

Presentation of the results for the first-half-year 2019

August 6, 2019

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HY1 2019 – business performance at a glance

- › All divisions **in line with planning** except gwk
- › Consolidated **revenue € 102.6 mn** and **EBIT of € 4.1 mn**
- › **5.0 percent growth** of consolidated revenue adjusted for gwk
- › **Positive free cash flow**
- › **Strong second half year 2019 expected**
- › **Guidance 2019 confirmed**

HY1 2019 – operative highlights

technotrans performance in relevant markets		market outlook
	Printing industry: Development according to plan. Outlook steady.	o/-
	Laser and machine tool industry: Market shares further increased. Growth trajectory continues.	o/+
	Growth markets: Electric mobility: Strong growth. Order intake above expectations; large number of new projects.	++
	Semiconductor industry/EUV, medical and scanner technology: Continuing growth. Installed basis increasing.	+
	Plastics processing industry: Temporary impairments at gwk in Q1 (market) and Q2 (ERP software). Strong order intake outside automotive industry.	-

Key figures HY1 2019

<i>figures in € mn</i>	HY1 2019	HY1 2018	Δ
Revenue	102.6	107.4	-4.4%
EBITDA	7.6	11.6	-34.6%
EBIT	4.1	9.1	-54.8%
EBIT-margin (%)	4.0%	8.5%	
Net profit for period	2.7	6.4	-57.7%
Earnings per share (€)	0.39	0.93	

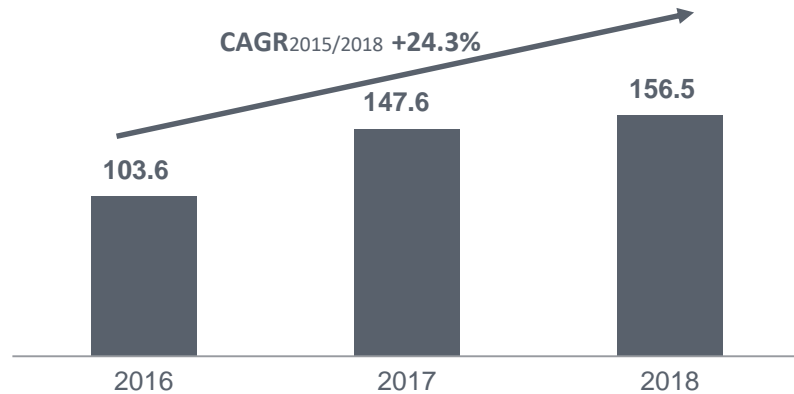
	30-Jun-2019	31-Dec-2018	
Equity	71.7	75.2	-4.7%
Equity ratio (%)	50.9%	55.3%	
Net debt	29.6	19.4	52.6%
Ø employees (FTE)	1,281	1,236	3.6%

- › Temporary effects at gwk affecting performance of the group in HY1 2019
- › Strong order backlog
- › Improvement in business performance expected in HY2 2019
- › Solid assets and financial position

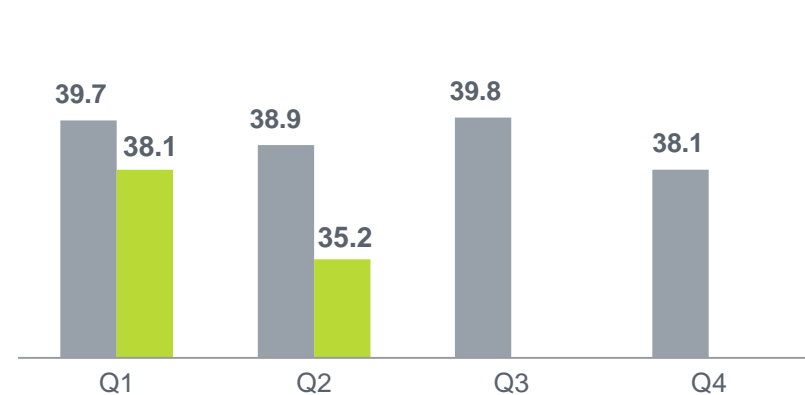
Performance Segment Technology

> Temporary decline of revenue and profitability in HY1 2019 due to low performance of gwk

