



bertrandt

**12th Capital Market Day
Bertrandt AG**

Ehningen, May 2017, Dietmar Bichler

Agenda

1. Current situation
2. Key figures for the first half of fiscal year 2016/2017
3. Market conditions and outlook

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- 1. Current situation**

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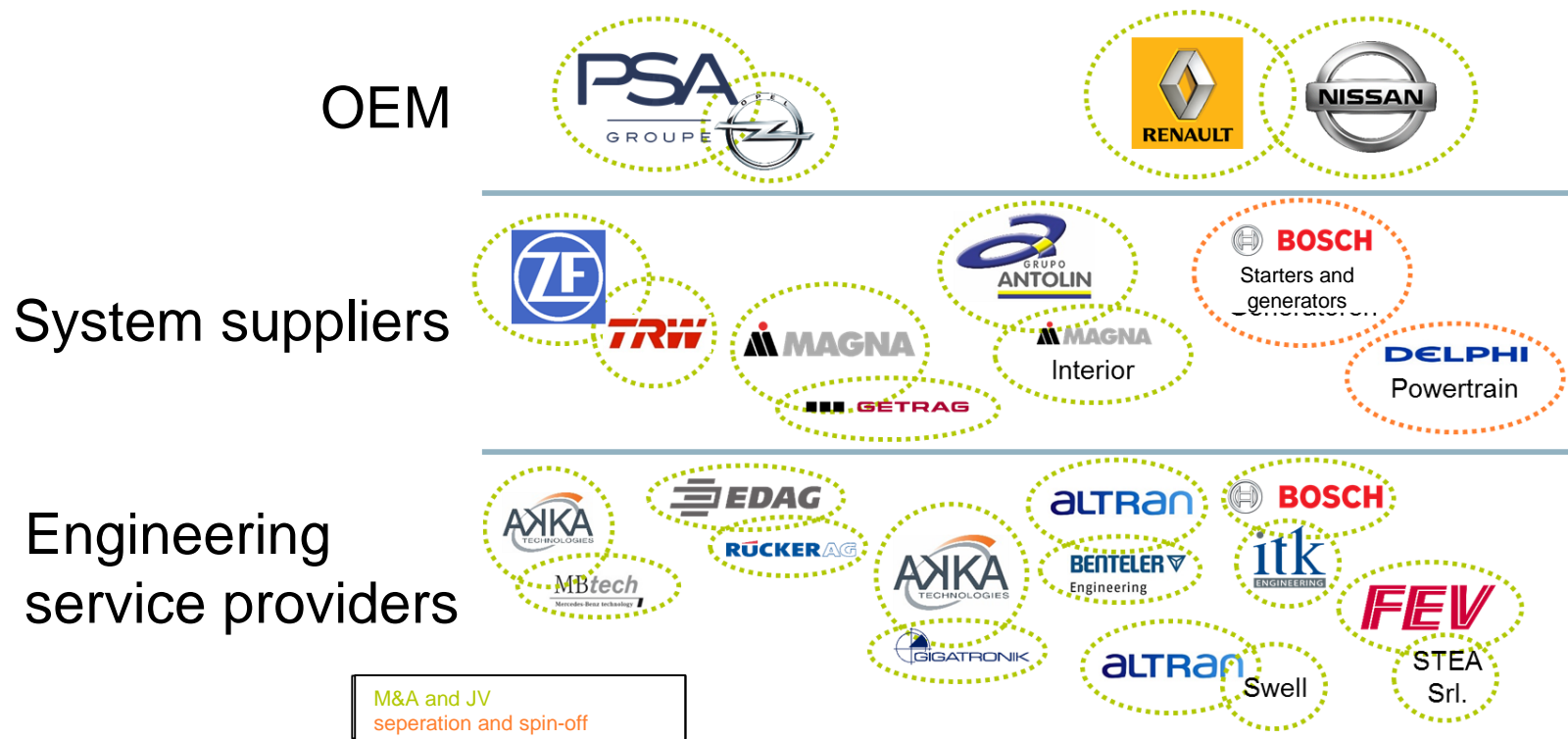
Current situation (1/3)

- „Dieselgate“ still has a major impact on the automotive sector
- There are new challenges regarding both the general technological orientation and individual research and development departments



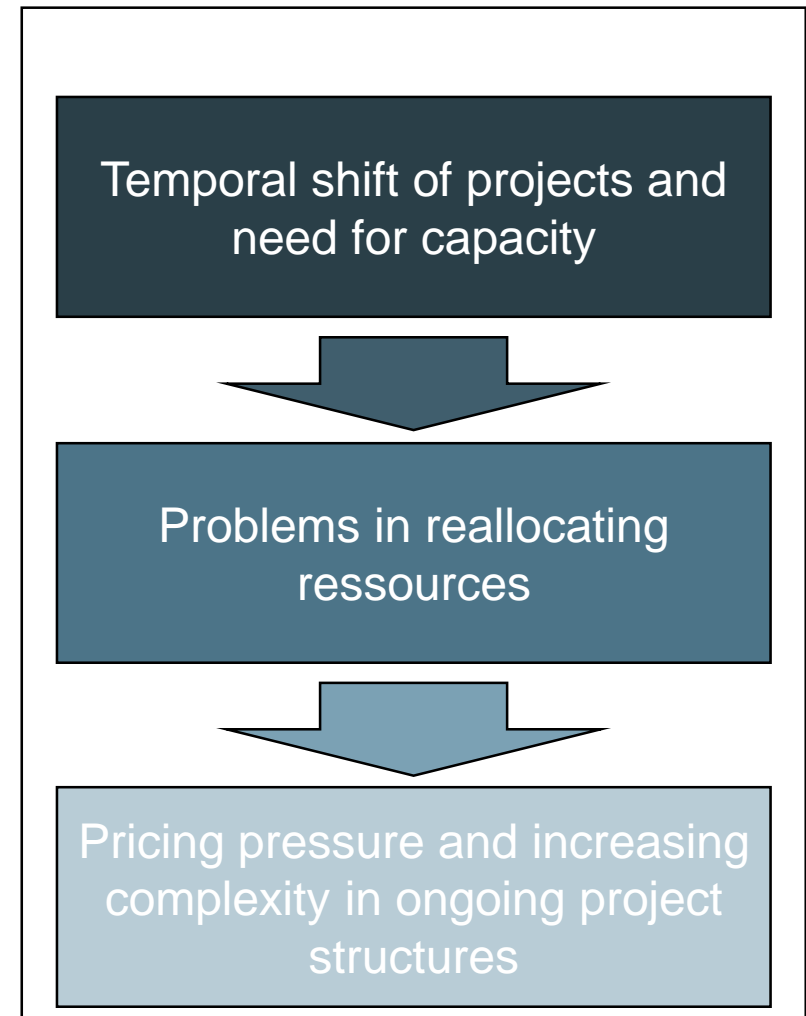
Current situation (2/3)

- Further consolidation in every part of the value chain is leading to new different structures, on which everybody has to be prepared for



Current situation (3/3)

- High vitality in development of new technologies at customers R&D departments
 - Development of new technologies is parallelly ongoing
 - Readjustments of R&D-budgets in every sector
 - R&D-projects are under examination regarding their sustainability
 - Restructuring of R&D-departments with focus on e.g. e-mobility



