



PRESS RELEASE

RESULTS OF THE FIRST NINE MONTHS 2024

Revenues: -4.6% at € 766.7 million

**EBIT: significantly increased to € 38.0 million
(€ 25.3 million in the first nine months of 2023)**

**Net profit from ongoing operations € 15.1m
(€8.3m in the first nine months of 2023)**

**Net income reached €149.5 million, reflecting the impact of the sale of
the Filtration business**

**Free Cash Flow generated from ongoing operations
positive for € 19.4 million
(- € 7.1 million in the first nine months of 2023)**

Free cash flow from Filtration of € 321.8 million

**Debt, excluding IFRS 16, decreased to €16.1 million from €192.7
million at the end of September 2023, following the payment of
€136.7 million in dividends**

It is important to note that the values for the first nine months of 2023 and 2024 have been calculated in accordance with IFRS 5, pertaining to 'Non-current Assets Held for Sale and Discontinued Operations,' as applied to the Filtration division.

Main results (in €m)*	First 9 months	
	2023	2024
REVENUES	803.9	766.7
EBITDA*	84.4	96.7
EBIT	25.3	38.0
Net result from ongoing operations	8.3	15.1
Net result	45.8	149.5
Net Debt as of 30 September, excluding IFRS 16	192.7	16.1

EBITDA was calculated by adding 'Amortization and Depreciation' to 'EBIT,' along with any write-downs of tangible and intangible assets recorded under 'Other Non-Operating Costs (Income).' As of 30 September 2024, these write-downs amounted to €0, compared to +€0.1 million during the same period of the previous year.

Milan, 25 October 2024 - The **Board of Directors of Sogefi S.p.A.**, chaired by **Monica Mondardini**, convened today to approve the group's **interim management report as of 30 September 2024**.

Sogefi, a company of the CIR Group, ranks among the world's leading manufacturers of automotive components, specializing in the Air and Cooling and Suspensions sectors.

MARKET PERFORMANCE

In Q3 2024, world car production significantly slowed, declining by 4.6% compared to Q3 2023. The European market's weakness, with a 5.2% drop already evident in the first half of the year, was exacerbated by substantial declines in the NAFTA region, down 4.7%, and in China, down 2.6%. These regions had previously shown stability or slight growth in the first half of the year.

Following the negative results in the third quarter, global car production declined by 1.6% in the first nine months of 2024 compared to the same period in 2023. During the nine-month period, China and India experienced growth of +2% and +4.5%, respectively, while Europe, NAFTA, and Mercosur experienced declines of -4.9%, -0.8%, and -0.6%, respectively.

S&P Global (IHS) expect a 2.2% decrease in global production for the entire year of 2024 in comparison to 2023. China and Mercosur are expected to maintain their current levels, while NAFTA is expected to experience a minor decline of -1.4%. Europe is expected to experience a 6.3% decline, which is slightly higher than the decline observed in the first nine months.

SOGEFI'S PERFORMANCE SUMMARY IN THE FIRST NINE MONTHS OF 2024:

The figures for Filtration are reported in conformance with IFRS 5, which means that only the net result of the business is recorded under the category of "profit from discontinued operations or held for sale" following the divestment in May 2024. The operating data discussed below pertain exclusively to the scope of ongoing operations, excluding Filtration. The net profit (loss) and free cash flow are presented for ongoing operations, discontinued operations, and total operations.

Revenue performance was affected by market volatility during the first nine months of 2024, leading to a 4.6% decline compared to the same period in 2023. Despite this, **operations** showed a significant increase in profitability:

- With an EBITDA margin of 12.6%, EBITDA reached €96.7 million, marking a 14.6% increase compared to the same period in 2023;
- EBIT increased from €25.3 million in the first nine month of 2023 to €38.0 million. The EBIT margin increased to 5.0% of revenues from 3.1% in the first nine months of 2023;
- Net income from continuing operations totalled €15.1 million, compared to €8.3 million in the first half of 2023;
- Free cash flow from operations was positive at €19.4 million, compared to a cash absorption of €7.1 million in the first nine months of 2023.

As outlined in the Half-Yearly Financial Report, the **discontinued operations** reported the following outcomes:

- net profit of €136.4 million, including the effects of the sale, such as the capital gain, tax charges and transaction costs;
- free cash flow of € 321.8 million.

