

 technotrans



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March 10, 2020

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# PRESENTATION OF THE RESULTS FOR THE FINANCIAL YEAR 2019

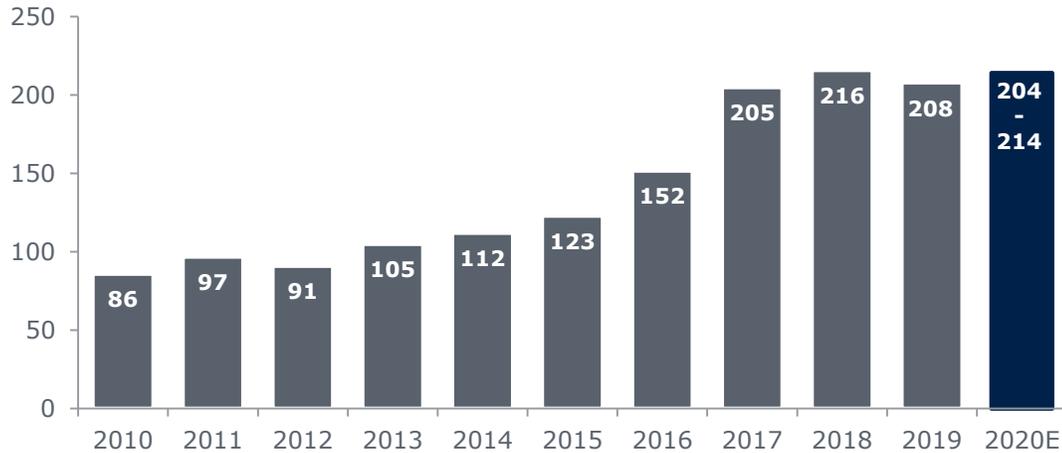
# OVERVIEW OF THE 2019 FINANCIAL YEAR

## technotrans meets its forecast for 2019

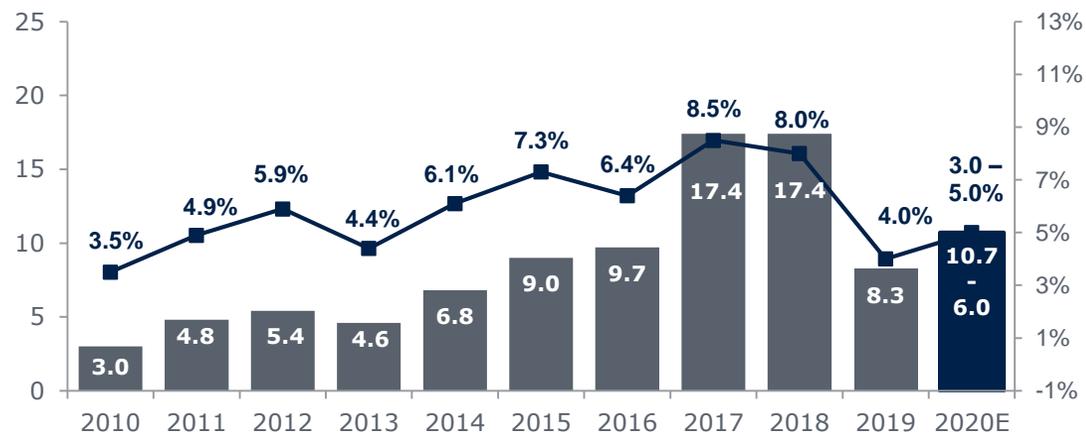
- › **Group revenue at € 207.9 million (- 3.9%). Fourth quarter exceeds expectations**
- › **Operating result (EBIT) positive at € 8.3 million, but significantly below previous year (- 52%)**
  - › economic environment and one-offs are weighing on profitability
- › **Positive free cash flow of € 7.6 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:**

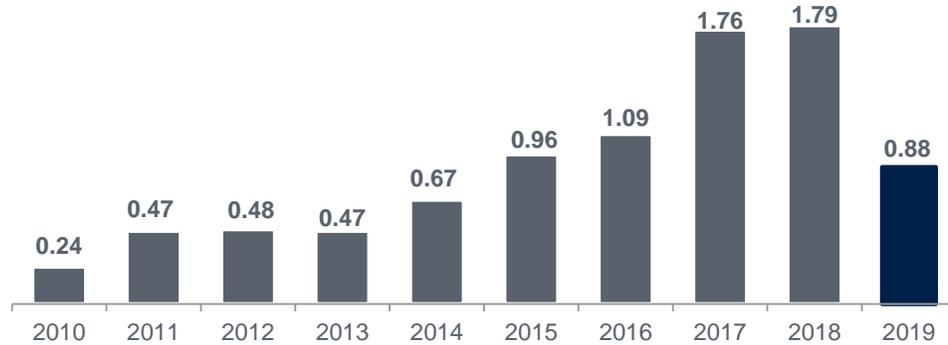
- › Effects of the ERP-implementation at gwk
- › One-time special effects in the amount of € 1.4 million

