



Q2 and H1 2019/20

Analyst Conference Call

Bertrandt AG

Current market and customer environment: Automotive industry



Corona-virus with significant adverse impact on global car demand and production (c. -25% in Q1 2020)



Fivefold increase in number of electric models by 2023



Car production expected to fall by more than 20% in 2020 (2021e: +15%).



Profit warnings and cost saving programmes widespread across all customers



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



Customers review share of own work in development activities



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

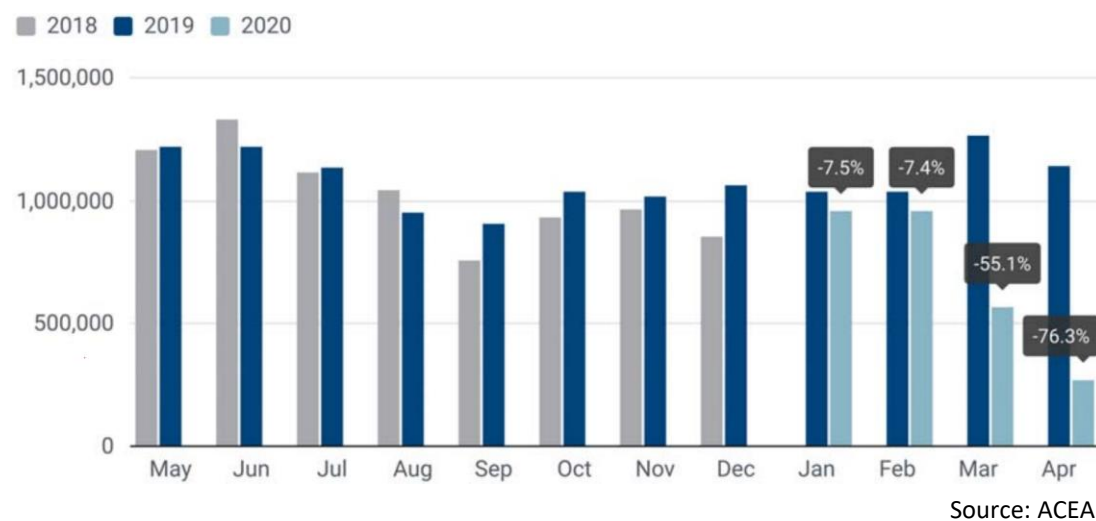


Trend towards larger contract awards



Significant pressure on prices in some parts of our services

Car demand EU27



New car registrations in EU27 already dropped by -55% yoy in March and by -76% in April

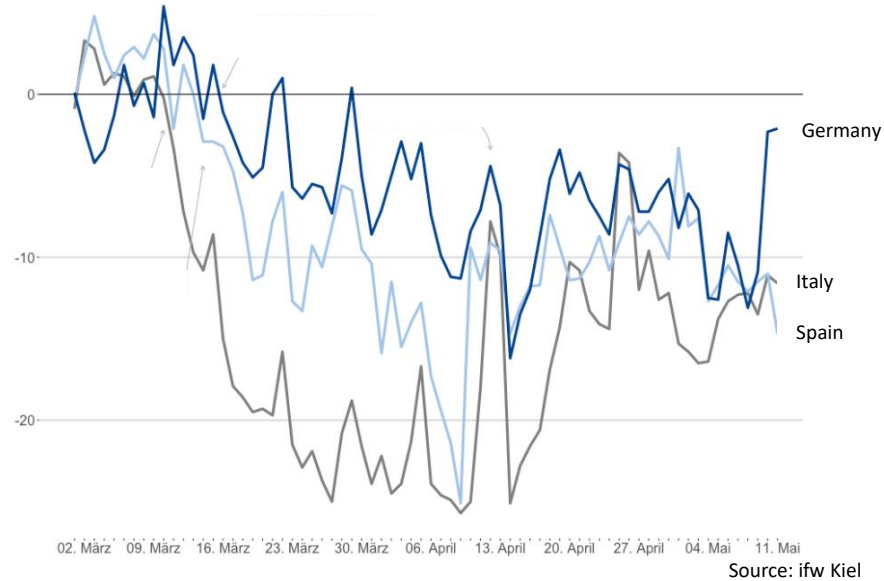
New car registrations in EU27 -26% in Q1 2020

