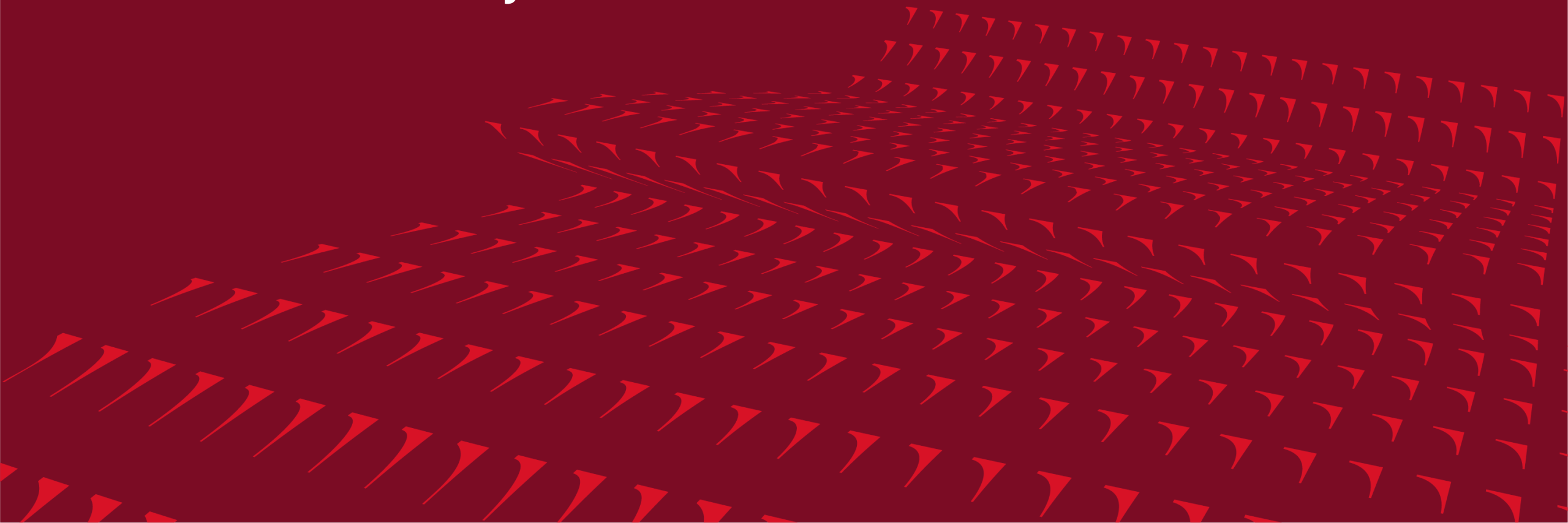




# 1H2022 Results

**29 July 2022**



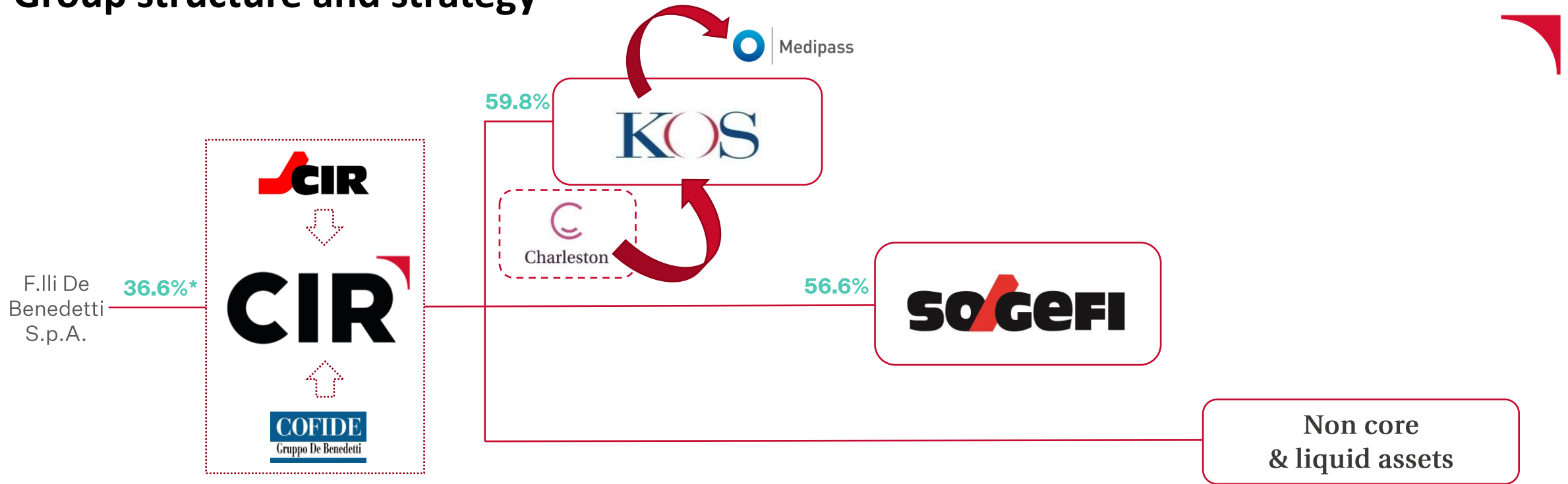


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# Group structure and strategy



## Businesses

Healthcare group specialized in Long Term Care (“LTC”: Nursing Homes, Rehabilitation, Psychiatry)

Global automotive supplier of suspensions, filtration, air intake & cooling components

Liquid assets, Private Equity Portfolio, Non Core Participations (including 5% GEDI stake)

## Competitive position

Leader in Italian LTC, developing presence in German Nursing Homes

Leadership positions in verticals in core geographies (Europe, North and South America)

## Strategy




- Focus on LTC core business (divested Medipass)
- Growth through greenfields and acquisitions
- Geographical diversification (Italy, Germany)

Focus on core geographies, high value added products and new technologies

Optimise risk-return of Holdco cash by investing in a portfolio of diversified and mostly liquid assets, readily monetisable for strategic investments

\* 46,87% voting rights  
All % as of 28 July 2022, calculated net of treasury shares (equal to 14,89% of share capital for CIR)

# 1H22 Highlights

Relevant events	<ul style="list-style-type: none"><li>On June 29, 2022, the BoD of CIR S.p.A. called an extraordinary meeting of shareholders, to be held in September, to vote on the following proposals:<ul style="list-style-type: none"><li>Cancellation of n. 170M treasury shares (13,3% of share capital)</li><li>Reduction of statutory capital by € 218,6M and creation of distributable reserves for the same amount, with no cash distribution</li><li>New buyback authorization, for an increased number of shares (up to n. 220 M) vs current authorisation</li></ul></li><li>The proposals are aimed at restoring the holding company's flexibility to make future buyback / dividend distributions, currently constrained by low distributable reserves and the regulatory limit of 20% of treasury shares.