



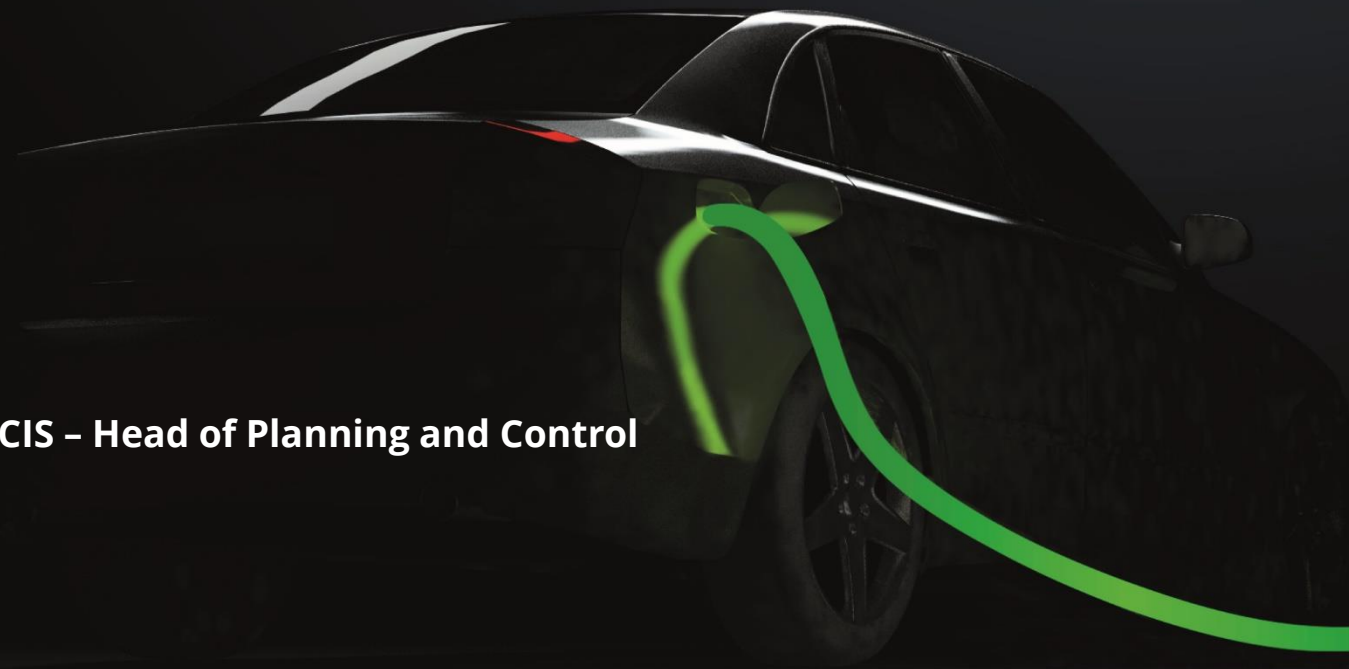
## 9M 2023 Results

*October 23, 2023*

Frédéric SIPAHI – CEO

Olivier PROUST – CFO

Maria Beatrice DE MINICIS – Head of Planning and Control



## AGENDA

- 9M 2023 Results
- A resilient business model and a Sustainable Transformation
- Market Outlook 2023



**Revenues at €1,252.5m**  
vs 1,158.7 in 9M 2022

- +10.7% at constant exchange (8.1% at current) benefiting of price increase related to pass-through (+3.4%)
- Volume positive (+7.1%), substantially in line with the market (+9.0% in 9M and +3.8% in Q3)
- Q3 up +4.6% at constant exchange

**EBITDA at € 173.9m**  
vs €151.78m in 9M 2022

- Contribution margin € 361.0m vs € 321.5m in 9M 2022
- EBITDA excluding non-recurring: € 180.1 m€ vs € 146.2m in 9M 2022
- Gross fixed costs slightly up at € 186.3m vs € 173.4m in 9M 2022 with ratio to sales down from 15.0% to 14.9%

**EBIT**

- € 89.1m vs € 63.9m in 9M 2022 with higher growth in value excluding non-recurring (€ 95.4m vs € 58.5m)

**Net Income**

Net income of operating activities up at € 52.2m vs € 34.1m in 9M 2022. Net income at € 45.8 including -€ 6.4 of discontinued operations (i.e. Mexico Suspensions disposal expected by year end)

**FCF<sup>1</sup> at € 33.1m**  
vs €35.3m in 9M 2022

Free Cash Flow positive at € 33.1m, down vs €35.3m in 9M 2022 reflecting lower use of factoring and acquisition of ATN

**Net debt<sup>1</sup> at € 192.7**  
vs € 224.3m Dec. 2022

Net debt end September 2023 of € 192.7m versus € 224.3m end of 2022 and € 219.7m end September 2022

# Sogefi 9M 2023: SALES BY GEOGRAPHY

€m	9M 2022	9M 2023	change	constant exchange rates	reference market production	performance vs market (bps)	weight based on 9M 2023
<b>Europe 27</b>	668.6	743.0	11.1%	11.4%	15.3%	-390	59.3%
<b>North America</b>	248.0	270.7	9.2%	13.3%	11.3%	200	21.6%
<b>South America</b>	85.2	83.5	-2.1%	3.1%	6.0%	-293	6.7%
<b>Cina</b>	84.6	78.1	-7.6%	0.3%	4.8%	-445	6.2%
<b>India</b>	77.4	83.4	7.8%	16.8%	6.7%	1005	6.7%
<b>Intercompany</b>	(5.1)	(6.2)					
<b>Total</b>	<b>1158.7</b>	<b>1252.5</b>	<b>8.1%</b>	<b>10.7%</b>	<b>9.0%</b>	<b>171</b>	<b>100.0%</b>

