# MAX Automation SE

**INTERIM FINANCIAL REPORT 2019**
**for the first half of fiscal 2019**

# STATEMENT BY THE MANAGING DIRECTORS

## Strategic Highlights

- MAX Automation positioned for the future in its core business with continued business segments
- New group and management structure for a sustainable success:
  - *Process Technologies*
  - *Environmental Technologies*
  - *Evolving Technologies*

## Operational Highlights

- Order intake +3.4 % to EUR 169.1 million
- Sales +11.0 % to EUR 148.2 million
- EBITDA +25.0 % to EUR 14.5 million
- Working Capital -48.4 % to EUR 29.7 million

## Key share data H1 2019

| | |
|---|---|
| Ticker/ISIN | MXHN/DE000A2DA588 |
| Number of shares | 29.46 million |
| Closing price (28/06/2019)* | EUR 4.79 |
| Closing price * | 5.80 Euro / 4.40 Euro |
| Price performance** | -0.2 % |
| Market capitalization (28/06/2019) | EUR 141.1 million |

*Closing prices Xetra trading system of Deutsche Börse AG
** Comparison of price on 28/06/2019 with price on 31/12/2018

## 2019 financial calender

14 November 2019
Publication of quarterly statement

25 - 27 November 2019
German Equity Forum

## Dear shareholders,

In the first half of 2019, MAX Automation Group made good progress on its path to restructuring. After a positive start to the year with sustained high demand for our automation solutions, we took advantage of the momentum and confirmed the pleasing trend in our core business segments for the first half of the year. At the same time, however, the MAX Automation Group is still in a year of major transition. We will continue to focus on the Group's restructuring that we initiated in autumn 2018, as well as on our core business with its three business units, Process Technologies, Environmental Technologies and Evolving Technologies. We aim to drive this realignment forward vigorously. In the following remarks, we would like to explain developments at the MAX Automation Group during the first half of 2019 in greater detail.

The trend towards a higher level of automation in numerous industrial areas and in other user sectors continues. Demand for our solutions remained high in the first half of the year. This is reflected in the trend in both sales and orders. The sales of the core business of the MAX Automation Group was up by 11.0 % from EUR 133.5 million in the first half of 2018 to EUR 148.2 million at the end of the first half of 2019. Order intake in the same period amounted to EUR 169.1 million compared with EUR 163.5 million in the previous year – an increase of 3.4 %. With an order backlog of EUR 191.6 million at the end of the first six months of 2019 compared with EUR 155.3 million at the end of June 2018, capacity utilization rose by a further 23.4 % from an already high level. The earnings before interest, taxes, depreciation and amortization (EBITDA) of the MAX Automation Group improved by 25.0 %, from EUR 11.6 million in the first half of the previous year to EUR 14.5 million in the first half of 2019. This underscores again our clear focus on the continuing operations in our core business.

The goal of our restructuring is to make the MAX Automation Group fit for the future. This endeavor is especially accompanied by a focus on our three future-oriented and profitable business areas of Process Technologies, Environmental Technologies and Evolving Technologies in conjunction with significant de-risking and a reduction in highly volatile business. To this end, management is continuously reviewing all available options. For the subsidiaries ELWEMA Automotive GmbH and IWM Automation Group, which are up for sale, we are continuously working on value enhancement plans parallel to the disposal process in order to select the best alternatives for the MAX Automation Group. The divestiture process for the remaining companies, that no longer form part of our core business[1], will thereby continue to be a priority, although we will proceed with due care and patience in order to achieve the best possible result for the MAX Automation Group.

[1] Formerly Mobility Automation, excl. NSM Magnettechnik GmbH

# STATEMENT BY THE MANAGING DIRECTORS

At the end of the reporting period, after examining all options for the loss-making subsidiary IWM Automation Bodensee GmbH, and in accordance with our clearly defined divestment program, we came to the conclusion to close this site as of 31 December 2019. In view of the loss-making situation, it unfortunately proved impossible within a reasonable timeframe to realize a disposal that reflected the value of this asset. A continuation of business activities without the prospect of a successful restructuring would have led to additional burdens for the MAX Automation Group, which would have far exceeded the expenses of an orderly liquidation. IWM Automation Bodensee GmbH, the portfolio company incurring the greatest losses, already necessitated an adjustment to the Group's forecast for the year during the past 2018 financial year. In the current 2019 financial year, the Group will be burdened again by this subsidiary to the same extent as in the previous year. In addition to the operating losses, costs for the closure will be in the upper single-digit range in millions of euros. With the closure of IWM Bodensee GmbH, the largest loss-making company is no longer part of MAX Automation Group portfolio at the end of 2019. The company will have caused an EBITDA loss of more than EUR 40 million from 2018 to the end of 2019.

In addition to the closure of IWM Automation Bodensee GmbH, we decided to sell the shares in the minority interest we hold in ESSERT GmbH. As of 30 June 2019, the shares in the company were repurchased by its founder and managing director Christopher Essert. Against the backdrop of the MAX Automation Group's focus on optimized returns and higher margins as well as the high financing and start-up costs incurred by start-up companies within a rapidly changing environment, ESSERT GmbH no longer fits with our defined core business.

Changes occurred not only to our portfolio companies in the period under review. We have also created the necessary structures in terms of the Group management to ensure the company's success and profitability.

At 1 May 2019, a Management Board was established with one member responsible for each business segment. Patrick Vandenrhijn (Managing Director of MAX Automation SE since 1 May 2019, CEO of bdtronic GmbH) is responsible for the Process Technologies segment. Werner Berens (Managing Director of MAX Automation SE since 1 May 2019, CEO of Vecoplan AG) is responsible for Environmental Technologies. For the newly built Evolving Technologies segment, Dr. Guido Hild (Managing Director of MAX Automation SE since 1 July 2019) has assumed responsibility. Andreas Krause (CFO of MAX Automation SE and member of the Supervisory Board) is Chairman of the Management Board (CEO).

The changed organization of the management of MAX Automation SE leads to clearly defined responsibilities, leveraged the know-how of the Group and enhances efficiency in all operational business processes. Following its election at the 2019 Annual General Meeting, a new Supervisory Board was also constituted and assumed its responsibilities. Dr. Christian Diekmann was elected as its Chairman. The Supervisory Board is intensively concerned with the strategic directions for the MAX Automation Group and its business segments with a focus on optimizing value for shareholders. As part of our strategy processes in the core business areas of the MAX Automation Group, we will define and then implement value-enhancing growth opportunities for the Group as a whole.

For the current financial year, we will advance successfully on our chosen course and implement it with patience and caution. On the basis of the current portfolio and the expectations presented for macroeconomic trends, the management expects consolidated sales excess of EUR 300 million and EBITDA of more than EUR 20 million for the continuing operations.

We would like to take this opportunity to thank our shareholders, customers and business partners for supporting us in the first half of 2019. We would be delighted if you would continue to place your trust in us.

Dusseldorf, 13 August 2019

| | | | |
|---|---|---|---|
| Andreas Krause<br>CFO and Chairman<br>of the Management Board | Werner Berens<br>Head of Business Unit<br>Environmental Technologies | Dr. Guido Hild<br>Head of Business Unit<br>Evolving Technologies | Patrick Vandenrhijn<br>Head of Business Unit<br>Process Technologies |

## Principles of the Group

### Business model and Group structure

MAX Automation SE, based in Dusseldorf, Germany, is an industrial group for high-tech automation solutions operating at international scale in long-term growth sectors. The subsidiaries of MAX Automation SE are leading providers of integrated and complex system and component solutions in their business areas. As such, MAX Automation SE is proactive in areas with long-term growth potential, above-average margins and limited volatility.

The operative business of MAX Automation SE has been organized into three segments (core business) since the reporting year 2019: In the Process Technologies segment, the group acts - thanks to its comprehensive technological know-how - as an innovation leader in the development and production of proprietary solutions (e.g. dispensing, impregnation), particularly for the automotive and electronics industries. In the Environmental Technology segment, MAX Automation develops and installs technologically complex systems for the recycling, energy and raw materials industries. The newly created Evolving Technologies segment bundles companies with growth potential in the areas of optical solutions, solutions for medical technology, industrial robotics and automation as well as packaging solutions.

The MAX Automation Group operates primarily in target markets in Europe, North and South America as well as in Asia. The three business segments develop and produce their system and component solutions primarily in Germany and at plants in the USA and Italy. In addition, they maintain international distribution and service offices to support their customers worldwide directly on site.

MAX Automation SE, with its headquarter in Dusseldorf, is the parent and management company responsible for the strategic and financial management of the Group. In close coordination with the Supervisory Board, the Management Board determines and monitors appropriate strategic and operational measures in order to achieve the defined objectives of the Group.

The net assets, financial position and results of operations of MAX Automation SE as the parent company of the Group are largely determined by the business development of the Group companies in the segments and the corresponding profit transfers and distributions.

Both the Process Technologies segment with bdtronic GmbH (incl. subsidiaries) and the Environmental Technologies segment with Vecoplan AG (incl. subsidiaries) comprise one company for each. The following companies belong to the Evolving Technologies segment as of July 1, 2019: NSM Magnettechnik GmbH, MA micro Automation GmbH (incl. Subsidiaries), iNDAT Robotics GmbH, Mess- und Regeltechnik Jücker GmbH and AIM Micro Systems GmbH.

### Employee development

The MAX Automation Group employed an average of 1,306 people (excluding trainees) in its core business in the first half of 2019. The number of employees thus increased by 111 compared to the same period in 2018, which was 1,195 employees (excluding trainees).

In the first half of 2019, the Process Technologies segment had an average of 352 employees (H1 2018: 282 employees), Environmental Technologies 395 employees (H1 2018: 369 employees) and in the Evolving Technologies segment were 553 people employed (H1 2018: 544 employees).

