



IR PRESENTATION

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August 2021



IR

HIGH- AND LOWLIGHTS 2021



HIGHLIGHTS

- › H1-2021:
 - › Growth of 11.5% in revenues and 12.2% in EBITDA vs H1-2020
- › 30 cent record dividend for 2020
- › Strong order intake in Q2-2021 of EUR 406 Mio.
- › 2021: EUR 14 Mio. in share buybacks (currently EUR 42 Mio. spent)

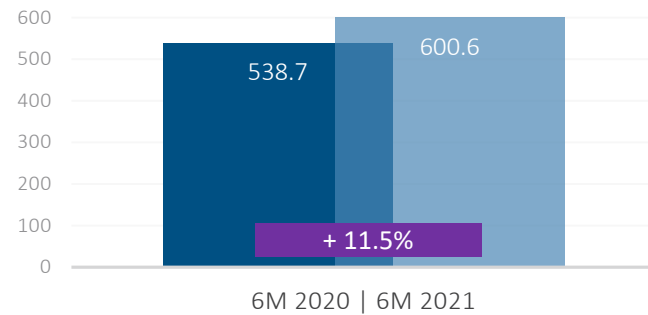
LOWLIGHTS

- › Strong order intake only partially converted to revenues -> Chip shortage impact: EUR 38.3 Mio. of not delivered orders as of 30/6/2021
- › North America weak due to FX, avionics and chip shortage
- › Refrain in 2021 from major acquisitions due to excessive valuations

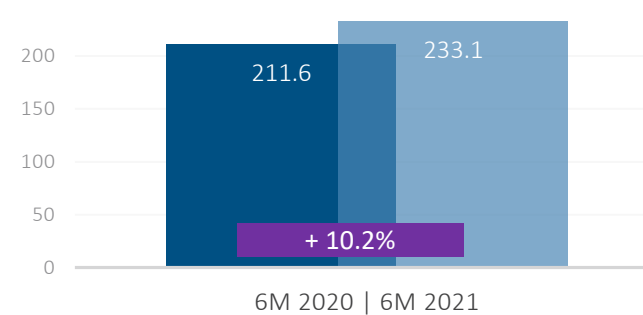
KPI'S H1-2021 GOOD RESULTS IN ALL PARAMETERS



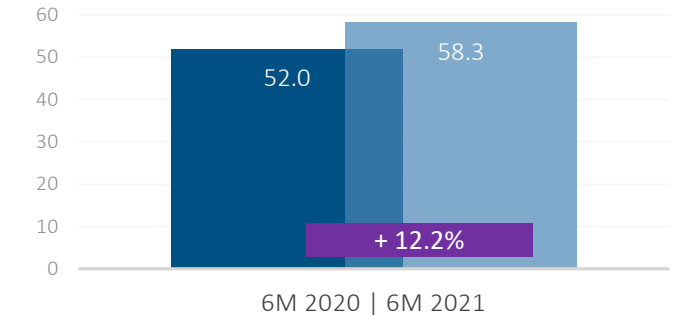
▼
REVENUE
(in EUR Mio.)



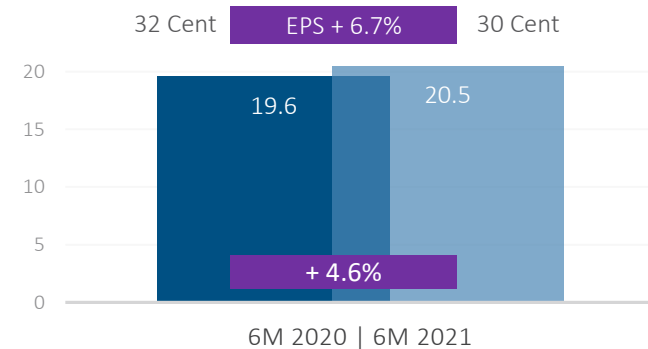
GROSS PROFIT
(in EUR Mio.)



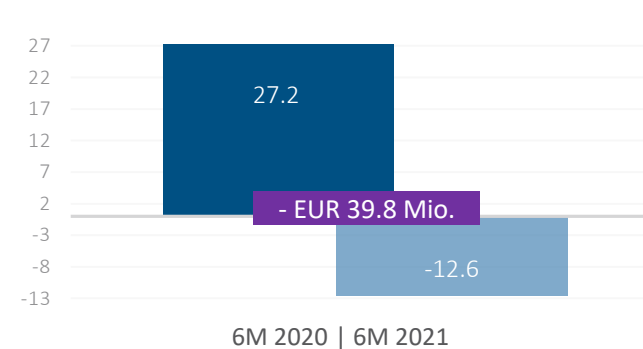
EBITDA
(in EUR Mio.)



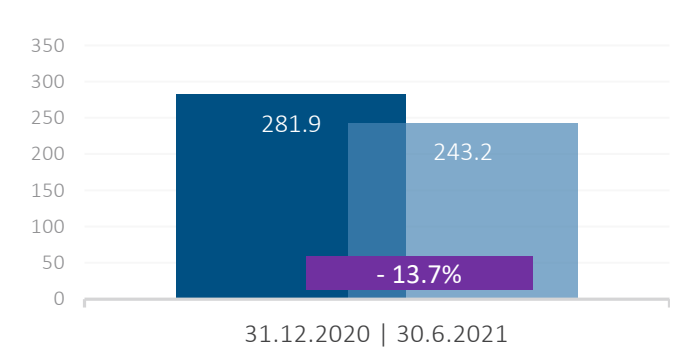
NET INCOME AFTER NCI
(in EUR Mio.)