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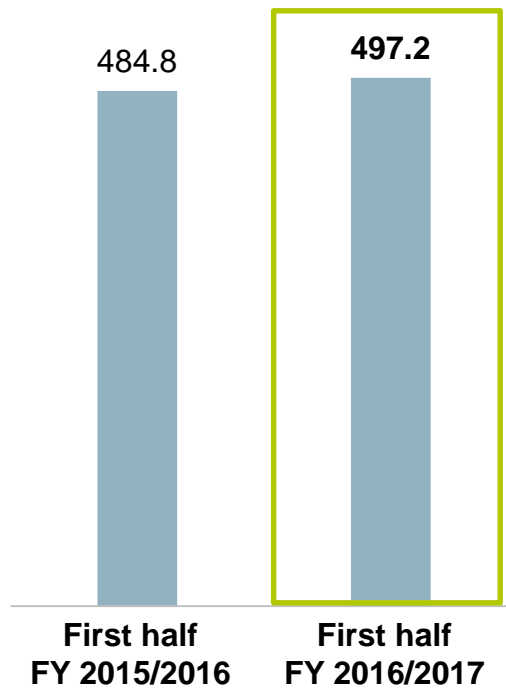
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2. Key figures for the first half of fiscal year 2016/2017

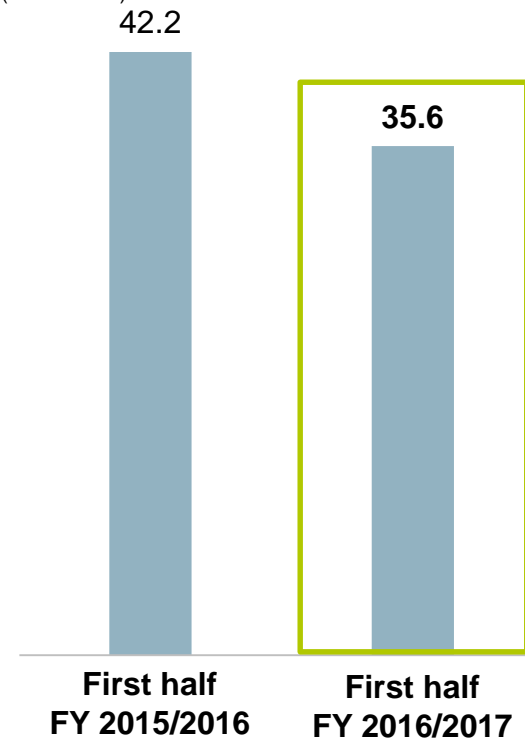
3. Market conditions and outlook

Key figures for the first half of fiscal year 2016/2017 (1/4)

Revenues*
(EUR million)



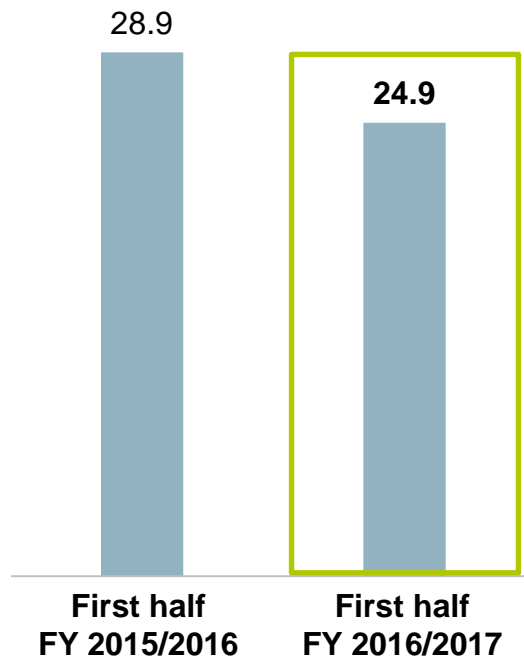
EBIT*
(EUR million)



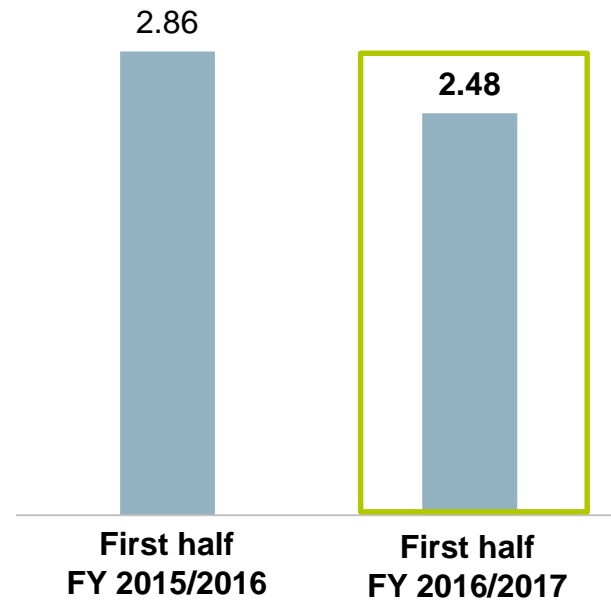
*Financial indicators refer to the Group

Key figures for the first half of fiscal year 2016/2017 (2/4)

Earnings after income tax*
(EUR million)



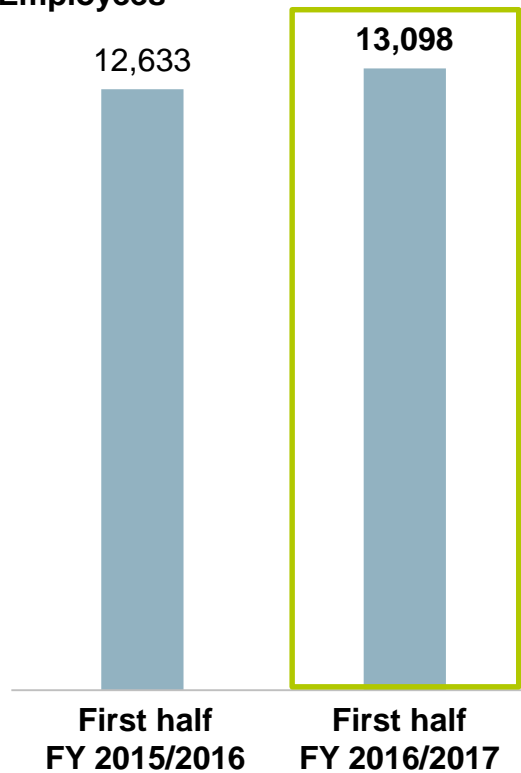
EPS*
(EUR)



