

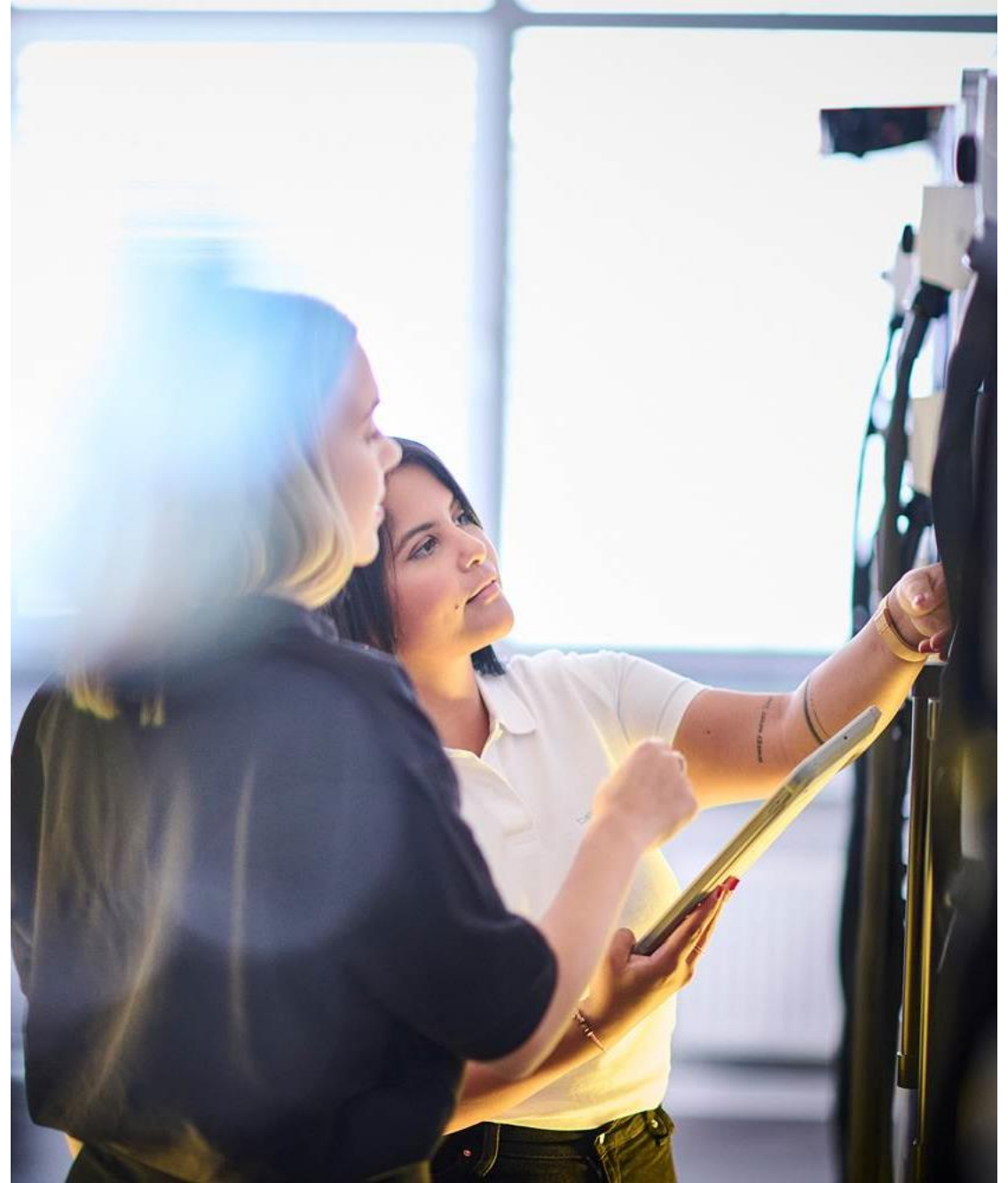
# Welcome to the annual report conferences

Please mute your microphone and leave your camera off during the event.  
**Thank you!**

This conference will be recorded.

# Agenda

1. Market and customer review
2. Fiscal year 2023/2024
3. Market outlook
4. Group forecast
5. Q&A





# 01

## Market and customer review

Michael Lücke

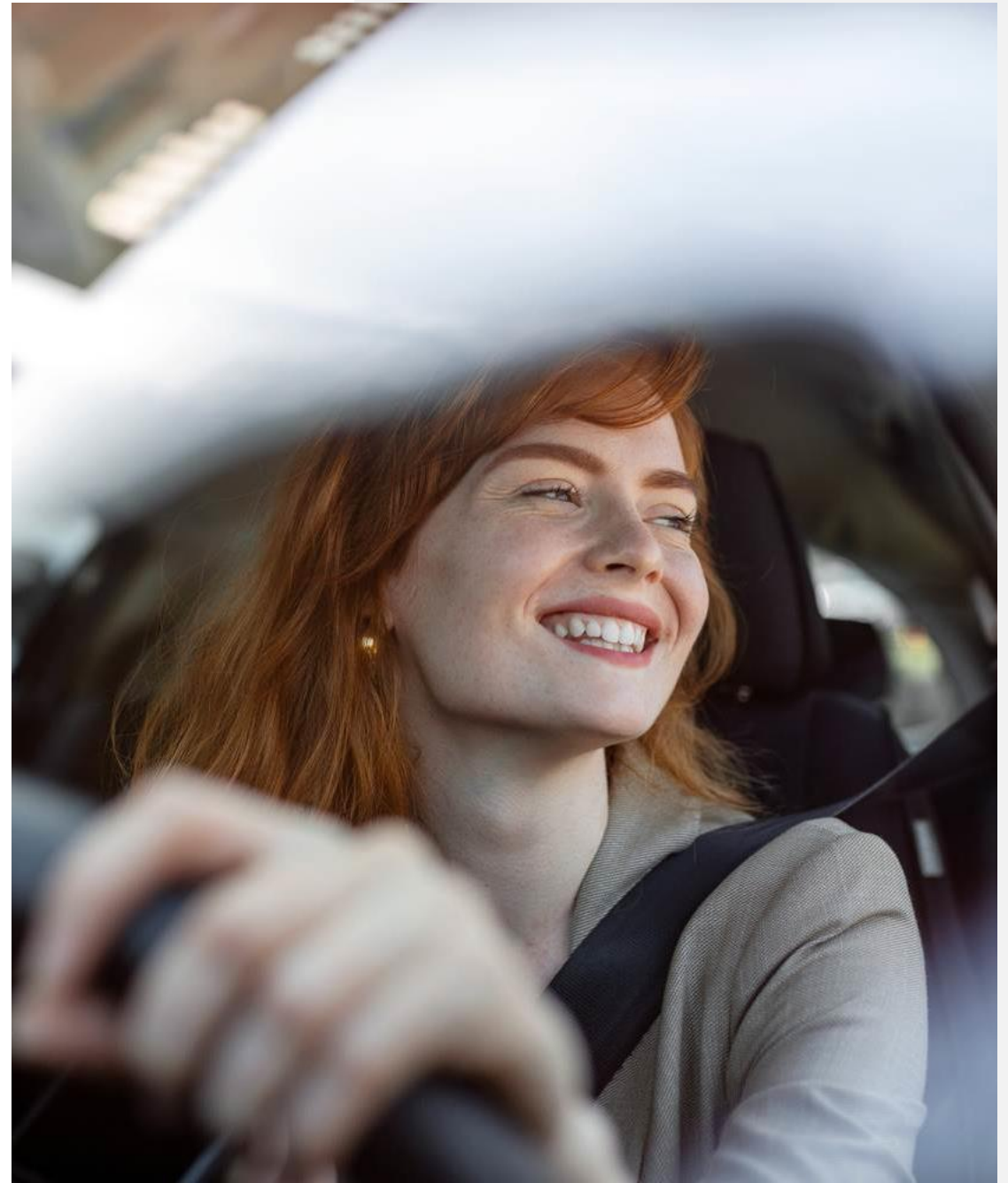
# Overall view

- Solid first quarter: still increasing capacity utilization and successful project acquisition
- From second quarter: reduced capacity call-offs led to underutilization
- Overall slow global economic growth with Germany still being in a recession
- Internationally heterogeneous development
- Structural changes require substantial measures



# Review of the automotive industry: entire industry in a transformation phase

- German automotive industry particularly affected by ongoing transformation and changing end-customer behavior
- In addition to e-mobility, technological diversity is becoming more important
- Product and project shifts by customers lead to reduced demand in existing business
- Fewer call-offs in existing business
- Positive development abroad but situation also becoming more challenging

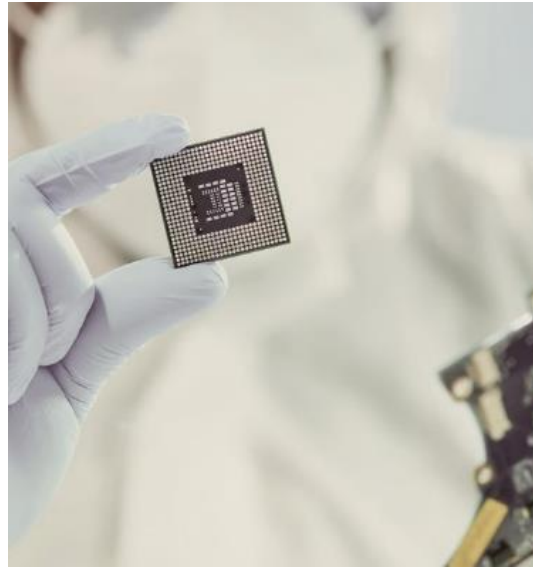


# Review: all sectors affected by declining sales



## Aerospace

- Focus on securing production and supply chains
- Increasing demand for R&D in defence



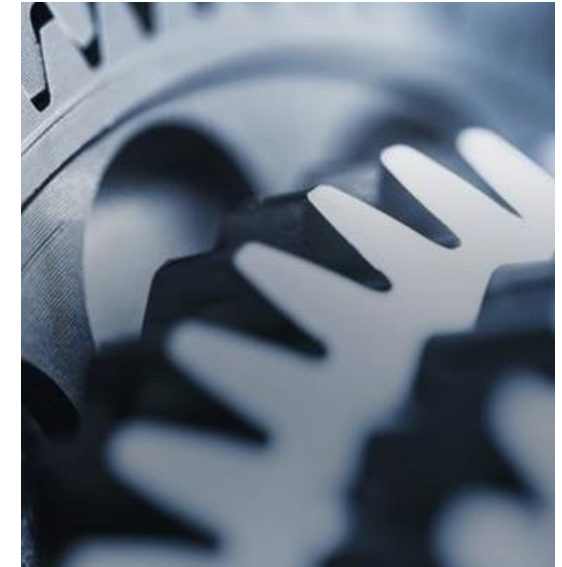
## Electrical industry

- Muted demand caused by overall economic weakness in Europe



## Medical technology

- Weaker industry environment after pandemic boom



## Mechanical & plant engineering

- Muted demand caused by overall economic weakness in Europe

# Impact on Bertrandt



- Structural changes in the automotive industry are increasing and have become more dynamic
- Internationalization of engineering work
- Increasing proportion of global delivery requirements
- Consolidation in the engineering services sector is increasing
- Increase of project volumes



Structural and dynamic market changes required significant capacity and portfolio adjustments in Germany.



