Exyte Group
Quarterly Statement 9M/2018

December 14, 2018

Figures at a glance 9M/2018
(change to same period previous year)

Order Intake	Sales	Adj. EBIT	Adj. EBIT margin	Net Profit	EPS
€ 3,476 m (+49%)	€ 2,571 m (+81%)	€ 111 m (+118%)	4.3% (+0.7PP)	€ 110 m (+244%)	0.73 €

Op. CF	FCF	Net WC	Equity ratio	FTE[3]
€ 337 m (125%)	€ 313 m (+122%)	€ -515 m (+93%[1])	17.4% (-12.9PP[1,2])	5,329 (+12.8%)

1) *Compared to Dec. 31, 2017.*
2) *The outsourcing of companies as part of the reorganization of the former M+W Group reduced the equity and liabilities of the Exyte Group.*
3) *Full time employees.*

Preface

Ladies and Gentlemen,

The Exyte Group recorded strong growth in the first nine months of the reporting period ending December 31, 2018. It is thanks to over 5,300 highly qualified employees that we were able to record company sales of €2.6 billion, which is a year-on-year increase of 81%. Adjusted EBIT more than doubled in the same period, from €51 million to a total of €111 million. This positive development is an impressive confirmation that our company's strategic focus on our target markets is paying off. Therefore we have confirmed our forecast for fiscal year 2018: We expect to achieve sales in the region of €3.5 billion – a year-on-year increase of around 40% – and an adjusted EBIT of more than €160 million.

Our long-term client relationships are a key element of our success and demand for our services, from consulting and design to managing turnkey solutions for the semiconductor industry, the pharmaceutical industry and for data centers, continues to grow.

With our excellent performance in the first nine months, we are undoubtedly heading towards a record year. Thanks to our excellent positioning in our three strategic business segments Advanced Technology Facilities (ATF), Life Sciences & Chemicals (LSC) and Data Center (DTC), we are convinced that we will continue to exploit the enormous potential for growth in our target markets, which are driven by global macrotrends such as digitalization, e-mobility, growing population, changes in healthcare and Big Data, in the future.

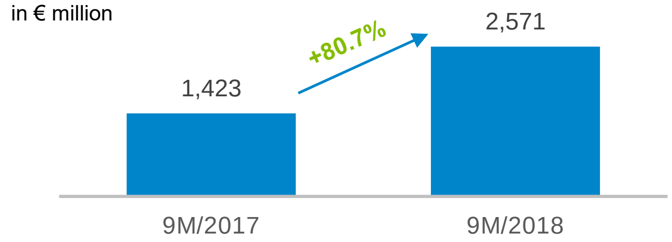
We have laid the foundations for an IPO in the year 2018, but together with the owner we have decided to give ourselves more time and wait until the market conditions have improved.

With best regards,
Dr. Wolfgang Büchele

Dr. Wolfgang Büchele
CEO Exyte AG

Overview: Exyte 9M/2018 financials

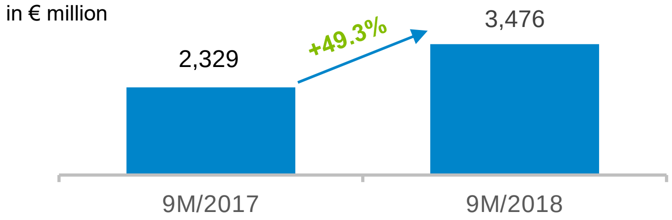
Sales



Exyte achieves record sales of € 2.6 billion

- Corresponds to a y-o-y increase of € 1.1 billion or 80.7% (9M/2017: € 1.4 million)
- Nine months sales 2018 higher than sales in entire fiscal year 2017 (12M/2017: € 2.4 billion)

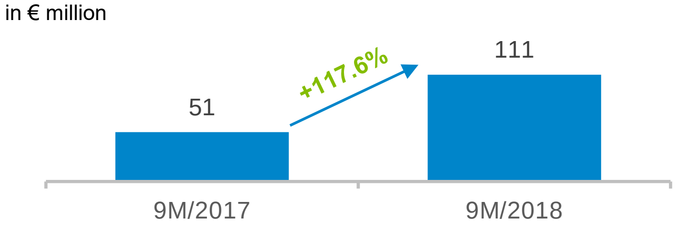
Order intake



Order intake rose to almost € 3.5 billion

- Year-on-year increase of 49.3% (9M/2017: € 2.3 billion)
- Order books remain well filled with an order backlog of ~ € 3 billion (+40% y-o-y)

