

COMING UP...

Key Financials for the H1 2020

Thursday, August 13, 2020

at 10:00 a.m. (CEST)



presented by

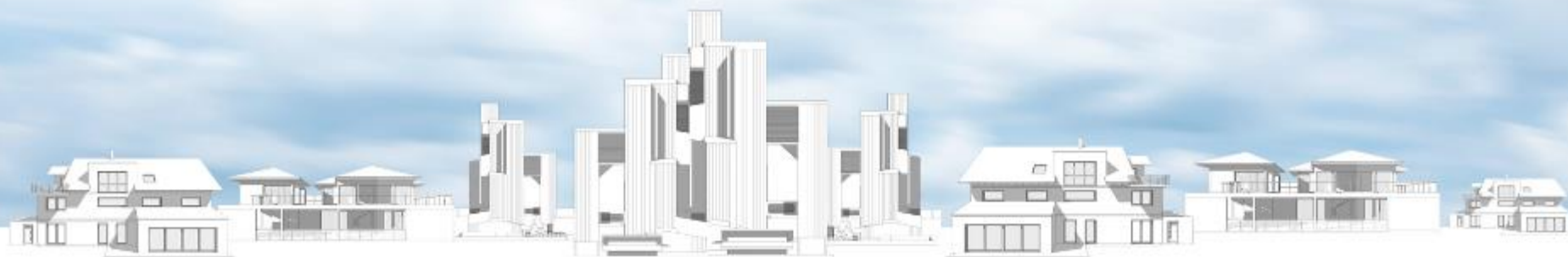
**Dr Thomas Kneip,
Member of the Board**



CENTROTEC SE

H1 results 2020

13.08.2020



AGENDA



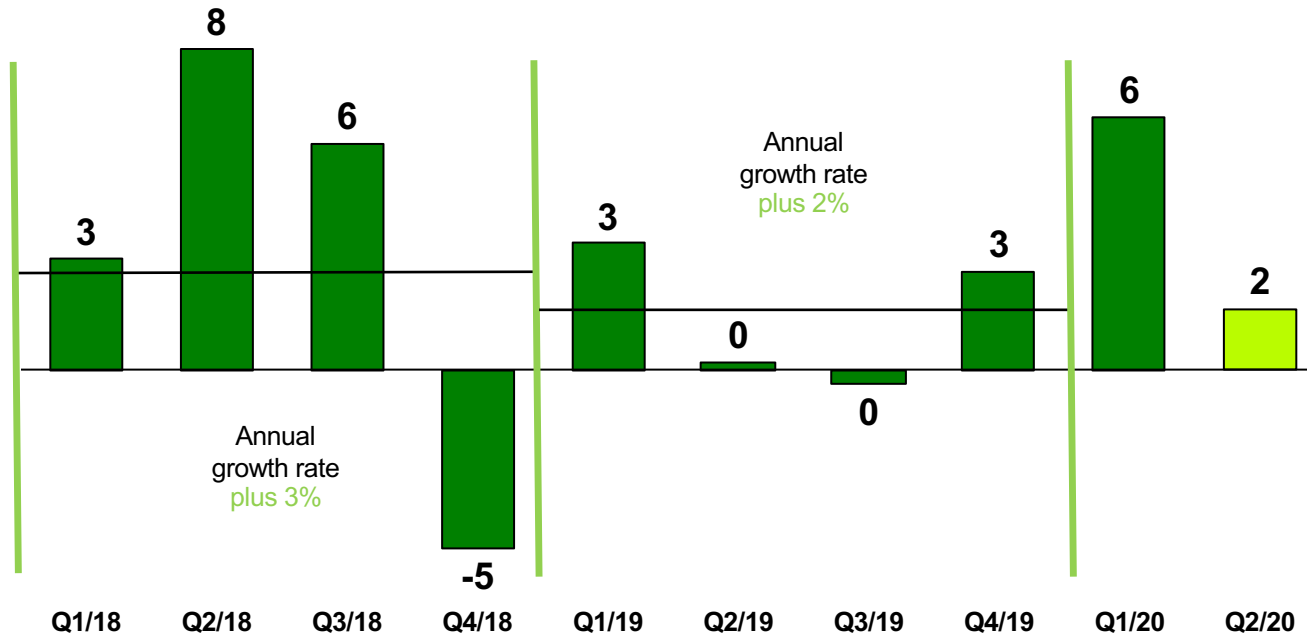
-
- **Market Overview & Key Financials**
 - Operational Highlights
 - Outlook
-

