



bertrandt

**Analyst call – Key data for the first three quarters of fiscal 2018/2019
Bertrandt AG**

Ehningen, 22/08/2019, Markus Ruf

All ratios are not subject to auditor's review and refer to the Group

At a glance

Inc. st.

➤ Total revenues EUR 784.879 million | Growth: + 4.3 %

Inc. st.

➤ EBIT: EUR 46.129 million | EBIT margin: 5.9%



➤ Total assets: EUR 804.124 million | Equity: EUR 409.205 million | Equity ratio: 50.9%



➤ Employees: 13,468



➤ Capital spending: EUR 46.558 million



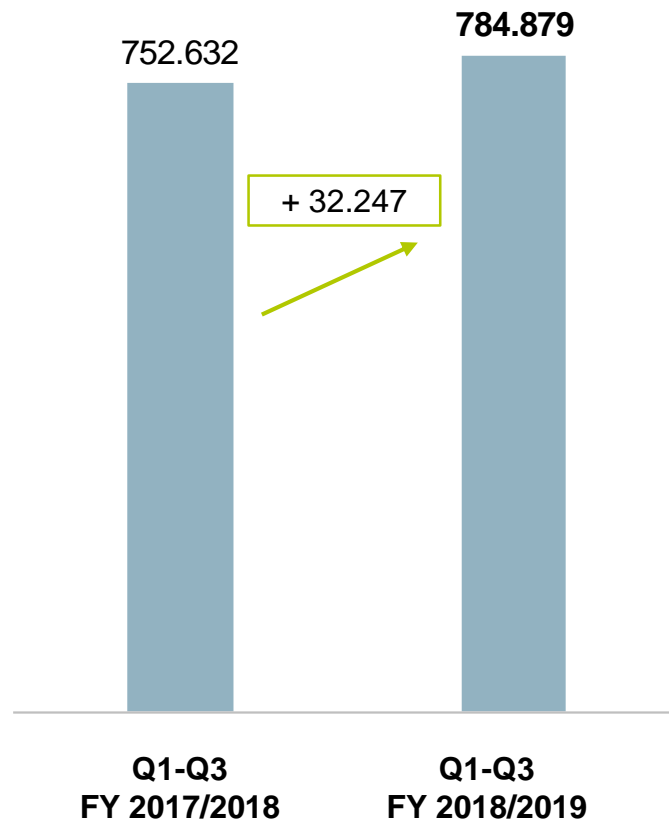
➤ Market value at balance sheet date: EUR 62.5 | Earnings per share: EUR 3.00

Consolidated Income Statement

	Q1-Q3 18/19 EUR million	Q1-Q3 17/18 EUR million	comparison	
			EUR million	%
Total revenues	784.879	752.632	32.247	4,3%
Other operating income	6.394	6.142	252	4,1%
Raw materials and consumables used	-68.868	-71.960	3.092	-4,3%
Personnel expenses	-570.112	-538.561	-31.551	5,9%
Depreciation	-24.930	-24.801	-129	0,5%
Other operating expenses	-81.234	-74.102	-7.132	9,6%
EBIT	46.129	49.350	-3.221	-6,5%
Net finance income	-2.075	-2.147	72	-3,4%
Profit from ordinary activities	44.054	47.203	-3.149	-6,7%
Other taxes	-2.513	-2.378	-135	5,7%
Earnings before tax	41.541	44.825	-3.284	-7,3%
Income taxes	-11.230	-12.732	1.502	-11,8%
Post-tax earnings	30.311	32.093	-1.782	-5,6%

Total revenues

Total revenues
(EUR million)

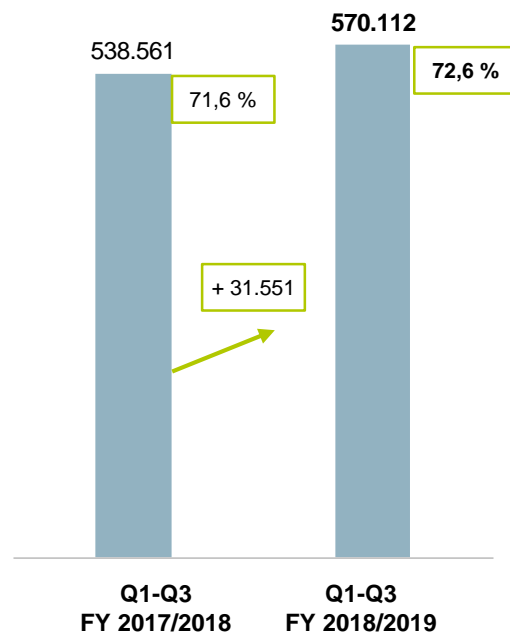


- Growth Q1-Q3 17/18 → Q1-Q3 18/19 | + 4.3 %
 - Domestic + 1 %
 - Foreign + 26 %
- Segment growth
 - Digital Engineering + 3.8 %
 - Physical Engineering + 4.0 %
 - Electrical Systems/Electronics + 6.1 %
- Growth in comparison
 - Q1-Q3 17/18 → Q1-Q3 18/19 | + EUR 32.2 million | + 4.3 %
 - Q1-Q3 16/17 → Q1-Q3 17/18 | + EUR 16.9 million | + 2.3 %

