



va-Q-tec – Always the right temperature

Q1 2018 Earnings Release (IFRS)

May 9th, 2018

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- Q1 2018 at a glance
- Financial Performance Q1 2018
- Outlook 2018
- Q+A



Today's
presenters :
Dr. Joachim Kuhn (CEO) Stefan Döhmen (CFO)

Q1 2018 at a glance

- Q1 2018 revenue: EUR 12.0 million compared with EUR 11.4 million in Q1 2017 (+6%)
- EBITDA Q1 2018: EUR 0.7 million compared with very strong EBITDA of EUR 2.4 million in Q1 2017
- Continued strong demand in the Products business mainly responsible for revenue growth (+26%)
- Successful start to temp-chain service for leading semiconductor industry supplier



- New head office with production location and fulfilment centre for small boxes opened in the USA



- Significantly strengthened operational structures, including management capacities and experienced personnel start to pay off
- Continued efforts to increase capacities

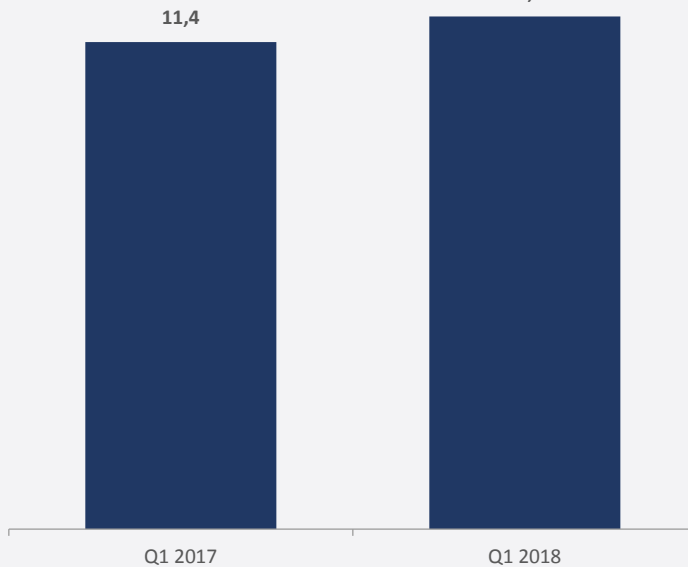
Group revenues Q1 2018

Topline growth fueled by BL “Products”

Total revenues* (in €m)

CAGR 2014-2017:
+ 37%

+6%



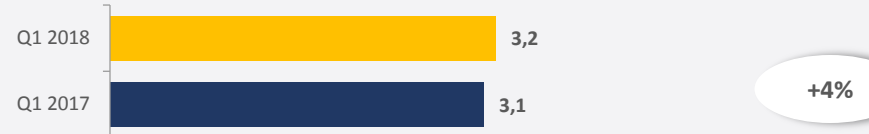
- va-Q-tec has been reporting uninterrupted year-on-year revenue growth for 15 quarters in a row
- Proven resilience of business model and growth story

Product revenues* (in €m)



→ Continuation of second half of 2017: Strong demand in the Products business due to accelerating energy efficiency labeling efforts

System revenues* (in €m)



→ Slight growth in Systems despite significant one-off Systems revenues in Q1 2017

Services revenues* (in €m)



- Absolute number of container rentals stable, box rental growing
- Rental durations of containers shortened in some cases, as processes become more efficient
- Some processes to acquire new trade lanes are more time-consuming on the customer side than anticipated

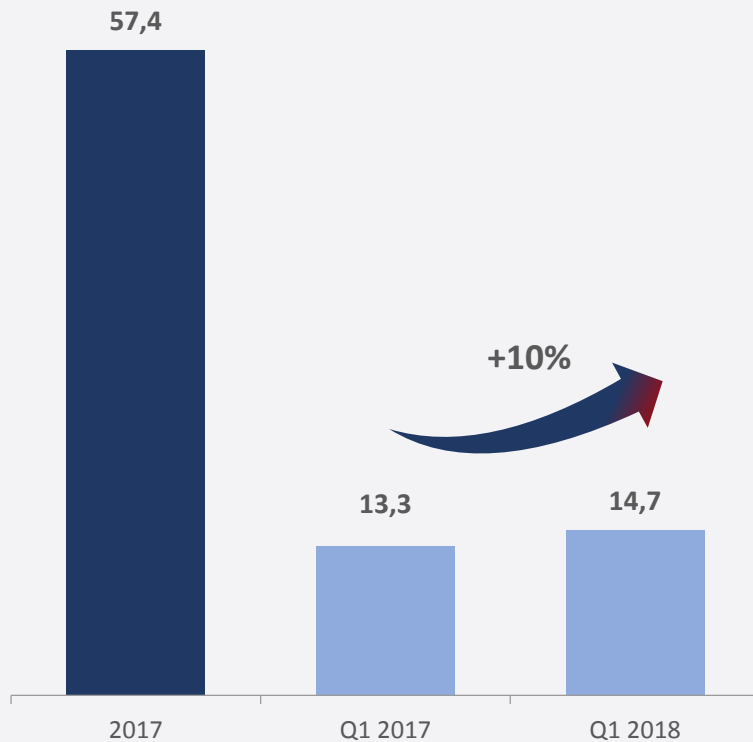
Start in FY 2018 as planned; “Service” business influenced by adverse effects