# 02

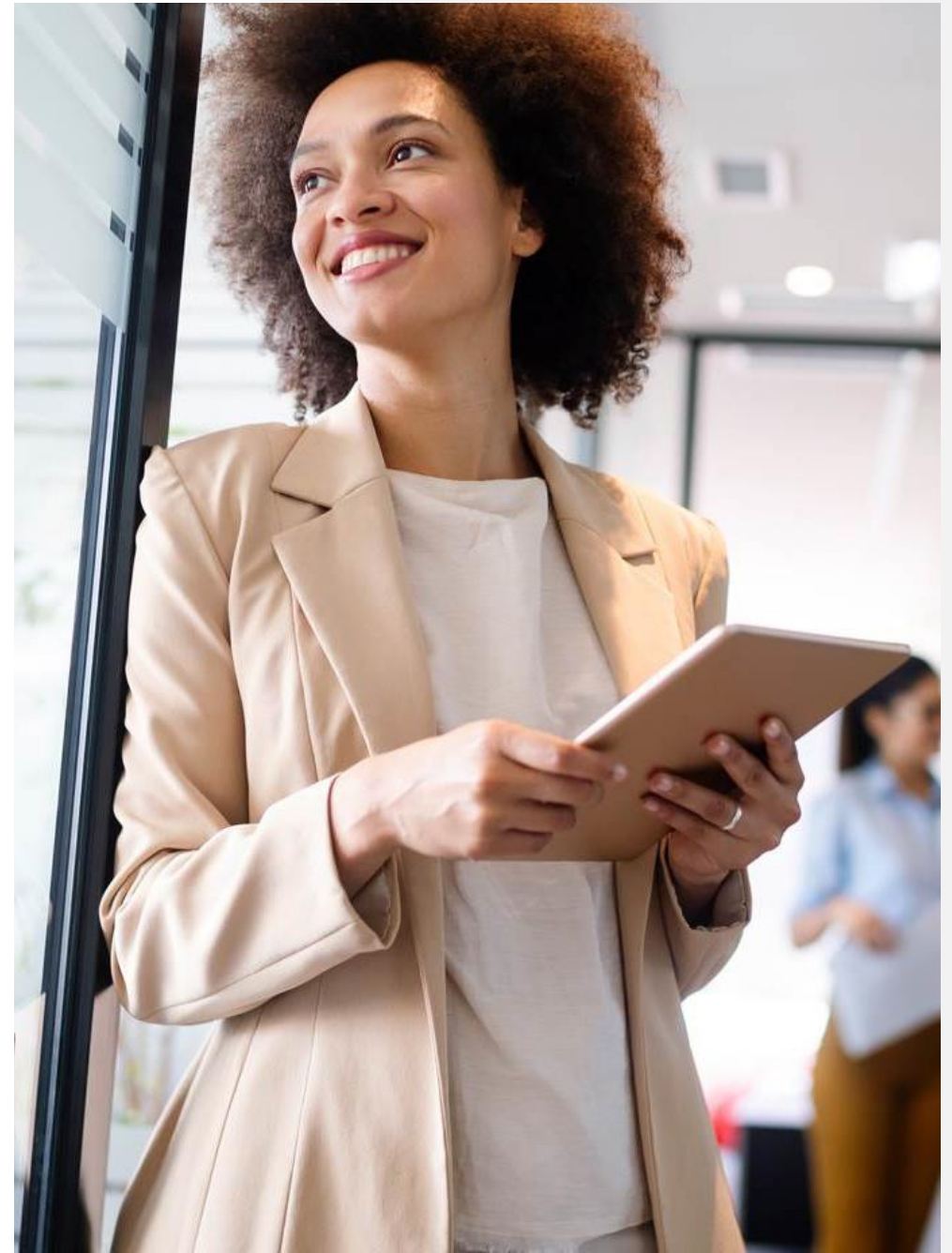
## Fiscal year 2023/2024

Markus Ruf, Björn Voss



# Market environment FY 2023/2024

- One of the most **challenging and eventful** reporting periods in 50 years of Bertrandt
- **Start into the year was decent, ...**
  - favorable market environment for R&D
  - successful re-organization, internationalization & diversification
  - Strategy 2027 announced
  - M&A strategy executed
- **... but market environment deteriorated** significantly from Q2 2023/2024
  - re-definition of OEM strategies regarding e-mobility
  - weaker unit sales and cost cutting measures at OEMs
  - acceleration of „local-for-local“ approach by OEMs (international R&D)
  - German R&D projects delayed or relocated



# Key points FY 2023/2024

- **Total sales +2.5% yoy** to EUR 1.187bn, but capacity utilization in Germany dropped in the course of FY 2023/2024
- Strong growth abroad: sales **+40% yoy to EUR 281m**
- Sales share outside of Germany at 24% (2022/2023: 17%)
- **Headcount** aligned to market demand: 14,028 (-248 yoy, -498 vs H1 2023/2024)
- **Earnings improvement program (F<sup>3</sup>) implemented**
- EBIT of EUR -98m includes **EUR -116m special items** (restructuring, impairment, other)
- Strong generation of **free cashflow** (EUR 55m) and solid **balance sheet ratios** (e.g. equity ratio 41%)



# FY 2023/2024 at a glance



## Total Sales

EUR 1.187bn  
+3% yoy



## Employees

14,028  
-2% yoy



## EBIT

EUR -98m  
(Non-IFRS: EUR +18m)



## Free cashflow

EUR 55m  
+667% yoy



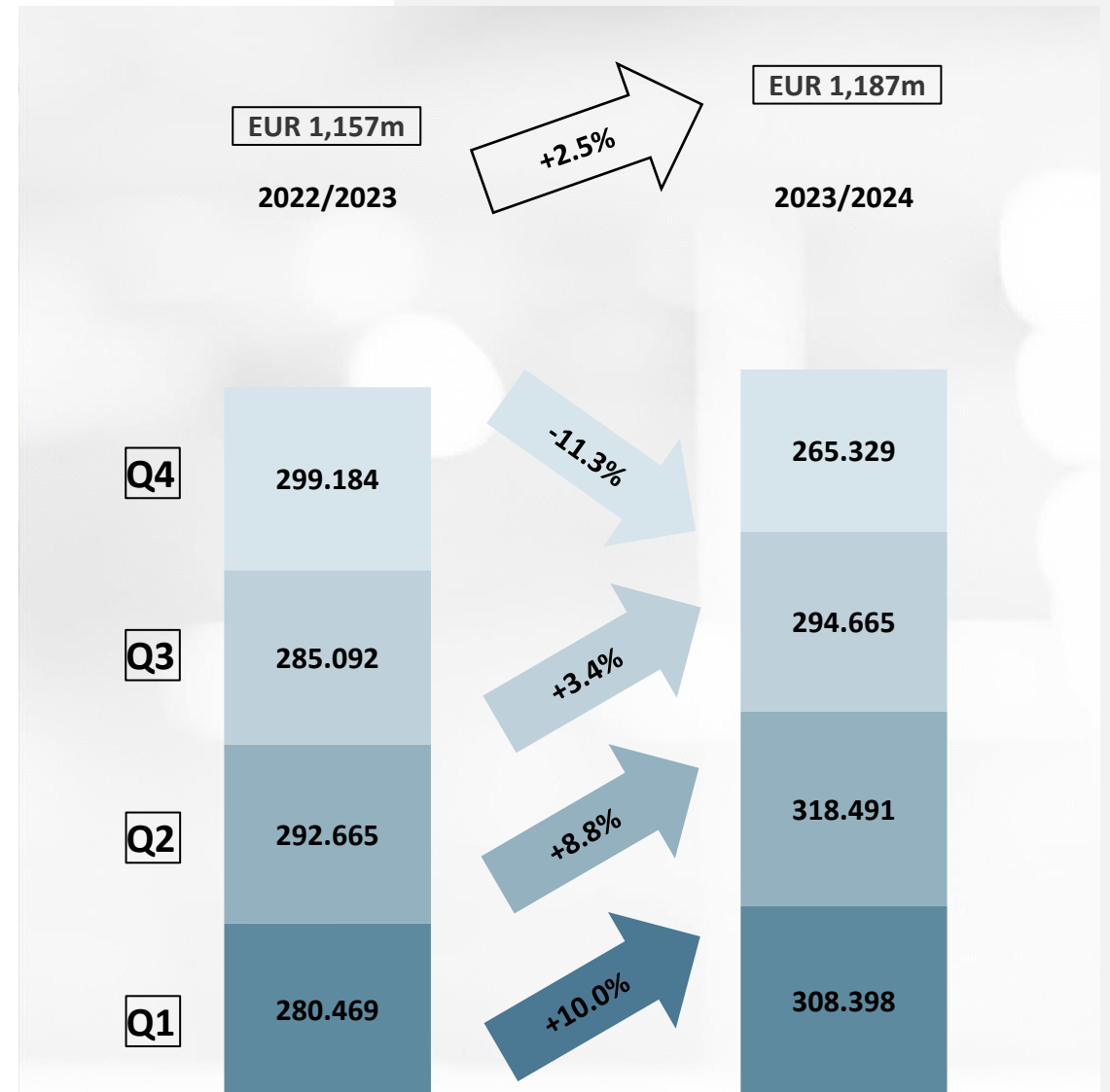
## Equity

EUR 364m  
Ratio: 41.4%

# Strong international growth

- Total sales up by EUR +29m (+2.5% yoy)
  - Organic growth: +1% yoy
  - Germany: -5.3% yoy
  - Abroad: +39.8% yoy
- Reduced capacity demand caused top-line slow-down throughout the year
- Slightly positive working day effect in FY 2023/2024 yoy

Working days	Q1	Q2	Q3	Q4	Total
2022/2023	62.0	63.9	60.3	64.0	250.2
2023/2024	61.4	62.9	61.2	65.2	250.8
2024/2025 (projection)	61.3	62.3	60.3	65.2	249.0



Total sales FY2023/2024  
(EUR m)

