

MAX Automation SE

QUARTERLY STATEMENT III.2020

Strategic Highlights Core Business

- COVID-19 weighs on order intake, trend toward recovery by the end of Q3
- Robust operational earnings situation in all three core business segments
- Process Technologies limited as expected due to coronavirus
- Environmental Technologies nearly at the previous year's level
- Evolving Technologies strong in packaging automation and medical technology

Operational KPIs Core Business

- Order intake -26.1 % to mEUR 171.7
- Sales -15.2 % to mEUR 200.3
- EBITDA -41,2 % to mEUR 15.5Mio. Euro
- Working capital +9.9 % to mEUR 48.1

Key Share Data 9M 2020

Ticker/ISIN	MXHN/DE000A2DA588
Number of shares	29.46 million
Closing price (30/9/2020)*	EUR 3.47
Highest/lowest price	EUR 3.57 / EUR 3.19
Price performance**	-19.3 %
Market capitalization (30/9/2020)	EUR 102.2 million

* Closing prices Xetra trading system of Deutsche Börse AG

** Comparison of share price on 30 September 2020 compared to share price on 30 December 2019

STATEMENT BY THE MANAGING DIRECTORS

MAX Automation SE held its ground overall in the first nine months of 2020 despite the economic crisis caused by COVID-19. The risk provisioning in the past year and the continued systematic handling of issues from the non-core business, led to lower charges at Group level compared to the previous year and improved the earnings situation.

The economic crisis triggered by Corona is reflected in the order situation in the individual segments. A general reluctance to invest led to a lower order intake, although we were able to see recovery tendencies towards the end of the reporting period. Order intake in the core business decreased in the nine-month period 2020 by 26.1 % to mEuro 171.7 compared to the previous year, while at Group level it fell by 24.7 % to mEUR 210.8. In the non-core business, the closures of the IWM Automation companies are pushed further. ELWEMA was able to report a good third quarter of 2020 overall.

Although project delays because of the pandemic depressed Group sales by 24.2 % to mEUR 225.1, this did not affect margins. Group earnings before interest, taxes, depreciation and amortization (EBITDA) of mEUR 7.3 resulted mainly from the significantly reduced loss situation in the non-core business. This compared to a Group EBITDA of mEUR -4.6 in the past year. As expected, the core business achieved declining but still clearly positive operating earnings of mEUR 15.5 driven by noticeably reduced costs in the Group companies and consistently high margins.

In the current crisis, MAX Automation benefits from the fact that we are represented in various industries with our Process Technologies, Environmental Technologies and Evolving Technologies segments. Medical technology, packaging automation and environmental technology are coming through the crisis better than other industries, recording a robust business development that exceeded our original expectations.

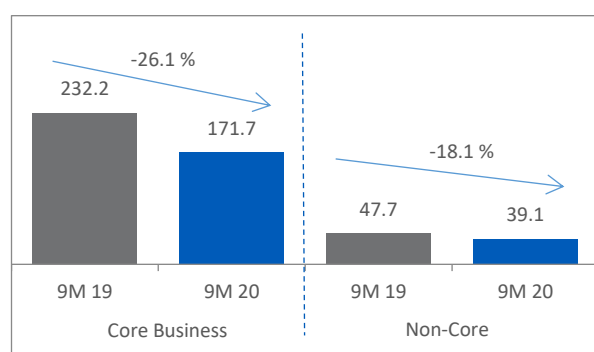
We are satisfied with the development so far and are cautiously optimistic about Q4 2020 given our more crisis-proof orientation. The again increasing number of COVID-19 infections and related measures make it still difficult to forecast the business development. After the initial catch-up effects in the third quarter of 2020, the remaining course of the year is expected to be much less dynamic, so that we continue to abstain from issuing a new forecast.

