

Q2

Fiscal 2019/2020
Report on the 1st half
1 October 2019 until 31 March 2020

The first half year at glance

INCOME STATEMENT, CASH FLOW STATEMENT, BALANCE SHEET, SHARE, EMPLOYEES

TABLE 01

IFRS	01/10/2019– 31/03/2020	Changes in %	01/10/2018– 31/03/2019
Income statement			
Total revenues (EUR million)	508.240	-3.2	524.971
EBIT (EUR million)	21.238	-40.7	35.822
Profit from ordinary activity (EUR million)	18.566	-46.1	34.415
Earnings after income tax (EUR million)	11.959	-48.8	23.368
Cash flow statement			
Cash flow from operating activities (EUR million)	50.635	10.0	46.049
Cash flow from investing activities (EUR million)	-26.927	-29.7	-38.328
Free cash flow (EUR million)	23.708	207.1	7.721
Capital spending (EUR million)	27.140	-31.3	39.491
Balance sheet			
Equity (EUR million)	413.367	2.7	402.612
Equity ratio (%)	46.9%	-10.1	52.2
Total assets (EUR million)	881.187	14.2	771.458
Share			
Earnings per share (EUR)	1.18	-48.9	2.31
Share price on 31 March (EUR) ¹	31.45	-50.2	63.15
Share price, high (EUR) ²	57.10	-29.2	80.65
Share price, low (EUR) ²	25.00	-57.9	59.40
Shares outstanding on 31 March (number)	10,143.240	-	10,143.240
Market capitalisation on 31 March (EUR million)	319.0	-50.2	640.5
Employees			
Number of employees at Bertrandt Group on 31 March	13,256	-1.1	13,400

¹Closing price in Xetra trading.

²In Xetra trading.

Overview

The new coronavirus presents entirely new challenges for the world. As early as at the beginning of the first half of 2020, novel COVID-19 was spreading in China and as a globally operating company, Bertrandt was affected by this development. To contain new infections, governments have taken far-reaching measures, prohibiting social gatherings and partly even imposing lockdowns. Almost all industries are compelled to temporarily reduce their business activity or completely interrupt it. The wide availability of mobile workplace solutions, high-performance IT infrastructure and high digital security standards (Bertrandt has obtained the TISAX certification) have enabled us to continue to work for our customers while at the same time protecting our employees. Nonetheless, projects were delayed or cancelled already in the first half of the financial year. It is not yet clear how the virus pandemic and the shutdown will affect the German and global economies in the long run. Only in the coming months we will be able to assess the impact of the crisis.

Apart from the dramatic disruptions caused by the virus, the automotive industry is still in the midst of the transformation process. While the sector has to cope with challenges such as a growing diversity of electric vehicle models and variants as well as leaps in technology in the fields of new drive systems and connected and autonomous driving, the resulting breadth and depth of topics offers sizeable potential for engineering service providers. As a reliable technology partner providing comprehensive solutions in all the disciplines for which there is demand, Bertrandt is taking on more and more responsibility in the development process. There is a growing need for interface management between new and established partners and for controlling and project management competence. Bertrandt's response to this dynamic environment is to set course for the future by investing in infrastructure and know-how and by producing innovative solutions and taking on greater project responsibility.

In the economic environment described above, the Company's key performance indicators developed as follows in the first six months of fiscal 2019/2020:

- Total revenues declined by 3.2% to EUR 508.240 million (previous year EUR 524.971 million).
- EBIT came to EUR 21.238 million (previous year EUR 35.822 million), which corresponds to a margin of 4.2% (previous year 6.8%).
- The workforce has decreased year on year by 144 to 13,256 people (13,400 employees as at 31 March 2019).
- Capital expenditure amounted to EUR 27.140 million (previous year EUR 39.491 million).
- Free cash flow was EUR 23.708 million (previous year EUR 7.721 million).

During the half year under review, the entire automotive industry and also the Bertrandt Group were faced with unique challenges. The economic shutdown imposed by governments, and the restrictions on our personal interaction had a tangible negative effect on our activity as a customer-focused engineering service provider. The duration of these impacts remains unclear and cannot be quantified at the present juncture. In this context, Bertrandt's Management Board withdrew its forecast for the business performance in fiscal 2019/2020 on 20 March 2020 and has not provided any new predictions. The Management Board took measures at an early stage to confront the challenges quickly and with determination. Employees' and customers' safety and maintaining operational capacity are our highest priorities. Benefiting from a solid capital structure and liquidity situation, the Bertrandt Group is placed in a strong position to cope with the difficult situation.

#wekeepgoing

The coronavirus has the world firmly in its grip and, at present, nothing is quite as it was. The current situation presents entirely new challenges for all of us. The impact on the global economy is already enormous and we at Bertrandt are just as much affected as our customers and partners.

In these unprecedented circumstances we bear a special responsibility for our over 13,000 employees and for society as a whole. For this reason, we are doing everything we can to protect the people at Bertrandt, to minimise as far as possible the risk of our colleagues catching and spreading the virus.

In recent weeks we have put a great deal of work into maintaining the output of the entire Bertrandt Group. Pandemic plans have been rolled out and a crisis management body is working night and day. These colleagues have been working to and almost beyond the limit of their abilities. We would like to thank the entire workforce for pulling together and for the extraordinary commitment everyone has made together in this difficult situation.

It goes without saying that we are continuing to work on ongoing and new orders placed by our customers. Our employees have switched to mobile working where this is possible and the work situation allows. We are doing everything in our power to manage the crisis and to complete all projects to Bertrandt's usual standards of quality. We keep going.

Stay healthy and take care of each other.

Yours,
the Bertrandt Management Board



HANS-GERD CLAUS



MICHAEL LÜCKE



MARKUS RUF

Report on the 1st half

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Group Management Report

THE GROUP – GENERAL INFORMATION

Business model and strategy

As one of Europe's leading engineering partners, Bertrandt has been devising specific and tailored solutions with customers at 56 locations in Europe, Asia and the United States for over 45 years now. Our services for the automotive and aerospace industries include all process steps in the project phases of conceptual design, CAD, development, design modelling, tool production, vehicle construction and production planning right through to start of production and production support. In addition, the individual development steps are validated by simulation, prototype building and testing. This means that we implement collaborative projects of different sizes at our technology centres in the immediate vicinity of our customers. The technology centres provide dedicated design studios, electronics labs as well as testing facilities. Our customer base comprises nearly all European manufacturers as well as a large number of system suppliers.

We also provide technological services outside the mobility industry in such forward-looking sectors as energy, medical technology, electrical engineering as well as machinery and plant engineering throughout Germany. Throughout consistency, reliability and investing in infrastructure and technical equipment all contribute to growing customer relationships. These are key success factors for Bertrandt.

56

locations worldwide belong to the Bertrandt Group.

Foreign operations

With its 16 non-domestic branches in Europe, the United States and Asia, Bertrandt pursues a strategy of ensuring the sharpest possible focus on the customer by diversifying its locations on a project-specific basis. In close organisational interaction with its German branches, Bertrandt is able to offer its customers the complete range of its services at all locations and thereby to devise solutions rapidly and efficiently at a global level.

REPORT ON ECONOMIC POSITION

Economic development

After the first cases of coronavirus were detected as early as in late December 2019, the pandemic started to spread globally in February and has continued ever since to unfold worldwide. In Europe, new cases strongly increased in March and April. The authorities therefore imposed far-reaching measures already in March to curb the virus outbreak, which have severely slowed down all business activity. Even now, the impacts on the global economy are enormous. In the period under review, economic output first started to weaken in China. This was followed by a noticeable slowdown of the US economy between January and March 2020. Especially in Europe including Germany, growth rates were negative until the end of the period under review. According to the Joint Economic Forecast, the duration and extent of the global contraction depends on how the pandemic develops and how long the measures taken to slow down the virus' spread will be in place. In this general setting, the Joint Economic Forecast experts anticipate the world output to shrink by at least 2.5% on average in 2020.

Sector trends

According to the German Association of the Automotive Industry (VDA), automotive sales and production are particularly affected by the coronavirus pandemic.

