



SABAF®

**INTERIM MANAGEMENT
STATEMENT**

AT 31 MARCH 2024

SABAF S.p.A.
Via dei Carpini, 1 – OSPITALETTO (BS), ITALY
Fully paid-in share capital: € 12,686,795
www.sabafgroup.com

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Group structure and corporate officers

Parent company

SABAF S.p.A.

Subsidiaries and equity interest attributable to the Group

Companies consolidated on a line-by-line basis

Faringosi Hinges S.r.l.	Italy	100%
Sabaf do Brasil Ltda. (Sabaf Brazil)	Brazil	100%
Sabaf Beyaz Esya Parcalari Sanayi Ve Ticaret Limited Sirtaki (Sabaf Turkey)	Turkey	100%
Sabaf Appliance Components (Kunshan) Co., Ltd. (Sabaf China)	China	100%
Sabaf US Corp. (Sabaf US)	U.S.A.	100%
A.R.C. S.r.l.	Italy	100%
Sabaf India Private Limited (Sabaf India)	India	100%
Sabaf Mexico Appliance Components S.A. de c.v. (Sabaf Mexico)	Mexico	100%
C.M.I. S.r.l.	Italy	100%
C.G.D. S.r.l.	Italy	100%
P.G.A S.r.l.	Italy	100%
Sabaf America Inc. (Sabaf America)	U.S.A.	100%
Mansfield Engineered Components LLC (MEC)	U.S.A.	51%

Board of Directors

Chairman	Claudio Bulgarelli
Chief Executive Officer	Pietro Iotti
Director	Gianluca Beschi
Director	Alessandro Potestà
Director	Cinzia Saleri
Director (*)	Laura Ciambellotti
Director (*)	Michela Maurelli
Director (*)	Federica Menichetti
Director (*)	Daniela Toscani

(*) independent directors

Board of Statutory Auditors

Chairman	Alessandra Tronconi
Statutory Auditor	Maria Alessandra Zunino de Pignier
Statutory Auditor	Mauro Vivenzi

Consolidated statement of financial position

	31.03.2024	31.12.2023	31.03.2023
<i>(€/000)</i>			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	107,316	108,741	102,855
Investment property	668	691	898
Intangible assets	59,616	57,231	55,717
Equity investments	95	95	97
Non-current receivables	1,415	1,094	2,901
Deferred tax assets	12,060	13,315	13,223
Total non-current assets	181,170	181,167	175,691
CURRENT ASSETS			
Inventories	63,429	61,985	65,826
Trade receivables	66,466	55,826	62,799
Tax receivables	11,274	11,722	7,166
Other current receivables	4,387	3,868	3,546
Financial assets	6,601	7,257	2,531
Cash and cash equivalents	31,166	36,353	21,865
Total current assets	183,323	177,011	163,733
ASSETS HELD FOR SALE	-	-	526
TOTAL ASSETS	364,493	358,178	339,950
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	12,687	12,687	11,533
Retained earnings, Other reserves	104,456	97,656	115,176
IAS 29 reserve	47,031	48,649	33,725
Net result for the period	4,270	3,103	(791)
<i>Total equity interest pertaining to the Parent Company</i>	<i>168,444</i>	<i>162,095</i>	<i>159,643</i>
<i>Minority interests</i>	<i>8,222</i>	<i>8,293</i>	-
Total shareholders' equity	176,666	170,388	159,643
NON-CURRENT LIABILITIES			
Loans	78,912	81,547	81,016
Other financial liabilities	11,721	11,721	-
Post-employment benefit and retirement provisions	3,767	3,805	3,810
Provisions for risks and charges	334	353	453
Deferred tax liabilities	5,098	5,136	5,215
Other non-current payables	218	183	-
Total non-current liabilities	100,050	102,745	90,494
CURRENT LIABILITIES			
Loans	24,003	23,317	29,344
Other financial liabilities	267	175	388
Trade payables	44,541	42,521	43,932
Tax payables	3,615	3,025	2,823
Other payables	15,351	16,007	13,326
Total current liabilities	87,777	85,045	89,813
LIABILITIES HELD FOR SALE	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	364,493	358,178	339,950

