



FINANCIAL PRESENTATION

One day in Venice

21 November 2014

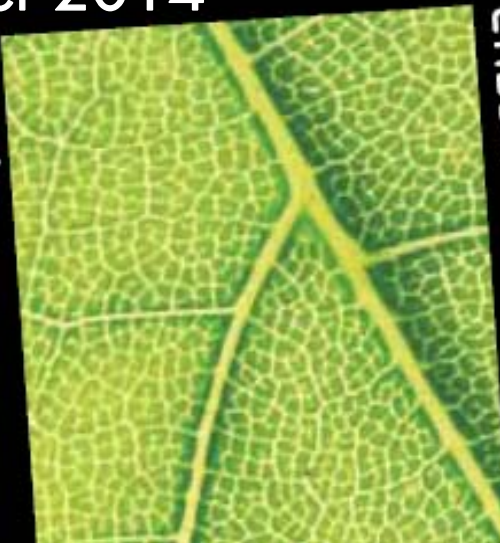
fuoco



aria



terra



acqua



Product range



Single ring burners



Special and multi rings burners



Gas valves



Micro switches
& accessories



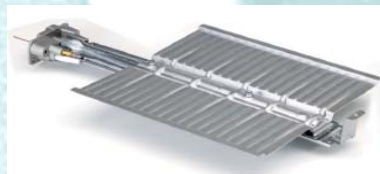
Oven hinges



Thermostats



Oven burner



Global presence

100% valves and thermostats
100% hinges
100% special burners
50% standard burners



25% standard burners



special burners - starting 2015



25% standard burners

Becoming more international

- Sabaf enjoys a strong leadership position in Italy and Europe (market share above 40%)
- Demographic and macroeconomic trends do not leave space for substantial growth in Europe
- Sabaf market share worldwide is still low (around 10%)
- Efforts are mainly addressed at increasing our international presence, with special focus on:
 - Turkey
 - China
 - Brazil
 - India

Sabaf in Brazil

Sabaf production in Brazil started in 2001, in order to:

- be next to the customer in a major, growing market
- avoid duties
- avoid forex impacts

A new factory was set up in Jundiaí (SP) in 2007, starting from greenfield

Same products, technology and quality as in Italy

- € 10 mn investment - 5,000 sqm
- Manufacturing of standard burners for Latin American markets
- All production phase made locally and in-house
- € 6.0 mn sales in 9M 2014, 90 people employed



Sabaf in Turkey

Turkey has become the most important manufacturer of white goods in Europe (Turkish manufacturers and production sites of multinational groups)

In 2012 Sabaf built from greenfield a new factory in Manisa (Izmir)

Same products, technology and quality as in Italy

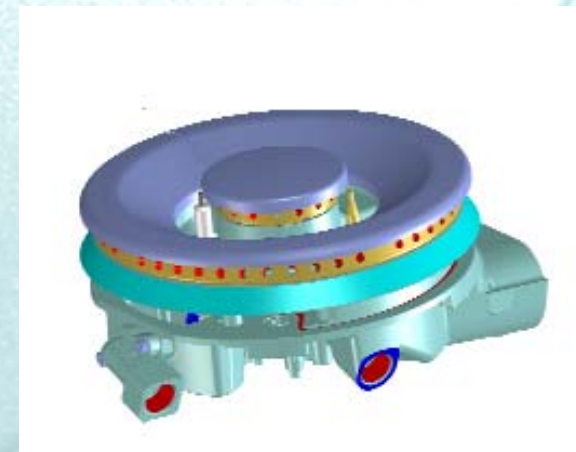


- € 10 mn investment - 10,000 sqm
- Manufacturing of standard burners
- € 6.9 mn sales in 9M 2014, 60 people employed
- Further expansion of production capacity is ongoing, constant growth has been planned for the following years

