

We burn for technology and safety.



ITALIAN SUSTAINABILITY WEEK

Borsa Italiana

Milan, July 2021

SABAF
GROUP



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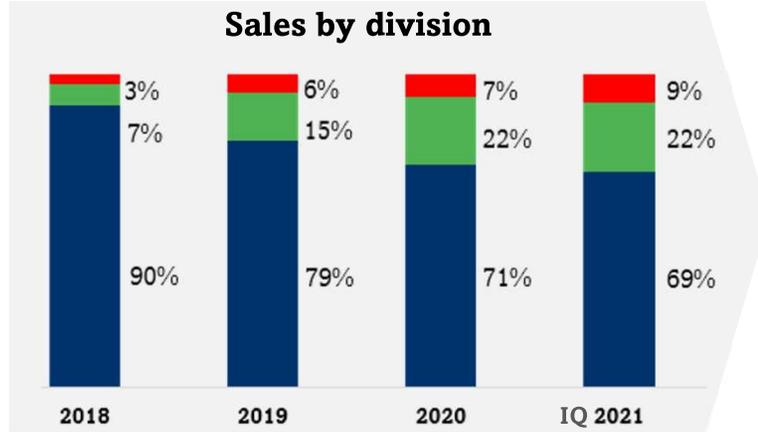
COMPANY OVERVIEW

Sabaf Group Timeline and history

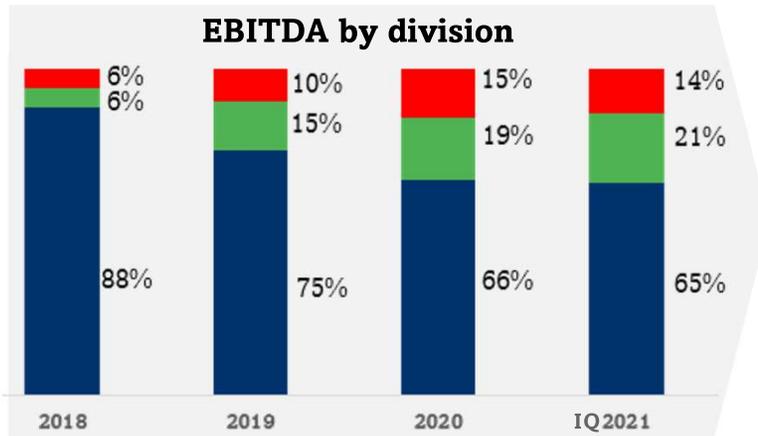


Sabaf Group

Business diversification in three divisions



Widening product range



Diversification of profitability

Sabaf Group Product range

GAS

- Standard Burners
- Special Burners
- Professional Burners
- Oven and Grill Burners
- Gas Valves
- Gas Oven Thermostats
- Microswitches & Accessories



HINGES

- Ovens
- Dishwashers
- Special applications
- Small compartments
- Catering appliances



ELECTRONIC COMPONENTS

- Cooker Hoods
- Ovens
- Cookers
- Air Curtain
- Refrigerators/freezers
- Other products

