



Investor Presentation

Bertrandt AG

June/July 2021

Agenda

01 Bertrandt at a glance

02 Markets and customer environment

03 Investment Highlights & Opportunities

04 Outlook

05 Back-up

INVESTOR PRESENTATION

Bertrandt AG

BERTRANDT AT A GLANCE

Bertrandt Group



1974
Founded by
Harry Bertrandt



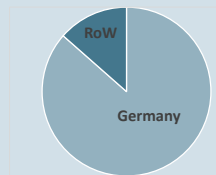
Total Revenues
FY 2019/20: EUR 917m



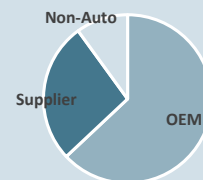
~12.000
employees



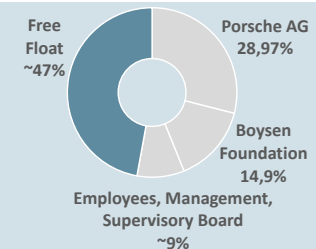
More than 50 locations globally



Regional split (FY 19/20)



Customer split (FY 19/20)



From the initial idea to production readiness



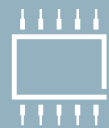
Design



Vehicle Body



Interior



Electronics



Powertrain



Chassis



Simulation



Testing

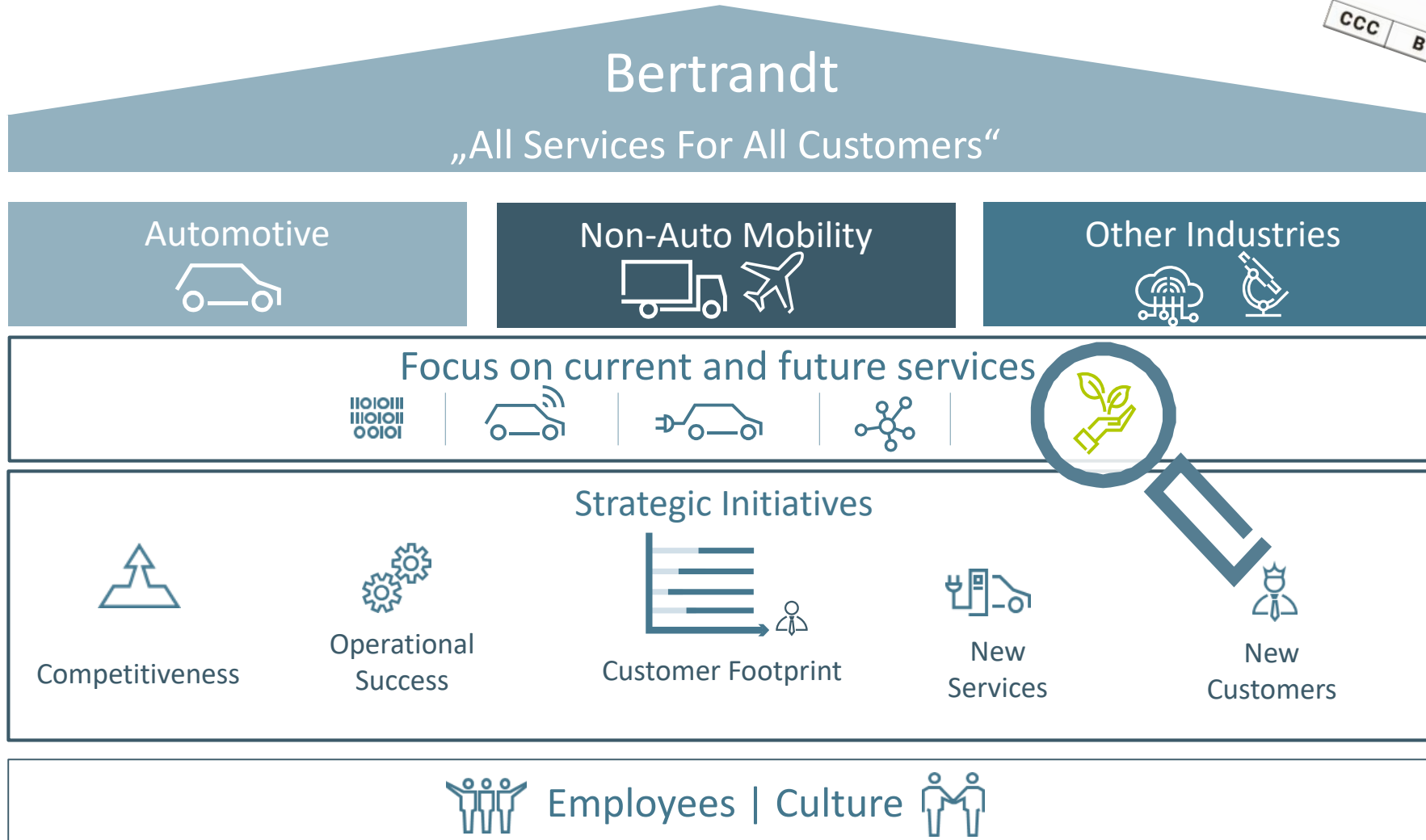


Engineering
Services

All Services For All Customers



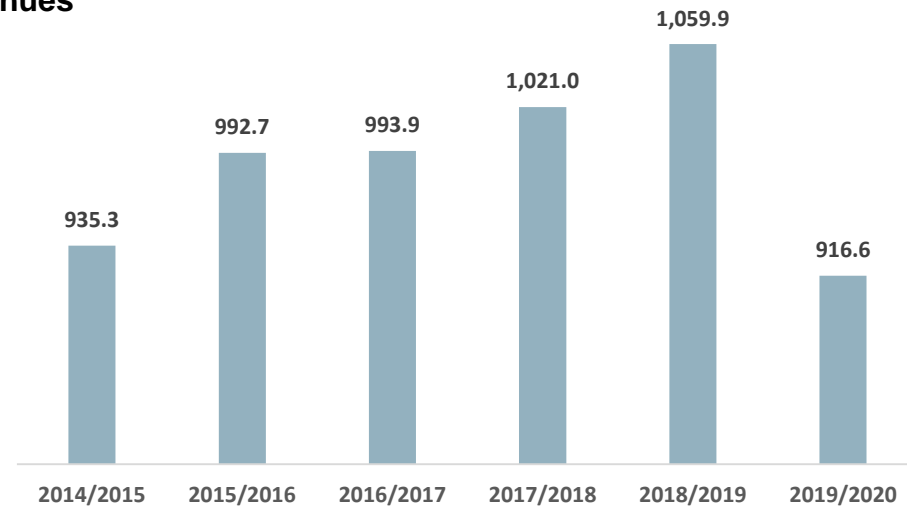
Sustainability Part Of Corporate Strategy



Key figures development

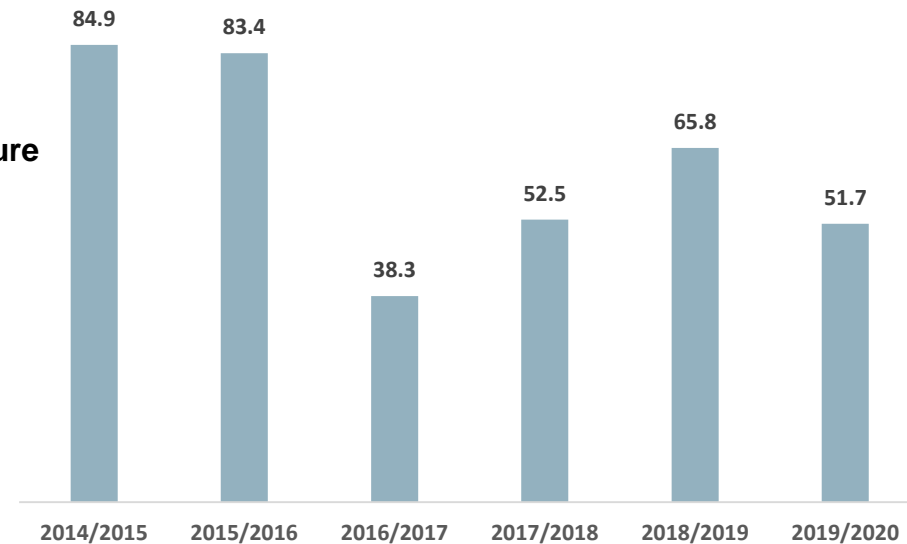
Total revenues

(EUR million)



