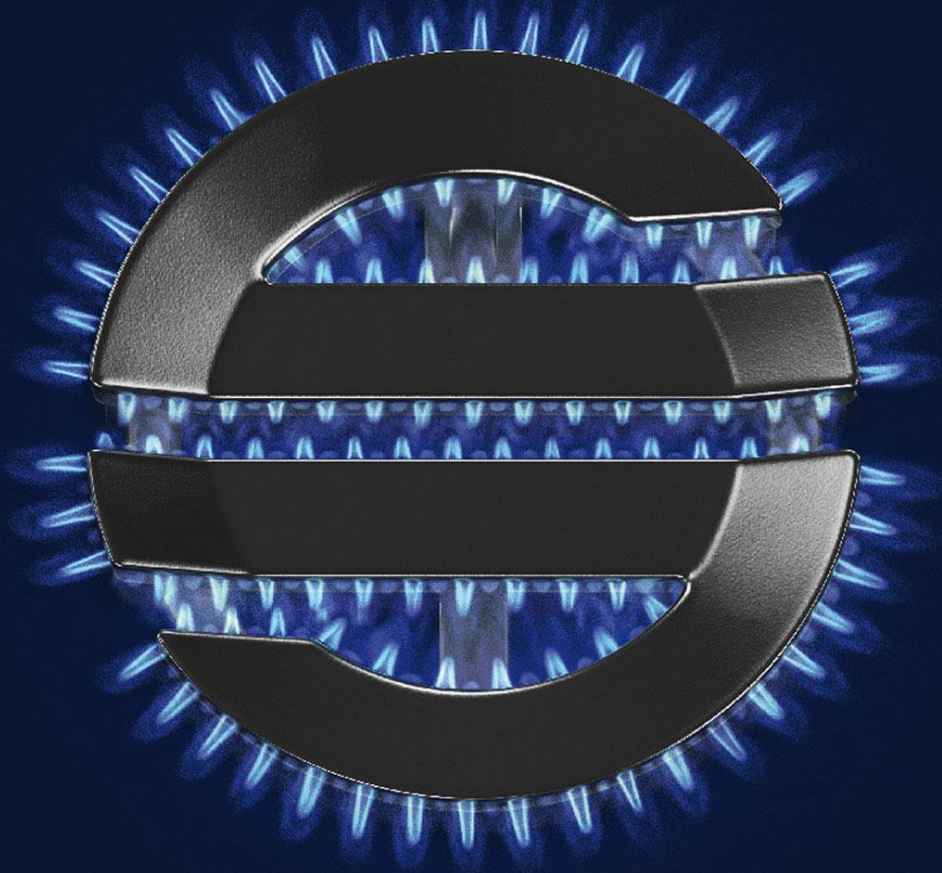


We burn for technology and safety.



www.sabafgroup.com

SABAF
GROUP

ARC

CMI

FRINGOSI
HINGES

OKIDA

SABAF

FINANCIAL PRESENTATION

MEDIOBANCA – MidCap Conference

19th - 20th January 2022



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- I. COMPANY PROFILE
- II. 9 MONTHS 2021 RESULTS
- III. BUSINESS PLAN 2021 - 2023

COMPANY PROFILE

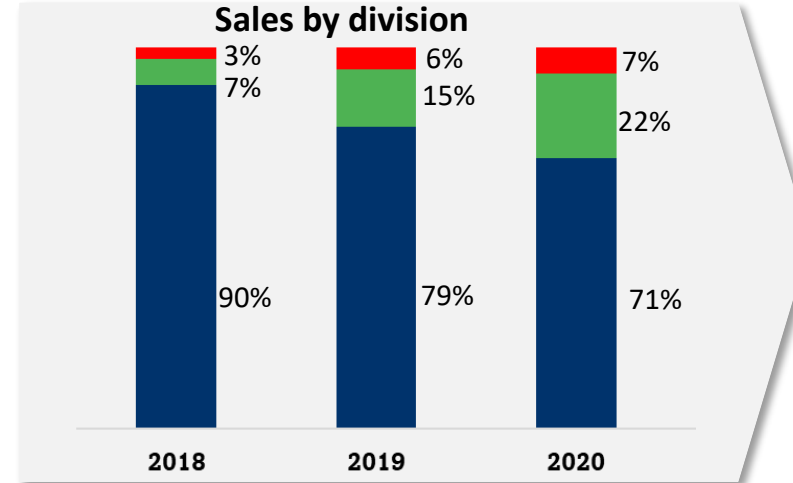
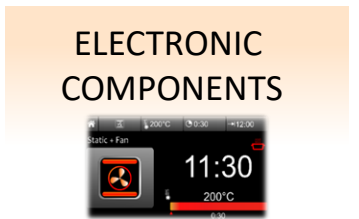
Sabaf Group

