

 technotrans



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March 10, 2020

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# PRESENTATION OF THE RESULTS FOR THE FINANCIAL YEAR 2019

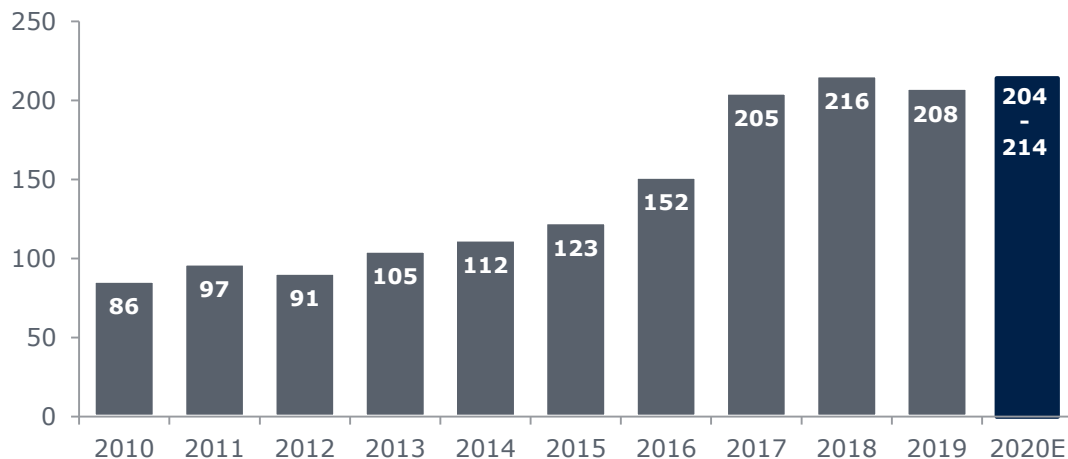
# OVERVIEW OF THE 2019 FINANCIAL YEAR

## technotrans meets its forecast for 2019

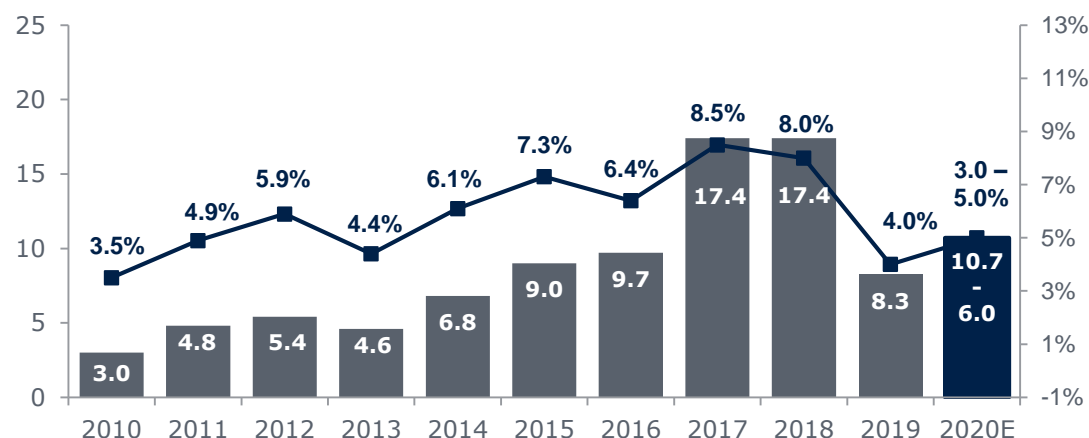
- › **Group revenue at € 207.9 million (- 3.9%). Fourth quarter exceeds expectations**
- › **Operating result (EBIT) positive at € 8.3 million, but significantly below previous year (- 52%)**
  - › economic environment and one-offs are weighing on profitability
- › **Positive free cash flow of € 7.6 million** (previous year: minus € 3.8)
- › **Electric mobility continues to gain momentum**
- › **Medical technology: important milestone reached following positive clinical tests**
- › **termotek starts production at new location in August 2019** und sets new standards for lean production and energy efficiency in the group

# REVENUE AND EBIT – PERFORMANCE AND OUTLOOK

Revenue (€ million)



EBIT (€ million) and EBIT margin (%)



› **Group revenue of € 207.9 million below previous year**

› ERP-implementation at gwk and difficult economic environment slow down group growth

› **Operating result (EBIT) at € 8.3 million**  
› **EBIT margin reaches 4.0 %**

› **Losses in productivity are weighing on the Technology segment:**

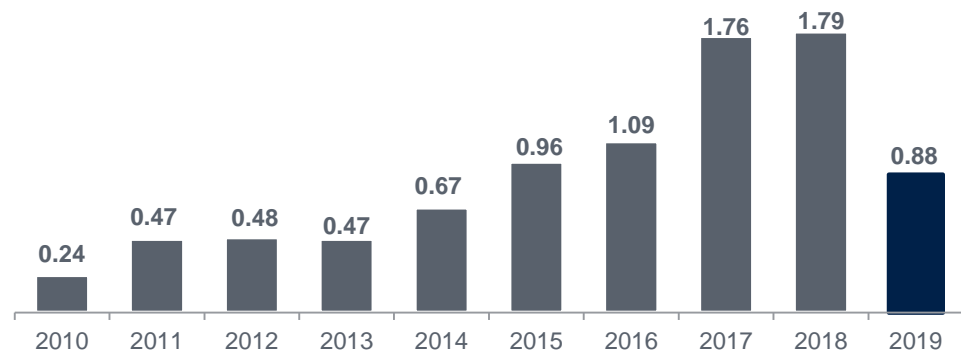
- › Effects of the ERP-implementation at gwk
- › One-time special effects in the amount of € 1.4 million

› **Outlook 2020:**

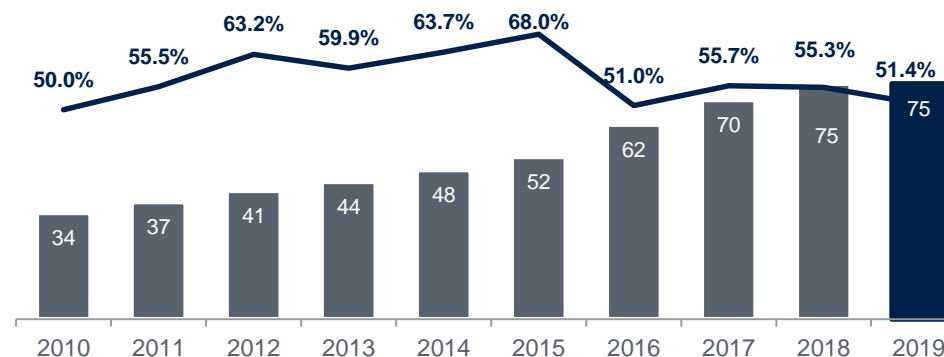
- › cautious regarding the economic environment
- › optimistic about the potentials of technotrans

