



Quarterly Financial Report 31 March 2019

Aumann AG, Beelen

Welcome Note from the Executive Board

Dear Shareholders,

In a market environment fraught with uncertainty, Aumann AG's revenue grew by 6.6% to €67.4 million, thereby giving the company its strongest first quarter in its history. With EBIT of €6.9 million, the EBIT margin for the first quarter was slightly higher than for 2018 as a whole at 10.2%. Against the backdrop of a challenging general economic situation and palpable restraint in the automotive industry, the E-mobility segment is becoming more and more significant.

Revenue in the E-mobility segment surged by around 35.0% year-on-year to approximately €26.7 million in the first quarter. The share of revenue generated by E-mobility was therefore around 40.0% for the first time. The segment's EBIT also developed positively and rose to around €3.5 million with an adjusted EBIT margin of 13.1%. The E-mobility segment thus contributed more than 50% to operating earnings.

Incoming orders in the first quarter reflect the current investment restraint in the automotive industry. Although incoming orders in the E-mobility segment are not affected as much by the uncertainty being felt by carmakers at this time, the segment was unable to counteract the decline in the Classic segment. At around €41.8 million by March 2019, total incoming orders were significantly lower than in the same quarter of the previous year. The E-mobility share of incoming orders rose by 14.6 percentage points to 58.1%. As the offer situation is good despite everything, we are anticipating more dynamic incoming orders in the second and third quarters.



Rolf Beckhoff
Chief Executive Officer



Sebastian Roll
Chief Financial Officer

Aumann in figures

Three months (unaudited)	2019	2018	Δ 2019 / 2018
	IFRS	IFRS	
	€ k	€ k	%
Order backlog	178,611	213,339	-16.3
Order intake	41,789	72,417	-42.3
Revenue	67,397	63,232	6.6
there of E-mobility	26,666	19,747	35.0
Operating performance	67,539	64,269	5.1
Total performance	68,670	65,349	5.1
Cost of materials	-38,069	-36,240	5.0
Staff costs	-19,189	-17,072	12.4
EBITDA	8,037	8,346	-3.7
<i>EBITDA margin</i>	<i>11.9%</i>	<i>13.2%</i>	
EBIT	6,854	6,965	-1.6
<i>EBIT margin</i>	<i>10.2%</i>	<i>11.0%</i>	
adjusted EBIT	6,869	7,503	-8.4
<i>adjusted EBIT margin</i>	<i>10.2%</i>	<i>11.9%</i>	
EBT	6,643	6,755	-1.7
<i>EBT margin</i>	<i>9.9%</i>	<i>10.7%</i>	
Consolidated net profit	4,702	4,833	-2.7
Number of shares	15,250	15,250	0.0
eps in €*	0.31	0.32	-3.1
Figures from the statement of financial position	31 Mar	31 Dec	
	€ k	€ k	%
Non-current assets	91,384	87,206	4.8
Current assets	236,977	248,903	-4.8
there of cash and equivalents **	103,031	116,474	-11.5
Issued capital (share capital)	15,250	15,250	0.0
Other equity	186,542	180,678	3.2
Total equity	201,792	195,928	3.0
<i>Equity ratio</i>	<i>61.5%</i>	<i>58.3%</i>	
Non-current liabilities	46,498	45,420	2.4
Current liabilities	80,071	94,761	-15.5
Total assets	328,361	336,109	-2.3
Net debt (-) or net cash (+) *	78,752	93,413	-15.7
Employees	1,110	1,101	0.8

* Based on shares outstanding on 31 March 2019.

** This figure includes securities.

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Interim Group management report

Aumann is a world-leading manufacturer of innovative speciality machinery and automated production lines with a focus on electromobility. The company combines unique winding technology for the highly efficient production of electric motors with decades of automation experience, particularly in the automotive industry. Leading companies around the world rely on Aumann solutions for the series production of purely electric and hybrid vehicle drives and for production automation. Given the dynamic market growth in E-mobility, Aumann's products in the E-mobility segment focus on the development and production of automated production lines for electric powertrain components. The company has its own technologies, some of which unique, for the automated mass production of both electric engines and energy storage. Aumann's manufacturing solutions thus cover essential technologies for key electric powertrain components.