- **+10.7%** at constant exchange (with outperformance at group level) benefiting of price increase related to pass-thought
- In **Europe** the good performance of Aftermarket (+10.7%) cannot be compared with the car manufacturing market (+15.3%)
  - In **China** underperformance in a volatile market mainly due to an unfavorable customer / product mix

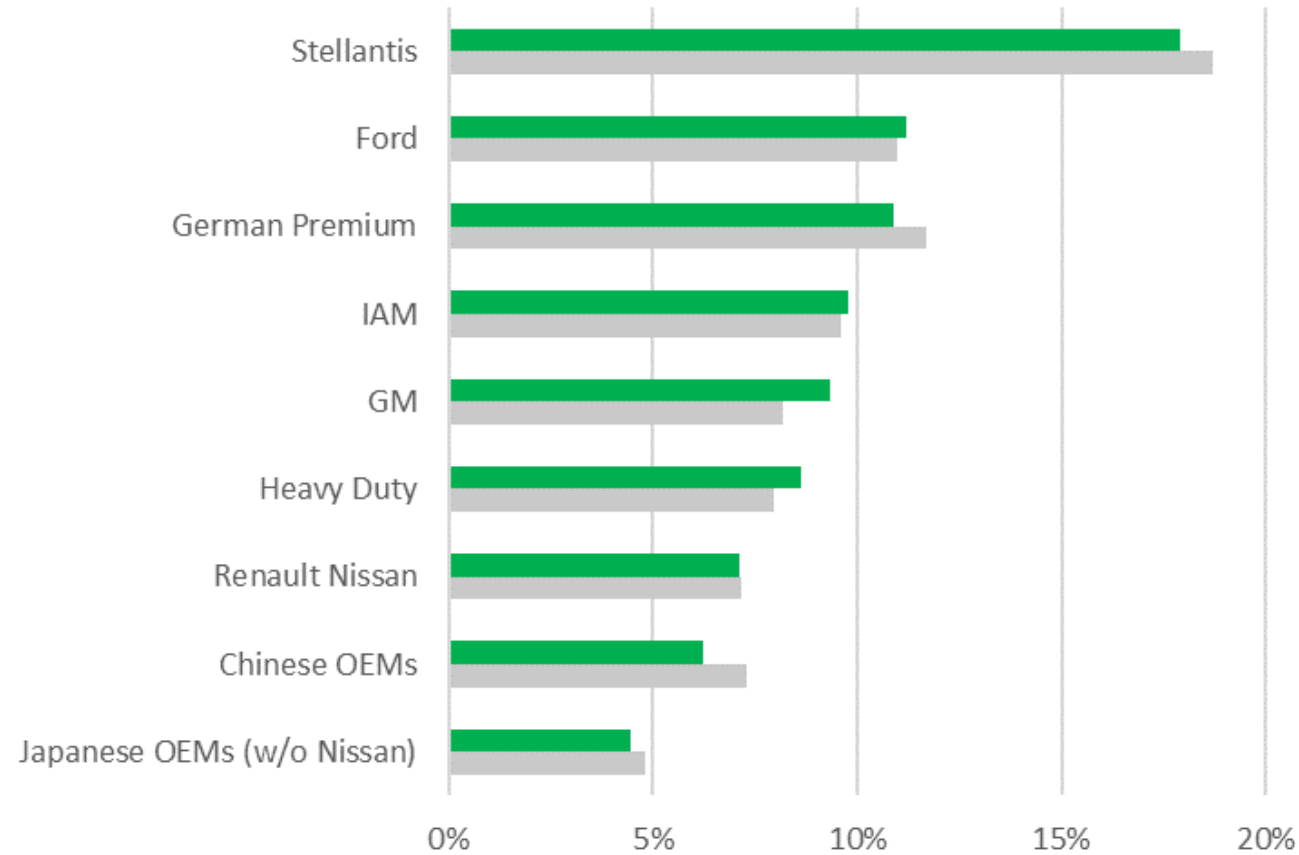
# so/GEFI 9M 2023: SALES BY BUSINESS UNIT

€m	9M 2022	9M 2023	change	constant exchange rates change
<b>Air&amp;Cooling</b>	345.9	369.7	6.9%	10.7%
<b>Filtration</b>	403.0	435.0	7.9%	10.1%
<b>Suspensions</b>	412.7	453.0	9.8%	11.7%
<b>Intercompany</b>	(2.9)	(5.2)		
<b><i>Total</i></b>	<b>1158.7</b>	<b>1252.5</b>	<b>8.1%</b>	<b>10.7%</b>

