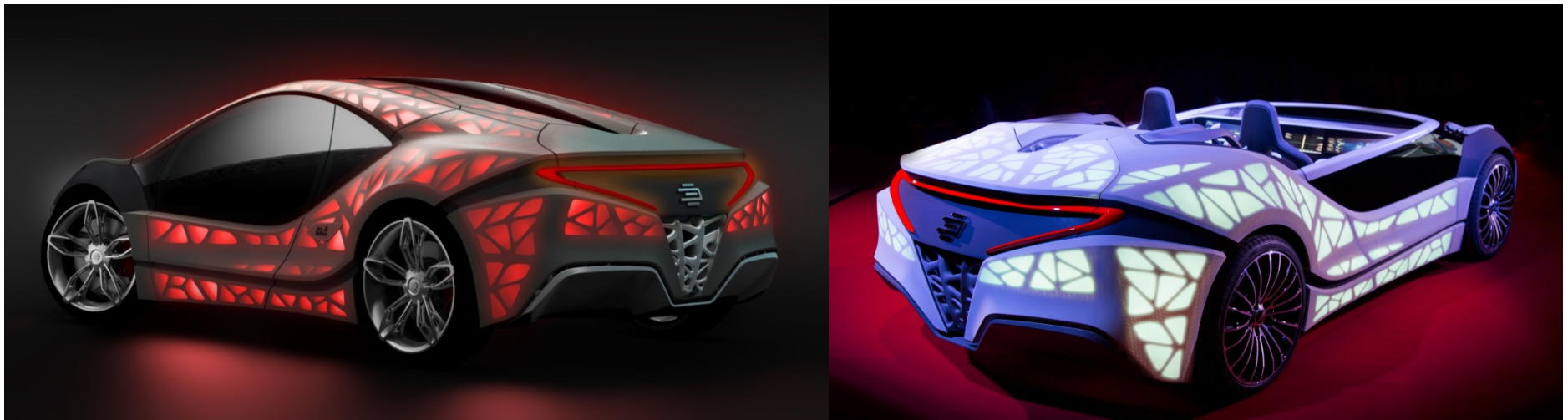


# Financial Year 2015

Analyst-Call

Wiesbaden, April 20<sup>th</sup>, 2016



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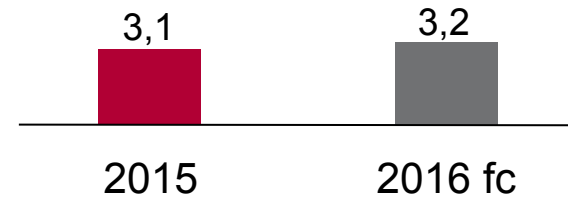
**1 Market Environment**

**2 Key Figures – Financial Year 2015**

**3 Outlook – Financial Year 2016**

- World economy grew by 3.1 % in 2015
- For 2016, a growth of 3.2 % is projected

Change of world-GDP in percent<sup>(1)</sup>



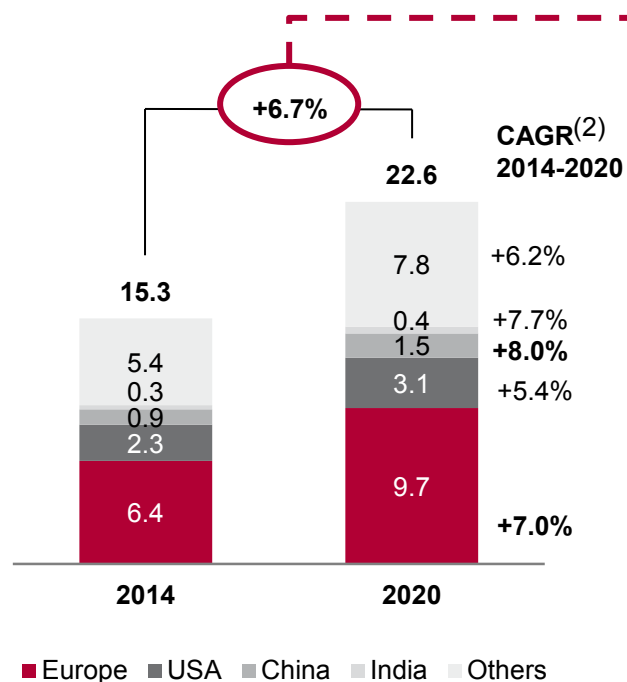
- Worldwide car sales grew by 3.2 % in 2015
- China and Europe particularly positive, USA and India also with robust growth, whilst sales declined in Japan, Russia and Brazil
- Overall, a further positive development for 2016 and beyond is expected

Change of passenger car sales in percent<sup>(2)</sup>

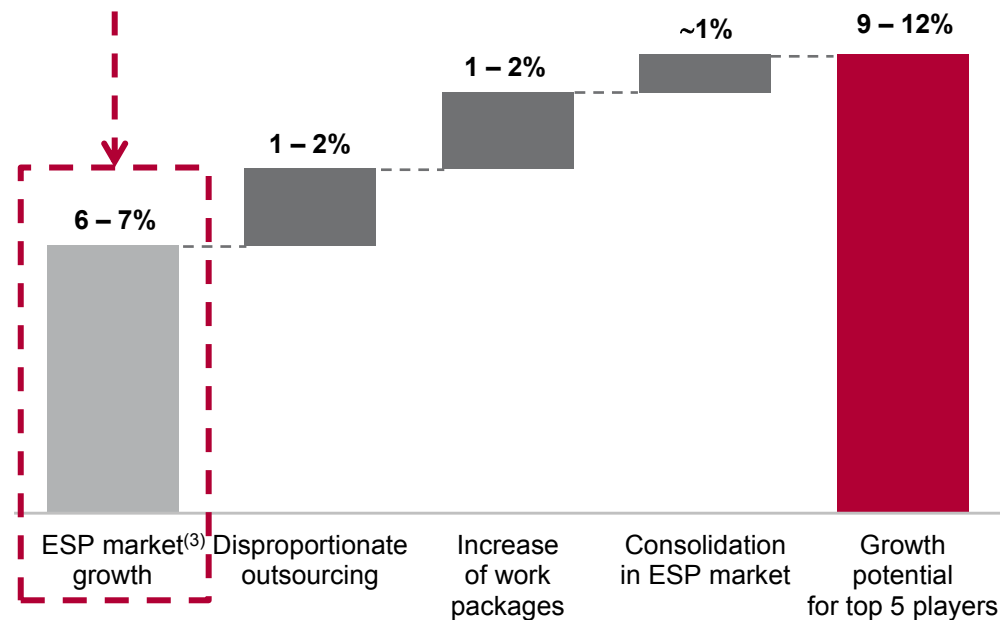
	2015	2016 fc
USA	6	1
Western Europe	9	1
New EU	12	4
Japan	-10	2
Russia	-36	-5
China	9	6
India	8	6
Brazil	-26	-5
<b>World</b>	<b>3.2 (76,829)</b>	<b>2.8 (78,946)</b>