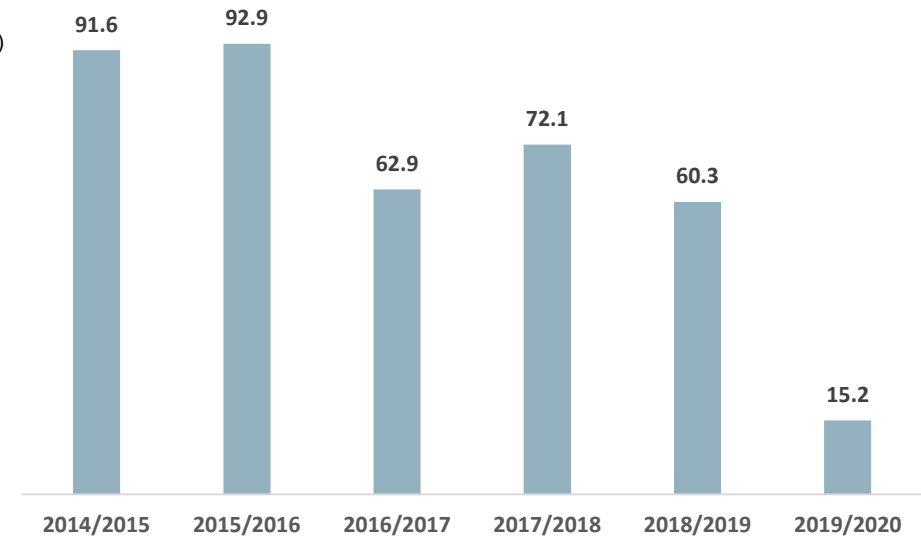
Capital expenditure

(EUR million)



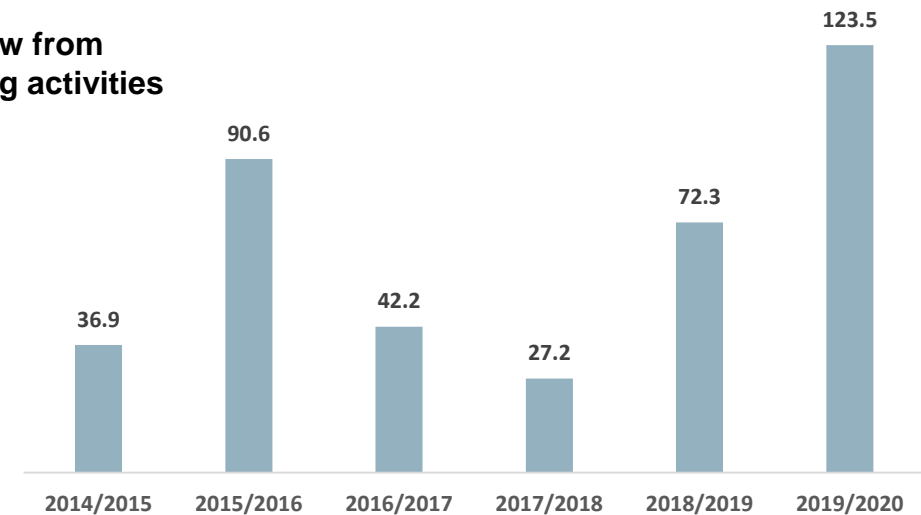
EBIT

(EUR million)



Cash flow from operating activities

(EUR million)



INVESTOR PRESENTATION

MARKETS AND CUSTOMER ENVIRONMENT

Bertrandt AG

Current market and customer environment: Automotive industry



Market sentiment gradually improving since end of March 2021



Large volume of R&D projects in tender



European registrations up by 3% in cal. Q1 yoy, but 25% below 2019.



Focus on future megatrends (Digitization, Autonomous Driving, Connectivity, Electrification)



Lockdown still weighing on car demand in Europe. China & US with decent market growth



Cost and efficiency pressure ongoing and addressed

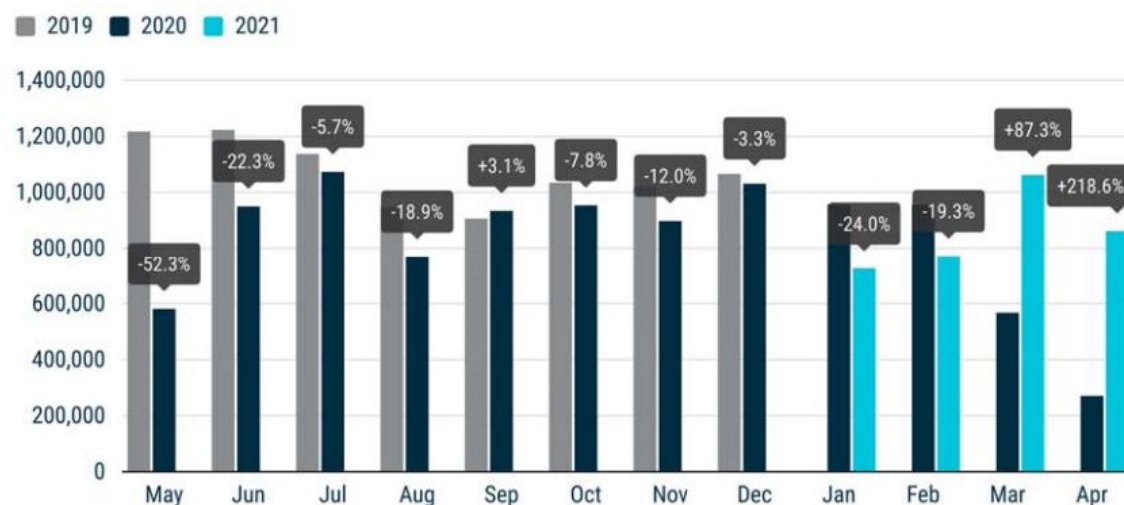


Cost saving measures remain in place



No direct impact from chip shortage, but industry sentiment depressed

Car demand EU27: Recovery from low levels, but demand still below pre-Corona



Source: ACEA

- Start into the year below expectations
- Car demand recovering from low prior year levels since end of lockdown
- European registrations in the first 4 months in 2021 still 25% below 2019 (Jan-Apr)
- Forecast 2021 (VDA)
 - USA 15.8m units (2020: 14.5m, +9% yoy)
 - Europe 13.4m units (2020: 12.0m, +12% yoy)
 - China 21.4m units (2020: 19.8m, +8% yoy)

Current market and customer environment: Industries



Rising vaccination coverage leads to improving sentiment in the civil aviation industry. R&D sourcing is slowly, but steadily improving. Strategic milestone achieved.



Med-tech resilient; New Certification supportive



Global market for power engineering rather resilient.



