

P R E S S R E L E A S E

Eberspaecher Group 2020 fiscal year and outlook for 2021

- **2020 impacted by the economic effects of the Coronavirus pandemic**
- **2021 under the sign of transformation**
- **Exhaust Technology Division becomes ‘Purem by Eberspächer’**

Esslingen, May 19, 2021 – **Following the 2020 fiscal year, which was heavily impacted by the economic effects of the Coronavirus pandemic, the current year is under the sign of transformation for Eberspaecher Group. The biggest Division, Exhaust Technology, will change to a more independent operational structure and conduct business under the name of ‘Purem by Eberspächer’ in the future.**

All three Divisions of Eberspaecher Group were affected by massive revenue slumps in 2020 due to the Coronavirus pandemic. However, this does not show in consolidated revenue. At around EUR 4.9 billion, it is only marginally down year-on-year (-1.1%). This small decrease was due to the increased prices of precious metals, which are used in catalytic converters. Net revenue, which does not take into account these effects, is 16.4% down year-on-year. This decrease reflects the global slump in vehicle sales. In 2020, global passenger cars sales decreased by 15% and by almost 24% in Europe. Despite the difficult market environment, operating profit (EBIT) of EUR 33.5 million was generated by quickly implementing comprehensive cost reductions. Eberspaecher created a package of measures, which includes necessary restructuring expenses, and therewith the conditions that are required for going strengthened into the future. Consolidated net income after taxes amounted to EUR - 53.1 million. More than 82% of revenue was generated outside of Germany. The Group employs an average of 9,902 (-0.3%) persons globally at 80 sites. Great momentum developed in the automotive industry and its technologies as well as in global trade and the economy in the past year, and not just

because of the Coronavirus pandemic. “We are in a phase of transformation. We actively shape this in line with our corporate strategy, MOVE,” explains Martin Peters, Managing Partner, with a view toward the future.

Exhaust Technology becomes ‘Purem by Eberspächer’

The Exhaust Technology Division generated around EUR 4.4 billion in revenue in the past year. In Mexico, India, and China, additional production sites were started up. New products were developed for Clean Mobility and compliance with the upcoming emission standards. Eberspaecher thus provides systems which shorten the cold start phase and therefore increases the efficiency of the exhaust emission conversion even further and decrease NOx emissions by up to 90% under test conditions.

In the future, the Exhaust Technology Division will be known as ‘Purem by Eberspächer’ in the market. By changing the Division’s name, the automotive supplier strengthens the operational independence of the Division and opens up the possibilities for global collaborations with other companies. “We are currently seeing great changes in the global automotive industry and economy and we are acting proactively in response,” comments Martin Peters about the strategic alignment. Eberspaecher expects a consolidation in the supplier industry, particularly with regard to mature markets and products, where global alliances will be increasingly popular. The family-owned company clearly stands by its core business and remains the owner of Purem by Eberspaecher. Dr. Thomas Waldhier, who has been managing the Exhaust Technology Division since 2012, remains responsible for operational management. Eberspaecher’s objective remains to grow from the Group’s core. “Purem by Eberspaecher is a strong pillar of our Group. The subsidiary generates means for further developing emission aftertreatment technologies and its international presence as well as for growth with new business sectors and technologies,” explains Martin Peters regarding the transformation. He adds: “Our Group operates successfully in diverse markets and has an extremely broad product portfolio for this purpose. The new brand will show this in a more organizationally differentiated manner.”

For further information on ‘Purem by Eberspächer’, please read the separate press release.

Transformation with innovation and products for megatrends

In 2020, further transformational steps include the targeted development of innovations for tapping new products and markets. Eberspaecher invested in two start-ups in the past year. The Group is currently further advancing its activities in three defined search fields, 'Thermal Comfort for Mobility', 'Urban Mobility Solutions' und 'Hydrogen for Mobility', through its Business Innovation unit. Eberspaecher aims for a comprehensive view of mobility in this respect.

The two Divisions, Climate Control Systems and Automotive Controls, develop key technologies for future mobility. In the 2020 fiscal year, they generated revenue in the amount of EUR 483.8 million (Climate Control Systems) and EUR 50.2 million (Automotive Controls). These figures were down year-on-year due to the Coronavirus crisis. "It is, and will always be, our intention to successfully grow with these two Divisions," emphasizes Martin Peters. The successes in the field of digitization and the megatrends, electric mobility and autonomous driving, show that Eberspaecher is managing to do so. Once production had been ramped up again as from summer 2020, electrical heaters were in increased demand. They are primarily used in electric and hybrid models. Customers showed great interest in vehicle electronics, including products for extra-safe vehicle electric systems that are mainly used in autonomous vehicles. On the other hand, the figures for air-conditioning systems for buses decreased significantly as particularly demand for coaches and intercity buses decreased considerably due to the mobility restrictions. The sale of traditional pre-heaters was also down on the original planning as a result of the economic downturn. Furthermore Eberspaecher advanced the digitization of its components. The Group plans to have products for monitoring cooling chains in special vehicles ready for market in the current year.

2021 continues to see economic recovery

"These are challenging times," states Martin Peters. "At the same time, we have shown that we are using the crisis as an opportunity and that we have advanced both our products and organization." During the pandemic, the focus remains on health protection through comprehensive hygiene measures. Global mobile office solutions have been established for employees. Up to now, the Group has registered only individual cases of the infection spreading between employees due to consistent management. Martin Peters comments on the current situation and long-term perspective: "Our economic success depends on the continued positive development in the global vehicle market. Ultimately, our Group has to position itself in the demanding environment of competing drive types to

enthrall our customers with a balanced product portfolio at all times.” The Group plans to grow rapidly with new technologies for this purpose and will increase revenue in the Division Climate Control Systems and Automotive Controls alone to one billion euro over the next four years.

Captions:

- *The 2020 fiscal year at Eberspaecher Group was impacted by the economic effects of the Coronavirus pandemic.*
- *The Group’s Exhaust Technology Division becomes ‘Purem by Eberspächer’ and shapes clean and quiet future mobility with innovative technologies.*
- *Eberspaecher shapes the transformation with products for the megatrends, electric mobility and autonomous driving. View of the production of electrical heaters which are primarily used in electric and hybrid models.*

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About Eberspaecher:

With approximately 10,000 employees at 80 locations worldwide, the Eberspaecher Group is one of the automotive industry’s leading system developers and suppliers. The family business, headquartered in Esslingen am Neckar, stands for innovative solutions in exhaust technology, automotive electronics and thermal management for a broad range of vehicle types. Eberspaecher components and systems provide more comfort, greater safety and a cleaner environment on or off the road. In 2019, the Group generated revenue of more than 4.9 billion euros.