

**YOUR GLOBAL MOBILITY
ENGINEERING EXPERTS**

EDAG ENGINEERING GROUP AG

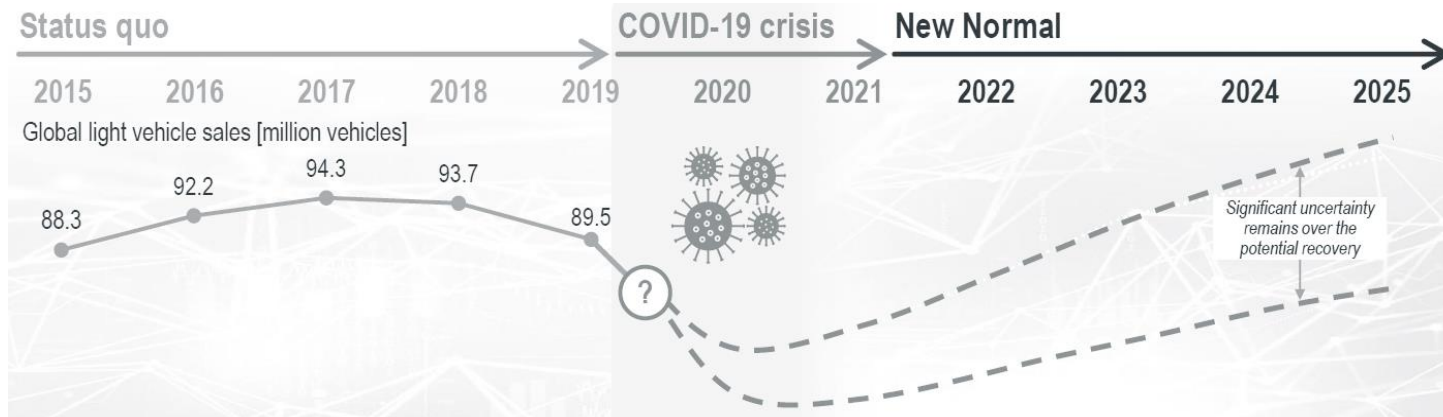
ANALYST-CALL H1 2020



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- Q2 showed worst effects of global Covid-19 pandemic
- Global car sales declined by more than 40% in Q2
- Profit warnings, savings programs and realignment of capacities announced by most of our customers
- Current ESP-market environment:
 - Focus on innovation projects in future mega trends.
 - Review of OEM model portfolio delays order placement.
 - New EV start-ups continue to emerge globally.
 - Short-term: volatile utilization and continued pricing pressure.
 - Mid-term: “New Normal” offers large potential for globally positioned digital ESP like EDAG.



Requirements for successful ESPs in a “New Normal”

- Flexibility and efficiency
- International footprint
- Digital expertise
- Innovative strength
- Holistic vehicle competence

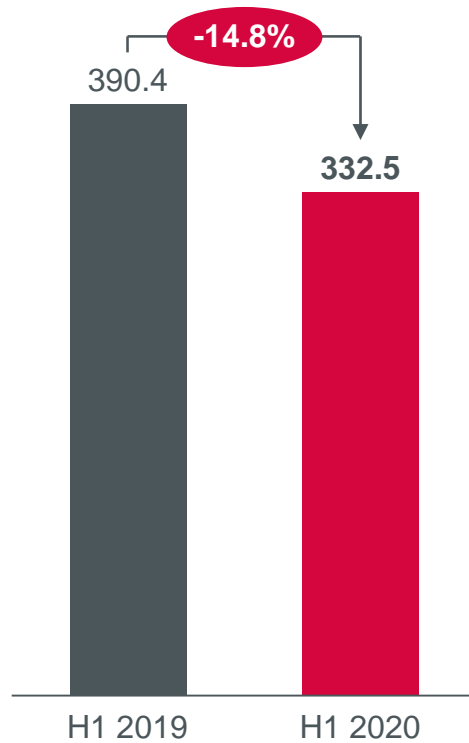
Changes in policy, consumer behavior and the economy will affect the industry long after the crisis:

- Pace of economic recovery will drive global volumes
- Stimulus and incentives to influence market and sales mix
- Trade policy will alter global supply chains and capital investment
- Political outcomes will steer environmental regulations
- Consumer preferences and social norms will be altered

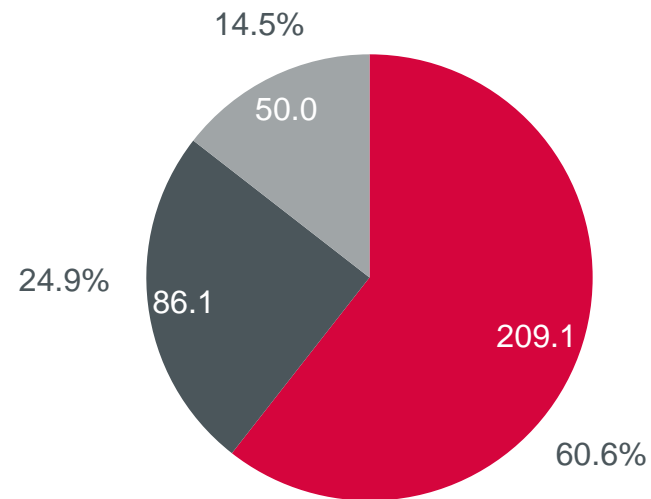
- Revenues at 332.5 m€ (-14.8%)
 - VE and PS impacted the most, E/E almost stable
 - Robust international business with new customers
 - Q2 expected to be the worst quarter in 2020
- Adjusted EBIT negative – one offs of 12.3m€ included
- Excellent Free Cash-Flow of 14.1 m€
- Net financial debt significantly reduced
- EDAG site in Ingolstadt to become Software/Digitalization Hub



Revenues [m€] ⁽¹⁾



Revenues by Segment [m€] ⁽²⁾



change to H1 2019

- Vehicle Engineering - 16.5%
- Electrics / Electronics - 0.1%
- Production Solutions - 14.4%

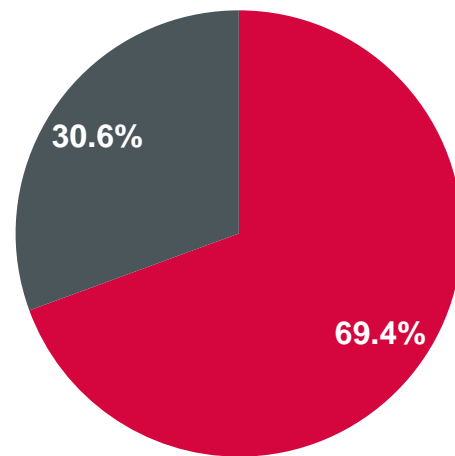
Notes:

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

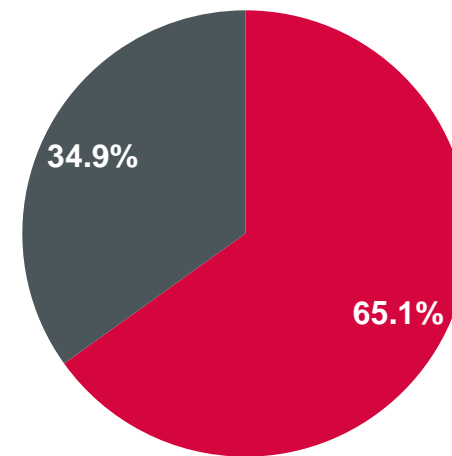
REVENUES BY REGION⁽¹⁾



H1 2019



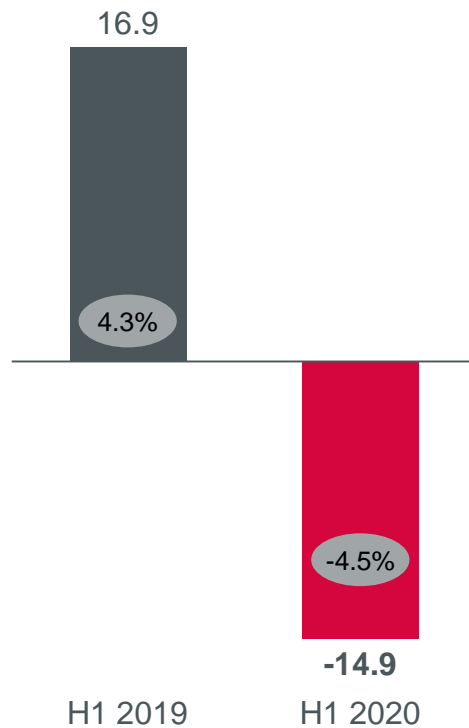
H1 2020



Notes:

1. Revenue defined as sales revenue plus change in inventories

Adjusted EBIT [m€]⁽¹⁾



Adjusted EBIT by Segment [m€]

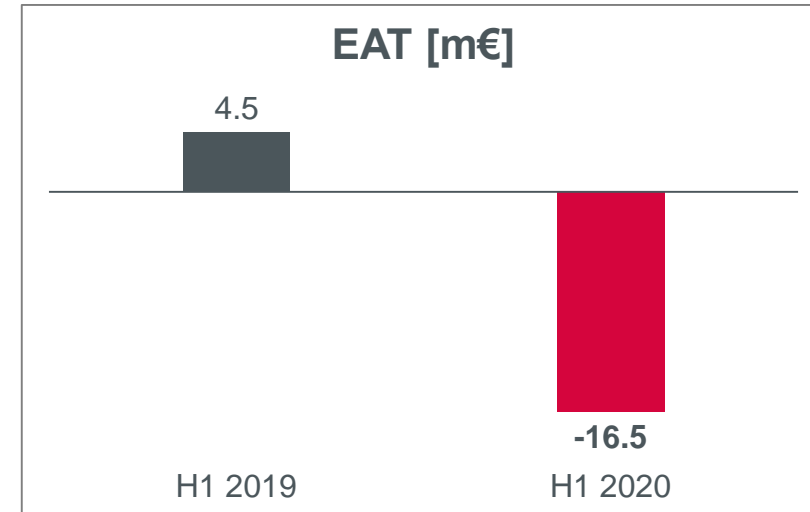
	H1 2019	margin	H1 2020	margin
Vehicle Engineering	16.5	6.6%	-11.9	-5.7%
Electrics / Electronics	5.8	6.7%	1.8	2.1%
Production Solutions	-5.4	-9.2%	-4.8	-9.7%

Notes:

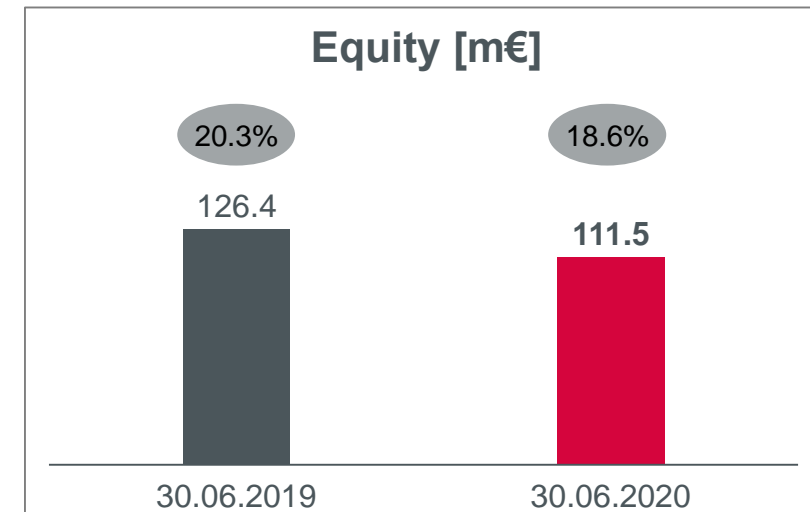
1. Adj. for one-offs (purchase price allocation, consolidation effects, restructuring, a. o.)

