



Annual report 2020 | March 31, 2021

Dr. Ralf Koeppel | CEO
Dr. Kerstin Reden | CFO
Stephan Weber | CSO



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- 2 | Update on WashTec Digitalization, Innovation & Culture
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COVID-19 Pandemic

Health and safety of our employees and securing business continuation is our priority No 1

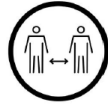


- Secured financing of our business and tight cost control
- Secured supply and maintaining high flexibility of production output by additional efforts in forecast and preparation.
- Implementation of all relevant safety measures: **Currently implementing a self-test strategy for employees in company plants.**

Together against Corona



Wear a mask



Keep your distance

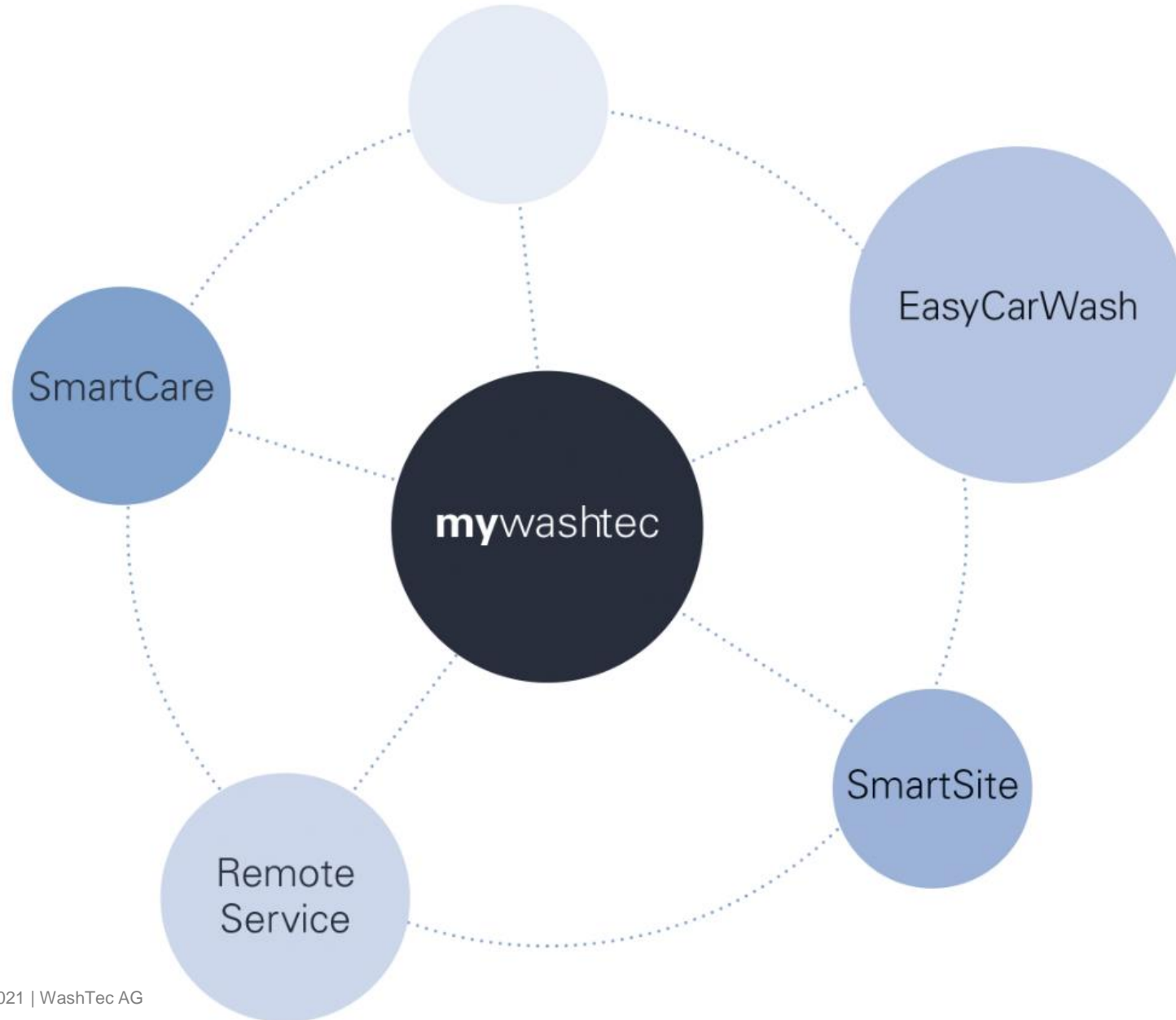


Restrict contact

- Reduced travel, home office
- Digital office and white boards
- Weekly communication of Board: with Management team and country units
- Leadership: convey trust, execute agile execute agile process for remote teams
- International task force teams



WashTec – Digital Transformation



WashTec – Digital Transformation



SmartCare

- RemoteAccess
- RemoteMonitoring
- RemoteDiagnosis
- RemoteAssist
- RemoteControl

SmartSite

- Maximum comfort
- Automatic incident report
- Saving resources
- Higher operational reliability
- Cost control

EasyCarWash

- Higher washing frequency
- More comfort
- Marketing support
- Increase wash business and profit
- Less dependence on the weather



WashTec Innovation – Contribution to Sustainability

Product line based on renewable raw materials from sustainable cultivation



Green Car Care

- Reduction of consumption to the necessary
- Optimized use of materials and energy
- Nature-compatible material cycles



Digital and agile ways of working – transforming to a new normal



7 Strategic initiatives

- Operational Excellence
- Digital Transformation
- Products and Solutions
- Leadership and Spirit
-

