



PRESS RELEASE

RESULTS FOR FIRST HALF 2024

Revenues: -2.7% at € 524.1 million

**EBIT: increased to € 27.8 million
(€ 13.8 million in first half 2023)**

**Net income at € 145.8 million
including the effects of the sale of Filtration**

**Free Cash Flow from continuing operations € 20.7 million
(€ 3.1 million in first half 2023)**

Free Cash Flow from Filtration € 321,8 million

**NFP before IFRS 16 at 30 June positive at € 95.3 million, before the
extraordinary dividend to be paid as of 24 July**

It should be noted that the values for the first half of 2023 and 2024 have been calculated by applying IFRS 5 ('Non-current assets held for sale and discontinued operations') to the Filtration division.

Main results (in €m)*	First Half	
	2023	2024
REVENUES	538.9	524.1
EBITDA*	52.4	67.0
EBIT	13.8	27.8
Net result	31.4	145.8
Net financial position at 30.06 before IFRS 16	(185.3)	95.3

. EBITDA was calculated by adding to the item "EBIT" the item "Amortization and depreciation" and the amount of write-downs of tangible and intangible assets included in the item "Other non-operating costs (income)", equal to € 0.0 at 30 June 2024 (+€ 0.4 million in the same period of the previous year).*

Milan, 23 July 2024 - The **Board of Directors of Sogefi S.p.A.**, which met today under the chairmanship of **Monica Mondardini**, approved the **Group's half-yearly financial report at 30 June 2024**, presented by the Chief Executive Officer **Frédéric Sipahi**.

Sogefi, a company of the CIR Group, is one of the leading global manufacturers of automotive components in the Air and Cooling, Filtration and Suspensions sectors.

MARKET PERFORMANCE

In the first half of 2024, global car production decreased by 0.2% compared to the first half of 2023. Production increased in China (+5.2%), India (+6.8%) and NAFTA (+1.8%), while it recorded a downturn in Mercosur (-7.1%) and Europe (-5.2%), a geographical area that had shown strong recovery in 2023.

For the full year 2024, S&P Global (IHS), a source commonly used in the industry, predicts that world production may drop by 2% compared to 2023, with a much more modest increase in China than in the first half of the year, substantial stability in NAFTA, a 5.3% drop, in line with the first half, in Europe, and a 2.1% drop in Mercosur.

SUMMARY OF SOGEFI'S PERFORMANCE IN FIRST QUARTER 2024

In view of the agreement signed on 23 February 2024 for the sale of the Filtration Business Unit, the figures for this business are reported in accordance with IFRS 5, i.e., by recording only the net result of the business under the item 'income from assets held for sale and discontinued operations'. The operating data commented on below refer only to the perimeter of continuing operations excluding Filtration; the net result and the free cash flow will be shown for continuing operations, discontinued operations and total operations.

With regard to **continuing operations**, the results showed a significant improvement compared to first half 2023:

- revenues decreased by 2.7% compared to first half 2023 due to the performance of the European market;
- EBITDA¹, equal to € 67 million, increased by 27.8% compared to the same period of 2023, with an EBITDA margin of 12.8%;
- EBIT, equal to € 27.8 million, recorded an increase on first half 2023 (€ 13.8 million), with an EBIT margin of 5.3% of revenues, compared to 2.6% in first half 2023;
- net income from continuing operations totalled € 10.8 million, compared to € 3.7 million in first half 2023;
- free cash flow from operating activities was positive by € 20.7 million, compared to € 3.1 million in first half 2023.

With regard to **discontinued operations**:

- the net result was equal to € 136.4 million, including the capital gain, tax charges and costs arising from the sale transaction;
- the free cash flow amounted to € 321.8 million.

Overall, in first half 2024, the **Group** recorded:

- net income of € 145.8 million
- free cash flow of € 342.5 million
- with a net financial position at 30 June 2024 equal to € 48.8 million, against a net debt of € 266.1 million at 31 December 2023, after the payment of an ordinary dividend of € 23.7 million to the Parent Company's shareholders in May 2024.

Following the resolution adopted by the Shareholders' Meeting held on 17 July 2024, an extraordinary dividend totalling approximately € 110 million will be paid on 24 July 2024, reducing the Group's net financial position by the same amount.

¹ EBITDA was calculated by adding to the item 'EBIT' the item 'Amortization and depreciation' and the amount of write-downs of tangible and intangible assets included in the item 'Other non-operating costs (income)', equal to EUR zero at 30 June 2024 (+ 0.4 million in the same period of the previous year).

