



Half-year financial report 30 June 2019

Aumann AG, Beelen

Welcome Note from the Executive Board

Dear Shareholders,

for several months, our market environment has been characterised by substantial investment restraint among auto manufacturers and their suppliers. This restraint is due to significant declines in vehicle sales and unclear future sales forecasts. This led to repeated postponements of contract awards, with the result that our incoming orders fell well short of our expectations at €86.1 million in the first half of the year. In light of this, we have recently amended our guidance for the 2019 financial year.

Aumann's revenue amounted to €133.5 million in the first half of 2019, marginally higher than the previous year's level. Revenue in the e-mobility segment grew by 16.0% to €56.6 million, achieving a share of revenue of 42.4%. The EBIT margin in e-mobility was 8.9% for the first half of the year, while the Classic segment's EBIT margin was 8.1%. The drop in profitability occurred mainly due to a deterioration of the market environment and an accompanying cost sensitive behaviour of our customers. Given our successful business performance in previous years, we are naturally dissatisfied with the first half of 2019.

Despite the investment restraint being noticeable even in e-mobility, we consider the long-term electro mobility trend to remain in place. Among our customers, this will necessarily bring about a need for new innovative and highly automated manufacturing solutions. We feel confident that Aumann is strategically very well positioned for this, and we are working hard every day to further improve this position. Against this backdrop, our strong equity ratio of 63.7% and a net financial position of €64.6 million are set to be an ideal pre-condition.

Sincerely,



Rolf Beckhoff
Chief Executive Officer



Sebastian Roll
Chief Financial Officer

Aumann in figures

Half year (unaudited)	2019 IFRS € k	2018 IFRS € k	Δ 2019 / 2018 %
Order backlog	156.857	203.251	-24,2
Order intake	86.138	132.476	-35,0
Revenue	133.499	133.379	0,1
there of E-mobility	56.615	48.816	16,0
Operating performance	133.809	133.722	0,1
Total performance	142.438	136.162	4,6
Cost of materials	-83.072	-78.386	6,0
Staff costs	-38.632	-35.570	8,6
EBITDA	13.859	16.986	-18,4
<i>EBITDA margin</i>	<i>10,4%</i>	<i>12,7%</i>	
EBIT	11.471	14.156	-19,0
<i>EBIT margin</i>	<i>8,6%</i>	<i>10,6%</i>	
adjusted EBIT	11.502	14.156	-18,7
<i>adjusted EBIT margin</i>	<i>8,6%</i>	<i>10,6%</i>	
EBT	11.175	13.866	-19,4
<i>EBT margin</i>	<i>8,4%</i>	<i>10,4%</i>	
Consolidated net profit	7.743	9.862	-21,5
Number of shares	15.250	15.250	0,0
eps in €*	0,51	0,65	-21,5
Figures from the statement of financial position	30 Jun € k	31 Dec € k	%
Non-current assets	94.470	87.206	8,3
Current assets	222.405	248.903	-10,6
there of cash and equivalents **	87.712	116.474	-24,7
Issued capital (share capital)	15.250	15.250	0,0
Other equity	186.455	180.678	3,2
Total equity	201.705	195.928	2,9
<i>Equity ratio</i>	<i>63,7%</i>	<i>58,3%</i>	
Non-current liabilities	46.558	45.420	2,5
Current liabilities	68.612	94.761	-27,6
Total assets	316.875	336.109	-5,7
Net debt (-) or net cash (+)	64.649	93.391	-30,8
Employees	1.118	1.101	1,5

* Based on shares outstanding on 30 June 2019.

** This figure includes securities.

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Interim Group management report

Aumann is a world-leading manufacturer of innovative speciality machinery and automated production lines with a focus on e-mobility. The company combines unique winding technology for the highly efficient production of electric motors with decades of automation experience, particularly in the automotive industry. Leading companies around the world rely on Aumann solutions for the series production of purely electric and hybrid vehicle drives and for production automation. Given the long-term dynamic market growth in e-mobility, Aumann's products in the e-mobility segment focus on the development and production of automated production lines for electric powertrain components. The company has its own technologies, some of which unique, for the automated mass production of both electric engines and energy storage. Aumann's manufacturing solutions thus cover essential technologies for key electric powertrain components.

