

Quarterly communication

January 1 - March 31, 2024



Key figures of the technotrans Group (IFRS)

		Δ previous year	01/01 – 31/03/2024	01/01 – 31/03/2023	2023
Revenue	k€	-18.0 %	56,041	68,312	262,116
Technology	k€	-21.4 %	41,477	52,759	199,590
Services	k€	-6.4 %	14,564	15,553	62,526
EBIT	k€	-88.9 %	392	3,533	14,175
EBIT margin	%		0.7	5.2	5.4
Net profit for the period¹	k€	-97.3 %	59	2,203	8,532
as percent of revenue	%		0.1	3.2	3.3
ROCE	%		10.29	13	13.3
Earnings per share	€	-98.1 %	0,01	0,32	1,24
Balance sheet total assets	k€	-1.7 %	167,605	172,686	170,568
Equity*	k€	0.0 %	95,441	93,184	95,433
Equity ratio	%		56.9	54.0	56.0
Net debt*²	k€	18.0 %	24,407	28,959	20,690
Free cash flow³	k€		-3,007	-1,678	-3,738
Employees (balance sheet date)*		-2.4 %	1,560	1,536	1,598

*Change compared to December 31, 2022

¹ Result for the period:

² Net debt:

³ Free cash flow:

Profit attributable to shareholders of technotrans SE
Interest-bearing financial liabilities including lease liabilities
according to IFRS 16 ./ . cash and cash equivalents
Net cash from operating activities +
Net cash used for investments according to cash flow statement

Presentation of significant events and business performance in the first 3 months 2024

Revenue performance

The technotrans Group generated consolidated revenues of € 56.0 million in the first 3 months of the 2024 financial year (previous year: € 68.3 million). The Technology segment achieved revenues of € 41.5 million in the three-month period (previous year: € 52.8 million), the Services segment realized € 14.6 million (previous year: € 15.6 million).

		Technology		Services		technotrans Group	
		3M 2024	3M 2023	3M 2024	3M 2023	3M 2024	3M 2023
Revenue	€ m	41.5	52.8	14.6	15.6	56.0	68.3
EBIT	€ m	-0.9	1.5	1.3	2.0	0.4	3.5
EBIT margin	%	-2.2	2.9	9.0	12.8	0.7	5.2

The main reason for this development was the persistently weak economic environment, particularly in Germany, coupled with high interest rates. This resulted in subdued demand in almost all relevant markets for the technotrans Group.

In the focus market Plastics, the reluctance by customers to invest continued, particularly in large cooling plants. Revenue fell by around 22% compared to the previous year to € 12.5 million. The share of Group revenue reached 22%.

The focus market Healthcare & Analytics recorded a decline in revenue compared to the previous year due to the challenging economic conditions from € 4.5 million to € 3.5 million. However, Q1-2023 was extraordinarily strong following high demand during Corona pandemic.

Revenue of the Print focus market amounted to € 19.4 million in the reporting period, a 14% decrease versus previous year. In addition to the weak economy, this reflected a potential reluctance to place orders in the run-up to the drupa - the world's leading trade fair for the printing industry - which will take place in Düsseldorf in May/June 2024.

The new focus market Laser was particularly sensitive to the economy and characterized by cyclical-ity, with a 39% drop in revenue to € 10.0 million (previous year: € 16.2 million).

Decoupled from economic developments, the focus market Energy Management continued its strong growth based on the successful positioning in the areas of electromobility and data centers. At € 7.6 million, revenue increased around 38% higher compared to the previous year. The share of Group revenue amounted to around 14%.

The focus on the core business was further expanded through continued portfolio optimization. The focus markets, which contain the Laser business since the beginning of the financial year, generated 95% of Group revenue. The order backlog amounted to € 73 million as of the reporting date. The book-to-bill ratio was 1.1.

Earnings situation

As expected, the lower revenues in the first quarter of 2024, combined with less favourable cost degression and first expenses related to the reorganisation of the technotrans Group, had an impact on consolidated EBIT and the return on capital employed (ROCE).