OPERATING CASH FLOW
(in EUR Mio.)



CASH AND CASH EQUIVALENTS
(in EUR Mio.)

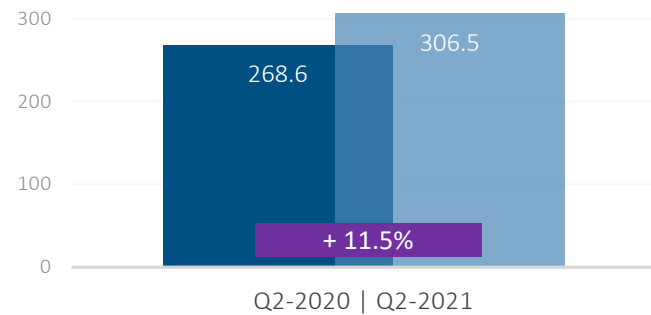


11.5% growth after H1 | We reiterate our FY 2021 guidance of min. EUR 1.4 Bn. (11.2% growth yoy) @ min. EUR 140 Mio. EBITDA

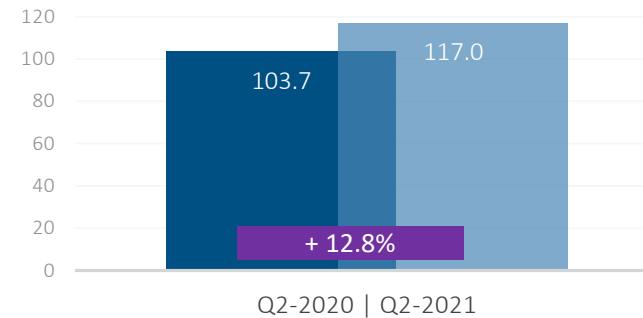
KPI'S Q2-2021 GOOD RESULTS IN ALL PARAMETERS



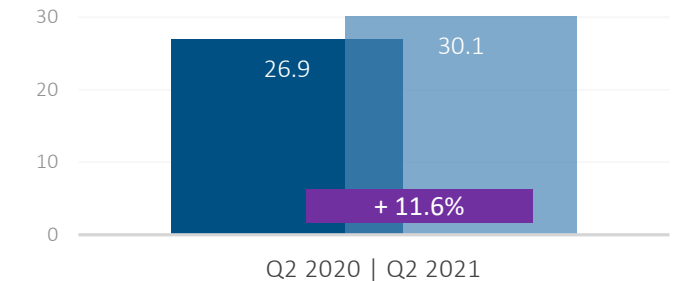
REVENUE (in EUR Mio.)



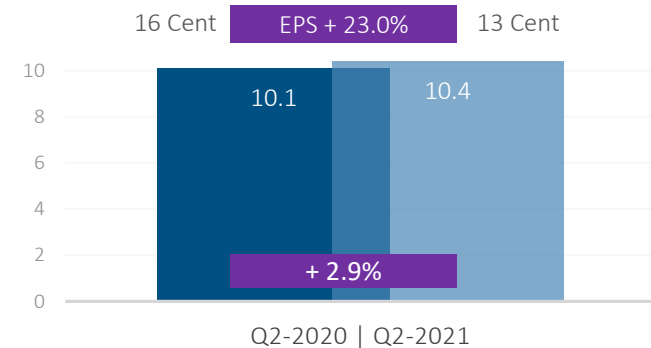
GROSS PROFIT (in EUR Mio.)



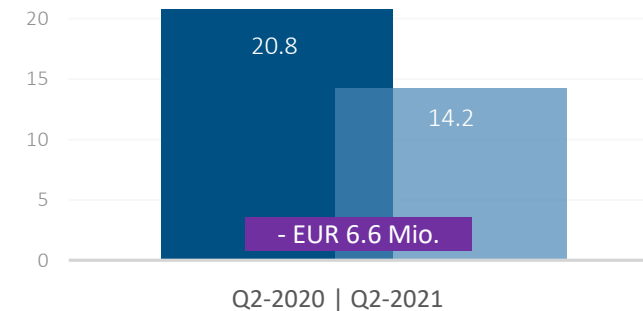
EBITDA (in EUR Mio.)



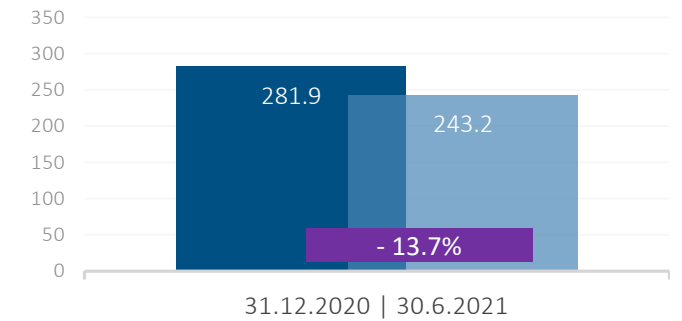
NET INCOME AFTER NCI (in EUR Mio.)



OPERATING CASH FLOW (in EUR Mio.)



CASH AND CASH EQUIVALENTS (in EUR Mio.)



