

 technotrans



---

May 12, 2020

---

# PRESENTATION OF THE RESULTS FOR THE FIRST QUARTER 2020

# TECHNOTRANS COVID-19 UPDATE

---

- › **Employees and company:** extensive precautions have been taken to protect employees and to ensure production.
- › **Operating activities:** China, France, Spain and Italy in particular are restricted. German production sites have been producing without interruption since the beginning of the year.
- › **Supply Chain:** Supply of components and parts always guaranteed in Q1 2020.
- › **Sales:** All trade fairs, including "drupa 2020", have been cancelled or postponed by the organisers. Declining order volume expected in Q2 2020 due to partial production stoppages and/or short-time work at customers.
- › **Cost structure:** Comprehensive measures initiated to further adjust personnel and material costs.
- › **Liquidity:** Good liquidity based on solid assets and financial position.

# BUSINESS DEVELOPMENT IN THE FIRST QUARTER 2020

## Start of the year in line with previous expectations despite COVID-19 effects

- › **Printing industry:** Quarterly revenues a bit weaker than expected.
- › **Other Markets:** Order volume stable overall.  
Incoming orders since March COVID-19-related noticeably weaker.
- › **Electromobility:** High number of project inquiries and projects in the field of battery and converter cooling for mobile applications, especially in the railway sector.  
Slowed down development of cable cooling for HPC charging stations.
- › **gwk:** Operating activity normalized.  
SAP implementation completed.
- › **Strategic reorientation:** First measures already implemented in March.

# OUTLOOK BY MARKETS

## COVID-19 pandemic makes forecasting difficult



### Printing industry:

COVID-19-related production shutdowns burden development during the course of the year. Due to the postponement of drupa, no impulses are expected in the second half of the year. Outlook for packaging-oriented flexographic printing stable.



### Laser and machine tool industry

COVID-19-related impacts expected especially in Q2/Q3 2020. EUV business stable.



### Growth markets:

#### Electromobility:

Stable revenue development for mobile solutions expected based on good project pipeline. Due to COVID-19, no new dynamic in HPC charging stations is expected in 2020.



#### Medical and scanning technology:

Clinical tests for technotrans medtech-solution delayed due to COVID-19. Outlook scanner technology stable.



### Plastics processing:

Stable revenue in Q2 based on order backlog. New Reisner building started as planned.

## Outlook 2020

-

o/-

+

+

o/-

# KEY FIGURES FIRST QUARTER 2020

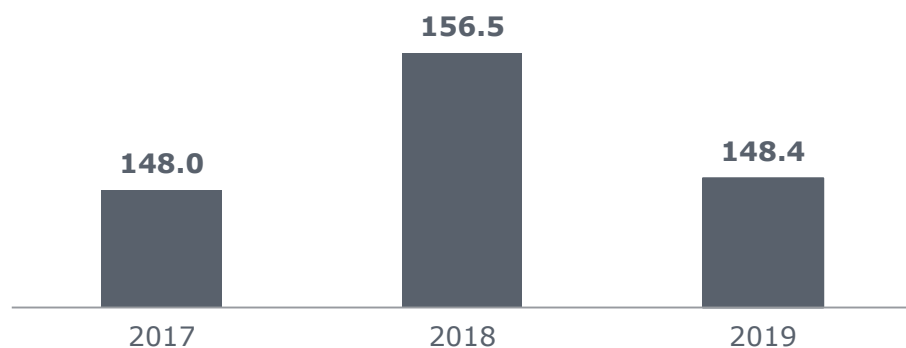
in € million	Q1 2019	Q1 2020	Δ
<b>Revenue</b>	53,1	<b>52,2</b>	-2%
<b>EBITDA</b>	5,1	<b>3,5</b>	-31%
<b>EBIT</b>	3,3	<b>1,8</b>	-47%
EBIT margin (%)	6,3%	<b>3,4%</b>	
<b>Net profit for period</b>	2,2	<b>1,1</b>	-50%
<b>Earnings per share (€)</b>	0,33	<b>0,16</b>	
	<b>Dec. 31, 2019</b>	<b>March 31, 2020</b>	
<b>Equity</b>	75,1	<b>76,2</b>	<b>2%</b>
Equity ratio (%)	51,4%	51,7%	
<b>Net debt</b>	24,2	<b>26,5</b>	<b>10%</b>
<b>Ø employees (FTE)</b>	1.280	<b>1.287</b>	<b>1%</b>

- › First impacts of COVID 19 pandemic noticeable at sites in China, Italy, Spain and France.
- › Key figures nevertheless within the scope of the previous forecast.
- › Earnings-related special effects:
  - › € 1.3 million in expenses from structural and personnel measures.
  - › € 0.6 million income from the termination of fine proceedings (BaFin).

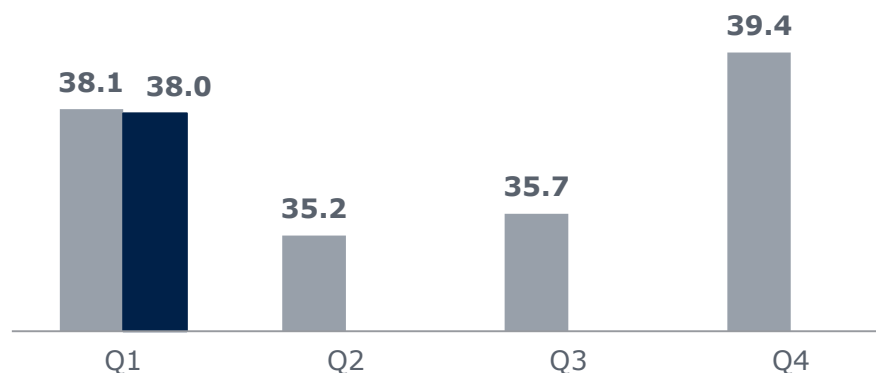
# PERFORMANCE SEGMENT TECHNOLOGY

- › Start to the fiscal year as expected, earnings burdened by special effects.

