

# GOING STRONG

**Interim Financial Report**

January 1 – June 30, 2018



## TECHNOTRANS AT A GLANCE

	Δ previous year	1/1- 30/6/2018	1/1- 30/6/2017	2017
<b>Revenue (€ '000)</b>	4,1%	<b>107,364</b>	<b>103,181</b>	<b>205,095</b>
of which Technology (€ '000)	6,3%	78,544	73,884	147,570
of which Services (€ '000)	-1,6%	28,820	29,297	57,525
<b>EBITDA (€ '000)</b>	6,7%	<b>11,566</b>	<b>10,838</b>	<b>22,654</b>
EBITDA margin (%)		10.8	10.5	11.0
<b>EBIT (€ '000)</b>	7,9%	<b>9,077</b>	<b>8,411</b>	<b>17,438</b>
EBIT margin (%)		8.5	8.2	8.5
<b>Net profit for the period<sup>1</sup> (€ '000)</b>	5,9%	<b>6,405</b>	<b>6,051</b>	<b>12,191</b>
as percentage of revenue		6.0	5.9	5.9
<b>Earnings per share (€)</b>	5,9%	<b>0.93</b>	<b>0.88</b>	<b>1.76</b>
<b>Balance sheet (€ '000)</b>	2,0%*	<b>127,831</b>	<b>123,415</b>	<b>125,307</b>
<b>Equity (€ '000)</b>	0,5%*	<b>70,120</b>	<b>63,597</b>	<b>69,750</b>
Equity ratio (%)		54.9	51.5	55.7
<b>Net debt<sup>2</sup> (€ '000)</b>		<b>14,317</b>	<b>4,431</b>	<b>9,291</b>
<b>Free cash flow<sup>3</sup> (€ '000)</b>		<b>1,468</b>	<b>4,635</b>	<b>150</b>
<b>Employees (average)</b>	7,2%	<b>1,360</b>	<b>1,269</b>	<b>1,293</b>
<b>Employees (FTE) (average)</b>	8,4%	<b>1,203</b>	<b>1,110</b>	<b>1,132</b>
<b>Personnel expenses (€ '000)</b>	5,2%	<b>37,513</b>	<b>35,653</b>	<b>70,588</b>
as percentage of revenue		34.9	34.6	34.4
<b>Revenue per employee (FTE) (€ '000)</b>	-4,0%	<b>89</b>	<b>93</b>	<b>181</b>
<b>Number of shares at end of period</b>		<b>6,907,665</b>	<b>6,907,665</b>	<b>6,907,665</b>
share price max (€)		47.90	40.98	50.75
share price min (€)		37.00	22.17	22.17

\* Change since December 31, 2017

<sup>1</sup>Net profit of the period = profit attributable to technotrans SE shareholders

<sup>2</sup>Net debt = financial liabilities – cash and cash equivalents

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

# Interim Financial Report

## January 1 – June 30, 2018

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### TECHNOTRANS REMAINS ON GROWTH TRAJECTORY – REVENUE AND EARNINGS CONTINUE TO RISE

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- REVENUE FOR FIRST HALF CLIMBS TO € 107.4 MILLION
- EBITDA OF € 11.6 MILLION WITH AN EBITDA MARGIN OF 10.8 PERCENT
- EBIT IMPROVES TO € 9.1 MILLION WITH AN EBIT MARGIN OF 8.5 PERCENT
- EARNINGS PER SHARE REACH € 0.93 AFTER SIX MONTHS
- BOARD OF MANAGEMENT CONFIRMS REVENUE AND EARNINGS FORECAST FOR 2018 FINANCIAL YEAR

- › The technotrans Group increased its revenue by 6 percent to € 53.2 million in Q2/2018 (previous year: € 50.4 million). EBIT for the months April to June came to € 4.6 million (previous year: € 4.1 million).
- › Following a successful start to the 2018 financial year, first-half consolidated revenue climbed to € 107.4 million (previous year: € 103.2 million). Revenue in absolute terms thus rose by € 4.2 million, equivalent to an increase of 4.1 percent.
- › Revenue for the Technology segment rose by 6.3 percent in the period under review to € 78.5 million and thus increased its share of consolidated revenue to 73.2 percent (previous year: 71.6 percent). Revenue for the Services segment at the six-month mark came to € 28.8 million, just down on the prior-year figure (€ 29.3 million).
- › The group achieved earnings before interest and taxes (EBIT) of € 9.1 million in the first half of 2018, as against € 8.4 million in the previous year. As expected, the EBIT margin rose from 8.2 percent to 8.5 percent.
- › The rates of return for the segments also showed a positive development. The Technology segment achieved a rate of 5.7 percent (previous year: 5.1 percent), and the Services segment 16.0 percent (previous year: 15.9 percent).
- › Six months into the year, earnings per share improved to € 0.93 (previous year: € 0.88).
- › The equity ratio at the end of the first half was 54.9 percent (December 31, 2017: 55.7 percent).
- › The free cash flow reached € 1.5 million despite increased investment spending (including on the new building in Baden-Baden) and strategic acquisitions.
- › The technotrans Group had an average of 1,360 employees (corresponding to 1,203 full-time equivalents) in the current financial year.
- › technotrans successfully maintained its course of growth in the first half of 2018. The positive overall business performance of the technotrans Group is thus in line with planning. In view of the healthy orders level and capacity utilisation, the Board of Management is confident about the prospects for the second half and reaffirms the revenue and earnings targets for the full year. Revenue for 2018 is expected to reach between € 212 and € 220 million. The operating result (EBIT) should be within a range of € 18.0 to € 20.0 million.

