

**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 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

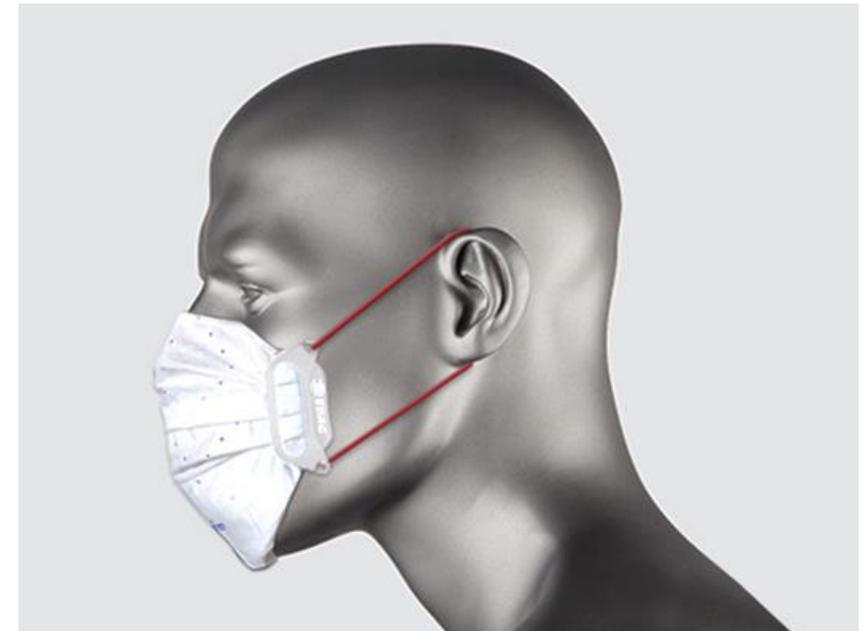
As organisations cut spends, they look to offshoring/outsourcing to best cost locations to meet their needs.

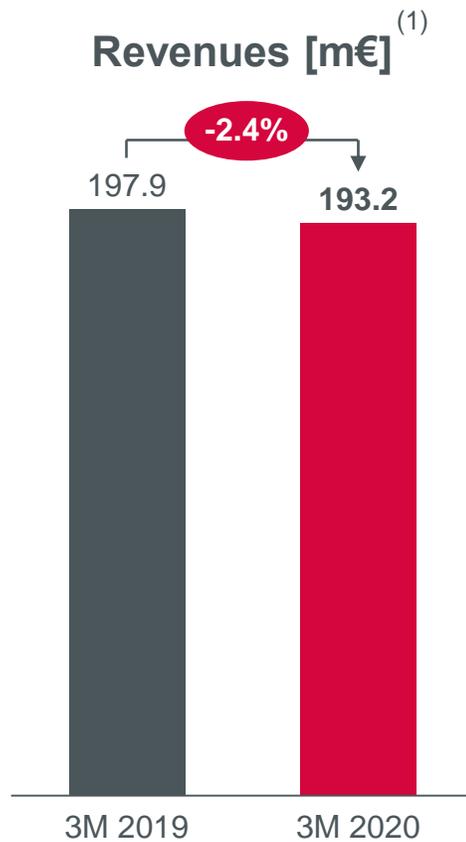
Companies will get more comfortable with the idea of offshoring, as teams settle into remote working.

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

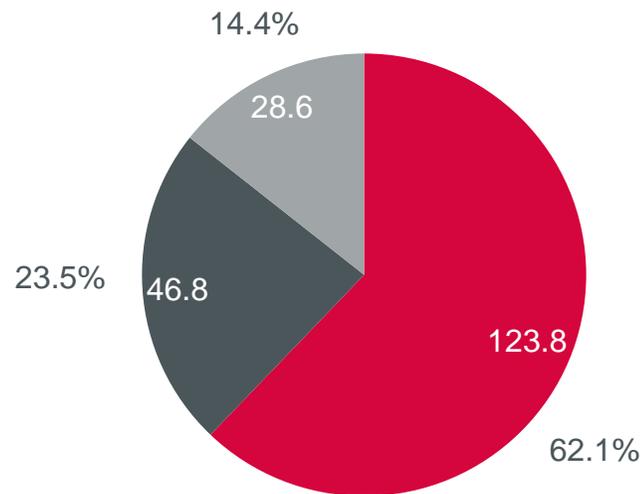


- Revenues at 193.2 m€ (-2.4%)
  - VE +/-0%
  - E/E +4.5%
  - PS -8%
- Adjusted EBIT at 3.8 m€; margin at 2.0%
- Net financial debt / equity at 60.0% (w/o leasing)
- Trade Working Capital down by ~15%
- „Mask4All“ is a great success in countering the shortage of masks





