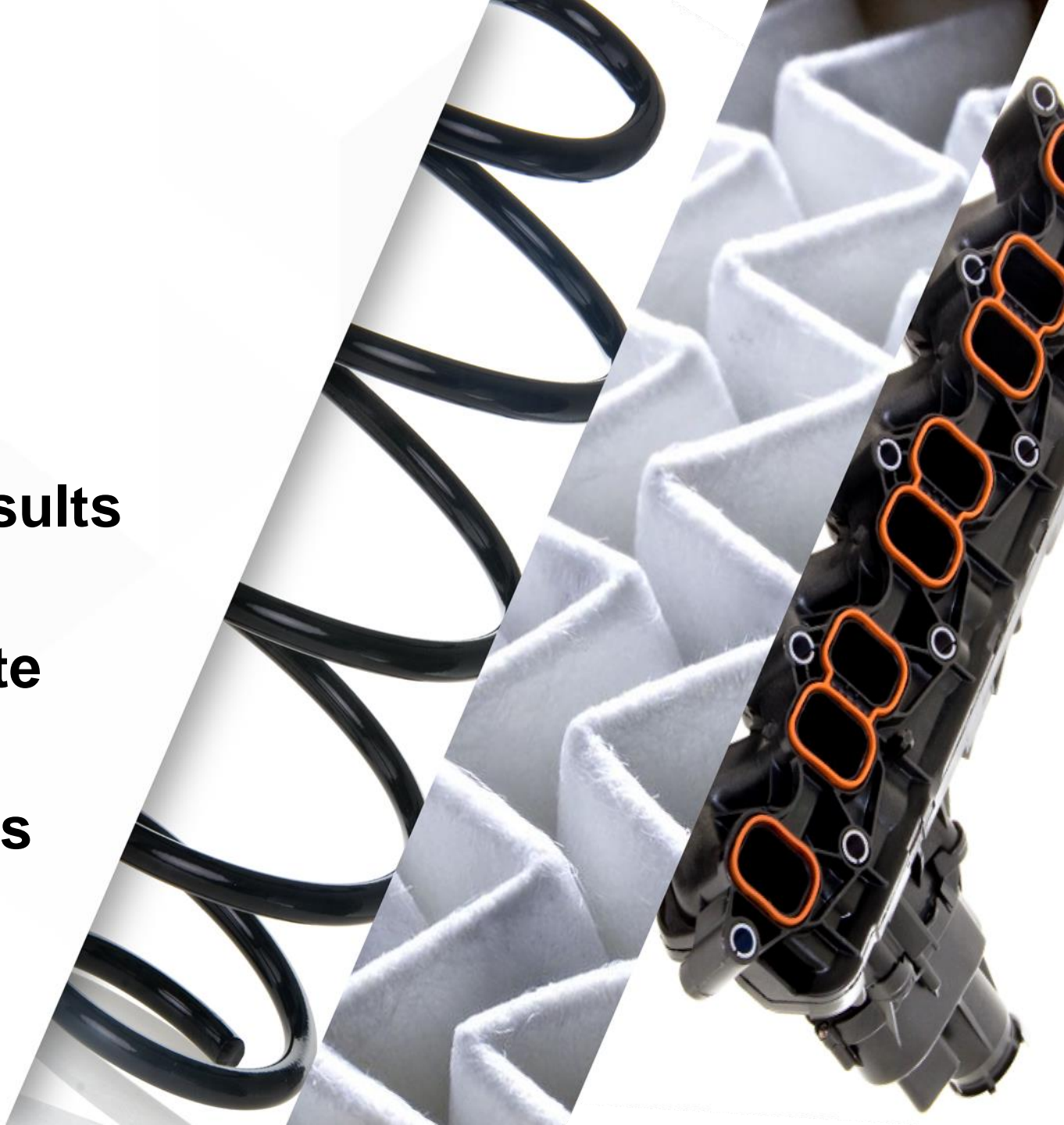
Yann ALBRAND - Chief Financial Officer

Stefano CANU - Investor Relations



Agenda

- 1 **Overview**
- 2 **Q1 2020 Results**
- 3 **Covid update**
- 4 **Perspectives**






Overview

- Automotive company created in Listed in Milano Stock Exchange STAR Segment
- Strong Entrepreneurship DNA and flexibility developed through:
 - ✓ a series of strategic moves
 - ✓ tight cost control
 - ✓ lean organization
- Revenues at € 1,5bn in 2019
- Present in 23 countries with 41 plants, 10 development centers and 6,800 employees
- Multi product portfolio focused on Powertrain and Body Components



