



FREQUENTIS
FOR A SAFER WORLD

Good progress,
satisfying results

Half-year results 2021
17 August 2021

Highlights H1'21

- Positive half-year profitability
- L3Harris transaction



Order intake

€157.1m

-8.6% vs. H1'20



Orders on hand

€453.0m

- +5.9% vs. Dec. 20
- approx. 1½ years visibility



Revenue

€144.6m

+9.4% vs. H1'20



EBITDA

€12.4m

+6.4m vs. H1'20



EBIT

€5.4m

+6.3m vs. H1'20



Net profit

€4.1m



Equity ratio

39.6%

Net cash¹

€77.2m

-9.2% vs. Dec. 20



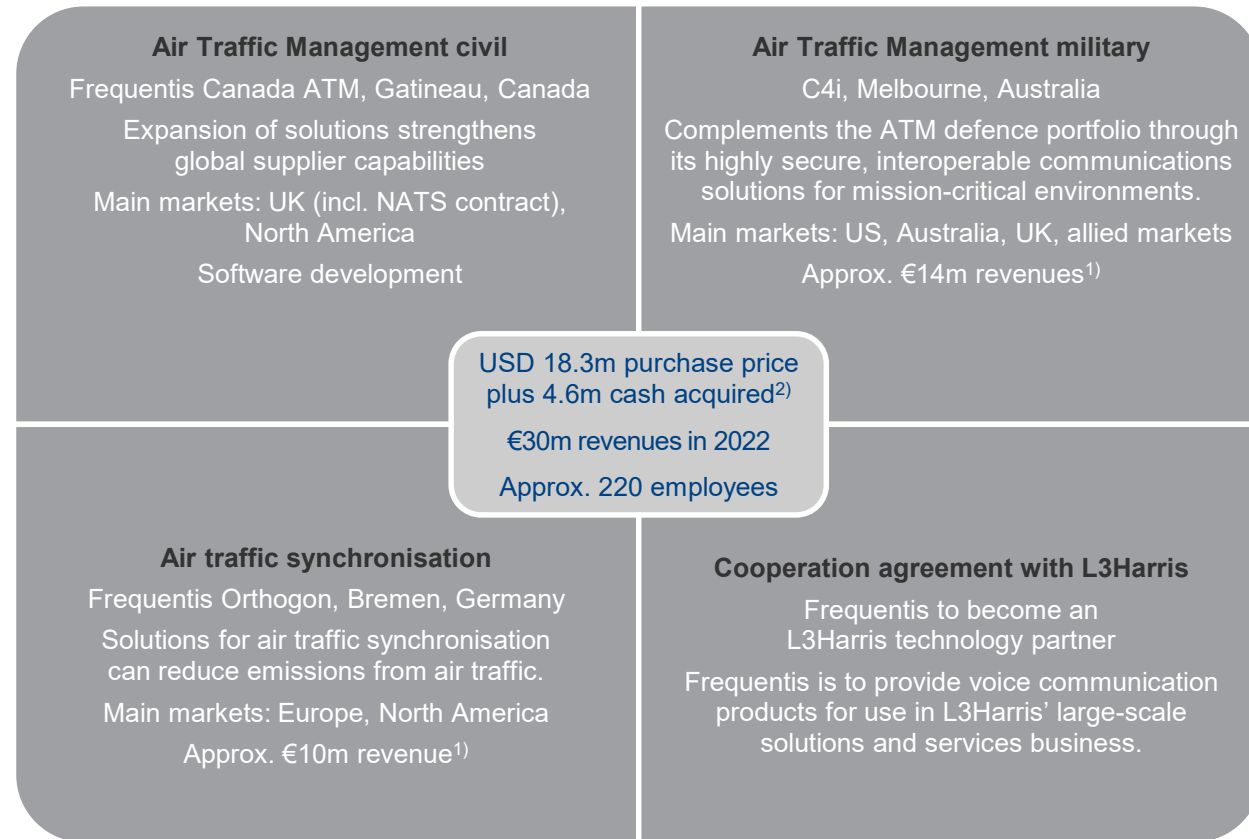
1) Net cash included €45.1m advance payments from customers. Cash and cash equivalents and time deposits were €82.8m, liabilities to banks were €5.6m.