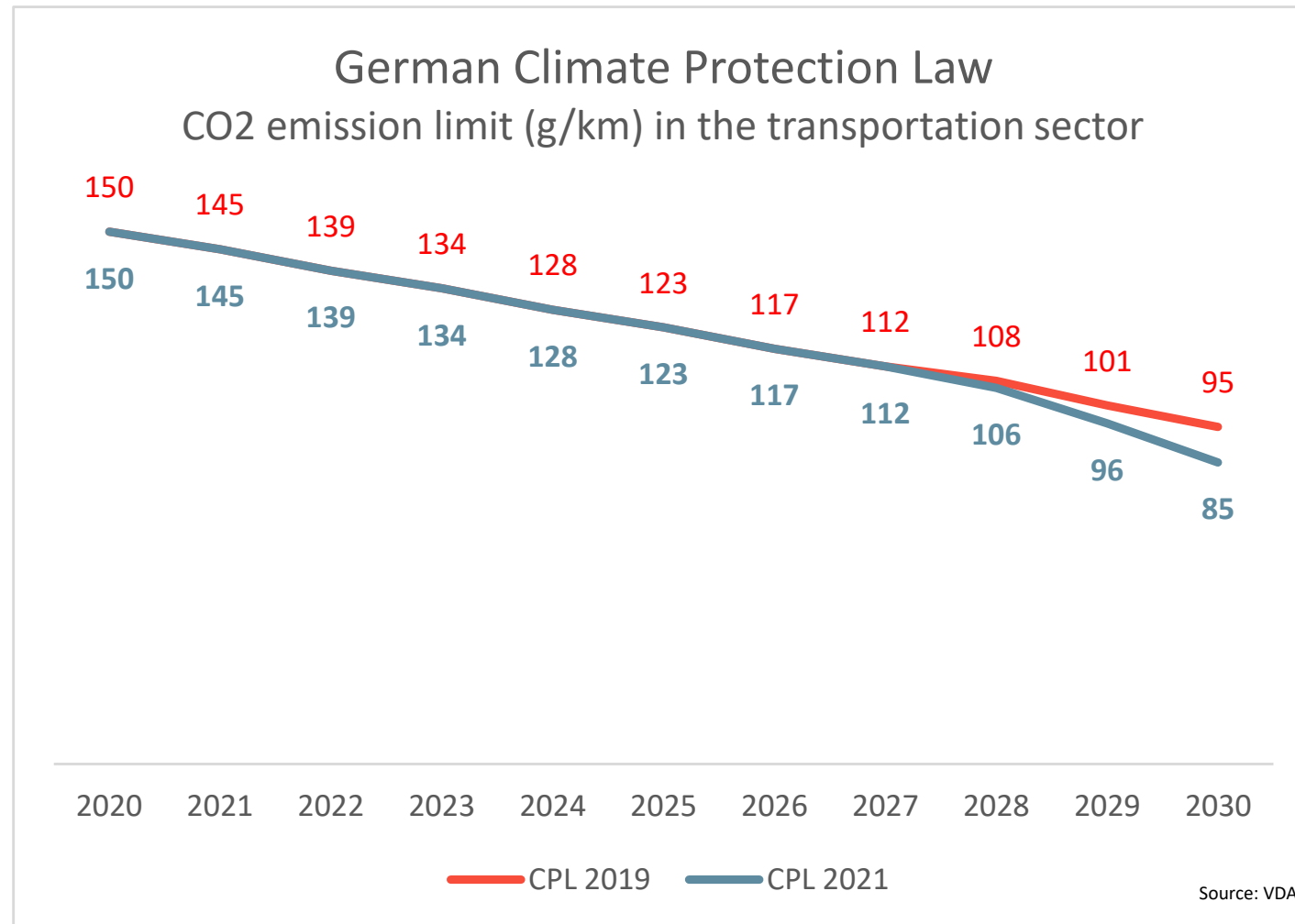
Economic recovery beneficial for mechanical and plant engineering industries in the months to come.

INVESTOR PRESENTATION

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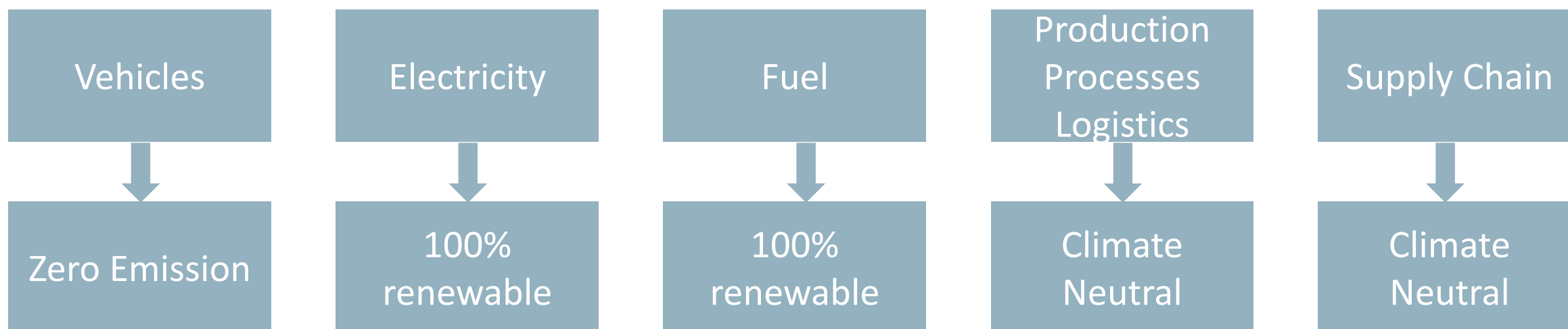
INVESTMENT HIGHLIGHTS & OPPORTUNITIES

European Green Deal








Vision 2050: Climate Neutrality

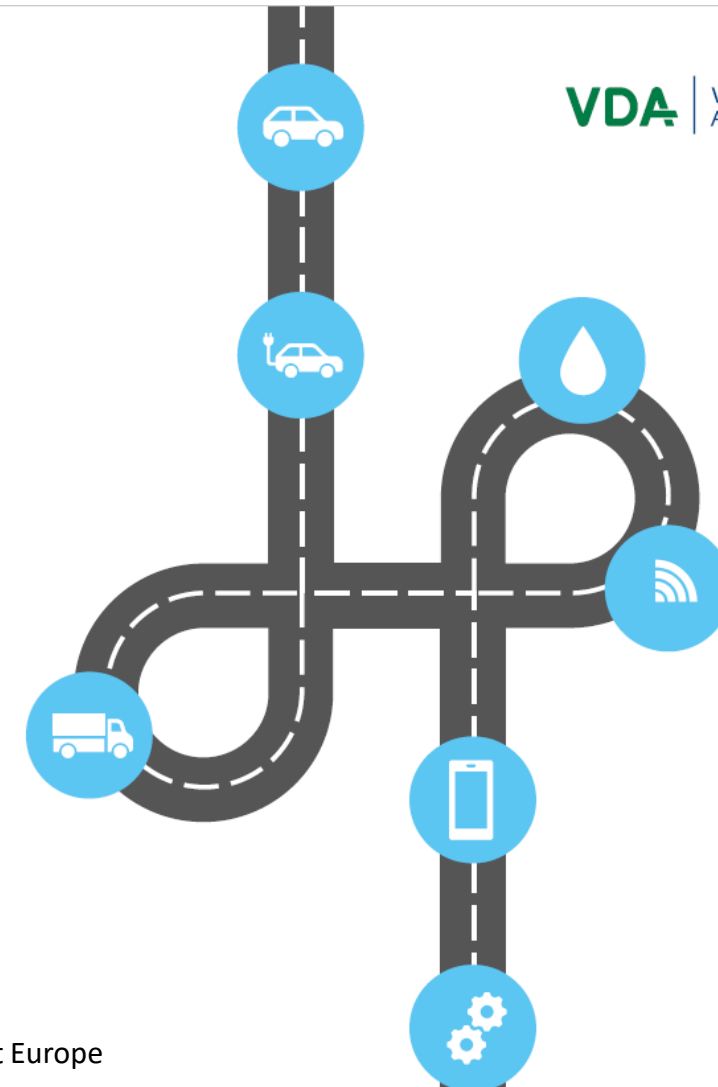
The German automobile industry realizes climate neutrality in the transportation sector by **2050** at the latest including the supply chain