- › **Outlook 2020:**

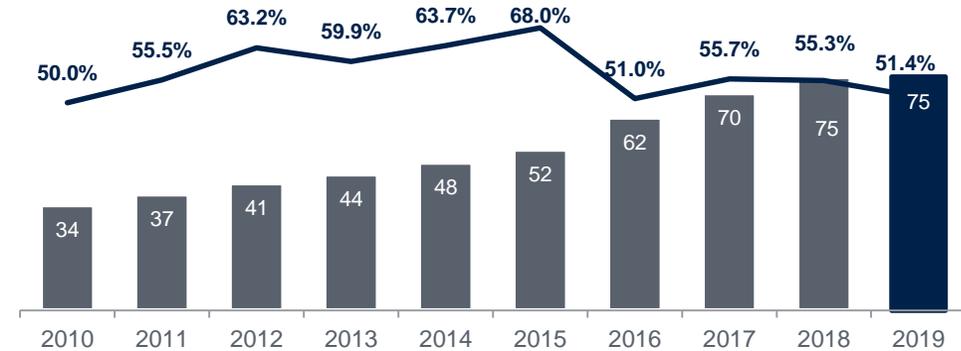
- › cautious regarding the economic environment
- › optimistic about the potentials of technotrans

# KEY PERFORMANCE INDICATORS

**Earnings per Share 2010 - 2019**



**Equity ratio on a solid level**



**Free Cash Flow positive**



figures in million €; share price in €

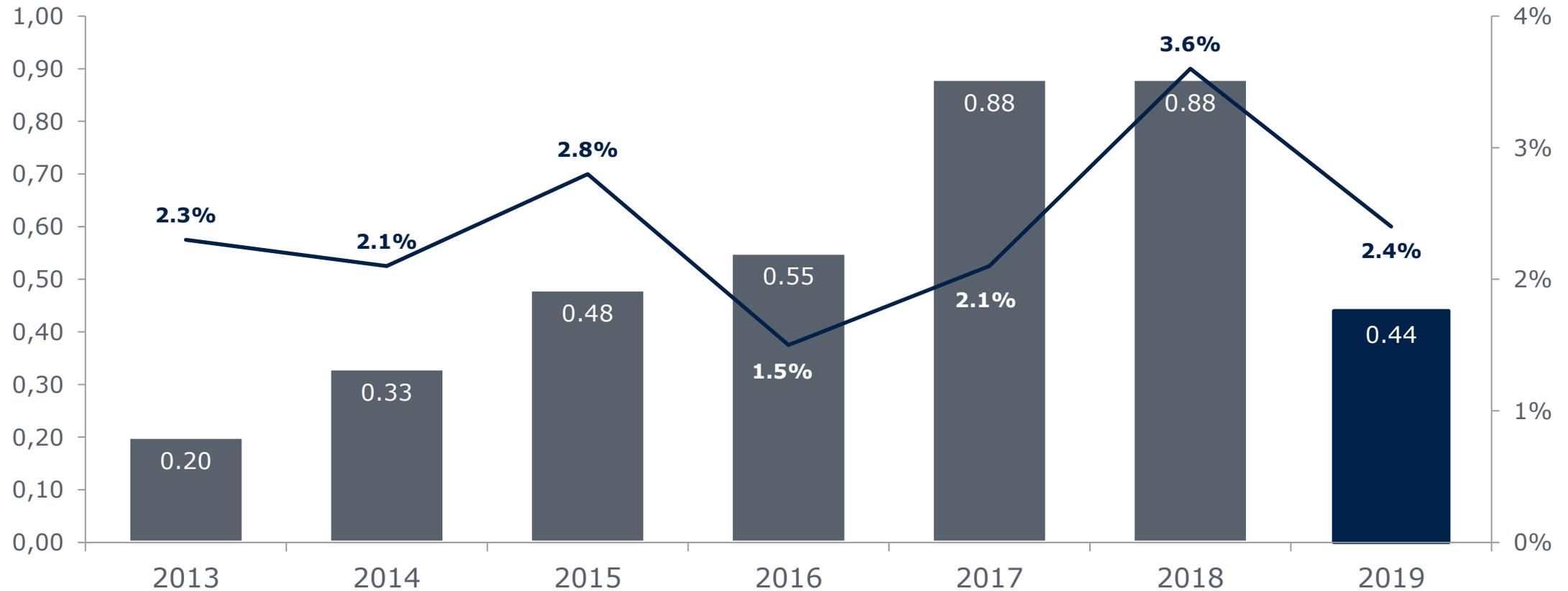
**Net debt incl. leasing liabilities increased**



\* incl. 4.9 € million leasing liabilities acc. to IFRS 16

# DIVIDEND POLICY

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



dividend in € / dividend yield in %

# BUSINESS DEVELOPMENT IN OUR MARKETS

## Outlook 2020



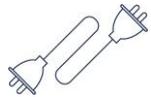
### Printing industry:

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:

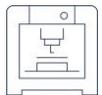
#### Electric mobility:

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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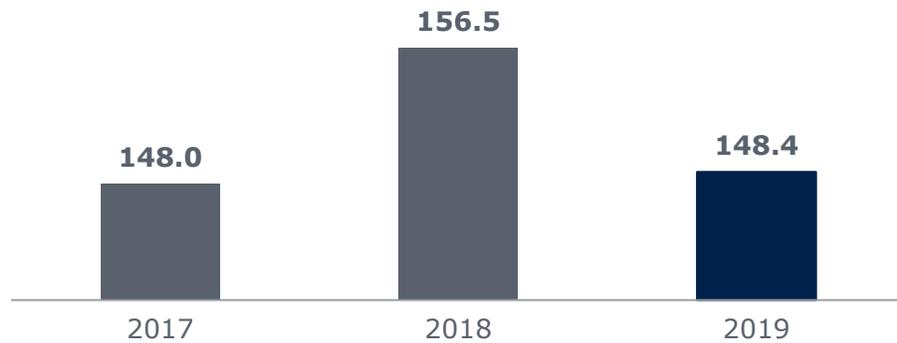
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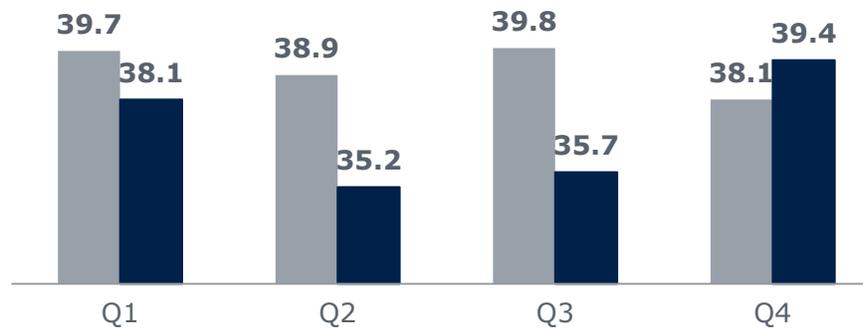
# PERFORMANCE SEGMENT TECHNOLOGY

> Economy and gwk are weighing on revenue and EBIT

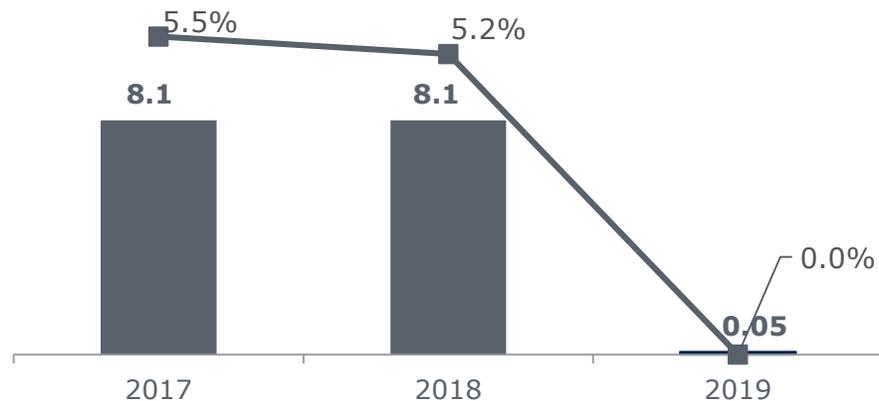
Annual revenue 2017-2019 (€m)



Revenue 2018/2019 by quarters (€m)



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



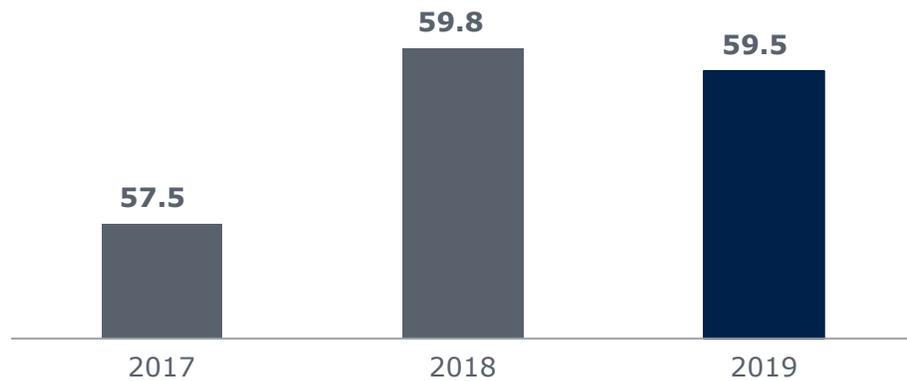
EBIT 2018/2019 by quarters (€m)



