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**va-Q-tec**  
CREATING ENERGY EFFICIENCY

**va-Q-tec – Always the right temperature**  
**H1 2017 Financials (unaudited)**

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# Today's presenters



**Dr. Joachim Kuhn, CEO**

Since 2001: CEO and Co-founder 

1994-2001: Institute Operation Manager 

PhD in Physics of Thermal Insulation 

Diploma in Physics 





**Stefan Döhmen, CFO**

Since 2017: CFO 

2006-16: CFO 









2001-05: Controller Europe 

1991-2000 Mannesmann Group 

Diploma in Business Administration 

# Highlights of H1 2017

## General highlights

-  H1 2017 revenue at EUR 22.5 million compared to EUR 15.6 million in H1 2016 (+44%)
-  EBITDA H1 2017: EUR 4.2 million compared to EUR 2.9 million of adjusted EBITDA in H1 2016 (+45%); pos. EBT of EUR +0.5 million vs. EUR -0.3 million in H1 2016
-  Very strong product business and strong service business contribute to growth
-  Continued investments to expand container fleet and enhance efficiency of the existing production and logistics infrastructure
-  New integrated production site has been acquired; 5 locations in Würzburg to be merged again to one central headquarters
-  Founding of subsidiaries in Switzerland and in Japan to expand service business and to extend global reach, CH with focus on fulfilment of boxes, Japan focused on sales
-  AGM with broad-based encouragement; all agenda items approved with large majorities; more than 70% of share capital present
-  Stefan Döhmen joined as new CFO; as communicated already during IPO, Dr. Roland Caps steps down from Management Board to become Head of Innovation management; Christopher Hoffmann takes responsibilities within the board for intl. expansion

## Financial highlights

in EURm	H1 2017	H1 2016	Δ
Revenues	22.5	15.6	+44%
Total Income	26.6	19.8	+34%
EBITDA	4.2	2.9*	+45%
EBITDA margin	16%	15%*	
EBT	0.5	-0.3*	
Operating Cash flow	0.9	2.1*	



A quick view on VQT's AGM, June 2017

\*Notes: OPEX and personnel expenses in H1 2016 adjusted for non-recurring items, namely one-off cost associated with the IPO (EUR775k)

**Products**








**Systems**



**Services**






-  Continued strength in Appliances & Food as VIP superinsulation is believed to be at a tipping point due to ever tightening energy labeling standards; VQT regarded as highly reliable
-  First deliveries of “va-Q-shell”, a quick installation insulation solution for hot water storage
-  Planning and set-up process of new manufacturing lines
-  Start of Swiss domestic box rental operations in partnership with Swiss Post
-  Several negotiation processes for new partnerships with cargo airlines and 3rd party logistics providers in final stage

*New airline partnership with Emirates Sky Cargo set up*



## Key management initiatives in H1 2017

-  Planning of new and enhanced capacities in Köllda to improve efficiency and to meet accelerated customer demand
-  New headquarter in Würzburg has been acquired; 5 locations in Würzburg to be merged; substantial efficiency improvement expected, much cheaper and faster then a new building
-  Business and partnership development in all Asian regions
-  Set-up and planning of significantly strengthened US operations