x.x% adjusted EBIT-Margin

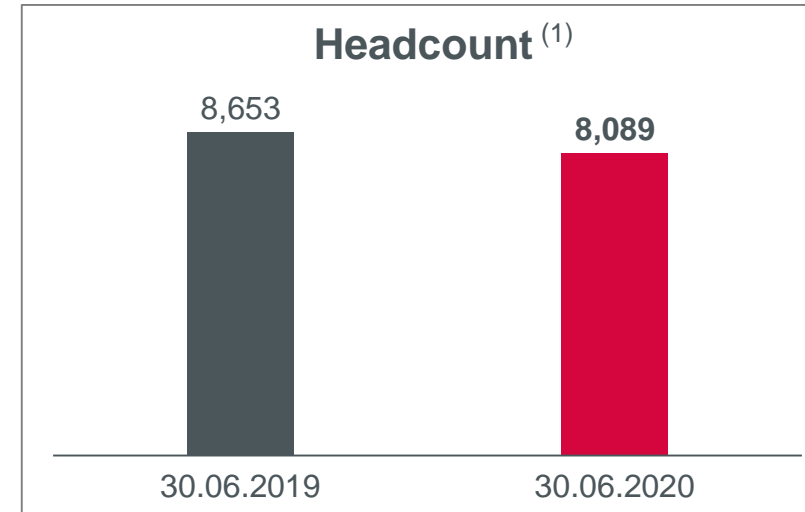
- EAT at -16.5 m€
- 12.3 m€ one-offs included



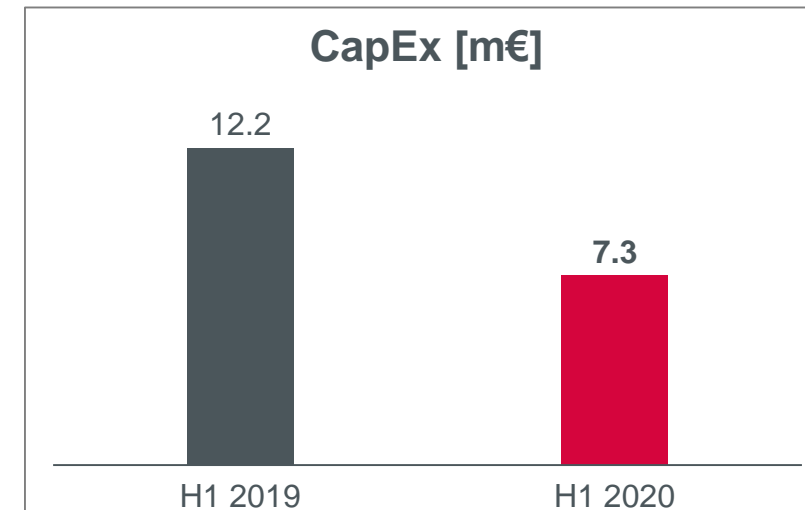
- Equity ratio decreased due to net loss



- Headcount down by 564 employees (yoy)
 - Down by 256 employees (qoq)
 - Further decrease in 2020 expected
 - Decline only in VE and PS, while E/E continues to outperform