</li><li>No proposal has been made at present on future distributions</li></ul>		
Consolidated Financial results	Sales: +10,4% vs 1H21 +11,0% vs 1H19		<ul style="list-style-type: none"><li>Organic sales : +10,4% vs 1H21; +1,7% vs 1H19 (excl. Charleston)<ul style="list-style-type: none"><li>KOS +6,5% vs 1H21; +0,2% vs 1H19 (excl. Charleston)</li><li>Sogefi +12,3% vs 1H21, +2,2% vs 1H19</li></ul></li></ul>
	Net result: -€ 0,2M		<ul style="list-style-type: none"><li>Strong contribution by Sogefi (+€ 11,7M thanks to cost reduction and squeeze containment, despite market challenges)</li><li>KOS slightly negative (-€ 1,7M, recovery still underway)</li><li>Negative HoldCo contribution (-€ 10,2M due to financial assets' performance)</li></ul>
	NFP: € (95,6) M -€10,0M vs Dec.21		<ul style="list-style-type: none"><li>Consolidated debt before IFRS16 increased by € 10,0M, despite positive operational cash flow, due expansion capex and share buy-back</li></ul>
Outlook	<ul style="list-style-type: none"><li>KOS expects the recovery to pre-Covid activity in 2022 for Acute &amp; Rehab and earliest in 2023 for NH; transfer of labour and energy cost increases to tariffs expected to be inhomogeneous across geographies and activities, leading to potential margin pressure over the medium term</li><li>Sogefi expects market weakness and raw material/logistics challenges as a result of the Russia-Ukraine conflict, although its final impact is difficult to foresee at present</li><li>Absent new adverse events, both companies expect normalised 2022 EBIT to be in line with 2021</li></ul>		



