



Quarterly Communication

January 1 – March 31, 2017

TECHNOTRANS AT A GLANCE

	Δ previous year	1/1- 31/3/2017	1/1.- 31/3/2016	2016
Revenue (€ '000)	73.6%	52,786	30,403	151,792
Technology (€ '000)	91.2%	38,143	19,953	103,623
Services (€ '000)	40.1%	14,643	10,450	48,169
EBITDA	95.3%	5,536	2,835	14,045
EBITDA margin (%)		10.5	9.3	9.3
EBIT	109.6%	4,318	2,060	9,731
EBIT margin (%)		8.2	6.8	6.4
Net profit for the period¹ (€ '000)	113.1%	3,109	1,459	7,192
as percentage of revenue		5.9	4.8	4.7
Earnings per share (€)	101.5%	0.45	0.22	1.09
Balance sheet (€ '000)	5.7%*	128,428	78,382	121,445
Equity (€ '000)	5.0%*	64,988	52,945	61,880
Equity ratio (%)		50.6	67.5	51.0
Net debt² (€ '000)		2,573	-12,878	5,267
Free cash flow³ (€ '000)		2,692	1,369	-12,649
Employees (average)	52.8%	1,259	824	990
Employee (FTE) (average)	53.0%	1,096	716	855
Personnel expenses (€ '000)	66.7%	17,856	10,711	52,941
as percentage of revenue		33.8	35.2	34.9
Revenue per employee (FTE) (€ '000)	13.5%	48	42	178
Number of shares at end of period		6,907,665	6,532,750	6,907,665
share price max (€)		28.35	18.69	24.77
share price min (€)		22.17	15.77	15.75

* Change since December 31, 2016

¹Net profit for the period = profit attributable to technotrans AG shareholders

²Net debt = financial liabilities – cash and cash equivalents

³Free Cashflow = Net cash from operating activities
+ cash used for investments acc. to cash flow statement

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Q1/2017: SUCCESSFUL START – TECHNOTRANS OPENS NEW FINANCIAL YEAR WITH BETTER-THAN-EXPECTED PERFORMANCE

QUARTERLY RESULT AT A GLANCE

- ▣ REVENUE REACHES € 52.8 MILLION IN FIRST QUARTER
- ▣ EBITDA TOTALS € 5.5 MILLION
- ▣ EBIT RISES TO € 4.3 MILLION, EBIT MARGIN REACHES 8.2 PERCENT
- ▣ EARNINGS PER SHARE DOUBLE TO € 0.45
- ▣ FREE CASH FLOW IMPROVES TO € 2.7 MILLION
- ▣ GOOD STARTING POSITION FOR YEAR'S TARGETS

- The technotrans Group increased revenue by around 74 percent in Q1/2017 to € 52.8 million (Q1/2016: € 30.4 million). This means consolidated revenue has also grown by 8.7 percent since the strong preceding quarter (Q4/2016: € 48.5 million).
- technotrans successfully extended its growth trajectory in the past quarter: the companies acquired in the past financial year contributed € 15.0 million, while organic growth amounted to € 7.4 million or 24.3 percent.
- The revenue share of the Technology segment increased year on year to 72.3 percent. The Services segment therefore contributed 27.7 percent of revenue.
- Three months into the year, the group achieved earnings before interest and taxes of € 4.3 million, as against € 2.1 million in the previous year. From this high revenue level, the operating result consequently more than doubled. The EBIT margin thus rose from 6.8 percent to 8.2 percent.
- The rates of return for the segments also showed a positive development. The Technology segment achieved a figure of 5.2 percent, and the Services segment 16.0 percent.
- The very good start to the current financial year means the technotrans Group is ahead of the benchmarks for its annual targets. On the strength of the healthy level of orders and capacity utilisation, the Board of Management is confident about the prospects for the coming months.
- Three months into the year, earnings per share improved to € 0.45 (previous year: € 0.22).
- The equity ratio at the end of the first quarter was 50.6 percent (December 31, 2016: 51.0 percent).
- The technotrans Group had an average of 1,259 employees (corresponding to 1,096 full-time equivalents) in the current financial year.

PRESENTATION OF SIGNIFICANT EVENTS AND BUSINESS PERFORMANCE

Significant Events at a Glance / Next Step

- › New technological system solution for industrial digital printing (packaging printing): successful expansion of press installation rate in digital printing.
- › Dynamic business environment in e-mobility area. High capacity utilisation for projects involving mobile and stationary battery cooling.
- › Growing volume of orders in scanner technology.
- › Healthy capacity utilisation for project business in the "Spraying and Pumping" business area along with rising demand for UV ink supply systems.
- › Initial sales successes in stamping and forming technology in the Asian and North American market. Increased tendering activities in spray lubrication for further major projects (transfer presses).
- › Strong growth in laser cooling, positive prospects for start of series production in semiconductor business.
- › Welcome revenue performance in market for plastics processing industry continues.
- › M&A: the technotrans Board of Management is very satisfied with the latest acquisition. The integration of GWK Gesellschaft Wärme Kältetechnik mbH is proceeding according to plan.
- › First airline optimises documentation processes using XR/airline, the new XML-based editorial system from Ovidius.

