



Quarterly Communication

January 1 – September 30, 2017

TECHNOTRANS AT A GLANCE

	Δ previous year	1/1- 30/9/2017	1/1- 30/9/2016	2016
Revenue (€ '000)	50.5 %	155,455	103,269	151,792
of which Technology (€ '000)	63.7 %	112,424	68,668	103,623
of which Services (€ '000)	24.4 %	43,031	34,601	48,169
EBITDA	82.9 %	16,572	9,059	14,045
EBITDA margin (%)		10.7	8.8	9.3
EBIT	96.7 %	12,835	6,525	9,731
EBIT margin (%)		8.3	6.3	6.4
Net profit for the period¹ (€ '000)	102.9 %	9,391	4,628	7,192
as percentage of revenue		6.0	4.5	4.7
Earnings per share (€)	91.5 %	1.36	0.71	1.09
Balance sheet (€ '000)	3.8 %*	126,101	115,057	121,445
Equity (€ '000)	8.1 %*	66,881	53,469	61,880
Equity ratio (%)		53.0	46.5	51.0
Net debt² (T €)		1,573	16,489	5,267
Free cash flow³ (€ '000)		7,493	-16,678	-12,649
Employees (average)	43.8 %	1,280	890	990
Employee (FTE) (average)	36.3 %	1,122	823	855
Personnel expenses (€ '000)	48.7 %	53,134	35,724	52,941
as percentage of revenue		34.2	34.6	34.9
Revenue per employee (FTE) (€ '000)	10.4 %	139	125	178
Number of shares at end of period		6,907,665	6,532,750	6,907,665
share price max (€)		50.50	23.70	24.77
share price min (€)		22.17	15.75	15.75

* Change since December 31, 2016

¹Net profit of the period

= profit attributable to technotrans AG shareholders

²Net debt

= financial liabilities – cash and cash equivalents

³Free cash flow

= Net cash from operating activities

+ cash used for investments acc. to cash flow statement

Quarterly Communication

January 1 – September 30, 2017

Q3/2017: STRONG THIRD QUARTER – TECHNOTRANS CONFIRMS SUCCESSFUL BUSINESS PERFORMANCE IN ALL MARKETS

QUARTERLY RESULT AT A GLANCE

- ▣ REVENUE FOR YEAR IN PROGRESS GROWS TO € 155.5 MILLION
- ▣ EBITDA REACHES € 16.6 MILLION (EBITDA MARGIN: 10.7 PERCENT)
- ▣ EBIT RISES TO € 12.8 MILLION (EBIT MARGIN: 8.3 PERCENT)
- ▣ EARNINGS PER SHARE € 1.36
- ▣ FREE CASH FLOW IMPROVES TO € 7.5 MILLION
- ▣ OUTLOOK: BOARD OF MANAGEMENT CONFIDENT ABOUT PROSPECTS FOR COMING MONTHS

- The technotrans Group increased consolidated revenue by around 32 percent in Q3/2017 to € 52.3 million (Q3/2016: € 39.7 million). The biggest growth driver was again the Technology segment (+44 percent). The result for the quarter (EBIT) doubled year on year to € 4.4 million.
- The group stepped up revenue growth successfully in the first nine months of the 2017 financial year. Consolidated revenue rose by € 52.2 million overall to € 155.5 million. This represents an increase of around 51 percent.
- technotrans thus confirms a successful business performance in all relevant markets. On top of organic growth of € 13.7 million or 14.0 percent, especially the companies acquired in the previous financial year made a substantial contribution to the rise in revenue in the nine-month period.
- The group achieved earnings before interest and taxes (EBIT) of € 12.8 million in the period under review, as against € 6.5 million in the previous year. From this high revenue level, the operating result consequently almost doubled. The EBIT margin rose from 6.3 percent to 8.3 percent.
- The revenue share of the Technology segment increased year on year from 66.5 percent to 72.3 percent. Technology revenue grew by € 43.8 million (+63.7 percent), and Services revenue by € 8.4 million (+24.4 percent). The Services segment therefore contributed 27.7 percent of revenue.
- The rates of return for the segments (EBIT) also showed a positive development. The Technology segment achieved a figure of 5.3 percent, and the Services segment 15.9 percent.
- Nine months into the year, earnings per share improved to € 1.36 (previous year: € 0.71).
- The equity ratio at the end of the third quarter reached 53.0 percent (December 31, 2016: 51.0 percent).
- The technotrans Group had an average of 1,280 employees (corresponding to 1,122 full-time equivalents) in the current financial year.
- The business performance over the first nine months is entirely in line with expectations. From the present perspective the Board of Management reasserts the current targets for the year 2017 for revenue and earnings, at the top end of the forecast range.