Timeline and history

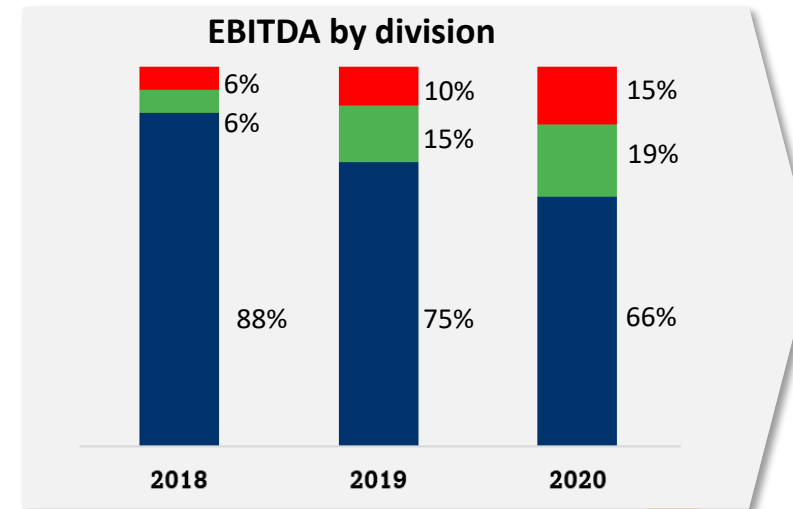


Sabaf Group

Business diversification in three divisions



Widening product range



Diversification of profitability

Sabaf Group

Product range

GAS

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



HINGES

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



ELECTRONIC COMPONENTS

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

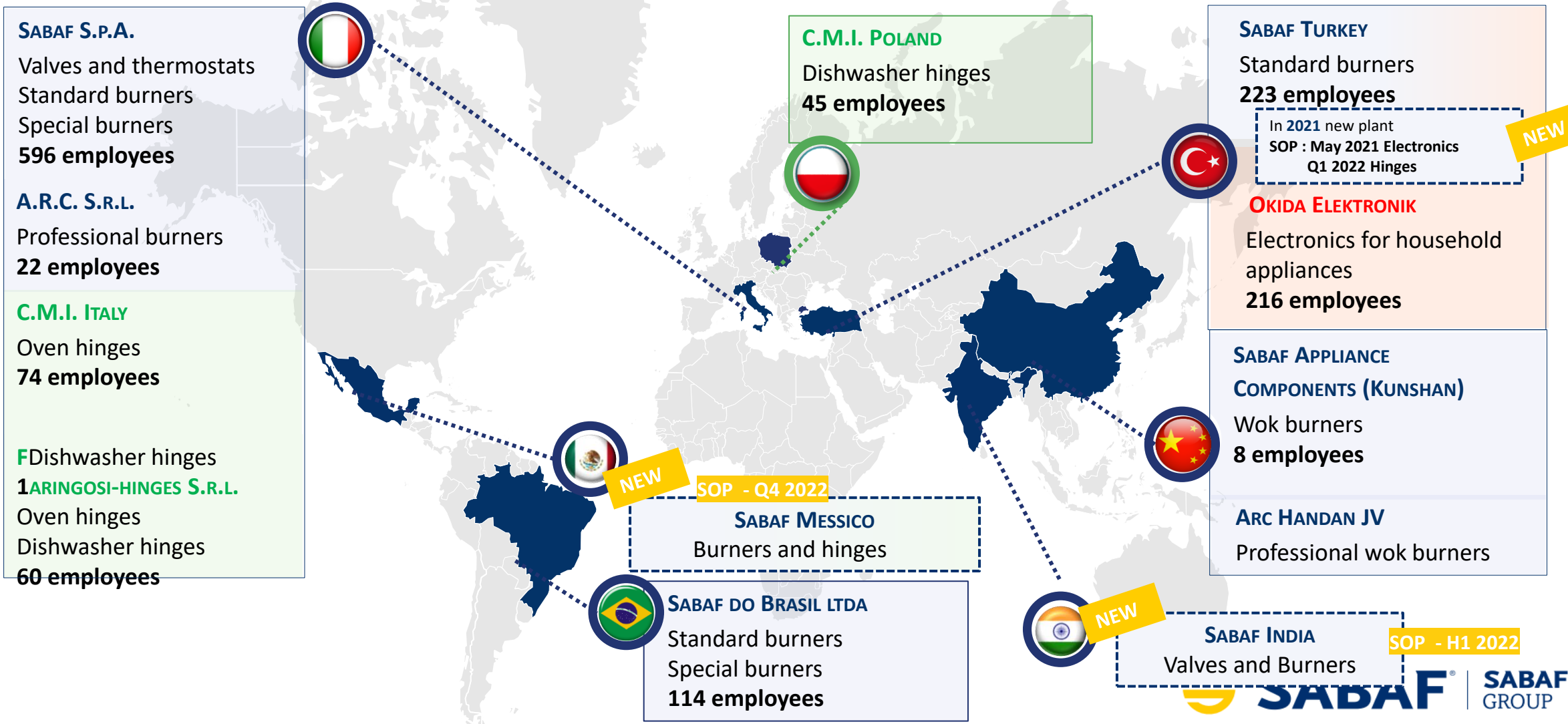


Sabaf Group

Industrial Footprint: present and near future



Total Group employees
at 30 November 2021
1,458



Sabaf Group

Market

Global leader in the segment of **components for domestic appliances** with 400 customers in 64 different countries:

- **Gas components** - a strong leadership in Europe (market share above 40%), estimated market share worldwide of about 10%
- **Hinges** - Top Player. Market share above 30% worldwide.
- **Electronics**- New player, strong growth

Weight of **top 10** customers on total Group sales is **48%**



No customer represents **more than 11%** of total Group sales

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

Sabaf Group

Product & technology



Product Innovation:
More than 90 active patents

Know-how:

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

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

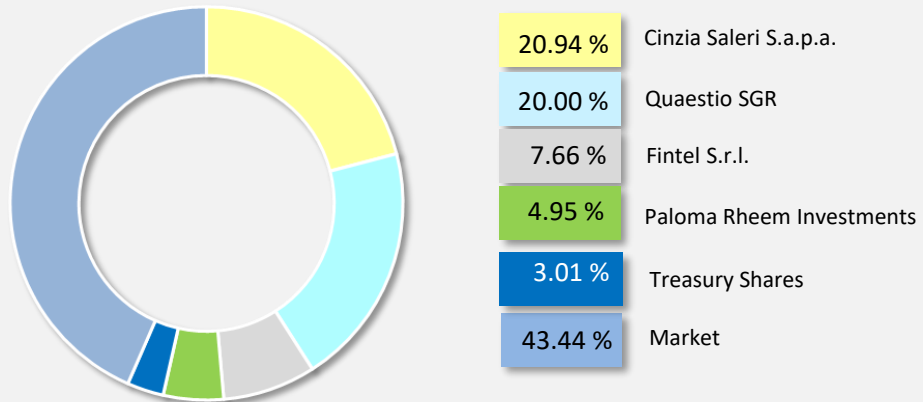
Strong operational leverage:
great flexibility in production volumes growth, ready to satisfy customers requests



