

GOING STRONG

Quarterly Communication

January 1 – September 30, 2018



TECHNOTRANS AT A GLANCE

	Δ previous year	1/1- 30/9/2018	1/1- 30/9/2017	2017
Revenue (€ '000)	4.7%	162,743	155,455	205,095
of which Technology (€ '000)	5.2%	118,313	112,424	147,570
of which Services (€ '000)	3.3%	44,430	43,031	57,525
EBITDA (€ '000)	5.0%	17,393	16,572	22,654
EBITDA margin (%)		10.7	10.7	11.0
EBIT (€ '000)	5.9%	13,590	12,835	17,438
EBIT margin (%)		8.4	8.3	8.5
Net profit of the period¹ (€ '000)	4.2%	9,784	9,391	12,191
as percentage of revenue		6.0	6.0	5.9
Earnings per share (€)	4.4%	1.42	1.36	1.76
Balance sheet (€ '000)	8.1%*	135,463	126,101	125,307
Equity (€ '000)	4.1%*	72,617	66,881	69,750
Equity ratio (%)		53.6	53.0	55.7
Net debt² (€ '000)		17,584	1,573	9,291
Free Cashflow³ (€ '000)		-1,333	7,493	150
Employees (average)	8.2%	1,385	1,280	1,293
Employees (FTE) (average)	9.2%	1,225	1,122	1,132
Personnel expenses (€ '000)	6.9%	56,786	53,134	70,588
as percentage of revenue		34.9	34.2	34.4
Revenue per employee (FTE) (€ '000)	-4.1%	133	139	181
Number of shares at end of period		6,907,665	6,907,665	6,907,665
share price max (€)		47.90	50.50	50.75
share price min (€)		32.10	22.17	22.17

* Change since December 31, 2017

¹Net profit of the period = profit attributable to technotrans SE shareholders

²Net debt = financial liabilities – cash and cash equivalents

³Free cash flow = Net cash from operating activities
+ cash used for investments acc. to cash flow statement

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Q3/2018: TECHNOTRANS REVEALS STEADY BUSINESS PERFORMANCE: REVENUE AND EARNINGS IN LINE WITH EXPECTATIONS

QUARTERLY RESULT AT A GLANCE

- REVENUE FOR YEAR IN PROGRESS (9M) GROWS TO € 162.7 MILLION
- EBITDA REACHES € 17.4 MILLION (EBITDA MARGIN: 10.7 PERCENT)
- EBIT RISES TO € 13.6 MILLION (EBIT MARGIN: 8.4 PERCENT)
- EARNINGS PER SHARE € 1.42
- OUTLOOK: BOARD OF MANAGEMENT REMAINS CONFIDENT ON ATTAINMENT OF ANNUAL TARGETS

- › The technotrans Group increased consolidated revenue by around 6 percent to € 55.4 million in Q3/2018 (Q3/2017: € 52.3 million). The result for the quarter (EBIT) came to € 4.5 million.
- › As expected, the group increased its revenue in the first nine months of the 2018 financial year. Consolidated revenue climbed by 4.7 percent to € 162.7 million. technotrans thus confirms its positive business performance especially in the relevant growth markets.
- › The group achieved earnings before interest and taxes (EBIT) of € 13.6 million in the period under review, as against € 12.8 million in the previous year. The EBIT margin is slightly up on the previous year at 8.4 percent.
- › The revenue share of the Technology segment increased to 73 percent. Technology revenue grew year on year by 5 percent to € 118.3 million. Services revenue was up 3 percent at € 44.4 million. The Services segment therefore contributed 27 percent of revenue.
- › The rates of return for the segments (EBIT) also showed a positive development. The Technology segment achieved a rate of 5.5 percent (previous year: 5.3 percent), and the Services segment 15.9 percent (previous year: 15.9 percent).
- › Nine months into the year, earnings per share improved to € 1.42 (previous year: € 1.36).
- › The equity ratio at the end of the third quarter reached 53.6 percent (December 31, 2017: 55.7 percent).
- › The technotrans Group had an average of 1,385 employees (corresponding to 1,225 full-time equivalents) in the current financial year.
- › Integration of the business units acquired in the financial year is making successful progress. Their revenue contribution is still very low in view of the start-up character of these businesses, but in line with planning.
- › The business performance over the first nine months is in line with the Board of Management's expectations. From the present perspective the Board of Management reaffirms the targets for the year 2018 for revenue and earnings..