# Heterogenous segment performance

## Digital Engineering:

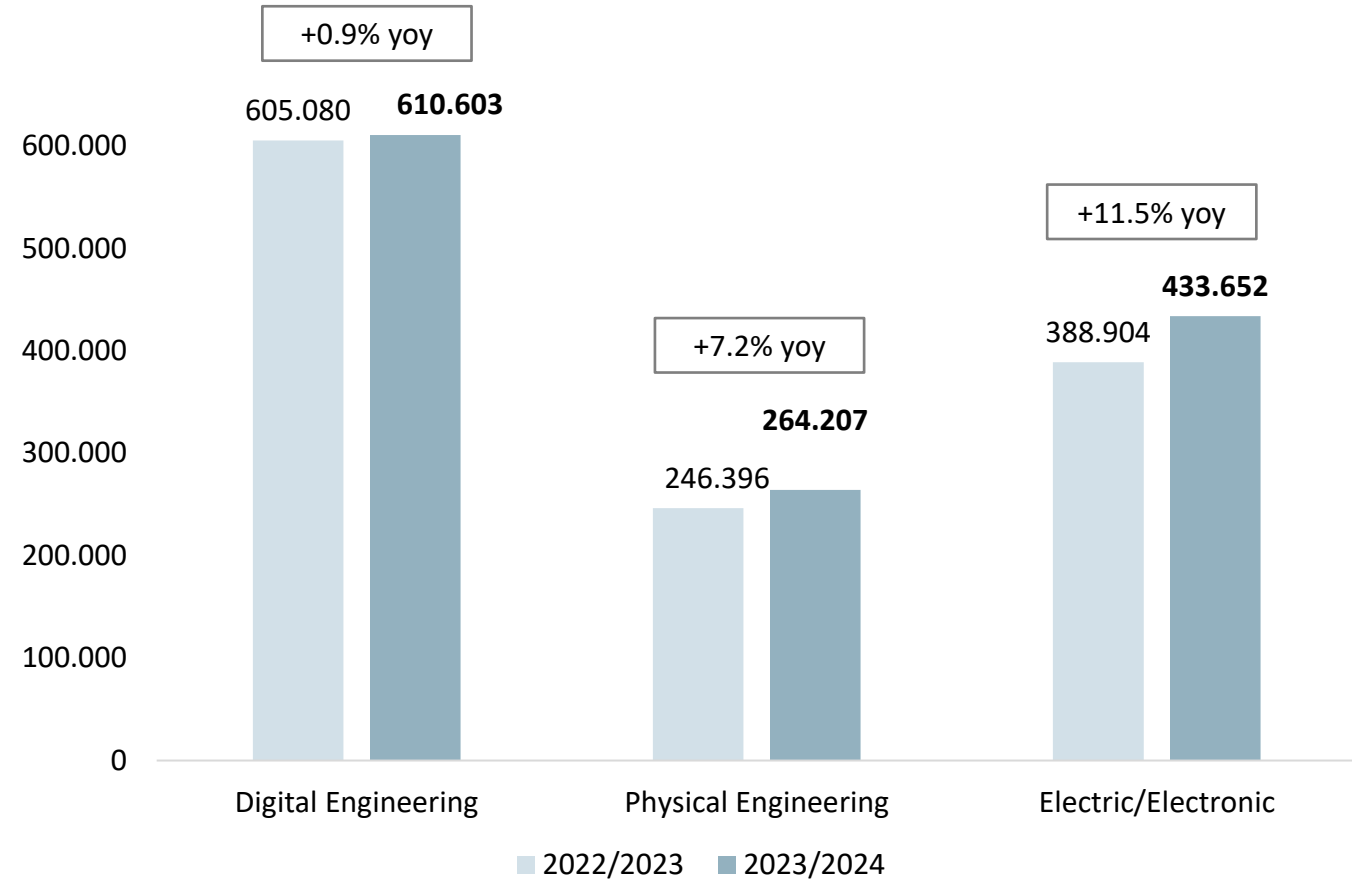
Minor topline growth driven by foreign subsidiaries and M&A effects; reduced call-offs in Germany

## Physical Engineering:

Solid demand for „Vehicle & Prototype Services“

## Electric/Electronic:

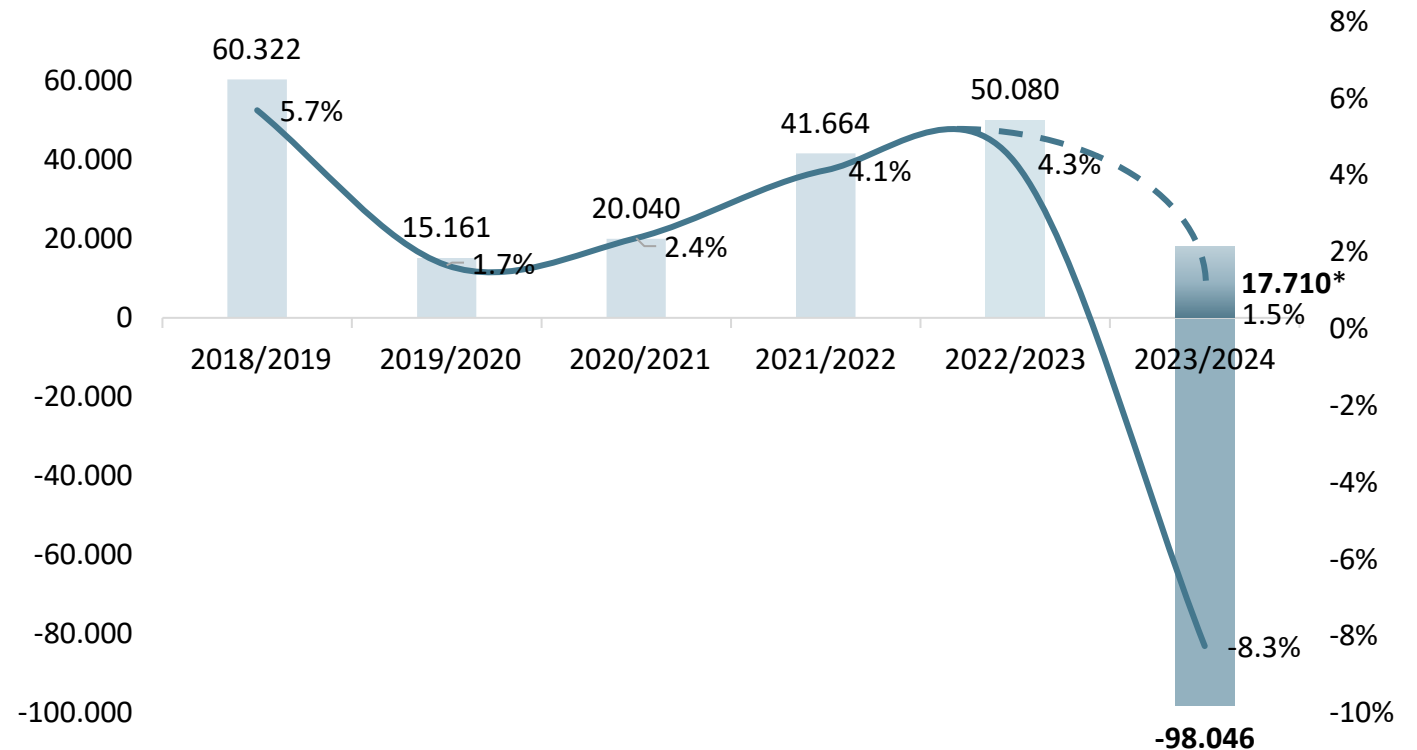
Continued growth driven by megatrends



**Total sales (EUR m)**  
Inter-segment consolidation of EUR -121.579m (2022/2023: EUR -82.969m)

# EBIT impacted by special items

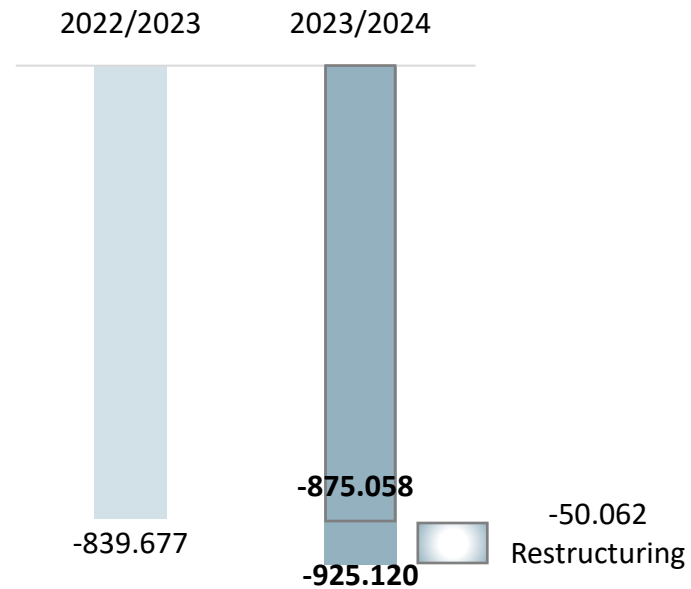
- Special items of EUR -115.7m:
  - F<sup>3</sup> restructuring charges (EUR -50.1m)
  - Impairments (EUR -51.1m: Physical Eng.)
  - Other (-14.5m)
- Reduced capacity call-offs led to lower utilization
- Segment Physical Engineering burdened by start-up losses (c. EUR -15m); measures introduced yield c. EUR 8-10m savings from FY 2024/2025
- Foreign subsidiaries realized EBIT of EUR 16.0m (2022/2023: EUR 11.2m)



EBIT and margin (in EUR m)  
 \*Non-IFRS EBIT (in EUR m and %) w/o special items

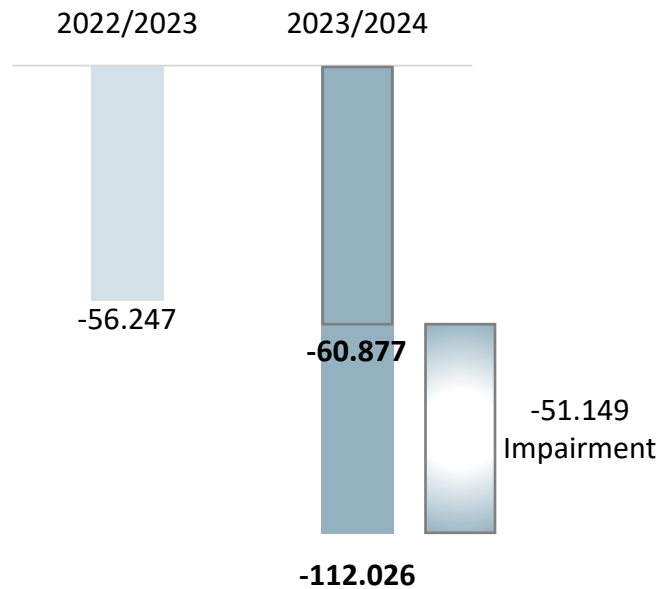
# Key expense ratios

## Personnel expenses (in EUR m)



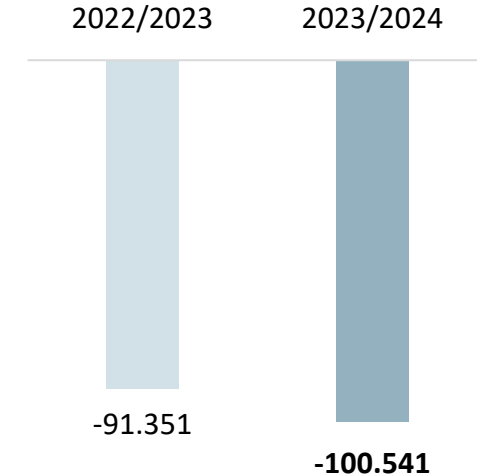
- Employee growth until Q3
- Wage/salary adjustments
- Redundancies
- Adj. personnel expenses ratio at 73.7% (2022/2023: 72.5%)

