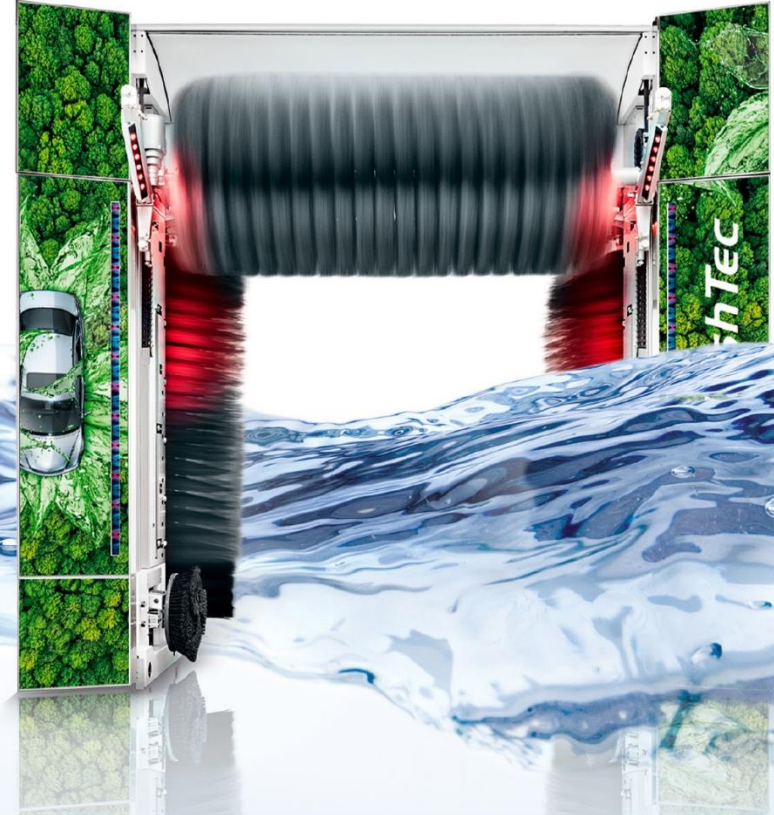


# Financial Statement Q2 2024



Michael Drolshagen (CEO) | Andreas Pabst (CFO)

Board of Management WashTec AG

August 5<sup>th</sup>, 2024



# 1 | Update on WashTec

 *WashTec*



 *WashTec*  
CLEAN CARS®

# Sharpening our Strategy – from machine supplier to ecosystem

our overall successful Strategy remains:

- We focus on Total Customer Care
- We focus on Europe and North America

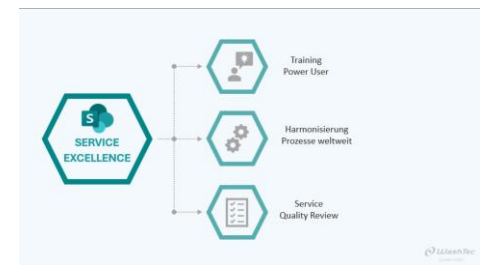
## Enabler



## Supporter

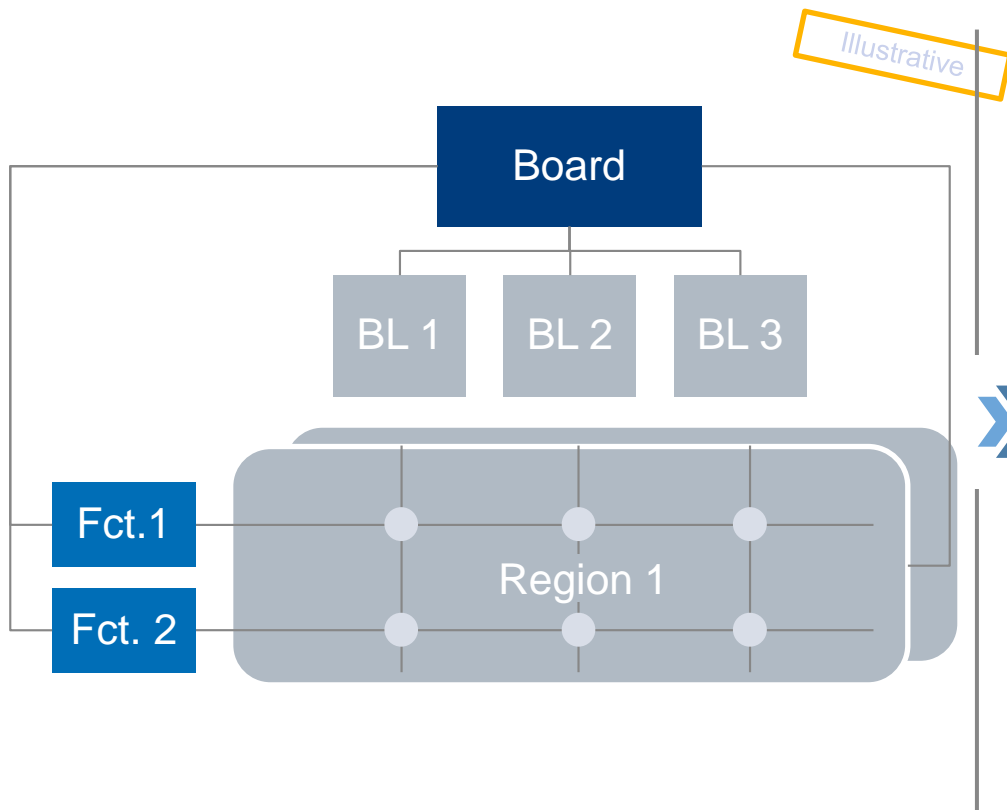


## Ecosystem / Unique Selling Point



# Sharpening our organization for perfect fit to business needs

## Schematic illustration of a global matrix organization



## Focus & responsibilities

**Business-Line**

### Driver of business

- Budget responsibility
- Product & project ownership
- Team synchronization

Project Management

**Function**

### Service/solution provider

- Responsible for functional competence
- Governance & guidelines responsible
- People mgmt., processes & standards

Line Management

**Region**

### Project Executor

- “Sensor in the region”
- Project responsibility for selected cases & phases

Reg. Mgmt. (Project & Line)

Besides our segments – the regions Europe and others as well as North America we will implement Business Lines to strengthen our approach to the market.

The Business Lines are:

- **Equipment**
- **Equipment Services**
- **Consumables (Chemicals)**

Beside those business lines we will focus on **Operators Services**



# What are our key focus items in Europe

## Digital Initiatives / Products

Full offering of high end Rollover machine for Europe

Subscription Models

Total Care

Strengthen our perception in market

## Profitability Focus

Bundling of our total offering

Optimize production footprint

Entry modell SoftCareSE

Implement matrix & total quality organization

## Convenience

Reduction in washing time while maintaining top washing results

Full focus on customer journey

Simplify payment for operators

Operators' services

## Sustainability

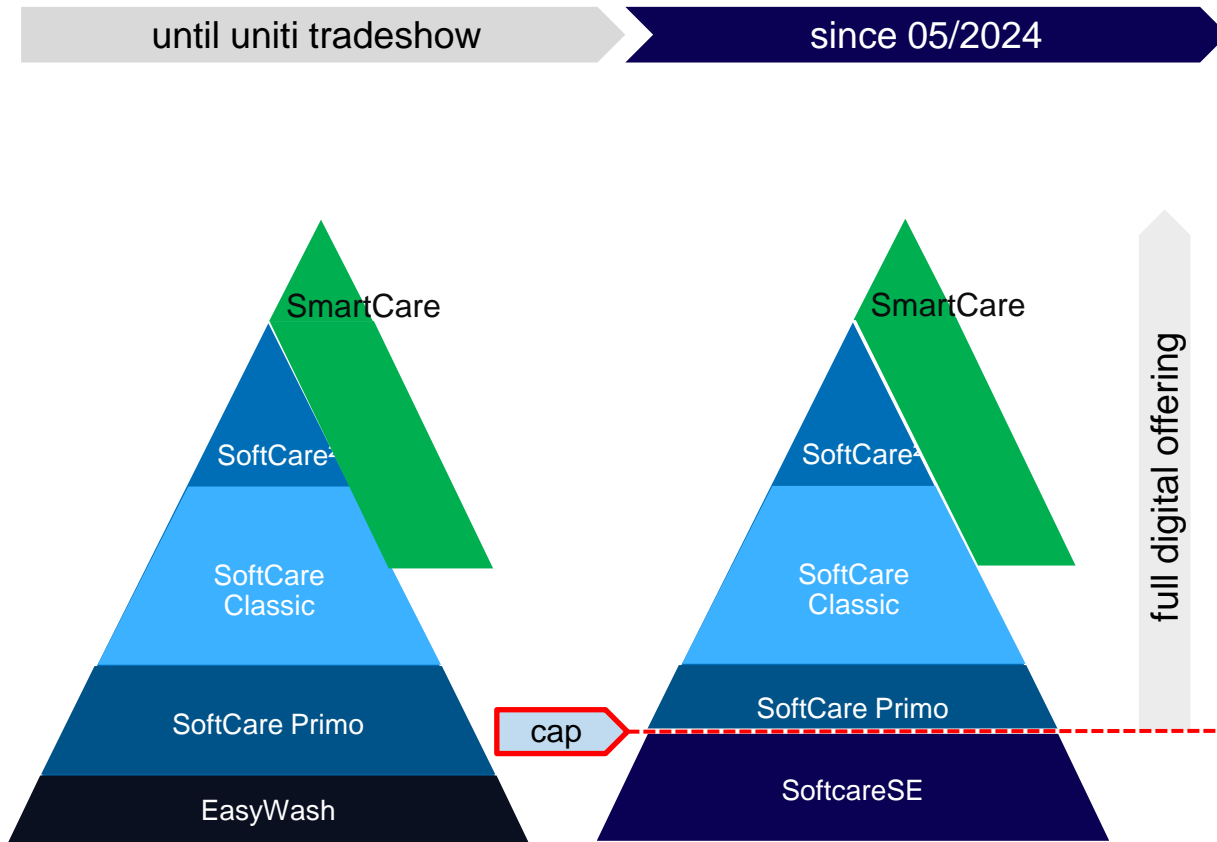
Green Car Care (Certificate)