*Notes: Total revenues also include “Other revenues”. “Other revenues” primarily comprise state funded R&D

Total income & Gross profit

Total Income

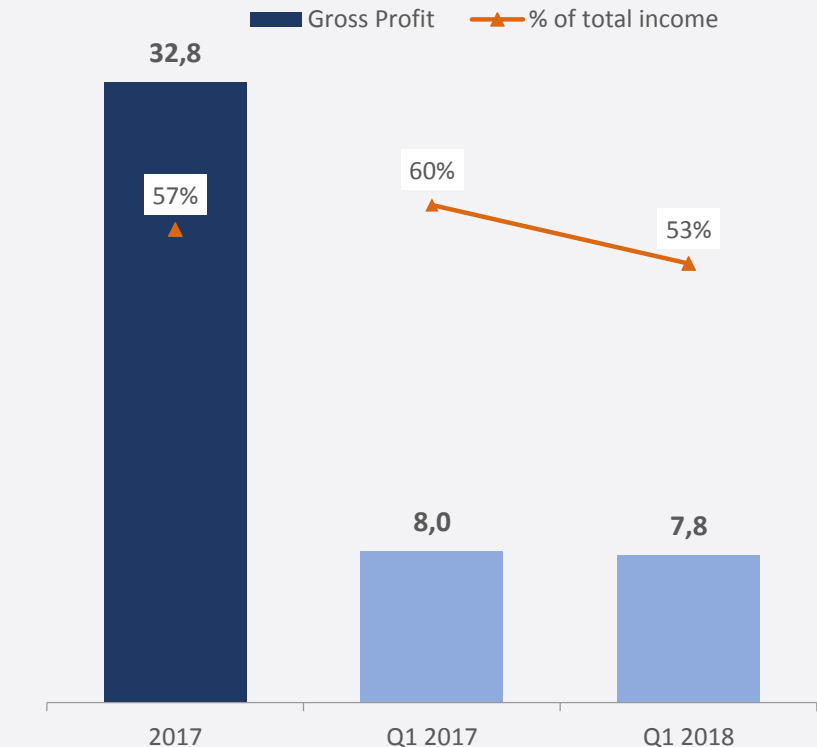
(in €m)



- Includes capitalization of fleets and deferred income from special reserves for grants as well from container sale-and-leaseback transactions

Gross Profit

(in €m)

