



SPAFID  
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Oggetto : Sogefi: Results for the year 2020 and  
appointed the new CEO

*Testo del comunicato*

Vedi allegato.



PRESS RELEASE

**FOURTH QUARTER 2020**  
**Revenues and results higher than in Q4 2019**

**RESULTS FOR THE YEAR 2020**  
**The group showed resilience in a totally exceptional year**

**Revenues: € 1,203.2 million, -14.2% at constant exchange rates (car market -16.2%)**  
**Outperformed market in all geographical areas**  
**In Q4, revenues higher (+8.9% at constant exchange rates)**

**EBITDA margin, excluding non-recurring charges, was higher reaching 13% of revenues (12.1% in 2019)**

**Net result before non-recurring charges and result of operations for disposal close to break-even (€ -3.4 million)**

**Net non-recurring charges for rationalization actions came to € 16.2 million (€ 4.3 million in 2019)**

**THE BOARD APPOINTED AS NEW GROUP CEO FREDERIC SIPAHI,**  
**LEADER OF THE AIR & COOLING BUSINESS UNIT TURNAROUND AND SINCE**  
**2019 ALSO MANAGER OF THE FILTRATION BU**

**Highlights from results for 2020\***

(in €m)	2019	2020	Δ%	Δ% at constant exch. rates
Revenues	1,463.8	<b>1,203.2</b>	-17.8	-14.2
EBITDA**	177.4	<b>137.6</b>		
Net result of operations destined to continue	11.1	<b>-19.6</b>		
Net result	3.2	<b>-35.1</b>		
Net debt (end of period) before IFRS16	256.2	<b>291.3</b>		

\* The figures for the year 2019 were restated to apply IFRS 5 ("Non-current assets held for sale and discontinued operations") to the Brazilian subsidiary, sold in December 2020, and to the Spanish subsidiary sold in January 2021, both of which belonged to the Filtration business unit.

\*\* EBITDA is calculated by adding to the "Ebit" figure the item "Amortization and depreciation" and the amount for the write-down of tangible and intangible assets included in the item "Other non-operating costs (revenues)", which totalled € 13.6 million at December 31 2020 (€ 9.2 million in the same period of the previous year).

Milan, February 26 2021 – The **Board of Directors of Sogefi S.p.A.**, which met today under the chairmanship of **Monica Mondardini**, has approved the **proposed financial statements for the year 2020**, presented by Mr Mauro Fenzi.

The Board of Directors appointed the current General Manager of the Air & Cooling and Filtration Business Units, Mr. Frederic Sipahi, as new group CEO, in substitution of Mr. Mauro Fenzi.

**Frederic Sipahi**, aged 40, has a business education and has spent his entire career in the automotive sector, initially in PSA, then in Faurecia and since 2012 in Sogefi.

Since 2015 he has led the Air & Cooling division, achieving a significant improvement in performance, both in terms of increased profitability and cash generation; he also achieved positive results in 2020, despite the extraordinary context. He also reoriented the division's product strategy, by effectively positioning it towards new technologies.

Since 2019 he has also led the Filtration division, where he launched major rationalisation and efficiency enhancement programs.

Mr. Fenzi said: *"After a year of intense work, my managerial role at Sogefi comes to an end for personal reasons. Sogefi has an extremely motivated and competent management team, that is well equipped to face with the right determination the challenges of the next few years. I take this opportunity to thank my collaborators for their professional and decisive contribution and the members of the Board of Directors for their continuous support"*. The Board of Directors thanked him for the work done.

## SUMMARY OF RESULTS FOR 2020

After the first half of 2020 in which world car production suffered a dramatic and unprecedented fall (-33.2%) due to the effects of the spread of the Covid-19 pandemic, in the second half of the year the market reported a definite recovery compared to the previous half (+44%), with volumes substantially unchanged compared to the same period of 2019 thanks to the growth reported in the last quarter of 2020 (+2.5%). The recovery in the fourth quarter was seen in all markets: China, where production was up by 5.9% on the fourth quarter of the previous year, NAFTA, the EU and South America, with volumes substantially equivalent to those of the fourth quarter of 2019 (+0.5%, +1.4% and +1.3% respectively).

Despite the recovery in the second half, the results for the whole year reported an extraordinarily significant downturn compared to 2019: -16.2% for world car production, -23.3% in the EU, -20.1% in North America, -4.2 % in China and -30.7% in South America.

