

**YOUR GLOBAL MOBILITY
ENGINEERING EXPERTS**

EDAG ENGINEERING GROUP AG

ANALYST-CALL Q1 2020



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- Production in Europe is ramping up again step by step starting from April 27.
- Customers have revised and prioritized their development projects, in order to protect liquidity.
- Impacts on ESP-market:
 - Project postponements and delays in order placement.
 - Volatile utilization and continued pricing pressure.
 - Relatively high demand in Embedded Software & IT as well as in topics related to smart factory.
 - In some projects customers request remarkable enlargement of scope for ESP.

Shift in consumer preferences

Global auto sales expected to shrink heavily in 2020.

Consumption preference which had moved away from car ownership to “Shared”, will see a big change.

Ride sharing and car rentals are not likely to see a revival back the to peak in the next 2-3 year period.

OEM R&D spending re-prioritization

Shared mobility initiatives will be cut as a result of a shift in consumer preferences.

Continued spending on software that enables connectivity and autonomous capabilities.

Industry 4.0 initiatives will take centre stage as OEM seek enhanced productivity and efficiency.

Outsourcing

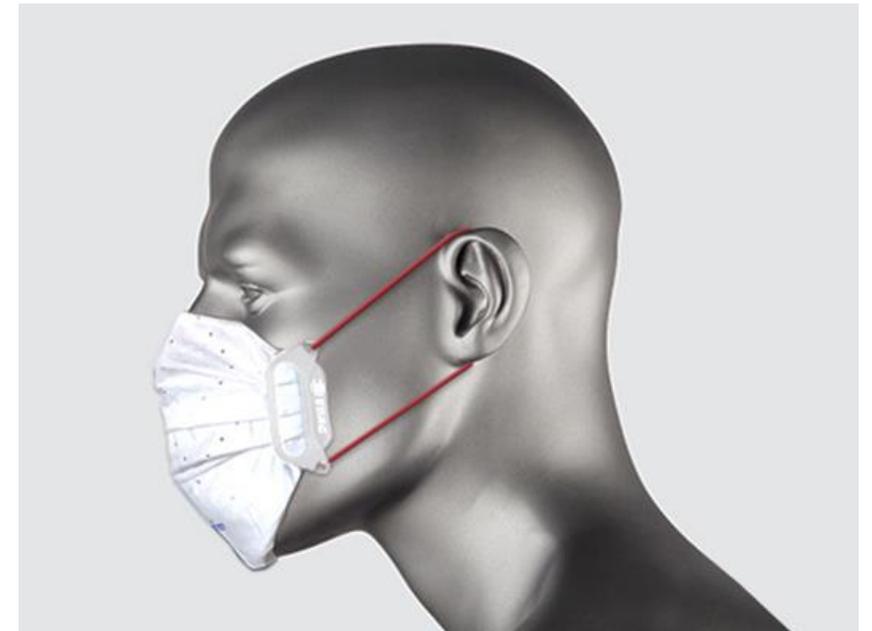
As organisations cut spends, they look to offshoring/outsourcing to best cost locations to meet their needs.

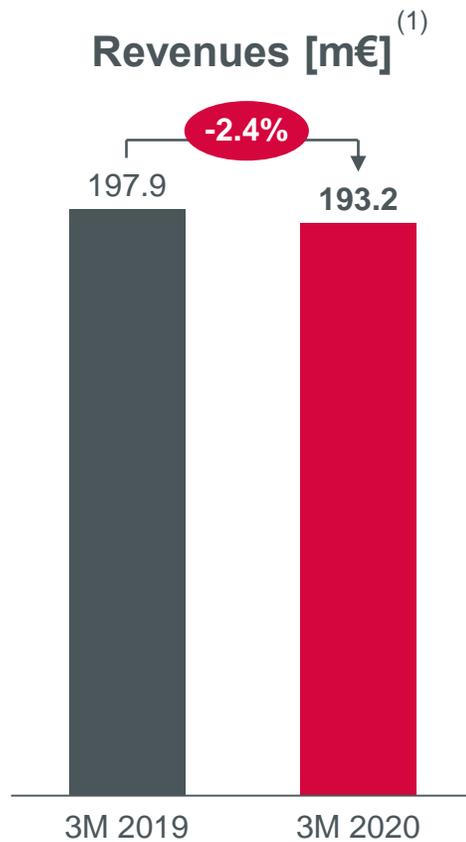
Companies will get more comfortable with the idea of offshoring, as teams settle into remote working.