### DELIVERING ON STRATEGIC GOALS

**GROWTH**

**PROFITABILITY**

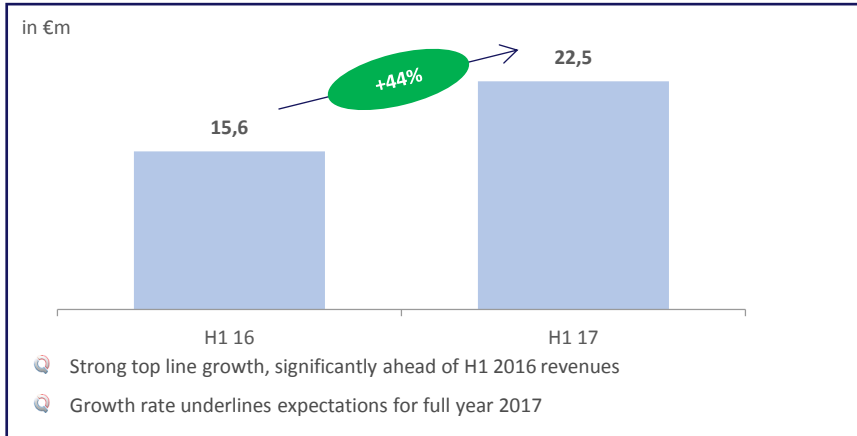
**TECHNOLOGY LEADERSHIP**



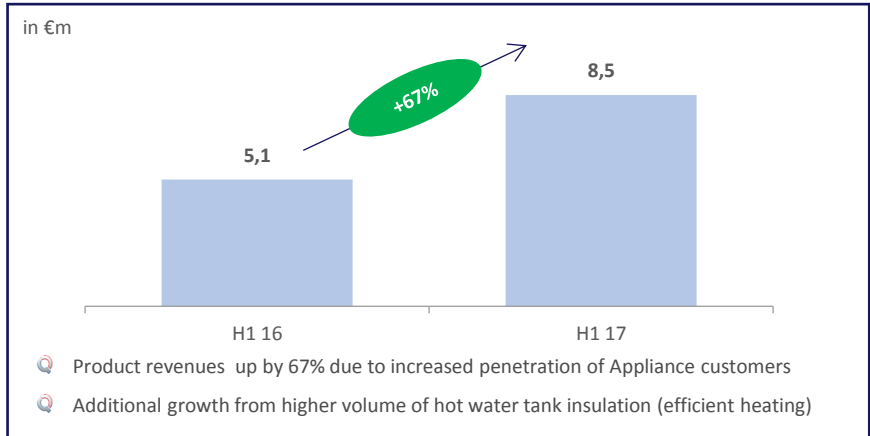
*VQT's new headquarters in Würzburg*

# Group revenues H1 2017 – Strong growth momentum continues

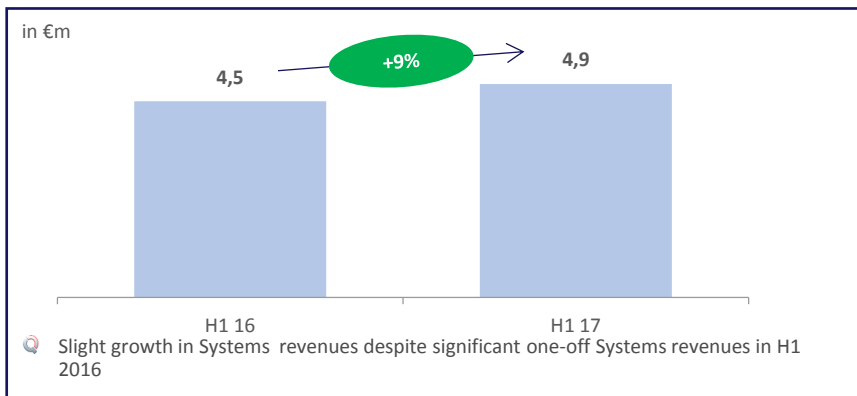