Epics of Leadership & Spirit Team



Agile Teams

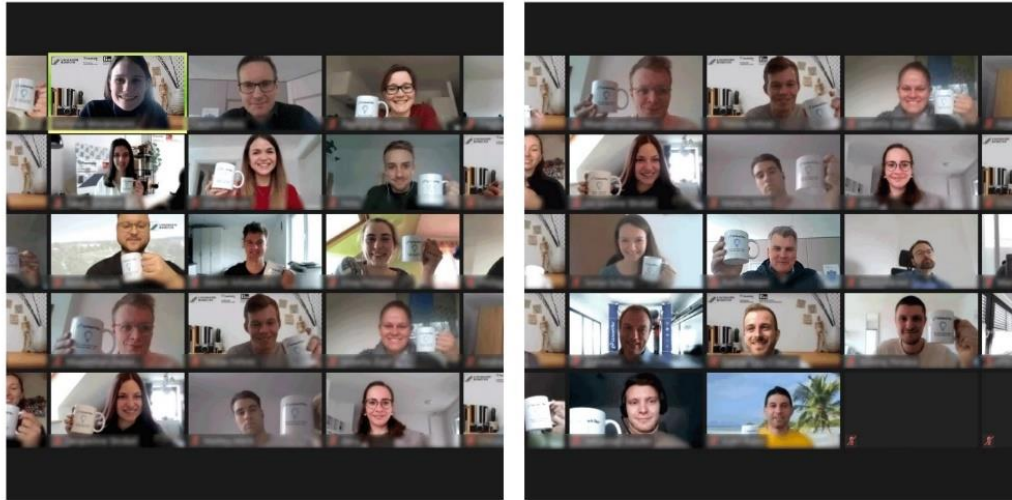
- Cross-divisional
- Cross-hierarchical
- International
-

WashTec AG has passed the "Quick Check NewWork" of the Bavarian Employers' Associations for the Metalworking and Electrical Industries with great success



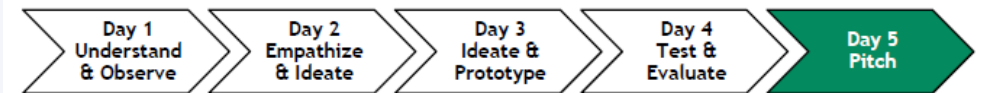
Ideation Week 2021 – The future of car wash

Working with 25 future digital leaders on the transformation of car wash industry



Hackathon of Business Ideas and Models

- 25 students at the University of Bayreuth, the University of Augsburg and University of Applied Sciences Augsburg
- Collaboration with highly motivated students of different disciplines
- Board and employees of WashTec as mentors
- Design Sprint / Design Thinking / Rapid Prototyping of Ideas



3 | Financials – Annual Report 2020



2020 at a glance – year defined by the global COVID-19 crisis

Results significantly affected by the pandemic

Q4 better than expected

Positive earnings due to strict cost control and successful restructuring of the NA business

