



Investor Presentation

Bertrandt AG

March 2022

Agenda

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02 Markets and
customer environment

03 Investment Highlights & Opportunities

04 Outlook

05 Back-up

INVESTOR PRESENTATION

Bertrandt AG

BERTRANDT AT A GLANCE

Bertrandt Group



Founded by
Harry Bertrandt



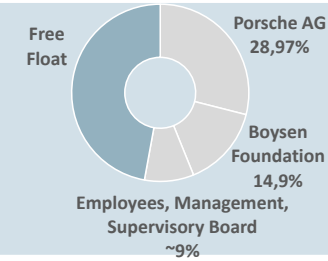
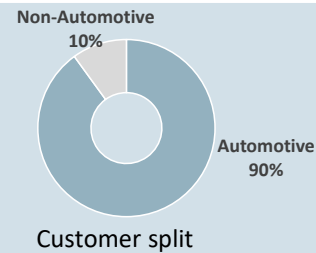
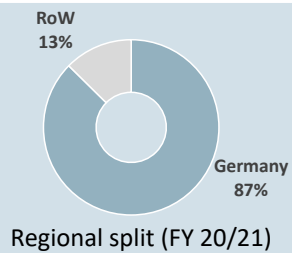
Total Revenues
FY 2020/21: EUR 849m



~12.000
employees



More than 50 locations globally



From the initial idea to production readiness



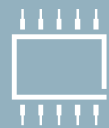
Design



Vehicle Body



Interior



Electronics



Powertrain



Chassis



Simulation



Testing



Engineering
Services

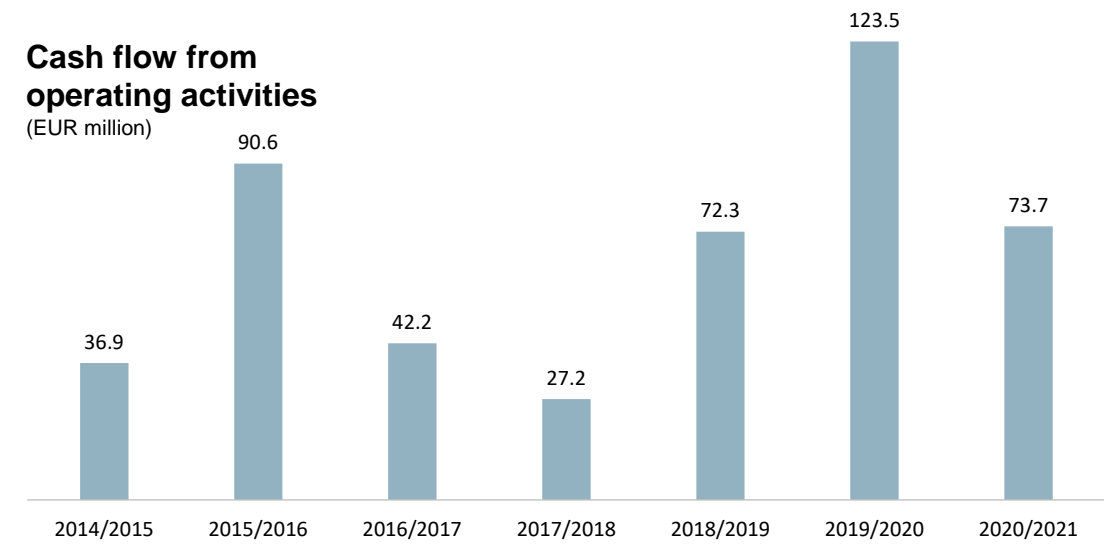
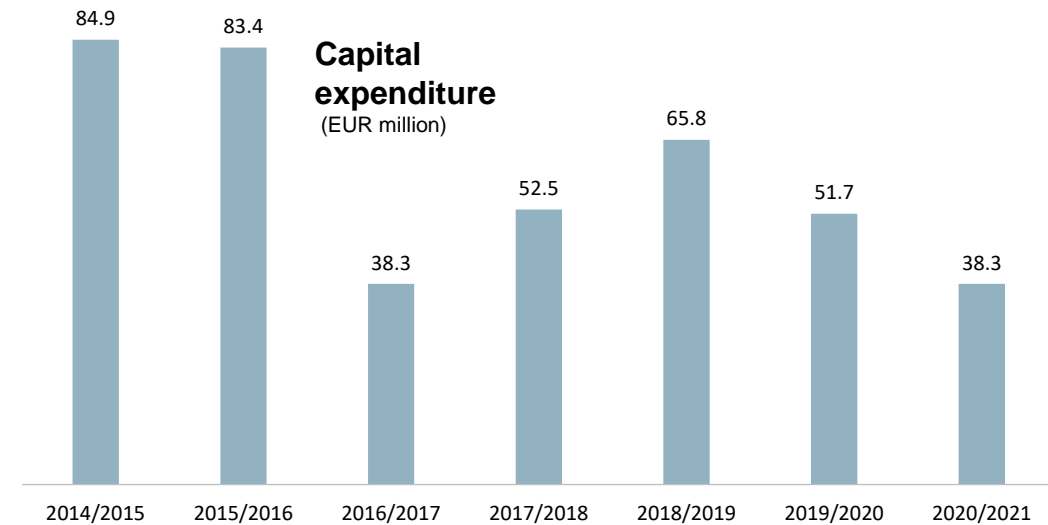
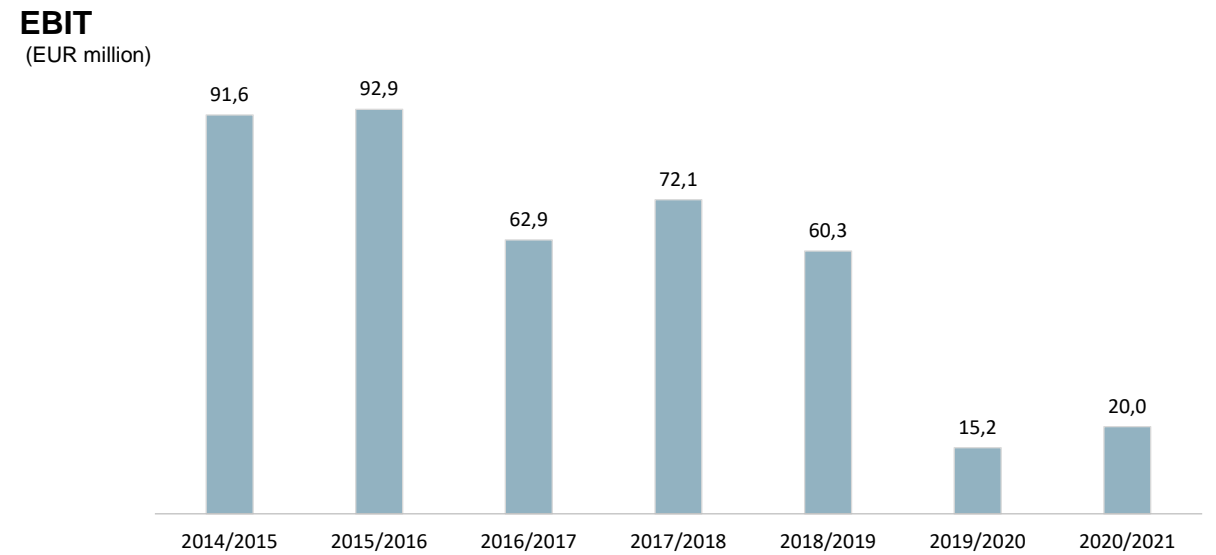
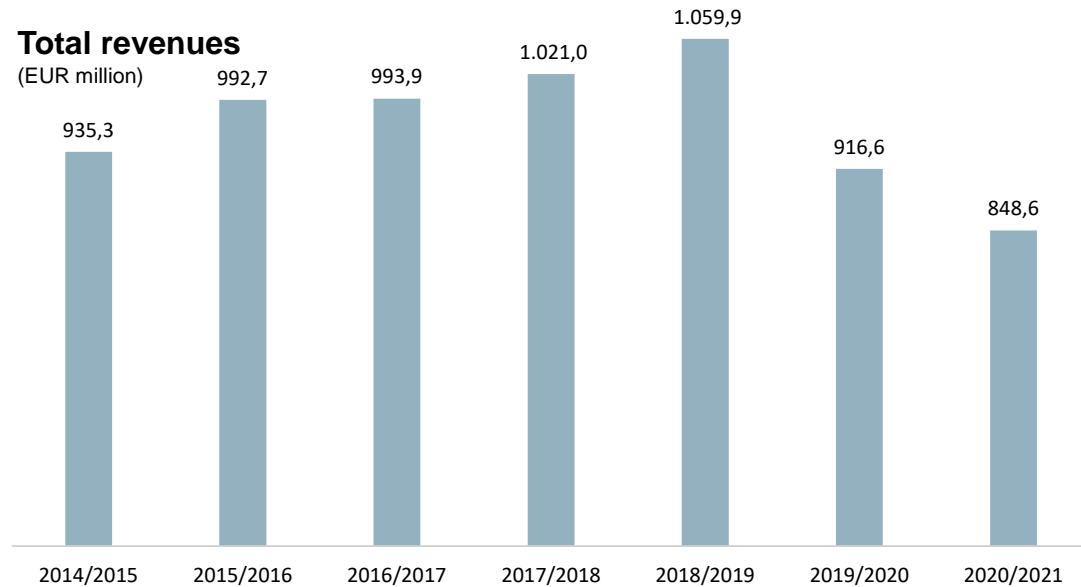
All Services For All Customers



