



# Exyte Group

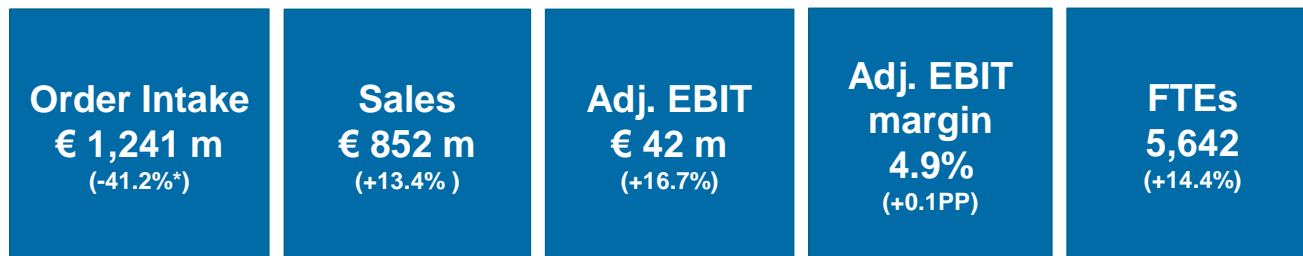
## Quarterly Statement 3M/2019

May 22, 2019



# Figures at a glance 3M/2019

(change to same period previous year)



*\* This figure declined as expected in the first three months of 2019 vs. PY as a major project with an exceptionally big volume was booked in Q1/2018.*

# Preface



## Ladies and Gentlemen,

We are extremely pleased with the development in the first three months of the current financial year. With sales of € 852 million, the Exyte Group exceeded an already strong first quarter in the record year 2018 by more than 13%. In addition, we have been able to achieve an improved adjusted EBIT of € 42 million, a rise of 17%. I would like to thank our over 5,600 highly qualified employees for their incredible dedication and commitment and am looking forward to continue to shape the development of our company with this extraordinary team.

Looking at the first three months of 2019, I am particularly excited about the potential of our company. This proves that the realignment of the company towards the three strategic business segments Advanced Technology Facilities (ATF), Life Sciences & Chemicals (LSC) and Data Center (DTC) as well as the various strategic initiatives we have launched are clearly paying off.

We remain eager to drive our growth ambitions in all our strategic core markets forward and are confident that we will achieve our objective of € 5 billion revenue in the medium-term. We are a market leader in many of our core markets and we continue to benefit from our long-standing and trusted client relationships with leading companies in various high-tech industries. In addition, our growth continues to be fueled by key global trends such as digitization, industry 4.0 and population growth.

For 2019, we confirm our outlook and we expect to generate higher sales compared to the previous year (2018: € 3.5 billion), an order intake slightly below the record level of 2018 (€ 4.4 billion) and a moderate increase in our adjusted EBIT (2018: € 170 million).

With best regards,  
Dr. Wolfgang Büchele

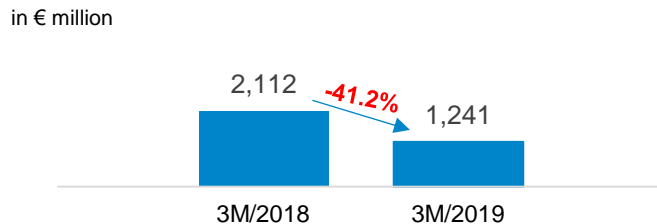


Dr. Wolfgang  
Büchele  
CEO Exyte AG

# Overview: Exyte 3M/2019 financials



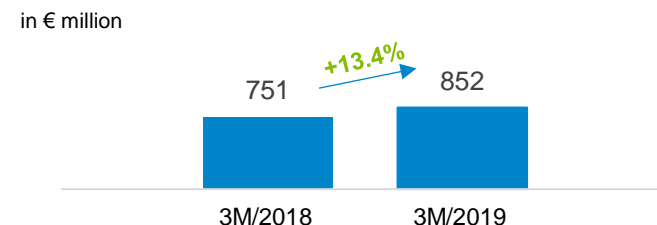
## Order intake



### Order intake of € 1.2 billion in 3M/2019

- Order intake expectedly below strong Q1 in 2018, which was marked by a major ATF project in APAC
- Exyte continues to have a substantial order backlog (3M/2019: € 3.3 billion)