EBIT adj.[1]



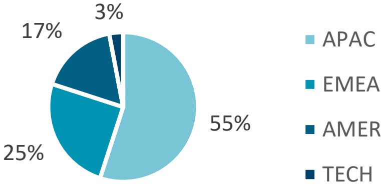
Adjusted EBIT[1] improved substantially

- Adjusted EBIT[1] improved disproportionately to sales and doubled figure of the previous year
- EBIT margin (adjusted) increased to 4.3% (9M/2017: 3.6%)

1) for explanation on EBIT adj. see "Earnings Performance" and "Figures at a glance"

Sales by regional markets

9M/2018:
€ 2.6 billion



SALES BY REGIONAL MARKETS

In € million

	9M/2018	9M/2017
APAC	**1,420**	671
EMEA	**659**	322
AMER	**452**	392
TECH	**78**	58

APAC and EMEA record strongest growth

- Exyte serves customers in all key markets with a regional focus determined by the customer's investment plans and concrete needs
- In the first nine months of 2018, Exyte generated 55% of its sales in the APAC region, 25% in the EMEA region and 17% in the Americas ("AMER")
- The Technology ("TECH") segment, which includes the design, development and manufacture of cleanroom products and controlled environments, generated 3% of sales
- In APAC, sales increased by 112% to € 1,420 million, ATF was the strongest business segment in APAC
- In EMEA, sales increased by 105% to € 659 million, here LSC accounted for the largest share of sales
- In AMER, where Exyte is mainly concentrated on the highly competitive semiconductor industry in the USA, sales increased by 15% to € 452 million

Order intake and order backlog

ORDER INTAKE BY REGIONS

in € million	9M/2018	9M/2017
APAC	**2,299**	1,509
EMEA	**711**	394
AMER	**411**	382
TECH	**89**	74

Record order intake and order backlog

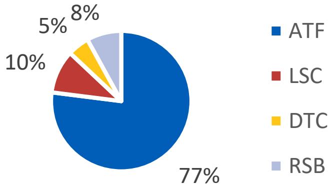
- Total order intake rose to a record level, with a year-on-year increase of 49.3% to € 3,476 million (9M/2017: € 2,329 million)
- Order intake in APAC rose to a total of € 2,299 million (9M/2017: € 1,509 million)
- Order intake EMEA increased significantly to € 711 million (9M/2017: € 394 million)
- In AMER, order intake rose slightly to € 411 million (9M/2017: € 382 million)
- In the TECH segment, order intake increased slightly to € 89 million (9M/2017: € 74 million)
- The high order backlog of € 2,995 million (+40% compared with the previous year) will extend far into 2019.

Sales by business segment

ATF continues to be the main driver of Exyte's growth

- The Advanced Technology Facilities (ATF) business segment continues to be Exyte's main driver for growth
- Sales in the ATF business segment rose by 134% to € 1,986 million (9M/2017: € 850 million), mainly due to increasing investments in the semiconductor industry in Asia
- In the Life Sciences and Chemicals (LSC) business segment, sales totaled € 245 million, which was a slight decrease y-o-y (9M/2017: € 255 million), resulting from a changed project mix. In the reporting period 2018 there were more orders with smaller volumes.
- In the Data Center (DTC) business segment sales rose by 76% to € 136 million (9M/2017: € 77 million), which is mainly due to a large project in Denmark
- Exyte also conduct regional specific business operations, which are not of strategical relevance, in the Regional Specific Business (RSB) segment

9M/2018:
€ 2.6 billion



SALES BY BUSINESS SEGMENT

In € million	9M/2018	9M/2017
Advanced Technology Facilities (ATF)	**1,986**	850
Life Sciences & Chemicals (LSC)	**245**	255
Data Center (DTC)	**136**	77
Regional Specific Business (RSB)	**205**	240

Earnings performance

ADJUSTED EBIT[1]

