

 technotrans



Business Development 2016

# QUARTERLY COMMUNICATION Q1

# First quarter 2016

- › Weak start to 2016 financial year as expected
- › **Revenue € 30.4 million** after € 30.6 million in Q1/15
- › **EBIT € 2.1 million**, EBIT margin 6.8 % (previous year 7.5 %)  
negative currency translation effects
- › **Technology segment** (66 % of the consolidated revenue)  
weak start **-3.5 %** comprising +1.9 % from print, -10.4 % from non-print
- › **Services segment** (34 % of the consolidated revenue)  
grows overall **+5.7 %**, Technical Documentation higher than previous year (**+26.4 %**)
- › **EPS** in Q1 stable at the previous year level with € 0.22
- › **Equity ratio** reaches **67.5 %**, **net liquidity** increases to **€ 12.9 million**
- › **Employee total** increases to **824** from 786 in Q1/15

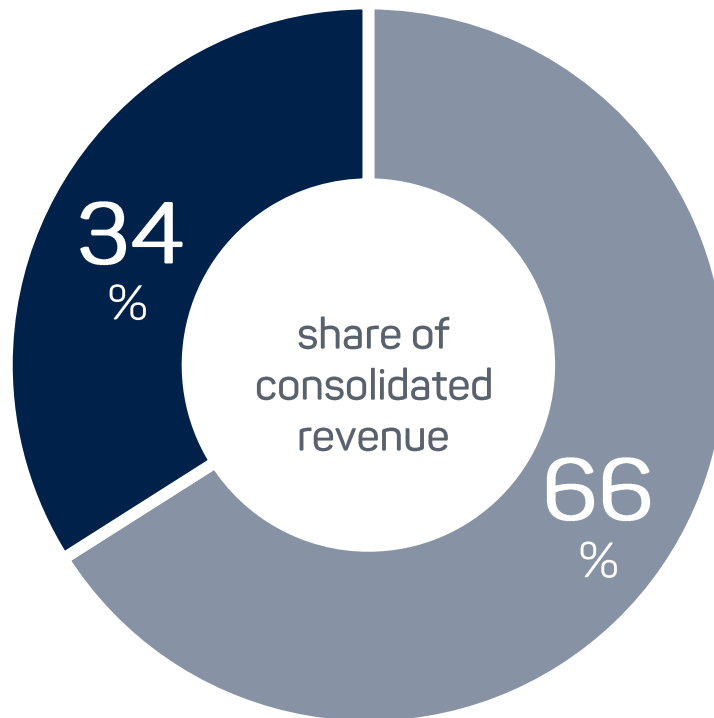
# BUSINESS MODEL

# The group of companies

- > **leading system supplier** with the core competence of liquid technology
- > **customer-specific solutions** for temperature control and filtration as well as pumping and spraying technology for/with fluids
- > **extensive range** of individual services world-wide



# The business model



## reporting segments

- > technology (568 employees)
- > services (256 employees)

# Segment technology

## Products and markets

Product portfolio	Market overview	Positioning
<ul style="list-style-type: none"> <li>&gt; Dampening solution systems</li> <li>&gt; Ink supply</li> <li>&gt; Industrial cooling solutions</li> <li>&gt; Preparation of cooling lubricants</li> <li>&gt; Spray lubrication systems</li> <li>&gt; X-ray and scanner temperature control</li> <li>&gt; Battery/converter cooling</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Printing industry</li> <li>&gt; Laser industry</li> <li>&gt; Stamping and forming technology</li> <li>&gt; Tooling industry</li> <li>&gt; Battery and converter</li> <li>&gt; Medical and scanner technology</li> </ul>	<ul style="list-style-type: none"> <li>&gt; <b>World market leader in print area</b></li> <li>&gt; <b>Established system and development partner in mechanical and plant engineering</b></li> <li>&gt; <b>Innovation partner for new technological applications in niche markets</b></li> </ul>

# Segment services

## Products and markets

Product portfolio	Market overview	Positioning
<ul style="list-style-type: none"> <li>&gt; Spare parts</li> <li>&gt; Customer Service Support</li> <li>&gt; Modernisation</li> <li>&gt; Maintenance</li> <li>&gt; Installations</li> <li>&gt; Engineering</li> <li>&gt; Technical documentation</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Printing industry</li> <li>&gt; Laser industry</li> <li>&gt; Stamping and forming technology</li> <li>&gt; Tooling industry</li> <li>&gt; Battery and converter</li> <li>&gt; Medical and scanner technology</li> </ul>	<ul style="list-style-type: none"> <li>&gt; <b>World market leader for services in the printing industry</b></li> <li>&gt; <b>Extension of service activities in Non-Print-Markets</b></li> <li>&gt; <b>Additional demand for services and installation within the battery, converter and scanner technology</b></li> <li>&gt; <b>Steady expansion of worldwide range of services</b></li> </ul>



# Market and prospects

## Leading position in key markets



### Print

- > World market (equipment sales): **+ 0.5 percent CAGR up until 2017** (NPES), stable market
- > Industry in transition: growth segments, e.g. digital and flexographic printing gaining in importance compared with classic offset printing
- > technotrans: world market leader for peripheral solutions



