



Financial Statement Q1–3 2020 **Smart Intelligence**

Further noticeable impact of COVID-19 pandemic in third quarter, nevertheless slightly lower than in the second quarter

- **Revenue:**
 - €269.3m year-to-date down 12.9% year-over-year (prior year: €309.1m)
 - €93.9m in third quarter down 14.7% year-over-year (prior year: €110.1m)
- **EBIT**
 - €12.5m year-to-date (prior year: €20.3m)
 - €7.3m in third quarter (prior year: €11.1m)
- Free cash flow increased to €25.1m (prior year: €-0.5m)
- Operating costs reduced by 9.9% year-over-year (excluding foreign currency effects)
- Full-year guidance confirmed: 15–20% lower revenue and EBIT margin of 3–5%

Q1–3

rounding differences may occur		Q1–3 2020	Q1–3 2019	Change	
				absolute	in %
Revenue	€m	269.3	309.1	-39.8	-12.9
EBIT	€m	12.5	20.3	-7.8	-38.4
EBIT margin	in %	4.6	6.6	-2.0	-
EBT	€m	11.9	19.9	-8.0	-40.2
Net income	€m	7.4	11.6	-4.2	-36.2
Employees at reporting date	persons	1,767	1,888	-121	-6.4
Number of shares	units	13,382,324	13,382,324	0	0
Earnings per share	€	0.55	0.87	-0.32	-36.2
Free cash flow	€m	25.1	-0.5	25.6	-
Capital expenditure	€m	2.6	6.1	-3.5	-57.4
Equity ratio	in %	35.5	27.4	8.1	-
ROCE	in %	14.4	19.8	-5.4	-

Q3

rounding differences may occur		Q3 2020	Q3 2019	Change	
				absolute	in %
Revenue	€m	93.9	110.1	-16.2	-14.7
EBIT	€m	7.3	11.1	-3.8	-34.2
EBIT margin	in %	7.8	10.1	-2.3	-
EBT	€m	7.1	11.0	-3.9	-35.5
Net income	€m	5.3	7.3	-2.0	-27.4
Number of shares	units	13,382,324	13,382,324	0	0
Earnings per share	€	0.39	0.54	-0.15	-27.4

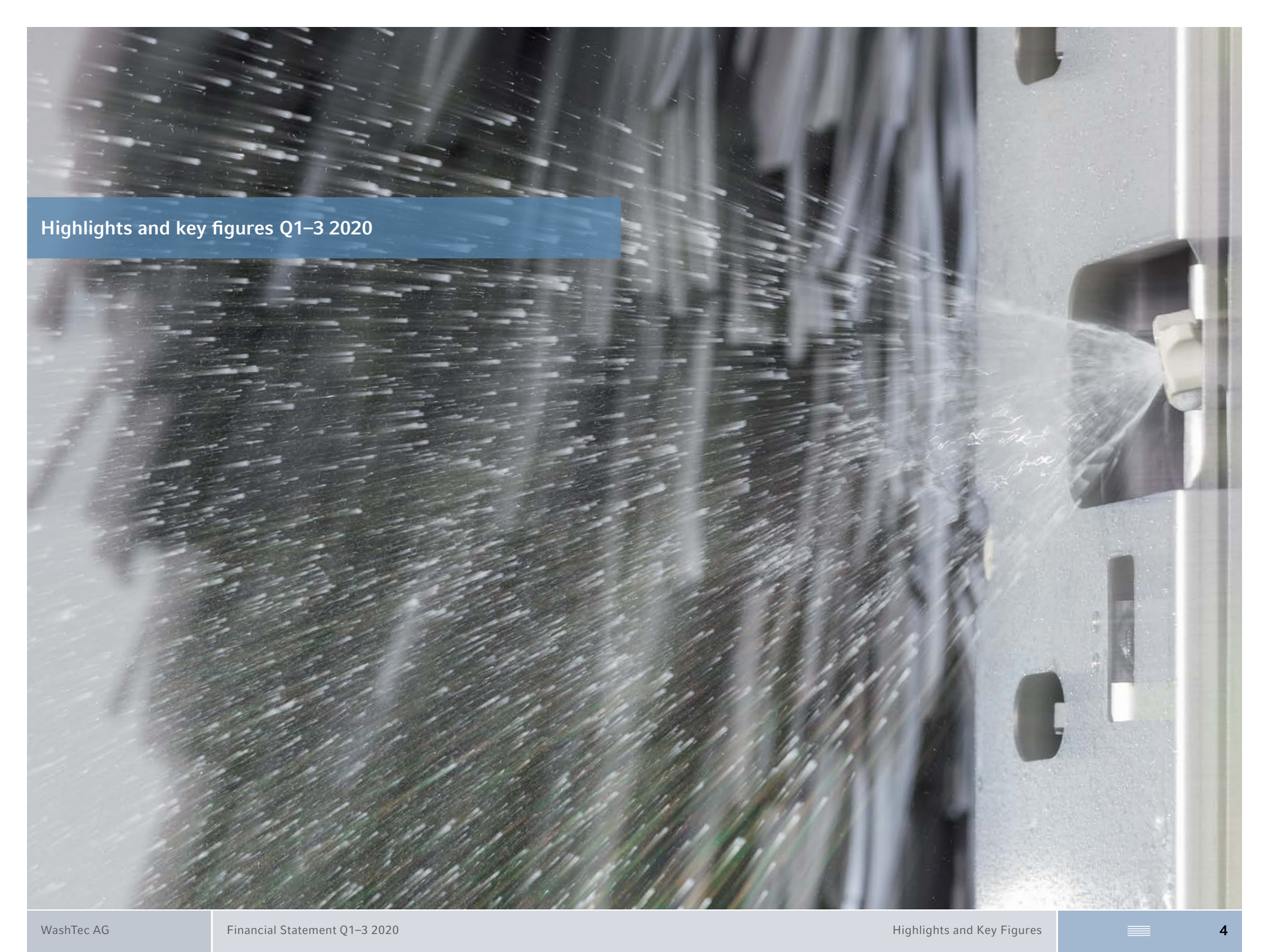
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Highlights and key figures Q1–3 2020

