

Digital.
Sustainable.
Successful.



Q2 Statement | August 3rd, 2023

Dr. Ralf Koeppel, CEO/CTO, Andreas Pabst CFO

1

Update on WashTec



Our Mission: Sustainable Car Wash - Wirksystem

“Wirksystem”

Smart Machines + Water retreatment

- Digital sensors & actuators

+

Green Car Care

- Sustainable wash chemicals



+

Digital platform

- Control & supervision



Smart
Machines



Green
Chemicals

Clean
Cars

Water
Recycling

Digital
Platform



Most Sustainable Car Wash

- Tailored wash process
- Minimum fresh water consumption
- Minimum energy consumption

Digitalization and especially data are the *key enabler* to offer
„the most innovative and sustainable car wash system“



Goal of our strategy – further specification of our vision 2030

- Maintain global car wash market leader
- Taking responsibility by driving sustainable car wash leadership
- Generating a high level of customer benefit through consistent digital orientation and smart integration of products and digital services
- Realize significant market share in the tunnel business
- Offer highest customer value based on the combination of machine + service + chemistry + digitalization.
- Achieve higher share of recurring revenues in the aftermarket business of services and chemistry as today (2023 ~ 35% to 2030 ~ 45%)
- Achieve double digit EBIT margin



Sustainability Report 2022

We at WashTec are committed to integrate sustainability in the business model of our customers by providing sustainable car wash solutions.

WashTec's second extensive sustainability report is now available.

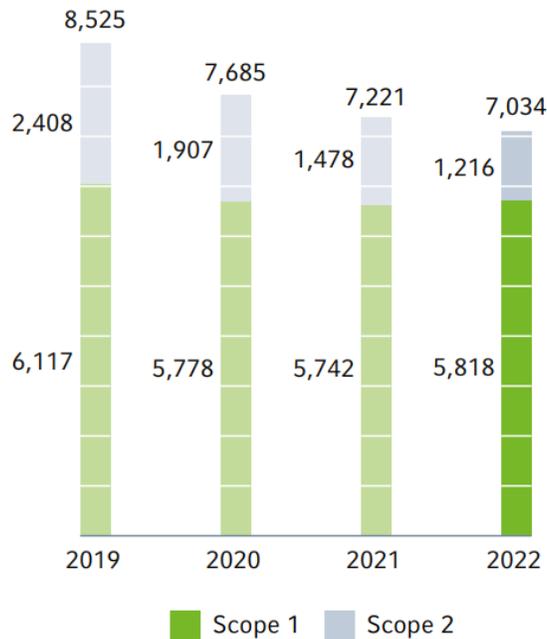


The WashTec Sustainability Program
sustainability@washtec



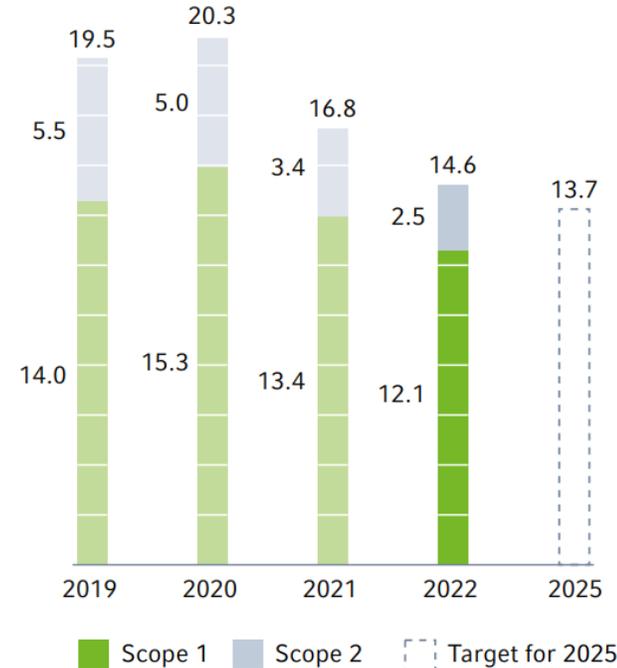
CO2 Footprint WashTec Production Countries and Energy savings

WashTec carbon footprint (Scope 1 & 2),
in t



CO₂ emissions from WashTec production plants, including the vehicle fleet, totaled 7,034 t CO₂-equivalents. This represents a reduction by 1,491 t or 17.5% relative to the 2019 baseline.

