

Q1

Fiscal 2019/2020
Report on the 1st Quarter
1 October until 31 December 2019

The first quarter at glance

INCOME STATEMENT, CASH FLOW STATEMENT, BALANCE SHEET, SHARE, EMPLOYEES

TABLE 01

IFRS	01/10/19– 31/12/19	Changes in %	01/10/18– 31/12/18
Income statement			
Total revenues (EUR million)	263.321	0.4	262.259
EBIT (EUR million)	14.288	-22.1	18.331
Profit from ordinary activities (EUR million)	12.962	-26.2	17.564
Post-tax earnings (EUR million)	8.711	-27.0	11.926
Cash flow statement			
Cash flow from operating activities (EUR million) ¹	58.506	16.9	50.051
Cash flow from investing activities (EUR million)	-10.602	-19.0	-13.085
Free cash flow (EUR million) ¹	47.904	29.6	36.966
Capital spending (EUR million)	10.699	-21.4	13.615
Balance sheet			
Equity (EUR million)	425.303	3.5	411.036
Equity ratio (%)	46.0	-10.2	51.2
Total assets (EUR million)	923.693	15.2	802.111
Share			
Earnings per share (EUR)	0.86	-27.2	1.18
Share price on 31 December (EUR) ²	57.00	-16.8	68.55
Share price, high (EUR) ³	57.00	-27.6	78.70
Share price, low (EUR) ³	39.60	-41.6	67.80
Shares outstanding on 31 December (number)	10,143,240	-	10,143,240
Market capitalisation on 31 December (EUR million)	578.2	-16.8	695.3
Employees			
Number of employees at Bertrandt Group on 31 December	13,477	1.3	13,307

¹For information regarding the disclosure of interest paid within the cash flow statement, see the explanations about the presentation of the interim consolidated financial statements in the notes.

²Closing price in Xetra trading.

³In Xetra trading.

Overview

The transformation process in the automotive industry is fully underway. While the sector has to cope with challenges such as a growing diversity of models and variants as well as leaps in technology in the fields of new drive systems and connected and autonomous driving, the resulting breadth and depth of topics offers sizeable potential for engineering service providers. In the light of current market trends, the essential foundations for positive business development in the medium term are therefore intact. As a reliable technology partner providing comprehensive solutions in all the disciplines for which there is demand, Bertrandt is taking on more and more responsibility in the development process. There is a growing need for interface management between new and established partners and for controlling and project management competence. As mobility and data become increasingly interconnected, new topics, products and services are emerging alongside established fields of business which Bertrandt is exploiting to develop the best solutions in each case for its customers. Bertrandt's response to this dynamic environment is to set course for the future by investing in infrastructure and know-how and by producing innovative solutions and taking on greater project responsibility.

In this context, the Company's key performance indicators developed as follows in the first three months of fiscal 2019/2020:

- Total revenues in the first three months of fiscal 2019/2020 rose by 0.4 percent year on year to EUR 263.321 million (previous year EUR 262.259 million).
- EBIT in the first quarter was EUR 14.288 million (previous year EUR 18.331 million), which corresponds to a margin of 5.4 percent (previous year 7.0 percent).
- Post-tax earnings reported for the period under review were EUR 8.711 million (previous year EUR 11.926 million).
- Earnings per share were EUR 0.86 in the first quarter (previous year EUR 1.18).
- The workforce has grown year on year by 170 to 13,477 people (13,307 as at 31 December 2018).

We consider ourselves an active contributor to meeting current and future challenges across all engineering project stages and are therefore constantly adapting our range of services to customer needs as well as to changing market conditions. By linking up disciplines and further developing our know-how, we secure our position as one of the leading European partners on the market for engineering services. The engineering expertise Bertrandt has built up over many years of activity in the mobility industries provides a firm foundation upon which the Company can realise and take forward customised development solutions also in new sectors.



BERTRANDT MEDICAL CERTIFIED TO ISO 13458

A development partner to the medical technology sector, Bertrandt Medical GmbH has been certified to the ISO 13485 standard. Only a handful of companies who are providers to the medical technology industry can boast this certification. It allows us to support customers in the development of their products according to strict regulatory stipulations. On behalf of the customer, we test individual development phases or the entire product development process, right through to the design history file and provide technical documentation.

“As a certified service provider active throughout Germany, we can offer a wide range of services. By tapping into the wealth of experience within our group, we are able to provide strategic support to customers also in the implementation of methods such as agile project management or virtual reality applications”, says Kirsten Schild, Managing Director of Bertrandt Medical GmbH located in Wiesbaden.



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Group Management Report

THE GROUP – GENERAL INFORMATION

Business model and strategy

As one of Europe's leading engineering partners, Bertrandt has been devising specific and tailored solutions with customers at 56 locations in Europe, Asia and the United States for over 45 years now. Our services for the automotive and aerospace industries include all process steps in the project phases of conceptual design, CAD, development, design modelling, tool production, vehicle construction and production planning right through to start of production and production support. In addition, the individual development steps are validated by simulation, prototype building and testing. This means that we implement collaborative projects of different sizes at our technology centres in the immediate vicinity of our customers. The technology centres provide dedicated design studios, electronics labs as well as testing facilities. Our customer base comprises nearly all European manufacturers as well as a large number of tier 1 suppliers. We also provide technological services outside the mobility industry in such forward-looking sectors as energy, medical technology, electrical engineering as well as machinery and plant engineering throughout Germany. Consistency, reliability and investing in infrastructure and technical equipment all contribute to growing customer relationships. These are key success factors for Bertrandt.

Foreign operations

With its 16 non-domestic branches in Europe, the United States and Asia, Bertrandt pursues a strategy of ensuring the sharpest possible focus on the customer by diversifying its locations on a project-specific basis. In close organisational interaction with its German branches, Bertrandt is able to offer its customers the complete range of its services and thereby to devise solutions rapidly and efficiently at a global level.

0.6

was the growth rate of Germany's gross domestic product in 2019, according to the Federal Statistical Office.

REPORT ON ECONOMIC POSITION

Economic development

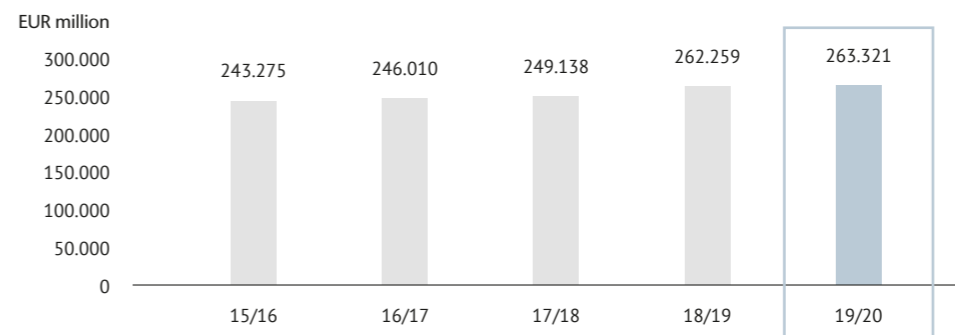
Uncertainties concerning the future development of the challenging global economic environment due to possible restrictions on trade between the USA and China were growing throughout 2019, continuing until the end of the year. The Federal Statistical Office informed that, although GDP was 0.6 percent higher in 2019 than in the previous year and economic growth was continuing for the tenth year in succession, the pace of growth in Germany slowed down noticeably in comparison with the previous year. The growth rate in 2019 also declined as compared to the annual mean of the past ten years of +1.3 percent.

