



Financial Statement
Q1–3 2018

Positive revenue and earnings development in the third quarter

- **Third quarter revenue up by 9.7% to €112.6m (prior year: €102.6m);**
Overall revenue (January to September) €312.7m, level with prior year (€312.5m) after residue of –9.6% in first quarter and –4.7% in first half-year period
- **EBIT in third quarter €14.9m, an improvement of 17.3% (prior year: €12.7m);**
EBIT (January to September) €33.2m still below prior year (€37.6m)
- **Double-digit year-on-year growth in orders received and order backlog as of September 30, 2018**
- **WashTec Group guidance for 2018 adjusted: due to delays on civil works, revenue growth of up to three percent with stable EBIT is expected for the full-year 2018**

Q1–3		Q1–3 2018	Q1–3 2017	Change absolute	Change in %
(rounding differences may occur)					
Revenue	€ m	312.7	312.5	0.2	0.1
EBITDA	€ m	40.6	44.9	–4.3	–9.6
EBIT	€ m	33.2	37.6	–4.4	–11.7
EBIT margin	in %	10.6	12.0	–1.4	–
EBT	€ m	32.7	37.2	–4.5	–12.1
Consolidated net income		21.3	26.2	–4.9	–18.7
Employees at reporting date	persons	1.875	1.812	63	3.5
Average number of shares	units	13,382,324	13,382,324	0	0
Earnings per share ¹	€	1.59	1.96	–0.37	–18.7
Free cash flow ²	€ m	2.2	11.0	–8.8	–80.0
Capital expenditure	€ m	6.3	8.3	–2.0	–24.1
Capital ratio at reporting date ³	in %	32.5	35.4	–2.9	–
ROCE	in %	26.1	32.3	–6.2	–

Q3		Q3 2018	Q3 2017	Change absolute	Change in %
(rounding differences may occur)					
Revenue	€ m	112.6	102.6	10.0	9.7
EBITDA	€ m	17.4	15.2	2.2	14.5
EBIT	€ m	14.9	12.7	2.2	17.3
EBIT margin	in %	13.2	12.3	0.9	–
EBT	€ m	14.7	12.5	2.2	17.6
Consolidated net income		9.9	8.8	1.1	12.5
Average number of shares	units	13,382,324	13,382,324	0	0
Earnings per share ¹	€	0.74	0.66	0.08	12.5

¹ Basic = diluted

² Net cash flow – net cash flows from investing activities

³ Equity capital/balance sheet total

Contents

Quarterly Statement for the period January 1 to September 30, 2018

Highlights and Key Figures	4
1. Overall revenue and earnings development	5
2. Report on economic position	6
2.1 Earnings	6
2.2 Net assets and financial position	8
3. Outlook, opportunities and risk report	8
3.1 Outlook	8
3.2 Opportunities and risks for group development	8
4. WashTec shares and investor relations	9
4.1 Share price performance	9
4.2 Shareholder structure	9

Selected Financial Information for the period January 1 to September 30, 2018

Consolidated Income Statement	11
Consolidated Balance Sheet	12
Consolidated Statement of Changes in Equity	13
Consolidated Cash Flow Statement	14
Consolidated Segment Reporting	15
Alternative Balance Sheet presentation for improved readability	16
Contact	17
Financial Calendar	17



Highlights and
Key Figures Q1-3 2018

Quarterly Report

1. Overall revenue and earnings development

Third quarter revenue growth of 9.7%

Revenue in the third quarter grew compared with the prior year (€102.6m) by a substantial 9.7% to €112.6m. On an exchange rate adjusted basis, revenue increased by 10.1% to €113.0m.

Revenue in the first nine months came to €312.7m, on a level with the prior year (€312.5m). Adjusted for exchange rate effects, revenue through to September increased by 1.7% to €317.8m. The first quarter revenue shortfall was thus fully made up as of September.

Orders received for the year in progress developed positively in the course of the third quarter. The order backlog as of September 30, 2018 showed double-digit growth on the prior year. The Company expects a pronounced positive business trend in the fourth quarter.

The chart below shows the sustained positive trend in revenue growth.