Overall, in the first nine months of 2024, the **Group** reported:

- net profit of € 149.5 million (net of minority interests)
- free cash flow of € 341.2 million

As of 30 September 2024, net debt stood at €62 million (€16.1 million excluding rights of use, in line with IFRS 16), marking a decrease from €266.1 million as of 31 December 2023. This reduction follows the distribution of an ordinary dividend of €23.7 million and an extraordinary dividend of €109.6 million to shareholders of Sogefi S.p.A.

RESULTS FOR THE FIRST NINE MONTHS OF 2024

For the first nine months of 2024, **revenues** reached €766.7 million, reflecting a decline of 4.6% (4.3% at constant exchange rates) in comparison to the same period in 2023.

Revenues by geographical area

Revenue trends by geographical area	9M 2024 (in €m)	9M 2023 (in €m)	Var. %	Var. % at constant exchange rate	Market (var.%)
Europe	426.2	462.9	(7.9)	(7.9)	(4.9)
North America	162.0	169.4	(4.4)	(3.4)	(0.8)
South America	85.3	83.5	2.2	(0.8)	(0.6)
India	13.1	13.1	0.4	1.9	4.5
China	82.1	78.1	5.1	7.9	2.0
Intercompany elimination	(2.0)	(3.1)			
TOTAL	766.7	803.9	(4.6)	(4.3)	(1.6)

The decline in total revenues was influenced by the performance observed in Europe (-7.9%) and North America (-4.4%), primarily due to the dynamics of the respective markets and key customers. In contrast, South America and China experienced revenue growth of +2.2% and +5.1% respectively, aligning with or surpassing market trends.

Revenues by business sector

Revenue trends by business sector	9M 2024 (in €m)	9M 2023 (in €m)	Var. %	Var.% at constant exchange rates
Suspensions	424.8	453.0	(6.2)	(6.5)
Air and Cooling	342.9	351.0	(2.3)	(1.5)
Intercompany elimination	(1.0)	(0.1)		
TOTAL	766.7	803.9	(4.6)	(4.3)

Suspensions experienced a 6.2% decline in revenues, influenced by adverse trends in the European market, affecting both the passenger car and heavy-duty segments, with the latter seeing a 10.4% decrease in Europe. Conversely, notable growth was observed in China, with a 35.3% increase, and a strong performance was recorded in Mercosur.

Air and Cooling reported a 2.3% decline in revenues (1.5% at constant exchange rates), with Europe showing a positive performance of 3.8%, defying the overall market decline. However, revenues decreased in North America due to product mix issues and in China due to a local production drop by some customers.

EBITDA reached €96.7 million, reflecting a 14.7% increase compared to the first nine months of 2023 (€84.4 million), despite a slight decrease in volumes. The EBITDA margin rose from 10.5% in 2023 to 12.6% in the same period of 2024.

Despite the reduction in volumes, the positive trend in profitability is primarily due to an increase in the contribution margin, which accounted for 29.3% of sales, up from 26.9% in the first nine months of 2023; this increase reflects the gradual decline in raw material and energy costs.

In spite of the decrease in turnover, the fixed costs as a percentage of revenue remained at 15.7%, essentially unchanged from 2023 (15.6%). This was primarily due to the reduction of fixed costs from € 126.3 million to € 120.5 million.

EBIT totalled € 38.0 million, compared to € 25.3 million in first half 2023, and the ratio to revenue rose from 3.1% in the first half of 2023 to 5.0% in the same period of 2024. The increase reflects the improved profitability of the Suspension division and the good profitability of Air & Cooling, in an unfavourable market environment.

Financial expenses amounted to €11.7 million, reflecting a modest decrease compared to €12.4 million in the same period in 2023. Notably, cash financial expenses decreased from €12.2 million in 2023 to €10.7 million in the corresponding period of 2024. This reduction, occurring entirely since early June, is attributed to the decrease in debt following the sale of the Filtration business, despite the one-off charges associated with the early repayment of certain loans.

The tax expense totalled €11.2 million, compared to €4.6 million in the first half of 2023, reflecting the increased pre-tax profit.

The **net income from operations** was positive by € 15.1 million compared to € 8.3 million in the same period of the previous year.

The **net result of 'discontinued operations'** (*Filtration*) amounted to € 136.4 million, (€ 39.8 million in the first nine months of 2023). This amount includes the net income of the business as of the sale date on 31 May 2024, totalling €22.2 million, the capital gain from the sale of the Filtration business amounting to €124.5 million, the tax liabilities resulting from the transaction, and the expenses associated with completing the transaction.