(in thousands)                      (in thousands)

## Automotive ESP market by region (€ bn)<sup>(1)</sup>



## Top 5 ESPs are expected to grow disproportionately until 2020



Source A.T. Kearney;

Notes

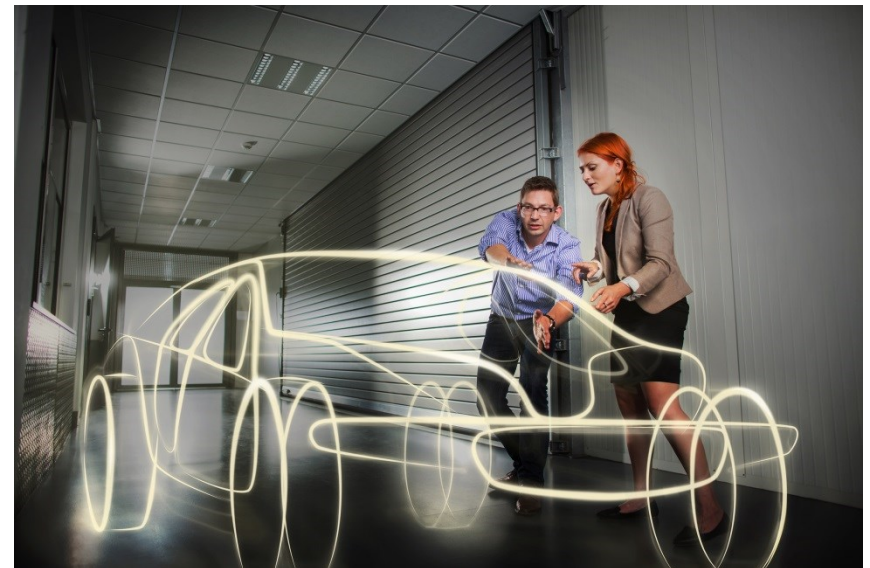
1. Global automotive ESP market including passenger cars, commercial vehicles and suppliers
2. Compound Annual Growth Rate
3. 6 – 7% ESP market growth comprises: i) General R&D growth driven by number of models: 4.5 – 5.0%; ii) General outsourcing growth driven by cost optimization: 1.5 – 2.0%

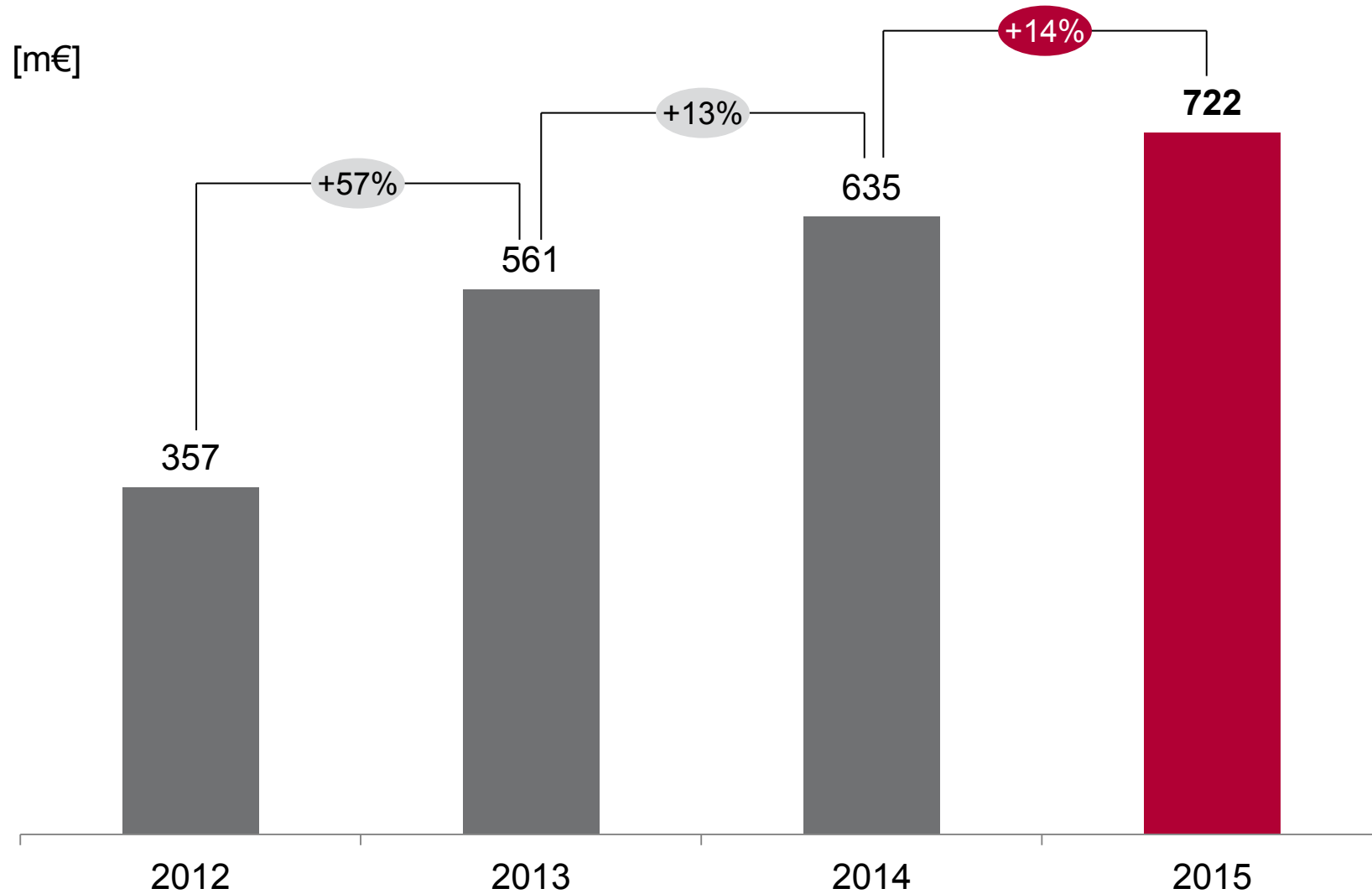
1 Market Environment

2 **Key Figures – Financial Year 2015**

3 Outlook – Financial Year 2016

- Core Revenues increased by 13.7% to 722 m€
  - Growth throughout all three segments
- Adjusted EBIT significantly improved from 53 m€ in 2014 to 73 m€ in 2015
  - Margin up from 8.4% to 10.1%
- Equity ratio up from 24.2% to 32.6%
- Headcount edged up to 8.139
- CapEx at about 4.2% of revenues