Strong cash flow generation

Revenue

€ 378.7 m down 13.2%

Adjusted EBIT

€ 25.6 m down 33.0%

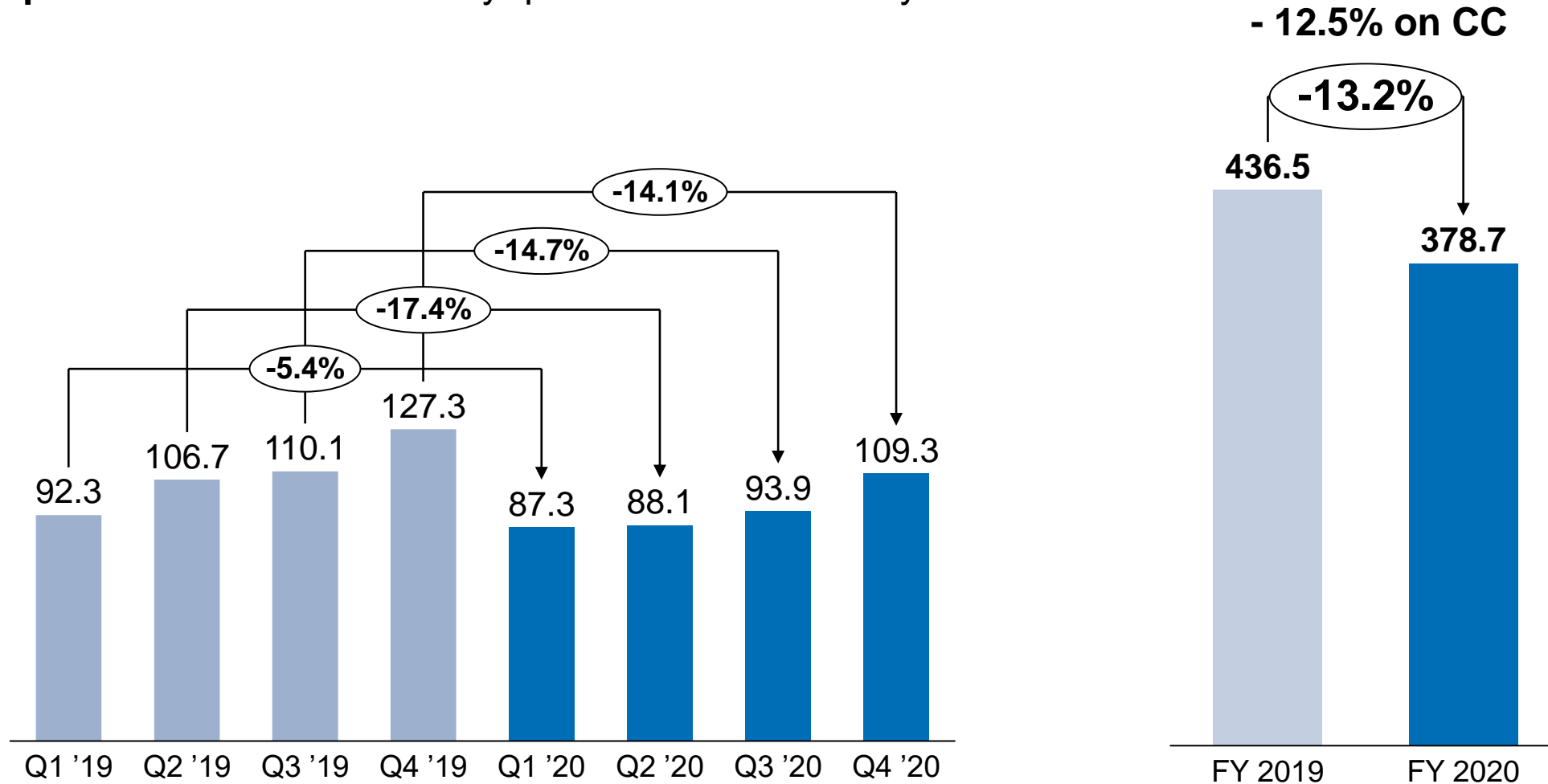
FCF after lease payments

€ 36.9m up > 5 X



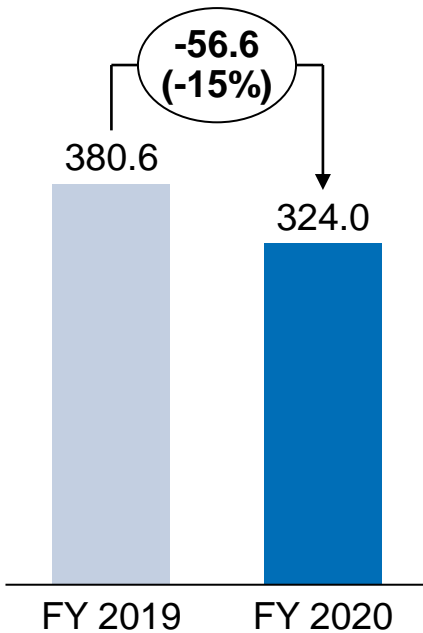
Q4 revenue from direct business was on PY level while Key Accounts remained reluctant to invest; FY 2020 adjusted guidance was exceeded