3 Global Businesses

	Suspensions	Filtration	Air & Cooling
			
	<ul style="list-style-type: none"> ○ Stabilizer Bars ○ Coil Springs 	<ul style="list-style-type: none"> ○ Oil Filters ○ Engine Air Filters ○ Fuel Filters ○ Cabin Air Filters 	<ul style="list-style-type: none"> ○ Manifolds ○ Coolant Pumps ○ Coolant Outlet Housings
MAIN PRODUCTS			
€ 1,519 BN 2019 Sales	€ 550M <div>36%</div>	€ 546M <div>36%</div>	€ 421M <div>28%</div>





CARS



AFTERMARKET



TRUCKS



2 WHEELERS



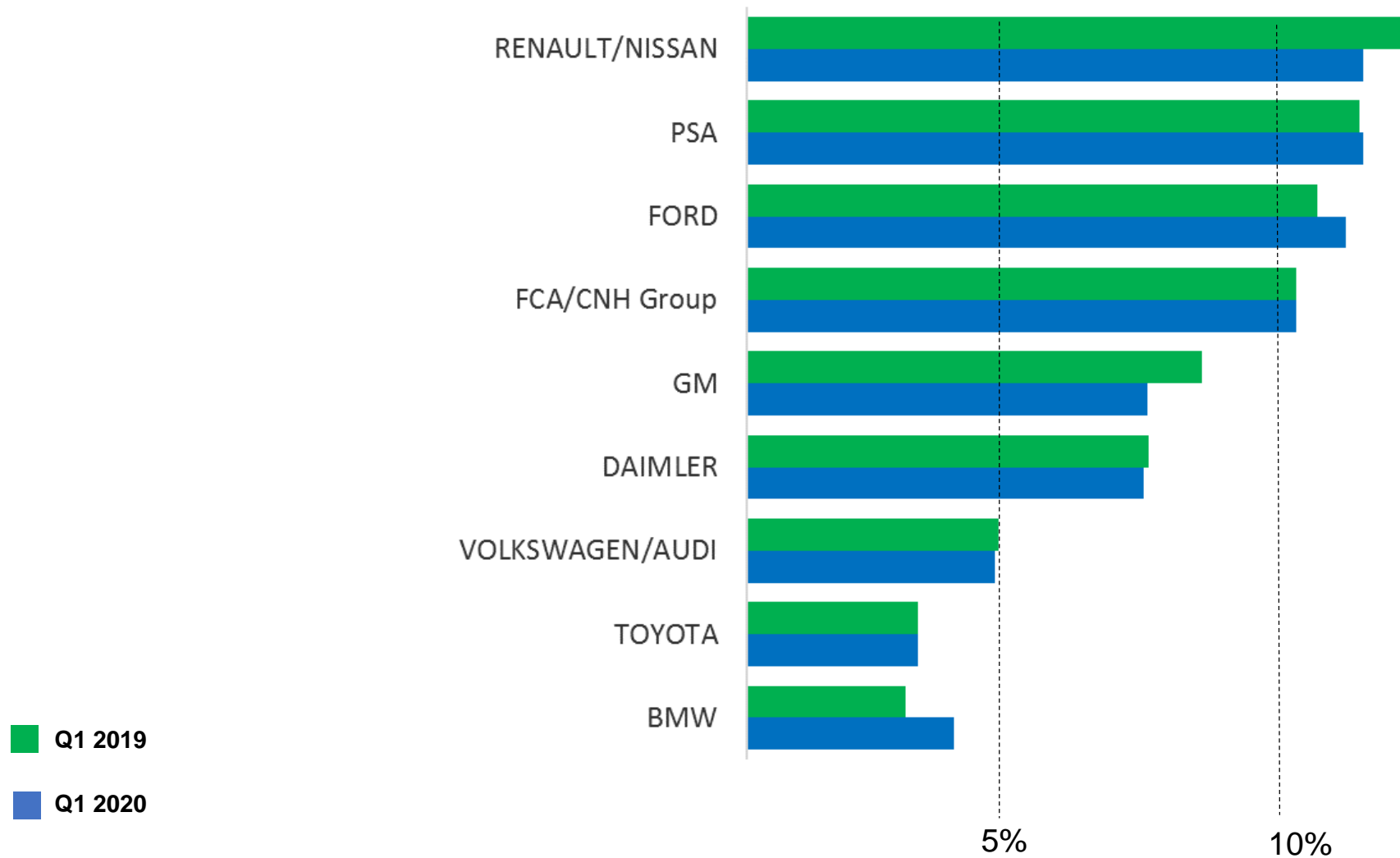
3 WHEELERS





MAIN BRANDS



Sales by key client






Volume Effect 
New Product 

Air & Cooling



Manifold




Coolant Pump
+ E Pump 



Coolant Outlet
Housing



Battery Pack
coolant Manifold 



Coolant Valve 



Filtration



Oil Filter



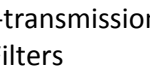
Engine Air




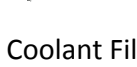
Fuel Filter



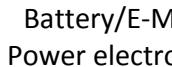
High performance
Cabin Air Filter



E-Axle/E-transmission
Filters 



Coolant Filter 



Battery/E-Motor and
Power electronic Filters 

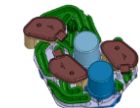




Air & Cooling



Battery Pack Coolant Manifold **Module**



Coolant Module



Electric Coolant Pump



Coolant Outlet Housing



Coolant Valve



Volume Effect



New Product



Filtration



High performance Cabin Air Filter

E-Axle/E-transmission Filters



Coolant Filter



Battery/E-Motor and Power electronic Filters





Air & Cooling



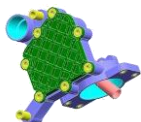
Electric Coolant Pump



Coolant Outlet Housing



Coolant Valve



Hydrogen Manifold



New Product

Filtration



Fuel Cell Air Filter



Fuel Cell Filters



Water Separator









High performance Cabin Air Filter

Battery/E-Motor and Power electronic Filters



Businesses awarded and new agreement on EV vehicles



<u>Customer</u>	<u>Technology</u>	<u>Geo/SOP</u>	<u>Product</u>	<u>Volumes</u>	<u>Description</u>
Swedish OEM	Hybrid 	China (2019)	Motor Coolant Pump	↑↑	Distribute the coolant to the motor
French OEM	BEV 	Europe (2021)	Battery Pack Cooling Manifold	↑	Distribute coolant in the battery pack (thermal regulation of the battery)
German OEM	BEV 	Europe (2019)	Coolant Module	↑	Distribute the coolant to the battery, the electric motor and the power electronics
Other OEMs	FCEV 	Nafta (2021)	Hydrogen intake manifold & exhaust	↑	Hydrogen, Air and Cooling components
EV joint dev	BEV Hybrid  	Lion E Mobility and Sogefi entered into an agreement, combining Lion's technology in Light Battery, Battery Management Systems and Module design with Sogefi's industrial capability in engineering and manufacturing of high tech automotive cooling components, as well as access to global sales and distribution capabilities.			