Consolidated Income Statement

	Q1 2024		Q1 2023		12 MONTHS 2023	
	<i>(€/000)</i>					
INCOME STATEMENT COMPONENTS						
OPERATING REVENUE AND INCOME						
Turnover	68,861	100.0%	58,063	100.0%	237,949	100.0%
Other income	2,138	3.1%	2,348	4.0%	9,056	3.8%
Total operating revenue and income	70,999	103.1%	60,411	104.0%	247,005	103.8%
OPERATING COSTS						
Materials	(33,311)	-48.4%	(31,066)	-53.5%	(112,684)	-47.4%
Change in inventories	1,718	2.5%	1,350	2.3%	(3,433)	-1.4%
Services	(12,048)	-17.5%	(11,220)	-19.3%	(44,923)	-18.9%
Personnel costs	(17,102)	-24.8%	(13,170)	-22.7%	(58,160)	-24.4%
Other operating costs	(417)	-0.6%	(542)	-0.9%	(1,735)	-0.7%
Costs for capitalised in-house work	729	1.1%	766	1.3%	3,542	1.5%
Total operating costs	(60,431)	-87.8%	(53,882)	-92.8%	(217,393)	-91.4%
OPERATING PROFIT BEFORE DEPRECIATION & AMORTISATION, CAPITAL GAINS/LOSSES AND WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS (EBITDA)						
	10,568	15.3%	6,529	11.2%	29,612	12.4%
Amortisation	(5,638)	-8.2%	(5,032)	-8.7%	(20,066)	-8.4%
Capital gains/(losses) on disposals of non-current assets	43	0.1%	-	0.0%	1,516	0.6%
Value adjustments of non-current assets	-	0.0%	-	0.0%	-	0.0%
OPERATING PROFIT (EBIT)						
	4,973	7.2%	1,497	2.6%	11,062	4.6%
Financial income	651	0.9%	90	0.2%	1,815	0.8%
Financial expenses	(1,071)	-1.6%	(786)	-1.4%	(5,248)	-2.2%
Net income/(charges) from hyperinflation	341	0.5%	(1,407)	-2.4%	(5,276)	-2.2%
Exchange rate gains and losses	754	1.1%	(531)	-0.9%	(2,359)	-1.0%
Profits and losses from equity investments	-	0.0%	-	0.0%	-	0.0%
PROFIT BEFORE TAXES						
	5,648	8.2%	(1,137)	-2.0%	(6)	0.0%
Income taxes	(1,180)	-1.7%	346	0.6%	3,386	1.4%
NET RESULT FOR THE PERIOD						
	4,468	6.5%	(791)	-1.4%	3,380	1.4%
Of which:						
Minority interests	198	0.3%	-	-	277	0.1%
NET RESULT ATTRIBUTABLE TO THE GROUP						
	4,270	6.2%	(791)	-1.4%	3,103	1.3%

Consolidated statement of comprehensive income

<i>(€/000)</i>	Q1 2024	Q1 2023	12 MONTHS 2023
NET RESULT FOR THE PERIOD	4,468	(791)	3,380
<i>Total profits/losses that will not be subsequently restated under profit (loss) for the period:</i>			
Actuarial evaluation of post-employment benefit tax effect	-	-	(48)
	-	-	11
	0	0	(37)
<i>Total profits/losses that will be subsequently reclassified under profit (loss) for the period:</i>			
Forex differences due to translation of financial statements in foreign currencies	(3,997)	(2,338)	(25,713)
Hedge accounting for derivative financial instruments	(62)	19	76
Total other profits/(losses) net of taxes for the year	(4,059)	(2,319)	(25,674)
OVERALL NET RESULT	409	(3,110)	(22,294)
of which:			
Overall net result for the period attributable to minority interests	198	0	277
Total profits/losses that will be subsequently reclassified under profit (loss) for the period:	-	-	-
Net result attributable to minority interests	198	0	277
NET RESULT ATTRIBUTABLE TO THE GROUP	211	(3,110)	(22,571)