1. Revenue defined as sales revenue plus change in inventories; Core defined as total excluding Others segment

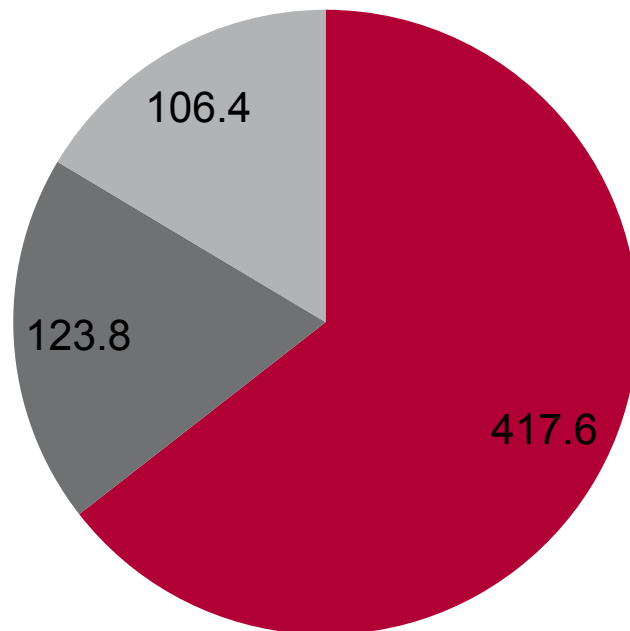


# Revenues by Segment <sup>(1)</sup>

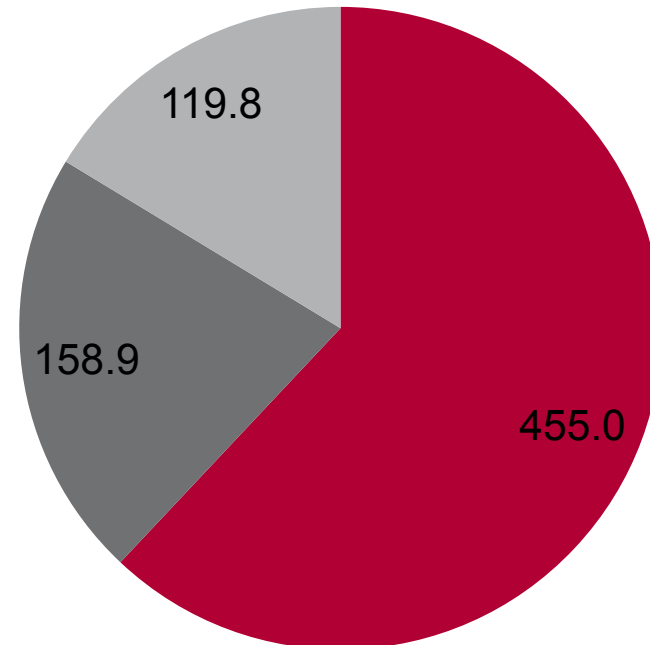


[m€]

2014



2015



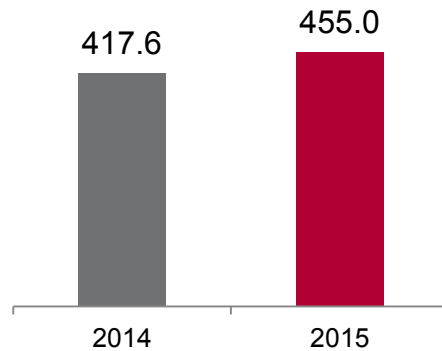
■ Vehicle Engineering    ■ Electrics / Electronics    ■ Production Solutions

1. Revenue defined as sales revenue plus change in inventories; figures include sales revenue with other segments

# Revenues by Segment <sup>(1)</sup>

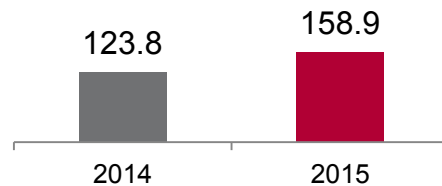
## Revenues [m€]

Vehicle  
Engineering



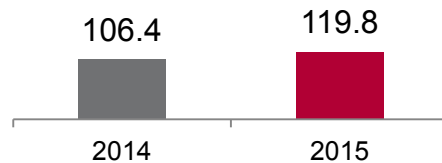
**+ 9.0%**

Electrics /  
Electronics



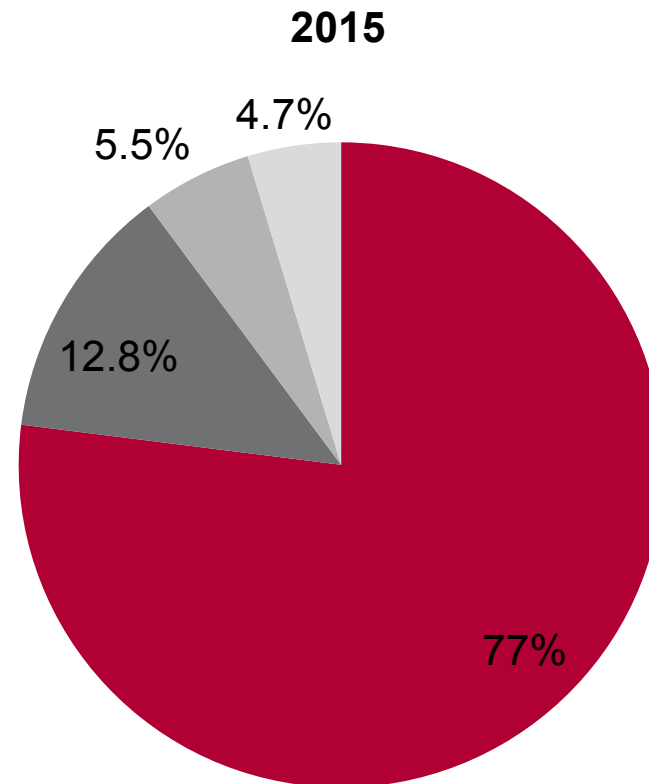
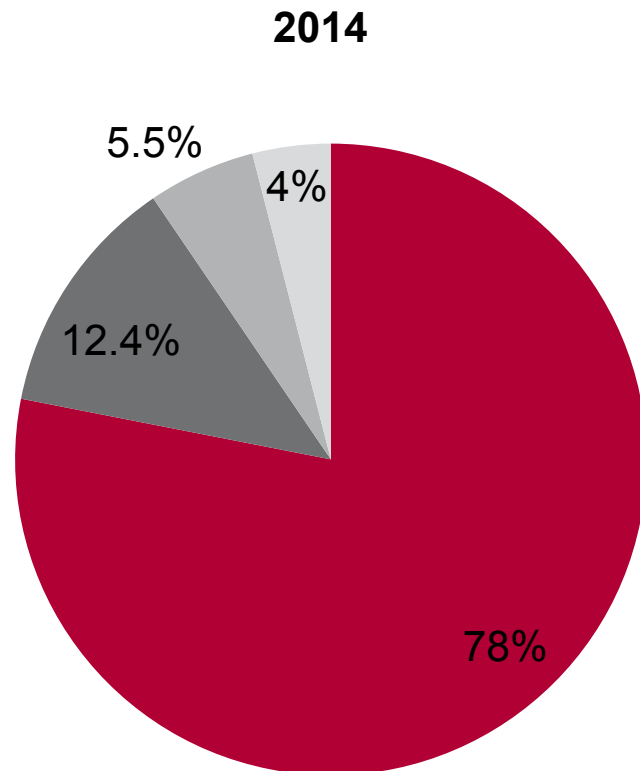
**+ 28.4%**