11.0% average revenue growth from 2014 to 2018

Revenue Q3 (in multi-year comparison) in € m, IFRS



EBIT improved at a faster pace than revenue, by 17.3% to €14.9m (prior year: €12.7m), with an EBIT margin of 13.2% (prior year: 12.3%).

At €33.2m, EBIT after nine months was still down on the prior year (€37.6m) due to the weaker first quarter.

The chart below shows the positive long-term trend in EBIT.

EBIT Q3 (in multi-year comparison) in € m, IFRS



26.1% average EBIT growth from 2014 to 2018

Under the banner “How to make more money with car wash”, WashTec presented profitable business ideas primarily for car dealerships at Automechanika, Frankfurt, in September 2018. As at this year’s UNITI expo in Stuttgart, the presentation centered on a range of innovations around clean cars, with the focus on digital solutions.

2. Report on economic position

2.1 Earnings

2.1.1 Earnings and expense items

EBIT margin 13.2% in third quarter

Earnings, Q1–3

in € m, IFRS (rounding differences may occur)	Q1–3 2018	Q1–3 2017	Change absolute	Change in %
Gross profit*	180.8	180.0	0.8	0.4
EBITDA	40.6	44.9	-4.3	-9.6
EBIT	33.2	37.6	-4.4	-11.7
EBT	32.7	37.2	-4.5	-12.1
Consolidated net income	21.3	26.2	-4.9	-18.7

* Revenue plus change in inventory minus cost of materials

Earnings, Q3

in € m, IFRS (rounding differences may occur)	Q3 2018	Q3 2017	Change absolute	Change in %
Gross profit*	64.2	59.8	4.4	7.4
EBITDA	17.4	15.2	2.2	14.5
EBIT	14.9	12.7	2.2	17.3
EBT	14.7	12.5	2.2	17.6
Consolidated net income	9.9	8.8	1.1	12.5

* Revenue plus change in inventory minus cost of materials

Due to an altered product and regional mix, the **gross profit margin** (relative to revenue) improved by 0.2 percentage points to 57.8% (prior year: 57.6%) in the first nine months.

Personnel expenses went up by €4.6m to €102.3m (prior year: €97.7m) as a result of the larger workforce compared with the prior-year period and collectively agreed pay increases. The Group had 63 more employees as of the reporting date than a year earlier, an increase of 3.5%.

Other operating expenses (including other taxes) rose by €1.0m to €43.7m (prior year: €42.7m), mostly because of higher trade fair expenditure, travel costs and consulting costs.

2.1.2 Revenue by regions and products

Revenue by regions, Q1–3

in € m, IFRS (rounding differences may occur)	Q1–3 2018	Q1–3 2017	Change absolute	Change in %
Europe	259.1	246.1	13.0	5.3
North America	49.4	61.9	-12.5	-20.2
Asia/Pacific	13.0	11.1	1.9	17.1
Consolidation	-8.7	-6.5	-2.2	-
Total Group	312.7	312.5	0.2	0.1

Revenue by regions, Q3

in € m, IFRS (rounding differences may occur)	Q3 2018	Q3 2017	Change absolute	Change in %
Europe	92.4	81.8	10.6	13.0
North America	18.6	18.4	0.2	1.1
Asia/Pacific	4.5	4.1	0.4	9.8
Consolidation	-2.8	-1.7	-1.1	-
Total Group	112.6	102.6	10.0	9.7

Revenue in Europe increased by 13.0% in the third quarter. In the first nine months, the region showed revenue growth of 5.3%, which is significantly higher than in the prior year.

In the North America region, orders from major customers had made for exceptional revenue growth in the first half of 2017. Third quarter revenue in the region this year was on a level with the prior year. The order backlog as of September 30, 2018 has almost doubled in size.

Revenue in the Asia/Pacific region increased by a substantial 9.8% in the third quarter. Starting from a low base, China continued to develop very positively.