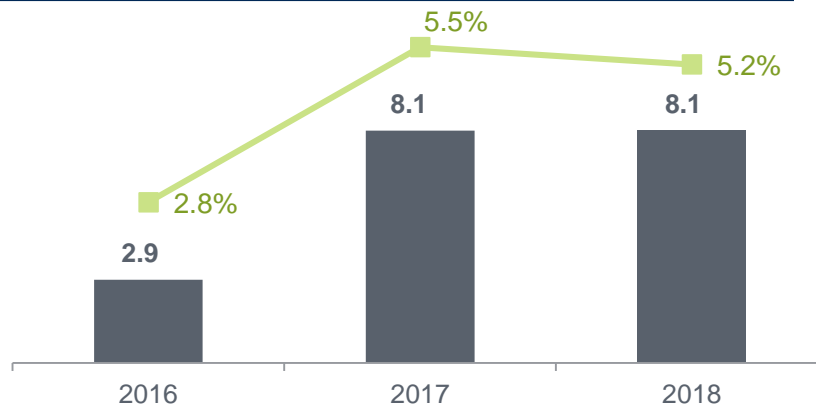
Revenue 2016-2018 (million €)



Revenue 2018/2019 by quarters (million €)



EBIT/EBIT margin 2016-2018 (million € / %)



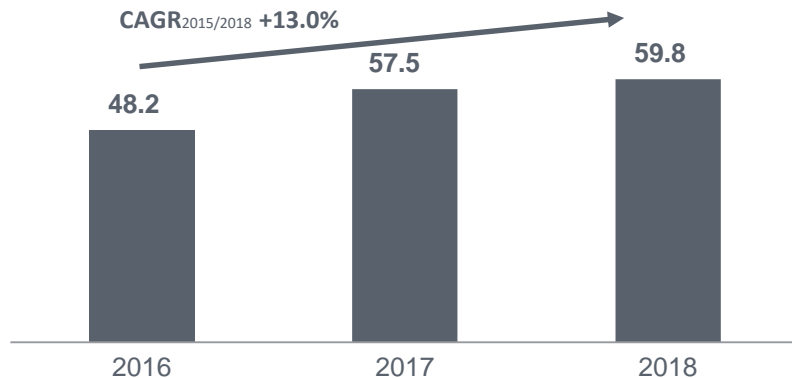
EBIT 2018/2019 by quarters (million €)



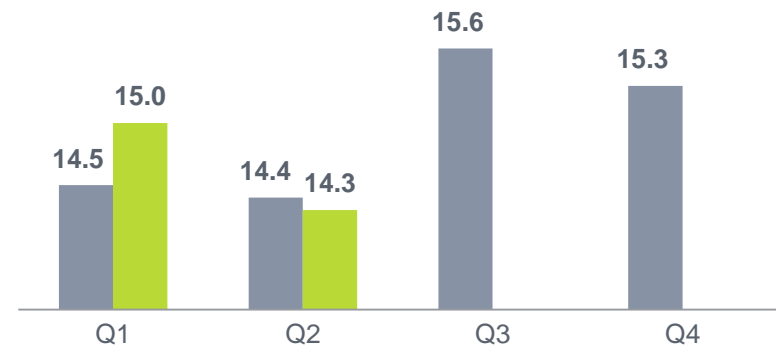
Performance Segment Services

> Stable performance in HY1 2019

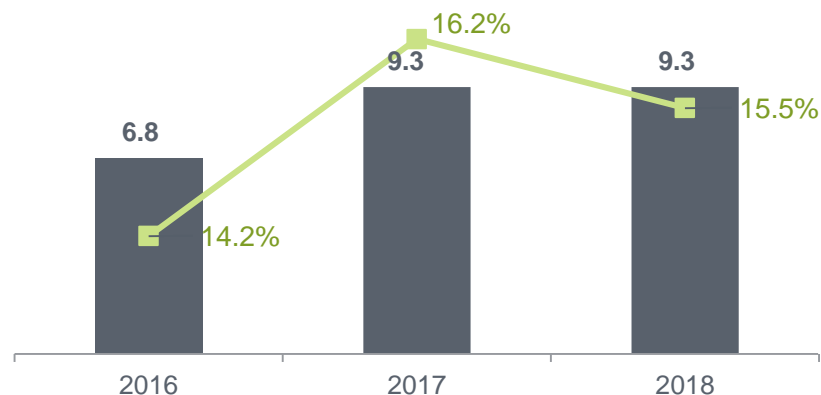
Revenue 2016-2018 (million €)



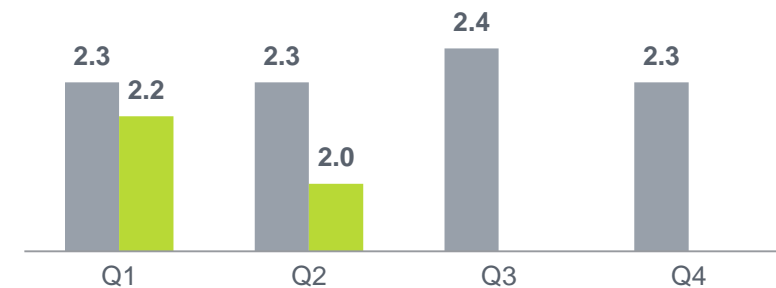
Revenue 2018/2019 by quarters (million €)