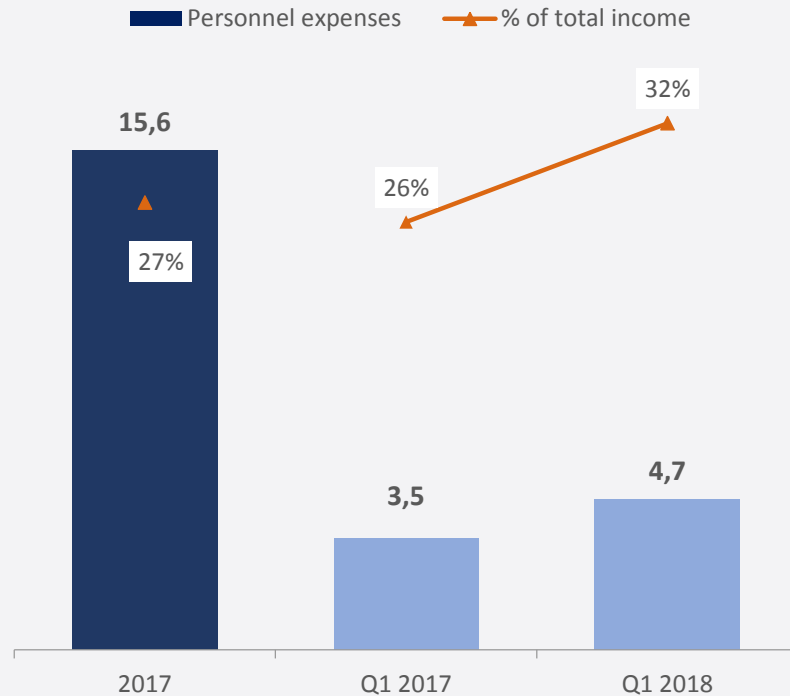


- Lower gross margin of strongly growing products business still close to peak capacity weighs on group gross margin
- Increases in air freight rates and network balancing in container rental

Key cost ratios

Personnel expenses

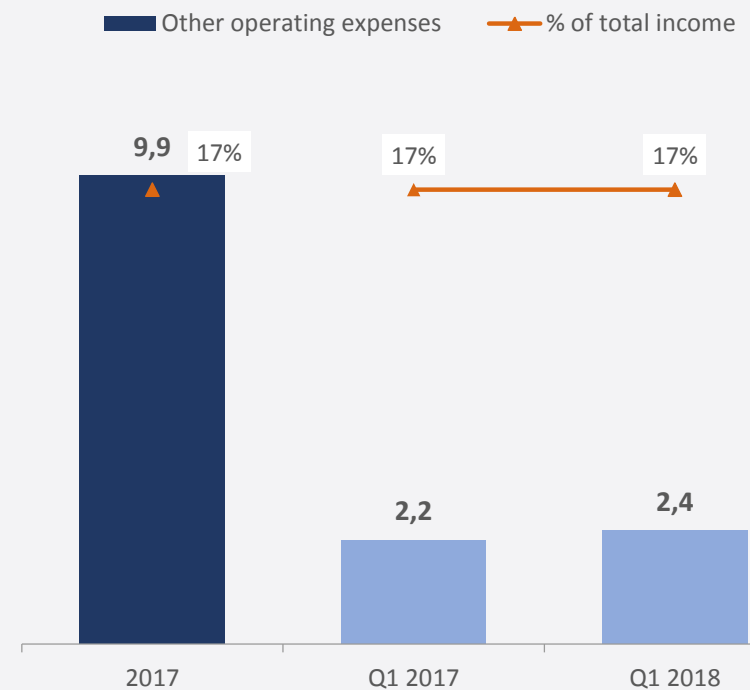
(in €m)



- Significantly strengthened teams with substantial management expertise of Blue Chip Players to enable growth; cost starting to annualize
- Economies of Scale expected as we grow the business

Other OPEX

(in €m)

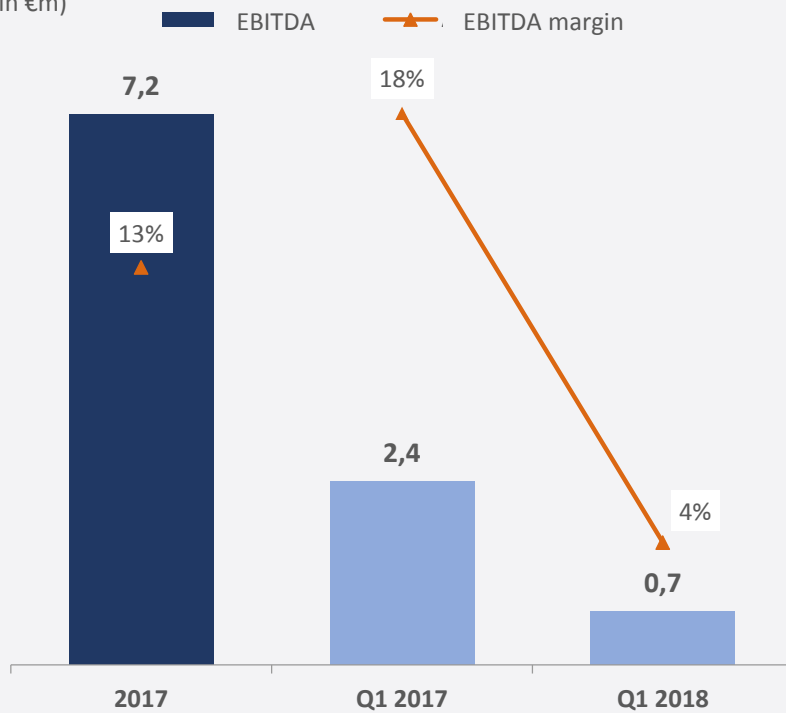


- Other OPEX (SG&A) cost ratio stable at 17% despite Increased spending on rent, IT, marketing & sales and external consulting
- However, Economies of Scale and efficiency gains expected going forward