Statement of changes in consolidated shareholders' equity

(€/000)	Share capital	Share premium reserve	Legal reserve	Treasury shares	Translation reserve	Post-employment benefit discounting reserve	Other reserves	Profit for the year	Total Group shareholders' equity	Minority interests	Total shareholders' equity
Balance at 31 December 2022	11,533	10,002	2,307	(3,221)	(54,715)	(328)	175,335	15,249	156,162	-	156,162
Allocation of 2022 profit											
- carried forward							15,249	(15,249)	-		-
Share capital increase	1,154	16,158							17,312		17,312
IFRS 2 measurement stock grant plan							543		543		543
Treasury share transactions				(462)					(462)		(462)
Change in the scope of consolidation									-	8,016	8,016
Put options on minorities							(10,866)		(10,866)		(10,866)
Monetary revaluation - hyperinflation (IAS 29)							21,978		21,978		21,978
Other changes							(1)		(1)		(1)
Total profit at 31 December 2023					(25,713)	(37)	76	3,103	(22,571)	277	(22,294)
Balance at 31 December 2023	12,687	26,160	2,307	(3,683)	(80,428)	(365)	202,314	3,103	162,095	8,293	170,388
Allocation of 2023 profit											
- carried forward							3,103	(3,103)	-		-
- dividends										-	-
Dividends to <i>minorities</i>										(453)	(453)
IFRS 2 measurement stock grant plan							235		235		235
Monetary revaluation - hyperinflation (IAS 29)							5,903		5,903		5,903
<i>Change in the translation reserve</i>					(3,997)				(3,997)	184	(3,813)
<i>Other components of the total result</i>							(62)	4,270	4,208	198	4,406
Total profit at 31 March 2024					(3,997)		(62)	4,270	211	382	593
Balance at 31 March 2024	12,687	26,160	2,307	(3,683)	(84,425)	(365)	211,493	4,270	168,444	8,222	176,666

Consolidated statement of cash flows

<i>(€/000)</i>	Q1 2024	Q1 2023	12 MONTHS 2023
<i>Cash and cash equivalents at beginning of period</i>	36,353	20,923	20,923
Net result for the period	4,468	(791)	3,380
Adjustments for:			
- Depreciations and amortisation	5,638	5,032	20,066
- Realised gains/losses	(43)	-	(1,516)
- Valuation of the stock grant plan	235	(14)	543
- Monetary revaluation IAS 29	425	1,769	7,521
- Net financial income and expenses	(360)	581	2,164
- Non-monetary foreign exchange differences	260	-	-
- Income tax	1,180	(346)	(3,386)
Change in post-employment benefit	(38)	149	107
Change in risk provisions	(19)	(186)	(204)
<i>Change in trade receivables</i>	<i>(10,807)</i>	<i>(3,640)</i>	<i>7,375</i>
<i>Change in inventories</i>	<i>(1,582)</i>	<i>(949)</i>	<i>4,079</i>
<i>Change in trade payables</i>	<i>2,144</i>	<i>4,304</i>	<i>2,438</i>
Change in net working capital	(10,245)	(285)	13,892
Change in other receivables and payables, deferred taxes	(724)	421	2,528
Payment of taxes	(303)	(127)	(3,763)
Payment of financial expenses	(999)	(690)	(3,405)
Collection of financial income	375	90	1,925
Cash flows from operations	(150)	5,603	39,852
Net investments	(2,711)	(5,426)	(16,942)
Free cash flow	(2,861)	177	22,910
Repayment of loans	(2,461)	(5,260)	(33,671)
Raising of loans	495	7,610	25,552
Change in financial assets	274	(90)	(6,089)
Purchase/sale of treasury shares	-	(445)	(462)
Payment of dividends	(453)	-	-
Cash flow absorbed by financing activities	(2,144)	1,815	(14,670)
Mansfield (MEC) acquisition	-	-	(8,325)
Acquisition of P.G.A.	-	-	(783)
Share capital increase	-	-	17,312
Foreign exchange differences	(182)	(1,050)	(1,014)
Net cash flows for the year	(5,187)	942	15,430
<i>Cash and cash equivalents at beginning of year</i>	31,166	21,865	36,353