The Group reported a **total net profit of € 149.5 million**, net of minority interests, compared to € 45.8 million in the first nine months of 2023.

Free Cash Flow was positive by € 341.2 million and includes a *free cash flow* of € 321.8 million from Filtration and € 19.4 million generated by ongoing operations, a clear improvement compared to the first nine months of 2023 (negative FCF of € 7.1 million).

The Group distributed dividends totaling €136.7 million, comprising €23.7 million classified as the Company's ordinary dividend, €109.6 million designated as the Company's extraordinary dividend, and €3.4 million allocated as dividends from investees to third-party shareholders.

As of 30 September 2024, **equity**, excluding non-controlling interests, amounted to €300.4 million, compared to €272.9 million as of 31 December.

Net debt at the end of September 2024 was € 62 million compared to net debt of € 266.1 million at the end of 2023.

Net debt excluding liabilities for right-of-use assets at 30 September 2024 amounted to € 16.1 million, compared to € 200.7 at 31 December 2023.

At 30 September 2024, the Group had committed credit lines in excess of requirements of € 187 million.

SUMMARY OF RESULTS FOR Q3 2024

In Q3 2024, the Sogefi Group reported revenues of €242.6 million, marking a decline of 8.5% (-7.7% at constant exchange rates), reflecting the adverse market conditions experienced during the quarter.

At constant exchange rates, Air and Cooling declined by 6.0% and Suspension by 8.9%.

EBITDA reached €29.8 million, down from €32.0 million in Q3 2023, while the EBITDA margin remained stable at 12%. Excluding restructuring costs and other non-operating expenses, which totaled €5 million in Q3 2024 compared to €0.7 million in 2023, EBITDA for Q3 2024 would be €34.8 million, up from €32.7 million in the same period of 2023.

The contribution margin of 30.1% represents a significant improvement from the previous figure of 28.4% in Q3 2023. Furthermore, the fixed cost ratio was maintained at 15.7%, a decrease from 16.1% in Q3 2023, despite the decrease in turnover, as a result of the 10.8% decrease in fixed costs.

EBIT was positive at €10.2 million, compared to €11.5 million in Q3 2023. Excluding non-recurring charges, EBIT was €15.2 million, up from €12.2m in 2023.

Net income from operations totalled € 4.3 million, compared to € 4.7 million in third quarter 2023.

The **consolidated net result** for the third quarter of 2024 was €3.7 million, down from €14.4 million in the same period of the previous year, which included a **net result from 'discontinued operations'** of € 10.5 million).

SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2024

No significant events that occurred after 30 September 2024, have the potential to affect the economic and financial information that is being presented.

BUSINESS OUTLOOK

Following the negative data from the third quarter, the outlook for the automotive market remains uncertain in the coming months. According to S&P Global (IHS), global car production may decrease by 2.2% in 2024 following the growth observed in 2023. Europe is expected to experience a 6.3% decline, NAFTA is expected to experience a 1.4% decline, while China and India are expected to experience modest growth.

In terms of commodity and energy prices, the initial months of 2024 have confirmed a degree of stability that was already evident in the latter half of 2023. However, volatility risks are still present, which are further exacerbated by geopolitical tensions. Inflationary tensions on labour costs also persist in some geographical areas.

Sogefi expects a decline in its annual revenues substantially in line with that recorded in the first nine months of the year. The company also confirms the target of an operating result in progression compared to that recorded in the 2023 financial year on the current perimeter, excluding any non-recurring charges and extraordinary events that are currently unforeseeable.

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 September 2024. It should be noted that these figures have not been audited by the auditors.

SOGEFI GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euro)

ASSETS	09.30.2024	12.31.2023
CURRENT ASSETS		
Cash and cash equivalents	44.3	78.2
Other financial assets	36.2	5.1
Inventories	84.1	138.2
Trade receivables	97.4	166.9
Other receivables	10.9	13.4
Tax receivables	23.4	28.1
Other assets	4.5	3.4
TOTAL CURRENT ASSETS	300.8	433.3
NON-CURRENT ASSETS		
Land	3.7	9.8
Property, plant and equipment	264.9	358.9
Other tangible fixed assets	4.0	6.2
Rights of use	42.4	59.7
Intangible assets	106.4	203.4
Other financial assets	4.4	6.8
Financial receivables	-	2.8
Other receivables	13.0	31.4
Deferred tax assets	27.0	33.0
TOTAL NON-CURRENT ASSETS	465.8	712.0
TOTAL ASSETS	766.6	1,145.3

