

bertrandt

Investor Presentation

Bertrandt AG

May/June 2022

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



Founded by Harry Bertrandt



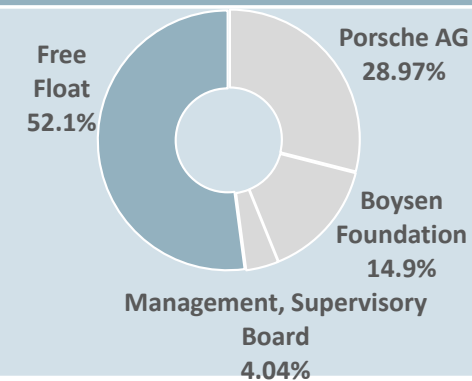
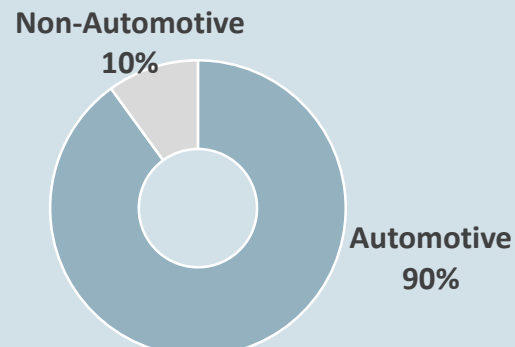
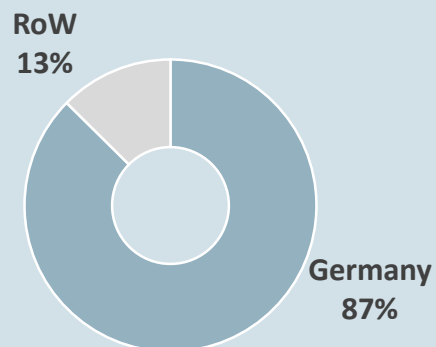
Total Revenues
FY 2021/22 forecast: EUR 950-990m



~13.000 employees



More than 50 locations globally



From the initial idea to production readiness



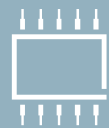
Design



Vehicle Body



Interior



Electronics



Powertrain



Chassis



Simulation



Testing



Engineering Services

Sustainability Part Of Corporate Strategy: CO² neutral by 2039

MSCI
ESG RATINGS

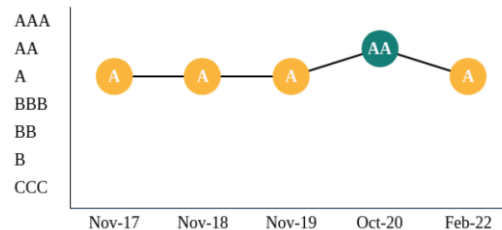


CCC B BB BBB **A** AA AAA

RATING ACTION DATE: February 24, 2022

LAST REPORT UPDATE: February 24, 2022

ESG Rating history



ESG Rating history shows five most recent rating actions

- MSCI re-rating in February 2022 caused by fears regarding staff recruitment and retention challenges in a tight job market

Our answer

- Recruitment measures intensified
- >50 recruiters on board
- Direct approach as standard process
- New working modell: >50% remote possible
- Almost EUR 10m invest for employee training in the last two years
- Around 50.000 applications in H1 2021/2022
- Around 400 new net hires in H1



Gaia RESEARCH by Ethifinance Overall ESG rating

The company **Bertrandt AG** obtains a score of **49 / 100** for the Gaia Research 2021 campaign, based on data for the year 2020.

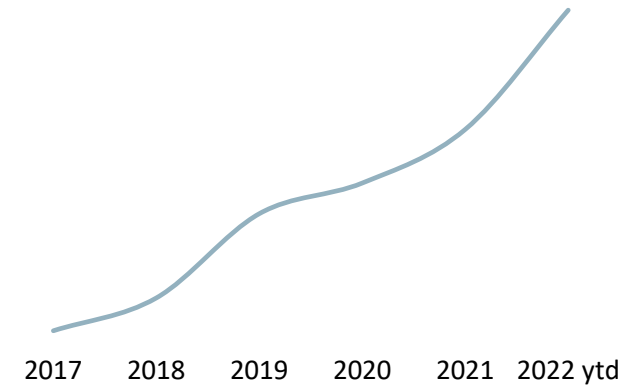
The scores range from 0 to 100, 100 being the highest score.



Human Resources

- Recruitment initiatives intensified globally
- More than 2,000 vacancies in Electronics, Software, Near-shore
- Strong growth in all areas including (Non)-Mobility activities, Aerospace, in the US, and in Romania
- More than 800 colleagues in near shore countries

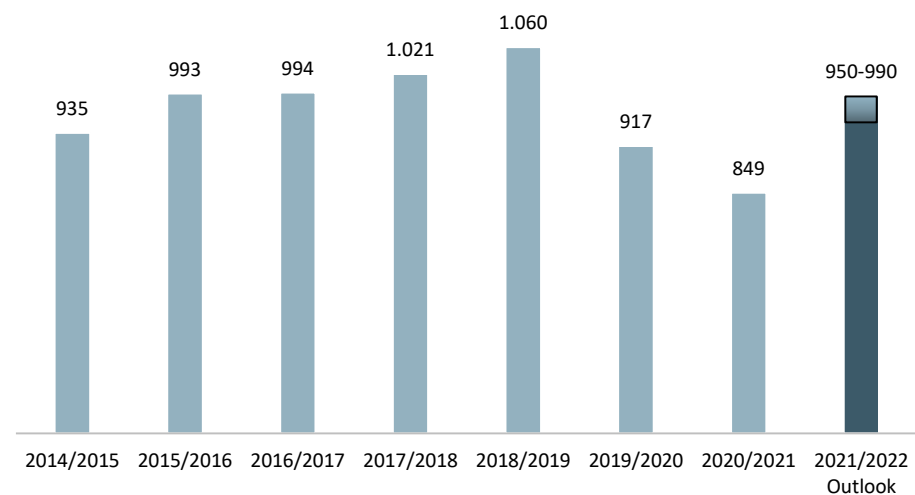
Headcount in Romania



Key figures and outlook

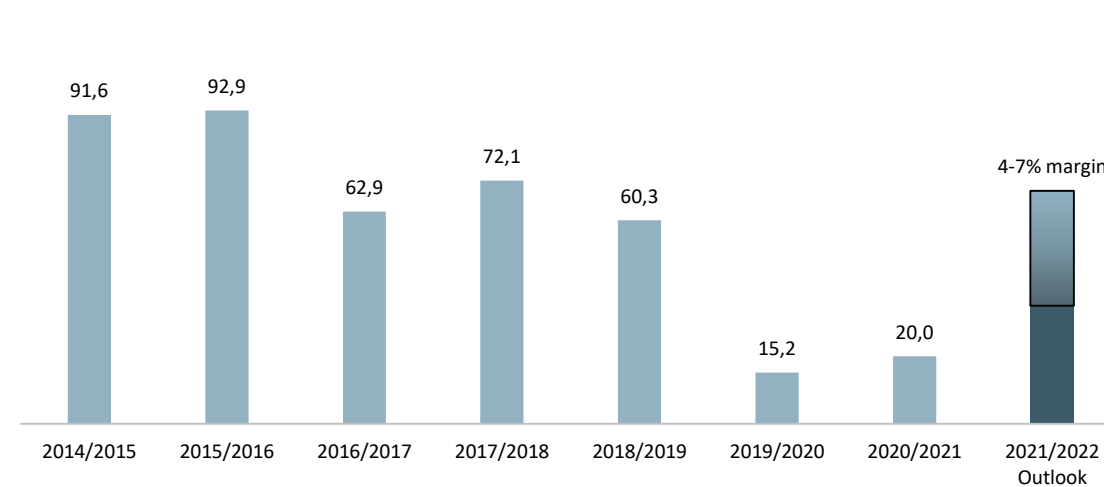
Total revenues

(EUR million)



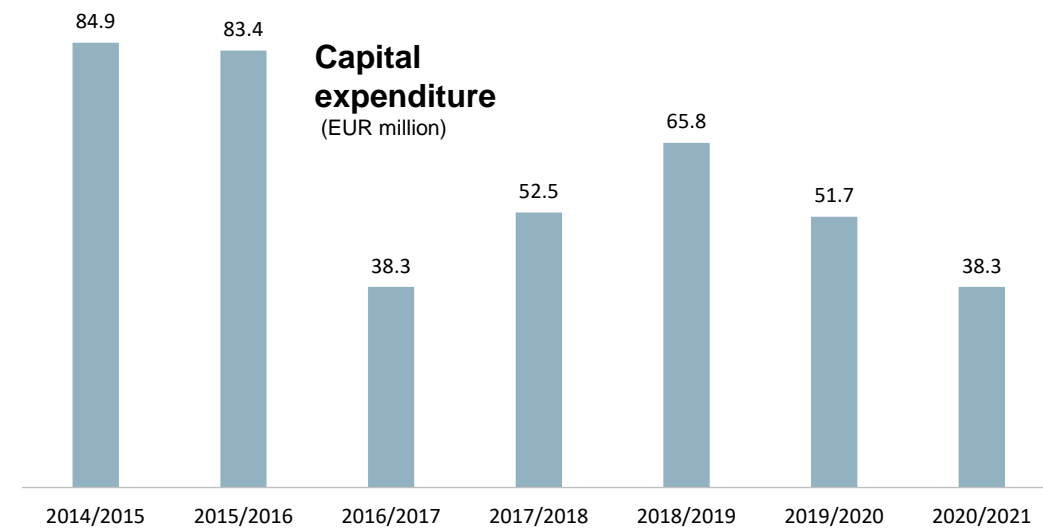
EBIT

(EUR million)



