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Analyst Call – First three quarters of the financial year 2017/2018
Bertrandt AG

Ehningen, 29th of August 2018, Markus Ruf

At a glance

Total revenues



Increase by EUR 16.944 million to **EUR 752.632 million**
(plus 2.3 percent)

EBIT



Growth by EUR 9.528 million to **EUR 49.350 million**
(plus 23.9 percent)

Capital
expenditure



Necessary investments in buildings and technical equipment
at **EUR 38.276 million** (previous year EUR 28.979 million)

Highlights Q3 2017/2018

Cooperation with Microsoft

Bertrandt was awarded the highest Microsoft partner status in the field of application development and is now a certified Gold Partner

Ongoing internationalisation

Bertrandt opened up a new branch in Italy for Lamborghini and other local customers

Building up and expanding infrastructure

Currently new buildings with testing facilities for innovative electrified powertrains are successively taken in operation in northern Germany

Award received

Bertrandt was awarded the „INNOVATIV DURCH FORSCHUNG“ seal by the Stifterverband of Deutsche Wissenschaft e.V. for the second time running

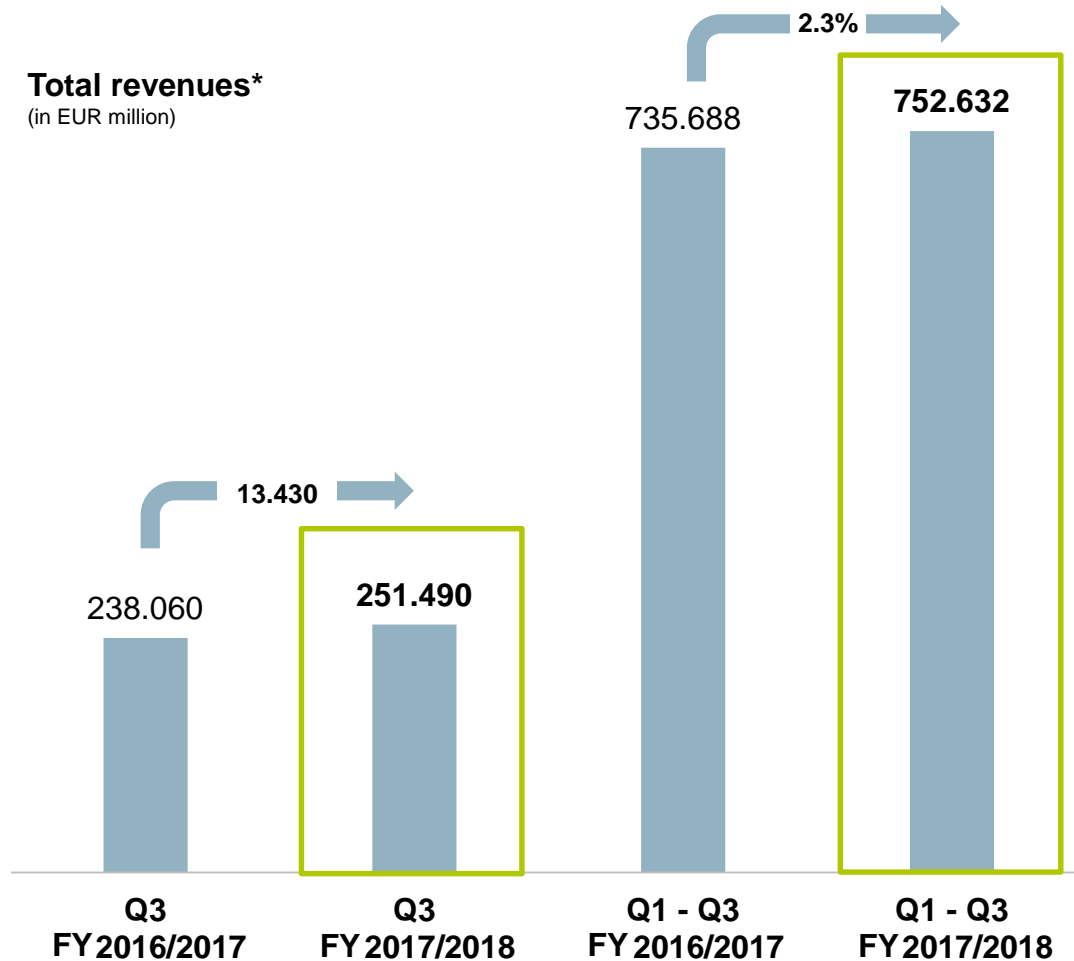


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FIRST THREE QUARTERS OF THE FINANCIAL YEAR 2017/2018

Total revenues

Total revenues*
(in EUR million)