Key expenditure figures

Personnel expenses

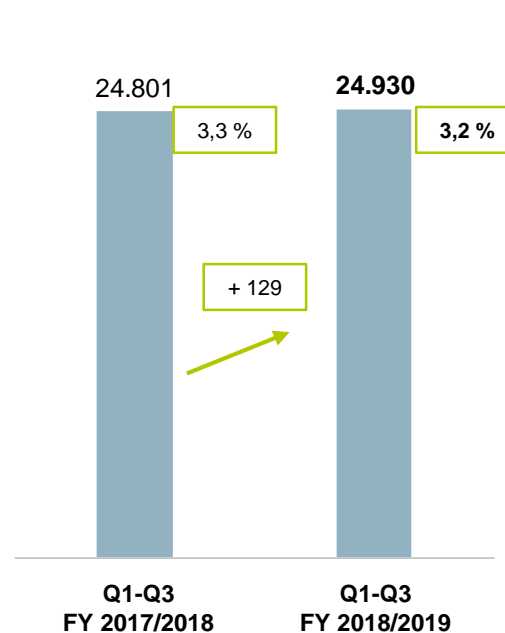
(EUR million)



- Growth + 440 employees since 01/07/2018

Depreciation/amortisation expense

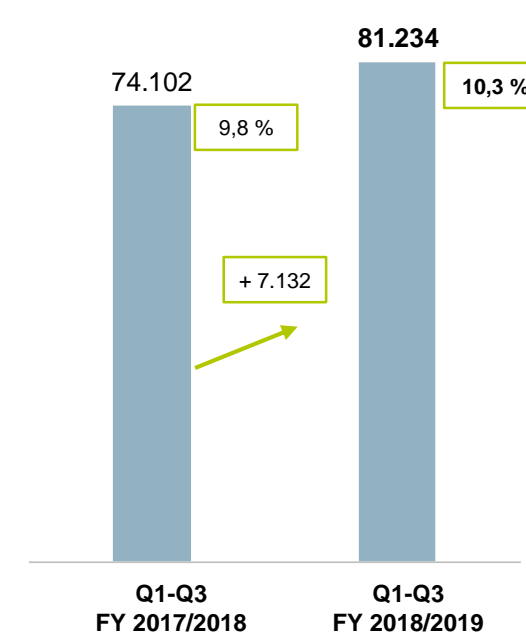
(EUR million)



- Depreciation/amortisation broadly the same year-on-year
- Ratio of depreciation/amortisation to total revenues slightly reduced year-on-year

Other operating expenses

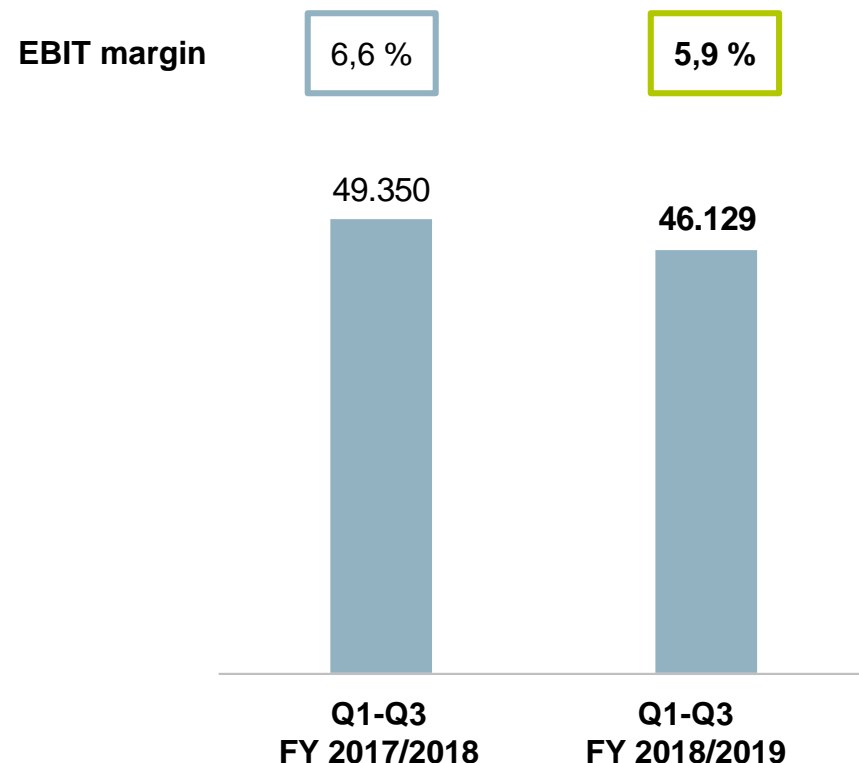
(EUR million)