**Suspension** and **Filtration** growth foster by Europe and India, **A&C** driven by North America

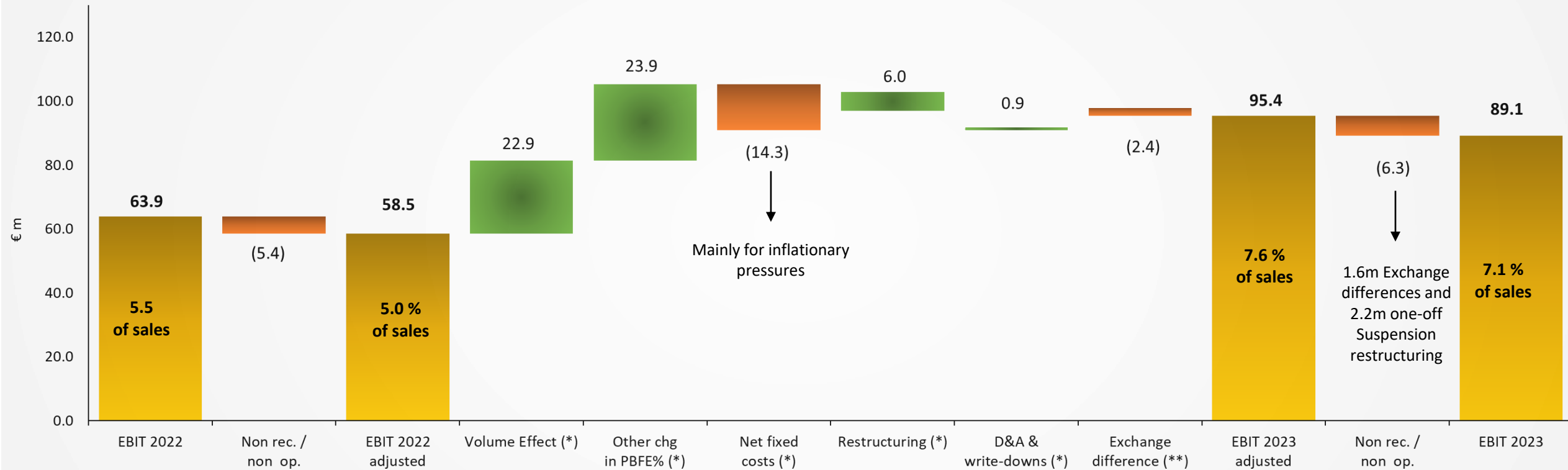


# SOGEFI OUR CUSTOMERS (% of sales)



■ 9M 2022  
■ 9M 2023

# SOGEFI 9M 2023: EBIT PERFORMANCE BREAKDOWN VS 2022



(\*) Variances calculated at stable FX

(\*\*) Exchange rate impact net of Argentinian inflation

# SOGEFI 9M 2023: P&L

€m	9M 2022	%	9M 2023	%	
<b>REVENUES</b>	<b>1,158.7</b>	100.0%	<b>1,252.5</b>	100.0%	
<b>CONTRIBUTION MARGIN</b>	<b>321.5</b>	27.7%	<b>361.0</b>	28.8%	→ Contribution margin up despite inflation
Gross Fixed Costs	<b>173.4</b>	15.0%	<b>186.3</b>	14.9%	
Restructuring	<b>7.9</b>	0.7%	<b>2.0</b>	0.2%	
Exchange Differences	<b>-5.2</b>	-0.4%	<b>1.6</b>	0.1%	
<b>EBITDA</b>	<b>151.7</b>	13.1%	<b>173.9</b>	13.9%	
<b>EBITDA excluding non-recurring</b>	<b>146.2</b>	12.6%	<b>180.1</b>	14.4%	→ Up 23.2% excluding non-recurring
D&A	<b>86.8</b>	7.5%	<b>85.0</b>	6.8%	
Write downs	<b>0.9</b>	0.1%	<b>-0.2</b>	0.0%	
<b>EBIT</b>	<b>63.9</b>	5.5%	<b>89.1</b>	7.1%	
<b>EBIT excluding non-recurring</b>	<b>58.5</b>	5.0%	<b>95.4</b>	7.6%	→ Up 63.1% excluding non-recurring
Financial results	<b>13.6</b>	1.2%	<b>16.4</b>	1.3%	→ Slightly higher cost of debt due to interest rates increase
Income Tax	<b>15.1</b>	1.3%	<b>18.2</b>	1.5%	
Minority Interest	<b>1.2</b>	0.1%	<b>2.3</b>	0.2%	
<b>NET INCOME OF OPERATING ACTIVITIES</b>	<b>34.1</b>	2.9%	<b>52.2</b>	4.2%	
Net income from discontinued operations	<b>(1.1)</b>		<b>(6.4)</b>		→ Ongoing negotiation to dispose Suspensions plant in Mexico (~€ 10m sales estimated in FY 2023), expected closing by year end
<b>NET INCOME</b>	<b>33.0</b>	2.8%	<b>45.8</b>	3.7%	




# SOGEFI Q3 2023: P&L

€m	Q3 2022	%	Q3 2023	%	
<b>REVENUES</b>	<b>406.8</b>	100.0%	<b>404.9</b>	100.0%	➔ +4.6% at constant exchange
<b>CONTRIBUTION MARGIN</b>	<b>110.0</b>	27.0%	<b>121.3</b>	30.0%	➔ Contribution margin up in value and in %
Gross Fixed Costs	<b>57.9</b>	14.2%	<b>60.8</b>	15.0%	
Restructuring	<b>3.8</b>	0.9%	<b>0.5</b>	0.1%	
Exchange Differences	<b>-1.3</b>	-0.3%	<b>-0.4</b>	-0.1%	
<b>EBITDA</b>	<b>51.6</b>	12.7%	<b>61.7</b>	15.2%	
<b>EBITDA excluding non-recurring</b>	<b>50.1</b>	12.3%	<b>62.7</b>	15.5%	➔ Up 25.1% excluding non-recurring
D&A	<b>29.1</b>	7.2%	<b>29.2</b>	7.2%	
Write downs	<b>0.1</b>	0.0%	<b>0.2</b>	0.0%	
<b>EBIT</b>	<b>22.3</b>	5.5%	<b>32.3</b>	8.0%	
<b>EBIT excluding non-recurring</b>	<b>20.8</b>	5.1%	<b>33.3</b>	8.2%	➔ Strong growth in value and in %
Financial results	<b>4.4</b>	1.1%	<b>5.3</b>	1.3%	
Income Tax	<b>4.5</b>	1.1%	<b>6.8</b>	1.7%	
Minority Interest	<b>0.9</b>	0.2%	<b>0.8</b>	0.2%	
<b>NET INCOME OF OPERATING ACTIVITIES</b>	<b>12.5</b>	3.1%	<b>19.4</b>	4.8%	
Net income from discontinued operations	<b>(0.3)</b>		<b>(5.0)</b>		➔ Including net result of Mexico plant and the best estimate of the probable effect of the disposal
<b>NET INCOME</b>	<b>12.2</b>	3.0%	<b>14.4</b>	3.6%	

