

# 9 MONTHS REPORT 2020



GERMANY  
STUTT GART  
BERLIN  
FRANKFURT  
HAMBURG  
HANOVER  
MANNHEIM  
MUNICH  
OELSNITZ  
RATINGEN  
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<b>CENIT Aktiengesellschaft, Stuttgart</b>		
<b>At a glance – January 1 until September 30, 2020</b>		
in EUR k	September 30 <sup>th</sup> , 2020	September 30 <sup>th</sup> , 2019
Sales	109,710	126,156
Gross profits	53,977	63,119
EBITDA	6,049	8,901
Operating returns (EBIT)	1,672	4,546
EBT	1,545	4,443
Net income of the group	928	3,089
Earnings per share (basic) in EUR	0.11	0.36
Earnings per share (diluted) in EUR	0.11	0.36
Number of employees at end of period	711	734
EBIT-Margin	1.5%	3.6%
Profit-Margin	0.8%	2.4%
in EUR k	September 30 <sup>th</sup> , 2020	December 31 <sup>st</sup> , 2019
Equity in ratio	50.2%	45.8%
Equity	41,400	40,940
Liabilities	41,061	48,408
Balance sheet total	82,461	89,348

## **OVERVIEW OF 9 MONTHS FIGURES**

During the first nine months, CENIT group generated sales of EUR k 109,710 (prior year: EUR k 126,156/-13.0%). EBITDA amounted to EUR k 6,049 (prior year: EUR k 8,901/-32.0%) at EBIT of EUR k 1,672 (prior year: EUR k 4,546/-63.2%). Earnings per share were EUR 0.11 (prior year: EUR 0.36).

## **BREAKDOWN OF EARNINGS**

In the PLM segment, CENIT achieved earnings of EUR k 99,601 (prior year: EUR k 114,845/-13.3%) in the first nine months. The EIM segment attained a sales total of EUR k 10,109 against EUR k 11,311 during the same period of 2019 (-10.6%). Sales of third-party software totaled EUR k 69,227 (prior year: EUR k 78,231/-11.5%), while sales of CENIT's proprietary software decreased from EUR k 11,364 to EUR k 11,053/-2.7%. Sales in the service and consulting segment amounted to EUR k 29,127 (prior year: EUR k 36,474/-20.1%). Other sales totaled EUR k 303 (prior year: EUR k 88/> 100.0%).

## **COST DEVELOPMENT**

Other expenses totaled EUR k 6,603 (prior year: EUR k 8,698).

## **INVESTMENTS**

Investments expenditures in the first nine months 2020 amounted to EUR k 736 (prior year: EUR k 900).

## **CHANGES IN MANAGING AND SUPERVISORY BODIES**

Dr. Markus Wesel was appointed to the Management Board as from July 1, 2020. Dr. Markus Wesel will successively take over the tasks of Matthias Schmidt as CFO in the coming months.

## **EVENTS OF SPECIAL SIGNIFICANCE WHICH MAY AFFECT THE RESULT OF BUSINESS ACTIVITY**

COVID 19 pandemic, see supplementary, opportunities and forecast reports.

## **INTERIM DIVIDEND**

No interim dividend has been disbursed.

## **DIVIDENDS PAID OR PROPOSED FOR PAYMENT**

The Management Board and the Supervisory Board of CENIT AG had proposed to the Annual General Meeting on July 2, 2020 that no dividend should be distributed to shareholders for the 2019 business year due to the economic crisis caused by the COVID 19 pandemic. This proposal was approved at the Annual General Meeting.

## **ORDERS SITUATION**

The group-wide order intake totaled EUR k 105.195 (prior year: EUR k 124,939/-15.8%). Orders in hand as at September 30<sup>th</sup>, 2020 amounted to EUR k 42,708 (prior year: EUR k 52,172/-18.1%).

### **ORDERS OF SPECIAL SIGNIFICANCE**

None.

### **LIQUID ASSETS AND SECURITIES**

On the balance-sheet date, bank deposits totaled EUR k 27,234 (31 Dec. 2019: EUR k 18,461).

### **ASSET, FINANCIAL AND EARNINGS SITUATION**

The balance-sheet total is EUR k 82,461. Trade receivables totaled EUR k 11,594. On the balance-sheet date, equity capital amounted to approx. EUR k 41,400 (31 Dec. 2019: EUR k 40,940) at an equity ratio of 50.2% (31 Dec. 2019: 45.8%). Operative cash flow totaled EUR k 12,320 (prior year: EUR k 12,540).

### **EMPLOYEES**

On 30 September 2020, CENIT employed staff group-wide 711 (prior year: 734).