Source: VDA

Bertrandt addresses all drivers for individual mobility

- 
Individual Mobility
 Remains core need for people
- 
Electric Mobility
 Will dominate in the car segment
- 
Commercial Vehicles
 Electrification/Fuel cell (depending on purpose)
- 
Hydrogen and Fuel Cell
 Important as an alternative technology and for achieving climate targets
- 
Automated and autonomous driving
 Key driver for future valued-added
- 
Digital Services
 Increasingly important element for supply chain
- 
Combustion engine still essential
 For some markets like South America, Africa, partially South-East Europe



Source: VDA



Digitisation

Connectivity

Autonomous driving

Electric mobility

Four mega trends transforming the automotive sector

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 summer 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

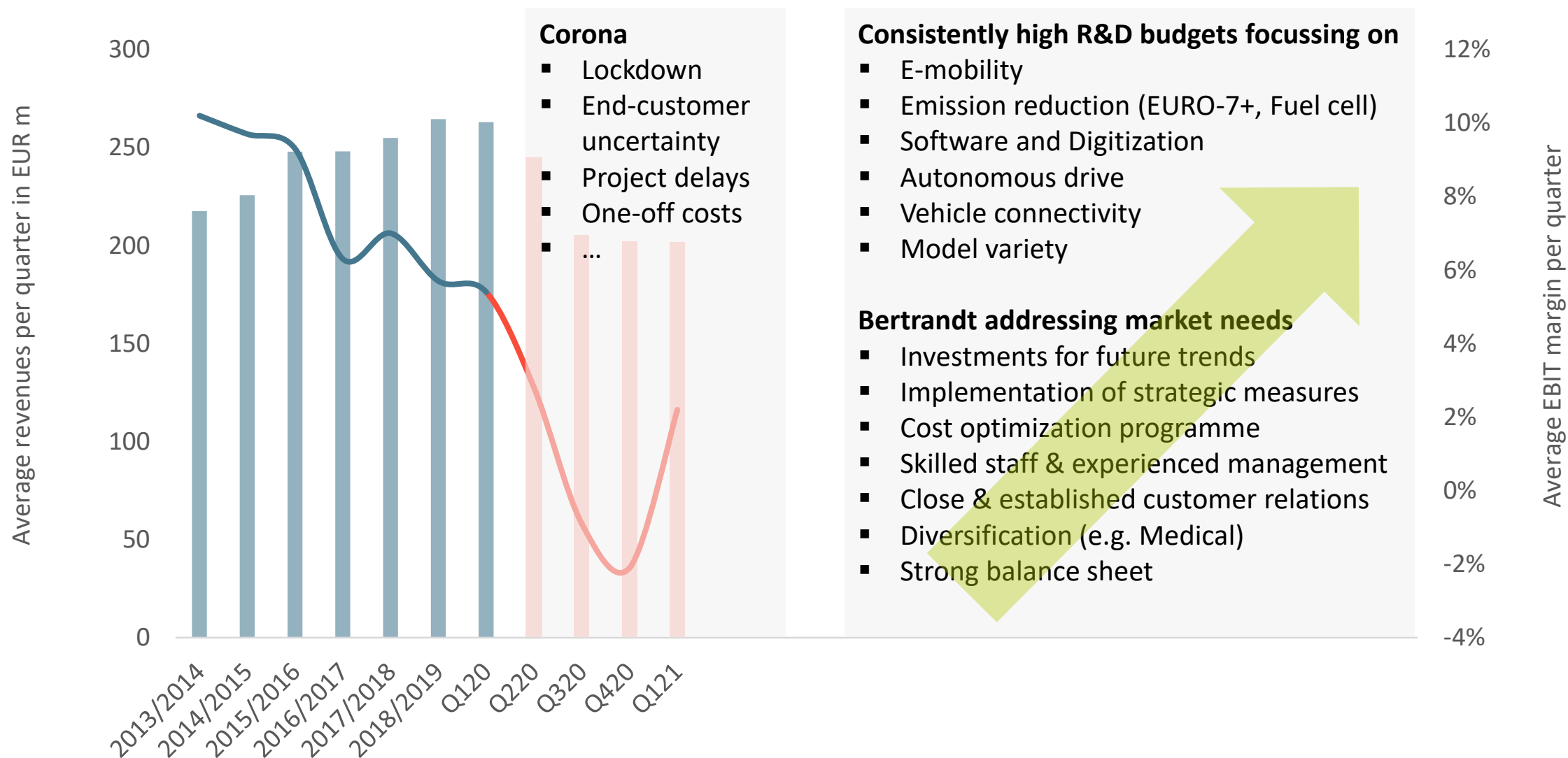
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Outlook

FY 2020/2021: Recovery still hard to predict

- Economic uncertainty diminishing, but actual timing of recovery still hard to predict
- Extraordinary uncertainty for guidance remains
- Generally two scenarios in FY 2020/2021 possible
- Any narrowing of guidance will be frequently examined, but depends on the overall economic and industry-specific environment

R&D market provides opportunities



We set the course for the future



- ✓ Brightening market and customer sentiment allows for improvement of R&D sourcing in calender H2 vs H1
- ✓ Timing and extent of recovery not yet foreseeable
- ✓ Strategic investments in mega trends
- ✓ Dedicated organizational alignment to changing market dynamics
- ✓ Market provides opportunities and trends for a successfull future

Contact details

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INVESTOR PRESENTATION

BACK-UP: H1/Q2 2020/2021

Bertrandt AG

H1 2020/21 at a glance: Focus on costs & cash

P&L

➤ Sales: EUR 416.8m (-18% yoy) | EBIT: EUR 11.1m | margin: 2.7%

Cashflow

➤ Operating Cashflow EUR 58.1m (EUR 50.6m) | FCF EUR 36.6m (EUR 23.7m)

CapEx

➤ EUR 21.9m (EUR 27.1m) | Completion of Powertrain Solution Center

BS

➤ Equity ratio 45%



➤ Employees: 11,987 (-10% yoy) | Strategic alignment

Q2 2020/21 at a glance: Revenues up sequentially, EBIT almost at prio year's level

P&L

➤ Sales: EUR 215.1m (+7% qoq, -12% yoy) | EBIT: EUR 6.6m (-6% yoy) | margin: 3.0%

Cashflow

➤ Operating Cashflow EUR -2.6m (EUR -7.9m) | FCF EUR -6.6m (EUR -24.2m)

CapEx

➤ EUR 4.2m (EUR 16.4m)

BS

➤ WC increase driven by growing contract assets, trade receivables reduced



➤ Employees: 11,987 (flat qoq)

Group P&L H1: EBIT performance cushioned by cost optimization

| | H1 2020/21 EUR million | H1 2019/20 EUR million | Δ EUR million | Δ % |
|------------------------------|---------------------------|---------------------------|----------------|-------------|
| Total revenues | 416.795 | 508.240 | -91.445 | -18% |
| Other operating income | 7.284 | 4.115 | 3.169 | 77% |
| Raw materials and consumable | -33.386 | -44.028 | 10.642 | - |
| Personnel expenses | -319.363 | -378.391 | 59.028 | - |
| D&A | -28.126 | -25.944 | -2.182 | - |
| Other operating expenses | -32.120 | -42.754 | 10.634 | - |
| EBIT | 11.084 | 21.238 | -10.154 | -48% |
| Financial result | -2.766 | -2.672 | -94 | - |
| EBT | 8.318 | 18.566 | -10.248 | -55% |
| Other taxes | -1.099 | -1.761 | 662 | - |
| Income taxes | -3.849 | -4.846 | 997 | - |
| Net income | 3.370 | 11.959 | -8.589 | -72% |
| EPS (EUR) | 0.33 | 1.18 | -0.85 | -72% |