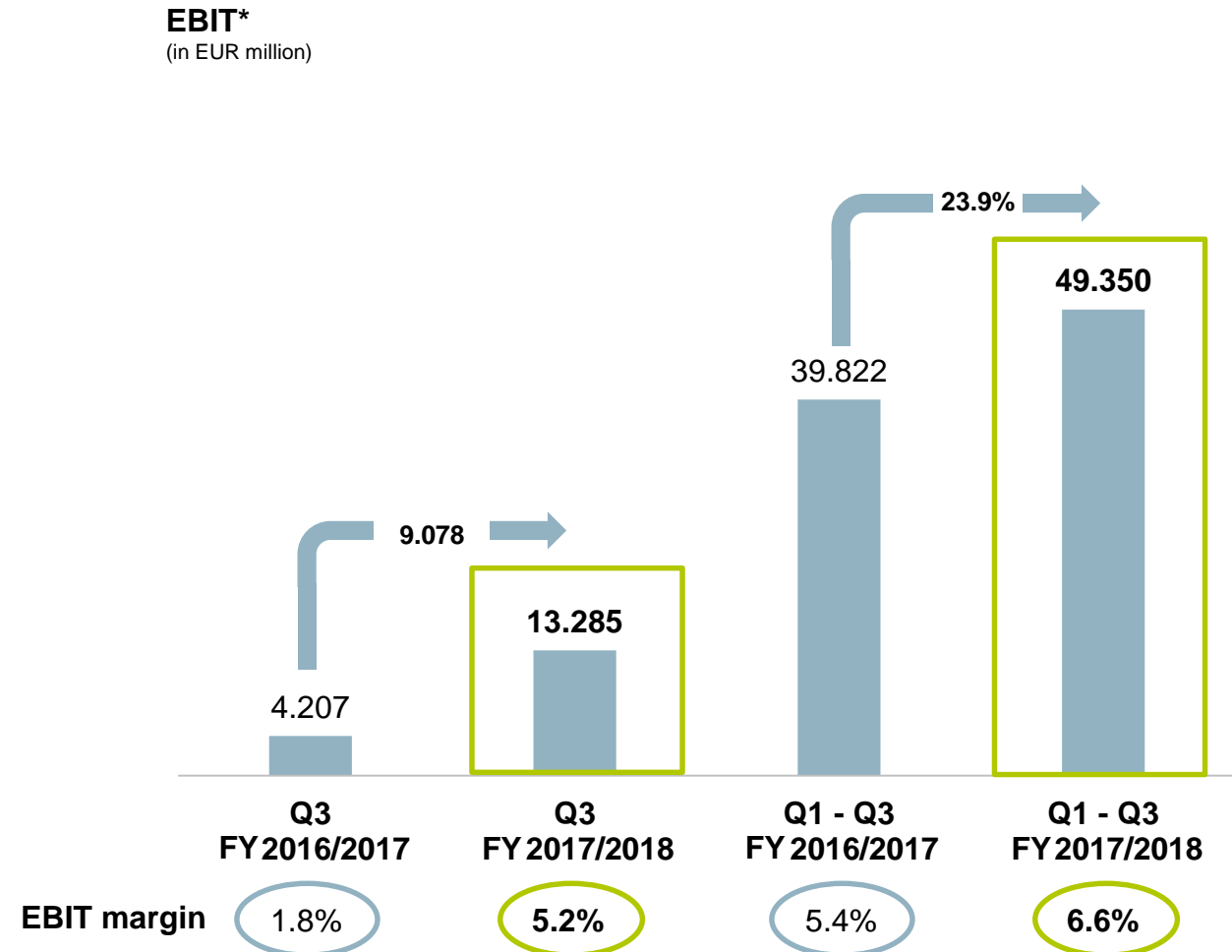


- Rose compared to the same period last year by 2.3 percent
 - Plus EUR 13.430 million Q3 vs. Q3

*Numbers refer to the Group

EBIT

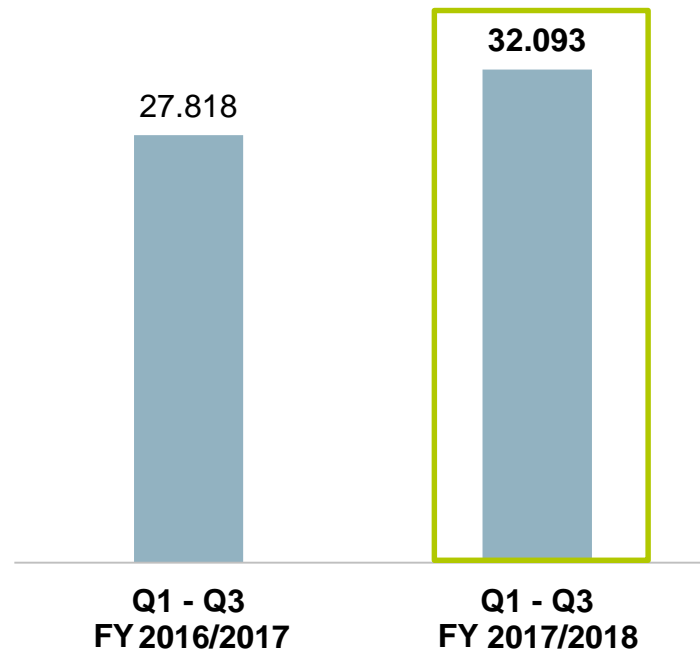
- Increase of 23.9 percent in comparison to the preceding year
 - Improved utilisation
 - Depreciation ratio unchanged
 - Increase in personnel costs while personnel expenses ratio remained virtually unchanged



*Numbers refer to the Group

Post-tax earnings

Post-tax earnings*
(in EUR million)



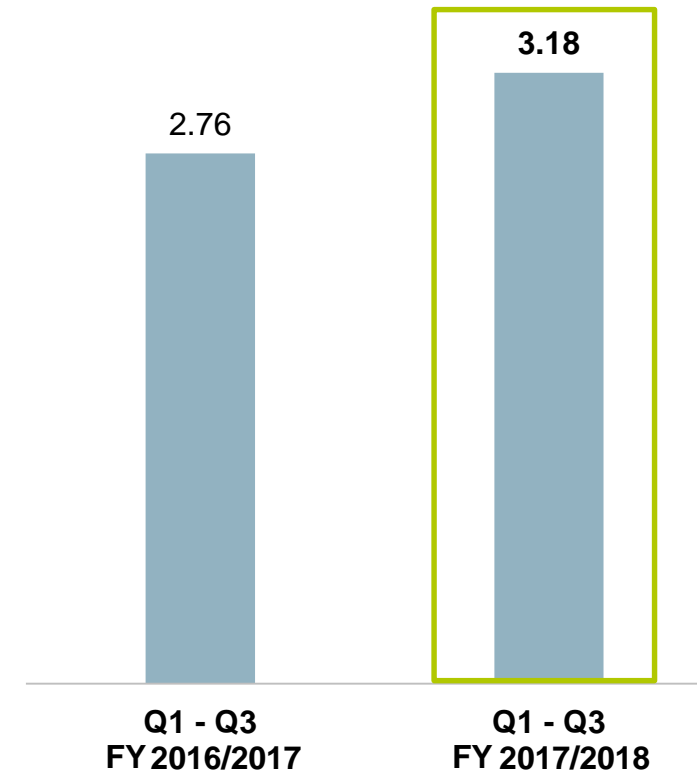
- Increase of 15.4 percent in comparison to the preceding year
 - Tax rate at 28.4 percent