Production  
Solutions



**+ 12.6%**

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



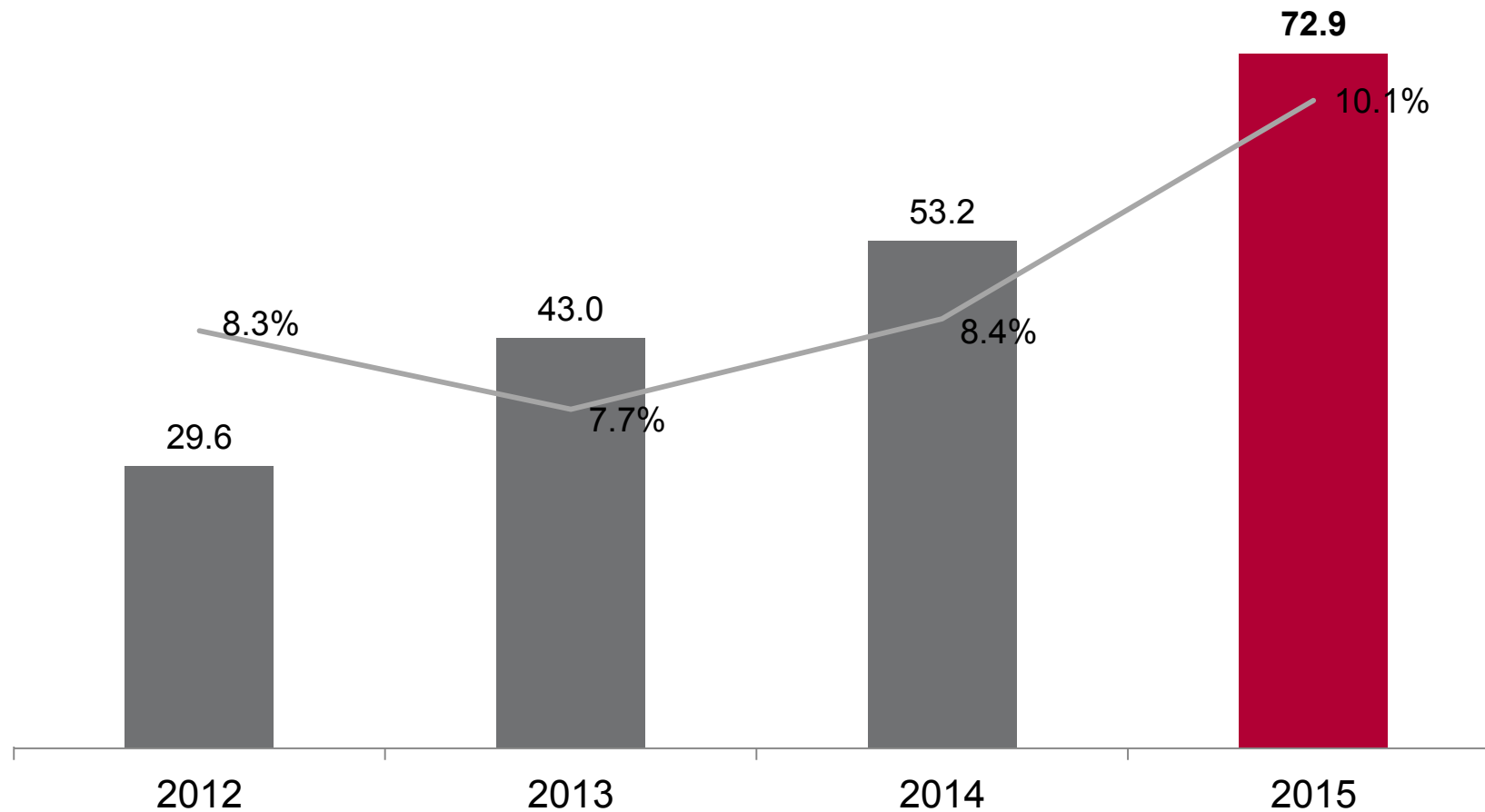
■ Germany ■ Rest of Europe ■ North & South America ■ Asia

1. Revenue defined as sales revenue plus change in inventories; Core defined as total excluding Others segment; Figures include Sales revenue with other segments

# Core Adjusted EBIT <sup>(1)</sup>



[m€]



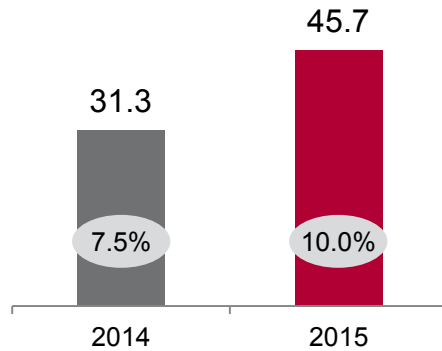
1. Core defined as total excluding segment Others; Adj. for one-offs (purchase price allocation, consolidation effects, M&A costs, restructuring costs, proceeds from real estate sales, a. o.)

# Adjusted EBIT by Segment <sup>(1)</sup>



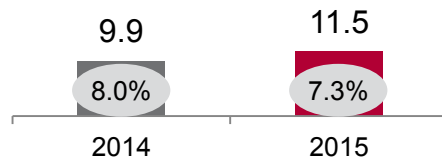
## Adjusted EBIT [m€]