Sustainability Part Of Corporate Strategy



Key figures development



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MARKETS AND CUSTOMER ENVIRONMENT

Current market and customer environment: Automotive industry



Sustainable mobility drives industry transformation



High amount of RFQs



European registrations down yoy and ca. 25% below 2019



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



Economic recovery dependent on further development of pandemic and at risk due to energy inflation



Cost and efficiency pressure ongoing and addressed

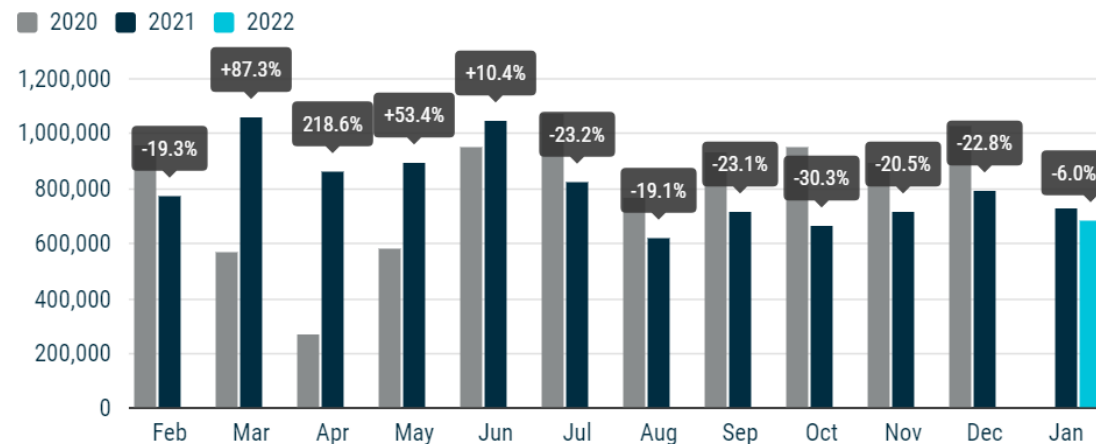


R&D budgets still at high levels and linked to customer cash generation



No direct impact from chip shortage and Ukraine war, but industry sentiment depressed

Car demand EU27: Recovery from low levels, but demand still below pre-Corona



Source: ACEA

- In 2021, the EU car market fell 25% short of the level seen in 2019 (-3.3m units)
- In January 2022, EU passenger car registrations continued to fall (-6.0%) to reach 682,596 units and marking a new historic low in EU car sales for the first month of the year
- February expected to reach January registration levels

Current market and customer environment: Industries



Electrical industry:
Forecast 2022:
Recovery continues



Med-Tech:
Forecast 2022:
Heterogenous development
dependent on pandemic-
related base effects



**Mechanical & Plant
Engineering:**
Forecast 2022:
Generally positive
sentiment

Current market and customer environment: Aviation

Aviation industry:

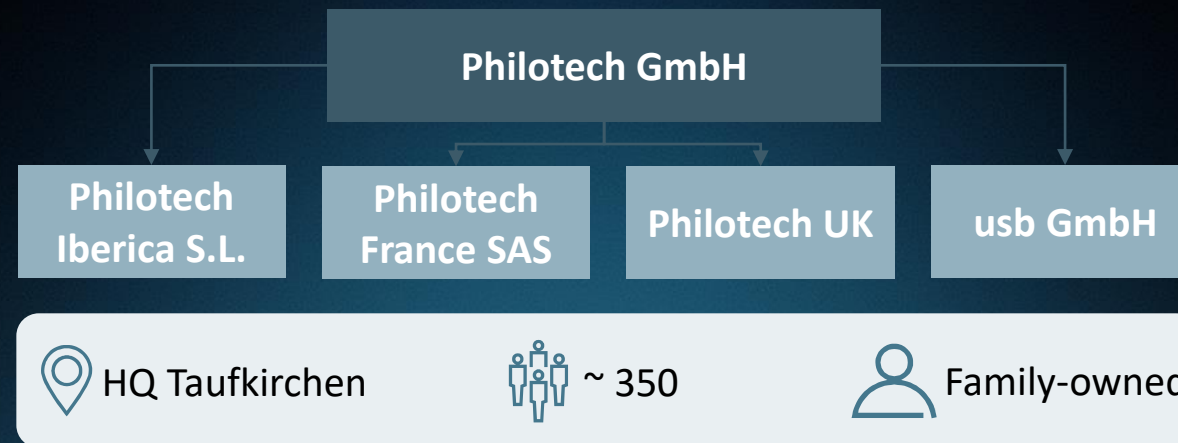
- Demand for air travel recovery subject to pandemic
- Generally growing demand for modern and efficient aircrafts
- Investments in low-emission aircraft with long operating range and innovative technologies
- Increasing relevance of sustainable aviation

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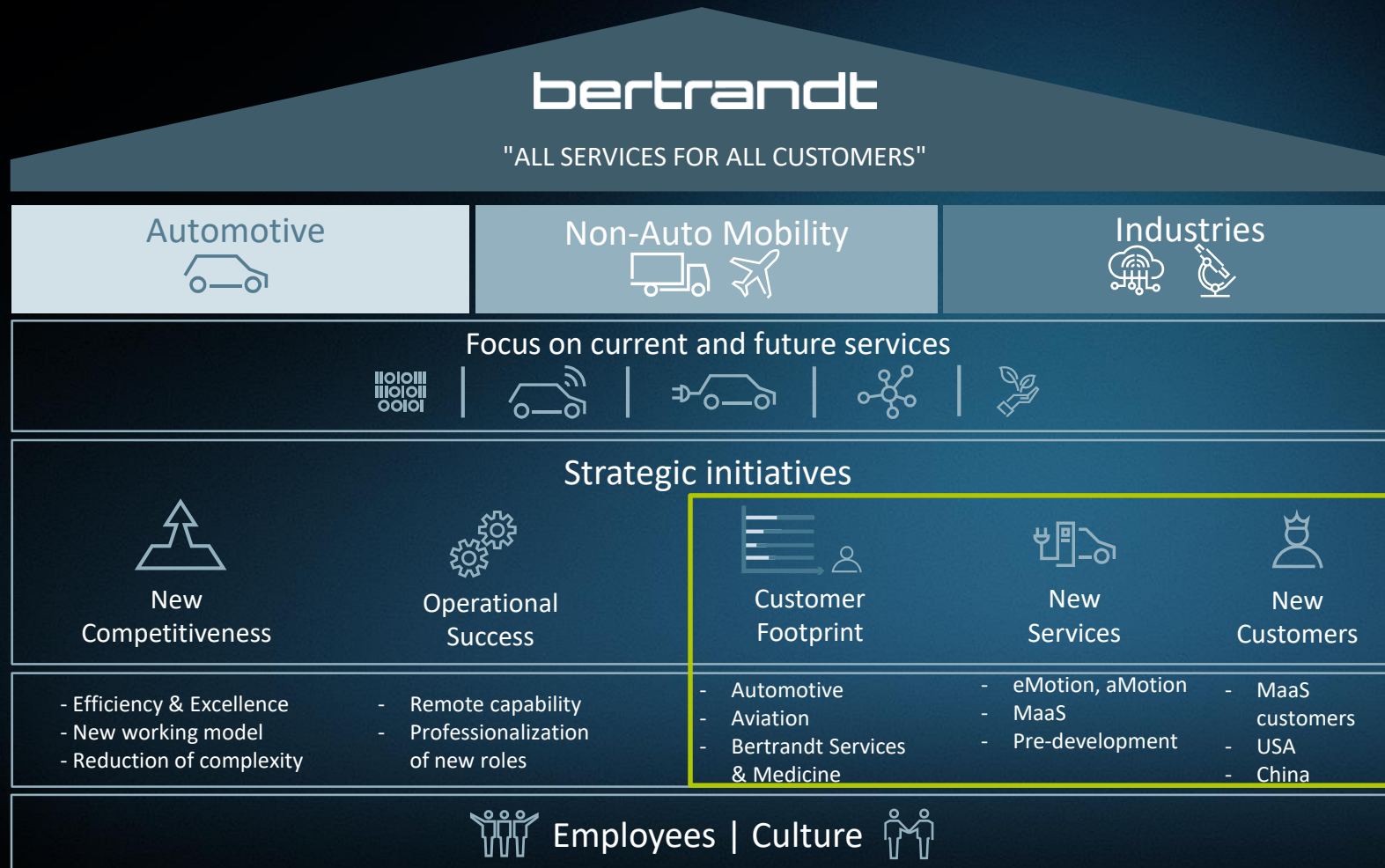
INVESTMENT HIGHLIGHTS & OPPORTUNITIES