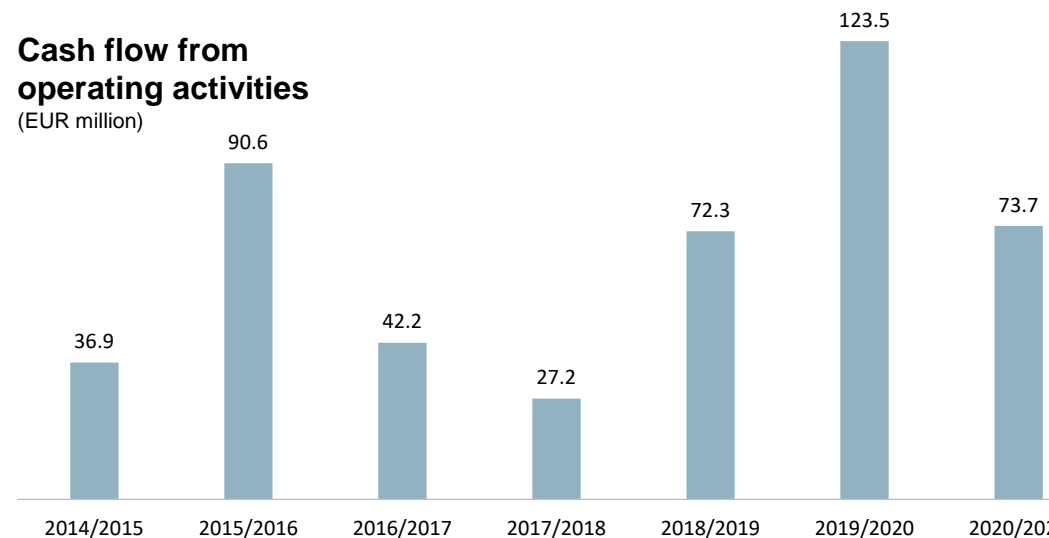
Capital expenditure

(EUR million)



Cash flow from operating activities

(EUR million)



INVESTOR PRESENTATION

Bertrandt AG

MARKETS AND CUSTOMER ENVIRONMENT

Highlights in H1 2021/2022

- Double-digit topline growth in H1: sales +17% to EUR 487m
- EBIT at EUR 20.8m nearly doubled yoy | EPS at EUR 1.07 (H1 2020/21: EUR 0.33)
- Generally utilization normalized with delayed recovery in France taking place
- EBIT benefitted from higher utilization and cost-cutting initiatives
- Corona-wave resulted in high level of illness hours in Q2
- Corona-bonus paid in Q2 to reward employees commitment in the last two years
- Tight HR market, but around 400 new hires in H1 (organically), still >2.000 vacancies
- Some 800 colleagues in nearshore locations
- Closing of Philotech acquisition in January 2022
- Airbus awarded Bertrandt as EMES³ Preferred Supplier in November 2021
- Ukraine war burdening economic development; no direct impact on Bertrandt so far

Current market and customer environment: Automotive industry



Sustainable mobility drives industry transformation



High amount of RFQs



European registrations down again yoy and now 33% below March 2019



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



Geopolitical issues and rising energy costs pose a risk to economic recovery



Cost and efficiency pressure ongoing and addressed

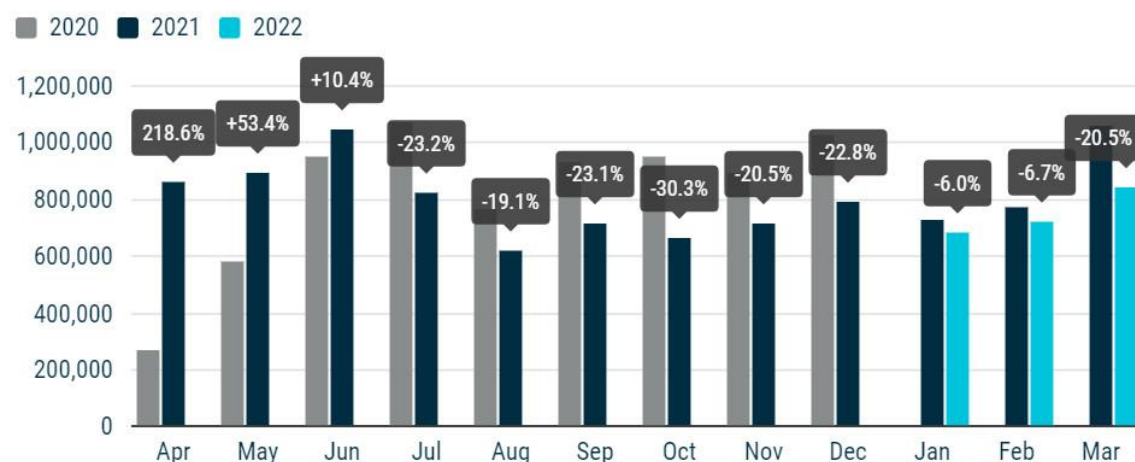


R&D budgets still at high levels and linked to customer profit & cash generation



No direct impact from supply chain issues and Ukraine war, but industry sentiment depressed

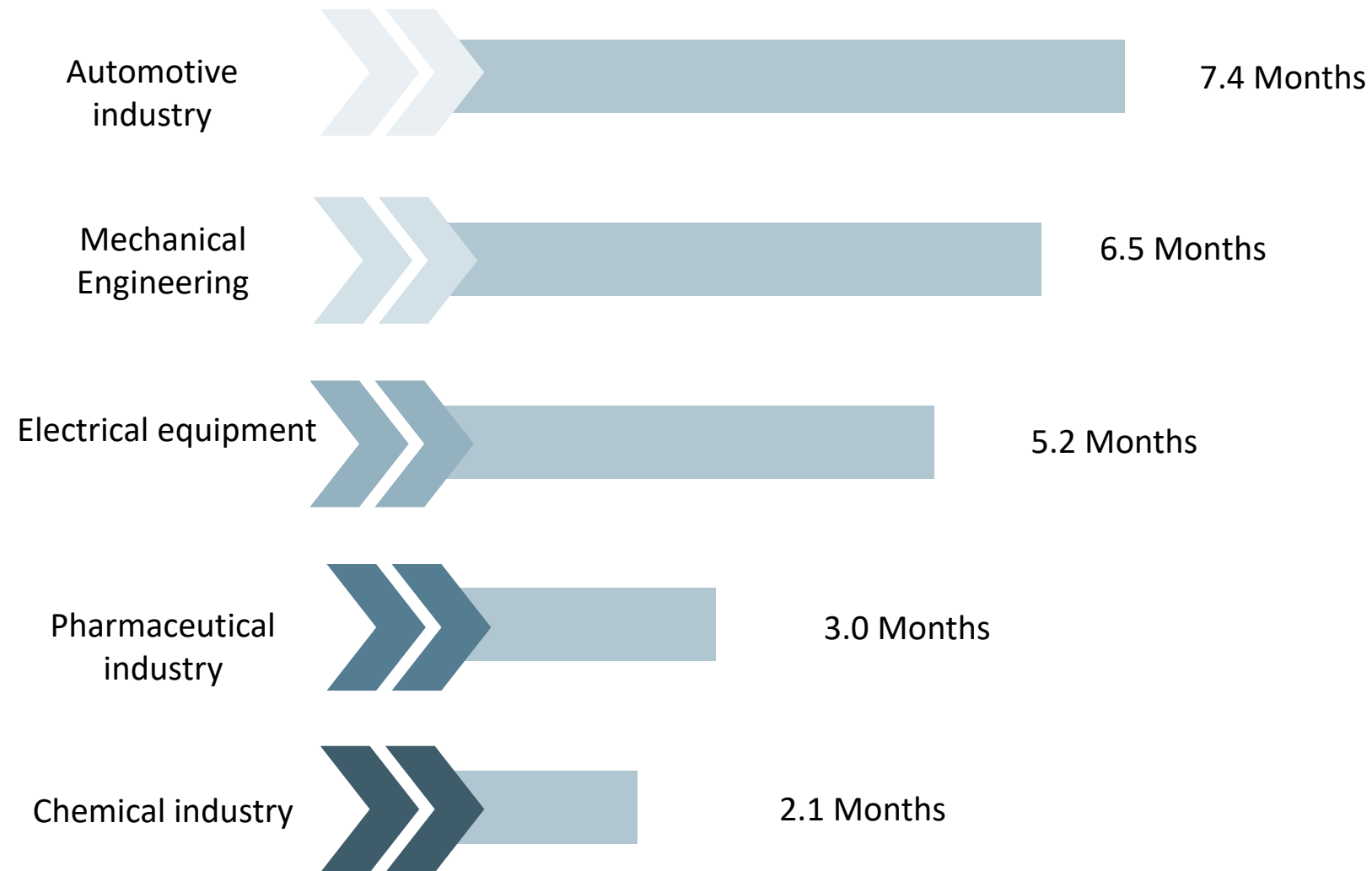
Car demand EU27: Recovery from low levels, but demand still below pre-Corona