- Costs of recruiting and further training + EUR 1.2 million
- Employee retention + EUR 2.0 million
- Costs of space needed for expanding infrastructure and “new work” areas EUR + 2.5 million

EBIT

EBIT
(EUR million)



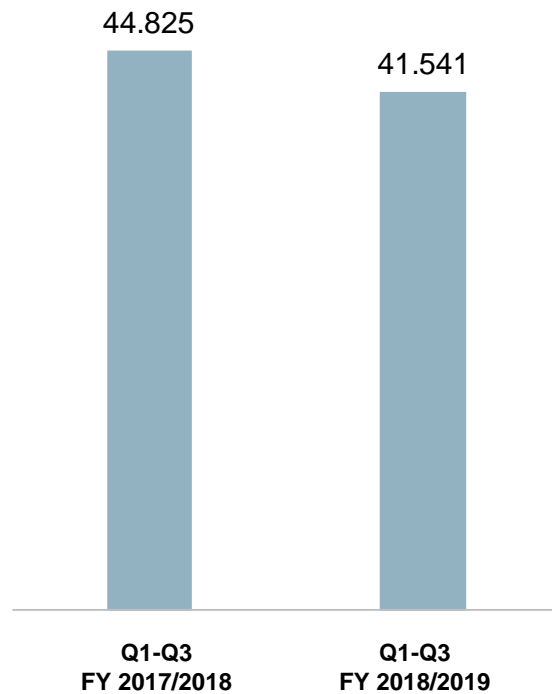
- EBIT
 - Key influencing factors
 - One working day less in Q3 than in previous year
 - Customer-specific fluctuations in capacity utilisation and short-term delays in award of projects
 - Start-up costs for new technical facilities
 - Recruitment and qualification of new employees

- Segments | Earnings and contribution to earnings
 - Digital Engineering | EUR 20.0 million | 43.3 %
 - Physical Engineering | EUR 12.7 million | 27.7 %
 - Electrical Systems/Electronics | EUR 13.4 million | 29.0 %

EBIT

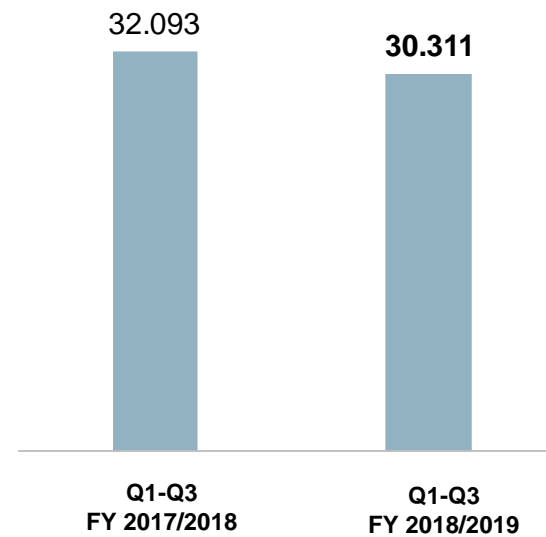
EBT

(EUR million)



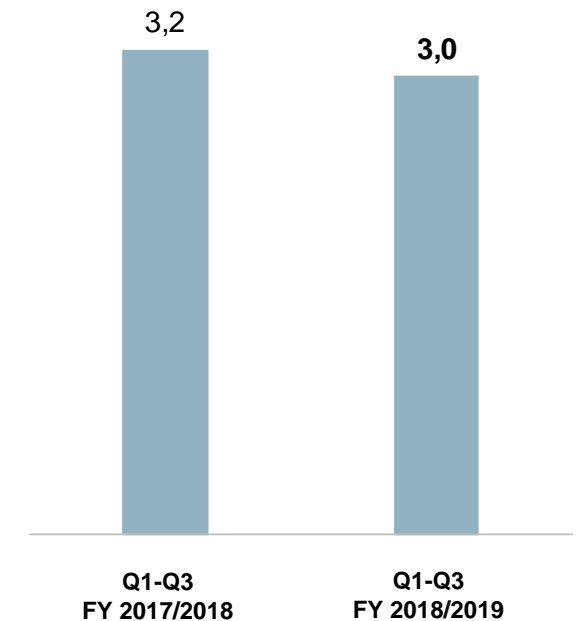
Post-tax earnings

(in EUR million)



Earnings per share

(EUR)



