



Statement on the 1st quarter

Fiscal 2021/2022
1st October 2021 until
31th December 2021

THE FIRST QUARTER AT A GLANCE

	01/10/2021 - 31/12/2021	Change year on year	Change year on year in %	01/10/2020 - 31/12/2020
Consolidated Statements of Operations				
Total revenues (EUR million)	233.167	31.426	15.6%	201.741
EBIT (EUR million)	9.912	5.387	119.1%	4.525
Margin (%)	4.3%	-	95.5%	2.2%
Balance sheet				
Total assets (EUR million)	918.672	28.101	3.2%	890.571
Equity (EUR million)	413.819	10.299	2.6%	403.520
Equity ratio (%)	45.0%	-	-	45.3%
Cash and cash equivalents (EUR million)	199.600	8.994	4.7%	190.656
Cash flow from operating activities	25.113	-35.593	-58.6%	60.706
Cash flow from investing activities	-5.176	12.326	-70.4%	-17.502
Free cash flow	19.937	-23.267	-53.9%	43.204
Segments				
Digital Engineering				
Total revenues (EUR million)	116.989	19.688	20.2%	97.301
EBIT (EUR million)	6.734	6.193	1,031.8%	595
Physical Engineering				
Total revenues (EUR million)	50.459	3.006	6.3%	47.453
EBIT (EUR million)	-1.434	-1.441	-	7
Electrical Systems/Electronics				
Total revenues (EUR million)	65.720	8.773	15.3%	56.987
EBIT (EUR million)	4.612	689	17.6%	3.923
Employees				
Headcount as at the end of the reporting period	12,108	69	0.6%	12,039

Rounding differences may occur in the presentation of figures due the system used.

Market development and material events

Supply shortages – especially the ongoing chip shortage – and the resulting challenges for vehicle production were the dominant topic in international automotive markets in the first quarter of the fiscal year 2021/2022 (October to December 2021). This has affected manufacturers of passenger cars to varying degrees. While this situation continues, the transformation process in the mobility and other industries continues unabated, with the share of electrified vehicles in new car registrations reaching an unprecedented high of 35.7% in Germany in December 2021. Moreover, autumn 2021 saw the launch of the first highly automated (Level III) series vehicle, which is capable of partly automated driving. The vehicle has been approved for road use. These and other innovations and leaps in technology together with even more variants of electrified or alternative drives present opportunities for engineering service providers.

The Bertrandt Group continued to focus sharply on its strategic development in the reporting period. In the autumn of 2021 Bertrandt was selected as EMES³ preferred supplier by Airbus after a selection process of several months and can now tap growth opportunities outside the automotive market. In December 2021 the Group announced the acquisition of the Philotech Group. With this acquisition, Bertrandt will expand its activities mainly in the growth sectors software, electronics and IT security. The purchase agreement was subject, in particular, to the approval of the German Federal Cartel Office, which was granted in January 2022. The transaction was consequently closed on 28 January 2022.

Business performance, results of operations and financial position

Total revenues

The brightening of market sentiment observed in the spring and summer 2021 continued throughout the rest of the year. The trend towards more project awards and rising capacity utilisation especially in Germany thus was unbroken in the first quarter of fiscal 2021/2022. Some foreign markets were slow to recover, however. Total revenues in the reporting period increased by 15.6% to EUR 233.167 million (previous year EUR 201.741 million). As the first half of fiscal 2019/2020 was particularly affected by the adverse economic effects of the pandemic, the recovery in the reporting period is a clear improvement compared with the same period in the last fiscal year.

Key expenditure figures

The project-related cost of materials was higher than in the previous year due to increased procurements from external service suppliers. More new hires and the reduction in short-time working as a result of increased project work caused personnel expenses to rise in the reporting period. Compared to prior periods in which short-time working helped to counteract the effects of the pandemic, this scheme was used considerably less in the reporting period and now mainly affects Bertrandt's subsidiaries in France and a few locations in Germany. The Group was able to optimise its staff cost ratio by reducing it from 75.8% in the previous year to 72.2% in the first quarter of fiscal 2021/2022 as a result of higher capacity utilisation. Depreciation/amortisation expense remained at much the same level as in the previous year. Other operating expenses increased due to the growing business volume and were related to, for example, recruiting or sales initiatives. Also included in this item are the expenses of implementing government-mandated pandemic measures such as

providing lateral flow tests. Other operating income came to EUR 2.349 million and was thus slightly down compared to EUR 2.824 million in the same quarter in the previous year.