As the VDA reports, the number of newly registered passenger cars in Europe was 853,100 in total in April, which means a -53% decrease compared to the previous month. Italy suffered the steepest drop in sales with a -85% decline. In France and Spain, new registrations decreased by -72% and -69% respectively, corresponding to a decline by three-quarters. Germany reported a 38% decrease in new car registrations. Overall, the European passenger car market was down by 26% in the first quarter of 2020 compared to the same quarter in the previous year. According to the VDA, sales volumes in the USA dropped by 38% in March down to 992,400 light vehicles. This means that the US market is in the red after the first three months of 2020 as sales volumes have plunged by 13%.

The Chinese market volume declined by 8% in March to 1.0 million new cars. With 2.8 million vehicles delivered, the first quarter of 2020 has therefore been the weakest in terms of sales since 2011.

The Indian passenger car market also suffered a decline in March with units sold down by -51% to 143,000 cars. Moreover, according to the VDA the automotive industry is in a special situation as it has to cope with the extremely challenging transformation process in addition to the coronavirus pandemic.

The automobile sector is still in the midst of a fundamental transformation which is mainly influenced by alternative drives and digitalisation. The industry pushes the development of electromobility with great commitment as new drive solutions are needed to respond to climate change and growing mobility needs. At the same time, technologies are advanced to enable automated driving at different levels with a view to further increasing safety and comfort.

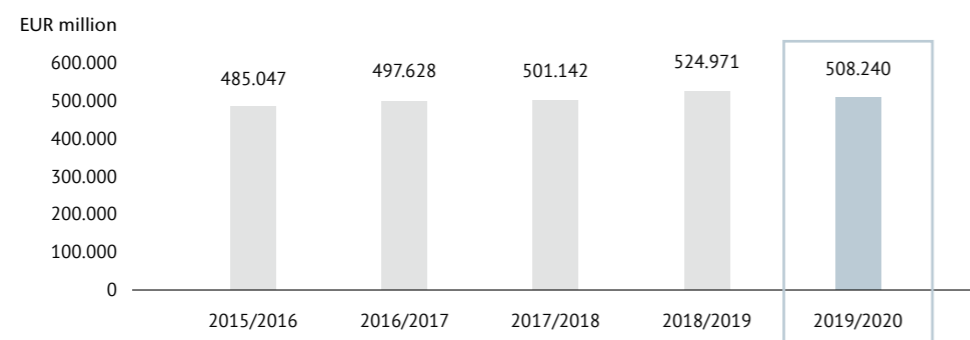
According to the German Aerospace Industries Association (BDLI), the German aerospace industry is hit by the coronavirus pandemic. The BDLI expects that the volume of air traffic as it was in 2019 will only be reached again in late 2022 or early 2023. Airbus anticipates the coronavirus crisis to bring about a major change in air traffic. According to an assessment given by the Airbus CEO, environmental protection and reduction in CO2 emissions will become even more important now. The industry is therefore likely to invest in new technologies and products that relate to the development of the next generation of aircraft. An equally important aspect in doing so is the implementation of Industry 4.0 and digitalisation in development, production and services.

The key industries in which Bertrandt operates apart from the automotive and aerospace sectors also feel the impact of the coronavirus pandemic. According to the VDMA, the mechanical engineering industry suffers from the consequences of the pandemic. As at the end of March, 84% of the VDMA membership companies surveyed reported a downturn in order books or cancellations, and the share of companies affected has already increased to 89% in mid-April.

The global repercussions of COVID-19 remain a source of uncertainty for businesses. This is also reflected in the business climate index published by the ifo Institute, which plunged to 74.3 points in April 2020 from 85.9 points in the previous month. Business expectations fell to 69.4 points in April 2020 from 79.5 points in the previous month. According to the ifo Institute, these are the lowest values ever recorded.

TOTAL REVENUES (1ST HALF)

CHART 02



During the period under review Bertrandt decreased its total revenues by 3.2% year on year.

BUSINESS PERFORMANCE

Development of the first half of fiscal 2019/2020

As expected, Bertrandt's start into the period under review was influenced by a heterogeneous background. The continuing transformation process in the automotive industry influenced the external sourcing strategies of automotive manufacturers and some development contracts were awarded to engineering service providers with delays. The pressure on prices remained tangible in some disciplines.

The period under review continued with our business being affected by the global spread of coronavirus and governments' countermeasures. Many industries and service providers were compelled to significantly reduce or even discontinue their economic activity to comply with public shutdown regulations. The unprecedented challenges posed by the corona pandemic also hit Bertrandt AG in the period under review. Temporary delays and interruptions in projects and development contracts had a negative impact on the business of engineering service providers. As a group, Bertrandt immediately responded to the changed economic environment and implemented countermeasures. A pandemic committee was set up in early March, and this task force coordinates all aspects related to the coronavirus. Since mid-March, all personal contacts have been reduced to a minimum while at the same time the number of mobile workplaces was speedily increased to 7,500. This has enabled the Group to maintain its operational capacity. In addition to reduced outsourcing of contracts, Bertrandt is also using the instrument of

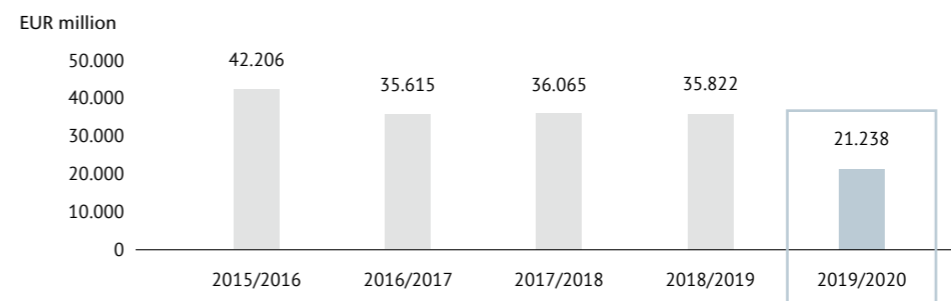
short-time working in many European countries. All expenses and capital expenditure decisions are under scrutiny. This is to generate sustainable potential for optimisation and at the same time drive the Group's prospects in a targeted manner.

In view of the uncertainties regarding the development, duration and actual impact of the coronavirus pandemic on overall global economic development, the Management Board of Bertrandt AG withdrew its published forecast for fiscal 2019/2020 on 20 March 2020. Given the current dynamic situation, the Management Board refrains from providing a new forecast for the financial year 2019/2020. At this time, it is impossible to give a meaningful assessment of the potential impacts of the pandemic.

In fiscal 2019/2020, Bertrandt AG applies for the first time the new accounting standard IFRS 16 for its lease accounting. According to the standard, lessees do not distinguish between finance and operating leases, but are required to recognise a right-of-use asset and a lease liability in the balance sheet for all leases. This results in material changes in items in the income statement, balance sheet and cash flow statement. Explanations are given as appropriate, as well as in the Notes.

EBIT (1ST HALF)

CHART 03



In the first half of the current fiscal year, Bertrandt's EBIT was EUR 21.238 million.

508.240

EUR million were the total revenues generated in the first half of FY 2019/2020.

Total revenues

In the economic environment described above the Company generated total revenues in the period under review of EUR 508.240 million (previous year EUR 524.971 million), including capitalised internally generated assets of EUR 0.556 million (previous year EUR 0.394 million).

→ CHART 02

Key expenditure figures

Expenses in the first half of fiscal 2019/2020 were as follows: Project-related cost of materials slightly fell as a result of procurements from external service suppliers to EUR 44.028 million compared to the previous year's level (EUR 45.495 million). Personnel expenses were EUR 378.391 million and thus broadly at the previous year's level (EUR 377.035 million). A decrease in the workforce from 13,400 (31 March 2019) to 13,256 people as at the end of the period under review is offset by a general increase in wages. The measures imposed by the authorities in January to curb the pandemic, and the resulting initial project interruptions had a negative effect on capacity utilisation and revenue generation. This is reflected in a higher staff cost

ratio of 74.5% (previous year 71.8%). The adoption of IFRS 16 caused depreciation/amortisation expense to increase to EUR 25.944 million (previous year EUR 16.223 million). Other operating expenses decreased to EUR 42.754 million (previous year EUR 54.918 million), also due to IFRS 16, and owing to initial successes from adhering to strict cost discipline.

