

Q1 2021 RESULTS

so/GEFI GROUP

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AGENDA



▶ *Q1 2021 RESULTS*

▶ *BUSINESS UNITS*

▶ *PERSPECTIVES*

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Q1 2021 Results



Q1 2021 Highlights

Revenues at €356.6m
vs 376.1m in Q1 2019

Q1 2021 up 5% on a reported basis (+9.3% at constant exchange rate) outperforming in all regions. Q1 2021 still behind Q1 2019 (-5.2%)

EBITDA at € 54.8m
vs €41.4m in Q1 2019

- EBITDA: 15.4% vs 11.3% in Q1 2020 and 11.0% in Q1 2019
- Fixed costs down by 10.0m€ vs Q1 2019 (-14.3%)

EBIT at € 25.9m
vs €12.5m in Q1 2019

EBIT: 7.3% vs 2.3% in Q1 2020 and 3.3% in Q1 2019

Net Income at € 11.8
vs € +1.6m in Q1 2019

Net income at € 11.8m vs € -5.6m in Q1 2020 and € 1.6m in Q1 2019

FCF at € 33.0m
vs €-1.6m in Q1 2019

Free Cash Flow positive at € 33.0m (-€0.4m in Q1 2020 and - € 1.6m in Q1 2019) thanks to higher EBITDA margin and favorable working capital

Net debt¹ at € 261.1
vs € 262.1m end march 2019

Net debt of € 261.1m versus vs € 291.3m end of 2020 and in line with March 2019

Q1 Sales

€m

	<i>January</i>	<i>February</i>	<i>March</i>	<i>Q1</i>
2019	124.3	120.7	131.1	376.1
2020	124.9	122.7	91.8	339.4
2021	114.5	111.6	130.5	356.6
Delta % 2021 vs 2019	-7.9%	-7.5%	-0.5%	-5.2%
Delta % 2021 vs 2020	-8.3%	-9.0%	42.1%	5.0%

Sales by Geography

€m	Q1 2020	Q1 2021	reported change	constant exchange rates	reference market production	performance vs market (bps)		Q1 2019	Q1 2021	reported change	constant exchange change	reference market production	performance vs market (bps)
Europe	221.3	224.9	1.6%	1.9%	-0.9%	280		242.7	224.9	-7.3%	-7.1%	-17.9%	1082
North America	72.7	69.9	-3.7%	3.3%	-4.5%	780		74.1	69.9	-5.6%	-1.2%	-14.7%	1347
South America	19.2	19.6	2.4%	50.5%	4.6%	4590		25.3	19.6	-22.5%	46.3%	-12.6%	5888
Asia	27.9	44.7	60.6%	70.6%	65.5%	510		36.1	44.7	23.9%	30.8%	-4.0%	3483
- of which China	11.8	23.8	101.4%	104.5%	78.2%	2630		17.2	23.8	38.5%	41.3%	-4.2%	4547
Intercompany	(1.7)	(2.5)						-2.1	(2.5)				
Total	339.4	356.6	5.0%	9.3%	14.0%			376.1	356.6	-5.2%	-0.5%	-11.3%	1083

Outperformance in all areas

2021 still behind 2019

Sales by Business Unit

€m	Q1 2019	Q1 2020	Q1 2021	reported change	constant exchange rates change
Air&Cooling	108.9	100.0	111.8	11.7%	15.2%
Filtration	120.9	123.9	123.5	-0.3%	4.2%
Suspensions	147.0	116.3	122.1	5.0%	9.7%
Intercompany	(0.7)	(0.8)	(0.8)		
<i>Total</i>	376.1	339.4	356.6	5.0%	9.3%