EBIT

In the first quarter of 2021/2022 the Bertrandt Group's EBIT was EUR 9.912 million (previous year EUR 4.525 million). This reflects the increase in capacity utilisation, the growth in total revenues and the cost optimisation programme (e.g. for infrastructure) introduced during the pandemic. The operating margin was improved to 4.3% compared to 2.2% in the previous year. Net finance income in the reporting period was EUR -2.016 million (previous year EUR -1.428 million) and primarily includes interest expenses for short-term and long-term debt instruments. The tax rate was 39.2% (previous year 68.8%). Although it normalised in the reporting period, it continued to be influenced by the recognition of loss carry-forwards at the level of foreign subsidiaries. Thus, the Company generated post-tax earnings of EUR 4.492 million (previous year EUR 0.803 million).

Human resources

As at 31 December 2021, 12,108 people were employed by the Group (30 September 2021: 12,030). There are a large number of vacancies in the Company owing to the increase in capacity utilisation and market demand, especially in our Electronics Division, aeronautics and non-mobility units and at our sites in Romania. More details on current vacancies and additional information on human resources management can be found in the 'Careers' section of Bertrandt's website at www.Bertrandt.com.

Forecast change report

As described in the fiscal 2020/2021 Annual Report, the economic and industry-specific conditions for business development in the year under review 2021/2022 are associated with opportunities and risks. This assessment continues to apply. External influencing factors, such as the pandemic, or the indirect impacts of material shortages lie beyond management's sphere of influence. At the same time, material shortages and high rates of inflation, particularly in energy prices, and the resulting second-round effects pose risks for further economic development.

The megatrends digitalisation and autonomous, connected and environmental friendly mobility all represent opportunities for engineering service providers. The legal requirements for reductions in emissions, in particular, require large-scale investment in research and development.

Provided that the pandemic does not intensify or the economic situation deteriorate again, our customers continue to invest in research and development for new technologies, development services continue to be outsourced to service providers and qualified employees can be recruited, Bertrandt expects – given brightening market sentiment, increasing project awards, improved capacity utilisation, especially in Germany and most foreign markets – a further normalisation in fiscal 2021/2022 with:

- Strong growth in total revenues of EUR 100 to 140 million (equal to total revenues of between around EUR 950 and EUR 990 million). After the announcement on 17 December 2021 that Bertrandt had acquired the Philotech Group, the forecast published in the fiscal 2020/2021 Annual Report on 9 December 2021 (strong growth in total revenues of EUR 80 to 120 million to total revenues of between EUR 930 and EUR 970 million) was adjusted to take account of the acquisition.

- A higher EBIT margin (EBIT as a percentage of total revenues) between 4 to 7%,
- Capital spending of between EUR 30 and 50 million
- Positive cash flow from operating activities; the actual magnitude will ultimately depend on the funds tied up in net assets resulting from the growth of total revenues.
- The Management has grounds for optimism that in the segments Digital Engineering, Physical Engineering and Electrical Systems/Electronics total revenues and EBIT will develop positively in fiscal 2021/2022 based on and in relation to the Group's forecast.

Financial calendar

Annual General Meeting
23. February 2022
10:30
Virtual

Report on the 2nd quarter 2021/2022
19 May 2022

16th Capital Market Day
19 May 2022

Statement on the 3rd quarter 2021/2022
8 August 2022

Annual report 2021/2022
Annual press and analysts' conference
15 December 2022

Credits

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Male pronouns are used in this text for the sake of simplicity and legibility. They are intended to refer to people of all genders.

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

EUR million ¹ 01/10 to 31/12	Q1 2021/2022	Q1 2020/2021
I. Income statement		
Revenues	232.972	201.103
Other internally generated assets	196	638
Total revenues	233.167	201.741
Other operating income	2.349	2.824
Raw materials and consumables used	-23.266	-16.090
Personnel expenses	-168.435	-152.984
Depreciation	-14.373	-14.225
Other operating expenses	-19.529	-16.741
EBIT	9.912	4.525
Share of profit in associates	134	120
Interest income	27	23
Financial expenses	-2.152	-1.577
Other financial result	-26	6
Net finance income	-2.016	-1.428
Profit from ordinary activities	7.896	3.097
Other taxes	-503	-526
Earnings before tax	7.393	2.571
Income taxes	-2.901	-1.768
Post-tax earnings	4.492	803
– attributable to shareholders of Bertrandt AG	4.492	803
Number of shares (million) – diluted/basic, average weighting	10.095	10.095
Earnings per share (EUR) – diluted/basic	0.44	0.08
II. statement of comprehensive income		
Post-tax earnings	4.492	803
Exchange rate differences ²	384	-467
Revaluation of pension obligations	162	-351
Deferred tax on remeasurement of retirement benefit obligations	-47	104
Other comprehensive income after taxes	499	-714
Total comprehensive income	4.991	89
– attributable to shareholders of Bertrandt AG	4.991	89

¹ Rounding differences of EUR 0.001 million may occur in the presentation of figures due the system used.

² Components of other comprehensive income which will be re-classified to the income statements of future periods.