EBITDA and EBIT

Group EBITDA

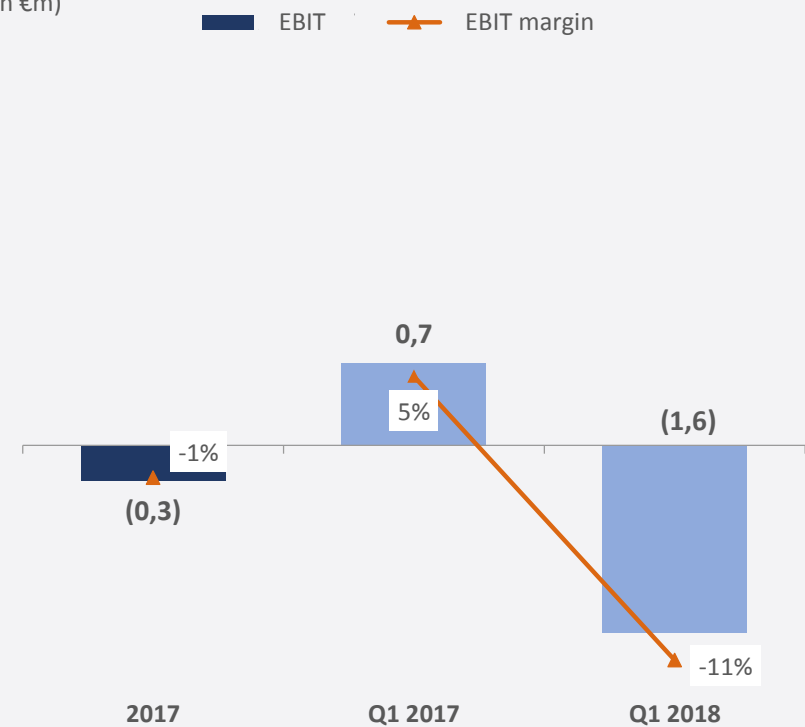
(in €m)



- Increased personnel expenses, reduced gross margin due to current product mix and temporarily higher COGS in container rental

Group EBIT

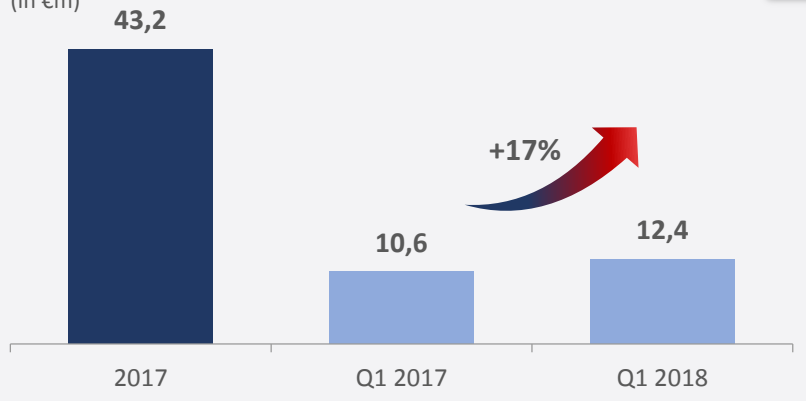
(in €m)



- D&A increased due to heavy investments

Segment performance

Revenues /// va-Q-tec AG
(in €m)

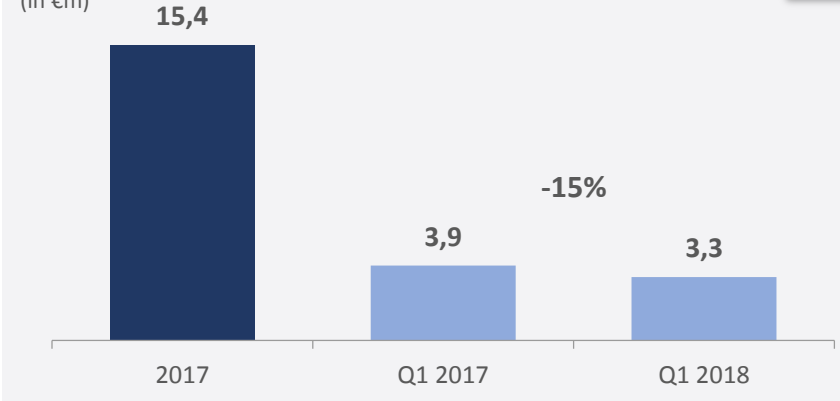


EBITDA /// va-Q-tec AG
(in €m)

