

# Q1 2019

Analyst-Call

Wiesbaden, May 8<sup>th</sup>, 2019



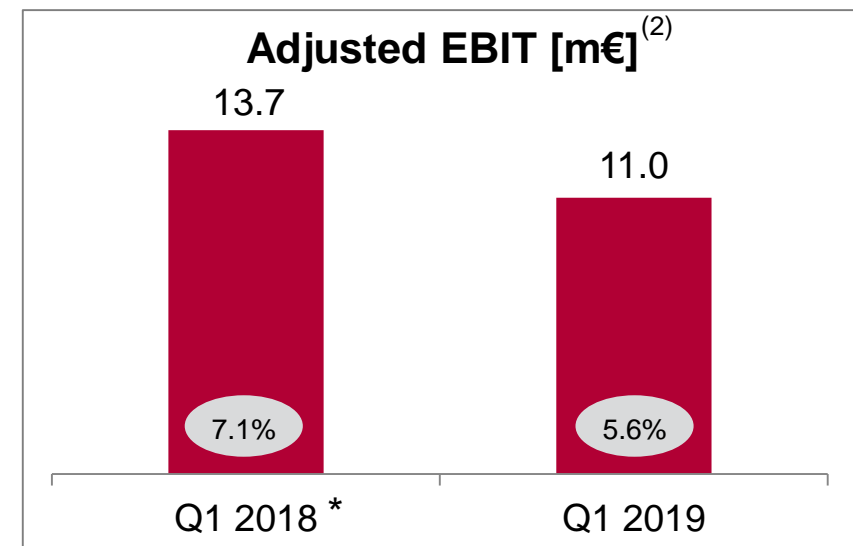
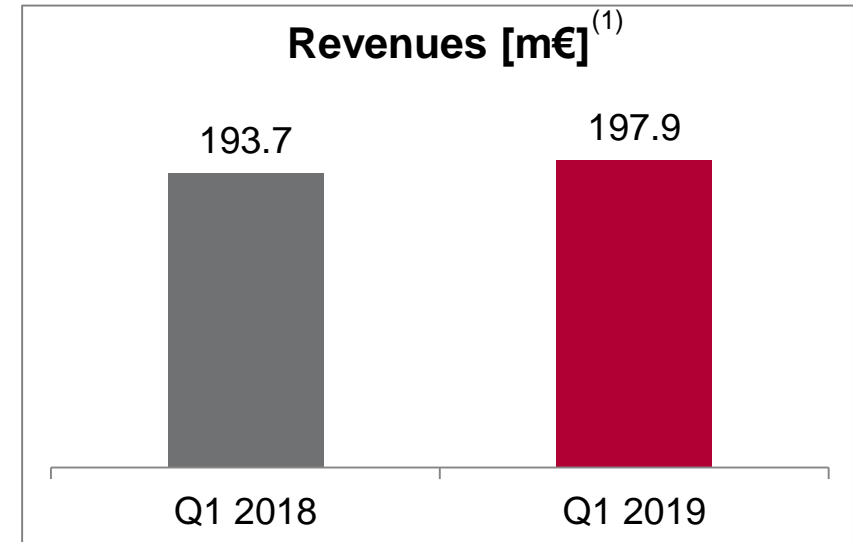
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- Global automotive R&D spending remains high and offers opportunities for ESP to grow
- Shift in R&D budgets causes some project delays
- Revenue growth of 2.2%
  - Electrics/Electronics particularly positive
- Adj. EBIT at 5.6%
  - VE and E/E full on track
  - PS challenged by market environment; sales and cost measures initiated
- Headcount up to 8,681 (from 8,364)
- AGM on June 5<sup>th</sup> in Zurich
  - Proposed dividend of 0.75€ per share
- Holger Merz to take over CFO position after AGM



# Revenues and adj. EBIT

- Revenues 2.2 % above Q1 2018
  - VE: + 4.5%
  - E/E: + 17.8%
  - PS: - 21.9%
  
- Adjusted EBIT-Margin at 5.6%
  - VE: 6.4%
  - E/E: 9.3%
  - PS: -3.2%

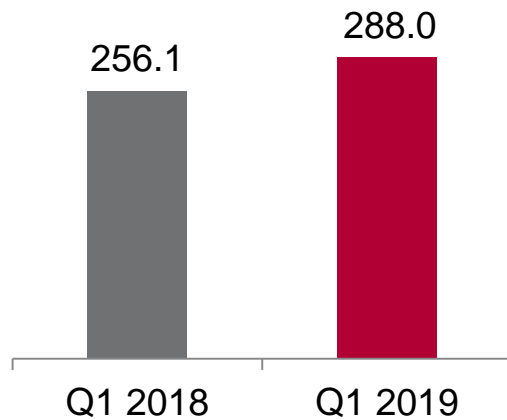


**Notes**

- \* Adjusted base on new IFRS 16 Standard
- 1. Revenue defined as sales revenue plus change in inventories
- 2. Adj. for one-offs (purchase price allocation, consolidation effects, M&A costs, restructuring costs, proceeds from real estate sales, a. o)