Growth potential in Q2 was higher based on good order intake – EUR 38.3 Mio of scheduled Q2 shipments not delivered due to chip crisis

S&T GROUP BALANCE SHEET



Mio. EUR	30/06/2021	31/12/2020
NON-CURRENT ASSETS	507,1	506,0
Fixed Assets	470,2	469,3
as of Property, plant and equipment	134,0	135,1
as of Goodwill	202,9	199,5
Other Assets	36,9	36,6
CURRENT ASSETS	722,0	740,7
Inventories	179,2	159,9
Trade receivables	191,6	204,5
Contract Assets from Customers	30,6	23,6
Cash and cash equivalents	243,2	281,9
Other receivables and prepayments	77,4	70,9
Total Assets	1.229,1	1.246,6

	30/06/2021	31/12/2020
CAPITAL AND RESERVES	397,7	409,5
Equity	397,7	409,5
as of Treasury shares	-42,3	-26,2
NON-CURRENT LIABILITIES	371,9	353,8
Long-term loans and borrowings	246,9	218,8
Other Non-Current Liabilities	125,0	135,0
CURRENT LIABILITIES	459,5	483,4
Trade payables	188,9	210,0
Contract Liabilities from Customers	68,6	69,7
Short-term loans and borrowings	57,4	42,8
Other Current Liabilities	144,6	160,9
Total Liabilities & Equity	1.229,1	1.246,6

> Equity Ratio	32,4%	32,8%
> Net Cash/Net Debt*	-61,2	20,3
> Working Capital excluding IFRS 15**	181,9	154,3

Inventory build up by EUR 20 Mio. to cover chip shortage | Factoring reduced by EUR 19 Mio. due to high cash | negative interest

* Definition Net Cash: Cash and cash equivalents less non-current and current financing liabilities (excl. liabilities from leasing according to IFRS 16)

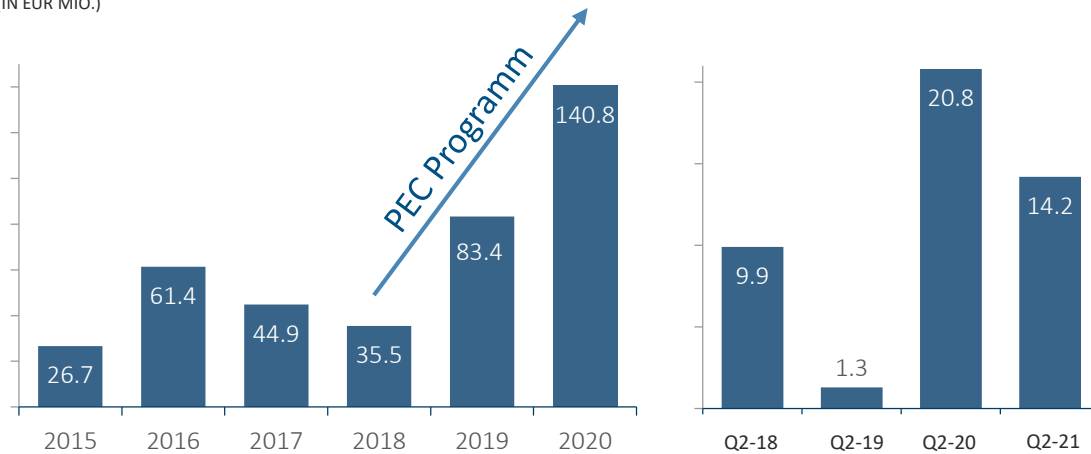
** Definition Working Capital: Inventories plus trade receivables less trade payables (excl. IFRS 15 contract assets and liabilities)

PEC PROGRAM IMPROVE CASH CONVERSION AND WORKING CAPITAL



OPERATING CASH FLOW

(IN EUR MIO.)



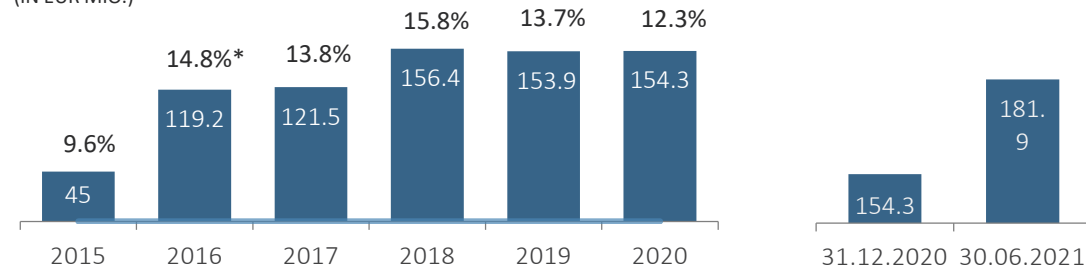
KPI DEVELOPMENT

(IN EUR MIO.)

in EUR Mio.	2018	2019	2020	H1-2021
Revenue	990	1,123	1,255	600
Inventory	74 days (131 Mio.)	73 days (147 Mio.)	68 days (160 Mio.)	76 days (179 Mio.)
A/R	75 days (202 Mio.)	69 days (212 Mio.)	59 days (205 Mio.)	83 days (192 Mio.)
Factoring	56 Mio. (20%)	63 Mio. (23%)	77 Mio. (26%)	58 Mio. (23%)

WORKING CAPITAL | RATIO IN % OF REVENUE

(IN EUR MIO.)