Water

Energy & CO2



# New Rollover - Entry Machine: SoftcareSE



- Softcare SE has similar pricing like former EasyWash with higher functionality.
- Based on our platform ramp up period is quite short.
- Number of sold units expected to increase for entry market.
- SoftcareSE will not offer full range of digital features.
- We currently already have more than ~500 machines in our sales funnel; already sold 50 units since June 2024



# What are our key focus items in North America

## Products / Operators' services

Unmanned mini tunnel & Smart Choice

NA chemical brand

Total Care

Strengthen our sales approach

Strengthen our perception in market

## profitability focus

Increase development and production

Efficiency program (Race to Pikes Peak)

Implement total quality organization

## Convenience

Speed up washtime

One stop shop

Simplify journey for operators

Operators' services & data

## Sustainability\*

Water

Energy

\*only California







# 2 | Q2 2024 results



# EBIT increased by 7.8% despite lower revenue

H1

		H1 2024	H1 2023	Change	
				absolute	in %
Revenue	€m	220.2	236.2	-16.0	-6.8
EBIT	€m	16.6	15.4	1.2	7.8
EBIT margin	%	7.6	6.5	-	110 bp
Net income	€m	10.7	9.6	1.1	11.5
Number of Shares	units	13,382,324	13,382,324	0	0
Earnings per Share	€m	0.80	0.72	0.08	11.5
Free cash flow	€m	20.1	6.5	13.6	209.2
Net cash outflow from investing activities	€m	-4.1	-12.3	8.2	66.7
Equity ratio	%	24.9	23.7	-	120 bp
Employees at reporting date	persons	1,698	1,776	-78	-4.4

bp: basis point (1/100th of a percentage point)

Figures in this report are rounded. Because of this, individual figures may not add up to the stated totals and percentages may not precisely correspond to the absolute figures they relate to.

- Revenue down on prior year**  
 WashTec generated revenue of €220.2m in the first six months, down 6.8% on the prior year (€236.2m). This was mainly the result of lower sales of equipment, primarily in the direct sales business and to key accounts in North America.
- EBIT up 7.8%**  
 Due to the improved gross profit, EBIT in the first half of the year, at €16.6m, was higher than in the prior year (€15.4m) despite the lower revenue. The EBIT margin improved in the first six months to 7.6% (prior year: 6.5%).
- Significant improvement in free cash flow**  
 Free cash flow improved significantly in the first half-year to €20.1m (prior year: €6.5m) due to lower capital expenditure and a refund of capital gain tax prepayments.
- Guidance for the full year 2024**  
 The WashTec Group confirms its guidance for fiscal year 2024.



# Significant 16.2% increase in EBIT with lower revenue in second quarter

Q2					
		Q2 2024	Q2 2023	Change	
				absolute	in %
Revenue	€m	119.4	127.1	-7.7	-6.1
EBIT	€m	11.5	9.9	1.6	16.2
EBIT margin	%	9.7	7.8	-	190 bp
Net income	€m	7.6	6.2	1.4	22.6
Number of Shares	units	13,382,324	13,382,324	0	0
Earnings per Share	€m	0.56	0.46	0.10	22.6

bp: basis point (1/100th of a percentage point)