Revenue performance in € million by quarter and for the full year

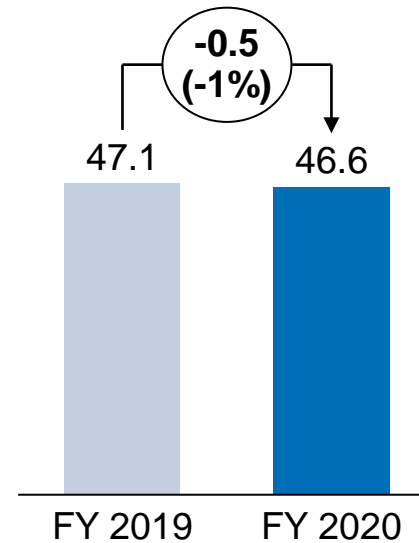


Revenue decline was driven by less revenue from equipment & service

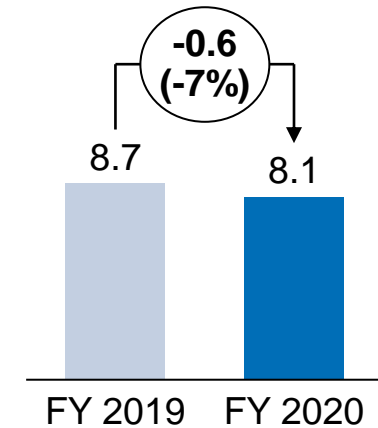
Equipment and service



Chemicals

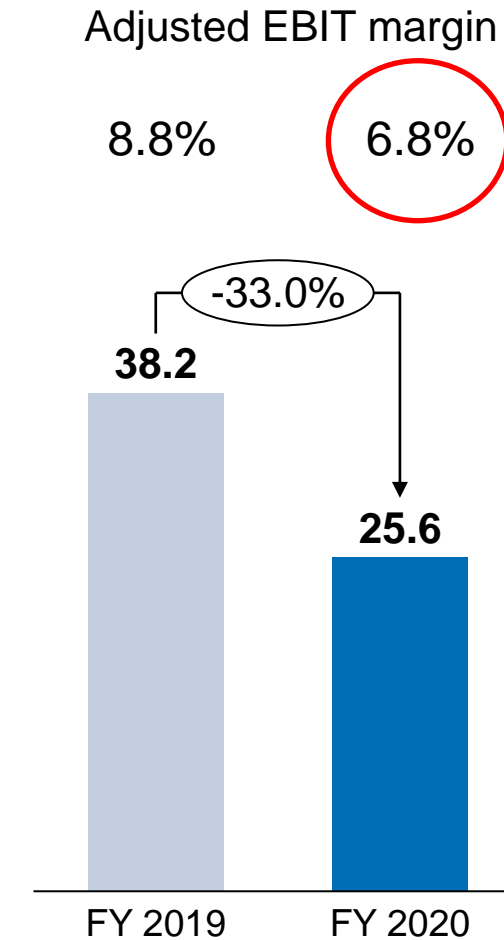
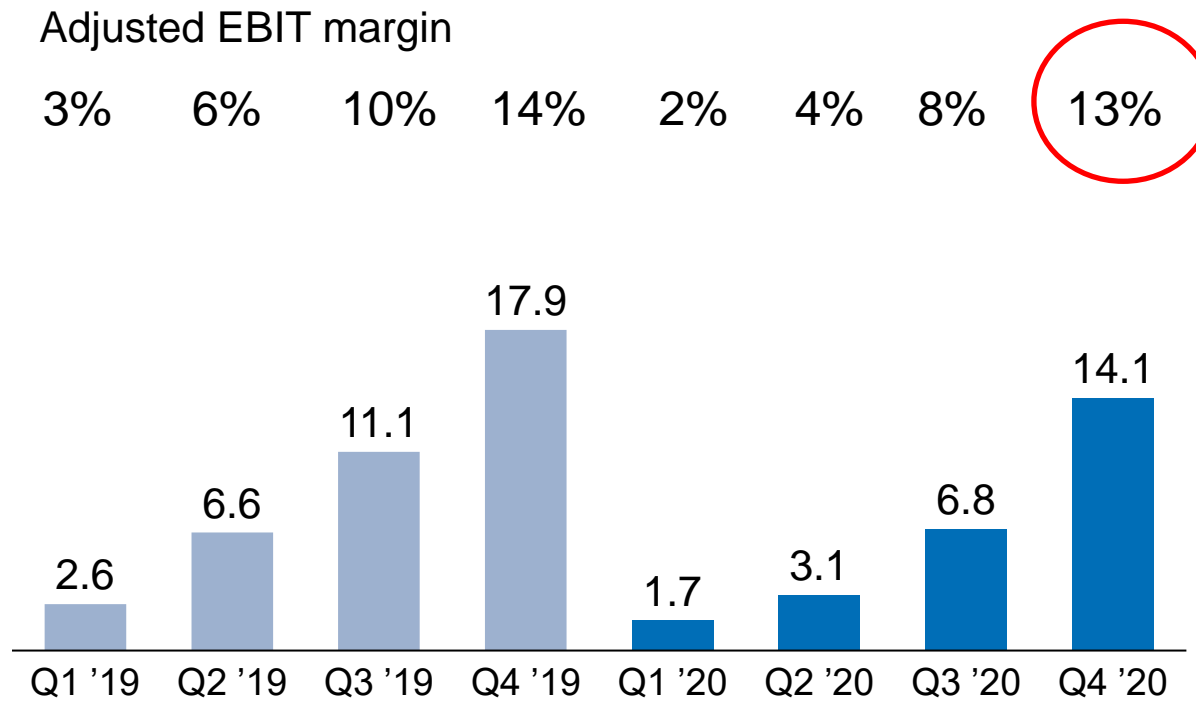


Carwash management business and others

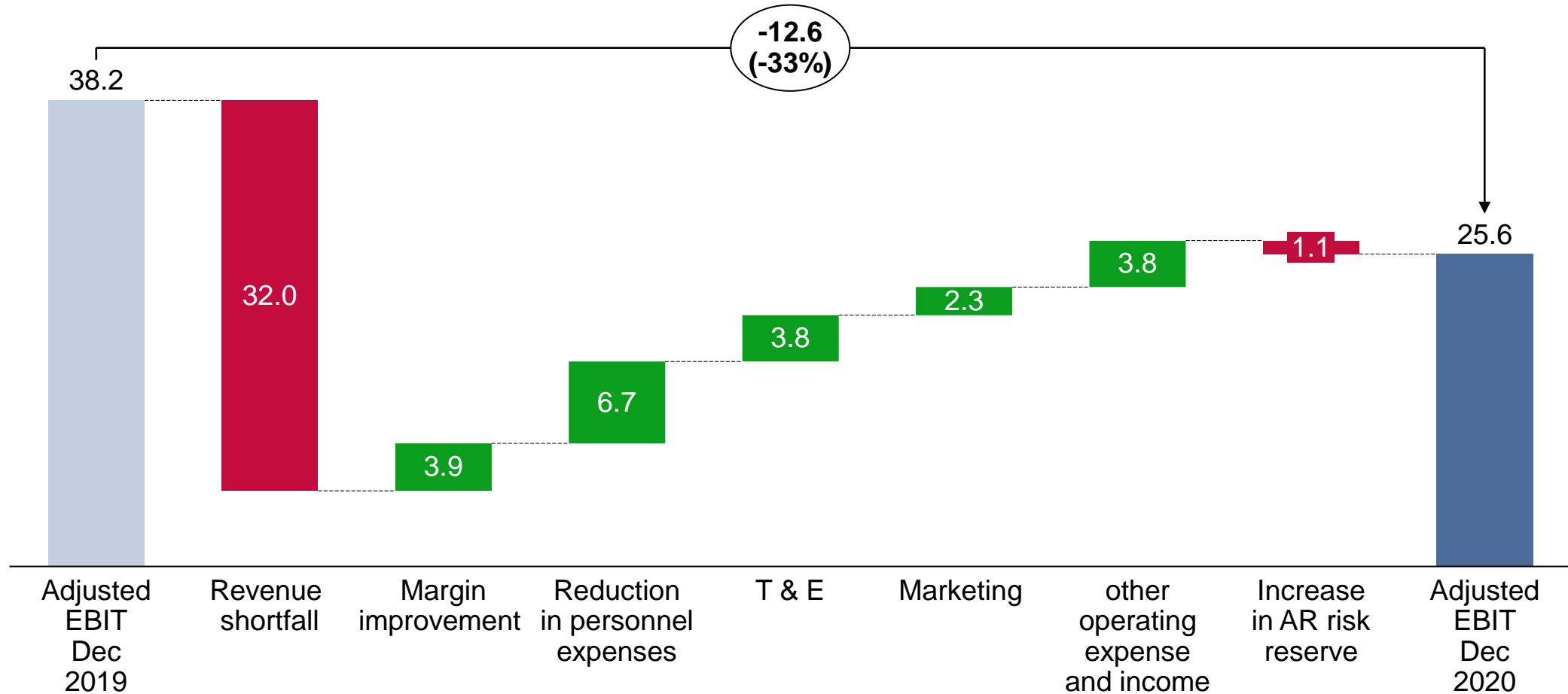


Adjusted Q4 EBIT margin was with 13% close to PY level despite significant lower revenue level