*Numbers refer to the Group

Earnings per share

- Increase of 15.2 percent in comparison to the preceding year

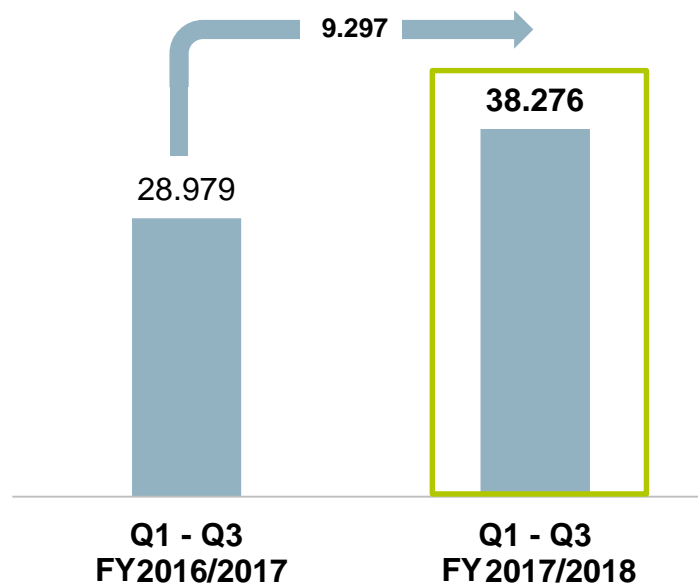
Earnings per share *
(in EUR)








*Numbers refer to the Group

Capital expenditure

Capital expenditure*
(in EUR million)

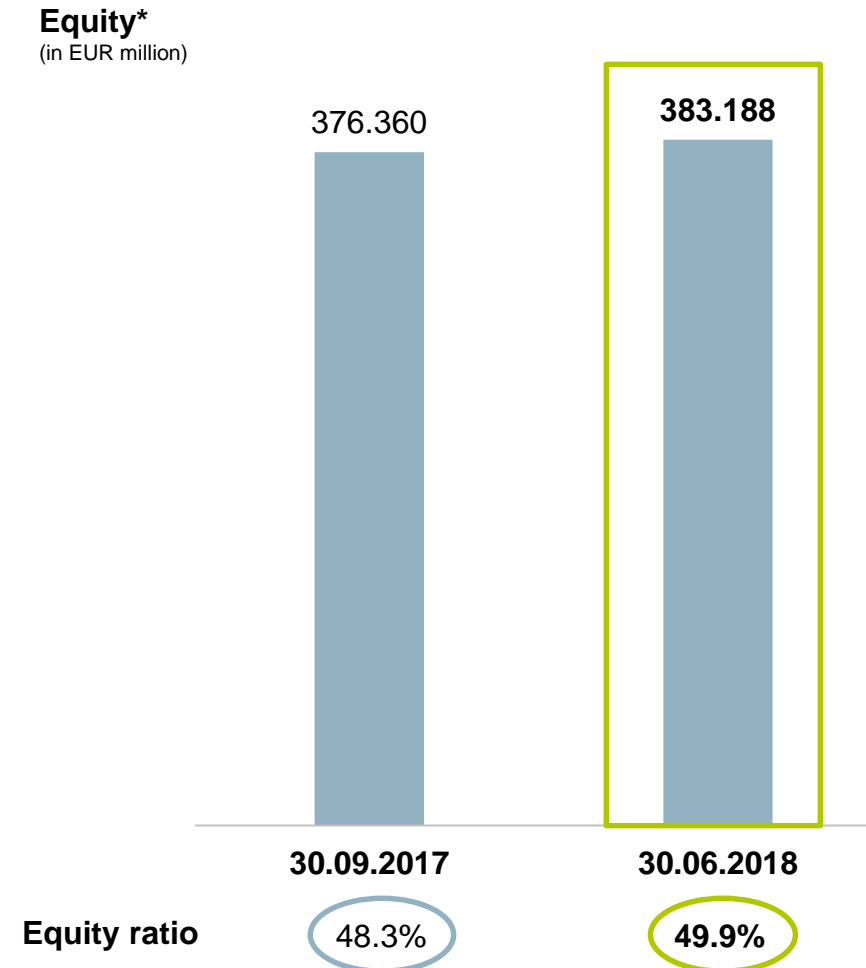


- 
> All wheel drive train test bench for electric powertrains
- 
> Infrared measuring technology for emission testing
- 
> Transmission test bench
- 
> Portable Emissions Measurement System (PEMS)
- 
> High-voltage testing bench for power electronics

*Numbers refer to the Group

Equity

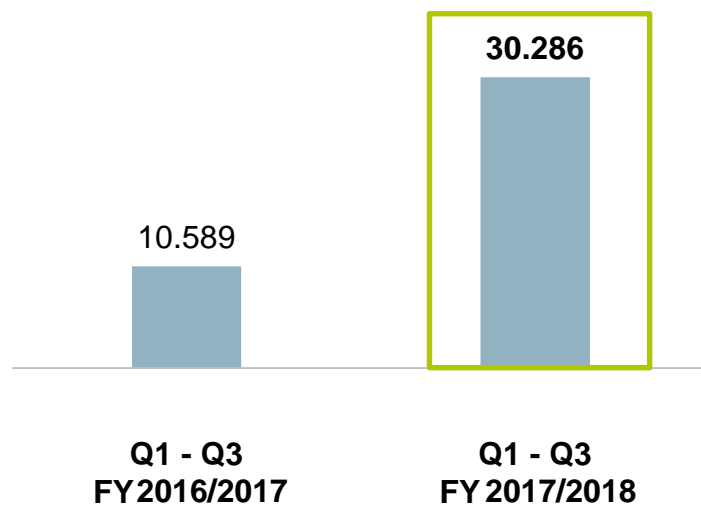
- With an equity ratio of 49.9 percent Bertrandt is one of the financially strong companies in the automotive sector