Sector trends

According to the German Association of the Automotive Industry (VDA), 2019 was a challenging year for international automotive markets. While sales figures in Europe increased by 1.2 percent over the previous year, Asia's market development was weak. In 2019 as a whole, with close to 17.0 million units, sales were down 1.0 percent in the US, and with close to 21.0 million units, sales were down 10.0 percent in China. Globally, nearly 89 million new passenger cars were produced in 2019, which corresponds to a decline of more than 5.0 percent. The automotive industry is in the midst of a fundamental transformation which is mainly influenced by alternative drives and digitalisation. The industry continues to push the development of electromobility with great commitment as new drive solutions are needed to respond to climate change and growing mobility needs. At the same time, technologies are advanced to enable automated driving at different levels with a view to further increasing safety and comfort.

TOTAL REVENUES (1ST QUARTER)

CHART 02



Total revenues continued to rise in the period under review.

According to the German Aerospace Industries Association (BDLI), civil aviation continues to benefit from increasing passenger numbers and the need to update older aircraft generations. The industry is therefore continuing its massive investment in new technologies and products that relate to the development of the next generation of aircraft, as well as in the development of products for current aircraft programmes. A central aspect in doing so is the implementation of "Industry 4.0" and digitalisation in development, production and services. The four key industries in which Bertrandt operates apart from the automotive and aerospace sectors are substantially impacted by the digitalisation of processes. The establishment of intelligent, digitally networked systems is the basis for implementing more efficient value chains – from the idea for a product through to its development, production, use and maintenance and, finally, recycling. Industry 4.0 offers huge opportunities for Germany as a leading international industry supplier. The prospects which this offers for the energy, medical technology and electrical engineering industries, as well as the machinery and plant engineering sectors, also mean huge growth opportunities for external development partners like Bertrandt. However, global trade conflicts remain a source of uncertainty for businesses. This is also reflected in the business climate index published by the ifo Institute, which fell to 95.9 points in January 2020 from 96.3 points in the previous month. While businesses were slightly more satisfied with their current business positions, expectations were pointing to a decline. Thus, the ifo index is close to the all-time low of the past four years.

263.321

EUR million were the total revenues generated in the first quarter of FY 2019/2020.

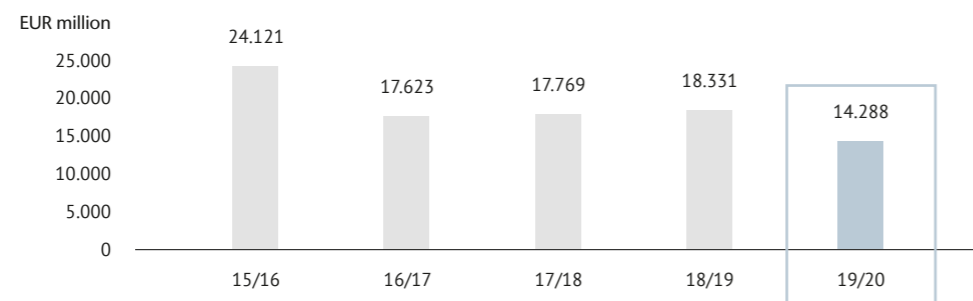
BUSINESS PERFORMANCE

Development of the first quarter of fiscal 2019/2020

The economic conditions continued to be heterogeneous and challenging in the first quarter of Bertrandt AG's fiscal year 2019/2020. The continuing transformation process in the automotive industry influenced the external sourcing strategies of automotive manufacturers. Some development contracts were awarded to engineering service providers with delays, and pressure on prices remained tangible in some disciplines. In fiscal 2019/2020, Bertrandt AG applies for the first time the new accounting standard IFRS 16 for its lease accounting. According to the standard, lessees do not distinguish between finance and operating leases, but are required to recognise a right-of-use asset and a lease liability in the balance sheet for all leases. This results in material changes in items in the income statement, balance sheet and cash flow statement. Explanations are given as appropriate, as well as in the Notes.

EBIT (1ST QUARTER)

CHART 03



The development of EBIT is influenced by temporary customer-specific project postponements.

Total revenues

Against this backdrop, the Company increased its total revenues in the period under review to EUR 263.321 million (previous year EUR 262.259 million), including capitalised internally generated assets of EUR 0.334 million (previous year EUR 0.187 million).

→ CHART 02

Key expenditure figures

Expenses in the first quarter of fiscal 2019/2020 were as follows: The cost of materials amounted to EUR 25.245 million; this was more or less at the previous year's level (EUR 24.502 million). In line with a moderate growth in the workforce over the previous quarter and due to a general increase in wages, personnel expenses in the period under review grew to EUR 190.462 million (previous year EUR 186.335 million). The staff cost ratio was 72.3 percent (previous year 71.0 percent). The adoption of IFRS 16 caused depreciation/amortisation to increase to EUR 12.841 million (previous year EUR 8.011 million), while other operating expenses reduced to EUR 22.490 million (previous year EUR 27.368 million).

EBIT

In the first quarter of the fiscal year 2019/2020, Bertrandt's EBIT was EUR 14.288 million (previous year EUR 18.331 million). This translates into a margin of 5.4 percent (previous year 7.0 percent). This development continues to be influenced by temporary delays in the award of projects by some customers, the resulting delayed demand for capacity, noticeable pressure on prices in some disciplines of our range of services and start-up costs for new areas of business activity. Net finance income was EUR -1.326 million (previous year EUR -0.767 million).

This is essentially attributable to the recognition of EUR 0.543 million in interest expense on lease liabilities due to the adoption of IFRS 16. Profit from ordinary activities in the period under review was EUR 12.962 million (previous year EUR 17.564 million). Based on a tax rate of 28.5 percent (previous year 28.8 percent), the Company generated post-tax earnings of EUR 8.711 million (previous year EUR 11.926 million).

