



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
<b>Total</b>	<b>101,459</b>	<b>99,900</b>	<b>+1.6%</b>	<b>130,733</b>



# 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
<b>Total</b>	<b>101,459</b>	<b>99,900</b>	<b>+1.6%</b>	<b>130,733</b>

# Sabaf in Turkey



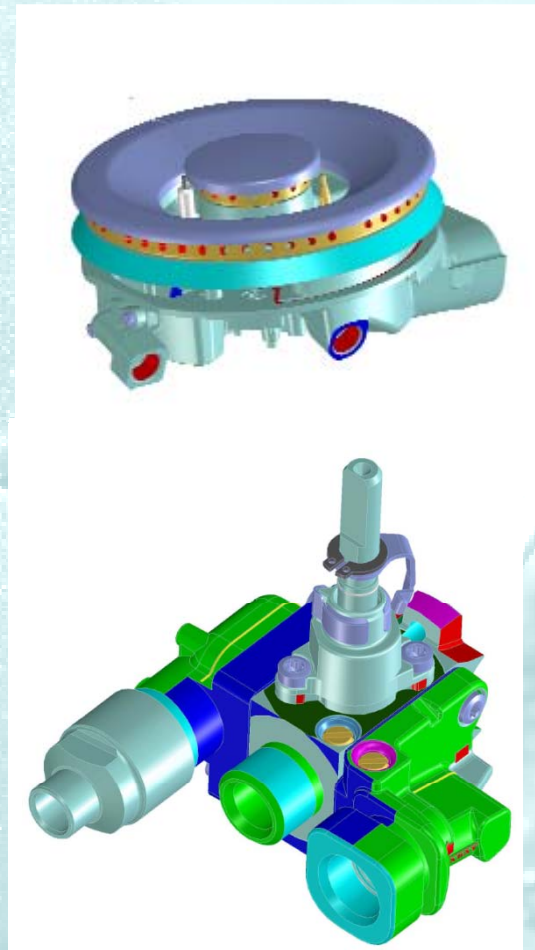
A new factory has been set up  
in Manisa (near Izmir)  
built from greenfield

- € 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>		
<b>SALES</b>	<b>33,058</b>	<b>100.0%</b>	<b>30,185</b>	<b>100.0%</b>	<b>+ 9.5%</b>	<b>101,459</b>	<b>100.0%</b>	<b>99,900</b>	<b>100.0%</b>	<b>+ 1.6%</b>
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	<u>(6,767)</u>	-20.5%	<u>(6,566)</u>	-21.8%		<u>(21,519)</u>	-21.2%	<u>(22,549)</u>	-22.6%	
<b>EBITDA</b>	<b><u>6,421</u></b>	<b>19.4%</b>	<b><u>5,564</u></b>	<b>18.4%</b>	<b>+ 15.4%</b>	<b><u>19,769</u></b>	<b>19.5%</b>	<b><u>16,927</u></b>	<b>16.9%</b>	<b>+ 16.8%</b>
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	<u>(252)</u>	-0.8%	<u>0</u>	0.0%		<u>(635)</u>	-0.6%	<u>0</u>	0.0%	
<b>EBIT</b>	<b><u>3,036</u></b>	<b>9.2%</b>	<b><u>2,376</u></b>	<b>7.9%</b>	<b>+ 27.8%</b>	<b><u>9,557</u></b>	<b>9.4%</b>	<b><u>7,279</u></b>	<b>7.3%</b>	<b>+ 31.3%</b>
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%	
<b>EBT</b>	<b><u>2,628</u></b>	<b>7.9%</b>	<b><u>1,916</u></b>	<b>6.3%</b>	<b>+ 37.2%</b>	<b><u>8,560</u></b>	<b>8.4%</b>	<b><u>5,985</u></b>	<b>6.0%</b>	<b>+ 43.0%</b>
Income taxes	(610)	-1.8%	(772)	-2.6%		(2,587)	-2.5%	(2,350)	-2.4%	
Minorities	0		0			0		0		
<b>NET INCOME</b>	<b><u>2,018</u></b>	<b>6.1%</b>	<b><u>1,144</u></b>	<b>3.8%</b>	<b>+ 76.4%</b>	<b><u>5,973</u></b>	<b>5.9%</b>	<b><u>3,635</u></b>	<b>3.6%</b>	<b>+ 64.3%</b>