EBIT

The Bertrandt Group's EBIT in the first half of the fiscal year 2019/2020 came to EUR 21.238 million (previous year EUR 35.822 million), which is equivalent to a margin of 4.2% (previous year 6.8%). As expected, this development was influenced by temporary delays in the award of projects by some customers, pressure on prices in some disciplines of our range of services and start-up costs for new areas of business activity. In the further course of the period under review, the Group's earnings were affected by the global spread of coronavirus and the restrictions imposed by governments requiring economic activity to be reduced or brought to a halt. Net finance income was EUR -2.672 million (previous year EUR -1.407 million). This is essentially attributable to the recognition of EUR 0.943 million in interest expense on lease liabilities due to the adoption of IFRS 16. Profit from ordinary activities in the period under review was EUR 18.566 million (previous year EUR 34.415 million). Based on a tax rate of 28.8% (previous year 28.6%), the Company generated post-tax earnings of EUR 11.959 million (previous year EUR 23.368 million).

→ CHART 03

Financial and assets position

Total assets increased by EUR 72.525 million to EUR 881.187 million as at 31 March 2020 (EUR 808.662 million as at 30 September 2019), of which EUR 86.555 million are attributable to the adoption of IFRS 16. As a result of the adoption of the new standard, some balance sheet items were reclassified, thereby increasing total assets and changing the balance sheet structure.

Non-current assets increased to EUR 436.031 million as at the reporting date (EUR 340.563 million as at 30 September 2019). This is almost exclusively due to the first-time recognition of right-of-use assets from leases with more than EUR 77.550 million for property, plant and equipment and the deferred taxes of EUR 9.005 million associated with the application of IFRS 16. Current assets were EUR 445.156 million (EUR 468.099 million as at 30 September 2019). While contract assets declined by EUR 11.669 million to EUR 113.646 million (EUR 125.315 million as at 30 September 2019) and trade receivables decreased by EUR 40.437 million to EUR 185.570 million (EUR 226.007 million as at 30 September 2019), cash and cash equivalents increased by EUR 21.659 million to EUR 113.150 million (EUR 91.491 million as at 30 September 2019).

Current liabilities were EUR 165.382 million (EUR 152.725 million as at 30 September 2019). The increase is essentially the result of maturity-related reclassifications from non-current to current borrowings in the amount of EUR 30.000 million. In addition, the current other financial liabilities grew by EUR 13.527 million, of which EUR 16.583 million are attributable to IFRS 16 matters, which, also resulted in an increase in non-current other financial liabilities by EUR 61.390 million. The increase in non-current liabilities by EUR 63.193 million to EUR 302.438 million (EUR 239.245 million as at 30 September 2019) is the result of the aspects stated above and also of a partial disbursement of a subsidised loan for an investment project.

The positive net result combined with dividends in the amount of EUR 16.152 million paid out to the shareholders had the effect of slightly reducing equity in the first six months of the fiscal year 2019/2020 to EUR 413.367 million (EUR 416.692 million as at 30 September 2019). The IFRS 16-related increase in total assets has a negative impact on the equity ratio, causing it to fall by 4.6 percentage points to 46.9% (51.5% as at 30 September 2019).

→ CHART 04

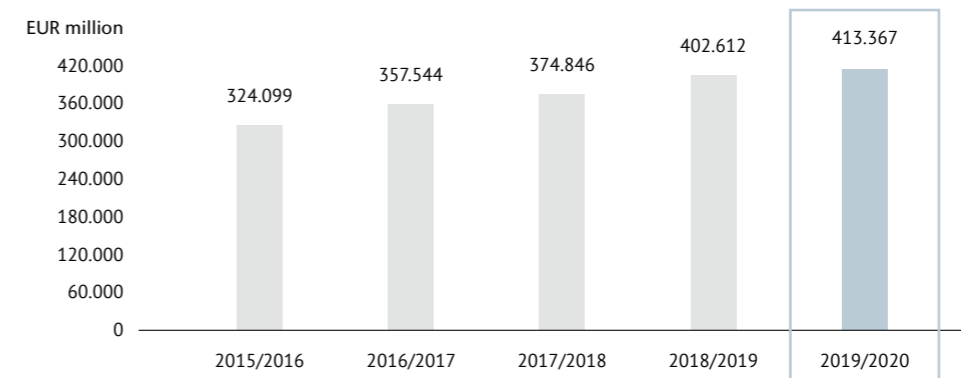
Bertrandt's cash flow from operating activities in the first half of the current fiscal year was EUR 50.635 million (previous year EUR 46.049 million). The optimisation of working capital had a positive influence. Cash flow used in investing activities declined to EUR -26.927 million (previous year EUR -38.328 million). This resulted in free cash flow of EUR 23.708 million as at the end of the first half year (previous year EUR 7.721 million). In the first six months of the current fiscal year, EUR 27.115 million was invested in buildings, technical equipment and intangible assets to meet needs (previous year EUR 39.264 million). The main focus of investment was on test facilities for powertrain systems. Construction of the two so-called Powertrain Solution Centers is currently in progress. This planned capital expenditure is the basis for tailoring our range of services to suit our customers' needs.

→ CHART 05

→ CHART 06

EQUITY (ON 31 MARCH)

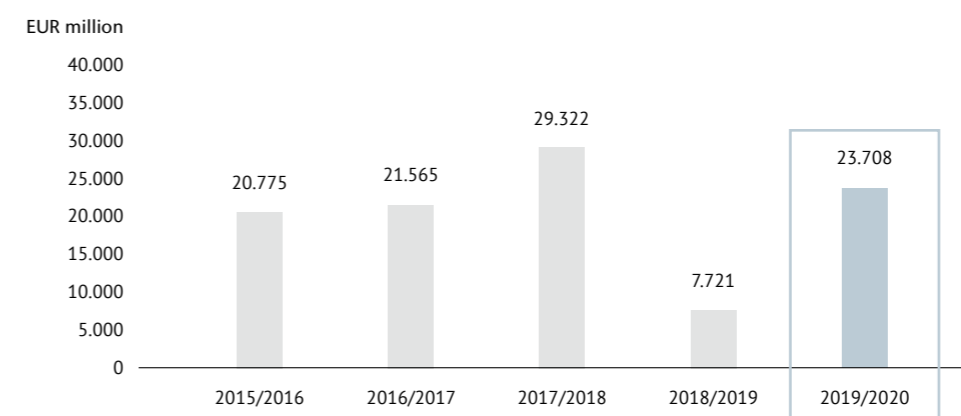
CHART 04



The equity ratio reached 46.9% as of the reporting date.

FREE CASH FLOW (1ST HALF)

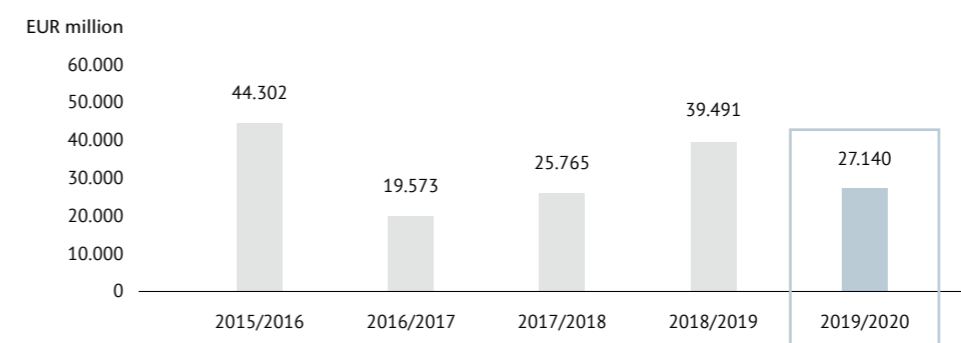
CHART 05



At the end of the first half 2019/2020, free cash flow amounted to EUR 23.708 million.

CAPITAL SPENDING (1ST HALF)

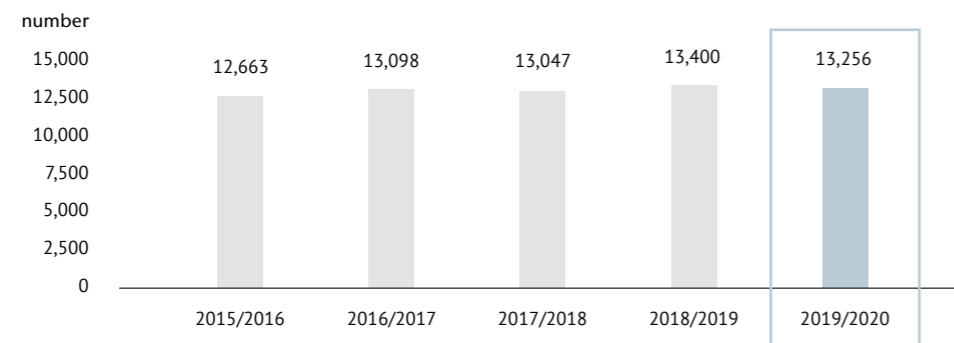
CHART 06



The level of capital expenditure continues to be high in the first half of fiscal 2019/2020.

