

EDAG Engineering Group AG



Q1-Q3 2018

Wiesbaden, November 8th 2018

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1 Market Environment and Recent Developments

2 Key Figures – 9m 2018

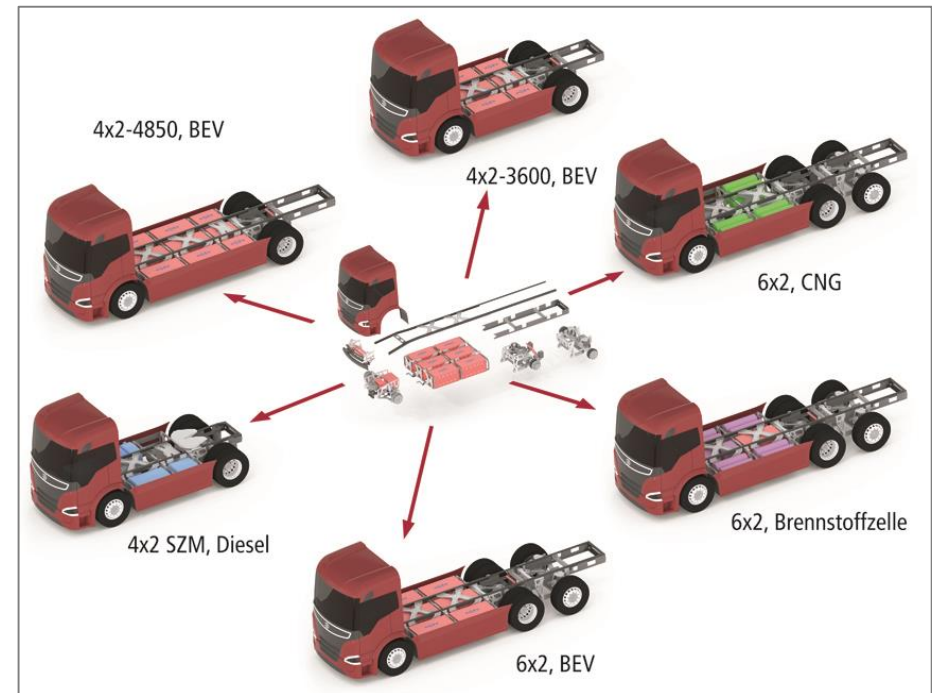
3 Outlook – Financial Year 2018



- Profit warnings of OEMs and suppliers put the automotive sector in a negative light, but the ESP-market is fully intact with robust demand.
- R&D budgets at OEM and suppliers on very high level, driven by new technologies and digitalization.
- Strong demand for ESP to enlarge their scope of services in the OEM value chain.
- German market still under pricing pressure and consolidation.
- Further globalisation of the business from the traditional OEMs and increasing demand from automotive start-ups.



- EDAG presented at the IAA in Hannover more than 15 innovations and solutions for the future of commercial vehicles.
- EDAG wins Automotive Brand Contest 2018 in the category „brand transformation“ with #collectivio.
- The EDAG Start-up trive.me started a further pilot phase of its App trive.park in four additional car parks in Berlin.
- EDAG develops parts of RIO, the first manufacturer independent, cloud-assisted platform for the global transport of goods.



- EDAG takes manufacturing responsibility for the exterior model of the Volvo concept car „360c“.
- Evelozcity becomes new customer and orders a wide range of engineering services from EDAG.
- Brabus Automotive GmbH chose EDAG as a strategic engineering partner.