## D&A (in EUR m)



- D&A impacted by impairment
- Adj. D&A ratio at 5.1% stable yoy (2022/2023: 4.9%)

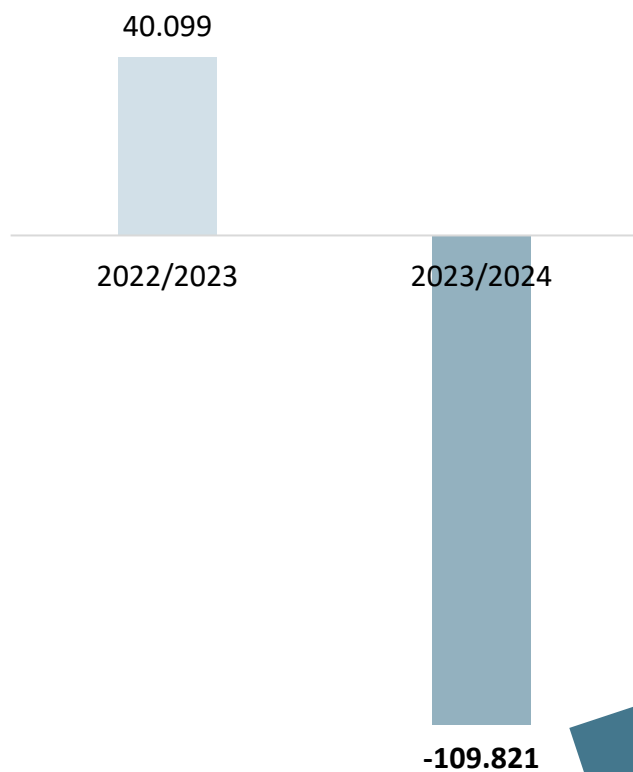
## Other operating expenses (in EUR m)



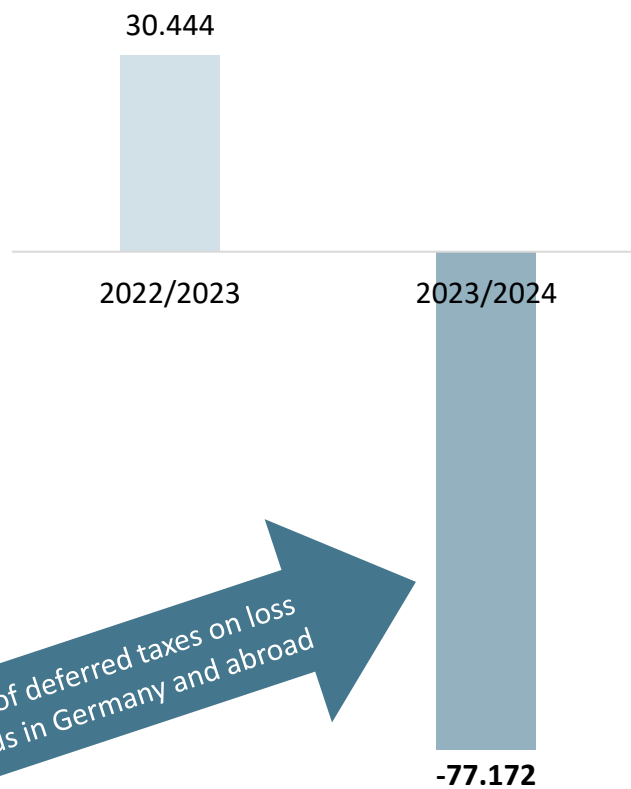
- Increased business volume
- Energy costs
- M&A related expenses
- Claim on obligation previously classified as contingent liability

# Earnings performance

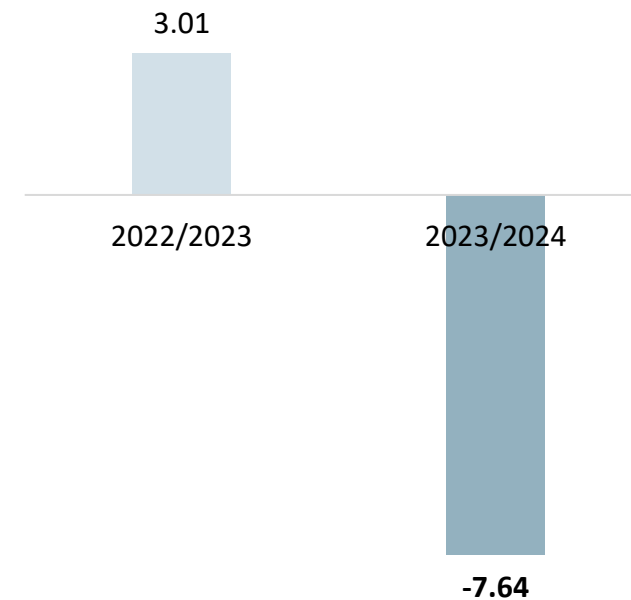
**EBT**  
(in EUR m)



**Profit after taxes**  
(in EUR m)



**EPS**  
(in EUR)



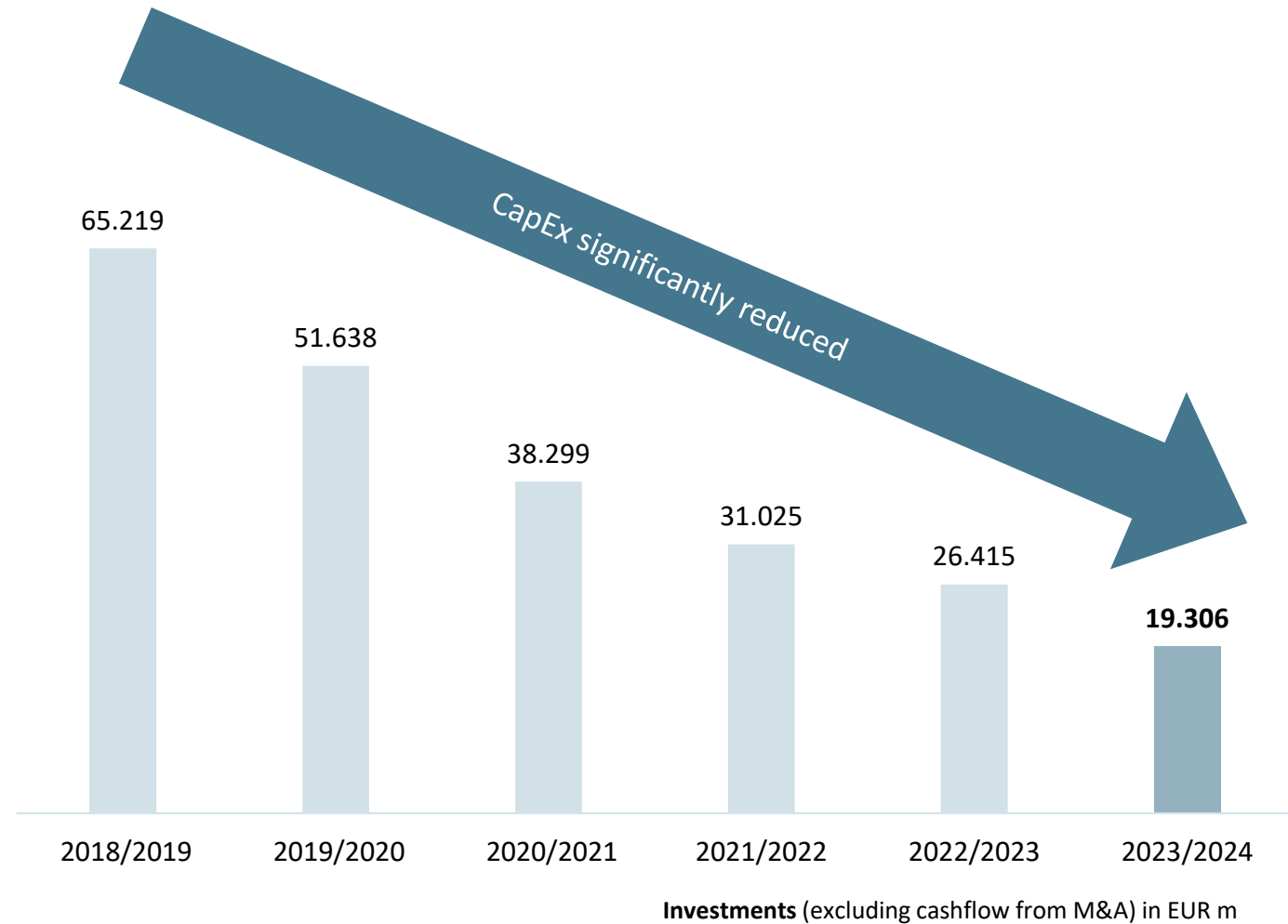


# Summary: Group P&L KPIs

Item (EUR m)	2023/2024	(% sales)	2022/2023	(% sales)	Comment
Total sales	<b>1,187</b>	-	1,157	-	+2.5% yoy; very dynamic international growth, slow-down in Germany
Material expenses	<b>-154.201</b>	13.0%	-132.194	11.4%	Project-related increase (esp. France)
Personnel expenses	<b>-925.120</b>	77.9%	-839.677	72.5%	Incl. restructuring charges, headcount/wage increase, under-utilization (short-time work not fully compensates expenses)
D&A	<b>-112.026</b>	9.4%	-56.247	4.9%	Incl. impairments
Other operating expenses	<b>-100.541</b>	8.5%	-91.351	7.9%	Sales initiatives, M&A-related charges, energy, one-off items
Other operating income	<b>6.957</b>	0.6%	12.138	1.0%	Prior year includes income from compensation claim which did not occur in the reporting period