# KEY PERFORMANCE INDICATORS

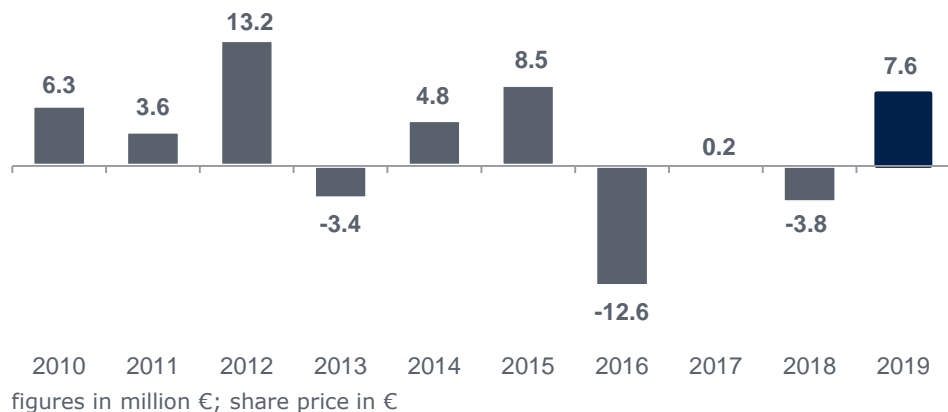
## Earnings per Share 2010 - 2019



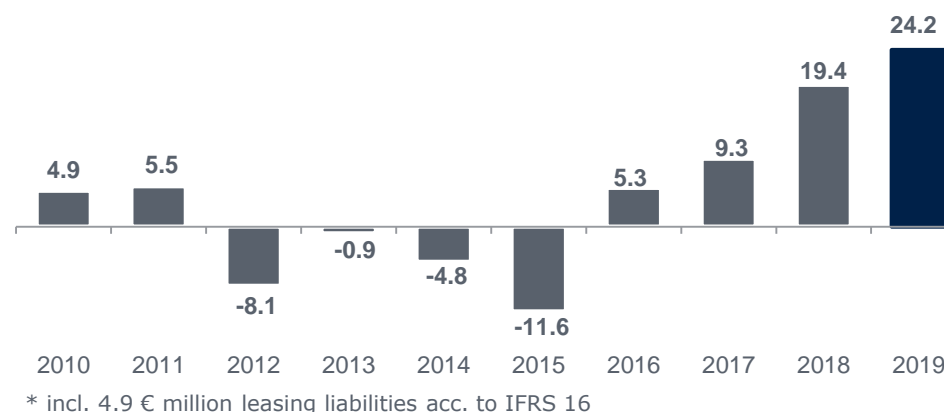
## Equity ratio on a solid level



## Free Cash Flow positive

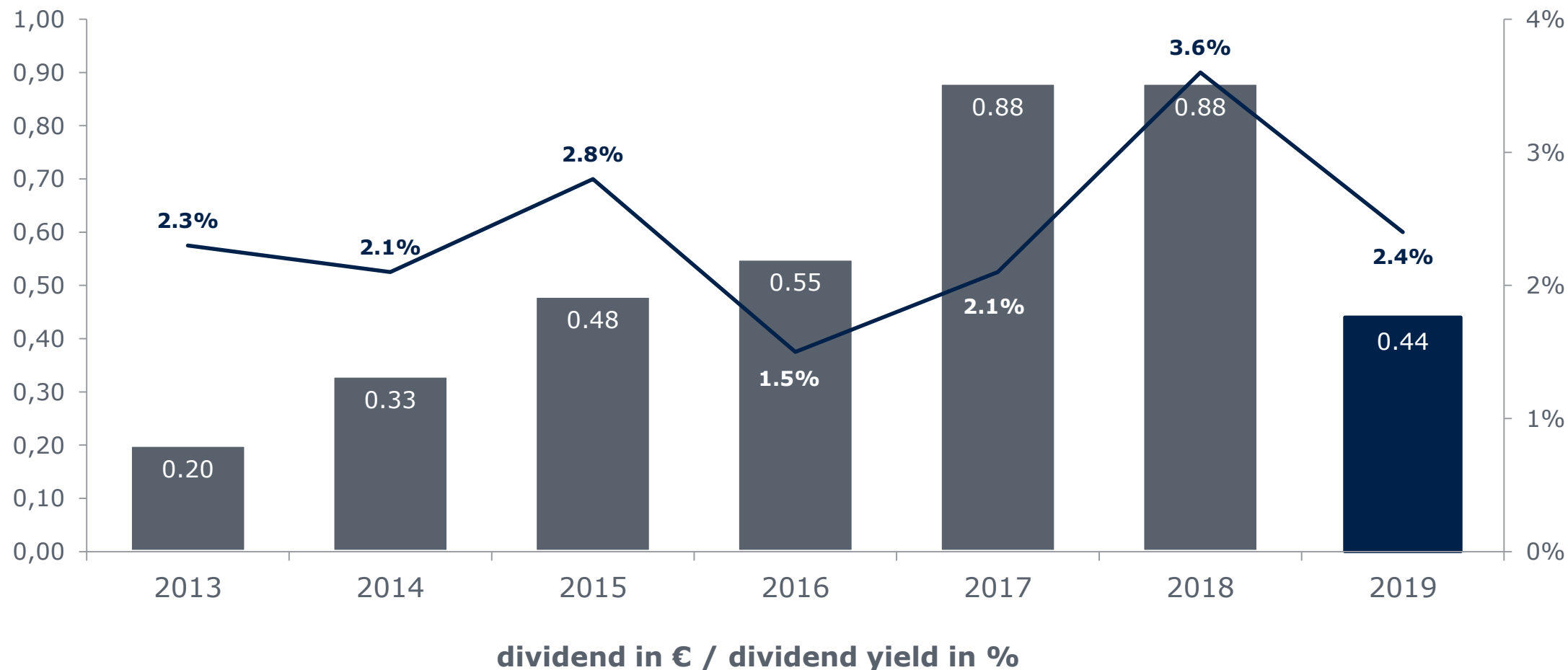


## Net debt incl. leasing liabilities increased



# DIVIDEND POLICY

The Board of Management and the Supervisory Board propose a dividend distribution of € 0.44 per share for FYE 2019.



# BUSINESS DEVELOPMENT IN OUR MARKETS

## Outlook 2020



### Printing industry:

Economy slows down development. Position in flexographic printing further strengthened.



### Laser and machine tool industry

Gains in market share partially offset declining investment activity.



### Growth markets:

#### Electric mobility:

Growth trend continues. Market penetration for mobile refrigeration solutions for special vehicles increased.



### Medical technology, EUV technology:

Positive development due to development of new technologies. technotrans OP solution before approval.



### Plastics processing industry:

Process-related problems from ERP implementation in financial year 2019 solved. Operating performance is gradually and on schedule returning to normal. Reisner develops according to plan.

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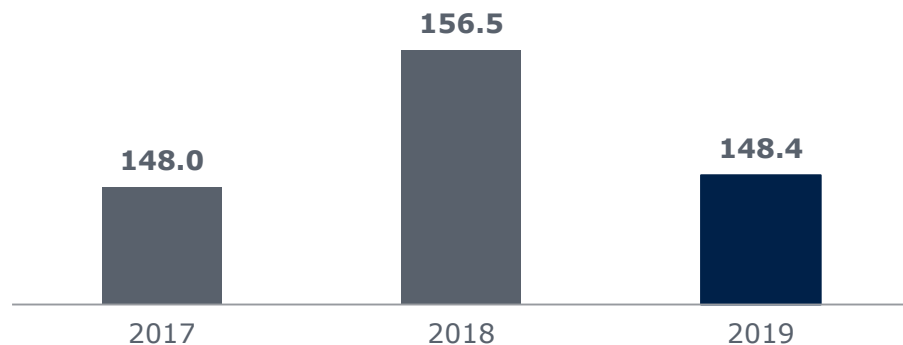
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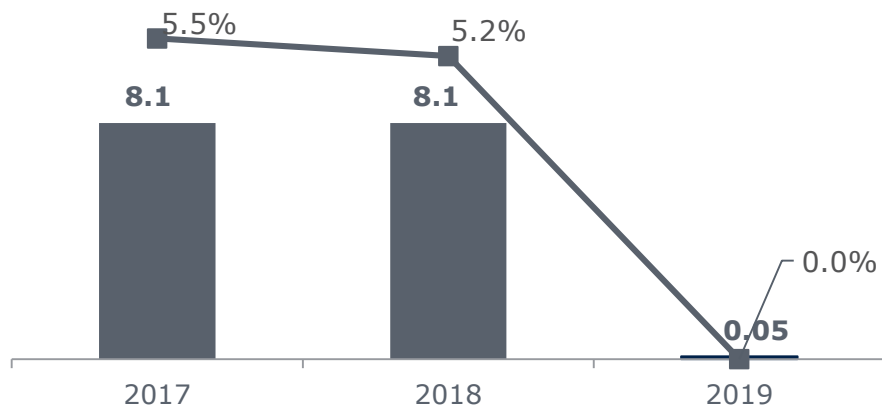
# PERFORMANCE SEGMENT TECHNOLOGY