German heating market demonstrates stable growth in the first half of the year, but growth slowed down in the second half



MARKET DEVELOPMENT

Quarterly market growth rate of oil and gas heat generating units in Germany 
[in percent compared to same quarter of previous year]

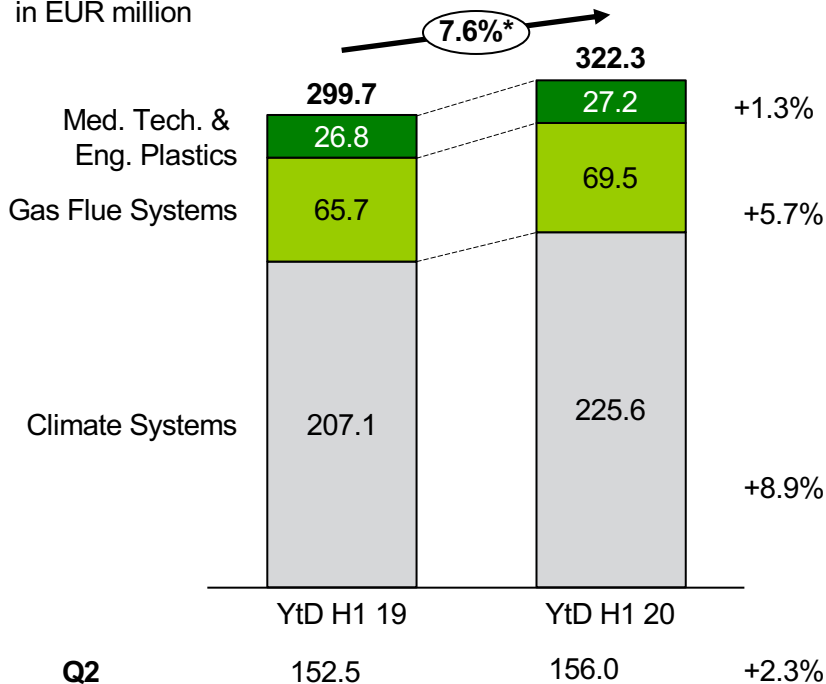


Market Impact of Corona Pandemia

- Slight, but visible decline in market dynamics in Q2 in Germany, after strong start into the year
- Heavy impact on sales markets in Southern and Western Europe, as well as China
- First sights of project delays and more intense competition in the AHU market

REVENUE DEVELOPMENT

by Segment
in EUR million



* Organic Growth Rate: H1: 6.6%; Q2: 1.2%

Drivers of Revenue Development

- + Continued groupwide growth in Germany and NL
- + Climate Systems with positive development in the heat pump, domestic heating and ventilation market
- + Acquisition of German roof product specialist IVT in 2019 with contribution to Gas Flue Systems sales
- o CHP business stabilized, but on low level
- o Gas Flue Systems with a weaker 2nd quarter after good start
- China with a very weak first quarter and slow recovery due to corona issue
- Impact of corona crisis in several markets (Southern Europe, UK) since March