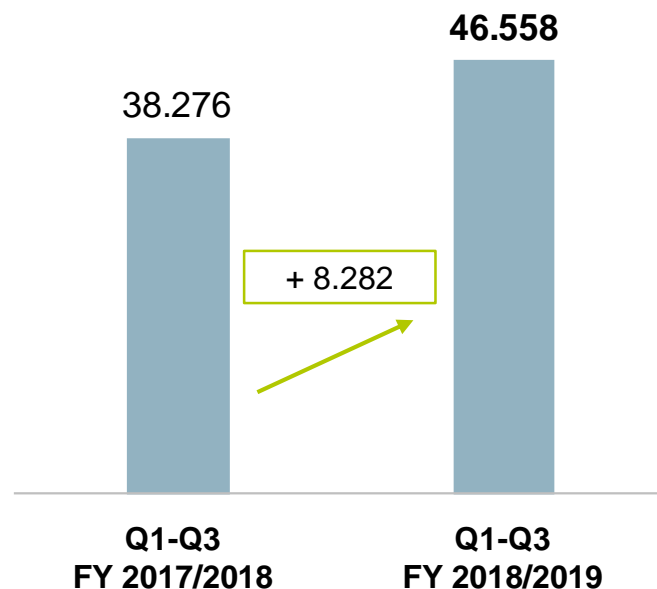
- Income tax rate 27.0 %

Consolidated Balance Sheet

Assets	30/06/2019	30/09/2018	comparison	
	EUR million	EUR million	EUR million	%
Property, plant and equipment	299.554	282.104	17.450	6,2%
Non-current assets	334.910	318.914	15.996	5,0%
Current assets	469.214	469.481	-267	-0,1%
Total assets	804.124	788.395	15.729	2,0%
Equity and liabilities	30/06/2019	30/09/2018	comparison	
	EUR million	EUR million	EUR million	%
Equity	409.205	398.876	10.329	2,6%
Non-current liabilities	235.678	222.608	13.070	5,9%
Current liabilities	159.241	166.911	-7.670	-4,6%
Total equity and liabilities	804.124	788.395	15.729	2,0%

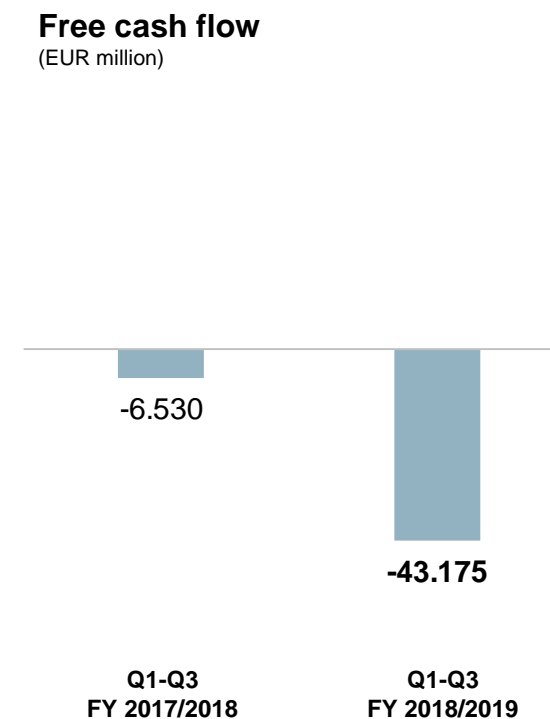
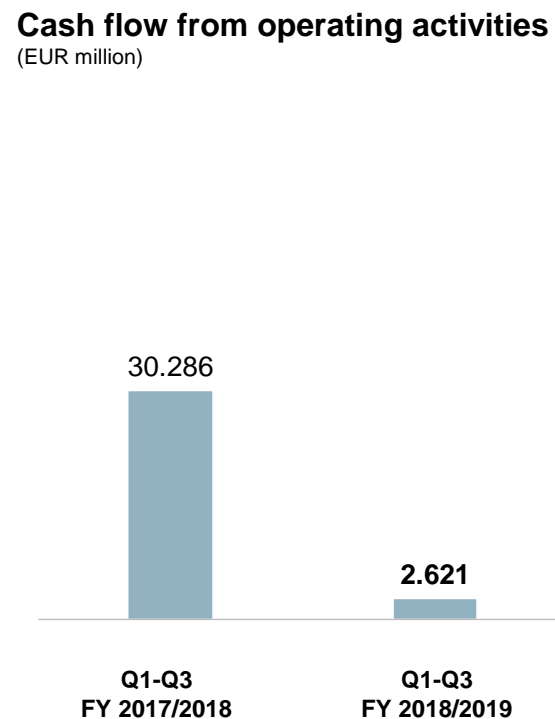
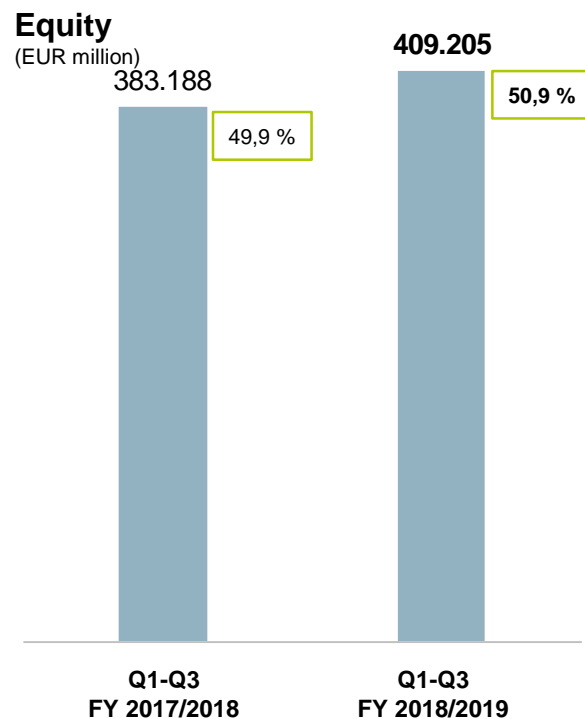
Financial and assets position

