

## SABAF: RESULTS AT 31 DECEMBER 2023 APPROVED

### ➤ CONSOLIDATED RESULTS FOR Q4 2023<sup>1</sup>

**adj REVENUE: €62.8 million (€53.1 million in Q4 2022 +18.3%)**

REVENUE: €61 million (€51.4 million in Q4 2022 +18.7%)

**adj EBITDA: €8.7 million (€6.1 million in Q4 2022 +42.1%)**

EBITDA: €7.5 million (€6.6 million in Q4 2022 +12.5%)

**adj EBITDA/REVENUE: 13.8% (11.5% in Q4 2022)**

EBITDA/REVENUE: 12.2% (12.9% in Q4 2022)

**adj EBIT: €4.4 million (€1.7 million in Q4 2022 +157%)**

EBIT: €2.3 million (€ 1.9 million in Q4 2022 +22.2%)

**adj Group NET RESULT: €5.8 million (€4.6 million in Q4 2022 +24.9%)**

Group NET RESULT: €1.7 million (€2.2 million in Q4 2022, -19.3%)

### ➤ CONSOLIDATED RESULTS FOR 2023<sup>1</sup>

**adj REVENUE: €239.1 million (€252 million in 2022 -5.1%)**

REVENUE: €237.9 million (€253.1 million in 2022 -6%)

**adj EBITDA: €33 million (€36.3 million in 2022 -9%)**

EBITDA: €29.6 million (€40.1 million in 2022 -26.1%)

**adj EBITDA/REVENUE: 13.8% (14.4% in 2022)**

EBITDA/REVENUE: 12.4% (15.8% in 2022)

**adj EBIT: €17.5 million (€19.9 million in 2022 -11.9%)**

EBIT: €11.1 million (€21.9 million in 2022 -49.5%)

**adj Group NET RESULT: €14.2 million (€22.1 million in 2022 -35.9%)**

Group NET RESULT: €3.1 million (€15.2 million in 2022 -79.7%)

**GENERATED OPERATING FREE CASH FLOW €22.9 million in 2023** (€3.4 million in 2022)

**NET FINANCIAL DEBT AT 31 DECEMBER 2023 €73.2 million** (€84.4 million at 31 December 2022)

### ➤ OUTLOOK

- A very positive start to 2024: double-digit sales growth in the first quarter (compared to the same period in 2023) and improved profitability expected.
- Product diversification, internationalisation and the integration of PGA and MEC - the two most recent acquisitions - continue as planned.

### ➤ A DIVIDEND OF €0.54 PER SHARE WAS PROPOSED

<sup>1</sup> The (adj) normalised consolidated economic results exclude the impact of the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) and the start-up costs of Sabaf India, Sabaf Mexico and the Induction division. This representation allows a better understanding of the Group's performance and of its comparison with previous periods.

Pietro Iotti, Chief Executive Officer, declared: “2023 was largely characterised by weak demand. The signs of recovery that emerged in the second half of the year gradually consolidated, resulting in better results in the last quarter than in the same period of 2022. The activities in the first few months of 2024 show a significant recovery in all Divisions, the result of signs of improvement in the market and the implementation of the Group's development plan, which is based on geographical diversification, innovation and the expansion of the product range. We expect double-digit growth in the first quarter and the orders already booked for the second quarter confirm a similar trend.”

The Board of Directors of Sabaf S.p.A., which met today in Ospitaletto (BS), approved the 2023 Annual Financial Report.

It should be noted that as from April 2022, Turkey - the country where Sabaf has production plants - is considered to be a "hyperinflationary" economy according to the criteria set out in "IAS 29 - Financial Reporting in Hyperinflationary Economies". The press release commented on the normalised consolidated economic results excluding the impact of the application of IAS 29. The normalised consolidated economic results also exclude the start-up costs of Sabaf India, Sabaf Mexico and the Induction division. This representation allows a better understanding of the Group's performance and a more accurate comparison with previous periods.