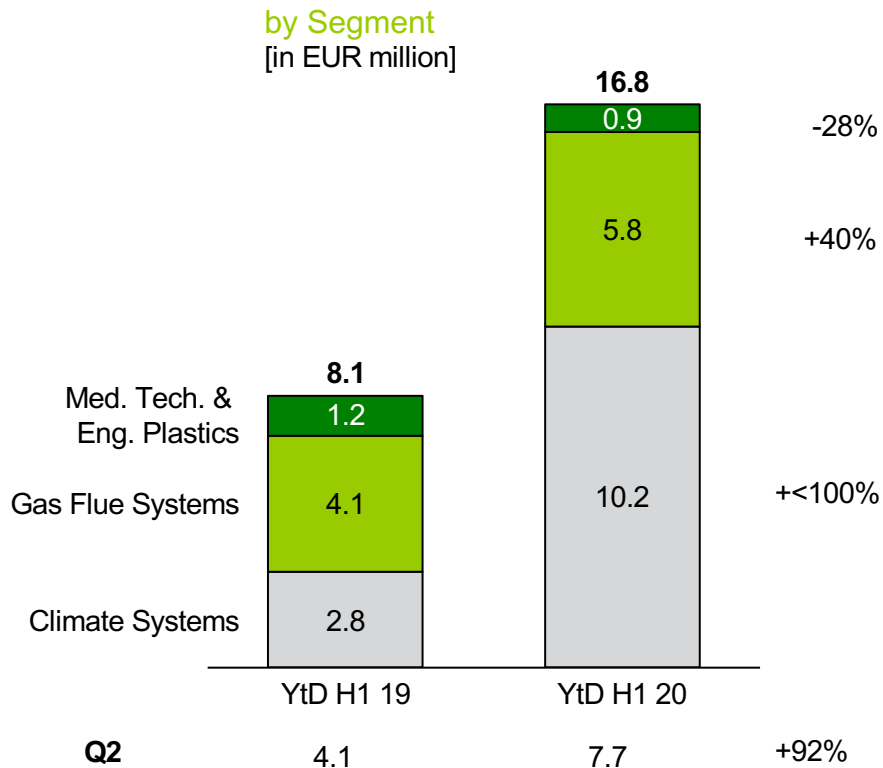
Drivers of Regional Sales

- + Good development in Germany, Netherlands and Eastern Europe
- Weak development in Spain, Italy, France, UK and China

Strong revenue growth in Climate Systems segment drives groupwide earnings growth in the first six month of 2020



EBIT DEVELOPMENT



Drivers of EBIT Development

Climate Systems

- + Scale effects from sales growth
- + Successful implementation of profitability improvement project in Air Handling Units
- Negative contribution from some foreign group companies due to corona crisis

Gas Flue Systems

- + Further sales growth in the first quarter
- + Strong German market
- Weaker development in many foreign companies since March with a little recovery at the end of the 2nd quarter