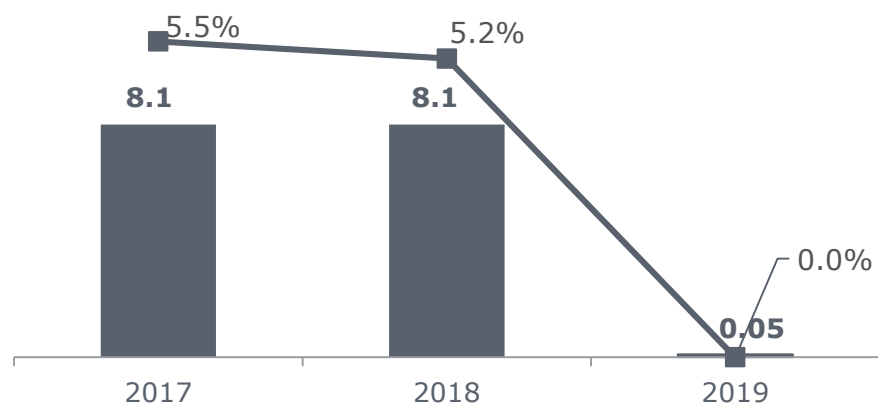
Annual revenue 2017-2019 (€ million)



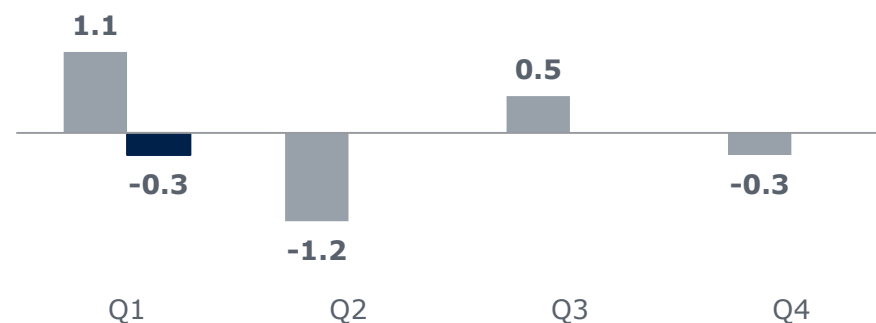
Revenue 2019/2020 by quarters (€ million)



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



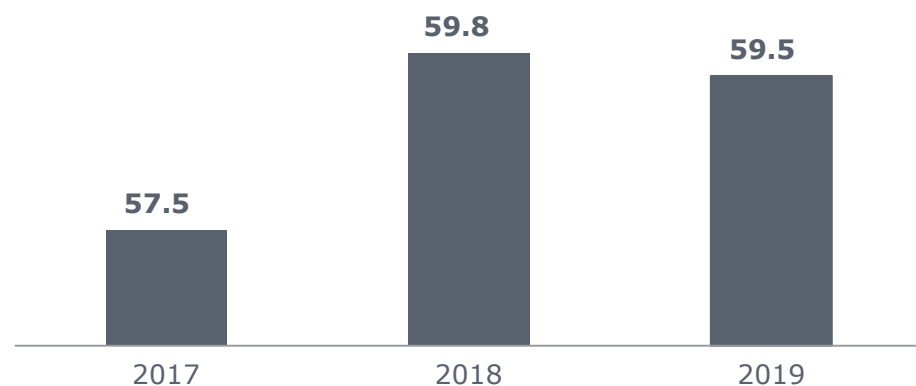
EBIT 2019/2020 by quarters (€ million)



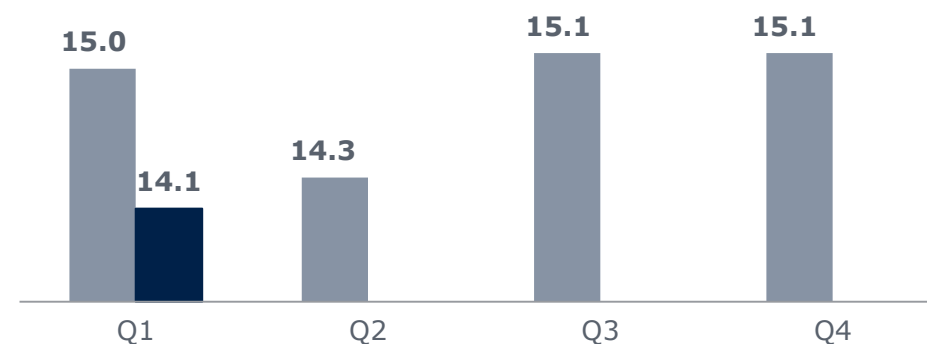
# PERFORMANCE SEGMENT SERVICES

> Robust development despite COVID-19 pandemic.