Vehicle  
Engineering



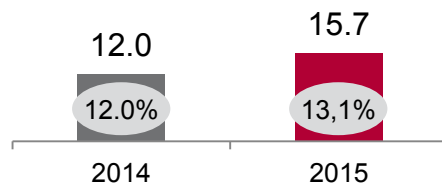
**+ 46.0%**

Electrics /  
Electronics



**+ 16.2%**

Production  
Solutions

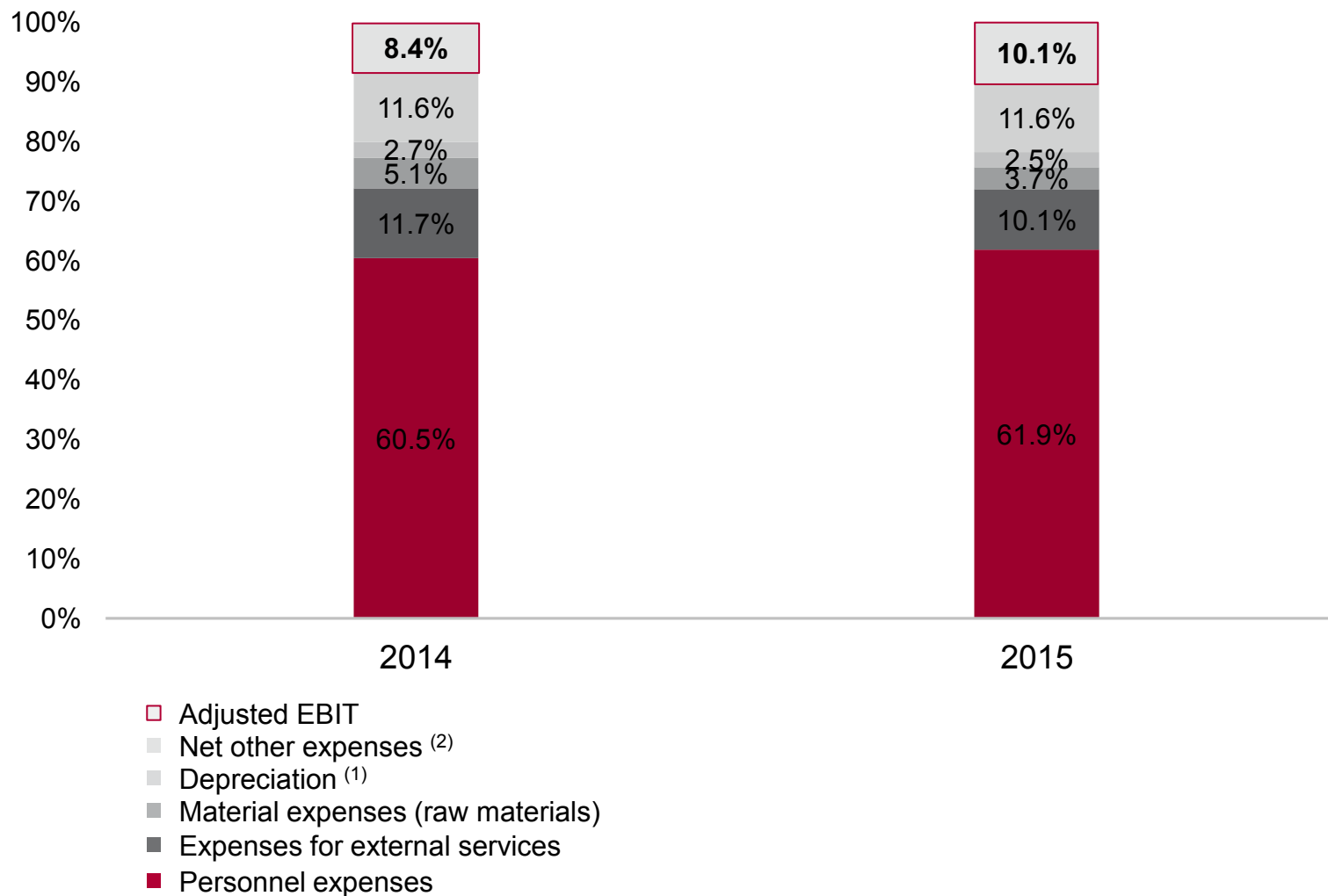


**+ 30.8%**

1. Adj. for one-offs (purchase price allocation, consolidation effects, M&A costs, restructuring costs, proceeds from real estate sales, a. o.)

x.x% EBIT-Margin

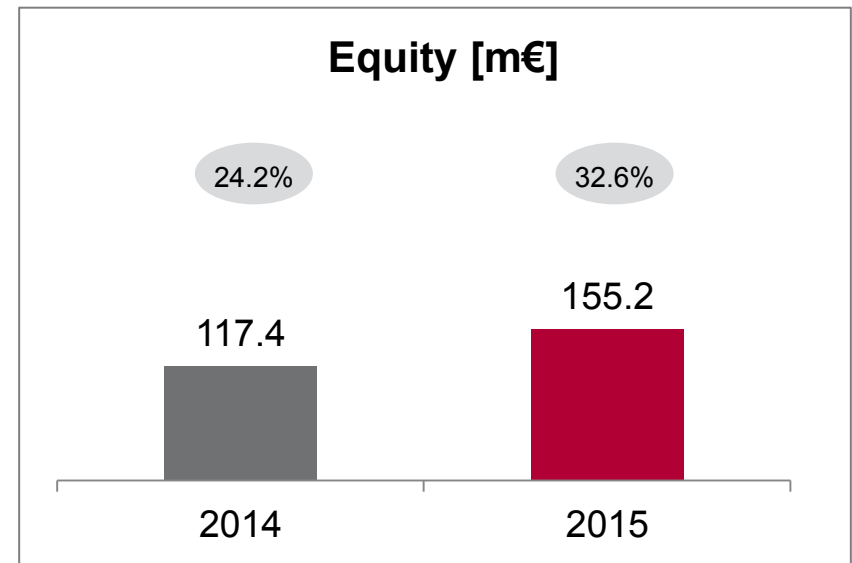
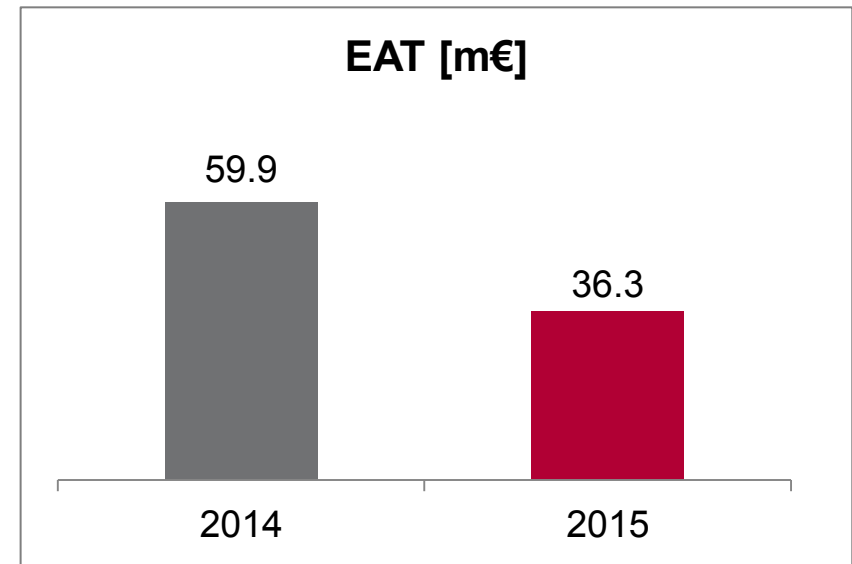
## Total cost structure breakdown (as % of revenue)