Report on economic position

Earnings, Q1-3

in €m, rounding differences may occur	Q1-3 2020	Q1-3 2019	Change	
			absolute	in %
Revenue	269.3	309.1	-39.8	-12.9
EBIT	12.5	20.3	-7.8	-38.4
EBIT margin in %	4.6	6.6	-2.0	-
EBT	11.9	19.9	-8.0	-40.2
Net income	7.4	11.6	-4.2	-36.2

Earnings, Q3

in €m, rounding differences may occur	Q3 2020	Q3 2019	Change	
			absolute	in %
Revenue	93.9	110.1	-16.2	-14.7
EBIT	7.3	11.1	-3.8	-34.2
EBIT margin in %	7.8	10.1	-2.3	-
EBT	7.1	11.0	-3.9	-35.5
Net income	5.3	7.3	-2.0	-27.4

1. Group revenue and earnings

The Group generated **revenue** of €269.3m year-to-date, down 12.9% on the prior year (€309.1m).

While third quarter revenue, at €93.9m, was still significantly down year-over-year (by 14.7%; prior year: €110.1m), it was higher than the €88.1m recorded in the second quarter. At constant exchange rates, the third quarter decrease in revenue was 13.6%.

The revenue shortfall in the third quarter was once again due to the fall in equipment sales caused by the COVID-19 pandemic. Revenue in the Chemicals business matched the level of a year earlier in the third quarter and almost did so in the first nine months.

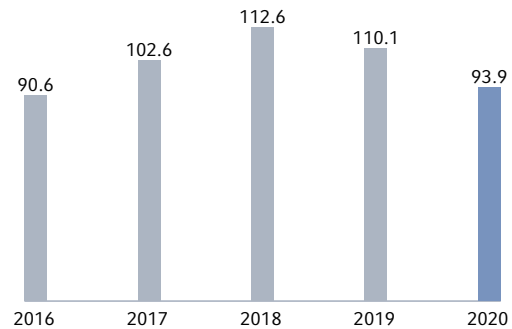
Revenue by product, Q1-3

in €m, rounding differences may occur	Q1-3 2020	Q1-3 2019	Change	
			absolute	in %
Equipment and service	228.6	267.3	-38.7	-14.5
Chemicals	34.6	35.1	-0.5	-1.4
Carwash management business and others	6.1	6.7	-0.6	-9.0
Total Group	269.3	309.1	-39.8	-12.9

