



Quarterly Financial Report 31 March 2020

Aumann AG, Beelen

Welcome Note from the Executive Board

Dear Shareholders,

The 2019 financial year was already defined by a global economic slowdown with a strong impact on the international automotive industry. As a partner to this industry, Aumann experienced the resulting investment restraint first-hand. The fact that this challenging market situation would be further exacerbated by the significant restrictions on social and economic life due to the COVID-19 pandemic was in no way foreseeable. The rapid spread of the virus led to far-reaching shutdowns of the economy in many countries, and to companies issuing profit warnings and retracting their forecasts. Business with our customers is still being made more difficult by the measures to curb the pandemic, such as halted production and reduced working hours. New investment is taking its time, due both to additional processes by customers to safeguard liquidity during the crisis, and to consistently low demand among consumers. This is also reflecting in Aumann's order intake, albeit only moderately so far. Thus, order intake was down 8.2% year-on-year at €38.6 million in the first quarter. The current situation is affecting the individual segments differently. While order intake in the E-mobility segment had a modest start to the year in the first three months at €13.9 million due to delays in contracts for new projects, the Classic segment stabilised for the second quarter in a row at €24.5 million. However, the order backlog in E-mobility is still higher than in the Classic segment.

Aumann's revenue declined to €48.1 million in the first quarter of 2020. While revenue in the E-mobility segment rose by 11.8% to €29.8 million, it was down significantly in the Classic segment. The revenue share of the strategically important E-mobility segment was therefore 62%. EBITDA amounted to €1.5 million with a margin of 3.2%. The EBITDA margin in the E-mobility segment was 4.6%.

The first quarter has shown that 2020 will be an exacting year for Aumann. Progress is still being made with the measures taken by management last year to actively optimise the company's cost structure and vertical integration. Aumann is also taking the global COVID-19 pandemic very seriously. Management took precautions to protect the health of its employees and business partners early on, which allowed it to largely safeguard its own regular operations. As Aumann also has liquidity of €93.0 million and an equity ratio of 65.1% as at 31 March 2020, management feels that it is well positioned to steer the company through the current market phase. After the crisis is over, Aumann will still be the right partner for a successful transition to electromobility.

Sincerely,



Rolf Beckhoff
Chief Executive Officer



Sebastian Roll
Chief Financial Officer

Aumann in figures

Three months (unaudited)	2020 IFRS	2019 IFRS	Δ 2020 / 2019
	€ k	€ k	%
Order backlog	124.432	178.611	-30,3
Order intake	38.354	41.789	-8,2
Revenue	48.090	67.397	-28,6
there of E-mobility	29.806	26.666	11,8
Operating performance	48.316	67.539	-28,5
Total performance	48.899	68.670	-28,8
Cost of materials	-26.542	-38.069	-30,3
Staff costs	-17.807	-19.189	-7,2
EBITDA	1.531	8.037	-81,0
<i>EBITDA margin</i>	<i>3,2%</i>	<i>11,9%</i>	
EBIT	419	6.854	-93,9
<i>EBIT margin</i>	<i>0,9%</i>	<i>10,2%</i>	
adjusted EBIT	434	6.869	-93,7
<i>adjusted EBIT margin</i>	<i>0,9%</i>	<i>10,2%</i>	
EBT	155	6.643	-97,7
<i>EBT margin</i>	<i>0,3%</i>	<i>9,9%</i>	
Consolidated net profit	83	4.702	-98,2
Number of shares	15.250	15.250	0,0
eps in €*	0,01	0,31	-96,8
Figures from the statement of financial position	31 Mar € k	31 Dec € k	%
Non-current assets	104.234	99.120	5,2
Current assets	204.046	227.626	-10,4
there of cash and equivalents **	93.018	95.264	-2,4
Issued capital (share capital)	15.250	15.250	0,0
Other equity	185.414	187.914	-1,3
Total equity	200.664	203.164	-1,2
<i>Equity ratio</i>	<i>65,1%</i>	<i>62,2%</i>	
Non-current liabilities	49.635	46.877	5,9
Current liabilities	57.981	76.705	-24,4
Total assets	308.280	326.746	-5,7
Net debt (-) or net cash (+) **	72.659	73.987	-1,8
Employees	1.077	1.110	-3,0

* Based on shares outstanding on 31 March 2020.