PHILOTECH IN A NUTSHELL



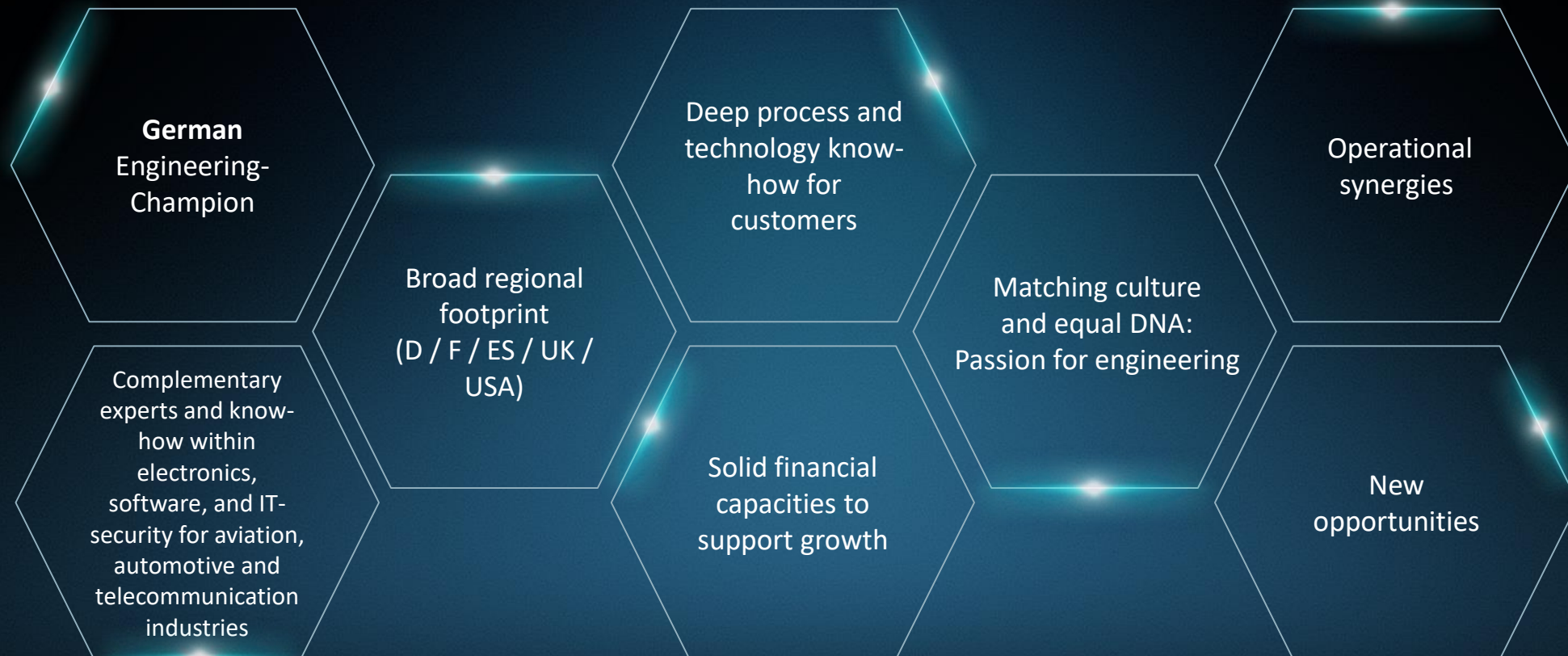
- Philotech Group (Philotech): founded 1987
- Key customer industries: aviation, automotive, telecommunication
- Key services: electronics, software, IT- & cyber-security
- Hidden Champion: „Mittelstand“-company with strong footprint in highly attractive niche services
- Subsidiaries: France, Spain, UK
- Solid balance sheet

STRATEGIC RATIONALE



- Highly complementary footprint: skills/know-how and regional setup enabling Bertrandt to increase customer services
- Deepening skill-set in megatrends (Software, Electronics, Cyber-Security)
- Cross-selling opportunities for combined entity
- Acquisition in line with diversification strategy
- Strongly growing, profitable business stand-alone and with upside through top-line and operational synergies

SYNERGIES



TRANSACTION SUMMARY

Acquisition Target

- 100% of Philotech GmbH including subsidiaries in Germany, France, Spain and UK

Financials/Financing

- Purchase price to be paid from existing cash
- No PPA effects

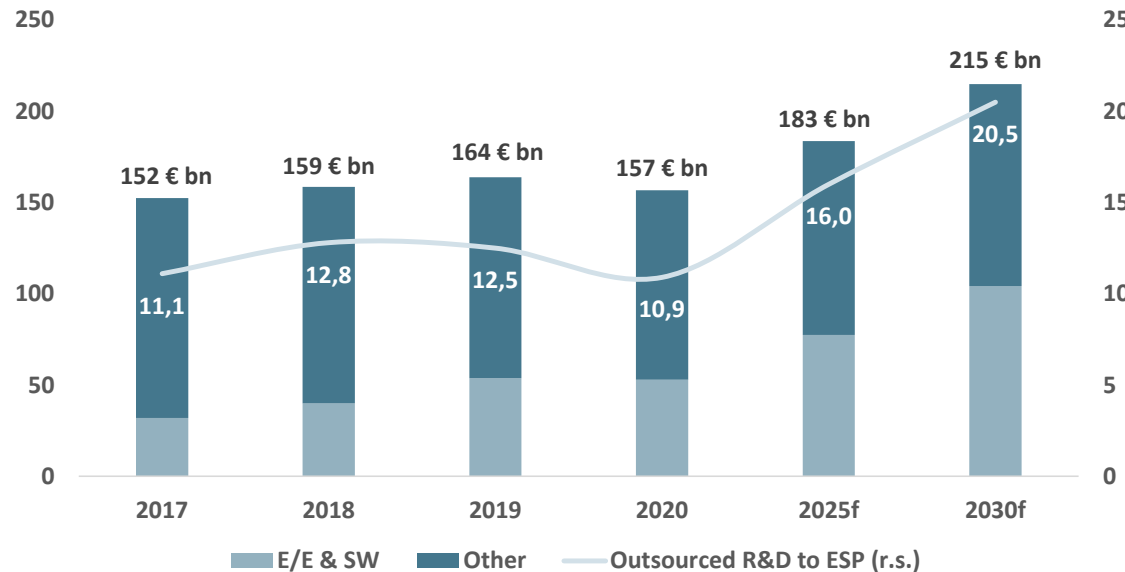
Conditions & Timing

- Philotech management to be part of Bertrandt
- Approval from German anti-trust authority
- Closing settled end of January 2022

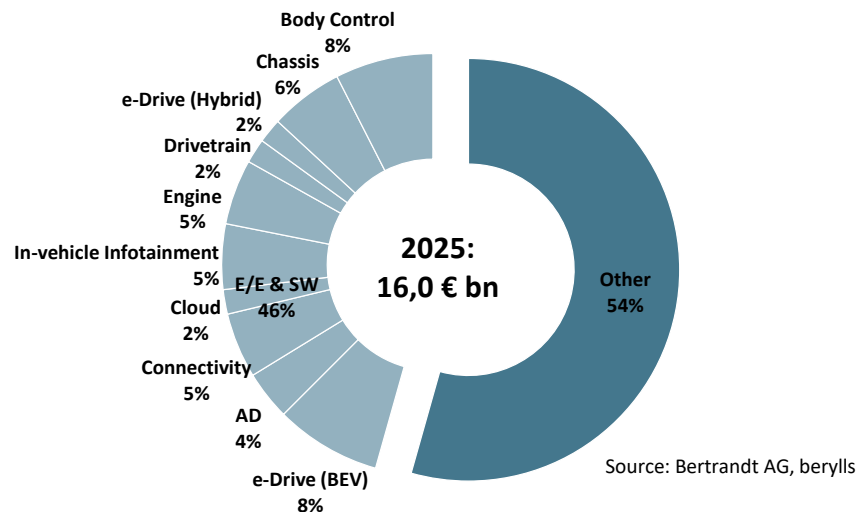
Strategic rationale

- Highly complementary footprint regarding skills/know-how and regional setup enabling Bertrandt to increase customer services
- Enlarging skill-set in megatrends (Software, Electronics, Cyber-Security)
- Cross-selling opportunities for combined entity