Adjusted EBIT performance in € million by quarter and for the full year



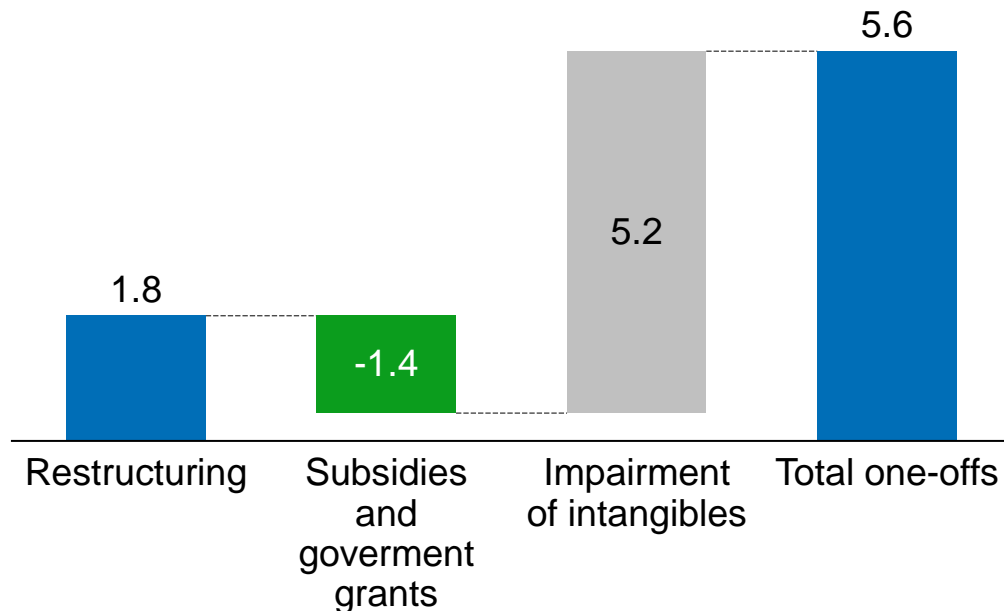
Cost reductions in personnel expenses and other operating cost partly offset shortfall in revenue



HC decreased 82 on average and by 104 between reporting dates



One-off items in 2020 relate to impairment of intangibles and restructuring offset against income from subsidies and government grants



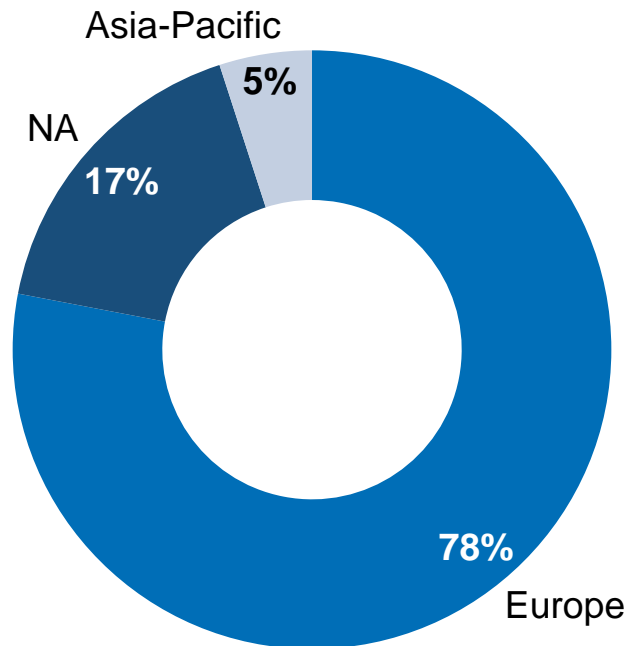
- Impairment of intangible assets relates to pandemic-driven reduction of projected units to be sold. Expected savings were impacted by negative FX development.
- Personnel expenses include restructuring cost driven by the transformation of the R&D department and further measures. Gains from subsidies and grants from governments to mitigate the impact of the crisis were offset against personnel expenses, thereof €0.4m in Europe, €0.3m in NA and € 0.7m in Asia-Pacific



