



Brescia

27 gennaio 2014

fuoco



aria



terra



acqua



Product range

Standard burners



Special burners



Gas valves



Thermostats



Oven burner



Oven hinges



Micro switches
& accessories



Business model

- Among few players, Sabaf keeps a strong leadership in the business of components for cooking appliances
- Competitive advantage based on:
 - Product and process know-how
 - Process automation
 - Economies of scale
- The industry grows faster than the appliance market, thanks to:
 - Higher technical complexity and increasing value of the components
 - Outsourcing from household manufacturers
 - Growing need for safety and energy efficiency

Sales by product line

| <i>€ x 1000</i> | 9M 2013 | 9M 2012 | Change % | FY 2012 |
|--------------------|----------------|---------------|--------------|----------------|
| Brass valves | 12,389 | 14,078 | -12.0% | 18,601 |
| Light alloy valves | 21,270 | 17,104 | +24.4% | 23,524 |
| Thermostats | 10,587 | 10,238 | +3.4% | 13,074 |
| Standard burners | 29,020 | 30,276 | -4.1% | 39,337 |
| Special burners | 14,462 | 14,543 | -0.6% | 18,850 |
| Accessories | 8,820 | 8,908 | -1.0% | 11,226 |
| Hinges | 4,911 | 4,753 | +3.3% | 6,121 |
| Total | 101,459 | 99,900 | +1.6% | 130,733 |

An international approach



Sales by market

| € x 1000 | 9M 2013 | 9M 2012 | Change % | FY 2012 |
|---------------------|----------------|---------------|--------------|----------------|
| Italy | 33,100 | 34,639 | -4.4% | 45,597 |
| Western Europe | 5,208 | 5,614 | -7.2% | 7,337 |
| Eastern Europe | 22,860 | 24,819 | -7.9% | 33,236 |
| Asia and Oceania | 9,317 | 9,620 | -3.1% | 12,306 |
| South America | 18,381 | 17,111 | +7.4% | 21,895 |
| Africa | 9,168 | 5,390 | +70.1% | 6,950 |
| US, Canada & Mexico | 3,425 | 2,707 | +26.5% | 3,412 |
| Total | 101,459 | 99,900 | +1.6% | 130,733 |

Sabaf in Turkey



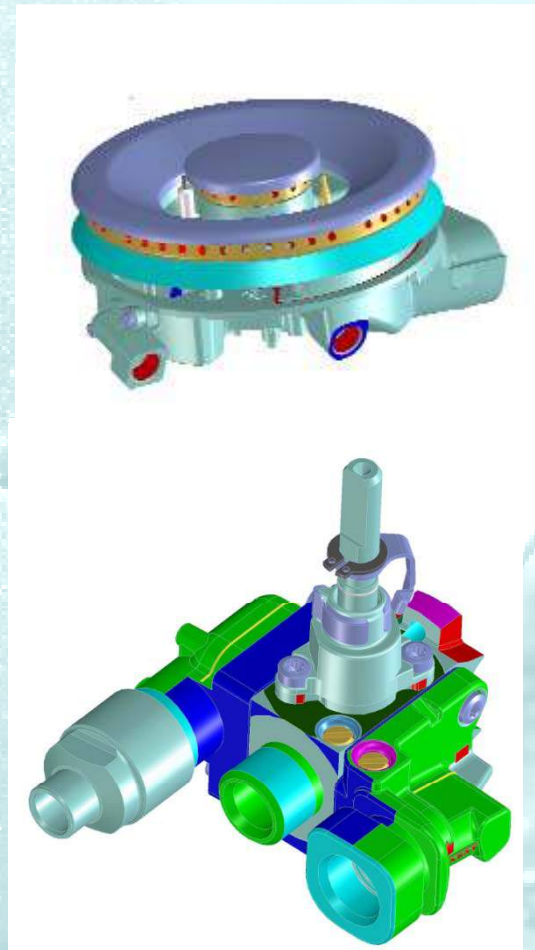
A new factory has been set up
in Manisa (near Izmir)
built from greenfield

- € 8 mn investment, 10,000 sqm
- Production started in Q4 2012
- Manufacturing of burners dedicated to the local market, Middle East and North Africa, up to now supplied from Italy
- € 5m expected sales from the new factory in 2013 (50 people employed), already profitable
- Constant growth planned for the following years



