Exyte Group

Financial Statement 9M/2019

November 13th, 2019

Figures at a Glance 9M/2019
(change year-on-year)

Order Intake	Sales	Adj. EBIT	Adj. EBIT margin	FTEs
€ 3,600 m (+3.6%)	€ 2,739 m (+6.5%)	€ 148 m (+33.3%)	5.4% (PY: 4.3%)	5,479 (+2.8%)

Preface

Ladies and Gentlemen,

We were able to continue to grow our business in the third quarter of this year. Exyte recorded substantial sales growth and a significant increase in profitability compared to the same period of the previous year. In the first nine months of 2019, sales amounting to € 2.74 billion were 6.5% higher than in the first nine months of 2018. The adjusted EBIT even increased by 33.3% to € 148 million. In the same period, the adjusted EBIT margin improved from 4.3% to 5.4%.

In the third quarter, we continued to grow in our largest and strongest strategic business segment, Advanced Technology Facilities (ATF). In the first nine months of 2019, sales in this business segment amounting to € 2.2 billion increased by 12.1% compared to the previous year, mainly driven by projects in Singapore, Ireland, the US, Austria and Malaysia. Sales in the strategic business segment Data Center increased considerably by 44.9% in the first nine months of this year, while sales in the Life Sciences & Chemicals (LSC) segment remained at the previous year's level.

While Asia-Pacific (APAC) remains our largest market, we are very pleased that we have seen a strong growth in the European market (EMEA), where order intake nearly tripled compared to the same period last year.

Based on our positive development in the first nine months of the year, we confirm our sales outlook for the full year 2019 in the magnitude of € 4.0 billion (2018: € 3.5 billion). At the same time, we expect our order intake to stay at the level of the previous year (2018: € 4.4 billion) and anticipate a moderate increase in adjusted EBIT (2018: € 170 million).

We assume that we will continue our growth path in the 2020 financial year and aim to achieve sales of € 5 billion at an adjusted EBIT margin of ≥ 5% in the medium term.

With best regards,
Dr. Wolfgang Büchele

Dr. Wolfgang Büchele
CEO Exyte AG

Overview: Exyte 9M/2019 Financials

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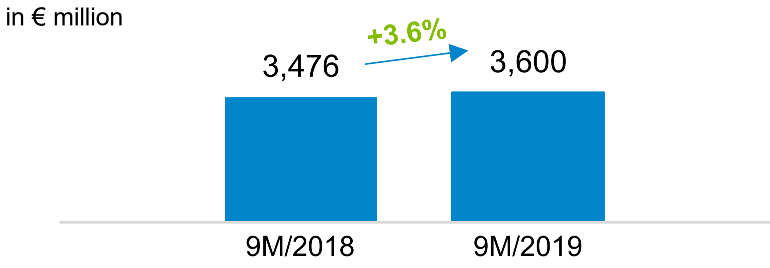
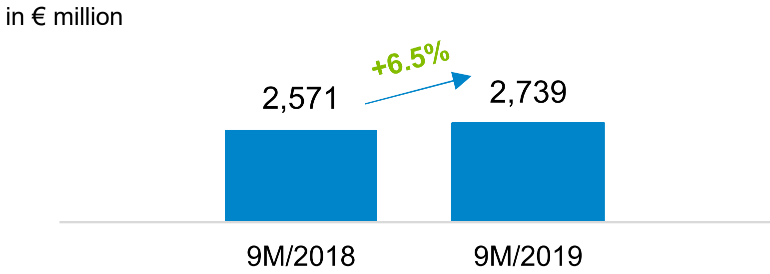
Order intake



Order intake of € 3,600 million in 9M/2019

- Order intake was slightly above the already strong 9M in 2018, which was marked by a major semiconductor project in APAC.
- Very strong order backlog of € 3,766 million (9M/2018: € 2,995 million).