WashTec carbon footprint (Scope 1 & 2),
in t/€m revenue



The carbon footprint totaled 14.6 t/€m revenue in 2022. Our target of a 30% reduction in the carbon footprint by 2025 corresponds to a target figure of 13.7 t CO₂ emissions per €m revenue based on the revenue of €437m in 2019.

- **CO₂ emissions** reduced by 187 t or 2.6% year on year
- **CO₂ emissions per million € revenue** reduced by 13.1%
- **Energy-saving measures** implemented due to the energy crisis have already resulted in a notable 18.3% permanent reduction at European plants in 2022



WashTec's sustainable car wash site certification program

WashTec's sustainable car wash site certification programme is the industry's first sustainable solution for petrol stations and car wash operators.

WashTec's certification programme offers a range of opportunities:

- a credible positioning as a sustainable provider
- through leading solutions for demonstrable effects in environmental protection and resource conservation
- with an end-user oriented approach to effective and transparent communication



Washsite certification by WashTec at a glance

The **WashTec certified sustainability partner programme** uses a **seal** to promote sustainable carwash sites.

If customers have an active WashTec machine including a water reclaim system in combination with AUWA Green Car Care chemicals, they receive a seal for **customer communication** of their sustainable offering.

WashTec is represented along with the **Green Car Care** logo on the seal as the sender and **certifying company**.

The seal is free of charge.



New product presentations at fairs

JetWash Modular with Car Wash Assistant

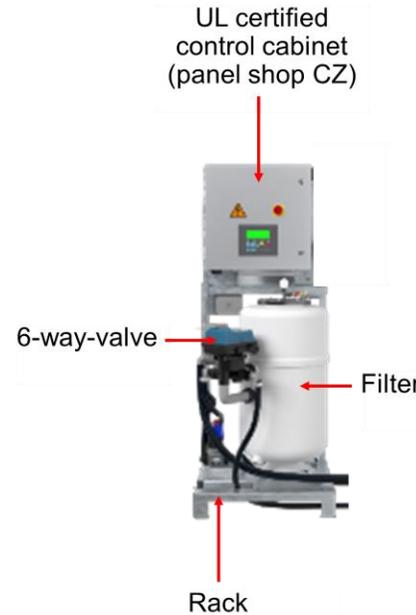


Product presentations are available on youtube: search for: EFT Messe WashTec

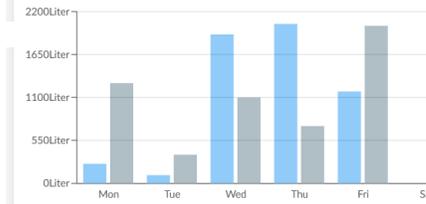
Aqua Pur Modular for Europe and North America

Connectivity and data:

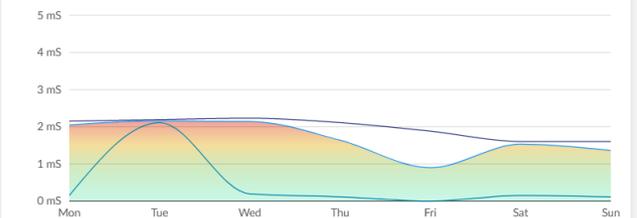
- Fresh water
- Process water
- Sensor data about the state of process water
- Functions driven by this sensor data
- ...