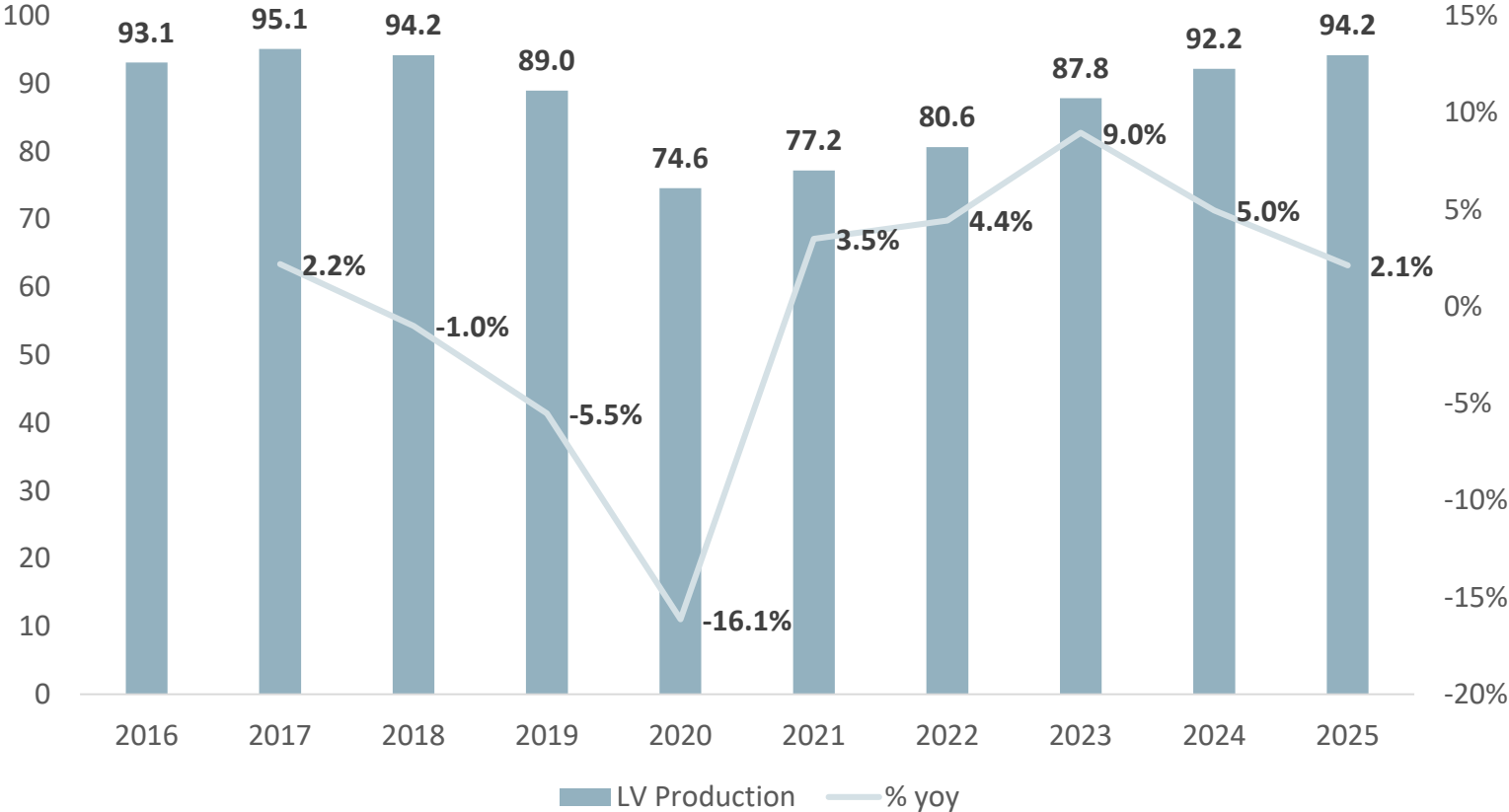
Source: ACEA

- In 2021, the EU car market fell 25% short of the level seen in 2019 (-3.3m units)
- In March 2022, passenger car registrations in the European Union continued to decline (-20.5%), with 844,187 units sold due to ongoing supply chain disruptions and further exacerbated by Russia's invasion of Ukraine
- During the first quarter of 2022, new car registrations fell by 12.3% compared to the same period last year, counting 2,245,976 new passenger cars in total

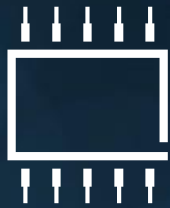
Order lead time of selected sectors at record level



Global passenger car production – Ukraine crisis slows recovery in 2022



Current market and customer environment: Industries



Electrical industry:
Forecast 2022:
Recovery continues,
but Ukraine war
disturbing supply
chain




Med-Tech:
Forecast 2022:
Heterogenous development
dependent on pandemic-
related base effects



**Mechanical & Plant
Engineering:**
Ukraine war
impacting sector:
forecast 2022 +4%
(was: 7%) with
further downside
risk

Current market and customer environment: Aviation

Aviation industry:

- Demand for air travel recovery subject to pandemic, but companies with strong earnings strong order books
 - Generally growing demand for modern, efficient and smaller aircrafts with long operating range (e.g. A321 XLR)
 - Attractive market: total A/D R&D volume in Europe: EUR 20.6bn (2019)
 - Major European commercial aircraft manufacturer expects aircraft deliveries to increase by 18% in 2022
- 

INVESTOR PRESENTATION

Bertrandt AG

INVESTMENT HIGHLIGHTS & OPPORTUNITIES

Corporate Strategy



Expert Organization



Software Experts

Autonomous
Mobility &
Information
Systems

eMobility Systems

Electronics &
Virtual Testing
Solutions



Design Solutions

Simulation
Solutions

Engineering
Integration &
Management
Services



Testing Solutions

eMobility
Testing Solutions

Vehicle &
Prototype Services

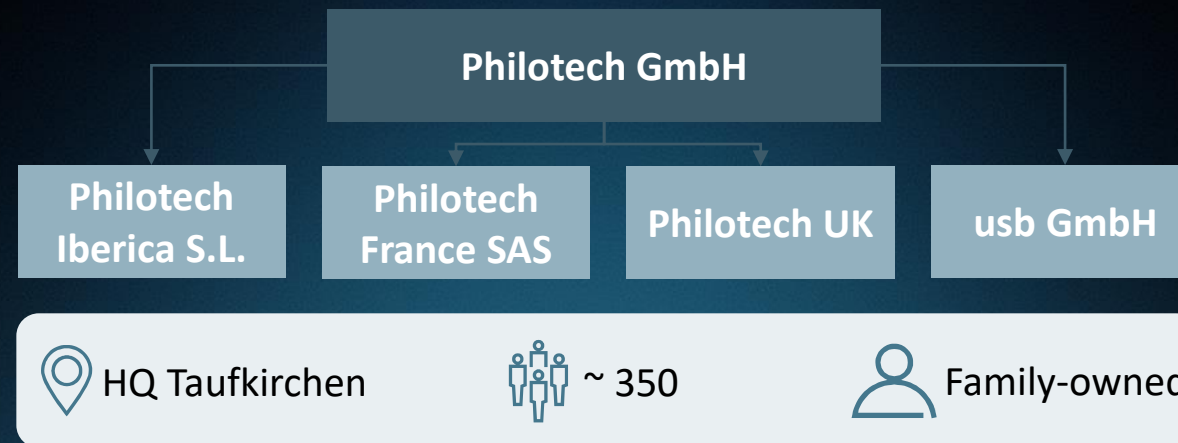
Powertrain
Solutions



Smart Production
Solutions

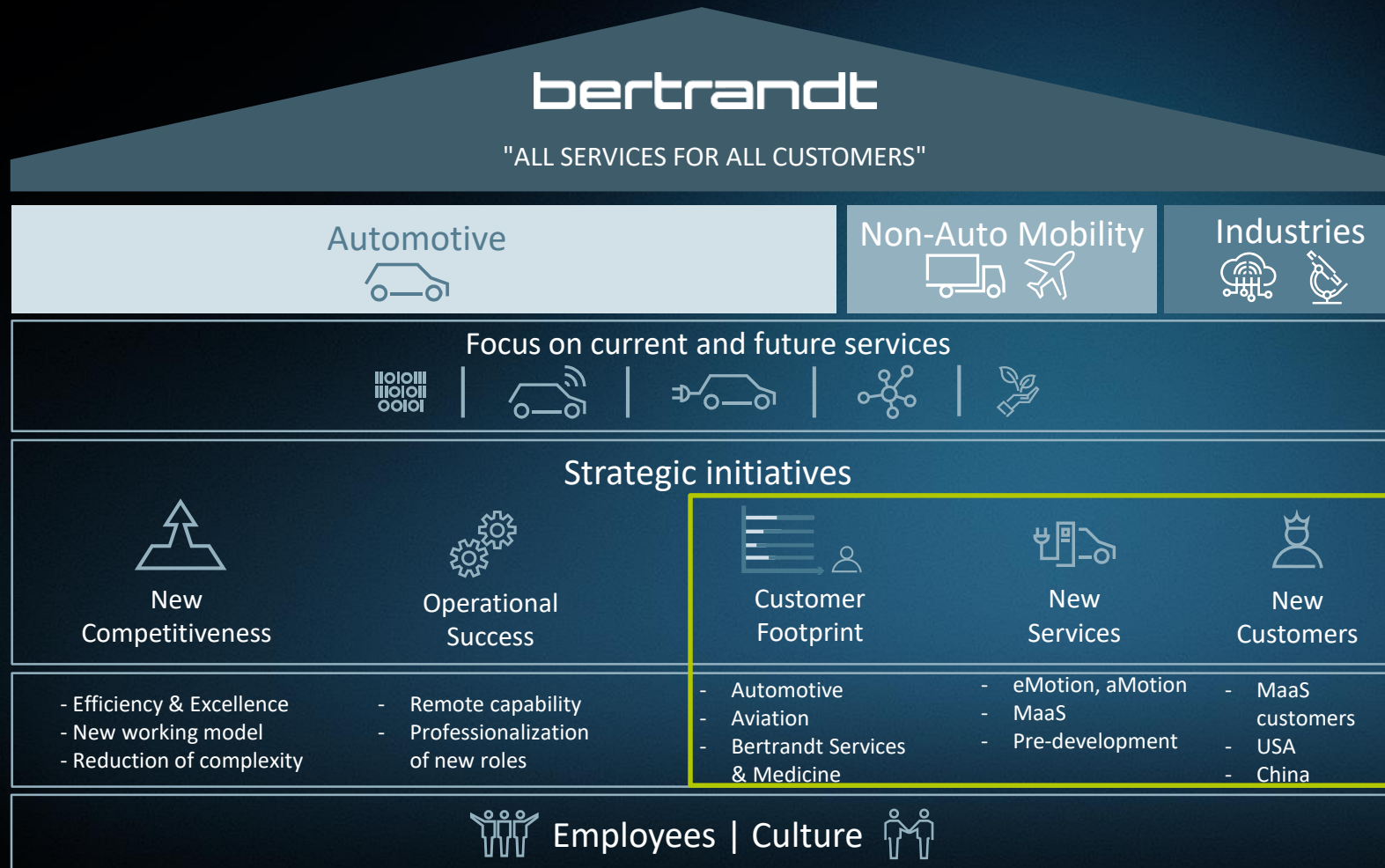
After Sales & Next
Media Solutions

PHILOTECH IN A NUTSHELL



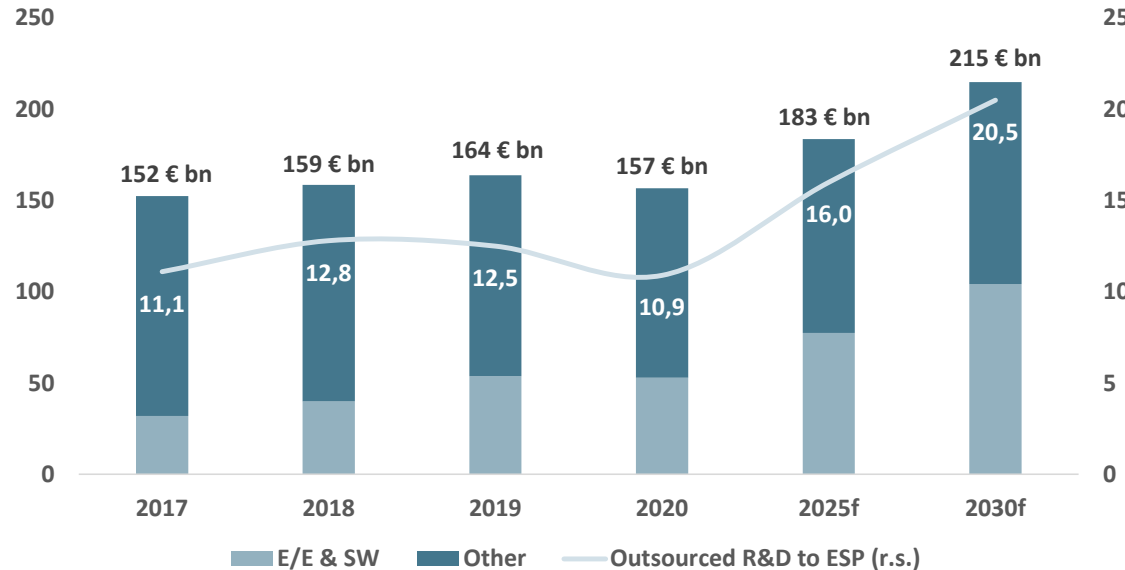
- Philotech Group (Philotech): founded 1987
- Key customer industries: aviation, automotive, telecommunication
- Key services: electronics, software, IT- & cyber-security
- Hidden Champion: „Mittelstand“-company with strong footprint in highly attractive niche services
- Subsidiaries: France, Spain, UK
- Solid balance sheet