In € million	9M/2018	9M/2017
Reported EBIT	**120.9**	**43.1**
Adjustments, of which:	-10.3	8.1
Adjustments due to legal disputes	0.1	0.0
Adjustments due to income from the disposal of valuation adjustments/Expenses from the addition to valuation adjustments against M+W Group	-12.2	1.9
Adjustments due to restructuring measures	-1.0	4.4
Adjustments due to relocation	2.8	1.8
Adjusted EBIT[1]	**110.6**	**51.3**

Exyte more than doubled its adjusted EBIT[1] y-o-y

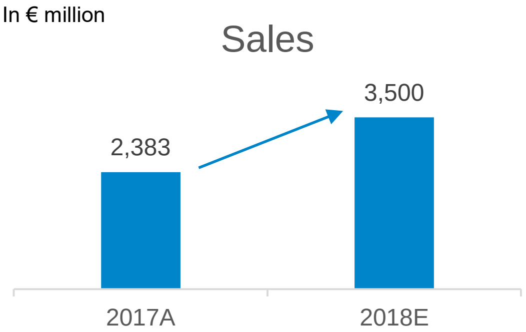
- The reported EBIT (earnings before interest and tax) rose by 180.5% compared with the previous year to € 120.9 million (9M/2017: € 43.1 million)
- EBIT margin increased by 1.7 percentage points compared with the previous year, from 3.0% to 4.7%
- Adjusted EBIT[1] (adjusted earnings before interest and taxes) improved substantially in the first nine months of 2018, disproportionately to sales, and increased to € 110.6 million, which is double the figure of the previous year (9M/2017: € 51.3 million).
- The adjusted EBIT margin of 2018 increased to 4.3% in the first nine months (9M/2017: 3.6%).
- Alongside the good ATF segment result, there were initial signs of success in relation to the distribution and administrative cost reduction measures.

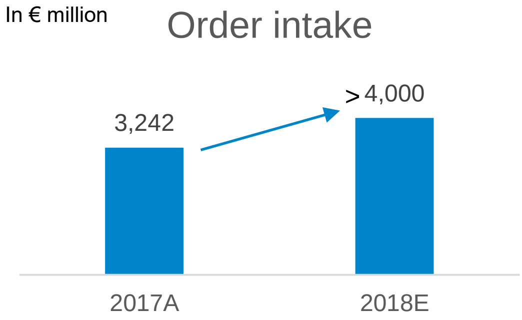
1) EBIT excluding restructuring costs related to strategic realignment of the Company, costs relating to location closing and relocation costs, costs regarding capacity adjustments linked to optimization programs, profits or losses from lawsuits relating to legacy issues, profits or losses from disposal of assets, costs for other unusual or extraordinary events which are not normally recurring or not in the normal course of business.

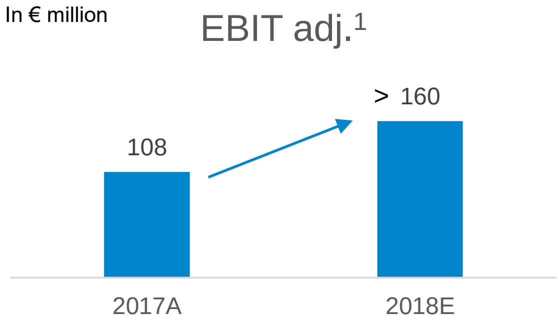
Outlook

Exyte ideally positioned to grow profitably well beyond 2018

- Exyte confirms its outlook for the fiscal year 2018: The Executive Board expects record levels of sales of around € 3.5 billion (2017: € 2.4 billion) and a substantially increased adjusted EBIT[1] to over € 160 million (2017: € 108 million).
- A new record is also expected to be set for the order intake of more than € 4 billion (2017: € 3.2 billion).
- Exyte is expected to continue to grow profitably well beyond 2018:
  - Exyte expects the absolute size of its served available market to grow at a CAGR of 6% to a total volume of more than €111.5 billion until 2022, with the served available market for ATF to grow at a CAGR of 7%, the served available market for LSC to grow at a CAGR of 4% and the served available market for DTC to grow at a CAGR of approx. 8%.
  - Various macrotrends, such as digitization, e-mobility, growing population, changes in healthcare and Big Data will bolster the growth of these markets.
  - Due to its outstanding position in global growth markets, its trusted customer relations and the strategic realignment of the company, Exyte is ideally positioned to tap into these growth opportunities and to further expand its market share in its three strategic business segments.