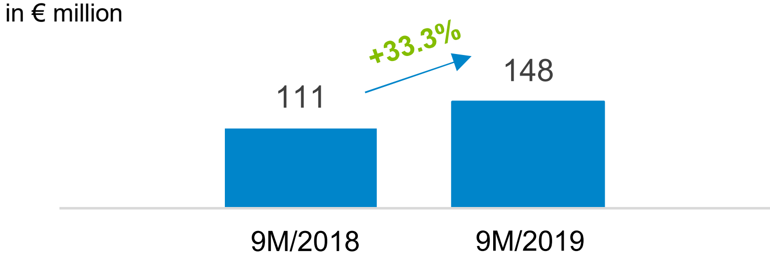
Sales



Exyte continues to grow

- Exyte increased sales to € 2,739 million, corresponding to a y-o-y increase of 6.5% (9M/2018: € 2,571 million).

adj. EBIT[1]



Adjusted EBIT[1] improved substantially

- An adjusted EBIT of € 148 million constituted an increase of 33.3% compared to the previous year (9M/2018: € 111 million).
- EBIT margin (adjusted) improved from 4.3% in 9M/2018 to 5.4% in 9M/2019.

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

Order Intake by Business Segment 9M/2019

ATF remains strong; DTC recorded highest growth

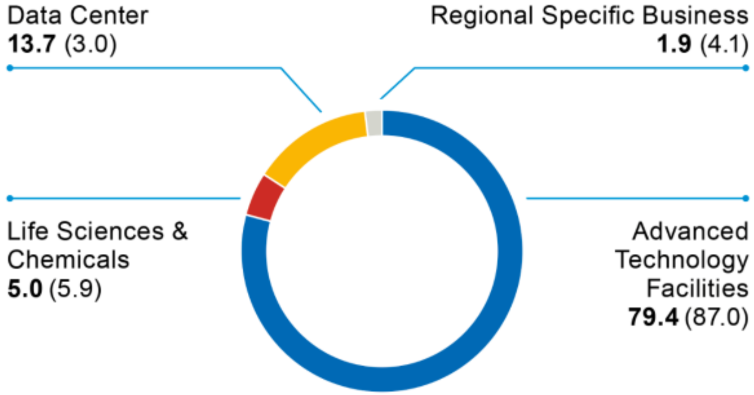
- With an order intake of € 2,864 million, the Advanced Technology Facilities (ATF) business segment remains our strongest segment. The order intake is slightly below the level of 9M/2018 due to a major project received in APAC in Q1 2018 (9M/2018: € 3,025 million).
- Order intake of € 179 million in the business segment Life Sciences and Chemicals (LSC) was lower than that of the previous year (9M/2018: € 206 million).
- Two significant data center projects were awarded in Denmark and Taiwan, so that the order intake in the Data Center (DTC) business segment soared to € 495 million, which is more than 4 times the figure of the previous year (9M/2018: € 105 million).
- Exyte also conducts regionally specific business, which is not of strategic relevance (RSB segment).
- **The substantial order backlog of € 3,766 million** is a solid basis for sustained growth well beyond 2019 (9M/2018: € 2,995 million).

Order Intake by Business Segment[1]

in € million

	9M/2019	9M/2018
Advanced Technology Facilities (ATF)	**2,864**	3,025
Life Sciences & Chemicals (LSC)	**179**	206
Data Center (DTC)	**495**	105
Regional Specific Business (RSB)	**70**	141

in % (previous year)



[1] Before consolidation

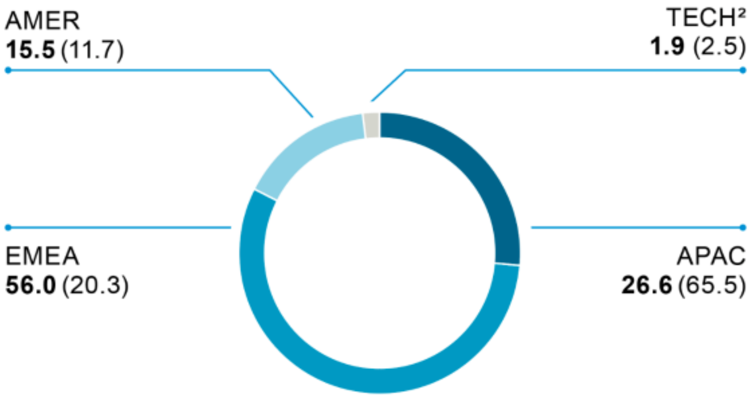
Order Intake by Region 9M/2019

Order Intake by Region[1]

in € million

	9M/2019	9M/2018
APAC	**963**	2,298
EMEA	**2,024**	711
AMER	**562**	411
TECH[2]	**67**	89

in % (previous year)



