



SPAFID  
CONNECT

Informazione Regolamentata n. 0246-19-2021	Data/Ora Ricezione 23 Aprile 2021 16:16:20	MTA - Star
--	---	------------

Societa' : SOGEFI  
Identificativo : 145798  
Informazione  
Regolamentata  
Nome utilizzatore : SOGEFINSS01 - SEGRE MASSIMO  
Tipologia : REGEM  
Data/Ora Ricezione : 23 Aprile 2021 16:16:20  
Data/Ora Inizio : 23 Aprile 2021 16:16:21  
Diffusione presunta  
Oggetto : SOGEFI: RESULTS FOR FIRST  
QUARTER 2021

*Testo del comunicato*

Vedi allegato.



**PRESS RELEASE**

**RESULTS FOR FIRST QUARTER 2021**

**REVENUES RECOVER AND PROFITABILITY IMPROVES**

**Revenues significantly higher at € 356.6 million (+9.3% at constant exchange rates) outperforming the market in all geographical areas**

**EBITDA margin at 15.4% of revenues up from Q1 2020 (11.3%) and Q1 2019 (11%)**

**Net income € 11.8 million (loss of € 5.6 million in first quarter 2020 and earnings of € 1.6 million in first quarter 2019)**

**Free Cash Flow positive for € 32.4 million versus € 5.4 million in Q1 2020**

***Highlights from results for Q1 2021\****

(in €m)	Q1 2019	Q1 2020	Q1 2021	Δ%	Δ% at constant exchange rates
Revenues	376.1	339.4	<b>356.6</b>	+5.0	+9.3
EBITDA**	41.4	38.2	<b>54.8</b>		
EBIT	12.5	7.9	<b>25.9</b>		
Net result	1.6	-5.6	<b>11.8</b>		
Net debt (end of period) before IFRS16	262.1	256.7	<b>261.1</b>		

\* The values for the year 2020 were restated on the application of 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 item "Ebit" the item "Amortization and depreciation" and the amount of the write-down of tangible and intangible fixed assets contained in the item "Other non-operating costs (revenues)", equal to € 0.5 million at March 31 2021 (€ 0.9 million in the same period of the previous year).

Milan, April 23 2021 - The **Board of Directors of Sogefi S.p.A.**, which met today under the chairmanship of **Monica Mondardini**, has approved the **Interim Financial Report of the Group as of March 31 2021**, presented by Chief Executive Officer **Frederic Sipahi**.

Sogefi, a company of the CIR Group, is one of the main global producers of automotive components for three sectors: Air and Cooling, Filtration and Suspensions.

In the first quarter of 2021 world car production reported growth of 14% compared to first quarter 2020 with the month of March posting +34.7% compared to the previous year. The recovery in the first quarter of 2021 was mainly attributable to China, the first country to be hit by the pandemic in 2020, where production rose by 78.2% compared to the first quarter of the previous year. India and Mercosur also saw a recovery in the market (+22.8% and +4.6% respectively), while the EU and NAFTA reported volumes below those of first quarter 2020 (-0.9% and -4.5% respectively).

However, world production was still below pre-Covid levels: more specifically, compared to the first quarter of 2019, it was -11.3%, with Europe at -20%, NAFTA at -14.7% and China at -4.2%.

During first quarter 2021, the **Group's priority continued to be the safety of its employees**; all measures for health and safety in the workplace were kept in place to reduce the risk of contagion, with social distancing, the use of individual protective equipment and measures to limit the presence of people in the workplace with employees working from home.

**The Group reported a significant recovery in revenues: +5% at historical exchange rates and +9.3% at constant exchange rates**; compared to the first quarter of 2019, revenues came in at -5.2%, versus the -11.3% of world production.

The recovery in revenues together with the action plan put in place to counter the impact of the crisis, enabled the group to **close the first quarter with earnings of € 11.8 million** (a loss of € 5.6 million in the first quarter of 2020) and a positive free cash flow of € 32.4 million (€ 5.4 million in the first quarter of 2020).

