

*We burn* for technology and safety.



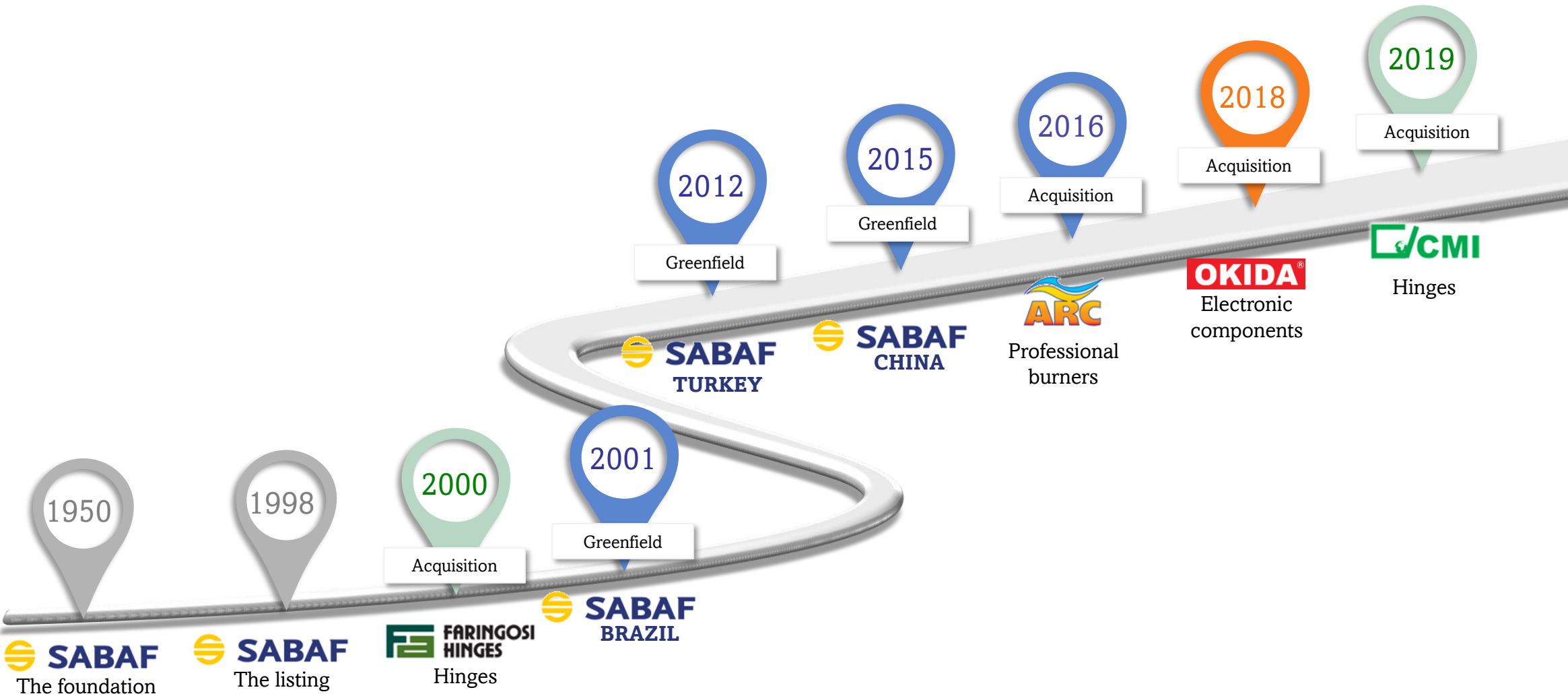
# FINANCIAL PRESENTATION

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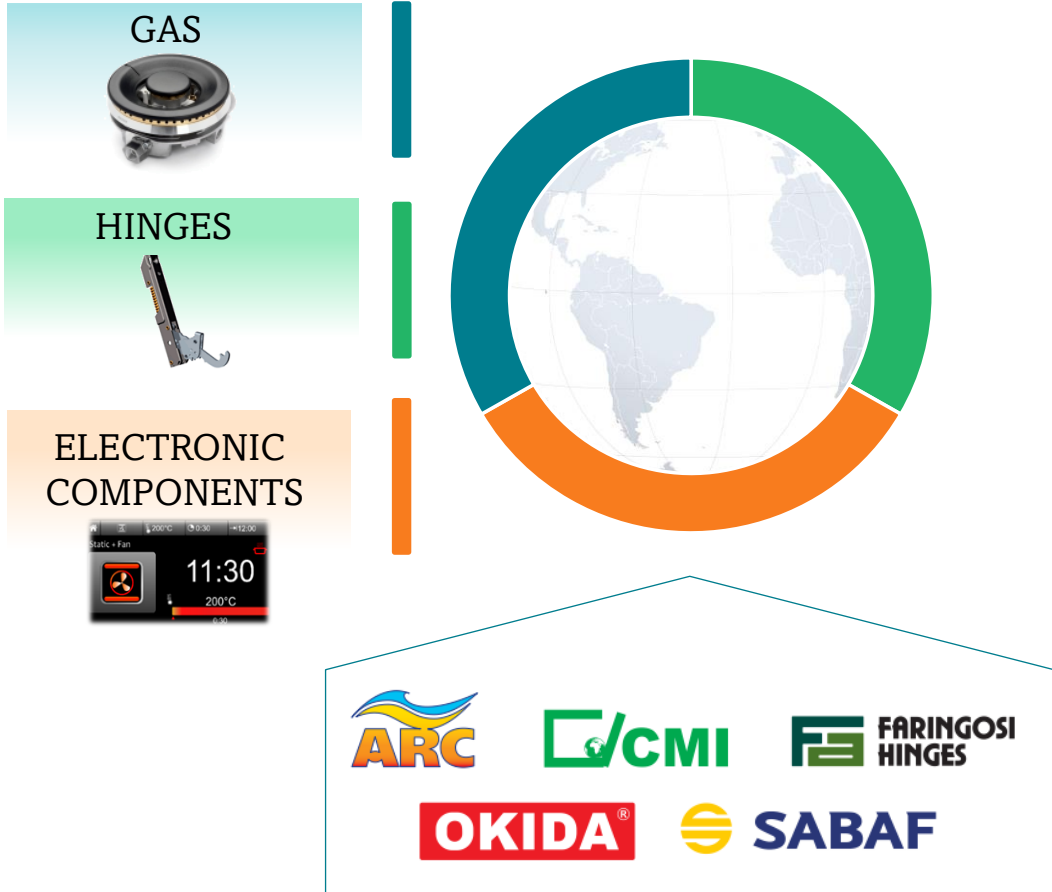
# COMPANY PROFILE