### Laser cooling

- > World market for laser applications **+ 5.5 percent CAGR up until 2019** (Strategies Unlimited), dynamic growth
- > High growth potential also for contract laser welding (additive manufacturing)
- > Common expansion of full-line principle

# Market and prospects

## Expansion in promising markets



### Stamping and forming technology, machine tools

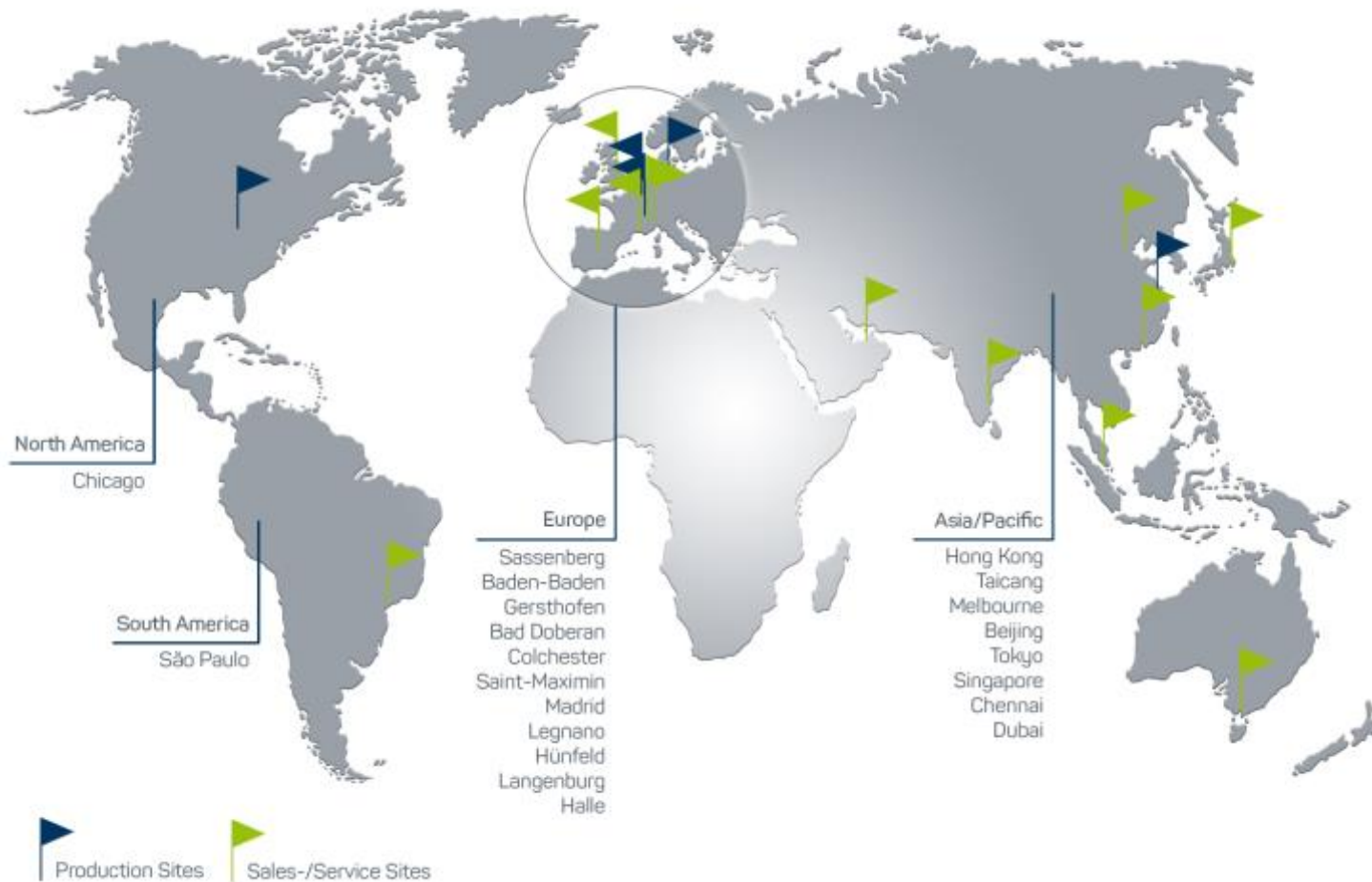
- › German machine and plant construction industry (VDMA) expecting **zero growth in 2016** for mechanical engineering industry
- › Positive impulses: expansion of market position in the niche for temperature control, filtration and lubrication



### Growth markets

- › Scanner technology in aviation safety: **+ 7 percent CAGR up until 2020** (homelandsecurityresearch)
- › Medical technology / magnetic resonance tomography: **+ 3.5 percent CAGR up until 2017** (TMR)
- › Great innovation potential for technotrans