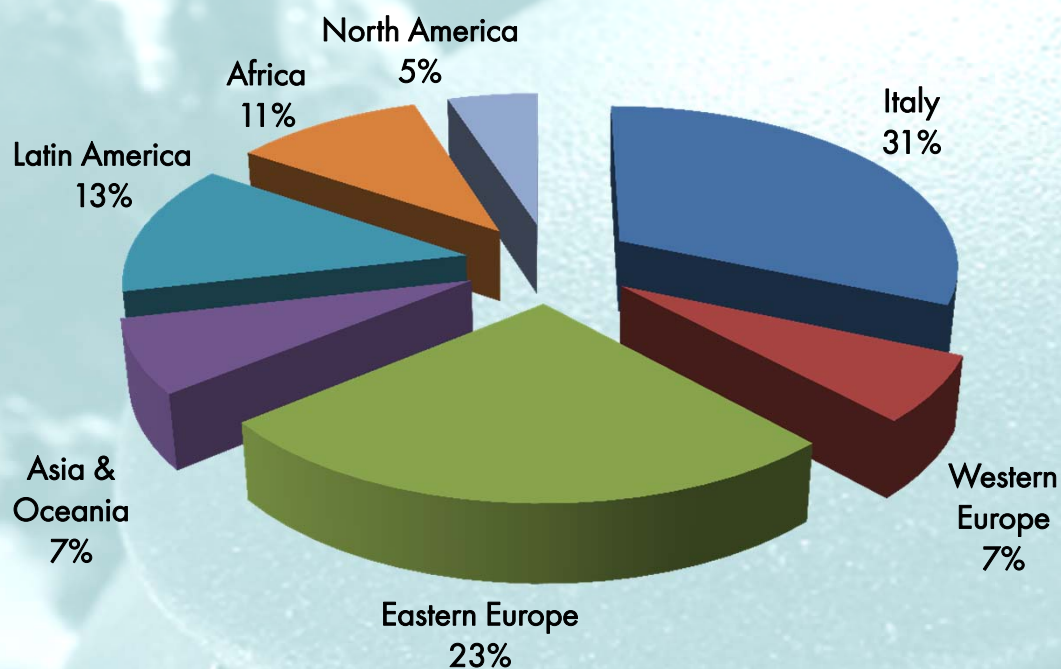
Sabaf in China

- Market size: 26 mn hobs
 - 19 mn hobs manufactured for the domestic market
 - 7 mn hobs manufactured for export markets
- 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

- As for burners, we will start a fully owned factory by the beginning of 2015. Expected capex of € 2mn in 2014-2015. Manufacturing of DCC special burners
- As for valves, no decision has been made yet

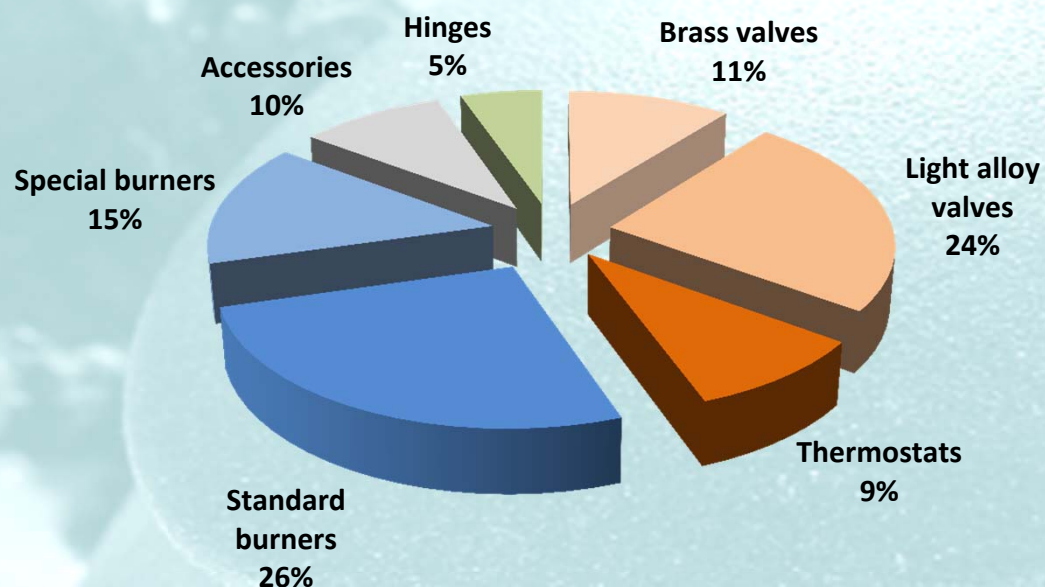


Sales by market



	9M 2014	9M 2013	Change
Italy	32,105	33,100	-3.0%
Western Europe	6,663	5,208	+27.9%
Eastern Europe	26,622	22,860	+16.5%
Asia & Oceania	7,422	9,317	-20.3%
Latin America	13,326	18,381	-27.5%
Africa	10,711	9,168	+16.8%
North America	5,117	3,425	+49.4%
Total	101,966	101,459	+0.5%