EMPLOYEES (ON 31 MARCH)

CHART 07



Compared to the previous year, the number of employees in the Group reduced by 144 people.

13,256

employees worked for Bertrandt on the reporting date.

Human resources

The Company employed 13,256 people in the Group on 31 March 2020. Compared to the prior periods, the workforce decreased by 144 and 408 people (13,400 employees as at 31 March 2019 and 13,664 as at 30 September 2019) as a response to the heterogeneous market conditions. The latest information on human resources management can be found in the "Careers" section of Bertrandt's website at www.bertrandt.com.

→ CHART 07

Risc report

As an engineering service provider operating on an international scale, Bertrandt is exposed to a wide variety of risks. The pertinent facts were comprehensively reported in the fiscal 2018/2019 annual report, which states that the ongoing developments in the automotive sector will also shape the 2019/2020 financial year. The ultimate outcomes of these developments cannot be wholly predicted at the present juncture. Depending on the turn the influencing factors described in the report take, they may result in opportunities or risks for the Bertrandt Group in the next fiscal year.

Overall, uncertainty about the macroeconomic conditions and customer-specific challenges has noticeably increased in the first half 2019/2020. Britain's exit from the EU has become a reality. Furthermore, no far-reaching agreement has been reached yet in the trade conflict between the US and China and/or the EU.

Coronavirus and the countermeasures imposed by governments have led to economic disruptions such as a strong global recession and high unemployment rates. Thus, the coronavirus represents a new material risk in the period under review. The pandemic caused by the virus is likely to adversely affect global trade and logistics chains and the entire real economy. There is also a potential risk to the health of our employees. The official measures imposed to curb the virus and the resulting reduction or discontinuation of the economic activity of a large number of customer groups could increase the risk of delays in launches of new products and/or passenger car models. This also means a higher risk of significantly adverse effects on the business of engineering service providers like Bertrandt. According to the ifo Institute, sentiment in German businesses is considerably dampened. In April 2020, the business climate index published by the ifo Institute plummeted to 74.3 points, which is the lowest value ever measured, after it had been at 85.9 points in March 2020. The duration and extent of the restrictions caused by the virus pandemic remain unclear at the present juncture. Overall, it is difficult to foresee how this will impact the global economy and the external sourcing strategies of automotive OEMs. The first project interruptions and delays became evident as early as in the first half of fiscal 2019/2020.

Depending on how long and severe the sales crisis in the passenger car market will turn out, our customers may decide to further adjust their model strategies and development project sourcing strategies.

Bertrandt responded to this development at an early stage and implemented a pandemic committee in early March 2020 to coordinate recommendations and measures regarding all aspects of the coronavirus crisis. The committee works across disciplines and is chaired by a member of the Management Board. The members have key functions in the Group and the committee directly reports to the Management Board. Comprehensive information regarding the protection of our employees was communicated and published on our intranet in a timely manner. To protect our workforce, travelling has been largely suspended, mobile working or working in shifts has been introduced, direct contacts have been reduced, social rooms or canteens have been closed. Instructions on the proper use of hygiene standards (including face masks) have been provided. Our high-performance IT infrastructure and high digital security standards have enabled us to increase the number of mobile workplaces to 7,500 stations on short notice. Thus, we can offer the best possible protection to our employees while at the same time maintaining operational capacity to the benefit of our customers. Bertrandt is certified according to the TISAX standard. This means that the Group meets the high requirements for information security in the automotive industry.

The pandemic committee continuously evaluates changes regarding the spread of the virus and the responses by public institutions (tightening or easing of lockdown restrictions) to be able to recommend Group decisions and reassess the risk situation.

The risks referred to in the annual report 2018/2019, which have partly materialised, and the current situation and the impact of coronavirus adversely affected total revenues and earnings in the period under review and will also have a negative effect on future business performance, despite the countermeasures implemented by the Group. At this time, it is not possible to quantify these potential developments.

The broad strategic alignment of the Group, the high demand for innovative solutions catering for the automotive megatrends of digitalisation, automated driving, connectivity and electrification, and the Group's solid financial base will continue to provide a stable foundation for Bertrandt's business growth.

Potentials

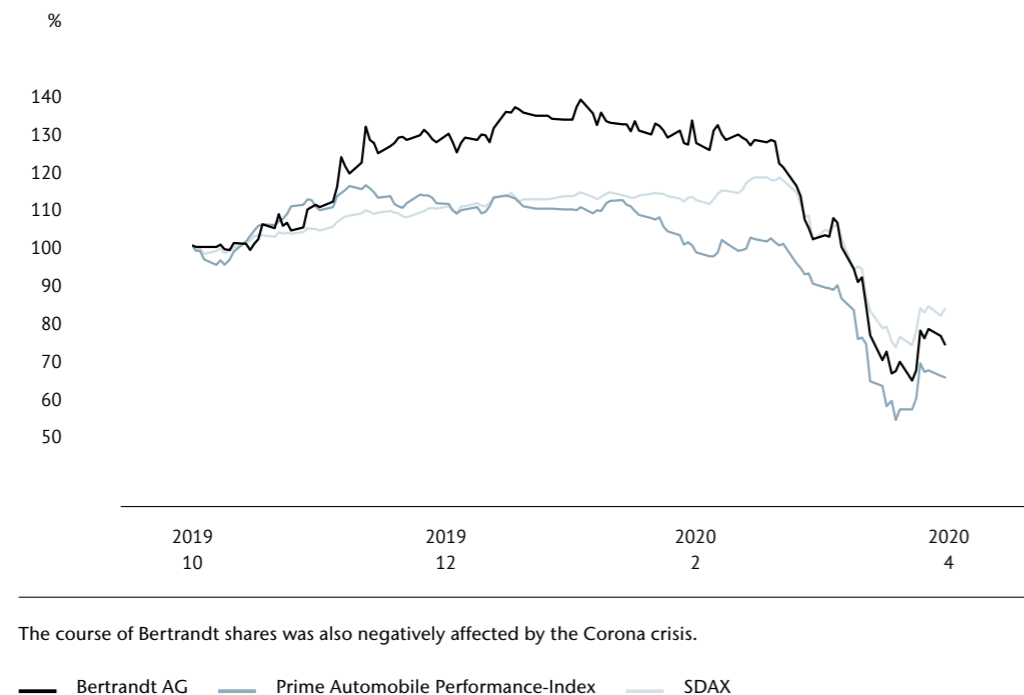
The ongoing technology trends of autonomous driving, connectivity, e-mobility and digitalisation result in a great breadth and depth of topics for Bertrandt. Mobility and the world of digital data are becoming increasingly intertwined and new business fields and market shares are emerging, putting Bertrandt to test both as an all-rounder and a specialist. As a solutions-focused engineering business the Group is geared to market and customer requirements and consequently also invests in infrastructure and the competences of its employees. With all these developments new topics, services and cooperative opportunities are also emerging alongside established fields of business which Bertrandt is increasingly exploiting to develop the best solutions for its customers. Bertrandt is a technology company which provides skilled support as a partner to its customers. The Company's objective is to manage its business sustainably, to position itself successfully on the market and to further build a leading position with a broad and integrated range of services. Bertrandt consciously serves a rather diverse customer base. The Company assumes the role of an expert consultant to the automotive and aerospace industries while embracing the development of technological future trends with a can-do attitude. Moreover, there are promising opportunities for the Company to establish a market position and to bring its expertise to bear in sectors beyond the mobility industry, such as the energy and electrical engineering and medical technology industries as well as the electronics sector or machinery and plant engineering industries. Thanks to our decentralised structure, we are a trusted partner in the immediate vicinity of our customers. Thus, we can take on board their wishes immediately and implement them in projects worldwide. Moreover, in this context Bertrandt also uses agile startup-type units and focuses on industries and customers in the fields of medical technology, virtual and augmented reality, cloud solutions, machine learning or big data.