Decline in January and February caused by “pre-registrations” in Nov/Dec 2019

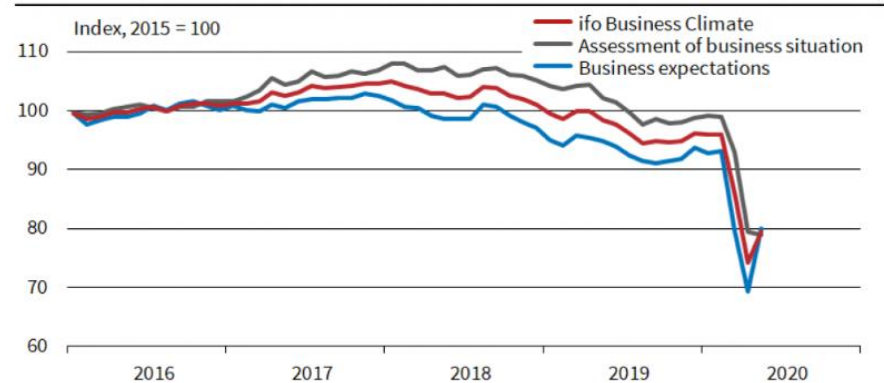
Registrations in March 2020 already below 2008/2009 trough

Economic environment

Change (%) of daily power consumption

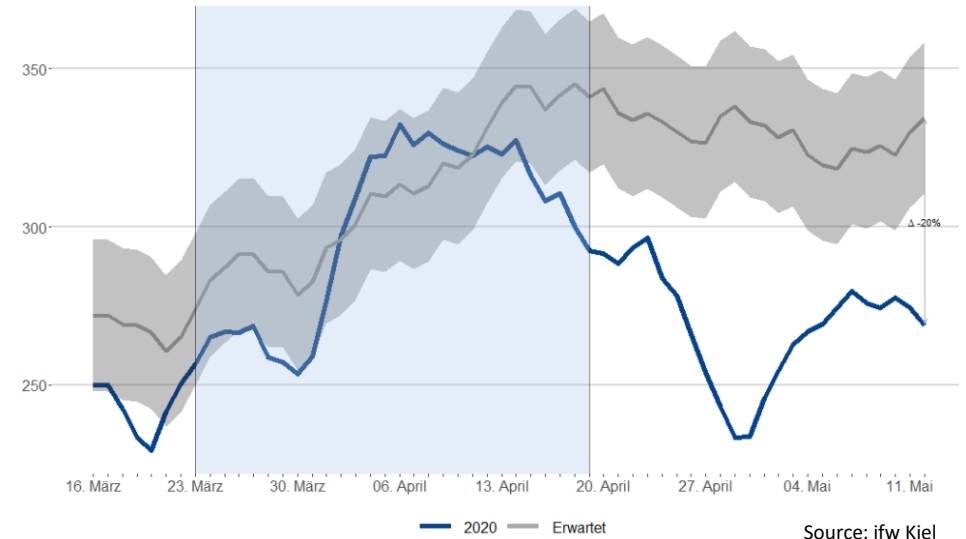


ifo Business Climate Germany^a
Seasonally adjusted



^a Manufacturing, service sector, trade, and construction.
Source: ifo Business Survey, May 2020.

Daily freight volume Red Sea (1.000 TEU)



H1 2019/20 at a glance

P&L

➤ Sales: EUR 508m (-3.2% yoy) | EBIT: EUR 21.2m | margin: 4.2% (6.8% H1 18/19)

Cashflow

➤ FCF EUR 23.7m (EUR 7.7m H1 18/19)

IFRS 16

➤ First time application, minor net impact on P&L (EBIT: EUR +0.5m, NI: EUR -0.3m)

IFRS 16

➤ Balance sheet extension: equity ratio 47% (excl. IFRS16: 52%)



➤ Employees: 13,256 (-1.1% yoy)