### **Consolidated results for the fourth quarter of 2023**

	<b>Q4 2023*</b>	<b>Q4 2022*</b>	<b>2023-2022 change</b>	<b>% change</b>
Sales revenue	61,043	51,430	9,613	+18.7%
Hyperinflation – Turkey	1,780	1,649		
Start-up revenue	(8)	-		
<b>Normalised revenue</b>	<b>62,815</b>	<b>53,079</b>	<b>9,736</b>	<b>+18.3%</b>
EBITDA	7,466	6,636	830	+12.5%
EBTIDA %	12.2	12.9		
Start-up costs	744	274		
Hyperinflation – Turkey	470	(802)		
<b>Normalised EBITDA</b>	<b>8,680</b>	<b>6,108</b>	<b>2,572</b>	<b>+42.1%</b>
<b>Normalised EBITDA%</b>	<b>13.8</b>	<b>11.5</b>		
EBIT	2,276	1,863	413	+22.2%
EBIT %	3.7	3.6		
Start-up costs	1,201	321		
Hyperinflation – Turkey	886	(488)		
<b>Normalised EBIT</b>	<b>4,363</b>	<b>1,696</b>	<b>2,667</b>	<b>+157.3%</b>
<b>Normalised EBIT%</b>	<b>6.9</b>	<b>3.2</b>		
Group net result	1,738	2,153	(415)	-19.3%
Net result %	2.8	4.2		
Start-up costs	1,135	294		
Hyperinflation – Turkey	2,882	2,159		
<b>Normalised result of the Group</b>	<b>5,755</b>	<b>4,606</b>	<b>1,149</b>	<b>+24.9%</b>
<b>Normalised result %</b>	<b>9.2</b>	<b>8.7</b>		

(\*) unaudited figures

In the fourth quarter of 2023, the Sabaf Group recognised normalised sales revenue of €62.8 million, an increase of 18.3% compared to the fourth quarter of 2022 (+6.6% on a like-for-like

basis). Normalised EBITDA for the fourth quarter was €8.7 million, or 13.8% of turnover and up by 42.1% compared to €6.1 million (11.5%) in the fourth quarter of 2022.

Normalised EBIT was €4.4 million (6.9%), up 157.3% compared to €1.7 million in the fourth quarter of 2022 (3.2%). Normalised net profit for the period attributable to the Group was €5.8 million (€4.6 million in the fourth quarter of 2022).

### **Consolidated results for 2023**

	2023	2022	2023-2022 change	% change
Sales revenue	237,949	253,053	(15,104)	-6.0%
Hyperinflation – Turkey	1,160	(1,091)		
Start-up revenue	(23)	-		
<b>Normalised revenue</b>	<b>239,086</b>	<b>251,962</b>	<b>(12,876)</b>	<b>-5.1%</b>
EBITDA	29,612	40,092	(10,480)	-26.1%
<i>EBITDA %</i>	<i>12.4</i>	<i>15.8</i>		
Start-up costs	2,649	704		
Hyperinflation – Turkey	786	(4,469)		
<b>Normalised EBITDA</b>	<b>33,047</b>	<b>36,327</b>	<b>(3,280)</b>	<b>-9.0%</b>
<b>Normalised EBITDA%</b>	<b>13.8</b>	<b>14.4</b>		
EBIT	11,062	21,887	(10,825)	-49.5%
<i>EBIT %</i>	<i>4.6</i>	<i>8.6</i>		
Start-up costs	3,724	820		
Hyperinflation – Turkey	2,710	(2,838)		
<b>Normalised EBIT</b>	<b>17,496</b>	<b>19,869</b>	<b>(2,373)</b>	<b>-11.9%</b>
<b>Normalised EBIT%</b>	<b>7.3</b>	<b>7.9</b>		
Group net result	3,103	15,249	(12,146)	-79.7%
<i>Net result %</i>	<i>1.3</i>	<i>6.0</i>		
Start-up costs	3,530	756		
Hyperinflation – Turkey	7,521	6,077		
<b>Normalised result of the Group</b>	<b>14,154</b>	<b>22,082</b>	<b>(7,928)</b>	<b>-35.9%</b>
<b>Normalised result %</b>	<b>5.9</b>	<b>8.8</b>		

The Sabaf Group ended the 2023 financial year with normalised sales revenue of €239.1 million, down 5.1% (-12.9% on a like-for-like basis) compared to €252 million in 2022. 2023 was characterised by a significant economic weakness in the household appliance sector, most evident in European markets where demand was estimated to be more than 10% below average volumes. Geographical diversification and the contribution of recent acquisitions limited the decline in sales compared with 2022, which was characterised by a dynamic first half-year and a sudden drop in demand in the second half-year.

In 2023, the Group continued to work on operational efficiency and cost containment, even at reduced activity levels. The decline in sales also impacted operating profitability: normalised EBITDA was €33 million (13.8% of turnover), down 9% from €36.3 million in 2022 (14.4% of turnover): normalised EBIT was €17.5 million (7.3% of turnover) compared to €19.9 million in 2022 (7.9% of turnover). Normalised net profit was €14.2 million (5.9% of sales) compared to €22.1 million (8.8% of sales) in 2022.

