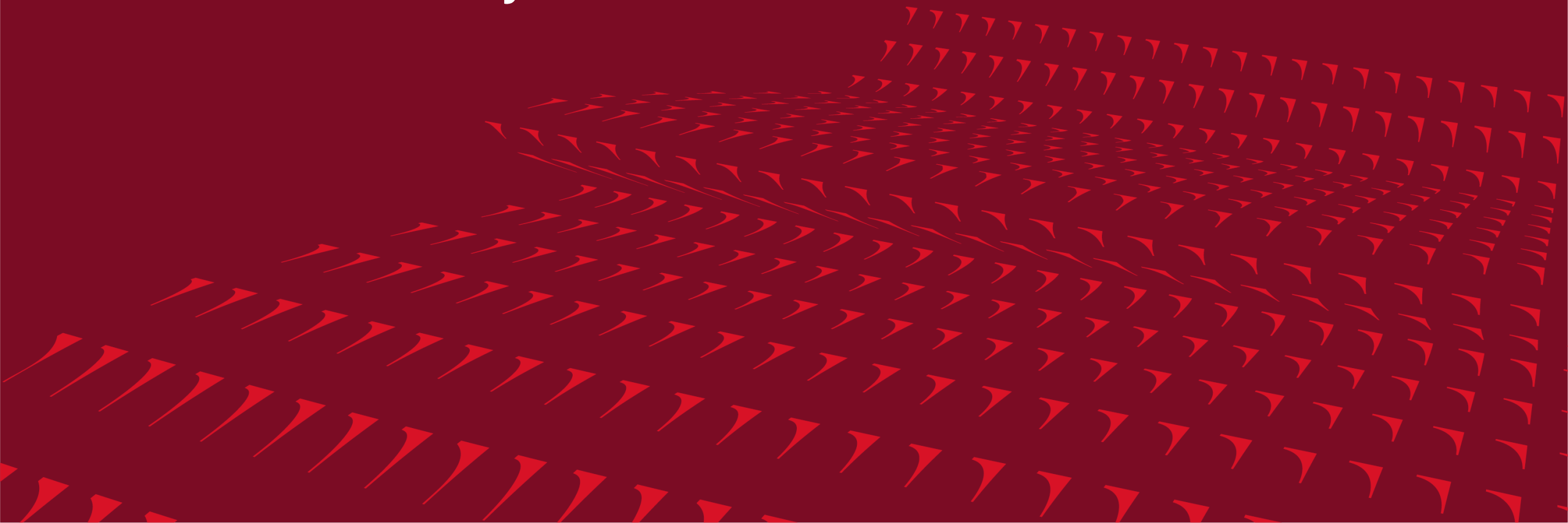




# 1H2021results

**26 July 2021**



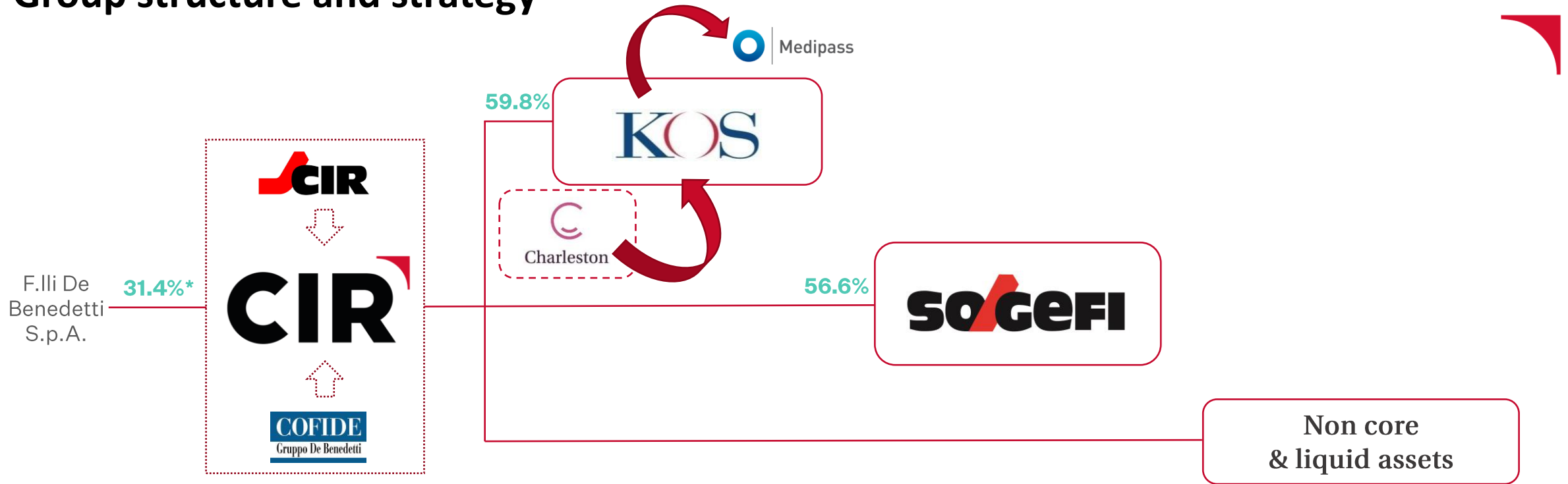


**Executive  
Summary**

**Group  
Consolidated  
Results**

**KOS and Sogefi**

# 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 and high value added products

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

\* 45,3% voting rights  
All participation stakes as of 30 June 2021, calculated net of treasury shares (equal to 2.09% of share capital for CIR)

# 1H2021 Highlights



## 1H2021 Relevant events

- CIR voluntary partial tender offer on own shares (c.12% of shares, price 0,51 € per share, equivalent to a max cash-out of €80 M,); closing date 29 July, preliminary results 30 July 2021
- Financing: new bank lines with SACE guarantees and real estate financing obtained by KOS