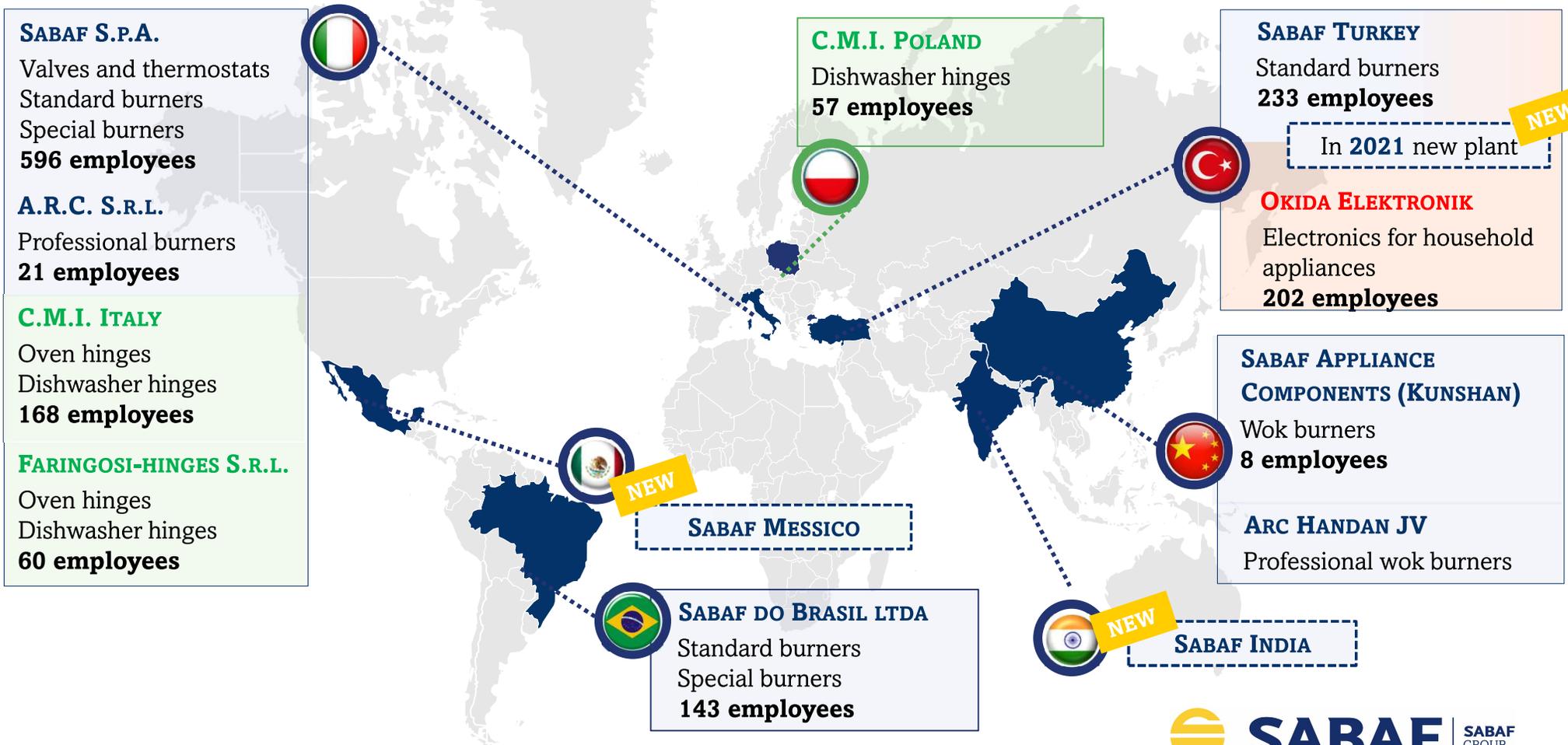


Sabaf Group

Industrial Footprint: present and near future



Total Group employees
at 31 May 2021
1,488



Sabaf Group Market

Global leader in the segment of **components for domestic gas** cooking appliances, with 400 customers in 64 different countries. A strong leadership in Europe (market share above 40%), estimated market share worldwide of about 10%

Weight of **top 10** customers on total Group sales is **48%** (47% in 2019)



No customer represents **more than 11%** of total Group sales

Long-term agreements and strong relationships with all the main players in the household appliances business, based on mutual trust, technical cooperation, co-engineering and tailor-made products

Sabaf Group

Product & technology



Product Innovation:
about 88 active patents

Know-how:

- Mechanical: forefront process technology - internal development of special machinery, high performance molds for robotic die-casting, high speed and high precision tools not available on the market
- Electronic: strong skills in new product development

Intellectual capital:
highly specialized and qualified staff (50+ R&D engineers)

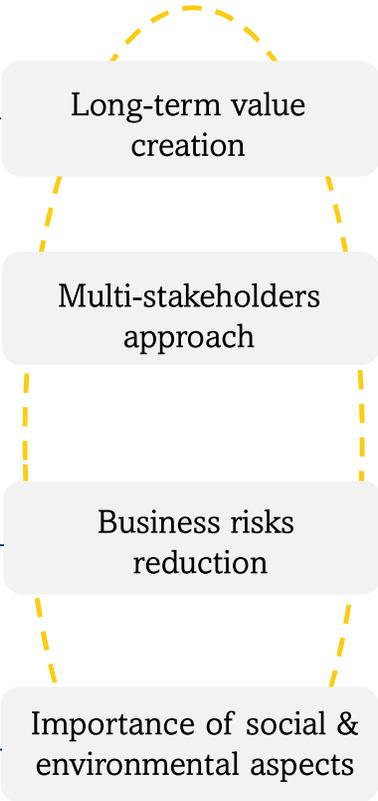
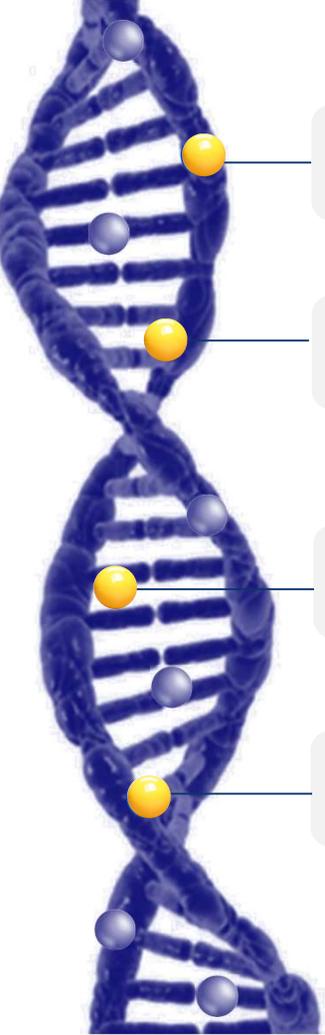
Strong operational leverage: great flexibility in production volumes growth, ready to satisfy customers requests