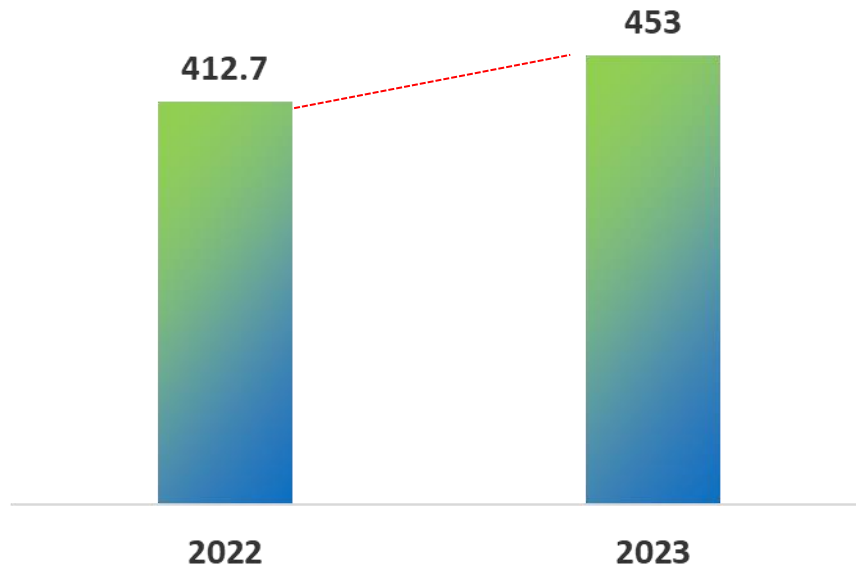
# SOGEFI 9M 2023: FREE CASH FLOW

€m	9M 2022	9M 2023
<b>FUNDS PROVIDED BY OPERATIONS</b>	<b>111.9</b>	<b>127.6</b>
Working Capital	-16.0	-27.2
Capex (Tangible, Intangibles & IFRS15)	-65.7	-63.2
Others	5.1	-4.1
<b>FREE CASH FLOW (NET)</b>	<b>35.3</b>	<b>33.1</b>
<b>NET DEBT</b>	<b>219.7</b>	<b>192.7</b>
<b>FACTORING</b>	<b>110.6</b>	<b>100.1</b>

 Reflecting lower use of factoring and acquisition of ATN

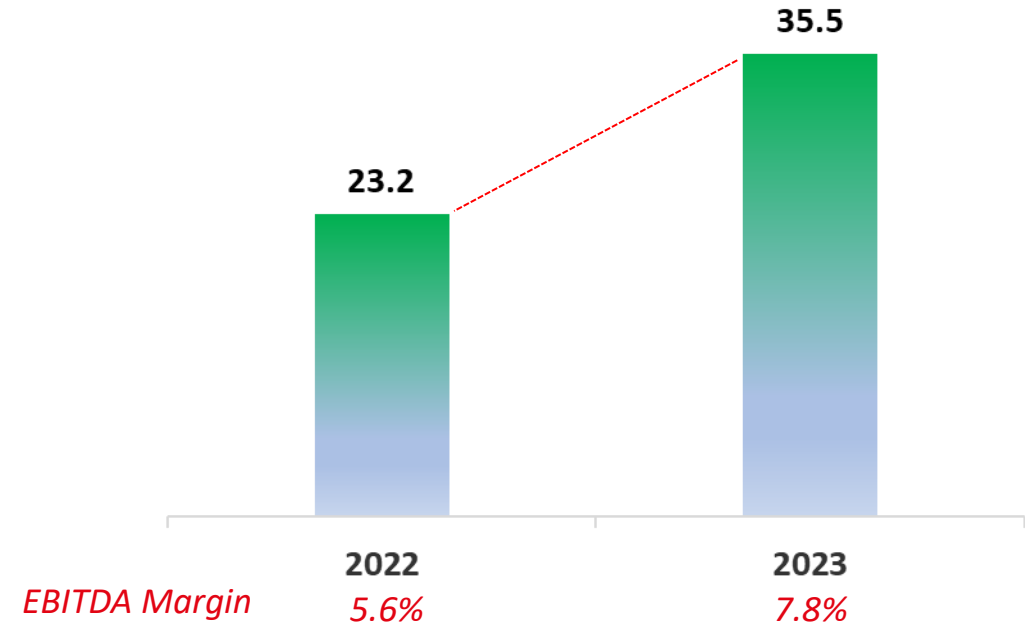
# SOGEFI 9M 2023: SUSPENSIONS

## SALES (€m)



- 9M 2023 **up 11.7%** (+9.8% at constant exchange) thanks to good performance in Europe (+14.4%), India (+25.7%) and repricing