In 2020 **the Group's priority was the safety of its employees**; from the moment when news came of the Covid-19 phenomenon in China, action was immediately taken to reduce the risk of contagion and then all the measures recommended for health and safety in the workplace were adopted, reviewing the production processes and implementing new safety protocols, which involve physical distancing and the use of individual protection systems. Currently it has been decided to maintain the measures to limit the presence of personnel in the workplace, with staff working from home.

At the same time **radical action was taken to mitigate the impact of the crisis**, and of the consequent contraction in sales, **on results and on the capital solidity** of the Group. The measures put in place made it possible to obtain the following:

- An increase in the contribution margin to 30.8% from 30.2% in 2019;
- A 19.1% reduction in fixed costs with an unchanged ratio to sales of 17%, which was down in 4Q 2020 (15.8% versus 17.1% in 4Q 2019).

Moreover, in 2020 Sogefi obtained **new contracts for a value in line with previous years** and consistent with the objectives of maintaining/increasing its market share, with a significant portion of the new orders being for hybrid or full electric vehicles, positioning itself in the markets of the future.

More specifically, 25% of the value of the orders acquired in 2020 by the Air and Cooling division is destined for cooling hybrid or full electric vehicles; the division also obtained an important contract (Life Time Value: € 100 million) to supply air-intake manifolds in aluminium to a prime German OEM, launching a new product line in a sector in which the division is already market leader.

Similarly, 35% of the value of the orders received by the Suspensions division is for hybrid or full electric vehicles, thanks to the new product developed to meet the light-weight and time-to-market requirements of electric vehicles and to the receipt of an order from a prime North American producer of full electric vehicles.

## REVENUES

In 2020, Sogefi's **revenues** totalled € 1,203.2 million and were down by 17.8% on 2019 at historical exchange rates and by 14.2% at constant exchange rates.

An examination of the performance of revenues throughout the year shows that in the first quarter revenues fell by 9.6%, because of the spread worldwide of the pandemic as from March; in the second quarter they fell by 55.6%, in a phase of substantial lockdown in the main markets; during the third quarter there was a gradual recovery (-6.6% on 2019), which led to growth of 2% in the fourth quarter (+8.9% at constant exchange rates) compared to the same period of 2019.

### Performance of revenues by geographical area

The performance of revenues at constant exchange rates was better than the market in all the main geographical areas; the decline in Europe was 18.1% versus the market's -23.3%, and in North America it was 9.8% versus -20.1%; in Asia revenues rose, while the market reported -7%, thanks particularly to the good performance of China (+15.8% versus the market's -4.2%).

(in millions of Euro)	FY 2020	FY 2019	reported change	constant exchange rates	reference market production	weight based on FY 2020
Europe	754.9	923.5	-18.3%	-18.1%	-23.3%	62.7%
North America	250.8	288.7	-13.1%	-9.8%	-20.1%	20.8%
South America	59.5	110.2	-46.0%	-12.1%	-30.7%	4.9%
Asia	145.0	149.9	-3.3%	0.9%	-7.0%	12.1%
- of which China	86.0	75.5	13.8%	15.8%	-4.2%	7.1%
Intercompany	(7.0)	(8.5)				
Total	1,203.2	1,463.8	-17.8%	-14.2%	-16.2%	100.0%

## Performance of revenues by Business Unit

Filtration (with an 8.1% decline in revenues at constant exchange rates) and Air and Cooling (-10.7% at constant exchange rates) reported a much less negative result than the market thanks, for Filtration, to the fact that the OES and Aftermarket channels held up better and for Air and Cooling to the development of the portfolio of contracts particularly in China and North America. The impact of the crisis was greater for Suspensions, which suffered a fall in revenues of 22.7% at constant exchange rates, reflecting the greater concentration of the business in Europe and South America and the particularly bad performance of the sector in these areas.