The automotive R&D market



Source: Bertrandt AG, berylls



Source: Bertrandt AG, berylls

- Global automotive R&D market to reach EUR 215bn by 2030f (CAGR 2020-2030f: +3.2%)
- E/E & SW R&D becomes increasingly important (2020: EUR 53bn, 2030f: EUR 104bn, CAGR: +7.0%)
- Outsourced R&D to reach EUR 20.5bn by 2030f (2020: 10.9bn)
 - Outsourcing ratios have been increasing from ~7% (2017) to ~10% (2030f) globally
 - Very heterogenous outsourcing strategies among OEMs in different countries
- E/E & SW R&D (2017: EUR 4.5bn, 2025f: EUR 7.4bn, 2030f: EUR 11.7bn) increasingly important for ESPs with AD, connectivity, and e-mobility being the main driver
- E/E & SW R&D split over various engineering services

Innovation and growth drivers – industry megatrends

eMotion

Development, integration, validation of components, systems or complete vehicles



aMotion

Integrated specialist for all ADAS/AD-functions (L1-5)



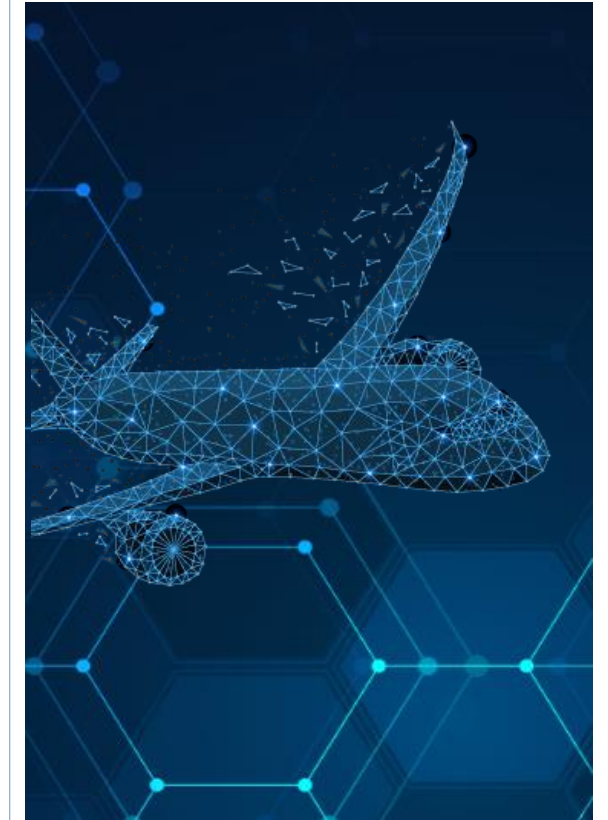
Sustainability

End markets, business model and group strategy



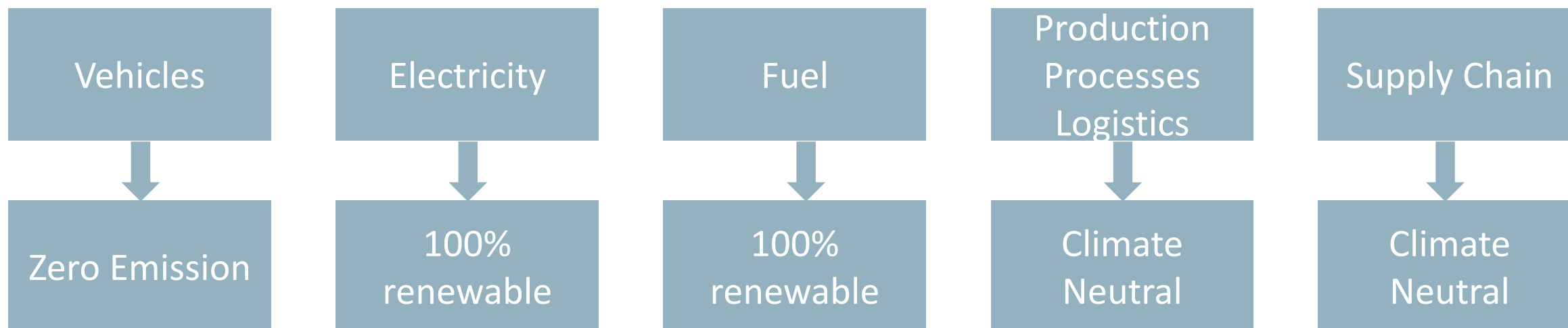
Aviation

Partner and preferred supplier for the aviation industry



Vision 2050: Climate Neutrality

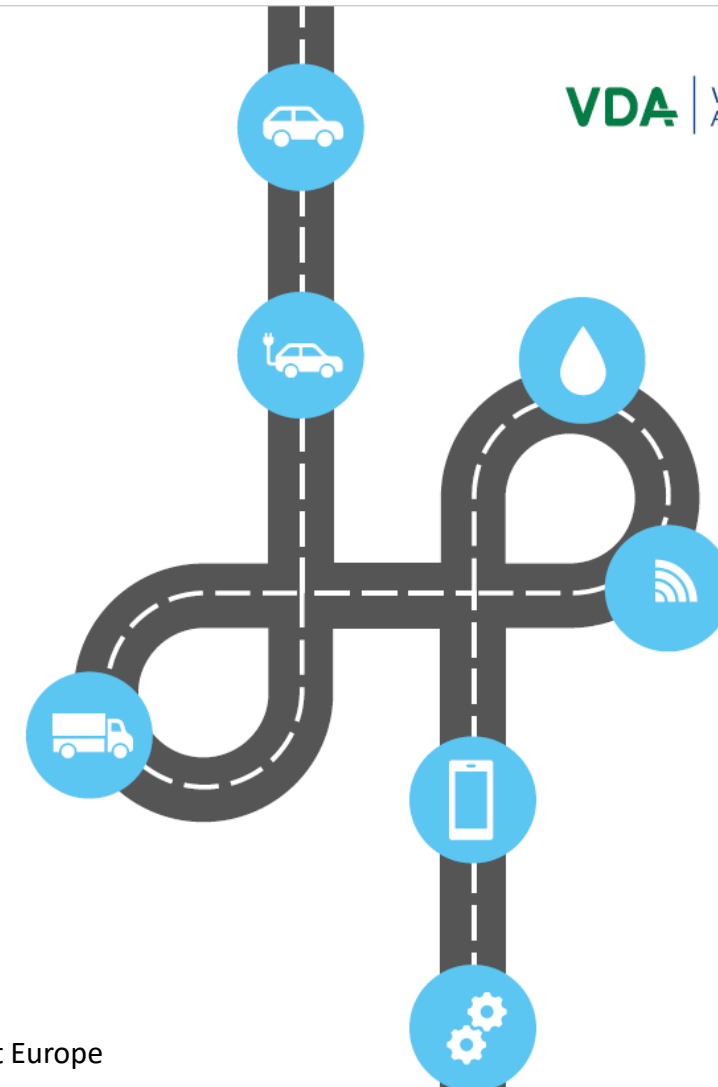
The German automobile industry realizes climate neutrality in the transportation sector by **2050** at the latest including the supply chain



Source: VDA

Bertrandt addresses all drivers for individual mobility

- 
Individual Mobility
 Remains core need for people
- 
Electric Mobility
 Will dominate in the car segment
- 
Commercial Vehicles
 Electrification/Fuel cell (depending on purpose)
- 
Hydrogen and Fuel Cell
 Important as an alternative technology and for achieving climate targets
- 
Automated and autonomous driving
 Key driver for future valued-added
- 
Digital Services
 Increasingly important element for supply chain
- 
Combustion engine still essential
 For some markets like South America, Africa, partially South-East Europe



Source: VDA

High-voltage battery test centre



State-of-the-art test center with an investment volume of over EUR 15 million:

- 24 HV channels
- 9.600 kW HV
- 12 climate chambers
- Temperature range from -60 °C to +120 °C

Validation of various high-voltage batteries under various climate and load conditions

HV components and complete vehicles

Construction of battery prototypes in special high-voltage workshop

Design of battery housings, integration and development of battery management systems, full range of electronics engineering

Bertrandt Powertrain Solution Center



Volume of capital spending of around EUR 80 million with new buildings at our locations in:

- Wolfsburg
- Munich (under construction)

8 all-wheel-drive climatic chassis dynamometer with 2 height chambers

Altitude simulation up to 4,200 m

Temperature range from -25 °C to +45 °C

Velocities of up to 300 km/h

Validation and homologation of all types of powertrains such as BEV, PHEV, HEV, ICE, FCV (fuel cell), HFCV (hydrogen FC), AFC (alternative fuels)

Environmental simulations

Real Driving Emissions

Euro 7 ready

Validation of vehicle handling/fuel consumption/emissions

Bertrandt Medical



Expansion of resources and service portfolio to meet special medical technology requirements

Classic product development

Increased demand for quality management, regulatory affairs, risk management, equipment qualification and process validations

ISO certification in 2020 to meet high regulatory and extraordinary safety and quality requirements. Prerequisite for further growth.