Both Europe and NA hit by investment reluctance of Key Accounts

Recovery of direct business during the second half of the year

Revenue by region

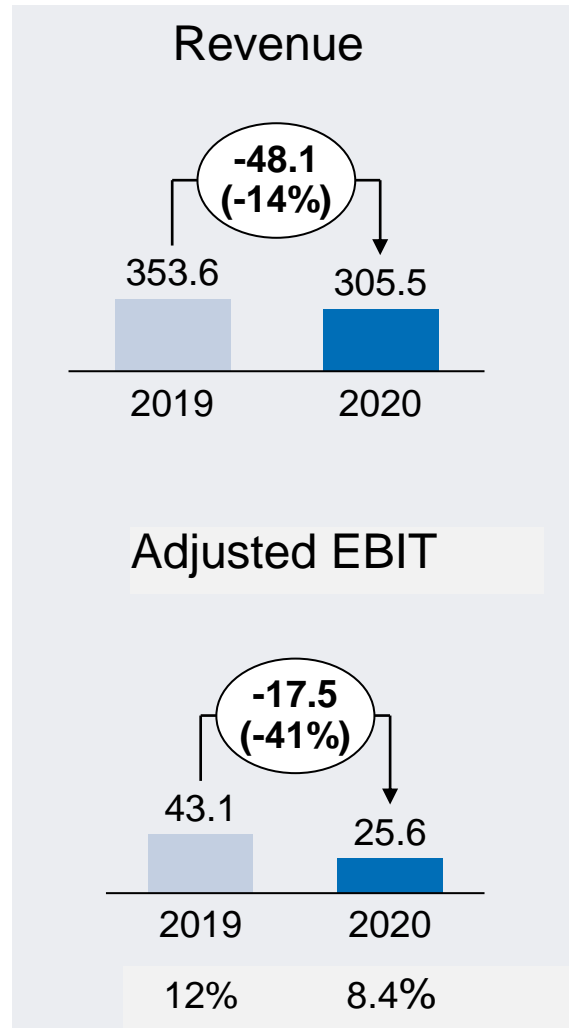


- Europe: Revenue development in direct business stabilized towards the end of 2020. Key Accounts significantly down YoY
- NA: Heavily hit by investment freeze by Key Accounts. Direct business slightly up vs. PY
- Asia-Pacific: Positive development in Australia. Challenging market conditions in China