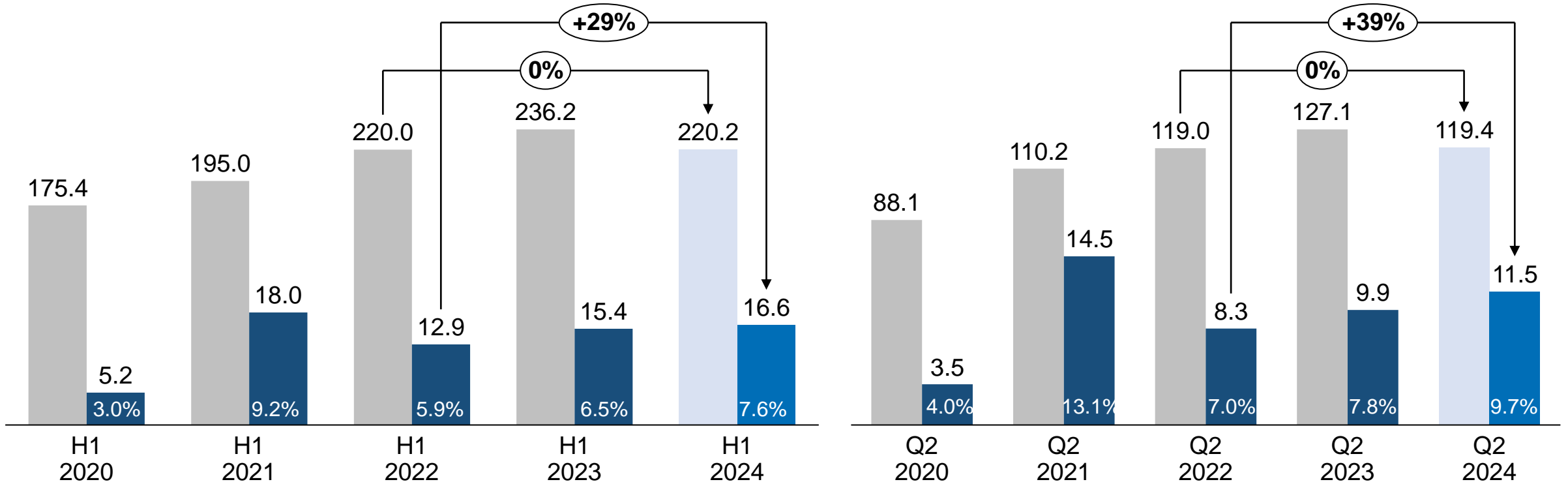
Figures in this report are rounded. Because of this, individual figures may not add up to the stated totals and percentages may not precisely correspond to the absolute figures they relate to.

- Second-quarter revenue down on prior year**  
 WashTec generated revenue of €119.4m in the second quarter, down 6.1% on the prior year (€127.1m). The reduction mainly resulted from a weaker course of business in North America in both the key accounts business and the direct sales business.
- Significant improvement in EBIT**  
 WashTec achieved a 16.2% increase in EBIT to €11.5m in the second quarter (prior year: €9.9m), mainly due to the positive performance with regards to gross profit. The EBIT margin increased to 9.7% (prior year: 7.8%), which is higher than both the prior-year quarter and the first quarter of 2024.



# Longterm Group revenue and earnings

Revenue and EBIT H1 and Q2 in €m, and EBIT margin in a multi-year comparison



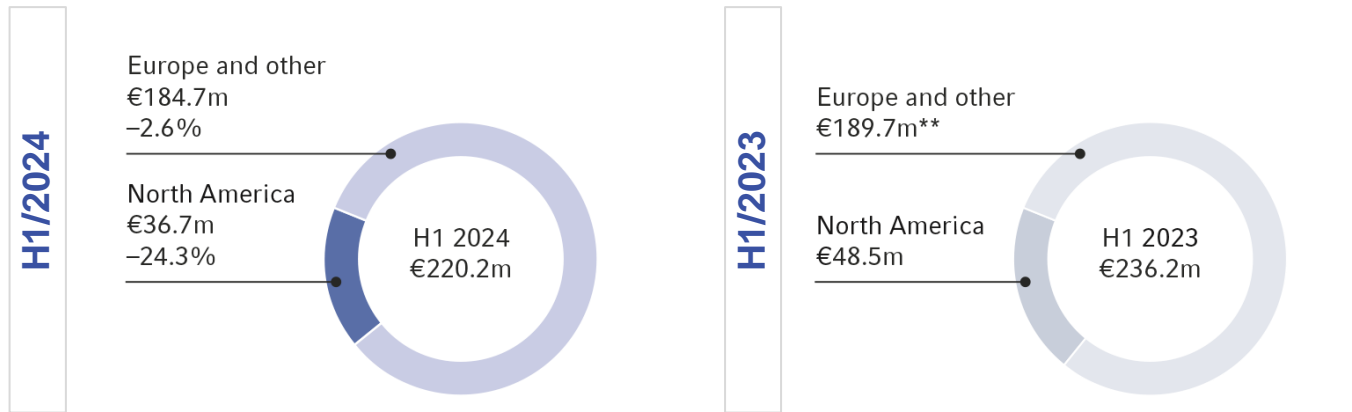
- On a 5-years perspective we need to take into consideration that 2020 was the Covid year and 2021 the recovery year.
- Compared to 2022 **Revenues** 2024 are back on the level of H1/2022 respective Q2/2022.

- Profitability in terms of **EBIT** and **EBIT margin** increased significantly since 2022 – from 5.9% to 7.6% for first half year and from 7.0% to 9.7% for second quarter.

