



# ELEVATING CHAMPIONS

Earnings Call - H1 2020 | 29 September 2020

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# Summary H1 2020

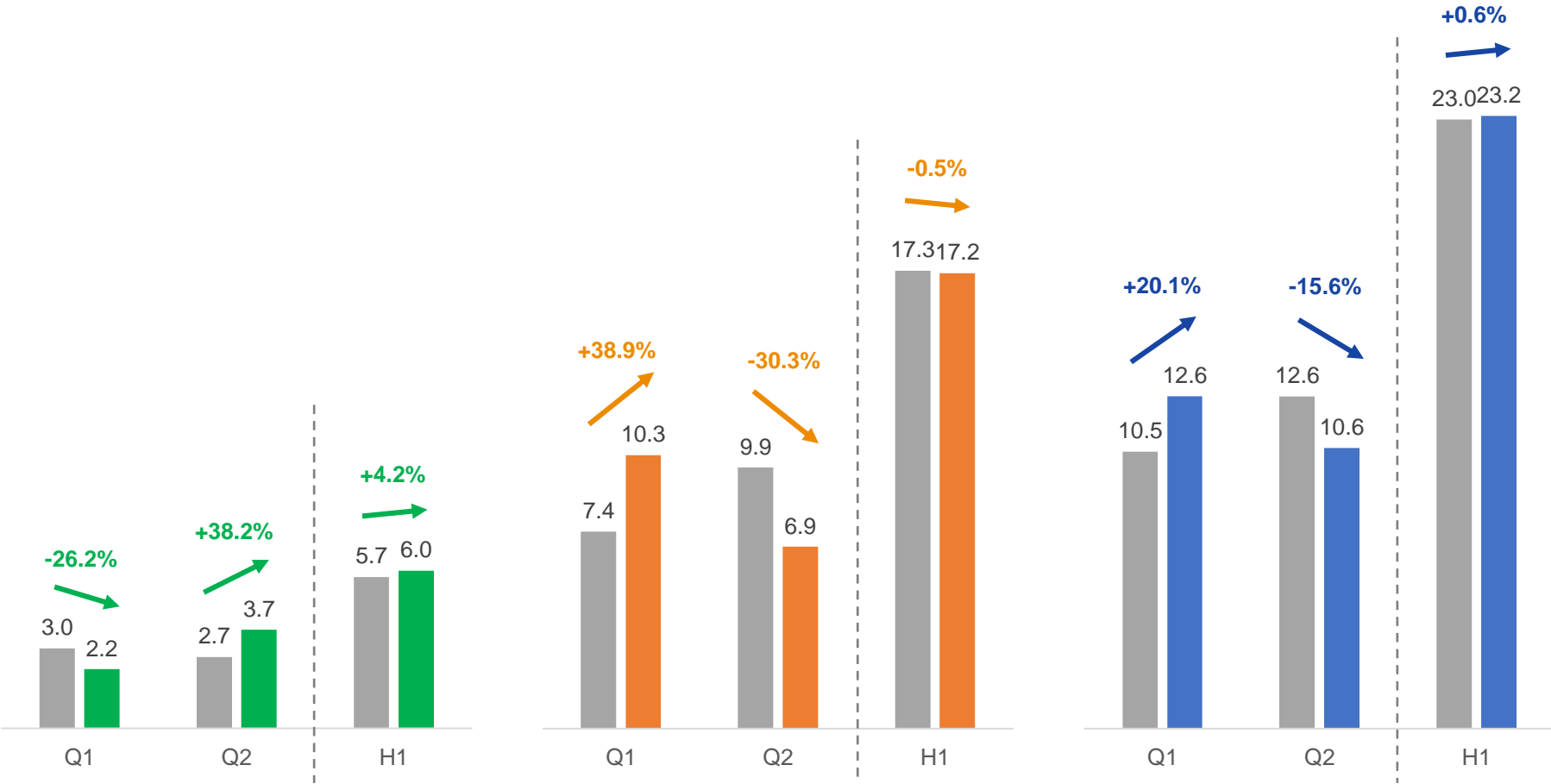
## Group KPIs

- Revenue growth of +1% (compared to pro forma H1 2019)
  - Below long-term target growth due to COVID-19
  - However significantly better than expected (guidance from 29 June: “*high single digit percentage decline*”)
- Gross profit at 73.7% of total output (slightly up 2.0%-points)
- Adj. EBITDA margin 20.4% (down 8.7%-points)
  - Negative cut-off date effects from change in finished goods and work in progress compared to H1 2019
  - Already in 2019, structures were ramped-up for double digit top line growth
  - Leveraging flexibility in operating cost base
  - But avoiding measures that would endanger the Group's future growth prospects

## Deal flow

- Strong deal pipeline and due diligence activity in H1 despite COVID-19 pandemic and IPO preparations
  - >2,200 companies actively screened and 195 opportunities introduced by M&A advisors and network
  - 15 management presentations (both virtually and physically)
  - Currently 3 companies in due diligence from the Healthcare, MedTech and Software spaces