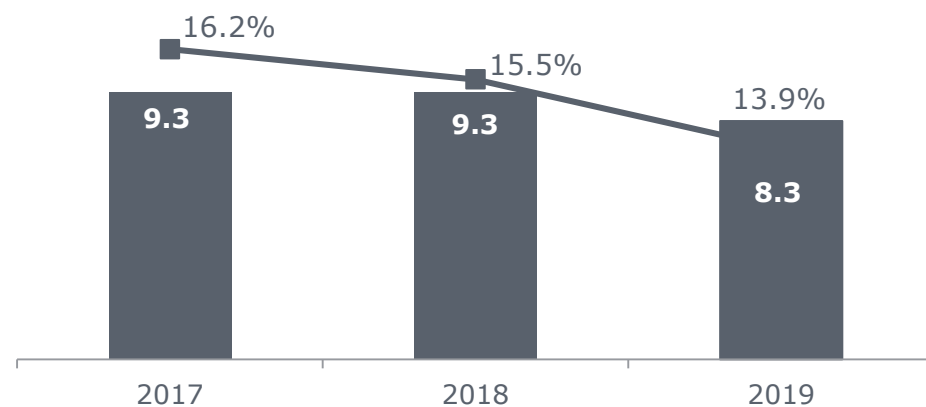
Annual revenue 2017-2019 (€ million)



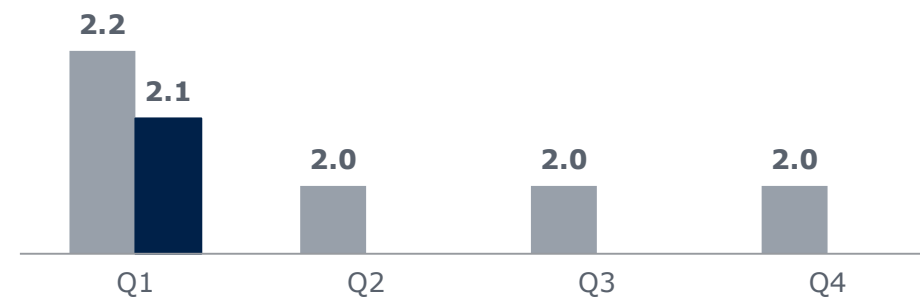
Revenue 2019/2020 by quarters (€ million)



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



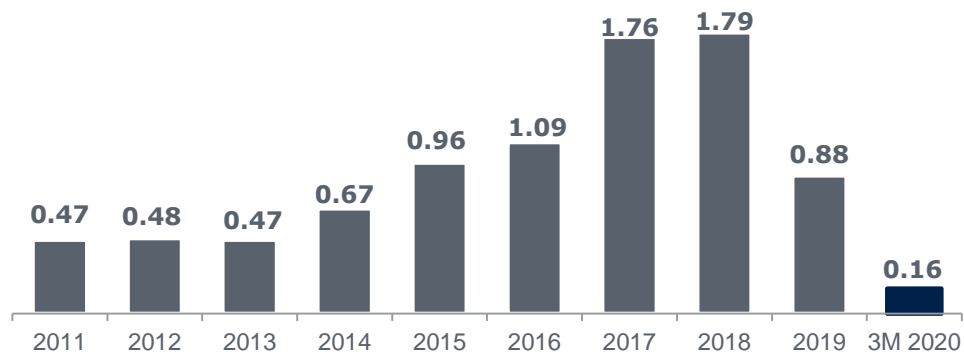
EBIT 2019/2020 by quarters (€ million)



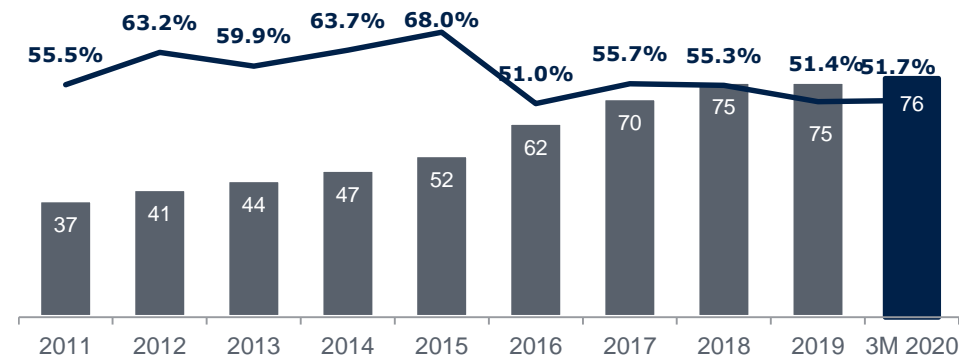


# KEY PERFORMANCE INDICATORS

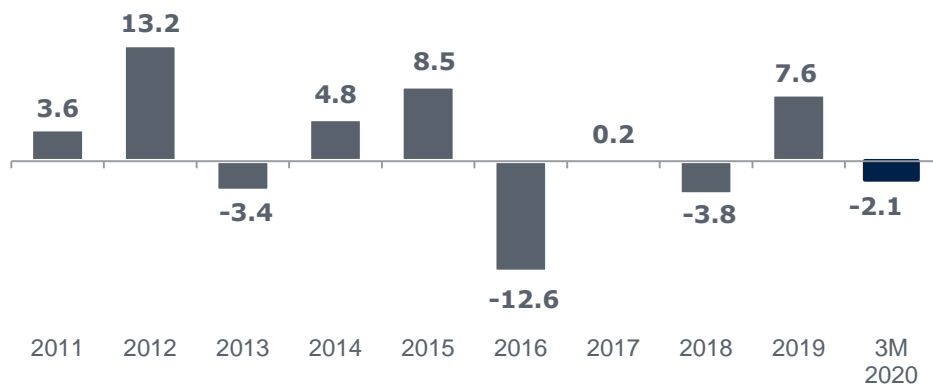
Earnings per Share 2011 – 2020 (€)