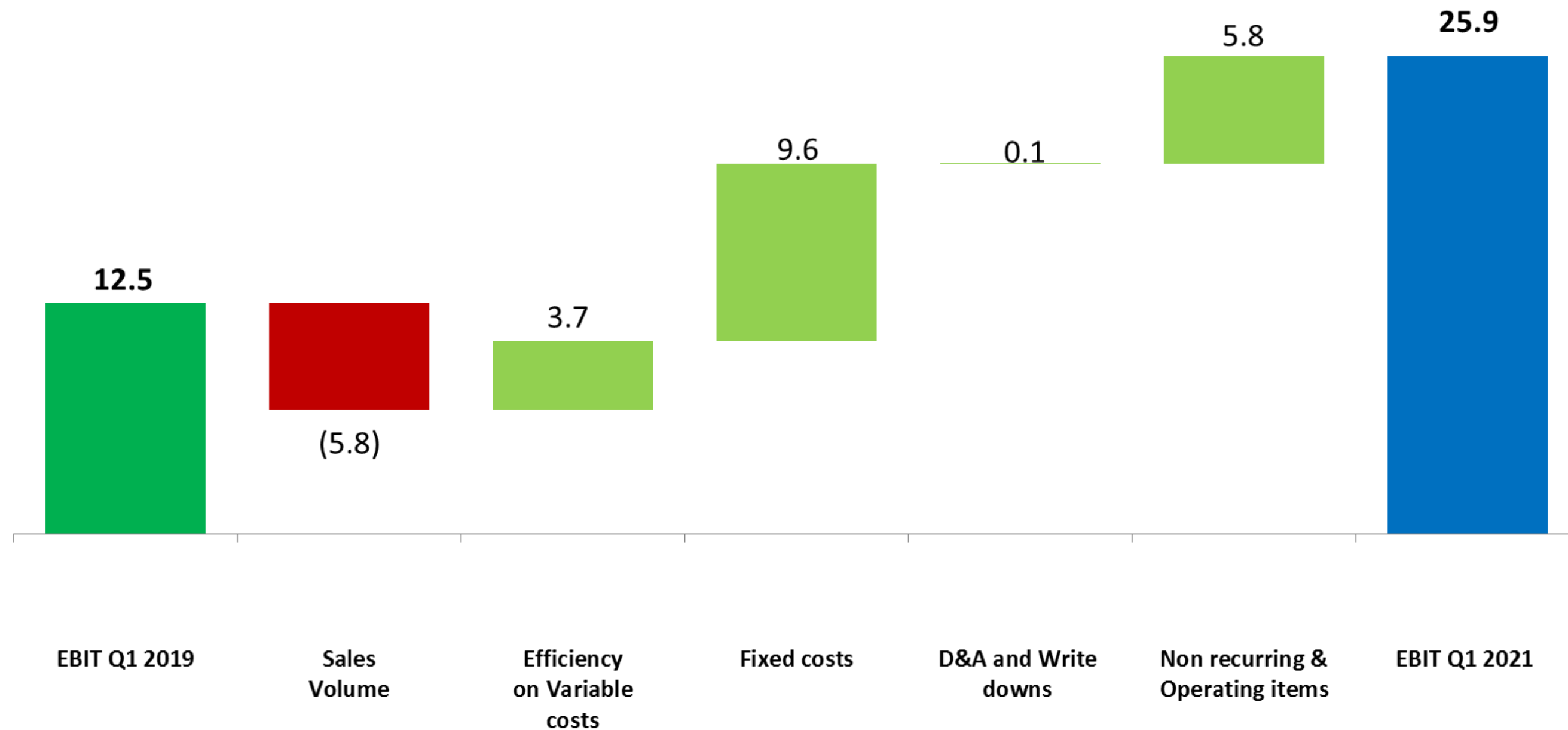
reported change vs Q1 2019	constant exchange vs Q1 2019
2.6%	5.7%
2.1%	6.6%
-16.9%	-11.2%
-5.2%	-0.5%

New Business Awards

- Sogefi has signed new contracts higher in value than the previous years and consistent with the objectives of increasing market shares
- Air and Cooling was awarded an important contract (Life Time Value: € 260m) to supply new generation of air intake manifolds for a primary North American OEM. Excluding this contract 38% of contracts acquired in Q1 2021 are for Hybrid or Full electric cars with orders coming in particular from Chinese and North American manufacturers
- Filtration also acquired important orders for traditional products (in particular oil filters), from North American and European players (to be produced in the USA and Morocco plants) and has signed new contracts related to cabin air filters
- 35% of Suspension contracts acquired in Q1 2021 are for Hybrid and Full Electric applications. During the quarter, new orders were also acquired for light commercial vehicles and heavy duty, which are very dynamic and rapidly expanding markets