→ CHART 03

Financial and assets position

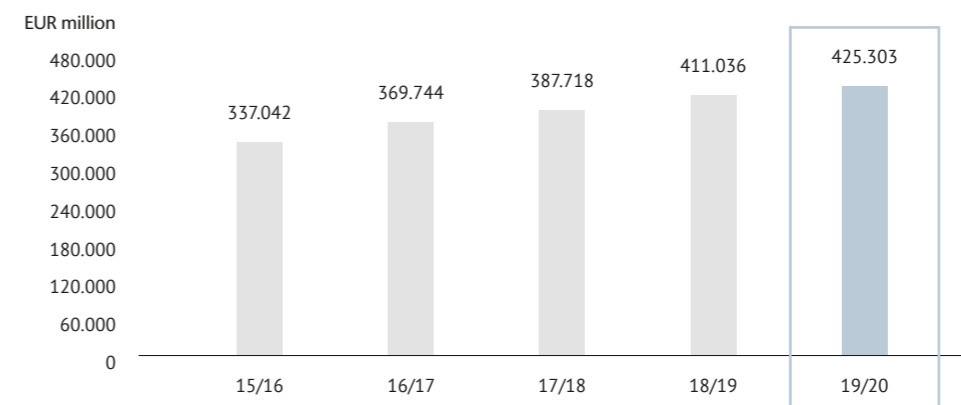
Total assets increased by EUR 115.031 million to EUR 923.693 million as at 31 December 2019 (EUR 808.662 million as at 30 September 2019), of which EUR 91.573 million are attributable to the adoption of IFRS 16.

Non-current assets increased by EUR 94.113 million to EUR 434.676 million (EUR 340.563 million as at 30 September 2019). This results in the main from the first-time recognition of right-of-use assets from leases at EUR 81.871 million and the increase in deferred taxes caused by the adoption of IFRS 16 in the amount of EUR 9.702 million. Current assets were EUR 489.017 million (EUR 468.099 million as at 30 September 2019). While contract assets declined by EUR 30.681 million to EUR 94.634 million (EUR 125.315 million as at 30 September 2019) and trade receivables decreased by EUR 13.984 million to EUR 212.023 million (EUR 226.007 million as at 30 September 2019), cash and cash equivalents increased by EUR 63.219 million to EUR 154.710 million (EUR 91.491 million as at 30 September 2019).

→ CHART 04

EQUITY (ON 31 DECEMBER)

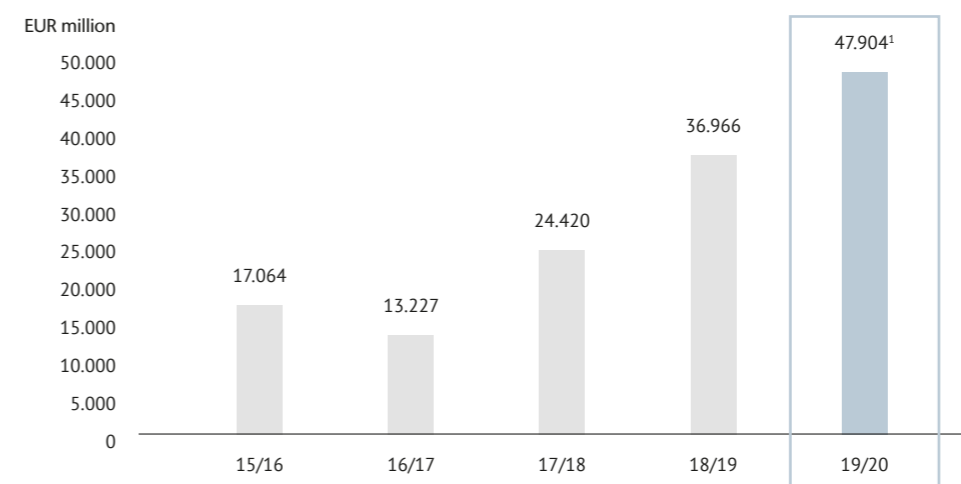
CHART 04



The equity ratio reached 46.0 percent as of the reporting date.

FREE CASHFLOW (1ST QUARTER)

CHART 05

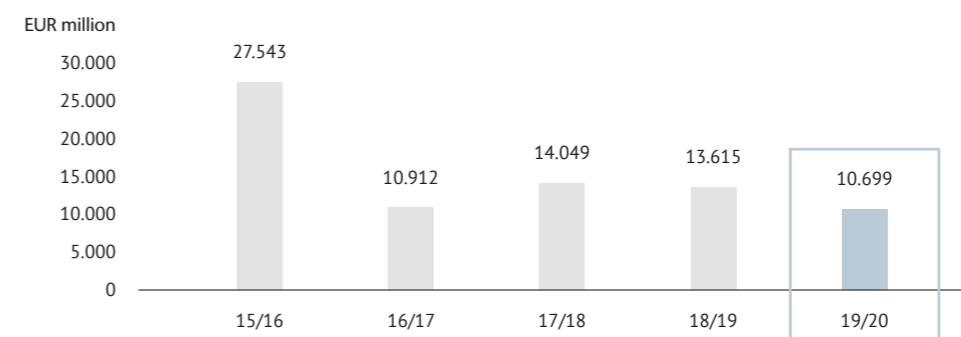


¹We refer to the presentation of the quarterly financial statements in the notes regarding the presentation of the interest paid within the cash flow statement.

At the end of the first quarter, free cash flow amounted to EUR 47.904 million.

CAPITAL SPENDING (1ST QUARTER)

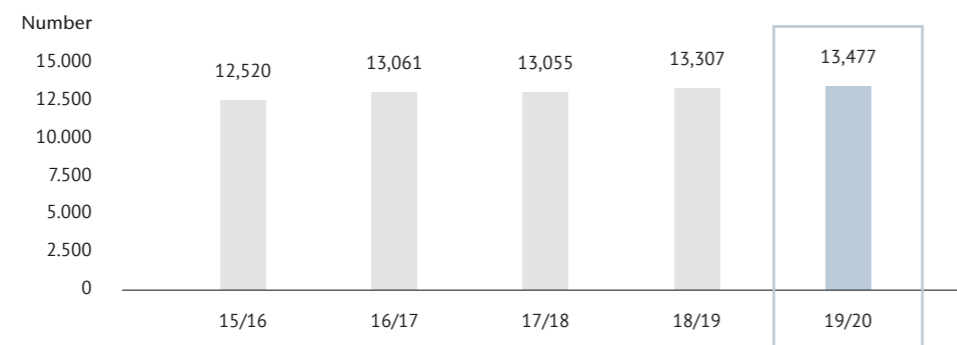
CHART 06



Capital spendings amounted to EUR 10.699 million.

EMPLOYEES (ON 31 DECEMBER)

CHART 07



Compared to the previous year, the number of employees in the Group increased by 170 people.

13,477

employees worked for Bertrandt on the reporting date.

Current liabilities were EUR 195.199 million (EUR 152.725 million as at 30 September 2019). The increase is essentially the result of maturity-related reclassifications from non-current to current borrowings in the amount of EUR 30.000 million. In addition, the current other financial liabilities grew by EUR 22.317 million, of which EUR 16.428 million are attributable to IFRS 16 matters, which, in addition, resulted in an increase in non-current other financial liabilities by EUR 65.728 million. In total, non-current liabilities increased by EUR 63.946 million to EUR 303.191 million (EUR 239.245 million as at 30 September 2019) substantially influenced by the aspects stated above as well as a loan disbursement of a subsidised loan for an investment project. Equity increased in the first three months of fiscal 2019/2020 to EUR 425.303 million (EUR 416.692 million as at 30 September 2019). The IFRS 16-related increase in total assets and liabilities has a negative impact on the equity ratio, which fell to 46.0 percent (51.5 percent as at 30 September 2019).