(in millions of Euro)	2020		2019		var. '20 vs '19	var. '20 vs '19 constant exchange rate
	Amount	%	Amount	%		
Suspensions	399.6	33.2	549.7	37.6	-27.3%	-22.7%
Filtration	434.2	36.1	491.5	33.6	-11.7%	-8.1%
Air&Cooling	371.8	30.9	425.9	29.1	-12.7%	-10.7%
Intercompany eliminations	(2.4)	(0.2)	(3.3)	(0.3)		
<b>TOTAL</b>	<b>1,203.2</b>	<b>100.0</b>	<b>1,463.8</b>	<b>100.0</b>	<b>-17.8%</b>	<b>-14.2%</b>

## OPERATING RESULT AND NET RESULT

The results of the group were affected by the fall in revenues and the non-recurring charges linked to the launch of plans for reducing fixed costs, particularly in Europe, and for rationalizing the Group's footprint (sale and closure of two production sites in Europe) as well as its geographical presence (sale of the filtration business in Brazil).

**EBITDA** came in at € 137.6 million compared to € 177.4 million in 2019. Excluding the rationalization charges as above, EBITDA declined from € 177.4 million to € 156.9 million with profitability (EBITDA / Revenues %) of 13%, which was higher than the figure for 2019 (12.1%).

The contribution margin for 2020 was slightly better than that of 2019, rising from 30.2% to 30.8% and the ratio of fixed costs to sales remained unchanged, despite the lower revenues, thanks to the cost-cutting measures taken, which were partly temporary and partly destined to become structural.

**EBIT** came to € 7.2 million, versus € 48.4 million in 2019. The lower EBIT reflects the fall in revenues, the gross non-recurring charges of € 20 million (€ 4.3 million in 2019) and further write-downs of fixed assets for € 12.9 million (€ 4.9 million in 2019), resulting from the action taken by the company to counter the crisis.

The Group reported a **net loss from businesses destined to continue** of € 19.6 million, mainly because of € 16.2 million of non-recurring rationalization charge (versus earnings of € 11.1 million in 2019). The operations sold between the end of 2020 and the beginning of this year (the Brazilian subsidiary and the Spanish subsidiary of the Filtration business unit) gave rise to a loss of € 15.5 million, which compares with a loss of € 7.9 million in 2019.

## DEBT AND EQUITY

Regarding **Free Cash Flow**, in 2020 an amount of € 38.2 million was absorbed (versus cash generation of € 8.4 million in 2019), mainly as a result of the evolution of working capital due to the particular circumstances that arose during the year.

**Net financial debt before IFRS16** stood at € 291.3 million at December 31 2020 (€ 256.2 million at the close of 2019), but was lower than at September 30 2020 (when net debt was € 299 million).

Including the financial payables for rights of use, as per IFRS 16, the net debt amounted to € 358.1 million at December 31 2020, up from € 318.9 million at December 31 2019. It should be noted that in 2020 the Group invested in the development of a new suspension production site in Romania, with the aim of increasing the group's competitiveness in the sector, and signed the lease agreement for the new site, which led to the recognition of an IFRS 16 payable of approximately € 19 million.

At December 31 2020 the covenants contained in the loan agreements were being complied with.

At December 31 2020 the Group had committed credit lines in excess of its requirements for € 340.1 million (of which € 100 million earmarked for the repayment of the convertible bond maturing in May 2021); in 2020 new medium-term loan agreements were signed for a total amount of € 134.5 million, including a loan of € 80 million (signed in October 2020) granted by prime Italian banks and guaranteed by SACE, and new credit facilities with French banks for a total of € 54.5 million, most of which are also guaranteed by the French state.

At December 31 2020 shareholders' equity, excluding minority interests, amounted to € 133.0 million (€ 188.7 million at December 31 2019).

## SUMMARY OF RESULTS OF FOURTH QUARTER 2020

### Highlights from the results of 4Q 2020\*

(in €m)	2019	2020	Δ%	Δ% at constant exch. rates
Revenues	357.4	<b>364.5</b>	+2.0	+8.9
EBITDA**	44.1	<b>39.0</b>		
Net result of operations destined to continue	-0.9	<b>-4.4</b>		
Net result	-5.1	<b>-12.0</b>		

\* The figures for the year 2019 were restated to apply IFRS 5 ("Non-current assets held for sale and discontinued operations") to the Brazilian subsidiary, sold in December 2020, and to the Spanish subsidiary sold in January 2021, both of which belonged to the Filtration business unit.

\*\* EBITDA is calculated by adding to the "Ebit" figure the item "Amortization and depreciation" and the amount for the write-down of tangible and intangible assets included in the item "Other non-operating costs (revenues)", which totalled € 5.4 million in fourth quarter 2020 (€ 7.1 million in the same period of the previous year).

