

**YOUR GLOBAL MOBILITY
ENGINEERING EXPERTS**

EDAG ENGINEERING GROUP AG

FINANCIAL YEAR 2019

April 2nd, 2020



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1. Market Environment
2. Key Figures FY 2019
3. Outlook



MARKET ENVIRONMENT





World Economy

- IMF expects a recession at least as bad as during the global financial crisis or worse for 2020 and a recovery for 2021.¹
- Economic impact of Covid-19
- Continued conflicts on customs



Automotive Industry

- Automotive sales expected to decline in 2020
- OEM with extreme R&D challenges and shift in budgets towards alternative drivetrains, ADAS and Connectivity
- Further cost cutting measures and rebalancing of staff at OEM initiated

Source: 1. IMF, March 23, 2020

Short-term challenges...

- Project delays/volatile utilization
- Continued price pressure, especially in Germany
- Covid-19 consequences not yet 100% predictable

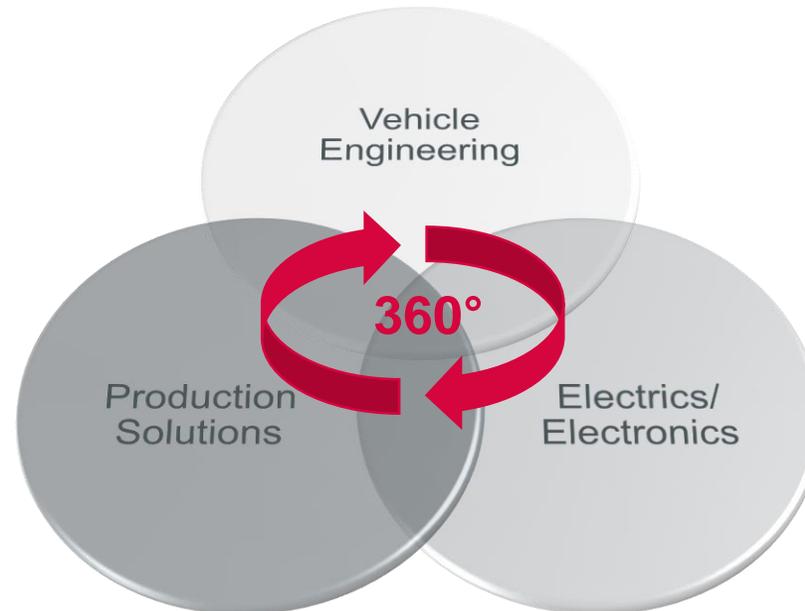


...and how we tackle them

- cross-location organization with possibility to shift business between locations
- Increase in revenues from outside Germany, and further increase of services in IT and embedded Software
- Preventive measures like flexibilisation of work (eg. smart working) and short-time work

- New Mobility Players
- Interior/Exterior of the future
- Lightweight Design

- Industry 4.0 / Smart Factory
- New Mobility Players
- Virtual Launch/Digital Twin



- New Architectures
- Autonomous Drive & Active Safety
- Connectivity & User Experience
- Mobility & Cloud Services

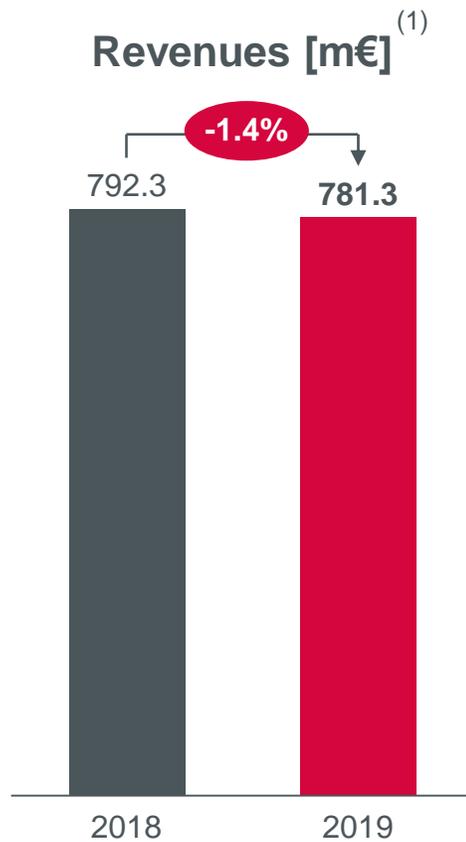
EDAG the Global Mobility Engineering Experts
360° unique vehicle and production engineering expertise