Water usage



Sensor data about the state of process water



Supply Chain “True North” – Next step production optimization

Consolidation of value streams



‘unmanned CarWash’

- ⇒ modular & standardized
- ⇒ customized

MQB Modularer Quer-Baukasten*

(modular cross construction kit)

⇒ “Face to the Customer”



Green Supply

- ⇒ modular & standardized
- ⇒ sustainable, efficient, aligned

MVT Modulare Versorgungstechnik

(modular supply technology)

⇒ “Back Office”



Plant Augsburg



Plant Nyraný



2

H1 2023 results



H1 2023 at a glance – 7.4% revenue growth in first half-year with significant 19.4% increase in EBIT

H1		H1 2023	H1 2022	Change	
				absolute	in %
Revenue	€m	236.2	220.0	16.2	7.4
EBIT	€m	15.4	12.9	2.5	19.4
EBIT margin	%	6.5	5.9	0.6	-
EBT	€m	14.0	12.6	1.4	11.1
Net income	€m	9.6	8.1	1.5	18.5
Number of Shares	units	13,382,324	13,382,324	0	0.0
Earnings per Share	€m	0.72	0.60	0.12	18.5
Free cash flow	€m	6.5	-2.5	9.0	360.0
Net cash outflow from investing activities	€m	12.3	2.2	10.1	459.1
Equity ratio	%	23.7	24.7	-1.0	-
Employees at reporting date	people	1,776	1,799	-23	-1.3

- **Positive revenue performance in all product areas**
WashTec generated revenue of €236.2m in the first six months of the year, once again a new record for a first half-year and a significant 7.4% increase in revenue compared to the prior year (€220.0m). In addition to the price rises that had been implemented and strong growth in the key account business, the chemicals business also contributed significantly to the positive performance with the acquisition of new customers.

- **Significant increase in EBIT**
As a result of the revenue growth and proactive cost management, EBIT in the first half of the year was €15.4m, significantly higher than in the prior year (€12.9m). The EBIT margin in the first six months improved to 6.5% (prior year: 5.9%).

- **Significant improvement in free cash flow**
Free cash flow improved to €6.5m in the first half of the year (prior year: €-2.5m) as a result of the improvements in earnings and in net operating working capital management. This positive outcome was achieved despite the €9.5m acquisition of the site occupied by the American subsidiary.

- **Guidance for full year 2023**
The WashTec Group confirms the guidance for fiscal year 2023.



Q2 2023 - 6.8% revenue growth in second quarter with significant 19.3% increase in EBIT

Q2		Q2 2023	Q2 2022	Change	
				absolute	in %
Revenue	€m	127.1	119.0	8.1	6.8
EBIT	€m	9.9	8.3	1.6	19.3
EBIT margin	%	7.8	7.0	0.8	-
EBT	€m	8.8	8.1	0.7	8.6
Net income	€m	6.2	5.8	0.4	6.9
Number of Shares	units	13,382,324	13,382,324	0	0.0
Earnings per Share	€m	0.46	0.43	0.03	6.9

- **Revenue growth continued in second quarter**

With revenue of €127.1m, WashTec also set a new record for a second quarter (prior year: €119.0m). The strong revenue growth resulted primarily from the chemicals business in Europe and the key account business in North America.

- **Significant improvement in EBIT**

WashTec achieved a significant 19.3% increase in EBIT to €9.9m in the second quarter (prior year: €8.3m), mainly due to extremely positive performance in the chemicals business. The EBIT margin increased to 7.8% (prior year: 7.0%), which is higher than both the prior-year quarter and Q1 2023.



Group revenue by product

Revenue by product, H1				
in €m	H1 2023	H1 2022	Change	
			absolute	in %
Equipment and service	196.8	185.4	11.4	6.1
Chemicals	36.7	31.6	5.1	16.1
Others	2.7	3.0	-0.3	-10.0
Total	236.2	220.0	16.2	7.4

- **Equipment and Service** revenue increased significantly compared to the first half of the prior year due to the passing on of price increases. The growth was mainly driven by a strong increase in business with major customers, while direct sales business remained stable.
- **Chemicals** revenue also developed very positively in the first six months, increasing by 16.1% year on year. Despite a weather-related fall in carwash volumes, significant revenue growth was achieved thanks to newly acquired customers.