*Kontron as if

COMMENTS

- › Target: operational cash flow to grow in line with EBITDA
 - › op. cash flow > 75% of EBITDA
- › negative interest on bank accounts → therefore Factoring reduced by EUR 19 Mio.
- › Inventory increased temporary by EUR 19 Mio. to reduce impact of cover chip shortage

INCREASE TRANSPARENCY ADDITIONAL DISCLOSURES 2021



IN TEUR	EBIT ADJUSTMENTS Q2
13,914	STATED EBIT Q2
-363	Expenses stock options
-208	Damages to our property
639	Release variable purchase price S&T Smart Energy
600	Profit on sales of assets (building sold as part of space reduction)
-197	Voluntary paid Corona premium
471	ONE TIME PROFIT EFFECTS
3,979	R&D Capitalization
-3,402	R&D Amortization
577	IMPACT R&D CAPITALIZATION
12,866	ADJUSTED EBIT
-2,578	PPA Amortization
15,444	ADJUSTED EBIT BEFORE PPA

IN TEUR	INTEREST COSTS ADJUSTMENTS Q2
-2,450	STATED INTERST
-553	Application of WACC on variable purchase prices
-1,897	ADJUSTED INTEREST

IN TEUR	OP. CASHFLOW ADJUSTMENTS Q2
14,205	STATED OP. CASHFLOW
-1,704	Increase in A/R factored from 31.03.2021 to 30.06.2021
405	Cash effect from one time profit effects in Q2
12,906	ADJUSTED OP. CASHFLOW

ORGANIC GROWTH		
in TEUR	Q2-2020	Q2-2021
Stated revenue	268,595	306,490
M&A adjustment Iskratel		-22,623
M&A adjustment CITYCOMP		-8,829
M&A adjustment HCS, Axino		-3,467
Closing adjustment KAD		+541
FX adjust		+7,492
ORGANIC GROWTH		4.2%

GLOBAL CHIP-SHORTAGE UPDATE



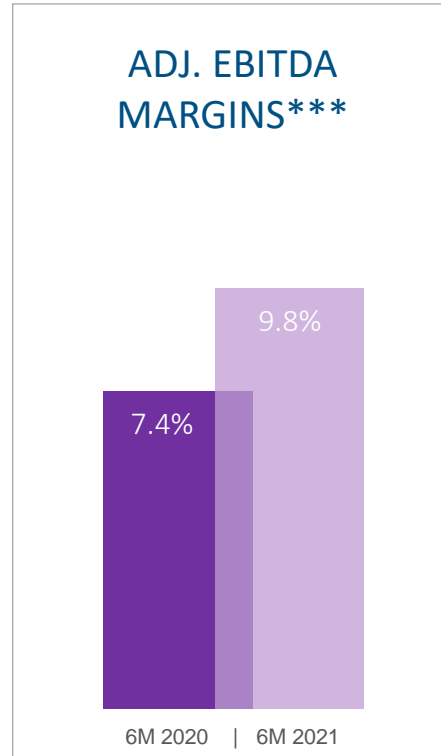
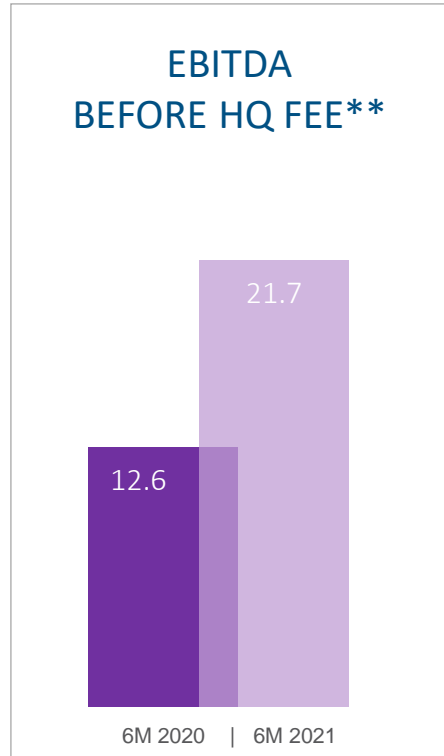
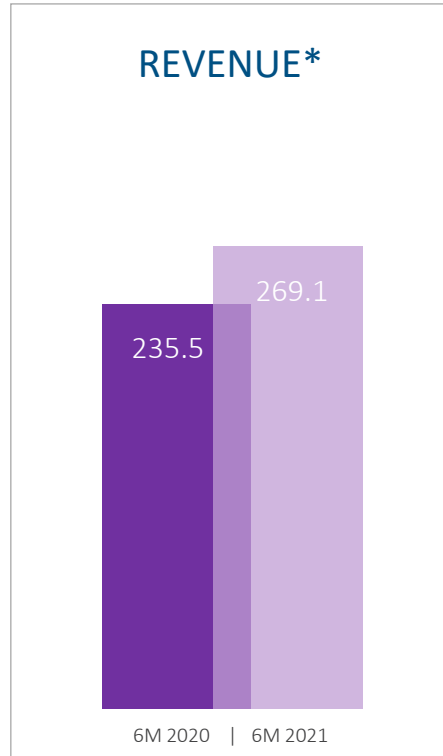
GENERAL DEVELOPMENT & OUTLOOK

- › Lack of investments into expensive chip factories during pandemic
- › Strongly increasing chip demand driven
 - › Recovery and catch up of the industry after end of pandemic
 - › Public economy stimulation programs
- › Main problem for “cheap” chips
- › Suppliers claimed to solve most problems in Q2 but failed: 23% of deliveries are delayed
- › Chip makers increased capacities 17% in 2021 but demand grows faster
- › Outlook:
 - › Crisis will stay until H1/2023
 - › Chip prices increase during the crisis

WHAT EFFECT DOES THIS HAVE ON S&T?