Revenue by product, Q1–3

in € m, IFRS (rounding differences may occur)	Q1–3 2018	Q1–3 2017	Change absolute	Change in %
Equipment and Service	268.1	268.8	-0.7	-0.3
Chemicals	34.7	33.5	1.2	3.6
Operations business and others	10.0	10.2	-0.2	-2.0
Total Group	312.7	312.5	0.2	0.1

Revenue by product, Q3

in € m, IFRS (rounding differences may occur)	Q3 2018	Q3 2017	Change absolute	Change in %
Equipment and Service	99.7	90.0	9.7	10.8
Chemicals	9.9	9.6	0.3	3.1
Operations business and others	3.1	3.0	0.1	3.3
Total Group	112.6	102.6	10.0	9.7

As expected, Equipment and Service revenue in the third quarter was significantly higher than in the same period of the prior year, making this the main revenue driver.

The lower Chemicals revenue growth compared to the preceding quarters reflects the loss of a major chemicals customer in North America. WashTec continues to aim for sustained growth in Chemicals revenue, and North America is expected to contribute significantly in this regard.

2.1.3 Earnings by regions

EBIT by regions, Q1–3

in € m, IFRS (rounding differences may occur)	Q1–3 2018	Q1–3 2017	Change absolute	Change in %
Europe	36.7	32.9	3.8	11.6
North America	-2.9	4.8	-7.7	-
Asia/Pacific	-0.4	-0.2	-0.2	-
Consolidation	-0.2	0.1	-0.3	-
Total Group	33.2	37.6	-4.4	-11.7

EBIT by regions, Q3

in € m, IFRS (rounding differences may occur)	Q3 2018	Q3 2017	Change absolute	Change in %
Europe	14.9	10.9	4.0	36.7
North America	0.0	1.2	-1.2	-
Asia/Pacific	-0.1	0.2	-0.3	-
Consolidation	0.1	0.4	-0.3	-
Total Group	14.9	12.7	2.2	17.3

Third quarter earnings performance in Europe was very positive as a result of the substantial revenue growth. In the first to the third quarter, EBIT was up by 11.6% or €3.8m year-on-year.

The EBIT performance in North America in the first nine months was mainly a result of the lower revenue.

In the Asia/Pacific region, as reported at the end of the first half year, earnings were impacted by one-off expenses related to the optimization of distribution structures in Australia.

Movements in the US dollar-euro exchange rate had no material impact on operating earnings. Measurement of foreign currency-denominated assets and liabilities as of the reporting date had a €-0.4m impact on earnings (prior year: €-0.9m).

Very positive earnings performance in Europe in the third quarter

2.2 Net assets and financial position

Net operating working capital (trade receivables + inventories – trade payables – prepayments on orders) went up by €15.2m, from €86.7m as of December 31, 2017 to €101.9m, mainly as a result of an increased in finished goods to meet orders and, as already communicated in the first quarter report, a shift in the timing of prepayments.

The **cash inflow from operating activities (net cash flow)** decreased to €5.9m in the first nine months (prior year: €18.8m).

This mainly reflected the lower earnings in the first to the third quarter as well as prepayments of tax on investment income, long-term performance payments and lower prepayments on orders from major customers. With regard to the tax prepayments, the Company expects a refund in the fourth quarter. Net cash flow in the third quarter was down on the prior year.

The **cash outflow from investing activities** decreased as expected by €4.0m to €3.7m (prior year: €7.7m). For the year as a whole, the Company expects that capital expenditure will be lower than in the prior year.

Free cash flow (net cash flow – cash outflow from investing activities) decreased to €2.2m (prior year: €11.0m).

Overall, **cash and cash equivalents** decreased relative to December 31, 2017 by €32.7m to €–36.6m.

The contractual agreements for the refinancing of WashTec were signed in the third quarter of 2018. The previous financing arrangements were replaced by long-term bilateral agreements at the end of the third quarter of 2018.

3. Outlook, opportunities and risk report

3.1 Outlook

The company aims for full-year revenue growth of up to three percent with stable EBIT.

Order backlog as of September 30, 2018 was double-digit above the previous year. In particular, in the North America region order backlog has almost doubled in size. This increase is based on a balanced customer mix with a disproportionately high growth in direct business. However, the Company currently assumes that not all orders will still be realized in 2018, as there are delays on civil works. This also effects the EBIT.

The outlook for by far the most important region Europe (2017: 79 % revenue, 88 % EBIT) remains unchanged positive with a significant increase in revenue and EBIT.