## Business and economic report

### Macroeconomic environment

According to the International Monetary Fund (IMF), global growth was moderate in the first half of 2019. The escalating trade disputes between the USA and China as well as continuing uncertainty surrounding Brexit exerted a negative effect. For this reason, the IMF in its World Economic Outlook of July 2019 expects global economic growth to slow from 3.6 % last year to 3.2 % in 2019. The expansion rates of the first six months of 2019 also point to a weaker than expected trend in the global economy. With investments by both private sector and public sector budgets being postponed, demand for consumer durables proved to be sluggish in both industrialized and emerging economies. The growth revival expected for 2020 depends on the stabilization of emerging and developing economies, as well as the resolution of trade disputes.[3]

Economic growth in the USA was better than expected, with robust export growth and inventory accumulation, so that the IMF in its July outlook for 2019 expects gross domestic

[3] https://www.imf.org/en/Publications/WEO/Issues/2019/07/18/WEOupdateJuly2019

product (GDP) of 2.6 %, 0.3 percentage points higher than in its April outlook. However, both domestic demand and imports fell short of expectations. Economic momentum will consequently slow in the further course of the year. For 2020, the International Monetary Fund anticipates a further slowdown in growth to 1.9 % due to the expiry of existing economic stimulus packages.[4]

Economic growth in the People's Republic of China exceeded expectations in the first three months of the current year, but showed signs of slowing in the second quarter, prompting the IMF to downgrade its forecast by 0.1 percentage points compared with April, and now expects growth of 6.2 % in 2019 and 6.0 % in 2020. Last year, gross domestic product recorded an increase of 6.6 %[5]

According to the IMF's unchanged July forecast, growth in the Eurozone will slow from 1.8 % in 2018 to 1.3 % in the current year. As expected, one-off effects diminished, especially those due to the introduction of new emission standards, which had weighed on the Eurozone in the previous year. Eurozone economic growth is expected to accelerate over the course of this year and into 2020. The IMF is forecasting growth of 1.6 % for 2020.[6]

The German economy in the first quarter of 2019 expanded by 0.6 % year-on-year, according to the German Federal Statistical Office (Destatis). This positive trend was driven especially by domestic consumption. Demand from abroad rose by 1.5 %. At 4.1 %, the increase in imports was significantly stronger.[7] According to the Kiel Institute for the World Economy (IfW), the German economy is currently in a downturn. As a consequence, a slowdown in the economy is becoming apparent, particularly owing to uncertainty surrounding economic policy. For the second quarter of 2019, the IfW expects a decline in gross domestic product (GDP). In the second half of the year, however, economic growth is expected to pick up again at a moderate pace. For 2019 as a whole, the IfW expects GDP growth to amount to 0.6 %, 0.4 percentage points lower than in its spring 2019 forecast. Growth of 1.6 % is expected for 2020, compared with 1.8 % previously.[8]

**Sector environment**

According to surveys conducted by the German Engineering Federation (VDMA), the order situation and production slowed significantly in the first months of 2019. Order intake in the mechanical engineering sector in the first six months of the current year was 9.0 % down on the prior-year figure. The sharp downturn in the global economy and the far-reaching changes in the automotive industry as well as geopolitical upheavals, which particularly affected the export-driven mechanical and plant engineering sector, had a negative impact.[9] For 2019, the VDMA anticipates a decline in production of two percent overall.[10]

At the start of the year, the VDMA Robotics & Automation Association confirmed continued high global demand for robotics and automation technologies from Germany. For 2019, the trade association expects a growth rate of 2 to 5 %, more moderate than originally assumed, due to the cooling of the global economy.[11]

According to the German Association of the Automotive Industry (VDA), international automotive markets were predominantly negative during the first half of 2019. In the first six months, the car market was down 3 % year-on-year in Europe, down 2 % in the USA and down 14 % in China.[12] The German car market was the only one of the five largest sales markets in Europe to record a positive result with a 1 % increase in new registrations to 1.8 million cars and thereby the highest half-year market volume over the past ten years. Domestic orders also performed well with an increase of 4 %, while orders from abroad were 6 % below the previous year's level.[13]

After the sales revenues generated by all companies in the German medical technology sector reached EUR 30 billion for the first time in 2018, high-tech industry association SPECTARIS expects a further increase of 2 to 3 % for the current 2019 year. The association believes that the

[4] https://www.imf.org/en/Publications/WEO/Issues/2019/07/18/WEOupdateJuly2019
[5] https://www.imf.org/en/Publications/WEO/Issues/2019/07/18/WEOupdateJuly2019
[6] https://www.imf.org/en/Publications/WEO/Issues/2019/07/18/WEOupdateJuly2019
[7] https://www.destatis.de/DE/Presse/Pressemitteilungen/2019/05/PD19_196_811.html
[8] https://www.ifw-kiel.de/de/publikationen/kieler-konjunkturberichte/2019/deutsche-konjunktur-im-sinkflug-0/
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[12] https://www.vda.de/de/presse/Pressemeldungen/20190717-internationale-pkw-maerkte-im-ersten-halbjahr-mit-rueckgaengen.html
[13] https://www.vda.de/de/presse/Pressemeldungen/20190702-Deutscher-Pkw-Markt-mit-starkem-ersten-Halbjahr.html

introduction of the European Medical Device Regulation (MDR) and the general economic slowdown may lead to a reluctance to invest.[14]

According to the associated VDMA trade association, waste and recycling technology started the first half of 2019 with a tailwind, driven by record sales revenue of EUR 2.9 billion achieved in 2018. Thanks to full order books and high capacity utilization, expectations for the second half of the year remain positive. For the current year, manufacturers expect stable growth of around 3 %. Domestic demand for efficient plant technology is benefiting from the German Packaging Act, which came into force at the start of 2019. Exports remain the sector's most important business pillar. Compared to the previous year, the export ratio increased slightly. For 2019, companies expect an export share of 67 %. The sector's most important sales market remains Europe with an export share of over 60 %. The largest non-European sales markets include North America with an export share of 12 %, followed by China and South America, each with an export share of around 3 %.[15]

## Significant events during the reporting period

**Change in the Board of Directors of MAX Automation SE**

With effect as of January 25, 2019, Dr. Ralf Guckert was appointed as a member of the Supervisory Board of MAX Automation SE by the Dusseldorf District Court until the Ordinary Annual General Meeting on May 17, 2019. Previously, at the end of 2018, Gerhard Lerch had resigned from his position for age-related reasons. Dr. Guckert has been Managing Director and Chief Digital Officer of Günther Holding SE in Hamburg since January 2018.

**Change in the management of MAX Automation SE**

From February 4 to April 30, 2019, CFO and managing Director Andreas Krause, who is also a member of the Supervisory Board, led the MAX Automation Group under his sole responsibility after CEO and Managing Director Daniel Fink had agreed with the Supervisory Board on an immediately release given the future management structure. Daniel Fink had already announced in October 2018 that he would not be extending his contract, which expired on 31 March 2019. Daniel Fink resigned as a member of the Supervisory Board with effect from March 31, 2019. Since May 1, 2019, Andreas Krause has been strategically developing the Group as Chairman of the Management Board of MAX Automation SE together with the other Management Board members.

**MAX Automation SE promisingly positioned in its continuing operations**

On March 15, 2019, MAX Automation SE already reported success in the Group's realignment to sustainably improve its profitability and risk profile with a gratifying trend in its core business over the past 2018 financial year. After setting the course for a clear focus on areas of the automation market offering above-average margins and limited demand volatility, MAX Automation SE achieved order intake growth in its continuing operations of 30.8 % year-on-year to EUR 325.4 million. At EUR 18.8 million, earnings before interest and taxes (EBIT) and before amortization from purchase price allocations exceeded the forecast of between EUR 16 million to EUR 18 million.

**New Group and management structure supports realignment of MAX Automation SE**

With the concentration on the core business, the Supervisory Board of MAX Automation SE has implemented a structural re-segmentation within the Group in the 2019 financial year and divided the operative business into three segments, which replace the previous Industrial Automation and Environmental Technology segments:

- Process Technologies
- Environmental Technologies
- Evolving Technologies

The new segments were reported for the first time in the interim report for the first quarter of 2019.

As part of the new segmentation, the Supervisory Board installed a new Management Board structure from May 1, 2019, in order to optimize the coordination of strategic management and operational business. Since then, the operational management of the three segments has been the responsibility of the Managing Directors under the chairmanship of Andreas Krause:

- Process Technologies: Patrick Vandenrhijn (Managing Director of MAX Automation SE since 1 May 2019, CEO of bdtronic GmbH)

[14] https://www.spectaris.de/medizintechnik/aktuelles/detail/medizintechnikbranche-durchbricht-zum-ersten-mal-die-30-milliarden-euro-umsatzmarke/

[15] https://art.vdma.org/viewer/-/v2article/render/30179238

- Environmental Technologies: Werner Berens (Managing Director of MAX Automation SE since 1 May 2019, CEO of Vecoplan AG)
- Evolving Technologies: Dr. Guido Hild (Managing Director of MAX Automation SE since 1 July 2019)

**Strong start to FY 2019**

In view of a dynamic start to the year in all three business segments, which was reflected in a significant increase in order intake, MAX Automation SE on May 15, 2019 confirmed its forecast for its core business for the 2019 financial year. Order intake in the continuing operations in the first quarter of 2019 rose by 41.6 % year-on-year to EUR 83.8 million, while the order backlog reached EUR 181.7 million, 47.1 % higher than the previous year. MAX Automation SE increase its first-quarter operating profit (EBITDA) adjusted for special effects from sale of NSM Packtec in the amount of EUR 3.3 million by 76.5 % compared to the previous year.

In a phase of transformation and transition to sustainable profitable growth, the strength of the core business once again underscores that the Group is on the correct course with continued high demand for MAX Automation Group’s solutions, products and services.

**Annual General Meeting confirms broad support for structural restructuring into an integrated industrial group**

At the Ordinary Annual General Meeting of MAX Automation SE held on May 17, 2019 in Dusseldorf, the shareholders of MAX Automation SE gave the company's Supervisory Board broad support for the structural restructuring and the realignment of the Group that has been launched.

The agenda included, in particular, the election of the entire Supervisory Board after the conversion of the former MAX Automation AG into a Societas Europaea (SE) had been entered in the commercial register on February 8, 2018, automatically ending the term of office of the first Supervisory Board. In the new Supervisory Board, which consists of five members, the shareholders voted by a large majority in individual votes:

- Dr. Christian Diekmann (Managing Director and CFO of Zertus GmbH)
- Dr. Ralf Guckert (Managing Director and CDO of Günther Holding SE)
- Oliver Jaster (Chairman of the Board of Directors of Günther Holding SE and Member of the Supervisory Board of ZEAL Network SE)
- Dr. Jens Kruse (General Manager of the private bank M.M. Warburg & Co KGaA)
- Andreas Krause (Managing Director and CFO of MAX Automation SE)

In addition, the Annual General Meeting of MAX Automation SE passed a resolution by a large majority to create a new Authorized Capital in the amount of 15 % of the current share capital, which replaces and supplements the existing and unutilized Authorized Capital.

**Closure of IWM Automation Bodensee**

After a thorough examination of alternatives, including a divestiture, the Supervisory Board of MAX Automation SE decided on June 25, 2019 to close the loss-making IWM Automation Bodensee GmbH as of December 31, 2019. The decision is related to the consistent focus on the strong core business. In view of the losses incurred for several years and the company's high financial requirements, it was no longer possible to continue the subsidiary sustainably. With the closure, the MAX Automation Group continues to consistently implement its disposal program to improve its profitability and risk profile.

**Divestiture of minority interest in ESSERT GmbH as part of structural realignment**

On June 30, 2019, MAX Automation SE sold its minority interest in ESSERT GmbH to the company's managing director and founder, Christoph Essert. ESSERT GmbH was unable to meet the expectations of the MAX Automation Group in relation to profitable growth and optimizing the returns from its participating interests and no longer formed part of the core business following the MAX Automation Group's structural realignment.