- › Chip shortage impact is growing:
 - › EUR 10.2 Mio. of not delivered orders in Q1
 - › EUR 38.3 Mio. of not delivered orders in Q2
 - › Our revenues are delayed but not lost (hard to replace)
- › We redesign products to replace critical chips
- › We increased inventory by 19 Mio. in Q2 for
 - › emergency stock of critical chips
 - › Semi-finished products
- › We sourced chips on the spot market and accepted price increases of 4.2 Mio. EUR (6%) in Q2
- › Appr. 80% of those price increases we can pass on to our customers – in 2021 an EBITDA impact of EUR 3 Mio. will remain

IT/IOT SERVICES

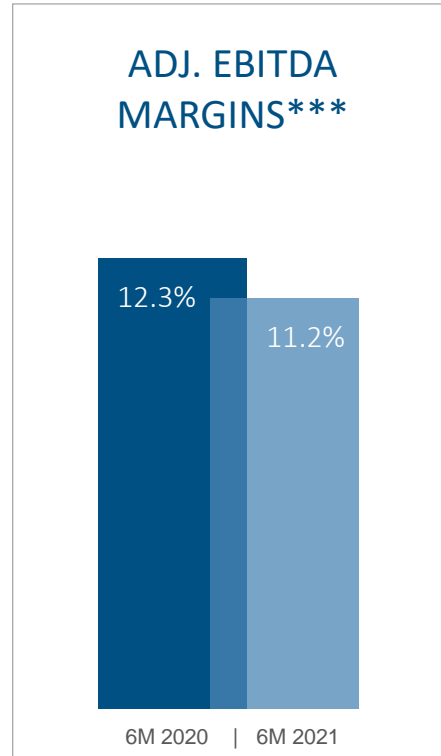
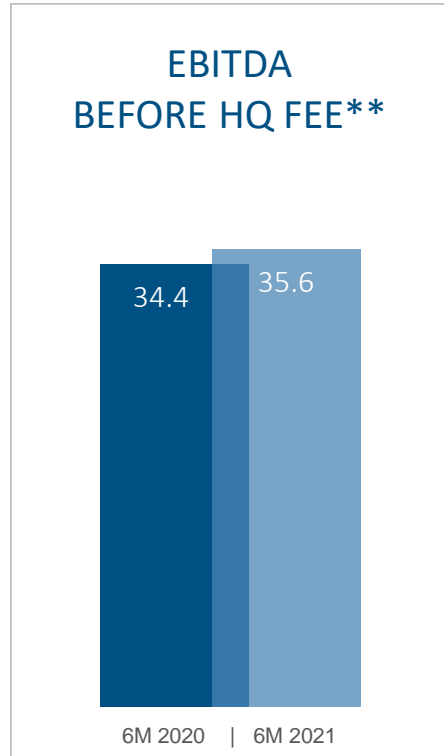
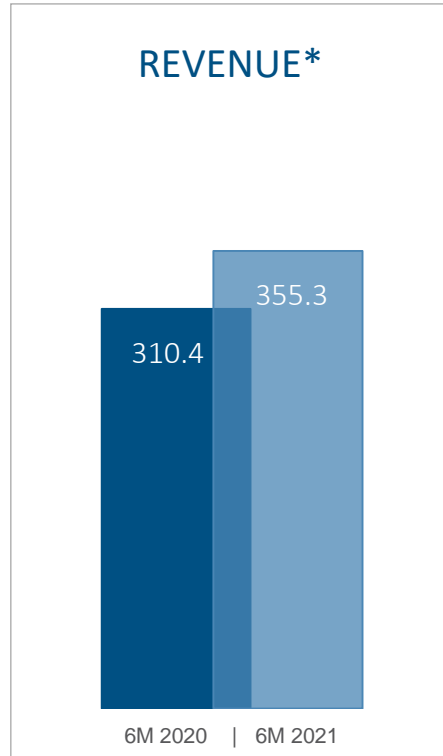


- › Region: 30% DACH + 70% in CEE (mainly EU)
- › We evaluate a divestment of IT Services within 3 years
- › We started to separate IoT Solutions and IT Services in current IT Services segment = 1st step
- › S&T East Europe is the home of several hundred engineers crucial for IoT segment
- › Target: improve EBITDA margin to > 9% and focus on recurring revenues
- › DACH region: focus on Germany, nearshoring via CEE
FC 2021 EUR 70 Mio. -> 2023: EUR 100 Mio.

We evaluate a divestment of IT services within 3 years and started preparations

* 3rd Party revenue including intercompany revenue in Mio. EUR
 ** EBITDA before charged management fees from S&T AG (part of IT Services Segment); EBITDA after management fees: MEUR 25.2 (6M 2021), MEUR 16.9 (6M 2020)
 *** HQ-fee adjusted EBITDA in % of external revenue