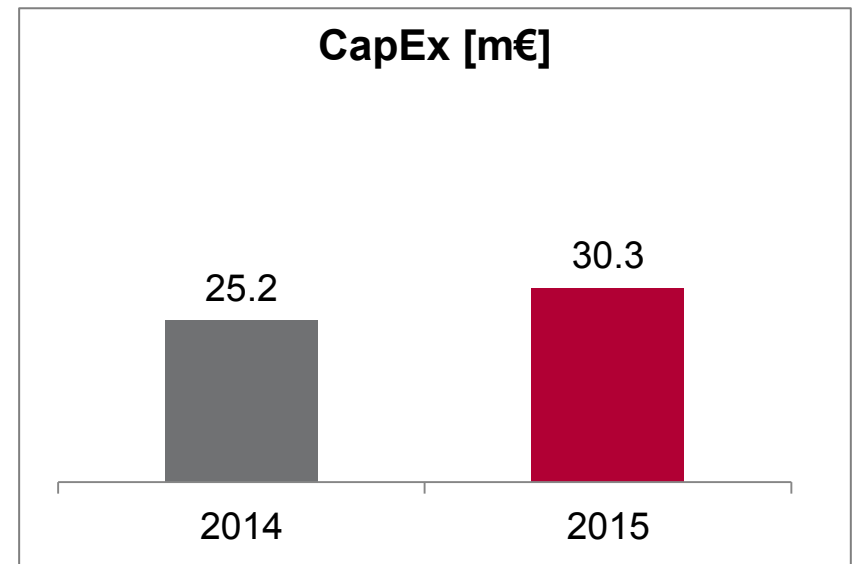
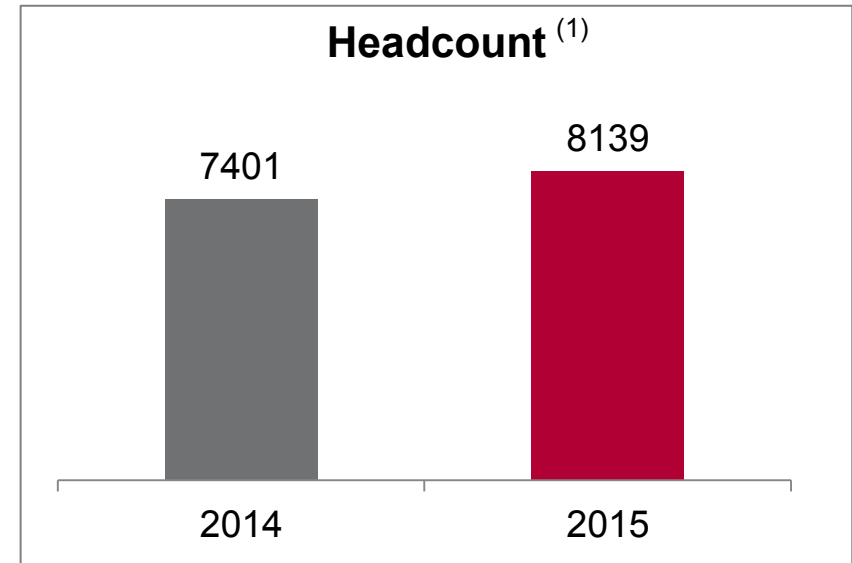
**Notes**

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

- Decrease of EAT to 36.3 m€
  - EAT 2014 influenced by deconsolidation effects (26.2 m€) and income from sale of real estate (18.4 m€)
  - EAT of 36.3 m€ will allow payment of dividend of 0.75 € per share (totaling 18.75 m€) after approval of the General Shareholder Meeting on May 31<sup>st</sup>
- Equity was notably strengthened
- The Equity ratio went up from 24.2% to 32.6%



- Headcount increased by 738 employees
  - Successful recruiting activities
  - EDAG received several awards like "Top Employer 2015" and the "Hessen Champion 2015" award in the category "Job Motor"
- CapEx increased according to growth plans of EDAG
- The CapEx levels at about 4.2% of revenues



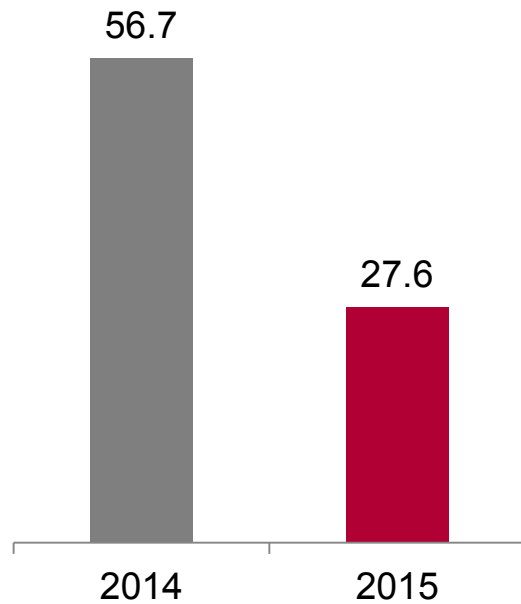
**Notes**

1. Including Trainees and work-study students

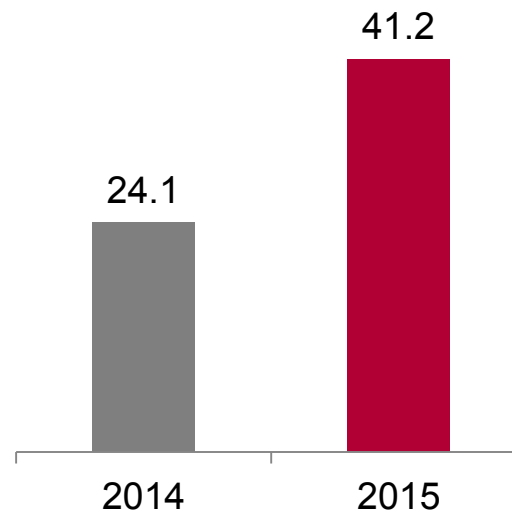


# Cash Flow and Adjusted Cash Conversion

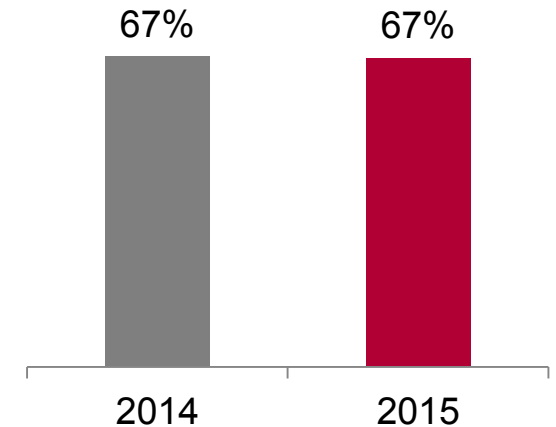
## Operating CF [m€]



