



Analyst Conference Call Q1 2020/2021

Bertrandt AG

February 2021

Q1 2020/21 at a glance: ...EBIT above break-even, FCF positive

P&L ➤ Sales: EUR 201.7m (-23.4% yoy) | EBIT: EUR +4.5m | margin: 2.2%

Cashflow ➤ Operating Cashflow EUR 60.7m (EUR 58.5m) | FCF EUR +43.2m (EUR +47.9m)

CapEx ➤ EUR -17.5m (EUR -10.6m) | Completion of Powertrain Solution Center

BS ➤ Balance sheet contraction (bond redemption): equity ratio 45.3%



➤ Employees: 12,039 (-1,438 yoy, -296 qoq)

Current market and customer environment: Automotive industry



Corona-virus and lockdown with adverse impact on car demand in Europe. Volatility persists.



Large volume of R&D projects in tender, but limited execution yet



European registrations down ca -20% in January 2021.



Bertrandt's cost optimization programme strictly implemented



Focus on future megatrends (Digitisation, Autonomous Driving, Connectivity, Electrification)



Customers review share of own work in development activities



Trend towards larger contract awards



Cost saving measures remain in place



Cost and efficiency pressure ongoing and addressed

Mid-term trends: Automotive industry



- Industry transformation continues
- Pre-Corona car sales not expected before 2023
- Regional recovery heterogenous



- Further regulations (e.g. Euro7)
- Variety of powertrain –
- Acceleration of eMobility
- Autonomous Driving: Cars L3, Trucks L4/5



- R&D budgets generally on high level
- New cooperations
- Global R&D networks

Current market and customer environment: Other industries



Corona-virus with adverse impact on civil aero, headcount safeguarded to be ready for recovery; non-civil sectors more resilient



Med-tech resilient; New Certification supportive

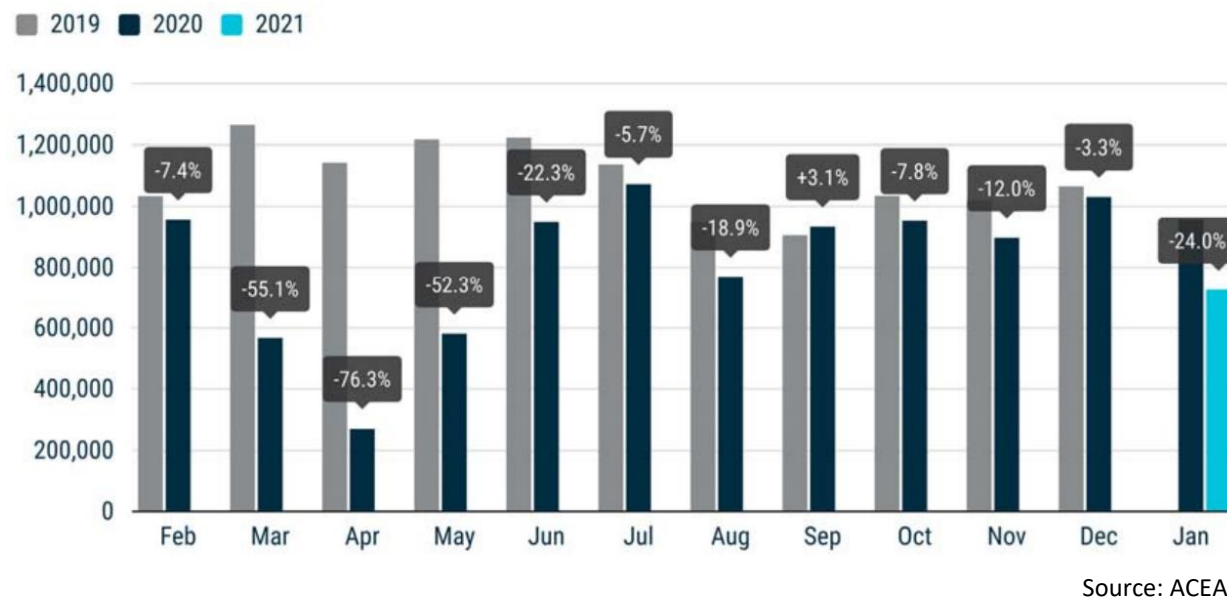


Global market for power engineering probably rather resilient.