Revenue by product, Q3

in €m, rounding differences may occur	Q3 2020	Q3 2019	Change	
			absolute	in %
Equipment and service	80.9	97.0	-16.1	-16.6
Chemicals	10.8	10.8	0.0	0.0
Carwash management business and others	2.2	2.3	-0.1	-4.3
Total Group	93.9	110.1	-16.2	-14.7

Revenue Q3 in multi-year comparison in €m

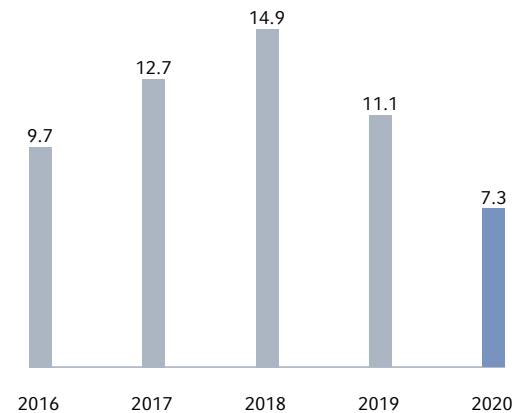


Although the order backlog on September 30 was below the prior year's figure, however, it could be increased compared to the first half of the year. This is because orders received in the direct customer business recovered in the third quarter compared to the same quarter a year earlier.

Year-to-date, Group **EBIT** was down 38.4% year-over-year at €12.5m (prior year: €20.3m).

The Group generated EBIT of €7.3m in the third quarter (prior year: €11.1m). At 7.8%, the third quarter EBIT margin was higher than the 4% seen in the second quarter. This was notably due to cost savings as a result of the Performance Program, which was launched in 2019 but further stepped up this spring, and to cost control to counter the effects of the COVID-19 pandemic.

EBIT Q3 in multi-year comparison in €m



Group EBIT year-to-date includes €0.9m from national support programs in connection with the COVID-19 pandemic. Of this, €0.2m relates to the North America region, €0.3m to the Asia/Pacific region and €0.4m to the Europe region.

The third quarter earnings include €0.5m from national support programs in connection with the COVID-19 pandemic. Of this, €0.2m relates to the North America region, €0.2m to the Asia/Pacific region and €0.1m to Europe.

2. Revenue and earnings by region

Year-to-date, revenue in **Europe** was down 15.4% to €216.9m (prior year: €256.3m).

The corona-related revenue shortfall in the third quarter (a decrease of 12.8%) was thus smaller than the shortfall in the second quarter (24% decrease).

Revenue in **North America** year-to-date was down 2.8% year-over-year at €48.1m (prior year: €49.5m).

Whereas the North America region still returned strong revenue growth of around 20% in the first half year, the trend there in the third quarter was decreasing as expected, as already described in the half-year report. Revenue in the region fell 31.9% in the last quarter to €14.7m (prior year: €21.6m). The main factor in this was the drop in key account sales.

Revenue of €13.4m was generated year-to-date in the **Asia/Pacific** region. This represents a year-over-year increase of 8.9% (prior year: €12.3m).

In the third quarter, positive revenue performance was obtained both in Australian and in China. The third-quarter revenue increase in this region was 39.5%, for revenue of €6.0m (prior year: €4.3m).

in €m, rounding differences may occur	Q1-3 2020	Q1-3 2019	Change	
			absolute	in %
Europe	216.9	256.3	-39.4	-15.4
North America	48.1	49.5	-1.4	-2.8
Asia/Pacific	13.4	12.3	1.1	8.9
Consolidation	-9.1	-9.0	-0.1	-
Total Group	269.3	309.1	-39.8	-12.9

in €m, rounding differences may occur	Q3 2020	Q3 2019	Change	
			absolute	in %
Europe	76.5	87.7	-11.2	-12.8
North America	14.7	21.6	-6.9	-31.9
Asia/Pacific	6.0	4.3	1.7	39.5
Consolidation	-3.3	-3.5	0.2	-
Total Group	93.9	110.1	-16.2	-14.7

EBIT in the **Europe** region was €13.7m in the nine months to September (prior year: €27.7m).

While earnings were significantly down in the third quarter due to the lower revenue, the decrease in the third quarter, at 50.8%, was smaller than the second-quarter decrease of 72.2%. A contributing factor in this was a reduction in costs by about 5%.