OVERVIEW KEY FIGURES

in Mio. EUR	Q1-Q3 2020	Q1-Q3 2019	Change
Order Intake	210.8	279.9	-24.7%
Order Backlog	183.2	225.9	-18.9%
Working Capital	68.8	86.6	-20.6%
Sales	225.1	297.0	-24.2%
EBITDA	7.3	-4.6	257.8%
Employees	1,681	1,847	-9.0%
Process Technologies			
Sales	37.6	53.0	-29.2%
EBITDA	5.0	11.0	-54.4%
Environmental Technologies			
Sales	83.7	85.3	-1.9%
EBITDA	9.1	8.9	1.6%
Evolving Technologies			
Sales	78.5	96.3	-18.5%
EBITDA	7.7	12.2	-36.4%
Non-Core			
Sales	27.4	63.8	-57.1%
EBITDA	-8.1	-30.7	-73.6%

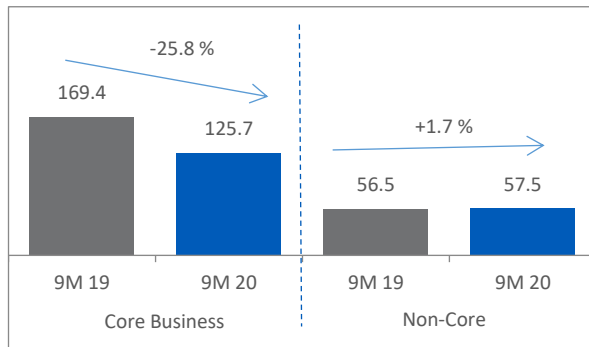
ORDER SITUATION

Order Intake (mEUR)



- Order intake in the Group declined 24.7 % to mEUR 210.8 (9M 2019: mEUR 279.9), mainly due to the reluctance to invest triggered by the COVID-19 pandemic.
- At the end of the third quarter of 2020, a more stable development again became evident. Increasing inquiries and a well-filled order pipeline offer opportunities for further order intake in the fourth quarter of 2020. The book-to-bill ratio increased to 0.94 compared to the first half of 2020 (H1 2020: 0.82).
- In the non-core business, the decline resulted from the closures of the IWM Automation companies. In contrast, ELWEMA reported high order intake compared to the previous year despite the coronavirus pandemic and the crisis in the automotive industry, thanks to strong demand for conversion and repeat projects from long-term customers.

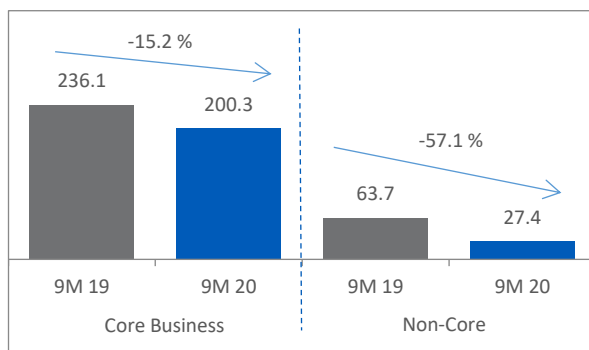
Order Backlog (mEUR)



- At Group level, the order backlog fell by 18.9 % as expected, due to the COVID-19 pandemic and the closures of the IWM Automation companies, to mEUR 183.2 (9M 2019: mEUR 225.9).
- There were no cancellations due to the pandemic, and as a result the order backlog provides a solid basis for the fourth quarter of 2020.
- The non-core business showed a positive development with ELWEMA. Projects not yet completed by the closed IWM Automation companies continued to be successively processed.

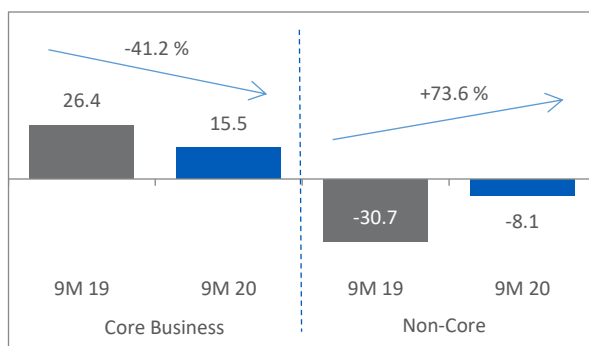
SALES AND RESULT OF OPERATIONS

Sales (mEUR)



- Project delays due to the pandemic situation reduced Group sales by 24.2 % to mEUR 225.1 (9M 2019: mEUR 297.0).
- Here, the core business showed itself to be more resistant than the industry average with a decline of 15.2 %. The export share of sales in the core business amounted to 65.4 % (9M 2019: 56.5 %).
- Sales in the non-core business fell in particular with the closure of the IWM Automation companies. ELWEMA was able to fully resume project development in China and the USA after a COVID-19-related standstill.