Business and economic conditions

The current forecasts for world economic growth for this year are mounting indications of a slowdown. The latest International Monetary Fund's (IMF) estimates entailed not just a downward revision of the global economic growth forecast, but were in fact the third downward correction this year. In particular, the IMF significantly scaled back its forecasts for growth in the emerging economies. Meanwhile, the gross domestic product GDP in the euro area is set to grow by just 1.3% this year. Owing to its strong dependence on exports, growth in Germany in 2019 is now set at just 0.7%. The German Institute for Economic Research (DIW) is also expecting a slowing economy in 2019 and adjusted its outlook for German GDP growth from 1.6% to 1.0% recently.

The latest confidence indicators corroborate the restrained economic trends. The European Manufacturing Purchasing Managers Index has been below 50 points since the start of the year, thereby entering a contraction phase and indicating a slowdown in the EMU economy. The most recent ifo business climate index, a key leading indicator for Germany, declined again. It is now at its lowest level since April 2013, reflecting the increasingly worrying level of confidence in German industry.

The general conditions in our customer industries also became more downbeat in the past quarter. As the German Association of the Automotive Industry (VDA) recently reported, developments on the international automotive markets were predominantly negative in the first half of the year. In particular, sales figures reported by the major sales regions of China, the US and Europe in particular were at times significantly lower than in the first half of 2018, according to the VDA. While the declines were still relatively moderate at 1.9% in the US and 3.1% in Europe, the drop in car sales in China was as high as 14.0% as against the first half of 2018. The VDA's forecasts for 2019 as a whole remain muted.

The German Mechanical Engineering Industry Association (VDMA) anticipates reduced production in 2019 owing to significantly weaker real production in the mechanical engineering sector over the year to date. In addition to the cyclical downturn and geopolitical distortion, current and future investment projects are being held back by the fact that the automotive industry is undergoing far-reaching structural change. According to the VDMA, customers are sufficiently unsettled by this that they are postponing or even freezing their investments. In net terms, the VDMA is projecting a drop in real production of more than 2.0% in 2019.

Results of operations, financial position and net assets

The consolidated revenue of the Aumann Group was stable year-on-year at €133.5 million (previous year: €133.4 million).

EBITDA fell by 18.4% to €13.9 million in the first six months (previous year: €17.0 million). After depreciation and amortisation of €2.4 million, the Aumann Group's EBIT amounted to €11.5 million (previous year: €14.2 million). €0.03 million of this figure relates to hidden reserves that were capitalised as part of the acquisition of Aumann Limbach-Oberfrohna GmbH. Adjusted for depreciation and amortisation, EBIT amounts to €11.5 million. Adjusted for net finance costs of €0.3 million, EBT was €11.2 million (previous year: €13.9 million). Consolidated net profit amounts to €7.7 million (previous year: €9.9 million) or €0.51 per share (based on an average of 15,250,000 shares outstanding) in the first six months.

Incoming orders amounted to €86.1 million after the first six months. The order backlog was €156.9 million as at the end of June.

The Group's equity rose by 2.9% to €201.7 million as at the end of the first six months (31 December 2018: €195.9 million). Based on total consolidated assets of €316.9 million, the equity ratio is 63.7%.

Working capital has risen by €26.6 million since 31 December 2018.

Financial liabilities amount to €23.1 million as at 30 June 2019 (31 December 2018: €23.1 million) and cash funds, including securities, to €87.7 million (31 December 2018: €116.5 million). Accordingly, net cash from the above liabilities and cash items amounts to €64.6 million as against €93.4 million on 31 December 2018.

Segment performance

Given their different market prospects, Aumann differentiates between the e-mobility and classic segments, which are described in more detail below.

In its e-mobility segment, Aumann predominantly manufactures speciality machinery and automated production lines with a focus on the automotive industry. Customers use Aumann's products for the highly efficient, technologically advanced mass production of electric motors and coils. This involves highly specialised and, in some cases, unique winding technologies that are used to wind electric components with copper wire. State-of-the-art automation solutions for related processes are no less important. Major customers from the automotive and e-bike industries use Aumann technology to manufacture the latest generation of electric motors. Aumann's product range also includes speciality machinery and production lines for the manufacture of energy storage systems and product-related services such as maintenance, repair and spare part supply.

Revenue in the e-mobility segment grew by 16.0% year-on-year to €56.6 million in the first six months. The segment's EBIT amounts to €5.0 million after the first six months with an EBIT margin of 8.9%. The drop in profitability occurred mainly due to a deterioration of the market environment and an accompanying cost sensitive behaviour of our customers. Incoming orders in e-mobility amount to €38.0 million.

