

FY 2021 Results

SO/GEFI GROUP

Frederic SIPAHI – CEO

February 25th, 2022



AGENDA

- ▶ *FY 2021 RESULTS*
- ▶ *A SUSTAINABLE TRANSFORMATION*
- ▶ *2022 PERSPECTIVES*

SOGEFI GROUP

FY 2021 Results



FY 2021 Highlights

Revenues at €1320.6m
vs 1,439.4m in 2019

Up 11.0% on a reported basis (+11.3% at constant exchange rate) outperforming the market in all areas. 2021 still behind 2019 (-8.3% vs -14.1% of the market)

EBITDA at € 192.5m
vs €174.6m in 2019

- EBITDA: 14.6% vs 11.5% in 2020 and 12.1% in 2019 benefiting of lower restructuring costs (€ 7.1m vs € 28.9 in 2020 and € 8.7 in 2019)
- EBITDA excluding non-recurring charges at € 180.4 (13.7%)
- Gross fixed costs down by € 39.4m vs 2019 (-14.8%)

EBIT at € 58.4m
vs €46.4m in 2019

- EBIT: 4.4% vs 0.6% in 2020 and 3.2% in 2019
- EBIT excluding non-recurring charges at € 51.7m (3.9%)

Net Income at € 2.0
vs € 3.2m in 2019

Net income at € 2.0m vs € -35.1m in 2020 and € 3.2m in 2019. 2021 includes € -20.8m (non-cash of impact of disposal of Filtration Argentina)

FCF¹ at € 35.0m
vs €9.3m in 2019

Free Cash Flow positive at € 35.0m (€-34.1m in 2020 and € +9.3m in 2019) thanks to higher EBITDA margin and better working capital

Net debt¹ at € 258.2
vs € 256.2m end December 2019

Net debt of € 258.2m versus vs € 291.3m end of 2020 and € 256.2m end December 2019

Sales by Geography

€m	2020	2021	reported change	constant exchange rates	reference market production	performance vs market (bps)	2019	2021	reported change	constant exchange change	reference market production	performance vs market (bps)
Europe 27	754.9	813.5	7.8%	7.5%	-6.2%	1370	923.5	813.5	-11.9%	-11.7%	-27.9%	1620
North America	250.8	262.4	4.6%	5.6%	0.1%	550	288.7	262.4	-9.1%	-5.8%	-20.1%	1430
South America	46.3	77.8	67.9%	85.2%	16.2%	6900	85.6	77.8	-9.1%	56.8%	-19.4%	7620
Asia	144.9	176.9	22.0%	21.4%	6.6%	1480	150.0	176.9	17.9%	22.9%	-1.0%	2390
- of which China	86.0	100.5	16.9%	13.4%	4.0%	940	75.5	100.5	33.0%	31.5%	-0.6%	3210
Intercompany	(6.7)	(10.0)					(8.4)	(10.0)				
Total	1190.2	1320.6	11.0%	11.3%	2.5%	880	1439.4	1320.6	-8.3%	-4.6%	-14.1%	950

**Outperformance
in all areas**

2021 still behind 2019

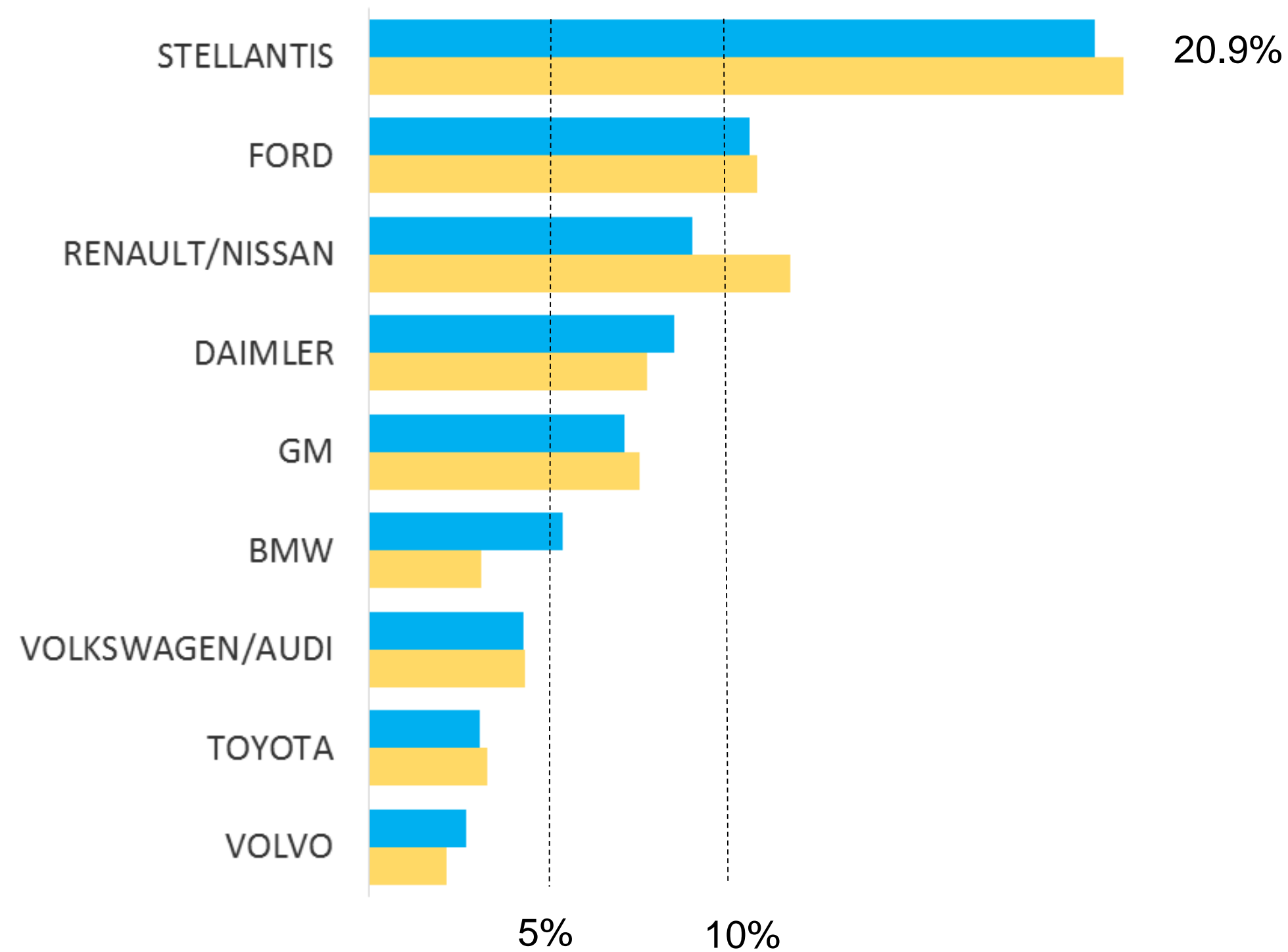
Sales by Business Unit

€m	2019	2020	2021	reported change vs 2020	constant exchange rates change
Air&Cooling	425.9	371.8	402.1	8.1%	7.6%
Filtration	467.1	421.2	463.4	10.0%	10.7%
Suspensions	549.7	399.6	458.2	14.7%	15.6%
Intercompany	(3.3)	(2.4)	(3.0)		
Total	1439.4	1190.2	1320.6	11.0%	11.3%

reported change vs 2019	constant exchange vs 2019
-5.6%	-3.4%
-0.8%	0.9%
-16.6%	-10.6%
-8.3%	-4.6%