Increasing carve-out of body engineering work to enhance focus on other initiatives.

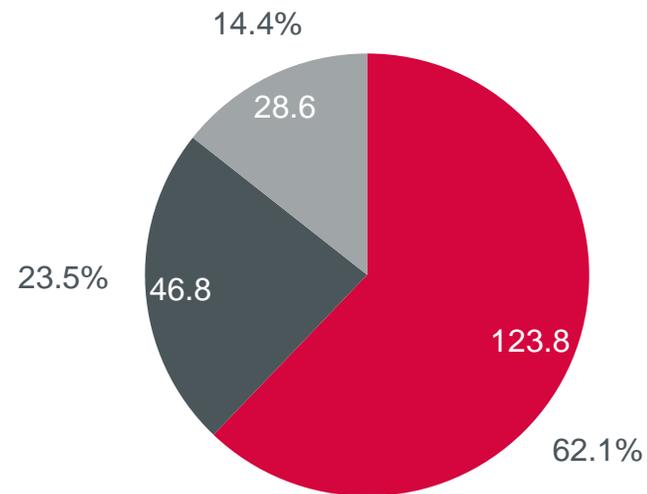


- Revenues at 193.2 m€ (-2.4%)
 - VE +/-0%
 - E/E +4.5%
 - PS -8%
- Adjusted EBIT at 3.8 m€; margin at 2.0%
- Net financial debt / equity at 60.0% (w/o leasing)
- Trade Working Capital down by ~15%
- „Mask4All“ is a great success in countering the shortage of masks





Revenues by Segment [m€] ⁽²⁾



change to 3M 2019

■ Vehicle Engineering	+/- 0.0%
■ Electrics / Electronics	+ 4.5%
■ Production Solutions	- 8.0%

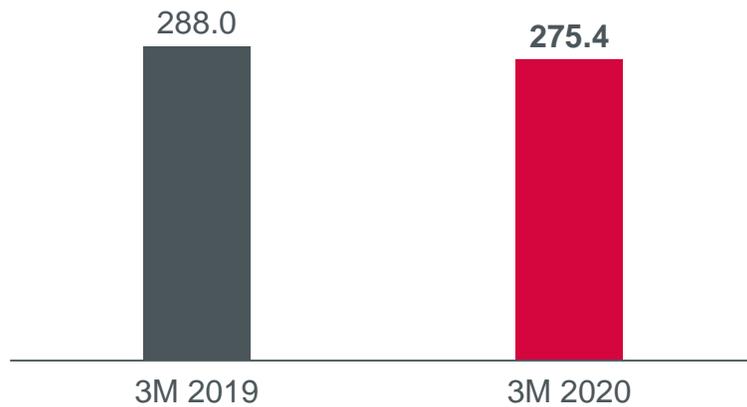
Notes:

1. Revenue defined as sales revenue plus change in inventories
2. Figures include sales revenue with other segments

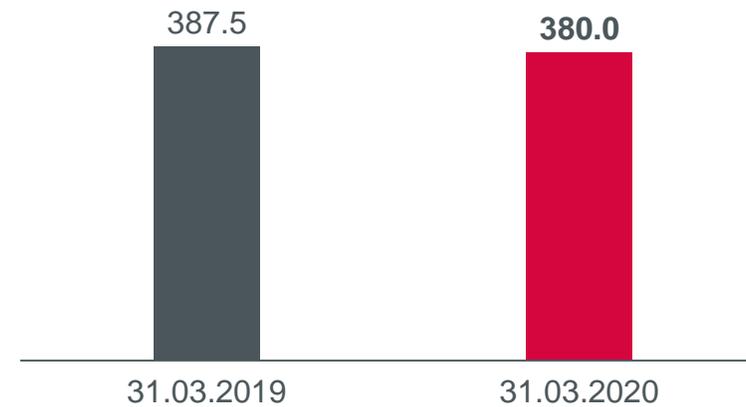
ORDER INTAKE & ORDER BOOK



order intake [m€]