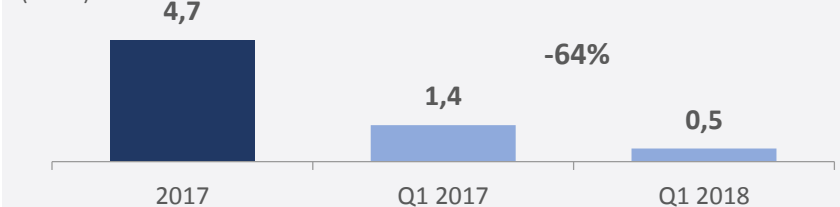


- Increase in AG revenues mainly due to increased Product sales and small box rentals
- increase in personal expenses as well as the lower-margin Products business weighs on EBITDA

Revenues /// va-Q-tec UK
(in €m)



EBITDA /// va-Q-tec UK
(in €m)

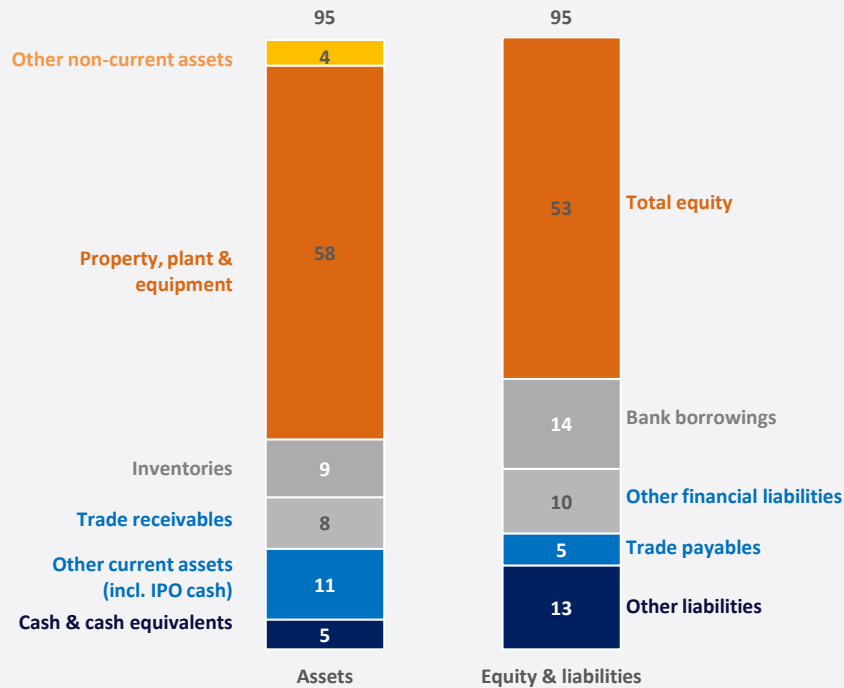


- Absolute number of rentals increased, much room for further growth with new AND existing customers
- Processes to acquire tradelanes in the rental network more time-consuming in Q1 then expected
- Higher logistics costs for the container fleet as well as an increase in personnel expenses leading to pullback in EBITDA
- Strengthened and partly changed local management improving the situation