** This figure includes securities.

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Interim Group management report

Aumann is a world-leading manufacturer of innovative speciality machinery and automated production lines with a focus on E-mobility. The company combines unique winding technology for the highly efficient production of electric motors with decades of automation experience, particularly in the automotive industry. Leading companies around the world rely on Aumann solutions for the series production of purely electric and hybrid vehicle drives and for production automation. Given the long-term growth prospects in the E-mobility market, Aumann's products in the E-mobility segment focus on the development and production of automated production lines for electric powertrain components. The company has its own technologies, some of which unique, for the automated mass production of both electric engines and energy storage. Aumann's manufacturing solutions thus cover essential technologies for key electric powertrain components.

Business and economic conditions

The global economic downturn that began in 2019 continued in the first quarter of 2020. While the trade conflict between the US and China was defused at the start of the year by a "phase 1 trade agreement", giving rise to hopes of a fast improvement in the global economic situation, the growing severity of the global COVID-19 pandemic caused the situation to deteriorate rapidly in the first quarter. Experts believe that the massive slowdown caused by efforts to contain the pandemic will have a significant impact on economic performance in 2020. According to its April release, the International Monetary Fund (IMF) is forecasting that global gross domestic product (GDP) will shrink by approximately 3% in 2020. This projection surpasses even the negative economic effects of the financial crisis of 2008 and 2009. A significant recession in the euro area (-7.5%) and the US (-5.9%) is anticipated for 2020 as a whole. While GDP in China is still expected to expand slightly by 1.2%, this also represents a massive slump as against the growth of 6.1% achieved in 2019.

Among other things, the order situation in German industry shows just how serious the situation has already become for companies. At 15.6%, order intake in the manufacturing sector crashed to their lowest level in almost 30 years in March. New orders were down significantly both in Germany (-14.8%) and in the rest of the world (-16.1%). And corporate sentiment for the months ahead remains pessimistic. This is also confirmed by the drop in the Ifo business climate index in April, which was the sharpest drop since it was first published. According to the press release, the coronavirus crisis is unleashing its full fury on the German economy. With a first recovery of the index in May, the mood has recovered somewhat after the catastrophic previous months. However, this does not yet reflect too much optimism.

In line with this, the general conditions in our relevant customer industries have deteriorated massively over the course of the first quarter. As the German Association of the Automotive Industry (VDA) has reported, global automotive markets slumped significantly in March owing to the COVID-19 pandemic. In March, car sales were down by half year-on-year in Europe, China and India. There were double-digit declines in the US and Brazil as well. Japan alone was able to keep its decrease in a single-digit range. For the first quarter of 2020, this means that the biggest automotive markets in the world – US (-12.7%), Europe (-26.3%) and China (-45.2%) – lost ground significantly year-on-year. The VDA went on to write that the automotive industry is currently facing an unprecedented challenge. This is confirmed by a further collapse of the automobile markets in April. According to the German Mechanical Engineering Industry Association (VDMA) as well, companies are increasingly experiencing lost orders and cancellations due to the COVID-19 pandemic. A majority of companies currently expect revenue to decline by between 10% and 30% for 2020 as a whole.

Financial position and financial performance

The consolidated revenue of the Aumann Group declined by 28.6% to €48.1 million (previous year: €67.4 million).

EBITDA amounted to €1.5 million in the first three months (previous year: €8.0 million). After depreciation and amortisation of €1.1 million, the Aumann Group's EBIT amounted to €0.4 million (previous year: €6.9 million). Taking into account net finance costs of minus €0.2 million, EBT amounts to €0.2 million (previous year: €6.6 million). Consolidated net profit amounts to €0.1 million (previous year: €4.7 million) or €0.01 per share (based on an average of 15,250,000 shares outstanding) in the first three months.

Incoming orders amounted to €38.4 million after the first three months. The order backlog was €124.4 million as at the end of March.

The Group's equity decreased by 1.2% to €200.7 million as at the end of the first three months (31 December 2019: €203.2 million). Based on total consolidated assets of €308.3 million, the equity ratio is 65.1%.

Working capital has decreased by €4.7 million since 31 December 2019.

Financial liabilities amount to €20.4 million as at 31 March 2020 (31 December 2019: €21.3 million) and cash funds, including securities, to €93.0 million (31 December 2019: €95.3 million). Accordingly, net cash from the above liabilities and cash items amounts to €72.7 million as against €74.0 million on 31 December 2019.

Segment performance

Given their different market prospects, Aumann differentiates between the E-mobility and Classic segments, which are described in more detail below.