# Worldwide presence



# Reference customers



STRATEGY

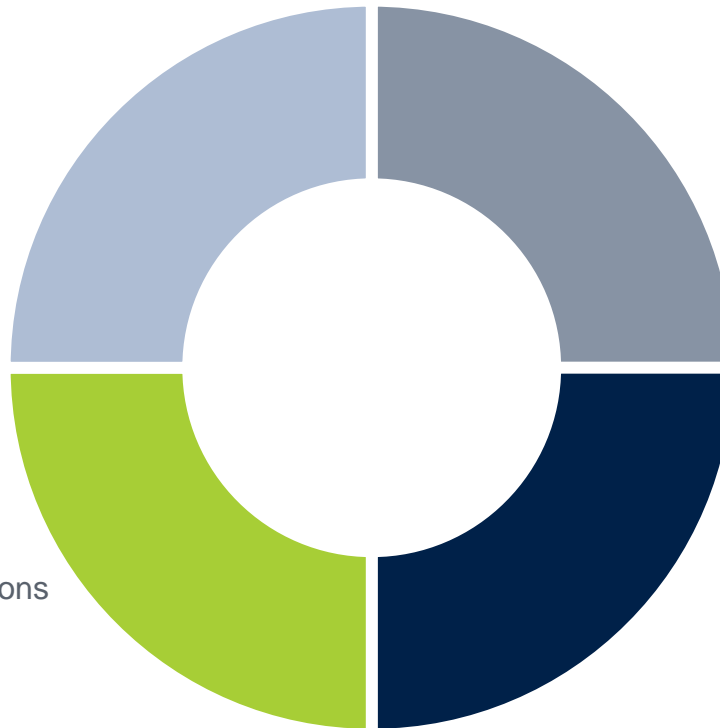
# Long-term growth strategy

## GROWTH MARKETS

- › steady expansion of new niche markets:
  - medical care
  - safety
  - storage
  - semiconductor
  - and others

## MACHINERY & PLANT ENGINEERING

- › Development partner for new technologies and applications
- › ongoing product diversification
- › platform strategy
  - laser
  - turning/milling/grinding/polishing
  - cutters/presses
  - other applications



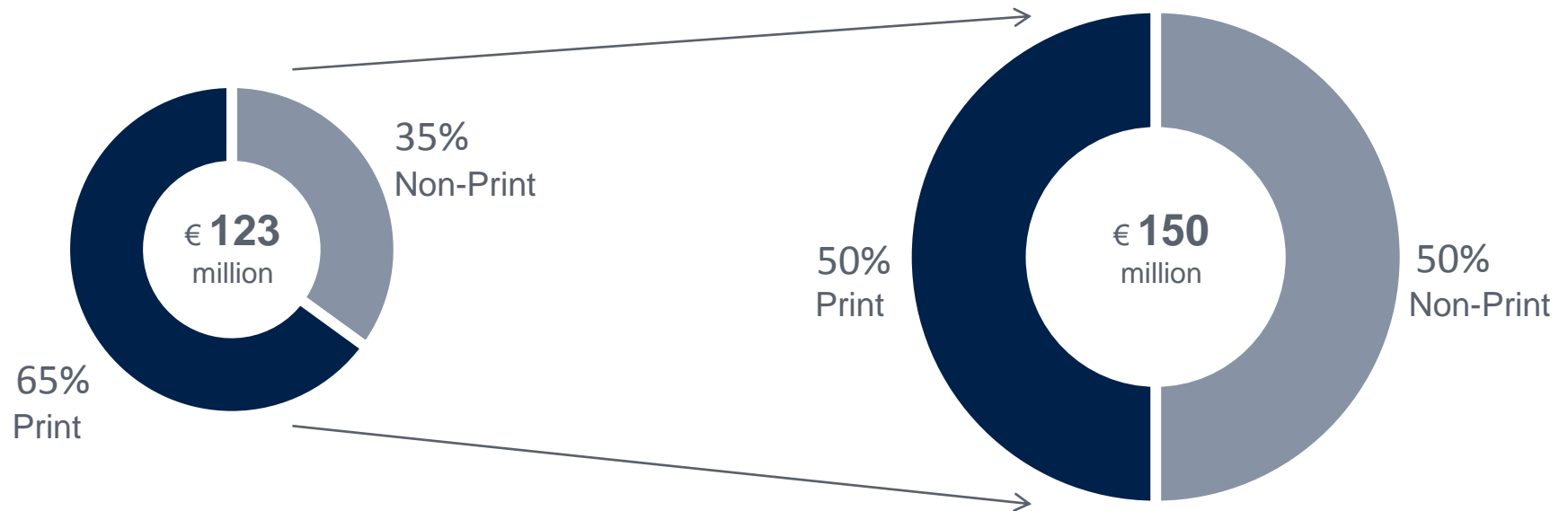
## PRINT INDUSTRY

- › Development partner for new technologies and applications
- › ongoing product diversification platform strategy
  - offset print
  - digital print
  - flexo print
  - other printing processes

## SERVICE BUSINESS

- › Expansion/establishment of international service business in all market areas:
  - spare parts management
  - installation
  - maintenance
  - techn. documentation (gds)
  - training

# Growth strategy 2017/2018



> Target: technotrans grows stronger than the market

# Non-organic growth / growth-driving acquisitions



## Termotek GmbH, D-Baden-Baden

- > A technotrans company since **2011**
- > **70** employees, revenue 2015 **€ 14.8 m**
- > Products ranging from air-to-water heat exchangers for low-power lasers, specifically for medical applications, and air-to-water compressor-based chillers for diode lasers in the medium performance range (up to 200 watts), through to air-to-water compressor-based chillers for high-power diode lasers.