## TECHNOTRANS AT THE CAPITAL MARKET – THE SHARE

### Overall Market

The synchronised global economic upturn drove up prices in many markets in 2017, as a result of which investors experienced a predominantly calm year on the stock markets. The sharp correction in January 2018 noticeably clouded the mood on financial markets. From the end of March, the markets recovered before fears of an escalation in the trade dispute between the USA and China prompted a renewed price correction. Over the first half, almost all indices recovered only tentatively from this decline and have remained just in negative territory since the start of the year.

Uncertainty on the stock markets will persist in the second half of the year. The current trade dispute has soured global economic sentiment. It is likewise having an impact on the export-dependent German economy. The current assessment that the political environment for the euro is unstable in further unsettling financial markets.

### Performance of technotrans Shares

technotrans shares fell by around 16 percent between the start of the reporting period (January 1, 2018) and the end of June. In the second quarter of 2018 the trading price of the shares fluctuated between € 37.00 and € 43.75. The shares ended the period under review with a XETRA closing price of € 37.25 (as of June 29, 2018) and were therefore at the same level as one year earlier.

The shares are held by both institutional investors and private shareholders. On April 25, 2018 Universal-Investment-Gesellschaft mbH, Germany, reported a disclosable shareholding of 3.01 percent. On June 18, 2018 Allianz Global Investors GmbH, Germany, reported a shareholding of 3.03 percent and on June 26, 2018 LOYS Investment S.A., Luxembourg, reported an overall share of voting rights of 5.04 percent. Union Investment Privatfonds GmbH, Germany, reported on May 3, 2018 that it had moved below the threshold of 5 percent.

The Annual General Meeting of technotrans AG took place in Münster on May 18, 2018. The shareholders attending listened to the reports by the Board of Management, asked questions and voted on eleven agenda items, which were approved by a large majority. Among other matters the Annual General Meeting approved the proposed distribution of a dividend of EUR 6,078,745.20, which corresponds to a dividend of EUR 0.88 per dividend-bearing share (previous year: EUR 0.55). The dividend was paid out on May 24, 2018.

### Rate development from 1 January, 2017 to 30 June, 2018



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## PRESENTATION OF SIGNIFICANT EVENTS AND BUSINESS PERFORMANCE

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### Significant Events at a Glance

- › technotrans appoints new Board of Management member: Peter Hirsch takes over as CTO. Board of Management team once again complete.
- › **Printing industry:**  
Machinery revenues again at a high level. First cooling solutions for new range of digital printing presses installed. Highly promising ink supply projects in the pipeline.
- › **Growth markets** (electric mobility, semiconductors, medical and scanner technology):  
Double-digit revenue growth in 1st half. Clinching of several blanket and project orders in the electric mobility area confirms successful growth trajectory and medium-term prospects.
- › **Plastics processing industry:**  
Strong growth in second quarter. Noticeable rise in extrusion technology and in field of metal processing industry. Successful market launch of a new multi-circuit temperature control system for the plastics industry.
- › **Laser/machine tool industry, stamping and forming technology:**  
Continuing expansion in business with existing and new customers.
- › technotrans takes over business operations of Reisner Cooling Energy GmbH:  
With the acquisition (asset deal) of the Holzwickede-based manufacturer of cooling systems for energy-efficient process cooling, technotrans increases its market shares in the plastics and metal processing industry.
- › New legal form for company:  
technotrans shareholders approve conversion into Societas Europaea (SE) by large majority. With effect from June 28, 2018 the group has been operating as technotrans SE. The dual-board system comprising Board of Management and Supervisory Board as well as employee codetermination are unaffected.
- › **Upcoming trade shows:**
  - technotrans showing high-performance battery cooling systems for mobile energy storage devices as well as stationary cooling systems for battery charging stations, inverters and battery containers at the InnoTrans in Berlin (September 2018).
  - technotrans showing new energy-efficient, performance-controlled process chillers at the AMB in Stuttgart (September 2018).
  - technotrans showing precision, homogeneous large-format spray lubrication systems at the EuroBLECH in Hanover (October 2018).
  - gwk presenting new generation of compact, high-efficiency temperature control systems at the FAKUMA in Friedrichshafen (October 2018).
- › **Report on Post-Balance Sheet Date Events:**  
technotrans extends expertise in temperature control technology.
  - Acquisition of the business operations of Hahn Enersave GmbH, Wiehl, adds to the technology portfolio of the subsidiary gwk in Meinerzhagen and builds on activities in the growth area of the plastics processing industry.
  - technotrans SE acquires the remaining shares (2 percent) in gwk Gesellschaft Wärme Kältetechnik mbH.