LIABILITIES	09.30.2024	12.31.2023
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	0.8	0.7
Current portion of medium/long-term financial debts and other loans	30.9	63.3
Short-term financial debts for rights of use	9.6	12.7
Other short-term liabilities for derivative financial instruments	-	-
Trade and other payables	194.1	334.0
Tax payables	8.6	10.7
Other current liabilities	26.1	38.2
Current provisions	6.9	12.4
TOTAL CURRENT LIABILITIES	277.0	472.0
NON-CURRENT LIABILITIES		
Financial debts to bank	69.0	184.4
Non current portion of medium/long-term financial debts and other loans	0.4	45.2
Medium/long-term financial debts for right of use	36.3	52.7
Other medium/long-term financial liabilities for derivative financial instruments	-	-
Non-current provisions	15.2	23.8
Other payables	38.1	56.5
Deferred tax liabilities	18.1	23.3
TOTAL NON-CURRENT LIABILITIES	177.1	385.9
SHAREHOLDERS' EQUITY		
Share capital	62.5	62.5
Reserves and retained earnings (accumulated losses)	88.4	152.6
Group net result for the period	149.5	57.8
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	300.4	272.9
Non-controlling interests	12.1	14.5
TOTAL SHAREHOLDERS' EQUITY	312.5	287.4
TOTAL LIABILITIES AND EQUITY	766.6	1,145.3

SHAREHOLDERS EQUITY

(in millions of Euro)	Consolidated shareholders' equity - Group	Capital and reserves pertaining to non-controlling interests	Total Group and non-controlling shareholders' equity
Balance at December 31, 2023	272.9	14.5	287.4
Dividends	(133.3)	(3.4)	(136.7)
Currency translation differences	2.1	0.0	2.1
Actuarial gain (loss)	1.0	-	1.0
Fair value cash flow hedging instruments	(2.1)	-	(2.1)
Other changes	10.3	(1.0)	9.3
Net result for the period	149.5	2.0	151.5
Balance at September 30, 2024	300.4	12.1	312.5

CONSOLIDATED INCOME STATEMENT

(in millions of Euro)	Period		Period		Change	
	01.01 – 09.30.2024		01.01 – 09.30.2023 (*)			
	Amount	%	Amount	%	Amount	%
Sales revenues	766.7	100.0	803.9	100.0	(37.2)	(4.6)
Variable cost of sales	541.9	70.7	587.3	73.1	(45.4)	(7.7)
CONTRIBUTION MARGIN	224.8	29.3	216.6	26.9	8.2	3.7
Manufacturing and R&D overheads	68.8	9.0	74.5	9.3	(5.7)	(7.8)
Depreciation and amortization	58.7	7.6	59.2	7.4	(0.5)	(0.8)
Distribution and sales fixed expenses	11.1	1.5	11.2	1.4	(0.1)	(0.8)
Administrative and general expenses	40.6	5.3	40.6	5.0	-	(0.1)
Restructuring costs	4.2	0.5	2.8	0.4	1.4	49.0
Exchange (gains) losses	1.4	0.2	1.7	0.2	(0.3)	(18.3)
Other non-operating expenses (income)	2.0	0.2	1.3	0.1	0.7	52.0
EBIT	38.0	5.0	25.3	3.1	12.7	50.3
Financial expenses	19.7	2.5	16.9	2.1	2.8	16.7
Financial (income)	(8.0)	(1.0)	(4.5)	(0.6)	(3.5)	77.0
RESULT BEFORE TAXES	26.3	3.5	12.9	1.6	13.4	103.5
Income taxes	11.2	1.5	4.6	0.6	6.6	142.8
NET INCOME (LOSS) OF OPERATING ACTIVITIES	15.1	2.0	8.3	1.0	6.8	82.8
Net income (loss) from discontinued operations, net of tax effects	136.4	17.8	39.8	5.0	96.6	242.5
NET RESULT INCLUDING THIRD PARTY	151.5	19.8	48.1	6.0	103.4	214.8
Loss (Income) attributable to non-controlling interests	(2.0)	(0.3)	(2.3)	(0.3)	0.3	13.5
GROUP NET RESULT	149.5	19.5	45.8	5.7	103.7	226.4

RECLASSIFIED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE THIRD QUARTER 2024