## Free CF [m€]



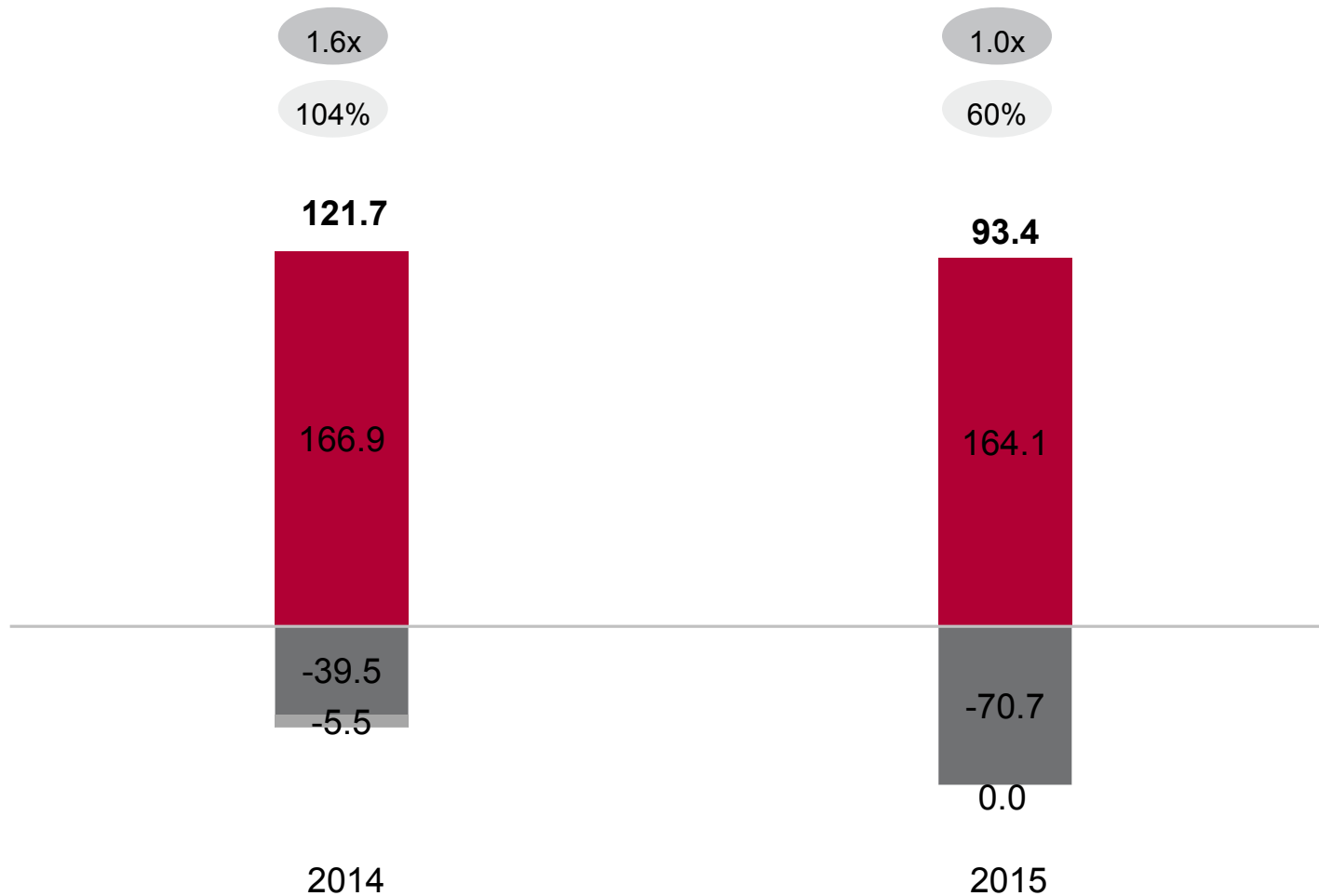
## Adj. Cash Conversion<sup>(1)</sup>



### Notes

1. Adj. Cash Conversion = (Adj. EBITDA - Capex) / Adj. EBITDA; Adj. EBITDA = Adj. EBIT plus D&A less PPA-related D&A  
Slide 17

