

PRESS RELEASE

Interim Financial Report 2023

technotrans significantly increases consolidated revenue in H1 2023 - temporary effects weigh on result

- Consolidated revenue up 16.3 % to € 132.5 million (previous year: € 113.9 million)
- EBIT falls to € 5.9 million due to temporary negative factors (previous year: € 6.2 million); EBIT margin reaches 4.5 %
- Board of Management firms up revenue forecast at upper end of range of € 255 – € 265 million and reduces expectations for EBIT margin to range of 5.0 % – 6.0 % (previously: 6.2 % – 7.2 %)

Sassenberg, August 8, 2023 – technotrans continues its growth trajectory: The Group increased consolidated revenue in H1 2023 by a substantial 16.3 % to € 132.5 million. The consolidated operating result (EBIT), already planned in as weaker for the first half, came to € 5.9 million (previous year: € 6.2 million) and the derived EBIT margin reached 4.5 % (previous year: 5.5 %); these were below expectations. The focus markets Plastics, Energy Management and Print as well as the selectively served Laser & Machine Tools market achieved double-digit growth rates. Energy Management doubled its revenue year on year. After record levels of demand during the pandemic, revenue in the Healthcare & Analytics focus market did not match the prior-year figure. technotrans used signs of easing in the procurement markets to clear its order backlog, which remained high at € 93 million. The book-to-bill ratio changed accordingly to 0.9. The Board of

Management expects revenue development to remain strong in the second half. Against the backdrop of new economic and market-related challenges, the Board of Management is adjusting the forecast for the 2023 financial year. It expects consolidated revenue at the upper end of the range of € 255 to € 265 million. The anticipated EBIT margin is adjusted from the previous range of 6.2 % to 7.2 % to now 5.0 % to 6.0 %. A return on capital employed (ROCE) in the range of 13.0 % to 14.0 % is therefore expected.

“The business performance in the first half confirms that technotrans is steadily extending its market position. The Energy Management area is performing especially well, having doubled its revenue compared with the previous year. We are therefore satisfied with the revenue performance,” remarked Michael Finger, Spokesman of the Board of Management of technotrans SE. “However, the earnings performance has fallen short of our expectations. In particular, delayed price effects on the materials and customer side unexpectedly impacted earnings. We anticipate that the action we have taken will increasingly have the desired effect as the financial year progresses.”

Revenue significantly increased - temporary effects weigh on result

The technotrans Group achieved revenue of € 132.5 million in the first half of 2023, up 16.3 % on the previous year. The return on capital employed (ROCE) improved from 11.8 % to 12.4 % The consolidated operating result (EBIT) for the first half, already planned in as weaker, came in below expectations in the period under review. The factors at work here were additional temporary burdens from the time lag in price increases taking effect, together with additional expenditure on temporary workers and greater use of contractors to clear back orders. Consultancy costs for a review of the Future Ready 2025 strategy also eroded earnings. The consolidated operating result (EBIT) was down

4.9 % on the previous year at € 5.9 million. The EBIT margin came in at 4.5 % (previous year: 5.5 %). Net income for the period fell by 19.0 % to € 3.3 million. Earnings per share correspondingly declined from € 0.59 to € 0.48. The Group's net assets and financial position remain sound. The equity ratio at the reporting date for the period was 51.7 %.

Energy Management focus market doubles revenue

The focus markets Plastics, Energy Management and Print as well as the selectively served Laser & Machine Tools market achieved double-digit growth rates. Energy Management put in a particularly strong performance, doubling its revenue. However, revenue in the Healthcare & Analytics focus market did not match the prior-year level. After record demand in the previous year due to the pandemic, customers especially in the Analytics area took the opportunity to consolidate their stock levels in the first half of 2023.

More fluid supply chains enabling clearing of order backlog

The supply of materials improved noticeably in the period under review and, with a few exceptions, the supply chain stabilised. technotrans took this opportunity to steadily clear the high order backlog, The book-to-bill ratio of 0.9 reflected this. The order backlog amounted to € 93 million at the reporting date for the period.