Overall Statement on Business Progress

"The first quarter passed off highly successfully for almost all areas of the company," remarked Henry Brickenkamp, Chief Executive Officer of technotrans AG. "On top of our strong organic and acquisition-led growth, we are positive

about the further development of technotrans because of the high number of new, forward-looking projects and also on the strength of the continuing high level of orders."

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

Revenue performance and financial performance

		Q1 2017	Q1 2016	Change in %
Revenue	€ million	52.8	30.4	74
Gross profit	€ million	17.8	10.4	72
Gross margin	in %	33.8 %	34.2 %	
EBITDA	€ million	5.5	2.8	95
EBIT	€ million	4.3	2.1	110
EBIT margin	in %	8.2 %	6.8 %	
Net profit for the period	€ million	3.1	1.4	120
EPS	in €	0.45	0.22	102

Revenue Performance and Financial Performance

After a successful final quarter to the 2016 financial year (quarterly revenue amounting to € 48.5 million), the technotrans Group made a magnificent start to the 2017 financial year with revenue for the quarter reaching € 52.8 million. In particular business outside the printing industry again developed very positively.

The acquisitions completed in the previous year have made a major contribution to growth. GWK Gesellschaft Wärme Kältetechnik mbH and Ovidius GmbH between them contributed around € 15.0 million.

Organically, too, the business performance of the group was very pleasing. Consolidated revenue grew by € 7.4 million, equivalent to a rise of 24.3 percent.

Revenue in markets outside the printing industry exceeded € 30 million in the period under review, equivalent to 57.5 of consolidated revenue. After elimination of the acquisitions, the group therefore achieved revenue growth from operations in excess of 50.0 percent.

Business with customers from the printing industry again reached a high revenue level of more than € 22 million in the first three months of 2017; this was on a par with the preceding quarter but 10.7 percent up on the first quarter of 2016.

The **Technology** segment can look back on an extremely successful first quarter of 2017 and improved further on the result already achieved in the previous quarters. Revenue for the segment was up € 18.2 million (+91.2 percent) at € 38.1 million. The revenue total included € 11.8 million for gwk, which has been consolidated since September 1, 2016. While the revenue and orders level in the printing industry remained stable, there was a noticeable jump in revenue in the remaining technology markets.

The **Services** segment made a successful start to 2017 with its performance in the first three months. Revenue came in at € 14.6 million, 40.1 percent up on the previous year (previous year: € 10.4 million). Within the segment, the increase was driven both by follow-on business in the technology markets and by technical documentation business. The increased scope of consolidation produces a revenue contribution amounting to € 3.2 million. Disregarding this effect, the group is able to confirm organic growth of 9.6 percent.

Performance indicators by segment

		Technology		Services		technotrans Group	
		Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Revenue	€ million	38.1	20.0	14.6	10.4	52.8	30.4
EBITDA	€ million	2.9	0.9	2.6	1.9	5.5	2.8
EBIT	€ million	2.0	0.4	2.3	1.7	4.3	2.1
EBIT margin	in %	5.2	1.8	16.0	16.3	8.2	6.8

Financial Performance

The operating result (EBIT) for the first quarter came to € 4.3 million (previous year: € 2.1 million). The EBIT margin improved year on year from 6.8 percent to 8.2 percent. This puts the revenue and earnings performance of the technotrans Group for the first three months of the financial year in progress ahead of the annual target figures published most recently.

Clear improvements in revenue and earnings in both segments had a positive overall impact on the financial performance. Better profit margins for non-print business – underpinned by strict cost management – as well as the higher revenue volume overall have given this development a substantial lift. The recent acquisition GWK Gesellschaft Wärme Kältetechnik mbH likewise made a positive profit contribution.

The result (EBIT) for the **Technology segment** was up € 1.6 million on the 2016 figure at € 2.0 million. The rate of return for the segment at the three-month mark was consequently 5.2 percent, compared with 1.8 percent in

the previous year. The **Services segment** repeated its healthy financial performance with € 2.3 million (previous year: € 1.7 million). The rate of return for the segment in the reporting period reached 16.0 percent, compared with 16.3 percent in the previous year.

EBITDA (earnings before interest, taxes, depreciation and amortisation) at March 31, 2017 came to € 5.5 million, an increase of € 2.7 million on the prior-year figure (€ 2.8 million). Depreciation and amortisation rose to € 1.2 million (previous year: € 0.8 million). Interest charges of € 0.2 million were only slightly up on the previous year (€ 0.1 million), and income tax expense came to € 1.0 million (previous year: € 0.6 million).

The consolidated result after tax for the period under review reached € 3.1 million (previous year: € 1.4 million). The return on sales was 5.9 percent (previous year: 4.7 percent). Three months into the year, earnings per share climbed to € 0.45 (previous year: € 0.22).