Q2 2019/20 at a glance

P&L

➤ Sales: EUR 245m (-6.8% yoy) | EBIT: EUR 6.9m | margin: 2.8% (6.7% H1 18/19)

Cashflow

➤ FCF EUR -24.2m (EUR -29.2m H1 18/19)

IFRS 16

➤ Minor net impact on P&L (EBIT: EUR +0.3m, NI: EUR -0.1m)

IFRS 16

➤ Balance sheet extension: equity ratio 47% (excl. IFRS16: 52%)



➤ Employees: 13,256 (-1.1% yoy)

Group P&L

	Q2 2019/20 EUR million	Q2 2018/19 EUR million	Δ EUR million	Δ %
Total revenues	244.919	262.712	-17.793	-7%
Other operating income	2.110	2.234	-124	-6%
Raw materials and consumable:	-18.783	-20.993	2.210	-
Personnel expenses	-187.929	-190.700	2.771	-
D&A	-13.103	-8.212	-4.891	-
Other operating expenses	-20.264	-27.550	7.286	-
EBIT	6.950	17.491	-10.541	-60%
Financial result	-1.346	-640	-706	-
EBT	5.604	16.851	-11.247	-67%
Other taxes	-976	-884	-92	-
Income taxes	-1.380	-4.525	3.145	-
Net income	3.248	11.442	-8.194	-72%
EPS (EUR)	0.32	1.13	-0.81	-72%

- IFRS 16: EUR -0.4m

- IFRS 16: EUR -4.4m
- D&A/sales (stated): 5.3%
- D&A/sales (w/o IFRS 16): 3.6% (3.1%)

- IFRS 16: EUR +4.6m
- OOE/sales (stated): 8.3%
- OOE/sales (w/o IFRS 16): 10.1% (10.5%)

- Lock-down and ramp-up of mobile work since mid-March led to volatile and inefficient utilization
- Project postponements to safeguard customer's liquidity
- Planned project termination in France
- Shift within R&D budgets requires alignment of capacities
- Ramp-up costs for new testing facilities
- Strict cost discipline on all lines
- PE/sales: 76.7% (72.6%) reflects underutilization
- IFRS 16 (higher D&A, lower OOE)
 - EBIT: EUR +0.3m
 - NI: EUR -0.1m

Segments

EUR million	Q2 2019/20	Q2 2018/19	Δ	Q2 2019/20	Q2 2018/19	Δ	Q2 2019/20	Q2 2018/19	Δ
	Digital			Physical			E/E		
Total revenues	136.735	154.803	-11.7%	47.350	51.377	-7.8%	60.834	56.532	7.6%
EBIT	-0.214	7.909	-	3.577	4.228	-15.4%	3.587	5.354	-33.0%
% margin	-0.0%	5.1%		7.6%	8.2%		5.9%	9.5%	

Digital Engineering	Physical Engineering	Electric/Electronics
Early cyclical	Late cyclical	Projects related to mega trends mainly up and running
Inefficient capacity utilization	Some project postponements	Ongoing high demand for software related projects
Partial price pressure	Test drives impacted by lock-down	Underutilization due to project delays in some disciplines
Alignment of capacities	Planned ramp-up of battery test center and powertrain solution center according to schedule	

