

GROUP RESULTS

H1 2021

JULY 2021

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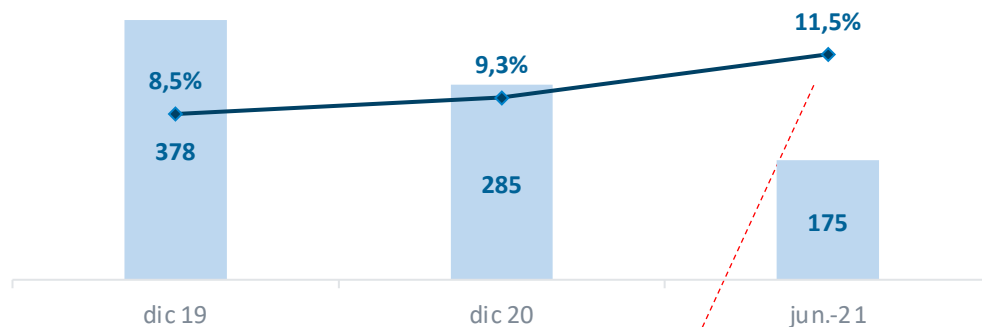
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TURNOVER	€174.5M +50% vs2020/ -10% vs2019	Reached pre COVID-19 volumes but dealing with semiconductors shortage effects
EBITDA	€20.1M +188% vs2020/ +7% vs2019	Improvement of profitability as a result of strict cost control
EBITDA MARGIN	11.5% 6% H12020/ 9.7% H12019	Solid double-digit EBITDA margin
EARNING BEFORE TAXES	€11.5M +15.7 p.ps vs2020/ +3.8 p.ps vs2019	Operational efficiency absorbs financial costs H1 2020 highly impacted by FX fluctuations
INDEBTEDNESS	1.93x 3.93x in 2020/ 2.36x in 2019	Conservative management of debt and focus on cash generation
LIQUIDITY RESERVE	€50.2M	Resilience to face any short term contingency
CAPEX	€9.6M 45% o/Budget 21	Rigorous cash control to balance finance sustainability with growth

Sales (€m); Ebitda (% o/sales)



Group performance shows, despite reduction in 1H 2021 demand due to semiconductor shortage, a **consolidated cost structure** to reach attractive profitability, as we can see in first 6 months of 2021 EBITDA margin (c.11.5%).

