

Prepared for the future

Press Conference FY 2018/2019

Bertrandt AG

Stuttgart, December 12th 2019, Michael Lücke, Markus Ruf

Current market and customer environment: Automotive industry



Markets shaped by global political and economic uncertainties



40 billion euros invested in R&D on alternative drive technologies
Fivefold increase in number of electric models by 2023



Significant decline to some extent in sales of passenger cars in USA, China and Germany in 2019



Profit warnings and cost saving programmes widespread across all customers



Focus on connected and autonomous driving and on reductions in emissions, increasing global legislative requirements



Customers review share of own work in development activities



Trend towards larger contract awards



R&D spending is at high levels worldwide



Significant pressure on prices

Current market and customer environment: Other industries



4 billion euros in R&D spending in the German aerospace industry as in previous year

Increased investments in new technologies, particularly in the introduction of Industry 4.0 and the digitalisation of development, production and services



German medical technology producers report increased sales in 2018

High R&D spending of 9% of total sales revenues



Global market for power engineering set to grow by 4% in 2019 and 2020



Electrical, electronics and machinery and plant engineering industries report growth in sales in 2018, although orders are deteriorating

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 July 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

HARRI



- Internal development of a connected e-platform capable of driving autonomously
- Linking up and practical application of the four megatrends on a single innovation platform
- Completely new solutions and application opportunities for the automotive industry and the infrastructure of local authorities, logistics companies or passenger transport
- At the CES in Las Vegas in January 2020

Bertrandt Medical



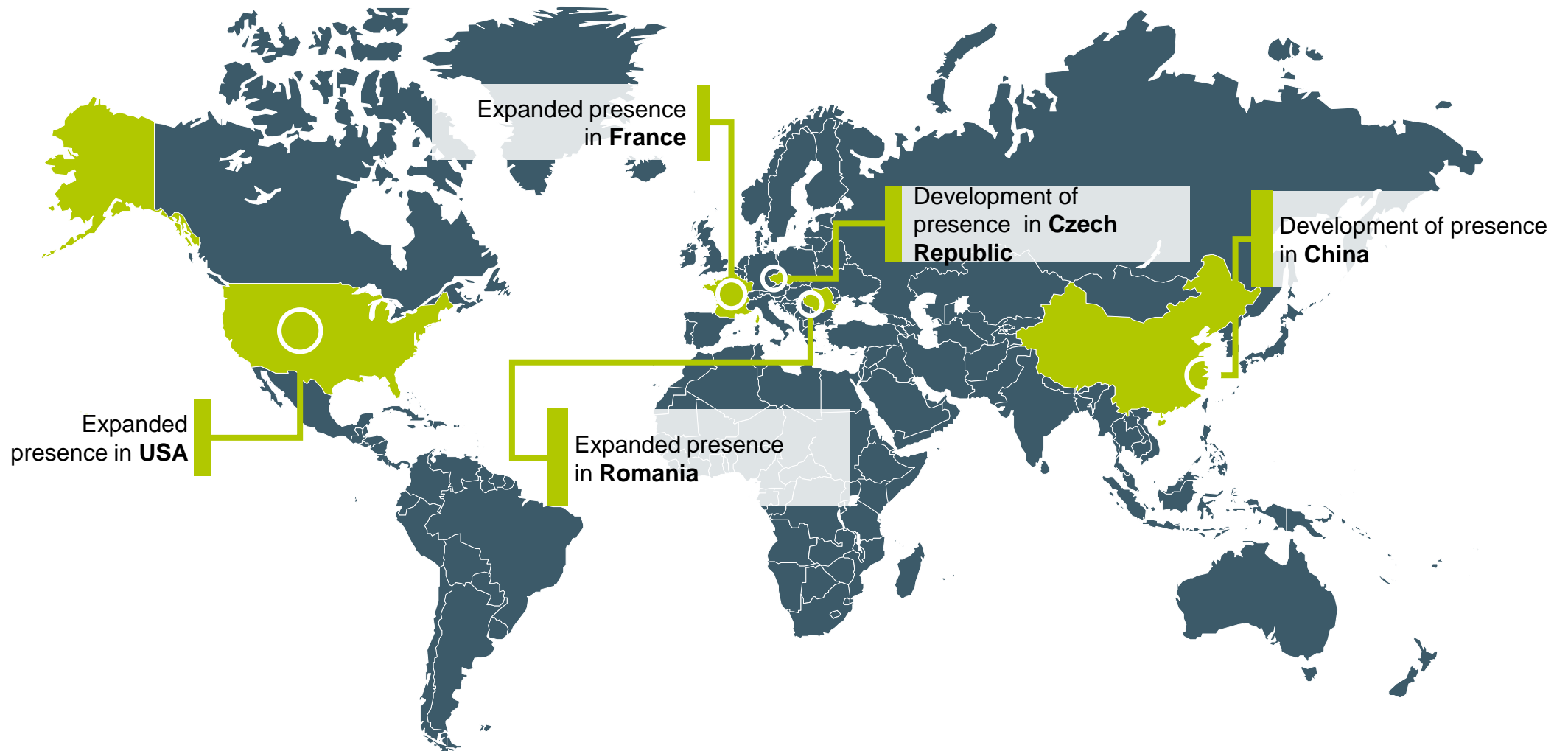
- Expansion of resources and service portfolio to meet special medical technology requirements
- Classic product development
- Increased demand for quality management, regulatory affairs, risk management, equipment qualification and process validations
- ISO certification sought in 2020 to meet high regulatory and extraordinary safety and quality requirements