KEY FIGURES FY 2019

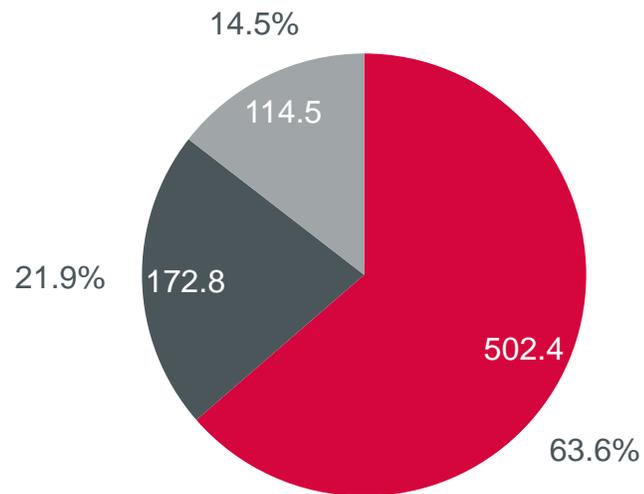


- All objectives of revised guidance from July 2019 achieved
- Continued growth in VE and E/E
- Restructuring in PS weighs on profit
- Reduction of Net Debt and Trade Working Capital
- Suspension of dividend payment proposed due to Corona pandemic





Revenues by Segment [m€] ⁽²⁾



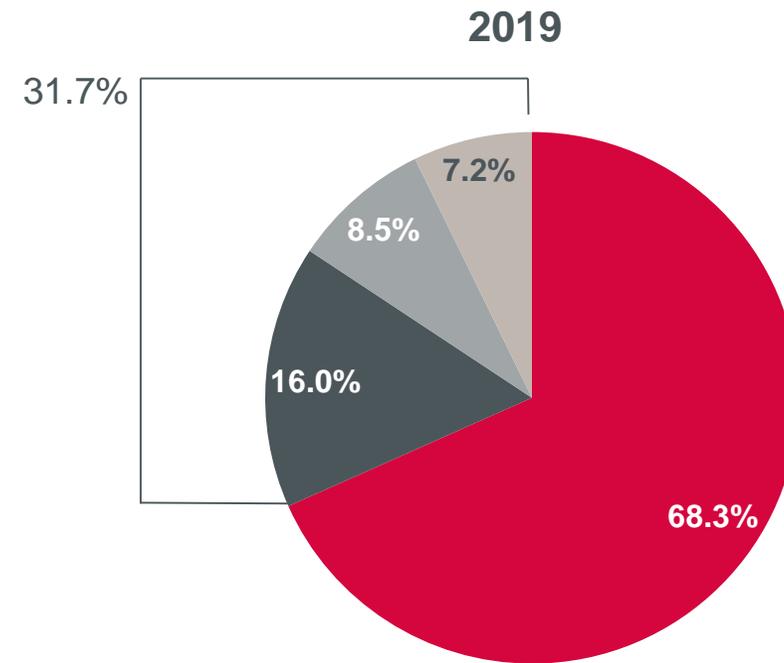
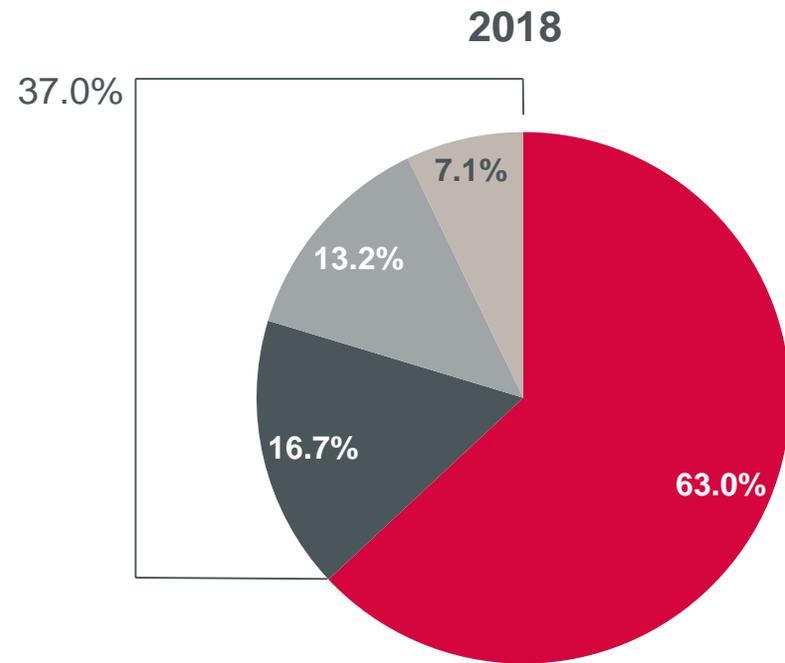
change to 2018