In the Classic segment, Aumann mainly manufactures specialist machinery and automated production lines for the automotive, consumer electronics, appliances and aerospace industries. For example, Aumann's solutions include systems for the production of drive components that reduce CO₂ emissions from combustion engine vehicles. Aumann also offers highly automated manufacturing and assembly solutions for the consumer electronics and appliances industries in addition to specific solutions for other sectors.

Revenue in the Classic segment amounts to €76.9 million for the first six months (previous year: €84.6 million). One of the main reasons for the current revenue decline in the Classic segment is the investment restraint in the auto industry. Segment EBIT amounts to €6.2 million in the first six months after €8.7 million in the same period of the previous year. This corresponds to an EBIT margin of 8.1%. Incoming orders in the Classic segment amount to €48.2 million.

Employees

Not including temporary employees or trainees, the number of employees was 1,118 as at 30 June 2019.

Report on risks and opportunities

A detailed presentation of the company's risks and opportunities can be found in the 2018 annual report at www.aumann.com. There have been no material changes in risks and opportunities since the publication of the 2018 annual report. Aumann's risk management system is suitable for identifying risks early on and taking immediate action.

Report on expected developments

During the course of the second quarter of 2019, Aumann cautiously reassessed its revenue and earnings expectations for the 2019 financial year. Repeated postponements of orders with significant volumes led to a disappointing order intake of € 86.1 million in the first half of the year. Against this backdrop, revenues of € 240 to 260 million are now expected for the current fiscal year. Adjusted EBIT is forecasted at up to € 22 million, but may be reduced to € 16 million depending on further market developments.

The main reasons for this development are the decline in vehicle sales and the resulting uncertainty in the automotive industry, which is reflected in a considerable reluctance to invest and cost discipline by manufacturers and suppliers. Aumann expects these factors to continue beyond the current fiscal year, but considers the medium-term trend in e-mobility to be unbroken.

IFRS interim consolidated financial statements for 2019

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan - 30 Jun 2019 € k	1 Jan - 30 Jun 2018 € k
Revenue	133.499	133.379
Increase (+) / decrease (-) in finished goods and work in progress	310	343
Operating performance	133.809	133.722
Capitalised development costs	2.771	1.370
Other operating income	5.858	1.070
Total performance	142.438	136.162
Cost of raw materials and supplies	-65.737	-66.780
Cost of purchased services	-17.335	-11.606
Cost of materials	-83.072	-78.386
Wages and salaries	-30.860	-28.238
Social security and pension costs	-7.772	-7.332
Staff costs	-38.632	-35.570
Other operating expenses	-6.875	-5.220
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	13.859	16.986
Amortisation and depreciation expense	-2.388	-2.830
Earnings before interest and taxes (EBIT)	11.471	14.156
Other interest and similar income	115	110
Interest and similar expenses	-411	-400
Net finance costs	-296	-290
Earnings before taxes (EBT)	11.175	13.866
Income tax expense	-3.373	-3.965
Other taxes	-59	-39
Consolidated net profit	7.743	9.862
Earnings per share (in €)	0,51	0,65

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan - 30 Jun 2019 € k	1 Jan - 30 Jun 2018 € k
Consolidated net profit	7.743	9.862
Currency translation differences	3	125
FairValue Reserve	1.081	169
Other comprehensive income after taxes	1.084	294
Comprehensive income for the reporting period	8.827	10.156

IFRS consolidated statement of comprehensive income (unaudited)	1 Mar - 30 Jun 2019 € k	1 Mar - 30 Jun 2018 € k
Revenue	66.102	70.147
Increase (+) / decrease (-) in finished goods and work in progress	168	-694
Operating performance	66.270	69.453
Capitalised development costs	2.117	876
Other operating income	5.381	485
Total performance	73.768	70.814
Cost of raw materials and supplies	-34.213	-37.147
Cost of purchased services	-10.790	-4.999
Cost of materials	-45.003	-42.146
Wages and salaries and pension costs	-15.649	-14.608
Staff costs	-19.443	-18.498
Other operating expenses	-3.500	-1.528
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	5.822	8.642
Amortisation and depreciation expense	-1.205	-1.449
Earnings before interest and taxes (EBIT)	4.617	7.193
Other interest and similar income	82	78
Interest and similar expenses	-167	-157
Net finance costs	-85	-79
Earnings before taxes (EBT)	4.532	7.114
Income tax expense	-1.454	-2.070
Other taxes	-37	-15
Consolidated net profit	3.041	5.029
Earnings per share (in €)	0,20	0,33