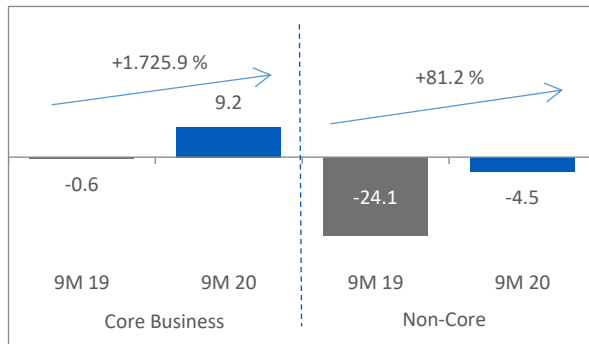
EBITDA (mEUR)



- In the first nine months of 2020 the Group achieved earnings before interest, taxes, depreciation and amortization (EBITDA) of mEUR 7.3 (9M 2019: mEUR -4.6). This positive development is largely due to the fact that it was possible to significantly reduce losses from the non-core business.
- EBITDA in the core business declined due to lower sales. Thanks to strict cost discipline and noticeably reduced operating costs in the Group companies as well as consistently high margins, clearly positive operating earnings were nevertheless achieved.
- In the non-core business, the project delays at ELWEMA made themselves felt. Due to the initiation of new projects in September, the company was able to achieve positive operating earnings for the first time in 2020.

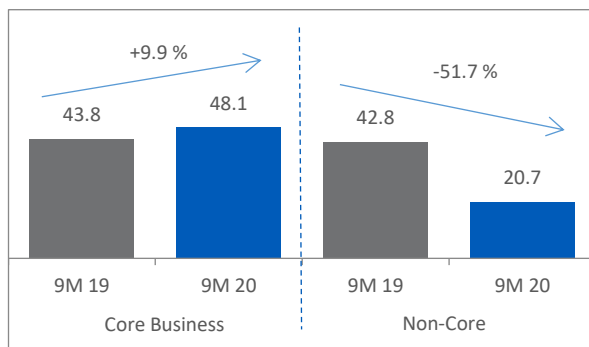
FINANCIAL POSITION

Cash Flow from operating activities (mEUR)



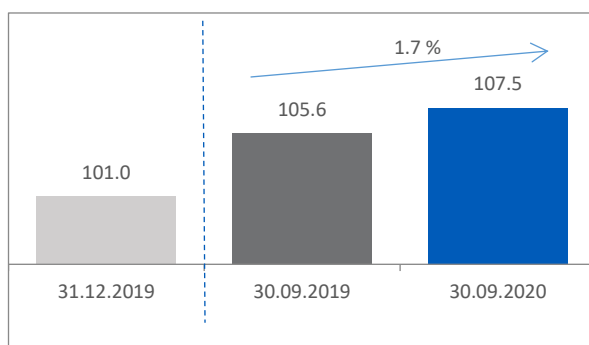
- The Group as a whole reported a cash inflow from operating cash flow of mEUR 6.4 (9M 2019: cash outflow of mEUR 34.6).
- Investing activities in the reporting period generated in a cash outflow of mEUR 4.2 (9M 2019: cash outflow of mEUR 6.6).
- Cash flow from financing activities resulted in a balance from cash inflows and outflows of mEUR -0.5 (9M 2019: mEUR 53.2).
- Financial resources as of 30 September 2020 increased by 4.2 % to mEUR 42.3 (31 December 2019: mEUR 40.6).

Working Capital (mEUR)



- Working capital at Group level decreased by 20.6 % to mEUR 68.8 (30 September 2019: mEUR 86.6). The main driver was the non-core business with a significant decline.
- In the core business, working capital was maintained at a relatively constant level.
- In the non-core business, the decrease in working capital resulted from the closures of the IWM Automation companies and from ELWEMA's working capital now being at a significantly lower level of under EUR 20 million.