Electrical, electronics, machinery and plant engineering industries expect deterioration in orders.

Car demand EU27: Recovery remains volatile



October down again as „second wave“ loomed

November/December suffered from local shut-downs and pandemic spread again

December (-3%) and full year 2020 (-24%):

- France -12% (2020: -26%)
- Spain -0% (2020: -32%)
- Italy -15% (2020: -28%)
- UK -11% (2020: -29%)
- Germany +10% (2020: -19%)

January 2021 (-24%)

- fewer amount of working
- Pull-forward effects to December (VAT, e-cars)

Group P&L Q1: EBIT performance cushioned by cost optimization

	Q1 2020/21 EUR million	Q1 2019/20 EUR million	Δ EUR million	
Total revenues	201.741	263.321	-61.580	- Working days (-2.5) - Capacity alignment - STW
Other operating income	2.824	2.005	819	- Headcount alignment - Reduction of holidays, accrued overtime - STW
Raw materials and consumables used	-16.090	-25.245	9.155	
Personnel expenses	-152.984	-190.462	37.478	
D&A	-14.225	-12.841	-1.384	- Stable qoq - Recent investments
Other operating expenses	-16.741	-22.490	5.749	
EBIT	4.525	14.288	-9.763	- Cost optimization (travel, marketing, consultants, social benefits, ...) - One-off costs (ramp-up, capacity)
Financial result	-1.428	-1.326	-102	
EBT	3.097	12.962	-9.865	
Other taxes	-526	-785	259	
Income taxes	-1.768	-3.466	1.698	- Foreign tax loss carry forward: future earnings prospects abroad not foreseeable
Net income	803	8.711	-7.908	
EPS (EUR)	0,08	0,86	-0,78	

Segments: internal reorganization leads to restatement of segments

EUR million	Digital Engineering				Physical Engineering				Electric/Electronic			
	Q1 2020/21	Q1 2019/20	Q1 2019/20 restated	Δ	Q1 2020/21	Q1 2019/20	Q1 2019/20 restated	Δ	Q1 2020/21	Q1 2019/20	Q1 2019/20 restated	Δ
Total revenues	97.301	146.099	138.722	-29,9%	47.453	56.783	69.975	-32,2%	56.987	60.439	54.575	4,4%
EBIT	595	4.629	5.566	-89,3%	7	4.123	4.194	-99,8%	3.923	5.536	4.528	-13,4%
<i>% margin</i>	<i>0,6%</i>	<i>3,2%</i>	<i>4,0%</i>		<i>0,0%</i>	<i>7,3%</i>	<i>6,0%</i>		<i>6,9%</i>	<i>9,2%</i>	<i>8,3%</i>	

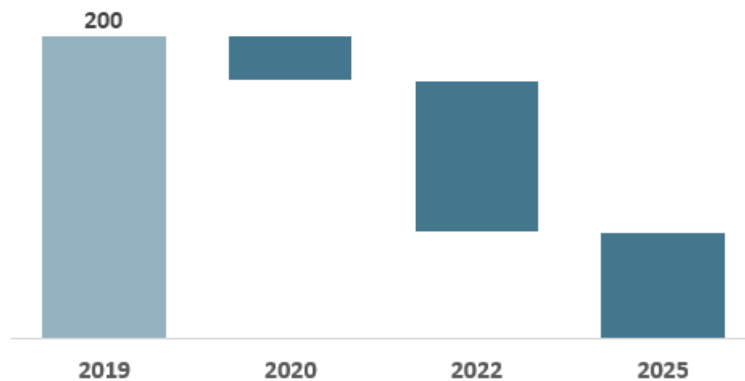
- Clear assignment of all testing & validation activities including digital services to Physical Engineering
- Pandemic predominantly impacting Digital Engineering and Physical Engineering (e.g. test drives)
- Physical Engineering: late-cyclical impact of first lock-down (e.g. missing test objects)
- Ramp-up charges affecting Physical Engineering