The revenues for fourth quarter 2020 rose by 2% at historical exchange rates and by 8.9% at constant exchange rates compared to the same period of 2019.

EBITDA, excluding the charges for the rationalization action, came in at 14.5% versus 12.3% in 2019.

For **operations destined to continue** the Group reported a **net loss of € 4.4 million** caused by non-recurring rationalization charges of € 11.9 million (versus a loss of € 0.9 million in the same

period of 2019). The businesses sold between the end of 2020 and the beginning of this year (the Brazilian subsidiary and the Spanish subsidiary of the Filtration business unit) generated a loss of € 7.6 million, which compares with a loss of € 4.2 million reported by the same subsidiaries in 2019.

Free Cash Flow before IFRS 16 was a positive € 8.7 million, in line with the same period of 2019.

### **IMPACT OF COVID-19 ON BUSINESS**

Following the spread of the Covid-19 pandemic, Sogefi first suspended production in China and then in the second half of March suspended activity in almost all of its production sites. Business started to resume first in China and then from May onwards in all the other countries in which the Group operates, albeit with production volumes that were until August significantly lower than those of the previous year and of expectations.

As for the evaluation of the impact that the pandemic is having on the Group, the pre Covid-19 forecasts had envisaged that sales revenues for 2020 would be substantially in line with 2019 and in the first two months of the year the Company did in fact report volumes equivalent to or higher than those expected. However, during subsequent months there was an extremely significant decline with a recovery only from June onwards. Because of this, in 2020 Sogefi reported revenues of € 1,203.2 million, 17.8% lower than those of 2019 at historical exchange rates; this reduction was almost entirely attributable to the effects of the circumstances brought about by the pandemic. The contraction in volumes, although partly offset by the reduction in fixed costs, nonetheless involved an estimated negative impact on EBIT of € 34 million and of € 21 million on the net result, with a consequent increase in debt.

As well as having reacted promptly to reduce the impact of the crisis from March until today, the Company has also adopted a plan to adapt its structure to the changed market circumstances and this plan is already being implemented.

### **RESULTS OF THE PARENT COMPANY OF THE GROUP SOGEFI S.P.A.**

For 2020 the parent company of the group Sogefi S.p.A. reported a net loss of € 6.2 million compared to net income of € 7.7 million in 2019. The decline was due mainly to the lower flow of dividends distributed by the subsidiaries and to higher financial expense.

### **OUTLOOK FOR THE YEAR**

Given the continuing uncertainty regarding the evolution of the pandemic, there is very little clarity as to how the market will perform in coming months.

There is also uncertainty about the trend of commodity prices (particularly those of steel) and their availability (semiconductors), as well as logistical difficulties involving transport and sourcing from Asian markets.

For the year 2021, IHS is forecasting a recovery in world production of 13.7% compared to 2020, but this will still be lower than in 2019 (-4.8%).

In this scenario, thanks to the effects of the drastic action taken in 2020 to reduce the impact of fixed costs and to bring about a structural improvement of its profitability, Sogefi expects to return to profit for the full year 2021.

## **TERMINATION OF THE EMPLOYMENT RELATIONSHIP WITH MR. FENZI**

No amount has been paid in relation to the resignation of Mr. Fenzi from the position of Chief Executive Office and no payment is provided in relation to the termination of the employment relationship, in addition to the mandatory payments required by law. Based on the information available, Mr. Fenzi does not own shares in Sogefi.

## **PROPOSED DIVIDEND**

The Board of Directors will put forward the proposal to the Annual General Meeting of the Shareholders that no dividends be distributed.

## **ANNUAL GENERAL MEETING**

The Annual General Meeting of the Shareholders of Sogefi will be held at the first call on April 23 2021 and at the second call on April 26 2021.

The Board of Directors has voted to put the following proposals before the Annual General Meeting of the Shareholders:

- In the light of the current legislative and regulatory rules, Consob Resolution no. 20876 of April 3 2019, Consob Guidelines of July 2019 and Consob Resolution no. 21318 of April 7 2020, the cancellation and renewal of the authorization of the same Board of Directors, for a period of 18 months, to buy back a maximum of 10 million own shares (including 2,102,588 shares, equal to 1.75% of the share capital) at a unit price that cannot be more than 10% higher or lower than the benchmark price recorded by the shares on regulated markets on the trading day preceding each single buyback transaction or the date on which the price is fixed. In any case, when the shares are bought back in the regulated market, the price must not be higher than the higher of the price of the last independent transaction and the highest current independent bid price on the same market, in compliance with what is set out in EU Delegated Regulation no. 2016/1052.