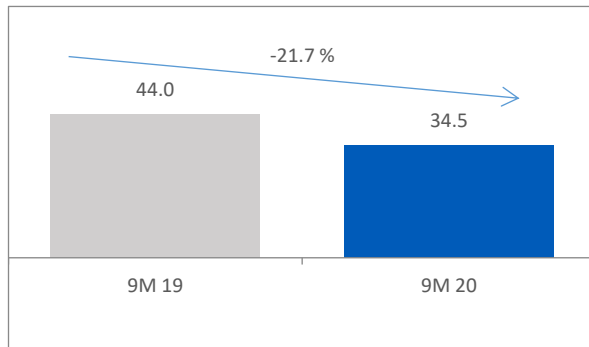
Net debt for the MAX Group (mEUR)



- The equity ratio of the Group as of 30 September 2020 amounted to 17.2 % (31 December 2019: 20.4 %). Balance sheet equity declined to mEUR 50.3 (31 December 2019: mEUR 67.9).
- Net debt increased by 1.7 % to mEUR 107.5 compared to 30 September 2019 (30 September 2019: mEUR 105.6). This represents a reduction of 12.9 % compared to the end of the first half of 2020 (30 June 2020: mEUR 123.4).
- Non-current liabilities to banks increased compared to the previous year due to the utilization of the syndicated loan. Current trade liabilities fell as a result of the lower order intake and the completion or termination of outstanding projects of the IWM Automation companies.

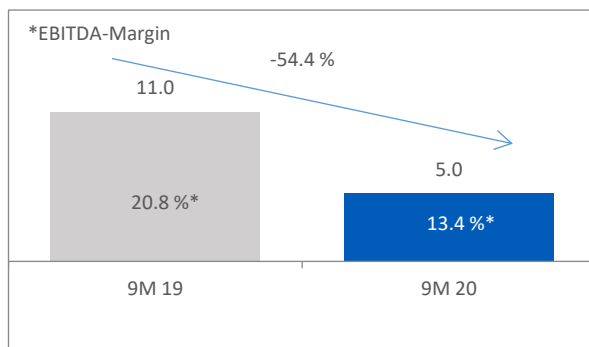
SEGMENT KEY FIGURES

Process Technologies – Order Intake (mEUR)



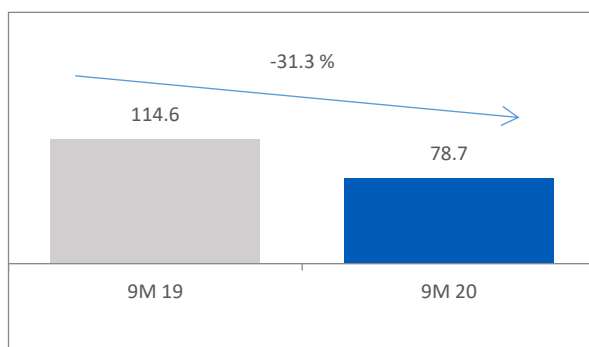
- In the nine-month period 2020, order intake fell in particular due to the delayed awarding of contracts for major projects for impregnation technology in e-mobility, by 21.7 % to mEUR 34.5 (9M 2019: mEUR 44.0).
- Some orders were postponed by customers to the fourth quarter of 2020 or to 2021. Demand is still at a good level, though conditionally below initial expectations because of COVID-19.
- The underlying business in dispensing technology remains intact. Many service orders were also won. Tests by customers in application technology are now running at full capacity.

Process Technologies – EBITDA (mEUR)



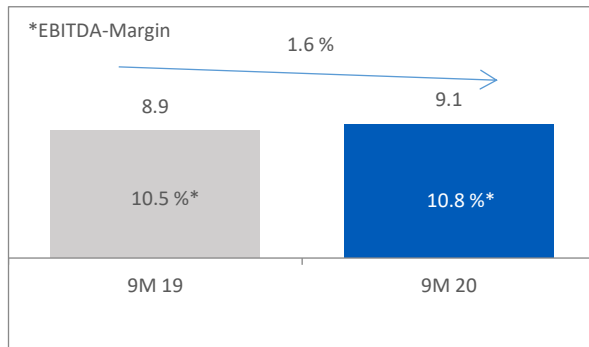
- Sales in Process Technologies decreased due to COVID-19 by 29.2 % to mEUR 37.6 (9M 2019: mEUR 53.0). The growth originally planned for the segment in 2020 will not be achieved.
- EBITDA for the nine-month period 2020 fell as expected by 54.4 % to mEUR 5.0 (9M 2019: mEUR 11.0). This was caused by delays in projects and launches due to COVID-19 and resulting lower sales.
- Sustained high double-digit EBITDA margins underline the company's positioning as a hidden champion in dispensing technology with clear and unique selling points.

