

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

Transformation and growth characterize the fiscal year

- **Challenging 2022 with significant growth**
- **48 % of net revenue independent of passenger car internal combustion engines**
- **Adjusted EBIT at EUR 26.6 million; external influences burden results**
- **2023 with investments in future technologies and clear course for transformation**

Esslingen (Germany), 24 May 2023 – In a year that was shaped by economic challenges, the Eberspaecher Group continues to pursue transformation. The company generated net revenue of EUR 2.7 billion, which represents growth of 19.9 % year-on-year. Just like in the entire automotive supply industry, external influences also significantly affected profitability. Earnings before interest and taxes (EBIT) adjusted for extraordinary items amounted to EUR 26.6 million. In the current year, the automotive supplier is continuing its transformation course with well-filled order books, investments and certified sustainability activities.

2022 was a difficult year for the Eberspaecher Group. The aftermath of the cyber-attack, the impact of the Ukraine war, ongoing semiconductor shortages and supply chain disruptions, as well as rising inflation rates around the world required rapid adaptability. “There is high demand for our products and we recorded double-digit percentage growth in our net revenue. However, coupled with the multitude of challenges, most notably the sharply increasing costs for materials and energy, this led to negative results. All in all, we cannot be satisfied with this”, says Managing Partner Martin Peters when explaining the fiscal year. The Group of Companies closed the year with net revenue of EUR 2.7 billion (prior year: EUR 2.3 billion, +19.9 %). Consolidated revenue increased to EUR 6.4 billion

(prior year: EUR 6.0 billion, +7.3 %). The weaker increase is due to lower raw material prices for monoliths, which are used in exhaust systems and only represent transitory items. Operating cash flow improved significantly to EUR 187.7 million (prior year: EUR -74.9 million). **Earnings before interest and taxes (EBIT) adjusted for extraordinary items** amounted to EUR 26.6 million. “This shows that we are continuing to work on our operational earning power, which our company is using to successfully drive forward the transformation course”, Martin Peters continued. Extraordinary items, such as the cyber-attack and transformation costs, led to an EBIT of EUR -21.0 million in a difficult business environment. In a volatile market environment, the transformation of the automotive industry picked up speed enormously. This required further investment in the future and, at the same time, fast action based on efficient processes. “We are working on our operational excellence throughout the company for profitable growth. In order to respond to the increased pressure to change, we are making our organization even more future-oriented with a focus on the different sales markets. We are already seeing significant progress thanks to our employees’ strong commitment”, says Martin Peters. As such, in 2022, the Eberspaecher Group achieved **48 % of net revenue independent of passenger car internal combustion engines**. This means that the automotive supplier already exceeded its target set for 2025. Last year, the continuing high demand for electrical heaters for plug-in hybrids and battery electric vehicles in Europe and China contributed to this in particular. The company invested in the further expansion of the product portfolio in all Divisions with a further increase in research and development expenditure of EUR 51.6 million (prior year: EUR 43.9 million). The global activities of the family-owned company are illustrated by the high proportion of revenue generated abroad: around 84 % of revenue was generated outside Germany. An average of 10,681 people were employed at around 80 locations in 30 countries. In Bulgaria, Thailand and Malaysia, companies of the Eberspaecher Group started activities for production plants for the first time, which will start operations in 2023.

Increase in revenue with products for classic and alternative drives

The Group of Companies grew with products for classic and alternative drive forms. The **Purem by Eberspaecher Division**, which specializes in exhaust systems, increased its gross revenue by 5.2 % to around EUR 5.7 billion (prior year: EUR 5.3 billion). Net revenue adjusted for transitory items amounted to EUR 1.9 billion (prior year: EUR 1.6 billion) and increased by 19.7 % compared to the prior year. This is due in particular to the fall in raw material prices for monoliths, which are used in exhaust systems. Although the

consequences of the Covid-19 pandemic, the trend towards electrified drives and the ongoing supply problems for electronic components shaped the industry, revenue growth was achieved in all global sales markets. New production sites in the USA and the ramp-up of production for commercial vehicle exhaust systems in Mexico contributed to this. In Europe, more complex exhaust systems for the production of higher-value vehicles were in demand, especially in the last months of 2022. New [products](#) have been developed for future emission standards, such as Euro 7 and their global counterparts. The know-how from exhaust technology is also used for new technologies: Purem by Eberspächer offers components for fuel cell applications and the [hydrogen engine](#). The Group-wide area of fuel cell applications also offers significant growth potential in the coming years. The company is pursuing this in the **Hydrogen Mobility Business Area** at its new US location in Lafayette, Colorado, among other places.