STRATEGIC RATIONALE

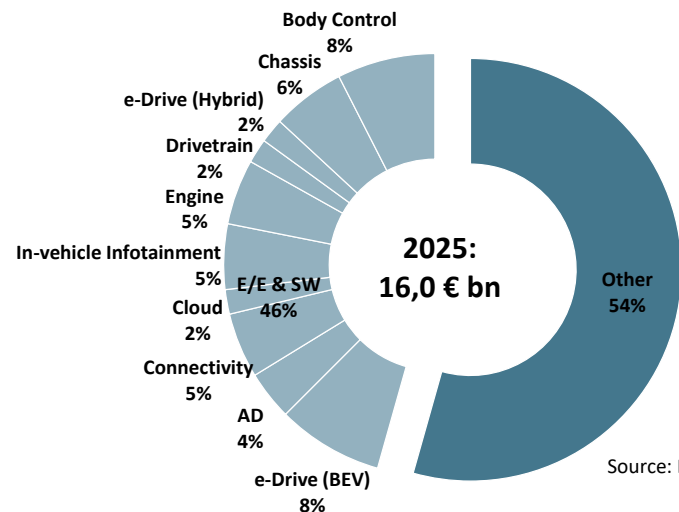


- Highly complementary footprint: skills/know-how and regional setup enabling Bertrandt to increase customer services
- Deepening skill-set in megatrends (Software, Electronics, Cyber-Security)
- Cross-selling opportunities for combined entity
- Acquisition in line with diversification strategy
- Strongly growing, profitable business stand-alone and with upside through top-line and operational synergies

The automotive R&D market



Source: Bertrandt AG, berylls



Source: Bertrandt AG, berylls

- Global automotive R&D market to reach EUR 215bn by 2030f (CAGR 2020-2030f: +3.2%)
- E/E & SW R&D becomes increasingly important (2020: EUR 53bn, 2030f: EUR 104bn, CAGR: +7.0%)
- Outsourced R&D to reach EUR 20.5bn by 2030f (2020: 10.9bn)
 - Outsourcing ratios have been increasing from ~7% (2017) to ~10% (2030f) globally
 - Very heterogenous outsourcing strategies among OEMs in different countries
- E/E & SW R&D (2017: EUR 4.5bn, 2025f: EUR 7.4bn, 2030f: EUR 11.7bn) increasingly important for ESPs with AD, connectivity, and e-mobility being the main driver
- E/E & SW R&D split over various engineering services

Bertrandt addressing industry megatrends

eMotion

Development, integration, validation of components, systems or complete vehicles



aMotion

Integrated specialist for all ADAS/AD-functions (L1-5)



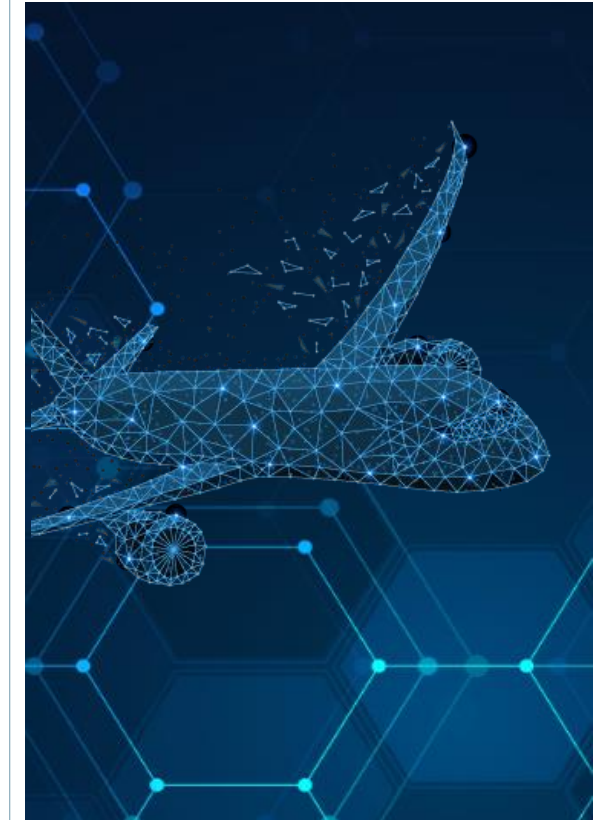
Sustainability

End markets, business model and group strategy



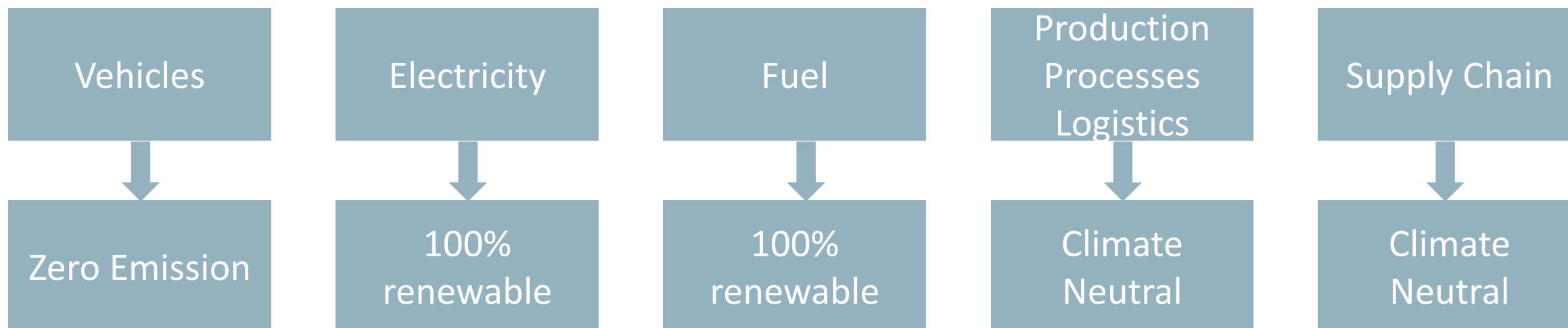
Aviation

Partner and preferred supplier for the aviation industry






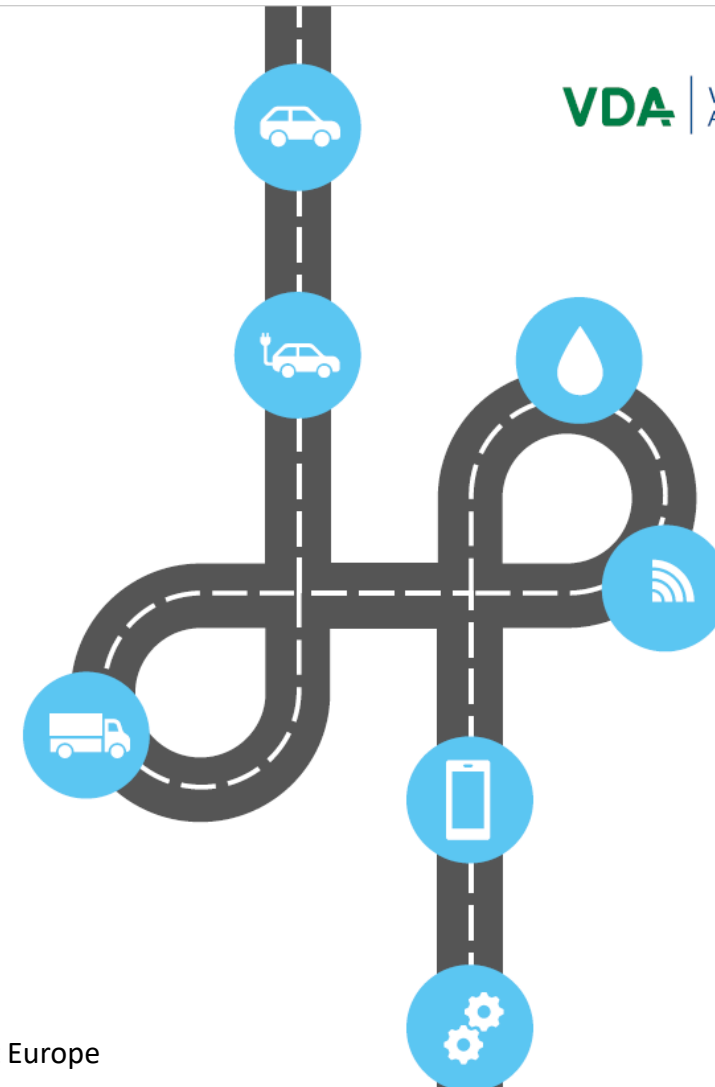
Vision 2050: Climate Neutrality

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



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



VDA | Verband der
Automobilindustrie

High-voltage battery test centre



State-of-the-art test center with an investment volume of over EUR 15 million:

- 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 components and complete vehicles

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 Powertrain Solution Center



Volume of capital spending of around EUR 80 million with new buildings at our locations in:

- Wolfsburg
- Munich (under construction)

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

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.