BUSINESS PLAN 2021 - 2023

Sabaf: a sustainable business

The centrality of the Person



Sabaf: a sustainable business

Business Model



Business plan 2021 - 2023

Key points

KEY POINTS

around
€ 300 mn
SALES

TOTAL SALES by 2023

+62% vs. 2020 CAGR > 17.5%

- **Organic** CAGR > 10%: around € 250 mn sales by 2023
- **M&A**: € 50 mn sales by 2023

€ 57 mn
EBITDA
by 2023

EBITDA

at least 19% on sales

at least
+100 bps

ROI

Compared to 11.5% in 2020

~ 2.0

FINANCIAL LEVARAGE

Net debt/EBITDA around 2.0

€ 130 mn

INVESTMENTS in 3 years

- **Organic**: € 58 mn capex, of which € 46 mn for growth and € 12 mn in maintenance
- **M&A**: up to € 72 mn investment

€ 20 mn

DIVIDENDS in 3 years

- Total amount higher than previous years (2018 - 2020: € 16 mn)
- Lower payout to support future growth



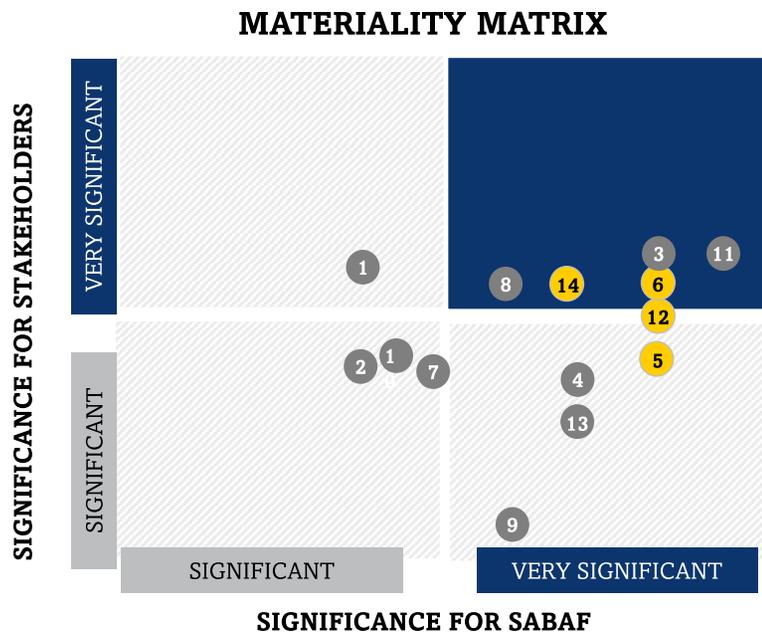
FINANCED with:

- **OPERATING CASH FLOW** € 85 mn in 3 years
- **NEW FINANCIAL DEBT** up to € 65 mn by 2023

Business plan 2021 - 2023

Materiality Analysis

The materiality analysis takes into consideration the most significant topics for the Group and its Stakeholders



- 1 Use of raw materials and materials
- 2 Emissions into the atmosphere, waste and management of environmental impacts
- 3 Protection of Human and Workers' Rights
- 4 Remuneration and incentive policy
- 5 Development of resources and skills
- 6 Health and safety of personnel and contractors
- 7 Diversity and equal opportunities
- 8 Management of relations with suppliers, supplier assessment and contractual conditions
- 9 Industrial relations
- 10 Compliance with the competitive system
- 11 Customer satisfaction and customer support
- 12 Research and innovation of products and processes also with reference to safety and environmental Performance
- 13 Partnership with multinational groups
- 14 Production quality and eco-efficiency

Business plan 2021 - 2023

Sustainability

“ Sabaf’s strategy and governance model are aimed towards ensuring long-term sustainable growth. For Sabaf, sustainability is primarily based on sharing values with its stakeholders; compliance with common values increases mutual trust and encourages knowledge development. ”

SABAF GROUP VISION

«We believe in a world in which all people’s basic needs, such as home, food and reliable energy, are fulfilled in an environmentally sustainable way. We promote a company that improves the quality of the environment and the communities where we live and work»

	Area	KPI	SDGs
1	Development of resources and skills	Hours of training per capita	4 QUALITY EDUCATION
2	Health and safety	Accident frequency rate	3 GOOD HEALTH AND WELL-BEING
		Accident severity rate	8 DECENT WORK AND ECONOMIC GROWTH
3	Eco-efficiency and Emissions into the atmosphere	tCO _{2eq} emissions on sales	7 AFFORDABLE AND CLEAN ENERGY
			8 DECENT WORK AND ECONOMIC GROWTH
			11 SUSTAINABLE CITIES AND COMMUNITIES
			12 RESPONSIBLE CONSUMPTION AND PRODUCTION
			13 CLIMATE ACTION

Business plan 2021 - 2023

Sustainability: 2023 targets

	Area	KPI	2023 TARGETS (VS.2020)
1	Development of resources and skills	Hours of training per capita	+40%
2	Health and safety	Accident frequency rate	-44%
		Accident severity rate	
3	Eco-efficiency and Emissions into the atmosphere	tCO _{2eq} emissions on sales	-14%

