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**Q1 2017 Financial Results**

April 27, 2017

# Q1 2017 HIGHLIGHTS

- ✓ Strong revenue growth in Q1 2017 with **revenues up by 12.6%** at € 439.1m  
Positive performance of all three business units and all geographical areas
- ✓ **EBITDA at € 45.1m**, i.e. 10.3% on sales
  - Further improvement in the contribution margin (from 28% to 28.5%)
  - Reduced impact of indirect costs
- ✓ **EBIT at €26.8m**, i.e. 6.1% on sales
- ✓ **Free cash flow at + € 6.9m** (breakeven in Q1 2016)
- ✓ **Net debt improved € 31.2m** to € 291.4m (€ 322.6m as of end March 2016)
- ✓ No developments in the claims issue

# REVENUES BY GEOGRAPHICAL AREA

All geographical areas contributed with significant growth

Outperformed reference markets including in Europe

€m	Q1 2017	Q1 2016	reported change	Constant exchange rates	weight based on Q1 2017	reference market
Europe	274.0	253.2	8.2%	9.5%	62.4%	4.2%
North America	81.2	70.3	15.4%	10.8%	18.5%	2.5%
South America	48.9	37.5	30.6%	14.1%	11.1%	19.1%
Asia	39.5	31.3	26.4%	25.7%	9.0%	6.8%
Other	-4.5	-2.2			-1.0%	
<b>Total</b>	<b>439.1</b>	<b>390.1</b>	<b>12.6%</b>	<b>11.0%</b>	<b>100.0%</b>	<b>5.8%</b>