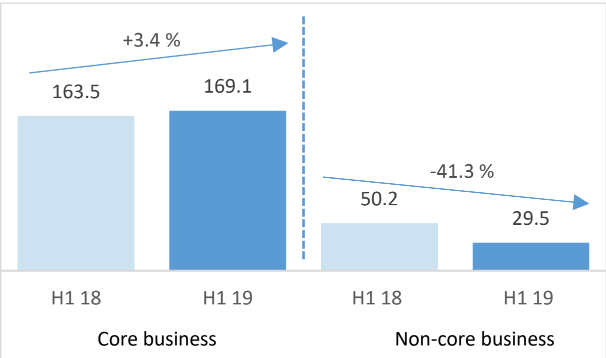
## CORE BUSINESS - KEY FIGURES AT A GLANCE

| in EUR million | H1 2019 | H1 2018 | Change |
|---|---|---|---|
| Order intake | 169.1 | 163.5 | 3.4 % |
| Order backlog* | 191.6 | 155.3 | 23.4 % |
| Working capital | 29.7 | 57.6 | -48.4 % |
| Sales | 148.2 | 133.5 | 11.1 % |
| EBITDA | 14.5 | 11.6 | 25.0 % |
| Earnings from continuing operations | 5.8 | 7.5 | -22.7 % |
| Employees | 1,306 | 1,195 | 9.3 % |
| **Process Technologies** | | | |
| Sales | 32.2 | 24.7 | 30.4 % |
| EBITDA | 6.7 | 5.3 | 26.4 % |
| **Environmental Technologies** | | | |
| Sales | 57.2 | 52.5 | 8.9 % |
| EBITDA | 6.3 | 4.4 | 43.2 % |
| **Evolving Technologies** | | | |
| Sales | 59.6 | 57.4 | 3.8 % |
| EBITDA | 6.5 | 3.8 | 71.1 % |

***Balance sheet date comparison 30 June 2019 to 30 June 2018**

### Order

**Order intake**
EUR million




Order intake in the MAX Automation Group's core business (continuing operations) reported solid growth in the first half of 2019 of EUR 5.6 million (+3.4 %) to EUR 169.1 million, with a major order in medical technology in particular to be taken into account for the comparable period of 2018.

The Group benefited particularly from high demand for efficient components and plants for recycling and waste treatment. This success was due to the clear positioning of the Vecoplan Group and recent innovations that were developed specifically to meet market requirements.

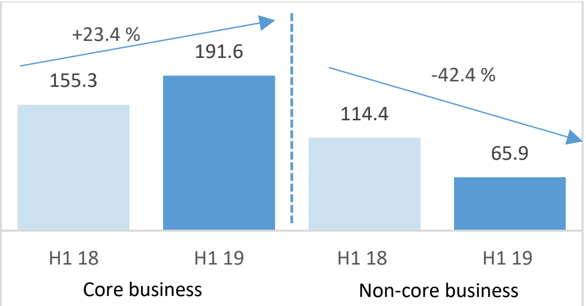
The Process Technologies segment developed in line with expectations. Bdtronic continues to enjoy high demand due to its positioning in e-mobility. This good positioning in the e-mobility market did not lead to a decline in orders, as was the case with other companies.

In the Evolving Technologies division, there was a major order in medical technology in the first half of 2018 (EUR 32.9 million), which could not be repeated in 2019. Adjusted for this major order in the same period of the previous year, order intake in the Evolving Technologies division increased by more than 50 %. Press automation, for example, recorded order intake in the first half of the year that exceeded expectations, compared with a rather cautious first half in 2018.

At Group level, the book-to-bill ratio (ratio of order intake to sales) of 1.14 underscores the continuing demand for automation solutions from MAX Automation SE (H1 2018: 1.22).

The continued difficult market environment in the automotive industry continued to affect the discontinued operations in the half-year under review. The order intake fell from EUR 50.2 million in the prior-year period to EUR 29.5 million in the first half of 2019 (-41.3 %).

**Order backlog**
EUR million

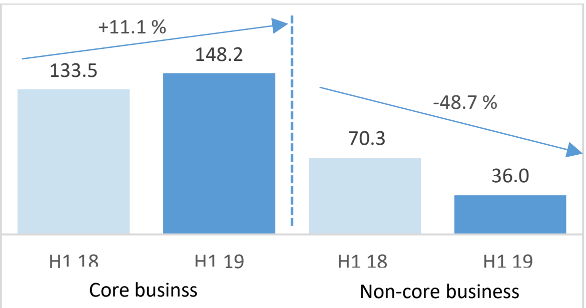



Thanks to the high order intake in the first half of the year, the MAX Group's order backlog reported particularly strong growth in the core business of EUR 36.3 million (23.4 %) to EUR 191.6 million as of 30 June 2019.

As a consequence, the further increase in the continuing operations' order backlog underlines the visibility further expected high capacity utilization level in the second half the year as well as a positive sales trend in the current financial year.

## Sales and results of operations

**Sales**
EUR million




Sales in MAX Automation's core business registered a strong increase of EUR 14.8 million (11.1 %) to EUR 148.2 million in the first six months of 2019. Sales growth was recorded in all three segments.

The Process Technologies segment benefited from the strong order intake in 2018 and the associated high order backlog with which 2019 started. Most of the order intake was generated in the e-mobility market. The positive trend continued in 2019. This underscores this segment's very good positioning in innovative and future-oriented markets.

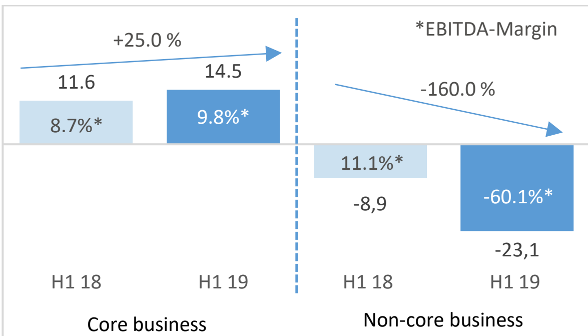
In the Evolving Technologies segment, the high order intake in the growth market of medical technology made a significant contribution to sales. In line with the positive order intake trend, the Environmental Technologies segment also registered a significant year-on-year increase in sales. Approximately 40 % of sales is generated with new machines, underscoring the fact that product innovations have been very well received by the market.

The currently difficult automotive market environment in non-core business was also reflected in low sales. These fell by 48.7 % year-on-year to EUR 36.0 million (H1 2018: EUR 70.3 million).

Other operating income amounted to EUR 3.4 Mio. Euro in the first half of 2019 (H1 2018: EUR 6.3 Mio. Euro). In the prior-year period, this item mainly included income from the deconsolidation of NSM Packtec GmbH as of 28 February 2018.

The cost of materials increased by EUR 10.0 million (+16.1 %) to EUR 72.2 million in the core business, in line with volumes. The cost of materials ratio was 48,8 % (H1 2018: 46,4 %) in relation to total operating performance, mainly due to the product portfolio in the Evolving Technologies segment. While personnel expenses rose to EUR 50.0 million by 10.5 % (H1 2018: EUR 45.2 million) in line with the positive order situation, the personnel expense ratio remained at the previous year's level of 33.7 % (H1 2018: 33.6 %). With an increase of EUR 0.9 million (29.6 %), depreciation and amortization in the first half of 2019 amounted to EUR 4.0 million. This is mainly due to the first-time application of IFRS 16 (Leases).

**EBITDA**
EUR million




Earnings from continuing operations (before interest, taxes, depreciation and amortization, EBITDA) rose by 24.3 % to

EUR 14.5 million in the first half of 2019 (H1 2018: EUR 11.6 million). The EBITDA margin of the core business rose to 9.8 % of total operating Sales (H1 2018: 8.7 %). With stable margins, the Process Technologies business unit benefited from a significant increase in sales. In Environmental Technologies, performance drivers included increased high-margin orders for efficient components and plants for recycling and waste treatment. The Evolving Technologies segment developed in line with expectations.

Earnings in the non-core business continued to be clearly negative in the first half of the year at EUR -23.1 million in line with weak sales and remaining project losses (H1 2018: EUR -8.9 million).

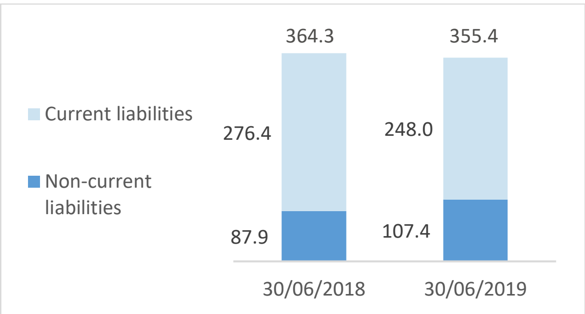
In the core business (continuing operations), earnings before taxes (EBT) rose by 19.3 % to EUR 8.6 million in the first half of 2019 (H1 2018: EUR 7.2 million).

Income tax expense amounted to EUR 2.7 million (H1 2018: income EUR 0.4 million) and, due to existing tax group entities, also burdened earnings after taxes from continuing operations with losses from discontinued operations. As a consequence, MAX Automation recorded a decline in earnings of EUR 1.7 million to EUR 5.8 million (-22.6 %) in the first half of 2019 (H1 2018: EUR 7.5 million). In the non-core business, earnings declined by EUR 15.1 million to EUR -25.0 million (H1 2018: EUR -9.9 million).

MAX Automation closed the first half of 2019 at Group level with a net loss for the period of EUR -19.2 million compared to EUR -2.4 million in the first half of 2018.

## Assets position

**Assets position**
EUR million



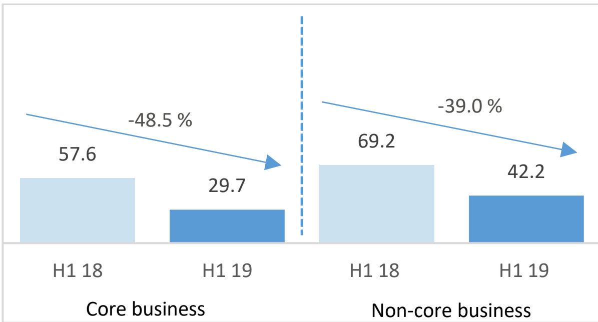

As of 30 June 2019, the total assets of the MAX Automation Group of EUR 355.4 million, were 2.4 % (EUR -8.9 million) below those of the previous year's balance sheet date as of 31 December 2018.

Non-current assets increased by 22.0 % to EUR 107.3 million (31 December 2018: EUR 87.9 million). Intangible assets increased by 27.1 % to EUR 58.1 million (31 December 2018: EUR 45.7 million), especially due to the measurement of rights of use assets. This includes the expansion of the Weikersheim site. Investment property increased by EUR 7.2 million to EUR 8.5 million (31 December 2018: EUR 1.3 million). At equity accounted financial assets increased by EUR 2.4 million to zero. This is due to the disposal of the minority interest in ESSERT GmbH. Other financial assets declined from EUR 2.9 million to EUR 9.5 million (31 December 2018: EUR 6.7 million). Deferred tax assets fell by 26,1 % to EUR 4.8 million (31 December 2018: EUR 6.5 million).

Current assets decreased by 10.3 % to EUR 248.0 million (31 December 2018: EUR 276.4 million). Inventories increased by 10.4 % to EUR 54.1 million (31 December 2018: EUR 49.0 million). Trade receivables rose by 4.2 % to EUR 52.0 million (31 December 2018: EUR 49.9 million). Cash and cash equivalents reduced by EUR 4.9 million (-15.4 %) to EUR 26.9 million.

Assets held for sale decreased by 25.4 % from EUR 134.7 million to EUR 100.5 million.