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## INTERIM GROUP MANAGEMENT REPORT

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for the First Six Months of the 2018 Financial Year

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### ECONOMIC REPORT

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#### General and Industry-Specific Economic Environment

The upturn in the global economy has lost momentum latterly. Nevertheless, capacity utilisation in manufacturing industry has increased thanks to a substantial rise in output over recent months. Price buoyancy in advanced economies will gradually accelerate. Delivery times for both mechanical engineering companies and supply industries have lengthened markedly.

Economic dynamism slowed down noticeably in the first half of the year in progress. Industry is registering a decline in orders received for export business, against a backdrop of growing uncertainty fuelled by the increasing trend towards protectionism. The business confidence index for German industry fell to 101.8 points in June. Orders have now declined for four months in a row. German industry is beginning to feel the effects of the tariffs dispute with the USA, uncertainty as the United Kingdom's exit from the EU looms and growing barriers to trade worldwide, such as higher customs tariffs.

#### Overall Statement on Business Progress

technotrans has again set itself the goal of growing faster than the market. Supported by a stable economic environment and the continuing positive development in the submarkets that are relevant for technotrans, the group is able to report a further improvement in its revenue and earnings situation for the first six months of this financial year compared with the prior-year period.

*"We are very satisfied with the business performance of the technotrans Group in the first half," remarked Dirk Engel, Chief Executive Officer of technotrans SE. "On top of what we have achieved to date, the outlook for the various markets gives us due cause to be optimistic overall about the coming months."*

## Revenue Performance and Financial Performance

		HY1 2018	HY1 2017	Change in %
Revenue	€ million	107.4	103.2	4
Gross profit	€ million	34.3	35.0	-2
Gross margin	in %	32.0	33.9	
EBITDA	€ million	11.6	10.8	7
EBIT	€ million	9.1	8.4	8
EBIT margin	in %	8.5	8.2	
Net profit for the period	€ million	6.4	6.1	6
EPS	in €	0.93	0.88	6

### Revenue Performance

After a good start to the 2018 financial year (Q1 revenue € 54.1 million), the technotrans Group successfully maintained its growth-oriented business performance in the second quarter with revenue of € 53.2 million. Revenue for the quarter was consequently some 6 percent up on the prior-year level (€ 50.4 million).

At the end of the first half technotrans registered an overall 4.1 percent increase in consolidated revenue, from € 103.2 million to € 107.4 million. Revenue in markets outside the printing industry came to around € 65 million in the first six months of 2018, equivalent to 60.2 percent of consolidated revenue. Year on year, all relevant technology markets achieved organic revenue growth of around 9 percent. Business with customers from the printing industry again delivered high revenue of around € 42 million in the period under review; this was however 2 percent down on the first half of 2017. While business for new machinery developed positively in all market segments, service business especially in the printing industry was unable to emulate the high first-half figures of the previous year.

In view of the scale of the acquired business operations of Reisner Cooling Energy GmbH and the short period for which these have been part of the group, their effects on the net worth, financial position and financial performance of the technotrans Group are not material.

### Financial Performance

Overall, the financial performance of the technotrans Group developed as expected compared with the previous year. In the first half of the year it was influenced especially by the generally positive business performance in the growth areas of the laser industry, plastics processing and electric mobility, coupled with stable business in the printing industry. The associated effects from a change in the product mix as well as the still-tentative revenue performance of service business weighed on gross profit in the period under review. The gross margin reached 32.0 percent (previous year: 33.9 percent).

The higher personnel expenses in the first half of 2018 result partly from the capacity-related recruitment of employees and partly from an average pay increase of 3 percent compared with the previous year. The personnel expenses ratio of 34.9 percent was only slightly above the level for the 2017 reference period (previous year: 34.6 percent).

The operating result (EBIT) for the first six months came to € 9.1 million (previous year: € 8.4 million), a rise of around 8 percent. The EBIT margin improved year on year from 8.2 percent to 8.5 percent. Profit-boosting effects were supplied by a below-par rise in distribution and administrative expenses as well as a positive net position for other operating income and expenses.