Supplying premium customers & models

FERRARI 488



PORSCHE TAYCAN



AUDI A6



MASERATI QUATTROPORTE



BMW X series 1 to 5



MERCEDES A/ B/ CLA / C



Mercedes-Benz



VOLVO XC90



PORSCHE CAYENNE



CORVETTE



ID CROZZ



BMW series 8

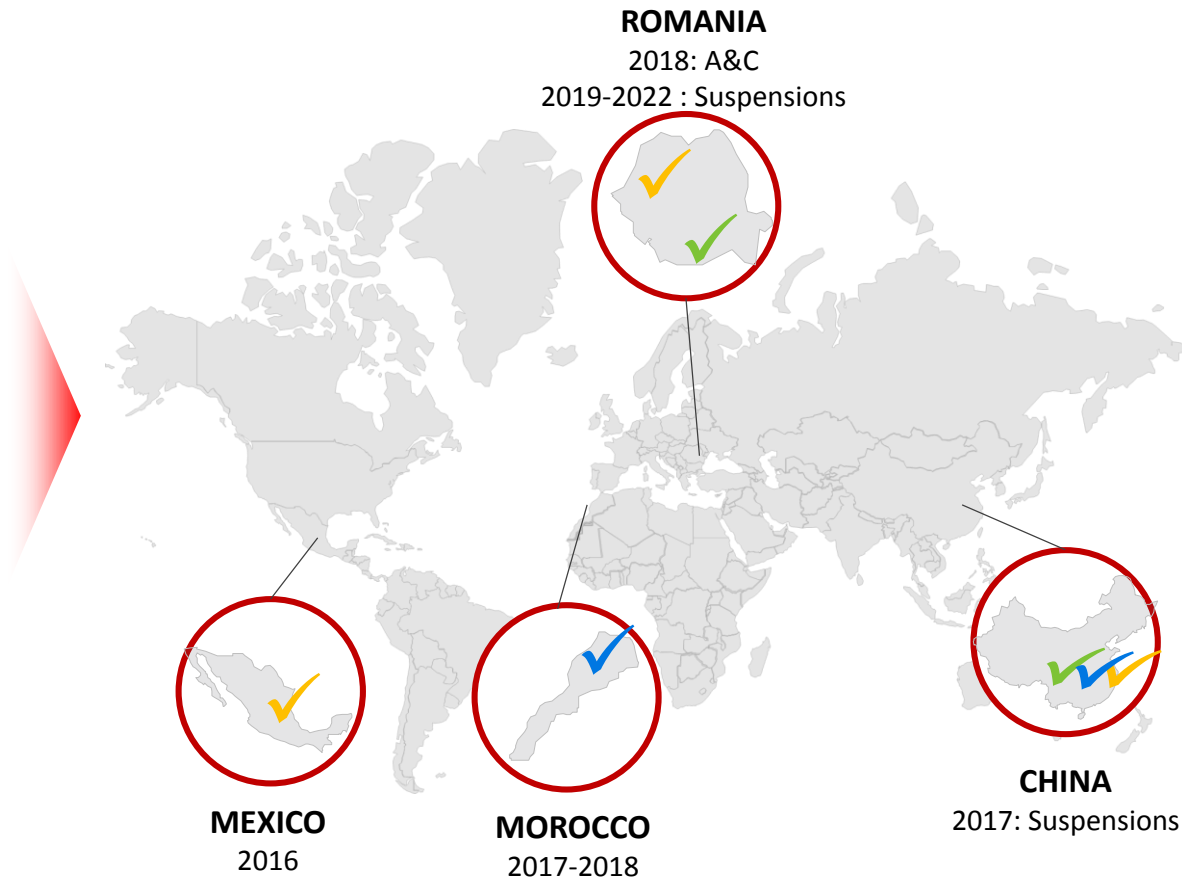
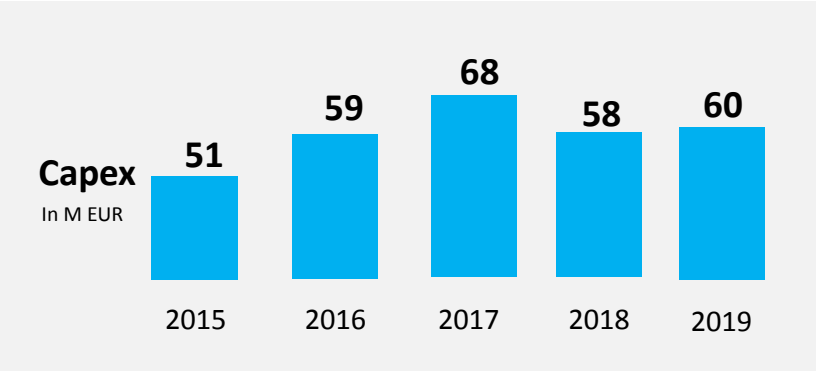


TIGUAN E



Selective investments to improve competitiveness

- Air & Cooling ✓
- Filtration ✓
- Suspensions ✓



Q1 2020 Results

Revenues at €350,2m

vs. €389.9m in Q1 2019

- Down 10.2% on a reported basis and -8.8% at constant exchange rate (overperforming the market by 1591 bps)
- In YTD February at constant exchange rates +1.0%, thanks to the good performance of all geographic areas except for China, in March at -30%

EBITDA at € 34.9m

vs. €41.3m in Q1 2019

- 10.0% on sales vs 10.6% in PY.
- In YTD February at 11.4% vs 9.6% thanks to Suspensions improvement, March at 6.2%

EBIT at € 3.7m

vs. €11.3m in Q1 2019

- 1.1% on sales in Q1 2020 vs 2.9% on sales in Q1 2019. Q1 2020 affected by € 5.3m of negative exchange rate effect (North and South America).