Net Worth

Asset and capital structure (€ million)

Assets	31/03/2017	31/12/2016
Fixed assets	48.7	49.5
Inventories	26.9	25.6
Trade receivables	21.9	17.8
Cash	25.9	23.9
Other assets	5.0	4.6
Total	128.4	121.4

Liabilities	31/03/2017	31/12/2016
Equity	65.0	61.9
Borrowings	27.4	28.1
Provisions	10.5	9.8
Trade payables	8.2	4.8
Payments received	6.7	6.9
Other equity and liabilities	10.7	9.9
Total	128.4	121.4

At March 31, 2017 thanks to business growth and the higher order backlog the balance sheet total of the technotrans Group showed an increase of 5.8 percent compared with December 31, 2016 to € 128.4 million. While non-current assets decreased as expected, current assets – and especially inventories and trade receivables – exhibited an opposite trend. Cash and cash equivalents rose by € 2.0 million to € 25.9 million.

On the equity and liabilities side, equity grew by 5 percent to € 65.0 million (December 31, 2016: € 61.9 million), taking the equity ratio to 50.6 percent. Due to the increase in inventories compared with the end of 2016, trade payables at the reporting date as well as other current liabilities were also higher.

Financial Position

Bank borrowings at the end of March 2017 totalled € 27.4 million. The overall borrowing arrangements reveal balanced diversification and a balanced maturities structure. Net debt as recognised on the balance sheet – after netting of cash and cash equivalents with interest-bearing

borrowings – declined in the course of the first quarter of 2017. At the reporting date, net debt amounted to € 2.6 million (December 31, 2016: € 5.3 million)

Cashflow (in € million)	1/1/ – 31/03/2017	1/1/ – 31/12/2016
Cash flow from operating activities	5.4	2.7
Net cash flow from operating activities	3.0	1.5
Cash flow from investing activities	-0.3	-0.2
Free cash flow	2.7	1.4
Cash flow from financing activities	-0.7	-0.7

The cash flow (net cash from operating activities) amounted to € 5.4 million in the period under review, compared with € 2.7 million in the previous year. The cash flow from investing activities in the first three months remained on a par with the previous year at € 0.3 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. Free cash flow after the first three months improved to € 2.7 million, compared with € 1.4 million in the previous year.

REPORT ON POST-BALANCE SHEET DATE EVENTS

No events having a particular impact on the financial performance, financial position and net worth occurred after March 31, 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.

OUTLOOK

The economic environment for 2017 is still broadly stable. At its Spring Meeting the International Monetary Fund (IMF) upped the growth forecast in the World Economic Outlook slightly from 3.4 percent to 3.5 percent. The current economic development continues to reflect our expectations for the current financial year. The Board of Management rates the business outlook for the technotrans Group for the 2017 financial year as positive overall. technotrans has set itself the goal of growing faster than the market.

The further business development of the technotrans Group in 2017, too, will to a large degree depend on the world economy and on various project launches involving existing and new customers.

Against the backdrop of a strong first quarter, technotrans continues to focus clearly on the targets for the 2017 financial year. Overall, the Board of Management expects the technotrans Group to achieve revenue of € 185 to € 195 million for the 2017 financial year. The revenue and earnings planning does not reflect new acquisitions. The operating result should be within a range of € 12.0 to 14.0 million. On the basis of the continuing healthy orders level and capacity utilisation in the technotrans Group, we are confident about the coming months and will reassess our targets for the current financial year in the light of further developments.

The 2017 financial year will see technotrans increasingly focus its attention on maintaining or improving its performance in the individual markets. The prospects for success depend to a very great extent on the overall economic environment as well as on further progress with the integration of the acquisitions.

For 2017, the Board of Management expects a healthy 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). Around € 7.2 million of this amount will go on the acquisition of the property at gwk's production location in Meinerzhagen. This capital investment is directly connected to the interest acquired in the past financial year. technotrans also anticipates further new and replacement investment measures amounting to between € 2.5 and € 3.0 million at the German production locations.

These real investments as well as the scheduled repayment of the bank liabilities and the dividend payout are to be financed from current cash flow or from available liquidity of around € 25.0 million.

SUPPLEMENTARY INFORMATION

IR Service

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 March 31, 2017



› *technotrans shares put in another strong performance in the first quarter of 2017.*

› *The positive group figures for the past financial year published on March 14 spurred on the upward trend in the trading price, which reached a peak closing price of € 28.35.*

› [technotrans AG](#)

› [TecDAX](#)

› [SDAX](#)

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 March 31, 2017 has been prepared in accordance with Section 51a of the stock exchange rules for the Frankfurt Stock Exchange (FSE).

Financial Calendar

Publications	Date
Annual Shareholders' Meeting 2017	May 12, 2017
Interim Report 1-6/2017	August 22, 2017
Interim Report 1-9/2017	November 07, 2017



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