Sabaf in China

- Total production: 26 mn hobs
 - Domestic market 19mn
 - Export markets 7 mn
- Expected product mix trend: higher value, moderate volume growth
- 92% of hobs consist of 2 burners and 2 valves
- Sabaf is targeting 10% premium market. Still on the table two different options
 1. Fully owned factory
 2. Joint venture with a component manufacturer
- We are holding meetings with potential counterparts



Income statement

| € x 000 | <u>Q3 13</u> | | <u>Q3 12</u> | | | <u>9M 13</u> | | <u>9M 12</u> | | |
|-----------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|---------------|---------------|----------------|
| SALES | 33,058 | 100.0% | 30,185 | 100.0% | + 9.5% | 101,459 | 100.0% | 99,900 | 100.0% | + 1.6% |
| Materials | (11,258) | -34.1% | (10,616) | -35.2% | | (41,226) | -40.6% | (37,378) | -37.4% | |
| Payroll | (7,430) | -22.5% | (6,611) | -21.9% | | (23,768) | -23.4% | (22,333) | -22.4% | |
| Change in stock | (1,182) | -3.6% | (828) | -2.7% | | 4,823 | 4.8% | (713) | -0.7% | |
| Other operating costs/income | (6,767) | -20.5% | (6,566) | -21.8% | | (21,519) | -21.2% | (22,549) | -22.6% | |
| EBITDA | 6,421 | 19.4% | 5,564 | 18.4% | + 15.4% | 19,769 | 19.5% | 16,927 | 16.9% | + 16.8% |
| Depreciation | (3,201) | -9.7% | (3,157) | -10.5% | | (9,645) | -9.5% | (9,621) | -9.6% | |
| Gains/losses on fixed assets | 68 | 0.2% | (31) | -0.1% | | 68 | 0.1% | (27) | 0.0% | |
| Impairment of fixed assets | (252) | -0.8% | 0 | 0.0% | | (635) | -0.6% | 0 | 0.0% | |
| EBIT | 3,036 | 9.2% | 2,376 | 7.9% | + 27.8% | 9,557 | 9.4% | 7,279 | 7.3% | + 31.3% |
| Net financial expense | (160) | -0.5% | (215) | -0.7% | | (499) | -0.5% | (756) | -0.8% | |
| Foreign exchange gains/losses | (164) | -0.5% | (122) | -0.4% | | (125) | -0.1% | (218) | -0.2% | |
| Equity investments profits/losses | (84) | -0.3% | (123) | -0.4% | | (373) | -0.4% | (320) | -0.3% | |
| EBT | 2,628 | 7.9% | 1,916 | 6.3% | + 37.2% | 8,560 | 8.4% | 5,985 | 6.0% | + 43.0% |
| Income taxes | (610) | -1.8% | (772) | -2.6% | | (2,587) | -2.5% | (2,350) | -2.4% | |
| Minorities | 0 | | 0 | | | 0 | | 0 | | |
| NET INCOME | 2,018 | 6.1% | 1,144 | 3.8% | + 76.4% | 5,973 | 5.9% | 3,635 | 3.6% | + 64.3% |

Cash flow statement

| € x 1000 | 9M 13 | 9M 12 |
|--------------------------------------------|----------------|----------------|
| <i>Cash at the beginning of the period</i> | 6,137 | 14,208 |
| Net profit | 5,973 | 3,635 |
| Depreciation | 9,645 | 9,621 |
| Change in net working capital | | |
| change in inventories | (4,367) | 793 |
| change in receivables | (4,438) | 4,932 |
| change in payables | 189 | (7,878) |
| | (8,616) | (2,153) |
| Other changes in operating items | 4,173 | 112 |
| Operating cash flow | 11,175 | 11,215 |
| Investments, net of disposals | (7,862) | (11,447) |
| Free cash flow | 3,313 | (232) |
| Cash flow from financial activity | (4,149) | (164) |
| Own shares sale/repurchase | 3,084 | (944) |
| Dividends | (3,911) | (6,900) |
| Forex | (1,143) | (529) |
| Net financial flow | (2,806) | (8,769) |
| <i>Cash at the end of the period</i> | <i>3,331</i> | <i>5,439</i> |