Capital expenditure (EUR million)



- Non-current assets
 - High-voltage battery test centre
 - Vehicle emissions test centres North and South
 - Roller dynamometer centre for determining the range of electrically powered vehicles
 - Portable Emissions Measurement System (PEMS)
 - etc.

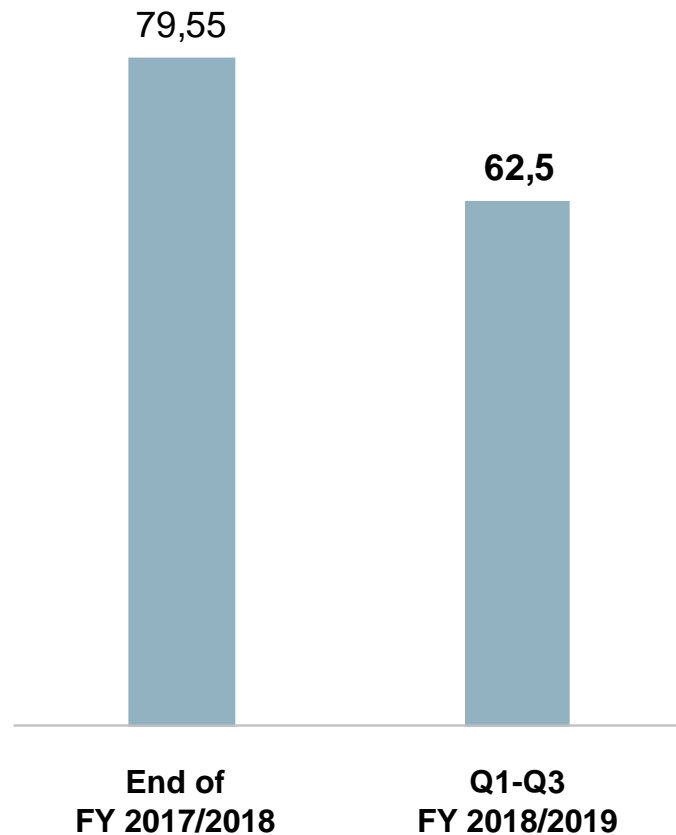
Financial and assets position



- Reduction in direct comparison with previous year: in correlation with the growth in revenue and the related increase in tied-up funds, which will probable reverse in the fourth quarter
- Cash flow from investing activities
 - Q1-Q3 18/19 | EUR -45.796 million
 - Q1-Q3 17/18 | EUR -36.816 million

Share price

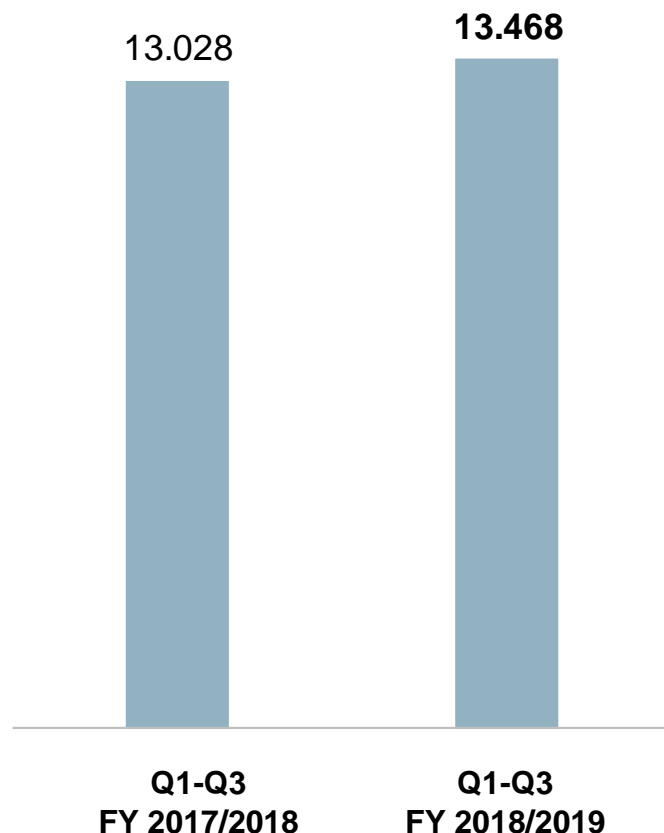
Share price *
(in EUR)