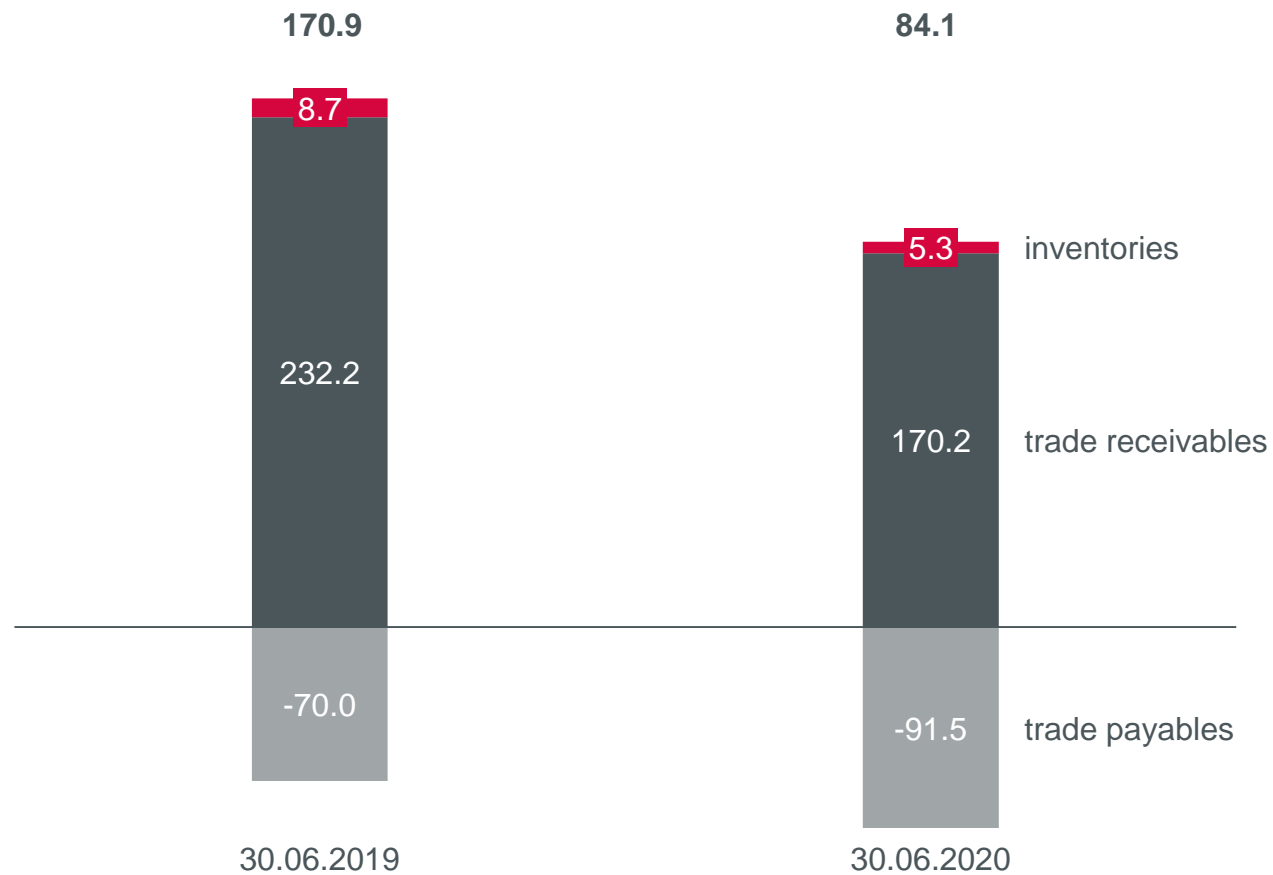
- CapEx down to 7.3 m€
- CapEx levels at about 2.2% of revenues
- Cost and savings measures implemented



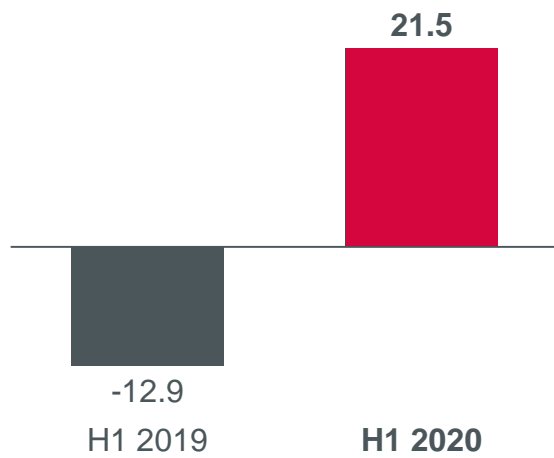
Notes

1. Including Trainees and work-study students

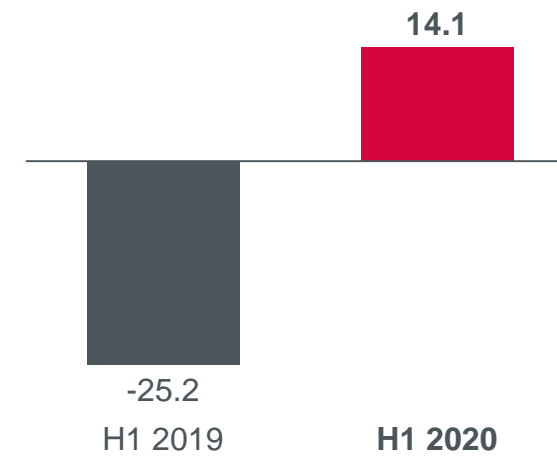
Trade Working Capital [m€]