# Sabaf Group Timeline and history

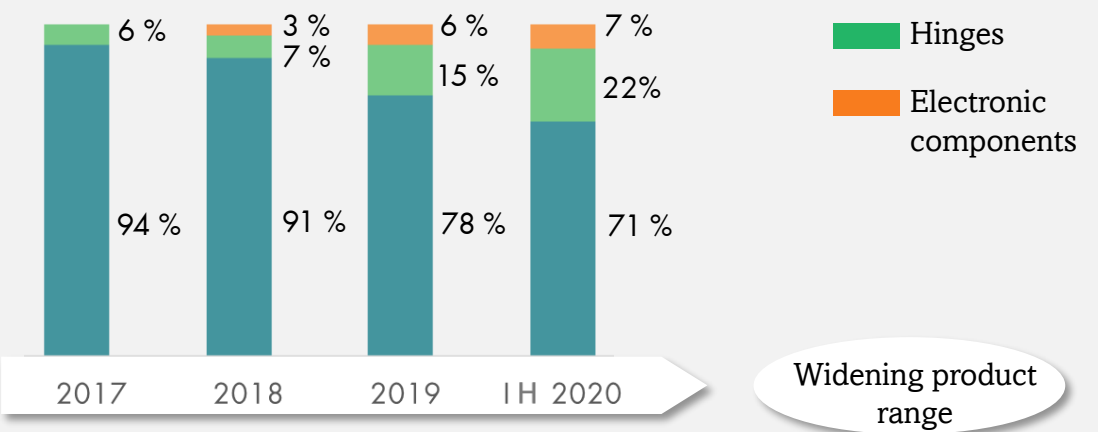


# Sabaf Group

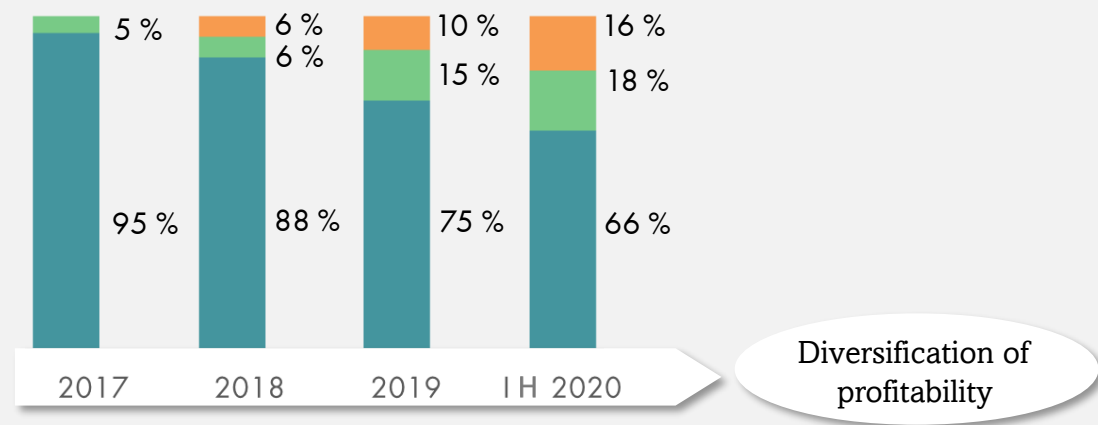
## Business diversification in three divisions



Sales by division



EBITDA by division



# Sabaf Group

## Product range

### GAS

- Standards Burners
- Special Burners
- Professional Burners
- Oven and Grill Burners
- Gas Valves
- Gas Oven Thermostats
- Micro switches & Accessories



### HINGES

- Ovens
- Dishwashers
- Special applications
- Small compartments
- Catering appliance



### ELECTRONIC COMPONENTS

- Cooker Hoods
- Ovens
- Cookers
- Air Curtain
- Refrigerators/freezer
- Other products




# Sabaf Group

## Industrial footprint




Total Group employees  
at 30 September 2020:  
**1,236**


**SABAF S.P.A.**  
Valves and thermostats  
Standard burners  
Special burners  
**541 employees**




**FARINGOSI-HINGES S.R.L.**  
Oven hinges  
Washing machine hinges  
**52 employees**



**ARC S.R.L.**  
Professional burners  
**21 employees**



**CMI ITALY**  
Oven hinges  
Dishwasher hinges  
152 employees




**CMI POLAND**  
Dishwasher hinges  
45 employees




**SABAF TURKEY**  
Standard burners  
**187 employees**



**OKIDA ELEKTRONIK**  
Electronics for household  
appliances  
**131 employees**



**SABAF APPLIANCE  
COMPONENTS (KUNSHAN)**  
Wok burners  
**8 employees**



**ARC HANDAN JV** Professional  
Wok burners



**SABAF DO BRASIL LTDA**  
Standard burners  
Special burners  
**99 employees**



# Sabaf Group Market



## Global leader

- in the segment of **components for domestic gas** cooking appliances, with over 400 customers in 55 different countries. A strong leadership in Europe (market share above 40%), estimated market share worldwide of about 10%
- in the segment of **hinges** with estimated market share worldwide of about 35%

Weight of **top 10** customers on total Group sales is **47%** (45% in 2019)



Each top 10 customer represents **less than 8%** of total Group sales

**Long-term agreements and strong relationships** with all the main players in the household appliances business, based on mutual trust, technical cooperation, co-engineering and tailor-made products