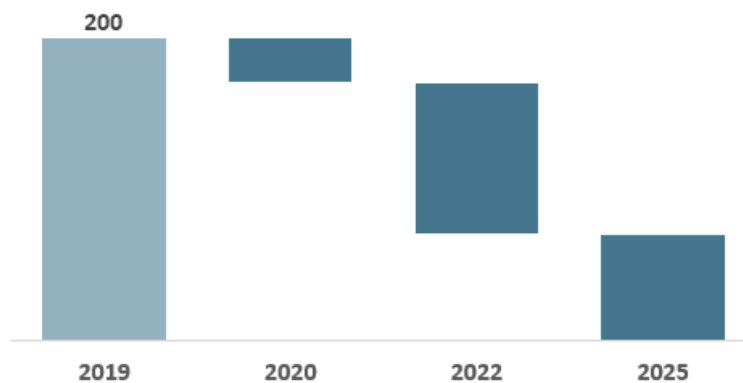
Group Balance Sheet

EUR million	31/03/2020		31/03/2020
	(including IFRS 16)	Impact of IFRS 16	(excluding IFRS 16)
Assets			
Non-current assets	436.031	-86.555	349.476
– of which right-of-use assets	389.037	-77.550	311.487
– of which deferred taxes	11.954	-9.005	2.949
Current assets	445.156	0	445.156
Total assets	881.187	-86.555	794.632
Equity and liabilities			
Equity	413.367	0.301	413.668
– of which consolidated distributable profit	31.571	0.301	31.872
Equity ratio	46.9%	5.2%	52.1%
Non-current liabilities	302.438	-70.273	232.165
– of which other financial liabilities	61.390	-61.390	0
– of which deferred taxes	19.752	-8.883	10.869
Current liabilities	165.382	-16.583	148.799
– of which other financial liabilities	35.969	-16.583	19.386
Total equity and liabilities	881.187	-86.555	794.632

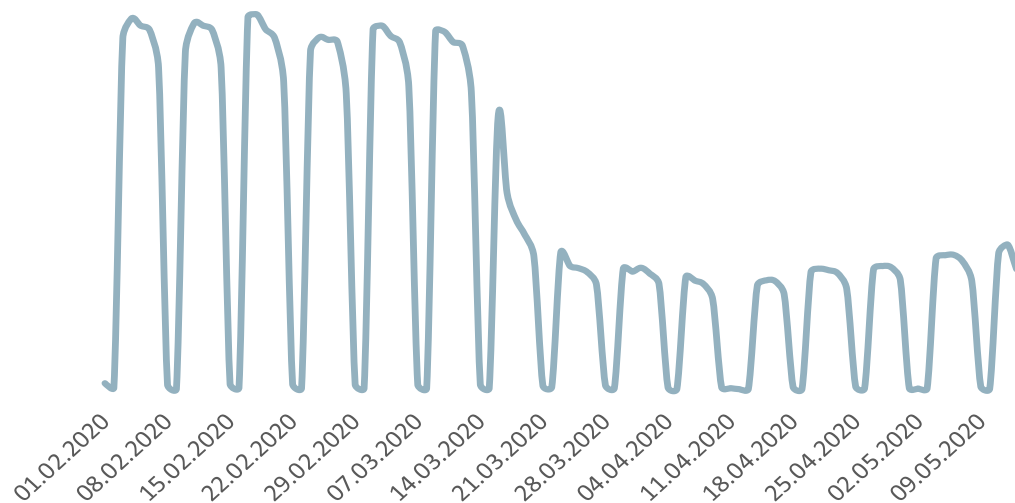
- IFRS 16 leads to balance sheet extension of EUR 86.6m
- Very minor negative impact on equity
- Equity ratio at 47% (excl. IFRS 16: 52%)

Focus on balance sheet and cash

- Net liquidity: EUR 113m (H1 2019/2020)
- CapEx -30% yoy
- Undrawn credit facilities: EUR >200m
- Debenture bond (Schuldschein) of EUR 200m with long maturity profile and without covenants



Corona-virus: our answer



“In-office” time recording significantly dropped since week 12

Technical and organisational prerequisites already in place since 2018 when mobile work was introduced as part of the wide-ranging project “future workplace”

Possibility to increase remote access points within days; 7.500 users possible

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: our answer

- Immediate cost “shut-down” in place
 - Short-term: Procurement, CapEx, Hiring, Tier-2, Marketing, Trainings, Business travels, Consultants, ...
- Reduction of accrued overtime and holidays, shut-down periods (Betriebsruhe) in subsidiaries
- Short-time work where necessary
- Board and top management voluntarily forego remuneration
- Sustainable cost reduction measures launched
 - Mid- to long-term: Procurement, CapEx, Hiring, Tier-2, Marketing, Trainings, Business travels, Consultants, ...
 - Permanent “partial” mobile work to reduce rents, alignment of capacities, ...