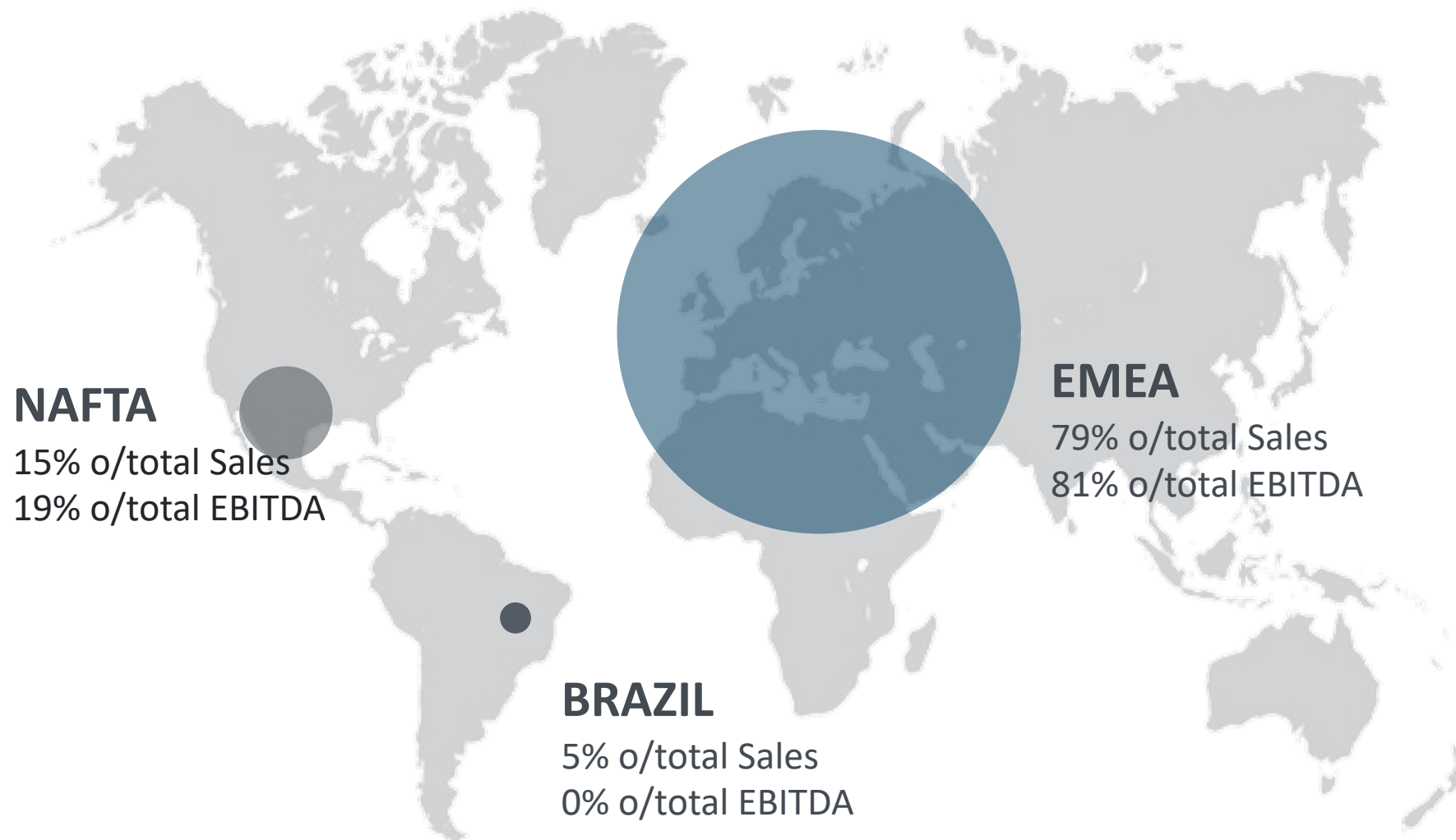
In € Million	2019A	2020A	2021B	H1/2019 R	H1/2020 R	H1/2021 R
SALES	378.1	284.5	334.6	193.5	116.5	174.5
EBITDA	31.9	26.4	37.7	18.8	7.0	20.1
%EBITDA o/sales	8.5%	9.3%	11.3%	9.7%	6.0%	11.5%
EBT	9.8	4.0	18.2	7.7	-4.2	11.5
% EBT o/sales	2.6%	1.4%	5.3%	3.9%	-3.6%	6.8%

H1/21 vs19	H1/21 vs20
-10%	50%
7%	188%
19%	92%
3.8 p.ps	15.7 p.ps
2.6 p.ps	10.2 p.ps

H1 2021 HIGHLIGHTS AND H2 2021 TRENDS:

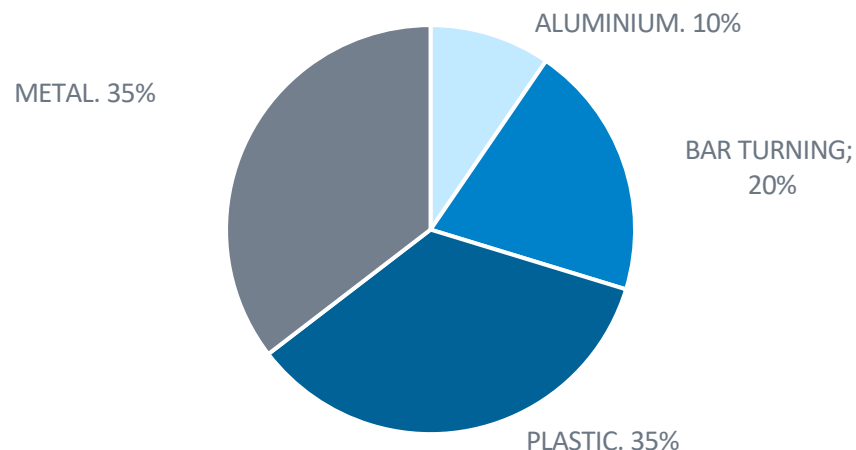
- 2021B Sales are 100% already awarded however a critical shortage of semiconductrs is forcing shutdowns at OEMs and disrupting production in auto industry.
- Strict control of costs. Increasing prices in raw materials and electricity predict a challenging H2 2021.
- Limited FX losses due to emerging currencies recovery.

MARKETS DISTRIBUTION

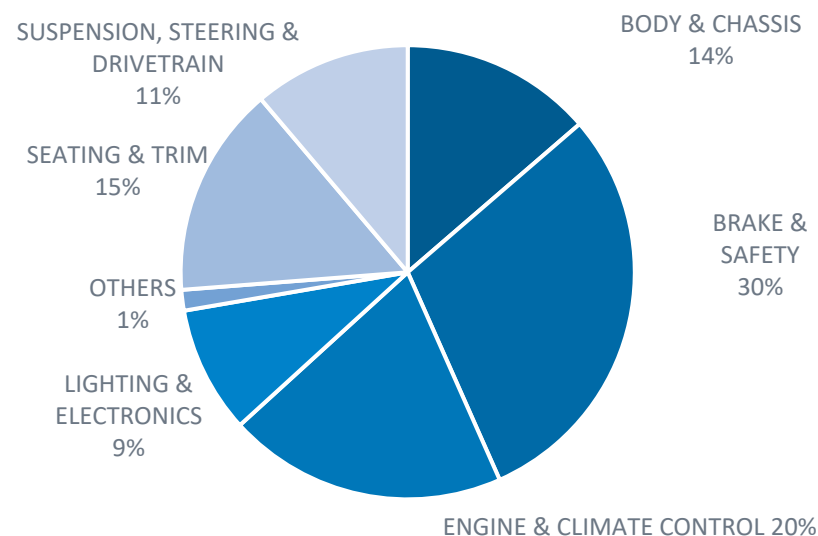


SALES BREAKDOWN

SALES DISTRIBUTION PER TECHNOLOGY



SALES DISTRIBUTION PER TECHNOLOGY



MARKET HIGHLIGHTS

- ✓ ICE vehicles are expected to be produced until 2035 in Europe.
- ✓ ICE vehicles means towards 90% out of total LV production as of today.
- ✓ Mid-term automotive trend is based on Hybrid vehicles.