 **Execution of “REinvent” perfectly on track**

1 Market Environment and Recent Developments

2 Key Figures – 9m 2018

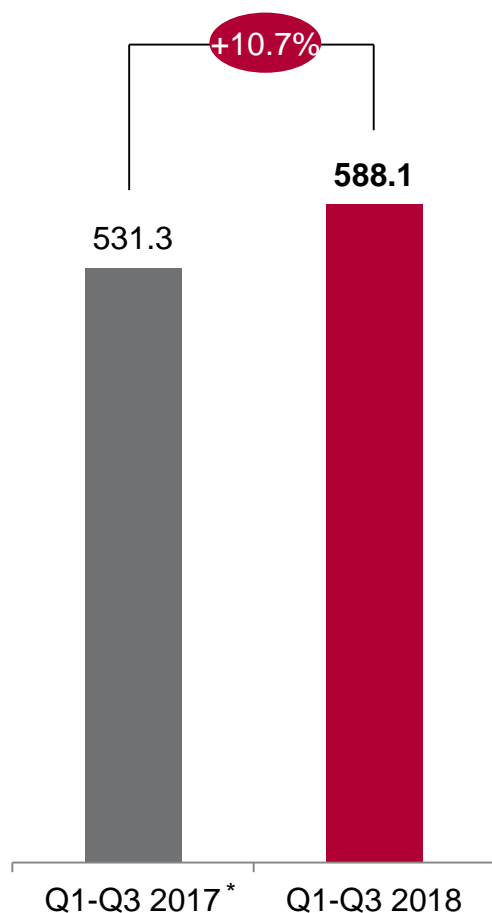
3 Outlook – Financial Year 2018



- Revenues up by 10.7%
 - Guidance increased on October 16th
 - Growth in all segments
- Adjusted EBIT at 37.8 m€
 - Margin up from 5.0% to 6.4%
- Order intake up by 9.7%
- Successful Refinancing
 - 120m€ raised by promissory note loan
 - ~64m€ shareholder loan repaid on November 6th

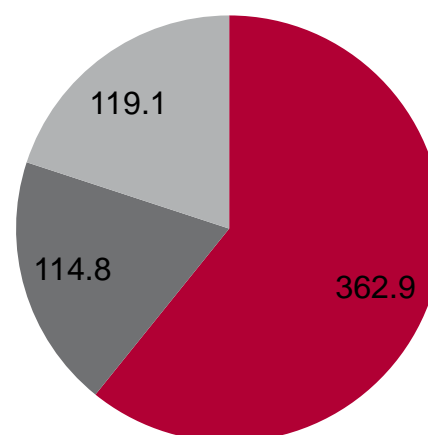


Revenues [m€]⁽¹⁾



Revenues by Segment [m€]⁽²⁾

	change to Q1-Q3 2017
Vehicle Engineering	+8.6%
Electrics / Electronics	+4.1%
Production Solutions	+27.0%



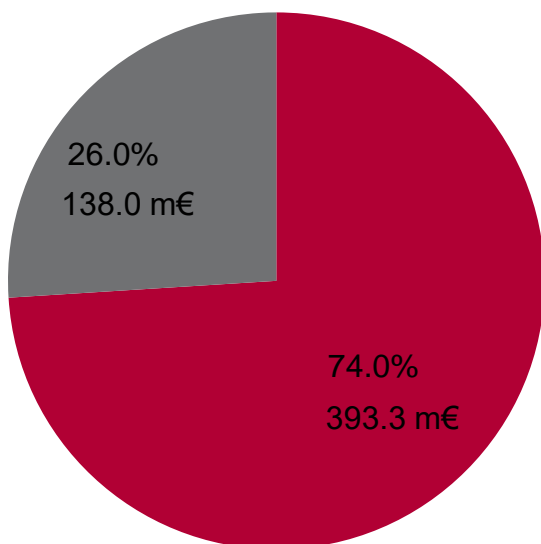
Notes:

* Adjusted base on new IFRS 15

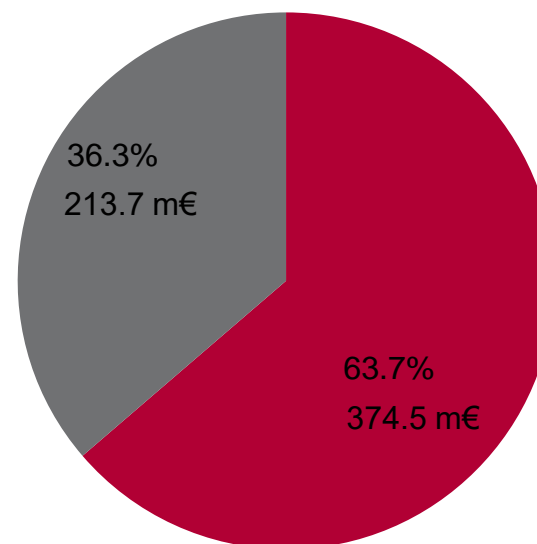
1. Revenue defined as sales revenue plus change in inventories

2. Figures include sales revenue with other segments

Q1-Q3 2017*



Q1-Q3 2018



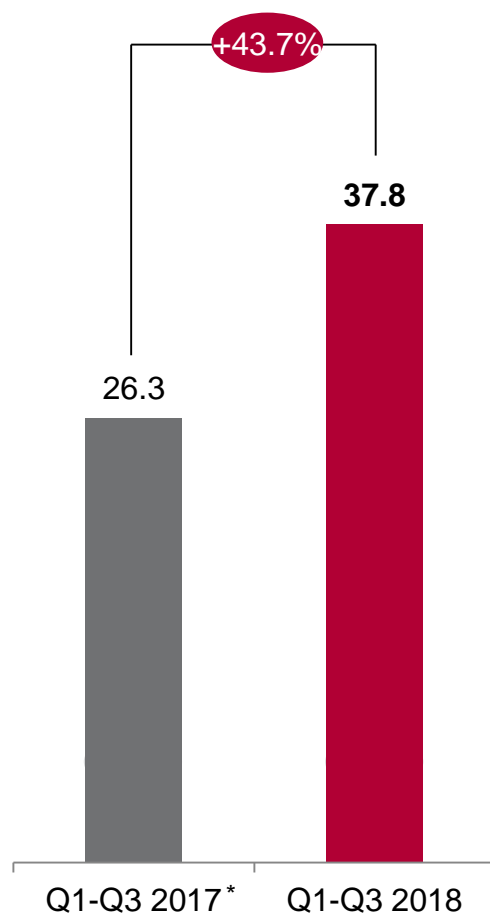
Notes:

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1. Revenue defined as sales revenue plus change in inventories

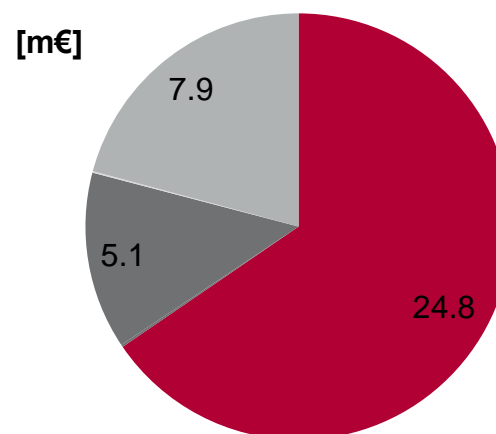
■ Germany ■ Rest of World

Adjusted EBIT [m€]⁽¹⁾



Adjusted EBIT by Segment

	margin	
	Q1-Q3 2017*	Q1-Q3 2018
Vehicle Engineering	5.1%	6.8%
Electrics / Electronics	3.2%	4.4%
Production Solutions	6.4%	6.6%