## KLH Kältetechnik GmbH, D-Bad Doberan/CN-Taicang

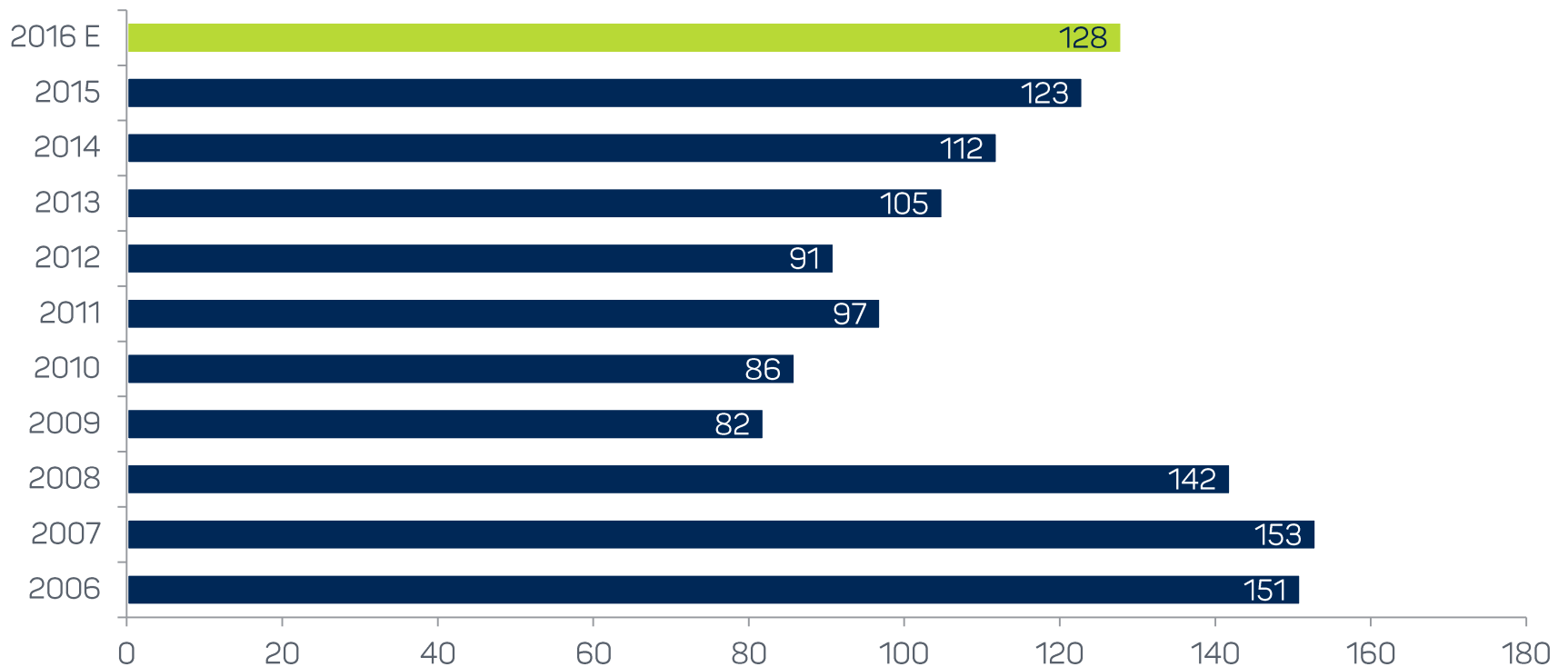
- > A technotrans company since **2013**
- > **119** employees, revenue 2015 **€ 20.3 m**
- > KLH Kältetechnik GmbH has specialised in universal cooling systems from 0.8 kW to 300 kW as well as energy-conscious industrial cooling equipment and plant engineering up to 1 MW.