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# Consolidated P&L main elements

€/M	1H19 *	1H21	1H22
Revenues	993,5	998,9	1.102,5
% change vs 2019		0,5%	11,0%
% change vs 2021			10,4%
EBITDA	134,9	170,6	149,3
% on revenues	13,6%	17,1%	13,5%
EBIT	44,6	65,2	45,2
% on revenues	4,5%	6,5%	4,1%
Financial result	(10,9)	(10,0)	(29,4)
Taxes	(12,9)	(18,5)	(7,3)
Third party result	(10,9)	(13,0)	(8,7)
<b>Net result from continuing operations</b>	<b>10,0</b>	<b>23,6</b>	<b>(0,2)</b>
Assets held for sale	(8,3)	(2,0)	--
<b>Group net result</b>	<b>1,6</b>	<b>21,6</b>	<b>(0,2)</b>

## Revenues

	1H19 *	1H21	1H22	% 22/19	% 22/21
KOS - LTC Italy + Med India	254,0	237,9	254,3	0,1%	6,9%
KOS - Charleston		87,6	92,2		5,2%
KOS - total	254,0	325,5	346,5	36,4%	6,5%
SOGEFI	739,5	673,4	756,0	2,2%	12,3%
<b>GROUP revenues</b>	<b>993,5</b>	<b>998,9</b>	<b>1.102,5</b>	<b>11,0%</b>	<b>10,4%</b>
Revenues without Charleston	993,5	911,3	1.010,3	1,7%	10,9%

## Financial result

	1H19 *	1H21	1H22
Cost of financing		(13,4)	(11,3)
IFRS16 accounting		(9,3)	(11,4)
HoldCo financial assets		12,4	(5,1)
Other (*)		0,3	(1,6)
<b>GROUP financial results</b>	<b>(10,9)</b>	<b>(10,0)</b>	<b>(29,4)</b>

-€17,5m vs 1H21, mostly FV adjustment of financial assets

## Contribution to Net Result

€/M	1H19 *	1H21	1H22
KOS Group **	6,7	0,2	(1,7)
Sogefi Group **	5,3	14,1	11,7
<b>Total core businesses</b>	<b>12,1</b>	<b>14,3</b>	<b>10,0</b>
CIR Holding	(2,1)	9,3	(10,2)
<b>Net result from continuing operations</b>	<b>10,0</b>	<b>23,6</b>	<b>(0,2)</b>
GEDI / Other (CIR)	(8,7)		
Medipass (KOS) **	1,8		
Filtration plants (Sogefi) **	(1,5)	(2,0)	
<b>Assets held for sale</b>	<b>(8,3)</b>	<b>(2,0)</b>	<b>0,0</b>
<b>GROUP NET RESULT</b>	<b>1,6</b>	<b>21,6</b>	<b>(0,2)</b>