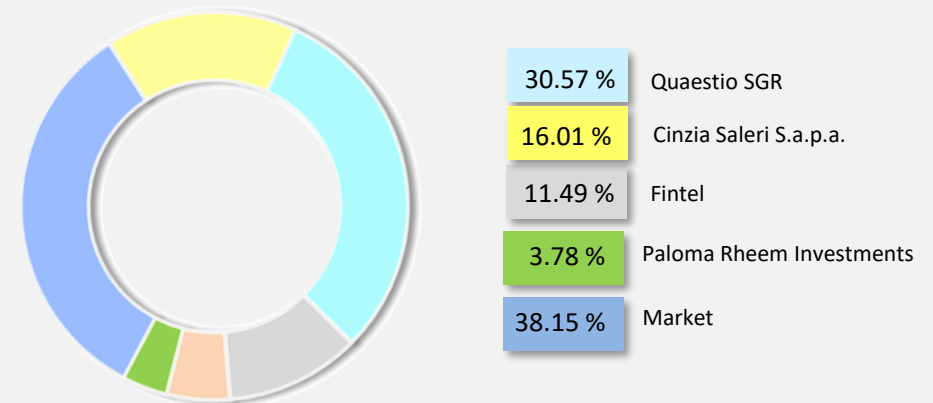
Sabaf Group

Main Shareholders

% OF SHARE CAPITAL



% OF VOTING RIGHTS

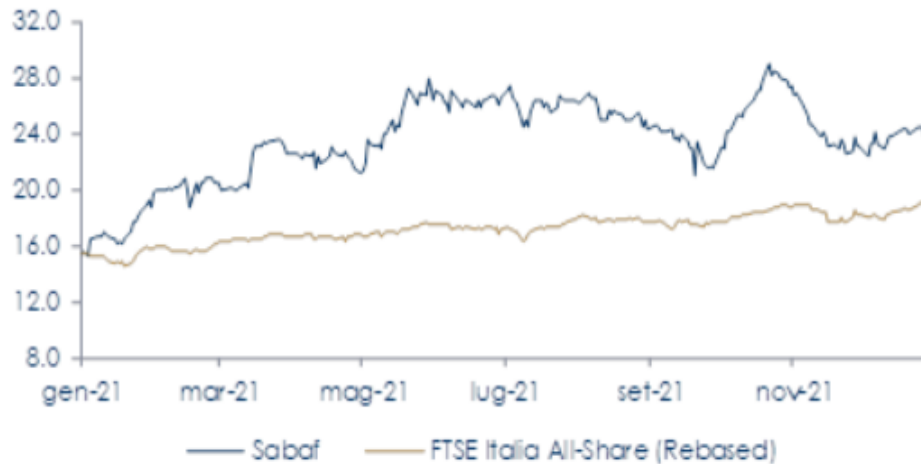


Pietro Iotti, CEO of Sabaf,
owns 1.5%

Sabaf Group

Stock price

Stock price evolution - 1 year



Market cap: € 273.3 mn at January 11th, 2022

2021 DIVIDEND

- € 0.55 per share - Tot. amount 6.1 mn eur
- Ex-date: 31st May 2021
- Dividend yield: 2.4%
- Payout ratio: 45.4%

Sabaf performance

Change

1-month (%)	+ 3.49%
3-month (%)	+ 2.60%
6-month (%)	- 10.57%
12-month (%)	+ 53.90%