FIRST HALF RESULTS 2024

In first half 2024 **revenues** stood at € 524.1 million, down by 2.7% on first half 2023.

Revenues by geographical area

Revenue trends by geographical area	H1 2024 (in €m)	H1 2023 (in €m)	Var. %	Var. % at constant exchange rates	Market (var.%)
Europe	298.3	318.3	(6.3)	(6.3)	(5.2)
North America	109.9	112.9	(2.6)	(2.1)	1.8
South America	54.1	52.7	2.6	(1.2)	(7.1)
India	9.4	8.1	16.2	17.6	6.8
China	54.0	49.0	10.3	14.9	5.2
Intercompany elimination	(1.6)	(2.1)			
TOTAL	524.1	538.9	(2.7)	(2.6)	(0.2)

The drop in revenues mainly reflected the less than positive performance recorded in Europe (-6.3%), due to the market downturn (-5.2%), and in North America -2.6%, while South America, China and India grew by +2.6%, +16.2% and +10.3% respectively, outperforming the market.

Revenues by business sector

Revenue trends by business sector	H1 2024 (in €m)	H1 2023 (in €m)	Var. %	Var.% at constant exchange rates
Suspensions	290.8	305.0	(4.7)	(5.0)
Air and Cooling	234.0	234.1	(0.0)	0.8
Intercompany elimination	(0.7)	(0.2)		
TOTAL	524.1	538.9	(2.7)	(2.6)

Suspensions recorded a 4.7% drop in revenues, affected by the unfavourable trend in the European market, while significant growth was recorded in China and India, +44.3% and +16.2% respectively.

Air and Cooling reported revenues in line with first half 2023, recording an above-market performance in Europe, +5.9%, and a slight decline in the North American and Chinese markets.

EBITDA stood at € 67 million, up by 27.8% on first half 2023 (€ 52.4 million) despite the slight decline in volumes. The EBITDA margin rose from 9.7% in 2023 to 12.8% in the same period of 2024.

The contribution margin increased by 7.4% compared to first half 2023, representing 29% of revenues compared to 26.2%, due in part to lower raw material and energy costs.

The ratio of fixed costs to revenues stood at 15.7% in first half 2024, essentially stable compared to 2023 (15.5%).

Other charges, which specifically included exchange rate differences, made a negative contribution of € 0.5 million to EBITDA, compared to the negative contribution of € 3.2 million in first half 2023.

EBIT totalled € 27.8 million, compared to € 13.8 million in first half 2023, and the ratio to revenues rose from 2.6% in first half 2023 to 5.3% in the same period of 2024. The increase mainly reflects the improved results recorded by the Suspensions division.

Financial expense, equal to € 9.1 million, was higher than in the same period of 2023 (€ 8.2 million) mainly due to one-off charges related to the early repayment of a number of loans, following the proceeds from the sale of the Filtration division, which enabled the Company to drastically reduce its financing needs.

Tax expense amounted to € 8 million (€ 1.9 million in first half 2023), reflecting the higher pre-tax profit.

The **net income from operating activities** was positive by € 10.8 million compared to € 3.7 million in the same period of the previous year.

The **net result of 'discontinued operations'** refers to the Filtration division and amounted to € 136.4 million in first half 2024, compared to € 29.3 million in first half 2023. This value incorporates the net income of the business up to the date of sale on 31 May 2024, equal to € 22.2 million, the capital gain realised on the sale of the business, equal to € 124.5 million, the tax charges arising from the transaction and the costs incurred in finalising the transaction.

The Group reported **total net income of € 145.8 million**, compared to € 31.4 million in first half 2023.

The **Free Cash Flow** was positive by € 342.5 million and includes a free cash flow of € 321.8 million from Filtration and € 20.7 million generated by continuing operations (€ 3.1 million in first half 2023).

At 30 June 2024, excluding non-controlling interests, **equity** came to € 407.6 million (€ 272.9 million at 31 December 2023). The increase essentially reflects the net result for the period and the dividends paid to the Parent Company's shareholders (€ 23.7 million).

The **Net Financial Position at** end of June 2024, after payment of € 27.1 million in dividends, was positive by € 48.8 million, compared to net debt at the end of 2023 of € 266.1 million. The Net Financial Position excluding payables for rights of use at 30 June 2024 was positive by € 95.3 million, compared to € 200.7 million at 31 December 2023 and € 185.3 million at 30 June 2023.

At 30 June 2024, the Group had committed credit lines in excess of requirements of € 309 million.