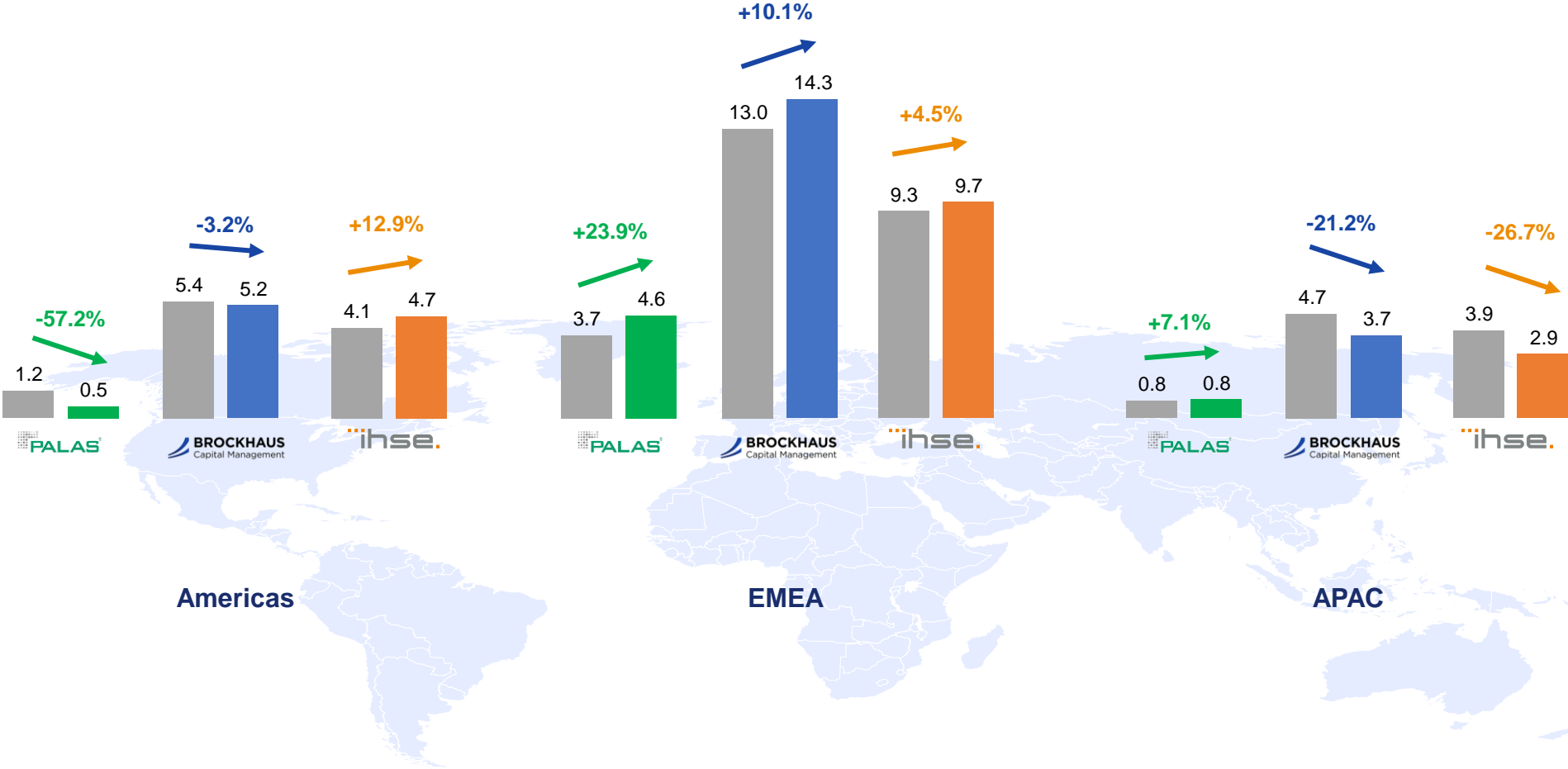
# Revenue 2020 by quarter



€ million

■ Palas   
 ■ IHSE   
 ■ Group   
 ■ Prior-year period (pro forma)

# Revenue H1 2020 by region



€ million

■ Palas   
 ■ IHSE   
 ■ Group   
 ■ Prior-year period (pro forma)

# KPIs by segment

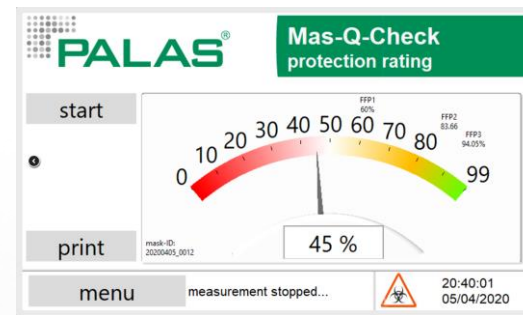
€ thousand	Reportable segments							
	Environmental Technologies		Security Technologies		Central Functions		Total	
	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
Revenue	5,956	5,717	17,203	17,296	-	-	23,160	23,013
Revenue growth	4.2%		(0.5%)				0.6%	
Gross profit	4,676	4,749	12,469	12,935	-	-	17,144	17,684
Gross margin	78.5%	83.1%	72.5%	74.8%			74.0%	76.8%
Adjusted EBITDA	1,605	2,055	5,300	5,945	(2,189)	(1,294)	4,716	6,706
Adjusted EBITDA margin	26.9%	35.9%	30.8%	34.4%			20.4%	29.1%