EBIT/EBIT-Rendite 2016-2018 (million € / %)

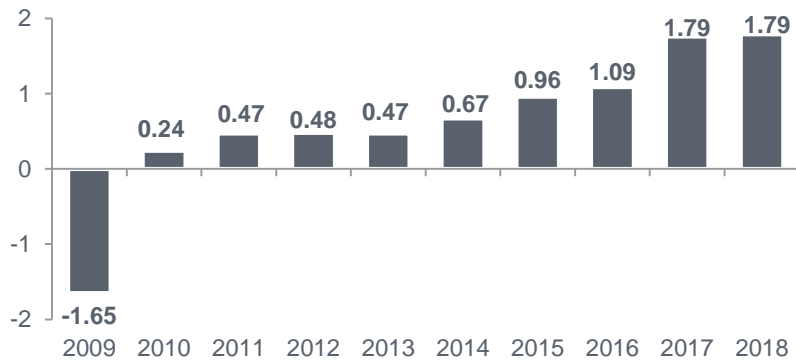


EBIT 2018/2019 by quarters (million €)

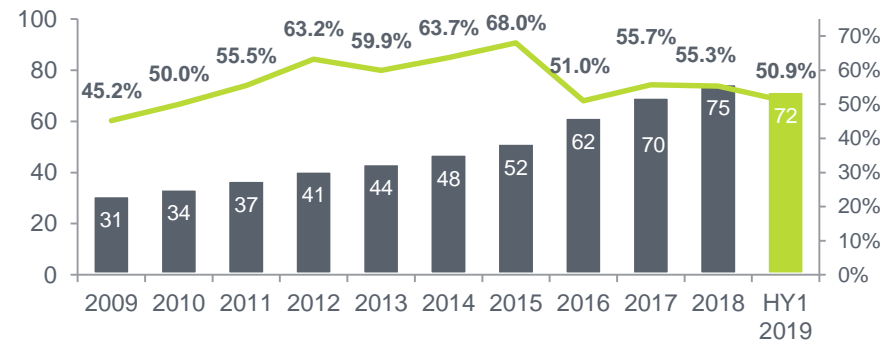


Key Performance Indicators

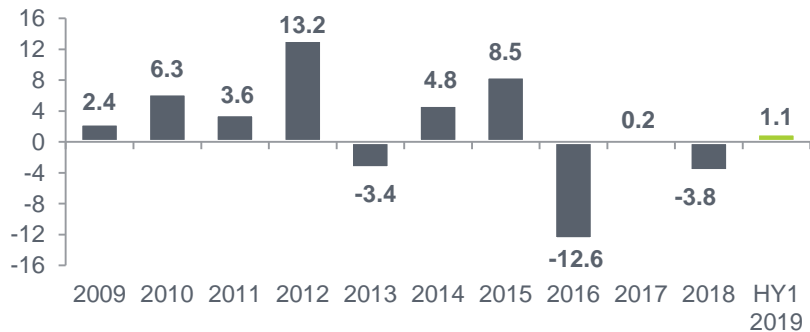
Earnings per Share increased



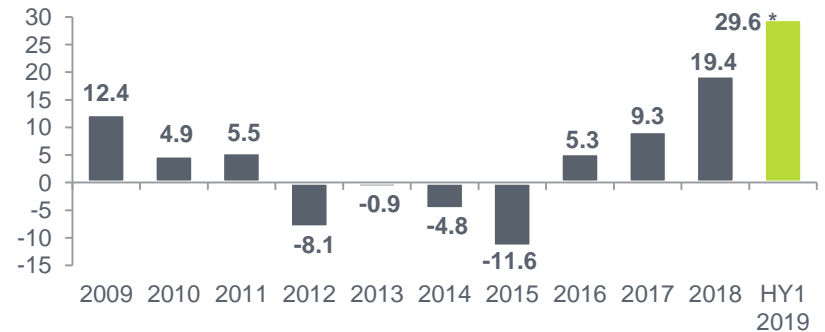
Equity ratio on a solid level



Free Cash Flow positive despite increased capex