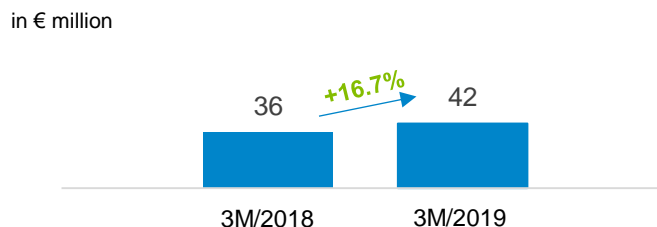
## Sales



### Exyte continues to grow

- Exyte raises sales to € 852 million
- Corresponds to a y-o-y increase of € 101 million or 13.4% (3M/2018: € 751 million)

## EBIT adj.<sup>1</sup>



### Adjusted EBIT<sup>1</sup> improved substantially

- EBIT margin (adjusted) increased to 4.9% (3M/2018: 4.8%)
- Exyte is approaching its medium-term target of an adjusted EBIT margin of 5%

1) For explanation of EBIT adj. see "Earnings Performance" and "Figures at a glance".

# Order intake by region



## Order Intake by Region

in € million

	3M/2019	3M/2018
APAC	320	1,600
EMEA	784	361
AMER	115	133
TECH	27	28

## EMEA recorded high growth with winning of major ATF projects

- Total order intake decreased to € 1.2 billion after an exceptionally strong 3M/2018, which was marked by a major ATF project in APAC. That is why order intake in APAC decreased to € 320 million (3M/2018: € 1.6 billion).
- Order intake EMEA increased by 117% to € 784 million, with major new projects in Germany, Austria, Ireland and Israel.
- In AMER, order intake decreased slightly to € 115 million (3M/2018: € 133 million).
- In the TECH segment, order intake also decreased slightly to € 27 million (3M/2018: € 28 million).

# Order intake by business segment



## Order Intake by Business Segment

in € million

	3M/2019	3M/2018
Advanced Technology Facilities (ATF)	1,026	1,854
Life Sciences & Chemicals (LSC)	76	74
Data Center (DTC)	114	98
Regional Specific Business (RSB)	30	85

### ATF remains strong, but below the record level of 3M/2018

- With over € 1.0 billion order intake, ATF business segment remains strong, even though it was below that in the previous year due to a major project in 3M 2018 (3M/2018: € 1.9 billion).
- Order intake in the business segment LSC of € 76 million stayed almost at the same level of previous year (3M/2018: € 74 million)
- A major DTC project was awarded in Denmark, so that the order intake in DTC increased by 16% to € 114 million (3M/2018: € 98 million).
- In the RSB segment, order intake decreased as expected to € 30 million (3M/2018: € 85 million).
- **The substantial order backlog of € 3.3 billion** is a solid basis for sustained growth well beyond 2019 (3M/2018: € 3.4 billion).

# Sales by region

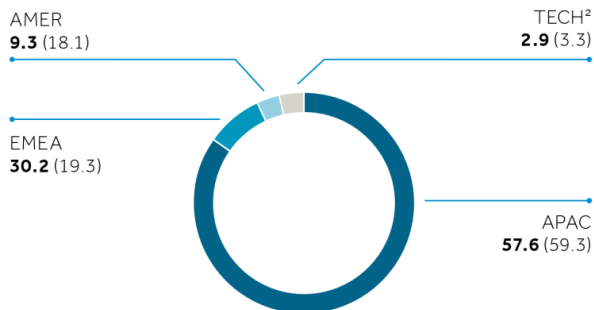


## Sales by Region

in € million

	3M/2019	3M/2018
<b>APAC</b>	<b>499</b>	454
<b>EMEA</b>	<b>262</b>	148
<b>AMER</b>	<b>81</b>	139
<b>TECH</b>	<b>25</b>	25

in % (previous year)<sup>1</sup>



<sup>1</sup> Before consolidation between regional segment

<sup>2</sup> TECH (products)

## EMEA achieved a strong growth

- Exyte serves customers in all key markets with a regional focus determined by the customer's investment plans and specific needs.
- In the first three months of 2019, Exyte generated 58% of its sales in the APAC region, 30% in the EMEA region and 9% 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 10% to € 499 million - Exyte maintains market leading position in semiconductor industry in APAC.
- In EMEA, sales increased by 77% to € 262 million
- In AMER sales below levels of 3M/2018 after a major project was concluded as planned.