Forecast and outlook

As a result of the coronavirus crisis, the International Monetary Fund (IMF) has cut within a few months its estimates for the global economy more severely than ever before. The IMF experts expect the global economy to shrink by -3.0% in the full year 2020. According to the IMF, the swift and comprehensive rescue programmes arranged by many governments should lead to a gradual recovery the second half of 2020, which may be expected to trigger global economic growth of 5.8% in 2021.

SHARE PRICE IN COMPARISON (1ST HALF)

CHART 08



For the USA, the largest economy worldwide, the IMF expects a minus of 5.9% in the year 2020. In the eurozone, the economy is anticipated to contract by 7.0% in 2020. The situation in Italy and Spain, both particularly hit by the pandemic, will be especially severe. According to the IMF, the economy in these countries will shrink by 9.1% and 8.0% respectively in the full year 2020.

According to the ifo Institute, the sentiment in German businesses has extremely deteriorated because of the coronavirus pandemic. The business climate index plunged to 74.3 points in April 2020 from 85.9 points (seasonally adjusted) in March 2020. According to the experts at the ifo Institute, the German economy is in shock. Especially the business expectations clouded over to an unprecedented degree in April. The same applies to the assessments of the current situation. With drastic measures implemented by public authorities, the ifo Joint Economic Forecast experts anticipate gross domestic product in 2020 as a whole to shrink by 4.2%. Other institutes such as M.M.Warburg & CO expect the German economy to contract by 7% in 2020. The forecasts cover a broad spectrum which is explained by the dynamic situation and the need to continuously adjust economic expectations, sometimes at weekly intervals. Provided that the economy gradually recovers after the shutdown, the experts of this study fore-

cast an increase in gross domestic product by 5.8% in 2021. However, there is overall agreement that a severe recession must be expected in Germany after the pandemic. How manufacturers will catch up on the backlog created by production stoppages in the subsequent quarters cannot be predicted at the present juncture.

On the development side, a recent study analysing the situation in the German automotive industry conducted by the VDA in cooperation with consulting firm Oliver Wyman concluded that the automobile itself is in the midst of a historic transformation. According to the study, digital connectivity and globalisation are continuously driving the global innovation and technology race. The need for mobility is growing on all continents and is manifested in demand for sustainable and environmentally-friendly vehicle concepts. As a result, experts expect the trend for contracting out engineering services in the automotive industry to continue – an important factor for Bertrandt's business performance.

According to the BDLI, the coronavirus pandemic paralyses the entire aerospace industry which also includes German aviation suppliers. A study conducted in early April by consulting firm h&z Unternehmensberatung in cooperation with the BDLI showed that the civil aviation supply industry is

particularly hit by the crisis. Even firms which have been financially sound to date are now encountering liquidity problems and need help. Eighty-nine percent of the businesses surveyed expect that the coronavirus crisis will have far-reaching implications for them and in some cases businesses fear that their existence is at stake. Moreover, civil aviation suppliers expect air traffic to reach the 2019 volumes only in late 2022 or early 2023. With the strong decline in passenger numbers the existence of some airlines is threatened and even the large and well-established companies require government aid.

According to a survey conducted by the German Engineering Association (VDMA), more than three thirds of the companies questioned believe that supply chains will continue to be interrupted in the next three months, and 28% even expect the situation to deteriorate.

The Power Engineering division of the German Electrical and Electronic Manufacturers Association (ZVEI) reported that the business climate in the German electrical and electronic industry considerably worsened in March. Overall business expectations deteriorated by -35 points compared to the previous month.

The German Hightech Industry Association SPECTARIS reports that, except regarding the production of respirators and intensive care beds, the medical technology sector is also affected by the crisis. In a recent survey conducted by the medical technology section of SPECTARIS and Medical Mountains GmbH, 61% of businesses stated that demand for medical products had decreased significantly, 47% complained about logistics bottlenecks and 42% about a lack of supply products.

Apart from the omnipresent coronavirus crisis, the key market trends promoting Bertrandt's business success are environmentally friendly individual mobility, connected and automated driving, and the increasing variety of electronic models and variants. These trends are intact and offer business opportunities for the future. According to major OEMs, the R&D and real investment ratios will exceed the previous year's ratios in the full year 2020.

As a result, Bertrandt will continue to focus its investment activities in building up and expanding its infrastructure with the aim of consistently optimising its range of services bearing in mind that the technological developments of tomorrow will require state-of-the-art technology. A solid balance sheet enables Bertrandt AG to invest in strengthening its competitiveness even under the present circumstances.

31,45

was the closing price of the Bertrandt share on the last day of Xetra trading.

In view of the uncertainties regarding the development and duration of the coronavirus pandemic and its actual repercussions for the overall global economic development, the Management Board of Bertrandt AG withdrew its published forecast for fiscal 2019/2020 on 20 March 2020. Given the current dynamic situation, the Management Board refrains from providing a new forecast for the financial year 2019/2020. At this time, it is still impossible to make a meaningful assessment of the potential impacts of the pandemic.

The Bertrandt share

The DAX started the first half of Bertrandt's fiscal 2019/2020 year on 1 October 2019 opening at 12,469.67 points. For the following months it was volatile due to the coronavirus pandemic. On 31 March 2020, the DAX closed with 9,935.84 points. The SDAX started the period at 10,971.79 points, closing at 9248.01 points as at the end of the period. The Prime Automobile Performance Index oscillated between 1,279.47 and 848.88 points.

The Bertrandt share started the first half of the 2019/2020 financial year by closing in Xetra trading at EUR 40.85. The highest share price in the period under review was EUR 57.10 on 3 January 2020. The share reached its low for the period on 23 March 2020 when it closed at EUR 25.00. At the end of the period under review, the share price was EUR 31.45. The average daily trading volume in the first six months of the 2019/2020 financial year was 11,905 shares (6,423 shares in the same period in the previous year).

Analysts' ratings of the Bertrandt share and information on our Company can be found at www.bertrandt.com under Investor Relations.

#we keep going

What we are doing to combat the virus.

RISK ASSESSMENT COMMITTEE

Since March 2020 nothing has been quite as it once was. Bertrandt responded to the new situation very quickly and by 3 March had already set up a Risk Assessment Committee. The Committee evaluates the situation as it develops and works closely with the Board to implement measures designed to get our employees and the company safely through the crisis.

PANDEMIC PLAN

All these measures are based on the pandemic plan, which has been drawn up in three stages for the entire Group. All recommendations and measures are in line with the regulations and measures issued by the government and by the Robert Koch Institute (RKI) as well as the advice of our company doctors.

Up to 7,500 mobile Bertrandt workplaces

One of the first things our IT did was to facilitate mobile working for as many employees as possible. This enables us to have far fewer people present on site. Our IT colleagues very quickly managed to equip as many as 7,500 employees with digital RAS access. Above all, they succeeded in securing the relevant services and increasing network capacity.

More than 12,500 Skype conferences with 40,000 participants a week

Despite so few employees being present on location, Bertrandt is still able to guarantee that work and communication continues efficiently throughout the crisis. In the four week period beginning in March/April more than 50,000 conferences with around 150,000 participants were held.

Short-time working pro- vides financial stability

Very importantly, arrangements were also made to secure Bertrandt's financial stability. The well-known short-time working scheme was introduced at all Bertrandt's German and international locations in order to minimise the financial impact of the crisis.

Hygiene is the best protection

Hygiene measures have been intensified and stepped up in all buildings. Considerable thought has been put into how colleagues can be best protected, including those who are still working with customers on site, on test drives or in workshops. The main means of protection are physical distancing and the use of disinfectants and additional equipment.

Current information on Intranet

Communication is extremely important during times of crisis and the Committee has been set up with its own intranet site containing further up-to-date information for precisely this reason.