Industry 4.0



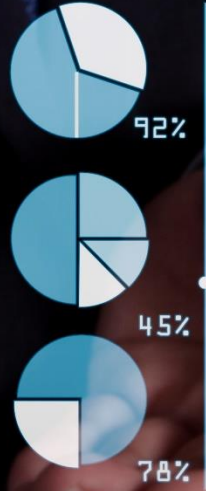
- Digitalisation to boost efficiency and continuously improve processes
 - > For example, for Industry 4.0 production as a “smart factory”
 - > Autonomously operated production facilities and logistics systems
- Bertrandt guarantees the smooth and successful interaction of various individual components
 - > For example, smartification, cloud connectivity and mixed reality visualisation

Internationalisation





CTMX	▲	+98.0	▲	+98.0%
CSTO	▼	-0.05	▼	-0.05%
FTR	▼	-20.0	▼	-20.0%
CHK	▲	+50.0	▲	+50.0%
AVIO	▼	-10.0	▼	-10.0%
DEX	▼	-30.0	▼	-30.0%
NKY	▲	+65.0	▲	+65.0%
THLD	▲	+55.0	▲	+55.0%
OLP	▼	-15.0	▼	-15.0%
JIB	▼	-25.0	▼	-25.0%



Fiscal 2018/2019

All numbers refer to the group

Overview

60.322 EUR mill.
EBIT

5,7 %
EBIT margin

P&L

1.059.870 EUR mill.
Total revenues

416.692 EUR mill.
Equity

51,5 %
Equity ratio

A P

808.662 EUR mill.
Total assets

13.664
Employees

65.219 EUR mill.
Capital expenditure

24.589 EUR mill.
Free cash flow

41,35 EUR
Share price on 30/09/19

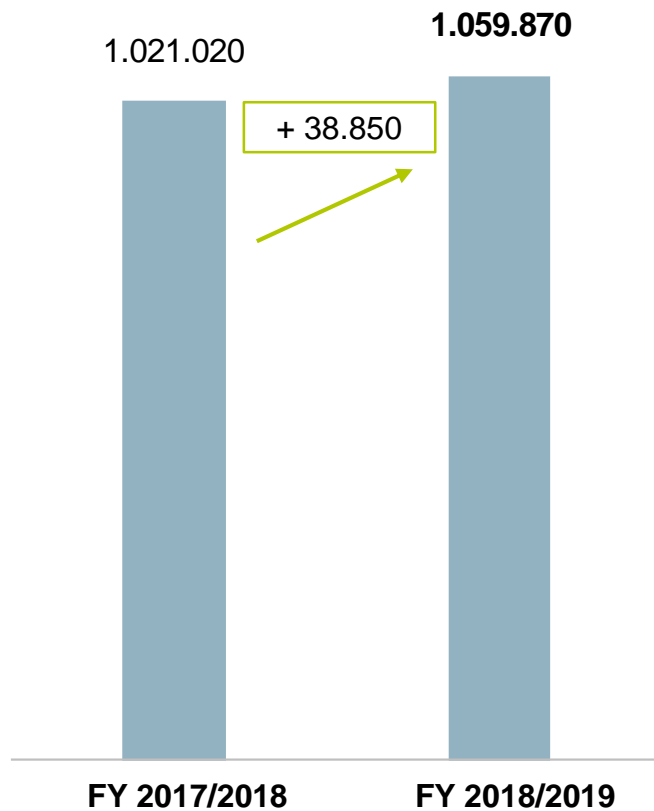
3,86 EUR
earnings per share

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)