Total financial debt

<i>(€/000)</i>	31.03.2024	31.12.2023	31.03.2023
A. Cash	31,166	36,353	21,865
B. Cash and cash equivalents	-	-	-
C. Other current financial assets	6,601	7,257	2,531
D. Liquidity (A+B+C)	37,767	43,610	24,396
E. Current financial payable	2,658	1,799	6,638
F. Current portion of non-current debt	21,612	21,693	23,094
G. Current financial debt (E+F)	24,270	23,492	29,732
H. Net current financial debt (G-D)	(13,497)	(20,118)	5,336
I. Non-current financial payable	60,904	63,548	51,323
J. Debt instruments	29,729	29,720	29,693
K. Trade payables and other non-current payables	-	-	-
L. Non-current financial debt (I+J+K)	90,633	93,268	81,016
M. Total financial debt (H+L)	77,136	73,150	86,352

Explanatory notes

Accounting standards and scope of consolidation

The Interim Management Statement of the Sabaf Group at 31 March 2024 is prepared in compliance with the Stock Exchange Regulations that establish, among the requirements for maintaining the listing on the STAR segment of the MTA, the publication of interim management reports.

This report does not contain the information required in accordance with IAS 34.

Accounting standards and policies are the same as those adopted for preparation of the consolidated financial statements at 31 December 2023, which should be consulted for reference. All the amounts contained in the statements included in this Interim Management Statement are expressed in thousands of euro.

We also draw attention to the following points:

- The Interim Management Statement was prepared according to the “discrete method of accounting” whereby the quarter in question is treated as a separate financial period. In this respect, the quarterly income statement reflects the income statement components pertaining to the period on an accrual basis;
- the financial statements used in the consolidation process are those prepared by the subsidiaries for the period ended 31 March 2024, adjusted to comply with Group accounting policies, where necessary;
- the parent company Sabaf S.p.A., the subsidiaries Faringosi Hinges, Sabaf Brazil, Sabaf Turkey, Sabaf China, A.R.C., Sabaf U.S., Sabaf India, C.M.I., C.G.D., Sabaf Mexico, P.G.A., Sabaf America and Mansfield Engineered Components LLC (MEC), a U.S. company acquired in July 2023 through the subsidiary Sabaf America Inc. and consolidated as of 1 July 2023, were consolidated on a line-by-line basis.

The Interim Management Statement at 31 March 2024 has not been independently audited.

Hyperinflation - Turkey: application of IAS 29

In the Interim Management Statement at 31 March 2024, IAS 29 was applied with reference to the subsidiary Sabaf Turkey. The effect related to the re-measurement of non-monetary assets and liabilities, equity items and income statement items in the first quarter of 2024 was recognised in a separate item in the income statement under financial income and expenses. The related tax effect was recognised in taxes for the period.

The cumulative levels of general consumer price indices are shown below:

Consumer price index	Value at 31.12.2023	Value at 31.03.2024	Change
TURKSTAT	1,859.38	2,139.47	+115.06%
Consumer price index	Value at 31.12.2022	Value at 31.12.2023	Change
TURKSTAT	1,128.45	1,859.38	+64.77%
Consumer price index	Value at 31.12.2021	Value at 31.12.2022	Change
TURKSTAT	686.95	1,128.45	+64.27%
Consumer price index	Value at 01.01.2003	Value at 31.12.2021	Change
TURKSTAT	100	686.95	+586.95%

Effects of the application of the hyperinflation on the Consolidated Statement of Financial Position