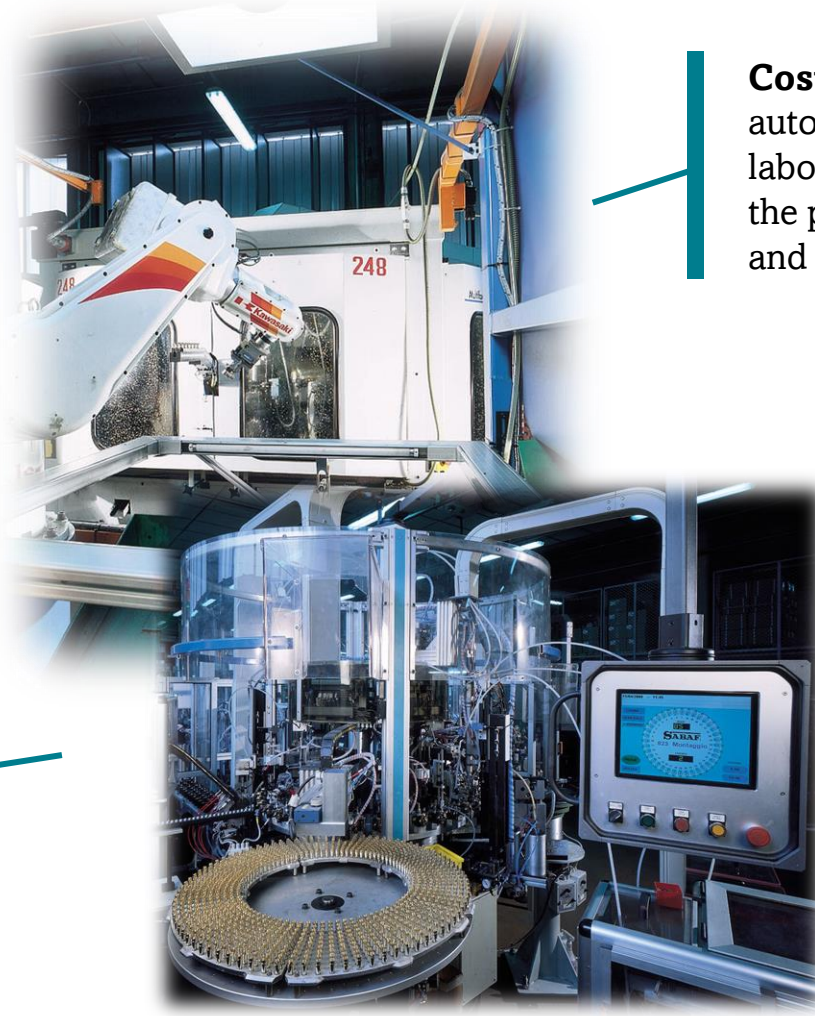
# Sabaf Group

## Product & technology

**Product Innovation:**  
about 90 active patents

### Know-how:

- **Mechanic:** forefront process technology - internal development of special machinery, high performance molds for robotic die-casting, high speed and high precision tools not available on the market
- **Electronic:** strong skills in new product development



**Cost and quality leadership:** highly automated plants and low incidence of direct labor, € 61 mn investments (8.8% of sales) in the past 5 years, to reinforce competitiveness and to ensure the highest quality standards

**Strong operational leverage:** great flexibility in production volumes growth, ready to satisfy customers requests

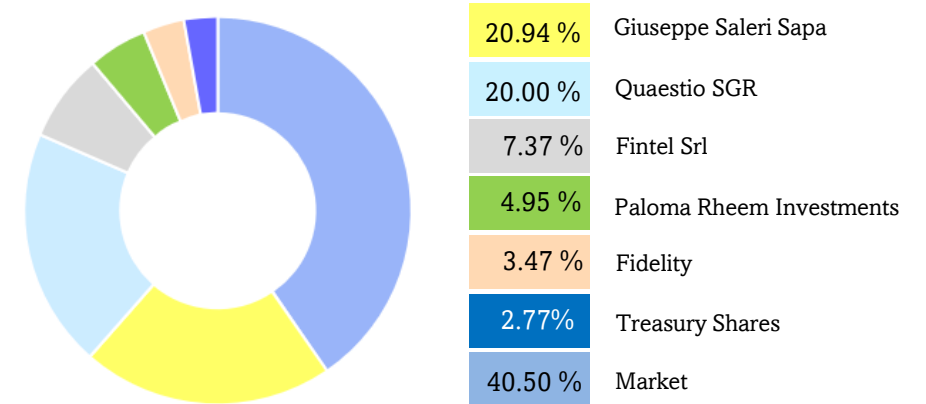
**Intellectual capital:** highly specialized and qualified staff (40+ R&D engineers)

# Sabaf Group

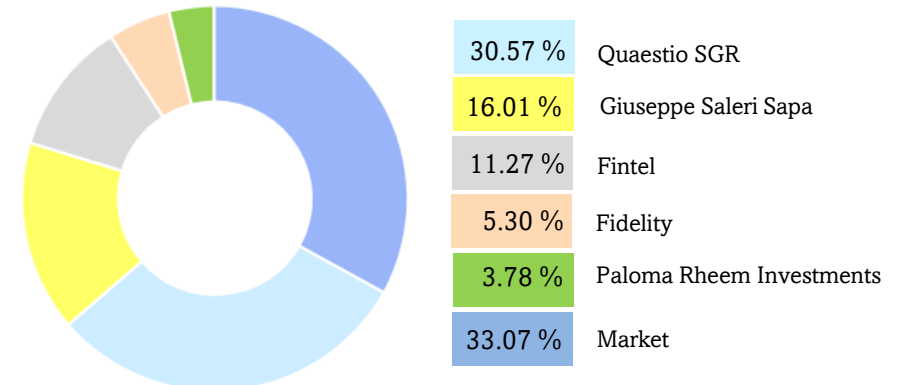
## Stock price & main Shareholders



### % OF SHARE CAPITAL



### % OF VOTING RIGHTS



BUSINESS UPDATE

and

2020 OUTLOOK

# Revenues - IIIQ 2020 and 9M 2020

6 MONTHS	
2020	2019
€ 78.2 million	€ 74.8 million

+ 4.5%

- 12.5% Organic

III QUARTER	
2020	2019
€ 47.2 million	€ 40.4 million

+ 16.8%

+ 8.9% Organic

9 MONTHS	
2020	2019
€ 125.4 million	€ 115.3 million

+ 8.8%

- 5.0 % Organic

# Business update



**Strong recovery** recorded in the III Quarter 2020



**Workforce increased** by 103 units since June  
(on a total of 1,133 employees at 30.06.2020)



From the beginning of September **production is running at full capacity**  
in all Group plants: 3 shifts per day (also weekend days in some plants)