Statement of financial position	30 Jun 2019	31 Dec 2018
Assets (IFRS)	unaudited	audited
	€ k	€ k
Non-current assets		
Own produced intangible assets	8.025	5.548
Concessions, industrial property rights and similar rights	689	819
Goodwill	38.484	38.484
Intangible assets	47.198	44.851
Land and buildings		
including buildings on third-party land	26.911	26.820
Technical equipment and machinery	3.099	2.869
Other equipment, operating and office equipment	4.447	3.680
Advance payments and assets under development	1.578	1.231
Property, plant and equipment	36.035	34.600
Financial assets	10.602	7.454
Deferred tax assets	635	301
	94.470	87.206
Current assets		
Raw materials and supplies	3.092	3.035
Work in progress	2.446	1.996
Finished goods	354	525
Advance payments	7.015	4.713
Inventories	12.907	10.269
Trade receivables	22.387	25.071
Receivables from construction contracts	105.380	99.622
Other current assets	4.621	4.921
Trade receivables and other current assets	132.388	129.614
Securities	1.660	2.697
Cash in hand	7	8
Bank balances	75.443	106.315
Cash in hand, bank balances	75.450	106.323
	222.405	248.903
Total assets	316.875	336.109

Statement of financial position	30 Jun 2019	31 Dec 2018
Equity and liabilities (IFRS)	unaudited	audited
	€ k	€ k
Equity		
Issued capital	15.250	15.250
Capital reserve	131.841	131.841
Retained earnings	54.614	48.837
	201.705	195.928
Non-current liabilities		
Pension provisions	18.267	18.267
Liabilities to banks	17.820	19.429
Other provisions	862	933
Other interest bearing liabilities	729	1
Other liabilities	1.165	1.180
Deferred tax liabilities	7.715	5.610
	46.558	45.420
Current liabilities		
Liabilities to banks	3.607	3.631
Other interest bearing liabilities	907	21
Contractual obligations	12.345	21.186
Trade payables	24.276	30.891
Other liabilities	3.419	9.562
Provisions with the nature of a liability	13.442	13.828
Tax provisions	1.203	1.320
Other provisions	9.413	14.322
	68.612	94.761
Total equity and liabilities	316.875	336.109

Consolidated statement of cash flows (unaudited)	1 Jan - 30 Jun 2019 € k	1 Jan - 30 Jun 2018 € k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	11.471	14.156
Adjustments for non-cash transactions		
Write-downs on non-current assets	2.388	2.830
Increase (+) / decrease (-) in provisions	-4.980	-68
Losses (+) / Gains (-) for disposal of assets	-1	-33
Other non-cash expenses / income	23	0
	-2.570	2.729
Change in working capital:		
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-4.626	-3.514
Decrease (-) / increase (+) in trade payables and other liabilities	-22.001	-17.816
	-26.627	-21.330
Income taxes paid (-) / received (+)	-2.561	553
Interest received	115	110
	-2.446	663
Cash flow from operating activities	-20.172	-3.782
2. Cash flow from investing activities		
Investments (-) / divestments (+) intangible assets	-2.862	-1.162
Investments (-) / divestments (+) property, plant and equipment assets and securities	-1.325	-2.010
	-1.029	-2.260
Cash flow from investing activities	-5.216	-5.432
3. Cash flow from financing activities		
Profit distribution to shareholders	-3.050	-3.050
Proceeds from borrowing financial loans	200	357
Repayments of financial loans	-2.200	-2.248
Interest payments	-411	-400
Cash flow from financing activities	-5.461	-5.340
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	-30.849	-14.554
Effects of changes in foreign exchange rates (non-cash)	-24	125
Cash and cash equivalents at start of reporting period	106.323	106.701
Cash and cash equivalents at end of period	75.450	92.272
Composition of cash and cash equivalents		
Cash in hand	7	7
Bank balances	75.443	92.265
Reconciliation to liquidity reserve on 31 March		
Cash and cash equivalents at end of period	75.450	92.272
Securities	12.262	8.922
Liquidity reserve on 31 March	87.712	101.194