\*\* pro-rata share of subsidiaries' net result

\* pro-forma not audited figures to present Like-for-Like perimeter

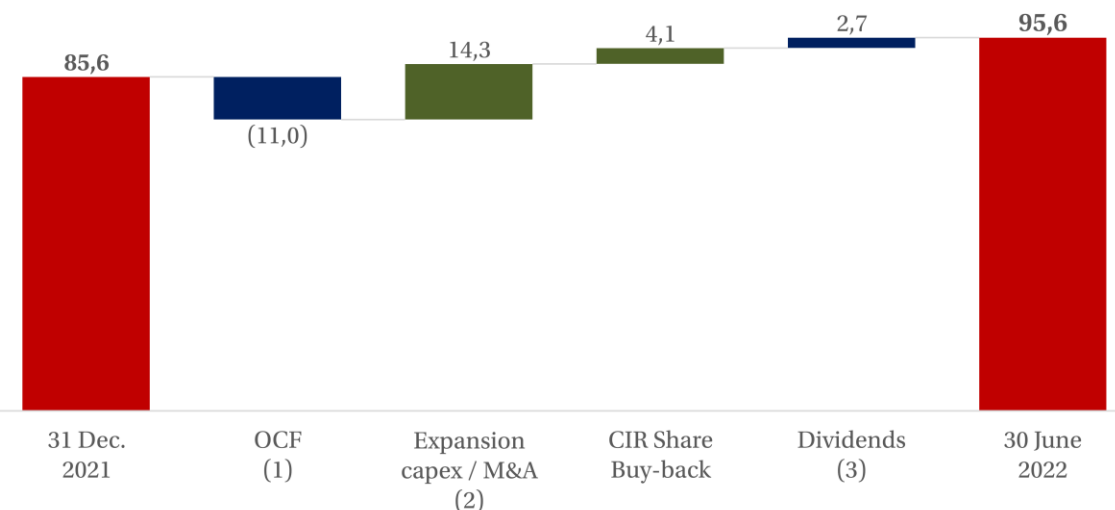
# Group Financial Indebtedness

€/M	Excluding IFRS16		
	31 Dec. 2020	31 Dec. 2021	30 June 2022
KOS Group	(200,7)	(160,2)	(192,9)
Sogefi Group	(291,3)	(257,8)	(216,0)
<b>Subsidiaries</b>	<b>(492,0)</b>	<b>(418,0)</b>	<b>(408,9)</b>
CIR holding & I/C	392,1	332,4	313,3
<b>Group net financial indebtedness</b>	<b>(100,0)</b>	<b>(85,6)</b>	<b>(95,6)</b>

€/M	Including IFRS16		
	31 Dec. 2020	31 Dec. 2021	30 June 2022
KOS Group	(931,0)	(935,1)	(998,2)
Sogefi Group	(358,1)	(327,1)	(284,8)
<b>Subsidiaries</b>	<b>(1.289,1)</b>	<b>(1.262,2)</b>	<b>(1.283,0)</b>
CIR holding & I/C	392,2	332,3	313,2
<b>Group net financial indebtedness</b>	<b>(896,9)</b>	<b>(929,9)</b>	<b>(969,8)</b>

- KOS: net debt stable, proceeds from Real Estate assets disposal (2020 and 2021) used to finance expansion; temporary WC increase in 1H 2022
- Sogefi: debt reduction vs Dec.20 and Dec.21 thanks to operating cash generation
- Net cash decrease vs Dec.20 at Holdco level, due to buybacks for €80,5M in 2021 and €4,1M in 2022

Evolution of consolidated NFP ante IFRS16



(1) Operating Cash Flow : EBITDA, NWC, ordinary capex, interest and taxes

(2) Expansion capex / M&A: new Romania plant for Sogefi and KOS greenfields / acquisitions

(3) Dividends paid to KOS & Sogefi minorities

# Holding Balance Sheet main elements

€/M	31 Dec. 2021	30 June 2022
KOS	203,1	201,6
Sogefi	108,2	132,3
<b>Total operating companies</b>	<b>311,3</b>	<b>333,9</b>
Fixed assets	17,2	16,8
Private equity	60,0	64,4
Other investments	19,4	18,6
Other Assets (Liabilities)	0,2	2,5
Net cash	332,3	313,2
<b>Total CIR holding level</b>	<b>429,1</b>	<b>415,5</b>
<b>Total CIR Group shareholders' equity</b>	<b>740,4</b>	<b>749,4</b>
Shareholder's equity per share	0,58	0,59
Shareholder's EPS net of treasury shares <sup>(1)</sup>	0,67	0,69

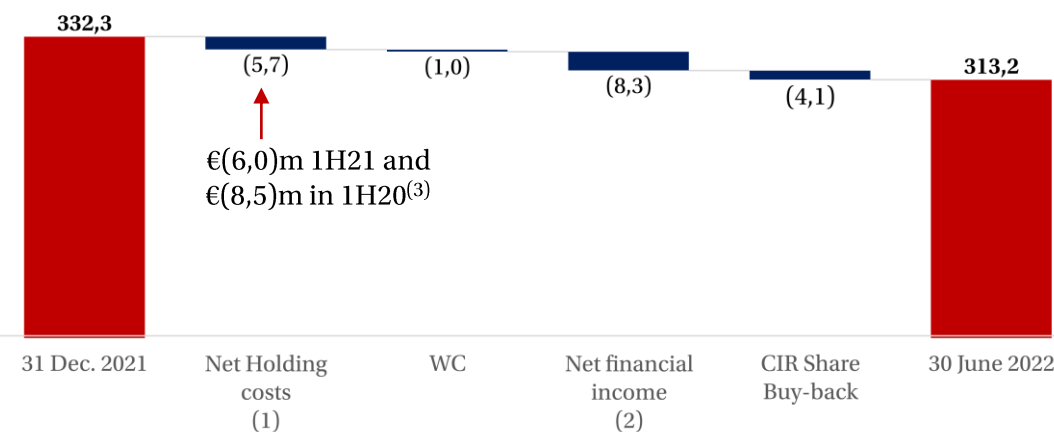
(1) 179.456k treasury shares at 31 Dec.2021 and 190.164 at 28 July 2022, equal to 14,05% and 14,89% of share capital