In North America, due to the above-mentioned shifts a slight decrease in revenue is now expected and, as a result, a significantly decreasing EBIT. In Asia Pacific, revenue is expected to increase significantly with a balanced result.

The guidance given in the Annual Report 2017 for the remaining defined key figures Free Cash Flow and ROCE remains unchanged.

This outlook is subject to uncertainties.

3.2 Opportunities and risks for group development

The WashTec Group's risk management system is described in the Annual Report 2017. There have been no material changes in the risks described therein.

4. WashTec shares and investor relations

Management communicated with shareholders, journalists and the financial community on an ongoing basis throughout the first nine months of the year. In the course of its investor relations activity, Management took part in the Baader Bank Investment Conference in Munich at the end of September. Various investors also visited the Company in Augsburg.

4.1 Share price performance

Absolute record high share price of €83.80

The WashTec share price stood at €75.60 on September 28, 2018. This is 3.94% down on the prior year-end closing price of €78.70 on December 29, 2017. The SDAX has gained 0.162% since the beginning of the year. As of September 28, 2018, the share price was approximately 9.78% below its third quarter high. The third quarter high of €83.80 also marks an all-time record high for the WashTec share price to date.

WashTec AG is currently covered by Hauck & Aufhäuser, HSBC Trinkaus & Burkhardt, MM Warburg and Bankhaus Lampe. The price target given by all analysts is at least €71.00 and ranges up to €86.50 (as of September 2018).

4.2 Shareholder structure

WashTec AG received the following voting rights notification under the Securities Trading Act (Wertpapierhandelsgesetz/WpHG) in third quarter of 2018:

Fidelity Investment Trust, Boston, USA, notified WashTec AG that its share of the voting rights on September 12, 2018 had passed above the 3.00% notification threshold and was now 3.01%.

Shareholding in %	Sep 30, 2018
Axxion S.A.	9.99
Kempen Oranje Participaties N.V.	9.60
Alantra EQMC Asset Management, SGIIC, S.A.	7.43
Dr. Kurt Schwarz ¹	6.82
Investment AG für langfristige Investoren TGV	5.43
Paradigm Capital Value Fund ²	4.58
Treasury Shares	4.25
Diversity Industrie Holding AG	4.00
FMR LLC ³	3.35
Wellington Management Group LLP ⁴	3.03
Fidelity Investment Trust	3.01
Free float	38.51