In its E-mobility segment, Aumann predominantly manufactures speciality machinery and automated production lines with a focus on the automotive industry. Aumann's offering enables customers to carry out the highly efficient and technologically advanced mass production of a wide range of electric powertrain components and modules – from e-traction engines, drive and transmission components and power-on-demand units to various energy storage systems and electronic components. Aumann has a particular strategic focus on production lines for e-motor components and their assembly. Using highly specialised and, in some cases, unique winding and assembly technologies with which copper wire is introduced to electric components, these enable series production thanks to product solutions featuring innovative and efficient process flows. Another strategic focal point is highly automated production lines for the production of energy storage systems. Aumann continued to realise high-end production and assembly solutions with its customers in this area in the past financial year. Major customers from the automotive industry use Aumann technology to manufacture the latest generation of electric motors and sophisticated, high-quality energy storage systems. Aumann's product range also includes production solutions for electric auxiliary motors and product-related services such as maintenance, repair and spare parts delivery.

Revenue in the E-mobility segment grew by 11.8% year-on-year to €29.8 million in the first three months. The segment's EBIT amounts to €0.7 million after the first three months (previous year: €3.5 million). EBITDA amounts to €1.4 million (previous year: €4.0 million). The segment's EBITDA margin is 4.6%. Incoming orders in E-mobility amount to €13.9 million.

In the Classic segment, Aumann mainly manufactures specialist machinery and automated production lines for the automotive, consumer electronics, appliances and industry sectors. For example, Aumann's solutions include systems for the production of drive components that reduce CO2 emissions from combustion engine vehicles. Aumann also offers highly automated manufacturing and assembly solutions for the consumer electronics and appliances industries in addition to specific solutions for other sectors.

Revenue in the Classic segment amounts to €18.3 million for the first three months (previous year: €40.7 million). Segment EBIT amounts to €-0.3 million in the first three months after €3.3 million in the same period of the previous year. EBITDA amounts to €0.1 million (previous year: €3.9 million) with an EBITDA margin of 0.7%. Incoming orders in the Classic segment amount to €24.5 million.

Employees

Not including temporary employees or trainees, the number of employees was 1,077 as at 31 March 2020.

Report on risks and opportunities

A detailed presentation of the company's risks and opportunities can be found in the 2019 annual report at www.aumann.com. There have been no material changes in risks and opportunities since the publication of the 2019 annual report. The current COVID-19 pandemic is described in detail there, and the company's assessment is unchanged. Aumann's risk management system is suitable for identifying risks early on and taking immediate action.

Report on expected developments

2020 will be a challenging year for Aumann, in which the company will further push the optimisation of its cost structure and vertical integration. In light of the consistently challenging situation in the automotive industry, Aumann's management is forecasting revenue for 2020 of between €180 and €200 million with a positive EBITDA margin of up to 5% before any non-recurring adjustment expenses. The effects of a worsening COVID-19 pandemic were not taken into account as at the time of this forecast. Even now, the effects of the COVID-19 pandemic on the 2020 financial year cannot yet be reliably estimated.

IFRS interim consolidated financial statements for 2019

	€ k	€ k
Revenue	48.090	67.397
Increase (+) / decrease (-) in finished goods and work in progress	226	142
Operating performance	48.316	67.539
Capitalised development costs	163	654
Other operating income	420	477
Total performance	48.899	68.670
Cost of raw materials and supplies	-20.853	-31.524
Cost of purchased services	-5.689	-6.545
Cost of materials	-26.542	-38.069
Wages and salaries	-13.610	-15.211
Social security and pension costs	-4.197	-3.978
Staff costs	-17.807	-19.189
Other operating expenses	-3.019	-3.375
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	1.531	8.037
Amortisation and depreciation expense	-1.112	-1.183
Earnings before interest and taxes (EBIT)	419	6.854
Other interest and similar income	31	33
Interest and similar expenses	-295	-244
Net finance costs	-264	-211
Earnings before taxes (EBT)	155	6.643
Income tax expense	-46	-1.919
Other taxes	-26	-22
Consolidated net profit	83	4.702
Earnings per share (in €)	0,01	0,31

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan - 31 Mar 2020	1 Jan - 31 Mar 2019
	€ k	€ k
Consolidated net profit	83	4.702
Currency translation differences	18	94
FairValue Reserve	-2.601	1.070
Other comprehensive income after taxes	-2.583	1.164
Comprehensive income for the reporting period	-2.500	5.866