> Economy and gwk are weighing on revenue and EBIT

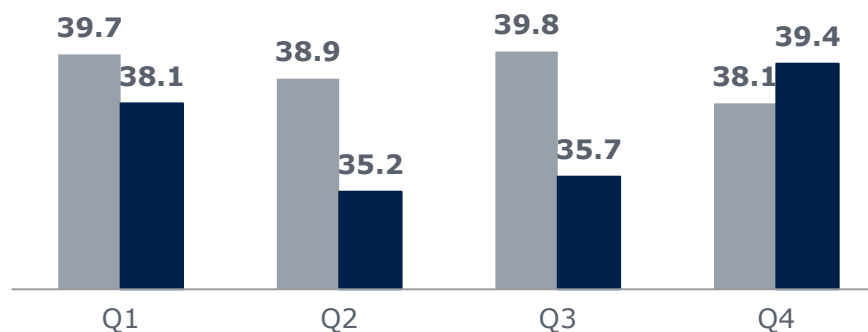
Annual revenue 2017-2019 (€m)



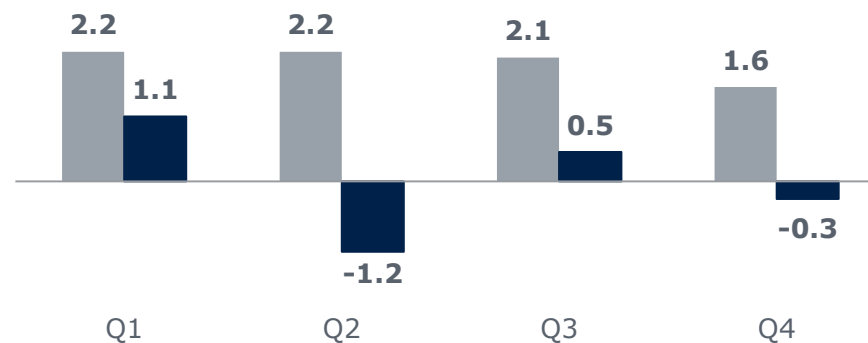
Annual EBIT/EBIT margin 2017-2019 (€m / %)



Revenue 2018/2019 by quarters (€m)



EBIT 2018/2019 by quarters (€m)

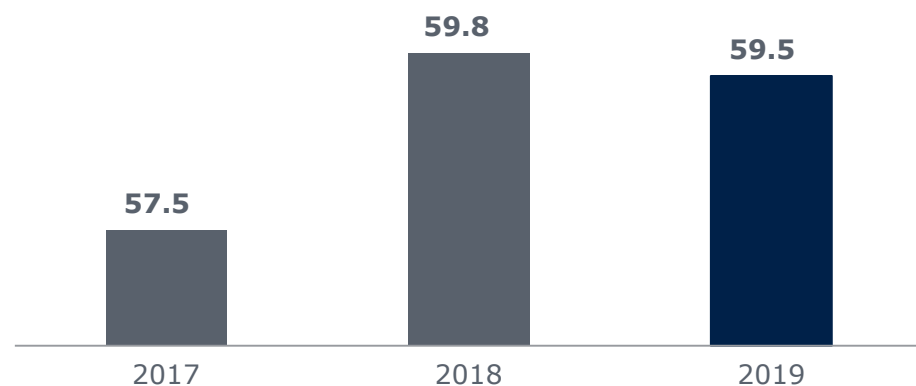




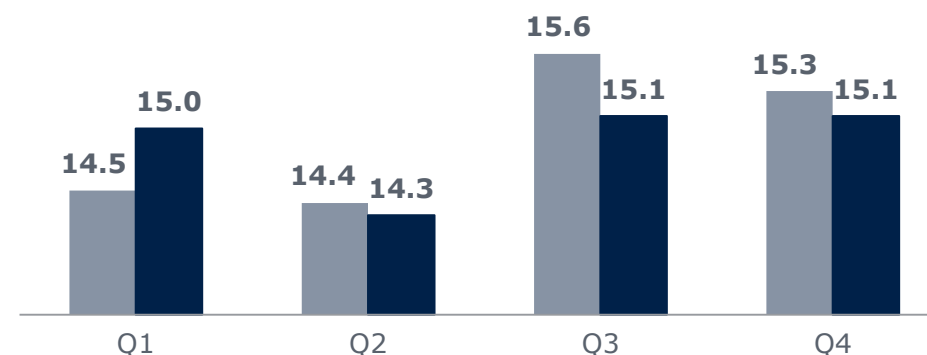
# PERFORMANCE SEGMENT SERVICES

> Robust development despite difficult economic environment

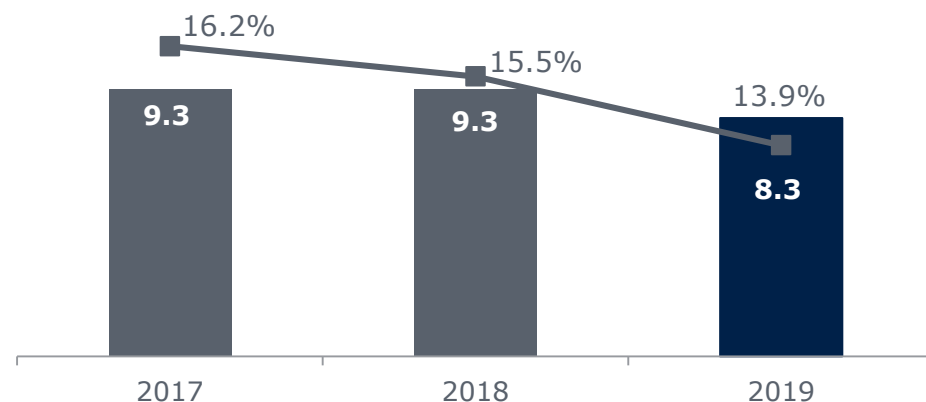
Annual revenue 2017-2019 (€m)



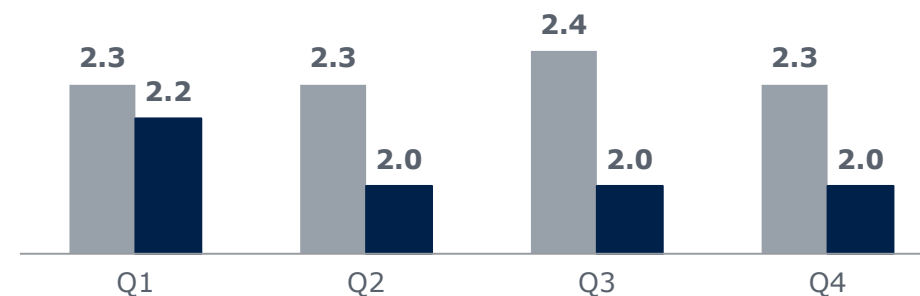
Revenue 2018/2019 by quarters (€m)