- March € -4.9m due to the higher % incidence on revenues of fixed costs and despite € 3m of first cost efficiency measures

Net Income at € -5.6

vs. € 1.6m end Q1 2019

- After tax charges for € 2.5 million vs €3.6 million in Q1 2019

FCF¹ at -€ 0.4m

vs. €-1.6m in Q1 2019

- Free Cash Flow - € 0.4 million vs €-1.6m in Q1 2019

Net debt¹ at € 256.7

vs. € 256.2m end of 2019

- Net debt down to € 256.7 vs € 256.2m end of 2019 and € 262.1m end March 2019

1. FCF and Net debt excluding IFRS 16



Revenues by Geographical Area

€m	Q1 2019	Q1 2020	reported change	constant exchange rates	reference market production	performance vs market (bps)	weight based on Q1 2020
Europe	244.3	222.4	-9.0%	-9.0%	-21.3%	1230	63.5%
North America	74.1	72.7	-1.9%	-4.0%	-10.8%	680	20.8%
South America	37.6	29.0	-22.8%	-3.1%	-16.3%	1320	8.3%
Asia	36.1	27.9	-22.7%	-22.8%	-44.7%	2190	8.0%
- of which China	17.2	11.8	-31.2%	-30.9%	-49.5%	1860	3.4%
Intercompany	(2.2)	-1.8					
Total	389.9	350.2	-10.2%	-8.8%	-24.4%	1560	100.0%