Source: Sogefi and IHS data

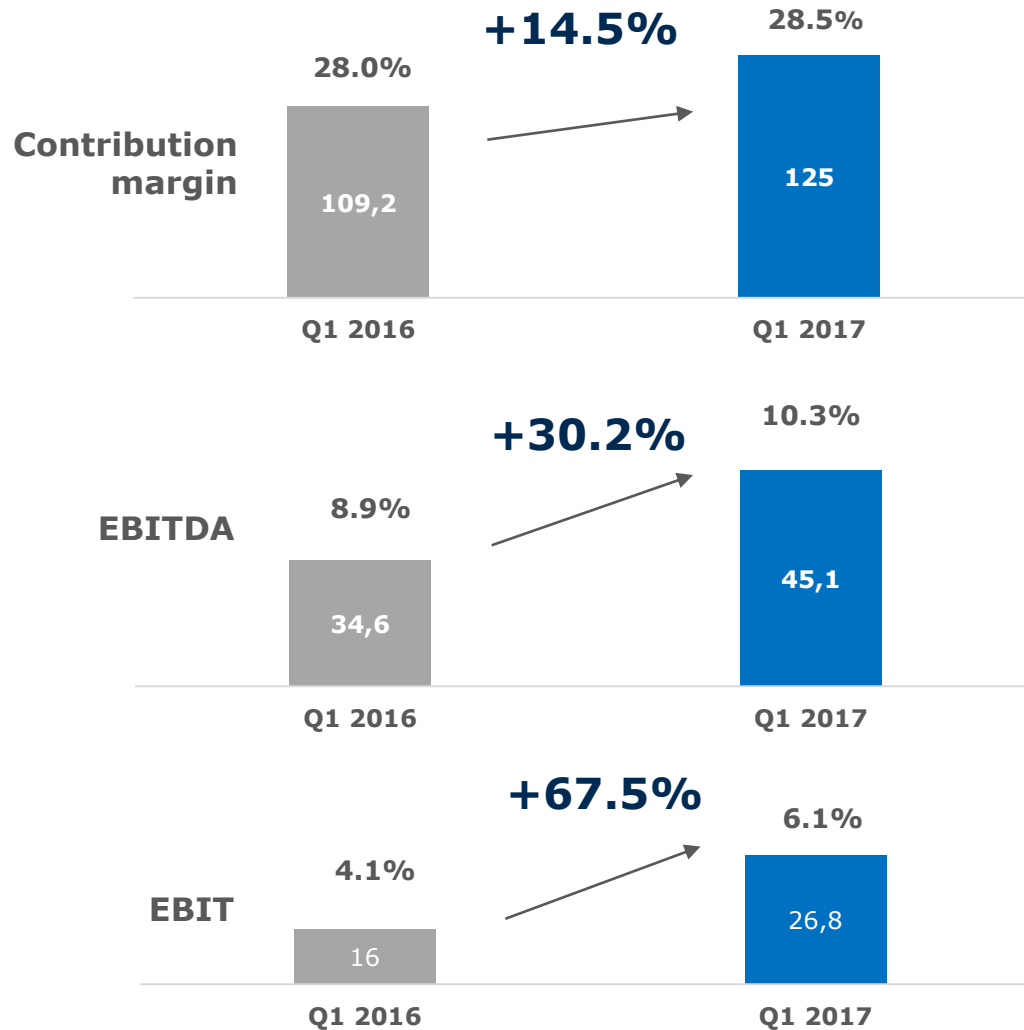
# REVENUES BY BUSINESS UNIT

## Positive performance for all three business units




€m	Q1 2017	Q1 2016	reported change	Constant exchange rates
Suspensions	153.2	143.1	7.1%	6.0%
Filtration	149.2	131.1	13.8%	12.1%
Air & Cooling	137.9	117.0	17.8%	15.7%
Intercompany eliminations	-1.2	-1.1		
<b>Total</b>	<b>439.1</b>	<b>390.1</b>	<b>12.6%</b>	<b>11.0%</b>

# STRONG PROFITABILITY INCREASE

€m / % sales



**mostly driven by:**

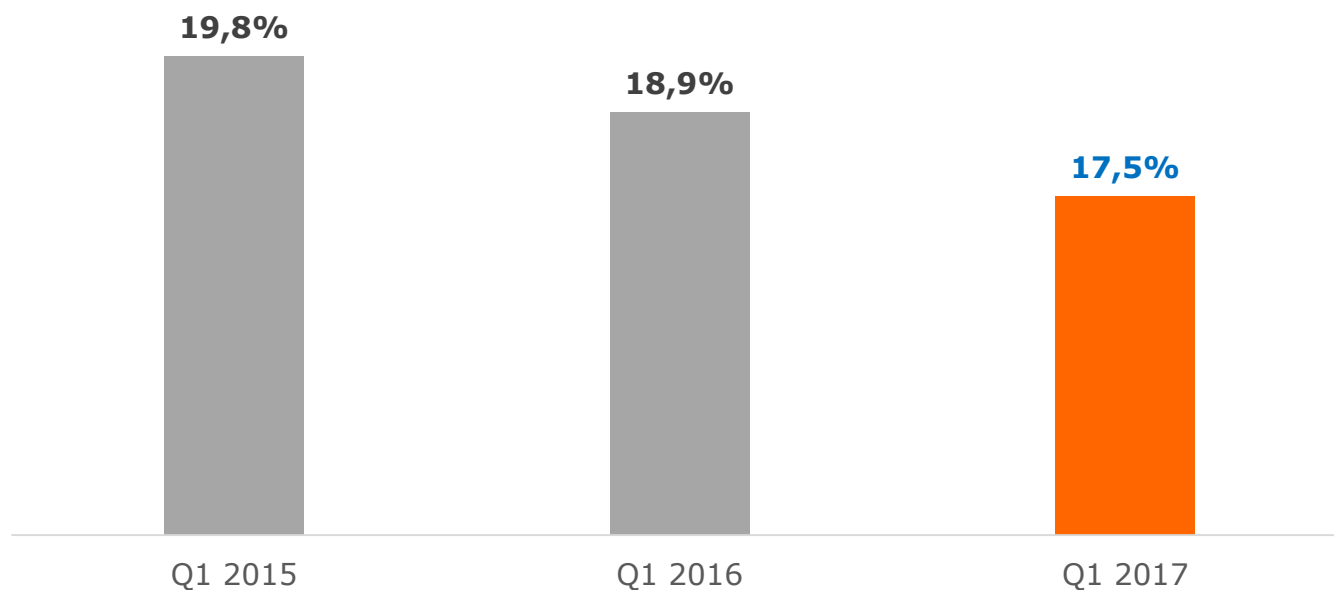
-  Contribution margin improvement
-  Control of indirect costs
-  Reduction of total labour costs % to sales from 21.7% to 20.5%