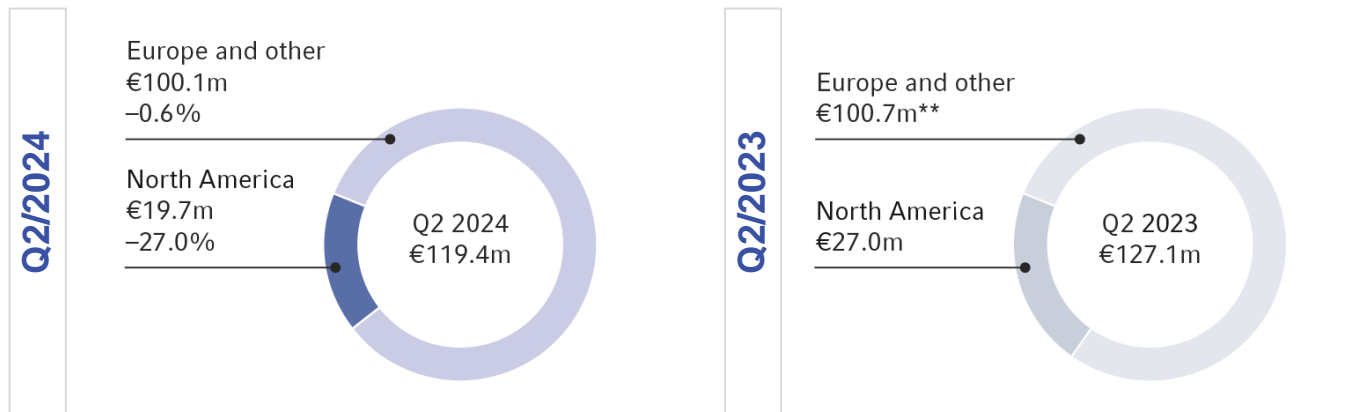


# H1 and Q2 Revenue by region

## Revenue by region\*



## Revenue by region\*



- In H1/24 the **Europe and other** region, revenues of €184.7m were slightly below prior year (without China €186.3m\*\*). In Q2/24 revenues increased slightly from € 99.0m (w/o China) to € 100.1m. So overall the weak first quarter, which was characterized by difficult market conditions, particularly in the direct business, as well as a weather-related decline in washing figures in the chemicals business could not fully recover in Q2/24.
- In H1/24 **North America**, revenue fell significantly by 24.3% to €36.7m (prior year: €48.5m). Second-quarter revenue, at €19.7m, was also significantly down on the prior year (€27.0m). Both the direct sales business and the key account business were down in the first six months, mainly due to the lower order backlog at the beginning of the year and the weak level of orders received.

\* Cross-segment consolidation effects are disregarded.

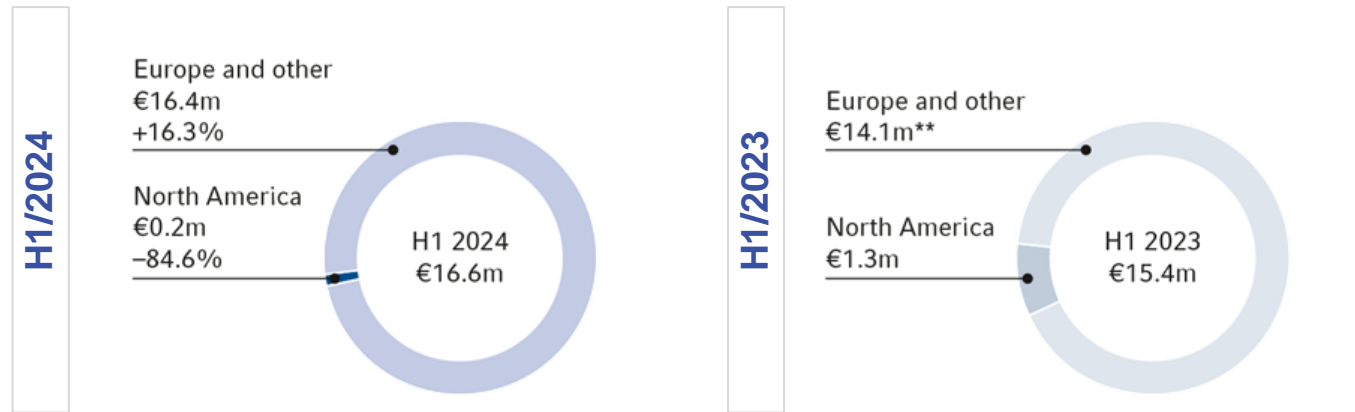
Percentage change relative to comparative period.

\*\* Comparative information prepared on the basis of the modified reporting structure applicable from January 1, 2024 (i.e. China subsidiary).