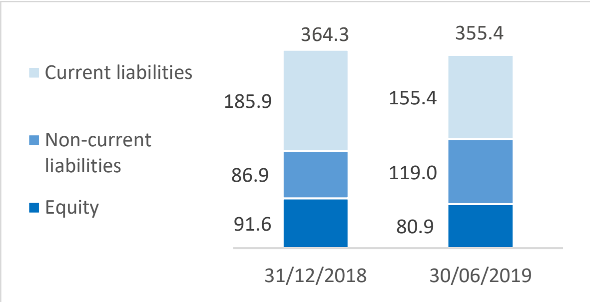
**Working capital**
EUR million




Working capital in the core business fell by 48.5 % to EUR 29.7 million (H1 2018: EUR 57.6 million). The working capital management measures introduced at the operating companies in the core business are proving effective. For example, the working capital ratio in the Environmental Technologies and Evolving Technologies divisions was reduced thanks to high advance payments, despite an increase in order intake, while in the Process Technologies segment inventory accumulation in the USA and for major projects was evident.

## Financial position

**Financial position**
EUR million



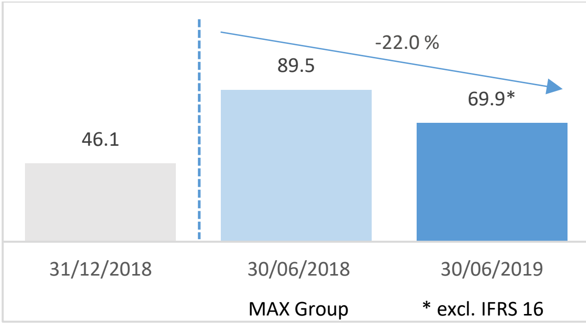

The equity of the MAX Automation Group decreased by 11.6 % to EUR 80.9 million as of 30 June 2019 (31 December 2018: EUR 91.6 million). The equity ratio at the end of the first half of 2019 was 22.8 % (31 December 2018: 25.1 %). The revenue reserve increased by 10.3 % to EUR 32.2 million (31 December 2018: EUR 29.2 million).

Non-current liabilities increased by 36.9 % to EUR 119.0 million (31 December 2018: EUR 86.9 million). Non-current bank liabilities rose from by 22.9 % from EUR 76.8 million to EUR 94.4 million. Due to the first-time application of IFRS 16 (Leases) as of 1 January 2019, the MAX Automation Group reported EUR 13.0 million for long-term leasing liabilities as of 30 June 2019. Other non-current provisions increased to EUR 2.5 million (31 December 2018: EUR 2.2 million). Tax liabilities rose to EUR 7.9 million (31 December 2018: EUR 6.8 million).

Current liabilities decreased by 16.4 % to EUR 155.4 million (31 December 2018: EUR 185.9 million). Trade payables rose by EUR 5.5 million (+7.7 %) to EUR 76.5 million. Current bank liabilities increased to EUR 2.4 million (31 December 2018: EUR 1.1 million). With the first-time application of IFRS 16, the MAX Automation Group reported EUR 3.1 million for short-term leases. Other current financial liabilities decreased by 27.2 % to EUR 11.8 million (31 December 2018: EUR 16.2 million), including a change in presentation in accordance with IFRS 5 in connection with the closure of IWM Bodensee GmbH. Provisions and liabilities for income taxes decreased to EUR 3.8 million (31 December 2018: EUR 4.3 million). Reflecting changes in presentation, other provisions also increased by EUR 8.2 million (+100.2 %). Accordingly, other liabilities decreased by 52.5 % to EUR 1.9 million (31 December 2018: EUR 4.0 million). Liabilities in connection with assets held for sale from discontinued operations amounted to EUR 39.6 million (31 December 2018: EUR 81.0 million).

As of June 30, 2019, MAX Automation SE complied with all covenants.

**Net debt**
EUR million

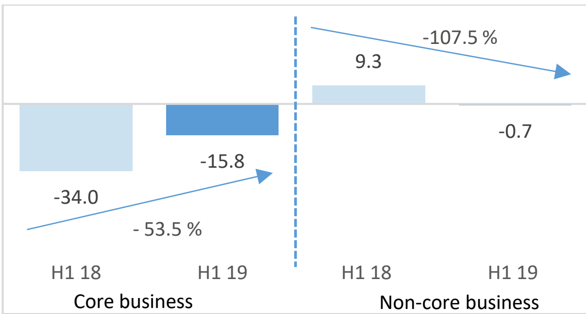



Net debt increased by EUR 40 million (+86.8 %) to EUR 86.1 million (31 December 2018: EUR 46.1 million) as of 30 June 2019 compared with the balance sheet date of 31 December 2018, due in part to the first time application of IFRS 16 (Leases) as of 1 January 2019. The changeover effect to IFRS 16 amounted to EUR 16.2 million.

Excluding this effect, net debt fell by 21.2 % to EUR 69.9 million compared with the figure at the end of the first half of 2018 as a result of the working capital management measures implemented at the operating companies.

## Liquidity trends

**Cash flow from operating activities**
EUR million



In the first half of 2019, the MAX Group reported operating cash outflow in its core business of EUR 15.8 million compared to first half of 2018 in the amount of EUR 34.0 million.

Cash flow from investing activities, especially in relation to property, plant and equipment, amounted to EUR -3.4 million at the end of the reporting period (H1 2018: EUR -1.0 million).

In the first six months of the current financial year, cash flow from financing activities resulted in a balance of cash inflows and outflows of EUR 14.3 million (H1 2018: EUR 28.6 million).

Cash and cash equivalents in the core business amounted to EUR 26.9 million as of 30 June 2019 (31 December 2018: EUR 17.8 million).

### Opportunity and Risk Report

The opportunity profile of the MAX Automation Group has not changed significantly compared to the detailed comments in the Group Management Report as of December 31, 2018. There are no business endangering activities.

### Financial forecast

The MAX Automation Group recorded an overall very good development of orders and profitable sales in the half-year under review. The respective growth in all three segments of its core business - Process Technologies, Environmental Technologies and Evolving Technologies - underscores that MAX Automation SE is on track with the restructuring of the Group and the focus on the continuing operations, commenced in autumn 2018. In the current year, the focus of operating activities will continue to be pushing restructuring forward and shape up MAX Automation Group for the future.

Strategically well positioned with its continuing operations, MAX Automation SE was able to benefit from an increasing degree of automation in the industry and record a strong order intake, contrary to the overall and industry economic developments. With the high order backlog at the end of the first half of 2019 and a well-filled order pipeline, the group is optimistic about the further course of business in its core business in 2019.

Overall, MAX Automation SE confirms its sales and earnings forecast for the 2019 financial year and continues to expect consolidated sales of more than EUR 300 million and EBITDA of more than EUR 20 million for continuing operations, based on the current portfolio and the estimates presented for overall and industry economic developments.

### Forward-Looking Statements

This report contains forward-looking statements based on current assumptions and forecasts made by the management of MAX Automation SE. Such statements are subject to risks and uncertainties. These and other factors can cause the actual results, financial situation, development or performance of the company to differ materially from the estimates given here. The company assumes no obligation to update such forward-looking statements or to adjust them to future events or developments.

Dusseldorf, August 13, 2019

Andreas Krause
CFO and Chairman of the Management Board

Werner Berens
Head of Business Unit Environmental Technologies

Dr. Guido Hild
Head of Business Unit Evolving Technologies

Patrick Vandenrhijn
Head of Business Unit Process Technologies

# CONSOLIDATED BALANCE SHEET

of MAX Automation SE, Dusseldorf,
as of June 30, 2019

| ASSETS | 30/06/2019<br>TEUR | 31/12/2018<br>TEUR |
|---|---|---|
| **Non-current assets** | | |
| Intangible Assets | 3,378 | 3,643 |
| Goodwill | 42,069 | 42,067 |
| Right-of-Use Assets | 12,676 | 0 |
| Property, plant and equipment | 25,800 | 25,136 |
| Investment property | 8,454 | 1,254 |
| Equity accounted investments | 5,713 | 2,369 |
| Other investments | 3,810 | 6,668 |
| Deferred tax | 4,792 | 6,482 |
| Other non-current assets | 647 | 330 |
| **Non-current assets, total** | **107,338** | **87,949** |
| **Current assets** | | |
| Inventories | 54,122 | 48,955 |
| Trade receivables | 52,041 | 49,940 |
| Receivables due from related companies | 0 | 19 |
| Prepayments and accrued income, and other current assets | 14,427 | 11,021 |
| Cash and cash equivalents | 26,882 | 31,779 |
| Assets held for sale | 100,547 | 134674 |
| **Current assets, total** | **248,019** | **276,388** |
| **Total assets** | **355,357** | **364,337** |

# CONSOLIDATED BALANCE SHEET

## of MAX Automation SE, Dusseldorf, as of June 30, 2019

| EQUITY AND LIABILITIES | 30/06/2019 TEUR | 31/12/2018 TEUR |
|---|---|---|
| **EQUITY** | | |
| Subscribed share capital | 29,459 | 29,459 |
| Capital reserve | 18,907 | 18,907 |
| Revenue reserve | 32,152 | 29,215 |
| Equity difference resulting from currency translation | 524 | -65 |
| Non-controlling interests | 219 | -4,520 |
| Unappropriated retained earnings | -323 | 18,588 |
| **Total Equity** | **80,938** | **91,584** |
| **Non-current liabilities** | | |
| Non-current loans less current portion | 94,438 | 76,768 |
| Non-current lease liabilities | 13,043 | 0 |
| Pension provisions | 933 | 950 |
| Other provisions | 2,527 | 2,191 |
| Deferred tax | 7,934 | 6,816 |
| Other non-current liabilities | 158 | 150 |
| **Non-current liabilities, total** | **119,033** | **86,875** |
| **Current liabilities** | | |
| Trade payables | 76,512 | 71,057 |
| Current loans and current portion of non-current loans | 2,391 | 1,086 |
| Current lease liabilities | 3,134 | 0 |
| Other current financial liabilities | 11,764 | 16,220 |
| Income tax provisions and liabilities | 3,812 | 4,321 |
| Other provisions | 16,274 | 8,127 |
| Other current liabilities | 1,882 | 4,048 |
| Liabilities in relation to assets held for sale | 39,617 | 81019 |
| **Current liabilities, total** | **155,386** | **185,878** |
| **Equity and liabilities, total** | **355,357** | **364,337** |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