IOT SOLUTIONS EUROPE

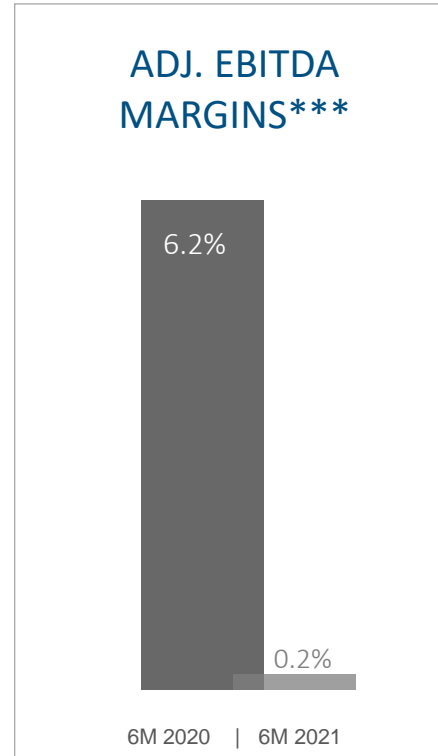
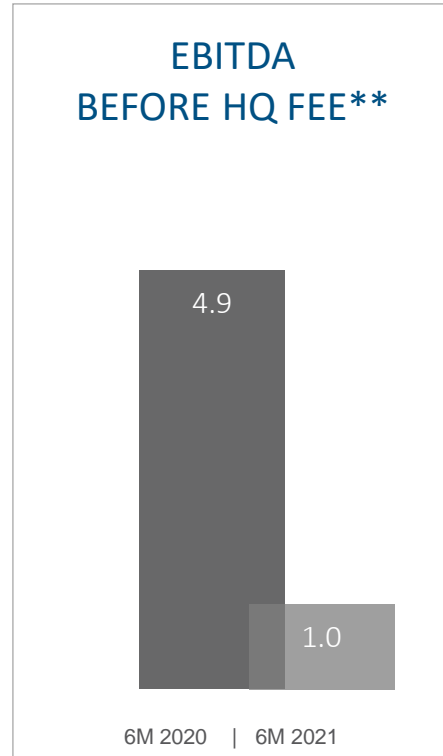
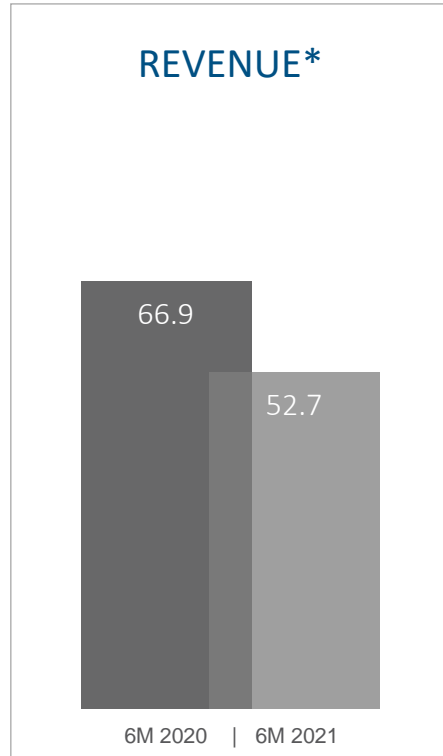


- › Very strong order intake of EUR 521 Mio in H1 results in a book to bill of 1.47
- › EUR 27.4 Mio of due orders delayed to Q3 as a result of the chip crisis
- › EBITDA margin diluted by M&A (Iskratel) and sourcing costs of chips on allocation
- › M2M (IIoT) communication expanded by newly acquired 5G know-how (Iskratel)
- › Q2: Strong growth in industrial sector due to catch up effects after pandemic

“IoT Solutions Europe” could do better in Q2 if sourcing of chips would work the normal way

* 3rd Party revenue including intercompany revenue in Mio. EUR
 ** EBITDA before charged management fees from S&T AG (part of IT Services Segment); EBITDA after management fees: MEUR 33.0 (6M 2021), MEUR 31.8 (6M 2020)
 *** HQ-fee adjusted EBITDA in % of external revenue

IOT SOLUTIONS AMERICA



- › Weak results in H1-2021 based on:
 - › EUR 10.9 Mio. delayed shipments (chip shortage)
 - › EUR 4.9 Mio. on FX, USD lost 10.0% yoy
 - › Avionics only EUR 5.8 Mio. in H1 (FY plan 22 Mio.)
 - › 225 TEUR A/R write-off in avionics
- › H2 will improve significantly based on delayed shipments
- › FC 2021: 135 Mio. vs EUR 152 Mio. (2020)
- › 10% cost reductions will save profits in H2
- › Mid term: 14% adjusted EBITDA Margin
- › R&D center for autonomous driving and avionics
- › Strong order intake of 72 Mio. in H1

“IoT Solutions America” hit by chip crisis, USD development and Avionics -> cost reductions implemented for H2

* 3rd Party revenue including intercompany revenue in Mio. EUR
 ** EBITDA before charged management fees from S&T AG (part of IT Services Segment); EBITDA after management fees: MEUR 0.08 (6M 2021), MEUR 3.3 (6M 2020)
 *** HQ-fee adjusted EBITDA in % of external revenue