Net debt incl. leasing liabilities increased

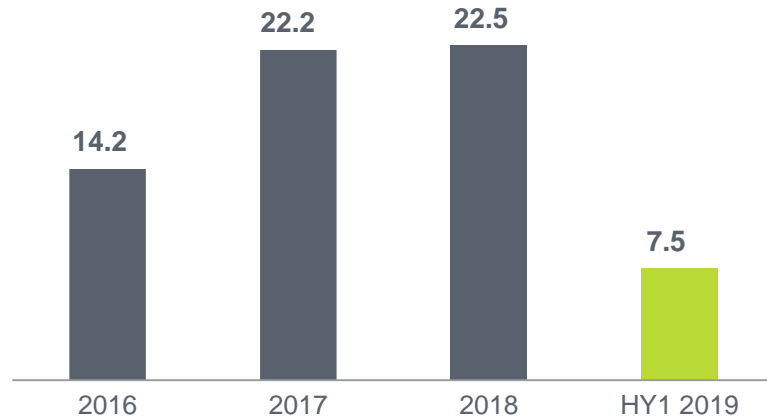


figures in million € ; share price in €

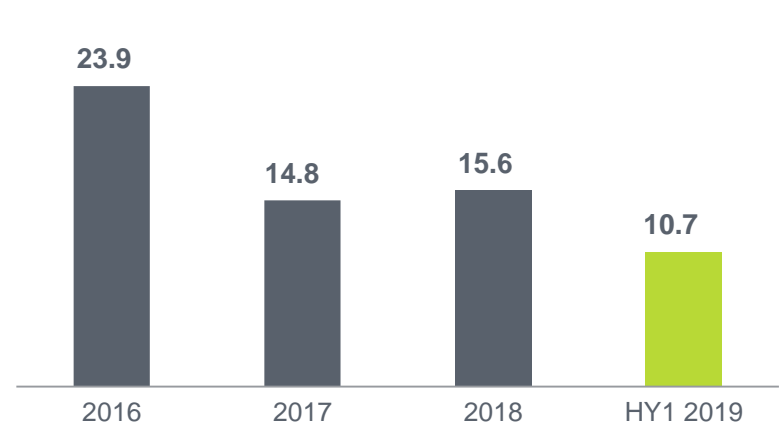
* incl. 3.9 € million leasing liabilities acc. to IFRS 16

Financial Position

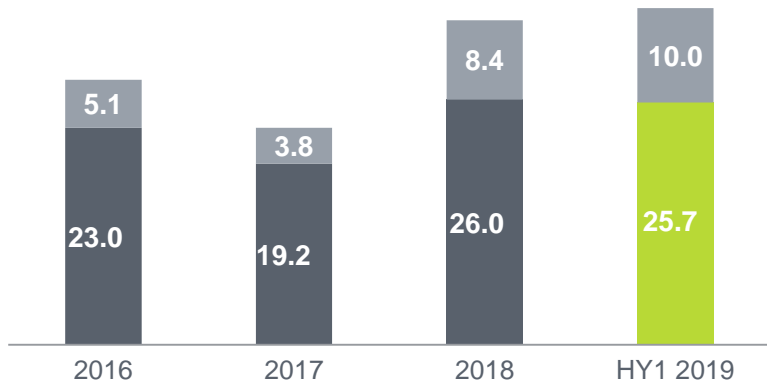
Operating Cash Flow 2016-2019 (million €)



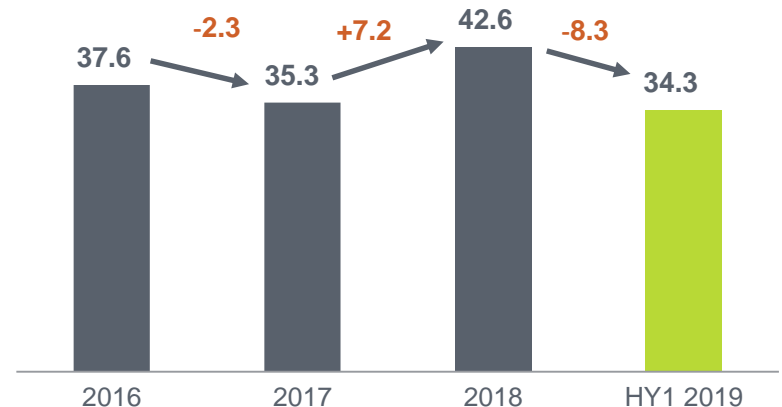
Cash 2016-2019 (million €)



