

Press r e l e a s e**Year on year growth of 4.3 percent – Management Board nonetheless sees risks in gathering economic clouds and in industry-specific challenges**

(Ehningen, 21. August 2019) Bertrandt developed in line with expectations in the third quarter - despite a challenging business environment. The Group increased its total revenues by 4.3 percent, according to the Company's figures of the third quarter which are not subject to auditor's review. Nonetheless, the Company has revised its earnings forecast for the 2018/2019 fiscal year based on the Group's assumption of a higher level of risk for business development over the year as a whole. This is largely due to the combination of gathering economic clouds and industry-specific challenges in the automotive sector.

The Group's third quarter developed in line with expectations, despite gathering economic clouds and industry-specific challenges. The first nine months of the reporting period were one working day shorter than in the same period of the previous year. Based on figures which are not subject to auditor's review, total revenues were up by 4.3 percent to EUR 784.9 million (previous year: EUR 752.6 million). The EBIT was EUR 46.1 million (previous year: EUR 49.4 million), equivalent to a margin of 5.9 percent.

Bertrandt continues in fiscal year 2018/2019 to focus on the trend topics which are important for the Company. The commissioning of the new high-voltage battery test centre in Ehningen, for example, is illustrative of the Group's investment in key future activities, such as electromobility. The Company is also investing around EUR 80 million in the construction of two test centres, thereby laying the foundations for the drive concepts of the future. Bertrandt is also implementing emerging technology trends beyond the automotive sector in focus industries such as medical technology, virtual and augmented reality, cloud solutions, machine learning or big data.

Nonetheless, the Company's Management Board has identified a higher level of risk for business development over the year as a whole. This is mainly the result of the clouds gathering over the economy. Experts at the German Federal Statistical Office expect the fall in German gross domestic product in the previous quarter to be followed by a further decline in economic activity in the third quarter of 2019, which they interpret as

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indicative of a technical recession. The probability of a real recession occurring has therefore also risen. The anticipated recovery in the automotive sector in the second half of the year has also failed to materialise. Climate change mitigation requirements and growing mobility needs are having an especially large impact in Bertrandt's biggest industry. There is huge commitment to pressing ahead with the development of new drive solutions, especially electromobility, but also technologies for advancing digitisation and connectivity, with the corresponding investment schemes. This heterogeneous situation, in which declining sales and the resulting restructuring and cost saving programmes of OEM and suppliers contrast with the need to invest more in new technology research and development, poses great challenges for OEM.

These issues may lead to short-term delays in the award of projects and therefore impact Bertrandt's business performance in the fourth quarter of the 2018/2019 fiscal year. Bearing in mind these general and industry-specific developments there was therefore a need to adjust the earnings forecast. There is a growing risk that the EBIT corridor forecast in December 2018 will not be achieved and, depending on developments, an EBIT margin (EBIT as percentage of total revenues) of between 5 and 7.5 percent (previously between 7 and 9 percent) could be achieved. The adjusted forecast is for EBIT of between EUR 52.1 and 80.3 million. The previous forecast was between EUR 72.9 and 96.4 million. The volume of capital spending will be lower at between EUR 50 and 70 million (previously EUR 60 and 80 million). However, the Management Board confirms the communicated forecast of increased total revenues of between EUR 20 and 50 million and positive cash flow from operating activities.

"The current uncertainty and tough demands affecting the automotive industry represent real challenges for us. This is why we are adjusting our outlook for the year as a whole. We have established an earnings optimisation programme to secure positive business development," says Markus Ruf, Member of the Board, Finance of Bertrandt AG. He goes on to add: "All in all we believe Bertrandt is well positioned for the future. The Company's consistent focus on trend topics and specific investments in electromobility or autonomous driving offer good opportunities."

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IFRS-based figures for the Bertrandt Group	01/10/2018 - 30/06/2019	01/10/2017 - 30/06/2018
Total revenues (EUR million)	784.879	752.632
EBIT (EUR million)	46.129	49.350
Post-tax earnings (EUR million)	30.311	32.093
Free cash flow (EUR million)	-43.175	-6.530
Capital spending (EUR million)	46.558	38.276
Equity ratio (in percent)	50.9	49.9
Employees worldwide	13,468	13,028

The financial report for the third quarter of 2019 will be published on 22 August 2019.

Additional information is available from:

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