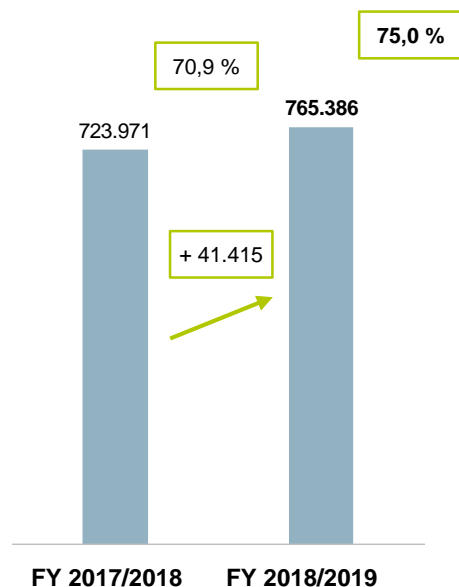


- Growth FY 17/18 → FY 18/19 | + 3,8 %
 - > Domestic + 1,2 %
 - > Foreign + 18,8 %
- Segment growth
 - > Digital Engineering + 1,2 %
 - > Physical Engineering + 4,1 %
 - > Electrical Systems/Electronics + 11,0 %
- Growth (year to year comparison)
 - > FY 17/18 → FY 18/19 | + 38,9 Mio. EUR | + 3,8 %
 - > FY 16/17 → FY 17/18 | + 27,1 Mio. EUR | + 2,7 %

Key expenditure figures

Personnel expenses

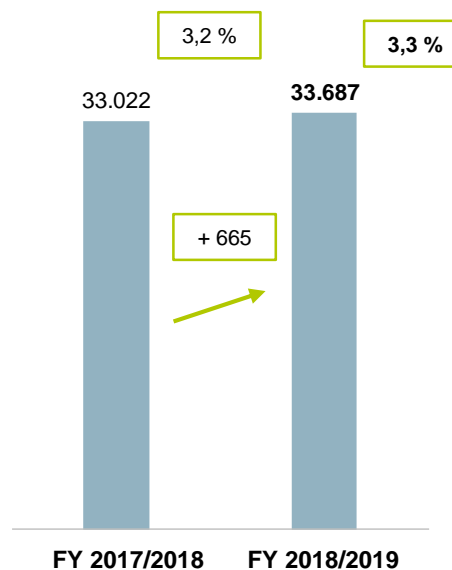
(EUR million)



- Growth + 435 employees since 1 Oct. 2018

Depreciation/amortisation expense

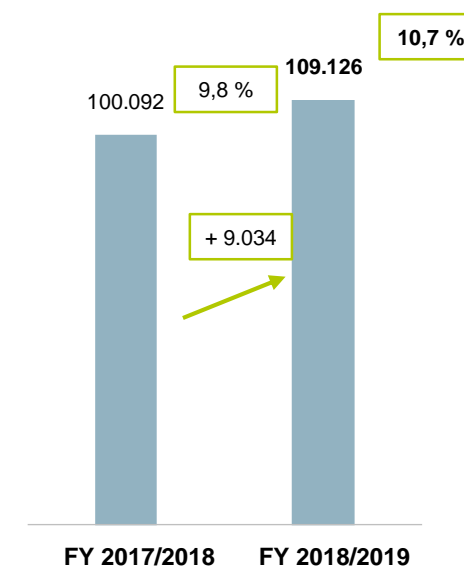
(EUR million)



- 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)