INVESTOR PRESENTATION

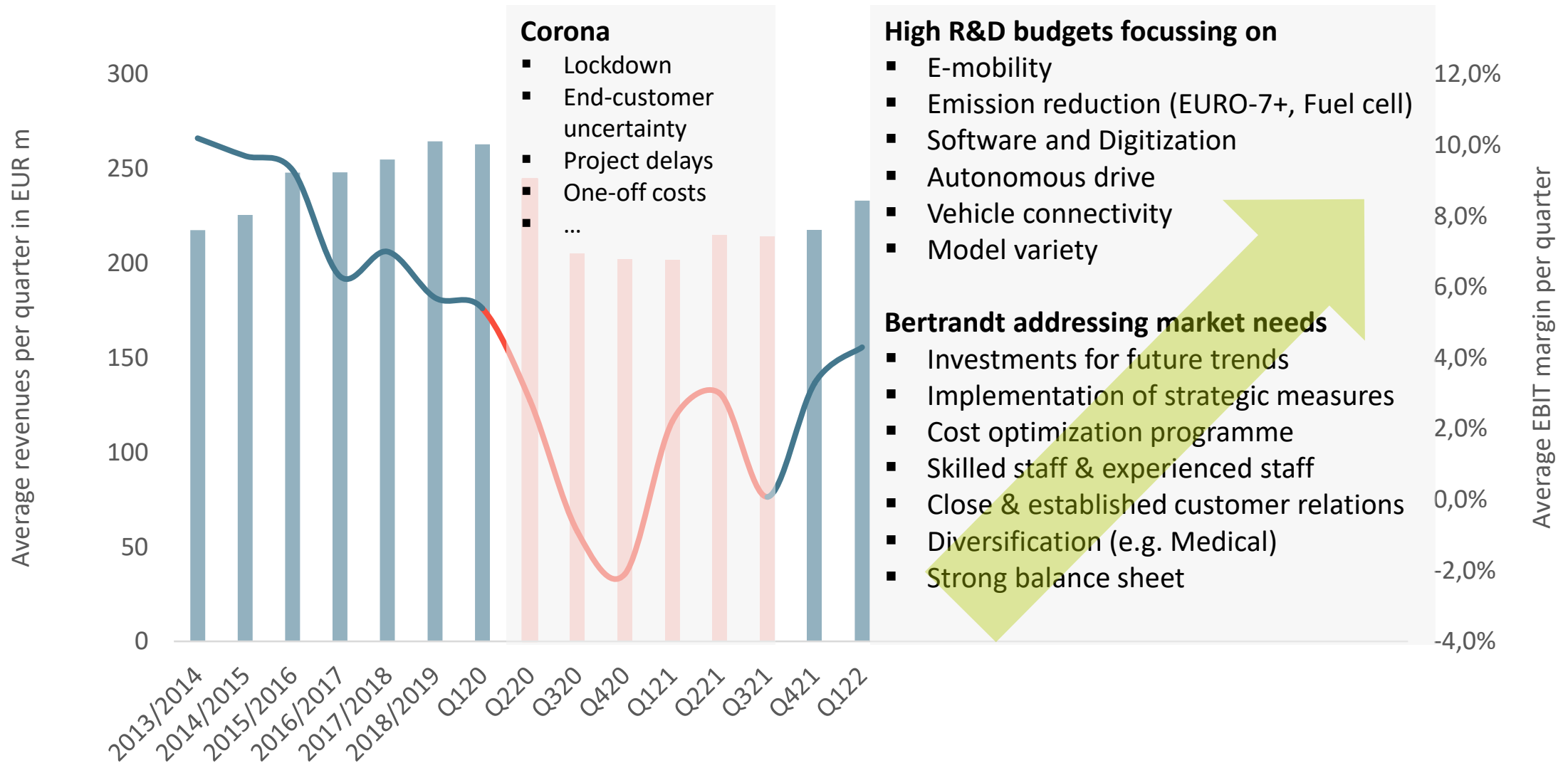
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OUTLOOK

Outlook FY 2021/2022

- Opportunities and threats for economic and industry-specific environment
- External factors and events (e.g. pandemic, indirect impact from supply restraints, geopolitical crisis) lie beyond management's sphere of influence
- Political framework such as the Green Deal or other environmental measures require high investments in mobility and other industries mid- to long-term
- External market research foresees growth opportunities for ESPs driven by megatrends such as Digitization, ADAS, Connectivity or e-mobility

Back to growth



Summary



- ✓ Pandemic not overcome yet, but counter measures in place
- ✓ Utilization increasingly improved and further normalization expected in fiscal year 2021/2022
- ✓ Flexibility thanks to solid financial position
- ✓ Consequent execution of strategic initiatives such as diversification
- ✓ Prospects also reflected in guidance

Guidance FY 2021/2022 – Update after Philotech acquisition



EUR 100-140m

increase
in total revenues to
EUR 950-990m



4-7%

EBIT margin
(prior year: 2.4%)



Positive

cashflow from
operating activities



EUR 30-50m

CapEx

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BACK-UP

Highlights

Q1 with sales (EUR 233.2m, +16% yoy) and EBIT (EUR 9.9m, +119%) up yoy and qoq

Utilization increasingly normalizing with recovery in France being slower than in other markets

EBIT benefitted from higher utilization and cost-cutting initiatives

Strategic milestone: Airbus awarded Bertrandt as EMES³ Preferred Supplier

Acquisition of Philotech strengthens footprint in megatrends, consolidation from Q2 2021/2022

More than 2,000 vacancies

Around 700 colleagues in near-shore countries



Q1 2021/22 at a glance

P&L

➤ Sales: EUR 233.2m (EUR 201.7m) | EBIT: EUR 9.9m (EUR 4.5m) | margin: 4.3% (2.2%)

Cashflow

➤ Operating Cashflow EUR 25.1m (EUR 60.7m) | FCF EUR 19.9m (EUR 43.2m)

Investments

➤ EUR 5.2m (EUR 17.5m)

BS

➤ Equity ratio 45.0% (45.3%)



➤ Employees: 12,108 | “We are hiring“: vacancies > 2,000

Group P&L Q1: Improving utilization drives EBIT

	Q1 2021/22	Q1 2020/21	
	EUR million	EUR million	Δ EUR million
Total revenues	233.167	201.741	31.426
Other operating income	2.349	2.824	-476
Raw materials and consumables used	-23.266	-16.090	-7.176
Personnel expenses	-168.435	-152.984	-15.451
D&A	-14.373	-14.225	-148
Other operating expenses	-19.529	-16.741	-2.788
EBIT	9.912	4.525	5.387
Financial result	-2.016	-1.428	-588
EBT	7.896	3.097	4.799
Other taxes	-503	-526	23
Income taxes	-2.901	-1.768	-1.133
Net income	4.492	803	3.689

- Project-related increase in cost of material
- Personnel expenses increased due to new hires and reduction of short-time work; ratio normalized to 72% in Q1
- Higher other operating expenses due to recruiting, sales initiatives, government-mandated measures such as lateral flow tests

All segments recorded growth

Segments	Q1 2021/22	yoy	% yoy
Digital Engineering			
Total revenues (EUR million)	116.989	19.688	20.2%
EBIT (EUR million)	6.734	6.193	1.031.8%
Physical Engineering			
Total revenues (EUR million)	50.459	3.006	6.3%
EBIT (EUR million)	-1.434	-1.441	-
Electrical Systems/Electronics			
Total revenues (EUR million)	65.720	8.773	15.3%
EBIT (EUR million)	4.612	689	17.6%

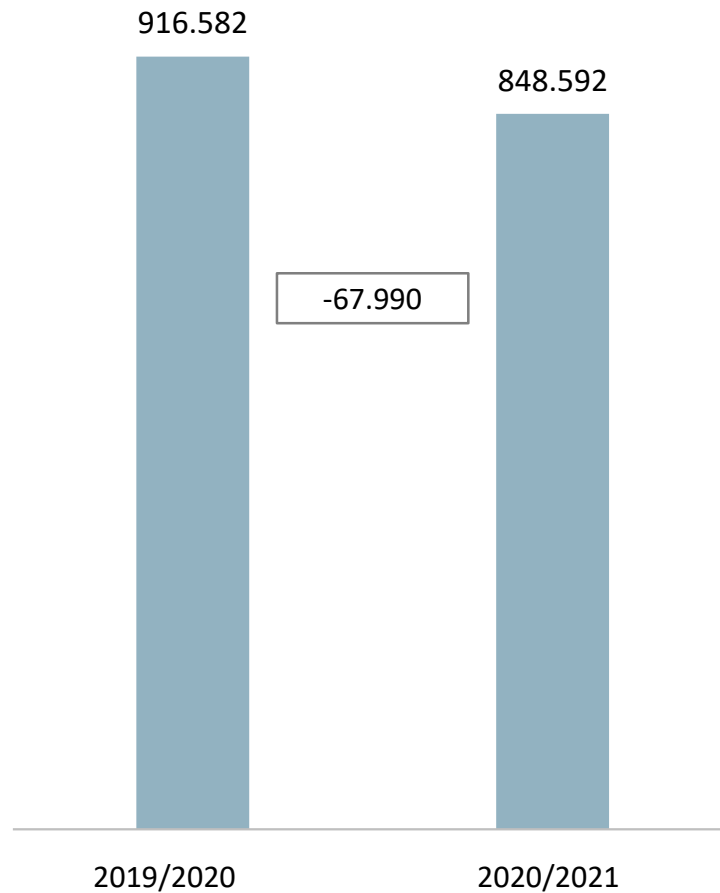
- Digital Engineering: improving utilization
- Physical Engineering: PZN/PZS ramp-up
- Electric/Electronic: mobility mega-trends driving performance