### Revenues by Segment [m€] <sup>(2)</sup>



### change to 3M 2019

<span style="color: red;">■</span> Vehicle Engineering	+/- 0.0%
<span style="color: darkgray;">■</span> Electrics / Electronics	+ 4.5%
<span style="color: lightgray;">■</span> Production Solutions	- 8.0%

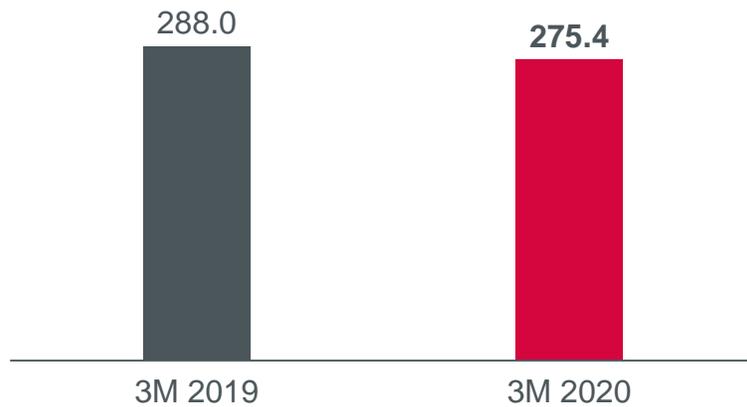
**Notes:**

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

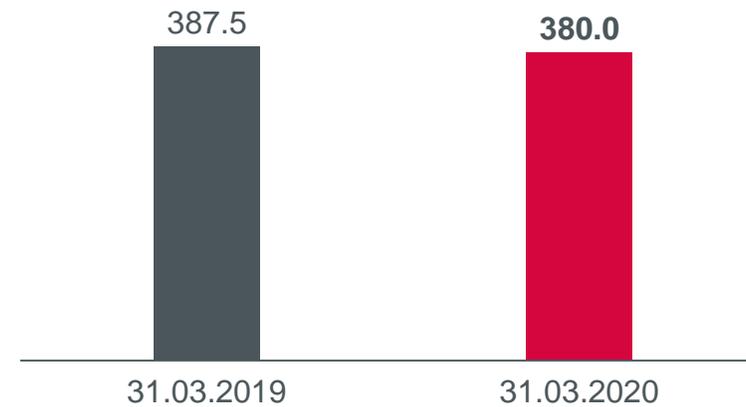
# ORDER INTAKE & ORDER BOOK



### order intake [m€]



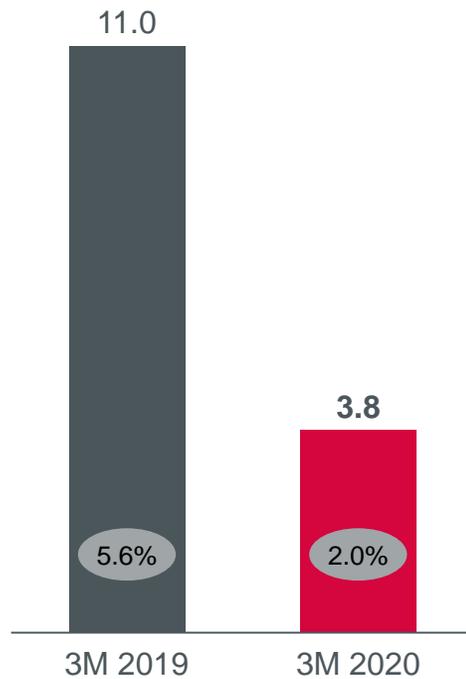
### order book [m€]