Need to **increase production capacity** by 40% in electronics  
(capex € 0.7 mn in IVQ 2020 – IQ 2021)

# Outlook 2020

New projects with strategic customers launched in the past 2-3 years are starting to convert into revenues

Signs of recovery since July on all the main markets, which have further strengthened in the recent weeks

Strong growth in electronics division(+25%)  
Huge new projects pipeline also thanks to cross-selling

**IV Quarter backlog confirms the positive trend of III Quarter**

**FY 2020 revised exp. sales ranging from €170 to €175 mn**  
(9-12% higher than €155.9 mn of the 2019)  
*Previous forecast released on 6<sup>th</sup> August 2020 €162 -167 mn*

Full year **organic sales** expected **in line or better than 2019**  
**- totally recovering COVID impact**

**Expected improvement in EBITDA %**  
(compared to the first half of the year when it was 17% of sales)

*These forecasts assume a macroeconomic scenario not affected by unpredictable events. If the economic situation were to change significantly, actual figures might diverge from the forecasts.*

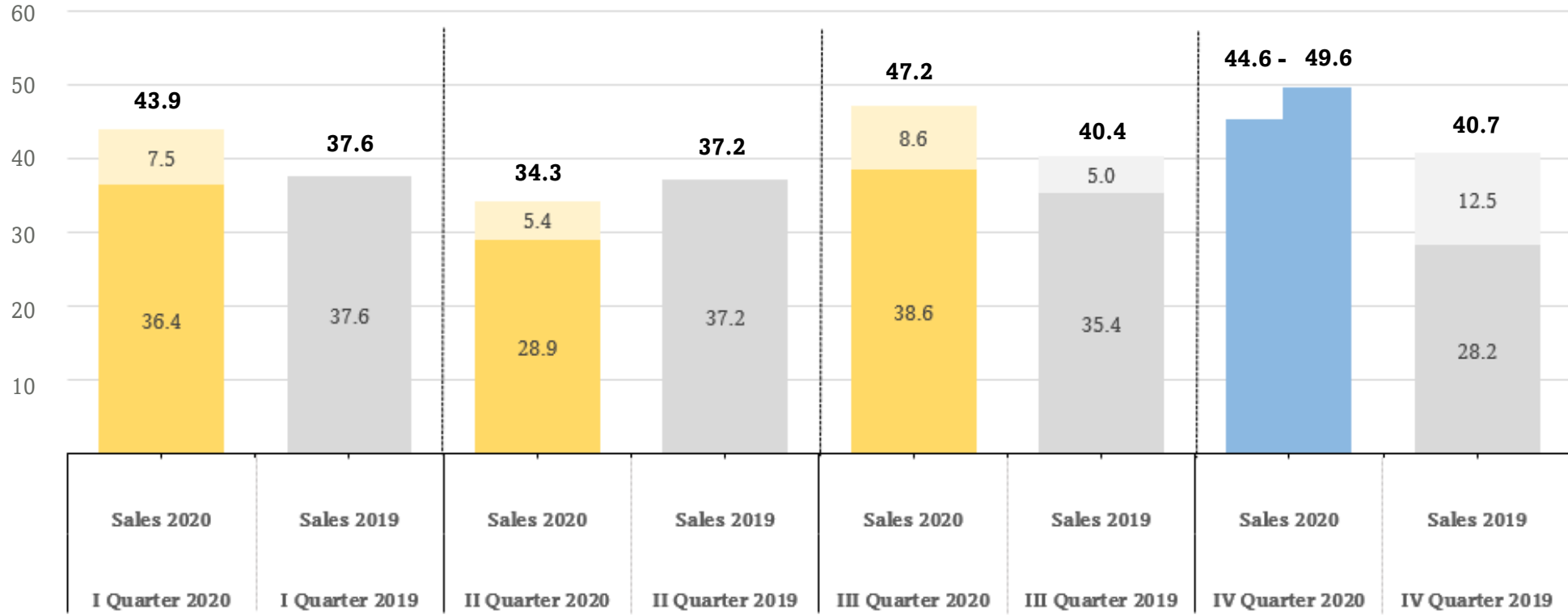
# Outlook 2020

(euro mn)

FULL YEAR

170 - 175

155.9



Organic Sales 2020  
CMI Sales 2020

Organic Sales 2019  
CMI Sales 2019

Forecast

# Sabaf India

**SABAF INDIA** new production facility  
for valves and burners

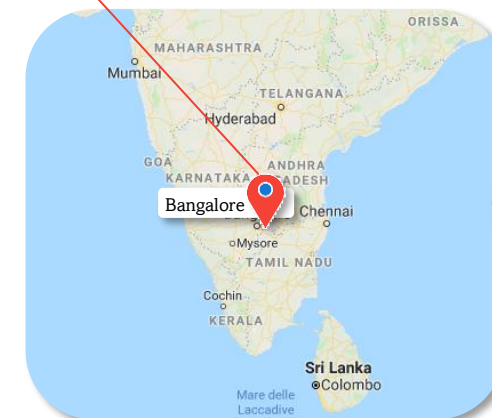
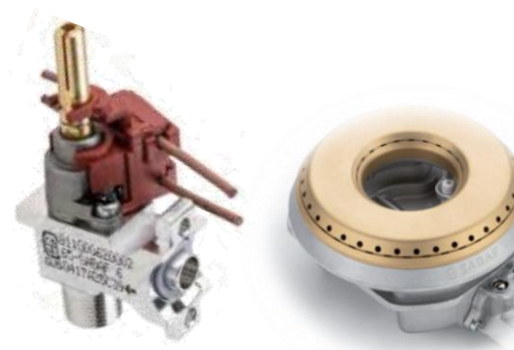
**Production** start-up: **IVQ 2021**

€ **4.5 mn** investment in 4 years

- In August 2020 **acquired land** (23,500 Sqm) and **building** (3,000 Sqm): € 1.3 mn

Expected production **capacity: 5 mn valves**

**Expected sales** in 2023: € **5 mn**





# Dividend

Figures of IH 2020 showed that Sabaf was able to face and overcome the difficult phase linked to Coronavirus

Good expectations for the second half

On 29<sup>th</sup> September 2020 the Shareholder's Meeting approved the **payout of a dividend of € 0.35 per share**