# FINANCES AND OUTLOOK

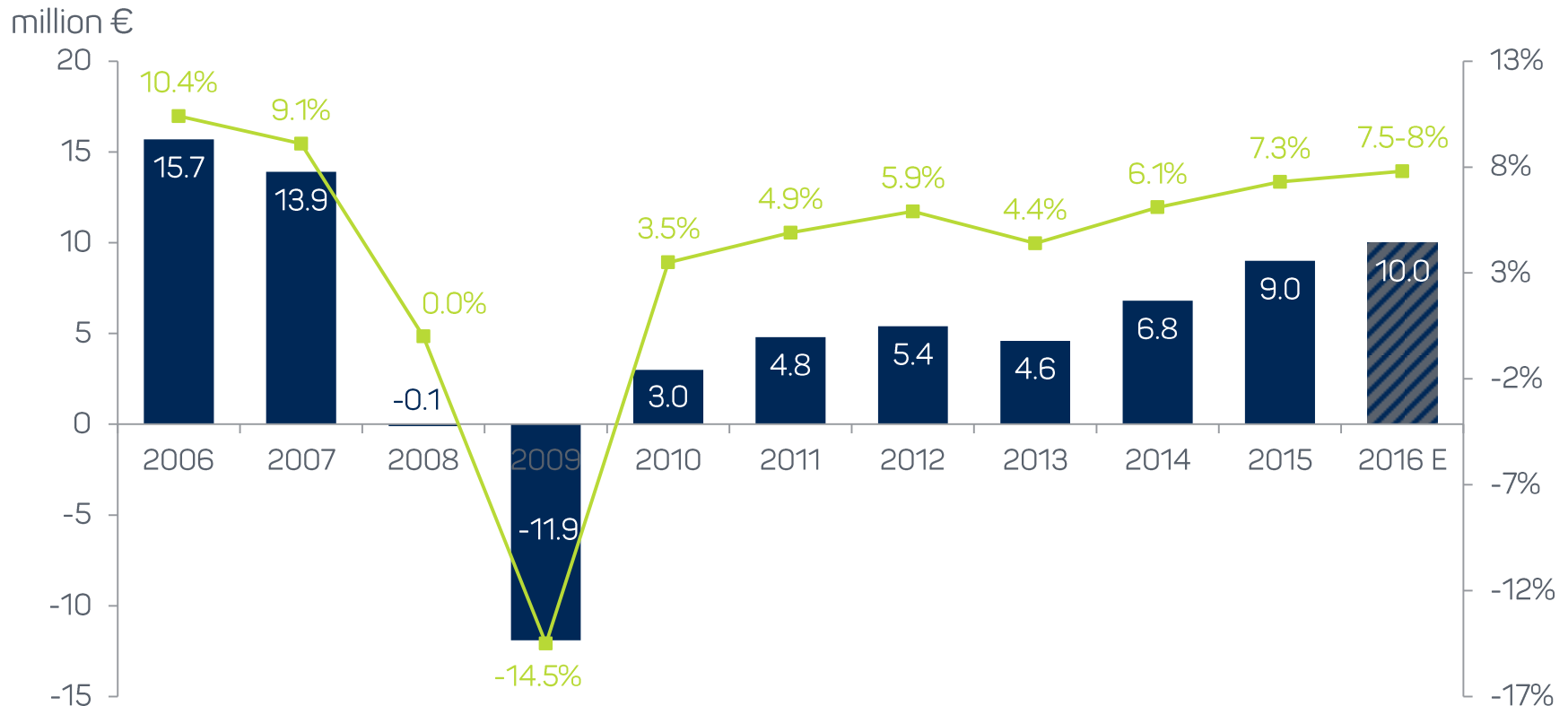
# Turnover since 2006

million €



> growth resumed after transformation

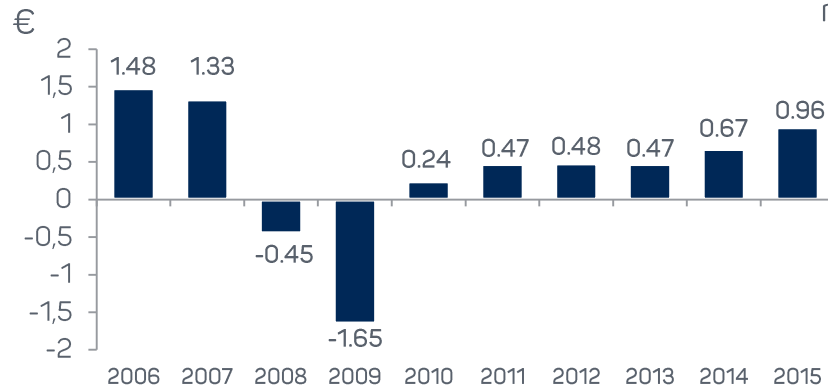
# EBIT/EBIT-Margin since 2006



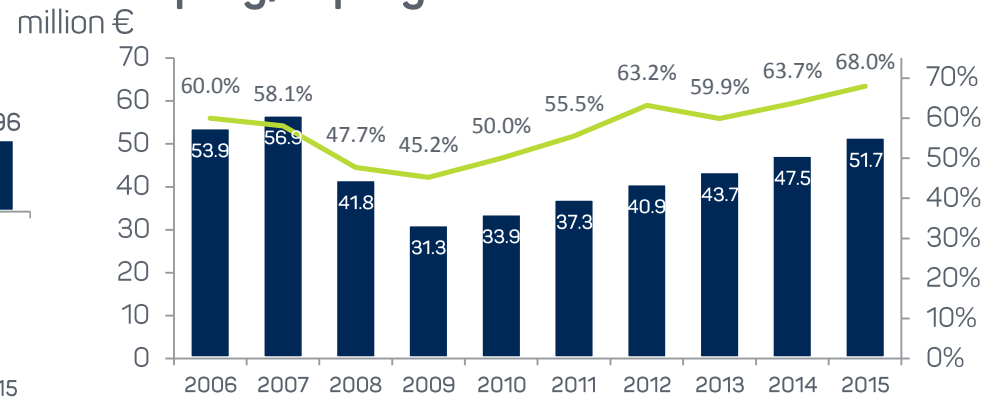
- › Solid increase in profit hand in hand with continuing high investment in future growth