of MAX Automation SE, Dusseldorf,
as of June 30, 2019

| | 01/01/-30/06/2019 | 01/01/-30/06/2018 | 01/04/-30/06/2019 | 01/04/-30/06/2018 |
|---|---|---|---|---|
| | TEUR | TEUR | TEUR | TEUR |
| **Sales** | **148,232** | **133,470** | **78,978** | **72,616** |
| Change in finished goods and work-in-progress | -484 | 362 | -3,062 | -1,905 |
| Work performed by the company and capitalized | 418 | 164 | 415 | 99 |
| **Total operating revenue** | **148,166** | **133,996** | **76,331** | **70,810** |
| Other operating revenue | 3,372 | 6,297 | 2,188 | 1,457 |
| Result from the valuation of investment properties | 6,442 | 0 | 6,442 | 0 |
| Cost of materials | -72,240 | -62,206 | -39,620 | -33,174 |
| Personnel expenses | -49,966 | -45,219 | -25,573 | -22,459 |
| Depreciation, amortization and impairment losses | -4,007 | -3,092 | -1,991 | -1,576 |
| Other operating expenses | -21,319 | -21,243 | -11,358 | -11,737 |
| **Operating profit** | **10,448** | **8,533** | **6,419** | **3,321** |
| Net interest result | -1,562 | -1,089 | -786 | -531 |
| Result from equity accounted investments | -332 | -271 | -115 | -200 |
| **Earnings before tax** | **8,554** | **7,173** | **5,518** | **2,590** |
| Income taxes | -2,731 | 355 | -1,502 | 1,418 |
| **Earnings from continuing operations** | **5,823** | **7,528** | **4,017** | **4,008** |
| **Discontinued operations** | | | | |
| Result from discontinued operations | -24,982 | -9,899 | -18,006 | -7,991 |
| **Net income** | **-19,159** | **-2,371** | **-13,989** | **-3,983** |
| | | | | |
| of which attributable to non-controlling interests | **-248** | **-412** | **-75** | **-369** |
| of which attributable to shareholders of MAX Automation AG | **-18,911** | **-1,959** | **-13,914** | **-3,614** |
| | | | | |
| **Other comprehensive income that is never recycled to the income statement** | | | | |
| Actual gains and losses on employee benefits | | | | |
| Income taxes on actuarial gains and losses | | | | |
| **Other comprehensive income that can be recycled to the income statement** | | | | |
| Change arising from currency translation | 590 | 53 | 293 | 272 |
| **Total comprehensive income** | **-18,569** | **-2,318** | **-13,696** | **-3,711** |
| | | | | |
| of which attributable to non-controlling interests | **-248** | **-412** | **-75** | **-369** |
| of which attributable to shareholders of MAX Automation SE | **-18,321** | **-1,906** | **-13,621** | **-3,342** |
| | | | | |
| Earnings per share (diluted and basic) in EUR | -0.64 | -0.07 | -0.47 | -0.12 |
| Earnings per share (diluted and basic) in EUR - continuing operations | 0.21 | 0.26 | 0.19 | 0.14 |

# CONSOLIDATED STATEMENT OF CASH FLOWS

## of MAX Automation SE, Dusseldorf, for the period from January 1 to June 30, 2019

| | Subscribed share capital TEUR | Capital reserves TEUR | Actuarial gains and losses TEUR | Other revenue reserves TEUR | Differences from currency transla-tion TEUR | Reconcil-ing item for non-con-trolling interests TEUR | Unappro-priated profit TEUR | Total TEUR |
|---|---|---|---|---|---|---|---|---|
| **As of 01/01/2018** | **29,459** | **18,907** | **-205** | **31,373** | **66** | **576** | **58,821** | **138,997** |
| Adjustment retained earnings IFRS 15 | 0 | 0 | 0 | -4,044 | 0 | 0 | 0 | -4,044 |
| **As of 01/01/2018 after adjustment IFRS 15** | **29,459** | **18,907** | **-205** | **27,329** | **66** | **576** | **58,821** | **134,953** |
| Dividend payments | 0 | 0 | 0 | 0 | 0 | 0 | -4,419 | -4,419 |
| Non controlling interest | 0 | 0 | 0 | 0 | 0 | 244 | 0 | 244 |
| Transfer to put option | 0 | 0 | 0 | -4,935 | 0 | 0 | 0 | -4,935 |
| Transfer retained earnings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 | 0 | 52 | -412 | -1,959 | -2,319 |
| **As of 30/06/2018** | **29,459** | **18,907** | **-205** | **22,393** | **118** | **408** | **52,443** | **123,524** |
| **As of 01/01/2019** | **29,459** | **18,907** | **-177** | **29,392** | **-65** | **-4,520** | **18,588** | **91,584** |
| Adjustment retained earnings IFRS 16 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 |
| **As of 01/01/2019 after adjustment IFRS 16** | **29,459** | **18,907** | **-177** | **29,392** | **-65** | **-4,520** | **18,588** | **91,584** |
| Dividend payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Non controlling interest | 0 | 0 | 0 | 0 | 0 | 4,987 | | 4,987 |
| Transfer to put option | 0 | 0 | 0 | 2,937 | 0 | 0 | 0 | 2,937 |
| Transfer to retained earnings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 | 0 | 590 | -248 | -18,911 | -18,570 |
| **As of 30/06/2019** | **29,459** | **18,907** | **-177** | **32,329** | **524** | **218** | **-323** | **80,938** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

of MAX Automation SE, Dusseldorf,
for the period from January 1 to June 30, 2019

| | | Q1-Q2 2019 TEUR | Q1-Q2 2018 TEUR |
|---|---|---|---|
| 1 | **Cash flow from operating activities** | | |
| | Net income | -20,609 | -2,371 |
| | **Adjustments relating to the reconciliation of consolidated net income for the year to cash flow from operating activities** | | |
| | Income taxes | 5,767 | -973 |
| | Net interest result | -1,772 | 1,323 |
| | | -6,442 | |
| | Depreciation of intangible assets | 3,760 | 3,159 |
| | Depreciation of property, plant and equipment | 2,035 | 1,974 |
| | Depreciation of investment property | 0 | 32 |
| | Gain (-) / loss (+) on disposal of property, plant and equipment | -156 | -21 |
| | Gain (-) / loss (+) from the sale of subsidiaries | 0 | -3,333 |
| | Other non-cash expenses and income | -1,987 | -1,783 |
| | **Changes in assets and liabilities** | | |
| | Increase (-) / decrease (+) in other non-current assets | 4,435 | -105 |
| | Increase (-) / decrease (+) in inventories | -6,176 | -7,944 |
| | Increase (-) / decrease (+) in trade receivables | 17,536 | -20,862 |
| | Increase (-) / decrease (+) in receivables due from related companies | 19 | 21 |
| | Increase (-) / decrease (+) in prepayments, accrued income and other assets | -2,074 | -6,179 |
| | Increase (-) / decrease (+) in other non-current liabilities | -308 | 7,992 |
| | Increase (-) / decrease (+) in pensions provisions | -17 | -17 |
| | Increase (-) / decrease (+) in in trade payables | -14,759 | 8,344 |
| | Increase (-) / decrease (+) in other provisions and liabilities | 9,205 | -2,382 |
| | Increase (+) / decrease (-) in liabilities to related parties | 0 | 36 |
| | Income tax paid | -5,468 | -1,628 |
| | Income tax reimburse | 429 | 7 |
| = | **Cash flow from operating activities** | **-16,582** | **-26,885** |
| 2 | **Cash flow from investing activities** | | |
| | Outgoing payments for investments in intangible assets | -1,570 | -1,084 |
| | Outgoing payments for investments in property, plant and equipment | -2,475 | -1,724 |
| | Outgoing payments for investments in financial assets | 0 | 194 |
| | Payments received from disposals of intangible assets | 190 | 436 |
| | Payments received from disposals of property, plant and equipment | 269 | 145 |
| | Outgoing payments for investment in subsidiaries, less cash | 0 | -11,142 |
| | Payments received from the sale of subsidiaries less cash and cash equivalents | -364 | 2,869 |
| = | **Cash flow from investing activities** | **-3,950** | **-10,306** |
| 3 | **Cash flow from financing activities** | | |
| | Outgoing payments for dividends | 0 | -4,419 |
| | Borrowing of non-current financial loans | 18,416 | 48,500 |
| | Repayment of non-current financial loans | 0 | 15,984 |
| | Change in current financial debt | -2,933 | -28,328 |
| | Interest paid | -1,197 | -1,853 |
| | Interest received | 20 | 94 |
| = | **Cash flow from financing activities** | **14,306** | **29,978** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

of MAX Automation SE, Dusseldorf,
for the period from January 1 to June 30, 2019

| | | Q1-Q2 2019<br>TEUR | Q1-Q2 2018<br>TEUR |
|---|---|---|---|
| 4 | **Cash and cash equivalents** | | |
| | **Increase/decrease in cash and cash equivalents** | **-6,226** | **-5,038** |
| | Effect of changes in exchange rates | 24 | 157 |
| | **Cash and cash equivalents at the start of the financial year** | **33,518** | **26,154** |
| | **Cash and cash equivalents at the end of the financial year** | **27,316** | **21,273** |
| 5 | **Composition of cash and cash equivalents** | | |
| = | **Cash and cash equivalents** | **27,316** | **21,273** |

| | | Q1-Q2 2019<br>TEUR | Q1-Q2 2018<br>TEUR |
|---|---|---|---|
| 6 | **Cash flows continued operations** | | |
| | **Cash and cash equivalents at the start of the financial year** | **33,518** | **26,154** |
| | Cash at the start of the financial year discontinued operations | -1,739 | -2,038 |
| | Cash flow from operating activities | -15,843 | -33,998 |
| | Cash flow from investing activities | -3,374 | -950 |
| | Cash flow from financing activities | 14,294 | 28,554 |
| | Effect of changes in exchange rates | 26 | 115 |
| 7 | **Composition of cash and cash equivalents continued operations** | | |
| = | **Cash and cash equivalents** | **26,882** | **17,837** |

| | | Q1-Q2 2019<br>TEUR | Q1-Q2 2018<br>TEUR |
|---|---|---|---|
| 8 | **Cash flows discontinued operations** | | |
| | **Cash and cash equivalents at the start of the financial year** | **1,739** | **2,038** |
| | Cash flow from operating activities | -739 | 9,288 |
| | Cash flow from investing activities | -576 | -9,356 |
| | Cash flow from financing activities | 12 | 1,424 |
| | Effect of changes in exchange rates | -2 | 42 |
| 9 | **Composition of cash and cash equivalents discontinued operations** | | |
| = | **Cash and cash equivalents** | **434** | **3,436** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

## of MAX Automation SE, Dusseldorf, for the period from January 1 to June 30, 2019

| | Q1-Q2 2019 TEUR | Q1-Q2 2018 TEUR |
|---|---|---|
| **Additional information:** | | |
| **Acquisition of subsidiaries:** | | |
| Goodwill | 0 | 5,945 |
| Intangible Assets | 0 | 8,797 |
| Property, plant and equipment | 0 | 3,510 |
| Other non current assets | 0 | 48 |
| Deferred tax assets | 0 | 443 |
| Inventories | 0 | 3,582 |
| Trade receivables | 0 | 5,177 |
| Prepayments and accrued income and other current assets | 0 | 446 |
| Cash and cash equivalents | 0 | 512 |
| Provisions non-current | 0 | -1,243 |
| Deferred tax liabilities | 0 | -2,468 |
| Trade payables | 0 | -5,304 |
| current loans | 0 | -830 |
| Other current financial liabilities | 0 | -6,698 |
| Provisions and liabilities from taxes | 0 | -4 |
| Other provisions | 0 | -13 |
| Other current liabilities | 0 | -255 |
| Purchase price payment | 0 | 1,100 |
| Cash and cash equivalents acquired | 0 | -512 |
| **Purchase price paid less cash and cash equivalents acquired** | **0** | **11,142** |

| | Q1-Q2 2019 TEUR | Q1-Q2 2018 TEUR |
|---|---|---|
| **Additional information:** | | |
| **Sale of subsidiaries:** | | |
| Intangible Assets | 0 | -1,122 |
| Property, plant and equipment | 0 | -72 |
| Other non current assets | 0 | -17 |
| Inventories | 0 | -1,796 |
| Trade receivables | 0 | -6,059 |
| Prepayments and accrued income and other current assets | 0 | -74 |
| Cash and cash equivalents | 0 | -631 |
| Deferred tax | 0 | -948 |
| Trade payables | 0 | 1,651 |
| Other provisions | 0 | 117 |
| Other current liabilities | 0 | 316 |
| Deferred tax liabilities | 0 | 942 |
| Cash and cash equivalents acquired | 0 | 334 |
| **Income from the sale of subsidiaries** | 0 | 3,333 |
| **Purchase price received less cash and cash equivalents** | **0** | **2,869** |

## Accounting policies

The accounting policies in the consolidated interim financial report of MAX Automation SE as of 30 June 2019 were applied in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board, London (IASB) applicable in the EU on the reporting date, taking into account the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC). The corresponding comparative figures for the previous year were calculated applying the same policies. Accordingly, these interim consolidated financial statements have been prepared in accordance with IAS 34.