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

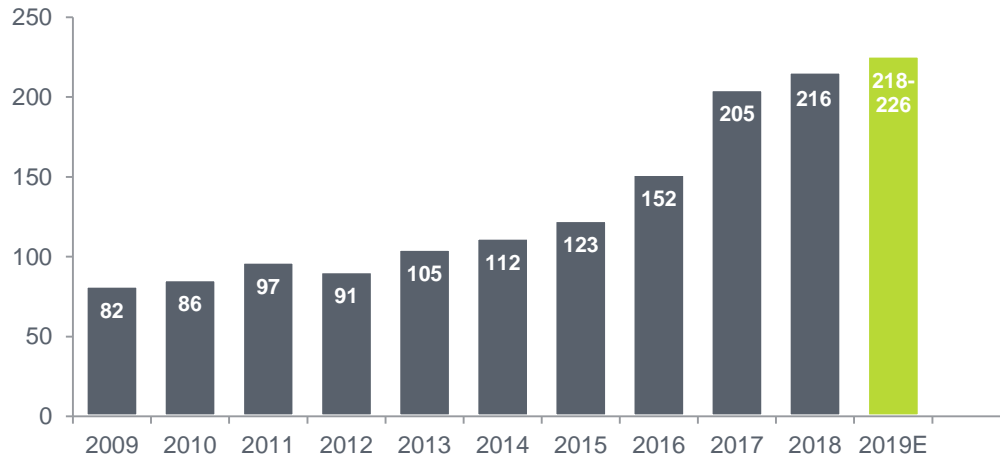


Net-Working Capital 2016-2019 (million €)



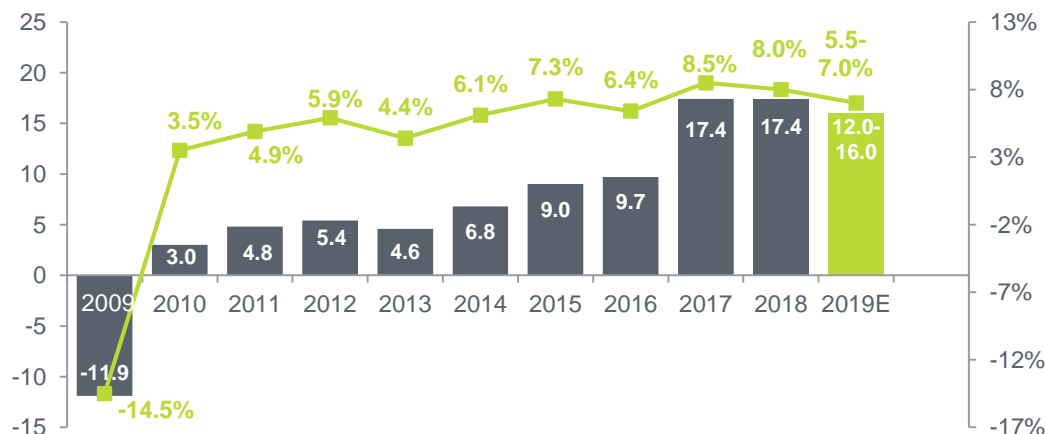
Realised growth and guidance

Revenue (million €)



- › Revenue growth 2019 expected between 1 - 4%
- › High dynamics of the growth markets

EBIT (million €) and EBIT margin (%)



- › Weaker EBIT 2019 due to lower revenue contribution of gwk, expenses for further growth and general cost inflation of about 3%
- › Measures set to increase profitability and efficiency

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technotrans – business model

Technology focused industrial manufacturer

Leading system supplier

Core competence: **liquid technology**

Areas of expertise in technology:

1. **Cooling and Temperature control**
2. **Filtering and Separating**
3. **Pumping and Spraying of liquids**

Growth strategy

Becoming **market leader in all areas** through innovative **organic growth and a focused M&A activities** (new markets, strategic supplements, internationalisation).

Basis: **a solid financial position.**

Customized solutions

High expertise in **projects and serial production** in small / midsize batches (niche player)

Providing **high quality, precision and highest reliability**

Balanced market diversification

1. **Print (38%)**
2. **Plastics (29%)**
3. **Laser, tooling, stamping/forming (20%)**
4. **Growth markets (10%)**
5. **Technical Documentation (3%)**

(% in brackets: group revenue share FYE 2018)

Reporting: Technology and Services

Broad customer basis

Broad customer basis consisting of **Original equipment manufacturers (OEM)** and **End customers (B2B)**

International sales & services network

19 worldwide locations

Production plants in GER, USA and China

Broad range of **individual and after sales services**: Spare Parts, installation, maintenance, 24/7 hotline, technical documentation.

technotrans – the group



Headquarter (founded 1970)



tt america founded 2000 (ttGROUP2000)



termotek founded 1998 (ttGROUP2011)



KLH founded 1961 (ttGROUP2013)



tt Taicang founded 2013 (ttGROUP2013)









gwk founded 1967 (ttGROUP2016)



Reisner founded 1980 (ttGROUP2018)

