

FREQUENTIS
FOR A SAFER WORLD

FY 2019 Investor Presentation

April 2020

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Actively managing COVID-19 challenges

Business Continuity

- Protecting health and safety of staff
- Ensuring appropriate flexibility to maintain childcare
- Decentralised delivery & service model

Resources Check

- Dedicated crisis team
- Mitigate different workload of departments
- Vacation management in place

Mutual support

- 97% of all staff equipped with notebooks
- Mobile office in place since years
- IT works without interruption and restrictions

Managing our business

Operations

- Travel restrictions a burden: Frequentis confirmed as infrastructure critical company
- Milestone management

Supply chain

- Proprietary production not affected
- Enough inventories
- Potential challenges for standard IT hardware

Investment behaviour

- Currently continuous order flow
- Investments from customers may be partially postponed – currently no estimate possible

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Increase of profitability, high level of order intake and orders on hand



Revenues +6.3% to € 303.6m
EBIT +10.3% to € 17.2m
EBIT margin increased to 5.7%
Net profit increased to € 12.5m



Order intake € 333.7m / +9.0%,
best intake ever

Orders on hand € 391.5m / +10.2%,
about 15 months visibility



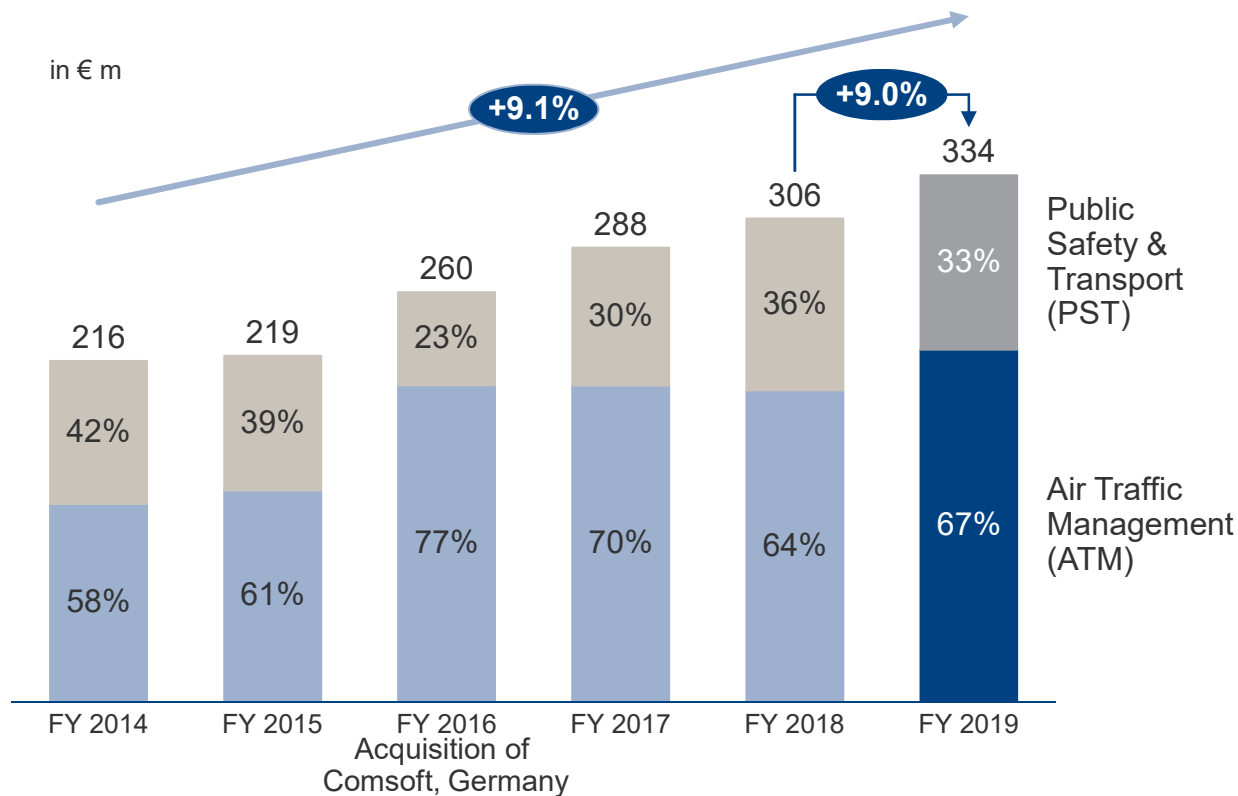
Net cash € 77.8m,
thereof € 30.5m advance payments

Equity ratio 42.7%

Dividend of € 0.15 for FY 2019
proposed

Note: figures FY 2019.