SUMMARY OF RESULTS OF SECOND QUARTER 2024

In the second quarter of 2024, the Sogefi Group reported revenues of € 260.9 million, slightly down at both current (-1.5%) and constant (-2%) exchange rates. At constant exchange rates, revenue growth was positive in China (+14.9%) and India (+27.6%), while it was negative in Europe (-3.9%), South America (-3.6%) and North America (-4.6%).

Air and Cooling recorded growth of 1.6% at constant exchange rates, while Suspensions recorded a decrease at constant exchange rates of -4.8%.

EBITDA stood at € 33.3 million compared to € 26.6 million in second quarter 2023, due to the increase in the contribution margin from 26.7% of revenues in second quarter 2023 to 29.5% in second quarter 2024.

EBIT was positive at € 13.2 million (compared to € 7.2 million in second quarter 2023).

Net income from operating activities amounted to € 5.2 million, compared to € 2.8 million in second quarter 2023.

The **consolidated net result** for second quarter 2024, including discontinued operations, amounted to € 130.8 million (€ 18.2 million in the same period of the previous year), as it incorporates the April-May 2024 results of the Filtration division and the capital gain generated by the sale.

SIGNIFICANT EVENTS AFTER 30 JUNE 2024

No significant events that could affect the economic, equity and financial information reported occurred after 30 June 2024, with the exception of payment of the extraordinary dividend of € 0.923 per share, totalling approximately € 110 million, resolved by the Shareholders' Meeting on 18 July 2024, with ex-dividend date on 22 July 2024, which was disclosed to the market.

The CEO and General Manager Frédéric Sipahi resigned from his role, as per the press release published today.

OUTLOOK FOR THE YEAR

There is still limited visibility on the automotive market's performance in 2024 due to the uncertainties linked to macroeconomic and geopolitical developments. S&P Global (IHS) predicts that, after the growth recorded in 2023, global car production may drop by 2%, with Europe down by 5.3% and modest growth in China, NAFTA and India.

As far as commodity and energy prices are concerned, the first half 2024 confirms a certain degree of stability, already seen in the second part of 2023, but they are still exposed to volatility risks exacerbated by geo-political tensions. Inflationary tensions on labour costs also persist in some geographical areas. In this scenario, the Group constantly monitors trends in the various geographic areas, seeking fair agreements with all customers on sales prices.

Based on a more conservative forecast for the automotive market than the S&P Global estimates, with specific regard to Europe, Sogefi in 2024 expects a low single-digit revenue decline, while confirming its expectation that operating profitability, excluding non-recurring charges and extraordinary events that are not yet foreseeable, will be higher than in 2023.

The executive responsible for preparing the company's financial reports, Maria Beatrice De Minicis, declares, pursuant to Article 154-bis(2) of the Finance Consolidation Act (TUF), that the accounting figures contained in this press release correspond to the results documented in the Company's accounts and general ledger.

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Below are the main results of the Sogefi Group's income statement and statement of financial position at 30 June 2024.

SOGEFI GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

ASSETS	06.30.2024	12.31.2023
CURRENT ASSETS		
Cash and cash equivalents	94.8	78.2
Other financial assets	136.8	5.1
Inventories	82.7	138.2
Trade receivables	104.6	166.9
Other receivables	12.3	13.4
Tax receivables	21.3	28.1
Other assets	5.1	3.4
ASSETS HELD FOR SALE	-	-
TOTAL CURRENT ASSETS	457.6	433.3
NON-CURRENT ASSETS		
Land	3.7	9.8
Property, plant and equipment	266.1	358.9
Other tangible fixed assets	4.2	6.2
Rights of Use	43.5	59.7
Intangible assets	107.9	203.4
Other financial assets	-	6.8
Financial receivables	5.7	2.8
Other receivables	13.5	31.4
Deferred tax assets	27.9	33.0
TOTAL NON-CURRENT ASSETS	472.5	712.0
TOTAL ASSETS	930.1	1,145.3