(in millions of Euro)	Period		Period		Change	
	07.01 – 09.30.2024		07.01 – 09.30.2023 (*)			
	Amount	%	Amount	%	Amount	%
Sales revenues	242.6	100.0	265.0	100.0	(22.4)	(8.5)
Variable cost of sales	169.7	69.9	189.6	71.6	(19.9)	(10.5)
CONTRIBUTION MARGIN	72.9	30.1	75.4	28.4	(2.5)	(3.2)
Manufacturing and R&D overheads	22.1	9.1	25.5	9.7	(3.4)	(13.5)
Depreciation and amortization	19.5	8.0	20.2	7.6	(0.7)	(3.3)
Distribution and sales fixed expenses	3.8	1.6	3.8	1.4	-	(0.4)
Administrative and general expenses	12.2	5.0	13.4	5.0	(1.2)	(8.5)
Restructuring costs	2.2	0.9	0.9	0.3	1.3	160.8
Exchange (gains) losses	2.2	0.9	(0.7)	(0.3)	2.9	407.0
Other non-operating expenses (income)	0.7	0.4	0.8	0.3	(0.1)	(12.5)
EBIT	10.2	4.2	11.5	4.4	(1.3)	(11.7)
Financial expenses	3.9	1.6	4.9	1.8	(1.0)	(20.0)
Financial (income)	(1.3)	(0.5)	(0.8)	(0.2)	(0.4)	57.2
RESULT BEFORE TAXES	7.6	3.1	7.4	2.8	0.1	2.4
Income taxes	3.3	1.4	2.7	1.1	0.6	17.5
NET INCOME (LOSS) OF OPERATING ACTIVITIES	4.3	1.7	4.7	1.7	(0.4)	(8.1)
Net income (loss) from discontinued operations, net of tax effects	-	-	10.5	4.0	(10.5)	-
NET RESULT INCLUDING THIRD PARTY	4.3	1.7	15.2	5.7	(10.9)	(71.7)
Loss (Income) attributable to non-controlling interests	(0.6)	(0.2)	(0.8)	(0.3)	0.2	(23.3)
GROUP NET RESULT	3.7	1.5	14.4	5.4	(10.7)	(74.3)

CONSOLIDATED NET FINANCIAL POSITION

(in millions of Euro)	09.30.2024	12.31.2023
A. Cash	44.3	78.2
B. Cash equivalent	-	-
C. Other current financial assets	36.2	5.1
D. Liquidity (A) + (B) + (C)	80.5	83.3
E. Current Financial Debt (including debt instruments, but excluding current portion of non-current financial debt)	0.8	1.9
F. Current portion of non-current financial debt	40.5	72.5
G. Current financial indebtedness (E) + (F)	41.3	74.4
H. Net current financial indebtedness (G) - (D)	(39.2)	(8.9)
I. Non-current financial debt (excluding the current portion and debt instruments)	105.6	234.8
J. Debt instruments	-	47.0
K. Non-current trade and other payables	-	-
L. Non-current financial indebtedness (I) + (J) + (K)	105.6	281.8
M. Total Financial indebtedness (H) + (L)	66.4	272.9
Other non current financial assets	4.4	6.8
Financial indebtedness net, including other non current financial assets (as Net Financial Position reported in Consolidated Cash Flow Statement)	62.0	266.1

CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)	09.30.2024	09.30.2023
SELF-FINANCING	69.6	73.3
Change in net working capital	(1.4)	(29.0)
Other medium/long-term assets/liabilities	3.7	2.5
CASH FLOW GENERATED BY OPERATIONS	71.9	46.8
Net decrease from sales of fixed assets	0.6	1.2
TOTAL SOURCES	72.5	48.0
TOTAL APPLICATION OF FUNDS	50.8	50.9
Exchange differences on assets/liabilities and equity	(2.3)	(4.2)
FREE CASH FLOW of operating activities	19.4	(7.1)
FREE CASH FLOW from discontinued operations	321.8	45.5
TOTAL FREE CASH FLOW	341.2	38.4
Dividends paid by subsidiaries to non-controlling interests	(136.7)	(0.0)
Change in fair value derivative instruments	(0.4)	(1.4)
CHANGES IN SHAREHOLDERS' EQUITY	(137.1)	(1.4)
Change in net financial position	204.1	37.0
Opening net financial position	(266.1)	(294.9)
CLOSING NET FINANCIAL POSITION	(62.0)	(257.9)

(*) See the notes at the end of this report for a detailed explanation of the reasons for the reclassifications that we have made.