## Total revenues<sup>1)</sup>



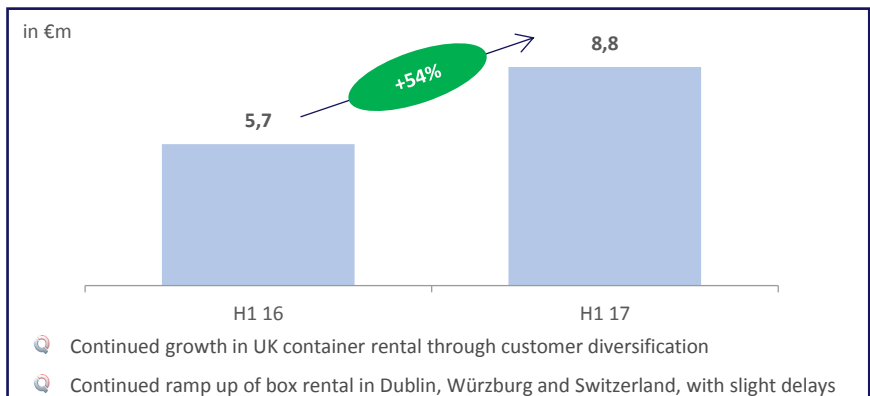
## Products revenues



## Systems revenues



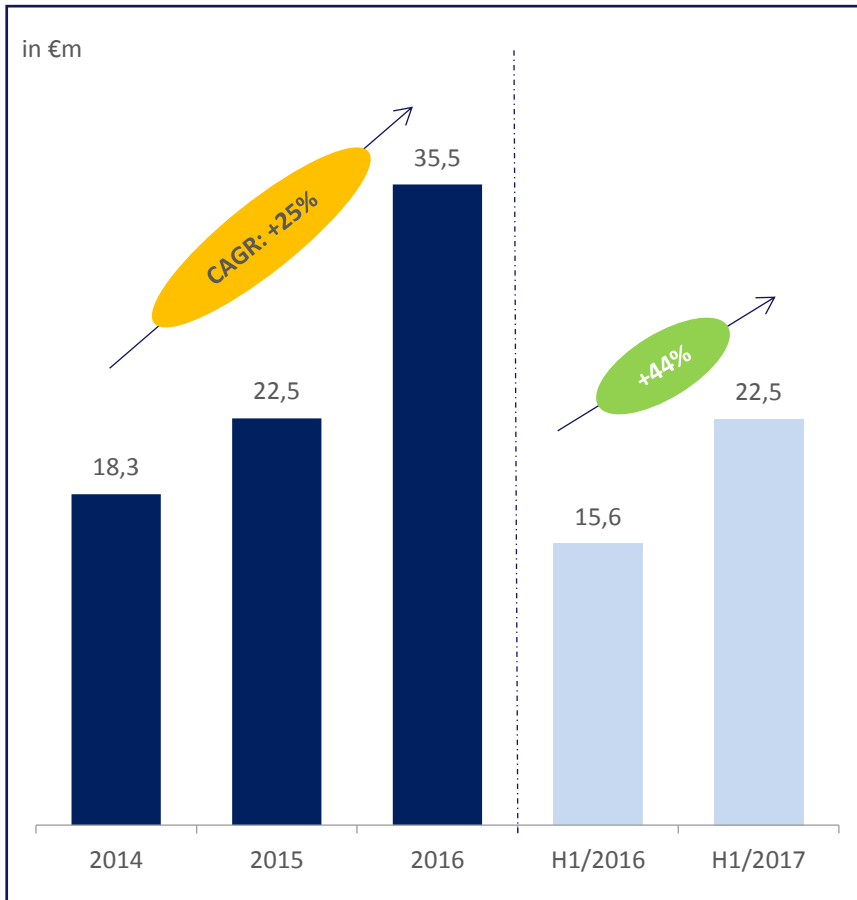
## Services revenues



Notes: Total revenues also include "Other revenues". "Other revenues" primarily comprise state funded R&D