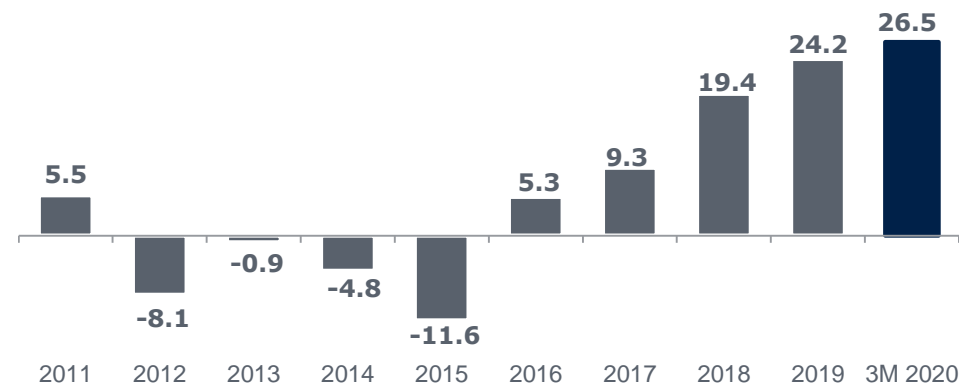
Equity base slightly improved (€ million / %)



Free Cash Flow moderately negative (€ million)



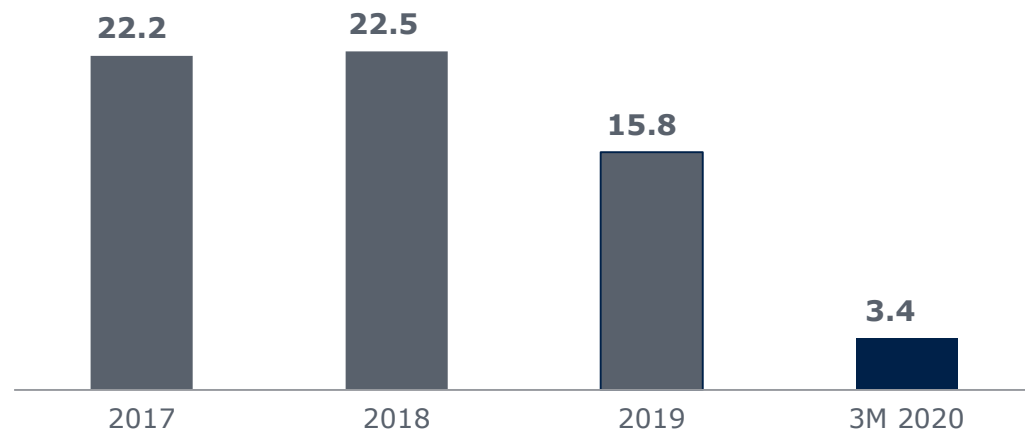
Net debt incl. Leasing liabilities increased (€ million)\*



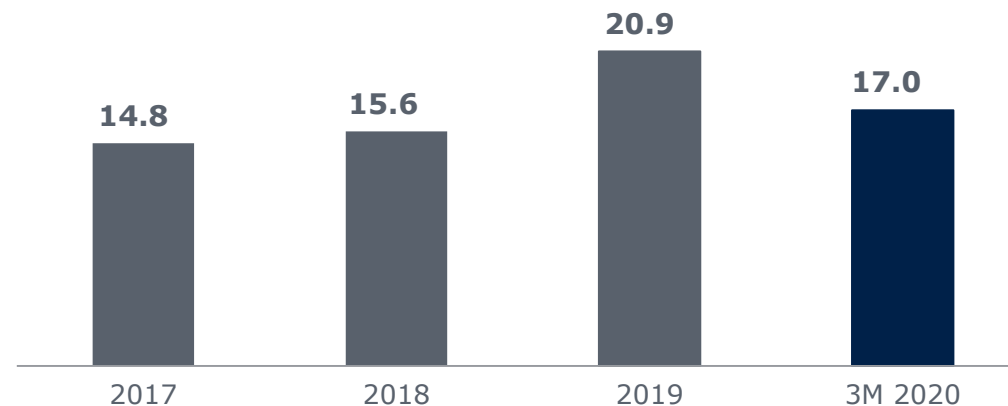
\* 3M 2020 incl. € 4.4 million leasing liabilities acc. To IFRS 16

# FINANCIAL POSITION

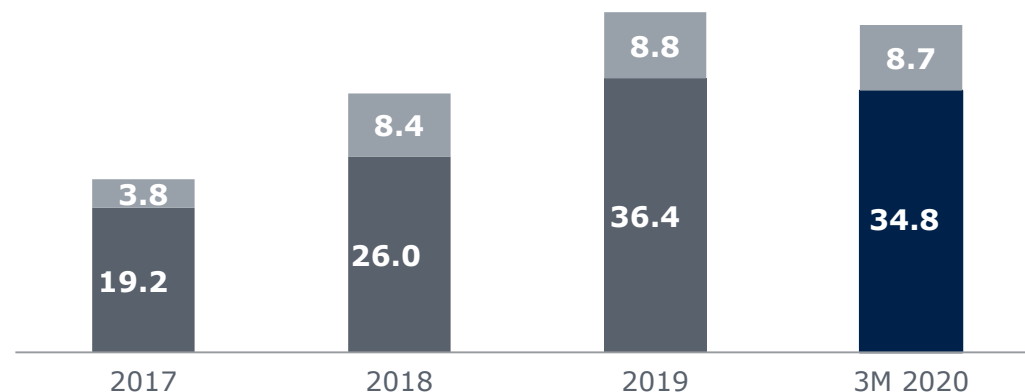
Op. Cash Flow 2017-2020 (€ million)



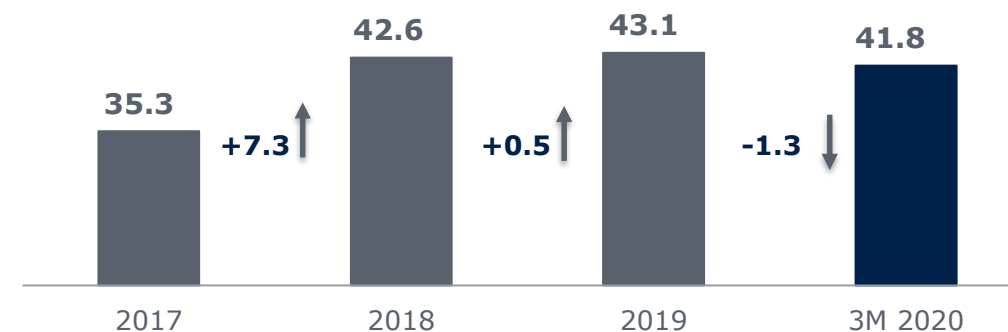
Cash & Cash Equivalents 2017-2020 (€ million)