Revenue by product, Q2				
in €m	Q2 2023	Q2 2022	Change	
			absolute	in %
Equipment and service	105.7	101.5	4.2	4.1
Chemicals	20.0	15.9	4.1	25.8
Others	1.4	1.5	-0.1	-6.7
Total	127.1	119.0	8.1	6.8



Group revenue by regions

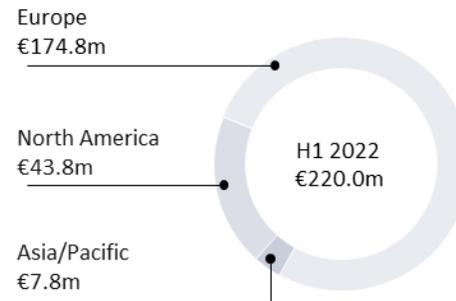
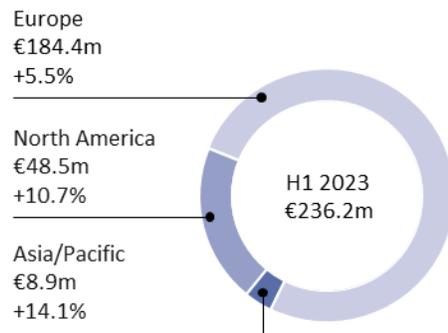
Revenue by regions, H1

in €m	H1 2023	H1 2022	Change	
			absolute	in %
Europe	184.4	174.8	9.6	5.5
North America	48.5	43.8	4.7	10.7
Asia/Pacific	8.9	7.8	1.1	14.1
Consolidation	-5.6	-6.4	0.8	-
Total	236.2	220.0	16.2	7.4

Revenue by regions, Q2

in €m	Q2 2023	Q2 2022	Change	
			absolute	in %
Europe	97.6	93.2	4.4	4.7
North America	27.0	25.5	1.5	5.9
Asia/Pacific	5.1	3.9	1.2	30.8
Consolidation	-2.7	-3.5	0.8	-
Total	127.1	119.0	8.1	6.8

Revenue by regions in €m*



*cross-segment consolidation effects are disregarded.
Percentage change from comparative period

- In the **Europe region**, revenue rose in the first six months by 5.5%, from €174.8m to €184.4m. That reflects 78.0% of overall revenue share. The revenue growth cuts across all customer and product groups, with the Chemicals business developing especially positively with double-digit growth.
- Revenue in **North America** was significantly higher in the first half-year than in the prior year, with an increase of 10.7% to €48.5m. The key account business was the main contributor to revenue growth in both the first six months and the second quarter. Due to higher acceleration rates revenue share of North America increase from 19.9% to 20.5%.
- In the **Asia/Pacific region**, revenue rose by 14.1% in the first half of the year to €8.9m (prior year: €7.8m).



Group EBIT by regions

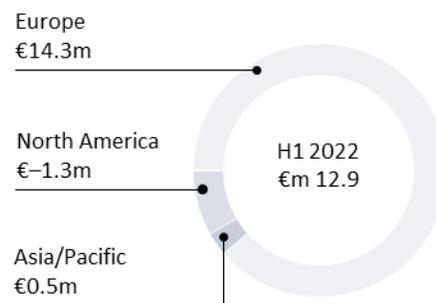
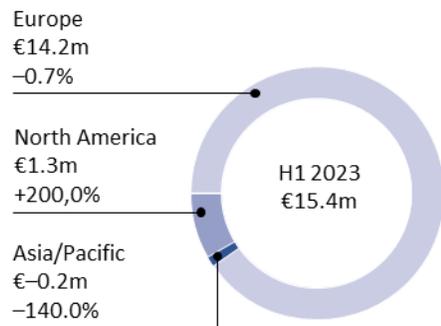
EBIT by regions, H1

in €m	H1 2023	H1 2022	Change	
			absolute	in %
Europe	14.2	14.3	-0.1	-0.7
North America	1.3	-1.3	2.6	200.0
Asia/Pacific	-0.2	0.5	-0.7	-140.0
Consolidation	0.1	-0.6	0.7	-
Total	15.4	12.9	2.5	19.4