Q1 2021 EBIT performance breakdown VS Q1 2019

€m



Q1 2021 P&L

€m	Q1 2019	%	Q1 2020	%	Q1 2021	%	Delta Q1 2021/2019
REVENUES	376.1	100.0%	339.4	100.0%	356.6	100.0%	
CONTRIBUTION MARGIN	122.6	32.6%	115.3	34.0%	121.6	34.1%	-0.9%
Gross Fixed Costs	71.1	18.9%	64.9	19.1%	61.0	17.1%	-14.3%
Restructuring	1.9	0.5%	2.4	0.7%	1.4	0.4%	
Exchange Differences	0.7	0.2%	3.4	1.0%	(1.7)	-0.5%	
EBITDA	41.4	11.0%	38.2	11.3%	54.8	15.4%	32.4%
D&A	28.9	7.7%	29.4	8.7%	28.4	8.0%	
Write downs	0.1	0.0%	0.9	0.3%	0.5	0.1%	
EBIT	12.5	3.3%	7.9	2.3%	25.9	7.3%	107.3%
Financial results	5.6	1.5%	6.1	1.8%	6.2	1.7%	
Income Tax	3.4	0.9%	2.5	0.7%	6.1	1.7%	
Minority Interest	1.2	0.3%	0.0	0.0%	1.0	0.3%	
NET INCOME OF OPERATING ACTIVITIES	2.3	0.6%	(0.7)	-0.2%	12.6	3.5%	448.7%
Net income from discontinued operations	(0.7)	-0.2%	(4.9)	-1.4%	(0.8)	-0.2%	
NET INCOME	1.6	0.4%	(5.6)	-1.6%	11.8	3.3%	

- Contribution margin holding up despite raw materials
- € 10.1m reduction of gross fixed costs vs 2019