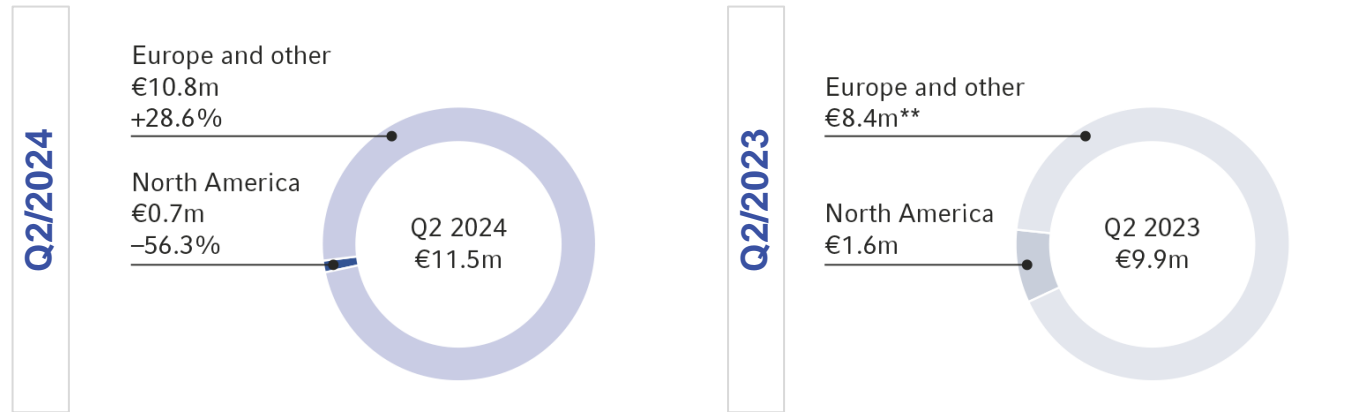


# H1 and Q2 EBIT by region

## EBIT by region\*



## EBIT by region\*



- EBIT in **Europa and other** rose by 16.3% to €16.4m in the first half-year (prior year: €14.1m\*; €14.6m adjusted for China, corresponding to an increase of 12.3%), mainly due to the prior-year price increases and lower material prices. This also applied to the second quarter, when EBIT increased by 28.6% (22.7% adjusted for China)
- At €0.2m, EBIT in **North America** for H1/24 was significantly lower than in the prior year (€1.3m). The measures implemented last year to increase profitability in this region on a lasting basis meant that EBIT was positive despite the significantly lower revenue. In the second quarter, EBIT fell relative to the same period a year earlier to €0.7m (prior year: €1.6m)



\* Cross-segment consolidation effects are disregarded.

Percentage change relative to comparative period.

\*\* Comparative information prepared on the basis of the modified reporting structure applicable from January 1, 2024 (i.e. China subsidiary)

# Revenue by product

## Revenue by product, H1

in €m	H1 2024	H1 2023	Change	
			absolute	in %
Equipment and service	183.4	196.8	-13.4	-6.8
Chemicals	33.8	36.7	-2.9	-7.9
Others	3.0	2.7	0.3	11.1
<b>Total</b>	<b>220.2</b>	<b>236.2</b>	<b>-16.0</b>	<b>-6.8</b>

## Revenue by product, Q2

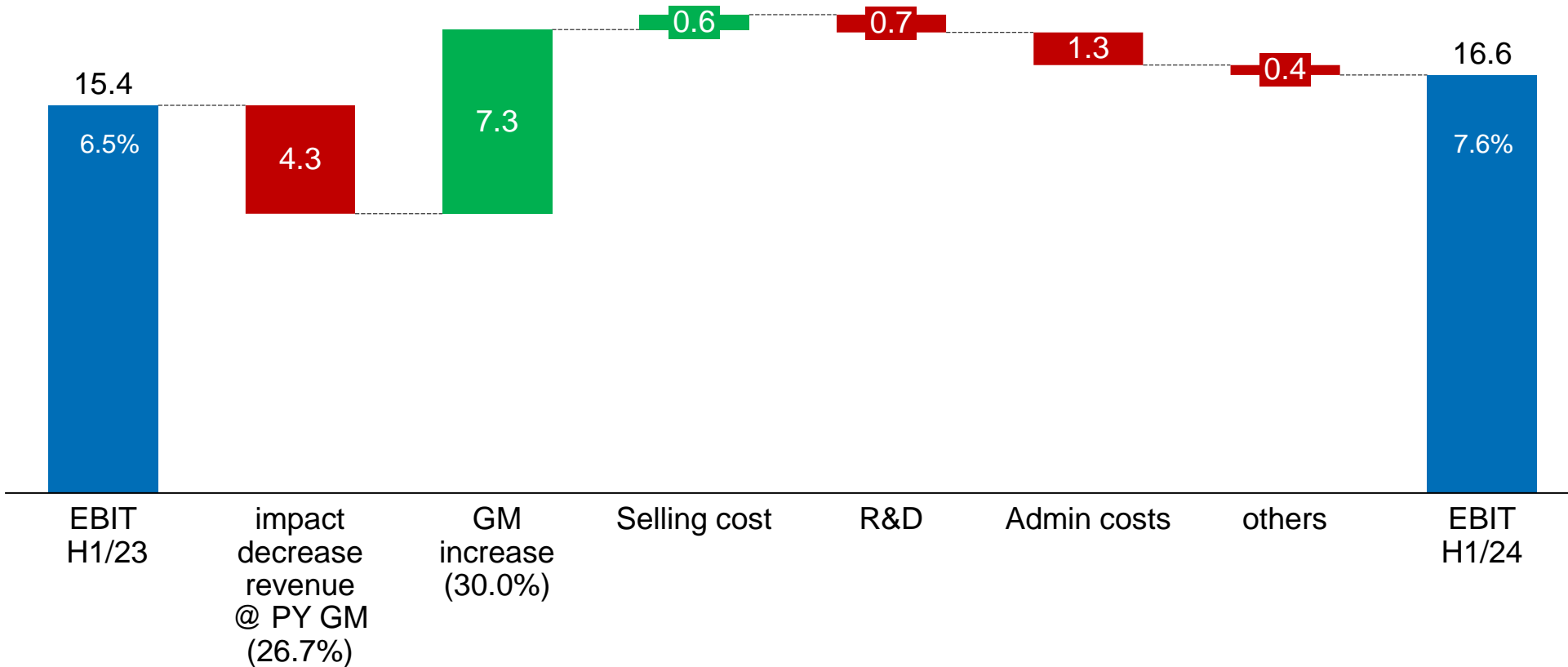
in €m	Q2 2024	Q2 2023	Change	
			absolute	in %
Equipment and service	98.9	105.7	-6.8	-6.4
Chemicals	18.9	20.0	-1.1	-5.5
Others	1.7	1.4	0.3	21.4
<b>Total</b>	<b>119.4</b>	<b>127.1</b>	<b>-7.7</b>	<b>-6.1</b>