Business and economic conditions

In the third quarter, gross domestic product (GDP) in the euro area grew by 0.4% compared to the previous quarter. According to initial estimates, German GDP was up just 0.1% on account of the greater risks and vagaries of the world economy. The Federal Ministry of Economic Affairs anticipates that this phase of industrial weakness will persist in the current year in the face of slow international demand. By contrast, the service industry is expected to continue its growth. With GDP rising by an estimated 3.2%, the US had an unexpectedly strong start to the year, though its growth was weaker than in the previous quarter (3.5%). The expansion in the US is predominantly based on positive contributions from exports, declining imports and stable private consumer spending. At an anticipated 6.4% in the first quarter of 2019, GDP growth in China remains stable compared to the preceding quarters thanks to a significant increase in industrial production. Considerably slower growth is forecast for 2019 as a whole owing to the trade conflict with the US and the weaker state of the world economy.

The International Monetary Fund (IMF) is projecting global GDP growth of 3.5% for 2019 and 3.6% for 2020. Germany's growth forecast for the current year was reduced from 1.9% to 1.3%. The IMF does not anticipate a further increase to 1.4% until 2020. According to experts, domestic growth is being held back by production difficulties in the automotive industry, lower external demand and weaker private consumer spending. Aspects such as the UK's ongoing EU exit negotiations and the budget dispute in Italy are also playing a part in keeping expectations muted. Moreover, lingering trade tensions between the US and China are causing further uncertainty for world economic developments in 2019.

Automotive demand has been developing negatively on key automotive markets since the end of 2018. According to the Association of the German Automotive Industry (VDA), new car registrations in Europe were down by 3.0% in the first quarter of the year. New registrations in the US declined by 2.0% year-on-year, though China reported the sharpest drop of 14.0%. Despite the lessening impact on European car manufacturers of the transition to the stricter WLTP test procedure for exhaust emissions and fuel consumption, automotive production in Germany is expected to recover only marginally in the current year. The VDA is forecasting a significant decline in domestic production of around 5.0% in 2019. At the same time, production outside Germany is expected to rise by approximately 3.0%. Reasons for this include the slowing economy, trade and customs risks and the establishment and expansion of plants in the US, Mexico and China.

Mechanical engineering in Germany had a weak start to the year. According to the German Mechanical Engineering Industry Association (VDMA), incoming orders were down by 10.0% year-on-year in the first three months of the year. In view of the lingering economic uncertainty, the VDMA has reduced its growth forecast for 2019 from 2.0% to 1.0%. The main factors contributing to this are customs disputes and other trade conflicts that are increasingly unsettling market participants and weighing on investment propensity. Economic momentum all over the world is waning as a result. German mechanical engineering is directly impacted by global developments, which – according to experts – is affecting manufacturers' business performance.

Results of operations, financial position and net assets

Aumann's results of operations, financial position and net assets were positive in the first three months of the 2019 financial year. The consolidated revenue of the Aumann Group was up 6.6% year-on-year at €67.4 million (previous year: €63.2 million).

EBITDA fell by 3.7% to €8.0 million in the first three months (previous year: €8.3 million). After depreciation and amortisation of €-1.1 million, the Aumann Group's EBIT amounts to €6.9 million (previous year: €7.0 million). €0.02 million of this figure relates to hidden reserves that were capitalised in connection with the acquisition of Aumann Limbach-Oberfrohn GmbH. Adjusted for depreciation and amortisation, EBIT amounts to €6.9 million. Taking into account net finance costs of minus €0.3 million, EBT amounts to €6.6 million (previous year: €6.8 million). Consolidated net profit amounts to €4.7 million (previous

year: €4.8 million) or €0.31 per share (based on an average of 15,250,000 shares outstanding) in the first three months.

Incoming orders amounted to €41.8 million after the first three months. The order backlog was €178.6 million as at the end of March.

The Group's equity rose by 3.0% to €201.8 million as at the end of the first three months (31 December 2018: €195.9 million). Based on total consolidated assets of €328.4 million, the equity ratio is 61.5%.

The working capital has risen by €17.6 million since 31 December 2018.

Financial liabilities amounted to €24.3 million as at 31 March 2018 (31 December 2018: €23.1 million) and cash funds, including securities, to €103.0 million (31 December 2018: €116.5 million). Accordingly, net cash from the above liabilities and cash items amounts to €78.8 million as against €93.4 million on 31 December 2018.