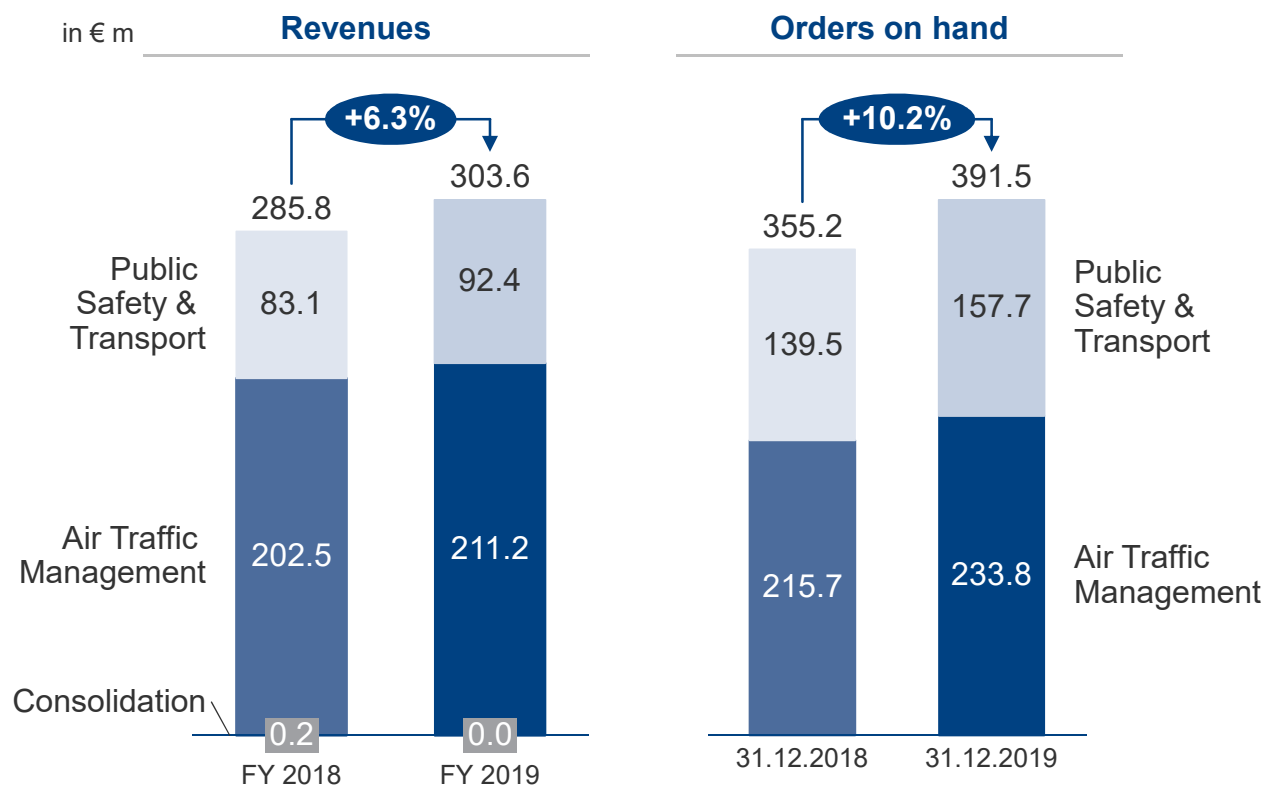
Increase in order intake as basis for future revenue growth



Comments

- Order intake in 2019 significantly above very strong 2018 level
- 60% of orders received in H2 2019, 40% in H1 2019
- Resilience of growth path confirmed
- Strive to increase order intake in FY 2020
 - Impact of COVID-19 cannot be estimated, postponements of investments from customers possible
 - Customer orders influenced by budgetary cycles of governments/ govt. agencies