SHAREHOLDER FOCUS

TTS PROGRAM | TRUST – TRANSPARENCY - SHARE



TRUST

- › Continuity in communication and guidance

TRANSPARENCY | ADDITIONAL DISCLOSURES

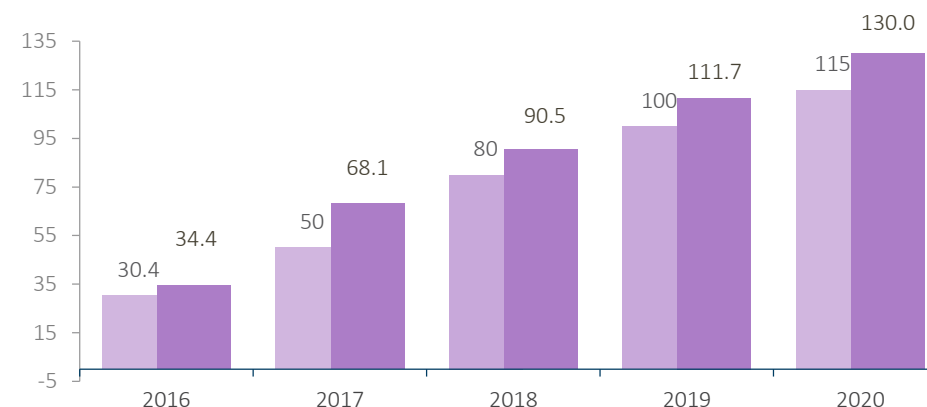
- › Release additional disclosures to increase transparency
- › More investor meetings (2020: 442 and 6M 2021: 260)

SHARE / SPEND 50% OF NET PROFIT ON DIVIDEND + SBP

- › We buy back shares as currency for M&A
- › S&T is valued at 10 times EBITDA, our M&A targets and peers are valued higher → we limit buy backs at EUR 22.50
- › Less M&A activities due to excessive valuations → we might proceed with SBP
- › EUR 400 Mio. available funds (cash, lines and cashflow)

TRUST: GUIDANCE TRACK RECORD (EBITDA FC VS ACT)

(in EUR Mio.)

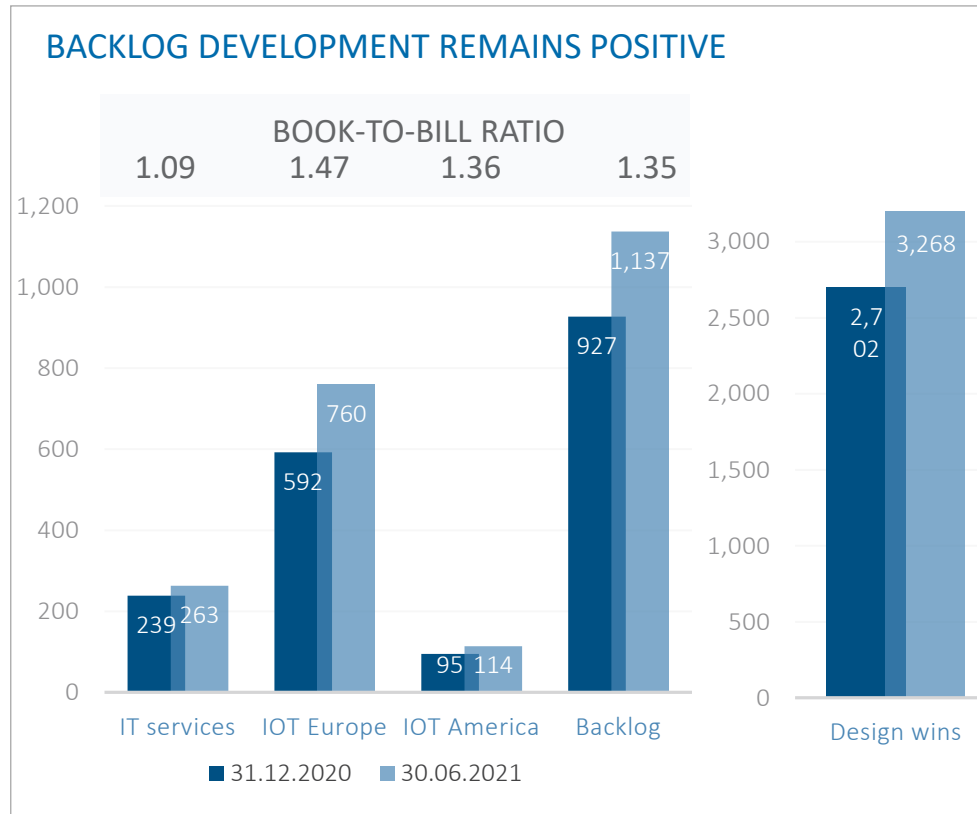


DIVIDEND & SHARE BUY BACKS

	2019	2020	2021	Comment
Dividend (cent)	16		30	Dividend for FY 2020 = 1.4% dividend yield
Total Dividend (EUR Mio.)	10.6		19.5	2019 no dividend (to get Covid-19 subsidies)
Share Buy backs (EUR Mio.)	14.6	12.2	16.1	
TOTAL SPENDINGS (EUR Mio.)	25.2	12.2	35.6	

BACKLOG & OPPORTUNITIES

ORDERS AND DESIGN WINS REMAIN STRONG IN Q2-2021



2021 DESIGN WINS

	COUNTRY	VOLUME EUR
Control systems for high-speed train	CZ,LIT,DE,FR,UK	98 Mio.
US ministry	USA	51 Mio.
Public contracts	PL	46 Mio.
Machine builder	GER	32 Mio.
Autonomous driving	USA	22 Mio.

TOP CUSTOMERS 2020

	COUNTRY	VOLUME EUR
Medical respiratory machines	GER	33 Mio.
Social media compression system	USA	25 Mio.
Global leader in medical equipment	USA	22 Mio.
Control for high-speed train	UK	25 Mio.
Avionics Entertainment System	CN	16 Mio.