Q1 2021 includes €2.4m non-operating income

Disposal Brazil and Spain filter

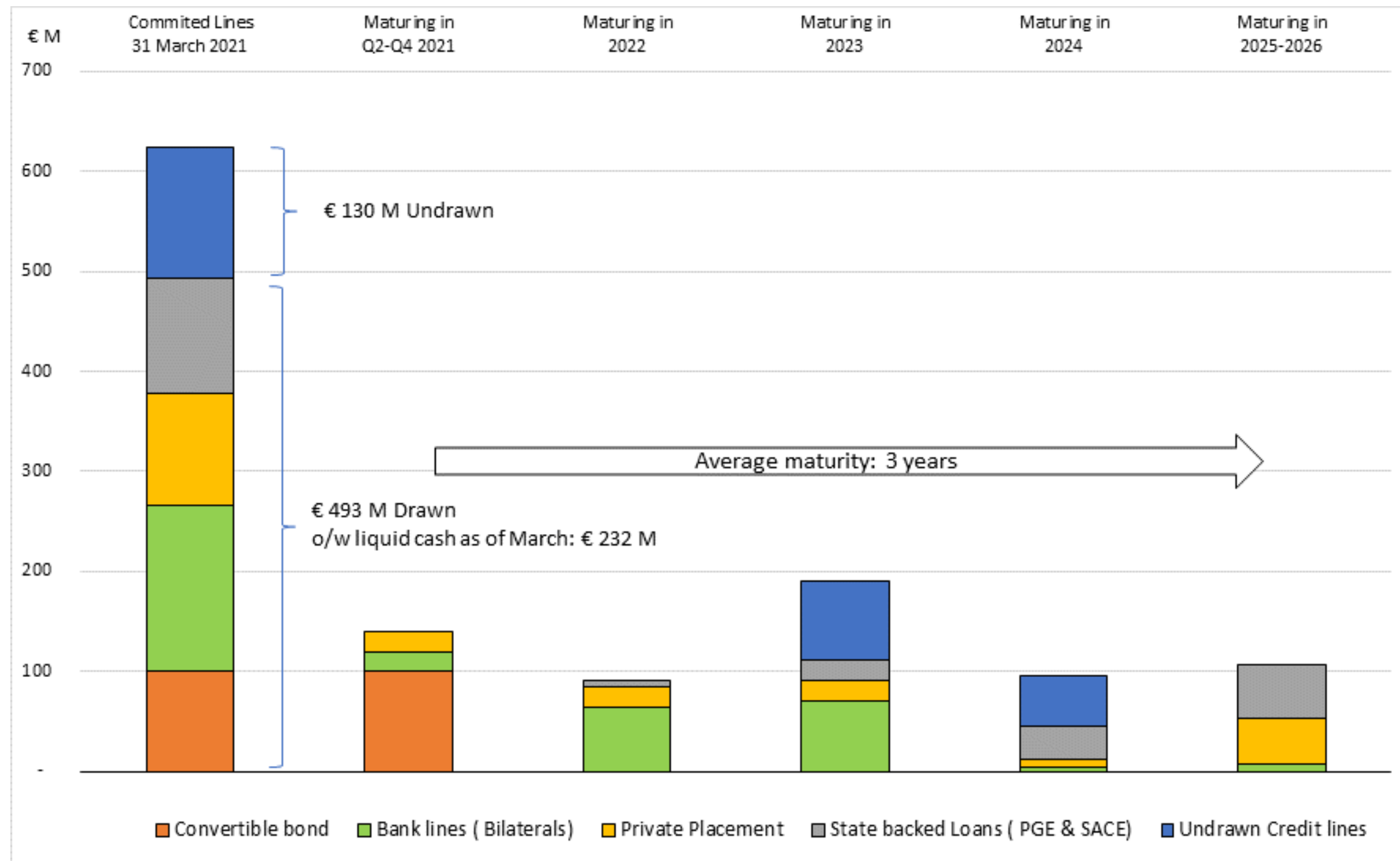
Q1 2021 FCF

€m	Q1 2019	Q1 2020	Q1 2021
FUNDS PROVIDED BY OPERATIONS	32.4	25.8	39.0
Working Capital	(10.6)	(0.6)	9.3
Capex (Tangible, Intangibles & IFRS15)	(26.5)	(25.5)	(22.7)
Others	3.0	(0.2)	7.4
FREE CASH FLOW (NET)	(1.6)	(0.5)	33.0
NET DEBT	262.1	256.7	261.1
FACTORING	114.1	96.3	103.9

vs € 291.3m end 2020

vs € 97.7m end 2020

Debt Profile



Q1 2021 Sales per Business Unit: €357m

SUSPENSIONS



- Stabilizer bars, heavy stab bars & stab linkers
- Coil springs
- Torsion bars
- Leaf springs
- Precision springs