# Sales by business segment



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

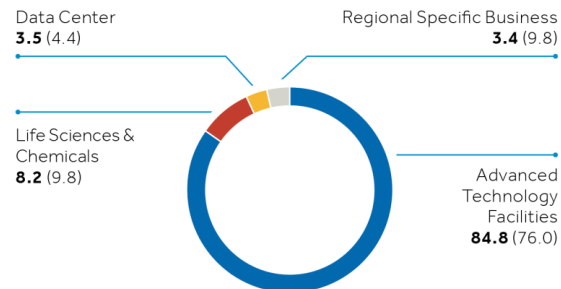
- The Advanced Technology Facilities (ATF) business segment continues to be Exyte's main growth driver.
- Sales in the ATF business segment rose by 26% to € 722 million (3M/2018: € 573 million), mainly due major new projects in the EMEA region.
- In the Life Sciences and Chemicals (LSC) business segment, sales totaled € 70 million, which was a slight decrease y-o-y (3M/2018: € 74 million).
- In the Data Center (DTC) business segment sales at the previous years level with € 30 million (3M/2018: € 33 million).
- Exyte also conducted regional specific businesses, which are not of strategical relevance (RSB segment)

## Sales by Business Segment

in € million

	3M/2019	3M/2018
<b>Advanced Technology Facilities (ATF)</b>	<b>722</b>	573
<b>Life Sciences &amp; Chemicals (LSC)</b>	<b>70</b>	74
<b>Data Center (DTC)</b>	<b>30</b>	33
<b>Regional Specific Business (RSB)</b>	<b>29</b>	74

in % (previous year)<sup>1</sup>



<sup>1</sup> Before consolidation between business segment



# Earnings performance



## Adjusted EBIT<sup>1</sup>

in € million

	3M/2019	3M/2018
<b>Reported EBIT</b>	<b>41.1</b>	<b>35.5</b>
Adjustments of which:	1.0	0.5
Adjustments due to restructuring measures	0.1	0
Adjustments due to relocation	0.9	0.5
<b>Adjusted EBIT<sup>1</sup></b>	<b>42.1</b>	<b>36.0</b>

## Exyte's adjusted EBIT grows y-o-y

- Adjusted EBIT<sup>1</sup> (adjusted earnings before interest and taxes) improved in the first three months of 2019 and increased to € 42 million by 17% compared to the previous year (3M/2018: € 36 million).
- The adjusted EBIT margin consequentially increased to 4.9% in the first three months of 2019 (3M/2018: 4.8%).
- With a strong 3M/2019, Exyte is approaching its medium-term profitability objective of 5% adjusted EBIT margin.

1) The adjusted EBIT is defined as earnings before interest and tax, adjusted for restructuring costs incurred in connection with the strategic realignment of the Exyte Group, costs incurred for the closure and relocation of sites, costs in connection with capacity adjustments within the context of optimization programs, income or expenses deriving from litigation proceedings involving historical legacy issues and income or expenses in connection with the reorganization of the Exyte Group (allowances for impairment losses).

- The management board of the Exyte Group expects the positive development to continue in financial year 2019. Our expectation is that the figure for incoming orders will be slightly lower than the record level reported in 2018 (€4.4 billion), as a major project with an exceptionally big volume was booked in Q1/2018.
- Due to the order backlog at the end of 2018 and our forecast for incoming orders in our core markets, we expect a further increase in revenue for the current financial year (2018: €3.5 billion). In this context, we expect the Advanced Technology Facilities Business Segment to remain the main contributor to revenue.
- Due to a change in the portfolio mix, with a larger share of high volume contracts that are based on cost-plus agreements, we expect the gross profit margin to be slightly lower (2018: 8.2%).
- We anticipate a moderate increase for the adjusted EBIT (2018: €170 million) in the short-to-medium term.

