



FINANCIAL PRESENTATION

Sabaf | 27th March 2025

STAR CONFERENCE
2025



SABAF: THERE'S LIFE INSIDE

www.sabafgroup.com

SABAF
GROUP



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COMPANY PROFILE

Sabaf Group: product range evolution in 4 Business Units

SINCE 1950

GAS

- Standard Burners
- Special Burners
- Professional Burners
- Oven and Grill Burners
- Gas Valves
- Gas Oven Thermostats
- Microswitches & Accessories



SINCE 2018

ELECTRONICS

- Cooker Hoods
- Ovens
- Cookers and hobs
- Vitroceramic hobs control cards
- Refrigerators/freezers
- Other products



SINCE 2000, further expansion since 2019

HINGES

- Ovens
- Dishwashers
- Washing machines
- Refrigerators
- Special applications
- Small compartments
- Catering appliances



SINCE 2022

INDUCTION

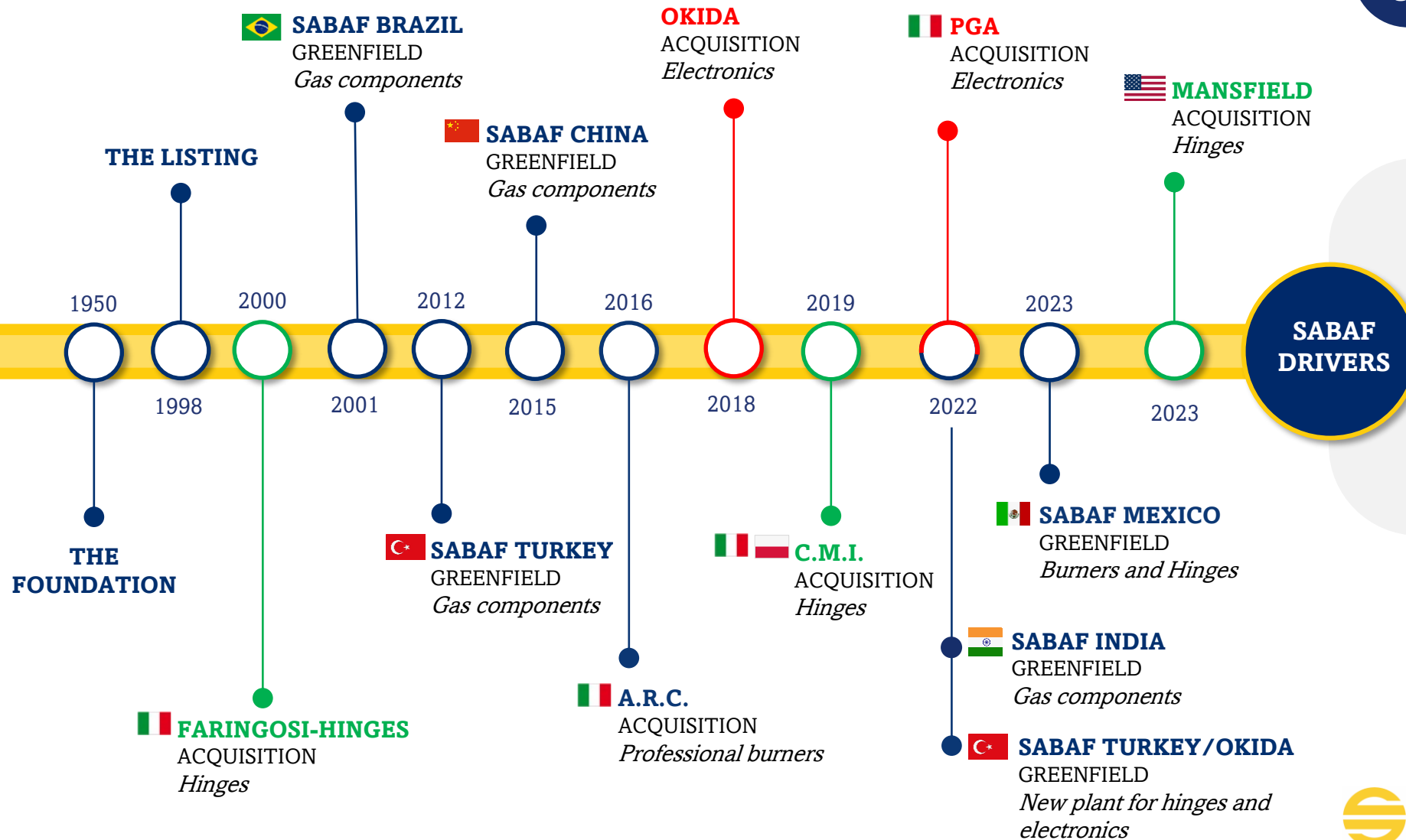
Components for induction cookers and hobs