Sabaf: a sustainable business

Global compact and CDP



The **United Nations** initiative for companies that commit to upholding and promoting the **10 universally accepted principles** of **human rights, labour rights, environmental protection** and **anti-corruption**

2004
Sabaf complies

Every year, with the publication of the Annual Report, we renew our commitment to making the Global Compact and its principles an integral part of our strategy, culture and day-to-day operations

We commit to explicitly declare our commitment to all employees, partners, customers and the general public

Climate Change e Water programmes of CDP
(ex Carbon Disclosure Project)



International non-profit organization that provides businesses, local authorities and governments with a system to measure, track, manage and share **information on the environment globally**. In particular, companies are required to participate in an **annual survey** on the impact of their activities on the environment, the management of their environmental risks and the results achieved

The **aim** is to make **environmental performance central** to business and investment decisions by leveraging information **transparency**

2020
Sabaf joins for the first time

- On **Electrolux** request
- Sabaf confirmed its participation for **2021**

ESG PERFORMANCE

ESG Performance Reporting



ESG Performance

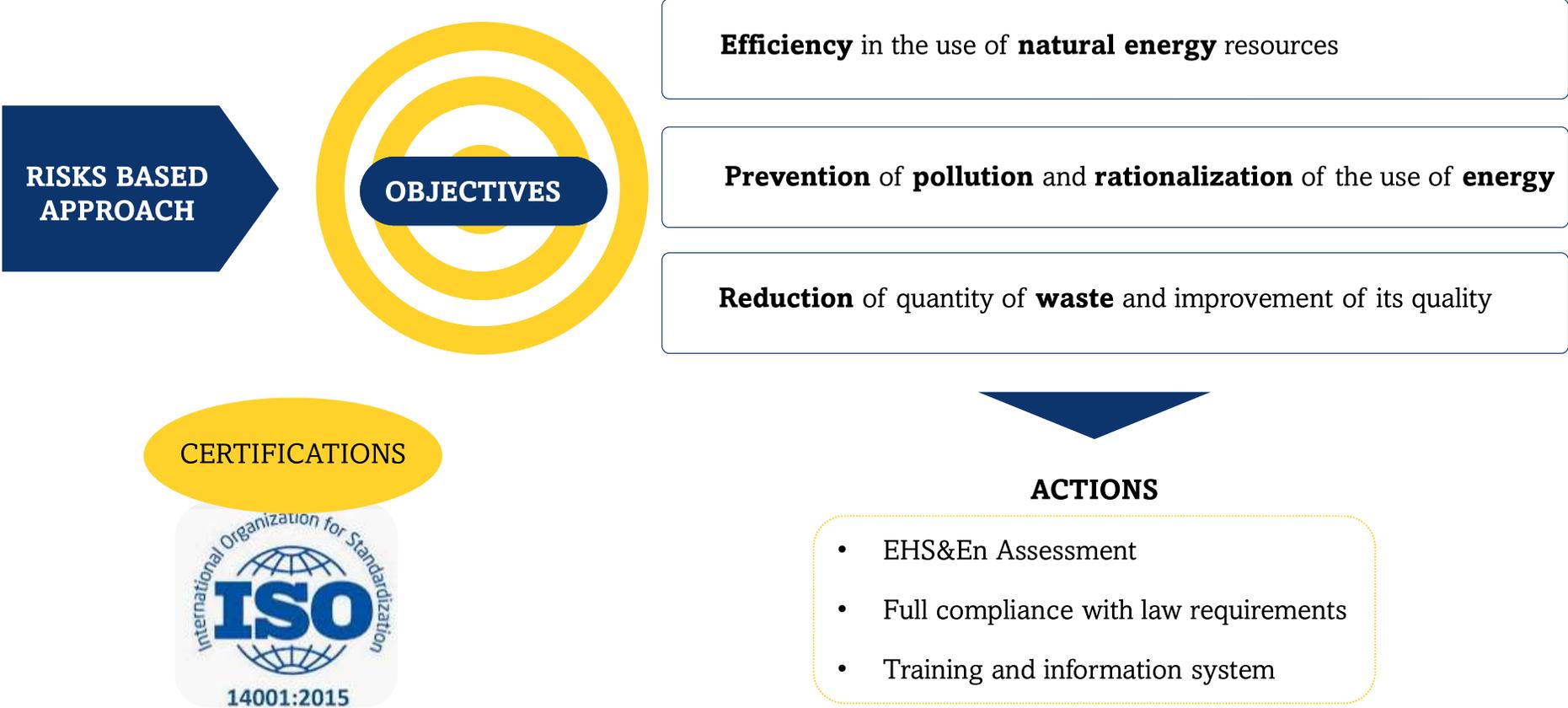
Generated and distributed economic value

(thousand of Euro)