## Non-core investments

€/M	31 Dec. 2021	New	Cash In	Fair value / other	30 June 2022
Private Equity	60,0	4,8	(4,7)	4,3	64,4
Other investments	19,4	0,3		(1,1)	18,6

- Diversified portfolio of **private equity funds**, direct minority private equity and **Other investments** in non-strategic direct minority stakes, including 5% of GEDI
- The portfolio has reached its maturity/reimbursement phase, as limited investments were added in the recent past

## Evolution of Holding Net cash



(1) Operating costs, taxes, etc.

(2) Performance of liquid assets / HF (Fair value + income + trading)

(3) 1H20 recurring costs, excluding Gedi disposal costs and tax consolidation (=0 in 21 / 22)



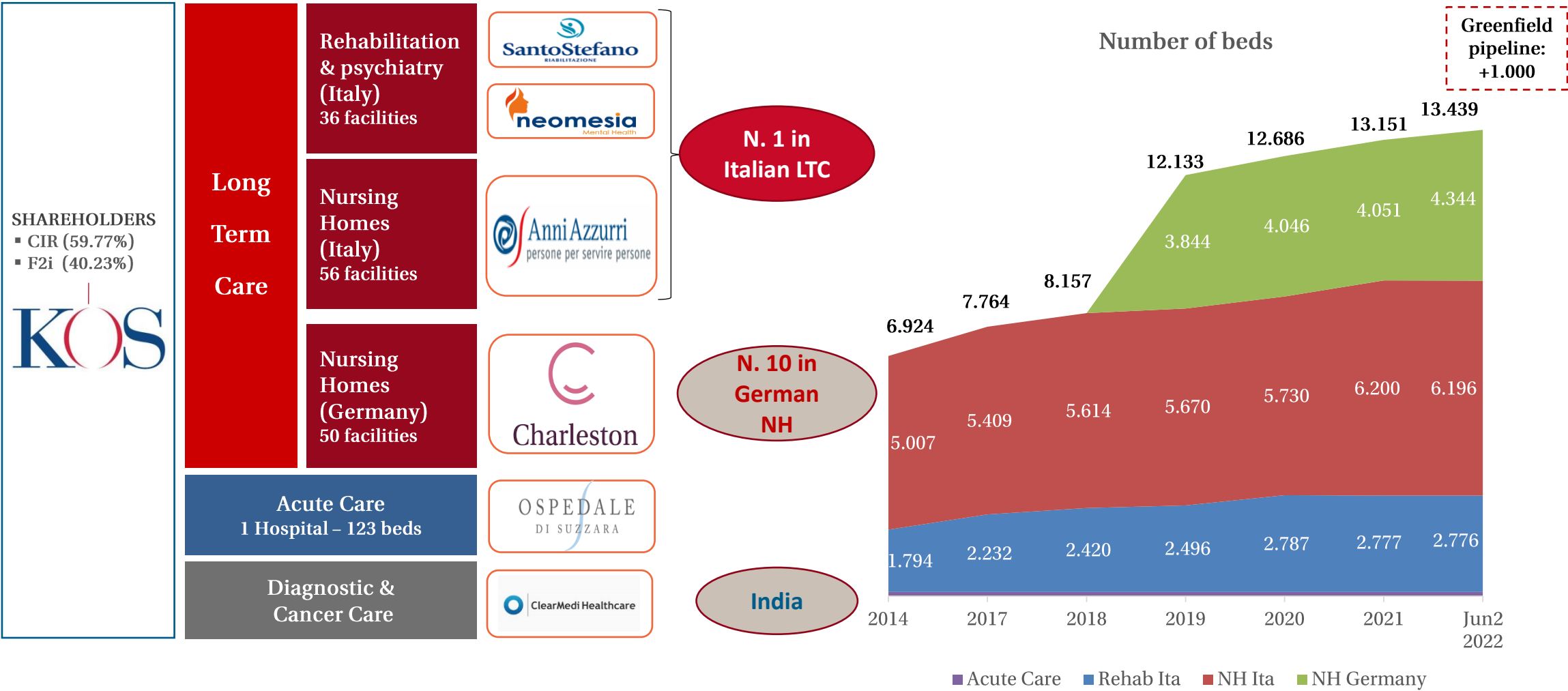


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# KOS - a leader in LTC with a consistent growth track record