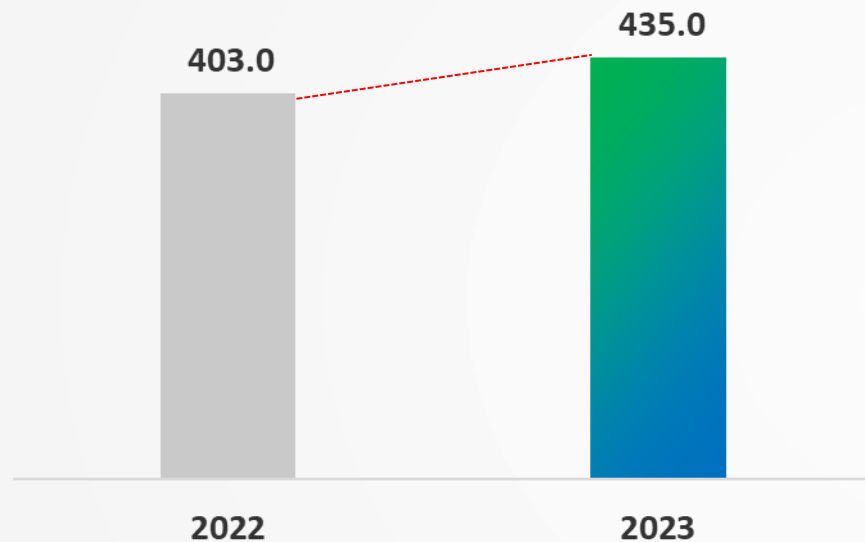
## EBITDA (€m) excluding non-recurring



- EBITDA higher than last year in absolute value and in % despite repricing effect dilution
- Contribution margin up in % and in value (+15.5% vs 9M 2022)
- Margin improvement in Europe

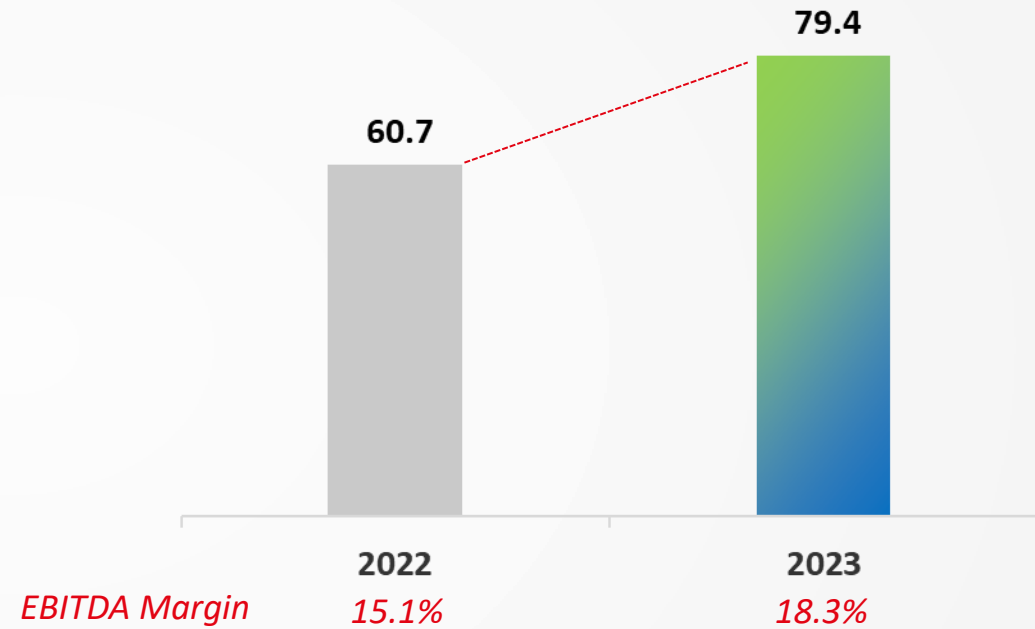
# SOGEFI 9M 2023: FILTRATION

## SALES (€m)



- Revenues **up 10.1%** at current exchange rates (+7.9% at constant exchange rates) thanks to good performance in all areas
- Growth in India (+15.3% at constant exchange rates) and Aftermarket with market shares gain in both markets

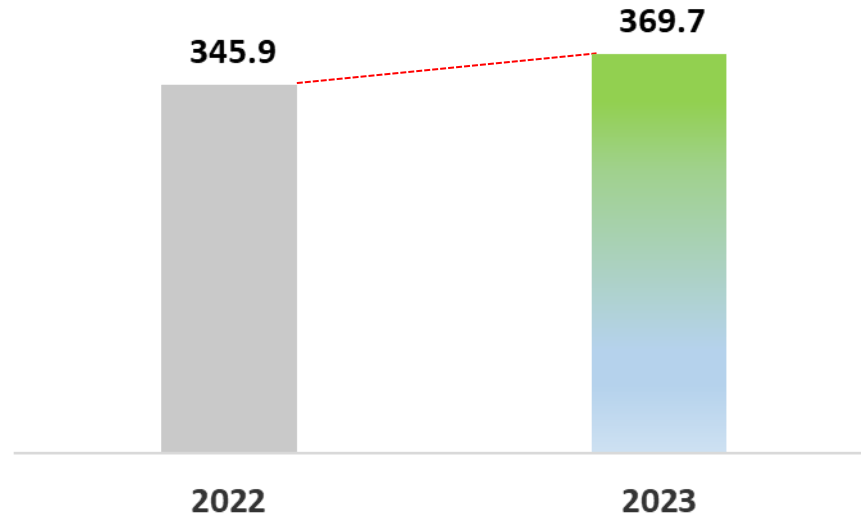
## EBITDA (€m) excluding non-recurring



- EBITDA **improved by 18.7M€** vs 9M 2022
- Contribution margin up 18.3% vs 9M 2022