- Working days (+1.2 yoy)
- Capacity alignment
- STW

- Headcount alignment
- STW

- Cost optimization
- Infrastructure reduction
- One-off costs (ramp-up)

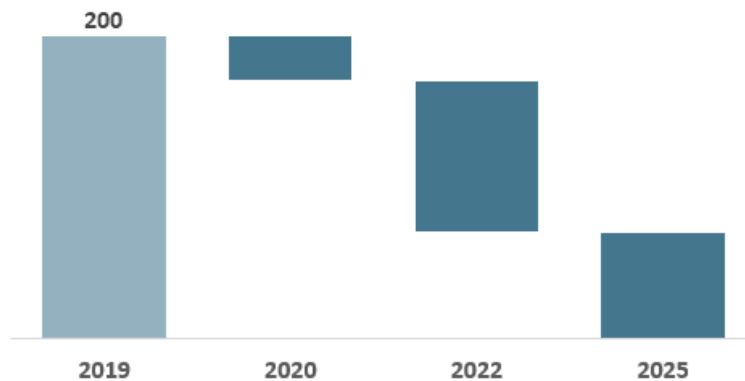
- Foreign tax loss carry forward

Group P&L Q2: EBIT performance cushioned by cost optimization

| | Q2 2020/21 EUR million | Q2 2019/20 EUR million | Δ EUR million | Δ % | |
|-------------------------------|---------------------------|---------------------------|----------------|-------------|--|
| Total revenues | 215.054 | 244.919 | -29.865 | -12% | - Working days (-1.0 yoy) - Capacity alignment - STW |
| Other operating income | 4.460 | 2.110 | 2.350 | 111% | - EUR 1.7m loan subsidy (pandemic-related) |
| Raw materials and consumable: | -17.296 | -18.783 | 1.487 | - | |
| Personnel expenses | -166.379 | -187.929 | 21.550 | - | - Headcount alignment - STW |
| D&A | -13.901 | -13.103 | -798 | - | |
| Other operating expenses | -15.379 | -20.264 | 4.885 | - | |
| EBIT | 6.559 | 6.950 | -391 | -6% | - Cost optimization - Infrastructure reduction - Ramp-up charges |
| Financial result | -1.338 | -1.346 | 8 | - | |
| EBT | 5.221 | 5.604 | -383 | -7% | |
| Other taxes | -573 | -976 | 403 | - | |
| Income taxes | -2.081 | -1.380 | -701 | - | - Foreign tax loss carry forward |
| Net income | 2.567 | 3.248 | -681 | -21% | |
| EPS (EUR) | 0.25 | 0.32 | -0.81 | -72% | |

Focus on balance sheet and cash

- Gross liquidity: EUR 199m (Q2 2019/2020)
- CapEx lowered to maintenance level in Q2
- Undrawn credit facilities*: EUR >200m
- Debenture bond (Schuldschein) of EUR 200m with long maturity profile and without covenants



INVESTOR PRESENTATION

BACK-UP: FY 2019/2020

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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

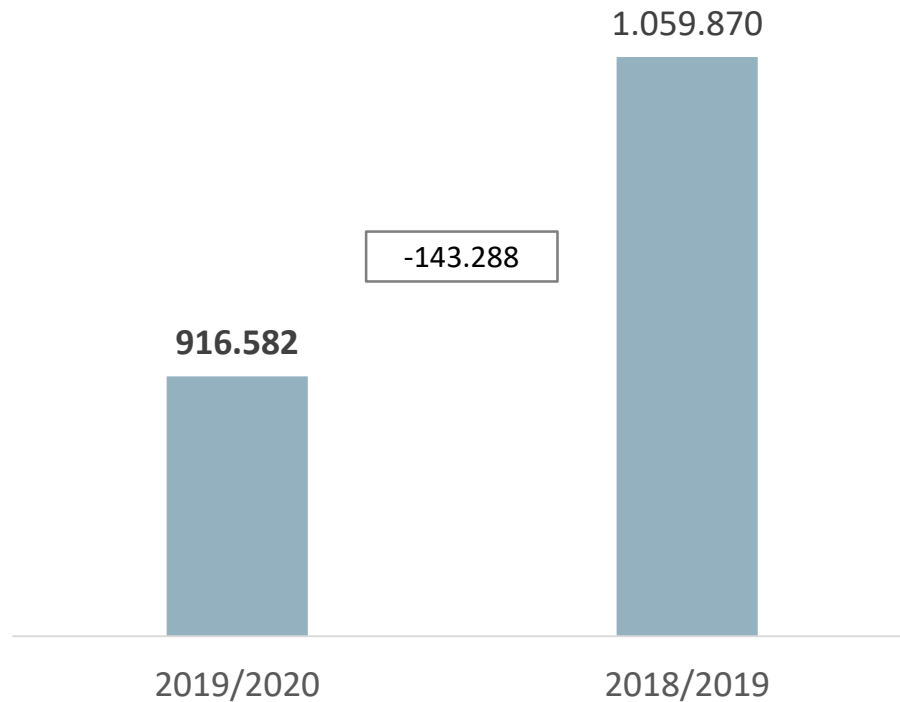
➤ EUR 0.15 per share based on payout policy of 40% of net income

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

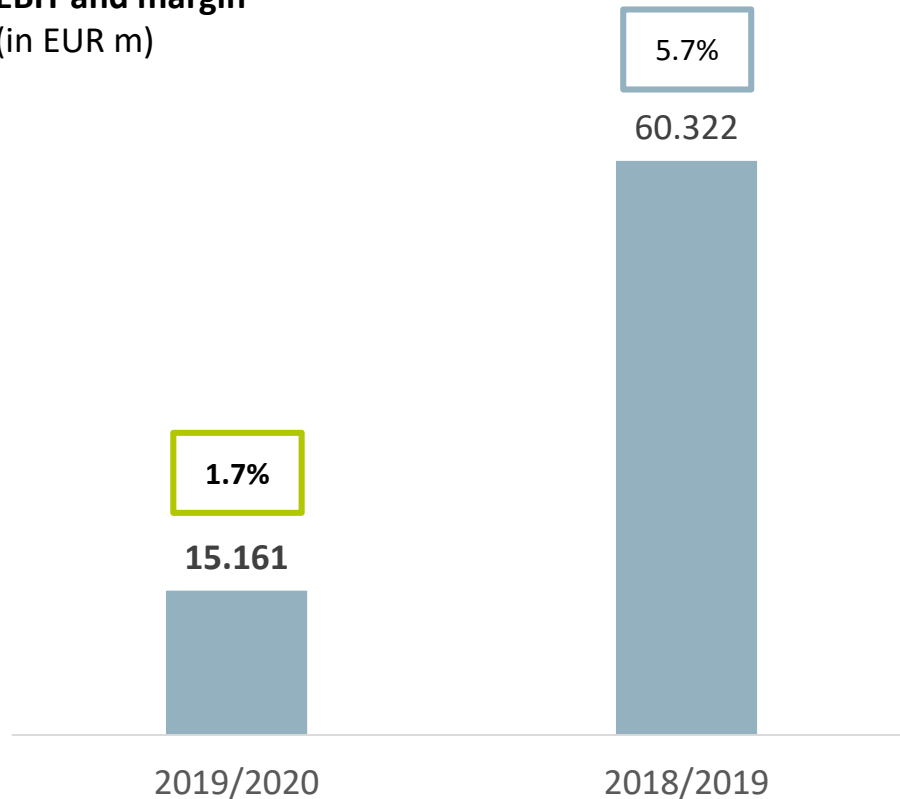
- Germany -10% yoy
- RoW -32% yoy (France)