# KOS - Summary of 1H22 results and outlook

€/M	1H19 *	1H21	1H22
Revenues	254,0	325,5	346,5
<i>LTC / Acute Italy + Med India vs 2019</i>		-6,3%	0,1%
<i>LTC Germany vs 2021</i>			5,2%
EBITDA	57,3	66,0	56,7
EBITDA pre IFRS16	40,7	34,7	22,2
EBIT	27,1	20,9	11,5
Financial result	(9,0)	(14,6)	(15,3)
Taxes	(6,1)	(5,3)	1,4
<b>Group net result from continuing operations</b>	<b>11,4</b>	<b>0,4</b>	<b>(2,9)</b>
Assets held for sale (Medipass IT+UK)	3,1		
<b>Group net result</b>	<b>14,4</b>	<b>0,4</b>	<b>(2,9)</b>

<b>NFP IFRS16</b>	<b>(931,0)</b>	<b>(935,1)</b>	<b>(998,2)</b>
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<b>NFP pre IFRS16</b>	<b>(200,7)</b>	<b>(160,2)</b>	<b>(192,9)</b>
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Real Estate Assets €/M	31 Dec. 2020	31 Dec. 2021	30 June 2022
Net Book Value	202,0	168,2	173,0
Fair Value	250,0	225,6	231,0
RE debt (excluding IFRS16)	(69,3)	(74,4)	(73,8)

## KOS 1H22 results

- LTC Italy and ClearMedi India revenues at 2019 level, despite slow post Covid-19 recovery and persisting disruptions, especially in NH
- After severe occupancy drop in Italian NHs, gradual recovery underway (June 22 +14p.p. vs 1Q21)
- Lower impact for German NH, but occupancy recovery slowed by skilled labour shortages
- Very volatile activity in Rehab/Acute, with quick recovery after each downturn, linked to waves of pandemics
- Margins still under pressure in Italy due to top line decrease, increased costs and insufficient public reimbursements; in Germany full reimbursement for lower activity and higher costs related to Covid-19; support to be phased down starting 2H 2022
- Recurring EBITDA/EBIT just above 1H21 levels when excluding the +€ 12 M non-recurring income in 1H21
- NFP ante IFRS16 increased by € 33 M in June 22, due to conjunctural higher WC and new greenfield / M&A investments

## FY2022 Outlook

- KOS expects the return to full occupancy in Nursing Homes to take at least until 2023 both in Italy and in Germany while, absent new disruptions, rehabilitation and acute care are expected to return to full activity already in 2022
- In Italy, long term profitability expected to be lower than in 2019, due to rising costs (labor contracts renewals and inflation)

\* pro-forma not audited figures to exclude Medipass IT&UK following their disposal in 2020

# KOS – Revenues and KPIs by segment

	LTC Italy									NH Germany			Medipass India		
	NH			Rehab			Acute Care								
	1H19	1H21	1H22	1H19	1H21	1H22	1H19	1H21	1H22	1H19	1H21	1H22	1H19	1H21	1H22
Numer of beds	5.574	6.060	6.196	2.415	2.786	2.776	123	123	123		4.051	4.344			
% change vs 21			2,2%			-0,4%						7,2%			
Occupancy	95,7%	66,6%	75,9%	82,9%	70,2%	72,1%					82,1%	80,2%			
Revenues	111,2	88,3	102,6	115,0	123,3	123,2	18,9	18,0	21,3		87,6	92,2	7,5	9,8	9,2
% change vs 19			-7,7%			7,1%			12,5%						22,6%
% change vs 21			16,2%			-0,1%			18,2%			5,2%			-6,2%

- Recovery in occupancy rate (75,9% in 1H22, 80% when excluding 2021-22 Starts-up), still below 2019
- Jun22 overall occupancy: 80,2%
- Very variable situation across regions