Interim Consolidated Financial Statements

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

TABLE 09

EUR million	Q2		Q1 + Q2	
01/10 to 31/03	2019/2020	2018/2019	2019/2020	2018/2019
I. Income statement				
Revenues	244.697	262.505	507.684	524.577
Other internally generated assets	0.222	0.207	0.556	0.394
Total revenues	244.919	262.712	508.240	524.971
Other operating income	2.110	2.234	4.115	4.522
Raw materials and consumables used	-18.783	-20.993	-44.028	-45.495
Personnel expenses	-187.929	-190.700	-378.391	-377.035
Depreciation	-13.103	-8.212	-25.944	-16.223
Other operating expenses	-20.264	-27.550	-42.754	-54.918
EBIT	6.950	17.491	21.238	35.822
Share of profit in associates	0.170	0.124	0.287	0.252
Interest income	0.024	0.072	0.051	0.116
Financial expenses	-1.502	-0.841	-2.950	-1.780
Other financial result	-0.038	0.005	-0.060	0.005
Net finance income	-1.346	-0.640	-2.672	-1.407
Profit from ordinary activities	5.604	16.851	18.566	34.415
Other taxes	-0.976	-0.884	-1.761	-1.707
Earnings before tax	4.628	15.967	16.805	32.708
Income taxes	-1.380	-4.525	-4.846	-9.340
Post-tax earnings	3.248	11.442	11.959	23.368
Attributable to shareholders of Bertrandt AG	3.248	11.442	11.959	23.368
Number of shares (million) – diluted/basic, average weighting	10.095	10.095	10.095	10.095
Earnings per share (EUR) – diluted/basic	0.32	1.13	1.18	2.31
II. Statement of comprehensive income				
Post-tax earnings	3.248	11.442	11.959	23.368
Exchange rate differences ¹	0.026	0.345	-0.074	0.445
Revaluation of pension obligations	1.337	-0.030	1.337	-0.060
Tax effects of revaluation of pension obligations	-0.395	0.009	-0.395	0.018
Other comprehensive income after taxes	0.968	0.324	0.868	0.403
Total comprehensive income	4.216	11.766	12.827	23.771
Attributable to shareholders of Bertrandt AG	4.216	11.766	12.827	23.771

¹Components of other comprehensive income which will be reclassified to the income statements of future periods.

CONSOLIDATED BALANCE SHEET

TABLE 10

EUR million	31/03/2020	30/09/2019
Assets		
Intangible assets	15.213	14.017
Property, plant and equipment	389.037	302.855
Investment properties	1.310	1.342
Investments accounted for using the equity method	6.740	6.453
Financial receivables	1.380	1.412
Other financial assets	2.697	2.581
Other assets	7.700	8.831
Deferred taxes	11.954	3.072
Non-current assets	436.031	340.563
Inventories	2.395	0.993
Contract assets	113.646	125.315
Trade receivables	185.570	226.007
Financial receivables	0.495	0.558
Other financial assets	2.035	2.873
Other assets	22.068	15.664
Income tax assets	5.797	5.198
Cash and cash equivalents	113.150	91.491
Current assets	445.156	468.099
Total assets	881.187	808.662
Equity and liabilities		
Issued capital	10.143	10.143
Capital reserves	29.714	29.714
Retained earnings	346.136	346.136
Other reserves	-4.197	-5.065
Consolidated distributable profit	31.571	35.764
Equity	413.367	416.692
Borrowings	208.545	212.419
Other financial liabilities	61.390	0
Other liabilities	1.593	1.747
Provisions	11.158	12.445
Deferred taxes	19.752	12.634
Non-current liabilities	302.438	239.245
Borrowings	32.331	3.498
Contract liabilities	4.505	4.520
Trade payables	15.638	15.751
Other financial liabilities	35.969	22.442
Other liabilities	58.040	72.562
Other provisions	17.612	33.185
Tax provisions	1.287	0.767
Current liabilities	165.382	152.725
Total equity and liabilities	881.187	808.662

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TABLE 11

EUR million	Issued capital	Capital reserves	Retained earnings	Other reserves		Distributable profit	Total	
				Currency translation reserve	Revaluation of pension obligations			
Value on 01/10/2019	10.143	29.714	346.136	-1.290	-3.775	-5.065	35.764	416.692
Post-tax earnings							11.959	11.959
Other comprehensive income after taxes				-0.074 ¹	0.942	0.868		0.868
Total comprehensive income				-0.074	0.942	0.868	11.959	12.827
Dividend payment							-16.152	-16.152
Value on 31/03/2020	10.143	29.714	346.136	-1.364	-2.833	-4.197	31.571	413.367
Previous year								
Value on 30/09/2018	10.143	29.713	323.161	-1.893	-2.012	-3.905	39.764	398.876
Value adjustment according to IFRS 9			0.155					0.155
Value on 01/10/2018	10.143	29.713	323.316	-1.893	-2.012	-3.905	39.764	399.031
Post-tax earnings							23.368	23.368
Other comprehensive income after taxes				0.445 ¹	-0.042	0.403		0.403
Total comprehensive income				0.445	-0.042	0.403	23.368	23.771
Dividend payment							-20.190	-20.190
Value on 31/03/2019	10.143	29.713	323.316	-1.448	-2.054	-3.502	42.942	402.612

¹Components of other comprehensive income which will be reclassified to the income statements of future periods.

CONSOLIDATED CASH FLOW STATEMENT

TABLE 12

EUR million	2019/2020	2018/2019
01/10 to 31/03		
1. Post-tax earnings	11.959	23.368
2. Income taxes	4.846	9.340
3. Share of profit in associates	-0.287	-0.252
4. Interest income	-0.051	-0.116
5. Financial expenses	2.950	1.780
6. Other financial result	0.060	-0.005
7. Depreciation of non-current assets	25.944	16.223
8. Increase/decrease in provisions	-16.860	-14.923
9. Other non-cash income/expense	0.861	-0.124
10. Profit/loss from disposal of non-current assets	-0.033	-0.070
11. Increase/decrease in inventories, trade receivables as well as other assets not assigned to investing or financing activities	34.570	52.487
12. Increase/decrease in contract assets	11.669	-18.634
13. Increase/decrease in trade payables and other liabilities not assigned to investing or financing activities	-17.857	-7.288
14. Income tax paid	-10.824	-12.392
15. Income tax received	3.953	0
16. Interest paid ¹	-0.316	-3.444
17. Interest received ¹	0.051	0.099
18. Cash flows from operating activities (1.–17.)	50.635	46.049
19. Payments received from disposal of property, plant and equipment	0.213	0.866
20. Payments received from the disposal of financial assets ²	0	0.297
21. Payments made for investments in property, plant and equipment	-24.665	-37.919
22. Payments made for investments in intangible assets	-2.450	-1.345
23. Payments made for investments accounted for using the equity method (previous year including financial assets) ²	0	-0.227
24. Payments made to acquire consolidated and other businesses	-0.025	0
25. Cash flows from investing activities (19.–24.)	-26.927	-38.328
26. Dividend payment	-16.152	-20.190
27. Financial receivables – payments received ²	0.143	0
28. Financial receivables – payments made ²	-0.157	0
29. Payments received from issue of debt instruments and raising of loans	26.834	0
30. Payments made for discharging debt instruments and repaying loans ³	-8.850	-0.968
31. Interest paid ¹	-3.759	0
32. Cash flows from financing activities (26.–31.)	-1.941	-21.158
33. Changes in cash and cash equivalents (18.+25.+32.)	21.767	-13.437
34. Effect of exchange rate changes on cash and cash equivalents	-0.108	0.187
35. Cash and cash equivalents at beginning of period	91.491	88.405
36. Cash and cash equivalents at end of period (33.–35.)	113.150	75.155

¹For information regarding the disclosure of interest paid within the cash flow statement, see the explanations about the presentation of the interim consolidated financial statements in the notes.

²Refer to note [1] in the annual report 2018/2019 for explanations about the presentation of financial statements.

³For explanations about IFRS 16 see the management report and the notes.