→ CHART 05

Bertrandt's cash flow from operating activities in the first quarter of the current fiscal year was EUR 58.506 million (previous year EUR 50.051 million). As in the previous year, it was mainly influenced by the temporary decrease in tied-up funds as of the reporting date of 30 September 2019, which has resulted in an optimisation of working capital. Due to declining capital expenditure, cash flow from investing activities decreased to EUR -10.602 million (previous year EUR -13.085 million). This resulted in free cash flow at the end of the first quarter of EUR 47.904 million (previous year EUR 36.966 million).

In the first three months of the current fiscal year, EUR 10.674 million was invested in buildings, technical equipment and intangible assets to meet needs (previous year EUR 13.615 million). The main focus of investment was on test facilities for powertrain systems. The Company will continue in this way to focus its investment activities in building up and expanding its infrastructure with the aim of continually optimising its range of services.

→ CHART 06

Human resources

The Company employed 13,477 people in the Group on 31 December 2019. Year on year, the number of employees in the Group has therefore grown by 170 people (13,307 employees on 31 December 2018). The latest information on human resources management can be found in the "Careers" section of Bertrandt's website at www.bertrandt.com.

Risk report

As an engineering service provider operating on an international scale, Bertrandt is exposed to a wide variety of risks. The pertinent facts were comprehensively reported in the fiscal 2018/2019 annual report, which states that the ongoing developments in the automotive sector will also shape the 2019/2020 financial year. The ultimate outcomes of these developments cannot be wholly predicted at the present juncture. Depending on the turn the influencing factors described in the report take, they may result in opportunities or risks for the Bertrandt Group in the current fiscal year. Overall, uncertainty about the macroeconomic conditions and customer-specific challenges has increased in the first quarter, which means that risk factors so far classified as potential have to some extent already materialised. For example, Britain's exit from the EU has become a reality. Furthermore, no far-reaching agreement has been reached yet in the trade conflict between the US and China and/or the EU. It is also not possible at the present juncture to predict the impact of Coronavirus on global trade and logistics chains and on the real economy as a whole, although adverse effects have to be expected. Overall, it is difficult to foresee how this will impact the contracts awarded by OEMs and to make reliable forecasts. In the view of the Company's Management Board, there is an increased probability of the risks for Bertrandt's business performance identified in the risk report materialising. There are still opportunities in Bertrandt's core industries and the underlying technology trends, however. A broad strategic alignment and a solid financial base will continue to provide a stable foundation for the business growth of the Bertrandt Group.

→ CHART 07

Potentials

The ongoing technology trends of autonomous driving, connectivity, e-mobility and the Internet of Things are driving fundamental transformation processes and a radical upheaval in the automotive industry. Mobility and the world of digital data are becoming increasingly intertwined and new business fields and market shares are emerging. The ever greater breadth and depth of topics

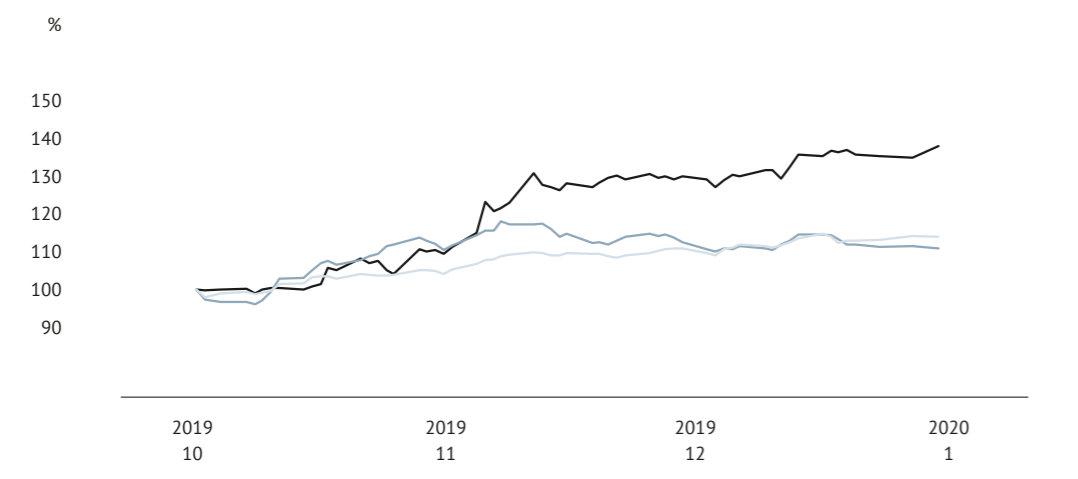
2.6

percent is the rate at which the global economy is predicted by the ifo Institute to grow in 2020.

poses a challenge for Bertrandt as both generalist and specialist. As a solutions-focused engineering business the Group is geared to market and customer requirements and consequently also invests in infrastructure and the competences of its employees. With all these developments, new topics, services and cooperative opportunities are also emerging alongside established fields of business which Bertrandt is increasingly exploiting to develop the best solutions for its customers. Bertrandt is a technology company which provides skilled support as a partner to its customers. The Company's objective is to manage its business sustainably, to position itself successfully on the market and to further build a leading position with a broad and integrated range of services. Bertrandt consciously serves a rather diverse customer base. The Company assumes the role of an expert consultant to the automotive and aerospace industries while embracing the development of technological future trends with a can-do attitude. Moreover, there are promising opportunities for the Company to establish a market position and to bring its expertise to bear in sectors beyond the mobility industry, such as the energy and electrical engineering and medical technology industries as well as the electronics sector or machinery and plant engineering industries. Thanks to our decentralised structure, we are a trusted partner in the immediate vicinity of our customers. Thus, we can take on board their wishes immediately and implement them in projects worldwide. Moreover, in this context Bertrandt also uses agile startup-type units and focuses on industries and customers in the fields of medical technology, virtual and augmented reality, cloud solutions, machine learning or big data.

SHARE PRICE IN COMPARISON (1ST QUARTER)

CHART 08



Like the German stock markets in general, the price development of the Bertrandt share was volatile in the first quarter.

— Bertrandt AG — Prime Automobile Performance-Index — SDAX

Forecast and outlook

In their autumn report, experts from leading German economic research institutes forecast subdued worldwide growth for 2020. The estimates produced by these experts project global GDP growth of only 2.6 percent in 2020 and 2.7 percent in 2021. In the USA, GDP is expected to grow by 1.7 percent this year and by 1.8 percent in 2021. For the Chinese economy, economic research institutes project a continuing slowdown in the pace of growth and an expansion of real GDP by 5.9 percent in 2020 and by 5.8 percent in 2021. European GDP is anticipated as growing by 1.2 percent and 1.4 percent in 2020 and 2021 respectively. For Germany's GDP a growth rate of only 0.7 percent is expected in 2020. These forecasts do not account for the impact of Coronavirus. In view of the production delays in some Chinese provinces, a considerable impact on economic growth in China and worldwide must be expected for the first quarter of 2020. How manufacturers will catch up on the backlog created by these production stoppages in the subsequent quarters cannot be predicted at the present juncture.

