

bertrandt

Q1 2019/20

Analyst Conference Call Bertrandt AG

All numbers referring to Bertrandt AG group



Market environment



Economic slowdown with increasing risks (BREXIT, Corona-Virus, Trade Dispute)



Globally EUR 40bn R&D investments in alternative engines, strong expansion of e-car fleet to reach emission targets



Car production expected to be down in 2020



Customer profit pressure with cost cutting measures being implemented



Ongoing shift of R&D budgets towards new trends like connectivity, autonomous drive, CO2-reduction, e-mobility



Management changes at OEMs (Renault, VW, Audi, etc)



Classical R&D disciplines like CAD-construction, prototyping under budget (price) pressure

Q1 2019/20 at a glance

P&L

➤ Revenues: EUR 262.3m | EBIT: EUR 14.3m | margin: 5.4%

EUR 47.9m

➤ Free cashflow: WC release

IFRS 16

➤ First time application, minor net impact on P&L (EBIT: EUR +0.3m, NI: EUR -0.2m)

IFRS 16

➤ Balance sheet extension: equity ratio 46% (51%)



➤ Employees: 13,477 (+1.3% yoy, -1.4% qoq)

Group P&L

	Q1 2019/20 EUR million	Q1 2018/19 EUR million	Δ EUR million	Δ %
Total revenues	263.321	262.259	1.062	0,4%
Other operating income	2.005	2.288	-283	-12,4%
Raw materials and consumables used	-25.245	-24.502	-743	-
Personnel expenses	-190.462	-186.335	-4.127	-
Depreciation	-12.841	-8.011	-4.830	-
Other operating expenses	-22.490	-27.368	4.878	-
EBIT	14.288	18.331	-4.043	-22,1%
Financial result	-1.326	-767	-559	-
EBT	12.962	17.564	-4.602	-26,2%
Other taxes	-785	-823	38	-
Income taxes	-3.466	-4.815	1.349	-
Net income	8.711	11.926	-3.215	-27,0%
EPS (EUR)	0,86	1,18	-0,32	-27,1%

- Temporary project delays lead to inefficient capacity utilization
- Shift within R&D budgets requires alignment of capacities
- Planned ramp-up costs for new testing facilities
- Strict cost discipline on all lines
- PE/sales: 72% (71%) also reflects recruitment and qualification
- IFRS 16 (higher D&A, lower OOE)
- EBIT impact: EUR +0.259m
- Net income impact: EUR -0.202m

Segments

EUR million	Digital			Physical			E/E		
	Q1 2019/20	Q1 2018/19	Δ	Q1 2019/20	Q1 2018/19	Δ	Q1 2019/20	Q1 2018/19	Δ
Total revenues	146.099	150.637	-3,0%	56.783	58.306	-2,6%	60.439	53.316	13,4%
EBIT	4.629	9.359	-50,5%	4.123	3.789	8,8%	5.536	5.183	6,8%
<i>% margin</i>	3,2%	6,2%		7,3%	6,5%		9,2%	9,7%	

- Digital Engineering
 - > Inefficient capacity utilization
 - > Partial price pressure
 - > Alignment of capacities

- Physical Engineering
 - > Strong utilization
 - > Planned ramp-up of battery test center and powertrain solution centers according to schedule

- Electric/Electronics
 - > Decent numbers reflect shift of R&D budgets towards new trends

Group Balance Sheet

EUR million	31/12/2019 (including IFRS 16)	IFRS 16 Effekt	31/12/2019 (excluding IFRS 16)
Assets			
Non-current assets	434.676	- 91.573	343.103
of which Right-of-use assets	81.871	-81.871	0
of which deferred taxes	12.460	-9.702	2.758
Current assets	489.017	0	489.017
Total assets	923.693	- 91.573	832.120
Equity and liabilities			
Equity	425.303	0.202	425.505
of which Consolidated distributable profit	44.475	0.202	44.677
Equity ratio	46.0%	5.1%	51.1%
Non-current liabilities	303.191	-75.347	227.844
of which Lease liabilities	65.728	-65.728	0
of which Deferred taxes	18.297	-9.619	8.678
Current liabilities	195.199	-16.428	178.771
of which Lease liabilities	44.759	-16.428	28.331
Total equity and liabilities	923.693	- 91.573	832.120

- IFRS 16 leads to balance sheet extension of EUR 91.5m
- Very minor negative net impact on equity
- Equity ratio at 46% (51%)

A young woman with blonde hair tied back, wearing black-rimmed glasses and a dark blazer, is smiling warmly at the camera. She is holding a grey tablet computer with both hands. The background is a blurred office environment with many people walking around, suggesting a busy, modern workplace.

13.477 employees globally as of Dec 31st 2019*

*13.307 employees as of Dec 31st 2018

Market trends



Increasing project volumes



Bertrandt is able to cope with larger projects due to group size, network approach and global presence



Bertrandt is further evolving into innovation partner and solution provider



Services and solution portfolio captures the entire development process



Comprehensive investments to participate in growing demand for new megatrends

HARRI



- Digitization, Autonomous Drive, Connectivity, E-mobility: all in one (HARRI)
- HARRI as a technology and innovation platform
- First time participation at CES in Las Vegas
- More than 400 contacts to (potential) customers and co-operation partners

Bertrandt Powertrain Solution Center



- CapEx of around EUR 80m in Tappenbeck (Wolfsburg) and Freising (Munich)
- Validation and homologation of powertrains with different fuels for ICE and various alternative engines including xEV
- Altitude simulation of up to 4,200 m
- Temperatur simulation from -25 °C to +45 °C
- SoP scheduled for summer 2020
- Exclusive preview: May 28th 2020 at CMD

Bertrandt Medical



- Expansion of resources and portfolio to cope with special needs in medical engineering
- Increasing demand for quality management, regulatory affairs, risk management, certification of equipment and processes
- ISO certification received in January 2020
 - > required for high regulatory and extra-ordinary security and quality standards

Guidance: confirmed



20-50

EUR million
increase in
total revenues



5-7.5%

EBIT margin



60-80

EUR million
CapEx



Positive

cash flow from
operating activities

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