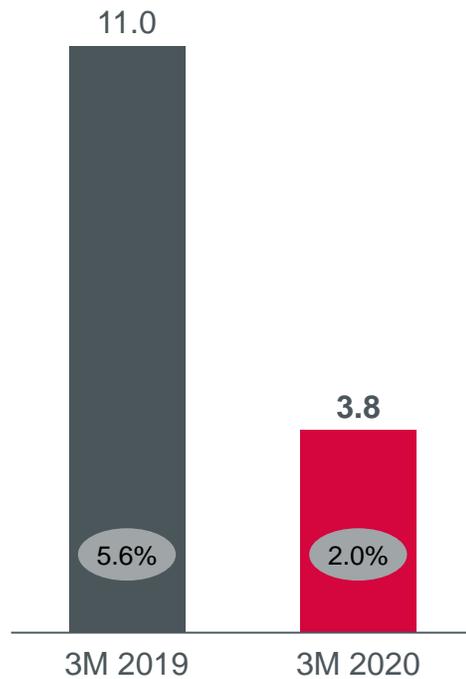
order book [m€]



by segment:

	Q1 2019	Q1 2020
VE:	188.5 m€	183.0 m€
E/E:	67.1 m€	73.0 m€
PS:	36.2 m€	26.2 m€

Adjusted EBIT [m€]⁽¹⁾



Adjusted EBIT by Segment [m€]

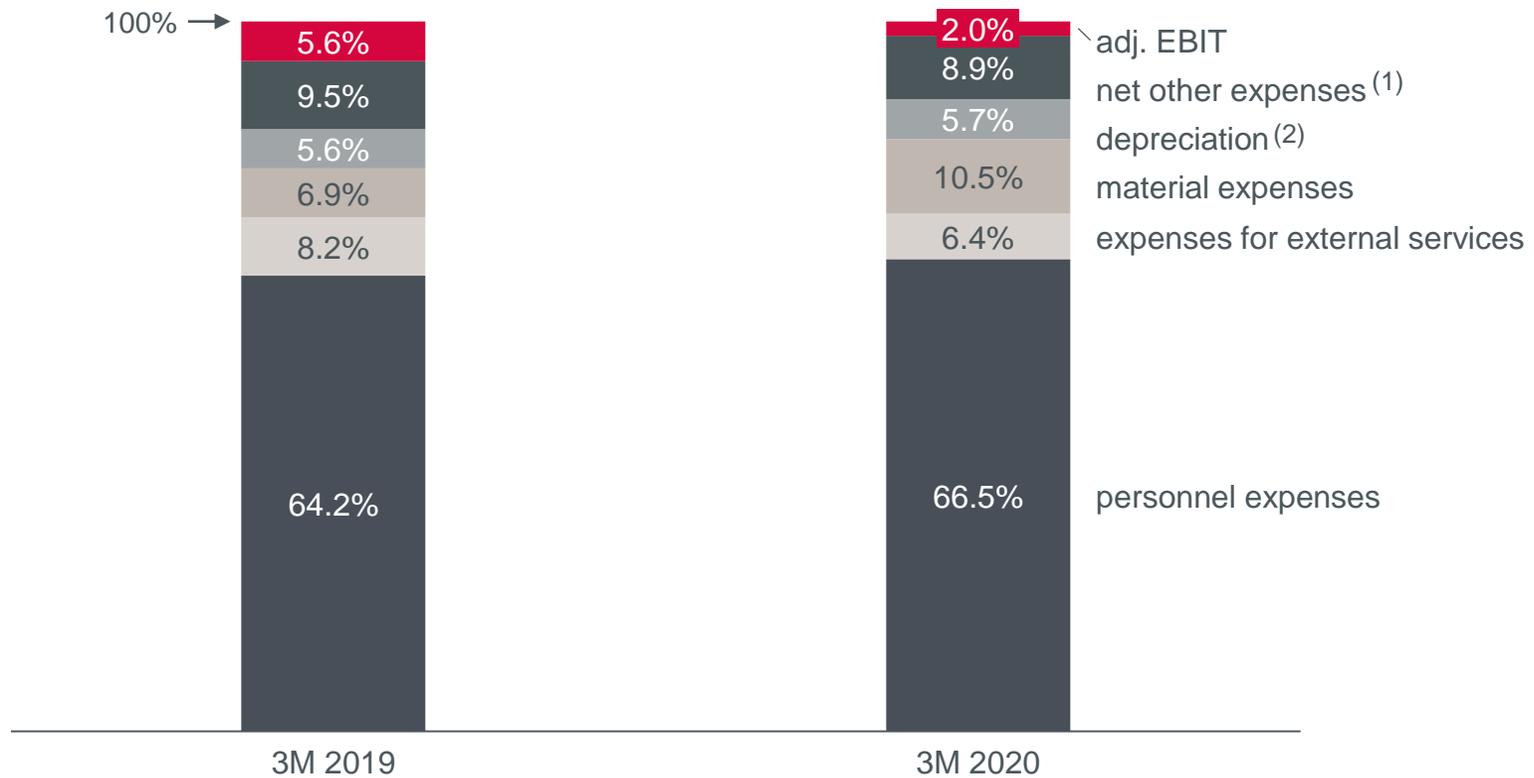
	3M 2019	margin	3M 2020	margin
Vehicle Engineering	7.9	6.4%	3.1	2.5%
Electrics / Electronics	4.1	9.3%	2.2	4.7%
Production Solutions	-1.0	-3.2%	-1.5	-5.2%