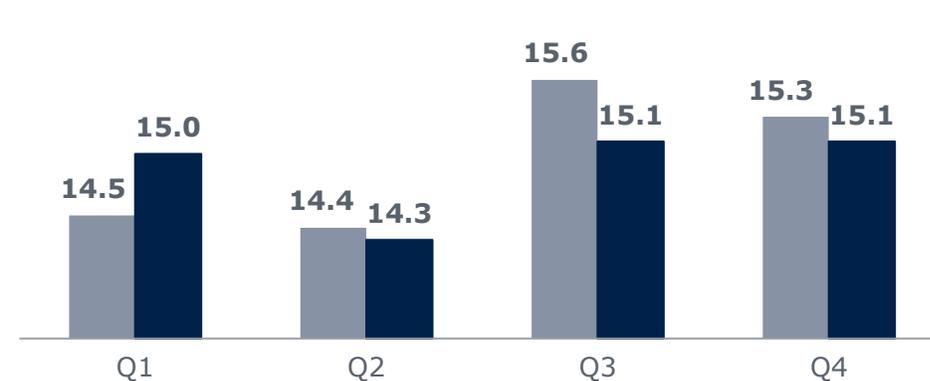
# PERFORMANCE SEGMENT SERVICES

> Robust development despite difficult economic environment

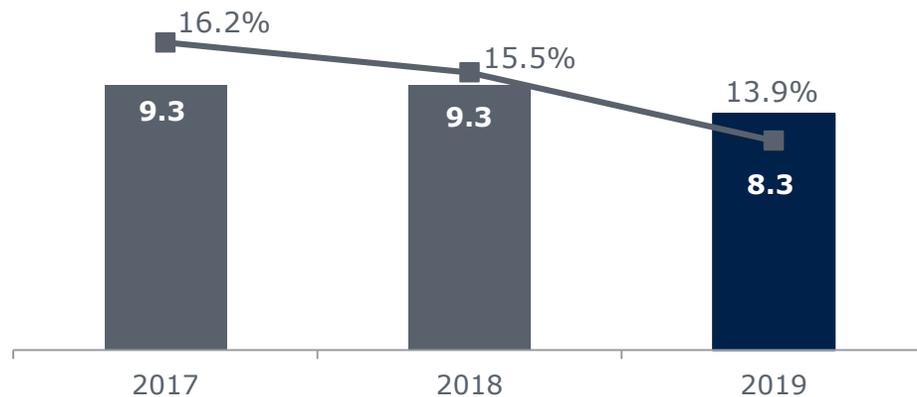
Annual revenue 2017-2019 (€m)



Revenue 2018/2019 by quarters (€m)



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



EBIT 2018/2019 by quarters (€m)

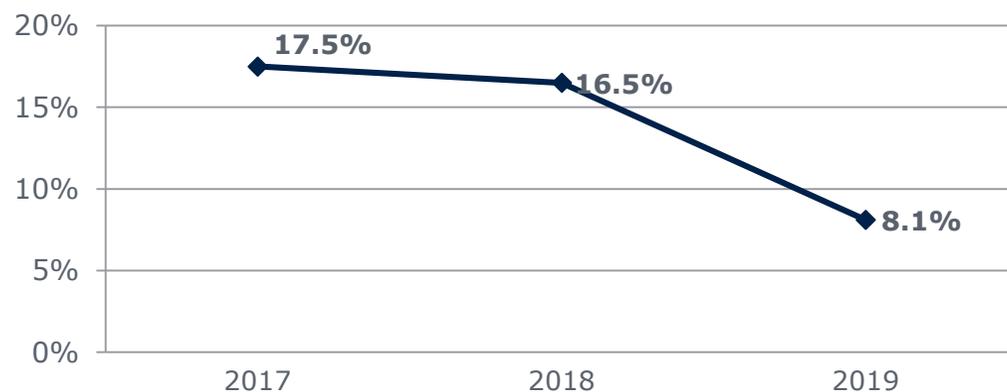


# BALANCE SHEET RATIOS

| 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.

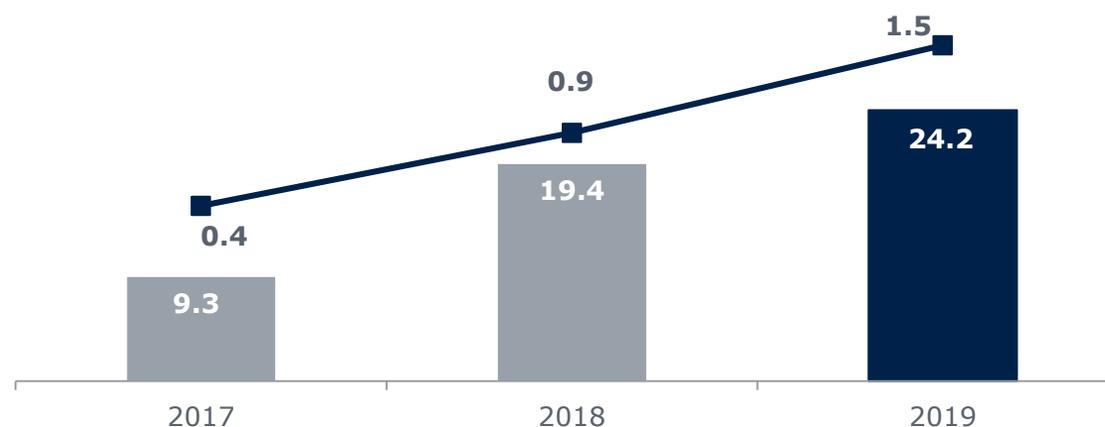
## Return on equity 2017-2019 (%)



| 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.