The year 2019 was shaped by weak sales dynamics in the Chinese passenger car market, the world's largest automotive market. Sales figures in other regions, such as the USA or Europe, were solid by comparison. In view of the partly positive growth rates,

industry representatives in these markets expect a consolidation of sales figures for the year 2020. Forecasts for global passenger car production vary between zero and -3.0 percent. On the development side, a recent study analysing the situation in the German automotive industry, which was conducted by the VDA in cooperation with consulting firm Oliver Wyman, concluded that the automobile itself is in the midst of a historic transformation. According to the study, digital connectivity and globalisation are continuously driving the global innovation and technology race. The need for mobility is growing on all continents and is manifested in demand for sustainable and environmentally-friendly vehicle concepts. As a result, experts expect the trend for contracting out engineering services in the automotive industry to continue – an important factor for Bertrandt's business performance. In a study published by the consulting firm Berylls, global market growth in this field is forecast to expand to EUR 18.3 billion by 2023. For the German market in particular, an expansion to EUR 6.3 billion is expected, which would correspond to an average annual growth rate of 7.3 percent since 2017.

According to the German Aerospace Industries Association (BDLI), the aerospace industry has achieved dramatic reductions in aircraft emissions and noise pollution in recent years. However, the industry has set itself also some ambitious

long-term targets within the framework of the European "Flightpath 2050" agreements. Taking the year 2000 as the baseline, the goal is to reduce CO₂ emissions by 75.0 percent and nitrogen oxide by 90.0 percent per passenger kilometre by 2050. Noise pollution should be reduced by 65.0 percent by that date. Alongside environmental objectives aircraft manufacturers and suppliers also aim to boost on-board comfort for passengers. Against this background there will be continuing demand for engineering in this market segment to adjust the existing model range in response to these requirements.

According to the German Engineering Association (VDMA), the global mechanical engineering market is also contracting. Besides the change currently taking place in the automotive industry, the new economic direction set by China, prolonged uncertainties surrounding political changes and the imposition of trade tariffs result in a declining demand for capital goods according to the VDMA. Price-adjusted global sales of technical equipment and machinery are therefore expected to stagnate in 2020.

The Power Engineering division of the German Electrical and Electronic Manufacturers Association (ZVEI) reported that the global market for power engineering was worth EUR 248.7 billion in 2018. The industry experts anticipate the global market for power engineering expanding by 4.0 percent in the years 2019 and 2020. The German Hightech Industry Association SPECTARIS expects the global market for medical technology to grow in value to around EUR 463 billion by 2022. This is equivalent to an annual rate of growth of 5.2 percent. The German medical technology industry, which is highly innovative, well-positioned and internationally competitive, can benefit from this development, according to the experts. However, the VDMA's chief economist estimates that digitalisation, new forms of mobility and CO₂-neutral production offer many opportunities also for this industry. Solar mechanical engineering firms in particular expect sales growth of 3.0 percent next year compared with the previous year. Assuming that economic conditions do not deteriorate, that OEMs make sustained investments in research and development for new technologies and models, engineering work continues to be contracted out and qualified human resources are available, Bertrandt expects the Company to develop positively in fiscal 2019/2020. The key market trends promoting Bertrandt's business success are environmentally friendly individual mobility, connected

57.00

EUR was the closing price of the Bertrandt share on the last trading day 2019.

and automated driving, and the increasing variety of models and variants. These trends are intact and offer business opportunities for the future. The market continues to offer real business opportunities in 2020. As a result, Bertrandt will continue to focus its investment activities in building up and expanding its infrastructure with the aim of consistently optimising its range of services bearing in mind that the technological developments of tomorrow will require state-of-the-art technology. The Company confirms its expectation of a volume of capital spending in fiscal 2019/2020 of between EUR 60 and 80 million, which could be even higher if necessary. Total revenues are expected to grow by EUR 20 to 50 million. EBIT in the period under review is targeted to range between 5.0 and 7.5 percent of total revenues, which translates into EBIT of between EUR 54.0 and 83.2 million.

The Bertrandt share

The DAX started the first quarter of Bertrandt's fiscal 2019/2020 year on 1 October 2019 opening at 12,428 points. For the following months it was volatile. On 30 December 2019, the DAX closed with 12,965 points. The SDAX started the period at 11,027 points, closing at 12,512 points as of the end of the period. The Prime Automobile Performance Index oscillated between 1,232 and 1,509 points. The Bertrandt share started the first quarter of the 2019/2020 fiscal year by opening in Xetra trading at EUR 40.85. It reached its low for the period on 8 October 2019 when the share closed at EUR 39.60. The highest share price in the reporting period was EUR 57.00 on 30 December 2019. The average daily trading volume in the first three months of fiscal 2019/2020 was 10,770 shares (9,678 shares in the same period in the previous year).

Analysts' ratings of the share and of our Company can be found at www.bertrandt.com under Investor Relations.

Interim Consolidated Financial Statements

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

TABLE 09

EUR million		
01/10 until 31/12	2019/2020	2018/2019
I. Income statement		
Revenues	262.987	262.072
Other internally generated assets	0.334	0.187
Total revenues	263.321	262.259
Other operating income	2.005	2.288
Raw materials and consumables used	-25.245	-24.502
Personnel expenses	-190.462	-186.335
Depreciation	-12.841	-8.011
Other operating expenses	-22.490	-27.368
EBIT	14.288	18.331
Share of profit in associates	0.117	0.128
Interest income	0.027	0.044
Financial expenses	-1.448	-0.939
Other financial result	-0.022	0
Net finance income	-1.326	-0.767
Profit from ordinary activities	12.962	17.564
Other taxes	-0.785	-0.823
Earnings before tax	12.177	16.741
Income taxes	-3.466	-4.815
Post-tax earnings	8.711	11.926
attributable to shareholders of Bertrandt AG	8.711	11.926
Number of shares (million) – diluted/basic, average weighting	10.095	10.095
Earnings per share (EUR) – diluted/basic	0.86	1.18
II. Statement of comprehensive income		
Post-tax earnings	8.711	11.926
Exchange rate differences ¹	-0.100	0.100
Revaluation of pension obligations	0	-0.030
Deferred tax on remeasurement of retirement benefit obligations	0	0.009
Other comprehensive income after taxes	-0.100	0.079
Total comprehensive income	8.611	12.005
attributable to shareholders of Bertrandt AG	8.611	12.005

¹Components of Other earnings after taxes which will be recycled in the Income statements of the future quarterly and annual reports.