Moreover, in the period Sogefi acquired **new contracts worth more than those of the same period of previous years** and in line with the objectives of increasing its market share, and a significant part of these new orders were for hybrid or full electric vehicles, thus positioning itself in the markets of the future.

More specifically, the Air and Cooling division closed an important contract (Lifetime Value: € 260 million) to supply new generation air aspiration manifolds for a prime North American OEM. More new orders were also acquired from Chinese and North American producers, of which around 40% of their value was for parts for cooling hybrid or full electric vehicles.

The Filtration division also obtained important orders from North American and European customers for traditional components (especially oil filters), which will be produced in the US and Moroccan plants, and signed new contracts for the production of air filters for interiors.

As for the Suspensions division, 35% of the value of the orders acquired was for hybrid or full electric vehicles. In the first quarter of the year new orders were also acquired for light commercial vehicles and heavy goods vehicles, market segments with good prospects for the coming years.

## REVENUES

In the first quarter of 2021 Sogefi's sales revenues came in at € 356.6 million, and were higher than those of the same period of 2020 by 5% at historical exchange rates and 9.3% at constant exchange rates; sales were down by 5.2% on first quarter 2019. After the first two months with revenues at historical exchange rates down by 8.7%, in March, the month in 2020 when the effects of the pandemic started to be evident (with a fall of 30%), there was a strong recovery (+42.1%), with volumes substantially in line with those of 2019.

## Performance of revenues by geographical area

The performance of revenues at constant exchange rates was better than that of the market in all geographical areas: +1.9% in Europe compared to the market's -0.9%, +3.3% in North America versus -4.5%, and +104.5% in China versus the market's +78.2%. The lower growth of the Group's total revenues (+9.3%) compared to those of global markets (+14%) was due to the fact that China, which was the area of the world in which there was most growth in the first quarter, accounts for 6.7% of the Group's sales, whereas at market level it accounts for 28.1%.

(in millions of Euro)	Q1 2021	Q1 2020	reported change 2021 vs 2020	constant exchange rates 2021 vs 2020	reference market production	Q1 2019	reported change 2021 vs 2019
	Amount	Amount	%	%	%	Amount	%
Europe	224.9	221.3	1.6	1.9	(0.9)	242.7	(7.3)
North America	69.9	72.7	(3.7)	3.3	(4.5)	74.1	(5.6)
South America	19.6	19.2	2.4	50.5	4.6	25.3	(22.5)
Asia	44.7	27.9	60.6	70.6	65.5	36.1	23.9
- of which China	23.8	11.8	101.4	104.5	78.2	17.2	38.5
Intercompany eliminations	(2.5)	(1.7)				(2.1)	
TOTAL	356.6	339.4	5.0	9.3	14.0	376.1	(5.2)

## Performance of revenues by Business Unit

In terms of the business sectors, Air and Cooling reported good growth (+15.2% at constant exchange rates) thanks to the development of the contract portfolio especially in China, where revenues doubled compared to the previous year; revenues at current exchange rates were 2.6% higher than those of first quarter 2019.

Filtration reported more moderate growth (+4.2% at constant exchange rates), following a decline in 2020 that was decidedly more limited than that of the market thanks to the After Market business. In the first quarter of 2021 sales were slightly higher (+2.1% at current exchange rates) than those of first quarter 2019.

Lastly, Suspensions reported revenue growth of 9.7% at constant exchange rates, due to the good performance in China and South America, but business remains significantly below the level of the corresponding period of 2019 (-16.9% at current exchange rates).