The dividend will be paid on 14<sup>th</sup> October 2020  
(ex-date 12<sup>th</sup> October, record date 13<sup>th</sup> October)

2.7% yield on current share price

# 1<sup>ST</sup> HALF 2020 FINANCIAL PERFORMANCE

# Sabaf Group

## Operational impacts of health emergency

### PRODUCTION STOP

March/ April	Production loss: on average 30% in all Italian plants due to the lockdown Partial slowdown in Turkey and Brasil	Lockdown Heavy recourse to Temporary Redundancy Fund (Cassa Integrazione)
May / June	General production decrease: on average 25% due to the cancellation or postponement of customers' orders and stop of their activities Sharper slowdown in Brasil	Work shifts reduction for social distancing Low absenteeism rate Lower recourse to Temporary Redundancy Fund
July / August	Production recovery in all the Group plants: production equal or higher than 2019 (excepted ARC)	Usual work shifts No recourse to Temporary Redundancy Fund

The Group estimates that, as a result of the pandemic, sales for the first half of the year were about 20% lower than expected, corresponding to a decrease in revenue of €19 million and operating profitability of €5.7 million

### DIRECT COSTS – First Half 2020

- Protective equipment and sanitation activities: 300,000 euro
- Employees benefits: 150,000 euro

# Performance data

## Income statement – I half 2020

€ x 000	6 MONTHS 2020		6 MONTHS 2019 *		Δ % 20 - 19	12 MONTHS 2019	
Revenue	78,164	100.0%	74,826	100.0%	+4.5%	155,923	100.0%
Other income	1,969	2.5%	1,294	1.7%		3,621	2.3%
<b>Total operating revenue and income</b>	<b>80,133</b>		<b>76,120</b>			<b>159,544</b>	
Materials	(35,381)	(45.3%)	(27,878)	(37.3%)		(57,464)	(36.9%)
Personnel costs	(19,901)	(25.5%)	(17,659)	(23.6%)		(37,103)	(23.8%)
Change in inventories	3,677	4.7%	(3,687)	(4.9%)		(8,617)	(5.5%)
Other operating costs	(15,244)	(19.5%)	(14,002)	(18.7%)		(29,327)	(18.8%)
<b>EBITDA</b>	<b>13,284</b>	<b>17.0%</b>	<b>12,894</b>	<b>17.2%</b>	<b>+3.0%</b>	<b>27,033</b>	<b>17.3%</b>
Depreciation	(8,508)	(10.9%)	(6,689)	(8.9%)		(15,183)	(9.7%)
Gains/losses on fixed assets	41	0.1%	48	0.1%		46	0.0%
<b>EBIT</b>	<b>4,817</b>	<b>6.2%</b>	<b>6,253</b>	<b>8.4%</b>	<b>-23.0%</b>	<b>11,896</b>	<b>7.6%</b>
Net financial expense	761	1.0%	(554)	(0.7%)		(701)	(0.4%)
Exchange rate gains and losses	(1,837)	(2.4%)	(1,041)	(1.4%)		(1,380)	(0.9%)
Profits and losses from equity investments	-	0.0%	-	0.0%		(39)	(0.0%)
<b>EBT</b>	<b>3,741</b>	<b>4.8%</b>	<b>4,658</b>	<b>6.2%</b>	<b>-19.7%</b>	<b>9,776</b>	<b>6.3%</b>
Income taxes	(1,225)	(1.6%)	(1,024)	(1.4%)		407	0.3%
<b>PROFIT FOR THE YEAR</b>	<b>2,516</b>	<b>3.2%</b>	<b>3,634</b>	<b>4.9%</b>	<b>-30.8%</b>	<b>10,183</b>	<b>6.5%</b>
Minority interests	(92)	(0.1%)	(121)	(0.2%)		(268)	(0.2%)
<b>PROFIT ATTRIBUTABLE TO THE GROUP</b>	<b>2,424</b>	<b>3.1%</b>	<b>3,513</b>	<b>4.7%</b>	<b>-31.0%</b>	<b>9,915</b>	<b>6.4%</b>

\* C.M.I. Group has been consolidated since August 2019

# Performance data

## Income statement – II quarter 2020

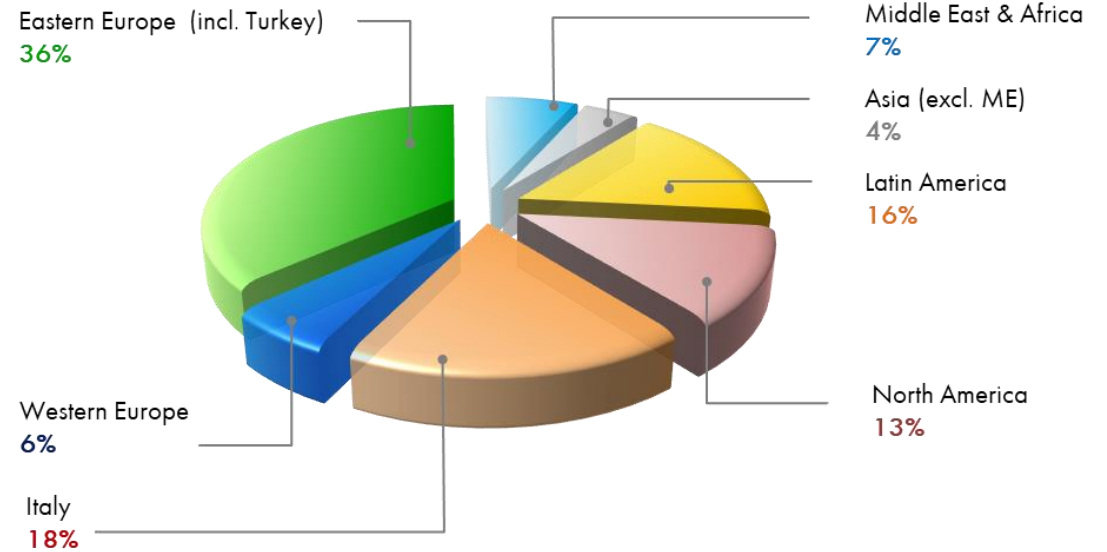
€ x 000	II QUARTER 2020		II QUARTER 2019*		Δ % 20 - 19
Revenue	34,312	100.0%	37,191	100.0%	-7.7%
Other income	920	2.7%	622	1.7%	
<b>Total operating revenue and income</b>	<b>35,232</b>		<b>37,813</b>		
Materials	(16,243)	(47.3%)	(13,599)	(36.6%)	
Personnel costs	(9,648)	(28.1%)	(8,799)	(23.7%)	
Change in inventories	3,981	11.6%	(2,422)	(6.5%)	
Other operating costs	(7,727)	(22.5%)	(6,716)	(18.1%)	
<b>EBITDA</b>	<b>5,595</b>	<b>16.3%</b>	<b>6,277</b>	<b>16.9%</b>	<b>-10.9%</b>
Depreciation	(4,171)	(12.2%)	(3,377)	(9.1%)	
Gains/losses on fixed assets	33	0.1%	3	0.0%	
<b>EBIT</b>	<b>1,457</b>	<b>4.2%</b>	<b>2,903</b>	<b>7.8%</b>	<b>-49.8%</b>
Net financial expense	1,113	3.2%	(322)	(0.9%)	
Exchange rate gains and losses	(1,021)	(3.0%)	(644)	(1.7%)	
Profits and losses from equity investments	-	0.0%	-	0.0%	
<b>EBT</b>	<b>1,549</b>	<b>4.5%</b>	<b>1,937</b>	<b>5.2%</b>	<b>-20.0%</b>
Income taxes	(713)	(2.1%)	(459)	(1.2%)	
<b>PROFIT FOR THE YEAR</b>	<b>836</b>	<b>1.1%</b>	<b>1,478</b>	<b>4.0%</b>	<b>-43.4%</b>
Minority interests	41	0.1%	(80)	(0.2%)	
<b>PROFIT ATTRIBUTABLE TO THE GROUP</b>	<b>877</b>	<b>2.6%</b>	<b>1,398</b>	<b>3.8%</b>	<b>-37.3%</b>

