

A close-up photograph of a blue Bertrandt logo on a curved, metallic-looking surface. The logo is illuminated with a bright blue light, making it stand out against the darker blue background. The surface appears to be part of a vehicle or a piece of equipment. The background is dark and textured, possibly asphalt.

bertrandt

Investor Presentation

Bertrandt AG

July 2020



Bertrandt at a glance

Bertrandt Group

1974

Founded by
Harry Bertrandt



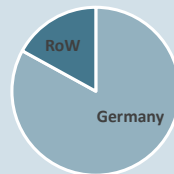
Total Revenues
FY 2018/19: EUR >1 bn



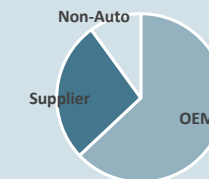
~13.000
employees



More than 50 locations globally



Regional split (FY 18/19)



Customer split (FY 18/19)

From the initial idea to production readiness



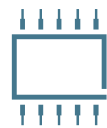
Design



Vehicle Body



Interior



Electronics



Powertrain



Chassis



Simulation



Testing



Engineering
Services

Range of services

Trends



Digitisation



Autonomous Driving



Connectivity



Electric Mobility



Vehicle Safety



IT Services



Virtualisation



Design Services



Interior



Vehicle Body



Powertrain



Chassis



Simulation



Electronics



Modelling-
/Rapid
Technologies



Simulation



Engineering Services

Industries



Automobile Industrie



Aerospace



Commercial Vehicles



Land-Wirtschaft



Motorcycle



Electric Industry



Mechanical-/Plant Engineering



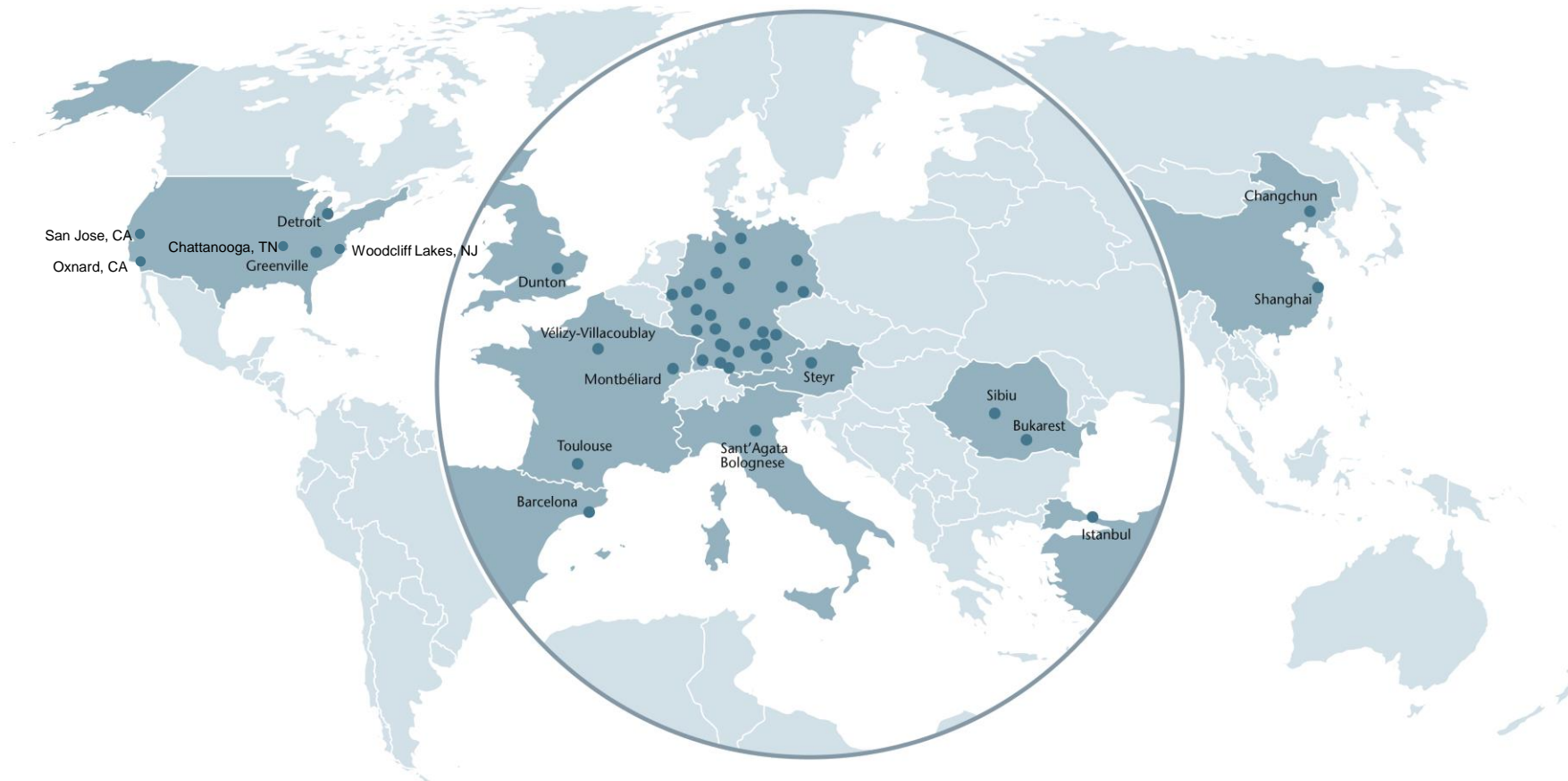
Medical Engineering



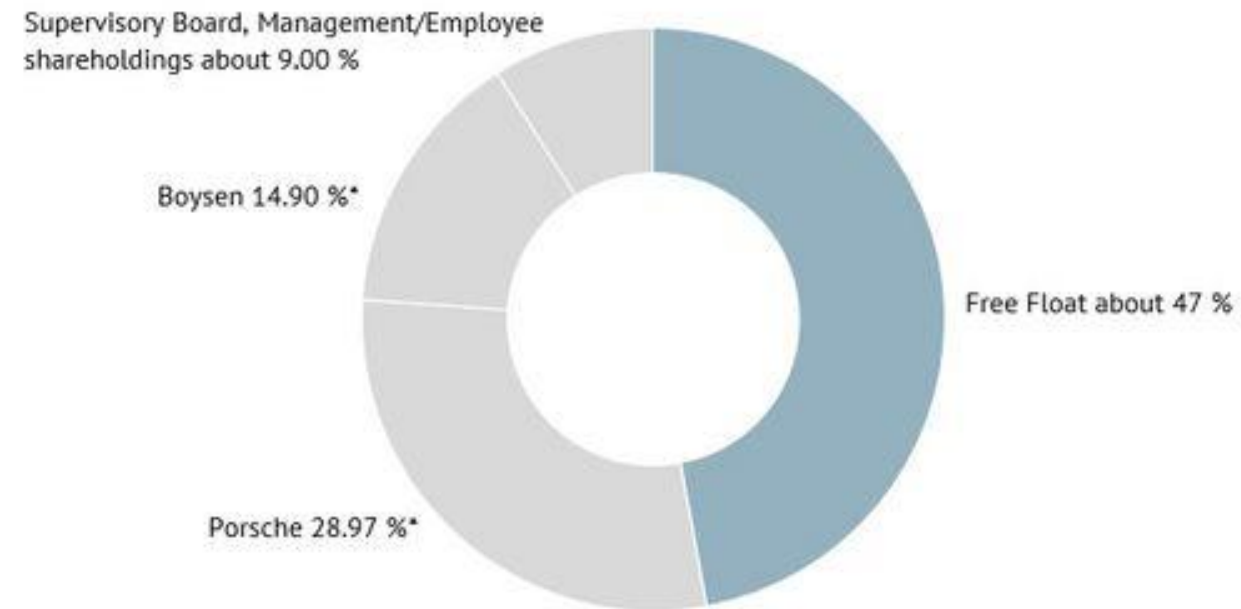
Energy Management

We want to be close to our Customers – decentralised Organisation

Ca. 13,000 employees at more than 50 locations in Europe, the USA and China.