## 1H2021 financial results

Sales:  
+23,5% vs 1H20  
+0,4% vs 1H19



- Organic sales (excl. Charleston): + 25,9% vs 1H2020; -8,3% vs 1H2019
  - KOS +4,9% vs 1H20; -6,3% vs 1H19 (+28,1% including Charleston)
  - Sogefi +34,9% vs 1H20, -9,0% vs 1H19

Net result: +€21,6M



- Strong contribution by Sogefi and HoldCo (thanks to performance of financial assets and cost reduction)
- KOS at breakeven

NFP: €(41,4)M  
+€58,6M vs Dec.20



- Consolidated debt before IFRS16 reduced by € 58,6M vs Dec2020, thanks to Sogefi cash generation and performance of the Holding's financial assets

## Outlook

- KOS expects the recovery to pre-Covid activity levels to be gradual and take at least until 2022
- Sogefi expects a positive result from continuing activities in 2021, despite market weakness and raw material/logistics difficulties



**Executive  
Summary**

**Group  
Consolidated  
Results**

**KOS and Sogefi**

# Consolidated P&L main elements

€/M	1H 2019 *	1H 2020	1H 2021
Revenues	1.004,2	816,4	1.007,9
% change vs 2019		-18,7%	0,4%
% change vs 2020			23,5%
EBITDA	135,7	101,1	172,3
% on revenues	13,5%	12,4%	17,1%
EBIT	45,0	(6,4)	66,7
% on revenues	4,5%	-0,8%	6,6%
Financial result	(11,6)	(32,4)	(11,4)
Taxes	(13,4)	0,0	(18,8)
Third party result	(10,9)	11,4	(13,0)
<b>Net result from continuing operations</b>	<b>9,2</b>	<b>(27,5)</b>	<b>23,5</b>
Assets held for sale	(7,5)	(2,5)	(1,9)
<b>Group net result</b>	<b>1,6</b>	<b>(30,0)</b>	<b>21,6</b>

## Revenues

€/M	1H2019	1H2020	1H2021	% 21/19	% 21/20
KOS - LTC Italy + Med India	254,0	224,8	237,9	-6,3%	5,8%
KOS - Charleston		85,6	87,6		2,3%
KOS - total	254,0	310,4	325,5	28,1%	4,9%
SOGEFI	750,2	506,0	682,5	-9,0%	34,9%
<b>GROUP revenues</b>	<b>1.004,2</b>	<b>816,4</b>	<b>1.007,9</b>	<b>0,4%</b>	<b>23,5%</b>
Revenues without Charleston	1.004,2	730,8	920,3	-8,3%	25,9%

## Financial result

€/M	1H2019	1H2020	1H2021
Cost of financing	(14,4)	(15,3)	(13,7)
IFRS16 accounting	(5,2)	(10,1)	(9,3)
HoldCo financial assets	7,2	(6,0)	12,4
Other (*)	0,8	(1,0)	(0,8)
<b>GROUP financial results</b>	<b>(11,6)</b>	<b>(32,4)</b>	<b>(11,4)</b>

Increase of IFRS16 charges in 1H20 and 1H21 from Charleston consolidation  
HoldCo results mirroring financial markets swings

## Contribution to Net Result

€/M	1H2019	1H2020	1H2021
KOS Group **	6,7	(3,2)	0,2
Sogefi Group **	4,5	(11,7)	14,0
<b>Total core businesses</b>	<b>11,2</b>	<b>(14,9)</b>	<b>14,2</b>
CIR Holding	(2,1)	(12,5)	9,3
<b>Net result from continuing operations</b>	<b>9,2</b>	<b>(27,5)</b>	<b>23,5</b>
GEDI / Other (CIR)	(8,7)		
Medipass (KOS) **	1,8	2,0	
Filtration plants (Sogefi) **	(0,6)	(4,5)	(1,9)
<b>Assets held for sale</b>	<b>(7,5)</b>	<b>(2,5)</b>	<b>(1,9)</b>

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

HoldCo Net result supported by performance of financial assets (+€ 12,4 M) and ongoing cost reduction

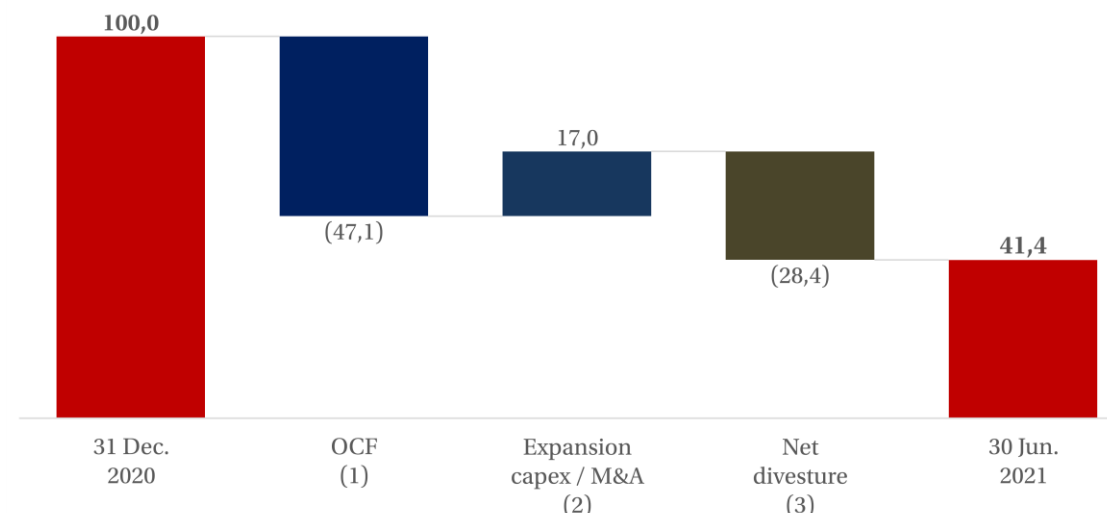
# Group Financial Indebtedness

€/M	Excluding IFRS16		
	31 Dec. 2019	31 Dec. 2020	30 Jun. 2021
KOS Group	(368,0)	(200,7)	(185,5)
Sogefi Group	(256,2)	(291,3)	(261,4)
<b>Subsidiaries</b>	<b>(624,2)</b>	<b>(492,0)</b>	<b>(446,9)</b>
CIR holding & I/C	296,6	392,1	405,4
<b>Group net financial indebtedness</b>	<b>(327,6)</b>	<b>(100,0)</b>	<b>(41,4)</b>