This brings the revenue and earnings performance of the technotrans Group for the first half of the financial year in progress in line with the most recently published annual target figures for 2018.

EBITDA (earnings before interest, taxes, depreciation and amortisation) at June 30, 2018 came to € 11.6 million, an increase of 6.7 percent on the prior-year figure (€ 10.8 million). Depreciation and amortisation totalled € 2.5 million in the period under review (previous year € 2.4 million). € 0.4 million of this figure (previous year: € 0.8 million) is attributable to the assets identified in the course of purchase price allocation. Interest charges of € 0.2 million were slightly below the previous year's level (€ 0.3 million). Income tax expense came to € 2.4 million (previous year: € 2.0 million).

The consolidated result after tax for the period under review reached € 6.4 million (previous year: € 6.1 million). The return on sales was 6.0 percent (previous year: 5.9 percent). Six months into the year, earnings per share climbed to € 0.93 (previous year: € 0.88).

## Net Worth

### Asset and capital structure (€ million)

Assets	30/6/2018	31/12/2017
Fixed assets	55.5	55.5
Inventories	29.2	26.6
Trade receivables	26.0	24.2
Cash	10.9	14.8
Other assets	6.2	4.2
<b>Total</b>	<b>127.8</b>	<b>125.3</b>

Liabilities	30/6/2018	31/12/2017
Equity	70.1	69.8
Borrowings	24.1	23.0
Provisions	10.5	11.0
Trade payables	9.2	6.1
Payments received	3.7	5.8
Other equity and liabilities	10.2	9.6
<b>Total</b>	<b>127.8</b>	<b>125.3</b>

### Net Worth

At June 30, 2018 the balance sheet total of the technotrans Group showed an increase of 2.0 percent compared with December 31, 2017, to € 127.8 million. 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. Meanwhile the line item cash and cash equivalents declined as expected in the period under review to € 10.9 million as a result of the dividend distribution (€ 6.1 million) and the scheduled repayment of financial debt (€ 1.9 million).

On the equity and liabilities side, equity grew to € 70.1 million at the end of June 2018 (December 31, 2017: € 69.8 million), taking the equity ratio to 54.9 percent. Financial debt was increased by € 1.1 million net to € 24.1 million in the course of the year. Investments for such projects as the new building in Baden-Baden and the acquisition of the business operations of Reisner Cooling Energy GmbH were financed by the raising of loans amounting to € 3.0 million. The rise in other liabilities at the June 30, 2018 reporting date results mainly from the higher trade payables.

### Financial Position

The operating cash flow came to € 12.0 million in the period under review, compared with € 10.1 million in the previous year. The overall cash outflow resulting from the rise in working capital (€ -4.8 million) as well as for interest and tax payments (€ -3.3 million) was higher than in the previous year. Net cash from operating activities therefore amounted to € 3.9 million at June 30, 2018 (previous year: € 5.5 million). As a result of the construction of the new plant building in Baden-Baden, but also the participation acquired, the overall cash outflow from investing activities rose. The cash flow from investing activities came to € -2.4 million (previous year: € -0.8 million). As the year progresses, investing activities will rise further especially because of the acquisitions completed after the reporting date and the planned investment measures. The free cash flow after six months amounted to € 1.5 million (previous year: € 4.6 million). The cash flow from financing activities came to € -5.0 million (previous year: € -7.0 million). On top of the new loans raised amounting to € 3.0 million, the cash flow comprised a cash outflow for the scheduled repayment of borrowings (€ 1.9 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).

Cash flow (in € million)	1/1 – 30/6/2018	1/1 – 30/6/2017
Cash flow from operating activities	12.0	10.1
Net cash flow from operating activities	3.9	5.5
Cash flow from investing activities	-2.4	-0.8
Free cash flow	1.5	4.6
Cash flow from financing activities	-5.0	-7.0

Bank borrowings at the end of June 2018 totalled € 24.1 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 slightly in the course of the first half of 2018 from € 9.3 million to € 14.3 million.