PRESENTATION OF SIGNIFICANT EVENTS AND BUSINESS PERFORMANCE

Significant Events at a Glance / Next Step

- › Dynamic business environment in laser technology. Inroads into other applications.
- › Progress in the e-mobility area. High capacity utilisation for projects involving mobile and stationary battery cooling. Initial blanket agreements sealed.
- › Print market: growth in digital printing thanks to continuing expansion of technological system solutions. Newspaper printing: technological upgrades and welcome retrofit business.
- › Forming technology: technotrans unveils lubrication with 4,600 millimetre spraying width at Blechexpo for forming of vehicle body outer panels.
- › technotrans at EMO 2017: world debut for the new process chiller omega.eco. New and extended requirements for chiller energy efficiency realised.
- › termotek gives go-ahead for expansion in Baden-Baden: cooling specialist signs purchase agreement for new plot of land.
- › gwk at Fakuma: spotlight on future topics. Subsidiary exhibits solutions for energy efficiency and the "Internet of Things".
- › technotrans promoting the next generation: 38 apprentices embark on their career at German locations.
- › technotrans AG seeking modifying conversion from German public limited company to SE (Societas Europaea).
- › M&A: the business performance of gwk Gesellschaft Wärme Kältetechnik mbH is making better progress than originally planned. The technotrans Board of Management is very satisfied with the latest acquisition's integration. Further acquisitions form part of the medium-term growth strategy.

Overall Statement on Business Progress

"The current financial year has passed off highly successfully for almost every area of the company," commented Henry Brickenkamp, Chief Executive Officer of technotrans AG. "Supported by the continuing positive economic environment, the technotrans Group improved

its revenue and earnings performance in impressive style. We are positive about its further development thanks to the high number of new, forward-looking projects and also the continuing high level of capacity utilisation."

Business Performance of the technotrans Group in the First Nine Months of 2017

Revenue performance and financial performance

		9 M 2017	9 M 2016	Change in %
Revenue	€ million	155.5	103.3	51
Gross profit	€ million	51.8	34.4	51
Gross margin	in %	33.3	33.3	
EBITDA	€ million	16.6	9.1	83
EBIT	€ million	12.8	6.5	97
EBIT margin	in %	8.3	6.3	
Net profit for the period	€ million	9.5	4.6	104
EPS	in €	1.36	0.71	92

Revenue Performance and Financial Performance

Following on from extremely dynamic growth for the group in the first half of 2017, business developed positively in virtually all markets in the third quarter, too. The acquisitions completed in the previous year also made a major contribution to growth.

Consolidated revenue for the first nine months of the 2017 financial year climbed to € 155.5 million overall (previous year: € 103.3 million, +50.5 percent). Around € 91 million, equivalent to 58.5 percent of consolidated revenue, was generated in markets outside the printing industry. The period under review saw print business reach another high revenue figure of € 65 million, up more than 4 percent on the previous year. The continuing high volume of business with customers in the printing industry underlines the market position achieved by technotrans in recent years.

Consolidated revenue grew organically by € 13.7 million in the first nine months, equivalent to a rise of 14.0 percent.

The **Technology** segment can look back on a very successful third quarter of 2017 and maintained the

positive revenue and earnings performance already achieved in the previous quarters. After nine months, revenue for the segment was up € 43.7 million (+63.7 percent) at € 112.4 million. The revenue total included € 35.9 million for gwk, which has been consolidated since September 1, 2016. While the revenue and orders level in the printing industry remained satisfyingly stable, there was a noticeable jump (+34 percent) in revenue in the remaining technology markets.

The **Services** segment likewise reported a positive business performance nine months into the 2017 financial year. Revenue came in at € 43.0 million, 24.4 percent up on the previous year (previous year: € 34.6 million). Within the segment, the increase was driven both by follow-on business in the technology markets and by technical documentation business. Disregarding the acquisition, the group achieved organic revenue growth of 6.8 percent.