Balance Sheet

Balance sheet FY 2017

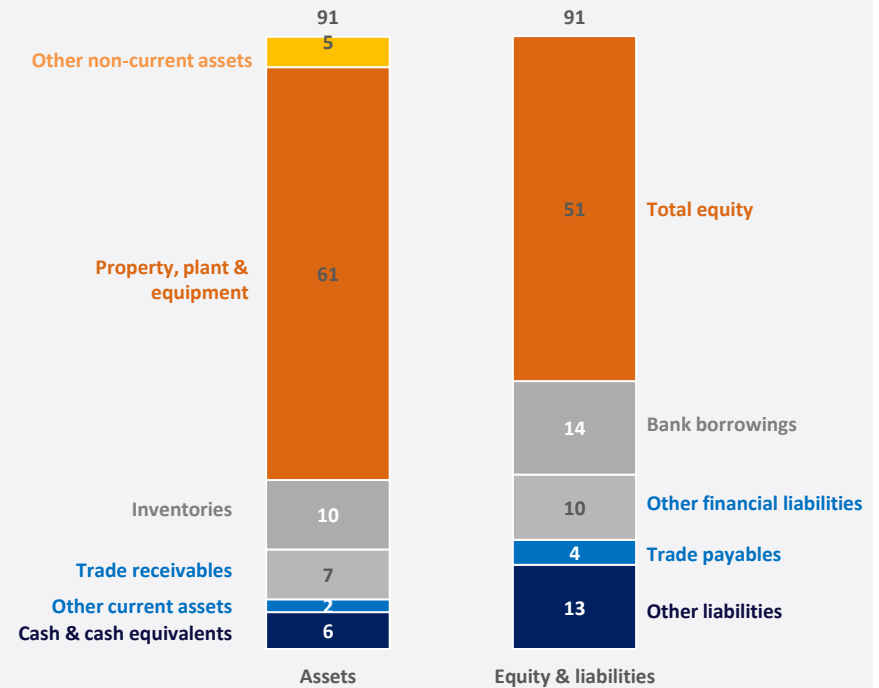
(in €m)



Equity ratio: 56%

Balance sheet Q1 2018

(in €m)