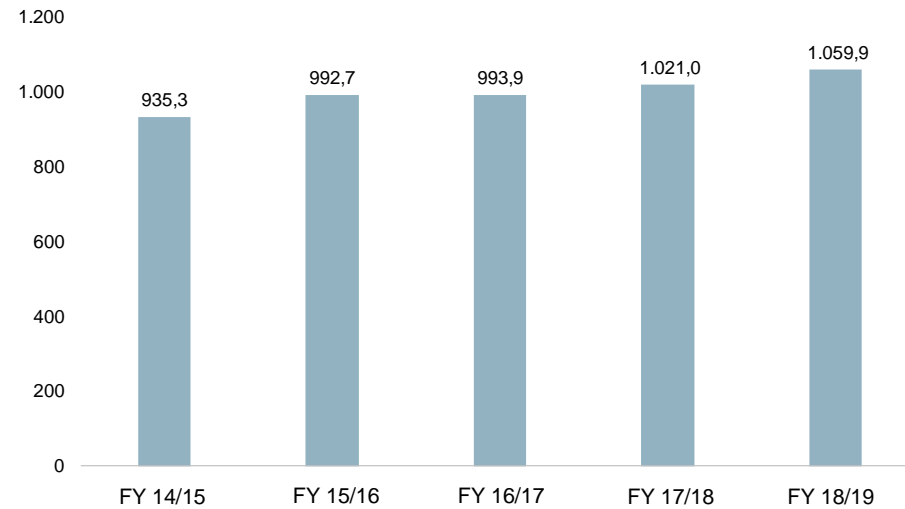


Shareholder structure

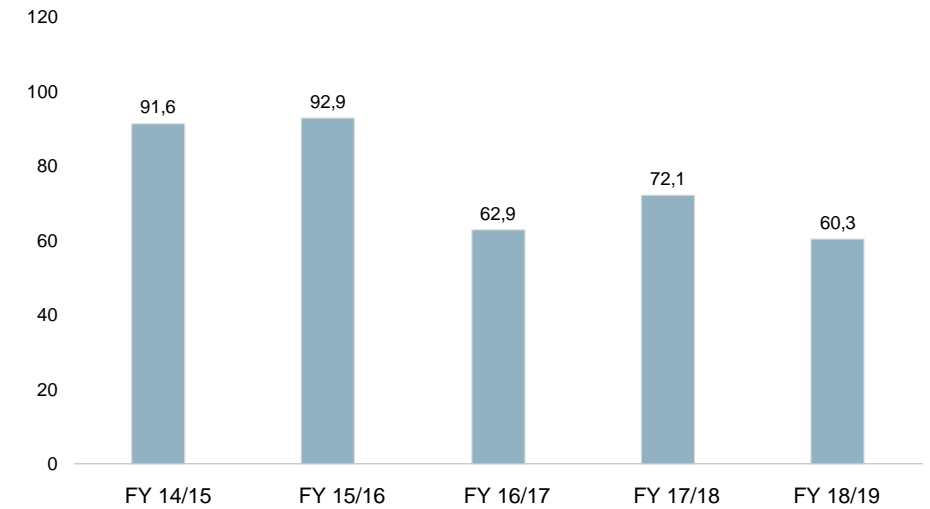


Key figures development

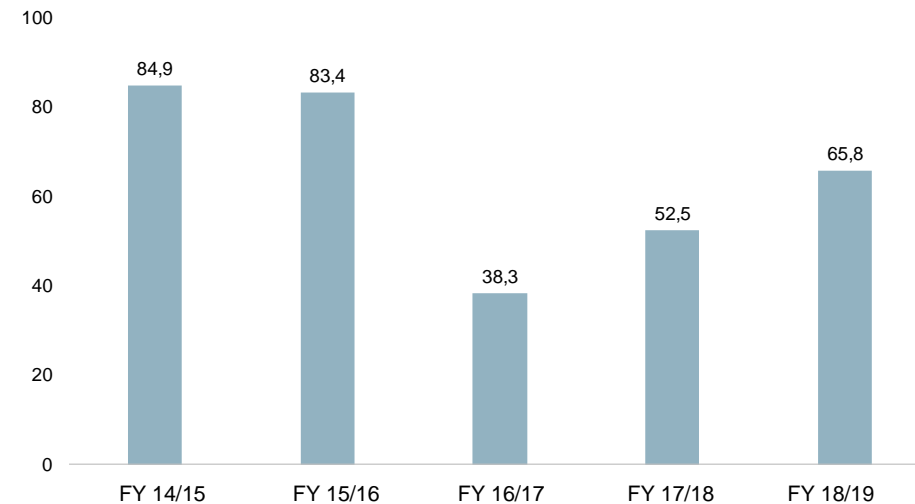
Total revenues
(EUR million)



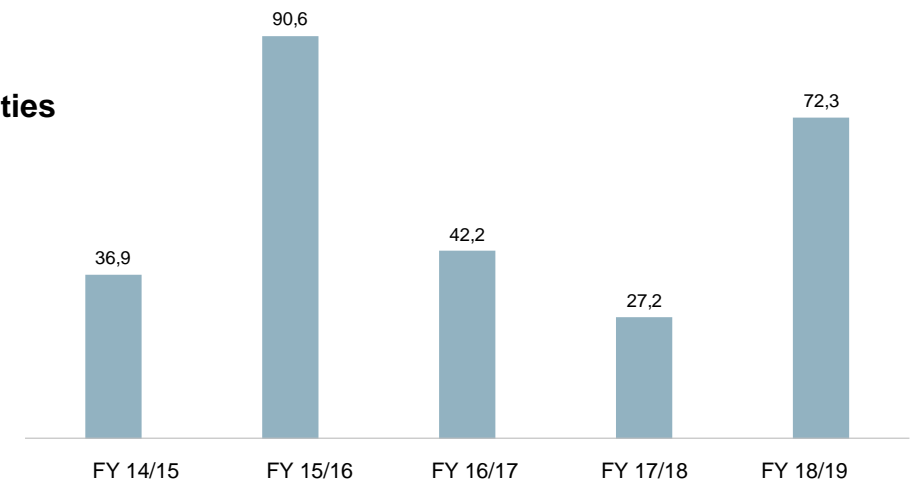
EBIT
(EUR million)



Capital expenditure
(EUR million)