Top 10 customers account for 19% of Revenues, totally >3000 customers

Record orders of EUR 406 Mio in Q2 = EUR 1.33 new orders on each EUR shipped → strong growth once we manage chip crisis

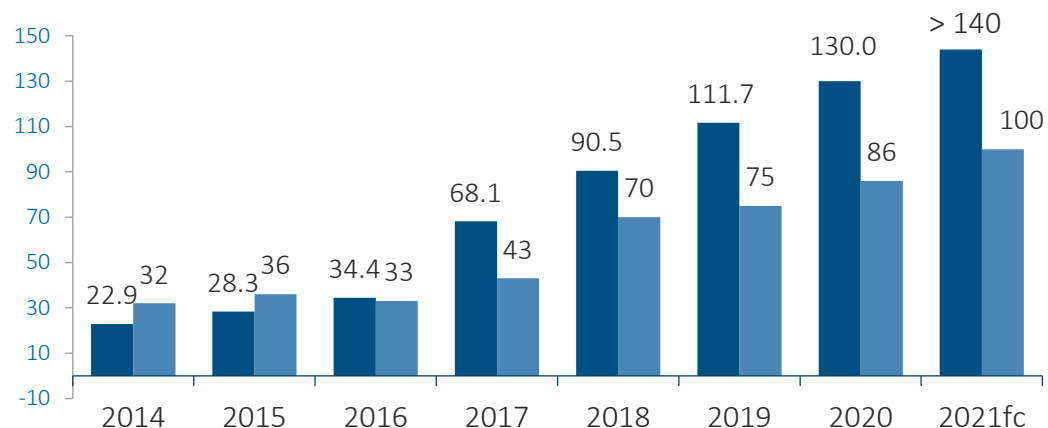
GUIDANCE 2021

CONTINUOUS GROWTH IN REVENUES, EBITDA AND EPS



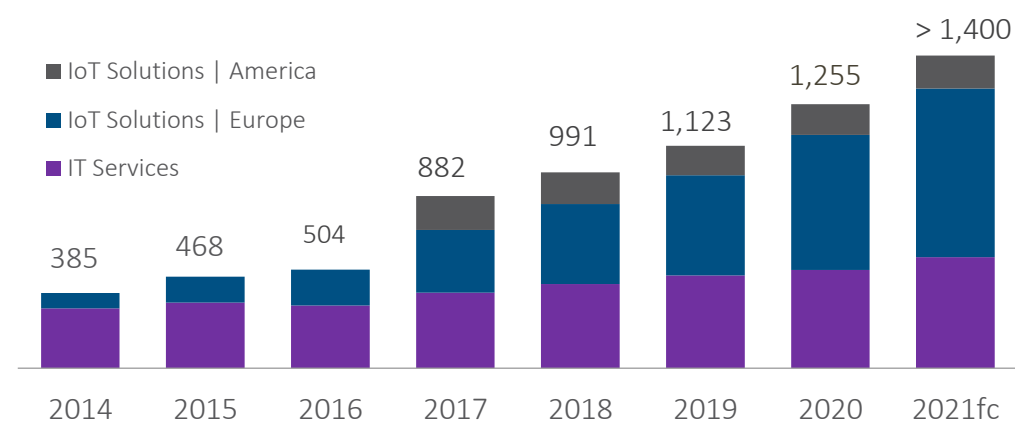
EBITDA / EPS

(IN EUR MIO. / CENT)



REVENUE

(IN EUR MIO.)



Backlog EUR Mio.	12/14	12/15	12/16	12/17	12/18	12/19	12/20
Project Pipeline	644	701	1,002	1,105	1,632	2,158	2,702
Scheduled Orders	157	181	306	474	841	841	927

CONTINUOUS GROSS MARGIN AND EBITDA MARGIN GROWTH

GM	33.0 %	33.9 %	33.5 %	35.7 %	35.0 %	36.3 %	36.3 %	> 37%
EBITDA	5.9%	6.0%	6.8%	7.7%	9.1%	9.9%	10.4%	>10%

Guidance 2021: min. EUR 1,400 Mio. Revenue – min. EUR 140 Mio. EBITDA

SHORT AND MIDTERM GOALS | VISION 2030



GUIDANCE 2021

Revenue: minimum EUR 1,400 Mio.
 EBITDA: minimum EUR 140 Mio.
 EPS: minimum 1 Euro

AGENDA 2023

5 years plan	2018	2023p	Growth
Revenue	990 Mio.	2,000 Mio.	+102%
EBITDA	90.5 Mio.	220 Mio	+143%
EPS	70 cent	175 cent	+150%

VISION 2030



Digitalization



SMART
Technologies



Transformation to
50% GM, 15% EBITDA



M&A
Strategy



Brand Awareness

Based on current forecasts and order backlog we confirm all short, mid and long-term plans

SUMMARY



ACHIEVEMENTS

- › Revenue growth of 11.5% in Q2-2021 vs. Q2-2020
- › EBITDA growth of 10.2% in Q2-2021 vs. Q2-2020
- › Strong order entry of EUR 810 Mio in H1/2021 (book to bill 1.35)



TARGETS

- › Guidance 2021:
 - › Revenue > EUR 1.4 Bn. and EBITDA > EUR 140 Mio.
- › EUR 2 Bn. Revenues at > 11% EBITDA in 2023
- › 2030: Transformation to IoT Player, EBITDA > 15%
- › Ongoing Working Capital improvement
- › MDAX membership



RISKS

- › Chip shortage burdens delivery of products
- › US-Dollar development
- › Attract sufficient engineers to support growth



OPPORTUNITIES

- › Leading technologies in the growing IIoT market
- › 5G connectivity for machines
- › Growth areas America + China

DISCLAIMER



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