Gross margin fell by 20% year-on-year to € 14.3 million (previous year: € 17.9 million). The respective margin reached 25.5% (previous year: 26.3%). The group reacted to the weak order situation by short-time work at selected German locations.

Distribution costs decreased from € 7.0 million to € 6.6 million. The decline in freight and packaging costs over-compensated the increased trade fair costs due to drupa. The increase in administrative expenses was mainly due to restructuring expenses.

The development outlined above had a particular impact on the earnings situation of the Technology segment. EBIT there fell from € 1.5 million in the previous year to € -0.9 million as a result of the weaker revenue. The segment EBIT margin amounted to -2.2%. The Services segment was more resilient to economic fluctuations, but also here the segment EBIT declined to € 1.3 million (previous year: € 2.0 million), which corresponds to a segment EBIT margin of 9.0%.

As expected, consolidated EBIT fell to € 0.4 million. Adjusted for personnel-related one-off expenses from restructuring, EBIT reached € 1,1 million, compared to € 3.5 million in the previous year. This resulted in an EBIT margin of 0.7% and an adjusted EBIT margin of 2.0% (previous year: 5.2%). EBITDA fell from € 5.2 million to € 2.1 million, ROCE reached 10.3% (previous year: 13.0%).

Consolidated profit after taxes amounted to € 0.1 million in the three-month period (previous year: € 2.2 million). Earnings per share therefore decreased from € 0.32 to € 0.01 compared to the previous year.

Net worth

The balance sheet total on March 31, 2024 amounted to € 167.6 million and decreased compared to the end of the year 2023 by € 3.0 million. Due to the increase in order intake, inventories recorded a moderate increase from € 45.0 million to € 46.4 million. Trade receivables remained constant at € 30.2 million. The subdued business development and scheduled loan repayments led to a decrease in cash and cash equivalents from € 22.8 million to € 17.4 million. Equity of € 95.4 million remained unchanged compared to December 31, 2023. The equity ratio rose by 0.9 percentage points to 56.9%. Trade payables increased by € 0.3 million to € 7.5 million. Advance payments received remained unchanged.

Financial position

Based on the subdued business development in the reporting period, cash flow from operating activities amounted to € 2.0 million (previous year: € 5.0 million). The increase in inventories as a result of the higher order backlog and higher receivables led to a net change in cash flow from operating activities of € -2.6 million (previous year: € -0.7 million). At € -0.4 million, cash flow from investing activities remained at a moderate level (previous year: € -1.0 million). This resulted in a free cash flow of € -3.0 million (previous year: € -1.7 million).

The scheduled debt repayment in the amount of € 1.7 million led to a decrease in liabilities to banks to € 37.2 million (as of December 31, 2023: € 38.9 million). No new loans were taken out in the reporting period. In addition, lease liabilities of € 0.6 million were repaid. Cash flow from financing activities amounted to € -2.3 million (previous year: € -0.2 million). The technotrans Group had unused credit lines of € 17.4 million at March 31, 2024.

Strategy

Based on the strategy review carried out in the 2023 financial year, a program to increase efficiency was initiated under the name ttSprint. This covers 4 components: Portfolio and markets, efficiencies, innovation and organization. At its core, ttSprint involves strengthening entrepreneurship within the Group. The transformation is intended to improve customer focus, increase the speed of response and boost profitability. The program is expected to generate initial improvements in earnings as early as 2024 and also to ensure that the medium-term targets for 2025 are achieved. In the first quarter of 2024, the future organizational structure of the 4 divisions Plastics, Healthcare & Analytics, Energy Management & Laser and Print was communicated as a significant step forward in the project. In addition, the division heads were appointed, each of whom will bear full responsibility for sales and earnings. The target structures will be developed in the first half of 2024. The transformation will start at the beginning of the second half of the year. It should be completed by December 31, 2024. Implementation is fully proceeding according to plan.

Change in the Board of Management

On March 11, 2024, the company and Peter Hirsch reached a mutual agreement on the termination of his employment contract with effect from April 30, 2024 (original term until December 31, 2025). The appointment of Peter Hirsch to the Board of Management ended on March 11, 2024.