Sales by product line



	9M 2014	9M 2013	Change
Brass valves	10,858	12,389	-12.4%
Light alloy valves	24,880	21,270	+17.0%
Thermostats	9,542	10,587	-+9.9%
Standard burners	26,667	29,020	-8.1%
Special burners	14,940	14,462	+3.3%
Accessories	9,640	8,820	+9.3%
Hinges	5,439	4,911	+10.8%
Total	101,966	101,459	+0.5%

New products - DCC burners range

- A range of 24 different products
 - ✓ 1 way / 2 ways
 - ✓ air from top / air from bottom
 - ✓ 3 different sizes
 - ✓ aluminium / brass ring / full brass
- A portfolio of products compliant with all standards in every country in the world
- The highest efficiency available on the market

New products - DCC burners range



DCC HE 1way AFT



DCC HE Dual 2ways AFT



DCC HE Dual 2ways AFB

Ø 113 mm.

Ø 123 mm.

Ø 135 mm.



Small 3.5 kW.

Medium 4.0 kW.

Big 5.0 kW.



Ø 123 mm.

Ø 135 mm.



New products - Lotus/S4 burners range

Consumers in SAARC countries ask for

- Products customized to their cooking habits
- Flame aspect and correct heat distribution are important features
- Easy assembly and traditional “looks like”
- High efficiency and low gas consumption.
- Poka-Yoke (mistake proofing) characteristics
- Resistance to dirt and to usage



New products - Lotus/S4 burners range

SABAF S4 burners

- satisfy end users cooking needs: European style product with Indian cooking requirements
- grant 70% efficiency on built-in hobs ,not been done on any other built-in hob till now.
- CO-CO2 emissions are half of what is currently on any other local brass burner
- Output ranges 1.7 KW-2,5 KW
- Sizes - Ø85 mm small - Ø100 mm medium
- Are available both for built-in hobs and cooktops