## Segment Report

### Performance indicators by segment

	Technology		Services		technotrans Group	
	2018	2017	2018	2017	2018	2017
Revenue (€ million)	<b>78.5</b>	73.9	<b>28.8</b>	29.3	<b>107.4</b>	103.2
Q1	<b>39.7</b>	38.2	<b>14.5</b>	14.6	<b>54.1</b>	52.8
Q2	<b>38.9</b>	35.7	<b>14.4</b>	14.7	<b>53.2</b>	50.4
EBITDA (€ million)	<b>6.4</b>	5.7	<b>5.2</b>	5.1	<b>11.6</b>	10.8
Q1	<b>3.2</b>	2.9	<b>2.6</b>	2.6	<b>5.8</b>	5.5
Q2	<b>3.2</b>	2.8	<b>2.6</b>	2.5	<b>5.8</b>	5.3
EBIT (€ million)	<b>4.5</b>	3.8	<b>4.6</b>	4.6	<b>9.1</b>	8.4
Q1	<b>2.2</b>	2.0	<b>2.3</b>	2.3	<b>4.5</b>	4.3
Q2	<b>2.2</b>	1.8	<b>2.3</b>	2.3	<b>4.6</b>	4.1
EBIT margin (in %)	<b>5.7</b>	5.1	<b>16.0</b>	15.9	<b>8.5</b>	8.2
Q1	<b>5.7</b>	5.2	<b>15.8</b>	16.0	<b>8.4</b>	8.2
Q2	<b>5.7</b>	5.0	<b>16.3</b>	15.7	<b>8.6</b>	8.1

The **Technology** segment is able to look back on a very successful first and second quarter of 2018. Compared with the previous year, first-half revenue for the segment climbed by € 4.7 million (+6.3 percent) to € 78.5 million. All in all, the revenue contribution in the various submarkets of the technotrans Group again came in on track. While the printing industry achieved slight growth compared with the first half of 2017, the remaining technology markets posted steep growth in revenue and incoming orders. For the Technology segment, the Board of Management stands by its assessment that growth in the high single-digit percent is possible for the 2018 financial year.

Revenue for the **Services** segment amounted to € 28.8 million in the first six months (previous year: € 29.3 million) and thus fell by 1.6 percent compared with the previous year. It was not possible to match the previous year's

high revenue share for printing industry business in the period under review. Nor did business involving technical documentation achieve growth in the first half of the year.

The result (EBIT) for the Technology segment was up € 0.7 million on the 2017 figure at € 4.5 million. The rate of return for the segment at the six-month mark was consequently 5.7 percent, compared with 5.1 percent in the previous year. The Services segment repeated its healthy financial performance with € 4.6 million (previous year: € 4.6 million). The rate of return for the segment in the reporting period reached 16.0 percent, compared with 15.9 percent in the prior-year period.

## Employees

There was a further increase in the number of employees in the technotrans Group at the end of the first half of the financial year. At the reporting date of June 30, 2018 the core workforce worldwide comprised 1,402 employees. This represents a rise of 5.5 percent or 73 employees in the employee total compared with the 2017 year-end position, with half (33 employees) of this gain coming from the retention of all employees of Reisner Cooling Energy GmbH as part of the asset deal. In terms of full-time equivalents the average number of employees has risen from 1,132 to 1,203 since the start of the year.

At the end of the first six months there were 1,013 employees allocated to the Technology segment, compared with 956 for this segment at the year-end reporting date of December 31, 2017. Alongside the acquisition effect the rise is mainly attributable to the growth-related capacity expansion at the production locations of the technotrans Group. There were 389 employees allocated to the Services segment at June 30, 2018, compared with 373 at the end of 2017.

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## REPORT ON POST-BALANCE SHEET DATE EVENTS

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gwk Gesellschaft Wärme Kältetechnik mbH, Meinerzhagen, acquired the Temperature Control business unit of Hahn Enersave GmbH, Wiehl, by way of an asset deal, with effect from July 2, 2018. The aim of this transaction is to strengthen the position in the plastics processing industry and create a basis for further growth. The purchase price for this acquisition in the low single-digit millions was paid in cash. The business unit is currently being integrated into

the gwk location in Meinerzhagen. The business unit had 10 employees, who have been taken on by gwk.

On July 5, 2018 technotrans SE acquired the remaining two percent of the shares in gwk Gesellschaft Wärme Kältetechnik mbH, Meinerzhagen. As a result of this acquisition, technotrans SE now holds 100 percent of the shares and voting rights in the company.

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## OPPORTUNITIES AND RISKS REPORT

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There were no material changes to the opportunities and risks in the period under review. For details of the significant risks to our business and the risk early-warning system, please refer to our remarks in the Combined

Management Report for 2017 (from page 78). It is noted there that the company does not consider itself to be exposed to any existential risks that could endanger the company as a going concern.

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## OUTLOOK

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### Expected Economic Environment

According to the World Economic Outlook (WEO) forecast of April 2018, global growth for 2018 and 2019 is expected to run at 3.9 percent, but expansion will be less consistent and the risks for the forecasting period are on the rise.

While the global economic upturn reaches its two-year mark, the rate of expansion in some national economies appears to have peaked. Growth in some countries has been less synchronised.

On account of the trade dispute with the USA and the weak start to the year, the leading institutes have noticeably scaled back their forecasts for GDP growth in Germany. The ifo Institute has downgraded its forecast for this year from 2.6 to 1.8 percent, and now expects 1.8 percent for 2019 (previously 2.1 percent).