[m€]

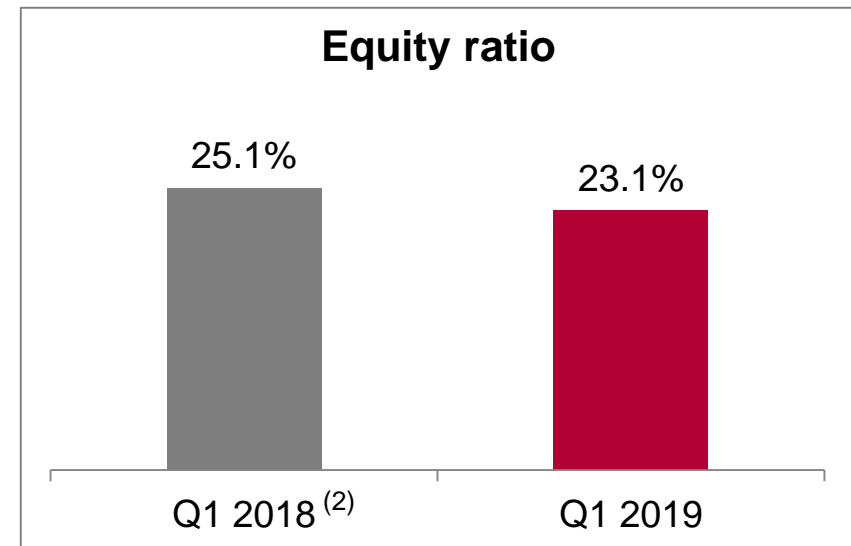
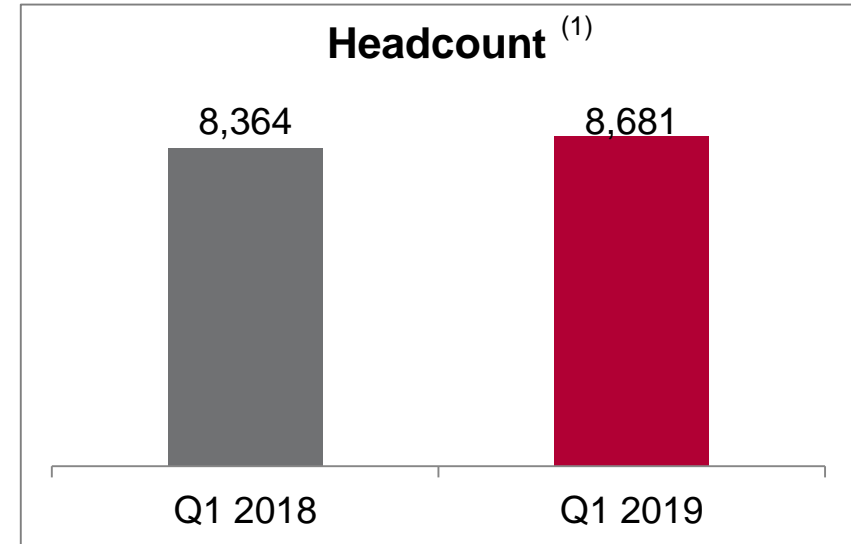
## Order intake



## Order book [31.03.]



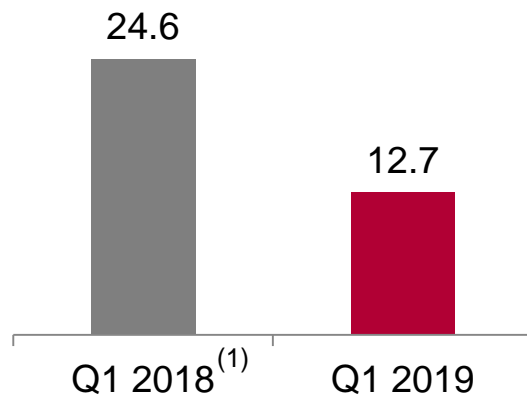
- Headcount up by 317 employees
- Equity ratio down to 23.1%
- IFRS 16 leads to longer balance sheet (impact ~140m€)
- Total Equity 147.1 m€ at March 31<sup>st</sup> (144.5 m€ in 2018)