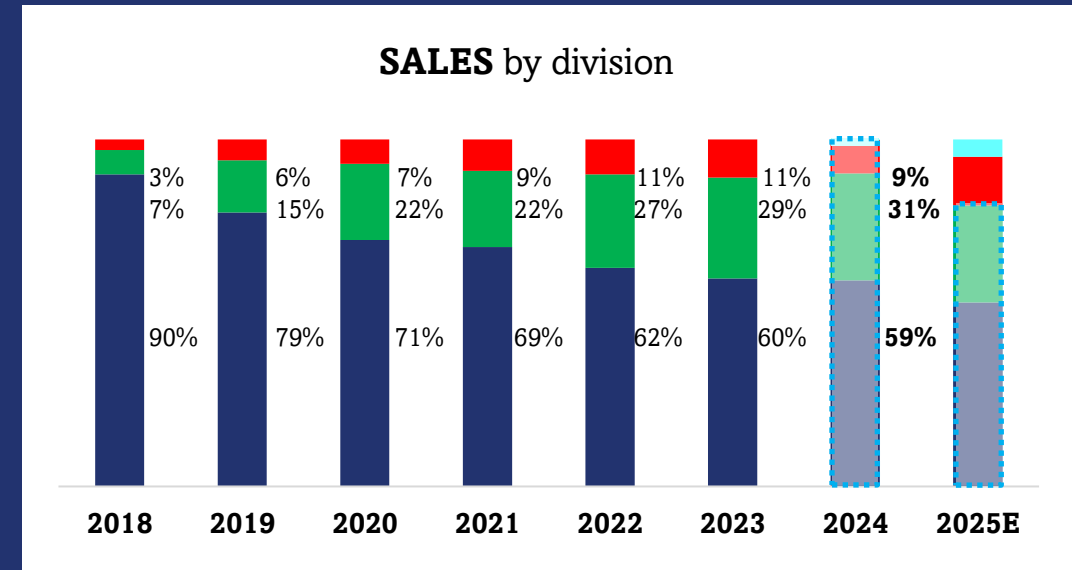
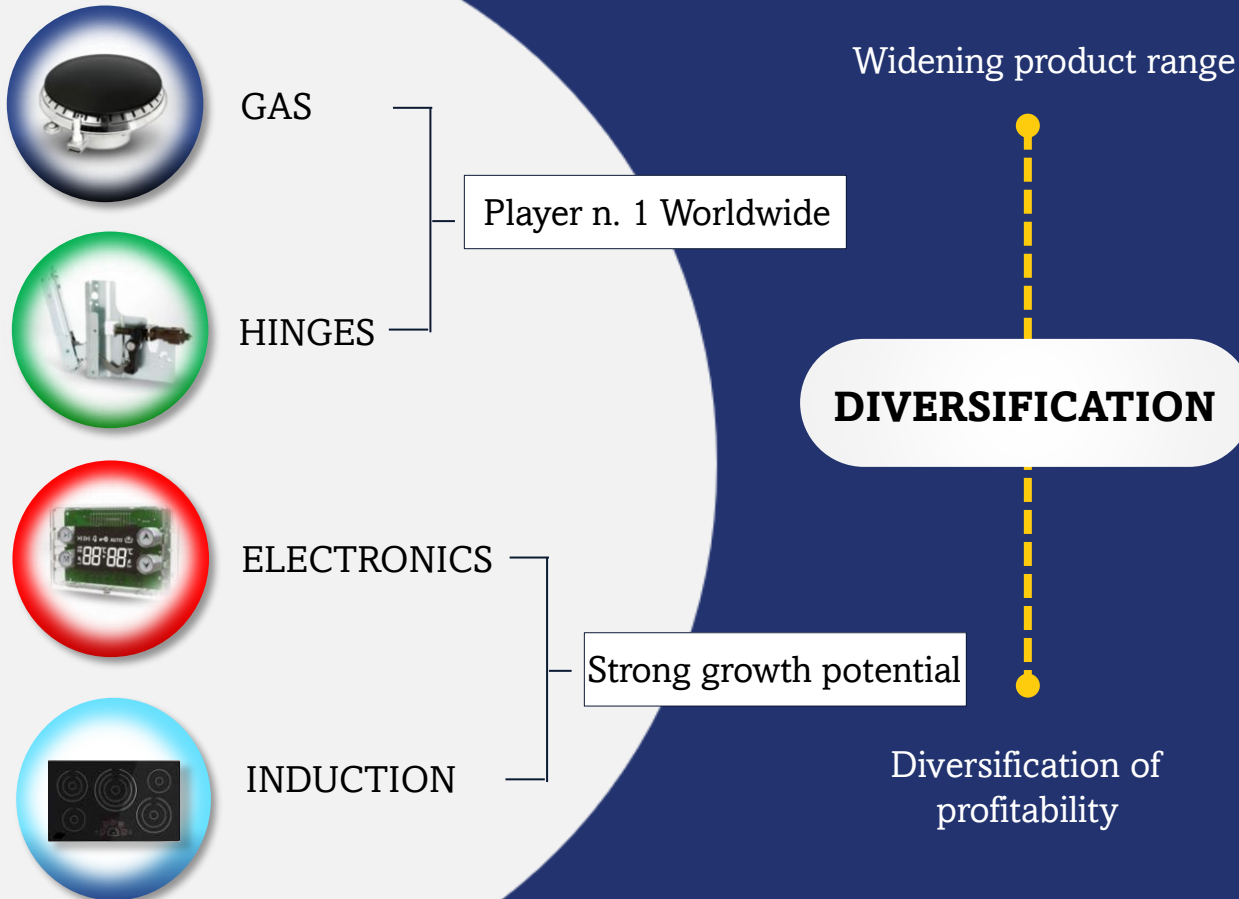
- Inductor
- Power board
- Cooling system
- Touch control
- User interface

Sabaf Group: evolution

5 acquisitions in the last 8 years
3 greenfield plants in the last 3 years

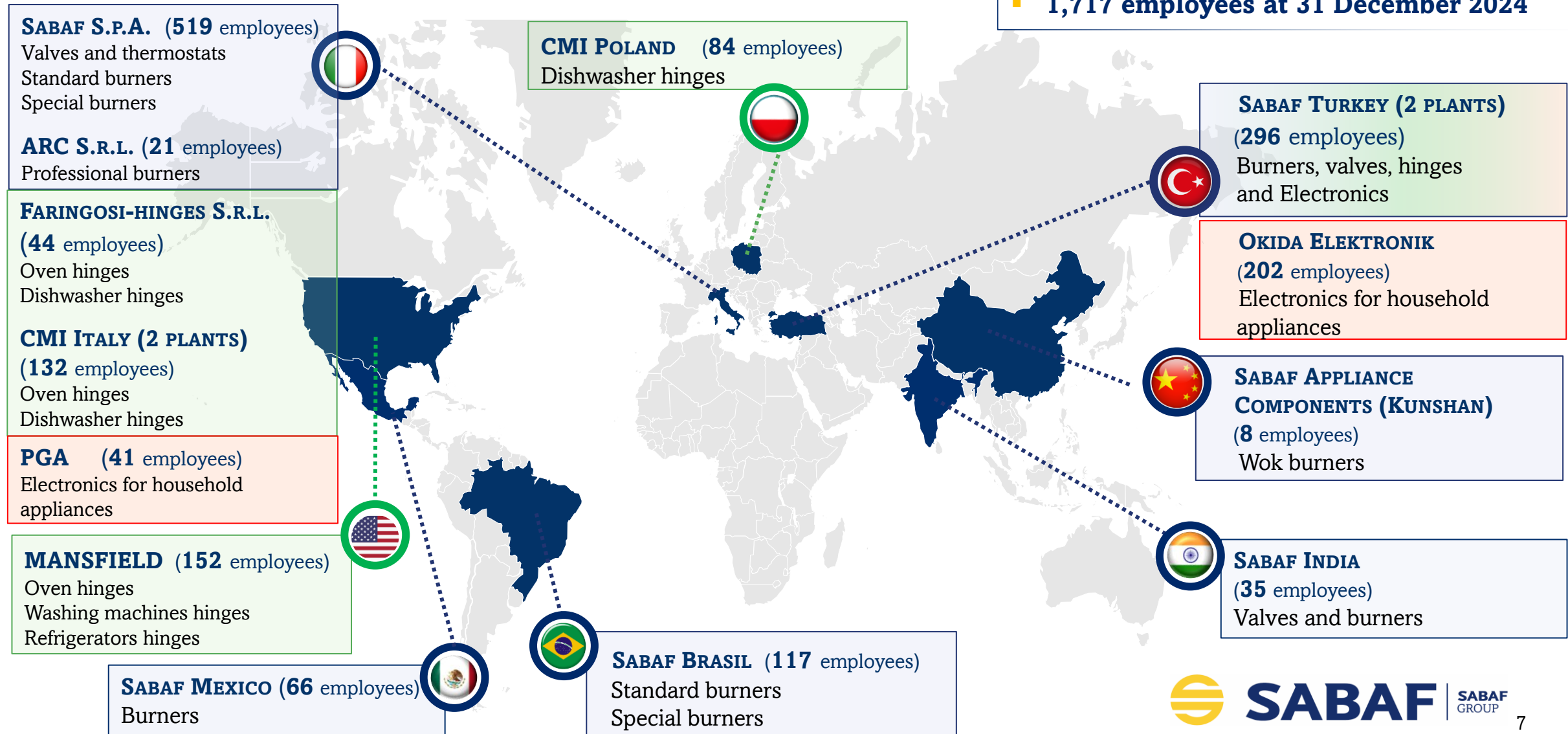


Sabaf Group: leading producer of components for household appliances and company evolution in 4 Business Units