Overperforming the market by 1560 bps due to overperformance in Europe (new Morocco plant and Aftermarket) and USA (new SOPs)

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

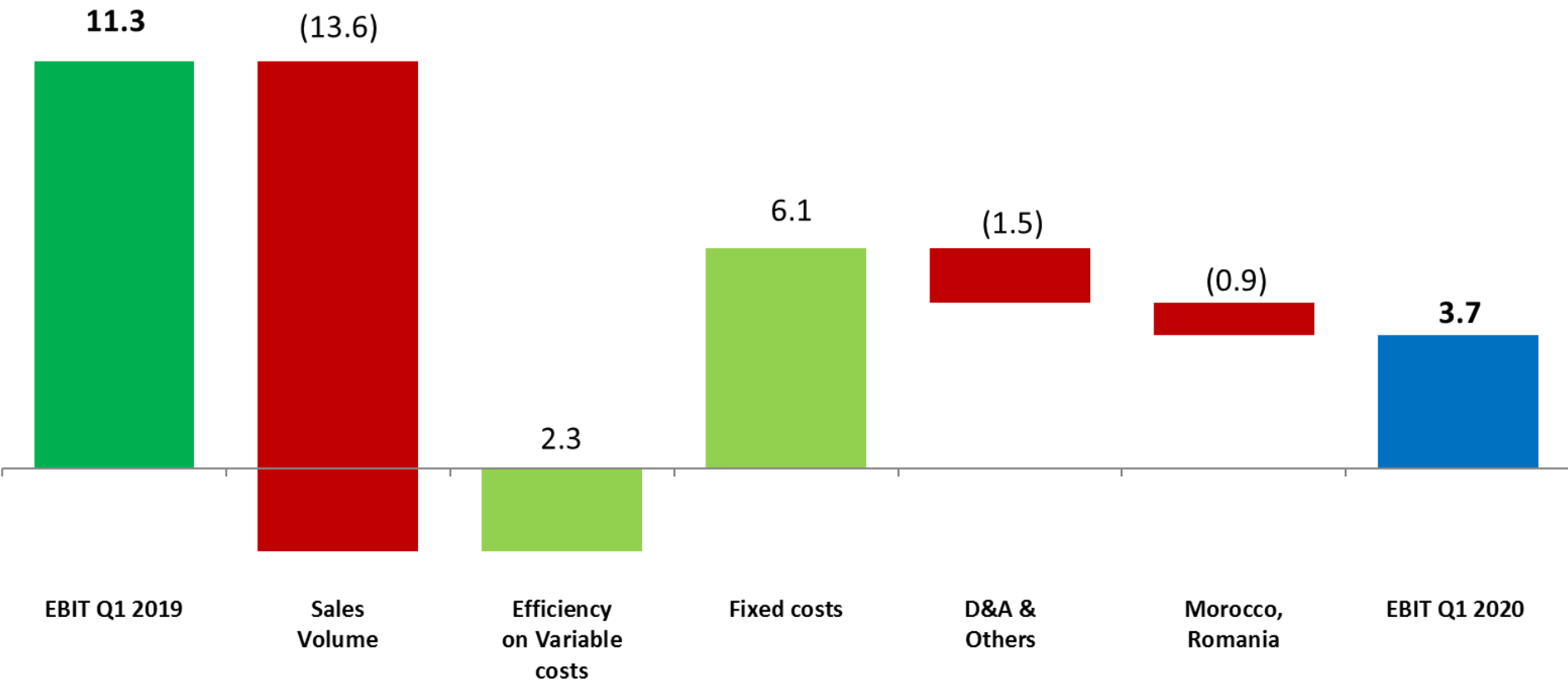


Revenues by Business Unit



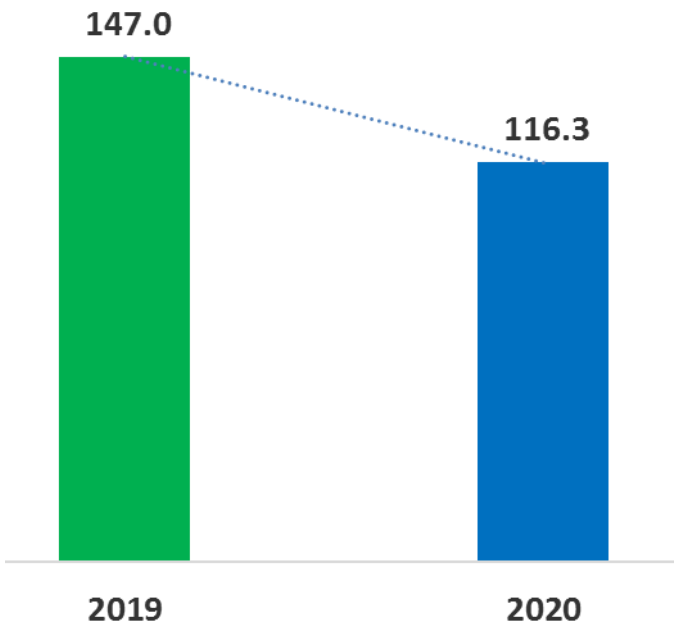
€m	Q1 2019	Q1 2020	reported change	constant exchange rates change	performance vs market (bps)
Air&Cooling	108.9	100.0	-8.2%	-8.7%	1570
Filtration	134.8	134.7	0.0%	1.8%	2620
Suspensions	147.0	116.3	-20.9%	-18.5%	590