[1] Before consolidation
[2] Tech: Exyte Technology (Equipment)

EMEA won major semiconductor and data center projects and recorded substantial growth

- Exyte serves customers in all key markets with a regional focus determined by our customers' investment plans and specific needs.
- With new major projects in Ireland, Austria, Denmark and Israel, order intake of EMEA almost tripled to € 2,024 million (9M/2018: € 711 million).
- Order intake in APAC decreased to € 963 million (9M/2018: € 2,298 million), due to a major project received in Q1 2018.
- In AMER, where a new semiconductor project was awarded, order intake increased by 37% to € 562 million (9M/2018: € 411million).
- The Technology ("TECH") segment includes the design, development and manufacturing of cleanroom products for controlled environments. Order intake of TECH decreased slightly to € 67 million (9M/2018: € 89 million).

Sales by Business Segment 9M/2019

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

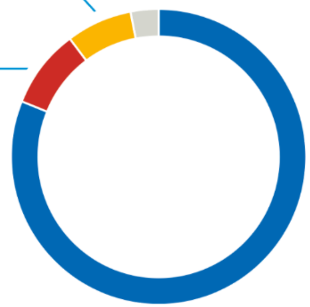
- The Advanced Technology Facilities (ATF) business segment continues to be Exyte's main growth driver.
- Sales in the ATF business segment rose by 12.1% to € 2,226 million (9M/2018: € 1,986 million) on account of large projects in Singapore, Ireland, the US, Austria and Malaysia.
- In the Life Sciences and Chemicals (LSC) business segment, sales totaled € 240 million, which resulted in a marginal y-o-y decrease (9M/2018: € 245 million).
- In the Data Center (DTC) business segment sales (€ 197 million) were above 9M/2018 (€ 136 million), as the newly awarded major projects began to generate sales.
- In the RSB segment, along the step-out from the solar business in the US, sales decreased to € 80 million as expected (9M/2018: € 205 million).

Sales by Business Segment[1]

in € million

	9M/2019	9M/2018
Advanced Technology Facilities (ATF)	**2,226**	1,986
Life Sciences & Chemicals (LSC)	**240**	245
Data Center (DTC)	**197**	136
Regional Specific Business (RSB)	**80**	205

in % (previous year)



[1] Before consolidation

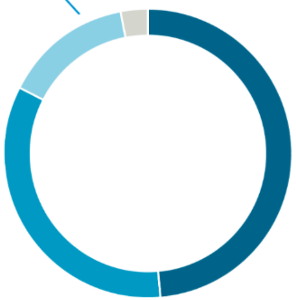
Sales by Region 9M/2019

Sales by Region[1]

in € million

	9M/2019	9M/2018
APAC	**1,349**	1,420
EMEA	**944**	659
AMER	**402**	452
TECH	**77**	78

in % (previous year)



[1] Before consolidation
[2] Tech: Exyte Technology (Equipment)

EMEA delivered a strong performance alongside APAC

- APAC remains the biggest market. Owing to the major on-going projects in Singapore, Malaysia and China, APAC contributed € 1,349 million sales in 9M/2019, slightly below the level of the previous year (9M/2018: € 1,420 million).
- Significant ATF and DTC projects led to a noticeable increase of sales in EMEA; y-o-y increase of 43% to € 944 million.
- In AMER sales were below the level of the first nine months of 2018. However, the sales in the third quarter of 2019 outperformed the third quarter of 2018 by 33%.
- In the first nine months of 2019, Exyte generated nearly 49% of its sales in APAC, 34% in EMEA and over 14% in AMER. Exyte Technology accounted for 3% of Group sales.