### **SUPPLEMENTARY, OPPORTUNITIES AND FORECAST REPORTS**

The global economic environment continues to be characterized by great uncertainties due to the corona virus pandemic, especially in our main sectors of automotive, aerospace and mechanical engineering. It therefore remains difficult to predict the negative effects.

Based on the results so far and the current business development, we expect sales in the range of EUR k 145,000 to EUR k 150,000 and EBIT of EUR k 1,500 to EUR k 2,000.

<b>CENIT Aktiengesellschaft, Stuttgart</b>		
<b>CONSOLIDATED BALANCE SHEET (in accordance with IFRSs) (unaudited)</b>		
in EUR k	September 30 <sup>th</sup> , 2020	December 31 <sup>st</sup> , 2019
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	11,396	12,223
Property, plant and equipment	13,647	16,476
Investment in Joint Venture	60	60
Other financial assets	2,500	2,615
Deferred tax assets	1,191	1,224
<b>NON-CURRENT ASSETS</b>	<b>28,794</b>	<b>32,598</b>
<b>CURRENT ASSETS</b>		
Inventories	22	258
Trade receivables	11,594	20,395
Receivables from investments recognized at equity	2,455	4,413
Contract assets	3,319	3,727
Current tax assets	1,169	1,514
Other receivables	620	408
Cash and cash equivalents	27,234	18,461
Prepaid expenses	7,254	7,574
<b>CURRENT ASSETS</b>	<b>53,667</b>	<b>56,750</b>
<b>TOTAL ASSETS</b>	<b>82,461</b>	<b>89,348</b>

<b>CENIT Aktiengesellschaft, Stuttgart</b>		
<b>CONSOLIDATED BALANCE SHEET (in accordance with IFRSs) (unaudited)</b>		
in EUR k	September 30 <sup>th</sup> , 2020	December 31 <sup>st</sup> , 2019
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Issued capital	8,368	8,368
Capital reserve	1,058	1,058
Currency translation reserve	1,004	1,058
Statutory earnings reserve	418	418
Other earnings reserves	13,770	13,771
Profit carried forward	15,161	8,289
Net profit	956	6,872
<b>Equity attributable to shareholders of CENIT AG</b>	<b>40,735</b>	<b>39,834</b>
Non-controlling interests	665	1,106
<b>TOTAL EQUITY</b>	<b>41,400</b>	<b>40,940</b>
<b>NON-CURRENT LIABILITIES</b>		
Other liabilities	561	834
Pension obligation	1,565	1,480
Non-current lease liability	9,132	11,027
Deferred tax liabilities	31	142
<b>NON-CURRENT LIABILITIES</b>	<b>11,289</b>	<b>13,483</b>
<b>CURRENT LIABILITIES</b>		
Trade liabilities	2,910	5,964
Liabilities to investments recognized at equity	200	34
Other liabilities	6,733	10,959
Current lease liability	2,624	3,102
Current income tax liabilities	464	309
Other provisions	153	132
Contract liabilities	16,688	14,425
<b>CURRENT LIABILITIES</b>	<b>29,772</b>	<b>34,925</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>82,461</b>	<b>89,348</b>

<b>CENIT Aktiengesellschaft, Stuttgart</b>			
<b>CONSOLIDATED BALANCE SHEET (in accordance with IFRSs) (unaudited)</b>			
in EUR k		1 <sup>st</sup> Jan – 30 <sup>th</sup> Sept 2020	1 <sup>st</sup> Jan – 30 <sup>th</sup> Sept 2019
<b>1. REVENUE</b>		<b>109,710</b>	<b>126,156</b>
2. Increase/decrease in work of process		0	0
<b>Total operating performance</b>		<b>109,710</b>	<b>126,156</b>
3. Other income		966	859
<b>Operating performance</b>		<b>110,676</b>	<b>127,015</b>
4. Cost of materials	56,699		63,896
5. Personnel expenses	41,325		45,520
6. Amortization and depreciation of intangible assets and property, plant and equipment	4,377		4,355
7. Other expenses	6,603		8,698
		109,004	122,469
<b>OPERATING RESULT (EBIT)</b>		<b>1,672</b>	<b>4,546</b>
8. Other interest and similar income	0		0
9. Other interest and similar expenses	127		103
		-127	-103
<b>RESULT BEFORE INCOME TAX (EBT)</b>		<b>1,545</b>	<b>4,443</b>
10. Income taxes		617	1,354
<b>NET INCOME OF THE GROUP FOR THE YEAR</b>		<b>928</b>	<b>3,089</b>
thereof attributable to the shareholders of CENIT AG		956	3,044
thereof attributable to non-controlling interests		-28	45
Earnings per share in EUR			
basic		0.11	0.36
diluted		0.11	0.36