# CONTINUOUS EFFORT IN INDIRECT COSTS OPTIMIZATION

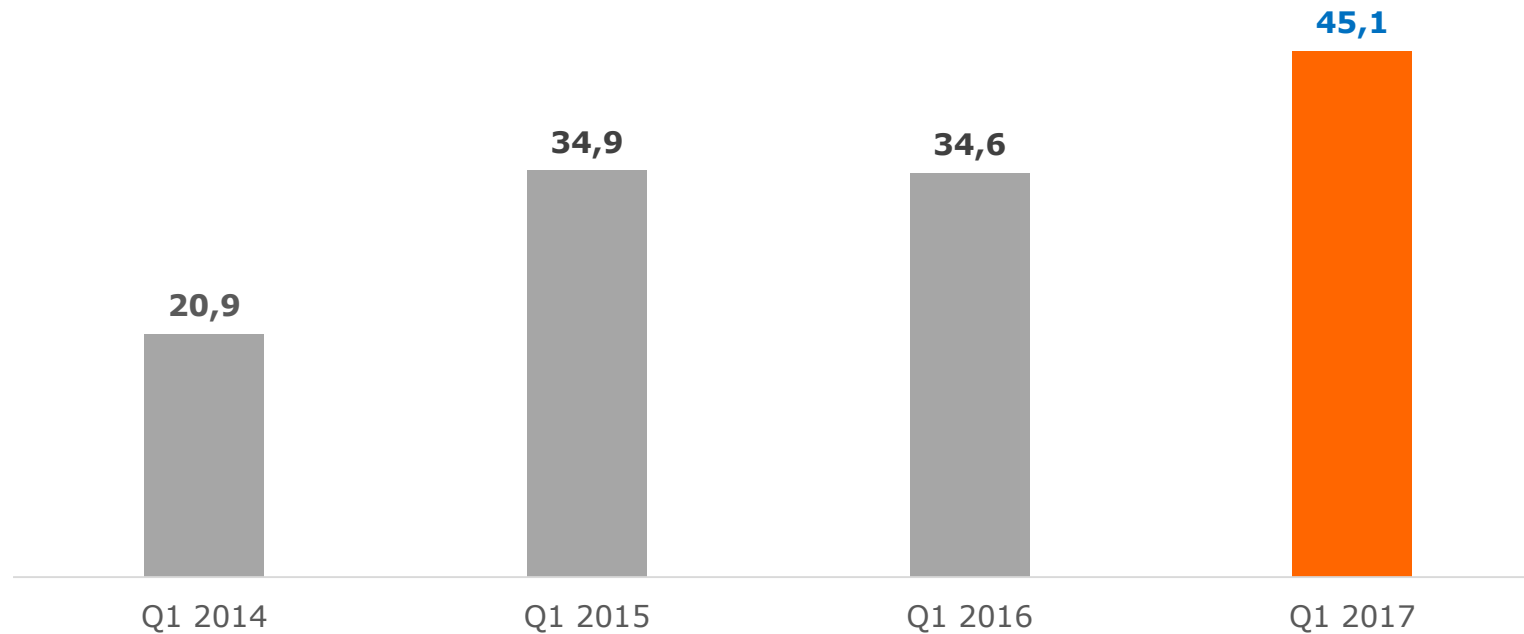
**IN Q1 2017 GROSS INDIRECT COSTS WERE 17.5% OF TOTAL SALES**

- ✓ 1.4 points improvement vs Q1 2016
- ✓ 2.3 points improvement vs Q1 2015

in % of sales



# Q1 2017 EBITDA REFLECTS TURNAROUND ACTIONS



# FOCUS ON NET PROFIT

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**/ EBIT increased by 67.5%** to **€ 26.8m** compared to € 16m in Q1 2016 represents 6.1% of total sales.

**/ Result before taxes and minority interests** was **€ 20.4m** (€ 7.5m in Q1 2016), after financial expense of € 6.4 million, lower than the € 8.5 million in the same period of 2016).

**/ Net result was a positive € 11.6m** (€ 2.9m in 2016) or 2.6% of sales.



# Q1 2017 RESULTS – P&L HIGHLIGHTS

€m	Q1 2016	%	Q1 2017	%	YoY
<b>TOTAL NET SALES</b>	<b>390.1</b>		<b>439.1</b>		<b>12.6%</b>
<b>CONTRIBUTION MARGIN</b>	<b>109.2</b>	<b>28.0%</b>	<b>125.0</b>	<b>28.5%</b>	<b>14.5%</b>
<b>GROSS INDIRECT COSTS</b>	<b>73.5</b>	<b>18.9%</b>	<b>76.8</b>	<b>17.5%</b>	<b>4.4%</b>
<b>EBITDA</b>	<b>34.6</b>	<b>8.9%</b>	<b>45.1</b>	<b>10.3%</b>	<b>30.2%</b>
<b>EBIT</b>	<b>16.0</b>	<b>4.1%</b>	<b>26.8</b>	<b>6.1%</b>	<b>67.5%</b>
Financial expense (income)	-8.5	2.2%	-6.4	1.4%	
<b>PRE-TAX INCOME (LOSS)</b>	<b>7.5</b>	<b>1.9%</b>	<b>20.4</b>	<b>4.7%</b>	
Income Tax	-3.4	0.9%	-7.7	1.8%	
Minority Interest	-1.2	0.3%	-1.1	0.3%	
<b>NET INCOME (LOSS)</b>	<b>2.9</b>	<b>0.8%</b>	<b>11.6</b>	<b>2.6%</b>	
<b>CAPITALIZATION - AMORTIZATION INTANGIBLE</b>	<b>0.6</b>	<b>0.2%</b>	<b>-1.3</b>	<b>-0.3%</b>	