Earnings Performance 9M/2019

Adjusted EBIT[1]

in € million

	9M/2019	9M/2018
Reported EBIT	**144.6**	**120.9**
Adjustments	2.9	-10.3
of which due to lawsuits	-	0.1
of which due to reorganization of former M+W group (bad debt allowance)	0.5	-12.2
of which due to restructuring measures	0.6	-1.0
of which due to relocation	1.8	2.8
Adjusted EBIT[1]	**147.5**	**110.6**

Exyte made considerable progress in terms of profitability

- Adjusted EBIT[1] (adjusted earnings before interest and taxes) substantially increased by 33% to €148 million in the first nine months of 2019 compared to the previous year (9M/2018: € 111 million).
- The adjusted EBIT margin increased to 5.4% in the first nine months of 2019 (9M/2018: 4.3%).
- Exyte is on the right track to achieve its objective of a sustainable adjusted EBIT margin of ≥ 5% in the medium-term.

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).

Outlook Financial Year 2019

- The Management Board of the Exyte Group expects the positive development to continue for the full year. Our expectation is that the incoming orders will be at the level of the previous year (2018: € 4.4 billion), despite the major project in APAC with an exceptionally large volume booked in Q1/2018.

- We expect new record sales in the magnitude of around € 4.0 billion for the current financial year (2018: € 3.5 billion). Thereby, we expect the Advanced Technology Facilities Business segment to remain our strongest business segment.

- We anticipate a moderate increase for the adjusted EBIT (2018: €170 million).

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Appendix

Figures at a Glance

in € million	Jan. 1 – Sep. 30, 2019	Jan. 1 – Sep. 30, 2018	Growth
Key figures			
Backlog (at end of the period)	3,766	2,995	+25.7%
Order intake	3,600	3,476	+3.6%
Sales	2,739	2,571	+6.5%
Gross profit	226	181	+24.9%
Gross profit margin in %	8.3	7.0	+1.3 pp
EBIT	145	121	+19.8%
EBIT margin in %	5.3	4.7	+0.6 pp
Adjusted EBIT[1]	148	111	+33.3%
Adjusted EBIT margin in %	5.4	4.3	+1.1 pp
Group net profit	125	110	+13.6%
Group net profit in % of sales	4.6	4.3	+0.3 pp
Earnings per share (in €)	0.84	0.73	+15.1%
No. of Employees (full-time equivalents at the end of the period)	5,479	5,329	+2.8%
Cash flow from operating activities	108	337	n.a.
Cash flow from investing activities	-3	-24	n.a.
Free cash flow	105	313	n.a.
	Sep. 30, 2019	**Dec. 31, 2018**	
Net working capital	-688	-690	
Net working capital in % of sales[2]	-18.6	-19.5	+0.9 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 9M/2019 is calculated based on the Sales of last 12 months, which is €3,699 million. Full year 2018 Sales: € 3,531 million.

Net Working Capital

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in € million	Sep. 30, 2019	Dec. 31, 2018
Inventories	136	114
Trade receivables	310	353
Trade payables	-953	-906
Trade working capital	**-507**	**-439**
Contract assets	312	170
Contract liabilities	-509	-437
Net position deriving from construction contracts	**-197**	**-267**
Net working capital (3rd Party, outside M+W Group)	**-704**	**-705**
Trade receivables from affiliated, non-consolidated entities	23	28
Trade liabilities due to affiliated, non-consolidated entities	-7	-12
Net working capital (3rd Party, outside Exyte Group)	**-688**	**-690**
In % of sales[1]	**-18.6%**	**-19.5%**

1) The percentage in 9M/2019 is calculated based on the Sales of last 12 months, which is €3,699 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 debt to finance its operations and ensures that payment obligations can be met at all times.
- As of September 30, 2019, Exyte's net working capital ratio is -18.6% and therefore continues to be at a very comfortable level.