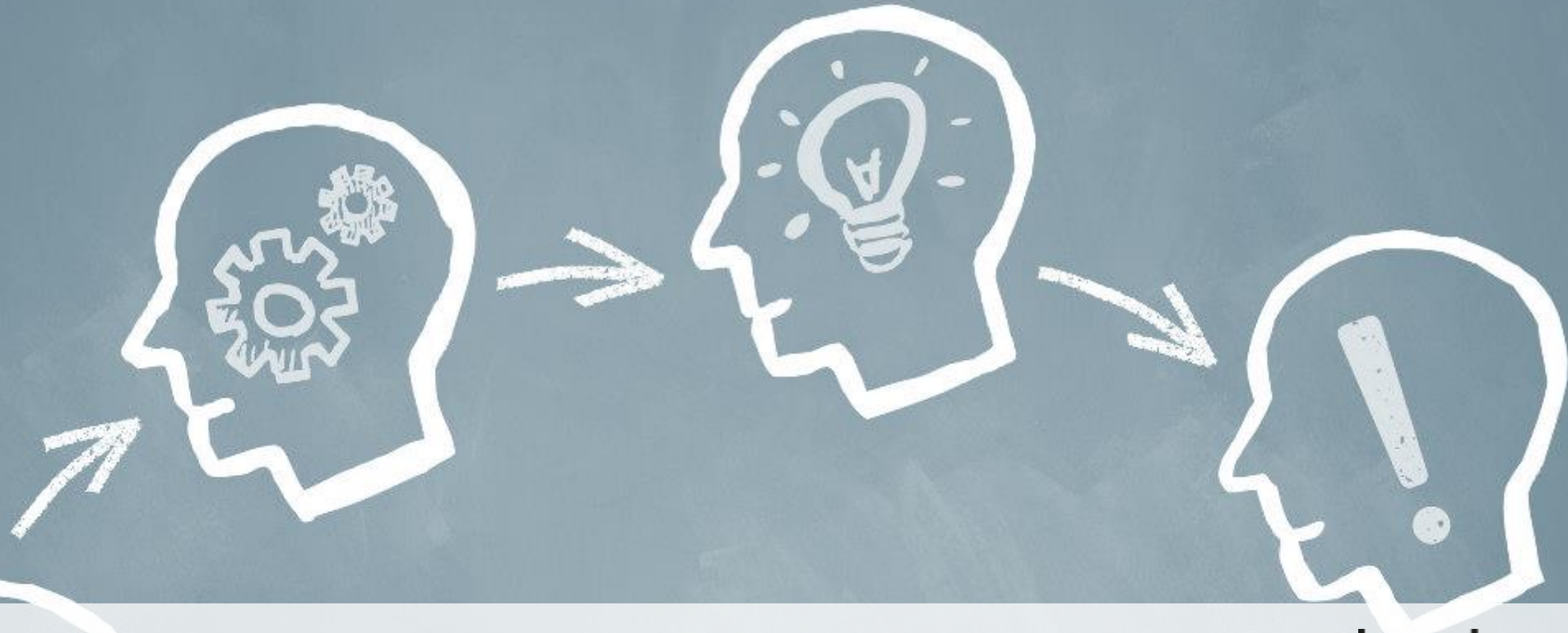
- Share price in Q1-Q3 18/19
 - High for the period at EUR 73.00
 - Low for the period at EUR 60.60

Human resources

Employees



- Growth + 239 employees since 01/10/2018
 - Staff increase in France, Wolfsburg, Romania
- Competence Centre Electronics + 338 employees since 01/10/2018
- Near-shore: 259 employees in Romania as at 30/06/2019
- Current vacancies as at 30/06/2019: around 1,200
 - of this total: > 340 in Competence Centre Electronics
- Increased training opportunities
 - E-learning, methodology training, leadership development
- Bertrandt, too, is aware of the “war for talents” and consistently adapting the scope of work and the work environment



bertrandt



OUTLOOK



Adjustment of full-year forecast - Gathering economic clouds and industry-specific challenges

- Anticipated recovery in economic and industry development did not materialise in the second half of 2019
 - Slowdown in global economy set to continue in 2019 and 2020
 - Business sentiment and order backlog fallen in US industry
 - Growth of around 6% forecast for China in 2019 and 2020
 - Growth in German GDP of 0.8% for 2019 → Signs of technical recession → Real recession increasingly likely

- Heterogeneous situation in the automotive sector
 - Investments in the future through research and development in new technologies
 - Increasing mobility needs and tougher climate change mitigation requirements
 - Development of new drive solutions, particularly electromobility
 - Technologies for advancing digitalisation and connectivity

 - Declining sales met by OEM and suppliers' restructuring and cost saving programmes
 - Short-term postponements of projects and delayed demand for capacity possible

Adjustment of full-year forecast - Gathering economic clouds and industry-specific challenges

- Based on economic and industry developments, the Management Board sees higher risk for the fourth quarter and consequent need to adjust earnings forecast
 - Bertrandt earnings optimisation programme established
 - Measure – Evaluate – Improve
 - Objective: To sustainably secure and improve quality of results
 - Structured, Group-wide process to evaluate the current position and to derive focused long-term measures
 - Core issues in all dimensions: Sales, capacity utilisation and costs
 - Bertrandt consistently focused on the future, in particular via ongoing and completed investments in trend topics
 - High-voltage battery test centre
 - Medical technology
 - Virtual and augmented reality
 - Vehicle emissions test centres
 - Industry 4.0
 - etc.