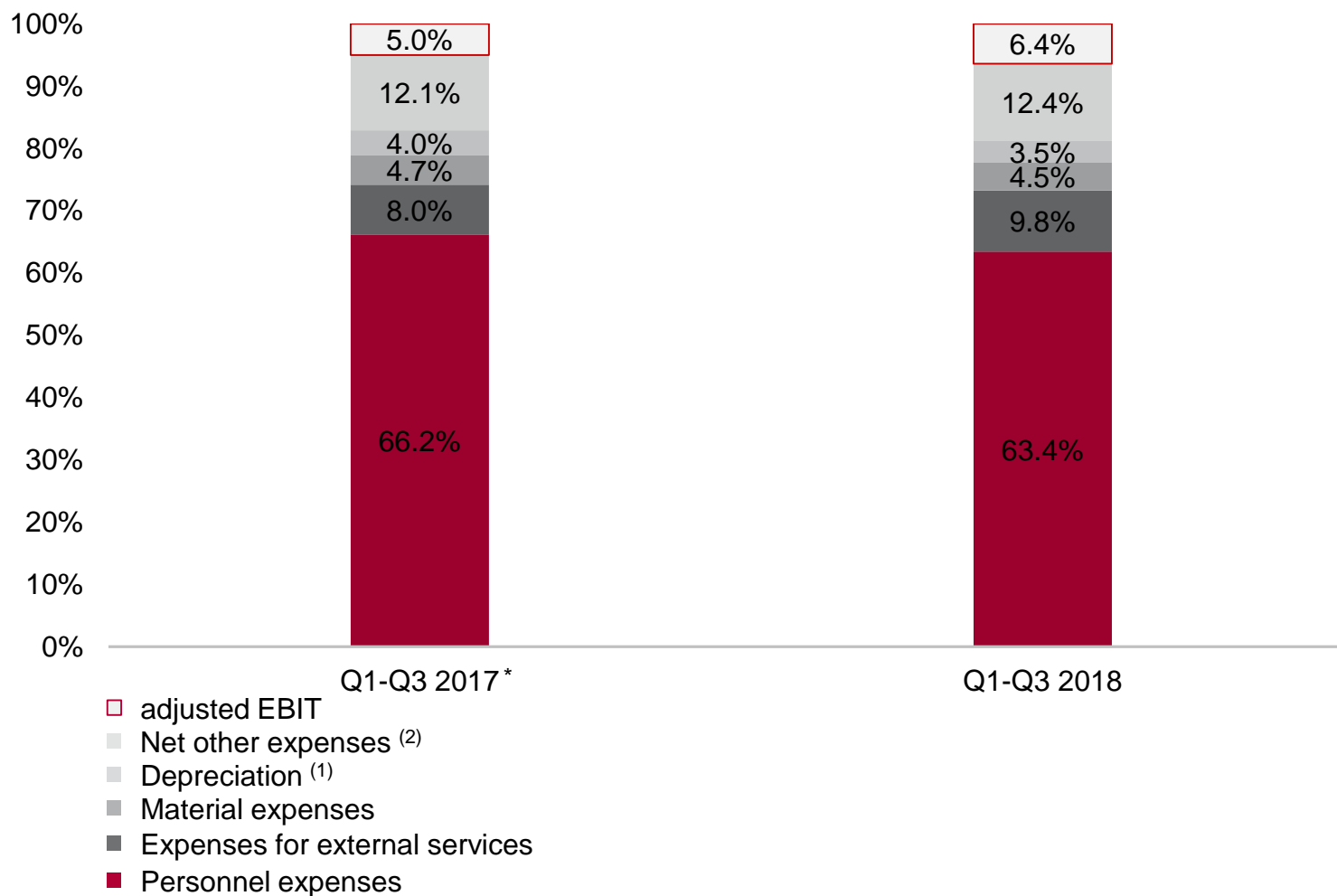
Notes:

* Adjusted base on new IFRS 15 and IFRS 9 Standards

1. Adj. for one-offs (purchase price allocation, consolidation effects, a. o.)

x.x% adjusted EBIT-Margin

Total cost structure breakdown (as % of revenues)