Pooling of automotive competencies in four Divisions

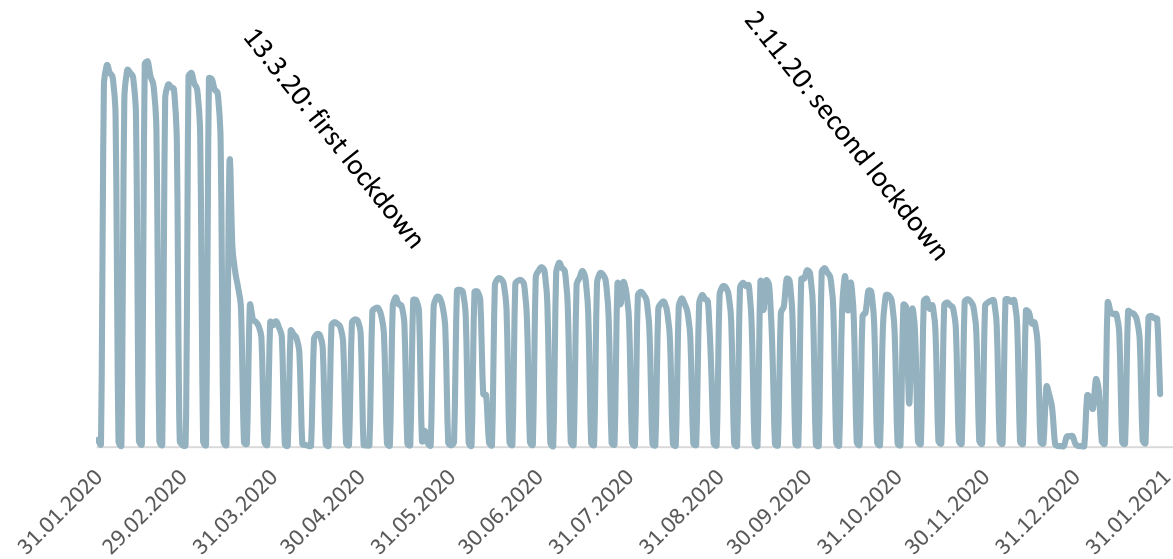


Focus on balance sheet and cash

- Gross liquidity: EUR 191m (Q1 2019/2020)
- CapEx up yoy (completion of test centers)
- Undrawn credit facilities: EUR >200m
- Debenture bond (Schuldschein) of EUR 200m with long maturity profile and without covenants