Acquisition of units from US-based L3Harris

Rationale

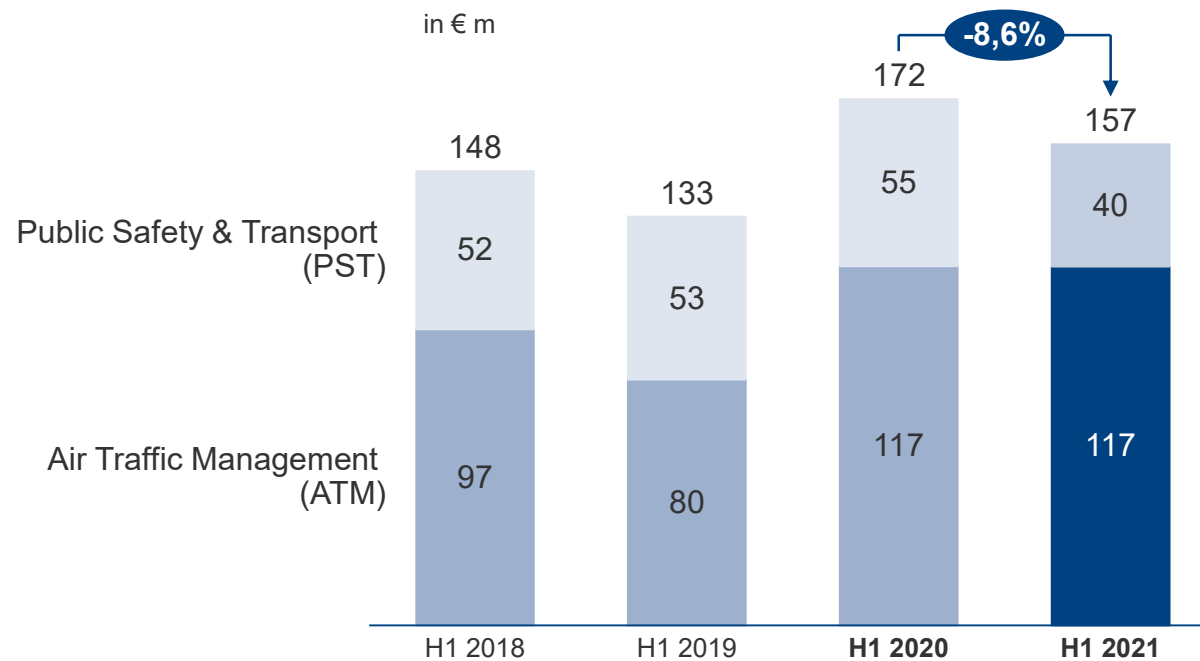
- Get more of the €13bn safety-critical control centre market: ~ €2bn can be addressed today
- Growing global customer base
- Complement Frequentis' ATM portfolio
- Cooperation will make us stronger, with greater scale

1) Last available annual revenue.
 2) Final purchase price depending on final financial figures (working capital).



“We want to offer our customers the best solutions and accompany them in their digitalisation journey.”