A&C and Filtration substantially in line with 2019

Sales by Customer



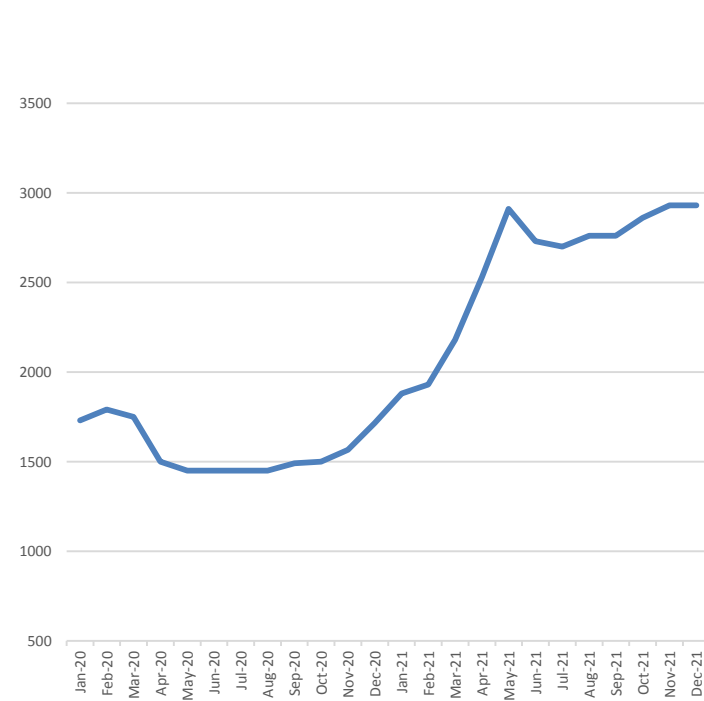
2019

2021

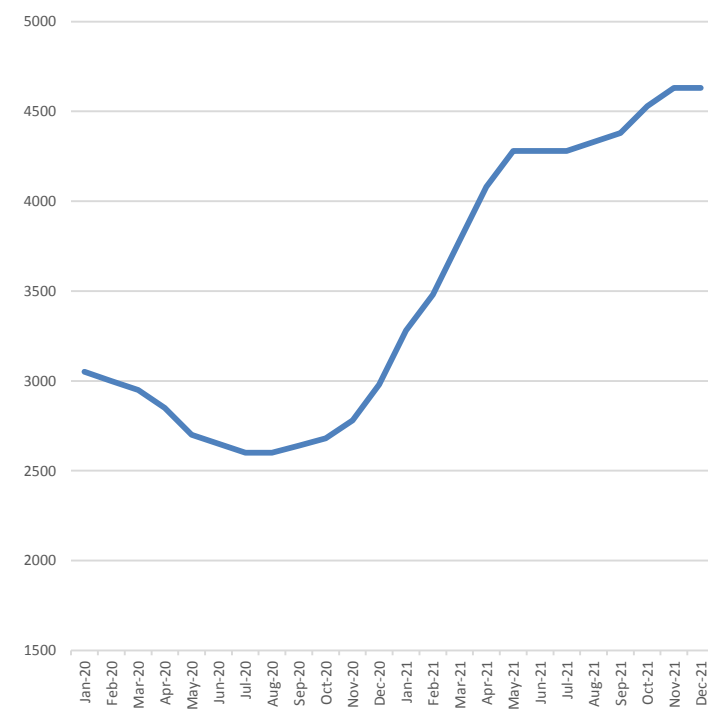
2021 Raw Material Prices

Chemicals leded by polyamide

PA6

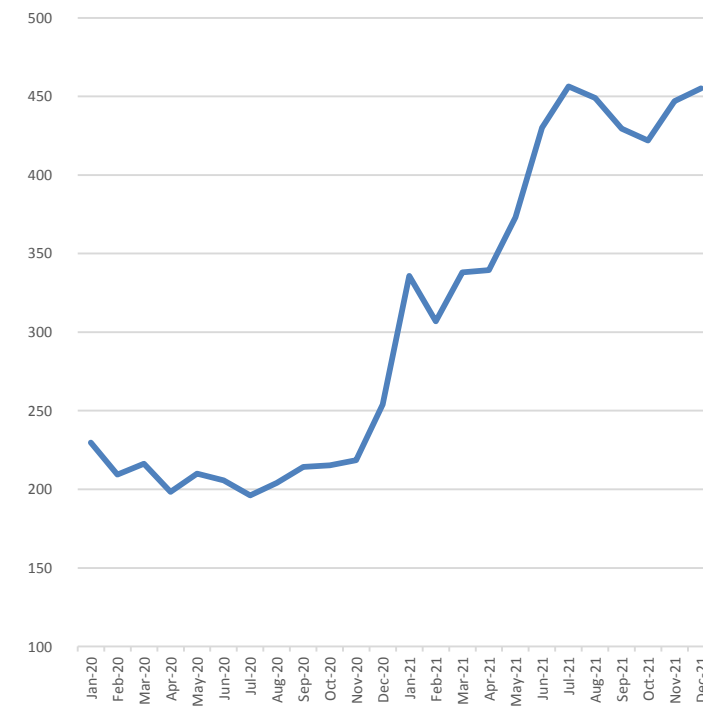


PA66

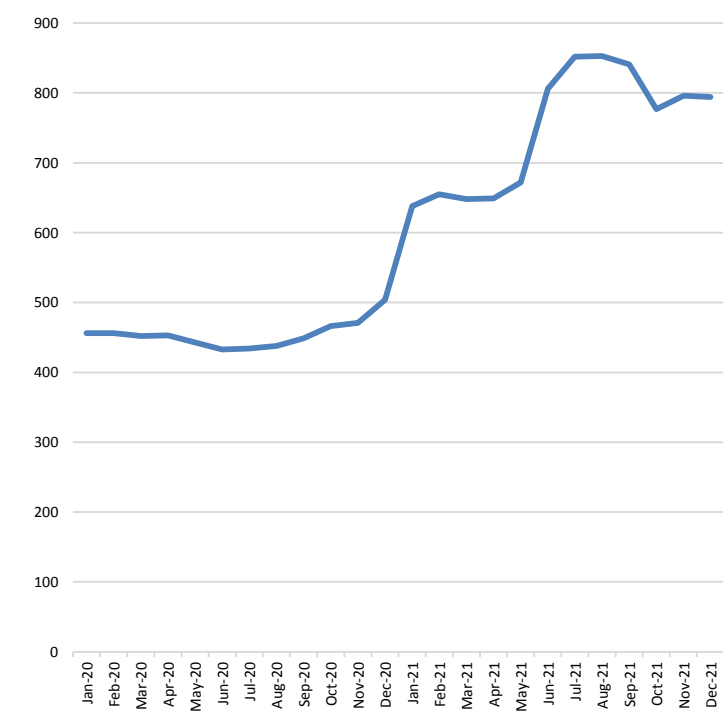


Metals leded by steel

Scrap



Wire meps



2021 EBIT performance breakdown VS 2019



2021 P&L

€m	2019	%	2020	%	2021	%	Delta 2021/2019
REVENUES	1,439.4	100.0%	1,190.2	100.0%	1,320.6	100.0%	-8.3%
CONTRIBUTION MARGIN	433.4	30.1%	366.2	30.8%	403.7	30.6%	-6.9%
Gross Fixed Costs	265.5	18.4%	212.7	17.9%	226.1	17.1%	-14.8%
Restructuring	8.7	0.6%	28.9	2.4%	7.1	0.5%	
Exchange Differences	2.4	0.2%	4.7	0.4%	-2.5	-0.2%	
EBITDA	174.6	12.1%	137.0	11.5%	192.5	14.6%	10.3%
EBITDA excluding non-recurring	184.0	12.8%	155.8	13.1%	180.4	13.7%	-2.0%
D&A	119.0	8.3%	116.2	9.8%	115.5	8.7%	
Write downs	4.9	0.3%	12.9	1.1%	13.1	1.0%	
EBIT	46.4	3.2%	7.1	0.6%	58.4	4.4%	25.9%
EBIT excluding non-recurring	60.1	4.2%	26.6	2.2%	51.7	3.9%	-14.0%
Financial results	19.6	1.4%	22.1	1.9%	17.8	1.3%	
Income Tax	13.0	0.9%	3.4	0.3%	13.5	1.0%	
Minority Interest	3.0	0.2%	0.5	0.0%	2.2	0.2%	
NET INCOME OF OPERATING ACTIVITIES	10.8	0.8%	(18.9)	-1.6%	26.4	2.0%	144.4%
Net income from discontinued operations	(7.6)	-0.5%	(16.2)	-1.4%	(24.5)	-1.9%	
NET INCOME	3.2	0.2%	(35.1)	-3.0%	2.0	0.1%	

€ 39.4m reduction of gross fixed costs vs 2019

Benefiting of € -1.2m not recurring financial income

€ -20.8m of Argentina Filtration disposal (no cash impact)

2021 Quarterly Non Recurring/Operating

€

Q1 2021