\* C.M.I. Group has been consolidated since August 2019

# Performance data

## Sales by market

€ x 000	6 MONTHS 2020	6 MONTHS 2019*	
Italy	14,364	16,733	-14.2%
Western Europe	4,580	6,500	-29.5%
Eastern Europe (incl. Turkey)	28,355	24,286	+16.8%
Middle East & Africa	5,508	3,196	+72.3%
Asia (excl. ME)	3,131	4,438	-29.4%
Latin America	12,400	12,103	+2.5%
North America	9,826	7,570	+29.8%
<b>Total</b>	<b>78,164</b>	<b>74,826</b>	<b>+4.5%</b>

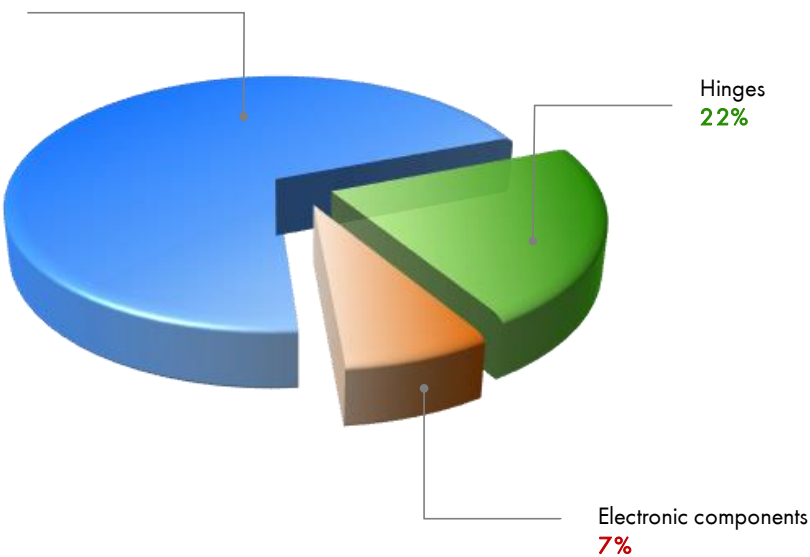


\* C.M.I. Group has been consolidated since August 2019

# Performance data

## Sales by product

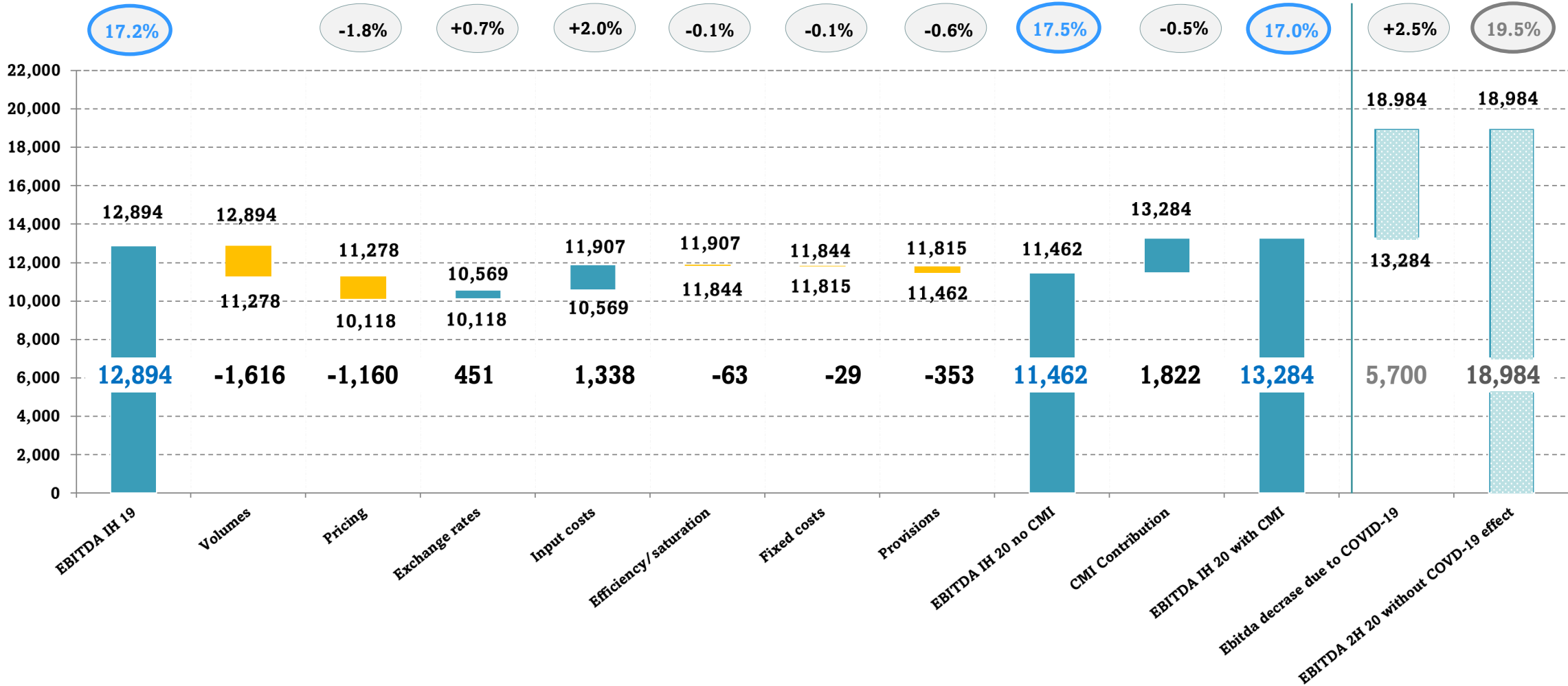
€ x 000	6 MONTHS 2020	6 MONTHS 2019*	
Gas parts	55,123	64,330	-14.3%
Hinges	17,262	5,730	+201.3%
Electronic components	5,778	4,766	+21.2%
<b>Total</b>	<b>78,164</b>	<b>74,826</b>	<b>+4.5%</b>