– Segment performance

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

EBIT

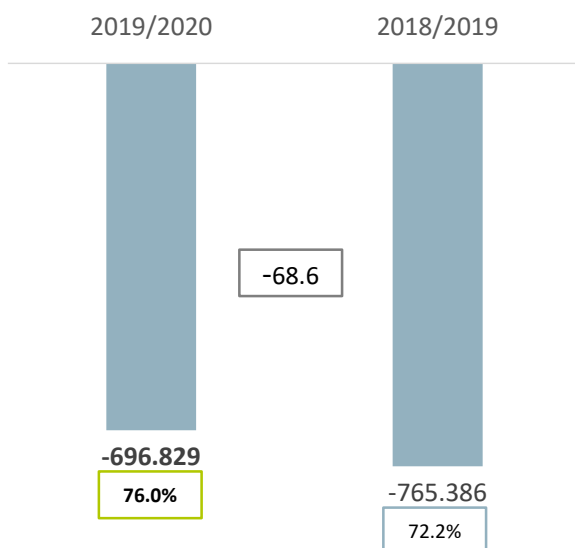
EBIT and margin
(in EUR m)



- 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

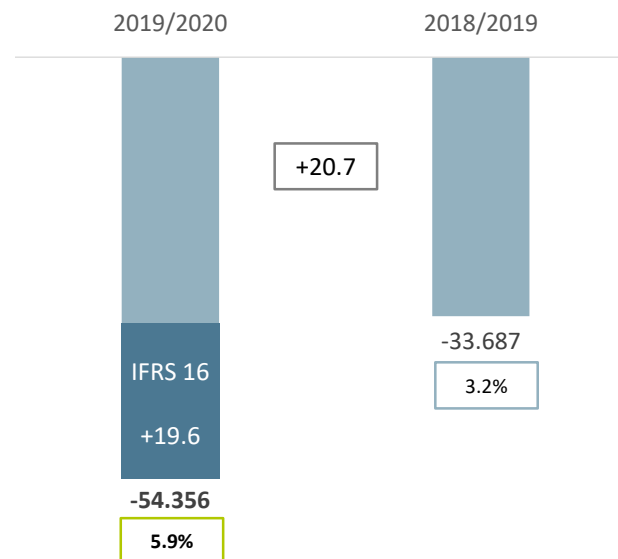
Key expenditure figures

Personnel expenses (in EUR m)



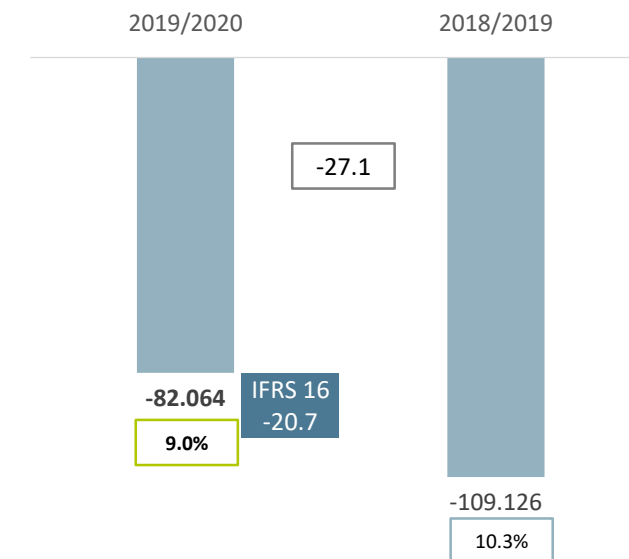
- Flex instruments such as reduction of accrued overtime, holidays and short-time work
- Structural alignment of capacities to market environment and natural fluctuation
- Salary waiver on all management levels

D&A (in EUR m)



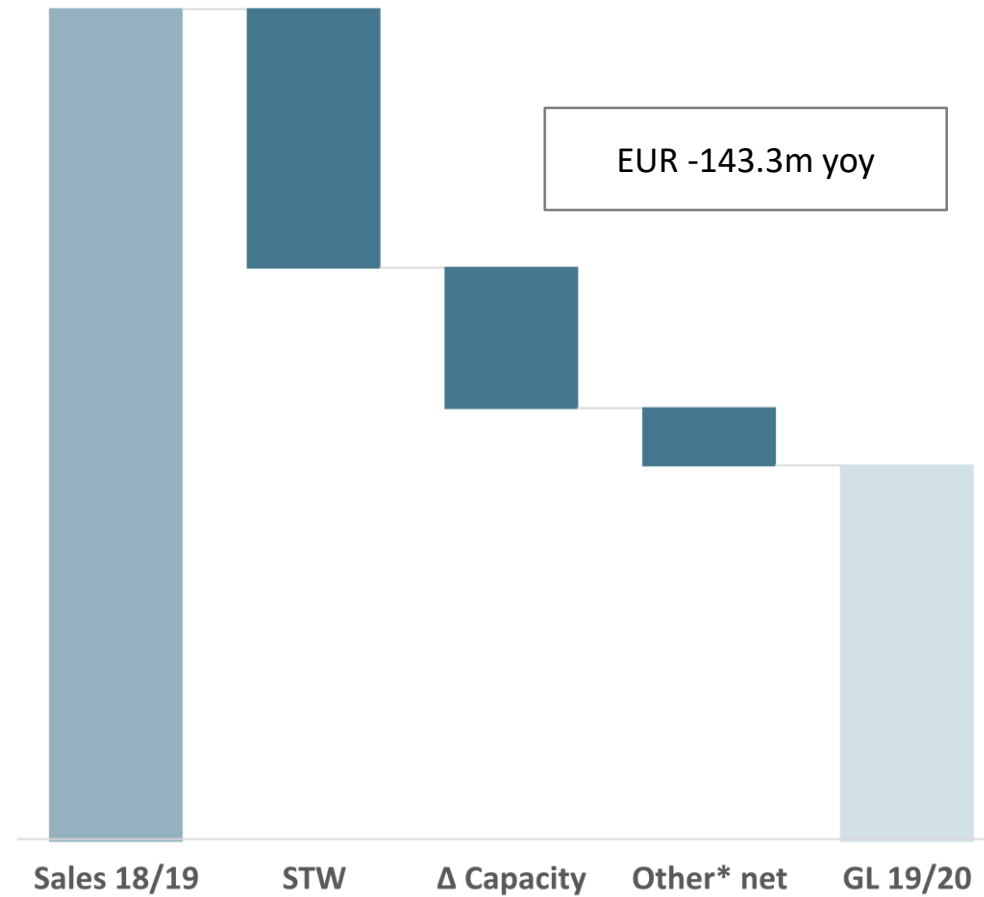
- D&A on prior year level (w/o IFRS 16)

Other operating expenses (in EUR m)