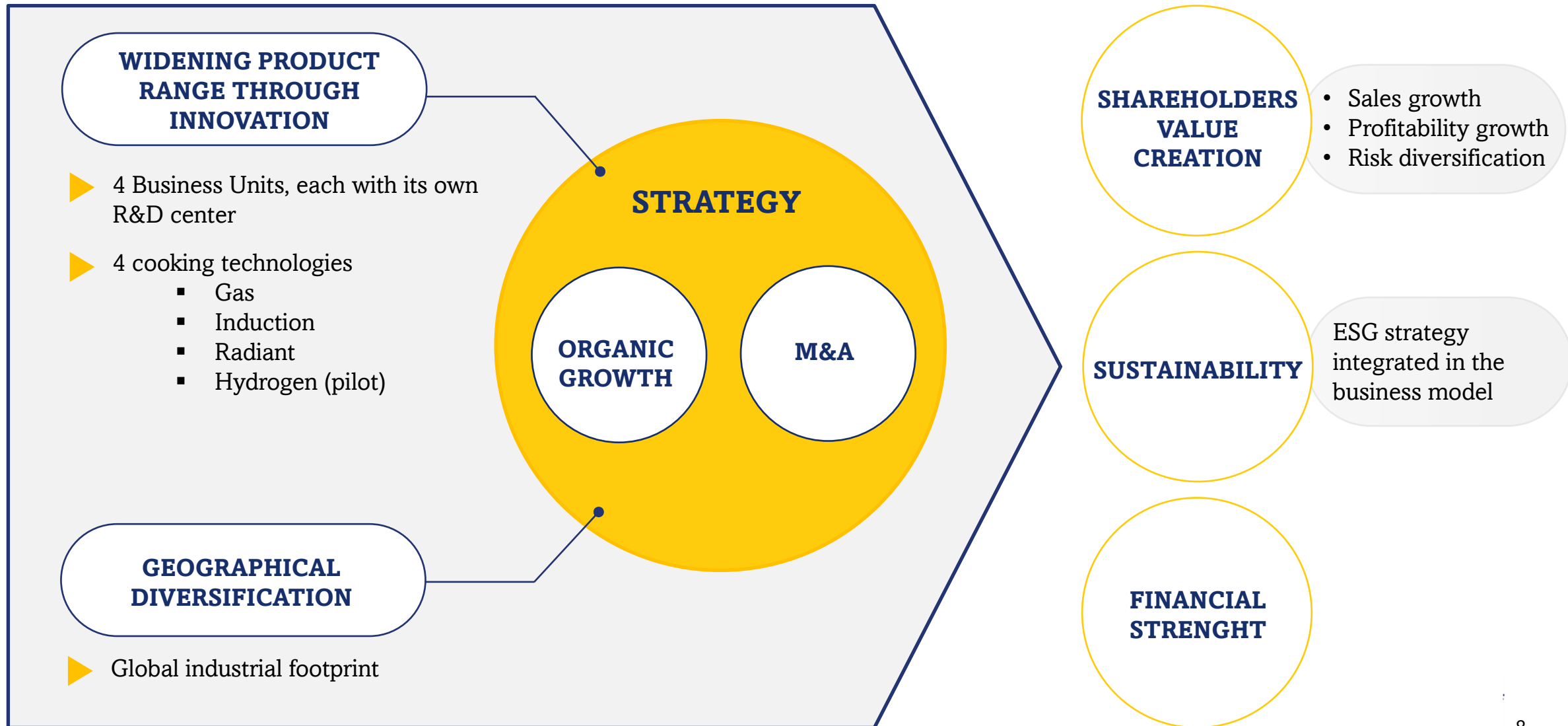
Sabaf Group: industrial footprint

- 2018: 7 production plants
- 2024: 15 production plants (6 in Italy and 9 abroad)
- 1,717 employees at 31 December 2024**



Why investing in Sabaf

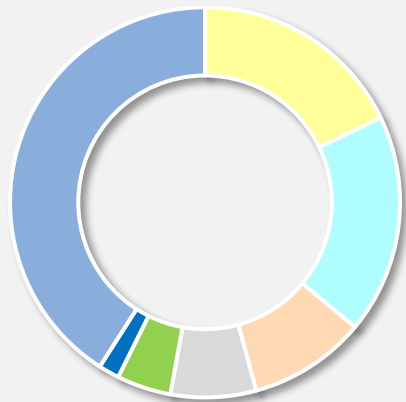
Strategy for value creation



Sabaf Group

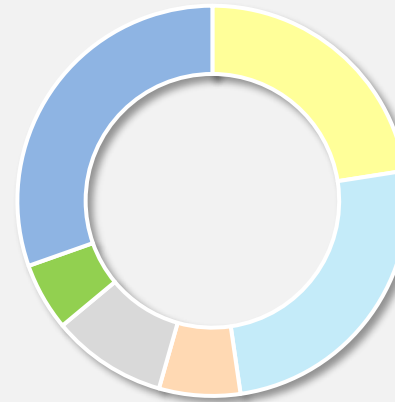
Main shareholders

% OF SHARE CAPITAL



18.18 %	Quaestio SGR
17.86 %	Cinzia Saleri S.a.p.A.
9.73 %	Montinvest S.r.l.
7.08 %	Fintel S.r.l.
4.50 %	Paloma Rheem Investments
1.73%	Treasury Shares
40.92 %	Market

% OF VOTING RIGHTS



25.16 %	Quaestio SGR
22.53 %	Cinzia Saleri S.a.p.A.
9.54 %	Fintel
6.73 %	Montinvest S.r.l.
5.63 %	Paloma Rheem Investments
30.41 %	Market

Pietro Iotti, Sabaf CEO,
owns 2.24% of voting rights

LATEST STRATEGIC MOVES

Latest strategic moves

2022

SABAF INDIA

2023

SABAF MEXICO

2023

MANSFIELD ACQUISITION

2024

SABAF INDUCTION SALES START

Sabaf India

Sales start	2Q 2023
Investment	€ 5.2 million in 3 years
Division	<u>Gas</u> : production of valves and burners for the domestic market
Production capacity	€ 6 million (scalable)



Market characterized by:

- **strong growth**
- **customization**
- **competitive price requests**

- **12M 2024**: revenues € 2.3 million
- **2025**: sales growth

Completion of the **entire production process of valves** by 1H 2025

Sabaf Mexico

Sales start	1H 2024
Investment	€ 12 million in 2021-2023
Division	<u>Gas</u> : production of burners for NA market
Production capacity	€ 9 million (scalable)

May 2024: start of sales to **Mabe**

July 2024: start of sales to **Whirlpool**

Fast production ramp-up, working on 3 shifts

12M 2024: revenues € 3 million

Budget 2025: revenues € 7 million



Mansfield

Acquisition	July 2023
Share acquired	51% of share capital
Enterprise value	USD 21 million
Division	<u>Hinges</u>



Mansfield Engineered Components LLC (MEC) is **based in Mansfield, Ohio**

MEC is a **leading North American manufacturer of hinges** for household appliances (mainly ovens, washing machines and refrigerators), designed and manufactured to meet the high-quality levels and demanding standards required by the US market

Smooth transition from previous ownership to the management

Visible synergies, for which implementation is ongoing, even thanks to very **positive relationships** with local management

Ongoing **automation** in order to improve productivity

12M 2024

- **Revenues** USD 28.6 million
- Despite market weakness, **profitability is steadily improving**

Sabaf Induction



Project start	2021
Sales start	1H 2024
Investment	About €6.2 million in R&D in the period 2021 – 2024

Sabaf has developed **its own project know-how** (proprietary patents, software and hardware)

Creation of **innovative products** which better meet manufacturers' needs and new consumer trends.

Implementation of **new features** (Assisted cooking additional functions: water boiling sensor and controlled frying)

The project flexibility will enable Sabaf to offer **customised products** to its clients

The Group benefits from the expertise gained from the acquisitions of **Okida and P.G.A.** where part of the induction cooking components are produced

Team of **more than 60 electronic engineers**

Q2 2024: one of the major multinational groups started to produce under Sabaf license

Q3 2024: delivery of samples to 9 customers for testing

Q4 2024 and Q1 2025: expected start of sales to many customers

FINANCIAL PERFORMANCE

Context analysis and Sabaf positioning

Market

- Greater **penetration of Turkish and Chinese players in the European market**
- **Reduction** in end-users **purchasing power**

Competitors

The last 2 years highlighted the **difficulty of some competitors**, which could open opportunities for M&A and **allow us to gain market shares**

Tariffs

The first economic policy measures taken by the new US administration have created **international tensions**, the effects of which are difficult to predict

The **Sabaf Group** is able to **take full advantage** of such trends

- **strong relationships with key market players**
 - **global footprint**

- **Direct manufacturing presence in the USA** (MEC in Ohio)
- **Sabaf Mexico's** production is mainly intended **for manufacturers in the Mexican territory**
- **FCA delivery terms** for customers
- **Turkey** looks not to be impacted by US duties

The geographical diversification of Sabaf's industrial footprint mitigates the risks associated with tariffs/trade barriers, thanks to the **presence of production plants in all key reference markets**

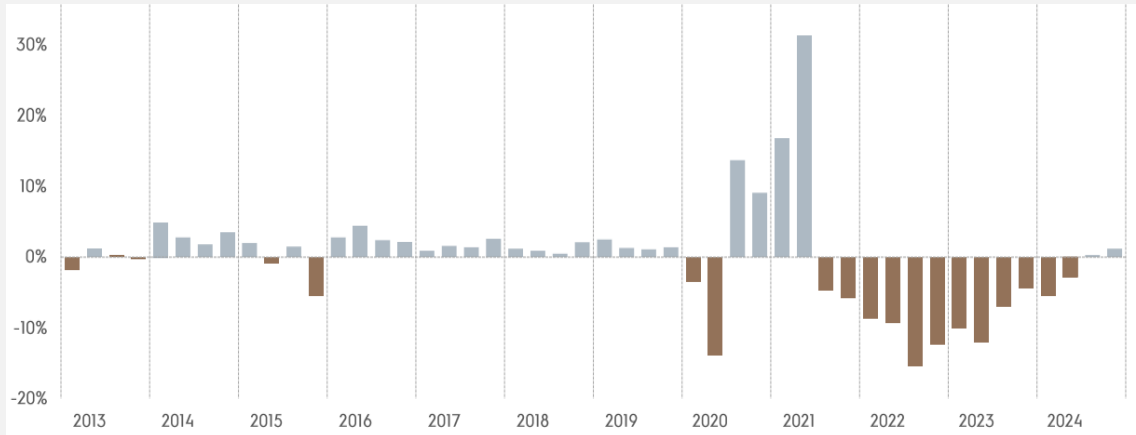
2024 | Market trends

Europe

- After several quarters characterized by **market weakness, signs of recovery are emerging**. Industry shipments +1% in 4Q 2024

Quarterly industry shipments in Europe

Quarterly unit comparison y-o-y



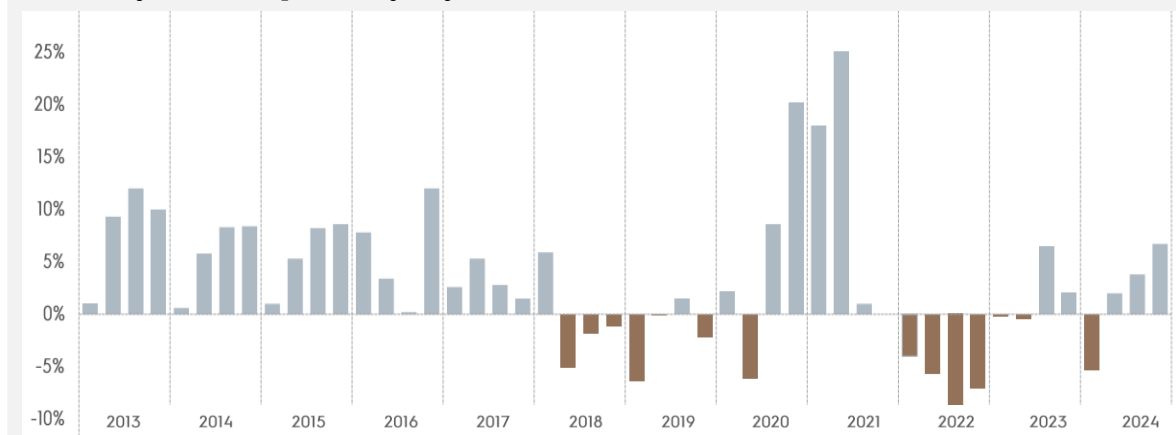
Source: Electrolux 4Q 2024 presentation

North America

- **2Q, 3Q and 4Q 2024 industry shipments were positive** (+7 in 4Q%). **Resilient demand**, but with an increasing shift towards lower prices

Quarterly industry shipments in U.S.