In the **North America** region, despite a substantial revenue shortfall of around 32%, EBIT increased significantly in the third quarter and was in positive figures at €0.9m (prior year: EBIT loss of €0.6m). This is due to the implemented improvement measures and the resulting cost reductions.

This resulted in an EBIT loss of €0.9m over the nine months to September, compared with a €5.8m loss in the prior year.

Year-to-date, the **Asia/Pacific** region broke even after an EBIT loss of €1.5m in the first nine months of the prior year. The positive earnings performance is mainly due to the restructuring completed in Australia and revenue growth across the region as a whole.

EBIT was positive in the third quarter, at €0.3m, compared with an EBIT loss of €0.4m in the prior year.

EBIT by regions, Q1-3

in €m, rounding differences may occur	Q1-3 2020	Q1-3 2019	Change	
			absolute	in %
Europe	13.7	27.7	-14.0	-50.5
North America	-0.9	-5.8	4.9	84.5
Asia/Pacific	0.0	-1.5	1.5	100.0
Consolidation	-0.3	-0.1	-0.2	-
Total Group	12.5	20.3	-7.8	-38.4

EBIT by regions, Q3

in €m, rounding differences may occur	Q3 2020	Q3 2019	Change	
			absolute	in %
Europe	6.0	12.2	-6.2	-50.8
North America	0.9	-0.6	1.5	250.0
Asia/Pacific	0.3	-0.4	0.7	175.0
Consolidation	0.1	-0.1	0.2	-
Total Group	7.3	11.1	-3.8	-34.2

3. Net assets and financial position

Net operating working capital (trade receivables + inventories – trade payables – prepayments on orders) decreased, mainly due to the reduction in trade receivables, by €9.8m from €96.2m as of December 31, 2019 to €86.4m.

Equity increased to €90.5m as of September 30, 2020 (December 31, 2019: €84.5m). Compared with the 2019 year-end, the equity ratio went up from 30.7% to 35.5%. It should be noted that no dividend payment was made in 2020 (prior year: dividend payment of €32.8m).

Free cash flow (net cash flow – cash outflow from investing activities) increased year-over-year to €25.1m (prior year: €-0.5m). This is mainly due to the positive change in net operating working capital and to lower capital expenditure.

4. Outlook, opportunities and risk report

4.1 Outlook

The course of the third quarter confirms the guidance for business performance in 2020 given by the Company mid-year. The Company continues to expect approximately 15–20% lower revenue with an EBIT margin of 3–5%, although the current expectation for revenue performance is a decrease at the lower end of the percentage range.

The assumptions on which the guidance is based (p. 11 of the First-Half-Year Report 2020), in particular that there will be no further lockdowns in the regions that are important for WashTec, remain unchanged.

This outlook is subject to uncertainties.

4.2 Opportunities and risks for group development

The WashTec Group's opportunity and risk management system is described in the Annual Report 2019.

Adjustments were made as of June 30, 2020 with regard to individual risks, which continue to apply. Details on this can be found in the Report on the First Half-Year 2020.

The remaining opportunities and risks in the 2019 report remain largely unaltered.



Selected Financial Information Q1–3 2020

Consolidated Income Statement

in €k	Q1-3 2020	Q1-3 2019	Q3 2020	Q3 2019
Revenue	269,324	309,130	93,901	110,069
Other operating income	3,808	3,390	1,396	1,352
Capitalized development costs	90	680	22	26
Change in inventory	6,782	4,795	661	-378
Total	280,005	317,995	95,981	111,068
Cost of raw materials, consumables and supplies and of purchased material	99,794	112,986	33,761	39,222
Cost of purchased services	23,040	25,687	8,213	8,906
Cost of materials	122,835	138,673	41,973	48,128
Personnel expenses	98,338	107,257	31,765	35,528
Amortization, depreciation and impairment	12,548	12,327	4,317	4,213
Other operating expenses	31,143	37,944	10,118	11,645
Impairment loss of trade receivables	1,702	575	163	137
Other taxes	960	872	351	320
Total operating expenses	267,527	297,648	88,687	99,971
EBIT	12,477	20,348	7,294	11,097
Financial income	92	111	31	41
Financial expenses	636	527	211	183
Financial result	-543	-416	-180	-142
EBT	11,934	19,931	7,114	10,955
Income taxes	4,532	8,284	1,851	3,662
Consolidated net income	7,402	11,647	5,263	7,292
Average number of shares in units	13,382,324	13,382,324	13,382,324	13,382,324
Earnings per share (basic = diluted) in €	0.55	0.87	0.39	0.54

Rounding differences may occur.