Notes:

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

x.x% adjusted EBIT-Margin

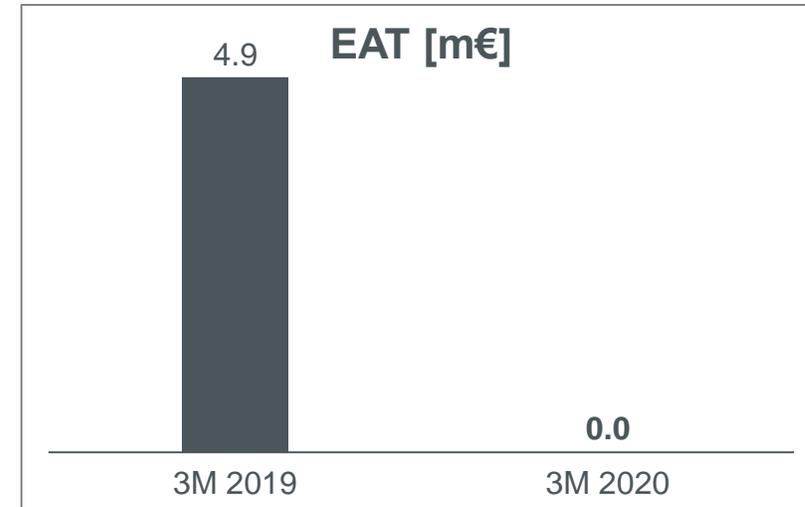
Total cost structure breakdown (as % of revenues)