CONSOLIDATED BALANCE SHEET

TABLE 10

EUR million		
	31/12/2019	30/09/2019
Assets		
Intangible assets	15.053	14.017
Property, plant and equipment	385.776	302.855
Investment properties	1.326	1.342
Investments accounted for using the equity method	6.571	6.453
Financial receivables	1.410	1.412
Other financial assets	2.650	2.581
Other assets	9.430	8.831
Deferred taxes	12.460	3.072
Non-current assets	434.676	340.563
Inventories	1.606	0.993
Contract assets	94.634	125.315
Trade receivables	212.023	226.007
Financial receivables	0.504	0.558
Other financial assets	2.907	2.873
Other assets	17.581	15.664
Income tax assets	5.052	5.198
Cash and cash equivalents	154.710	91.491
Current assets	489.017	468.099
Total assets	923.693	808.662
Equity and liabilities		
Issued capital	10.143	10.143
Capital reserves	29.714	29.714
Retained earnings	346.136	346.136
Other reserves	-5.165	-5.065
Consolidated distributable profit	44.475	35.764
Equity	425.303	416.692
Borrowings	205.119	212.419
Other financial liabilities	65.728	0
Other liabilities	1.597	1.747
Provisions	12.450	12.445
Deferred taxes	18.297	12.634
Non-current liabilities	303.191	239.245
Borrowings	31.410	3.498
Contract liabilities	12.285	4.520
Trade payables	16.198	15.751
Other financial liabilities	44.759	22.442
Other liabilities	67.248	72.562
Other provisions	19.519	33.185
Tax provisions	3.780	0.767
Current liabilities	195.199	152.725
Total equity and liabilities	923.693	808.662

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TABLE 11

EUR million	Issued Capital	Capital reserves	Retained earnings	Other reserves		Consolidated distributable profit	Total	
				Currency translation reserve	Revaluation of pension obligations			
Value on 01/10/2019	10.143	29.714	346.136	-1.290	-3.775	-5.065	35.764	416.692
Post-tax earnings							8.711	8.711
Other comprehensive income after taxes				-0.100 ¹	0	-0.100		-0.100
Total comprehensive income				-0.100	0	-0.100	8.711	8.611
Value on 31/12/2019	10.143	29.714	346.136	-1.390	-3.775	-5.165	44.475	425.303
Previous year								
Value on 30/09/2018	10.143	29.713	323.161	-1.893	-2.012	-3.905	39.764	398.876
Value adjustment according to IFRS 9			0.155					0.155
Value on 01/10/2018	10.143	29.713	323.316	-1.893	-2.012	-3.905	39.764	399.031
Dividend payment							11.926	11.926
Other comprehensive income after taxes				0.100 ¹	-0.021	0.079		0.079
Total comprehensive income				0.100	-0.021	0.079	11.926	12.005
Value on 31/12/2018	10.143	29.713	323.316	-1.793	-2.033	3.826	51.690	411.036

¹Components of other comprehensive income which will be reclassified to the income statements of future periods.

CONSOLIDATED CASH FLOW STATEMENT

TABLE 12

EUR million	2019/2020		2018/2019	
	01/10 until 31/12			
1. Post-tax earnings		8.711		11.926
2. Income taxes		3.466		4.815
3. Share of profit in associates		-0.117		-0.128
4. Interest income		-0.027		-0.044
5. Financial expenses		1.448		0.939
6. Net other finance result		0.022		0
7. Depreciation of non-current assets		12.841		8.011
8. Increase/decrease in provisions		-13.661		-14.151
9. Other non-cash income/expense		-0.224		0.468
10. Profit/loss from disposal of non-current assets		0.078		-0.127
11. Increase/decrease in inventories, trade receivables as well as other assets not assigned to investing or financing activities		10.604		21.794
12. Increase/decrease in contract assets		30.681		8.153
13. Increase/decrease in trade payables and other liabilities not assigned to investing or financing activities		8.636		17.694
14. Income tax paid		-4.127		-6.215
15. Income tax received		0.308		0
16. Interest paid ¹		-0.155		-3.126
17. Interest received ¹		0.022		0.042
18. Cash flows from operating activities (1.–17.)		58.506		50.051
19. Payments received from disposal of property, plant and equipment		0.097		0.330
20. Payments received from the disposal of financial assets ²		0		0.200
21. Payments made for investments in property, plant and equipment		-9.111		-12.854
22. Payments made for investments in intangible assets		-1.563		-0.608
23. Payments made for investments accounted for using the equity method (previous year including financial assets) ²		0		-0.153
24. Payments made to acquire consolidated and other businesses		-0.025		0
25. Cash flows from financing activities (19.–24.)		-10.602		-13.085
26. Financial receivables – payments received ²		0.080		0
27. Financial receivables – payments made ²		-0.037		0
28. Payments received from issue of debt instruments and raising of loans		22.984		0
29. Payments made for discharging debt instruments and repaying loans ³		-4.289		-0.484
30. Interest paid ¹		-3.355		0
31. Cash flows from financing activities (26.–30.)		15.383		-0.484
32. Changes in cash and cash equivalents (18.+25.+31.)		63.287		36.482
33. Effect of exchange rate changes on cash and cash equivalents		-0.068		0.101
34. Cash and cash equivalents at beginning of period		91.491		88.405
35. Cash and cash equivalents at end of period (32.–34.)		154.710		124.988

¹For information regarding the disclosure of interest paid within the cash flow statement, see the explanations about the presentation of the interim consolidated financial statements in the notes.

²Refer to Note [1] in the annual report 2018/2019 for explanations about the presentation of financial statements.

³For explanations about IFRS 16 see the management report and the notes.

CONSOLIDATED SEGMENT REPORT

TABLE 13

EUR million	Digital Engineering		Physical Engineering		Electrical Systems/ Electronics		Total for all divisions	
	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019
01/10 until 31/12								
Revenues	154.070	157.285	60.595	60.957	64.018	56.734	278.683	274.976
Transfer between segments	8.020	6.761	3.921	2.707	3.755	3.436	15.696	12.904
Consolidated revenues	146.050	150.524	56.674	58.250	60.263	53.298	262.987	262.072
Other internally generated assets	0.049	0.113	0.109	0.056	0.176	0.018	0.334	0.187
Consolidated total revenues	146.099	150.637	56.783	58.306	60.439	53.316	263.321	262.259
EBIT	4.629	9.359	4.123	3.789	5.536	5.183	14.288	18.331

SHARES OWNED BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS

TABLE 14

Number	Shares	
	Balance at 31/12/2019	Balance at 30/09/2019
Members of the Management and Supervisory Boards owning shares		
Dietmar Bichler (Chairman of the Supervisory Board)	400,000	400,000
Total	400,000	400,000

Options are not disclosed here as there is currently no option programme.



HARRI AT THE CES

From 7 to 10 January 2020, the Consumer Electronics Show CES, which is the world's leading show for electronics innovations, was held in Las Vegas. CES is owned and produced by the Consumer Technology Association (CTA) and brings together the world's business leaders and innovative thinkers. At the show, Bertrandt displayed its HARRI innovation platform with great success.

The HARRI platform highlights the combined application of current industry megatrends such as digitalisation, autonomous driving, connectivity and electric mobility in a vehicle. We also demonstrate our technological expertise along the entire value chain of today's and also future mobility concepts. In addition to addressing the automotive sector, Bertrandt offers solutions for municipal infrastructure, logistics companies and passenger transportation.