The main reasons why this authorization is being renewed are: to fulfil the obligations resulting from possible stock option plans or other awards of shares of the Company to employees or members of the Board of Directors of Sogefi or its affiliated companies; to fulfil any obligations resulting from debt instruments that are convertible into or exchangeable with equity instruments; to support market liquidity of the shares; to take advantage of opportunities for creating value, as well as investing liquidity efficiently in relation to the market trend; for any other purpose qualified by the competent Authorities as admitted market practice in accordance with applicable European or domestic rules, and with the procedures established therein.

- The approval of a Stock Grant Plan for 2021 aimed at employees of the Company and its subsidiaries, in the terms to be defined by the Board of Directors and notified to the market in sufficient time for any legal obligations to be carried out. The Stock Grant Plan has the aim of rewarding the loyalty of the beneficiaries to the companies of the Group, giving them an incentive to increase their commitment to improving the performance of their Company.

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*The Executive responsible for the preparation of the Company's Financial Statements, Yann Albrand, hereby declares, in compliance with the terms of paragraph 2 Article 154 bis of the Finance Consolidation Act (TUF), that the figures contained in this press release correspond to the results documented in the Company's accounts and general ledger.*

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This press release can be consulted on the internet at the following address:

<http://www.sogefigroup.com/it/area-stampa/index.html>

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*Attached are the main results of the income statement and the statement of financial position at December 31 2020 of the Sogefi Group*

## **SOGEFI GROUP**

### **CONSOLIDATED BALANCE SHEET**

(in millions of Euro)

<b>ASSETS</b>	<b>12.31.2020</b>	<b>12.31.2019 (*)</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	209.7	165.2
Other financial assets	4.0	3.3
Inventories	97.7	115.5
Trade receivables	135.6	149.5
Other receivables	8.8	9.8
Tax receivables	23.2	28.6
Other assets	2.3	2.1
<b>ASSETS HELD FOR SALE</b>	6.5	-
<b>TOTAL CURRENT ASSETS</b>	<b>487.8</b>	<b>474.0</b>
<b>NON-CURRENT ASSETS</b>		
Land	12.4	13.0
Property, plant and equipment	361.1	382.1
Other tangible fixed assets	4.5	4.6
Right of Use	66.4	61.3
Intangible assets	255.4	272.6
Other financial assets	-	-
Financial receivables	2.3	6.8
Other receivables	33.9	33.5
Deferred tax assets	41.0	37.0
<b>TOTAL NON-CURRENT ASSETS</b>	<b>777.0</b>	<b>810.9</b>
<b>TOTAL ASSETS</b>	<b>1,264.8</b>	<b>1,284.9</b>

(\*) The comparative information has been restated to account a change in the classification of liabilities from "Trade receivables" to "Trade and other payables".

<b>LIABILITIES</b>	<b>12.31.2020</b>	<b>12.31.2019 (*)</b>
<b>CURRENT LIABILITIES</b>		
Bank overdrafts and short-term loans	3.2	1.9
Current portion of medium/long-term financial debts and other loans	148.8	78.8
Short-term financial debts for right of use	18.0	15.1
Other short-term liabilities for derivative financial instruments	-	-
Trade and other payables	309.5	361.4
Tax payables	4.3	9.2
Other current liabilities	35.2	39.0
<b>LIABILITIES RELATED TO ASSETS HELD FOR SALE</b>	5.3	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>524.3</b>	<b>505.4</b>
<b>NON-CURRENT LIABILITIES</b>		
Financial debts to bank	255.4	131.9
Other medium/long-term financial debts	95.3	213.7
Medium/long-term financial debts for right of use	52.2	52.8
Other medium/long term financial liabilities for derivative financial instruments	1.0	-
Long-term provisions	98.3	76.3
Other payables	58.7	59.5
Deferred tax liabilities	30.2	37.6
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>591.1</b>	<b>571.8</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	62.5	62.5
Reserves and retained earnings (accumulated losses)	105.6	123.0
Group net result for the year	(35.1)	3.2
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY</b>	<b>133.0</b>	<b>188.7</b>
Non-controlling interests	16.4	19.0
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>149.4</b>	<b>207.7</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,264.8</b>	<b>1,284.9</b>

(\*) The comparative information has been restated to account a change in the classification of liabilities from "Trade receivables" to "Trade and other payables".

## RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in millions of Euro)	Period		Period		Change	
	01.01 – 12.31.2020		01.01 – 12.31.2019 (*)			
	Amount	%	Amount	%	Amount	%
Sales revenues	1,203.2	100.0	1,463.8	100.0	(260.6)	(17.8)
Variable cost of sales	832.5	69.2	1,021.4	69.8	(188.9)	(18.5)
CONTRIBUTION MARGIN	370.7	30.8	442.4	30.2	(71.7)	(16.2)
Manufacturing and R&D overheads	107.2	8.9	136.5	9.3	(29.3)	(21.4)
Depreciation and amortization	116.7	9.7	119.8	8.2	(3.1)	(2.5)
Distribution and sales fixed expenses	29.0	2.4	37.8	2.6	(8.8)	(23.3)
Administrative and general expenses	67.4	5.6	77.3	5.3	(9.9)	(12.8)
Restructuring costs	30.4	2.5	9.2	0.6	21.2	229.1
Losses (gains) on disposal	0.1	-	0.1	-	(0.0)	(22.6)
Exchange losses (gains)	4.3	0.4	3.3	0.2	1.0	30.4
Other non-operating expenses (income)	8.4	0.7	10.0	0.7	(1.6)	(16.3)
EBIT	7.2	0.6	48.4	3.3	(41.2)	(85.1)
Financial expenses (income), net	22.8	1.9	20.8	1.4	2.0	9.4
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES	(15.6)	(1.3)	27.6	1.9	(43.2)	(156.6)
Income taxes	3.5	0.3	13.5	0.9	(10.0)	(73.6)
NET INCOME (LOSS) OF OPERATING ACTIVITIES	(19.1)	(1.6)	14.1	1.0	(33.2)	(235.9)
Net income (loss) from discontinued operations, net of tax effects	(15.5)	(1.3)	(7.9)	(0.6)	(7.6)	95.8
NET RESULT INCLUDING THIRD PARTY	(34.6)	(2.9)	6.2	0.4	(40.8)	(658.6)
Loss (income) attributable to non-controlling interests	(0.5)	-	(3.0)	(0.2)	2.5	(83.7)
GROUP NET RESULT	(35.1)	(2.9)	3.2	0.2	(38.3)	(1,197.3)

(\*) The 2019 values relating to "Assets held for sale" were reclassified following the application of IFRS 5 "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 FOURTH QUARTER 2020**

(in millions of Euro)	Period 10.01 - 12.31.2020		Period 10.01 - 12.31.2019 (*)		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	364.5	100.0	357.4	100.0	7.1	2.0
Variable cost of sales	249.4	68.4	245.8	68.8	3.6	1.5
CONTRIBUTION MARGIN	115.1	31.6	111.6	31.2	3.5	3.1
Manufacturing and R&D overheads	30.8	8.4	32.6	9.1	(1.8)	(5.5)
Depreciation and amortization	29.7	8.1	31.7	8.9	(2.0)	(6.3)
Distribution and sales fixed expenses	8.0	2.2	9.3	2.6	(1.3)	(14.0)
Administrative and general expenses	18.9	5.2	19.2	5.4	(0.3)	(1.6)
Restructuring costs	17.0	4.7	4.0	1.1	13.0	325.0
Losses (gains) on disposal	0.2	0.1	-	-	0.2	-
Exchange (gains) losses	1.4	0.4	1.0	0.3	0.4	40.0
Other non-operating expenses (income)	5.1	1.4	8.4	2.3	(3.3)	(39.0)
EBIT	4.0	1.1	5.4	1.5	(1.4)	(26.7)
Financial expenses (income), net	6.5	1.8	5.1	1.4	1.4	27.1
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES	(2.5)	(0.7)	0.3	0.1	(2.8)	(941.7)
Income taxes	0.8	0.2	1.1	0.3	(0.3)	(27.3)
NET INCOME (LOSS) OF OPERATING ACTIVITIES	(3.3)	(0.9)	(0.8)	(0.2)	(2.5)	309.4
Net income (loss) from discontinued operations, net of tax effects	(7.6)	(2.1)	(4.2)	(1.2)	(3.4)	80.2
NET RESULT INCLUDING THIRD PARTY	(10.9)	(3.0)	(5.0)	(1.4)	(5.9)	116.7
Loss (income) attributable to non-controlling interests	(1.1)	(0.3)	(0.1)	-	(1.0)	1,040.0
GROUP NET RESULT	(12.0)	(3.3)	(5.1)	(1.4)	(6.9)	134.8