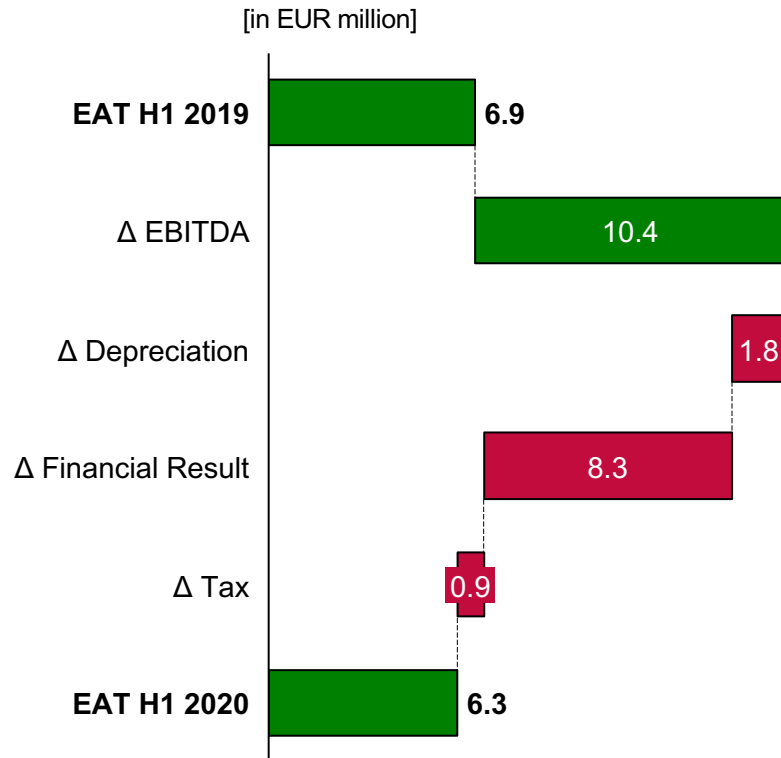
Med. Tech. & Eng. Plastics

- + Sales growth in medical technologies
- Engineering Plastics business is impacted by economic slow-down and Corona-crisis

EAT of the first six months burdened by negative financial result of the first quarter



