



Investor Presentation

Bertrandt AG

April 2021

Agenda



- 01 Bertrandt at a glance
- 02 Markets and customer environment
- 03 Strategic initiatives
- 04 Outlook and investment highlights
- 05 Back-up

INVESTOR PRESENTATION

Bertrandt AG

BERTRANDT AT A GLANCE

Bertrandt Group

1974

Founded by
Harry Bertrandt



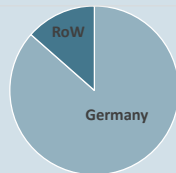
Total Revenues
FY 2019/20: EUR 917m



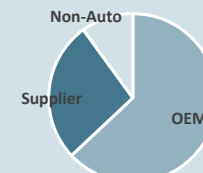
~12.000
employees



More than 50 locations globally



Regional split (FY 19/20)



Customer split (FY 19/20)

From the initial idea to production readiness



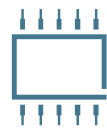
Design



Vehicle Body



Interior



Electronics



Powertrain



Chassis



Simulation



Testing



Engineering
Services

Range of services: focus on DAVE

Trends



Digitisation



Autonomous Driving



Vehicle Connectivity



Electric Mobility



Vehicle Safety



IT Services



Virtualisation



Design Services



Interior



Vehicle Body



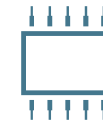
Powertrain



Chassis



Simulation



Electronics



Modelling-
/Rapid
Technologies



Simulation



Engineering Services

Industries



Automobile Industrie



Aerospace & Defense



Commercial Vehicles



Agriculture



Motorcycle



Electric Industry



Mechanical-/Plant Engineering



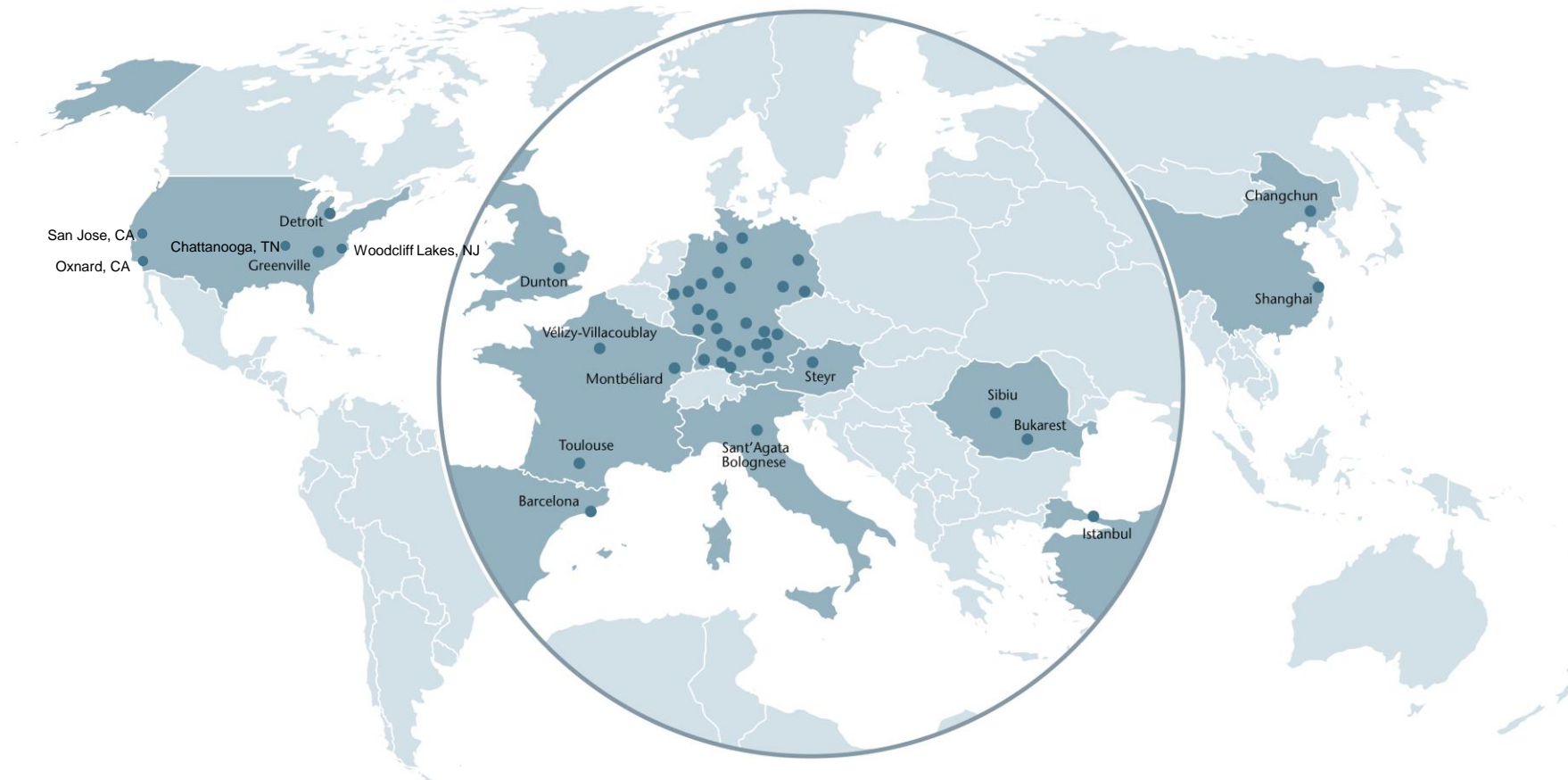
Medical Engineering



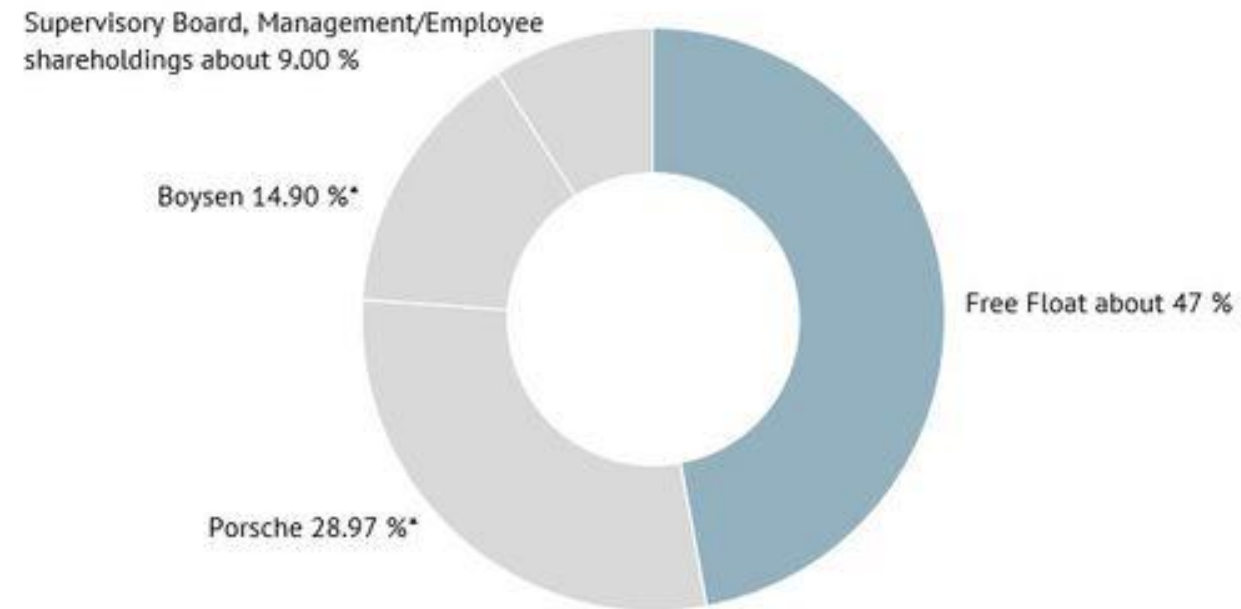
Energy Management

We want to be close to our customers – decentralized organization

Ca. 12,000 employees at more than 50 locations in Europe, the USA and China.