Total 4.3m

+2.4m UK pension
+0.9m Insurance reimbursement of costs incurred in 2020
+1.6m Exchange difference
-0.6m Others

Q2 2021
Total 6.8m

+2.9m Tax recovery in Brazil
+0.9m Insurance reimbursement of costs incurred in 2020
-0.5m Exchange difference
+1.5M indirect tax reimbursements (China/France)
+2.0m Others

Q3 2021
Total -2m

+1.0m Exchange difference
-1.8m non-recurring write-downs
-1.2m Others

Q4 2021
Total -2.4m

+0.4m Insurance reimbursement of costs incurred in 2020
+0.4m Exchange difference
-3.6m non-recurring write-downs related to footprint optimization in UK
+0.4m Others

Q4 2021 P&L

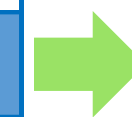
€m	Q4 2019	%	Q4 2020	%	Q4 2021	%	Delta Q 2021/2019
REVENUES	350.2	100.0%	360.9	100.0%	330.6	100.0%	-5.6%
CONTRIBUTION MARGIN	110.0	31.4%	113.9	31.5%	92.9	28.1%	-15.5%
Gross Fixed Costs	65.7	18.8%	59.9	16.6%	56.1	17.0%	-14.6%
Restructuring	3.9	1.1%	16.7	4.5%	4.7	1.4%	20.5%
Exchange Differences	0.8	0.2%	1.5	0.4%	(0.4)	-0.1%	n/a
EBITDA	43.1	12.3%	38.8	10.8%	48.3	14.6%	12.1%
EBITDA excluding non-recurring	46.3	13.2%	54.7	15.2%	47.2	14.3%	1.9%
D&A	31.5	9.0%	29.6	8.2%	29.0	8.8%	
Write downs	2.8	0.8%	5.4	1.5%	6.7	2.0%	
EBIT	4.5	1.3%	3.8	1.1%	8.9	2.7%	97.8%
EBIT excluding non-recurring	12.0	3.4%	19.7	5.5%	11.4	3.4%	-5.0%
Financial results	4.5	1.3%	6.1	1.7%	4.4	1.3%	
Income Tax	1.2	0.3%	0.6	0.2%	0.3	0.1%	
Minority Interest	0.1	0.0%	1.1	0.3%	0.5	0.2%	
NET INCOME OF OPERATING ACTIVITIES	(1.3)	-0.4%	(4.0)	-1.1%	3.7	1.1%	n/a
Net income from discontinued operations	(3.8)		(8.0)		0.2		
NET INCOME	(5.1)	-1.5%	(12.0)	-3.3%	3.9	1.2%	n/a