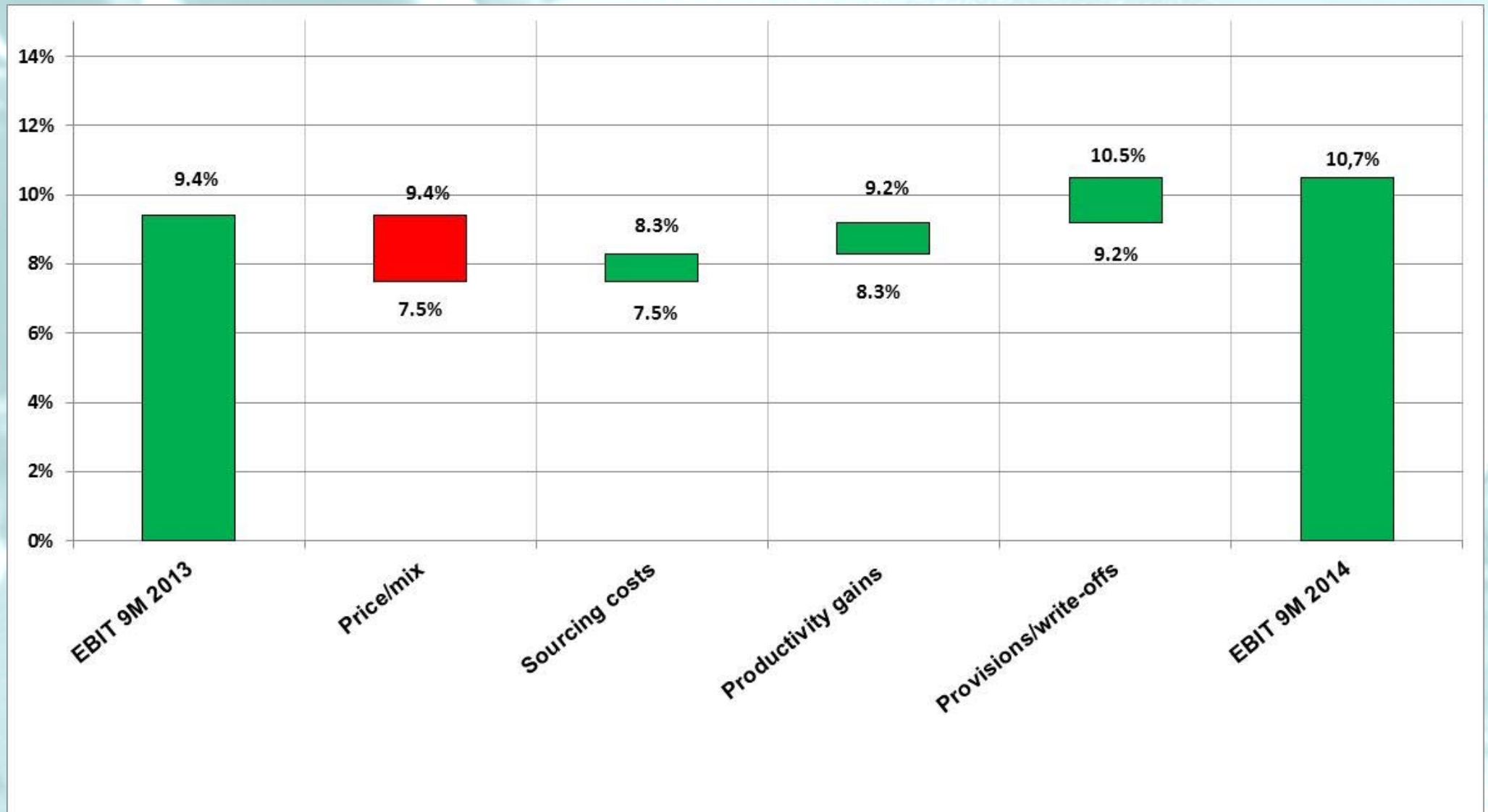


Income statement

€ x 000

	Q3 14		Q3 13			9M 14		9M 13			FY 13	
SALES	30,681	100.0%	33,058	100.0%	-7.2%	101,966	100.0%	101,459	100.0%	+0.5%	130,967	100.0%
Materials	(13,057)	-42.6%	(11,258)	-34.1%		(42,694)	-41.9%	(41,226)	-40.6%		(52,415)	-40.0%
Payroll	(7,622)	-24.8%	(7,430)	-22.5%		(24,415)	-23.9%	(23,768)	-23.4%		(31,339)	-23.9%
Change in stock	2,479	8.1%	(1,182)	-3.6%		4,930	4.8%	4,823	4.8%		4,784	3.7%
Other operating costs/income	(6,545)	-21.3%	(6,767)	-20.5%		(19,894)	-19.5%	(21,519)	-21.2%		(27,425)	-20.9%
EBITDA	5,936	19.3%	6,421	19.4%	-7.6%	19,893	19.5%	19,769	19.5%	+0.6%	24,572	18.8%
Depreciation	(3,012)	-9.8%	(3,201)	-9.7%		(9,291)	-9.1%	(9,645)	-9.5%		(12,856)	-9.8%
Gains/losses on fixed assets	38	0.1%	68	0.2%		62	0.1%	68	0.1%		71	0.1%
Impairment of fixed assets	0	0.0%	(252)	-0.8%		0	0.0%	(635)	-0.6%		(655)	-0.5%
EBIT	2,962	9.7%	3,036	9.2%	-2.4%	10,664	10.5%	9,557	9.4%	+11.6%	11,132	8.5%
Net financial expense	(148)	-0.5%	(160)	-0.5%		(413)	-0.4%	(499)	-0.5%		(637)	-0.5%
Foreign exchange gains/losses	117	0.4%	(164)	-0.5%		130	0.1%	(125)	-0.1%		(186)	-0.1%
Equity investments profits/losses	(123)	-0.4%	(84)	-0.3%		(387)	-0.4%	(373)	-0.4%		(498)	-0.4%
EBT	2,808	9.2%	2,628	7.9%	+6.8%	9,994	9.8%	8,560	8.4%	+16.8%	9,811	7.5%
Income taxes	(1,014)	-3.3%	(610)	-1.8%		(3,734)	-3.7%	(2,587)	-2.5%		(1,707)	-1.3%
Minorities	0		0			0		0			0	
NET INCOME	1,794	5.8%	2,018	6.1%	-11.1%	6,260	6.1%	5,973	5.9%	+4.8%	8,104	6.2%