- KOS: net debt reduction, mainly thanks to disposal of Real Estate assets (2020 and 2021) and Medipass (2H 2020)
- Sogefi: debt stable vs Dec.19 and in reduction vs Dec.20 thanks to operational cash generation
- Net cash increase at Holdco level, thanks to the performance of financial assets

€/M	Including IFRS16		
	31 Dec. 2019	31 Dec. 2020	30 Jun. 2021
KOS Group	(1.105,3)	(931,0)	(921,8)
Sogefi Group	(318,9)	(357,9)	(327,5)
<b>Subsidiaries</b>	<b>(1.424,2)</b>	<b>(1.288,9)</b>	<b>(1.249,3)</b>
CIR holding & I/C	296,5	392,2	405,6
<b>Group net financial indebtedness</b>	<b>(1.127,7)</b>	<b>(896,8)</b>	<b>(843,7)</b>

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) Net divestitures: KOS real estate (3 building - c.€ 33m) and Sogefi plant sold

# Holding Balance Sheet main elements

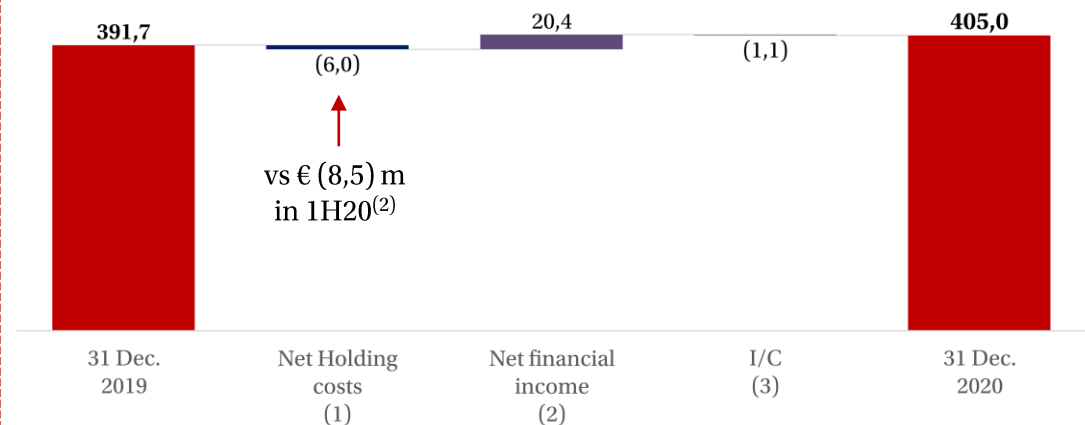
€/M	31 Dec. 2020	30 Jun. 2021
KOS	201,9	202,1
Sogefi	77,3	99,9
<b>Total operating companies</b>	<b>279,2</b>	<b>302,0</b>
Fixed assets	18,7	17,5
Private equity	56,0	58,4
Other investments	19,8	18,8
Other Assets (Liabilities)	5,6	2,0
Assets held for sale (GEDI)		
<b>Net cash</b>	<b>391,7</b>	<b>405,0</b>
<b>Total CIR holding level</b>	<b>491,8</b>	<b>501,7</b>
<b>Total CIR Group shareholders' equity</b>	<b>771,0</b>	<b>803,7</b>
Shareholder's equity per share	0,60	0,63
Shareholder's EPS net of treasury shares <sup>(1)</sup>	0,62	0,64

## Non-core investments

€/M	31 Dec. 2020	New	Cash In	Fair value / other	30 Jun. 2021
Private Equity	56,0	3,4	(9,5)	8,5	58,4
Other investments	19,8			(1,0)	18,8

- 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) Intercompany tax reimbursement

(1) 26.708k treasury shares at 30 June 2021, equal to 2.09% of share capital

(2) 1H20 recurring costs, excluding Gedi disposal costs and tax consolidation benefits (=0 in 1H21)