➔ **Contribution margin down due to higher raw materials in Suspensions**

➔ **EBITDA benefiting of lower restructuring**

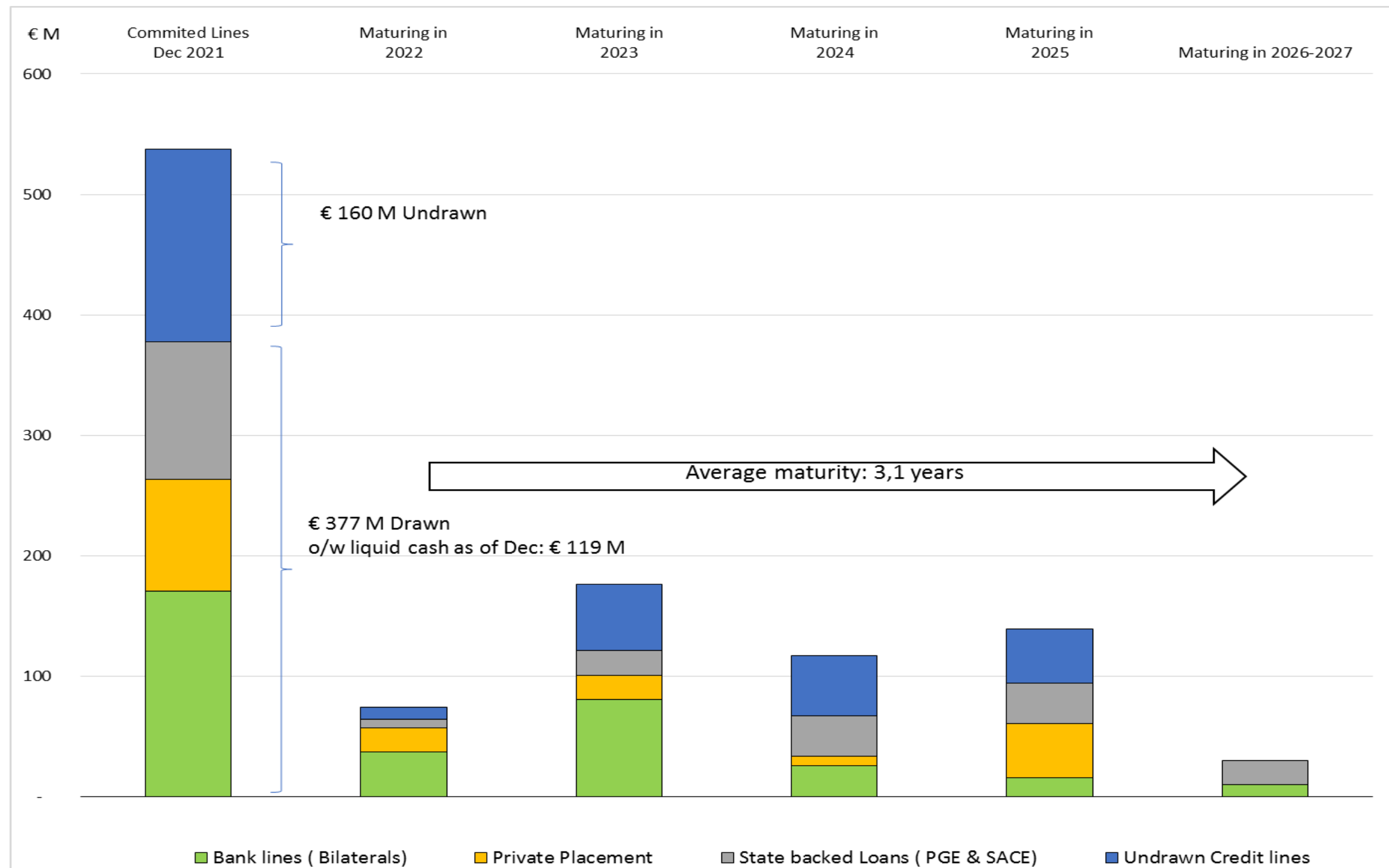
2021 FCF

€m	2019	2020	2021
FUNDS PROVIDED BY OPERATIONS	136.7	95.2	137.8
Working Capital	(2.1)	(32.1)	(11.7)
Capex (Tangible, Intangibles & IFRS15)	(127.7)	(108.2)	(109.7)
Others	2.4	11.0	18.7
FREE CASH FLOW (NET)	9.3	(34.1)	35.0
NET DEBT	256.2	291.3	258.2
FACTORING	94.2	97.7	89.4



**€ 8.5m of grants
(Romania plant)**

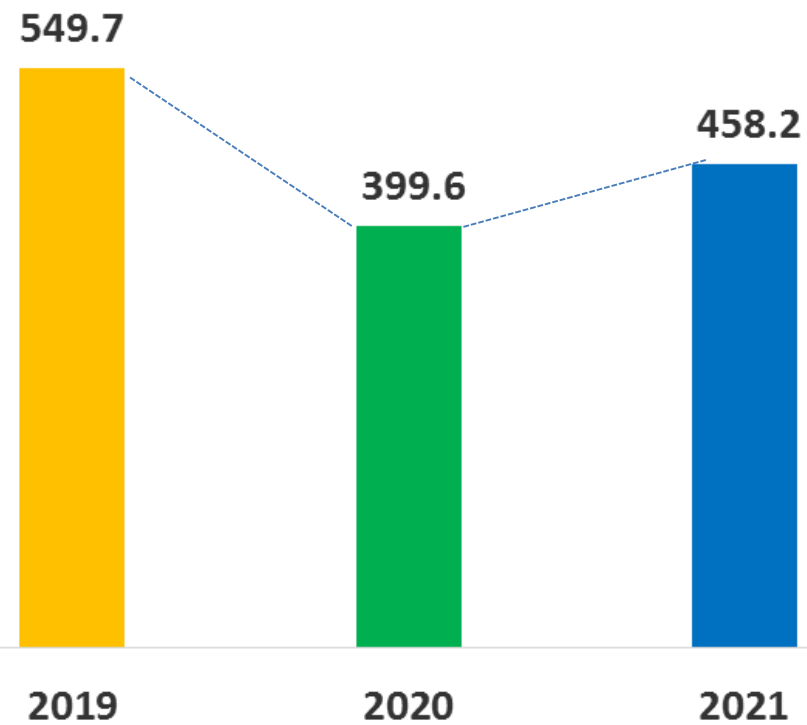
Debt Profile



- **€ 65m new medium-term loans signed in Q4 (i.e. Total € 95m in 2021)**

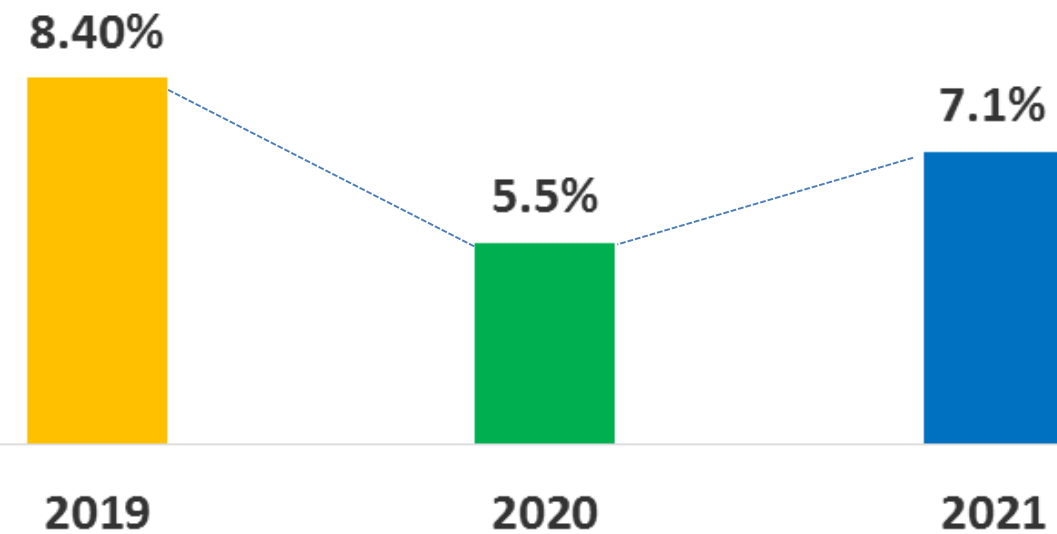
Suspensions

Sales (€m)



- 2021 up 14.7% (+15.6% at constant exchange) thanks to good performance in South America and China
- 2021 16.6% below 2019