EBIT bridge 9M 2013 - 9M 2014



Cash flow statement

€ x 1000	9M 14	9M 13	FY 13
<i>Cash at the beginning of the period</i>	5,111	6,137	6,137
Net profit	6,260	5,973	8,104
Depreciation	9,291	9,645	12,856
Change in net working capital			
change in inventories	(5,080)	(4,367)	(4,190)
change in receivables	(3,054)	(4,438)	1,526
change in payables	1,015	189	419
	(7,119)	(8,616)	(2,245)
Other changes in operating items	1,743	4,173	1,573
Operating cash flow	10,175	11,175	20,288
Investments, net of disposals	(7,318)	(7,862)	(10,240)
Free cash flow	2,857	3,313	10,048
Cash flow from financial activity	(1,155)	(4,149)	(8,118)
Own shares sale (repurchase)	0	3,084	3,084
Dividends	(4,613)	(3,911)	(3,911)
Forex	437	(1,143)	(2,129)
Net financial flow	(2,474)	(2,806)	(1,026)
<i>Cash at the end of the period</i>	<i>2,637</i>	<i>3,331</i>	<i>5,111</i>

Balance sheet

€ x 1000	30-Sep-14	31-Dec-13	30-Sep-13
Fixed assets	95,747	97,467	98,192
Net working capital	46,717	41,241	45,751
Short term financial assets	-	22	32
Capital Employed	142,464	138,730	143,975
Equity	120,471	117,955	117,459
Provisions for risks and severance indemnity	3,947	4,049	4,031
Net debt	18,046	16,726	22,485
Sources of finance	142,464	138,730	143,975
Debt / Equity	0.15	0.14	0.19

Net financial position

<i>€ x 1000</i>	30-Sep-14	31-Dec-13	30-Sep-13
A. Cash	11	15	13
B. Positive balances of unrestricted bank accounts	2,354	4,519	2,768
C. Other liquidities	272	577	550
D. Cash and cash equivalents (A+B+C)	2,637	5,111	3,331
E. Current bank overdrafts	16,226	15,503	17,133
F. Current portion of non-current debt	1,055	1,363	1,673
G. Other current financial payables	70	1,076	2,624
H. Current financial debt (E+F+G)	17,351	17,942	21,430
I. Current net financial debt (H-D)	14,714	12,831	18,099
J. Non-current bank payables	1,398	1,859	2,316
K. Other non-current financial payables	1,933	2,036	2,070
L. Non-current financial debt (J+K)	3,331	3,895	4,386
M. Net financial debt (L+I)	18,045	16,726	22,485

Extraordinary dividend

- On 10 November, Sabaf paid an extraordinary dividend of €1.00 per share
- Rebalance of the financial structure

Debt / Equity ⁽¹⁾		Debt / EBITDA ⁽²⁾	
before	after	before	after
0.15	0.25	0.70	1.15