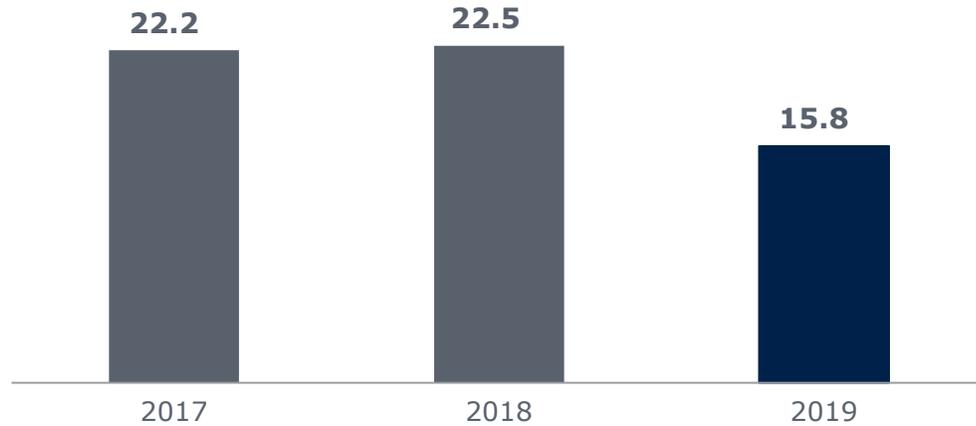
## Net Debt & Net Debt / EBITDA ratio 2017-2019 (million €)



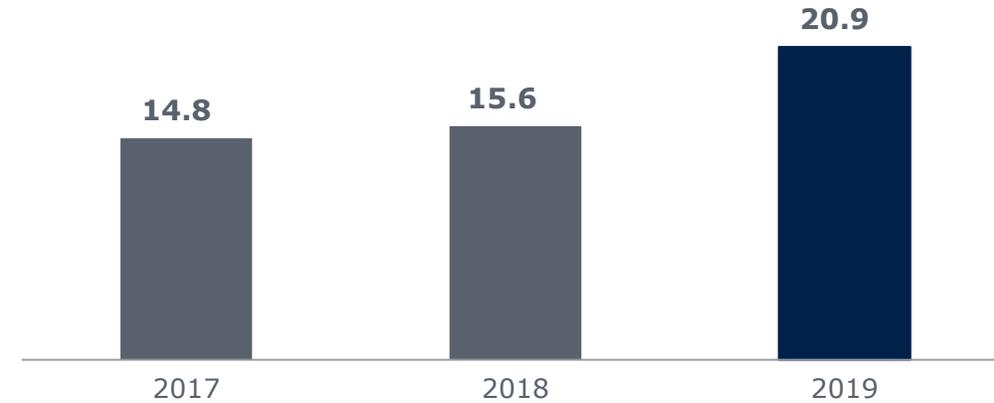
2019: Increase of € 4.7 million due to first-time application of the changed reporting of leasing liabilities in accordance with IFRS 16. previous year's figures not adjusted.

# FINANCIAL POSITION

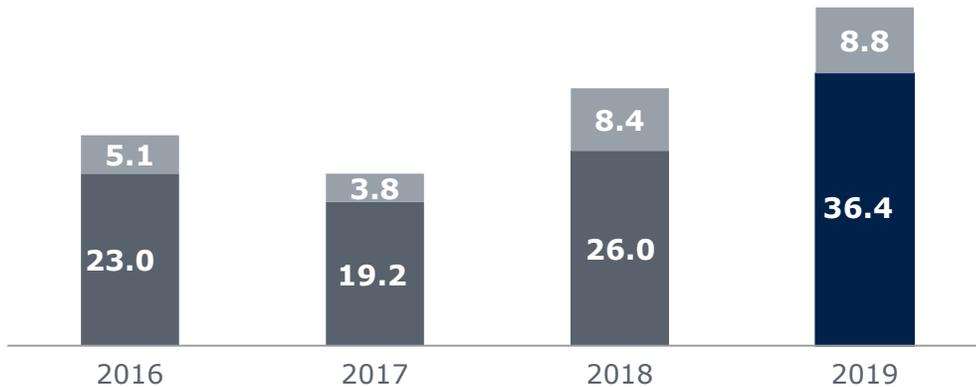
Op. Cash Flow 2017-2019 (million €)



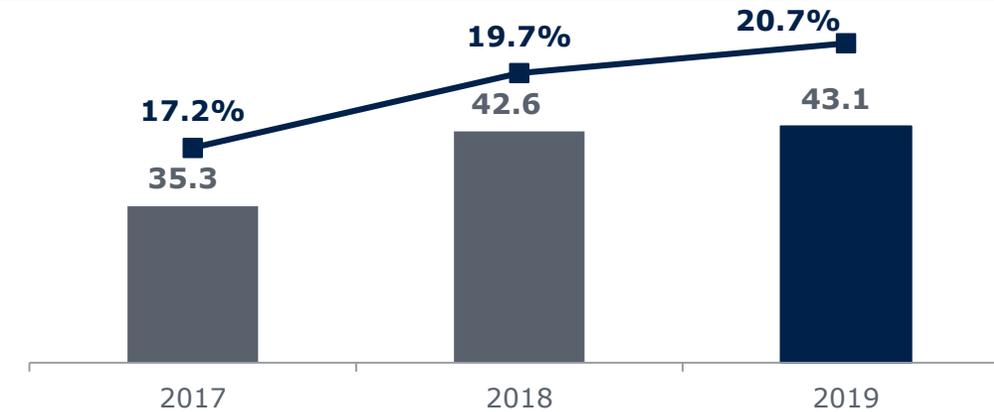
Cash 2017-2019 (million €)