PRESENTATION OF SIGNIFICANT EVENTS AND BUSINESS PERFORMANCE

Significant Events at a Glance

> Printing industry:

OEM business stable at a high level. Worldwide end customer business (including printing houses) contracting slightly.

> Growth markets (electric mobility, semiconductors, medical and scanner technology):

Double-digit revenue growth as planned. Production starts and clinching of several blanket and project orders in the electric mobility area confirm successful growth trajectory and medium-term prospects. Very high capacity utilisation. Sales figures for EUV lithography on the rise.

> Plastics processing industry:

Strong growth in third quarter. New multi-circuit temperature control system from gwk successfully

launched. Extended range of compact temperature control systems presented at the Fakuma. Successful integration of the business units acquired in Q2 (Hahn Enersave and Reisner Cooling Solutions).

> Laser/machine tool industry, stamping and forming technology:

Continuing expansion of business with existing and new customers yields double-digit revenue growth.

Overall Statement on Business Progress

"The current financial year has passed off positively for almost every area of the company," commented Dirk Engel, Chief Executive Officer of technotrans SE. "We are confident about the further development thanks to the

large number of new, forward-looking projects and also the continuing high level of capacity utilisation."

Business Performance of the technotrans Group in the First Nine Months of 2018

Revenue Performance and Financial Performance

		9M 2018	9M 2017	Change in %
Revenue	€ million	162.7	155.5	5%
Gross profit	€ million	51.7	51.8	-1%
Gross margin	in %	31.8	33.3	
EBITDA	€ million	17.4	16.6	5%
EBIT	€ million	13.6	12.8	6%
EBIT margin	in %	8.4	8.3	
Net profit for the period	€ million	9.8	9.4	4%
EPS	in €	1.42	1.36	4%

Revenue Performance and Financial Performance

NAfter a good start to the 2018 financial year (revenue growth of 4.1 percent in first half), the technotrans Group successfully maintained its growth-oriented business performance in the third quarter with revenue of € 55.4 million. Revenue for the quarter consequently showed an improvement of 5.9 percent on the prior-year level (€ 52.3 million).

In the first nine months of the financial year, consolidated revenue climbed to € 162.7 million overall (previous year: € 155.5 million). Around € 100 million, equivalent to around 62 percent of consolidated revenue, was generated in markets outside the printing industry.

Business with customers from the printing industry again reached a high revenue level of around € 62 million in the period under review. This represented 38 percent of consolidated revenue, but was down 4 percent on the prior-year level. It was not possible to maintain the previous year's high revenue share from end-customer projects in the printing industry in the period under review. Conversely, business with machinery manufacturers

for new machinery held steady as expected. Overall, the revenue downturn in the printing industry area was outweighed by clear growth in the other markets.

The Technology segment built on the positive revenue and earnings performance of the preceding quarters. After nine months, revenue for the segment was up 5.2 percent at € 118.3 million. With the exception of print business, the remaining subsidiary markets again showed a clear year-on-year improvement in performance that for the most part was in line with planning.

Likewise the Services segment once again put in a positive business performance in the period under review. Revenue came in at € 44.4 million, 3.3 percent up on the previous year (previous year: € 43.0 million). Within the segment, the increase was driven predominantly by follow-on business in the technology markets outside the printing industry and by technical documentation business.