Performance indicators by segment

		Technology		Services		technotrans Group	
		Q1-Q3 2017	Q1-Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Q1-Q3 2017	Q1-Q3 2016
Revenue	€ million	112.4	68.7	43.0	34.6	155.5	103.3
EBITDA	€ million	9.0	3.7	7.6	5.4	16.6	9.1
EBIT	€ million	6.0	1.7	6.8	4.8	12.8	6.5
EBIT margin	in %	5.3	2.4	15.9	14.0	8.3	6.3

Financial Performance

The operating result (EBIT) for the first nine months climbed to € 12.8 million (previous year: € 6.5 million), representing a year-on-year rise of 96.7 percent. The EBIT margin improved from 6.3 percent to 8.3 percent. By way of a reminder, the prior-year result was dominated by the takeover of gwk Gesellschaft Wärme Kältetechnik mbH in August 2016.

The result (EBIT) for the Technology segment for the first three quarters was up € 4.3 million on the 2016 figure at € 6.0 million. The return on sales for the segment at the nine-month mark was 5.3 percent, compared with 2.4 percent in the previous year. The Services segment repeated its healthy financial performance with € 6.8 million (previous year: € 4.8 million). The return on sales for the segment improved to 15.9 percent as against 14.0 percent in the previous year.

The financial performance of the technotrans Group improved noticeably in particular thanks to the higher

revenue volume. Gross profit developed in line with revenue over the year, and the gross margin remained unchanged at 33.3 percent.

EBITDA (earnings before interest, taxes, depreciation and amortisation) at September 30, 2017 came to € 16.6 million, an increase of € 7.5 million on the prior-year figure (€ 9.1 million). Depreciation and amortisation rose to € 3.7 million (previous year: € 2.5 million). € 1.2 million of this figure (previous year: € 0.7 million) is attributable to the assets identified in the course of purchase price allocation. Interest charges of € 0.4 million were only slightly up on the previous year (€ 0.2 million), and income tax expense came to € 2.9 million (previous year: € 1.7 million).

The consolidated result after tax for the period under review reached € 9.5 million (previous year: € 4.6 million). The return on sales was 6.1 percent (previous year: 4.5 percent). Nine months into the year, earnings per share climbed to € 1.36 (previous year: € 0.71).

Net Worth

Asset and capital structure (€ million)

Assets	30/09/2017	31/12/2016
Fixed assets	48.1	49.5
Inventories	26.5	25.6
Trade receivables	23.0	17.8
Cash	23.5	23.9
Other assets	4.9	4.6
Total	126.1	121.4

Liabilities	30/09/2017	31/12/2016
Equity	66.9	61.9
Borrowings	24.0	28.1
Provisions	12.0	9.8
Trade payables	8.3	4.8
Payments received	5.7	6.9
Other equity and liabilities	9.2	9.9
Total	126.1	121.4

At September 30, 2017 the balance sheet total of the technotrans Group showed an increase of 3.8 percent compared with December 31, 2016 to € 126.1 million. While non-current assets declined as expected, business growth in general prompted a 9.3 percent rise in current assets. For reporting-date reasons, inventories and trade receivables in particular rose by € 6.1 million. Cash and cash equivalents amounted to € 23.5 million (December 31, 2016: € 23.9 million).

On the equity and liabilities side, equity grew by 8.1 percent to € 66.9 million (December 31, 2016: € 61.9 million), taking the equity ratio to 53.0 percent. Scheduled repayments of borrowings reduced the non-current liabilities, whereas particularly the provisions and trade payables showed a marked increase at the reporting date of September 30, 2017.

Financial Position

At September 30, 2017 there remained net debt – after netting of cash and cash equivalents against interest-bearing borrowings – of € 1.6 million (December 31, 2016: € 5.3 million). Bank borrowings at the end of the third quarter totalled € 24.0 million (December 31, 2016:

€ 28.1 million). The gearing ratio has consequently improved further and the available arrangements for financing reveal a balanced maturities structure.