<b>CENIT Aktiengesellschaft, Stuttgart</b>			
<b>CONSOLIDATED BALANCE SHEET (in accordance with IFRSs) (unaudited)</b>			
in EUR k		3rd Quarter 2020	3rd Quarter 2019
<b>1. REVENUE</b>		<b>35,021</b>	<b>41,661</b>
2. Increase/decrease in work of process		0	0
<b>Total operating performance</b>		<b>35,021</b>	<b>41,661</b>
3. Other income		266	314
<b>Operating performance</b>		<b>35,287</b>	<b>41,975</b>
4. Cost of materials	18,188		20,933
5. Personnel expenses	12,675		14,461
6. Amortization and depreciation of intangible assets and property, plant and equipment	1,351		1,432
7. Other expenses	2,183		2,663
		34,396	39,490
<b>OPERATING RESULT (EBIT)</b>		<b>891</b>	<b>2,485</b>
8. Other interest and similar income	0		0
9. Other interest and similar expenses	39		69
		-39	-69
<b>RESULT BEFORE INCOME TAX (EBT)</b>		<b>852</b>	<b>2,416</b>
10. Income taxes		236	724
<b>NET INCOME OF THE GROUP FOR THE YEAR</b>		<b>616</b>	<b>1,692</b>
thereof attributable to the shareholders of CENIT AG		646	1.685
thereof attributable to non-controlling interests		-30	7
Earnings per share in EUR			
basic		0.08	0.20
diluted		0.08	0.20



<b>CENIT Aktiengesellschaft, Stuttgart</b>		
<b>CONSOLIDATED STATEMENT OF CASH FLOWS (in accordance with IFRS) (unaudited)</b>		
in EUR k	1 <sup>st</sup> Jan – 30 <sup>th</sup> Sept 2020	1 <sup>st</sup> Jan – 30 <sup>th</sup> Sept 2019
<b>Cash flow from operating activities</b>		
Net income of the Group for the year	928	3,089
Adjusted for:		
Amortization/depreciation of intangible assets and property, plant and equipment	4,377	4,355
Gains (-) and losses (+) on disposals of assets	3	-3
Finance cost	127	103
Tax expenses	617	1,354
Increase/decrease in other non-current assets	0	0
Increase/decrease in other non-current liabilities and long-term provisions	401	-559
Interest paid	-127	-103
Interest received	0	0
Income tax paid	-43	-2,477
Increase/decrease in trade receivables and other current non-cash assets	10,998	8,463
Increase/decrease in inventories	236	16
Increase/decrease in current liabilities and provisions	-5,197	-1,698
<b>Net cash flows from operating activities</b>	<b>12,320</b>	<b>12,540</b>
<b>Cash flow from investing activities</b>		
Cash paid for purchase of property, plant and equipment and intangible assets	-736	-900
Cash paid for purchase of shares in fully consolidated entities (net cash outflow)	-103	-137
Cash paid for investments	0	0
Cash received from the sale of property, plant and equipment	0	0
<b>Net cash paid for investing activities</b>	<b>-839</b>	<b>-1,037</b>
<b>Cash flow from financing activities</b>		
Cash repayments of lease liability	-2,481	-2,517
Dividends paid to shareholders	0	-5,021
Dividends paid to non-controlling interests	-196	-196
<b>Net cash paid for financing activities</b>	<b>-2,677</b>	<b>-7,734</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>8,804</b>	<b>3,769</b>
Change in cash and cash equivalents due to foreign exchange differences	-31	78
Cash and cash equivalents at the beginning of the reporting period	18,461	18,038
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>27,234</b>	<b>21,885</b>

<b>CENIT Aktiengesellschaft, Stuttgart</b>			
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in accordance with IFRS)</b>			
<b>(unaudited)</b>			
In EUR k		1 <sup>st</sup> Jan – 30 <sup>th</sup> Sept 2020	1 <sup>st</sup> Jan – 30 <sup>th</sup> Sept 2019
<b>Net income for the year</b>		<b>928</b>	<b>3,089</b>
Other comprehensive income			
Items that will be reclassified to the income statement in the future under certain circumstances			
Currency translation reserve of foreign subsidiaries	-54	-54	92
Items that will not be reclassified to the income statement in the future			
Actuarial gains/losses from defined benefit obligations and similar obligations	0		0
Deferred taxes recognised on other comprehensive income	0		0
<b>Other comprehensive income after tax</b>		<b>-54</b>	<b>92</b>
<b>Total comprehensive income</b>		<b>874</b>	<b>3,181</b>
Thereof attributable to the shareholders of CENIT AG		902	3,136
Thereof attributable to non-controlling interests		-28	45