### 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€]<sup>(1)</sup>



## Adjusted EBIT by Segment [m€]

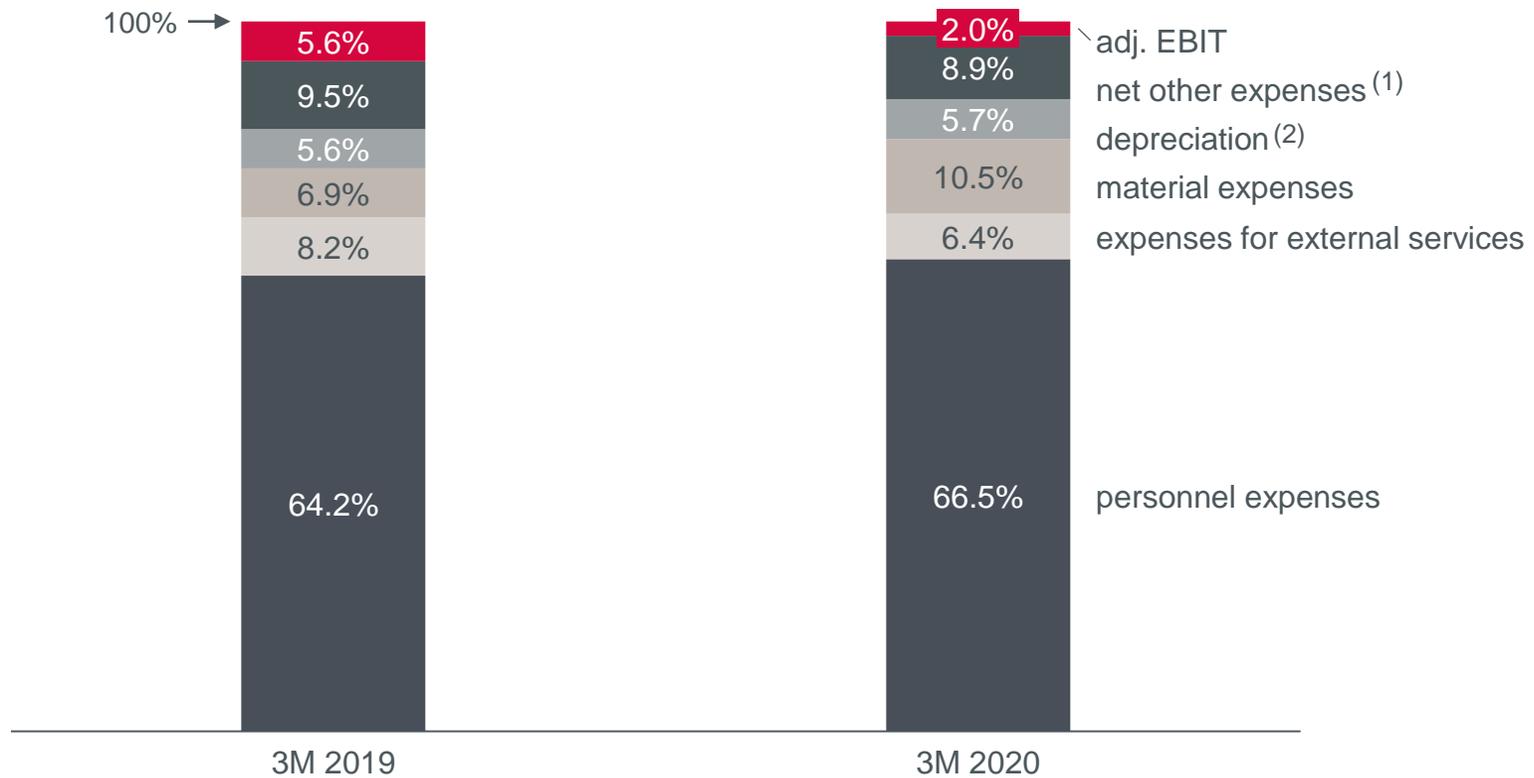
	3M 2019	margin	3M 2020	margin
Vehicle Engineering	7.9	6.4%	3.1	2.5%
Electrics / Electronics	4.1	9.3%	2.2	4.7%
Production Solutions	-1.0	-3.2%	-1.5	-5.2%