Cash flow (in € million)	1/1/ – 30/09/2017	1/1/ – 30/09/2016
Cash flow from operating activities	15.7	9.0
Net cash flow from operating activities	9.7	4.9
Cash flow from investing activities	-2.2	-21.5
Free cash flow	7.5	-16.7
Cash flow from financing activities	-7.9	10.6

The cash flow (net cash from operating activities) nine months into the 2017 financial year climbed to € 15.7 million, up from € 9.0 million in the previous year. Investment spending in the period under review came to € 2.6 million. This figure included € 0.9 million for the purchase of land in Baden-Baden (see Press Release dated July 17, 2017). According to the current timetable the subsidiary termotek GmbH will commence production at the new location at the start of 2019. Other areas of emphasis for investing activities comprised mainly replacement purchases. The cash flow from investing activities (cash outflow) after nine months came to

€ 2.2 million. In the course of the year investing activities are expected to rise noticeably as a result of the acquisition of the property at the Meinerzhagen location. The free cash flow amounted to € 7.5 million at the end of the third quarter of 2017. As a result of the increased acquisition activity in the previous year, the free cash flow in the comparative period was negative at € -16.7 million. In all, € 4.1 million was used for the scheduled repayment of borrowings over the course of the year (previous year: € 3.0 million), and € 3.8 million was paid out to technotrans shareholders for the distribution of a dividend (previous year: € 3.1 million).

REPORT ON POST-BALANCE SHEET DATE EVENTS

No events having a particular impact on the financial performance, financial position and net worth occurred after September 30, 2017. The significant risks to our business and the risk early-warning system are described in detail in the Combined Management Report for 2016 (from page 76). There were no material changes in the period under review.

On October 9, 2017 the Board of Management and Supervisory Board of technotrans AG resolved to prepare a form-changing conversion of the company into the

legal form of a European (public limited-liability) Company (Societas Europaea, SE). It is the intention of the Board of Management and Supervisory Board to preserve a dual-board administrative system for technotrans SE comprising Board of Management and Supervisory Board. The conversion of legal form reflects the continuing European and international focus of the dynamically evolving technotrans Group. Resolution proposals to that effect are to be presented to the 2018 Annual General Meeting of Shareholders.

OUTLOOK

The current economic development continues to reflect our expectations for the current financial year. The underlying economic situation in 2017 remains stable. The Board of Management's overall assessment of the technotrans Group's business prospects for the 2017 financial year is positive. technotrans is growing faster than the market. Progress with the integration of the latest acquisitions is emphatically amplifying this development.

The technotrans Group has achieved especially strong revenue and profit growth in the current financial year of 2017 compared with the previous year. Nine months in, we conclude that the organic growth of the technotrans Group is equally entirely up to our expectations.

Against this backdrop, in the summer of the current financial year the Board of Management of technotrans AG increased the revenue forecast for 2017 to consolidated revenue in the order of € 203 to 208 million, and the earnings target to a range of € 16.0 to 17.0 million.

The operating business performance of recent months therefore gives us the confidence to believe we will achieve our targets for the 2017 financial year. There is a greatly

increased likelihood that we will achieve the upper end of the target range. Our ultimate revenue and earnings performance will, however, ultimately depend on whether customer projects can be completed according to plan by the end of the year, or whether completion is delayed until the coming financial year. The planning for 2017 does not reflect new acquisitions.

For 2017, the Board of Management expects a stable operating cash flow thanks to steady income and earnings. Capital spending on property plant and equipment and intangible assets is set to total around € 10.0 million in 2017 (excluding acquisitions). These real investments as well as the scheduled repayment of the bank liabilities and the dividend payout are being financed from current cash flow or from available liquidity (at September 30, 2017: € 23.5 million).

We again expect to be able to increase revenue and earnings still further in the next financial year. We will provide guidance on specific revenue and earnings targets for 2018 in the customary manner with the publication of the 2017 Annual Report on March 13, 2018.

SUPPLEMENTARY INFORMATION

IR Services

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.

<http://www.technotrans.com/en/investor-relations.html>

Chart development from January 1, 2017 to September 30, 2017

► The trading price of technotrans shares has risen by a further 118 percent in the course of the current financial year (January 1 to September 30, 2017).

► The XETRA closing price peaked at € 50.50.



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 September 30, 2017 has been prepared in accordance with Section 51a of the stock exchange rules for the Frankfurt Stock Exchange (FSE).

Financial Calendar

Publications	Date
German Equity Forum 2017	27 to 28/11/2017
Annual Report 2017	13/03/2018
Interim Report Q1/2018	04/05/2018
Shareholders' meeting 2018	18/05/2018

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Member of
the technotrans group

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