Cash flow from operating activities
(EUR million)



Longterm record

IFRS	2018/2019	Changes in %	2017/2018	2016/2017	2015/2016	2014/2015
Income statement						
Total revenues (EUR million)	1,059.870	3.8	1,021.020	993.878	992.693	935.259
EBIT (EUR million)	60.322	-16.4	72.141	62.870	92.865	91.637
Profit from ordinary activities (EUR million)	57.477	-16.9	69.158	60.689	91.487	91.670
Post-tax earnings (EUR million)	39.014	-17.7	47.385	43.866	63.608	62.636
Cash flow statement						
Cash flow from operating activities (EUR million)	72.284	165.7	27.208	42.182	90.631	36.967
Cash flow from investing activities (EUR million)	-47.695	-6.4	-50.935	-35.669	-79.679	-82.313
Free cash flow (EUR million)	24.589	203.6	-23.727	6.513	10.952	-45.346
Capital spending (EUR million)	65.709	24.2	52.500	38.302	83.404	84.917
Balance sheet						
Equity (EUR million)	416.692	4.5	398.876	376.360	357.936	320.306
Equity ratio (%)	51.5	1.8	50.6	48.3	46.9	56.9
Total assets (EUR million)	808.662	2.6	788.395	778.800	763.314	563.009
Share						
Earnings per share (EUR)	3.86	-17.7	4.69	4.35	6.30	6.21
Dividend per share (EUR)	1.60 ³	-20.0	2.00	2.50	2.50	2.45
Share price on 30 September (EUR) ¹	41.35	-48.0	79.55	85.18	97.01	93.23
Share price, high (EUR) ²	80.65	-26.2	109.30	107.00	115.00	138.70
Share price, low (EUR) ²	40.80	-46.6	76.40	67.28	82.80	85.25
Shares outstanding on 30 September (number)	10,143.240	-	10,143.240	10,143.240	10,143.240	10,143.240
Market capitalisation on 30 September (EUR million)	419.4	-48.0	806.9	864.0	984.0	945.7
Employees						
Number of employees at Bertrandt Group on 30 September	13,664	3.3	13,229	12,970	12,912	12,367

¹ Closing price in Xetra trading on 30 September or the last trading day of the fiscal year.

² In Xetra trading.

³ Dividend proposed by the Management and the Supervisory Board.



Market and Customer Environment

Current market and customer environment: Automotive industry



Corona-virus with significant adverse impact on global car demand and production (Q1: c. -25%, Q2e: c. -30-50%)



Electric mobility remains top priority due to regulation



Car production expected to fall by >20% in 2020 (2021e: +10-15%).



Profit warnings and cost saving programmes widespread across all customers



OEMs with strict cost discipline on all lines



Customers review share of own work in development activities



Resilient demand for future megatrends (Digitisation, Autonomous Driving, Connectivity, Electrification)



Trend towards larger contract awards



Significant pressure on prices in some parts of our services

Current market and customer environment: Other industries



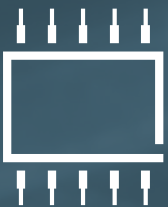
Corona-virus with adverse impact on civil aero;
Defence/Industry sectors more resilient



Med-tech resilient; New Certification
supportive

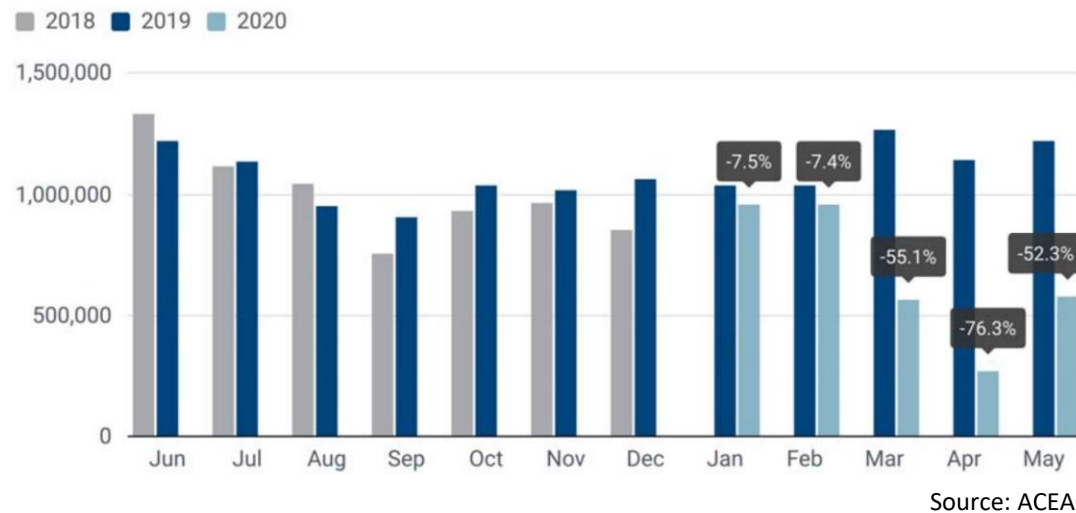


Global market for power engineering
probably rather resilient.



Electrical, electronics and machinery
and plant engineering industries
expect deterioration in orders.

Car demand EU27



New car registrations in EU27 -52% yoy in May 2020

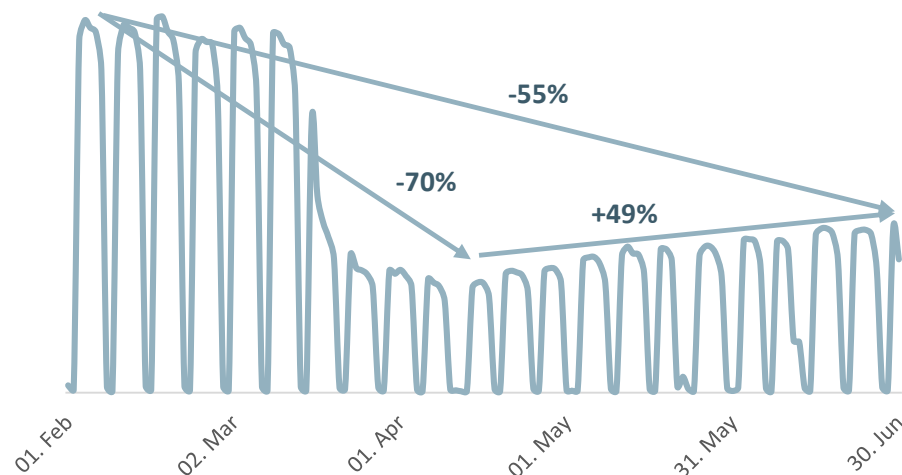
New car registrations in EU27 -42% ytd

Decline in January and February caused by “pre-registrations” in Nov/Dec 2019

Registrations in March/April/May 2020 below 2008/2009 trough

Recovery in June/July?

Our answer: mobile work and TISAX certification



“In-office” time recording significantly dropped since week 12

Technical and organisational prerequisites already in place since 2018 when mobile work was introduced as part of the wide-ranging project “future workplace”

Possibility to increase remote access points within days; 7.500 users possible



TISAX certification as competitive advantage: **The TISAX (Trusted Information Security Assessment Exchange) model** has been developed under the aegis of the VDA to guarantee a unified level of data security at all the parties involved. TISAX allows information security assessments to be recognized at all companies in the automotive industry and provides a common standard for auditing and for sharing information.