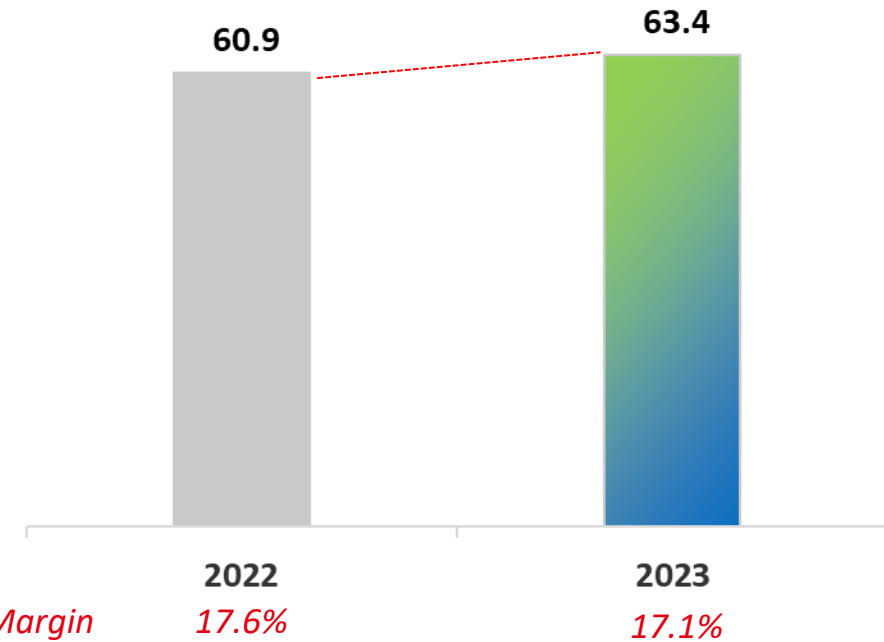
# SOGEFI 9M 2023: AIR&COOLING

## SALES (€m)



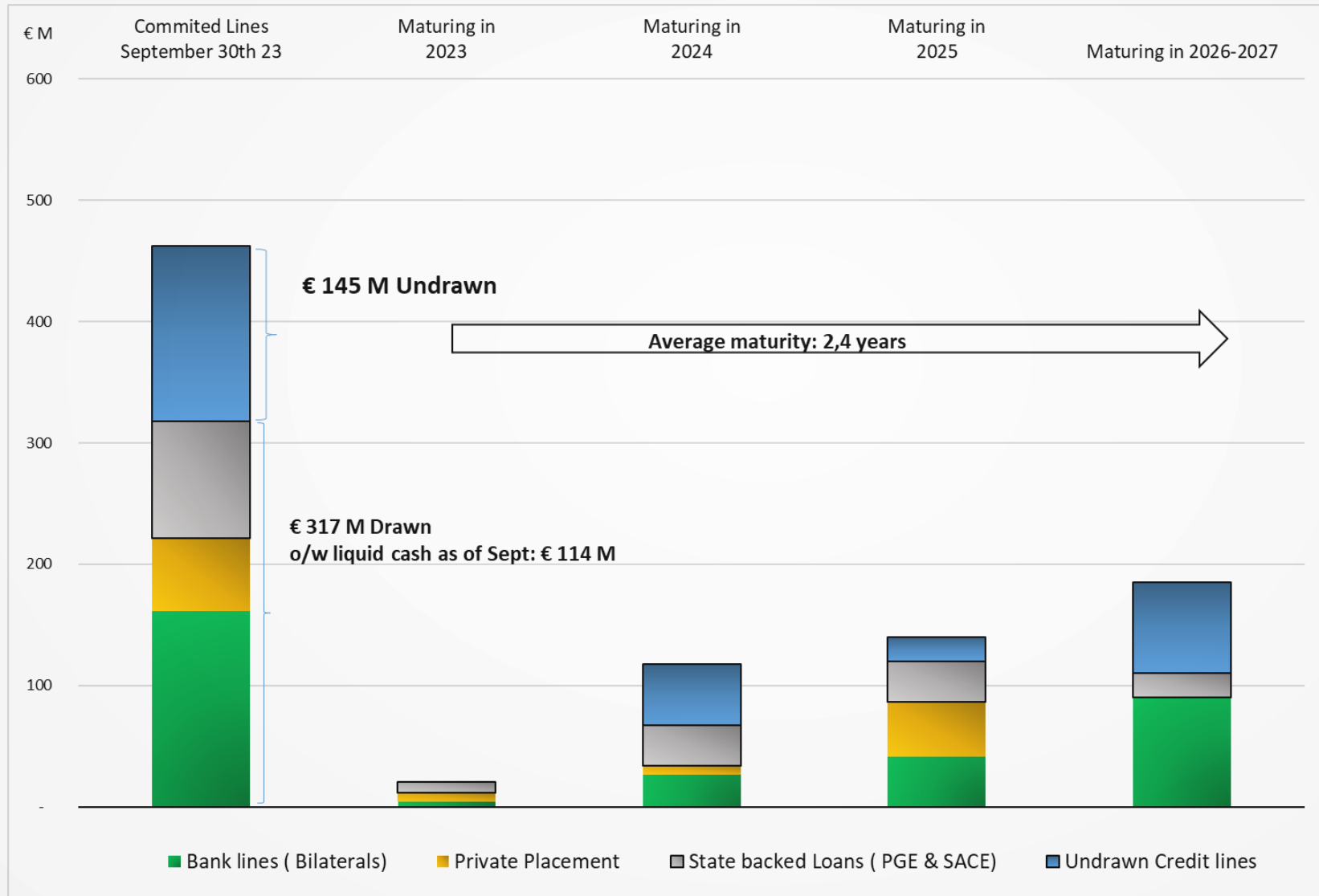
- In 9M 2023 **up 10.7%** (+6.9% at constant exchange) thank to a strong performance in NAFTA (+14.5%)
- In China, the performance below the market is mainly due to an unfavorable customer/product mix