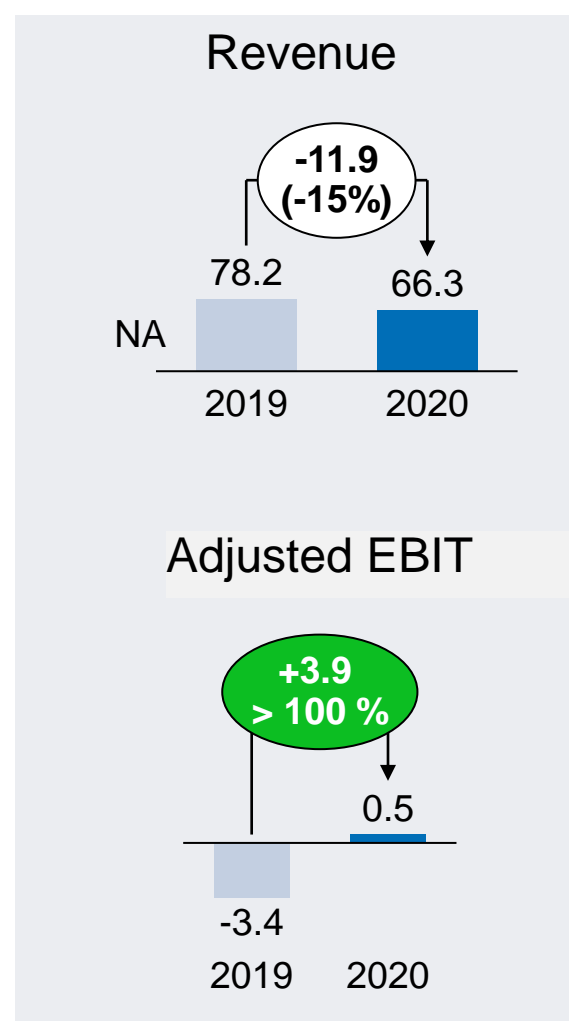


Successful restructuring in the US, Europe significantly hit by pandemic

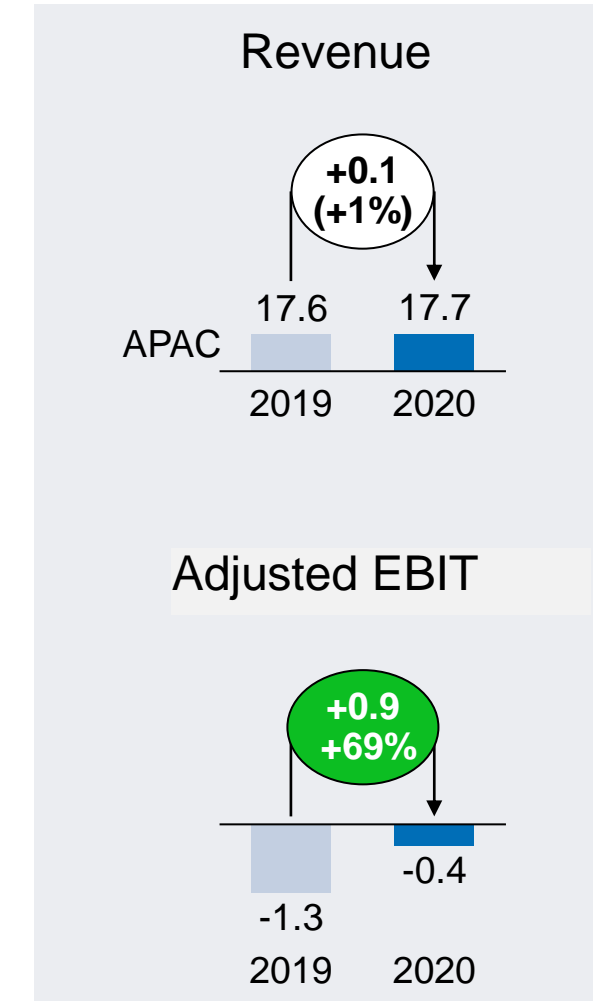
Europe



North America



Asia Pacific

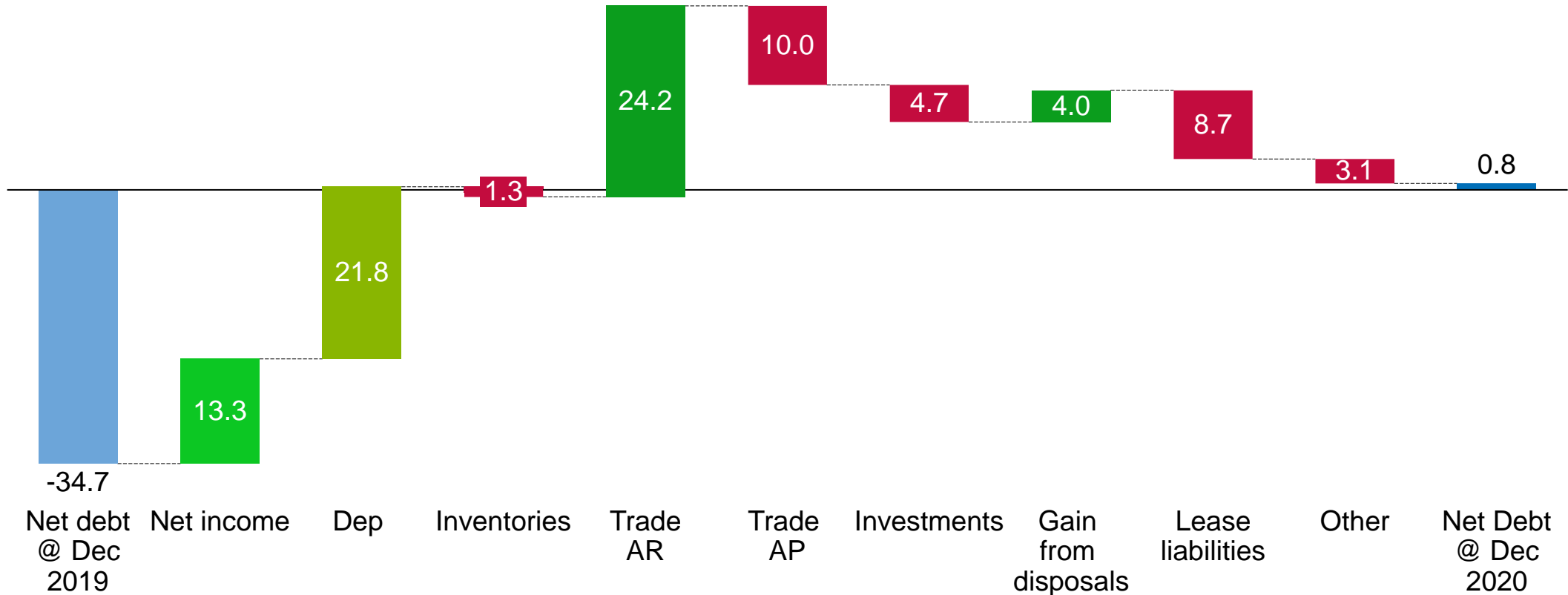


Turnaround from negative into positive cash position towards the end of the year

	2019	2020	Δ
Cashflow from operating activities	21.8	46.3	24.5
Cashflow from investing activities	-6.8	-0.7	6.1
Finance lease	-8.6	-8.7	-0.1
FCF after lease payments	6.4	36.9	30.5
Cashflow from financing activities	-33.4	-0.8	32.6
FX	-0.6	-0.6	0.0
Change in cash & cash equivalents	-27.6	35.5	63.1
Cash and cash equivalent	12.4	19.9	7.5
Bank liabilities	-47.1	-19.1	28
Net debt / cash position	-34.7	0.8	35.5



Reduction in trade receivables as major driver of positive development in cashflow from operating activities