Adjustment of full-year forecast - reassessment of earnings & capital spending – other elements unchanged



20-50

EUR million
growth in
total revenues



5-7,5%

EBIT margin
in relation to
total revenues



50-70

EUR million
capital spending



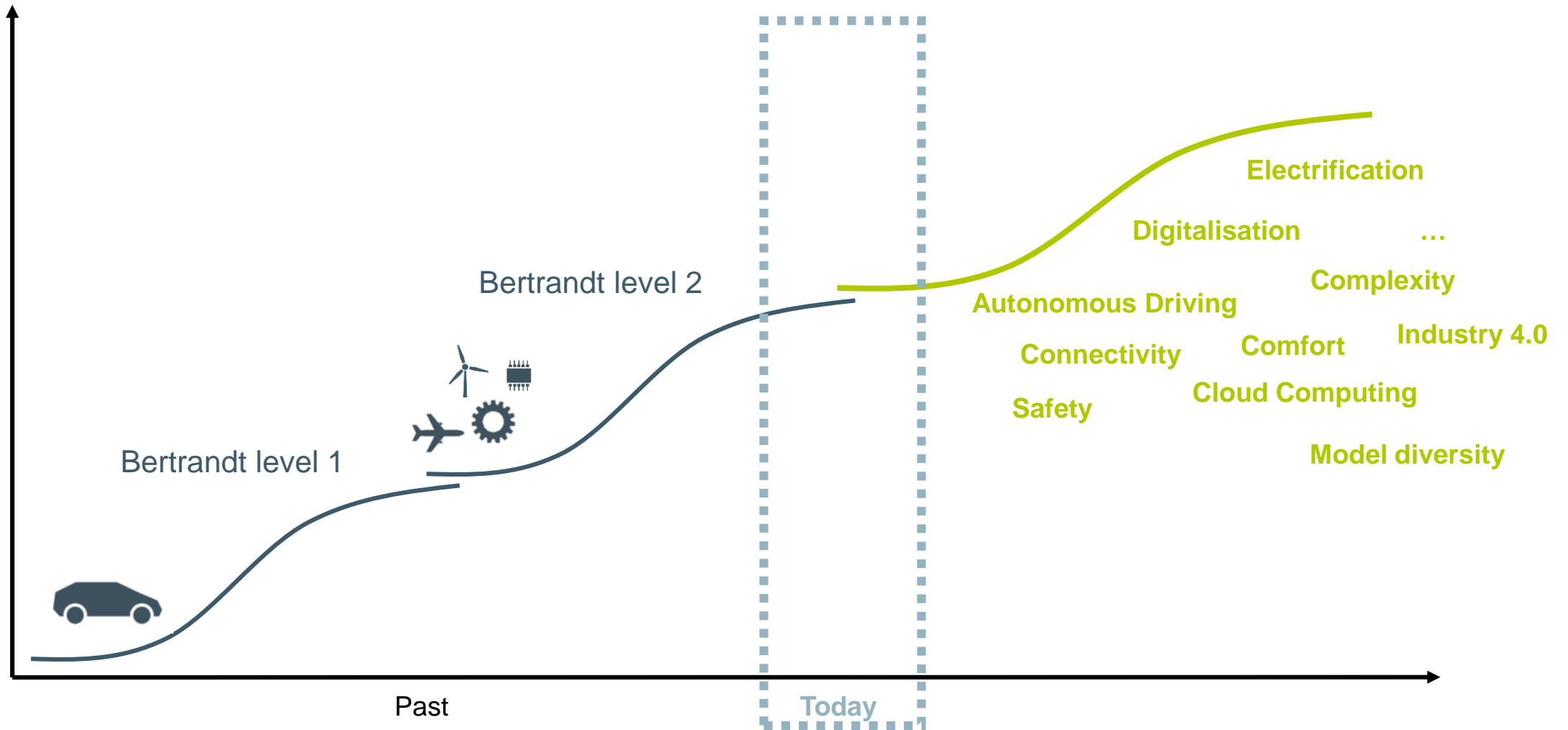
Positive

Cash flow from
operating activities
corresponds with
increase in EBIT

Positive business development in the medium term – Management Board sees good opportunities for growth and earnings

- According to forecasts OEMs' research and development budgets remain at high level and
- Work continues to be outsourced to engineering service providers
- Market trends are intact and offer opportunities: environmentally-friendly individual mobility, connected and automated driving and increasing variety of models and variants of vehicles with new drive technologies
- Capital spending on future-relevant topics will be noticeable in the medium term: high-voltage battery test centre and vehicle emissions test centres
- Building of know-how and engineering expertise for broad range of services: new industries and customers, in fields such as medical technology, virtual and augmented reality and cloud solutions
- Bertrandt is consistently focusing on trend topics and is investing in specific areas, such as electromobility or autonomous driving and is therefore all in all well positioned for the future.