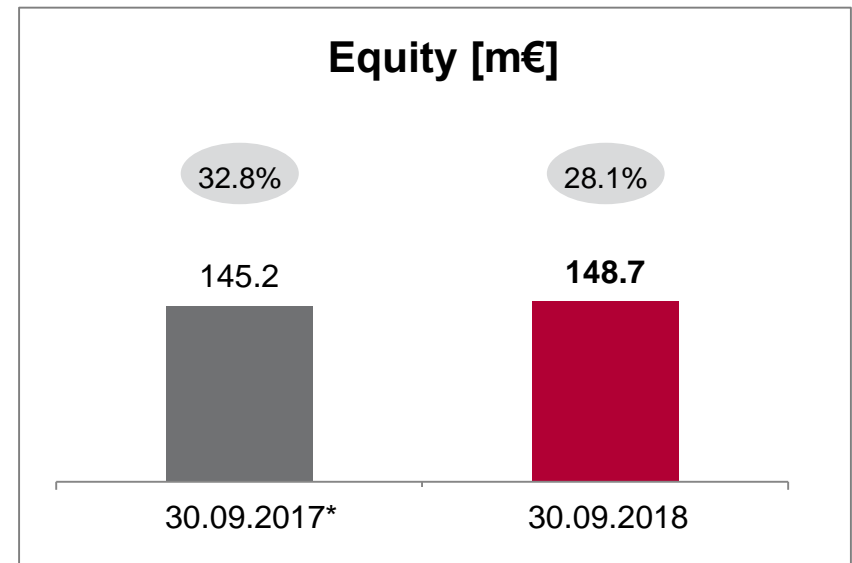
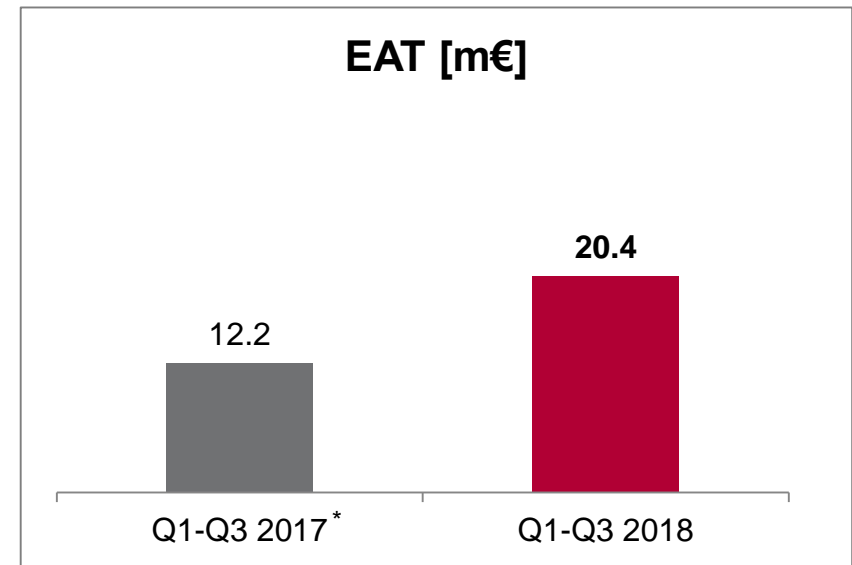
Notes

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1. Excluding PPA amortization

2. Defined as other expenses net of other income plus all EBIT adjustments other than PPA amortization

- EAT increased by 67.2%
 - EPS at 0.82€
- Equity up to 148.7 m€
 - Ratio down to 28.1% due to refinancing
 - Ratio will revcover by year end 2018