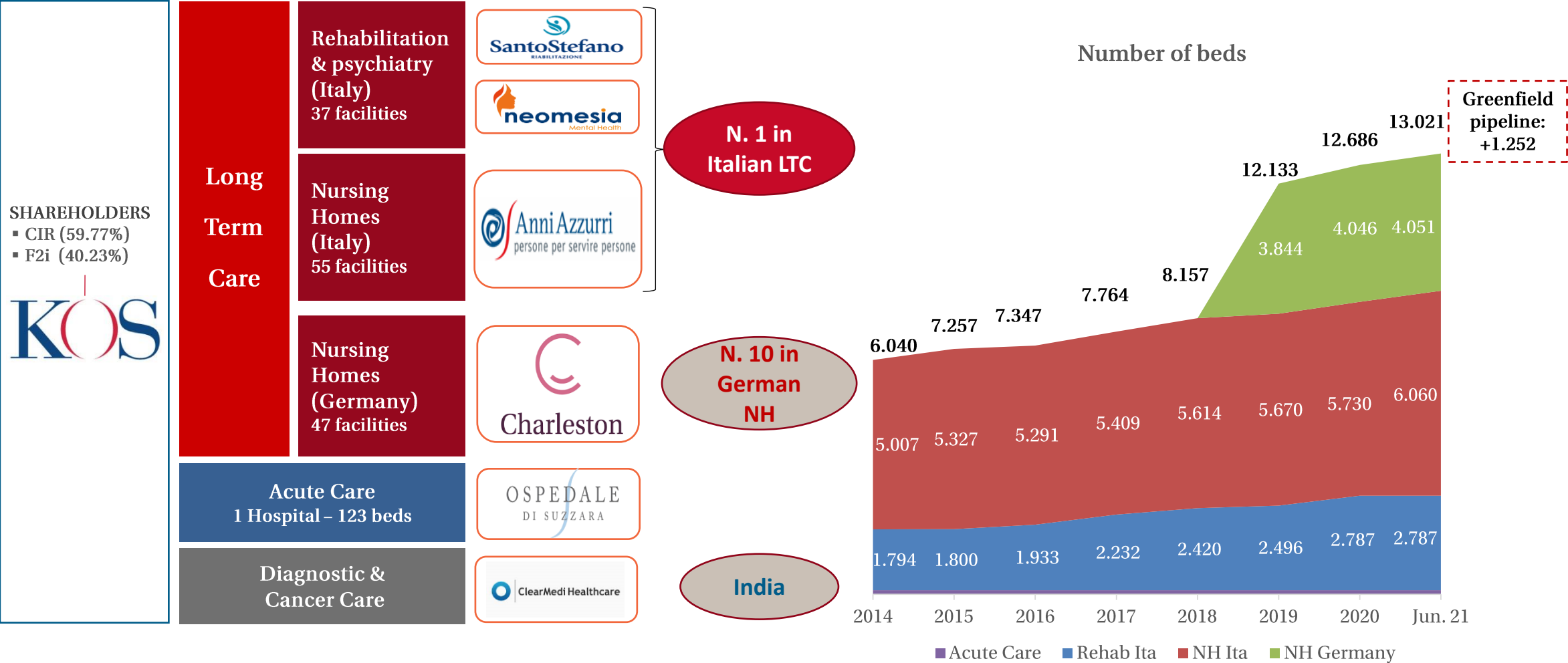


**Executive  
Summary**

**Group  
Consolidated  
Results**

**KOS and Sogefi**

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



# KOS - Summary of 1H2021 results and outlook

€/M	1H2019 *	1H2020	1H2021
Revenues	254,0	310,4	325,5
<i>LTC / Acute Italy + Med India vs 2019</i>		-11,2%	-6,3%
<i>LTC Germany vs 2020</i>			2,3%
EBITDAR	58,4	58,1	67,9
EBITDA	57,3	56,0	66,1
EBITDA pre IFRS16	40,7	25,1	34,7
EBIT	27,1	13,2	20,9
Financial result	(9,0)	(16,0)	(14,6)
Taxes	(6,1)	(2,2)	(5,3)
<b>Group net result from continuing operations</b>	<b>11,4</b>	<b>(5,4)</b>	<b>0,4</b>
Assets held for sale (Medipass IT+UK)	3,1	3,4	
<b>Group net result</b>	<b>14,4</b>	<b>(2,0)</b>	<b>0,4</b>

<b>NFP IFRS16</b>	<b>(609,8)</b>	<b>(1.088,0)</b>	<b>(921,8)</b>
<b>NFP pre IFRS16</b>	<b>(292,8)</b>	<b>(356,2)</b>	<b>(185,5)</b>

Real Estate Assets €/M	31 Dec. 2019	31 Dec. 2020	30 Jun. 2021
Gross Book Value	211,2	202,0	189,0
Fair Value	270,5	250,0	228,1
RE debt (excluding IFRS16)	(80,9)	(69,3)	(89,8)

## KOS 1H2021 results

- LTC Italy and ClearMedi India revenues still below 2019 (-6,3%) due to persisting Covid-19 disruptions, especially in NH, but improving vs 1H2020
- Occupancy recovery in Nursing Homes since May (Jun21 +5% vs Apr21 lows)
- Rehab activity very volatile and disrupted by pandemics
- Margins still under heavy pressure in Italy due to top line decrease and increased costs, despite public reimbursements in Germany and, to a lower extent, in Italy
- Recurring EBITDA/EBIT just below 1H 2020 levels; +€ 12,5M non recurring impact in 1H 2021 from real estate disposal (vs. 0 in 1H 2020)
- NFP improved by € 171M in LTM, thanks to Medipass disposal (€ 163M) and real estate divestments (€ 55M), offset by ca. € 20M development capex
- Debt refinancing concluded (€ 170M from SACE and Real Estate medium term loans): strong liquidity position and no covenants issues expected

## 2H21 / FY2021 Outlook

- Vaccination campaigns allow to reopen NHs admissions and visits, laying the ground for occupancy recovery
- However, due to heavy 1H21 Covid impacts, KOS expects the return to full occupancy in Nursing Homes to still take several quarters both in Italy and in Germany
- Absent new disruptions, rehabilitation and acute care are expected to return to normality faster

# KOS – Revenues and KPIs by segment

	LTC Italy									NH Germany			ClearMedi India		
	NH			Rehab			Acute Care								
	6M19	6M20	6M21	6M19	6M20	6M21	6M19	6M20	6M21	6M19	6M20	6M21	6M19	6M20	6M21
Numer of beds	5.574	5.730	6.060	2.231	2.612	2.787	123	123	123		4.049	4.051			
% change vs 20			5,8%			6,7%						0,0%			
Occupancy	95,7%	85,8%	66,2%	89,2%	73,2%	69,9%					87,3%	82,1%			
Revenues	111,2	102,8	88,3	115,0	103,1	123,3	18,9	12,3	18,0		85,6	87,6	7,5	7,4	9,8
% change vs 19			-20,6%			7,2%			-4,8%						30,5%
% change vs 20			-14,1%			19,5%			46,3%			2,3%			32,7%

- Occupancy declined sharply in two steps (spring 2020 and winter 2021) as a consequence of Covid-19 waves
- Admissions de-facto freeze up to Feb21 brought occupancy down to -30% vs pre-Covid
- Since May-21 a gradual recovery started, but full recovery expected over several quarters