Statement of financial position	31 Mar 2020	31 Dec 2019
Assets (IFRS)	unaudited	audited
	€ k	€ k
Non-current assets		
Own produced intangible assets	8.788	8.814
Concessions, industrial property rights and similar rights	456	534
Goodwill	38.484	38.484
Advance payments	134	134
Intangible assets	47.862	47.966
Land and buildings		
including buildings on third-party land	26.041	26.302
Technical equipment and machinery	3.211	3.396
Other equipment, operating and office equipment	4.416	4.584
Advance payments and assets under development	1.944	1.283
Property, plant and equipment	35.612	35.565
Financial assets	16.065	14.824
Deferred tax assets	4.695	765
	104.234	99.120
Current assets		
Raw materials and supplies	2.930	2.870
Work in progress	2.064	1.610
Finished goods	179	304
Advance payments	9.083	8.023
Inventories	14.256	12.807
Trade receivables	20.002	38.022
Receivables from construction contracts	85.743	92.770
Other current assets	7.092	3.587
Trade receivables and other current assets	112.837	134.379
Securities	493	1.508
Cash in hand	6	15
Bank balances	76.454	78.917
Cash in hand, bank balances	76.460	78.932
	204.046	227.626
Total assets	308.280	326.746

Statement of financial position	31 Mar 2020	31 Dec 2019
Equity and liabilities (IFRS)	unaudited	audited
	€ k	€ k
Equity		
Issued capital	15.250	15.250
Capital reserve	140.917	140.918
Retained earnings	44.497	46.996
	200.664	203.164
Non-current liabilities		
Pension provisions	22.348	22.348
Liabilities to banks	14.781	15.710
Other provisions	878	906
Other interest bearing liabilities	920	932
Other liabilities	1.085	1.112
Deferred tax liabilities	9.623	5.869
	49.635	46.877
Current liabilities		
Liabilities to banks	3.719	3.719
Other interest bearing liabilities	939	915
Contractual obligations	7.993	13.840
Trade payables	20.245	28.596
Other liabilities	3.328	6.659
Provisions with the nature of a liability	12.134	10.658
Tax provisions	1.291	1.291
Other provisions	8.332	11.027
	57.981	76.705
Total equity and liabilities	308.280	326.746

Consolidated statement of cash flows (unaudited)	1 Jan - 31 Mar 2020 € k	1 Jan - 31 Mar 2019 € k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	419	6.854
Adjustments for non-cash transactions		
Write-downs on non-current assets	1.112	1.183
Increase (+) / decrease (-) in provisions	-2.723	-1.670
Losses (+) / Gains (-) for disposal of assets	0	0
Other non-cash expenses / income	20	-8
	-1.591	-495
Change in working capital:		
Increase (-) / decrease (+) in inventories, trade receivables and other assets	20.761	-3.546
Decrease (-) / increase (+) in trade payables and other liabilities	-16.079	-14.099
	4.682	-17.645
Income taxes paid (-) / received (+)	-910	-958
Interest received	30	33
	-880	-925
Cash flow from operating activities	2.629	-12.211
2. Cash flow from investing activities		
Investments (-) / divestments (+) intangible assets	-177	-678
Investments (-) / divestments (+) property, plant and equipment assets and securities	-688	-557
	-2.828	-944
Remaining purchase price payment ALIM	0	0
Cash flow from investing activities	-3.693	-2.179
3. Cash flow from financing activities		
Profit distribution to shareholders	0	0
Proceeds from borrowing financial loans	0	0
Repayments of financial loans	-1.106	-904
Interest payments	-294	-244
Cash flow from financing activities	-1.400	-1.148
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	-2.463	-15.538
Effects of changes in foreign exchange rates (non-cash)	-8	81
Cash and cash equivalents at start of reporting period	78.931	106.323
Cash and cash equivalents at end of period	76.460	90.866
Composition of cash and cash equivalents		
Cash in hand	6	9
Bank balances	76.454	90.857
Reconciliation to liquidity reserve on 31 March		
	2020	2019
Cash and cash equivalents at end of period	76.460	90.866
Securities	16.558	12.165
Liquidity reserve on 30 Sep	93.018	103.031