	2020	2019	Change
ECONOMIC VALUE GENERATED BY THE GROUP	190,001	160,095	29,906
ECONOMIC VALUE DISTRIBUTED BY THE GROUP	161,995	140,762	21,233
Remuneration of suppliers	112,014	96,626	15,388
Remuneration of employees	43,700	37,103	6,597
Remuneration of lenders	2,146	1,339	807
Remuneration of shareholders	3,924	6,060	(2,136)
Remuneration of Public Administration	150	(408)	558
Charity and donations	61	42	19
ECONOMIC VALUE RETAINED BY THE GROUP	28,006	19,333	8,673
Depreciations and amortisation	16,968	15,183	1,785
Provisions	612	91	521
Use of provisions	(10)	(64)	54
Reserves	10,436	4,123	6,313

ESG Performance

Environment - Risks, objectives and actions



ESG Performance

Environment - Most important innovations



HIGH EFFICIENCY BURNERS

Since 2005: first company in the World

More than 23% of burners produced
Energy efficiency > 60%

Increasing efficiency year by year

- Energy efficiency
- Consumption
- Emissions



	Standard burners	High efficiency burners
Efficiency η	52%	65%
Consumption for 1 hob (m ³ /day)	0.68	0.54



	m3/day	m3/year
Gas saving for 1 hob	0.1	49.54

Total **saving** from 2005:
439 thousand m³ of natural gas*

Reduction of CO² emissions
from 2005:
891 thousand tons*

*Estimation based on volumes manufactured by Sabaf

ESG Performance

Environment - Most important innovations

LIGHT ALLOY VALVES

92% of valves produced

- ✗ Elimination of hot moulding phase
- ↓ Lead content
- ↓ Weight
- ↓ Transport & packaging costs

Switch from brass to aluminium

	Brass	Light-alloy
Energy consumption in production (KWh/unit)	0.47	0.30
Lead content (g/unit)	3.91	0.47
Total weight (g/unit)	159	74

➔

Annual savings
2.803 MWh
58 tons
1.421 tons

METAL WASHING

Washing system based on a modified redistillable alcohol

Elimination of perchloroethylene

- ↓ Operating costs
- ↓ Emissions
- ↓ Special waste

ESG Performance

Environment - Materials

Materials used and recyclability

	Materials used (tons)	2020	2019	2018
Raw materials	Brass	638	481	789
	Aluminium alloys	9,188	6,476	7,831
	Zamak	10	11	33
	Steel	26,046	21,881	7,861
	Cast iron	96	142	137
	Enamel	246	193	189
	Bronze	-	1	-
	Copper	8	-	-
	Stainless steel	103	116	-
Packaging Materials	Cardboard	706	397	454
	Plastic	220	136	140
	Wood	683	479	503

85% of brass and 50% of aluminium alloys are produced by scrap recycling

Increases in steel consumption

- in 2020 reflect the Group's higher production levels compared to the previous year
- in 2019 is due to the inclusion in the scope of consolidation of C.M.I.

Cardboard and wood are renewable materials

ESG Performance

Environment - Energy

Energy sources

	2020	2019	2018
Electricity from non-renewable sources (MWh)	35,220	28,526	30,225
YoY change	+23%	-6%	-2%
Electricity from renewable sources (MWh)	158	50	-
Natural gas (m3 x 1000)	4,478	3,740	3,918
YoY change	+20%	-5%	-3%
Diesel oil (l x 1000)	57	51	21
Petrol (l x 1000)	17	10	-
LPG (l x 1000)	-	0.09	-
TOTAL CONSUMPTION (GJ)	290,125	238,887	249,866
TOTAL CONSUMPTION (MWh)	80,655	66,411	69,463
YoY change	+21%	-4%	-8%

Energy intensity

	2020	2019	2018
Energy Intensity			
KWh on € of turnover	0.436	0.426	0.460
YoY change	+2%	-7%	-6%

Main sources

Electricity

Natural Gas

CERTIFICATIONS



ESG Performance

Environment - Water

Water

Water consumption (m ³)	2020	2019	2018
from municipal water supply	50,682	56,409	110,655
of which freshwater	50,682	56,409	110,655
of which other water	-	-	-
from well	27,675	35,516	29,185
of which freshwater	27,675	35,516	29,185
of which other water	-	-	-
TOTAL	78,357	91,925	139,840
YoY change	-15%	-34%	+24%

- ▶ No industrial waste water
- ▶ Water used in production processes at Ospitaletto is treated in concentration plants (during 2019 also started up in Sabaf Brasil)
- ▶ At Ospitaletto factory, there is a plant for the collection of rainwater for use in industrial activities

ESG Performance

Environment - Emissions

Emissions

CO ₂ Emissions (tons)		2020	2019	2018
Scope 1 Direct emissions from refrigerant gases	tCO ₂ eq	162	59	-
Scope 1 Direct emissions from fuel consumption	tCO ₂	9,247	7,734	8,022
Total direct emissions	tCO ₂ eq	9,409	7,793	8,022
Scope 2 Indirect emissions (location based)	tCO ₂	11,998	9,979	10,498
Scope 2 Indirect emissions (market based)	tCO ₂	14,969	12,484	13,133
Total emissions (location based)	tCO ₂ eq	21,407	17,772	18,520
YoY change		+20%	-4%	-8%