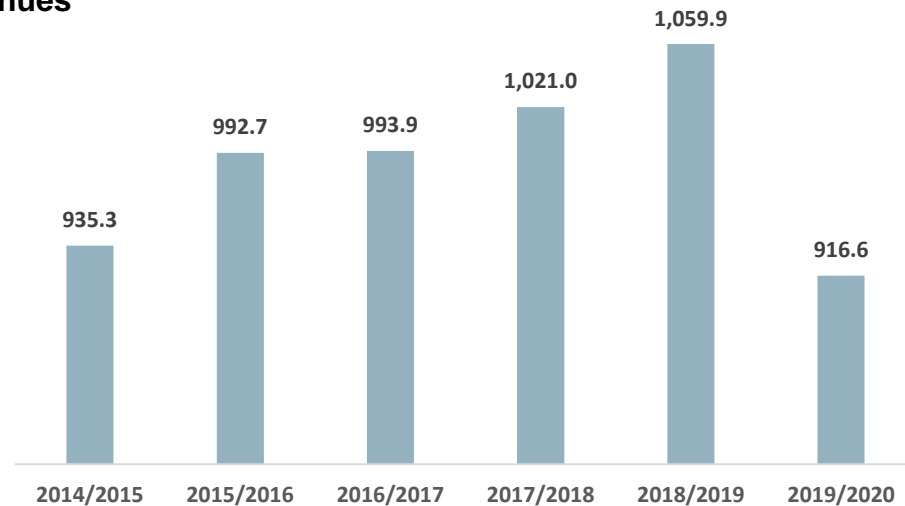


Shareholder structure

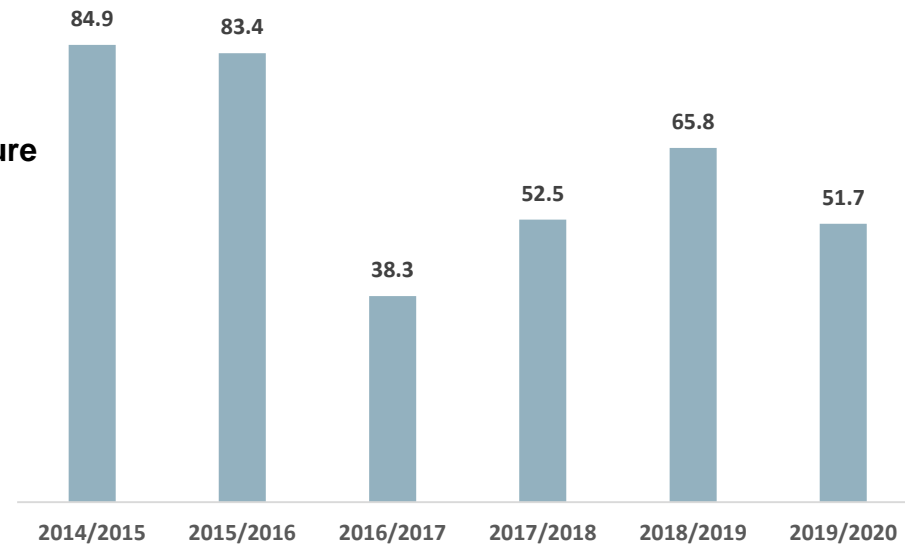


Key figures development

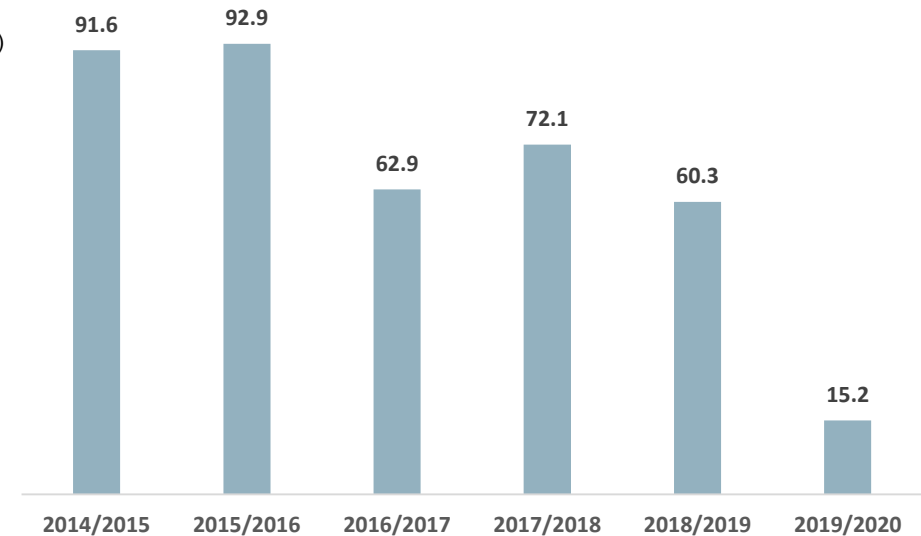
Total revenues (EUR million)



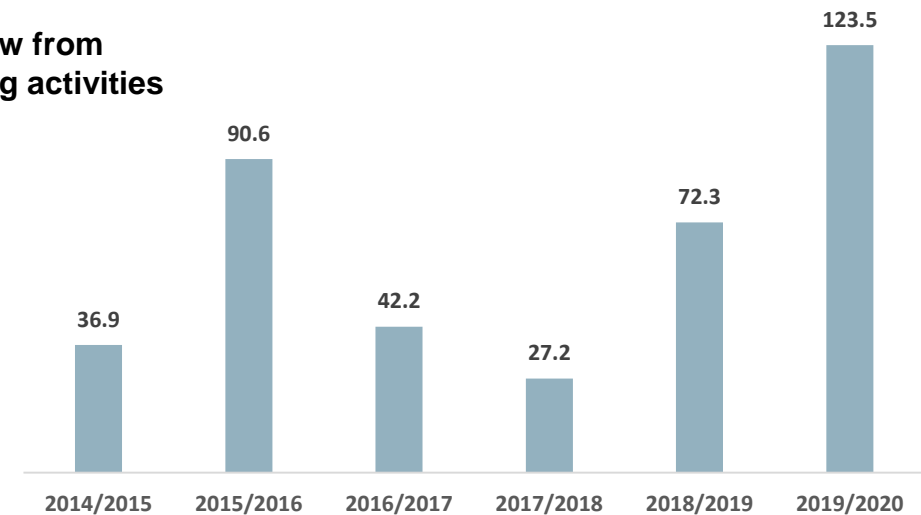
Capital expenditure (EUR million)



EBIT (EUR million)



Cash flow from operating activities (EUR million)



INVESTOR PRESENTATION

MARKETS AND CUSTOMER ENVIRONMENT

Bertrandt AG

Current market and customer environment: Automotive industry



Corona-virus with ongoing adverse impact on global car demand and production. Volatility persists.



Fivefold increase in number of electric models by 2023



European registrations down ca -22% in 2021 ytd (VDA 2021e: +8%).



Cost saving programmes widespread across all customers



Focus on future megatrends (DAVE): EUR 150bn invest by German car industry by 2025



Customers review share of own work in development activities



Trend towards larger contract awards



Generally high R&D spending for future mega trends, but other projects temporarily paused



Cost and efficiency pressure

Mid-term trends: Automotive industry



- Industry transformation continues
- Pre-Corona car sales not expected before 2023
- Regional recovery heterogenous



- Further regulations (e.g. Euro7)
- Variety of powertrain – Acceleration of eMobility
- Autonomous Driving: Cars L3, Trucks L4/5



- R&D budgets generally on high level
- New cooperations
- Global R&D networks

Current market and customer environment: Other industries



Corona-virus with adverse impact on civil aero;
non-civil sectors more resilient



Med-tech resilient; New Certification
supportive

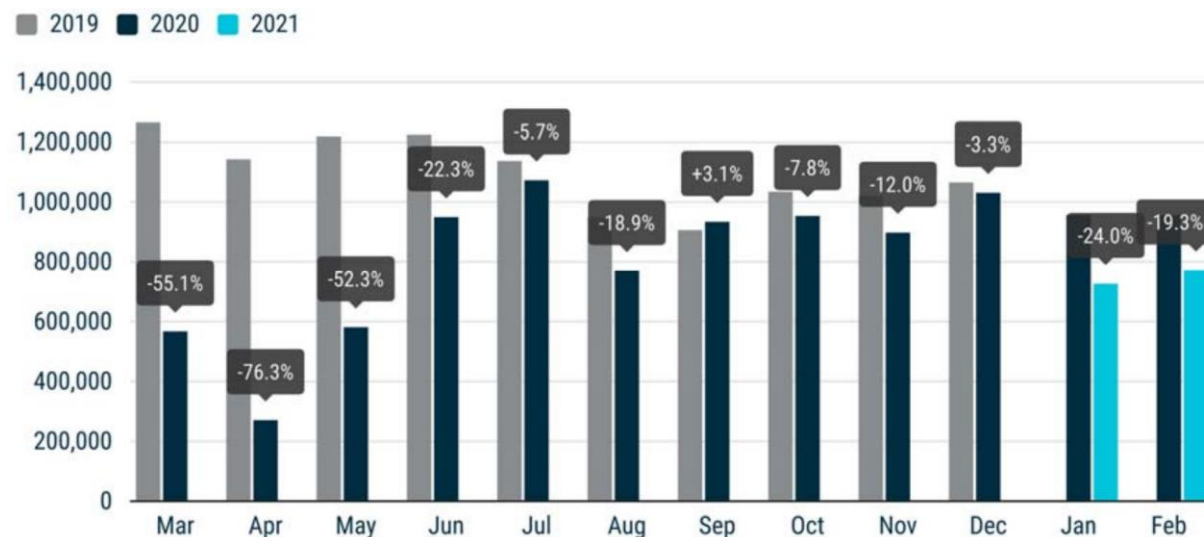


Global market for power engineering
probably rather resilient.



Electrical, electronics, machinery and
plant engineering industries expect
deterioration in orders.