# Control parameter

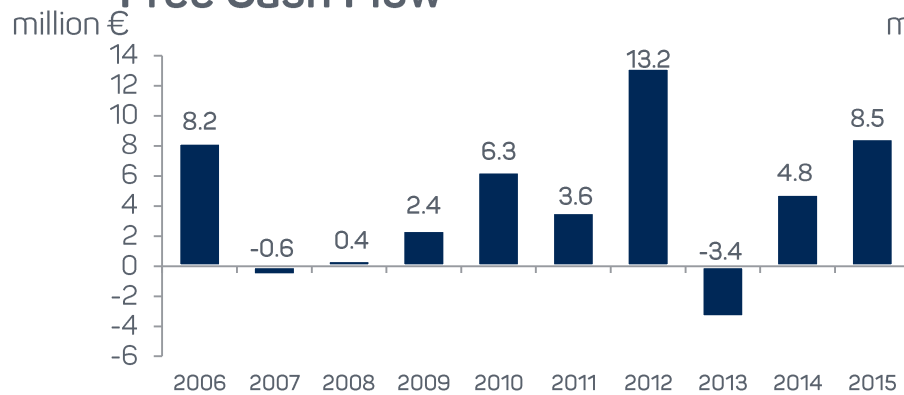
## EPS- Earnings per Share



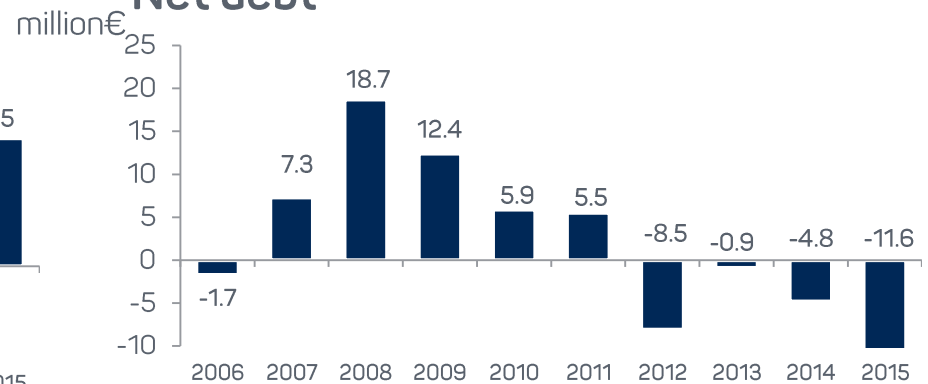
## Equity/Equity ratio



## Free Cash Flow



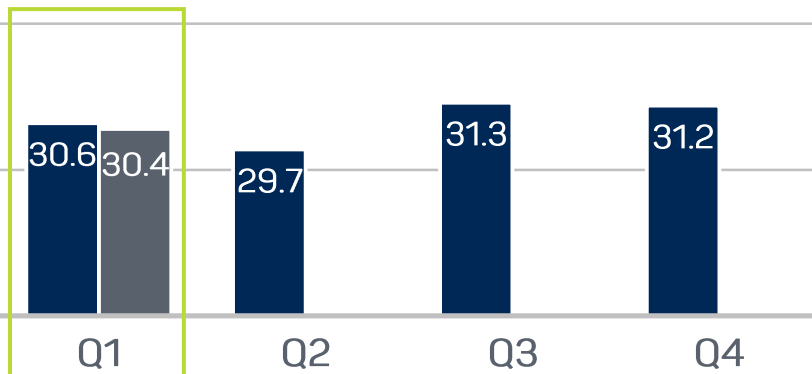
## Net debt



# The financial year 2016 by quarters

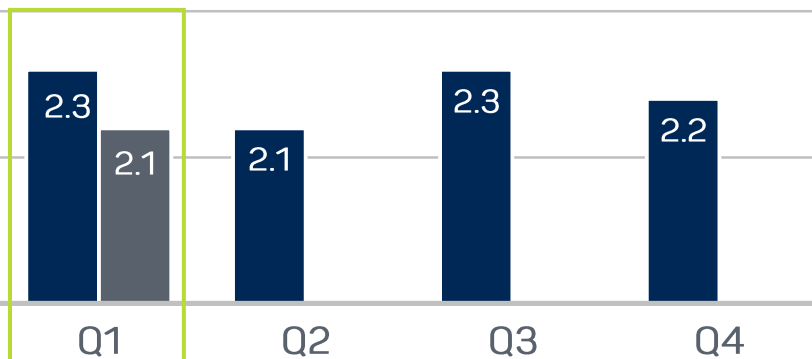
Turnover development 2015/2016  
quarters (in million €)

■ 2015 ■ 2016



EBIT-development 2015/2016  
quarters (in million €)