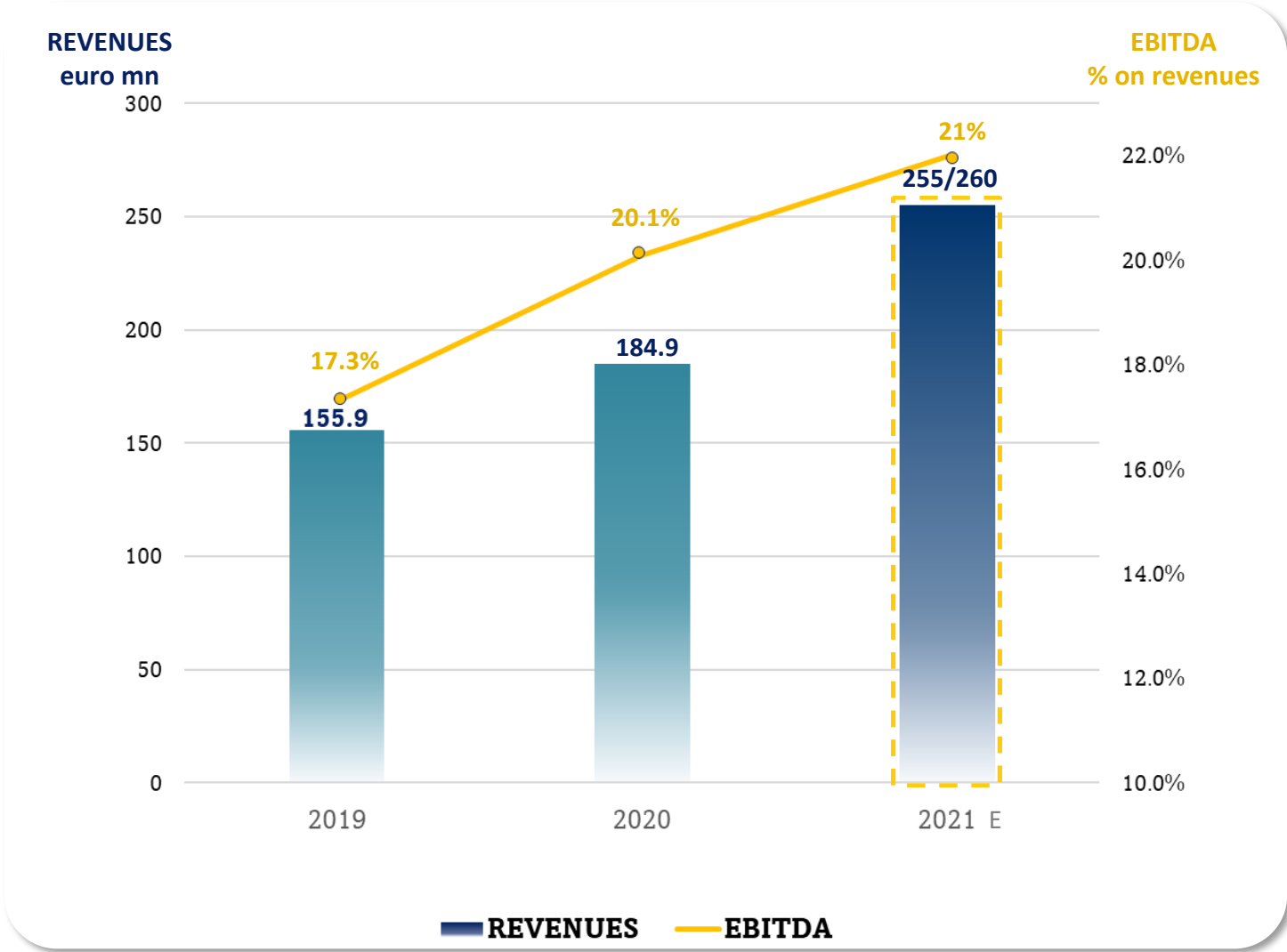
Consensus Overview

Source Bloomberg Consensus
Jan.11th, 2022

	FY 2022E	FY 2023E
Price/EPS	9.52	8.84
EV/EBITDA	6.11	5.86
EV/EBIT	8.78	8.47

9 MONTHS 2021
FINANCIAL RESULTS

Revenues: 2019 – 2021E



FY 21 expected SALES at € 255-260 million

~+40% vs. 2020

~+65% vs. 2019

FY 21 expected EBITDA at € 55 million

~+40% vs. 2020

>+100% vs. 2019

Business update



Sales and market share increased

Structural drivers

Significant contribution of **new projects with strategic customers – increase in market share**

Industrial and commercial synergies created with the most recently acquired companies (e.g. 25 new customers in Okida after Sabaf acquisition thanks to cross selling)

Macroeconomic drivers

The household appliance market is confirming the **positive trend** that began in the second half of 2020



All Group plants are operating with high level of saturation of **production capacity**

The Group has invested in production capacity growth according to guidelines of the industrial Business Plan 21-23



Workforce increased by 325 units since July 2020 (on a total of 1,133 employees at 30.06.2020)

Performance data

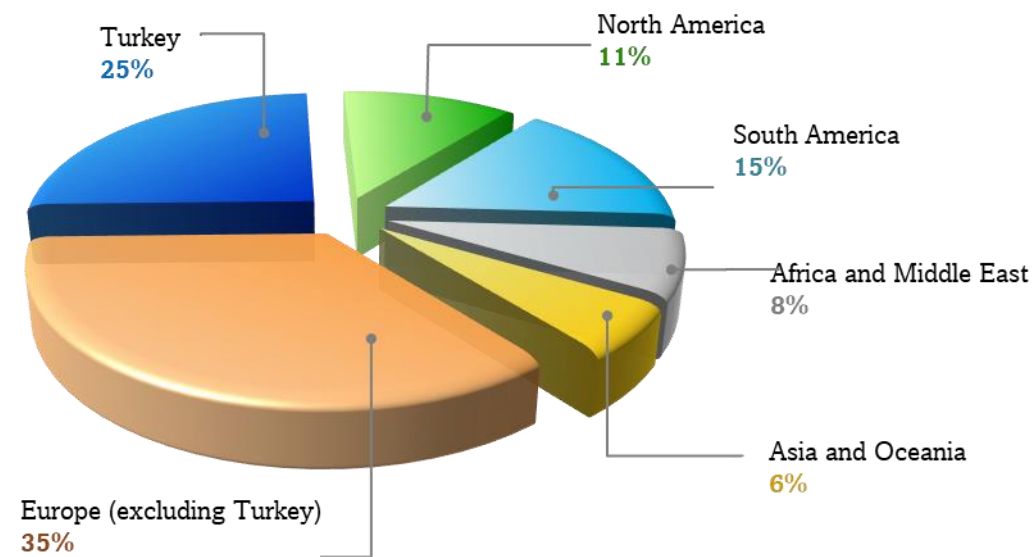
Income statement – 9 MONTHS 2021

€ x 000	9 MONTHS 2021		9 MONTHS 2020		Δ % 21 - 20	12 MONTHS 2020	
Revenue	200,772	100.0%	125,445	100.0%	+60.0%	184,906	100.0%
Other income	5,979	3.0%	3,036	2.4%		7,194	3.9%
Total operating revenue and income	206,751	103.0%	128,481	102.4%		192,100	
Materials	(109,187)	(54.4%)	(56,438)	(45.0%)		(82,966)	(44.9%)
Personnel costs	(40,922)	(20.4%)	(30,485)	(24.3%)		(43,700)	(23.6%)
Change in inventories	25,128	12.5%	3,694	2.9%		6,406	3.5%
Other operating costs	(37,601)	(18.7%)	(22,380)	(17.8%)		(34,743)	(18.8%)
EBITDA	44,169	22.0%	22,872	18.2%	+93.1%	37,097	20.1%
Depreciation	(12,718)	(6.3%)	(12,705)	(10.1%)		(16,968)	(9.2%)
Gains/ losses on fixed assets	126	0.1%	60	0.0%		105	0.1%
Write-downs/ write-backs of non-current assets	-	0.0%	-	0.0%		(141)	(0.1%)
EBIT	31,577	15.7%	10,227	8.2%	+208.8%	20,093	10.9%
Net financial expense	(89)	(0.0%)	459	0.4%		(780)	(0.4%)
Exchange rate gains and losses	(1,267)	(0.6%)	(4,841)	(3.9%)		(4,812)	(2.6%)
Profits and losses from equity investments	(38)	(0.0%)	(31)	(0.0%)		8	0.0%
EBT	30,183	15.0%	5,814	4.6%	+419.1%	14,509	7.8%
Income taxes	(6,126)	(3.1%)	(1,349)	(1.1%)		(149)	(0.1%)
PROFIT FOR THE YEAR	24,057	12.0%	4,465	3.6%	+438.8%	14,360	7.8%
Minority interests	794	0.4%	220	0.2%		(399)	(0.2%)
PROFIT ATTRIBUTABLE TO THE GROUP	23,263	11.6%	4,245	3.4%	+448.0%	13,961	7.6%