Continuous strong top-line growth and well-filled order books

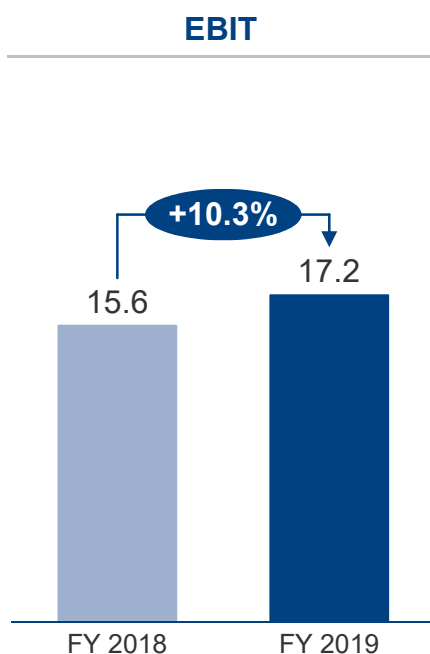
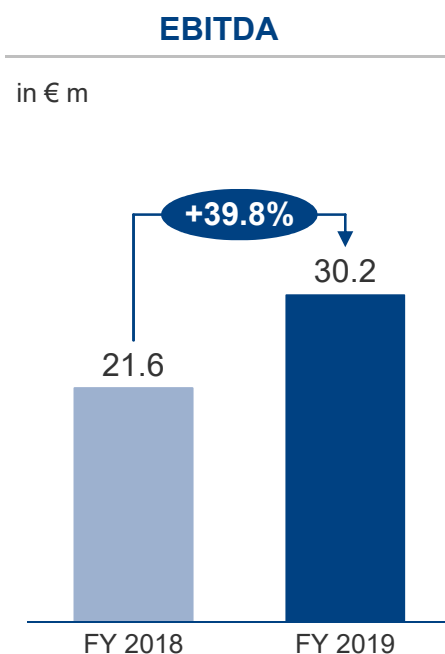


Comments

- Increase in revenues at all levels
- Revenue split:
70% ATM and 30% PST
(unchanged vs. previous period)
- Orders on hand increased significantly
 - Air Traffic Management +8.4%
 - Public Safety & Transport +13.0%

Improvements in EBITDA and EBIT

Note: IFRS 16 (Leases) applied from 01.01.2019 onwards / FY 2018 not restated



Comments

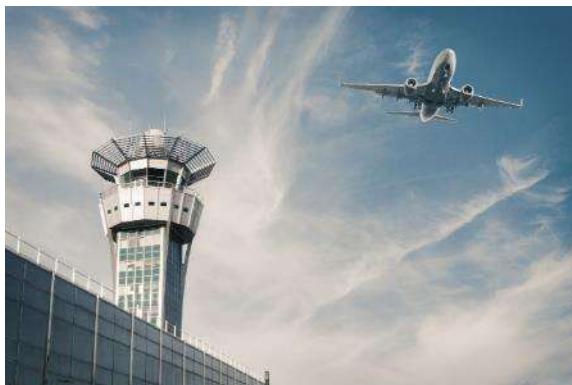
- EBITDA with € +8.6m
 - Thereof € +7.5m due to application of IFRS 16 (Leases)
- Depreciation increased to € 13.0m due to IFRS 16 in FY'19 (FY 2018: € 6.0m)
- EBIT improved by € +1.6m
 - Thereof € +0.4m due to application of IFRS 16 in FY'19
- Some projects with higher margins contributed positively to the EBITDA and EBIT improvement
- Net profit up by 4.9% to € 11.8m
- EPS of € 0.93

Financial policy framework

Maintain net cash position with minimum level of about 10% of Group revenues.

Equity ratio of >35%.

FY 2020:
Capex of about € 5m,
R&D expenses of about € 22m.



Dividend policy

Pay-out of 20-30% of Frequentis Group net profits with a cap of 40% of net profits of Frequentis AG.



R&D – an important part of the Frequentis success story

Diverse R&D activities:

- research
- platform development
- product enhancements
- development for customer projects
- lifecycle and product management

R&D costs comprise both internal and customer-financed activities.

Customer-financed activities mostly taking place in the second half of the year.

R&D activities are fully expensed and not capitalised.