- At €183.4m, **Equipment and service** revenue in H1/24 was down 6.8% on the prior-year figure (€196.8m). As in the first quarter, this is mainly due to weaker sales of equipment, particularly to key accounts in North America.
- Chemicals** revenue fell from €36.7m in the prior-year period to €33.8m, mainly due to a weather-related fall in carwash volumes primarily in the first quarter. In addition, the prior year saw increased deliveries to newly acquired major customers in connection with the initial stocking of their chemical inventories.
- In the **second quarter**, revenue fell by 6.1% to €119.4m (prior year: €127.1m), primarily due to the weak key account business in North America.



# H1 EBIT-Bridge

in €m



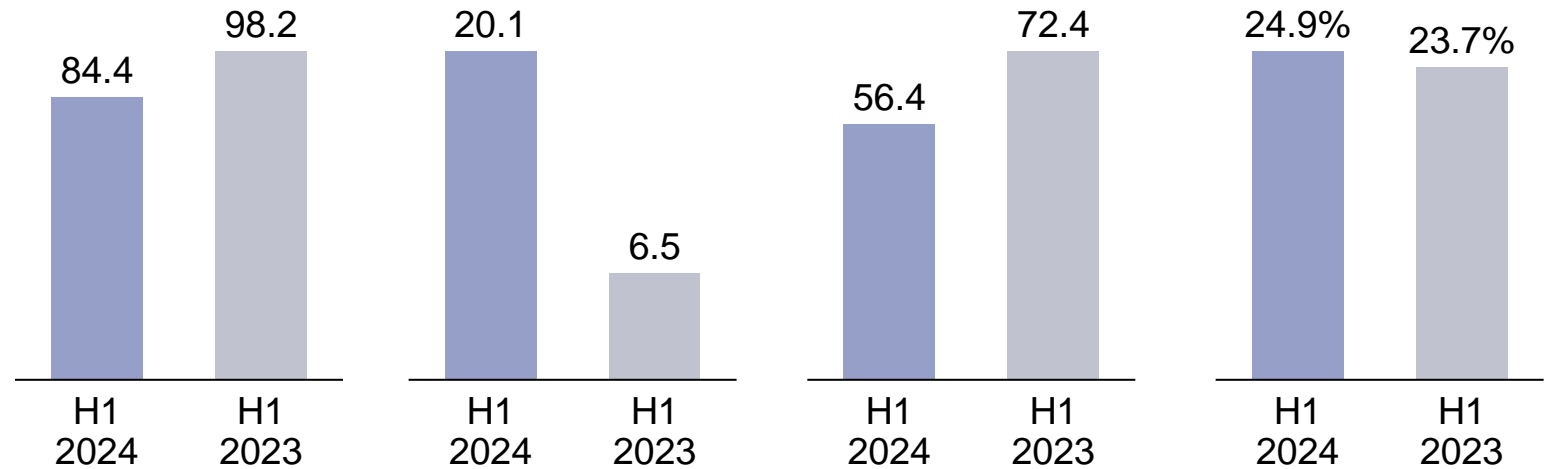
- **Gross profit margin** increased significantly from 26.7% to 30.0% mainly due to last year's price increases, efficiency programs as well as a fall in material prices.
- **Administrative expenses** rose by €1.3m to €10.3m (prior year: €9.0m). The increase was mainly due to one-off expenses in connection with the change of CEO and expenses for cost optimization of the new product generation (~€1m).