Annual EBIT/EBIT margin 2017-2019 (€m/%)



EBIT 2018/2019 by quarters (€m)

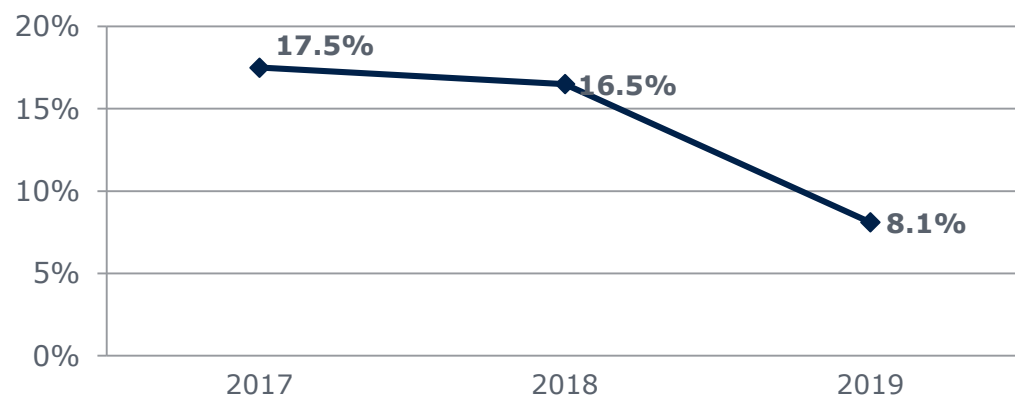


# BALANCE SHEET RATIOS

ASSETS	FY 2019		FY 2018	
	mio. €	%	mio. €	%
Non-current assets *)	<b>69.8</b>	47.8	<b>61.4</b>	45.1
Current assets	<b>76.2</b>	52.2	<b>74.6</b>	54.9
Total assets	<b>146.0</b>	100.0	<b>136.0</b>	100.0

\*) Total increase of € 3.8 million due to first-time application of the changed disclosure of leasing contracts in accordance with IFRS 16. FY 2018 not adjusted.

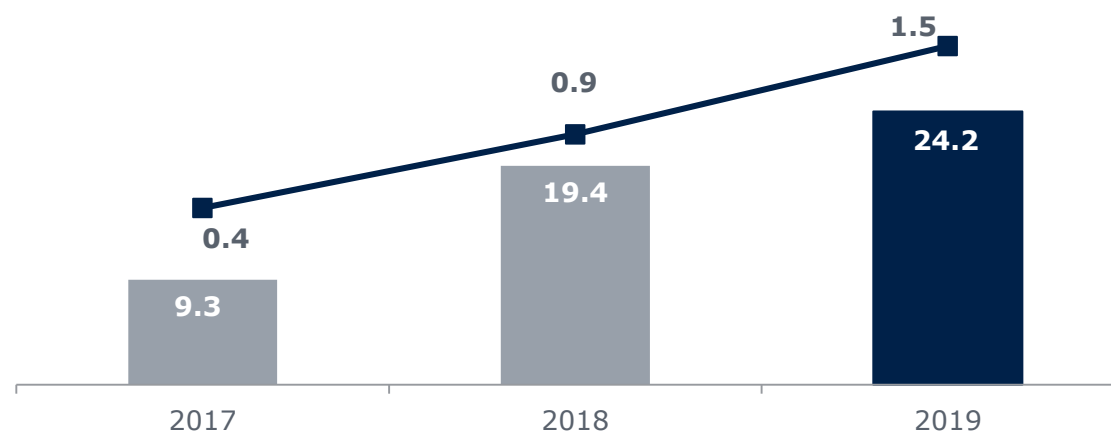
## Return on equity 2017-2019 (%)



EQUITY AND LIABILITIES	FY 2019		FY 2018	
	mio. €	%	mio. €	%
Equity	<b>75.1</b>	51.4	<b>75.2</b>	55.3
Non-current liabilities *)	<b>37.8</b>	25.9	<b>28.7</b>	21.1
Current liabilities *)	<b>33.1</b>	22.7	<b>32.1</b>	23.6
Total assets	<b>146.0</b>	100.0	<b>136.0</b>	100.0

\*) Increase of liabilities (€ 2.1 million non-current, € 2.6 million current) due to first-time application of the changed disclosure of leasing liabilities in accordance IFRS 16. FY 2018 not adjusted.

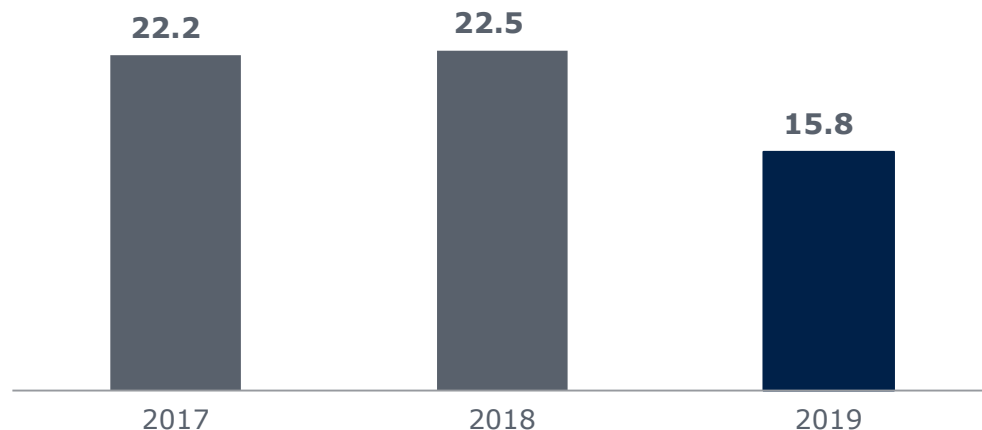
## Net Debt & Net Debt / EBITDA ratio 2017-2019 (million €)



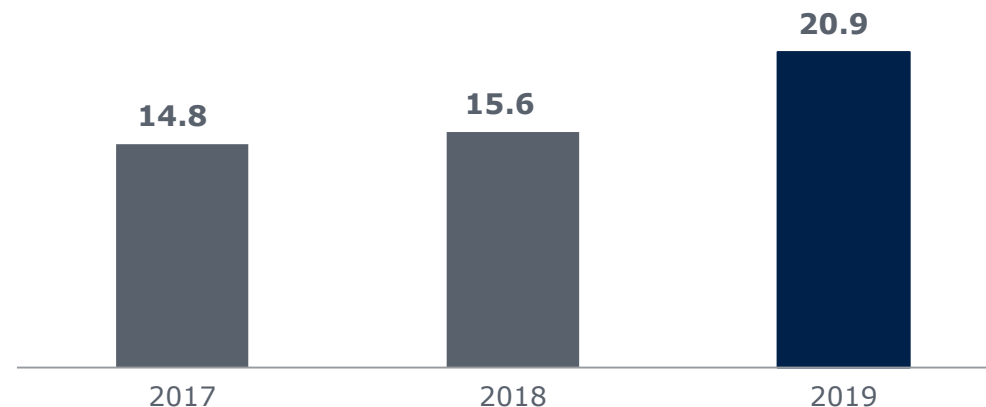
2019: Increase of € 4.7 million due to first-time application of the changed reporting of leasing liabilities in accordance with IFRS 16. previous year's figures not adjusted.