Environmental Technologies – Order Intake (mEUR)



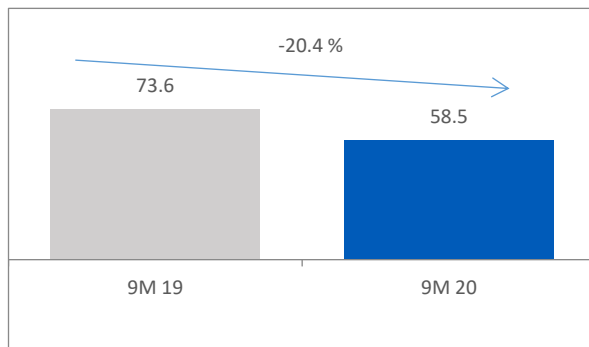
- The Environmental Technologies segment recorded a decline in order intake of 31.3 % to mEUR 78.7 in the first nine months of 2020 (9M 2019: mEUR 114.6).
- It should be noted that the previous year's figure included major orders in the amount of mEUR 18, which were of a one-off nature. Overall, order intake in the current environment exceeded management's initial expectations.
- The demand for substitute fuels is lower due to the low oil price. In Europe, the coronavirus pandemic is also affecting demand for recycling and waste solutions for wood and biomass.

Environmental Technologies – EBITDA (mEUR)



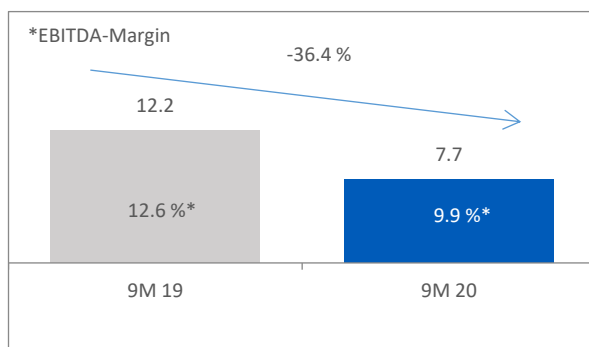
- With sales of mEUR 83.7, Environmental Technologies achieved the previous year's level (9M 2019: mEUR 85.3) thanks to the high order backlog. At mEUR 9.1, EBITDA is higher than in the previous year (9M 2019: mEUR 8.9).
- With a high order backlog and only insignificant project delays, it was possible to continue production almost under normal conditions.
- In the USA in particular, project progress on major projects was faster than planned.

Evolving Technologies – Order Intake (mEUR)



- Order intake in the Evolving Technologies segment decreased in the nine-month period of 2020 by a total of 20.4 % to mEUR 58.5 (9M 2019: mEUR 73.6). This is mainly due to the decline in demand in press automation and robotics.
- The segment was able to expand its customer base and generate new and follow-up orders by investing in medical technology with its tip and cup technology (blood analysis tubes). Comparatively high order intake was also recorded in September in the field of optical sensor technology.
- Packaging automation continued to record good demand with corresponding order intake. A resurgence in orders was noticeable in press automation in September. Due to the pandemic, the robotics industry continues to record a low level of order intake with a noticeable increase in price pressure.

Evolving Technologies – EBITDA (mEUR)



- With sales in medical technology and packaging automation, the Evolving Technologies segment was able to partially compensate for burdens from press automation and robotics. Sales decreased comparatively moderately by 18.5 % to mEUR 78.5 (9M 2019: mEUR 96.3).
- EBITDA decreased compared to the first nine months of the previous year by 36.4 % to mEUR 7.7 (9M 2019: mEUR 12.2). This was mainly due to pandemic-related slower project progress in press automation and losses in the area of robotics.
- Medical technology made the largest contribution to the positive operating earnings. This was supported by margin improvements in projects. Parallel to its assembly lines for contact lenses, the business for the tip and cup technology was expanded.

DEVELOPMENTS FROM THE FOURTH QUARTER

Following the end of the reporting period, no further events of particular significance for the net assets, financial position and results of operations of the MAX Automation Group have occurred.