Taking into consideration the purpose of interim financial reporting as an information instrument based on the consolidated financial statements, we refer to the notes to the consolidated financial statements as of 31 December 2018, where accounting policies and consolidation methods as well as the use of options contained in IFRS are explained.

With the exception of the application of IFRS 16 as of 1 January 2019 and the application of the fair value model for investment property (IAS 40), the accounting policies and consolidation principles were applied as in the last consolidated financial statements.

### Amendment to accounting policies

### Effects of the initial application of the fair value model for investment property

Due to the increased importance of accounting for investment property for the MAX Group, the management of MAX Automation SE decided to change its accounting policies and to apply the fair value model to all investment property as of the 2019 financial year. In the management's opinion, the fair value model is the more relevant form of presentation for conveying a more appropriate picture of the MAX Group's financial position and performance.

With effect from 30 June 2019, the Kesselbachstrasse property in Bermatingen is shown as an investment property in addition to the property in Dettenhausen. Accordingly, no rental income from these properties is included in the statement of comprehensive income for the period from 1 January 2019 to 30 June 2019.The previous year's figures were not adjusted, as the Dettenhausen property was already recognized at its fair value on 31 December 2018. The carrying amount at that time corresponded to the fair value. For further details, please refer to the notes to the consolidated financial statements as of 31 December 2018.

The income statement for the period from 1 January 2019 to 30 June 2019 TEUR 6,442includes a positive effect from the fair value adjustment.

### Effects of first-time application of IFRS 16

The effects of the first-time application of IFRS 16 and the new accounting policies applied as of 1 January 2019 are explained below.

IFRS 16 was applied for the first time in accordance with the transitional provisions of IFRS 16, modified retrospectively applying the simplified approach for rights-of-use, as a consequence of which no effects in retained earnings arose as of 1 January 2019. The comparative figures for the 2018 financial year have not been restated.

With the first-time application of IFRS 16, the MAX Group recognized lease liabilities for leases previously classified as operating leases under IAS 17. These liabilities are measured at the present value of the remaining lease payments, discounted at the MAX Group's marginal borrowing rate as of 1 January 2019. The marginal borrowing rate on 1 January 2019 was 2.1 % worldwide, with the exception of the USA, where it was 4.43 %. In the case of MAX Automation, the marginal borrowing rate is derived from the syndicated loan and a branch line of the syndicated loan in the USA. In accordance with the derivation from the syndicated loan, the marginal borrowing rate was applied to all asset classes regardless of maturity.

As of 1 January 2019, no leases categorized as finance leases existed.

| in TEUR | 2019 |
|---|---|
| **Operating lease commitments disclosed as of 31 December 2018** | **16,739** |
| **Discounted using the lessee's incremental borrowing rate at the time of first-time adoption of IFRS 16** | **0** |
| + Finance lease liabilities recognised as of 31 December 2018 | 11,616 |
| - Short-term leases recognised on a straight-line basis as expense | -258 |
| - Low-value leases recognised on a straight-line basis as expense | 0 |
| - Contracts reassessed as service agreements | 0 |
| + / - Adjustments as a result of a different treatment of extension and termination options | 0 |
| + / - Adjustments relating to changes in the index or rate affectingvariable payments | 0 |
| **Lease liabilities recognized as of January 1, 2019** | **11,358** |
| **Of which are:** | 0 |
| Current lease liabilities | 2,217 |
| Non-current lease liabilities | 9,141 |

The recognized rights-of-use relate to the following asset types:

| in TEUR | 30/06/2019 | 01/01/2019 |
|---|---|---|
| Land and buildings | 10,530 | 9,208 |
| Technical equipment and machinery | 154 | 202 |
| Other plant and office equipment (vehicles - passenger cars) | 1,298 | 1,139 |
| Other plant and office equipment (industrial vehicles) | 164 | 213 |
| Other plant and office equipment (others) | 530 | 596 |
| Total right-of-Use Assets | 12,676 | 11,358 |

The change in accounting policy affected the following balance sheet items as of 1 January 2019 as follows:

| | |
|---|---|
| **Right-of-Use Assets** | **11,358** |
| **Lease liabilities** | **11,358** |

The net effect on retained earnings as of 1 January 2019 was EUR 0.

EBITDA increased as a result of the change in accounting policy as of 30 June 2019:

| in TEUR | 30/06/2019 |
|---|---|
| **EBITDA** | **10,448** |
| Adjustment impact IFRS 16 | -1,331 |
| **Adjusted EBITDA** | **9,117** |

Due to the first-time application of IFRS 16, earnings per share for the period from 1 January 2019 to 30 June 2019 decreased by 0.01 EUR due to the front-loading effect.

**Applied simplifications**

When applying IFRS 16 for the first time, the MAX Group made use of the following facilitations:

- Applying a single discount rate to a portfolio of similar leases
- Transfer of previous assessments as to whether a leasing relationship is burdensome
- The recognition as current leases of leases with a remaining term of less than 12 months as of 1 January 2019
- The non-inclusion of initial direct costs in the measurement of rights-of-use at the initial application date

MAX Automation has decided not to reassess whether a lease is or contains a lease at the first-time application date for leases entered into prior to the transition date, but rather to retain the previous assessment made under IAS 17 and IFRIC 4.

**MAX Group leasing activities and their treatment on the balance sheet**

The MAX Group leases various office and production buildings, technical equipment and machinery, vehicles as well as factory and office equipment. Leasing contracts are generally concluded for fixed periods, but may provide for extension options. The leasing conditions are negotiated individually and include a large number of different conditions.

| Remaining lease term | MAX | MIN |
|---|---|---|
| Land and buildings | 15 | 5 |
| Technical equipment and machinery | 5 | 2 |
| Other plant and office equipment (vehicles - passenger cars) | 5 | 3 |
| Other plant and office equipment (industrial vehicles) | 5 | 4 |
| Other plant and office equipment (others) | 10 | 2 |

Up to and including 2018, leases were classified as either finance or operating leases. Payments under operating leases (less any incentives received from the lessor) are recognized straight-line in profit or loss over the lease term.

Since 1 January 2019, leases have been recognized as rights-of-use and as corresponding lease liabilities at the time when the leased asset is available for use by the MAX Group. Each leasing instalment is divided into repayment and financing expenses. Financing expenses are recognized in profit or loss over the lease term so that a constant periodic rate of interest on the residual amount of the liability is incurred for each period. The right of use is amortized straight-line basis over either the useful life or the lease term, whichever is shorter.

Assets and liabilities from leases are initially recognized at present value. The lease liabilities include the present value of the following lease payments:

- fixed payments (including de facto fixed payments less any leasing incentives to be received)
- variable leasing payments linked to an index or (interest) rate
- expected residual value payments from residual value guarantees of the lessee
- the exercise price of a purchase option if exercise by the lessee is reasonably certain
- penalties for termination of the lease if the term takes into account that the lessee will exercise a termination option.

Lease payments are discounted at the implicit interest rate underlying the lease, if it is determinable. Otherwise, it is discounted at the MAX Group's marginal borrowing rate, i.e. the interest rate that MAX Automation would have to pay if it had to raise funds in order to acquire an asset with a comparable value and on comparable terms in a comparable economic environment.

Rights-of-use are measured at cost, which is composed as follows:

- the amount of the initial measurement of the lease liability
- all lease payments made at or before the date of provision, less any lease incentives received
- all initial direct costs incurred by the lessee, and
- estimated costs incurred by the lessee in dismantling or removing the underlying asset, restoring the site on which it is located, or returning the underlying asset to the condition required by the lease agreement

Payments for short-term leases and leases based on low-value assets are expensed straight-line. Leasing agreements with a term of up to 12 months are regarded as current leases. Low-value assets include, for example, IT equipment and smaller items of factory and office equipment. Assets with a fair value of 5,000 EUR, based on the Basis for Conclusions of IFRS 16, are regarded within the MAX Group as low-value assets, if objectively verifiable.

## Consolidation principles

In the consolidation (elimination) of the investment account, the costs of acquiring the subsidiaries are offset with the fair values of proportionate equity as of the acquisition date (revaluation model). Remaining differences are recognized as goodwill, and tested annually for impairment (DCF method with WACC approach).

As part of consolidating liabilities and income, receivables and liabilities between Group companies, as well as expenses and income incurred or accrued within the Group, are consolidated. Intragroup profits and losses are eliminated.

### Scope of consolidation

All of the Group's active companies are included in its scope of consolidation. These comprise majority interests.

As of the balance sheet date, the scope of consolidation includes not only MAX Automation SE but also a total of 27 subsidiaries and second-tier subsidiaries as well as MAX Automation (Asia Pacific) Co. Ltd., Hong Kong, which is equity accounted.

In line with the clear strategic orientation, the existing companies were divided into the segments Process Technologies, Environmental Technologies, Evolving Technologies and Discontinued Operations. The scope of consolidation is composed as follows:

| Number of companies included | 2019 | 2018 |
|---|---|---|
| Process Technologies | 7 | 7 |
| Environmental Technologies | 8 | 8 |
| Evolving Technologies | 8 | 8 |
| Discontinued Operations | 4 | 6 |
| **Group** | **27** | **29** |

### Changes in the scope of consolidation

On 30 April 2019, MAX Automation (Asia Pacific) Co. Ltd., Hong Kong, in which MAX Automation SE holds a 51.0 % interest, was transitionally consolidated from full consolidation to equity accounted. MAX Automation (Asia Pacific) Co. Ltd., Hong Kong, in turn holds 100.0 % of MAX Automation (Shanghai) Co., Ltd. The transition to the equity method was made in accordance with the requirements of IFRS 10 due to the loss of power and control over the company. In the result from discontinued operations, a loss of TEUR 880 is attributable to MAX Automation (Shanghai) CO., Ltd. until the date of transition consolidation. Minority interests account for EUR 431 thousand of this loss.

The shares in the associated company ESSERT GmbH, Ubstadt-Weiher, were sold by way of notarial deed on 26 June 2019. The closing occurred on 30 June 2019. MAX Automation SE previously held a 44.5 % interest in the company, which was equity accounted in the consolidated financial statements.