## EBITDA (€m) excluding non-recurring



- EBITDA margin slightly down, dilution due to price increase offsetting the higher raw material costs
- Margin reflecting different product and geo mix
- Contribution margin up 1.5% vs 9M 2022

# SOGEFI 9M 2023: DEBT PROFILE



- 51% Gross MT Debt with fixed rate



### A Resilient Business Model and a Sustainable Transformation



## Air&Cooling

**32%** of  
the awards  
consisting of  
**E-mobility**  
vehicles

## Suspensions

## Filtration

**A&C BL** concluded new contracts :

- ✓ in North America for the supply of **Cooling products for E-mobility** platforms and Water Pump and Manifolds for ICE vehicles.
- ✓ in China, **all with E-mobility key players**:
  - In H1 a major order was awarded from BYD for a Plug-in-Hybrid platform
  - To supply "Oil trees" used in EV cars to lubricate the gearbox. These parts, traditionally in metal, are in plastic reducing weight and optimizing design and costs.
- ✓ in Europe for **E-mobility Thermostat** and air intake manifolds for ICE vehicles

**Suspensions BL** has **32%** of the new contracts coming from **E-mobility platform** (>60% in China and Europe).

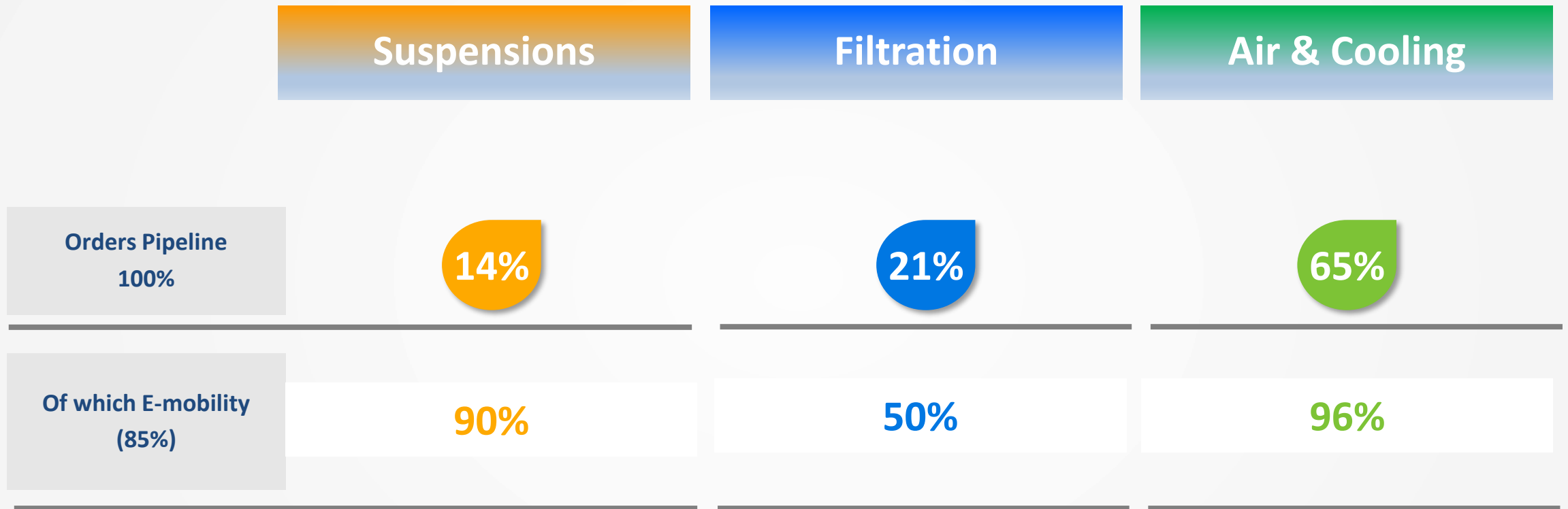
Awards:

- ✓ In China for the supply of stabilizer bars with an innovative local player, new entrant in the market, aiming to become **one of the main producers in the electric car market**
- ✓ in Europe, **all related to E-mobility** (except for HD) for both: coil springs and stabilizer bars. For stabilizer bars, one of the main contract is related to high-end electric SUVs
- ✓ in India for stabilizer bars for light commercial vehicles from an innovative new company aiming to become a major **EV market player in India**
- ✓ in South America for **coil/leaf springs** and **heavy stabilizer bars** for passenger cars and commercial vehicles (all related to ICE)

**Filtration BL** had a good development :

- ✓ in Europe in OE channel to supply filter components for the **truck brake circuit** and oil filters. For spare parts, the BL has inked a **three-year exclusivity agreement** with one of the major players in the distribution of car components **in the aftermarket channel**.
- ✓ in India via a market share gain mainly thanks to **air filtration products**.