34 %

FILTRATION



- Oil filters
- Diesel filters
- AIS
- Transmission
- Canisters

35 %

Of which 63% OES and
Aftermarket

AIR & COOLING

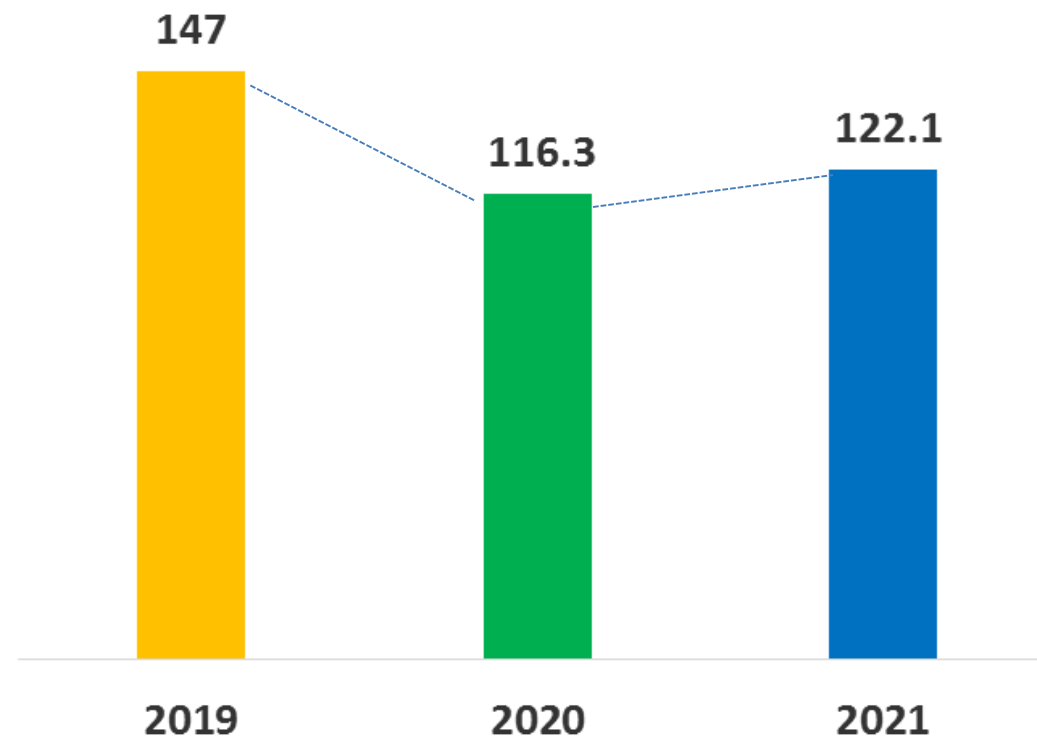


- Manifolds
- Waterpumps
- Thermostat housings

31 %

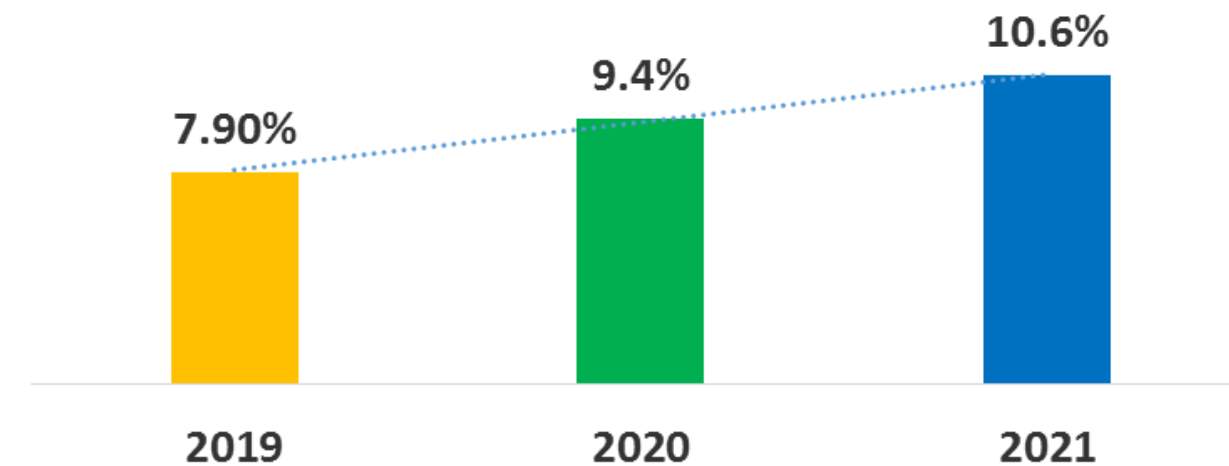
Suspensions

Sales (€m)



- Q1 2021 up 5.0% (+9.7% at constant exchange) thanks to good performance in Asia e South America
- Q1 2021 16.9% below Q1 2019

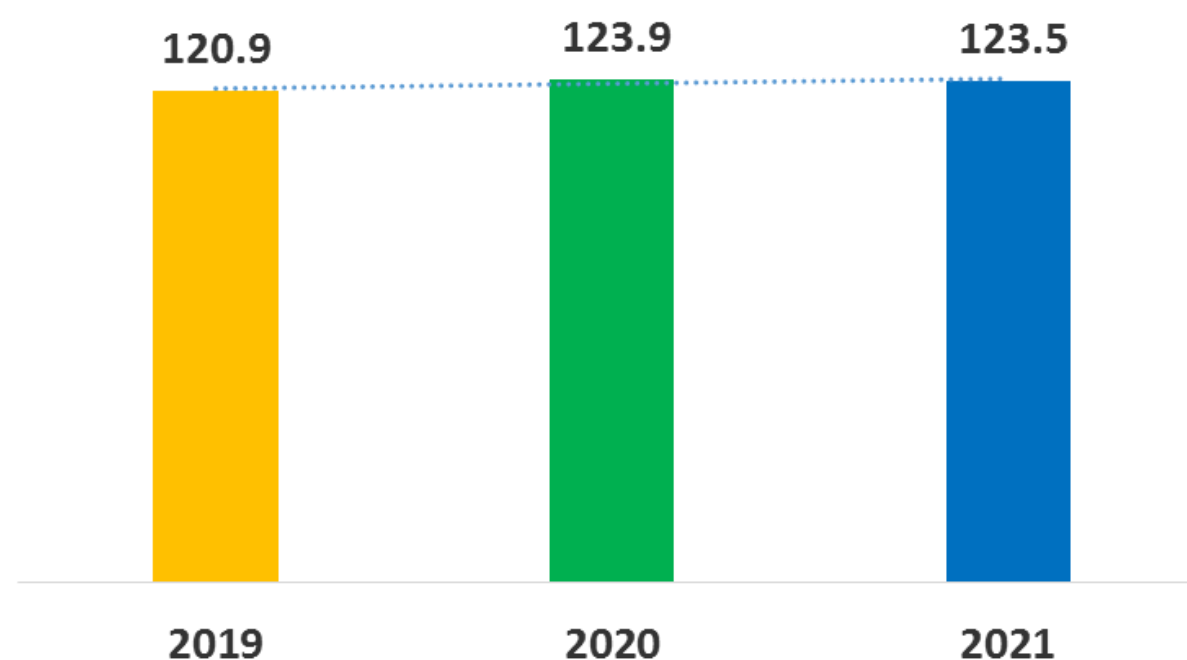
EBITDA %



- Q1 2021 contribution margin up at 34.5% vs 31.5% in Q1 2019 (33.6% in Q1 2020)
- Gross fixed costs -15% vs Q1 2019