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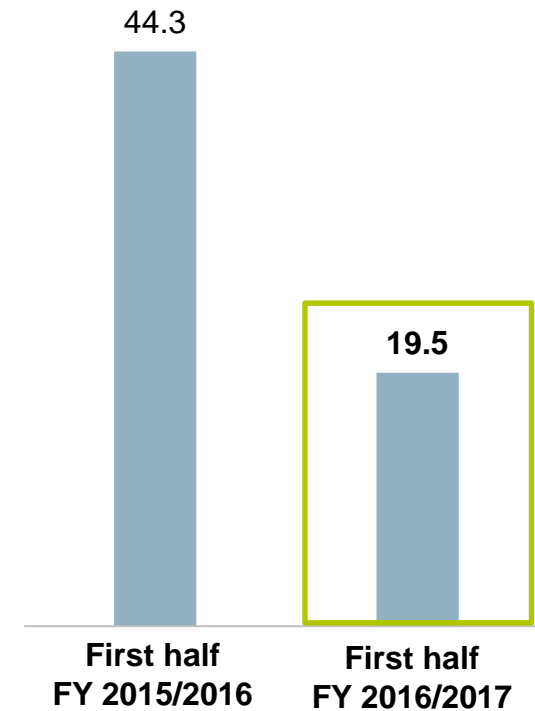
Key figures for the first half of fiscal year 2016/2017 (3/4)

Employees*



CAPEX*

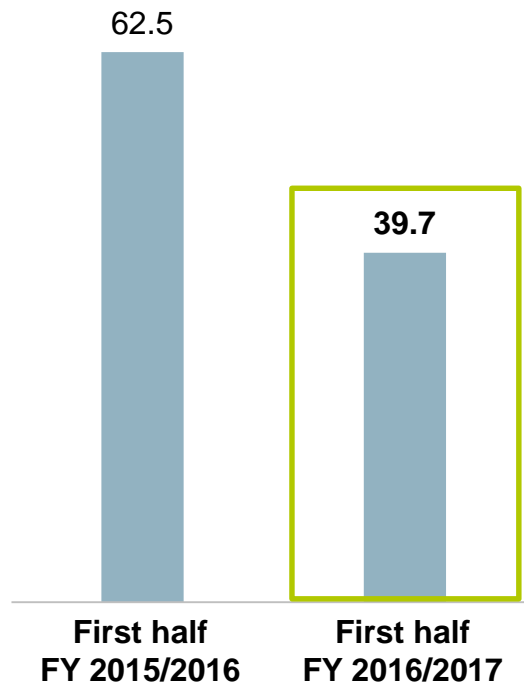
(EUR million)



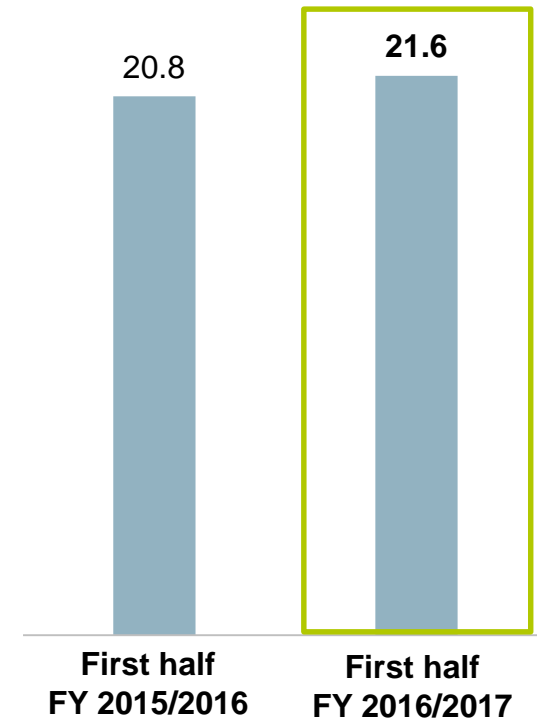
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Key figures for the first half of fiscal year 2016/2017 (4/4)

Operating Cashflow* (EUR million)



Free Cashflow* (EUR million)



*Financial indicators refer to the Group

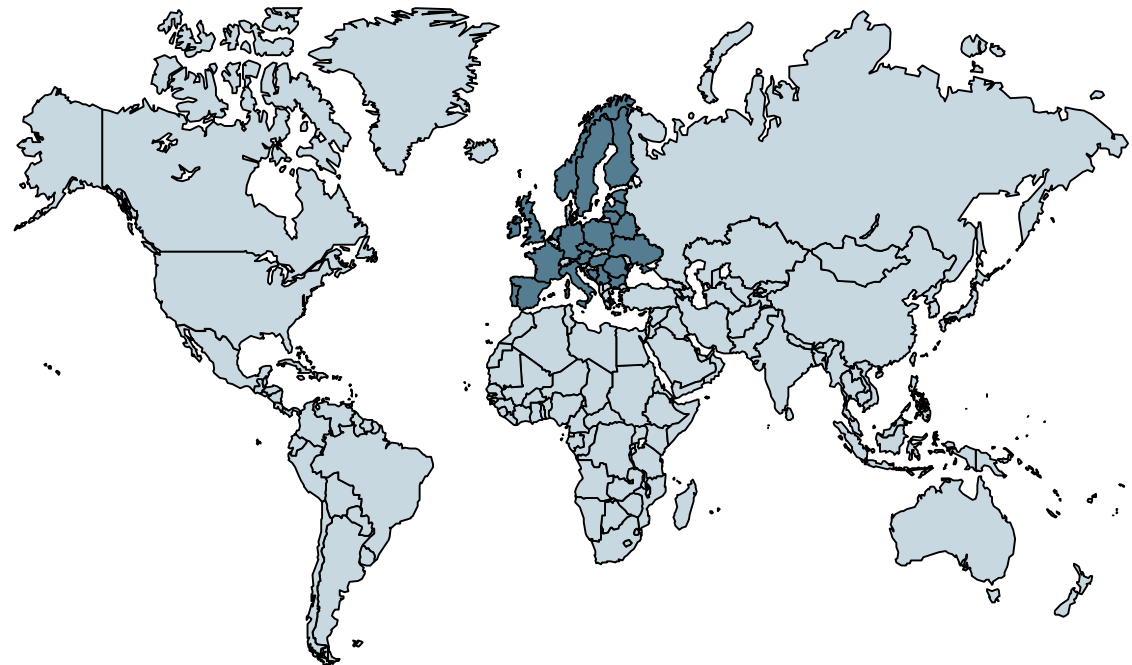
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Economic progress (1/2)

- Global economy is slightly increasing
 - Forecast 2017: + 3 %
- Cumulative recovery for the euro zone
 - Forecast 2017: + 1,8 %