CONSOLIDATED SEGMENT REPORT

TABLE 13

EUR million								
	Digital Engineering		Physical Engineering		Electrical Systems/ Electronics		Total of all divisions	
	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019
01/10 to 31/03								
Revenues	296.650	317.777	112.267	113.967	125.825	114.817	534.742	546.561
Transfer between segments	13.897	12.475	8.316	4.478	4.845	5.031	27.058	21.984
Consolidated revenues	282.753	305.302	103.951	109.489	120.980	109.786	507.684	524.577
Other internally generated assets	0.081	0.138	0.182	0.194	0.293	0.062	0.556	0.394
Consolidated total revenues	282.834	305.440	104.133	109.683	121.273	109.848	508.240	524.971
EBIT	4.415	17.268	7.700	8.017	9.123	10.537	21.238	35.822
01/01 to 31/03								
Revenues	142.580	160.492	51.672	53.010	61.807	58.083	256.059	271.585
Transfer between segments	5.877	5.714	4.395	1.771	1.090	1.595	11.362	9.080
Consolidated revenues	136.703	154.778	47.277	51.239	60.717	56.488	244.697	262.505
Other internally generated assets	0.032	0.025	0.073	0.138	0.117	0.044	0.222	0.207
Consolidated total revenues	136.735	154.803	47.350	51.377	60.834	56.532	244.919	262.712
EBIT	-0.214	7.909	3.577	4.228	3.587	5.354	6.950	17.491

SHARES OWNED BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS

TABLE 14

number	Shares	
	Balance at 31/03/2020	Balance at 30/09/2019
Members of the Management and Supervisory Boards owning shares		
Dietmar Bichler (Member of the Supervisory Board)	400,000	400,000
Total	400,000	400,000

Options are not disclosed here as there is currently no option programme.

Bertrandt produces protective masks for employees.

Beginning in early April 2020, we began producing reusable face and nose masks throughout Europe to provide the best possible protection for our employees.



Initially, just 300 handmade masks a day were being produced by the professional sewing teams who usually work on small runs of exclusive seat covers for vehicles or leather upholstery for yachts. “We realised that our extensive Bertrandt know-how could also be used in this exceptional situation. It was obvious to us that we could use the qualifications of our colleagues to help protect our employees. Our quality assurance expertise is also being applied in this field. We test the fabrics and other processed

materials and are continuously optimising the masks. It is wonderful how much commitment our workforce is showing,” says Michael Lücke, Board Member for Sales at Bertrandt.

Instructions on how to use masks are provided with every single one to ensure that people wear them in the most effective way. The instructions show how to wear masks properly, for instance, and what is the best temperature to wash them at.

The existing production line was reorganised to ensure masks are made in strict compliance with current hygiene rules. This means, for example, that minimum physical distances are maintained and that colleagues are separated from each other by plexiglass partitions. Processes are also being constantly modified to meet series production requirements.

All employees will receive at least two masks to protect them against coronavirus. These can be worn both at the workplace and when employees are not at work. Only when all employees have been equipped will the Company be able to think about producing masks for the general public as well.

Condensed Consolidated Notes

BASIC INFORMATION

The consolidated financial statements of Bertrandt Aktiengesellschaft, registered at Birkensee 1, 71139 Ehningen, Germany (register number HRB 245259, commercial register of the local court of Stuttgart), for the year ending 30 September 2019 were prepared using the International Financial Reporting Standards (IFRS) effective at the reporting date and as endorsed by the European Union (EU).

In principle, the presented unaudited half-year consolidated financial statements as at 31 March 2020 have been prepared based on International Accounting Standard (IAS) 34 Interim Financial Reporting, applying the same reporting methods as in the consolidated financial statements for fiscal 2018/2019, with the exception of the new IFRS 16 which is applicable for the first time in this financial year. The effects of IFRS 16 are referred to under "Standards and Interpretations that are mandatorily effective from this financial year". These interim consolidated financial statements comply with the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB). They also comply with all Standards and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) which are mandatorily effective for the financial year 2019/2020, and with the German Corporate Governance Code.

A detailed description of these methods is published in the Notes to the Consolidated Financial Statements of the Annual Report for fiscal 2018/2019. The Annual Report is also accessible on the internet at www.bertrandt.com.

These interim consolidated financial statements were compiled in euros. Unless stated otherwise, all amounts are shown in millions of euros (EUR million). Where percentage values and figures are given, differences may occur due to rounding.

International Financial Reporting Standards and Interpretations that are subject to mandatory application as of fiscal 2019/2020

The following table sets out the International Financial Reporting Standards and Interpretations that are subject to mandatory application as of fiscal 2019/2020.

TABLE 15

Standard/ Interpretation		Compulsory application ¹	Expected effects
IFRS 9	Amendments to IFRS 9: Prepayment features with negative compensation	01/01/2019	None
IFRS 16	Leases	01/01/2019	Accounting
IAS 19	Amendments to IAS 19: Plan amendment, curtailment or settlement	01/01/2019	None
IAS 28	Amendments to IAS 28: Long-term interests in associates and joint ventures	01/01/2019	None
IFRIC 23	Uncertainty over income tax treatments	01/01/2019	None
Improvement to IFRS	Adoption of annual improvements to IFRS cycle 2015-2017	01/01/2019	Single-case audit

¹Fiscal years beginning on or after the specified date.

IFRS 16 – Leases

The Company adopted IFRS 16 using the simplified retrospective method.

For detailed explanations about the general changes required by IFRS 16 see page 87 in the 2018/2019 Annual Report.

The Bertrandt Group uses the following transition options and practical expedients:

- The capitalised right-of-use assets are allocated to those items in the balance sheet under which the underlying assets of the lease would be reported if they were owned by the Bertrandt Group. The right-of-use assets are mainly recognised as non-current assets, in property, plant and equipment.
- The lease liabilities are shown in current and non-current liabilities respectively, depending on their maturities.
- When the standard was applied for the first time, the initial direct costs were not taken into account in the measurement of the right-of-use assets. The lease liabilities and right-of-use assets were stated at the same amount.
- The Company exercises transition reliefs regarding current (term less than 12 months) leases and leases for which the underlying asset is of low value (less than EUR 5,000).

The first recognition of the right-of-use assets and lease liabilities in the balance sheet has had the following effects as of 1 October 2019:

- Recognition of right-of-use assets and lease liabilities of EUR 81.267 million in the balance sheet
- There were no effects on equity.

In the period from 1 October 2019 to 31 March 2020, the initial application of IFRS 16 had the following effects on the consolidated income statement and the consolidated balance sheet as at 31 March 2020:

EFFECTS OF IFRS 16 ON THE CONSOLIDATED INCOME STATEMENT

TABLE 16

EUR million	
01/10 to 31/03	2019/2020
Raw materials and consumables used	0.059
Depreciation	-8.664
Other operating expenses (Operating lease expenses)	9.126
EBIT	0.521
Interest expense from lease liabilities	-0.943
Net finance income	-0.943
Profit from ordinary activities / Earnings before tax	-0.422
Income taxes	0.121
Post-tax earnings	-0.301

EFFECTS OF IFRS 16 ON THE CONSOLIDATED BALANCE SHEET STATEMENT

TABLE 17

EUR million	31/03/2020 (including IFRS 16)	Impact of IFRS 16	31/03/2020 (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

International Financial Reporting Standards and Interpretations that have been published but are not yet mandatory

The following standards and interpretations have already been adopted by the International Accounting Standards Board (IASB) and to some degree approved by the EU but they were not yet mandatory in fiscal 2019/2020. Bertrandt will apply them for the accounting period for which they become effective.

TABLE 18

Standard/ Interpretation		Mandatory application ¹	Expected effect
IFRS 3 ²	Amendments to IFRS 3: Business combinations	01/01/2020	None
IFRS 7, IFRS 9 and IAS 39	Amendments to IFRS 7, IFRS 9 and IAS 39: Interest rate benchmark reform	01/01/2020	None
IFRS 17 ²	Insurance contracts	01/01/2021	None
IAS 1 and IAS 8 ²	Amendments to IAS 1 and IAS 8: Definition of material	01/01/2020	Currently under examination
Improvements to IFRS	Changes on the conceptual framework of the IFRS regulations ²	01/01/2020	Single-case audit

¹Fiscal years beginning on or after the specified date.

²Not yet endorsed by the EU.

Presentation of interim financial statements

As a result of the both the adoption of IFRS 16 and additional subsidised loans, the Company will, as from the current financial year, classify the interest paid as financing cash flows. In addition, to improve the presentation of the information, previous interest payments are also shown under cash flows from financing activities.

KONSOLIDIERUNGSKREIS

The group of consolidated companies includes all operating subsidiaries under the legal and constructive control of Bertrandt AG.

Associates, i.e. entities which are not controlled by Bertrandt but over which the Company has significant influence, and joint ventures, i.e. entities of which Bertrandt has joint control, either directly or indirectly, are accounted for in the consolidated financial statements using the equity method.

