

# Q1



## Group Interim Report Q1

Fiscal 2023/2024

1<sup>st</sup> October 2023 until 31<sup>th</sup> December 2023

### The first quarter at a glance

	01/10/2023 - 31/12/2023	Change compared to previous year in %	01/10/2022 - 31/12/2022
<b>Consolidated Statements of Operations</b>			
Total revenues (EUR million)	308.398	10.0	280.469
EBIT (EUR million)	13.456	17.0	11.496
Margin (%)	4.4%	-	4.1%
<b>Segments</b>			
<b>Digital Engineering</b>			
Total revenues (EUR million)	137.787	1.3	136.037
EBIT (EUR million)	7.413	-3.2	7.657
<b>Physical Engineering</b>			
Total revenues (EUR million)	64.512	19.6	53.922
EBIT (EUR million)	-2.635	-	-2.891
<b>Electrics/Electronics</b>			
Total revenues (EUR million)	106.099	17.2	90.510
EBIT (EUR million)	8.678	28.9	6.730
<b>Cash flow</b>			
Cash flow from operating activities (EUR million)	33.169	-38.3	53.754
Cash flow from investing activities (EUR million)	-3.927	-	-7.631
Free cash flow (EUR million)	29.242	-36.6	46.123
<b>Balance sheet</b>			
Balance sheet total (EUR million)	945.957	1.6	931.484
Equity (EUR million)	461.650	5.3	438.402
Equity ratio (%)	48.8	3.6	47.1
Cash and cash equivalents (EUR million)	137.955	-27.6	190.420
<b>Employees</b>			
Number of employees at the end of the reporting period	14,401	7.3	13,416

## Market development and material events

### Macroeconomic environment

The macroeconomic and (geo)-political environment remained challenging in Bertrandt's first quarter of fiscal 2023/2024. Although inflation rates declined as a result of the restrictive monetary policy in many countries, they remained at a high level. At the same time, the increasing geopolitical unrest had a negative impact on the global economy. Economists at the Kiel Institute for the World Economy (IfW) therefore conclude that economic momentum will remain low for the time being and that there are no signs of a global economic recovery.

According to economists at M.M.Warburg & CO (MMW), the US economy escaped a recession in 2023 despite the massive tightening of monetary policy by the US Federal Reserve. Positive impetus came from the labor market and wage trends as well as recently falling inflation rates. According to MMW, China remains the problem child among the emerging markets due to structural challenges such as demographic change and the crisis on the real estate market. The robust growth momentum in the eurozone has also flattened out recently, as higher interest rates, among other things, have had a negative impact on the willingness to invest. Germany's

weakness also plays a role here. Among the industrialized countries, Germany was the economic laggard. There was even a recession in the final quarter.

### Situation in the automotive industry

According to the German Association of the Automotive Industry (VDA), the major international automotive markets have recorded an increase in new registrations in 2023 because vehicle availability has improved significantly compared to the previous year, which was characterized by material shortages. For the global passenger car market, the VDA expects a sales volume of 75.6 million units (+10%) in 2023. Nevertheless, the business environment for the automotive industry remains challenging, as geopolitical and macroeconomic uncertainties have recently led to subdued overall economic demand and thus to subdued economic growth.

According to the VDA, the US market developed dynamically with an increase of 12% to 15.5 million vehicles in 2023. This means that the market was still just under 9% below the pre-crisis level of 2019. In December, sales rose sharply by 13% compared to the previous year to a volume of 1.4 million units. Around 25.8 million vehicles were sold in China in 2023, which corresponds to an increase of 11%. In December, growth amounted to 24%, with passenger car sales rising to a monthly record of just under 2.8 million units. Passenger car sales in Europe also

recovered to around 12.8 million vehicles (+14%) in 2023 as a whole. Demand cooled off in December with a good 1.0 million units (-4%). The main reason for the decline was the weak German market, where significantly fewer new vehicles were registered overall in December 2023 as a result of a special effect (changes to the subsidization of electric cars) in the electric segment at the end of 2022.

Looking to the future, the VDA emphasizes that the German automotive industry stands for innovative technological leadership. The industry is making huge investments to maintain this position. In the years 2024 to 2028, the manufacturers and suppliers of the German automotive industry will invest around 280 billion euros in research and development worldwide, according to the association. This figure significantly exceeds investment volume of 250 billion euros in the years 2023 to 2027, which was the previous forecast by the VDA.

## Business performance, earnings and financial position

### Overall performance

Based on a continued positive market environment for research and development in our customer industries, increasing project awards and successful project acquisition, Bertrandt achieved an increase in total revenues of 10.0% to EUR 308.398 million in the first quarter of fiscal 2023/2024 (Q1 2022/2023: EUR 280.469 million). The Overall performance was positively influenced by dynamic growth in international business in the reporting period. The number of working days in the first quarter of 2023/2024 was around one day lower than in the same period of the previous year. The number of employees in the Group increased from 13,416 (December 31, 2022) by 7.3% or by 985 persons to 14,401 employees on December 31, 2023.

### Expense ratios

The increase in the cost of materials is related to the growth in total sales. The cost of materials ratio of 12.7% remained almost stable in the first quarter of 2023/2024 (Q1 2022/2023: 12.8%). The reasons for the increase in personnel expenses are, on the one hand, employee growth, the further normalization in capacity

utilization and the associated noticeable decline in short-time working in France compared to the previous year's reporting period as well as salary developments. At 70.7%, the personnel expenses ratio in the reporting period was almost on a par with the same period of the previous year (Q1 2022/2023: 70.5%). Depreciation and amortization hardly changed in the first quarter of 2023/2024 compared to the same period in the previous year. The increase in other operating expenses is related to the increased business volume and concerns, for example, sales initiatives or insurance as well as effects from the valuation of foreign currencies.