## Net financial debt [m€]

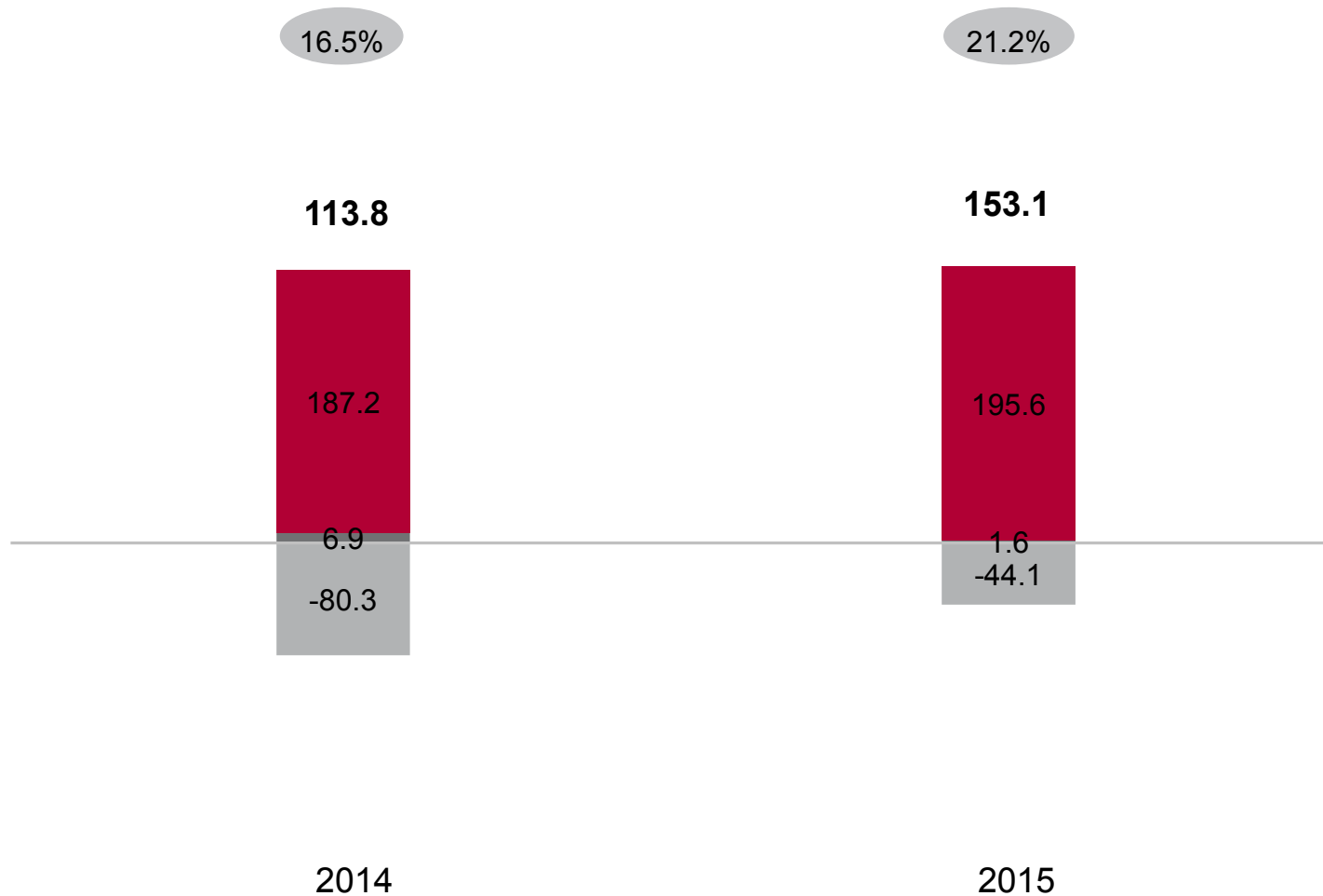


■ Financial debt   ■ Cash and cash equivalents   ■ Cash pool receivables

x Net financial debt / Adj. EBITDA

x Net Gearing

## Trade Working Capital [m€]



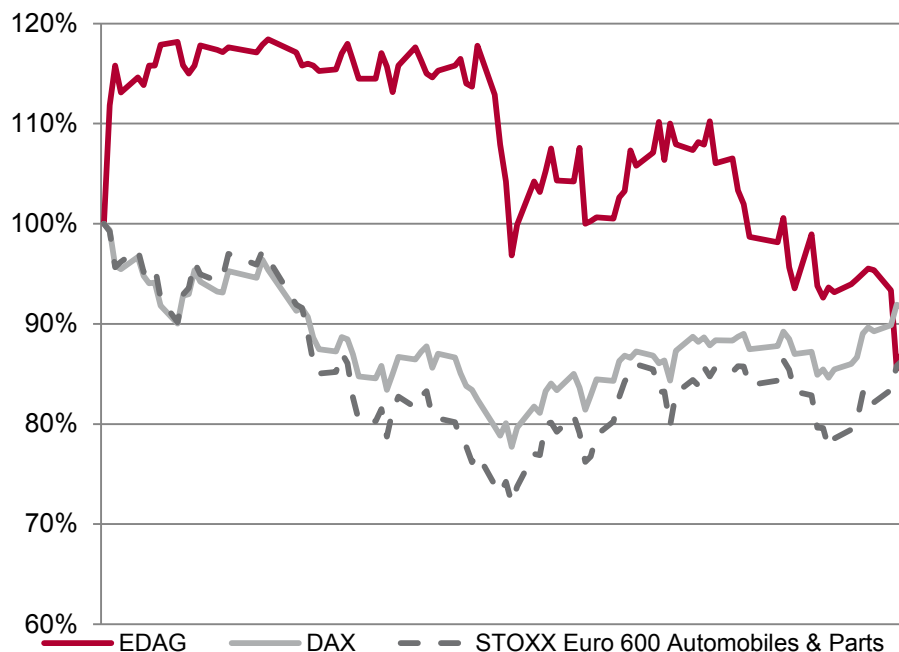
■ Trade receivables ■ Inventories ■ Trade payables

○ % Trade Working Capital as % of revenue

# Development of the EDAG Share



## share price development (01. Dec. 15 – 20. Apr. 16)<sup>(1)</sup>



- Xetra daily closing prices

- All prices indexed to 100% on 01. Dec. 2015

- Source: Comdirect

## Analysts' recommendations

Bank	Target Price	Recommendation
Deutsche Bank	24 Euro	Hold
Commerzbank	27 Euro	Buy
Morgan Stanley	25 Euro	Overweight
M. M. Warburg	27 Euro	Buy

Note: 1. prices of April 20<sup>th</sup> at 12:45 pm CEST, XETRA

Slide 20

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## Key Figures

ISIN	CH0303692047
WKN (Wertpapierkennnummer)	A143NB / ED4
class	bearer shares
Closing price (19. Apr. 16)	16,25 Euro
High / Low (01. Dec. 15 – 19. Apr. 16)	22,50 Euro / 16,25 Euro
EPS (2015e)	1.45 Euro
PE-ratio (2015e)	15.5
Dividend / share (2016e)	0.75 Euro
Dividend yield (2016e)	3.9% (0,75 Euro / 19 Euro)
Volumes / Day	132k shares (Ø 01. Dec. 15 – 31. Dec. 15) 22k shares (Ø 01. Jan. 16 – 19. Apr. 16)
Market cap (19. Apr. 16)	406 m€
Capital Stock	25 m

## Shareholder

ATON	59.8 %	MainFirst	3.4 %
HORUS	3.5 %	Fidelity Funds	3.0 %
DWS	5.1 %	FIL Ltd.	3.0 %
Pamplona	4.2 %	Others	18.0 %

## Next Financial Information

10. May 16	Q1/16
31. May 16	General Shareholder Meeting
23. Aug. 16	Q2/16
10. Nov. 16	Q3/16

**1 Market Environment**

**2 Key Figures – Financial Year 2015**

**3 Outlook – Financial Year 2016**

## Overall R&D Budgets are increasing, several new vehicles announced

- German OEM to increase R&D spendings by 5% to 20.6 bn€ in 2016<sup>(1)</sup>
- Peugeot to invest into 26 new vehicles until 2021<sup>(2)</sup>
- Opel to develop 4 new crossover vehicles and SUV until 2020<sup>(3)</sup>
- Daimler to invest about 1bn€ in 2016 into Untertürkheim facilities and some further bn€ until 2020 for CO2 efficient technologies like Hybrid<sup>(4)</sup>
- BMW to invest into R&D in 2016 on the same level as in 2015<sup>(5)</sup>  
(5,17 bn€, 5.6% of revenues)

## ESP Market offers opportunities for further growth

- The World Economy is projected to grow at a rate of 3.2% in 2016 and 3.6% in 2017.
- The world passenger car sales are forecasted to grow by 2.8% from 76.8 million in 2015 to 78.9 million in 2016.
- The ESP market with a projected CAGR of 6.7% respectively 9-12% for the Top 5 ESP until 2020 remains intact in medium term.
- Forecast for the current year: Guidance from March 17<sup>th</sup>:  
We expect a growth in revenues in between 7 - 10 percent for 2016 and a moderate EBIT growth (adjusted) compared to 2015.
- After preliminary figures for Q1 2016, revenues grew only by about 5% and the adjusted EBIT decreased to 13 m€ after 17.5 m€ in the previous-year period.

## Slower growth of revenues in Q1

- Preliminary figures for Q1 2016 showed an increase of revenues of roughly 5% to 182 million Euro.
- Start into new year was slow due to a longer vacation period.
- Sales were held back by lower order volume.
- Additionally Q1 2016 had one working day less than the previous year period.
- Status Volkswagen: VW will still invest considerably into Research and Development. At this point, the company is reviewing the product portfolio and the order-placement procedure which slows down the order process. We think this to be a temporary situation.



## Decline in adjusted EBIT

- Preliminary adjusted EBIT declined from 17.5 million Euro in Q1 2015 to 13 million Euro in Q1 2016.
- Decline was influenced by the above mentioned vacation/working day effect.
- Moreover the capacity utilization declined because of a higher workforce than necessary for the sales volume.
- Utilization should go up, once order volumes are normalizing.
- We are already partially adjusting capacities in order to improve the utilization.
- Additionally the budgeted fixed costs for 2016 have been reviewed and short-term measures have been implemented. Additional savings possible, if needed.
- We are confident that we can continue our positive development of the last years with these measures.