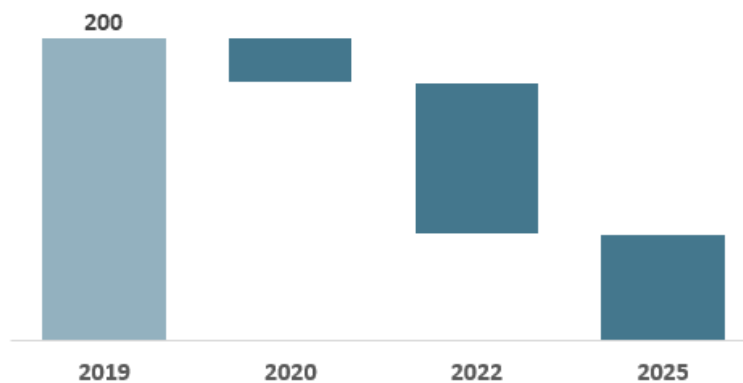
Focus on balance sheet and cash

Gross liquidity: EUR 113m (H1 2019/2020)

CapEx -31% yoy (H1 2019/2020)

Undrawn credit facilities: EUR >200m

Debenture bond (Schuldschein) of EUR 200m with long maturity profile and without covenants



Corona-virus: our answer

Immediate cost “shut-down” in place

Short-term: Procurement, CapEx, Hiring, Tier-2, Marketing, Trainings, Business travels, Consultants, ...

Reduction of accrued overtime and holidays, shut-down periods (Betriebsruhe) in subsidiaries

Short-time work where necessary

Board and top management voluntarily forego remuneration

Sustainable cost reduction measures launched

Mid- to long-term benefits from short-term cost savings

Permanent “partial” mobile work to reduce rents, alignment of capacities, ...

Corona-virus: summary



The Bertrandt Pandemic Team in charge since early March; <30 infections group-wide so far



Direct impact on financials not possible to quantify yet



Ramp-up of group-wide mobile work from March 16th



Short-time work where necessary, stringent cost cutting, board/management to voluntarily forego remuneration



More than 50% of employees in mobile work, up to 7,500 remote access points, TISAX certification



Heterogeneous customer behaviour



Former guidance withdrawn



Mid- to long-term: increasing share of cost optimization and flexibilization beneficial for ESP. Mega trends remain valid.



Digitisation

Connectivity

Autonomous driving

Electric mobility

Four Mega-Trends reshaping the automotive sector

Prepared for the future

Consistent and sustainable focus on the future



Investments in
megatrends

Bertrandt Powertrain
Solution Center

High-voltage battery test
centre



Competence
development

networked HARRI e-platform



Diversification

Bertrandt Medical

Industry 4.0



Globalisation

New locations in USA, China,,
Czech Republic, France and
Romania

Bertrandt Powertrain Solution Center



Volume of capital spending of around EUR 80 million with new buildings at our locations in Wolfsburg and Munich

8 all-wheel-drive climatic chassis dynamometer with 2 height chambers

- Height simulation up to 4,200 m

- Temperature range from -25 °C to +45 °C

- Velocities of up to 300 km/h

Validation and homologation of powertrains with different fuels for combustion engines and alternative drive systems

- Environmental simulations

- Real Driving Emissions

- Euro 7 ready

- Validation of vehicle handling/fuel consumption/emissions

Due to open in summer 2020

High-voltage battery test centre



New building work at the Ehningen location with an investment volume of over EUR 15 million.

Extensive existing know-how combined with state-of-the-art technology

- 24 HV channels

- 9.600 kW HV

- 12 climate chambers ,
temperature range from -60 °C to +120 °C

Validation of various high-voltage batteries under various climate and load conditions

HV component and complete vehicle

Construction of battery prototypes in special high-voltage workshop

Design of battery housings, integration and development of battery management systems, full range of electronics engineering

Update on HARRI



HARRI is developed in-house, in a cross functional effort that involves all Bertrandt competence centers

Performance packages frequently added

Commercialization phase in the aftermath of CES 2020

Wide-ranging interest by existing and new customers

Various business cases for low speed AV shuttles

German Innovation Award '20 Winner: The award honors companies that have demonstrated outstanding innovative performances.

Bertrandt Medical



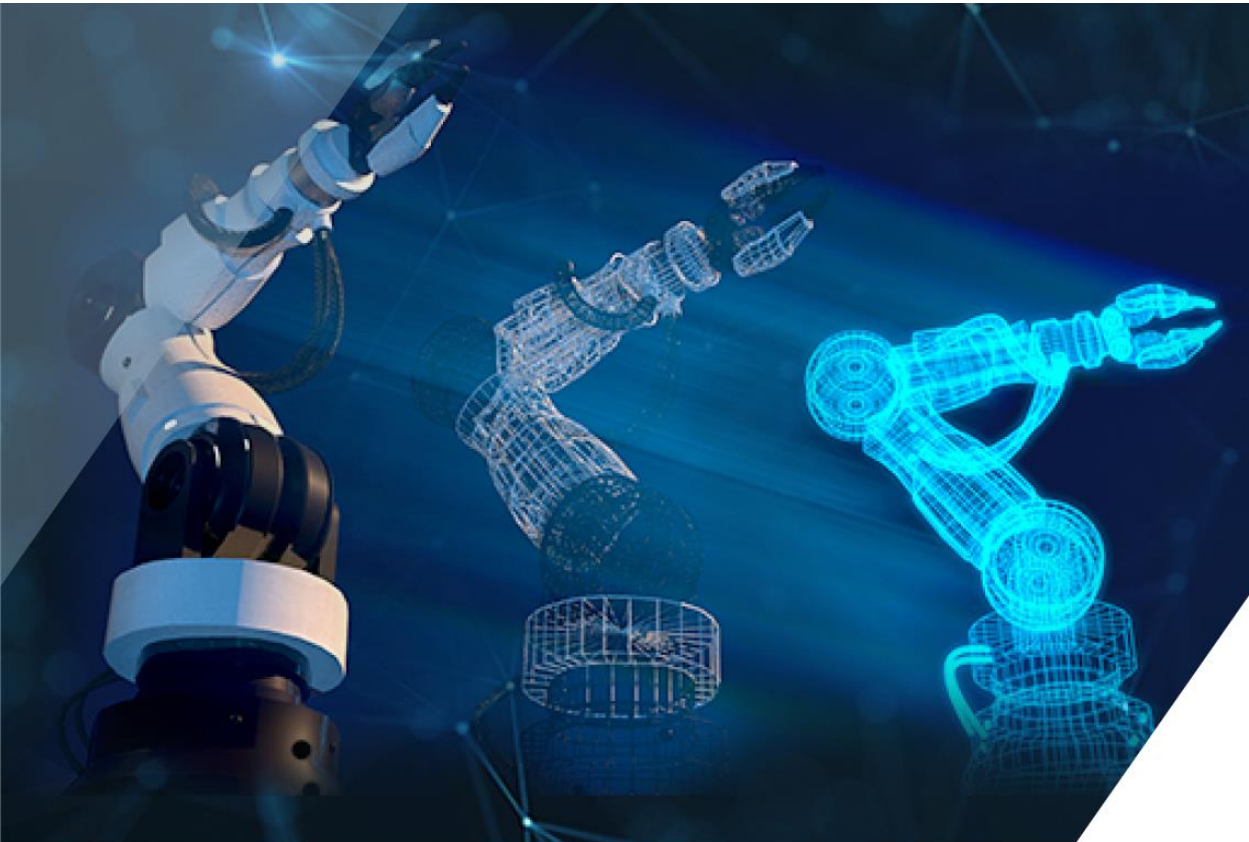
Expansion of resources and service portfolio to meet special medical technology requirements

Classic product development

Increased demand for quality management, regulatory affairs, risk management, equipment qualification and process validations

ISO certification in 2020 to meet high regulatory and extraordinary safety and quality requirements. Prerequisite for further growth.