# NOWC, Free cash flow, Net financial debt, Equity ratio

in €m



NOWC

Free cash flow

Net financial  
debt

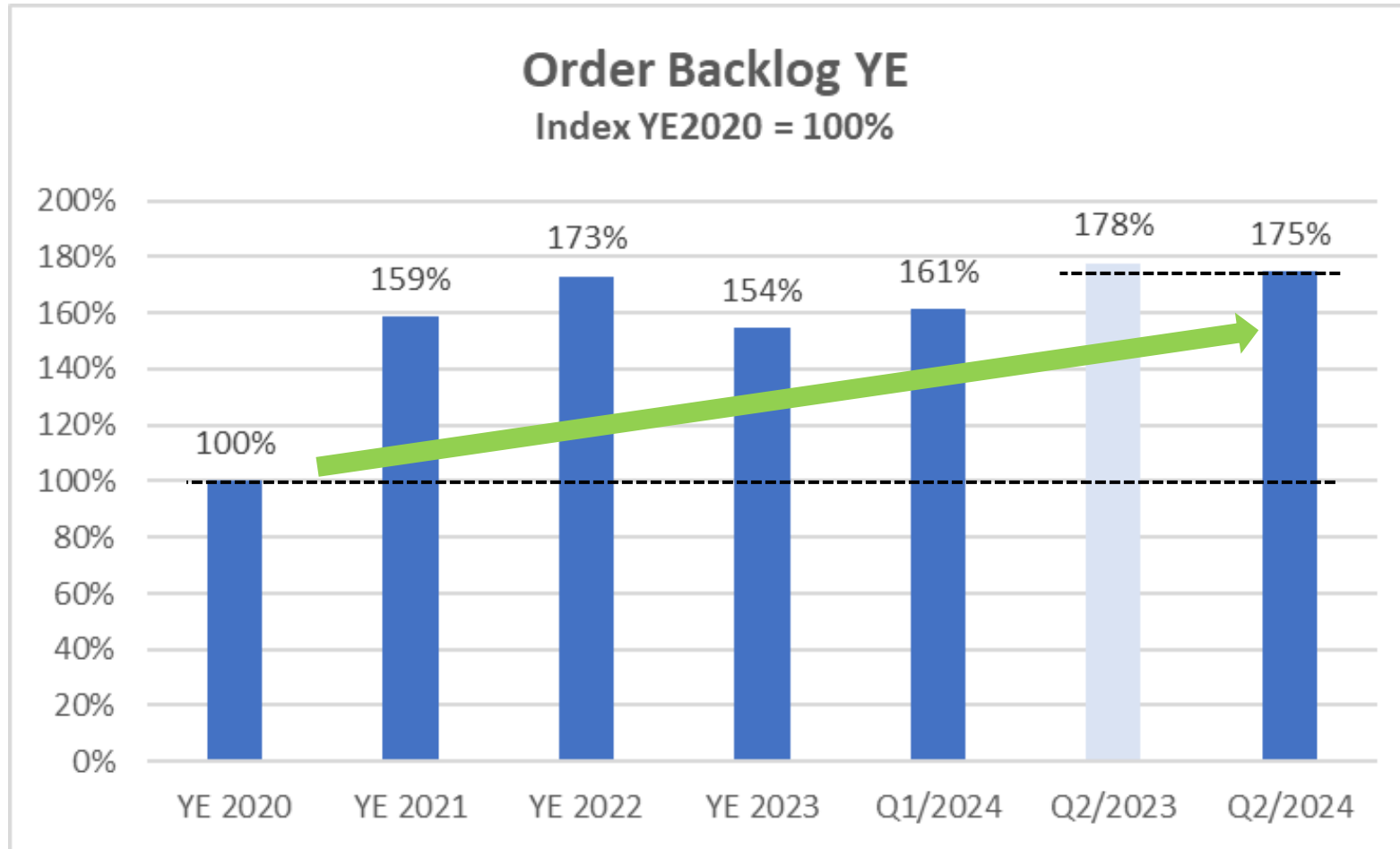
Equity ratio

- **Net operating working capital** increased relative to December 31, 2023, rising €0.9m or 1.1% from €83.5m to €84.4m. Relative to June of the prior year, the figure decreased by €13.8m or 14.1%, mainly due to lower trade receivables and inventories.
- **Free cash flow** increased to €20.1m (prior year: €6.5m).
- **Net financial debt** amounted to €56.4m whereas as of December 31, 2023, net financial debt was €41.9m (H1/23: €72.4m).
- The **equity ratio** increased compared to the prior year (H1 2023: 23,7%)



# Development of Order Backlog

Order Backlog still on high level after improving Order Intake in Q2/24



# Guidance 2024

	2023	Guidance 2024
Revenue	€489.5m	Similar level on prior year $\pm$ 3 percentage points
EBIT	€41.9m	Increase in mid-single-digit percentage range
Free cash flow	€46.1m	€m 30-40
ROCE	21.5%	$\pm$ 1 percentage point

This forecast is fundamentally subject to uncertainties. These can result, for example, from a possible escalation of the conflicts in Ukraine and the Middle East, a significant deterioration in economic conditions in key sales markets or additional burdens from structural adjustments.





***WashTec***

**CLEAN CARS®**



# Financial calendar 2024

Date

November 6<sup>th</sup>, 2024

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Quarterly statement Q1-3 2024

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