Emissions on turnover

		2020	2019	2018
Scope 1 Direct emissions	tCO ₂ eq	9,409	7,793	8,022
Scope 2 Indirect emissions (market based)	tCO ₂	14,969	12,484	13,133
Total emissions	tCO ₂ eq	24,378	20,277	21,155
Turnover	EUR	184,906	155,923	150,642
Emissions on turnover		132	130	140
YoY change		+1%	-8%	

ESG Performance

Employees - Risks, objectives and actions



ESG Performance

Employees - Main figures

Employees by gender

	2020			2019			2018		
	♂	♀	♂♀	♂	♀	♂♀	♂	♀	♂♀
Total	724	444	1,168	657	378	1,035	506	254	760

Employees by contract

	2020			2019			2018		
	♂	♀	♂♀	♂	♀	♂♀	♂	♀	♂♀
Permanent	711	432	1,143	621	369	990	487	247	734
Temporary	13	12	25	36	9	45	19	7	26
Total	724	444	1,168	657	378	1,035	506	254	760

Employees by qualification

	2020	2019	2018
Degree	15.4%	14.9%	14.1%
High school diploma	46.2%	44.2%	45.5%
Middle school diploma	36.5%	39.7%	40.1%
Elementary school diploma	1.9%	1.2%	0.3%
Total	100.0%	100.0%	100.0%

Employees by age

	2020	2019	2018
< 30 years old	18.9%	17.2%	13.9%
31- 40 years old	34.5%	35.1%	39.9%
41 - 50 years old	31.6%	31.8%	31.8%
over 50 years old	15.0%	15.9%	14.4%
Total	100.0%	100.0%	100.0%

Employees by length of service

	2020	2019	2018
< 5 years	44.5%	37.2%	26.7%
6 - 10 years	9.0%	12.3%	12.9%
11 - 20 years	31.9%	36.6%	46.7%
over 20 years	14.6%	13.9%	13.7%
Total	100.0%	100.0%	100.0%

Turnover rate

	2020	2019	2018
Total women	9.69%	7.14%	9.06%
Total men	11.46%	10.19%	11.07%
Total	10.79%	9.08%	10.39%

ESG Performance

Employees – Training and Safety

Total hours of training received	2020	2019	2018
Training for new employees, apprentices, training contracts	2,161	3,642	5,662
Technical training and information systems	3,216	2,433	2,824
Quality, safety, environment, energy and social responsibility	5,058	3,957	4,689
Administration and organisation	540	1,228	1,278
Foreign languages	738	1,774	1,759
Other (e.g. lean philosophy/production/office)	942	2,803	752
Total hours of training received	12,655	15,837	16,963
Hours of training provided by internal trainers	5,252	1,263	9,154
Total hours of training	17,907	17,100	26,119
YoY change	+4.5%	-52.7%	

Average hours of training per capita	2020	2019	2018
Total hours of training received	12,655	15,837	16,963
No. of employees	1,168	1,035	760
Average hours of training per capita	10.8	15.3	22.3
YoY change	-41.2%	-45.9%	

Health and Safety	2020	2019	2018
Accident frequency rate	16.10	10.57	23.49
Accident severity rate	0.11	0.17	0.17
Safety rate	177.1	181.6	411.1
YoY change	-2.5%	-126.4%	