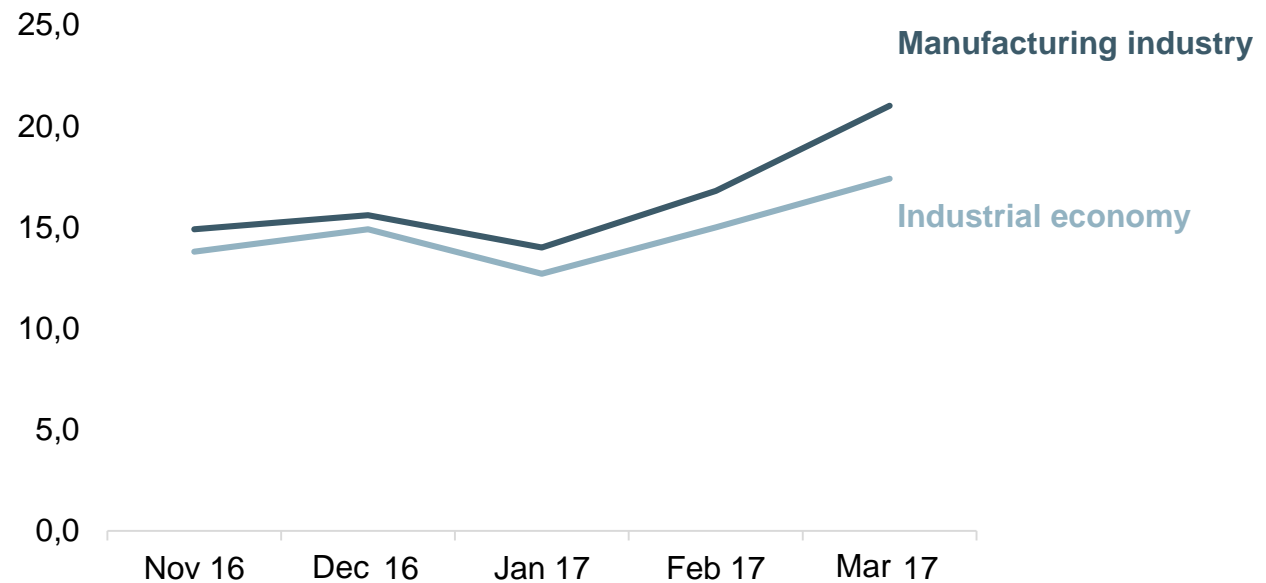


Economic progress (2/2)

- German economy with moderate growth
 - Forecast 2017: + 1,5 %



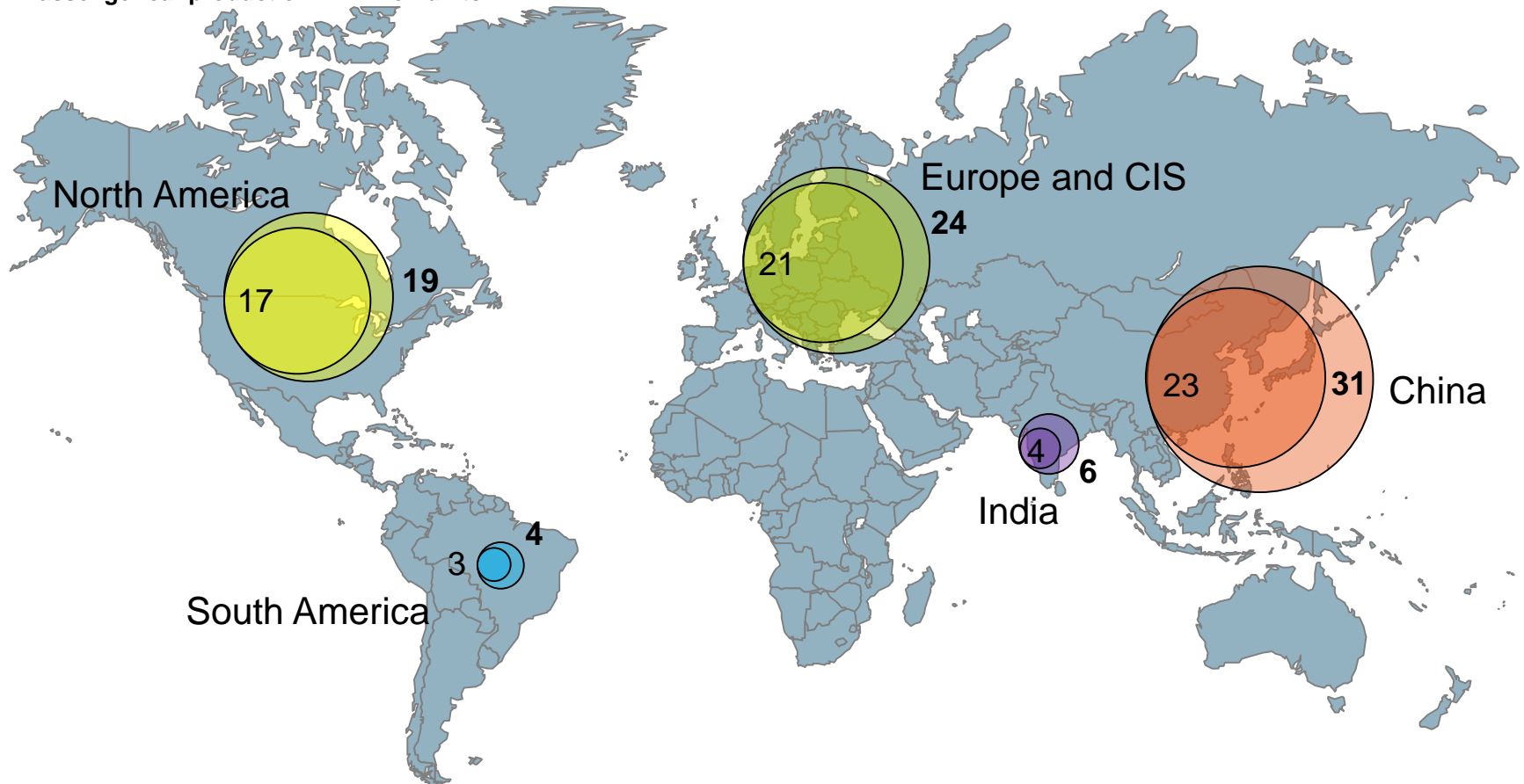
Ifo Business Clima Index
(Balances, seasonally adjusted)



Sales market expected to develop positively

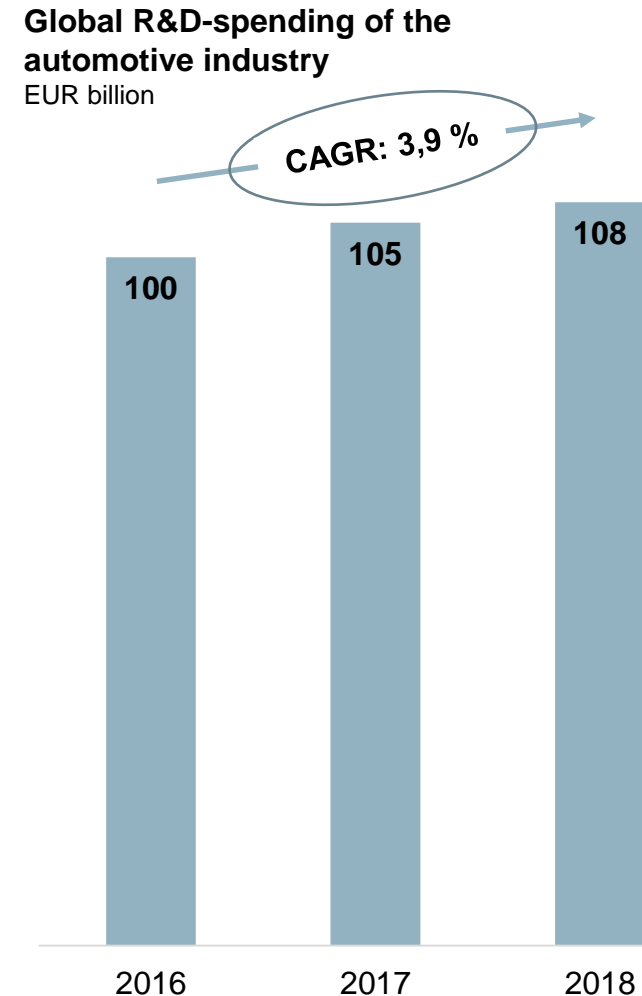
Regional market volumes | Today vs. 2020