(€/000)	31.03.2024	Hyperinflation effect	31.03.2024 with Hyperinflation effect
Total non-current assets	147,156	34,014	181,170
Total current assets	181,137	2,186	183,323
Total assets	328,293	36,200	364,493
Total shareholders' equity	140,549	36,117	176,666
Total non-current liabilities	99,967	83	100,050
Total current liabilities	87,777	-	87,777
Total liabilities and shareholders' equity	328,293	36,200	364,493

Effects of the application of the hyperinflation on the Consolidated Income Statement

(€/000)	3 months 2024	Hyperinflation effect	3 months 2024 with Hyperinflation effect
Operating revenue and income	71,143	(144)	70,999
Operating costs	(60,590)	159	(60,431)
EBITDA	10,553	15	10,568
EBIT	5,812	(839)	4,973
Profit before taxes	6,148	(500)	5,648
Income taxes	(1,255)	75	(1,180)
Net profit for the year	4,695	(425)	4,270

Management Statement

Economic performance

The financial results for the first quarter of 2024 are presented and commented on below, normalised, i.e. adjusted for the effects of the application of IAS 29 - hyperinflation accounting standard - with reference to the financial statements of the subsidiary Sabaf Turkey. The normalised financial results also exclude, for the first quarter of 2023 only, the start-up costs for Sabaf India, Sabaf Mexico and the Induction division, which are expected to become fully operational during 2024. This representation allows a better understanding of the Group's performance and a more accurate comparison with previous periods.

Amounts in €/000	Q1 2024	Q1 2023	2024-2023 change	% change	12 MONTHS 2023
Sales revenue	68,861	58,063	10,798	+18.6	237,949
Hyperinflation – Turkey	137	84			1,160
Start-up revenue	-	-			(23)
Normalised revenue	68,998	58,147	10,851	+18.7%	239,086
EBITDA	10,568	6,529	4,039	+619%	29,612
<i>EBITDA %</i>	<i>15.3</i>	<i>11.2</i>			<i>12.4</i>
Start-up costs	-	354			2,649
Hyperinflation – Turkey	(15)	251			786
Normalised EBITDA	10,553	7,134	3,419	+47.9%	33,047
Normalised EBITDA%	15.3	12.3			13.8
EBIT	4,973	1,497	3,476	+232.2%	11,062
<i>EBIT %</i>	<i>7.2</i>	<i>2.6</i>			<i>4.6</i>
Start-up costs	-	483			3,724
Hyperinflation – Turkey	839	898			2,710
Normalised EBIT	5,812	2,878	2,934	+101.9%	17,496
Normalised EBIT%	8.4	4.9			7.3
Group net result	4,270	(791)	5,061	+639.8%	3,103
<i>Net result %</i>	<i>6.2</i>	<i>-1.4</i>			<i>1.3</i>
Start-up costs	-	438			3,530
Hyperinflation – Turkey	425	1,769			7,521
Normalised result of the Group	4,695	1,416	3,279	+231.7%	14,154
Normalised result %	6.8	2.4			5.9

In a sector that continues to show marked economic weakness, especially in mature markets (Western Europe and the United States), the Sabaf Group recorded significantly improved results, confirming the validity of the strategic choices aimed at greater internationalisation of the business and expansion of the product range.

In the first quarter of 2024, the Sabaf Group achieved normalised sales revenue of € 69 million, 18.7% higher than the € 58.1 million of Q1 2023 (+7.2% on a like-for-like basis).

Normalised EBITDA in Q1 2024 was € 10.6 million, or 15.3% of sales and up 47.9% from € 7.1 million (12.3% of sales) in Q1 2023. The Group benefited from a significant recovery in business volumes and from an increase in capacity utilisation in its main plants.

Normalised operating income (EBIT) was € 5.8 million (8.4%), 101.9% higher than the € 2.9 million (4.9%) in Q1 2023.

Normalised net profit for the period was € 4.7 million (€ 1.4 million in Q1 2023).