- Vehicle Engineering + 2.5%
- Electrics / Electronics +11.1%
- Production Solutions - 28.1%

Notes:

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

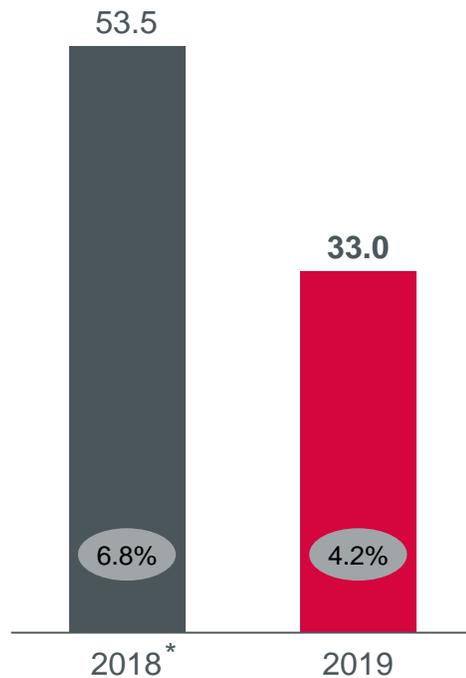
REVENUES BY REGION⁽¹⁾



■ Germany ■ Rest of Europe ■ Americas ■ Asia and Australia

Notes:
1. Revenue defined as sales revenue plus change in inventories

Adjusted EBIT [m€]⁽¹⁾



Adjusted EBIT by Segment [m€]

	2018*	margin	2019	margin
Vehicle Engineering	33.3	6.8%	30.7	6.1%
Electrics / Electronics	8.9	5.7%	13.1	7.6%
Production Solutions	11.3	7.1%	-10.8	-9.5%

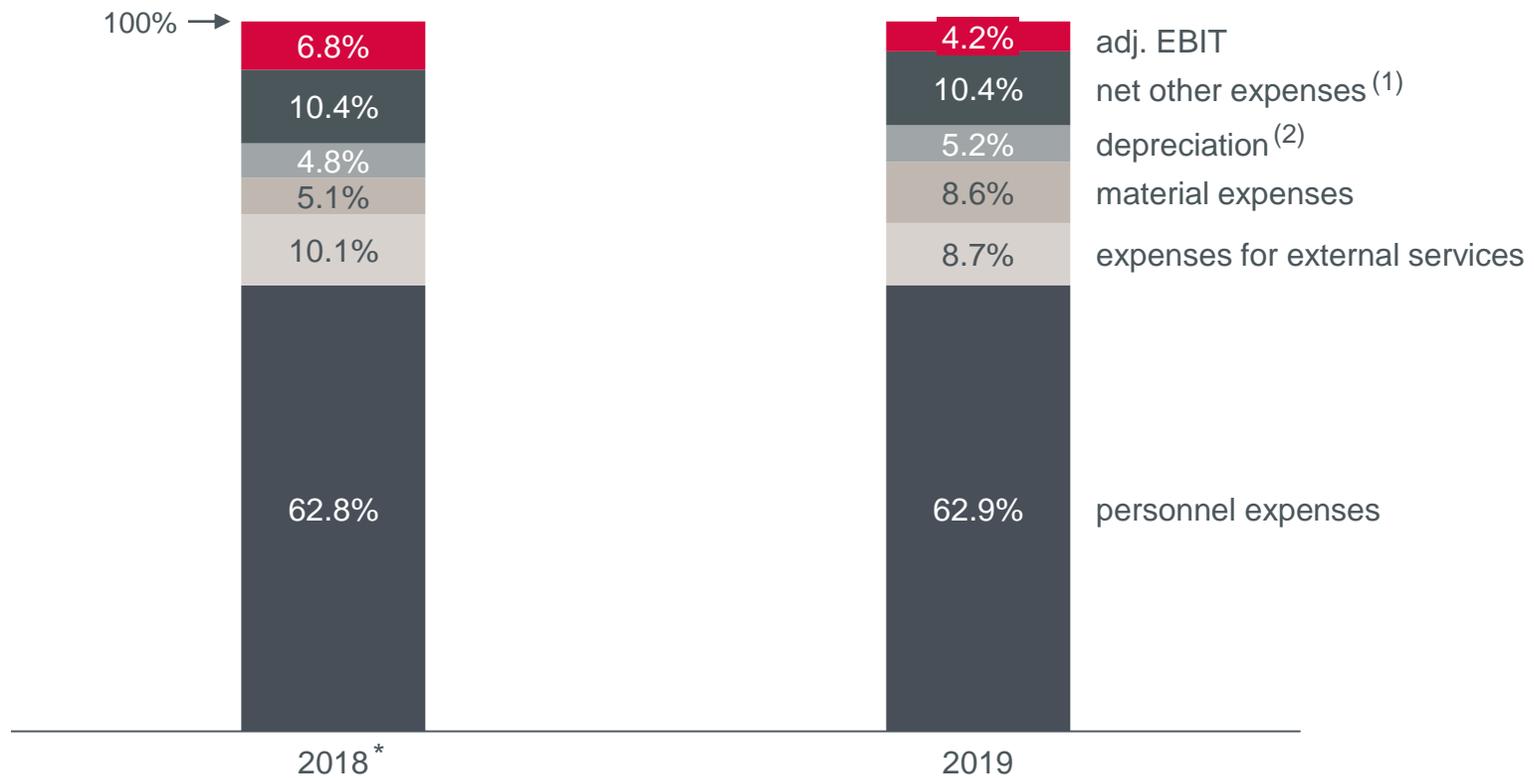
Notes:

* Adjusted base on new IFRS 16 Standards

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

x.x% adjusted EBIT-Margin

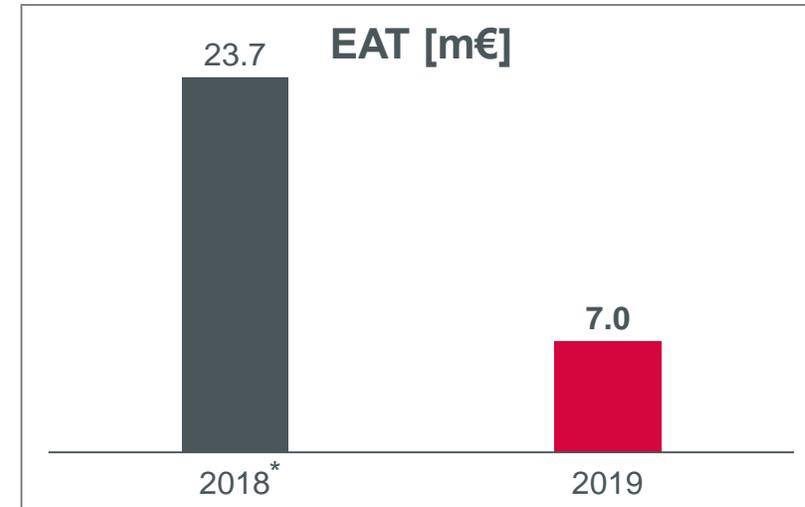
Total cost structure breakdown (as % of revenues)



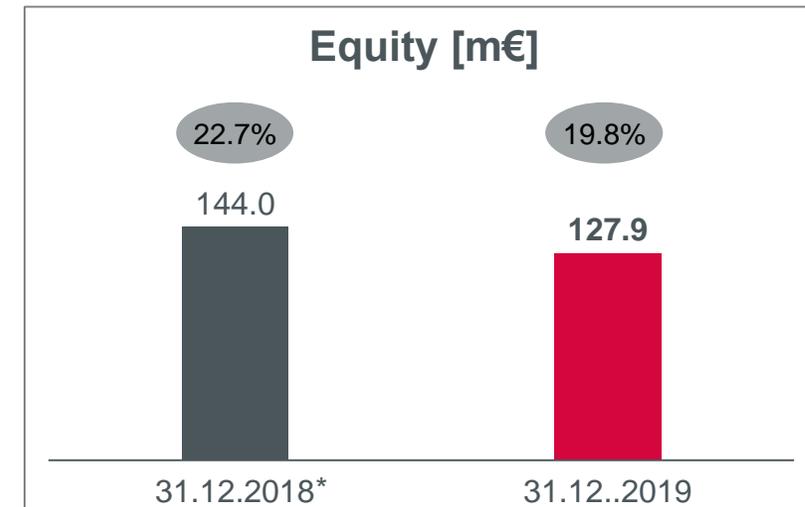
Notes

- * Adjusted base on new IFRS 16 Standards
- 1. Defined as other expenses net of other income plus all EBIT adjustments other than PPA amortization
- 2. Excluding PPA amortization