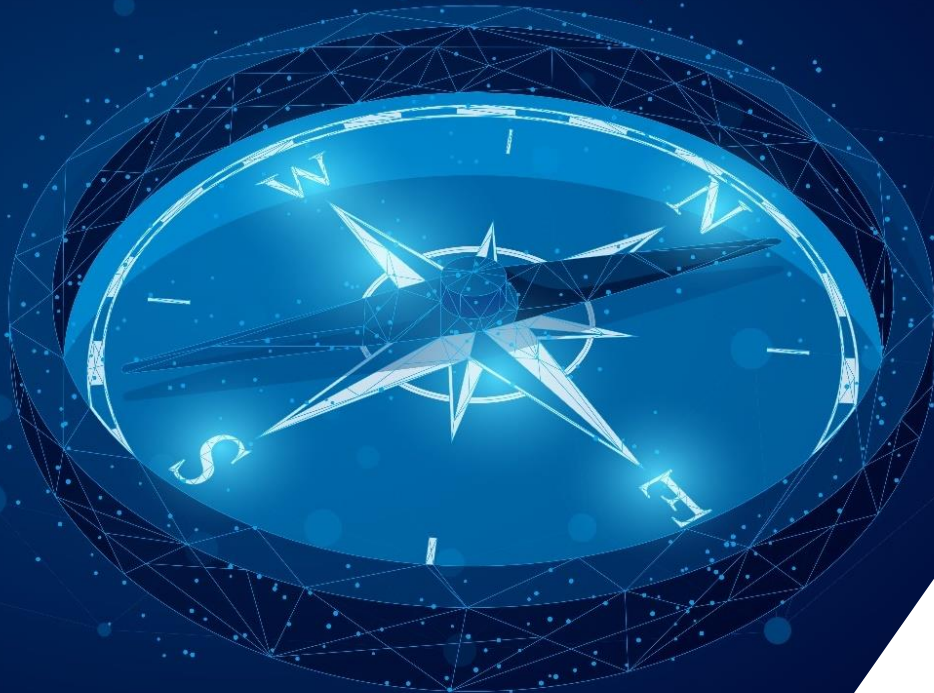
INVESTOR PRESENTATION

Bertrandt AG

OUTLOOK

Outlook FY 2021/2022

- Opportunities and threats for economic and industry-specific environment. Macro forecasts recently revised downwards.
- External factors and events (e.g. pandemic, indirect impact from supply restraints, geopolitical crisis) lie beyond management's sphere of influence
- Skilled and qualified workforce
- Political framework such as the Green Deal or other environmental measures require high investments in mobility and other industries mid- to long-term
- External market research foresees growth opportunities for ESPs driven by megatrends such as Digitization, ADAS, Connectivity or e-mobility



Guidance FY 2021/2022 – Update after Philotech acquisition



EUR 100-140m

increase
in total revenues to
EUR 950-990m



4-7%

EBIT margin
(prior year: 2.4%)



Positive

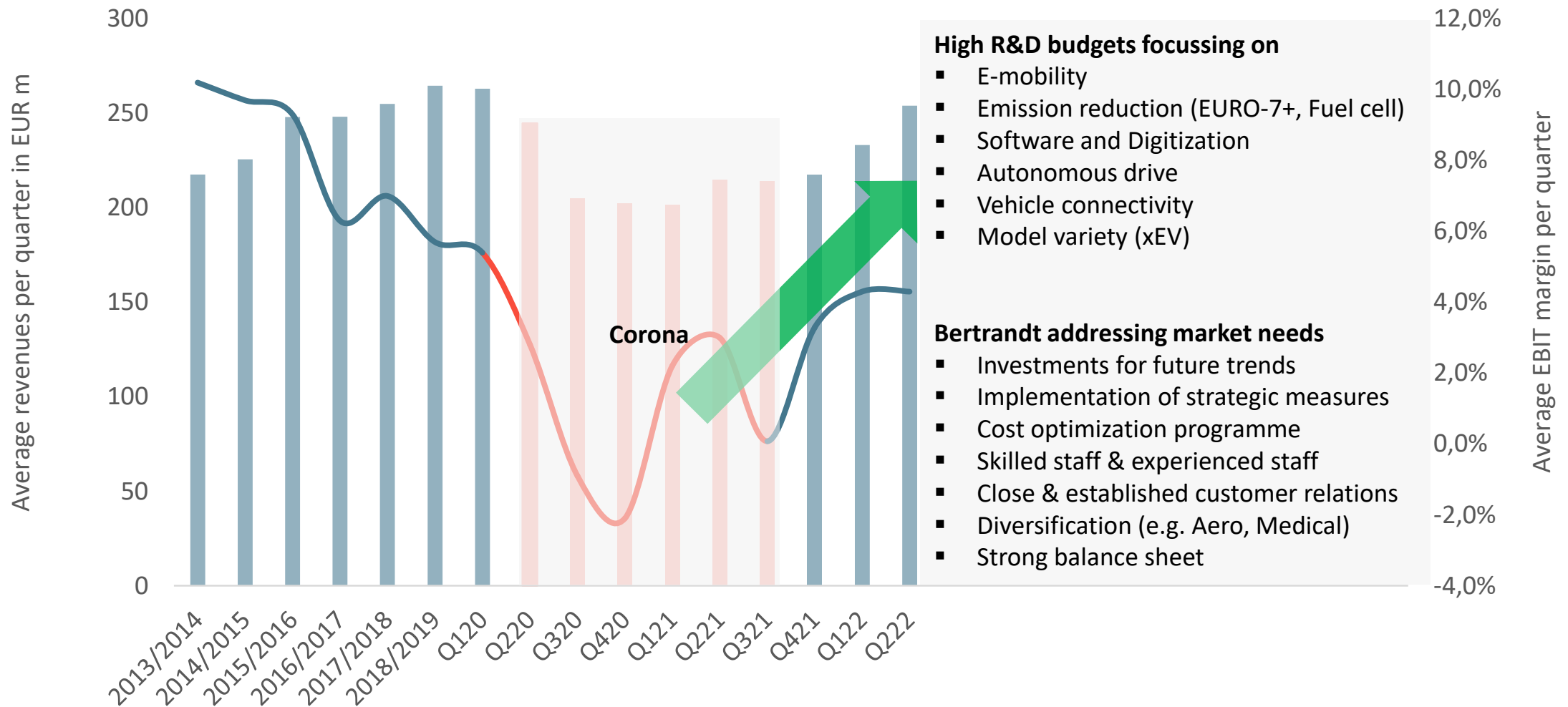
cashflow from
operating activities



EUR 30-50m

CapEx

Back in growth mode





Thank you for your attention

INVESTOR PRESENTATION

Bertrandt AG

BACK-UP H1 2021/2022

H1 2021/22 at a glance

P&L

Sales: EUR 487.3m (+17% yoy, +15% yoy organically) | EBIT: EUR 20.8m | margin: 4.3%

Cashflow

Operating Cashflow EUR 53.9m (EUR 58.1m) | FCF EUR 21.2m (EUR 36.6m)

Investments

CapEx: EUR 13.1m (EUR 21.9m)

BS

Equity ratio 45.5% (30.9.2021: 44.6%)



Employees: 12,730 | Near-shore capacity: >800 FTE

Q2 2021/22 at a glance

P&L

Sales: EUR 254.1m (+18%, +14% yoy organically) | EBIT: EUR 10.9m | margin: 4.3%

Cashflow

Operating Cashflow EUR 28.7m (EUR -2.6m) | FCF EUR 1.2m (EUR -6.6m)

Investments

CapEx: EUR 5.3m (EUR 4.2m)

BS

Decent cash position of EUR 189.6m (30.9.2021: EUR 190.2m) despite payment of dividend and purchase price for Philotech



Organic headcount growth of 261 people in Q2 2021/2022

Group P&L H1

EUR million ¹				
01/10 to 31/03	Q2	Q2	Q1+Q2	Q1+Q2
	2021/2022	2020/2021	2021/2022	2020/2021
I. Income statement				
Revenues	253.954	214.478	486.926	415.581
Other internally generated assets	0.130	0.576	0.326	1.214
Total revenues	254.084	215.054	487.251	416.795
Other operating income	4.464	4.460	6.813	7.284
Raw materials and consumables used	-27.481	-17.296	-50.747	-33.386
Personnel expenses	-186.778	-166.379	-355.214	-319.363
Depreciation	-13.989	-13.901	-28.363	-28.126
Other operating expenses	-19.365	-15.379	-38.894	-32.120
EBIT	10.934	6.559	20.846	11.084
Share of profit in associates	0.130	0.201	0.264	0.321
Interest income	0.021	0.020	0.048	0.043
Financial expenses	-1.491	-1.522	-3.644	-3.099
Other financial result	-0.051	-0.037	-0.077	-0.031
Net finance income	-1.392	-1.338	-3.408	-2.766
Profit from ordinary activities	9.542	5.221	17.438	8.318
Other taxes	-0.566	-0.573	-1.069	-1.099
Earnings before tax	8.976	4.648	16.369	7.219
Income taxes	-2.624	-2.081	-5.525	-3.849
Post-tax earnings	6.352	2.567	10.844	3.370
attributable to shareholders of Bertrandt AG	6.352	2.567	10.844	3.370
Number of shares (million) – diluted/basic, average weighting	10.095	10.095	10.095	10.095
Earnings per share (EUR) – diluted/basic	0.63	0.25	1.07	0.33

- Total revenues +17% yoy or +15% yoy (organically)
- Personnel expense ratio increasingly normalized
- Q2 impacted by Corona-wave and Corona-bonus
- Tax rate normalized