1) for explanation on EBIT adj. See "Earnings performance" or "Figures at a glance"

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Appendix

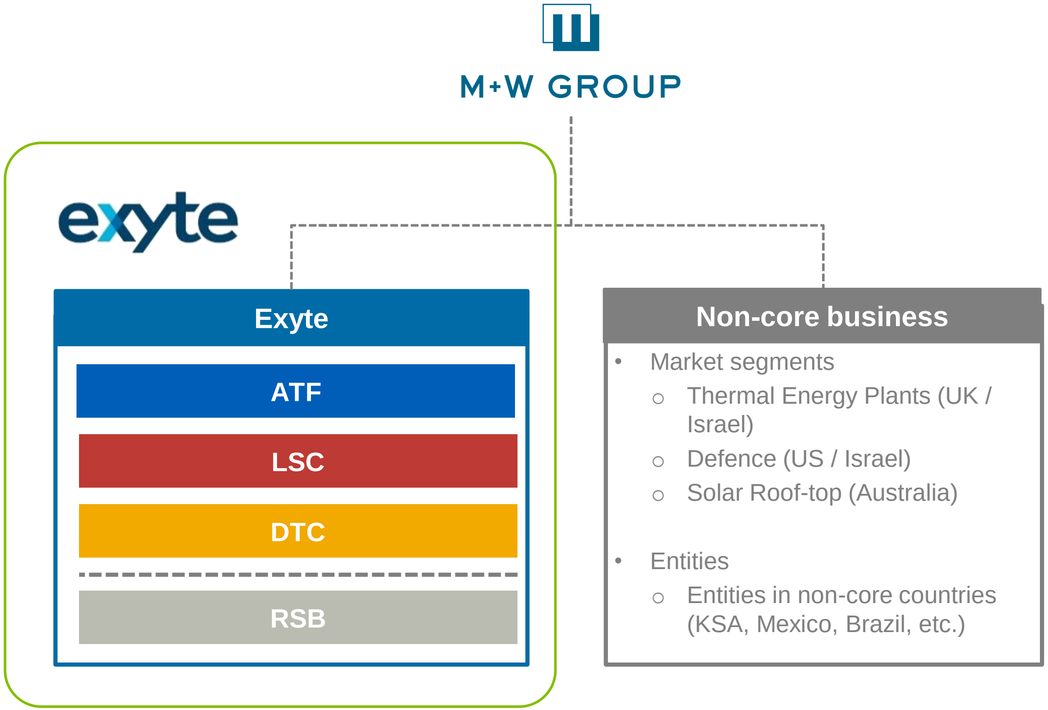
Figures at a glance

FIGURES AT A GLANCE
In € million

Key figures	Jan. 1-Sept. 30, 2018	Jan. 1-Sept. 30, 2017	Growth
Order backlog	2,995	2,139	+40.1%
Order intake	3,476	2,329	+49.3%
Sales	2,571	1,423	+80.7%
Gross profit	181	126	43.4%
Gross profit margin in %	7.0	8.9	-1.9 PP
EBIT	121	43	+180.5%
EBIT margin in %	4.7	3.0	+1.7 PP
Adjusted EBIT[1]	111	51	+117.6%
Adjusted EBIT margin in %	4.3	3.6	+0.7 PP
Group result	110	32	+243.8%
Group result in % of sales	4.3	2.2	+2.1 PP
Earnings per share	0.73	0.21	+247.6%
Employees (full-time positions at the end of the period)	5,329	4,726	+12.8%
Investments	27	9	+205.5%
Amortizations	5	5	-6.0%
Cash flow from operating activities	337	150	+124.7%
Cash flow from investing activities	-24	-9	+166.7%
Free cash flow	313	141	+122.0%
	Sept. 30, 2018	**Dec. 31, 2017**	
Net working capital	-515	-267	+92.9%
Net working capital in % of sales	-20.0	-11.2	+8.8 PP

1) EBIT excluding restructuring costs related to strategic realignment of the Company, costs relating to location closing and relocation costs, costs regarding capacity adjustments linked to optimization programs, profits or losses from lawsuits relating to legacy issues, profits or losses from disposal of assets, costs for other unusual or extraordinary events which are not normally recurring or not in the normal course of business.