Performance indicators by segment

		Technology		Services		technotrans Group	
		9M 2018	9M 2017	9M 2018	9M 2017	9M 2018	9M 2017
Revenue	€ million	118.3	112.4	44.4	43.0	162.7	155.5
EBITDA	€ million	9.5	9.0	7.9	7.6	17.4	16.6
EBIT	€ million	6.5	6.0	7.1	6.8	13.6	12.8
EBIT margin	in %	5.5	5.3	15.9	15.9	8.4	8.3

Financial Performance

Overall, the financial performance of the technotrans Group developed as expected compared with the previous year. It is influenced especially by the generally positive business performance in the growth areas of the laser industry, plastics processing and electric mobility. The associated effects from a change in the product mix as well as the elevated capacity-led outlay for innovative project start-ups weighed on gross profit in the period under review. The gross margin reached 31.8 percent (previous year: 33.3 percent). Despite the lower gross profit, the operating result (EBIT) in the first nine months was again increased to a level of € 13.6 million (previous year: € 12.8 million). This places it 6 percent up on the previous year.

The result (EBIT) for the Technology segment for the first three quarters was up € 0.5 million on the 2017 figure at € 6.5 million. The return on sales for the segment at the nine-month mark was 5.5 percent, compared with 5.3 percent in the previous year. The Services segment repeated its healthy financial performance with a figure of € 7.1 million (previous year: € 6.8 million). The rate of return for the segment reached 15.9 percent in the period under review and consequently matched the prior-year level.

EBITDA (earnings before interest, taxes, depreciation and amortisation) at September 30, 2018 came to € 17.4 million, an increase of 5.0 percent on the prior-year figure (€ 16.6 million). Depreciation and amortisation amounted to € 3.8 million (previous year: € 3.7 million). € 0.7 million of this figure (previous year: € 1.2 million) is attributable to the assets identified in the course of purchase price allocation. Interest charges of € 0.3 million were slightly down on the previous year (€ 0.4 million), and income tax expense came to € 3.5 million (previous year: € 2.9 million).

The consolidated result after tax for the period under review reached € 9.8 million (previous year: € 9.4 million). The return on sales was 6.0 percent (previous year: 6.1 percent). Nine months into the year, earnings per share climbed to € 1.42 (previous year: € 1.36).

As a result, the overall revenue and earnings performance of the technotrans Group for the financial year in progress is in line with the most recently published annual target figures for 2018.

Asset and capital structure (€ million)

Assets	30/09/2018	31/12/2017
Fixed assets	57.5	55.5
Inventories	29.6	26.6
Trade receivables	29.5	24.2
Cash	13.1	14.8
Other assets	5.8	4.2
Total	135.5	125.3

Liabilities	30/09/2018	31/12/2017
Equity	72.6	69.8
Borrowings	29.6	23.0
Provisions	11.5	11.0
Trade payables	7.9	6.1
Payments received	3.9	5.8
Other equity and liabilities	10.0	9.6
Total	135.5	125.3

Net Worth

At September 30, 2018 the balance sheet total of the technotrans Group showed a marked increase of 8.1 percent compared with December 31, 2017, to € 135.5 million. Some of this gain stems from the acquisitions made in the financial year in progress. In addition, thanks to business growth and the higher order backlog, the assets side reveals a reporting-date-related rise in current assets, and especially within inventories and trade receivables. In

parallel there was the expected level of growth in non-current assets in the period under review, which was attributable broadly speaking to the investment spending. Cash and cash equivalents amounted to € 13.1 million (December 31, 2017: € 14.8 million).

On the equity and liabilities side, equity grew by 4.1 percent to € 72.6 million (December 31, 2017: € 69.8 million), representing an equity ratio of 53.6 percent. Financial debt was increased by € 6.6 million net to € 29.6 million in the course of the year. The investment spending on such

ventures as the planned new building in Baden-Baden as well as on the acquisitions of the business operations of Reisner Cooling Energy GmbH and Hahn Enersave GmbH was financed by the raising of low-interest credit funds.