**Balance sheet, cash flows and financial debt at 31 December 2023**

(€/000)	31/12/2023	31/12/2022
<i>Non-current assets</i>	181,167	171,276
Short-term assets <sup>2</sup>	133,401	134,709
Short-term liabilities <sup>3</sup>	(61,553)	(55,329)
<i>Net working capital</i> <sup>4</sup>	71,848	79,380
<i>Provisions for risks and charges, Post-employment benefits, deferred taxes</i>	(9,477)	(10,128)
<b>Net invested capital</b>	<b>243,538</b>	<b>240,528</b>
Short-term net financial position	20,118	(6,030)
Medium/long-term net financial position	(93,268)	(78,336)
<b>Net financial debt</b>	<b>(73,150)</b>	<b>(84,366)</b>
<b>Shareholders' equity</b>	<b>170,388</b>	<b>156,162</b>

(€/000)	31/12/2023	31/12/2022
<b>Cash and cash equivalents at beginning of period</b>	<b>20,923</b>	<b>43,649</b>
Net profit/(loss) for the period	3,380	15,249
Amortisation and adjustments to cost and revenue items	25,295	20,152
Change in net working capital	13,892	(2,954)
Other changes from operations	(2,715)	(8,154)
<b>Cash flows from operations</b>	<b>39,852</b>	<b>24,293</b>
Cash flows from investment activities (net of disposals)	(16,942)	(20,856)
<b>Free cash flow</b>	<b>22,910</b>	<b>3,437</b>
Change in financial assets and liabilities	(14,208)	(8,334)
Buy-back	(462)	(1,862)
Payment of dividends	-	(6,690)
<b>Cash flows from financing activities</b>	<b>(14,670)</b>	<b>(16,886)</b>
Changes in the scope of consolidation	(9,108)	(5,045)
Share capital increase	17,312	-
Foreign exchange differences	(1,014)	(4,232)
<b>Net cash flows for the period</b>	<b>15,430</b>	<b>(22,726)</b>
<b>Cash and cash equivalents at end of period</b>	<b>36,353</b>	<b>20,923</b>

The working capital at 31 December 2023 amounted to €71.8 million (€79.4 million at 31 December 2022). At 31 December 2023, the impact of the net working capital on revenue was 30.2% compared to 31.4% at 31 December 2022<sup>5</sup>.

<sup>2</sup> Sum of Inventories, Trade receivables, Tax receivables and Other current receivables

<sup>3</sup> Sum of Trade payables, Tax payables and Other liabilities

<sup>4</sup> Difference between short-term assets and short-term liabilities

<sup>5</sup> At 31 December 2023, the impact of the net working capital to pro-forma revenue (i.e. including the contribution of the acquisition of MEC for the whole of 2023) is 28.2%.

In 2023, in line with the Business Plan, the net investments of the Group amounted to €16.9 million (€20.9 million in 2022). The main investments were aimed at expanding the international production footprint. In Mexico, the work on the construction of the plant in San Luis de Potosi was completed.

In 2023, the positive free cash flow<sup>6</sup> generated by the Sabaf Group was €22.9 million (€3.4 million in 2022).

At 31 December 2023, net financial debt was €73.2 million (€84.4 million at 31 December 2022), against a consolidated shareholders' equity of €170.4 million. The net financial debt at 31 December 2023 includes the financial liability of €11.7 million related to the recognition of the put option granted to the minority shareholders of MEC, a US company acquired in July.

#### **Parent Company Sabaf S.p.A. results**

In 2023, the Parent Company Sabaf S.p.A.'s sales revenue totalled €99.5 million (-16.5% compared to €119.1 million in 2022), EBITDA was €5.5 million (down 35.2% from €8.5 million in 2022) and net profit was €3.5 million (up 55.9% from €2.2 million in 2022).

#### **Dividend proposal**

The Board of Directors will propose to the shareholders the distribution of a gross ordinary dividend of €0.54 per share for shares outstanding on 28 May 2024 (the record date), excluding, therefore, treasury shares on that date. The ex-date is scheduled for 27 May, the payment date will be 29 May.

#### **Long-term incentive plan**

The Board of Directors also resolved to propose to the Shareholders' Meeting the approval of a free allocation plan of shares in favour of directors and employees of the Company and its subsidiaries against the achievement of specific objectives of the 2024-2026 Business Plan and the ESG objectives.