# Group revenues H1 2017 – Strong growth momentum continues

## Group revenues, va-Q-tec

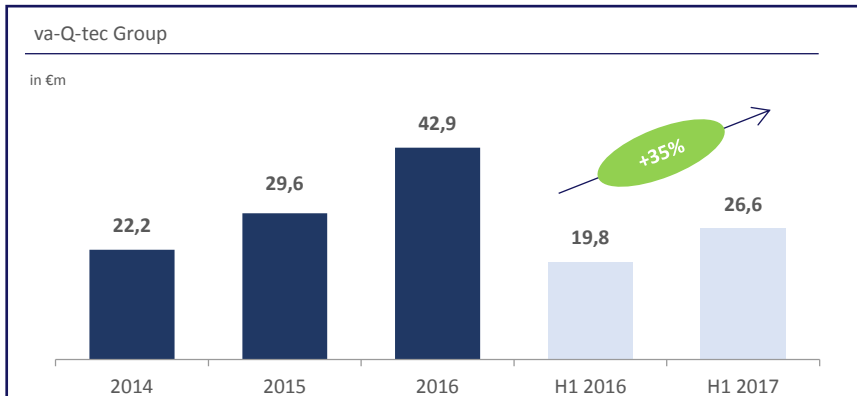


## Comments

- Very strong growth in H1 2017, particularly in Products and Services business
- Strengthened visibility of VQT's technology: VIP technology is establishing itself as standard in more industries and more applications
- Ramp-up of large customers in Appliances (refrigeration) and Technics & Industry (hot water tanks)
- Continental box rental with large project base in Ireland: highly satisfied customers, strong recurring revenues
- Good progress on global container rental, with important new customers on-boarding and new commercial lanes

# Total income & Gross profit

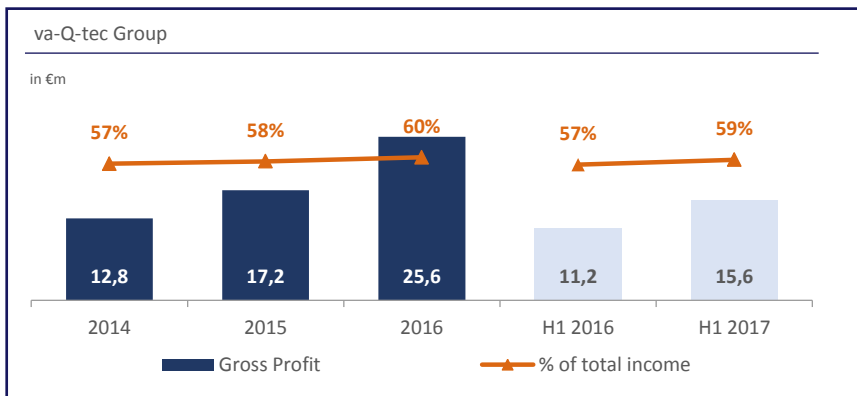
## Total Income



## Comments

- Total income growing at lower rate than revenues, as capitalized work and other income grows more slowly than top line
- As in the past, the delta between revenues and total income is a result of
  - Capitalization of container and box fleets produced in-house, and
  - Deferred income from special reserves for grants and deferred income from container sale-and-leaseback

## Gross profit

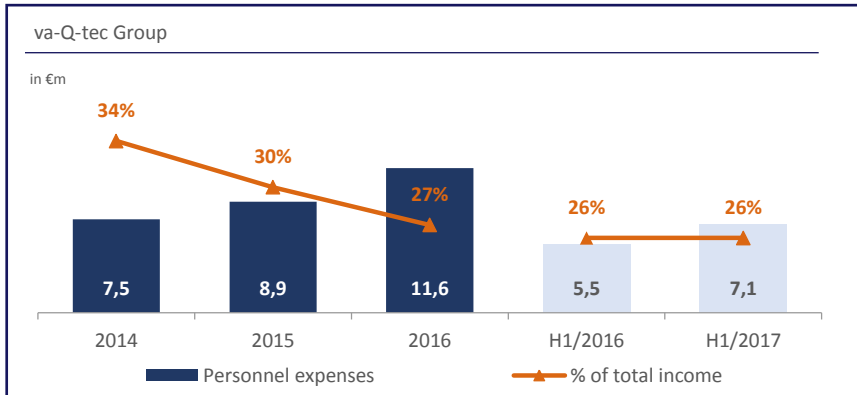


## Comments

- In H1 2017, solid gross margin at 59%, improved over H1 2016, in line with FY 2016 development
- Good progress on gross margin of container rental business, as cost to serve is managed efficiently across global container network
- Lower gross margin of very strong products business weighs slightly on group gross margin