Condensed Consolidated Notes

BASIC INFORMATION

The consolidated financial statements of Bertrandt Aktiengesellschaft, registered at Birkensee 1, 71139 Ehningen, Germany (register number HRB 245259, commercial register of the local court of Stuttgart), for the year ending 30 September 2019 were prepared using the International Financial Reporting Standards (IFRS) effective at the reporting date and as endorsed by the European Union (EU).

The presented consolidated financial statements as at 31 December 2019 were prepared based on International Accounting Standard (IAS) 34 Interim Financial Reporting, in principle applying the same reporting methods as in the consolidated financial statements for fiscal 2018/2019.

These interim consolidated financial statements comply with the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB). They also comply with all Standards and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) which are mandatorily effective for the financial year 2019/2020, and with the German Corporate Governance Code.

A detailed description of these methods is published in the Notes to the Consolidated Financial Statements of the Annual Report for fiscal 2018/2019. The Annual Report is also accessible on the internet at www.bertrandt.com.

These interim consolidated financial statements were compiled in euros. Unless stated otherwise, all amounts are shown in millions of euros (EUR million). Where percentage values and figures are given, differences may occur due to rounding.

International Financial Reporting Standards and Interpretations that are subject to mandatory application as of fiscal 2018/2019

The following table sets out the International Financial Reporting Standards and Interpretations that are subject to mandatory application as of fiscal 2019/2020.

TABLE 15

Standard/ Interpretation		Mandatory application ¹	Expected effects
IFRS 9	Amendments to IFRS 9: Prepayment features with negative compensation	01/01/2019	None
IFRS 16	Leasing	01/01/2019	Accounting / More detailed disclosures in the Notes
IAS 19	Amendments to IAS 19: Plan amendment, curtailment or settlement	01/01/2019	None
IAS 28	Amendments to IAS 28: Long-term interests in associates and joint ventures	01/01/2019	None
IFRIC 23	Uncertainty over income tax treatments	01/01/2019	None
Improvements to IFRS	Adoption of annual improvements to IFRS cycle 2015-2017	01/01/2019	Single-case audit

¹Fiscal years beginning on or after the specified date.

IFRS 16 – Leases

The Company adopted IFRS 16 using the simplified retrospective method. For detailed explanations about the general changes required by IFRS 16 see page 87 in the 2018/2019 Annual Report. The Bertrandt Group uses the following transition options and practical expedients:

- The capitalised right-of-use assets are allocated to those items in the balance sheet under which the underlying assets of the lease would be reported if they were owned by the Bertrandt Group. The right-of-use assets are mainly recognised as non-current assets, in property, plant and equipment.

- The lease liabilities are shown in current and non-current liabilities respectively, depending on their maturities.
- When the standard was applied for the first time, the initial direct costs were not taken into account in the measurement of the right-of-use assets. The lease liabilities and right-of-use assets were stated at the same amount.
- The Company exercises transition reliefs regarding current (term less than 12 months) leases and leases for which the underlying asset is of low value (less than EUR 5,000).

The first recognition of the right-of-use assets and lease liabilities in the balance sheet has had the following effects as of 1 October 2019:

- Recognition of right-of-use assets and lease liabilities of EUR 81.267 million in the balance sheet
- There were no effects on equity.

In the period from 1 October to 31 December 2019, the initial application of IFRS 16 had the following effects on the consolidated income statement and the consolidated balance sheet as at 31 December 2019:

EFFECTS OF IFRS 16 ON THE INCOME STATEMENT

TABLE 16

EUR million	
01/10 until 31/12	2019/2020
Depreciation	-4.278
Other operating expenses (Operating lease expenses)	4.537
EBIT	0.259
Interest expense from lease liabilities	-0.543
Net finance income	-0.543
Profit from ordinary activities / Earnings before tax	-0.284
Income taxes	0.082
Post-tax earnings	-0.202

EFFECTS OF IFRS 16 ON THE CONSOLIDATED BALANCE SHEET

TABLE 17

EUR million	31/12/2019 (including IFRS 16)	Impact of IFRS 16	31/12/2019 (excluding IFRS 16)
Assets			
Non-current assets	434.676	- 91.573	343.103
of which Right-of-use assets	81.871	-81.871	0
of which deferred taxes	12.460	-9.702	2.758
Current assets	489.017	0	489.017
Total assets	923.693	- 91.573	832.120
Equity and liabilities			
Equity	425.303	0.202	425.505
of which Consolidated distributable profit	44.475	0.202	44.677
Equity ratio	46.0%	5.1%	51.1%
Non-current liabilities	303.191	-75.347	227.844
of which Lease liabilities	65.728	-65.728	0
of which Deferred taxes	18.297	-9.619	8.678
Current liabilities	195.199	-16.428	178.771
of which Lease liabilities	44.759	-16.428	28.331
Total equity and liabilities	923.693	- 91.573	832.120

International Financial Reporting Standards and Interpretations that have been published but are not yet mandatory

The following standards and interpretations have already been adopted by the International Accounting Standards Board (IASB) and to some degree approved by the EU but they were not yet mandatory in fiscal 2019/2020. Bertrandt will apply them for the accounting period for which they become effective.

TABLE 18

Standard/ Interpretation		Mandatory application ¹	Expected effects
IFRS 3 ²	Amendments to IFRS 3: Business combinations	01/01/2020	None
IFRS 7, IFRS 9 und IAS 39	Amendments to IFRS 7, IFRS 9 and IAS 39: Interest rate benchmark reform	01/01/2020	None
IFRS 17 ²	Insurance contracts	01/01/2021	None
IAS 1 und IAS 8 ²	Amendments to IAS 1 and IAS 8: Definition of material	01/01/2020	Currently under examination
Improvements to IFRS	Changes on the conceptual framework of the IFRS regulations ²	01/01/2020	Single-case audit

¹Fiscal years beginning on or after the specified date.

²Not yet endorsed by the EU.

Presentation of interim financial statements

In addition, to improve the presentation of the information, previous interest payments are also shown under cash flows from financing activities.

GROUP OF CONSOLIDATED COMPANIES

The group of consolidated companies includes all operating subsidiaries under the legal and constructive control of Bertrandt AG.

Associates, i.e. entities which are not controlled by Bertrandt but over which the Company has significant influence, and joint ventures, i.e. entities of which Bertrandt has joint control, either directly or indirectly, are accounted for in the consolidated financial statements using the equity method.

The following table shows the entities of the Bertrandt Group:

GROUP OF CONSOLIDATED COMPANIES

TABLE 19

	31/12/2019
Bertrandt AG and consolidated subsidiaries	52
Germany	42
Abroad	10
Associates and joint ventures	19
Germany	19
Abroad	0
Total	71

FOREIGN CURRENCY TRANSLATION

The interim consolidated financial statements of subsidiaries using a functional currency other than the euro are translated according to IAS 21. The subsidiaries carry out their business independently for financial, commercial and organisational purposes. The functional currency is therefore identical to the currency of the country in which they are based.

Accordingly, for the interim financial statements these companies' assets and liabilities were translated at the mean closing rate at the date of the statement of financial position, and income and expenses were translated at the average exchange rate for the period. All resulting exchange differences including differences resulting from the translation of amounts brought forward from the previous year are recognised directly in equity.