ESG Performance

Employees - Health and Safety

HEALTH AND SAFETY RISKS

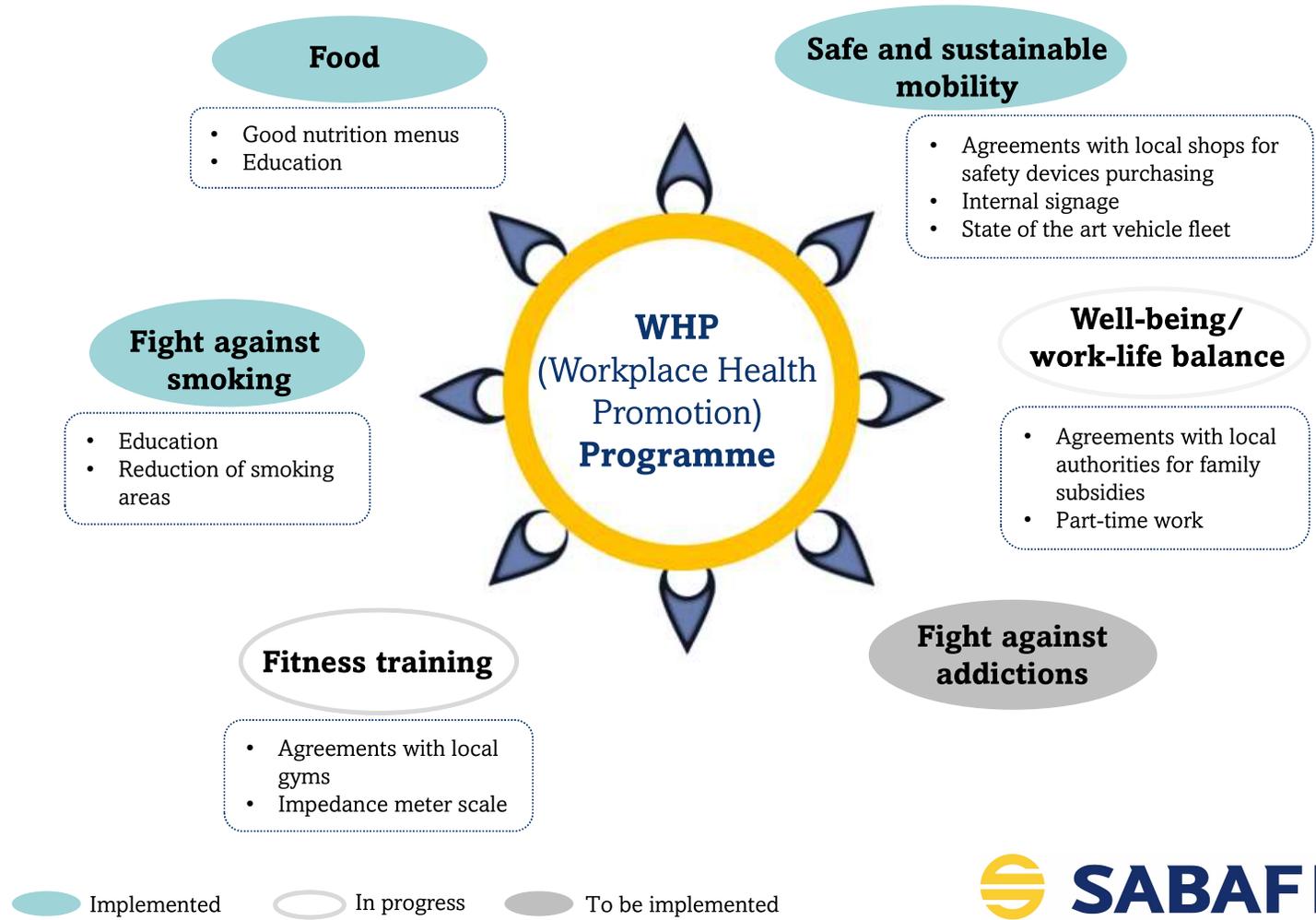
Function of Group HSE Manager

Certified Health & Safety Management System

RISKS PREVENTION AND REDUCTION

Effective training
Cutting-edge plants
Strong organization

CERTIFICATIONS



ESG Performance

Supply Chain Management

RISK BASED APPROACH

**SUPPLY CHAIN
MANAGEMENT POLICY**

**RELATIONS WITH
SUPPLIERS**

- Long-term collaboration
- Fairness in negotiation
- Integrity
- Sharing of growth strategies

Purchase Analysis

Company	Total 2020 purchases (€/000)	% Domestic purchases	Total 2019 purchases (€/000)	% Domestic purchases
Sabaf S.p.A.	71,882	75%	56,466	79%
Faringosi-Hinges S.r.l.	8,102	100%	8,331	99%
ARC S.r.l.	2,483	85%	3,466	83%
CMI Group	20,391	98%	24,916	71%
Sabaf Turkey	12,506	55%	10,242	72%
Okida	7,917	72%	5,537	68%
Sabaf do Brasil	12,341	84%	7,491	95%
Sabaf China	542	97%	534	98%

Socially responsible approach along the supply chain
Priority to suppliers with **certified Quality** and **Environmental Systems**

Sabaf **Charter of values** shared with suppliers

Very **short payment terms** (mainly 30 days) agreed for small suppliers

ESG Performance

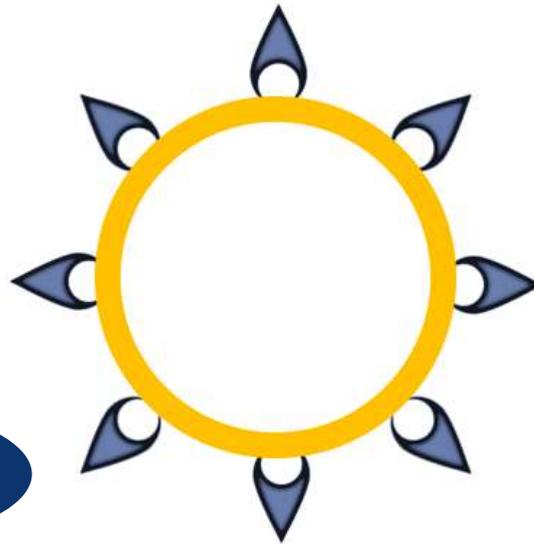
Public Administration and Community

PUBLIC ADMINISTRATION

- Transparency
- Fairness
- Open dialogue
- Promotion of shared and sustainable industrial development

INDUSTRIAL ASSOCIATIONS

- Founder of APPLiA Italia, the Italian association of household appliance component manufacturers
- Member of Associazione Industriale Bresciana