Financial liabilities 2017-2020 short-term/long-term (€ million)



Net-Working Capital 2017-2020 (€ million)

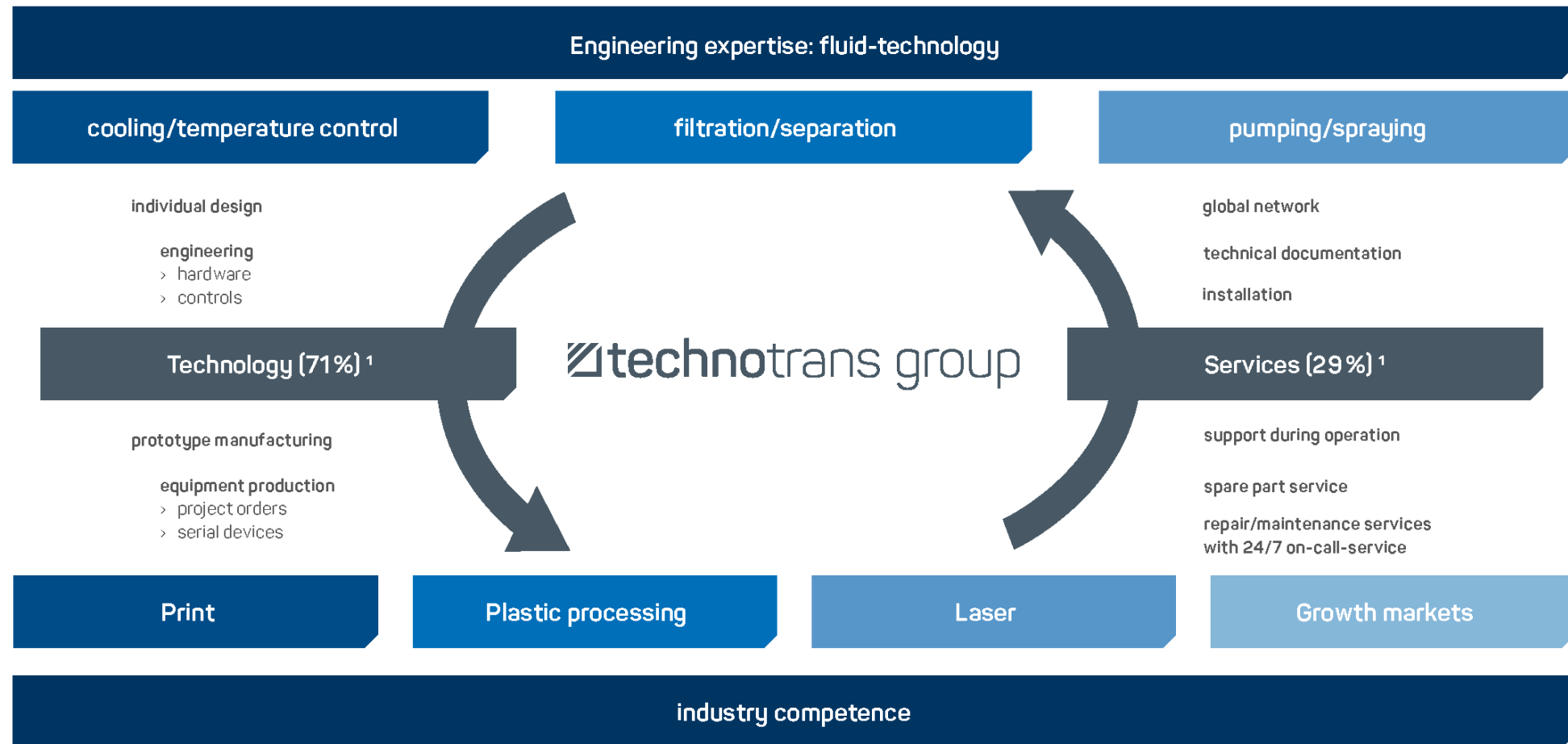


3M 2020 incl. Leasing liabilities of € 2.4 million (long-term liabilities) and € 2.0 million (short-term liabilities)

# BUSINESS MODEL

# BUSINESS MODEL

360° COMPETENCE FOR OUR CUSTOMERS



<sup>1</sup> Share of Group revenue  
Data as of Dec. 31, 2019.