EBIT by regions, Q2

in €m	Q2 2023	Q2 2022	Change	
			absolute	in %
Europe	8.3	9.9	-1.6	-16.2
North America	1.6	-1.0	2.6	260.0
Asia/Pacific	0.0	0.1	-0.1	-100.0
Consolidation	-0.1	-0.7	0.6	-
Total	9.9	8.3	1.6	19.3

EBIT by regions in €m*



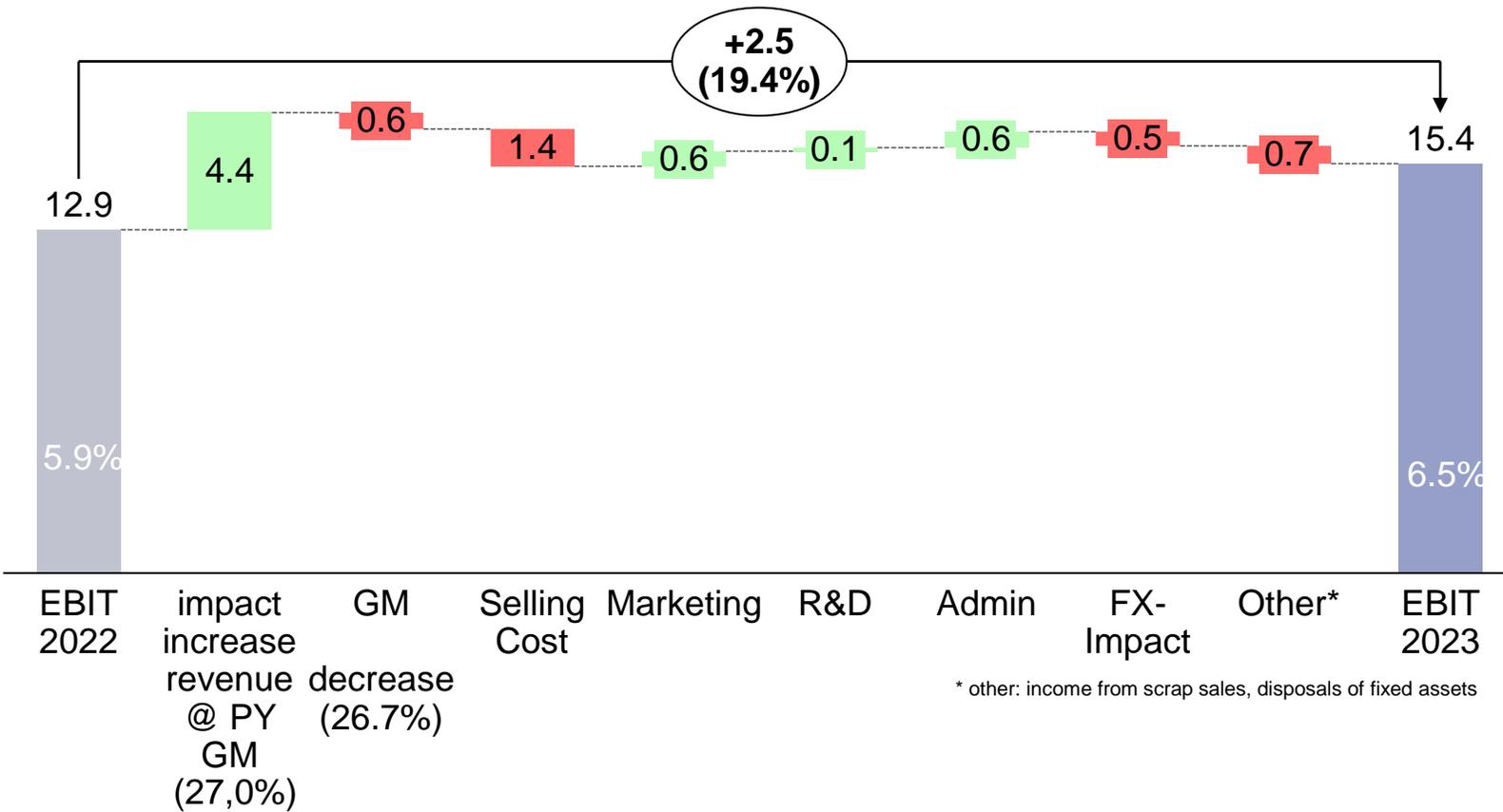
* cross-segment consolidation effects are disregarded.
Percentage change from comparative period