All segments recorded growth in Q2 2021/22

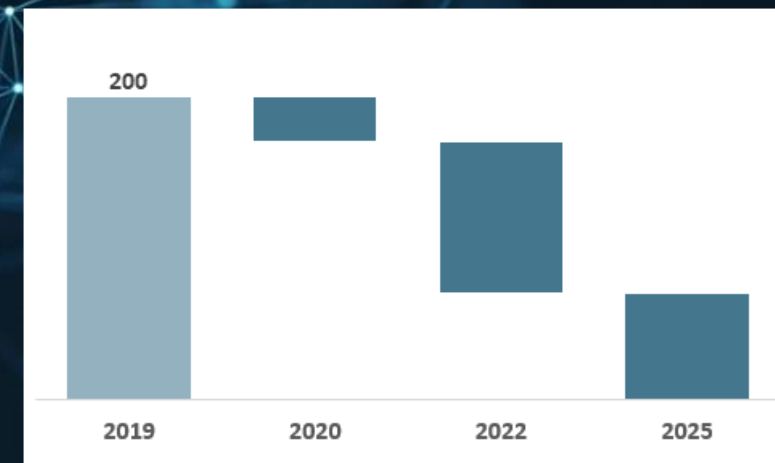
EUR million ¹								
	Digital Engineering		Physical Engineering		Electrical Systems/ Electronics		Total for all divisions	
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021
01/10 to 31/03								
Revenues	274.225	209.181	115.172	112.102	159.363	120.245	548.760	441.528
Transfer between segments	34.266	8.098	11.940	15.774	15.629	2.075	61.835	25.947
Consolidated revenues	239.959	201.083	103.232	96.328	143.734	118.170	486.926	415.581
Other internally generated assets	0.014	0.043	0.237	1.149	0.075	0.022	0.326	1.214
Consolidated total revenues	239.973	201.126	103.469	97.477	143.809	118.192	487.251	416.795
EBIT	16.429	3.372	-5.937	0.106	10.354	7.606	20.846	11.084
01/01 to 31/03								
Revenues	137.219	106.168	56.666	55.264	86.017	61.489	279.902	222.921
Transfer between segments	14.249	2.356	3.723	5.792	7.977	295	25.949	8.443
Consolidated revenues	122.970	103.812	52.943	49.472	78.040	61.194	253.954	214.478
Other internally generated assets	0.014	0.013	0.067	0.552	0.049	0.011	0.130	0.576
Consolidated total revenues	122.984	103.825	53.010	50.024	78.089	61.205	254.084	215.054
EBIT	9.695	2.777	-4.503	0.099	5.742	3.683	10.934	6.559

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

- **Digital Engineering:**
Encouraging recovery and rising capacity utilization in all service areas
- **Physical Engineering:**
Lagging impact from pandemic, ramp-up Powertrain Solution Center
- **Electric/Electronic:**
Strong demand for services linked to megatrends

Focus on balance sheet and cash

- Gross liquidity: EUR 190m (H1 2021/2022)
- 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



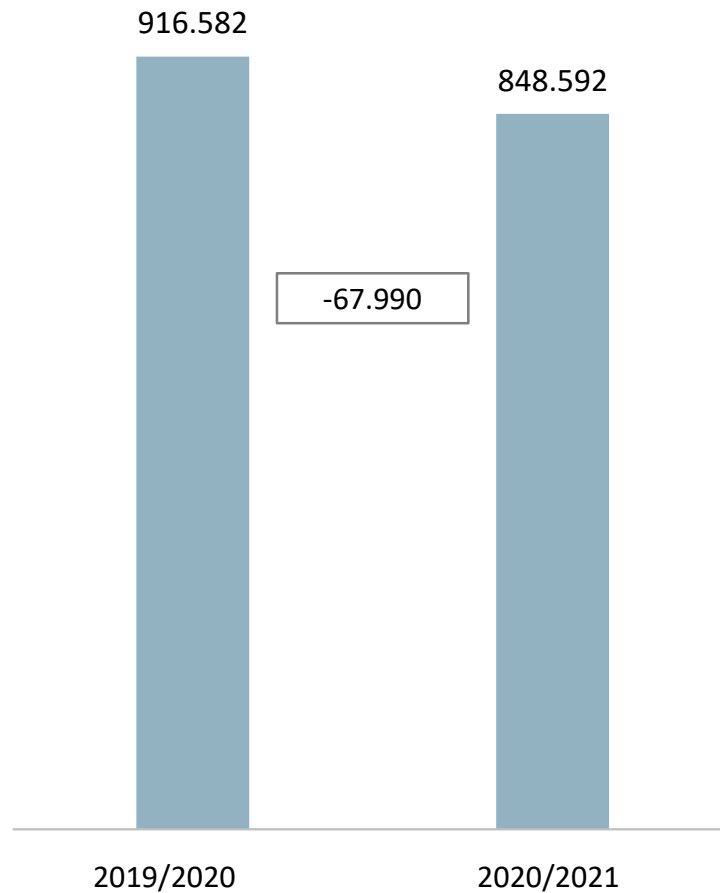
INVESTOR PRESENTATION

Bertrandt AG

BACK-UP FY 2020/2021

Total Revenues

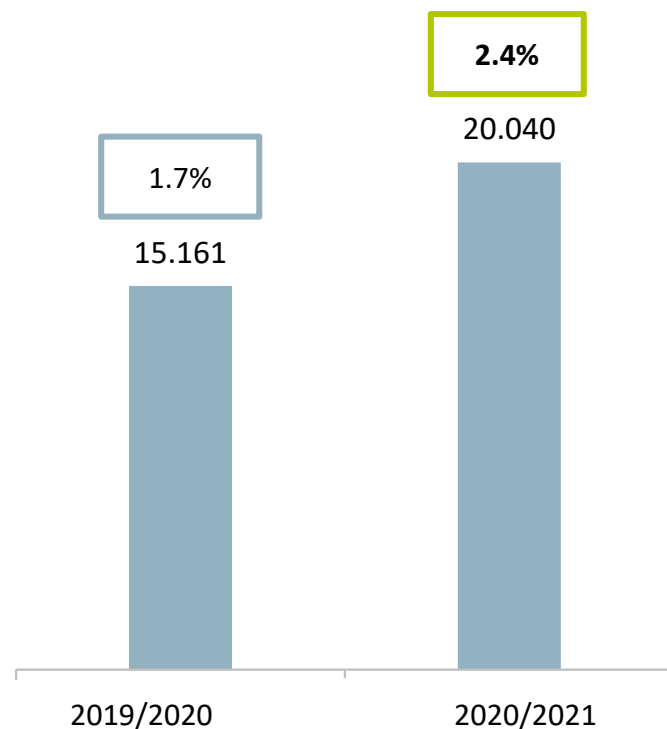
Total revenues
(in EUR m)



- Group revenues: -7% yoy
 - Germany -6% yoy
 - RoW -14% yoy (predominantly France)
- Segment performance
 - Digital Engineering -12% yoy
 - Physical Engineering -14% yoy
 - Elektric/Elektronik +10% yoy

EBIT

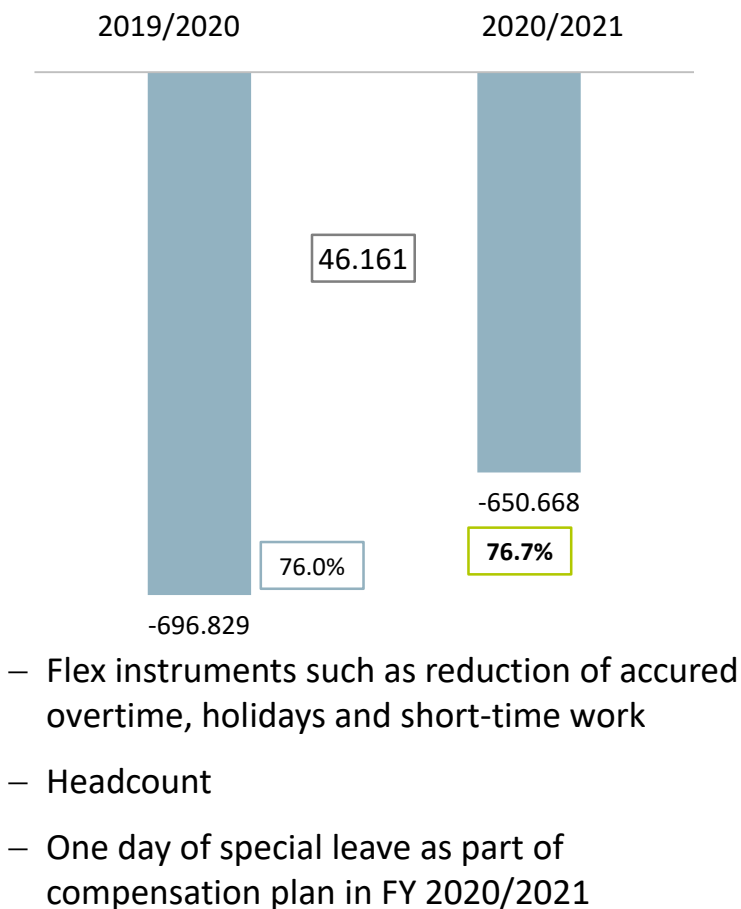
EBIT and margin
(in EUR m)



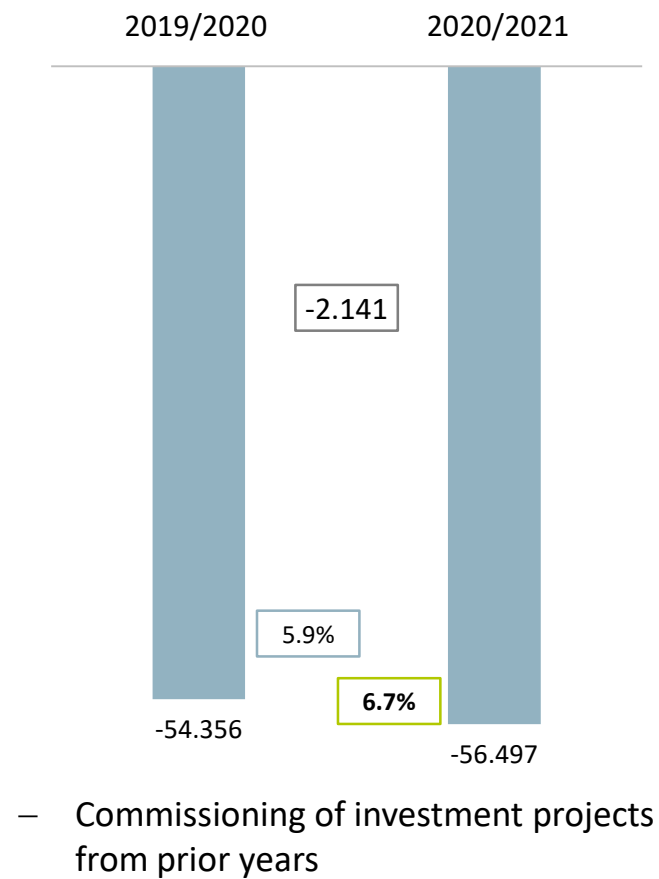
- All quarters with positive EBIT contribution
- Pandemic impacted EBIT especially in Q1 and Q2 yoy. EBIT in Q3 and Q4 up yoy due to improved utilization
- Segments | Earnings contribution
 - Digital Engineering | EUR +6.6m
 - Physical Engineering | EUR -1.4m
 - Elektric/Elektronik | EUR +14.8m