Segment performance

Given their different market prospects, Aumann differentiates between the E-mobility and Classic segments, which are described in more detail below.

In its E-mobility segment, Aumann predominantly manufactures speciality machinery and automated production lines with a focus on the automotive industry. Customers use Aumann's products for the highly efficient, technologically advanced mass production of electric motors and coils. This involves highly specialised and, in some cases, unique winding technologies that are used to wind electric components with copper wire. State-of-the-art automation solutions for related processes are no less important. Major customers from the automotive and e-bike industries use Aumann technology to manufacture the latest generation of electric motors. Aumann's product range also includes speciality machinery and production lines for the manufacture of energy storage systems and product-related services such as maintenance, repair and spare part supply.

Revenue in the E-mobility segment grew by 35.0% year-on-year to €26.7 million in the first three months. The segment's EBIT amounts to €3.5 million after the first three months with an EBIT margin of 13.1%. Incoming orders in E-mobility amount to €24.3 million.

In the Classic segment, Aumann mainly manufactures specialist machinery and automated production lines for the automotive, consumer electronics, appliances and aerospace industries. For example, Aumann's solutions include systems for the production of drive components that reduce CO₂ emissions from combustion engine vehicles. Aumann also offers highly automated manufacturing and assembly solutions for the consumer electronics and appliances industries in addition to specific solutions for other sectors.

Revenue in the Classic segment amounts to €40.7 million for the first three months (previous year: €43.5 million). One of the main reasons for the current decline in revenue in the Classic segment is the reluctance of the automotive industry to invest. Segment EBIT amounts to €3.3 million in the first three months after €4.7 million in the same period of the previous year. This corresponds to an EBIT margin of 8.1%. Order intake in the Classic segment amounts to €17.5 million.

Employees

Not including temporary employees or trainees, the number of employees was 1,110 as at 31 March 2019.

Report on risks and opportunities

A detailed presentation of the company's risks and opportunities can be found in the 2018 annual report, which is available at www.aumann.com. There have been no material changes in risks and opportunities since the publication of the 2018 annual report. Aumann's risk management system is suitable for identifying risks early on and taking immediate action.

Report on expected developments

Aumann is forecasting that revenue and EBIT will rise slightly as against the previous year in the current financial year of 2019. The growth curve in the Classic segment is expected to become flatter. The ongoing momentum in E-mobility will more than compensate for this development.

IFRS interim consolidated financial statements for 2019

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan - 31 Mar2019 € k	1 Jan - 31 Mar2018 € k
Revenue	67,397	63,232
Increase (+) / decrease (-) in finished goods and work in progress	142	1,037
Operating performance	67,539	64,269
Capitalised development costs	654	494
Other operating income	477	586
Total performance	68,670	65,349
Cost of raw materials and supplies	-31,524	-29,633
Cost of purchased services	-6,545	-6,607
Cost of materials	-38,069	-36,240
Wages and salaries	-15,211	-13,630
Social security and pension costs	-3,978	-3,442
Staff costs	-19,189	-17,072
Other operating expenses	-3,375	-3,691
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	8,037	8,346
Amortisation and depreciation expense	-1,183	-1,381
Earnings before interest and taxes (EBIT)	6,854	6,965
Other interest and similar income	33	33
Interest and similar expenses	-244	-243
Net finance costs	-211	-210
Earnings before taxes (EBT)	6,643	6,755
Income tax expense	-1,919	-1,895
Other taxes	-22	-27
Consolidated net profit	4,702	4,833
Earnings per share (in €)	0.31	0.32

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan - 31 Mar2019 € k	1 Jan - 31 Mar2018 € k
Consolidated net profit	4,702	4,833
Currency translation differences	94	106
FairValue Reserve	1,070	0
Other comprehensive income after taxes	1,164	106
Comprehensive income for the reporting period	5,866	4,939