Passenger car production in million units

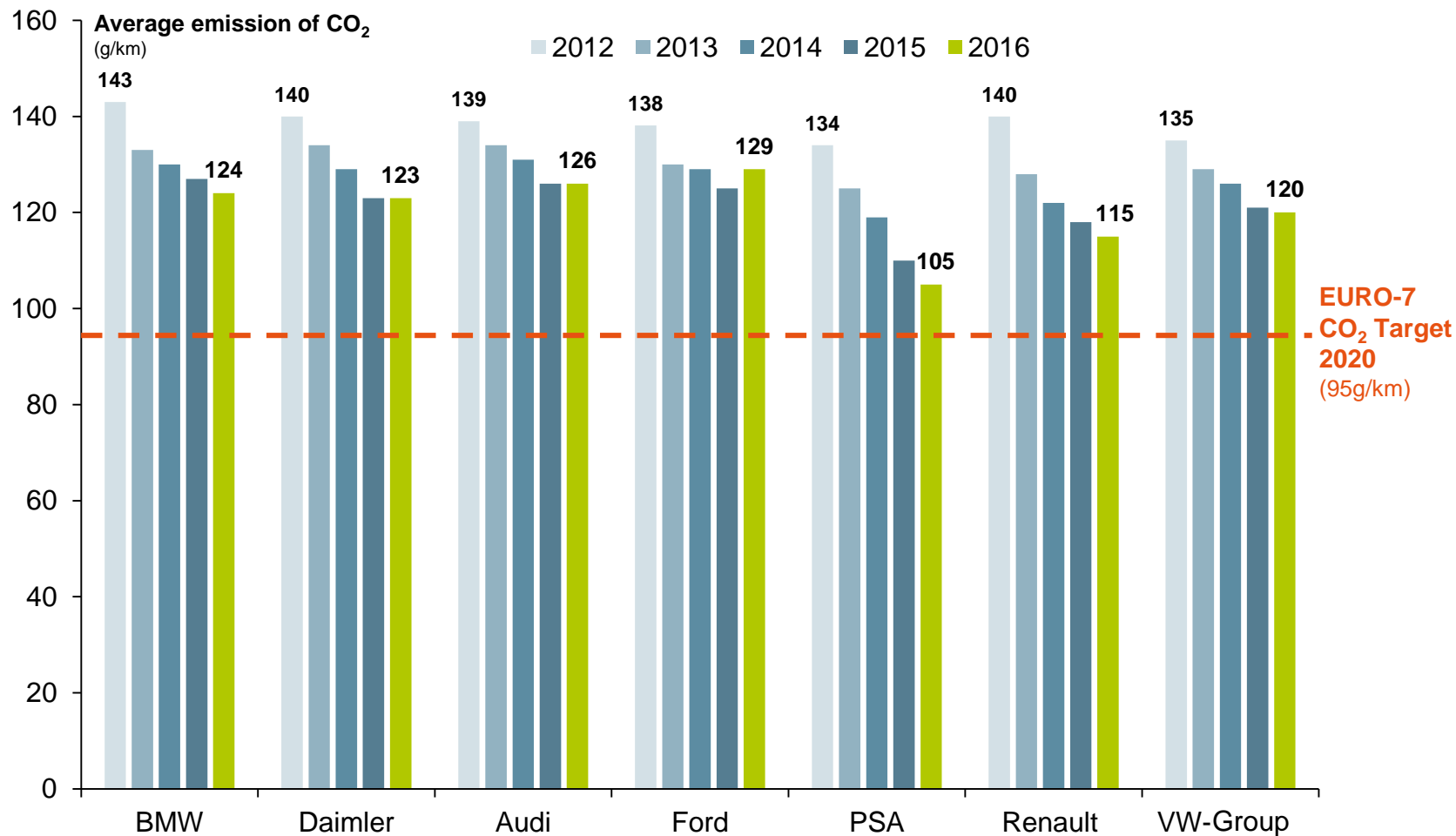


R&D-budgets on steady level - focus on new technologies

- R&D-budgets of OEMs and system suppliers reallocated and focused on future technologies
 - E-mobility
 - Digitalization
 - Autonomous driving
- Ongoing Outsourcing of R&D-activities is expected and provides business potentials for engineering service providers
 - Market research institution Lünendonk predicts a marketgrowth from 4,6 to 4,8 %



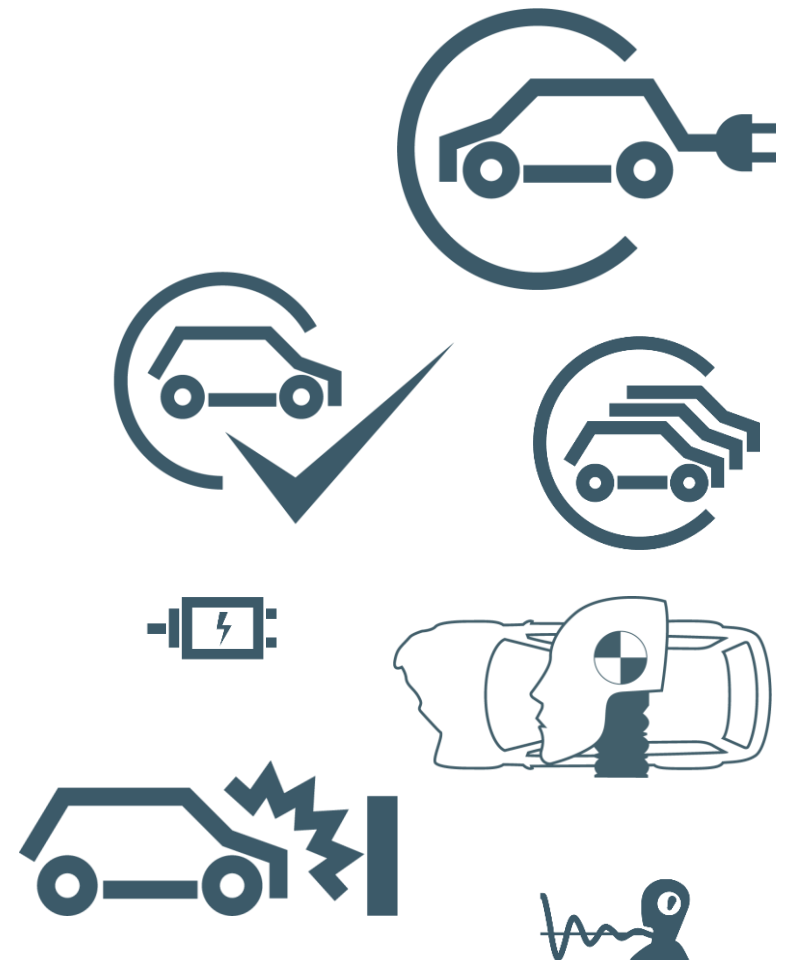
Environmentally friendly mobility driven by regulations