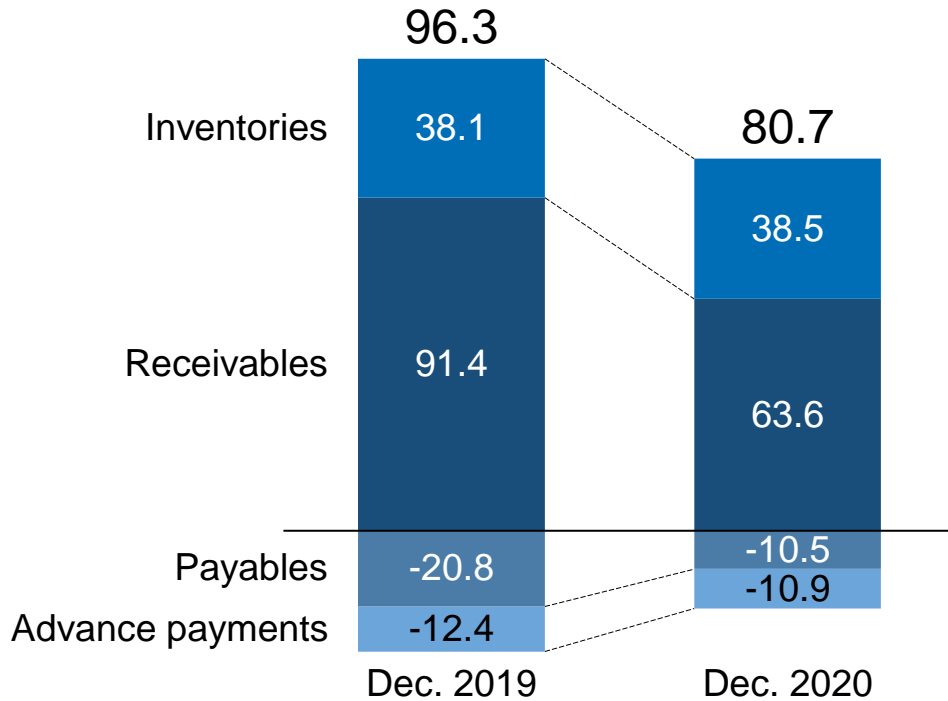


Cash position includes € 2.9m funds received from US PPP program

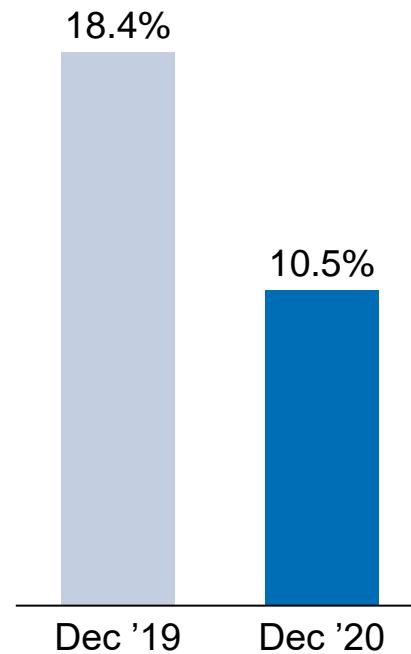


Decrease in NOWC results from decline in business and in particular from reduction in receivables; ROCE impacted by lower EBIT; increase in equity ratio due to suspension of dividend

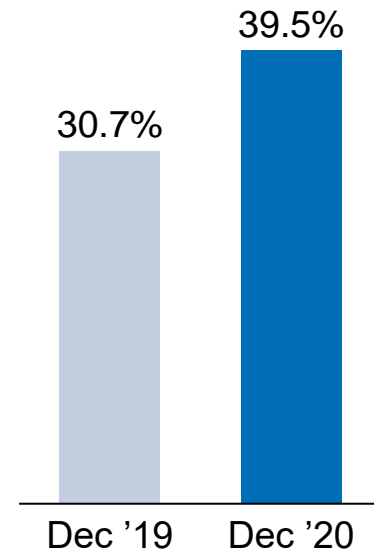
NOWC



ROCE



Equity Ratio



Guidance 2021 – continuing impact of pandemic on business performance; EBIT and cost positively impacted by efficiency measures taken

	2020	Guidance 2021*
Revenue	€ 378.7m	stable
EBIT	€ 20.1m	significant increase
FCF after lease payments	€ 36.9m	significant decrease
ROCE	10.5%	significant increase

* **stable** < 3 %; **slight** ≥ 3 – < 5; **significant** ≥ 5 %





WashTec

CLEAN CARS®



Financial Calendar 2021

March 31, 2021	Annual Report 2020
April 28, 2021	Quartely statement Q1 2021
May 18, 2021	Annual General Meeting 2021
July 28, 2021	Q2 Report 2021
October 27, 2021	Quartely statement Q1 - 3 2021
November 22 – 24, 2021	Equity Forum, Frankfurt



Q 4 results by region

	2019	2020	Δ
Europe			
Revenue	97.2	88.6	-9%
EBIT	13.5	5.3	-61%
EBIT margin in %	14%	6%	-8%
North America			
Revenue	28.7	18.2	-37%
EBIT	2.3	1.7	-26%
EBIT margin in %	8%	9%	1%
Asia Pacific			
Revenue	5.3	4.3	-19%
EBIT	0.2	0.2	0%
EBIT margin in %	4%	5%	1%
Total			
Revenue	127.3	109.3	-14%
EBIT	16.0	7.6	-53%
EBIT margin in %	13%	7%	-6%

	2019	2020	Δ
Europe			
Revenue	97.2	88.6	-9%
Adjusted EBIT	15.4	12.3	-20%
Adjusted EBIT margin in %	16%	14%	-2%
North America			
Revenue	28.7	18.2	-37%
Adjusted EBIT	2.3	1.6	-30%
Adjusted EBIT margin in %	8%	9%	1%
Asia Pacific			
Revenue	5.3	4.3	-19%
Adjusted EBIT	0.2	-0.2	-200%
Adjusted EBIT margin in %	4%	-5%	-8%
Total			
Revenue	127.3	109.3	-14%
EBIT	17.9	14.1	-21%
EBIT margin in %	14%	13%	-1%



Condensed Income Statement WashTec Group

In €m Rounding differences may occur	2020	2019	Change	
			absolute	in %
Revenue	378.7	436.5	-57.8	-13.2
Cost of materials (including change in inventory)	165.2	194.9	-29.7	-15.2
Other operating income (including capitalized development costs)	6.2	5.6	0.6	10.7
Personnel expenses*	133.2	139.9	-6.7	-4.8
Other operating expenses* **	44.2	52.5	-8.3	-15.8
Depreciation and amortization*	16.6	16.5	0.1	0.6
Adjusted EBIT	25.6	38.2	-12.6	-33.0
Adjusted EBIT margin in %	6.8	8.8	-2.0	-
One-off expenses	5.6	1.9	3.7	-
EBIT	20.1	36.3	-16.2	-44.6
EBIT margin in %	5.3	8.3	-3.0	-
Financial result	-1.3	-0.6	-0.7	-116.7
EBT	18.8	35.7	-16.9	-47.3
Taxes	5.5	13.4	-7.9	-59.0
Net income	13.3	22.3	-9.0	-40.4
Earnings per share	0.99	1.66	-0.67	-40.4

* Excluding one-off expenses

** Including expense from impairments of trade receivables and other taxes



Condensed Balance Sheet WashTec Group

Rounding differences may occur, €m	Dec 31, 2020	Dec 31, 2019
Non-current assets (incl. right-of-use assets)	95.7	109.3
Receivables and other assets	85.4	111.4
Inventories	38.5	38.1
Deferred tax assets	4.6	3.7
Cash and cash equivalents	19.9	12.4
Equity	96.2	84.5
Interest-bearing loans	19.1	47.1
Other liabilities and provisions	108.7	116.9
of which provisions (including income taxes)	28.9	29.4
of which trade payables	10.5	20.8
Contract liabilities	18.9	21.9
Deferred tax liabilities	1.0	4.5
Balance sheet total	244.0	274.9



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