# 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)



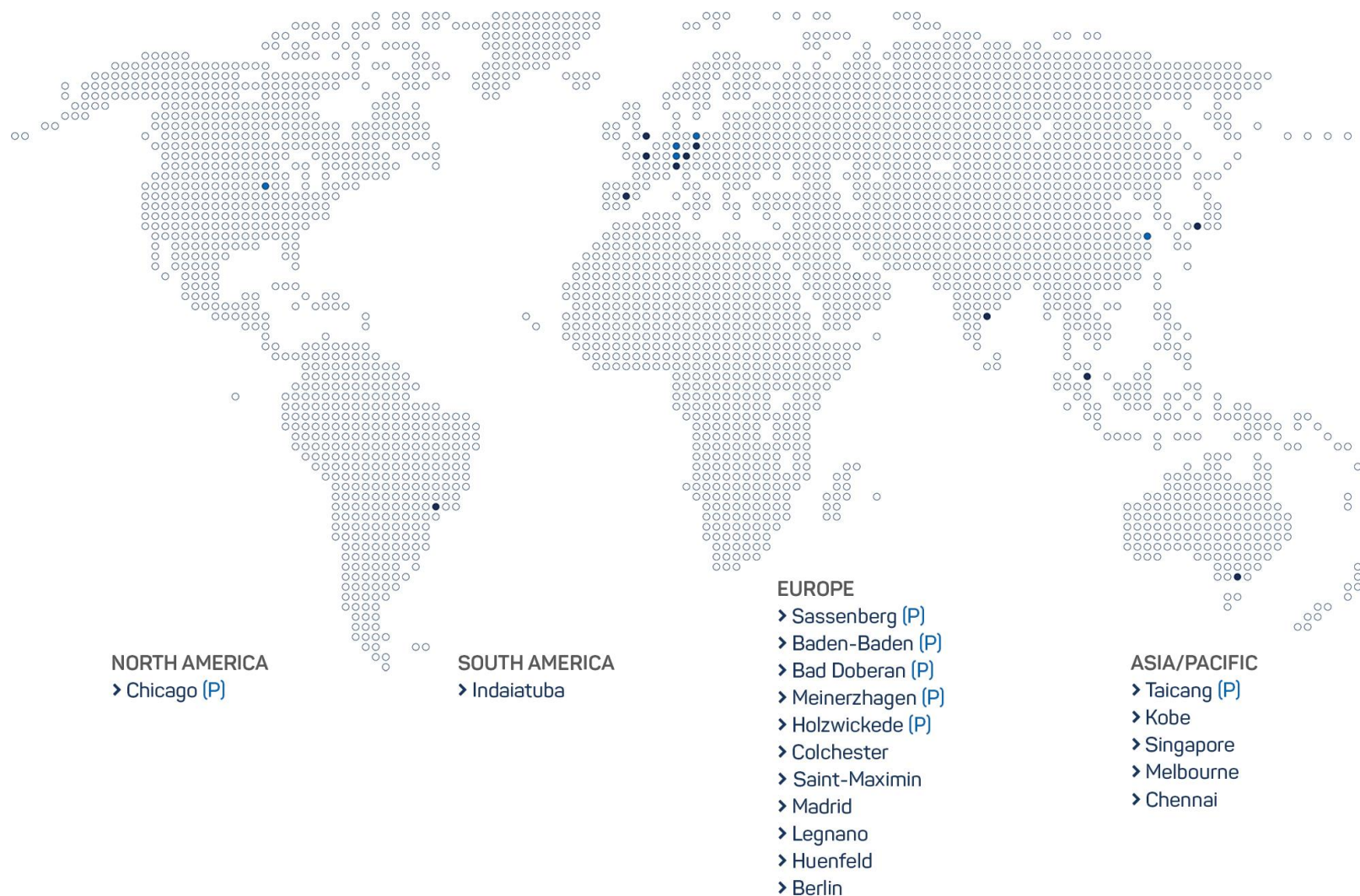
Reisner founded 1980 (ttGROUP2018)

## Headquarter:

technotrans SE,  
Sassenberg, Germany

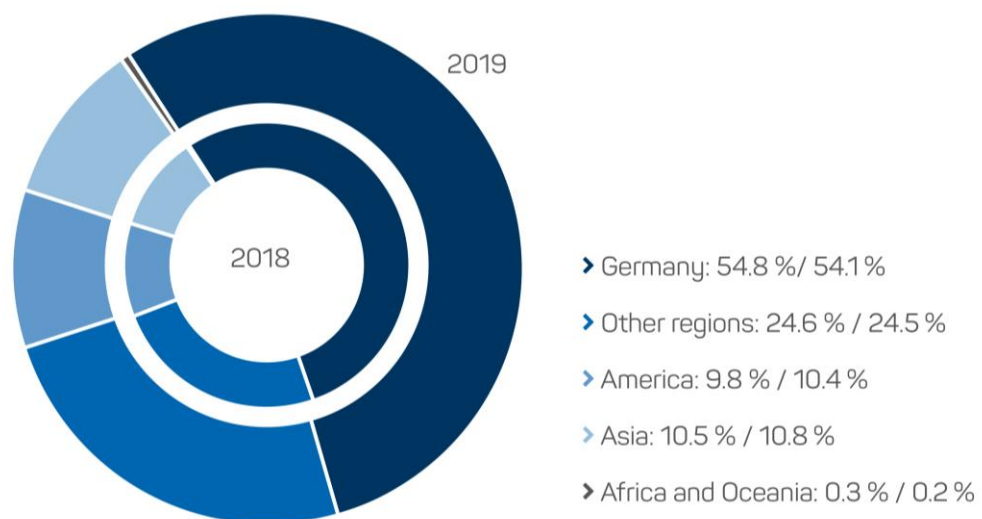
- › 1,466 employees
- › IPO: 1998
- › **18 locations, thereof 7 production sites**  
(5 x Germany, China, USA)
- › Worldwide sales- and services network