CLIFE: Digital Twin Solution

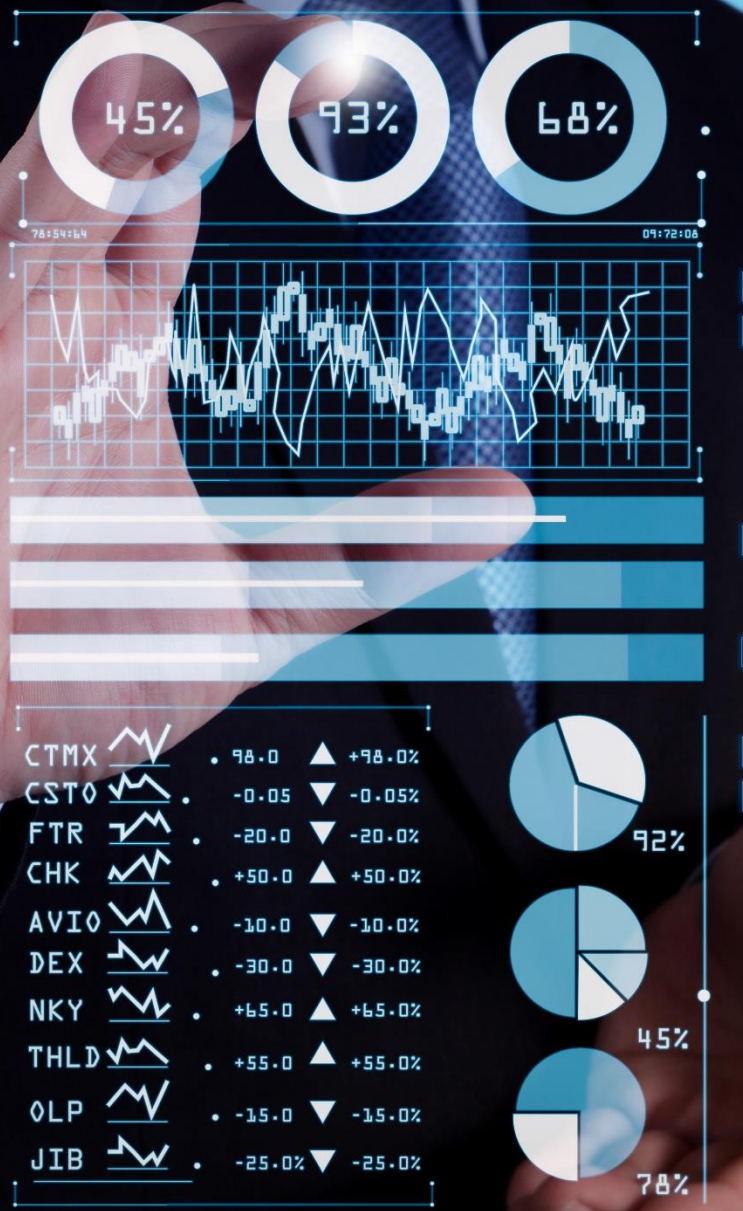


Do you know how much added value your factory, your facility, your individual machine's data can generate?

Many companies are facing the challenge of using existing data to their advantage

CLIFE ensures that you have the most important information to hand, anytime and anywhere

CLIFE is a true digital twin of any machine



Fiscal 2018/2019

All numbers refer to the group

Overview

~60 EUR mill.
EBIT

5.7 %
EBIT margin

P&L

~1.1 EUR bn
Total revenues

~417 EUR mill.
Equity

~52 %
Equity ratio

A P

~809 EUR mill.
Total assets

13,664
Employees

~65 EUR mill.
CapEx

~25 EUR mill.
Free cash flow

41.35 EUR
Share price on 30/09/19

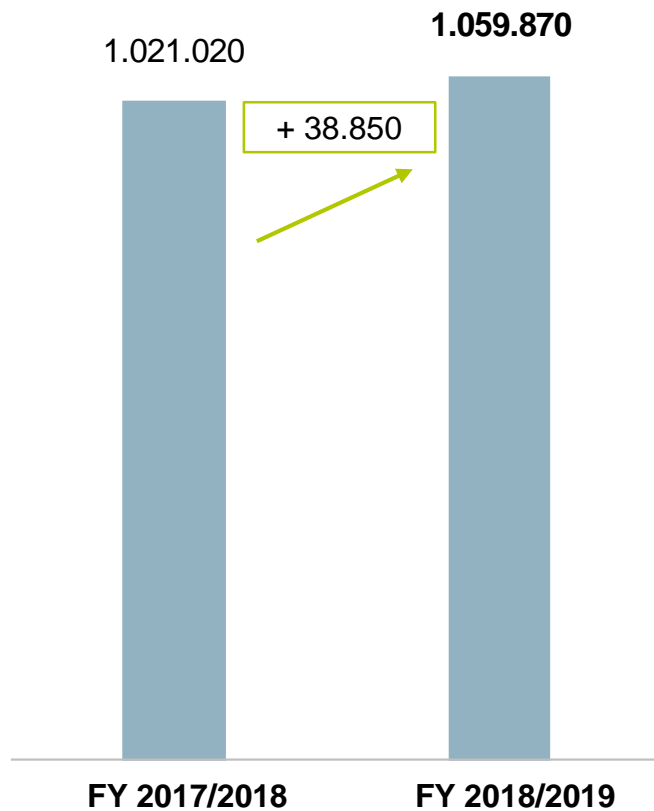
3.86 EUR
earnings per share

Consolidated Income Statement

	FY 18/19 EUR million	FY 17/18 EUR million	comparison	
			EUR million	%
Total revenues	1.059.870	1.021.020	38.850	3,8 %
Other operating income	17.406	8.594	8.812	102,5 %
Raw materials and consumables used	-108.755	-100.388	-8.367	8,3 %
Personnel expenses	-765.386	-723.971	-41.415	5,7 %
Depreciation	-33.687	-33.022	-665	2,0 %
Other operating expenses	-109.126	-100.092	-9.034	9,0 %
EBIT	60.322	72.141	-11.819	-16,4 %
Net finance income	-2.845	-2.983	138	-4,6 %
Profit from ordinary activities	57.477	69.158	-11.681	-16,9 %
Other taxes	-3.257	-3.858	601	-15,6 %
Earnings before tax	54.220	65.300	-11.080	-17,0 %
Income taxes	-15.206	-17.915	2.709	-15,1 %
Post-tax earnings	39.014	47.385	-8.371	-17,7 %

