

# GOING STRONG

Quarterly Communication

January 1 – March 31, 2018



## TECHNOTRANS AT A GLANCE

|   | Δ previous<br>year | 1/1 -<br>31/3/2018 | 1/1 -<br>31/3/2017 | 2017             |
|---|--------------------|--------------------|--------------------|------------------|
| <b>Revenue (€ '000)</b>                               | 2.5%               | <b>54,130</b>      | <b>52,786</b>      | <b>205,095</b>   |
| Technology (€ '000)                                   | 4.0%               | 39,680             | 38,143             | 147,570          |
| Services (€ '000)                                     | -1.3%              | 14,450             | 14,643             | 57,525           |
| <b>EBITDA (€ '000)</b>                                | 4.5%               | <b>5,786</b>       | <b>5,536</b>       | <b>22,654</b>    |
| EBITDA margin (%)                                     |                    | 10.7               | 10.5               | 11.0             |
| <b>EBIT (€ '000)</b>                                  | 4.8%               | <b>4,524</b>       | <b>4,318</b>       | <b>17,438</b>    |
| EBIT margin (%)                                       |                    | 8.4                | 8.2                | 8.5              |
| <b>Net profit for the period<sup>1</sup> (€ '000)</b> | 2.6%               | <b>3,191</b>       | <b>3,109</b>       | <b>12,191</b>    |
| as percentage of revenue                              |                    | 5.9                | 5.9                | 5.9              |
| <b>Earnings per share (€)</b>                         | 2.6%               | <b>0.46</b>        | <b>0.45</b>        | <b>1.76</b>      |
| <b>Balance sheet (€ '000)</b>                         | 4.2%*              | <b>130,553</b>     | <b>128,428</b>     | <b>125,307</b>   |
| <b>Equity (€ '000)</b>                                | 4.5%*              | <b>72,860</b>      | <b>64,988</b>      | <b>69,750</b>    |
| Equity ratio (%)                                      |                    | 55.8               | 50.6               | 55.7             |
| <b>Net debt<sup>2</sup> (€ '000)</b>                  |                    | <b>7,062</b>       | <b>2,573</b>       | <b>9,291</b>     |
| <b>Free cash flow<sup>3</sup> (€ '000)</b>            |                    | <b>2,644</b>       | <b>2,692</b>       | <b>150</b>       |
| <b>Employees (average)</b>                            | 7.1%               | <b>1,349</b>       | <b>1,259</b>       | <b>1,293</b>     |
| <b>Employees (FTE) (average)</b>                      | 8.4%               | <b>1,188</b>       | <b>1,096</b>       | <b>1,132</b>     |
| <b>Personnel expenses (€ '000)</b>                    | 4.8%               | <b>18,717</b>      | <b>17,856</b>      | <b>70,588</b>    |
| as percentage of revenue                              |                    | 34.6               | 33.8               | 34.4             |
| <b>Revenue per employee (FTE) (€ '000)</b>            | -5.4%              | <b>46</b>          | <b>48</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              | 28.35              | 50.75            |
| share price min (€)                                   |                    | 39.15              | 22.17              | 22.17            |

\* Change since December 31, 2017

- <sup>1</sup>Net profit for the period = profit attributable to technotrans AG 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

# Quarterly Communication

## January 1 – March 31, 2018

---

### Q1/2018: SUCCESSFUL START – TECHNOTRANS REMAINS ON GROWTH TRAJECTORY

---

#### QUARTERLY RESULT AT A GLANCE

- Q1 REVENUE GROWS TO € 54.1 MILLION
- EBITDA TOTALS € 5.8 MILLION
- EBIT CLIMBS TO € 4.5 MILLION, EBIT MARGIN INCREASED TO 8.4 PERCENT
- FREE CASH FLOW REACHES € 2.6 MILLION
- GOOD STARTING POSITION FOR ACHIEVING YEAR'S TARGETS