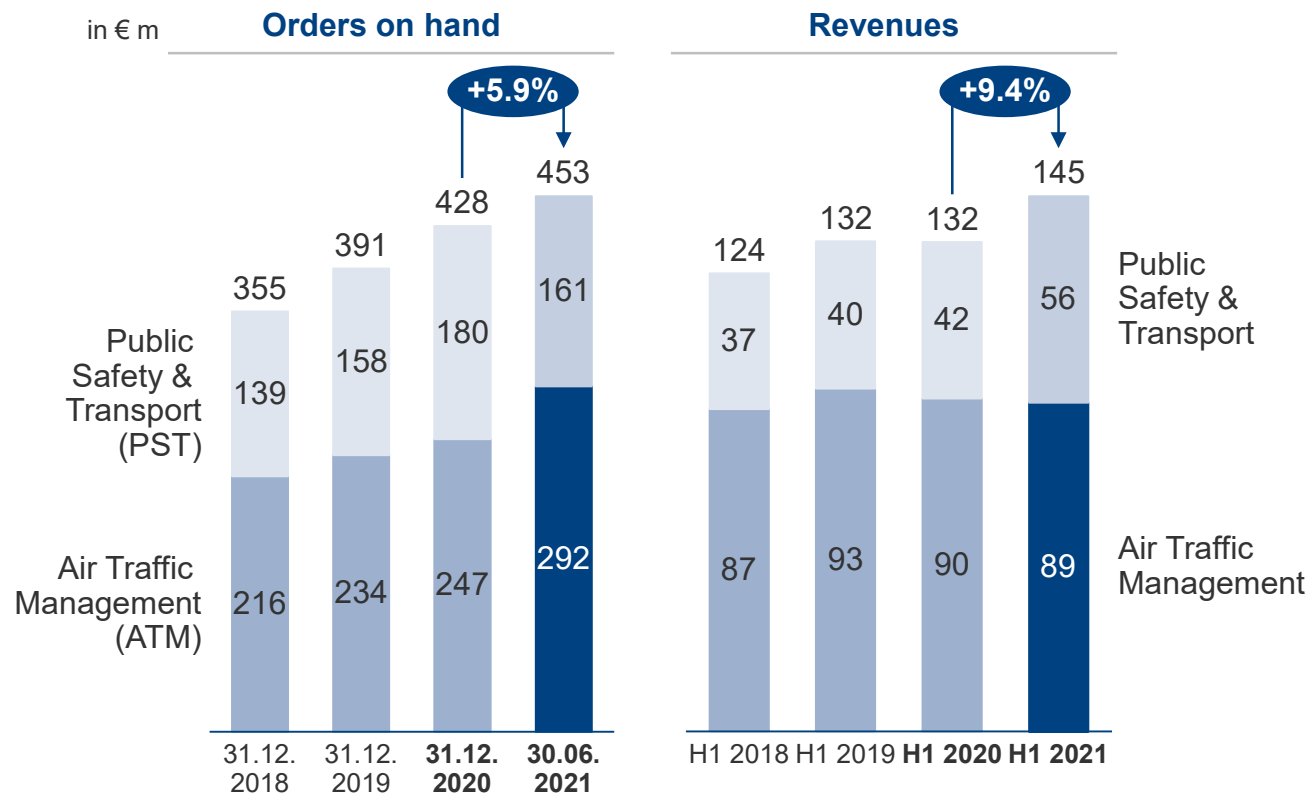
Order intake moderately lower in H1 2021



Comments

- Order intake of €157m, -8.6% vs. exceptionally high H1 2020 level
- Some investments postponed, mainly due to pandemic-related delay in tender processes
- Usually higher order level in 2nd half-year
- Well-filled tender and requirements pipeline for 2021 and beyond
- Outlook for 2021:
Order intake expected to be higher vs. 2020 with € 315m

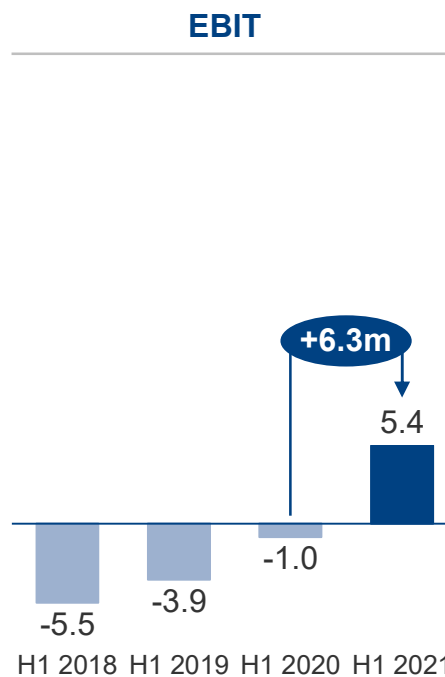
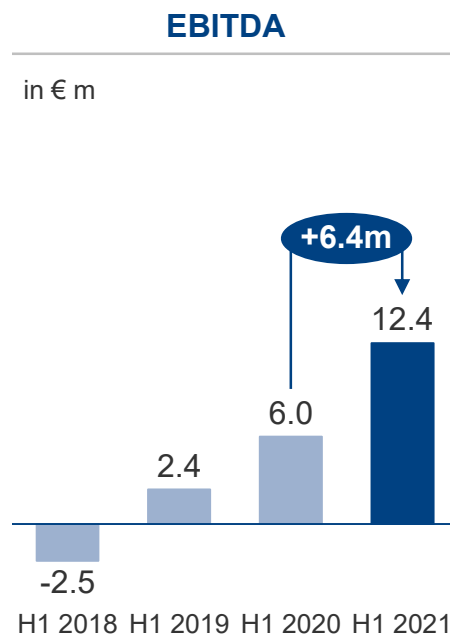
Growth in orders on hand and revenues