# FINANCIAL POSITION

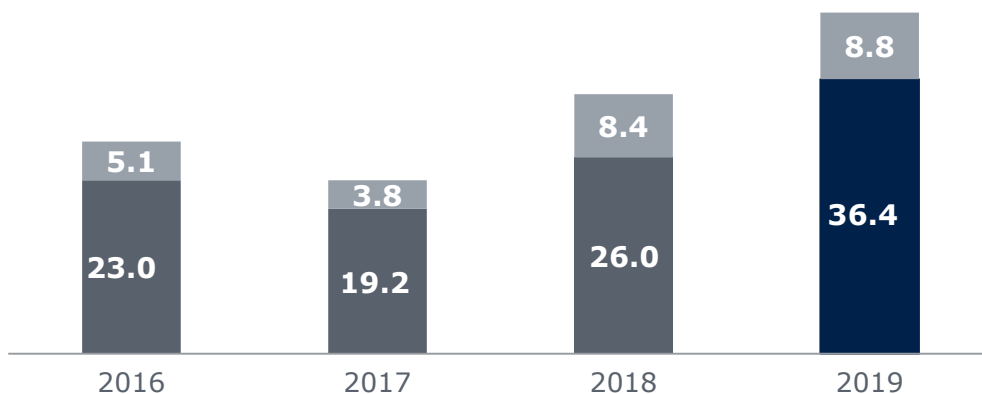
Op. Cash Flow 2017-2019 (million €)



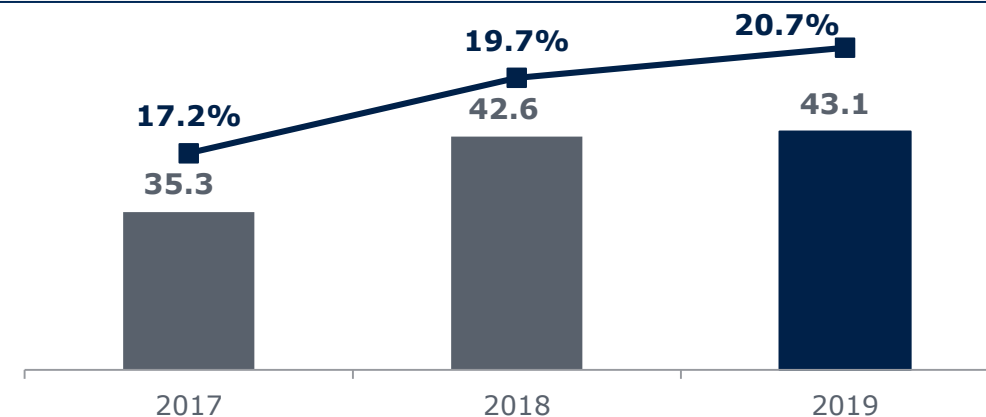
Cash 2017-2019 (million €)



Financial liabilities 2016-2019 short-term/long-term (million €)



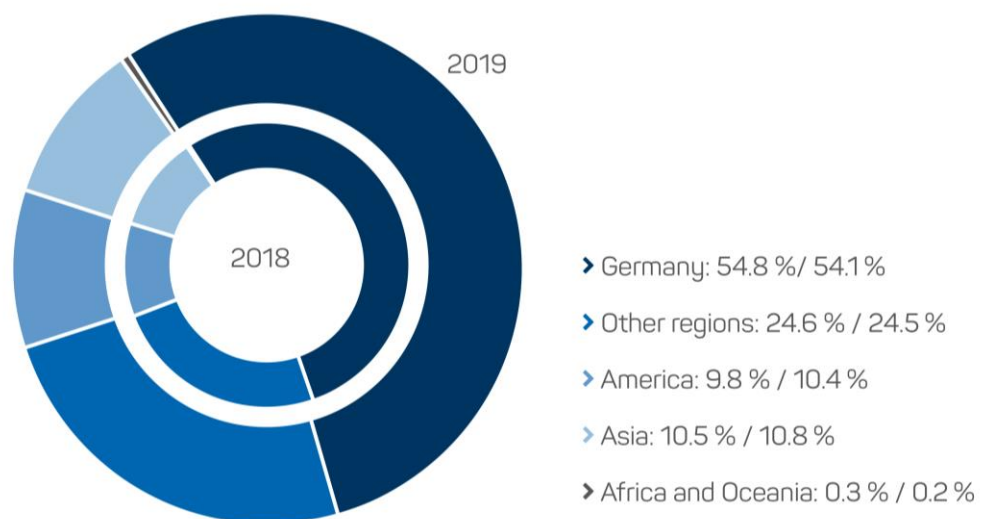
Net-Working Capital/NWC Ratio 2017-2019 (million € + %)



2019: Increase of liabilities (€ 2.1 million non-current, € 2.6 million current) due to first-time application of the changed disclosure of leasing liabilities in accordance IFRS 16. FY 2018 not adjusted.