- › The technotrans Group increased revenue by 2.5 percent to € 54.1 million in Q1/2018 (Q1/2017: € 52.8 million). This meant consolidated revenue actually grew by more than 9.0 percent compared with the preceding quarter (Q4/2017: € 49.6 million).
- › With this generally successful start to the financial year, technotrans confirms its expectations for 2018 as reflected in its year-end accounts.
- › The revenue share of the Technology segment increased year on year to 73.3 percent. The Services segment therefore contributed 26.7 percent of revenue.
- › Three months into the year, the group achieved earnings before interest and taxes (EBIT) of € 4.5 million, as against € 4.3 million in the previous year. The EBIT margin thus rose from 8.2 percent to 8.4 percent.
- › The rates of return for the segments also showed a positive development. The Technology segment achieved a figure of 5.7 percent, and the Services segment 15.8 percent.
- › Earnings per share at the three-month mark improved to € 0.46 (previous year: € 0.45).
- › The equity ratio at the end of the first quarter was 55.8 percent (December 31, 2017: 55.7 percent).
- › The technotrans Group had an average of 1,349 employees (this corresponds to 1,188 full-time equivalents) in the current financial year.

## PRESENTATION OF SIGNIFICANT EVENTS AND BUSINESS PERFORMANCE

### Significant Events at a Glance

- › Pleasing start to year in the plastics processing industry.
- › Sustained growth in laser business, growing demand also for applications in the semiconductor industry (EUV lithography).
- › termotek posts record revenue in first quarter.
- › Bright outlook for the printing industry – underpinned by packaging printing – promises a solid foundation for the 2018 financial year.
- › Further expansion of digital printing business and retrofit potential in newspaper printing (rotary offset).
- › Cooling systems for electric mobility: technotrans exhibits solutions for batteries and quick-charging stations at the Battery Show in Hanover.
- › New development projects (electric mobility) for bus and rail technology.
- › technotrans presents user-friendly filtration systems, ink supply systems and central cooling systems for the printing industry at the ExpoPrint in Brazil.
- › gds unveils new expansion stage of XR/engineering at the tekcom Spring Conference. XML industry solution supports plant and mechanical engineering companies with reduced time-to-market cycles.

### Overall Statement on Business Progress

“The first quarter is behind us and the technotrans Group is on track. As expected, we have again succeeded in increasing both revenue and profit year on year,” commented Dirk Engel, Chief Executive Officer of

technotrans AG. “On the strength of the group’s continuing order situation and high capacity utilisation, we are confident about the prospects for the coming months.”

### Business Performance of the technotrans Group in the First Three Months of 2018

#### Revenue performance and financial performance

|                           |           | Q1 2018 | Q1 2017 | Change in % |
|---------------------------|-----------|---------|---------|-------------|
| Revenue                   | € million | 54.1    | 52.8    | 3%          |
| Gross profit              | € million | 17.3    | 17.8    | -3%         |
| Gross margin              | in %      | 32.0%   | 33.8%   |             |
| EBITDA                    | € million | 5.8     | 5.5     | 5%          |
| EBIT                      | € million | 4.5     | 4.3     | 5%          |
| EBIT margin               | in %      | 8.4     | 8.2     |             |
| Net profit for the period | € million | 3.2     | 3.1     | 3%          |
| EPS                       | in €      | 0.46    | 0.45    | 3%          |

### Revenue Performance and Financial Performance

After a slightly weaker final quarter to the 2017 financial year (quarterly revenue amounting to € 49.6 million), the technotrans Group made a successful start to the 2018 financial year with revenue for the quarter reaching € 54.1 million. Particularly business for new machinery again developed very positively. The overall business performance is therefore in line with expectations for 2018 as a whole (revenue target: € 212 to 220 million).

Revenue in markets outside the printing industry reached around € 32 million in the period under review, equivalent to 58.5 percent of consolidated revenue. Business with customers from the printing industry again reached a high revenue level of more than € 22 million in the first three months of 2018; this was on a similarly high level to the first quarter of 2017.

The Technology segment is again able to look back on a very successful first quarter of 2018. Revenue and profit showed yet further increases compared with previous quarters. Revenue for the segment rose by 4.0 percent to € 39.7 million (previous year: € 38.1 million). Compared

with the fourth quarter of 2017, revenue even rose by € 4.5 million (+12.9 percent). The revenue and order situation as a whole progressed according to plan in the various markets. While the printing industry started 2018 with slight year-on-year growth, the remaining technology markets are showing stronger growth in revenue and orders received.