- EAT down to 7.0 m€
 - EPS at 0.28 €



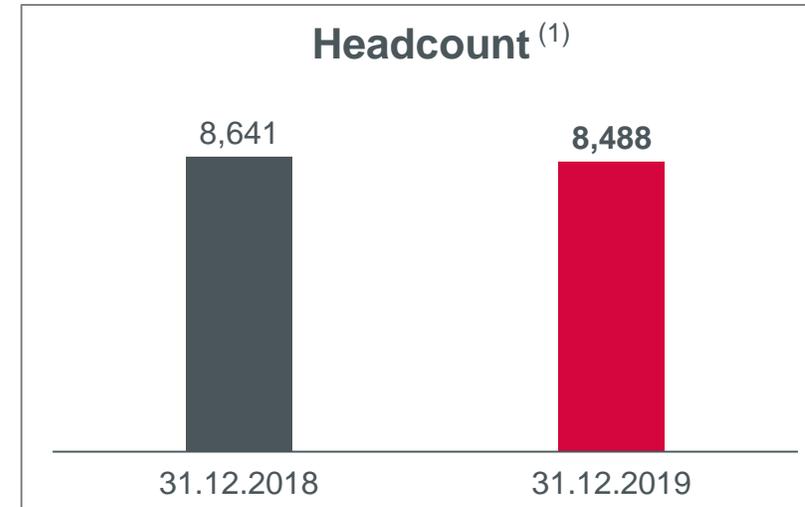
- Equity impacted by IFRS 16
- Equity ratio at 19.8%



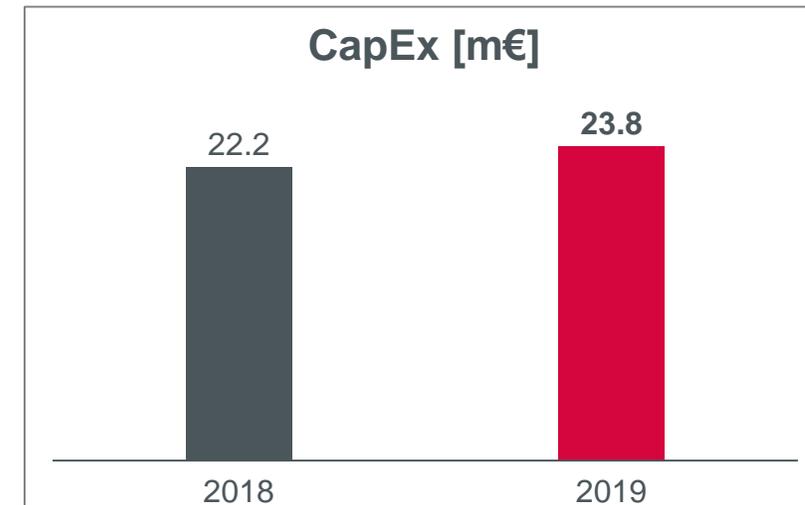
Notes

* Adjusted base on new IFRS 16 Standards

- Headcount down by 153 employees
 - Reduction predominantly at PS
 - Strong increase at E/E