Financial Position

Cashflow (in € million)	9M 2018	9M 2017
Cash flow from operating activities	17.4	15.7
Net cash flow from operating activities	5.3	9.7
Cash flow from investing activities	-6.6	-2.2
Free cash flow	-1.3	7.5
Cash flow from financing activities	-0.3	-7.9

The operating cash flow came to € 17.4 million in the period under review, compared with € 15.7 million in the previous year. The cash outflow resulting from the rise in working capital (€ -8.2 million) as well as for interest and tax payments (€ -3.9 million) was higher overall than in the previous year. Net cash from operating activities therefore amounted to € 5.3 million at September 30, 2018 (previous year: € 9.7 million). As a result of the construction of the new plant building in Baden-Baden, but also the acquisition of the business operations, the overall cash outflow from investing activities rose. The cash flow from investing activities came to € -6.6 million (previous year: € -2.2 million). The free cash flow after nine months amounted to € -1.3 million (previous year: € 7.5 million). The cash flow from financing activities came to € -0.3 million (previous year: € -7.9 million). On top of the new loans raised

amounting to € 9.5 million, the cash flow comprised a cash outflow for the scheduled repayment of borrowings (€ 2.9 million) and the acquisition of the remaining shares in GWK (€ 0.8 million) as well as for the distribution to technotrans shareholders of the dividend of € 6.1 million for the past financial year (previous year: € 3.8 million).

Bank borrowings at the end of September 2018 totalled € 29.6 million. The overall borrowing arrangements reveal balanced diversification and a balanced maturities structure. Net debt as recognised on the balance sheet – after netting of cash and cash equivalents with interest-bearing borrowings – increased from € 9.3 million to € 17.6 million in the course of the first half of 2018.

REPORT ON POST-BALANCE SHEET DATE EVENTS AND RISK REPORT

No events having a particular impact on the financial performance, financial position and net worth occurred after September 30, 2018. The significant risks to our business and the risk early-warning system are described

in detail in the Combined Management Report for 2017 (from page 78). There were no material changes in the period under review.

OUTLOOK

According to the new estimate by the International Monetary Fund (IMF), global growth is set to reach 3.7 percent in 2018 and 2019. Compared with the start of the year, expected economic development in Germany and Europe has weakened even though capacity utilisation at German businesses is currently still very high. In the assessment of leading research institutes, domestic economic growth is likely to fall short of the original expectations this year. Instead of the 2.2 percent forecast in the spring, gross domestic product (GDP) for this year is now set to grow merely by 1.7 percent. The institutes have downgraded their forecast for 2019 to 1.9 (previously 2.0 percent).

The business climate in the German printing and media industry likewise revealed a downturn at the end of the third quarter of 2018. The seasonally adjusted index for the current business situation has fallen to its lowest level in the calendar year. Despite these tendencies, the healthy level of orders prompted the VDMA to reiterate its provisional output forecast for 2018 at the high level of +5 percent in real terms.

However businesses' propensity to invest is currently being hampered by the fragile political environment internationally. There are risks for the global economy first from the trade disputes with the United States, where any escalation of action and reaction could decidedly slow global economic growth. Second, political uncertainty in the eurozone has increased. This could put the economic upturn at risk and harm the medium-range growth prospects both by having a direct impact on productivity and by increasing uncertainty and the cost of investment.

The Board of Management's overall assessment of the technotrans Group's business prospects, including beyond the 2018 financial year, is positive. This was underlined not least by the group's successful appearances at shows in the second half of the year. These brought pledges of new business as well as highly promising project enquiries from the various market segments. technotrans adheres

consistently to its goal of growing faster than the market. The further business development of the technotrans Group will therefore depend to a large degree on the world economy and on various project launches involving existing and new customers.

All in all, the technotrans Group has recorded successful revenue growth in the current financial year of 2018 and has achieved a healthy operating result. The growth drivers remain the markets for the laser and machine tool industry, the plastics processing industry, electric mobility and the semiconductor industry. Everything considered, therefore, the current business performance is in line with the Board of Management's annual planning.