Quarterly unit comparison y-o-y



Source: Electrolux 4Q 2024 presentation

- **Strong growth** in **Latin America**
- **Asia is recovering** compared to 2023
- **Middle East** and **Africa** affected by the **geopolitical** picture

2024 | EMEA Market trend vs. Sabaf Group

MARKET EMEA*

	2024
Sales - Units	+1.8%
Sales - Value in €	+1.5%

SABAF - EMEA

	2024
Adjusted sales in €	+7.7%

- Good performance of Gas and Hinges divisions
- Market share increase

2024 | Sabaf Group highlights

In this context
Sabaf reported strong results

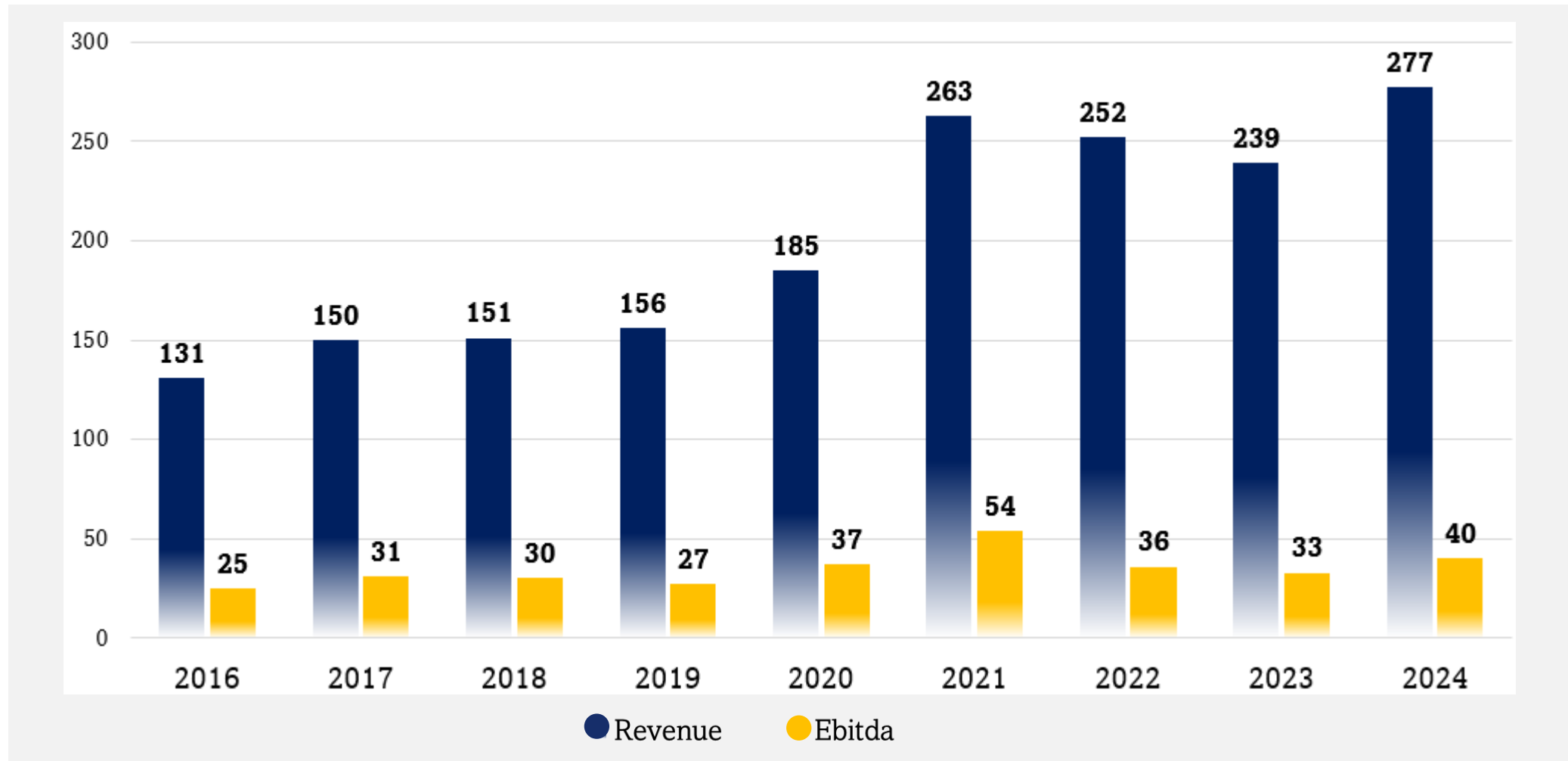
- Direct presence in **emerging countries**
 - **Product range expansion**
 - Product **innovation**
- allow the Group to **gain market share** and **outperform the market**

Thanks to its **global industrial footprint** and **available production capacity**, Sabaf is **ready to respond to the expected recovery** after a period of market weakness

	12M 2024	12M 2023	Δ vs. 2023
REVENUE adj	€ 277 mln	€ 239 mln	+15.8%
<i>(on a like-for-like basis)</i>	€ 263,3 mln		+10.1%
EBITDA adj	€ 40,4 mln	€ 33 mln	+22.2%
<i>(on a like-for-like basis)</i>	€ 38,8 mln		+17.4%
EBITDA MARGIN % adj	14.6%	13.8%	
<i>(on a like-for-like basis)</i>	14.7%		
EBIT MARGIN adj	€ 21.2 mln	€ 17.5 mln	+21.2%
<i>(on a like-for-like basis)</i>	€ 20.2 mln		+15.7%

Yearly adjusted¹ revenues and EBITDA

Mln €



¹Adjusted income statement: results exclude the impact of the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) and, only for 2023 data the start-up costs of Sabaf India, Sabaf Mexico and the Induction division. This representation allows a better understanding of the Group's performance and of its comparison with previous periods.

Adjusted income statement¹ - 12 months 2024

€ x 000	12 MONTHS 2024		12 MONTHS 2023		Δ % 12M 24 - 12M 23
Revenue	276,965	100%	239,086	100%	+15.8%
Other income	10,739	3.9%	9,036	3.8%	
Total operating revenue and income	287,704		248,122		
Consumption	(129,391)	(46.7%)	(116,008)	(48.5%)	
Personnel costs	(69,225)	(25.0%)	(57,809)	(24.2%)	
Other operating costs	(48,690)	(17.6%)	(41,258)	(17.3%)	
EBITDA	40,398	14.6%	33,047	13.8%	+22.2%
Depreciation	(19,089)	(6.9%)	(17,071)	(7.1%)	
Gain/losses on fixed assets	1	0.0%	1,520	0.6%	
Write-downs/write-backs of non-current assets	(106)	(0.0%)	-	0.0%	
EBIT	21,204	7.7%	17,496	7.3%	+21.2%
Non financial expense	(2,278)	(0.8%)	(3,334)	(1.4%)	
Exchange rate gains and losses	1,351	0.5%	(2,169)	(0.9%)	
Profits and losses from equity investments	(8)	(0.0%)	-	0.0%	
EBT	20,269	7.3%	11,993	5.0%	+69.0%
Income taxes	(3,354)	(1.2%)	2,438	1.0%	
NET PROFIT FOR THE PERIOD	16,915	6.1%	14,431	6.0%	+17.2%
Minority interests	965	0.3%	277	0.1%	
PROFIT ATTRIBUTABLE TO THE GROUP	15,950	5.8%	14,154	5.9%	+12.7%

¹Adjusted income statement: results exclude the impact of the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) and, only for 2023 data the start-up costs of Sabaf India, Sabaf Mexico and the Induction division. This representation allows a better understanding of the Group's performance and of its comparison with previous periods.