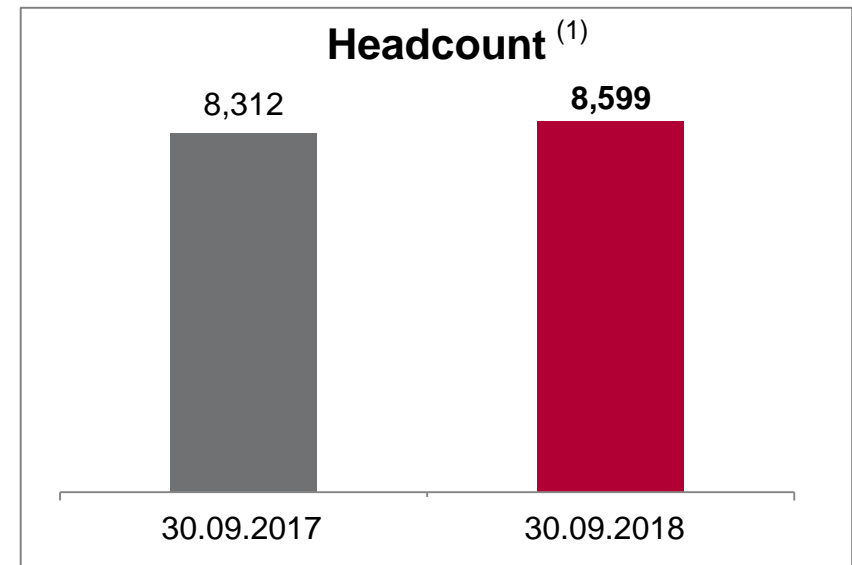


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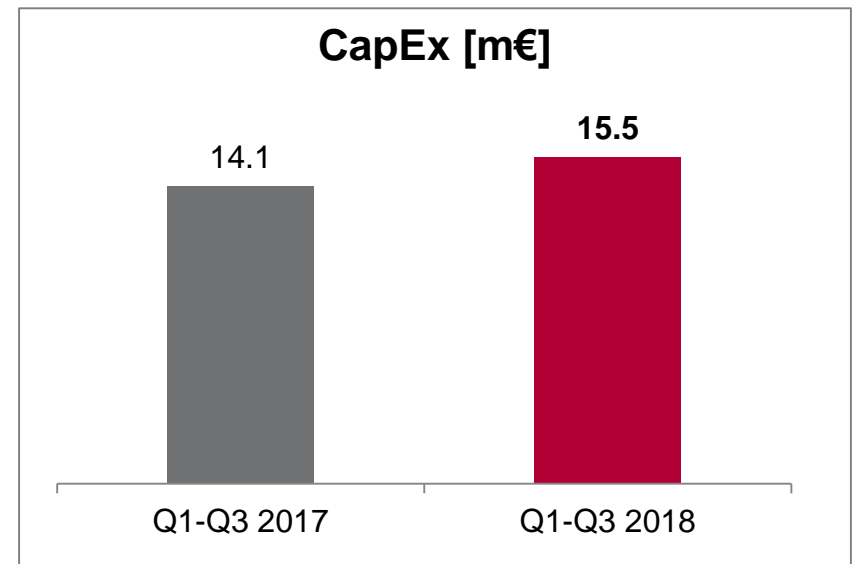
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x.x% Equity / Balance Sheet total

- Headcount up by 287 employees



- CapEx up to 15.5 m€
 - CapEx levels at about 2.6% of revenues



Notes

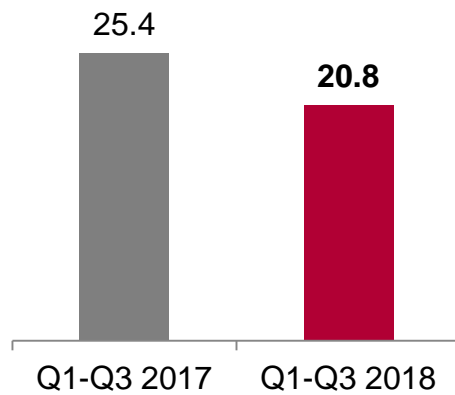
1. Including Trainees and work-study students

Slide 14

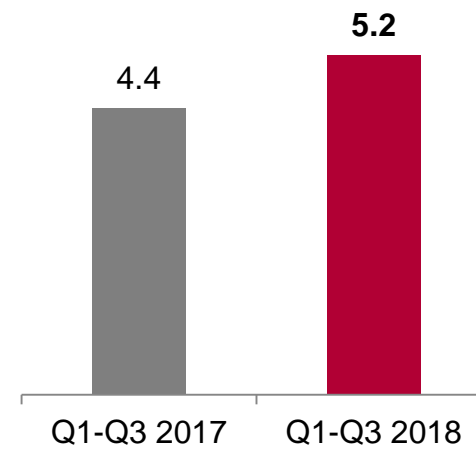
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Analyst Presentation – Q3 2018