Total revenues

Total revenues
(EUR million)



- Growth FY 17/18 → FY 18/19 | + 3,8 %
 - > Domestic + 1,2 %
 - > Foreign + 18,8 %

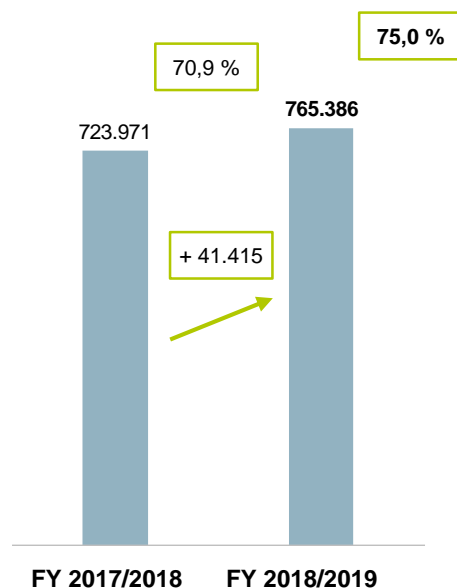
- Segment growth
 - > Digital Engineering + 1,2 %
 - > Physical Engineering + 4,1 %
 - > Electrical Systems/Electronics + 11,0 %

- Growth (year to year comparison)
 - > FY 17/18 → FY 18/19 | + 38,9 EUR million | + 3,8 %
 - > FY 16/17 → FY 17/18 | + 27,1 EUR million | + 2,7 %

Key expenditure figures

Personnel expenses

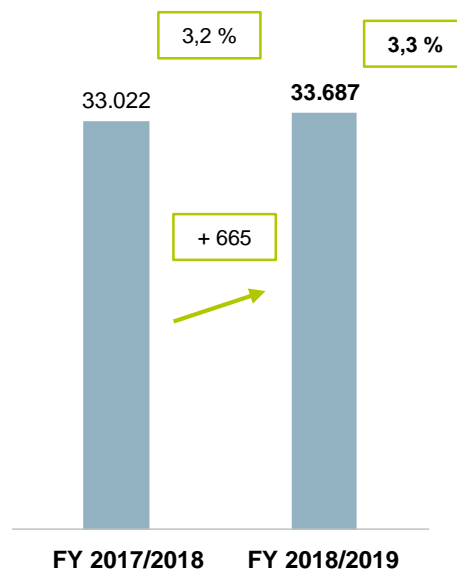
(EUR million)



- Growth + 435 employees since 1 Oct. 2018

Depreciation/amortisation expense

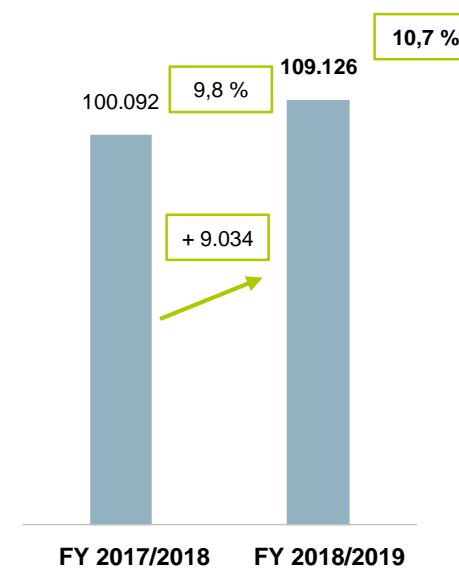
(EUR million)



- Depreciation/amortisation almost unchanged year on year
- Ratio of depreciation/amortisation to total revenues at same level year on year

Other operating expenses

(EUR million)

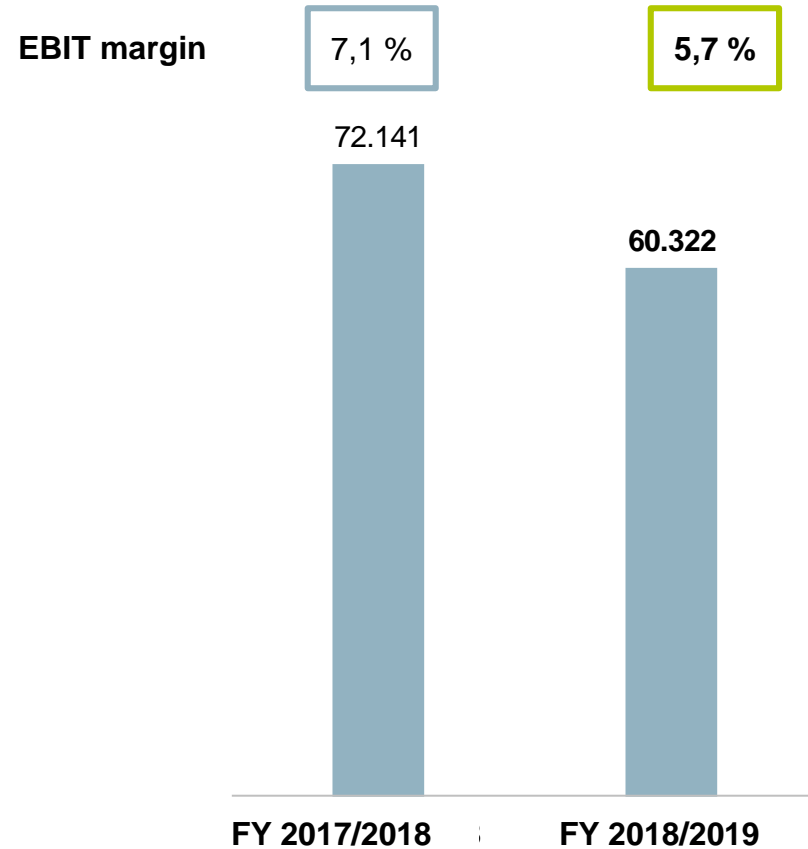


- Further training EUR 10.6 million (+ EUR 1.1 million)
- Recruitment and retention + EUR 2.8 million
- More space, rooms and inventory + EUR 2.6 million

EBIT

EBIT

(EUR million)



– EBIT

> Below the previous year's level

> Customer-specific temporary delays in project awards

> Delayed demand for capacity

> “One-off” issues:

- Ramp-up/foundation costs for new technical facilities and areas of business activity
- Recruitment and qualification of new employees
- Redundancies
- Bad debt loss (supplier insolvency)

– Segments | Earnings and contribution to earnings

> Digital Engineering | EUR 24.0 million | 39.8%

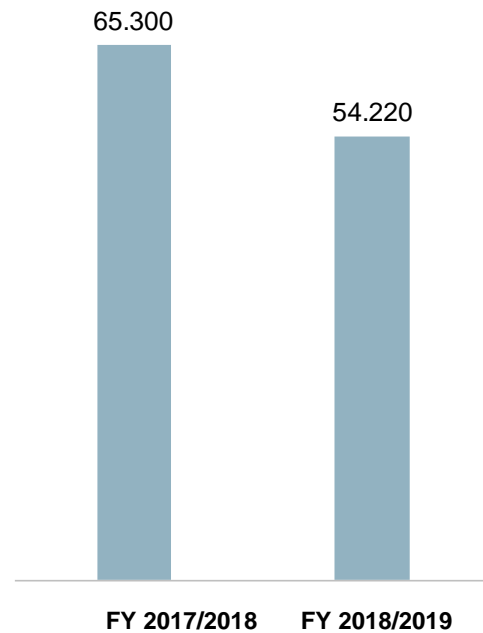
> Physical Engineering | EUR 18.4 million | 30.5%