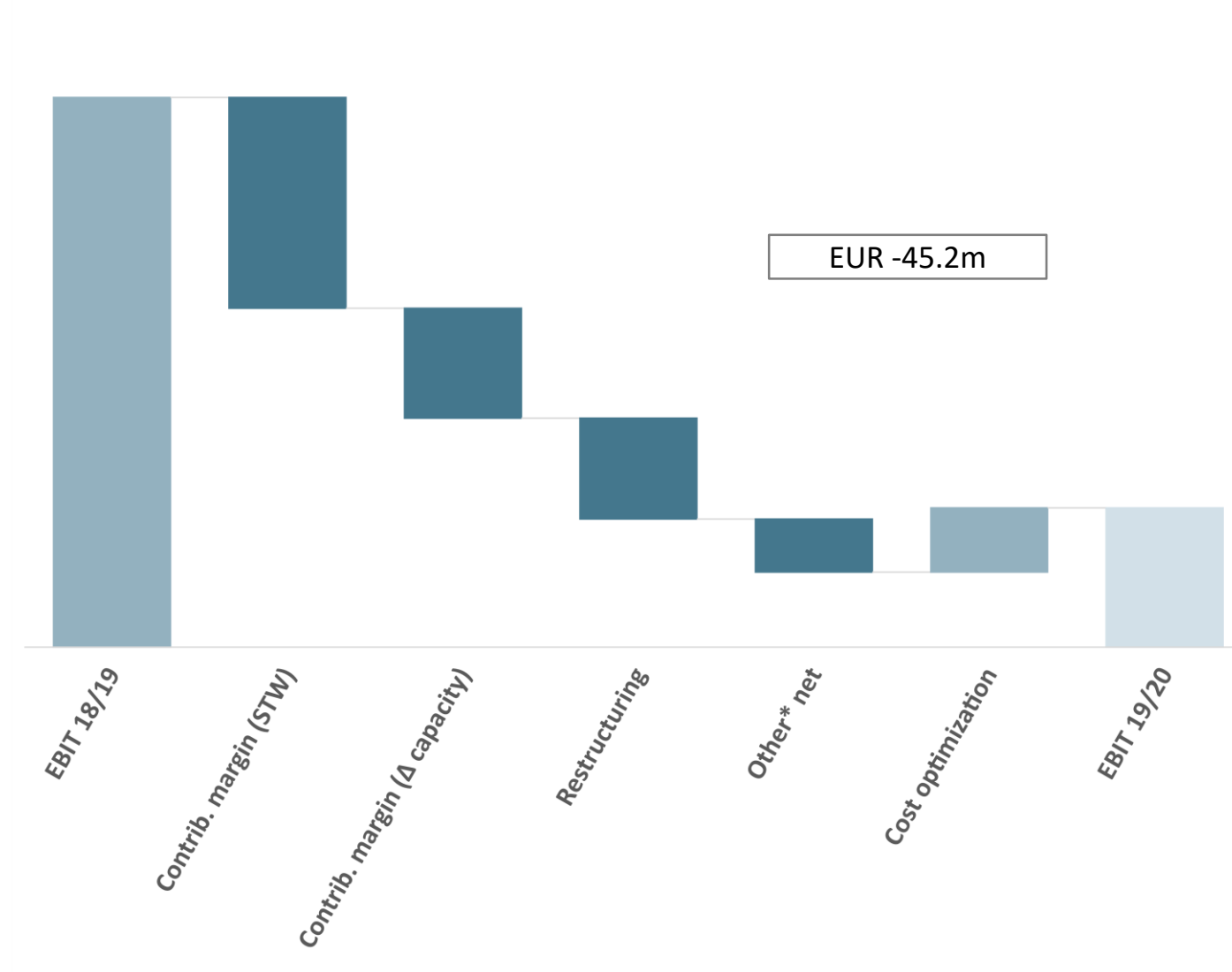


- Earnings enhancement program implemented and initial benefits realized
- Infrastructure expenses with future earnings potential

Total revenues impacted by...

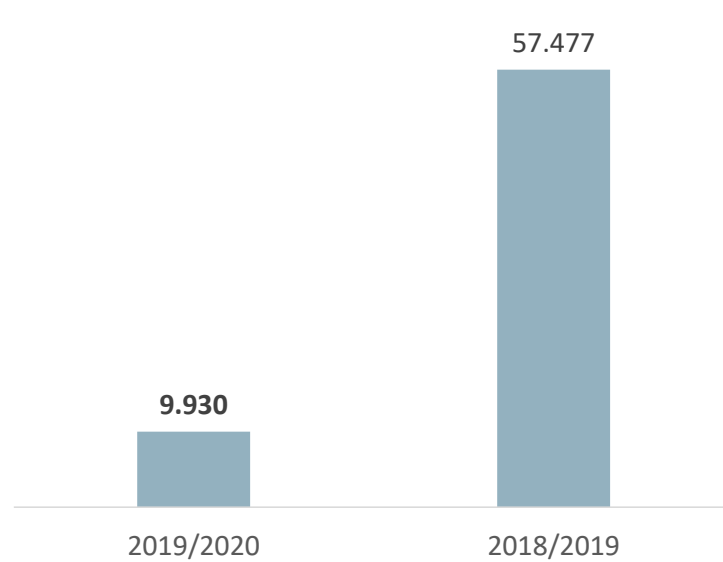


EBIT impacted by...

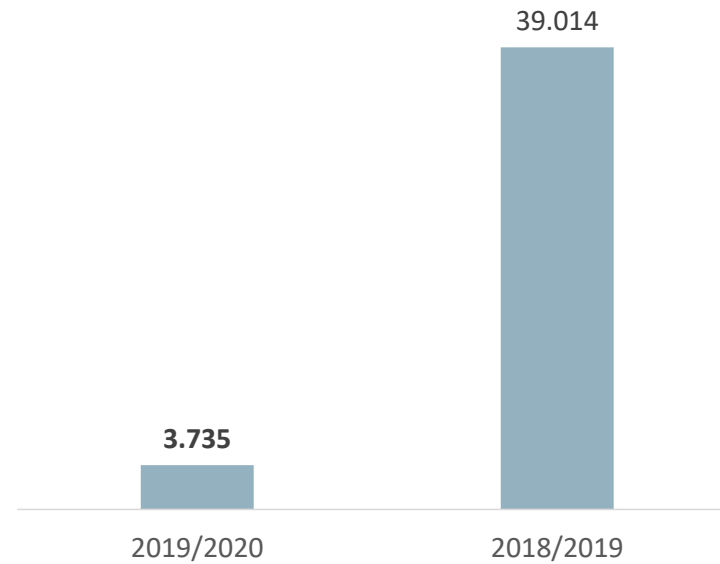


Earnings

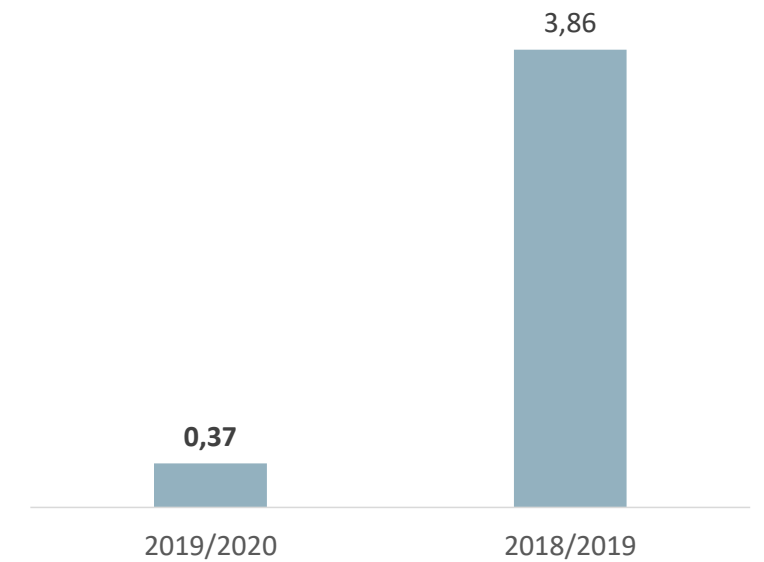
PBT
(in EUR m)



Profit after tax
(in EUR m)



EPS
(in EUR)