*Numbers refer to the Group

Cash flow from operating activities

Cash flow from operating activities*
(in EUR million)



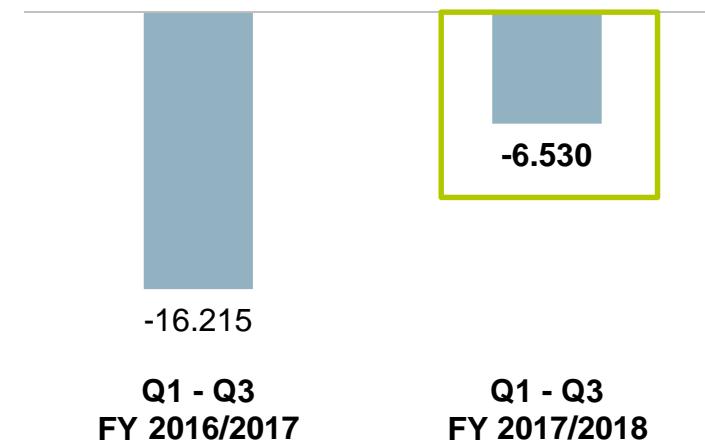
- In the period under review cash flow from operating activities rose by inter alia optimising working capital

*Numbers refer to the Group

Free Cashflow

- Increase of 59.7 percent in comparison to the preceding year
 - Despite a higher cash flow from investing activities at EUR -36.816 million (previous year EUR -26.804 million)

Free Cashflow*
(in EUR million)



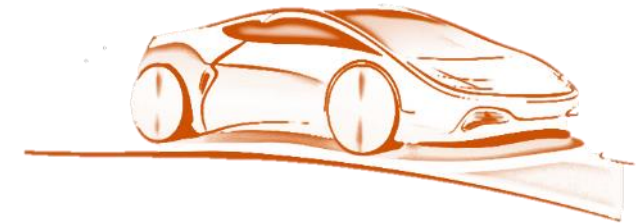
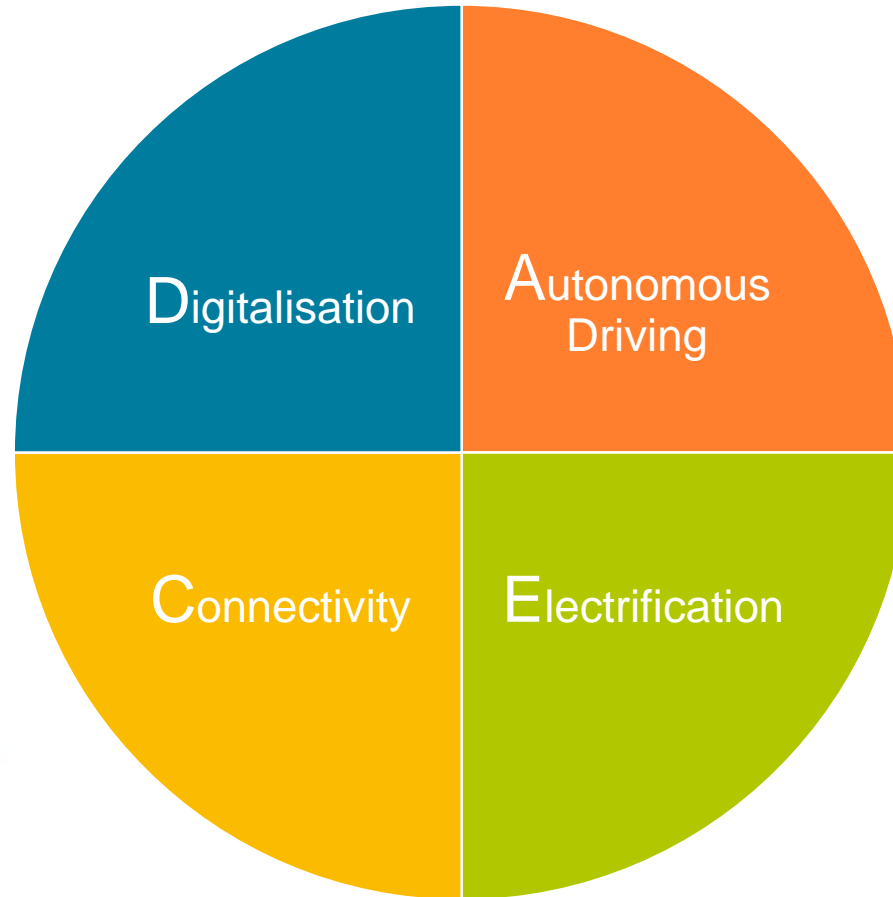
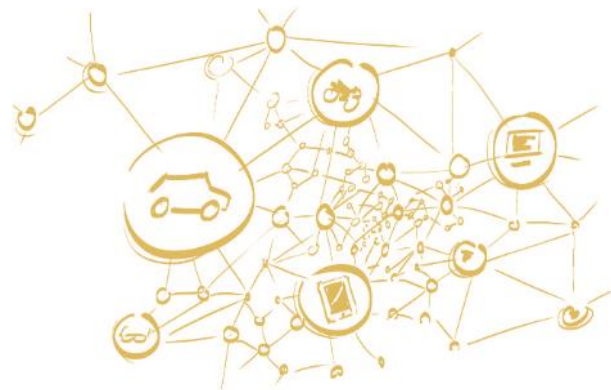
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Four megatrends determine current and future areas of focus in mobility industry