Sharpening of the Future Ready 2025 strategy

The start of the 2023 financial year saw technotrans embark on Phase II of the Future Ready 2025 strategy, which focuses on accelerated growth. To reflect the change in the underlying conditions since the strategy was drawn up in 2020, the Board of Management has appointed an external consultancy to review the assumptions made at that time. The evaluation of the findings has not yet been completed. The findings will be filtered into the strategy's further implementation.

Sustainability: focus on vehicle fleet and product expertise

The electrification of the vehicle fleet and the expansion of product expertise were the main focus of the sustainability measures in H1 2023. The contracts to install the charging infrastructure at the Sassenberg location and for preparing the electrical connection to the car park at the Meinerzhagen location were awarded. Once the installation work is complete, an updated company car policy for the Group will take effect. The first fully electric pool vehicles for the Sassenberg location are in the pipeline. In terms of the product portfolio, technotrans has positioned itself as an exclusive supplier of electric mobility and commenced manufacturing of cooling systems for battery storage quick-charging stations in Q2 2023. These enable rapid charging of electric vehicles at up to 300 kW even without access to a high-voltage network. At the "KUTENO – Kunststofftechnik Nord" trade fair for northern Germany's plastics engineering industry, technotrans also showcased its expertise in custom-built, efficiency-optimised chillers and heat pumps for trade and industry and exhibited its first system solutions running on the natural refrigerant propane.

Outlook

Selling price increases implemented in the period under review will take full effect in the second half of the 2023 financial year. Temporary negative factors in the period under review from setting up the new Steinhagen location and the increased use of temporary workers will largely fall away. On the other hand, price reductions for purchased materials will prospectively be lower than expected. Economic development is also likely to be weaker, leading to an unfavourable shift in the product mix and falling revenue and earnings for the location in China.

In order to reflect these factors suitably, the Board of Management has initiated specific measures to increase profitability and is adjusting the

forecast. For the 2023 financial year, it expects consolidated revenue to be at the upper end of the range of € 255 to € 265 million. The anticipated EBIT margin has been adjusted from previously between 6.2 % and 7.2 % to 5.0 % and 6.0 % in a reflection of the increasingly challenging economic environment. The return on capital employed (ROCE) is correspondingly expected to be in the range of 13.0 % to 14.0 %.

The medium-term forecast of revenue in the range of € 265 to € 285 million for the 2025 financial year, with an EBIT margin of 9.0 % to 12.0 % and ROCE in excess of 15.0 %, remains valid provided there is no marked deterioration in the overall economic situation.

“technotrans remains on track for growth and is investing in the future. We are systematically pursuing the medium-term goals of the Future Ready 2025 strategy. To that end we are now sharpening our strategic profile and proactively tackling new challenges,” declared Michael Finger.



For further information, visit: www.technotrans.com

About technotrans SE:

technotrans SE is a technology and services group with worldwide operations. The company's core skill focuses on application-specific solutions in the area of thermal management. As an integral aspect of customer systems, these solutions optimise energy consumption and govern the temperatures encountered in sophisticated technological applications. With 17 locations, the Group has a presence in all major markets worldwide. Based on the Future Ready 2025 strategy, technotrans has defined the four focus markets Plastics, Energy Management (including electric mobility, high power charging stations and data centres), Healthcare & Analytics and Print. The technology company also develops highly specialised cooling and filtration solutions for the Laser & Machine Tools area. technotrans furthermore offers its customers an extensive portfolio of services including installation, maintenance, repair, a 24/7 parts supply and technical documentation. The Group has five manufacturing locations in Germany, one in China and one in the United States. technotrans SE is listed in the Prime Standard (ISIN: DE000A0XYGA7 / WKN: A0XYGA) and employs 1,500 people worldwide. The Group reported revenue of € 238.2 million for the 2022 financial year.

Note

This communication 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.

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