## Segment information

The following tables show the segment information for the reportable segments for the half-year ended June 30, 2019. Further details on the individual segments can be found in the interim Group management report with its explanations on the net assets, financial position and results of operations.

| Segment | Process Technologies | | Environmental Technologies | |
|---|---|---|---|---|
| Reporting Period | Q1-Q2 2019 | Q1-Q2 2018 | Q1-Q2 2019 | Q1-Q2 2018 |
| | TEUR | TEUR | TEUR | TEUR |
| **Order intake** | **33,404,150** | **36,189,950** | **82,088,770** | **59,962,910** |
| **Order backlog** | **37,334,160** | **31,459,820** | **59,300,170** | **36,361,850** |
| **Segment sales** | **32,197** | **24,701** | **57,245** | **52,518** |
| With external customers | 32,169 | 24,111 | 57,242 | 52,517 |
| - of which Germany | 12,677 | 9,183 | 9,057 | 10,310 |
| - of which other EU countries | 7,390 | 7,155 | 16,924 | 15,506 |
| - of which North America | 4,614 | 3,114 | 23,253 | 17,834 |
| - of which China | 5,916 | 2,598 | 0 | 0 |
| - of which Rest of the world | 1,571 | 2,062 | 8,008 | 8,867 |
| - Inter-segment revenue | 28 | 590 | 3 | 2 |
| **EBITDA** | **6,677** | **5,277** | **6,273** | **4,355** |
| **EBITDA margin (in %, in relation to total operating revenue)** | **19.1 %** | **19.2 %** | **10.9 %** | **8.2 %** |
| Total operating revenue | 34,894 | 27,438 | 57,638 | 52,881 |
| **Segment operating profit (EBIT before PPA amortization)** | **5,703** | **4,641** | **5,404** | **3,641** |
| Including: | 0 | 0 | 0 | 0 |
| - depreciation/amortization | -974 | -636 | -869 | -714 |
| - Additions to other provisions and pension provisions | -818 | -329 | -937 | -1,060 |
| **Segment operating profit after PPA amortization** | **5,592** | **4,529** | **5,404** | **3,641** |
| Including: | 0 | 0 | 0 | 0 |
| - PPA amortization | -111 | -111 | 0 | 0 |
| - Goodwill Impairment | 0 | 0 | 0 | 0 |
| **Segment result from ordinary activities (EBT)** | **5,443** | **4,428** | **5,349** | **3,538** |
| Including: | 0 | 0 | 0 | 0 |
| - Interest and similar income | 3 | 5 | 64 | 43 |
| - Interest and similar expenses | -152 | -106 | -119 | -146 |
| - Income from equity accounted investments | 0 | 0 | 0 | 0 |
| Income taxes | 80 | -116 | -1,662 | -1,666 |
| **Result from discontinued operations** | **0** | **0** | **0** | **0** |
| **Earnings from continuing operations** | **5,523** | **4,312** | **3,687** | **1,873** |
| **Net income** | **5,523** | **4,312** | **3,687** | **1,873** |
| **Non-current segment assets (excluding deferred tax)** | **19,142** | **15,975** | **14,195** | **12,572** |
| - of which Germany | 14,504 | 12,025 | 11,338 | 10,068 |
| - of which other EU countries | 3,948 | 3,590 | 12 | 42 |
| - of which North America | 501 | 220 | 2,845 | 2,462 |
| - of which Rest of the world | 189 | 140 | 0 | 0 |
| **Investments in non-current segment assets** | **925** | **2,180** | **1,326** | **528** |
| **Working Capital** | **15,024** | **9,691** | **9,106** | **17,970** |
| **Goodwill** | **6,163** | **6,163** | **6,394** | **6,385** |
| **ROCE (in %)** | **34.0 %** | **35.0 %** | **34.0 %** | **23.0 %** |
| **Average number of personnel excluding trainees** | **352** | **282** | **395** | **369** |

| Segment | Evolving Technologies | | Discontinued Operations | |
|---|---|---|---|---|
| **Reporting Period** | **Q1-Q2 2019** | **Q1-Q2 2018** | **Q1-Q2 2019** | **Q1-Q2 2018** |
| | **TEUR** | **TEUR** | **TEUR** | **TEUR** |
| **Order intake** | **53,581,610** | **67,326,790** | **29,451,360** | **50,168,860** |
| **Order backlog** | **95,008,590** | **87,503,630** | **65,889,610** | **114,408,010** |
| **Segment sales** | **59,586** | **57,374** | **36,018** | **70,260** |
| With external customers | 58,815 | 56,671 | 35,900 | 70,144 |
| - of which Germany | 41,160 | 29,965 | 10,117 | 23,191 |
| - of which other EU countries | 9,039 | 15,622 | 15,410 | 7,737 |
| - of which North America | 1,100 | 2,064 | 298 | 3,553 |
| - of which China | 615 | 172 | 7,099 | 24,696 |
| - of which Rest of the world | 6,901 | 8,847 | 2,977 | 10,966 |
| - Inter-segment revenue | 771 | 703 | 118 | 116 |
| **EBITDA** | **6,533** | **3,834** | **-23,070** | **-8,908** |
| **EBITDA margin (in %, in relation to total operating revenue)** | **11.6 %** | **7.0 %** | **-61.2 %** | **-11.1 %** |
| Total operating revenue | 56,431 | 54,784 | 37,684 | 80,039 |
| **Segment operating profit (EBIT before PPA amortization)** | **4,763** | **2,751** | **-23,242** | **-9,911** |
| Including: | 0 | 0 | 0 | 0 |
| - depreciation/amortization | -1,770 | -1,083 | -171 | -1,004 |
| - Additions to other provisions and pension provisions | -1,078 | -671 | -7,065 | -189 |
| **Segment operating profit after PPA amortization** | **4,637** | **2,358** | **-23,242** | **-10,981** |
| Including: | 0 | 0 | 0 | 0 |
| - PPA amortization | -126 | -393 | 0 | -1,070 |
| - Goodwill Impairment | 0 | 0 | 0 | 0 |
| **Segment result from ordinary activities (EBT)** | **4,030** | **1,210** | **-24,126** | **-11,924** |
| Including: | 0 | 0 | 0 | 0 |
| - Interest and similar income | 115 | 48 | 160 | 1 |
| - Interest and similar expenses | -708 | -303 | -1,044 | -944 |
| - Income from equity accounted investments | 0 | 0 | 0 | 0 |
| Income taxes | -2,429 | -1,327 | -3,215 | 618 |
| **Result from discontinued operations** | **0** | **0** | **-27,341** | **-11,306** |
| **Earnings from continuing operations** | **1,602** | **-117** | **0** | **0** |
| **Net income** | **1,602** | **-117** | **-27,341** | **-11,306** |
| **Non-current segment assets (excluding deferred tax)** | **37,251** | **28,431** | **13,956** | **29,124** |
| - of which Germany | 37,095 | 28,418 | 13,943 | 15,299 |
| - of which other EU countries | 0 | 0 | 13 | 28 |
| - of which North America | 0 | 0 | 0 | 0 |
| - of which Rest of the world | 156 | 13 | 0 | 13,796 |
| **Investments in non-current segment assets** | **770** | **659** | **965** | **1,255** |
| **Working Capital** | **2,650** | **25,042** | **42,224** | **69,182** |
| **Goodwill** | **29,512** | **33,712** | **6,841** | **12,748** |
| **ROCE (in %)** | **5.0 %** | **10.4 %** | **-69.0 %** | **-12.0 %** |
| **Average number of personnel excluding trainees** | **553** | **544** | **583** | **481** |

The MAX Automation SE column contains the values of the parent company; the Consolidation column eliminates the business transactions between the segments, in order to reconcile the segment information with the group figures in the Reconciliation column, which represents the total of the two aforementioned columns.

| Segment | MAX Automation SE | | Consolidation | |
|---|---|---|---|---|
| **Reporting Period** | **Q1-Q2 2019** | **Q1-Q2 2018** | **Q1-Q2 2019** | **Q1-Q2 2018** |
| | **TEUR** | **TEUR** | **TEUR** | **TEUR** |
| **Order intake** | **0** | **0** | **-29,451,360** | **-50,168,860** |
| **Order backlog** | **0** | **0** | **-65,889,610** | **-114,408,010** |
| **Segment sales** | **1,343** | **1,358** | **-38,156** | **-72,741** |
| With external customers | 6 | 172 | -35,900 | -70,144 |
| - of which Germany | 6 | 172 | -10,117 | -23,191 |
| - of which other EU countries | 0 | 0 | -15,410 | -7,737 |
| - of which North America | 0 | 0 | -298 | -3,553 |
| - of which China | 0 | 0 | -7,099 | -24,696 |
| - of which Rest of the world | 0 | 0 | -2,977 | -10,966 |
| - Inter-segment revenue | 1,337 | 1,186 | -2,257 | -2,597 |
| **EBITDA** | **-3,008** | **-491** | **21,050** | **7,558** |
| **EBITDA margin (in %, in relation to total operating revenue)** | - | - | - | - |
| Total operating revenue | 1,343 | 1,374 | -39,823 | -82,521 |
| **Segment operating profit (EBIT before PPA amortization)** | **-3,165** | **-595** | **21,222** | **8,562** |
| Including: | 0 | 0 | 0 | 0 |
| - depreciation/amortization | -157 | -104 | 171 | 1,004 |
| - Additions to other provisions and pension provisions | -1,340 | -365 | 7,065 | 189 |
| **Segment operating profit after PPA amortization** | **-3,165** | **-595** | **21,222** | **9,580** |
| Including: | 0 | 0 | 0 | 0 |
| - PPA amortization | 0 | 0 | 0 | 1,018 |
| - Goodwill Impairment | 0 | 0 | 0 | 0 |
| **Segment result from ordinary activities (EBT)** | **-3,579** | **-784** | **21,437** | **10,703** |
| Including: | 0 | 0 | 0 | 0 |
| - Interest and similar income | 1,120 | 921 | -1,428 | -1,010 |
| - Interest and similar expenses | -1,203 | -839 | 1,629 | 1,240 |
| - Income from equity accounted investments | -332 | -271 | 0 | 0 |
| Income taxes | 1,279 | 73 | 3,215 | 2,772 |
| **Result from discontinued operations** | **0** | **0** | **2,359** | **1,407** |
| **Earnings from continuing operations** | **-2,300** | **-710** | **-2,689** | **2,170** |
| **Net income** | **-2,300** | **-710** | **-330** | **3,577** |
| **Non-current segment assets (excluding deferred tax)** | **102,825** | **104,168** | **-84,823** | **-70,264** |
| - of which Germany | 102,825 | 104,168 | -84,810 | -56,439 |
| - of which other EU countries | 0 | 0 | -13 | -28 |
| - of which North America | 0 | 0 | 0 | 0 |
| - of which Rest of the world | 0 | 0 | 0 | -13,796 |
| **Investments in non-current segment assets** | **60** | **51** | **-965** | **-1,255** |
| **Working Capital** | **4,360** | **4,915** | **-43,714** | **-69,182** |
| **Goodwill** | **0** | **0** | **-6,841** | **0** |
| **ROCE (in %)** | - | - | - | - |
| **Average number of personnel excluding trainees** | **5** | **0** | **-583** | **-481** |