(in millions of Euro)	Q1 2021	Q1 2020	reported change 2021 vs 2020	constant exchange rates 2021 vs 2020	Q1 2019	reported change 2021 vs 2019
	Amount	Amount	%	%	Amount	%
Suspensions	122.1	116.3	5.0	9.7	147.0	(16.9)
Filtration	123.5	123.9	(0.3)	4.2	120.9	2.1
Air&Cooling	111.8	100.0	11.7	15.2	108.9	2.6
Intercompany eliminations	(0.8)	(0.8)			(0.7)	
TOTAL	356.6	339.4	5.0	9.3	376.1	(5.2)

## OPERATING RESULT AND NET RESULT

**EBITDA** came in at € 54.8 million and was higher than the figure reported for the first quarter of 2020 (€ 38.2 million) and 2019 (€ 41.4 million); gross profitability (EBITDA / Revenues %) rose to 15.4%, from around 11% in the first quarters of 2019 and 2020.

The contribution margin improved from 30.3% to 30.7%, despite the tension in the market

over the availability and pricing of raw materials.

The rationalization measures adopted in 2020 which continued through the early months of 2021 led to a reduction of 5.5% in fixed costs compared to first quarter 2020, which, combined with the recovery of the business, gave rise to a reduction in the ratio of fixed costs to revenues which declined from 18% in the first quarter of 2020 to 16.1% in the same period of 2021. It should be noted that, compared to first quarter 2019, fixed costs fell by 13.8%.

Lastly, the increase in EBITDA had a further boost from the positive effect of exchange rates (€ +1.7 million in 2021 versus € -3.4 million in first quarter 2020) and from the recognition of a non-operating gain of € 2.4 million.

**EBIT** came to € 25.9 million, up from € 7.9 million in the same period of 2020 and from € 12.5 million in the first quarter of 2019. Financial expense, amounting to € 6.2 million, was in line with the corresponding period of 2020, tax expense came to € 6.1 million, versus € 2.5 million in the previous year, and the net result of “discontinued operations” was a negative € 0.8 million, versus € -4.9 million in first quarter 2020.

The Group reported **net income** of € 11.8 million compared to a loss of € 5.6 million in first quarter 2020 and earnings of € 1.6 million in first quarter 2019.

## DEBT AND EQUITY

**Free Cash Flow** was a positive € 32.4 million (€ 5.4 million in first quarter 2020), thanks to the higher EBITDA and the favourable performance of working capital.

**Net debt** before IFRS16 stood at € 261.1 million at March 31 2021, down from the end of 2020 (€ 291.3 million) and substantially unchanged from March 31 2020 (€ 256.7 million). The Group managed to keep its debt level stable despite the dramatic effects of the pandemic on the business during the last 12 months.

Including financial payables for rights of use as per IFRS 16, net debt at March 31 2021 stood at € 328.4 million, which compares with € 358.1 million at December 31 2020 and € 313.4 at March 31 2020.

As of March 31 2021 the Group had committed credit lines in excess of its borrowing requirement of € 362 million (of which € 100 million is needed to repay its convertible bond maturing in May 2021).

At March 31 2021 **Shareholders' equity**, excluding minority interests, amounted to € 150.6 million (€ 133.0 million at December 31 2020).

## THE IMPACT OF COVID-19 ON THE BUSINESS

In the early months of 2021, although the pandemic crisis is still continuing, its effects on the market in which the Company operates were less traumatic than those experienced in March 2020 and the following months. However, as shown in the data for vehicle production in the period, business remains very weak especially in Europe and NAFTA.

In addition to having taken action as from March 2020 to reduce the impact of the crisis, the Group has been working and will continue to work on a process of structural adaptation to the changed circumstances of the market in a context that is still uncertain.

## OUTLOOK FOR THE YEAR

In addition to there being at present little visibility as to the direction of the market in the next few months as this will depend on the evolution of the pandemic, there is also uncertainty regarding the trend of raw material prices (mainly steel), their availability (semiconductors) and logistics issues involving transport and sourcing from Asian markets.