EAT TRANSITION H1 2019 VS. H1 2020



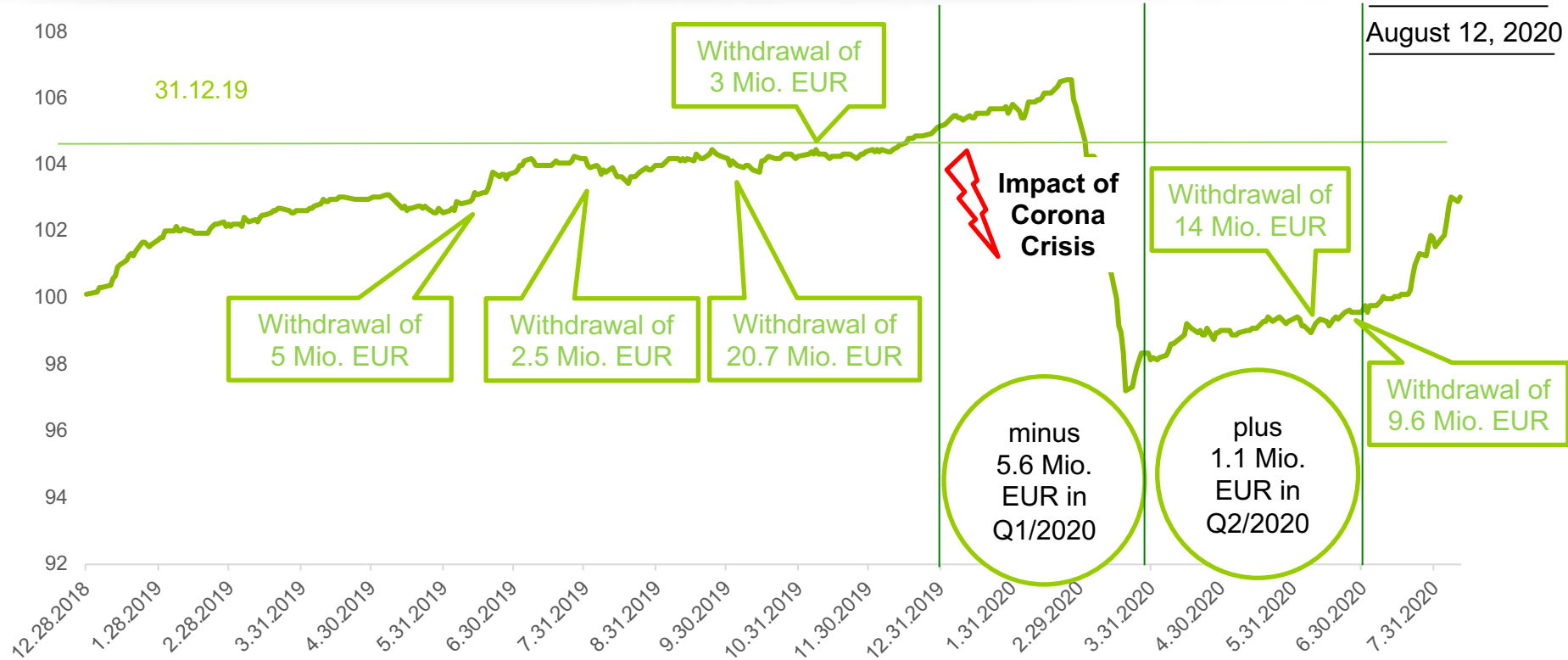
Comments

- Depreciations higher than last years due to high investment levels (various production buildings upgraded, etc.)
- After good performance of financial investments in H1/2019 (+3.9 Mio. EUR) negative result in H1/2020 (- 4.6 Mio. EUR); Q2 result similar to previous year
- Tax and tax rate increase caused by lower taxation of negative impact from financial investments