Car demand EU27: Recovery remains volatile and back-end loaded



Source: ACEA

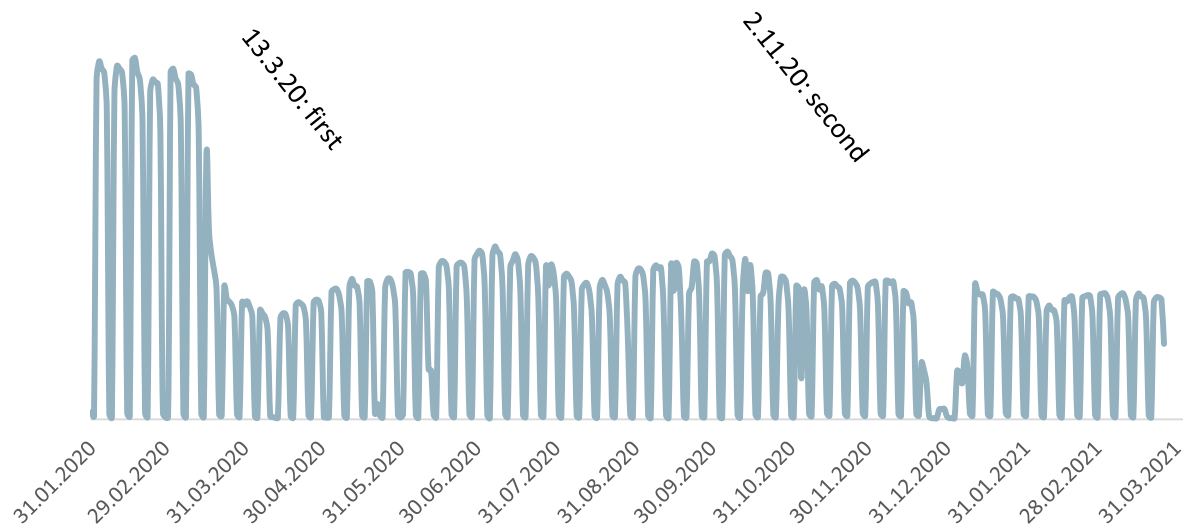
Start into the new year disappointing

Registrations -22% ytd in January and February 2021

VAT hike, chip shortage, lockdown as burdening effects

Months with easy comparables yet to come

Corona-virus: protection of employees



In-office time recording down by >50% since March 2020

Up to 7,000 access points for mobile work available

Efficient use of infrastructure as mobile work will remain part of our future work model

Opportunities but also challenges for employees and management

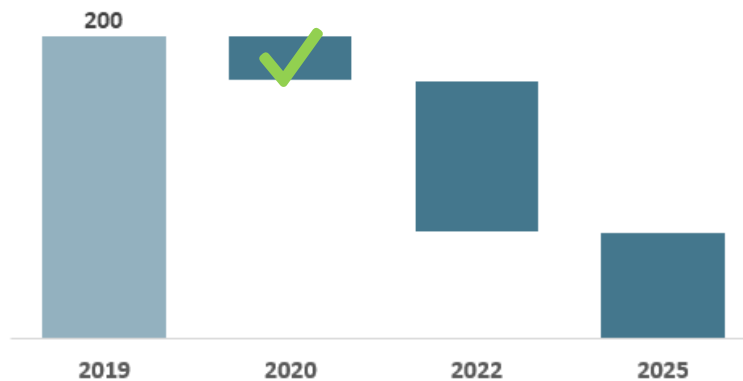
Corona-virus: keep capacities up and running




TISAX certification as competitive advantage: The TISAX (Trusted Information Security Assessment Exchange) model has been developed under the aegis of the VDA to guarantee a unified level of data security at all the parties involved. TISAX allows information security assessments to be recognized at all companies in the automotive industry and provides a common standard for auditing and for sharing information.

Corona-virus: focus on balance sheet and cash

- Gross liquidity: EUR 191m (Q1 2020/2021)
- CapEx: -22% yoy in FY 2019/2020 (focus on completion of test centers)
- Undrawn credit facilities: EUR >200m
- Debenture bond (Schuldschein) of EUR 200m with long maturity profile and without covenants



Corona-virus summary

- 
- Weathering the crisis as top priority
 - > Protection of employees
 - > Keep operational capacities up and running
 - > Limit financial impact
 - Immediate cost “shut-down” in place: procurement, CapEx, hiring, tier-2, marketing, trainings, business travels, consultants, wages/salaries including management, ...
 - Reduction of accrued overtime, holidays and shut-down periods (Betriebsruhe) in subsidiaries
 - Know-how and capacity preserved by using short-time working schemes in Germany and abroad
 - Sustainable cost reduction measures launched: infrastructure, alignment of capacities



Digitisation

Connectivity

Autonomous driving

Electric mobility

Four mega trends transforming the automotive sector

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 (opened)
- Munich (due in spring 2021)

8 all-wheel-drive climatic chassis dynamometer with 2 height chambers

Altitude 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 all types of powertrains such as BEV, PHEV, HEV, ICE, FCV (fuel cell), HFCV (hydrogen FC), AFC (alternative fuels)

Environmental simulations

Real Driving Emissions

Euro 7 ready

Validation of vehicle handling/fuel consumption/emissions

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

Bertrandt Medical



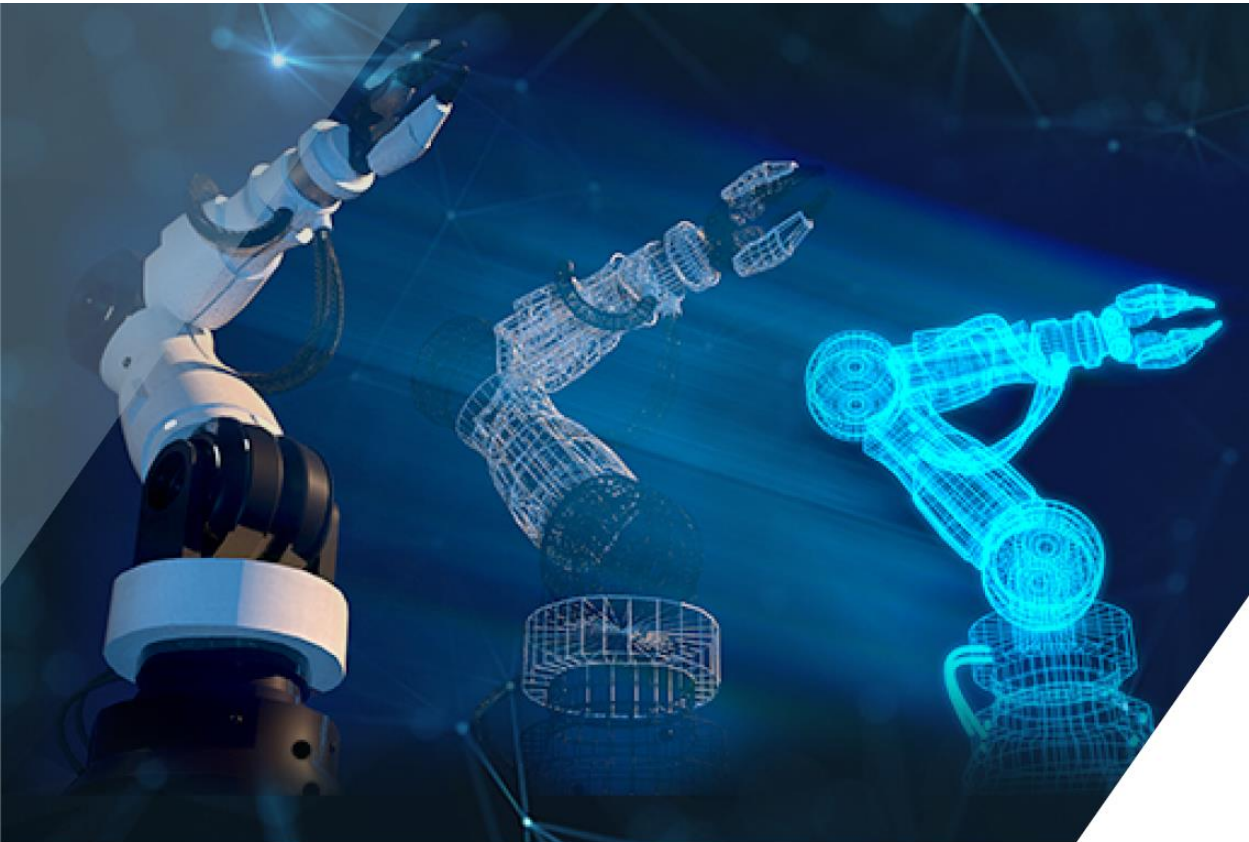
Expansion of resources and service portfolio to meet special medical technology requirements

Classic product development

Increased demand for quality management, regulatory affairs, risk management, equipment qualification and process validations

ISO certification in 2020 to meet high regulatory and extraordinary safety and quality requirements. Prerequisite for further growth.

CLIFE: Digital Twin Solution



Do you know how much added value your factory, your facility, your individual machine's data can generate?