R&D expenses:
€ 22.1m in 2019 (€ 19.4m in 2018),
data based on IAS 38 (that is
internal, not customer-financed
R&D activities).



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Acquisition of ATRiCS, Germany



ATRiCS at a glance

- Based in Freiburg im Breisgau, Baden-Wuerttemberg, Germany
- Revenue of almost € 4m
- About 30 employees



Strategic rationale

- Highly innovative product portfolio
- Supporting Frequentis growth strategy by further expanding into the tower automation sector
- ATRiCS offers innovative software solutions to improve safety and increase capacity at airports
- Increasing addressable global market in the global air traffic control and airports market
- Market of 140 countries can be addressed by ATRiCS via Frequentis
- Current management remains on board

Transaction details

- 51% acquired by Frequentis
- Full consolidation from 1 April 2020 onwards, segment Air Traffic Management

Outlook and management agenda 2020

Record orders on hand of € 391.5 million as at 31 December 2019 are expected to generate revenues of around € 215 million in 2020.

Positive start in 2020 with a further increase in order intake.

Strive to increase revenues and order intake in 2020. However, all expectations for 2020 connected to risks from COVID-19 pandemic, especially travel restrictions.

Management of COVID-19 a key management topic in 2020.

Impact on global growth, project acceptance, supply chain, customers' budgets available and the potential postponement of investments cannot be estimated at present.





WE ARE FREQUENTIS

Becoming co-owner

Employee participation program 2020 – great approval

- Attractive program for employees in Austria and Germany; entailing a rebate of 20%
- After the continuous spread of COVID-19 in Europe, survey among employees entitled to participate
 - Continuation of the program
 - Postponement to a later date
- 70% approval for continuation
- Much positive feedback, strong support for crisis management by the Executive Board
 - *"Everything is in place..."*
 - *"...a good sign for the market"*
 - *"... especially in these difficult times, an important signal for the future"*
- Subscription period starts on 3 April 2020

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Contact / Financial Calendar

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Financial Calendar 2020

02.04.2020 Publication of 2019 annual financial statements
04.05.2020 Record Date Annual General Meeting
14.05.2020 Annual General Meeting
18.08.2020 Half-year financial report 2020
25.11.2020 Ex-dividend day
26.11.2020 Record date for dividend
27.11.2020 Dividend payment day

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Control Centres for mission-critical applications – world-wide

You're on a plane.

Frequentis products ensure secure communication between pilot and air traffic control.



You call rescue service, fire brigade or police forces.

Our technology guarantees that your call is put through.

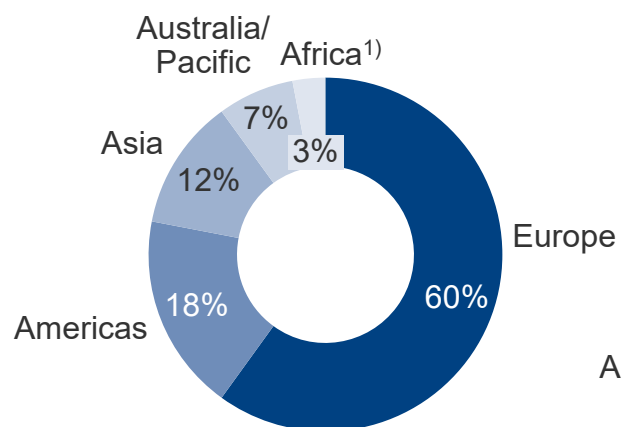


Frequentis supplies safety-critical and therefore indispensable infrastructure.
World-wide!