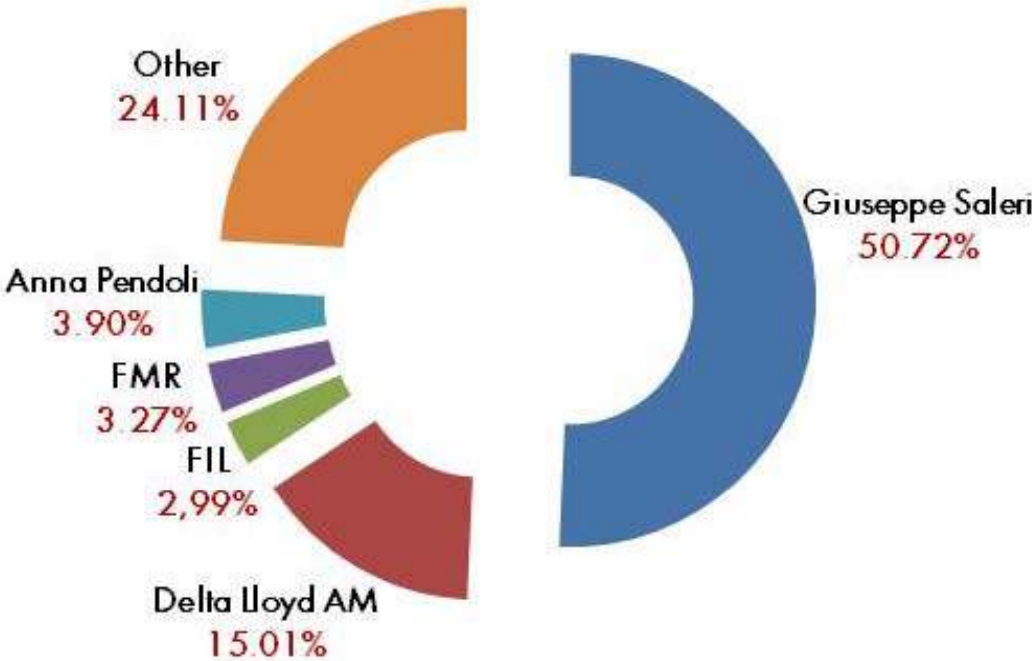
Balance sheet

| € x 1000 | 30-Sep-13 | 31-Dec-12 | 30-Sep-12 |
|-------------------------------------------------|----------------|----------------|----------------|
| Fixed assets | 98,192 | 101,880 | 103,943 |
| Net working capital | 45,751 | 41,086 | 39,652 |
| Short term financial assets | 32 | - | - |
| Capital Employed | 143,975 | 142,966 | 143,595 |
| Equity | 117,459 | 115,224 | 116,251 |
| Provisions for risks and severance indemnity | 4,031 | 3,946 | 3,943 |
| Net debt | 22,485 | 23,796 | 23,401 |
| Sources of finance | 143,975 | 142,966 | 143,595 |
| Debt / Equity | 0.19 | 0.21 | 0.20 |

Net financial position

| | € x 1000 | 30-Sep-13 | 31-Dec-12 | 30-Sep-12 |
|-----------|-------------------------------------------------|---------------|---------------|---------------|
| A. | Cash | 13 | 11 | 10 |
| B. | Positive balances of unrestricted bank accounts | 2,768 | 2,972 | 2,084 |
| C. | Other liquidities | 550 | 3,154 | 3,345 |
| D. | Cash and cash equivalents (A+B+C) | 3,331 | 6,137 | 5,439 |
| E. | Current bank overdrafts | 17,133 | 20,602 | 18,031 |
| F. | Current portion of non-current debt | 1,673 | 4,039 | 4,698 |
| G. | Other current financial payables | 2,624 | 33 | 46 |
| H. | Current financial debt (E+F+G) | 21,430 | 24,674 | 22,775 |
| I. | Current net financial debt (H-D) | 18,099 | 18,537 | 17,336 |
| J. | Non-current bank payables | 2,316 | 3,087 | 3,860 |
| K. | Other non-current financial payables | 2,070 | 2,172 | 2,205 |
| L. | Non-current financial debt (J+K) | 4,386 | 5,259 | 6,065 |
| M. | Net financial debt (L+I) | 22,485 | 23,796 | 23,401 |

Shareholders



Contact

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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.