Many companies are facing the challenge of using existing data to their advantage

CLIFE ensures that you have the most important information to hand, anytime and anywhere

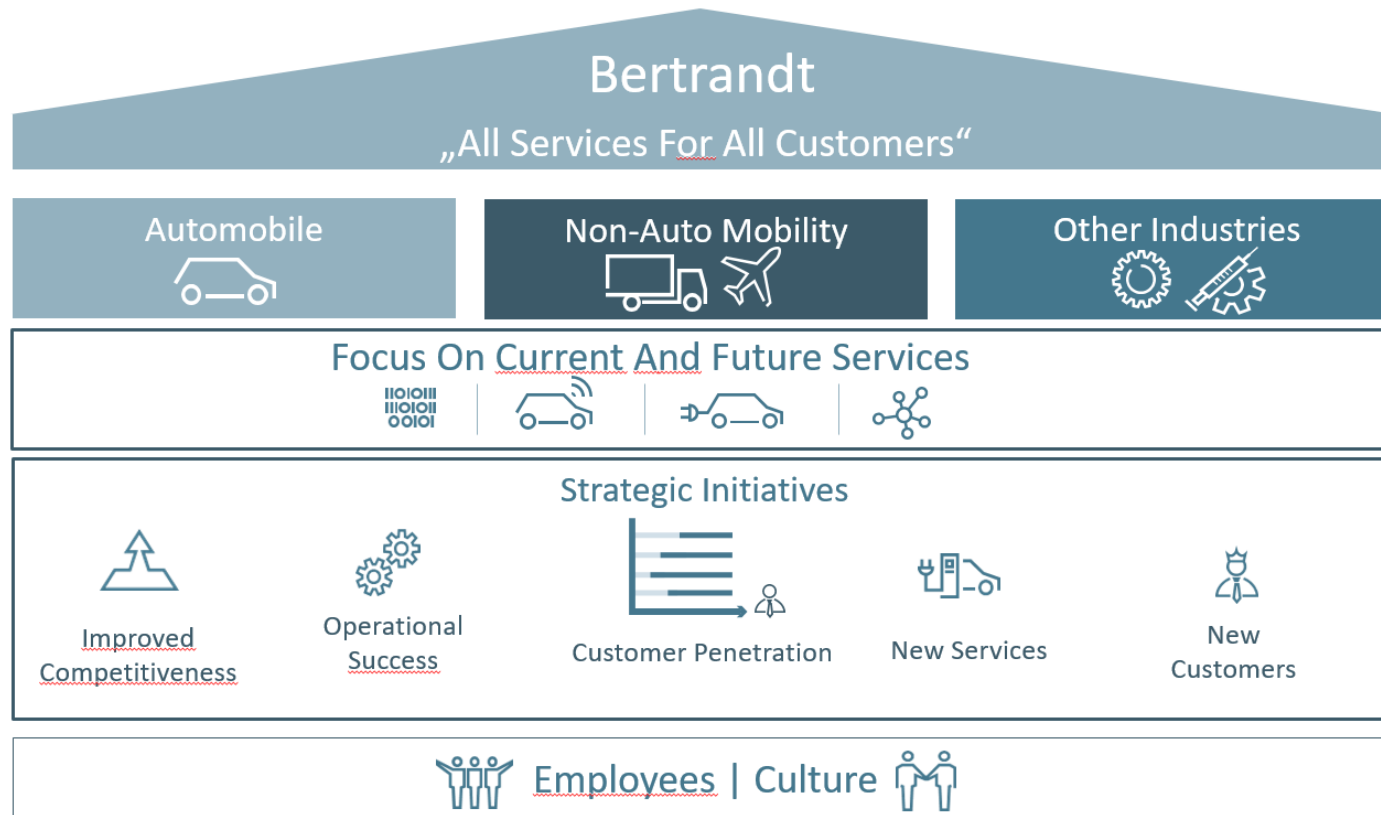
CLIFE is a true digital twin of any machine

INVESTOR PRESENTATION

STRATEGIC INITIATIVES

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Implementation of strategic measures



Strategic reorganisation in place

Divisional set-up with focus on services and sales to cope with changing market dynamics

Diversified customer approach

Implementation of strategic measures

Mid- to long-term growth enabled by...

Focus on range of services

- Current and future services
- Profitable growth
- Portfolio adjustments

Pooling and strengthening skills

- Sharpening the technical profile
- Optimization of utilization
- Expert organization

Improvement of competitiveness

- Cost efficiency
- International project teams
- Digitization of processes

Existing and new clients

- Increase footprint with existing clients
- Solution provider
- Broadening customer base

Pooling of automotive competencies in four Divisions



INVESTOR PRESENTATION

Bertrandt AG

OUTLOOK AND INVESTMENT HIGHLIGHTS

Short-term uncertainty persists

Folgen der Lockdowns

Institute senken Konjunkturprognosen

Stand: 24.03.2021 10:39 Uhr

Nach dem Sachverständigenrat trauen jetzt auch das ifo-Institut und das Institut der deutschen Wirtschaft der deutschen Konjunktur 2021 weniger zu. Die Kosten der Coronakrise dürften Hunderte Milliarden Euro verschlingen.

Tagesschau.de, 24.03.21

Angst vor der dritten Welle

Wirtschaftsweise senken Konjunkturprognose

Stand: 17.03.2021 12:12 Uhr

Angesichts der anhaltenden Corona-Krise haben die "Wirtschaftsweisen" ihre Konjunkturprognose für 2021 nach unten korrigiert. Eine dritte Infektionswelle könnte die wirtschaftliche Erholung verzögern.

Tagesschau.de, 17.03.21

Institute senken Konjunkturprognosen auf bis zu drei Prozent

Erst der Sachverständigenrat, jetzt die Wirtschaftsinstitute: Experten korrigieren ihre Konjunkturprognosen wegen neuer Lockdowns und schleppender Impfungen – nach unten.

Zeit.de, 01.04.21

KONJUNKTURPROGNOSE

Aufschwung nur bei Sieg über Pandemie

- Ein verschärfter Lockdown über mehrere Wochen könnte dem heimischen Wirtschaftswachstum heuer viel Fahrt nehmen. Laut Wifo und IHS würde das BIP nach dem Rezessionsjahr 2020 dann nur noch um 1,5 bis 2,0 Prozent zulegen.

Wiener Zeitung, 26.03.21

DIW senkt Konjunkturprognose: Anstieg von Arbeitslosenquote und Insolvenzen droht

Business Insider, 19.03.21

FY 2020/2021: Pandemic affecting H1 at least

- Economic uncertainty persists and is even increasing with „second + third wave“ and harsh lockdown materializing
- Extraordinary uncertainty for guidance
- Generally two scenarios in FY 2020/2021 possible depending on easing or worsening of the pandemic environment
- Any narrowing of guidance will be frequently examined, but depends on the overall economic and industry-specific environment

Outlook: R&D budgets determine the future success

Volkswagen Group raises investments in future technologies to EUR 73 billion

Planning Round 69 includes capex and R&D investments for electrification, hybrid power-trains and digital technology for the next five years

Quelle: Automotive World

VOLKSWAGEN INVESTIERT KONSEQUENT IN SEINE TECH-TRANSFORMATION

Konzern steigert Ausgaben für Zukunftsthemen Elektromobilität, Hybridisierung und Digitalisierung



Quelle: Volkswagen AG

Quelle: Volkswagen

Audi führend bei Patentanmeldungen für Elektroantriebe

Bei den Patentanmeldungen für Elektroantriebe nimmt Audi in Deutschland eine Führungsrolle ein.

Quelle: Automobil Produktion

„Die Investition in die Elektromobilität ist für BMW will in den nächsten fünf Jahren 30 Milliarden Euro in Forschung und Entwicklung stecken. Nur Daimler fährt seine hohen Investitionen der Vorjahre etwas zurück. Gespart werde bei den Verbrennern, betont Konzernchef Ola Källenius, nicht bei E-Antrieb und Digitalisierung.“

Quelle: zeit.de

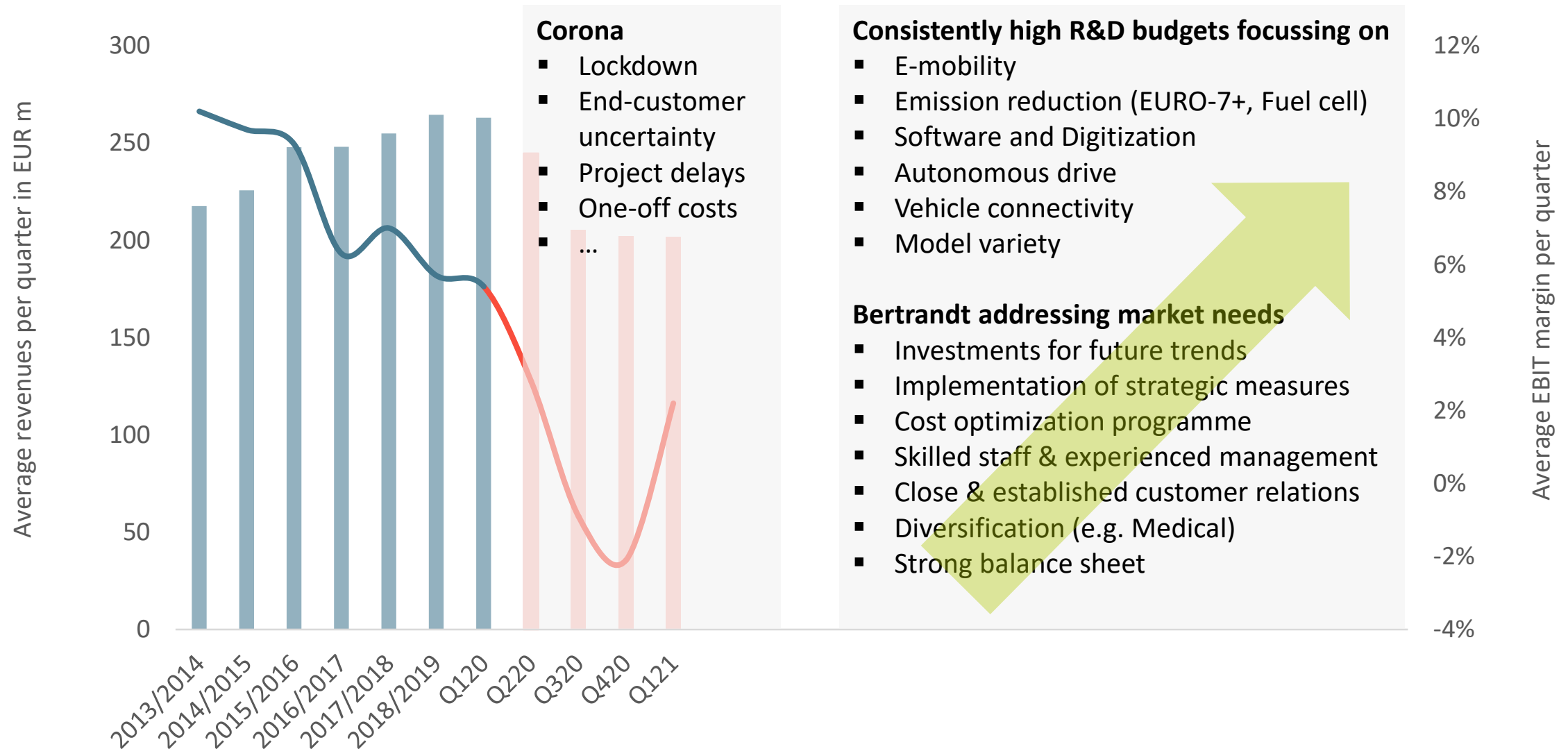
Daimler Is Bullish on Its Electrified Future