<b>CENIT Aktiengesellschaft, Stuttgart</b>									
<b>STATEMENT OF CHANGES IN EQUITY (in accordance with IFRS) (unaudited)</b>									
	Attributable to shareholders of CENIT AG								
in EUR k	Sub-scribed capital	Capital reserves	Currency translation reserve	Revenue reserves		Profit carried forward	Net income	Non-controlling interests	Total
				Legal reserve	Other reserves				
<b>As of 1<sup>st</sup> January 2019</b>	<b>8,368</b>	<b>1,058</b>	<b>1,009</b>	<b>418</b>	<b>13,663</b>	<b>7,361</b>	<b>5,948</b>	<b>1,277</b>	<b>39,102</b>
Net income prior year						5,948	-5,948	0	0
Total comprehensive income			49		180		6,872	90	7,191
Acquisition of minorities					-72			-64	-136
Dividend distribution						-5,021		-196	-5,217
<b>As of 31<sup>st</sup> December 2019</b>	<b>8,368</b>	<b>1,058</b>	<b>1,058</b>	<b>418</b>	<b>13,771</b>	<b>8,289</b>	<b>6,872</b>	<b>1,106</b>	<b>40,940</b>
Net income prior year						6,872	-6,872	0	0
Total comprehensive income			-54		0		956	-28	874
Acquisition of minorities					-1			-217	-218
Dividend distribution								-196	-196
<b>As of 30<sup>th</sup> September 2020</b>	<b>8,368</b>	<b>1,058</b>	<b>1,004</b>	<b>418</b>	<b>13,770</b>	<b>15,161</b>	<b>956</b>	<b>665</b>	<b>41,400</b>

**CENIT Aktiengesellschaft**  
**Segment Reporting by Business Unit (in accordance with IFRSs) unaudited**

		<b>EIM</b>	<b>PLM</b>	<b>Recon- ciliation</b>	<b>Group</b>
in EUR k					
<b>External revenue</b>	Q1-Q3 2020	10,109	99,601	0	<b>109,710</b>
	Q1-Q3 2019	11,311	114,845	0	<b>126,156</b>
<b>EBIT</b>	Q1-Q3 2020	1,013	659	0	<b>1,672</b>
	Q1-Q3 2019	993	3,553	0	<b>4,546</b>
<b>Other interest result and financial result</b>	Q1-Q3 2020	0	0	-127	<b>-127</b>
	Q1-Q3 2019	0	0	-103	<b>-103</b>
<b>Income taxes</b>	Q1-Q3 2020	0	0	617	<b>617</b>
	Q1-Q3 2019	0	0	1,354	<b>1,354</b>
<b>Net income of the Group</b>	Q1-Q3 2020	1,013	659	-744	<b>928</b>
	Q1-Q3 2019	1,514	2,285	-710	<b>3,089</b>
<b>Segment assets</b>	Q1-Q3 2020	3,857	49,010	29,594	<b>82,461</b>
	Q1-Q3 2019	4,857	60,573	22,578	<b>88,008</b>
<b>Segment liabilities</b>	Q1-Q3 2020	4,749	35,817	495	<b>41,061</b>
	Q1-Q3 2019	4,088	46,244	746	<b>51,078</b>
<b>Investments in property, plant and equipment and intangible assets</b>	Q1-Q3 2020	85	651	0	<b>736</b>
	Q1-Q3 2019	98	802	0	<b>900</b>
<b>Amortization and depreciation</b>	Q1-Q3 2020	449	3,928	0	<b>4,377</b>
	Q1-Q3 2019	533	3,822	0	<b>4,355</b>

**EIM = Enterprise Information Management; PLM = Product Lifecycle Management**
**CENIT Aktiengesellschaft**  
**Group Segment Report by Region (in accordance with IFRSs) unaudited**

		<b>Germany</b>	<b>Switzerland</b>	<b>North America</b>	<b>Romania</b>	<b>Frankreich</b>	<b>Belgium</b>	<b>Netherlands</b>	<b>Japan</b>	<b>Reconciliation</b>	<b>Consolidation</b>	<b>Group</b>
in EUR k												
<b>External revenue</b>	Q1-Q3 2020	61,284	7,637	5,108	1,416	28,709	2,844	1,738	974	0	0	<b>109,710</b>
	Q1-Q3 2019	66,700	8,469	8,235	2,228	34,837	3,169	1,503	1,015	0	0	<b>126,156</b>
<b>Longterm Segment assets</b>	Q1-Q3 2020	22,221	167	242	132	7,515	92	43	58	1,191	-2,867	<b>28,794</b>
	Q1-Q3 2019	23,802	206	392	242	9,369	161	84	20	693	-2,858	<b>32,111</b>



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