

## **SABAF: THE SHAREHOLDERS' MEETING APPROVES THE 2020 FINANCIAL STATEMENTS AND APPOINTS THE BOARD OF DIRECTORS**

- **The financial statements at 31 December 2020 were approved**
- **The distribution of a dividend of €0.55 per share was approved**
- **The Board of Directors and the Board of Statutory Auditors were appointed for the three-year period from 2021 to 2023**

The Ordinary Shareholders' Meeting of Sabaf S.p.A. was held today and was called upon to approve the financial statements for the year ended 31 December 2020 and to appoint the corporate bodies for the three-year period from 2021 to 2023.

### **Consolidated results for 2020 of the Sabaf Group**

The 2020 consolidated results of the Sabaf Group were presented at the shareholders' meeting.

In 2020, the Sabaf Group reported a sales revenue of €184.9 million, an increase of 18.6% versus the figure of €155.9 million in the previous year (+8.4% on a like-for-like basis).

The pandemic resulted in very high volatility of sales revenues during 2020. After an encouraging start to the year, from March onwards the Group's activities slowed down significantly, firstly due to the temporary interruption of operations at the Italian plants (on average for 3 weeks) and then due to the general reduction in production levels by our customers. Starting in July, there was a marked recovery in demand in all geographical areas, which accelerated further in the latter part of the year when the favourable market situation was accompanied by the start of new supplies of burners on a global scale to strategic customers and cross-selling between the gas and electronics divisions.

Higher business volumes in the second half of the year and a favourable trend in the sales mix supported profitability: EBITDA was €37.1 million (20.1% of turnover), up 37.2% compared to €27 million last year (17.3% of turnover) and EBIT was €20.1 million (10.9% of turnover) with a 68.9% increase compared to €11.9 million in 2019. The net profit for 2020 was €14 million, up by 40.8% compared to the figure of €9.9 million in 2019.

### **2020 Financial Statements of Sabaf S.p.A.**

The Shareholders' Meeting voted to approve the Sabaf S.p.A. financial statements for FY 2020.

In 2020, the Parent Company Sabaf S.p.A.'s sales revenue totalled €102.6 million (compared to €94.9 million reported in 2019, +8.1%), EBITDA was €15.8 million, up 20.5 % from €13.1 million in 2019, EBIT was €6.6 million, up 124.2 % from €2.9 million in the previous year and net profit was €6.4 million, up 67.7% from €3.8 million in 2019.

### **2021 Dividend**

The Shareholders' Meeting approved the payout of a gross dividend of €0.55 per share. The ex-date is 31 May 2021, the record date 1 June 2021 and the payment date 2 June 2021.

### **Board of Directors**

The Shareholders' Meeting appointed the Board of Directors, composed of 9 members, for the three-year period from 2021 to 2023.

The directors Pietro Iotti, Gianluca Beschi, Alessandro Potestà, Claudio Bulgarelli, Nicla Picchi, Daniela Toscani and Stefania Triva, elected from the list presented by the outgoing Board of Directors, and Carlo Scarpa, elected from the list presented by Fintel s.r.l., were confirmed. Cinzia Saleri, elected from the list presented by Cinzia Saleri S.a.p.A., joined the Board.

### **Board of Statutory Auditors**

The Shareholders' Meeting appointed the Board of Statutory Auditors for the three-year period from 2021 to 2023.

The Statutory Auditors are Alessandra Tronconi (Chairman, elected from the list presented by Cinzia Saleri S.p.A.), Maria Alessandra Zunino de Pignier and Mauro Vivenzi, elected from the list presented by Quaestio SGR S.p.A..

### **Report on remuneration policy and remuneration paid**

The Shareholders' Meeting also approved the first section of the Report on Remuneration Policy and Remuneration Paid that sets out the policy adopted by the Company with regard to the remuneration of Directors and Executives with Strategic Responsibilities, and expressed a favourable advisory vote on the second section of the same Report, which describes the remuneration of Directors, Statutory Auditors and other executives with strategic responsibilities for the year 2020.

### **Authorisation to purchase and sell treasury shares**

The Shareholders' Meeting authorised the Board of Directors to purchase and sell treasury shares, in compliance with the equal treatment of shareholders and with the regulations in force, for the following purposes:

- in accordance with Company's strategic guidelines, use treasury shares as part of the transactions related to business plans and agreements with strategic partners or as part of investment transactions, or extraordinary financial transactions that imply the assignment or disposal of treasury shares;
- dispose of treasury shares to be used for equity-based incentive plans, reserved for directors and/or employees of the Company or of subsidiary companies and, in particular, the stock grant plan approved by the Shareholders' meeting;
- offer shareholders an additional instrument to monetise their investment;
- carry out activities in support of liquidity.