Comments

- Orders on hand increased significantly by 5.9% in total:
ATM +18.2%,
PST -10.8%
- Strong overall increase of revenues of 9.4% based on successful execution of projects:
ATM -1.2%,
PST +31.9%
- Revenue split:
61% ATM, 39% PST
(H1 2020: 68% ATM, 32% PST)
- Book-to-bill ratio of 1.09
(FY 2020: 1.05)

Exceptional level of EBITDA and EBIT in H1 2021



Comments

- EBITDA and EBIT in H1 2021 positively influenced by higher revenues and higher-margin projects
- Travel and trade fair expenses still at a low level
- Net profit of € 4.1m
- Half-year results usually negative, H1 2021 doesn't indicate sustained trend to positive half-year results

Financial policy framework

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

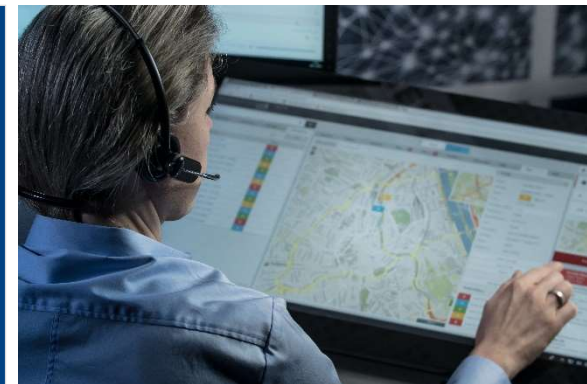
Equity ratio of >35%.

Capex of about €5m in 2021, **R&D expenses** in 2021 above 2020 level of €13m.



Dividend policy

Payout of 20-30% of Frequentis Group's net profit with a cap of 40% of net profit of Frequentis AG.



Outlook and management agenda for 2021

Orders on hand of €453.0m as at 30 June 2021 a good basis for FY 2021 and beyond.

Aim to **increase revenues and order intake** in 2021. EBIT margin of about 5-7%.

Focus on integration of acquired L3Harris units.



Expectations depend on development of the pandemic, travel restrictions, temporary shifts in orders / revenues, post-merger integration costs for L3Harris units.



Contact / Financial Calendar

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Financial Calendar

Conference / roadshow dates at www.frequentis.com/financialcalendar

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Appendix / Financials

Key figures Frequentis Group

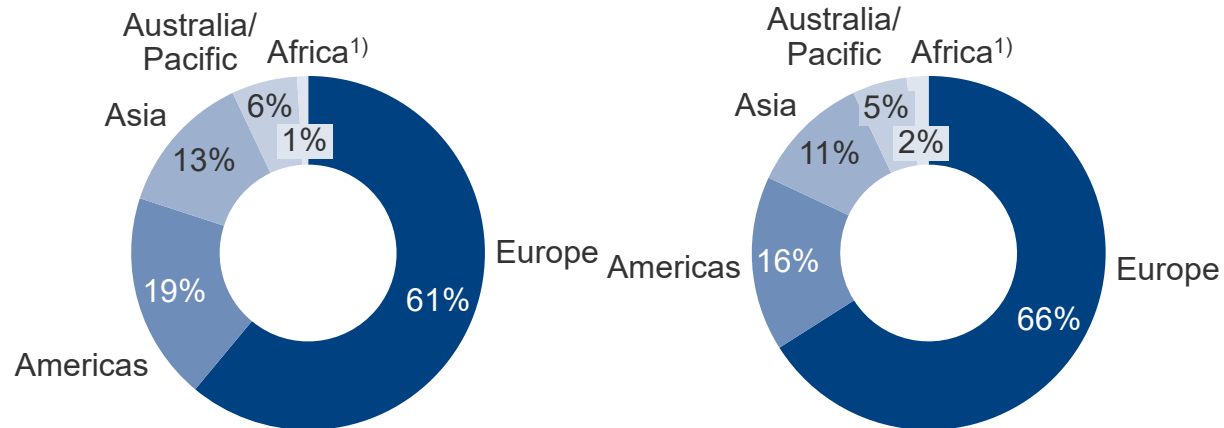
All figures in € m unless otherwise stated.