Statement of financial position Assets (IFRS)	31 Mar 2019 unaudited € k	31 Dec 2018 audited € k
Non-current assets		
Own produced intangible assets	6,055	5,548
Concessions, industrial property rights and similar rights	738	819
Goodwill	38,484	38,484
Intangible assets	45,277	44,851
Land and buildings		
including buildings on third-party land	27,252	26,820
Technical equipment and machinery	2,891	2,869
Other equipment, operating and office equipment	4,714	3,680
Advance payments and assets under development	1,479	1,231
Property, plant and equipment	36,336	34,600
Financial assets	9,482	7,454
Deferred tax assets	289	301
	91,384	87,206
Current assets		
Raw materials and supplies	2,992	3,035
Work in progress	2,215	1,996
Finished goods	525	525
Advance payments	6,016	4,713
Inventories	11,748	10,269
Trade receivables	22,598	25,071
Receivables from construction contracts	104,295	99,622
Other current assets	4,787	4,921
Trade receivables and other current assets	131,680	129,614
Securities	2,683	2,697
Cash in hand	9	8
Bank balances	90,857	106,315
Cash in hand, bank balances	90,866	106,323
	236,977	248,903
Total assets	328,361	336,109

Statement of financial position Equity and liabilities (IFRS)	31 Mar 2019 unaudited € k	31 Dec 2018 audited € k
Equity		
Issued capital	15,250	15,250
Capital reserve	131,841	131,841
Retained earnings	54,701	48,837
	201,792	195,928
Non-current liabilities		
Pension provisions	18,267	18,267
Liabilities to banks	18,624	19,429
Other provisions	894	933
Other interest bearing liabilities	872	1
Other liabilities	1,193	1,180
Deferred tax liabilities	6,648	5,610
	46,498	45,420
Current liabilities		
Liabilities to banks	3,806	3,631
Other interest bearing liabilities	977	21
Contractual obligations	18,233	21,186
Trade payables	23,581	30,891
Other liabilities	4,239	9,562
Provisions with the nature of a liability	15,303	13,828
Tax provisions	1,241	1,320
Other provisions	12,691	14,322
	80,071	94,761
Total equity and liabilities	328,361	336,109

Consolidated statement of cash flows (unaudited)	1 Jan - 31 Mar 2019 € k	1 Jan - 31 Mar 2018 € k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	6,854	6,965
Adjustments for non-cash transactions		
Write-downs on non-current assets	1,183	1,381
Increase (+) / decrease (-) in provisions	-1,670	-29
Losses (+) / Gains (-) for disposal of assets	0	-44
Other non-cash expenses / income	-8	0
	-495	1,308
Change in working capital:		
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-3,546	-37,658
Decrease (-) / increase (+) in trade payables and other liabilities	-14,099	20,291
	-17,645	-17,367
Income taxes paid (-) / received (+)	-958	820
Interest received	33	33
	-925	853
Cash flow from operating activities	-12,211	-8,241
2. Cash flow from investing activities		
Investments (-) / divestments (+) intangible assets	-678	-679
Investments (-) / divestments (+) property, plant and equipment assets and securities	-557	-816
	-944	-1,251
Cash flow from investing activities	-2,179	-2,746
3. Cash flow from financing activities		
Proceeds from equity transfers	0	0
Disbursements for equity transfers	0	0
Profit distribution to shareholders	0	0
Proceeds from borrowing financial loans	0	204
Repayments of financial loans	-904	-922
Interest payments	-244	-243
Cash flow from financing activities	-1,148	-961
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	-15,538	-11,948
Effects of changes in foreign exchange rates (non-cash)	81	106
Cash and cash equivalents at start of reporting period	106,323	106,701
Cash and cash equivalents at end of period	90,866	94,859
Composition of cash and cash equivalents		
Cash in hand	9	6
Bank balances	90,857	94,853
Reconciliation to liquidity reserve on 31 March	2019	2018
Cash and cash equivalents at end of period	90,866	94,859
Securities	12,165	7,745
Liquidity reserve on 31 March	103,031	102,604