Performance data

Sales by market

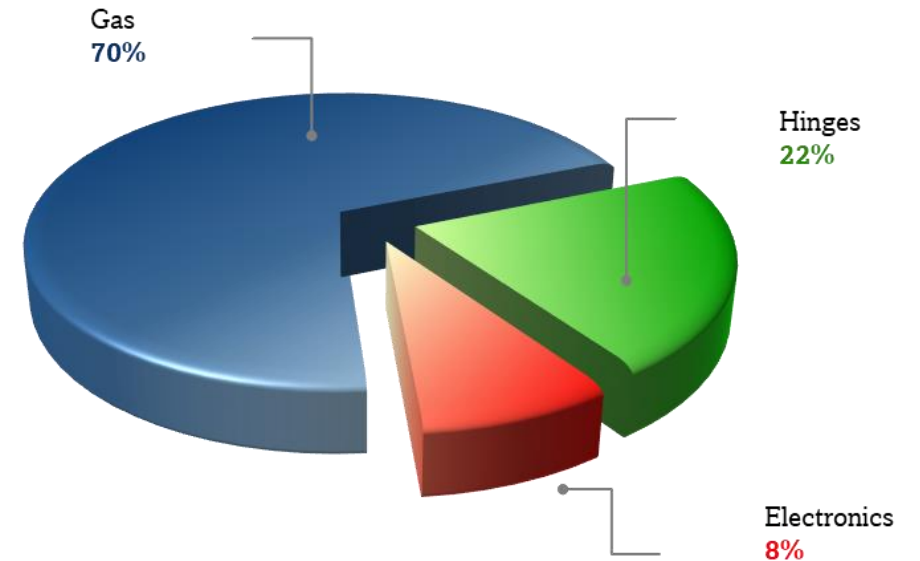
€ x 000	9 MONTHS 2021	9 MONTHS 2020	Δ % 21 vs. 20
Europe (excluding Turkey)	71,215	46,901	+51.8%
Turkey	49,329	30,896	+59.7%
North America	23,134	15,942	+45.1%
South America	30,452	18,170	+67.6%
Africa and Middle East	15,106	8,628	+75.1%
Asia and Oceania	11,536	4,908	+135.0%
Total	200,772	125,445	+60.0%



Performance data

Sales by Division

€ x 000	9 MONTHS 2021	9 MONTHS 2020	Δ % 21 vs. 20
Gas	141,014	87,521	+61.1%
Hinges	43,002	28,737	+49.6%
Electronics	16,756	9,188	+82.4%
Total	200,772	125,446	+60.0%



Performance data

Balance Sheet

€ x 000	30/ 09/ 2021	31/ 12/ 2020	30/ 09/ 2020
Fixed assets	136,489	131,543	129,441
<i>Inventories</i>	63,404	39,224	36,585
<i>Trade receivables</i>	75,688	63,436	54,431
<i>Tax receivables</i>	3,821	2,419	2,095
<i>Other current receivables</i>	2,530	3,167	2,258
<i>Trade payables</i>	(49,104)	(41,773)	(29,900)
<i>Tax payables</i>	(5,504)	(3,287)	(2,053)
<i>Other payables</i>	(12,478)	(10,957)	(10,874)
Net working capital	78,357	52,229	52,542
Provisions for risks and severance indemnity	(8,733)	(9,643)	(10,764)
Capital Employed	206,113	174,129	171,219
Equity	132,572	117,807	107,618
Net debt	73,541	56,322	63,601
Sources of finance	206,113	174,129	171,219

Performance data

Cash flow statement

€ x 000	30.09.2021	31.12.2020	30.09.2020
Cash at the beginning of the period	13,318	18,687	18,687
Net profit	24,057	14,360	4,465
Depreciation	12,718	16,968	12,705
Other income statement adjustments	6,011	1,873	581
Change in net working capital			
- Change in inventories	(24,180)	(3,881)	(1,242)
- Change in receivables	(12,252)	(16,507)	(7,502)
- Change in payables	7,331	14,213	2,340
	(29,101)	(6,175)	(6,404)
Other changes in operating items	(3,898)	(1,959)	(344)
Operating cash flow	9,787	25,067	11,003
Investments, net of disposals	(19,501)	(17,296)	(12,354)
Free Cash Flow	(9,714)	7,771	(1,351)
Cash flow from financial activity	18,138	(2,136)	(1,914)
Own shares buyback	-	(2,073)	(1,737)
Dividends	(6,172)	(3,924)	-
CMI Acquisition	-	(3,063)	(3,063)
Forex	(257)	(1,944)	(1,478)
Net financial flow	1,995	(5,369)	(9,543)
Cash at the end of the period	15,313	13,318	(144)

Working capital

- Increase in working capital due to the increase in inventories, as a result of the need to **ensure continuity of supplies and to limit the impact of changes in raw material prices**
- Nevertheless **stable incidence of NWC on turnover**: 29.3% compared to 31.4% at 30 September 2020 and 28.2% at 31 December 2020

Investments

The **high levels of activity** led the Group to **anticipate to 2021 some investments originally planned for 2022**, where growth is structural, in order to be able to guarantee continuity in supplies to customers and full production efficiency