Source: annual reports

Meeting targets will not be possible by individual measures

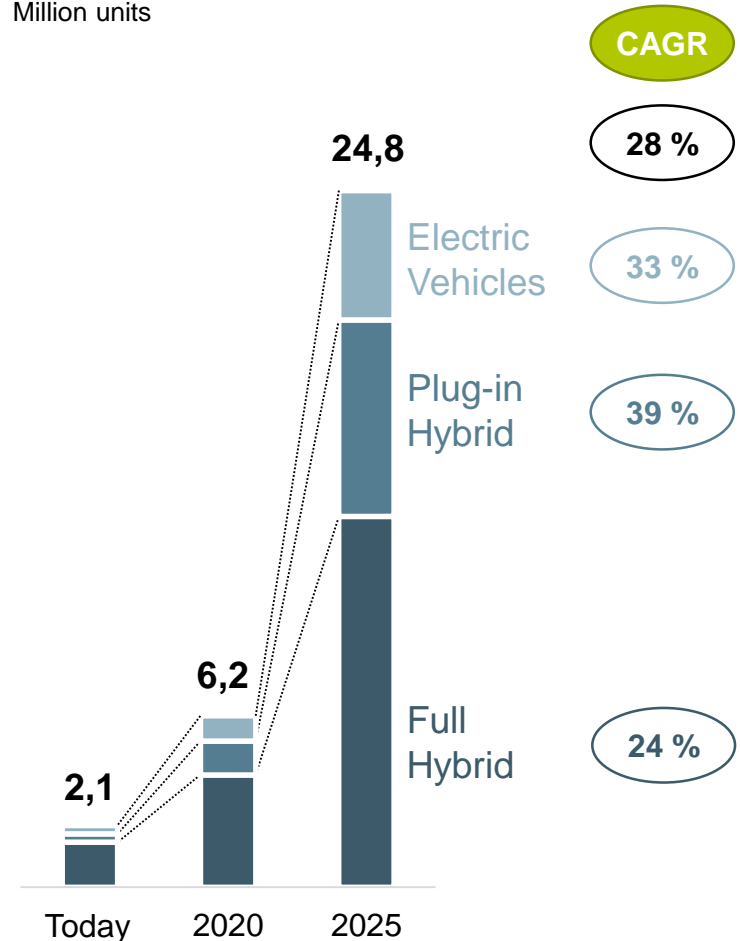
- The car as a whole has to be reinvented
 - Different powertrains
 - Hybrids
 - EVs
 - LNG/CNG
 - Fuel Cell
 - Use of light weight material in exterior and interior as well
 - Telematics
- Requires not only development but also testing
 - Emissions
 - Function
 - Duration
 - Safety
 - Comfort



More e-mobility in different stages coming up

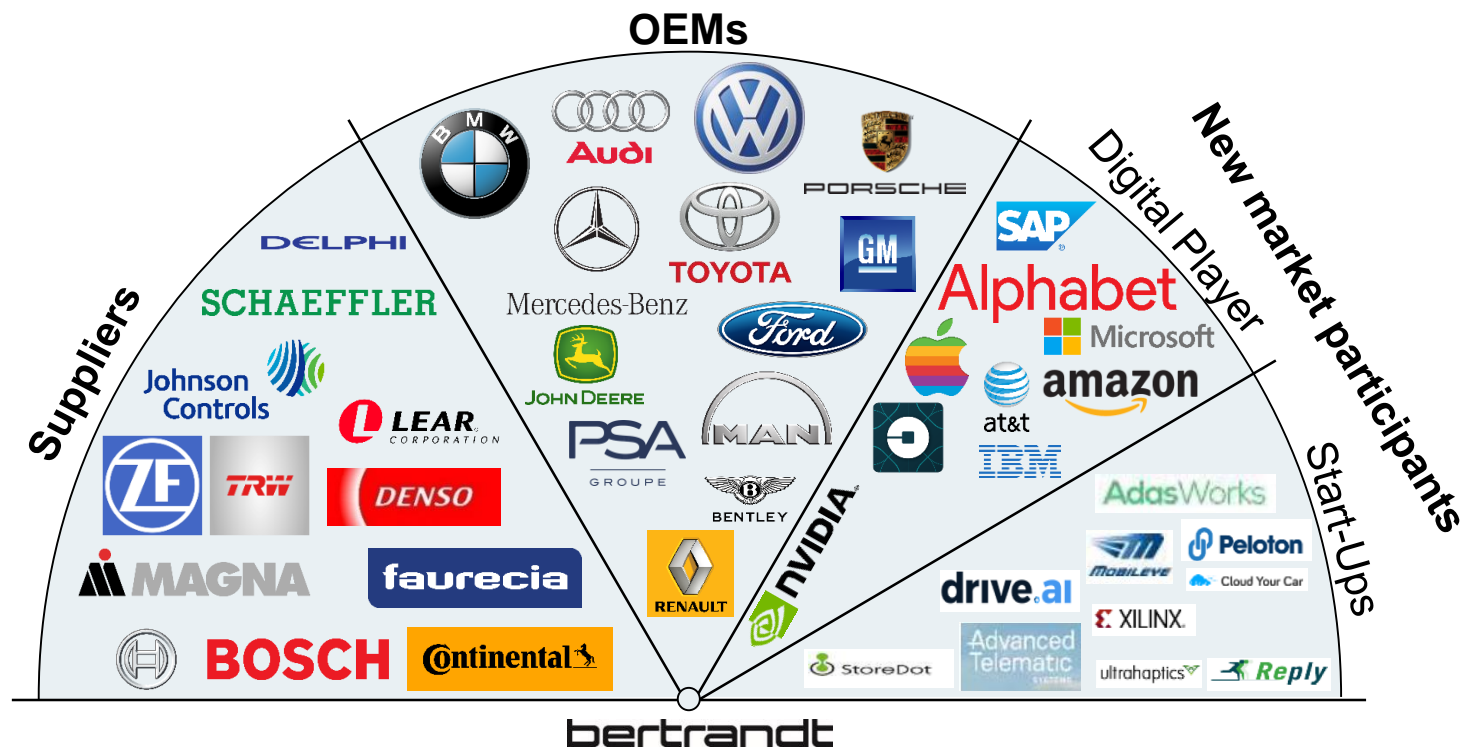
- OEMs with systematic alignment
 - Daimler with new brand „EQ“ and 10 electrified models until 2020
 - Audi extends e-tron and g-tron product range – first fully electric car by 2018, two more by 2020
 - Volkswagen with 30 pure electric cars by 2025
 - Porsche launches mission-e and more derivatives from 2019 on
 - BMW extends model range within the „i“ brand and further electrifies existing model lines