For the second quarter of 2021, IHS expects that world production will rebound by 58% compared to the second quarter of 2020 (the period that saw the maximum negative effect of the pandemic worldwide with the sole exception of China), while remaining 10% lower than in Q2 2019.

For full year 2021 the market is expected to grow by 11.9% but to remain at lower levels than those of 2019 with the recovery of a good part of the collapse recorded in 2020, reaching - 6.2% compared to 2019.

Sogefi confirms the view it expressed on the publication of its results for 2020, i.e. that in a market scenario such as that explained above, incorporating the effects of the decisive action taken in 2020 and ongoing in 2021 to reduce the impact of fixed costs and to improve profitability structurally, it expects to return to a positive result for full year 2021 and to be able to achieve a ratio of EBIT to sales at least on a par with what was reported for 2019.

\*\*\*

*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 accounting figures contained in this press release correspond to the results documented in the Company's accounts and general ledger.*

\*\*\*

Contacts:

**Sogefi Investor Relations**

Yann Albrand

tel.: +39 02 467501

e-mail: [ir@sogefigroup.com](mailto:ir@sogefigroup.com)

[www.sogefigroup.com](http://www.sogefigroup.com)

**CIR Group Press Office**

tel.: +39 02 722701

e-mail: [infostampa@cirgroup.com](mailto:infostampa@cirgroup.com)

[www.cirgroup.com](http://www.cirgroup.com)

This press release can be consulted online at the address: <http://www.sogefigroup.com/it/area-stampa/index.html>

\*\*\*

*Attached are the key figures from the Income Statement and Statement of Financial Position as of March 31 2021 of the Sogefi Group.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(in millions of Euro)

<b>ASSETS</b>	<b>03.31.2021</b>	<b>12.31.2020</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	232.8	209.7
Other financial assets	3.9	4.0
Inventories	106.9	97.7
Trade receivables	135.0	135.6
Other receivables	15.1	8.8
Tax receivables	23.4	23.2
Other assets	4.1	2.3
<b>ASSETS HELD FOR SALE</b>	-	6.5
<b>TOTAL CURRENT ASSETS</b>	<b>521.2</b>	<b>487.8</b>
<b>NON-CURRENT ASSETS</b>		
Land	12.5	12.4
Property, plant and equipment	368.8	361.1
Other tangible fixed assets	3.7	4.5
Right of use	66.4	66.4
Intangible assets	253.5	255.4
Other financial assets	-	-
Financial receivables	4.1	2.2
Other receivables	29.5	34.0
Deferred tax assets	41.4	41.0
<b>TOTAL NON-CURRENT ASSETS</b>	<b>779.9</b>	<b>777.0</b>
<b>TOTAL ASSETS</b>	<b>1,301.1</b>	<b>1,264.8</b>

<b>LIABILITIES</b>	<b>03.31.2021</b>	<b>12.31.2020</b>
<b>CURRENT LIABILITIES</b>		
Bank overdrafts and short-term loans	1.1	3.2
Current portion of medium/long-term financial debts and other loans	146.4	148.8
Short-term financial debts for right of use	18.3	18.0
Other short-term liabilities for derivative financial instruments	-	-
Trade and other payables	331.1	309.5
Tax payables	6.8	4.3
Other current liabilities	34.9	35.2
<b>LIABILITIES RELATED TO ASSETS HELD FOR SALE</b>	-	5.3
<b>TOTAL CURRENT LIABILITIES</b>	<b>538.6</b>	<b>524.3</b>
<b>NON-CURRENT LIABILITIES</b>		
Financial debts to bank	255.3	255.4
Other medium/long-term financial debts	95.1	95.3
Medium/long-term financial debts for right of use	52.3	52.2
Other medium/long term financial liabilities for derivative financial instruments	0.7	1.0
Long-term provisions	99.7	98.3
Other payables	60.5	58.7
Deferred tax liabilities	30.8	30.2
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>594.4</b>	<b>591.1</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	62.5	62.5
Reserves and retained earnings (accumulated losses)	76.3	105.6
Group net result for the period	11.8	(35.1)
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY</b>	<b>150.6</b>	<b>133.0</b>
Non-controlling interests	17.5	16.4
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>168.1</b>	<b>149.4</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,301.1</b>	<b>1,264.8</b>