Statement of financial position and cash flows

The Group's statement of financial position, reclassified based on financial criteria, is illustrated below:

Amounts in €/000	31.03.2024	31.12.2023	31.03.2023
<i>Non-current assets</i>	181,170	181,167	176,217
Short-term assets ¹	145,556	133,401	139,337
Short-term liabilities ²	(63,507)	(61,553)	(60,081)
<i>Working capital</i> ³	82,049	71,848	79,256
<i>Provisions for risks and charges, post-employment benefit, deferred taxes, other non-current payables</i>	(9,417)	(9,477)	(9,478)
Net invested capital	253,802	243,538	245,995
Short-term net financial position	13,497	20,118	(5,336)
Medium/long-term net financial position	(90,633)	(93,268)	(81,016)
Net financial debt	(77,136)	(73,150)	(86,352)
Shareholders' equity	176,666	170,388	159,643

Cash flows for the financial year are summarised in the table below:

Amounts in €/000	31.03.2024	31.12.2023	31.03.2023
Opening liquidity	36,353	20,923	20,923
<i>Operating cash flow</i>	(150)	39,852	5,603
<i>Cash flow from investments</i>	(2,711)	(16,942)	(5,426)
Free cash flow	(2,861)	22,910	177
Cash flow from financing activities	(2,144)	(14,670)	1,815
Share capital increase	-	17,312	-
Acquisitions	-	(9,108)	-
Foreign exchange differences	(182)	(1,014)	(1,050)
Cash flow for the period	(5,187)	15,430	942
Closing liquidity	31,166	36,353	21,865

As at 31 March 2024, the ratio of net working capital⁴ to revenue was 29.8%, compared to 34.1% as at 31 March 2023 and to 30.2% at the end of 2023.

¹ Sum of Inventories, Trade receivables, Tax receivables and Other current receivables

² Sum of Trade payables, Tax payables and Other liabilities

³ Difference between short-term assets and short-term liabilities

Net investments for the quarter came to € 2.7 million (€ 5.4 million in Q1 2023 and € 16.9 million for the whole of 2023).

As at 31 March 2024, the net financial debt was € 77.1 million (€73.2 million as at 31 December 2023 and € 86.4 million as at 31 March 2023), against a consolidated equity of € 176.7 million. The net financial debt as of 31 March 2024 includes € 11.7 million for the financial liability related to the accounting of the put option granted to MEC's minority shareholders and € 5.7 million for financial liabilities recognised in accordance with IFRS 16.

Significant non-recurring, atypical and/or unusual transactions

During the first quarter of 2024, the Group did not engage in significant transactions qualifying as non-recurring, atypical and/or unusual, as envisaged by the Consob communication of 28 July 2006.

Outlook

The sales and order book trend for the coming months are projecting a further improvement of the results achieved in the first quarter. Moreover, throughout the year is expected an increasing contribution from sales of induction cooking components and from the new plants in India and Mexico.

Normalised revenue by geographical area (€/000)

Normalised revenue	Q1 2024	%	Q1 2023	%	% change	2023 FY
Europe (excluding Turkey)	20,659	29.9%	19,765	34.0%	+4.5%	71,734
Turkey	18,386	26.6%	16,916	29.1%	+8.7%	63,419
North America	14,658	21.2%	7,723	13.3%	+89.8%	47,697
South America	6,960	10.1%	6,729	11.6%	+3.4%	27,858
Africa and Middle East	4,944	7.2%	5,320	9.1%	-7.1%	17,762
Asia and Oceania	3,391	4.9%	1,694	2.9%	+100.2%	10,616
Total	68,998	100%	58,147	100%	+18.7%	239,086

Normalised revenue by product line (€/000)

Normalised revenue	Q1 2024	%	Q1 2023	%	% change	2023 FY
Gas parts	40,625	58.9%	36,222	62.3%	+12.2%	144,010
Hinges	20,931	30.3%	15,314	26.3%	+36.7%	70,410
Electronic components	7,442	10.8%	6,611	11.4%	+12.6%	24,666
Total	68,998	100%	58,147	100%	+18.7%	239,086

