

## PRESS RELEASE

Quarterly Communication Q3/2023

### **technotrans maintains revenue growth and realises EBIT rise in Q3 2023**

- Group revenue increased by 12.7 % to € 199.3 million
- EBIT reaches € 10.1 million with an EBIT margin of 5.1 %
- EBIT margin increased to 6.2 % in the third quarter
- Strategy Review confirms the course taken and sharpens the focus on profitable growth

**Sassenberg, November 7, 2023 - technotrans remains on course for growth. Consolidated revenue rose by 12.7 % to € 199.3 million in the first 9 months. EBIT of € 10.1 million was slightly below the previous year's level of € 10.4 million and therefore below expectations. The EBIT margin derived from this amounted to 5.1 % (previous year: 5.9 %). Temporary burdens on earnings were reduced, which is reflected in the increased profitability in the third quarter with an EBIT margin of 6.2 %. Free cash flow amounted to € 3.0 million and rose significantly by € 8.3 million compared to the previous year. The equity ratio remained very stable at 53 %. The main growth drivers were technotrans' focus markets, with Energy Management developing the strongest momentum with an increase of 87 %. The order backlog was reduced as planned to around € 83 million. The book-to-bill ratio remained unchanged at 0.9. The 2023 full year guidance, as adjusted on August 2, 2023, of generating consolidated revenue at the upper end of the range between € 255 million and € 265 million with an EBIT margin of**

**between 5.0 % and 6.0 % is confirmed. The mid-term forecast remains valid.**

"Efficient thermal management systems remain a key technology in global megatrends. This is demonstrated by the growing demand for the solutions of technotrans. Consolidated revenue again showed double-digit growth. We successfully reduced the temporary negative impacts on earnings reported in the first half of the year. This was reflected particularly in the increase in our EBIT margin to 6.2 % in the third quarter," says Michael Finger, Spokesman of the Board of Management of technotrans SE.

## **Business performance**

The technotrans Group generated consolidated revenue of € 199.3 million in the first 9 months of the 2023 financial year (previous year: € 176.8 million). Of this, € 152.6 million was attributable to the Technology segment and € 46.7 million to the Services segment. At € 10.1 million, EBIT was slightly below the previous year's level (€ 10.4 million) and therefore below expectations due to the difficult conditions in the first half of the year. The EBIT margin reached 5.1 % (previous year: 5.9 %). The temporary burdens on earnings explained in the half-year report were reduced. This is reflected in the improved EBIT margin of 6.2% in the third quarter. Free cash flow amounted to € 3.0 million. Compared to the previous year, it improved significantly by € 8.3 million. The equity ratio remained stable at 53.0 % (Dec. 31, 2022: 56.0 %).

The focus markets Plastics, Energy Management, Print and the Laser & Machine Tools market remained the main growth drivers. Energy Management showed the greatest momentum with an increase of 87 %. This was mainly due to a continuously high number of deliveries of battery thermal management systems (BTMS) for rail vehicles and the

ramp-up in call-off orders for solutions for battery-buffered ultra-fast charging stations. In addition, significant progress was made in expanding the market position in the area of liquid cooling for data centers. In the Healthcare & Analytics focus market, the previous year's revenue level was not achieved. This was due to the consolidation of inventories by customers, as explained in the half-year report. However, the situation improved in the third quarter, since August the call-off situation has returned to almost normal. The order backlog was reduced to around € 83 million by working off supply chain-related order backlogs. The book-to-bill ratio remained unchanged at 0.9. Order entry in some of our markets showed the first signs of a slowdown in economic development.

## **Strategy Review 2023**

Since the publication of the Future Ready 2025 strategy in 2020, the framework conditions have changed fundamentally. The Board of Management took this as an opportunity to contract an external management consultant to review the strategic assumptions made at the time. The main result was that the strategic direction and objectives of the technotrans Group in principle were confirmed. The core technology of thermal management is supported by global megatrends such as electrification, digitalization and decarbonization and offers sustained high organic growth and earnings potential. By focusing on the Plastics, Healthcare & Analytics, Energy Management and Print markets, almost all attractive market segments for technotrans are served. Individual elements of the strategy have been sharpened with a view to the targeted growth momentum of Phase II of the Future Ready 2025 strategy. These include the aspects of modularization, the expansion of series business, the expansion of the service offering, the geographical focus on Europe and North America, a global positioning of sales, purchasing and service as well as taking advantage of M&A opportunities. In addition, the market

for highly specific laser applications will be classified as a focus market in future due to the growth rates achieved and a promising outlook.

## **Outlook**

The economic environment deteriorated further over the course of the year. Irrespective of this challenging environment, technotrans is systematically implementing Phase II of the Future Ready 2025 strategy. The results of the strategy review are already being considered. In view of the performance achieved in the period under review, the Board of Management continues to expect consolidated revenue at the upper end of the range between € 255 million and € 265 million with an EBIT margin of 5.0 % to 6.0 % for the 2023 financial year. The return on capital employed (ROCE) is expected to be between 13.0% and 14.0%. The medium-term forecast remains unchanged.

"The strategy review confirms the course we have taken. The adjustments that have been made additionally safeguard the planned revenue and earnings potential. At the same time, we have succeeded in increasing the resilience of the technotrans Group in a volatile environment. On this basis, we will take technotrans to the next level," says Michael Finger.



For further information, visit: [www.technotrans.com](http://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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