Impact of corona crisis after positive development during the last year



TOTAL RETURN OF CENTROTEC FINANCIAL INVESTMENTS FUND

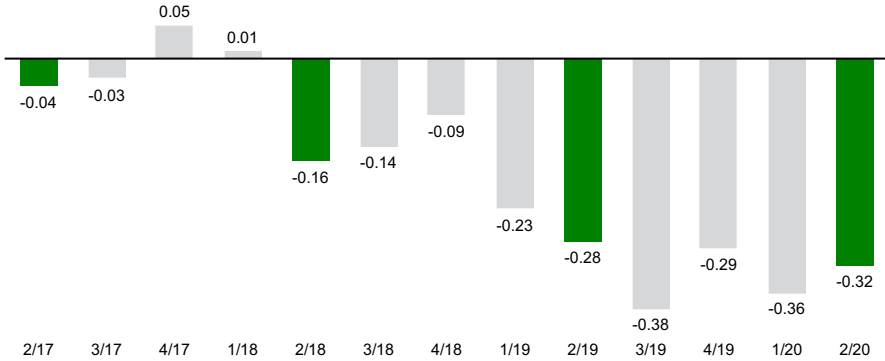


Overall stable key balance sheet ratios; positive operating cash flow trend

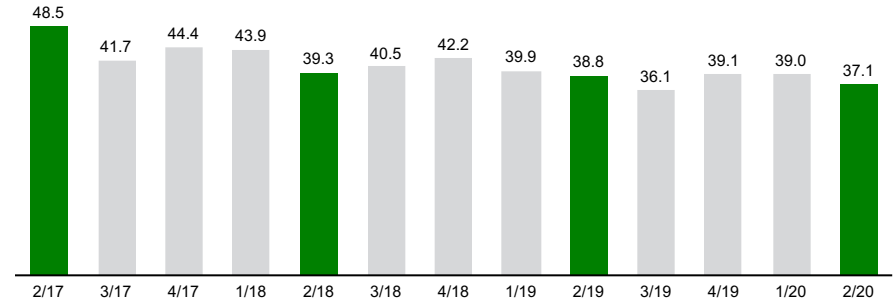


KEY BALANCE SHEET AND CASH FLOW RATIOS

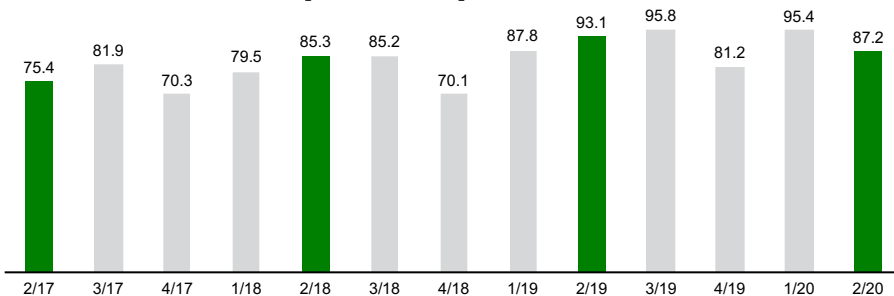
Net Financial Position / Equity



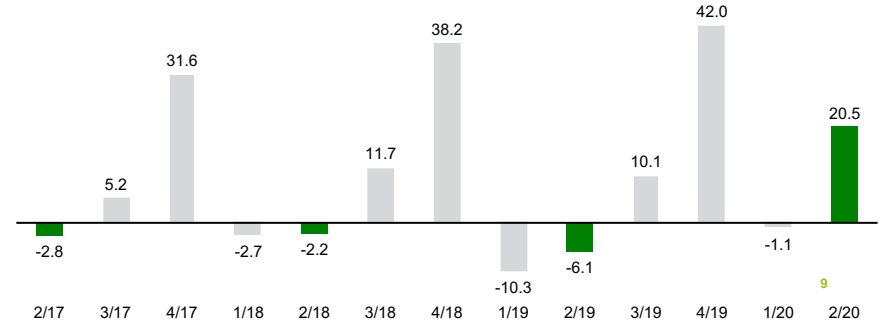
Equity Ratio [percent]



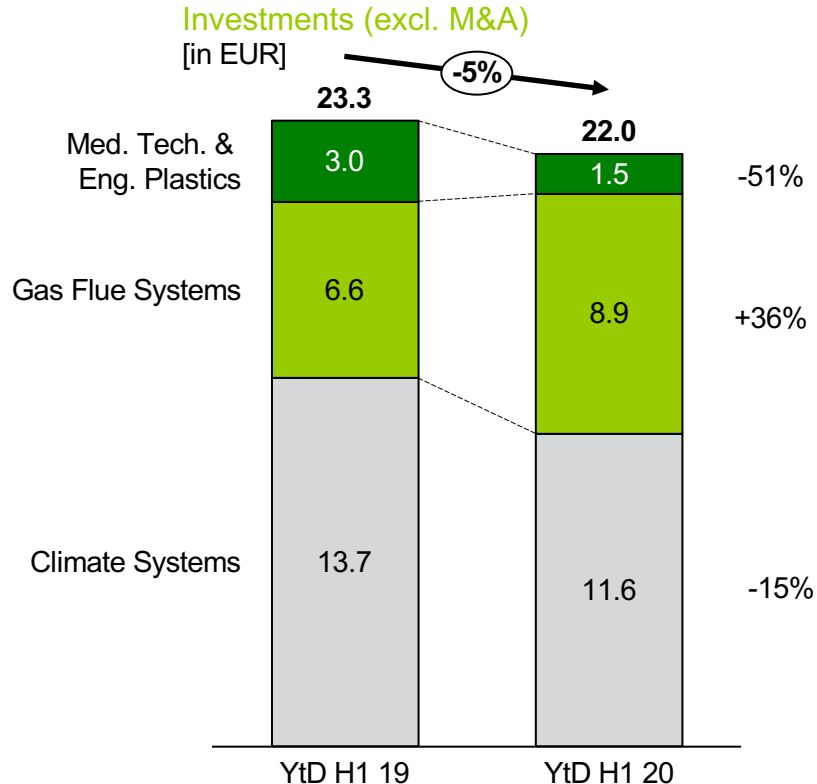
Net Working Capital [EUR million]



Operating Cash Flow (YTD) [EUR million]



INVESTMENTS BY SEGMENT



Key Investments

Climate Systems:

- Upgrade of two production halls at Wolf in Mainburg
- IT infrastructure investments
- Various product developments

Gas Flue Systems (including Holding):

- Building of production plant in China; to be largely completed in Q3
- Introduction of HR IT solution for the group

Med. Tech. & Eng. Plastics

- New production hall prepared for Moeller Medical in Fulda

AGENDA

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The new Heat Pump line has had an extraordinary good start – and new products have been lined up