Intercompany	(0.8)	(0.8)			
<i>Total</i>	389.9	350.2	-10.2%	-8.8%	1560

Q1 2020 EBIT performance breakdown – Sogefi Group - €m / % sales



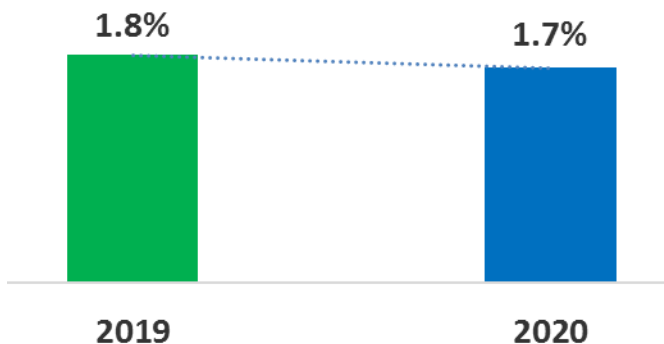
Suspensions

Sales (€m)



- Down 20.9% (-18.5% at constant exchange)
- Nord America sales up
- China -38.7%

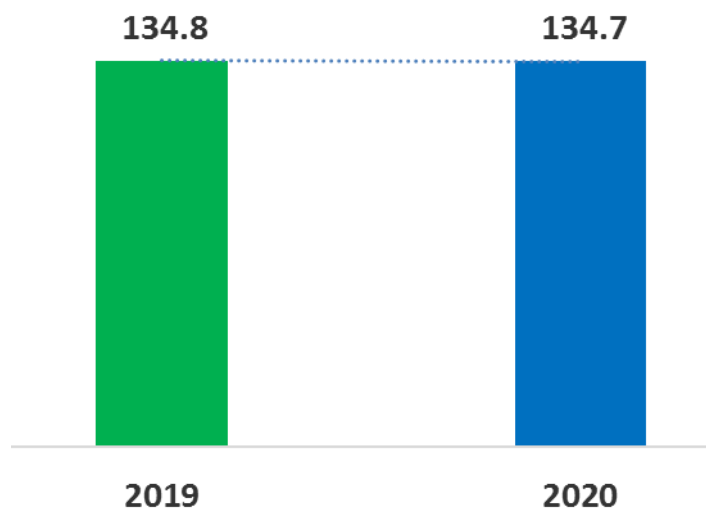
EBIT (%)



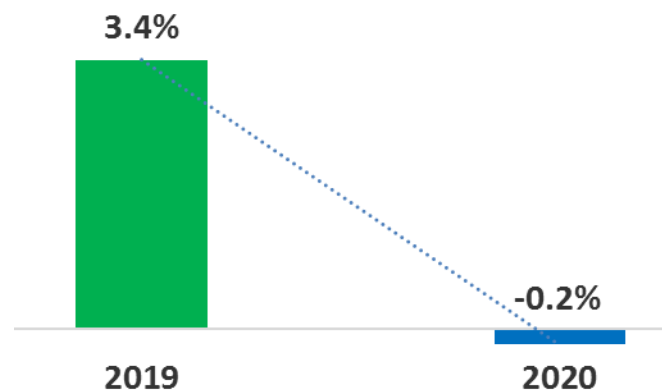
- EBITDA margin up from 7.9% to 9.4% benefiting lower material costs
- EBIT margin reflecting higher incidence of depreciation