Statement of changes in consolidated equity (unaudited)							
	Issued capital	Capital reserve	Currency translation difference	Retained earnings Fair Value Reserve	Pension reserve	Generated consolidated equity	Consolidated equity
	€ k	€ k	€ k	€ k	€ k	€ k	€ k
1 Jan 2019	15.250	140.918	0	-351	-1.505	41.616	195.928
Payed dividend	0	0	0	0	0	-3.050	-3.050
Subtotal	15.250	140.918	0	-351	-1.505	38.566	192.878
Amounts recognised in other comprehensive income	0	0	0	1.918	-2.625	0	-707
Currency translation difference	0	0	-1	0	0	0	-1
Consolidated net profit	0	0	0	0	0	10.994	10.994
Total comprehensive income	0	0	-1	1.918	-2.625	10.994	10.286
31 Dec 2019	15.250	140.918	-1	1.567	-4.130	49.560	203.164
Payed dividend	0	0	0	0	0	0	0
Subtotal	15.250	140.918	-1	1.567	-4.130	49.560	203.164
Amounts recognised in other comprehensive income	0	0	0	-2.601	0	0	-2.601
Currency translation difference	0	0	18	0	0	0	18
Consolidated net profit	0	0	0	0	0	83	83
Total comprehensive income	0	0	18	-2.601	0	83	-2.500
31 Mar 2020	15.250	140.918	17	-1.034	-4.130	49.643	200.664

Notes to the interim consolidated financial statements

Accounting

The interim financial report of the Aumann Group for the period 1 January to 31 March 2020 was prepared on the basis of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted in the EU. It was prepared in accordance with IAS 34.

Accounting policies

The accounting policies adopted are the same as those applied in preparing the consolidated financial statements as at 31 December 2019. The preparation of the financial statements is influenced by accounting policies and assumptions and estimates affecting the amount and reporting of recognised assets, liabilities, contingent liabilities and income and expense items. Matters relating to revenue are deferred intra-year.

Segment reporting

The management of the Aumann Group classifies the segments as described in the interim Group management report.

1 Jan - 31 Mar 2020 (unaudited)	Classic	E-mobility	Reconciliation	Group
	€ k	€ k	€ k	€ k
Order backlog	57.265	67.167	0	124.432
Order intake	24.458	13.896	0	38.354
Revenue from third parties	18.284	29.806	0	48.090
EBITDA	129	1.365	37	1.531
Amortisation and depreciation	-428	-669	-15	-1.112
EBIT	-299	696	22	419
Financial result	-83	-212	31	-264
EBT	-382	484	53	155
EBITDA-Margin	0,7%	4,6%		3,2%
Trade receivables and				
Receivables from construction contracts	57.132	48.613	0	105.745
Contractual obligations	4.255	3.738	0	7.993

1 Jan - 31 Mar 2019 (unaudited)	Classic	E-mobility	Reconciliation	Group
	€ k	€ k	€ k	€ k
Order backlog	101.792	76.819	0	178.611
Order intake	17.508	24.281	0	41.789
Revenue from third parties	40.731	26.666	0	67.397
EBITDA	3.932	4.042	63	8.037
Amortisation and depreciation	-625	-543	-15	-1.183
EBIT	3.307	3.499	48	6.854
Financial result	-165	-79	33	-211
EBT	3.142	3.420	81	6.643
EBITDA-Margin	9,7%	15,2%		11,9%
Trade receivables and				
Receivables from construction contracts	82.475	44.418	0	126.893
Contractual obligations	6.999	11.234	0	18.233

Changes in contingent liabilities

There were no changes in contingent liabilities as against 31 December 2019.

Related party transactions

Business transactions between consolidated Group companies and other companies of the MBB Group are conducted at arm's-length conditions.

Events after the end of the reporting period

There were no significant events after the end of the reporting period.

Review

The condensed interim consolidated financial statements as at 31 March 2020 and the interim Group management report were neither audited in accordance with section 317 of the *Handelsgesetzbuch* (HGB – German Commercial Code) nor reviewed by an auditor.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the results of operations, financial position and net assets of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Beelen, 27 May 2020

Rolf Beckhoff
Chief Executive Officer

Sebastian Roll
Chief Financial Officer

Financial calendar

Quarterly Report Q1 2020

27 May 2020

Annual General Meeting 2020

9 June 2020 (postponed due to COVID-19 pandemic)

Quarterly Report Q2 2020

21 August 2020

Quarterly Report Q3 2020

13 November 2020

End of financial year

31 December 2020

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Legal notice

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