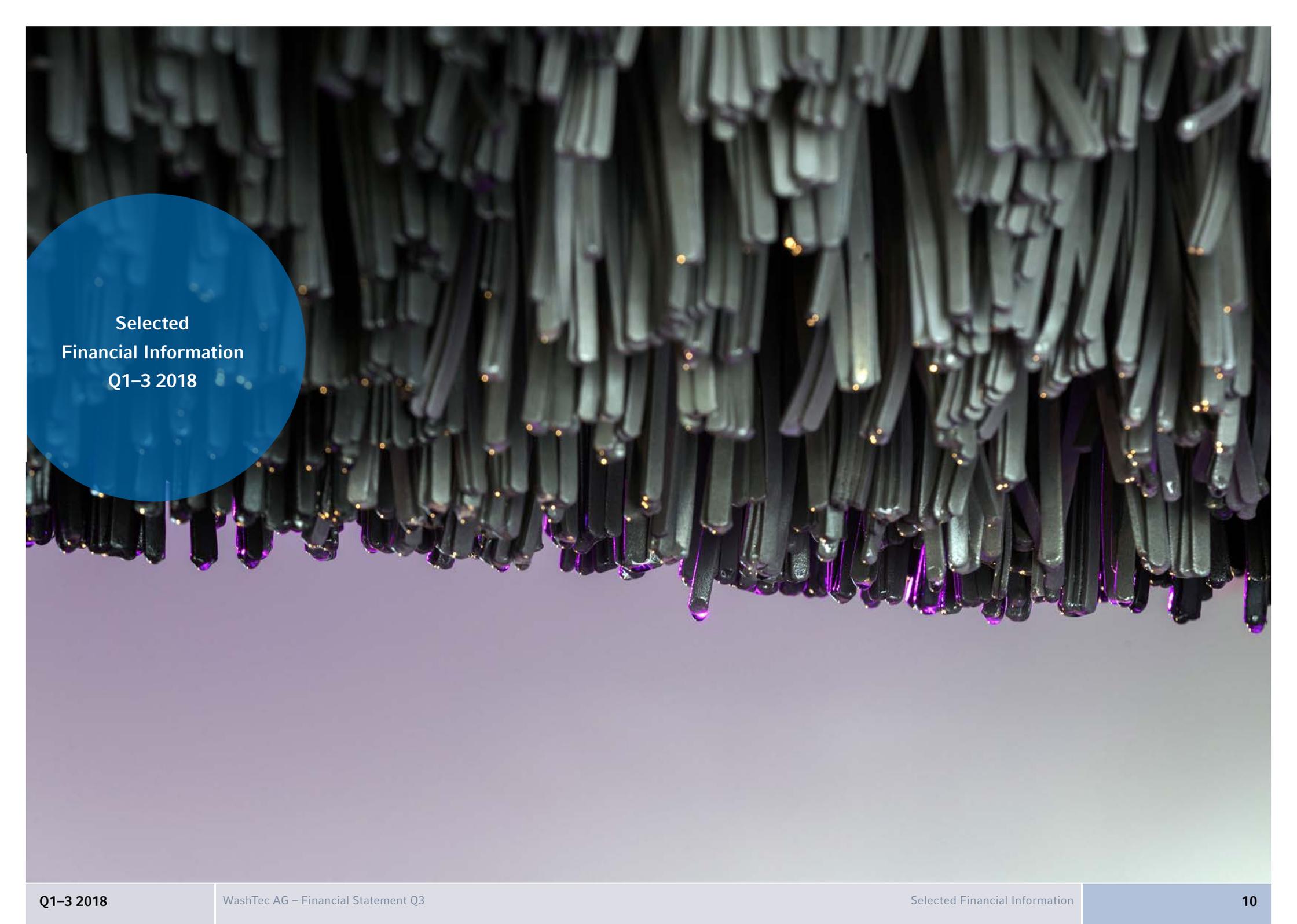
¹ Leifina GmbH & Co. KG et al.

² Carne Global Fund Managers (Luxembourg) S.A.

³ Fidelity Management & Research Company

⁴ Wellington Management Company LLP

Based on notifications made pursuant to the WpHG



Selected
Financial Information
Q1-3 2018

Consolidated Income Statement

in €k	Q1–3 2018	Q1–3 2017	Q3 2018	Q3 2017
Revenue	312,750	312,459	112,637	102,595
Other operating income	3,967	2,568	2,045	746
Capitalized development costs	1,805	2,768	480	1,040
Change in inventory	2,582	2,724	–459	361
Total	321,103	320,518	114,703	104,742
Cost of raw materials, consumables and supplies and of purchased material	106,925	107,042	37,680	34,100
Cost of purchased services	27,647	28,186	10,333	9,085
Cost of materials	134,572	135,229	48,013	43,185
Personnel expenses	102,250	97,691	34,563	32,363
Amortization, depreciation and impairment of tangible and intangible assets	7,357	7,286	2,453	2,486
Other operating expenses	43,085	42,020	14,687	13,822
Other taxes	603	656	69	219
Total operating expenses	287,866	282,881	99,785	92,074
EBIT	33,237	37,637	14,918	12,668
Financial income	50	39	46	26
Financial expenses	629	460	304	201
Financial result	–579	–421	–258	–175
EBT	32,658	37,216	14,660	12,493
Income taxes	11,334	10,989	4,745	3,671
Consolidated net income	21,324	26,226	9,915	8,822
Weighted average number of outstanding shares in units	13,382,324	13,382,324	13,382,324	13,382,324
Earnings per share (basic = diluted) in €	1.59	1.96	0.74	0.66

Rounding differences may occur.