Foreign currency transactions are recorded by translating the foreign currency amount into the functional currency amount at the exchange rate prevailing on the date of the transaction. Gains and losses arising from the settlement of such transactions as well as from the translation at the reporting date of monetary assets and liabilities held in foreign currencies are recognised in profit or loss.

The parities of the key currencies relative to one euro were as follows:

FOREIGN CURRENCY TRANSLATION

TABLE 20

Relative to one euro	Average rate on balance sheet date		Average rate Q1		
	31/12/2019	31/12/2018	2019/2020	2018/2019	
China	CNY	7.8328	7.8600	7.7897	7.8918
United Kingdom	GBP	0.8501	0.8971	0.8601	0.8874
Romania	RON	4.7828	4.6654	4.7667	4.6608
Turkey	TRY	6.6803	6.0557	6.4157	6.2830
Czech Republic	CZK	25.4070	25.724	25.5772	25.863
United States	USD	1.1228	1.1453	1.1073	1.1417

RELATED PARTY DISCLOSURES

On 2 July 2014, Dr. Ing. h.c. F. Porsche AG, Stuttgart, increased its shareholding in Bertrandt AG by nearly four percentage points. After the share purchase, Volkswagen now indirectly holds around 29.0 percent of voting shares in Bertrandt. As in the past it is not the intention of Volkswagen to exercise influence on the Supervisory Board or the Management Board. From the date of the purchase of the shares, Bertrandt AG will be accounted for as an associate in the consolidated financial statements of the Volkswagen group under the equity method. Accordingly, the Volkswagen group has to be classified as a related party pursuant to IAS 24. All supplier relationships between Bertrandt AG and the Volkswagen group were based on arm's length prices. The revenues arising from transactions with all Volkswagen group companies amounted to EUR 88.201 million in the period under review (previous year EUR 86.725 million). As of the balance sheet date, receivables amounted to EUR 81.668 million (previous year EUR 89.713 million).

FAIR VALUE DISCLOSURES

The principles and methods used for fair value measurement have remained unchanged compared to fiscal 2018/2019.

Based on the short maturities of the current financial assets and liabilities, it is assumed that their fair values are nearly equal to their carrying amounts. The fair values of non-current borrowings were EUR 213.653 million as of 31 December 2019 (previous year EUR 207.384 million) as a result of the development of interest rates.

The financial assets and financial liabilities at fair value through profit or loss generally comprise derivatives to hedge foreign exchange and interest risks.

The derivatives' fair values are determined with generally accepted methods of financial mathematics, using mid-market pricing. All derivatives with a positive fair value are disclosed as derivative assets, while all derivatives with a negative fair value are disclosed as derivative liabilities.

As at 31 December 2019 the fair value of all balance sheet items valued at their fair value was EUR 0 million (EUR 0 million as at 30 September 2019). In the period under review, no foreign exchange forward contract or interest rate hedging contract was outstanding.

The fair value hierarchy established by IFRS 13 defines three levels of inputs to valuation techniques which depend on the availability of observable market prices in an active market. Level one input is input available for financial instruments that are measured at quoted prices in active markets for identical assets or liabilities. Financial instruments that are measured using Level two inputs are measured on the basis of inputs other than quoted prices included within Level one, which are observable either directly or indirectly. Level three input refers to market data for the measurement of financial instruments that are unobservable. Interest rate derivatives and foreign exchange forward contracts are categorised as Level two, other derivatives as Level three. Non-current financial liabilities are categorised as Level two. As in the previous year, there were no transfers between the three levels of the fair value hierarchy. A sensitivity analysis is performed every year, analysing and evaluating internal and external information and conditions for their probability of occurrence and the resulting financial burdens. As in the previous year, the sensitivity analysis carried out in the first quarter of fiscal 2019/2020 for derivatives measured according to Level three of the fair value hierarchy did not lead to any change in the carrying amount.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

There were no material events after the reporting period of 1 October 2019 to 31 December 2019.

GERMAN CORPORATE GOVERNANCE CODE

The declarations of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) by the Management and Supervisory Boards of Bertrandt AG are accessible on the internet at www.bertrandt.com.

Quarterly Survey

CONSOLIDATED INCOME STATEMENT

TABLE 21

EUR million	Q1 19/20	Q4 18/19	Q3 18/19	Q2 18/19	Q1 18/19
Revenues	262.987	274.164	259.371	262.505	262.072
Other internally generated assets	0.334	0.827	0.537	0.207	0.187
Total revenues	263.321	274.991	259.908	262.712	262.259
Other operating income	2.005	11.012	1.872	2.234	2.288
Raw materials and consumables used	-25.245	-39.887	-23.373	-20.993	-24.502
Personnel expenses	-190.462	-195.274	-193.077	-190.700	-186.335
Depreciation	-12.841	-8.757	-8.707	-8.212	-8.011
Other operating expenses	-22.490	-27.892	-26.316	-27.550	-27.368
EBIT	14.288	14.193	10.307	17.491	18.331
Net finance income	-1.326	-0.770	-0.668	-0.640	-0.767
Profit from ordinary activities	12.962	13.423	9.639	16.851	17.564
Other taxes	-0.785	-0.744	-0.806	-0.884	-0.823
Earnings before tax	12.177	12.679	8.833	15.967	16.741
Income taxes	-3.466	-3.976	-1.890	-4.525	-4.815
Post-tax earnings	8.711	8.703	6.943	11.442	11.926
– attributable to shareholders of Bertrandt AG	8.711	8.703	6.943	11.442	11.926
Number of shares (million) – diluted/basic, average weighting	10.095	10.095	10.095	10.095	10.095
Earnings per share (EUR) – diluted/basic	0.86	0.86	0.69	1.13	1.18

Q1 QUARTERLY REPORT

- > Quarterly Survey
- > Financial Calendar
- > Roadshows and Conferences
- > Credits

Financial Calendar

Report on the 1st quarter 2019/2020
17 February 2020

Annual General Meeting
19 February 2020
10:30
City Hall Sindelfingen

Report on the 2nd quarter 2019/2020
28 May 2020

15th Capital Market Day
28 May 2020

Report on the 3rd quarter 2019/2020
10 August 2020

Annual report 2019/2020
Annual press and analysts' conference
10 December 2020

Annual General Meeting
17 February 2021
10:30
City Hall Sindelfingen

Roadshows and Conferences



→ DATES

Credits

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Male pronouns are used in this text for the sake of simplicity and legibility. They are intended to refer to people of all genders.

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This report contains inter alia certain foresighted statements about future developments, which are based on current estimates of management. Such statements are subjected to certain risks and uncertainties. If one of these factors of uncertainty or other imponderables should occur or the underlying accepted statements proved to be incorrect, the actual results could deviate substantially from or implicitly from the expressed results specified in these statements. We have neither the intention nor do we accept the obligation of updating foresighted statements constantly since these proceed exclusively from the circumstances on the day of their publication.

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