Statement of changes in consolidated equity (unaudited)							
	Issued capital	Capital reserve	Currency translation difference	Retained earnings FairValue Reserve	Pension reserve	Generated consolidated equity	Consolidated equity
	€ k	€ k	€ k	€ k	€ k	€ k	€ k
1 Jan 2018	15,250	131,841	15	-37	-1,971	35,521	180,619
Payed dividend	0	0	0	0	0	-3,050	-3,050
Subtotal	15,250	131,841	15	-37	-1,971	32,471	177,569
Amounts recognised in other comprehensive income	0	0	0	-314	466	0	152
Currency translation difference	0	0	-15	0	0	0	-15
Consolidated net profit	0	0	0	0	0	18,222	18,222
Total comprehensive income	0	0	-15	-314	466	18,222	18,359
31 Dec 2018	15,250	131,841	0	-351	-1,505	50,693	195,928
Payed dividend	0	0	0	0	0	0	0
Subtotal	15,250	131,841	0	-351	-1,505	50,693	195,928
Amounts recognised in other comprehensive income	0	0	0	1,070	0	0	1,070
Currency translation difference	0	0	94	0	0	0	94
Consolidated net profit	0	0	0	0	0	4,700	4,700
Total comprehensive income	0	0	94	1,070	0	4,700	5,864
31 Mar 2019	15,250	131,841	94	719	-1,505	55,393	201,792

Notes to the interim consolidated financial statements

Accounting

The interim financial report of the Aumann Group for the period 1 January to 31 March 2019 was prepared on the basis of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted in the EU. It was prepared in accordance with IAS 34.

Accounting policies

The accounting policies adopted are the same as those applied in preparing the consolidated financial statements as at 31 December 2018. The preparation of the financial statements is influenced by accounting policies and assumptions and estimates affecting the amount and reporting of recognised assets, liabilities, contingent liabilities and income and expense items. Matters relating to revenue are deferred intra-year.

Segment reporting

The management of the Aumann Group classifies the segments as described in the interim Group management report.

1 Jan - 31 Mar 2019 (unaudited)	Classic	E-mobility	Reconciliation	Group
	€ k	€ k	€ k	€ k
Order backlog	101,792	76,819	0	178,611
Order intake	17,508	24,281	0	41,789
Revenue from third parties	40,731	26,666	0	67,397
EBITDA	3,932	4,042	63	8,037
Amortisation and depreciation	-625	-543	-15	-1,183
EBIT	3,307	3,499	48	6,854
Financial result	-165	-79	33	-211
EBT	3,142	3,420	81	6,643
EBIT-Margin	8.1%	13.1%		10.2%
Trade receivables and				
Receivables from construction contracts	82,475	44,418	0	126,893
Contractual obligations	6,999	11,234	0	18,233

1 Jan - 31 Mar 2018 (unaudited)	Classic	E-mobility	Reconciliation	Group
	€ k	€ k	€ k	€ k
Order backlog	130,873	82,466	0	213,339
Order intake	40,924	31,493	0	72,417
Revenue from third parties	43,485	19,747	0	63,232
EBITDA	5,194	3,126	26	8,346
Amortisation and depreciation	-523	-320	-538	-1,381
EBIT	4,671	2,806	-512	6,965
Financial result	-171	-72	33	-210
EBT	4,500	2,734	-479	6,755
EBIT-Margin	10.7%	14.2%		11.0%
Trade receivables and				
Receivables from construction contracts	121,642	30,310	0	151,952
Contractual obligations	56,436	5,108	0	61,544

Changes in contingent liabilities

There were no changes in contingent liabilities as against 31 December 2018.

Related party transactions

Business transactions between consolidated Group companies and other companies of the MBB Group are conducted at arm's-length conditions.

Events after the end of the reporting period

There were no significant events after the end of the reporting period.

Review

The condensed interim consolidated financial statements as at 31 March 2019 and the interim Group management report were neither audited in accordance with section 317 of the German Commercial Code (HGB) nor reviewed by an auditor.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the results of operations, financial position and net assets of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Beelen, 15 May 2019



Rolf Beckhoff
Chief Executive Officer



Sebastian Roll
Chief Financial Officer

Financial calendar

End of financial year

31 December 2019

Conferences

HAIB Stockpicker Summit

Madrid, Spain

16 May 2019

Berenberg US Conference

Tarrytown, USA

21 May 2019

Commerzbank Sector Conference

Frankfurt, Germany

28 August 2019

Berenberg/Goldman Sachs Conference

Munich, Germany

24 September 2019

German Equity Forum

Frankfurt, Germany

25 November 2019

Berenberg European Conference

Pennyhill, UK

2 December 2019

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Legal notice

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