Key expenditure figures

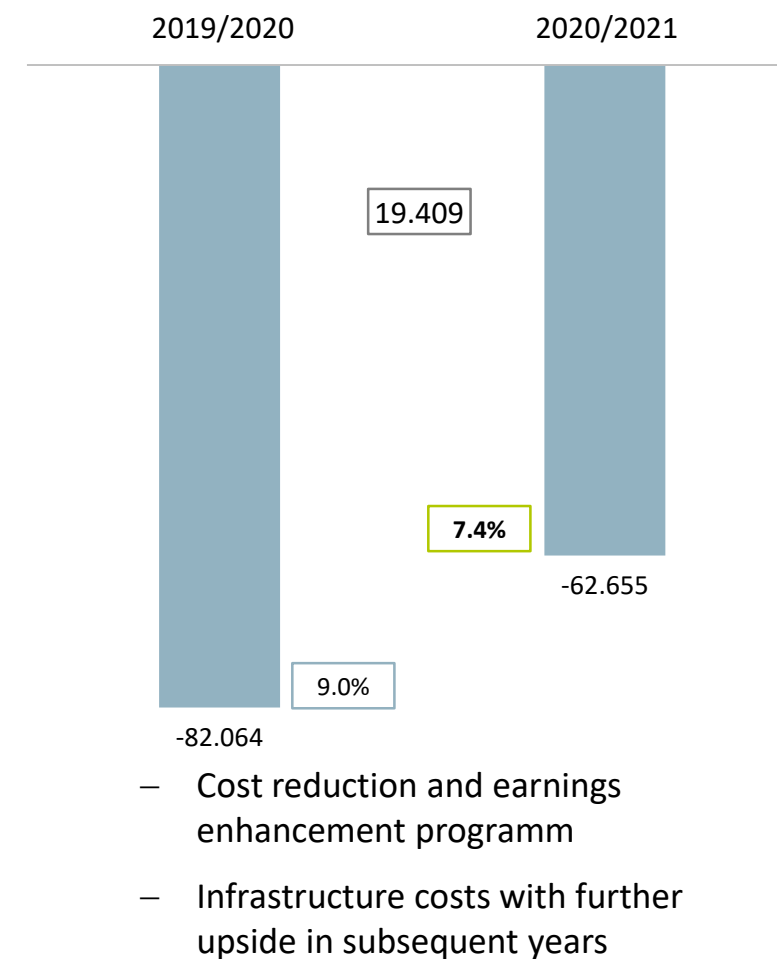
Personnel expenses (in EUR m)



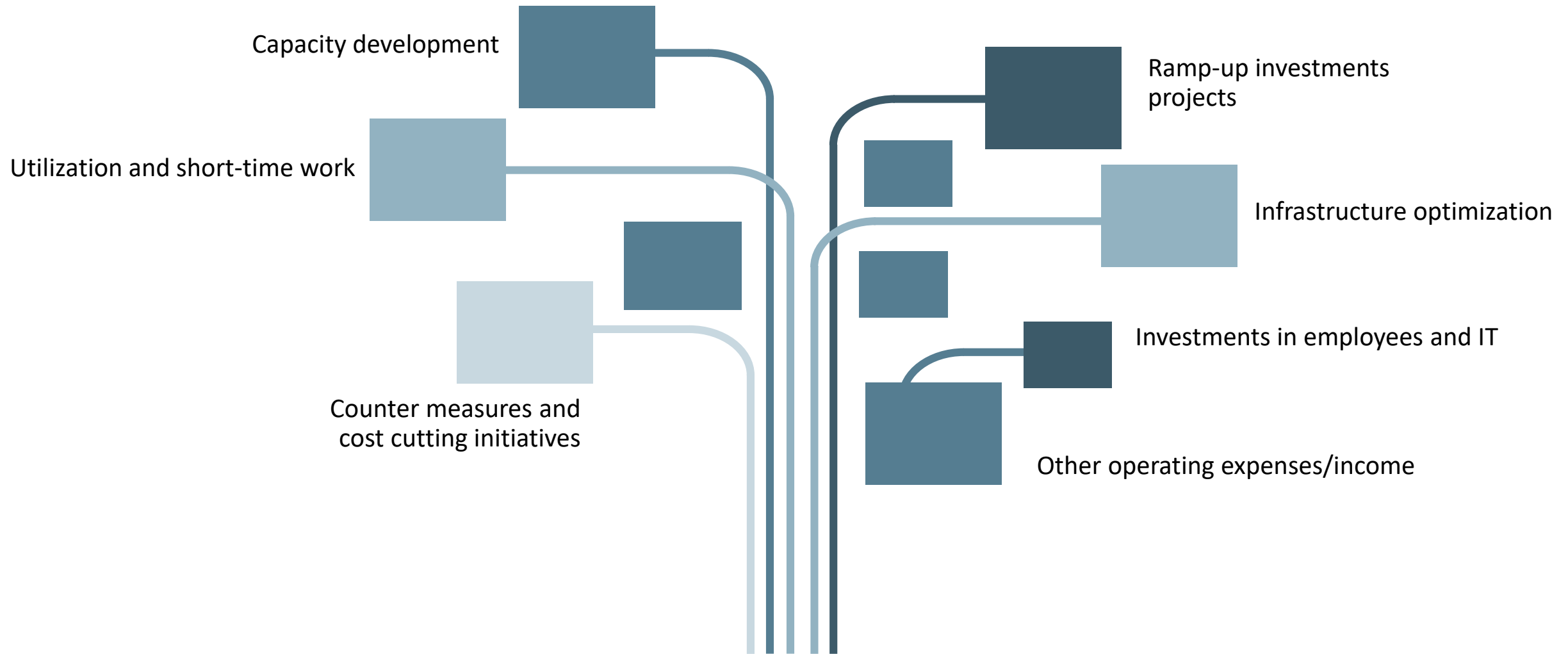
D&A (in EUR m)



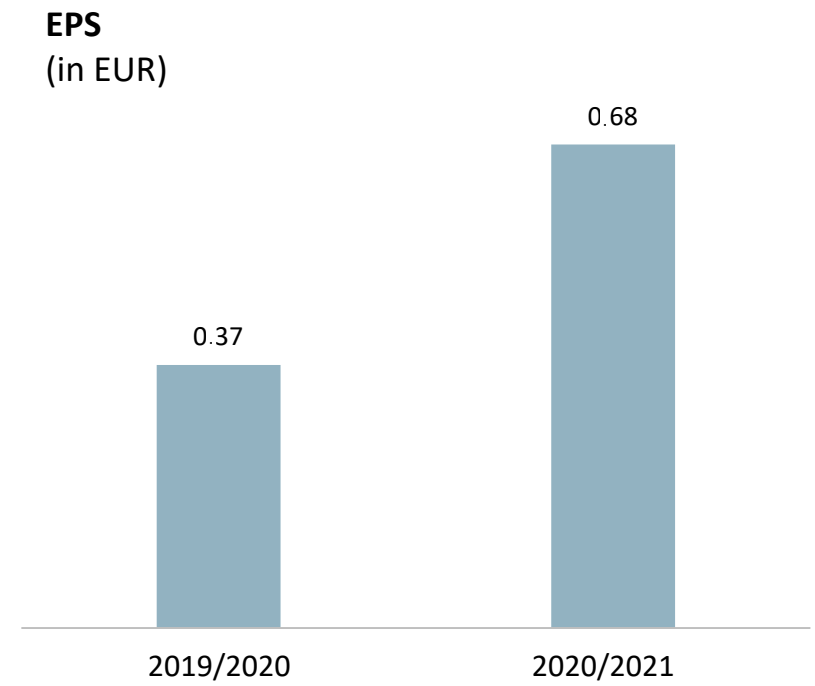
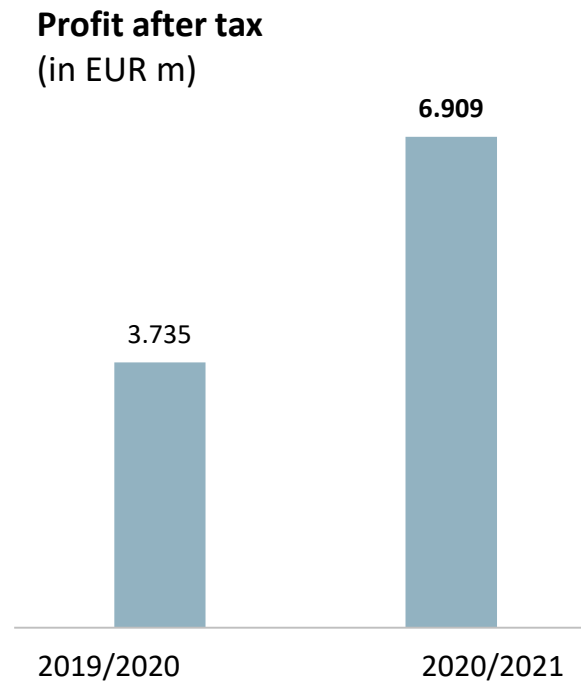
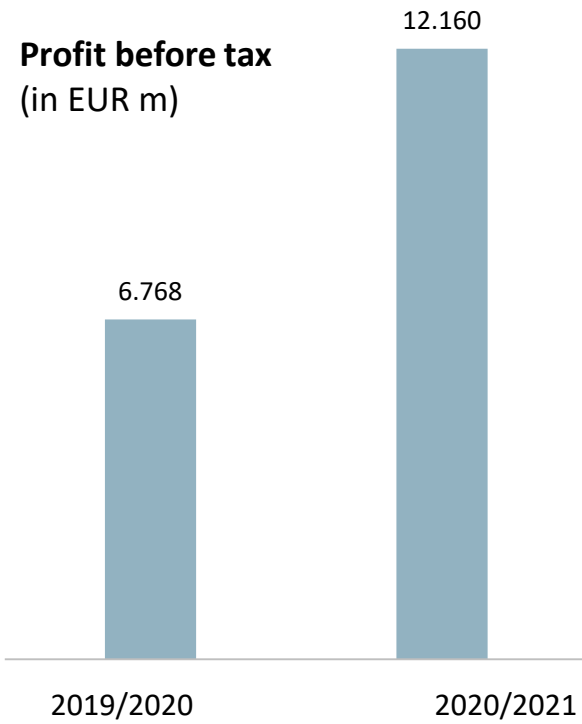
Other operating expenses (in EUR m)



Total revenues and EBIT impacted by...