# Contact information

Exyte AG

Löwentorbogen 9b

70376 Stuttgart, Germany

Tel. +49 711 8804 0

E-Mail [info@exyte.net](mailto:info@exyte.net)

Investor Relations

Katrin Neuffer

Telephone: +49 711 8804-4062

E-Mail: [ir@exyte.net](mailto:ir@exyte.net)



# Appendix

# Figures at a glance



## FIGURES AT A GLANCE

In € million

	Jan. 1 – Mar. 31, 2019	Jan. 1 – Mar. 31, 2018	Growth
<b>Key figures</b>			
Backlog (end of respective Q1)	3,309	3,431	-3.6%
Order intake	1,241	2,112	-41.2%
Sales	852	751	+13.4%
Gross profit	62	57	+8.8%
Gross profit margin in %	7.3	7.6	-0.3 pp
EBIT	41	36	+13.9%
EBIT margin in %	4.8	4.8	+0 pp
Adjusted EBIT <sup>1</sup>	42	36	+16.7%
Adjusted EBIT margin in %	4.9	4.8	+0.1 pp
Group net profit	35	27	+29.6%
Group net profit in % of sales	4.1	3.6	+0.5pp
Earnings per share (in €)	0.23	0.18	+27.8%
No. of Employees (full-time equivalents at the end of the period)	5,642	4,932	+14.4%
Investments in property, plant and equipment	1.7	2.8	-39.3%
Amortization and depreciation	4.5	1.4	+221.4%
Cash flow from operating activities	-11	5	n.a.
Cash flow from investing activities	-4	-2	-100%
Free cash flow	-15	3	n.a.
	<b>Mar. 31, 2019</b>	<b>Dec. 31, 2018</b>	
Net working capital	-655	-690	
Net working capital in % of sales <sup>2</sup>	-18.0	-19.5	+1.5 pp

1) The adjusted EBIT is defined as earnings before interest and tax, adjusted for restructuring costs incurred in connection with the strategic realignment of the Exyte Group, costs incurred for the closure and relocation of sites, costs in connection with capacity adjustments within the context of optimization programs, income or expenses deriving from litigation proceedings involving historical legacy issues and income or expenses in connection with the reorganization of the Exyte Group (allowances for impairment losses).

2) The percentage in Q1/2019 is calculated based on the Sales of last 12 months, which is €3,632 million. Full year 2018 Sales: € 3,531 million.

# Net Working Capital



## NET WORKING CAPITAL

In € million	Mar. 31, 2019	Dec. 31, 2018
Inventories	80	114
Trade receivables	384	353
Trade payables	-837	-906
<b>Trade working capital</b>	<b>-373</b>	<b>-439</b>
Contract assets	195	170
Contract liabilities	-483	-437
<b>Net position deriving from construction contracts</b>	<b>-288</b>	<b>-267</b>
<b>Net working capital (3rd Party, outside M+W Group)</b>	<b>-661</b>	<b>-705</b>
Trade receivables from affiliated, non-consolidated entities	21	28
Trade liabilities due to affiliated, non-consolidated entities	-14	-12
<b>Net working capital (3rd Party, outside Exyte Group)</b>	<b>-655</b>	<b>-690</b>
<b>In % of sales<sup>1</sup></b>	<b>-18.0%</b>	<b>-19.5%</b>

1) The percentage in Q1/2019 is calculated based on the Sales of last 12 months, which is €3,632 million. Full year 2018 Sales: €3,531 million.

## Financing and working capital development

- As part of the implementation of projects, funding is provided by trade receivables, advance client payments and trade payables.
- The vast majority of projects therefore do not require additional financing.
- A high cash position enables Exyte to avoid using banks to finance its operations and ensures that payment obligations can be met at all times.
- As of March 31, 2019, Exyte's net working capital ratio is -18.0% and therefore very comfortable.