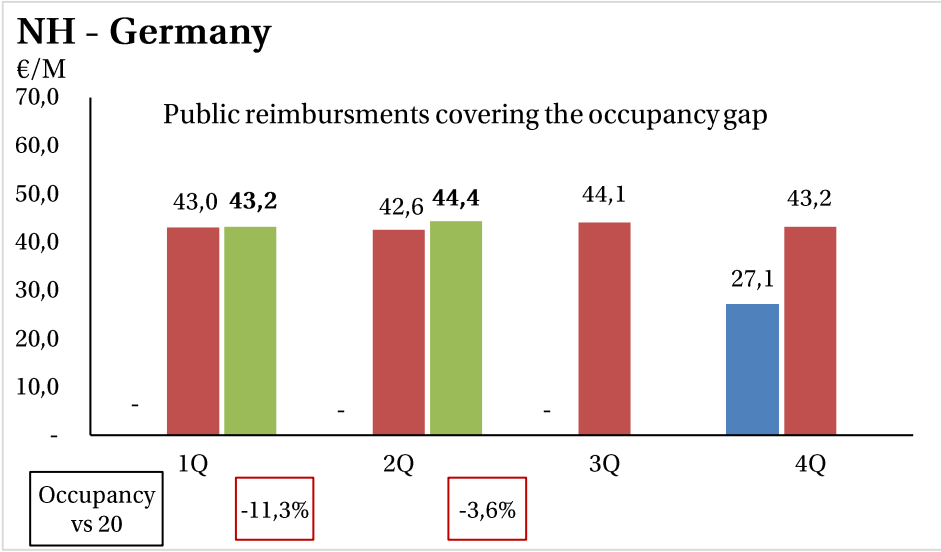
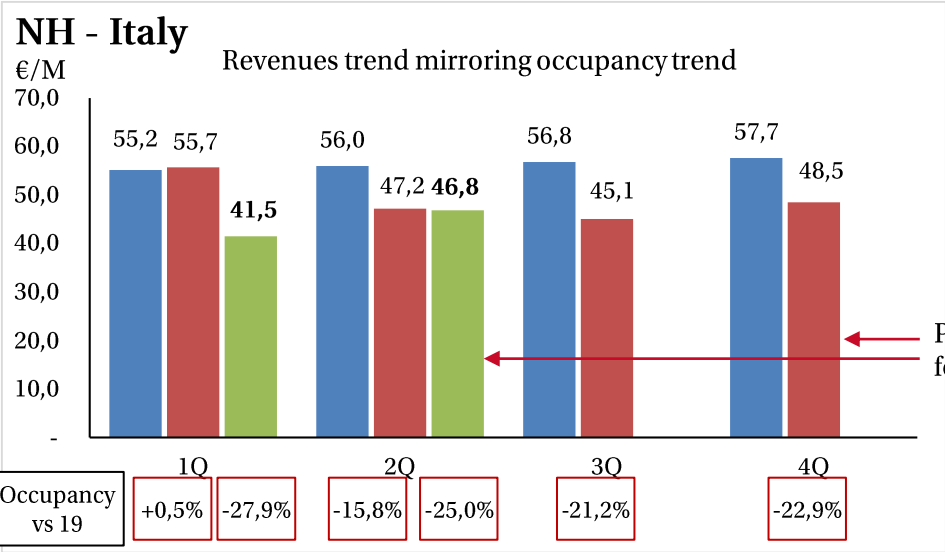
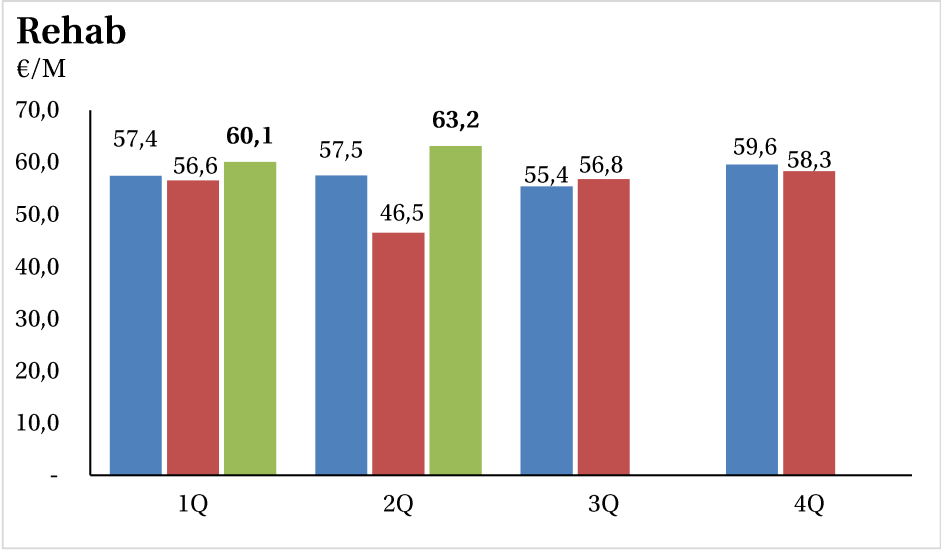
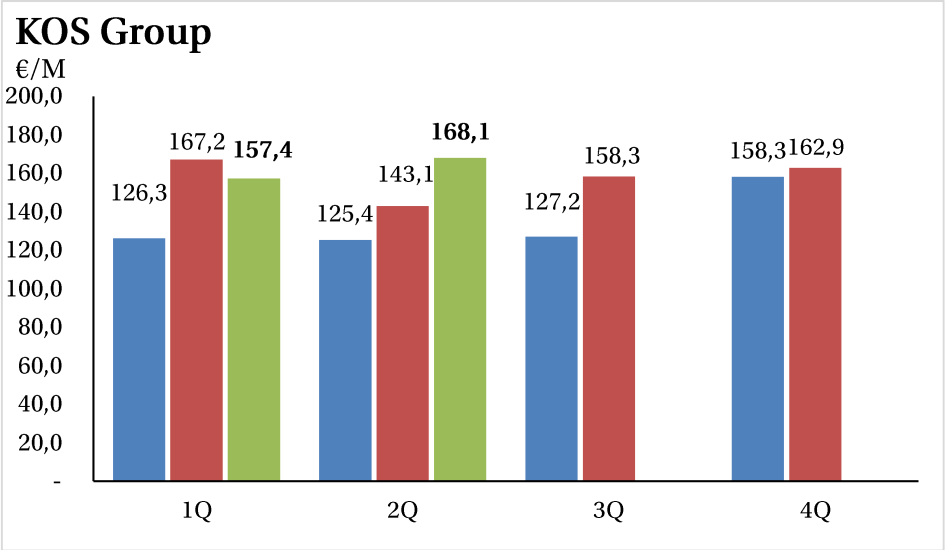
- Margins remained under heavy pressure due to operational inefficiencies and planning challenges, labour cost pressure and cost of safety devices, only partially reimbursed