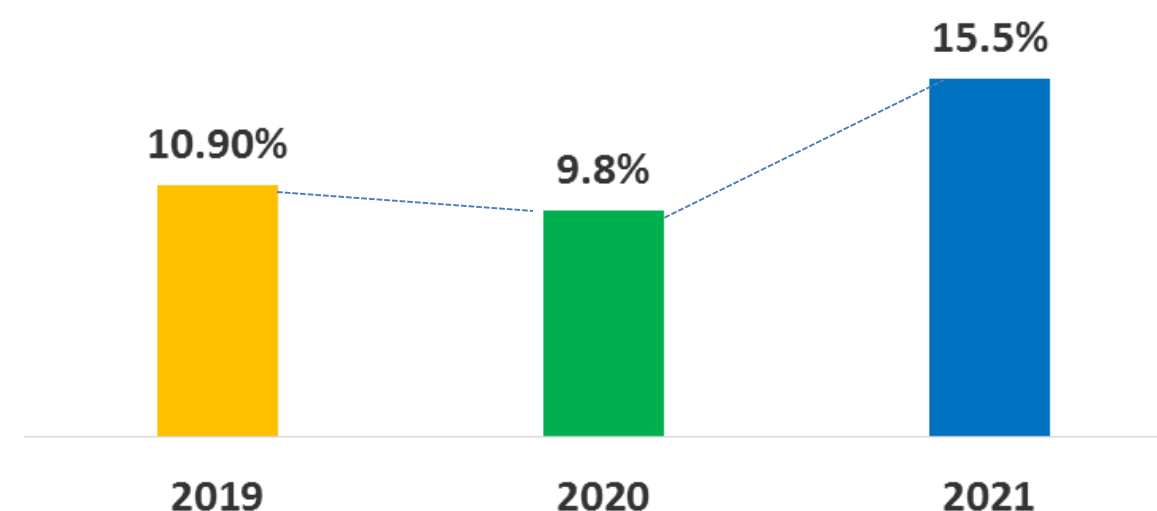
Filtration

Sales (€m)



- Q1 2021 vs Q1 2020 revenues down 0.3% at current exchange rates but up 4.2% at constant exchange rates
- The Q1 2021 lower growth vs market reflects the higher concentration in Europe, mainly in the Aftermarket channel
- Q1 2021 2.1% higher than Q1 2019