- Earnings in the **Europe region** over the first half year remained at the level of the prior year, while second-quarter earnings fell by €1.6m. Overall majority of EBIT still is created in Europe with an EBIT-Margin of H1/23 7.7% (H1/22: 8.2%) and in Q2/23 8.5% (Q2/22: 10.6%).
- The **North America region** recorded an EBIT of €1.3m in the first six months (prior year: loss of €1.3m). This positive development was mainly a result of effects of the efficiency programs launched in the first quarter.
- Following a loss in the first quarter, the **Asia/Pacific region** reached broken-even in the second quarter. The market in China remains challenging and the Company is reviewing its market approach there.



EBIT-Bridge H1 – EBIT recovery due to higher revenues and cost control

in €m

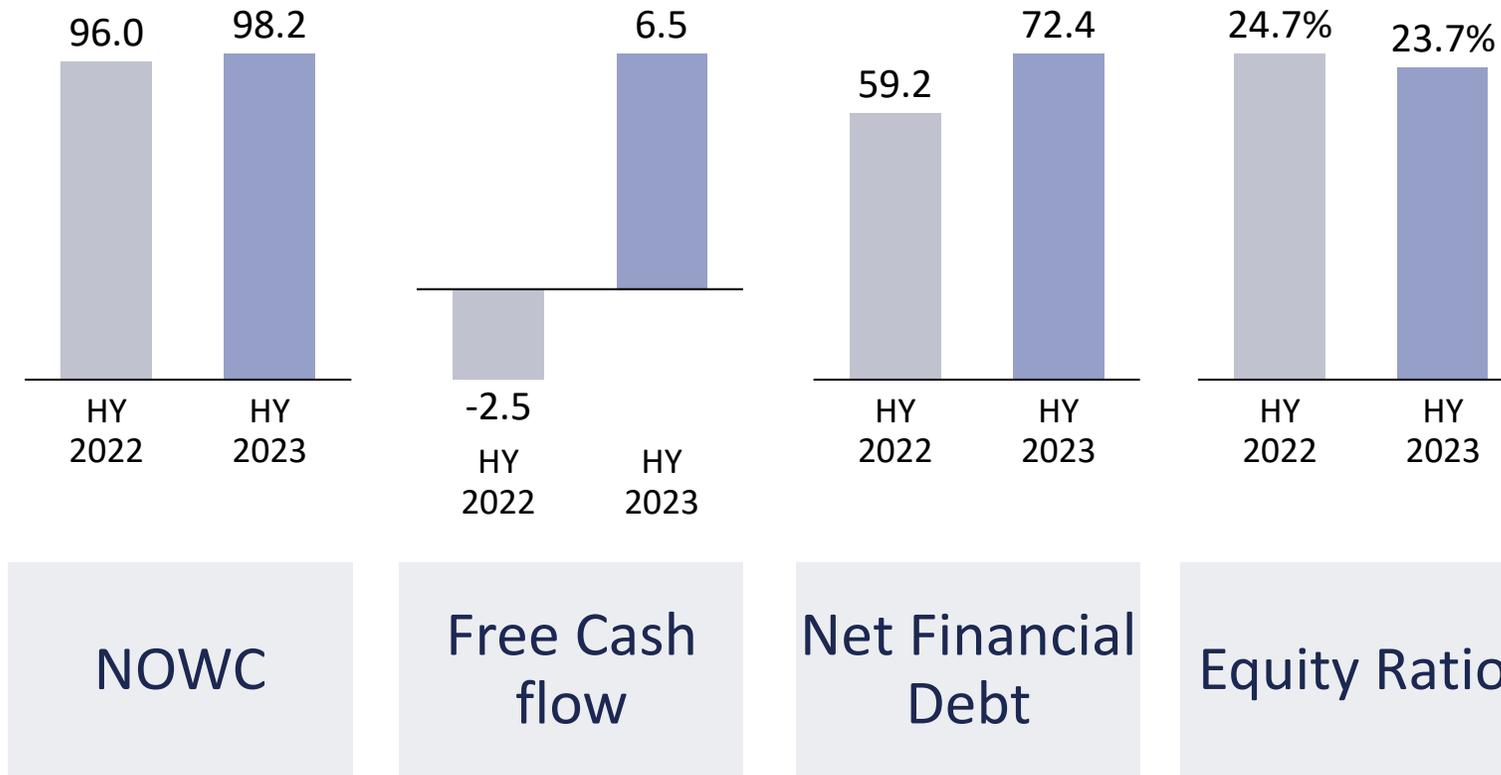


- **Gross profit** for the first six months increased to €63.1m (prior year: €59.3m) as a result of the revenue growth. The **gross profit margin** decreased slightly from 27.0% to 26.7% over the same period.
- **Selling expenses** increased by 2.6% in the first six month, from €31.1m to €31.9m. The main expense driver was outgoing freight, which was €1.5m higher due to price factors.
- Due to proactive cost management **administrative Expenses** were €0.6m lower. Ratio of administrative expenses to revenue was 3.8% (prior year: 4.4%).
- Overall **EBIT** for the first six months rose significantly by 19.4% to €15.4m (prior year: €12.9m). The **EBIT margin** for the first half year was 6.5% (prior year: 5.9%).