| Segment | Reconciliation | | Group | |
|---|---|---|---|---|
| **Reporting Period** | **Q1-Q2 2019** | **Q1-Q2 2018** | **Q1-Q2 2019** | **Q1-Q2 2018** |
| | **TEUR** | **TEUR** | **TEUR** | **TEUR** |
| **Order intake** | **-29,451,360** | **-50,168,860** | **169,074,530** | **163,479,650** |
| **Order backlog** | **-65,889,610** | **-114,408,010** | **191,642,920** | **155,325,300** |
| **Segment sales** | **-36,814** | **-71,382** | **148,232** | **133,470** |
| With external customers | -35,894 | -69,972 | 148,232 | 133,470 |
| - of which Germany | -10,111 | -23,019 | 62,900 | 49,630 |
| - of which other EU countries | -15,410 | -7,737 | 33,353 | 38,283 |
| - of which North America | -298 | -3,553 | 28,968 | 23,011 |
| - of which China | -7,099 | -24,696 | 6,531 | 2,771 |
| - of which Rest of the world | -2,977 | -10,966 | 16,480 | 19,775 |
| - Inter-segment revenue | -920 | -1,411 | 0 | 0 |
| **EBITDA** | **18,042** | **7,067** | **14,456** | **11,625** |
| **EBITDA margin (in %, in relation to total operating revenue)** | - | - | **9.8 %** | **8.7 %** |
| Total operating revenue | -38,480 | -81,147 | 148,166 | 133,996 |
| **Segment operating profit (EBIT before PPA amortization)** | **18,057** | **7,967** | **10,686** | **9,088** |
| Including: | 0 | 0 | 0 | 0 |
| - depreciation/amortization | 15 | 900 | -3,770 | -2,537 |
| - Additions to other provisions and pension provisions | 5,725 | -176 | -4,173 | -2,425 |
| **Segment operating profit after PPA amortization** | **18,057** | **8,985** | **10,448** | **8,533** |
| Including: | 0 | 0 | 0 | 0 |
| - PPA amortization | 0 | 1,018 | -238 | -556 |
| - Goodwill impairment | 0 | 0 | 0 | 0 |
| **Segment result from ordinary activities (EBT)** | **17,857** | **9,920** | **8,554** | **7,173** |
| Including: | 0 | 0 | 0 | 0 |
| - Interest and similar income | -309 | -89 | 33 | 8 |
| - Interest and similar expenses | 426 | 401 | -1,596 | -1,098 |
| - Income from equity accounted investments | -332 | -271 | -332 | -271 |
| Income taxes | 4,495 | 2,845 | -2,731 | 355 |
| **Result from discontinued operations** | **2,359** | **1,407** | **-24,983** | **-9,899** |
| **Earnings from continuing operations** | **-4,989** | **1,460** | **5,823** | **7,528** |
| **Net income** | **-2,630** | **2,866** | **-19,159** | **-2,371** |
| **Non-current segment assets (excluding deferred tax)** | **18,003** | **33,904** | **102,546** | **120,006** |
| - of which Germany | 18,016 | 47,729 | 94,895 | 113,540 |
| - of which other EU countries | -13 | -28 | 3,960 | 3,632 |
| - of which North America | 0 | 0 | 3,346 | 2,682 |
| - of which Rest of the world | 0 | -13,796 | 345 | 152 |
| **Investments in non-current segment assets** | **-905** | **-1,203** | **3,081** | **3,418** |
| **Working Capital** | **-39,354** | **-64,268** | **29,651** | **57,618** |
| **Goodwill** | **-6,841** | **0** | **42,069** | **59,009** |
| **ROCE (in %)** | - | - | **13.0 %** | **14.0 %** |
| **Average number of personnel excluding trainees** | **-578** | **-481** | **1,306** | **1,195** |

Return on capital employed (ROCE) is the ratio of EBIT to capital employed. Capital employed corresponds to the sum of intangible assets, property, plant and equipment, working capital, investment property and goodwill based on the twelve-month average.

## Discontinued operations

On 25 September 2018, MAX Automation announced that the Group was to discontinue the construction of special machines / assembly lines for automotive customers. To this end, a structured disposal process was initiated for the subsidiaries

IWM Automation GmbH, IWM Automation Polska Sp.z.o.o., IWM Automation Bodensee GmbH, ELWEMA Automotive GmbH and MAX Automation (Shanghai) Co. Ltd. As a consequence, the subsidiaries' assets and liabilities were classified as held for sale in the consolidated financial statements.

While the disposal process for the subsidiaries IWM Automation GmbH, IWM Automation Polska Sp.z.o.o., ELWEMA Automotive GmbH and MAX Automation (Shanghai) Co. Ltd. is still ongoing and is to be completed in the course of 2019, the Board of Directors decided on 25 June 2019 to close the loss-making subsidiary IWM Automation Bodensee GmbH in Bermatingen as of 31 December 2019.

Financial information on the discontinued operation is presented below.

**Information about results of operations and cash flows**

| **in TEUR** | **01/01/-30/06/2019** | **01/01/-30/06/2018** |
|---|---|---|
| Sales | 36,018 | 70,260 |
| *thereof intersegmental revenues* | *118* | *116* |
| **External Sales** | **35,900** | **70,144** |
| Expenses | -60,243 | -82,183 |
| *thereof intersegmental expenses* | *-2,397* | *-1,522* |
| **External expenses** | **-57,846** | **-80,661** |
| **earnings before tax** | **-21,946** | **-10,517** |
| income taxes | -3,036 | 618 |
| **total** | **-24,982** | **-9,899** |
| Profit/loss from measurement at fair value less costs to sell | 0 | 0 |
| income taxes | 0 | 0 |
| **result discontinued operations** | **-24,982** | **-9,899** |
| attributable to non-controlling interests | -244 | -335 |

The information about cash flows is included in the cash flow statement itself.

**Assets and liabilities of the discontinued operations**

As of 30 September 2018, the discontinued operations' assets and liabilities were reclassified as "held for sale". Accordingly, the position as of 30 June 2019 is as follows:

| **in TEUR** | **30/06/2019** | **31/12/2018** |
|---|---|---|
| intangible assets | 5,059 | 11,333 |
| goodwill | 7,516 | 7,346 |
| property, plant and equipment | 9,977 | 9,550 |
| inventories | 37,164 | 39,496 |
| trade receivables | 37,532 | 63,844 |
| other assets | 2,866 | 1,366 |
| cash | 434 | 1,739 |
| **Total assets of discontinued operations** | **93,032** | **127,328** |
| loans | 0 | 4,239 |
| provisions | 997 | 4,215 |
| trade payables | 30,981 | 59,665 |
| other liabilities | 7,638 | 12,899 |
| **Total liabilities of discontinued operations** | **39,616** | **81,018** |

Disclosures concerning discontinued operations are restated for the prior periods presented in the financial statements so that the disclosures relate to all operations discontinued up to the reporting date for the current period. As a consequence, the comparative periods presented in the financial statements are to present both the operations classified as discontinued in the comparative periods and those classified as discontinued in the current period as such in the statement of comprehensive income and the statement of cash flows.

In contrast, the balance sheet disclosures are neither retrospectively adjusted nor revalued.

### Earnings per share

Basic earnings per share are calculated by dividing the earnings after taxes attributable to the owners of MAX Automation SE by the weighted average number of shares outstanding in the respective financial year.

At present, MAX Automation SE has not issued any dilutive instruments. For this reason, undiluted and diluted earnings per share are identical.

Undiluted (basic) / Diluted earnings per share:

| **in EUR** | **Q1-Q2.2019** | **Q1-Q2.2018** |
|---|---|---|
| **Earnings attributable to the shareholders of MAX Automation SE** | | |
| earnings per share from continuing operations | 0.21 | 0.26 |
| earnings per share from discontinued operations | -0.85 | -0.32 |
| **Earnings per share from operations** | **-0.64** | **-0.07** |

Reconciliation of earnings used to calculate undiluted/diluted earnings per share:

| **in TEUR** | **Q1-Q2.2019** | **Q1-Q2.2018** |
|---|---|---|
| **Profit attributable to the shareholders of MAX Automation SE used in calculation basic earnings per share undiluted/diluted** | | |
| from continuing operations | 6,072 | 7,605 |
| from discontinued operations | -24,983 | -9,564 |
| **Operations** | **-18,911** | **-1,959** |

Weighted average number of shares used as denominator:

| **Number** | **Q1-Q2.2019** | **Q1-Q2.2018** |
|---|---|---|
| **Weighted average number of shares used as the denominator in calculation basic of undiluted/diluted earnings per share** | | |
| **Weighted average number of shares** | **29,459,415** | **29,459,415** |

In the reporting period, the number of weighted shares corresponds to the number of shares issued.

### Events after the 30 June 2019 reporting date

On 12 July 2019, the works council and the company's management concluded and signed IWM Automation Bodensee GmbH a social plan as part of the discontinuation of the company's operating activities.

At the works meeting on 23 July 2019, the key framework conditions of the social plan were presented to the workforce.

The social plan comprises a volume of EUR 7.5 million, of which EUR 4.3 million is available for severance payments and a further EUR 3.2 million for a transfer company. The exact costs can only be quantified once it has been determined how many employees will accept the offer and transfer to the transfer company.

No further events occurred after the 30 June 2019 reporting date.

## Responsibility statement

To the best of our knowledge, we assure that, pursuant to applicable accounting principles for interim reporting, the condensed consolidated financial statements convey a true and fair view of the Group's financial position and performance, the course of business, including the business results and the Group's position, are presented in the condensed interim Group management report so as to convey a true and fair view, and the significant opportunities and risks pertaining to the Group's prospective development are described.

Dusseldorf, 13 August 2019

| | | | |
|---|---|---|---|
| Andreas Krause | Werner Berens | Dr. Guido Hild | Patrick Vandenrhijn |
| CFO and Chairman<br>of the Management Board | Head of business unit<br>Environmental Technologies | Head of business unit<br>Evolving Technologies | Head of business unit<br>Process Technologies |

# REVIEW REPORT

## Review of the condensed interim consolidated financial statements and the interim group management report as of June 30, 2019

**To MAX Automation SE, Dusseldorf**

We have reviewed the condensed consolidated interim financial statements - comprising the condensed statement of financial position, condensed statement of comprehensive income, condensed statement of cash flows, condensed statement of changes in equity and selected explanatory notes - and the interim group management report of MAX Automation SE for the period from 1 January 2019 to 30 June 2019 which are part of the half year financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material aspects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Dusseldorf, 14 August 2019

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Dr. Andreas Focke | ppa. Mirsad Grizovic |
| Wirtschaftsprüfer | Wirtschaftsprüfer |
| (German Public Auditor) | (German Public Auditor) |

# IMPRESSUM

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This report is also available in German. In the event of differences, the German version takes precedent. The digital version of the MAX Automation SE annual report and the interim reports are available online at www.maxautomation.com under "Investor Relations / Financial Reports."

## DISCLAIMER

This interim report contains forward-looking statements regarding the business, earnings, financial and asset position of MAX Automation SE and its subsidiaries. These statements are based on the company's current plans, estimates, forecasts and expectations and are therefore subject to risks and uncertainties that could cause actual developments to differ significantly from those anticipated. These forward-looking statements are only valid at the time of publication of this quarterly report. MAX Automation SE does not intend to update these forward-looking statements and assumes no obligation to do so.