# TECHNOTRANS – THE GROUP



# 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



## 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

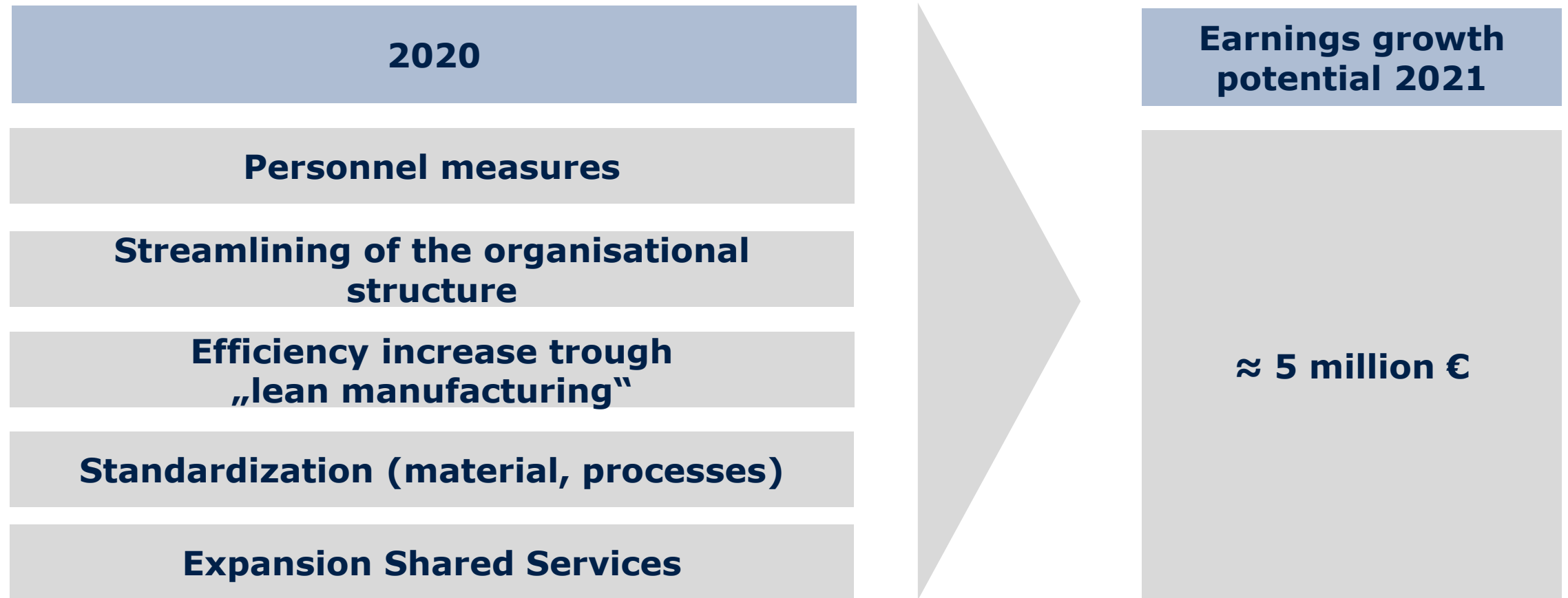


**2020 - 2025**



# GROUP STRATEGY 2020 – 2025

## COMPONENTS OF THE SITE-RELATED STRUCTURAL MEASURES



# GROUP STRATEGY 2020 – 2025

## MID-TERM TARGETS

**Group  
revenue  
€ 250m  
+  
€ 50m  
(approx.)**

### › **Organic growth**

- › 5 – 6 % p.a.
- › Increase market penetration with existing and new customers through solutions at the latest technical level

### › **M & A**

- › Opening up new markets and fields of application
- › Further sharpening technological expertise through strategic additions
- › Extend regional coverage

**EBIT margin**

**≈ 10 % p.a.**

### › **Efficiency program**

- › Establish production sites with high specialisation of flexibility
- › Increase capacity utilisation, flexibility and quality level
- › Optimize production processes (operational excellence)
- › Consolidate production volumes
- › Realise additional synergy potentials
- › Reduce complexity– increase fixed cost depression

# DER VORSTAND



**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 & 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, 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 Print, Quality Management and Service)



**Michael Finger** (Dipl.-Ing.)

- › **Member of the Board of Management** (DOB 1970)
- › Since May 2020 member of the Board of Management
- › Responsible for **Markets** (Sales New Markets, Marketing)

# THE TECHNOTRANS SHARE

# TECHNOTRANS SHARE AND SHAREHOLDER STRUCTURE



- › 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:** € 88.3 million (May 11, 2020)

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

# PERFORMANCE OF SHARE PRICE AND RESEARCH

January 1st – May 8th 2020



Research		
2020-03-24	TP € <b>10.00</b> , hold	<b>Bankhaus Lampe</b>
2020-05-04	TP € <b>26.80</b> , buy	<b>Warburg Research</b>
2020-03-11	<b>TP € 24.00</b> , buy	<b>Hauck + Aufhäuser</b>
2020-04-15	<b>TP € 11.50</b> , reduce	<b>Commerzbank</b>
2020-03-13	<b>TP € 12.00</b> , hold	<b>Berenberg</b>

<b>2019:</b> Max: 30.00 Min: 24.00	<b>Share Price as of 30/12/2019:</b> € 18.70	<b>Market Cap as of 30/12/2018:</b> € 129.2 Mio.
	<b>Share Price as of 11/05/2020:</b> € 12.78	<b>Market Cap as of 11/05/2020:</b> € 88.3 Mio.

Aktienkurse = XETRA Schlußkurse

# WHAT MAKES AN INVESTMENT IN TECHNOTRANS ATTRACTIVE?

- › **Niche supplier for technologically sophisticated solutions**
- › **High market entry barriers for competitors** due to special know-how in "liquid technology" and focus on individual solutions
- › **Diversified product portfolio** focused on growth markets
- › **Limited cyclicality** through product/market diversification and comprehensive complementary services
- › **International network** as a base for the development of new customers and markets
- › **Growth strategy** focused on revenue and profitability
- › **Adequate participation of shareholders in the company's success**, dividend policy generally provides for distribution of up to 50% of the consolidated net income
- › **Commitment to sustainability**

# FINANCIAL CALENDAR 2020

May 20, 2020	<b>Virtual 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

November 16-17, 2020	<b>Deutsches Eigenkapitalforum, Frankfurt</b>
----------------------	---

As a result of the COVID 19 pandemic, numerous events (investor conferences, roadshows) were cancelled or postponed by the organisers. technotrans is available at all times for virtual meetings and conference calls.