Human Resources

- Recruitment initiatives intensified globally
- More than 2,000 vacancies in Electronics, Software, Near-shore
- Strong growth in non-mobility activities, aeronautics, in the US, and in Romania
- Around 700 colleagues in near shore countries

Total Revenues

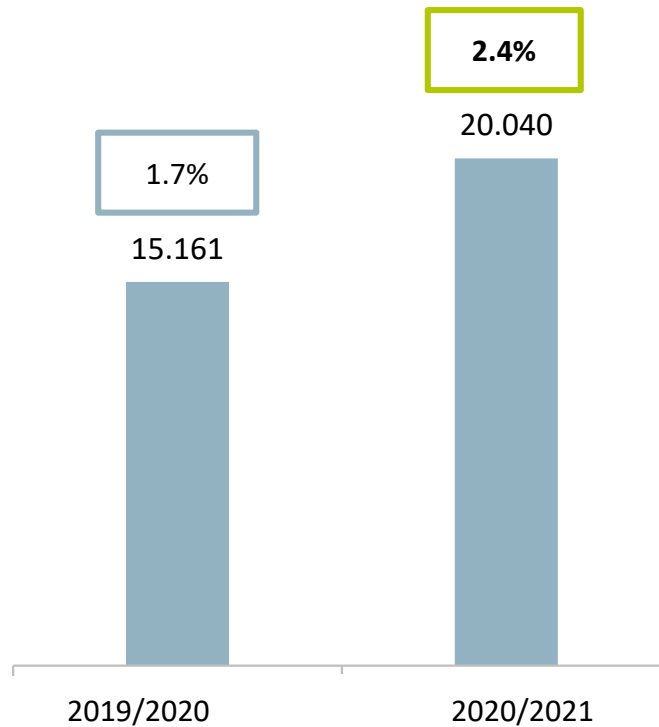
Total revenues
(in EUR m)



- Group revenues: -7% yoy
 - Germany -6% yoy
 - RoW -14% yoy (predominantly France)
- Segment performance
 - Digital Engineering -12% yoy
 - Physical Engineering -14% yoy
 - Elektric/Elektronik +10% yoy

EBIT

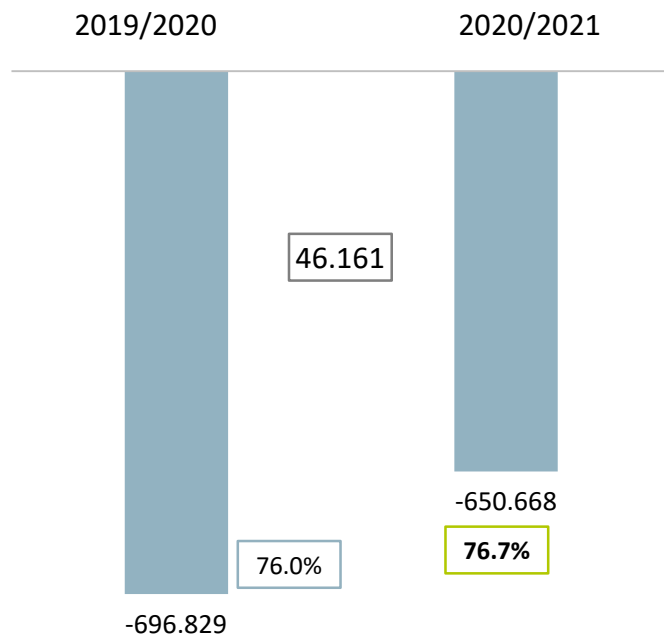
EBIT and margin (in EUR m)



- All quarters with positive EBIT contribution
- Pandemic impacted EBIT especially in Q1 and Q2 yoy. EBIT in Q3 and Q4 up yoy due to improved utilization
- Segments | Earnings contribution
 - Digital Engineering | EUR +6.6m
 - Physical Engineering | EUR -1.4m
 - Elektric/Elektronik | EUR +14.8m

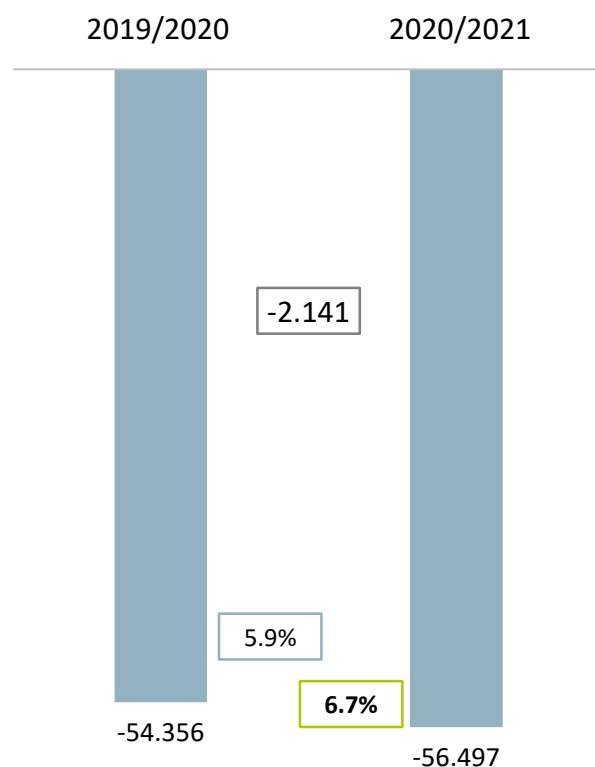
Key expenditure figures

Personnel expenses (in EUR m)



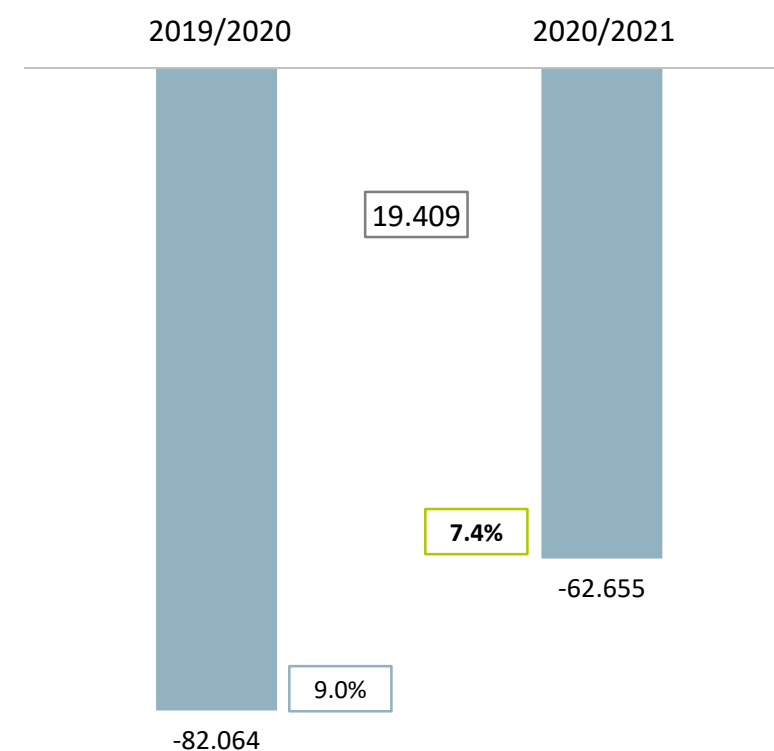
- Flex instruments such as reduction of accrued overtime, holidays and short-time work
- Headcount
- One day of special leave as part of compensation plan in FY 2020/2021

D&A (in EUR m)