Quelle: Assembly Magazine

„Neue Technologien sind der Schlüssel zur Zukunft der Mobilität. Bis 2025 nehmen wir mehr als 30 Milliarden Euro für Forschung und Entwicklung in die Hand, um unsere Rolle als Innovationsführer weiter auszubauen.“

Quelle: Oliver Zipse (CEO), BMW

R&D market provides mid-term opportunities



We set the course for the future



- ✓ – Counter-measures installed to weather the impact of the pandemic
- ✓ – Liquidity and cash safeguarded
- ✓ – Strategic investments in mega trends
- ✓ – Dedicated organizational alignment to changing market dynamics
- ✓ – Market provides opportunities and trends for a successful future

INVESTOR PRESENTATION

BACK-UP: Q1 2020/2021

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Q1 2020/21 at a glance: ...EBIT above break-even, FCF positive

P&L ➤ Sales: EUR 201.7m (-23.4% yoy) | EBIT: EUR +4.5m | margin: 2.2%

Cashflow ➤ Operating Cashflow EUR 60.7m (EUR 58.5m) | FCF EUR +43.2m (EUR +47.9m)

CapEx ➤ EUR -17.5m (EUR -10.6m) | Completion of Powertrain Solution Center

BS ➤ Balance sheet contraction (bond redemption): equity ratio 45.3%



➤ Employees: 12,039 (-1,438 yoy, -296 qoq)

Group P&L Q1: EBIT performance cushioned by cost optimization

	Q1 2020/21 EUR million	Q1 2019/20 EUR million	Δ EUR million	
Total revenues	201.741	263.321	-61.580	- Working days (-2.5) - Capacity alignment - STW
Other operating income	2.824	2.005	819	- Headcount alignment - Reduction of holidays, accrued overtime - STW
Raw materials and consumables used	-16.090	-25.245	9.155	
Personnel expenses	-152.984	-190.462	37.478	
D&A	-14.225	-12.841	-1.384	- Stable qoq - Recent investments
Other operating expenses	-16.741	-22.490	5.749	
EBIT	4.525	14.288	-9.763	- Cost optimization (travel, marketing, consultants, social benefits, ...) - One-off costs (ramp-up, capacity)
Financial result	-1.428	-1.326	-102	
EBT	3.097	12.962	-9.865	
Other taxes	-526	-785	259	
Income taxes	-1.768	-3.466	1.698	- Foreign tax loss carry forward: future earnings prospects abroad not foreseeable
Net income	803	8.711	-7.908	
EPS (EUR)	0,08	0,86	-0,78	

Segments: internal reorganization leads to restatement of segments

EUR million	Digital Engineering				Physical Engineering				Electric/Electronic			
	Q1 2020/21	Q1 2019/20	Q1 2019/20 restated	Δ	Q1 2020/21	Q1 2019/20	Q1 2019/20 restated	Δ	Q1 2020/21	Q1 2019/20	Q1 2019/20 restated	Δ
Total revenues	97.301	146.099	138.722	-29,9%	47.453	56.783	69.975	-32,2%	56.987	60.439	54.575	4,4%
EBIT	595	4.629	5.566	-89,3%	7	4.123	4.194	-99,8%	3.923	5.536	4.528	-13,4%
<i>% margin</i>	<i>0,6%</i>	<i>3,2%</i>	<i>4,0%</i>		<i>0,0%</i>	<i>7,3%</i>	<i>6,0%</i>		<i>6,9%</i>	<i>9,2%</i>	<i>8,3%</i>	

- Clear assignment of all testing & validation activities including digital services to Physical Engineering
- Pandemic predominantly impacting Digital Engineering and Physical Engineering (e.g. test drives)
- Physical Engineering: late-cyclical impact of first lock-down (e.g. missing test objects)
- Ramp-up charges affecting Physical Engineering

INVESTOR PRESENTATION

BACK-UP: FY 2019/2020 & Q4

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At a glance

P&L

➤ Revenues EUR 916.6m | EBIT EUR 15.2m | Margin 1.7%

Cashflow

➤ Investments EUR 51.7m | Free Cashflow EUR 72.2m

Balance sheet

➤ BS total EUR 945.5m | Equity EUR 403.4m | Equity ratio 42.7%

Dividend

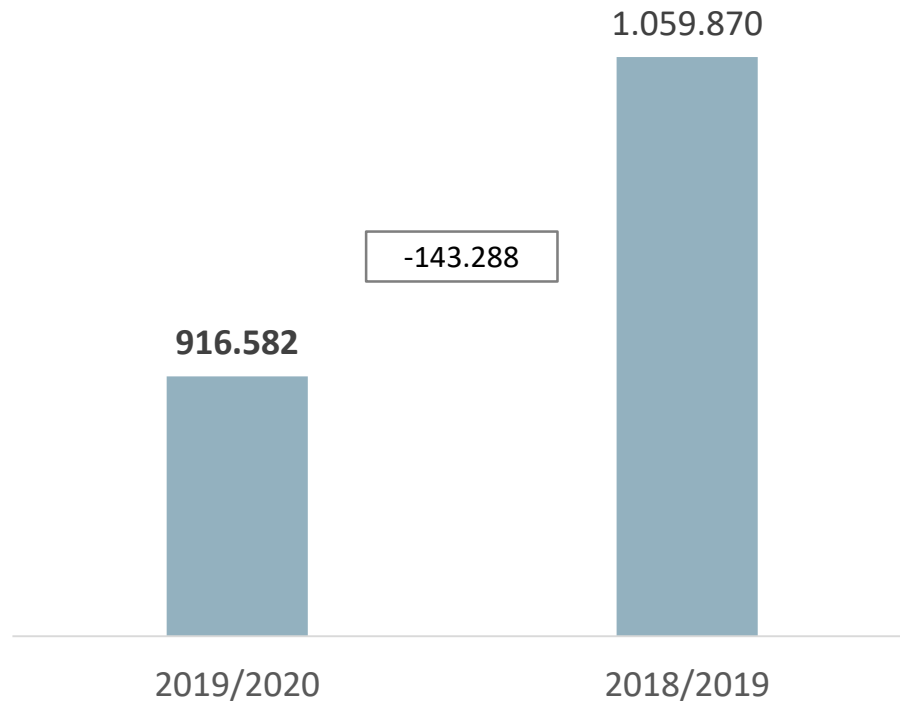
➤ EUR 0.15 per share based on payout policy of 40% of net income

Employees

➤ 12,335

Total Revenues

Total revenues
(in EUR m)



– Q1 inline with expectations, but pandemic and global recession impacted performance in the course of the fiscal year 2019/20

– Group revenues: -14% yoy

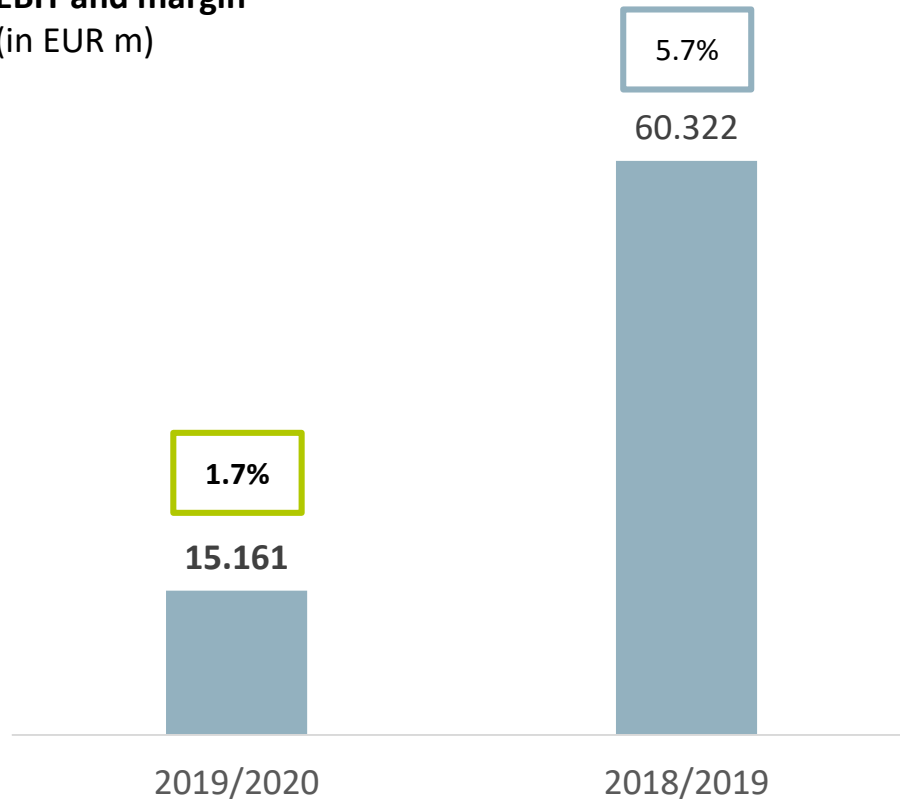
- Germany -10% yoy
- RoW -32% yoy (France)