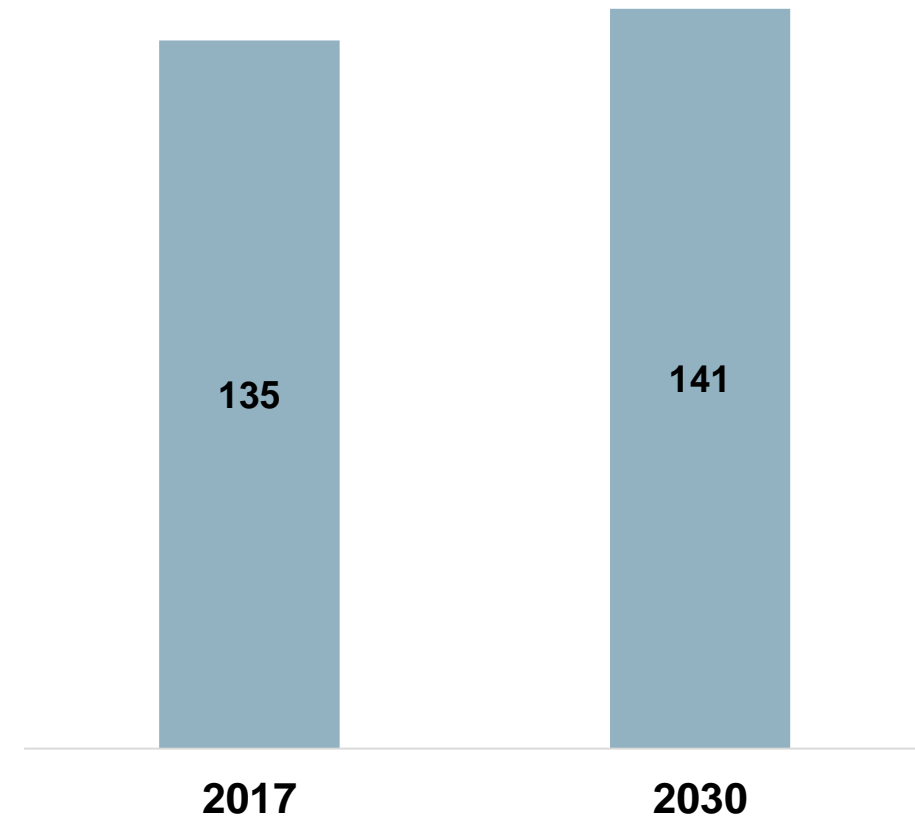


Model Diversity Complexity Industry 4.0

Study „Future Automotive Industry Structure FAST 2030“ – R&D spending raises globally in automotive