Financial Debt

- In December 2021 Sabaf issued **€ 30 mn 10-year bond**, fully subscribed by PRICOA Private Capital
- Such placement allows us to diversify our sources of funding and support our organic and external growth

Performance data

Financial Indicators

	9 MONTHS 2021	9 MONTHS 2020	12 MONTHS 2020
Change in turnover (vs. previous year)	+60.0%	+8.8%	+18.6%
Change in turnover - Organic (vs. previous year)	+60.0%	-4.9%	+8.4%
ROCE (return on capital employed)	20.4%	8.0%	11.5%
Net debt/ EBITDA	1.25	2.09	1.52
Net working capital/ Turnover	29.3%	31.4%	28.2%
Net debt/ equity	55.5%	59.1%	47.8%
Days of Sales Outstanding	102	111	111
Days of Payables Outstanding	90	94	98
Days of Inventory Outstanding	105	100	97

BUSINESS PLAN 2021 - 2023

Business plan 2021 – 2023

(released in March 2021 and overcome by 2021 actual results)

KEY POINTS

around
€ 300 mn
SALES

TOTAL SALES by 2023

+62% vs. 2020 CAGR > 17.5%

- **Organic** CAGR >10%:
around € 250 mn sales by 2023
- **M&A:** € 50 mn sales by 2023

€ 57 mn
EBITDA
by 2023

EBITDA

at least 19% on sales

at least
+100 bps

ROI 12.5%

Compared to 11.5% in 2020

~ **2.0**

FINANCIAL LEVARAGE Net
debt/EBITDA around 2.0

€ 130 mn

INVESTMENTS in 3 years

- **Organic:** € 58 mn capex,
of which € 46 mn for growth and
€ 12 mn in maintenance
- **M&A:** up to € 72 mn investment

€ 20 mn

DIVIDENDS in 3 years

- Total amount higher than previous years
(2018 - 2020: € 16 mn)
- Lower payout to support future growth



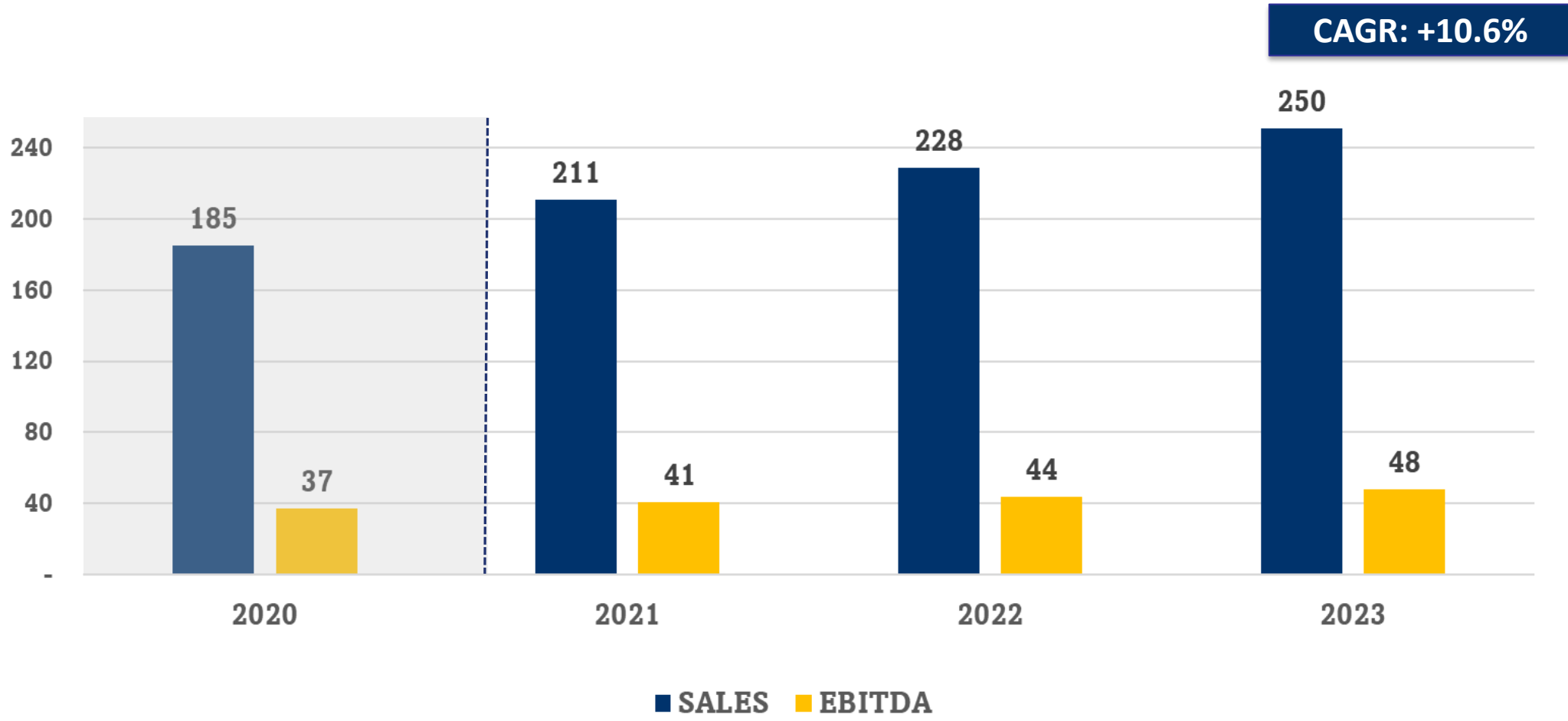
FINANCED with:

- **OPERATING CASH FLOW** € 85 mn in 3 years
- **NEW FINANCIAL DEBT** up to € 65 mn by 2023

Business plan 2021 - 2023

Organic growth

(released in March 2021 and overcome by 2021 actual results)