Consolidated Income Statement

in € K

	Jan. 1 – Sep. 30, 2019	Jan. 1 – Sep. 30, 2018
Sales	2,739,194	2,570,862
Cost of sales	-2,512,970	-2,390,220
Gross profit on sales	**226,224**	**180,641**
Selling expenses	-25,665	-24,157
Administrative costs	-54,847	-43,309
Research and development costs	-156	-194
Impairment losses / income on financial assets	0	11,231
Other operating income	9,345	14,244
Other operating expenses	-10,288	-17,576
Result from operations (EBIT)	**144,613**	**120,880**
Interest and similar income	23,923	17,455
Interest and similar expenses	-27,516	-8,403
Earnings before taxes	**141,020**	**129,932**
Taxes on income	-15,715	-19,888
Consolidated net profit for the year	**125,305**	**110,044**

Consolidated Balance Sheet

in € K

	Sep. 30, 2019	Dec. 31, 2018
Assets		
Intangible assets	132,812	133,387
Property, plant and equipment	109,825	61,455
Financial assets	2,659	2,650
Other non-current assets	344	457
Deferred tax assets	66,646	67,597
Non-current assets	**312,286**	**265,546**
Inventories	136,401	114,459
Contract assets	312,293	169,765
Trade receivables and other receivables	592,963	609,207
Cash and cash equivalents	920,213	845,328
Current assets	**1,961,870**	**1,738,759**
Total assets	**2,274,156**	**2,004,305**
Equity	**505,404**	**368,511**
Provisions for pensions	8,878	8,722
Other non-current provisions	3,458	6,792
Non-current financing liabilities	39,947	0
Other non-current liabilities	1,268	1,268
Deferred tax liabilities	958	277
Non-current liabilities	**54,509**	**17,059**
Tax provisions	2,264	32,716
Other current provisions	61,829	47,671
Current financing liabilities	91,254	78,212
Trade payables and other current liabilities	1,049,607	1,023,306
Contract liabilities	509,289	436,830
Current liabilities	**1,714,243**	**1,618,735**
Total Equity and Liabilities	**2,274,156**	**2,004,305**

Consolidated Cash Flow Statement

in € K		Jan 1. – Sep. 30, 2019	Jan. 1 – Sep. 30, 2018
	Earnings before tax (EBT)	141,020	129,932
+	Interest (excluding currency gains/losses) with gross cash flow	-4,496	-7,375
+	Depreciation and amortization	14,864	4,676
+/-	Net gains/losses from disposal of non-current assets	-38	272
+/-	Other non-cash-based expenses and income	4,624	-2,136
-	Interest paid	-1,914	-1,790
+	Interest received	7,964	9,313
=	**Operating result before changes in working capital**	**162,024**	**132,892**
+/-	Change in provisions	3,387	3,543
+/-	Change in working capital	-20,613	237,375
+/-	Change in other assets and liabilities	8,722	-2,899
=	**Cash flow from operating activities before income taxes**	**153,520**	**370,911**
-	Income tax payments	-45,726	-33,900
=	**Cash flow in / from operating activities**	**107,794**	**337,012**
+/-	Net payment[1] in intangible assets	-230	-477
+/-	Net payment[1] in property, plant and equipment	-3,307	-25,519
+/-	Net payment[1] in financial assets	150	931
+/-	Changes in consolidated entities	0	1,351
=	**Cash flow in investing activities**	**-3,387**	**-23,714**
+/-	Transactions with the M+W Group GmbH Consolidated	-42,025	-121,829
+	Proceeds from transactions with equity providers	0	41
+	Proceeds from borrowings taken up with banks	0	26,237
-	Payments for leases	-8,454	-23
=	**Cash flow in financing activities**	**-50,479**	**-95,575**
=	**Total changes in cash and cash equivalents**	**53,928**	**217,722**
+/-	Exchange rate effects and other changes to cash and cash equivalents	19,533	-34,784
+	Cash and other equivalents at the beginning of the period	760,997	362,754
=	**Cash and cash equivalents at the end of the period[2]**	**834,458**	**545,692**

1) Net payment = Proceeds - Payment.
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.

Disclaimer

This presentation contains forward-looking statements, which are based on 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.