\* C.M.I. Group has been consolidated since August 2019

# Performance data

## Ebitda bridge IH 2020 vs. IH 2019



€ x 000



# Performance data

## Balance Sheet

€ x 000	30.06.2020	31.03.2020	31.12.2019	30.06.2019	31.03.2019
Fixed assets	133,599	134,108	138,506	116,061	118,200
<i>Inventories</i>	37,599	34,080	35,343	35,141	37,676
<i>Trade receivables</i>	48,964	53,136	46,929	46,712	44,769
<i>Tax receivables</i>	3,081	3,067	4,458	2,958	3,438
<i>Other current receivables</i>	2,147	2,694	1,459	2,114	1,776
<i>Trade payables</i>	(26,338)	(26,558)	(27,560)	(21,450)	(20,746)
<i>Tax payables</i>	(1,165)	(1,617)	(1,802)	(1,703)	(2,768)
<i>Other payables</i>	(10,836)	(9,076)	(9,134)	(8,289)	(7,055)
Net working capital	53,452	55,726	49,693	55,483	57,090
Provisions for risks and severance indemnity	(11,425)	(11,751)	(11,966)	(6,162)	(6,402)
<b>Capital Employed</b>	<b>175,626</b>	<b>178,083</b>	<b>176,233</b>	<b>165,382</b>	<b>168,888</b>
Equity	114,980	117,545	121,105	115,064	120,395
Net debt	60,646	60,538	55,128	50,318	48,493
<b>Sources of finance</b>	<b>175,626</b>	<b>178,083</b>	<b>176,233</b>	<b>165,382</b>	<b>168,888</b>

# Performance data

## Cash flow statement

€ x 000	30.06.2020	30.06.2019	31.12.2019
Cash at the beginning of the period	18,687	13,426	13,426
Net profit	2,516	3,634	10,183
Depreciation	8,508	6,689	15,183
Other income statement adjustments	140	1,807	1,538
Change in net working capital			
- Change in inventories	(2,256)	4,038	9,090
- Change in receivables	(2,035)	220	10,148
- Change in payables	(1,141)	235	(2,901)
	(5,432)	4,493	16,337
Other changes in operating items	(845)	(2,146)	(2,309)
<b>Operating cash flow</b>	<b>4,887</b>	<b>14,477</b>	<b>40,932</b>
Investments, net of disposals	(8,345)	(4,118)	(12,014)
<b>Free Cash Flow</b>	<b>(3,458)</b>	<b>10,359</b>	<b>28,918</b>
Cash flow from financial activity	(2,677)	(6,805)	(10,433)
Own shares buyback	(1,264)	-	3,146
Dividends	-	(6,060)	(6,060)
CMI Acquisition	-	-	(10,475)
OKIDA acquisition	-	(317)	(317)
Forex	(986)	298	482
<b>Net financial flow</b>	<b>(8,385)</b>	<b>(2,525)</b>	<b>5,261</b>
Cash at the end of the period	10,302	10,901	18,687
Current financial debt	31,397	22,463	22,386
Non-current financial debt	39,551	38,756	51,430
<b>Net financial debt</b>	<b>60,646</b>	<b>50,318</b>	<b>55,130</b>

€ x 000	30.06.2020	30.06.2019	31.12.2019
Liquidity and current financial assets	(11,579)	(10,961)	(19,954)
<i>Current financial debt</i>	<i>32,674</i>	<i>22,523</i>	<i>23,652</i>
<i>Non-current financial debt</i>	<i>39,551</i>	<i>38,756</i>	<i>51,430</i>
Financial debt	72,225	61,279	75,082
<b>NET FINANCIAL DEBT</b>	<b>60,646</b>	<b>50,318</b>	<b>55,128</b>

	30.06.2020	30.06.2019	31.12.2019
Unsecured loans	52,156	47,568	55,222
Short-term bank liabilities	4,893	9,373	3,689
Leases out of IFRS 16 scope	1,230	1,386	1,309
Other financial debts	1,233	120	1,293
Put Options	8,913	1,818	10,350
IFRS 16 leases	3,800	1,014	3,219
<b>Financial debt</b>	<b>72,225</b>	<b>61,279</b>	<b>75,082</b>

# Performance data

## Financial Indicators

	30.06.2020	30.06.2019**	31.12.2019 pro-forma***	
Change in turnover*	+4.5%		+3.5%	
Change in turnover - Organic*	-12.5%		-8.9%	
ROCE (return on capital employed)	5.5%	7.6%	6.8%	7.1%
Net debt/EBITDA	2.28	1.95	2.04	1.86
Net working capital/Turnover	34.2%	37.1%	31.9%	28.7%
Net deb/equity	52.7%	43.7%	45.5%	
Days of Sales Outstanding	113	112	108	97
Days of Payables Outstanding	93	91	114	90
Days of Inventory Outstanding	101	100	96	74