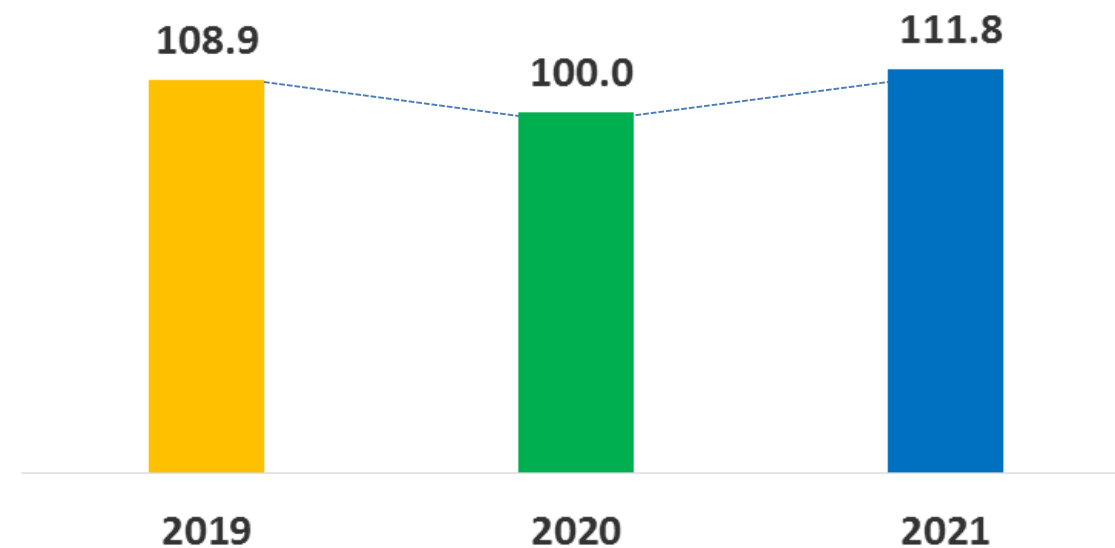
EBITDA %



- Q1 2021 contribution margin up at 35.1% vs 36.0% in Q1 2019
- Q1 2020 included a negative exchange rate effect of € 1.3m while Q1 2021 benefited of one-off non-operating income of € 2.4m
- Gross fixed costs -13.2% vs Q1 2019

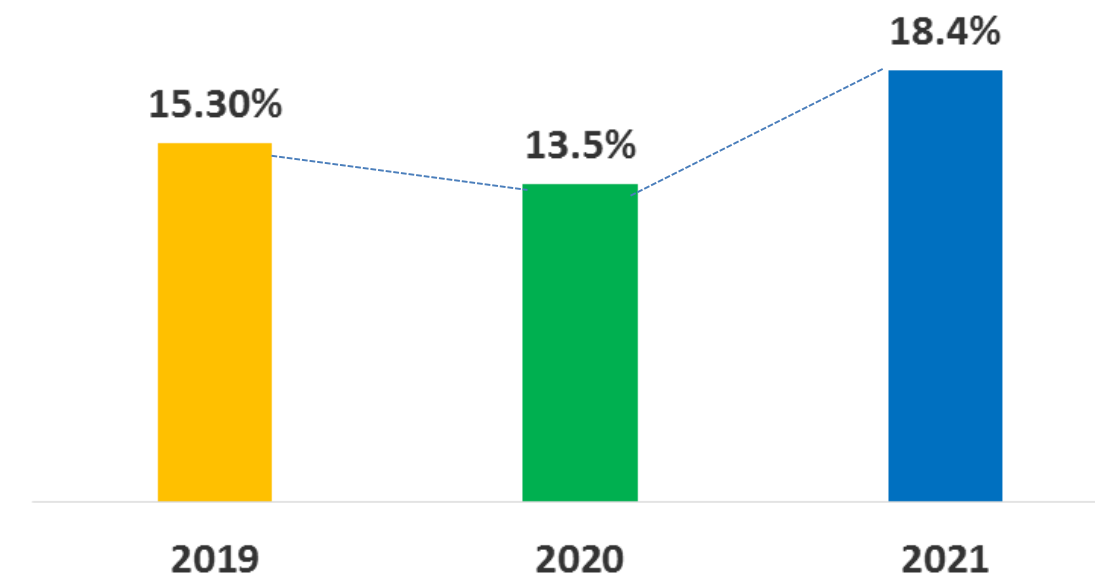
Air & Cooling

Sales (€m)



- In Q1 2021 vs Q2 2020 up 11.7% (+15.2% at constant exchange)
- In Q1 2021 China revenues doubled vs Q1 2020 thanks to new SOPs, over performing a strong market
- Q1 2021 2.6% higher than Q1 2019

EBITDA %



- Q1 2021 contribution margin up at 32.2% vs 30.1% in Q1 2019
- Q1 2020 incorporated a negative exchange rate effect of € 3.3m
- Gross fixed costs -8.2% vs Q1 2019

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2021



2021: Market Outlook

Market production (and Sogefi sales) under pressure due to Covid

Assumption is a market under pressure due to Covid and shortage of components (micro-ships, raw materials)

		IHS Quarterly Forecast vs 2020				
€m	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021 vs FY 2020	FY 2021 vs FY 2019
Europe	-0.9%	108.3%	-1.9%	-4.9%	12.4%	-11.9%
North America	-4.5%	174.4%	4.9%	6.0%	20.4%	-3.9%
South America	4.6%	287.4%	20.3%	-2.3%	26.7%	-12.2%
Asia	65.5%	10.0%	-5.1%	-7.8%	8.5%	0.9%
- of which China	78.2%	-2.5%	-7.6%	-7.8%	5.5%	0.8%
Total	14.0%	57.8%	-0.5%	-3.3%	11.9%	-6.2%