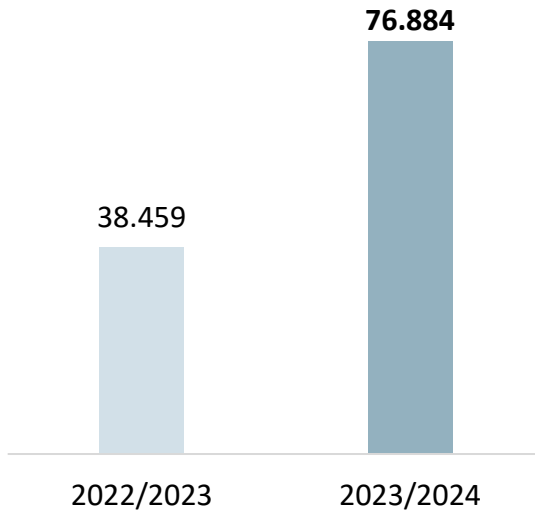
# Transformation into asset-light business model

- Investment focus: IT, maintenance
- CapEx further reduced to lower end of forecast and significantly below regular D&A
- Additional cash outflow for M&A activities
- Gross financial debt slightly reduced, stable net financial debt



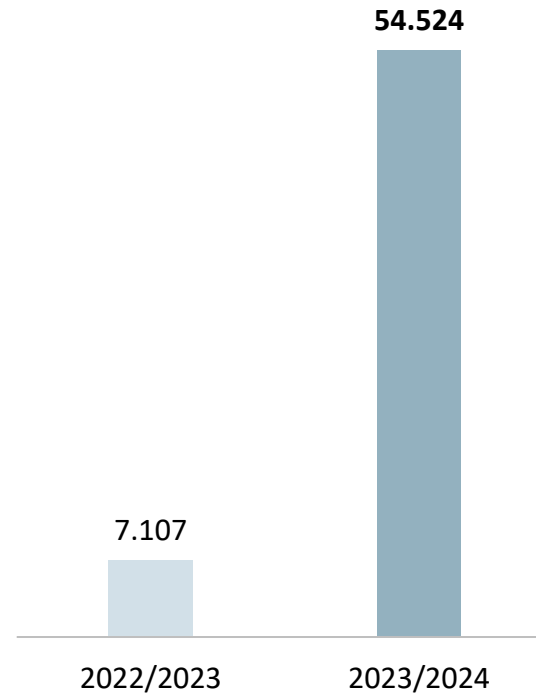
# Strong cashflow generation

**Cashflow from operating activities**  
(in EUR m)



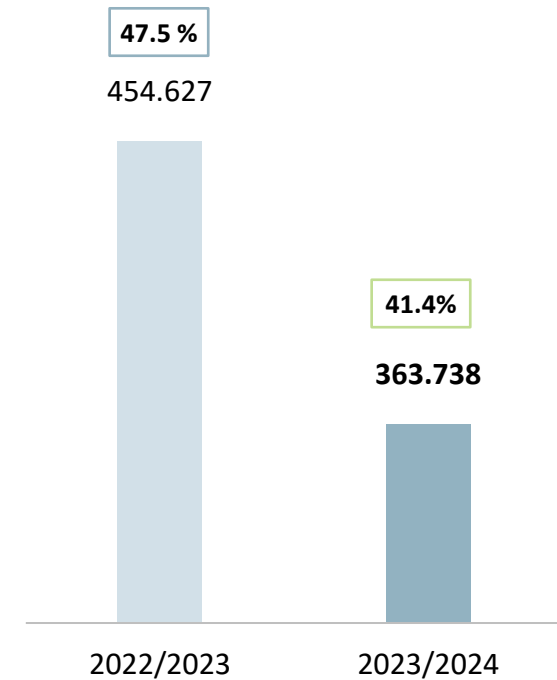
- WC management
- Non-cash D&A, provisions

**Free cashflow**  
(in EUR m)



- Tight CapEx spending
- Lower M&A-related cash out

**Equity, equity ratio**  
(in EUR m, %)

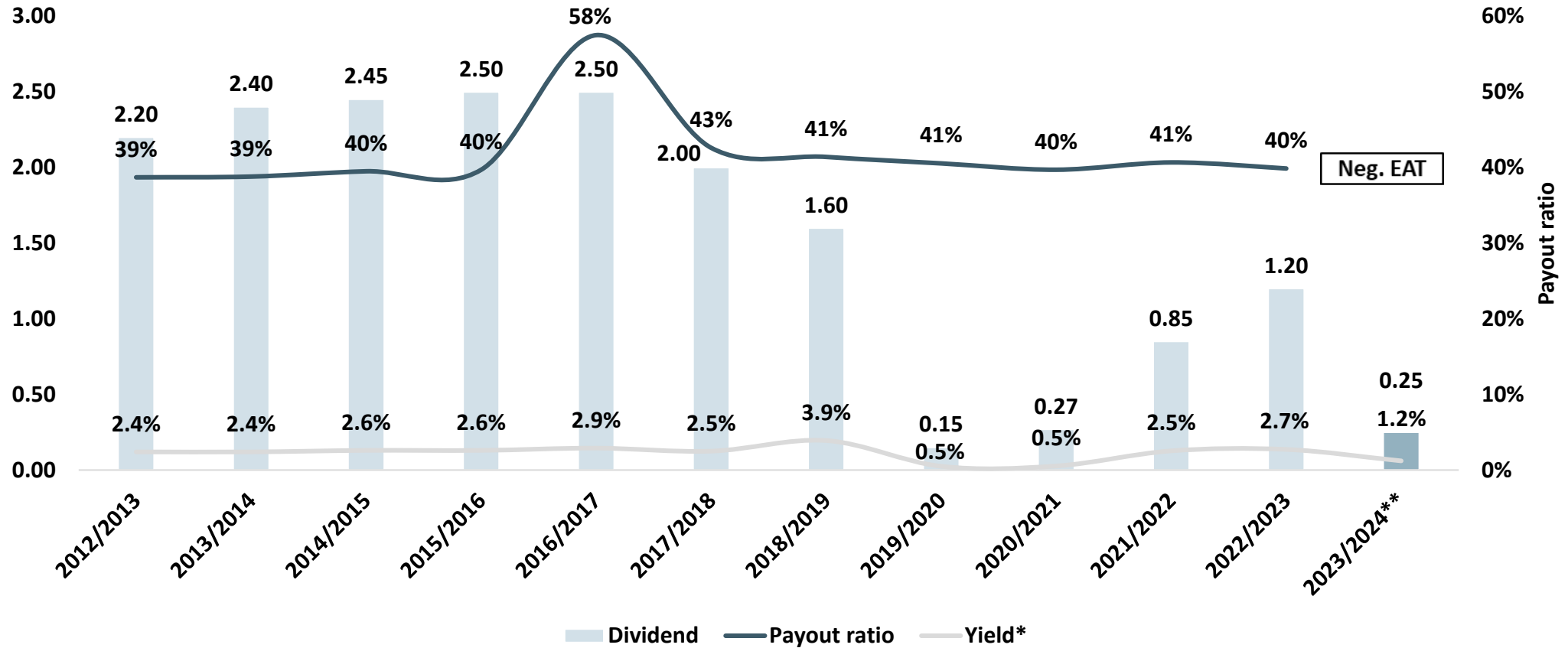


- Negative EAT and dividend payout, but still decent equity ratio

# Balance sheet KPIs

Item (EUR m)	2023/2024 (end of period)	2022/2023 (end of period)	Comment
Balance sheet total	<b>879.538</b>	956.120	Impairment, D&A vs CapEx, WC improvement
Working Capital (WC)	<b>310.250</b>	349.167	Release of working capital (contract assets, trade receivables)
Cash and cash equivalents	<b>114.253</b>	121.360	Dividend (EUR -12.1m) and M&A
Equity	<b>363.738</b>	454.627	Asset impairment
Equity ratio	<b>41.4 %</b>	47.5%	
Gearing (%) - NFD*/equity * incl. other fin. liab. (incl. leasing)	<b>55 %</b>	46%	Lower debt and leasing liabilities, but also reduction of equity

# Dividend policy: reliable payout for shareholders\*\*\*



\* Yield based on the closing price in the respective financial year (Xetra)

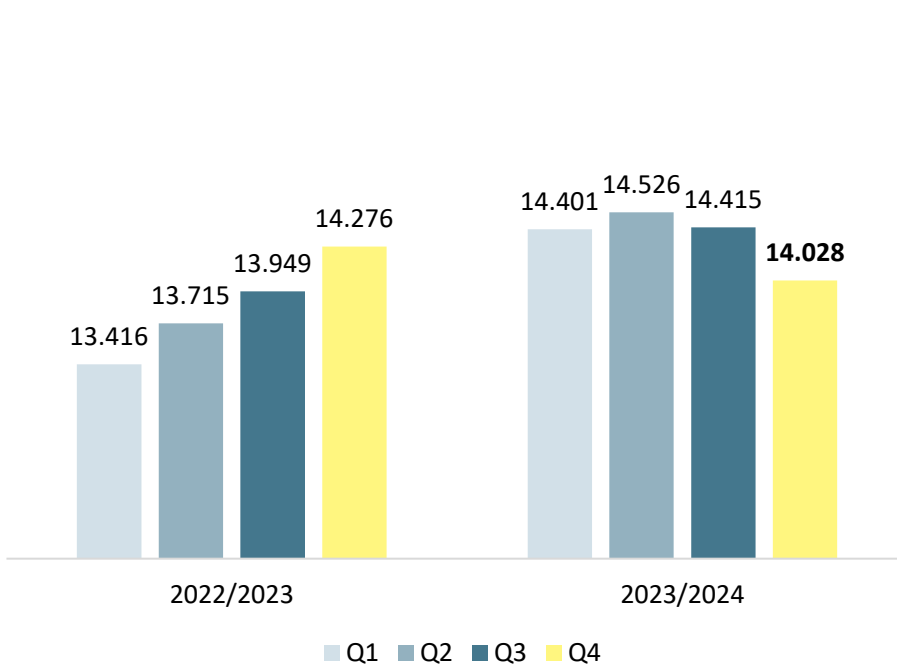
\*\* Proposal of the Management Board and Supervisory Board to the Annual General Meeting

\*\*\* Around 40% of consolidated earnings after taxes (EAT)