NEW PRODUCTS

CHA-MONOBLOCK HEAT PUMP



TGB-2



MULTI AIR SUPPLY



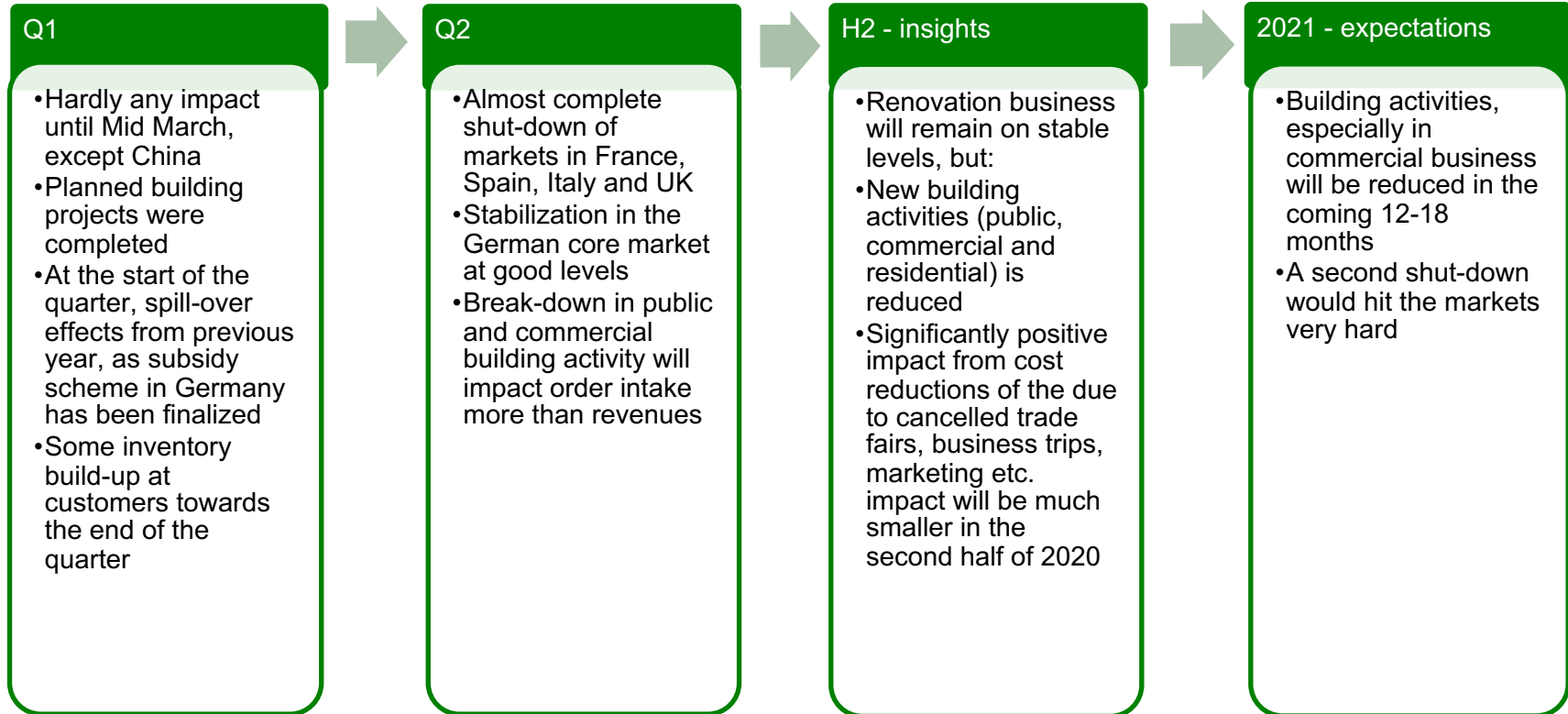
The new CENTROTEC factory in Jiaxing has been almost completed



JIAXING FACTORY



IMPLICATIONS OF CORONA PANDEMIA



Some of the risks from Corona have been mitigated, while others still prevail



IMPLICATIONS OF CORONA PANDEMIA ON CENTROTEC OUTLOOK

UPDATE

➔ Trend Indicator

Demand has not really recovered well in FR, ES, IT, UK, US yet. Other markets see less impact. In the long run, the dramatic drop in real estate investments will impact the AHU business towards the end of the year and in 2021.