Consolidated Balance Sheet*

Assets in €k	Sep30,2018	Dec31,2017	Equity and Liabilities in €k	Sep30,2018	Dec31,2017
Non-current assets			Equity		
Property, plant and equipment	38,332	40,603	Subscribed capital	40,000	40,000
Goodwill	42,312	42,312	<i>Contingent capital</i>	8,000	8,000
Intangible assets	10,699	9,423	Capital reserves	36,463	36,463
Trade receivables	8,378	9,024	Treasury shares	-13,177	-13,177
Other assets	642	593	Other reserves and currency translation effects	-5,209	-5,585
Deferred tax assets	3,713	3,922	Profit carried forward	3,137	-427
Total non-current assets	104,077	105,877	Consolidated net income	21,324	36,916
				82,538	94,191
Current assets			Non-current liabilities		
Inventories	50,164	40,847	Finance lease liabilities	2,478	2,150
Trade receivables	69,512	66,238	Provisions for pensions	10,048	10,247
Tax receivables	13,397	7,928	Other non-current provisions	3,892	3,927
Other assets	5,023	3,246	Other non-current liabilities	1,023	1,168
Cash and cash equivalents	11,584	9,786	Non-current contract liabilities	1,499	n/a
Total current assets	149,680	128,045	Deferred income	n/a	2,638
			Deferred tax liabilities	3,792	3,826
Total assets	253,756	233,922	Total non-current liabilities	22,731	23,956
			Current liabilities		
			Interest-bearing loans	48,207	13,726
			Finance lease liabilities	1,064	1,058
			Prepayments on orders	n/a	14,795
			Trade payables	16,469	14,612
			Tax provisions	6,210	5,752
			Other current liabilities	49,118	47,055
			Other current provisions	9,973	9,932
			Current contract liabilities	17,446	n/a
			Deferred income	n/a	8,846
			Total current liabilities	148,487	115,775
			Total equity and liabilities	253,756	233,922

Rounding differences may occur. *To improve legibility please see p. 16 for a presentation adjustment in Consolidated Balance Sheet.

Consolidated Statement of Changes in Equity

in €k	Number of shares (in units)	Subscribed capital	Capital reserves	Treasury shares	Other reserves and currency translation effects	Profit carried forward	Total
As of December 31, 2017	13,382,324	40,000	36,463	-13,177	-5,586	36,490	94,191
Adjustment as of January 1, 2018*						-566	-566
As of January 1, 2018	13,382,324	40,000	36,463	-13,177	-5,586	35,924	93,625
Income and expenses recognized directly in equity					428		428
Taxes on transactions recognized directly in equity					-51		-51
Dividend						-32,787	-32,787
Consolidated net income						21,324	21,324
As of September 30, 2018	13,382,324	40,000	36,463	-13,177	-5,209	24,461	82,538

in €k	Number of shares (in units)	Subscribed capital	Capital reserves	Treasury shares	Other reserves and currency translation effects	Profit carried forward	Total
As of January 1, 2017	13,382,324	40,000	36,463	-13,177	-3,550	27,677	87,412
Income and expenses recognized directly in equity					-1,789		-1,789
Taxes on transactions recognized directly in equity					132		132
Dividend						-28,103	-28,103
Consolidated net income						26,226	26,226
As of September 30, 2017	13,382,324	40,000	36,463	-13,177	-5,207	25,800	83,879

Rounding differences may occur. *Adjustment as of Jan 1, 2018 due to the first-time application of IFRS 9 Financial Instruments.

Consolidated Cash Flow Statement

in €k	Q1–3 2018	Q1–3 2017
EBT	32,658	37,216
Amortization, depreciation and impairment of tangible and intangible assets	7,357	7,286
Gain/loss from disposals of non-current assets	-950	-87
Other gains/losses	-666	598
Financial income	-50	-39
Financial expenses	629	460
Movements in provisions	-171	-120
Income tax paid	-16,236	-17,676
Gross cash flow	22,572	27,638
Increase/decrease in trade receivables	-2,948	-8,885
Increase/decrease in inventories	-9,035	-8,870
Increase/decrease in trade payables	1,768	2,641
Increase/decrease in prepayments on orders	-5,139	3,598
Increase/decrease in net operating working capital	-15,354	-11,516
Changes in other net working capital	-1,333	2,652
Net cash flow from operating activities	5,885	18,774
Purchase of property, plant and equipment (excluding finance leases)	-6,320	-8,331
Proceeds from sale of property, plant and equipment	2,606	591
Net cash flow from investing activities	-3,714	-7,740
Free cash flow	2,171	11,034
Dividend paid	-32,787	-28,103
Interest received	50	39
Interest paid	-598	-407
Repayment of finance lease liabilities	-1,206	-998
Net cash flow from financing activities	-34,541	-29,469
Net increase/decrease in cash and cash equivalents	-32,372	-18,435
Net foreign exchange difference	-311	-94
Cash and cash equivalents at January 1	-3,941	-1,504
Cash and cash equivalents at September 30	-36,624	-20,034
Composition of cash and cash equivalents for cash flow purposes:		
Cash and cash equivalents	11,584	7,661
Interest-bearing loans	-48,207	-27,695
Cash and cash equivalents at September 30	-36,624	-20,034