- CapEx up to 23.8 m€
- CapEx levels at about 3.0% of revenues



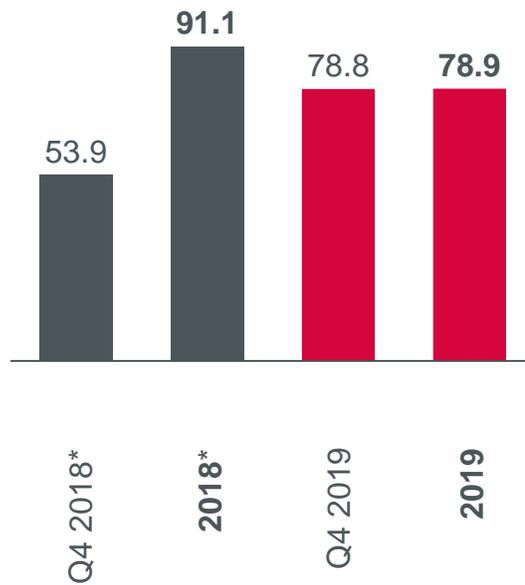
Notes

1. Including Trainees and work-study students

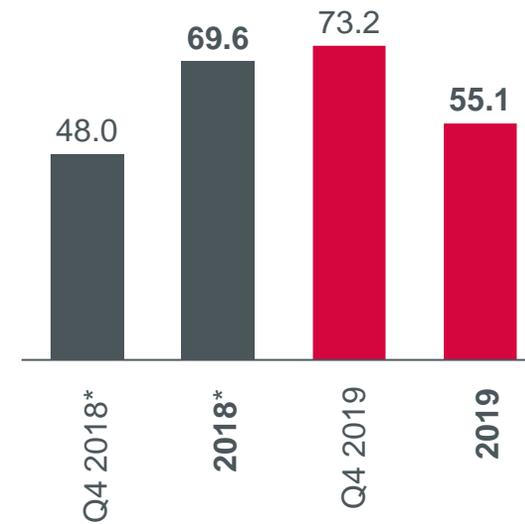
FREE CASH FLOW



Operating CF [m€]



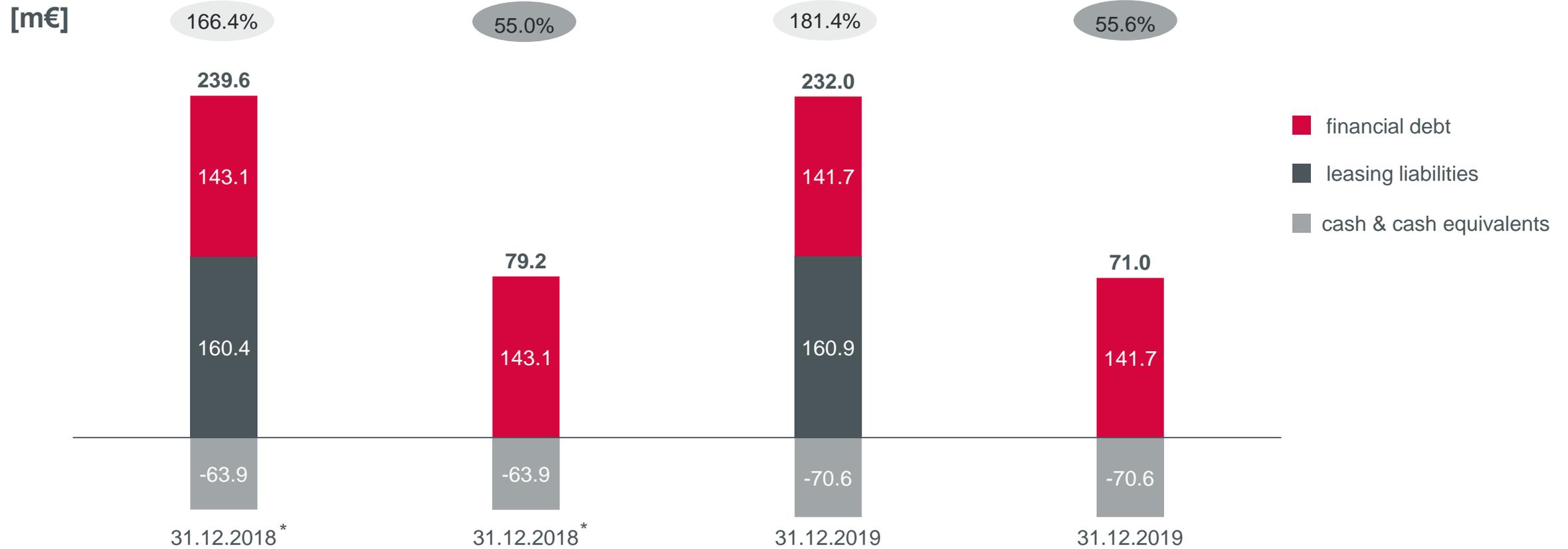
Free CF [m€]