(1) based on figures at 30 September 2014

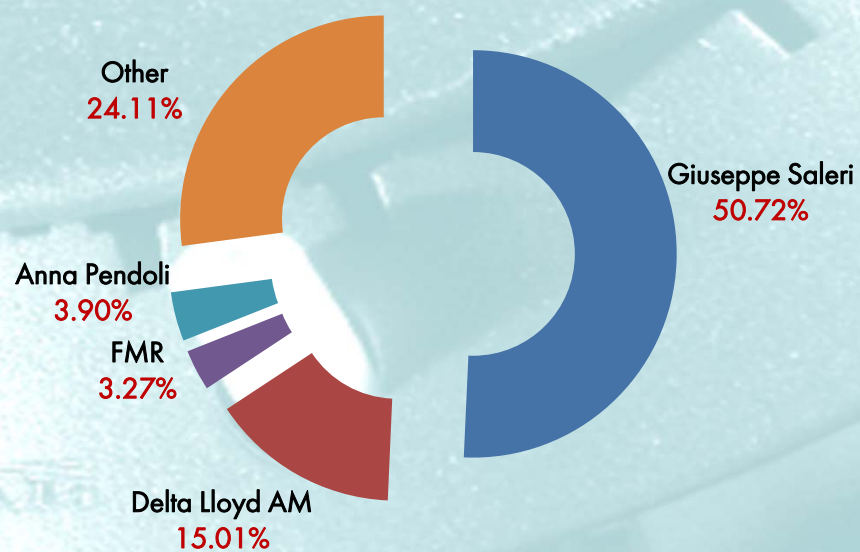
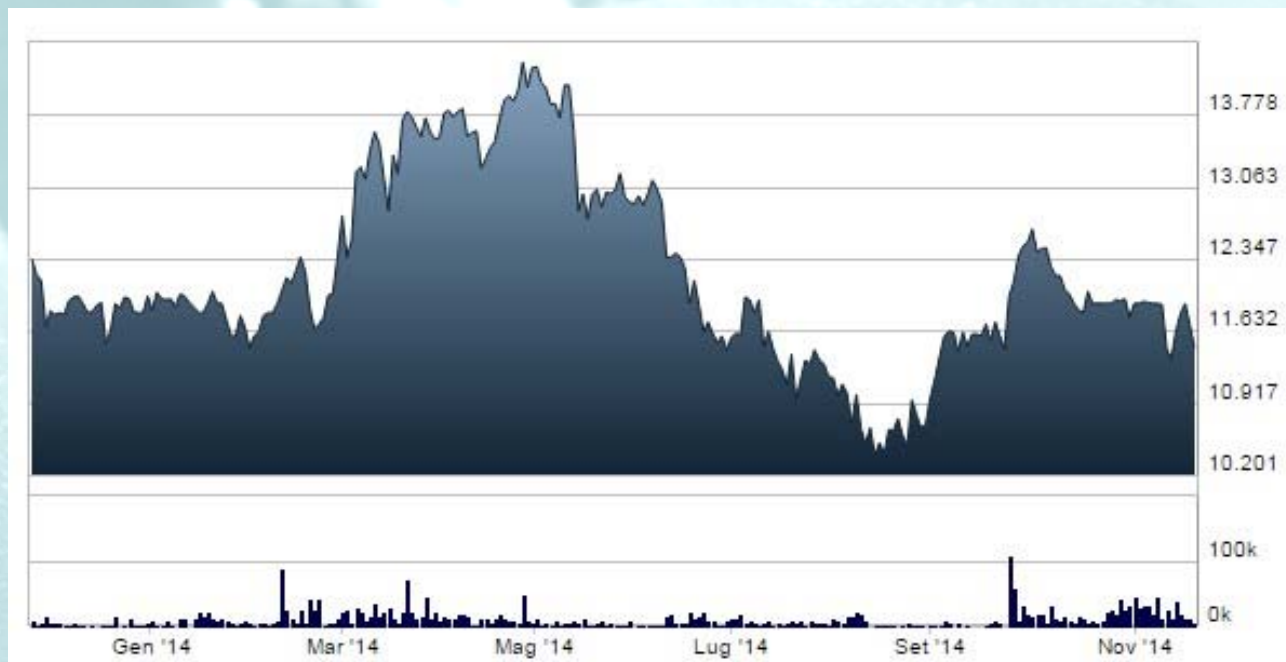
(2) based on Net debt at 30 September 2014 and 2014 consensus EBITDA

- Prospects for constant cash flow generation
- Possibility of funding at very low interest rates
- No change in the implementation of the planned investment programmes

Forecasts

- For FY 2014, the Group confirms its forecasts of moderate growth in sales and profitability compared to 2013.
- These targets assume a macroeconomic scenario not affected by unpredictable events. If the economic situation were to change significantly, actual figures might diverge from forecasts.

Stock price and main shareholders



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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