\* For the 6 months 2020 the change in turnover has been calculated vs. the first half of 2019  
For the 12 months 2020 the change in turnover has been calculated vs. the 12 months 2019

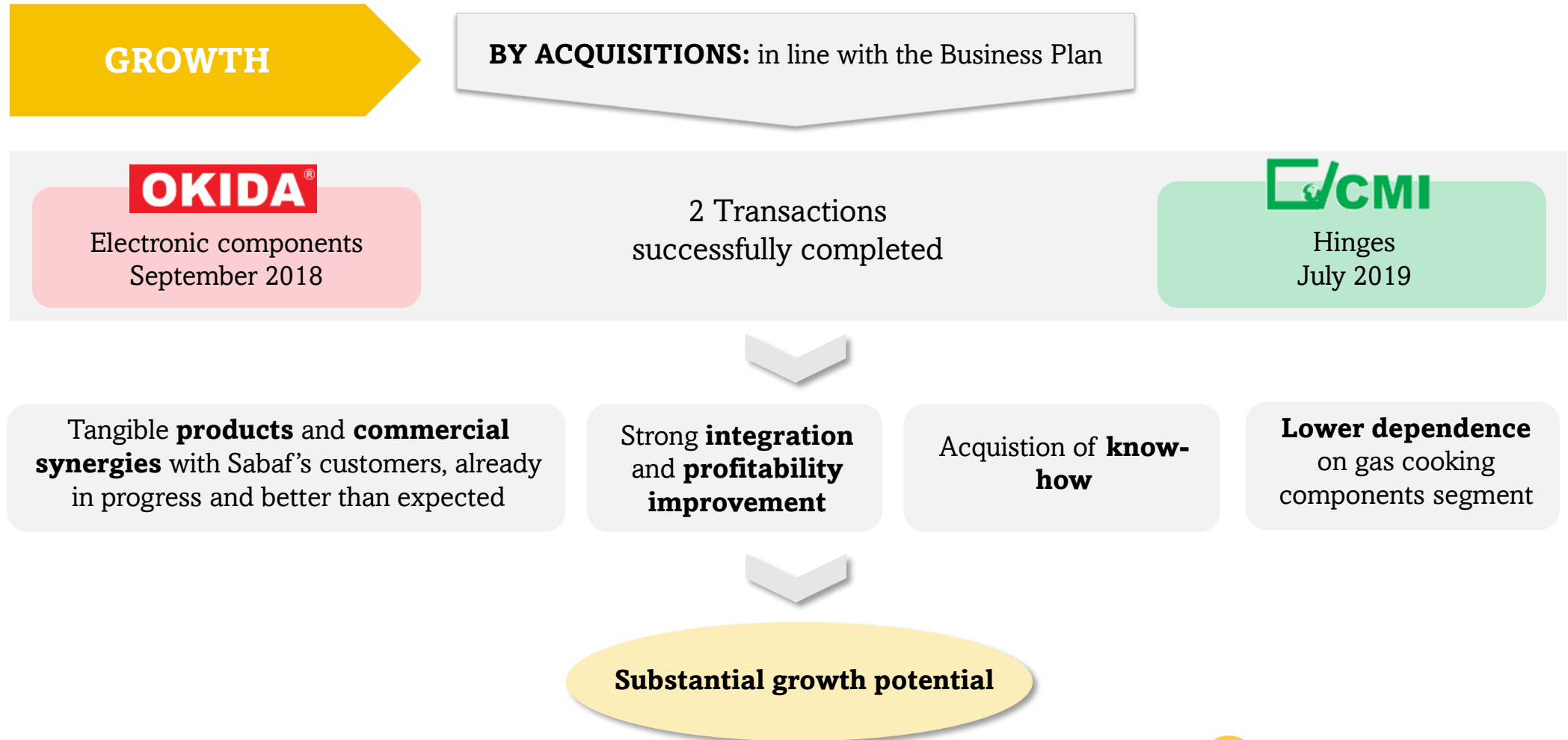
\*\* Figures do not consider the C.M.I. Group contributions. The C.M.I. Group has been consolidated since August 2019

\*\*\* The return on capital employed and the pro-forma net debt/EBITDA ratio are calculated considering, for the companies consolidated during the year, the EBIT and EBITDA for the full year

# BUSINESS PLAN 2018 – 2022

# Business plan 2018 - 2022

## Where we are 1/2



# Business plan 2018 - 2022

## Where we are 2/2

**GROWTH**

**ORGANIC:** expected recovery in 2021 and 2022

Huge  
**new products pipeline**

Actions

**Strengthened relationships**  
with global players

	Total projects	Main projects	Estimated additional annual sales	Period	Markets
Burners and valves	31	6	15 - 18 mn €	2020- 2022	North America, Europe, South America, Far East
Electronic components	48	30	4 - 6 mn €	2019 - 2022	Europe and Middle East, South and North America (new markets)
Hinges	19	9	3 - 4 mn €	2019 - 2022	Europe
<b>Total</b>	<b>98</b>	<b>45</b>	<b>22 - 28 mn €</b>		

COVID-19

All main projects are **confirmed**

Estimated **delay** of about **6 months**

## **DISCLAIMER**

Certain information included in this document is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially.

The Company's business is in the domestic appliance industry, with special reference to the gas cooking sector, and its outlook is predominantly based on its interpretation of what it considers to be the key economic factors affecting this business. Forward-looking statements with regard to the Group's business involve a number of important factors that are subject to change, including: the many interrelated factors that affect consumer confidence and worldwide demand for durable goods; general economic conditions in the Group's markets; actions of competitors; commodity prices; interest rates and currency exchange rates; political and civil unrest; and other risks and uncertainties.

Pursuant to Article 154/2, paragraph 2 of the Italian Consolidated Finance Act (Testo Unico della Finanza), the company's Financial Reporting Officer Gianluca Beschi declares that the financial disclosure contained in this financial presentation corresponds to the company's records, books and accounting entries.

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