Income statement reconciliation reported – adjusted¹ - 12 months 2024

€ x 000	12 MONTHS 2024		12 MONTHS 2023		Δ % 12M24 - 12M23
Revenue	285,091	100.0%	237,949	100.0%	+19.8%
Start-up sales	-		(23)		
Hyperinflation - Turkey	(8,126)		1,160		
Adjusted revenue	276,965	100.0%	239,086	100.0%	+15.8%
EBITDA	43,704	15.3%	29,612	12.4%	+47.6%
Start-up costs	-		2,649		
Hyperinflation - Turkey	(3,306)		786		
Adjusted EBITDA	40,398	14.6%	33,047	13.8%	+22.2%
EBIT	17,739	6.2%	11,062	4.6%	+60.4%
Start-up costs	-		3,724		
Hyperinflation - Turkey	3,465		2,710		
Adjusted EBIT	21,204	7.7%	17,496	7.3%	+21.2%
Net result	6,928	2.4%	3,103	1.3%	+123.3%
Start-up costs	-		3,530		
Hyperinflation - Turkey	9,022		7,521		
Adjusted Net result	15,950	5.8%	14,154	5.9%	+12.7%

○ Reported results

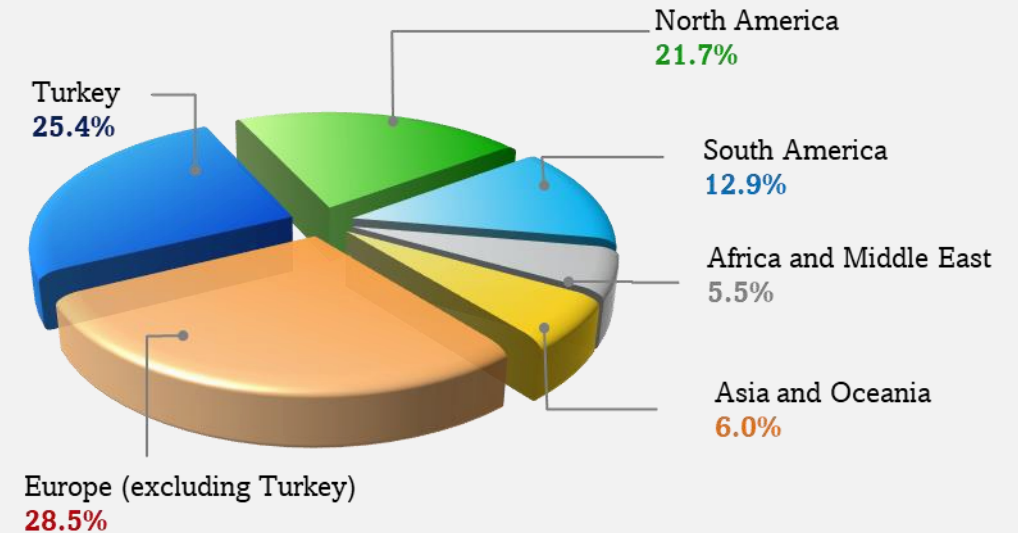
○ Adjusted results

¹Adjusted income statement: results exclude the impact of the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) and, only for 2023 data the start-up costs of Sabaf India, Sabaf Mexico and the Induction division. This representation allows a better understanding of the Group's performance and of its comparison with previous periods.

Adjusted sales by market

€ x 000

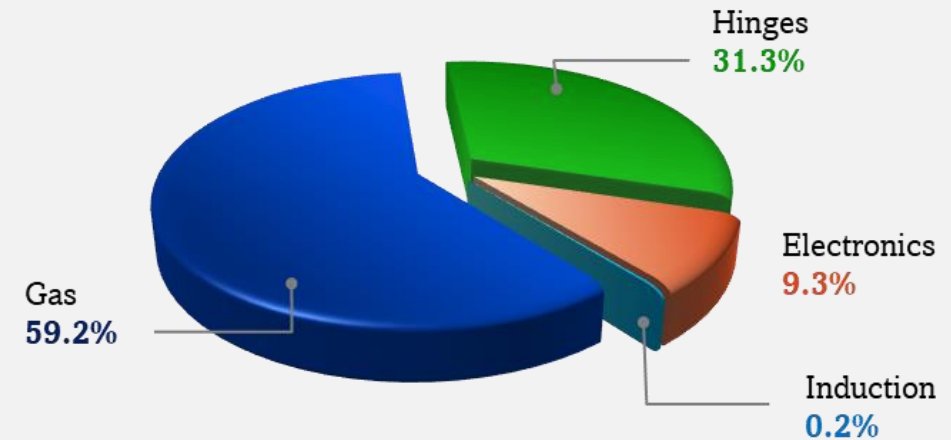
	12 MONTHS 2024	12 MONTHS 2023	Δ
Europe (excluding Turkey)	79,036	71,734	+10.2%
Turkey	70,459	63,419	+11.1%
North America	60,088	47,697	+26.0%
South America	35,654	27,858	+28.0%
Africa and Middle East	15,190	17,762	-14.5%
Asia and Oceania	16,538	10,616	+55.8%
Total	276,965	239,086	+15.8%



Adjusted sales by product

€ x 000

	12 MONTHS 2024	12 MONTHS 2023	Δ
Gas	164,081	144,010	+13.9%
Hinges	86,627	70,410	+23.0%
Electronics	25,783	24,666	+4.5%
Induction	474	-	n.a.
Total	276,965	239,086	+15.8%



Balance Sheet - Reported

€ x 000	31/12/2024	31/12/2023
Fixed assets	177,663	181,167
<i>Inventories</i>	63,132	61,985
<i>Trade receivables</i>	64,837	55,826
<i>Tax receivables</i>	9,909	11,722
<i>Other current receivables</i>	4,322	3,868
<i>Trade payables</i>	(41,681)	(42,521)
<i>Tax payables</i>	(4,794)	(3,025)
<i>Other payables</i>	(17,478)	(16,007)
Net working capital	78,247	71,848
Provisions for risks and severance indemnity	(8,285)	(9,477)
Capital Employed	247,625	243,538
Equity	173,744	170,388
Net debt	73,881	73,150
Sources of finance	247,625	243,538