In the printing and media industry, too, business confidence has deteriorated since the end of 2017. At the end of June 2018 the business confidence index was at 98.1, the same level as in 2016

Capacity utilisation in German businesses is generally high. The healthy level of orders in the opening months of the year has occasioned the VDMA to increase its provisional output forecast for 2018 to +4.2 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. Then there is increasing political uncertainty in the eurozone, fuelled especially

by the change of government in Italy and the coalition dispute within the German government. These 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.

#### **Expected Business Development of the Group**

The Board of Management's overall assessment of the technotrans Group's business prospects for the 2018 financial year is optimistic. technotrans has set itself the goal of growing faster than the market. The further business development of the technotrans Group will to a large degree depend on the world economy and on various project launches involving existing and new customers.

technotrans successfully grew its revenue in the first six months of the 2018 financial year and achieved a healthy operating result overall. Everything considered, therefore, the current business performance is in line with the Board of Management's annual planning. On the strength of the continuing healthy level of orders and capacity utilisation within the technotrans Group, the positive business situation is expected to continue.

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 (before inclusion of the pro rata revenue and earnings contributions of the acquisitions completed during the 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, without yet yielding a positive profit contribution 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.

For the planning year, the Board of Management expects that technotrans will again achieve strong growth in the Technology segment.

The growth drivers will again be the markets of the laser and machine tool industry, the plastics processing industry, electric mobility, the semiconductor industry as well as medical and scanner technology. In the second half of 2018, the technotrans Group will again be presenting itself at several international shows as a supplier of technologically sophisticated, custom-made liquid technology system solutions.

Based on the latest findings and including the recent acquisitions, the Services segment is expected to achieve slight growth over the full year.

In light of rising prices of materials and increased human resources capacities, the proportional cost of purchased materials and personnel expenses is coming in slightly

higher. Because of the lower margin as a result of the shift in the product mix and taking account of the start-up costs for the new business areas, it will be a challenge to achieve the target margin of more than 8.5 percent for the group this year. However this is set to rise further in the medium term mainly because of the revenue growth targeted for technology and service business and thanks to improved cost efficiency (medium-term profit target: double-digit EBIT margin for the group).

The Board of Management furthermore confirms its medium-term targets of increasing the revenue of the technotrans Group to € 300 million. By 2020, the organic growth rate is to average an annual 5 to 6 percent. Further growth is to be generated by fresh strategic options in connection with M&A activities.

For 2018, the Board of Management expects a healthy operating cash flow thanks to steady income and earnings. Capital spending on property plant and equipment and intangible assets is set to total around € 12.0 million in 2018. Of this, around € 7.0 million will be spent on the new building for the production location at Termotek GmbH in Baden-Baden. The currently positive market window is being used to raise long-term credit to finance these investments.

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

## CONSOLIDATED BALANCE SHEET

ASSETS	30/6/2018	31/12/2017
	€ `000	€ `000
<b>Non-current assets</b>		
Property, plant and equipment	25,431	25,477
Goodwill	23,144	23,144
Intangible assets	6,950	6,888
Other financial assets	214	231
Deferred tax	2,022	2,034
	<b>57,761</b>	<b>57,774</b>
<b>Current assets</b>		
Inventories	29,172	26,589
Trade receivables	25,986	24,182
Income tax receivable	83	83
Other financial assets	1,567	596
Other assets	2,394	1,285
Cash and cash equivalents	10,868	14,798
	<b>70,070</b>	<b>67,533</b>
<b>Total assets</b>	<b>127,831</b>	<b>125,307</b>

## EQUITY AND LIABILITIES

	30/6/2018	31/12/2017
	€ `000	€ `000
<b>Equity</b>		
Issued capital	6,908	6,908
Capital reserve	19,097	19,097
Retained earnings	43,909	37,797
Other reserves	-6,424	-6,440
Net profit for the period	6,405	12,191
<b>Total equity attributable to technotrans SE shareholders</b>	<b>69,895</b>	<b>69,553</b>
Non-controlling interests in equity	225	197
	<b>70,120</b>	<b>69,750</b>
<b>Non-current liabilities</b>		
Borrowings	17,101	19,187
Provisions	1,232	1,206
Other financial liabilities	1,068	1,073
Deferred tax	1,693	1,833
	<b>21,094</b>	<b>23,299</b>
<b>Current liabilities</b>		
Borrowings	7,019	3,837
Trade payables	9,178	6,062
Prepayments received	3,738	5,805
Provisions	9,251	9,769
Income tax payable	3,124	3,203
Other financial liabilities	984	1,285
Other liabilities	3,323	2,297
	<b>36,617</b>	<b>32,258</b>
<b>Total equity and liabilities</b>	<b>127,831</b>	<b>125,307</b>