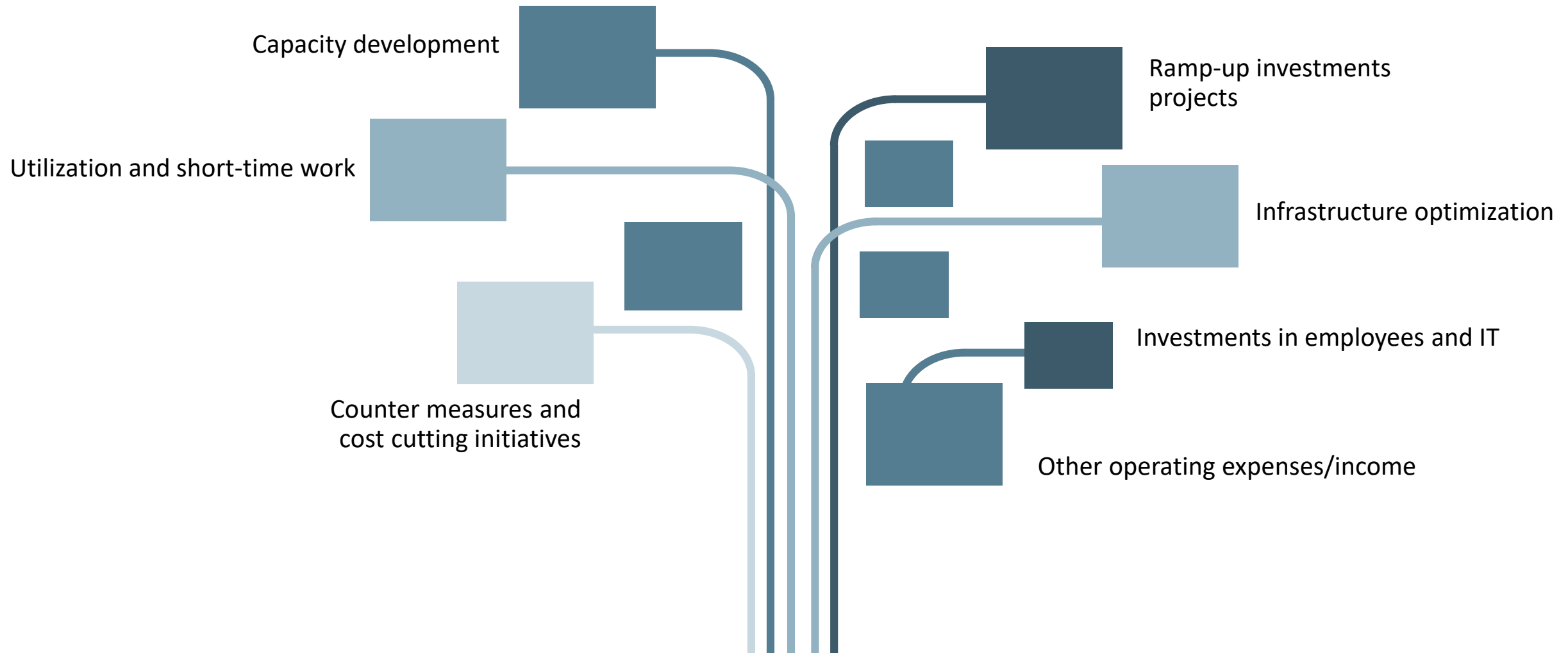
- Commissioning of investment projects from prior years

Other operating expenses (in EUR m)

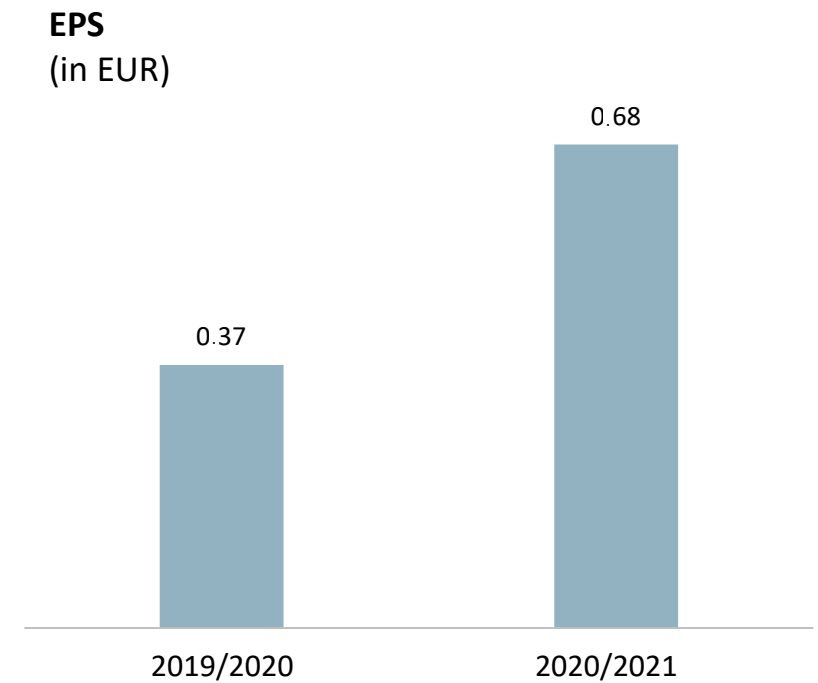
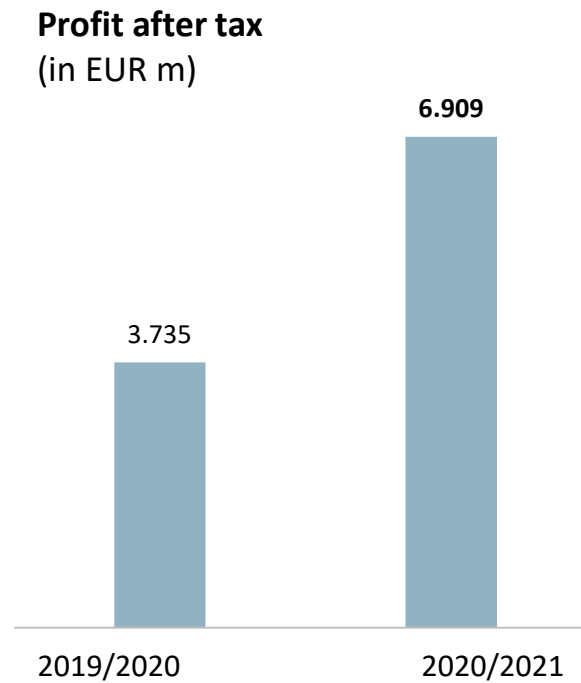
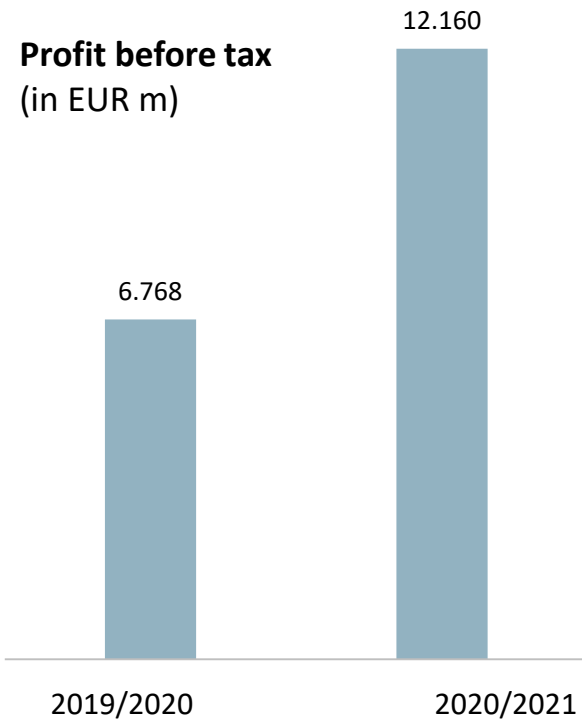


- Cost reduction and earnings enhancement programm
- Infrastructure costs with further upside in subsequent years

Total revenues and EBIT impacted by...