- During the peak phases of the pandemic activity collapsed in rehab and acute care, due to the postponement of non-urgent treatments, and remained volatile and disrupted also in off-peak
- Revenues grew in 6M21 thanks to the deployment of new facilities (+€ 5,8M vs 1H19, +€ 3,7m vs 1H20) and to the development of Covid related diagnostic and treatment services

- Covid impact far less severe in Germany
- Occupancy fell in 1H, down -5% vs 2020
- Charleston performed according to expectations, thanks public reimbursements and the ongoing implementation of the operational 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 – Quarterly revenues trend by segment



# KOS – P&L by segment

- Financials of LTC / Acute Care Italy still heavily affected in 1H2021: occupancy shortfall, increased safety equipment costs and the need to maintain staffing at elevated levels to cope with the emergency produced ca. € 25M EBITDA and EBIT shortfall, partly offset by +12,5M impact of Real Estate disposal and limited reimbursements for extra costs by the public sector
- LTC Germany confirms growth and margin improvement trajectory, as occupancy shortfall and extra costs are compensated by public reimbursements
- Diagnostics and Cancer Care India improving, thanks to the implementation of a turnaround plan. Disposal pending

€/M	1H2019 *				1H2020				1H2021			
	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	218,2	85,6	7,4	310,4	228,1	87,6	9,8	325,5
EBITDA IFRS16	56,0		1,4	57,3	40,8	14,8	0,5	56,0	46,8	16,8	2,4	66,1
% on revenues	22,9%		14,5%	22,6%	18,7%	17,3%	6,2%	18,1%	20,5%	19,2%	25,0%	20,3%
EBITDA ante IFRS16	39,5		1,2	40,7	22,9	1,1	0,4	25,1	29,1	3,2	2,4	34,7
% on revenues	16,2%		12,7%	16,0%	10,5%	1,3%	5,3%	8,1%	12,8%	3,7%	24,1%	10,7%
EBIT	27,9		(0,8)	27,1	12,5	2,6	(1,2)	13,2	16,0	4,7	0,2	20,9
% on revenues	11,4%		-8,3%	10,7%	5,7%	3,0%	-16,9%	4,3%	7,0%	5,4%	1,8%	6,4%
<b>Net result from continuing operations</b>				<b>11,4</b>				<b>(5,4)</b>				<b>0,4</b>
% on revenues				<b>4,5%</b>				<b>-1,8%</b>				<b>0,1%</b>
Assets held for sale				3,1				3,4				--
<b>Group net result</b>				<b>14,4</b>				<b>(2,0)</b>				<b>0,4</b>

↑  
+€ 12,5M non recurring impact  
from real estate disposal

# Sogefi – Summary of 1H2021 results and outlook

€/M	1H2019	1H2020	1H2021
<b>Revenues</b>	<b>750,2</b>	<b>506,0</b>	<b>682,5</b>
EBITDA	87,9	52,1	110,0
<i>% on sales</i>	<i>11,7%</i>	<i>10,3%</i>	<i>16,1%</i>
EBIT	27,9	(12,0)	48,9
<b>Group result from continuing operations</b>	<b>8,0</b>	<b>(20,7)</b>	<b>24,8</b>
<b>Net result</b>	<b>6,9</b>	<b>(28,8)</b>	<b>21,4</b>

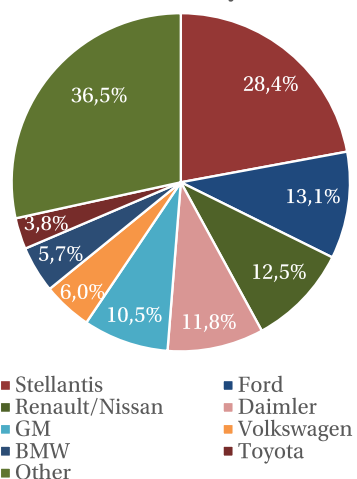
## 1H2021 highlights

- Car production rebounded in 1H 2021 vs 1H 2020 (WW +29,2%, EU27 +28% NAFTA +32% and Cina +25,4%), but still below 1H 2019 levels (WW-12,6%, EU27 -23,5%, NAFTA -19,7% and Cina +1,6%)
- Sogefi's sales outperformed in all reference markets (EU27 +30,3%, NAFTA 32,7%, China +35,4%)
- Gross fixed costs down by € 22.3m vs 1H19 (-16.0% )
- EBITDA: 16.1% vs 10.3% in 1H20 and 11.7% in 1H19. EBITDA adjusted by excluding non-recurring and non operating items at 14.5% vs 12.3% in 1H19
- Filtration Argentina included in held for sale activities (€ -2.8 M), following the start of negotiations for its disposal
- Free Cash Flow positive at € 32.5 M (-€70.8 M in 1H20 and € -3.3 M in 1H19) thanks to higher EBITDA margin and favorable working capital
- Strong liquidity position over the medium term after further securing € 30 M new medium-term lines in 2Q21; no breach of covenants envisaged