LIABILITIES	06.30.2024	12.31.2023
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	0.4	0.7
Current portion of medium/long-term financial debts and other loans	69.2	63.3
Short-term financial debts for rights of use	9.6	12.7
Other short-term liabilities for derivative financial instruments	0.1	-
Trade and other payables	205.9	334.0
Tax payables	8.4	10.7
Other current liabilities	26.5	38.2
Current provisions	7.3	12.4
LIABILITIES RELATED TO ASSETS HELD FOR SALE	-	-
TOTAL CURRENT LIABILITIES	327.2	472.0
NON-CURRENT LIABILITIES		
Financial debts to bank	71.9	184.4
Non current portion of medium/long-term financial debts and other loans	0.5	45.2
Medium/long-term financial debts for right of use	36.9	52.7
Other medium/long term financial liabilities for derivative financial instruments	-	-
Non-current provisions	15.1	23.8
Other payables	40.6	56.5
Deferred tax liabilities	18.7	23.3
TOTAL NON-CURRENT LIABILITIES	183.7	385.9
SHAREHOLDERS' EQUITY		
Share capital	62.5	62.5
Reserves and retained earnings (accumulated losses)	199.3	152.6
Group net result for the period	145.8	57.8
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	407.6	272.9
Non-controlling interests	11.6	14.5
TOTAL SHAREHOLDERS' EQUITY	419.2	287.4
TOTAL LIABILITIES AND EQUITY	930.1	1,145.3

SHAREHOLDERS' EQUITY

(in millions of Euro)	Consolidated shareholders' equity - Group	Capital and reserves pertaining to non-controlling	Total Group and non-controlling shareholders' equity
Balance at December 31, 2023	272.9	14.5	287.4
Dividends	(23.7)	(3.4)	(27.1)
Currency translation differences	4.5	0.0	4.5
Actuarial gain (loss)	1.4	-	1.4
Fair value cash flow hedging instruments	(2.7)	-	(2.7)
Other changes	9.6	(0.9)	8.6
Net result for the period	145.8	1.4	147.2
Balance at June 30, 2024	407.6	11.6	419.2

CONSOLIDATED INCOME STATEMENT

(in millions of Euro)	Period		Period		Variation	
	01.01 – 06.30.2024		01.01 – 06.30.2023 (*)			
	Amount	%	Amount	%	Amount	%
Sales revenues	524.1	100.0	538.9	100.0	(14.8)	(2.7)
Variable cost of sales	372.3	71.0	397.6	73.8	(25.3)	(6.4)
CONTRIBUTION MARGIN	151.8	29.0	141.3	26.2	10.5	7.4
Manufacturing and R&D overheads	46.7	8.9	49.1	9.1	(2.4)	(4.9)
Depreciation and amortization	39.2	7.5	39.0	7.2	0.3	0.4
Distribution and sales fixed expenses	7.4	1.5	7.4	1.3	0.0	(1.0)
Administrative and general expenses	28.3	5.4	27.3	5.1	1.0	4.0
Restructuring costs	2.0	0.4	2.0	0.4	(0.0)	1.2
Losses (gains) on disposal	-	-	(0.1)	-	0.1	137.7
Exchange (gains) losses	(0.8)	(0.2)	2.4	0.4	(3.2)	(134.1)
Other non-operating expenses (income)	1.2	0.2	0.4	0.1	0.8	173.1
EBIT	27.8	5.3	13.8	2.6	14.0	101.9
Financial expenses	15.8	3.0	12.0	2.2	3.8	240.8
Financial (income)	(6.7)	(1.3)	(3.7)	(0.7)	(2.9)	439.2
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES	18.8	3.6	5.5	1.0	13.2	238.9
Income taxes	8.0	1.5	1.8	0.3	6.2	328.2
NET INCOME (LOSS) OF OPERATING ACTIVITIES	10.8	2.1	3.7	0.7	7.1	192.9
Net income (loss) from discontinued operations, net of tax effects	136.4	26.0	29.3	5.4	107.1	-
NET RESULT INCLUDING THIRD PARTY	147.2	28.1	33.0	6.1	114.2	346.9
Loss (income) attributable to non-controlling interests	(1.4)	(0.3)	(1.6)	(0.3)	0.2	(8.6)
GROUP NET RESULT	145.8	27.8	31.4	5.8	114.4	364.6

(*) The first semester 2023 values relating to "Assets held for sale" were reclassified following the application of IFRS5 "Non-current assets held for sale and discontinued operations" to the line "Net income (loss) from discontinued operations, net of tax effects".