- 1H22 revenues in line with 1H21, as hospital activities were still impacted by Covid temporary disruptions
- 1H22 revenues grew vs 1H19 thanks to the deployment of new facilities (c. €11M vs 1H19) and to the development of Covid related diagnostic and treatment services

- Margins remained under heavy pressure due to lower volumes, staff planning challenges, pressure on labour and energy costs and increased use of safety devices, only partially reimbursed

- Occupancy decrease in 1H22 due to new facilities
- Very slow recovery since May-21 due to Covid disruptions and staff shortages
- Charleston's performance in line with expectations, thanks to public reimbursements and implementation of turnaround plan

- The Diagnostics & Cancer Care business in India was partially affected by the pandemics, but showed good resilience and fast recovery
- Disposal pending

# KOS – P&L by segment

- Financials of LTC / Acute Care Italy still heavily affected in 1H22 due to occupancy shortfall, rising labour costs and increased safety equipment costs and the need to maintain staffing at elevated levels to cope with occasional emergency
- LTC Germany stable vs 1H21, as occupancy shortfall and extra costs were compensated by public reimbursements
- Diagnostics and Cancer Care India improving, thanks to the implementation of a turnaround plan. Disposal pending

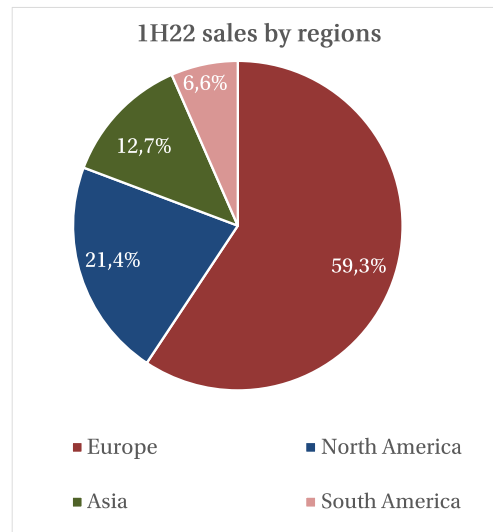
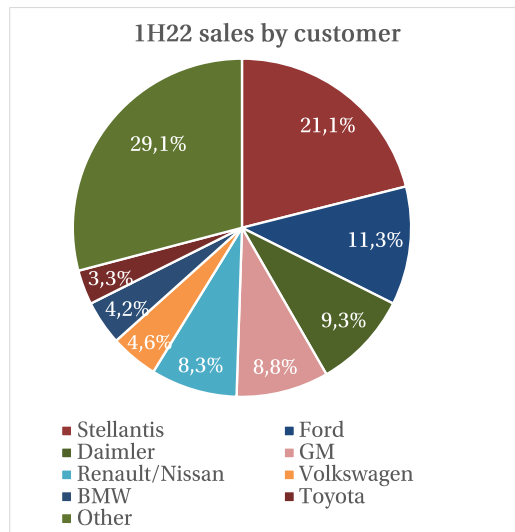
€/M	1H19 *				1H21				1H22			
	LTC / Acute Care Italy	LTC Germany	ClearMedi India	KOS GROUP	LTC / Acute Care Italy	LTC Germany	ClearMedi India	KOS GROUP	LTC / Acute Care Italy	LTC Germany	ClearMedi India	KOS GROUP
Revenues	244,3		9,7	254,0	228,1	87,6	9,8	325,5	245,1	92,2	9,2	346,5
EBITDA IFRS16 <i>% on revenues</i>	55,9 22,9%		1,4 14,5%	57,3 22,6%	46,8 20,5%	16,8 19,2%	2,4 24,0%	66,0 20,3%	36,8 15,0%	17,9 19,4%	2,0 21,8%	56,7 16,4%
EBITDA ante IFRS16 <i>% on revenues</i>	39,5 16,2%		1,2 12,7%	40,7 16,0%	29,1 12,8%	3,2 3,7%	2,4 24,1%	34,7 10,7%	16,9 6,9%	3,5 3,8%	1,8 19,7%	22,2 6,4%
EBIT <i>% on revenues</i>	27,9 11,4%		(0,8) -8,3%	27,1 10,7%	16,0 7,0%	4,7 5,4%	0,2 1,8%	20,9 6,4%	5,5 2,3%	5,1 5,5%	0,9 9,7%	11,5 3,3%
<b>Net result from continuing operations</b>				<b>11,4</b>				<b>0,4</b>				<b>(2,9)</b>
<i>% on revenues</i>				<b>4,5%</b>				<b>0,1%</b>				<b>-0,8%</b>
Assets held for sale				3,1				--				--
<b>Group net result</b>				<b>14,4</b>				<b>0,4</b>				<b>(2,9)</b>