The plan aims to involve and retain management by encouraging an entrepreneurial approach and aligning their interests with those of the shareholders.

#### **Proposal for authorisation to buy-back**

The Board of Directors also resolved to submit to the Shareholders' Meeting for approval the renewal of the authorisation to purchase and dispose of treasury shares in accordance with the terms and conditions determined by the Shareholders' Meeting.

The above authorisation includes the following purposes: i) use, in line with the Company's strategic lines, the treasury shares as part of operations related to industrial projects and agreements with strategic partners, or as part of investment operations, also through exchange, conferral, transfer or other acts of disposal of the treasury shares for the acquisition of stakes or shareholding packages, or other operations of extraordinary finance that involve assigning or disposing of treasury shares; (ii) disposing 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 that will be submitted to the Shareholders' Meeting of 8 May 2024; (iii) offer shareholders an additional instrument to monetise their investment; (iv) carry out activities in support of market liquidity. The proposal envisages the authorisation to purchase, on

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<sup>6</sup> Free cash flow is the difference between Cash Flows from operations and Net investments.

one or more operations, 634,339 shares, or the different number that will represent the maximum limit of 5% of the share capital.

The proposal also envisages that: (i) the authorisation to make the purchases is granted for a maximum period of 18 months from the date of the Shareholders' Meeting, while the authorisation to dispose of the shares purchased is granted without time limits; (ii) purchase operations can be carried out on the basis of the decisions taken at the discretion of the Board of Directors in accordance with the procedures allowed by current regulations and practices; (iii) the unit payment for the purchase of shares is established from time to time for each individual operation, it being understood that it may not exceed 10% of the average of the official prices recorded on the screen-based market in the five sessions prior to each individual purchase operation.

The number of treasury shares held as at today's date is 241,963, corresponding to 1.907% of the share capital.

### **Consolidated non-financial statement approval and other resolutions of the Board of Directors**

The Board approved today the consolidated non-financial statement pursuant to Italian Legislative Decree no. 254/2016, the report on corporate governance and ownership structure, the remuneration policy for the period from 2024 to 2026 period and the 2023 Report on Remuneration.

### **Call of the Shareholders' Meeting**

The Board of Directors resolved to convene the Shareholders' Meeting on a single date on 8 May 2024 at 10.30 a.m. at the company's registered office in Ospitaletto (BS). The Ordinary Shareholders' Meeting will also be called upon to appoint the Board of Directors and the Board of Statutory Auditors for the three-year period from 2024 to 2026, and the Extraordinary Shareholders' Meeting will be called to assign to the Board of Directors the power to increase the share capital against payment by up to 10% of the current share capital, with the exclusion of pre-emption rights.

The Shareholders' Meeting will be attended exclusively by the representative designated pursuant to Article 135-undecies of the Consolidated Finance Act.

### **Outlook**

The beginning of 2024 is characterised by a very positive business trend. Based on the sales to date and the order book, we expect double-digit sales growth in the first quarter compared to the same period last year. The recovery in production volumes will help to improve profitability.

The technical and commercial synergies with the recently acquired companies (PGA and MEC), the product diversification initiatives (particularly in the induction cooking components segment) and internationalisation (with the activities of the new production plants in India and Mexico) continue according to plan and will contribute to the 2024 results and ensure the Group's sustainable growth in the medium and long term.

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Today at **4.00** p.m. CET there will be a conference call to illustrate the results of 2023 fiscal year to financial analysts and institutional investors (please call the number +39 02 8020911).

The Annual Financial Report at 31 December 2023, the Independent Auditors' Report and the Board of Statutory Auditors' Report, the Report on Corporate Governance and Ownership Structure, the Non-Financial Statement and the 2023 Report on Remuneration will be published on the website [www.sabafgroup.com](http://www.sabafgroup.com) and on the centralised storage system "eMarket Storage", available on the website [www.emarketstorage.com](http://www.emarketstorage.com), no later than 29 March 2024.

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.

Annexes: consolidated and Sabaf S.p.a. financial statements not yet audited.