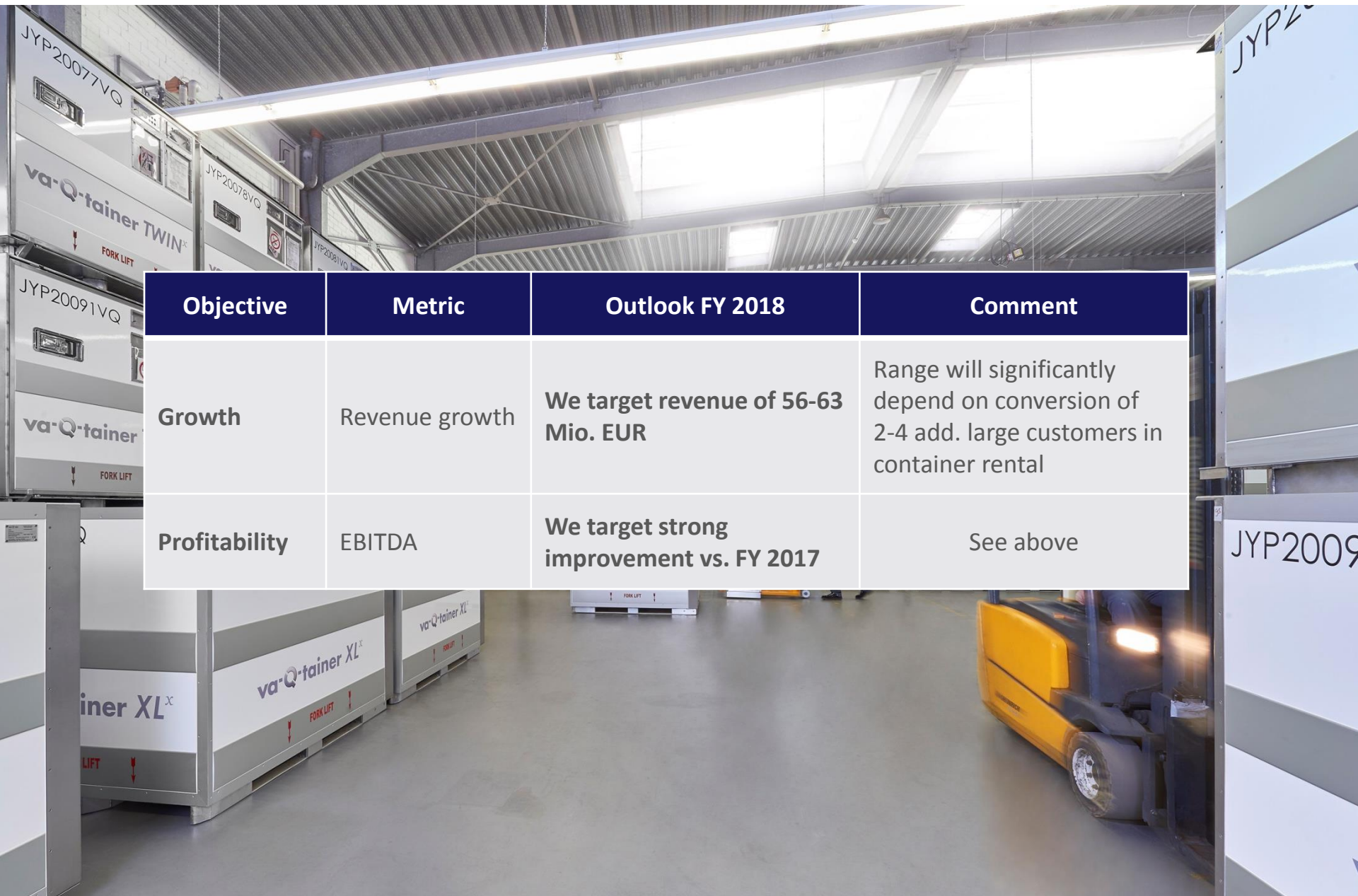
Equity ratio: 56%

Cash flow

in €m	Q1 2018	Q1 2017
Operating cash flow	-1.8	0.9
Investing cash flow	3.3	-4.4
Financing cash flow	-1.2	-0.3
Net change in cash	0.3	-3.8

...thereof from acquisition of PP&E EURm -5.6 compared to EURm -4.4 in Q1 2017

Outlook 2018 for va-Q-tec Group



Objective	Metric	Outlook FY 2018	Comment
Growth	Revenue growth	We target revenue of 56-63 Mio. EUR	Range will significantly depend on conversion of 2-4 add. large customers in container rental
Profitability	EBITDA	We target strong improvement vs. FY 2017	See above

Situation

- va-Q-tec's new customer is a leading supplier of systems for the semiconductor industry
- Semiconductors getting more powerful; the resolution of the production machine has come down to as little as >40 nanometers
- Temperature sensitivity of optics and sensors is growing as a consequence



A lithography platform

Solution

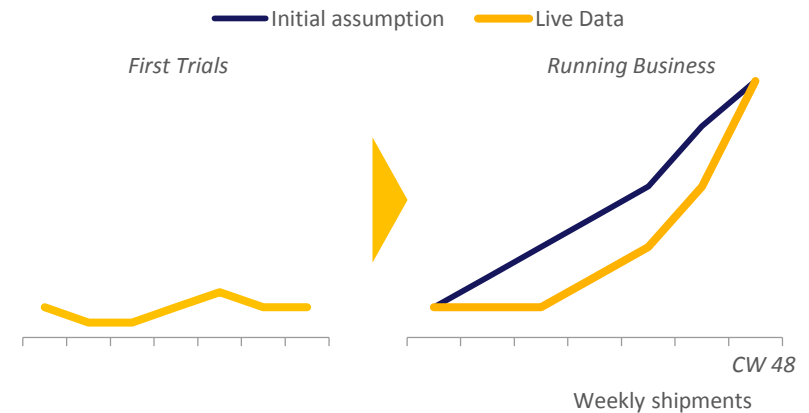


Transports in va-Q-tainer XLx @ controlled room temperature

Reasons to choose va-Q-tec

- One Standard packaging concept for all temperature sensitive parts/modules
- Massive improvement of thermal performance and reliability of insulated packaging
- va-Q-tainer is less error prone compared to active containers
- Superior ratio out of external/internal dimensions
- Overall Cost reduction (vs. active solution)

Ramp-up



**Thank you for
your attention!**

 **Lufthansa Cargo**

JYP50294VQ

va-Q-tainer

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TICKER

Symbol: VQT
Bloomberg: VQT:GR
Reuters: VQTG:DE
ISIN: DE0006636681
WKN: 663668

Consolidated income statement

kEUR	Q1 2018	Q1 2017
Revenues	12.037	11.382
Change in inventories	238	-96
Work performed by the company and capitalised	1.603	1.346
Other operating income	784	688
Total Income	14.662	13.320
Cost of materials and services	-6.888	-5.310
Gross profit	7.774	8.010
Personnel expenses	-4.692	-3.466
Other operating expenses	-2.431	-2.168
EBITDA	651	2.376
Depreciation, amortization and impairment losses	-2.268	-1.667
Earnings before interest and tax (EBIT)	-1.617	709
Result from equity accounted investments	-30	-37
Finance Income	7	10
Finance expenses	-209	-231
Net financial result	-202	-221
Earnings before tax (EBT)	-1.849	451
Income tax	75	-172
Net income	-1.774	279