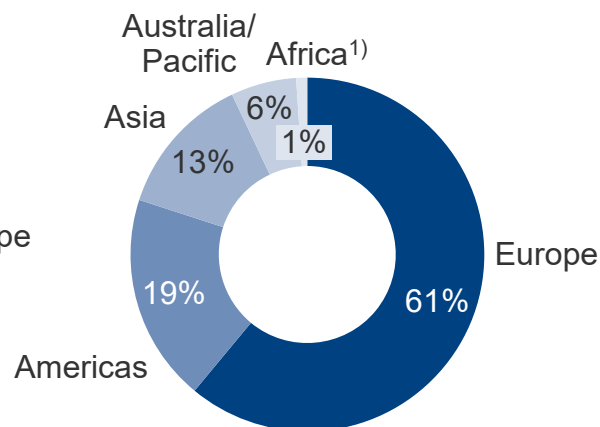


Regional revenue split

Revenue split FY 2018



Revenue split FY 2019



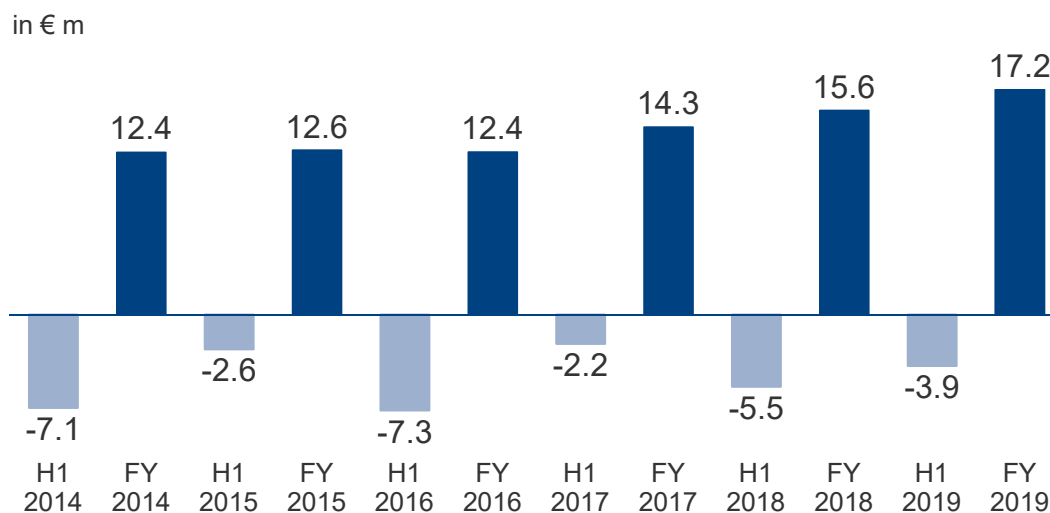
Comments

- Almost unchanged split with strong European domination
- Deviation between regions mostly caused by revenue shift from award of larger orders
- Asia plus Australia / Pacific at same level as Americas (North and South America)

¹⁾ Including small orders (not allocated).

Significant seasonality of profitability

Full-year EBIT vs. half-year EBIT



Comments

- Half-year results usually negative
- Revenues and EBIT highest in H2 due to completion of site acceptance tests and finalisation of projects
- Expenses (fixed costs like staff, raw materials etc.) incurred almost evenly in each quarter

Key figures for the Frequentis Group

All figures in € m unless otherwise stated.

Earnings data	2019 ¹⁾	2018	+/- in %	+/- in € m	2017
Revenue	303.6	285.8	+6.3%	+17.9	266.9
EBITDA	30.2	21.6	+39.8%	+8.6	20.0
EBITDA margin	9.9%	7.6%	+2,3 PP	–	7.5%
EBIT	17.2	15.6	+10.3%	+1.6	14.3
EBIT margin	5.7%	5.5%	+0,2 PP	–	5.4%
Profit for the financial year	12.5	11.8	+5.8%	+0.7	10.7
Profit attributable to equity holders	11.8	11.3	+4.9%	+0.6	9.9
Earnings per share in €	0.93	0.94	-1.4%	–	0.82

