

Hagen, Germany, on 3<sup>rd</sup> June, 2020

### **Adler Pelzer Group – Update on current trading, constructive management actions of the APG team and delay on Q1 2020 result publication**

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#### **Highlights of press release**

- Guidance for Q1 2020 – Sales of €290million, EBITDA of €20.5 million, representing 7% EBITDA margin
- Majority of plants now reopened with no disruption to our customers
- Sales in China return to budget levels in May with the majority of our production facilities being beyond 90% capacity
- Cash on balance sheet as at 30<sup>th</sup> April 2020 in the range of €125 - €130 million<sup>1</sup>
- CapEx expenditure confirmed at €25 million for FY 2020
- Q1 2020 results delayed due to short time working throughout the Group

#### **Current Update on Trading**

Adler Pelzer Group believes market conditions for the auto supplier industry will fall by approximately 15 – 20% in 2020.

Since the last announcement, the Adler Pelzer Group has been focused on resuming production across its facilities. As of today the majority of its plants have already restarted operations and the Adler Pelzer Group expects all or substantially all the remaining plants to restart during the course of June (each at staged capacity levels depending on location). The Adler Pelzer Group is pleased to note that in China production has already returned to beyond 90% capacity.

#### **Actions to mitigate expenses and reduce capital expenditure for 2020**

Due to the current situation, the management of the Adler Pelzer Group have taken strong management actions to mitigate costs and protect its cash flow, such as the use of short time working schemes, savings on materials, salary cuts and steep reductions to indirect costs such as rents, leases and consultancy costs. Each cost item has been aggressively analysed to ensure that all non-essential costs have been eliminated.

The management team of the Adler Pelzer Group were able to act so effectively due to the already announced 'Fit to Market' initiative identified in 2019. On this basis the Adler Pelzer Group has been able to revise its budgeted capital expenditure for 2020, which will be within the range of €25 million for the current year.

#### **Control of our Liquidity is our main priority**

The Adler Pelzer Group is striving to secure additional liquidity by tapping funding schemes of public sector banks, such as KfW Germany, or facilities that benefit from government support in the forms of guarantees, these measures totalling in the range of €60 - €70 million.

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<sup>1</sup> Including all cash at JVs in which Adler Pelzer Group has a share

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With the strict management actions in place, the Adler Pelzer Group is proactively managing working capital during this crisis period, by focusing on the accelerated collection of receivables and prioritising cash out flows to ensure they are in line to support the start-up of our customers.

As at the 31<sup>st</sup> December 2019 the Adler Pelzer Group had cash of between €140 - €145 million, as at the 31<sup>st</sup> March 2020 €120 - €125 million, and as at the 30<sup>th</sup> April 2020 €125 - €130 million<sup>2</sup>.

The Group continues to believe its current liquidity situation is adequate. In addition, the Group is in touch with its relationship finance partners and is assessing the availability of financing made available or supported by local governments in certain of its regions.

### Delay in Q1 2020 Financial Statements

Further to the announcement on 27<sup>th</sup> April, 2020, Adler Pelzer Group today provided a financial reporting update that it expects to report its 2019 results around 30<sup>th</sup> June, 2020 as previously announced but that this delay will also affect publication of its Q1 2020 results until later in the year.

The postponement of financial reporting is due to the unprecedented global health crisis in the reporting periods caused by COVID-19 and governmental measures in almost all of the countries where Adler Pelzer Group operates, which has affected operations and has meant that the collection of information across 67 locations and 17 countries required to finalise the Group's financial statements has not been available to management and its auditors though this information is now being collected.

For guidance, the Adler Pelzer Group confirms that for Q1 2020 total sales were €290 million and expected EBITDA of €21 million and an EBITDA percentage of 7% margin, compared to Q1 2019 whereby the Adler Pelzer Group saw higher sales of €351 million EBITDA of €23 million and an EBITDA percentage of 6.5% margin.

Based on the above, considering the impact of Covid 19 on the operations within China which impacted sales towards the end of February and completely in March, the Adler Pelzer Group views operational performance as substantially equivalent compared to the prior year comparable period.

### Contact Investor Relations

Silvia Miglio, investors@pelzer.de

### Contact Adler Pelzer Holding GmbH

F. Thébaud, Communications, +49 173 290 34 08

### ABOUT ADLER PELZER GROUP

Adler Pelzer Group is a worldwide leader in design, engineering and manufacturing of acoustic and thermal components & systems for the automotive sector. With key value-added activities in-house, we deliver components optimizing acoustic performance and increasing thermal efficiency of vehicles. We engineer products to each specific vehicle need of our customers. Headquartered in Hagen, Germany, we have built a network of manufacturing plants, research and design facilities close to the main automotive hubs in the major geographic regions, in more than 70 locations with over 11,000 employees worldwide and sales of 1.47bn€ in 2018.

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<sup>2</sup> In each case, Including all cash at JVs in which Adler Pelzer Group has a share

### Forward Looking Statements

*This press release includes forward looking statements. Such statements are generally not historical in nature, and specifically include statements about the Adler Pelzer Group's plans, strategies, business prospects, changes and trends in its business and the markets in which it operates. Certain of these statements are based on unaudited financial information and certain other financial information which is under ongoing preparation. These statements are made based upon management's current plans, expectations, assumptions and beliefs concerning future events impacting the Adler Pelzer Group and therefore involve a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, which speak only as of the date of this press release. Consequently, no forward-looking statement can be guaranteed. The Adler Pelzer Group undertakes no obligation to update any forward looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.*

*This press release constitutes a public disclosure of inside information by Pietro Lardini, Chief Executive Officer, on behalf of Adler Pelzer Holding GmbH, under Regulation (EU) 596/2014 of 16 April 2014.*

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