RECLASSIFIED CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER 2024

(in millions of Euro)	Period		Period		Variation	
	04.01 - 06.30.2024		04.01 - 06.30.2023 (*)			
	Amount	%	Amount	%	Amount	%
Sales revenues	260.9	100.0	264.9	100.0	(4.0)	(1.5)
Variable cost of sales	183.8	70.5	194.3	73.3	(10.5)	(5.4)
CONTRIBUTION MARGIN	77.1	29.5	70.6	26.7	6.5	9.2
Manufacturing and R&D overheads	23.0	8.8	24.2	9.2	(1.2)	(4.9)
Depreciation and amortization	20.0	7.7	19.8	7.5	0.2	1.1
Distribution and sales fixed expenses	3.7	1.4	3.7	1.4	-	(1.8)
Administrative and general expenses	15.2	5.8	13.7	5.2	1.5	11.7
Restructuring costs	1.4	0.5	1.7	0.6	(0.3)	-
Losses (gains) on disposal	0.1	-	(0.1)	-	0.2	(200.0)
Exchange (gains) losses	(0.2)	(0.1)	0.4	0.1	(0.6)	(140.5)
Other non-operating expenses (income)	0.7	0.3	-	-	0.7	1,510.1
EBIT	13.2	5.1	7.2	2.7	6.0	83.2
Financial expenses	8.7	3.3	6.1	2.3	(3.3)	(53.0)
Financial (income)	(4.6)	(1.8)	(1.9)	(0.7)	(4.5)	234.5
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES	9.1	3.6	3.1	1.2	6.0	198.5
Income taxes	3.9	1.6	0.3	0.1	3.6	1,409.7
NET INCOME (LOSS) OF OPERATING ACTIVITIES	5.2	2.0	2.8	1.1	2.4	83.2
Net income (loss) from discontinued operations, net of tax effects	126.0	48.3	16.1	6.1	109.9	-
NET RESULT INCLUDING THIRD PARTY	131.2	50.3	18.9	7.2	112.3	592.9
Loss (income) attributable to non-controlling interests	(0.4)	(0.2)	(0.7)	(0.3)	0.3	(42.5)
GROUP NET RESULT	130.8	50.1	18.2	6.9	112.6	-

(*) The second quarter 2023 values relating to "Assets held for sale" were reclassified following the application of IFRS5 "Non-current assets held for sale and discontinued operations" to the line "Net income (loss) from discontinued operations, net of tax effects".

CONSOLIDATED NET FINANCIAL POSITION

(in millions of Euro)	06.30.2024	12.31.2023	06.30.2023
A. Cash	94.8	78.2	140.3
B. Cash equivalents	-	-	-
C. Other current financial assets	136.8	5.1	2.9
D. Liquidity (A) + (B) + (C)	231.6	83.3	143.2
E. Current Financial Debt (including debt instruments, but excluding current portion of non-current financial debt)	2.4	2.0	1.6
F. Current portion of non-current financial debt	76.8	72.5	80.8
G. Current financial indebtedness (E) + (F)	79.2	74.5	82.4
H. Net current financial indebtedness (G) - (D)	(152.4)	(8.8)	(60.8)
I. Non-current financial debt (excluding the current portion and debt instruments)	109.3	234.7	261.1
J. Debt instruments	0.1	47.0	60.3
K. Non-current trade and other payables	-	-	-
L. Non-current financial indebtedness (I) + (J) + (K)	109.3	281.7	321.4
M. Total financial indebtedness (H) + (L)	(43.1)	272.9	260.6
Other non current financial assets	5.7	6.8	3.7
Other current liabilities	-	-	6.3
Financial indebtedness net, including financial receivables and debts for derivatives (as Net Financial Position reported in Consolidated Cash Flow Statement)	(48.8)	266.1	250.6

CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)	06.30.2024	06.30.2023
SELF-FINANCING	47.4	46.3
Change in net working capital	5.2	(7.2)
Other medium/long-term assets/liabilities	3.6	(1.6)
CASH FLOW GENERATED BY OPERATIONS	56.2	37.5
Net decrease from sale of fixed assets	0.4	1.1
TOTAL SOURCES	56.6	38.6
TOTAL APPLICATION OF FUNDS	32.5	33.8
Exchange differences on assets/liabilities and equity	(3.4)	(1.7)
FREE CASH FLOW FROM OPERATING ACTIVITIES	20.7	3.1
FREE CASH FLOW FROM DISCONTINUED OPERATIONS	321.8	42.0
TOTAL FREE CASH FLOW	342.5	45.1
Dividends paid by subsidiaries to non-controlling interests	(27.1)	(0.0)
Change in fair value derivative instruments	(0.5)	(0.8)
CHANGES IN SHAREHOLDERS' EQUITY	(27.6)	(0.8)
Change in net financial position	314.9	44.3
Opening net financial position	(266.1)	(294.9)
Financial debts for right of use at January 1°, 2020	-	-
CLOSING NET FINANCIAL POSITION	48.8	(250.6)