> Electrical Systems/Electronics | EUR 17.9 million | 29.7%

EBIT

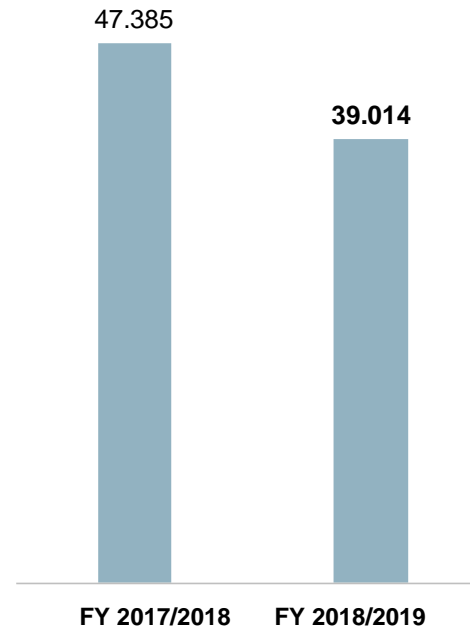
EBT

(EUR million)



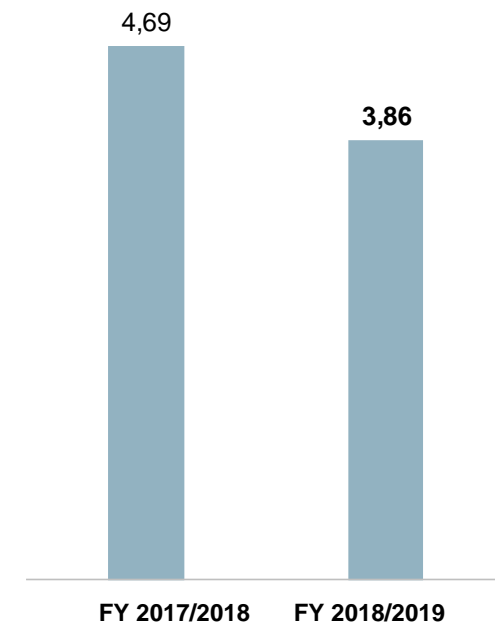
Post-tax earnings

(in EUR million)



Earnings per share

(in EUR)



– Tax ratio 28,1 %

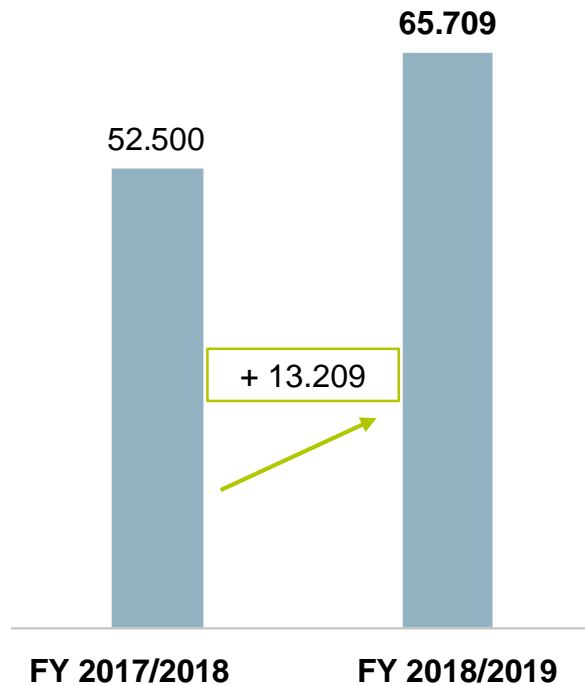
Consolidated Balance Sheet

Assets	30/09/2019	30/09/2018	comparison	
	EUR million	EUR million	EUR million	%
Property, plant and equipment	302.855	282.104	20.751	7,4 %
Non-current assets	340.563	318.914	21.649	6,8 %
Current assets	468.099	469.481	-1.382	-0,3 %
Total assets	808.662	788.395	20.267	2,6 %
Equity and liabilities	30/09/2019	30/09/2018	comparison	
	EUR million	EUR million	EUR million	%
Equity	416.692	398.876	17.816	4,5 %
Non-current liabilities	239.245	222.608	16.637	7,5 %
Current liabilities	152.725	166.911	-14.186	-8,5 %
Total equity and liabilities	808.662	788.395	20.267	2,6 %

- Equity ratio: 52%
- Gearing: 30%
- NFD/EBITDA: 1,3x

Financial and assets position

Capital expenditure (EUR million)

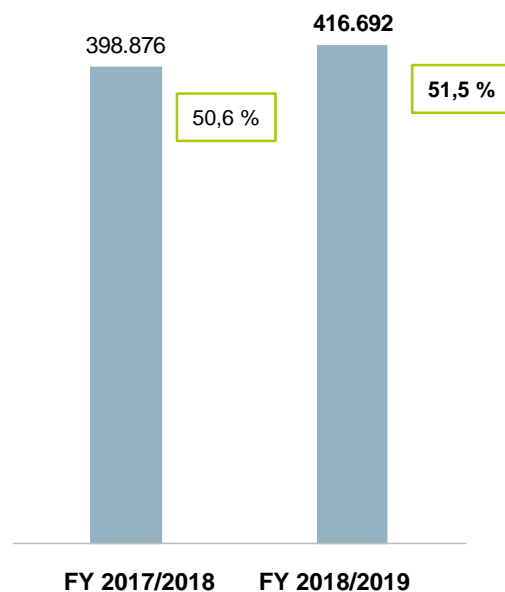


- Non-current assets
 - > High-voltage battery test centre
 - > Vehicle emissions test centres North and South
 - > Chassis dynamometer to determine range and endurance of electric vehicles
 - > Parking barrier test bench for electric vehicles
 - > Portable Emissions Measurement System (PEMS)
 - > ...