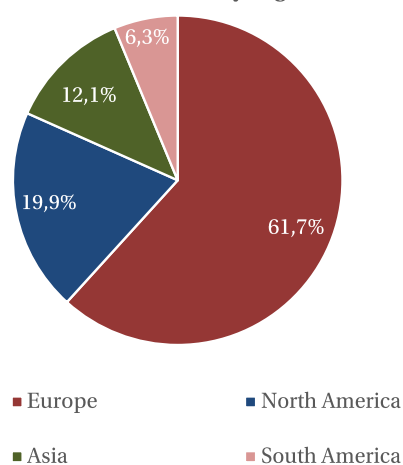
## 2021 Outlook

- Impact of the pandemic still very unpredictable on car demand. IHS expects 2H21 world production to remain stable vs 2019 and 2020 (-2,9% and -3,4%), with annual outcome at +10% vs 2020 but -7,8% vs 2019
- High pressure and volatility of raw materials prices (steel, plastic and paper) and availability issues
- Thanks to the actions implemented in 2020 and 1H21, Sogefi expects to return to a positive net result in 2021, excluding the accounting impact of discontinued activities

1H2021 sales by customer



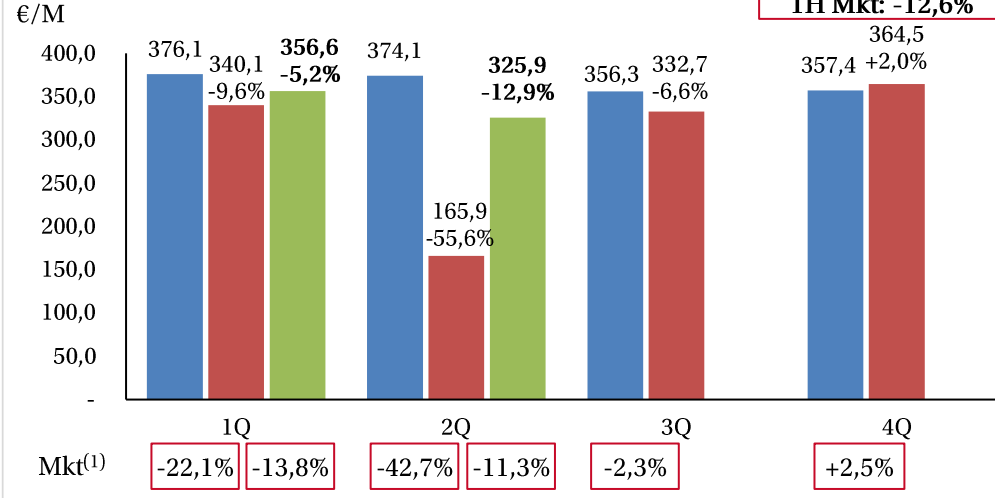
1H2021 sales by regions



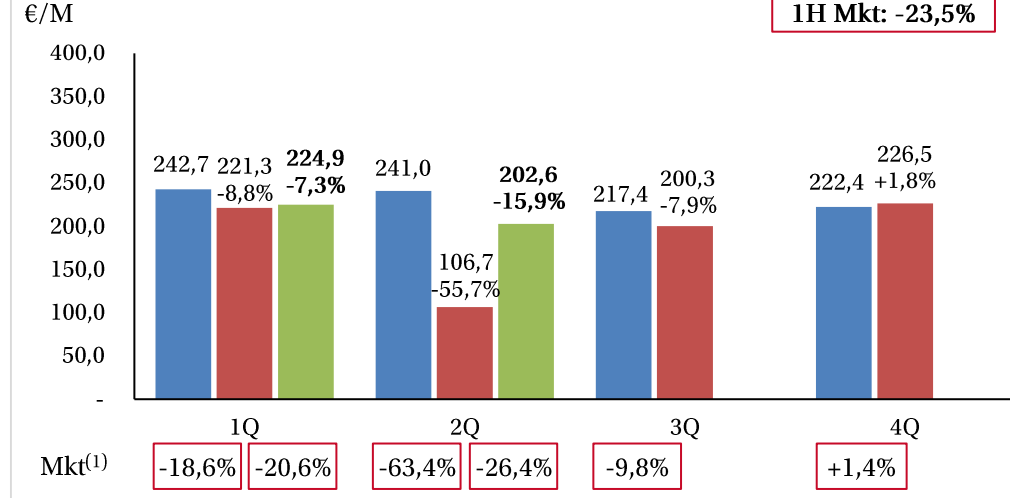
# Sogefi – Quarterly revenues trend by geography