The Services segment started the current financial year at a consistently high level. However revenue of € 14.4 million was slightly down on the previous year (previous year: € 14.6 million). The revenue share from print business in the period under review did not quite match the high prior-year figures. Business involving technical documentation equally made a tentative start in the first quarter.

### Performance indicators by segment

|             |           | Technology |         | Services |         | technotrans Group |         |
|-------------|-----------|------------|---------|----------|---------|-------------------|---------|
|             |           | Q1 2018    | Q1 2017 | Q1 2018  | Q1 2017 | Q1 2018           | Q1 2017 |
| Revenue     | € million | 39.7       | 38.1    | 14.4     | 14.6    | 54.1              | 52.8    |
| EBITDA      | € million | 3.2        | 2.9     | 2.6      | 2.6     | 5.8               | 5.5     |
| EBIT        | € million | 2.2        | 2.0     | 2.3      | 2.3     | 4.5               | 4.3     |
| EBIT margin | in %      | 5.7        | 5.2     | 15.8     | 16.0    | 8.4               | 8.2     |

## Financial Performance

The operating result (EBIT) for the first quarter came to € 4.5 million (previous year: € 4.3 million). The EBIT margin improved year on year from 8.2 percent to 8.4 percent. The profit performance of the technotrans Group in the first three months of the current financial year was therefore in line with the published annual targets for 2018 (EBIT target: € 18.0 to 20.0 million).

Gross profit at the three-month mark reached € 17.3 million (previous year: € 17.8 million). As expected, rising prices at the procurement end and the required buildup of human resources capacities in the operational business units have weighed on gross profit in the financial year in progress. The gross margin of 32.0 percent was therefore noticeably down on the previous year (33.8 percent).

In connection with the forthcoming conversion of technotrans AG into a European SE (Societas Europaea), costs amounting to € 0.2 million were already incurred in the period under review. The influence of exchange rate fluctuations on the operating result (EBIT) came to € -0.1 million, as in the previous year.

The result (EBIT) for the Technology segment was up € 0.2 million on the 2017 figure at € 2.2 million. The rate of return for the segment consequently reached 5.7 percent in the period under review, compared with 5.2 percent in the previous year. The Services segment confirmed its steady financial performance with € 2.3 million (previous year: € 2.3 million). The rate of return for the segment in the reporting period reached 15.8 percent, compared with 16.0 percent in the previous year.

EBITDA (earnings before interest, taxes, depreciation and amortisation) at March 31, 2018 came to € 5.8 million, a slight increase on the prior-year figure (€ 5.5 million). Depreciation and amortisation rose to € 1.3 million (previous year: € 1.2 million). Interest charges of € 0.1 million were down on the previous year (€ 0.2 million), and income tax expense came to € 1.2 million (previous year: € 1.0 million).

The consolidated result after tax for the period under review reached € 3.2 million (previous year: € 3.1 million). The return on sales was 5.9 percent (previous year: 5.9 percent). Three months into the year, earnings per share climbed to € 0.46 (previous year: € 0.45).

## Net Worth

### Asset and capital structure (€ million)

| Assets            | 31/03/2018   | 31/12/2017   |
|-------------------|--------------|--------------|
| Fixed assets      | 54.7         | 55.5         |
| Inventories       | 29.1         | 26.6         |
| Trade receivables | 24.6         | 24.2         |
| Cash              | 16.7         | 14.8         |
| Other assets      | 5.4          | 4.2          |
| <b>Total</b>      | <b>130.6</b> | <b>125.3</b> |

| Liabilities                  | 31/03/2018   | 31/12/2017   |
|------------------------------|--------------|--------------|
| Equity                       | 72.9         | 69.8         |
| Borrowings                   | 22.7         | 23.0         |
| Provisions                   | 11.1         | 11.0         |
| Trade payables               | 8.3          | 6.1          |
| Payments received            | 4.7          | 5.8          |
| Other equity and liabilities | 10.9         | 9.7          |
| <b>Total</b>                 | <b>130.6</b> | <b>125.3</b> |

At March 31, 2018, thanks to business growth and the higher order backlog the balance sheet total of the technotrans Group showed an increase of 4.2 percent to €130.6 million compared with December 31, 2017. While non-current assets decreased as expected, current assets – and especially inventories and trade receivables – exhibited an opposite trend. Cash and cash equivalents rose by €1.9 million to €16.7 million.