## SHAREHOLDERS' EQUITY

(in millions of Euro)	<b>Consolidated shareholders' equity - Group</b>	<b>Capital and reserves pertaining to non-controlling interests</b>	<b>Total Group and non-controlling shareholders' equity</b>
Balance at December 31, 2020	133.0	16.4	149.4
Dividends	0.0	0.0	0.0
Currency translation differences and other changes	5.8	0.1	5.9
Net result for the period	11.8	1.0	12.8
Balance at March 31, 2021	150.6	17.5	168.1



## CONSOLIDATED INCOME STATEMENT RECLASSIFIED

(in millions of Euro)	Period		Period		Change	
	01.01 – 03.31.2021		01.01 – 03.31.2020 (*)			
	Amount	%	Amount	%	Amount	%
Sales revenues	356.6	100.0	339.4	100.0	17.2	5.0
Variable cost of sales	247.0	69.3	236.4	69.7	10.6	4.4
<b>CONTRIBUTION MARGIN</b>	<b>109.6</b>	<b>30.7</b>	<b>103.0</b>	<b>30.3</b>	<b>6.6</b>	<b>6.4</b>
Manufacturing and R&D overheads	31.5	8.8	32.9	9.7	(1.4)	(4.3)
Depreciation and amortization	28.4	8.0	29.4	8.7	(1.0)	(3.4)
Distribution and sales fixed expenses	8.0	2.2	9.1	2.7	(1.1)	(13.0)
Administrative and general expenses	18.3	5.1	19.1	5.6	(0.8)	(4.1)
Restructuring costs	1.3	0.4	2.4	0.7	(1.1)	(43.2)
Losses (gains) on disposal	-	-	-	-	-	-
Exchange (gains) losses	(1.7)	(0.5)	3.4	1.0	(5.1)	(149.9)
Other non-operating expenses (income)	(2.1)	(0.6)	(1.2)	(0.4)	(0.9)	75.0
<b>EBIT</b>	<b>25.9</b>	<b>7.3</b>	<b>7.9</b>	<b>2.3</b>	<b>18.0</b>	<b>227.4</b>
Financial expenses (income), net	6.2	1.8	6.1	1.8	0.1	2.1
Losses (gains) from equity investments	-	-	-	-	-	-
<b>RESULT BEFORE TAXES</b>	<b>19.7</b>	<b>5.5</b>	<b>1.8</b>	<b>0.5</b>	<b>17.9</b>	-
Income taxes	6.1	1.7	2.5	0.7	3.6	145.3
<b>NET INCOME (LOSS) OF OPERATING ACTIVITIES</b>	<b>13.6</b>	<b>3.8</b>	<b>(0.7)</b>	<b>(0.2)</b>	<b>14.3</b>	-
Net income (loss) from discontinued operations	(0.8)	(0.2)	(4.9)	(1.4)	4.1	84.0
<b>NET RESULT INCLUDING THIRD PARTY</b>	<b>12.8</b>	<b>3.6</b>	<b>(5.6)</b>	<b>(1.6)</b>	<b>18.4</b>	<b>331.1</b>
Loss (Income) attributable to non - controlling interests	(1.0)	(0.3)	-	-	(1.0)	-
<b>GROUP NET RESULT</b>	<b>11.8</b>	<b>3.3</b>	<b>(5.6)</b>	<b>(1.6)</b>	<b>17.4</b>	<b>312.8</b>

(\*) The values for the first quarter of 2020, relating to "Asset for sale", have been reclassified following the application of IFRS 5 "Non-current asset held for sale and discontinued operations" to the line "Net income (loss) from discontinued operations".