Earnings data	2020	2019¹⁾	+/- in %	+/- in € m	2018	2017
Revenue	299.4	303.6	-1.4%	-4.3	285.8	266.9
EBITDA	41.9	30.2	+38.9%	+11.7	21.6	20.0
EBITDA margin	14.0%	9.9%	+4.1 PP	–	7.6%	7.5%
EBIT	26.8	17.2	+55.7%	+9.6	15.6	14.3
EBIT margin	9.0%	5.7%	+3.3 PP	–	5.5%	5.4%
Profit for the financial year	-3.4	12.5	–	-15.9	11.8	10.7
Earnings per share in €	-0.30	0.93	–	–	0.94	0.82
Order data	2020	2019	+/- in %	+/- in € m	2018	2017
Order intake	314.6	333.7	-5.7%	-19.1	306.3	287.8
Orders on hand (at year-end)	427.6	391.5	+9.2%	+36.1	355.2	335.3
Statement of financial position	2020	2019¹⁾	+/- in %	+/- in € m	2018	2017
Total assets	277.6	272.1	+2.0%	+5.5	198.0	194.6
Shareholders' equity	113.0	116.2	-2.8%	-3.2	85.6	90.1
Equity ratio	40.7%	42.7%	-2.0 PP	–	43.3%	46.3%
Net cash	85.0	77.8	+9.4%	+7.3	55.4	70.0
No. of employees (average)	1,907	1,849	+3.1%	–	1,763	1,697
Cash flow statement	2020	2019¹⁾	+/- in %	+/- in € m	2018	2017
Cash Flow from operating activities	54.8	17.7	>+100%	+37.0	4.6	16.7
Cash Flow from investing activities	-7.0	-4.6	-53.4%	-2.4	-4.4	-4.4
Cash Flow from financing activities	-10.1	8.0	–	-18.1	-14.2	-3.7
Cash and cash equivalents at end of period	91.3	66.9	+36.5%	+24.4	45.5	77.7

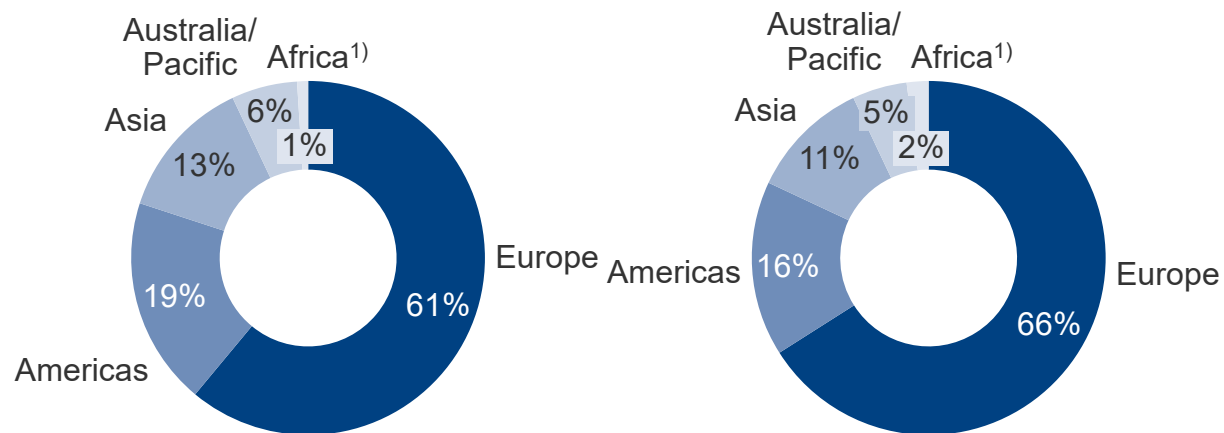
¹⁾ Initial application of IFRS 16 (Leases) from 1 January 2019 (note 41 to the consolidated financial statements 2019).