Corona-virus: summary



The Bertrandt Pandemic Team in charge since early March; 25 infections group-wide so far



Direct impact on financials not possible to quantify yet



Ramp-up of group-wide mobile work from March 16th



Strict cost discipline with short-term benefits and sustainable effects



More than 50% of employees in mobile work, up to 7,500 remote access points, TISAX certification



Heterogeneous customer behaviour



Former guidance withdrawn



Mid- to long-term: increasing share of cost optimization and flexibilization beneficial for ESP. Mega trends remain valid.

Update on 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 (WOB) and fall 2020 (M)
- High demand for testing capacities with large projects in the market

Update on HARRI



- HARRI is developed in-house, in a cross functional effort that involves all Bertrandt competence centers
- Performance packages frequently added
- Commercialization phase in the aftermath of CES 2020
- Wide-ranging interest by existing and new customers
- Various business cases for low speed AV shuttles
- German Innovation Award '20 Winner: The award honors companies that have demonstrated outstanding innovative performances.

Guidance for FY 2019/2020



20-50

EUR million
increase in
total revenues



5-7.5%

of total revenues
EBIT ratio



50-70

EUR million
volume of
capital spending



Positive

cash flow from
operating activities

**Guidance withdrawn
(ad-hoc March 20th 2020)**

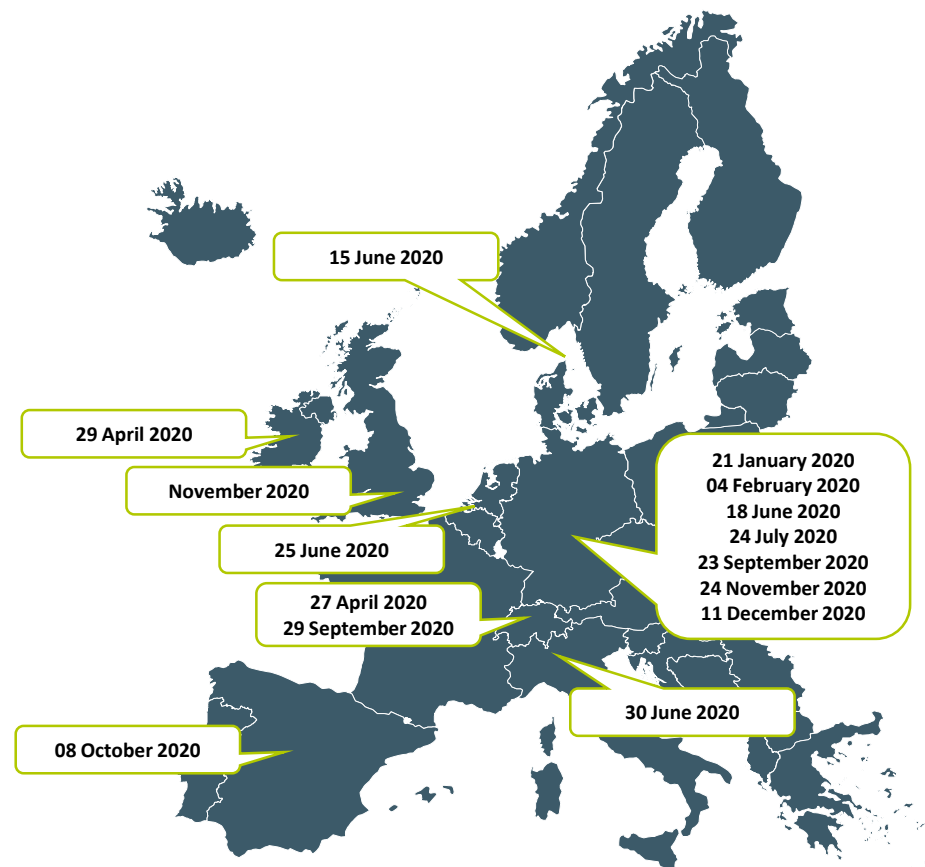
Financial calendar: in-depth investor dialogue

28 May 2020: H1 2019/2020 report, Analyst call

10 August 2020: 9m 2019/2020 report, Analyst call

10 December 2020: FY 2019/2020, Analyst and Press conference

17 February 2021: Annual General Meeting



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