– Segment performance

- Digital Engineering -18% yoy
- Physical Engineering -17% yoy
- Elektric/Elektronik +1% yoy

EBIT

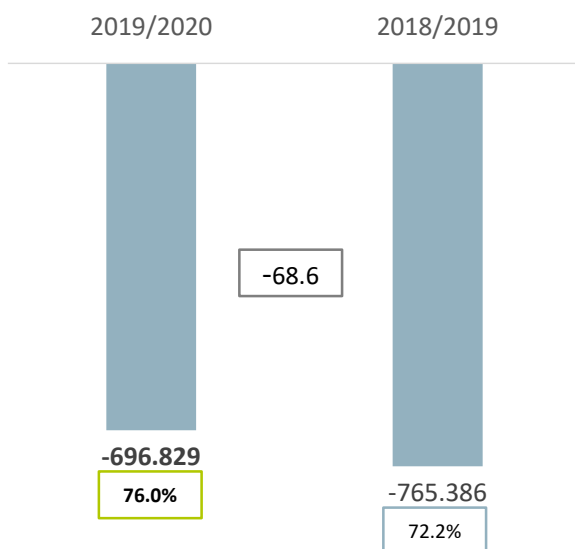
EBIT and margin
(in EUR m)



- Q1 on prior year level
- From Q2 increasing underutilization and project delays caused by global recession
- Ramp-up charges for strategic investments and restructuring charges linked with alignment of capacities
- Segments | Earnings contribution
 - Digital Engineering | EUR -8.7m
 - Physical Engineering | EUR +8.3m
 - Elektric/Elektronic | EUR +15.6m

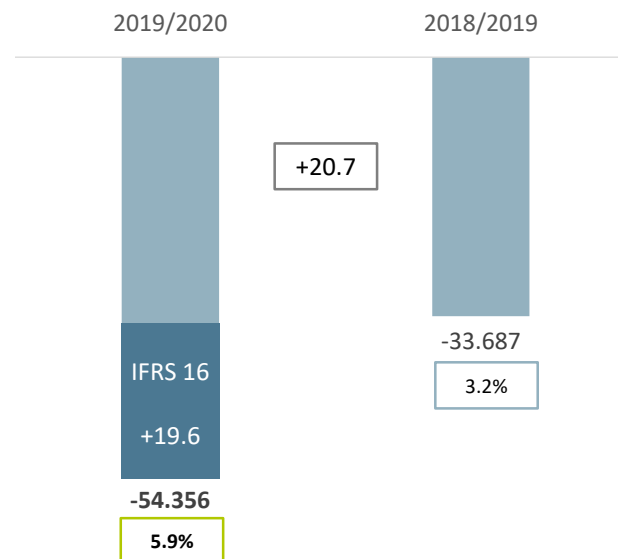
Key expenditure figures

Personnel expenses (in EUR m)



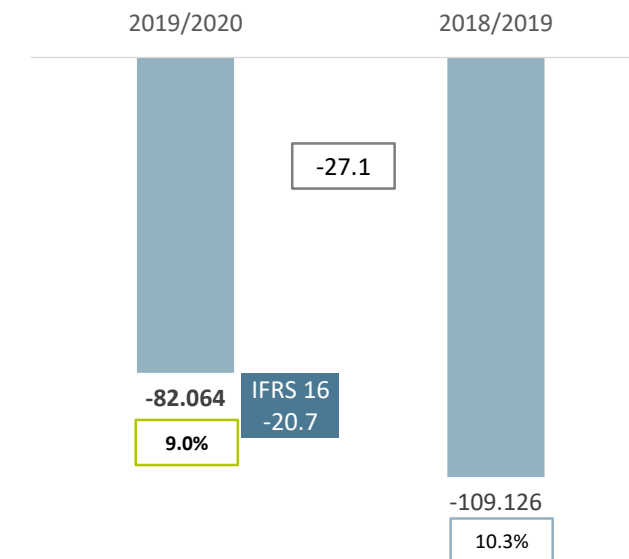
- Flex instruments such as reduction of accrued overtime, holidays and short-time work
- Structural alignment of capacities to market environment and natural fluctuation
- Salary waiver on all management levels

D&A (in EUR m)



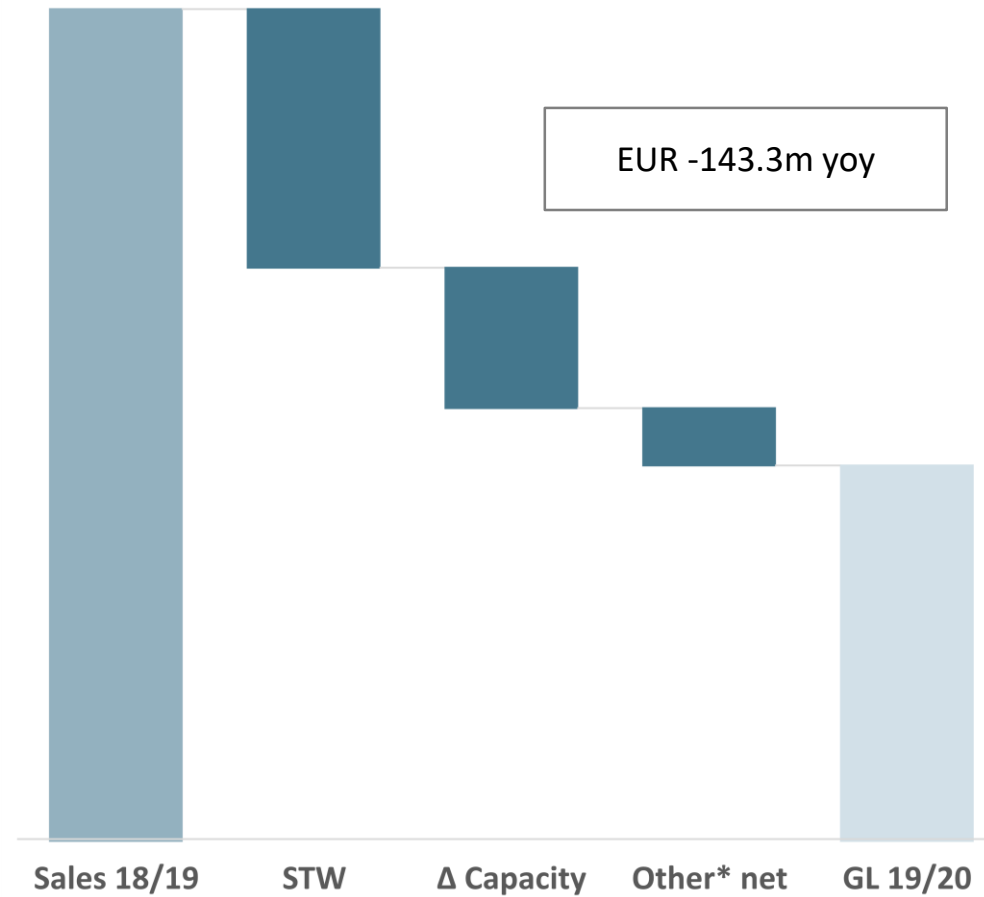
- D&A on prior year level (w/o IFRS 16)

Other operating expenses (in EUR m)