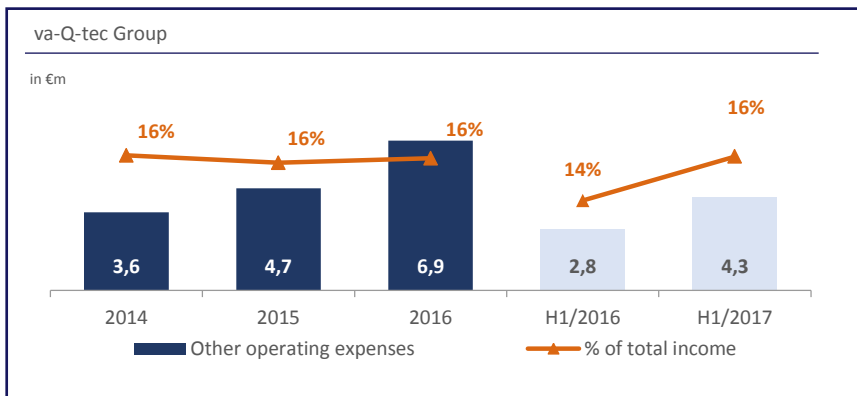
## Personnel expenses



## Comments

- Personnel expense ratio at 26%, unchanged from H1 2016
- However, gradual improvement vs FY 2016 (27%)
- Continued hiring of talent across the business in order to enable growth and innovation
- Further economies expected as we grow the business, in particular services with lower need for personnel

## Adjusted other OPEX



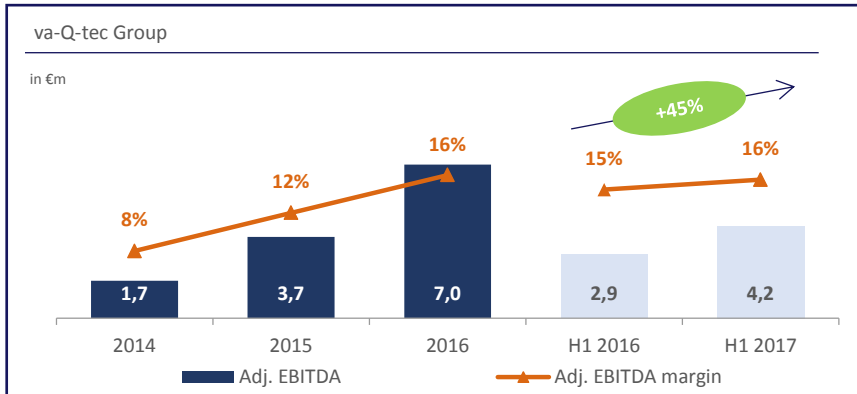
## Comments

- Other OPEX (SG&A) cost ratio increases to 16% from 14% in H1 2016 as spending rises, largely in order to drive growth
- Unfavorable USD/EUR development with adverse effect
- Increased spending on rent, IT, marketing & sales, and external consulting
- Significant expenditure for additional rented facilities in Würzburg will decline over time as number of sites is reduced from 5 to 1

\*Notes: OPEX and personnel expenses in H1 2016 adjusted for non-recurring items, namely one-off cost associated with the IPO (EUR775k)