Global production of electrified cars
Million units



Digitalization has a major impact on the automotive industry

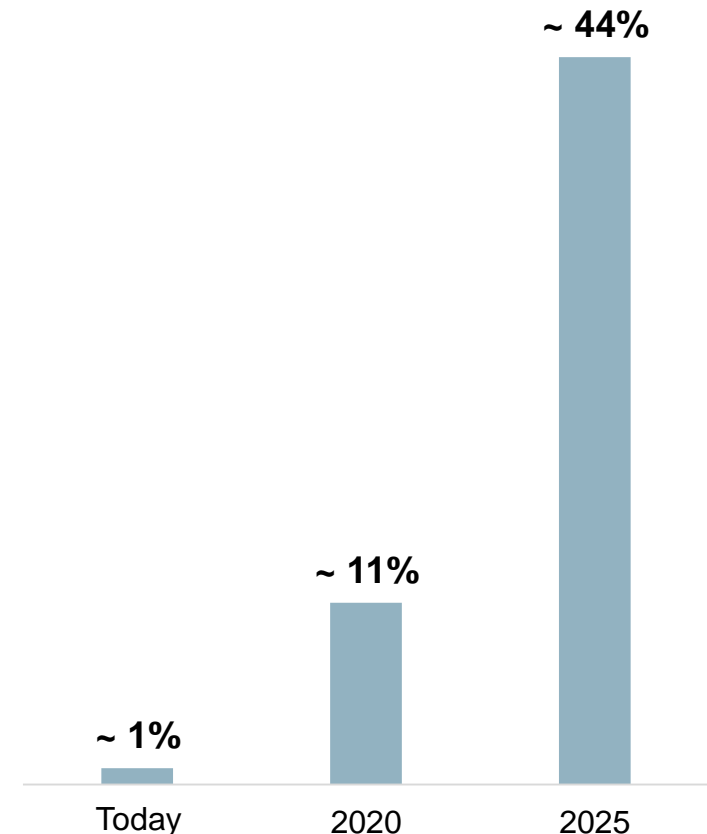
- Requires restructuring and transformation
 - New products across the automotive industry are generated
 - New processes are build from the based datastreams
- Digitalization enables new clientele



Focused on autonomous driving

- Development of today's assisted driving features to partially autonomous driving
 - The technology is already used by premium OEMs
 - No spreading distribution yet, since the focus lies on upperclass cars
- Transforming from partially autonomous driving to piloted driving until 2025
 - Further distribution and commercialization driven by OEMs
 - Focus is on self-driving taxis
 - Asia with exponential growth between 2020 and 2025

Global marketshare of partially autonomous and autonomous vehicles



Commercial aviation with longterm business potentials

Increase of connected megacities



Optimization of
fuel efficiency

New markets and possibilities in the aviation sector

- New concepts for aircrafts regarding the need for low cost travels in emerging markets

Optimization of cabin and interior

- Comfort
- Ideal use of space
- Digitalization



Industry 4.0 is an intersectoral technology trend



Sustainable development of competence via technology initiatives (1/2)

- Enhancement of technology Know-how via b.competent
 - Bertrandt owned vehicles with testing and research equipment
 - Assisted and connected driving
 - Analyzing of driving behavior and connection of driving assistance systems
 - Car IT and backend-analysis
 - Analyzing algorithms
 - lot Server-architecture
 - Interfaces to industry 4.0 topics



Sustainable development of competence via technology initiatives (2/2)

- Additional development of trends via further initiatives in the following areas
 - Autonomous driving
 - localization
 - Detection of surrounding environment
 - longitudinal- and transverse steerage
 - Softwaredevelopment and machine learning
 - E-Mobility
 - Battery technology and power electronics
 - Human machine interface (HMI)



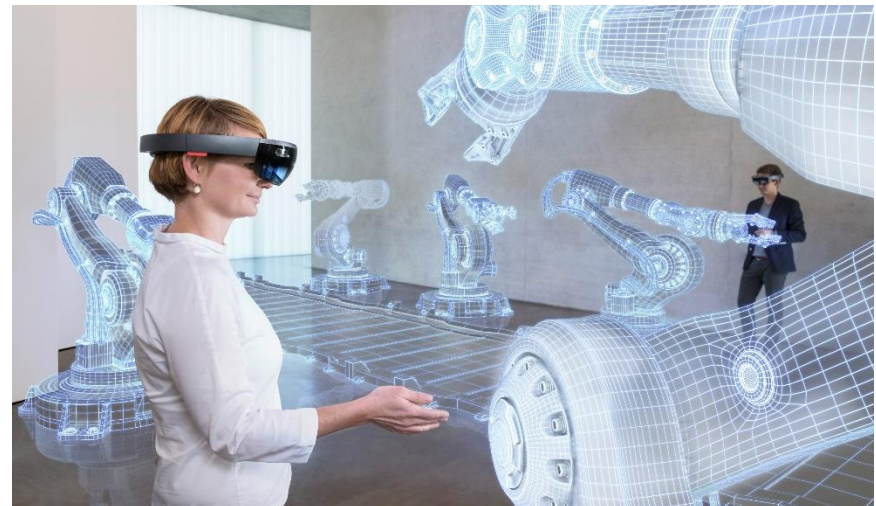
Bertrandt with further organizational improvements regarding system suppliers

- System suppliers are major drivers of new technology trends
 - Consistent orientation in currently focused technology innovations
 - Differences in organizational structures comparing with OEM
- Bertrandt reacts and establishes a key account system with business unit managers
 - Specifically adapted to the customers characteristics in order to increase efficiency and optimize project structures



Bertrandt with new customers and development of future technologies

- New customers via framework agreements in both familiar and new business sectors, e.g.
 - Schaeffler
 - Bombardier
 - Huawei
- Partnership with Microsoft in holographic computing and cloud solutions
 - Partizipation in Microsoft Holographic Academy leads to development of own customer-focused applications on mixed reality glasses Microsoft HoloLens
 - Connection of Microsoft cloud solutions with requirements from automotive engineering and development of integrated scenarios