Megatrends and new technologies as a basis for long-term positive development of Bertrandt



Summary

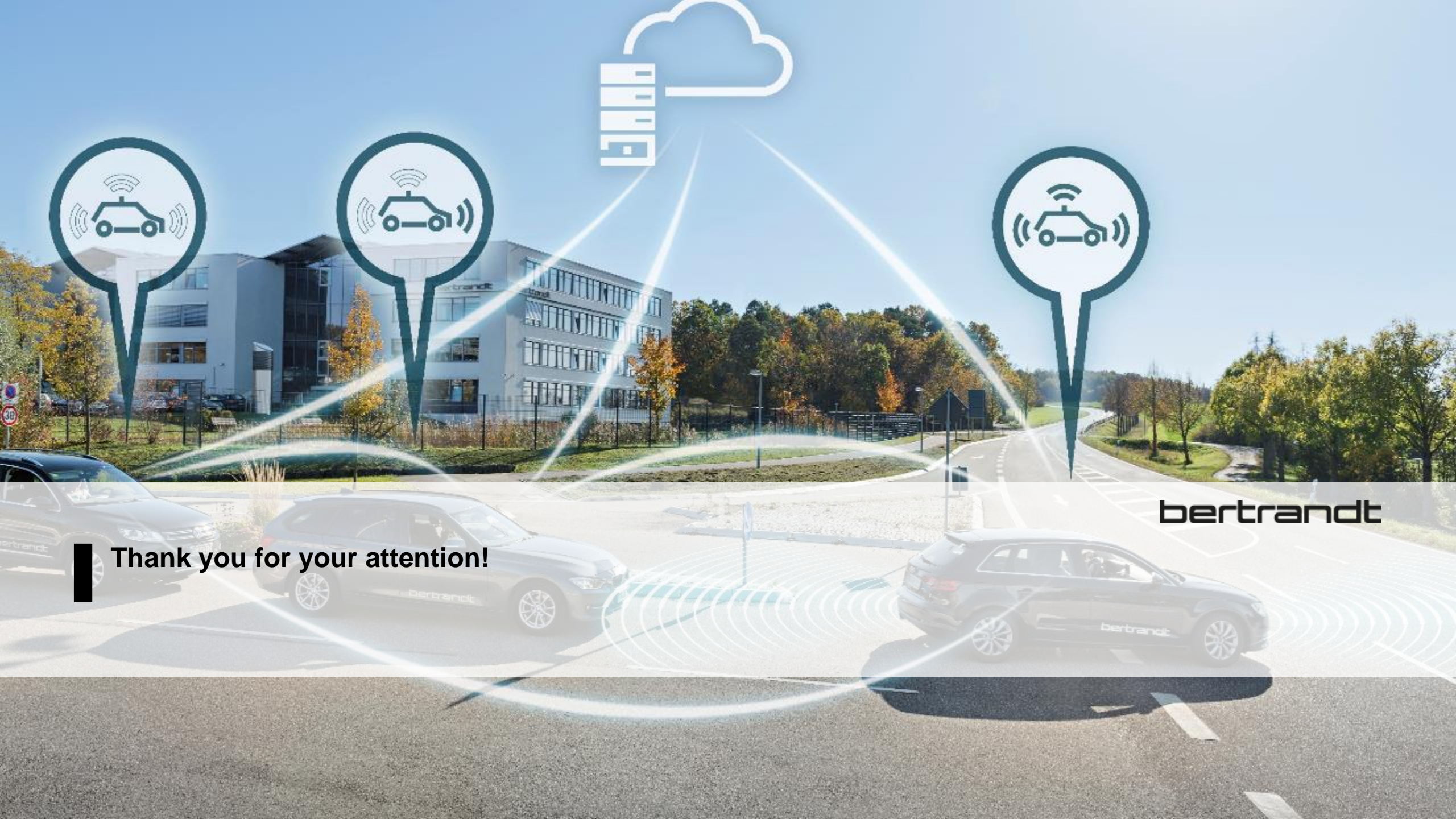


4.3% year on year growth – despite challenging business environment

Forecast adjusted in response to gathering economic clouds and challenges for the automotive industry

Bertrandt earnings optimisation programme to sustainably secure and improve quality of results

Forward-looking investments and focus on trend topics offer medium-term opportunities for positive business development



bertrandt

Thank you for your attention!

Legal notice

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.

As far as this presentation refers to statements of third parties, in particular analyst estimations, the organization neither adopts these, nor are these rated or commented thereby in other ways, nor is the claim laid to completeness in this respect.