**Notes:**

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

x.x% adjusted EBIT-Margin

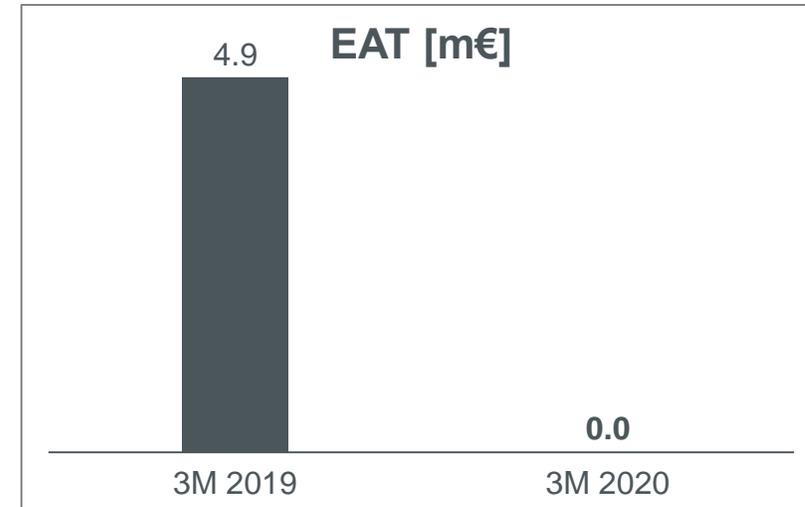
## Total cost structure breakdown (as % of revenues)



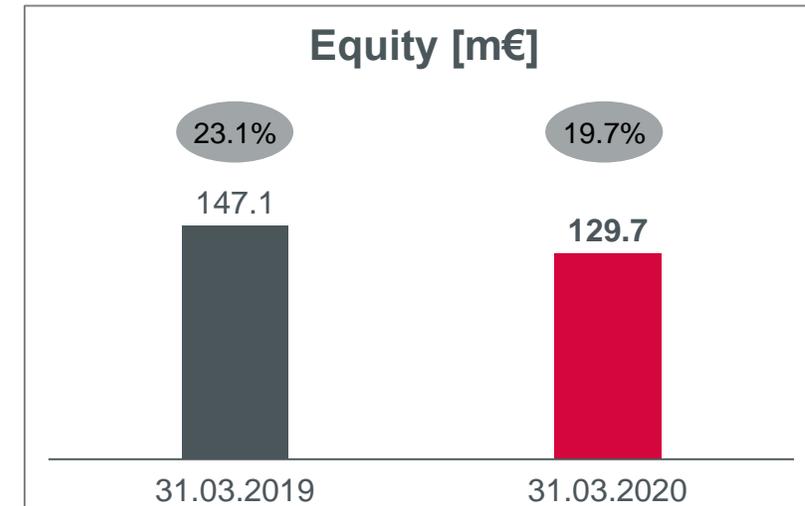
**Notes**

- 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€

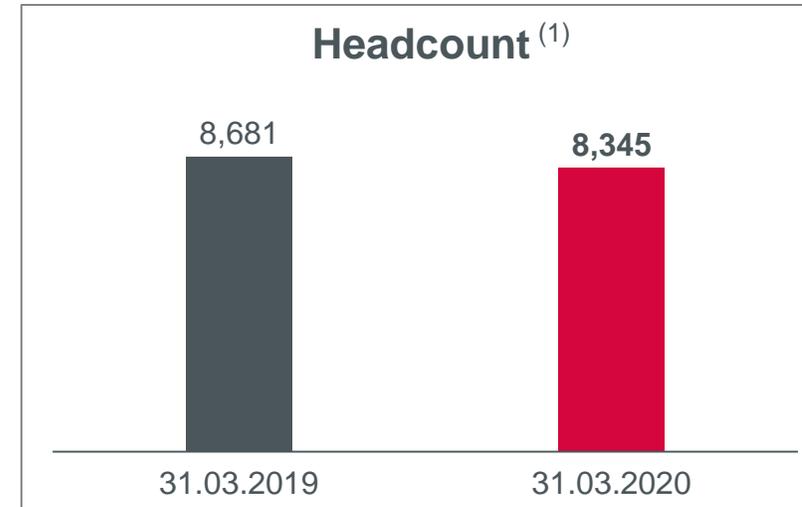


- Equity ratio decreased yoy
- Compared to 2019/12/31 total equity is up by 1.8 m€