## CONSOLIDATED INCOME STATEMENT

	1/4- 30/6/2018	1/4- 30/6/2017	1/1- 30/6/2018	1/1- 30/6/2017
	€ '000	€ '000	€ '000	€ '000
<b>Revenue</b>	<b>53,234</b>	<b>50,395</b>	<b>107,364</b>	<b>103,181</b>
of which Technology	38,864	35,741	78,544	73,884
of which Services	14,370	14,654	28,820	29,297
Cost of sales	-36,252	-33,237	-73,057	-68,181
<b>Gross profit</b>	<b>16,982</b>	<b>17,158</b>	<b>34,307</b>	<b>35,000</b>
Distribution costs	-6,565	-6,423	-12,950	-13,163
Administrative expenses	-4,900	-4,680	-9,753	-9,465
Development costs	-1,895	-1,834	-3,835	-3,597
Other operating income	1,176	753	2,154	1,434
Other operating expenses	-245	-881	-846	-1,798
<b>Earning before interest and taxes (EBIT)</b>	<b>4,553</b>	<b>4,093</b>	<b>9,077</b>	<b>8,411</b>
Financial income	2	0	4	0
Financial charges	-105	-155	-212	-307
<b>Net finance costs</b>	<b>-103</b>	<b>-155</b>	<b>-208</b>	<b>-307</b>
<b>Profit before tax</b>	<b>4,450</b>	<b>3,938</b>	<b>8,869</b>	<b>8,104</b>
Income tax expenses	-1,222	-976	-2,436	-2,011
<b>Net profit for the period</b>	<b>3,228</b>	<b>2,962</b>	<b>6,433</b>	<b>6,093</b>
<b>of which:</b>				
Profit attributable to technotrans SE shareholders	3,214	2,942	6,405	6,051
Profit/loss attributable to non-controlling interests	14	20	28	42
<b>Earnings per share (€)</b>				
basic/diluted	0.47	0.43	0.93	0.88

## CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	1/4- 30/6/2018	1/4- 30/6/2017	1/1- 30/6/2018	1/1- 30/6/2017
	€ '000	€ '000	€ '000	€ '000
Net profit for the period	3,228	2,962	6,433	6,093
Other results				
Items that were or must be reclassified to Income Statement				
Exchange differences from the translation of foreign group companies	300	-299	268	-372
Change in the amount recognised within equity (Net investments in a foreign operation)	-193	-269	-260	-230
Change in the market values of cash flow hedges	6	20	12	36
Deferred tax	-2	-6	-4	-11
Change in the amount recognised within equity (cash flow hedges)	4	14	8	25
Other profit after tax	111	-554	16	-577
Overall result for the period	3,339	2,408	6,449	5,516
of which:				
Profit attributable to technotrans SE shareholders	3,325	2,388	6,421	5,474
Profit/loss attributable to non-controlling interests	14	20	28	42

## CONSOLIDATED CASH FLOW STATEMENT

	1/1- 30/6/2018	1/1- 30/6/2017
	€ '000	€ '000
<b>Cash flow from operating activities</b>		
Net profit for the period	6,433	6,093
Adjustments for:		
Depreciation and amortisation	2,489	2,428
Income tax expenses	2,437	2,011
Gain (-) / loss (+) on the disposal of property, plant and equipment	- 36	- 206
Foreign exchange losses (+)/ gains (-)	438	- 561
Net finance costs	208	306
<b>Cash flow from operating activities before working capital changes</b>	<b>11,969</b>	<b>10,071</b>
Change in:		
Inventories	- 2,553	- 1,184
Receivables and other assets	- 3,879	- 5,075
Other non-current assets	28	514
Liabilities and prepayments	2,214	1,720
Provisions	- 585	1,047
<b>Cash from operating activities</b>	<b>7,194</b>	<b>7,093</b>
Interest received	4	0
Interest paid	- 212	- 306
Income taxes paid/income tax rebates	- 3,091	- 1,328
<b>Net cash from operating activities</b>	<b>3,895</b>	<b>5,459</b>
<b>Cash flow from investing activities</b>		
Cash payments for investments in property, plant and equipment and in intangible assets	- 2,097	- 1,178
Cash outflow for the acquisition of consolidated companies	- 569	0
Proceeds from the sale of property, plant and equipment	239	354
<b>Net cash used for investing activities</b>	<b>- 2,427</b>	<b>- 824</b>
<b>Cash flow from financing activities</b>		
Cash receipts from the raising of short-term and long-term loans	3,002	0
Cash payments from the repayment of loans	- 1,906	- 3,173
Distribution to investors	- 6,079	- 3,799
<b>Net cash used in financing activities</b>	<b>- 4,983</b>	<b>- 6,972</b>
Net increase/decrease in cash and cash equivalents	- 3,515	- 2,337
Cash and cash equivalents at start of period	14,798	23,929
Consolidation-related changes in cash and cash equivalents	- 415	0
<b>Cash and cash equivalents at the end of period</b>	<b>10,868</b>	<b>21,592</b>

## CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

	Total equity of technotrans SE shareholders	Non-controlling interests in equity	30/6/2018	31/12/2017
	€ '000	€ '000	€ '000	€ '000
Equity at January 1st	69,553	197	69,750	61,880
Net profit for the period	6,405	28	6,433	12,270
Other result	16	0	16	- 601
Overall result for the period	6,421	28	6,449	11,669
Transactions with owners				
Distribution of profit	- 6,079	0	- 6,079	- 3,799
Transactions with owners	- 6,079	0	- 6,079	- 3,799
Equity at the end of the period	69,895	225	70,120	69,750

## NOTES

The Notes for technotrans SE at June 30, 2018, in common with the Consolidated Financial Statements at December 31, 2017, have been prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretations as applicable at the reporting date. These Interim Consolidated Financial Statements were prepared in agreement with IAS 34 "Interim Financial Reporting" and should be read in the context of the Consolidated Financial Statements published by the company for the 2017 financial year. technotrans prepares and publishes the Consolidated Financial Statements in euros.

The Consolidated Balance Sheet together with the Consolidated Income Statement, Consolidated Statement of Recognised Income and Expense, Consolidated Statement of Movements in Equity and Consolidated Cash Flow Statement for the reporting periods ending on June 30, 2018 and 2017 as well as the Notes have been neither audited nor subjected to any other review.

All interim financial statements for the companies included in the Interim Consolidated Financial Statements were prepared in accordance with standard recognition and measurement principles, which were also applied for the Consolidated Financial Statements for the year ending December 31, 2017. Taking into account the IFRS standards to be adopted for the first time since the start of the year, the remaining recognition and measurement principles as well as the consolidation methods applied were unchanged from the 2017 financial year. For further explanatory remarks we refer to the Notes to the Consolidated Financial Statements at December 31, 2017.

The technotrans Group at June 30, 2018 comprised technotrans SE as well as 22 companies that were

included in the Interim Financial Statements as fully consolidated companies. Compared to December 31, 2017 the number of group companies increased by one company, Reisner Cooling Solutions GmbH.

On June 1, 2018 the newly established Reisner Cooling Solutions GmbH, a fully-owned subsidiary of technotrans SE, acquired the business operations of Reisner Cooling Energy GmbH, Holzwickede, which was under administration, by way of an asset deal. With the acquisition of this manufacturer of industrial cooling systems, technotrans SE among other things increases its market shares in the cooling technology area in the plastics and metal processing industry. The purchase price for this acquisition of € 569 thousand was financed from current liquidity. The transaction costs were booked as an expense against operating profit, under administrative expenses.

The acquired assets and liabilities were recognised at fair value in the course of purchase price allocation according to IFRS 3 and essentially comprise intangible assets (€ 530 thousand). Allocation of the purchase price to the acquired assets is not yet final because the acquisition has only recently been completed. For allocation of the purchase price, the fair values of previously unrecognised intangible assets for the acquired activities are also taken into account, for example customer relationships and brands.

In view of the scale of the acquired business operations and the short period for which they have belonged to the group, the effects on the net worth, financial position and financial performance of the technotrans Group at June 30, 2018 are not material.

### Responsibility Statement by the Management

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, the management report of the group includes a fair review of the performance and results of the group,

and the interim management report of the group includes a fair review of the performance and position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Sassenberg, August 2018

technotrans SE



Dirk Engel



Peter Hirsch



Hendrik Niestert

## SUPPLEMENTARY INFORMATION

### Shareholder Structure

Shareholder Structure at the end of the period in %		
30/6/2018		
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.	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)	
30/6/2018	
<b>Board of Management</b>	
Dirk Engel	20,000
Peter Hirsch	1,021
Hendirk Niestert	1,381
<b>Supervisory Board</b>	
Reinhard Aufderheide	380
Dr. Norbert Bröcker	250
Heinz Harling	64,854
Dr. Wolfgang Höper	0
Thomas Poppenberg	656
Dieter Schäfer	0

### 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>

### Note

The Interim Financial Report of technotrans SE at June 30, 2018 has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and is in accordance with Section 51a of the stock exchange rules for the Frankfurt Stock Exchange (FSE).

This Interim Financial Report is published in German and English. The German version is always definitive. This Interim Group Management Report 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 report may lead to differences due to rounding.

### Financial Calendar

Date	Publications
November 6, 2018	Interim Report 1-9/2018 (Q3)
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



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