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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. In recent years, through a policy of organic investments and through acquisitions, the Group expanded its product range and is now active in the following segments of the household appliance market: hinges and electronic components. In 2022, the Group announced its entry into the induction cooking components market. 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 approximately 1,700 employees in Italy, Turkey, Poland, Brazil, China, India, USA and Mexico. In addition to the Sabaf brand, the Group operates under the brands ARC (professional burners), Faringosi Hinges, C.M.I. and Mansfield (hinges), Okida and P.G.A. (electronic components).*

## Sabaf Group - Consolidated statement of financial position

<i>(€/000)</i>	31/12/2023	31/12/2022
<b>ASSETS</b>		
NON-CURRENT ASSETS		
Property, plant and equipment	108,741	99,605
Investment property	691	983
Intangible assets	57,231	54,168
Equity investments	95	97
Non-current receivables	1,094	2,752
Deferred tax assets	13,315	13,145
<b>Total non-current assets</b>	<b>181,167</b>	<b>170,750</b>
CURRENT ASSETS		
Inventories	61,985	64,426
Trade receivables	55,826	59,159
Tax receivables	11,722	8,214
Other current receivables	3,868	2,910
Current financial assets	7,257	2,497
Cash and cash equivalents	36,353	20,923
<b>Total current assets</b>	<b>177,011</b>	<b>158,129</b>
ASSETS HELD FOR SALE	-	526
<b>TOTAL ASSETS</b>	<b>358,178</b>	<b>329,405</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
SHAREHOLDERS' EQUITY		
Share capital	12,687	11,533
Retained earnings, Other reserves	97,656	96,632
IAS 29 reserve	48,649	32,748
Profit for the year	3,103	15,249
Total equity interest of the Group	162,095	156,162
Minority interests	8,293	-
<b>Total shareholders' equity</b>	<b>170,388</b>	<b>156,162</b>
NON-CURRENT LIABILITIES		
Loans	81,547	78,336
Other financial liabilities	11,721	-
Post-employment benefit and retirement provisions	3,805	3,661
Provisions for risks and charges	353	639
Deferred tax liabilities	5,136	5,828
Other non-current payables	183	-
<b>Total non-current liabilities</b>	<b>102,745</b>	<b>88,464</b>
CURRENT LIABILITIES		
Loans	23,317	28,876
Other financial liabilities	175	574
Trade payables	42,521	39,628
Tax payables	3,025	2,545
Other payables	16,007	13,156
<b>Total current liabilities</b>	<b>85,045</b>	<b>84,779</b>
LIABILITIES HELD FOR SALE	-	-
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>358,178</b>	<b>329,405</b>

## Sabaf Group - Consolidated Income Statement

	2023	2022
<i>(€/000)</i>		
<b>INCOME STATEMENT COMPONENTS</b>		
OPERATING REVENUE AND INCOME		
Revenue	237,949	253,053
Other income	9,056	10,188
<b>Total operating revenue and income</b>	<b>247,005</b>	<b>263,241</b>
OPERATING COSTS		
Materials	(112,684)	(124,331)
Change in inventories	(3,433)	(513)
Services	(44,923)	(50,180)
Personnel costs	(58,160)	(49,926)
Other operating costs	(1,735)	(1,631)
Costs for capitalised in-house work	3,542	3,432
<b>Total operating costs</b>	<b>(217,393)</b>	<b>(223,149)</b>
<b>OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION, CAPITAL GAINS/LOSSES, AND WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS</b>		
	<b>29,612</b>	<b>40,092</b>
Depreciations and amortisation	(20,066)	(18,267)
Capital gains on disposals of non-current assets	1,516	251
Value adjustments of non-current assets	-	(189)
<b>EBIT</b>		
	<b>11,062</b>	<b>21,887</b>
Financial income	1,815	1,917
Financial expenses	(5,248)	(2,009)
Net income/(expenses) from hyperinflation	(5,276)	(9,023)
Exchange rate gains and losses	(2,359)	(515)
Profits and losses from equity investments	-	(48)
<b>PROFIT BEFORE TAXES</b>		
	<b>(6)</b>	<b>12,209</b>
Income taxes	3,386	3,040
<b>PROFIT FOR THE YEAR</b>		
	<b>3,380</b>	<b>15,249</b>
of which:		
Minority interests	277	-
<b>PROFIT ATTRIBUTABLE TO THE GROUP</b>	<b>3,103</b>	<b>15,249</b>

## Sabaf Group - Consolidated sales breakdown by product line and by geographical area

### Revenue by geographical area

Revenue	<b>2023</b>	<i>%</i>	<b>2022</b>	<i>%</i>	<i>% change</i>
Europe (excluding Turkey)	71,636	30.1%	87,282	34.5%	-17.9%
Turkey	62,439	26.2%	66,845	26.4%	-6.6%
North America	47,607	20.0%	39,800	15.7%	+19.6%
South America	27,874	11.7%	28,503	11.3%	-2.2%
Africa and Middle East	17,718	7.4%	19,098	7.5%	-7.2%
Asia and Oceania	10,675	4.5%	11,525	4.6%	-7.4%
<b>Total</b>	<b>237,949</b>	<b>100%</b>	<b>253,053</b>	<b>100%</b>	<b>-6.0%</b>