Corona-virus: protection of employees



In-office time recording significantly dropped since week 12

Up to 7,000 access points for mobile work available

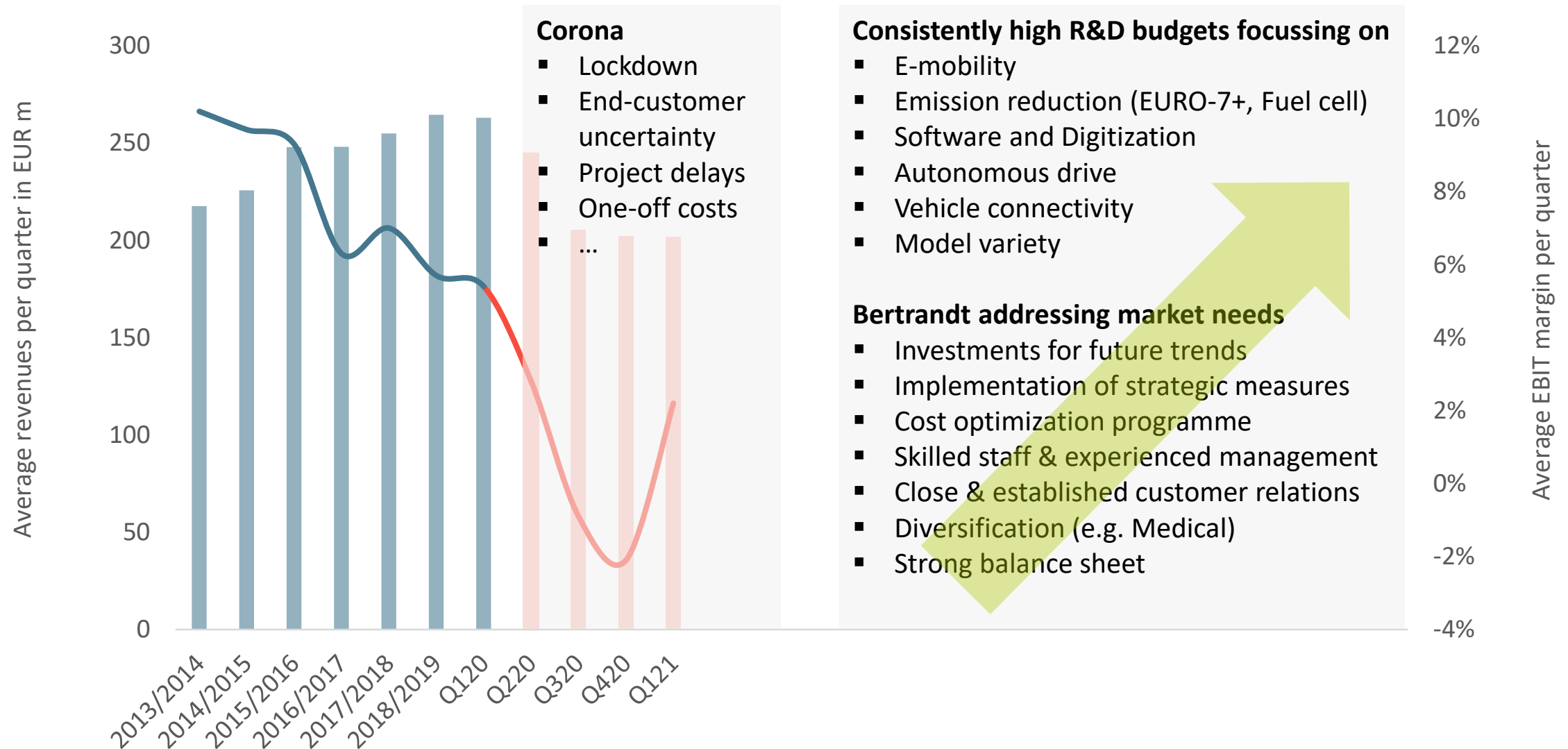
Efficient use of infrastructure as mobile work will remain part of our future work model

Opportunities but also challenges for employees and management

FY 2020/2021: Corona affecting H1 at least

- Economic uncertainty persists and is even increasing with „second wave“ and harsh lockdown materializing
- Extraordinary uncertainty for guidance
- Generally two scenarios in FY 2020/2021 possible depending on easing or worsening of the pandemic environment
- Any narrowing of guidance will be frequently examined, but depends on the overall economic and industry-specific environment

R&D market provides mid-term opportunities



We set the course for the future



- ✓ – Counter-measures installed to weather the impact of the pandemic
- ✓ – Liquidity and cash safeguarded
- ✓ – Strategic investments in mega trends
- ✓ – Dedicated organizational alignment to changing market dynamics
- ✓ – Market provides opportunities and trends for a successful future

INVESTOR PRESENTATION

BACK-UP: FINANCIAL CALENDAR

Bertrandt AG

Back-up: Financial calendar

24 February 2021	Q1 release
26 February 2021	Annual General Meeting (virtual)
20 May 2021	Q2 release, Capital Market Day
09 August 2021	Q3 release
09 December 2021	FY 2020/2021, Analyst and Press conference
23 February 2022	Annual General Meeting

[FY 2019/2020 Annual report](#)

[FY 2019/2020 ESG report](#)

Contact details

Markus Ruf

Member of the Board, Finance

Björn Voss

Head of Investor Relations

Managing Director Finance (Bertrandt Ingenieurbüro GmbH)



Bertrandt AG, Birkensee 1, 71139 Ehningen



+49 7034 656 4201



bjoern.voss@bertrandt.com



www.bertrandt.com

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