Strategic Reorganisation



Recent reorganization efforts

- Exyte Group emerged as a result of the corporate reorganization of the former M+W Group
- M+W Group has been divided in a core group (Exyte) and a non-core group (M+W)
- Exyte comprises the three strategic core business segments Advanced Technology Facilities (ATF), Life Sciences and Chemicals (LSC) and data Center (DTC) as well as specific local operations

Net Working Capital

NET WORKING CAPITAL

In € million

	9M/2018	Dec. 31 2017
Inventories	65	57
Trade receivables	457	355
Trade payables	-746	-731
Trade working capital	**-224**	**-319**
Contract assets[1]	170	240
Contract liabilities[1]	-478	-137
Net position deriving from construction contracts	**-308**	**103**
Advanced payments received	--	-82
Net working capital (excluding M+W affiliates)	**-532**	**-298**
Receivables from affiliated, non-consolidated entities	28	39
Trade liabilities due to affiliated, non-consolidated entities	-11	-8
Advanced payments received from affiliated, non-consolidated entities	0	0
Net working capital (including M+W affiliates)	**-515**	**-267**
In % of sales[2]	**-20.0%**	**-11.2%**

1) Previous year: PoC (Percentage of Completion)- receivables and payables, reported as contract assets and liabilities in 9M 2018 (first time application of IFRS 15 as of January 1, 2018).
2) Based on LTM 9M/2018 of € 2,571 billion

Financing and working capital development

- Exyte focuses on design, construction work and project management
- Exyte draws on the support of sub-contractors and suppliers for the creation of units on the construction sites.
- As part of the realization of projects, funding is provided by trade receivables, advance client payments and trade payables.
- The vast majority of projects therefore do not required additional financing.
- In general, the projects have a positive impact on cash and cash equivalents from the outset.
- As of 9M/2018, Exyte has cash and cash equivalents of € 545.7 million.[3] This enables Exyte to avoid using banks to finance its operations and ensures that payment obligations can be met at all times.

3) Cash and cash equivalents end of period (according to Cash Flow Statement) = Cash and cash equivalents from the balance sheet minus disposal restrictions.

Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT

In € K

	Jan. 1-Sept. 30, 2018	Jan. 1 - Sept. 30, 2017
Sales revenue	2,570,862	1,423,059
Cost of sales	-2,390,221	-1,297,086
Gross profit on sales	**180,641**	**125,973**
Selling costs	-24,157	-28,129
Administrative costs	-43,309	-45,958
Research and development costs	-195	-148
Impairment losses /-income on financial assets[1]	11,231	-
Other operating income	14,244	8,554
Other operating expenses	-17,576	-17,193
Result from operations (EBIT)	**120,880**	**43,099**
Interest and similar income	17,455	10,808
Interest and similar expenses	-8,403	-14,300
Earnings before taxes	**129,932**	**39,607**
Taxes on income	-19,888	-7,812
Combined net profit for the period	**110,044**	**31,795**
Earnings per share in euros (diluted and undiluted)[1]	**0.73**	**0.21**

1) Due to the first time application of IFRS 9 as of January 1, 2018, the classification of the income statement must be extended to the item "impairment losses/ -income on financial assets". This line item recognizes the balance from the addition and reversal of impairment losses within the scope of IFRS 9. The previous year's figures were not adjusted due to the application of the standard (modified retrospective application), so that other operating income and expenses are only comparable to a limited extent.

Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET In € K	Sept. 30, 2018	Dec. 31, 2017[1]
ASSETS		
Non-current assets		
Intangible assets	133,776	134,008
Property, plant and equipment	45,700	23,717
Financial assets	2,615	2,666
Other non-current assets	599	1,389
Deferred tax assets	42,062	28,718
	224,752	**190,498**
Current assets		
Inventories	65,324	57,216
Contract assets[1]	169,571	-
Trade receivables and other receivables	728,821	1,045,462
Cash and cash equivalents[2]	627,370	418,364
	1,591,086	**1,521,042**
Total assets	**1,815,838**	**1,711,540**
Equity (December 31, 2017: Invested equity)	**315,527**	**518,977**
Non-current liabilities		
Provisions for pensions	8,801	7,974
Other non-current provisions	3,314	3,384
Non-current financing liabilities	69	92
Other non-current liabilities	1,258	309
Deferred tax liabilities	154	1,011
	13,596	**12,770**
Current liabilities		
Tax provisions	12,719	19,132
Other current provisions	48,661	46,134
Current financing liabilities	76,152	49,955
Trade payables and other current liabilities	871,443	1,064,572
Contract liabilities[1]	477,740	-
	1,486,715	**1,179,793**
Equity and Liabilities	**1,815,838**	**1,711,540**

1)Due to the first time application of IFRS 15 as of January 1, 2018, the balance sheets as of September 30, 2018 and December 31, 2017 are only comparable to a limited extent. The PoC receivables and PoC liabilities reported in 2017 under trade receivables and trade payables and other liabilities are shown in the balance sheet as separate balance sheet line items (contract assets and contract liabilities respectively) as of the 2018 financial year. The previous year's figures remain unaffected by the application of the new standard (modified retrospective adjustment).

2) This includes disposal restrictions of €81.7 million (December 31, 2017: €55.6 million). This refers to pledged cash and cash equivalents in connection with two Nei Bao Wei Dai (domestic securities for overseas debt) transactions.

Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT

In € K

		Jan 1.-Sept. 30, 2018	Jan. 1-Sept. 30, 2017[1]
	Earnings before tax	129,932	39,607
+	Interest (excluding currency gains/losses)	-7,375	-4,893
+	Amortization and depriciation	4,676	4,996
+/-	Net gains/losses from disposal of non-current assets	272	-59
+/-	Other non-cash based expenses and income	-2,136	2,397
-	Interest paid	-1,789	-1,353
+	Interest received	9,313	5,948
=	**Operating result before changes in working capital**	**132,893**	**46,643**
+/-	Change in provisions	3,543	15,527
+/-	Change in working capital	237,375	124,435
+/-	Change in other assets and liabilities	-2,899	-18,592
=	**Cash flow from operating activities before income taxes**	**370,912**	**168,013**
-	Income tax payments	-33,901	-18,119
=	**Cash flow from operating activities**	**337,011**	**149,894**
+/-	Proceeds from the disposal of intangible assets	0	-2
-	Payments for investments in intangible assets	-476	-219
+	Proceeds from the disposal of property, plant and equipment	1,460	69
-	Payments for investments in property, plant and equipment	-26,979	-8,751
+	Proceeds from the disposal of financial assets	978	8
-	Payments for investments in financial assets	-48	-13
-	Payments for acquisition of combined entitites	1,351	0
=	**Cash flow from investing activities**	**-23,714**	**-8,908**
+/-	Transactions with the M+W Group GmbH Consolidated	-121,829	-61,747
	thereof: cash relevant contributions	16,863	19,636
	thereof: cash relevant withdrawals	-34,600	-55,553
	thereof: proceeds from borrowing taken up	5,000	23,027
	thereof: proceeds from redemption of loans granted	0	45,638
	thereof: payments for loans granted	-103,783	-91,172
	thereof: payments for redemption of borrowings	-5,309	-3,323
+	Proceeds deriving from increases in capital	40	0
+	Proceeds from borrowings taken up with banks	-26,237	0
-	Payments for finance leases	-23	-79
=	**Cash flow from financing activities**	**-95,575**	**-61,826**
=	**Cash-based changes in cash and cash equivalents**	**217,722**	**79,160**
+/-	Exchange rate effects and other changes to cash and cash equivalents	-34,784	-23,708
+	Cash and other equivalents at the beginning of the period	362,754	316,143
=	**Cash and cash equivalents at the end of the period**	**545,692**	**371,595**

1) The Consolidated Cash Flow Statement is presented in the same period of the previous year.

Disclaimer

This presentation contains forward-looking statements which are based on the current estimates and assumptions made by the corporate management of Exyte Group. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate and similar formulations. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by Exyte Group and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside the Company's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. The Company neither plans nor undertakes to update any forward-looking statements.