OUTLOOK

After the global economy was able to recover in the third quarter of 2020 from the losses of the COVID-19 pandemic in the first half of the year, the current increase in infections in Europe and the lockdowns that have been announced are expected to lead to a renewed slowdown in economic growth in the fourth quarter. The overall economic situation remains fragile. This makes a V-shaped return to pre-crisis levels in 2020 less likely, meaning that a flattened recovery remains the most likely scenario.

Despite the economic crisis triggered by the COVID-19 pandemic, the MAX Automation Group's sales and earnings development was robust in the first nine months of the current fiscal year 2020. The profitable core business and the significant reduction of negative effects of the non-core business meant MAX Automation was able to improve its operating earnings.

However, the fact that the number of COVID-19 infections are again rising shows that forecasts of business development are still characterized by an extremely high degree of uncertainty. Assuming that economic conditions do not deteriorate significantly as a result of new measures taken to contain the second wave of the coronavirus, MAX Automation's management is cautiously optimistic about the fourth quarter due to its comparatively crisis-proof orientation. However, after the initial catch-up effects in the third quarter of 2020, the momentum for the rest of the year is expected to be much less dynamic, so that the management continues to refrain from issuing a new forecast.

BALANCE SHEET

ASSETS	30.09.2020	31.12.2019
	kEUR	kEUR
Non-current assets		
Intangible assets	3,984	6,787
Goodwill	42,062	46,239
Right-of-Use Assets	17,189	17,232
Property, plant and equipment	47,080	46,338
Investment property	7,454	7,454
Other investments	2,803	6,692
Deferred tax	9,526	10,383
Other non-current assets	120	286
Non-current assets, total	130,218	141,411
Current assets		
Inventories	52,421	54,029
Contract assets	35,697	40,987
Trade receivables	27,206	45,402
Prepayments, accrued income and other current assets	6,465	9,967
Cash and cash equivalents	42,282	40,596
Current assets, total	164,071	190,981
Total assets	294,289	332,392
EQUITY AND LIABILITIES		
EQUITY		
Subscribed share capital	29,459	29,459
Capital reserve	18,907	18,907
Revenue reserve	24,151	24,126
Revaluation Reserve	11,340	11,340
Equity difference resulting from currency translation	-102	609
Non-controlling interests	333	310
Unappropriated retained earnings	-33,812	-16,876
Total Equity	50,276	67,875
Non-current liabilities		
Non-current loans less current portion	129,236	120,574
Lease liabilities, non-current	14,406	15,438
Pension provisions	1,096	1,048
Other provisions	4,414	4,224
Deferred tax	9,473	10,912
Other non-current liabilities	1	300
Non-current liabilities, total	158,626	152,496
Current liabilities		
Trade payables	18,828	49,818
Contract liabilities	27,710	18,637
Current loans and current portion of non-current loans	1,652	1,327
Lease liabilities, current	4,470	4,257
Other current financial liabilities	14,409	15,670
Income tax provisions and liabilities	3,644	2,208
Other provisions	12,170	15,625
Other current liabilities	2,504	4,479
Current liabilities, total	85,387	112,021
Equity and liabilities, total	294,289	332,392

STATEMENT OF COMPREHENSIVE INCOME

	Q1-Q3 2020	Q1-Q3 2019 ¹⁾	Q3 2020	Q3 2019
	kEUR	kEUR	kEUR	kEUR
Revenue	225,099	297,043	73,019	111,660
Change in finished goods and work-in-progress	-2,102	-10,811	-1,529	-14,984
Work performed by the company and capitalized	1,504	1,044	658	8
Total operating revenue	224,501	287,276	72,148	96,684
Other operating revenue	8,935	8,848	2,915	2,257
Cost of materials	-99,791	-145,002	-30,960	-43,748
Personnel expenses	-91,706	-106,805	-28,540	-39,480
Depreciation, amortization and impairment losses	-15,803	-12,465	-2,761	-6,656
Other operating expenses	-34,615	-48,958	-8,731	-14,455
Operating result	-8,479	-17,106	4,071	-5,398
Financial income	332	690	143	655
Financial expenses	-7352	-12,332	-2373	-10525
Financial result	-7,020	-11,642	-2,230	-9,870
Result from equity accounted investments	0	-1,007	0	-676
Earnings before tax	-15,499	-29,755	1,841	-15,944
Income taxes	-1,337	-6,940	-897	1,144
Net income / loss	-16,836	-36,695	944	-14,800
of wich attributable to non-controlling interests	75	-888	136	-53
of wich attributable to shareholders of MAX Automation SE	-16,911	-35,807	808	-14,747
Other comprehensive income that is never recycled to the income statement				
Revaluation of land and buildings	0	2,044	0	0
Actuarial gains and losses on employee benefits	0	0	0	0
Income taxes on actuarial gains and losses	0	0	0	0
Other comprehensive income that can be recycled to the income statement				
Change arising from currency translation	-709	1,251	-849	662
Total comprehensive income	-17,545	-33,400	95	-14,138
of wich attributable to non-controlling interests	75	-888	136	-53
of wich attributable to shareholders of MAX Automation SE	-17,620	-32,512	-41	-14,085
Earnings per share (diluted and basic) in EUR	-0.57	-1.22	0.03	-0.50