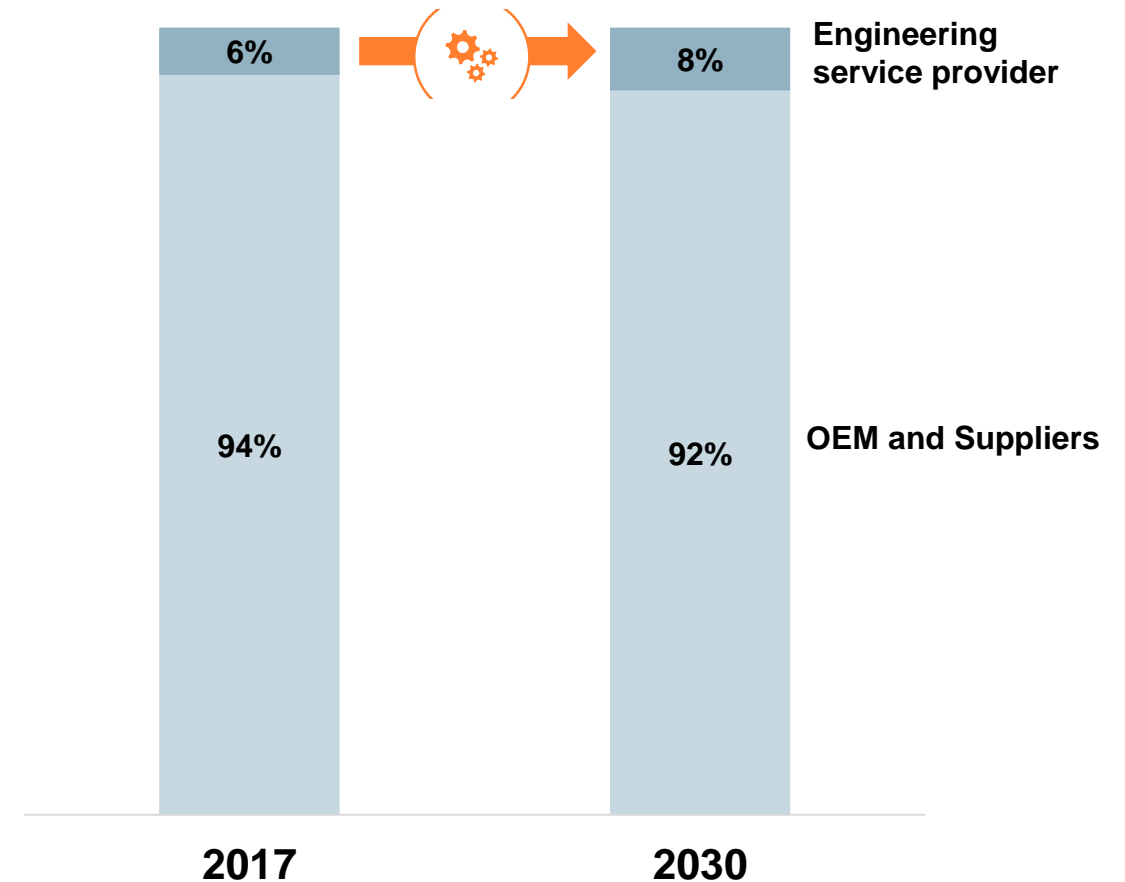
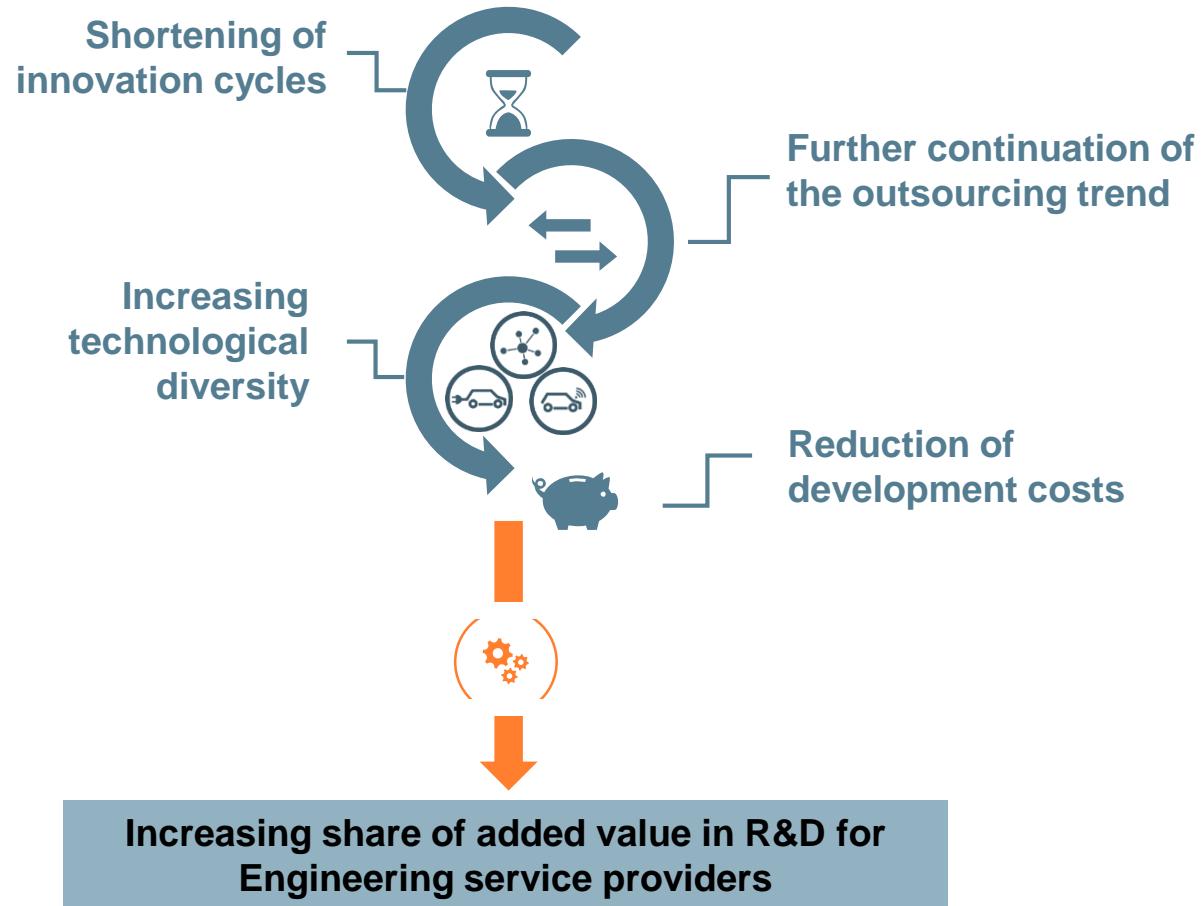
- Research and development spendings will continue to increase globally at all stages of the value chain
 - OEM
 - Suppliers
 - Engineering service providers

Development of added value –
R&D spending globally in EUR billion



Source: Oliver Wyman & VDA „Future Automotive Industry Structure FAST 2030“ (2018), p. 51

Study „Future Automotive Industry Structure FAST 2030“ – Increasing share of added value in R&D for Engineering service provider

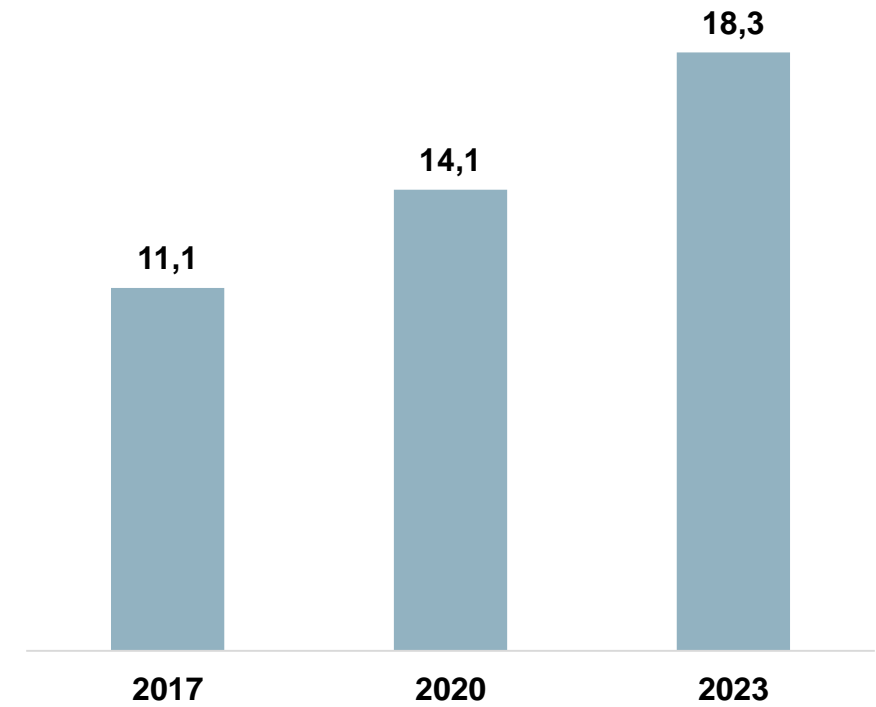


Source: Oliver Wyman & VDA „Future Automotive Industry Structure FAST 2030“ (2018), p. 55