# **so/gefi** BUSINESS QUOTATIONS PORTFOLIO IN E-MOBILITY



**85% of our current quotations are for E-mobility**  
(September 2023)

# **Sogefi** 2023: MANAGEMENT EXPECTATIONS

- ✓ **Market flattish** in Q4, vigorous growth of pure EV powertrain (but stable ICE+Hybrid)
- ✓ **Steel, aluminum and resins** price upward trend is substantially reverted but price to remain high vs 2019. **Energy costs** consensus is to a downward trend, but high volatility remain
- ✓ **Full execution of the strong structural actions** (cost rationalization, organization adaptation and footprint redefinition activities,) launched from 2021 are paying-off
- ✓ To fully focus on the **Suspensions** turnaround in Europe and growth in Asia, management decided to **exit from North America** thus there are ongoing negotiations to sale the Mexican plant (expected by 2023, ~€ 10m sales in estimated in FY2023). An agreement with the potential buyer will still allow Sogefi to offer business globally

Sogefi has a more conservative approach on 2023 market expectations vs S&P Global

		S&P Global (IHS) October 2023			
		2023 vs 2022			
€m	9M 2023 vs 9M 2022	Q4	FY 2023 vs FY 2022	FY 2024 vs FY 2023	FY 2024 vs FY 2019
Europe 27	15.3%	2.0%	12.1%	-1.0%	-14.1%
North America	11.3%	-8.8%	6.3%	7.2%	-0.2%
South America	6.0%	-1.3%	4.2%	2.0%	-7.2%
China	4.8%	8.1%	5.7%	0.7%	14.0%
India	6.7%	8.2%	7.1%	-0.5%	29.8%
<b>Total</b>	<b>9.0%</b>	<b>3.5%</b>	<b>7.5%</b>	<b>0.6%</b>	<b>0.2%</b>

Q4 expected up, despite US

At pre-covid level in 2024 thanks to China and India

- The **visibility** on the automotive market trend in 2023 remains reduced due to the uncertainties related to the macroeconomic evolution, in a context of high inflation and interest rates still on the rise
- **For Q4 2023**, S&P Global (IHS) expects global auto production to grow 3.5% on Q4 2022
- As regards **raw materials**, in the first 9M 2023 the price trend was decreasing and to date there are no signs of a reversal of this trend. As regards **energy costs**, after a phase of containment, volatility remains high and could potentially be worsened by new geopolitical tensions
- Assuming no further factors of serious deterioration in the macroeconomic scenario from today's level, in 2023 the Sogefi Group expects a **revenue growth higher than mid-single digit**, and an **increase in profitability**, excluding non-recurring charges, **in line with that recorded in the first 9M 2023**



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# APPENDIX



# Quarterly Non-Recurring/Operating

€

**Q1 2022**  
**Total +0.9m**

+1.2m Exchange differences  
- 0.3m Others

**Q1 2023**  
**Total -2.7m**

-1.9m Exchange differences  
- 0.8m Others

**Q2 2022**  
**Total +3.0m**

+2.7m Exchange difference  
+0.3m Others

**Q2 2023**  
**Total -2.6m**

-0.1m Exchange differences  
-1.5m one-off Suspension restructuring  
-1.0m Others

**Q3 2022**  
**Total +1.5m**

+1.3m Exchange difference  
+0.2m Others

**Q3 2023**  
**Total -1m**

+0.4 Exchange difference  
-0.8m One off restructuring Suspensions  
-0.2m warranties  
-0.4 Others

## 13 ESG KPI's

defined with 2025 target

	KEY PERFORMANCE INDICATORS		Actual 2022	Target 2025
<b>BUSINESS INNOVATION</b> Develop innovative and eco-responsible products and technologies, mainly focused on e-mobility market	1	% of sales for e-mobility products (i.e. electric / hybrid / fuel cell) on total sales	14%	24%
	2	% of orders' value for e-mobility products (i.e. electric / hybrid / fuel cell) on total order intake value	52%	65%
	3	% of R&D spending on e-mobility products (i.e. electric / hybrid / fuel cell) on total annual R&D spending (gross of grants received)	35%	50%
	4	Number of new patents registered per year	37	50
<b>ECO-EFFICIENCY</b>  Reduce CO2 emissions, by improving energy efficiency, cutting energy consumption and promoting renewable energy sources  Minimize waste, by limiting the use of potentially hazardous substances and promoting recycling and reusable processes  Adopt the best operational practices and processes in business operations	<b>ENERGY MIX:</b>			
	5	% of renewable energy used and purchased from renewable sources / total energy used and purchased	8%	25%
	<b>ENERGY INTENSITY:</b>			
	6	Tot. energy consumed / Tot. Turnover	1 345 GJ/M€ -10% vs 2019	-2% per year (vs 2022)
	<b>WASTE VALORISATION:</b>			
	7	% variation of valorised waste (focusing on reduction landfill and/or hazardous waste reduction, regrind, recycled, incineration increase) / total waste	+17 bp (vs 2020)	+25 bp (vs 2020)
	<b>CERTIFICATION LEVEL:</b>			
	8	% of sites with quality, environmental and safety systems certified accordingly to international standards:		
<b>PEOPLE</b>  Contribute to skills upgrade and "employability"  Value the diversity and ensure equality, rejecting any form of discrimination and harassment  Ensure a healthy and safe working environment, minimizing OH&S risks and preventing occupational disease and incidents  Contribute with positive impacts on communities, respecting local cultures and values		* Quality (QL): IATF 16949:2016	97%	100%
		* Environmental (EV): ISO 14001:2015	100%	100%
		* Health & Safety (HS): ISO 45001:2018	7	7
	9	Number of training hours per employee per year	18,8H	25H
	<b>Gender Equality Index</b>			
	10	Worldwide application and monitoring	2022 rating: 64/100	Improve vs 2022 rating
	<b>People satisfaction</b>			
	11	Analysis of satisfaction level by conducting internal surveys	2022 rating: 64/100 Strongly Agree & Agree	Improve vs 2022 rating
	<b>Accident frequency rate</b>			
	12	Number of accidents for employees and supervised workers with lost time per million hours worked	2	1,3
	<b>% of sites engaged in sustainable projects for local communities (i.e. Education, Sport, Solidarity, Health)</b>			
	13		100%	100%