

## **FRIWO with expected solid start in 2023 – E-mobility joint venture in India starts production at the end of May 2023**

- First-quarter sales increase to 30.8 million euros year-on-year, despite difficult conditions
- Earnings down as expected due to inflation-related higher material and personnel costs, start-up costs for India joint venture and negative currency effects
- Balance sheet quality further improved; equity ratio rises to 24.3%
- E-mobility joint venture in India starts production as announced by the end of May 2023
- Outlook 2023: Group sales at 140 – 160 million euros and slight increase in profitability expected
- Major sales and earnings potential from 2024 thanks to strong growth in and around India and in North America

**Ostbevern, May 10, 2023** – FRIWO succeeded in increasing Group sales in the first quarter of the year by 6% to 30.8 million euros (Q1-22: 29.0 million euros) despite the recessionary tendencies in important sales markets that had been announced and were also expected in this way. Due to necessary upfront costs for the e-mobility joint venture in India in the low single-digit million euro range, negative currency effects and inflation-related, substantially higher material and personnel costs, FRIWO again reported negative EBIT (earnings before interest and taxes) of -1.4 million euros in the reporting quarter (Q1-22: -1.0 million euros). As expected, a minus of 2.2 million euros was also realized after taxes (Q1-22: - 1.6 million euros). Due to the recovery in business expected above all in the second half of the year, the Executive Board remains cautiously optimistic for the full year 2023 and confirms the forecast of being able to achieve consolidated sales of 140 – 160 million euros (comparable prior-year figure ~146 million euros). For Group EBIT, FRIWO expects earnings at the prior-year level and thus an improved return on sales. This figure also includes the start-up costs for the joint venture in India. From 2024 onwards, a strong earnings recovery is expected due to the anticipated significant profit contributions from the booming e-mobility business in India.

### **Production for e-mobility solutions in India to start as announced at the end of May**

The basis for this great confidence is the unchanged very high demand for e-mobility solutions for the dynamically growing market in India, which is to be served via the joint venture with UNO MINDA through a production facility near New Delhi. As communicated, the production plant will be operational by the end of May 2023. Complete system solutions

in the field of e-drives are manufactured there in an area of around 15,000 square meters, comprising the necessary hardware and the appropriate software architecture. The joint venture, in which FRIWO holds a 49.9% stake, can already report order intake and letters of intent for more than 400 million euros from Indian two- and three-wheeler producers. Further contracts are expected to be signed in India, from neighboring countries and also with Japanese producers in the coming quarters. Promising talks are already underway for this. The joint venture aims to become a market leader in India's booming e-mobility market for two- and three-wheeled vehicles, through which a large proportion of mobility in India takes place. Industry experts put the market volume addressed at around 4.5 million vehicles by 2027.

FRIWO is also registering pleasing demand from the e-mobility and medical technology sectors from the sales branch in the USA, which was only founded at the end of November 2022 in Ohio.

"We are very proud to have launched one of the most advanced facilities for e-mobility solutions in India within one year with our joint venture partner UNO MINDA. This will enable us to exploit the huge potential of the Indian market and we expect this to generate high earnings contributions from 2024 at the latest," comments Rolf Schwirz, CEO of FRIWO AG.

### **Solid order backlog, but below previous year**

After the record year, as expected, there has been a certain market saturation for electric bicycles in Europe at the beginning of 2023; nevertheless, FRIWO continues to report a solid order backlog of 77.6 million euros as of March 31, 2023, but noticeably below the comparable prior-year figure (100.4 million euros). Order intake of 26.4 million euros in the reporting quarter was slightly lower than in Q1-22 (30.6 million euros). All segments showed a solid performance, indicating that the targets for the year will be achieved. Due to the temporary slowdown in growth momentum in the first half of the year, the number of employees, particularly at the four sites in Vietnam, fell to 2,207 at the end of the first quarter (December 31, 2022: 2,501).

### Strengthening of balance sheet quality continues

FRIWO will continue on its path of balance sheet solidity in 2023. After the equity ratio had increased significantly from 11.9% to 23.7% in fiscal year 2022, it was again improved slightly to 24.3% in the first quarter of 2023. The balance sheet total of the FRIWO Group decreased noticeably from 105.0 million euros as of December 31, 2022 to 92.3 million euros, in particular due to the significant reduction in receivables and payables. With the successful introduction of a Group-wide SAP system in the first quarter, FRIWO reached an important milestone for greater efficiency and created a good IT foundation for the planned future growth.

Further information on the company can be found on the website:

<https://www.friwo.com/en/about/investor-relations/>

### FRIWO Group at a glance

in million euros	1-3/2023	1-3/2022
Revenue	30.8	29.0
Earnings before interest and taxes (EBIT)	-1.4	-1.0
EBIT margin in percent	-4.7	-3.5
Earnings before taxes (PBT)	-2.2	-1.6
Earnings after taxes	-2.2	-1.6
Earnings per share in euros	-0.26	-0.20
Capital expenditures	1.4	1.0

  

	03/31/2023	12/31/2022
Balance sheet total	92.3	105.0
Equity	22.4	24.9
Equity ratio in percent	24.3	23.7
Employees (end of period)	2,207	2,501

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**About FRIWO:**

FRIWO AG, listed in the General Standard of the Frankfurt Stock Exchange and headquartered in Ostbevern/Westphalia, is an international manufacturer of technically leading chargers and e-drive solutions. FRIWO offers a whole range of applications with customized systems from a single source. Founded in 1971, the company has evolved from a supplier of power supply products to a full-range provider of sophisticated and customized solutions for electromobility. 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 most important 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 more information, please visit our website at <https://www.friwo.com>.