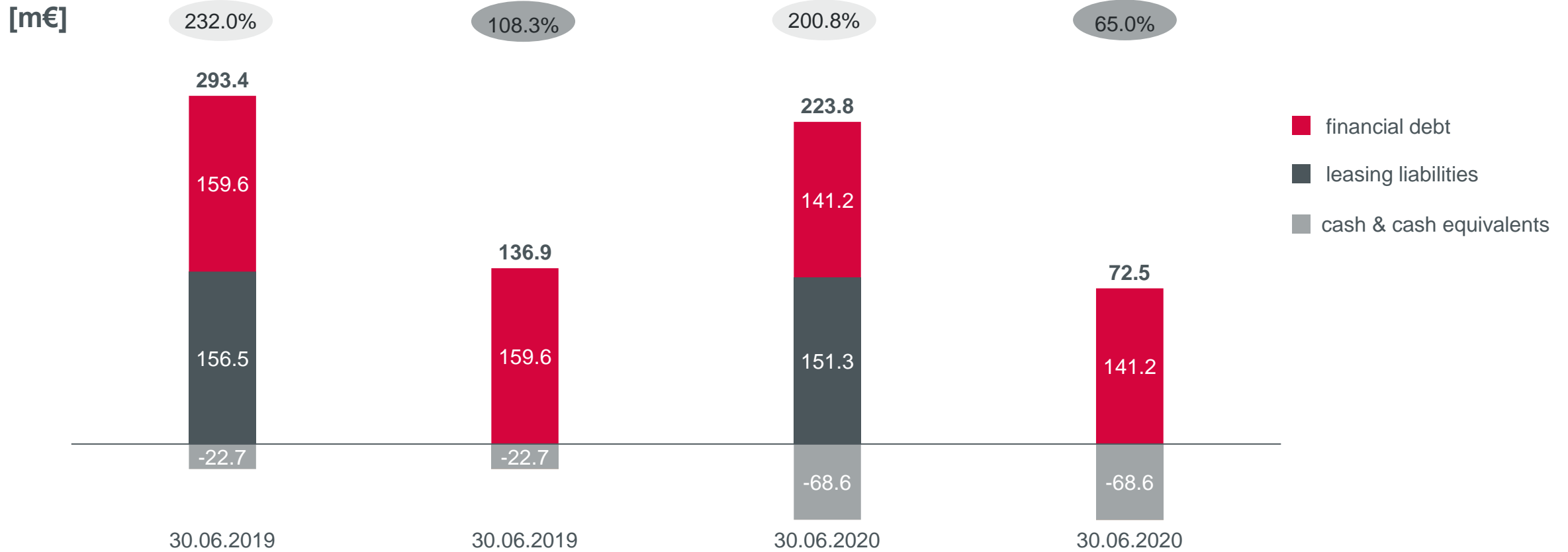
Operating CF [m€]



Free CF [m€]



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



Liquidity as of 2020/06/30 [m€]

▪ Cash & cash equivalents:	68.6
▪ Available credit lines:	102.8
<hr/>	
total:	171.4

Measures to counterbalance Covid-19 impact

- Strict cash- and cost management
- Short-time work (wherever necessary)
- Voluntary salary cuts at all Management levels in H2 2020
- Implementation of a performance improvement package
 - Closure of smaller sites and socially responsible reduction of jobs
 - Savings measures in procurement
 - Investments into training and reskilling measures
 - One-off costs of up to 12m€ in 2020
 - Savings of up to 13m€ from 2021

- 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.
- On the basis of the negative earnings after taxes (EAT) at June 30, 2020 and the year-on-year decline in order intake, as well as the restructuring expenses to be taken into account in the second half, it cannot be assumed that the accumulated loss can be compensated for in the course of H2.
- 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