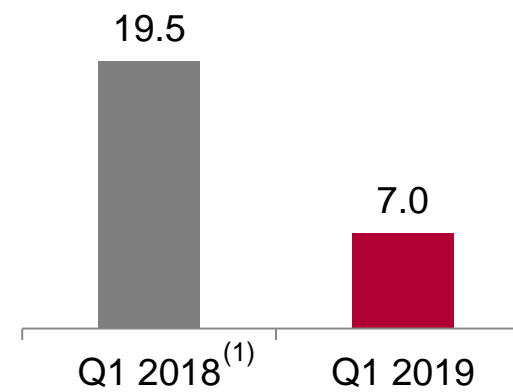
**Notes**

1. Including Trainees and work-study students
2. Adjusted base on new IFRS 16 Standard

## Operating CF [m€]



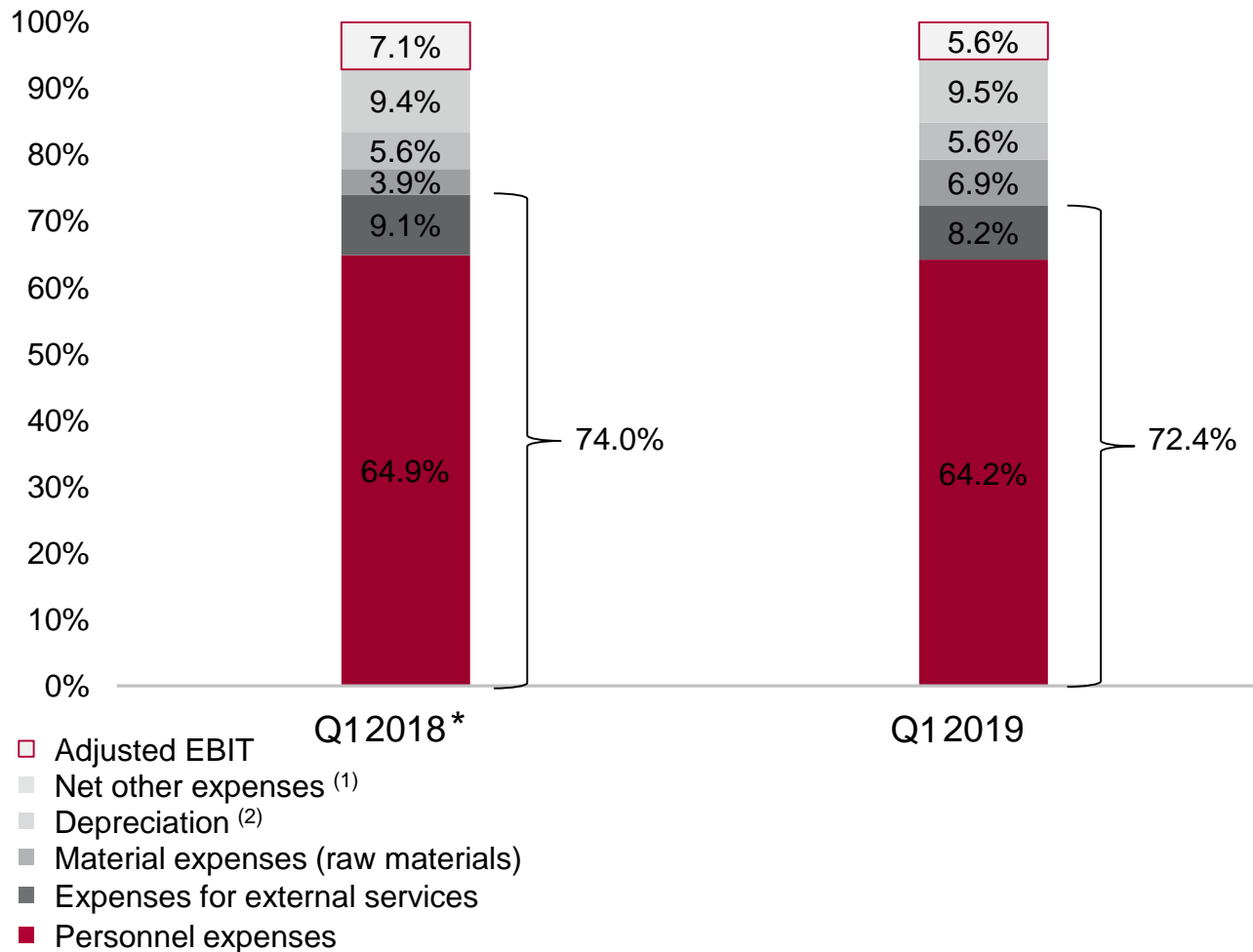
## Free CF [m€]



