

Improved order intake in Q2 at FRIWO points to an upturn in the second half of 2024 – general growth trend in e-mobility intact

- Group revenue in the first half of the year characterized by weak demand for e-mobility, revenue falls by 31% to 40.8 million euros
- Half-year EBIT loss limited to -3.0 million euros thanks to cost efficiency measures
- E-mobility joint venture in India to double sales in the current financial year
- Outlook for 2024 confirmed in view of increasing order intake, with consolidated sales of 100 to 120 million euros and balanced EBIT

Ostbevern, August 8, 2024 – FRIWO – an international manufacturer of technologically leading chargers and e-drive solutions – can look forward to the anticipated upturn in business in the second half of the year in view of an increase in incoming orders from 41.8 million euros to 43.7 million euros in the first half of the year. Excluding the activities at the Ostbevern site that were no longer taken into account following the separation of activities, the increase would have been significantly higher. At the same time, rising demand in the e-mobility and tools segments points to a turnaround. In general, FRIWO confirms the fundamentally positive growth expectations for the Group's e-mobility offerings and services. However, the operating performance in the first half of 2024 was still characterized by the persistently weak demand in Europe in the e-mobility, industrial and tools segments. Group sales fell from 59.7 million euros in the same period of the previous year to 40.8 million euros after six months. The drop in sales, further start-up costs for the Indian joint venture and one-off expenses for the adjustment of production structures were partially offset by improved cost efficiency, primarily due to the optimization of the locations in Vietnam and Ostbevern, particularly in terms of personnel costs. As a result, the EBIT loss (earnings before interest and taxes) was limited to -3.0 million euros (H1-2023: -1.7 million euros). After taxes, there was a loss of -4.9 million euros (H1-2023: -3.7 million euros).

"The upturn in demand, particularly in the areas of e-mobility and tools, makes us cautiously confident that we can expect to see a positive revenue trend in the second half of the year and that we will break even as planned. However, it is still too early to sound the all-clear. Our India joint venture continues to perform very well, and we are also meeting with great interest in the talks we have already announced with partners for other Asian countries," commented Rolf Schwirz, CEO of FRIWO AG, on the development.

Number of employees down significantly following location optimization

Although incoming orders are picking up, the order backlog of 48.1 million euros as at June 30, 2024 is still well below the previous year's level (63.9 million euros). As communicated, FRIWO has responded to the weak sales by selling the production activities remaining at the Ostbevern site to a holding company and acquiring assets and materials for component production near Saigon from a Hong Kong company. Since then, the acquirers have acted as suppliers for the products and system solutions manufactured by FRIWO. Accordingly, the number of employees fell significantly to 1,060 in mid-2024, compared to 1,701 six months earlier.

The FRIWO Group's total assets amounted to 66.9 million euros as of June 30, 2024, compared to 74.3 million euros as of December 31, 2023. The equity ratio fell from 17.1% to 11.5%. FRIWO is solidly financed until the end of 2025 thanks to the extension of the existing syndicated loan and shareholder loans obtained in the previous year.

Outlook for 2024 confirmed in view of increasing demand

The Management Board of FRIWO AG confirms the annual forecast for 2024 despite the weaker sales performance in the first half of the year and in view of the recovery in incoming orders. Consolidated sales of 100 to 120 million euros and a roughly balanced consolidated EBIT are expected, and the operating break-even point is expected to be reached again in the course of the year. The prerequisite for this is the expected revival in demand in the second half of 2024, particularly for e-mobility and tools. As already evident at the half-year stage, the cost efficiency measures and the easing of material and energy costs will have an increasingly positive impact. The result includes further up-front costs for the establishment of the joint venture in India, which is operated together with the Indian UNO MINDA Group and in which FRIWO holds a 49.9% stake. The joint venture expects to double its business volume in the current Indian financial year 2024/2025 compared to 2023/2024. Looking to the future, FRIWO is stepping up its international activities with a focus on the US business and Europe outside the DACH region.

Further information on the company can be found on FRIWO's investor relations pages at:
<https://www.friwo.com/en/about/investor-relations/>

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FRIWO Group at a Glance

in million euros	H1-2024	H1-2023
Revenue	40.8	59.7
Earnings before interest and taxes (EBIT)	-3.0	-1.7
EBIT margin in percent	-7.3	-2.8
Profit before tax (PBT)	-4.7	-3.3
Earnings after taxes	-4.9	-3.7
Earnings per share in euros	-0.57	-0.43
Capital expenditure	0.5	2.7

	30/06/2024	31/12/2023
Balance sheet total	66.9	74.3
Equity	7.7	12.7
Equity ratio in percent	11.5	17.1
Employees (as at reporting date)	1,060	1,701

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 centres, 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>.