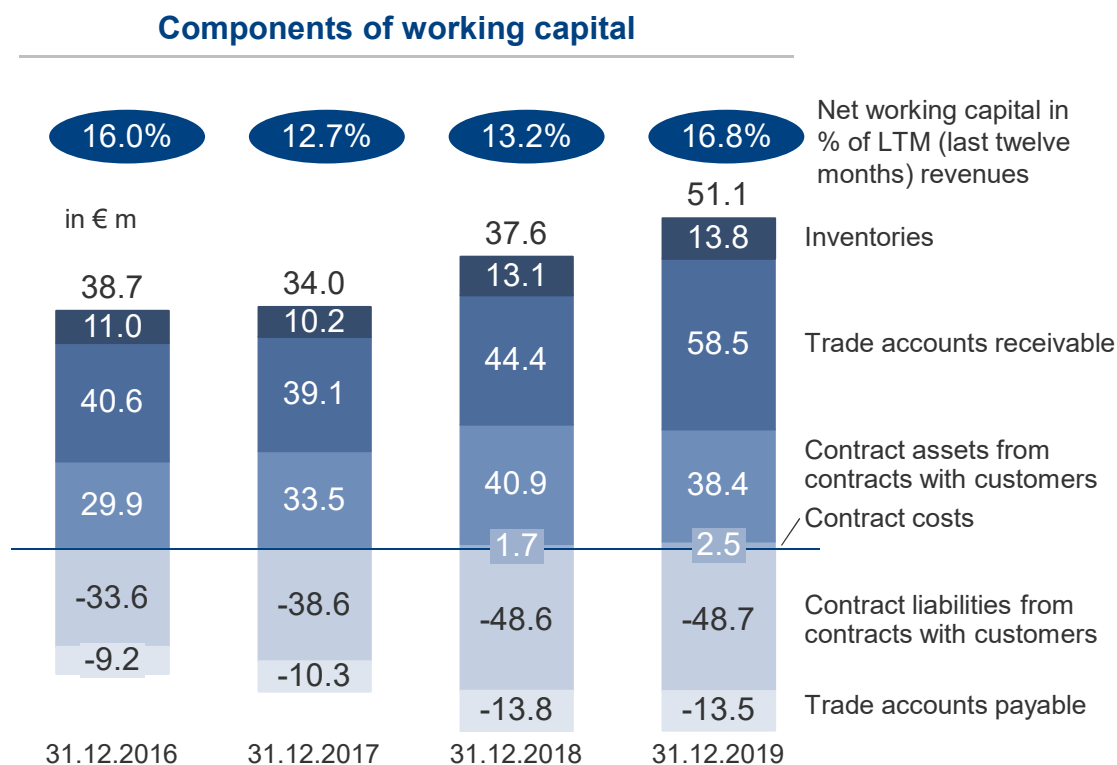
Order data	2019	2018	+/- in %	+/- in € m	2017
Order intake	333.7	306.3	+9,0%	+27.4	287.8
Orders on hand (at year-end)	391.5	355.2	+10,2%	+36.2	335.3

Statement of financial position	2019 ¹⁾	2018	+/- in %	+/- in € m	2017
Total assets	272.1	198.0	+37.5%	+74.2	194.6
Shareholders' equity	116.2	85.6	+35.7%	+30.6	90.1
Equity ratio	42.7%	43.3%	-0,6 PP	–	46.3%
Net cash	77.8	55.4	+40.4%	+22.4	70.0
No. of employees (average)	1,849	1,763	+4.9%	–	1,697

Cash flow statement	2019 ¹⁾	2018	+/- in %	+/- in € m	2017
Cash Flow from operating activities	17.7	4.6	> 100%	+13.2	16.7
Cash Flow from investing activities	-4.6	-4.4	+3.0%	-0.1	-4.4
Cash Flow from financing activities	8.0	-14.2	–	+22.2	-3.7

¹⁾ Initial application of IFRS 16 (Leases) from 1 January 2019 (Note 41 to the consolidated financial statements).

Working capital overview



Comments

- Net working capital in percent of last twelve months revenues below 17% in the past 4 years
- Inventory increase in line with revenue increase
- Significant increase in trade accounts receivable

Leadership team

Executive board



Norbert Haslachner
CEO

Business units and regions
Global sales & marketing
New business development
Investor relations



Sylvia Bardach
CFO

Finance | Human resources
Legal | IT | Reg. operations
Corporate communications
Safety | Facility mgmt.



Hermann Mattanovich
CTO, COO

Technology & products
Project mgmt. | Customer services
Planning, production & logistics
Security | Quality mgmt. & processes

Supervisory board

Hannes Bardach
(Chairman)

Karl Michael Millauer
(Deputy Chairman)

Reinhold Daxecker
(Member)

Boris Nemsic
(Member)

Petra Preining
(Member)

Siegfried Meisel
(Delegated by the Workers' Council)

Gabriele Schedl
(Delegated by the Workers' Council)

Reinhard Steidl
(Delegated by the Workers' Council)