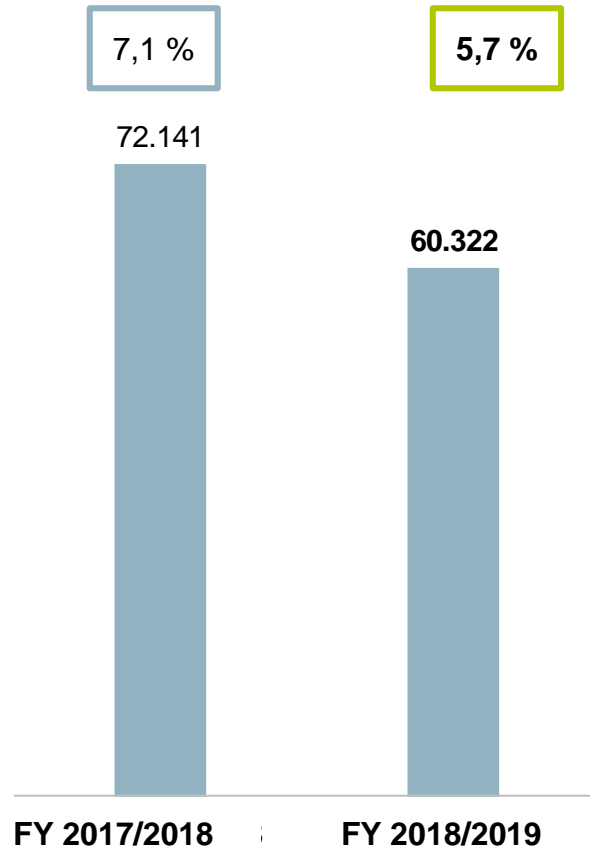
- Further training EUR 10.6 million (+ EUR 1.1 million)
- Recruitment and retention + EUR 2.8 million
- More space, rooms and inventory + EUR 2.6 million

EBIT

EBIT

(EUR million)

EBIT margin



– EBIT

- > Below the previous year's level
 - > Customer-specific temporary delays in project awards
 - > Delayed demand for capacity
 - > Start-up costs for new technical facilities and areas of business activity
 - > Recruitment and qualification of new employees

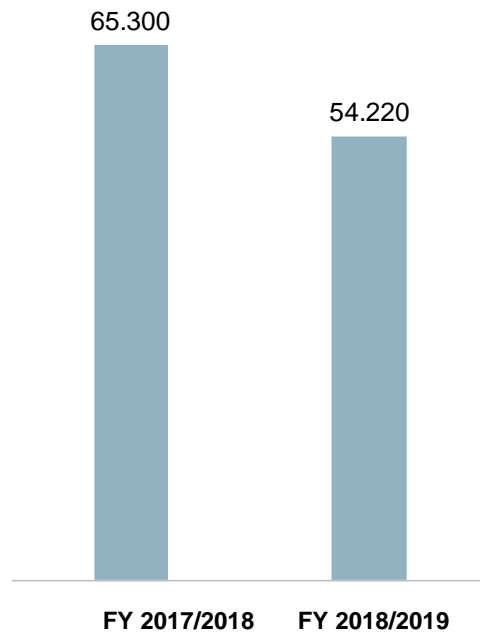
– Segments | Earnings and contribution to earnings

- > 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

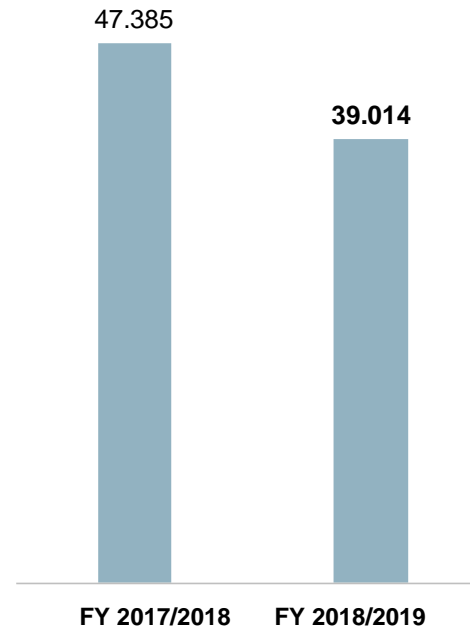
EBT

(EUR million)