# 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
<b>Operating cash flow</b>	<b>11,175</b>	<b>11,215</b>
Investments, net of disposals	(7,862)	(11,447)
<b>Free cash flow</b>	<b>3,313</b>	<b>(232)</b>
Cash flow from financial activity	(4,149)	(164)
Own shares sale/repurchase	3,084	(944)
Dividends	(3,911)	(6,900)
Forex	(1,143)	(529)
<b>Net financial flow</b>	<b>(2,806)</b>	<b>(8,769)</b>
<i>Cash at the end of the period</i>	<i>3,331</i>	<i>5,439</i>

# Balance sheet

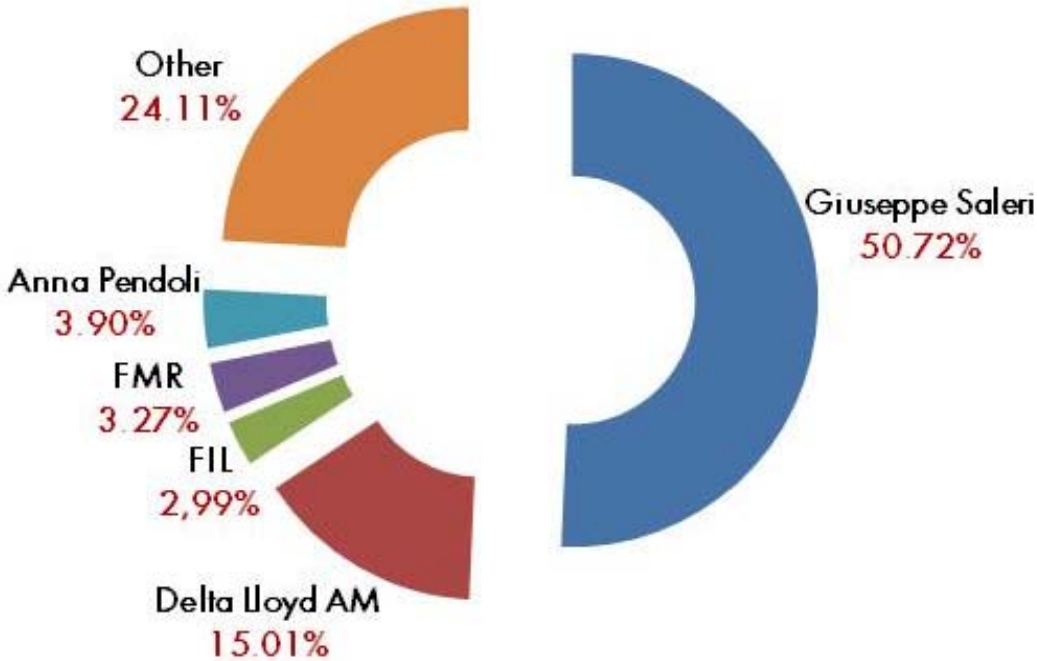
€ x 1000	30-Sep-13	31-Dec-12	30-Sep-12
Fixed assets	98,192	101,880	103,943
Net working capital	45,751	41,086	39,652
Short term financial assets	32	-	-
<b>Capital Employed</b>	<b>143,975</b>	<b>142,966</b>	<b>143,595</b>
Equity	117,459	115,224	116,251
Provisions for risks and severance indemnity	4,031	3,946	3,943
Net debt	22,485	23,796	23,401
<b>Sources of finance</b>	<b>143,975</b>	<b>142,966</b>	<b>143,595</b>
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
<b>I.</b>	<b>Current net financial debt (H-D)</b>	<b>18,099</b>	<b>18,537</b>	<b>17,336</b>
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
<b>M.</b>	<b>Net financial debt (L+I)</b>	<b>22,485</b>	<b>23,796</b>	<b>23,401</b>



# 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.