(\*) The 2019 values relating to "Assets held for sale" were reclassified following the application of IFRS 5 "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)	12.31.2020	12.31.2019
A. Cash	209.7	165.2
investments)	-	-
C. Financial instruments held for trading	-	-
<b>D. Liquid funds (A) + (B) + (C)</b>	<b>209.7</b>	<b>165.2</b>
<b>E. Current financial receivables</b>	<b>4.0</b>	<b>3.3</b>
F. Current payables to banks	3.2	1.9
G. Current portion of non-current indebtedness	148.8	78.8
H. Other current financial debts	18.0	15.1
<b>I. Current financial indebtedness (F) + (G) + (H)</b>	<b>170.0</b>	<b>95.8</b>
<b>J. Current financial indebtedness, net (I) + (E) + (D)</b>	<b>(43.7)</b>	<b>(72.7)</b>
K. Non-current payables to banks	255.4	131.9
L. Bonds issued	93.8	212.1
M. Other non-current financial debts	54.8	54.4
<b>N. Non-current financial indebtedness (K) + (L) + (M)</b>	<b>404.0</b>	<b>398.4</b>
<b>O. Net indebtedness (J) + (N)</b>	<b>360.3</b>	<b>325.7</b>
Non-current financial receivables (derivates in cash flow hedge)	2.2	6.8
<b>Financial indebtedness, net including non-current financial receivables (as per the "Net financial position" included in the Report on operations)</b>	<b>358.1</b>	<b>318.9</b>

## CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)	12.31.2020	12.31.2019
SELF-FINANCING	104.9	145.3
Change in net working capital	(32.1)	(2.1)
Other medium/long-term assets/liabilities	6.0	(0.9)
<b>CASH FLOW GENERATED BY OPERATIONS</b>	<b>78.8</b>	<b>142.3</b>
Net decrease from sale of fixed assets	2.3	4.3
TOTAL SOURCES	81.1	146.6
TOTAL APPLICATION OF FUNDS	133.4	137.2
Exchange differences on assets/liabilities and equity	5.1	(1.0)
<b>FREE CASH FLOW</b>	<b>(38.2)</b>	<b>8.4</b>
Dividends paid by subsidiaries to non-controlling interests	-	(5.0)
Change in <i>fair value</i> derivate instruments	(1.0)	-
CHANGES IN SHAREHOLDERS' EQUITY	(1.0)	(5.0)
<b>Change in net financial position</b>	<b>(39.2)</b>	<b>3.4</b>
<b>Opening net financial position</b>	<b>(318.9)</b>	<b>(260.5)</b>
Financial debts for right of use at January 1 <sup>o</sup> , 2019	-	(61.8)
<b>CLOSING NET FINANCIAL POSITION</b>	<b>(358.1)</b>	<b>(318.9)</b>

## **SOGEFI S.p.A.**

### **CONSOLIDATED BALANCE SHEET**

(in millions of Euro)

<b>ASSETS</b>	<b>12.31.2020</b>	<b>12.31.2019</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	119.4	89.5
Centralized treasury current accounts with subsidiaries	127.0	116.7
Other financial assets	-	0.1
Other financial loans with subsidiaries	2.6	2.0
Trade receivables	4.8	5.0
Other receivables	-	0.1
Tax receivables	2.3	0.9
Other assets	0.1	0.1
<b>TOTAL WORKING CAPITAL</b>	<b>7.2</b>	<b>6.1</b>
<b>TOTAL CURRENT ASSETS</b>	<b>256.2</b>	<b>214.4</b>
<b>NON-CURRENT ASSETS</b>		
<i>Fixed assets</i>		
Land	9.2	10.9
Buildings	5.0	5.0
Other tangible fixed assets	0.1	0.1
Right of use	0.3	0.4
<i>Of which to parent company</i>	<i>0.2</i>	<i>0.3</i>
Intangible assets	16.5	21.1
<b>TOTAL FIXED ASSETS</b>	<b>31.1</b>	<b>37.5</b>
<b>OTHER NON-CURRENT ASSETS</b>		
Investments in subsidiaries	348.0	348.4
Investments in associates	-	-
Other financial assets available for sale	-	-
Other financial loans	112.5	83.2
<i>Of which: other medium/long-term assets for derivative</i>	<i>2.2</i>	<i>6.8</i>
Other receivables	0.0	0.0
Deferred tax assets	5.1	3.5
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>465.6</b>	<b>435.1</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>496.7</b>	<b>472.6</b>
<b>TOTAL ASSETS</b>	<b>752.9</b>	<b>687.0</b>

