

WHAT YOU NEED TO KNOW ABOUT...

SOI

WHAT IS SOI?

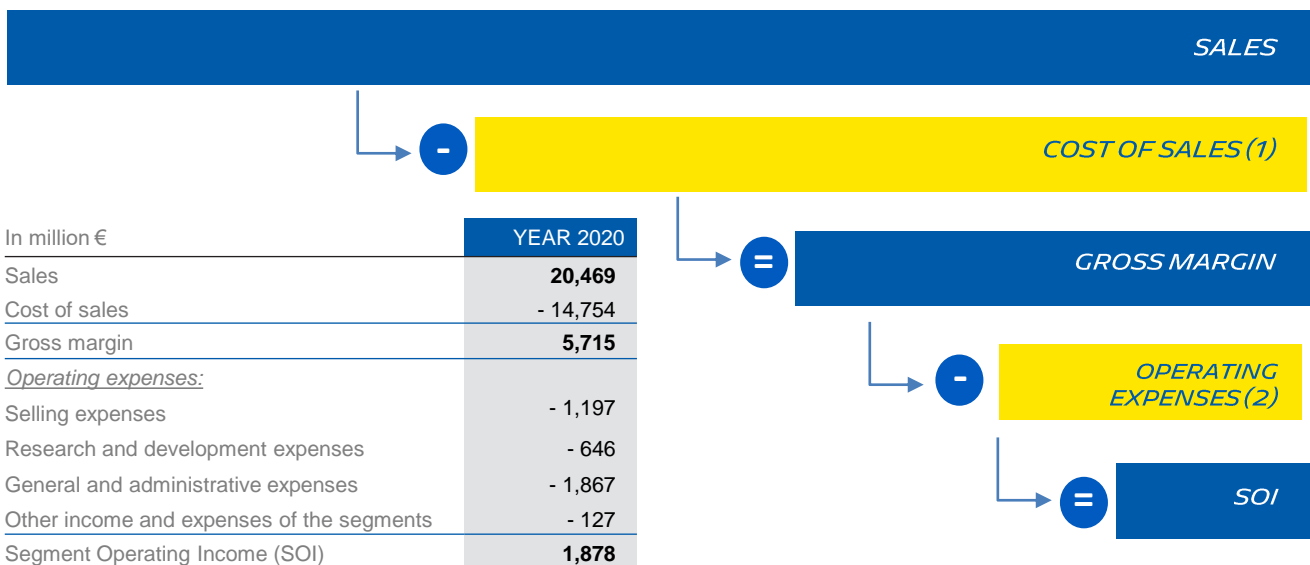
Segment Operating Income (SOI) is one of the indicators that the Group uses in its financial communication to comment its economic performance.

The Group's activity is reported into 3 operating sectors:

- Automotive
- Road transportation
- Specialties businesses

HOW IS SOI CALCULATED?

The SOI is obtained by taking the total sales of the 3 sectors and subtracting the cost of sales and operating expenses.



The components of the SOI are the operating incomes and expenses over which each of us therefore have a direct or indirect responsibility and influence: sales, pricing, product mix, cost of labor, production cost, operating costs, etc.

(1) The cost of sales primarily consists of production costs.

(2) Operating expenses: R&D (Research and Development) + SG&A (Sales, General, and Administrative) expenses.

WHAT LEVERS CAN BE USED TO HAVE A POSITIVE IMPACT ON THE SOI?

The teams work on areas they can act on to improve SOI, in particular when defining their annual goals:

- What resources should be implemented to increase sales in terms of volume and profitability?
- How can we optimize our impact on production costs and operating expenses?
- How can we be more rigorous in managing our expenses?