This authorisation allows the Board to purchase up to 1,153,345 ordinary shares on the market, for a period of 18 months, for a maximum total disbursement equal to the available reserves and distributable profits, at a price not higher than 10% the average official prices recorded on the MTA (electronic stock exchange) during the five sessions prior to purchase.

The Board of Directors has also been authorised to dispose of treasury shares without any time restrictions according to any procedure, determined by the Board of Directors itself, that proves advisable for achieving the goals pursued.

### **Remuneration plan based on financial instruments in favour of directors and employees of the Company and its subsidiaries**

The Shareholders' Meeting resolved to approve a free allocation plan of shares in favour of directors and employees of the Company and its subsidiaries ("the Plan") by granting to the Board of Directors the necessary powers for its management, administration and revision.

The Plan is intended for persons who hold or will hold key positions in the Company and/or its Subsidiaries, with reference to the implementation of the contents and the achievement of the financial and sustainability targets of the 2021-2023 Business Plan.

The subject-matter of the Plan is the free allocation to the beneficiaries of a maximum of 260,000 total rights, each of which entitles them to receive free of charge, under the terms and conditions provided for by the Regulations of the Plan, 1 Sabaf S.p.A. share.

The free allocation of shares is conditional, among other things, on the achievement, in whole or in part, with progressiveness, of the business targets related to the ROI and EBITDA and social and environmental targets. The Plan aims to promote and pursue the involvement of the beneficiaries whose activities are considered relevant for the implementation of the contents and the achievement of the objectives set out in the Business Plan, foster loyalty development and motivation of managers, by increasing their entrepreneurial approach as well as align the interests of management with those of the Company's shareholders more closely.

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Subsequent to the Shareholders' Meeting, the Board of Directors met to define the allocation of offices and powers, set up the Committees within the Board and assessed the independence of the Directors.

**Appointment of the Honorary Chairman, Chairman, Vice Chairman and Chief Executive Officer**

The newly elected Board of Directors appointed Giuseppe Saleri, founder and historical Chairman of the Company, as Honorary Chairman.

Claudio Bulgarelli was appointed Chairman of the Board of Directors, and Nicla Picchi was confirmed as Vice Chairman.

Pietro Iotti was confirmed as Chief Executive Officer.

**Assessing the independence of the independent directors and appointment of the Lead Independent Director**

The Board of Directors then assessed that the directors Nicla Picchi, Daniela Toscani, Stefania Triva and Carlo Scarpa can be qualified as independent both in accordance with the Consolidated Finance Act and in accordance with the principles and application criteria of the Corporate Governance Code. With regard to Nicla Picchi, considering the attitude and the autonomous judgment she has always demonstrated, the Board considers that the duration of more than nine years of her mandate as Director of Sabaf does not compromise her independence.

Nicla Picchi was appointed lead independent director.

**Appointment of Board Committees**

The Control, Risk and Sustainability Committee (which includes Nicla Picchi, Chairman, Carlo Scarpa and Daniela Toscani) and the Remuneration and Nomination Committee (which includes Daniela Toscani, Chairman, Alessandro Potestà and Stefania Triva) were therefore set up within the Board of Directors. The curricula of the members of the Board of Directors are available on the Company's website [www.sabafgroup.com](http://www.sabafgroup.com).

**Appointment of the Supervisory Body**

The Board of Directors appointed the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001 for the three-year period from 2021 to 2023, confirming Nicla Picchi and Giuseppe Garzillo as members of the Body.

**Appointment of the Financial Reporting Officer**

The Board of Directors also confirmed Gianluca Beschi as "Financial Reporting Officer" pursuant to Article 154-bis of Legislative Decree no. 58/1998. He was appointed with the favourable opinion of the Board of Statutory Auditors and in compliance with the professional requirements set out in the Bylaws.

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*Pursuant to Article 154-bis, 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 press release corresponds to the company's records, books and accounting entries.*

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*Founded in the early fifties, SABAF has grown consistently over the years to become the key manufacturer in Italy – and one of the leading producers in the world – of components for household appliances. The production is broken down into three main lines: gas cooking components (valves and burners), hinges and electronic components. Technological expertise, manufacturing flexibility, and the ability to offer a vast range of components – tailor-made to meet the requirements of individual manufacturers of cookers and built-in hobs and ovens and in line with the specific characteristics of its core markets – are Sabaf's key strengths in a sector featuring major specialisation, constantly evolving demand and an ever-increasing orientation towards products assuring total reliability and safety. The Sabaf Group has more than 1,300 employees. It operates through its parent company SABAF S.p.A. and the subsidiaries Sabaf do Brasil, Sabaf Turkey and Sabaf China, active in the production of domestic burners, A.R.C., which produces burners for professional cooking, and Faringosi Hinges and C.M.I., leader in the production of oven and dishwasher hinges, and Okida, operating in the field of electronic components for household appliances.*