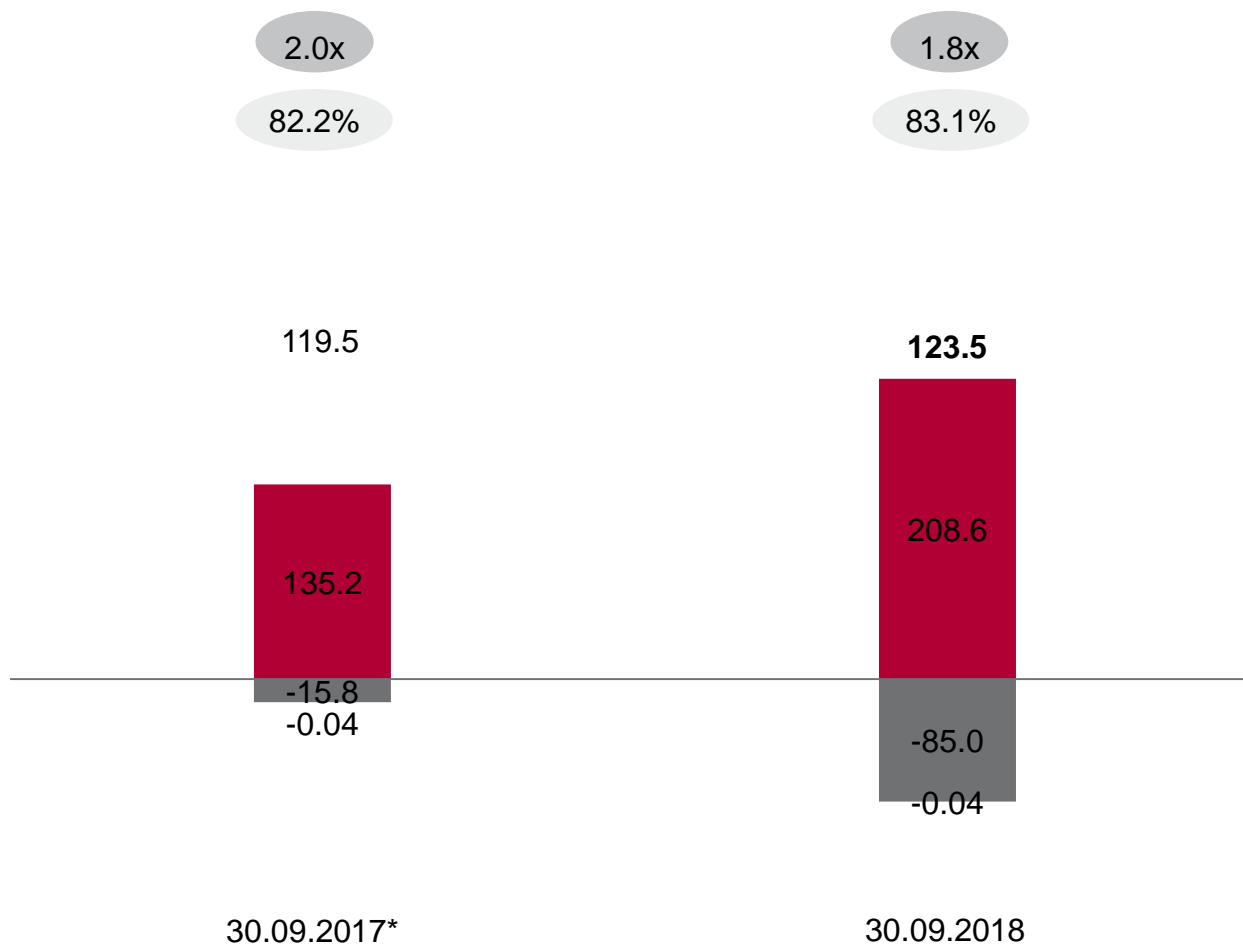
Operating CF [m€]