Notes

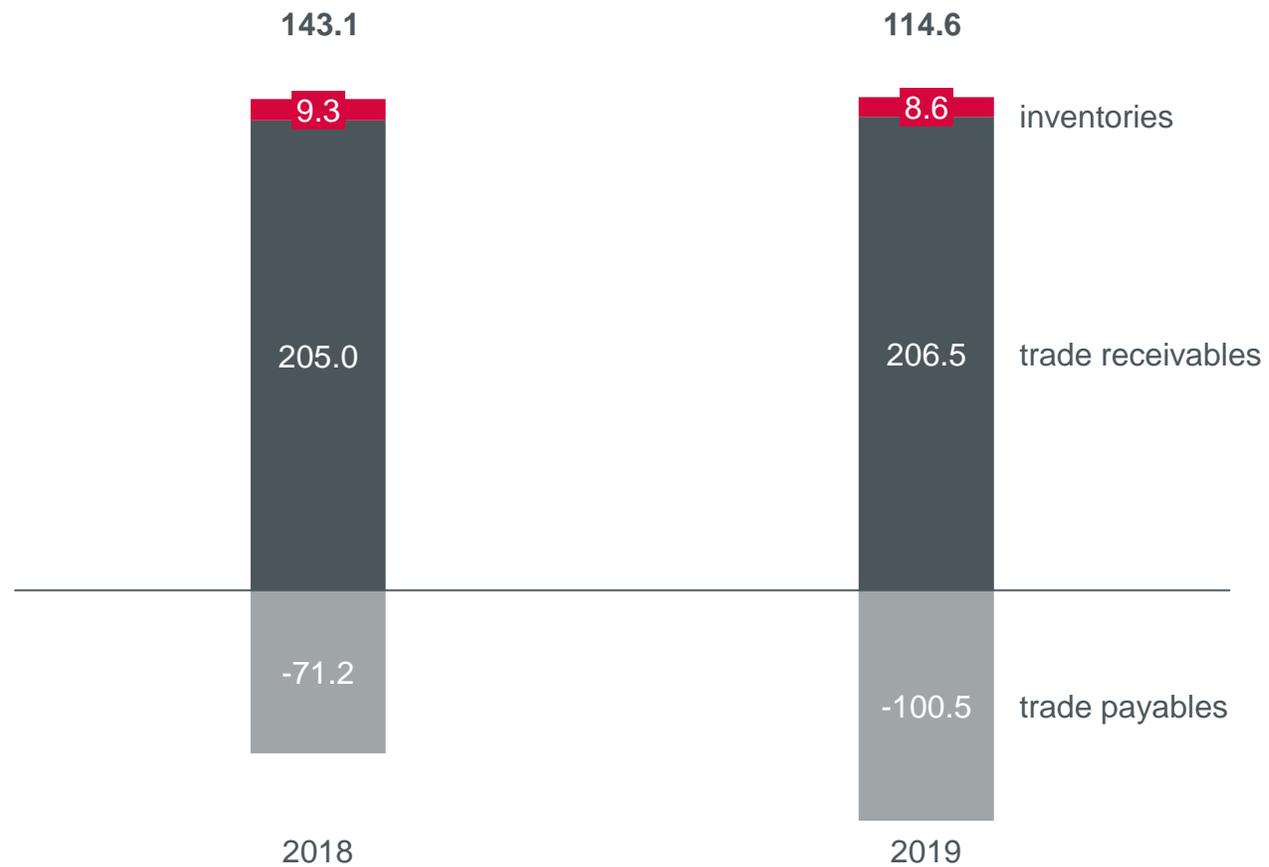
* Adjusted base on new IFRS 16 Standards

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



Notes
* Adjusted base on new IFRS 16 Standards

Trade Working Capital [m€]



OUTLOOK



Short-term challenges and mid-term opportunities characterize our market

- World economic growth 2020 is to be negative, recovery in 2021 expected.
- Automotive sales are expected to decline in 2020 – outlook strongly depends on possible rebound in demand after Covid-19 effect.
- High uncertainties due to Covid-19 and ongoing trade tensions remain.
- Short-term, we expect consistent pricing pressure and postponements of projects resulting in heterogeneous utilization at certain areas and business units.
Revenues will grow stronger outside Germany.
- Mid-term, all business drivers like ADAS, Connectivity & UX, new vehicle architectures, Mobility & Cloud Services and Smart Factories remain fully intact.

Liquidity as of 2019/12/31 [m€]

▪ Cash & cash equivalents:	70.6
▪ Available credit lines:	101.8
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total:	172.4

Measures to counterbalance Covid-19 impact

- Sales offensive started
- Smart Working and short-time work (wherever necessary)
- Additional measures in preparation

- 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