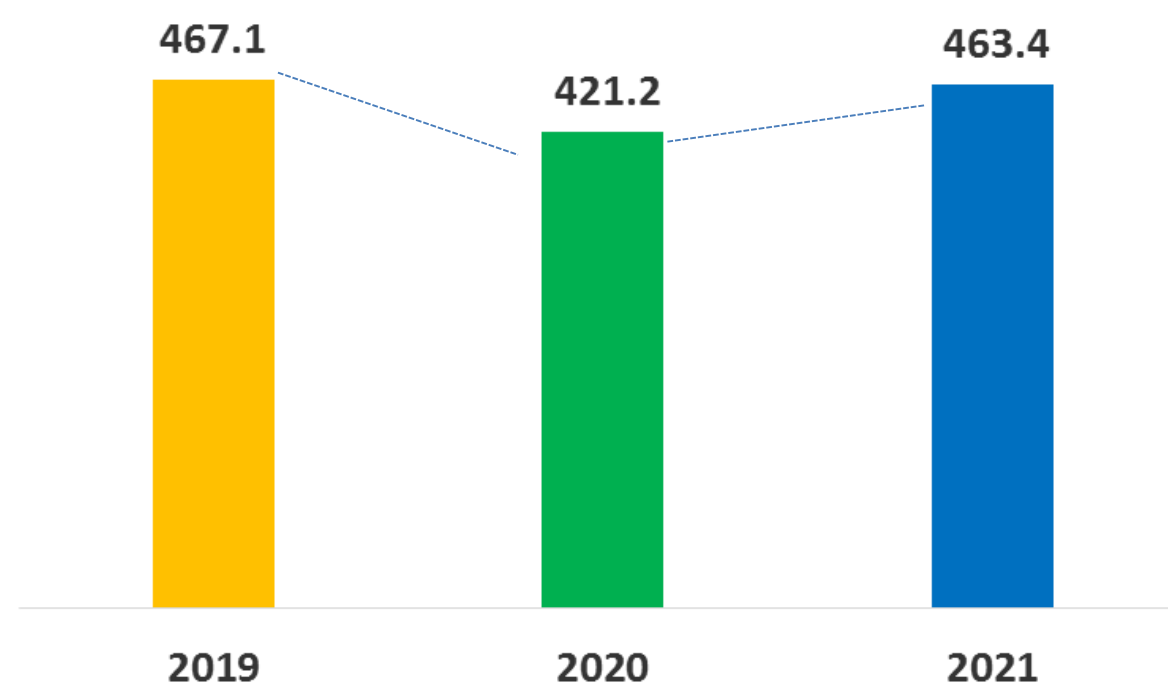
EBITDA %



- 2021 contribution margin 27.3% vs 29.0% in 2019 and 2020 due to higher material costs
- EBITDA including € 2.9 positive non recurring items
- Gross fixed costs -15.8% vs 2019 (€ -18m)

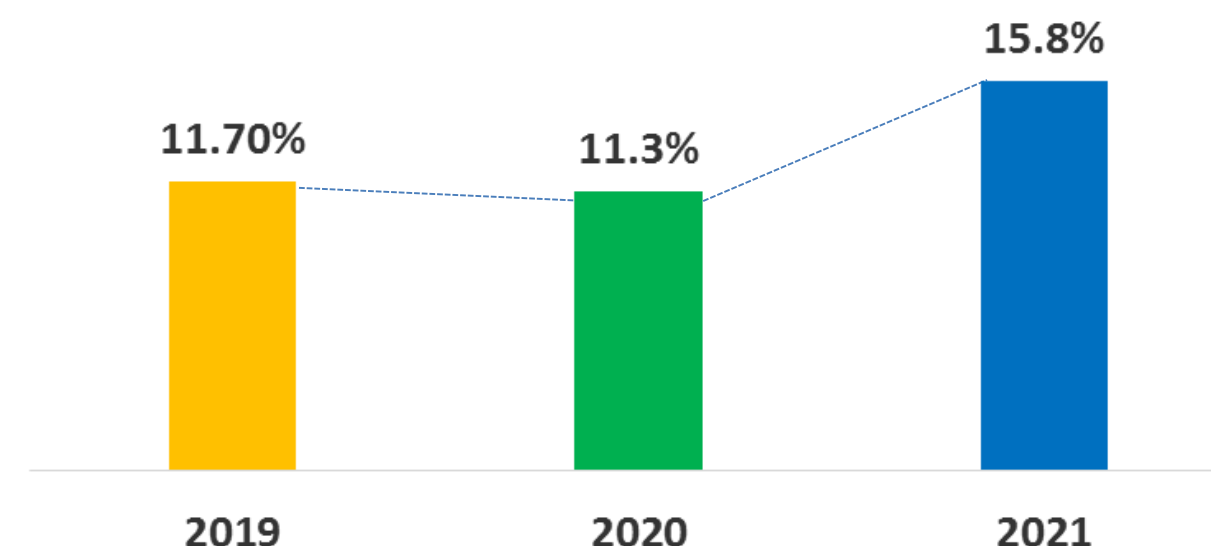
Filtration

Sales (€m)



- 2021 vs 2020 revenues up 10.0% at current exchange rates and up 10.7% at constant exchange rates thanks to good performance in India.
- 2021 substantially in line with 2019 (-0.8%)