# CONTACT

---



**Frank Dernes**

Manager Investor Relations & Corporate Finance

Tel. +49 (0)2583 301-1868

Fax +49 (0)2583 301-1054

[frank.dernes@technotrans.de](mailto:frank.dernes@technotrans.de)



# DISCLAIMER

---

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 MARCH 31, 2020

ASSETS	31/03/2019	31/12/2019
	€ '000	€ '000
<b>Non-current assets</b>		
Property, plant and equipment	34,605	33,268
Right-of-use assets	3,587	3,846
Goodwill	23,513	23,513
Intangible assets	7,217	7,493
Other financial assets	172	185
Deferred taxes	1,484	1,484
	<b>70,578</b>	<b>69,789</b>
<b>Current assets</b>		
Inventories	30,012	28,257
Trade receivables	26,070	24,039
Income tax receivable	501	349
Other financial assets	933	733
Other assets	2,342	1,926
Cash and cash equivalents	16,968	20,910
	<b>76,826</b>	<b>76,214</b>
<b>Total assets</b>	<b>147,404</b>	<b>146,003</b>

EQUITY AND LIABILITIES	31/03/2020	31/12/2019
	€ '000	€ '000
<b>Equity</b>		
Issued capital	6,908	6,908
Capital reserve	19,097	19,097
Retained earnings	55,456	49,367
Other reserves	-6,414	-6,394
Net profit for the period	1,135	6,089
<b>Total equity attributable to technotrans SE shareholders</b>	<b>76,182</b>	<b>75,067</b>
<b>Non-current liabilities</b>		
Borrowings	32,504	33,760
Employee benefits	811	809
Other financial liabilities (incl. IFRS 16)	2,334	2,607
Deferred taxes	590	657
	<b>36,239</b>	<b>37,833</b>
<b>Current liabilities</b>		
Borrowings	6,642	6,696
Trade payables	7,491	5,952
Prepayments received	4,418	4,242
Employee benefits	6,798	5,154
Provisions	3,389	3,891
Income tax payable	111	745
Other financial liabilities	3,186	2,991
Other liabilities	2,948	3,432
	<b>34,983</b>	<b>33,103</b>
<b>Total equity and liabilities</b>	<b>147,404</b>	<b>146,003</b>

# CONSOLIDATED INCOME STATEMENT

	01/01 - 31/03/2020	01/01 - 31/03/2019
	€ '000	€ '000
<b>Revenue</b>	<b>52,161</b>	<b>53,069</b>
of which Technology	38,034	38,119
of which Services	14,127	14,950
Cost of Sales	-37,232	-36,234
<b>Gross profit</b>	<b>14,929</b>	<b>16,835</b>
Distribution costs	-5,974	-6,221
Administrative expenses	-5,212	-4,925
Development costs	-2,432	-2,055
Net impairment losses on financial and contract assets	-76	-199
Other operating income	1,022	480
Other operating expenses	-501	-581
<b>Earnings before interest and taxes (EBIT)</b>	<b>1,756</b>	<b>3,334</b>
Financial income	0	0
Financial charges	-167	-173
<b>Net finance costs</b>	<b>-167</b>	<b>-173</b>
<b>Profit before tax</b>	<b>1,589</b>	<b>3,161</b>
Income tax expense	-454	-913
<b>Net profit for the period</b>	<b>1,135</b>	<b>2,248</b>
<b>Earnings per share (€)</b>		
basic / diluted (in €)	0.16	0.33

# CONSOLIDATED CASH FLOW STATEMENT JAN. 1, 2020 – MAR. 31, 2020

	01/01 - 31/03/2020	01/01 - 31/03/2019		01/01 - 31/03/2020	01/01 - 31/03/2019
	€ '000	€ '000		€ '000	€ '000
<b>Cash flow from operating activities</b>			<b>Cash flow from investing activities</b>		
<b>Net profit for the period</b>	<b>1,135</b>	<b>2,248</b>	Cash payments for investments in property, plant and equipment and in intangible assets	-2,343	-3,616
Adjustments for:			Proceeds from the sale of property, plant and equipment	20	-22
Depreciation and amortisation	1,763	1,762	<b>Net cash used for investing activities</b>	<b>-2,323</b>	<b>-3,638</b>
Income tax expenses	453	913			
Gain (-)/loss (+) on the disposal of property, plant and equipment	-3	-27	<b>Cash flow from financing activities</b>		
Foreign exchange losses (+)/gains (-)	-68	123	Cash receipts from the raising of short-term and long-term loans	0	2,600
Net finance costs	168	173	Cash payments from the repayment of loans	-1,311	-1,798
Other non-cash changes	0	8	Distribution to investors	0	0
<b>Cash flow from operating activities before working capital changes</b>	<b>3,448</b>	<b>5,200</b>	Cash payments from the repayment of lease liabilities	-592	-584
Change in:			<b>Net cash used in financing activities</b>	<b>-1,903</b>	<b>218</b>
Inventories	-1,755	-3,133			
Receivables and other current assets	-2,632	-1,035	Net increase/decrease in cash and cash equivalents	-4,003	350
Liabilities and prepayments	1,501	3,672	Cash and cash equivalents at start of period	20,910	15,566
Provisions and employee benefits	1,144	-90	Net effect of currency translation in cash and cash equivalents	61	-15
<b>Cash from operating activities</b>	<b>1,706</b>	<b>4,614</b>	<b>Cash and cash equivalents at end of period</b>	<b>16,968</b>	<b>15,901</b>
Interest paid	-146	-154			
Income taxes paid/income tax rebates	-1,337	-690			
<b>Net cash from operating activities</b>	<b>223</b>	<b>3,770</b>			



Member of  
the technotrans group