Sogefi outperformed car production market in all reference markets<sup>(2)</sup>

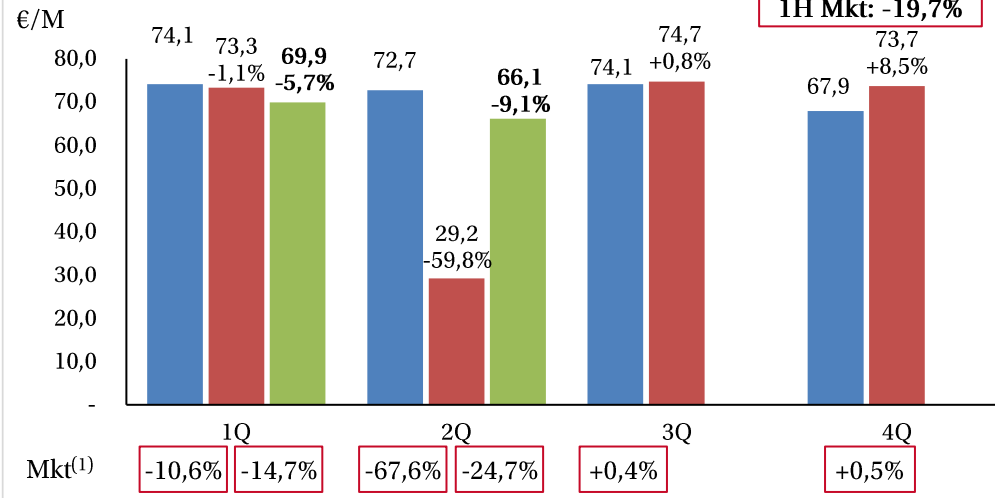
## Sogefi Group



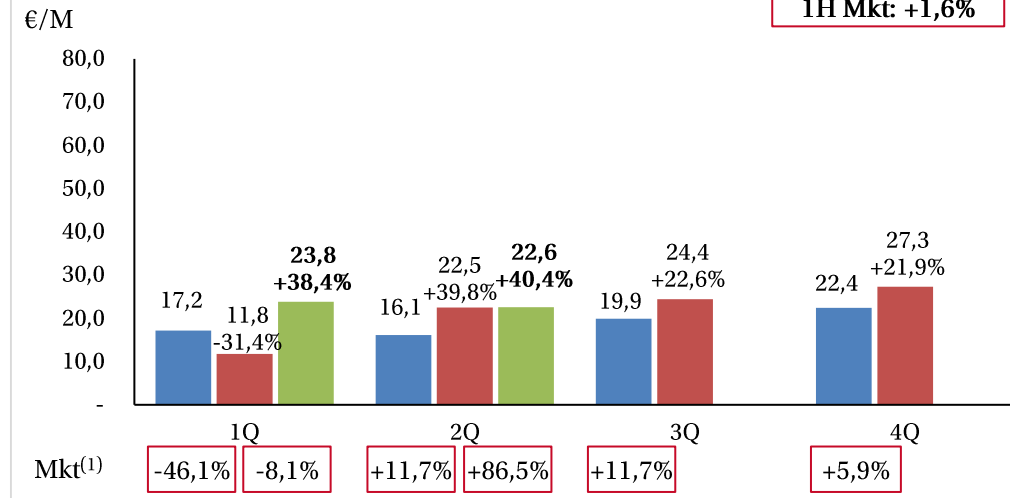
## Europe



## NAFTA



## CHINA



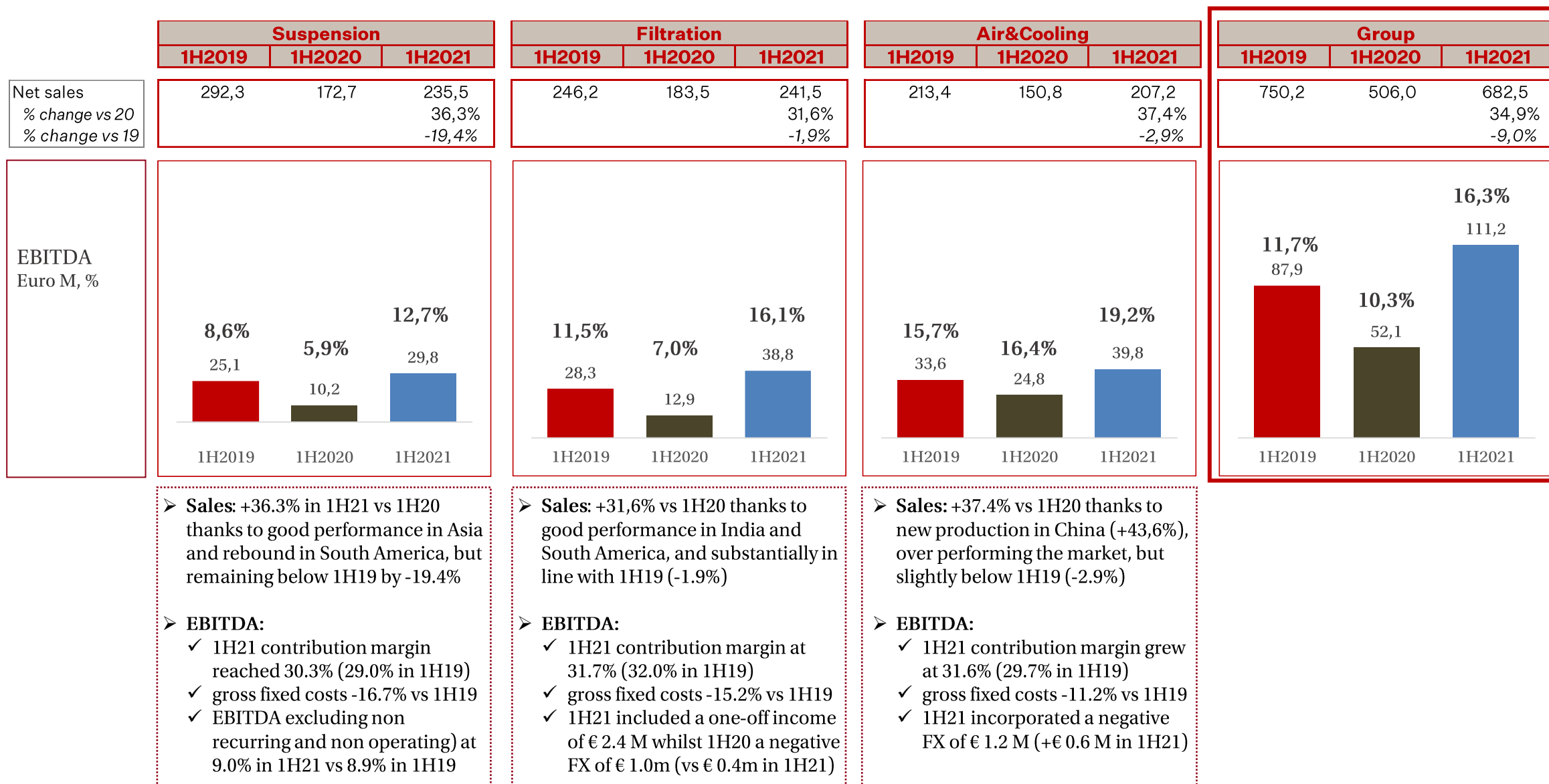
2019 2020 2021

(1) Passenger car production (units variation vs 2019), source IHS

(2) All % variations are vs 2019



# Sogefi – Performance by division



# Disclaimer



- *This document has been prepared by CIR for information purposes only and for use in presentations of the Group's results and strategies*
- *For further details on CIR and its Group, reference should be made to publicly available information, including the Annual and the Semi-Annual Reports*
- *Statements contained in this document, particularly the ones regarding any CIR Group possible or assumed future performance, are or may be forward looking statements and, in this respect, involve risks and uncertainties*
- *Any reference to past performance of CIR Group shall not be taken as an indication of future performance*
- *This document does not constitute an offer or invitation to purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.*