Free CF [m€]



Net financial debt [m€]



■ Financial debt ■ Cash and cash equivalents ■ Other financial assets

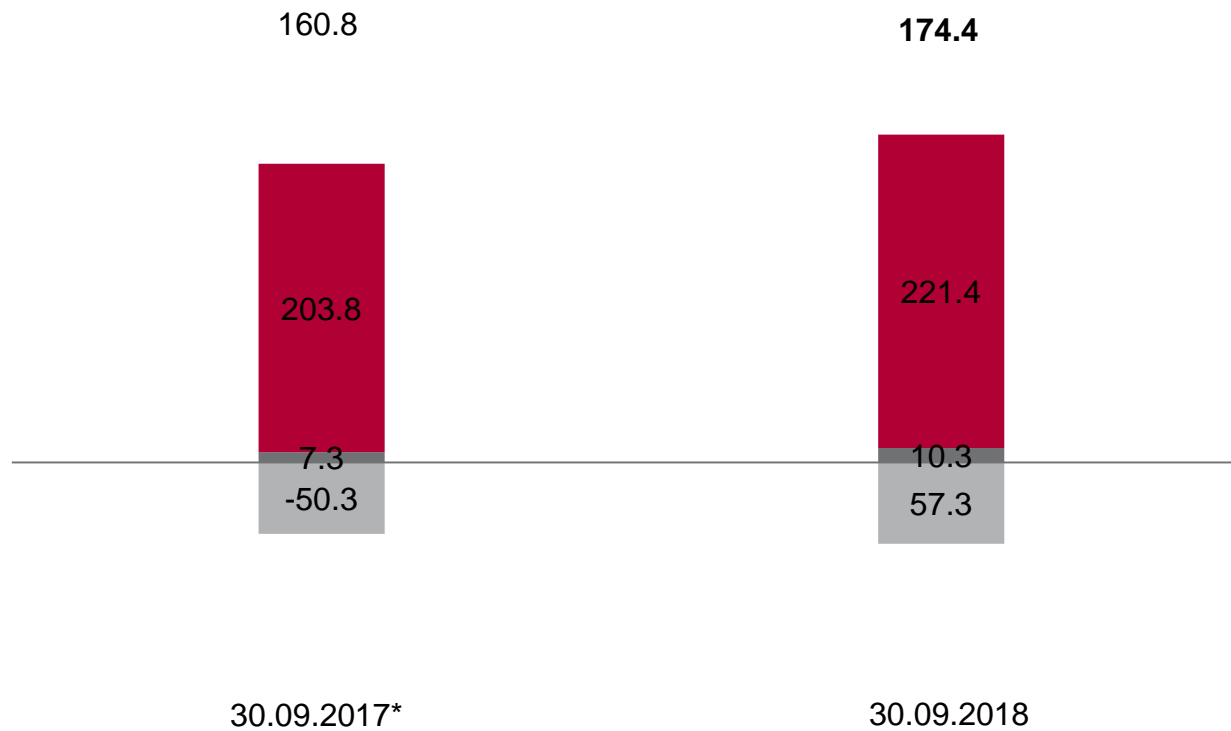
Notes

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x Net financial debt / Adj. EBITDA (LTM)

x Net Gearing (Net financial debt / equity)

Trade Working Capital [m€]



■ Trade receivables ■ Inventories ■ Trade payables

Notes

* Adjusted base on new IFRS 15 and IFRS 9 Standards

1 Market Environment and Recent Developments

2 Key Figures – 9m 2018

3 Outlook – Financial Year 2018



Operational measures

Strong focus on further execution of strategic growth program “REinvent”.

Outlook 2018

For the full year 2018, we expect revenues to grow by 8% or above and an adjusted EBIT-margin of approximately 5-7%.

Questions / Answers





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