# INTERNATIONAL FOOTPRINT

## Revenue by region



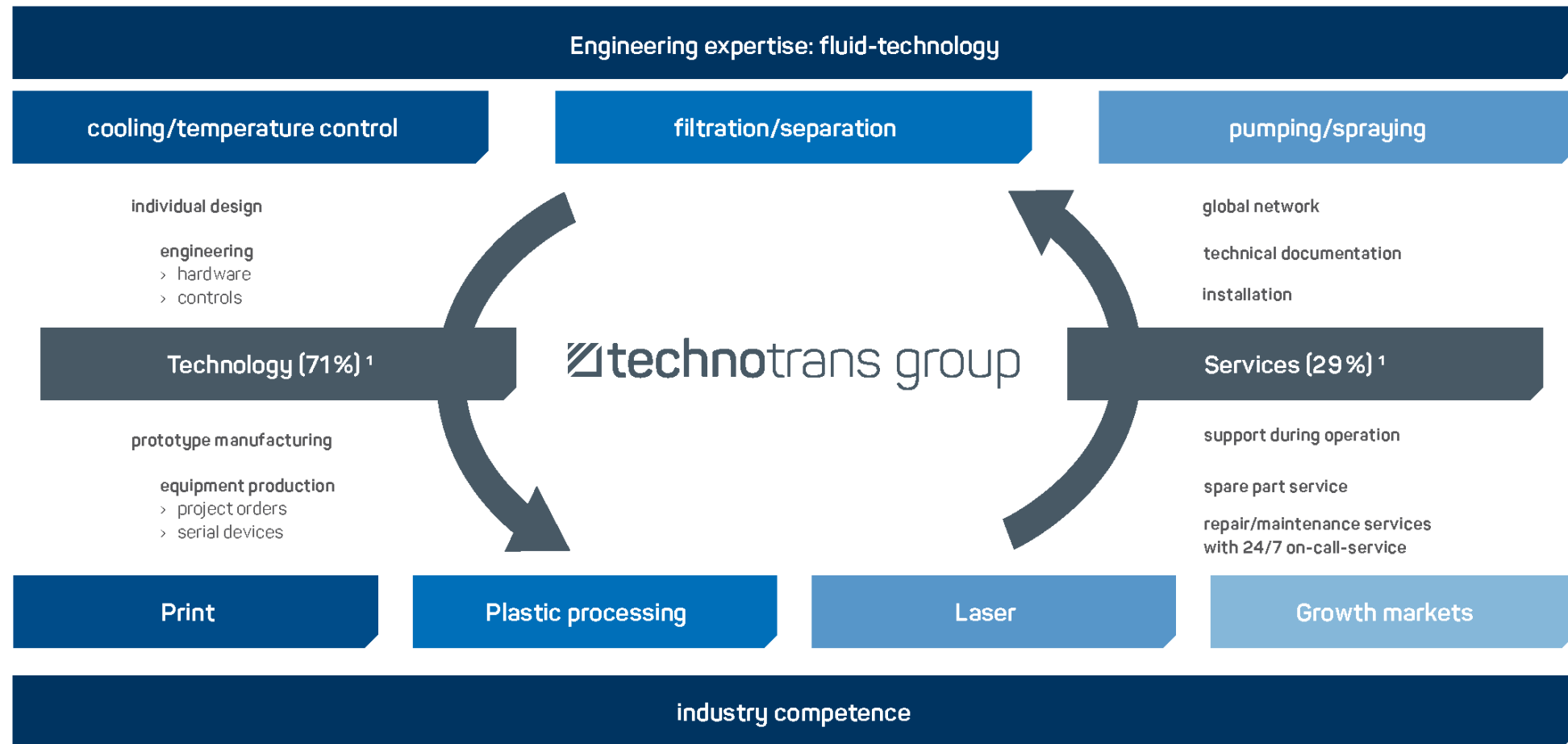
## Employees by region

	2019		2018	
	number	in %	number	in %
Employees at year end	1,474	100	1,453	100
Employees by region				
Germany	1,320	89.6	1,302	89.6
Other Europe	52	3.5	50	3.5
America	49	3.3	49	3.4
Asia and Australia	53	3.6	52	3.5

# BUSINESS MODEL

# BUSINESS MODEL

360° COMPETENCE FOR OUR CUSTOMERS



<sup>1</sup> Share of Group revenue

# THE TECHNOTRANS GROUP



Hauptsitz (founded 1970)



Termotek founded 1998 (ttGROUP2011)



tt Taicang founded 2013 (ttGROUP2013)

technotrans  
gds  
termotek  
klh  
gwk  
reisner



KLH founded 1961 (ttGROUP2013)



gwk founded 1967 (ttGROUP2016)



tt america founded 2000 (ttGROUP2000)



Reisner founded 1980 (ttGROUP2018)

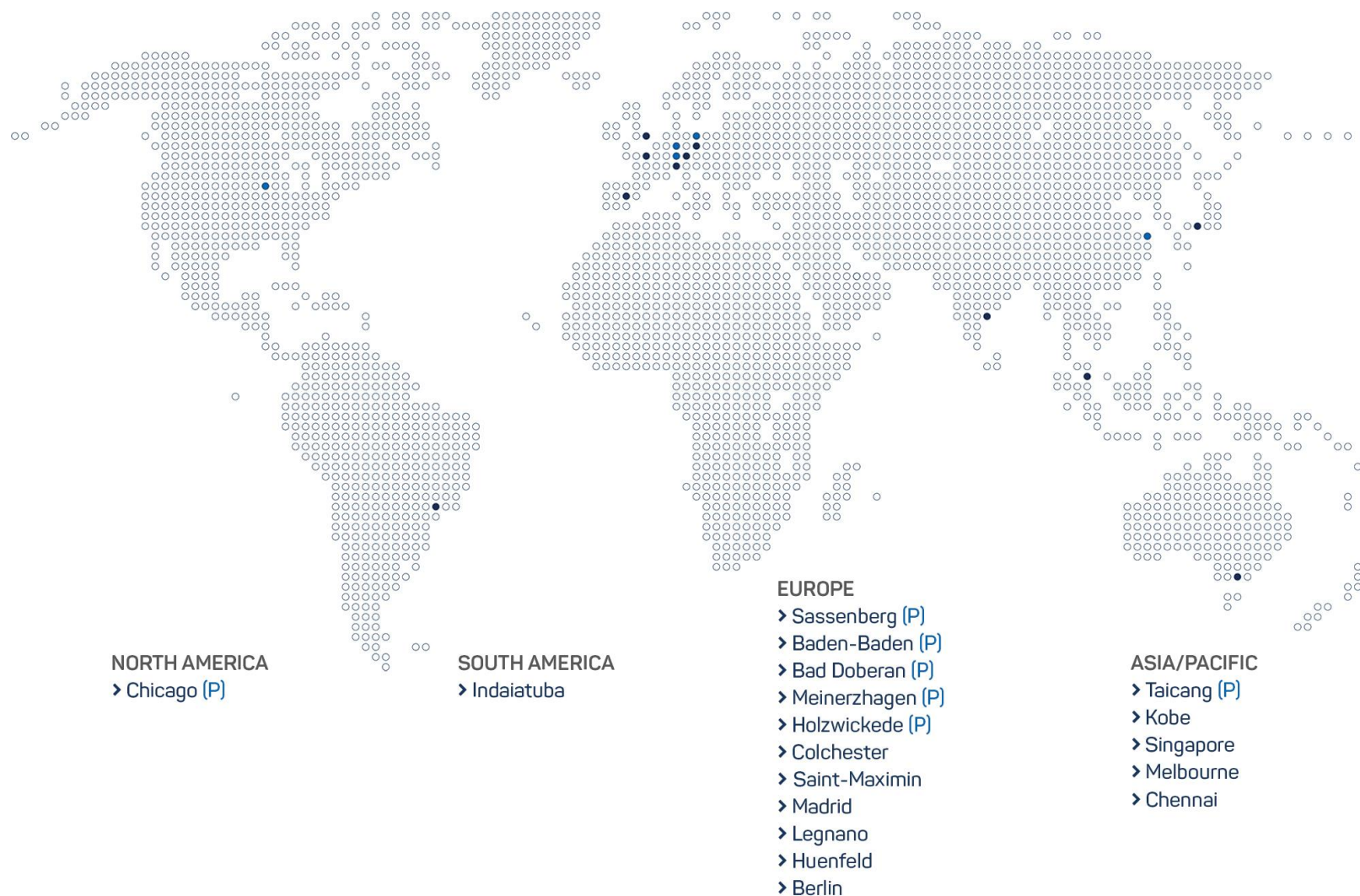
## Headquarter:

technotrans SE,  
Sassenberg, Germany

- › 1,460 employees
- › IPO: 1998
- › **18 locations, thereof 7 production sites**  
(5 x Germany, China, USA)
- › Worldwide sales- and services network



# TECHNOTRANS – THE GROUP





# MID-TERM TARGETS 2022/23

**Revenue**  
**€ 250m**  
**+**  
**€ 50m**

## › **Organic growth**

- 5 – 6 % p.a.
- Increase market share by raising revenue with existing and new customers and developing new products

## › **M & A**

- Step into new markets and new applications
- Develop technological expertise by strategic supplements
- Optimize the international footprint

**EBIT margin**  
  
**≈ 10 % p.a.**

## › **Efficiency program**

- › Establish single- and multi-purpose sites (manufacturing footprint)
- › Increase utilisation, flexibility and quality
- › Enhance operational excellence
- › Consolidate production volumes
- › Realise additional synergy potentials
- › Reduce complexity and share of fixed costs