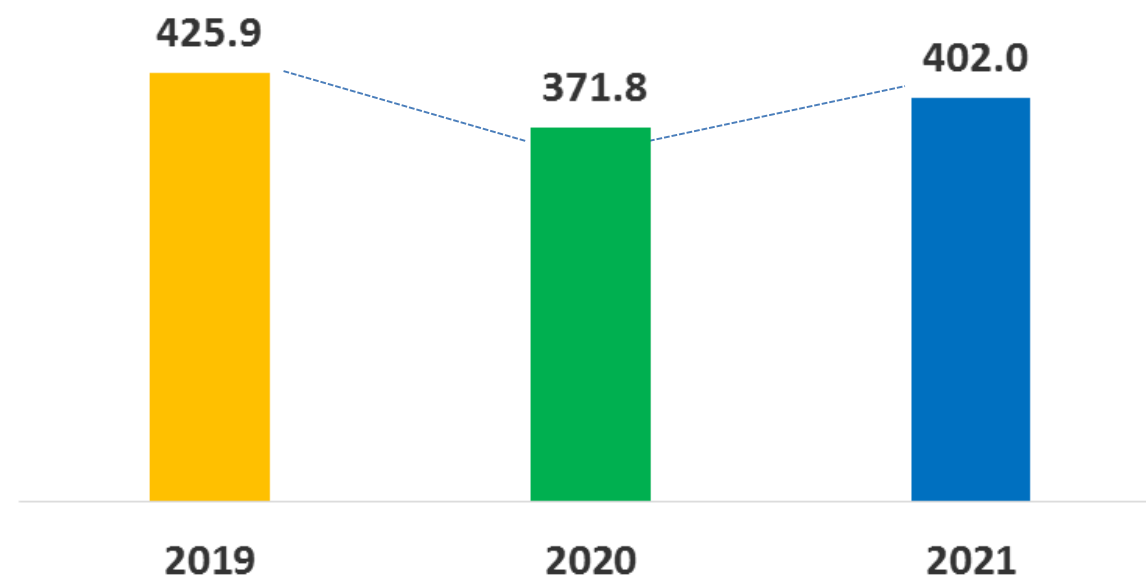
EBITDA %



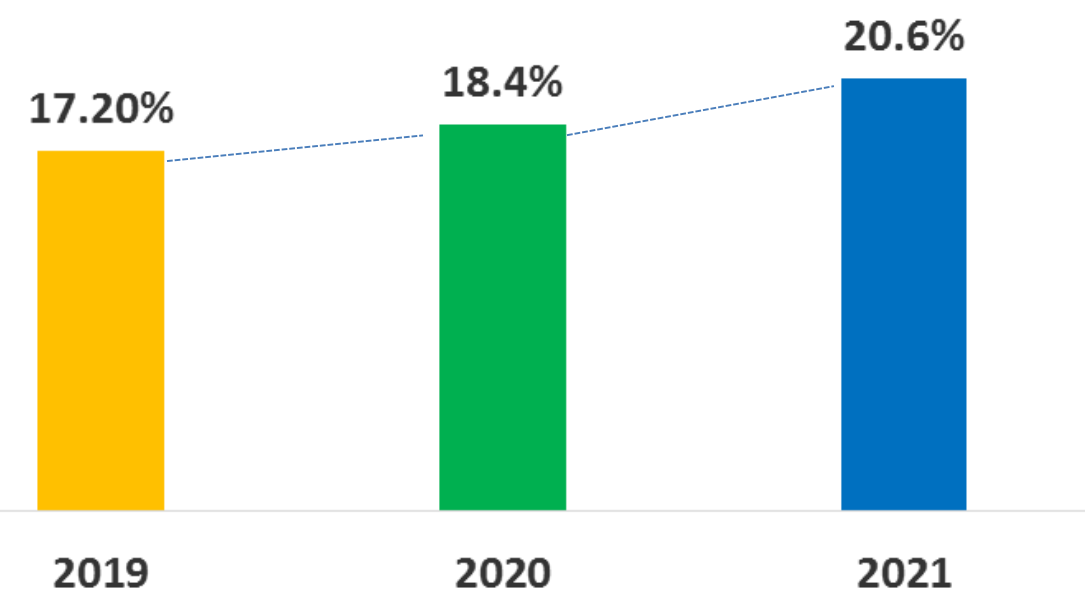
- 2021 contribution margin at 31.0% (31.3% in 2019)
- 2021 benefited of one-off non-operating income of € 2.4m whilst 2020 included a negative exchange rate effect of € 0.6m (vs positive effect € +0.9m in 2021)
- Gross fixed costs -16.1% vs 2019 (€ -14.4m)

Air & Cooling

Sales (€m)



EBITDA %



- In 2021 vs 2020 up 8.1% (+7.6% at constant exchange)
- In 2021 China revenues at constant up 14.9% VS 2020 thanks to new SOPs, over performing the market
- 2021 5.6% lower than 2019
- 4Q 2021 affected by the higher exposure to Europe and NAFTA

- 2021 contribution margin up at 33.5% vs 30.8% in 2019
- Gross fixed costs -10.9% vs 2019 (€ - 7.2m)

SO/GEFI GROUP

A Sustainable
Transformation



A Sustainable Transformation

- ▶ **Air & Cooling : a transition to E-Mobility started 5 years ago**
- ▶ **Filtration: a transition from Diesel products to new products for Purification**
- ▶ **Suspensions: Operational improvements and new footprint**

New Business Awards

- The Air and Cooling division has concluded important contracts in Europe, NAFTA and China for the supply of Thermal Management products for electric mobility, which have the characteristic of incorporating a much higher added value greater than the average value of standard traditional plastic product. These are new contracts with a:
 - ✓ premium German OEM for the next-generation electric platform
 - ✓ two LCV makers, one pure electric and the other based on fuel cell technology
 - ✓ several full electric Chinese OEMS
- Filtration has been awarded a significant number of contracts for the supply of Air Purification Filters and two important contracts in NAFTA for Transmission Filters
- The Suspensions expanded the customer portfolio and won contracts with new customers focused exclusively on electrical platforms; the division has also acquired orders from long-standing customers that will be produced in the new plant in Romania, among them is worth to mention the first contract signed with one of our major customers for coil spring in Eastern Europe

AIR & COOLING E-MOBILITY

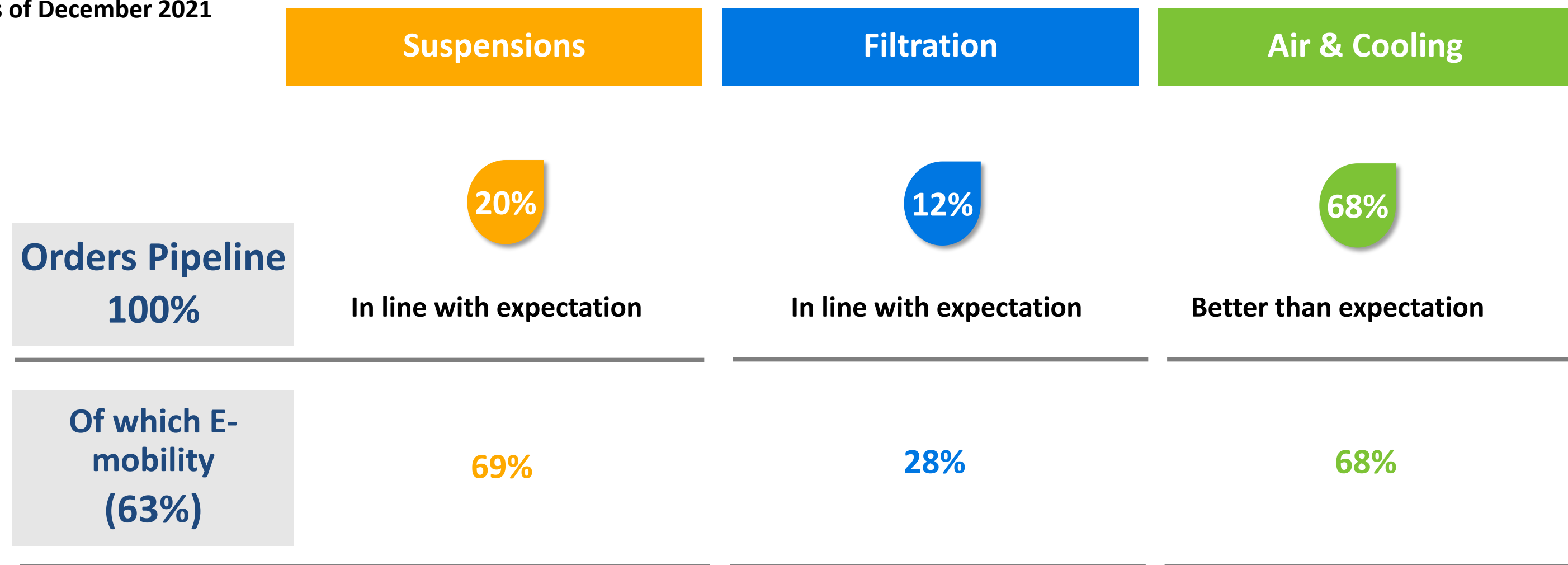
AWARDED BUSINESS EXAMPLES

CONSUMER	TECHNOLOGY	GEO/SOP	PRODUCT	VOLUMES	DESCRIPTION
GERMAN PREMIUM OEM LCV PURE ELECTRIC GERMAN PREMIUM OEM SWEDISH OEM GERMAN OEM OTHER OEMS	Next Generation Full Electric	Europe (2023)	E-Thermal Management	200 000 parts over 7 years	Multilayer cooling module distributing the coolant to the electric motors, battery, power electronics and various coolers
	Full Electric	Nafta (2022)	E-Thermal Management	↑ ↑ ↑	Active cooling module and cooling plate
	Full Electric	Europe (2023)	E-Thermal Management	↑ ↑	Distribute the coolant to the battery, the electric motor and the power electronics
	Hybrid	China (2019)	Motor Coolant Pump	↑ ↑	Distribute the coolant to the motor
	Full Electric	Europe (2019)	Coolant Module	↑ ↑	Distribute the coolant to the battery, the electric motor and the power electronics
Fuel Cell	Nafta (2021)	Hydrogen intake manifold & exhaust	↑	Hydrogen, Air and Cooling components	