■ 2015 ■ 2016



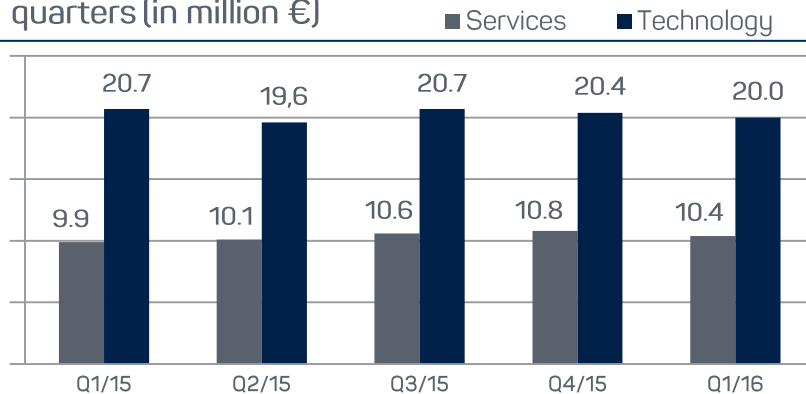
## TURNOVER AND EBIT BY QUARTERS

technotrans grows according to plan

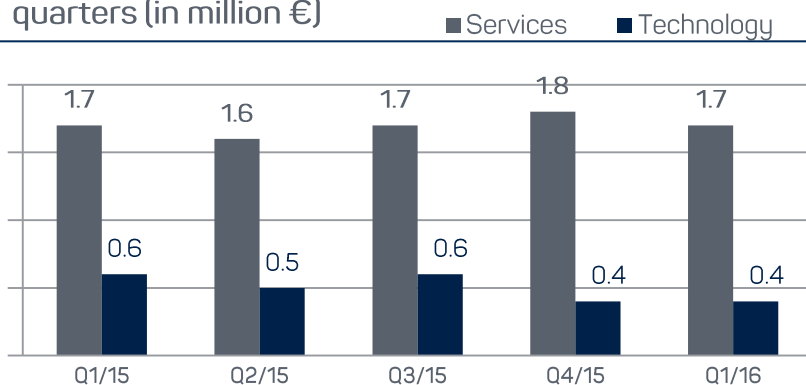
- > Subdued start to 2016 financial year contrasting with strong revenue and profit growth in previous year.
- > Renewed growth in print compensates for weakness in laser industry and machine tool sector
- > EBIT stable > € 2.0 million per quarter
- > EBIT margin (currency-adjusted) >7.5%

# The financial year 2016 by segments

Turnover development 2015/2016  
quarters (in million €)



EBIT-development 2015/2016  
quarters (in million €)



## TURNOVER AND EBIT BY SEGMENTS

- > **Technology (66%)**  
decline in turnover **-3.5 %** (yoy) by non-print business (engineering)
- > positive segment result proved
  
- > **Services (34%)**  
growth of turnover **+5.7 %** (yoy)
- > stable segment result  
(rate of return **16.3 %**)

# Key figures at a glance

Earning figures (in million €)	Q1 2015	Q1 2016	Δ in %
Turnover	30,580	<b>30,403</b>	-0.5
EBITDA	3,064	<b>2,835</b>	-7.5
EBIT	2,294	<b>2,060</b>	-10.2
EBIT-margin in %	7.5%	<b>6.8%</b>	
Net profit for the period *	1,465	<b>1,459</b>	-0.4
Net profit per share	0.22	<b>0.22</b>	

\* Profit attributable to technotrans AG shareholders

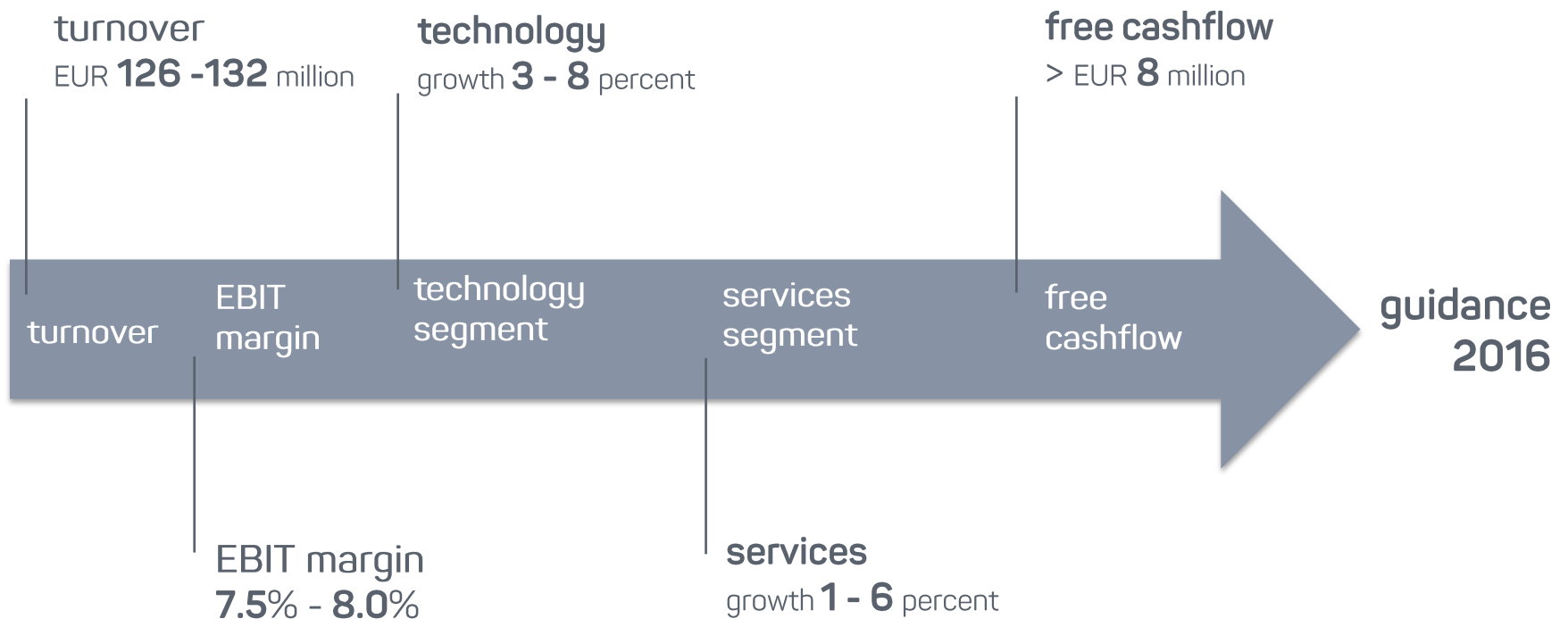
Cashflow key figures (in million €)	Q1 2015	Q1 2016	Δ in %
Operational cashflow	3,363	<b>1,537</b>	-54.3
CF from investing activities	-407	<b>-168</b>	-58.7
CF from financing activities	-699	<b>-666</b>	-4.7
Free Cash Flow	2,956	<b>1,369</b>	-53.7