# Q1 2017 RESULTS – FCF HIGHLIGHTS

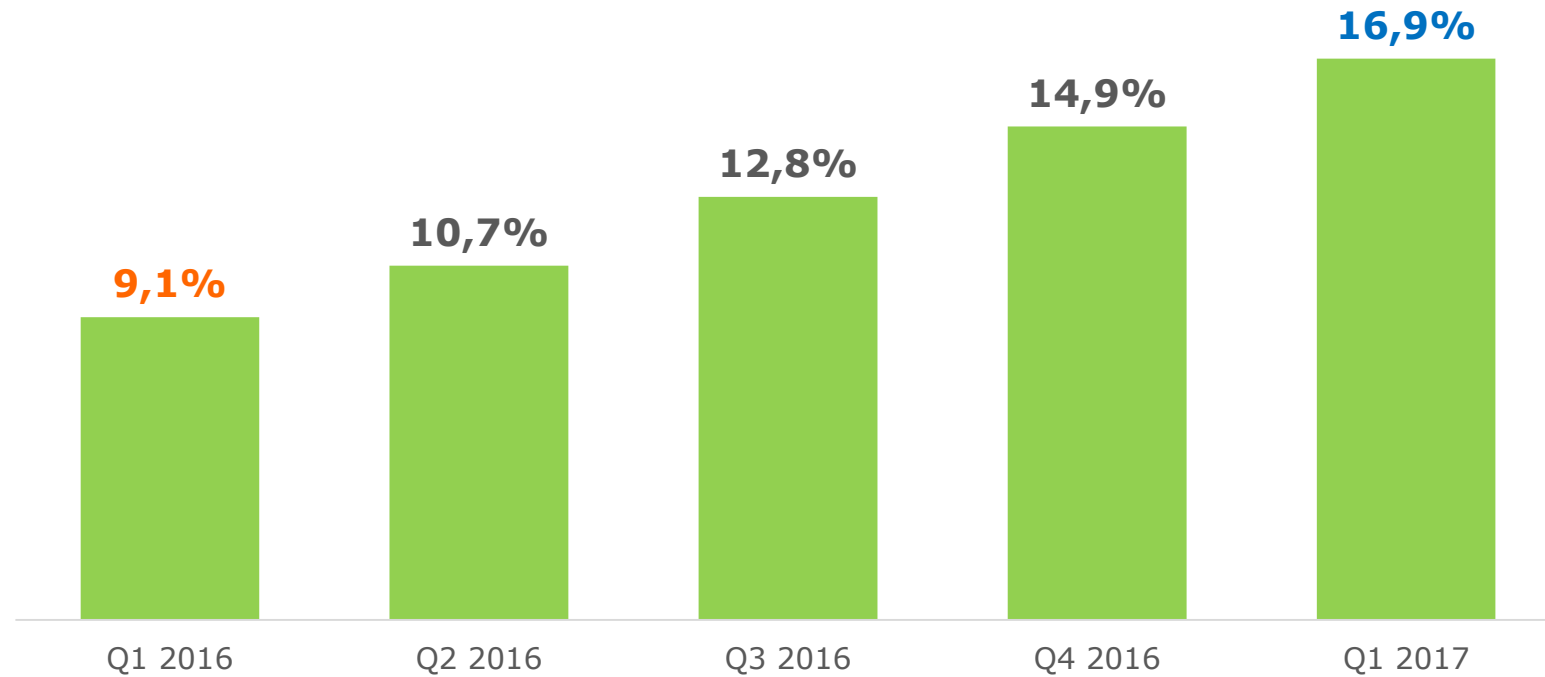
€m	Q1 2016	Q1 2017
<b>OPERATING CASH FLOW</b>	<b>13.7</b>	<b>18.9</b>
Restructuring	-4.2	-3.3
Warranty Claims	0.7	0.1
<b>Non Ordinary items</b>	<b>-3.5</b>	<b>-3.2</b>
Taxes	-3.0	-3.4
Interests	-7.4	-5.4
<b>FREE CASH FLOW</b>	<b>-0.2</b>	<b>6.9</b>