# Strongly improved profit

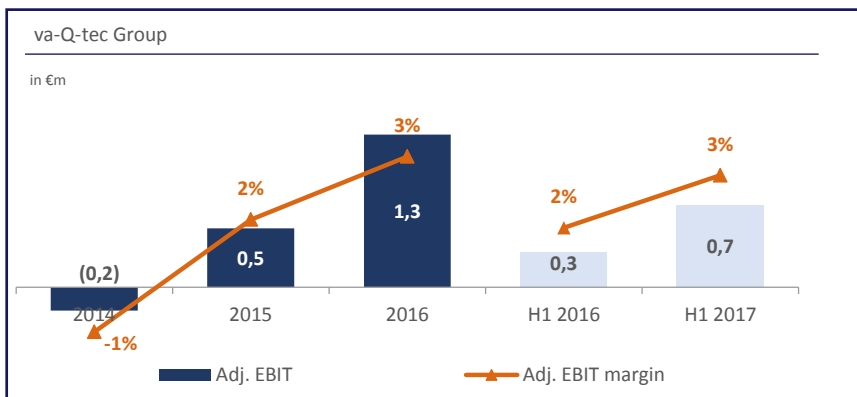
## Adjusted group EBITDA



## Comments

- Good progress on H1 EBITDA with 45% growth over H1 2016
- EBITDA margin of 16%, slightly below the margin of 18% for Q1 2017 as other OPEX has been above expectations in H1 2017
- Primary EBITDA drivers are continued revenue growth, strong gross margin in services, and economies of scale e.g. on personnel

## Adjusted group EBIT



## Comments

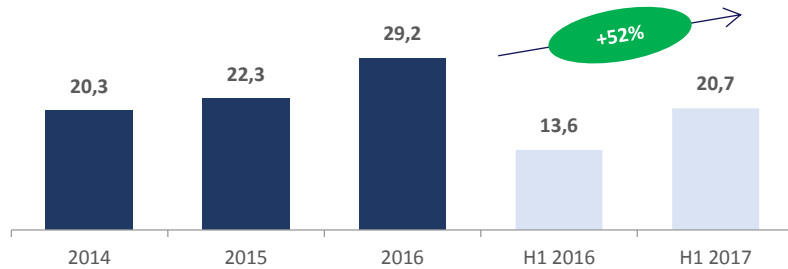
- EBIT has more than doubled YOY, driven by same effects as EBITDA
- Depreciation has increased primarily due to
  - Growth of UK-based container fleet in anticipation of strong demand for our container rental services
  - Growth of box fleets with shorter depreciation periods

\*Notes: OPEX and personnel expenses in H1 2016 adjusted for non-recurring items, namely one-off cost associated with the IPO (EUR775k)

# Segment performance

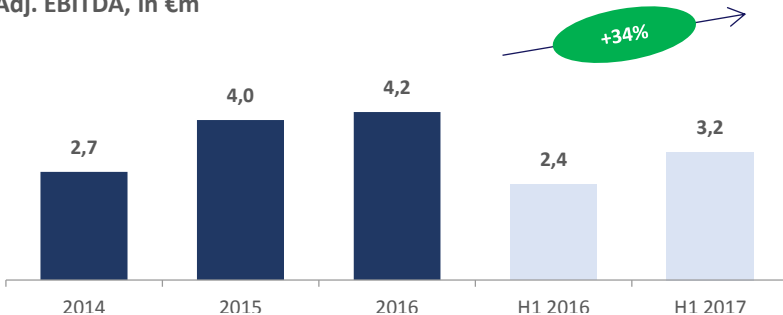
## va-Q-tec AG

Revenues, in €m



Strong revenue growth driven by Products (VIPs), container sales and box rental services, 3<sup>rd</sup> party sales growing as well