## CONSOLIDATED NET FINANCIAL POSITION

(in millions of Euro)	03.31.2021	12.31.2020	03.31.2020
A. Cash	232.8	209.7	174.1
B. Other cash at bank and on hand (held to maturity investments)	-	-	-
C. Financial instruments held for trading	-	-	-
<b>D. Liquid funds (A) + (B) + (C)</b>	<b>232.8</b>	<b>209.7</b>	<b>174.1</b>
<b>E. Current financial receivables</b>	<b>3.9</b>	<b>4.0</b>	<b>3.2</b>
F. Current payables to banks	(1.1)	(3.2)	(4.0)
G. Current portion of non-current indebtedness	(146.4)	(148.8)	(85.8)
H. Other current financial debts	(18.3)	(18.0)	(16.6)
<b>I. Current financial indebtedness (F) + (G) + (H)</b>	<b>(165.8)</b>	<b>(170.0)</b>	<b>(106.4)</b>
<b>J. Current financial indebtedness, net (I) + (E) + (D)</b>	<b>70.9</b>	<b>43.7</b>	<b>70.9</b>
K. Non-current payables to banks	(255.3)	(255.4)	(131.6)
L. Bonds issued	(95.1)	(93.8)	(214.3)
M. Other non-current financial debts	(53.0)	(54.8)	(46.7)
<b>N. Non-current financial indebtedness (K) + (L) + (M)</b>	<b>(403.4)</b>	<b>(404.0)</b>	<b>(392.6)</b>
<b>O. Net indebtedness (J) + (N)</b>	<b>(332.5)</b>	<b>(360.3)</b>	<b>(321.7)</b>
Non-current financial receivables ( <i>derivatives in cash flow hedge</i> )	4.1	2.2	8.3
<b>Financial indebtedness, net including non-current financial receivables (as per the "Net financial position" included in the Report on operations)</b>	<b>(328.4)</b>	<b>(358.1)</b>	<b>(313.4)</b>

## CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)	03.31.2021	12.31.2020	03.31.2020
<b>SELF-FINANCING</b>	<b>41.3</b>	<b>104.9</b>	<b>25.2</b>
Change in net working capital	9.3	(32.1)	(2.0)
Other medium/long-term assets/liabilities	6.2	6.0	2.8
<b>CASH FLOW GENERATED BY OPERATIONS</b>	<b>56.8</b>	<b>78.8</b>	<b>26.0</b>
Net decrease from sale of fixed assets	1.8	2.3	0.3
<b>TOTAL SOURCES</b>	<b>58.6</b>	<b>81.1</b>	<b>26.3</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>24.6</b>	<b>133.4</b>	<b>26.1</b>
Net financial position of subsidiaries purchased/sold during the period	-	9.0	-
Exchange differences on assets/liabilities and equity	(1.6)	5.1	5.2
<b>FREE CASH FLOW</b>	<b>32.4</b>	<b>(38.2)</b>	<b>5.4</b>
Dividends paid by subsidiaries to non-controlling interests	(3.0)	-	-
Change in fair value of effective derivative instruments	0.3	(1.0)	-
<b>CHANGES IN SHAREHOLDERS' EQUITY</b>	<b>(2.7)</b>	<b>(1.0)</b>	<b>-</b>
<b>Change in net financial position</b>	<b>29.7</b>	<b>(39.2)</b>	<b>5.4</b>
<b>Opening net financial position</b>	<b>(358.1)</b>	<b>(318.9)</b>	<b>(318.9)</b>
Financial debts for right of use at January 1°, 2020	-	-	-
<b>CLOSING NET FINANCIAL POSITION</b>	<b>(328.4)</b>	<b>(358.1)</b>	<b>(313.4)</b>

Fine Comunicato n.0246-19

Numero di Pagine: 11