

FRIWO adjusts annual outlook based on declining demand – Joint venture in India on track following start of production

- Considerable decline in demand in Europe, especially in the e-mobility segment after boom year 2022
- Turnover and earnings in the second quarter noticeably below previous year's level
- Additional negative impact due to start-up costs for India joint venture and adverse currency effects
- Outlook 2023 adjusted: Group revenue of 120 - 130 million euros and balanced EBIT expected
- E-mobility joint venture in India on track after start of production, high order backlog promises great earnings potential from 2024 onwards

Ostbevern, 7 July 2023 – FRIWO - an international manufacturer of leading technical charging devices and e-drive solutions - has to adjust its full-year forecast for 2023 against the backdrop of a noticeable drop in demand in Europe, especially from the e-mobility segment. After the booming year of 2022, the company had already anticipated a significantly more subdued development and at the end of March 2023 published a revenue forecast corresponding to 140 - 160 million euros (2022: 185 million euros) with a slight increase in profitability. Following a significantly lower development in the second quarter compared to the previous year, the company's Executive Board has now reduced the annual targets for this financial year to 120 - 130 million euros revenue and a balanced EBIT (earnings before interest and taxes). This includes substantial costs for the start-up of the India joint venture and adverse currency effects.

General trend towards more e-mobility solutions continues

Based on a solid order backlog, FRIWO expects the development of demand from the e-mobility sector to pick up slightly in the second half of the year compared to the first half. In view of a continuing positive trend towards e-mobility drive solutions, FRIWO also expects a return to sustainable profitable growth from 2024. The Tools and Industrial segments are also affected by the poor economic development in Europe in 2023. Only the Medical segment is developing in line with the plans. In the medium term, however, the Executive Board believes that the growth trends in all segments of the Group are intact.

From 2024 onwards, earnings are then expected to pick up significantly due to the expected substantial profit contributions from the booming e-mobility business in India and a significant pick-up in business activity in Europe and North America.

"As anticipated, demand from the e-mobility sector this year cannot match the boom year of 2022. After the second quarter developed weaker than expected, we have to adjust our annual forecast for 2023. However, in view of a generally positive trend towards e-mobility solutions and earnings contributions from our joint venture in India expected from 2024 onwards, as well as growing business from North America, FRIWO is very confident of returning to a sustainably profitable growth path from the next financial year onwards," comments Rolf Schwirz, CEO of FRIWO AG.

Production for e-mobility solutions in India started in the second quarter

The basis for the great optimism is the continuing very high demand for e-mobility solutions for the dynamically growing market in India, which is served via the joint venture with UNO MINDA through a production plant near New Delhi. As previously announced, the production facility went into operation in the second quarter of 2023 and supplies the first Indian two- and three-wheeler manufacturers with e-drive solutions. These include the necessary hardware as well as a suitable software architecture. The joint venture, in which FRIWO holds a 49.9% stake, has already received its first order from a Japanese customer, in addition to incoming orders and letters of intent in the mid three-digit million euro range from regional customers. Further contracts are expected to be signed in India and with Japanese producers in the coming quarters. The joint venture is aiming for a market-leading position in the booming Indian e-mobility market for two- and three-wheeled vehicles, through which a large part of mobility in India takes place. Industry experts estimate the addressed market volume at around 4.5 million vehicles by 2027.

FRIWO will publish its report on the first six months of the 2023 financial year on 10 August 2023 as planned.

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About FRIWO:

Listed in the General Standard of the Frankfurt Stock Exchange, FRIWO AG, headquartered in Ostbevern, Westphalia, is an international manufacturer of technically leading chargers and e-drive solutions. Founded in 1971, the company has evolved from a supplier of power supply products to a full-service provider of sophisticated and customized solutions for e-mobility. Today, the product portfolio includes not only high-quality power supply solutions, but also battery charging solutions for a wide range of applications. In addition, all components of a modern electric drive solution are also available: from the display to the motor control and drive unit to the control software. With modern development centers, production facilities and sales locations in Europe, Asia and the USA, FRIWO is present in all the world's major markets. FRIWO's key customers are leading brands in their respective markets and rely on FRIWO products to provide their customers with the highest quality. The main shareholder of FRIWO AG is a subsidiary of VTC GmbH & Co. KG, Munich. For further information please visit our website at <https://www.friwo.com>.