<b>LIABILITIES</b>	<b>12.31.2020</b>	<b>12.31.2019</b>
<b>CURRENT LIABILITIES</b>		
Bank overdrafts and short-term loans	0.1	0.1
Centralized treasury current accounts with subsidiaries	116.7	74.6
Current portion of medium/long-term financial debts and other loans	130.2	52.5
Short-term financial debts for right of use	0.1	-
Share capital subscribed and not yet paid	-	-
<b>TOTAL SHORT-TERM FINANCIAL DEBTS</b>	<b>247.1</b>	<b>127.2</b>
Other short-term liabilities for derivative financial instruments	-	-
<b>TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>247.1</b>	<b>127.2</b>
Trade and other payables	3.2	4.5
Tax payables	0.1	0.1
Other current liabilities	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>250.4</b>	<b>131.8</b>
<b>MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>		
Financial debts to bank	199.3	129.6
Other medium/long-term financial debts	93.8	212.0
Medium/long-term financial debts for right of use	0.2	0.4
<i>Of which to parent company</i>	<i>0.2</i>	<i>0.3</i>
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS</b>	<b>293.3</b>	<b>342.0</b>
Other medium/long-term financial liabilities for derivative financial instruments	1.0	-
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>294.3</b>	<b>342.0</b>
<b>OTHER LONG-TERM LIABILITIES</b>		
Long-term provisions	0.2	0.2
Other payables	-	-
Deferred tax liabilities	2.4	1.3
<b>TOTAL OTHER LONG-TERM LIABILITIES</b>	<b>2.6</b>	<b>1.5</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>296.9</b>	<b>343.5</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	62.5	62.5
Reserves and retained earnings (accumulated losses)	149.3	141.5
Net result for the year	(6.2)	7.7
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>205.6</b>	<b>211.7</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>752.9</b>	<b>687.0</b>



## RECLASSIFIED INCOME STATEMENT

(in millions of Euro)

	12.31.2020	12.31.2019
Financial income/expenses and dividends	(0.4)	45.3
Adjustments to financial assets	(0.5)	(32.6)
Other operating revenues	7.9	8.3
Operating costs	(11.8)	(11.3)
Other non-operating income (expenses)	(2.5)	(2.1)
RESULT BEFORE TAXES	(7.4)	7.6
Income taxes	(1.1)	(0.1)
NET RESULT	(6.2)	7.7

## CASH FLOW STATEMENT

(in millions of Euro)

	12.31.2020	12.31.2019
SELF-FINANCING	(0.4)	46.5
Change in net working capital	(1.4)	1.4
Other medium/long-term assets/liabilities	0.9	0.9
<b>CASH FLOW GENERATED BY OPERATIONS</b>	<b>(0.9)</b>	<b>48.8</b>
Sale of equity investments	-	-
Net decrease from sale of intangible assets	-	-
TOTAL SOURCES	(0.9)	48.8
TOTAL APPLICATION OF FUNDS	0.4	0.3
<b>FREE CASH FLOW</b>	<b>(1.3)</b>	<b>48.5</b>
Holding Company increases in capital	-	-
Change in <i>fair value</i> derivate instruments	(1.0)	-
Dividends paid by the Holding Company	-	-
CHANGES IN SHAREHOLDERS' EQUITY	(1.0)	-
<b>Change in net financial position</b>	<b>(2.3)</b>	<b>48.5</b>
<b>Opening net financial position</b>	<b>(177.7)</b>	<b>(225.7)</b>
Financial debts for right of use at January 1°, 2019	-	(0.5)
<b>CLOSING NET FINANCIAL POSITION</b>	<b>(180.0)</b>	<b>(177.7)</b>

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