# GROUP STRATEGY 2020 – 2025

## “SHAPING THE FUTURE THROUGH DEVELOPMENT!”

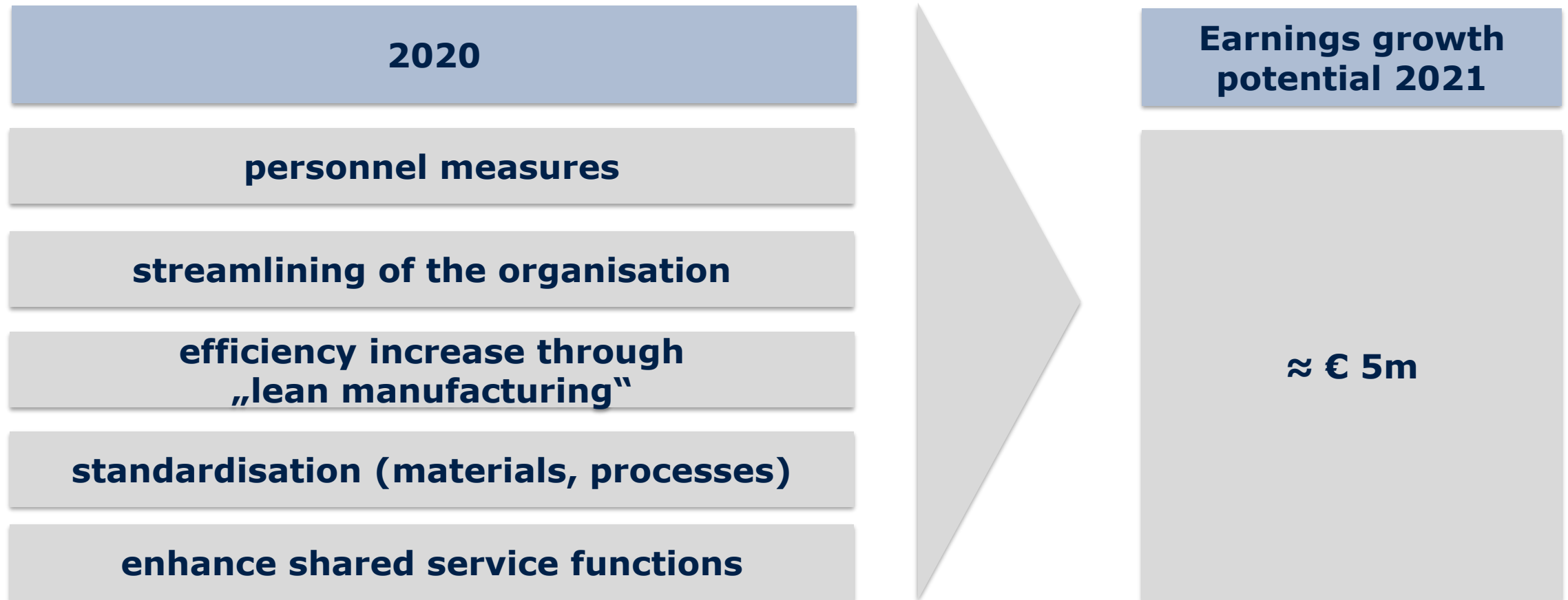
- Create an integrated Group to reinforce the global brand „technotrans“
- Establish industry focus in sales independent from location
- Enhance competencies of locations in order to prevent parallel structures
- Improve innovative strength
- Adjust organisational structure
- Leverage additional synergies, expand shared service functions



**2020 - 2025**

# GROUP STRATEGY 2020 – 2025

## COMPONENTS OF SITE-RELATED STRUCTURAL MEASURES



# MANAGEMENT



**Dirk Engel** (Dipl. Kfm.)

- › **Spokesman of the Board of Management** (DOB 1967)
- › Since 2004 Head of Corporate Accounting, since 2006 Chief Financial Officer, since March 12, 2018 Spokesman of the Board of Management
- › Responsible for **Finance and Administration** (Finance/Controlling, Human Resources, IT, Legal & Compliance and Investor Relations)



**Peter Hirsch** (Dipl.-Ing.)

- › **Member of the Board of Management** (DOB 1972)
- › Since 2013 Business Development Manager, since 2014 Managing Director of termotek GmbH, since July 1, 2018 member of the Board of Management
- › Responsible for **Technology & Operations** (Research & Development, Electrical engineering, Business Units, Production, Purchasing and Logistics)



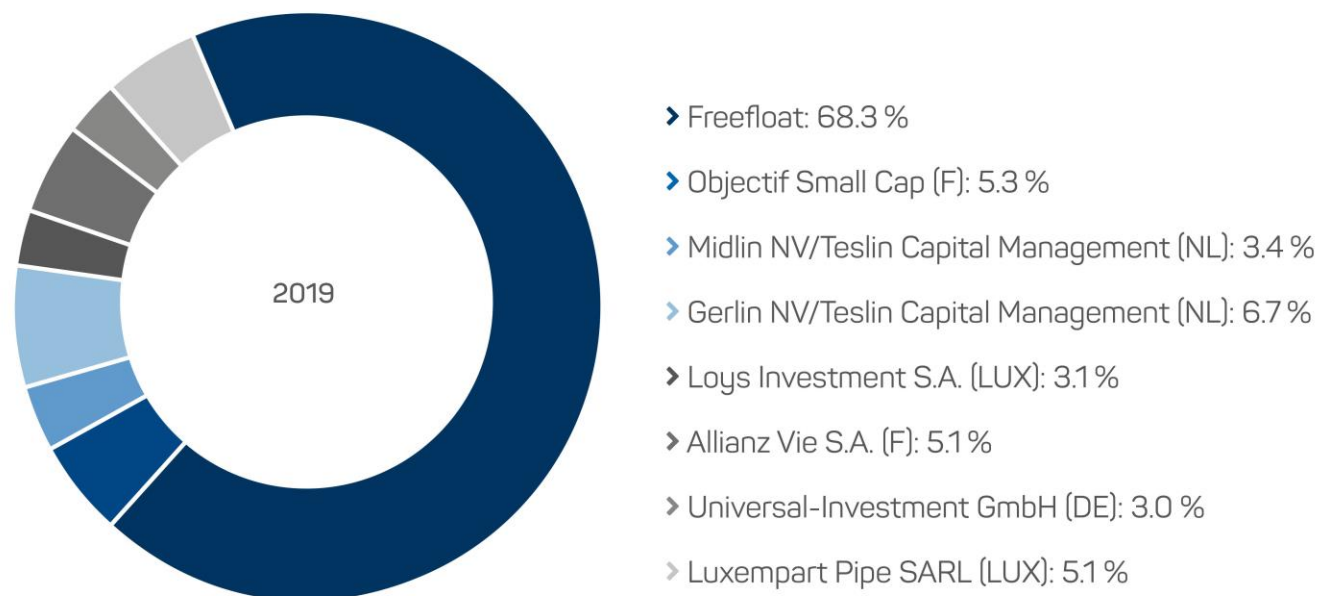
**Hendirk Niestert** (Dipl.-Ing. FH)

- › **Member of the Board of Management** (DOB 1975)
- › Since 2007 Head of Service, since February 1, 2018 member of the Board of Management
- › Responsible for **Markets** (Sales, Service, Quality Management and Marketing)

# THE TECHNOTRANS SHARE

# TECHNOTRANS SHARE AND SHAREHOLDER STRUCTURE

SHAREHOLDINGS AT THE END OF THE PERIOD IN %



**Market capitalisation:** € 116.7 million (March 6, 2020)

**Dividend policy:** Distribution of up to 50% of the consolidated net profit

# PERFORMANCE OF SHARE PRICE AND RESEARCH



Research		
2019-12-11	TP € <b>17.00</b> , hold	<b>Bankhaus Lampe</b>
2019-11-06	TP € <b>26.40</b> , buy	<b>Warburg Research</b>
2019-09-13	TP € <b>33.00</b> , buy	<b>Hauck + Aufhäuser</b>
2020-02-25	TP € <b>25.00</b> , buy	<b>HSBC</b>
2020-02-06	TP € <b>22.00</b> , hold	<b>Commerzbank</b>
2019-11-05	TP € <b>20.00</b> , buy	<b>Berenberg</b>

<b>2019:</b> Max: 30.00 Min: 24.00	Share Price as of 30/12/2019: € 18.70	Market Cap as of 30/12/2018: € 129.2 Mio.
	Share Price as of 06/03/2020: € 16.90	Market Cap as of 06/03/2020: € 116.7 Mio.