2021: Financial Outlook

- Despite Q1 2021 visibility on market in the next months remains low due to the evolution of the pandemic, the uncertainties on the evolution of raw material prices (mainly steel) and their availability (semiconductors), as well as logistical difficulties involving transport and sourcing from Asian markets
- For Q2 2021 IHS expects a 58% rebound vs Q2 2020 (-9.9% vs Q2 2019). For the full year market is expected to growth 11.9%, but to remain behind 2019 (-6.2%)
- Actions started in 2020 to reduce fixed costs and structurally increase profitability still ongoing in 2021. Sogefi expects to achieve for the full year an EBIT margin at least equal to that recorded in 2019

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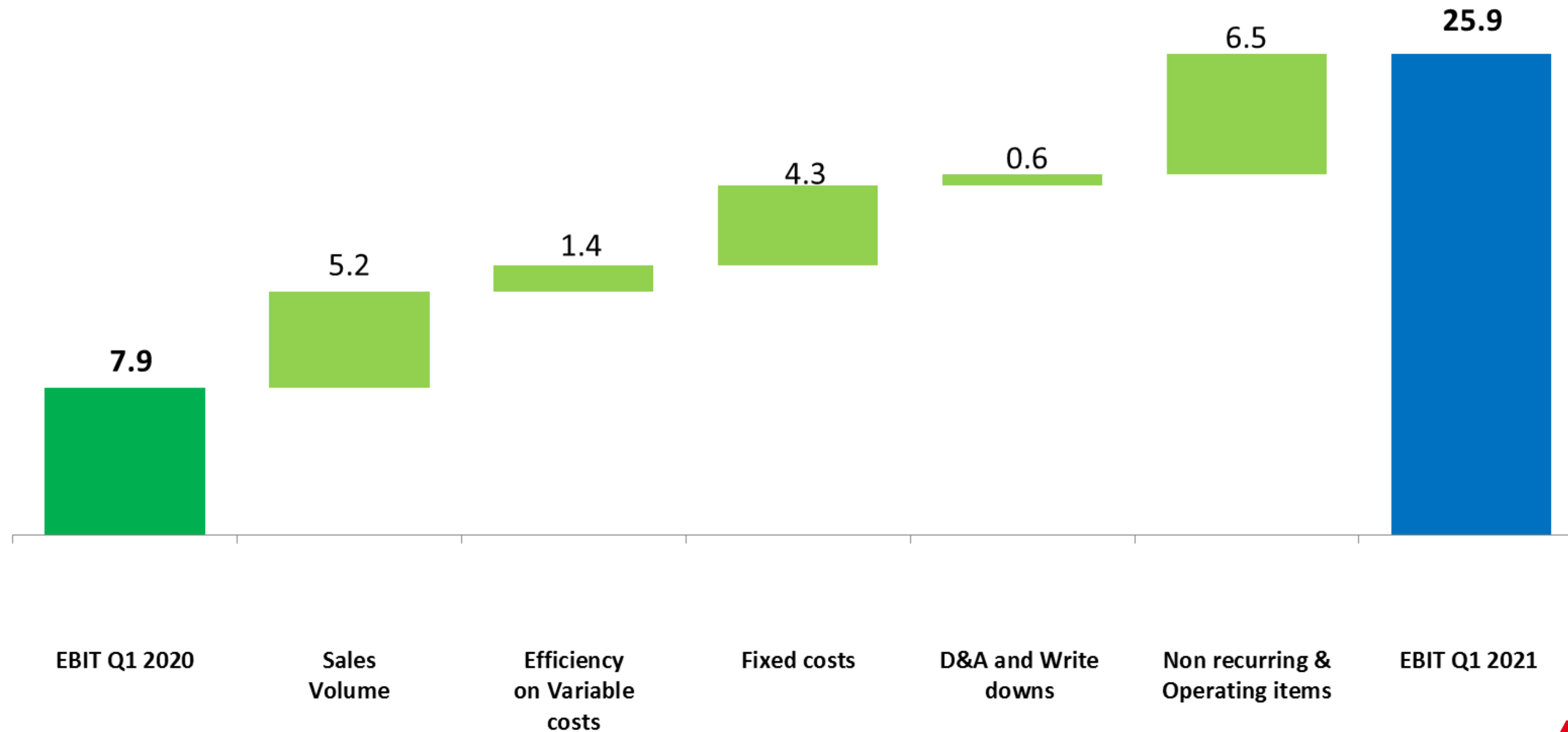
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APPENDIX

Q1 EBIT performance breakdown

€m



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2021