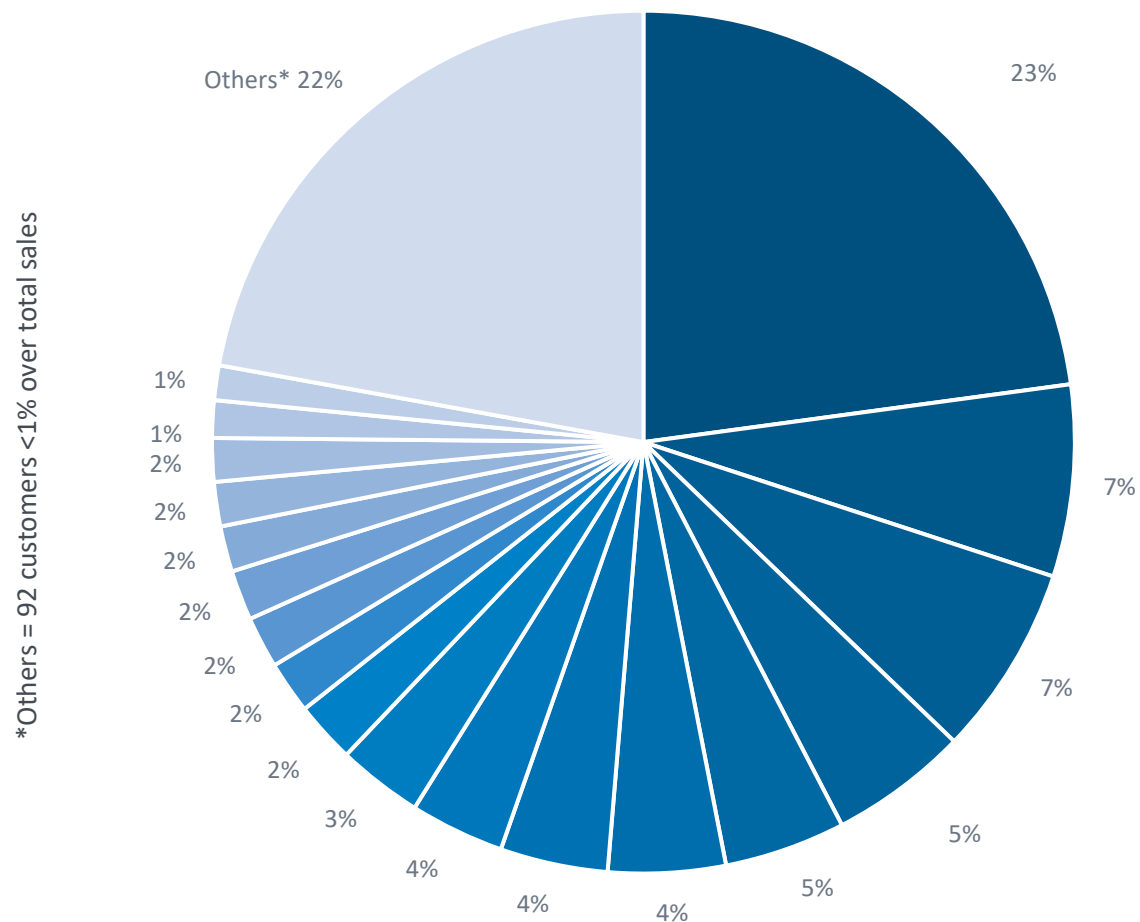
TEKNIA POSITION

- ✓ 85% of Teknia current production is assembled either on EV or ICE.
- ✓ Only 15% of Teknia current production is exclusive to ICE. being 90% related to cooling systems.
- ✓ Teknia is moving towards cooling of EV battery systems with similar technology.