Sales (€m)



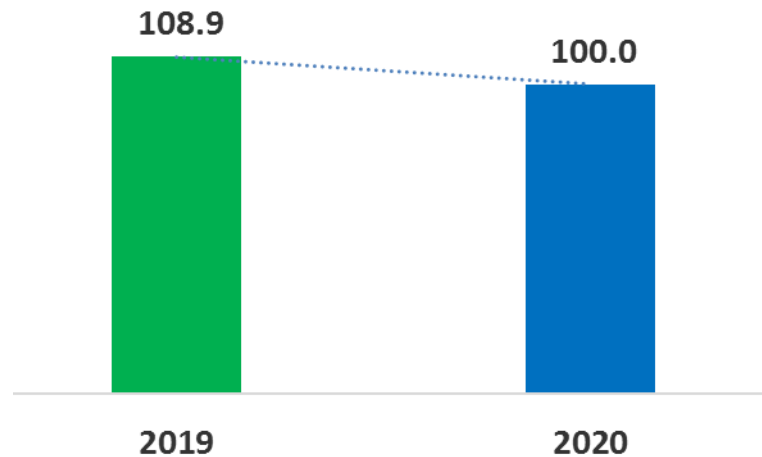
EBIT (%)



- Stable revenues (+1.8% at constant exchange)
- The activity recorded growth in Europe thanks to Morocco and to Aftermarket
- Sales sustainably stable in North and South America
- Negative exchange rate effect of - € 3.2m mainly in South America
- Decline in India
- EBIT at 1.3% without Morocco start up costs

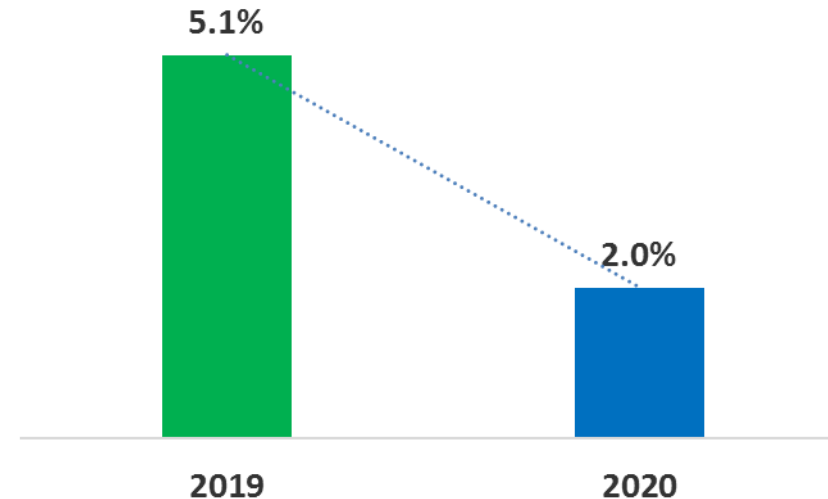


Sales (€m)



- Down 8.2% (-8.7% at constant exchange)
- Major decline in China but overperforming the market thanks to new SOPs

EBIT (%)



- Higher EBIT in Europe was more than offset by the lower profitability in the other areas due to volume decline
- Negative exchange rate effect for € 3.3 millions (North America)



Q1 2020 P&L - Sogefi Group - €m / % sales



€m	Q1 2019	%	Q1 2020	%
EBITDA	41.3	10.6%	34.9	10.0%
EBIT	11.3	2.9%	3.7	1.1%
Financial results	6.3	1.6%	6.8	1.9%
Income Tax	3.6	0.9%	2.5	0.7%
Minority Interest	1.2	0.3%	0.0	0.0%
NET INCOME OF OPERATING ACTIVITIES	0.3	0.1%	(5.6)	-1.6%
Net income from discontinued operations	1.3	0.3%	0.0	0.0%
NET INCOME	1.6	0.4%	(5.6)	-1.6%

Fraize plant contribution in 2019



Q1 2020 FCF Highlights - Cash Flow generation

• Figures excluding IFRS16

€m	Q1 2019	Q1 2020
FUNDS PROVIDED BY OPERATIONS	32.2	23.2
Working Capital	(10.6)	(2.0)
Tangible Capex	(8.9)	(11.1)
Intangibles & IFRS15	(17.5)	(14.3)
Others	3.2	3.8
FREE CASH FLOW (NET)	(1.6)	(0.4)
NET DEBT	262.1	256.7

of which € 4.3m for new plants

Factoring at € 96.3m end March 2020 vs € 94.2m end 2019 vs € 114.1m end March 2019