Overall statement by the Board of Management on the business performance

"The German economy got off to a weak start to the new year. As expected, revenue and earnings performance in the first quarter of 2024 was down on the previous year in all markets with the exception of Energy Management. technotrans already began to set the course for increasing profitability in the 2023 financial year. As part of the ttSprint project, the transformation of the Group into an entrepreneurial organization has begun. Initial one-off expenses already incurred for this were also recognized in the result.

Irrespective of economic developments and the transformation, technotrans has already achieved significant sales successes in the 2024 financial year. Of particular note here is the follow-up order for the cooling of fast-charging stations from ADS-TEC Energy and the major order for liquid cooling systems for existing data centers (retrofit).

The Board of Management anticipated the weak revenue and earnings performance realized in the first quarter of 2024 and initiated measures to safeguard profitability at an early stage. These include the instrument of short-time working, but also cost savings and the postponement of investments. Nevertheless, the results are not satisfactory and encourage us to consistently drive forward the transformation of the Group as part of the ttSprint project."

Report on post-balance sheet date events and risk report

No events with a significant impact on the net worth, financial position and results of operations of the technotrans Group occurred after March 31, 2024.

The relevant opportunities and risks for the future development of the technotrans Group and the risk management system implemented were explained in detail in the 2023 Annual Report. The opportunity and risk situation of the Group has not changed compared with the presentation in the Annual Report as of December 31, 2023.

Outlook

Expected framework conditions

Low growth rates are expected for the German economy in 2024. According to the World Economic Outlook published in April 2024, the IMF expects Germany's gross domestic product to grow by 0.2% in 2024. The German government's growth forecast, which was increased by 0.1 percentage points to 0.3% in April 2024, is at a comparable level. The IMF is forecasting growth of 0.8% for the eurozone in 2024. The background to the expected improvement is essentially a moderate upturn in private consumption due to rising real incomes.

Expected business development of the Group

The growth forecasts indicate a generally subdued economic development in the 2024 financial year. The Future Ready 2025 strategy and the ttSprint project initiated at the start of the financial year will accelerate the company's transformation into a market-oriented organization. The structures are currently being developed and should come into effect at the start of the second half of 2024. The focus is on the formation of 4 divisions with full responsibility for revenue and earnings.

Market development will be differentiated: The Energy Management focus market is expected to remain highly dynamic, irrespective of economic developments. This expectation is already underpinned by corresponding major orders of a serial nature in the areas of charging infrastructure and liquid cooling for data centers. The Board of Management expects the other markets to pick up over the course of the year.

With existing production capacity, qualified personnel and stable procurement markets, the technotrans Group is concentrating on achieving the set targets.

In view of the increasing importance of intelligent thermal management based on the megatrends of decarbonization, digitalization and electrification as well as the consistent strategic focus, the Management Board is confident about the future despite the difficult conditions and is convinced that it will achieve the revenue and EBIT targets set for 2024 and 2025.

The Board of Management confirms its forecast of achieving consolidated revenue between € 245 million and € 270 million with an EBIT margin of between 5.5% and 7.5% and a ROCE of between 14.0% and 16.0% in the 2024 financial year.

The mid-term targets of achieving revenue between € 265 million and € 285 million with an EBIT margin between 9.0% and 12.0% and a ROCE of over 15% in the 2025 financial year remain unchanged. M&A transactions are not included in this figure.

Consolidated Balance Sheet

Assets	31/03/2024	31/12/2023
	k€	k€
Non-current assets		
Property, plant and equipment	35,821	36,253
Right-of-use assets	4,532	4,479
Goodwill	23,513	23,513
Intangible assets	3,831	4,028
Other financial assets	211	210
Deferred taxes	632	631
	68,540	69,114
Current assets		
Inventories	46,359	44,990
Trade receivables	30,240	30,212
Income tax receivable	143	233
Other financial assets	1,600	859
Other assets	3,278	2,390
Cash and cash equivalents	17,445	22,770
	99,065	101,454
Total assets	167,605	170,568