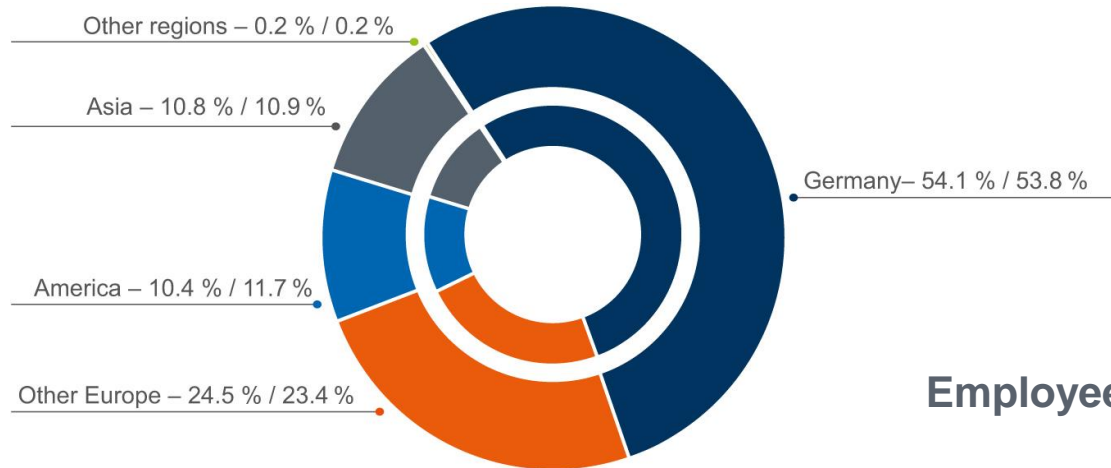
Brands:

-  technotrans
-  gds
-  termotek
-  klh
-  gwk
-  reisner

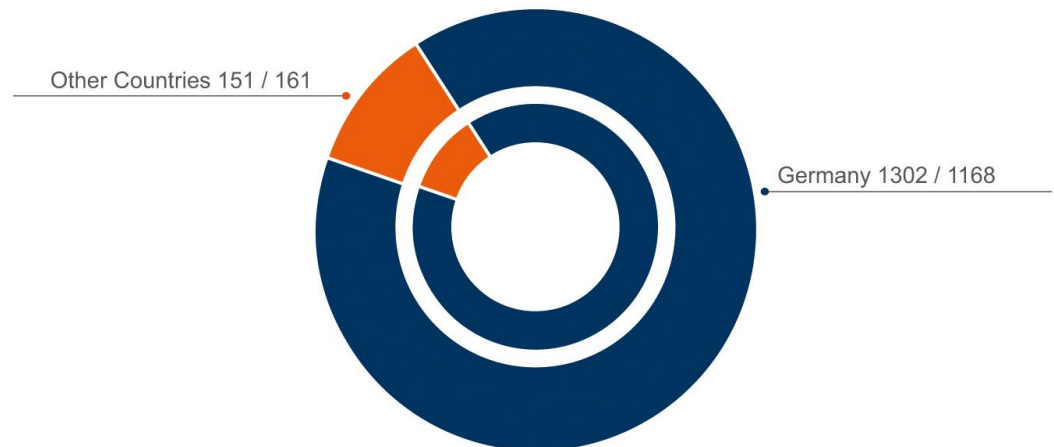
- › 1,450 employees
- › IPO: 1998
- › 19 locations, thereof 7 production sites (5 x Germany, USA, China)
- › Worldwide sales- and services network

International Footprint

Revenue by region (2018/2017)



Employees by region (2018/2017)



Markets and reporting segments

Markets	PRINTING INDUSTRY			
	 Sheet-fed offset, web offset, digital printing, flexographic printing			
Technology	Cooling and Temperature control	Filtering and separating	Pumping and spraying	

Markets	PLASTICS PROCESSING INDUSTRY			
	 Injection moulding, extrusion, pressing, blow moulding, casting, forming, coating, thermoforming			
Technology	Cooling and Temperature control			

Markets	LASER INDUSTRY, TOOLING INDUSTRY, STAMPING/FORMING TECHNOLOGY			
	 Laser (full-liner)	 Tooling, stamping/forming		
Technology	Cooling and Temperature control	Filtering and Separating	Pumping and Spraying	

Markets	GROWTH MARKETS			
	 Elektromobility	 Semiconductor-/medical-/scannertechnology		
Technology	Cooling and Temperature control			

Markets	SERVICES			
	 Spare parts service, service support, on-site project management,			
Technology	Technical documentation			

Technology	(72.4 % of group rev.) Revenue: € 156.5m EBIT: € 8.1m Employees: 1,057
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Services	(27.6% of group rev.) Revenue: € 59.8m EBIT: € 9.3m Employees: 396
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Segments

Technology

(72.4 % of group rev.)
Revenue: € 156.5m
EBIT: € 8.1m
Employees: 1,057

Services

(27.6% of group rev.)
Revenue: € 59.8m
EBIT: € 9.3m
Employees: 396

Figures as of Dec. 31, 2018

Growth Strategy

Shareholder - Value

Organic growth
5 – 6 % p.a.