Aktienkurse = XETRA Schlußkurse

# WHAT MAKES AN INVESTMENT IN TECHNOTRANS ATTRACTIVE?

- › **Niche focused business model**
- › **High entry barriers** due to specific know how in the area of fluid management and focus on customized solutions
- › **Diversified product portfolio** focused on growth markets
- › **Limited cyclicity** through extensive additional services
- › **International network** as a base for the development of new customers and markets
- › **Growth strategy** focused on revenue and profitability
- › **Attractive dividend policy**
- › **Commitment to sustainability**



# FINANCIAL CALENDAR 2020

May 12, 2020	<b>Quarterly Communication 1-3/2020</b>
May 20, 2020	<b>Annual Shareholder Meeting 2020</b>
August 11, 2020	<b>Interim Report 1-6/2020</b>
November 10, 2020	<b>Quarterly Communication 1-9/2020</b>

# EVENTS 2020

March 11, 2020	<b>Berenberg European Opportunities Konferenz, London (participation via conference call)</b>
March 19, 2020	<b>ESN Market Solutions Forum Konferenz, Paris</b>
March 24, 2020	<b>Bankhaus Lampe Deutschlandkonferenz, Baden-Baden</b>
June 26, 2020	<b>Warburg Highlights Konferenz, Hamburg</b>
November 16-17, 2020	<b>German Equity Forum, Frankfurt</b>

# CONTACT

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## **Frank Dernes**

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# DISCLAIMER

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This presentation contains statements on the future development of the technotrans Group.

These reflect the present views of the management of technotrans SE and are based on the corresponding plans, estimates and expectations. We point out that the statements are subject to certain risks and uncertainties which could mean that the actual results differ considerably from those expected.

BACKUP

# CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2019

ASSETS			
	Note	31/12/2019	31/12/2018
		€'000	€'000
Non-current assets			
Property, plant and equipment	(1)	33,268	28,583
Right-of-use asset	(2)	3,846	0
Goodwill	(3)	23,513	23,513
Intangible assets	(4)	7,493	7,693
Other financial assets	(5)	185	162
Deferred tax	(28)	1,484	1,466
		69,789	61,417
Current assets			
Inventories	(6)	28,257	28,296
Trade receivables	(7)	24,039	27,111
Income tax receivable	(8)	349	629
Other financial assets	(9)	733	758
Other assets	(9)	1,926	2,255
Cash and cash equivalents	(10)	20,910	15,566
		76,214	74,615
<b>Total assets</b>		<b>146,003</b>	<b>136,032</b>

EQUITY AND LIABILITIES			
	Note	31/12/2019	31/12/2018
		€'000	€'000
Equity	(11)		
Issued capital		6,908	6,908
Capital reserve		19,097	19,097
Retained earnings		49,367	43,282
Other reserves		- 6,394	- 6,426
Net profit for the period		6,089	12,383
<b>Total equity attributable to technotrans SE shareholders</b>		<b>75,067</b>	<b>75,244</b>
Non-current liabilities			
Borrowings	(12)	33,760	25,956
Employee benefits	(16)	809	927
Provisions	(17)	0	15
Other financial liabilities	(13)	2,607	614
Deferred tax	(28)	657	1,220
		37,833	28,732
Current liabilities			
Borrowings	(12)	6,696	8,431
Trade payables	(14)	5,952	6,712
Prepayments received	(15)	4,242	3,115
Employee benefits	(16)	5,154	6,253
Provisions	(17)	3,891	3,498
Income tax payable	(18)	745	700
Other financial liabilities	(19)	2,991	800
Other liabilities	(19)	3,432	2,547
		33,103	32,056
<b>Total equity and liabilities</b>		<b>146,003</b>	<b>136,032</b>

# CONSOLIDATED INCOME STATEMENT

	Note	2019	2018
		€ '000	€ '000
Revenue	(20)	207,927	216,286
of which Technology		148,424	156,476
of which Services		59,503	59,810
Cost of Sales	(21)	- 146,612	- 146,646
Gross profit		61,315	69,640
Distribution costs	(22)	- 25,606	- 25,736
Administrative expenses	(23)	- 18,760	- 19,275
Development costs	(24)	- 7,575	- 7,946
Net impairment losses on financial and contract assets	(7)	- 510	- 530
Other operating income	(25)	1,911	2,379
Other operating expenses	(26)	- 2,437	- 1,181
Earnings before interest and taxes (EBIT)		8,338	17,351
Financial income		630	499
Financial charges		- 763	- 543
Net finance costs	(27)	- 133	- 44
Profit before tax		8,205	17,307
Income tax expense	(28)	- 2,116	- 4,924
Net profit for the period		6,089	12,383
of which:			
Profit attributable to technotrans SE shareholders		6,089	12,383
Earnings per share (€)	(29)		
basic / diluted		0,88	1,79

# CONSOLIDATED CASH FLOW STATEMENT JAN. 1, 2019 – DEC. 31, 2019

	Note	2019 €'000	2018 €'000
Cash flow from operating activities	(30)		
Net profit for the period		6,089	12,383
Adjustments for:			
Depreciation and amortisation		7,670	5,248
Income tax expenses	(28)	2,115	4,924
Gain (-)/loss (+) on the disposal of property, plant and equipment	(25), (26)	- 142	- 106
Foreign exchange losses (+)/gains (-)		- 46	- 33
Net finance costs	(27)	133	44
Cash flow from operating activities before working capital changes		15,819	22,460
Change in:			
Inventories	(6)	38	- 950
Receivables and other current assets		3,402	- 3,993
Liabilities and prepayments		1,178	- 2,301
Provisions and employee benefits	(16), (17)	- 863	- 404
Cash from operating activities		19,574	14,812
Interest received		15	26
Interest paid		- 630	- 510
Income taxes paid/income tax rebates		- 2,158	- 8,016
Net cash from operating activities		16,801	6,312
Cash flow from investing activities	(31)		
Cash payments for investments in property, plant and equipment and in intangible assets		- 9,363	- 8,381
Cash payments for the acquisition of consolidated companies		0	- 2,065
Proceeds from the sale of property, plant and equipment		210	381
Net cash used for investing activities		- 9,153	- 10,065

	Note	2019 €'000	2018 €'000
Cash flow from financing activities	(32)		
Cash receipts from the raising of short-term and long-term loans		17,500	15,200
Cash payments from the repayment of loans		- 11,431	- 3,837
Distribution to investors		- 6,079	- 6,079
Cash payments from the repayment of lease liabilities		- 2,356	0
Payment for the acquisition of non-controlling interests		0	- 820
Net cash used in financing activities		- 2,366	4,464
Net increase/decrease in cash and cash equivalents		5,282	711
Cash and cash equivalents at start of period		15,566	14,798
Net effect of currency translation in cash and cash equivalents		62	57
Cash and cash equivalents at end of period	(10), (33)	20,910	15,566



Member of  
the technotrans group