Equity and Liabilities

	31/03/2024	31/12/2023
	k€	k€
Equity		
Issued capital	6,908	6,908
Capital reserve	19,097	19,097
Retained earnings	74,513	65,982
Other reserves	-5,137	-5,086
Net profit for the period	59	8,532
Total equity attributable to technotrans SE shareholders	95,440	95,433
Non-controlling interests in equity	1	0
	95,441	95,433
Non-current liabilities		
Borrowings	27,434	29,668
Employee benefits	1,100	1,092
Other financial liabilities	2,503	2,504
Deferred taxes	703	726
	31,740	33,990
Current liabilities		
Borrowings	9,801	9,240
Trade payables	7,459	7,165
Prepayments received	6,058	6,066
Employee benefits	5,180	5,607
Provisions	3,302	3,200
Income tax payable	2,200	3,259
Other financial liabilities	3,120	3,004
Other liabilities	3,304	3,604
	40,424	41,145
Total equity and liabilities	167,605	170,568

Consolidated Income Statement

	01/01/ - 31/03/2024	01/01/ - 31/03/2023
	k€	k€
Revenue	56,041	68,312
of which Technology	41,477	52,759
of which Services	14,564	15,553
Cost of Sales	-41,739	-50,372
Gross profit	14,302	17,940
Distribution costs	-6,634	-7,018
Administrative expenses	-6,025	-5,639
Development costs	-942	-1,362
Income/expenses from impairment losses on financial assets and contract assets	4	-193
Other operating income	341	320
Other operating expenses	-654	-515
Earnings before interest and taxes (EBIT)	392	3,533
Financial income	46	2
Financial expenses	-352	-319
Financial result	-306	-317
Profit before tax	86	3,216
Income tax expense	-27	-1,013
Net profit for the period	59	2,203
of which:		
Profit attributable to technotrans SE shareholders	59	2,203
Profit attributable to non-controlling interests	0	0
Earnings per share (€)		
basic / diluted	0.01	0.32
Overall result for the financial year	168	2,303

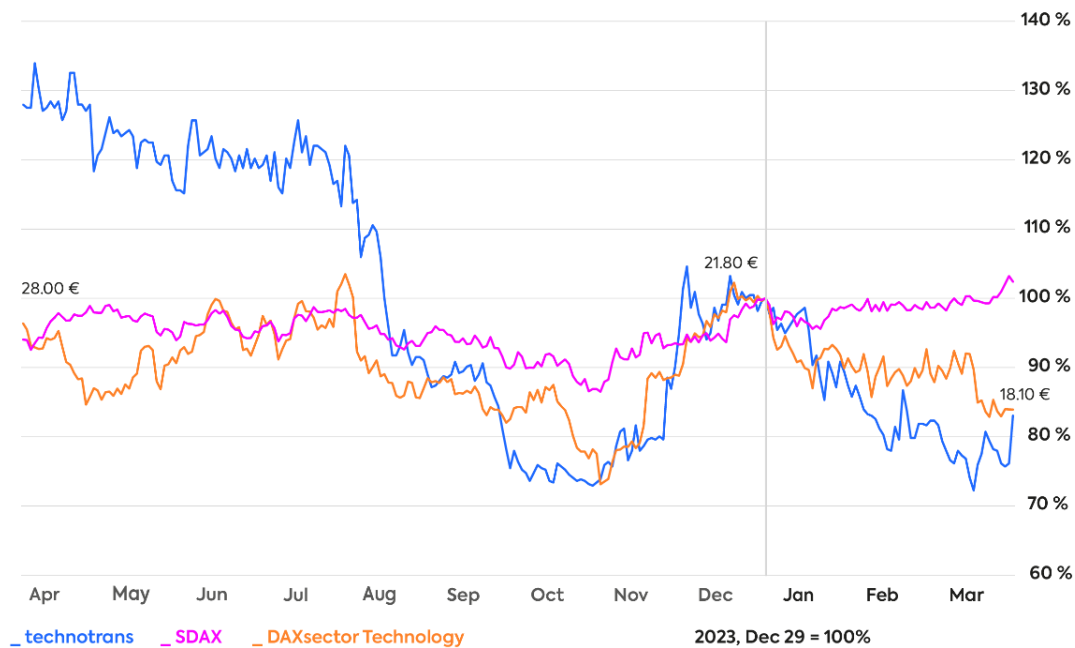
Condensed Consolidated Cash Flow Statement