E-mobility

BUSINESS QUOTATIONS PORTFOLIO

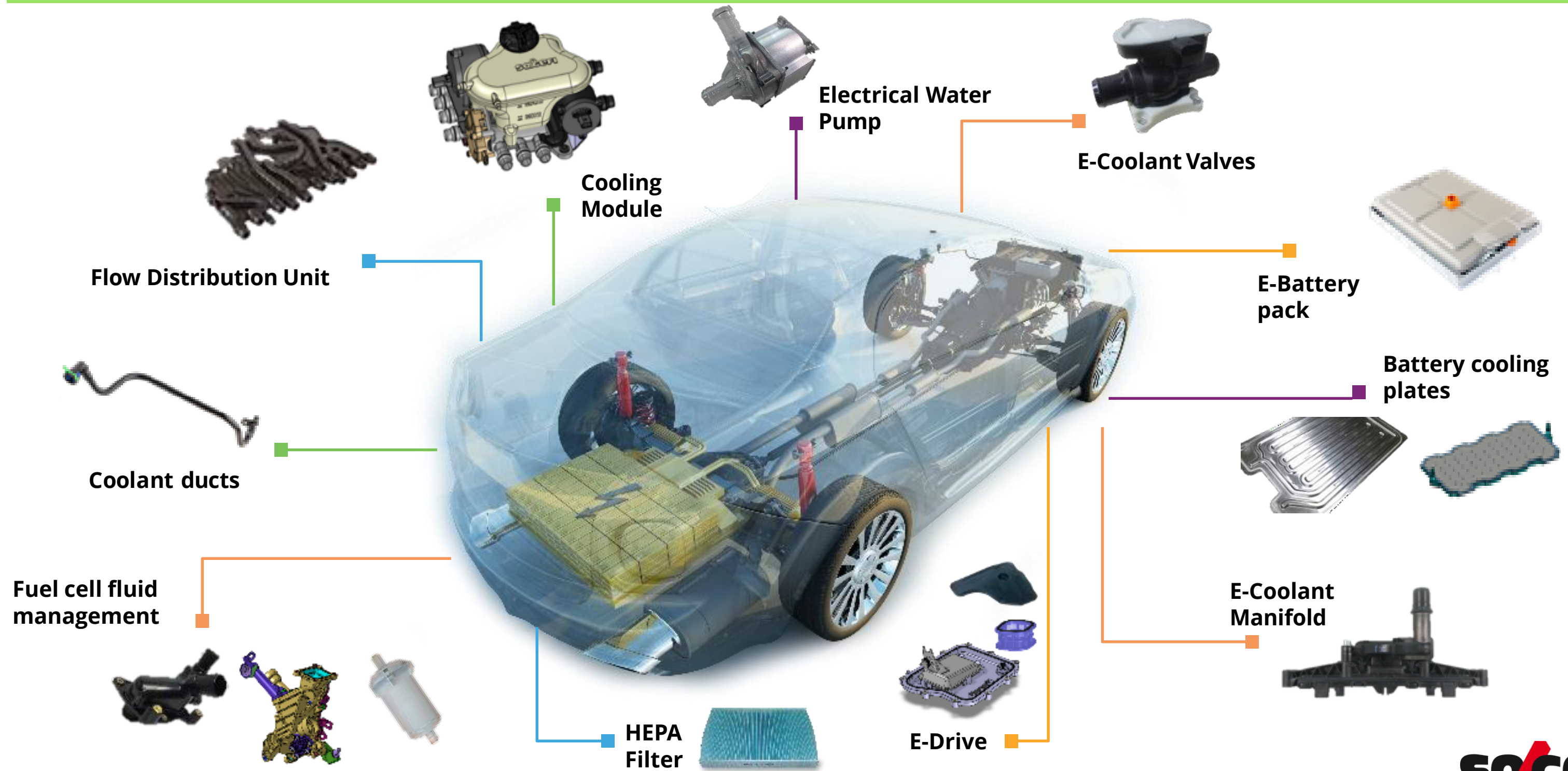
As of December 2021



63% of our current quotations are for E-mobility

AIR & COOLING E-MOBILITY

PRODUCTS PORTFOLIO



AIR & COOLING E-MOBILITY

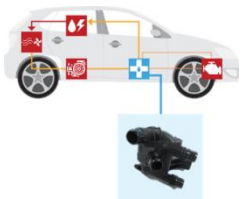
NEW PRODUCTS LINES

Current Portfolio EV



COOLANT PIPE FOR ELECTRIC POWERTRAIN

Powertrain Cooling with oil



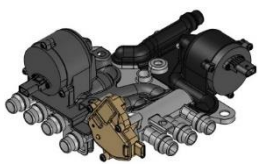
CABIN HEATER FLOW MANAGEMENT FOR HEV

Engine heat during ICE mode
Cabin heater comfort even when ICE engine off



COOLANT BATTERY MANIFOLD FOR ALL COOLING CIRCUITS USED FOR HYBRID, BEV, FUEL CELL CARS

Battery cooling during charging



FLOW CONTROL UNIT

Controlled distribution of coolant between e-motors – power units - battery packs – heat exchangers.



FLOW DISTRIBUTION UNIT

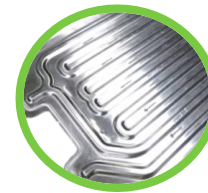
Distribution of coolant to:
e-motors – power units - battery packs – heat exchangers
Allows a high number of distribution channels



COOLANT VALVES

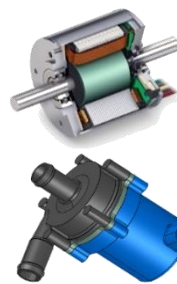
Active flow & thermal control for cooling circuits
Flow progressivity for precise thermal regulation

E-mobility Innovations with impact 22-25



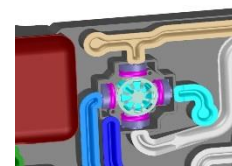
COOLING PLATE

Cooling of battery cells for optimized battery functionality



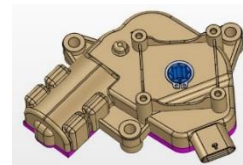
E WATER PUMP

Provide flowrate / pressure to coolant circuits (ICE and hybrid engines, battery cooling, e-motor cooling)
Power range 200 W to 400W
Voltage : 12V or 48V



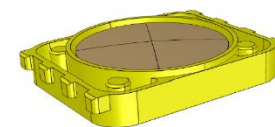
COOLANT VALVE IN FLOW DISTRIBUTION UNIT

Distribution and control of coolant flow
Flow progressivity for precise thermal regulation
High level of sealing with low friction



ACTUATOR FOR COOLANT VALVE

In house actuator, Cost competitive, Integration of added value, Brush motor



BATTERY VENT

Ensure pressure regulation within battery pack, prevent water / dust ingestion and resist to fire
Emergency degassing functions in case of battery cell failure
From 1 to 4 vent per battery pack

CABIN AIR PURIFICATION

Hepa Filters

HEPA FILTER

Our added value

POLLEN FILTRATION

Protect the passengers from suspended particles in the air

ACTIVATED CARBON FILTERS

Neutralize unpleasant and harmful gases entering the vehicle via AC system





CABIN3TECH+ FILTER

Stop the fine particles > 2.5 microns

HEPA FILTER

Stop the fine particles > 0.3 microns

Transition from Diesel products to new products for Purification

	100µm blocked at the nose
	10µm trapped in the throat
	2.5µm affects the lungs
	1µm enters the blood