### Revenue by product family

Revenue	<b>2023</b>	<i>%</i>	<b>2022</b>	<i>%</i>	<i>% change</i>
Gas parts	143,224	60.2%	158,340	62.6%	-9.5%
Hinges	70,418	29.6%	68,627	27.1%	+2.6%
Electronic components	24,307	10.25%	26,086	10.3%	-6.8%
<b>Total</b>	<b>237,949</b>	<b>100%</b>	<b>253,053</b>	<b>100%</b>	<b>-6.0%</b>

## Sabaf Group - Consolidated statement of cash flows

	2023	2022
<b><i>Cash and cash equivalents at beginning of year</i></b>	<b>20,923</b>	<b>43,649</b>
Profit for the year	3,380	15,249
Adjustments for:		
- Depreciations and amortisation	20,066	18,267
- Write-downs of non-current assets	-	189
- Realised gains/losses	(1,516)	(251)
- Valuation of the stock grant plan	543	1,134
- Profits and losses from equity investments	-	48
- Monetary revaluation IAS 29	7,521	6,077
- Net financial income and expenses	2,164	(1,783)
- Income tax	(3,386)	(2,472)
Change in post-employment benefit	107	(197)
Change in risk provisions	(204)	(860)
<i>Change in trade receivables</i>	<i>7,375</i>	<i>10,312</i>
<i>Change in inventories</i>	<i>4,079</i>	<i>3,890</i>
<i>Change in trade payables</i>	<i>2,438</i>	<i>(17,156)</i>
Change in net working capital	13,892	(2,954)
Change in other receivables and payables, deferred taxes	2,528	1,430
Payment of taxes	(3,763)	(7,733)
Payment of financial expenses	(3,405)	(2,097)
Collection of financial income	1,925	246
<b>Cash flows from operations</b>	<b>39,852</b>	<b>24,293</b>
Investments in non-current assets		
- intangible	(2,714)	(3,153)
- tangible	(16,802)	(19,152)
- financial	2	-
Disposal of non-current assets	2,572	1,449
<b>Cash flow absorbed by investments</b>	<b>(16,942)</b>	<b>(20,856)</b>
<b>Free cash flow</b>	<b>22,910</b>	<b>3,437</b>
Repayment of loans	(33,671)	(37,955)
Raising of loans	25,552	29,236
Short-term financial assets	(6,089)	385
Purchase/sale of treasury shares	(462)	(1,862)
Payment of dividends	-	(6,690)
<b>Cash flow absorbed by financing activities</b>	<b>(14,670)</b>	<b>(16,886)</b>
Mansfield (MEC) acquisition	(8,325)	-
P.G.A. acquisition	(783)	(4,948)
Share capital increase	17,312	-
ARC Handan consolidation/deconsolidation	-	(97)
Foreign exchange differences	(1,014)	(4,232)
<b>Net cash flows for the year</b>	<b>15,430</b>	<b>(22,726)</b>
<b><i>Cash and cash equivalents at end of year (Note 12)</i></b>	<b>36,353</b>	<b>20,923</b>