Consolidated Balance Sheet – Assets

in €k	Sep 30, 2020	Dec 31, 2019
Non-current assets		
Property, plant and equipment	29,399	33,238
Goodwill	42,312	42,312
Intangible assets	11,777	12,251
Right-of-use assets	18,600	21,488
Non-current trade receivables	6,529	7,313
Other non-current financial assets	194	240
Other non-current non-financial assets	489	486
Deferred tax assets	5,643	3,740
Total non-current assets	114,943	121,069
Current assets		
Inventories	48,013	38,097
Current trade receivables	57,822	84,041
Tax receivables	14,427	15,244
Other current financial assets	1,242	1,335
Other current non-financial assets	3,331	2,737
Cash and cash equivalents	15,445	12,426
Total current assets	140,280	153,880
Total assets	255,223	274,949

Rounding differences may occur.

Consolidated Balance Sheet – Equity and Liabilities

in €k	Sep 30, 2020	Dec 31, 2019
Equity		
Subscribed capital	40,000	40,000
Capital reserves	36,463	36,463
Treasury shares	-13,177	-13,177
Other reserves and currency translation effects	-6,776	-5,445
Profit carried forward	26,635	4,385
Consolidated net income	7,402	22,251
	90,548	84,478
Non-current liabilities		
Non-current lease liabilities	11,827	14,224
Provisions for pensions	10,876	10,938
Other non-current provisions	3,936	3,904
Other non-current financial liabilities	29	57
Other non-current non-financial liabilities	258	1,431
Non-current contract liabilities	1,317	2,118
Deferred tax liabilities	3,574	4,486
Total non-current liabilities	31,816	37,158
Current liabilities		
Interest-bearing loans	32,428	47,132
Current lease liabilities	6,963	7,467
Trade payables	12,865	20,783
Income tax liabilities	2,089	4,886
Other current financial liabilities	22,202	18,475
Other current non-financial liabilities	27,677	25,120
Other current provisions	9,083	9,625
Current contract liabilities	19,552	19,825
Total current liabilities	132,859	153,313
Total equity and liabilities	255,223	274,949

Rounding differences may occur.

Consolidated Cash Flow Statement

in €k	Q1–3 2020	Q1–3 2019
EBT	11,934	19,931
Amortization, depreciation and impairment	12,548	12,327
Gain/loss from disposals of non-current assets	414	-53
Other gains/losses	-794	-380
Financial income	-92	-111
Financial expenses	636	527
Movements in provisions	-615	-540
Income tax paid	-9,196	-13,310
Gross cash flow	14,834	18,392
Increase/decrease in trade receivables	24,029	-3,228
Increase/decrease in inventories	-10,600	-8,337
Increase/decrease in trade payables	-7,697	258
Increase/decrease in prepayments on orders	853	-1,515
Increase/decrease in net operating working capital	6,585	-12,822
Changes in other net working capital	6,261	-30
Net cash flow from operating activities	27,680	5,540
Purchase of property, plant and equipment (without leases)	-3,254	-6,839
Proceeds from sale of property, plant and equipment	661	755
Net cash flow from investing activities	-2,592	-6,085
Free cash flow	25,088	-544
Dividend payout	0	-32,787
Interest received	92	111
Interest paid	-636	-527
Repayment of lease liabilities	-6,076	-6,626
Net cash flow from financing activities	-6,620	-39,829
Net increase/decrease in cash and cash equivalents	18,468	-40,374
Net foreign exchange difference	-745	-564
Cash and cash equivalents at January 1	-34,706	-7,111
Cash and cash equivalents at September 30	-16,983	-48,049
Composition of cash and cash equivalents for cash flow purposes:		
Cash and cash equivalents	15,445	10,638
Interest-bearing loans	-32,428	-58,687
Cash and cash equivalents at September 30	-16,983	-48,049

Rounding differences may occur.



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Financial Calendar

Nov 16–18, 2020 Equity Capital Forum, Online