For definition and more information on alternative performance measures, please refer to Note 4 of the selected notes to the interim consolidated financial statements H1 2020

# Palas

- Test rigs for face masks successfully developed, launched and marketed
- Patent filed for the measurement of virus-sized particles in exhaled air – product launch imminent
- Successful market entry in Asia
  - Hong Kong and Shanghai subsidiaries founded
  - MD Asia with local sales team up and running
  - First order intake

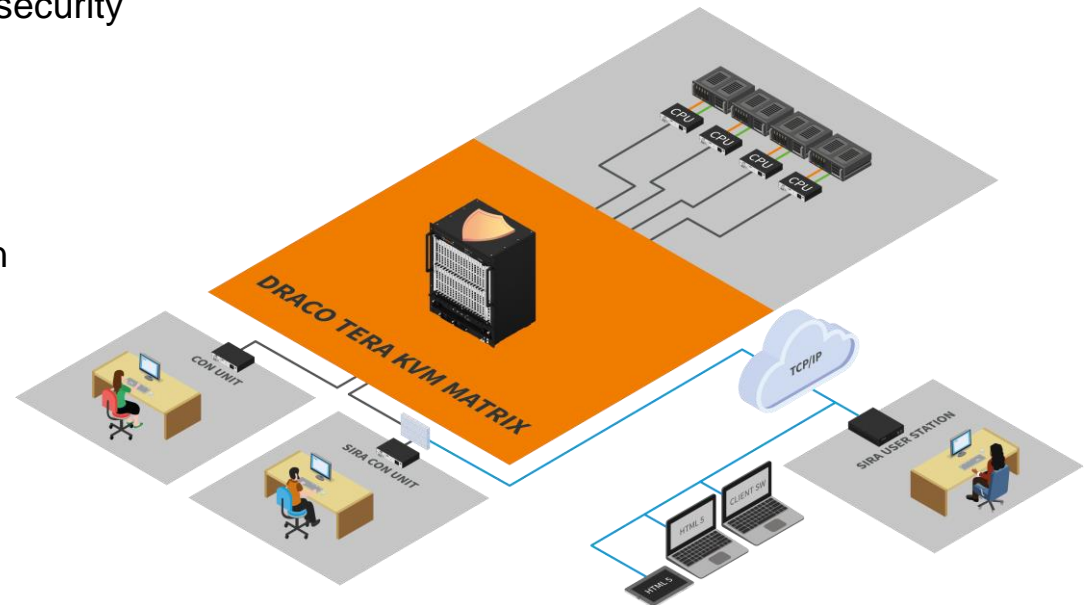
€ thousand	H1 2020	H1 2019
Revenue	5,956	5,717
Revenue growth	4.2%	
Gross profit	4,676	4,749
Gross margin	78.5%	83.1%
Adjusted EBITDA	1,605	2,055
Adjusted EBITDA margin	26.9%	35.9%



# IHSE

- Statutory travel and contact restrictions as well as customers' internal "no-contact policies" hamper on-site work for KVM system installations which is crucial to put the systems into operation
  - Consequently, delayed conversion of pipeline into order intake, especially for larger projects
  - Cautious optimism observable on customer side, but uncertainties remain
- Development of an IP module to remotely access KVM installations, while maintaining their systematic security
- New security certifications ongoing:
  - US: NIAP (National Information Assurance Partnership)
  - International: Common Criteria for Information Technology Security Evaluation
  - Germany: KRITIS (critical infrastructure in accordance with the Federal Offices for Civil Protection, Disaster Assistance and Information Security)

€ thousand	H1 2020	H1 2019
Revenue	17,203	17,296
Revenue growth	(0.5%)	
Gross profit	12,469	12,935
Gross margin	72.5%	74.8%
Adjusted EBITDA	5,300	5,945
Adjusted EBITDA margin	30.8%	34.4%





# Deal flow

## M&A activities in 2020 YTD

**>2.200** companies actively screened

**...195** acquisition opportunities through M&A advisors and network

**...15** management presentations

**...3** companies currently in due diligence

## Selected current transactions from our pipeline



### Healthcare

- EBITDA margin: ~ 30%
- Proprietary



### Software

- EBITDA margin: ~ 40%
- M&A process



### MedTech

- EBITDA margin: ~ 20%
- M&A process

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## Guidance FY2020

Please refer to the section “Expected developments” of the management report in our half-year financial report H1 2020 (page 36)

**Happy to answer  
your questions**

## **Brockhaus Capital Management AG**

NEXTOWER | Thurn-und-Taxis-Platz 6

D-60313 Frankfurt am Main

T: +49 (0) 69 20 43 40 90

F: +49 (0) 69 20 43 40 971

Mail: [ir@bcm-ag.com](mailto:ir@bcm-ag.com)

Trading symbol: **BKHT**

ISIN: **DE000A2GSU42**