## Sabaf Group - Reconciliation of the consolidated income statement at 31 December 2023

<i>(€/000)</i>	2023	IAS29 effect	Start-up effect	Normalised 2023
<b>INCOME STATEMENT COMPONENTS</b>				
OPERATING REVENUE AND INCOME				
Revenue	237,949	1,160	(23)	239,086
Other income	9,056	19	(39)	9,036
<b>Total operating revenue and income</b>	<b>247,005</b>	<b>1,179</b>	<b>(62)</b>	<b>248,122</b>
OPERATING COSTS				
Materials	(112,684)	122	83	(112,479)
Change in inventories	(3,433)	(102)	6	(3,529)
Services	(44,923)	(204)	2,081	(43,046)
Personnel costs	(58,160)	(188)	539	(57,809)
Other operating costs	(1,735)	(21)	2	(1,754)
Costs for capitalised in-house work	3,542	-	-	3,542
<b>Total operating costs</b>	<b>(217,393)</b>	<b>(393)</b>	<b>2,711</b>	<b>(215,075)</b>
<b>OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION, CAPITAL GAINS/LOSSES, AND WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS</b>				
	<b>29,612</b>	<b>786</b>	<b>2,649</b>	<b>33,047</b>
Depreciations and amortisation	(20,066)	1,920	1,075	(17,071)
Capital gains on disposals of non-current assets	1,516	4	-	1,520
Value adjustments of non-current assets	-	-	-	-
<b>EBIT</b>	<b>11,062</b>	<b>2,710</b>	<b>3,724</b>	<b>17,496</b>
Financial income	1,815	110	-	1,925
Financial expenses	(5,248)	(11)	-	(5,259)
Net income/(expenses) from hyperinflation	(5,276)	5,276	-	-
Exchange rate gains and losses	(2,359)	190	-	(2,169)
Profits and losses from equity investments	-	-	-	-
<b>PROFIT BEFORE TAXES</b>	<b>(6)</b>	<b>8,275</b>	<b>3,724</b>	<b>11,993</b>
Income taxes	3,386	(754)	(194)	2,438
<b>PROFIT FOR THE YEAR</b>	<b>3,380</b>	<b>7,521</b>	<b>3,530</b>	<b>14,431</b>
of which:				
Minority interests	277	-	-	277
<b>PROFIT ATTRIBUTABLE TO THE GROUP</b>	<b>3,103</b>	<b>7,521</b>	<b>3,530</b>	<b>14,154</b>

## Sabaf S.p.A. - Statement of Financial Position

<i>(in €)</i>	31/12/2023	31/12/2022
<b>ASSETS</b>		
NON-CURRENT ASSETS		
Property, plant and equipment	43,641,088	47,621,810
Investment property	691,201	983,333
Intangible assets	6,584,238	5,429,576
Equity investments	126,074,562	112,505,434
Non-current financial assets	15,734,371	10,375,117
- of which from related parties	<i>15,734,371</i>	<i>10,375,117</i>
Non-current receivables	651,913	634,348
Deferred tax assets	2,664,226	3,047,631
<b>Total non-current assets</b>	<b>196,041,599</b>	<b>180,597,248</b>
CURRENT ASSETS		
Inventories	21,836,419	26,911,220
Trade receivables	28,705,680	28,315,040
- of which from related parties	<i>15,393,271</i>	<i>8,108,979</i>
Tax receivables	6,030,934	5,060,805
- of which from related parties	<i>241,331</i>	<i>1,208,542</i>
Other current receivables	1,398,665	1,208,792
Current financial assets	859,797	2,901,373
- of which from related parties	<i>0</i>	<i>1,300,000</i>
Cash and cash equivalents	13,899,318	2,604,007
<b>Total current assets</b>	<b>72,730,813</b>	<b>67,001,238</b>
ASSETS HELD FOR SALE	-	<b>525,660</b>
<b>TOTAL ASSETS</b>	<b>268,772,412</b>	<b>248,124,145</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
SHAREHOLDERS' EQUITY		
Share capital	12,686,795	11,533,450
Retained earnings, Other reserves	115,751,085	97,244,927
Profit for the year	3,503,797	2,246,997
<b>Total shareholders' equity</b>	<b>131,941,677</b>	<b>111,025,374</b>
NON-CURRENT LIABILITIES		
Loans	76,312,511	76,336,237
Post-employment benefit and retirement provisions	1,574,371	1,587,836
Provisions for risks and charges	297,248	354,595
Deferred tax liabilities	549,721	721,195
<b>Total non-current liabilities</b>	<b>78,733,851</b>	<b>78,999,863</b>
CURRENT LIABILITIES		
Loans	23,692,542	27,241,978
- of which to related parties	<i>3,000,000</i>	<i>2,500,000</i>
Other financial liabilities	175,000	561,117
Trade payables	22,605,272	21,167,682
- of which to related parties	<i>1,185,573</i>	<i>1,056,744</i>
Tax payables	1,484,669	621,929
- of which to related parties	<i>132,816</i>	<i>24,397</i>
Other payables	10,139,401	8,506,203
<b>Total current liabilities</b>	<b>58,096,884</b>	<b>58,098,908</b>
LIABILITIES HELD FOR SALE	0	0
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>268,772,412</b>	<b>248,124,145</b>