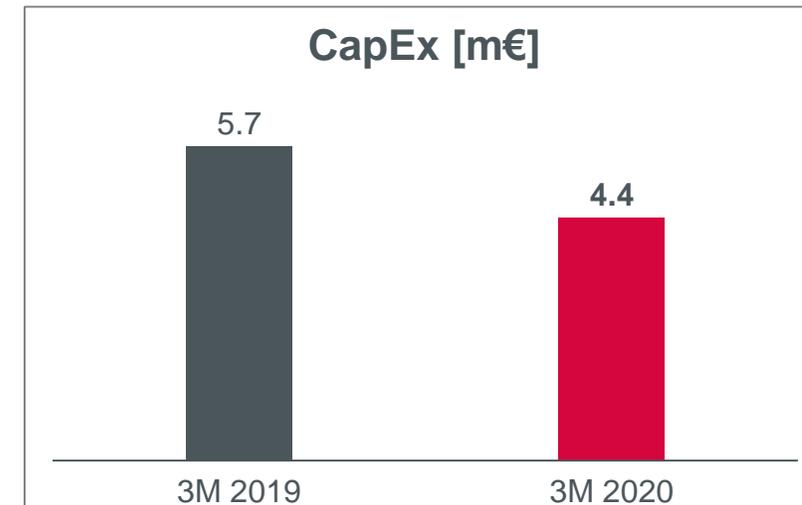


# HEADCOUNT AND CAPEX

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



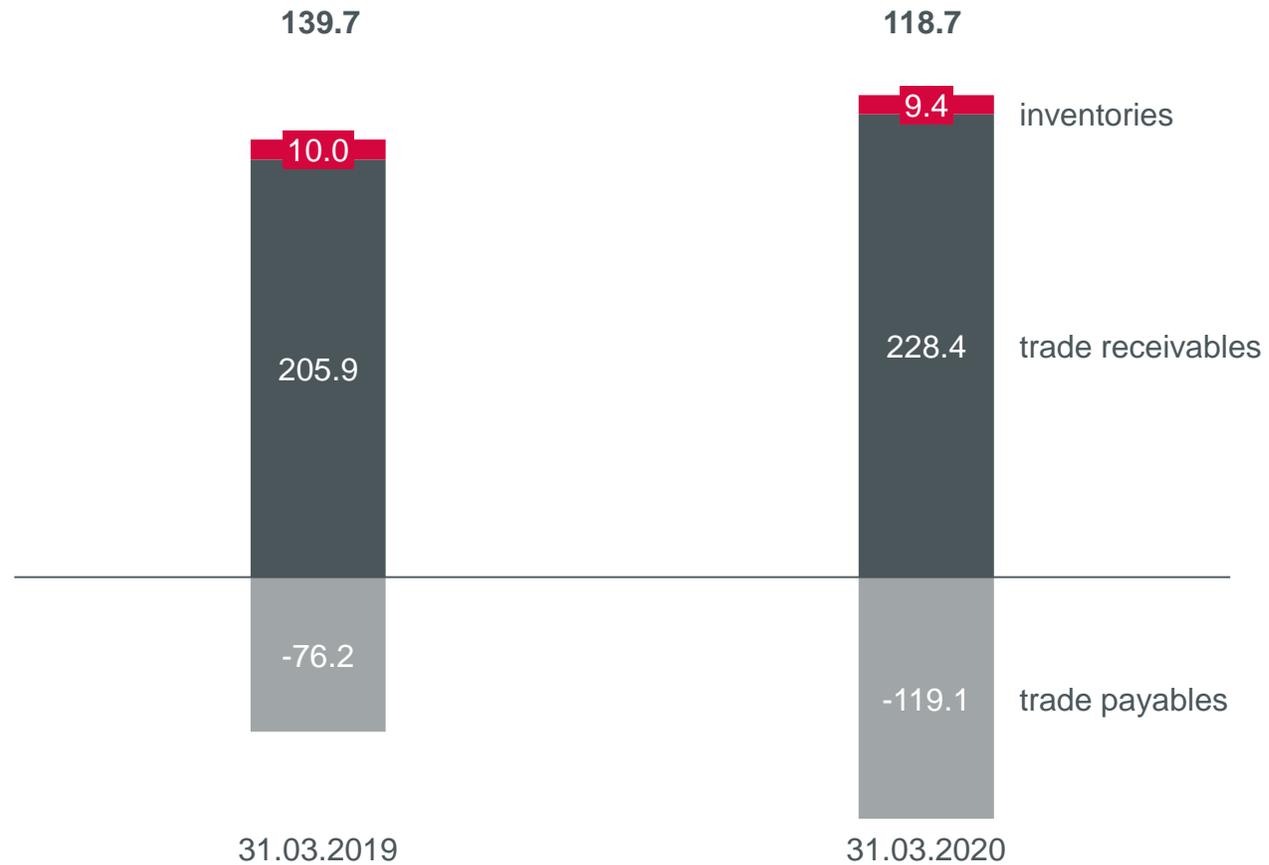
- CapEx down to 4.4 m€
- CapEx level at about 2.3% of revenues