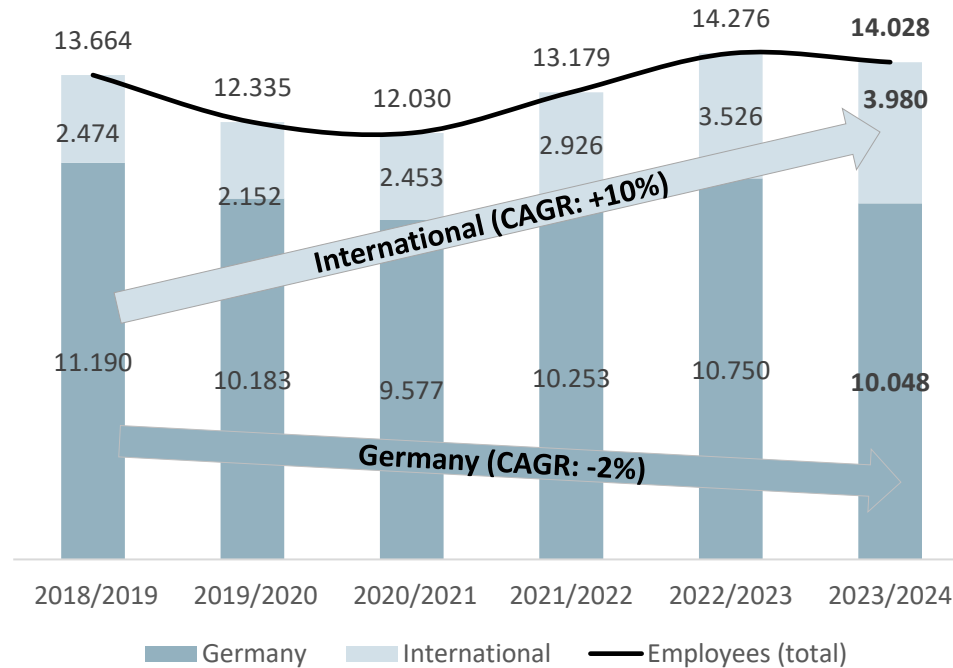
Dividend, distribution, yield (in EUR, %)

# Employees 2023/2024

## Quarterly development



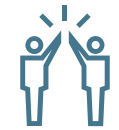
## Historic employee development



- Capacities aligned to customer demand
- More international R&D projects result in growing headcount internationally
- EUR 7.7m (2022:23: EUR 8.4m) spent on employee education and training



**111**  
Nationalities



**37.3**  
Years average age



**28.4%**  
Share of  
international  
employees



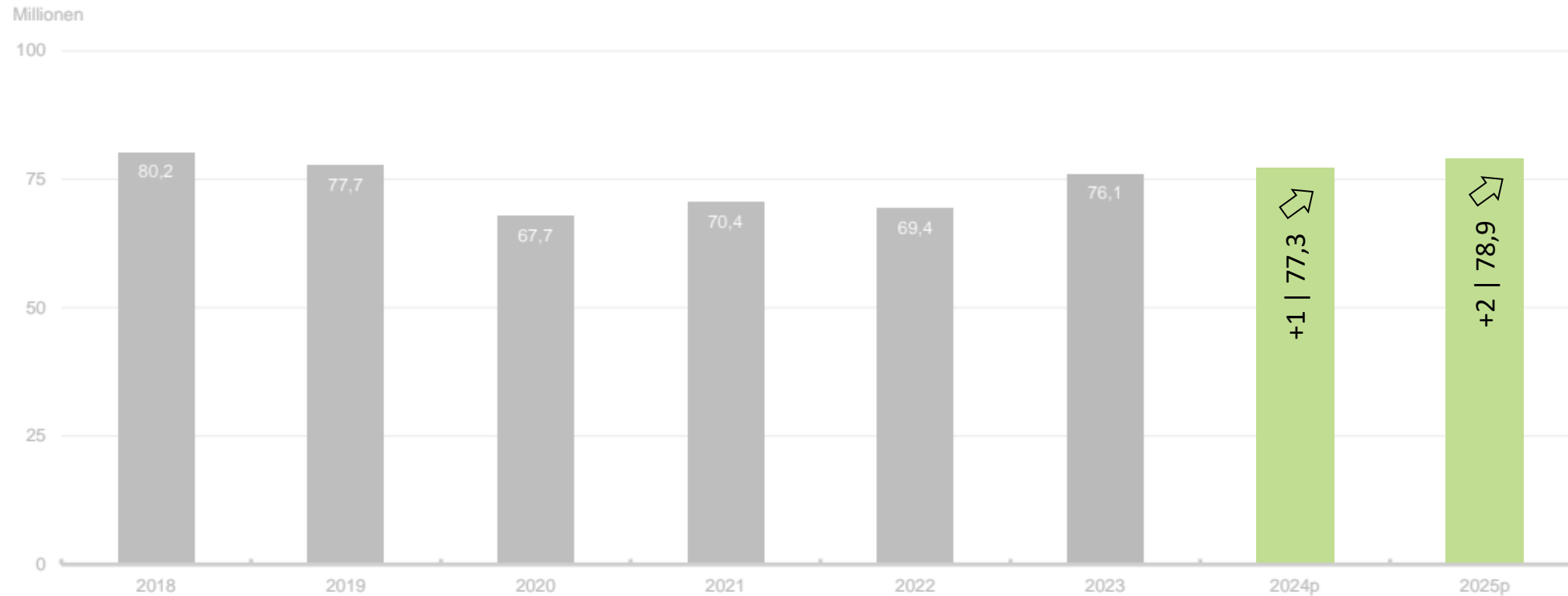
# 03

## Market outlook

Michael Lücke

# Global car market expected to grow in 2025

**Global market reaches pre-corona level in 2025.**

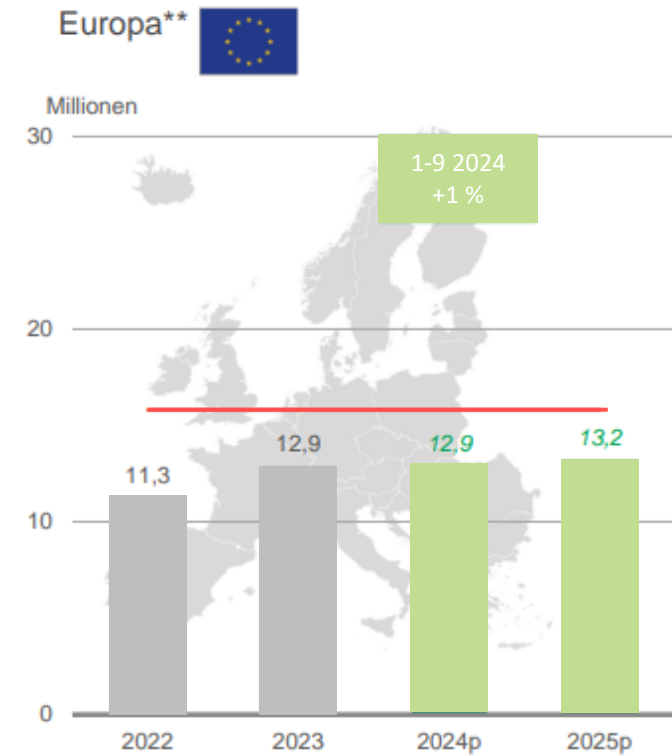
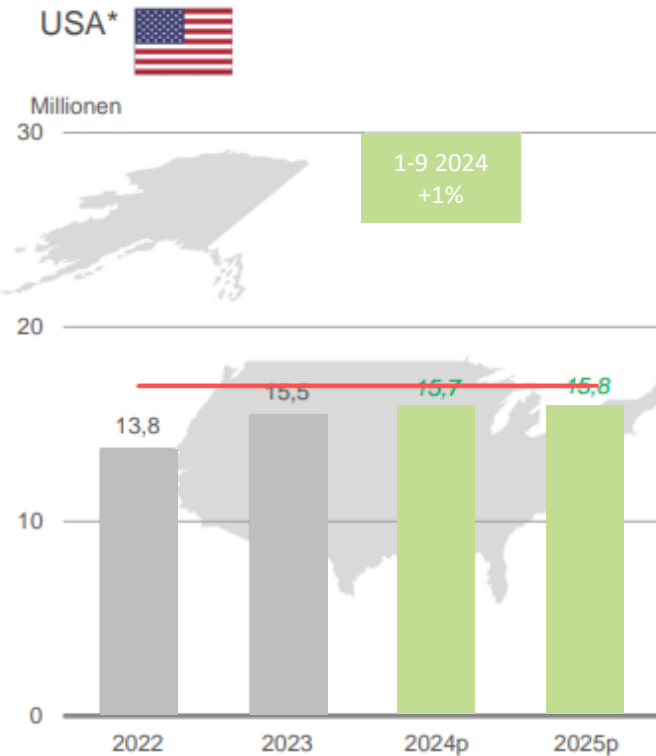
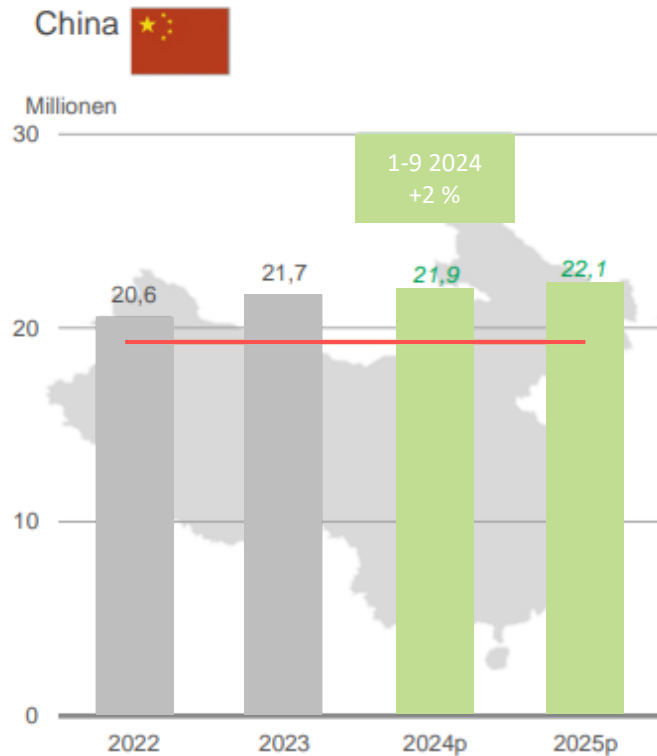


