

## **FRIWO reports 52 % increase in revenue and half-year turnaround in earnings due to strong e-mobility performance**

- Half-year revenue increases by 52 % from 48.2 million euros in the same period last year to 73.2 million euros
- EBIT turnaround to 0.1 million euros in spite of perceptible pressure on materials expenses. Second quarter also profitable after taxes
- Order book reaches all-time high of 127.0 million euros
- E-mobility joint venture with UNO MINDA Group in India encounters very strong customer interest; Letters of Intent signed for a medium-sized double-digit million euro figure
- Balance sheet quality improved, equity ratio at a solid 20.4 %
- Forecast for 2022 as a whole increased to a growth in revenues in the double-digit percentage range, slightly positive full-year result is anticipated

**Ostbevern, 11 August 2022** – FRIWO Group was able to maintain its dynamic revenue growth in the second quarter of 2022. Boosted primarily by high demand in the e-mobility business and positive developments in the other three segments, the quarterly revenue climbed by 52 % from 29.0 million euros to 44.2 million euros. The positive performance was still hampered by ongoing bottlenecks in the availability of major electronic components and COVID-19-related logistical issues. In spite of the significant increase in costs resulting from these developments, which are passed on to customers only in part and in a dialogue in a spirit of partnership, FRIWO has succeeded in achieving a turnaround to profitability. In the quarter under review, the earnings before interest and taxes (EBIT) increased from minus 1.0 million euros to plus 1.1 million euros. At mid-year, the operative profit increased from minus 2.7 million euros to plus 0.1 million euros. FRIWO also reported a plus of 0.5 million euros after taxes in the months April to June (Q2-2021: minus 1.6 million euros). As demand continues to be high, FRIWO also anticipates a positive performance for the full year. Revenues are projected to increase in a medium double-digit percentage range (2021: 100.5 million euros) and therefore by more than previously assumed.

„Our portfolio of services is encountering particularly dynamic customer interest in the e-mobility sector. We therefore expect a revenue increase in 2022 as a whole and, in spite of ongoing cost pressure; we continue to expect a slightly positive result. There is also very strong customer demand for our e-mobility joint venture in India. Therefore we are very

confident for the financial years 2023 and beyond," comments Rolf Schwirz, Chairman of the Board of FRIWO AG, this development.

### **Order book at an all-time high of 127 million euros**

The confidence regarding the second half of the financial year is primarily based on the continuing high demand for e-mobility drive solutions. Therefore, the group's order intake as of 30 June 2022 increased by 44.5 % from 65.0 million euros to 93.9 million euros in a six-month comparison, and thus indicates further growth. The order book leapt to an all-time high of 127.0 million euros (H1-2021: 60.4 million euros). The positive business development is also reflected in the strong increase in headcount, which grew year-on-year from 2,182 to 2,646. Of this number, more than 90 % are located in the Far East, primarily in Vietnam.

### **Balance sheet quality improved considerably, equity ratio rises to a solid 20.4 %**

The capital increase in the course of the stake of the Indian joint venture partner UNO MINDA and FRIWO at the end of June resulted in an increase of 15 million euros in equity. The equity ratio will therefore increase to 20.4 % (31/12/2021: 11.9 %). Moreover, a prolongation of the current financing agreements with the house banks could be concluded up until the end of 2023. This completes the measures to stabilise the financing initiated in 2021. In addition to further improving the balance sheet quality, the company will also focus on the improvement of cash flow and working capital in the second half of the year. The last mentioned has increased significantly due to material bottlenecks and high demands at the same time.

### **High demand for e-mobility drive systems in India - aiming for market leadership for electric two- and three-wheelers**

The joint venture with the UNO MINDA Group to supply e-mobility drive systems for two- and three-wheelers is encountering very high demand in India. Thus, in the second quarter, letters of intent concerning the supply of e-mobility drive solutions for well-known Indian vehicle manufacturers were signed, which should result in sales in the medium double-digit million-euro range. Promising negotiations on further contracts are also ongoing with world-leading manufacturers of two- and three-wheelers in Japan. The construction of a manufacturing plant south of Delhi is already underway and is expected to start operations in the first half of 2023. The joint venture – in which FRIWO owns 49.9 % – is targeting a leading role in the huge electric two- and three-wheeler market in India. FRIWO anticipates first earnings and cash flow from licensing revenues from the 2023 financial year onwards.

**Full-year forecast for 2022: Sales expected to grow in the medium double-digit range and earnings to be on the positive side**

The continuing high demand and the record order book at the half-year are a sound basis for a continued positive development in the second half of 2022. Notwithstanding the continued tense situation on the international supply markets and the uncertainties concerning possible negative impacts from the Ukrainian crisis and the progress of the COVID 19 pandemic, the Executive Board is raising its expectations for growth in Group revenue in 2022 to a medium (so far: low to medium) double-digit percentage range. In addition, a slightly positive Group EBIT also remains to be projected. FRIWO is also confident of generating sustainably profitable growth in the years to come.

The 2022 half-year financial report and additional information on the company are available on the website: [www.friwo.com/en/about/investor-relations/](http://www.friwo.com/en/about/investor-relations/)

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## FRIWO Group at a Glance

in million euros	H1-2022	H1-2021	Q2-2022	Q2-2021
Revenue	<b>73.2</b>	48.2	<b>44.2</b>	26.1
Order intake	<b>93.9</b>	65.0		
Orders on hand	<b>127.0</b>	60.4	<b>127.0</b>	60.4
Earnings before interest and taxes	<b>0.1</b>	-2.7	<b>1.1</b>	-1.1
EBIT margin in percent	<b>0.2</b>	-5.7	<b>2.6</b>	-4.4
Profit before tax (PBT)	<b>-0.9</b>	-3.7	<b>0.7</b>	-1.6
Earnings after taxes	<b>-1.1</b>	-3.6	<b>0.5</b>	-1.6
Earnings per share in Euro	<b>-0.13</b>	-0.47	<b>0.06</b>	-0.21
Capital expenditure	<b>2.2</b>	1.0	<b>1.2</b>	0.7

in million euros	30/06/2022	31/12/2021
Balance sheet total	<b>116.3</b>	75.7
Equity	<b>23.7</b>	9.0
Equity ratio in percent	<b>20.4</b>	11.9
Employees (as at reporting date)	<b>2,646</b>	2,182

### About FRIWO:

The listed FRIWO AG (General Standard, Frankfurt) with its headquarters in Ostbevern/Northrhine Westphalia is an international manufacturer of technically leading power-supply devices and e-drive solutions. FRIWO provides a whole host of applications with tailored systems from a single source. FRIWO, founded in 1971, has transformed itself from a provider of power-supply products to a full line supplier of sophisticated and tailored e-mobility solutions. Today, the product portfolio does not only include premium power supply solutions, but also battery charging solutions for a wide range of applications. Furthermore, all components of a modern electric drive solution are also available: from the display, motor control unit and drive unit to the control software. With modern development centers, manufacturing facilities and sales locations in Europe, Asia and the US, FRIWO is present in all of the world's key markets. FRIWO's key customers are leading brands in their respective markets and have embedded FRIWO products in order to provide superior quality to their customers. 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/en/>