- › Continuous development of new highly specific and high margin solutions based on customer needs
- › Increasing market share by
 - › raising revenues with existing and new customers and
 - › developing new products

New markets

- › Diversification of customer basis
- › new markets
- › new applications

Strategic supplements

- › Technology
- › Niche position
- › Own industrial added value

Internationalisation

- › Global footprint regarding
 - markets
 - customers
 - production

M & A



**Revenue
Midterm
Target**



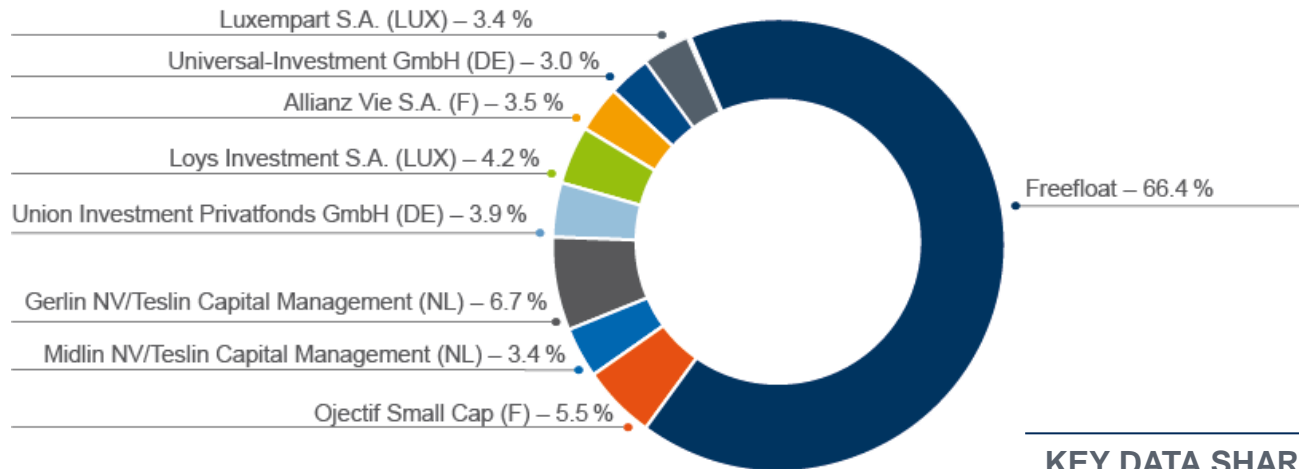
**300
€ Mio.**

**EBIT margin
target ≈ 10%**

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technotrans share / shareholder structure



(as of August 5, 2019)

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
stock markets	XETRA, Frankfurt
designated sponsors	Bankhaus Lampe, ODDO SEYDLER
index	Prime Standard

Market capitalisation:
EUR 132.5 million

(as of August 5, 2019)

Share price performance and research



Research		
2019-05-14	TP € 31,00, buy	Bankhaus Lampe
2019-07-26	TP € 23.50, hold	Commerzbank
2019-05-08	TP € 33,00, buy	Hauck + Aufhäuser
2019-06-14	TP € 28,00, buy	HSBC
2019-05-07	TP € 31,80, hold	Pareto Securities AS
2019-07-29	TP € 31,50, buy	Warburg Research

- › Share Price (XETRA) as of August 5, 2019: € 19.18
- › 1HY 2019- Min: € 21.00 / Max: € 30.00 (XETRA)

Financial Calendar 2019

November 5, 2019	Quarterly Communication 1-9/2019
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Events 2019

August 29, 2019	Commerzbank Sector Conference, Frankfurt
September 24, 2019	Berenberg and Goldman Sachs Eighth German Corporate Conference, Munich
October 10, 2019	technotrans Capital Markets Day at termotek location in Baden-Baden
November 25 - 27, 2019	Deutsches Eigenkapitalforum, Frankfurt
December 3, 2019	Berenberg Pennyhill Conference 2019, London

Investing in technotrans shares - an attractive proposition:

- › **Growth strategy** focused on fast growing industries with high margins
- › **High entry barriers due to technological leadership** in the area of fluid technology
- › **Long term revenue flows** through close customer relationships due to focus on customized solutions
- › **Limited cyclicality** through industry diversification and a broad range of additional / after-sales-services
- › **International network** to accompany existing and acquire new customers
- › **Solid financial position** as a basis for further growth
- › **Attractive dividend policy**
- › **Commitment to sustainability**

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)

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Contact



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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.