Study „ESP Market Update“ – Market growth for engineering services in the automotive sector

- Further increase in the estimated market volume for automotive engineering services triggered by
 - Increasing number of models and variants
 - Optional features
 - Drivetrain variants
- Need for R&D efficiency of OEMs require them to outsource all non-core competence tasks
 - Outsourcing of larger work packages

Estimation global market volume
Engineering services in the automotive sector – in EUR billion

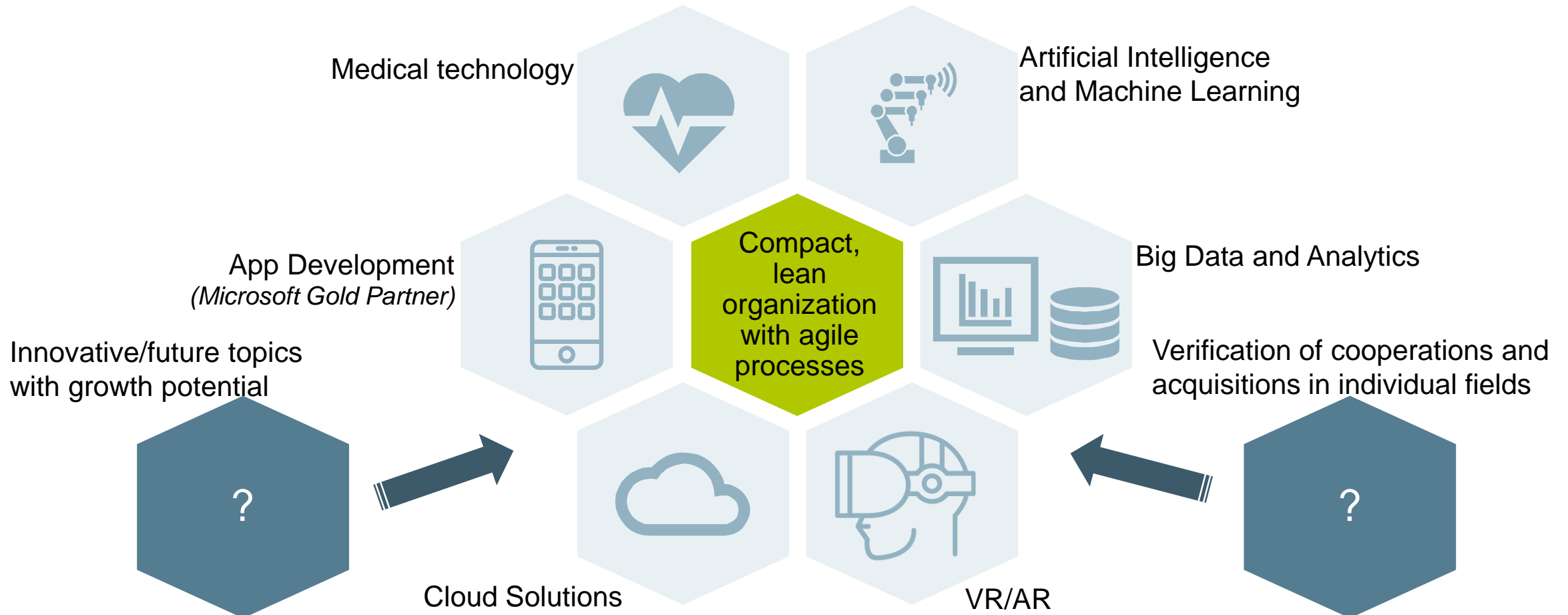


Planned expansion of infrastructure at Bertrandt – Focused expansion of existing and development of new business areas

- New test scopes through technical megatrends offer potential
 - Expansion of existing testing facilities
 - Construction of new testing facilities
- Example: Range of services in the field of electronics development
 - Expand the capacity of the battery test benches in Ehningen by a high-voltage battery test center
 - New test centers for the testing of high-voltage power electronics
- Example: Range of services in the field of drive train testing
 - Purchase more Portable Emissions Measurement Systems (PEMS)
 - Two test centers for new drive technologies (North and south of Germany)

Creating agile units at Bertrandt – Improved adaptation to rapidly changing markets

Agile units with start-up character to position themselves optimally
in future topics for customers and employees as well