Consolidated P&L

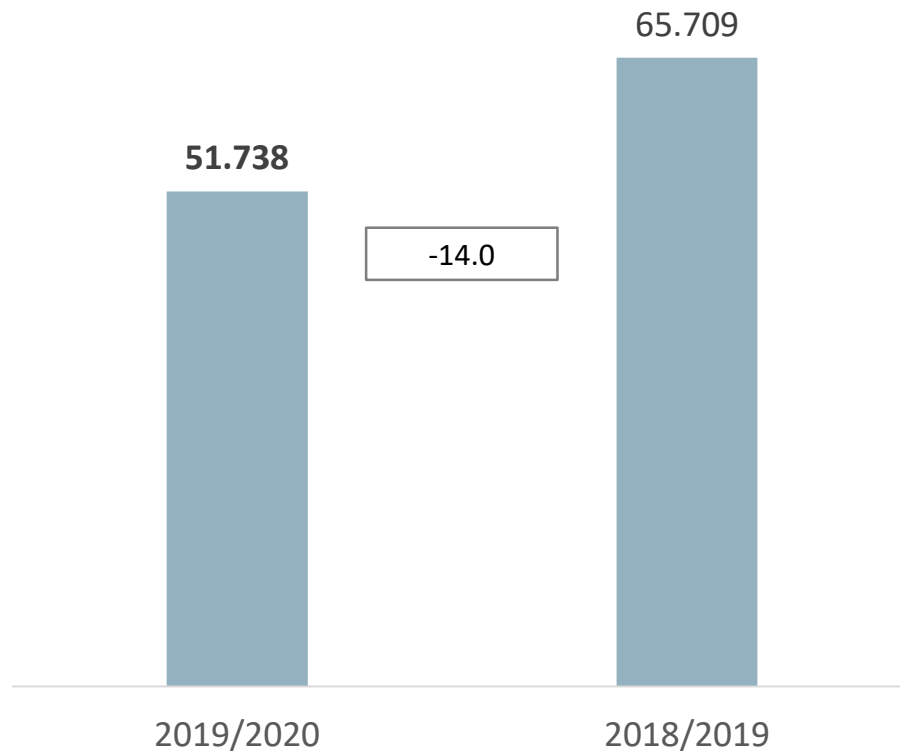
| | 2019/2020 In TEUR | % GL | 2018/2019 | % GL | Δ % | Δ TEUR | Δ TEUR IFRS 16 |
|--|----------------------|--------|------------------|--------|---------------|-----------------|-------------------|
| P&L | | | | | | | |
| Total revenues | 916,582 | 100.0% | 1,059,870 | 100.0% | -13.5% | -143,288 | |
| 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)



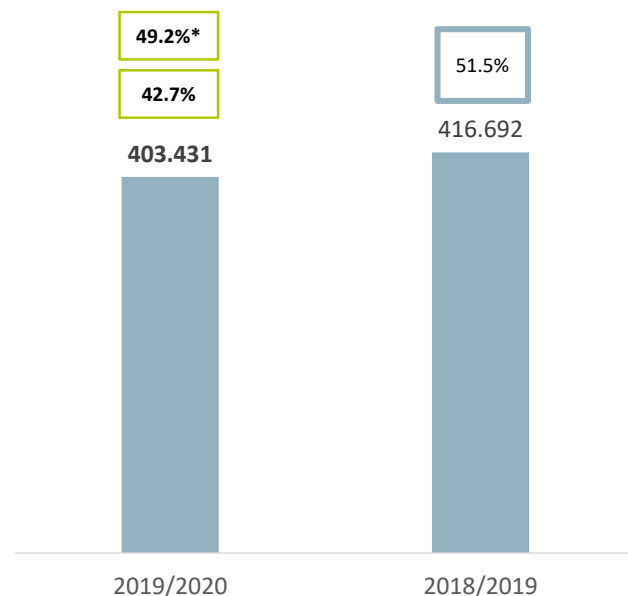
- Customer-oriented enhancement of business model
 - Bertrandt Powertrain Solution Center in Tappenbeck and Freising
 - Validation and homologation of all types of powertrain technologies such as BEV, PHEV, HEV, ICE, FCV+HFCV, AFC
 - Altitude and climate simulation
 - Velocities of up to 300 km/h



Financial and asset position

Equity and equity ratio

(in EUR m)

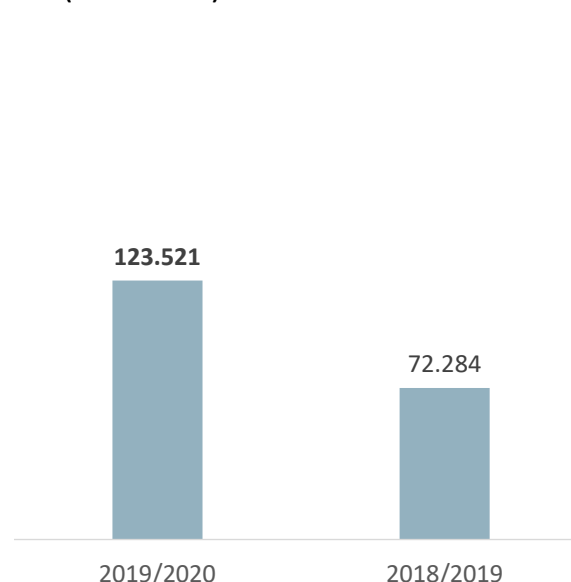


*Equity ratio w/o IFRS16 effects

- Strong equity ratio despite impact from IFRS 16

Cashflow from operating activities

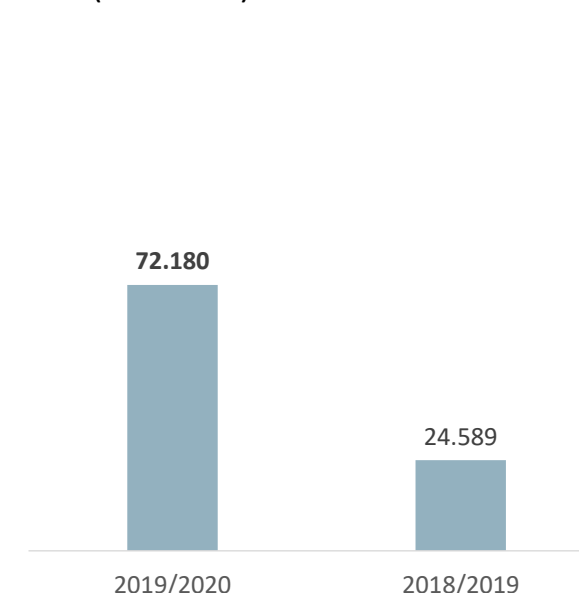
(in EUR m)



- 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

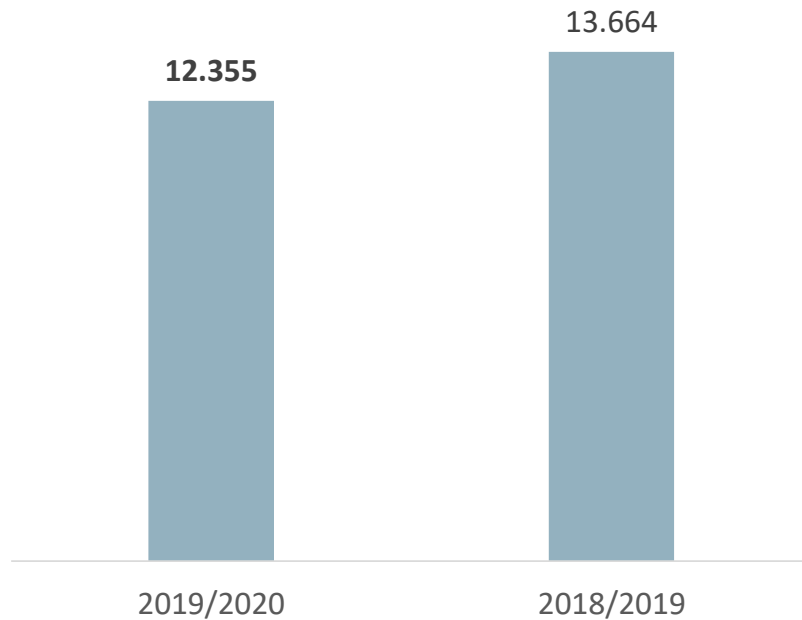
Consolidated Balance Sheet

| | 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

| | |
|-------------------------|--|
| 09 August 2021 | Q3 release |
| 09 December 2021 | FY 2020/2021, Analyst and Press conference |
| 23 February 2022 | Annual General Meeting |

[FY 2020/2021 Quarterly Report 2](#)

[FY 2019/2020 Annual report](#)

[FY 2019/2020 ESG report](#)

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