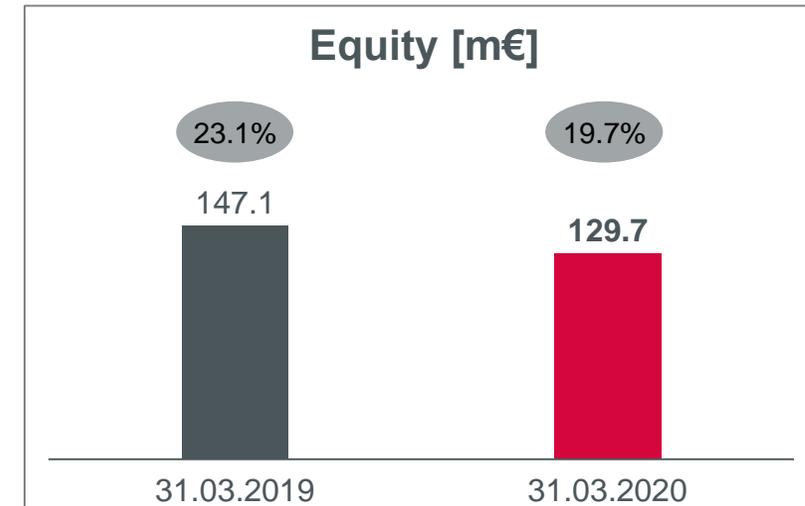
Notes

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

- EAT at 0.0 m€

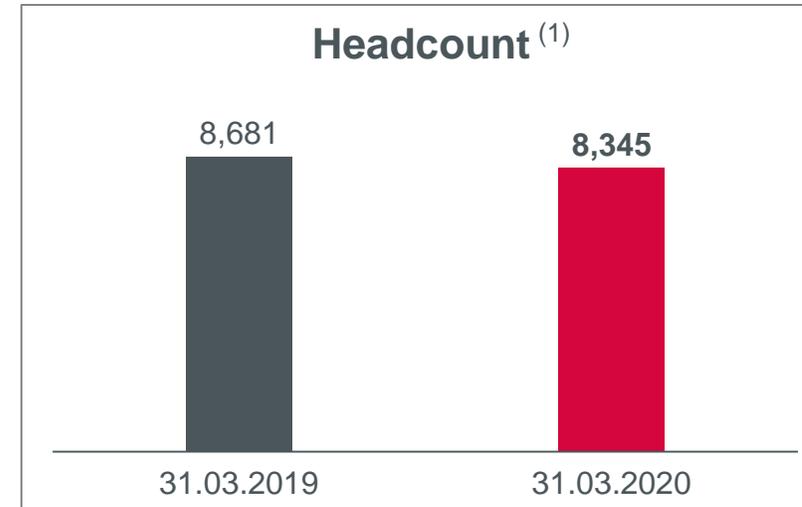


- Equity ratio decreased yoy
- Compared to 2019/12/31 total equity is up by 1.8 m€

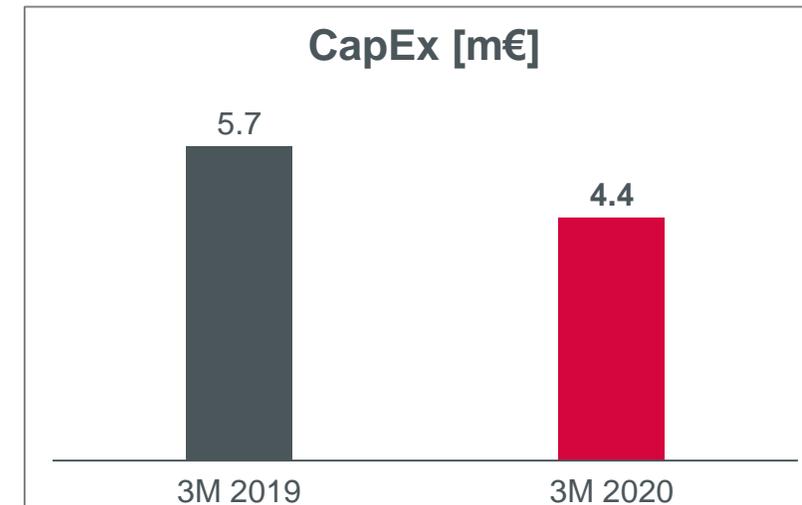


HEADCOUNT AND CAPEX

- Headcount down by 336 employees (yoy)
 - Down by 143 employees (qoq)
 - Decline in VE and PS; growth in E/E