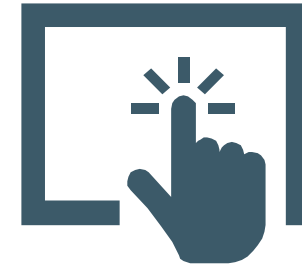


Focus – Increase in personnel to boost growth areas



13,028

employees as of Juni 2018

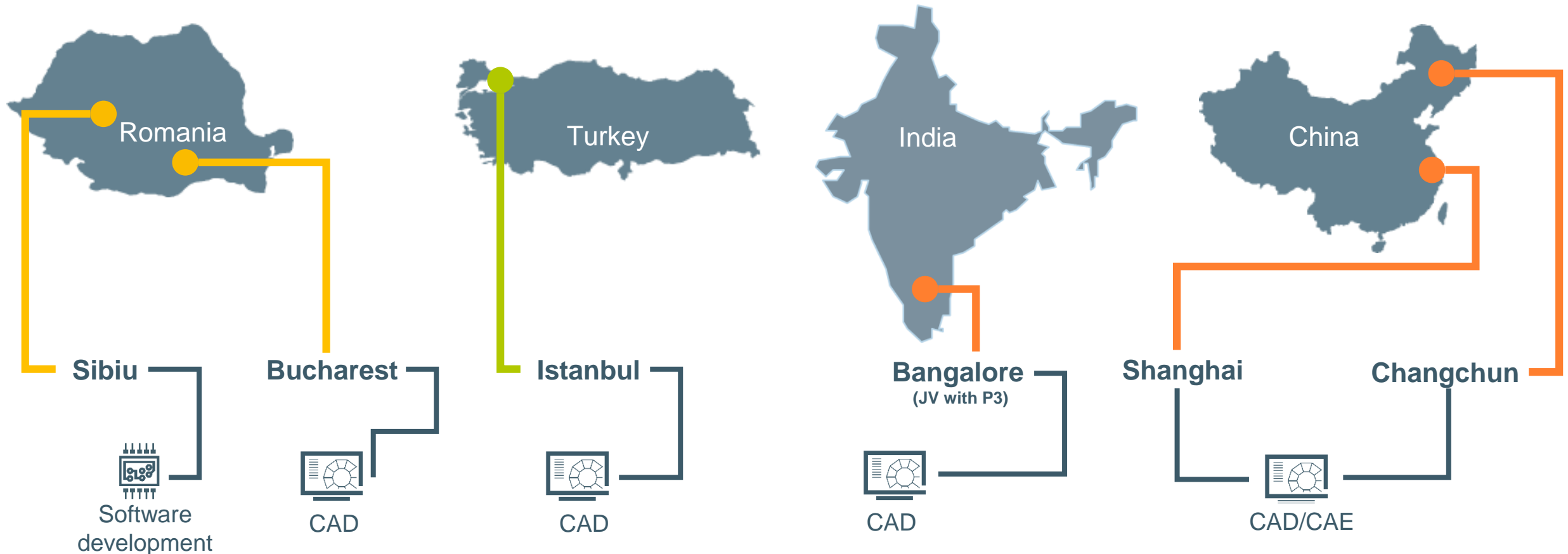


> 1,500

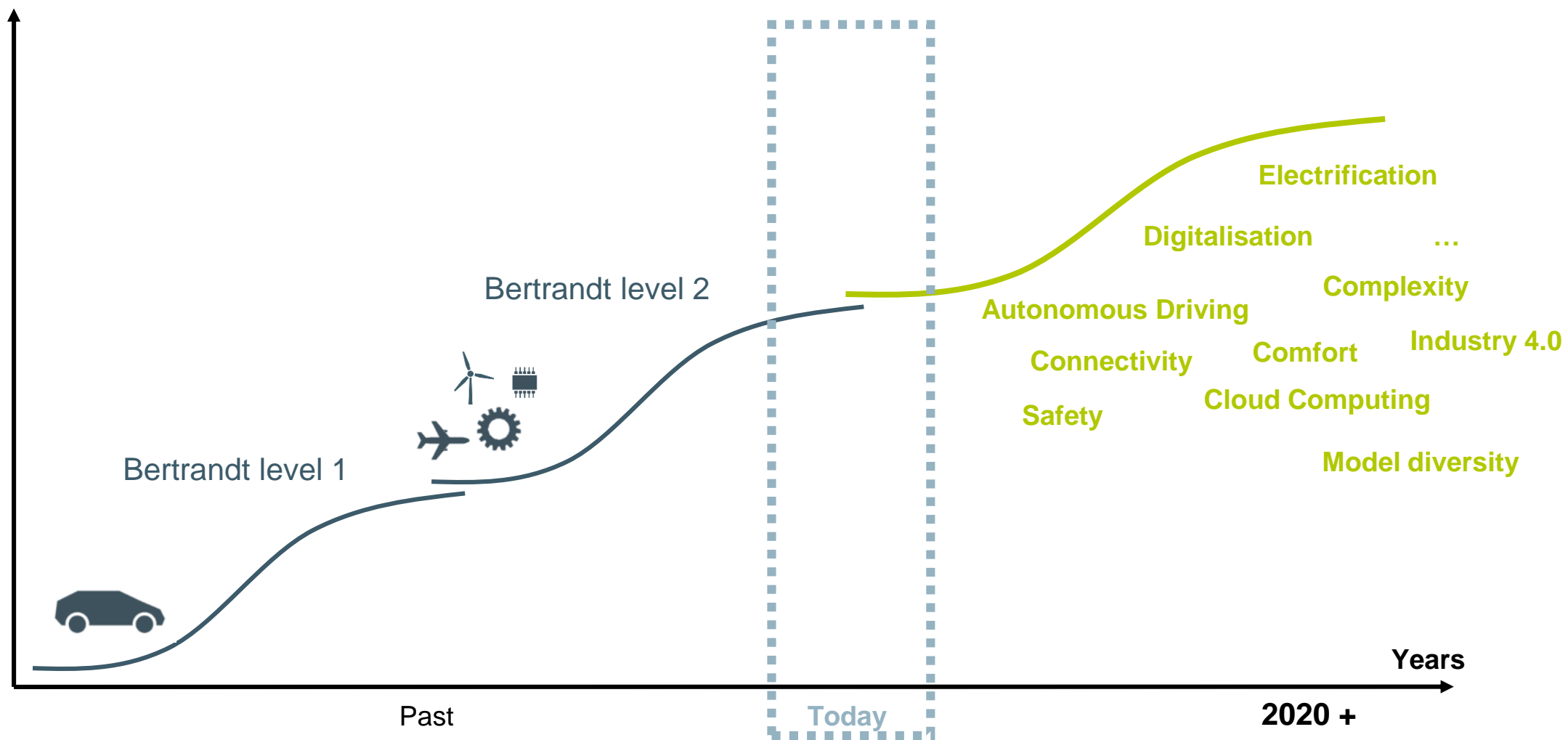
current vacancies at Bertrandt*

*As of July 2018

Current status of resources in Best Cost Countries – Further expansion under construction



Technology diversity and trends offer potential both in the proven and the new business areas



Summary



Positive development compared with the previous year

The first nine months and the general business development are in line with the expectations of the Management Board

The framework conditions and the market drivers offer further perspectives

Detailed information can be found in the quarterly report on which this presentation is based upon



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**Thank you for your attention,
we look forward to your questions!**

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