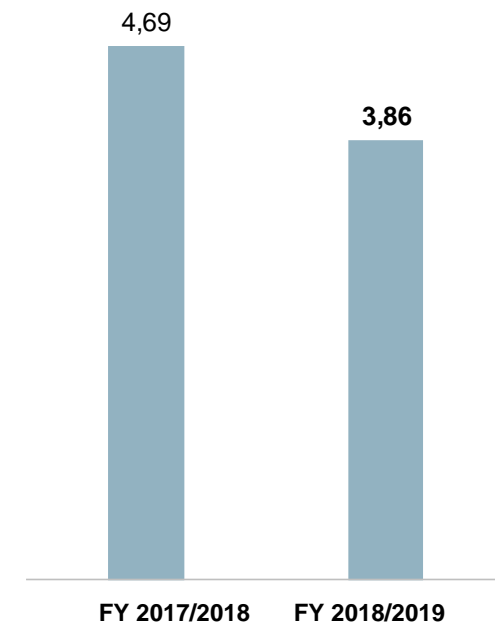
Post-tax earnings

(in EUR million)



Earnings per share

(in EUR)



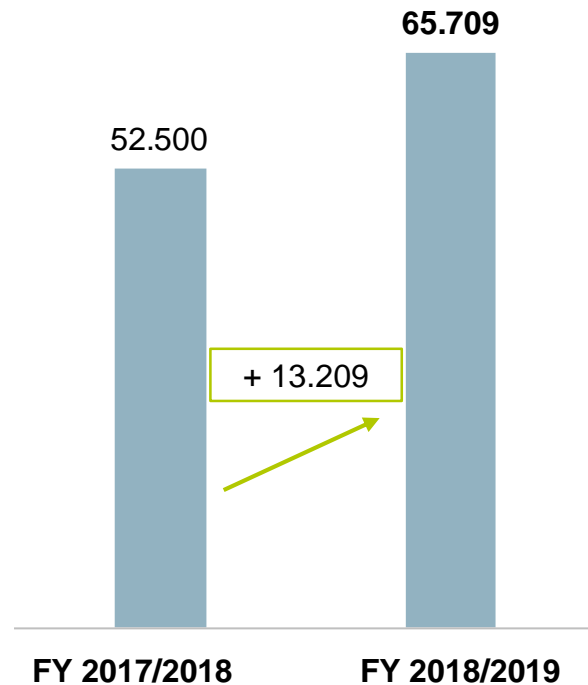
– Tax ratio 28,1 %

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 %

Financial and assets position

Capital expenditure (EUR million)

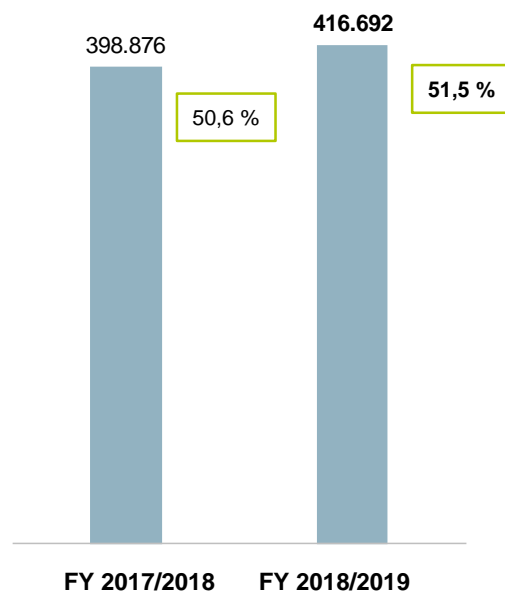


- Non-current assets
 - > High-voltage battery test centre
 - > Vehicle emissions test centres North and South
 - > Chassis dynamometer to determine range and endurance of electric vehicles
 - > Parking barrier test bench for electric vehicles
 - > Portable Emissions Measurement System (PEMS)
 - > ...

Financial and assets position

Equity

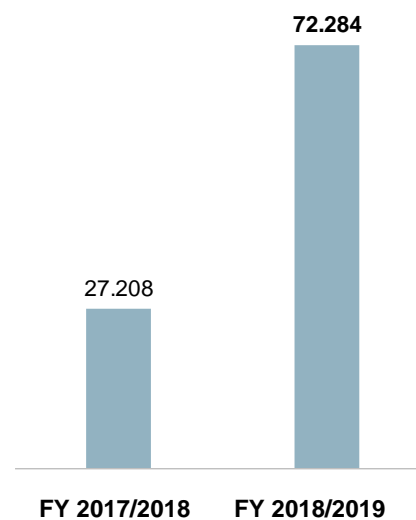
(EUR million)