UNIVERSITIES & STUDENT WORLD

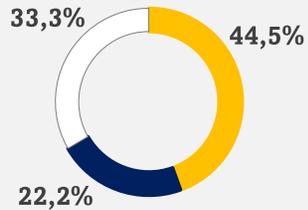
- Company visits
- Case study in conferences about best practices on sustainability

CHARITABLE INITIATIVE & DONATIONS

- In 2019, Sabaf S.p.A. joined the Fondazione Spedali Civili of Brescia to which it made a donation during 2020, as part of the fundraising set up to deal with the Covid emergency
- Support for the ANT Foundation, which provides free specialist medical home-care to cancer patients and cancer prevention activities
- In 2020 donations for the fight against COVID-19
- Support to AVSI (we support 20 children living in different countries of the world)

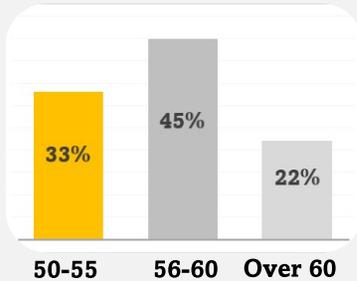
ESG Performance

Corporate governance



Composition of the BoD

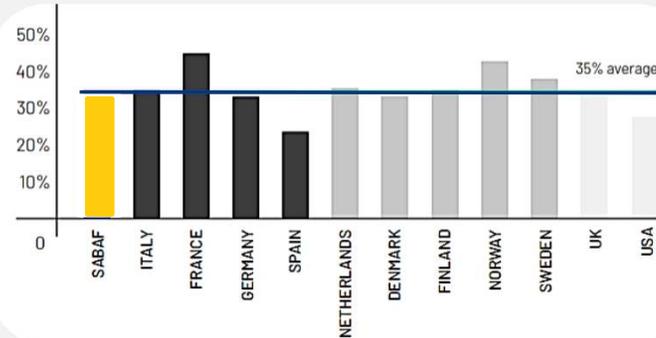
- Executive Directors
- Non-Executive Directors
- Independent Directors



Average age of directors

Sabaf 62 years old vs
Assonime 56.7 years old

% of women in the BoD



Strict **separation** between Shareholders and Management

High profile of Independent Directors

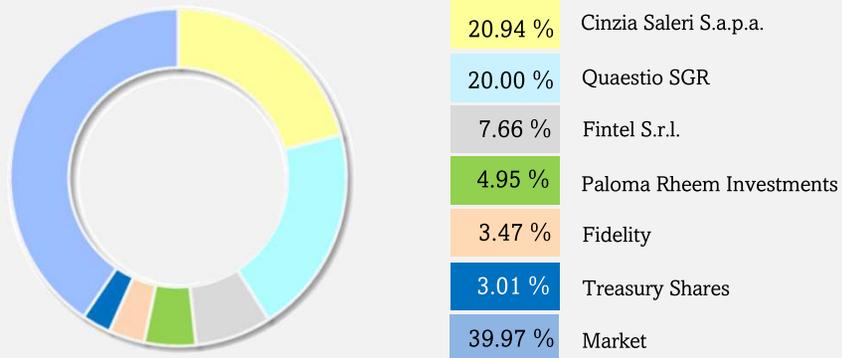
Full compliance with the Corporate Governance Code of Listed Companies

Social and environmental aspects are **responsibility of the BoD**

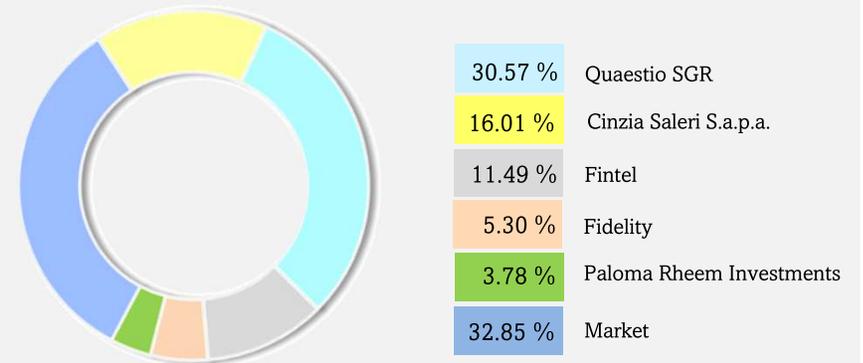
Sabaf Group

Main Shareholders

% OF SHARE CAPITAL



% OF VOTING RIGHTS



Pietro Iotti, CEO of Sabaf,
owns 1.5% of shares

Sabaf Group

Stock price



2021 DIVIDEND

- **€ 0.55 per share**
- Ex-date: 31st May 2021
- Dividend yield: 2.4%
- Payout ratio: 45.4%

Sabaf performance	
Change	
1-month (%)	+8.7%
3-month (%)	+16.4%
6-month (%)	+70.8%
12-month (%)	+140.8%
YTD (%)	+74.7%

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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