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Consolidated Balance Sheet as of June 30, 2019

ASSETS	30/6/2019	31/12/2018
	€ `000	€ `000
Non-current assets		
Property, plant and equipment	31,531	28,583
Rights of use for leased assets	3,791	0
Goodwill	23,513	23,513
Intangible assets	7,647	7,693
Other financial assets	173	162
Deferred tax	1,469	1,466
	68,124	61,417
Current assets		
Inventories	33,025	28,296
Trade receivables	23,792	27,111
Income tax receivable	1,295	629
Other financial assets	1,868	758
Other assets	2,095	2,255
Cash and cash equivalents	10,662	15,566
	72,737	74,615
Total assets	140,861	136,032

EQUITY AND LIABILITIES	30/6/2019	31/12/2018
	€ `000	€ `000
Equity		
Issued capital	6,908	6,908
Capital reserve	19,097	19,097
Retained earnings	49,406	43,282
Other reserves	-6,430	-6,426
Net profit for the period	2,707	12,383
Total equity attributable to technotrans SE shareholders	71,688	75,244
	71,688	75,244
Non-current liabilities		
Borrowings	25,712	25,956
Provisions	1,070	942
Leasing liabilities	2,260	0
Other financial liabilities	614	614
Deferred tax	1,086	1,220
	30,742	28,732
Current liabilities		
Borrowings	9,950	8,431
Trade payables	8,138	6,712
Prepayments received	5,517	3,115
Provisions	8,864	9,751
Income tax payable	260	700
Leasing liabilities	1,676	0
Other financial liabilities	1,173	800
Other liabilities	2,853	2,547
	38,431	32,056
Total equity and liabilities	140,861	136,032

Consolidated income statement

	1/4 – 30/6/2019	1/4 – 30/6/2018	1/1 – 30/6/2019	1/1 – 30/6/2018
	€ '000	€ '000	€ '000	€ '000
Revenue	49,522	53,234	102,591	107,364
of which Technology	35,218	38,864	73,337	78,544
of which Services	14,304	14,370	29,254	28,820
Cost of sales	-36,015	-36,252	-72,337	-73,057
Gross profit	13,507	16,982	30,254	34,307
Distribution costs	-6,502	-6,565	-13,023	-12,950
Administrative expenses	-4,725	-4,900	-9,689	-9,753
Development costs	-1,920	-1,895	-3,983	-3,835
Other operating income	774	1,176	1,490	2,154
Other operating expenses	-369	-245	-950	-846
Earning before interest and taxes (EBIT)	765	4,553	4,099	9,077
Financial income	13	2	13	4
Financial charges	-156	-105	-329	-212
Net finance costs	-143	-103	-316	-208
Profit before tax	622	4,450	3,783	8,869
Income tax expenses	-163	-1,222	-1,076	-2,436
Net profit for the period	459	3,228	2,707	6,433
of which:				
Profit attributable to technotrans SE shareholders	459	3,214	2,707	6,405
Profit/loss attributable to non-controlling interests	0	14	0	28
Earnings per share (€)				
basic/diluted	0.07	0.47	0.39	0.93

Consolidated cash flow statement

	1/1/ – 30/6/2019	1/1/ – 30/6/2018
	€ `000	€ `000
Cash flow from operating activities		
Net profit for the period	2,707	6,433
Adjustments for:		
Depreciation and amortisation	3,464	2,489
Income tax expenses	1,076	2,437
Gain (-) / loss (+) on the disposal of property, plant and equipment	-99	-36
Foreign exchange losses (+)/ gains (-)	5	438
Net finance costs	329	208
Other non-cash changes	-16	0
Cash flow from operating activities before working capital changes	7,466	11,969
Change in:		
Inventories	-4,731	-2,553
Receivables and other assets	2,369	-3,879
Other non-current assets	-14	28
Liabilities and prepayments	3,794	2,214
Provisions	-758	-585
Cash from operating activities	8,126	7,194
Interest received	0	4
Interest paid	-291	-212
Income taxes paid/income tax rebates	-1,621	-3,091
Net cash from operating activities	6,214	3,895

Cash flow from investing activities		
Cash payments for investments in property, plant and equipment and in intangible assets	-5,234	-2,097
Cash outflow for the acquisition of consolidated companies	0	-569
Proceeds from the sale of property, plant and equipment	78	239
Net cash used for investing activities	-5,156	-2,427
Cash flow from financing activities		
Cash receipts from the raising of short-term and long-term loans	4,061	3,002
Cash payments from the repayment of loans	-2,786	-1,906
Distribution to investors	-6,079	-6,079
Cash outflow for the repayment of IFRS 16 liabilities	-1,158	0
Net cash used in financing activities	-5,962	-4,983
Net increase/decrease in cash and cash equivalents	-4,904	-3,515
Cash and cash equivalents at start of period	15,566	14,798
Consolidation-related changes in cash and cash equivalents	0	-415
Cash and cash equivalents at the end of period	10,662	10,868