# Consolidated Income Statement



## CONSOLIDATED INCOME STATEMENT

In € K

	Jan. 1 – Mar. 31, 2019	Jan. 1 – Mar. 31, 2018
Sales	851,969	751,106
Cost of sales	-789,865	-694,253
<b>Gross profit on sales</b>	<b>62,104</b>	<b>56,853</b>
Selling expenses	-8,312	-8,121
Administrative costs	-19,161	-12,667
Research and development costs	-59	-84
Impairment losses / income on financial assets	-156	-429
Other operating income	8,079	1,988
Other operating expenses	-1,427	-1,992
<b>Result from operations (EBIT)</b>	<b>41,068</b>	<b>35,548</b>
Interest and similar income	7,470	4,001
Interest and similar expenses	-9,930	-6,629
<b>Earnings before taxes</b>	<b>38,608</b>	<b>32,920</b>
Taxes on income	-3,705	-5,503
<b>Combined net profit for the year</b>	<b>34,903</b>	<b>27,417</b>

# Consolidated Balance Sheet



## CONSOLIDATED BALANCE SHEET

In € K

	Mar. 31, 2019	Dec. 31, 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	133,202	133,387
Property, plant and equipment	111,493	61,455
Financial assets	2,731	2,650
Other non-current assets	461	457
Deferred tax assets	72,427	67,597
	<b>320,313</b>	<b>265,546</b>
<b>Current assets</b>		
Inventories	80,151	114,459
Contract assets	194,041	169,765
Trade receivables and other receivables	655,566	609,207
Cash and cash equivalents	849,180	845,328
	<b>1,778,939</b>	<b>1,738,759</b>
<b>Total assets</b>	<b>2,099,253</b>	<b>2,004,305</b>
<b>Equity</b>	<b>410,015</b>	<b>368,511</b>
<b>Non-current liabilities</b>		
Provisions for pensions	8,786	8,722
Other non-current provisions	7,525	6,792
Non-current financing liabilities	42,218	1,268
Deferred tax liabilities	438	277
	<b>58,966</b>	<b>17,059</b>
<b>Current liabilities</b>		
Tax provisions	30,814	32,716
Other current provisions	55,909	47,671
Current financing liabilities	79,953	78,212
Trade payables and other current liabilities	980,556	1,023,306
Contract liabilities	483,039	436,830
	<b>1,630,271</b>	<b>1,618,735</b>
<b>Total Equity and Liabilities</b>	<b>2,099,253</b>	<b>2,004,305</b>



# Consolidated Cash Flow Statement



## CONSOLIDATED CASH FLOW STATEMENT

In € K

	Jan 1. – Mar. 31, 2019	Jan. 1 – Mar. 31, 2018 <sup>1</sup>
Earnings before tax (EBT)	38,608	32,900
+ Interest (excluding currency gains/losses) with gross cash flow	-1,764	-1,744
+ Depreciation and amortization & impairment losses	4,468	1,413
+/- Net gains/losses from disposal of non-current assets	73	-9
+/- Other non-cash based expenses and income	3,401	905
- Interest paid	-668	-839
+ Interest received	3,115	2,602
<b>= Operating result before changes in working capital</b>	<b>47,233</b>	<b>35,248</b>
+/- Change in provisions	7,384	10,503
+/- Change in working capital	-56,158	-33,314
+/- Change in other assets and liabilities	1,773	-946
<b>= Cash flow from operating activities before income taxes</b>	<b>232</b>	<b>11,491</b>
- Income tax payments	-11,260	-6,975
<b>= Cash flow in / from operating activities</b>	<b>-11,028</b>	<b>4,516</b>
+/- Net payment in intangible assets	-79	-2
+/- Net payment in property, plant and equipment	-1,653	-2,753
+/- Net payment in financial assets	0	667
<b>= Cash flow in investing activities</b>	<b>-1,732</b>	<b>-2,088</b>
+/- Transactions with the M+W Group GmbH Consolidated	1,226	-16,985
+ Proceeds from transactions with equity providers	0	-9,180
+ Proceeds from borrowings taken up with banks	0	25,897
- Payments for leases	-2,339	-7
<b>= Cash flow in financing activities</b>	<b>-1,113</b>	<b>-275</b>
<b>= Cash-based changes in cash and cash equivalents</b>	<b>-13,873</b>	<b>2,153</b>
+/- Exchange rate effects and other changes to cash and cash equivalents	15,074	-28,511
+ Cash and other equivalents at the beginning of the period	760,997	362,754
<b>= Cash and cash equivalents at the end of the period<sup>2</sup></b>	<b>762,198</b>	<b>336,396</b>

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

2) Cash and cash equivalents according to cash flow statements differs from reported cash and cash equivalents in Balance Sheet largely due to restricted cash.

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.

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