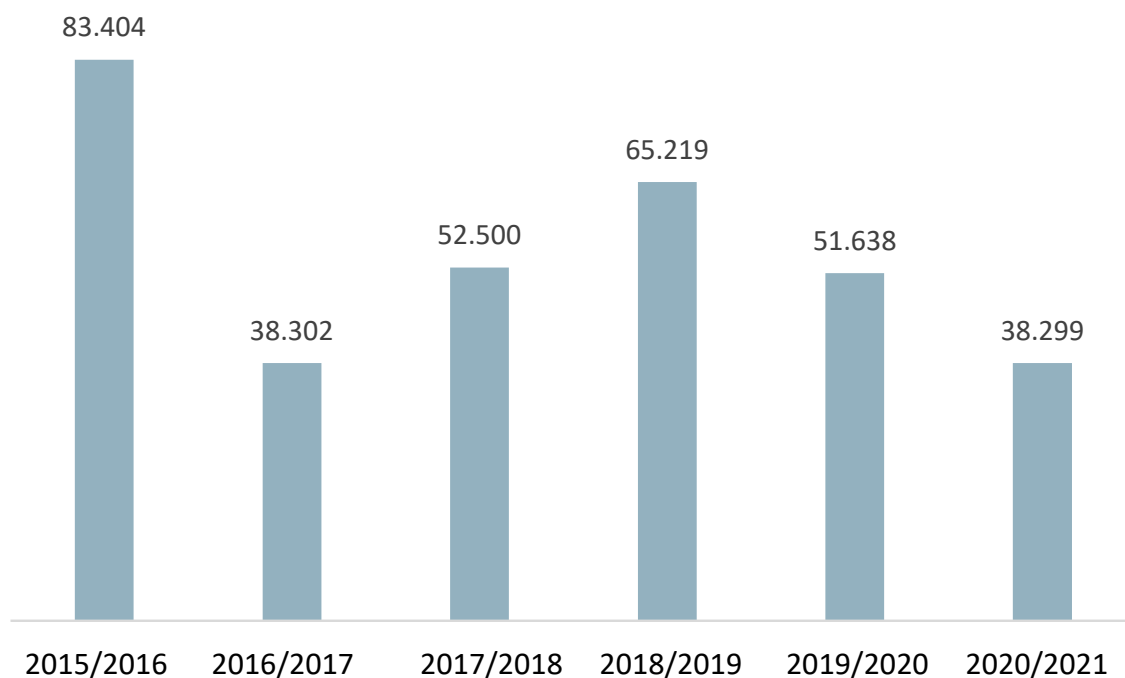


Earnings



Financial and asset position

Investments (in EUR m)



- Expansion of infrastructure follows megatrends and customer requirements
- FY 2020/2021: investments predominantly for projects under constructions in advanced status (e.g. Bertrandt Powertrain Solution Center in Tappenbeck and Freising)
- Multi-year capex cycle almost finished

Consolidated P&L

	2020/2021		2019/2020		comparison	
	EUR million	% of total	EUR million	% of total	EUR million	%
Total revenues	848.592	100 %	916.582	100 %	-67.990	-7 %
Other operating income	13.490	2 %	8.771	1 %	4.719	54 %
Raw materials and consumables used	-72.222	-9 %	-76.943	-8 %	4.721	-6 %
Personnel expenses	-650.668	-77 %	-696.829	-76 %	46.161	-7 %
Depreciation	-56.497	-7 %	-54.356	-6 %	-2.141	4 %
Other operating expenses	-62.655	-7 %	-82.064	-9 %	19.409	-24 %
EBIT	20.040	2 %	15.161	2 %	4.879	32 %
Net finance invome	-5.900		-5.231		-669	13 %
Profit from ordinary activities	14.140		9.930		4.210	42 %
Other taxes	-1.981		-3.162		1.182	-37 %
Earnings before tax	12.160		6.768		5.392	80 %
Income taxes	-5.251		-3.033		-2.218	73 %
Post-tax earnings	6.909		3.735		3.174	85 %

Financial and asset position

Equity and equity ratio
(in EUR m)

42.7%

403.431

44.6%

408.828

2019/2020

2020/2021

Cashflow from operating activities
(in EUR m)

123.521

73.662

2019/2020

2020/2021

Free Cashflow
(in EUR m)

72.180

35.902

2019/2020

2020/2021

– Equity and equity ratio improved

– Working capital management drives cashflow generation in both periods

– CapEx limited to strategic investments

- FY 20/21 | EUR -35.7m

- FY 19/20 | EUR -48.5m

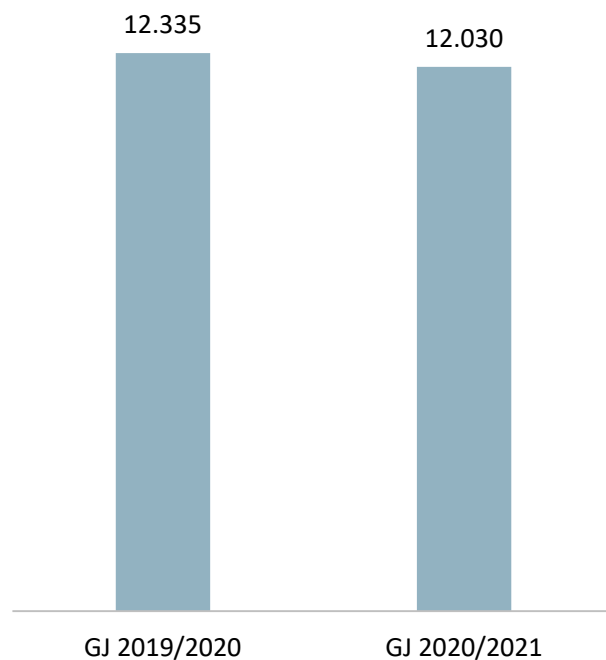
Consolidated Balance Sheet

Assets	30.09.2021 EUR million	30.09.2020 EUR million	comparison EUR million	%
Property, plant and equipment	391.406	413.056	-21.650	-5 %
Non-current assets	440.675	464.797	-24.122	-5 %
Current assets	475.714	480.662	-4.948	-1 %
Total assets	916.389	945.459	-29.070	-3 %
Equity and liabilities	30.09.2021	30.09.2020	comparison	
	EUR million	EUR million	EUR million	%
Equity	408.828	403.431	5.397	1 %
Non-current liabilities	352.706	344.598	8.108	2 %
Current liabilities	154.856	197.430	-42.574	-22 %
Total equity and liabilities	916.389	945.459	-29.070	-3 %

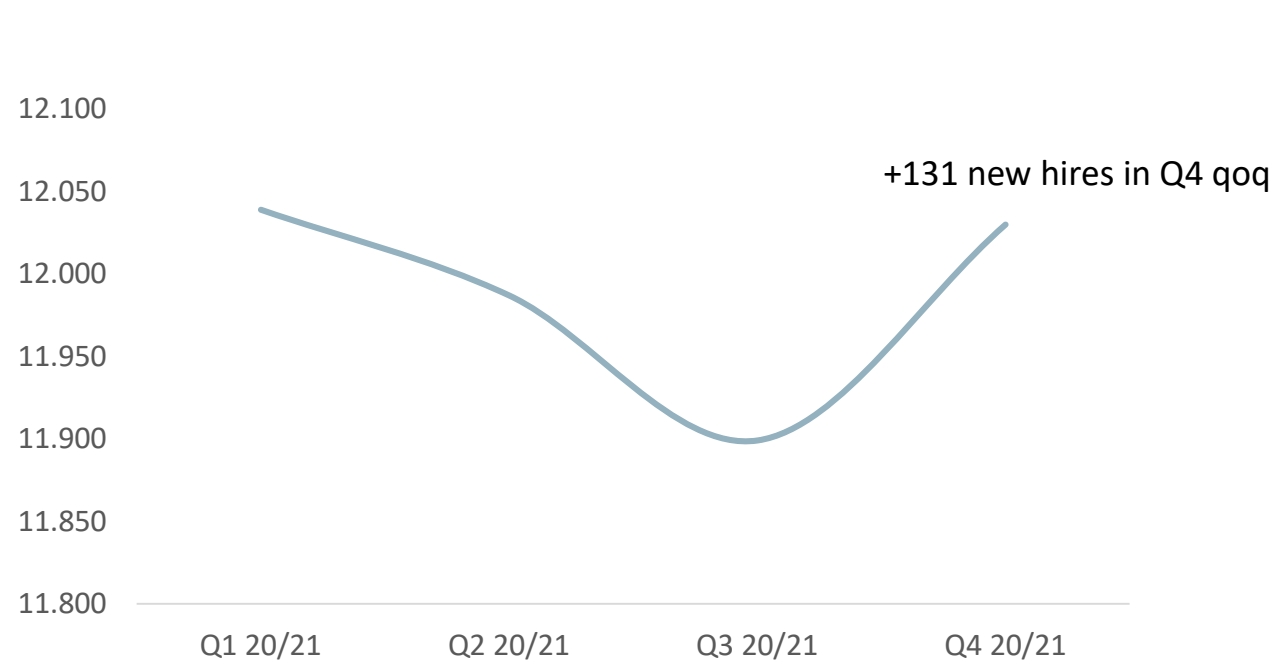
- Equity ratio: 44.6%
- Gearing: 41.1%
- NFD/EBITDA: 2.2x

Human resources

Employees as of 30th September



Employee development FY 2020/2021



- Headcount development linked to heterogenous capacity utilization
- 131 new hires in Q4 2020/2021 qoq with currently more than 2,000 vacancies (as of 1.12.21)
- Some EUR 3.5m investments in employee training and education in FY 2020/2021

Back-up: Financial calendar

19 May 2022	Q2/H1 2021/2022 & Capital Markets Day
08 August 2022	Q3/9m 2021/2022
15 December 2022	FY 2021/2022, Analyst and Press conference

[FY 2020/2021 Annual & CSR report](#)

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