Consolidated income statement

kEUR	Q1 2018	Q1 2017
Consolidated net income attributable to owners of va-Q-tec AG	-1.774	279
Consolidated net income attributable to non-controlling interests	-	-
Earnings per share - basic in EUR	-0,14	0,02
Earnings per share - diluted in EUR	-	0,02
Consolidated statement of comprehensive income		
kEUR	Q1 2018	Q1 2017
Net Income	-1.774	279
Consolidated other comprehensive income		
Currency translation differences	-1	7
Total other comprehensive income that will be reclassified to profit or loss	-1	7
Consolidated total comprehensive income	-1.775	286
Consolidated total comprehensive income attributable to owners of va-Q-tec AG	-1.775	286
Consolidated total comprehensive income attributable to non-controlling interests	-	-

Consolidated statement of financial position

Assets kEUR	Q1 2018	Q1 2017
Non-current assets		
Intangible assets	953	885
Property, plant and equipment	58.761	55.402
Investment property	1.614	1.614
Equity accounted interests	327	357
Financial assets	582	283
Other non-financial assets	635	634
Deferred tax assets	2.952	2.880
Total non-current assets	65.824	62.055
Current assets		
Inventories	10.288	8.942
Trade receivables	7.411	8.005
Other financial assets		
- of which deposits (6 - 12 months): 0 (previous year: 9.000)	287	9.117
Current tax assets	85	67
Other non-financial assets	1.512	2.104
Cash and cash equivalents	5.537	5.201
Total current assets	25.120	33.436
Total assets	90.944	95.491

Consolidated statement of financial position

	Q1 2018	Q1 2017
Equity and liabilities		
kEUR		
Equity		
Issued share capital	13.090	13.090
Treasury shares	-54	-54
Additional paid-in capital	46.158	46.158
Consolidated total other comprehensive income	-28	-28
Retained earnings	-7.949	-6.174
Total equity	51.217	52.992
Non-current liabilities		
Provisions	40	39
Bank borrowings	10.882	11.146
Other financial liabilities	3.873	3.949
Other non-financial liabilities	5.560	8.438
Total non-current liabilities	20.355	23.572
Current liabilities		
Provisions	28	38
Bank borrowings	3.003	2.958
Other financial liabilities	5.785	6.507
Trade payables	3.745	5.244
Tax liabilities	20	15
Other non-financial liabilities	6.791	4.165
Total current liabilities	19.372	18.927
Total Equity and liabilities	90.944	95.491

Consolidated statement of cash flow

kEUR	Q1 2018	Q1 2017
Cash flow from operating activities		
Net income	-1.774	279
Net finance costs recognised income statement	202	220
Interest received	2	-
Interest paid	-175	-79
Non-cash losses from equity accounted investments	30	37
Depreciation, amortisation and impairment losses	2.268	1.668
Gain/loss from disposal of non-current assets	-19	-4
Change in other assets	159	-517
Change in other liabilities	577	-295
Change in provisions	-8	88
Other non-cash expenses or income	-692	-402
Cash flow from operating activities before working capital changes	570	995
Change in inventories	-1.509	-909
Change in trade receivables	593	-135
Change in trade payables	-1.500	976
Net cash flow from operating activities	-1.846	927

Consolidated statement of cash flow

KEUR	Q1 2018	Q1 2017
Cash flow from investing activities		
Payments for investment in intangible assets	-128	-4
Proceeds from disposal of property, plant and equipment	25	4
Payments for investments in property, plant and equipment	-5.566	-4.438
Proceeds from the release from of short-term deposits	9.000	-
Net cash flow from investing activities	3.331	-4.438
Cash flow from financing activities		
Proceeds from equity increases	-	-92
Proceeds from bank loans	-9	707
Repayments of bank loans	-210	-130
Proceeds from sale-and-finance-leaseback transactions	-	572
Payments for finance leases liabilities	-950	-1.331
Net cash flow from financing activities	-1.169	-274
Change in cash and cash equivalents before exchange rate effects	316	-3.785
Effect of exchange rate changes on cash and cash equivalents	18	-
Net change in cash and cash equivalents	336	-3.785
Cash and cash equivalents at start of period	5.201	4.600
Cash and cash equivalents at end of period	5.537	815