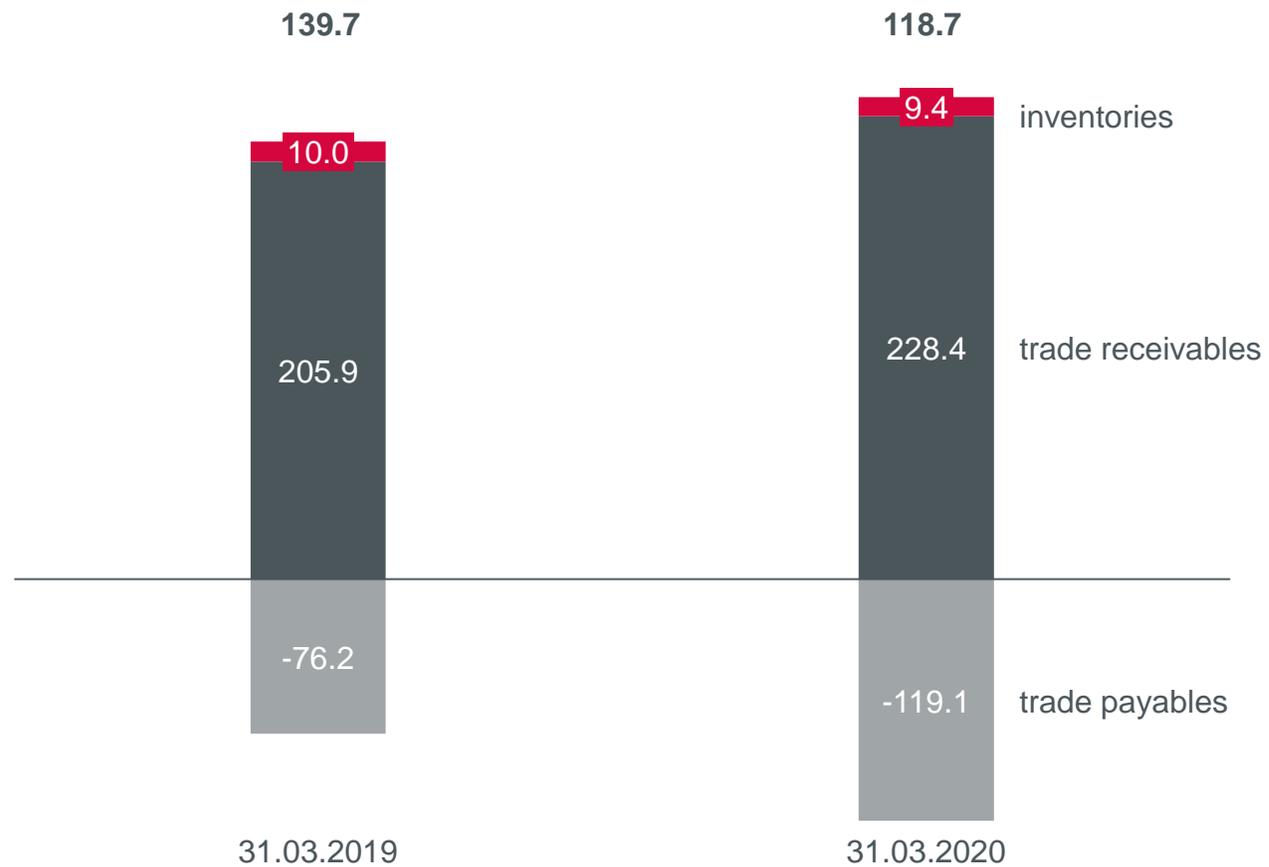
- CapEx down to 4.4 m€
- CapEx level at about 2.3% of revenues



Notes

1. Including Trainees and work-study students

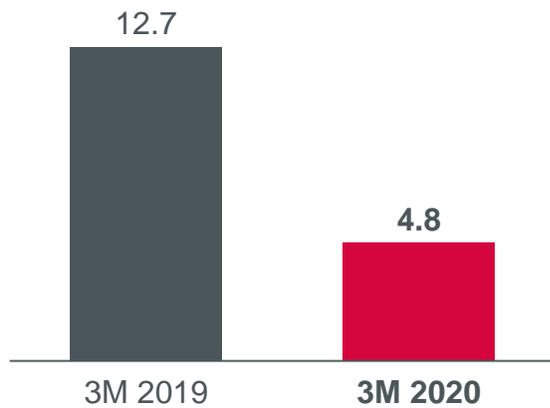
Trade Working Capital [m€]