Financial and assets position

Equity

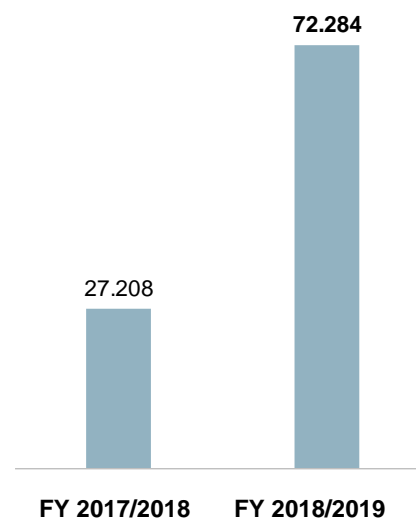
(EUR million)



- Solid financial base

Cash flow from operating activities

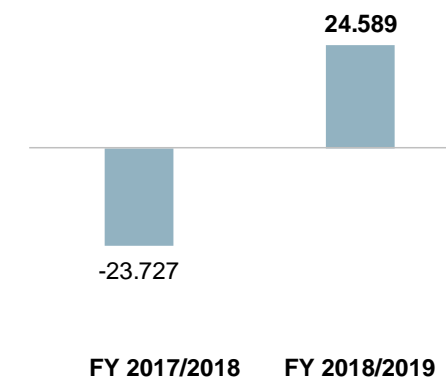
(EUR million)



- Increase despite fall in post-tax earnings
- Decrease in commitment of working capital in particular

Free cash flow

(EUR million)



- Cash flow from investing activities
- FY 18/19 | EUR -47.695 million
- FY 17/18 | EUR -50.935 million

Human resources

Employees



- Growth + 435 employees since 1 Oct. 2018
 - > Increase in France, Romania, Spain and Wolfsburg /Germany
- Competence centre Electronics + 414 employees since 1 Oct. 2018
- Nearshore: 302 employees in Romania as at 30 Sept. 2019
- Training: 534 participants group-wide as at 30 Sept. 2019, apprentices, students from cooperative universities and diploma students writing their thesis
- “Best employer 2019” award by Focus magazine
- Expansion of training programme
 - > E-learning, method trainings, management development
 - > Over 300 specialised and inter-disciplinary trainings



First half 2019/20

All numbers refer to the group

H1 2019/20 at a glance

P&L

➤ Sales: EUR 508m (-3.2% yoy) | EBIT: EUR 21.2m | margin: 4.2% (6.8% H1 18/19)

Cashflow

➤ FCF EUR 23.7m (EUR 7.7m H1 18/19)

IFRS 16

➤ First time application, minor net impact on P&L (EBIT: EUR +0.5m, NI: EUR -0.3m)

IFRS 16

➤ Balance sheet extension: equity ratio 47% (excl. IFRS16: 52%)



➤ Employees: 13,256 (-1.1% yoy)

Q2 2019/20 at a glance

P&L

➤ Sales: EUR 245m (-6.8% yoy) | EBIT: EUR 6.9m | margin: 2.8% (6.7% H1 18/19)

Cashflow

➤ FCF EUR -24.2m (EUR -29.2m H1 18/19)

IFRS 16

➤ Minor net impact on P&L (EBIT: EUR +0.3m, NI: EUR -0.1m)

IFRS 16

➤ Balance sheet extension: equity ratio 47% (excl. IFRS16: 52%)



➤ Employees: 13,256 (-1.1% yoy)

Group P&L

	Q2 2019/20 EUR million	Q2 2018/19 EUR million	Δ EUR million	Δ %
Total revenues	244.919	262.712	-17.793	-7%
Other operating income	2.110	2.234	-124	-6%
Raw materials and consumable:	-18.783	-20.993	2.210	-
Personnel expenses	-187.929	-190.700	2.771	-
D&A	-13.103	-8.212	-4.891	-
Other operating expenses	-20.264	-27.550	7.286	-
EBIT	6.950	17.491	-10.541	-60%
Financial result	-1.346	-640	-706	-
EBT	5.604	16.851	-11.247	-67%
Other taxes	-976	-884	-92	-
Income taxes	-1.380	-4.525	3.145	-
Net income	3.248	11.442	-8.194	-72%
EPS (EUR)	0.32	1.13	-0.81	-72%

- IFRS 16: EUR -0.4m

- IFRS 16: EUR -4.4m
- D&A/sales (stated): 5.3%
- D&A/sales (w/o IFRS 16): 3.6% (3.1%)

- IFRS 16: EUR +4.6m
- OOE/sales (stated): 8.3%
- OOE/sales (w/o IFRS 16): 10.1% (10.5%)

- Lock-down and ramp-up of mobile work since mid-March led to volatile and inefficient utilization
- Project postponements to safeguard customer's liquidity
- Planned project termination in France
- Shift within R&D budgets requires alignment of capacities
- Ramp-up costs for new testing facilities
- Strict cost discipline on all lines
- PE/sales: 76.7% (72.6%) reflects underutilization
- IFRS 16 (higher D&A, lower OOE)
 - EBIT: EUR +0.3m
 - NI: EUR -0.1m

Segments

EUR million	Q2 2019/20	Q2 2018/19	Δ	Q2 2019/20	Q2 2018/19	Δ	Q2 2019/20	Q2 2018/19	Δ
	Digital			Physical			E/E		
Total revenues	136.735	154.803	-11.7%	47.350	51.377	-7.8%	60.834	56.532	7.6%
EBIT	-0.214	7.909	-	3.577	4.228	-15.4%	3.587	5.354	-33.0%
% margin	-0.0%	5.1%		7.6%	8.2%		5.9%	9.5%	

Digital Engineering	Physical Engineering	Electric/Electronics
Early cyclical	Late cyclical	Projects related to mega trends mainly up and running
Inefficient capacity utilization	Some project postponements	Ongoing high demand for software related projects
Partial price pressure	Test drives impacted by lock-down	Underutilization due to project delays in some disciplines
Alignment of capacities	Planned ramp-up of battery test center and powertrain solution center according to schedule	

Group Balance Sheet

EUR million	31/03/2020		31/03/2020
	(including IFRS 16)	Impact of IFRS 16	(excluding IFRS 16)
Assets			
Non-current assets	436.031	-86.555	349.476
– of which right-of-use assets	389.037	-77.550	311.487
– of which deferred taxes	11.954	-9.005	2.949
Current assets	445.156	0	445.156
Total assets	881.187	-86.555	794.632
Equity and liabilities			
Equity	413.367	0.301	413.668
– of which consolidated distributable profit	31.571	0.301	31.872
Equity ratio	46.9%	5.2%	52.1%
Non-current liabilities	302.438	-70.273	232.165
– of which other financial liabilities	61.390	-61.390	0
– of which deferred taxes	19.752	-8.883	10.869
Current liabilities	165.382	-16.583	148.799
– of which other financial liabilities	35.969	-16.583	19.386
Total equity and liabilities	881.187	-86.555	794.632

- IFRS 16 leads to balance sheet extension of EUR 86.6m
- Very minor negative impact on equity
- Equity ratio at 47% (excl. IFRS 16: 52%)



Outlook

Guidance for FY 2019/2020



20-50

EUR million
increase in
total revenues



5-7.5%

of total revenues
EBIT ratio



50-70

EUR million
volume of
capital spending



Positive

cash flow from
operating activities

**Guidance withdrawn
(ad-hoc March 20th 2020)**

Prepared for the future

Customers are focussing on cash and significantly reduced production => some R&D projects being paused at the moment

Projects linked to near-term SOP are up and running

Stringent cost-cutting, reduction of tier-2 work, and short-time work immediately initiated to compensate for inefficient utilization

End of short-time work at OEMs and recovery of car unit sales would be supportive for R&D decisions

Mid-term opportunities:

Megatrends: Bertrandt is consistently focusing on the future topics

CapEx cycle: recent investments covering industry needs

Globalisation: continuing focus on internationalisation geared to customer and project needs

Solid financials: strong balance sheet as competitive advantage

Prepared for the future

Thank you for your attention!

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