The Board of Management is confident of achieving revenue in the order of € 212 to € 220 million and an operating result (EBIT) of between € 18.0 and € 20.0 million for the 2018 financial year. According to current plans the recently acquired business operations are expected to produce a revenue contribution in the low single-digit millions in the financial year in progress. However in view of their start-up character they are not yet expected to turn a profit overall. As matters stand, consolidated revenue for 2018 is therefore expected to come in towards the upper end of the range and the operating result at the lower end of its range. Even disregarding the acquisition-related effects, business performance can be considered to be robust within the range forecast at the start of the year.

For the current financial year the cost of purchased materials and personnel expenses is likely to come in slightly above the average. This is attributable to the altered product mix, rising material prices plus the increased human resources capacity required at the group's production plants for the innovative project start-ups. Next year, productivity-boosting measures to flank the targeted revenue growth should yield an improvement in gross profit.

For the current planning year, the Board of Management expects that technotrans will again achieve strong growth in the Technology segment. For the Services segment, current evidence points to mild growth over the year as a whole. Our final revenue and earnings performance will, however, ultimately depend on whether customer projects can be completed according to plan by the end of the year, or whether completion is delayed until the coming financial year. The outlook for 2018 does not reflect new acquisitions.

We again expect to be able to increase revenue and earnings still further in the next financial year. We will provide guidance on specific revenue and earnings targets for 2019 in the customary manner with the publication of the 2018 Annual Report on March 12, 2019.

As before, the Board of Management views acquisitions as an appropriate way of strategically adding to corporate growth and accessing additional future industries.

SUPPLEMENTARY INFORMATION

IR Service

Our website provides a comprehensive IR service. In addition to corporate reports (Online Annual Report), analyst estimates, financial presentations and information on the Annual General Meeting, you will also find our

factsheet and financial communications there.

<https://www.technotrans.com/en/investor-relations.html>

Chart development from January 1, 2018 to September 30, 2018

- › The trading price of technotrans shares has experienced a significant reversal of 25 percent in the course of the current financial year (January 1 to September 30, 2018).
- › The shares closed at € 33.00 in XETRA trading on September 28, 2018.



Shareholder Structure

Shareholder Structure at the end of the period in %		
		30/9/2018
Freefloat	in %	70.3
Objectif Small Cap (F)	in %	5.5
Gerlin NV (NL)	in %	5.1
Midlin NV (NL)	in %	4.1
LOYS Investment S.A. (LUX)	in %	5.0
Union Investment Privatfonds (D)	in %	4.0
Allianz Global Investors (D)	in %	3.0
Universal-Investment-Gesellschaft (D)	in %	3.0

Directors' Holdings (Board of Management and Supervisory Board Members)

	30/9/2018
Board of Management	
Dirk Engel	20,000
Peter Hirsch	1,021
Hendirk Niestert	1,381
Aufsichtsrat	
Reinhard Aufderheide	380
Dr. Norbert Bröcker	250
Heinz Harling	64,854
Dr. Wolfgang Höper	0
Thomas Poppenberg	656
Dieter Schäfer	0

Note

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. The figures and percentages contained in this communication may lead to differences due to rounding. The Quarterly Communication of technotrans SE at September 30, 2018 has been prepared in accordance with Section 51a of the stock exchange rules for the Frankfurt Stock Exchange (FSE).

Financial Calendar

Date	Publications
November 26 to 27, 2018	German Equity Forum, Frankfurt
March 12, 2019	Annual Report 2018
May 7, 2019	Interim Report 1-3/2019 (Q1)
May 10, 2019	Shareholders' meeting



Member of
the technotrans group

technotrans
gds
termotek
klh
gwk
reisner

technotrans SE
Robert-Linnemann-Str. 17
48336 Sassenberg
Germany

Tel +49 (0)2583 301-1000
Fax +49 (0)2583 301-1030
info@technotrans.com
www.technotrans.com