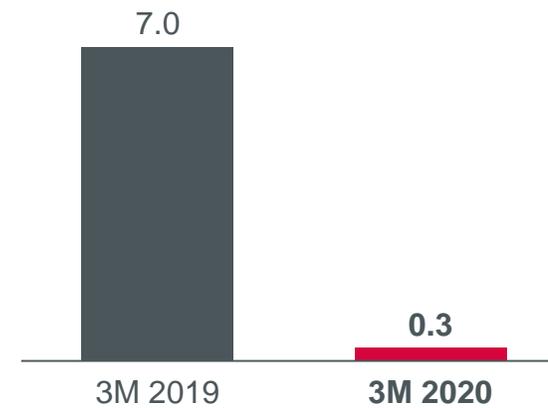
FREE CASH FLOW



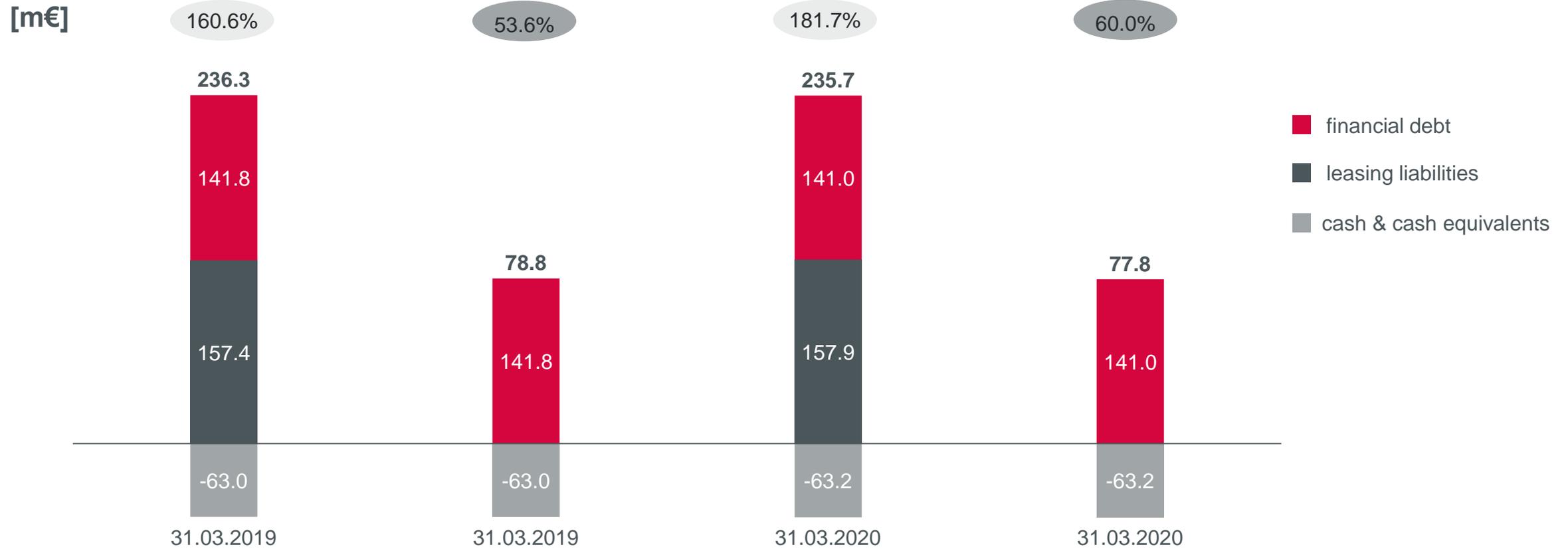
Operating CF [m€]



Free CF [m€]



NET FINANCIAL DEBT W/. AND W/O. LEASING



Liquidity as of 2020/03/31 [m€]

▪ Cash & cash equivalents:	63.2
▪ Available credit lines:	101.3
<hr/>	
total:	164.5

Measures to counterbalance Covid-19 impact

- Strict cash- and cost management
- Short-time work (wherever necessary)
- Additional measures under review

- The macroeconomic conditions lead to exceptional uncertainties that significantly affect our forecasting ability. We are therefore limiting ourselves to a qualitative comparative forecast, because - particularly in terms of the extent and duration of the negative effects of the SARS-CoV-2 pandemic - the development of the EDAG Group's net assets, financial position and financial performance cannot be reliably forecast in the usual form.
- In view of the situation, sales revenues and earnings are expected to decline in the 2020 financial year compared with the previous year, which in the worst case could have a material impact on financial performance.
- A key value driver in EDAG's business model are customer-specific engineering projects and services, the maintenance of which - irrespective of production stoppages at customers' plants - has a significant impact on added value and gross performance.
- The Management continually monitors possible effects on the business and takes comprehensive measures to ensure the protection of employees and the continuation of business operations in the group companies.

QUESTIONS / ANSWERS



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Financial Calendar

02 Apr 20	- Publication Annual Report 2019 - Analyst Call FY 2019
02 Apr 20	- Annual press briefing
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07 May 20	Publication interim report 1Q20
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24 Jun 20	General Shareholders' Meeting
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27 Aug 20	- Publication interim report 1H20 - Analyst Call reg. 1H20
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12 Nov 20	Publication interim report 3Q20