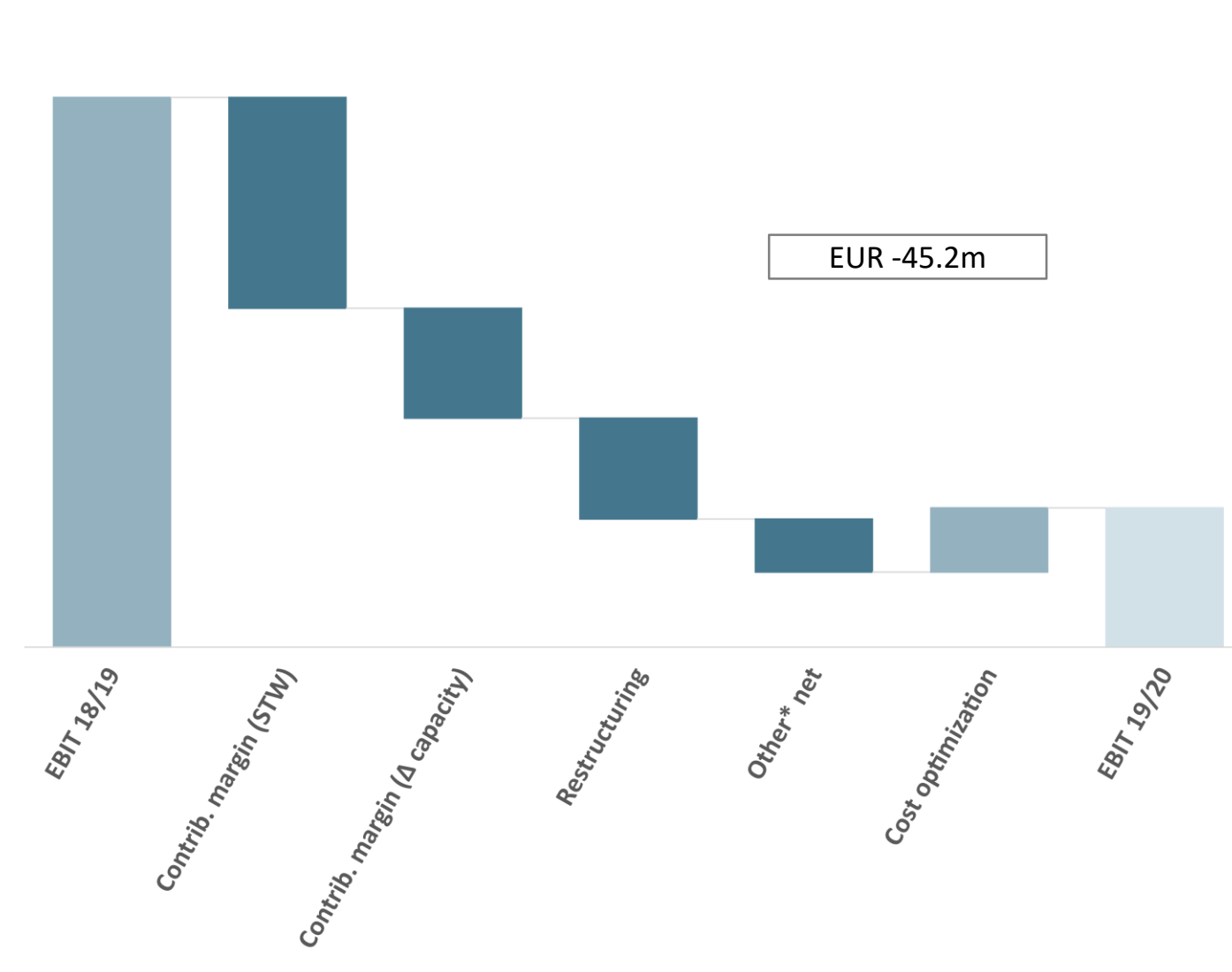


- Earnings enhancement program implemented and initial benefits realized
- Infrastructure expenses with future earnings potential

Total revenues impacted by...

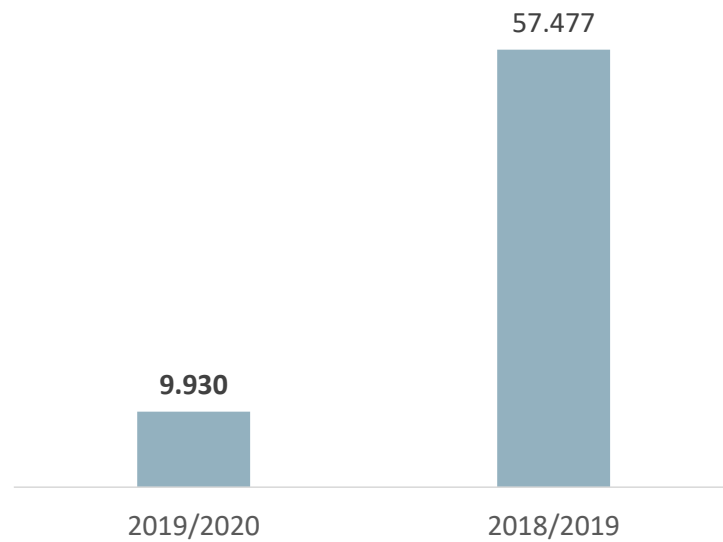


EBIT impacted by...

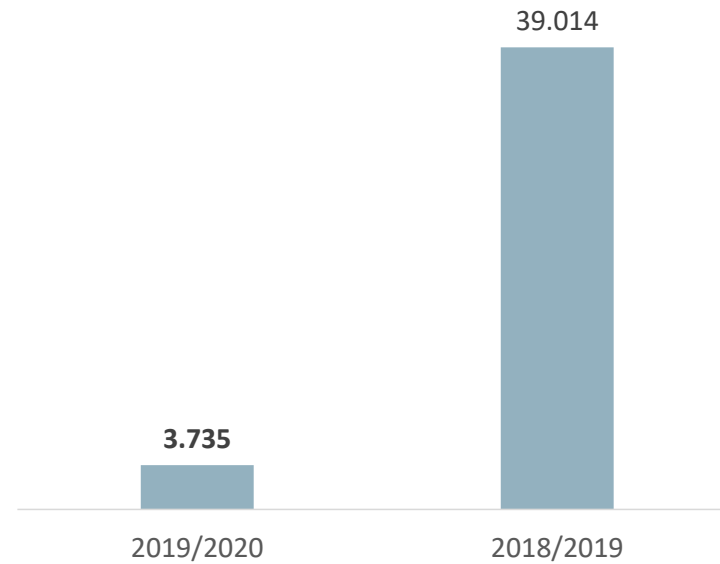


Earnings

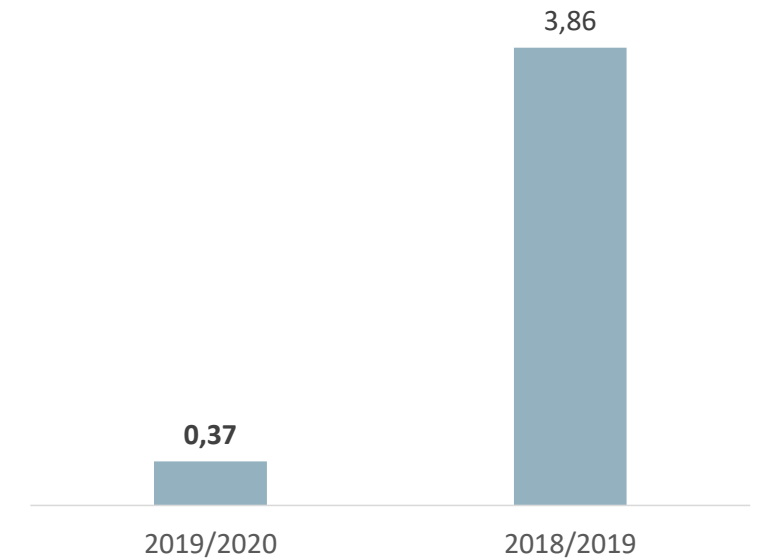
PBT
(in EUR m)



Profit after tax
(in EUR m)



EPS
(in EUR)



Consolidated P&L

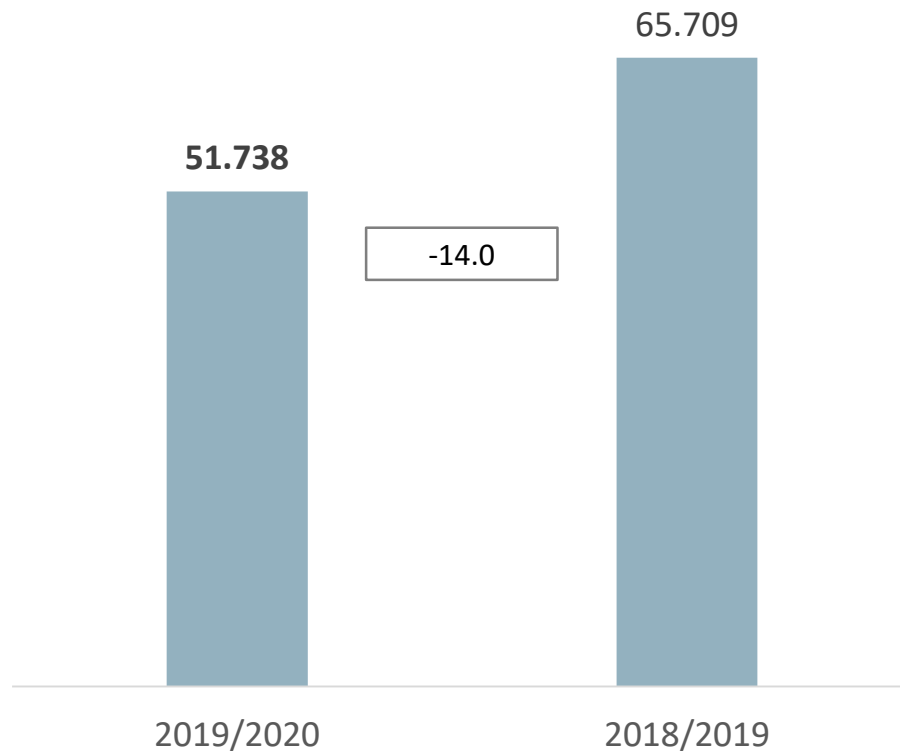
	2019/2020 In TEUR	% GL	2018/2019	% GL	Δ %	Δ TEUR	Δ TEUR IFRS 16
P&L							
Total revenues	916,582	100.0%	1,059,870	100.0%	-13.5%	-143,288	
Other operating income	8,771	1.0%	17,406	1.6%	-49.6%	-8,635	
Material expenses	-76,943	-8.4%	-108,755	-10.3%	-	31,812	118
Personal expenses	-696,829	-76.0%	-765,386	-72.2%	-	68,557	
D&A	-54,356	-5.9%	-33,687	-3.2%	-	-20,669	-19,569
Other operating expenses	-82,064	-9.0%	-109,126	-10.3%	-	27,062	20,658
EBIT	15,161	1.7%	60,322	5.7%	-74.9%	-45,161	1,207
Financial result	-5,231		-2,845		-	-2,386	-2,158
Profit from ordinary activities	9,930		57,477		-82.7%	-47,547	
Other taxes	-3,162		-3,257		-	95	
Earning before taxes	6,768		54,220		-87.5%	-47,452	-951
Income taxes	-3,033		-15,206		-	12,173	269
Earnings after taxes	3,735		39,014		-90.4%	-35,279	-682
Earnings per share	0.37		3.86		-90.4%	-3.49	