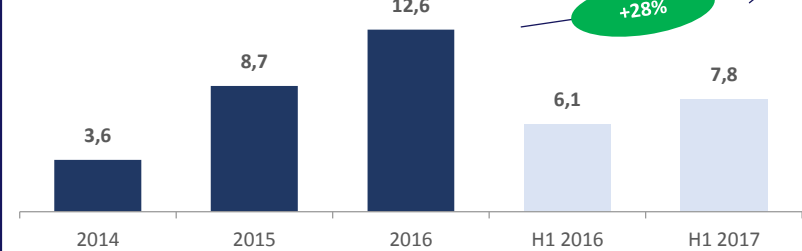
Adj. EBITDA, in €m



Improved EBITDA in H1 2017 vs H1 2016 based on

## va-Q-tec UK

Revenues, in €m

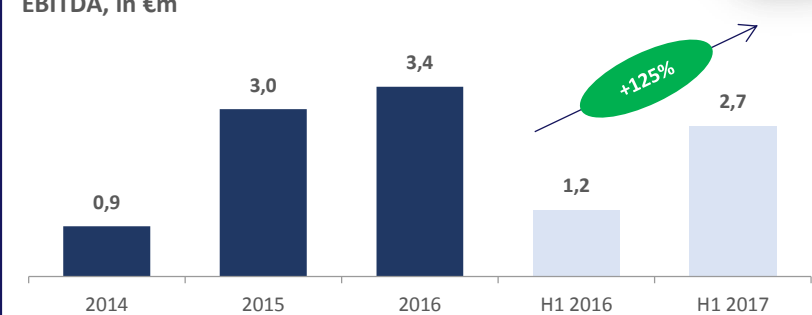


Continued growth of container rental business (+49%)

H1 2016 was high by ~0,8€m due to one-off box sale to NHS



EBITDA, in €m



Significantly increased EBITDA margin as cost to serve of global container logistics is well managed and remaining costs are controlled

\*Notes: OPEX in H1 2016 adjusted for non-recurring items, namely one-off cost associated with the offering (€606k)