Figures in euro million

Business plan 2021 - 2023

Organic growth - Market development

(released in March 2021 and overcome by 2021 actual results)

MARKET	2020	2021	2022	2023	Var % 2023 vs. 2020	CAGR
EUROPE (excl. Turkey)	69.6	76.3	80.3	86.6	+24.5%	7.6%
TURKEY	44.8	51.6	55.6	56.6	+26.3%	8.1%
NORTH AMERICA	22.7	27.5	32.2	37.2	+63.6%	17.8%
SOUTH AMERICA	27.6	29.0	30.4	32.9	+18.9%	5.9%
AFRICA AND MIDDLE EAST	12.2	14.1	14.1	16.1	+32.5%	9.8%
CHINA AND FAR EAST	6.8	10.3	11.5	14.2	+101.1%	28.1%
INDIA	1.2	1.7	4.3	6.9	+468.0%	78.4%
TOTAL	184.9	210.5	228.4	250.5	+35.5	10.6%
<i>Growth vs. previous year</i>		+13.9%	+8.5%	+9.7%		

Business plan 2021 - 2023

Organic growth – Sales By division

PROJECTS		GAS	HINGES	ELECTRONICS	TOTAL	CAGR
ADDITIONAL SALES IN 3 YEARS COMPARED TO 2020	NEW	€ 26.3 mn <i>No. 11 projects</i>	€ 10.6 mn <i>No. 5 projects</i>	€ 8.5 mn <i>No. 25 projects</i>	€ 45.4 mn <i>No. 41 projects</i>	+7.6%
	EXISTING	€ 7.6 mn	€ 8.6 mn	€ 4.0 mn	€ 20.2 mn	+3%
TOTAL		€ 33.9 mn	€ 19.2 mn	€ 12.5 mn	€ 65.6 mn	+10.6%

HUGE NEW PROJECTS PIPELINE



ORGANIC GROWTH +35.5%
on 2020



STRONG RELATIONSHIPS WITH GLOBAL PLAYERS

Business plan 2021 - 2023

Organic growth – Investments

Production Capacity Increase

India Plant	5.2
Turkey Plant	6.0
Mexico Plant	5.0

Tot New Plants **16.2**

Maintenance **12.5**

New Projects

Electronics	5.3
Other Projects	6.0
Hinges	5.0
Gas	13.8

Tot new projects **30.1**

(Mn Eur)

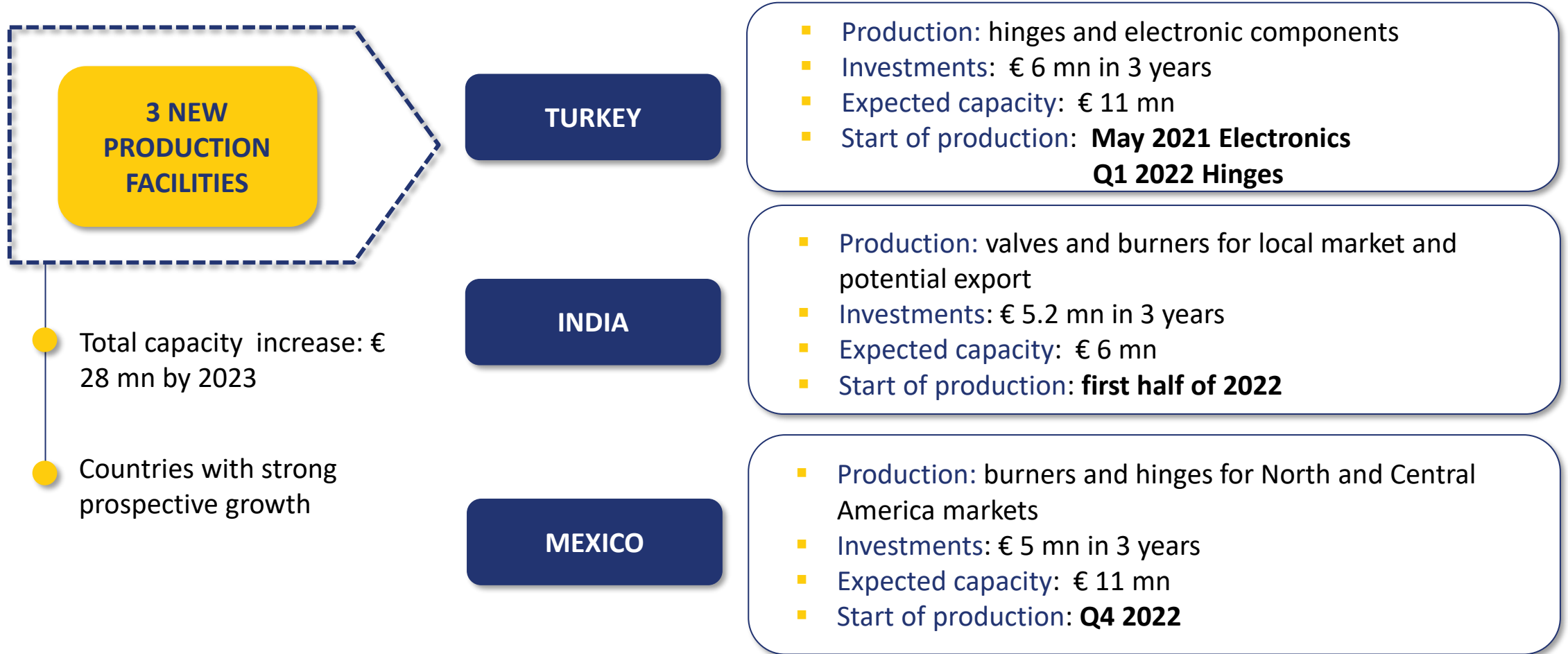


**New Manisa
Electronic Plant
unveiled in
May 2021**

Total investments in organic growth € 58.8 mn in 3 years

Business plan 2021 - 2023

Organic growth - New facilities



Business plan 2021 - 2023

Organic growth - Industrial footprint

- 14 Companies
- 10 Production plants as of 2020
- 13 Production plants by 2022 (5 in Italy and 8 abroad)

3 new production plants by 2022 (Turkey, Mexico and India)

SABAF S.p.A.