Overview Q4 2019/20

	Q4 19/20	% GL	Q4 18/19	% GL	Δ %	Δ TEUR
P&L						
Total revenues	202,873	100.0%	274,991	100.0%	-26.2%	-72,118
Other operating income	2,020	1.0%	11,012	4.0%	-81.7%	-8,992
Material expenses	-16,967	-8.4%	-39,887	-14.5%	-	22,920
Personal expenses	-155,259	-76.5%	-195,274	-71.0%	-	40,015
D&A	-14,370	-7.1%	-8,757	-3.2%	-	-5,613
Other operating expenses	-22,533	-11.1%	-27,892	-10.1%	-	5,359
EBIT	-4,236	-2.1%	14,193	5.2%	-	-18,429
Financial result	-1,333		-770		-	-563
Profit from ordinary activities	-5,569		13,423		-	-18,992
Other taxes	-609		-744		-	135
Earning before taxes	-6,178		12,679		-	-18,857
Income taxes	793		-3,976		-	4,769
Earnings after taxes	-5,385		8,703		-	-14,088
Earnings per share	-0.53		0.86		-	-1.40

Financial and asset position

CapEx
(in EUR m)

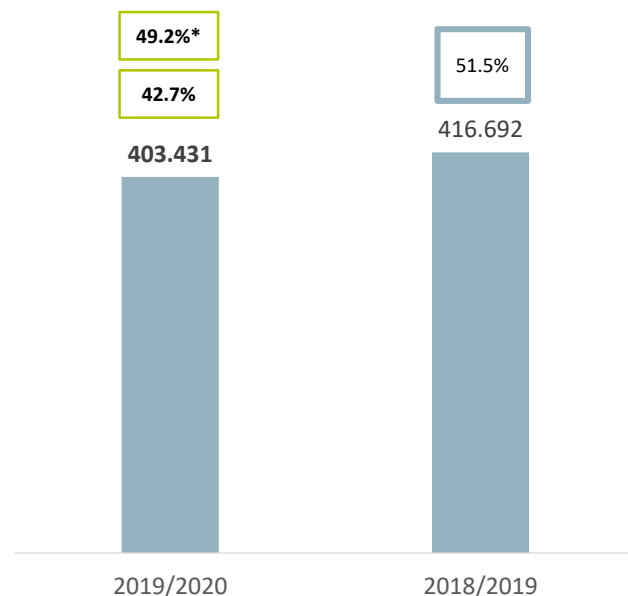


- Customer-oriented enhancement of business model
 - Bertrandt Powertrain Solution Center in Tappenbeck and Freising
 - Validation and homologation of all types of powertrain technologies such as BEV, PHEV, HEV, ICE, FCV+HFCV, AFC
 - Altitude and climate simulation
 - Velocities of up to 300 km/h



Financial and asset position

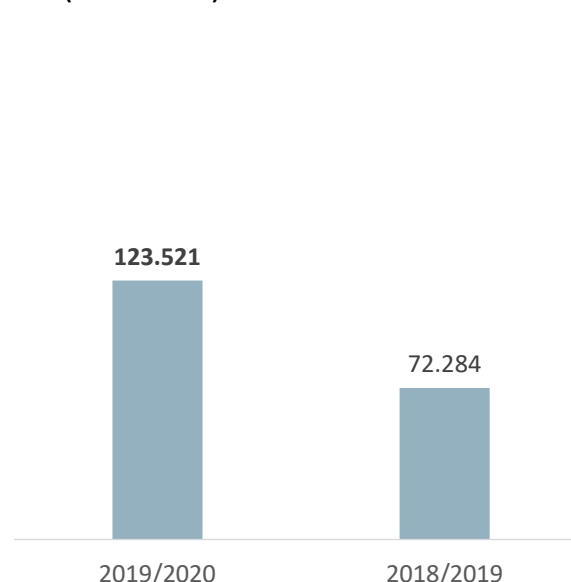
Equity and equity ratio (in EUR m)



*Equity ratio w/o IFRS16 effects

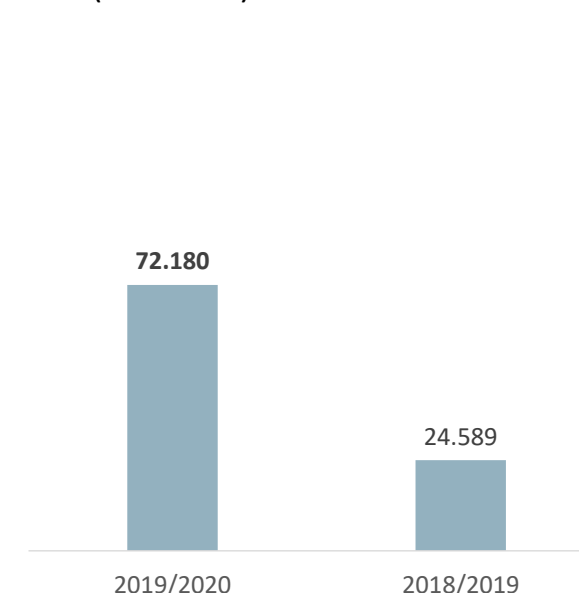
- Strong equity ratio despite impact from IFRS 16

Cashflow from operating activities (in EUR m)



- Working capital management drives cashflow generation
- Increase of non-cash D&A expenses (IFRS 16)

Free Cashflow (in EUR m)



- CapEx limited to strategic investments
 - GJ 19/20 | EUR -48.5m
 - GJ 18/19 | EUR -62.3m

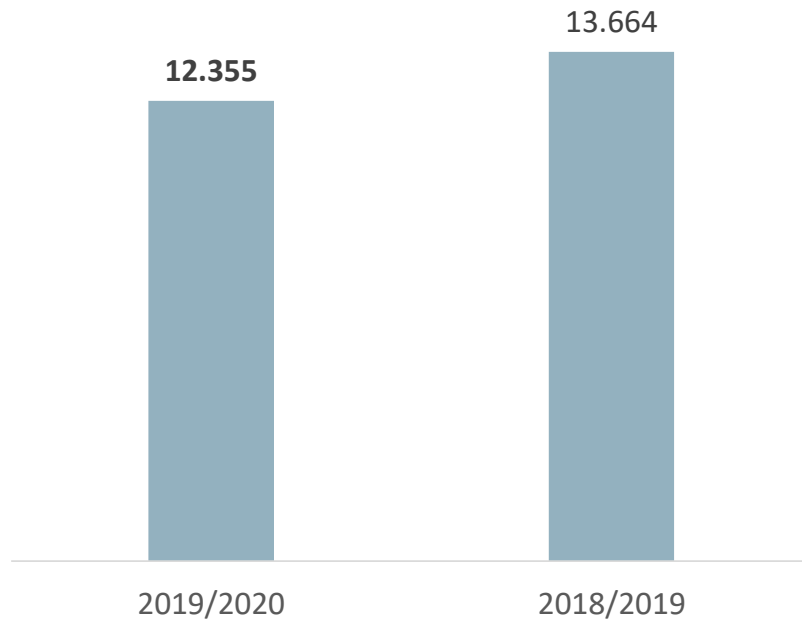
Consolidated Balance Sheet

	2019/2020	2018/2019	Δ %	Δ TEUR	Δ TEUR IFRS 16
Assets					
Property, plant and equipment	413,056	302,855	36.4%	110,201	95,668
Non-current assets	464,797	340,563	36.5%	124,234	123,715
Cash and cash equivalents	187,233	91,491	104.6%	95,742	-
Current assets	480,662	468,099	2.7%	12,563	-
Total assets	945,459	808,662	16.9%	136,797	123,715
Equity and Liabilities					
Equity	403,431	416,692	-3.2%	-13,261	684
Non-current liabilities	344,598	239,245	44.0%	105,353	104,335
Current liabilities	197,430	152,725	29.3%	44,705	20,064
Total equity and liabilities	945,459	808,662	16.9%	136,797	123,715

- Equity ratio: 42.7% (49.2% w/o IFRS 16)
- Gearing: 51% (27% w/o IFRS 16)
- NFD/EBITDA: 2.9x (1.5x w/o IFRS 16)

Human resources

Employees as of 30th September



- Comprehensive know-how in Electronics and Software development as well as in Physical Validation
- Alignment of capacities caused by pandemic burdens especially in France
- BCC capacity
- EUR >6m investments in training and qualification of employees
- Award-winning employer

INVESTOR PRESENTATION

BACK-UP: FINANCIAL CALENDAR


Bertrandt AG

Back-up: Financial calendar

20 May 2021	Q2 release, Capital Market Day
09 August 2021	Q3 release
09 December 2021	FY 2020/2021, Analyst and Press conference
23 February 2022	Annual General Meeting

[FY 2019/2020 Annual report](#)

[FY 2019/2020 ESG report](#)



Thank you for your attention

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