Regional revenue split

Revenue split FY 2019



Revenue split FY 2020

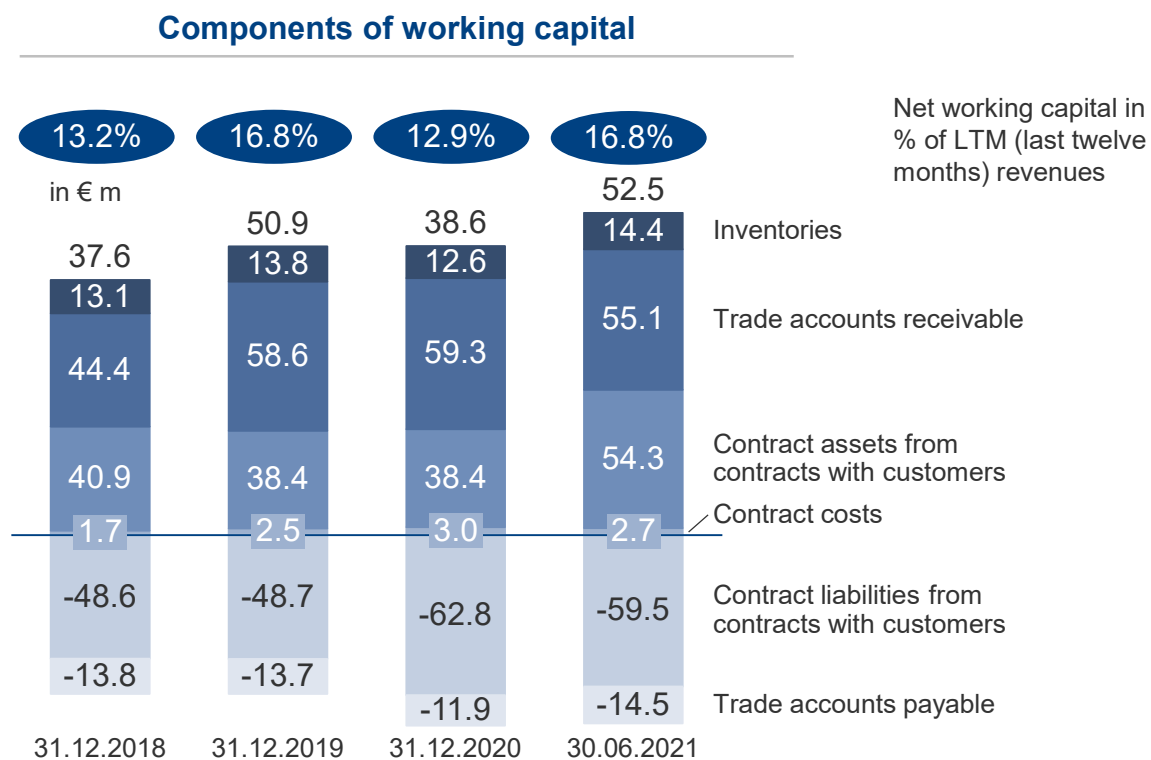


Comments

- Dominant European home market
- 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).

Working capital overview



Comments

- Net working capital in percent of last twelve months revenues below 17% in the past 3 years

Research & Development – 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 take place in the second half of the year.

R&D activities are fully expensed and not capitalised.



R&D expenses:
€12.8m in 2020 (2019: €22.1m)
(data based on IAS 38, i.e., internal, not customer-financed R&D activities).





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