- In November Sogefi completed the issuance of a € 75m non-convertible unsecured bond (coupon 3%, mature in November 2025)
- At March 31, 2020, the Group has financing in excess for € 298 million (of which € 125 banks lines not utilized) in relation to which all the conditions are met and therefore available for use on simple request
- In Q2 2020 is scheduled the repayment of the Euro PP and a tranche of the US PP (both issued in 2013) for a total amount of € 37.5 million



Covid update

Covid update – Takeaways

Safety:

Actions taken to protect workforce

- China travel ban and travel limitations, “quarantine” for employees coming back from zones at risk
- Reducing visits from customers/suppliers, wide spreads use of smart working
- Implemented all health safety means defined by local authorities
- Closing plants/ offices involving unions all countries (only exception Argentina)

Plants:

Most of plant close within 18 / 30 March

- Worldwide (excluding China) most of plants closed within 18 and 30 of March
- As of today Sogefi, with the exceptions of South America and India, has reopened (partially) NAFTA plants. EMEA plants to restart beginning of June.
- China is running at speed

Main actions:

Using all government incentives + cost efficiency

- Of the 6.800 employees ~85% are in «technical unemployment».
- Local government support is high in western Europe and not-existing in other regions (i.e. South America or India) where the situation was managed through local union agreements
- In addition taking all necessary steps to manage the crisis by assessing liquidity, containing cash-out by reducing costs and investments that are not strictly necessary.

Expectation:

Some customers plants are expected to reopen

- China to reach “pre Covid” volumes by June
- Nafta is ramping up fast
- EMEA slow speed reopening beginning of June



Covid update – Plants situation & incentives/agreements



Europe (61% of sales)

France	↑↑↑
Italy	↑↑↑
Slovenia	↑↑↑
Others	↑↑↑



(with few exceptions)

- Closing March 8 / 27
- Currently reopening

North America (19% of sales)

USA	↑↑
Canada	↑↑
Mexico	↑



- Closing March 23 / 26
- Currently reopening

Asia (10% of sales)




China	↑
India	STOP ↑

- China reopened March 16
- India closed March 23

South America (11% of sales)

Brazil	STOP ↑
Argentina	STOP ↑

- March 19 Argentina
- March 30 Brazil

<u>Plants Status</u>	<u>Governments' Incentives</u>	<u>Union Agreements</u>
 Closed	↑↑↑	High ↑↑↑
 Open partially	↑↑	Middle ↑↑
 Open	↑	Low ↑



Perspectives

Market production evolution

€m
Europe
North America
South America
Asia
- of which China
Total

Source: Sogefi e IHS data

IHS Forecast (May 2020)	
2Q 2020E	FY 2020E
-70.4%	-24.0%
-70.4%	-25.1%
-83.4%	-29.7%
-14.5%	-18.0%
-1.5%	-15.8%
-48.0%	-21.2%

Primary brokers, institutes, consulting firms estimating within a range -20/25% depending on different scenarios

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



- In an environment with extremely limited visibility, the most recent sector sources are estimating that world car production may fall by between 20% and 25% in 2020 according to different scenarios as to the effects of Covid-19
- Indeed at present all the elements that contribute to the formulation of forecasts for the year remain totally uncertain: the evolution of the pandemic, the decisions to be made by the authorities on the subject of resuming and managing production activity, and lastly, the reaction of demand, in a context of the deep recession that could affect various parts of the world. At present the circumstances described above make any forecast that the company could make highly uncertain
- The group is focused on doing all it can to manage the crisis: it has put in place actions to reduce costs and limit, as far as possible, current costs and investments that are not strictly necessary, it regularly assesses liquidity positions, keeping the Board of Directors informed, liaising with its financial partners, and is starting operating again, introducing higher safety standards for personnel and cost flexibility in relation to volumes that will be affected by circumstances for a certain period of time



Yann Albrand, Group CFO

Stefano Canu, Investor Relations

SOGEFI

Via Ciovassino, 1/a

20121 Milano – Italia

Tel: +39 02 46750214

Fax: +39 02 43511348

Mail: ir@sogefigroup.com



- This document has been prepared by SOGEFI S.p.A. for information purposes only and for use in presentations of the Group's results and strategies.
- For further details on the SOGEFI Group, reference should be made to publicly available information, including the Annual Report, the Semi-Annual and Quarterly Reports.
- Statements contained in this document, particularly the ones regarding any SOGEFI Group possible or assumed future performance are or may be forward looking statements and in this respect they involve some risks and uncertainties.
- Any reference to past performance of the SOGEFI Group shall not be taken as an indication of future performance.
- This document does not constitute an offer or invitation to purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.



so/gefi