Annex - Consolidated Income Statement Reconciliation for the First Quarter 2024

<i>(€/000)</i>	Q1 2024	IAS29 effect	Start-up effect	Q1 2024 Normalised
INCOME STATEMENT COMPONENTS				
OPERATING REVENUE AND INCOME				
Turnover	68,861	137	-	68,998
Other income	2,138	7	-	2,145
Total operating revenue and income	70,999	144	-	71,143
OPERATING COSTS				
Materials	(33,311)	(37)	-	(33,348)
Change in inventories	1,718	(92)	-	1,626
Services	(12,048)	(14)	-	(12,062)
Personnel costs	(17,102)	(13)	-	(17,115)
Other operating costs	(417)	(1)	-	(418)
Costs for capitalised in-house work	729	(2)	-	727
Total operating costs	(60,431)	(159)	-	(60,590)
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION, CAPITAL GAINS/LOSSES, AND WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS				
	10,568	(15)	-	10,553
Amortisation	(5,638)	848	-	(4,790)
Capital gains on disposals of non-current assets	43	6	-	49
Value adjustments of non-current assets	-	-	-	-
EBIT	4,973	839	-	5,812
Financial income	651	-	-	651
Financial expenses	(1,071)	1	-	(1,070)
Net income/(charges) from hyperinflation	341	(341)	-	-
Exchange rate gains and losses	754	1	-	755
Profits and losses from equity investments	-	-	-	-
PROFIT BEFORE TAXES	5,648	500	-	6,148
Income taxes	(1,180)	(75)	-	(1,255)
PROFIT FOR THE YEAR	4,468	425	-	4,893
of which:				
Minority interests	198	-	-	198
PROFIT ATTRIBUTABLE TO THE GROUP	4,270	425	-	4,695

Annex - Reconciliation of the consolidated income statement for the first quarter of 2023

<i>(€/000)</i>	Q1 2023	IAS29 effect	Start-up effect	Q1 2023 Normalised
INCOME STATEMENT COMPONENTS				
OPERATING REVENUE AND INCOME				
Turnover	58,063	84	-	58,147
Other income	2,348	3	-	2,351
Total operating revenue and income	60,411	87	-	60,498
OPERATING COSTS				
Materials	(31,066)	-	22	(31,044)
Change in inventories	1,350	177	2	1,529
Services	(11,220)	(6)	200	(11,026)
Personnel costs	(13,170)	(8)	96	(13,082)
Other operating costs	(542)	1	34	(507)
Costs for capitalised in-house work	766	-	-	766
Total operating costs	(53,882)	164	354	(53,364)
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION, CAPITAL GAINS/LOSSES, AND WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS				
	6,529	251	354	7,134
Amortisation	(5,032)	647	129	(4,256)
Capital gains on disposals of non-current assets	-	-	-	-
Value adjustments of non-current assets	-	-	-	-
EBIT	1,497	898	483	2,878
Financial income	90	-	-	90
Financial expenses	(786)	-	-	(786)
Net income/(charges) from hyperinflation	(1,407)	1,407	-	-
Exchange rate gains and losses	(531)	(4)	-	(535)
Profits and losses from equity investments	-	-	-	-
PROFIT BEFORE TAXES	(1,137)	2,301	483	1,647
Income taxes	346	(532)	(45)	(231)
PROFIT FOR THE YEAR	(791)	1,769	438	1,416
of which:				
Minority interests	-	-	-	-
PROFIT ATTRIBUTABLE TO THE GROUP	(791)	1,769	438	1,416

Statement of the Financial Reporting Officer pursuant to Article 154-bis (2) TUF

The Financial Reporting Officer, Gianluca Beschi, declares that, pursuant to paragraph 2, Article 154-bis of Italian Legislative Decree 58/1998 (TUF, or Consolidated Finance Act), the accounting information contained in the Interim Management Statement at 31 March 2024 of Sabaf S.p.A. corresponds to the Company's records, books and accounting entries.

Ospitaletto (BS), 14 May 2024

Financial Reporting Officer

Gianluca Beschi