NOWC, Free Cashflow, Net Financial Debt, Equity Ratio – in good shape

in €m



- **Net Operating Working Capital** increased by 2.3% compared to H1/22, mainly due to lower trade payables. The decrease compared to the YE22 by € 7.0m is mainly attributable to the lower level of trade receivables. Inventory optimization is key, and is progressing according to plan.
- **Free Cash flow:** The cash inflow from operating activities increased in the first half year to €18.8m, mainly due to higher EBT and improvement in NOWC. The cash outflow from investing activities went up by €10.1m to €12.3m mainly due to the acquisition of the site occupied by the US subsidiary. This results in a Free cash flow €6.5m (prior year: €-2.5m)
- **Net Financial Debt** (cash and cash equivalents less financial liabilities) increased to €72.4m mainly due to financing of our US production facility in Q1/23
- **Equity Ratio** down by 1.0% to 23.7%. Higher half year earnings were offset here by the €29.4m dividend payment posted in the second quarter.



Guidance 2023

	2022	Guidance 2023
Revenue	482.2m€	similar level to the prior-year level +/-3%
EBIT	38.0m€	significant increase $\geq 10\%$
Free Cashflow	16.2m€	significant increase $\geq 10\%$
ROCE	20.2%	Significant improvement ≥ 1 percentage point





WashTec

CLEAN CARS®



Financial Calendar 2023

Date

November 2, 2023

Event

Quarterly statement Q1-3 2023

Event Calendar 2023

Date

November 27-29, 2023

Event

Equity Forum, Frankfurt



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