¹⁾ The previous year's figures were adjusted to the balance sheet as of 31December 2019. Further information can be found in the notes of the Interim Financial Report for the first half of fiscal year 2020.

STATEMENT OF CASH FLOWS

	Q1-Q3 2020 kEUR	Q1-Q3 2019 ¹⁾ kEUR
Cash and cash equivalents at the start of the reporting period	40.596	33.518
Cash flow from operating activities	6.412	-34.646
Cash flow from investing activities	-4.164	-6.625
Cash flow from financing activities	-534	53.243
Effect of changes in exchange rates	-28	435
Consolidation-related changes in cash and cash equivalents	0	-400
Cash and cash equivalents at the end of the reporting period	42.282	45.525

¹⁾ The previous year's figures were adjusted to the balance sheet as of 31 December 2019. Further information can be found in the notes of the Interim Financial Report for the first half of fiscal year 2020.

SEGMENT REPORTING

Segment	Process Technologies		Environmental Technologies	
	Q1-Q3 2020	Q1-Q3 2019	Q1-Q3 2020	Q1-Q3 2019
	kEUR	kEUR	kEUR	kEUR
Order intake	34,453	44,029	78,698	114,618
Order backlog	21,373	26,958	41,892	64,913
Working Capital	14,183	16,705	18,454	13,349
Segment revenue	37,577	53,044	83,695	85,287
EBITDA	5,032	11,030	9,064	8,918
EBITDA margin (in %; in relation to revenue)	13.4%	20.8%	10.8%	10.5%
Average number of personnel excluding trainees	409	361	418	401

Segment	Evolving Technologies		Non-Core	
	Q1-Q3 2020	Q1-Q3 2019 ¹⁾	Q1-Q3 2020	Q1-Q3 2019
	kEUR	kEUR	kEUR	kEUR
Order intake	58,547	73,592	39,077	47,701
Order backlog	62,452	77,498	57,455	56,519
Working Capital	15,545	14,638	20,663	42,801
Segment revenue	78,492	96,342	27,351	63,770
EBITDA	7,744	12,174	-8,097	-30,680
EBITDA margin (in %; in relation to revenue)	9.9%	12.6%	-29.6%	-48.1%
Average number of personnel excluding trainees	558	550	282	527

Segment	Reconciliation		Group	
	Q1-Q3 2020	Q1-Q3 2019	Q1-Q3 2020	Q1-Q3 2019 ¹⁾
	kEUR	kEUR	kEUR	kEUR
Order intake	0	0	210,775	279,940
Order backlog	0	0	183,172	225,888
Working Capital	-59	-905	68,786	86,588
Segment revenue	-2,016	-1,400	225,099	297,043
EBITDA	-6,419	-6,083	7,324	-4,641
EBITDA margin (in %; in relation to revenue)	-	-	3.3%	-1.6%
Average number of personnel excluding trainees	14	8	1,681	1,847

¹⁾ The previous year's figures were adjusted to the balance sheet as of 31 December 2019. Further information can be found in the notes of the Interim Financial Report for the first half of fiscal year 2020.

IMPRINT

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DISCLAIMER

The interim announcement contains forward-looking statements on the business, earnings, financial and asset situation of MAX Automation SE and its subsidiaries. These statements are based on the Company's current plans, estimates, projections and expectations and are therefore subject to risks and uncertainties that may cause the actual development to differ quite considerably from the expected development. These forward-looking statements only apply at the time of publication of this quarterly report. MAX Automation SE does not intend to update the forward-looking statements and assumes no obligation to do so.