Rounding differences may occur.

Consolidated Segment Reporting

Q1–3 2018 in €k	Europe	North America	Asia/ Pacific	Conso- lidation	Group
Revenue	259,070	49,418	12,959	-8,697	312,750
with third parties	250,526	49,265	12,959	0	312,750
with other divisions	8,544	153	0	-8,697	0
EBIT	36,735	-2,933	-407	-158	33,237
EBIT margin (in %)	14.2	-5.9	-3.1	-	10.6
Financial income					50
Financial expenses					629
EBT					32,658
Income taxes					11,334
Consolidated net income					21,324

Q1–3 2017 in €k	Europe	North America	Asia/ Pacific	Conso- lidation	Group
Revenue	246,068	61,855	11,070	-6,534	312,459
with third parties	239,644	61,745	11,070	0	312,459
with other divisions	6,424	109	0	-6,534	0
EBIT	32,895	4,785	-157	114	37,637
EBIT margin (in %)	13.4	7.7	-1.4	-	12.0
Financial income					39
Financial expenses					460
EBT					37,216
Income taxes					10,989
Consolidated net income					26,226

Rounding differences may occur.

Alternative Balance Sheet presentation for improved readability

Assets in €k	Sep30,2018	Dec31,2017
Non-current assets		
Property, plant and equipment	38,332	40,603
Goodwill	42,312	42,312
Intangible assets	10,699	9,423
Trade receivables	8,378	9,024
Other assets	642	593
Deferred tax assets	3,713	3,922
Total non-current assets	104,077	105,877
Current assets		
Inventories	50,164	40,847
Trade receivables	69,512	66,238
Tax receivables	13,397	7,928
Other assets	5,023	3,246
Cash and cash equivalents	11,584	9,786
Total current assets	149,680	128,045
Total assets	253,756	233,922

Equity and Liabilities in €k	Sep30,2018	Dec31,2017
Equity		
Subscribed capital	40,000	40,000
<i>Contingent capital</i>	<i>8,000</i>	<i>8,000</i>
Capital reserves	36,463	36,463
Treasury shares	-13,177	-13,177
Other reserves and currency translation effects	-5,209	-5,585
Profit carried forward	3,137	-427
Consolidated net income	21,324	36,916
	82,538	94,191
Non-current liabilities		
Finance lease liabilities	2,478	2,150
Provisions for pensions	10,048	10,247
Other non-current provisions	3,892	3,927
Other non-current liabilities	1,023	1,168
Non-current contract liabilities	1,499	2,638
Deferred tax liabilities	3,792	3,826
Total non-current liabilities	22,731	23,956
Current liabilities		
Interest-bearing loans	48,207	13,726
Finance lease liabilities	1,064	1,058
Trade payables	16,469	14,612
Tax provisions	6,210	5,752
Other current liabilities	49,118	49,741
Other current provisions	9,973	9,932
Current contract liabilities	17,446	20,955
Total current liabilities	148,487	115,775
Total equity and liabilities	253,756	233,922

Rounding differences may occur.



Financial Statement Q1-3 2018

Contact

WashTec AG
Argonstrasse 7
86153 Augsburg

Phone +49 821 5584-0
Fax +49 821 5584-1135
www.washtec.de
washtec@washtec.de

Financial Calendar

Nov 26-28, 2018	Equity Capital Forum, Frankfurt
March 20, 2019	Annual Report 2018
April 29, 2019	Q1 2019 Report
April 29, 2019	Annual General Meeting 2019