In the **Climate Control Systems Division**, revenue amounted to EUR 721.1 million (prior year: EUR 604.2 million), constituting a considerable increase year-on-year. Around 88 % of the revenue was achieved with products that are independent of passenger car internal combustion engines. The biggest driver were electrical heaters, which are used in particular in e-mobility. They protect the traction batteries of e-vehicles in cold weather and manage the temperature inside the vehicle. The market for air conditioning systems for buses recovered, while revenue from fuel operated heaters declined noticeably. In terms of electrically operated air conditioning solutions, the area benefited from new long-term orders and tenders in the flourishing motor home, utility vehicle and construction machinery business. In 2022, new technology, such as the [Xellstor energy management system](#), was introduced. This provides electrical energy independently of the power grid for RVs, ambulances or workshop vehicles, among others.

In the area of vehicle electronics (**Automotive Controls Division**), revenue increased by about 36 % to EUR 64.0 million (prior year: EUR 47.1 million). However, the shortage of semiconductors and disruptions in the supply chains significantly hampered the sector. In addition to [smart switches](#) that regulate the power supply in autonomous or e-vehicles, new battery management systems (BMS) for 12-volt lithium-ion batteries are a new, promising product field. In future, these will ensure CO₂ reduction in several vehicle series.

Sustainable action

Eberspaecher bundles its future-oriented **sustainability activities** in the Green Footprint, Innovation, and People areas of activity. The non-profit organization CDP has confirmed their effectiveness with a “B Score” in its annual assessment. Since reporting began in 2019, the supplier has reduced its global **production-related CO₂ emissions by 45 %**. An important step towards the goal of carbon-neutral production in 2030. The company develops products for clean mobility with an open approach to technology. There is more information in the [2022 sustainability report](#).

Outlook

Eberspaecher is shaping change in a targeted manner with its technological expertise. “We have a clear picture of our **transformation and the technologies for future mobility** in our product portfolio, and we are expanding this in a targeted manner”, Martin Peters explains. Positive customer feedback and well-filled order books confirm the course taken. “In order to compensate for the rising costs of materials, labor and energy, we will have to raise the prices of our products significantly in the current year. To this end, we are in conversation with our customers and know that the long-term competitiveness of our industry must not be lost in the process”, emphasizes Martin Peters. Eberspaecher anticipates a significantly more positive business performance in 2023 and is planning substantial **expansion investments** that are financed by the current syndicated loan agreement. This includes a new production plant for electrical heaters in Ruse, Bulgaria. Nevertheless, the global market development remains difficult to assess against the background of geopolitical uncertainties.

Captions:

- *Company headquarters of the Eberspaecher Group in Esslingen*
- *Martin Peters, Managing Partner of the Eberspaecher Group*
- *The Climate Control Systems Division generated 88 % of revenue from sources independent of passenger car combustion engines; important products are electrical heaters, which are used in particular in electric and hybrid models (view of production at the Herxheim site).*
- *Growth with clean mobility in classic drives; the Purem by Eberspaecher Division was able to increase revenue in all global sales markets (view of production at the Neunkirchen site).*

Performance indicators Eberspaecher Group

in EUR million

	2022	Change on 2021 in %	2021	2020	2019
Net revenue	2,722.3	19.9	2,269.7	2,296.4	2,742.4
Consolidated revenue	6,437.5	7.3	6,000.0	5,063.7	5,193.7
Revenue generated abroad as a % of consolidated revenue	83.6		83.7	83.0	79.6
Cashflow from operating activities	187.7	>100	-74.9	194.0	218.9
Ratio of equity to total assets as a %	18.0		20.2	19.0	24.2
Research and development expenses	51.6	17.5	43.9	32.0	47.1
Net income / net loss for the year vs. profit for the year	-94.4	<-100	21.0	-42.9	65.8
EBIT*	-21.0	<-100	52.8	34.7	127.3
EBITDA	118.2	-35.6	184.2	165.8	262.1
Number of employees **	10,681	0.8	10,600	10,622	n/a

* Earnings before tax, investment, and financial result

** average number of employees including trainees

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About Eberspaecher:

With approximately 10,700 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. In combustion or hybrid engines and in e-mobility, the components and systems from Eberspaecher ensure greater comfort, higher safety and a clean environment. Eberspaecher is paving the way for future technologies such as mobile and stationary fuel cell applications, synthetic fuels as well as the use of hydrogen as an energy carrier. In 2022, the Group generated revenue of around 6.4 billion euros. Net revenue adjusted for transitory items amounted to 2.7 billion euros.

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