	01/01/ - 31/03/2024	01/01/ - 31/03/2023
	k€	k€
Cash flow from operating activities		
Net profit for the period	59	2,203
Adjustments for:		
Depreciation and amortisation	1,661	1,720
Other	298	1,092
Cash flow from operating activities before working capital changes	2,018	5,015
Change in:		
Inventories	-1,369	-5,043
Receivables and other current assets	-1,658	-6,333
Liabilities and prepayments	36	6,169
Provisions and employee benefits	-317	143
Cash from operating activities	-1,290	-49
Other	-1,282	-684
Net cash from operating activities	-2,572	-733
Cash flow from investing activities		
Cash payments for investments in property, plant and equipment and in intangible assets	-429	-1,028
Proceeds from the sale of property, plant and equipment	-6	83
Net cash used for investing activities	-435	-945

	01/01/ - 31/03/2024	01/01/ - 31/03/2023
	k€	k€
Cash flow from financing activities		
Cash receipts from the raising of short-term and long-term loans	0	2,000
Cash payments from the repayment of loans	-1,673	-1,608
Distribution to investors	0	0
Other	-645	-586
Net cash used in financing activities	-2,318	-194
Change in cash and cash equivalents	-5,325	-1,872
Cash and cash equivalents at start of period	22,770	12,445
Net effect of currency translation in cash and cash equivalents	0	-35
Cash and cash equivalents at end of period	17,445	10,538

Information for shareholders

Performance of technotrans shares (Xetra)



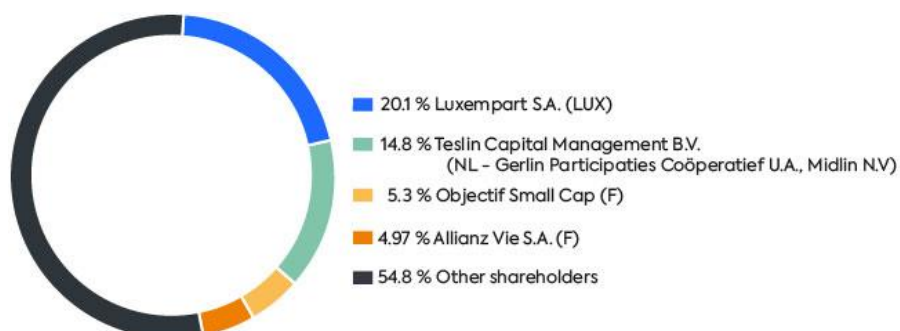
Director's Dealings

Michael Finger (CEO) purchased 2,500 technotrans shares in the period under review. Robin Schaede (CFO) acquired 2,425 shares.

Composition of shareholders

In the first quarter of 2024 and up to the editorial deadline for this quarterly statement, we received and published the following voting rights notifications in accordance with Sections 33 and 34 WpHG. The current shareholder structure is as follows:

Date threshold contact	Notifying Party	Notification	Voting Rights
23/04/2024	Allianz SE	falling below 5 %	4.97 %
27/02/2024	Teslin Capital Management B.V.	falling below 15 %	14.80 %



Financial Calendar/notes

Publications	Date
Interim Financial Report 1-6/2024	August 14, 2024
Quarterly Communication 1-9/2024	November 19, 2024

Events	
Annual General Meeting	May 17, 2024
Warburg Highlights - Hamburg	June 6, 2024
HIT - Hamburg Investor Days	August 22, 2024
Berenberg & Goldman Sachs Conference - Munich	September 24, 2024
German Equity Forum - Frankfurt	November 25 - 27, 2024

Current information on events can be found on our website at :

<https://www.technotrans.com/investor-relations/financial-calendar>

NOTES

This Quarterly Communication 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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Rounding differences may occur.

The Quarterly Communication of technotrans SE as of March 31, 2024 has been prepared in accordance with Section 53 of the stock exchange rules for the Frankfurt Stock Exchange (FSE).

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