The following table shows the entities of the Bertrandt Group:

GROUP OF CONSOLIDATED COMPANIES

TABLE 19

01/10 to 31/03	2019/2020
Bertrandt AG and consolidated subsidiaries	52
Germany	42
Abroad	10
Associates and joint ventures	19
Germany	19
Abroad	0
Total	71

FOREIGN CURRENCY TRANSLATION

The interim consolidated financial statements of subsidiaries using a functional currency other than the euro are translated according to IAS 21. The subsidiaries carry out their business independently for financial, commercial and organisational purposes. The functional currency is therefore identical to the currency of the country in which they are based.

Accordingly, for the interim financial statements these companies' assets and liabilities were translated at the mean closing rate at the date of the statement of financial position, and income and expenses were translated at the average exchange rate for the period. All resulting exchange differences including differences resulting from the translation of amounts brought forward from the previous year are recognised directly in equity.

Foreign currency transactions are recorded by translating the foreign currency amount into the functional currency amount at the exchange rate prevailing on the date of the transaction. Gains and losses arising from the settlement of such transactions as well as from the translation at the reporting date of monetary assets and liabilities held in foreign currencies are recognised in profit or loss.

The parities of the key currencies relative to one euro were as follows:

FOREIGN CURRENCY TRANSLATION

TABLE 20

relative to one euro	Average rate on balance sheet date		Average rate first half		
	31/03/2020	31/03/2019	2019/2020	2018/2019	
China	CNY	7.7575	7.5618	7.7379	7.7781
United Kingdom	GBP	0.8862	0.8570	0.8606	0.8802
Romania	RON	4.8268	4.7628	4.7818	4.6972
Turkey	TRY	7.1938	6.3496	6.5744	6.1976
Hungary	CZK	27.3100	25.8220	25.5920	25.7740
United States	USD	1.0949	1.2323	1.1050	1.1389

RELATED PARTY DISCLOSURES

On 2 July 2014, Dr. Ing. h.c. F. Porsche AG, Stuttgart, increased its shareholding in Bertrandt AG by nearly four percentage points. After the share purchase, Volkswagen now indirectly holds around 29 percent of voting shares in Bertrandt. As in the past it is not the intention of Volkswagen to exercise influence on the Supervisory Board or the Management Board. From the date of the purchase of the shares, Bertrandt AG will be accounted for as an associate in the consolidated financial statements of the Volkswagen group under the equity method. Accordingly, the Volkswagen group has to be classified as a related party pursuant to IAS 24. All supplier relationships between Bertrandt AG and the Volkswagen group were based on arm's length prices. The revenues arising from transactions with all Volkswagen group companies amounted to EUR 176.472 million in the period under review (previous year EUR 162.541 million). As of the balance sheet date, receivables amounted to EUR 79.752 million (previous year EUR 66.176 million).

FAIR VALUE DISCLOSURES

The principles and methods used for fair value measurement have remained unchanged compared to fiscal 2018/2019.

Based on the short maturities of the current financial assets and liabilities, it is assumed that their fair values are nearly equal to their carrying amounts. The fair values of non-current borrowings were EUR 215.873 million as of 31 March 2020 (previous year EUR 209.573 million) as a result of the development of interest rates.

The financial assets and financial liabilities at fair value through profit or loss generally comprise derivatives to hedge foreign exchange and interest risks.

The derivatives' fair values are determined with generally accepted methods of financial mathematics, using mid-market pricing. All derivatives with a positive fair value are disclosed as derivative assets, while all derivatives with a negative fair value are disclosed as derivative liabilities.

As at 31 March 2020 the fair value of all balance sheet items valued at their fair value was EUR 0 million (EUR 0 million as at 30 September 2019). In the period under review, no foreign exchange forward contract or interest rate hedging contract was outstanding.

The fair value hierarchy established by IFRS 13 defines three levels of inputs to valuation techniques which depend on the availability of observable market prices in an active market. Level one input is input available for financial instruments that are measured at quoted prices in active markets for identical assets or liabilities. Financial instruments that are measured using Level two inputs are measured on the basis of inputs other than quoted prices included within Level one, which are observable either directly or indirectly. Level three input refers to market data for the measurement of financial instruments that are unobservable. Interest rate derivatives and foreign exchange forward contracts are categorised as Level two, other derivatives as Level three. Non-current financial liabilities are categorised as Level two. As in the previous year, there were no transfers between the three levels of the fair value hierarchy. A sensitivity analysis is performed every year, analysing and evaluating internal and external information and conditions for their probability of occurrence and the resulting financial burdens. As in the previous year, the sensitivity analysis carried out in the first quarter of fiscal 2019/2020 for derivatives measured according to Level three of the fair value hierarchy did not lead to any change in the carrying amount.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

There were no material events after the reporting period of 1 October 2019 to 31 March 2020.

GERMAN CORPORATE GOVERNANCE CODE

The declarations of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) by the Management and Supervisory Boards of Bertrandt AG are accessible on the internet at www.bertrandt.com

RESPONSIBILITY STATEMENT IN LINE WITH ARTICLES 117, 115 SECTION 2 NO. 3 GERMAN SECURITIES TRADING COMBINED WITH ARTICLES 264 SECTION 2 SENTENCE 3, 289 SECTION 1 SENTENCE 5 GERMAN COMMERCIAL CODE

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Ehningen, 11 May 2020

The Management Board



HANS-GERD CLAUS
Member of the Management
Board Engineering



MICHAEL LÜCKE
Member of the Management
Board Sales



MARKUS RUF
Member of the Management
Board Finance

Quarterly Survey

CONSOLIDATED INCOME STATEMENT

TABLE 21

EUR million	Q2 19/20	Q1 19/20	Q4 18/19	Q3 18/19	Q2 18/19
Revenues	244.697	262.987	274.164	259.371	262.505
Other internally generated assets	0.222	0.334	0.827	0.537	0.207
Total revenues	244.919	263.321	274.991	259.908	262.712
Other operating income	2.110	2.005	11.012	1.872	2.234
Raw materials and consumables used	-18.783	-25.245	-39.887	-23.373	-20.993
Personnel expenses	-187.929	-190.462	-195.274	-193.077	-190.700
Depreciation	-13.103	-12.841	-8.757	-8.707	-8.212
Other operating expenses	-20.264	-22.490	-27.892	-26.316	-27.550
EBIT	6.950	14.288	14.193	10.307	17.491
Net finance income	-1.346	-1.326	-0.770	-0.668	-0.640
Profit from ordinary activities	5.604	12.962	13.423	9.639	16.851
Other taxes	-0.976	-0.785	-0.744	-0.806	-0.884
Earnings before tax	4.628	12.177	12.679	8.833	15.967
Income taxes	-1.380	-3.466	-3.976	-1.890	-4.525
Post-tax earnings	3.248	8.711	8.703	6.943	11.442
– attributable to shareholders of Bertrandt AG	3.248	8.711	8.703	6.943	11.442
Number of shares (million) – diluted/basic, average weighting	10.095	10.095	10.095	10.095	10.095
Earnings per share (EUR) – diluted/basic	0.32	0.86	0.86	0.69	1.13

Q2 REPORT ON THE 1ST HALF

- > Quarterly Survey
- > Financial Calendar
- > Roadshows and Conferences
- > Credits

Financial calendar

Report on the 3rd quarter 2019/2020
10 August 2020

Annual report 2019/2020
Annual press and analysts' conference
10 December 2020

Annual General Meeting
17 February 2021
10:30
City Hall Sindelfingen

Roadshows and Conferences

→ [DATES](#)

Credits

Published and edited by
Bertrandt AG
Birkensee 1, 71139 Ehningen
Germany
Telephone +49 7034 656-0
Telefax +49 7034 656-4100
www.bertrandt.com
info@bertrandt.com

HRB 245259
Amtsgericht Stuttgart

Contact
Björn Voss
Head of Investor Relations
Telephone +49 7034 656-4201
Telefax +49 7034 656-4488
bjoern.voss@bertrandt.com

Julia Nonnenmacher
Corporate Communication
Telephone +49 7034 656-4037
Telefax +49 7034 656-4242
julia.nonnenmacher@bertrandt.com

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www.sahara.de

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As far as this report refers to statements of third parties, in particular analyst estimations, the organisation neither adopts these, nor are these rated or commented thereby in other ways, nor is the claim laid to completeness in this respect.

Bertrandt AG
Birkensee 1, 71139 Ehningen
Germany
Telephone +49 7034 656-0
Telefax +49 7034 656-4100
www.bertrandt.com
info@bertrandt.com