### Results

EBIT in the Bertrandt Group amounted to EUR 13.456 million in the first three months of the 2023/2024 financial year (Q1 2022/2023: EUR 11.496 million). The operating margin improved to 4.4% in this period (Q1 2022/2023: 4.1%). Although the operating result benefited from the increase in total operating performance in the first three months of the reporting period, the overall recovery in earnings was negatively impacted by the working day effect and start-up losses in connection with the new test center. The rise in interest rates was reflected in financing expenses and interest income. Overall, the financial result is slightly more negative compared to the previous year. At the same time, the income tax rate normalized further at 25.8% (previous year: 31.7%), meaning that earnings after income taxes after three months in the 2023/2024 financial

year increased noticeably by 26.9% to EUR 7.923 million (Q1 2022/2023: EUR 6.243 million).

### Personnel

As at December 31, 2023, there were 14,401 employees employed in the Group (December 31, 2022: 13,416 and September 30, 2023: 14,276). This means that a new record level of employment was achieved at the end of the reporting period. Bertrandt still has a large number of vacancies to fill, reflecting the capacity requirements of the market. The number and details of current vacancies and further information on personnel management can be found on Bertrandt's home page [www.bertrandt.com](http://www.bertrandt.com) under the heading Careers.

## Forecast change report

The statements made in the forecast report in the 2022/2023 Annual Report (pages 118 to 121) remain unchanged. Accordingly, Bertrandt expects the following in summary for the 2023/2024 financial year:

- growth in total operating performance of EUR 70 to 110 million
- an EBIT margin (EBIT in relation to total operating performance) of between 5% and 7%
- Investments in the amount of EUR 25 to 40 million
- a positive cash flow from operating activities, whereby the amount depends on the amount of funds tied up in net working capital in the course of overall performance growth.

For the Digital Engineering, Physical Engineering and Electrical Systems/Electronics segments, management expects a positive trend in total operating performance and EBIT in the 2023/2024 financial year in line with and in relation to the Group forecast. In the area of non-financial performance indicators, our aim is to stay to the high level of the previous year.

## Financial calendar

**Annual General Meeting FY 2022/2023**  
21 February 2024  
Sindelfingen City Hall

**Report on the 2nd quarter 2023/2024**  
15 May 2024

**Capital Market Day**  
15 May 2024

**Report on the 3rd quarter 2023/2024**  
5 August 2024

**Annual report 2023/2024**  
**Annual press and analysts' conference**  
12 December 2024

## Credits

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Male pronouns are used in this text for the sake of simplicity and legibility. They are intended to refer to people of all genders.

## Consolidated income statement and statement of comprehensive income

EUR million<sup>1</sup>

01/10 to 31/12

	Q1 2023/2024	Q1 2022/2023
<b>I. Income statement</b>		
<b>Revenues</b>	<b>308.292</b>	<b>280.370</b>
Other internally generated assets	106	99
<b>Total revenues</b>	<b>308.398</b>	<b>280.469</b>
Other operating income	948	1.649
Raw materials and consumables used	-39.173	-35.791
Personnel expenses	-217.994	-197.715
Depreciation	-14.146	-14.155
Other operating expenses	-24.577	-22.962
<b>EBIT</b>	<b>13.456</b>	<b>11.496</b>
Share of profit in associates	162	102
Interest income	992	97
Financial expenses	-3.226	-1.864
Other financial result	-17	-42
<b>Net finance income</b>	<b>-2.089</b>	<b>-1.707</b>
<b>Profit from ordinary activities</b>	<b>11.367</b>	<b>9.789</b>
Other taxes	-689	-650
<b>Earnings before tax</b>	<b>10.678</b>	<b>9.140</b>
Income taxes	-2.755	-2.896
<b>Post-tax earnings</b>	<b>7.923</b>	<b>6.243</b>
– attributable to shareholders of Bertrandt AG	7.923	6.243
Number of shares (million) – diluted/basic, average weighting	10.106	10.100
<b>Earnings per share (EUR) – diluted/basic</b>	<b>0.78</b>	<b>0.62</b>
<b>II. Statement of comprehensive income</b>		
<b>Post-tax earnings</b>	<b>7.923</b>	<b>6.243</b>
Differences from currency translation and hedging reserve <sup>2</sup>	-206	752
Tax effects on the hedging reserve <sup>2</sup>	43	-573
Remeasurement of pension obligations and plan assets <sup>3</sup>	-1.028	83
Tax effects on the remeasurement of pension obligations and plan assets <sup>3</sup>	291	50
<b>Other comprehensive income after taxes</b>	<b>-900</b>	<b>312</b>
<b>Total comprehensive income</b>	<b>7.023</b>	<b>6.556</b>
of which total comprehensive income attributable to Bertrandt AG shareholders	7.023	6.556

<sup>1</sup>Rounding differences of EUR 0.001 million may occur in the presentation of figures due to the system used

<sup>2</sup>Components of other comprehensive income that will be reclassified to the income statement in future periods.

<sup>3</sup>Components of other comprehensive income that will not be reclassified to the income statement in future periods.