Statement of changes in consolidated equity (unaudited)							
	Issued capital	Capital reserve	Currency translation difference	Retained earnings		Generated consolidated equity	Consolidated equity
	€ k	€ k	€ k	Fair Value Reserve	Pension reserve	€ k	€ k
1 Jan 2018	15.250	131.841	15	-37	-1.971	35.521	180.619
Payed dividend	0	0	0	0	0	-3.050	-3.050
Subtotal	15.250	131.841	15	-37	-1.971	32.471	177.569
Amounts recognised in other comprehensive income	0	0	0	-314	466	0	152
Currency translation difference	0	0	-15	0	0	0	-15
Consolidated net profit	0	0	0	0	0	18.222	18.222
Total comprehensive income	0	0	-15	-314	466	18.222	18.359
31 Dec 2018	15.250	131.841	0	-351	-1.505	50.693	195.928
Payed dividend	0	0	0	0	0	-3.050	-3.050
Subtotal	15.250	131.841	0	-351	-1.505	47.643	192.878
Amounts recognised in other comprehensive income	0	0	0	1.081	0	0	1.081
Currency translation difference	0	0	3	0	0	0	3
Consolidated net profit	0	0	0	0	0	7.743	7.743
Total comprehensive income	0	0	3	1.081	0	7.743	8.827
30 Jun 2019	15.250	131.841	3	730	-1.505	55.386	201.705

Notes to the interim consolidated financial statements

Accounting

The interim financial report of the Aumann Group for the period 1 January to 30 June 2019 was prepared on the basis of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted in the EU. It was prepared in accordance with IAS 34.

Accounting policies

The accounting policies adopted are the same as those applied in preparing the consolidated financial statements as at 31 December 2018. The preparation of the financial statements is influenced by accounting policies and assumptions and estimates affecting the amount and reporting of recognised assets, liabilities, contingent liabilities and income and expense items. Matters relating to revenue are deferred intra-year.

Segment reporting

The management of the Aumann Group classifies the segments as described in the interim Group management report.

1 Jan - 30 Jun 2019 (unaudited)	Classic € k	E-mobility € k	Reconciliation € k	Group € k
Order backlog	96.269	60.589	0	156.858
Order intake	48.156	37.982	0	86.138
Revenue from third parties	76.884	56.615	0	133.499
EBITDA	7.473	6.156	230	13.859
Amortisation and depreciation	-1.242	-1.115	-31	-2.388
EBIT	6.231	5.041	199	11.471
Financial result	-270	-113	87	-296
EBT	5.961	4.928	286	11.175
EBIT-Margin	8,1%	8,9%		8,6%
Trade receivables and				
Receivables from construction contracts	70.606	57.161	0	127.767
Contractual obligations	9.665	2.680	0	12.345

1 Jan - 30 Jun 2018 (unaudited)	Classic € k	E-mobility € k	Reconciliation € k	Group € k
Order backlog	128.508	74.743	0	203.251
Order intake	79.636	52.840	0	132.476
Revenue from third parties	84.563	48.816	0	133.379
EBITDA	9.687	7.473	-174	16.986
Amortisation and depreciation	-976	-778	-1.076	-2.830
EBIT	8.711	6.695	-1.250	14.156
Financial result	-252	-148	110	-290
EBT	8.459	6.547	-1.140	13.866
EBIT-Margin	10,3%	13,7%		10,6%
Trade receivables and				
Receivables from construction contracts	74.484	42.184	0	116.668
Contractual obligations	15.740	5.088	0	20.828

Changes in contingent liabilities

There were no changes in contingent liabilities as against 31 December 2018.

Related party transactions

Business transactions between consolidated Group companies and other companies of the MBB Group are conducted at arm's-length conditions.

Events after the end of the reporting period

There were no significant events after the end of the reporting period.

Review

The condensed interim consolidated financial statements as at 30 June 2019 and the interim Group management report were neither audited in accordance with section 317 of the German Commercial Code (HGB) nor reviewed by an auditor.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the results of operations, financial position and net assets of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Beelen, 23 August 2019



Rolf Beckhoff
Chief Executive Officer



Sebastian Roll
Chief Financial Officer

Financial calendar

End of financial year

31 December 2019

Conferences

Commerzbank Sector Conference

Frankfurt, Germany

28 August 2019

Berenberg/Goldman Sachs Conference

Munich, Germany

24 September 2019

German Equity Forum

Frankfurt, Germany

25 November 2019

Berenberg European Conference

Pennyhill, UK

2 December 2019

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