2022 PRODUCT OF THE YEAR

CabinHEPA+ Filter has been elected Product of the Year 2022 by French consumers*



8 MILLION CABIN FILTERS PRODUCED
IN 2021

OUR HEPA FILTER FOR YOUR HEALTH

SO/GEFI GROUP

2022



2022: Market Outlook

- 2021 critical issues are expected to continue in H1 2022 (Covid, shortage of components, and stop and starts from OEMs)
- For 2022 IHS estimates full year at +8.5% (with H1 at +3.8% and H2 at +19.1%)
- In our forecast we had integrated a prudent approach compared to IHS

€m	FY 2021 vs 2020	FY 2022 vs FY 2021	FY 2023 vs FY 2022	FY 2023 vs FY 2019
Europe 27	-6.2%	20.8%	9.8%	-4.3%
North America	0.1%	16.6%	13.1%	5.3%
South America	16.2%	12.5%	9.0%	-1.2%
Asia	6.6%	1.7%	10.0%	10.8%
- of which China	4.0%	0.9%	10.9%	11.3%
Total	2.5%	8.5%	9.5%	2.1%

In September IHS
expected +0.3%

Market rebound
expected in 2022/23

Pre-covid
level in 2023

2022: Raw materials Outlook

- In the current context of generalized increase in the costs of raw materials, transport and energy, which led to a deterioration in margins in the H2 2021, Sogefi has started negotiations with all customers aimed at adjusting its sales prices to the situation, to a more complete extent than what is included in the indexations contemplated by the contracts
- Sogefi's management is determined and confident that it will be able to achieve fair agreements with all customers in order to continue sustainable long-term commercial relationships. With some of them, the objective has already been achieved.

2022: Financial Outlook

- Visibility as to the market trend in the next few months remains low, mainly due to the uncertainties, still existing, on the evolution of the pandemic and the macroeconomic situation. There are also specific challenges regarding the trend of demand, the generalized increase in raw materials prices and availability, as well as well as logistic difficulties involving transportation and sourcing from Asian markets
- For 2022 IHS estimates, after the decline in 2020 and a 2021 lower than expected at the beginning of the year, a recovery in world car production of 8.5% vs to 2021, with Europe +20.8% , NAFTA +16.6%, South America +12.5% and China substantial at breakeven (+0.9%); despite the expected positive trend, 2022 production would still be 6.8% down vs 2019, especially in Europe (-12.9%), Nafta (-6.9%) and South America (-9.4%), with only the Asian market back at pre-Covid levels (+0.7%).
- With regard to raw materials, in light of the unprecedented booming prices in 2021, it is difficult to make forecasts with the situation expected to persist in H1 2022. To mitigate these effects, the Group has already started resourcing activities and cost containment and commercial actions
- In this scenario, in the absence of currently unforeseeable extraordinary events, Sogefi expects to achieve a 2022 operating profitability, excluding non-recurring charges, substantially in line with 2021, thanks to the effects of the incisive actions already implemented to reduce the incidence of fixed costs and structurally improve profitability and, with regard to Suspensions, the gradual entry into operation of the new plant in Romania

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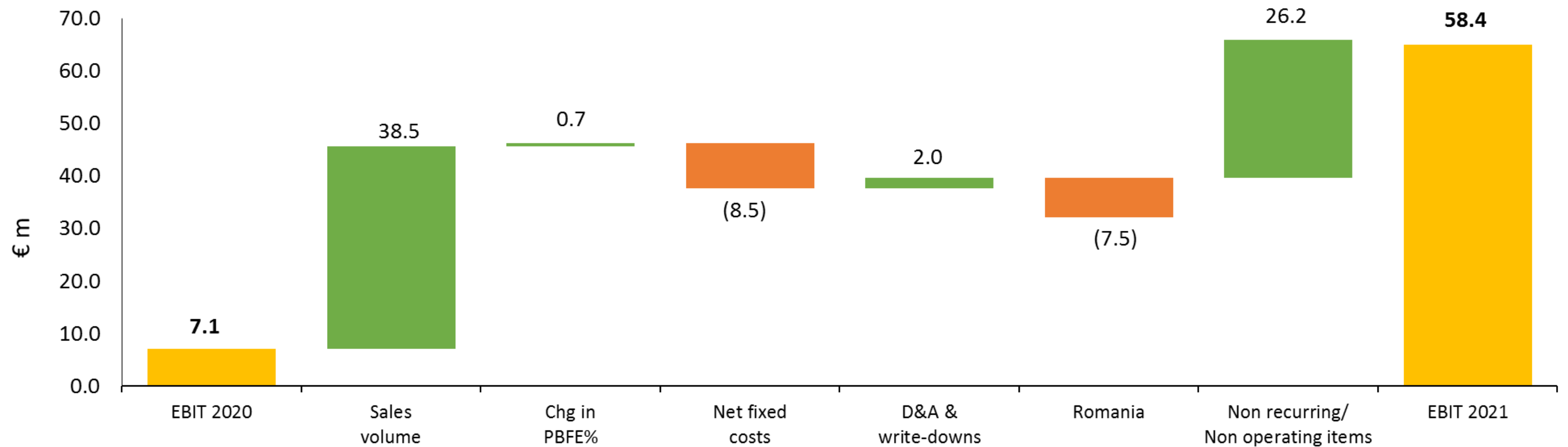
Mail: ir@sogefigroup.com

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APPENDIX

2021 EBIT performance breakdown VS 2020



2021 Quarterly P&L

€m	Q1 2021	%	Q2 2021	%	Q3 2021	%	Q4 2021	%
REVENUES	352.8	100.0%	320.6	100.0%	316.6	100.0%	330.6	100.0%
CONTRIBUTION MARGIN	108.3	30.7%	102.3	31.9%	100.3	31.7%	92.9	28.1%
Gross Fixed Costs	60.3	17.1%	55.1	17.2%	54.5	17.2%	56.1	17.0%
Restructuring	1.4	0.4%	0.0	0.5%	1.0	0.3%	4.7	1.2%
Exchange Differences	(1.6)	-0.5%	0.5	0.2%	(1.0)	-0.3%	(0.4)	0.0%
EBITDA	54.2	15.4%	54.2	16.9%	35.8	11.3%	48.3	14.6%
D&A	28.3	8.0%	29.5	9.2%	28.7	9.1%	29.0	8.8%
Write downs	0.5	0.1%	2.7	0.8%	3.2	1.0%	6.7	2.0%
EBIT	25.4	7.2%	22.0	6.8%	2.1	0.7%	8.9	2.7%
Financial results	5.8	1.7%	3.5	1.1%	4.1	1.3%	4.4	1.3%
Income Tax	5.9	1.7%	7.2	2.2%	0.1	0.0%	0.3	0.1%
Minority Interest	1.0	0.3%	0.5	0.2%	0.1	0.0%	0.5	0.2%
NET INCOME OF OPERATING ACTIVITIES	12.7	3.6%	12.3	3.8%	(2.2)	0.7%	3.7	1.1%
Net income from discontinued operations	(0.8)		(2.7)		(21.2)		0.2	
NET INCOME	11.8	3.4%	9.6	3.0%	(23.4)	7.4%	3.9	1.2%

SO/GEFI GROUP