Source: VDA



# Market growth across all main markets

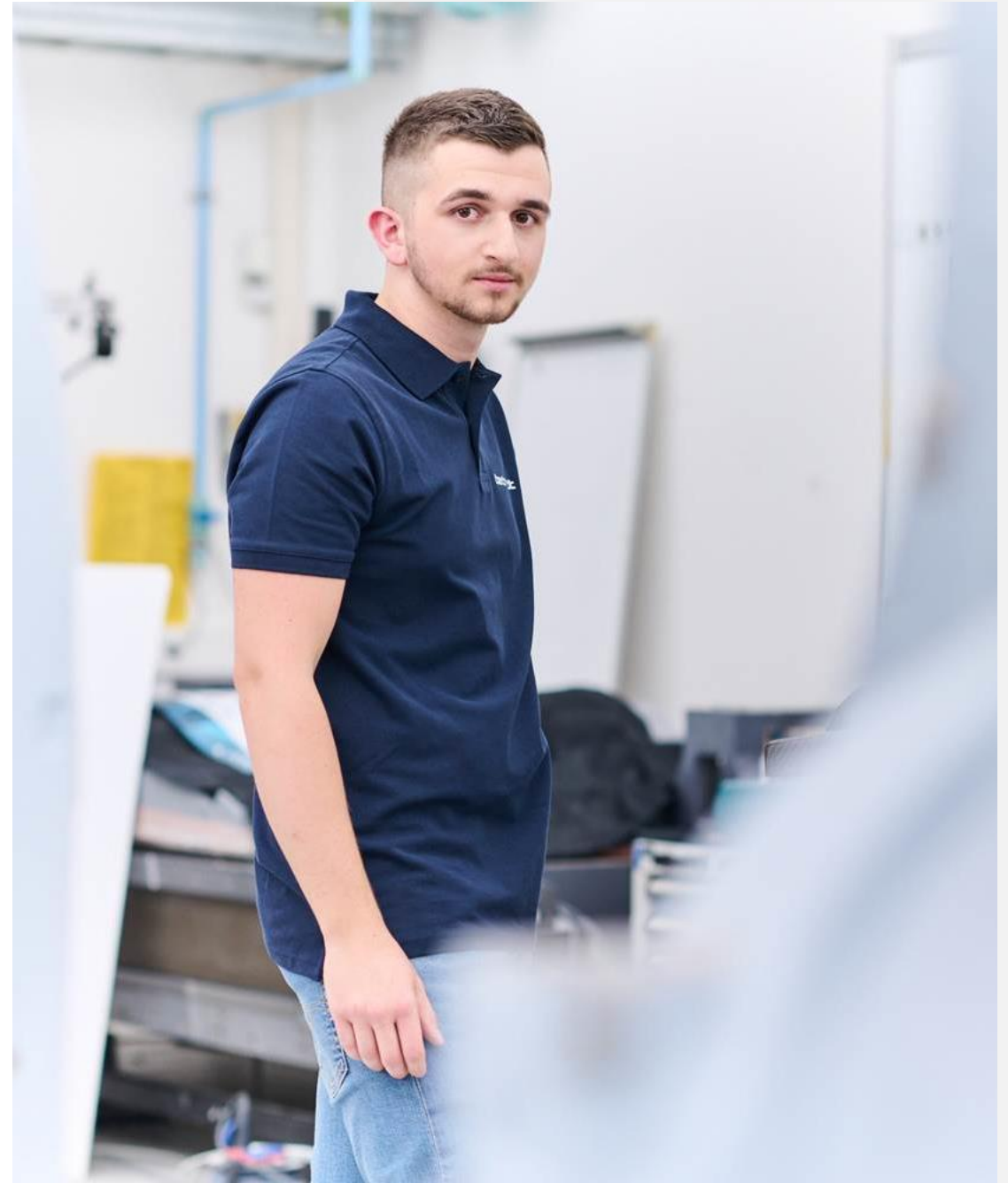
Major car markets expect higher unit sales.



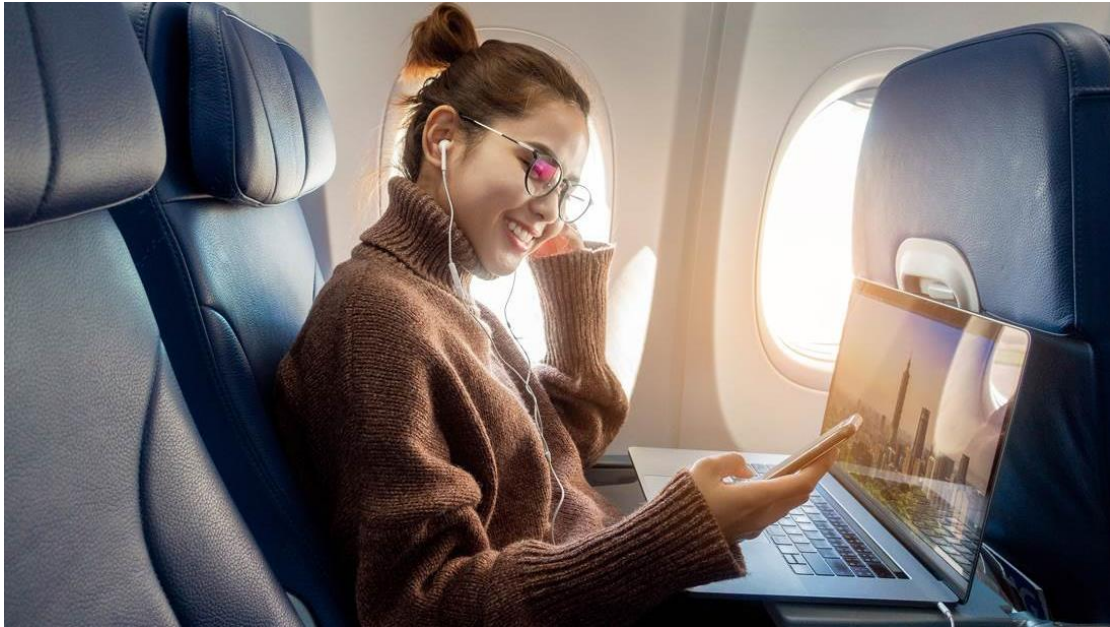
Source: VDA

# Outlook: Automotive

- Car sales are slightly up worldwide in 2025
- Automotive continues to offer potential driven by technological and competitive pressure as well as regulation
- With R&D, German OEMs ensure their competitive edge
- R&D budgets at a high level, without significant reduction
- Regional distribution of budgets is changing
- Project outsourcing in Germany goes hand in hand with higher global delivery requirements
- Consolidation of the market offers opportunities for Bertrandt



# Outlook Aerospace: civil aviation & defence



- Ongoing focus on securing production and supply chain
- R&D budget: reducing emissions, digitalization, safety

Source: BDLI



- Increasing demand in the defence sector due to geopolitical conditions
- Specific demand: software development, functional safety, cybersecurity, mechanical development and testing

# Outlook: Industries

- Electrical industry in stagnation phase (growth of 2% forecast for 2025)
- Mechanical and plant engineering: R&D activities in Germany and abroad expected to recover
- The most important trend in the R&D area of medical technology is digitalization



# Outlook: Trucks & Buses And Rail



## Trucks & Buses

- R&D budgets remain on high volume to shape future transportation
- Gaining contribution to OEMs strategies based on megatrends - performance spread across all divisions
- Up to 5% of group sales by 2027
















## Rail

- Positioning as a development partner for manufacturers and system suppliers in the rail industry
- Dedicated sales structure
- International market access also via partnerships

# Strategy 2027

Consistent implementation of our Strategy 2027 with time-adjusted prioritization.

- Expansion of market position as leading international engineering service provider
- Strengthening profitability by optimizing the EBIT margin and positive cash flow

Our industries	Automotive 		Extended Mobility  		Other Industries  			
Leading markets	 Europe		 USA		 China			
Mega-trends	 				 			
Our initiatives	Portfolio Management		Global Delivery		Project Organization		Supplier Management	
Our initiatives	Culture, Brand & Communication		Digitalization		ESG / Sustainability		Sales 2.0	

# Strategy 2027: deep-dive targets

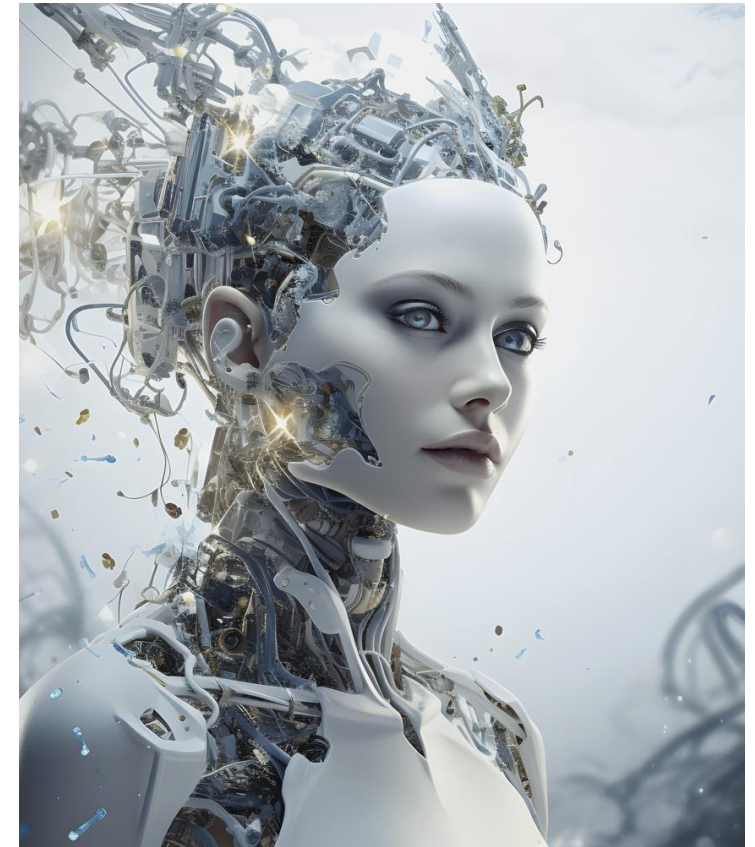
## Business diversification



## Internationalization & global delivery



## Digitalization & AI



# Business Diversification

- Bertrandt is expanding its range of services outside of the automotive industry
- Recent acquisitions improved footprint in non-automotive
  - Industries: Concept and evopro
  - Aerospace: Philotech and Centum
- Continuous expansion in Trucks & Buses
- Rail as a future market
- Target: around 20% of group sales from non-automotive business





# Internationalization & Global Delivery

- Expansion of the globalization strategy
- Scaling the platform in Europe, USA, China with existing and new customers
- Expansion of the footprint in Europe (especially Spain, but also on the local market in Romania and Turkey)
- Organic and inorganic growth
- Ensuring competitiveness through global development costs
- Global Delivery Center becoming global competence centers
- Further locations possible depending on customer requirements



# Digitalization & AI

- **Use for:** Increase in productivity, process efficiency, innovation
- **Internally:** One data pool is used to optimize and accelerate decision-making processes
- **Externally:**
  - Automation
  - AI for use in software development
  - Use of data obtained from hardware testing to generate new insights in the development process
  - Optimization in the sales process