At 31 December 2024, the impact of the **net working capital on revenue was 27.4%** compared to 30.2% at the end of 2023

Net financial debt at 31 December 2024 **€73.9 million** (€73.2 million at 31 December 2023) includes €11.5 million related to the recognition of the put option granted to MEC minorities

Cash flow statement

€ x 000	12 MONTHS 2024	12 MONTHS 2023
Cash at the beginning of the period	36,353	20,923
Net profit	7,893	3,380
Depreciation	22,932	20,066
Other income statement adjustments	11,936	5,229
Change in net working capital		
- Change in inventories	(3,520)	4,079
- Change in receivables	(9,745)	7,375
- Change in payables	(484)	2,438
	(13,749)	13,892
Other changes in operating items	(1,979)	(2,715)
Operating cash flow	27,033	39,852
Investments, net of disposals	(14,706)	(16,942)
Free Cash Flow	12,327	22,910
Cash flow from financial activity	(7,899)	(14,208)
Own shares buyback	(211)	(462)
Dividends	(8,663)	-
Share capital increase	-	17,312
Mansfield aquisition	-	(8,325)
PGA acquisition	-	(783)
Forex	(1,266)	(1,014)
Net financial flow	(5,712)	15,430
Cash at the end of the period	30,641	36,353

Dividends: on 28 May 2024 distribution of a gross ordinary dividend of €0.54 per share

Dividend 2025

2025 Dividend proposal

The Board of Directors will propose to the shareholders the distribution of a gross ordinary dividend of **€0.58** per share
(Cash out ~ € 7.2 million)

A gross dividend of €0.54 per share was paid in 2024

Outlook

Signs of recovery

- After three years of widespread weakness in demand, the **household appliances market appears to be heading for a gradual recovery** in volumes, partly due to the stimulus in consumption and residential investment resulting from lower interest rates
- There are, however, some reasons for uncertainty. The first economic policy measures taken by the new US administration have created international tensions, the effects of which are difficult to predict. Sabaf's **global production structure**, with the direct **manufacturing presence in the United States** enabled by the recent acquisition of MEC, mitigates the risks associated with the introduction of tariffs.

Positive Outlook for 2025

- The Group expects **sustained growth in 2025** as the benefits of the strategy outlined in the Business Plan (diversification of the offering, strengthening of the industrial footprint, development of group synergies and growth through acquisitions) is further materializing
- In particular, an important contribution is expected from **sales in North America**, even thanks to the **Mexican production plant** that is constantly increasing volumes and expanding its product range. For all divisions, **sales of new products** - which will be partly customised for some customers - will begin and should help to strengthen market shares. **The orders received in the first part of the year confirm this trend.**
- The Group is **strengthening its efforts to improve margins** through further efficiency measures, innovative projects and adjustments of price lists.

SUSTAINABILITY

Solar power plant



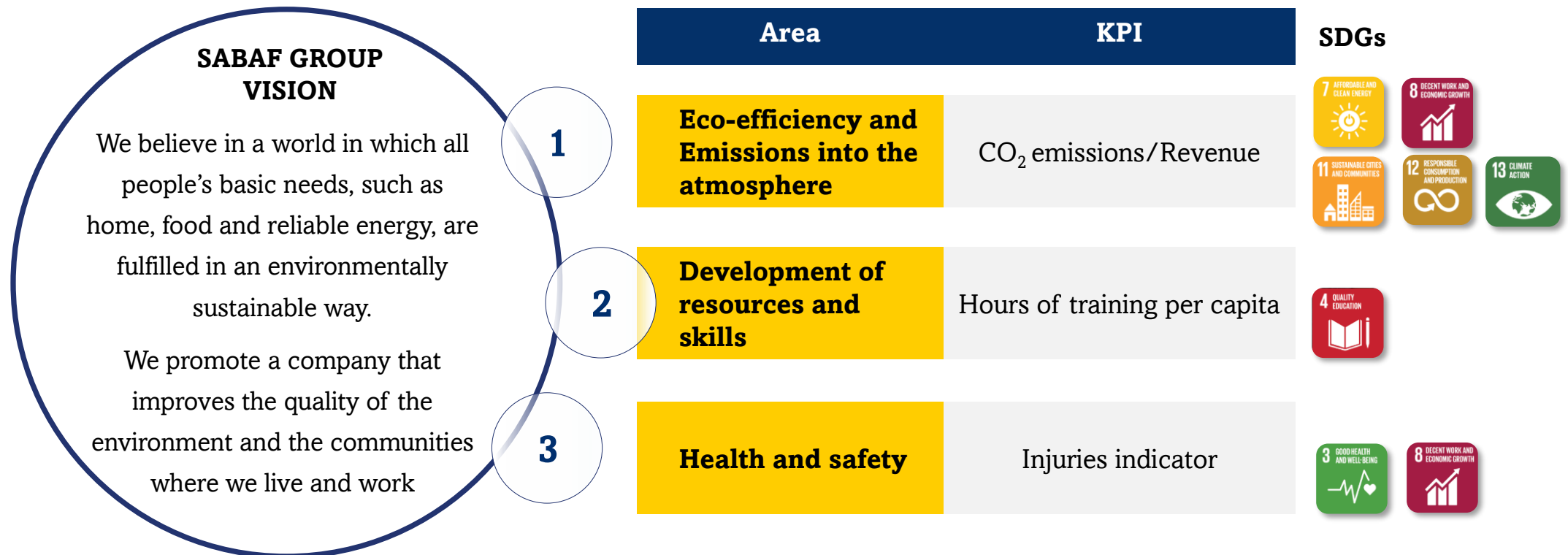
- Total CapEx: approximately **€2.3 million**
- Will enable the production of electricity using solar photovoltaic technology, significantly contributing to the goal of **climate change mitigation**
- Allows **self-production** of an estimated amount equal to **10-15%** of the site's current energy consumption
- **Emissions reduction: ~ 10-15%** (Scope 2 emissions from purchased and consumed electricity)
- **Saving: ~ € 0.5 million / year**
- The solar power plant will be operational form **July 2025**

Sabaf: a sustainable business

Sustainability in the Business plan 2024 - 2026

“ Sabaf’s strategy and governance model are aimed towards ensuring long-term sustainable growth.