Balance sheet figures (in million €)	Q1 2015	Q1 2016	Δ in %
Balance sheet capital	76,043	<b>78,382</b>	+3.1
Equity	51,725	<b>52,945</b>	+2.4
Equity ratio in %	68.0%	<b>67.5%</b>	
Net debt	-11,575	<b>-12,878</b>	+143.0
Working Capital	19,978	<b>20,616</b>	+3.2

Other key figures	Q1 2015	Q1 2016	Δ in %
Employees	786	<b>824</b>	+4.8

- › Healthy business progress amid weak economic environment as expected

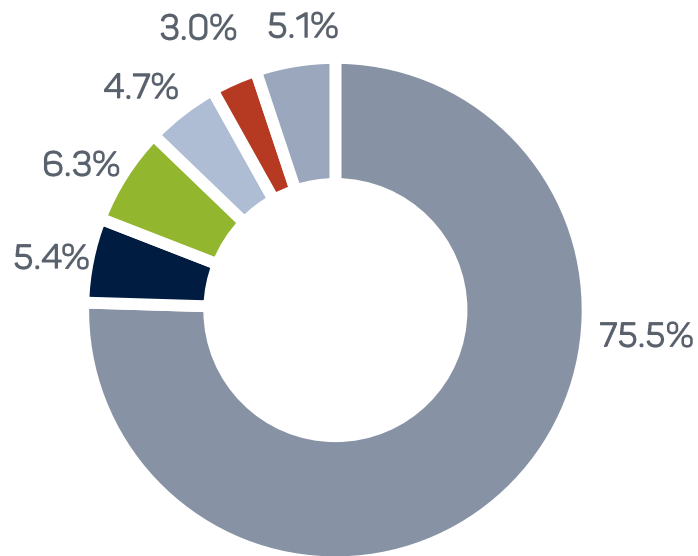
# Outlook 2016





SHARE

# Overview of technotrans share



- Freefloat
- technotrans AG (eigene Aktien)
- Ojectif Small Cap
- Midlin NV
- Baring Asset Management Limited
- Hauck & Aufhäuser S.A.

## KEY DATA SHARE

ISIN/Code	DE000A0XYA7/AOXGA
establishment/IPO	1970/1998
financial year	01.01. – 31.12.
share capital	6,907,665.00
number of shares	6,907,665
number of shares (free float)	6,532,750
stock markets	XETRA, Frankfurt
designated sponsors	Bankhaus Lampe, equinet Bank
index	Prime Standard

## › market capitalisation:

as of May 2, 2016

**EUR 125 millionen**

# Share performance and analyst estimates

SHARE PERFORMANCE  
JANUARY 1st, 2014 – MARCH 31st, 2016



- > dividend policy: distribution of 50 % of the consolidated net earnings
- > proposed dividend of **€ 0.48** per share for 2015

## Research

2016-04-29	<b>Bankhaus Lampe</b> buy	Gordon Schönell price target <b>€ 20.00</b>
2016-03-09	<b>Warburg Research</b> buy	Eggert Kuls price target <b>€ 22.60</b>
2016-02-24	<b>equinet Bank</b> buy	Victoria Kruchevska price target <b>€ 21.00</b>
2016-05-03	<b>Hauck + Aufhäuser</b> buy	Nils-Peter Gehrman price target <b>€ 23.00</b>
2016-04-12	<b>HSBC</b> hold	Richard Schramm price target <b>€ 21.00</b>

## Financial Calendar

2016-05-04	<b>Interim Report (1-3/2016)</b>
2016-08-05	<b>Interim Report (1-6/2016)</b>
2016-11-04	<b>Interim Report (1-9/2016)</b>

# Investment Highlights

## Why investing in technotrans shares is an attractive proposition:

- › You are investing in a successful business model designed for the long term, from a German mid-cap business.
- › You are investing in a strategy, that targets a steady development in value and healthy profits.
- › You are investing in innovation and enterprise-led growth in an international environment.

# Management



**Henry Brickenkamp**

- > Chief Executive Officer
- > DOB 1968
- > Sales director since 2005, Board of Management member since 2006
- > Responsible for **Products & Markets**



**Dirk Engel**

- > Chief Financial Officer
- > DOB 1967
- > Head of finance and accountancy since 2004, Board of Management member since 2006
- > Responsible for **Finance & Administration**



**Dr. Christof Soest**

- > Chief Technology Officer
- > DOB 1964
- > Board of Management member since 2011
- > Responsible for **Technology & Operations**

# Thank you for your attention!

Member of  
the technotrans group

 technotrans

 gds

 termotek

 klh

Any forward-looking statements contained in this presentation represent our best judgement as to what will occur in the future. The Company's actual results could differ materially from those presented and will depend on a number of competitive and economic factors, some of which will be outside the control of the company.