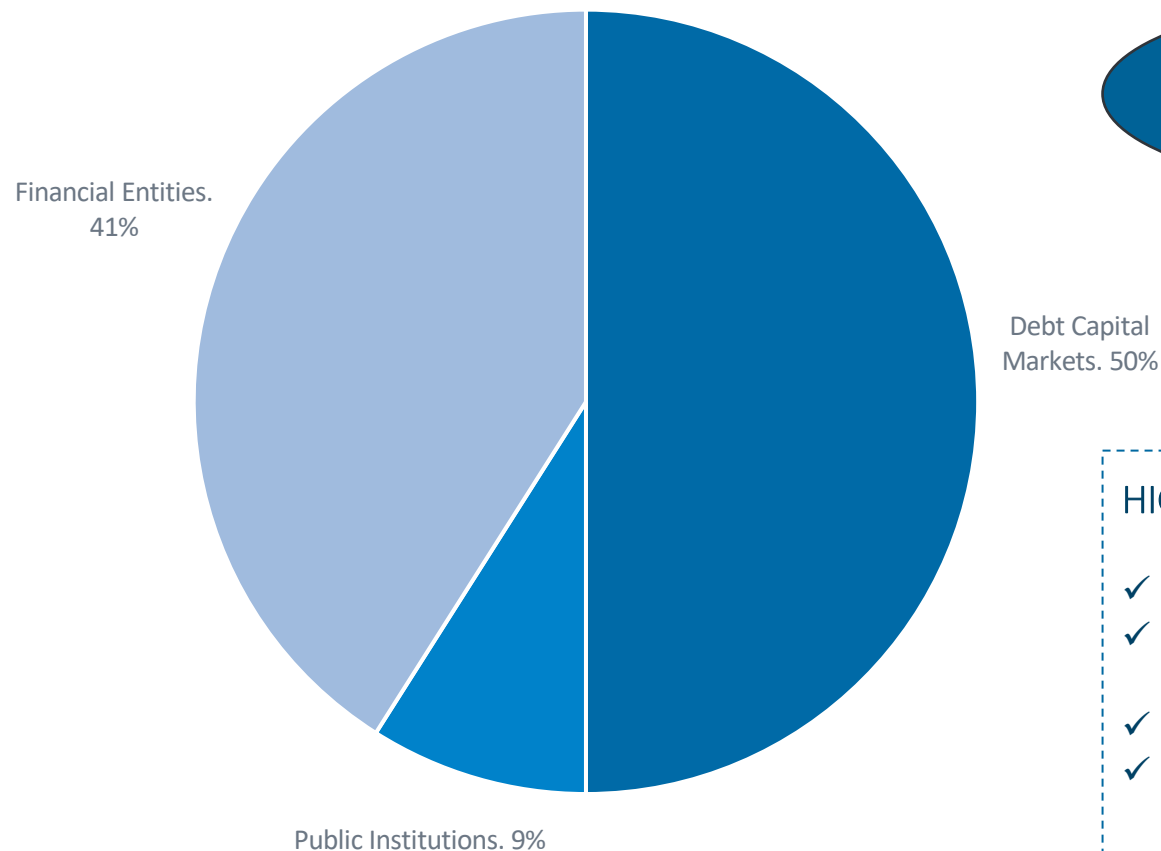
ICE: Internal Combustion Engine
EV: Electric Vehicle

CUSTOMERS' DIVERSIFICATION

SALES DISTRIBUTION BY CUSTOMER



- ✓ **Diversification:** Collaboration with a wide range of leading companies.
- ✓ **Credit solvency:** High credit ratings of our more relevant customers.
- ✓ **Recurrence and market confidence:** more than 18 years of production for key customers.



H1/2021
NFD = 76.2M

2021 Forecast
NFD / EBITDA = 2.0x



LIQUIDITY RESERVE = 50.2M

HIGHLIGHTS:

- ✓ Senior secured note (€20M) will be fully repaid at the beginning of July
- ✓ Maintaining debt capital market presence through **commercial notes** programme
- ✓ Diversified sources of funding to face any unexpected shortage
- ✓ Estimated Leverage ratio will be placed at 2.0x at 2021 year-end. Covenant limitations at 3.5x (NFD/EBITDA)



Corporate

Outlook: Positive

Action date: 01/06/2021

Rating action: Affirmed

axesor
rating

AXESOR REMARKS

Axesor Rating affirms Teknia Manufacturing Group's rating at "BB" but changes its outlook from Negative to Positive.

Teknia has adequately managed the impact of the negative sector environment in 2020, with a general decline in demand that has penalized its activity and results but, nevertheless, achieving margins and financial leverage levels that are more adequate than initially estimated.

Its liquidity profile is also reinforced by an adequate level of cash, which favors its financial structure and leverage levels.

The recovery in demand in the last months of 2020 and the positive evolution of its activity during the first months of 2021 are expected to have a positive impact on its creditworthiness as the financial figures for 2021 become more visible in the coming months.

Source: [Axesor rating](#).



Thanks for your attention.

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