### Notes

1. Adjusted base on new IFRS 16 Standard

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

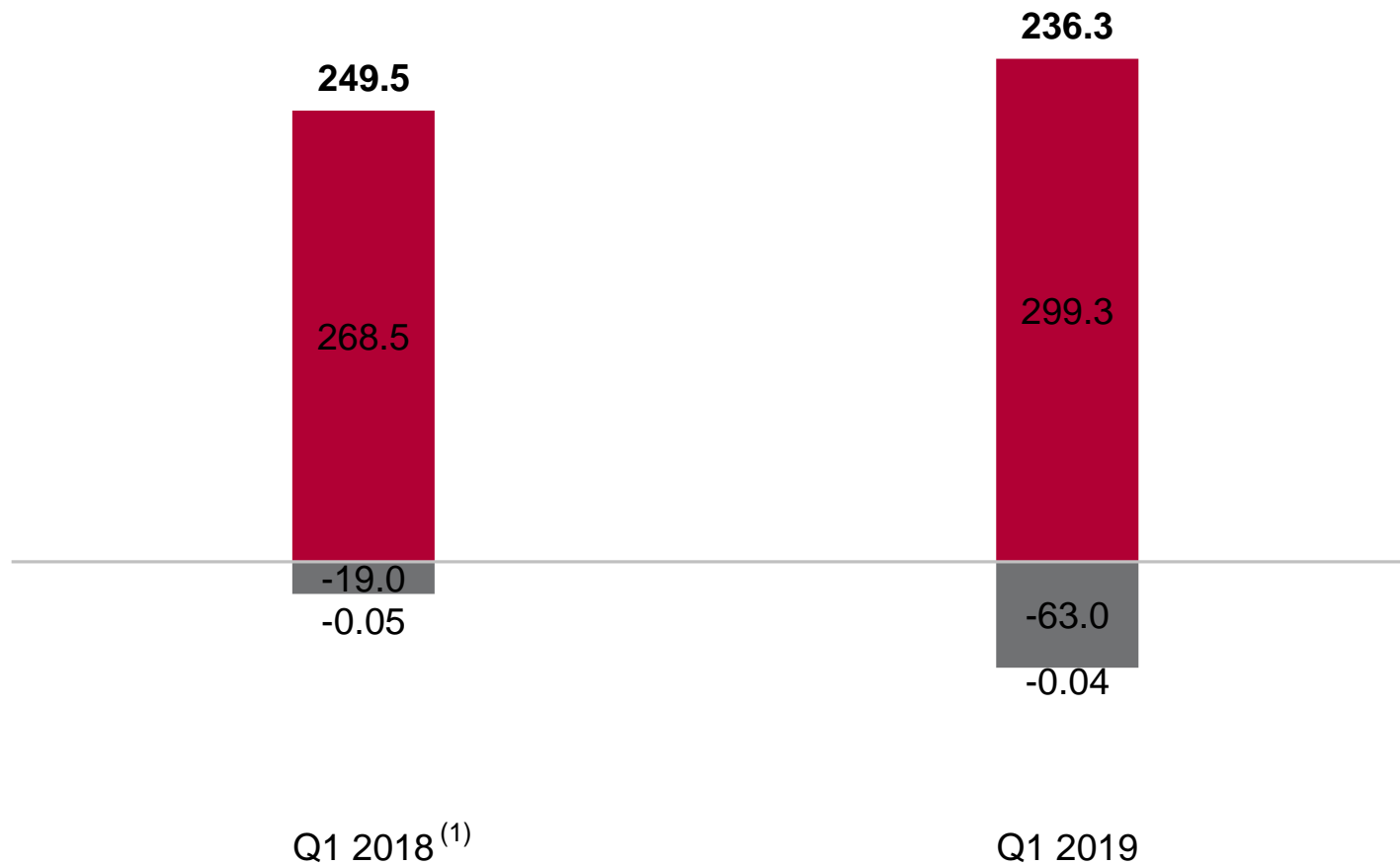


**Notes**

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



## Net financial debt [m€]



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

**Notes**

1. Adjusted base on new IFRS 16 Standard

- Research & Development budgets of all major OEM remain on a high level.
- World economy and global car markets with signs of a cooling down.
- Established OEMs are optimising their product portfolio and their R&D outsourcing strategy. In this phase some project delays occur.
- ESP market with a projected CAGR of 4.6% until 2022 remains positive and intact, mid-term.
- Overall outsourcing to ESP is expected to grow mid-term, but pricing remains under pressure.
- Situation in the PS segment remains challenging. Sales and cost measures initiated.
- For the full year 2019, we expect revenues to grow up to 5% and an adjusted EBIT-margin at the lower end of 5-7%.

# Questions / Answers





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