## Sabaf S.p.A. - Income Statement

<i>(in €)</i>	2023	2022
<b>INCOME STATEMENT COMPONENTS</b>		
OPERATING REVENUE AND INCOME		
Revenue	99,481,864	119,089,523
- of which from related parties	19,892,042	17,099,638
Other income	7,220,233	6,511,215
- of which from related parties	3,206,776	2,921,090
<b>Total operating revenue and income</b>	<b>106,702,097</b>	<b>125,600,738</b>
OPERATING COSTS		
Materials	(45,935,312)	(52,970,888)
- of which to related parties	(3,095,049)	(3,249,022)
Change in inventories	(5,074,801)	(7,074,719)
Services	(22,123,910)	(28,629,203)
- of which by related parties	(447,295)	(420,521)
Personnel costs	(30,072,064)	(30,575,199)
Other operating costs	(1,102,203)	(900,987)
Costs for capitalised in-house work	3,123,763	3,068,203
<b>Total operating costs</b>	<b>(101,184,527)</b>	<b>(117,082,793)</b>
<b>OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION, CAPITAL GAINS/LOSSES, WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS</b>		
	<b>5,517,571</b>	<b>8,517,946</b>
Depreciations and amortisation	(8,198,888)	(8,485,132)
Capital gains/(losses) on disposal of non-current assets	1,867,189	1,565,126
- of which by related parties	336,097	1,362,808
Write-downs/write-backs of non-current assets	(1,000,000)	(808,000)
- of which by related parties	(1,000,000)	(808,000)
<b>EBIT</b>		
	<b>(1,814,128)</b>	<b>789,939</b>
Financial income	574,700	1,973,664
- of which by related parties	415,764	309,025
Financial expenses	(3,466,228)	(1,573,474)
- of which by related parties	(113,428)	(9,518)
Exchange rate gains and losses	(170,993)	353,659
Profits and losses from equity investments	6,000,000	177,833
- of which by related parties	6,000,000	177,833
<b>PROFIT BEFORE TAXES</b>		
	<b>1,123,351</b>	<b>1,721,620</b>
Income taxes	2,380,446	525,377
<b>PROFIT FOR THE YEAR</b>		
	<b>3,503,797</b>	<b>2,246,997</b>

## Sabaf S.p.A. – Statement of Cash Flows

<i>(€/000)</i>	<b>2023 FY</b>	<b>2022 FY</b>
<b><i>Cash and cash equivalents at beginning of year</i></b>	<b>2,604</b>	<b>29,733</b>
Profit for the year	3,504	2,247
Adjustments for:		
- Depreciations and amortisation	8,199	8,485
- Realised gains	(1,867)	(1,565)
- Write-downs of non-current assets	1,000	808
- Profits and losses from equity investments	(6,000)	(178)
- Valuation of the stock grant plan	542	1,134
- Net financial income and expenses	2,891	(400)
- Non-monetary foreign exchange differences	(286)	(361)
- Income tax	(2,380)	(525)
Change in post-employment benefit	(6)	(63)
Change in risk provisions	(57)	(496)
<i>Change in trade receivables</i>	<i>(391)</i>	<i>16,879</i>
<i>Change in inventories</i>	<i>5,075</i>	<i>7,075</i>
<i>Change in trade payables</i>	<i>1,438</i>	<i>(12,510)</i>
Change in net working capital	6,122	11,444
Change in other receivables and payables, deferred taxes	3,926	(973)
Payment of taxes	0	(4,360)
Payment of financial expenses	(2,725)	(1,472)
Collection of financial income	575	372
<b>Cash flows from operations</b>	<b>13,437</b>	<b>14,097</b>
Investments in non-current assets		
- intangible	(2,367)	(2,749)
- tangible	(6,433)	(8,435)
- financial	(14,569)	(27,284)
Disposal of non-current assets	6,479	4,632
<b>Cash flow absorbed by investments</b>	<b>(16,890)</b>	<b>(33,836)</b>
<b>Free cash flow</b>	<b>(3,453)</b>	<b>(19,739)</b>
Repayment of loans	(30,415)	(19,368)
Raising of loans	26,087	19,728
Change in financial assets	(3,774)	624
Purchase/Sale of treasury shares	(462)	(1,862)
Payment of dividends	0	(6,690)
Share capital increase	17,312	0
Collection of dividends	6,000	178
<b>Cash flow absorbed by financing activities</b>	<b>(14,748)</b>	<b>(7,390)</b>
<b><i>Total cash flows</i></b>	<b>(11,295)</b>	<b>(27,129)</b>
<b><i>Cash and cash equivalents at beginning of year</i></b>	<b>13,899</b>	<b>2,604</b>