+€ 12M non-recurring impact

\* pro-forma not audited figures to exclude Medipass IT&UK following their disposal in 2020

# Sogefi – Summary of 1H22 results and outlook

€/M	1H19	1H21	1H22
<b>Revenues</b>	<b>739,5</b>	<b>673,4</b>	<b>756,0</b>
EBITDA	87,1	108,3	99,8
% on sales	11,8%	16,1%	13,2%
EBIT	27,5	47,3	40,4
<b>Group result from continuing operations</b>	<b>5,3</b>	<b>24,9</b>	<b>20,8</b>
Discontinued operations	(1,4)	(3,5)	
<b>Net result</b>	<b>3,9</b>	<b>21,4</b>	<b>20,8</b>



## 1H22 highlights

- Car production still decreasing in 1H 2022 (-1,8%) with EU at -7,6%, China at +0,7% and NAFTA +4,7% vs 1H21; world production still at -15,6% vs 1H19, with EU at -29,6%, NAFTA at -16,0% and China at +1,7%
- Sogefi's sales grew by 12,3%, +9,1% at stable FX, thanks to repricing
- Gross fixed costs stable vs 1H21
- EBITDA adjusted (by excluding non-recurring and non operating items) at 12,7% vs 11,7% in 1H19
- Free Cash Flow positive at € 42 M (+€30 M in 1H21) thanks to higher EBITDA margin and favorable working capital
- Net Debt reduction and strong liquidity position

## 2022 Outlook

- Impact of the pandemic and geo-political situation still very unpredictable on car demand. IHS (before Ukraine crisis) expected 2022 world production to growth by 8,5% (EU +20,8% and NAFTA +16%)
- Raw materials (steel, plastic and paper): availability issues and high pressure / volatility of prices, to be transferred to customers
- In absence of unforeseeable events or deterioration of current crisis, Sogefi expects to maintain 2021 operating profitability (EBIT margin excluding non-recurring items) also in 2022

# Sogefi – Performance by division

	Suspension			Filtration			Air&Cooling			Group		
	1H19 *	1H21	1H22	1H19 *	1H21	1H22	1H19 *	1H21	1H22	1H19 *	1H21	1H22
Net sales	292,3	235,5	268,8	235,5	232,5	268,1	213,4	207,2	221,2	739,5	673,4	756,0
% change vs 21			14,1%			15,3%			6,8%			12,3%
% change vs 19			-8,0%			13,8%			3,7%			2,2%
EBITDA excl. non recurring Euro M, %												
	<p>➤ Sales vs 1H21:</p> <ul style="list-style-type: none"> <li>✓ +14.1% (+13.2% at constant FX)</li> <li>✓ sales slightly negative without price effect</li> </ul> <p>➤ EBITDA:</p> <ul style="list-style-type: none"> <li>✓ contribution margin down from 30.3% to 24.6% (28.4% without dilution effect due to selling price increase)</li> <li>✓ gross fixed costs stable in absolute value</li> </ul>			<p>➤ Sales vs 1H21:</p> <ul style="list-style-type: none"> <li>✓ +15.3% (+12.0% at constant FX)</li> <li>✓ up mid-single digit at constant exchange rates and without price effect thanks to Aftermarket</li> </ul> <p>➤ EBITDA:</p> <ul style="list-style-type: none"> <li>✓ down from 31.5% to 29.5% (30.9% without dilution effect due to selling price increase)</li> <li>✓ gross fixed costs -2,7%</li> </ul>			<p>➤ Sales vs 1H21:</p> <ul style="list-style-type: none"> <li>✓ +6.7% (+1.1% at constant FX)</li> <li>✓ at constant FX, sales down in EU, due to market, and in China (strong H1 2021 thanks to the new programs)</li> </ul> <p>➤ EBITDA:</p> <ul style="list-style-type: none"> <li>✓ down from 31.6% to 30.4% (but up to 32.2% without dilution effect due to selling price increase)</li> <li>✓ gross fixed costs flat in value</li> </ul>					

# Disclaimer



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