100%
Faringosi Hinges (ITALY)

100%
C.M.I. (ITALY)

100%
C.G.D. (ITALY)

C.M.I. POLSKA

NEW
SABAF MEXICO

100%
SABAF DO BRASIL

100%
SABAF US

100%
SABAF APPLIANCE COMPONENTS (CHINA)

100%
A.R.C. s.r.l. (ITALY)

51%
ARC HANDAN JV (CHINA)

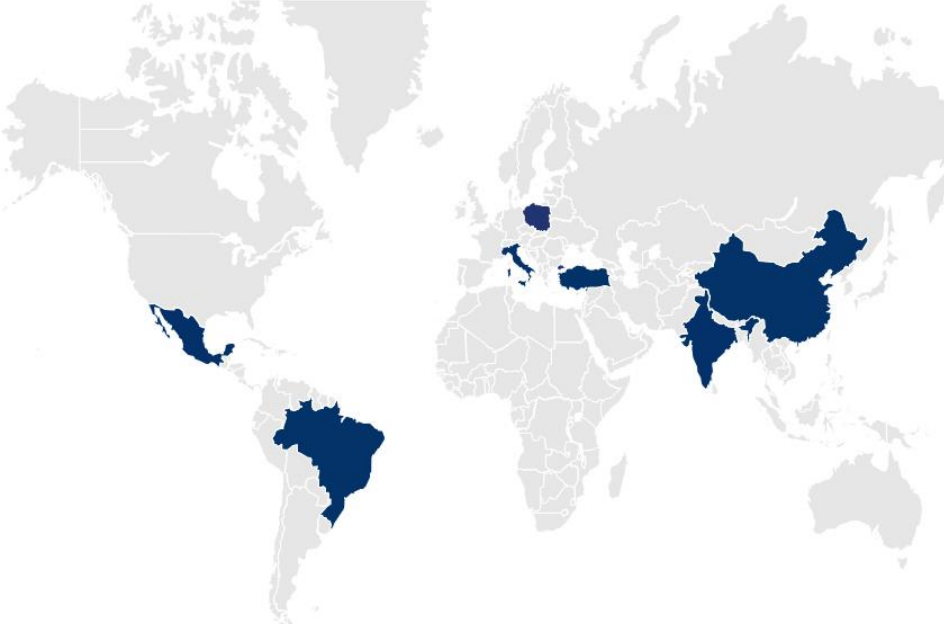
NEW
SABAF INDIA

100%
SABAF TURKEY

70%
OKIDA ELEKTRONIK (TURKEY)

30%

- HINGES
- GAS
- ELECTRONICS



Business plan 2021 - 2023

Organic growth - Sustainability

“ 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. ”

SABAF GROUP VISION

«We believe in a world in which all people's basic needs, such as home, food and reliable energy, are fulfilled in an environmentally sustainable way.

We promote a company that improves the quality of the environment and the communities where we live and work»

BUSINESS PLAN KPI

	Area	KPI	2023 TARGETS (VS.2020)	SDGs
1	Development of resources and skills	Hours of training per capita	+40%	4 QUALITY EDUCATION
2	Health and safety	Accident frequency rate	-44%	3 GOOD HEALTH AND WELL-BEING
		Accident severity rate		8 DECENT WORK AND ECONOMIC GROWTH
3	Eco-efficiency and Emissions into the atmosphere	tCO _{2eq} emissions on sales	-14%	7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION

Business plan 2021 - 2023

Growth by acquisitions - M&A Strategy

M&A as a tool for achieving **long-term targets** through:

- the acquisition of **know-how** and **technologies**
- the expansion of the **product offer**
- the opening to **new markets**
- the **risk diversification**
- the ability to **scale the business quickly**



Growth of the competitive advantage by differentiating the Sabaf value proposition from competitors



Preservation of the identity of acquired companies, which maintain their brand, local supply chain and workforce

Retention of talents and soft skills

Achievement of significant commercial and industrial synergies

From an entrepreneurial to an industrial approach

Joint effort for growth and positives influence on margins

Preferably seller is taken onboard as a director and/or minority shareholder

INVESTMENT SECTORS

1

COMPONENTS FOR HOUSEHOLD APPLIANCES

2

ELECTRONICS

3

HEATING

4

PROFESSIONAL COOKING

Business plan 2021 - 2023

Growth by acquisitions - Target profile

TARGET PARAMETERS

TURNOVER

€ 5 - 70 mn sales

EBITDA

Steady positive results over past years
No turnarounds

SHAREHOLDING

Preference for **entrepreneurial** ownership

EBITDA MULTIPLES

Non-dilutive

M&A TEAM

Dedicated to scouting and development of business **contacts**, creation of an **internal Data Base**, analysis and evaluation of **opportunities**, management of **negotiations**

Business plan 2021 - 2023

Summary - Targets



Around **€ 300 mn sales**

Total growth: **62%** by 2023 vs. 2020 (Organic and by acquisitions growth)
(CAGR 17.5%)



Total investments **€ 130 mn** of which:

- ✓ **€ 58 mn** organic growth
- ✓ **€ 72 mn** growth by acquisitions



✓ **Dividends: € 20 mn**



Investments and dividends, for a total amount of **€ 150 mn**
financed with:

- ✓ **Operating cash flow: € 85 mn**
- ✓ **New financial debt: € 65 mn**



Sustainability targets:

- ✓ Hours of training per capita
- ✓ Accident frequency and severity rates
- ✓ CO2 emissions reduction

**HIGH PROFITABILITY
(EBITDA AT LEAST 19%)**

**ROI > 12.5%
COMPARED TO 11.5% IN 2020**

**NET DEBT/EBITDA
~ 2.0**

DISCLAIMER

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

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

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

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