For Sabaf, sustainability is primarily based on sharing values with its stakeholders; compliance with common values increases mutual trust and encourages knowledge development ”



ESG Performance - Corporate Governance

Remuneration policy

LONG - TERM INCENTIVE PLAN

2024 - 2026

Linked to the economic-financial and sustainability objectives set out in the **2024-2026 Business plan**

Definition of **SUSTAINABILITY TARGETS:**

- With reference to the issues highlighted in the **materiality analysis**
- Fully in line with **best practices** and **Corporate Governance Code**

MATERIAL TOPIC	KPI	% ON LTI
Emissions into the atmosphere	Implementation of the ESG investment plan (1,500 t CO ₂ reduction)	10%
Development of resources and skills	Hours of training per capita	5%
Health and safety of personnel	Indicator of injuries	5%
Impact of on LTI plan		20%

Environmental impact of different cooking fuels 1 / 3



About 30% of people on our planet, i.e. 2.5 billion people, are still relies on **solid biomass fuels** for cooking (wood, charcoal, animal dung, crop residues)

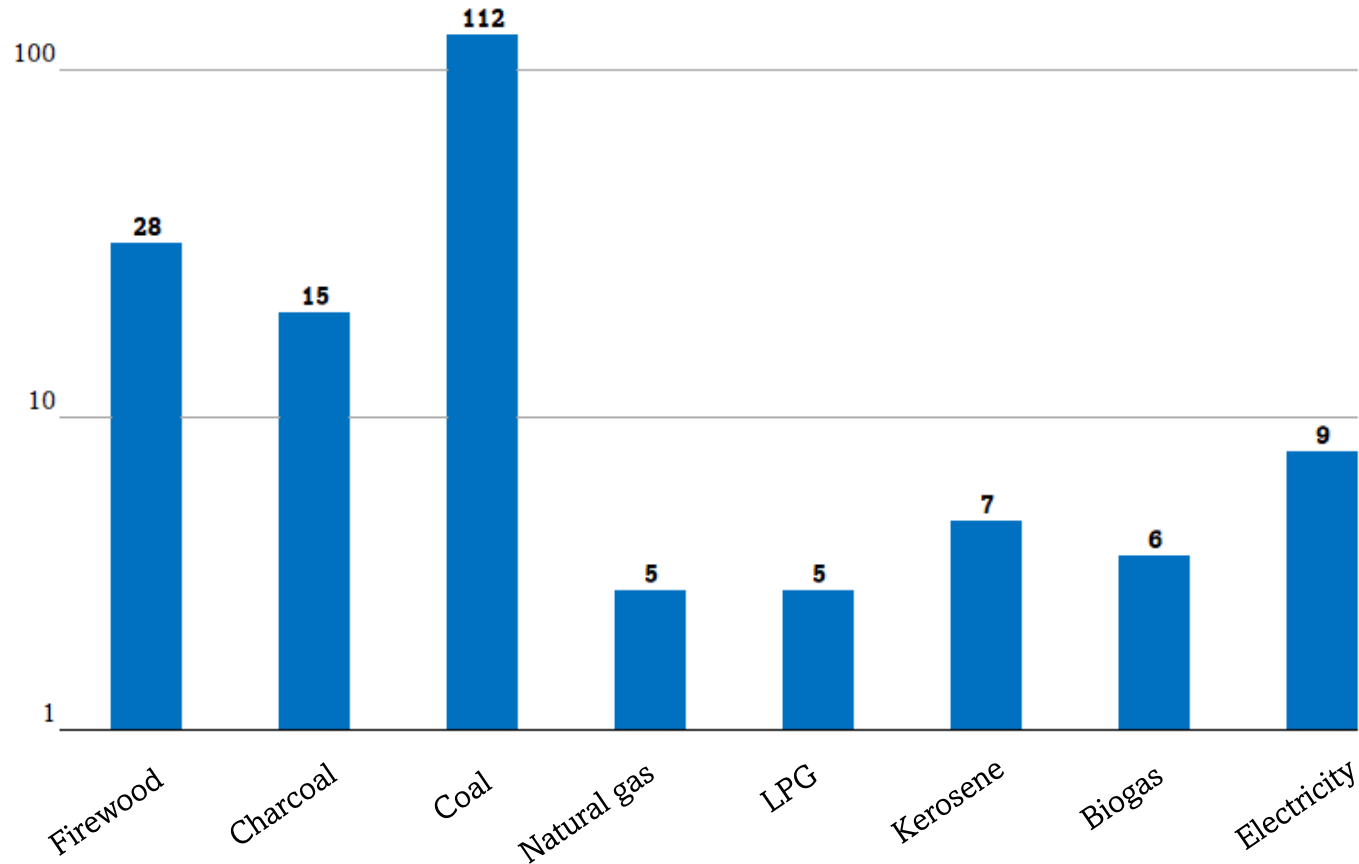
This population is mainly concentrated in Sub-Saharan Africa, where the unavailability of clean fuels affects 82% of the population, but significant percentages characterize also Central Asia, India, China, South-East Asia and Latin America

In addition to being **harmful to the environment**, the pollution produced by traditional fuels has important consequences on the **health** of users and families

5.5 billion people use fossil fuels (mainly natural gas and LPG) or electricity for cooking

Environmental impact of different cooking fuels 2/3

Environmental impact of different cooking fuels¹



The environmental impact was measured using a **scientific standard method** (the ReCiPE 2016), which is based on 3 impact categories:

- damage to human health
- damage to ecosystem quality
- damage to resource availability

The environmental impact **was highest in the case of coal** cooking appliances (112) and **lowest for LPG and methane** cooking appliances (5 and 5.2 respectively).

Electric cooking appliances, with an impact of 9, highlighted an environmental impact equal to **180% of** that deriving from **gas** hobs

Cooking through a gas hob instead of using firewood as cooking fuel, **reduces the environmental impact by 80%**

¹ <https://www.itjfs.com/index.php/ijfs/article/view/2170>

Environmental impact of different cooking fuels 3/3

From the perspective of sustainable development, the **reduction of the environmental impact** resulting from cooking food will necessarily have to go through a **dual strategy**

Promote access to **energy sources with lower impact** for the population that still uses solid fuels

Favor electric cooking only where and when **the energy production mix** is characterized by a predominant component of **green energy**

An induction hob causes lower CO₂ emissions than a gas hob only if the electricity is produced with a % of **renewable sources** (and/or nuclear energy) **higher than 70%**

The Sabaf Group pursue **a business development path consistent with the ecological transition plans:**

- Sabaf is investing to promote diffusion of gas cooking appliances in emerging countries, replacing traditional cooking methods with much higher environmental impact
- At the same time, Sabaf is investing to enter the sector of induction cooking, the most efficient form of electric cooking, which is constantly growing in the European market, although such trend has slowed down in the last 3 years

A possible revolution - Hydrogen burners

The Sabaf Group actively takes part in research projects aimed at evaluating the feasibility of replacing natural gas (methane) with hydrogen as a source for gas cooking appliances

● **Hy4Heat project**, promoted by the British government, concluded in 2022 with positive results

Pilot project in collaboration with the Colombian client Industrias Haceb → **European Union Sustainability certification LCBA** (Low Carbon and Circular Economy Business Action)

● **Burners operating with 100% hydrogen**: laboratory tests and prototypes have confirmed the technical feasibility of these products

● The possibility to use hydrogen on a large scale as a fuel has still to overcome important technological challenges, both in terms of its production and distribution

● A possible solution in a relatively short time is the use of a **mix of methane and hydrogen**, through the **existing distribution network**



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 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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