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



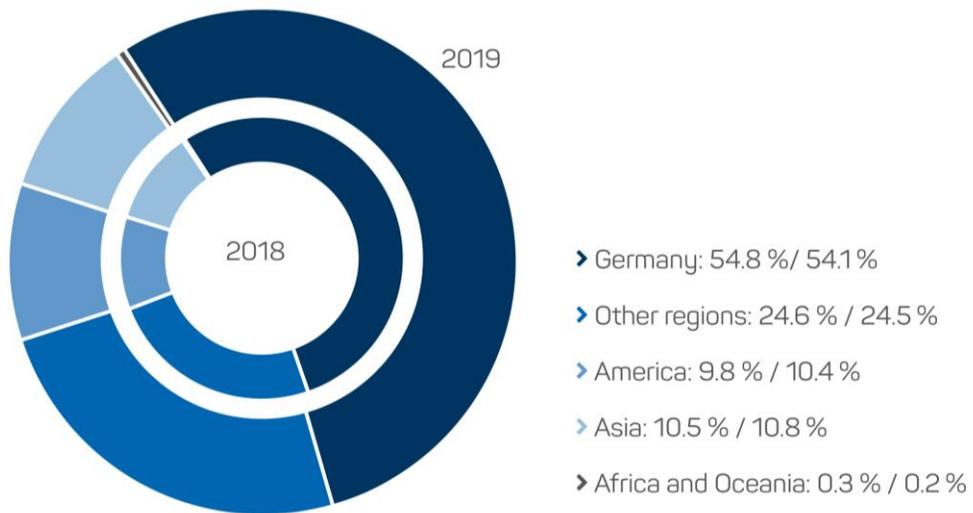
Net-Working Capital/NWC Ratio 2017-2019 (million € + %)