- Solid financial base

Cash flow from operating activities

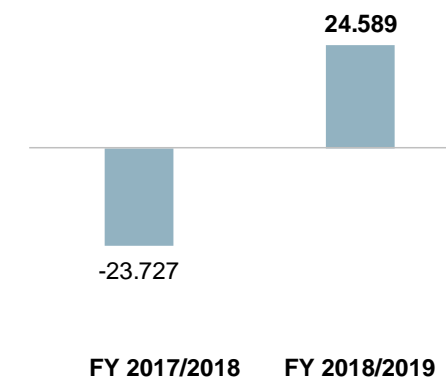
(EUR million)



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

Free cash flow

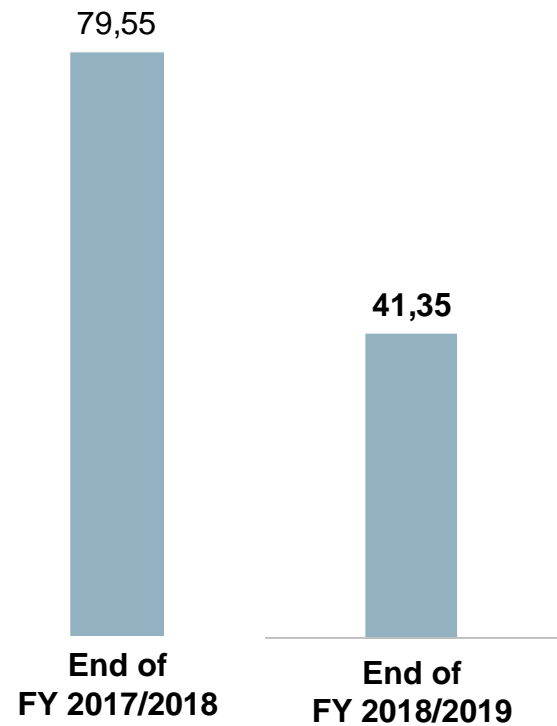
(EUR million)



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

Share price

Share price*
(in EUR)



- Share price development FY 18/19
 - > Highest share price: EUR 80.65
 - > Lowest share price: EUR 40.80

- Share price on 6 December 2019 at ~ EUR 53

*Im Xetra-Handel

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



Mission statement: the basis of our competence model for career development



Employer branding: focus on workforce increase in new fields



Workplace of the future as part of our corporate culture



Outlook

Outlook



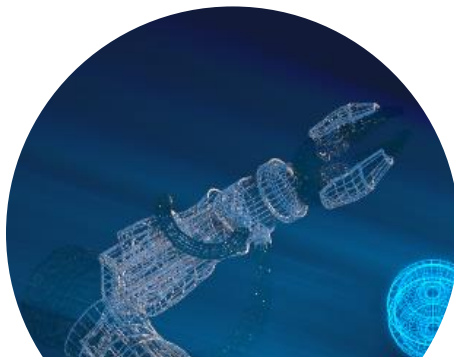
Presence at Consumer Electronics Show (CES) in Las Vegas



Organisation of 'techdays' to demonstrate solution competence



ISO certification of Bertrandt Medical GmbH



In-house development of CLIFE web application



"Bertrandt Data Labeler" software as internally developed artificial intelligence application



Bertrandt Powertrain Solution Center due to open in July 2020

Prepared for the future

- Bertrandt is strategically positioning itself in new topics and fields of business and has set the course for the future
 - > Megatrends: Bertrandt is consistently focusing on the trend topics
 - > Continuing investments: a good basis for the Company's future
 - > Challenging economic environment: automotive industry still affected by many developments, but continuing high development budgets
 - > Globalisation: continuing focus on internationalisation geared to customer and project needs
 - > Financial strength: with an equity ratio of more than 50 percent, Bertrandt is a financially strong company with a solid basis for future developments

- Considering the risks and opportunities, Bertrandt expects a positive development for the company, looking forward with confidence to its successful positioning in the market and readiness to pursue future topics

- The Management and Supervisory Boards will ask the shareholders to approve a dividend of EUR 1.60, thus maintaining the dividend payout ratio of 40 percent.

Prepared for the future

Thank you for your attention!

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