On the equity and liabilities side, equity grew by 4.5 percent to €72.9 million (December 31, 2017: €69.8 million), representing an equity ratio of 55.8 percent. Due to the increase in inventories compared with the end of 2017, trade payables at the reporting date as well as other current liabilities were also higher.

### Financial Position

Bank borrowings at the end of March 2018 totalled €22.7 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 – declined in the course of the first quarter of 2018. At the reporting date, net debt amounted to €7.1 million (December 31, 2017: €9.3 million).

| Cash flow (in € million)                | 01/01/ –<br>31/03/2018 | 01/01/ –<br>31/03/2017 |
|---|------------------------|------------------------|
| Cash flow from operating activities     | 6.1                    | 5.4                    |
| Net cash flow from operating activities | 3.1                    | 3.0                    |
| Cash flow from investing activities     | -0.4                   | -0.3                   |
| Free cash flow                          | 2.6                    | 2.7                    |
| Cash flow from financing activities     | -0.3                   | -0.7                   |

The cash flow (net cash from operating activities) amounted to €6.1 million in the period under review, compared with €5.4 million in the previous year. The cash flow from investing activities in the first three months remained on a par with the previous year at €0.4 million. As the year progresses, investing activities will increase

in line with expectations, especially as a result of the new building project at the Baden-Baden location. At the three-month mark the free cash flow of €2.6 million was again positive, and therefore on a par with the previous year (€2.7 million).

---

## REPORT ON POST-BALANCE SHEET DATE EVENTS AND RISK REPORT

---

Change on the Board of Management:  
exit of Dr Andreas J Schmid

By resolution of the Supervisory Board technotrans AG parted company with Dr Andreas J Schmid on April 13, 2018. Mr Schmid has resigned from the company's Board of Management with immediate effect.

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

No events having a particular impact on the financial performance, financial position and net worth occurred after March 31, 2018. The significant risks to our business and the risk early-warning system are described in detail

---

## OUTLOOK

---

The economic environment for 2018 remains stable. Global growth is forecast to reach 3.9 percent in 2018 and 2019. The current economic development in Germany and Europe continues to reflect our expectations for the current financial year.

The Board of Management is generally optimistic in its outlook for the 2018 financial year. technotrans has set itself the goal of growing faster than the market. We are confident of achieving our targets, assuming the economic climate remains on an even keel. We expect full-year revenue for 2018 to be in the order of € 212 to 220 million. The operating result (EBIT) should be within a range of € 18.0 to 20.0 million.

For the planning year, the group's management expects that technotrans will again achieve strong growth in the Technology segment. On the strength of the continuing healthy level of orders and high capacity utilisation within the technotrans Group, we are confident about the prospects for the coming months.

The 2018 financial year will see technotrans increasingly focus its attention on maintaining or improving the performance of the individual group companies. However increasing bottlenecks in the areas of human resources,

capacity and supplies are impeding production operations. The general pressure on prices has moreover been growing for some months.

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 € 11.5 million in 2018 (excluding acquisitions). Of this, around € 9.0 million will be spent on the new building for the production location at Termotek GmbH in Baden-Baden. There are plans to use the currently positive market window for raising long-term credit to finance this investment.

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 March 31, 2018

- › The price performance of technotrans shares in the first quarter of 2018 was slightly lower, against the backdrop of a highly volatile market environment.
- › At present the analysts' price targets for technotrans shares range between € 43 and € 54.



### Note

This Quarterly Communication contains statements on the future development of the technotrans Group. These reflect the present views of the management of technotrans AG 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 AG at March 31, 2018 has been prepared in accordance with Section 51a of the stock exchange rules for the Frankfurt Stock Exchange (FSE).

### Financial calendar

| Publications                      | Date                   |
|-----------------------------------|------------------------|
| Annual Shareholders' Meeting 2018 | May 18, 2018           |
| Interim Report 1-6/2018           | August 07, 2018        |
| Quarterly Communication 1-9/2018  | November 06, 2018      |
| Equity forum, Frankfurt           | November 26 - 28, 2018 |





Member of  
the technotrans group

☒ technotrans  
☒ gds  
☒ termotek  
☒ klh  
☒ gwk

**technotrans AG**  
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](http://www.technotrans.com)