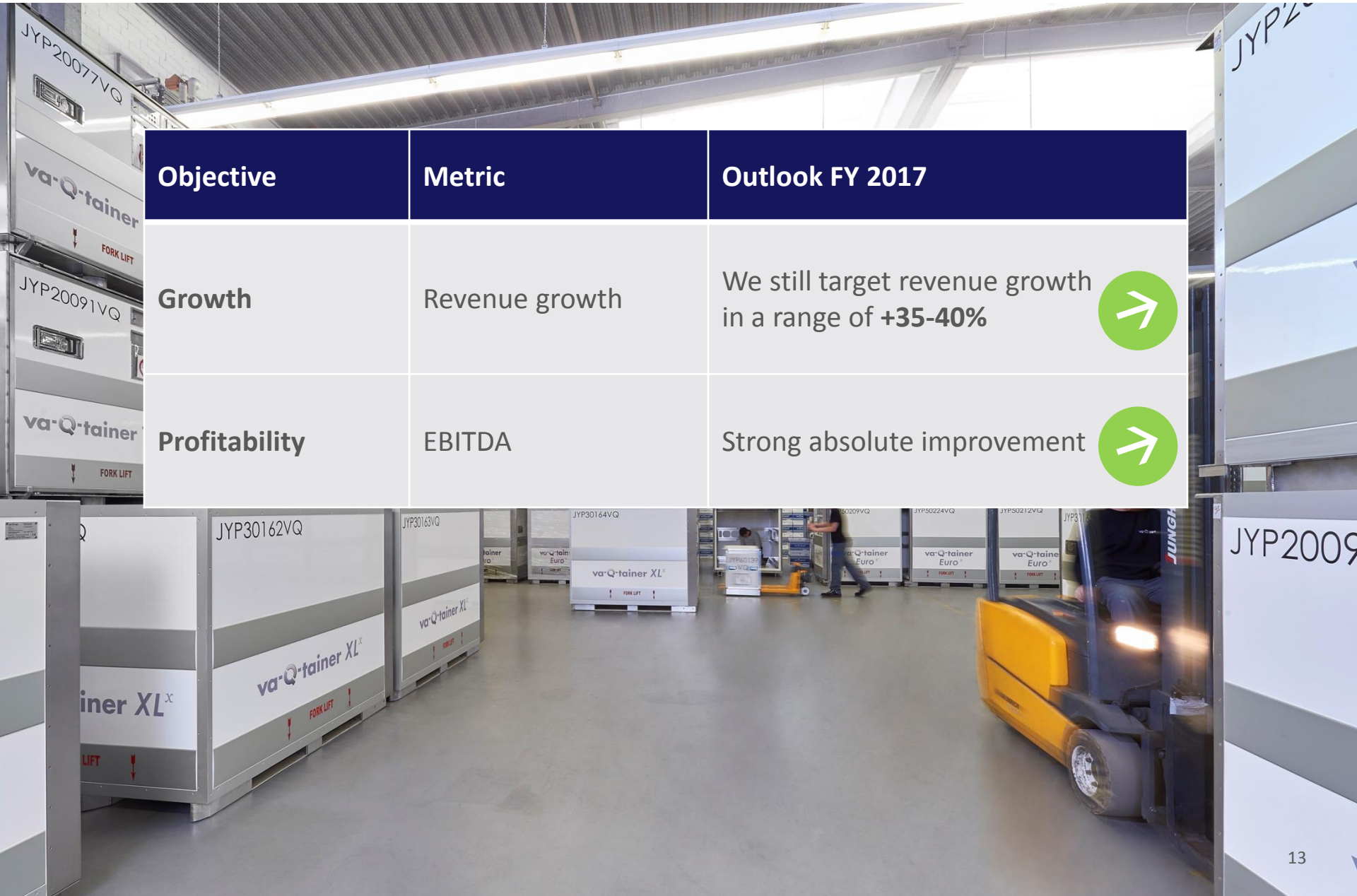
# Cash flow

in €m	H1 2017	H1 2016
Operating cash flow	0.9	1,5
Investing cash flow	-5.3	-3.9
Financing cash flow	0.8	1.9
Net change in cash	-3.6	-0.5
<b>Operating cash flow (IFRS)</b>	0.9	1.5
<i>Adjustment for IPO costs in ops CF</i>	-	<b>0.6</b>
<b>Operating cash flow (adjusted)</b>	0.9	2.1

 **Main drivers for dampened operating CF development: Increased trade receivables and inventories; general expansion of the business**

# Outlook 2017 for va-Q-tec Group

Objective	Metric	Outlook FY 2017
Growth	Revenue growth	We still target revenue growth in a range of +35-40% 
Profitability	EBITDA	Strong absolute improvement 

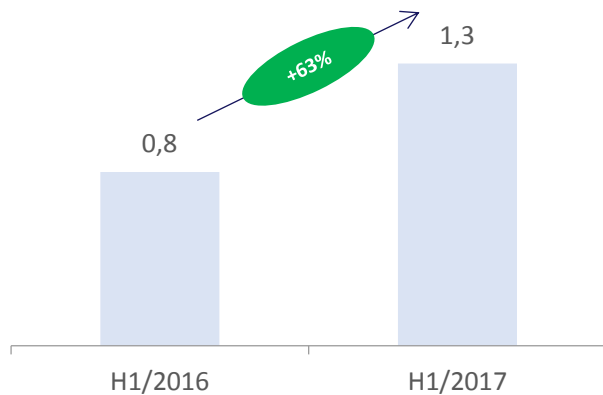


# Product case study – Technics & Industry

## Highest energy labels at reduced space requirements

### Revenues Technics & Industry

in EURm



### Rationale to choose va-Q-tec

- Increased energy efficiency to achieve highest possible energy label
- Tightening energy labeling standards: From 2017 onwards, tanks labeled “C” are forbidden in the EU, A+ only achievable with super-insulation (VIP)
- Simplicity of production process for Viessmann and reduction of logistics costs, as insulation material is much thinner than conventional solutions
- VIP solutions which have initially only been offered in most expensive product ranges will prospectively also be used in mass market products

### va-Q-shell



- VIP-based hot water storage insulation requires silica core materials as glass fiber core VIPs do not withstand the prevailing temperatures

### Test results of va-Q-tec VIP insulated tanks

Size [ltr]	Heat loss (conventional solution) [kWh/24h]	Heat loss (VIP-solution) [kWh/24h]	Improvement [%]	Label without VIP-solution	Label with VIP-solution
120	1.16	0.74	36	B	A
185	1.44	0.70	51	B/C	A+
785	3.34	1.58	53	D	A

# Our path going forward



Be the **global leader** in high end insulation solutions



Products

Systems

Services



# Thank you for your attention!



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## TICKER

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



**BACKUP**

# Chart Performance and Trading Volume, 30.09.2016-18.08.2017