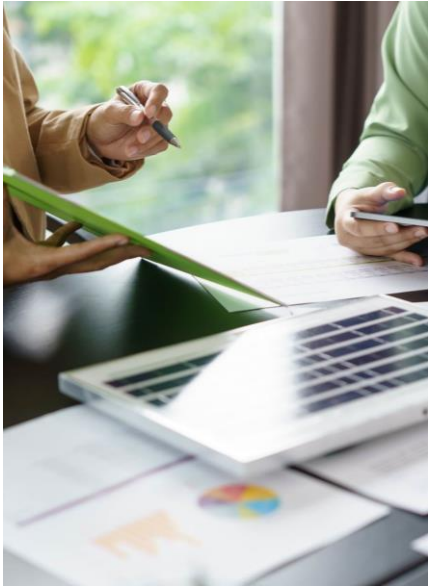


# 04

## Group Forecast

Markus Ruf

# Forecast for fiscal year 2024/2025



Economic and political environment burdening in Germany



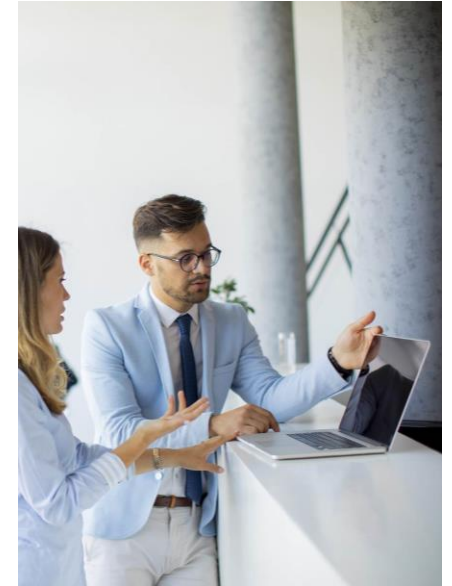
Ongoing and accelerated transfer of R&D into international locations



Normalization in capacity call-offs expected from H2 2024/2025

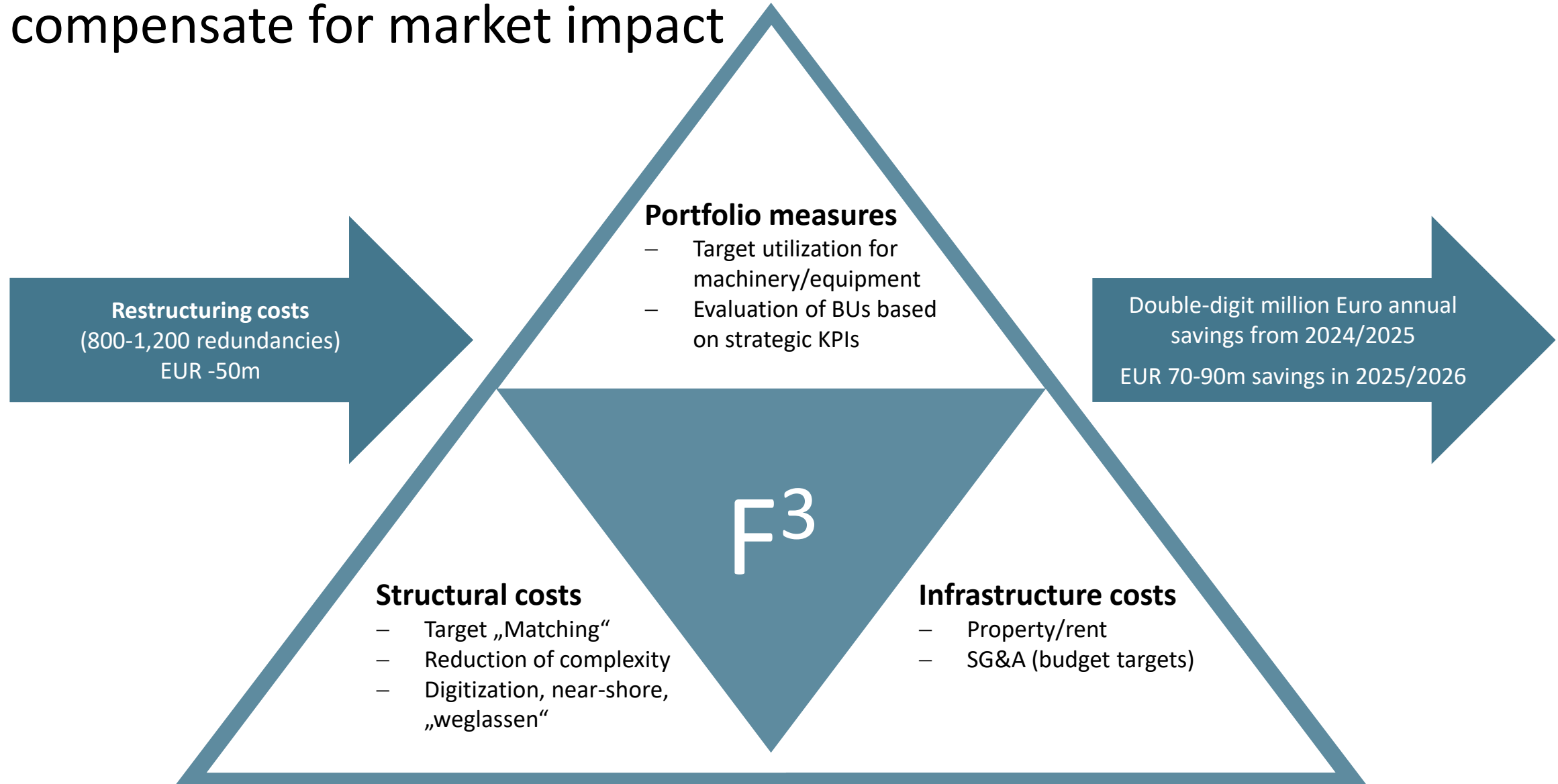


External factors (e.g. geopolitical tensions, trade disputes) are outside the management's sphere of influence



Regulatory requirements, competitive and innovation pressure drive investments in R&D

# Fit For Future: earnings optimization program implemented to compensate for market impact



# Forecast FY 2024/2025 and ambition for FY 2025/2026



## Total Revenues

Moderately down yoy  
(FY 2023/2024:  
EUR 1.187bn)



## EBIT FY 24/25

Significantly up yoy to  
positive value  
(FY 2023/2024: EUR -98m)



## Operating Cashflow

Significantly down yoy,  
but **positive**  
(FY 2023/2024: EUR 77m)



## EBIT FY 25/26

Margin: 6-9% based on  
EUR 70-90m savings  
from F<sup>3</sup> program


Moderate: +/- 0-10%

Significant: > +/- 10%

# Summary and outlook

- Changing market dynamics resulted in weaker call-offs and underutilization in Germany
- Strong growth internationally
- EBIT impacted by underutilization and special items
- F<sup>3</sup> earnings improvement program implemented yielding high 2-digit million Euro benefits
- Strong cash generation and solid balance sheet
- Further expansion of international set-up
- Business expected to normalize from H2 2024/2025





# 05

## Q&A

Markus Ruf, Michael Lücke, Björn Voss





Thank you very much  
for your participation!

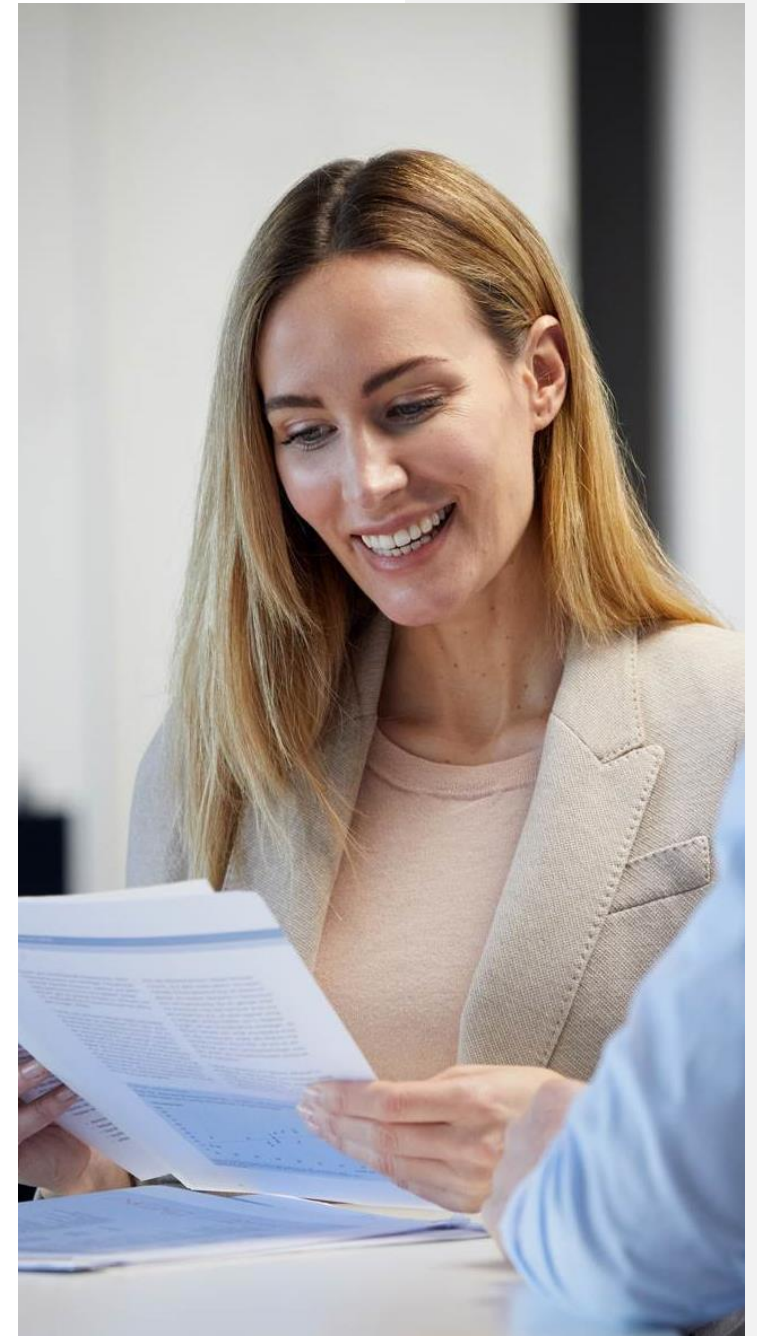
Do you have any questions? Please contact: [bjoern.voss@bertrandt.com](mailto:bjoern.voss@bertrandt.com)

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The masculine form of speech is used for better readability. It is used to address all genders equally.



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