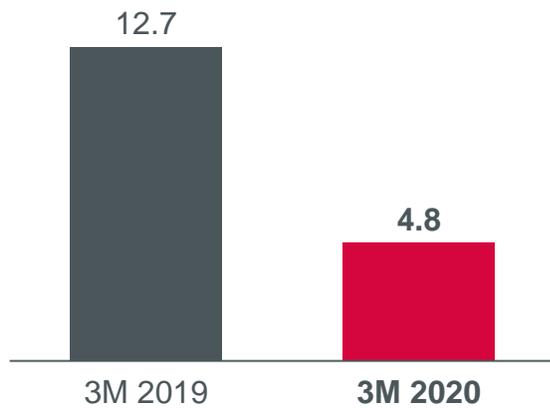
#### Notes

1. Including Trainees and work-study students

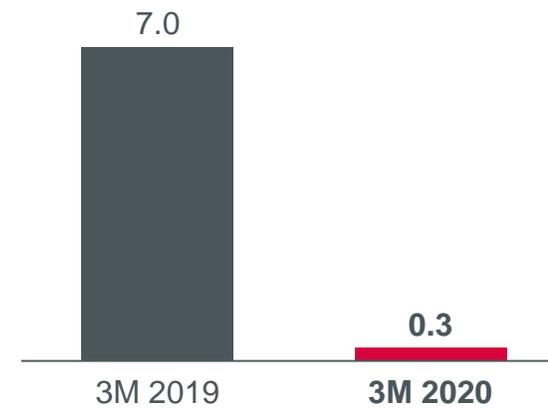
## Trade Working Capital [m€]



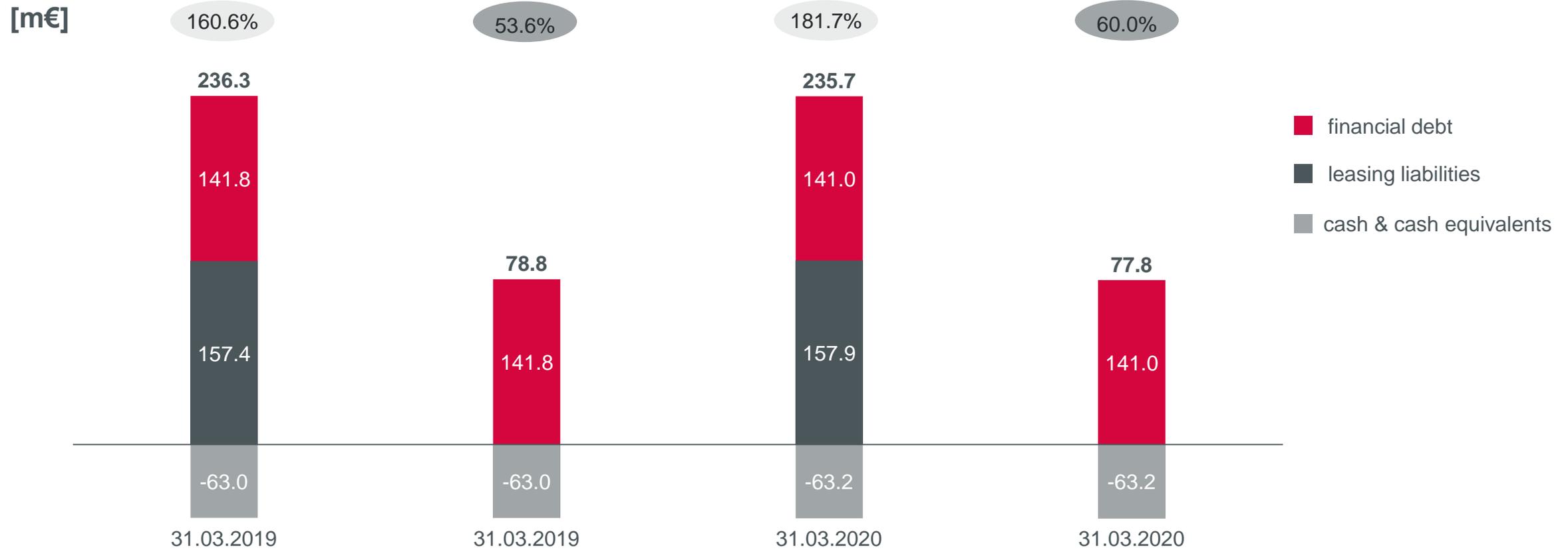
## Operating CF [m€]



## 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
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<b>total:</b>	<b>164.5</b>

## 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

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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

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