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



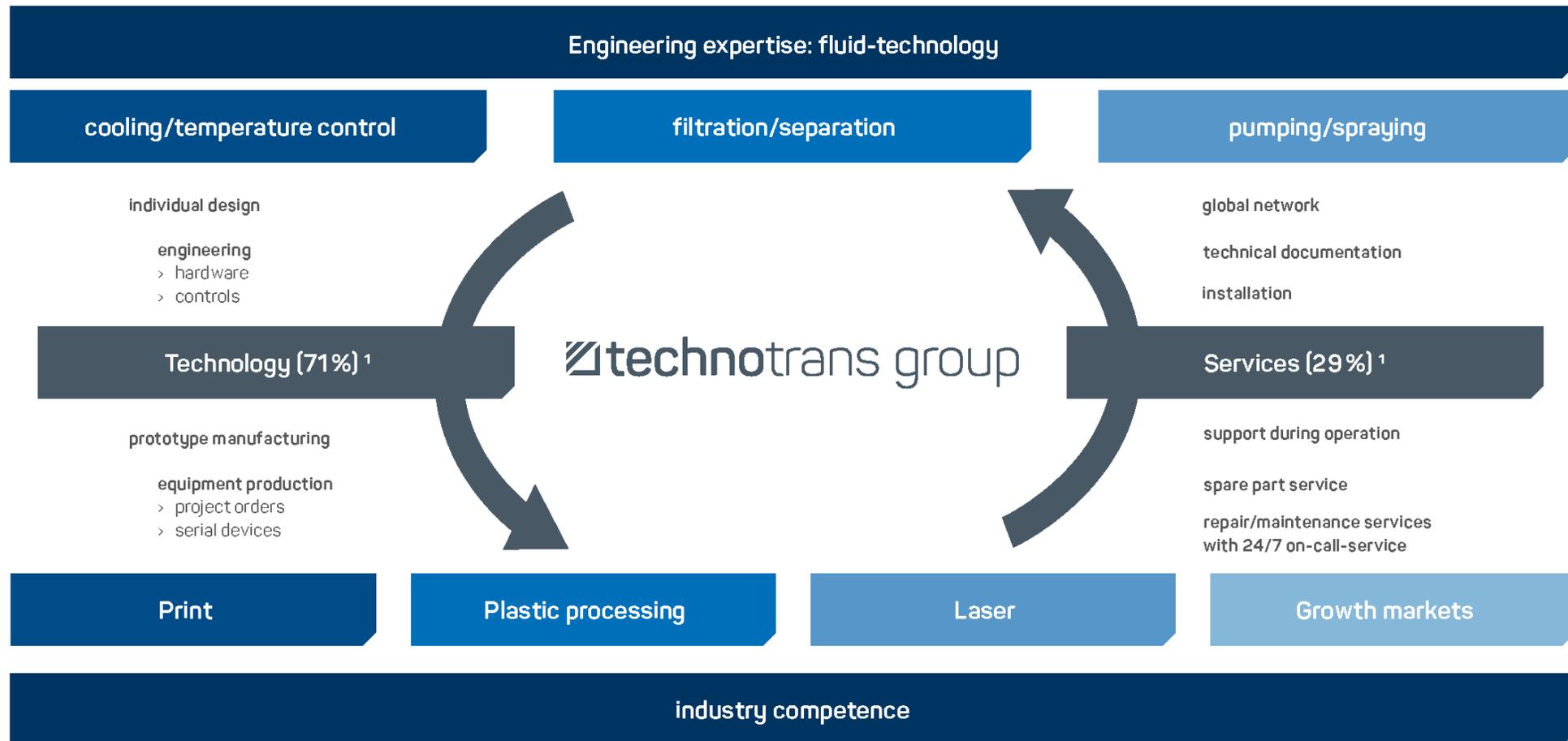
## Employees by region

|                       | 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



technotrans  
gds  
termotek  
klh  
gwk  
reisner

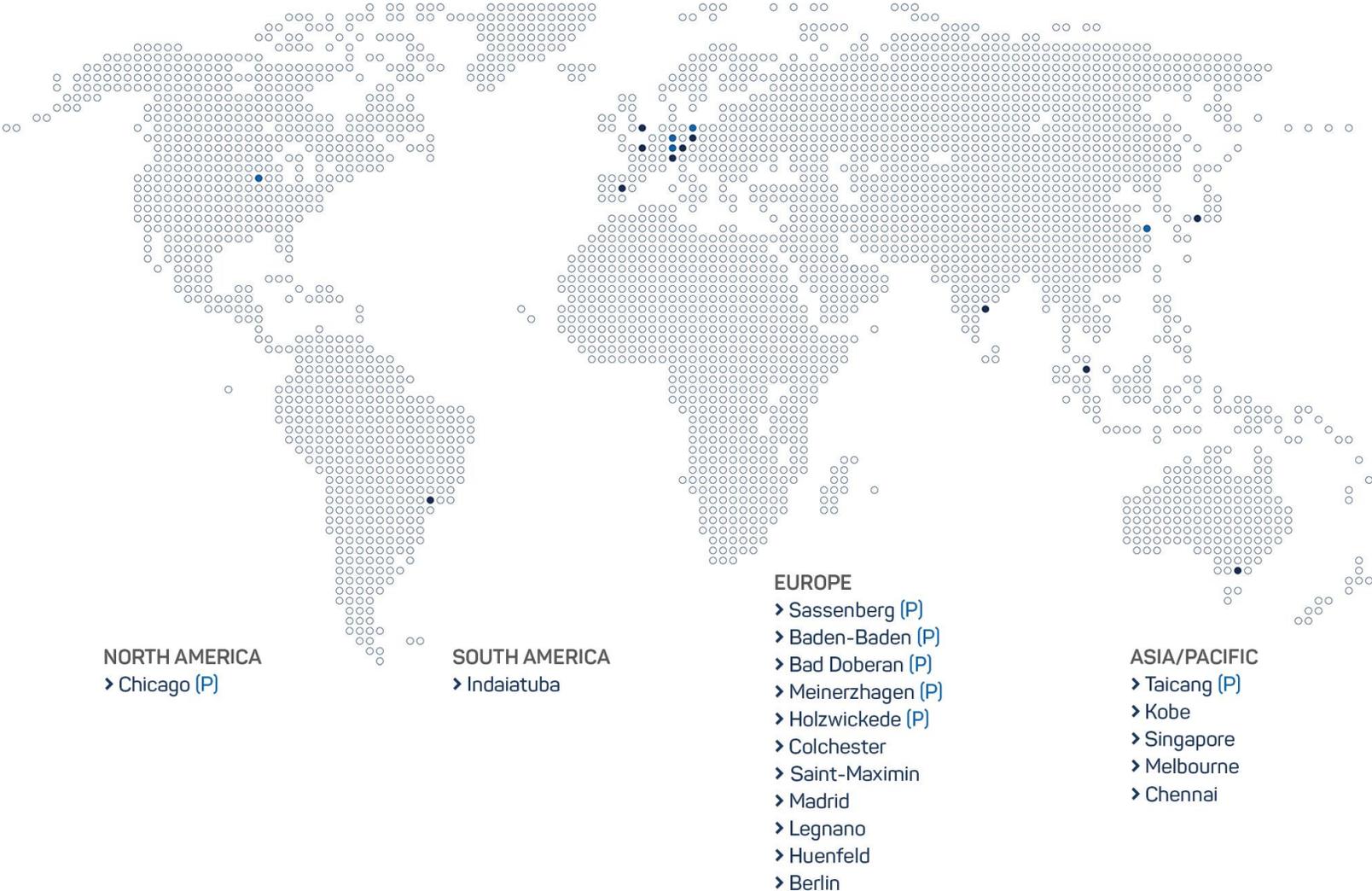


## Headquarter:

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

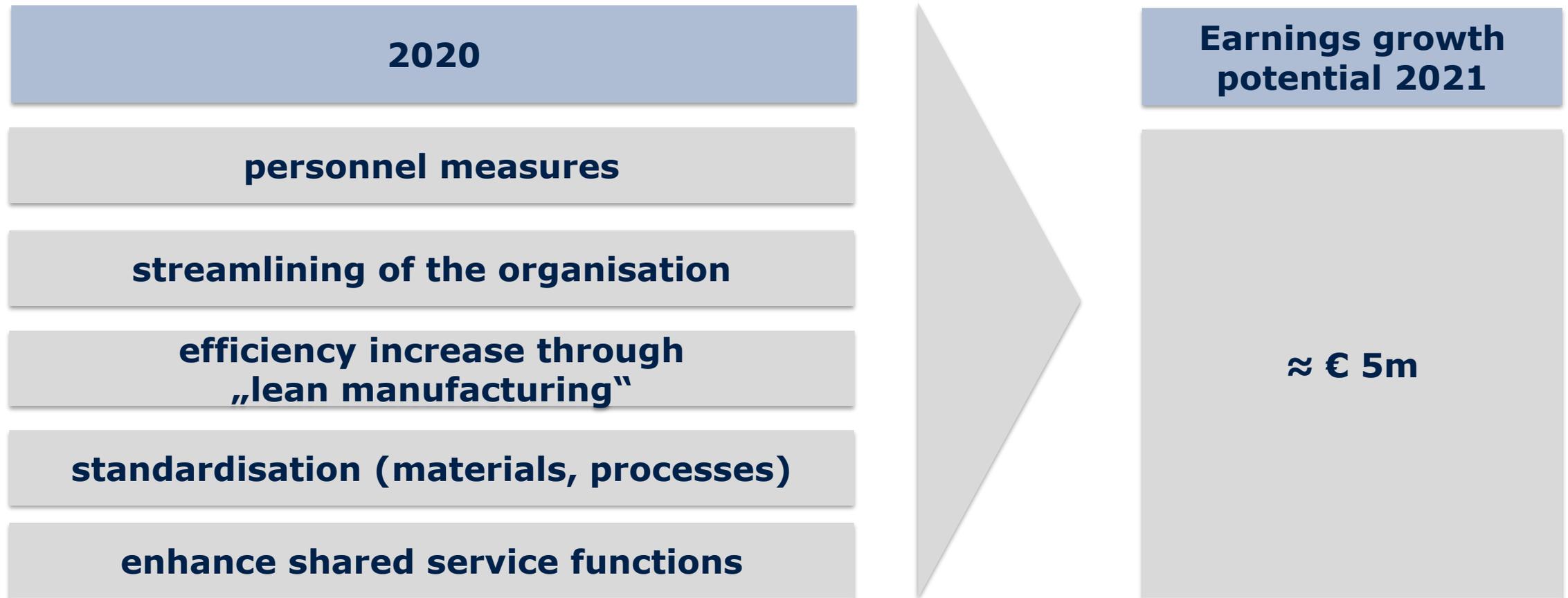
## “SHAPING THE FUTURE THROUGH DEVELOPMENT!”

- 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)



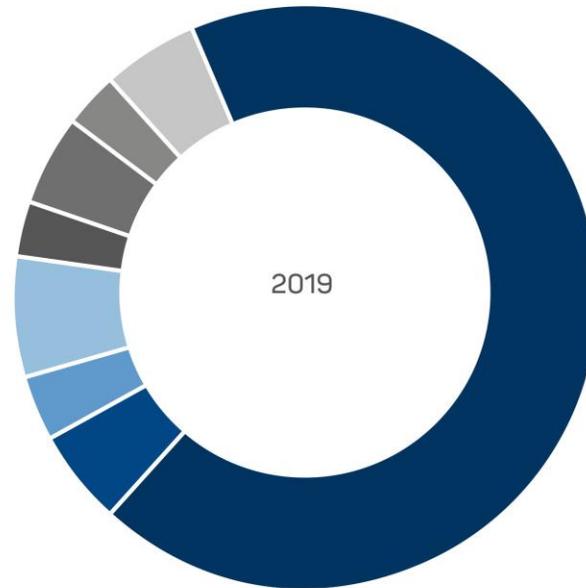
**Hendirk Niestert** (Dipl.-Ing. FH)

- › **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 %



- › Freefloat: 68.3 %
- › Objectif Small Cap (F): 5.3 %
- › Midlin NV/Teslin Capital Management (NL): 3.4 %
- › Gerlin NV/Teslin Capital Management (NL): 6.7 %
- › Loys Investment S.A. (LUX): 3.1 %
- › Allianz Vie S.A. (F): 5.1 %
- › Universal-Investment GmbH (DE): 3.0 %
- › Luxempart Pipe SARL (LUX): 5.1 %

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

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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          |
|                               |      | <b>69,789</b>  | <b>61,417</b>  |
| 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         |
|                               |      | <b>76,214</b>  | <b>74,615</b>  |
| <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          |
|   |      | <b>37,833</b>  | <b>28,732</b>  |
| 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          |
|   |      | <b>33,103</b>  | <b>32,056</b>  |
| <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    | 2018     |
|---|------------|---------|----------|
|   |            | €'000   | €'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     | 2018    |
|--|------------|----------|---------|
|  |            | €'000    | €'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  |



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