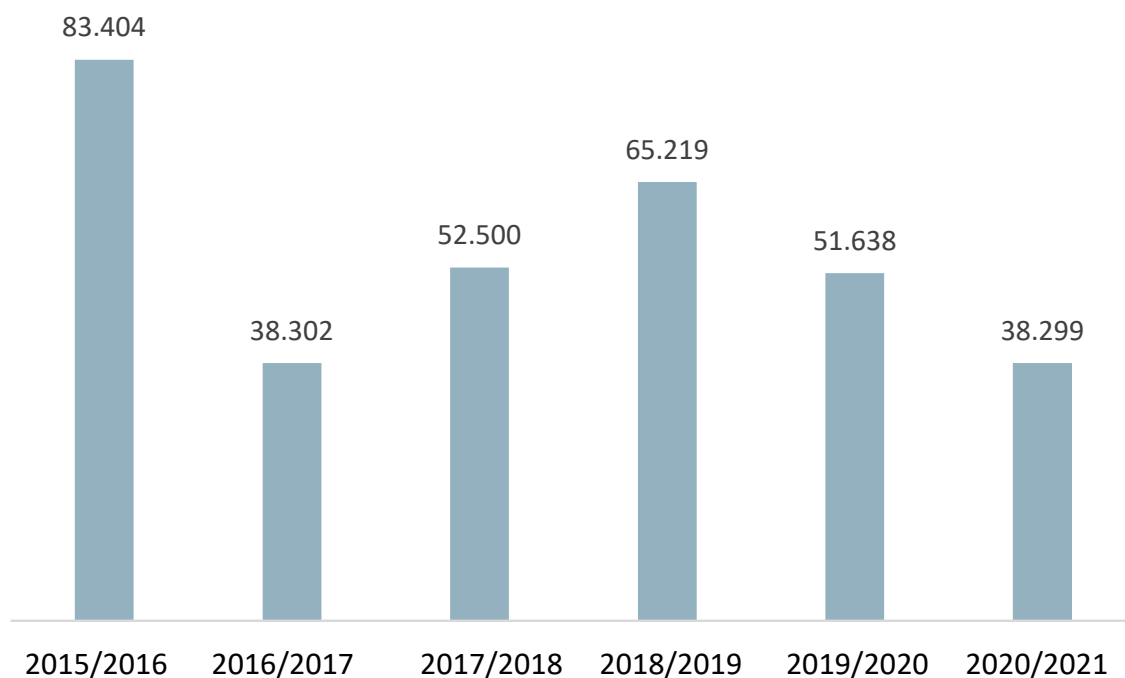


Earnings



Financial and asset position

Investments (in EUR m)



- Expansion of infrastructure follows megatrends and customer requirements
- FY 2020/2021: investments predominantly for projects under constructions in advanced status (e.g. Bertrandt Powertrain Solution Center in Tappenbeck and Freising)
- Multi-year capex cycle almost finished

Consolidated P&L

	2020/2021		2019/2020		comparison	
	EUR million	% of total	EUR million	% of total	EUR million	%
Total revenues	848.592	100 %	916.582	100 %	-67.990	-7 %
Other operating income	13.490	2 %	8.771	1 %	4.719	54 %
Raw materials and consumables used	-72.222	-9 %	-76.943	-8 %	4.721	-6 %
Personnel expenses	-650.668	-77 %	-696.829	-76 %	46.161	-7 %
Depreciation	-56.497	-7 %	-54.356	-6 %	-2.141	4 %
Other operating expenses	-62.655	-7 %	-82.064	-9 %	19.409	-24 %
EBIT	20.040	2 %	15.161	2 %	4.879	32 %
Net finance invome	-5.900		-5.231		-669	13 %
Profit from ordinary activities	14.140		9.930		4.210	42 %
Other taxes	-1.981		-3.162		1.182	-37 %
Earnings before tax	12.160		6.768		5.392	80 %
Income taxes	-5.251		-3.033		-2.218	73 %
Post-tax earnings	6.909		3.735		3.174	85 %

Financial and asset position

Equity and equity ratio
(in EUR m)

42.7%
403.431

44.6%

408.828

2019/2020

2020/2021

Cashflow from operating activities
(in EUR m)

123.521

73.662

2019/2020

2020/2021

Free Cashflow
(in EUR m)

72.180

35.902

2019/2020

2020/2021

– Equity and equity ratio improved

– Working capital management drives cashflow generation in both periods

– CapEx limited to strategic investments

▪ FY 20/21 | EUR -35.7m

▪ FY 19/20 | EUR -48.5m

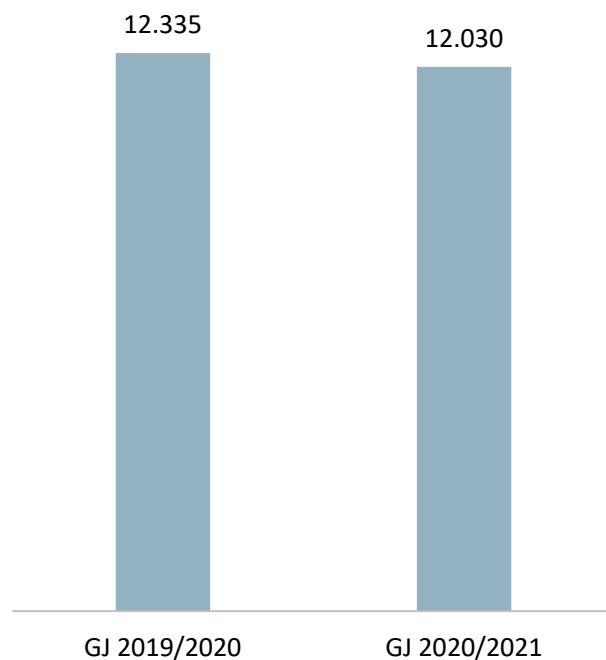
Consolidated Balance Sheet

Assets	30.09.2021 EUR million	30.09.2020 EUR million	comparison EUR million	%
Property, plant and equipment	391.406	413.056	-21.650	-5 %
Non-current assets	440.675	464.797	-24.122	-5 %
Current assets	475.714	480.662	-4.948	-1 %
Total assets	916.389	945.459	-29.070	-3 %
Equity and liabilities	30.09.2021 EUR million	30.09.2020 EUR million	comparison EUR million	%
Equity	408.828	403.431	5.397	1 %
Non-current liabilities	352.706	344.598	8.108	2 %
Current liabilities	154.856	197.430	-42.574	-22 %
Total equity and liabilities	916.389	945.459	-29.070	-3 %

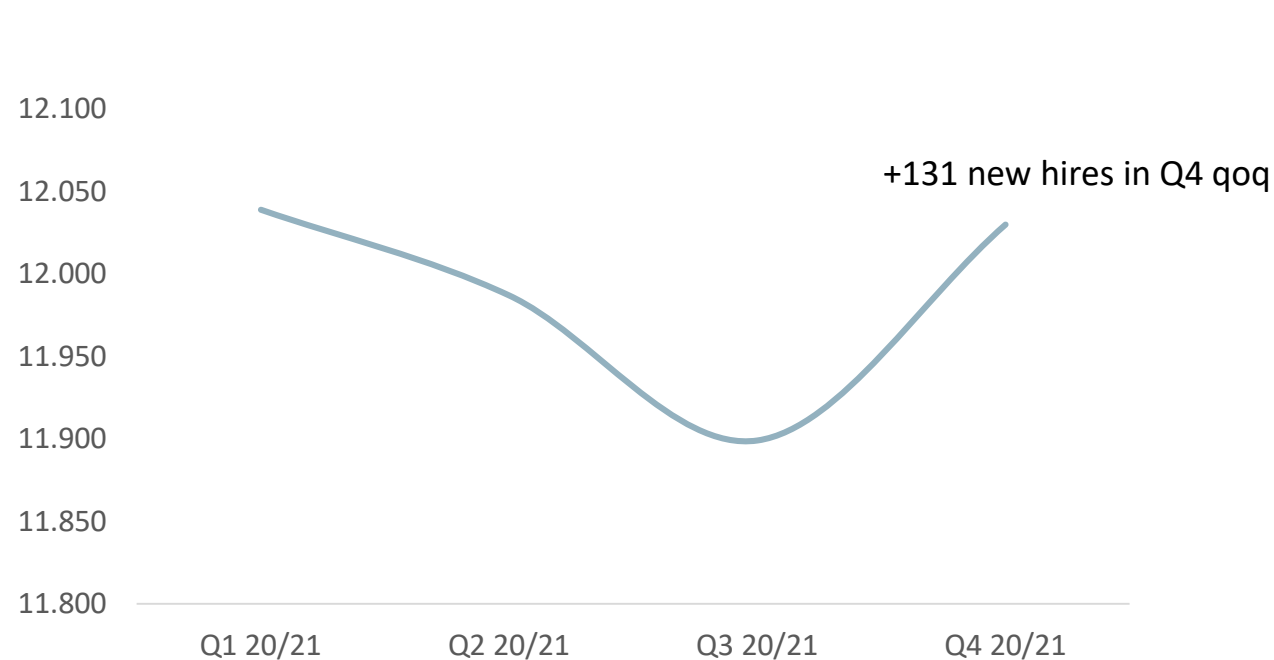
- Equity ratio: 44.6%
- Gearing: 41.1%
- NFD/EBITDA: 2.2x

Human resources

Employees as of 30th September



Employee development FY 2020/2021



- Headcount development linked to heterogenous capacity utilization
- 131 new hires in Q4 2020/2021 qoq with currently more than 2,000 vacancies (as of 1.12.21)
- Some EUR 3.5m investments in employee training and education in FY 2020/2021

INVESTOR PRESENTATION

Bertrandt AG

BACK-UP: FINANCIAL CALENDAR

Back-up: Financial calendar

08 August 2022	Q3/9m 2021/2022
15 December 2022	FY 2021/2022, Analyst and Press conference
22 February 2023	Annual General Meeting, Q1 2022/2023

[FY 2020/2021 Annual & CSR report](#)

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This presentation contains inter alia certain foresighted statements about future developments, which are based on current estimates of management. Such statements are subjected to certain risks and uncertainties. If one of these factors of uncertainty or other imponderables should occur or the underlying accepted statements proved to be incorrect, the actual results could deviate substantially from or implicitly from the expressed results specified in these statements. We have neither the intention nor do we accept the obligation of updating foresighted statements constantly since these proceed exclusively from the circumstances on the day of their publication.

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