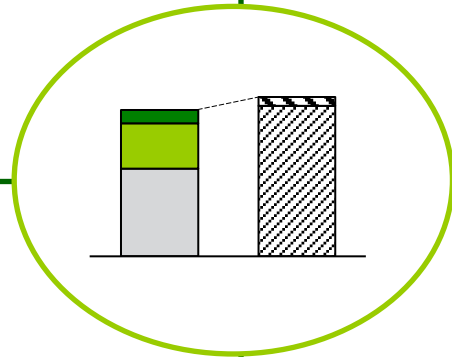
Interruption of Demand



Interruption of Supply Chain



Key components have been stocked up; currently no immediate risk



Interruption of Business Processes



The risk of business interruption due to high infection rates has been mitigated through the implementation of a group wide hygiene and safety concept.

Unless there is a significant upsurge in infection rates, this risk is currently seen less likely to affect our business

State-ordered production stop



AGENDA

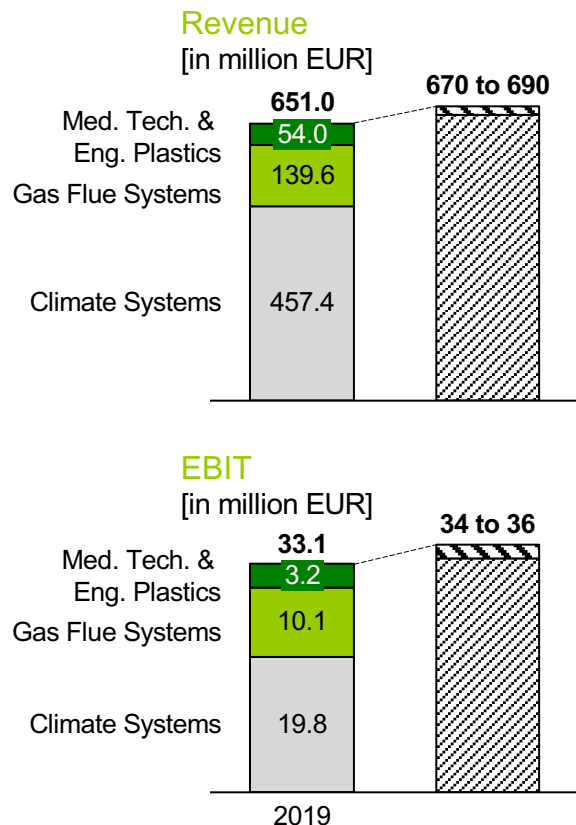


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Corona impact for the rest of the year remains difficult to predict. However, guidance seems well reachable by now



OUTLOOK



Current Assessment

- + Strong H1 provides some buffer for potentially weaker development in the rest of the year
- + Careful cost management enhances earnings performance
- o Stable market development in Germany may compensate for some of the heavily affected smaller markets in Europe & UK
- Public and commercial building activities are likely to significantly decline in H2 and 2021: This will affect our AHU business

Guidance should be achieved or slightly exceeded

The Annual Shareholders' Meeting will be held online

FINANCIAL CALENDAR 2020



August 13

Publication of Q2/2020 / Half year

November 13

Publication of Q3/2020

November 16 - 18

Deutsches Eigenkapitalforum 2020 **cancelled**



Thank you!

This presentation contains forward-looking statements based on current expectations, assumptions and forecasts of the executive board and on currently available information. Various known and unknown risks, unpredictable developments, changes in the economic and political environment and other presently not yet identifiable effects could result in the fact that the actual future results, financial situation or the outlook for the company differ from the estimates given here. We are not obligated to update the forward-looking statements made in this presentation unless there is a legal obligation.

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