**€ 6.9m FCF generation  
represents 1.6% of sales**

<b>Net debt (end of period)</b>	<b>322.6</b>	<b>291.4</b>
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**Net financial debt reduced  
by € 31,2m versus end  
March 2016**

# VALUE CREATION THROUGH ROCE INCREASE

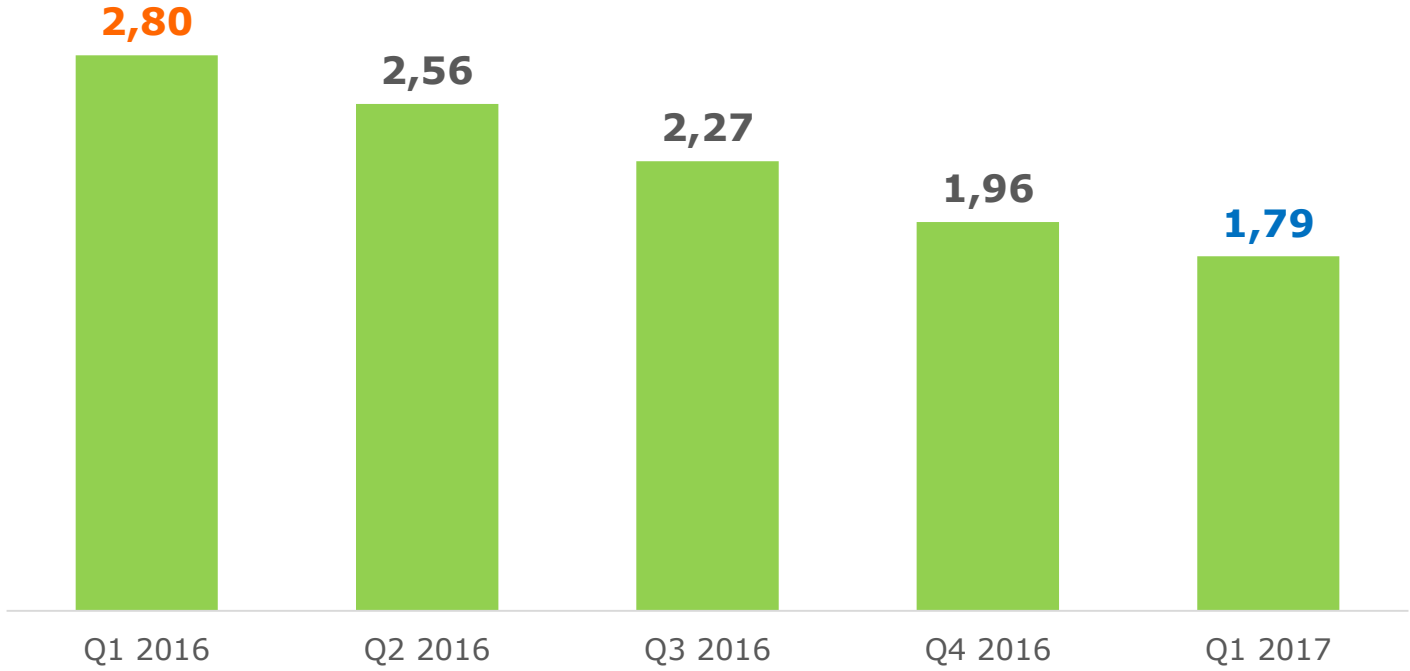


**+7.8 points ROCE increase versus Q1 2016**

CE: Average Capital Employed (end of period)

EBIT: 12 months rolling

# NFP/EBITDA RATIO CONTINUING TO IMPROVE



NFP: Net debt (end of period)

EBITDA: 12 months rolling



# 2017 OUTLOOK

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- ▮ For the automotive market, after a first quarter of sustained growth, the outlook for 2017 shows a positive trend, albeit at a slower pace.
- ▮ Concerning Sogefi, the positive performance recorded in the first quarter confirms the projected improvement in profitability for 2017.

# PLANNED COMMUNICATION IN 2017

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/// ISMO – Paris – 17 May 2017

/// CEO Conference – Milan – 27 June 2017

/// Roadshow in London – 5 July 2017

/// Roadshows in Paris and Frankfurt – Fall 2017

# CONTACTS

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