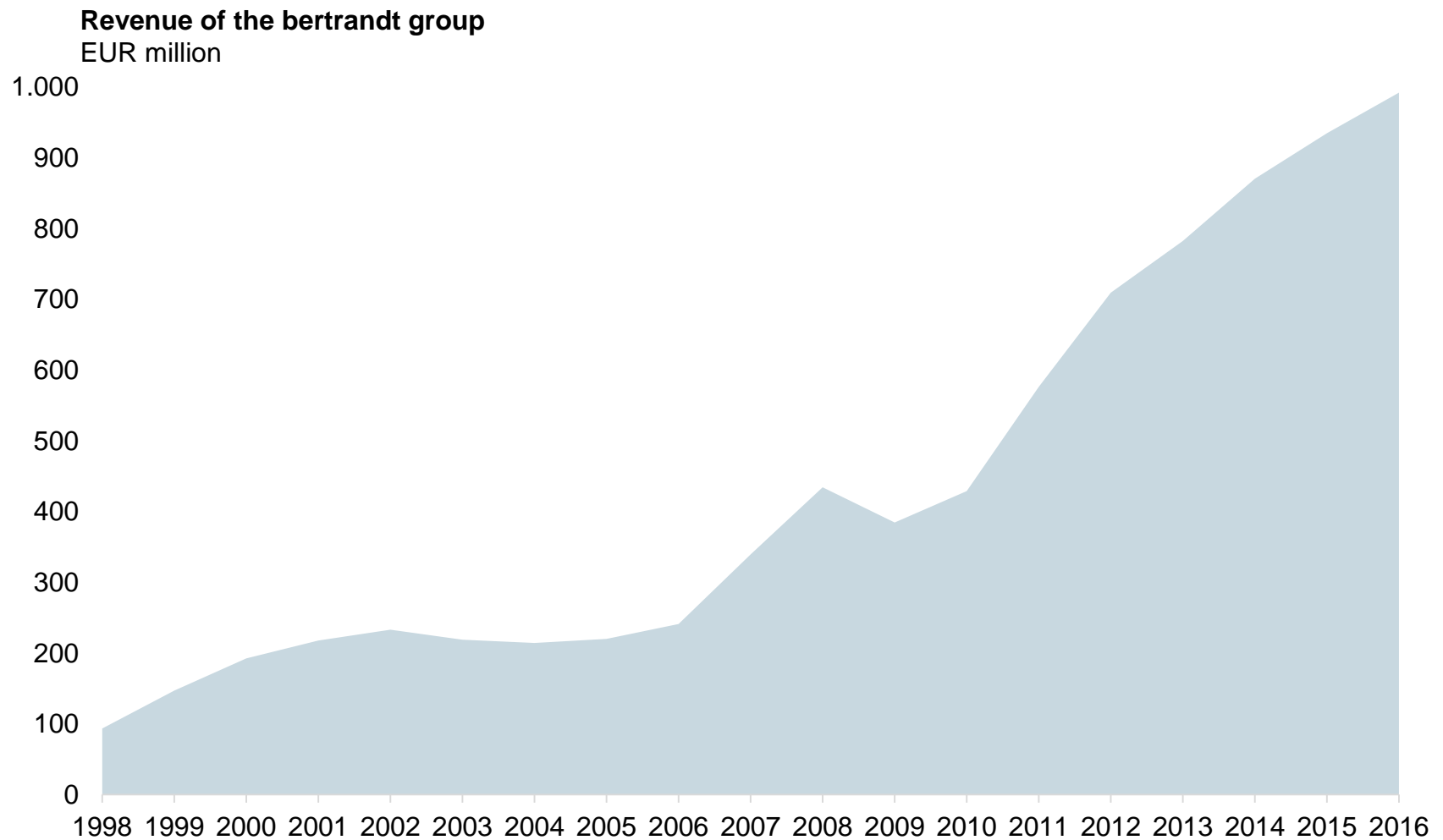


Favorable perspectives in the medium term

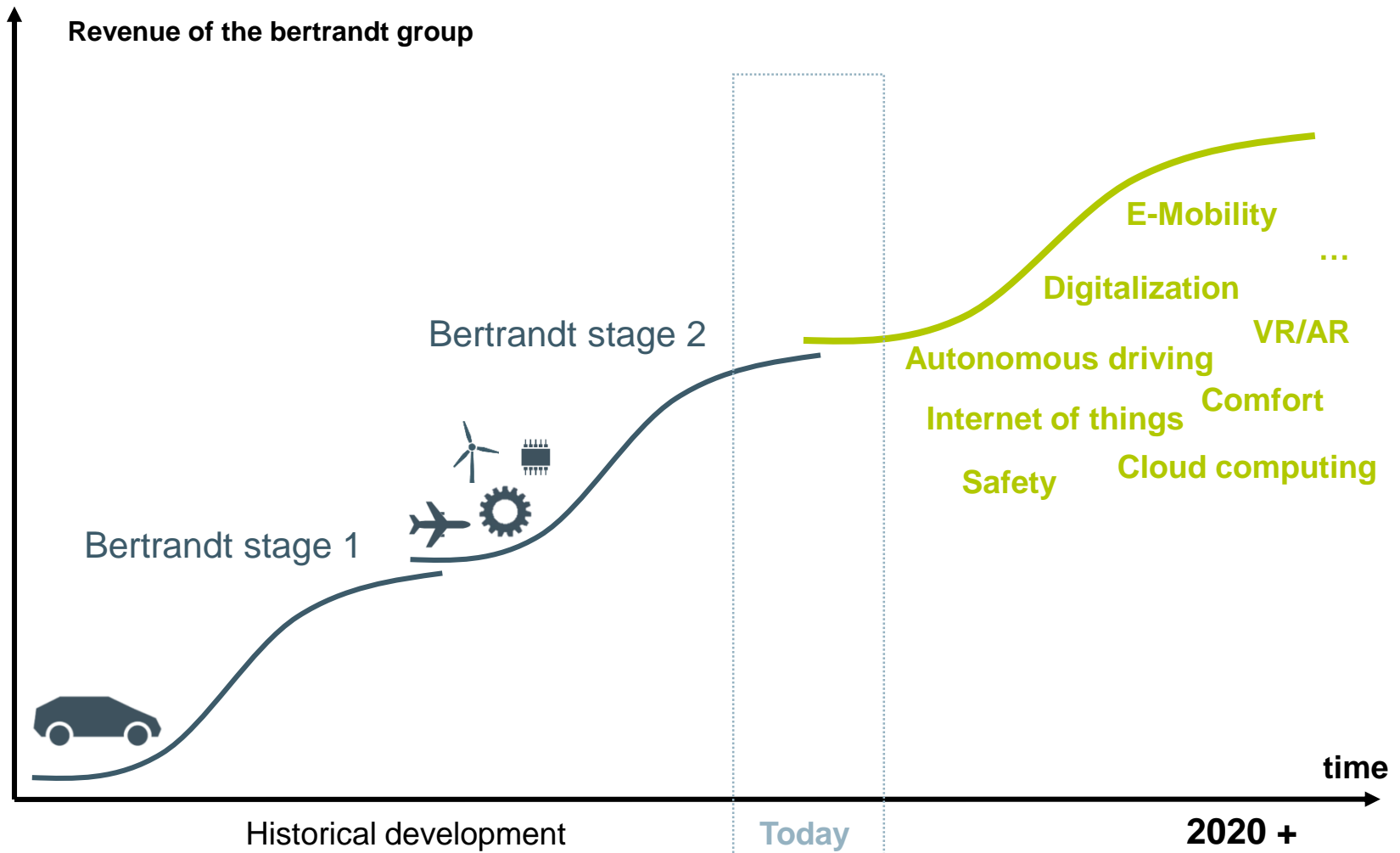
- Current situation is challenging
 - Further consolidation
 - Vitality in technology development
 - Pricing pressure and complexity in project structures
- Current technology trends lead to positive medium-term perspectives
 - R&D-expenditures are increasing and adjusted to future technologies
 - Current developments in commercial aviation lead to business potentials
 - Industry 4.0 is generating various possibilities



Increasing technology variety provides a basis for a reliable business model



Increasing technology variety provides a basis for a reliable business model



Positive outlook for medium-term business development

- Bertrandt is ready for future technology trends and innovations
 - Ongoing development of competence meets technological challenges
 - Sustainable spending of CAPEX in technology centers
 - Internationalization
 - Flexibility and financial strength
- Management board is planning to keep the dividend at 2,50 EUR
 - Divergent from the common 40 % dividend policy in favor of the shareholders





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Thank you.

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